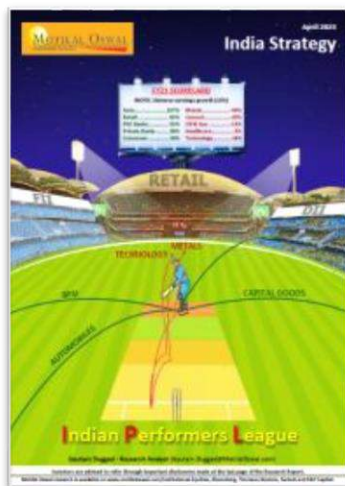


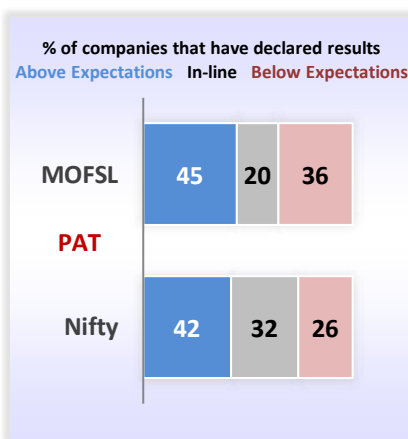
BSE Sensex: 62,622

Nifty-50: 18,534

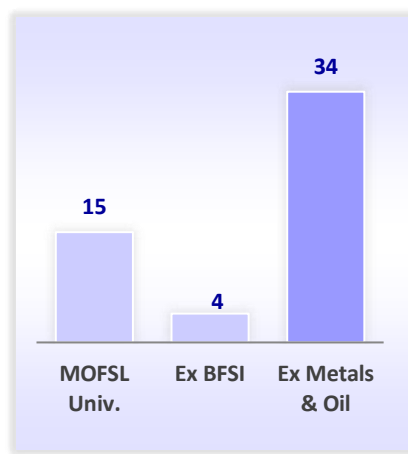
Refer to our Mar'23  
Quarter Preview



## 4QFY23: Expectations v/s delivery



## 4QFY23: PAT growth YoY (%)



## Earnings review – 4QFY23: Financials reprises its role; Auto shines!

### Earnings upgrade in Auto and BFSI; cut in IT, Metals and Healthcare

- **Corporate earnings – impressive but lopsided:** Amid a challenging global macro backdrop, India Inc.'s profitability remained healthy in 4QFY23 – in line with our expectations. Our coverage universe reported the highest earnings growth in the last four quarters. Corporate earnings were driven by Financials and Auto, while Metals dragged aggregate profitability.
- **Metals remain a drag; BFSI continues to lead:** Earnings of the MOFSL Coverage Universe jumped to a four-quarter high of 15% YoY (est. of +14% YoY) in 4QFY23, while Nifty's earnings growth stood at 16% YoY (est. of +14% YoY). This aggregate performance was fueled by BFSI/Auto that posted 43%/115% YoY earnings growth. Conversely, weaker-than-expected performance of Metals that clocked 45% YoY earnings decline (PAT of all companies within our coverage declined YoY with Tata Steel's profit plunging 83% YoY) dragged overall growth. Excluding Metals and O&G, the MOFSL Universe and Nifty clocked a solid 34% and 30% YoY earnings growth (v/s expectations of 29% and 23% growth), respectively. Along with Metals, the Cement, Healthcare and Retail sectors too dragged 4QFY23 earnings. Excluding BFSI, profits grew 4% YoY (est. of +5%) for the MOFSL Universe.
- **The beat-miss dynamics:** The beat-miss ratio for the MOFSL Universe was favorable as 45% of the companies beat our estimates, while 36% missed at the PAT level. For our Coverage Universe, however, the earnings upgrade to downgrade ratio is largely balanced for FY24E as 64 companies reported earnings upgrades of >3%, while 72 companies' earnings were downgraded by >3%. Moreover, EBITDA margin of the MOFSL Universe (ex-Financials) contracted 120bp YoY to 16.1% in 4QFY23.
- **Heavyweights continue to deliver:** Earnings performances of both MOFSL Universe and Nifty were lopsided in 4QFY23 and led by a few heavyweights only. Five companies within MOFSL Universe (SBI, Tata Motors, BPCL, IOC and Reliance Industries) contributed 83% of the incremental YoY accretion in earnings. Similarly, within Nifty, five companies (SBI, Tata Motors, BPCL, Reliance Industries, and Axis Bank) contributed 96% of the incremental YoY accretion in earnings.
- **Report card:** Of the 21 sectors under our Coverage, six/eight/seven sectors reported profits above/in-line/below our estimates. Of the 228 companies under our Coverage, 102 exceeded estimates, 81 recorded a miss, and 45 were in line on the PAT front.
- **FY23 earnings highlights:** The MOFSL Universe delivered sales/EBITDA/PAT growth of 24%/4%/4% YoY in FY23. While Auto and BFSI were the key growth drivers with 127% and 64% YoY earnings growth, the global commodities such as Metals and O&G were the prime drags with 46% and 20% YoY earnings decline, respectively.
- **Nifty exits FY23 with 11% EPS growth:** Nifty EPS for FY23 was reduced by 0.6% to INR807 (earlier: INR812) largely due to notable downgrades in ONGC, Coal India, and BPCL. FY24E EPS also saw a cut of 0.6% to INR972 (earlier: INR978) due to downgrades in ONGC, BPCL, and Infosys.

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

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

**Key sectoral highlights –** 1) **Technology:** IT companies reported a mixed performance overall in 4QFY23, with tier-1 firms delivering muted revenue growth and modest margins, while tier-2 companies outpaced the tier-1 pack with stronger revenue growth. 2) **Banks:** Reported a strong 4QFY23, driven by healthy loan growth, stable margins, and continued asset quality improvements. There were numerous drivers of credit expansion, with the Retail and MSME sectors exhibiting robust growth and the corporate book displaying a healthy rebound. 3) **Automobiles:** Volumes grew YoY across segments, except 2Ws that remained flat due to a decline in exports. 4) **Consumer:** The overall performance of our Coverage Universe was a mixed bag with some companies reporting robust volume growth, while others recording strong value growth. However, there have been encouraging developments on margin front.

- **The top earnings upgrades in FY24E:** Tata Motors (13%), Bharti Airtel (8%), Bajaj Auto (7.3%), Divi's Lab (7%), and Hero Motorcop (5%).
- **The top earnings downgrades in FY24E:** ONGC (-16%), UPL (-13%), Grasim Industries (-11%), Hindalco (-9%), and Coal India (-8%).
- **Our view:** Nifty ended FY23 with a 11% EPS growth on a high base of 34% growth in FY22. Earnings though remain lopsided with BFSI driving almost entire incremental earnings in FY23. With healthy macros, range-bound oil prices, robust fiscal balance sheet and moderating inflation, the backdrop for the market is quite optimistic. **We maintain our OW stance on Financials, Capex, Autos and Consumption. We are Neutral on IT and Healthcare while we have UW stance on Metals, Energy and Utilities in our model portfolio.**

#### Exhibit 1: Preferred ideas

|                                  | MCap   | CMP   | EPS (INR) |       |       | EPS CAGR (%) | PE (x) |       |       | PB (x) |       |       | ROE (%) |       |       |
|----------------------------------|--------|-------|-----------|-------|-------|--------------|--------|-------|-------|--------|-------|-------|---------|-------|-------|
| Company                          | (USDb) | (INR) | FY23      | FY24E | FY25E | FY23-25      | FY23   | FY24E | FY25E | FY23   | FY24E | FY25E | FY23    | FY24E | FY25E |
| Preferred large cap stocks       |        |       |           |       |       |              |        |       |       |        |       |       |         |       |       |
| ITC                              | 66.6   | 450   | 15.1      | 17.5  | 19.8  | 14.5         | 25.4   | 25.7  | 22.7  | 7.1    | 7.8   | 7.4   | 29.0    | 31.3  | 33.5  |
| ICICI Bank                       | 80.2   | 950   | 45.8      | 53.7  | 62.4  | 16.7         | 19.2   | 17.7  | 15.2  | 3.1    | 2.9   | 2.5   | 17.5    | 17.6  | 17.6  |
| Bajaj Finance                    | 51.2   | 7,003 | 190.4     | 230.0 | 291.0 | 23.6         | 29.5   | 30.4  | 24.1  | 6.3    | 6.5   | 5.2   | 23.7    | 23.3  | 24.0  |
| HCL Technologies                 | 37.3   | 1,136 | 54.8      | 60.6  | 69.3  | 12.5         | 19.8   | 18.7  | 16.4  | 4.5    | 4.8   | 4.8   | 23.3    | 25.3  | 29.3  |
| Titan Company                    | 30.1   | 2,802 | 36.8      | 45.6  | 56.1  | 23.5         | 68.4   | 61.5  | 50.0  | 18.8   | 17.0  | 13.9  | 30.8    | 30.6  | 30.7  |
| Sun Pharma                       | 27.8   | 959   | 35.8      | 40.1  | 45.5  | 12.8         | 27.5   | 23.9  | 21.1  | 4.2    | 3.6   | 3.1   | 16.6    | 16.1  | 15.9  |
| UltraTech Cement                 | 27.5   | 7,900 | 175.4     | 239.7 | 281.7 | 26.7         | 43.4   | 33.0  | 28.0  | 4.0    | 3.8   | 3.4   | 9.7     | 12.1  | 12.8  |
| ONGC                             | 24.6   | 159   | 30.4      | 42.2  | 43.2  | 19.3         | 5.0    | 3.8   | 3.7   | 0.7    | 0.7   | 0.6   | 14.4    | 18.3  | 16.8  |
| Mahindra & Mahindra              | 19.2   | 1,328 | 64.9      | 77.8  | 87.4  | 16.1         | 17.9   | 17.1  | 15.2  | 3.2    | 3.1   | 2.7   | 19.1    | 19.8  | 19.0  |
| P I Industries                   | 6.4    | 3,471 | 80.9      | 107.0 | 122.6 | 23.1         | 37.4   | 32.4  | 28.3  | 6.4    | 6.1   | 5.1   | 18.5    | 20.5  | 19.6  |
| Preferred midcap/smallcap stocks |        |       |           |       |       |              |        |       |       |        |       |       |         |       |       |
| Indian Hotels                    | 6.6    | 385   | 7.0       | 8.7   | 10.4  | 21.5         | 46.1   | 44.1  | 37.0  | 5.8    | 6.0   | 5.2   | 13.3    | 14.5  | 15.1  |
| Ashok Leyland                    | 5.2    | 146   | 4.5       | 7.6   | 9.1   | 41.8         | 30.8   | 19.3  | 16.1  | 4.8    | 4.3   | 3.5   | 16.8    | 24.0  | 24.0  |
| Godrej Properties                | 4.7    | 1,386 | 22.4      | 32.7  | 43.9  | 40.1         | 46.1   | 42.4  | 31.6  | 3.1    | 3.8   | 3.3   | 6.9     | 9.4   | 12.7  |
| M & M Financial                  | 4.3    | 286   | 16.1      | 18.5  | 22.8  | 19.0         | 14.4   | 15.4  | 12.6  | 1.7    | 2.0   | 1.8   | 12.6    | 13.4  | 15.0  |
| Jubilant Foodworks               | 3.9    | 488   | 6.1       | 6.8   | 9.1   | 21.8         | 72.1   | 72.1  | 53.9  | 14.3   | 13.0  | 13.5  | 19.8    | 18.0  | 25.1  |
| Vedant Fashions                  | 3.8    | 1,294 | 17.7      | 21.4  | 26.2  | 21.7         | 64.4   | 60.4  | 49.4  | 20.4   | 18.9  | 15.5  | 34.6    | 33.4  | 33.4  |
| APL Apollo Tubes                 | 3.4    | 1,114 | 23.1      | 33.1  | 45.3  | 39.9         | 52.0   | 33.7  | 24.6  | 11.1   | 8.2   | 6.3   | 24.4    | 27.0  | 29.0  |
| Metro Brands                     | 3.2    | 971   | 13.3      | 14.9  | 20.0  | 22.8         | 59.7   | 65.2  | 48.5  | 13.6   | 14.3  | 12.0  | 25.7    | 24.2  | 27.6  |
| Poonawalla Fincorp               | 3.2    | 340   | 7.6       | 12.0  | 17.2  | 50.2         | 38.4   | 28.2  | 19.8  | 3.5    | 2.5   | 2.3   | 9.6     | 11.0  | 12.1  |
| Lemon Tree Hotel                 | 0.9    | 96    | 1.6       | 1.9   | 3.3   | 41.8         | 47.3   | 50.9  | 29.1  | 7.1    | 7.5   | 6.0   | 15.2    | 16.0  | 22.9  |

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

**Performance in line: BFSI continues to lead the charge**

- The MOFSL Universe reported sales/EBITDA/PBT/PAT of 12%/9%/12%/15% YoY (est. 9%/13%/15%/14% YoY) in 4QFY23. Excluding Metals and O&G, profit for the MOFSL Universe grew 34% YoY (in line with estimate).
- Corporate earnings were in line with MOFSL expectations in 4QFY23, being driven by Financials and Auto while Metals dragged aggregate profitability.
- The banking sector reported a strong 4QFY23, driven by healthy loan growth, stable margins, and continued asset quality improvements. There were numerous drivers of credit expansion, with the Retail and MSME sectors exhibiting robust growth and the corporate book displaying a healthy rebound.
- EBITDA margin of the MOFSL Universe (ex-Financials) contracted 120bp YoY to 16.1%. Gross margin for a few sectors contracted sharply, while a few bounced back. In 4QFY23, five of the 13 major sectors under MOFSL Coverage reported a contraction in gross margin YoY, while eight sectors witnessed a recovery.

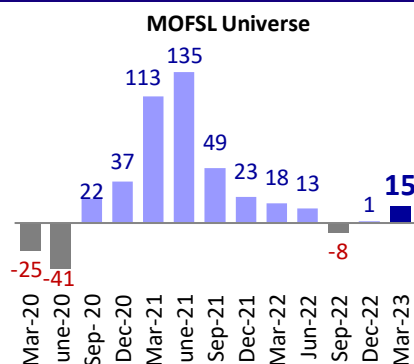
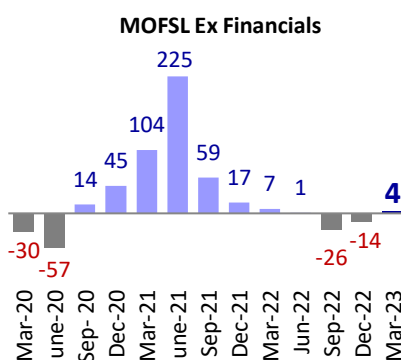
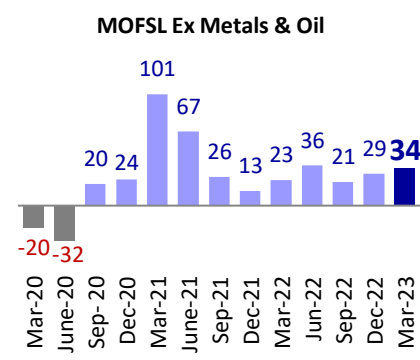
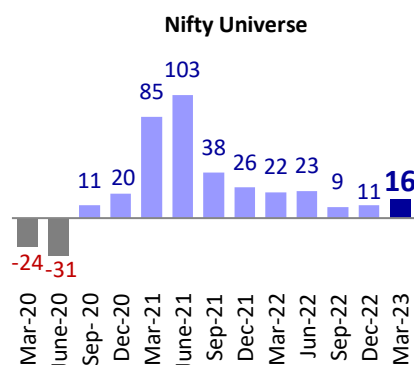
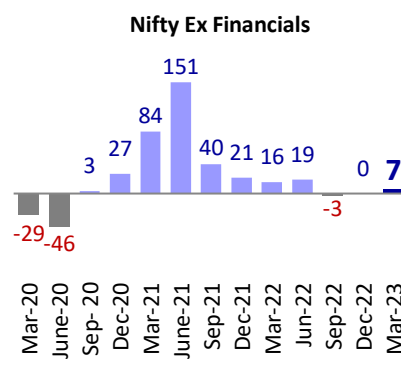
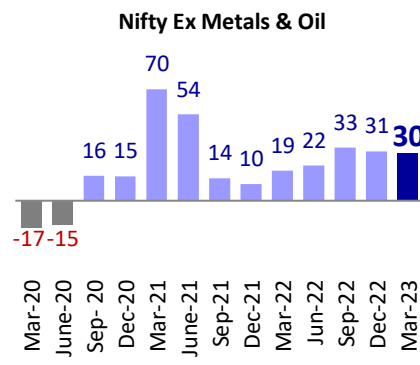
**Exhibit 2: Sector-wise 4QFY23 performance of MOFSL Universe companies (INR b)**

| Sector<br>(no of companies)      | Sales         |            |             |                  | EBITDA       |             |             |                  | PBT          |             |             |                  | PAT          |             |             |                  |
|----------------------------------|---------------|------------|-------------|------------------|--------------|-------------|-------------|------------------|--------------|-------------|-------------|------------------|--------------|-------------|-------------|------------------|
|                                  | Mar-23        | Chg. % QoQ | Chg. % YoY  | Var. over Exp. % | Mar-23       | Chg. % QoQ  | Chg. % YoY  | Var. over Exp. % | Mar-23       | Chg. % QoQ  | Chg. % YoY  | Var. over Exp. % | Mar-23       | Chg. % QoQ  | Chg. % YoY  | Var. over Exp. % |
| Automobiles (24)                 | 2,634         | 11.6       | 25.8        | 3.4              | 328          | 20.6        | 39.9        | 7.1              | 214          | 20.8        | 81.5        | 13.2             | 185          | 32.8        | 115.4       | 26.8             |
| Cement (11)                      | 541           | 15.1       | 14.5        | 1.2              | 78           | 31.1        | -4.3        | -2.1             | 51           | 60          | -10.8       | -3.0             | 36           | 59.3        | -11.0       | -3.3             |
| Chemicals-Specialty (9)          | 71            | -0.9       | 2.4         | -1.6             | 14           | 4.1         | -0.2        | 6.0              | 13           | 4.8         | -0.5        | 7.3              | 10           | 3.7         | 0.2         | 5.8              |
| Consumer (19)                    | 765           | 0.3        | 9.8         | 1.0              | 182          | 1.2         | 14.4        | 0.0              | 175          | 1           | 16.1        | 1.8              | 131          | 0.3         | 14.5        | 3.9              |
| Financials (47)                  | 2,608         | 8.6        | 24.5        | -0.1             | 1,408        | 3.6         | 23.5        | -2.7             | 1,108        | 10.9        | 44.3        | 2.4              | 844          | 12.6        | 42.8        | 4.6              |
| Banks-Private (13)               | 763           | 4.6        | 28.1        | -1.1             | 579          | 2.8         | 23.8        | -1.8             | 497          | 9           | 28.3        | 2.7              | 375          | 9.3         | 27.0        | 3.5              |
| Banks-PSU (6)                    | 838           | 3.7        | 28.6        | -1.9             | 567          | -0.3        | 25.7        | -5.7             | 395          | 12.0        | 97.4        | 1.9              | 300          | 19.1        | 97.8        | 7.5              |
| Insurance (6)                    | 706           | 21.8       | 18.2        | 2.0              | 31           | 210.7       | 24.9        | -2.2             | 21           | 31          | 36.4        | 5.6              | 20           | 16.4        | 23.6        | -1.5             |
| NBFC - Lending (16)              | 277           | 5.8        | 21.2        | 2.9              | 221          | 6.6         | 19.0        | 2.3              | 183          | 11.5        | 19.9        | 2.2              | 141          | 8.9         | 18.0        | 3.0              |
| NBFC - Non Lending (6)           | 24            | 3.4        | 6.6         | 1.8              | 11           | 2.9         | -0.9        | 5.7              | 12           | 2           | -2.9        | 0.9              | 8            | 1.7         | -3.7        | -0.7             |
| Healthcare (22)                  | 679           | 0.6        | 12.6        | 0.7              | 134          | -6.3        | 10.6        | -3.8             | 99           | -8.9        | -3.7        | -4.9             | 74           | -9.3        | -0.8        | -8.7             |
| Infrastructure (3)               | 48            | 12.9       | 1.7         | -1.7             | 13           | 7.1         | 0.6         | -3.2             | 7            | 21          | -18.8       | -1.6             | 5            | 14.7        | -18.4       | -8.5             |
| Logistics (5)                    | 60            | 0.4        | 8.5         | -3.9             | 8            | -0.2        | -6.3        | -11.6            | 6            | -6.7        | -9.7        | -18.1            | 5            | -6.2        | -9.6        | -16.2            |
| Media (3)                        | 41            | 4.1        | 1.5         | 7.1              | 6            | -39.6       | -41.1       | -30.7            | 4            | -55         | -57.7       | -45.7            | 3            | -49.9       | -57.7       | -49.6            |
| Metals (10)                      | 3,027         | 11.7       | -2.2        | 4.8              | 509          | 26.5        | -31.7       | -6.2             | 321          | 39.3        | -43.6       | -14.8            | 229          | 73.3        | -44.6       | -15.0            |
| Oil & Gas (15)                   | 7,691         | -2.1       | 9.8         | 5.5              | 941          | 26.0        | 13.5        | -6.5             | 672          | 47          | 12.6        | -6.2             | 528          | 56.5        | 17.6        | 1.9              |
| Ex OMCs (12)                     | 3,401         | -3.4       | 5.9         | 0.1              | 640          | 1.6         | 3.3         | -3.1             | 411          | -5.0        | -8.4        | -8.4             | 319          | 2.6         | -7.6        | 0.4              |
| Real Estate (9)                  | 130           | 30.3       | 9.5         | 24.2             | 33           | 7.9         | 16.1        | 11.6             | 28           | 16          | 24.2        | 7.8              | 30           | 53.3        | 59.2        | 6.3              |
| Retail (17)                      | 340           | -10.5      | 26.5        | 1.6              | 38           | -24.2       | 6.3         | -8.0             | 20           | -37.3       | -6.0        | -8.8             | 15           | -36.2       | -11.0       | -9.1             |
| Staffing (3)                     | 95            | 0.9        | 14.6        | -1.1             | 3            | 5.5         | -8.4        | 0.3              | 2            | 6           | -27.2       | -9.1             | 2            | -8.4        | -24.8       | 7.0              |
| Technology (12)                  | 1,817         | 0.1        | 16.2        | -1.5             | 413          | -1.0        | 12.4        | -2.0             | 382          | 0.4         | 12.1        | -2.1             | 286          | 0.4         | 8.6         | -2.4             |
| Telecom (4)                      | 579           | 0.2        | 8.9         | -1.6             | 274          | 10.1        | 6.1         | -2.0             | 9            | LP          | 32.1        | 184.9            | -21          | Loss        | Loss        | Loss             |
| Others (15)                      | 578           | -0.8       | 22.3        | -3.5             | 103          | -6.4        | 42.8        | -18.3            | 56           | -16.4       | 74.1        | -34.9            | 48           | -11.3       | 93.8        | -28.8            |
| <b>MOFSL Universe (228)</b>      | <b>21,701</b> | <b>3.4</b> | <b>12.4</b> | <b>2.9</b>       | <b>4,486</b> | <b>10.3</b> | <b>8.8</b>  | <b>-3.5</b>      | <b>3,168</b> | <b>18.0</b> | <b>12.1</b> | <b>-2.8</b>      | <b>2,410</b> | <b>24.1</b> | <b>14.9</b> | <b>1.0</b>       |
| <b>Ex Metals &amp; Oil (203)</b> | <b>10,983</b> | <b>5.3</b> | <b>19.3</b> | <b>0.7</b>       | <b>3,035</b> | <b>4.0</b>  | <b>19.1</b> | <b>-2.1</b>      | <b>2,174</b> | <b>9.0</b>  | <b>31.0</b> | <b>0.5</b>       | <b>1,653</b> | <b>12.2</b> | <b>33.8</b> | <b>3.4</b>       |
| <b>Ex Financials (181)</b>       | <b>19,092</b> | <b>2.7</b> | <b>10.9</b> | <b>3.3</b>       | <b>3,077</b> | <b>13.7</b> | <b>3.2</b>  | <b>-3.9</b>      | <b>2,060</b> | <b>22.3</b> | <b>0.0</b>  | <b>-5.3</b>      | <b>1,566</b> | <b>31.2</b> | <b>3.9</b>  | <b>-0.8</b>      |
| <b>Nifty (50)</b>                | <b>14,092</b> | <b>5.2</b> | <b>13.2</b> | <b>3.6</b>       | <b>3,474</b> | <b>6.8</b>  | <b>12.4</b> | <b>-3.2</b>      | <b>2,394</b> | <b>8.2</b>  | <b>13.4</b> | <b>-3.6</b>      | <b>1,836</b> | <b>14.8</b> | <b>15.9</b> | <b>1.5</b>       |
| <b>Sensex (30)</b>               | <b>9,674</b>  | <b>4.9</b> | <b>14.3</b> | <b>3.1</b>       | <b>2,770</b> | <b>5.2</b>  | <b>16.6</b> | <b>-1.0</b>      | <b>1,932</b> | <b>8.5</b>  | <b>20.0</b> | <b>1.5</b>       | <b>1,467</b> | <b>16.0</b> | <b>20.6</b> | <b>7.2</b>       |

PL: Profit to loss

**Exhibit 3: Earnings at a glance for MOFSL and Nifty Universe**

| Sector                          | PAT (INR b) | Growth (%) |            | PAT                |                |
|---------------------------------|-------------|------------|------------|--------------------|----------------|
|                                 | Mar-23      | est YoY    | actual YoY | Var. over Exp. (%) | v/s Exp        |
| MOFSL Universe (228)            | 2,410       | 14         | 15         | 1                  | In Line        |
| MOFSL Ex OMCs (225)             | 2,201       | 10         | 10         | 1                  | In Line        |
| MOFSL Ex Metals & Oil (203)     | 1,653       | 29         | 34         | 3                  | In Line        |
| MOFSL Ex Financials (181)       | 1,566       | 5          | 4          | -1                 | In Line        |
| Nifty (50)                      | 1,836       | 14         | 16         | 2                  | In Line        |
| Nifty Ex OMCs (49)              | 1,760       | 11         | 13         | 1                  | In Line        |
| Nifty Ex Metals & Oil (43)      | 1,373       | 23         | 30         | 5                  | Above          |
| Nifty Ex Financials (39)        | 1,234       | 7          | 7          | 0                  | In Line        |
| <b>MOFSL Ex Nifty Companies</b> | <b>763</b>  | <b>10</b>  | <b>12</b>  | <b>2</b>           | <b>In Line</b> |

**Exhibit 4: PAT grew 15% YoY for MOFSL Universe****Exhibit 5: PAT grew 4% YoY for MOFSL Universe, excluding Financials****Exhibit 6: PAT rose 34% YoY for MOFSL Universe, sans Metals and O&G****Exhibit 7: PAT growth for the Nifty Universe stood at 16% YoY****Exhibit 8: PAT for the Nifty Universe, sans Financials, grew 7% YoY****Exhibit 9: PAT grew 30% YoY for the Nifty Universe, sans Metals and O&G****Earnings upgrade to downgrade ratio is largely balanced for FY24E**

- For our Coverage Universe, the earnings upgrade to downgrade ratio is largely balanced for FY24E as 64 companies reported earnings upgrades of >3%, while 72 companies' earnings were downgraded by >3%.
- The spread of earnings has been decent with 64% of our Universe either meeting or exceeding our profit expectations. Of the 228 companies under our Coverage, 102 exceeded estimates, 81 recorded a miss, and 45 were in line on the PAT front.
- Of the 21 sectors under our Coverage, six/eight/seven sectors reported profits above/in-line/below our estimates.

Exhibit 10: Upgrade to downgrade ratio trend for the MOFSL Universe

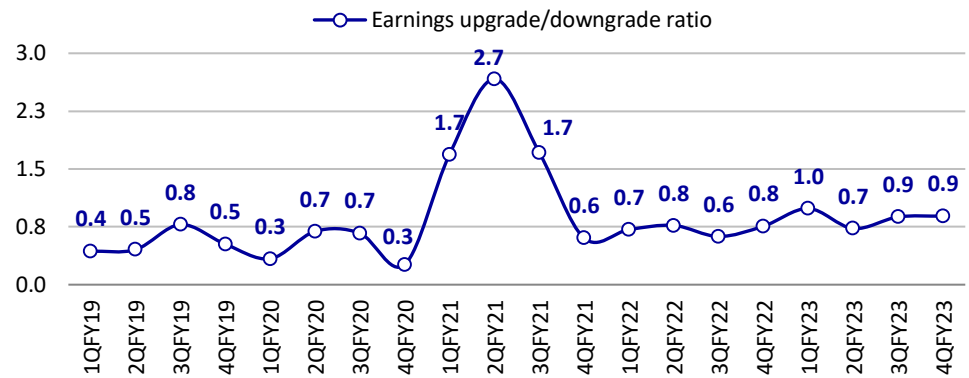


Exhibit 11: Surprise/miss ratio for the MOFSL Universe at 1.3x in 4QFY23

MOFSL Universe PAT (Surprise / Miss ratio)

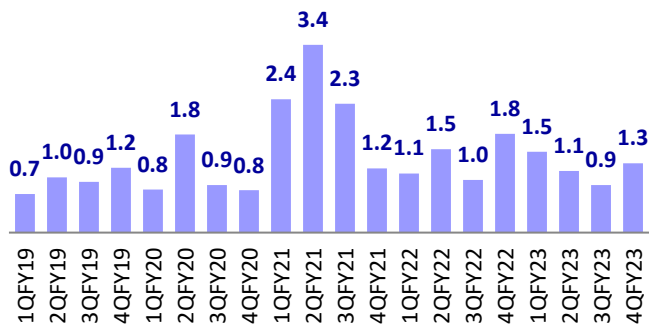


Exhibit 12: Sectoral surprise/miss ratio at 0.9x for the MOFSL Universe in 4QFY23

MOFSL Sector PAT (Surprise / Miss ratio)

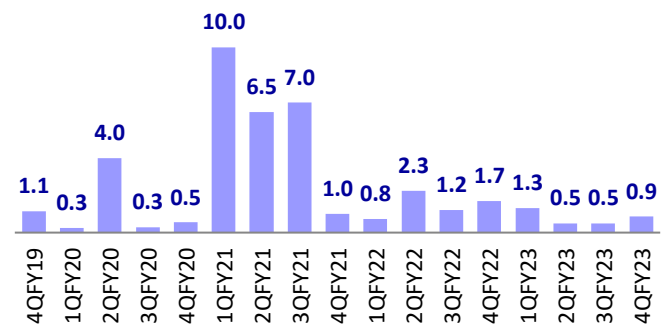
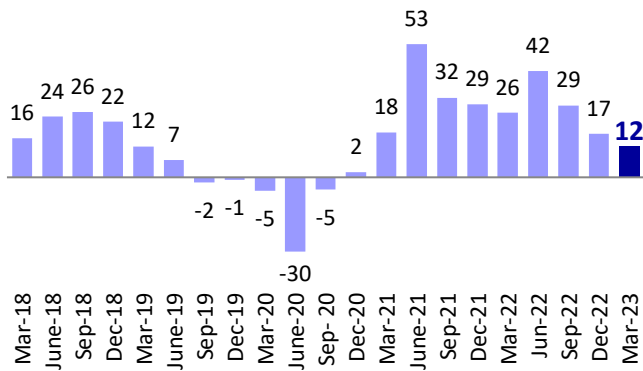
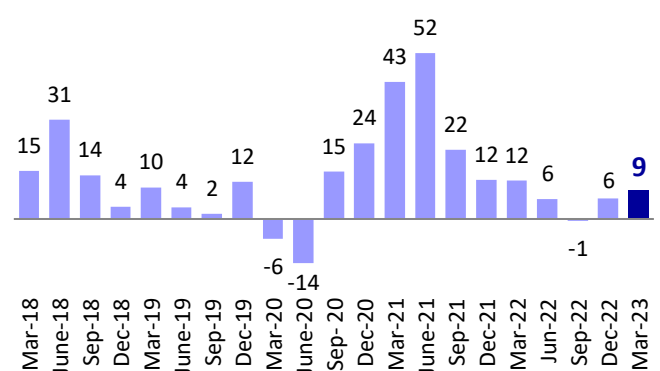
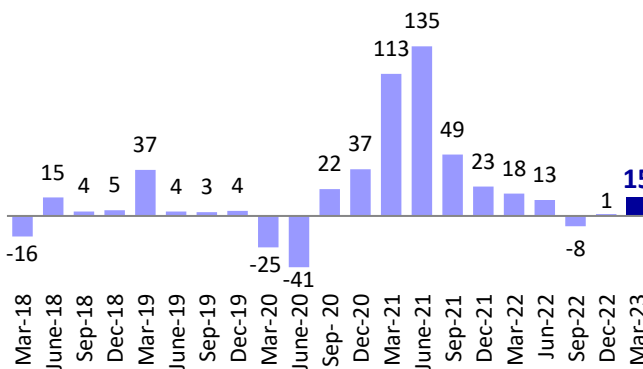
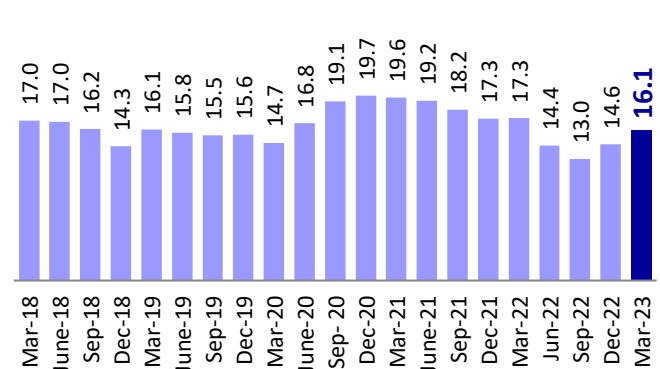
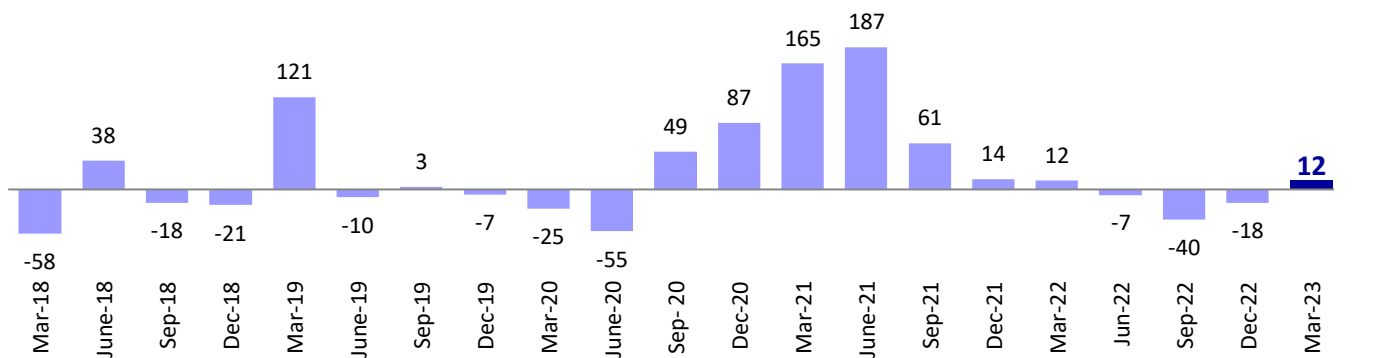
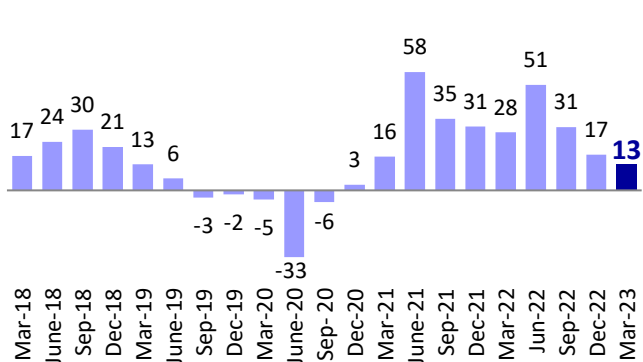
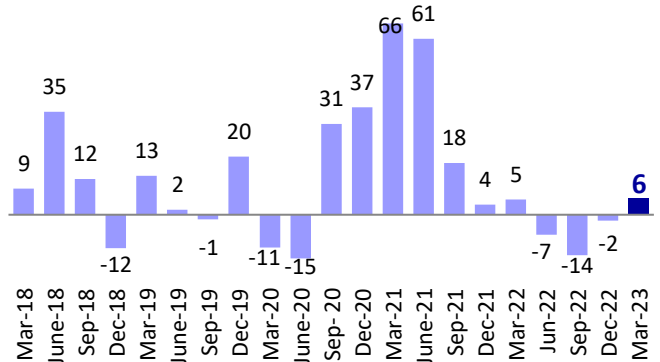


Exhibit 13: Two and three-year profit CAGR for MOFSL Universe

| Sector                | EBIDTA (INR b) |              |              | CAGR (%)  |           | PBT (INR b) |              |              | CAGR (%)  |           | PAT (INR b) |              |              | CAGR (%)  |           |
|-----------------------|----------------|--------------|--------------|-----------|-----------|-------------|--------------|--------------|-----------|-----------|-------------|--------------|--------------|-----------|-----------|
|                       | 4QFY20         | 4QFY21       | 4QFY23       | 2-year    | 3-year    | 4QFY20      | 4QFY21       | 4QFY23       | 2-year    | 3-year    | 4QFY20      | 4QFY21       | 4QFY23       | 2-year    | 3-year    |
| Automobiles           | 128            | 285          | 328          | 7         | 37        | 13          | 177          | 214          | 10        | 154       | -8          | 148          | 185          | 12        | LP        |
| Cement                | 68             | 100          | 78           | -12       | 5         | 40          | 76           | 51           | -18       | 8         | 31          | 54           | 36           | -18       | 5         |
| Chemicals-Spec.       | 9              | 13           | 14           | 4         | 17        | 8           | 12           | 13           | 4         | 18        | 8           | 9            | 10           | 4         | 5         |
| Consumer              | 114            | 143          | 182          | 13        | 17        | 108         | 136          | 175          | 13        | 17        | 85          | 104          | 131          | 12        | 16        |
| Financials            | 889            | 1,038        | 1,408        | 16        | 17        | 182         | 520          | 1,108        | 46        | 83        | 150         | 378          | 844          | 49        | 78        |
| Banks-Private         | 375            | 415          | 579          | 18        | 16        | 126         | 252          | 497          | 41        | 58        | 97          | 192          | 375          | 40        | 57        |
| Banks-PSU             | 337            | 441          | 567          | 13        | 19        | -46         | 159          | 395          | 58        | LP        | -26         | 100          | 300          | 73        | LP        |
| Insurance             | 22             | 1            | 31           | 486       | 12        | 19          | 2            | 21           | 210       | 3         | 20          | 4            | 20           | 120       | 0         |
| NBFC-Lending          | 151            | 172          | 221          | 13        | 14        | 79          | 98           | 183          | 37        | 33        | 58          | 75           | 141          | 37        | 34        |
| NBFC-Non Lending      | 5              | 9            | 11           | 14        | 34        | 4           | 9            | 12           | 13        | 43        | 1           | 7            | 8            | 13        | 98        |
| Healthcare            | 96             | 118          | 134          | 7         | 12        | 69          | 91           | 99           | 4         | 13        | 54          | 72           | 74           | 2         | 11        |
| Infrastructure        | 8              | 14           | 13           | -3        | 16        | 3           | 7            | 7            | 1         | 35        | 2           | 4            | 5            | 3         | 40        |
| Logistics             | 6              | 6            | 8            | 20        | 9         | 5           | 4            | 6            | 25        | 9         | 3           | 3            | 5            | 23        | 11        |
| Media                 | 1              | 9            | 6            | -17       | 72        | -5          | 8            | 4            | -27       | LP        | -4          | 6            | 3            | -28       | LP        |
| Metals                | 333            | 658          | 509          | -12       | 15        | 180         | 497          | 321          | -20       | 21        | 123         | 385          | 229          | -23       | 23        |
| Oil & Gas             | 381            | 638          | 941          | 21        | 35        | 114         | 492          | 672          | 17        | 81        | 214         | 393          | 528          | 16        | 35        |
| Real Estate           | 19             | 26           | 33           | 12        | 20        | 10          | 18           | 28           | 26        | 42        | 8           | 14           | 30           | 47        | 59        |
| Retail                | 19             | 29           | 38           | 14        | 27        | 6           | 16           | 20           | 11        | 49        | 4           | 11           | 15           | 16        | 52        |
| Staffing              | 3              | 3            | 3            | 2         | -1        | 2           | 2            | 2            | -9        | -10       | 2           | 2            | 2            | -7        | -7        |
| Technology            | 278            | 332          | 413          | 12        | 14        | 257         | 306          | 382          | 12        | 14        | 203         | 227          | 286          | 12        | 12        |
| Telecom               | 183            | 212          | 274          | 14        | 14        | -42         | -23          | 9            | LP        | LP        | -49         | -41          | -21          | Loss      | Loss      |
| Others                | 44             | 57           | 103          | 34        | 33        | 12          | 20           | 56           | 69        | 68        | 10          | 11           | 48           | 112       | 69        |
| <b>MOFSL Universe</b> | <b>2,578</b>   | <b>3,682</b> | <b>4,486</b> | <b>10</b> | <b>20</b> | <b>961</b>  | <b>2,358</b> | <b>3,168</b> | <b>16</b> | <b>49</b> | <b>836</b>  | <b>1,781</b> | <b>2,410</b> | <b>16</b> | <b>42</b> |
| <b>Nifty Universe</b> | <b>2,091</b>   | <b>2,643</b> | <b>3,474</b> | <b>15</b> | <b>18</b> | <b>978</b>  | <b>1,708</b> | <b>2,394</b> | <b>18</b> | <b>35</b> | <b>704</b>  | <b>1,300</b> | <b>1,836</b> | <b>19</b> | <b>38</b> |

**Exhibit 14: Sales for the MOFSL Universe up 12% YoY (est. 9%)****Exhibit 15: EBITDA for MOFSL Universe up 9% YoY (est. 13%)****Exhibit 16: PAT growth for the MOFSL Universe at 4 quarter high of 15% YoY (est. 14%)****Exhibit 17: EBITDA margin, excluding Financials, contracts 120bp YoY to 16.1%****Exhibit 18: MOFSL Universe (ex-Nifty) posts an 12% YoY growth in profits ; a growth after three consecutive quarter of YoY decline****Exhibit 19: Sales growth YoY for the MOFSL Universe, excluding Nifty companies****Exhibit 20: EBITDA growth YoY for the MOFSL Universe, excluding Nifty companies**



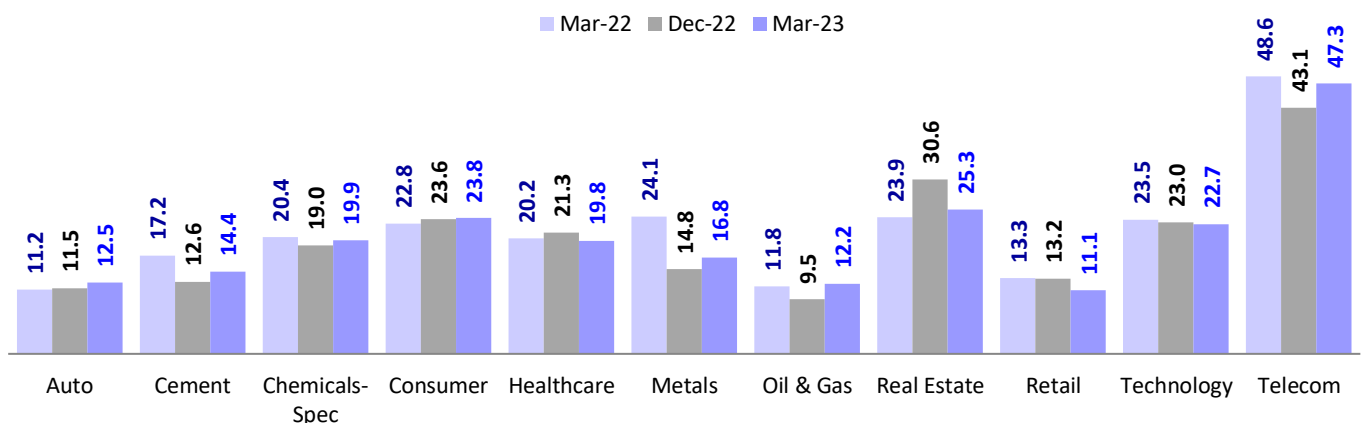
**Margin contraction continues; shows sign of recovery though**

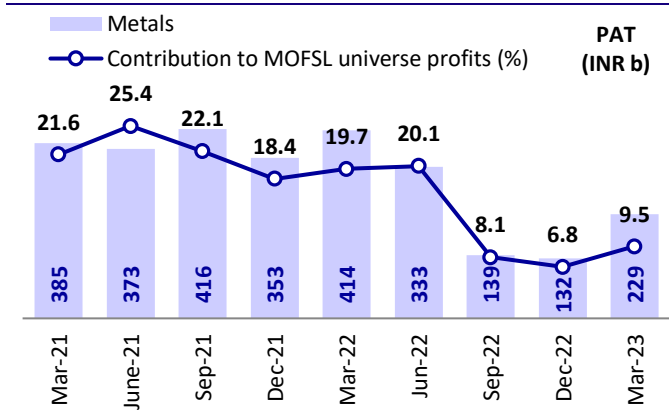
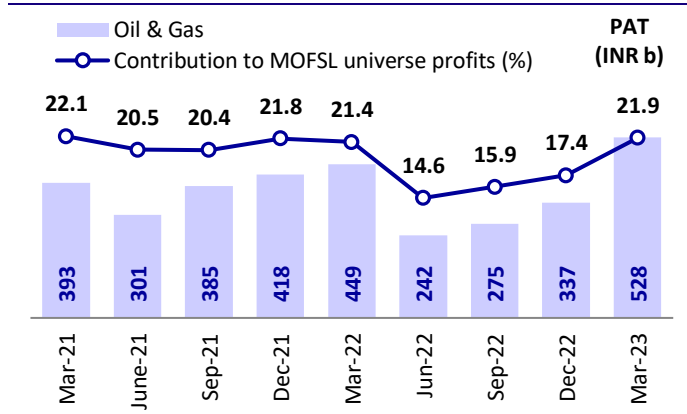
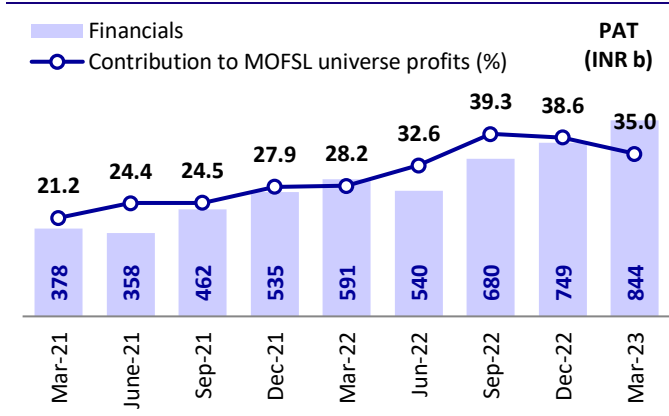
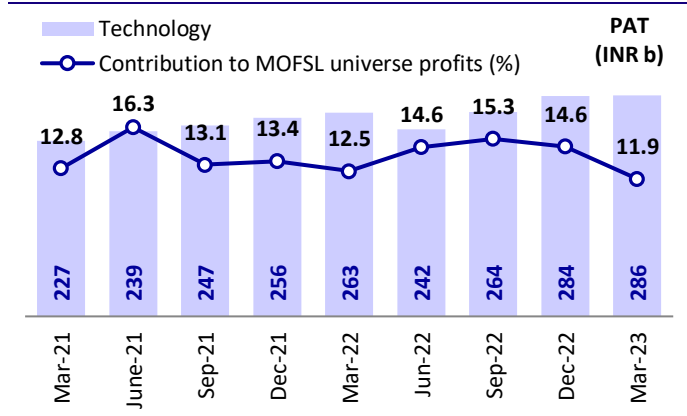
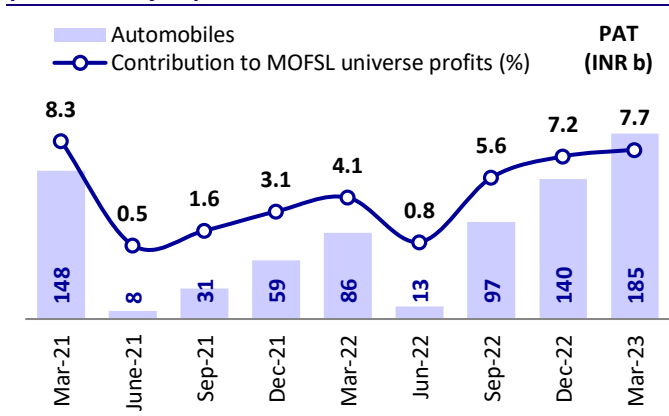
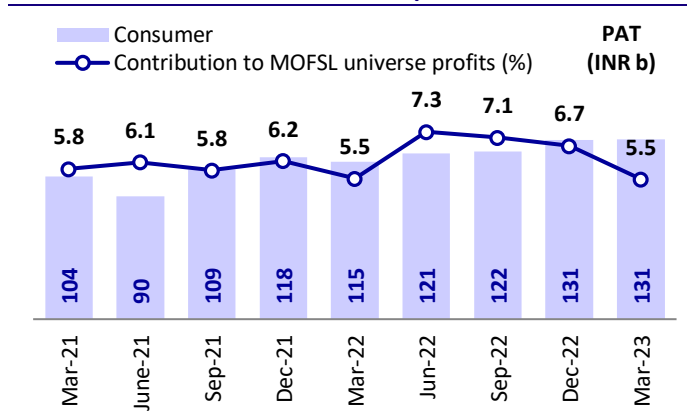
- Sales for the MOFSL Universe grew 12% YoY. Excluding Metals and O&G, sales growth stood at 19% YoY (est. +18% YoY).
- Sectoral sales growth: Private Banks (28%), PSU Banks (29%), Automobile (26%), Retail (26%), Technology (16%), and Cement (15%).
- EBITDA margin of the MOFSL Universe (ex-Financials) contracted 120bp YoY to 16.1%. Gross margin for a few sectors contracted sharply, while a few bounced back.
- In 4QFY23, five of the 13 major sectors under MOFSL Coverage reported a contraction in gross margin YoY, while eight sectors witnessed a recovery.
- PAT for our MOFSL Universe was up 15% YoY, hit by Metals. PAT for MOFSL Universe, ex-BFSI, grew 4% YoY. Excluding BFSI, Metals and O&G, the earnings growth for the MOFSL Universe stood at 25% YoY (est. +23% YoY).

**Exhibit 21: Gross margins in 4QFY23 shows recovery in many sectors**

|                     | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | Change in GM bps YoY |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------------|
| Cement              | 63.5   | 64.9   | 64.7   | 63.7   | 63.7   | 65.6   | 61.6   | 56.3   | 55.2   | 54.4   | 50.3   | 51.1   | 51.0   | -427                 |
| Logistics           | 30.3   | 33.5   | 32.8   | 32.6   | 32.6   | 32.9   | 33.0   | 32.3   | 32.9   | 31.0   | 30.0   | 29.3   | 30.8   | -209                 |
| Retail              | 28.5   | 19.8   | 28.1   | 28.4   | 26.8   | 32.2   | 33.9   | 34.7   | 34.4   | 35.2   | 34.9   | 33.5   | 33.1   | -124                 |
| Others              | 51.5   | 49.5   | 48.7   | 53.5   | 49.8   | 49.7   | 46.8   | 50.8   | 47.8   | 48.8   | 43.7   | 48.7   | 46.9   | -88                  |
| Chemicals-Specialty | 47.0   | 50.5   | 50.2   | 48.5   | 48.3   | 45.6   | 40.6   | 41.7   | 42.9   | 41.6   | 39.4   | 41.3   | 42.4   | -55                  |
| Technology          | 35.8   | 34.6   | 36.1   | 37.0   | 35.8   | 35.8   | 35.5   | 35.2   | 34.5   | 33.1   | 33.6   | 34.4   | 34.5   | 1                    |
| Metals              | 64.7   | 59.3   | 58.8   | 63.5   | 65.7   | 62.7   | 60.7   | 57.5   | 55.6   | 58.1   | 49.9   | 53.1   | 55.8   | 24                   |
| Infrastructure      | 46.8   | 39.5   | 43.6   | 40.5   | 35.2   | 35.3   | 40.8   | 41.4   | 36.0   | 40.7   | 71.4   | 39.1   | 36.6   | 53                   |
| Oil & Gas           | 21.0   | 33.0   | 28.3   | 25.6   | 25.1   | 24.3   | 23.0   | 20.9   | 21.8   | 16.8   | 17.2   | 18.5   | 22.6   | 79                   |
| Healthcare          | 62.7   | 64.3   | 64.0   | 63.5   | 64.1   | 62.3   | 62.4   | 62.1   | 61.6   | 61.3   | 62.8   | 62.8   | 62.7   | 102                  |
| Consumer            | 53.7   | 51.5   | 52.6   | 52.7   | 51.0   | 49.2   | 49.6   | 48.7   | 48.7   | 46.8   | 47.6   | 49.2   | 50.4   | 168                  |
| Real Estate         | 58.3   | 53.9   | 59.0   | 47.1   | 53.1   | 44.9   | 46.9   | 51.4   | 41.6   | 46.0   | 54.7   | 52.0   | 46.1   | 451                  |
| Automobiles         | 31.7   | 32.7   | 32.2   | 31.7   | 31.0   | 30.8   | 29.1   | 29.8   | 29.3   | 31.6   | 32.0   | 33.4   | 34.0   | 463                  |

Source: 169 companies that form part of the MOFSL Universe, excluding Financials, Telecom, Media, and Staffing

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

**Exhibit 23: Metals' PAT contribution to the MOFSL Universe increased in 4QFY23...****Exhibit 24: ... the same for O&G also increased 4.5pp****Exhibit 25: Financials' contribution moderated in 4QFY23; accounted for over 1/3<sup>rd</sup> of the overall profit pool though****Exhibit 26: IT sector's contribution to the overall profit pool dipped in 4QFY23****Exhibit 27: Auto sector's contribution to the overall profit pool further jumped in 4QFY23****Exhibit 28: Consumer sector's contribution continued to moderate for the third consecutive quarter**



## Performance highlights for Nifty constituents in 4QFY23

### Top five stocks account for 96% of the incremental profit YoY

- Sales/EBITDA/PBT/PAT growth for Nifty constituents was in line with our estimates of +13%/+12%/+13%/+16% YoY in 4QFY23.
- Among Nifty constituents, 42% beat our PAT estimates while 26% missed.
- Excluding Financials, profit for Nifty constituents rose 7% YoY (est. 7% growth).
- SBI, Tata Motors, BPCL, Reliance Industries, Axis Bank, ITC, HDFC, JSW Steel, Kotak Mahindra Bank, Bharti Airtel, Mahindra & Mahindra, Bajaj Auto, Asian Paints, Eicher Motors, Hero Motocorp, SBI Life, Nestle, and Britannia reported higher-than-estimated earnings. While ONGC, Infosys, Coal India, Maruti Suzuki, Bajaj Finserv, Tata Steel, UPL, Dr Reddy's Labs, Cipla, HDFC Life, Tata Consumer, Grasim Industries, and Apollo Hospitals missed our profit estimates.
- Eight Nifty companies saw an upgrade of over 5% in their FY24 EPS estimates; while ten witnessed a downgrade of over 5%.

Exhibit 29: Nifty sales up 13% YoY (est. 9%) in 4QFY23

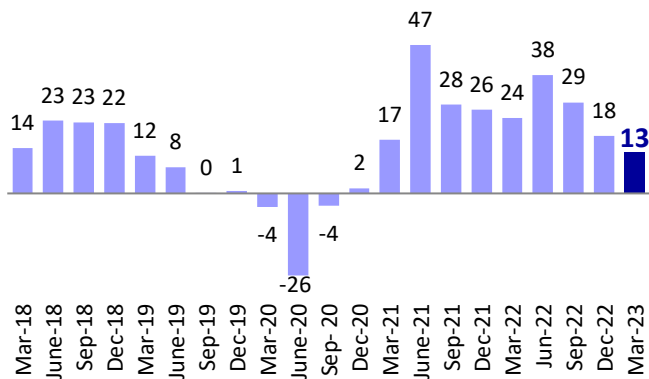


Exhibit 30: Nifty EBITDA up 12% YoY (in line) in 4QFY23

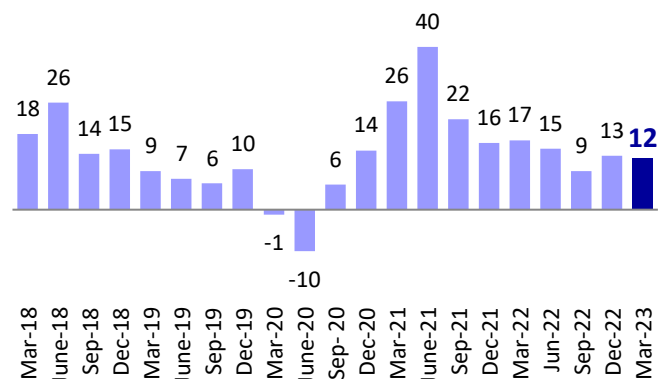


Exhibit 31: Nifty PAT up 16% YoY (est. 14%)

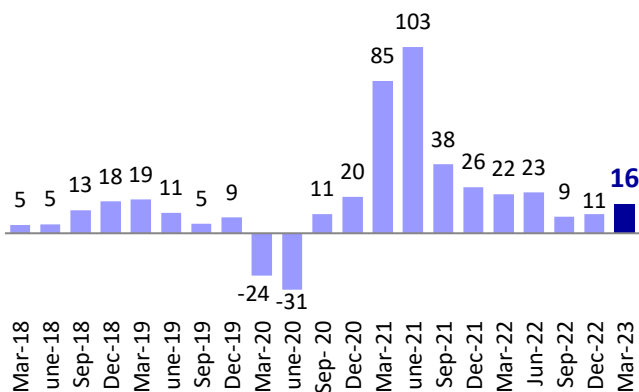
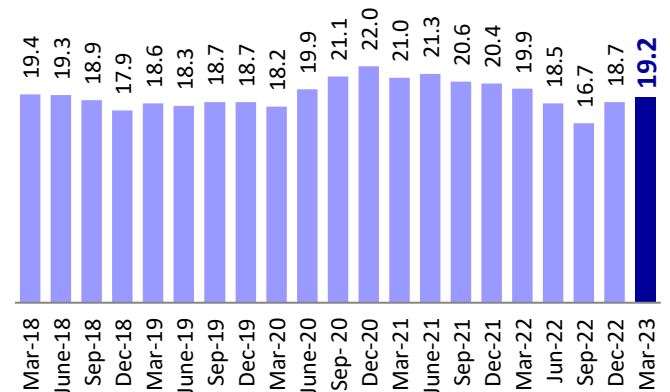


Exhibit 32: Nifty EBITDA margin (ex-Financials) contracted 70bp to 19.2% YoY



**Exhibit 33: BFSI, Consumer and Automobiles to drive earnings for the Nifty in FY24E**

| Sector         | PAT (INR b)  |              |              |              |              |              | Growth YoY (%) |           |           |           |           |           |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|-----------|-----------|-----------|-----------|-----------|
|                | FY20         | FY21         | FY22         | FY23         | FY24E        | FY25E        | FY20           | FY21      | FY22      | FY23      | FY24E     | FY25E     |
| Automobiles    | 103          | 179          | 76           | 287          | 455          | 521          | -53            | 74        | -57       | 275       | 59        | 15        |
| Banking        | 896          | 1,116        | 1,527        | 2,128        | 2,543        | 2,990        | 48             | 25        | 37        | 39        | 20        | 18        |
| Capital Goods  | 89           | 69           | 86           | 106          | 133          | 163          | 11             | -22       | 24        | 23        | 25        | 23        |
| Cement         | 100          | 100          | 130          | 116          | 129          | 141          | 46             | 0         | 31        | -11       | 11        | 10        |
| Consumer       | 289          | 292          | 319          | 384          | 447          | 510          | 20             | 1         | 9         | 20        | 17        | 14        |
| Healthcare     | 93           | 129          | 172          | 181          | 199          | 231          | 10             | 38        | 33        | 6         | 10        | 16        |
| Infrastructure | 53           | 44           | 61           | 82           | 84           | 102          | 18             | -17       | 40        | 34        | 3         | 21        |
| Metals         | 69           | 216          | 753          | 223          | 418          | 445          | -70            | 213       | 249       | -70       | 88        | 6         |
| Oil & Gas      | 649          | 776          | 1,107        | 1,076        | 1,352        | 1,452        | -22            | 20        | 43        | -3        | 26        | 7         |
| Retail         | 15           | 10           | 23           | 33           | 41           | 50           | 9              | -35       | 138       | 40        | 24        | 23        |
| Technology     | 741          | 792          | 919          | 977          | 1,092        | 1,260        | 4              | 7         | 16        | 6         | 12        | 15        |
| Telecom        | -41          | -7           | 35           | 76           | 110          | 164          | Loss           | Loss      | LP        | 115       | 44        | 49        |
| Utilities      | 411          | 404          | 480          | 605          | 548          | 592          | 6              | -2        | 19        | 26        | -9        | 8         |
| Others         | 36           | 46           | 56           | 72           | 77           | 86           | 11             | 26        | 23        | 27        | 7         | 12        |
| <b>Nifty</b>   | <b>3,503</b> | <b>4,164</b> | <b>5,745</b> | <b>6,345</b> | <b>7,629</b> | <b>8,707</b> | <b>0</b>       | <b>19</b> | <b>38</b> | <b>10</b> | <b>20</b> | <b>14</b> |

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

| Sector                | PAT (INR b) - preview |               |               | PAT (INR b) - review |               |               | Upgrade/downgrade (%) |             |             | Growth YoY (%) |           |           |
|-----------------------|-----------------------|---------------|---------------|----------------------|---------------|---------------|-----------------------|-------------|-------------|----------------|-----------|-----------|
|                       | FY23E                 | FY24E         | FY25E         | FY23                 | FY24E         | FY25E         | FY23                  | FY24E       | FY25E       | FY23           | FY24E     | FY25E     |
| Automobiles           | 402                   | 660           | 779           | 439                  | 688           | 800           | 9.2                   | 4.3         | 2.7         | 127            | 57        | 16        |
| Cement                | 176                   | 222           | 255           | 177                  | 214           | 250           | 0.3                   | -3.4        | -2.2        | -20            | 21        | 17        |
| Chemicals-Specialty   | 38                    | 46            | 53            | 38                   | 43            | 50            | 1.5                   | -7.1        | -6.5        | 12             | 12        | 16        |
| Consumer              | 502                   | 601           | 695           | 505                  | 600           | 693           | 0.6                   | -0.3        | -0.2        | 17             | 19        | 16        |
| Financials            | 2,870                 | 3,519         | 4,205         | 2,908                | 3,568         | 4,234         | 1.3                   | 1.4         | 0.7         | 44             | 23        | 19        |
| Banks-Private         | 1,324                 | 1,607         | 1,930         | 1,336                | 1,614         | 1,929         | 0.9                   | 0.5         | -0.1        | 40             | 21        | 20        |
| Banks-PSU             | 943                   | 1,208         | 1,445         | 966                  | 1,233         | 1,450         | 2.5                   | 2.1         | 0.3         | 58             | 28        | 18        |
| Insurance             | 68                    | 73            | 85            | 67                   | 81            | 97            | -1.6                  | 10.0        | 14.1        | 65             | 20        | 20        |
| NBFC - Lending        | 502                   | 591           | 700           | 506                  | 601           | 714           | 0.8                   | 1.5         | 1.9         | 33             | 19        | 19        |
| NBFC - Non Lending    | 33                    | 39            | 44            | 33                   | 39            | 45            | 0.9                   | 0.2         | 0.8         | 3              | 16        | 15        |
| Healthcare            | 327                   | 396           | 464           | 317                  | 376           | 447           | -3.3                  | -4.8        | -3.6        | -6             | 19        | 19        |
| Infrastructure        | 20                    | 22            | 25            | 20                   | 22            | 25            | -2.1                  | -3.3        | -2.6        | 34             | 9         | 15        |
| Logistics             | 21                    | 26            | 31            | 20                   | 23            | 30            | -4.4                  | -8.0        | -4.0        | 6              | 16        | 28        |
| Media                 | 24                    | 31            | 36            | 20                   | 30            | 36            | -14.3                 | -1.7        | -0.1        | -14            | 49        | 20        |
| Metals                | 874                   | 1,071         | 1,117         | 837                  | 1,054         | 1,105         | -4.2                  | -1.6        | -1.1        | -46            | 26        | 5         |
| Oil & Gas             | 1,473                 | 1,946         | 1,974         | 1,364                | 1,847         | 1,945         | -7.4                  | -5.1        | -1.5        | -20            | 35        | 5         |
| Excl. OMCs            | 1,380                 | 1,626         | 1,654         | 1,297                | 1,529         | 1,627         | -6.1                  | -6.0        | -1.6        | 3              | 18        | 6         |
| Real Estate           | 79                    | 104           | 139           | 79                   | 95            | 122           | 0.0                   | -8.6        | -12.5       | 49             | 20        | 28        |
| Retail                | 84                    | 111           | 143           | 82                   | 108           | 142           | -3.2                  | -2.5        | -0.8        | 58             | 33        | 31        |
| Staffing              | 6                     | 9             | 13            | 6                    | 9             | 13            | 1.4                   | -1.1        | -1.0        | -5             | 40        | 45        |
| Technology            | 1,083                 | 1,245         | 1,435         | 1,076                | 1,211         | 1,401         | -0.6                  | -2.7        | -2.4        | 7              | 13        | 16        |
| Telecom               | -181                  | -84           | 26            | -175                 | -87           | 10            | -3.0                  | 3.6         | -61.2       | Loss           | Loss      | LP        |
| Others                | 178                   | 227           | 259           | 161                  | 224           | 261           | -9.8                  | -1.1        | 0.5         | 138            | 40        | 16        |
| <b>MOFSL Universe</b> | <b>7,977</b>          | <b>10,151</b> | <b>11,651</b> | <b>7,872</b>         | <b>10,026</b> | <b>11,563</b> | <b>-1.3</b>           | <b>-1.2</b> | <b>-0.8</b> | <b>4</b>       | <b>27</b> | <b>15</b> |

## Exhibit 35: Nifty delivered 16% YoY profit growth in 4QFY23

| Company             | Sales    |            |            |        | EBITDA   |            |            |        | PBT      |            |            |        | PAT      |            |            |        |
|---------------------|----------|------------|------------|--------|----------|------------|------------|--------|----------|------------|------------|--------|----------|------------|------------|--------|
|                     | Mar 2023 | Chg. YoY % | Chg. QoQ % | Var. % | Mar 2023 | Chg. YoY % | Chg. QoQ % | Var. % | Mar 2023 | Chg. YoY % | Chg. QoQ % | Var. % | Mar 2023 | Chg. YoY % | Chg. QoQ % | Var. % |
| High PAT growth     |          |            |            |        |          |            |            |        |          |            |            |        |          |            |            |        |
| Tata Motors         | 1,059    | 35         | 20         | 9      | 128      | 47         | 33         | 13     | 50       | 1,241      | 56         | 54     | 56       | LP         | 90         | 107    |
| Adani Enterp.       | 313      | 26         | 18         | 0      | 32       | 155        | 98         | 0      | 12       | 149        | 50         | 0      | 10       | 213        | 16         | 0      |
| BPCL                | 1,181    | 13         | -1         | 11     | 112      | 79         | 155        | -7     | 95       | 114        | 346        | -1     | 76       | 202        | 286        | 5      |
| State Bank          | 404      | 29         | 6          | 0      | 246      | 25         | -2         | -9     | 213      | 71         | 9          | 2      | 167      | 83         | 18         | 10     |
| M & M               | 226      | 31         | 4          | 2      | 28       | 44         | -1         | 1      | 22       | 57         | -14        | 8      | 20       | 67         | -3         | 25     |
| Axis Bank           | 117      | 33         | 2          | -6     | 92       | 42         | -1         | -6     | 89       | 62         | 13         | 11     | 66       | 61         | 13         | 10     |
| Eicher Motors       | 38       | 19         | 2          | 1      | 9        | 23         | 9          | 6      | 10       | 31         | 8          | 8      | 9        | 48         | 22         | 6      |
| Britannia           | 40       | 13         | -4         | 1      | 8        | 46         | -2         | 13     | 8        | 46         | -2         | 16     | 6        | 46         | 0          | 5      |
| IndusInd Bank       | 47       | 17         | 4          | -2     | 38       | 11         | 2          | -2     | 27       | 42         | 4          | -4     | 20       | 46         | 4          | -3     |
| Maruti Suzuki       | 320      | 20         | 10         | -3     | 34       | 38         | 18         | -7     | 33       | 48         | 10         | -9     | 26       | 43         | 12         | -8     |
| Adani Ports         | 58       | 40         | 21         | 28     | 33       | 27         | 9          | 15     | 20       | 17         | 11         | 19     | 23       | 43         | 42         | 50     |
| Bharti Airtel       | 360      | 14         | 1          | -2     | 187      | 17         | 1          | -2     | 50       | 21         | 15         | 2      | 26       | 39         | 30         | 27     |
| Hero Motocorp       | 83       | 12         | 3          | 2      | 11       | 31         | 17         | 10     | 11       | 43         | 22         | 17     | 9        | 37         | 21         | 16     |
| Sun Pharma          | 107      | 14         | -3         | -5     | 26       | 21         | -7         | -11    | 24       | 40         | 0          | -3     | 21       | 34         | 2          | 1      |
| Bajaj Finserv       | 236      | 25         | 9          | -7     | 236      | 25         | 9          | -7     | 45       | 31         | 3          | -22    | 18       | 31         | -1         | -13    |
| Bajaj Finance       | 63       | 30         | 6          | 0      | 51       | 29         | 5          | 0      | 43       | 30         | 6          | 0      | 32       | 31         | 6          | 0      |
| ICICI Bank          | 177      | 40         | 7          | 1      | 138      | 34         | 4          | -2     | 122      | 32         | 11         | 0      | 91       | 30         | 10         | 0      |
| Asian Paints        | 88       | 11         | 2          | 2      | 19       | 29         | 16         | 7      | 17       | 32         | 19         | 10     | 13       | 30         | 17         | 16     |
| Kotak Mah. Bank     | 61       | 35         | 8          | 1      | 46       | 39         | 21         | 10     | 45       | 23         | 22         | 13     | 35       | 26         | 25         | 16     |
| Nestle              | 48       | 21         | 13         | 11     | 11       | 20         | 14         | 16     | 10       | 24         | 16         | 21     | 8        | 26         | 19         | 21     |
| Dr Reddy's Labs     | 60       | 16         | -11        | 0      | 13       | 25         | -36        | -10    | 11       | -40        | -35        | -2     | 8        | 24         | -38        | -15    |
| HDFC Bank           | 234      | 24         | 2          | -2     | 186      | 14         | -2         | -5     | 159      | 22         | -2         | -2     | 120      | 20         | -2         | 0      |
| ITC                 | 164      | 6          | 1          | 2      | 62       | 19         | 0          | 0      | 65       | 20         | -2         | 2      | 50       | 20         | 0          | 6      |
| Med/Low PAT growth  |          |            |            |        |          |            |            |        |          |            |            |        |          |            |            |        |
| Reliance Inds.      | 2,129    | 3          | -2         | 2      | 384      | 23         | 9          | 5      | 241      | 8          | 5          | 1      | 193      | 19         | 22         | 19     |
| Tata Consumer       | 36       | 14         | 4          | 3      | 5        | 15         | 13         | 6      | 5        | 13         | 13         | 8      | 3        | 18         | -7         | -6     |
| HDFC                | 53       | 16         | 10         | 5      | 53       | 16         | 18         | 6      | 49       | 16         | 17         | 5      | 41       | 18         | 10         | 7      |
| Bajaj Auto          | 89       | 12         | -4         | 8      | 17       | 26         | -3         | 11     | 19       | 19         | -4         | 9      | 14       | 17         | -4         | 8      |
| Cipla               | 57       | 9          | -1         | 0      | 12       | 24         | -17        | -11    | 9        | 32         | -24        | -18    | 7        | 16         | -12        | -16    |
| SBI Life Insurance  | 199      | 14         | 4          | -2     | 19       | 52         | 554        | 60     | 8        | 14         | 155        | 13     | 8        | 16         | 155        | 10     |
| TCS                 | 592      | 17         | 2          | 0      | 158      | 14         | 1          | -1     | 154      | 15         | 5          | -1     | 114      | 15         | 5          | -2     |
| Ultratech Cement    | 187      | 18         | 20         | -2     | 33       | 8          | 42         | 1      | 25       | 10         | 63         | 0      | 17       | 13         | 57         | -5     |
| Titan Company       | 104      | 33         | -11        | 19     | 11       | 24         | -19        | 3      | 10       | 25         | -21        | 6      | 7        | 11         | -19        | -2     |
| HCL Technologies    | 266      | 18         | 0          | -2     | 59       | 14         | -6         | -2     | 52       | 20         | -3         | 0      | 40       | 11         | -3         | 1      |
| Larsen & Toubro     | 583      | 10         | 26         | 1      | 68       | 5          | 35         | -4     | 59       | 6          | 41         | -6     | 40       | 10         | 65         | -3     |
| Hind. Unilever      | 149      | 11         | -2         | -2     | 35       | 7          | -2         | -5     | 33       | 9          | -4         | -4     | 25       | 8          | -4         | -3     |
| Infosys             | 374      | 16         | -2         | -4     | 90       | 14         | -4         | -4     | 85       | 12         | -5         | -5     | 61       | 8          | -7         | -7     |
| NTPC                | 413      | 26         | 0          | 73     | 111      | 10         | -16        | 16     | 69       | 6          | -12        | 39     | 57       | 1          | 27         | 9      |
| HDFC Life Insur.    | 194      | 36         | 35         | 8      | 6        | 4          | 73         | 25     | 3        | -16        | -14        | -37    | 4        | 0          | 14         | -12    |
| Negative PAT growth |          |            |            |        |          |            |            |        |          |            |            |        |          |            |            |        |
| Wipro               | 232      | 11         | 0          | -2     | 46       | 7          | 0          | -2     | 40       | 8          | 1          | 0      | 31       | 0          | 1          | -1     |
| Power Grid Corp     | 115      | 20         | 4          | -11    | 101      | 23         | 5          | -8     | 52       | 41         | 29         | -9     | 42       | -2         | 14         | 28     |
| Apollo Hospitals    | 43       | 21         | 1          | -2     | 5        | 5          | -3         | -8     | 3        | 7          | -13        | -16    | 2        | -5         | 12         | -17    |
| JSW Steel           | 470      | 0          | 20         | 3      | 79       | -14        | 75         | 11     | 43       | -27        | 312        | 8      | 37       | -8         | 648        | 26     |
| Tech Mahindra       | 137      | 13         | 0          | 0      | 20       | -3         | -6         | -5     | 17       | -7         | -2         | -4     | 13       | -12        | 3          | 2      |
| Coal India          | 382      | 17         | 8          | 5      | 86       | -31        | -23        | -29    | 76       | -18        | -28        | -35    | 55       | -18        | -28        | -37    |
| ONGC                | 363      | 5          | -6         | -5     | 163      | -12        | -20        | -22    | 83       | -30        | -44        | -43    | 62       | -30        | -44        | -43    |
| Hindalco            | 559      | 0          | 5          | 4      | 53       | -27        | 50         | -13    | 28       | -44        | 134        | -17    | 24       | -41        | 77         | 4      |
| UPL                 | 166      | 4          | 21         | -2     | 30       | -16        | -1         | -22    | 13       | -37        | -12        | -51    | 10       | -45        | -22        | -46    |
| Divis Labs          | 20       | -23        | 14         | 10     | 5        | -55        | 20         | 11     | 5        | -55        | 21         | 11     | 3        | -62        | 18         | 4      |
| Grasim Industries   | 66       | 4          | 7          | 6      | 4        | -43        | -11        | -41    | 1        | -72        | -37        | -70    | 1        | -73        | -42        | -71    |
| Tata Steel          | 630      | -9         | 10         | 9      | 72       | -52        | 78         | 4      | 32       | -73        | 1,664      | 1      | 17       | -83        | LP         | -26    |
| Nifty Universe      | 14,092   | 13         | 5          | 4      | 3,474    | 12         | 7          | -3     | 2,394    | 13         | 8          | -4     | 1,836    | 16         | 15         | 2      |
| Ex Metals & Oil     | 8,379    | 21         | 7          | 3      | 2,523    | 21         | 4          | -2     | 1,796    | 28         | 7          | 1      | 1,373    | 30         | 11         | 5      |

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

### Nifty exits FY23 with 11% EPS growth

- Nifty EPS for FY23 was reduced by 0.6% to INR807 (earlier: INR812) largely due to notable downgrades in ONGC, Coal India, and BPCL. FY24E EPS also saw a cut of 0.6% to INR972 (earlier: INR978) due to downgrades in ONGC, BPCL, and Infosys.
- We now expect the Nifty EPS to grow 20% in FY24. We forecast FY24 earnings growth to be led by BFSI, Oil & Gas, Metals and Automobiles – these four sectors are likely to contribute 82% of the incremental earnings to Nifty.
- The top earnings upgrades in FY24E: Tata Motors (13%), Bharti Airtel (8%), Bajaj Auto (7.3%), Divi's Lab (7%), and Hero Motorcop (5%).
- The top earnings downgrades in FY24E: ONGC (-16%), UPL (-13%), Grasim Industries (-11%), Hindalco (-9%), and Coal India (-8%).

#### Exhibit 36: FY24E EPS revision: Eight Nifty constituents see upgrades of over 5%, while ten see downgrades of more than 5%

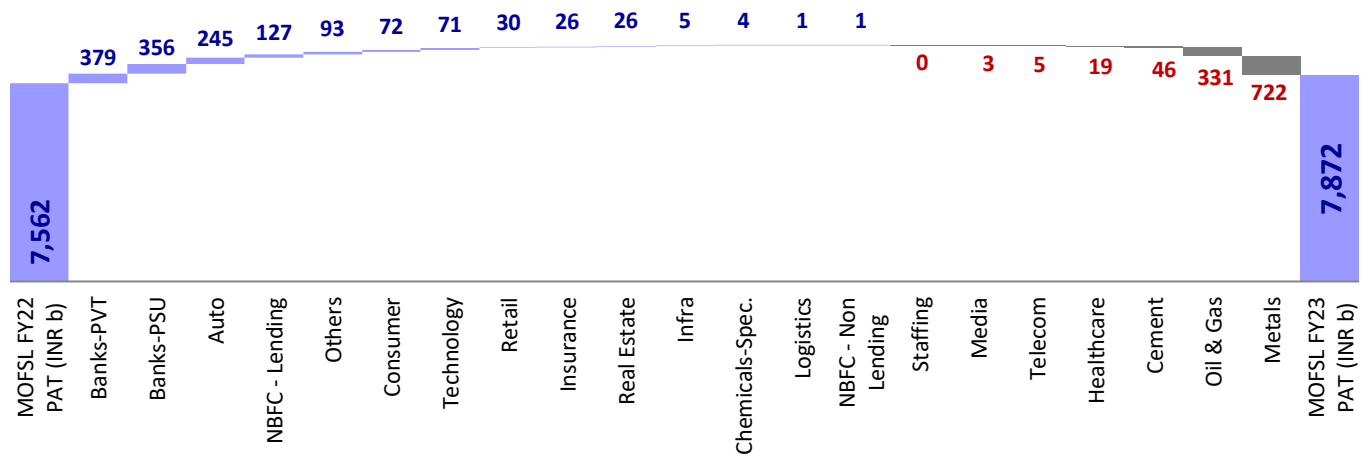
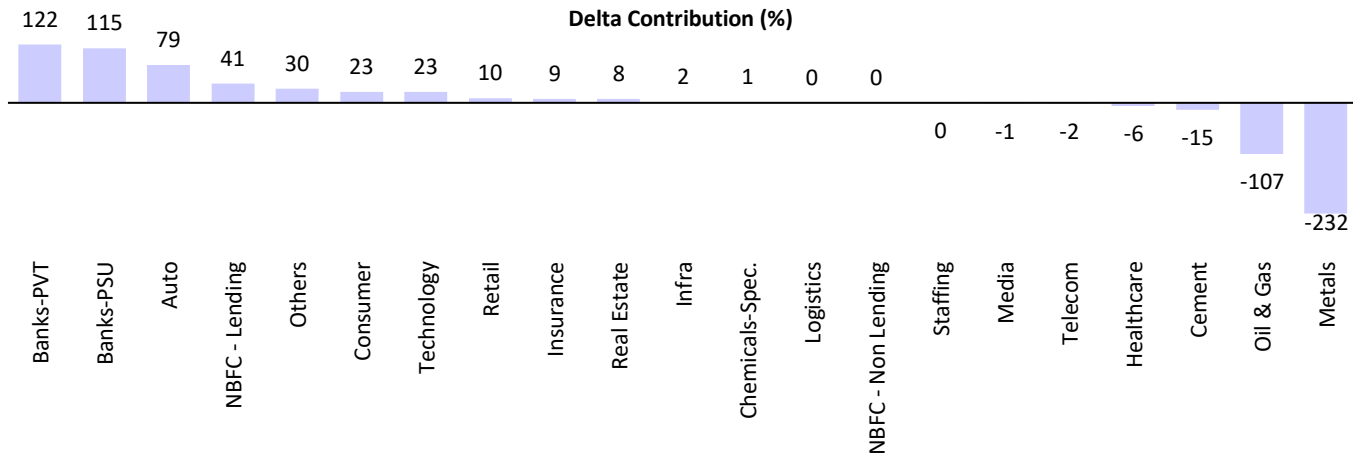
| Company             | Current EPS (INR) |            |              | EPS Upgrade / Downgrade (%) |             |             | EPS Growth (%) |             |             |
|---------------------|-------------------|------------|--------------|-----------------------------|-------------|-------------|----------------|-------------|-------------|
|                     | FY23              | FY24E      | FY25E        | FY23                        | FY24E       | FY25E       | FY23           | FY24E       | FY25E       |
| HDFC Life Insur.    | 6.3               | 7.5        | 8.9          | -1.7                        | 39.5        | 64.9        | 10.7           | 18.8        | 18.3        |
| SBI Life Insurance  | 17.2              | 20.0       | 23.1         | 4.4                         | 27.5        | 37.6        | 14.3           | 16.2        | 15.6        |
| Tata Motors         | 2.2               | 29.5       | 34.1         | LP                          | 13.0        | 6.2         | LP             | 1272.2      | 15.6        |
| Bharti Airtel       | 13.6              | 19.6       | 29.3         | 0.0                         | 8.5         | 3.7         | 115.5          | 44.4        | 49.2        |
| Divis Labs          | 64.9              | 70.0       | 89.9         | 0.7                         | 7.3         | 5.9         | -41.2          | 7.8         | 28.4        |
| Bajaj Auto          | 214.2             | 244.8      | 273.1        | 4.2                         | 6.9         | 7.9         | 16.7           | 14.3        | 11.6        |
| JSW Steel           | 14.7              | 73.3       | 72.3         | 28.3                        | 5.1         | 0.7         | -83.4          | 398.6       | -1.4        |
| Hero MotoCorp       | 145.6             | 177.6      | 193.7        | 4.5                         | 5.1         | 4.8         | 17.7           | 22.0        | 9.0         |
| Nestle              | 247.9             | 298.3      | 358.7        | 0.0                         | 3.2         | 3.0         | 3.1            | 20.3        | 20.2        |
| Britannia           | 80.3              | 90.3       | 102.3        | 1.6                         | 3.0         | 2.3         | 27.6           | 12.4        | 13.3        |
| Eicher Motors       | 106.5             | 139.2      | 176.9        | 1.8                         | 2.5         | 6.0         | 73.7           | 30.6        | 27.1        |
| State Bank          | 62.4              | 76.0       | 86.1         | 3.3                         | 2.5         | -0.5        | 57.3           | 21.9        | 13.2        |
| Kotak Mahindra Bank | 75.1              | 87.0       | 98.8         | 2.1                         | 2.4         | -1.0        | 23.3           | 15.8        | 13.5        |
| Axis Bank           | 71.4              | 83.7       | 99.3         | 10.0                        | 2.3         | 3.6         | 68.0           | 17.3        | 18.6        |
| Titan Company       | 36.8              | 45.6       | 56.1         | -0.3                        | 2.0         | 0.4         | 40.2           | 23.9        | 23.1        |
| Bajaj Finance       | 190.4             | 230.0      | 291.0        | -0.1                        | 1.2         | 0.9         | 63.4           | 20.8        | 26.5        |
| Ultratech Cement    | 175.4             | 239.7      | 281.7        | -1.7                        | 0.9         | 0.0         | -10.6          | 36.7        | 17.5        |
| ITC                 | 15.1              | 17.5       | 19.8         | 1.1                         | 0.5         | 0.6         | 23.5           | 16.0        | 13.0        |
| Reliance Inds.      | 98.6              | 108.3      | 120.4        | 4.8                         | 0.2         | 1.4         | 14.2           | 9.9         | 11.1        |
| Mahindra & Mahindra | 64.9              | 77.8       | 87.4         | 5.3                         | 0.1         | 0.5         | 51.6           | 19.9        | 12.4        |
| Tata Steel          | 7.1               | 11.1       | 12.3         | -6.4                        | 0.0         | -0.6        | -78.5          | 57.1        | 10.7        |
| Maruti Suzuki       | 271.8             | 350.0      | 402.6        | -1.8                        | -0.3        | -3.0        | 111.7          | 28.8        | 15.0        |
| TCS                 | 115.3             | 133.8      | 154.3        | -0.5                        | -0.4        | -0.2        | 10.9           | 16.0        | 15.3        |
| BPCL                | 9.4               | 37.0       | 39.7         | -58.1                       | -0.7        | -2.2        | -81.9          | 292.3       | 7.3         |
| ICICI Bank          | 45.8              | 53.7       | 62.4         | -0.3                        | -1.0        | -1.2        | 36.0           | 17.4        | 16.0        |
| HDFC Bank           | 79.3              | 94.4       | 112.8        | -0.4                        | -1.1        | -1.3        | 18.6           | 19.0        | 19.6        |
| HDFC                | 70.9              | 79.3       | 92.9         | 0.2                         | -1.3        | 0.7         | 13.7           | 11.9        | 17.0        |
| Hind. Unilever      | 42.7              | 48.0       | 54.7         | -0.6                        | -1.7        | -3.1        | 13.2           | 12.5        | 14.0        |
| IndusInd Bank       | 96.0              | 122.3      | 155.4        | -1.0                        | -1.8        | -2.2        | 54.7           | 27.4        | 27.1        |
| Asian Paints        | 44.2              | 54.3       | 62.4         | 4.3                         | -1.9        | -0.7        | 32.6           | 22.8        | 14.9        |
| Infosys             | 57.6              | 63.5       | 71.8         | -1.5                        | -3.5        | -5.4        | 9.8            | 10.3        | 13.2        |
| Tata Consumer       | 11.7              | 15.4       | 18.1         | -1.5                        | -3.7        | -4.2        | 10.3           | 31.7        | 17.7        |
| Sun Pharma          | 35.8              | 40.1       | 45.5         | 0.2                         | -3.7        | -4.3        | 14.4           | 12.1        | 13.5        |
| HCL Technologies    | 54.8              | 60.6       | 69.3         | 0.3                         | -4.0        | -3.2        | 10.0           | 10.6        | 14.4        |
| Tech Mahindra       | 57.3              | 59.8       | 72.1         | 0.5                         | -5.3        | -4.5        | -8.6           | 4.5         | 20.4        |
| Dr Reddy's Labs     | 244.7             | 237.0      | 262.6        | -3.4                        | -6.9        | -7.5        | 39.2           | -3.2        | 10.8        |
| Apollo Hospitals    | 48.2              | 78.0       | 113.6        | -8.1                        | -7.1        | -7.4        | -29.3          | 61.9        | 45.8        |
| Wipro               | 20.7              | 22.0       | 25.5         | -0.2                        | -7.2        | -4.4        | -5.5           | 6.1         | 16.1        |
| Cipla               | 37.8              | 41.7       | 47.7         | -6.7                        | -7.5        | -4.4        | 6.8            | 10.5        | 14.2        |
| Coal India          | 45.6              | 32.5       | 34.9         | -10.2                       | -7.6        | 2.9         | 61.8           | -28.9       | 7.6         |
| Hindalco            | 45.3              | 47.3       | 53.8         | 1.0                         | -8.8        | -5.7        | -26.2          | 4.5         | 13.7        |
| Grasim Industries   | 99.0              | 90.2       | 91.5         | -2.0                        | -11.0       | -7.7        | -11.2          | -8.9        | 1.4         |
| UPL                 | 58.5              | 65.1       | 76.9         | -16.7                       | -13.3       | -9.1        | -7.8           | 11.4        | 18.0        |
| ONGC                | 30.4              | 42.2       | 43.2         | -25.3                       | -15.8       | -7.1        | -5.8           | 39.1        | 2.3         |
| <b>Nifty (50)</b>   | <b>807</b>        | <b>972</b> | <b>1,118</b> | <b>-0.6</b>                 | <b>-0.6</b> | <b>-0.1</b> | <b>10.8</b>    | <b>20.4</b> | <b>15.1</b> |

**Exhibit 37: We estimate a 17% CAGR for Nifty free-float PAT over FY23–25**

| Company                          | Sales (INR b) |               |               | Sales<br>CAGR %<br>23-25 | EBIDTA Margin (%) |           |           | EBITDA<br>CAGR %<br>23-25 | PAT (INR b)  |              |              | PAT<br>CAGR %<br>23-25 | Contbn to<br>Delta % |
|----------------------------------|---------------|---------------|---------------|--------------------------|-------------------|-----------|-----------|---------------------------|--------------|--------------|--------------|------------------------|----------------------|
|                                  | FY23          | FY24E         | FY25E         |                          | FY23              | FY24E     | FY25E     |                           | FY23         | FY24E        | FY25E        |                        |                      |
| <b>High PAT Growth (20%+)</b>    | <b>19,436</b> | <b>21,026</b> | <b>22,603</b> | <b>8</b>                 | <b>16</b>         | <b>19</b> | <b>20</b> | <b>21</b>                 | <b>1,044</b> | <b>1,633</b> | <b>1,950</b> | <b>37</b>              | <b>38</b>            |
| Tata Motors                      | 3,460         | 4,276         | 4,527         | 14                       | 9                 | 12        | 12        | 33                        | 8            | 113          | 131          | 298                    | 5                    |
| JSW Steel                        | 1,660         | 1,960         | 2,059         | 11                       | 11                | 19        | 19        | 46                        | 36           | 177          | 175          | 122                    | 6                    |
| BPCL                             | 4,732         | 4,228         | 4,238         | -5                       | 2                 | 4         | 4         | 34                        | 20           | 77           | 83           | 105                    | 3                    |
| Apollo Hospitals                 | 166           | 192           | 229           | 18                       | 12                | 13        | 14        | 23                        | 7            | 11           | 16           | 51                     | 0                    |
| Bharti Airtel                    | 1,391         | 1,531         | 1,683         | 10                       | 51                | 52        | 53        | 12                        | 76           | 110          | 164          | 47                     | 4                    |
| Tata Steel                       | 2,434         | 2,353         | 2,460         | 1                        | 13                | 15        | 17        | 13                        | 86           | 136          | 150          | 32                     | 3                    |
| Eicher Motors                    | 142           | 169           | 197           | 18                       | 24                | 25        | 26        | 23                        | 29           | 38           | 48           | 29                     | 1                    |
| IndusInd Bank                    | 176           | 210           | 256           | 21                       | 82                | 82        | 82        | 20                        | 74           | 95           | 121          | 27                     | 2                    |
| Ultratech Cement                 | 632           | 686           | 749           | 9                        | 17                | 20        | 21        | 21                        | 51           | 69           | 81           | 27                     | 1                    |
| Larsen & Toubro                  | 1,829         | 2,079         | 2,349         | 13                       | 12                | 12        | 12        | 17                        | 106          | 133          | 163          | 24                     | 2                    |
| Tata Consumer                    | 138           | 152           | 165           | 9                        | 13                | 14        | 15        | 15                        | 11           | 15           | 17           | 24                     | 0                    |
| Bajaj Finance                    | 230           | 281           | 349           | 23                       | 81                | 80        | 81        | 23                        | 115          | 139          | 176          | 24                     | 3                    |
| Titan Company                    | 406           | 482           | 574           | 19                       | 12                | 13        | 13        | 23                        | 33           | 41           | 50           | 23                     | 1                    |
| Bajaj Finserv                    | 266           | 325           | 394           | 22                       | 79                | 75        | 71        | 15                        | 67           | 82           | 100          | 22                     | 1                    |
| Maruti Suzuki                    | 1,176         | 1,386         | 1,536         | 14                       | 9                 | 10        | 11        | 24                        | 82           | 106          | 122          | 22                     | 2                    |
| Axis Bank                        | 429           | 523           | 610           | 19                       | 75                | 76        | 80        | 23                        | 219          | 264          | 320          | 21                     | 4                    |
| Nestle                           | 169           | 194           | 228           | 16                       | 22                | 23        | 23        | 20                        | 24           | 29           | 35           | 20                     | 0                    |
| <b>Medium PAT Growth (0-20%)</b> | <b>37,251</b> | <b>40,190</b> | <b>43,447</b> | <b>8</b>                 | <b>23</b>         | <b>24</b> | <b>25</b> | <b>13</b>                 | <b>4,955</b> | <b>5,736</b> | <b>6,481</b> | <b>14</b>              | <b>65</b>            |
| HDFC Bank                        | 868           | 1,039         | 1,228         | 19                       | 81                | 81        | 82        | 20                        | 441          | 526          | 630          | 19                     | 8                    |
| ONGC                             | 6,848         | 6,778         | 6,825         | 0                        | 13                | 16        | 16        | 14                        | 390          | 542          | 555          | 19                     | 7                    |
| Asian Paints                     | 345           | 386           | 444           | 13                       | 18                | 20        | 20        | 20                        | 42           | 52           | 60           | 19                     | 1                    |
| HDFC Life Insur.                 | 568           | 682           | 826           | 21                       | 2                 | 2         | 2         | 10                        | 14           | 16           | 19           | 19                     | 0                    |
| Divis Labs                       | 78            | 84            | 95            | 11                       | 30                | 29        | 32        | 14                        | 17           | 19           | 24           | 18                     | 0                    |
| State Bank                       | 1,448         | 1,674         | 1,818         | 12                       | 58                | 60        | 60        | 15                        | 556          | 678          | 768          | 17                     | 9                    |
| ICICI Bank                       | 621           | 722           | 831           | 16                       | 79                | 77        | 78        | 15                        | 319          | 375          | 436          | 17                     | 5                    |
| Mahindra & Mahindra              | 850           | 1,011         | 1,096         | 14                       | 12                | 13        | 13        | 19                        | 78           | 93           | 105          | 16                     | 1                    |
| SBI Life Insurance               | 666           | 795           | 962           | 20                       | 4                 | 3         | 3         | -3                        | 17           | 20           | 23           | 16                     | 0                    |
| TCS                              | 2,255         | 2,505         | 2,808         | 12                       | 27                | 27        | 28        | 15                        | 423          | 491          | 566          | 16                     | 6                    |
| Hero MotoCorp                    | 338           | 369           | 404           | 9                        | 12                | 13        | 13        | 15                        | 29           | 36           | 39           | 15                     | 0                    |
| ITC                              | 660           | 736           | 814           | 11                       | 36                | 38        | 39        | 15                        | 187          | 217          | 246          | 15                     | 2                    |
| Kotak Mahindra Bank              | 216           | 257           | 290           | 16                       | 69                | 69        | 69        | 17                        | 149          | 173          | 196          | 15                     | 2                    |
| UPL                              | 536           | 580           | 618           | 7                        | 21                | 21        | 21        | 9                         | 45           | 50           | 59           | 15                     | 1                    |
| HDFC                             | 192           | 214           | 245           | 13                       | 96                | 95        | 95        | 12                        | 156          | 175          | 202          | 14                     | 2                    |
| Hind. Unilever                   | 591           | 651           | 726           | 11                       | 23                | 24        | 24        | 14                        | 100          | 113          | 128          | 13                     | 1                    |
| NTPC                             | 1,762         | 1,786         | 1,926         | 5                        | 27                | 28        | 29        | 8                         | 169          | 195          | 216          | 13                     | 2                    |
| Bajaj Auto                       | 364           | 403           | 447           | 11                       | 18                | 19        | 19        | 14                        | 61           | 69           | 77           | 13                     | 1                    |
| Britannia                        | 163           | 178           | 198           | 10                       | 17                | 18        | 18        | 12                        | 19           | 22           | 25           | 13                     | 0                    |
| Sun Pharma                       | 432           | 493           | 550           | 13                       | 26                | 25        | 26        | 13                        | 86           | 96           | 109          | 13                     | 1                    |
| HCL Technologies                 | 1,015         | 1,115         | 1,253         | 11                       | 22                | 22        | 23        | 13                        | 148          | 164          | 188          | 12                     | 2                    |
| Cipla                            | 228           | 248           | 272           | 9                        | 22                | 22        | 23        | 10                        | 30           | 34           | 38           | 12                     | 0                    |
| Tech Mahindra                    | 533           | 571           | 630           | 9                        | 15                | 15        | 16        | 14                        | 51           | 53           | 64           | 12                     | 1                    |
| Infosys                          | 1,468         | 1,572         | 1,758         | 9                        | 24                | 24        | 25        | 11                        | 241          | 263          | 302          | 12                     | 3                    |
| Adani Ports                      | 209           | 231           | 264           | 12                       | 62                | 64        | 64        | 14                        | 82           | 84           | 102          | 11                     | 1                    |
| Wipro                            | 905           | 947           | 1,051         | 8                        | 19                | 20        | 20        | 11                        | 114          | 120          | 140          | 11                     | 1                    |
| Reliance Inds.                   | 8,795         | 9,864         | 10,552        | 10                       | 16                | 16        | 17        | 11                        | 667          | 733          | 814          | 11                     | 6                    |
| Hindalco                         | 2,232         | 2,189         | 2,365         | 3                        | 10                | 12        | 12        | 12                        | 101          | 105          | 120          | 9                      | 1                    |
| Dr Reddy's Labs                  | 241           | 266           | 293           | 10                       | 26                | 24        | 24        | 6                         | 41           | 39           | 44           | 4                      | 0                    |
| Power Grid Corp.                 | 456           | 473           | 488           | 3                        | 86                | 86        | 86        | 3                         | 154          | 153          | 161          | 2                      | 0                    |
| Adani Enterprises                | 1,370         | 1,370         | 1,370         | 0                        | 6                 | 6         | 6         | 0                         | 27           | 27           | 27           | 0                      | 0                    |
| <b>PAT de-growth (&lt;0%)</b>    | <b>1,651</b>  | <b>1,606</b>  | <b>1,676</b>  | <b>1</b>                 | <b>24</b>         | <b>17</b> | <b>18</b> | <b>-14</b>                | <b>346</b>   | <b>259</b>   | <b>275</b>   | <b>-11</b>             | <b>-3</b>            |
| Grasim Industries                | 268           | 266           | 304           | 6                        | 12                | 10        | 10        | -1                        | 65           | 59           | 60           | -4                     | 0                    |
| Coal India                       | 1,383         | 1,341         | 1,372         | 0                        | 27                | 18        | 19        | -15                       | 281          | 200          | 215          | -13                    | -3                   |
| <b>Nifty (PAT free float)</b>    | <b>58,338</b> | <b>62,823</b> | <b>67,726</b> | <b>8</b>                 | <b>20</b>         | <b>22</b> | <b>23</b> | <b>14</b>                 | <b>3,551</b> | <b>4,252</b> | <b>4,892</b> | <b>17</b>              | <b>100</b>           |

**FY23 earnings highlights: Banks, Autos led incremental earnings**

- The MOFSL Universe delivered sales/EBITDA/PAT growth of 24%/4%/4% YoY in FY23. While Auto and BFSI were the key growth drivers with 127% and 64% YoY earnings growth, the global commodities such as Metals and O&G were the prime drags with 46% and 20% YoY earnings decline, respectively.
- Private Banks/PSBs/Auto added 122%/115%/70% to incremental profits, whereas Metals/Oil & Gas/Cement accounted for -232%/-107%/-15% to incremental earnings in FY23.

**Exhibit 38: Banks and Auto led the incremental profits while Global cyclical and cement dragged the profits in FY23****Exhibit 39: Delta contribution to FY23 profit for MOFSL Universe (%)**

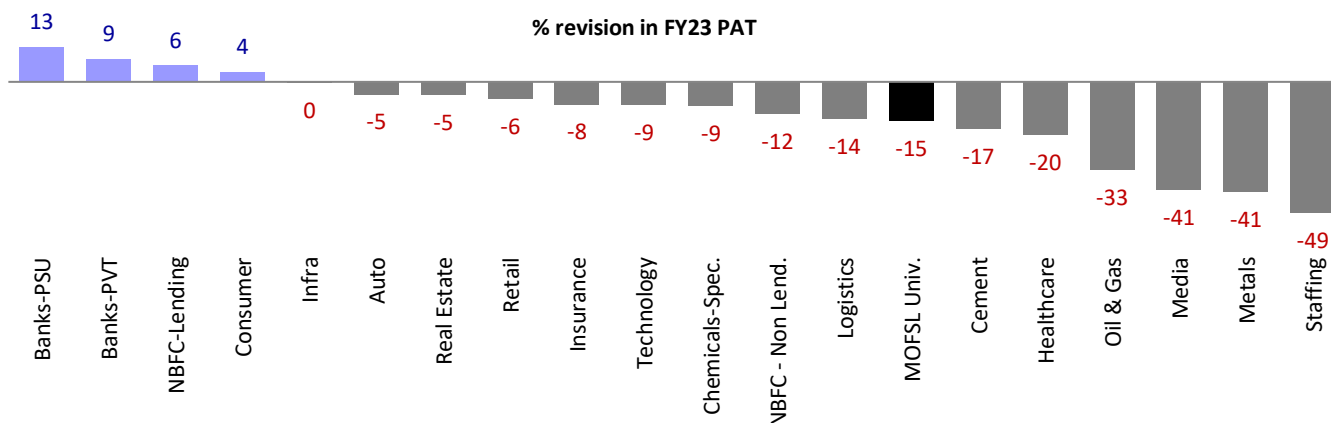


### Earnings revision: 15% downgrade in FY23 earnings

#### BFSI saw upgrades while global cyclicals saw downgrades in FY23 earnings

- Over the last one year, earnings for MOFSL Universe saw downgrades of 15% v/s its estimates during the start of FY23.
- PSBs/Pvt. Banks saw major earnings upgrades of 13%/9%, while O&G/ Metals saw the most earnings downgrades of 33%/41%.
- For MOFSL Telecom Universe, we estimated a loss of INR142b at the beginning of the year. However, Telecom reported a higher loss of INR175b for FY23.

**Exhibit 40: Banks saw major earnings upgrades, while global cyclicals saw earnings downgrades over the last one year**



Note: Comparable MOFSL Universe of 208 companies

**Exhibit 41: Annual Sales/EBITDA/PAT estimates for MOFSL universe**

| Sector                | Sales (INR b) |               |                 | Growth YoY (%) |          |          | EBITDA (INR b) |               |               | Growth YoY (%) |           |           | PAT (INR b)  |               |               | Growth YoY (%) |           |           |
|-----------------------|---------------|---------------|-----------------|----------------|----------|----------|----------------|---------------|---------------|----------------|-----------|-----------|--------------|---------------|---------------|----------------|-----------|-----------|
|                       | FY23          | FY24E         | FY25E           | FY23           | FY24E    | FY25E    | FY23           | FY24E         | FY25E         | FY23           | FY24E     | FY25E     | FY23         | FY24E         | FY25E         | FY23           | FY24E     | FY25E     |
| Automobiles           | 9,497         | 11,208        | 12,118          | 27             | 18       | 8        | 1,013          | 1,413         | 1,583         | 34             | 39        | 12        | 439          | 688           | 800           | 127            | 57        | 16        |
| Cement                | 2,006         | 2,052         | 2,250           | 25             | 2        | 10       | 280            | 354           | 413           | -13            | 26        | 17        | 177          | 214           | 250           | -20            | 21        | 17        |
| Chemicals-Specialty   | 293           | 314           | 348             | 20             | 7        | 11       | 56             | 63            | 73            | 12             | 13        | 16        | 38           | 43            | 50            | 12             | 12        | 16        |
| Consumer              | 3,050         | 3,412         | 3,839           | 16             | 12       | 13       | 701            | 832           | 959           | 16             | 19        | 15        | 505          | 600           | 693           | 17             | 19        | 16        |
| Financials            | 9,155         | 10,685        | 12,303          | 20             | 17       | 15       | 5,023          | 5,889         | 6,834         | 16             | 17        | 16        | 2,908        | 3,568         | 4,234         | 44             | 23        | 19        |
| Banks-Private         | 2,778         | 3,323         | 3,907           | 24             | 20       | 18       | 2,090          | 2,498         | 2,983         | 17             | 20        | 19        | 1,336        | 1,614         | 1,929         | 40             | 21        | 20        |
| Banks-PSU             | 3,051         | 3,480         | 3,808           | 21             | 14       | 9        | 2,016          | 2,342         | 2,609         | 14             | 16        | 11        | 966          | 1,233         | 1,450         | 58             | 28        | 18        |
| Insurance             | 2,216         | 2,596         | 3,084           | 15             | 17       | 19       | 65             | 62            | 73            | 214            | -5        | 17        | 67           | 81            | 97            | 65             | 20        | 20        |
| NBFC - Lending        | 1,014         | 1,179         | 1,386           | 19             | 16       | 18       | 803            | 930           | 1,104         | 16             | 16        | 19        | 506          | 601           | 714           | 33             | 19        | 19        |
| NBFC - Non Lending    | 96            | 107           | 120             | 12             | 12       | 12       | 50             | 57            | 65            | 11             | 15        | 14        | 33           | 39            | 45            | 3              | 16        | 15        |
| Healthcare            | 2,616         | 2,971         | 3,322           | 9              | 14       | 12       | 539            | 633           | 732           | 2              | 17        | 16        | 317          | 376           | 447           | -6             | 19        | 19        |
| Infrastructure        | 183           | 205           | 235             | 8              | 12       | 15       | 53             | 56            | 63            | 11             | 7         | 12        | 20           | 22            | 25            | 34             | 9         | 15        |
| Logistics             | 234           | 270           | 316             | 14             | 15       | 17       | 34             | 39            | 48            | 5              | 15        | 24        | 20           | 23            | 30            | 6              | 16        | 28        |
| Media                 | 155           | 195           | 221             | 19             | 26       | 13       | 38             | 51            | 60            | 0              | 35        | 18        | 20           | 30            | 36            | -14            | 49        | 20        |
| Metals                | 11,412        | 11,574        | 12,188          | 8              | 1        | 5        | 1,820          | 2,090         | 2,218         | -31            | 15        | 6         | 837          | 1,054         | 1,105         | -46            | 26        | 5         |
| Oil & Gas             | 37,084        | 38,566        | 39,844          | 34             | 4        | 3        | 2,993          | 3,761         | 3,980         | -4             | 26        | 6         | 1,364        | 1,847         | 1,945         | -20            | 35        | 5         |
| Excl. OMCs            | 19,528        | 20,328        | 21,091          | 31             | 4        | 4        | 2,664          | 3,070         | 3,281         | 14             | 15        | 7         | 1,297        | 1,529         | 1,627         | 3              | 18        | 6         |
| Real Estate           | 399           | 443           | 500             | 20             | 11       | 13       | 109            | 131           | 161           | 26             | 21        | 22        | 79           | 95            | 122           | 49             | 20        | 28        |
| Retail                | 1,377         | 1,685         | 2,038           | 41             | 22       | 21       | 177            | 227           | 283           | 43             | 28        | 25        | 82           | 108           | 142           | 58             | 33        | 31        |
| Staffing              | 364           | 419           | 496             | 20             | 15       | 18       | 12             | 16            | 20            | -7             | 29        | 31        | 6            | 9             | 13            | -5             | 40        | 45        |
| Technology            | 6,997         | 7,641         | 8,565           | 19             | 9        | 12       | 1,584          | 1,762         | 2,035         | 12             | 11        | 15        | 1,076        | 1,211         | 1,401         | 7              | 13        | 16        |
| Telecom               | 2,275         | 2,433         | 2,655           | 14             | 7        | 9        | 1,021          | 1,162         | 1,297         | 10             | 14        | 12        | -175         | -87           | 10            | Loss           | Loss      | LP        |
| Others                | 2,224         | 2,383         | 2,626           | 39             | 7        | 10       | 367            | 466           | 519           | 47             | 27        | 11        | 161          | 224           | 261           | 138            | 40        | 16        |
| <b>MOFSL Universe</b> | <b>89,321</b> | <b>96,456</b> | <b>1,03,863</b> | <b>24</b>      | <b>8</b> | <b>8</b> | <b>15,819</b>  | <b>18,944</b> | <b>21,277</b> | <b>4</b>       | <b>20</b> | <b>12</b> | <b>7,872</b> | <b>10,026</b> | <b>11,563</b> | <b>4</b>       | <b>27</b> | <b>15</b> |

Source: MOFSL

## SECTOR-WISE: Highlights / Surprise / Guidance

### AUTOS: Domestic demand stable; exports to recover in 2HFY24E

- **Stable demand, improving supply chain and pre-buying ahead of OBD-2 norms aided volume growth:** Auto volumes in 4QFY23 grew YoY across segments, except 2Ws that remained flat due to a decline in exports. Consequently, wholesale volumes for Tractors/PVs/LCVs/MHCVs/3Ws rose 21%/9%/1%/17%/6.5% YoY. Within 2Ws, export volumes declined 41% YoY while domestic volumes grew 18% YoY. Total revenue for our Auto Universe (ex-TTMT) grew 22% YoY driven by healthy volume growth and price hikes while EBITDA rose 37% YoY primarily due to moderating commodity cost inflation, operating leverage and FX benefits. Adj. PAT for the quarter grew 44% YoY. We believe wholesale growth across PVs/CVs/2Ws should remain under check in 1QFY24 due to pre-buying activity of 4QFY23. After that, we expect demand to remain stable for CVs while PVs are likely to see some moderation post-record FY23 volumes. Gradual recovery in 2Ws is expected aided by stable urban demand and anticipation of rural recovery. Demand sentiments for tractors too seem positive led by healthy reservoir levels and positive agri sentiments. However, high base of FY23 should limit significant growth.
- **4Q majorly reflects the benefits of softening RM; further benefits to accrue selectively in 1QFY24E:** Gross margin improved sequentially for the third consecutive quarter, while most of the management teams indicated stable RM trend in the near term. This led to gross margin improvement of 90bp YoY/ 30bp QoQ for Auto OEMs (ex-TTMT) to 27.3%. This was further supported by operating leverage benefits (+40bp YoY/+10bp QoQ) resulting in EBITDA margin expansion of 140bp YoY/40bp QoQ to 12.6%. For OEMs, the major benefits of softening RM have already been reflected in 4Q while some benefits are yet to accrue in 1QFY24. Unlike OEMs, tyre companies are not likely to see any material benefits as 4QFY23 largely factors in the same. For companies with global operations (especially in the EU), inflationary pressure has started to ease with softening of commodity prices as well as energy cost with partial benefits to be seen in 1QFY24.
- **Exports – broad-based recovery expected in 2HFY24:** As per the management commentaries, exports in 4QFY23 continued to remain under pressure with initial signs of recovery seen in some of the markets such as Nigeria. Most of the OEMs indicated the broad-based recovery to only happen in 2HFY24. The volatile demand situation in European markets is hurting key Ancillary players such as MOTHERSO, ENDU, APTY, BIL and MACA. However, recovery in exports would largely be driven by better availability of FX in some geographies and easing of supply-side issues that are largely showing signs of improvement.
- **Decrease in net debt:** Healthy operating performance and correction in inventory levels resulted in a sequential decline in net debt levels for companies such as AL (INR 20b in 3QFY23 to net cash of INR2.43b), MOTHERSO (by INR10b QoQ to INR74.7b), APTY (by INR4b YoY to INR43b) and TTMT (by INR138b QoQ to INR437b).
- **Multiple upgrades in FY24E; downgraded EIM to Neutral (from BUY):** 4QFY23 saw upgrades for FY24E largely to factor in the benefits of falling RM costs, thereby aiding margins and commentaries related to sequential improvement in exports demand. There were upgrades for FY24E EPS for BJAUT (+7%), HMCL (+5%), TTMT (+13%), ESC (+7.5%) AMRJ (+9%), ENDU (+6%), MACA (+6%) Sona BLW (+4.5%), CEAT (+10%), APTY (+5.5%), MRF (+17%).
- **Valuation and view:** Sustained demand recovery, improving chip supplies, and softening commodity prices are expected to drive performance going forward. We prefer CVs aided by healthy demand and a stable competitive environment and believe CV cycle should sustain its healthy growth momentum going forward. We prefer companies with: a) higher visibility in terms of a demand recovery, b) a strong competitive positioning, c) margin drivers, and d) balance sheet strength. Our top picks in the sector are **TTMT, MSUMI, MOTHERSO and BHFC**.
- **Surprises:** AMRJ, HMCL, EIM, TTMT, AL, ESC, ENDU, MACA, MOTHERSO, SONACOMS, CEAT, and MRF.
- **Misses:** MSIL, EXID, BOS, BIL, and TIINDIA.

**Guidance highlights:**

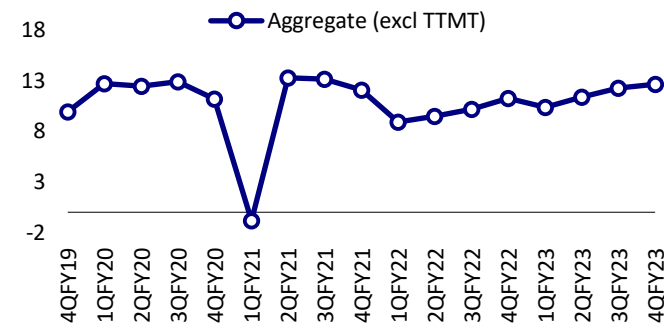
- **MSIL:** It is expected to grow ahead of the industry growth of 5-7% YoY in FY24 owing to new product launches. The current order backlog stands at 412,000 units (v/s 366,000 units in Dec'22), of which CNG is 33%. Chip shortages resulted in a volume loss of 170,000 units in FY23. MSIL expects chip shortages to ease in next three quarters.
- **MM:** In FY24, the tractor industry is likely to grow in single digit. MM is focusing on gaining market share by launching products in lightweight tractors category. It has raised its capex (ex-investments) guidance by ~INR27.2b (incl. EVs) to INR161b over FY22-24E. Increase in capex was led by the auto division (up by INR16b) for capacity expansion (including pickups) and regulatory changes, as well as EVs (up by INR11.2b).
- **TTMT – JLR outlook:** JLR expects gradual improvement in chip supply to continue during FY24. It is likely to achieve EBIT margin of over 6% in FY24 (v/s 2.4% in FY23). Management expects single-digit growth in FY24 domestic CV volumes for the industry, with 1QFY24 to witness a decline due to pre-buying in 4QFY23. TTMT expects domestic PV industry to grow 5-7% YoY in FY24 due to a high base effect, rising interest rates, inflation, and the cost impact from regulatory norms.
- **AL:** The domestic industry is likely to grow 10-12% YoY in FY24, wherein AL is expected to outperform the industry. Management expects industry sales in FY24 to surpass the FY19 peak. FY24 capex guidance increased to INR6.0b-INR7.5b (v/s INR5.0b in FY23) to be largely incurred towards product development, alternate fuels, and de-bottlenecking to some extent.
- **BJAUT – Exports outlook:** Nigeria has started showing signs of improvement post-election and demonetization. With low inventory, new products (new Pulsars for LatAm and Boxer range for Africa) and ramp-up in new market such as Brazil, exports should recover strongly if USD availability improves. **India 2W outlook:** Management expects 6-8% growth for the industry over the next few quarters, driven by >125cc.
- **HMCL:** Domestic 2W industry to clock double-digit revenue growth in FY24. While the premium segment is outperforming, management expects demand revival in the commuter segment.
- **TVSL – Domestic demand outlook:** While there is urban recovery, rural continues to remain slow. Healthy demand revival is contingent on good monsoon. Management expects TVSL to outperform both in the domestic and exports markets. The company targeted retail sales than wholesales in the export markets; hence, inventory correction is largely over and it expects improvement in wholesales in the second half of the year. It also plans to expand in LatAm and the Middle East markets.
- **EIM: Domestic demand for RE is quite resilient,** supported by new products. Overall 2W demand is still slow and as it improves, RE will also see broad-based growth in its portfolio. It has a strong line-up of launches for FY24. **CVs:** EIM expects double-digit growth in FY24 for the CV industry, driven by a) higher infra spends, b) replacement demand (for >6 years old) due to productivity issues, and d) continued recovery in HD trucks and buses (which are still materially lower than the previous peak).
- **BHFC:** Domestic CV industry is expected to grow in single digits for FY24. The demand over the next two to three years is likely to remain positive. The company is optimistic about recovering from sequential PV setback as no significant structural issues have been identified so far. **Global truck business –** Although demand is stable, the business is facing some supply-side challenges. **US –** Demand is still holding up while order backlog too is strong.
- **APTY – India demand outlook:** In FY24, APTY expects growth in high-single digits to low-double digits, largely driven by volume growth amid visible signs of a pick-up in replacement demand. Exports have started seeing an initial recovery in May'23 and may see a full recovery by 1HFY24. **Europe demand outlook:** Industry demand is expected to remain sluggish with recovery expected only in 2HFY24.
- **CEAT: Demand outlook appears stable** but rural non-farm segment is yet to see recovery. OEM growth should remain strong especially in commercial and passenger segments while 2W would be lower. Exports – Channel de-stocking is largely over. Management believes exports will be a key growth contributor.

Exhibit 42: Key operating indicators

|                 | Volumes ('000 units) |        |         |         |         | EBITDA margins (%) |        |          |        |          | Adj PAT (INR m) |          |         |
|-----------------|----------------------|--------|---------|---------|---------|--------------------|--------|----------|--------|----------|-----------------|----------|---------|
|                 | 4QFY23               | 4QFY22 | YoY (%) | 3QFY23  | QoQ (%) | 4QFY23             | 4QFY22 | YoY (bp) | 3QFY23 | QoQ (bp) | 4QFY23          | YoY (%)  | QoQ (%) |
| BJAUT           | 860                  | 977    | -12.0   | 983.3   | -12.5   | 19.3               | 17.1   | 220      | 19.1   | 20       | 14,329          | 16.9     | -3.9    |
| HMCL            | 1,270                | 1189   | 6.9     | 1,239.7 | 2.5     | 13.0               | 11.2   | 190      | 11.5   | 150      | 8,589           | 37.0     | 20.8    |
| TVS Motor       | 868                  | 856    | 1.4     | 879.4   | -1.3    | 10.3               | 10.1   | 20       | 10.1   | 20       | 3,640           | 32.6     | 3.2     |
| MSIL            | 515                  | 489    | 5.4     | 465.9   | 10.5    | 10.5               | 9.1    | 140      | 9.8    | 70       | 26,236          | 42.7     | 11.6    |
| MM              | 279                  | 229    | 21.9    | 281.9   | -1.0    | 12.4               | 11.2   | 120      | 13.0   | -60      | 19,750          | 66.7     | -2.7    |
| TTMT India CV** | 117                  | 120    | -2.8    | 95.0    | 22.6    | 10.2               | 6.1    | 410      | 8.5    | 170      | 17,040          | 180.3    | 81.7    |
| TTMT India PV** | 135                  | 124    | 9.1     | 132.3   | 1.9     | 7.3                | 7.0    | 30       | 7.0    | 30       | 2,340           | 457.1    | -27.1   |
| TTMT (JLR) *    | 107                  | 89     | 20.5    | 92.3    | 16.3    | 14.6               | 12.6   | 200      | 11.9   | 270      | 263             | -1,617.1 | 0.7     |
| TTMT (Cons)     |                      |        |         |         |         | 12.1               | 11.1   | 90       | 10.9   | 120      | 56,231          | -1,862.6 | 90.1    |
| Ashok Leyland   | 60                   | 49     | 22.5    | 47.6    | 25.5    | 11.0               | 8.9    | 210      | 8.8    | 210      | 7,145           | 70.8     | 100.3   |
| Eicher (RE)     | 219                  | 186    | 17.7    | 221.4   | -1.3    | 24.7               | 23.6   | 100      | 23.9   | 80       | 7,469           | 35.0     | 9.7     |
| Eicher (VECV)   | 26                   | 20     | 31.3    | 18.2    | 45.2    | 9.9                | 6.8    | 310      | 6.9    | 310      | 3,154           | 218.8    | 168.2   |
| Eicher (Consol) |                      |        |         |         |         | 24.7               | 23.6   | 100      | 23.9   | 80       | 9,056           | 48.4     | 22.2    |
| Agg. (ex JLR)   | 4,409                | 4256   | 3.6     | 4,365   | 1.0     | 12.6               | 11.2   | 140      | 12.2   | 40       | 88,745          | 43.6     | 10.5    |

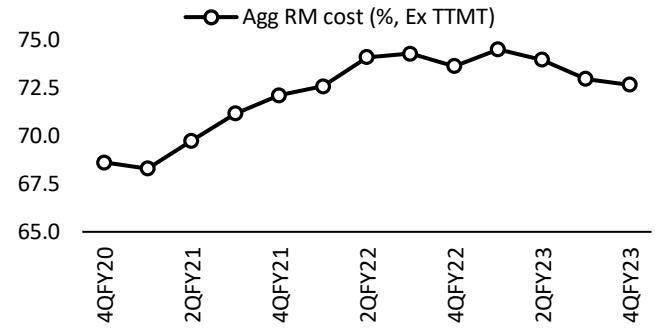
\*\* PBT instead of PAT; JLR in GBP m; Source: MOFSL, Company

Exhibit 43: Aggregate EBITDA margin improves QoQ due to softening RM, price hikes, Favorable FX and mix



Source: MOFSL, Company

Exhibit 44: RM cost declines on a QoQ basis



Source: MOFSL, Company

Exhibit 45: Revised estimate table

|            | FY24E   |         |         | FY25E   |         |         |
|------------|---------|---------|---------|---------|---------|---------|
|            | Rev     | Old     | Chg (%) | Rev     | Old     | Chg (%) |
| BJAUT      | 244.8   | 229.4   | 6.7     | 273.1   | 253.6   | 7.7     |
| HMCL       | 177.6   | 169.0   | 5.1     | 193.7   | 184.8   | 4.8     |
| TVSL       | 42.6    | 41.6    | 2.5     | 49.7    | 48.7    | 1.9     |
| EIM *      | 139.2   | 135.7   | 2.5     | 176.9   | 166.9   | 6.0     |
| MSIL *     | 350.0   | 353.2   | -0.9    | 402.6   | 415.4   | -3.1    |
| MM         | 77.8    | 77.7    | 0.1     | 87.4    | 87.0    | 0.5     |
| TTMT *     | 29.5    | 26.1    | 13.0    | 34.1    | 32.1    | 6.2     |
| AL         | 7.6     | 7.6     | -0.3    | 9.1     | 9.4     | -3.8    |
| ESCORTS    | 75.3    | 70.1    | 7.5     | 94.1    | 88.3    | 6.6     |
| AMRJ       | 52.2    | 48.0    | 8.9     | 57.6    | 51.2    | 12.3    |
| EXID       | 13.3    | 12.9    | 2.6     | 16.1    | 15.7    | 2.5     |
| BOSCH      | 632     | 641     | -1.3    | 713     | 726.6   | -1.9    |
| ENDU       | 52.0    | 49.1    | 5.8     | 60.5    | 57.5    | 5.2     |
| MACA       | 29.0    | 27.3    | 6.1     | 32.6    | 30.8    | 5.7     |
| BHFC       | 31.0    | 32.2    | -3.6    | 39.4    | 41.3    | -4.7    |
| MOTHERSO * | 4.0     | 3.9     | 2.4     | 4.9     | 4.9     | -0.4    |
| SONACOMS   | 9.1     | 8.7     | 4.5     | 11.5    | 10.8    | 6.4     |
| CEAT       | 130.1   | 118.1   | 10.1    | 152.3   | 138.2   | 10.2    |
| APTY *     | 27.0    | 25.6    | 5.5     | 33.1    | 30.8    | 7.3     |
| BIL        | 81.3    | 80.2    | 1.3     | 91.9    | 92.2    | -0.3    |
| MRF        | 3,574.5 | 3,066.4 | 16.6    | 4,193.8 | 4,003.7 | 4.7     |
| MSUMI      | 1.7     | 1.7     | -2.7    | 2.0     | 1.9     | 2.9     |
| TIINDIA    | 78.7    | 81.2    | -3.0    | 96.6    | 99.0    | -2.5    |
| CRAFTSMA   | 173.6   | 177.8   | -2.4    | 219.6   | 218.3   | 0.6     |

\*\* Consolidated estimates; Source: MOFSL, Company

**CEMENT: Strong volume growth; in-line operating performance with EBITDA/t at INR875 (est. INR867)**

- **Sales volume up 12% YoY; realization improves 3%:** Sales volume for our Coverage Universe grew 12% YoY led by sustained demand from non-trade segment (infrastructure, real-estate and private capex), and improved traction in IHB and retail demand. TRCL posted the highest volume growth of 46% YoY, followed by JKCE, UTCEM, DALBHARA and SRCM at 10%-16% YoY. ACC, ACEM, BCORP and ICEM reported a volume growth of 5-8% YoY while JKLC's volume grew by only 1%. Blended realization for our Coverage Universe improved 3% YoY, leading to a revenue growth (excluding GRASIM) of 16% YoY. GRASIM's standalone revenue grew 4% YoY in 4QFY23. VSF segment's volume grew 6% YoY while realization dipped 6% YoY. Chemical segment's volume grew 4% YoY, while realization declined 7.6% YoY. **As a result, aggregate revenue for our Coverage Universe rose 15% YoY to INR540b in 4QFY23.**
- **Elevated energy costs** (average variable cost/t up 15% YoY) resulted in a 4.5pp YoY decline in gross margin for our Coverage Universe. Freight/employee expenses per tonne rose 2%/1% YoY, while other expense/t was down 8% YoY. **Aggregate EBITDA for cement companies was flat YoY (down 4% including GRASIM, which posted an EBITDA decline of 43% YoY, due to margin pressure in both VSF and Chemical segments). OPM contracted 2.6pp to 15.5% (a 2.8pp drop to 14.4%, including GRASIM).** TRCL clocked an EBITDA growth of 40% YoY, while ICEM reported an operating loss of INR445m. UTCEM/DALBHARA reported an EBITDA growth of 8%/4% YoY, whereas ACEM, BCORP, SRCM and JKCE's EBITDA declined 1%-8% YoY. ACC, JKLC and GRASIM's EBITDA dropped 26%-43% YoY. **Average EBITDA/t stood at INR875 v/s INR986 and INR760 in 4QFY22 and 3QFY23, respectively.**
- **Profits declined 10% YoY:** Aggregate interest/depreciation expense for our Coverage Universe grew 26%/17% YoY. Other income rose 39% YoY. **Aggregate profit declined 4% YoY to INR36.4b for cement companies (profit declined 10% YoY to INR37.3b, including GRASIM).** ICEM posted a net loss of INR1.2b v/s a net loss of INR237m in 4QFY22. Profit for TRCL grew 24% YoY, followed by UTCEM and DALBHARA at +11%-13% YoY and ACEM at +2% YoY. Profits dropped 14-15% YoY for JKLC and SRCM, followed by 24-38% YoY decline for BCORP, ACC and JKCE. GRASIM's profit plunged 73% YoY.
- **Maintain our earnings estimates:** We have maintained our aggregate FY24/FY25 EBITDA estimates for our Coverage Universe (excluding GRASIM, where we have cut our EBITDA estimates by 23%/13% for FY24/ FY25 given significant margin pressures in both of its key businesses).
- **Top picks:** While UTCEM is our top pick in the largecap space, DALBHARA and JKCE are our preferred picks in the midcap space. We also like JKLC as our preferred pick in small cap.
- **Surprises:** TRCL and BCORP
- **Misses:** JKLC, SRCM, and GRASIM

**Guidance highlights:**

Most of the management teams expect cement demand to be upbeat fueled by sustained demand from the government's infrastructure projects, and pick-up in real estate, private capex and housing demand from tier-II/III/IV cities. Cement prices remain stable from Mar'23-exit amid a strong demand and sharp correction in fuel price. In 4QFY23, fuel consumption costs for cement players declined 4-15% QoQ to INR2.1-INR2.7/Kcal, except for SRCM, which saw flat fuel costs. Going forward, fuel costs for most of the companies are likely to decline from 1QFY24 onwards given ~30-46% drop in imported petcoke and South African coal in CY23YTD.

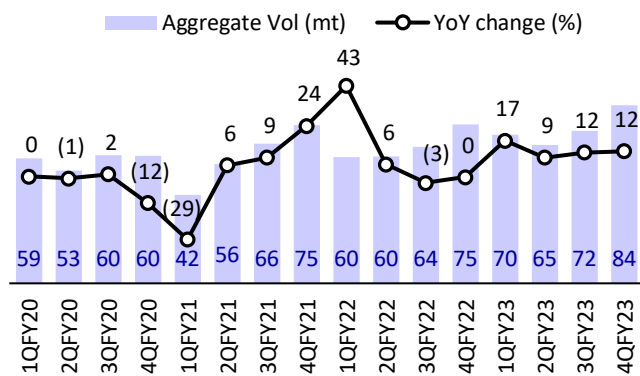
- **UTCEM:** Cement demand sustains in Apr'23 after a strong 4QFY23 and the company aims to grow 4-5pp above industry in FY24E. Cement prices have remained stable in Apr'23. Phase-I expansion has been completed and phase-2 expansion is on track to be completed by 1HFY26E. Average fuel cost was at INR2.5/Kcal v/s INR2.6/kcal in 3QFY23. Petcoke share was at 52% v/s 49%/43% in 4QFY22/3QFY23. In FY23, UTCEM spent INR12.8b towards digitization, optimizing lead distance, higher AFR usage, etc. to control its costs.
- **ACEM:** Management aims to double the group's grinding capacity to 140mtpa in the next five years and it has outlined the first phase of expansion of ~11-12mtpa (placed order in May'23). It targets cost reductions of INR300- 400/t and aims to achieve EBITDA/t of INR1,200-1,400 in FY24E. Average kiln fuel cost stood at INR2.1/kcal in 4QFY23 v/s INR2.33/Kcal in 3QFY23. WHRS capacity will increase to 175MW by 2QFY25E from 70MW. The company is also adding renewable energy capacity of 200MW by FY24-end.
- **SRCM:** Capacity utilization was 78% v/s 71%/72% in 4QFY22/ 3QFY23. Capacity utilization stood at ~80% in the North, 82% in the East and ~65% in the South region. It targets a sales volume of 36mt in FY24, implying 13% YoY growth. Cement realization rose 2% YoY (flat QoQ) in 4QFY23. Average fuel consumption cost was flat QoQ at



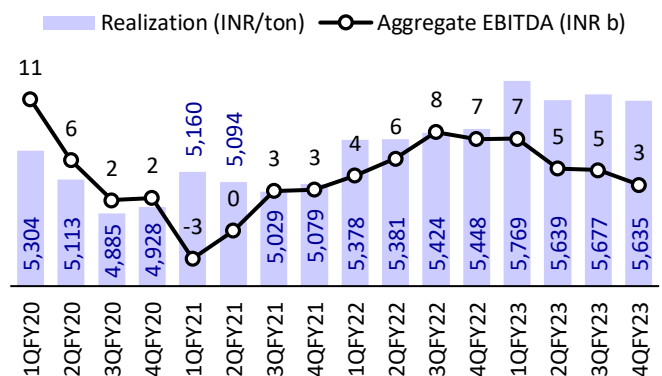
INR2.53/Kcal (INR2.62/kcal in FY23 v/s INR1.69 in FY22). The current petcoke price has declined to INR1.8/Kcal (thermal coal at INR2.0/Kcal) and the benefit of the same will reflect in the next two quarters.

- **DALBHARA:** The company has entered into definitive agreements to acquire the remaining cement assets (clinker/cement capacity of 3.4mtpa/4.2mtpa) from JP group. It reconsidered regional expansion plans after the JP acquisition and deferred a 2.5mtpa GU in Bihar. Key focus areas in FY24 will be the timely completion of expansions, integration of JPA assets, HR & digital transformation, and long-term fuel security. Fuel consumption cost stood at INR2.06/kcal in 4QFY23, and is expected to decline 5-6% YoY in 1QFY24 and another 10% in 2Q.
- **TRCL:** It targets ~20% YoY volume growth in FY24 after achieving ~35% YoY growth in FY23. Fuel cost per kcal stood at INR2.2 (v/s INR2.4 in 3QFY23). Besides, TRCL changed 19% of the wind power capacity under 'Sale to grid' to 'Captive Use' and plans to convert the entire capacity for captive usage in FY24E. Orissa GU Line-2, with a capacity of 0.9mt, is estimated to be commissioned in 3QFY24. It will decide on its next leg of expansion in a few quarters; however, Kurnool Line-II will be prioritized over Karnataka plant.
- **JKLC:** Capacity utilization was at 89% v/s 77% in 3QFY23. Cement volume growth should be at 19% YoY in FY24E. The average fuel cost stood at INR2.42/Kcal v/s INR2.57/kcal in 3QFY23. It is expected to decline further to INR2.31/Kcal in 1QFY24. Expansion at UCWL (2.5mtpa capacity) is progressing well and this will support volume growth in FY25E. In the next leg of expansion, it will finalize a brownfield expansion plan at Durg, Chhattisgarh in FY24E and further expansion in UCWL in the next one year.
- **BCORP:** Management targets EBITDA/t of INR850 (including Mukutban plant) and volume growth of 15% YoY in FY24. Cement prices are stable and any significant price hike is unlikely in FY24, as players are looking to maintain their market position. The decline in fuel prices should lead to savings of INR250/t+ for the company.
- **GRASIM:** Capacity utilization of VSF improved to ~93% v/s 74% in 3QFY23 and is expected to remain at 90%+ level going forward; however, profitability will take time to normalize due to a volatile global macro environment. Total capex stood at INR43.1b in FY23, largely for chemical and paints (INR20b) businesses. FY24 will see high capex for future growth plans.

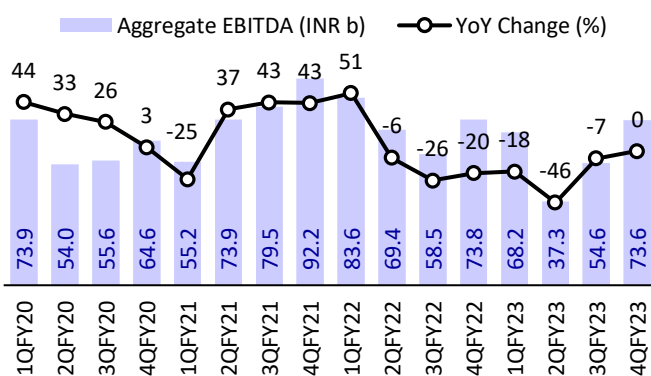
**Exhibit 46: Sales volume grew 12% YoY for our Coverage Universe in 4QFY23**



**Exhibit 47: Blended realization up 3% YoY (declined 1% QoQ) in 4QFY23**

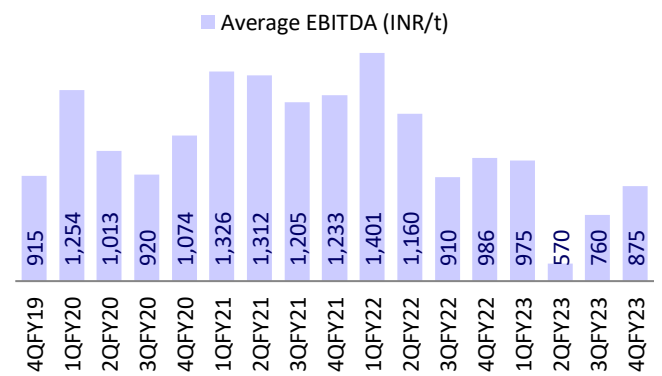


**Exhibit 48: EBITDA (ex-Grasim) was flat YoY**



Source: Company, MOFSL

**Exhibit 49: Average EBITDA/t down 11% YoY**



Source: Company, MOFSL



**CHEMICALS - SPECIALTY: Long road to recovery as short-term demand concerns persist**

- **Overall performance:** Revenue was largely in line with our estimates (CLEAN, GALSURF and VO reported a miss). EBITDA was above our estimates (GALSURF and VO below our estimates). PAT beat our expectations (AACL and CLEAN met our estimates, while GALSURF and VO posted a miss).
- **Long-term vision intact despite near-term headwinds:** While input cost pressures and high freight charges have subsided for most companies in our coverage universe, product demand has started slowing down amid concerns of a looming recession and inventory de-stocking by customers. Volumes are expected to remain subdued in the near term, with realizations also normalizing, in line with a decline in input costs for many companies. The long-term outlook remains robust, even as some companies have announced delays in project commissioning from mid-FY24 to year end due to the aforementioned reasons.
- **Aggregate gross margin** for our coverage universe contracted 60bp YoY but increased 110bp QoQ (up 190bp QoQ in 3QFY23). AACL, ATLP, VO and NOCIL posted a QoQ decline in gross margin. CLEAN (up 320bp), DN (up 210bp), FINEORG (up 390bp) and NFIL (up 300bp) witnessed a gain in gross margin QoQ. Aggregate EBITDA margin declined 50bp YoY but increased 90bp QoQ. CLEAN, FINEORG and NFIL clocked the highest increase in EBITDAM YoY, up 250-750bp.
- **Ratings and earnings change:** The quarter saw downgrades in estimates for four companies in our coverage universe. For ATLP, we cut our EBITDA/EPS estimates by 20%/19% for FY24 and by 18%/15% for FY25, due to underperformance in FY23 and near-term headwinds. For DN, we cut our revenue/EBITDA/EPS estimates by 6%/5%/7% for FY24 and by 9%/4%/7% for FY25, due to underperformance in FY23. For VO, we cut our revenue/EBITDA/ PAT estimates by 12%/ 19%/18% for FY24 and by 12%/ 18%/ 17% for FY25, due to soft demand for ATBS in FY24, which should be offset by Antioxidants (AOs). For NOCIL, we cut our EBITDA/EPS estimates by 15%/ 17% for FY24 and by 11%/ 12% for FY25, due to a subdued performance in FY23 and the longer-than-expected duration for capacity ramp-up.
- **Top picks:** We have a BUY rating on GALSURF, NOCIL and VO. Although demand for ATBS is expected to remain soft in the near term, VO has commenced production of AOs, which should start contributing to revenue from FY24. After the amalgamation with Veeral Additives, VO would become the largest and the only doubly integrated manufacturer of AOs in India and hence, we are positive about VO's long-term growth prospects.
- **GALSURF:** US demand in 4QFY23 was hit by de-stocking by customers, and the management expects demand to improve from 2QFY24. In 4QFY23, AMET region volumes grew 7% YoY (ex-Egypt), with Egypt volumes starting to normalize currently. Performance surfactants also made a strong comeback during the quarter.
- **FINEORG:** All the plants (except the one in Patalganga) are currently operating at optimum capacity, and the management expects to achieve full capacity utilization for all the plants, including Patalganga, by Mar'24-end. The company has added several new products in the personal care, food, and coatings categories, representing ongoing developments in the overall operations.
- **CLEAN:** The company commercialized its HALS701 and HALS770 in Dec'22 and has begun supplying commercial orders to its customers in 4QFY23. The management said it would focus on increasing sales and making inroads in the export market as well, with an aim of capturing 30% of the domestic market share in these two products.
- **DN:** The management expects a strong performance in the AI segment as the global supply chain shifts to India, despite high input prices. The company expects to double its revenue in the next four years.
- **Surprises:** ATLP, FINEORG, NFIL, NOCIL
- **Misses:** GALSURF, VO

**Guidance highlights:**

- **CLEAN:** The company expects a total capex of INR1.8b for the HALS expansion in Unit IV, which is likely to be commissioned by Dec'23-Mar'24. After the expansion, the total capacity of HALS would be 15ktpa (including 2ktpa in Unit III which is under the parent company). The company has also announced capex of INR2b for new products that are expected to come online by end-1HFY25.
- **DN:** The company has announced project delays with respect to its MIBK/ MIBC plants, which would now be commissioned in 1QFY25 (earlier commissioning in 4QFY24), and the debottlenecking of the Phenol plant was also delayed by a quarter to 1QFY24. DN would also commission BTC/ BTF products in the Photo Chlorination and Fluorination (as announced earlier) chemistries by 3QFY24.

- **GALSURF:** The management highlighted that India volumes remained resilient, with improved demand for premium categories that aided growth. Volume growth guidance remains at 6-8%; domestic volume growth is pegged at 8-10%, led by a recovery in rural demand and the entry of a new player in the FMCG industry.
- **NFIL:** The management has informed about the planned annual shutdown at HFO and HF plants in Apr'23 at Dahej and Surat, respectively, which could lead to a softer performance in 1QFY24. The pharma molecule that the company was going to commission in the MPP plant has also been dropped from the immediate plans of the management, while there is another agrochemical molecule that is under consideration and might commence in 2HFY24.
- **NOCIL:** The management highlighted that the outlook for domestic tyre companies remains robust, with the industry expected to grow ~10% annually over the next several years. Optimal capacity utilization for its expanded capacity is uncertain and would go beyond FY24, given the uncertain global macro environment (earlier guidance of full utilization by Sep'23).
- **VO:** The management expects a muted performance in FY24, with ATBS demand unlikely to bounce back before end-FY24. However, the management has started commercial supply of AOs, which should start contributing to revenues in 1QFY24. The contribution from AOs would partially offset the weakness in the ATBS segment in FY24. The merger with VAPL is expected to be completed by Jun'23.

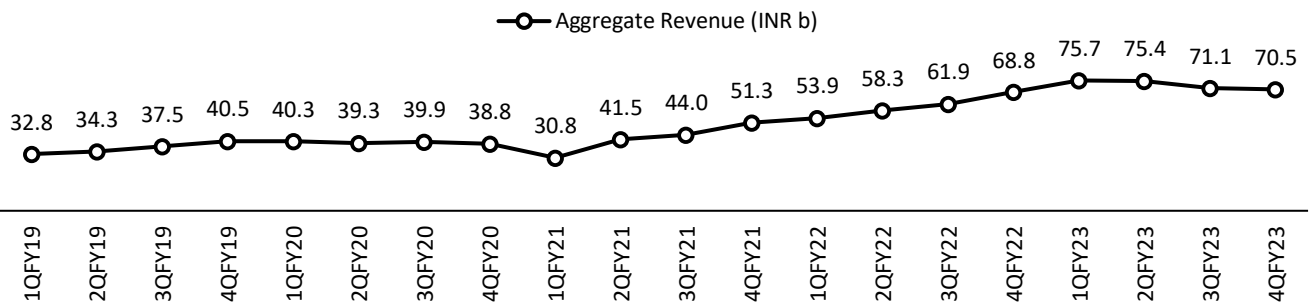
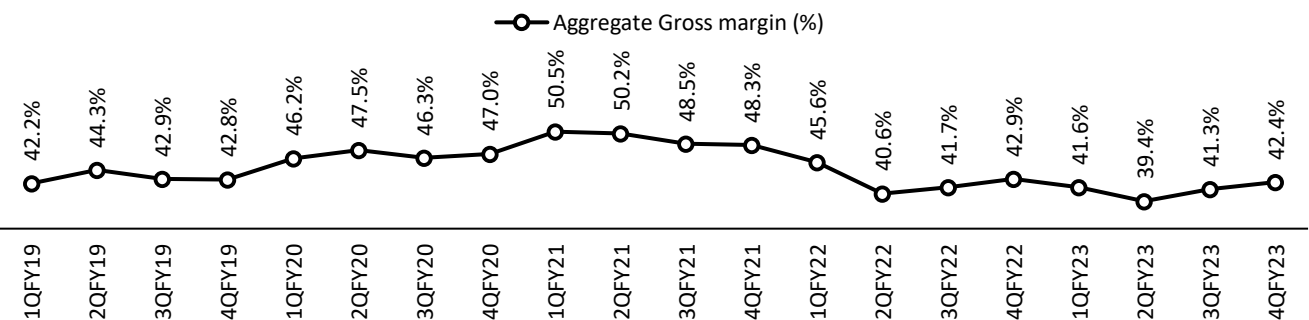
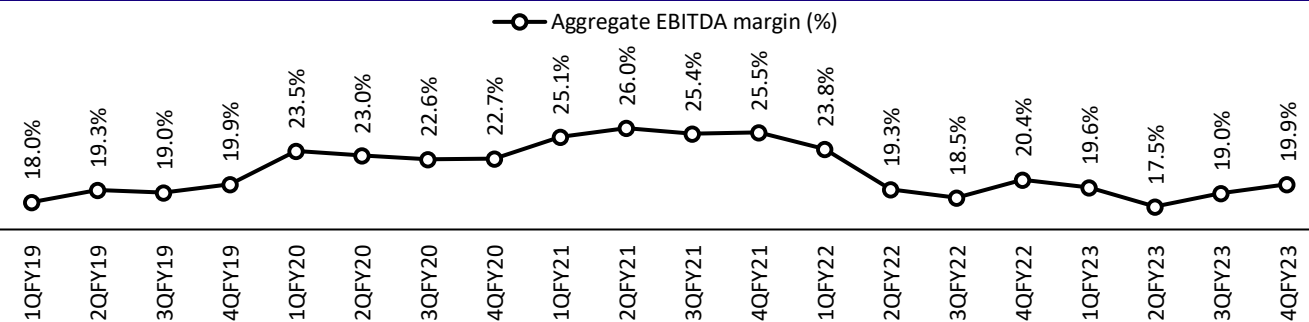
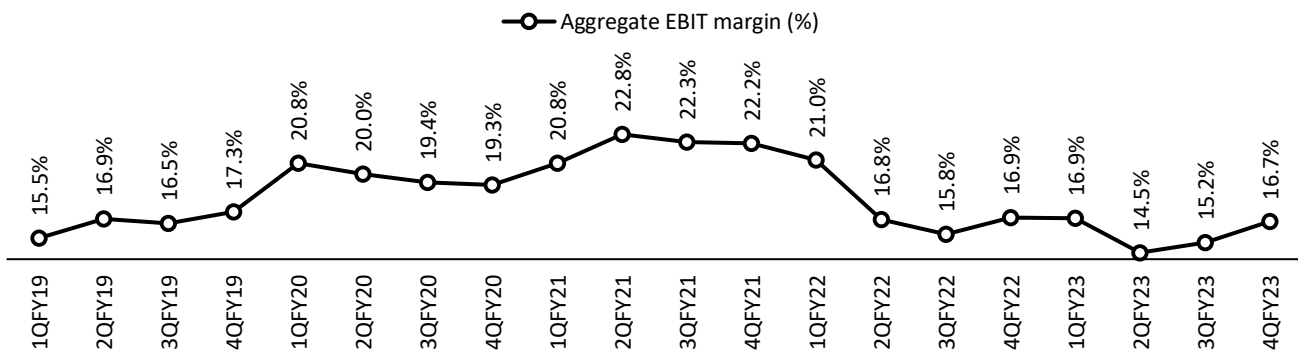
**Exhibit 50: Revenue for our coverage universe****Exhibit 51: Gross margin for our coverage universe****Exhibit 52: EBITDAM for our coverage universe**

Exhibit 53: PAT margin for our coverage universe



### CONSUMER: Healthy performance; margins improve

- **Sales broadly in line with estimates:** Companies in our coverage universe delivered a cumulative sales growth of 9.8% YoY (est. 8.7%) in 4QFY23. Volume growth has started to see some recovery during the quarter; however, it continues to remain at lower levels, due to persistent softness in rural India. Out of the 19 companies in our coverage universe, eight companies reported double-digit sales growth, while it remained flat for five companies. TTAN reported healthy sales growth of ~33%. Overall sales growth was largely in line (11 out of 19 companies), but there were a few notable misses as well (JYL, PAG, and PGHH).
- **Margins recover, A&P investments step up:** The overall performance of our coverage universe was a mixed bag with some companies reporting robust volume growth, while others reporting strong value growth. However, there have been encouraging developments in the margin front. The full effect of price hikes has been realized, commodity costs have stabilized or even declined in some cases, and there has been an improvement in product mix for a few companies. However, due to elevated levels of barley and glass costs, gross margin of UBBL contracted further. Due to a decline in crude and palm oil prices, APNT/INDIGOPN/GCPL/PIDI/JYL saw a significant improvement in gross margin. Management commentary from most of the companies suggested that ad spending has returned to normal levels and companies will not shy away from investing in A&P going forward.
- **Demand trend reversal witnessed in rural:** The performance of rural India remained weak; however, management commentary of companies suggested there were signs of improvement with the reversal in the declining volume trend during the quarter. This serves as a silver lining for the year, instilling hope for improved conditions and increased consumer activity in rural areas. However, it remains to be seen whether this trend will sustain, as a complete recovery in rural areas is crucial for driving overall growth. Factors such as a normal monsoon and a low base of rural growth could lead to further improvement in the future.
- **PBT and PAT broadly in line:** PBT for 13 out of the 19 companies in our coverage universe was ahead of or in line with our estimates, with a better-than-expected performance from NEST, BRIT, paint companies (APNT and INDIGOPN), CLGT, GCPL, and notable misses from DABUR, UBBL, PAG, and PIDI. Cumulative PBT growth was in line at 16.1% YoY. Cumulative PAT growth stood at 14.5% YoY (in line).
- **Top picks – ITC and GCPL:** We are positive on **ITC**, given: 1) a better-than-expected demand recovery and a healthy margin outlook in Cigarettes, 2) healthy sales momentum in the FMCG business, 3) a smart recovery in the Hotels business, and 4) better capital allocation in recent years. **GCPL** has been improving its India business sales growth in the recent years, and FY23 is the third consecutive year of close to double-digit sales growth after a tepid FY16-FY20 period (~4% CAGR). Working capital improvement (especially in overseas) is also on track and the profitability outlook is gradually improving for the overseas business.
- **Positive surprises:** NEST, APNT, INDIGOPN, HMN
- **Misses:** DABUR, JYL, PAG, PGHH, UBBL

### Guidance highlights:

- **APNT:** At present, the overall market size is ~INR700-750b and the management expects it to grow to INR1000b in the next five years. The management also targets to increase the contribution from the home décor business

to 8%-10% of architectural turnover by FY26 from its current 4-4.5%. The EBITDA margin would remain in the range of 18%-20%. Capex for FY24 would be ~INR20-23b.

- **DABUR:** Media investments are currently 5-5.5% and is expected to gradually go up to 7-8%. The management is targeting a revenue of INR5b from the foods business in FY24 and INR10b in the next five years. For the overall F&B vertical, the management targets a revenue of INR40-45b in the next five years.
- **HUVR:** The management anticipates a decline in price growth going ahead, while expecting volumes to recover. A&P spends will gradually be back to normal levels.
- **GCPL:** FY24 growth would be led by volumes with low price growth. The management is expecting FY24 to be steady for the HI category. Gross margin would be back to its average levels.
- **MRCO:** The company aspires to clock a revenue of ~INR4b by FY24 from digital-first brands. In FY24, while gross margin may increase ~200-250bp and EBITDA margin is expected to increase ~100bp YoY.
- **PIDI:** VAM consumption costs fell to USD1,300/ton in 4QFY23 from USD2,000/ton in 3QFY23. The current ordering rate is, however, much lower at USD1,100/ton. EBITDA margin would be in the range of 20-24% going ahead. The company is on track to commission five more plants before Jun'23.
- **TATACONS:** The management has guided for further margin improvement in the international business by 2QFY24. The margin is expected to be at least 100-150bp higher than consolidated EBIT. The India business should witness EBIT margin improvement in FY24. The management expects to increase NourishCo's distribution network and targets revenue of over INR10b in FY24 (v/s INR6.2b) in FY23.
- **UNSP:** The management targets an EBITDA margin of ~15% in FY24 and expects it to gradually increase to 16.5% thereafter. Employee costs will range between INR5.5b and INR6b and A&P spends will be in the range of 9-10% of sales.
- **UBBL:** The company is experiencing pressure on bottling costs, which is expected to persist, primarily due to a shortage of supply in the market. Capex for FY24 is expected to be ~NR2.5-3b.
- **VBL:** The management has indicated that a significant portion of the planned 70,000-80,000 for CY23 have already been installed. The management plans to expand its distribution network to tackle competition. The company has already invested a major part of the planned capex for CY23 (i.e., INR15b).

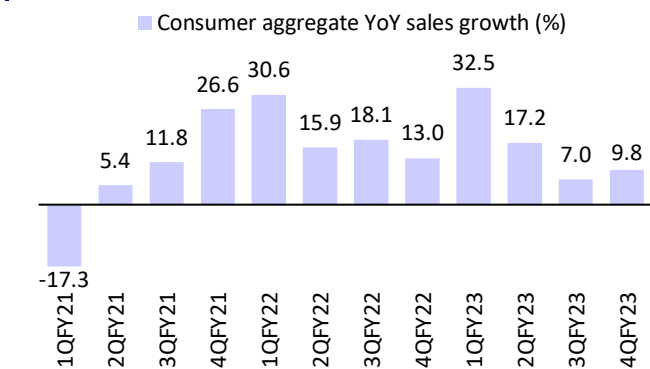
**Exhibit 54: Quarterly volume growth**

| (%)                         | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| APNT (domestic decorative)* | 48.0   | 106.0  | 34.0   | 10.0   | 8.0    | 37.0   | 10.0   | 0.0    | 16.0   |
| BRIT (base business)        | 8.0    | 1.0    | 5.0    | 6.0    | 4.0    | (2.0)  | 4.0    | 2.0    | 3.0    |
| CLGT (toothpaste)           | 16.0   | 8.0    | 4.0    | 1.0    | (4.0)  | (1.0)  | 0.0    | -2.0   | 0.0    |
| DABUR (domestic FMCG)       | 25.4   | 34.4   | 10.0   | 2.0    | 2.0    | 5.0    | 2.0    | -3.0   | 1.0    |
| HMN (domestic)              | 39.0   | 38.0   | 6.2    | 0.0    | 0.0    | 9.6    | -1     | -3.9   | 2.0    |
| HUVR (domestic)             | 31.0   | 9.0    | 4.0    | 2.0    | 0.0    | 6.0    | 4.0    | 5.0    | 4.0    |
| ITC (cigarette)*            | 7.0    | 31.0   | 9.0    | 12.5   | 9.0    | 26.0   | 21.0   | 15.0   | 12.0   |
| MRCO (domestic)             | 25.0   | 21.0   | 8.0    | 0.0    | 1.0    | (6.0)  | 3.0    | 4.0    | 5.0    |
| PIDI (consumer bazaar)      | 45.3   | 105.0  | 24.5   | 9.0    | 20.2   | 44.0   | 1.0    | 1.0    | 7.0    |

\*Our estimate

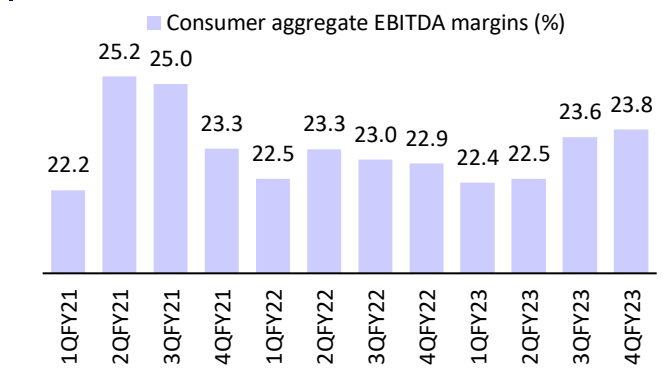
Source: Company, MOFSL

**Exhibit 55: Sales grew 9.8% for our consumer universe**

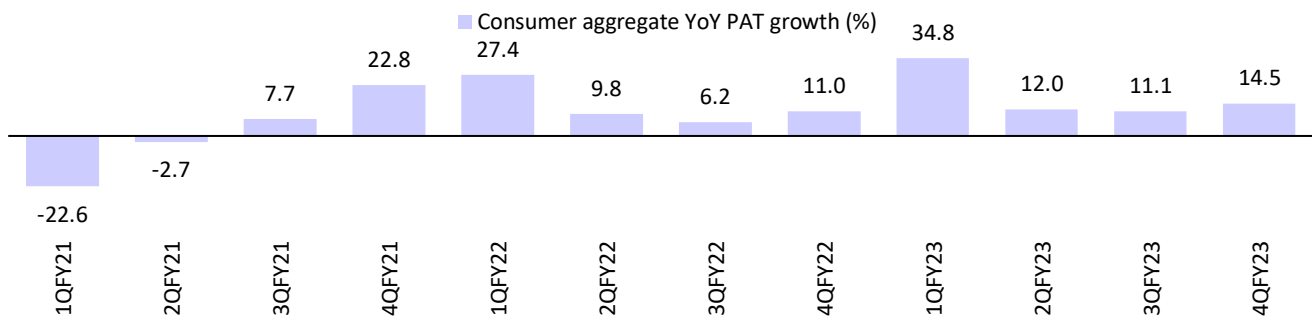


Source: Company, MOFSL

**Exhibit 56: Aggregate EBITDA margin rose ~90bp YoY**



Source: Company, MOFSL

**Exhibit 57: Aggregate adjusted PAT up 14.5% YoY, led by sales growth and cost-control measures**

Source: Company, MOFSL

**FINANCIALS – BANKS AND LIFE INSURANCE: Earnings traction steady; cost of deposit remains the key**

- The banking sector reported a strong 4QFY23, driven by healthy loan growth, stable margins, and continued asset quality improvements. There were numerous drivers of credit expansion, with the Retail and MSME sector exhibiting robust growth and the corporate book displaying a healthy rebound. Deposit growth was supported by term deposits, due to higher interest rates, and thus, resulted in a sequential rise in funding cost across the sector.
- Private Banks, excluding foreign banks, witnessed healthy NII growth, while Public Sector Banks saw modest growth with moderation of NII in UNBK. This decline was led by stagnating yields and a higher cost of funds due to a lag in re-pricing of liabilities. While the banks with a high floating rate book saw an expansion in margins in 4QFY23. Robust fee income and controlled treasury gains supported PPOP growth. Core PPOP grew at a healthy pace of 10%-61% YoY (barring RBK).
- Slippages continue to remain in control, driving further improvement in asset quality across banks. BANDHAN also reported a 65% QoQ decline in gross slippages as collection efficiency in the MFI business continues to improve. Moreover, better recoveries and upgrades resulted in a sequential decline in GNPA/NNPA ratios, with PCR remaining healthy. The restructured and SMA book too witnessed a gradual decline.
- **Private Banks – business growth intact; NII/core PPoP growth buoyant:** Advances continued to grow with a sequential uptick of 3-14%. Deposits grew ~6-14% QoQ, driven by robust expansion in term deposits for some banks. NII grew 7-40% YoY, except for BANDHAN, which reported a decline of 3%. Margins expanded sequentially for most banks except AUBANK, FB, and AXSB, which saw a moderation in the range of 4-18bp QoQ in 4QFY23. Core PPOP, however, grew 10-61% YoY (barring RBK, which declined 12% YoY). Slippages continued to moderate across segments. GNPA ratio improved by an average of 23bp QoQ across banks, barring BANDHAN, which improved 228bp QoQ.
- **Public Sector Banks – Loan growth remains healthy, asset quality continues to improve:** PSBs posted an improvement in their operating performance, led by a healthy loan growth of 14-21% YoY across banks amid a sharp recovery in the corporate segment. Deposits saw modest growth, except for BoB and PNB, which reported a strong growth of 15%/12% YoY. NII and fee income saw flattish growth. Slippages moderated in 4QFY23, which, coupled with healthy recoveries and upgrades, resulted in a 36-102bp QoQ improvement in GNPA ratios. Higher provisions enabled reduction in the NNPA ratios in the range of 10-58bp QoQ. The restructured and SMA book too witnessed a decline.
- **Small Finance Banks – solid momentum in business growth; asset quality resilient:** AUBANK reported healthy loan and NII growth (30% YoY), which, along with lower provisions, drove earnings. Asset quality improved due to strong recoveries, with PCR expanding to ~75% in 4QFY23. Collection efficiency remained healthy. EQUITASB reported a strong 4QFY23, with healthy AUM growth across segments. Higher NII and Other Income resulted in 26% beat in PPoP. Deposit growth was supported by healthy traction in term deposits, and hence, CASA ratio moderated to 42.3% v/s 46.2% in 3QFY23. On the asset quality front, headline ratios improved, while the restructured book moderated to 1% of loans.



- **Life Insurance – VNB margin remains buoyant; Retail Protection improves QoQ:** APE growth remained healthy for all life insurance companies with robust growth in HDFCLIFE (up 69% YoY) and MAXLIFE (up 38% YoY). All insurers reported healthy trends in the Non-PAR savings and Annuity segments due to tax changes, while ULIP growth was modest. Group Protection continued to see strong trends, while Retail protection saw a QoQ recovery. VNB margin grew 243bp/384bp QoQ for HDFCLIFE/SBILIFE but moderated 194bp QoQ for IPRULIFE. MAXLIFE saw a moderation of ~893bp QoQ in VNB margin to 30.3%. We remain watchful of the recent budget announcement, which can hurt growth momentum going forward, particularly the Non-Par segment.
- **Our view:** We expect earnings to remain resilient, guided by robust traction in loan growth and a benign credit cost. However, a challenging macro environment could slow the demand recovery. The CD ratio remains elevated, and thus, healthy growth in liabilities will be critical to sustain loan growth. We expect competition for deposits to intensify further, thus driving a sharper rise in funding costs in the coming quarters. The margin trajectory could witness pressure over FY24. Banks with a higher CASA mix are well positioned to navigate the rising rate environment, even as the funding cost is likely to increase. The asset quality outlook remained encouraging, with a moderation in slippages, healthy PCR, and contingent buffers driving benign trends in core credit costs. We marginally raise our FY23-25 earnings estimates for the sector by ~2% (up 6% for DCB, 4-5% for BoB, and ~4% for SBIN). KMB saw an increase of 7% in FY24E. CBK, IIB, and RBK saw a decline of 2-4%, while other banks saw minor changes to the estimates. **We retain our preference for AXSB, ICICIB, SBIN, IIB & IDFCB. In the Life Insurance space, SBILIFE continues to be our preferred pick.**
- **Positive surprises:** SBI, BoB, AUBANK, and EQUITAS
- **Misses:** PNB, CBK, and RBK

#### Guidance highlights

- **HDFCB** continues to strengthen its geographical footprint (to add ~1400-1500 branches in FY24), even as it invests in digital initiatives and boosts its employee strength. It plans to launch several new apps. The margin trajectory is likely to depend on the loan mix. However, the management expects a positive bias on margin. The merger is likely to be completed by 2QFY24.
- **KMB** remains focused on growth, led by healthy traction across most segments. It aims to grow loans and deposits at a healthy pace. It aspires to grow at ~1.5-2.0x of the nominal GDP on a sustainable basis and will continue to focus on growing its unsecured book. The bank will continue to make investments in building a digitally savvy franchise for a couple of quarters and aims to invest in technology and hire people in addition to increasing the number of branches going forward (to add 150 branches in FY24 v/s 100 in FY23). The bank expects the margins to be +5% for FY24, driven by repo rate hikes and the re-pricing of the MCLR book.
- **ICICIB** aims to grow its core operating profit in a risk-calibrated manner with a 360-degree focus on customers. It will continue to invest in people and tech and operate within the strategic framework of 'One Bank, One RoE'. The bank believes that the NIMs have peaked out and will showcase some moderation from its current level. Loan growth is likely to remain healthy, with Retail, SME, and BB being the key growth drivers.
- **AXSB** expects loan growth in FY24 to be 400-600bp higher than the industry level. It is committed to attaining a cost-to-assets ratio of ~2% by the end of FY25. The Citi deal has been completed in 4QFY23 and the bank has written off the acquired goodwill in the same quarter. The bank has a strong pipeline in the corporate book, and thus, expects healthy traction in the corporate segment to continue.
- **SBIN** expects to sustain the strong traction in credit growth and loan growth of ~12-14% in FY24. The bank believes that it has some further cushion in terms of MCLR re-pricing that is likely to support margins. The estimated provision on account of the wage revision is expected to be ~INR5b on a monthly basis. The credit cost for FY24 is expected to remain similar to FY23 (32bp in FY23). Excess SLR of INR4t along with the profits of FY23 ploughed back will be sufficient to fund the credit growth in FY24, and hence, SBIN is not looking to raise funds in the near term.
- **IIB** aims a loan growth of ~18%-23% with a retail mix at 55% and the margin is expected to range between 4.25% and 4.35% over FY23-FY26. However, it expects the C/I ratio to remain elevated at ~45% for the next few



quarters that will eventually moderate to 41%-42% as the operating efficiency kicks in. The management has maintained its credit cost guidance at 110-130bp over FY23-26. As branch expansion plays an important role in deposit mobilization, it plans to increase its branch count to 3,250-3,750 by FY26. Overall, the bank's endeavor is to deliver an RoA of ~1.9-2.2% over FY23-FY26.

- **FB:** In terms of the cost of deposits, a large part of the liability book (~80%) has already been re-priced in 4QFY23 and some of it will be re-priced in 1QFY24, thereby expecting an improvement in margins going forward. Loan growth is expected to be in high teens in FY24, driven by higher growth in new business and fin-tech partnerships. RoA expansion is on track and ahead of the bank's expectation. The bank now expects an RoA of 1.3-1.35% in FY24 and NIM of ~3.3-3.35%. The bank may look at a capital raise in early FY24.

**Exhibit 58: Steady NII; modest treasury performance and a decline in credit cost aid earnings improvement**

| INR b   | NII    |         |         | PPOP   |         |         | Core PPOP (calculated) |         |         | PAT    |         |         |
|---------|--------|---------|---------|--------|---------|---------|------------------------|---------|---------|--------|---------|---------|
|         | 4QFY23 | YoY (%) | QoQ (%) | 4QFY23 | YoY (%) | QoQ (%) | 4QFY23                 | YoY (%) | QoQ (%) | 4QFY23 | YoY (%) | QoQ (%) |
| AXSB*   | 117.4  | 33.1    | 2.5     | 91.7   | 41.8    | (1.2)   | 90.8                   | 45.7    | 2.7     | 66.3   | 60.9    | 13.2    |
| BANDHAN | 24.7   | (3.0)   | 19.0    | 18.0   | (29.0)  | (7.0)   | NA                     | NA      | NA      | 8.1    | (58.0)  | 178.0   |
| DCBB    | 4.9    | 27.7    | 9.0     | 2.4    | 10.5    | 25.7    | NA                     | NA      | NA      | 1.4    | 25.4    | 24.9    |
| HDFCB   | 233.5  | 23.7    | 1.6     | 186.2  | 13.8    | (2.1)   | 186.6                  | 14.4    | (0.6)   | 120.5  | 19.8    | (1.7)   |
| ICICIBC | 176.7  | 40.2    | 7.3     | 138.3  | 34.3    | 4.2     | 138.7                  | 36.4    | 4.8     | 91.2   | 30.0    | 9.7     |
| IDFCFB  | 36.0   | 34.7    | 9.5     | 15.6   | 88.6    | 23.6    | 13.4                   | 60.7    | 9.6     | 8.0    | 134.2   | 32.8    |
| IIB     | 46.7   | 17.2    | 3.9     | 37.6   | 11.2    | 1.9     | 36.9                   | 18.3    | 3.9     | 20.4   | 45.9    | 4.1     |
| KMB     | 61.0   | 35.0    | 8.0     | 46.5   | 39.1    | 20.7    | 43.9                   | 36.7    | 22.0    | 35.0   | 26.3    | 25.2    |
| FB      | 19.1   | 25.2    | (2.4)   | 13.3   | 67.2    | 4.7     | 11.4                   | 45.3    | (11.0)  | 9.0    | 67.0    | 12.3    |
| RBK     | 12.1   | 7.1     | 5.5     | 5.9    | (9.7)   | 4.7     | 5.8                    | (12.4)  | 8.2     | 2.7    | 37.0    | 29.7    |
| AUBANK  | 12.1   | 29.5    | 5.2     | 5.7    | 18.4    | 2.7     | 5.7                    | 17.2    | 3.9     | 4.2    | 22.7    | 8.1     |
| SBIN    | 403.9  | 29.5    | 6.1     | 246.2  | 24.9    | (2.4)   | 228.2                  | 16.8    | 2.4     | 166.9  | 83.2    | 17.5    |
| BOB     | 115.2  | 33.8    | 6.5     | 80.7   | 43.3    | (1.9)   | 79.5                   | 25.8    | 9.4     | 47.8   | 168.5   | 23.9    |
| CBK     | 86.2   | 23.0    | 0.2     | 72.5   | 16.9    | 4.3     | 71.0                   | 25.0    | 8.2     | 31.7   | 90.5    | 10.2    |
| INBK    | 55.1   | 29.5    | 0.2     | 40.2   | 46.7    | (1.1)   | 39.3                   | 48.2    | 1.9     | 14.5   | 47.0    | 3.7     |
| PNB     | 95.0   | 30.0    | 3.5     | 58.7   | 11.4    | 2.6     | 60.6                   | 15.4    | 4.1     | 11.6   | 474.9   | 84.2    |
| UNBK    | 82.5   | 21.9    | (4.4)   | 68.2   | 23.6    | 3.1     | 62.2                   | 41.3    | 1.1     | 27.8   | 93.3    | 23.9    |

\*Adjusted for Citi acquisition cost; Source: MOFSL, Company

**Exhibit 59: Margin saw mixed movements with expansion up to 80bp QoQ and moderation of 23bp QoQ for UNBK**

| NIM (%) | 3QFY23 | 4QFY23 | YoY (bp) | QoQ (bp) |
|---------|--------|--------|----------|----------|
| AXSB    | 4.26   | 4.22   | 73       | (4)      |
| BANDHAN | 6.50   | 7.30   | (140)    | 80       |
| DCBB    | 4.02   | 4.18   | 25       | 16       |
| HDFCB   | 4.10   | 4.10   | 10       | -        |
| ICICIBC | 4.65   | 4.90   | 90       | 25       |
| IDFCFB  | 6.36   | 6.41   | 14       | 28       |
| IIB     | 4.27   | 4.28   | 8        | 1        |
| KMB     | 5.47   | 5.75   | 97       | 28       |
| FB      | 3.49   | 3.31   | 15       | (18)     |
| RBK     | 4.74   | 5.01   | (3)      | 27       |
| AUBANK  | 6.20   | 6.10   | (20)     | (10)     |
| SBIN    | 3.50   | 3.53   | 45       | 16       |
| BOB     | 3.37   | 3.07   | 14       | 2        |
| CBK     | 3.05   | 3.59   | 72       | (15)     |
| INBK    | 3.74   | 3.24   | 48       | 8        |
| PNB     | 3.16   | 3.60   | 48       | 10       |
| UNBK    | 3.21   | 2.98   | 23       | (23)     |

Source: MOFSL, Company

**Exhibit 60: Healthy loan growth led by the Retail and SME segment, while Corporate too revives; deposit growth modest, with CASA mix broadly under pressure**

| INR b   | Loans  |         |         | Deposits |         |         | CASA deposits |         |         | CASA ratio (%) |          |          |
|---------|--------|---------|---------|----------|---------|---------|---------------|---------|---------|----------------|----------|----------|
|         | 4QFY23 | YoY (%) | QoQ (%) | 4QFY23   | YoY (%) | QoQ (%) | 4QFY23        | YoY (%) | QoQ (%) | 4QFY23         | YoY (bp) | QoQ (bp) |
| AXSB    | 8,453  | 19.4    | 10.9    | 9,469    | 15.2%   | 11.6%   | 4,465         | 20.7    | 18.2    | 47.0           | 200      | 200      |
| BANDHAN | 1,048  | 11.5    | 13.8    | 1,081    | 12.2%   | 5.7%    | 425           | 5.9     | 14.1    | 39.3           | (232)    | 291      |
| DCBB    | 344    | 18.2    | 4.3     | 412      | 18.9%   | 4.4%    | 109           | 17.4    | -0.1    | 26.4           | (33)     | (120)    |
| HDFCB   | 16,006 | 16.9    | 6.2     | 18,834   | 20.8%   | 8.7%    | 8,360         | 11.3    | 9.6     | 44.4           | (380)    | 40       |
| ICICIBC | 10,196 | 18.7    | 4.7     | 11,808   | 10.9%   | 5.2%    | 5,413         | 4.4     | 6.4     | 45.8           | (290)    | 50       |
| IDFCFB  | 1,518  | 28.8    | 3.2     | 1,446    | 36.9%   | 8.7%    | 720           | 40.7    | 8.2     | 49.8           | 133      | (23)     |
| IIB     | 2,899  | 21.3    | 6.3     | 3,361    | 14.6%   | 3.3%    | 1,347         | 7.5     | -1.2    | 40.0           | (270)    | (200)    |
| KMB     | 3,199  | 17.9    | 2.9     | 3,631    | 16.5%   | 5.3%    | 1,918         | 1.4     | 4.5     | 52.8           | (790)    | (50)     |
| FB      | 1,744  | 20.4    | 3.7     | 2,134    | 17.4%   | 5.9%    | 697           | 3.9     | 1.1     | 32.7           | (426)    | (156)    |
| RBK     | 702    | 17.0    | 5.3     | 849      | 7.4%    | 3.8%    | 317           | 13.7    | 5.9     | 37.4           | 210      | 80       |
| AUBANK  | 584    | 26.7    | 5.1     | 694      | 31.9%   | 13.5%   | 267           | 36.0    | 13.6    | 38.4           | 140      | 40       |
| SBIN    | 31,993 | 17.0    | 4.6     | 44,238   | 9.2%    | 5.0%    | 18,629        | 4.9     | 3.5     | 43.8           | (148)    | (68)     |
| BOB     | 9,410  | 21.1    | 5.6     | 12,037   | 15.1%   | 4.7%    | 4,425         | 7.9     | 5.9     | 42.3           | (199)    | 62       |
| CBK     | 8,307  | 18.1    | 1.7     | 11,792   | 8.5%    | 1.4%    | 3,665         | -0.6    | 4.3     | 33.5           | (240)    | 92       |
| INBK    | 4,493  | 15.4    | 3.0     | 6,212    | 4.6%    | 4.0%    | 2,608         | 5.2     | 8.1     | 42.0           | 22       | 159      |
| PNB     | 8,308  | 14.1    | 3.8     | 12,812   | 11.8%   | 5.8%    | 5,380         | 0.8     | 4.2     | 43.0           | (443)    | (72)     |
| UNBK    | 7,618  | 15.3    | 0.7     | 11,177   | 8.3%    | 4.9%    | 3,941         | 4.5     | 4.8     | 35.6           | (92)     | 28       |

Source: MOFSL, Company

**Exhibit 61: Asset quality continues to improve, with a robust PCR; credit cost undershoots across Banks**

| Asset quality (%) | 3QFY23 (%) |      |      | 4QFY23 (%) |      |      | QoQ change (bp) |      |      | 4QFY23         |
|-------------------|------------|------|------|------------|------|------|-----------------|------|------|----------------|
|                   | GNPA       | NNPA | PCR  | GNPA       | NNPA | PCR  | GNPA            | NNPA | PCR  | Slippage Ratio |
| AXSB              | 2.38       | 0.47 | 80.8 | 2.02       | 0.39 | 80.9 | -36             | -8   | 6    | 1.7            |
| BANDHAN           | 7.15       | 1.86 | 75.4 | 4.87       | 1.17 | 76.8 | -228            | -69  | 139  | 4.9            |
| DCBB              | 3.62       | 1.37 | 63.0 | 3.19       | 1.04 | 68.2 | -43             | -33  | 526  | 3.7            |
| HDFCB             | 1.23       | 0.33 | 73.2 | 1.12       | 0.27 | 75.8 | -11             | -6   | 253  | 1.3            |
| ICICIBC           | 3.07       | 0.55 | 82.6 | 2.81       | 0.48 | 83.5 | -26             | -7   | 84   | 1.8            |
| IDFCFB            | 2.96       | 1.03 | 66.0 | 2.51       | 0.86 | 66.4 | -45             | -17  | 46   | NA             |
| IIB               | 2.06       | 0.62 | 70.6 | 1.98       | 0.59 | 70.6 | -8              | -3   | 1    | 2.4            |
| KMB               | 1.90       | 0.43 | 77.6 | 1.78       | 0.37 | 79.3 | -12             | -6   | 175  | 1.0            |
| FB                | 2.43       | 0.73 | 70.4 | 2.36       | 0.69 | 71.2 | -7              | -4   | 82   | 1.0            |
| RBK               | 3.61       | 1.18 | 68.0 | 3.37       | 1.10 | 68.1 | -24             | -8   | 7    | 4.5            |
| AUBANK            | 1.81       | 0.51 | 72.1 | 1.66       | 0.42 | 75.0 | -15             | -9   | 295  | 1.7            |
| SBIN              | 3.14       | 0.77 | 76.1 | 2.78       | 0.67 | 76.4 | -36             | -10  | 27   | 0.5            |
| BOB               | 4.53       | 0.99 | 78.8 | 3.79       | 0.89 | 77.2 | -74             | -10  | -165 | 1.2            |
| CBK               | 5.89       | 1.96 | 68.1 | 5.35       | 1.73 | 68.9 | -54             | -23  | 79   | 1.7            |
| INBK              | 6.53       | 1.00 | 85.5 | 5.95       | 0.90 | 85.7 | -58             | -10  | 14   | 2.6            |
| PNB               | 9.76       | 3.30 | 68.5 | 8.74       | 2.72 | 70.8 | -102            | -58  | 233  | 2.2            |
| UNBK              | 7.93       | 2.14 | 74.6 | 7.53       | 1.70 | 78.8 | -40             | -44  | 420  | 1.5            |

**Exhibit 62: Snapshot of restructuring book across Banks (%)**

| INR b   | Restructured book |        |        |        |        |        |        |        |        |
|---------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
|         | Absolute          | Mar'21 | Sep'21 | Dec'21 | Mar'22 | Jun'22 | Sep'22 | Dec'22 | Mar'23 |
| AXSB    | 24.8              | 0.30   | 0.66   | 0.63   | 0.52   | 0.45   | 0.38   | 0.30   | 0.22   |
| BANDHAN | NA                | 0.76   | 11.18  | 8.22   | 5.20   | 2.35   | 0.20   | NA     | NA     |
| DCBB    | 16.3              | 4.26   | 6.80   | 6.81   | 6.42   | 6.10   | 5.45   | 4.94   | 4.51   |
| HDFCB   | 64.0              | 0.57   | 1.50   | 1.40   | 1.14   | 0.76   | 0.53   | 0.42   | 0.31   |
| ICICIBC | 49.9              | 0.54   | 1.27   | 1.19   | 1.00   | 0.80   | 0.70   | 0.50   | 0.40   |
| IIB     | 34.1              | 1.80   | 3.60   | 3.30   | 2.60   | 2.10   | 1.50   | 1.25   | 0.84   |
| KMB     | 7.7               | 0.19   | 0.54   | 0.54   | 0.44   | 0.39   | 0.34   | 0.25   | 0.22   |
| FB      | 30.4              | 1.07   | 2.49   | 2.45   | 2.44   | 2.22   | 2.03   | 1.81   | 1.62   |
| RBK     | 11.2              | 1.58   | 3.66   | 3.44   | 3.27   | 2.90   | 2.21   | 1.67   | 1.21   |
| AUBANK  | 7.8               | 1.85   | 3.60   | 3.10   | 2.50   | 2.10   | 1.70   | 1.40   | 1.20   |
| BOB     | 167.0             | 1.34   | 2.95   | 2.65   | 2.44   | 2.46   | 2.12   | 1.87   | 1.50   |
| SBIN    | 260.4             | 0.73   | 1.24   | 1.20   | 1.13   | 1.00   | 0.93   | 0.85   | 0.80   |
| INBK    | 152.1             | 1.64   | 5.85   | 5.09   | 4.73   | 4.20   | 3.90   | 3.37   | 2.51   |
| PNB     | 123.3             | NA     | 2.60   | 2.76   | 2.36   | 2.00   | 1.80   | 1.54   | 1.32   |
| UNBK    | 191.2             | 1.10   | 3.69   | 3.32   | 2.99   | 2.92   | 2.60   | 2.38   | 2.20   |
| CBK     | 143.0             | NA     | 2.85   | 2.78   | 2.77   | 2.41   | 2.09   | 1.75   | NA     |

**Exhibit 63: Earnings progression on track; raise aggregate earnings by ~2% over FY23-25**

| PAT (INR b)                | Old estimates  |                |                | Revised estimates |                |                | Change (%)  |             |
|----------------------------|----------------|----------------|----------------|-------------------|----------------|----------------|-------------|-------------|
|                            | FY23E          | FY24E          | FY25E          | FY23A             | FY24E          | FY25E          | FY24E       | FY25E       |
| <b>Private Banks</b>       |                |                |                |                   |                |                |             |             |
| AXSB                       | 213.0          | 257.0          | 307.8          | 219.3             | 263.6          | 319.6          | 2.6%        | 3.8%        |
| BANDHAN                    | 22.1           | 41.1           | 52.2           | 21.9              | 42.4           | 51.1           | 3.3%        | -2.1%       |
| DCBB                       | 4.5            | 5.3            | 6.5            | 4.7               | 5.6            | 6.9            | 6.1%        | 6.4%        |
| HDFCB                      | 441.6          | 528.9          | 634.2          | 441.1             | 526.5          | 629.7          | -0.5%       | -0.7%       |
| ICICIBC                    | 319.3          | 377.2          | 438.8          | 319.0             | 375.4          | 435.6          | -0.5%       | -0.7%       |
| IDFCFB                     | 22.8           | 30.9           | 41.8           | 24.4              | 32.4           | 41.9           | 4.7%        | 0.3%        |
| IIB                        | 75.1           | 96.5           | 123.1          | 74.4              | 94.9           | 120.6          | -1.7%       | -2.0%       |
| KMB                        | 104.6          | 118.6          | 137.3          | 109.4             | 127.4          | 140.8          | 7.4%        | 2.6%        |
| FB                         | 29.5           | 34.9           | 41.5           | 30.1              | 35.4           | 41.8           | 1.5%        | 0.7%        |
| RBK                        | 8.3            | 11.3           | 14.8           | 8.8               | 11.2           | 14.2           | -1.1%       | -4.3%       |
| AUBANK                     | 14.3           | 17.8           | 22.5           | 14.3              | 17.7           | 23.5           | -0.3%       | 4.5%        |
| EQUITASB                   | 5.6            | 8.0            | 10.6           | 5.7               | 8.0            | 10.4           | -0.4%       | -2.3%       |
| <b>Total Private Banks</b> | <b>1,260.8</b> | <b>1,527.3</b> | <b>1,831.0</b> | <b>1,273.1</b>    | <b>1,540.4</b> | <b>1,836.1</b> | <b>0.8%</b> | <b>0.3%</b> |
| <b>YoY growth</b>          | <b>39.3%</b>   | <b>21.1%</b>   | <b>19.9%</b>   | <b>40.7%</b>      | <b>21.0%</b>   | <b>19.2%</b>   |             |             |
| <b>PSU Banks</b>           |                |                |                |                   |                |                |             |             |
| BOB                        | 136.5          | 168.3          | 195.7          | 141.1             | 170.8          | 197.3          | 4.4%        | 4.8%        |
| CBK                        | 105.1          | 132.1          | 165.9          | 106.0             | 137.4          | 167.5          | -3.1%       | -2.3%       |
| INBK                       | 54.6           | 69.9           | 82.7           | 52.8              | 72.8           | 88.7           | -0.5%       | -0.7%       |
| PNB                        | 26.1           | 65.4           | 87.4           | 25.1              | 68.6           | 95.5           | -0.9%       | -0.6%       |
| SBIN                       | 487.1          | 589.0          | 670.3          | 502.3             | 602.5          | 661.8          | 4.2%        | 4.3%        |
| UNBK                       | 81.5           | 111.2          | 141.7          | 84.3              | 105.6          | 133.0          | 3.4%        | 1.0%        |
| <b>Total PSU Bank</b>      | <b>890.9</b>   | <b>1,135.9</b> | <b>1,343.7</b> | <b>911.7</b>      | <b>1,157.7</b> | <b>1,343.8</b> | <b>2.6%</b> | <b>2.5%</b> |
| <b>YoY growth</b>          | <b>55.6%</b>   | <b>27.5%</b>   | <b>18.3%</b>   | <b>59.2%</b>      | <b>27.0%</b>   | <b>16.1%</b>   |             |             |
| <b>Total for Banks</b>     | <b>2,151.7</b> | <b>2,663.2</b> | <b>3,174.6</b> | <b>2,184.8</b>    | <b>2,698.1</b> | <b>3,179.9</b> | <b>1.4%</b> | <b>1.6%</b> |
| <b>YoY growth</b>          | <b>45.6%</b>   | <b>23.8%</b>   | <b>19.2%</b>   | <b>47.9%</b>      | <b>23.5%</b>   | <b>17.9%</b>   |             |             |
| <b>Other Financials</b>    |                |                |                |                   |                |                |             |             |
| SBICARD                    | 22.0           | 29.1           | 38.6           | 22.6              | 27.9           | 37.2           | -3.9%       | -4.8%       |

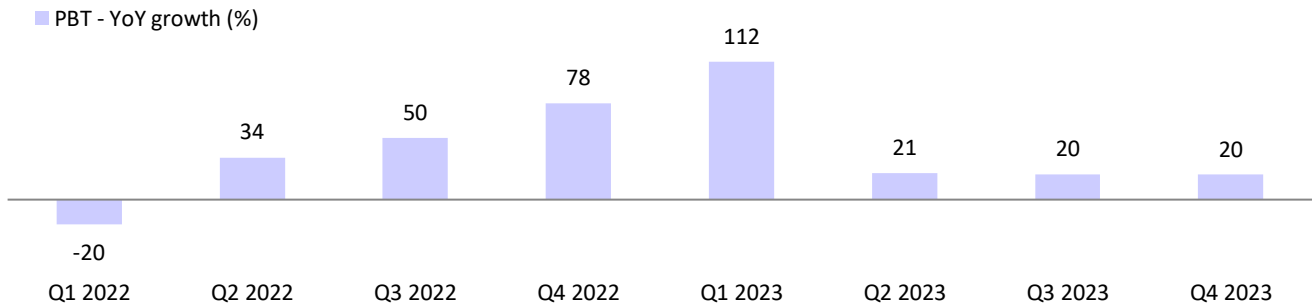
## FINANCIALS – NBFCs: Robust loan growth despite margin compression

- Our coverage universe of NBFCs/HFCs reported an AUM growth of ~15% YoY/5% QoQ. Within this, the vehicle financiers clocked an AUM growth of 25% YoY, large HFCs grew 10% YoY, affordable and small-ticket HFCs rose 11% YoY and gold loan portfolio of NBFCs grew 6% YoY. In 4QFY23, ex-PIEL NII/PPoP/PAT grew 22%/20%/19% YoY and 6%/6%/11% QoQ.
- Against MOFSL (and consensus) expectations of a sharp margin compression for the NBFCs in general (and vehicle financiers in particular) in 4QFY23, most of the NBFCs reported only a minor compression or sequentially stable margins. The NBFCs/HFCs' ability to manage their ALMs well, change in product mix translating into an improvement in yields, transmission of higher borrowing costs to customers, a decline in surplus liquidity on the balance sheet, and retirement of higher-cost borrowings resulted in better-than-expected NIM performance.
- MMFSL and SHFL reported ~20bp/50bp QoQ NIM contraction, while CIFIC reported steady margins. For large mortgage lenders such as HDFC and LICHF, yields improved for the second consecutive quarter, aided by interest rate transmission that resulted in a sequential rise in margins.
- Within vehicle finance, disbursements remained strong across product segments, translating into overall healthy disbursements.
- Asset quality improved across most NBFCs; however, MUTH/LTFH reported a deterioration in GS3.
- **HFCs – Sluggishness in prime mortgages, but strong momentum in affordable home loans.** Disbursements across product segments continued to remain healthy even though there was some sluggishness in the prime mortgages. Higher interest rates appeared to have a sentimental impact on demand for prime mortgages, but demand for affordable housing loans remained strong. PIEL exited a large distressed account, driving improvement in asset quality and is actively undertaking monetization transactions to run down its wholesale book. Large HFCs are expected to witness stable or improving margins as interest rates stabilize and the lag in transmitting higher interest rates to borrowers diminishes.
- Aavas, HomeFirst, and Aptus (Not Rated) reported strong growth in disbursements in 4QFY23. HomeFirst and Aavas demonstrated a QoQ improvement in asset quality, while it was stable for CANF.
- **Vehicle financiers – sustained business growth; asset quality continues to improve:** Disbursements grew 42% YoY for the cohort of three vehicle financiers. While SHFL and CIFIC have a diversified AUM mix, we have classified them under vehicle financiers for this exercise. Asset quality improved for both CIFIC and MMFS. Write-offs continued to remain elevated for MMFSL and SHFL, while CIFIC reported lower write-offs (v/s normalized run-rate).
- **Diversified financiers – asset quality improved; retail-focused growth:** Retail Disbursements further gained momentum with improved outlook on the self-employed customer segment as well as the lower risk aversion of diversified financiers toward SME/personal loans. AUM growth was in line with expectations, while asset quality improved sequentially for BAF. It is now working on multiple levers to expand its customer acquisition engines, scale newer product lines, and improve its market share in overall credit.
- **Gold financiers – strong sequential growth in gold loans:** MUTH/MGFL reported a 10%/6% QoQ growth in gold loans without compromising on margins. Both MUTH/MGFL shared that the strong gold loan growth was aided by both higher gold prices as well as lesser aggression from banks. All non-gold product segments exhibited strong growth across MUTH/MGFL.
- **Our view:** Diminishing concerns around rising inflation and the recent pause in rate hikes by the RBI suggest that interest rates are near peak levels. As rates stabilize, the impact of margin compression on the earnings should alleviate, supporting better valuations. We have a **positive** stance on the sector, driven by improved outlook on margin compression and expectations of benign credit costs. Vehicle financiers are better placed than other product segments as rates peak and margins bottom out over the next two quarters. Subsequently, we expect margins to stabilize, and then gradually expand as the existing book is replaced with higher yielding new loans. Asset quality is expected to improve further in FY24 with resultant lower credit costs. Our preferred ideas are MMFS, SHFL, and CANF.
- **Positive surprises:** MMFS, CIFIC, LICHF, MUTH

- Misses: SHFL, MGFL
- Rating changes: None

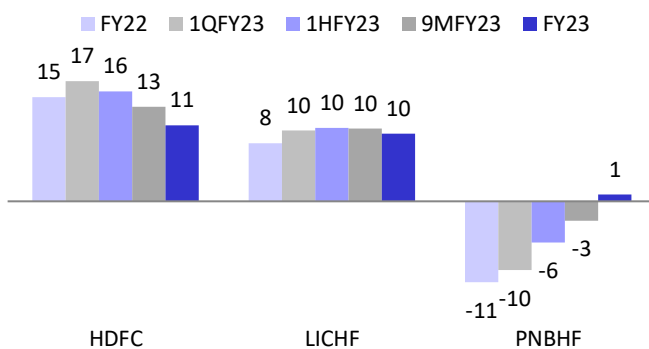
**Guidance highlights:** a) Broader guidance is for continued strong disbursement growth in FY24 along with improvement in asset quality that will lead to benign credit costs; b) MUTH guided for 15% gold loan growth in FY24, while MGFL guided for stronger loan growth in the non-gold segments; MUTH guided for spreads of ~10%; c) BAF guided that it is on track to deliver 11-12m customer additions and d) CFCF guided for credit costs of 0.75%-1.2% with avg. credit costs of ~1% across cycles.

**Exhibit 64: PBT up 20% YoY for our NBFC coverage universe\***



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

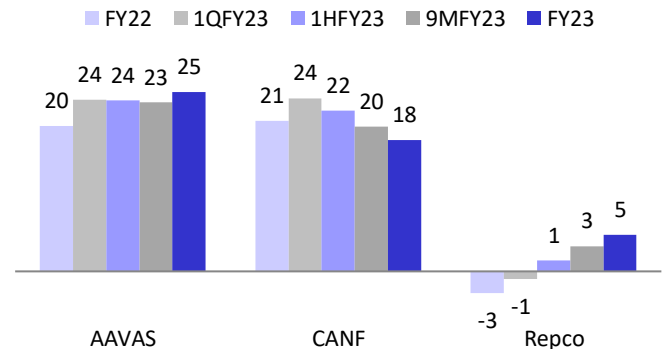
**Exhibit 65: HDFC and LICHF have been growing in line with the industry, while PNBHF has been quite a laggard**



Source: MOFSL, Company;

Note: YoY AUM growth for large HFCs

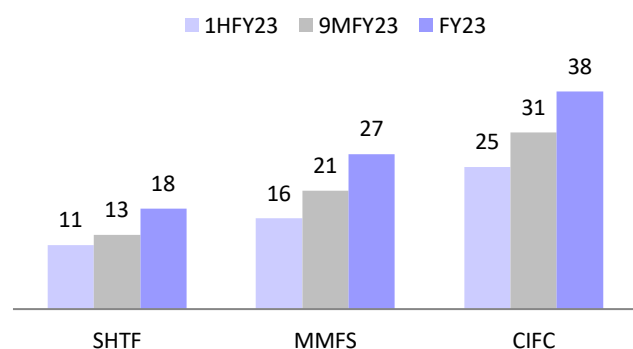
**Exhibit 66: CANF loan growth has picked up; Aavas has been steady**



Source: MOFSL, Company;

Note: YoY AUM growth for affordable housing financiers

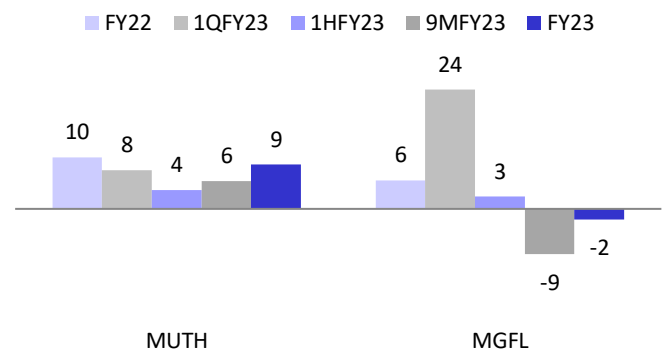
**Exhibit 67: CFCF is best placed among the vehicle financiers to exhibit strong growth in the subsequent quarters**



Source: MOFSL, Company

Note: YoY AUM growth for vehicle financiers

**Exhibit 68: Gold loan growth declined for MGFL**



Source: MOFSL, Company

Note: YoY AUM growth for gold financiers

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

**Exhibit 69: PAT up 18% YoY for our NBFC coverage universe\***

| INR m           | NII      |         |         | PPOP     |         |         | PAT      |         |         | NIM (%) |          |          |
|-----------------|----------|---------|---------|----------|---------|---------|----------|---------|---------|---------|----------|----------|
|                 | 4QFY23   | YoY (%) | QoQ (%) | 4QFY23   | YoY (%) | QoQ (%) | 4QFY23   | YoY (%) | QoQ (%) | 4QFY23  | YoY (bp) | QoQ (bp) |
| AAVAS           | 2,211    | 22.6    | 6.2     | 1,649    | 21.6    | 16.6    | 1,268    | 9.6     | 18.2    | 8.0     | -0.1     | -0.0     |
| ABCAP (NBFC)    | 13,421   | 66.6    | 12.3    | 8,751    | 58.3    | 4.5     | 4,540    | 52.3    | 11.5    | 7.0     | 0.9      | 0.1      |
| ABCAP (HFC)     | 1,690    | 19.9    | -4.5    | 938      | 14.0    | -10.2   | 650      | 20.4    | 6.6     | 5.0     | 0.5      | -0.3     |
| BAF             | 62,549   | 30.2    | 5.6     | 51,190   | 29.0    | 5.5     | 31,578   | 30.5    | 6.2     | 13.0    | 0.2      | -0.2     |
| CANF            | 2,613    | 10.1    | 3.8     | 2,218    | 14.0    | 4.2     | 1,658    | 34.9    | 9.4     | 3.4     | -0.3     | -0.0     |
| CIFC            | 17,649   | 29.0    | 10.4    | 12,731   | 39.6    | 17.9    | 8,528    | 23.7    | 24.6    | 7.0     | -0.3     | 0.0      |
| HDFC            | 53,215   | 15.7    | 9.9     | 58,364   | 16.2    | 17.2    | 44,255   | 19.6    | 19.9    | 3.5     | 0.2      | 0.2      |
| HomeFirst       | 1,118    | 31.4    | 1.1     | 910      | 38.1    | 11.5    | 640      | 6.4     | 9.3     | 6.4     | -0.2     | -0.4     |
| LTHF            | 17,711   | 7.0     | -8.3    | 11,857   | 4.4     | -5.0    | 4,169    | 22.1    | -17.9   | 8.4     | 0.8      | -0.3     |
| LICHF           | 19,903   | 21.5    | 23.9    | 17,515   | 16.2    | 29.2    | 11,803   | 5.5     | 145.7   | 2.9     | 0.3      | 0.5      |
| MMFSL           | 16,004   | 11.1    | 3.1     | 9,441    | 5.1     | -5.4    | 6,841    | 13.9    | 8.8     | 8.0     | -0.9     | -0.2     |
| MASFIN          | 890      | 34.3    | -1.9    | 887      | 39.0    | 8.4     | 556      | 23.4    | 9.9     | 6.5     | 0.2      | -0.3     |
| MGFL            | 11,250   | 25.2    | 3.0     | 6,139    | 21.5    | 3.7     | 4,153    | 59.1    | 5.5     | 13.9    | 1.7      | -0.7     |
| Muthoot         | 18,533   | 7.7     | 8.7     | 12,917   | 5.7     | 2.3     | 9,027    | -6.0    | 0.1     | 12.7    | 0.2      | 0.5      |
| PIEL            | 9,171    | -19.2   | -12.4   | 1,967    | -76.0   | -88.8   | -1,959   | 334.6   | -105.5  | 6.0     | 1.0      | -        |
| PNBHF           | 5,812    | 57.6    | -19.0   | 4,828    | 30.7    | -28.4   | 2,793    | 64.7    | 3.8     | 3.7     | 1.4      | -0.9     |
| PFL             | 3,798    | 52.0    | 26.1    | 2,016    | 75.0    | 29.4    | 1,807    | 102.7   | 20.1    | 10.8    | 1.0      | 1.2      |
| REPCO           | 1,581    | 1.2     | 5.5     | 1,203    | 0.7     | 9.3     | 821      | 95.3    | 1.7     | 5.1     | -        | 0.3      |
| SHFL            | 41,810   | 19.9    | -0.3    | 30,810   | 13.9    | -6.7    | 13,083   | -5.8    | -26.4   | 9.9     | 1.1      | -0.5     |
| Total (ex PIEL) | 2,91,756 | 22.1    | 5.6     | 2,34,363 | 19.7    | 6.2     | 1,48,169 | 18.8    | 10.8    |         |          |          |

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

**Exhibit 70: Advances/AUM growth**

| INR b        | Advances/AUM |         |         |
|--------------|--------------|---------|---------|
|              | 4QFY23       | YoY (%) | QoQ (%) |
| AAVAS        | 142          | 24.8    | 8.2     |
| ABCAP (NBFC) | 806          | 46.0    | 10.4    |
| ABCAP (HFC)  | 138          | 13.9    | 6.3     |
| BAF          | 2,474        | 25.3    | 7.2     |
| CANF         | 316          | 18.2    | 4.8     |
| CIFC         | 1,065        | 38.5    | 11.6    |
| HDFC         | 7,240        | 10.7    | 3.2     |
| HomeFirst    | 72           | 33.8    | 6.6     |
| LTHF         | 880          | -0.4    | -0.5    |
| LICHF        | 2,750        | 9.5     | 2.5     |
| MMFSL        | 828          | 27.4    | 7.0     |
| MASFIN       | 81           | 29.5    | 6.4     |
| MGFL         | 355          | 17.2    | 11.2    |
| Muthoot      | 632          | 8.9     | 9.5     |
| PIEL         | 640          | -1.8    | -1.4    |
| PNBHF        | 666          | 1.0     | 1.3     |
| PFL          | 161          | 37.2    | 15.9    |
| REPCO        | 124          | 5.9     | 2.1     |
| SHFL         | 1,857        | 17.7    | 4.6     |
| Total        | 21,226       | 14.7    | 4.6     |

Source: MOFSL, Company



**Exhibit 71: Asset quality snapshot**

| Asset quality (%) | As on 3QFY23 (%) |      |      | As on 4QFY23 (%) |      |      | QoQ change (bp) |      |       |
|-------------------|------------------|------|------|------------------|------|------|-----------------|------|-------|
|                   | GNPA             | NNPA | PCR  | GNPA             | NNPA | PCR  | GNPA            | NNPA | PCR   |
| AAVAS             | 1.1              | 0.9  | 23.9 | 0.9              | 0.7  | 26.9 | -21             | -19  | 302   |
| ABCAP (NBFC)      | 3.6              | 2.1  | 43.0 | 3.1              | 1.7  | 46.2 | -50             | -38  | 320   |
| ABCAP (HFC)       | 3.5              | NA   | NA   | 3.2              | NA   | NA   | -27             | NA   | NA    |
| BAF               | 1.1              | 0.4  | 64.2 | 0.9              | 0.3  | 63.8 | -20             | -7   | -40   |
| CANF              | 0.6              | 0.3  | 50.7 | 0.6              | 0.3  | 52.3 | -5              | -4   | 158   |
| CIFC              | 3.5              | 2.1  | 41.0 | 3.0              | 1.7  | 46.0 | -50             | -46  | 504   |
| HDFC              | 1.8              | 0.8  | 55.9 | 1.4              | 0.7  | 53.2 | -42             | -13  | -279  |
| HomeFirst         | 1.8              | 1.3  | 29.1 | 1.6              | 1.1  | 34.0 | -18             | -20  | 488   |
| LTFH              | 4.2              | 1.7  | 60.1 | 4.7              | 1.6  | 69.3 | 53              | -12  | 920   |
| LICHF             | 4.8              | 2.4  | 50.9 | 4.4              | 2.5  | 44.8 | -38             | 8    | -616  |
| MMFSL             | 5.9              | 2.6  | 59.0 | 4.5              | 1.9  | 59.5 | -144            | -67  | 47    |
| MASFIN            | 2.2              | 1.4  | 34.7 | 2.0              | 1.2  | 38.6 | -16             | -19  | 391   |
| MGFL              | 1.6              | 1.4  | NA   | 1.3              | 1.1  | NA   | -30             | -30  | NA    |
| Muthoot           | 2.6              | NA   | NA   | 3.8              | NA   | NA   | 121             | NA   | NA    |
| PIEL              | 6.9              | 2.5  | 67.2 | 3.3              | 1.8  | 49.5 | -362            | -76  | -1775 |
| PNBHF             | 4.9              | 3.2  | 35.0 | 3.8              | 2.8  | 28.8 | -104            | -46  | -625  |
| PFL               | 1.7              | 0.9  | 47.5 | 1.4              | 0.8  | 46.2 | -25             | -11  | -131  |
| REPCO             | 6.2              | 3.5  | 46.2 | 5.8              | 3.0  | 49.6 | -38             | -42  | 344   |
| SHFL              | 6.3              | 3.3  | 50.7 | 6.2              | 3.3  | 50.1 | -8              | 0    | -57   |

**FINANCIALS – NON-LENDING: Mixed performance by capital market-related stocks; GI players report strong numbers on improved claim ratios**

- **Healthy F&O volumes but weak client addition:** In 4QFY23, ADTO for stock exchanges was higher by 34% QoQ to INR216t, led primarily by F&O ADTO (up 34% QoQ). However, cash ADTO declined 7.5% QoQ. In the retail segment, while total/F&O ADTO grew 24% each QoQ, cash ADTO was down 15%. Higher volumes were led by volatility in market performance as the Nifty was down 4.5% on an end-to-end basis. The number of Demat accounts increased by 6.2m in 4QFY23 (v/s 5.7m in 3QFY23) to 114m. In terms of NSE active clients, there was a decline of 2.7m accounts in 4QFY23 v/s 2.0m in 3QFY23. For ANGELONE, the number of orders saw a healthy growth of 16% QoQ, resulting in a 9% QoQ increase in gross broking revenue, mainly driven by F&O orders. ISEC's total revenue declined 1% YoY to INR8.9b in 4QFY23, as the weakness in retail brokerage and IB revenue was offset by strong interest rate-linked revenues (MTF and Treasury book) and distribution income. The cost-to-income ratio for ISEC surged 300bp, driven by higher interest costs and other operating expenses. Overall, the performance of ANGELONE was ahead of our estimates, while that of ISEC was weaker than expectations.
- **Software migration still an overhang for MCX; non-transaction revenue improves profitability for BSE:** For MCX, total volumes improved 61% YoY to INR42t. Volumes for Futures were down 21% YoY at INR13t in 4QFY23, while volumes for Options grew 15% QoQ to INR29t. EBIT margin, however, stood at -2.8% (v/s 47.4% in 4QFY22), hit by higher software costs pertaining to the extension of contract with 63moons and higher other expenses. For BSE, transaction charges declined 13% YoY on account of lower cash volumes, which was offset by healthy growth in the currency segment, book building fees and an increased contribution from mutual funds (Star MF). PAT jumped 24% YoY to INR886m owing to lower-than-expected expenses and NIL contribution to core SGF. MCX results were weaker than our expectations, whereas BSE results beat our expectations.
- **General insurers see improvement in claim ratios:** In 4QFY23, the general insurance industry registered a strong growth of 17% YoY in GDPI to INR670b, led by 30%/13%/12% growth in Health/Motor/Fire. Growth in the Motor segment's premium was driven by high vehicle sales and premiumization. In the Health segment, Group Health/Retail Health grew 27%/17% YoY. Among our coverage names, ICICIGI's GDPI grew 7% YoY to INR50b, led by strong growth across segments (except for Motor). STARHEAL's GDPI rose 14% YoY to INR42b. Retail Health grew 17% YoY, while Group Health declined 16% YoY. Profitability improved for both companies, with the loss ratio declining 390bp QoQ for ICICIGI and 180bp QoQ for STARHEAL. Both ICICIGI and STARHEAL exceeded our expectations.

- **Muted performance by asset management firms:** AUM of the MF Industry stood at INR40.5t as of 4QFY23, up 5.6% YoY/flat QoQ. Equity AUM was flat QoQ, while non-Equity AUM saw just 1.5% growth. Inflows stood at INR17b compared to INR318b in 3QFY23 and net outflow of INR31b in 4QFY22. SIP flows continued to gain traction with INR418b flows in 4QFY23 v/s INR353b/INR399b in 4QFY22/3QFY23. For CAMS, total QAAUM stood at INR28t (flat QoQ), while Equity AUM declined 4% in Mar'23 over Dec'22. Operating revenue was up 2.5% YoY at INR2.5b. EBITDA came in at INR1,091m (9% beat) and EBITDA margin stood at 43.8% v/s 46.1% in 4QFY22. For IIFLWAM, total AUM on a closing basis in 4QFY23 grew 5% YoY to INR2.74t, lower than our expectation of INR2.89t. ARR AUM grew 16% YoY to INR1.67t. TBR AUM fell 9% YoY to INR1.07t. The contribution of ARR assets to total AUM stood at 61% v/s 61%/55% in 3QFY23/4QFY22. Overall, the performance of CAMS was ahead of our estimates, while that of 360ONE was weaker than expectations.

**Valuation and view:** Since the end of 4QFY23, equity market has seen a strong rally, led by rising FII/DII flows as the central bank has paused its interest rate hike trajectory. Strong FFI/DII flows have boosted option volumes, resulting in consistently strong performance by capital market-related players such as brokers and exchanges. The customer acquisition trend remained muted in Apr'23, but with low penetration, we expect it to recover in the medium term. Primary market activity has gained some momentum in early FY24. For MCX, the transition to the TCS platform remains the key monitorable. Once the transition is complete, cost savings and product launches will boost its performance. General insurers will continue to witness strong premium growth and improvements in profitability, led by improving Health Insurance loss ratios, better pricing for Motor TP and a low expense ratio with scale benefits.

■ **Surprises:** ANGELONE, STARHEAL, BSE

■ **Misses:** MCX, 360ONE WAM

**Guidance highlights:**

- **ISEC:** Future growth levers include wealth management segment, derivatives segment, distribution of loans and distribution of insurance. The company has tied up with Tata Capital for LAS and personal loans. The effect of the partnership should be seen in 1QFY24.
- **ANGELONE:** The company has received in-principal approval from SEBI in Feb'23 to launch its mutual fund business. Technically, it would take about six quarters more for the mutual fund business to go live. The other products that the company plans to undertake in FY24 are unsecured retail lending and insurance distribution. ANGELONE, through its super app strategy, is well positioned to partner and offer multiple products.
- **IIFLWAM:** The target of INR400b net flows into ARR assets is backed by 1) ~INR150b in 360ONE Plus (erstwhile IIFL One), 2) ~INR150b in AMC, and 3) INR100-150b in distribution assets. This would be partially offset by some redemption (of which 60% is expected to be retained). About INR200-250bn will be in the form of new flows from existing/new customers, while the rest would come from the transition of AUM from TBR to ARR. By 2QFY24, mid-market proposition is expected to be launched.
- **CAMS:** The company expects a strong uptick in revenue from non-MF businesses, such as Account Aggregator, Insurance repository and AIF/PMS RTA in FY24. CAMSRep is scaling new highs in e-IA and e-policy. CAMS has the necessary capacity in place to scale the business as and when the mandate comes from IRDAI.
- **BSE:** Steps taken for increasing market share are: 1) one-paise tick for stocks with price less than INR100 resulted in an increase in market share from 9% to 11% in the recent past, 2) For Currency derivatives, the introduction of 10-paise strike price has started playing out well, and 3) Equity derivatives segments - Reduced lot size for S&P BSE Sensex & S&P BSE Bankex and a change in Expiry day to Friday from existing Thursday should help scale up derivatives volumes and reduce concentration risk within the overall industry.
- **MCX:** Several mock tests have been conducted with members over the past few months. Along with mock tests, cyber audits and system audits are conducted simultaneously. The management expects to complete the technological transformation before 30th Jun'23. MCX plans to launch Steel TMT bars post its transition to the tech platform.
- **STARHEAL:** The company will soon launch new products on the wellness side and sees this as a big opportunity for which it is working with an InsureTech firm. It will be a structural and organized program with a focus on

reducing the intensity of claims in certain segments and geographies. For FY24, growth in retail health will be driven more by value than volume (60:40) because of the price hikes.

- **ICICIGI:** The combined ratio for the motor insurance industry has started showing signs of improvement. In Motor OD, ICICI Lombard has increased prices. The company also has announced a 19% price increase for renewal books in retail health.

#### Exhibit 72: Quarterly performance

| INR m<br>Broking/Wealth | Revenue       |         |         | EBITDA                     |         |         | PAT    |         |         |
|-------------------------|---------------|---------|---------|----------------------------|---------|---------|--------|---------|---------|
|                         | 4QFY23        | YoY (%) | QoQ (%) | 4QFY23                     | YoY (%) | QoQ (%) | 4QFY23 | YoY (%) | QoQ (%) |
| ANGELONE                | 5,313         | 31      | 15      | 3,706                      | 33      | 19      | 2,670  | 30      | 17      |
| ISEC                    | 8,852         | -1      | 1       | 3,532                      | -22     | -6      | 2,627  | -23     | -7      |
| <b>Exchanges</b>        |               |         |         |                            |         |         |        |         |         |
| MCX                     | 1,338         | 26      | -7      | 21                         | -96     | -94     | 55     | 81      | 86      |
| BSE                     | 2,196         | 14      | 17      | 962                        | 68      | 95      | 886    | 24      | 86      |
| <b>AMCs</b>             |               |         |         |                            |         |         |        |         |         |
| CAMS                    | 2,492         | 2.5     | 2.3     | 1,091                      | -2.7    | 1       | 744    | 1       | 1       |
| IIFLWAM                 | 3,929         | -7      | -5      | 2,079                      | 11      | -9      | 1,554  | -6      | -9      |
| General Insurance       | Gross Premium |         |         | Underwriting Profit/(Loss) |         |         | PAT    |         |         |
|                         | 4QFY23        | YoY (%) | QoQ (%) | 4QFY23                     | 4QFY22  | 3QFY23  | 4QFY23 | YoY (%) | QoQ (%) |
| ICICIGI                 | 53,397        | 7       | -5      | -2,508                     | -3,090  | -2,935  | 4,370  | 40      | 24      |
| STARHEAL                | 41,992        | 14      | 36      | -654                       | -2,172  | 1258    | 1,018  | N.A     | -52     |

Source: MOFSL, Company

#### HEALTHCARE: Operationally in-line 4QFY23; niche launches/reversal in cost factors drive YoY EBITDA growth

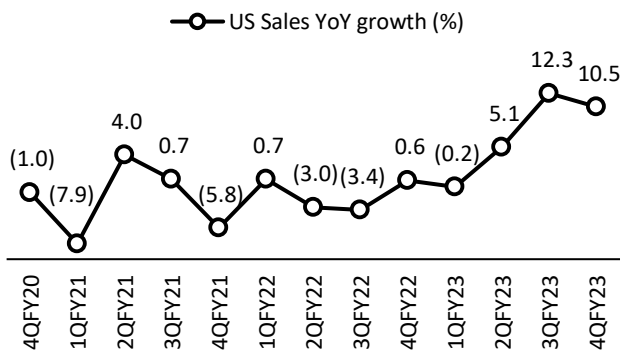
- The pharma companies in our coverage universe reported in-line sale/EBITDA and slightly lower-than-expected PAT in 4QFY23. Sales/EBITDA grew 12%/11.6% on an aggregate basis. However, PAT was almost flat YoY. In the Hospital segment, MAXHEALTH beat estimates, while APHS delivered a lower-than-expected performance.
- On a strong FY22 base (partly due Covid-related business), our coverage companies delivered 9%/2% YoY growth in sales/EBITDA in FY23. 1HFY23 was affected by higher price erosion in the US generics segment, coupled with increased raw material/freight costs. However, niche launches, favorable seasonality and reversal in cost factors supported the overall better performance in FY23.
- However, 11 out of 22 companies reported a lower-than-expected performance in 4QFY23. Specifically, GLAND/BIOS/LAURUS/GLXO/IPCA missed earnings estimates by 64%/55%/51%/32%/35%. LPC/ARBP beat estimates by 55%/10%.
- On a YoY basis, LPC delivered a strong turnaround with ~4x growth in PAT, led by superior execution/better operating leverage. SUNP tracked well with 34% YoY growth in earnings, led by robust traction in global specialty sales and the branded generics business in India/EM/ROW markets. Strong US/consumer healthcare sales and lower costs led to 46% YoY growth in earnings for ZYDUSLIF.
- In our coverage universe, GLAND/DIVI/LAURUS/IPCA underperformed on a YoY basis in 4QFY23, with EBITDA declining 52%/55%/28%/25%. GLAND was hit by customer-related issues/disruption in production. DIVI's performance was affected by a high base of last year due to Monupiravir-related business. For LAURUS, a higher base due to a large purchase order hurt 4Q performance. IPCA's earnings declined due to higher opex.
- **Domestic formulation (DF)** YoY growth on an aggregate basis inched up to 9% in 4QFY23 after stable 8% YoY growth in the past two quarters. Favorable seasonality led to strong YoY growth in anti-infectives therapies (+28% YoY) and respiratory therapy (+25% YoY). Even Gastro-intestinal/pain grew at a healthy rate of 14.5%/15% YoY. Alkem/AJP delivered the highest YoY growth of 17% each on an organic basis. TRP/ERIS posted 22%/32% YoY growth, aided by inorganic initiatives. GLXO sales declined 1% YoY due to the addition of products to the NLEM list. For GNP, divestment of certain brands led to a 6% YoY decline in DF sales.
- **US sales** for our coverage companies continued to grow for the third consecutive quarter in 4QFY23 (+10.5% YoY in CC) on an aggregate basis. US sales have been stable at USD2b on a QoQ basis, implying a lower impact of price erosion. ZYDUSLIF delivered the highest YoY growth of 46% in US sales, led by limited-competition products like g-Revlimid/g-Trokendi. In fact, g-Revlimid boosted YoY growth for CIPLA/DRRD (27.5%/18.5%) as well. For Cipla, growth was supported by market share gain in g-Lanreotide. SUNP reported 10.5% YoY growth in US sales, led by superior execution in the specialty portfolio. Increased competition and a low pace of potential

launches led to flat YoY sales for ALKEM and a 3% YoY decline for LPC. Due to a high base of 4QFY22, ALPM posted a 44% YoY decline in US sales.

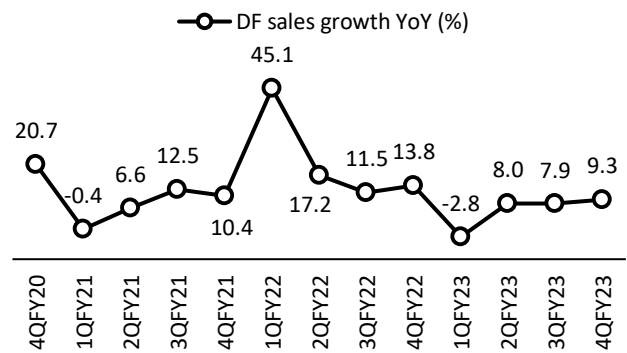
- Overall, our coverage companies have filed 52 ANDAs in total and received approvals for 73 ANDAs in 4QFY23.
- Under our coverage, 7 companies have seen earnings downgrades, while four companies have seen earnings upgrades. The maximum downgrades in FY24/FY25 earnings estimates were seen in Gland (36%/22%), LAURUS (22%/15%) and ERIS (13%/11%). Conversely, DIVI (7%/6%), PIRPHARM (7%/3%), and MAXHEALTH (7%/6%) witnessed the maximum upgrades in FY24/FY25 earnings estimates.
- **Top picks:** SUNP, APHS, MAXHEALTH
- **Surprises:** LPC, ARBP, ALPM and ZYDUS
- **Misses:** GLAND, BIOS, LAURUS, IPCA, LAURUS, CIPLA, DRRD

#### Guidance highlights

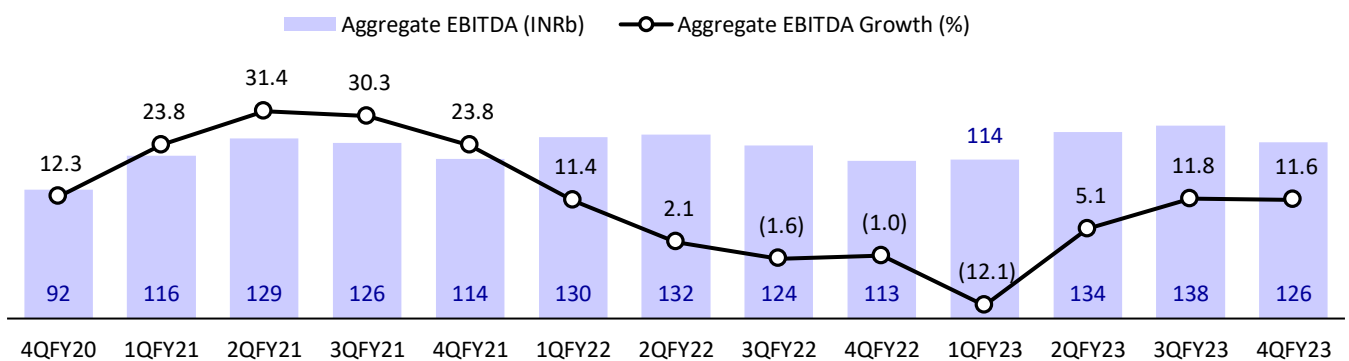
- **SUNP** has guided for high single-digit YoY revenue growth in FY24. It expects R&D spending at 7-8% of sales in FY24. The planned increase in spending would primarily focus on developing additional indications for Deuruxotinib and Illumya, as well as conducting additional study on GLP-1.
- **DRRD** expects double-digit growth in North America (NA) in FY24 on the back of robust launch momentum. The progress on building a product pipeline for the China market is on track with three approvals in FY23. It has completed trials for biosimilar Rituximab and has filed with US/EU/UK regulatory agencies.
- **DIVI** expects to achieve a gross margin of 66-67% by the end of FY24. The Kakinada project worth INR12b-15b is on fast track and capacities would be built in the initial phase for nutraceuticals and advanced intermediates. Commercialization is expected from CY24 onward.
- **CIPLA** has guided for 22% EBITDA margin in FY24. It has started implementing its plan for an alternate site for g-Advair/g-Abraxane to reduce regulatory risks. It expects a quarterly run rate of USD190-195m in the US market, aided by an increase in market share of existing products.
- **BIOS** expects 35-40% core EBITDA margin in the biologics business in FY24. It expects revenue growth in the mid-teens in the generic segment on the back of higher volume off-take in API and new contracts. It has submitted a corrective action plan for b-Aspart and will soon submit one for b-Bevacizumab. It does not plan to dilute more than 10% stake in BBL from current 70%.
- **LPC** has guided for double-digit YoY growth in revenue in FY24. It expects 15% EBITDA margin in FY24. Considering the g-Spiriva launch, there is scope for EBITDA margin to hit an exit rate of 18% in FY24.
- **APHS** targets to double GMV in FY24. It has guided for 15% YoY growth in healthcare services revenue. The company plans to add 500-600 stores in offline pharmacy in FY24. It has reiterated its guidance of becoming EBITDA neutral in Healthco by the end of FY24.
- **LAURUS** expects FY24 to be the year of consolidation in terms of sales. Despite a high base in FY23, LAURUS intends to drive revenue growth through CDMO. It expects a rise in animal health contracts in 2HFY24. It expects sales in the ARV segment to be stable YoY at INR25b in FY24.
- **GNP** has guided for YoY sales growth of 10-11% and EBITDA margin of 19-20% in FY24. It expects 8-9% YoY growth in DF sales in FY24. The remediation cost related to Monroe is complete and GNP expects to commercialize batches in 2HFY24. The remediation cost related to Goa/Baddi might continue in 1QFY24.
- **ZYDUSLIF** expects single-digit YoY growth in US sales in FY24, even after factoring in competition in g-Asacol. Overall EBITDA margin is expected to expand by 50-100bp YoY in FY24. The launch pipeline includes g-Vascepa, two risk evaluation and mitigation strategy (REMS) products and three transdermals. It also has five high-value products, subject to timely approval.
- **GLAND** expects to launch 11-14 products in 1QFY24. It will be earmarking capital for building a Biosimilar CDMO facility. The upgrade of production line, bankruptcy filing by one customer and loss of business from a customer affected the company's near-term performance.
- **TRP** is implementing its strategy to build a consumer healthcare platform, starting with Shelcal. It has identified 4-5 more products for the consumer healthcare segment to drive volume growth in the DF market.
- **MAXHEALTH** has planned a capex of INR9b in FY24 for bed additions. In addition to 92 beds added at Shalimar Bagh, there is scope to add 100 beds at various sites in FY24. It expects ARPOB to be on an uptrend on the back of a tariff increase for PSUs, payor mix/case mix optimization and an annual price hike.

**Exhibit 73: US sales grew 10.5% YoY in 4QFY23**

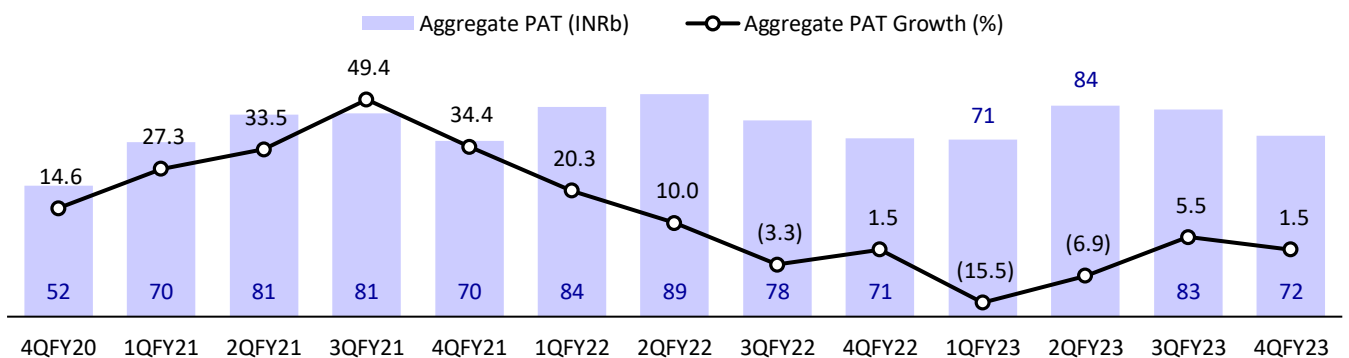
Source: MOFSL, Company

**Exhibit 74: DF sales grew 9.3% YoY in 4QFY23**

Source: MOFSL, Company

**Exhibit 75: Aggregate EBITDA up 11.6% YoY to INR130b in 4QFY23 for pharma universe**

Note: Excludes Piramal Pharma; Source: MOFSL, Company

**Exhibit 76: Aggregate PAT up 1.5% YoY in 4QFY23 for pharma companies under coverage**

Note: Excludes Piramal Pharma; Source: MOFSL, Company

**Infrastructure: Execution and order inflows gather momentum in 4QFY23**

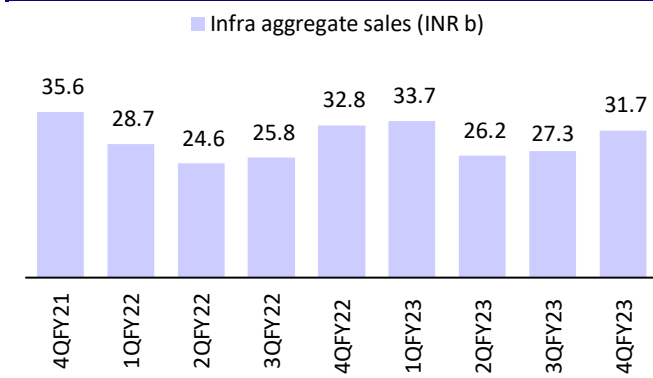
- **Execution picks up in the seasonally strongest quarter:** Infrastructure companies within our Coverage Universe (excluding IRB) reported 16% QoQ growth in the seasonally strongest quarter. KNR's revenue grew 42% QoQ primarily driven by HAM projects. Conversely, GRIL saw 5% QoQ jump in execution as some of its projects in the order book are yet to commence. Execution is expected to be strong in FY24 across our coverage companies based on the strong order backlog and recent receipt of appointed dates in certain projects.
- **Order book remains robust, providing visibility for the next two years:** Despite weak order inflows during 9MFY23 primarily due to competitive intensity, order inflows picked up in 4QFY23. Companies are now receiving orders from sectors such as railways, metros, and irrigation. Companies like GRIL aim to achieve total order inflows of INR200b while KNR is targeting INR40-50b of orders in FY24.
- **Elevated input costs keep margins under check:** Companies within our Coverage reported 280bp YoY drop in EBITDA margins due to elevated input costs in 4QFY23. Though Steel and Aluminum prices have corrected ~19%



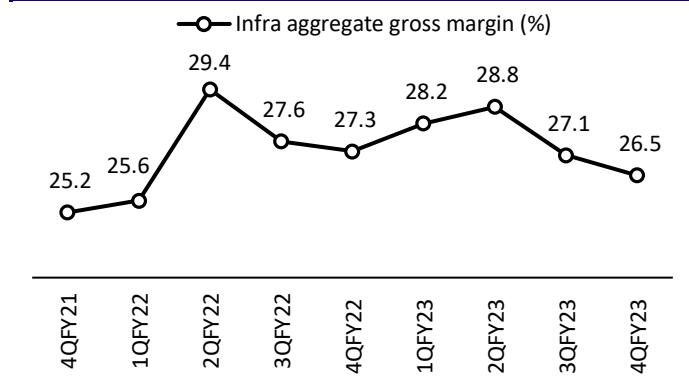
and 28%, respectively, from their highs in Apr'22, the prices continue to remain at elevated levels. Besides, cement prices have increased ~5% from their lows in Jul'22, mainly due to input cost pressures. Most of the contractors are expecting improvement in margins in FY24.

- **Awarding gathers pace in 4QFY23; NHAI misses its FY23 project awarding target marginally:** Project awarding activity picked up pace in 4QFY23, with NHAI awarding total projects of 6,003km in FY23, marginally below its FY23 target of 6,500km. The total value of projects awarded by NHAI was INR1.27t in 4QFY23, down ~15% YoY. NHAI's highway construction pace increased ~13% YoY to 4,882km in FY23. The tender pipeline is robust and most of the companies have guided for strong order inflows in FY24. In terms of construction, NHAI built 4,882km of highways during FY23 v/s its target of 5,000km. The construction of national highways in FY23 was hit by an extended monsoon season, which lasted until mid-Nov'22 in certain parts of the country.
- **Companies focus on asset monetization:** In FY23, NHAI targeted to monetize 14 highway sections covering 1,750km and realized INR104b from 487.7km of road assets it managed. In FY24, NHAI plans to monetize 1,987km of highways through ToT/InvIT/toll securitization modes. It has identified 30 national highway sections for the same. In line with this, a majority of companies in the sector is focusing on freeing up capital and bidding for additional projects by selling assets through various avenues. In addition, some companies are engaging in discussions with potential buyers to sell stakes in BOT assets.
- **Top picks:** Despite the sluggish order inflows in FY23, there is a strong tender pipeline that indicates the growth potential of future projects. The execution is anticipated to improve in FY24. Companies that possess substantial order books, have strong financial positions, and involve in multiple segments are in a favorable position to capitalize on NHAI's project awarding in FY24. Our preferred choice in this space is KNR.

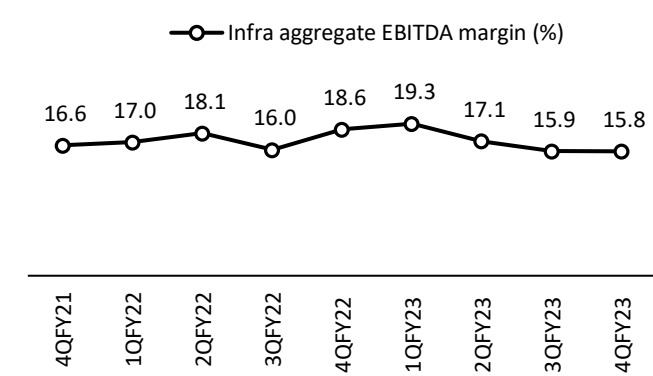
**Exhibit 77: Revenues increase 16% QoQ for our coverage universe**



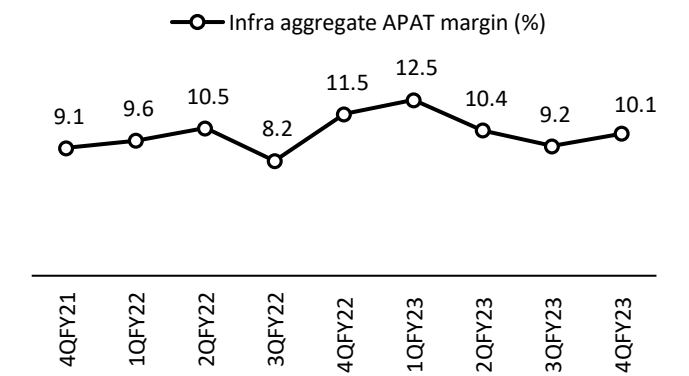
**Exhibit 78: Gross margins remain under pressure**



**Exhibit 79: EBITDA margin contracts 280bp YoY**



**Exhibit 80: Weak operating performance hurts PAT**



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



**Logistics: Volume growth stable; margin improves sequentially**

- **Economic activity stable in 4QFY23:** Logistics companies within our Coverage Universe clocked 8.4% YoY growth in revenue. Strong demand has been observed in key sectors such as automotive, electronics, and lifestyle products. The enforcement of regulatory norms (including GST), strict adherence to e-way bills and the gradual reduction of thresholds for e-invoicing have led to a shift in volumes to organized players from the unorganized ones. E-commerce logistics segment witnessed slowdown in growth. Through higher capex, the companies are preparing to face the impact due to the implementation of Scrappage policy.
- **Margins continue to remain under pressure YoY:** Average gross margin for our Coverage Universe stood at ~31% in 4QFY23 (down 230bp YoY/up 140bp QoQ). Margin remained under pressure on YoY basis due to elevated fuel prices and higher toll charges. Air Express Logistics companies continue to face challenges led by high aviation turbine fuel (ATF) prices, despite the decline in global crude oil prices. High ATF costs have put pressure on their profit margins.
- **Volumes shift to organized players supported by policy changes:** Regulatory changes like implementation of GST, e-way-bills and e-invoicing have led to a shift in volumes to organized players from the unorganized ones. Express companies, in particular, are proactively responding to this shift by expanding their infrastructure. They are exploring opportunities to add aircraft (BDE has added two new aircraft to its fleet in 4QFY23) and storage facilities such as sorting centers (TCI Express has been investing in fully-automated sorting centers) to cater to the anticipated surge in demand. Additionally, companies are strategically opening new branches (VRL Logistics launched 184 new branches in FY23) in different geographies to capture the market share and boost volumes.
- **Top picks:** In the long run, we anticipate a shift of businesses towards the organized sector as the advantages of e-way bills and GST implementation become more apparent. As a result, margins are expected to gradually improve in FY24 due to increased volumes. We prefer companies with multi-modal capabilities, cost efficiencies, and favorable valuations. VRLL is our preferred choice in this space.

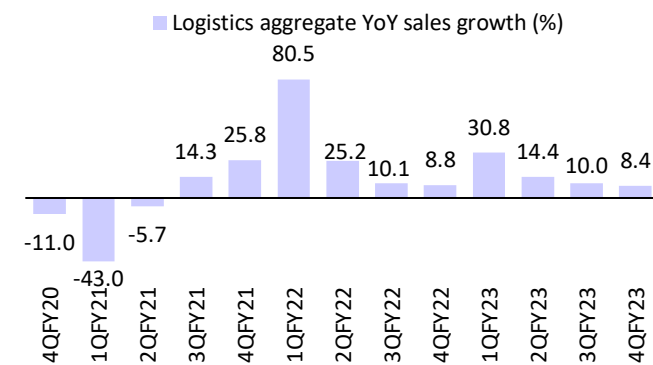
**Guidance highlights:** Launch of National Logistics Policy and the Gati-Shakti National Master Plan are likely to have a transformative impact on the logistics sector. These initiatives will drive digitization, promote multi-modal logistics, and reduce costs. The sector is undergoing a structural shift towards formalization, with a significant portion (~85%) of the logistics sector being unorganized. Stricter implementation of GST and mandatory e-invoicing are further facilitating this formalization process. As a result, the addressable market size for organized logistics operators is poised to expand substantially. Companies have expressed optimism about volume growth in their post-earnings calls and anticipate the growth momentum to continue in FY24 as well.

- **TRPC:** The supply chain division posted robust double-digit revenue growth in 4QFY23. However, the seaways division's revenue declined due to low EXIM volumes and low freight rates. The company expects to acquire a new ship in 2HFY24 as it awaits more favorable pricing. While freight and supply chain divisions are expected to report double-digit growth, management maintains its FY24 revenue and PAT growth guidance of 10-15%.
- **BDE:** Its performance has been hit by subdued volumes and high ATF prices. Management indicated that fuel surcharge mechanism was in place but the disconnect between crude and ATF prices hit 4QFY23 margins. While BDE has undertaken general price hike, the impact of the same would be visible from 1QFY24. The newly added aircraft should be operational by end-May'23 as the company is waiting for some clearances. The surface express segment has been clocking strong growth and now constitutes over 30% of aggregate revenue.
- **CCRI:** It continues to expect 10% volume growth in EXIM in FY24. LLF for FY24 is pegged at INR4.3b. CCRI has incurred a capex of INR5.6b in FY23 and expects to incur a capex of INR6.0b in FY24. The majority of the capex in FY24 would be towards rolling stock and handling equipment. CCRI is looking to regain the lost market share in the EXIM sector. The domestic market is strong and commodities such as cement are seeing decent traction. With phase-wise commissioning of DFCs, volumes are likely to shift to Rail from Road logistics. With likely high growth in domestic volumes, the mix of EXIM and domestic volumes is expected to be 60:40 (currently at 70:30).
- **MAHLOG:** During 4QFY23, demand for consumer durables and automotive has helped the company offset sluggish demand on the e-commerce segment. Management has indicated that the B2B express business (Rivigo) will achieve EBITDA breakeven by 3QFY24 and PAT breakeven by 4QFY24. MLL has plans to scale up its network services and expedite the integration of recent acquisitions in near future. The company aims to

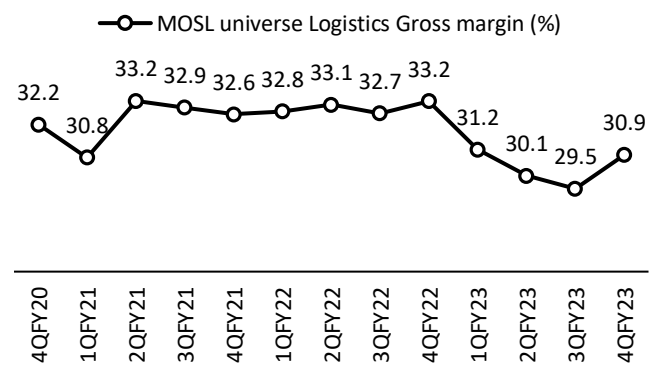
improve its revenue mix by increasing the share of Non-M&M revenue, as well as revenue from warehousing and value-added services. Additionally, MLL intends to prioritize cost optimization and enhance the efficiency and integration of its mobility business solutions.

- **TCIE:** It recorded the highest quarterly revenue of ~INR 3.3b, +9.4% YoY. The growth was primarily driven by strong demand from MSME and Corporate segments as well as higher utilization in newly developed sorting centre facilities. TCIE is focused on expanding its customer base by doubling its branch network and offering new value-added services such as Cold Chain Express, C2C Express, Rail Express, and Air Express. These services are expected to contribute ~25% of revenue by FY25 (v/s ~18% in FY23). The company intends to establish 50-75 new branches in FY24, leveraging on upcoming manufacturing facilities and clusters of SMEs. Management expects revenue to grow by 17-18% YoY in FY24 with an EBITDA margin of 17.5%.
- **VRL:** With the sale of the Bus and Wind energy businesses, VRL has now become a pure play Goods Transport (GT) operator. With addition of trucks in FY23, its total capacity has increased to 82,657 tonnes. Management has recently announced a capex of INR4.8b for procurement of 1,667 trucks, which would also be completed by end-FY24. Management expects 15-20% tonnage growth to continue in FY24 and FY25 and EBITDA margin to be in the range of 16-17%. The company will not increase freight rates and will focus on branch expansion (to open 20-25 branches every quarter) as well as market share gains.

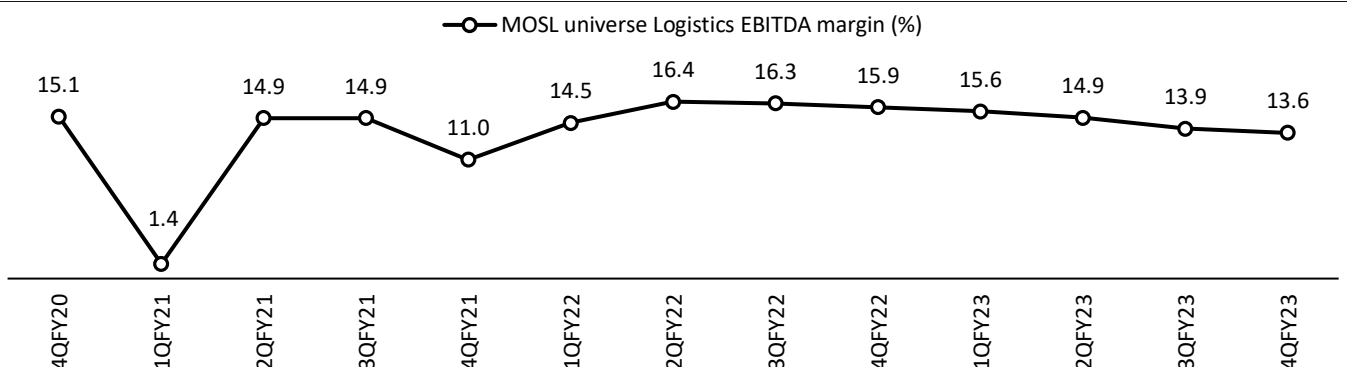
**Exhibit 81: Sales up 8% YoY for our Coverage Universe**



**Exhibit 82: Margins improve QoQ as volumes rise**



**Exhibit 83: EBITDA margin stable**



Source: Company, MOFSL

### **METALS: Ferrous and non-ferrous performance improves QoQ, driven by higher volumes and realizations; mining continues to outperform; demand remains strong**

- **Pricing improves for ferrous metals:** Steel prices improved during the quarter after touching a low in 3QFY23. The opening up of China, along with the pent up demand for automobiles and real estate supported the improvement in pricing. ASP improved during the quarter by an average of INR2,290/t. JSTL witnessed the best improvement in ASP of INR3,381/t QoQ, while SAIL and JSP improved in the range of INR1,900-1,920/t QoQ. TATA's ASP was impacted by European operations and was up by INR1,090/t QoQ. The improvement in ASP was

in line with the improvement in HRC and Rebar prices during the quarter. HRC prices were up 6% QoQ to INR59,189/t, while rebar prices were up 9% QoQ to INR61,212/t. The price of coking coal had touched a recent high of over USD400/t, and since, then it has cooled off and is currently below USD240/t. As steel companies usually carry 75-90days of coal inventory on their books, the actual benefit of lower coking coal cost will be accrued from Jun'23 onwards. We believe profit margins have started improving after it had bottomed out in 3QFY23. With cost reductions picking up pace and higher demand for steel products in India, earnings could remain strong in FY24.

- **Improvement in volumes drives revenue:** Seasonally, 4Q is usually the strongest quarter and the volume pick up was witnessed across ferrous, non-ferrous, and mining companies. Ferrous sales rose 8% YoY and 11% QoQ, driven by higher dispatches in the domestic market and higher share of VAP. Steel companies have guided for a volume pickup in FY24 with a strong focus on VAP. TATA India achieved the highest ever annual steel deliveries and are expected to clock incremental volumes of 1.5mt in FY24. Similarly, JSTL is expected to sell around 25mt of steel in FY24 and expects dispatches to the auto sector to be around 3mt. In FY23, COAL dispatches exceeded its annual production target, marking the highest achievement since its inception. This volume momentum is expected to continue with e-auctions projected to contribute 68-70mt to the overall volume. Similarly, NACL achieved full capacity production across 960 POTs and HNDL's copper vertical achieved the highest ever metal shipments in 4QFY23. Though JSP did not give any volume guidance, domestic demand continues to remain buoyant; We have a BUY rating on JSP, which has a strong product portfolio of long steel products to cater to the domestic market.
- **EBITDA/t recovers after hitting bottom in 3QFY23:** After witnessing a sharp correction in 3QFY23, EBITDA/t improved across the sector (except for JSP) in 4QFY23, owing to the benefits of higher volumes, better realizations, and lower input costs. JSP's EBITDA/t declined 14% QoQ to INR10,775/t, due to inventory write-down and high iron ore costs. NMDC's EBITDA/t improved INR551/t (up 46% QoQ). COAL EBITDA/t improved INR30/t (up 8% QoQ) despite a QoQ reduction in e-auction premiums (from 241% to 192%). HNDL's copper vertical also witnessed expansion in EBITDA/t; however, domestic (India) EBITDA fell due to lower EBITDA from domestic aluminum business. This decrease was attributed to lower offtake from the consumer durable segment, an unfavorable sales mix, lower pricing, and flat volumes.
- **Capacity enhancement:** **a) Ferrous:** In order to cater to increased domestic demand for steel and achieve the 300mt crude steel production target by FY31, TATA, JSP, and JSTL are undertaking massive capacity expansion plan, which will augment their capacity over the next decade. TATA is focusing on Indian operations and expanding its existing crude steel capacity to 40mt from 21mt, upstream iron ore mining capacity to 60-65mt from 36mt and doubling its downstream VAP capacity by FY30. Similarly, JSP is also undertaking INR240b expansion, which will augment its crude steel capacity to 15.9mt by FY25E from 9.6mt and the pellet capacity to 21mt by the end of FY24E from 9mt. JSTL is undertaking capex programs, which will enhance its Indian steel capacity to 37mt by FY25E (global capacity to reach 38.5mt) from 27mt. **b) Non-ferrous:** With higher demand for base metals from sectors such as construction, infrastructure, automobiles, aerospace, FMCG, and packaging, non-ferrous companies are also undertaking capex to increase their existing capacity. HNDL is undertaking multiple greenfield and debottlenecking projects across the globe which will further expand its FRP and extrusion capacity. Similarly, HZ is also undertaking multiple capex, which will augment its mined metal capacity to 1.35mt from 1.2mt. **c) Mining:** In order to meet the increase in raw material requirement, NMDC is also undertaking mine expansion, which is expected to increase its capacity from 50mt to 70mt in the near term and thereafter to 100mt. We have a BUY rating on NMDC.
- **Non-ferrous prices improve:** Prices of copper/aluminum/zinc/nickel/lead improved 11%/3%/4%/2%/2% QoQ. However, base metal prices after touching a recent high in Apr'23, have started correcting in the recent weeks, with copper/aluminum/zinc/nickel/lead correcting 5%/2%/7%/5%/2% MoM in May'23. Slower-than-expected pickup in China, high interest rates, recessionary pressure in developed countries, excess Russian metal inventory, and lower demand have led to price fluctuations. HNDL has guided for temporary headwinds in international market; however; domestic demand is expected to remain robust, with the thrust on infrastructure, better manufacturing sentiment, higher demand for automobiles, etc., which will keep the demand for copper and aluminum elevated. Similarly, HZ expects robust demand for silver driven by various

factors such as higher demand from industrial manufacturers, an increase in the 5G set-up, higher usage in EVs, increased usage in renewable energy (RE), etc. In the non-ferrous space, we have a BUY rating on HNDL.

- **COAL – strong performance to continue in FY24:** We believe the world has come to terms with the fact that fossil fuels cannot be ignored in the near term, due to problems faced by RE sources such as unreliability, availability, costs, safety, etc. Demand for coal is expected to be strong and the volume momentum is expected to continue even in FY24. Though e-auction premiums have come down from their highs of 2QFY23, they are likely to be near the 4QFY23 level, supported by higher volumes. We have a BUY rating on COAL.
- **Ferrous/non-ferrous profitability improved QoQ, whereas mining sector profitability was down 18% QoQ:** All the companies across the metal and mining sector (except JSP and COAL, which slipped 31% and 28%) witnessed improved profitability. On the non-ferrous front, APAT for HZ/VEDL/HNDL/NACL posted a growth of 20%/106%/77%/93%% QoQ. The ferrous sector had a better quarter with the sector posting a profitability of INR71b as against a loss of INR7.5b in 3QFY23.
- **Top picks:** COAL and JSP

#### Guidance highlights:

**Ferrous:** The guidance is for: 1) higher domestic volumes in FY24, 2) the benefit from reduction in coking cost should accrue from Jun'23 onwards, 3) capex progressing as per timelines, 4) coal cost remains a key indicator and 5) headwinds related to the macroeconomic environment, especially in Europe. Though a better performance from Indian operations on the back of strong domestic demand should aid volumes and margins in the near term, global headwinds and threat from import substitution will pose challenges in the short term.

**Non-Ferrous:** Management expects the volume momentum to continue in FY24, driven by strong demand from domestic markets. While some headwinds might prevail amid subdued global macro-economic scenario, the demand is expected to witness a steady growth in long run. An increase in coal costs remain the key risks to the sector (till captive mines are operational).

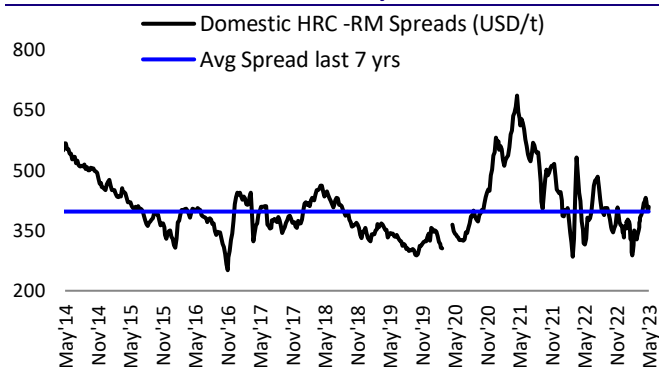
**Mining:** As per various news articles and press releases, COAL has guided volume momentum to continue in FY24 and has pegged ~610mt coal supply to power plants under FSA for FY24E. NMDC has guided for a strong demand in the domestic market and expects to reach a production target of 46-49mt in FY24 and 100mt in the next six-seven years.

- **TATA:** The management expects realization in India to improve by INR1,000-1,500/t in 1QFY23. Additionally, in Europe, an increase of GBP15/t is expected in realization. The cost of coking coal is expected to increase by USD10-15/t in 1QFY24. Furthermore, while volumes are expected to be lower in 1QFY24, it will increase by 1.5mt for FY24. TATA is expected to deleverage USD1b in FY24.
- **JSTL:** The company expects to sell around 25mt of steel in FY24 and expects dispatches to the auto sector to be around 3mt. Coking coal cost is also expected to increase in 1QFY24 and the benefits of lower cost is expected to accrue from 2QFY24 onwards. Net debt will be similar to FY23 levels. Vijayanagar 5mt plant is expected to commission by 4QFY24 and its full benefits will accrue from FY25-26. JSTL expects the share of VAP to be over 55% of the volumes.
- **SAIL:** The management expects to clock sales of 18.7mt in FY24 and the coal cost is expected to increase in 1QFY24. NSR for 1QFY24 is expected to be down INR2,000/t. SAIL has set a target to achieve 35mt crude steel production by FY31-32. The company will incur a 25% tax going forward.
- **JSP:** The management did not provide sales and production guidance. The 6mt pellet plant at Angul and 3mt HSM Phase I are expected to be operational in the next one-two quarters. The 3.5mt PRC Utkal C coal block is under final stages of clearance. JSP will continue to reduce the debt and keep the net debt-to-EBITDA ratio below 1.5x. JSP is witnessing buoyant demand from the domestic market in sectors, such as infrastructure, RE, construction, where the company has a strong presence.
- **HNDL:** The long-term sustainable EBITDA/t target at Novelis has been retained at USD525/t. 11% of the Indian aluminum business is hedged at USD2,755/t and going forward, the management will hedge at USD2,500/t and above levels. The Chakla mine is expected to come on stream in FY25 and the work is progressing as per the timeline. The domestic demand in India is expected to be robust, driven by various factors such as the company's focus on infrastructure development, improved manufacturing sentiment, higher demand for automobiles, etc.. These factors are expected to keep the demand for copper and aluminum at elevated levels. HNDL expects a 3-4% CAGR in demand from the beverage can industry and an 11% CAGR in demand from

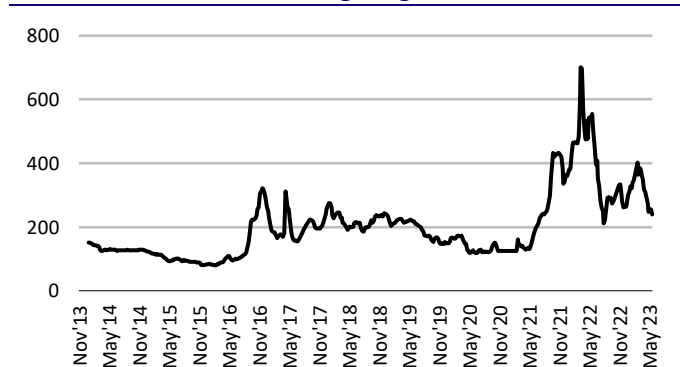
automobile. Net leverage for FY24 will not cross 3x. The Bay Minette facility will add 600kt of finished goods, which will cater to the beverage can market and the project is on track. Can destocking will take another quarter to normalize, post which the demand for beverage is expected to increase.

- **VEDL:** Aluminum CoP is expected to further reduce in 1QFY24 and the Jamkhani coal mine has commenced operations and the current coal linkages (66%) is expected to improve to 80% by 4QFY24, thus driving CoP further down. VEDL is undertaking expansion at BALCO and Lanjigarh refinery. VEDL will enhance its aluminum VAP portfolio to 90% (current 60%). Hot metal capacity at ESL will be enhanced to 3mt by 1QFY25E from 1.5mt.
- HZ:** The management has maintained zinc CoP guidance at USD1,125-1,175/t for FY24. HZ expects to clock mined metal production in the range of 1,075-1,100kt and refined metal production in the range of 1,050-1,075kt. HZ expects to clock saleable silver production in the range of 725-750t and eventually reach 850-1,000t mark. HZ will pay 2% of revenue as brand fee to VEDL. The total ore reserves at HZ stands at 173.5mt and R&R at 460.1mt, containing 30.8mt of metal content, ensuring 25years+ of mine life.

**Exhibit 84: Domestic spot steel spreads (USD/t) contracted in 4QFY23, however, it is currently near LTA**

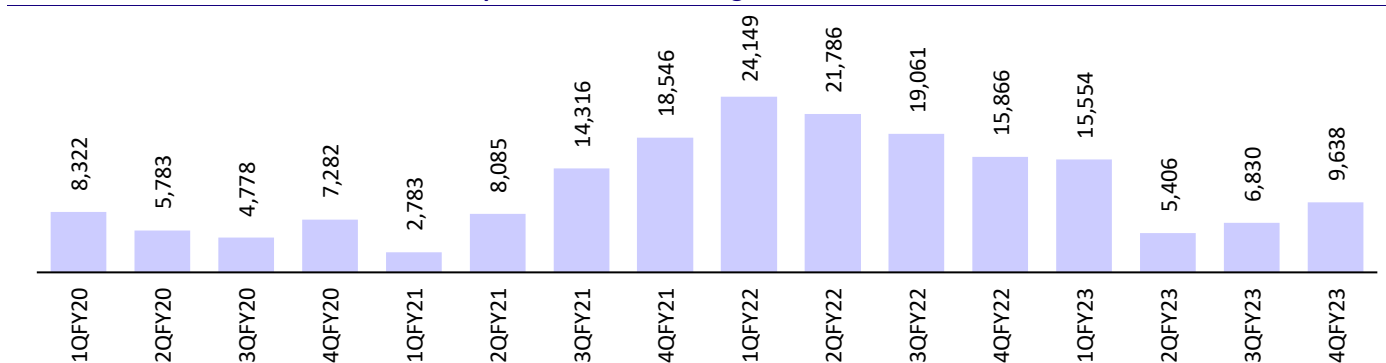


**Exhibit 85: Coking coal (USD/t) has cooled off below USD250/t levels after touching a high of over USD400/t**



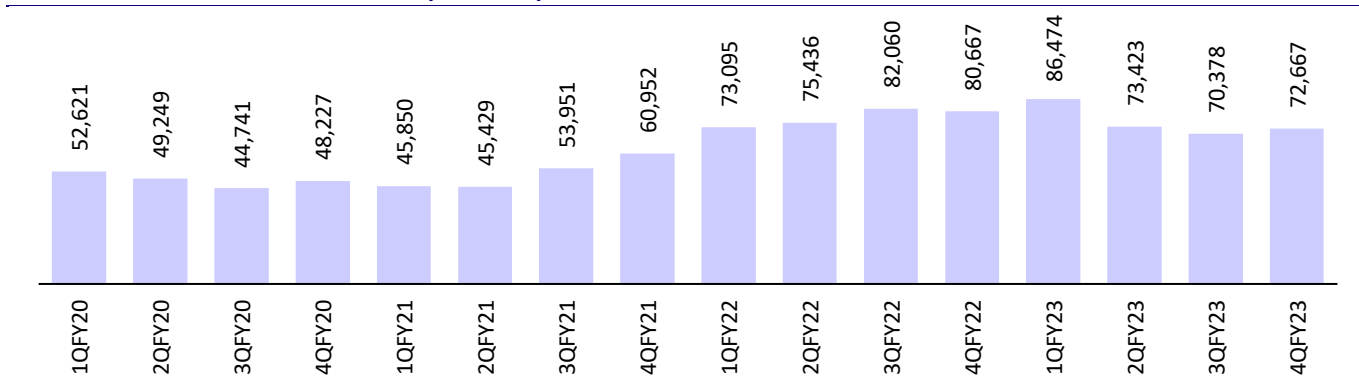
Source: MOFSL, SteelMint

**Exhibit 86: EBITDA/t for the steel sector improved after bottoming out in 3QFY23**



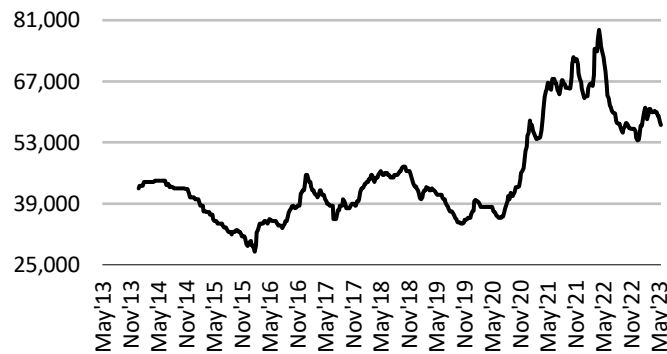
Source: MOFSL

**Exhibit 87: Realization/t for steel companies improved in 4QFY23**

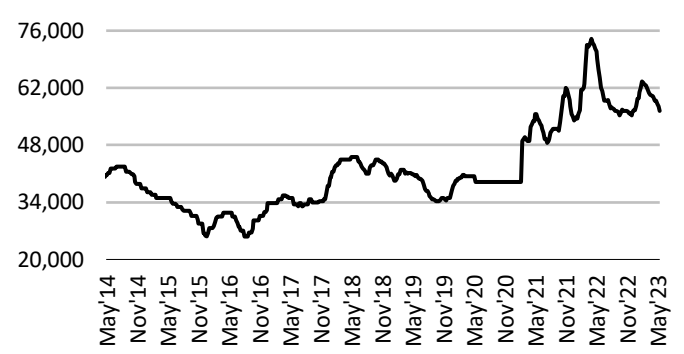


Source: MOFSL

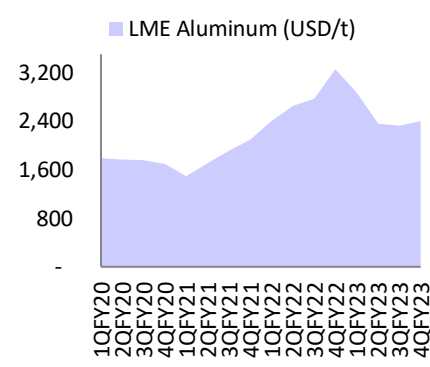


**Exhibit 88: HRC (INR/t) has started correcting after recovering in 4QFY23**

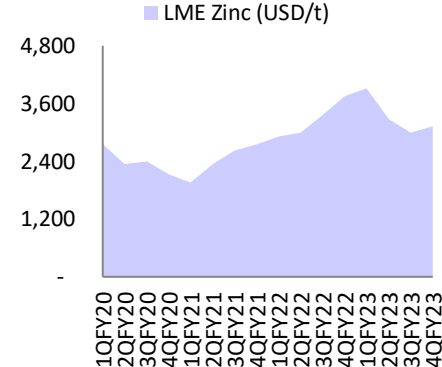
Source: MOFSL, Steelmint

**Exhibit 89: Rebar (INR/t) prices have also started correcting and are now at a discount to HRC prices**

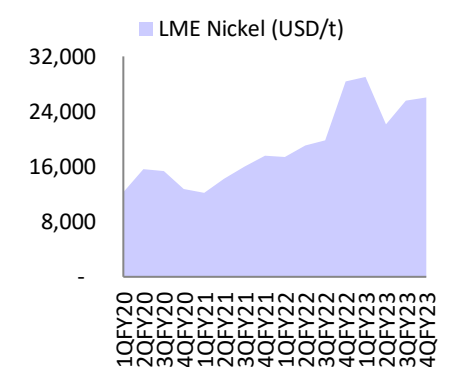
Source: MOFSL, Steelmint

**Exhibit 90: LME aluminum prices**

Source: MOFSL, Bloomberg

**Exhibit 91: LME zinc prices**

Source: MOFSL, Bloomberg

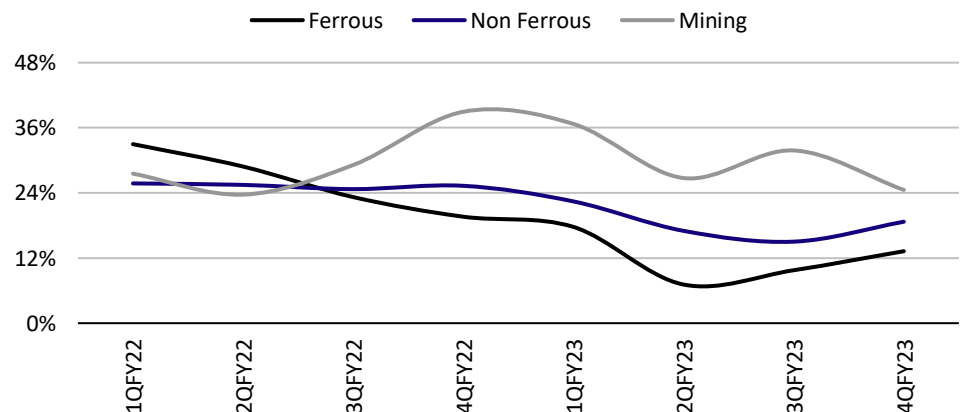
**Exhibit 92: LME nickel prices**

Source: MOFSL, Bloomberg

**Exhibit 93: EBITDA/t for steel companies under our coverage (Consolidated)**

| EBITDA/t | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | YoY (%) | QoQ (%) |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| JSTL     | 29,608 | 27,198 | 23,355 | 17,903 | 9,597  | 3,052  | 7,963  | 12,158 | -32     | 53      |
| TATA     | 22,659 | 22,268 | 22,673 | 18,764 | 22,618 | 8,382  | 5,661  | 9,279  | -51     | 64      |
| SAIL     | 19,728 | 16,395 | 8,881  | 9,237  | 7,295  | 1,740  | 5,003  | 6,226  | -33     | 24      |
| JSP      | 28,192 | 21,569 | 18,188 | 14,761 | 17,200 | 7,559  | 12,513 | 10,775 | -27     | -14     |

Source: MOFSL, Company

**Exhibit 94: EBITDA margin (%) for steel, non-ferrous, and mining. In the last six quarters, mining has commanded a better EBITDA margin in the sector**

Source: MOFSL, Company



**OIL AND GAS: OMCs disappoint, barring HPCL; margins better than expected for CGDs**

- **Overall performance:** Revenue was above our estimate (up 9.8% YoY), mainly driven by BPCL, HPCL, IOCL, MRPL, and PLNG. Excluding OMCs, revenue was in line with our estimate (up 5.9% YoY). EBITDA missed our estimate (up 13.5% YoY), but GUJGA, HPCL, MAHGL and MRPL posted a beat. Excluding OMCs, EBITDA was in line with our estimate (up 3.3% YoY). PAT met our estimate (up 17.6% YoY). PAT, excluding OMCs, was also in line our estimate (down 7.6% YoY).
- **OMCs – GRM better than expected, marketing gross margins robust:** Implied marketing gross margins (including inventory) for OMCs improved to INR3.3/liter (v/s INR1.4/liter in 3QFY23), owing to lower Brent prices and retail fuel prices being unchanged during the quarter. OMCs are estimated to be earning marketing gross margin of INR9.1/INR11.6 per liter on petrol/diesel in 1QFY24 till date. Benchmark Singapore GRMs have declined to USD3.6/bbl in 1QFY24 till date, which might hurt refining performance.
- **Strength in transportation fuel cracks drives RIL's robust performance:** RIL's consolidated revenue grew 3% YoY (-2% QoQ; in line), while EBITDA rose 23% YoY/9% QoQ (5% beat) in 4QFY23, fueled by a strong beat in the standalone segment. O2C EBITDA came in 11% above our estimate at INR181b (+24% YoY) in 4QFY23. EBITDA/mt for O2C stood at ~USD85.5 (-2% YoY, +19% QoQ). However, the outlook remains murky amid global capacity additions expected in both refining and petrochem segments.
- **CGDs – margins beat estimates, volumes broadly in line:** GUJGA's total volumes came in line with our estimate of 8.9mmscmd, with Morbi volumes improving to 3.6mmscmd. EBITDA margin at INR7/scm beat our estimate of INR6/scm. MAHGL reported higher-than-estimated EBITDA of INR3.9b (est. INR2.6b), mainly led by higher-than-estimated EBITDA/scm of INR12.8 (est. INR8.2). Volumes were slightly lower than our estimates at 3.3mmscmd. IGL reported in-line EBITDA at INR4.7b as both EBITDA/scm and volumes were in line with our estimates at INR6.3 and 8.3mmscmd, respectively.
- **Ratings and earnings change:** Our ratings remained unchanged in 4QFY23.
- **Top picks:** ONGC is our top pick for CY23. We prefer GUJGA among CGD players due to robust volume growth prospects in the long term. We prefer IOCL among the OMCs. GAIL is our top pick in the gas space, while we favor GUJS in the midcap space.
- **ONGC:** The company intends to add more than 100,000 sq. km of exploratory area each year while also spending INR100b each year on exploration. The capex guidance stands at INR301b for FY24. ONGC recently approved three new projects for a capex of INR58.8b. It is also looking at INR70- 80b in petchem capex at MRPL and might also consider construction of a new petchem facility for a capex of INR300-400b.
- **GAIL:** The management expects incremental benefits of INR15b in the transmission segment due to an increase in tariffs to INR58.6/mmBtu in FY24 from ~INR43/mmBtu in FY23. Transmission volumes are also expected to increase to 118mmscmd in FY24 from 107mmscmd in FY23. The remaining portion of the Jagdishpur-Haldia pipeline is expected to be completed by Jun'24. The mechanical completion of the PP plant at PATA and PDH-PP plant at Usar is expected by Jul'24 and Apr'25, respectively.
- **GUJS:** We expect volumes to jump to ~35mmscmd in FY25 as the company is a beneficiary of: 1) upcoming LNG terminals in Gujarat, 2) improved demand owing to the focus on reducing industrial pollution – Gujarat has five geographical areas (GAs) identified as severely/critically polluted, and 3) the commissioning of the Mehsana-Bhatinda pipeline.
- **Surprises:** AGIS, RIL, CSTR, GSPL, CGDs, HPCL, IGL, MAHGL, GUJGA, MRPL, PLNG
- **Misses:** BPCL, CSTR, GAIL, IOCL, ONGC

**Guidance highlights:**

- **RIL:** Increased tourism and improved seasonal demand due to the summer driving season could boost demand in CY23. The management, however, believes that the recent announcement of a cut in oil production by OPEC+ could hurt demand if prices remain high, with Indian downstream demand likely to be affected by potential economic contractions in the developed countries. There is positive momentum in domestic demand for both polymers and polyesters and it is expected to track economic growth. However, the management expects margin to be largely constrained by the volatile feedstock price and supply overhang.

- **ONGC:** The management expects oil production from KG-DWN-98/2 to commence by Aug'23 in an optimistic scenario and by Oct'23 in a worst case scenario. The peak oil production is likely to be ~40-45kbopd as per earlier guidance. The management also highlighted that every year, ~6-8% of APM gas production comes from new wells that will attract 20% premium as per the new pricing policy. The company intends to add more than 100,000 sq. km of exploratory areas each year, while also spending INR100b each year on exploration.
- **OMCs:** IOCL is set to commission various projects over the next two years, driving further growth. Refinery projects, currently underway, are expected to be completed as follows: Panipat refinery (25mmtpa) by Sep'24, Gujarat refinery (18mmtpa) by Aug'23, and Baruni refinery (9mmtpa) by Apr'23, according to the earlier guidance. The completion of various ongoing projects is expected to drive growth for HPCL over the next three to five years, such as: Bhatinda refinery expansion, expansion of Vizag refinery, and new Rajasthan (Barmer) refinery in FY24.
- **CGDs:** Morbi volumes improved substantially to 3.6mmcmd in 4QFY23 due to the narrowing price gap between natural gas and alternate fuels as a result of price cuts taken by GUJGA in 4QFY23. Currently propane prices are on par with natural gas prices, while LPG is trading at a discount of INR1.5-2/scm. GUJGA's long-term volume growth prospects remain robust, with the addition of new industrial units and the expansion of existing units. IGL expects volumes to reach 9mmcmd in FY24, driven primarily by growth from new GAs. CNG conversions are also expected to increase, driven by the stability in CNG prices and the introduction of new CNG vehicles by OEMs. MAHGL highlighted that CNG penetration in commercial goods carriers stands at a meager 2-3%. It is expected to improve going forward, led by the launch of company-fitted CNG goods carriers and a substantial improvement in CNG availability on highways. The management also expects EBITDA/scm to remain at 4QFY23 levels for the next few months.

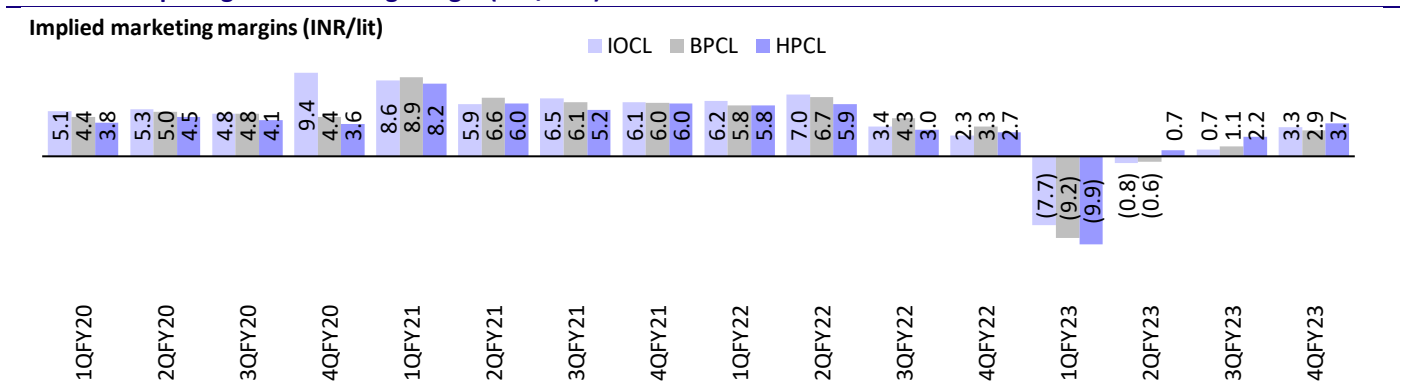
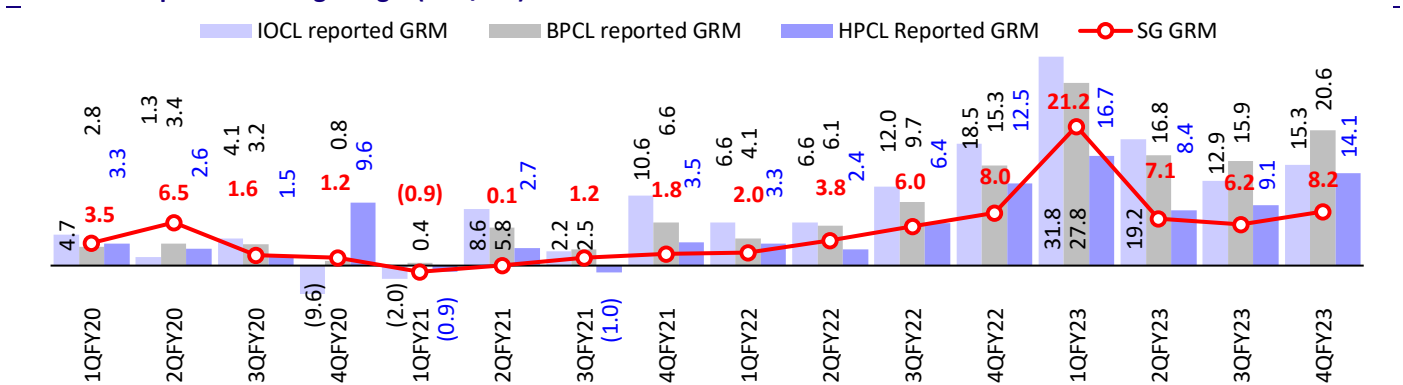
**Exhibit 95: Implied gross marketing margin (INR/liter)****Exhibit 96: Reported refining margin (USD/bbl)**

Exhibit 97: Sales volume of CGDs (mmscmd)

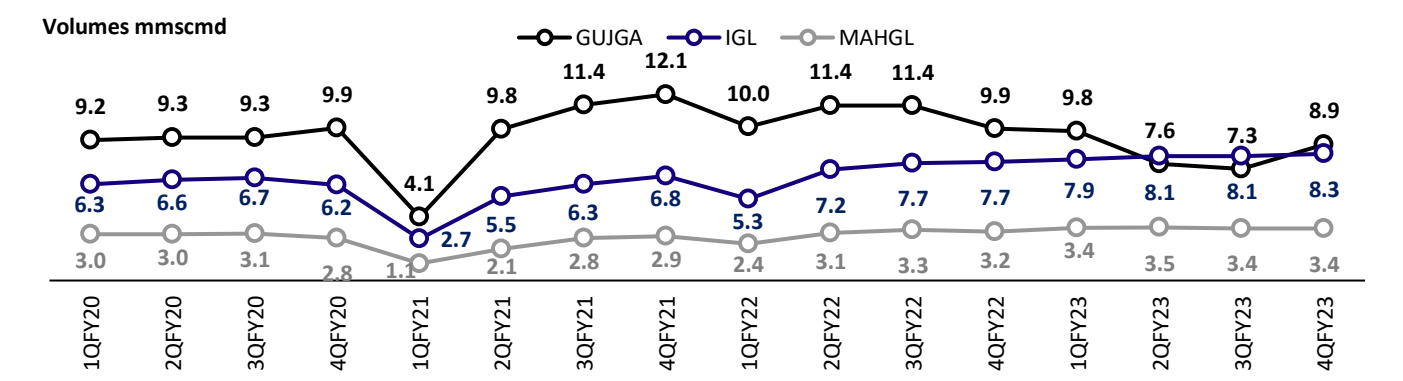
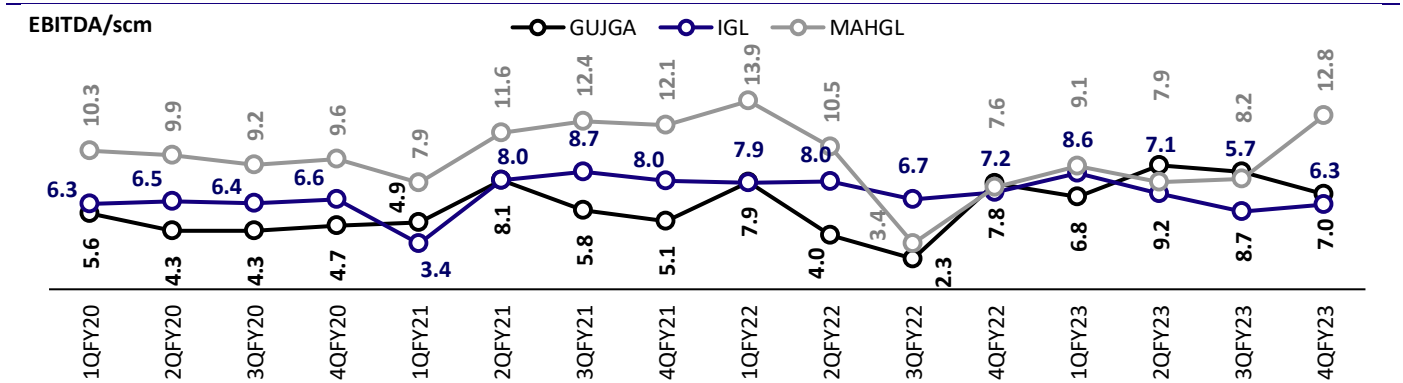


Exhibit 98: EBITDA/scm trend for CGDs (INR)



### Real Estate: Companies eyeing sustained growth in medium term; BD momentum to continue

- **Demand gathered pace in a seasonally strong 4Q:** Coverage stocks witnessed further growth in pre-sales run rate, on the back of strong consistent demand and healthy launches. Cumulative sales from coverage companies stood at INR234b, up 46% YoY/58% QoQ, primarily driven by remarkable performance, reported by DLF, which witnessed sales of INR85b, 3x YoY. The bookings growth in the quarter was aided by price hikes and a favorable product mix (especially for DLF and PEPL) as the aggregate volume growth for coverage universe stood at 17% YoY.
- Ex-DLF too, cumulative sales saw a healthy growth of 12% YoY to INR150b. In addition to DLF, Brigade reported a standout quarter with bookings growth of 45% YoY to INR15b.
- **Aspiring double-digit growth:** After delivering a significant growth of 43% YoY (32% ex-DLF) in pre-sales in FY23, companies remain optimistic about sustained demand scenario and are aiming at 15-20% growth in the medium term. Over the last few quarters, the performance on business development has remained equally strong, lead by GPL and Lodha, which added new projects worth GDV of INR320b and INR198b, respectively. Consequently, companies have identified a robust launch pipeline for FY24 to support their growth aspirations.
- **Healthy project deliveries drove P&L performance:** The aggregate topline for coverage universe increased 10% YoY to INR130b with better-than-expected performance from GPL/PEPL/SOBHA/MLIFE that reported 24%/10%/70%/58% YoY growth in revenue. For LODHA, revenue increased 84% QoQ to INR32b and was 27% above our estimates, due to higher-than-anticipated number of project completions. The cumulative EBITDA stands at INR33b, up 16% YoY with an EBITDA margin of 25%. While GPL reported the best ever quarterly EBITDA margin and PEPL/Lodha witnessed 200 bp and 50 bp margin expansion YoY, Sobha and MLIFE reported weak margins, reflecting poor performance of contractual business and legacy portfolio, respectively.
- **Valuation and picks:** We largely retain our FY24E pre-sales for GPL/LODHA/OBER and increase it by 70%/17%/7% for DLF/BRGD/SOBHA to incorporate the better-than-expected performance during the quarter. We continue to see re-rating potential in companies, which would provide further growth visibility on the back of strong business development through robust cash flows. We retain LODHA, PEPL, and GPL as our top picks.
- **Positive surprises:** DLF and BRIGADE
- **Misses:** OBER

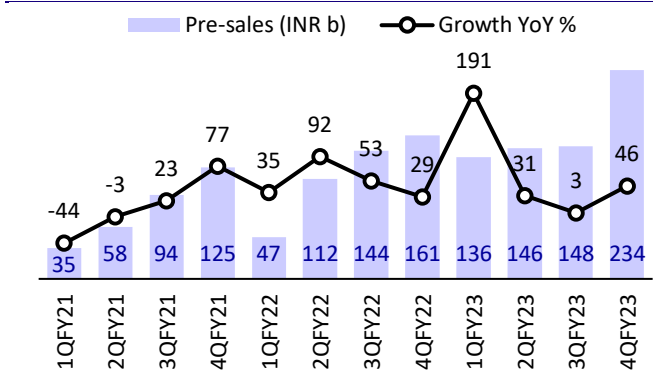
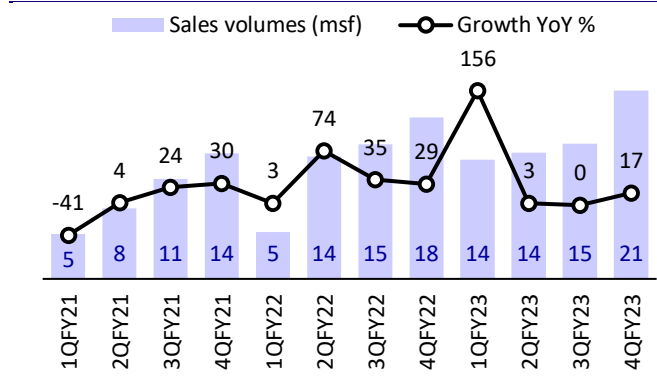
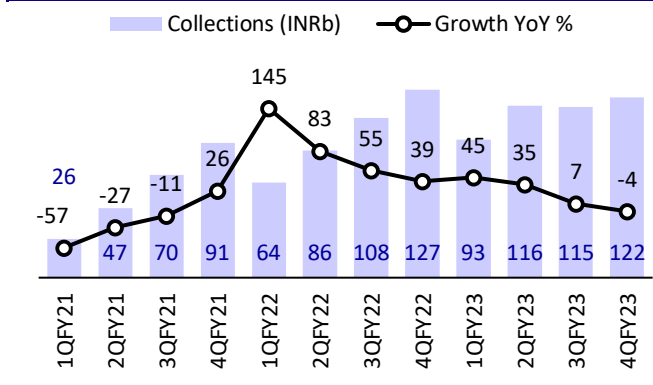
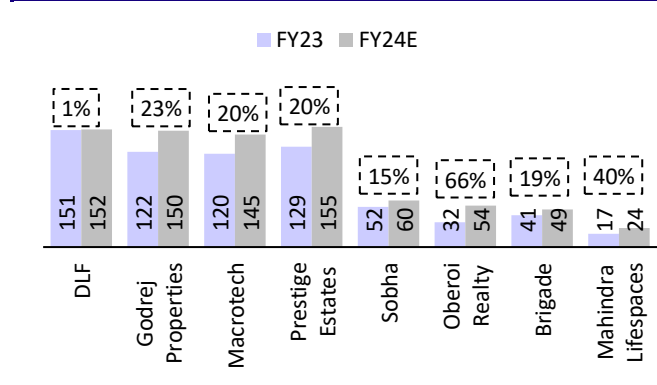
**Key highlights:**

**Interest rate:** As highlighted by the management of Lodha and other large companies, the rise in interest rates did not have a negative impact on enquiries or footfalls. These companies expect the sector to witness robust growth over the medium term, backed by favorable affordability conditions and low level of home-ownership penetration in India.

**BD traction:** Companies continue to remain positive on maintaining BD momentum. LODHA and GPL are targeting to add new projects worth GDV of INR175b and INR150b, respectively. OBER has further expanded the development scope at Thane by acquiring two adjacent land parcels and is scouting for opportunities at other locations as well. MLDL has a BD pipeline of INR55b and the management intends to close one redevelopment project each quarter.

**Company commentary:**

- **LODHA:** The management highlighted that despite the increase in interest rates, footfalls have remained strong throughout the year. The company witnessed the highest number of walk-ins with 1L customers in FY23, which is 15% higher than that in FY22. Additionally, the conversion rate improved, with an 11%YoY increase to 7.5% in FY23 from 6.8% in FY22. This, coupled with an 8% price growth at the portfolio level, enabled the company to deliver 33% growth in bookings in FY23. In line with its medium-term target, the company expects to deliver a 20% growth in pre-sales to INR145b in FY24
- **OBER:** The company has taken approvals under the new DCPR for both the projects in Thane. The Experience centre, including a show flat, is completed at both the sites and the company is gearing up for the launch of Kolshet road project in 2QFY24. OBER's larger project at Pokhran road is expected to be launched in 2Q/3QFY24. Lastly, the management is also targeting to launch another tower at Goregaon during the festive season of FY24
- **DLF:** – The company will launch 11msf of new projects with a sales potential of INR197b and has guided for new bookings of INR110-120b. DLFU is on track to deliver the first phase of Downtown Chennai (2.2msf) in FY24. Additionally, the company has 3.2msf of office space under-construction across Downtown Gurugram and Chennai, which will be delivered in FY25. It plans to double its retail portfolio over the next four-five years by developing malls across Gurugram, New Gurugram, Delhi, Chennai, and Goa.
- **GPL:** GPL exited FY23 with the highest ever bookings of INR122b and believes demand traction to continue aided by favorable affordability conditions. The company is targeting INR140b of pre-sales in FY24. The management expects the sector to witness robust growth over the medium term, backed by low levels of home-ownership penetration in India. In FY24, GPL is targeting INR150b worth of new project additions and it will have a healthy mix of outright/JV and would require INR20-25b.
- **BEL:** Citing strong sales momentum, the company is planning to launch 7.5msf of residential projects in FY24 with a revenue potential of INR60b. Bulk of these launches are expected in 2H and the launch at TVS land, Chennai, will contribute 25% of the launch value. While the company abstained from giving annual pre-sales guidance, it aims to register a CAGR of 20% over the next five years.
- **MLIFE:** The company had very successful launches over the last four quarters, characterized by appropriate pricing and attractive offerings. The positive impact of these launches will be visible in the P&L over the next six to eight quarters. EBITDA Margin across all recent projects are in the range of 18-20% and the recent project additions including the redevelopment projects will be margin accretive. The company is planning new launches across nine projects including Kandivali, Citadel Ph-2, and recently acquired redevelopment projects. Dahisar and Thane projects are not part of the launch plan for FY24.
- **Sobha:** Demand momentum continues to remain healthy and the company wants to keep up with the momentum. It has planned a launch of 7-8msf of projects in FY24, of which, 5msf will be in Bengaluru, 1msf in NCR, and the remaining in other markets. The company expects to sustain a similar run-rate in FY25. The company will continue to witness margin pressure in contractual business for a quarter and the residential segment for the next two-three quarters.
- **PHNX:** The company expects consumption across its retail portfolio to grow to INR115b, of which INR12b will be contributed by the malls in Indore and Ahmedabad. Thus, like-for-like growth is expected to be 12.5%. Adjusting for inflation and timing differences of occupancy, the trading density is expected to increase by 8-10%. Additionally, the trading occupancy at the existing malls is expected to ramp up to 93-95% by Diwali.

**Exhibit 99: Pre-sales for coverage universe improved 46% YoY....****Exhibit 100: ...with volumes witnessing 17% YoY growth****Exhibit 101: Collections marginally declined in 4Q****Exhibit 102: Expect coverage stocks to deliver 19% YoY growth****Exhibit 103: Estimate changes for our Coverage Universe**

| INR b               | Revenue |       |       |       |        |       |
|---------------------|---------|-------|-------|-------|--------|-------|
|                     | Old     |       | New   |       | Change |       |
|                     | FY24E   | FY25E | FY24E | FY25E | FY24E  | FY25E |
| DLF                 | 75      | 74    | 74    | 77    | -1%    | 3%    |
| Godrej Properties   | 31      | 35    | 23    | 35    | -27%   | 0%    |
| Macrotech           | 103     | 112   | 100   | 112   | -3%    | 0%    |
| Oberoi Realty       | 43      | 50    | 46    | 53    | 7%     | 6%    |
| Prestige Estates    | 82      | 83    | 82    | 88    | 0%     | 6%    |
| Brigade             | 42      | 47    | 42    | 47    | 0%     | 1%    |
| Sobha               | 36      | 41    | 36    | 41    | 0%     | 0%    |
| Mahindra Lifespaces | 5       | 6     | 7     | 7     | 23%    | 19%   |

| INR b               | EBITDA |       |       |       |        |       |
|---------------------|--------|-------|-------|-------|--------|-------|
|                     | Old    |       | New   |       | Change |       |
|                     | FY24E  | FY25E | FY24E | FY25E | FY24E  | FY25E |
| DLF                 | 31     | 38    | 25    | 27    | -20%   | -29%  |
| Godrej Properties   | 7      | 8     | 2     | 8     | -66%   | -4%   |
| Macrotech           | 27     | 30    | 26    | 30    | -6%    | -1%   |
| Oberoi Realty       | 18     | 23    | 20    | 24    | 7%     | 5%    |
| Prestige Estates    | 22     | 21    | 22    | 24    | 0%     | 15%   |
| Brigade             | 13     | 15    | 13    | 15    | 0%     | -2%   |
| Sobha               | 8      | 10    | 5     | 8     | -36%   | -24%  |
| Mahindra Lifespaces | -1     | -1    | -1    | -1    | -15%   | -25%  |

| INR b               | PAT   |       |       |       |        |       |
|---------------------|-------|-------|-------|-------|--------|-------|
|                     | Old   |       | New   |       | Change |       |
|                     | FY24E | FY25E | FY24E | FY25E | FY24E  | FY25E |
| DLF                 | 36    | 57    | 34    | 41    | -5%    | -28%  |
| Godrej Properties   | 13    | 14    | 9     | 14    | -31%   | -3%   |
| Macrotech           | 19    | 21    | 16    | 19    | -15%   | -8%   |
| Oberoi Realty       | 12    | 15    | 13    | 17    | 10%    | 7%    |
| Prestige Estates    | 6     | 7     | 5     | 5     | -12%   | -30%  |
| Brigade             | 5     | 7     | 5     | 7     | 8%     | 3%    |
| Sobha               | 4     | 6     | 2     | 5     | -44%   | -26%  |
| Mahindra Lifespaces | 2     | 2     | 1     | 2     | -22%   | -19%  |

| INR b               | Pre-sales |       |       |       |        |       |
|---------------------|-----------|-------|-------|-------|--------|-------|
|                     | Old       |       | New   |       | Change |       |
|                     | FY24E     | FY25E | FY24E | FY25E | FY24E  | FY25E |
| DLF                 | 89        | 66    | 152   | 88    | 70%    | 32%   |
| Godrej Properties   | 150       | 184   | 150   | 184   | 0%     | 0%    |
| Macrotech           | 150       | 180   | 145   | 180   | -4%    | 0%    |
| Oberoi Realty       | 55        | 53    | 54    | 57    | -2%    | 6%    |
| Prestige Estates    | 126       | 129   | 126   | 123   | 0%     | -5%   |
| Brigade             | 42        | 49    | 49    | 57    | 17%    | 16%   |
| Sobha               | 56        | 62    | 60    | 69    | 7%     | 11%   |
| Mahindra Lifespaces | 24        | 25    | 24    | 31    | 3%     | 23%   |

| INR b               | Collections |       |       |       |        |       |
|---------------------|-------------|-------|-------|-------|--------|-------|
|                     | Old         |       | New   |       | Change |       |
|                     | FY24E       | FY25E | FY24E | FY25E | FY24E  | FY25E |
| DLF                 | 79          | 91    | 75    | 106   | -4%    | 16%   |
| Godrej Properties   | 127         | 161   | 127   | 161   | 0%     | 0%    |
| Macrotech           | 120         | 129   | 115   | 127   | -4%    | -1%   |
| Oberoi Realty       | 47          | 54    | 42    | 52    | -9%    | -2%   |
| Prestige Estates    | 90          | 84    | 90    | 100   | -1%    | 19%   |
| Brigade             | 40          | 47    | 43    | 52    | 7%     | 9%    |
| Sobha               | 48          | 56    | 47    | 55    | -3%    | -1%   |
| Mahindra Lifespaces | 17          | 22    | 17    | 25    | -3%    | 12%   |

**Exhibit 104: P&L highlights for coverage universe**

| (in INRm)           | 4QFY23 | 3QFY23 | 4QFY22 | YoY % | QoQ % | 4QFY23E | Variance |
|---------------------|--------|--------|--------|-------|-------|---------|----------|
| <b>Revenue</b>      |        |        |        |       |       |         |          |
| DLF                 | 14,561 | 14,948 | 15,473 | -6%   | -3%   | 16,756  | -13%     |
| Godrej Properties   | 16,463 | 1,962  | 13,306 | 24%   | 739%  | 7,948   | 107%     |
| Macrotech           | 32,554 | 17,738 | 34,446 | -5%   | 84%   | 25,717  | 27%      |
| Oberoi Realty       | 9,614  | 16,295 | 8,235  | 17%   | -41%  | 10,187  | -6%      |
| Prestige Estates    | 26,318 | 23,170 | 24,003 | 10%   | 14%   | 17,585  | 50%      |
| Brigade             | 8,428  | 8,203  | 9,423  | -11%  | 3%    | 9,494   | -11%     |
| Sobha               | 12,099 | 8,682  | 7,103  | 70%   | 39%   | 7,176   | 69%      |
| Mahindra Lifespaces | 2,554  | 1,869  | 1,618  | 58%   | 37%   | 2,972   | -14%     |
| Phoenix Mills       | 7,290  | 6,838  | 4,954  | 47%   | 7%    | 6,855   | 6%       |
| <b>EBITDA</b>       |        |        |        |       |       |         |          |
| DLF                 | 3,984  | 4,772  | 3,675  | 8%    | -17%  | 5,465   | -27%     |
| Godrej Properties   | 3,466  | -168   | 2,580  | 34%   | NA    | 1,308   | 165%     |
| Macrotech           | 7,717  | 4,038  | 8,713  | -11%  | 91%   | 7,264   | 6%       |
| Oberoi Realty       | 3,687  | 9,404  | 3,518  | 5%    | -61%  | 4,908   | -25%     |
| Prestige Estates    | 6,818  | 5,742  | 4,995  | 36%   | 19%   | 4,104   | 66%      |
| Brigade             | 2,022  | 2,079  | 2,052  | -1%   | -3%   | 2,557   | -21%     |
| Sobha               | 1,156  | 888    | 776    | 49%   | 30%   | 1,125   | 3%       |
| Mahindra Lifespaces | -274   | -114   | -390   | -30%  | 139%  | 187     | -246%    |
| Phoenix Mills       | 4,307  | 3,845  | 2,411  | 79%   | 12%   | 3,741   | 15%      |



| (in INRm)            | 4QFY23 | 3QFY23 | 4QFY22 | YoY % | QoQ % | 4QFY23E | Variance |
|----------------------|--------|--------|--------|-------|-------|---------|----------|
| <b>EBITDA Margin</b> |        |        |        |       |       |         |          |
| DLF                  | 27     | 32     | 24     | 15%   |       | 30      | -655bps  |
| Godrej Properties    | 21     | -9     | 19     | 9%    |       | NM      |          |
| Macrotech            | 24     | 23     | 25     | -6%   |       | 23      | 205bps   |
| Oberoi Realty        | 38     | 58     | 43     | -10%  |       | 48      | -546bps  |
| Prestige Estates     | 26     | 25     | 21     | 24%   |       | 23      | -253bps  |
| Brigade              | 24     | 25     | 22     | 10%   |       | 27      | -516bps  |
| Sobha                | 10     | 10     | 11     | -13%  |       | 16      | -475bps  |
| Mahindra Lifespaces  | -11    | -6     | -24    | -56%  |       | NM      |          |
| Phoenix Mills        | 59     | 56     | 49     | 21%   |       | 55      | -591bps  |
| <b>PAT</b>           |        |        |        |       |       |         |          |
| DLF                  | 5,696  | 5,189  | 4,055  | 40%   | 10%   | 6,974   | -18%     |
| Godrej Properties    | 4,545  | 564    | 2,587  | 76%   | NA    | 6,349   | -28%     |
| Macrotech            | 7,434  | 4,050  | 5,380  | 38%   | 84%   | 3,805   | 95%      |
| Oberoi Realty        | 4,803  | 7,026  | 2,324  | 107%  | -32%  | 25,234  | -81%     |
| Prestige Estates     | 4,684  | 1,278  | 9,395  | -50%  | 267%  | 624     | 651%     |
| Brigade              | 694    | 569    | 325    | 114%  | 22%   | 947     | -27%     |
| Sobha                | 486    | 318    | 142    | 242%  | 53%   | 402     | 21%      |
| Mahindra Lifespaces  | 6      | 332    | 1,368  | -100% | -98%  | 1,004   | -99%     |
| Phoenix Mills        | 2,057  | 1,764  | 1,048  | 96%   | 17%   | 1,504   | 37%      |

Source: Company, MOSL

**RETAIL: Margins remain under pressure due to higher opex and footprint adds****Weakness persists in Value segment; Premium players seeing some softness**

- **Revenue grows on low base:** Aggregate revenues grew 24% YoY primarily on a lower base of 4QFY22, which was affected by Omicron. Adjusted for the Omicron base effect, LTL growth was weak. Trent maintained its outperformance and reported 75% YoY growth in revenue, driven by strong footprint adds and healthy LFL in Westside. Value retail continued to see demand pressures due to inflation, as seen in DMart's and VMart's performances. DMart reported revenue growth of 20.6%, mainly led by footprint additions. VMart's revenue growth stood at 29.5% YoY (on a lower base) as the segment's sales/sqft remained subdued. In QSR, Devyani/RBA reported healthy growth of 27.8%/35.8% YoY, while Jubilant's revenue growth stood at 8% due to weak LFL (-0.8% YoY).
- **Resumption of marketing expenses and opex dent margins:** The quarter witnessed a contraction in margins as the segment witnessed the resumption of marketing/advertising costs. Simultaneously, improved footprint adds further led to higher opex in the quarter. Aggregate EBITDA margins contracted 260bp to 11.5% despite healthy revenue growth. However, the recent decline in raw material prices could lead to an improvement in gross margins. Metro Brands reported EBITDA margin contraction of 580bp owing to higher marketing spends and lower gross margins (due to Cravatex). ABFRL, too, reported lower margins, which could be attributed to higher spends on Tasva and its D2C category. In the QSR segment, Westlife saw a margin expansion of 210bp YoY to 15.9%, RBA's margins remained flat at 11.6%, and the rest of the segment saw a contraction in margins.
- **Store addition remains robust:** Companies saw strong footprint additions during the quarter to meet their annual store addition targets for FY23. Trent, DMart, Metro and BATA continued with their healthy footprint additions. DMart added 18 stores during the quarter, in line with its strategy of adding stores toward the end of the financial year. Westside/Zudio added 3/26 stores in 4QFY23, taking the total store count to 214/352. Store additions for Metro remained strong at 19 stores for 4QFY23. Pantaloons added 25 stores in 4QFY23. The management has indicated a slowdown in store expansion plans until demand improves.
- **Demand momentum to remain under pressure:** While the Value segment continues to see demand slowdown, premium segment retailers have now indicated some weakness in demand in 1HFY24. While ABFRL in its earnings concall has indicated demand pressure in Tier 2 and below cities, Metro has cited moderation in near-term sales growth. Similarly, DMart stated that demand softness is visible in the non-food category (~30% of

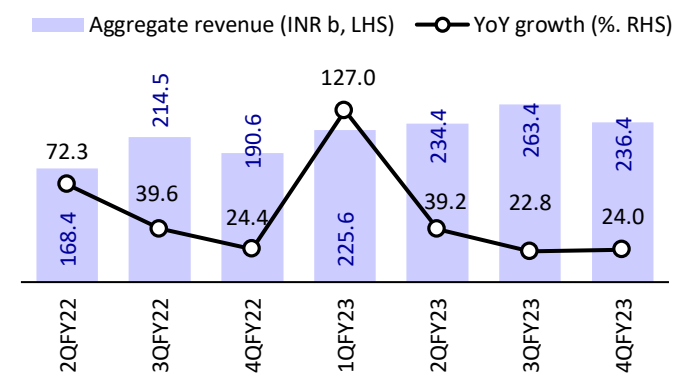
revenues historically). While lower RM costs could aid pricing in the near term, demand revival would remain a key monitorable for the segment in the coming period.

- **Retailers curbing footprint adds amid weak outlook:** ABFRL has reduced its store addition target for Pantaloons from 60-70 stores in FY23 to 40-50 stores in FY24, as market demand remains weak. Similarly BARBEQUE has lowered its store opening target to 20 stores for FY24 but stated that it will revisit the guidance by 1HFY24 based on the demand outlook.
- **Top picks:** TRENT and METRO Brands
- **Surprises:** Shoppers Stop

#### Guidance highlights:

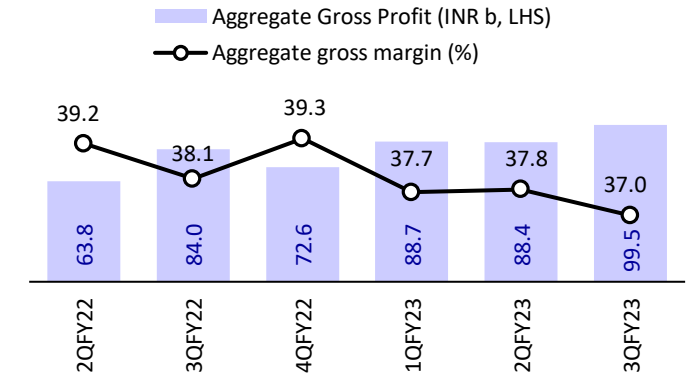
- **ABFRL:** 1) Slower revenue growth is expected to reverse from 2HFY24 onward with the onset of the festive period. 2) The company has reduced Pantaloons store addition guidance from 60-70 stores in FY23 to 40-50 stores in FY24 given the soft market condition. It will look to increase the pace once the demand environment improves. 3) The company expects the debt levels to rise in the coming period given continued investments in new businesses.
- **VMART:** The management expects revenue growth to come from LFL growth at mid-high single digits and improved share of the online business to 8-10% going ahead from 2% currently.
- **SHOP:** 1) It expects to sustain high gross and EBITDA margins, backed by improved share of private brands, successful negotiations with vendors to secure higher margins and the optimization of discounts. 2) The management expects revenue growth to fall to mid-double digits, aided by high single-digit SSSG, footprint expansion and improved share of private labels. 3) SHOP targets to open 10-12 departmental stores annually with capex ranging between INR1.5b and INR2.0b.
- **BATA:** 1) The management has announced plans to introduce the apparel segment with expectations to go live by 2HFY24. 2) It has guided for the addition of 150-170 stores annually with an expected mix of COCO: Franchise to be at 20:80.
- **Metro Brands:** 1) Strong 58% revenue growth in FY23 was led by an 8% price increase and ~47% volume growth on a low base of FY22. The management expects an annual price increase of around 5-7% going ahead. 2) The company targets to open 200 new stores over the next two fiscal years, excluding FitFlop and FILA stores. 3) The management has retained gross margin guidance of 55-57% and EBITDA margin of ~30%.
- **Vedant Fashions:** 1) VFL expects to open 8-10 Twamev stores and 10-15 Mohey stores on the pilot basis to monitor the performance for a further scale-up. 2) It expects SSSG in mid-to-high single digits annually. Gross and EBITDA margins are expected to be in the range of 66-67% and 30%, respectively. 3) VFL expects to launch the Phase 2 of its digital transformation in the next 2-3 months. It will look to integrate online demand with offline stores to improve offerings and experience.

**Exhibit 105: Revenue grew 24% YoY in 4QFY23**

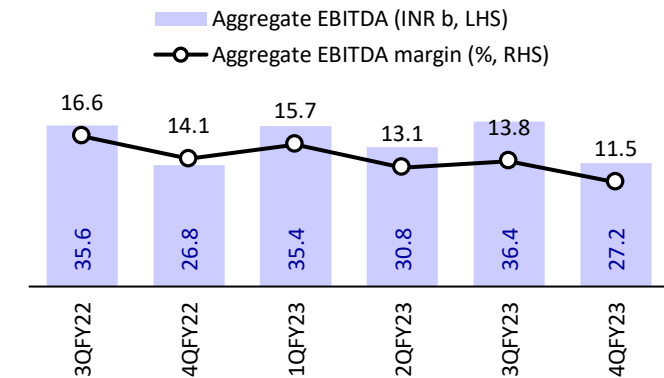


Source: Company, MOFSL

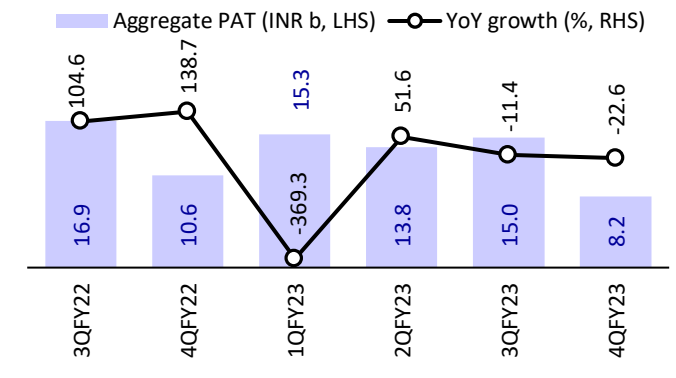
**Exhibit 106: Gross margins witnessed a contraction YoY**



Source: Company, MOFSL

**Exhibit 107: EBITDA margin also contracted YoY in 4QFY23**

Source: Company, MOFSL

**Exhibit 108: Profitability for retailers remained subdued**

Source: Company, MOFSL

**Exhibit 109: Snapshot of Retail store additions**

|                          | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Total Store count</b> |        |        |        |        |        |        |        |        |        |
| Madura Stores            | 2,379  | 2,380  | 2,754  | 2,488  | 2,522  | 2,585  | 2,670  | 2,601  | 2,650  |
| Pantaloons               | 346    | 342    | 347    | 361    | 377    | 375    | 396    | 406    | 431    |
| DMART                    | 234    | 238    | 246    | 263    | 284    | 294    | 302    | 306    | 324    |
| Shoppers Stop            | 84     | 83     | 80     | 83     | 88     | 90     | 91     | 96     | 98     |
| Westside                 | 174    | 184    | 191    | 197    | 200    | 203    | 208    | 211    | 214    |
| V-Mart                   | 279    | 282    | 368    | 374    | 380    | 391    | 405    | 414    | 423    |
| Zudio                    | 133    | 137    | 147    | 177    | 233    | 247    | 285    | 326    | 352    |
| Metro                    | 586    | N.A    | N.A    | 629    | 624    | 644    | 672    | 720    | 764    |
| Bata (Incl SIS)          | 1,688  | 1,700  | 1,737  | 1,772  | 1,814  | 1,888  | 1,956  | 2,021  | 2,053  |
| <b>Store adds</b>        |        |        |        |        |        |        |        |        |        |
| Madura EBO's             | 38     | 1      | 374    | -266   | 34     | 63     | 85     | -69    | 49     |
| Pantaloons               | 2      | -4     | 5      | 14     | 16     | -2     | 21     | 10     | 25     |
| DMART                    | 13     | 4      | 8      | 17     | 21     | 10     | 8      | 4      | 18     |
| Shoppers Stop            | -      | -1     | -3     | 3      | 5      | 2      | 1      | 5      | 2      |
| Westside                 | 5      | 10     | 7      | 6      | 3      | 3      | 5      | 3      | 3      |
| V-Mart                   | 5      | 3      | 86     | 6      | 6      | 11     | 14     | 9      | 9      |
| Zudio                    | 32     | 4      | 10     | 30     | 56     | 14     | 38     | 41     | 26     |
| Metro                    | -      | -      | -      | -      | -5     | 20     | 28     | 48     | 44     |
| Bata                     | -      | 12     | 37     | 35     | 42     | 74     | 68     | 65     | 32     |

Source: Company, MOFSL

**TECHNOLOGY: Mixed quarter, demand likely to recover in H2FY24**

- **Aggregate performance:** IT companies reported a mixed performance overall in 4QFY23, with tier-1 firms delivering muted revenue growth and modest margins and tier-2 companies outpacing the tier-1 pack with stronger revenue growth. Our IT Services coverage universe delivered USD revenue growth of 0.3% QoQ/6.9% YoY, while EBIT margin declined by 25bp QoQ/50bp YoY in Q4. INR PAT growth came in at 0.4% QoQ/8.6% YoY. Q4 deal momentum was relatively soft compared to the previous quarters, on account of higher deal scrutiny, an elongated sales cycle and delays in approvals.
- **Tier-2 pack outpaced tier-1:** Among tier-1 companies, LTIM and TCS led the growth pack with 0.7% and 0.6% QoQ CC, respectively. Infosys reported a decline of 3.2% QoQ CC (alluded to project ramp-downs and deal cancellations). In the tier-2 pack, Cyient and Coforge significantly outperformed their peers and delivered CC revenue growth of 6.6% and 4.7% QoQ, respectively. Mphasis, on the other hand, reported a decline of 4.5% QoQ. Few tier-2 companies benefitted from better participation in the current nature of spending and vendor consolidation activities, especially in the digital space.
- **Deal TCV moderated:** Deal TCV growth moderated in Q4 to 2.8% QoQ v/s 5.5% in Q3. The TCV number, excluding TCS, declined 19% QoQ, with tier-1/tier-2 down 22%/9% QoQ. TCS (our top pick) reported impressive TCV growth of 28% QoQ even in the challenging environment, whereas its close peers reported a sequential

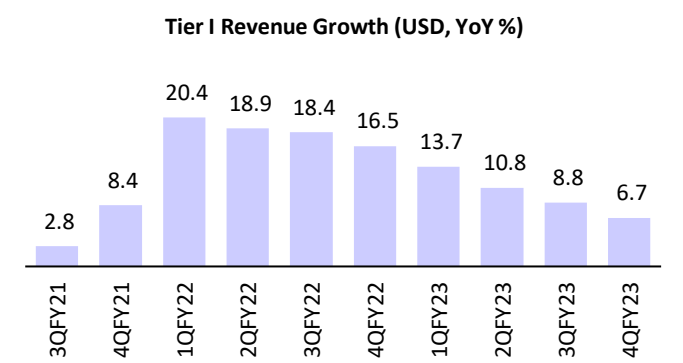
decline. TCS is benefiting disproportionately as its clients are reprioritizing cost take-outs and efficiency-driven projects for immediate outcomes and returns, where TCS has a major play.

- **Headcount reduction:** The headcount continued to decline, down ~5,500 QoQ in Q4 v/s a decline of 7,700 QoQ in Q3. With strong hiring in H1FY23, outsourcing vendors are overstaffed to meet the incremental demand, and the focus has now again shifted to bench optimization, resulting in better utilization.
- **Top picks:** Despite few tier-2 companies outpacing tier-1 players over the last couple of quarters, we still remain positive on tier-1 companies, given their wider range of offerings and disproportionate benefits in a cost-focused environment. Moreover, the current valuation of tier-1 companies (median ~17x one-year forward PE) with robust payout yields (~+5% in FY25E) gives us comfort. We continue to prefer TCS, HCLT and Infosys (in that order) for their robust business models, high return ratios, and strong management teams.
- **Significant Miss:** Infosys (revenue growth), Mphasis (revenue growth)
- **Significant Beat:** Zensar (margin)
- **Major EPS upgrades/downgrades:** Infosys FY24E and FY25E EPS were lowered by 3.9% and 4.8%, respectively. Mphasis FY24E and FY25E EPS were downgraded by 9.8% and 6.4%, respectively. Zensar FY24E/FY25E EPS were upgraded by 18.1%/16.4%.

#### Guidance highlights

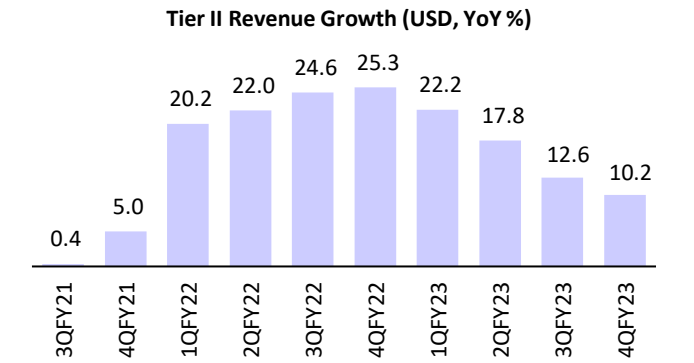
- **TCS:** The near-term uncertainty is more pronounced in the US region, while a meaningful demand recovery is seen in the UK and Europe regions. The deal funnel is strong with an equal proportion of small and medium size deals, giving confidence to sustain growth momentum in FY24.
- **INFO:** Q4 was marked by a weak performance as discretionary spending remained weak. INFO was optimistic about the demand recovery in H2FY24, while margin is expected to be under pressure. It has given revenue guidance of 4-7% YoY growth in CC terms and EBIT margin guidance of 20-22% for FY24.
- **WPRO:** The TCV-to-revenue conversion remains challenging. The management indicated that slower decision-making and cuts in discretionary spending could have an adverse impact on 1QFY24E revenue. It has guided for a revenue decline of 3% to 1% QoQ CC and flat margins in 1QFY24E amid macro uncertainties.
- **HCLT:** IT service performance outpaced its peers with 1.6% QoQ CC growth. On the consolidated level, growth was affected by muted growth in ER&D services. In CC terms, the management has guided for FY24 revenue growth in the range of 6-8% CC, with +6.5-8.5% CC in Services. The management expects FY24 margin to be in the range of 18-19%.
- **TECHM:** Growth was affected by delayed decision-making and cuts in discretionary spending amid a weak macro environment. The management expects few margin levers to play out in FY24, such as normalizing sub-contractor expenses, divesting non-strategic assets, automation, and pyramid optimization.
- **LTIM:** LTIM expects the Q1 performance to be affected by execution delays on few strategic accounts due to a near-term pause, followed by a strong pick-up on account of cost optimization deal wins in 2HFY24. The management expects this to help LTIM deliver double-digit YoY growth in FY24. The company aspires to reach 17-18% EBIT margin threshold.

**Exhibit 110: Revenue growth continues to moderate**

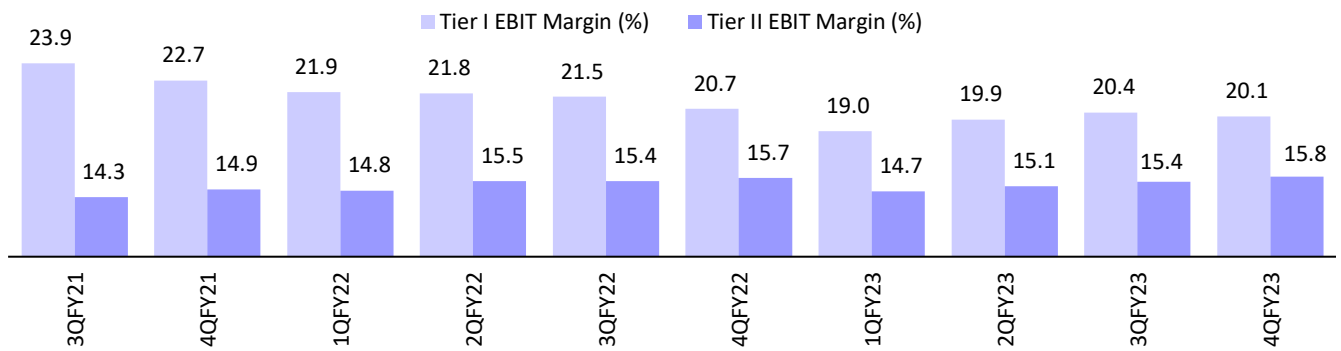


Source: Company, MOFSL

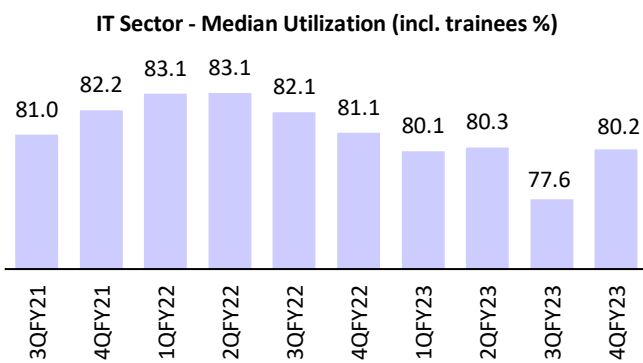
**Exhibit 111: Tier-2 revenue growing at double digits**



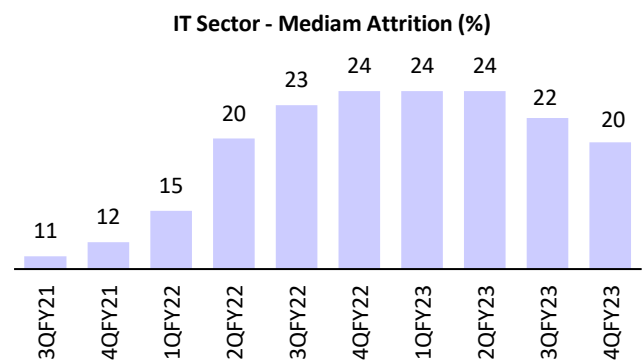
Source: Company, MOFSL

**Exhibit 112: Tier-2 players outperformed Tier-1 companies on margin**

Figures exclude ZENT; Source: Company, MOFSL

**Exhibit 113: Median utilization (%) improved**

Figures exclude TCS, HCLT, and LTTS; Source: Company, MOFSL

**Exhibit 114: Median attrition (%) further cooled off**

Figures exclude MPHL; Source: Company, MOFSL

**Exhibit 115: Upgrades/downgrades to our EPS estimates show strength in the sector (%)**

| Company | 1QFY23 |       | 2QFY23 |       | 3QFY23 |       | 4QFY23 |       |
|---------|--------|-------|--------|-------|--------|-------|--------|-------|
|         | FY24E  | FY25E | FY24E  | FY25E | FY24E  | FY25E | FY24E  | FY25E |
| TCS     | -4     | -4    | -1     | 1     | -1     | -1    | 0      | 0     |
| INFO    | -3     | -2    | 1      | -1    | 1      | 1     | -4     | -5    |
| WPRO    | -7     | -6    | -6     | -2    | 4      | -1    | -7     | -4    |
| HCLT    | -1     | -3    | 4      | 6     | -1     | -1    | -4     | -3    |
| TECHM   | -3     | -1    | -1     | -4    | 2      | 0     | -5     | -5    |
| LTIM    | NA     | NA    | NA     | NA    | NA     | NA    | -2     | -2    |
| LTTS    | 3      | 1     | -1     | -1    | -1     | -2    | 3      | 3     |
| MPHL    | 0      | -1    | 0      | 3     | -4     | -7    | -10    | -6    |
| COFORGE | -2     | -2    | 0      | 4     | 0      | 3     | 1      | 0     |
| PSYS    | 2      | 5     | 4      | 4     | 3      | 6     | 6      | 5     |
| CYL     | 7      | 8     | 6      | 5     | 2      | 2     | 5      | 5     |
| ZENT    | -8     | -3    | 1      | 0     | 10     | 5     | 18     | 16    |

Source: MOFSL, Company

**TELECOM: Soft earnings with high 5G capex**

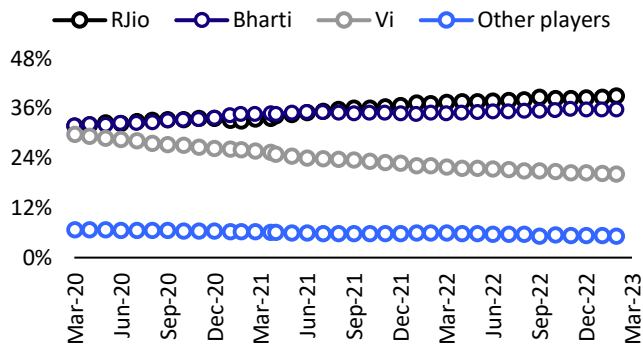
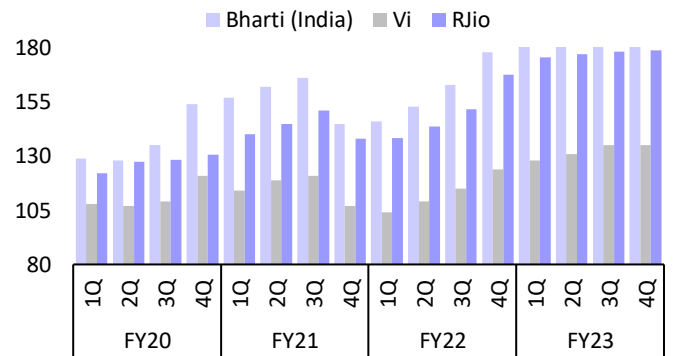
- **Slowing revenue growth:** Currently, the telecom sector is witnessing a slowdown in earnings growth. This can be attributed to the absence of price hikes and the completion of a significant portion of the transition toward 4G subscribers. Additionally, the market share flux from VIL to RJIo/Bharti has subsided, resulting in limited gains in subscriber/ARPU growth due to SIMCARD consolidation.
- **Soft revenue growth in the absence of price hikes:** The telecom sector registered a sequential revenue growth of 1% (barring VIL - down 1%), led by subscribers' growth of 1%. Across various telecom companies, 4G subscribers witnessed a growth of 1-3%. Additionally, the churn rate has improved sequentially by 20bp-60bp across the companies. ARPU remained flat sequentially due to the absence of price hikes.

- **RJio/Bharti continue to gain share:** RJio and Bharti continue to gain market share in subscriber base and revenue albeit at a slower pace. RJio/Bharti added 6m/3m subscribers (1.5%/1.1% growth) against VIL's 3m decline. The rate of decline in VIL's subscriber base appears to have moderated this quarter (average 5m decline per quarter in the last 8 quarters). On the other hand, both RJio/Bharti added around 7m 4G subscribers each (1.5%/3.5% growth), while VIL added continue to add 1m 4G subscribers per quarter.
- **Margin profile:** With limited revenue growth, the incremental margin of 50-55% has also subsided, given lower operating leverage. The reduction in SUC charges, which saw benefits in the last couple of quarters, is largely in the base. Bharti (India)/RJio margins were flat at 53.8%/52.2%, while VIL saw a 60bp increase in margin, owing to lower network cost to 40%.
- **Increased capex:** Being in the early stage of the new 5G technology upgrade cycle, Bharti/RJio continue to spend aggressively on 5G and rural densification, which is putting pressure on the near-term FCF and leverage. Bharti increased its capex to INR114b in 4QFY23 (almost 2x YoY). VIL's capex was far lower than Bharti/RJio capex due to its inability to raise funds. Bharti/VIL net debt increased to INR2.1t and RJio to INR2.0t in 4QFY23.
- **VIL's provision continues to dent Indus margin:** Indus booked a provision of INR434m toward VIL's doubtful debts; however, the provision amount has reduced from the heightened provision booked in 9MFY23 of INR53b (Total provision made in FY23 - INR 53.5b). However, 4QFY23 saw an improvement in VIL collection (collected 90-100% of the monthly billings). The company has not declared a dividend in FY23 (first time). In FY21/22, it had declared a dividend of INR20/11 per share.
- **TCOM - Soft growth led to margin dilution:** TCOM's data segment, the key growth driver, remained soft with 2% QoQ growth, while consolidated revenue grew 1% QoQ. Its continued investments in new growth engines led to 4% QoQ decline in EBITDA. However, FCF yield remained steady at 7% with a healthy ROCE of 28%.
- **Top picks:** Bharti
- **Positive surprise:** NA

#### Guidance highlights:

- **Bharti:** Focuses on the densification of the top 150 urban cities, which account for 40%/75%/90% of overall/broadband/B2B markets. Additionally, the company is focused on expanding into rural markets, which have become prospective 4G markets. The company expects FY24 capex to remain at a similar level as FY23. However, in FY25, capex is expected to decrease as the 4G rollout reaches completion and 5G wireless capex peaks out.
- **VIL:** Has taken price action in the minimum recharge category in a few circles including Mumbai, reducing validity for INR99 plan to 15 days from 28 days. It reiterated the need for a tariff increase. However, VIL indicated that it is not in a position to take the lead and will await decisions from peers. VIL reduced its customer acquisition cost, which was INR12-14b for the industry, by rationalizing channel and targeting customers with high churn rates. However, despite these efforts, VIL has not observed any impact on churn due to peer's 5G expansion. VIL has INR84b of debt repayment scheduled in FY24. Bank and FII loans stood at INR114b in FY23. The company is incurring only maintenance capex and is waiting to raise funds to expand the 4G and 5G rollouts.
- **Tata Communication:** The company is focused on achieving double-digit revenue growth, which may result in margins falling at the lower end of the EBITDA guidance (i.e., 23%) in FY24. The company plans to maintain its opex and capex investments to achieve its growth targets. The capex forecast remains in the range of USD 250–300m (excluding fibre replacement cost). Despite maintaining a 25% RoCE, FY24 may require additional investments, particularly in DPS.
- **Indus Tower:** The rapid implementation and growth of 5G by the operators and expansion into rural areas should keep the need for passive telecom infrastructure high. Indus can generate high single-digit to lower double-digit ROCE for even single tenancy. As the loading increases, the return profile increases. 4QFY23 saw an improvement in VIL collection (collected 90-100% of the monthly billings). The earlier payment plan between Indus and VIL is still in effect.



**Exhibit 116: Operator-wise active subscriber market share (%)****Exhibit 117: Operator-wise ARPUs (INR)****Exhibit 118: Wireless KPI comparison**

|                                 | FY21 |       |       |       | FY22  |       |       |       | FY23  |       |       |       | YoY (%) | QoQ (%) |
|---------------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|
|                                 | 1Q   | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    |         |         |
| <b>EOP Wireless SUBS (m)</b>    |      |       |       |       |       |       |       |       |       |       |       |       |         |         |
| Bharti (India)                  | 280  | 294   | 308   | 321   | 321   | 323   | 323   | 326   | 327   | 328   | 332   | 335   | 2.9     | 1.0     |
| Idea                            | 280  | 272   | 270   | 268   | 255   | 253   | 247   | 244   | 240   | 234   | 229   | 226   | -7.3    | -1.2    |
| RJio                            | 398  | 406   | 411   | 426   | 441   | 430   | 421   | 410   | 420   | 428   | 433   | 439   | 7.1     | 1.5     |
| <b>Avg. Wireless Subs (m)</b>   |      |       |       |       |       |       |       |       |       |       |       |       |         |         |
| Bharti (India)                  | 282  | 287   | 301   | 315   | 321   | 322   | 323   | 324   | 327   | 328   | 330   | 334   | 2.9     | 1.2     |
| Idea                            | 285  | 276   | 271   | 269   | 262   | 254   | 250   | 246   | 242   | 237   | 232   | 227   | -7.4    | -1.8    |
| RJio                            | 393  | 402   | 408   | 419   | 433   | 435   | 425   | 416   | 415   | 424   | 430   | 436   | 4.9     | 1.4     |
| <b>ARPU (INR/month)</b>         |      |       |       |       |       |       |       |       |       |       |       |       |         |         |
| Bharti (India)                  | 157  | 162   | 166   | 145   | 146   | 153   | 163   | 178   | 183   | 190   | 193   | 193   | 8.4     | 0.0     |
| Vi                              | 114  | 119   | 121   | 107   | 104   | 109   | 115   | 124   | 128   | 131   | 135   | 135   | 8.9     | 0.0     |
| RJio                            | 140  | 145   | 151   | 138   | 138   | 144   | 152   | 168   | 176   | 177   | 178   | 179   | 6.7     | 0.3     |
| <b>MOU/Sub (min)</b>            |      |       |       |       |       |       |       |       |       |       |       |       |         |         |
| Bharti (India)                  | 994  | 1,005 | 1,027 | 1,053 | 1,044 | 1,053 | 1,061 | 1,081 | 1,104 | 1,082 | 1,094 | 1,122 | 3.8     | 2.6     |
| Idea                            | 678  | 673   | 673   | 657   | 641   | 630   | 620   | 610   | 620   | 599   | 613   | 623   | 2.1     | 1.6     |
| RJio                            | 756  | 773   | 796   | 820   | 815   | 835   | 901   | 962   | 1004  | 968   | 984   | 1001  | 4.0     | 1.8     |
| <b>Wireless traffic (B min)</b> |      |       |       |       |       |       |       |       |       |       |       |       |         |         |
| Bharti (India)                  | 820  | 861   | 925   | 997   | 1,002 | 1,020 | 1,030 | 1,051 | 1,079 | 1,063 | 1,082 | 1,124 | 7.0     | 3.9     |
| Idea                            | 579  | 555   | 547   | 529   | 503   | 480   | 465   | 449   | 450   | 427   | 426   | 425   | -5.5    | -0.2    |
| RJio                            | 891  | 932   | 975   | 1030  | 1060  | 1090  | 1150  | 1200  | 1250  | 1230  | 1270  | 1310  | 9.2     | 3.1     |
| <b>Data usage/Sub (Gb)</b>      |      |       |       |       |       |       |       |       |       |       |       |       |         |         |
| Bharti (India)                  | 16.7 | 16.4  | 16.8  | 16.8  | 18.9  | 19.1  | 18.7  | 19.2  | 19.9  | 20.8  | 20.8  | 20.8  | 8.0     | -0.1    |
| Idea                            | 11.0 | 10.6  | 10.9  | 11.7  | 13.3  | 13.5  | 12.8  | 12.9  | 13.3  | 14.1  | 14.2  | 14.2  | 10.8    | 0.3     |
| RJio                            | 12.0 | 11.8  | 13.0  | 13.3  | 15.6  | 17.6  | 18.3  | 19.7  | 20.8  | 22.2  | 22.5  | 23.2  | 17.4    | 3.1     |
| <b>Data traffic (B Gb)</b>      |      |       |       |       |       |       |       |       |       |       |       |       |         |         |
| Bharti (India)                  | 7.2  | 7.6   | 8.5   | 9.2   | 10.8  | 11.3  | 11.3  | 11.8  | 12.6  | 13.5  | 13.9  | 14.2  | 20.2    | 2.9     |
| Idea                            | 4.5  | 4.3   | 4.5   | 4.9   | 5.5   | 5.5   | 5.2   | 5.2   | 5.4   | 5.7   | 5.8   | 5.8   | 10.8    | 0.7     |
| RJio                            | 14.2 | 14.2  | 15.9  | 16.7  | 20.3  | 23.0  | 23.4  | 24.6  | 25.9  | 28.2  | 29.0  | 30.3  | 23.2    | 4.5     |

Source: MOFSL, Company

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

|                            | Sales (INR m)    |             |             |                       | EBITDA (INR m)  |             |             |                       | PAT (INR m)     |              |             |                       |
|----------------------------|------------------|-------------|-------------|-----------------------|-----------------|-------------|-------------|-----------------------|-----------------|--------------|-------------|-----------------------|
|                            | Mar-23           | Gr (%)      |             | Var. over<br>Exp. (%) | Mar-23          | Gr (%)      |             | Var. over<br>Exp. (%) | Mar-23          | Gr (%)       |             | Var. over<br>Exp. (%) |
|                            |                  | YoY         | QoQ         |                       |                 | YoY         | QoQ         |                       |                 | YoY          | QoQ         |                       |
| <b>Automobiles</b>         | <b>26,33,947</b> | <b>25.8</b> | <b>11.6</b> | <b>3.4</b>            | <b>3,28,103</b> | <b>39.9</b> | <b>20.6</b> | <b>7.1</b>            | <b>1,85,331</b> | <b>115.4</b> | <b>32.8</b> | <b>26.8</b>           |
| Amara Raja Batt.           | 24,292           | 11.4        | -7.9        | -7.4                  | 3,373           | 53.4        | -15.0       | -10.9                 | 1,729           | 75.5         | -22.4       | -16.1                 |
| Apollo Tyres               | 62,473           | 12.0        | -2.7        | -1.2                  | 9,985           | 59.4        | 9.3         | 2.6                   | 4,099           | 260.9        | 40.3        | 21.2                  |
| Ashok Leyland              | 1,16,257         | 33.0        | 28.7        | -2.0                  | 12,757          | 64.4        | 60.0        | 5.1                   | 7,145           | 70.8         | 100.3       | 14.7                  |
| Bajaj Auto                 | 89,047           | 11.7        | -4.4        | 8.4                   | 17,166          | 25.7        | -3.4        | 11.3                  | 14,329          | 16.9         | -3.9        | 8.1                   |
| Balkrishna Inds            | 23,246           | -4.4        | 4.9         | -2.0                  | 4,942           | -14.2       | 16.7        | -0.7                  | 2,576           | -30.5        | 158.8       | -5.7                  |
| Bharat Forge               | 19,973           | 19.3        | 2.3         | -2.4                  | 5,226           | 21.3        | 5.9         | -1.0                  | 2,754           | 4.4          | -3.7        | -9.6                  |
| Bosch                      | 40,634           | 22.7        | 11.0        | 6.6                   | 5,224           | 20.0        | 29.4        | -5.6                  | 3,990           | 13.8         | 25.1        | -4.0                  |
| CEAT                       | 28,748           | 10.9        | 5.4         | -1.0                  | 3,678           | 96.2        | 54.8        | 21.1                  | 1,398           | 382.4        | 291.4       | 31.7                  |
| Craftsman Auto             | 7,855            | 20.0        | 5.1         | -0.8                  | 1,676           | 9.0         | 6.0         | -1.5                  | 703             | 36.9         | 37.3        | 31.1                  |
| Eicher Motors              | 38,043           | 19.1        | 2.2         | 1.2                   | 9,337           | 23.3        | 8.9         | 5.7                   | 9,056           | 48.4         | 22.2        | 6.3                   |
| Endurance Tech.            | 22,343           | 7.5         | 6.6         | 1.5                   | 2,854           | 11.0        | 19.2        | 7.1                   | 1,365           | 0.2          | 26.1        | 5.4                   |
| Escorts Kubota             | 21,830           | 16.8        | -3.6        | -0.7                  | 2,358           | -6.2        | 23.9        | 18.2                  | 2,039           | 0.8          | 9.4         | 14.6                  |
| Exide Inds.                | 35,430           | 3.7         | 3.8         | -4.0                  | 3,672           | 4.9         | -8.4        | -15.0                 | 2,078           | -24.7        | -6.9        | -18.1                 |
| Hero Motocorp              | 83,068           | 11.9        | 3.4         | 1.6                   | 10,830          | 30.9        | 17.2        | 10.0                  | 8,589           | 37.0         | 20.8        | 16.5                  |
| Mahindra & Mahindra        | 2,25,714         | 30.9        | 4.2         | 1.5                   | 27,974          | 44.5        | -0.6        | 1.3                   | 19,750          | 66.7         | -2.7        | 25.3                  |
| Mahindra CIE               | 24,402           | 18.4        | 8.6         | 0.0                   | 3,806           | 35.7        | 30.2        | 10.5                  | 2,203           | 34.1         | 32.5        | 17.7                  |
| Maruti Suzuki              | 3,20,480         | 19.9        | 10.3        | -3.4                  | 33,503          | 38.1        | 18.3        | -7.2                  | 26,236          | 42.7         | 11.6        | -7.5                  |
| Motherson Wiring           | 18,644           | 12.2        | 10.5        | 0.7                   | 2,093           | -13.5       | 16.9        | -3.4                  | 1,385           | -13.2        | 30.4        | -0.4                  |
| MRF                        | 57,254           | 10.1        | 3.4         | -1.7                  | 8,431           | 59.8        | 53.7        | 21.8                  | 3,537           | 125.6        | 109.0       | 28.6                  |
| Samvardhana Motherson      | 2,24,769         | 31.0        | 10.9        | 4.4                   | 20,205          | 65.3        | 25.0        | 22.6                  | 6,540           | 362.1        | 43.9        | 42.7                  |
| Sona BLW Preci.            | 7,440            | 35.3        | 8.6         | 5.2                   | 2,014           | 48.8        | 8.2         | 5.1                   | 1,232           | 35.1         | 15.0        | 12.2                  |
| Tata Motors                | 10,59,324        | 35.1        | 19.7        | 8.6                   | 1,28,098        | 46.5        | 32.8        | 13.1                  | 56,231          | LP           | 90.1        | 107.4                 |
| Tube Investments           | 16,634           | -4.1        | -2.7        | -10.5                 | 2,106           | 20.8        | -1.8        | -12.6                 | 2,729           | 100.2        | 98.2        | 71.2                  |
| TVS Motor                  | 66,048           | 19.4        | 0.9         | 1.5                   | 6,798           | 22.1        | 3.2         | 0.1                   | 3,640           | 32.6         | 3.2         | -0.6                  |
| <b>Cement</b>              | <b>5,40,518</b>  | <b>14.5</b> | <b>15.1</b> | <b>1.2</b>            | <b>77,839</b>   | <b>-4.3</b> | <b>31.1</b> | <b>-2.1</b>           | <b>36,231</b>   | <b>-11.0</b> | <b>59.3</b> | <b>-3.3</b>           |
| ACC                        | 47,908           | 8.2         | 5.6         | 1.3                   | 4,663           | -26.4       | 23.3        | -3.4                  | 2,857           | -26.6        | 69.1        | 12.8                  |
| Ambuja Cements             | 42,563           | 8.4         | 3.1         | -3.4                  | 7,883           | -0.6        | 25.9        | 1.4                   | 5,627           | 13.8         | 35.6        | 20.7                  |
| Birla Corporation          | 24,626           | 8.8         | 22.1        | 2.3                   | 2,743           | -0.9        | 90.0        | 11.8                  | 712             | -48.5        | LP          | 46.8                  |
| Dalmia Bharat              | 39,120           | 15.7        | 16.6        | 2.4                   | 7,070           | 3.5         | 9.8         | 3.6                   | 2,958           | 11.2         | 47.2        | 25.3                  |
| Grasim Industries          | 66,458           | 4.2         | 7.3         | 6.4                   | 4,260           | -43.4       | -10.7       | -40.6                 | 935             | -73.2        | -41.9       | -70.8                 |
| India Cements              | 14,605           | 4.9         | 19.8        | 4.2                   | -445            | PL          | Loss        | Loss                  | -1,155          | Loss         | Loss        | Loss                  |
| J K Cements                | 27,779           | 18.1        | 14.0        | 6.6                   | 3,495           | -8.1        | 41.3        | 3.0                   | 1,221           | -38.1        | 162.1       | -10.0                 |
| JK Lakshmi Cem.            | 17,289           | 15.4        | 16.1        | -1.9                  | 1,891           | -31.5       | 18.5        | -15.4                 | 973             | -13.9        | 32.3        | -25.5                 |
| Ramco Cements              | 25,697           | 50.3        | 27.9        | 13.5                  | 4,128           | 39.9        | 45.0        | 40.1                  | 1,524           | 23.7         | 126.2       | 120.8                 |
| Shree Cement               | 47,851           | 16.7        | 17.6        | 1.9                   | 8,925           | -2.0        | 26.1        | -6.1                  | 3,919           | -28.1        | 41.6        | -18.0                 |
| Ultratech Cement           | 1,86,624         | 18.4        | 20.2        | -2.0                  | 33,225          | 8.1         | 42.2        | 0.6                   | 16,660          | 12.7         | 57.4        | -4.7                  |
| <b>Chemicals-Specialty</b> | <b>70,514</b>    | <b>2.4</b>  | <b>-0.9</b> | <b>-1.6</b>           | <b>14,042</b>   | <b>-0.2</b> | <b>4.1</b>  | <b>6.0</b>            | <b>9,640</b>    | <b>0.2</b>   | <b>3.7</b>  | <b>5.8</b>            |
| Alkyl Amines               | 4,117            | -3.2        | 6.0         | 3.1                   | 769             | 5.0         | 10.6        | 0.1                   | 486             | 4.8          | 6.4         | -4.9                  |
| Atul                       | 11,952           | -12.8       | -5.8        | -3.2                  | 1,494           | -27.2       | -13.3       | 20.2                  | 922             | -30.6        | -10.4       | 14.7                  |
| Clean Science              | 2,169            | 6.0         | -8.6        | -9.5                  | 1,051           | 25.5        | -2.9        | -3.1                  | 805             | 29.1         | -3.9        | -0.6                  |
| Deepak Nitrite             | 19,614           | 4.8         | -1.5        | -2.9                  | 3,480           | -15.2       | 10.6        | 4.4                   | 2,339           | -12.5        | 11.9        | 6.1                   |
| Fine Organic               | 6,986            | 16.3        | -6.8        | 3.8                   | 1,873           | 28.2        | 7.2         | 31.0                  | 1,381           | 25.5         | 5.2         | 27.6                  |
| Galaxy Surfactants         | 9,745            | -7.5        | -9.8        | -12.5                 | 1,345           | -7.2        | -12.7       | -9.2                  | 905             | -8.0         | -14.8       | -12.7                 |
| Navin Fluorine             | 6,971            | 70.5        | 23.7        | 18.3                  | 2,018           | 114.1       | 29.7        | 22.3                  | 1,364           | 81.5         | 28.0        | 29.9                  |
| NOCIL                      | 3,927            | -15.1       | 20.6        | 9.8                   | 490             | -55.7       | 33.5        | 13.1                  | 284             | -58.6        | 51.3        | 23.1                  |
| Vinati Organics            | 5,034            | 3.6         | -1.0        | -5.9                  | 1,523           | 9.8         | -7.0        | -16.7                 | 1,154           | 14.1         | -8.0        | -16.6                 |
| <b>Consumer</b>            | <b>7,64,893</b>  | <b>9.8</b>  | <b>0.3</b>  | <b>1.0</b>            | <b>1,81,816</b> | <b>14.4</b> | <b>1.2</b>  | <b>0.0</b>            | <b>1,31,460</b> | <b>14.5</b>  | <b>0.3</b>  | <b>3.9</b>            |
| Asian Paints               | 87,873           | 11.3        | 1.7         | 1.8                   | 18,648          | 29.2        | 15.7        | 7.4                   | 12,831          | 29.6         | 17.0        | 15.6                  |
| Britannia                  | 40,232           | 13.3        | -4.1        | 0.6                   | 8,009           | 45.7        | -2.0        | 13.2                  | 5,536           | 46.5         | -0.3        | 5.2                   |
| Colgate                    | 13,506           | 3.8         | 4.6         | -2.2                  | 4,519           | 5.2         | 25.0        | 15.0                  | 3,181           | 9.1          | 30.8        | 18.5                  |
| Dabur                      | 26,778           | 6.4         | -12.0       | -3.8                  | 4,098           | -9.6        | -32.8       | -24.8                 | 2,928           | -22.8        | -38.8       | -30.0                 |
| Emami                      | 8,360            | 8.8         | -14.9       | 6.6                   | 1,998           | 21.9        | -32.1       | 10.2                  | 1,806           | -4.6         | -29.6       | 48.0                  |
| Godrej Consumer            | 32,002           | 9.8         | -11.1       | 0.9                   | 6,648           | 32.3        | -13.4       | 6.2                   | 4,743           | 23.6         | -14.4       | 23.7                  |
| Hind. Unilever             | 1,48,930         | 10.6        | -2.2        | -2.4                  | 34,710          | 7.0         | -1.9        | -4.8                  | 24,710          | 8.2          | -4.3        | -2.5                  |
| Indigo Paints              | 3,255            | 12.9        | 15.7        | 2.5                   | 717             | 33.4        | 76.9        | 39.7                  | 487             | 40.7         | 85.3        | 39.3                  |

|                           | Sales (INR m)    |             |             |                       | EBITDA (INR m)   |             |              |                       | PAT (INR m)     |             |             |                       |
|---------------------------|------------------|-------------|-------------|-----------------------|------------------|-------------|--------------|-----------------------|-----------------|-------------|-------------|-----------------------|
|                           | Mar-23           | Gr (%)      |             | Var. over<br>Exp. (%) | Mar-23           | Gr (%)      |              | Var. over<br>Exp. (%) | Mar-23          | Gr (%)      |             | Var. over<br>Exp. (%) |
|                           |                  | YoY         | QoQ         |                       |                  | YoY         | QoQ          |                       |                 | YoY         | QoQ         |                       |
| ITC                       | 1,63,980         | 5.6         | 1.1         | 2.2                   | 62,094           | 18.9        | -0.2         | -0.1                  | 50,140          | 19.6        | -0.3        | 6.1                   |
| Jyothy Labs               | 6,159            | 12.8        | 0.7         | -11.8                 | 906              | 58.2        | 7.4          | -13.6                 | 590             | 77.2        | -12.4       | -24.5                 |
| Marico                    | 22,400           | 3.7         | -9.3        | 0.5                   | 3,930            | 13.6        | -13.8        | -5.6                  | 3,020           | 20.8        | -7.9        | 8.8                   |
| Nestle                    | 48,305           | 21.0        | 13.5        | 11.3                  | 11,100           | 19.7        | 13.6         | 16.3                  | 7,511           | 25.8        | 18.9        | 20.9                  |
| P&G Hygiene               | 8,831            | -0.9        | -22.4       | -9.1                  | 1,493            | -9.5        | -48.6        | -28.2                 | 1,075           | -4.9        | -48.2       | -29.1                 |
| Page Industries           | 9,691            | -12.8       | -20.8       | -11.9                 | 1,343            | -49.7       | -30.3        | -22.0                 | 784             | -58.9       | -36.7       | -27.3                 |
| Pidilite Inds.            | 26,893           | 7.3         | -10.3       | 0.0                   | 4,592            | 14.5        | -7.4         | -12.2                 | 2,873           | 15.3        | -6.1        | -11.1                 |
| Tata Consumer             | 36,187           | 14.0        | 4.1         | 3.4                   | 5,117            | 15.2        | 12.8         | 5.7                   | 2,734           | 18.1        | -6.6        | -5.6                  |
| United Breweries          | 17,645           | 3.4         | 9.5         | -5.3                  | 535              | -79.5       | -30.3        | -74.1                 | 97              | -94.0       | -57.0       | -92.3                 |
| United Spirits            | 24,938           | -0.3        | -10.3       | 6.9                   | 3,380            | -21.1       | -8.1         | 12.7                  | 2,124           | -24.1       | -5.0        | 22.6                  |
| Varun Beverages           | 38,930           | 37.7        | 75.8        | 7.5                   | 7,980            | 50.3        | 159.5        | 13.3                  | 4,291           | 68.8        | 474.0       | 13.4                  |
| <b>Financials</b>         | <b>26,08,286</b> | <b>24.5</b> | <b>8.6</b>  | <b>-0.1</b>           | <b>14,08,268</b> | <b>23.5</b> | <b>3.6</b>   | <b>-2.7</b>           | <b>8,43,810</b> | <b>42.8</b> | <b>12.6</b> | <b>4.6</b>            |
| <b>Banks-Private</b>      | <b>7,62,930</b>  | <b>28.1</b> | <b>4.6</b>  | <b>-1.1</b>           | <b>5,79,331</b>  | <b>23.8</b> | <b>2.8</b>   | <b>-1.8</b>           | <b>3,74,715</b> | <b>27.0</b> | <b>9.3</b>  | <b>3.5</b>            |
| AU Small Finance          | 12,132           | 29.5        | 5.2         | -0.8                  | 5,709            | 18.4        | 2.7          | -6.9                  | 4,246           | 22.7        | 8.1         | -1.0                  |
| Axis Bank                 | 1,17,422         | 33.1        | 2.5         | -5.8                  | 91,676           | 41.8        | -1.2         | -6.4                  | 66,253          | 60.9        | 13.2        | 10.5                  |
| Bandhan Bank              | 24,718           | -2.7        | 18.8        | 7.5                   | 17,957           | -28.8       | -6.6         | 2.6                   | 8,083           | -57.5       | 178.2       | -2.5                  |
| DCB Bank                  | 4,860            | 27.7        | 9.0         | 3.1                   | 2,439            | 10.5        | 25.7         | 10.2                  | 1,422           | 25.4        | 24.9        | 10.2                  |
| Equitas Small Fin.        | 7,070            | 28.0        | 9.2         | 4.7                   | 3,864            | 36.1        | 38.4         | 26.2                  | 1,900           | 59.0        | 11.7        | 6.6                   |
| Federal Bank              | 19,093           | 25.2        | -2.4        | -6.0                  | 13,346           | 67.2        | 4.7          | -1.1                  | 9,026           | 67.0        | 12.3        | 7.8                   |
| HDFC Bank                 | 2,33,518         | 23.7        | 1.6         | -2.3                  | 1,86,209         | 13.8        | -2.1         | -4.8                  | 1,20,475        | 19.8        | -1.7        | -0.4                  |
| ICICI Bank                | 1,76,668         | 40.2        | 7.3         | 1.1                   | 1,38,264         | 34.3        | 4.2          | -1.6                  | 91,219          | 30.0        | 9.7         | -0.4                  |
| IDFC First Bank           | 35,968           | 34.7        | 9.5         | 3.2                   | 15,587           | 88.6        | 23.6         | 16.9                  | 8,026           | 134.2       | 32.8        | 24.6                  |
| IndusInd Bank             | 46,695           | 17.2        | 3.9         | -1.7                  | 37,575           | 11.2        | 1.9          | -2.4                  | 20,434          | 45.9        | 4.1         | -3.2                  |
| Kotak Mahindra Bank       | 61,026           | 35.0        | 8.0         | 1.4                   | 46,474           | 39.1        | 20.7         | 9.6                   | 34,956          | 26.3        | 25.2        | 15.9                  |
| RBL Bank                  | 12,112           | 7.1         | 5.5         | -0.1                  | 5,938            | -9.7        | 4.7          | -2.2                  | 2,711           | 37.0        | 29.7        | 22.9                  |
| SBI Cards                 | 11,651           | 16.7        | 1.8         | -0.8                  | 14,294           | 22.0        | 17.4         | 9.8                   | 5,965           | 2.7         | 17.1        | 8.1                   |
| <b>Banks-PSU</b>          | <b>8,37,918</b>  | <b>28.6</b> | <b>3.7</b>  | <b>-1.9</b>           | <b>5,66,516</b>  | <b>25.7</b> | <b>-0.3</b>  | <b>-5.7</b>           | <b>3,00,328</b> | <b>97.8</b> | <b>19.1</b> | <b>7.5</b>            |
| Bank of Baroda            | 1,15,249         | 33.8        | 6.5         | 1.2                   | 80,729           | 43.3        | -1.9         | -1.1                  | 47,753          | 168.5       | 23.9        | 10.8                  |
| Canara Bank               | 86,168           | 23.0        | 0.2         | -8.1                  | 72,522           | 16.9        | 4.3          | -4.8                  | 31,747          | 90.5        | 10.2        | 3.1                   |
| Indian Bank               | 55,083           | 29.5        | 0.2         | -3.3                  | 40,156           | 46.7        | -1.1         | -2.0                  | 14,473          | 47.0        | 3.7         | -10.9                 |
| Punjab National Bank      | 94,988           | 30.0        | 3.5         | -1.0                  | 58,664           | 11.4        | 2.6          | -7.1                  | 11,586          | 474.9       | 84.2        | -8.4                  |
| State Bank                | 4,03,925         | 29.5        | 6.1         | 0.3                   | 2,46,211         | 24.9        | -2.4         | -8.5                  | 1,66,945        | 83.2        | 17.5        | 10.1                  |
| Union Bank                | 82,506           | 21.9        | -4.4        | -9.5                  | 68,234           | 23.6        | 3.1          | -1.6                  | 27,823          | 93.3        | 23.9        | 11.2                  |
| <b>Insurance</b>          | <b>7,06,456</b>  | <b>18.2</b> | <b>21.8</b> | <b>2.0</b>            | <b>30,572</b>    | <b>24.9</b> | <b>210.7</b> | <b>-2.2</b>           | <b>19,761</b>   | <b>23.6</b> | <b>16.4</b> | <b>-1.5</b>           |
| HDFC Life Insur.          | 1,94,266         | 35.9        | 35.1        | 7.6                   | 5,718            | 3.5         | 73.3         | 25.4                  | 3,587           | 0.3         | 13.8        | -11.7                 |
| ICICI Lombard             | 53,397           | 6.8         | -4.6        | 7.3                   | -2,508           | Loss        | Loss         | Loss                  | 4,370           | 39.8        | 23.9        | 28.4                  |
| ICICI Pru Life            | 1,26,291         | 11.2        | 33.4        | 2.8                   | 8,593            | -24.9       | 63.8         | -54.8                 | 2,349           | 27.2        | 6.5         | 15.0                  |
| Max Financial             | 91,540           | 14.4        | 45.7        | -2.4                  | NA               | NA          | NA           | NA                    | 670             | -56.5       | -77.2       | -74.8                 |
| SBI Life Insurance        | 1,98,969         | 14.1        | 3.8         | -2.2                  | 19,423           | 51.9        | 554.3        | 60.0                  | 7,769           | 15.6        | 155.4       | 9.7                   |
| Star Health               | 41,992           | 13.8        | 35.6        | 0.2                   | -654             | Loss        | PL           | Loss                  | 1,018           | LP          | -51.6       | 25.4                  |
| <b>NBFC - Lending</b>     | <b>2,76,863</b>  | <b>21.2</b> | <b>5.8</b>  | <b>2.9</b>            | <b>2,20,549</b>  | <b>19.0</b> | <b>6.6</b>   | <b>2.3</b>            | <b>1,40,535</b> | <b>18.0</b> | <b>8.9</b>  | <b>3.0</b>            |
| AAVAS Financiers          | 2,211            | 22.6        | 6.2         | 3.9                   | 1,649            | 21.6        | 16.6         | 12.8                  | 1,268           | 9.6         | 18.2        | 8.3                   |
| Bajaj Finance             | 62,549           | 30.2        | 5.6         | -0.2                  | 51,190           | 29.0        | 5.5          | 0.0                   | 31,578          | 30.5        | 6.2         | 0.3                   |
| Can Fin Homes             | 2,613            | 10.1        | 3.8         | 1.8                   | 2,218            | 14.0        | 4.2          | 2.9                   | 1,658           | 34.9        | 9.4         | 8.9                   |
| Chola. Inv & Fin.         | 17,649           | 29.0        | 10.4        | 4.7                   | 12,731           | 39.6        | 17.9         | 14.3                  | 8,528           | 23.7        | 24.6        | 13.7                  |
| HDFC                      | 53,215           | 15.7        | 9.9         | 4.8                   | 53,396           | 15.5        | 17.5         | 5.5                   | 40,969          | 17.6        | 9.6         | 6.7                   |
| Home First Fin.           | 1,118            | 31.4        | 1.1         | -2.3                  | 910              | 38.1        | 11.5         | 7.8                   | 640             | 6.4         | 9.3         | 1.6                   |
| L&T Fin.Holdings          | 17,658           | 15.7        | -3.0        | -1.5                  | 12,698           | 11.8        | 1.7          | 0.9                   | 5,011           | 46.4        | 10.4        | 3.7                   |
| LIC Housing Fin           | 19,903           | 21.5        | 23.9        | 26.1                  | 17,515           | 16.2        | 29.2         | 28.0                  | 11,803          | 5.5         | 145.7       | 47.8                  |
| M & M Financial           | 16,004           | 11.1        | 3.1         | 2.8                   | 9,441            | 5.1         | -5.4         | 1.4                   | 6,841           | 13.9        | 8.8         | 34.7                  |
| Manappuram Finance        | 11,250           | 25.2        | 3.0         | -2.1                  | 6,139            | 21.5        | 3.7          | -3.7                  | 4,153           | 59.1        | 5.5         | -1.8                  |
| MAS Financial             | 1,268            | 36.1        | 2.4         | -3.4                  | 887              | 39.0        | 8.4          | 3.5                   | 556             | 23.4        | 9.9         | 0.9                   |
| Muthoot Finance           | 18,533           | 7.7         | 8.7         | 3.6                   | 12,917           | 5.7         | 2.3          | 0.4                   | 9,027           | -6.0        | 0.1         | -3.0                  |
| PNB Housing               | 5,812            | 57.6        | -19.0       | -8.7                  | 4,828            | 30.7        | -28.4        | -19.9                 | 2,793           | 64.7        | 3.8         | -3.8                  |
| Poonawalla Fincorp        | 3,798            | 52.0        | 26.1        | 12.2                  | 2,016            | 75.0        | 29.4         | -0.4                  | 1,807           | 102.7       | 20.1        | 7.0                   |
| Repco Home Fin            | 1,474            | 4.9         | 6.2         | 5.6                   | 1,203            | 0.7         | 9.3          | 4.4                   | 821             | 95.3        | 1.7         | 1.2                   |
| Shriram Finance           | 41,810           | 19.9        | -0.3        | 0.0                   | 30,810           | 13.9        | -6.7         | -7.4                  | 13,083          | -5.8        | -26.4       | -28.6                 |
| <b>NBFC - Non Lending</b> | <b>24,120</b>    | <b>6.6</b>  | <b>3.4</b>  | <b>1.8</b>            | <b>11,301</b>    | <b>-0.9</b> | <b>2.9</b>   | <b>5.7</b>            | <b>8,471</b>    | <b>-3.7</b> | <b>1.7</b>  | <b>-0.7</b>           |

|                       | Sales (INR m)    |             |             |                       | EBITDA (INR m)  |              |              |                       | PAT (INR m)     |              |              |                       |
|-----------------------|------------------|-------------|-------------|-----------------------|-----------------|--------------|--------------|-----------------------|-----------------|--------------|--------------|-----------------------|
|                       | Mar-23           | Gr (%)      |             | Var. over<br>Exp. (%) | Mar-23          | Gr (%)       |              | Var. over<br>Exp. (%) | Mar-23          | Gr (%)       |              | Var. over<br>Exp. (%) |
|                       |                  | YoY         | QoQ         |                       |                 | YoY          | QoQ          |                       |                 | YoY          | QoQ          |                       |
| 360 ONE WAM           | 3,929            | -7.1        | -5.3        | -8.3                  | 2,079           | 10.7         | -9.1         | -12.4                 | 1,554           | -6.2         | -9.4         | -23.5                 |
| Angel One             | 5,313            | 30.7        | 14.9        | 4.2                   | 3,616           | 31.8         | 19.6         | 12.5                  | 2,670           | 30.3         | 16.9         | 11.1                  |
| BSE                   | 2,196            | 14.3        | 16.6        | 21.2                  | 962             | 67.8         | 95.4         | 160.4                 | 822             | 40.0         | 109.2        | 100.8                 |
| Cams Services         | 2,492            | 2.5         | 2.3         | 3.8                   | 1,091           | -2.7         | 0.8          | 8.6                   | 744             | 0.7          | 1.1          | 10.6                  |
| ICICI Securities      | 8,852            | -0.8        | 0.6         | 1.8                   | 3,532           | -22.4        | -6.4         | -1.7                  | 2,627           | -22.8        | -6.5         | -4.6                  |
| MCX                   | 1,338            | 25.6        | -6.8        | -4.8                  | 21              | -96.1        | -93.7        | -85.2                 | 55              | -85.1        | -85.9        | -78.8                 |
| <b>Healthcare</b>     | <b>6,78,855</b>  | <b>12.6</b> | <b>0.6</b>  | <b>0.7</b>            | <b>1,34,473</b> | <b>10.6</b>  | <b>-6.3</b>  | <b>-3.8</b>           | <b>74,495</b>   | <b>-0.8</b>  | <b>-9.3</b>  | <b>-8.7</b>           |
| Ajanta Pharma         | 8,818            | 1.3         | -9.3        | -2.8                  | 1,711           | -22.1        | -20.9        | -9.2                  | 1,200           | -25.6        | -26.4        | -19.4                 |
| Alembic Pharma        | 14,065           | -0.7        | -6.8        | 12.0                  | 2,232           | -21.2        | -10.3        | 13.8                  | 1,034           | -42.1        | -21.9        | 7.0                   |
| Alkem Lab             | 29,026           | 16.9        | -4.5        | 7.0                   | 3,533           | 4.8          | -41.0        | -18.0                 | 2,940           | 28.2         | -35.3        | -6.3                  |
| Apollo Hospitals      | 43,022           | 21.3        | 0.9         | -2.3                  | 4,881           | 5.4          | -3.4         | -7.5                  | 1,725           | -5.3         | 12.4         | -17.4                 |
| Aurobindo Pharma      | 64,730           | 11.4        | 1.0         | 2.4                   | 10,022          | 2.9          | 5.0          | 6.0                   | 5,145           | -10.3        | 6.7          | 9.5                   |
| Biocon                | 36,140           | 50.0        | 22.9        | -7.3                  | 8,370           | 41.5         | 21.5         | -9.0                  | 1,148           | -57.9        | -36.1        | -54.9                 |
| Cipla                 | 57,394           | 9.1         | -1.2        | -0.4                  | 11,737          | 23.6         | -16.6        | -11.1                 | 7,080           | 16.1         | -11.6        | -16.1                 |
| Divis Labs            | 19,508           | -22.5       | 14.2        | 10.4                  | 4,918           | -55.5        | 20.5         | 10.6                  | 3,239           | -61.5        | 18.3         | 3.6                   |
| Dr Reddy's Labs       | 60,328           | 15.6        | -10.9       | 0.3                   | 13,189          | 25.4         | -35.9        | -9.8                  | 8,072           | 23.7         | -38.4        | -14.8                 |
| ERIS Lifescience      | 4,028            | 31.7        | -4.8        | 1.1                   | 1,189           | 22.7         | -13.3        | -2.3                  | 615             | -23.1        | -38.7        | -7.5                  |
| Gland Pharma          | 7,850            | -28.8       | -16.3       | -13.2                 | 1,684           | -51.7        | -41.8        | -37.8                 | 787             | -72.5        | -66.1        | -63.7                 |
| Glenmark Pharma       | 33,737           | 11.7        | -2.6        | 0.6                   | 6,050           | 20.5         | -2.5         | -0.9                  | 2,302           | 19.7         | 3.4          | -19.2                 |
| Granules India        | 11,955           | 16.1        | 4.3         | 5.3                   | 2,361           | 22.5         | 2.1          | 4.0                   | 1,254           | 13.0         | 0.9          | -10.7                 |
| GSK Pharma            | 7,875            | -2.7        | -1.9        | -10.4                 | 1,697           | -3.1         | -25.8        | -30.9                 | 1,230           | 2.7          | -30.1        | -32.2                 |
| Ipca Labs.            | 15,116           | 17.3        | -2.2        | 5.1                   | 1,810           | -25.0        | -22.0        | -9.4                  | 701             | -52.8        | -41.0        | -35.1                 |
| Laurus Labs           | 13,809           | -3.1        | -10.6       | -9.5                  | 2,855           | -28.0        | -29.3        | -30.9                 | 1,052           | -54.6        | -48.2        | -50.8                 |
| Lupin                 | 44,301           | 14.1        | 2.5         | 9.7                   | 6,041           | 114.0        | 8.6          | 24.0                  | 2,606           | 399.9        | 54.7         | 55.9                  |
| Piramal Pharma        | 21,636           | 1.5         | 26.1        | 19.1                  | 3,513           | -11.7        | 193.4        | 92.3                  | 501             | -75.4        | LP           | LP                    |
| Solara Active Pharma  | 3,806            | 5.5         | -3.6        | -6.5                  | 488             | 260.5        | 8.4          | 3.4                   | 38              | 20.3         | 716.1        | -8.4                  |
| Sun Pharma            | 1,06,696         | 13.7        | -3.0        | -4.6                  | 25,683          | 21.2         | -7.1         | -11.0                 | 21,130          | 33.6         | 1.7          | 0.6                   |
| Torrent Pharma        | 24,910           | 17.0        | 0.0         | -0.2                  | 7,370           | 32.6         | -0.2         | -4.8                  | 2,973           | 11.5         | -7.1         | -17.4                 |
| Zydus Lifesciences    | 50,106           | 29.7        | 17.7        | 4.6                   | 13,141          | 52.6         | 46.1         | 21.5                  | 7,723           | 46.1         | 33.1         | 4.6                   |
| <b>Infrastructure</b> | <b>47,905</b>    | <b>1.7</b>  | <b>12.9</b> | <b>-1.7</b>           | <b>12,606</b>   | <b>0.6</b>   | <b>7.1</b>   | <b>-3.2</b>           | <b>4,511</b>    | <b>-18.4</b> | <b>14.7</b>  | <b>-8.5</b>           |
| G R Infraproject      | 19,949           | -12.0       | 5.1         | -6.1                  | 2,898           | -28.1        | 4.7          | -8.0                  | 1,922           | -27.5        | 10.4         | -4.3                  |
| IRB Infra             | 16,200           | 13.0        | 7.0         | -8.0                  | 7,588           | 18.3         | 1.9          | -5.6                  | 1,303           | -25.3        | -7.8         | -29.7                 |
| KNR Constructions     | 11,756           | 16.3        | 41.6        | 19.1                  | 2,119           | 1.9          | 35.8         | 15.5                  | 1,286           | 14.0         | 65.6         | 20.3                  |
| <b>Logistics</b>      | <b>59,606</b>    | <b>8.5</b>  | <b>0.4</b>  | <b>-3.9</b>           | <b>7,988</b>    | <b>-6.3</b>  | <b>-0.2</b>  | <b>-11.6</b>          | <b>4,713</b>    | <b>-9.6</b>  | <b>-6.2</b>  | <b>-16.2</b>          |
| Blue Dart Express     | 12,166           | 4.3         | -9.0        | -7.4                  | 1,282           | -41.2        | -14.9        | -17.4                 | 703             | -48.1        | -19.1        | -19.8                 |
| Concor                | 21,660           | 6.0         | 8.9         | -1.3                  | 4,447           | 7.7          | 4.3          | -12.6                 | 2,785           | 8.4          | -6.1         | -19.9                 |
| Mahindra Logistics    | 12,725           | 16.9        | -4.3        | -7.6                  | 637             | 23.8         | 1.6          | -3.9                  | -8              | PL           | PL           | PL                    |
| TCI Express           | 3,263            | 9.4         | 3.8         | -0.7                  | 541             | 7.8          | 17.5         | 3.3                   | 385             | 7.0          | 20.1         | -1.2                  |
| Transport Corp.       | 9,793            | 9.0         | 1.3         | -1.1                  | 1,081           | -10.0        | -5.6         | -10.7                 | 849             | -1.2         | -1.0         | 2.1                   |
| <b>Media</b>          | <b>40,687</b>    | <b>1.5</b>  | <b>4.1</b>  | <b>7.1</b>            | <b>6,446</b>    | <b>-41.1</b> | <b>-39.6</b> | <b>-30.7</b>          | <b>2,869</b>    | <b>-57.7</b> | <b>-49.9</b> | <b>-49.6</b>          |
| PVR Inox              | 11,431           | 33.9        | 21.5        | 13.6                  | 53              | -85.4        | -95.9        | -97.2                 | -1,458          | Loss         | PL           | PL                    |
| Sun TV                | 8,135            | -2.3        | -5.1        | -3.2                  | 4,876           | -11.9        | -14.9        | -10.4                 | 3,658           | -9.5         | -12.1        | -5.4                  |
| Zee Entertainment     | 21,121           | -9.0        | 0.2         | 8.2                   | 1,517           | -70.0        | -58.5        | -22.4                 | 669             | -77.0        | -49.0        | -36.0                 |
| <b>Metals</b>         | <b>30,27,166</b> | <b>-2.2</b> | <b>11.7</b> | <b>4.8</b>            | <b>5,08,708</b> | <b>-31.7</b> | <b>26.5</b>  | <b>-6.2</b>           | <b>2,29,053</b> | <b>-44.6</b> | <b>73.3</b>  | <b>-15.0</b>          |
| Coal India            | 3,81,523         | 16.6        | 8.5         | 5.2                   | 86,416          | -30.7        | -23.1        | -29.5                 | 55,276          | -17.6        | -28.4        | -36.7                 |
| Hindalco              | 5,58,570         | 0.2         | 5.1         | 4.4                   | 53,270          | -27.1        | 50.1         | -12.8                 | 24,090          | -41.5        | 77.1         | 4.0                   |
| Hindustan Zinc        | 85,090           | -3.3        | 8.2         | 0.6                   | 42,550          | -14.2        | 14.8         | -4.3                  | 25,830          | -11.8        | 19.8         | -6.6                  |
| JSPL                  | 1,36,919         | -4.5        | 10.0        | -7.3                  | 21,873          | -28.8        | -8.0         | -22.1                 | 6,161           | -68.4        | -31.3        | -54.6                 |
| JSW Steel             | 4,69,620         | 0.1         | 20.0        | 3.3                   | 79,390          | -13.6        | 74.6         | 10.6                  | 36,640          | -7.8         | 647.8        | 25.8                  |
| Nalco                 | 36,709           | -15.4       | 11.6        | 17.6                  | 7,665           | -52.6        | 66.7         | 73.9                  | 5,345           | -47.9        | 98.5         | 125.6                 |
| NMDC                  | 58,514           | -12.7       | 57.3        | 11.6                  | 21,624          | -25.0        | 89.6         | 32.9                  | 15,832          | -28.5        | 75.1         | 24.3                  |
| SAIL                  | 2,91,306         | -5.3        | 16.3        | -0.3                  | 29,139          | -33.0        | 40.3         | -11.3                 | 10,777          | -52.0        | 338.8        | -18.3                 |
| Tata Steel            | 6,29,615         | -9.1        | 10.3        | 9.4                   | 72,192          | -52.0        | 78.3         | 4.3                   | 16,933          | -83.1        | LP           | -26.0                 |
| Vedanta               | 3,79,300         | -4.8        | 11.2        | 7.4                   | 94,590          | -30.6        | 33.8         | 3.4                   | 32,170          | -47.8        | 106.1        | -13.8                 |
| <b>Oil &amp; Gas</b>  | <b>76,91,028</b> | <b>9.8</b>  | <b>-2.1</b> | <b>5.5</b>            | <b>9,41,440</b> | <b>13.5</b>  | <b>26.0</b>  | <b>-6.5</b>           | <b>5,27,706</b> | <b>17.6</b>  | <b>56.5</b>  | <b>1.9</b>            |
| <b>Oil Ex OMCs</b>    | <b>34,00,689</b> | <b>5.9</b>  | <b>-3.4</b> | <b>0.1</b>            | <b>6,39,839</b> | <b>3.3</b>   | <b>1.6</b>   | <b>-3.1</b>           | <b>3,19,264</b> | <b>-7.6</b>  | <b>2.6</b>   | <b>0.4</b>            |
| Aegis Logistics       | 21,545           | 2.4         | 3.2         | -1.1                  | 2,026           | 41.6         | -6.3         | -10.2                 | 1,409           | 48.7         | 12.4         | 10.2                  |
| BPCL                  | 11,81,121        | 13.3        | -0.9        | 11.5                  | 1,11,537        | 78.9         | 154.9        | -6.6                  | 75,629          | 202.4        | 285.9        | 5.2                   |

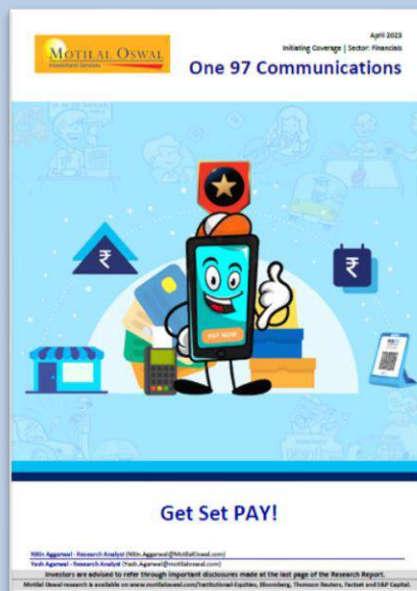
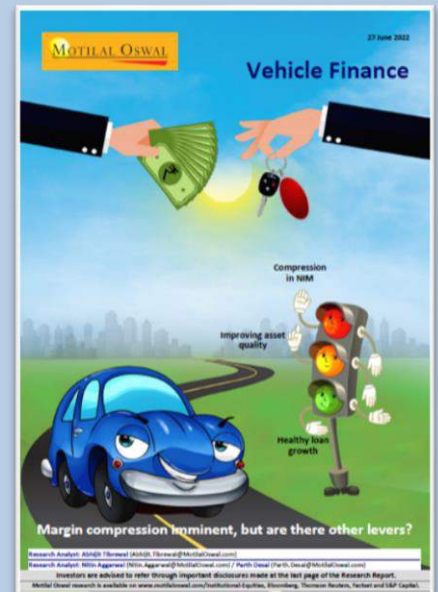
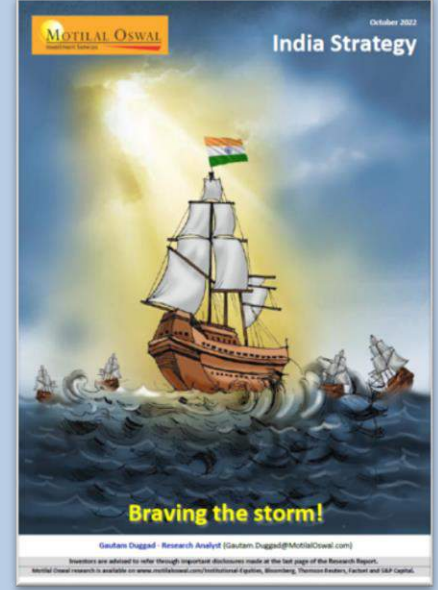
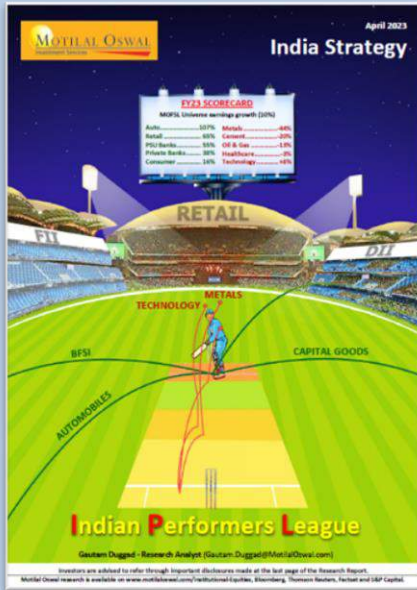
|                        | Sales (INR m)    |             |              |                       | EBITDA (INR m)  |             |              |                       | PAT (INR m)     |              |              |                       |
|------------------------|------------------|-------------|--------------|-----------------------|-----------------|-------------|--------------|-----------------------|-----------------|--------------|--------------|-----------------------|
|                        | Mar-23           | Gr (%)      |              | Var. over<br>Exp. (%) | Mar-23          | Gr (%)      |              | Var. over<br>Exp. (%) | Mar-23          | Gr (%)       |              | Var. over<br>Exp. (%) |
|                        |                  | YoY         | QoQ          |                       |                 | YoY         | QoQ          |                       |                 | YoY          | QoQ          |                       |
| Castrol India          | 12,939           | 4.7         | 10.0         | -0.8                  | 2,950           | -7.0        | 17.7         | -5.8                  | 2,025           | -11.3        | 4.7          | -11.2                 |
| GAIL                   | 3,28,582         | 21.8        | -7.1         | -20.8                 | 3,072           | -91.7       | 17.5         | -79.7                 | 6,035           | -76.8        | 145.6        | -35.6                 |
| Gujarat Gas            | 39,286           | -15.9       | 6.6          | -10.1                 | 5,603           | -19.7       | -3.8         | 22.1                  | 3,692           | -18.5        | -0.5         | 39.7                  |
| Gujarat State Petronet | 3,740            | 0.3         | 7.4          | 0.8                   | 2,947           | -3.7        | 9.2          | -6.4                  | 2,243           | 11.0         | 31.2         | 8.9                   |
| HPCL                   | 10,79,278        | 10.6        | -1.5         | 8.0                   | 46,556          | 113.0       | 124.4        | 7.4                   | 32,226          | 79.5         | 1,768.9      | 55.5                  |
| Indraprastha Gas       | 36,872           | 53.3        | -0.6         | -2.8                  | 4,663           | -6.8        | 8.8          | 2.8                   | 3,298           | -8.8         | 18.5         | 12.2                  |
| IOC                    | 20,29,941        | 14.5        | -0.9         | 10.8                  | 1,43,508        | 13.7        | 171.1        | -22.0                 | 1,00,587        | 67.0         | 2,145.2      | -6.4                  |
| Mahanagar Gas          | 16,105           | 48.2        | -3.6         | 1.7                   | 3,897           | 80.9        | 52.2         | 51.6                  | 2,688           | 104.0        | 56.2         | 65.5                  |
| MRPL                   | 2,54,009         | 2.4         | -4.4         | 12.7                  | 33,940          | 15.4        | 533.4        | 269.1                 | 19,080          | -37.4        | LP           | 929.4                 |
| Oil India              | 56,497           | 26.1        | -3.9         | -1.4                  | 23,510          | 20.0        | -17.7        | -21.6                 | 17,883          | 9.7          | 2.4          | -0.7                  |
| ONGC                   | 3,62,926         | 5.2         | -5.9         | -4.6                  | 1,63,400        | -12.1       | -19.9        | -22.0                 | 61,779          | -30.3        | -44.1        | -43.5                 |
| Petronet LNG           | 1,38,739         | 24.3        | -12.1        | 46.9                  | 9,431           | -19.3       | -43.7        | 4.7                   | 6,142           | -18.1        | -48.0        | 22.4                  |
| Reliance Inds.         | 21,29,450        | 2.7         | -1.9         | 1.9                   | 3,84,400        | 22.6        | 9.1          | 4.6                   | 1,92,990        | 19.1         | 22.2         | 19.5                  |
| <b>Real Estate</b>     | <b>1,29,880</b>  | <b>9.5</b>  | <b>30.3</b>  | <b>24.2</b>           | <b>32,883</b>   | <b>16.1</b> | <b>7.9</b>   | <b>11.6</b>           | <b>30,210</b>   | <b>59.2</b>  | <b>53.3</b>  | <b>6.3</b>            |
| Brigade Enterpr.       | 8,428            | -10.6       | 2.7          | -11.2                 | 2,022           | -1.5        | -2.8         | -20.9                 | 530             | -18.2        | -6.9         | -45.3                 |
| DLF                    | 14,561           | -5.9        | -2.6         | -10.9                 | 3,984           | 8.4         | -16.5        | -27.7                 | 5,696           | 40.5         | 9.8          | -23.3                 |
| Godrej Properties      | 16,463           | 23.7        | 738.9        | 100.1                 | 3,466           | 34.4        | LP           | 154.3                 | 4,545           | 75.6         | 705.9        | -33.2                 |
| Macrotech Developers   | 32,554           | -5.5        | 83.5         | 26.6                  | 7,717           | -11.4       | 91.1         | 29.1                  | 7,500           | 30.9         | 150.0        | 16.4                  |
| Mahindra Lifespace     | 2,554            | 57.9        | 36.6         | -14.1                 | -274            | Loss        | Loss         | PL                    | 6               | LP           | LP           | -99.4                 |
| Oberoi Realty          | 9,614            | 16.8        | -41.0        | -5.6                  | 3,687           | 4.8         | -60.8        | -24.9                 | 4,803           | 106.7        | -31.6        | 48.5                  |
| Phoenix Mills          | 7,290            | 47.2        | 6.6          | 6.4                   | 4,307           | 78.7        | 12.0         | 15.1                  | 2,057           | 96.3         | 16.6         | 36.8                  |
| Prestige Estates       | 26,318           | 9.6         | 13.6         | 49.7                  | 6,818           | 36.5        | 18.7         | 66.1                  | 4,588           | 87.6         | 259.0        | 635.7                 |
| Sobha                  | 12,099           | 70.3        | 39.4         | 68.6                  | 1,156           | 49.0        | 30.2         | 2.7                   | 486             | 242.3        | 52.8         | 21.0                  |
| <b>Retail</b>          | <b>3,39,677</b>  | <b>26.5</b> | <b>-10.5</b> | <b>1.6</b>            | <b>37,858</b>   | <b>6.3</b>  | <b>-24.2</b> | <b>-8.0</b>           | <b>15,370</b>   | <b>-11.0</b> | <b>-36.2</b> | <b>-9.1</b>           |
| Aditya Birla Fashion   | 28,797           | 26.1        | -19.8        | 3.5                   | 1,928           | -48.3       | -55.7        | -18.1                 | -1,969          | PL           | PL           | Loss                  |
| Avenue Supermarts      | 1,05,941         | 20.6        | -8.4         | -10.7                 | 7,715           | 4.4         | -20.1        | -20.4                 | 4,601           | 7.8          | -22.0        | -25.4                 |
| Barbeque Nation        | 2,802            | 11.6        | -14.6        | -8.5                  | 399             | -10.5       | -35.6        | -29.7                 | -99             | PL           | PL           | PL                    |
| Bata India             | 7,786            | 17.0        | -13.5        | 6.1                   | 1,820           | 12.2        | -11.7        | 8.5                   | 656             | 4.2          | -21.1        | 25.6                  |
| Campus Activewear      | 3,478            | -1.3        | -25.3        | -8.1                  | 565             | -27.9       | -38.5        | -29.5                 | 229             | -45.6        | -52.5        | -48.1                 |
| Devyani Intl.          | 7,550            | 27.8        | -4.5         | -6.0                  | 1,513           | 8.3         | -13.0        | -14.8                 | 606             | -22.9        | -24.1        | 4.9                   |
| Jubilant Foodworks     | 12,523           | 8.2         | -4.9         | -0.9                  | 2,522           | -12.9       | -13.0        | -2.2                  | 675             | -42.0        | -23.8        | 10.0                  |
| Metro Brands           | 5,441            | 35.0        | -9.1         | 6.2                   | 1,436           | 10.6        | -30.0        | -6.9                  | 688             | -1.4         | -39.2        | -1.0                  |
| Relaxo Footwear        | 7,649            | 9.6         | 12.3         | 3.7                   | 1,180           | 6.2         | 63.4         | 4.5                   | 633             | 0.6          | 110.5        | 5.1                   |
| Restaurant Brands      | 3,649            | 35.8        | -1.3         | -4.9                  | 423             | 39.8        | -11.7        | -8.2                  | -246            | Loss         | Loss         | Loss                  |
| Sapphire Foods         | 5,604            | 12.8        | -6.0         | -6.5                  | 981             | -1.7        | -15.9        | -8.2                  | 102             | -61.6        | -68.9        | -3.9                  |
| Shoppers Stop          | 9,165            | 29.1        | -19.0        | 3.6                   | 1,571           | 104.7       | -26.0        | 37.5                  | 163             | LP           | -73.8        | LP                    |
| Titan Company          | 1,03,600         | 32.9        | -10.8        | 18.7                  | 10,890          | 24.3        | -19.2        | 2.5                   | 7,360           | 11.0         | -19.3        | -1.5                  |
| Trent                  | 20,772           | 75.3        | -4.3         | 2.5                   | 2,120           | 39.2        | -36.8        | -23.4                 | 1,051           | 40.2         | -34.7        | 78.4                  |
| Vedant Fashions        | 3,416            | 15.3        | -22.6        | 3.0                   | 1,679           | 16.6        | -25.2        | 5.8                   | 1,089           | 22.7         | -27.6        | 12.6                  |
| V-Mart Retail          | 5,939            | 29.5        | -23.6        | 12.9                  | 229             | -54.4       | -77.9        | -51.9                 | -370            | Loss         | PL           | Loss                  |
| Westlife Foodworld     | 5,564            | 22.3        | -9.0         | -2.4                  | 887             | 40.9        | -13.2        | -4.1                  | 201             | 31.2         | -44.8        | -10.4                 |
| <b>Staffing</b>        | <b>94,631</b>    | <b>14.6</b> | <b>0.9</b>   | <b>-1.1</b>           | <b>3,204</b>    | <b>-8.4</b> | <b>5.5</b>   | <b>0.3</b>            | <b>1,529</b>    | <b>-24.8</b> | <b>-8.4</b>  | <b>7.0</b>            |
| Qness Corp             | 44,402           | 17.1        | -0.6         | -2.2                  | 1,520           | -17.4       | 4.4          | -0.3                  | 331             | -55.9        | -4.0         | -42.8                 |
| SIS                    | 29,957           | 13.1        | 3.1          | -0.2                  | 1,347           | 8.2         | 6.6          | 0.2                   | 931             | -4.4         | -10.0        | 58.7                  |
| Team Lease Serv.       | 20,273           | 11.5        | 0.9          | 0.0                   | 337             | -17.9       | 6.5          | 3.9                   | 267             | -13.8        | -8.0         | 1.4                   |
| <b>Technology</b>      | <b>18,16,545</b> | <b>16.2</b> | <b>0.1</b>   | <b>-1.5</b>           | <b>4,12,917</b> | <b>12.4</b> | <b>-1.0</b>  | <b>-2.0</b>           | <b>2,85,589</b> | <b>8.6</b>   | <b>0.4</b>   | <b>-2.4</b>           |
| Coforge                | 21,700           | 24.5        | 5.6          | 0.1                   | 4,076           | 22.1        | 12.8         | -4.1                  | 2,327           | 9.6          | 2.0          | -16.1                 |
| Cyient                 | 17,514           | 48.3        | 8.2          | 1.2                   | 3,222           | 50.8        | 15.7         | 4.6                   | 1,762           | 14.3         | 8.2          | 13.7                  |
| HCL Technologies       | 2,66,060         | 17.7        | -0.4         | -2.1                  | 59,230          | 13.7        | -6.3         | -2.3                  | 39,810          | 10.8         | -2.8         | 0.9                   |
| Infosys                | 3,74,410         | 16.0        | -2.3         | -3.9                  | 89,548          | 13.7        | -4.2         | -3.8                  | 61,280          | 7.8          | -7.0         | -6.5                  |
| L&T Technology         | 20,962           | 19.4        | 2.3          | 0.9                   | 4,492           | 18.1        | 1.8          | -0.5                  | 3,096           | 18.2         | 2.0          | -2.8                  |
| LTI Mindtree           | 86,910           | 20.7        | 0.8          | -1.0                  | 16,037          | 10.2        | 10.2         | -2.3                  | 11,141          | 0.3          | 3.1          | -6.0                  |
| Mphasis                | 33,612           | 2.5         | -4.1         | -3.6                  | 5,987           | 3.7         | -3.0         | -2.3                  | 4,053           | 3.4          | -1.7         | -3.3                  |
| Persistent Systems     | 22,545           | 37.6        | 3.9          | 0.3                   | 4,163           | 48.1        | 3.7          | -1.0                  | 2,515           | 25.1         | -6.0         | -9.0                  |
| TCS                    | 5,91,620         | 16.9        | 1.6          | -0.1                  | 1,58,058        | 14.2        | 1.4          | -0.6                  | 1,14,360        | 14.8         | 5.1          | -1.8                  |
| Tech Mahindra          | 1,37,182         | 13.2        | -0.1         | -0.3                  | 20,207          | -3.2        | -5.8         | -4.9                  | 13,307          | -11.6        | 2.6          | 2.0                   |
| Wipro                  | 2,31,903         | 11.2        | -0.2         | -1.6                  | 46,137          | 6.7         | -0.2         | -2.4                  | 30,745          | -0.4         | 0.7          | -0.6                  |
| Zensar Tech            | 12,127           | 5.1         | 1.3          | 1.5                   | 1,759           | 7.1         | 30.4         | 19.2                  | 1,193           | -8.0         | 55.9         | 45.8                  |

|                          | Sales (INR m)   |             |             |                       | EBITDA (INR m)  |             |             |                       | PAT (INR m)    |             |              |                       |
|--------------------------|-----------------|-------------|-------------|-----------------------|-----------------|-------------|-------------|-----------------------|----------------|-------------|--------------|-----------------------|
|                          | Mar-23          | Gr (%)      |             | Var. over<br>Exp. (%) | Mar-23          | Gr (%)      |             | Var. over<br>Exp. (%) | Mar-23         | Gr (%)      |              | Var. over<br>Exp. (%) |
|                          |                 | YoY         | QoQ         |                       |                 | YoY         | QoQ         |                       |                | YoY         | QoQ          |                       |
| <b>Telecom</b>           | <b>5,78,625</b> | <b>8.9</b>  | <b>0.2</b>  | <b>-1.6</b>           | <b>2,73,745</b> | <b>6.1</b>  | <b>10.1</b> | <b>-2.0</b>           | <b>-20,791</b> | <b>Loss</b> | <b>Loss</b>  | <b>Loss</b>           |
| Bharti Airtel            | 3,60,090        | 14.3        | 0.6         | -2.0                  | 1,86,971        | 16.6        | 1.3         | -1.7                  | 25,923         | 39.4        | 30.0         | 27.2                  |
| Indus Towers             | 67,529          | -5.1        | -0.2        | -0.6                  | 34,329          | -15.5       | 195.3       | -4.6                  | 13,991         | -23.5       | LP           | -4.9                  |
| Tata Comm                | 45,687          | 7.2         | 0.9         | -1.8                  | 10,342          | -1.1        | -4.0        | -7.8                  | 3,260          | -15.5       | -17.2        | -0.6                  |
| Vodafone Idea            | 1,05,319        | 2.9         | -0.8        | -0.5                  | 42,103          | -9.4        | 0.7         | 0.1                   | -63,965        | Loss        | Loss         | Loss                  |
| <b>Others</b>            | <b>5,77,989</b> | <b>22.3</b> | <b>-0.8</b> | <b>-3.5</b>           | <b>1,03,221</b> | <b>42.8</b> | <b>-6.4</b> | <b>-18.3</b>          | <b>48,160</b>  | <b>93.8</b> | <b>-11.3</b> | <b>-28.8</b>          |
| APL Apollo Tubes         | 44,311          | 5.1         | 2.4         | -9.8                  | 3,229           | 21.3        | 18.3        | -0.6                  | 2,018          | 14.3        | 19.3         | -4.0                  |
| Coromandel International | 54,758          | 29.5        | -34.1       | 0.9                   | 4,032           | 6.2         | -48.3       | -3.0                  | 2,464          | -15.0       | -53.2        | -19.5                 |
| EPL                      | 9,693           | 10.1        | 2.6         | -1.7                  | 1,546           | 16.2        | 3.8         | -6.5                  | 843            | 73.1        | 34.2         | 48.5                  |
| Godrej Agrovet           | 20,950          | 0.7         | -9.8        | -4.9                  | 746             | -55.9       | -45.2       | -9.9                  | 310            | -74.6       | -51.5        | 166.2                 |
| Indiamart Inter.         | 2,688           | 33.5        | 6.9         | 1.5                   | 661             | 15.6        | -5.8        | 0.1                   | 558            | -2.8        | -8.8         | -13.2                 |
| Indian Hotels            | 16,254          | 86.4        | -3.6        | 3.0                   | 5,355           | 236.8       | -10.3       | 5.7                   | 3,283          | 430.2       | -14.2        | 24.0                  |
| Info Edge                | 5,640           | 23.8        | 1.6         | 0.9                   | 2,203           | 72.1        | 1.6         | 7.5                   | 1,789          | 48.3        | LP           | -0.6                  |
| Interglobe Aviation      | 1,41,606        | 76.5        | -5.2        | -6.8                  | 28,905          | 2,706.3     | -9.2        | -32.6                 | 9,160          | LP          | -35.4        | -58.0                 |
| Kaveri Seed              | 737             | 10.7        | -48.8       | 1.2                   | -167            | Loss        | PL          | Loss                  | -155           | Loss        | PL           | Loss                  |
| Lemon Tree Hotel         | 2,527           | 111.4       | 8.2         | -1.8                  | 1,399           | 279.7       | 10.6        | -4.7                  | 440            | LP          | 10.0         | -15.9                 |
| P I Industries           | 15,656          | 12.2        | -3.0        | 2.8                   | 3,428           | 12.4        | -17.4       | -10.4                 | 2,806          | 37.3        | -20.2        | -9.2                  |
| SRF                      | 37,781          | 6.4         | 8.9         | -2.5                  | 9,596           | 2.5         | 13.1        | 4.0                   | 5,905          | -0.6        | 12.3         | 5.6                   |
| Tata Chemicals           | 44,070          | 26.6        | 6.2         | -1.2                  | 9,650           | 46.9        | 4.7         | -3.7                  | 7,110          | 53.6        | 78.6         | 43.5                  |
| Trident                  | 15,628          | -15.4       | -3.4        | -9.8                  | 2,488           | -21.3       | -6.3        | -11.8                 | 1,171          | -27.9       | -13.3        | -18.3                 |
| UPL                      | 1,65,690        | 4.5         | 21.1        | -1.6                  | 30,150          | -16.1       | -0.6        | -21.8                 | 10,458         | -44.6       | -21.9        | -46.2                 |



# REPORT GALLERY

## RECENT STRATEGY/THEMATIC REPORTS



NOTES

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

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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