

India Strategy



INDIA: BIG, BOLD, AND BLAZING!

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India Strategy

BSE Sensex: 74,248

Nifty 50: 22,514



INDIA: BIG, BOLD, AND BLAZING!

Ushering in the *Amritkaal*

India: Where size meets agility!

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

INDIA: BIG, BOLD, AND BLAZING!

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

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

India in a mini-Goldilocks!

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

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

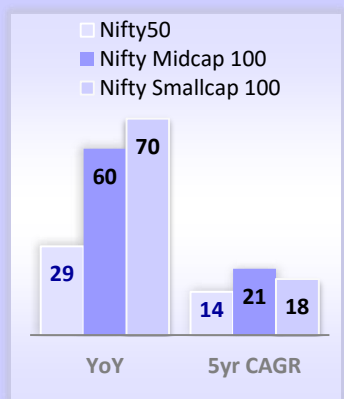
MOFSL and Nifty earnings likely to grow 6% YoY each in 4QFY24

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

Key ponderables!

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

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



FY24 – the year of mid and small caps!

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

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

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

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

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

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

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

MOFSL Top Ideas: Large caps – ICICI Bank, SBI, L&T, TITAN, ITC, HCL Tech, Coal India, M&M, Zomato, and Hindalco.

Mid caps: Indian Hotels, Godrej Properties, Global Health, PNB Housing, KOEL, Cello World, Sobha, Lemon Tree Hotel, and JK Cement.

Model portfolio: Key changes

Our Model portfolio remains aligned with key domestic cyclical themes amid a consistent backdrop of earnings growth.

We remain OW on Financials, Consumption, Industrials and Real Estate. Industrials, Consumer Discretionary, Real Estate, and PSU Banks are our key preferred investment themes. We have also made several additions from a bottom-up viewpoint across sectors.

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



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

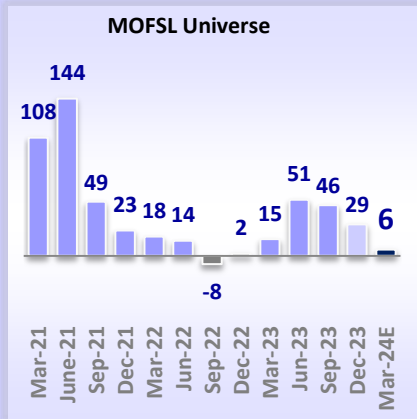
- **METALS:** While Coal India continues to remain our preferred idea, we are also adding Hindalco to our model portfolio. Novelis has experienced a significant improvement in EBITDA/t over the last few quarters, which is expected to reach USD600 by FY25-end (from USD500 at present). The stock is currently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

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

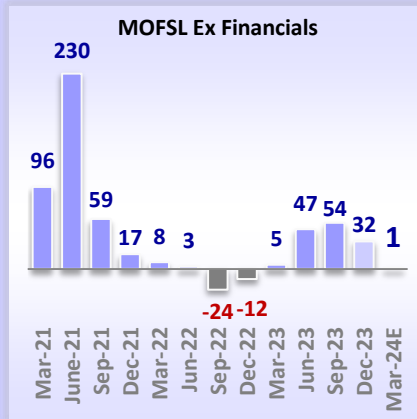
Corporate earnings at a glance: BFSI and Auto to drive earnings growth

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

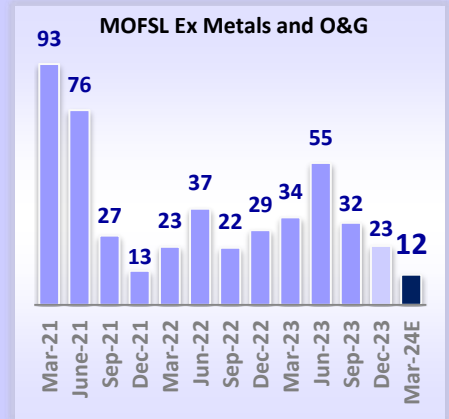
PAT expected to rise 6% YoY for the MOFSL Universe



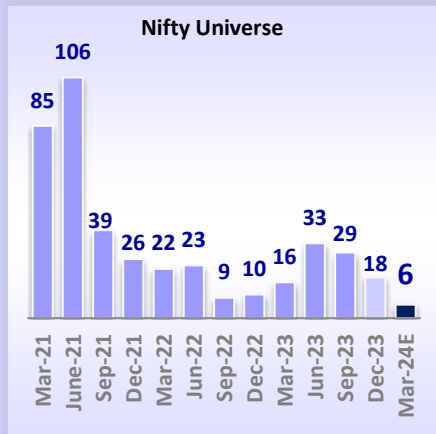
PAT likely to rise 1% YoY for the MOFSL Universe, excluding Financials



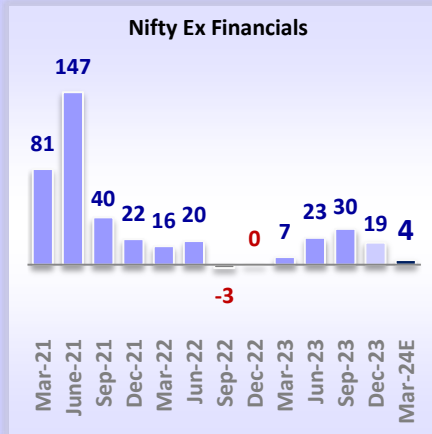
PAT to jump 12% YoY for the MOFSL Universe, sans Metals and O&G



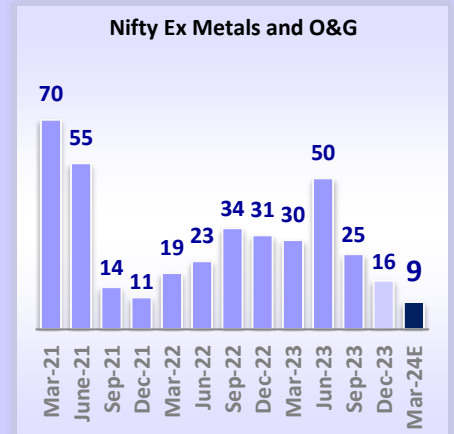
PAT growth for the Nifty Universe likely to be at 6% YoY



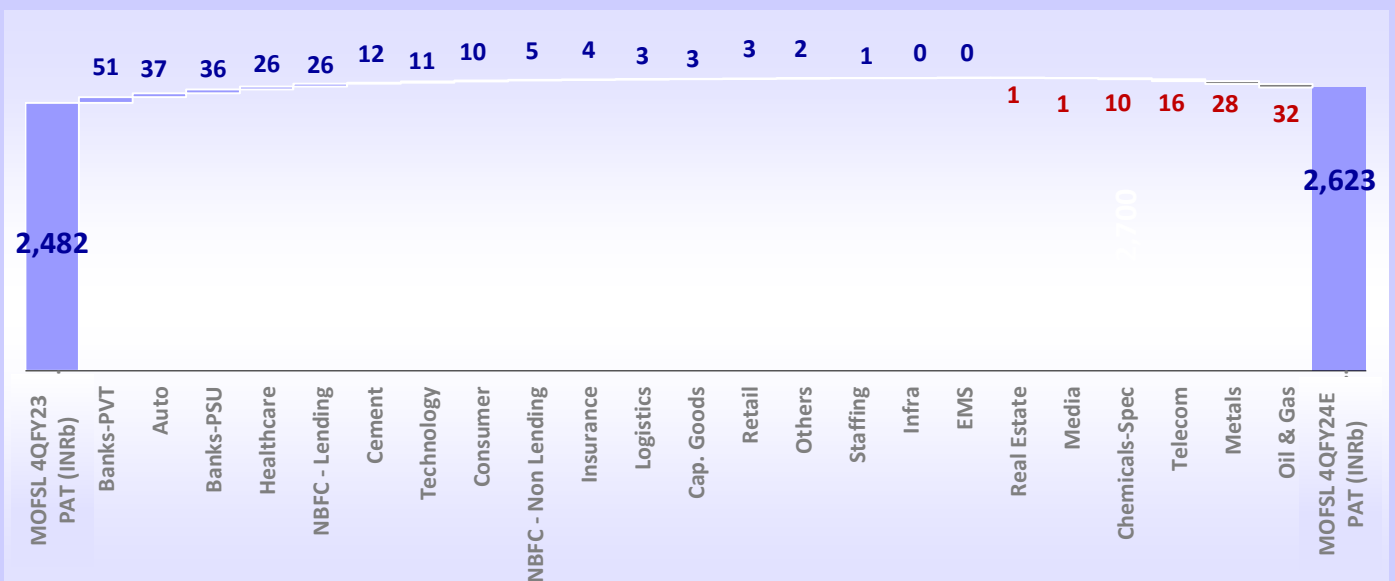
PAT to grow 4% YoY for the Nifty Universe, sans Financials



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

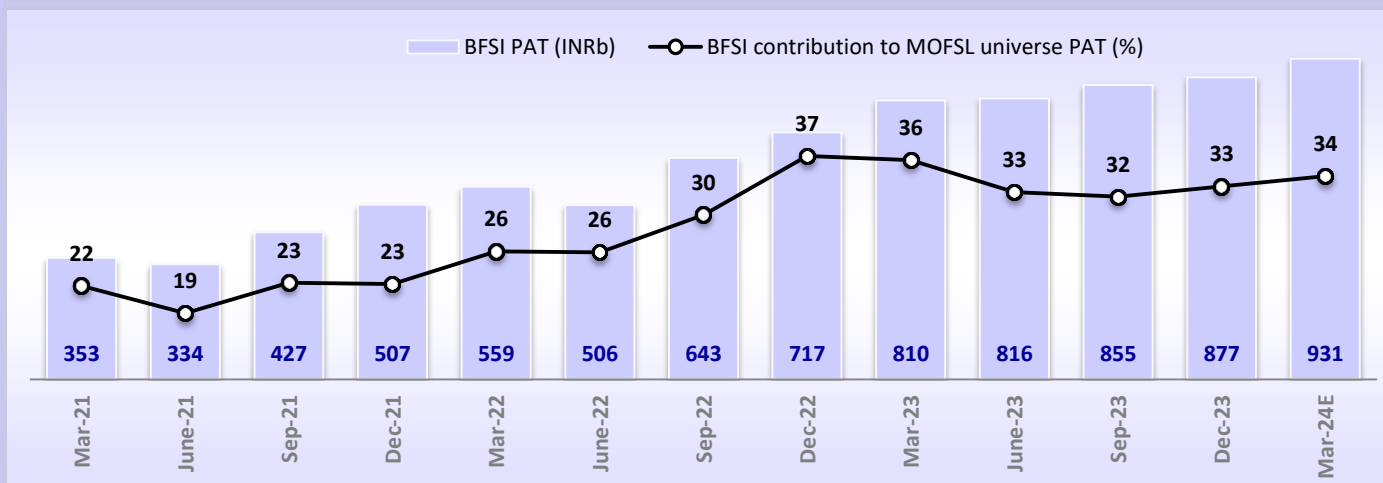


Performance of the MOFSL Universe to be driven by BFSI, Autos, Healthcare, and Cement in 4QFY24E

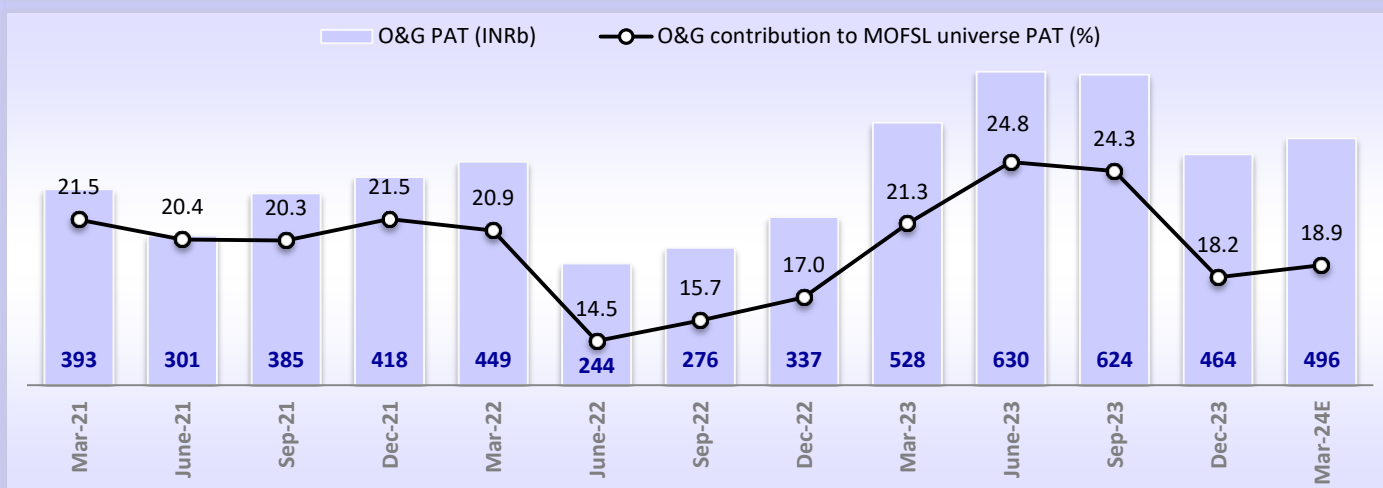


Corporate earnings at a glance: BFSI and O&G's contribution likely to expand

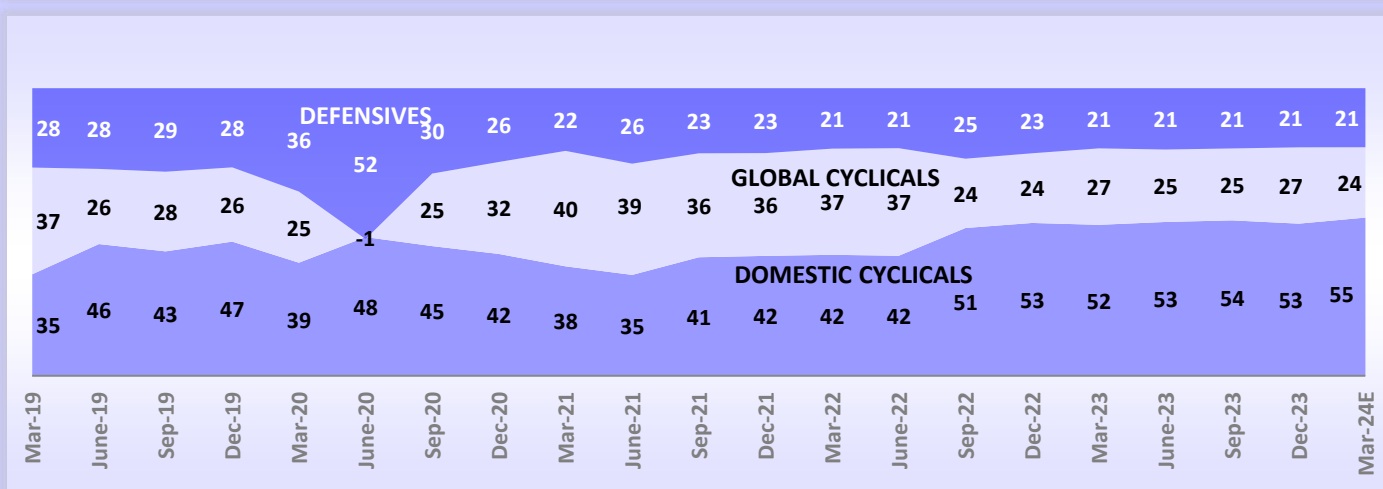
Financials' contribution to witness marginal gains and to account for over one-third of the overall profit pool



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



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



MOFSL: MODEL PORTFOLIO

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

LP: Loss to Profit

MARKETS

Indian markets scale new peak...

...with healthy institutional flows and strong retail participation!

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

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

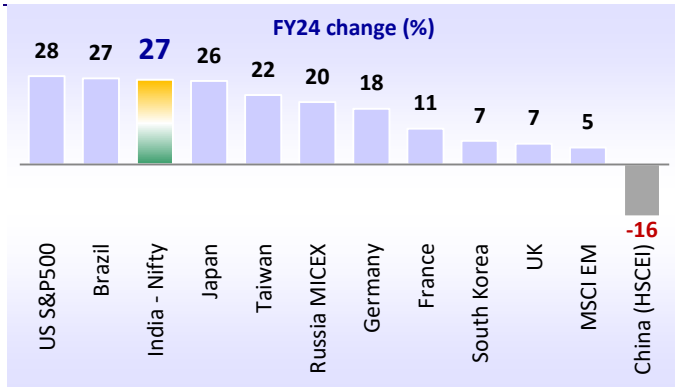


Exhibit 2: World equity indices in local currency terms (%)

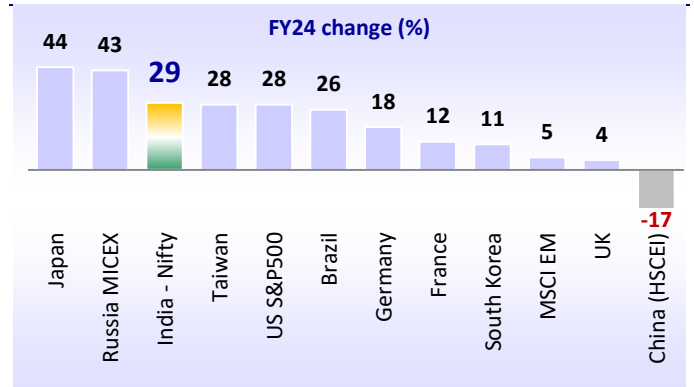


Exhibit 3: FII flows remained volatile but positive...

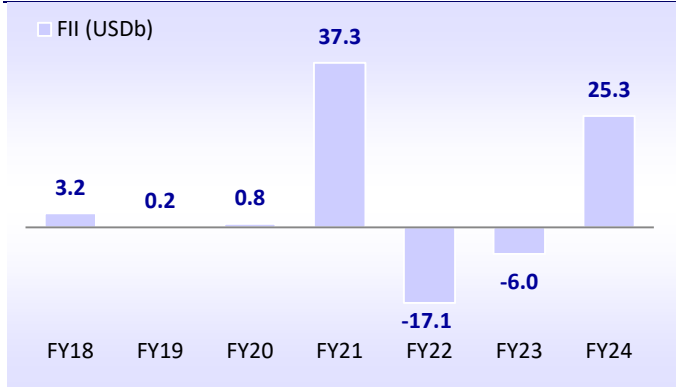


Exhibit 4: ...while DII inflows continued to remain strong

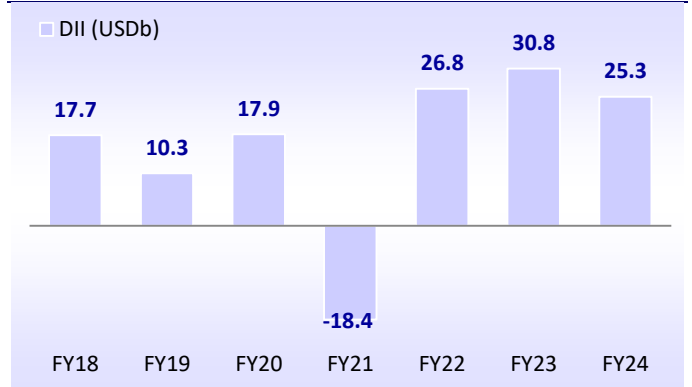


Exhibit 5: FIIs net buyers, and inflows jumped in Mar'24

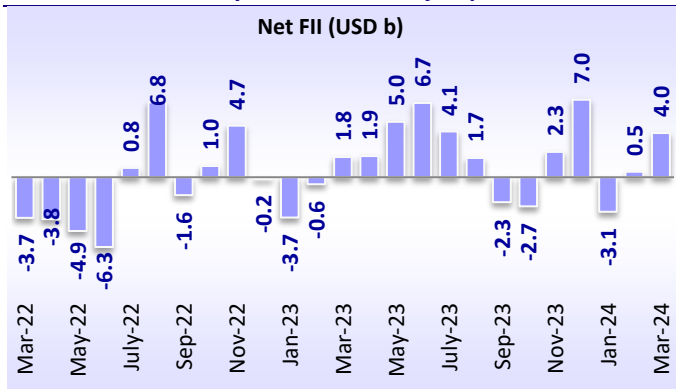


Exhibit 6: DII flows remained healthy since last eight months

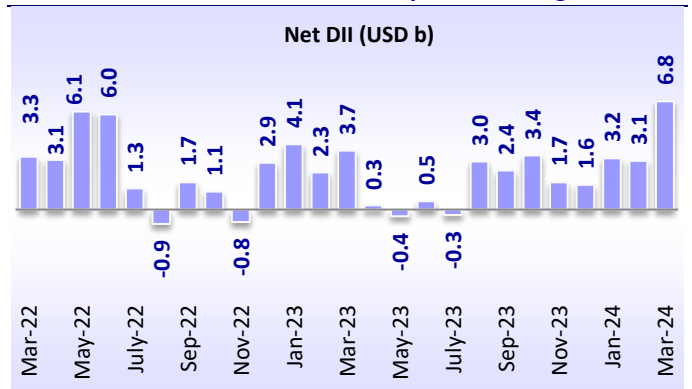
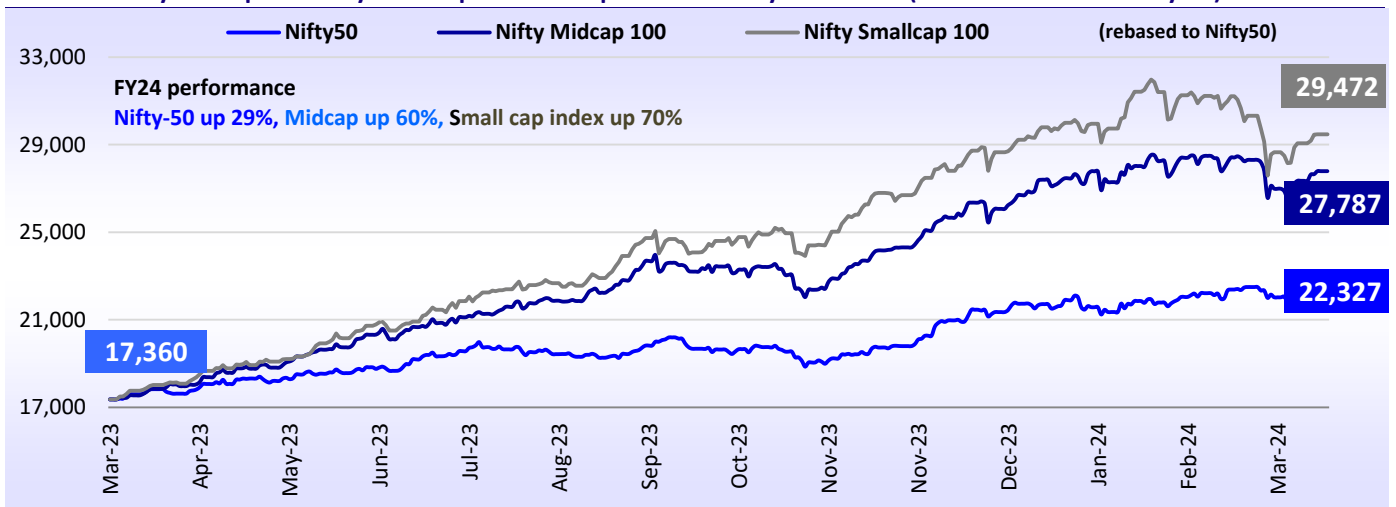


Exhibit 7: Nifty Midcap and Nifty Smallcap indices outperformed Nifty-50 in CY23 (indices rebased to Nifty-50)



4QFY24 PREVIEW

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

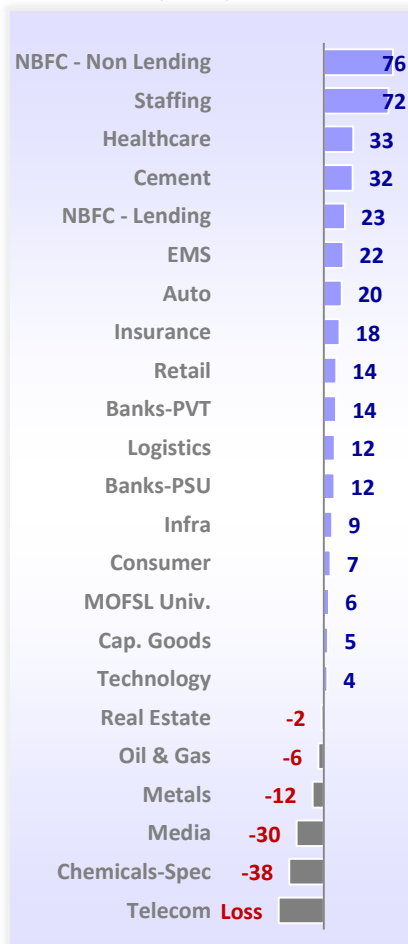
Of the 17 major sectors under MOFSL Coverage, 8 sectors to witness an expansion in EBITDA margin YoY

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

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

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

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

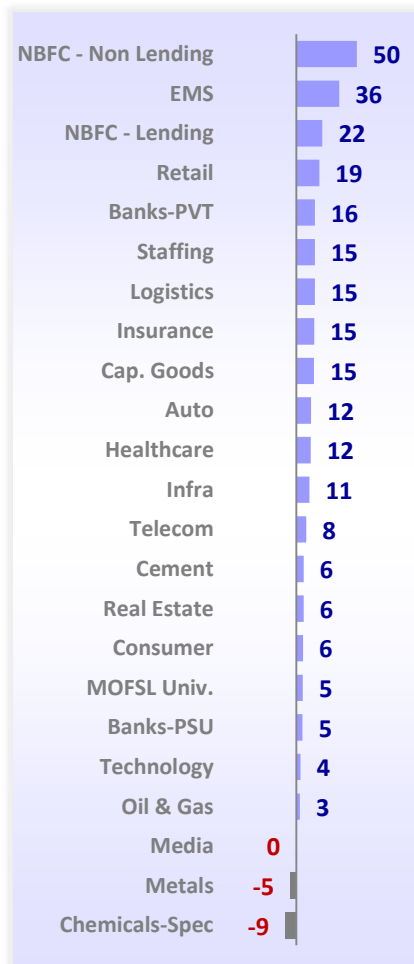


- **Specialty Chemicals** is projected to report an earnings decline (down 38% YoY) for the fourth consecutive quarter.
- **4QFY24 snapshot:** We expect EBITDA/PBT/PAT to grow 7%/9%/6% YoY in 4QFY24 for the MOFSL Universe. Excluding Metals and O&G, EBITDA/ PBT/PAT for the MOFSL Universe would grow 11%/15%/12%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

Key sectoral trends and highlights

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

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



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

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

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

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

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

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

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

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

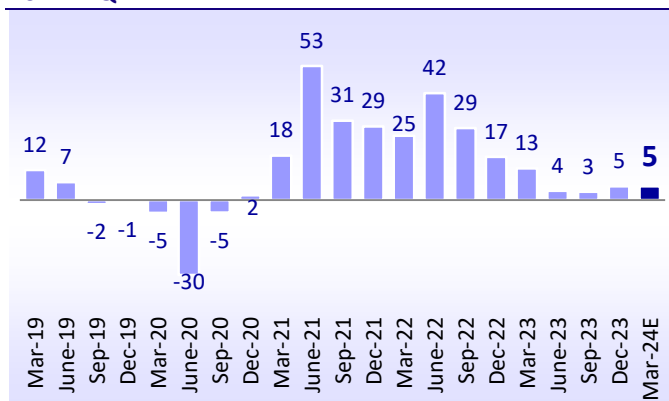


Exhibit 11: Expect MOFSL Universe earnings to grow 6% YoY in 4QFY24, driven by Auto, BFSI, Healthcare, and Cement

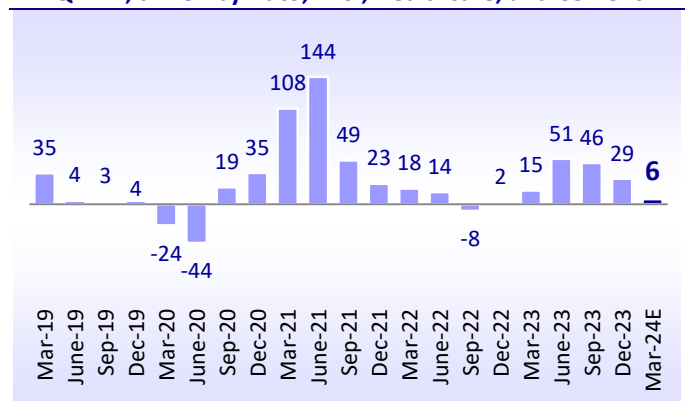
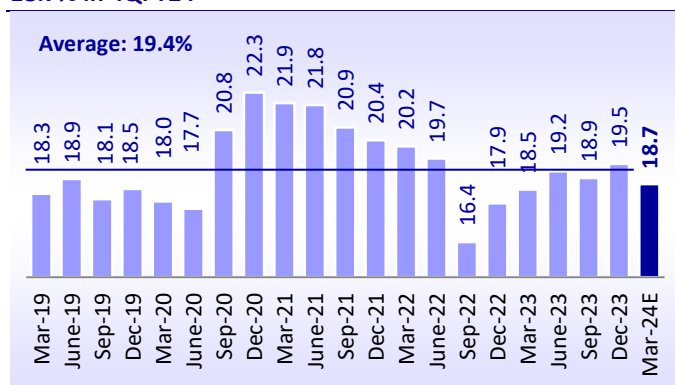
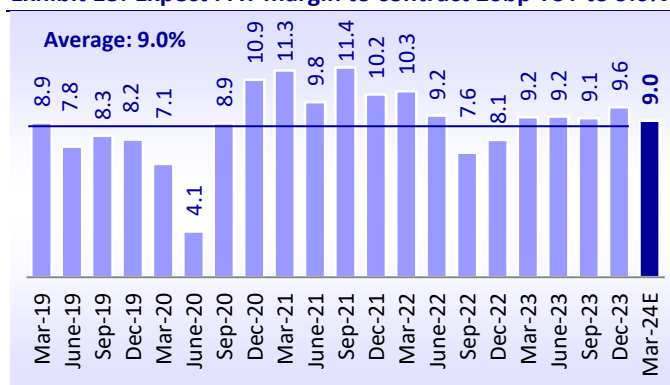


Exhibit 12: Expect EBITDA margin to expand 20bp YoY to 18.7% in 4QFY24



Source: MOFSL, excluding Financials and OMCs

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



Source: MOFSL, excluding Financials and OMCs

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

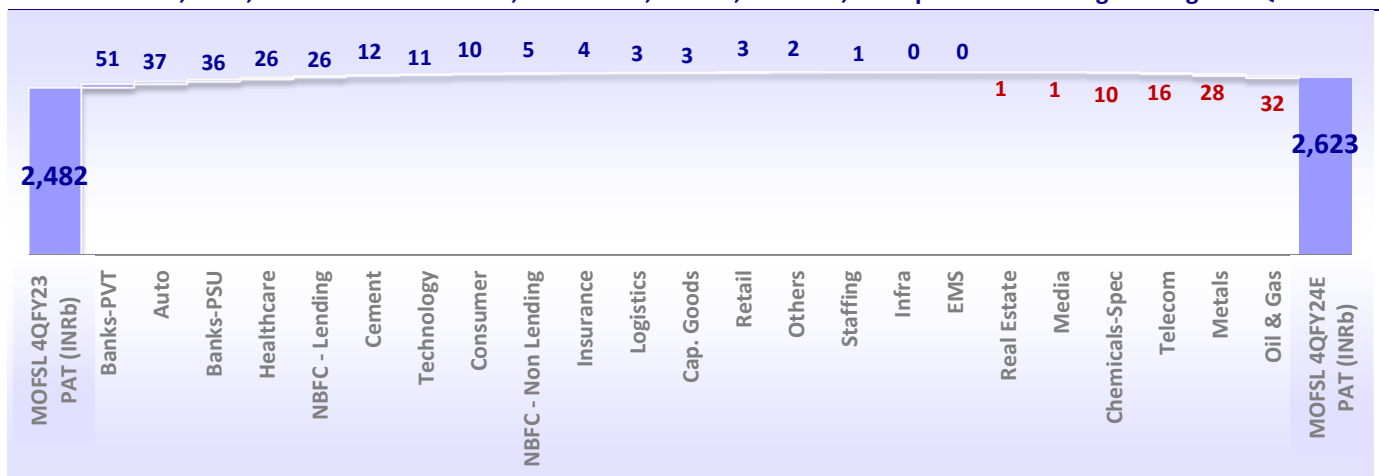


Exhibit 15: Sectoral quarterly PAT trend (INR b) – MOFSL Universe to report a 6% YoY growth in PAT in 4QFY24

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

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

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

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

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

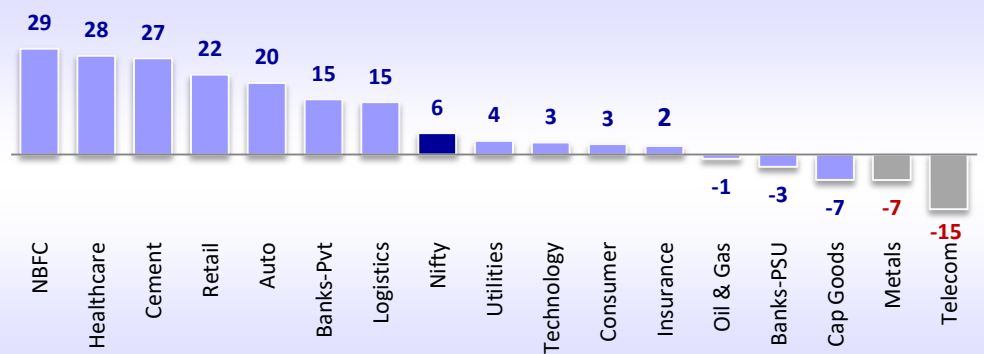


Exhibit 17: Expect Nifty's revenue to grow 9% YoY in 4QFY24

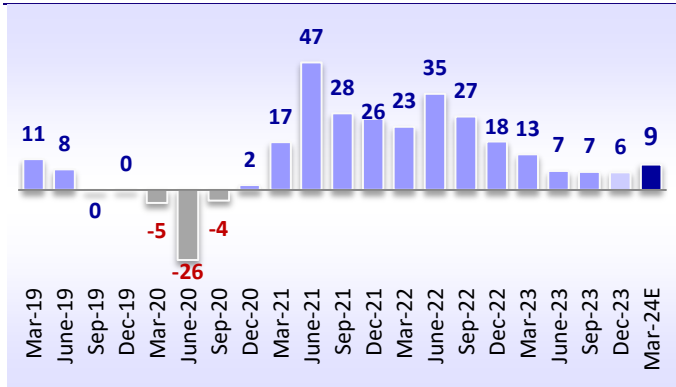


Exhibit 18: Expect Nifty's EBITDA to grow 9% YoY in 4QFY24

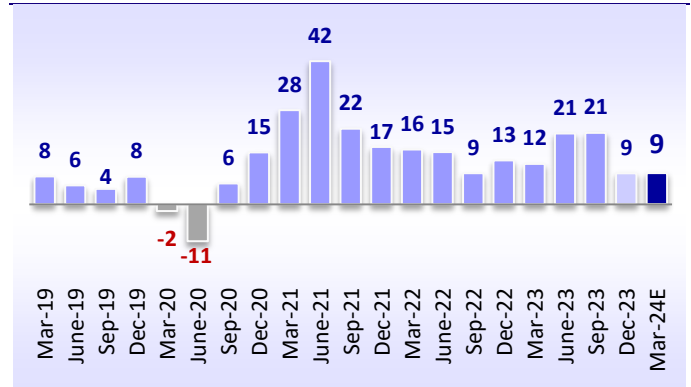


Exhibit 19: Expect Nifty's PAT to rise 6% YoY in 4QFY24

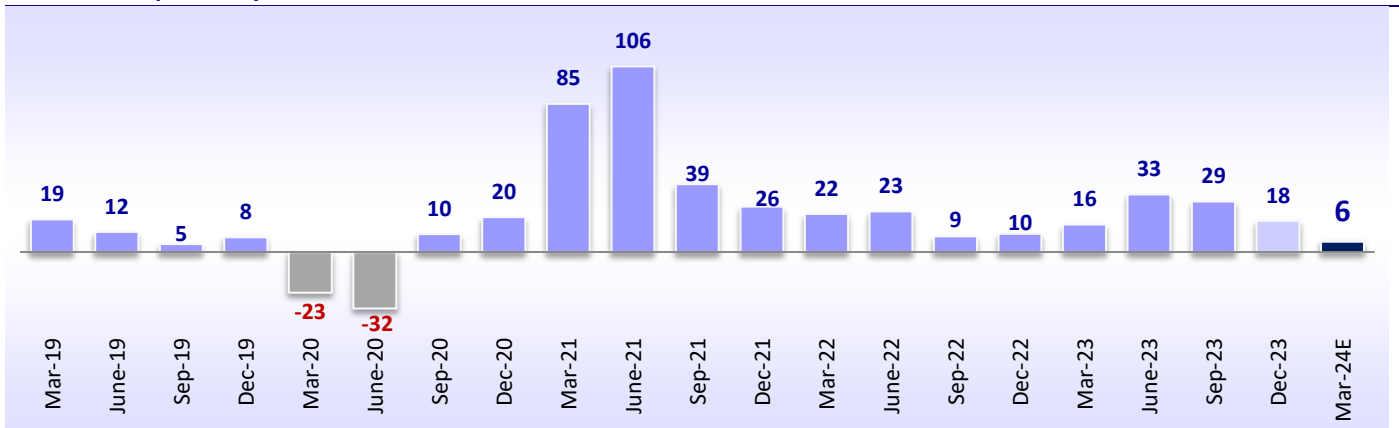


Exhibit 20: Nifty's earnings snapshot for 4QFY24 (INR b)

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

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

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

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

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

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

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

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

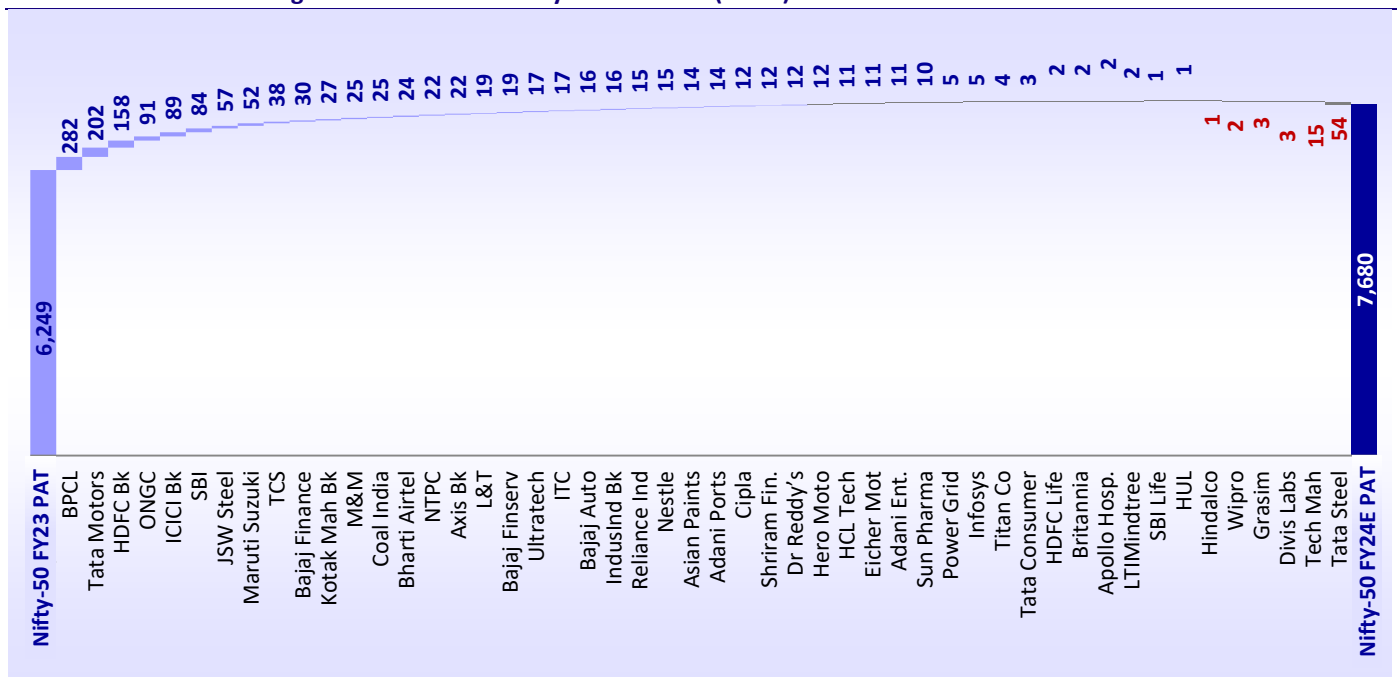
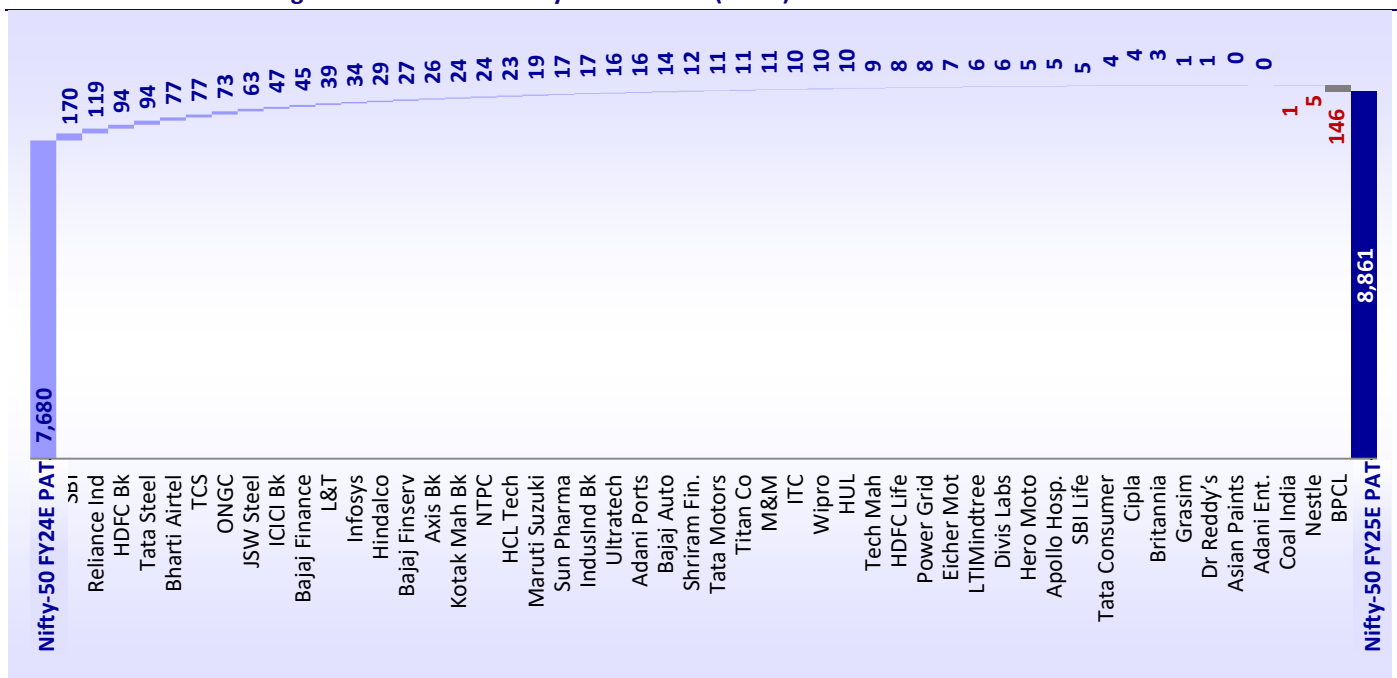


Exhibit 24: Absolute change in FY25E PAT for Nifty constituents (INR b)



Valuations below the LPA for Nifty

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

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

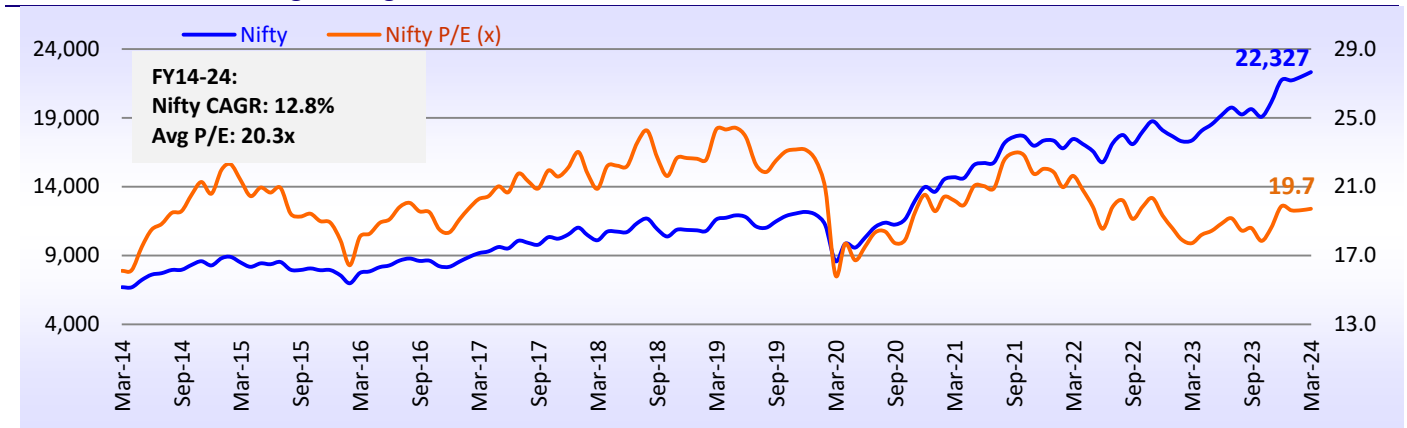


Exhibit 27: 12-month forward Nifty P/B (x)

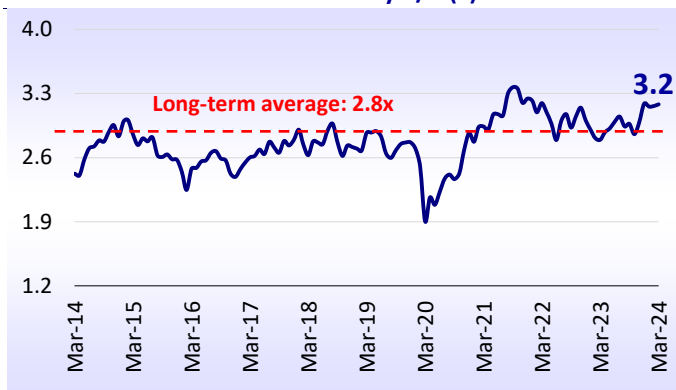


Exhibit 28: 12-month forward Nifty RoE (%)

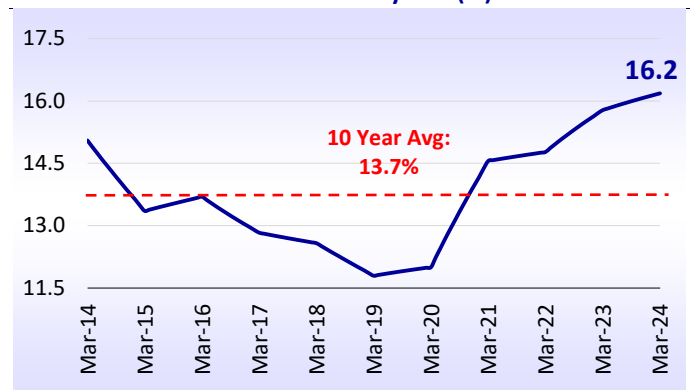
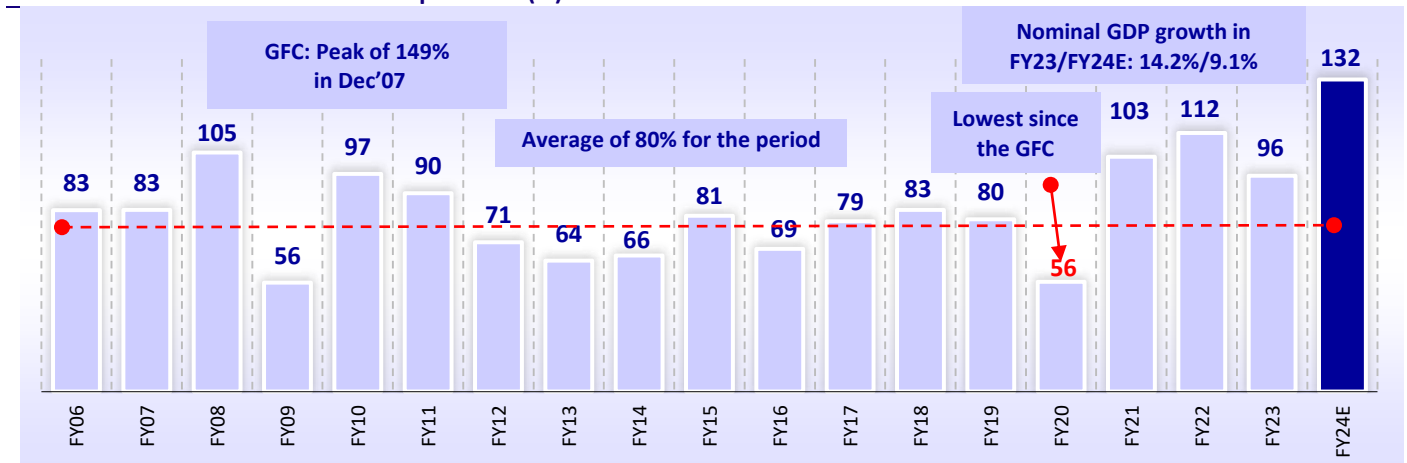


Exhibit 29: Trend in India's market-cap-to-GDP (%)



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Sectors & Companies

BSE Sensex: 74,015

Nifty 50: 22,462

April 2024

MOFSL Universe: 4QFY24 Highlights & Ready Reckoner

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

MOFSL Universe: 4QFY24 aggregate performance highlights

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

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

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

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

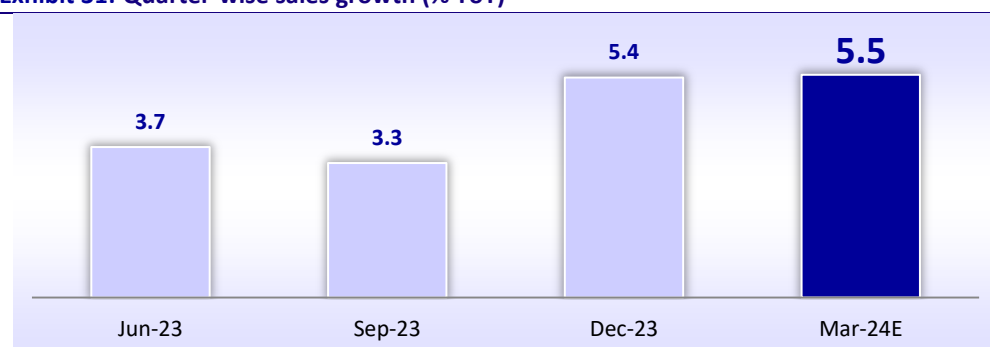
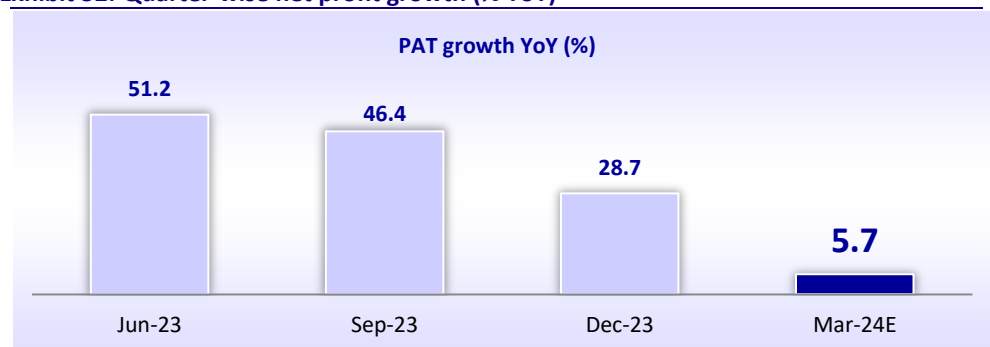


Exhibit 32: Quarter-wise net profit growth (% YoY)



Ready reckoner: Quarterly performance

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

Ready reckoner: Quarterly performance

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

PL: Profit to Loss; LP: Loss to Profit

Ready reckoner: Quarterly performance

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

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

Ready reckoner: Full year valuations

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

Ready reckoner: Full year valuations

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

Ready reckoner: Full year valuations

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

Ready reckoner: Full year valuations

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

Ready reckoner: Full year valuations

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

Sectors & Companies

BSE Sensex: 74,015

Nifty 50: 22,462

April 2024

Sector and Companies Preview Compendium

Automobiles

Capital Goods

Cement

Chemicals-Specialty

Consumer

EMS

Financials – Banks

Financials – NBFC: Lending

Financials – NBFC: Non Lending

Healthcare

Infrastructure

Logistics

Metals

Oil & Gas

Real Estate

Retail

Technology

Telecom

Others

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

Automobiles

Company

Amara Raja Energy Mobility

Ashok Leyland

Bajaj Auto

Bharat Forge

BOSCH

Ceat

Craftsman Automation

Eicher Motors

Endurance Technologies

Escorts

Exide Industries

Happy Forgings

Hero MotoCorp

CIE India

Mahindra & Mahindra

Maruti Suzuki

Motherson Sumi Systems

Sona BLW Precision Ltd

Tata Motors

TVS Motor Company

Tube Investments

PV and CV OEMs likely to see healthy margin expansion QoQ

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

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

PVs stand out, other segments see demand weakness

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

PV and CV OEMs to see healthy margin expansion QoQ

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

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

Prefer PVs as we estimate stable earnings growth

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

Valuation and view

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

Exhibit 1: Summary of 4QFY24 earnings estimates

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

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

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

Exhibit 3: Commodity prices inched up sequentially

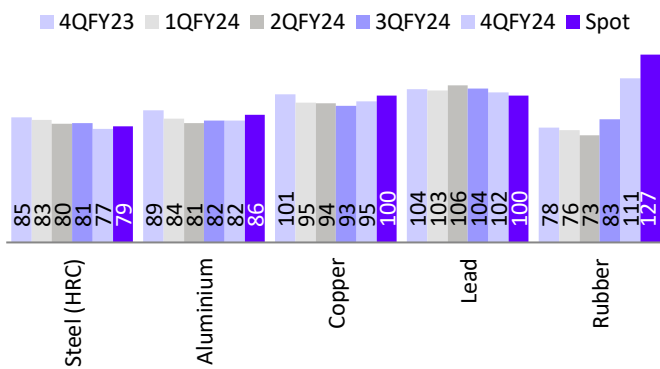


Exhibit 4: Trends in key currencies vs. INR (average, indexed)

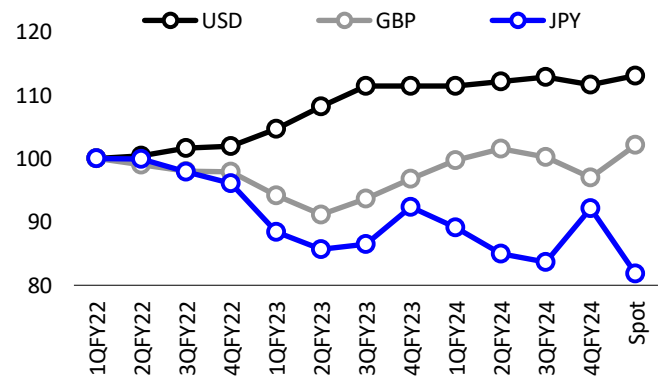
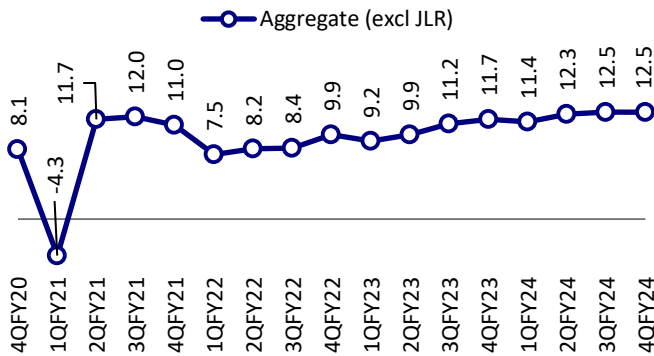
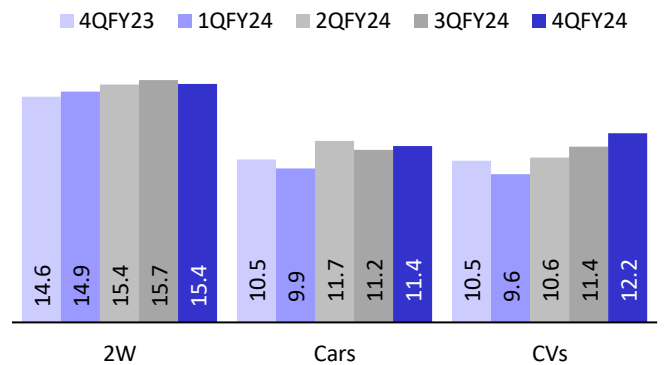


Exhibit 5: EBITDA margin expected to improve ~80bp YoY



Source: MOFSL

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



Source: MOFSL

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

	Volumes ('000 units)					EBITDA margins (%)					Adj PAT (INR M)				
	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	4QFY24	4QFY23	YoY (bp)	3QFY24	QoQ (bp)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
BJAUT	1,069	860	24	1,201	-11.0	19.7	19.3	40	20.1	-40	18,175	14,329	27	20,419	-11
HMCL	1,392	1270	10	1,460	-4.6	14.0	13.0	100	14.0	0	10,204	8,589	19	10,734	-5
TVS Motor	1,063	868	22	1,101	-3.5	11.2	10.3	90	11.2	0	5,156	3,640	42	5,934	-13
MSIL	584	515	13	501	16.5	12.8	10.5	230	11.7	110	39,734	26,236	51	31,300	27
MM	287	279	3	313	-8.4	11.9	12.4	-50	12.8	-90	18,013	19,750	-9	24,540	-27
TTMT India CV**	108	119	-9	99	8.9	11.7	10.2	160	11.1	60	19,586	17,040	15	16,560	18
TTMT India PV**	155	136	15	139	12.1	6.9	7.3	-30	6.5	40	5,228	2,340	123	4,060	29
TTMT (JLR) *	126	107	17	114	10.3	16.6	14.8	180	16.2	40	544	263	107	592	-8
TTMT (Cons)						14.2	12.1	210	13.9	40	63,990	56,231	14	70,912	-10
Ashok Leyland	56	60	-6	47	19.1	13.2	11.0	220	12.0	120	8,118	7,145	14	5,804	40
Eicher (RE)	228	219	4	228	-0.2	27.5	24.7	290	27.5	0	9,356	7,469	25	9,137	2
Eicher (VECV)	26	26	-2	21	24.3	9.5	9.9	-40	8.0	150	3,754	3,154	19	2,104	78
Agg. (ex JLR)	5,021	4409	13.9	5,167	-2.8	12.5	11.7	80	12.5	0	1,30,718	1,08,125	21	1,26,940	3

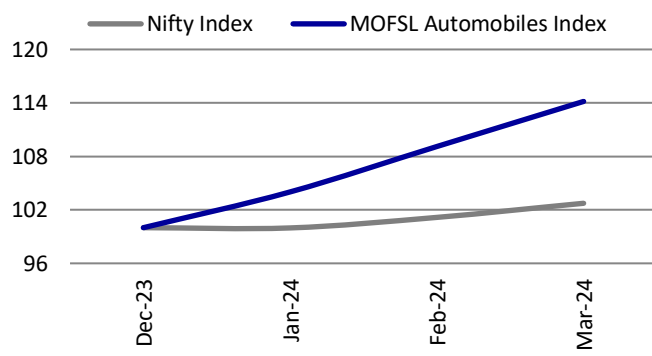
Source: JLR in GBP m, MOFSL

Exhibit 8: Revised estimates

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

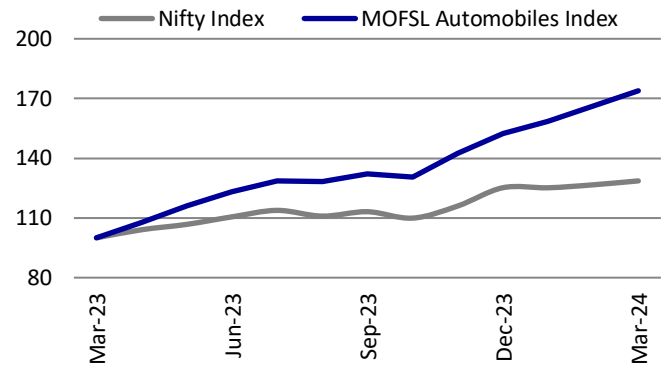
* Consolidated; Source:, MOFSL

Exhibit 9: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 10: Relative performance – one year (%)



Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuations

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

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

Amara Raja Energy Mobility

Neutral

CMP: INR795 | TP: INR850 (-7%)

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

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

Quarterly Performance

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

E: MOSL Estimates

Apollo Tyres

Buy

CMP: INR465 | TP: INR555 (+19%)

EPS CHANGE (%): FY25E|FY26E: -3|-10

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

Consolidated: Quarterly Earning Model

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

E: MOFSL Estimates

Ashok Leyland**Buy****CMP: INR175 | TP: INR210 (+20%)****EPS CHANGE (%): FY25E|FY26E:2|3**

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

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

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

E: MOFSL Estimates

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

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

Quarterly Performance**(INR m)**

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

E: MOFSL Estimates

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

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

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

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

E: MOFSL Estimates

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

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

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

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

E: MOFSL Estimates

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

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

Quarterly performance (S/A)**(INR m)**

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

E: MOFSL Estimates

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

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

Consolidated - Quarterly Earning Model**(INR m)**

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

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

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

Quarterly performance (Consol.)**(INR m)**

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

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

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

Quarterly (Consol)**(INR m)**

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

E: MOFSL Estimates

Eicher Motors**Neutral**

CMP: INR3,948 | TP: INR3,900 (-1%)

EPS CHANGE (%): FY25E|FY26E: 2|0

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

Quarterly performance (Consolidated)

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

Endurance Technologies**Buy**

CMP: INR1,828 | TP: INR2,135 (+17%)

EPS CHANGE (%): FY25E|FY26E: -5|-6

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

Consolidated - Quarterly

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

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

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

Standalone Quarterly Performance**(INR m)**

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

E: MOFSL Estimates

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

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

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

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

Happy Forgings

Buy

CMP: INR922 | TP: INR1,115 (+21%)

EPS CHANGE (%): FY25 | 26E: -1 | -1

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

Quarterly (Standalone)

(INR m)

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

E: MOFSL Estimates

Hero MotoCorp

Buy

CMP: INR4,683 | TP: INR5,390 (+15%)

EPS CHANGE (%): FY25E | FY26E: -3 | 1

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

Quarterly Performance (S/A)

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

MRF**Sell****CMP: INR1,35,789 | TP: INR1,02,110 (-25%)****EPS CHANGE (%): FY25E|FY26E: -3|-4**

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

Standalone - Quarterly Earning**(INR m)**

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

Mahindra & Mahindra**Buy****CMP: INR1,915 | TP: INR2,155 (+13%)****EPS CHANGE (%): FY25E|FY26E: 3|5**

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

Quarterly Performance**(INR m)**

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

E: MOFSL Estimates

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

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

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

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

Motherson Wiring India**Buy****CMP: INR67 | TP: INR78 (+16%)****EPS CHANGE (%): FY25E|FY26E: 2|3**

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

MSUMI: Quarterly performance**(INR m)**

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

E: MOFSL Estimates

Samvardhana Motherson Sumi**Buy**

CMP: INR120 | TP: INR140 (+17%)

EPS CHANGE (%): FY25E|FY26E: 18|24

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

Quarterly performance (Consol.)

(INR m)

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

E: MOFSL Estimates

Sona Comstar**Neutral**

CMP: INR684 | TP: INR645 (-6%)

EPS CHANGE (%): FY25E|FY26E: 0|1

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

Consol. Quarterly Performance

(INR m)

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

Tata Motors

Neutral

CMP: INR992 | TP: INR970 (-2%)

EPS CHANGE (%): FY25E|FY26E: -3|-2

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

Quarterly Performance [Consol]

(INR b)

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

Tube Investments

Buy

CMP: INR3,723 | TP: INR4,245 (+14%)

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

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

Quarterly performance (S/A)

(INR m)

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

TVS Motor Company

Neutral

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

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

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

S/A Quarterly Performance

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

Capital Goods

Company

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

Execution and margin to be key monitorables

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

Domestic ordering momentum sees moderation in 4QFY24

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

Margin trajectory to be mixed in 4QFY24

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

Export weakness seems to have bottomed out

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

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

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

We remain positive on long-term prospects for the sector

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

Our top picks

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

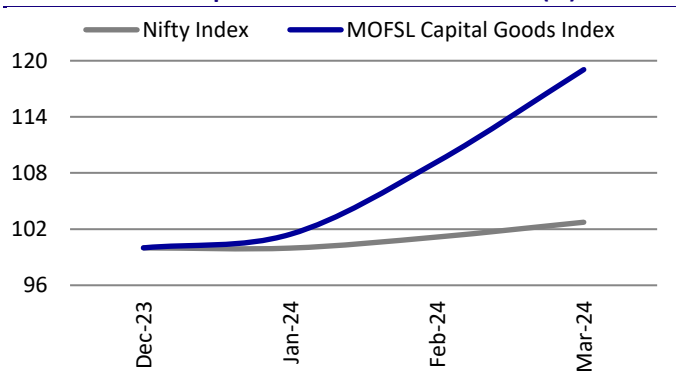
Exhibit 1: Expected quarterly performance summary

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

Exhibit 2: Comparative valuations

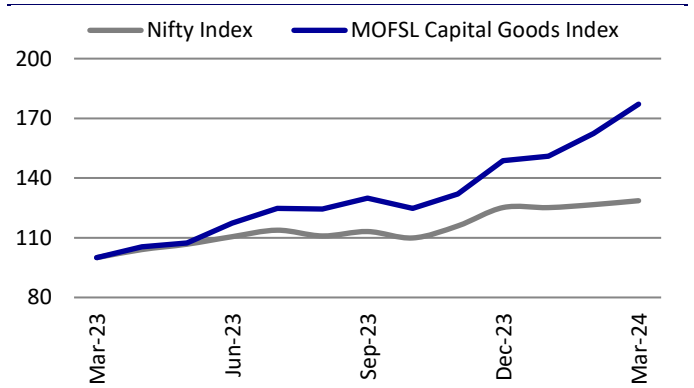
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Capital Goods						53.0	41.9	33.6	8.2	7.4	6.4	15.5	17.6	18.9
ABB India	6,508	Buy	58.9	73.4	90.1	108.0	88.7	72.2	22.7	18.8	15.2	22.9	23.4	23.2
Bharat Electronics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

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



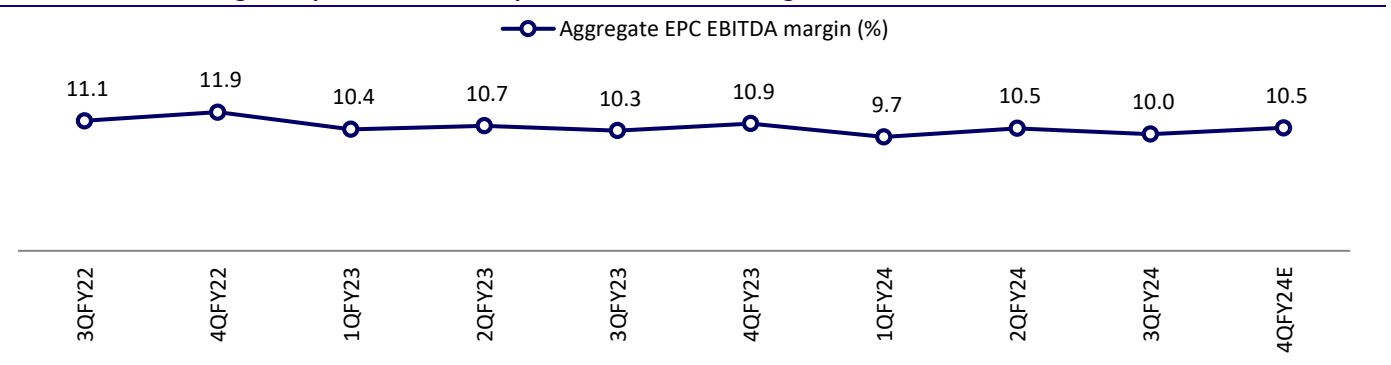
Source: Bloomberg, MOFSL

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



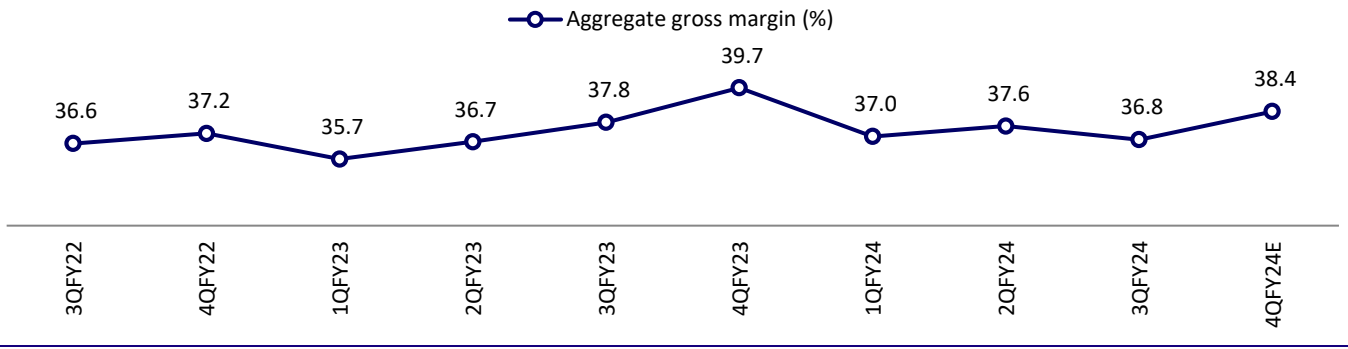
Source: Bloomberg, MOFSL

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



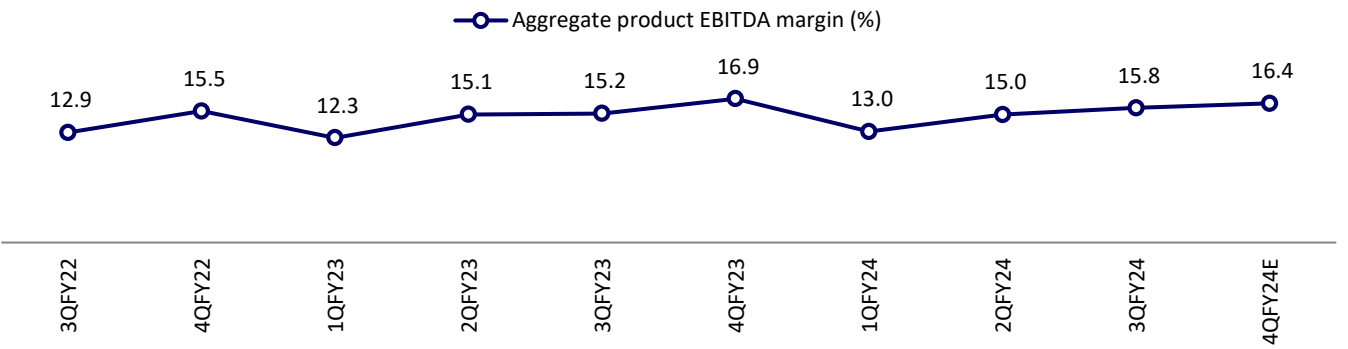
Source: Company, MOFSL

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



Source: Company, MOFSL

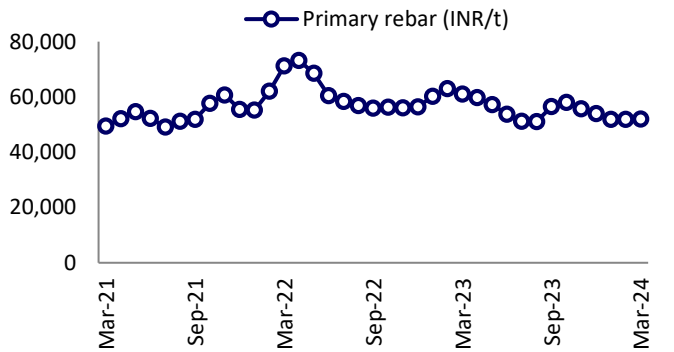
Exhibit 7: EBITDA margin snapshot for product companies under our coverage



Source: Company, MOFSL

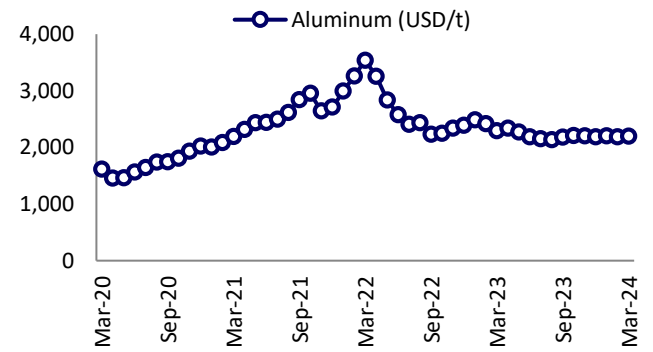
Input prices have remained largely stable in recent quarters

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



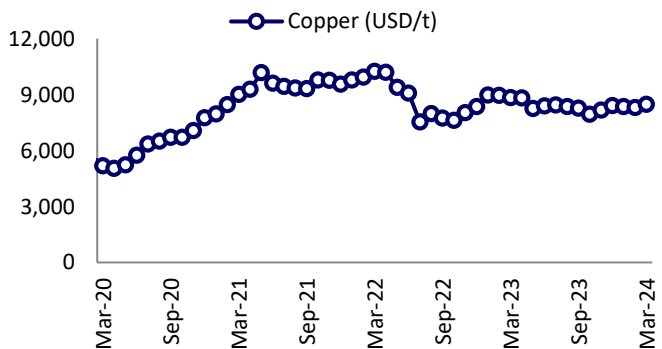
Source: Bloomberg, MOFSL

Exhibit 9: Aluminum price trend (USD/t)



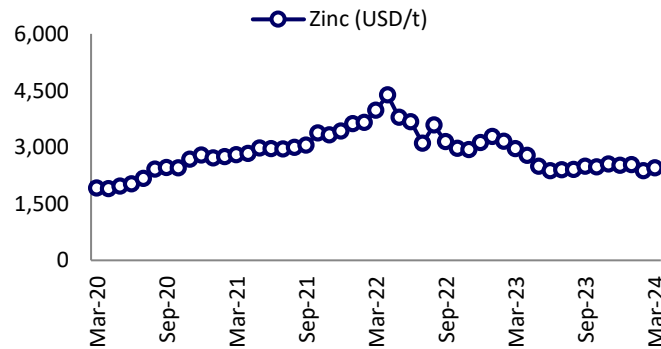
Source: Bloomberg, MOFSL

Exhibit 10: Copper price trend (USD/t)



Source: Bloomberg, MOFSL

Exhibit 11: Zinc price trend (USD/t)



Source: Bloomberg, MOFSL

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

ABB India

Buy

CMP: INR6,508 | TP: INR7,305 (+12%)

EPS CHANGE (%): CY24|CY25: +5|+6

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

Standalone - Quarterly Snapshot

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

Bharat Electronics

Neutral

CMP: INR211 | TP: INR210 (-1%)

EPS CHANGE (%): FY25|FY26: +6|+6

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

Standalone - Quarterly Snapshot

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

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

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

Standalone - Quarterly Snapshot**(INR m)**

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

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

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

Standalone - Quarterly Snapshot**(INR m)**

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

Kalpataru Projects International**Buy**

CMP: INR1,117 | TP: INR1,200 (+7%)

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

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

Standalone - Quarterly Earning Model

(INR m)

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

KEC International**Neutral**

CMP: INR718 | TP: INR710 (-1%)

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

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

Consolidated - Quarterly Snapshot

(INR m)

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

Kirloskar Oil Engines**Buy**

CMP: INR889 | TP: INR1020 (+15%)

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

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

Standalone - Quarterly Snapshot

(INR m)

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

Larsen & Toubro**Buy**

CMP: INR3,837 | TP: INR4,400 (+15%)

EPS CHANGE (%): FY25|26: -3|-

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

Consolidated - Quarterly Snapshot

(INR m)

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

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

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

Consolidated - Quarterly Snapshot**(INR m)**

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

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

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

Consolidated - Quarterly Snapshot**(INR m)**

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

Triveni Turbine**Buy****CMP: INR573 | TP: INR640 (+11%)****EPS CHANGE (%): FY25|26: -|-**

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

Consolidated - Quarterly Snapshot**(INR m)**

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

Cement

Company

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

Robust volume growth; weak cement prices led to earnings cut

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

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

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

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

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Reduce earnings estimates to factor in sharp price correction

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

Earnings sensitivity to remain higher on price hikes

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

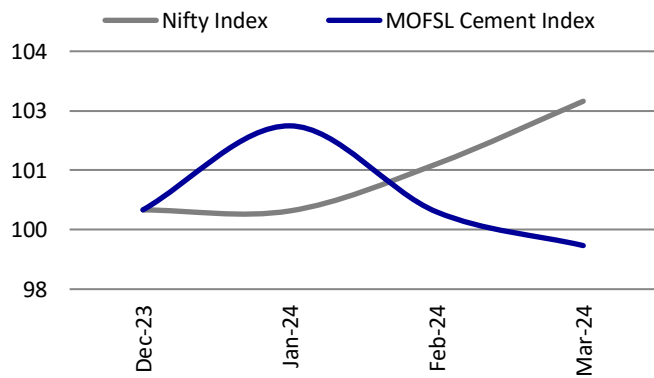
Exhibit 1: Summary of 4QFY24 estimates

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

Exhibit 2: Comparative valuations

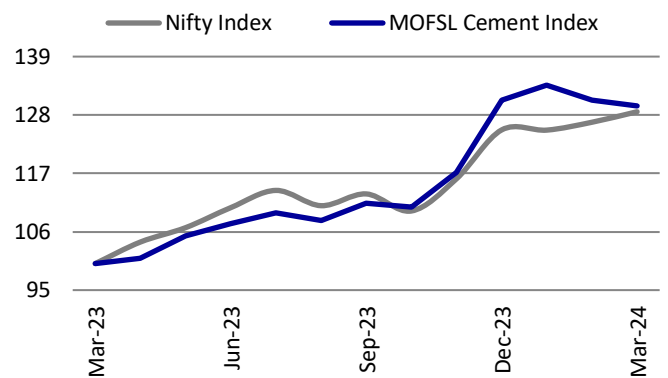
Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Cement						36.5	31.7	27.3	3.7	3.3	3.0	10.2	10.4	11.1
ACC	2,544	Neutral	98.4	120.3	132.4	25.3	21.1	19.2	3.0	2.7	2.4	12.4	13.5	13.2
Ambuja Cements	621	Neutral	12.3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

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



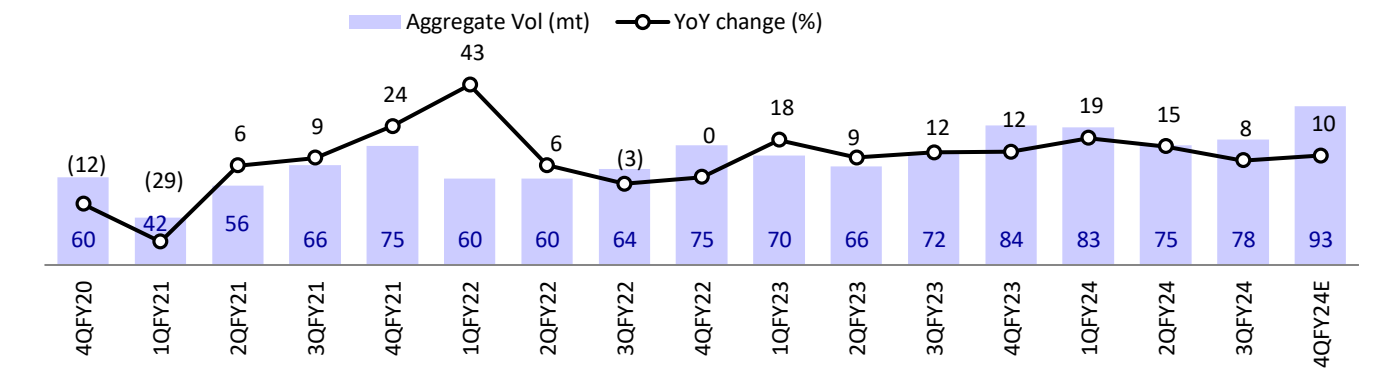
Source: Bloomberg, MOFSL

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



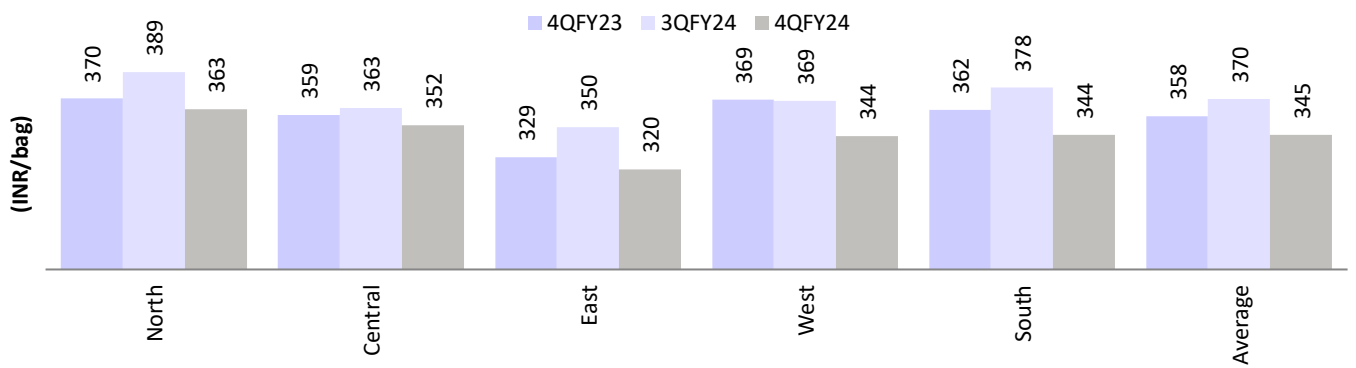
Source: Bloomberg, MOFSL

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



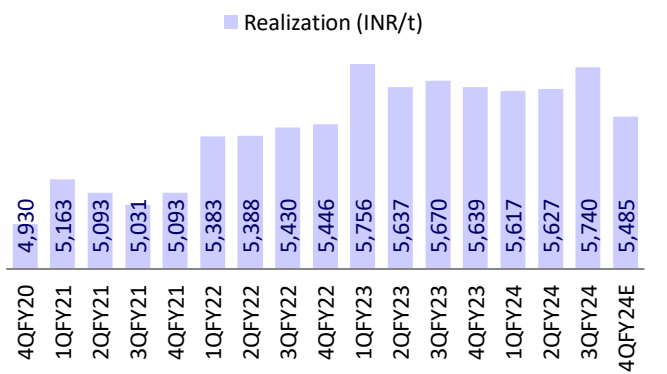
Source: MOFSL, Company, E: MOFSL estimate

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



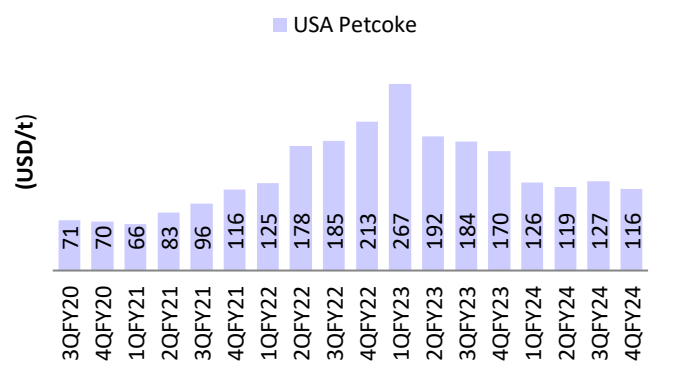
Source: MOFSL, Industry

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



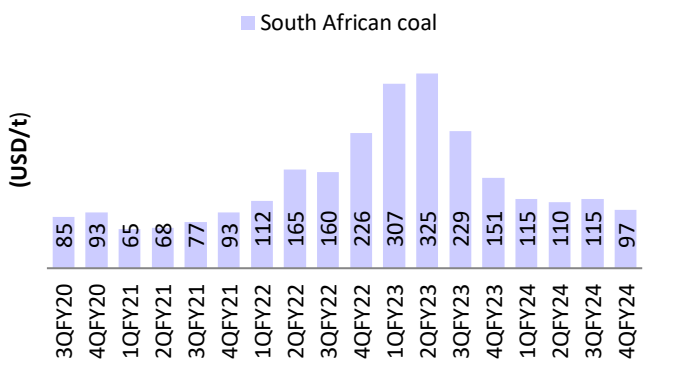
Source: MOFSL; E: MOFSL estimate

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



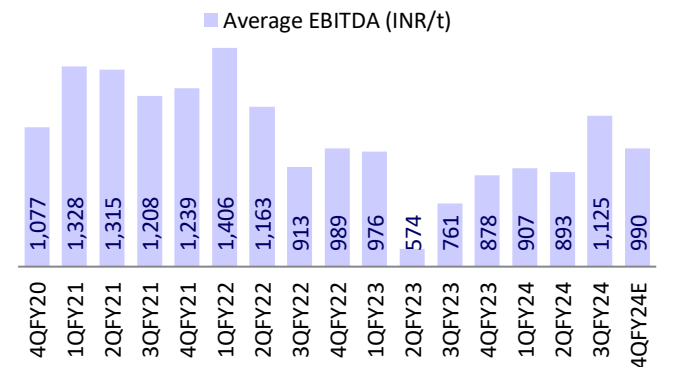
Source: MOFSL, Industry

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



Source: Bloomberg, MOFSL

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



Source: Company, MOFSL; E: MOFSL estimate

Exhibit 11: Key operating parameters

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

Exhibit 12: Summary of changes in our earnings estimates

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

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

Exhibit 13: Revision to our target prices

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

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

Exhibit 14: Valuation summary

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

Source: MOFSL, Company

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

ACC										Neutral	
CMP: INR2,544 TP: INR2,550 (+0.2%)					EPS CHANGE (%): FY25 26: -0.2 +0.2						
<ul style="list-style-type: none"> We expect sales volume to grow 12% YoY, whereas cement realization could decline 5% YoY and 4% QoQ. We expect EBITDA/t at INR853 vs. INR549/INR1,017 in 4QFY23/3QFY24. 					<ul style="list-style-type: none"> Variable cost/t to decline 17% YoY (up 2% QoQ). Opex/t is estimated to decline 11% YoY (flat QoQ). Depreciation cost is estimated to increase 37% YoY. Adj. PAT is likely to increase 66% YoY. 						

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

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

Ambuja Cements										Neutral	
CMP: INR621 TP: INR590 (-5%)					EPS CHANGE (%): FY25 26: -4.1 -2.5						
<ul style="list-style-type: none"> Sales volume to increase 11% YoY, while realization is estimated to decline 1% YoY and 3% QoQ. EBITDA/t is expected to be at INR1,038 vs. INR977/INR1,038 in 4QFY23/3QFY24. 					<ul style="list-style-type: none"> We expect variable cost/t to decline 5% YoY and 7% QoQ. Opex/t is expected to decline 2% YoY and 4% QoQ. Other income to increase 7%/72% YoY/QoQ due to higher cash balance. Adjusted PAT is likely to increase 16% YoY. 						

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

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

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

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

Consolidated performance**(INR b)**

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

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

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

Consolidated performance**(INR b)**

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

Grasim Industries

Buy

CMP: INR2,291 | TP: INR2,650 (+16%)

EPS CHANGE (%): FY25 | 26: -0.4 | +0.1

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

Standalone performance

(INR b)

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

India Cements

Sell

CMP: INR220 | TP: INR160 (-27%)

EPS CHANGE (%): FY25 | 26: -45.3 | -15.4

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

Standalone performance

(INR b)

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

JK Cement**Buy****CMP: INR4,277 | TP: INR5,350 (+25%)****EPS CHANGE (%): FY25|26: +7.2|+8.3**

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

Consolidated performance**(INR b)**

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

JK Lakshmi**Buy****CMP: INR883 | TP: INR1,000 (+13%)****EPS CHANGE (%): FY25|26: -4.1|-3.0**

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

Consolidated performance**(INR b)**

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

The Ramco Cements**Neutral****CMP: INR845 | TP: INR940 (+11%)****EPS CHANGE (%): FY25|26: -15.5|-5.8**

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

Quarterly performance

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

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

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

Standalone quarterly performance

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

UltraTech Cement

Buy

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

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

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

Consolidated performance

(INR b)

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

Specialty Chemicals

Company

Alkyl Amines

Atul

Clean Science

Deepak Nitrite

Fine Organics

Galaxy Surfactants

Navin Fluorine

NOCIL

PI Industries

SRF

Tata Chemicals

Vinati Organics

Weak end to FY24 expected; margins to remain flat

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

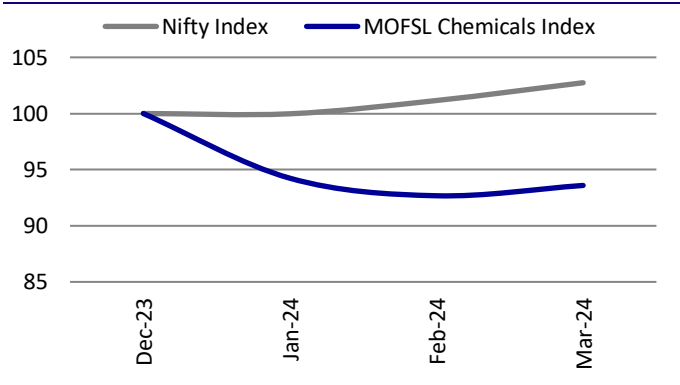
Exhibit 1: Summary of 4QFY24 earnings estimates

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

Exhibit 2: Comparative valuations

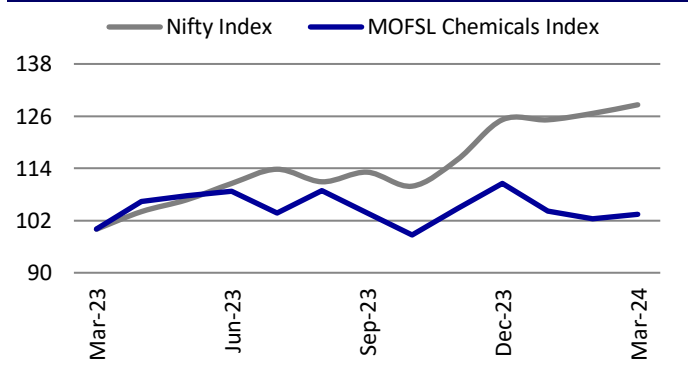
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Chemicals-Specialty						41.4	35.1	28.5	4.5	4.2	3.7	11.0	11.9	13.1
Alkyl Amines	1,902	Neutral	27.7	37.7	58.1	65.4	50.4	32.7	7.3	6.8	5.9	11.6	14.3	19.2
Atul	5,798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

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



Source: Bloomberg, MOFSL

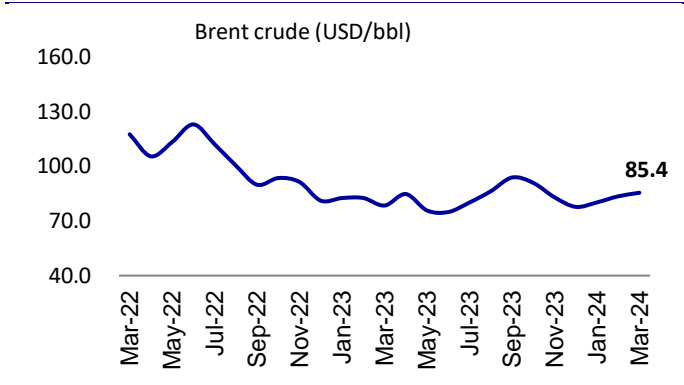
Exhibit 4: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

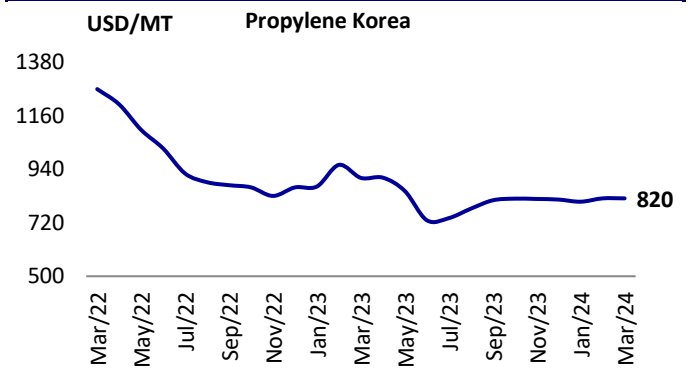
Trends in key RM and product prices

Exhibit 5: Brent crude price up 9% YoY



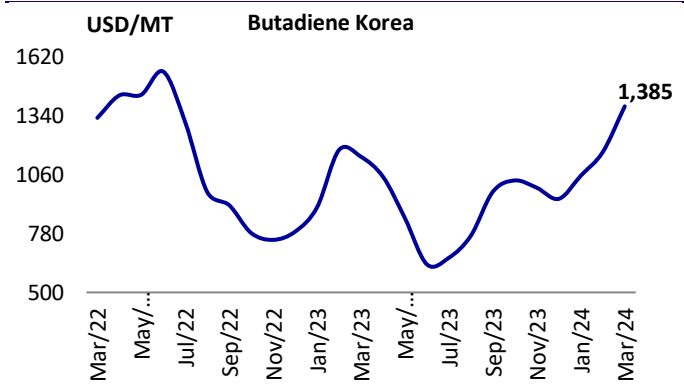
Source: Reuters, MOFSL

Exhibit 6: Propylene price down 11% YoY



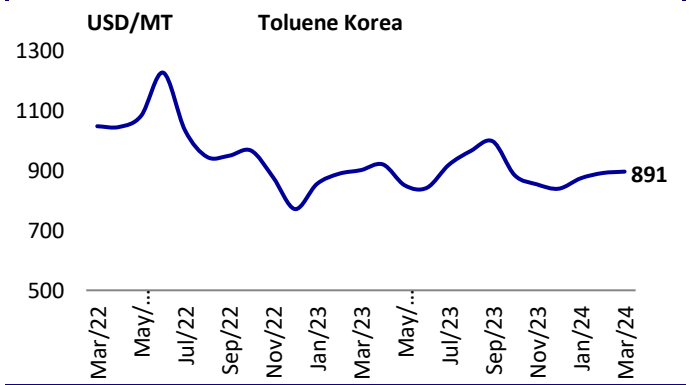
Source: Bloomberg, MOFSL

Exhibit 7: Butadiene price down 2% YoY



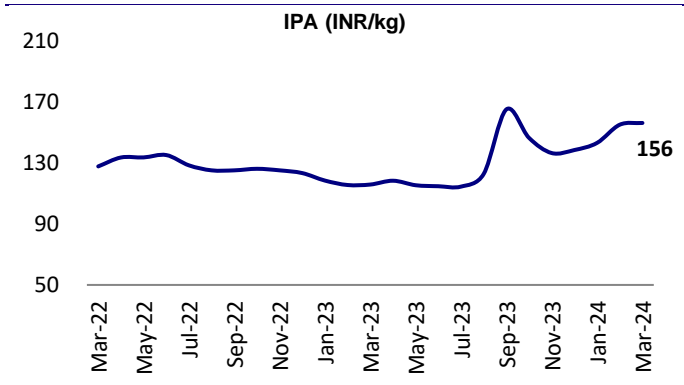
Source: Bloomberg, MOFSL

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



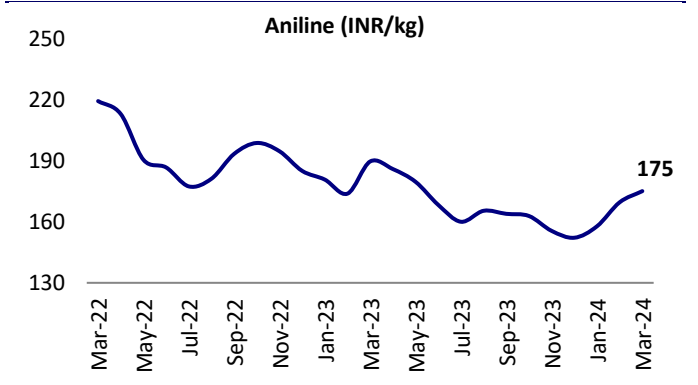
Source: Bloomberg, MOFSL

Exhibit 9: IPA price up 35% YoY



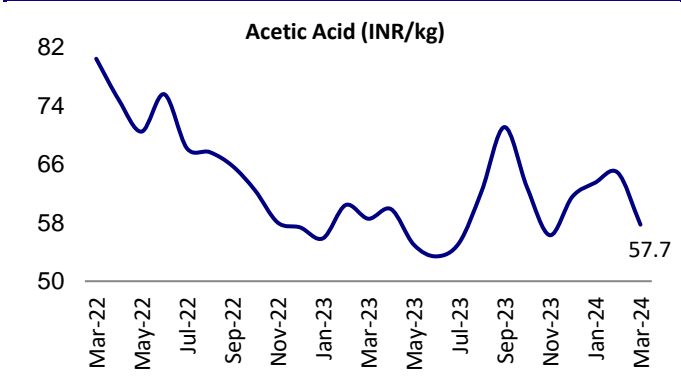
Source: IndiaPetroChem, MOFSL

Exhibit 10: Aniline price down 8% YoY



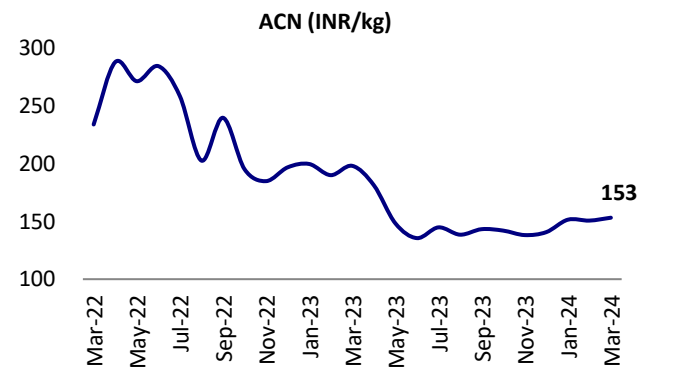
Source: IndiaPetroChem, MOFSL

Exhibit 11: Acetic Acid price down 1% YoY



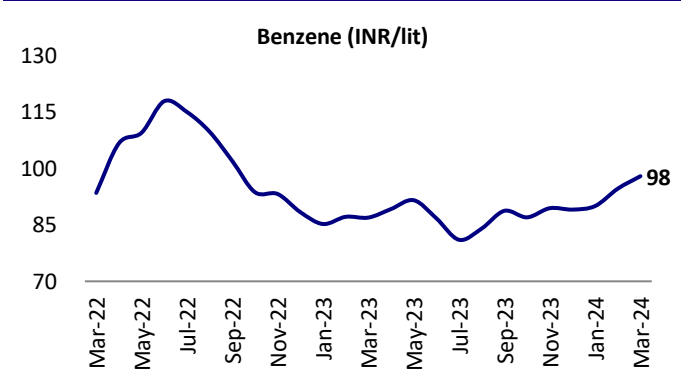
Source: IndiaPetroChem, MOFSL

Exhibit 12: ACN price down 23% YoY



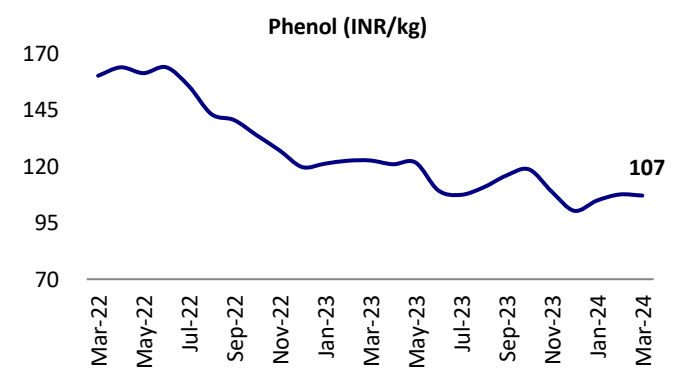
Source: IndiaPetroChem, MOFSL

Exhibit 13: Benzene price up 13% YoY



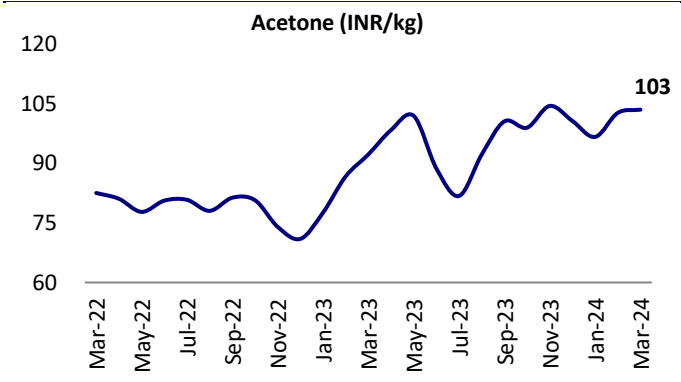
Source: IndiaPetroChem, MOFSL

Exhibit 14: Phenol price down 13% YoY



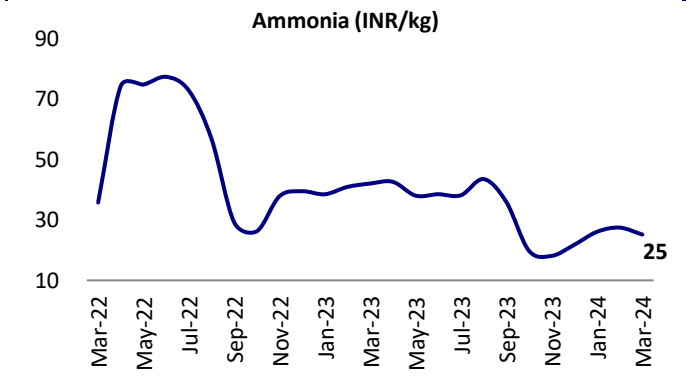
Source: IndiaPetroChem, MOFSL

Exhibit 15: Acetone price up 12% YoY



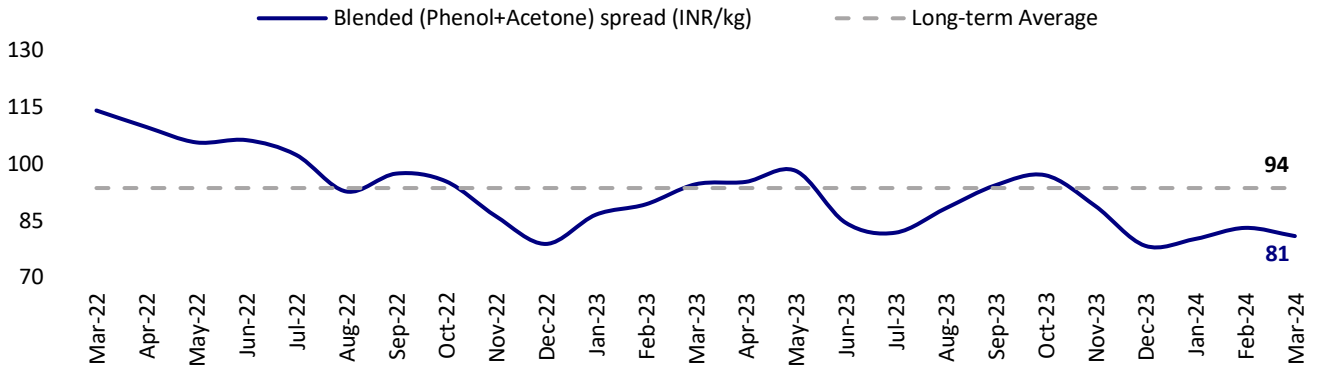
Source: IndiaPetroChem, MOFSL

Exhibit 16: Ammonia price down 35% YoY



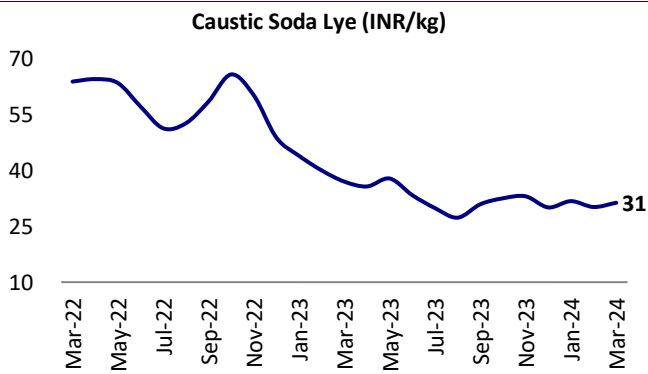
Source: IndiaPetroChem, MOFSL

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



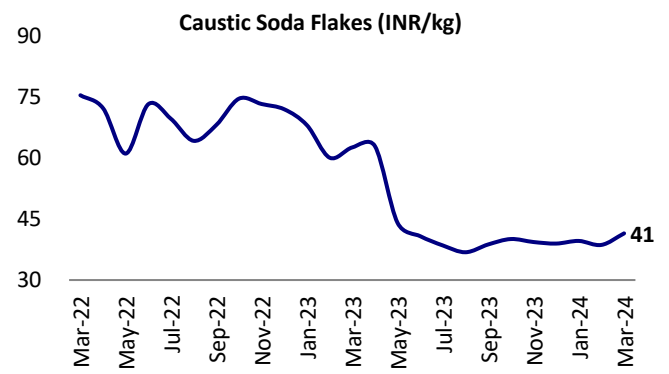
Source: IndiaPetroChem, MOFSL

Exhibit 18: Caustic Soda Lye price down 15% YoY



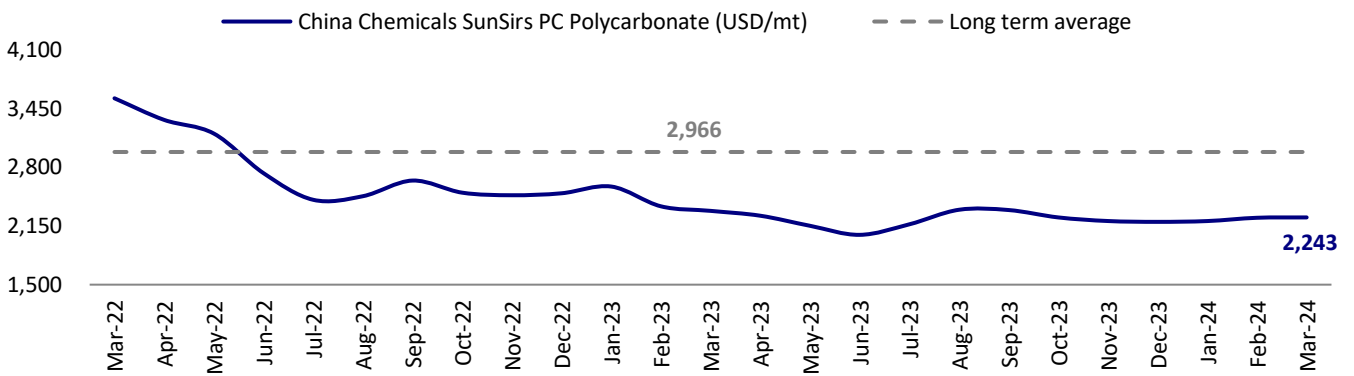
Source: IndiaPetroChem, MOFSL

Exhibit 19: Caustic Soda Flakes price down 34% YoY



Source: IndiaPetroChem, MOFSL

Exhibit 20: Polycarbonate price down 3% YoY



Source: Bloomberg, MOFSL

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

Alkyl Amines

Neutral

CMP: INR1,902 | TP: INR2,120 (+11%)

EPS CHANGE (%): FY24|25: -2|0

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

Standalone - Quarterly Snapshot

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

Atul

Neutral

CMP: INR5,798 | TP: INR5,965 (+3%)

EPS CHANGE (%): FY24|25: -3|-2

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

Consolidated - Quarterly Snapshot

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

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

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

Consolidated - Quarterly Snapshot**(INR m)**

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

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

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

Consolidated - Quarterly Snapshot**(INR m)**

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

Fine Organic

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

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

Standalone - Quarterly Snapshot

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

Galaxy Surfactants

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

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

Consolidated - Quarterly Snapshot

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

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

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

Consolidated - Quarterly Snapshot**(INR m)**

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

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

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

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

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

PI Industries

Buy

CMP INR3,891 | TP: INR4,490 (+15%)

EPS CHANGE (%): FY25 | 26: -1|-1

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

Quarterly Earning Model

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

SRF

Neutral

CMP INR2,523 | TP: INR2,440 (-3%)

EPS CHANGE (%): FY25 | 26: -6|-2

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

Consolidated - Quarterly Earning Model

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

Tata Chemicals

Neutral

CMP INR1,087 | TP: INR980 (-10%)

EPS CHANGE (%): FY25|26: 0|0

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

Consolidated - Quarterly Earning Model

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

Vinati Organics

Buy

CMP: INR1,470 | TP: INR1,850 (+26%)

EPS CHANGE (%): FY24|25: -6|-3

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

Standalone - Quarterly Earning Model

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

Consumer

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

On the course of volume pickup

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

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

Commodity prices stable; gold keeps shining

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

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

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4QFY24 – Key earnings outliers and underperformers

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

Outlook and recommendation

We continue to believe that discretionary categories/companies have better growth potential, driven by factors such as market penetration, deeper distribution reach, GDP multiplier, higher wallet share, etc. However, we do see growth normalization (settling of pent-up demand). We also believe that amid intensifying competition, it will be difficult for many discretionary companies to sustain high margins.

Discretionary companies are also facing the risk of earnings cuts, along with a valuation check. However, we anticipate volume growth for staples companies to bottom out, with limited risk of earnings cuts. Given the comfort level in valuation and earnings, we believe that select staple companies offer a better risk-reward compared to several discretionary companies over the next 12-18 months. We recommend increasing portfolio weights for staples companies. We prefer HUL, GCPL, and Dabur in the staples category. In the discretionary category, we continue to favor the jewelry space and prefer Titan.

Top picks

- **HUL:** We expect that the volume growth has bottomed out and anticipate a gradual volume recovery in FY25. HUL wide product basket and presence across price segments should help the company achieve a steady growth recovery. There is scope for a turnaround in part of BPC and F&R; we will monitor the execution in these segments under the new CEO. The valuation at 45x FY26E EPS is reasonable given its last five-year average P/E of 65x on oneyear forward earning.
- **GCPL:** GCPL is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses. The stock valuation is expensive, but earnings are expected to outperform peers.
- **DABUR:** Recovery in rural markets should support Dabur's portfolio, as it is heavily skewed toward rural areas. In the domestic business, we expect healthcare, oral care, and food business to grow faster than others. The distribution drive will further contribute to rural growth. EBITDA margin has remained in the range of 19-20% for the past several years. The margin is expected to improve in the coming years due to a better mix of products (such as higher healthcare offerings) and increased pricing in high market-share brands. The stock currently trades at a P/E of <40x FY26E EPS.

Exhibit 1: Summary of 4QFY24 earnings estimates

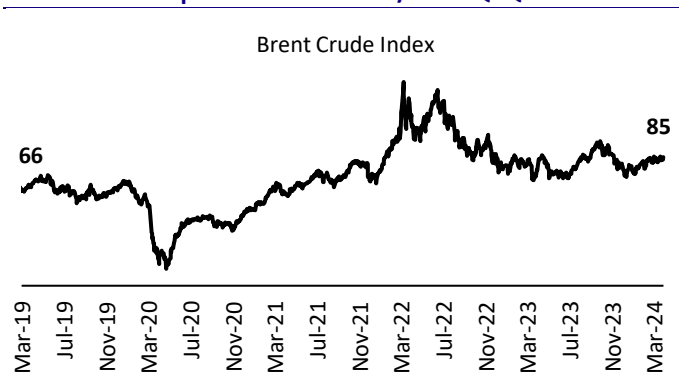
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Asian Paints	2871	Neutral	90,993	3.6	0.0	19,840	6.4	-3.5	13,971	8.9	-5.3
Britannia	4891	Neutral	41,316	2.7	-2.9	8,071	0.8	-1.7	5,648	2.0	0.9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

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

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

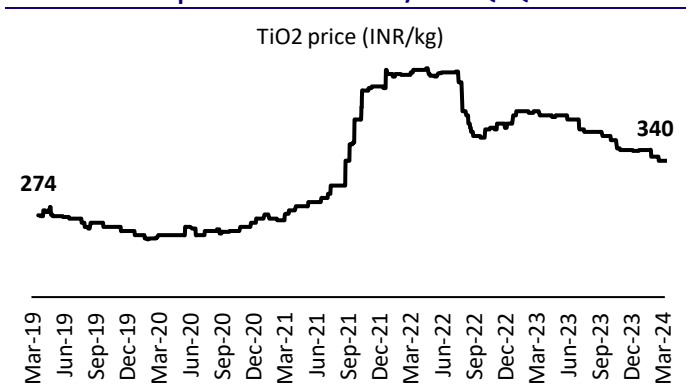
Source: Company, MOFSL

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



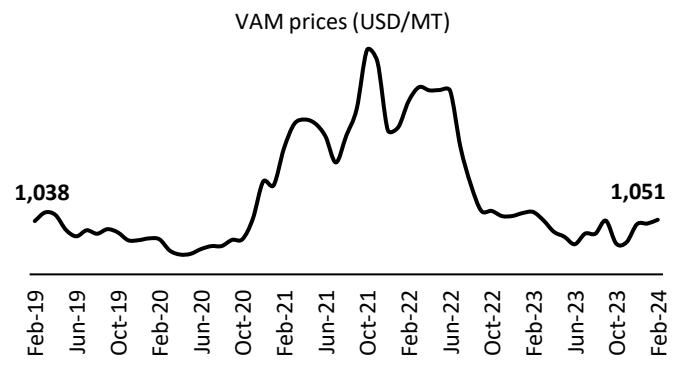
Source: Bloomberg, MOFSL

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



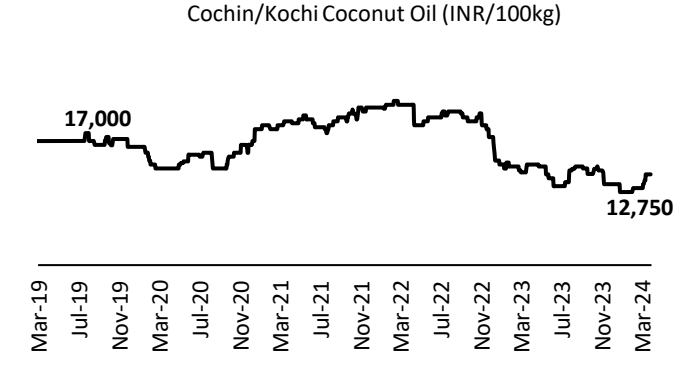
Source: Bloomberg, MOFSL

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



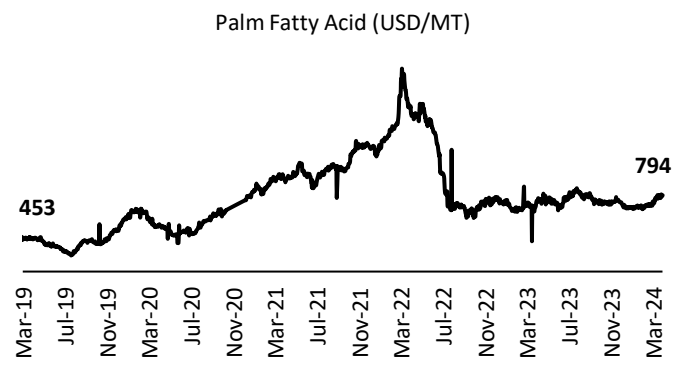
Source: Bloomberg, MOFSL

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



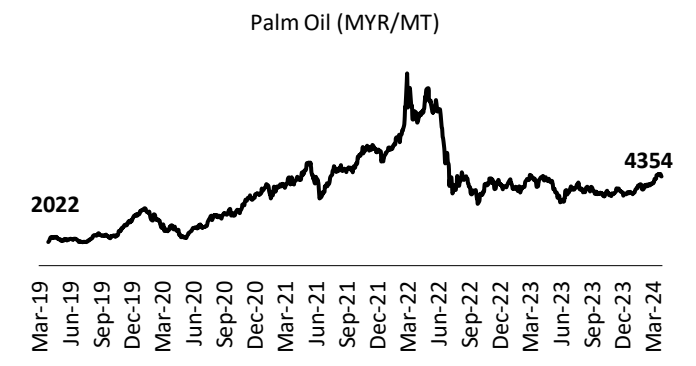
Source: Company, MOFSL

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



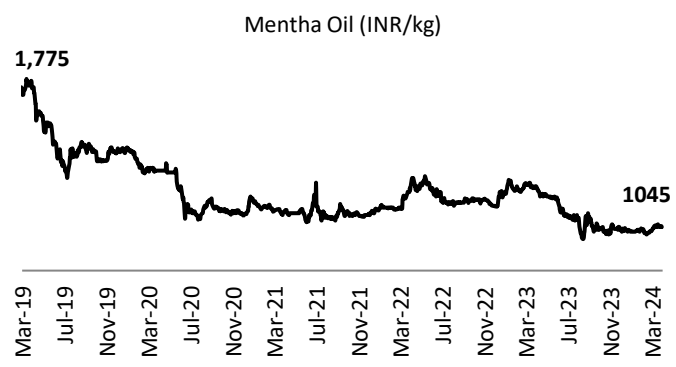
Source: Bloomberg, MOFSL

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



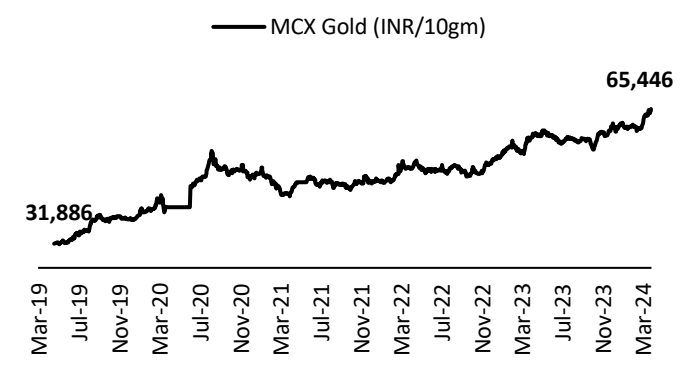
Source: Bloomberg, MOFSL

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



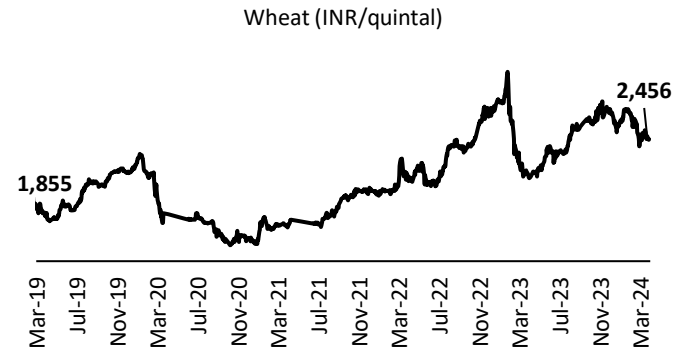
Source: Bloomberg, MOFSL

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



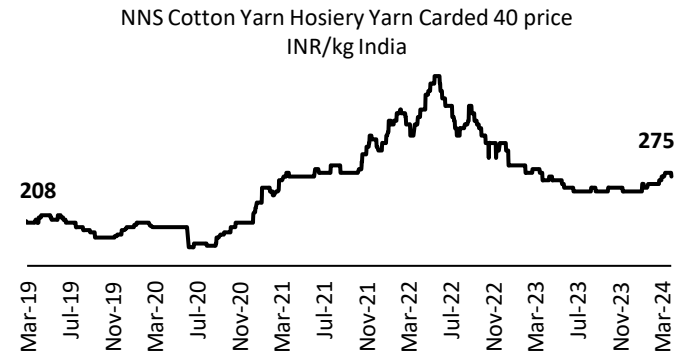
Source: Bloomberg, MOFSL

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



Source: Bloomberg, MOFSL

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

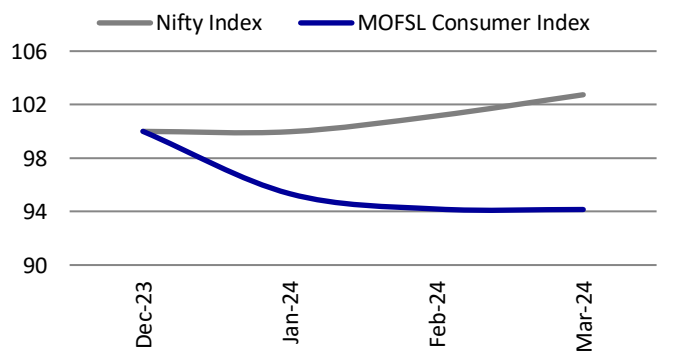


Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuation

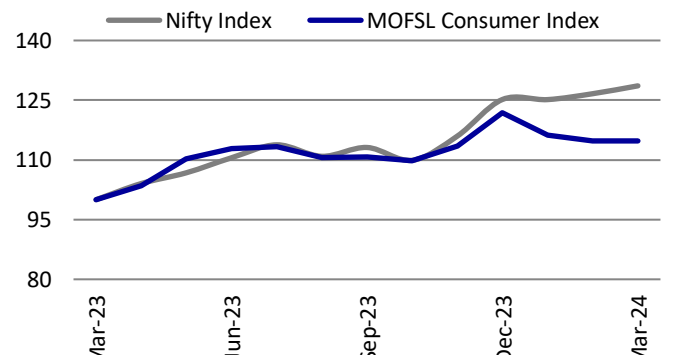
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Consumer			47.1	43.5	39.3	12.2	11.2	10.4	25.8	25.7	26.5			
Asian Paints	2,871	Neutral	59.2	59.3	64.3	48.1	48.4	44.7	15.7	14.5	13.1	34.1	31.3	30.8
Britannia	4,891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

Exhibit 12: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 13: One-year relative performance (%)



Source: MOFSL, Company

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

Asian Paints										Neutral
CMP: INR2,871 TP: INR3,150 (-10%)					EPS CHANGE (%): FY25 FY26: -3.2 -4.4					
■ We expect 9% YoY volume growth in 4QFY24.					■ TiO2 to decline 13.3% YoY/3.0% QoQ in 4QFY24.					
■ We expect gross margin to expand 100bp YoY/flat on QoQ.					■ Despite implementing price cuts in 4Q, volume has not recovered. We believe that demand remained subdued throughout the quarter.					

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

E: MOFSL Estimates

Britannia Industries										Neutral
CMP: INR4,891 TP: INR 5,200 (6%)					EPS CHANGE (%): FY25 FY26: 0.5 0.3					
■ We expect ~4% volume growth (pack growth) in 4Q.					■ The upward surge seen in raw material prices in anticipation of low supply.					
■ We expect gross margin and EBITDA margin decline of 90bp and 40bp YoY.					■ Look out for pack growth; likely to implement grammage addition to remain competitive.					

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

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

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

Quarterly Performance**(INR m)**

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

E: MOFSL Estimates

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

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

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

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

E: MOFSL Estimates

Emami**Buy****CMP: INR440 | TP: INR550 (+25%)****EPS CHANGE (%): FY25 | FY26: -1.5 | -2.0**

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

Consol. Quarterly performance**(INR m)**

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

E: MOFSL Estimates

Godrej Consumer**Buy****CMP: INR1,227 | TP: INR1,500 (+22%)****EPS CHANGE (%): FY25 | FY26: -0.3 | 0.1**

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

Quarterly Performance (Consolidated)**(INR m)**

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

E: MOFSL Estimate

Hindustan Unilever**Buy****CMP: INR2,287 | TP: INR2,900 (+27%)****EPS CHANGE (%): FY25|FY26: -2.0|-1.7**

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

Quarterly performance (Consolidated)**(INR m)**

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

E: MOFSL Estimates

Indigo Paints**Buy****CMP: INR1,317 | TP: INR1,600 (+21%)****EPS CHANGE (%): FY25|FY26: -9.4|-15.6**

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

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

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

E: MOFSL Estimates

ITC

Buy

CMP: INR427 | TP: INR500 (+17%)

EPS CHANGE (%): FY25|FY26: -0.0|0.2

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

Consol. Quarterly Performance

(INR m)

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

Jyothy Labs.

Neutral

CMP: INR444 | TP: INR475 (7%)

EPS CHANGE (%): FY25|FY26: -1.6|-2.7

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

Consol. Quarterly Performance

(INR m)

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

E: MOFSL Estimates

Marico**Buy****CMP: INR496 | TP: INR625 (+26%)****EPS CHANGE (%): FY25 | FY26: -2.2 | -3.0**

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

Quarterly Performance**(INR m)**

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

E: MOFSL Estimates

Nestlé India**Neutral****CMP: INR2,586 | TP: INR2,400 (-7%)****EPS CHANGE (%): FY25 | FY26: -2.2 | -0.1**

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

Quarterly performance**(INR m)**

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

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

Page Industries

Neutral

CMP: INR34,729 | TP: INR36,500 (5%)

EPS CHANGE (%): FY25|FY26: 0.0|1.8

- Expect 9.8% YoY increase in revenue on the back of seasonality and base effect.
- Watch out for athleisure demand momentum.

- We expect gross margin and EBITDA margin increase of 150bp/430bp YoY in 4QFY24.
- Watch out for commentaries on recovery in rural demand and in kids and women athleisure

Quarterly performance

(INR m)

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

E: MOFSL Estimates

P&G Hygiene

Neutral

CMP: INR16,599 | TP: INR17,000 (2%)

EPS CHANGE (%): FY24|25: 0.0|0.0

- Sales to grow 6% YoY in 3QFY24 (June year-end).
- Cost structure will be affected by the high price of commodity with no sign of reduction.

- We expect gross margin and EBITDA margin increase of 250bp/460bp YoY in 3QFY24 (June year-end).
- A&P spending and demand outlook are key monitorables.

Standalone - Quarterly Earnings

(INR m)

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

E: MOFSL Estimates

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

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

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

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

E: MOFSL Estimates

Tata Consumer Products**Buy****CMP: INR1,087 | TP: INR1,370 (+26%)****EPS CHANGE (%): FY25|FY26: 0|0**

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

Consolidated - Quarterly Earning Model**(INRm)**

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

United Breweries

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

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

Standalone Quarterly Performance

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

E: MOFSL Estimates

United Spirits

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

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

Quarterly Performance

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

E: MOFSL Estimate

Varun Beverages

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

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

Consolidated - Quarterly Earning Model

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

Company

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

QSR - Demand environment likely to remain soft

Near-term outlook remains cautious

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

Outliers: RBA, Jubilant

Underperformers: Devyani, Sapphire, Westlife

Exhibit 14: Summary of 4QFY24 earnings estimates

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

Barbeque Nation Hospitality**Neutral****CMP: INR522 | TP: INR600 (15%)****EPS CHANGE (%): FY25 | FY26: -|-**

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

Quarterly Performance**(INR m)**

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

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

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

Quarterly Performance**(INR m)**

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

E: MOFSL Estimates

Jubilant FoodWorks**Neutral**

CMP: INR455 | TP: INR520 (14%)

EPS CHANGE (%): FY25 | FY26: -3.4 | -6.8

- LFL for 4QFY24 is expected to remain flat.
- We expect gross margin increase of 80bp to 76.1% YoY.
- We expect net additions of 49 Domino's outlets in 4QFY24.
- Revenue growth likely at 5.9% YoY due to store additions and SSS

Quarterly Standalone Perf.

(INR m)

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

E: MOFSL Estimates

Restaurants Brand Asia**Buy**

CMP: INR108 | TP: INR140 (24%)

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

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

Quarterly Standalone Performance

(INR m)

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

E: MOFSL Estimates

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

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

Quarterly Performance**(INR m)**

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

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

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

Consolidated quarterly performance**(INR m)**

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

E: MOFSL Estimates

Company

Kaynes Technologies

Avalon Technologies

Cyient DLM

Syrma SGS

Data Patterns

Revenue trajectory expected to remain robust**Revenue/EBITDA to grow ~36%/27% YoY in 4QFY24**

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

KAYNES continues to report the highest YoY EBITDA growth

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

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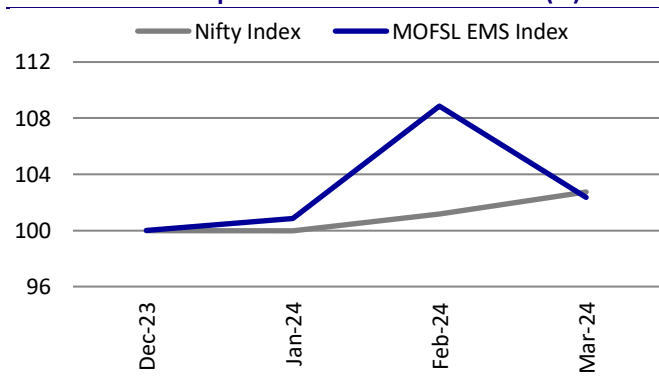
- **CYIENTDL:** We are expecting the company to report revenue growth of 37%/25% YoY in 4QFY24, while margin is expected to contract 100bp YoY, largely due to elevated SG&A and ESOP costs, which were not present in 4QFY23. Orderbook is expected to remain at par with 3QFY24.
- **DATAPATT:** We are expecting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

Exhibit 1: Summary of 4QFY24 estimates

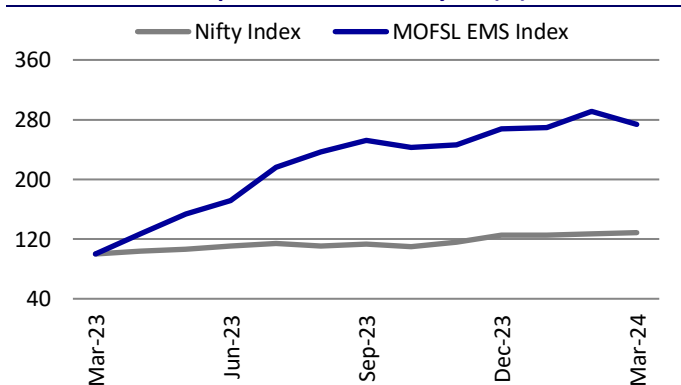
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Avalon Tech	506	Buy	2,174	-20.0	1.5	181	-56.0	9.3	77	-66.0	17.5
Cyient DLM	705	Buy	3,802	37.1	18.4	398	24.6	35.1	238	88.8	28.8
Data Pattern	2561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

Exhibit 2: Valuation Summary

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

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

Source: Bloomberg, MOFSL

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

Source: Bloomberg, MOFSL

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

Keynes Technologies

Buy

CMP INR2,793 | TP: INR3,300 (+18%)

EPS CHANGE (%): FY25|26: -1|0

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

Consolidated - Quarterly Earning Model

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

Avalon Technologies

Buy

CMP INR506 | TP: INR600 (+19%)

EPS CHANGE (%): FY25|26: -9|-2

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

Consolidated - Quarterly Earning Model

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

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

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

Consolidated - Quarterly Earning Model

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

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

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

Consolidated - Quarterly Earning Model

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

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

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

Consolidated - Quarterly Earning Model**(INRm)**

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

Financials: Banks

4QFY24 earnings estimate (INR b)

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

Earnings to remain steady; NIM contraction to ease

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

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

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

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

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

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

SFBs – Mixed performance; NIM moderation to continue

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

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

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

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

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

Other monitorables

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

Top picks – ICICIB, IIB and SBIN

ICICIB: Financial snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
NII	621	744	845
OP	491	578	662
NP	319	408	455
NIM (%)	4.7	4.8	4.6
EPS (INR)	45.8	58.4	65.2
EPS Gr (%)	36.0	27.6	11.6
ABV/Sh (INR)	267	317	373
BV/Sh (INR)*	306	365	435

Ratios

RoE (%)	17.5	19.0	18.1
RoA (%)	2.1	2.4	2.2

Valuations

P/BV (x) (Cons)	3.5	3.0	2.5
P/ABV (x)	3.3	2.8	2.4
P/E (x)	19.1	15.0	13.4

*Cons.

IIB: Financial snapshot (INR b)

Y/E MARCH	FY23	FY24E	FY25E
NII	175.9	207.3	241.0
OP	144.2	159.4	184.6
NP	74.4	90.4	107.3
NIM (%)	4.1	4.3	4.3
EPS (INR)	96.0	116.6	138.4
EPS Gr. (%)	54.7	21.4	18.7
BV/Sh. (INR)	707	808	930
ABV/Sh. (INR)	691	791	913

Ratios

RoE (%)	14.5	15.4	16.0
RoA (%)	1.7	1.9	1.9

Valuations

P/E (X)	16.1	13.3	11.2
P/BV (X)	2.2	1.9	1.7
P/ABV (X)	2.2	2.0	1.7

ICICIB (Buy)

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

IIB (Buy)

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

SBI: Financial snapshot (INR b)

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

SBI (Buy)

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

Exhibit 1: Summary of 4QFY24 earnings estimates

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

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

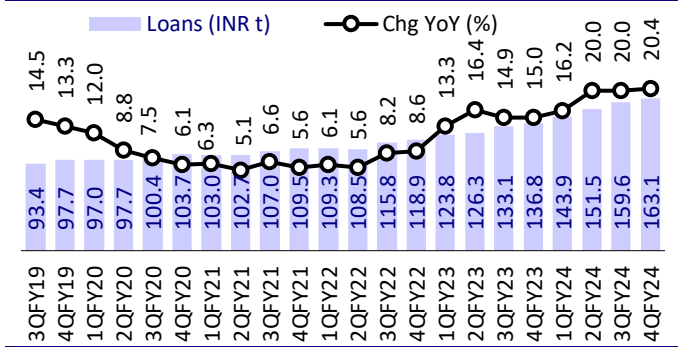


Exhibit 3: Deposit growth inches up to 13.7%

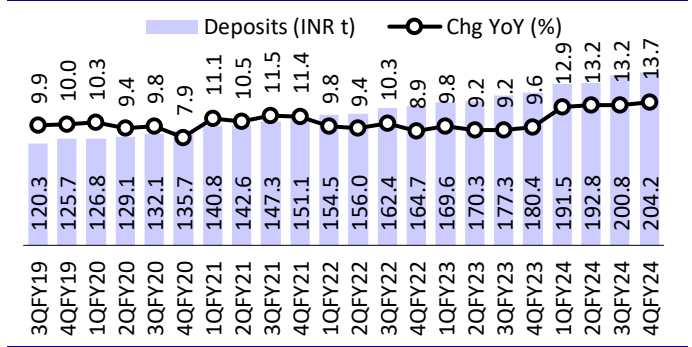


Exhibit 4: Margins expected to compress further

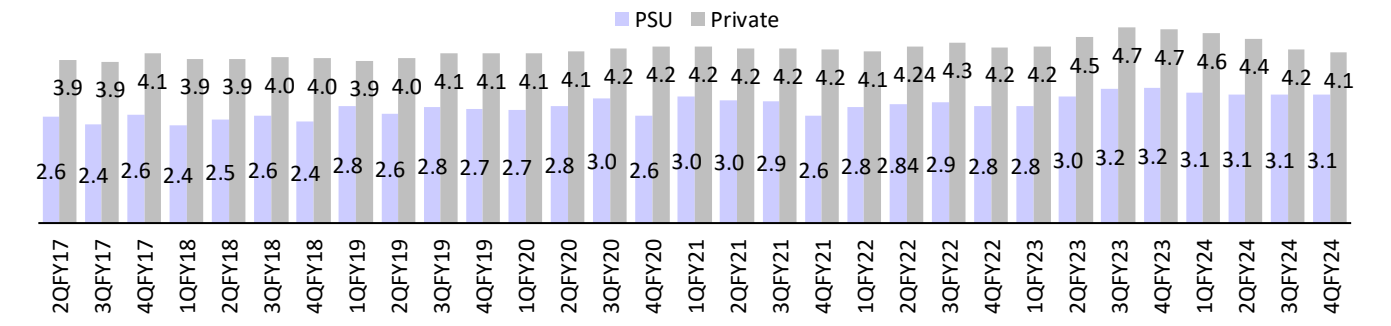


Exhibit 5: Earnings progression on track

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

Large banks continue to carry additional provision buffers

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

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

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

Source: MOFSL, Company

Exhibit 7: Snapshot of AIF provision as of 3QFY24

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

Source: MOFSL, Company

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

Exhibit 8: Snapshot of restructured book across banks

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

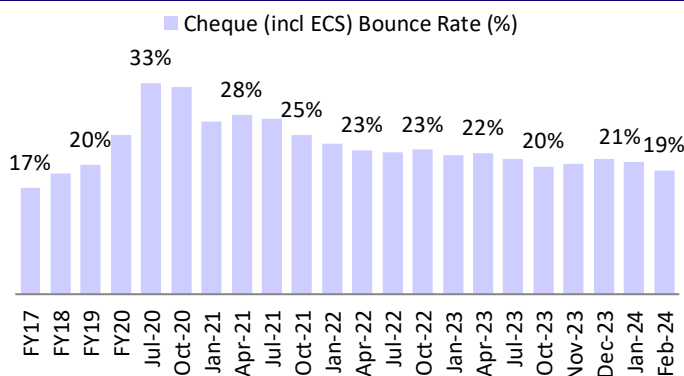
Source: MOFSL, Company

Exhibit 9: SMA book across banks as of 3QFY24

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

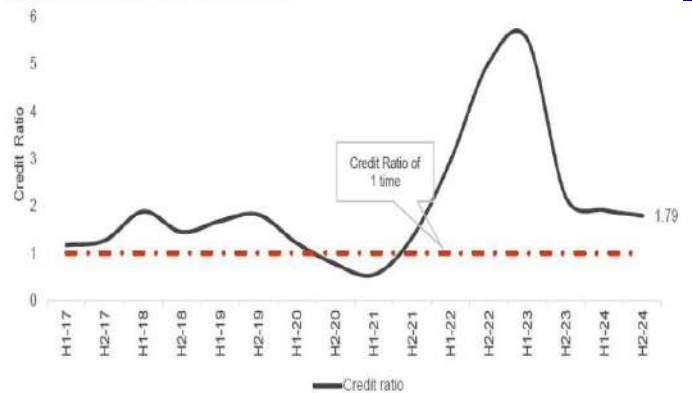
Source: MOFSL, Company

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



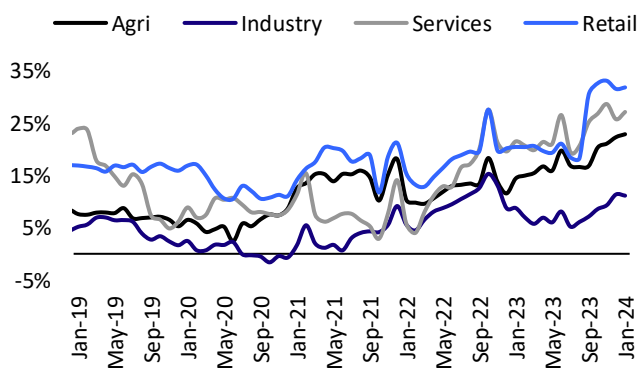
Source: MOFSL, NPCI

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



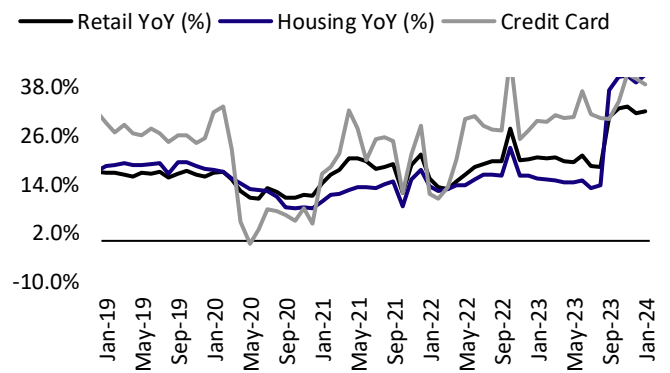
Source: MOFSL, CRISIL

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



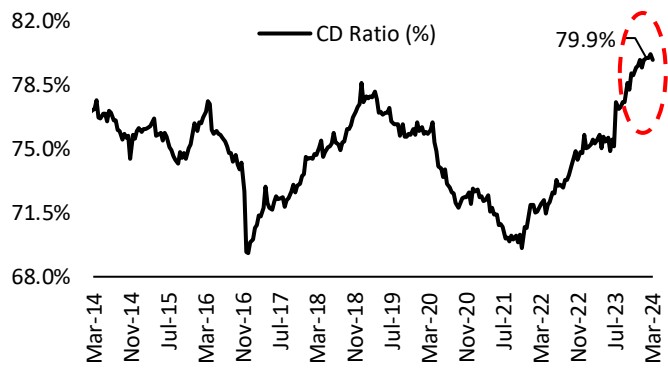
Source: MOFSL, RBI

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



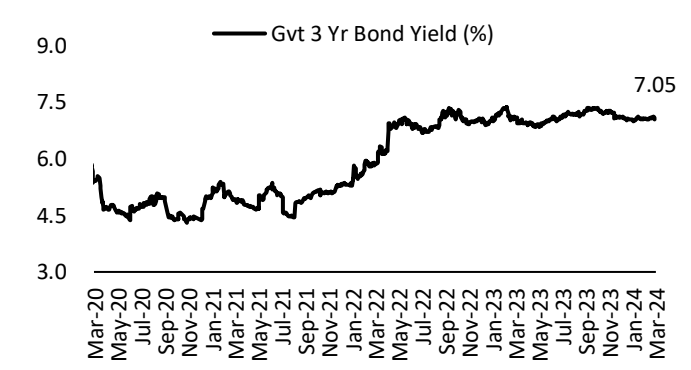
Source: MOFSL, RBI

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



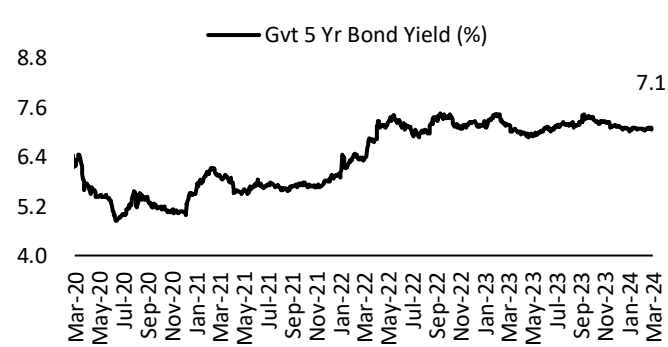
Source: MOFSL, RBI

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



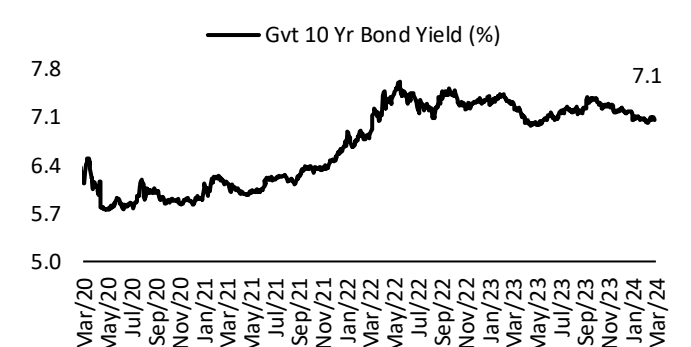
Source: MOFSL, BBG

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



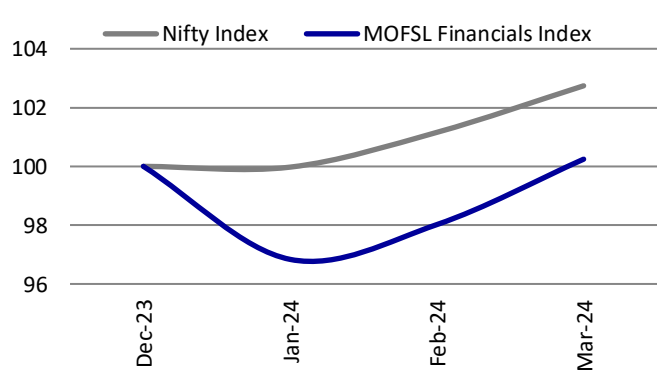
Source: MOFSL, BBG

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



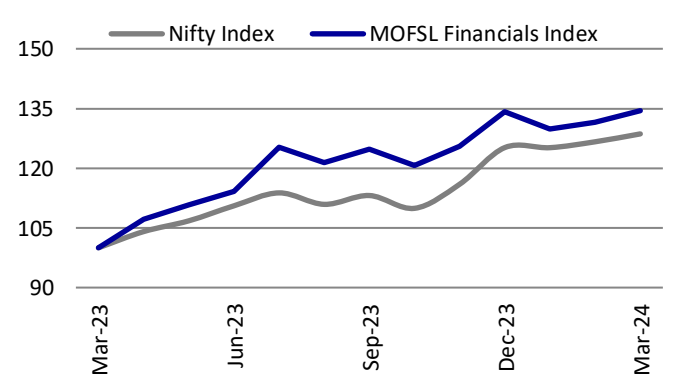
Source: MOFSL, BBG

Exhibit 18: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 19: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 20: Valuation summary

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

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

AU Small Finance Bank

Buy

CMP: INR605 | TP: INR720 (+19%)

EPS CHANGE (%): FY24|FY25: -0.1|-1.5

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

Quarterly Performance

(INR m)

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

Axis Bank

Neutral

CMP: INR1063 | TP: INR1,175 (+10%)

EPS CHANGE (%): FY24|FY25: -0.1|-3.7

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

Quarterly Performance

(INR m)

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

Bandhan Bank**Neutral**

CMP: INR191 | TP: INR225 (+18%)

EPS CHANGE (%): FY24|FY25: -7.2|-10.8

- Expect NIM moderation to continue
- Expect asset quality to improve and credit cost to be under control

- Expect business growth to pick up amid seasonal pick-up
- Cost ratios expected to remain elevated

Quarterly Performance

(INR b)

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

E: MOFSL Estimates

Bank of Baroda**Buy**

CMP: INR274 | TP: INR310 (+13%)

EPS CHANGE (%): FY24|FY25: -1.0|-1.5

- Expect earnings and business growth to remain healthy
- Expect asset quality to improve further; credit cost is likely to remain in control

- Margins expected to moderate slightly
- Loan growth development and opex to be key monitorables

Quarterly Performance

(INR b)

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

Canara Bank**Buy**

CMP: INR606 | TP: INR650 (+7%)

EPS CHANGE (%): FY24|FY25: 0.9|-2.8

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

Quarterly Performance

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

E: MOFSL Estimates

DCB Bank**Neutral**

CMP: INR127 | TP: INR145 (14%)

EPS CHANGE (%): FY24|FY25: -1.2|0.4

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

Quarterly Performance

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

E: MOFSL Estimates

Equitas Small Finance Bank**Buy****CMP: INR97 | TP: INR125 (+29%)****EPS CHANGE (%): FY24|FY25: -0.8|-1.6**

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

Quarterly Performance**INRm**

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

Federal Bank**Buy****CMP: INR155 | TP: INR175 (+13%)****EPS CHANGE (%): FY24|FY25: -1.5|-1.4**

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

Quarterly Performance**(INR b)**

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

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

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

Quarterly Performance**(INR b)**

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

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

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

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

Quarterly Performance**(INR b)**

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

IDFC First Bank**Neutral****CMP: INR78 | TP: INR85 (8%)****EPS CHANGE (%): FY24|FY25: -6.3|-5.0**

- Expect loan traction to remain healthy, aided by Retail
- Credit cost expected to moderate from 3Q levels

- Asset quality to remain broadly stable
- Traction in deposit growth and movement in cost ratios to be in focus

Quarterly Performance**(INR b)**

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

E: MOFSL Estimates

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

- Expect loan growth to remain healthy; deposit traction would be closely monitored
- Expect margins to be stable

- Expect asset quality to remain broadly stable
- Credit cost to remain under control

Quarterly Performance**(INR b)**

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

Indian Bank**Buy**

CMP: INR529 | TP: INR600 (+13%)

EPS CHANGE (%): FY24|FY25: 0.2|-0.5

- Expect loan growth to remain healthy
- Margin to remain broadly stable

- Earnings growth to remain on track
- Expect asset quality ratios to improve

Quarterly Performance

(INR b)

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

E: MOFSL Estimates

Kotak Mahindra Bank**Neutral**

CMP: INR1,732 | TP: INR2,000 (+16%)

EPS CHANGE (%): FY24|FY25: -3.5|-4.5

- Expect steady traction in loan growth
- Margins to compress further

- Expect liability growth to remain healthy
- Asset quality to remain in control

Quarterly Performance

(INR b)

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

E: MOFSL Estimates

Punjab National Bank**Neutral**

CMP: INR135 | TP: INR120 (-11%)

EPS CHANGE (%): FY24|FY25: -0.4|2.5

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

Quarterly Performance

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

E: MOFSL Estimates

RBL Bank**Neutral**

CMP: INR252 | TP: INR270 (7%)

EPS CHANGE (%): FY24|FY25: 0.9|-0.7

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

Quarterly Performance

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

E: MOFSL Estimates

State Bank of India

Buy

CMP: INR771 | TP: INR860 (+12%)

EPS CHANGE (%): FY24|FY25: 1.0|-2.2

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

Quarterly Performance

(INR b)

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

E: MOFSL Estimates

Union Bank of India

Buy

CMP: INR157 | TP: INR175 (+11%)

EPS CHANGE (%): FY24|FY25: 1.2|-1.8

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

Quarterly Performance

(INR b)

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

SBI Cards and Payment Services**Neutral**

CMP: INR695 | TP: INR850 (+22%)

EPS CHANGE (%): FY24|FY25: -2.8|0.4

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

Quarterly Performance

(INR b)

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

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

Paytm**Neutral**

CMP: INR411 | TP: INR475 (+16%)

Adj EBITDA CHANGE (%): FY24|FY25: NA|NA

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

Quarterly Performance

(INR b)

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

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

Financials - NBFCs

Company

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

Loan growth strong; rising CoF an impediment to NIM expansion

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

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

Demand improves in mortgages; NIM compression to sustain

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

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

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

Vehicle finance – NIM to remain stable or exhibit minor compression

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

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

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

Microfinance – mixed outlook; AUM growth healthy but slippages continue

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

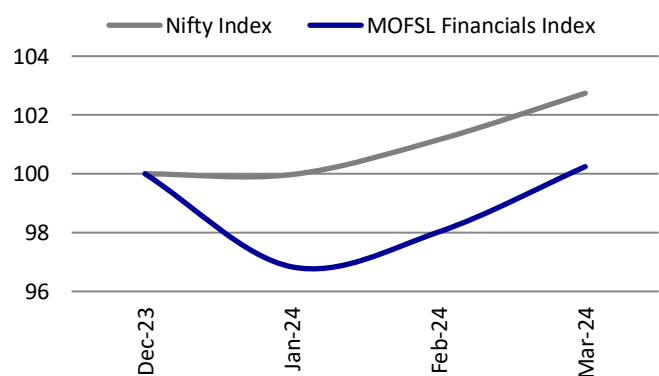
Diversified financiers: Going strong barring some calibration in personal loans

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

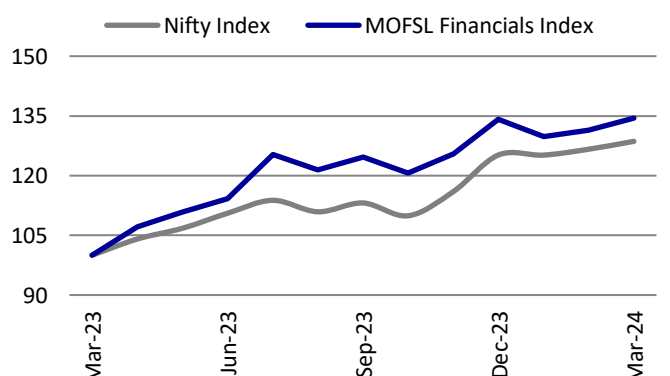
- Poonawalla reported ~54% YoY growth in standalone AUM, driven by ~11% QoQ growth in disbursements. We estimate this to translate into ~15% QoQ PAT growth for the company.
- For IIFL Finance, we estimate a consolidated AUM growth of 23% YoY. This factors in a ~5% QoQ decline in its gold loan book, primarily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

Exhibit 1: Quarterly performance

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

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

Source: Bloomberg, MOFSL

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

Source: Bloomberg, MOFSL

Exhibit 4: EPS estimate changes for FY24-26

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

Source: MOFSL, Company

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

Aavas Financiers		Neutral
CMP: INR1,418 TP: INR1,480 (4%)		EPS CHANGE (%): FY24 25 26: -0.1 1.6 1.5
■ AUM/disbursements are likely to grow 22%/14% YoY	■ Opex is likely to remain elevated, owing to investments in technology/distribution, and branch additions	
■ We expect NIM to expand ~5bp QoQ. Upfront assignment income is estimated at ~INR490m.	■ Commentaries on loan growth, margin trajectory, and employee attrition are the key monitorables.	

Quarterly Performance (INR m)

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

Bajaj Finance		Buy
CMP INR7,249 TP: INR8,550 (+18%)		EPS CHANGE (%): FY24 25 26: -0.2 1.0 1.0
■ BAF is likely to report an AUM growth of 35% YoY/ 7% QoQ	■ Opex is likely to remain stable with CIR at 34%	
■ Margin is likely to contract ~20bp QoQ	■ Credit costs are expected to decline ~5bp QoQ to ~1.65%	

Quarterly Performance (INR m)

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

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

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

Quarterly Performance (INR m)

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

Cholamandalam Inv. & Fin.**Buy****CMP INR1,186 | TP: INR1,410 (+19%)****EPS CHANGE (%): FY24|25|26: -3.2|-0.3|-0.4**

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

Quarterly Performance (INR m)

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

CreditAccess Grameen**Buy**

CMP INR1,409 | | TP: INR1,760 (+25%)

EPS CHANGE (%): FY24|25|26: 0.0|0.0|0.0

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

CRETAG: Quarterly Performance (INR m)

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

Fusion Microfinance**Buy**

CMP INR482 | | TP: INR610 (+27%)

EPS CHANGE (%): FY24|25|26: 0.0|-2.3|-2.3

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

Fusion: Quarterly Performance (INR m)

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

Home First Finance Company

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

- Estimate a robust AUM growth of ~34% YoY/7% QoQ
- Margin is projected to contract ~15bp in 4QFY24

- Cost ratios are expected to remain stable at ~36%
- Outlook on loan growth, margins, and delinquencies are the key monitorables

Quarterly Performance (INR m)

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

IIFL Finance

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

- Estimate AUM growth of ~23% YoY/3% QoQ
- Estimate PAT of INR4.8b in 4QFY24 (PQ: INR4.9b)

- Cost ratios are likely to remain stable on a sequential basis
- Outlook on gold loan business, loan growth and margins are the key monitorables

Quarterly Performance (INR m)

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

L&T Finance Holdings**Buy****CMP INR163 | TP: INR200 (+22%)****EPS CHANGE (%): FY24|25|26: 0.1|2.1|1.9**

- Reported Retail loan book growth of 31%YoY
- Anticipate credit costs to decline to ~2.3% (annualized) in 4QFY24 (vs. ~2.6% in 3QFY24)

- NIM is expected to improve ~10bp to ~11% QoQ
- Opex to remain elevated with cost-to-income ratio at ~40%

Quarterly performance (INR m)

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

LIC Housing Finance**Buy****CMP INR637 | TP: INR755 (+19%)****EPS CHANGE (%): FY24|25|26: 0.0|0.0|0.0**

- Expect loan growth of ~4% YoY with a fairly stable mix
- Estimate annualized credit costs of ~55bp in 4QFY24 vs. ~60bp in 3QFY24

- Yields are expected to decline on a sequential basis, leading to ~10bp compression in NIM
- Commentaries on slippages from restructured pool, mortgage demand, and guidance on margins are the key monitorables

Quarterly Performance (INR m)

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

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

- Reported 4QFY24 disbursement growth of ~11% YoY
- We expect ~5bp QoQ expansion in margin

- Estimate credit costs of ~0.5% in 4QFY24 (vs. ~1.4% QoQ)
- Commentaries on margins, credit costs, and loan growth are the key monitorables

Quarterly Performance (INR m)

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

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

- Expect gold AUM/consolidated AUM to grow ~3%/7% on a sequential basis
- Factored in a margin increase of ~5bp QoQ and a spread decline of ~30bp in the consolidated loan book

- Expect credit costs to remain stable at ~1.6%
- Commentaries on gold loan growth and asset quality in the MFI and Vehicle segments are the key monitorables

MGFL - Quarterly Performance (Consolidated, INR m)

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

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

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

Quarterly Performance (INR m)

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

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

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

Quarterly Performance (INR m)

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

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

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

Quarterly performance (INR m)

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

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

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

Quarterly Performance (Standalone, INR m)

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

Repro Home Finance**Neutral****CMP INR448 | TP: INR475 (6%)****EPS CHANGE (%): FY24|25|26: -0.1|-1.0|0.1**

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

Quarterly performance (INR m)

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

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

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

Quarterly Performance (INR m)

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

Spandana Sphoorty**Buy****CMP INR882 | TP: INR1,140 (+29%)****EPS CHANGE (%): FY24|25|26: -0.6|1.8|0.5**

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

Quarterly Performance (INR m)

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

Financials – Non Lending

Company

BSE

CAMS

ICICI Lombard

ICICI Securities

IIFL Wealth

MCX

Star Health

HDFC Life

IPRU Life

SBI Life

Max Financials

Capital markets-linked companies to deliver decent performance

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

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

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

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

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

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

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

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

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

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

Exhibit 1: Summary of 4QFY24 earnings estimates

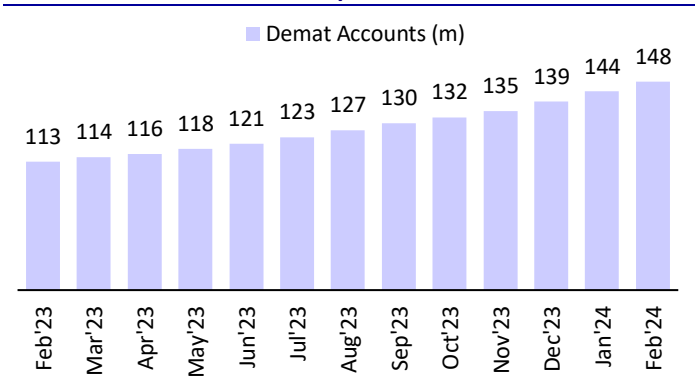
Sector	CMP (INR)	Rating	Revenue/NEP/ Gross Prem (INR m)			EBITDA/PBT/UP/VNB (INR m)			Net profit (INR m)		
			Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)
ICICI Sec	724	UR	13,527	53.0	2.0	6,264	77.0	0.0	4,779	82.0	3.0
360 One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

Under review: UR

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

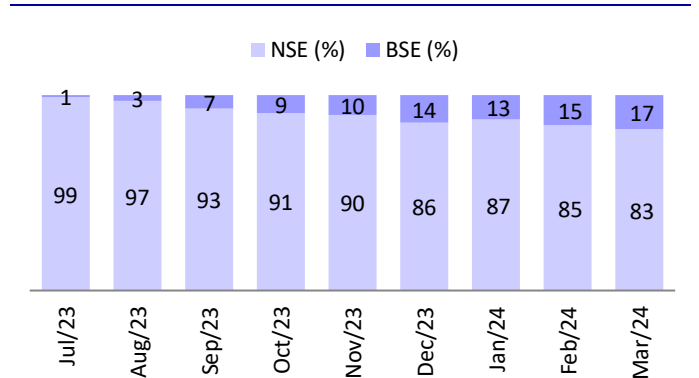
Company	Old estimates (INR)		New estimates (INR)		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
ICICI Sec	57.2	65.3	56	63.8	-2.20%	-2.20%
360 One	26.6	31.1	25.3	30.5	-4.80%	-2.00%
CAMS	84.9	103.4	84.8	102.5	-0.10%	-0.80%
BSE	60.6	73.3	70	82.1	15.50%	12.10%
MCX	76.7	90.2	95	117.9	23.90%	30.60%
Star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

Exhibit 3: Demat accounts surpass 148m



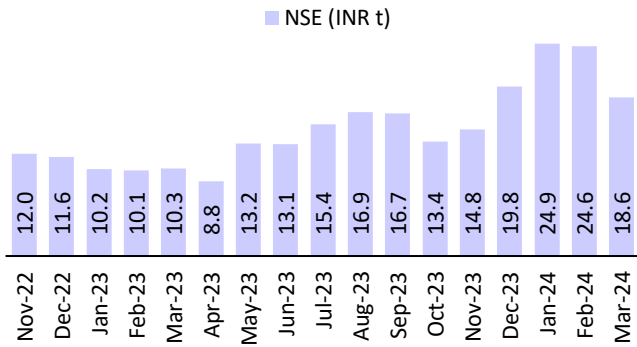
Source: NSDL, CDSL MOFSL

Exhibit 4: BSE seeing increasing market share in notional turnover



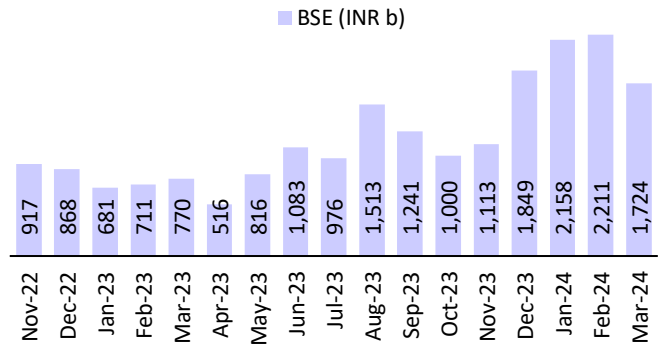
Source: NSE, MOFSL

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



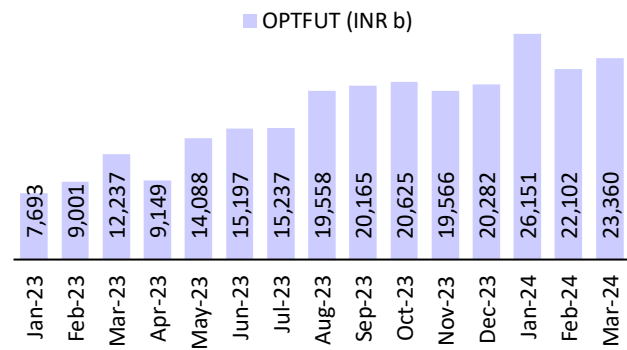
Source: NSE, MOFSL

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



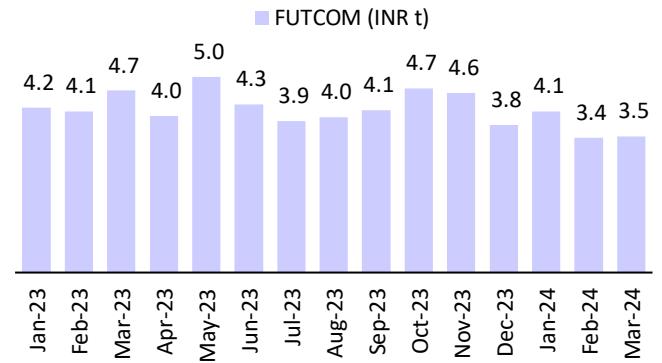
Source: BSE, MOFSL

Exhibit 7: MCX Option volumes surge



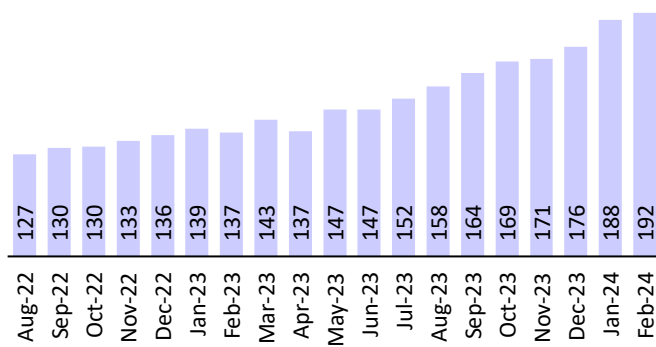
Source: MCX, MOFSL

Exhibit 8: MCX Futures volumes moderated



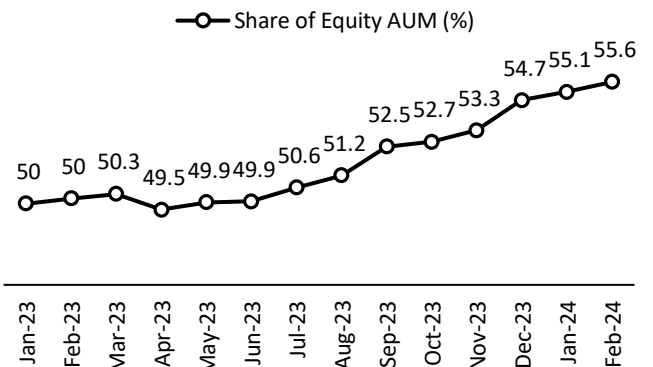
Source: MCX, MOFSL

Exhibit 9: SIP flows remain strong (INR b)



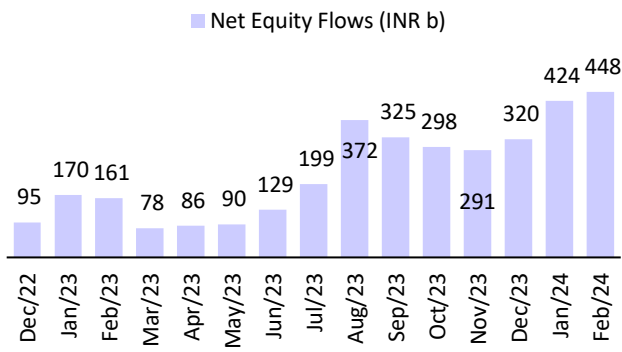
Source: AMFI, MOFSL

Exhibit 10: Share of equity AUM improved



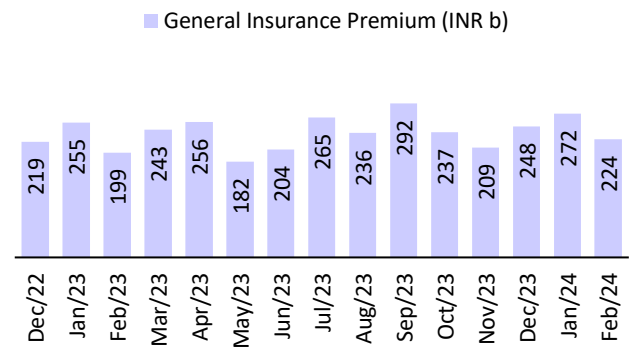
Source: AMFI, MOFSL

Exhibit 11: Net equity flows remained healthy



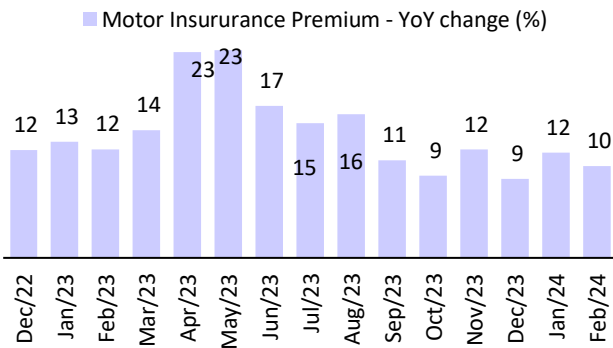
Source: AMFI, MOFSL

Exhibit 12: Steady trend in general insurance premium



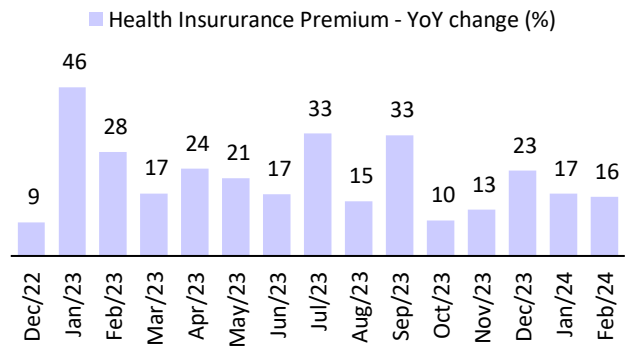
Source: GIC, MOFSL

Exhibit 13: Motor premium growth remains steady



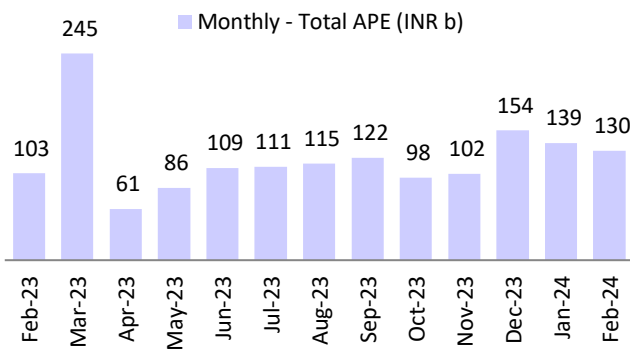
Source: GIC, MOFSL

Exhibit 14: Steady Health segment growth



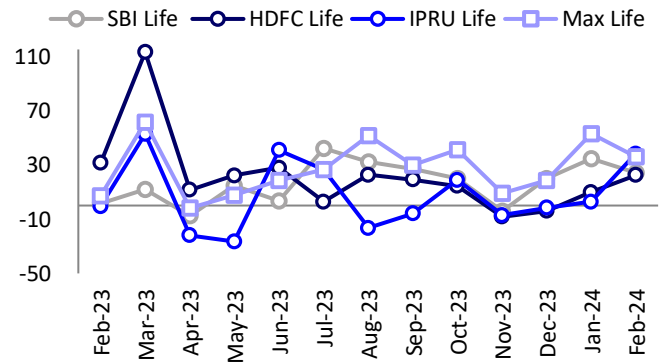
Source: GIC, MOFSL

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



Source: Life insurance council , MOFSL

Exhibit 16: Total APE YoY growth for private listed players



Source: Life insurance council , MOFSL

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

ICICI Securities Under review

CMP INR724 | Under Review

EPS CHANGE (%): FY25|26: -2.2|-2.2

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

Quarterly Performance

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

CAMS

Buy

CMP INR2,993 | TP: INR3450 (+15%)

EPS CHANGE (%): FY25|26: +0|-0.8

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

Quarterly Performance

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

360ONE WAM**Buy****CMP INR688 | TP: INR840 (+22%)****EPS CHANGE (%): FY25|26: -4.8|-2.0**

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

Quarterly performance

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

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

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

Quarterly Performance

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

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

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

Quarterly Performance

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

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

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

Cons. Quarterly perf.

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

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

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

Quarterly Performance

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

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

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

Quarterly performance (INR b)

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

ICICI Prudential Life**Buy****CMP: INR616 | TP: INR700 (14%)****VNB CHANGE (%): FY25|26: +1.2|+0.9**

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

Quarterly Performance (INR b)

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

SBI Life**Buy****CMP: INR1,490 | TP: INR1,700 (+15%)****VNB CHANGE (%): FY24|25: +|+1.7**

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

Quarterly Performance (INR b)

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

Max Financial**Neutral****CMP: INR1017 | TP: INR1040 (2%)****VNB CHANGE (%): FY25|26: +9.2|+9.1**

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

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

Healthcare

Company

Alembic Pharma.

Alkem Lab.

Ajanta Pharma

Apollo Hospitals

Aurobindo Pharma

Biocon

Zydus Lifesciences.

Cipla

Divi's Lab.

Dr. Reddy's Lab.

Eris Lifesciences

Gland Pharma

Glenmark Pharma.

Global Health

Granules India

GSK Pharma.

IPCA Lab.

Laurus Labs

Lupin

Max Healthcare

Piramal Pharma

Sun Pharma.

Torrent Pharma.

The US generics to drive sales growth and profitability

Improved domestic formulation growth to further support earnings

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

DF: double-digit YoY growth after seven quarters

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

The US generics: Niche launches will continue to dominate growth

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

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

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

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

Gland and LPC to outperform within the healthcare pack

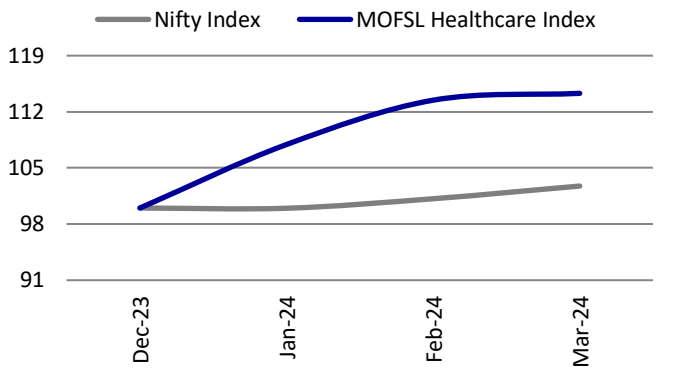
- In 4QFY24, we expect TRP/DRRD/ARBP to deliver 66%/52%/40% YoY earnings growth fueled by better traction in existing products and new launches. We project GNP to report an earnings decline of 39% YoY, due to: 1) a decline in the US business, b) lack of new approvals and launches, and c) issues at its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

Exhibit 1: Summary of 4QFY24 earnings estimates

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

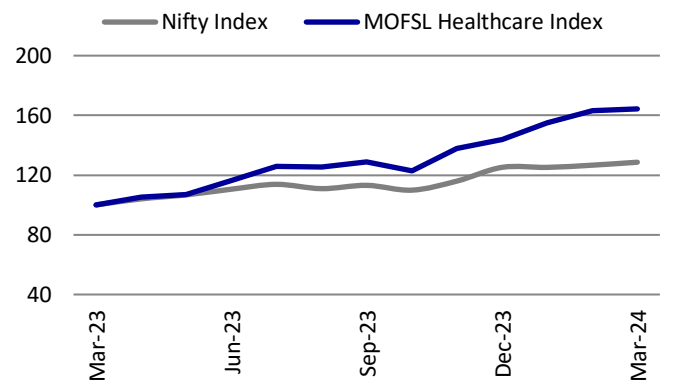
Source: Company, MOFSL

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



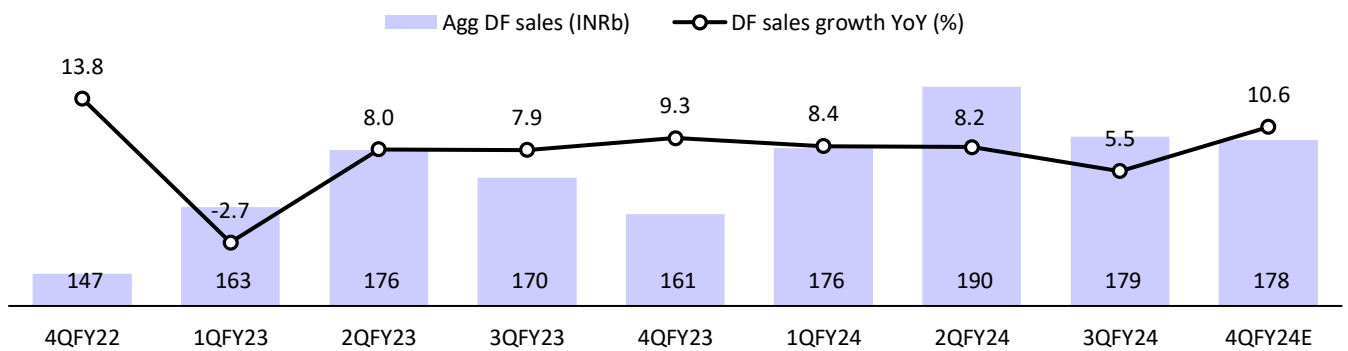
Source: Bloomberg, MOFSL

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



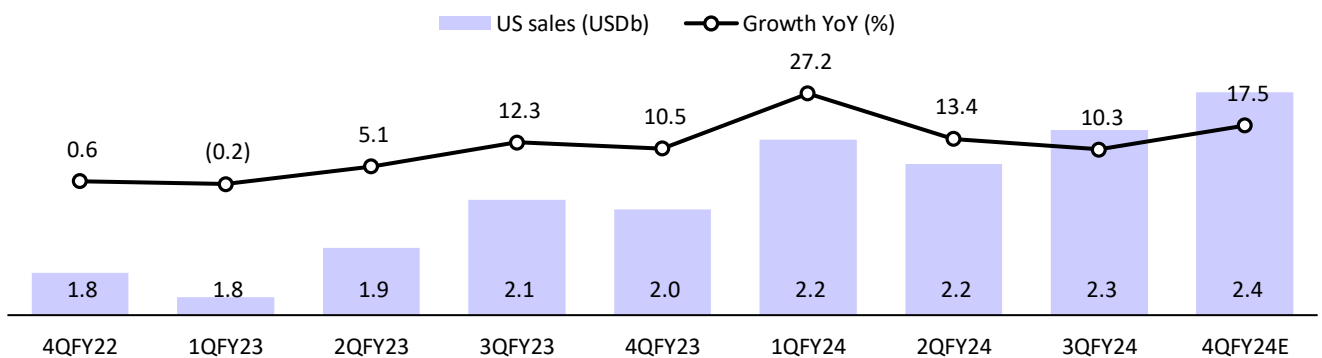
Source: Bloomberg, MOFSL

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



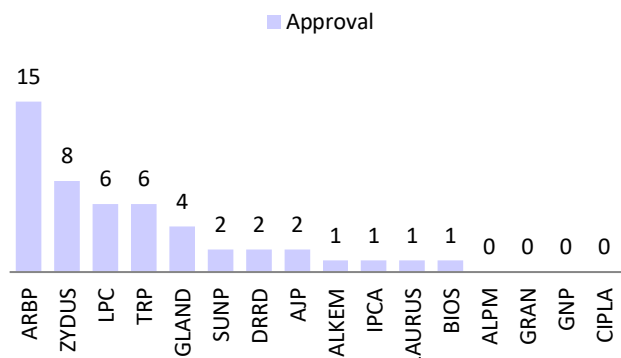
Source: MOFSL, Company

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



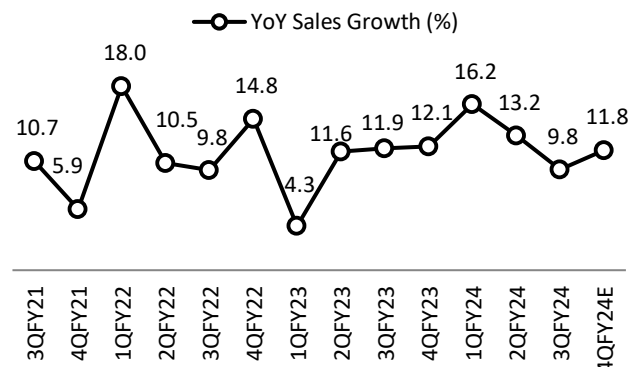
Source: MOFSL, Company

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



Source: MOFSL, Company

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



Source: MOFSL, Company

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

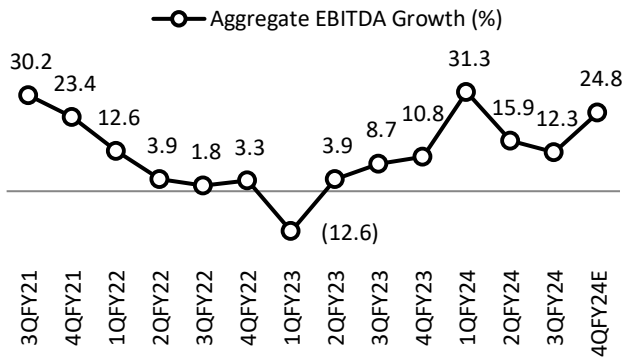
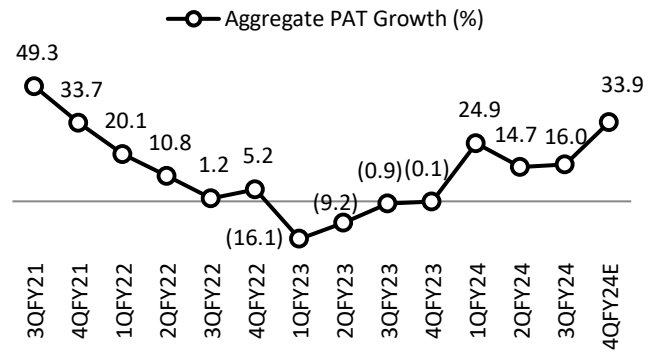


Exhibit 9: PAT to witness 34% YoY growth



Source: MOFSL, Company

Source: MOFSL, Company

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

Exhibit 10: Comparative valuation

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

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

Ajanta Pharma

Buy

CMP: INR2,237 | TP: INR2,570 (15%)

EPS CHANGE (%): FY25|26: 0.0|0.4

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

Consol. - Quarterly perf.

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

Alembic Pharma

Neutral

CMP: INR1,005 | TP: INR910 (-9%)

EPS CHANGE (%): FY25|26: 0|0

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

Quarterly perf. (Consol.)

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

Alkem Labs**Neutral**

CMP: INR5,005 | TP: INR5,160 (3%)

EPS CHANGE (%): FY25|26: 0|0

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

Quarterly Perf. (Consolidated)

(INR b)

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

Apollo Hospitals**Buy**

CMP: INR6,453 | TP: INR7,450 (+15%)

EPS CHANGE (%): FY25|26: 0.8|0.7

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

Consolidated - Quarterly Earning Model

(INR m)

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

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

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

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

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

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

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

Quarterly performance (Consolidated)

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

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

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

Quarterly Performance (Consolidated)

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

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

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

Quarterly Performance

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

Dr Reddy's Labs**Neutral****CMP: INR6,251 | TP: INR6,050 (-3%)****EPS CHANGE (%): FY25|26: 0|0**

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

Quarterly Performance - IFRS**(INR m)**

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

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

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

Consolidated - Quarterly Earning Model**(INR m)**

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

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

- Expect double-digit YoY growth in 4QFY24 due to strong traction in innovative products and a low base of the past year.
- Watch out for an update on any new launches from the parent portfolio.
- Expect 11% YoY growth in sales to INR8.7b due to revival of growth in the vaccine business and enhanced efforts in innovative products.
- Progress on steps taken to mitigate the impact of NLEM- led price revision is a key monitorable.

Quarterly performance (Consol.)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	7,451	9,169	8,023	7,875	7,617	9,570	8,053	8,698	32,517	33,937
YoY Change (%)	3.7	-1.8	-1.7	-2.7	2.2	4.4	0.4	10.5	-0.8	4.4
Total Expenditure	5,962	6,599	5,736	6,177	6,178	6,675	5,872	6,642	24,474	25,367
EBITDA	1,489	2,569	2,287	1,697	1,439	2,895	2,181	2,056	8,043	8,571
YoY Change (%)	12.2	-0.4	15.6	-3.1	-3.4	12.7	-4.7	21.1	5.3	6.6
Margins (%)	20.0	28.0	28.5	21.6	18.9	30.3	27.1	23.6	24.7	25.3
Depreciation	158	164	164	172	164	181	171	158	658	674
EBIT	1,331	2,406	2,123	1,526	1,276	2,714	2,010	1,898	7,385	7,897
YoY Change (%)	15.6	0.0	18.0	-4.6	-4.2	12.8	-5.3	24.4	6.2	6.9
Margins (%)	17.9	26.2	26.5	19.4	16.7	28.4	25.0	21.8	22.7	23.3
Interest	7	4	1	7	3	4	3	3	18	13
Other Income	276	220	234	277	364	282	281	273	1,006	1,200
PBT before EO Expense	1,600	2,622	2,356	1,796	1,637	2,992	2,287	2,168	8,373	9,084
Tax	438	687	597	565	487	817	197	679	2,288	2,180
Rate (%)	27.4	26.2	25.3	31.5	29.8	27.3	8.6	31.3	25.1	24.0
Adjusted PAT	1,162	1,934	1,759	1,230	1,150	2,175	2,090	1,489	6,086	6,904
YoY Change (%)	8.3	1.4	12.6	2.7	-1.1	12.5	18.8	21.0	6.0	13.4
Margins (%)	15.6	21.1	21.9	15.6	15.1	22.7	26.0	17.1	18.7	20.3
One-off Expense/(Income)	0	0	114	-104	-173	0	1,633	0	10	1,460
Reported PAT	1,162	1,934	1,646	1,334	1,323	2,175	457	1,489	6,075	5,443

E: MOSL Estimates: Quarterly - Standalone; Full Year - Consolidated

Gland Pharma**Buy****CMP: INR1815 | TP: INR2240 (23%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect sales to jump 2x YoY to INR16b largely due to a revival in the core segment and addition of Cenexi.
- Watch out for an update on the new biologics opportunities.
- Key monitorables: 1) update on new approvals/launches and expansion plans in China; and 2) update on complex approvals for the core markets.

Consol. - Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	8,569	10,444	9,383	7,850	12,087	13,734	15,452	16,057	36,246	57,330
YoY Change (%)	-25.7	-3.3	-11.8	-28.8	41.1	31.5	64.7	104.6	-17.6	58.2
Total Expenditure	5,870	7,366	6,487	6,166	9,147	10,493	11,710	12,105	25,888	43,456
EBITDA	2,699	3,079	2,895	1,684	2,940	3,241	3,742	3,952	10,358	13,874
YoY Change (%)	-38.1	-18.2	-17.0	-51.7	8.9	5.3	29.2	134.7	-31.4	33.9
Margins (%)	31.5	29.5	30.9	21.4	24.3	23.6	24.2	24.6	28.6	24.2
Depreciation	349	367	376	375	653	813	1,053	891	1,467	3,411
Interest	9	17	26	22	49	60	53	47	74	210
Other Income	744	656	615	389	375	532	374	324	2,405	1,605
PBT before EO expense	3,085	3,351	3,108	1,676	2,613	2,899	3,009	3,338	11,220	11,859
One-off income/(expense)	0	120	0	565	0	0	178	0	685	178
PBT	3,085	3,231	3,108	1,111	2,613	2,899	2,832	3,337	10,536	11,681
Tax	793	828	789	325	672	958	913	728	2,735	3,271
Rate (%)	25.7	25.6	25.4	29.2	25.7	33.0	32.2	21.8	26.0	28.0
Reported PAT	2,292	2,402	2,319	787	1,941	1,941	1,919	2,610	7,800	8,410
Adj PAT	2,292	2,511	2,319	1,186	1,941	1,941	2,039	2,610	8,307	8,531
YoY Change (%)	-34.6	-16.9	-15.1	-58.5	-15.3	-22.7	-12.1	120.1	-31.4	2.7

Glenmark Pharma**Neutral****CMP: INR981 | TP: INR900 (-8%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect DF sales to grow 18% YoY led by cardiac/Anti-infective therapy and rationalization of inventory.
- Update on the ramp-up of Winlevi in the EU market and Ryaltris at the global level is a key monitorable.
- Expect GNP's US sales to decline 5% YoY to USD101m partly due to lack of approvals and price erosion.
- Watch out for a remediation timeline to resolve the USFDA issues.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues (Core)	27,773	30,179	34,639	33,737	30,361	32,074	25,067	32,187	1,14,890	1,19,688
YoY Change (%)	-6.3	0.5	15.4	11.7	9.3	6.3	-27.6	-4.6	-5.3	4.2
EBITDA	4,726	5,220	6,202	6,050	4,374	5,053	-1,444	4,297	15,818	12,279
YoY Change (%)	-17.6	0.0	18.8	20.5	-7.5	-3.2	PTL	-29.0	-27.7	-22.4
Margins (%)	17.0	17.3	17.9	17.9	14.4	15.8	-5.8	13.4	13.8	10.3
Depreciation	1,468	1,458	1,623	1,465	1,420	1,415	1,471	1,223	5,692	5,528
EBIT	3,258	3,762	4,580	4,584	2,953	3,638	-2,915	3,075	10,126	6,751
YoY Change (%)	-29.2	-6.7	13.6	23.7	-9.4	-3.3	-163.7	-32.9	-40.5	-33.3
Margins (%)	11.7	12.5	13.2	13.6	9.7	11.3	-11.6	9.6	8.8	5.6
Interest	600	829	973	1,093	1,116	1,215	1,343	1,310	3,490	4,984
Other Income	172	864	294	378	197	17	454	400	228	1,068
PBT before EO Expense	2,830	3,797	3,901	3,870	2,034	2,441	-3,805	2,165	6,863	2,835
One-off loss/(gain)	-1,250	430	-809	8,777	520	3,684	1,409	0	4,465	5,614
PBT after EO Expense	4,080	3,367	4,710	-4,908	1,514	-1,244	-5,214	2,164	2,398	-2,779
Tax	1,969	1,648	1,802	-876	1,137	559	-718	550	3,294	1,528
Rate (%)	48.3	49.0	38.3	17.9	75.1	-45.0	13.8	25.4	137.3	-55.0
Reported PAT	2,111	1,719	2,908	-4,031	377	-1,803	-4,496	1,614	-896	-4,308
Minority Interest	186	182	182	252	232	204	206	200	802	841
Reported PAT after Minority Interest	1,925	1,536	2,726	-4,283	145	-2,007	-4,701	1,415	-1,697	-5,149
Adj PAT	1,682	2,324	2,227	2,302	1,111	1,397	-3,486	1,415	3,728	436
YoY Change (%)	-39.8	2.3	-1.9	19.7	-34.0	-39.9	PTL	-38.6	-61.8	-88.3
Margins (%)	6.1	7.7	6.4	6.8	3.7	4.4	-13.9	4.4	3.2	0.4

E: MOSL Estimates Note: 2QFY23 and 1QFY24 are restated hence quarterly number will not match with full year

Global Health**Buy****CMP: INR1,330 | TP: INR1,530 (15%)****EPS CHANGE (%): FY25|26: 0|0**

- Watch out for the construction progress in Noida/ South Delhi/Indore projects
- Expect ARPOB to grow 10% YoY to INR66.7k for the quarter.
- Expect ARPOB to grow 10% YoY to INR66.7k for the quarter. Expect occupancy to reduce slightly to 62% due to strong seasonality in 3QFY24.
- Key monitorables: 1) outlook on bed additions in Lucknow/ Patna markets; and 2) an update on patient treatments of government agencies at the Patna hospital.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	6,172	6,791	6,943	7,034	7,730	8,439	8,326	8,610	26,943	33,106
YoY Change (%)	27.1	17.6	19.1	35.2	25.2	24.3	19.9	22.4	14.0	14.0
Total Expenditure	4,843	5,211	5,316	5,375	5,887	6,255	6,149	6,306	20,746	24,598
EBITDA	1,329	1,580	1,627	1,659	1,843	2,185	2,177	2,304	6,197	8,508
YoY Change (%)	31.2	15.3	18.4	112.2	38.7	38.3	33.8	38.9	36.5	37.3
Margins (%)	21.5	23.3	23.4	23.6	23.8	25.9	26.1	26.8	23.0	25.7
Depreciation	366	385	414	409	468	485	495	487	1,575	1,935
Interest	185	182	207	205	179	201	177	144	779	701
Other Income	93	155	119	284	215	208	219	286	649	927
PBT before EO expense	871	1,168	1,125	1,329	1,410	1,707	1,724	1,958	4,492	6,799
Extra-Ord expense/(Income)	0	0	0	0	0	0	0	0	0	0
PBT	871	1,168	1,125	1,329	1,410	1,707	1,724	1,958	4,492	6,799
Tax	284	311	319	320	390	455	488	531	1,231	1,864
Rate (%)	32.6	26.6	28.4	24.1	27.7	26.6	28.3	27.1	27.4	27.4
Reported PAT	587	857	806	1,009	1,020	1,252	1,236	1,427	3,261	4,935
Adj PAT	587	857	806	1,011	1,020	1,252	1,236	1,427	3,261	4,935
YoY Change (%)	40.6	28.0	15.1	476.3	73.8	46.1	53.3	41.2	66.2	51.4
Margins (%)	9.5	12.6	11.6	14.4	13.2	14.8	14.8	16.6	12.1	14.9

Granules India

Buy

CMP: INR438 | TP: INR510 (15%)

EPS CHANGE (%): FY25|26: (1.0)|(0.9)

- Expect overall sales to grow 2% YoY due to a drag on the API and PFI segments.
- Watch out for the progress on backward integration of Paracetamol/Metformin and other products.
- Key monitorables: 1) update on completion of phase-II of the Genome Valley; and 2) completion of the DCDA pilot plant.

Quarterly Performance

Y/E March (Consolidated)	FY23				FY24E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Net Sales	10,196	11,507	11,461	11,955	9,855	11,895	11,556	12,185	45,119	45,491
YoY Change (%)	20.0	29.5	17.0	16.1	-3.3	3.4	0.8	1.9	20.4	0.8
EBITDA	2,115	2,429	2,313	2,361	1,579	2,130	2,505	2,612	9,218	8,825
YoY Change (%)	5.0	60.7	47.8	22.5	-25.4	-12.3	8.3	10.6	30.8	-4.3
Margins (%)	20.7	21.1	20.2	19.8	16.0	17.9	21.7	21.4	20.4	19.4
Depreciation	434	441	484	487	492	525	524	544	1,845	2,086
EBIT	1,682	1,988	1,829	1,874	1,086	1,605	1,981	2,068	7,373	6,740
YoY Change (%)	3.8	78.6	56.0	22.9	-35.4	-19.3	8.3	10.3	35.0	-8.6
Margins (%)	16.5	17.3	16.0	15.7	11.0	13.5	17.1	17.0	16.3	14.8
Interest	69	132	170	188	225	260	286	210	559	980
Other Income	47	48	9	34	3	15	7	66	138	91
PBT before EO expense	1,659	1,904	1,669	1,720	865	1,360	1,701	1,924	6,952	5,850
Extra-Ord expense	0	0	0	80	211	0	0	0	80	211
PBT	1,659	1,904	1,669	1,640	654	1,360	1,701	1,924	6,872	5,639
Tax	383	453	426	444	176	339	444	479	1,706	1,438
Rate (%)	23.1	23.8	25.5	27.1	26.9	24.9	26.1	24.9	24.8	25.5
(Profit)/Loss of JV/Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,276	1,451	1,243	1,196	479	1,021	1,257	1,445	5,166	4,201
Adjusted PAT	1,276	1,451	1,243	1,254	633	1,021	1,257	1,445	5,224	4,357
YoY Change (%)	6.1	79.8	41.3	13.0	-50.4	-29.6	1.1	15.2	30.6	-16.6
Margins (%)	12.5	12.6	10.8	10.5	6.4	8.6	10.9	11.9	11.6	9.6

Ipca Laboratories

Neutral

CMP: INR1,239 | TP: INR1,140 (-8%)

EPS CHANGE (%): FY25|26: 0|0

- Expect formulations segment/Unichem to drive overall sales growth of 32% YoY for the quarter.
- Expect API sales growth to decline 10% YoY for the quarter, due to weak pricing
- Expect DF segment to grow 8% YoY led by strong growth in key therapies.
- The impact of the ongoing geopolitical issue in the Middle East on the company's export business is a key monitorable.

Quarterly Performance

Y/E March	FY23				FY24E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Net Revenues (Core)	15,857	16,010	15,460	15,116	15,876	20,340	20,529	19,976	62,569	76,720
YoY Change (%)	1.3	3.7	8.1	17.3	0.1	27.0	32.8	32.2	7.3	22.6
EBITDA	2,835	2,722	2,319	1,810	2,941	3,606	3,310	2,725	9,812	12,582
YoY Change (%)	-31.9	-29.3	-24.7	-25.0	3.8	32.4	42.7	50.6	-27.4	28.2
Margins (%)	17.9	17.0	15.0	12.0	18.5	17.7	16.1	13.6	15.7	16.4
Depreciation	617	637	666	695	693	903	995	997	2,616	3,588
EBIT	2,218	2,085	1,654	1,115	2,249	2,702	2,315	1,728	7,197	8,994
YoY Change (%)	-38.5	-36.5	-33.6	-38.2	1.4	29.6	40.0	55.0	-35.7	25.0
Margins (%)	14.0	13.0	10.7	7.4	14.2	13.3	11.3	8.7	11.5	11.7
Interest	69	93	108	185	314	441	334	336	455	1,425
Other Income	221	362	309	259	449	386	225	232	1,151	1,290
PBT before EO Expense	2,369	2,354	1,854	1,189	2,383	2,647	2,205	1,624	7,892	8,859
One-off (gain)/ Expense	142	116	161	-105	-135	393	-684	0	314	-426
PBT after EO Expense	2,227	2,238	1,693	1,294	2,518	2,254	2,889	1,624	7,579	9,285
Tax	743	770	537	482	856	879	662	349	2,532	2,746
Rate (%)	31.3	32.7	29.0	40.5	35.9	33.2	30.0	21.5	32.1	31.0
Reported PAT	1,484	1,468	1,156	812	1,662	1,374	2,227	1,276	5,044	6,539
Minority Interest	-54	-29	-78	-46	-34	76	-428	-75	-206	-460
Adj PAT after Minority Interest	1,525	1,861	1,188	701	1,539	1,690	1,115	1,276	5,275	5,620
YoY Change (%)	-50.3	-31.0	-37.2	-52.8	0.9	-9.2	-6.1	82.1	-42.8	6.5
Margins (%)	9.6	11.6	7.7	4.6	9.7	8.3	5.4	6.4	8.4	7.3

E: MOFSL Estimates. Quarter - Standalone; Full year - Consolidated

Laurus Labs**Buy****CMP: INR405 | TP: INR470 (+16%)****EPS CHANGE (%): FY25 | 26: (0.8) |(0.7)**

- Expect healthy traction in the CS segment to be offset by weak API/formulation sales.
 - Expect ARV sales to grow 9% YoY/QoQ each
- Key monitorables: 1) update on product pipeline in the Non-ARV segment; 2) progress on scale-up of animal health contracts; and 3) update on new order wins in the ARV and CS segments.

Consolidated- Quarterly Earning Model

Y/E March	FY23				FY24E				(INRm)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Net Sales	15,389	15,759	15,448	13,809	11,818	12,245	11,949	13,835	60,406	49,847
YoY Change (%)	20.4	30.9	50.2	-3.1	-23.2	-22.3	-22.6	0.2	22.4	-17.5
EBITDA	4,542	4,489	4,036	2,855	1,667	1,879	1,814	2,865	15,923	8,225
YoY Change (%)	14.9	30.1	41.5	-28.0	-63.3	-58.1	-55.0	0.3	11.9	-48.3
Margins (%)	29.5	28.5	26.1	20.7	14.1	15.3	15.2	20.7	26.4	16.5
Depreciation	708	818	844	870	906	934	984	976	3,241	3,800
EBIT	3,834	3,671	3,191	1,985	762	945	830	1,888	12,682	4,425
YoY Change (%)	13.8	30.2	44.2	-40.0	-80.1	-74.3	-74.0	-4.9	8.3	-65.1
Margins (%)	24.9	23.3	20.7	14.4	6.4	7.7	6.9	13.6	21.0	8.9
Interest	293	401	427	531	392	424	508	462	1,652	1,786
Other Income	18	11	14	17	36	18	24	47	60	125
PBT before EO expense	3,559	3,281	2,779	1,471	406	539	346	1,473	11,090	2,764
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,559	3,281	2,779	1,471	406	539	346	1,473	11,090	2,764
Tax	1,033	943	748	399	122	146	95	331	3,125	693
Rate (%)	29.0	28.7	26.9	27.1	30.0	27.0	27.3	22.5	28.2	25.1
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	20	16	24	20	0	0	60
Reported PAT	2,525	2,338	2,031	1,052	268	370	231	1,142	7,965	2,011
Adj PAT	2,525	2,338	2,031	1,052	268	370	231	1,142	7,965	2,011
YoY Change (%)	4.5	14.6	31.0	-54.6	-89.4	-84.2	-88.6	8.6	-4.3	-74.8
Margins (%)	16.4	14.8	13.1	7.6	2.3	3.0	1.9	8.3	13.2	4.0

Lupin**Neutral****CMP: INR1,623 | TP: INR1,500 (-8%)****EPS CHANGE (%): FY25 | 26: 0|0**

- DF segment to grow 10% YoY for the quarter due to superior growth in Cardiac therapy
- Expect the US sales to witness a 34% YoY growth to USD235m led by strong traction in niche launches and new approvals.
- The EU sales to witness a robust growth of 21% YoY led by new launches
- Update on niche approvals beyond g-Dulera is a key monitorable. Watch out for an increase in logistic cost due to geopolitical issue in the Middle East.

Quarterly Performance (Consolidated)

Y/E March	FY23				FY24E				(INRm)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Net Sales	37,438	41,455	43,222	44,301	46,087	50,385	51,974	52,021	1,66,417	2,00,467
YoY Change (%)	-3.9	1.3	3.9	14.1	23.1	21.5	20.2	17.4	3.8	20.5
Total Expenditure	35,799	37,114	37,662	38,260	39,574	41,153	41,755	41,901	1,48,835	1,64,383
EBITDA	1,639	4,342	5,560	6,041	6,513	9,232	10,220	10,120	17,582	36,084
YoY Change (%)	-70.4	-27.2	-1.4	114.0	297.3	112.6	83.8	67.5	-11.9	105.2
Margins (%)	4.4	10.5	12.9	13.6	14.1	18.3	19.7	19.5	10.6	18.0
Depreciation	1,928	2,035	2,204	2,640	2,347	2,479	2,572	2,508	8,807	9,905
EBIT	-289	2,307	3,356	3,401	4,166	6,754	7,648	7,612	8,775	26,179
YoY Change (%)	-108.4	-40.0	-6.9	304.1 LP	192.7	127.9	123.8	123.8	-25.3	198.3
Margins (%)	-0.8	5.6	7.8	7.7	9.0	13.4	14.7	14.6	5.3	13.1
Interest	428	549	841	926	856	806	740	725	2,743	3,127
Other Income	56	149	180	373	228	404	294	324	757	1,250
EO Exp/(Inc)	-684	-188	234	263	-2,053	54	-160	0	-375	-2,159
PBT	23	2,096	2,461	2,585	5,591	6,298	7,361	7,211	7,165	26,461
Tax	891	751	885	161	1,055	1,344	1,174	1,774	2,688	5,346
Rate (%)	3,907.5	35.8	36.0	6.2	18.9	21.3	15.9	24.6	37.5	20.2
Minority Interest	-23	-47	-42	-64	-11	-57	-56	27	-176	-96
Reported PAT	-891	1,297	1,535	2,360	4,525	4,898	6,131	5,464	4,301	21,019
Adj PAT	-1,552	1,177	1,684	2,606	2,855	4,940	5,997	5,464	3,915	19,256
YoY Change (%)	-164.0	-61.5	-37.5	399.9	LP	319.9	256.1	109.7	-55.0	391.8
Margins (%)	-4.1	2.8	3.9	5.9	6.2	9.8	11.5	10.5	2.4	9.6

Max Healthcare**Buy****CMP: INR815 | TP: INR950 (16%)****EPS CHANGE (%): FY25|26: 2.7|2.3**

- Expect ARPOB to improve 6% YoY to INR74.9K.
- Expect overall sales to grow 15% YoY for the quarter
- Expect 37% YoY growth in Max Labs with an EBITDA margin expansion due to superior execution and increasing reach.
- Progress on bed additions and commercialization in FY25/FY26 are the key monitorables.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Gross Sales	13,903	14,717	14,640	15,490	16,220	17,190	16,820	17,802	58,750	68,032
YoY Change (%)	5.5	9.6	13.5	26.9	16.7	16.8	14.9	14.9	13.6	15.8
Total Expenditure	10,228	10,712	10,590	11,150	11,930	12,350	12,170	12,941	42,680	49,391
EBITDA	3,675	4,005	4,050	4,340	4,290	4,840	4,650	4,861	16,070	18,641
Margins (%)	26.4	27.2	27.7	28.0	26.4	28.2	27.6	27.3	27.4	27.4
Depreciation	650	630	630	690	640	660	700	707	2,600	2,707
Interest	200	140	70	-20	-30	-170	-140	-126	390	-466
Other Income	30	100	130	30	70	130	60	46	290	306
PBT before EO expense	2,855	3,335	3,480	3,700	3,750	4,480	4,150	4,326	13,370	16,706
Extra-Ord expense	110	120	180	-20	190	190	40	0	390	420
PBT	2,745	3,215	3,300	3,720	3,560	4,290	4,110	4,326	12,980	16,286
Tax	456	-1,896	610	530	660	910	730	794	-300	3,094
Rate (%)	16.6	-59.0	18.5	14.2	18.5	21.2	17.8	18.4	-2.3	19.0
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	2,289	5,111	2,690	3,190	2,900	3,380	3,380	3,532	13,280	13,192
Adj PAT	2,381	2,835	2,837	3,173	3,055	3,530	3,413	3,532	11,226	13,529
YoY Change (%)	15.6	31.6	12.2	53.5	28.3	24.5	20.3	11.3	27.5	20.5
Margins (%)	17.1	19.3	19.4	20.5	18.8	20.5	20.3	19.8	19.1	19.9

Piramal Pharma**Buy****CMP: INR130 | TP: INR170 (27%)****EPS CHANGE (%): FY25|26: (2.5) |(1.7)**

- Expect sales to grow 12% YoY to INR24b led by strong growth in CDMO and CHG segments.
- Progress on the CDMO segment's order book is a key monitorable.
- Higher operating leverage to drive EBITDA margin expansion.
- Watch out for opportunities in the GLP1 space.

Consolidated - Quarterly Earning Model

PPL Income statement (INRm)	FY23				FY24E				INR m	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Revenues	14,820	17,200	17,160	21,636	17,489	19,114	19,586	24,302	70,816	80,490
growth YoY(%)	13.0	9.0	11.5	1.5	18.0	11.1	14.1	12.3	8.0	13.7
Expenses	13,969	15,475	15,962	18,123	16,165	16,457	16,902	19,542	63,529	69,066
CDMO	7,700	9,400	10,100	12,850	8,980	10,680	11,340	14,381	40,160	45,381
CHG	5,080	5,620	5,140	7,020	6,170	5,890	5,760	8,012	22,860	25,832
ICP	2,110	2,270	2,260	2,060	2,390	2,560	2,520	1,807	8,590	9,277
EBITDA*	851	1,726	1,197	3,513	1,323	2,657	2,684	4,760	7,286	11,423
margin (%)	5.7	10.0	7.0	16.2	7.6	13.9	13.7	19.6	10.3	14.2
growth YoY(%)	-34.3	-12.2	-46.9	-11.7	55.5	54.0	124.1	35.5	-23.3	56.8
Depreciation	1,617	1,662	1,644	1,844	1,736	1,845	1,863	1,661	6,767	7,105
EBIT	-766	64	-447	1,669	-413	812	821	3,099	520	4,318
Other income	719	462	825	245	383	492	615	610	2,251	2,100
Interest expense	623	830	947	1,043	1,185	1,099	1,059	1,082	3,442	4,425
Share from Asso. Co	199	111	156	78	144	191	140	134	543	608
PBT	-471	-193	-412	949	-1,071	396	516	2,761	-128	2,602
EO Expenses/(gain)	680	70	324	-	-	-	323	-	1,074	323
Taxes	-61	111	165	448	-85	345	93	445	663	798
Tax Rate (%)	5.3	-42.2	-22.5	47.2	8.0	87.3	47.8	16.1	-55.2	35.0
Reported PAT	-1,091	-373	-902	501	-986	50	101	2,316	-1,865	1,481
Adj. PAT	-446	-274	-578	501	-986	50	350	2,316	-798	1,730
Change (%)	NA	NA	NA	-75.4	NA	LP	LP	362.1	NA	NA

Sun Pharma

Buy

CMP: INR1,631 | TP: INR1,870 (15%)

EPS CHANGE (%): FY25|26: 0 | 0

- The US sales are expected to grow 12% YoY to USD481m on the back of a steady traction in specialty portfolio.
- Watch out for an update on the ramp-up of Winlevi sales in Australia and other specialty products in developed markets.
- Expect DF sales to grow 10% YoY for the quarter.
- Key monitorables: 1) update on remediation at Halol and Mohali sites; and 2) outlook on R&D spending for FY24/FY25, based on the projects undergoing different phases of clinical trials

Quarterly Performance (Consolidated)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	106.4	108.1	110.0	106.7	117.9	120.0	121.6	122.4	431.2	481.9
YoY Change (%)	10.1	14.0	12.1	13.7	10.7	11.0	10.5	14.7	12.4	11.7
Total Expenditure	80.2	77.5	82.3	81.0	86.1	89.8	90.3	91.6	321.1	357.8
EBITDA	26.2	30.5	27.6	25.7	31.7	30.2	31.3	30.8	110.1	124.1
YoY Change (%)	-2.6	19.2	7.6	21.2	21.1	-1.0	13.2	20.0	10.7	12.7
Margins (%)	24.6	28.3	25.1	24.1	26.9	25.2	25.7	25.2	25.5	25.8
Depreciation	5.9	6.1	6.6	6.7	6.5	6.3	6.2	6.3	25.3	25.3
EBIT	20.3	24.5	21.0	19.0	25.2	23.9	25.1	24.6	84.8	98.8
YoY Change (%)	-7.1	20.3	4.4	21.4	24.1	-2.2	19.2	29.5	8.7	16.5
Interest	0.1	0.2	0.5	0.9	0.8	0.5	0.3	0.4	1.7	2.0
Net Other Income	1.2	2.3	3.1	5.8	3.6	4.8	4.7	4.7	12.4	17.9
PBT before EO Exp	21.4	26.5	23.7	23.8	28.0	28.2	29.5	28.9	95.5	114.7
Less: EO Exp/(Inc)	-1.5	2.4	-1.0	1.4	3.2	0.3	-0.5	0.0	1.4	3.0
PBT	22.8	24.1	24.7	22.4	24.8	27.9	30.0	28.9	94.1	111.6
Tax	1.9	1.5	2.8	2.2	4.7	3.9	4.3	4.3	8.5	17.2
Rate (%)	8.8	5.7	11.9	9.4	16.7	13.8	14.7	14.8	8.9	15.0
PAT (pre Minority Interest)	21.0	22.6	21.9	20.2	20.1	24.0	25.7	24.6	85.6	94.5
Minority Interest	0.3	0.0	0.2	0.3	-0.1	0.3	0.4	-0.3	-0.9	0.4
Reported PAT	20.6	22.6	21.7	19.8	20.2	23.8	25.2	24.9	84.7	94.1
Adj Net Profit*	19.3	24.9	20.8	21.1	22.8	24.0	24.8	24.9	86.1	96.5
YoY Change (%)	-3.4	21.5	9.3	33.6	18.5	-3.4	19.2	17.8	14.4	12.2
Margins (%)	18.1	23.0	18.9	19.8	19.4	20.0	20.4	20.3	19.7	19.5

Torrent Pharmaceuticals

Neutral

CMP: INR2,678 | TP: INR2,540 (-5%)

EPS CHANGE (%): FY25|26: 0|0

- Expect the US sales to decline 11% YoY to USD30m due to lack of new launches, and slow ramp-up of Dahej facility.
- Watch out for the progress on OTC portfolio expansion and further investment to aid growth
- DF sales to grow 11% YoY to INR14b led by a strong growth in VMN and Anti-diabetic segments.
- Update on new launches in Germany and Brazil is a key monitorable.

Quarterly performance (Consolidated)

Y/E March INRb	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	23.1	22.9	24.9	24.9	25.9	26.6	27.3	27.8	95.8	107.6
YoY Change (%)	8.2	7.2	18.2	17.0	12.2	16.1	9.7	11.5	12.6	12.3
EBITDA	6.7	6.8	7.4	7.4	7.9	8.3	8.7	8.9	28.3	33.8
YoY Change (%)	-0.4	2.9	37.3	32.6	17.4	21.5	17.6	21.3	16.4	19.4
Margins (%)	29.2	29.6	29.7	29.6	30.5	31.0	31.8	32.2	29.5	31.4
Depreciation	1.6	1.6	1.9	2.0	1.9	2.0	2.1	2.0	7.1	8.1
EBIT	5.2	5.2	5.5	5.4	6.0	6.2	6.6	6.9	21.2	25.7
YoY Change (%)	1.4	4.9	47.1	37.3	15.6	20.9	20.2	27.5	19.9	21.1
Margins (%)	22.5	22.5	21.9	21.7	23.2	23.5	24.0	24.8	22.1	23.9
Interest	0.6	0.7	1.0	1.1	1.0	0.9	0.8	0.8	3.3	3.5
Other Income	0.3	0.2	0.3	0.1	0.3	0.3	-0.3	0.3	0.9	0.6
PBT before EO Expense	4.9	4.6	4.7	4.4	5.3	5.6	5.4	6.4	18.7	22.7
One-off expenses	-0.4	0.0	0.5	0.1	0.0	0.0	-0.9	0.0	0.3	-0.9
PBT after EO Expense	5.3	4.6	4.2	4.3	5.3	5.6	6.3	6.4	18.5	23.6
Tax	1.8	1.5	1.4	1.5	1.5	1.7	1.9	1.4	6.1	6.6
Rate (%)	36.0	32.6	28.7	33.0	28.8	30.9	34.6	22.7	32.6	29.0
Reported PAT	3.5	3.1	2.8	2.9	3.8	3.9	4.4	4.9	12.4	17.0
Adj PAT	3.3	3.1	3.2	3.0	3.8	3.9	3.8	4.9	12.6	16.4
YoY Change (%)	-0.4	-1.3	28.5	11.5	15.0	23.7	19.1	65.8	8.3	30.2
Margins (%)	14.2	13.6	12.8	11.9	14.6	14.5	14.0	17.7	13.1	15.2

Zybus Lifesciences**Neutral****CMP: INR999 | TP: INR920 (-8%)****EPS CHANGE (%): FY25|26: 0.1|0.1**

- The US sales are expected to grow 10% YoY due to gradual ramp-up of niche launches supported by Revlimid.
- Watch out for the progress on launching limited competition products in the US market, and scaling up the Liqmeds business.
- Expect DF sales to grow by 6% YoY for the quarter due to moderate growth in key therapies.
- Update on the progress of development of NCE pipeline is a key monitorable.

Quarterly Performance (Consolidated)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	39.6	40.1	42.6	50.1	51.4	43.7	45.1	52.7	172.4	192.8
YoY Change (%)	-0.9	5.8	17.0	29.7	29.6	9.1	5.8	5.2	12.9	11.9
Total Expenditure	32.4	32.0	33.6	37.0	36.1	33.0	34.2	37.6	135.0	141.0
EBITDA	7.2	8.0	9.0	13.1	15.3	10.6	10.8	15.1	37.4	51.9
YoY Change (%)	-25.4	-6.8	19.7	52.6	111.5	32.6	20.3	14.8	6.1	38.7
Margins (%)	18.3	20.0	21.1	26.2	29.8	24.4	24.0	28.6	21.7	26.9
Depreciation	1.8	1.8	1.8	1.8	1.8	1.8	1.9	2.0	7.2	7.6
EBIT	5.4	6.2	7.2	11.4	13.5	8.8	8.9	13.1	30.2	44.3
YoY Change (%)	-31.9	-8.2	24.9	68.0	148.6	41.8	23.6	15.6	7.4	46.9
Margins (%)	13.7	15.5	16.9	22.7	26.3	20.1	19.7	24.9	17.5	23.0
Interest	0.3	0.4	0.3	0.3	0.2	0.1	0.2	0.0	1.3	0.5
Other Income	0.7	0.4	0.4	0.4	0.4	0.5	0.4	0.5	1.9	1.8
PBT before EO Income	5.8	6.3	7.2	11.5	13.7	9.3	9.0	13.6	30.7	45.6
EO Exp/(Inc)	-1.1	-0.1	-0.6	6.6	0.4	-0.8	-0.2	0.0	4.8	-0.6
PBT after EO Income	6.8	6.4	7.8	4.9	13.3	10.1	9.3	13.6	25.9	46.2
Tax	1.2	1.4	2.0	1.4	2.2	2.3	2.1	3.6	5.9	10.2
Rate (%)	17.4	21.3	25.0	28.2	16.3	22.5	23.1	26.5	22.7	22.0
Min. Int/Adj on Consol	-0.4	0.1	0.4	-0.5	-0.3	0.2	0.6	-0.8	-0.4	-0.3
Reported PAT	5.3	5.2	6.2	3.0	10.9	8.0	7.7	9.2	19.6	35.8
Adj PAT	4.4	5.1	5.8	7.7	11.2	7.4	7.5	9.2	22.9	35.3
YoY Change (%)	-26.4	-13.6	14.4	46.1	155.4	45.7	29.6	19.1	3.9	53.9
Margins (%)	11.1	12.6	13.6	15.4	21.8	16.9	16.7	17.5	13.3	18.3

Infrastructure

Company

G R Infraprojects

IRB Infrastructure Developers

KNR Constructions

Order inflows weak; execution accelerates in 4QFY24

Project awarding disappoints in FY24

- Project awarding by NHAI totaled 3,000km, while construction reached 6,644km in FY24. The muted awarding by NHAI has severely impacted order inflows for several road construction companies in FY24. Consequently, many companies have failed to meet their order inflow targets for FY24.
- Construction activity accelerated in 4QFY24, with 4,274km of construction completed in 4QFY24 (vs. 2,370km completed in 9MFY24). In FY24, NHAI completed construction of 6,644km of roads, surpassing the target of 6,500km and registering growth of 20% over FY23 and 53% over FY22. Further, NHAI spent INR2.07t in FY24, registering 20% YoY growth.
- Construction activity is expected to be robust in FY25. Several projects won in the last few quarters will start contributing to revenue.
- A higher budgetary outlay for roads in the Union budget (+25% YoY in FY24) should support project awarding going forward. However, with the upcoming elections, the pace of awarding could remain muted even in 1HFY25. However, the government's thrust on infrastructure development and improved credit availability from banks are highly encouraging factors.

FASTag toll collections continue to improve; asset monetization in focus

- FASTag toll collections (in volume terms) improved ~13% YoY during 4QFY24, while collections in value terms increased ~22% YoY. Higher toll collections play a crucial role in expediting the monetization of road assets by the Ministry. Additionally, it benefits companies seeking to monetize their existing toll assets.
- NHAI's primary focus is on asset monetization as a means to generate funds beyond budgetary allocations. Over Apr'23-Feb'24, NHAI has already awarded four TOT bundles and monetized INR159.7b. The success rate in TOT mode during FY24 was 100%, and LoAs were issued within a few days of the financial bid opening.

Execution to pick up pace for our coverage universe on a YoY basis

- For our coverage universe, we expect revenue to increase 11% YoY and 14% QoQ. We expect operating profit for our coverage universe to increase 8% YoY.
- Due to higher execution, a lower tax rate, and a reduction in losses in associate companies for IRB, aggregate net profit for our coverage universe is expected to increase 9% YoY and 18% QoQ during 4QFY24.

Softening input prices to support margins for contractors

- Steel prices have decreased ~29%, while aluminum prices have dropped ~30% since Apr'22. Cement prices have declined ~7% from their highs in Oct'23.
- With higher construction activities and moderating commodity prices, road contractors anticipate some improvement in profitability and margins in 4QFY24 and beyond.

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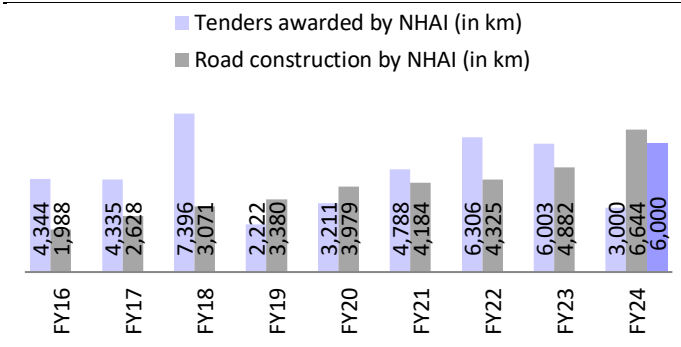
Players with strong order book, balance sheet, and diversified operations well placed

- Despite sluggishness in project awarding in FY24, there is a robust pipeline of tenders in place. Entities having substantial order backlogs, strong financial standings, and engagement across various sectors are well positioned to capitalize on NHAI's proactive approach to project allocation in FY24.
- Players with decent order books, strong balance sheets, and presence in two or more segments are better placed to capitalize on the opportunity.
- **KNRC is our preferred pick in the sector.** We like KNRC due to its favorable net cash balance sheet, which is attributed to several factors: a) the successful monetization of HAM projects, b) a solid order book, c) impressive execution abilities, and d) a strong margin profile.

Exhibit 1: Summary of 4QFY24 earnings estimates

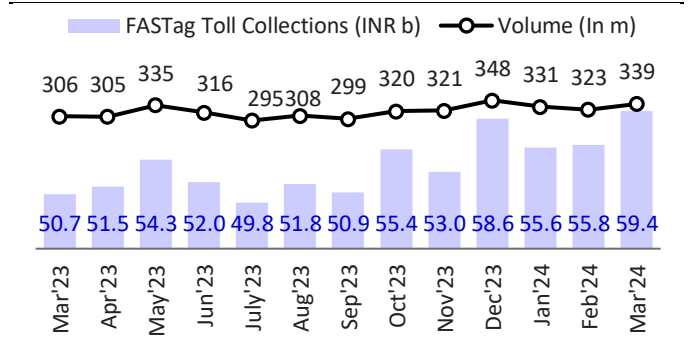
Company	CMP		Sales (INR m)			EBITDA (INR m)			Adjusted profit (INR m)		
	(INR)	Rating	Mar'23	Variance YoY	Variance QoQ	Mar'23	Variance YoY	Variance QoQ	Mar'23	Variance YoY	Variance QoQ
G R Infraprojects	1,384	Buy	21,609	8%	20%	2,791	-4%	22%	1,886	-2%	28%
IRB Infra.	61	Neutral	20,312	25%	3%	8,891	17%	2%	1,830	40%	-2%
KNR Constructions	254	Buy	11,272	-4%	24%	1,963	-7%	33%	1,221	-5%	43%
Infrastructure			53,193	11%	14%	13,645	8%	10%	4,937	9%	18%

Exhibit 2: Trends in NHAI awarding and construction



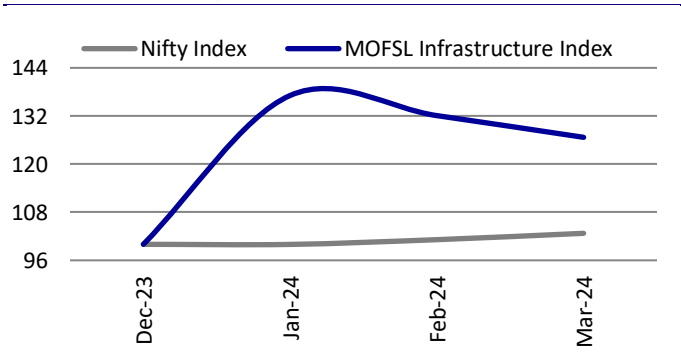
Source: NHAI, MOFSL

Exhibit 3: FASTag toll collections



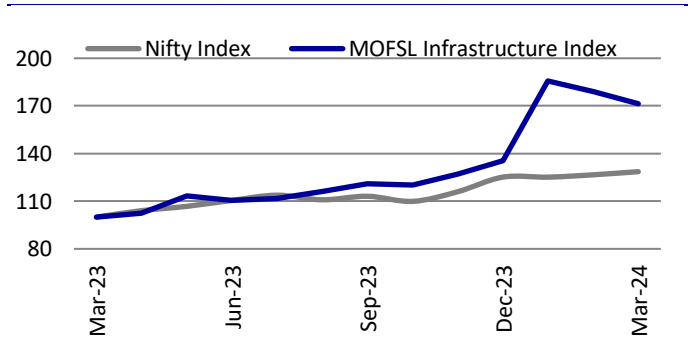
Source: NPCI, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Infrastructure						32.6	26.3	20.4	2.4	2.3	2.1	7.4	8.9	10.3
G R Infraproject	1,384	Buy	69.0	76.4	97.6	19.0	18.1	14.2	2.1	2.0	1.8	12.0	11.8	13.3
IRB Infra	61	Neutral	1.0	1.6	2.2	58.9	37.9	28.3	2.6	2.6	2.4	4.4	6.9	8.7
KNR Constructions	254	Buy	14.8	16.9	20.0	16.7	15.1	12.7	2.2	2.0	1.7	14.2	14.1	14.5

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

G R Infraprojects

Buy
CMP: INR1,384 | TP: INR1,590 (+15%)
EPS CHANGE (%): FY24|25: +5|-

- Expect revenue to rise ~8% YoY to INR21.6b in 4QFY24.
- Adjusted PAT to decrease marginally by ~2% YoY to INR1.9b. Profitability will be affected by muted execution and low margins YoY.
- Expect EBITDA to be at ~INR2.8b and EBITDA margin at 12.9%. Muted execution and elevated costs will continue to hurt EBITDA margin.
- Commentaries on order inflows and monetization of assets through the InvIT route are the key monitorables.

Standalone quarterly performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	24,767	17,772	18,988	19,949	21,524	15,738	18,064	21,609	81,476	76,935
YoY Change (%)	16.1	4.6	4.4	(12.0)	(13.1)	(11.4)	(4.9)	8.3	2.9	(5.6)
EBITDA	4,864	2,600	2,769	2,898	3,147	1,937	2,280	2,791	13,131	10,155
Margin (%)	19.6	14.6	14.6	14.5	14.6	12.3	12.6	12.9	16.1	13.2
Depreciation	634	620	612	590	602	617	610	609	2,457	2,439
Interest	269	236	248	269	266	277	245	259	1,022	1,047
Other Income	320	519	421	549	511	614	578	598	1,809	2,300
PBT before EO expense	4,281	2,263	2,329	2,589	2,790	1,656	2,003	2,520	11,461	8,970
Extra-Ord. expense	-	-	-	-	-	-	83	-	-	83
PBT	4,281	2,263	2,329	2,589	2,790	1,656	2,003	2,520	11,461	8,970
Tax	1,069	620	588	667	710	423	532	635	2,943	2,300
Rate (%)	25.0	27.4	25.2	25.7	25.4	25.6	26.6	25.2	25.7	25.6
Reported PAT	3,211	1,643	1,742	1,922	2,080	1,233	1,554	1,886	8,518	6,753
Adj. PAT	3,211	1,643	1,742	1,922	2,080	1,233	1,471	1,886	8,518	6,670
YoY Change (%)	57.7	0.8	31.9	(27.5)	(35.2)	(25.0)	(15.5)	(1.9)	11.5	(21.7)
Margin (%)	13.0	9.2	9.2	9.6	9.7	7.8	8.1	8.7	10.5	8.7

IRB Infrastructure Developers

Neutral
CMP: INR61 | TP: INR60 (-2%)
EPS CHANGE (%): FY24|25: -1|-

- Expect ~45% YoY growth in construction revenue.
- Adjusted PAT to be at INR1.8b (+40% YoY); higher construction revenue and lower taxes YoY to support PAT.
- Expect operating margin at 43.8% (-40bp QoQ). IRB to be cautious in bidding due to aggressive bidding in NHAI projects.
- New order wins in the construction segment and progress on the Ganga Expressway project are the key monitorables.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	19,246	13,430	15,141	16,200	16,342	17,450	19,685	20,312	64,016	73,789
YoY Change (%)	18.4	(8.3)	18.4	13.0	(15.1)	29.9	30.0	25.4	10.3	15.3
Total Expenditure	8,639	6,778	7,695	8,612	8,564	9,504	10,991	11,421	31,725	40,479
EBITDA	10,606	6,651	7,446	7,588	7,778	7,946	8,695	8,891	32,291	33,310
Margins (%)	55.1	49.5	49.2	46.8	47.6	45.5	44.2	43.8	50.4	45.1
Depreciation	2,031	1,919	2,150	2,221	2,367	2,327	2,513	2,536	8,321	9,743
Interest	3,850	3,893	3,671	3,733	3,815	4,346	4,327	4,335	15,146	16,823
Other Income	708	959	560	789	1,112	1,295	1,088	1,171	3,016	4,666
PBT	5,434	1,799	2,185	2,423	2,709	2,569	2,942	3,191	11,840	11,410
Tax	1,468	702	646	753	836	858	561	801	3,569	3,056
Rate (%)	27.0	39.0	29.6	31.1	30.9	33.4	19.1	25.1	30.1	26.8
Share of profit in Associates	(334)	(244)	(125)	(367)	(535)	(753)	(507)	(559)	(1,069)	(2,354)
Reported PAT	3,632	854	1,414	1,303	1,338	958	1,874	1,830	7,202	6,000
Adj PAT	3,632	854	1,414	1,303	1,338	958	1,874	1,830	7,202	6,000
YoY Change (%)	405.1	101.7	94.5	(25.3)	(63.2)	12.2	32.6	40.5	99.3	(16.7)
Margins (%)	18.9	6.4	9.3	8.0	8.2	5.5	9.5	9.0	11.3	8.1

KNR Constructions**Buy****CMP: INR254 | TP: INR320 (+26%)****EPS CHANGE (%): FY24|25: +1|+1**

- Expect revenue of INR11.3b (-4% YoY) during the quarter.
- Expect adjusted PAT of INR1.2b (-5% YoY).
- Expect EBITDA of INR2b and anticipate operating margin to contract 60bp YoY due to high operating costs.
- New order wins and updates on irrigation receivables are the key monitorables.

Standalone quarterly performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	8,906	8,474	8,302	11,756	9,296	9,415	9,054	11,272	37,438	39,037
YoY Change (%)	20.4	12.2	8.3	16.3	4.4	11.1	9.1	-4.1	14.4	4.3
Total Expenditure	7,256	6,586	6,742	9,636	7,563	7,752	7,581	9,310	30,220	32,206
EBITDA	1,650	1,888	1,560	2,119	1,733	1,663	1,473	1,963	7,218	6,832
Margin (%)	18.5	22.3	18.8	18.0	18.6	17.7	16.3	17.4	19.3	17.5
Depreciation	327	366	381	401	283	311	325	331	1,474	1,250
Interest	69	84	160	80	50	58	72	55	393	235
Other Income	91	76	59	96	71	50	60	53	321	234
Extra-Ord. expense	0	0	1,380	0	0	0	0	0	1,380	0
PBT	1,345	1,514	1,079	1,735	1,470	1,344	1,136	1,631	5,672	5,581
Tax	336	438	840	449	367	346	281	410	2,062	1,403
Rate (%)	25.0	28.9	77.9	25.9	25.0	25.7	24.7	25.1	36.4	25.1
Reported PAT	1,008	1,076	1,619	1,286	1,103	999	855	1,221	4,989	4,178
Adj. PAT	1,008	1,076	777	1,286	1,103	999	855	1,221	4,148	4,178
YoY Change (%)	38.1	13.0	-2.1	14.0	9.4	-7.2	10.1	-5.1	15.1	0.7
Margin (%)	11.3	12.7	9.4	10.9	11.9	10.6	9.4	10.8	11.1	10.7

Logistics

Company

Adani Ports & SEZ
 Blue Dart Express
 Container Corporation of India
 JSW Infrastructure
 Mahindra Logistics
 Transport Corporation of India
 TCI Express
 VRL Logistics

Logistics activity remains muted in 4QFY24

Margins to improve slightly YoY

Daily average e-way bill generation rises; port volumes muted YoY

- Following a period of muted logistics activity in 3QFY24, logistics operations showed signs of recovery in Jan-Feb'24. However, logistics activity again slowed down in Mar'24 due to extended weekends during the Holi festival.
- Daily average e-way bill generation increased ~16% YoY during Jan-Feb'24. Fleet utilization stood at 80-85%. Daily average FASTag toll collections rose ~16% YoY during 4QFY24.
- Port volumes grew 3% YoY to 139.6MT during Jan-Feb'24. Volume growth was hit primarily by the Red Sea crisis during the quarter.

Freight rates stable amid high cost of operations and elevated Brent

- Due to consistently high operational expenses and increased retail fuel costs, freight rates have remained elevated. Fleet operators face rising costs from diesel, truck expenses, and compliance such as GST and e-way bills.
- The state-run Oil Marketing Companies (OMCs) have reduced diesel prices by INR2/liter with effect from 14th Mar'24. However, the impact on freight rates due to this reduction in diesel prices can be expected only in 1QFY25.
- With a slight increase in volumes and stable diesel prices, organized players are likely to experience marginal margin improvement sequentially.

Road logistics activity to improve YoY; private players post strong port volumes

- We expect our coverage universe (excluding APSEZ and JSWINFRA) to report sales growth of 9% YoY (+3% QoQ), EBITDA growth of 9% YoY (+6% QoQ), and PAT growth of 6% YoY (+9% QoQ) in 4QFY24.
- In 4QFY24, APSEZ posted a volume of 108.8MMT (+26% YoY). The FY24 volume numbers are up 24% YoY at 420 MMT. APSEZ has surpassed its revised annual volume guidance of 400MMT for FY24, and with the ramp up of existing and newly acquired ports, we expect the volume momentum to continue in FY25 as well.
- Driven by robust growth in the supply chain segment, we estimate Transport Corporation of India (TRPC) to report 11% YoY sales growth. The supply chain segment is expected to report ~15% YoY sales growth, while the freight and seaways segments are likely to clock revenue growth of 6% and 1% YoY, respectively. The seaways segment is likely to report margin improvement QoQ.
- Blue Dart Express (BDE) faced challenges like aircraft expansion costs, a slow industry, and price differences between Brent and ATF. With improved capacity utilization of the newly added aircraft, we expect volume to pick up in 4QFY24.

Organized and integrated service providers likely to gain market share

- The industry trend is shifting towards integrated supply-chain services and sophisticated solutions (such as inventory optimization and data analytics) from standalone offerings like transportation and warehousing.
- The logistics sector remains robust, propelled by government-driven reforms, changing industry preferences, and the rise of new business sectors such as e-commerce and network services.

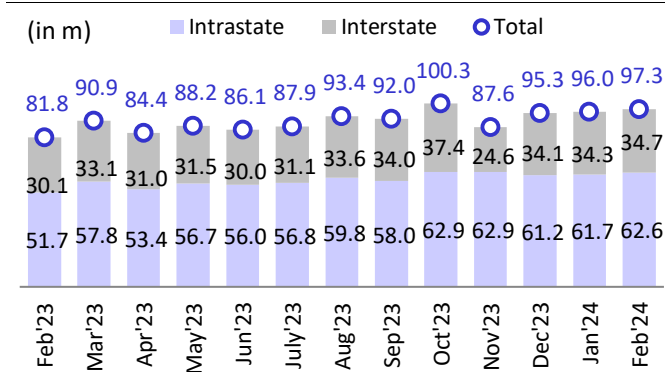
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Exhibit 1: Expected quarterly performance summary

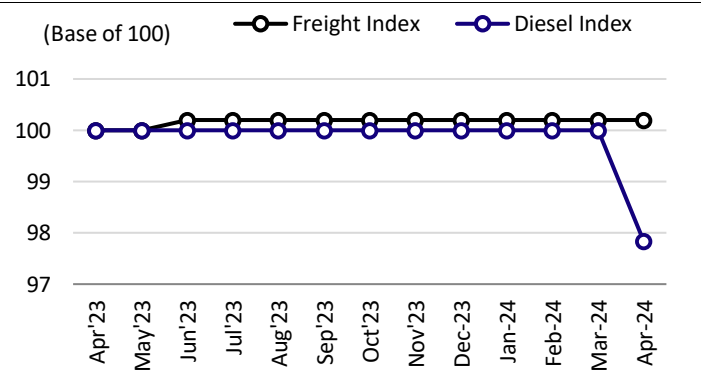
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Adani Ports	1376	Buy	71,554	23.4	3.4	42,668	30.4	1.9	23,020	14.6	-2.2
Blue Dart Express	6147	Buy	13,896	14.2	0.5	1,437	12.2	7.0	813	15.6	-0.3
Concor	903	Buy	22,844	5.5	3.6	5,295	19.1	3.5	3,439	23.5	2.8
JSW Infra	247	Buy	9,816	8.7	4.4	5,171	13.0	7.7	3,263	7.5	6.0
Mahindra Logistics	427	Neutral	14,504	14.0	3.8	584	-8.3	11.8	-6	Loss	Loss
TCI Express	1065	Buy	3,255	-0.2	4.4	470	-13.2	3.1	328	-14.7	1.9
Transport Corp.	822	Buy	10,530	7.5	5.1	1,121	3.8	12.2	873	2.9	10.0
VRL Logistics	558	Buy	7,733	10.8	5.0	1,028	-9.9	8.9	218	-64.3	58.9
Logistics			1,54,132	15.4	3.5	57,774	24.5	3.1	31,947	12.3	0.4

Exhibit 2: E-way bill generation



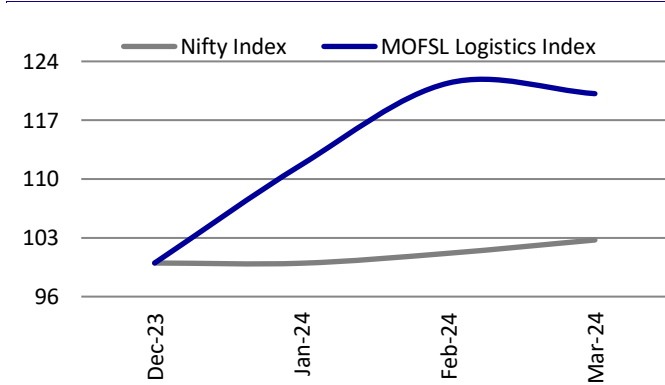
Source: GSTN, MOFSL

Exhibit 3: Movement in freight rates vs. diesel prices



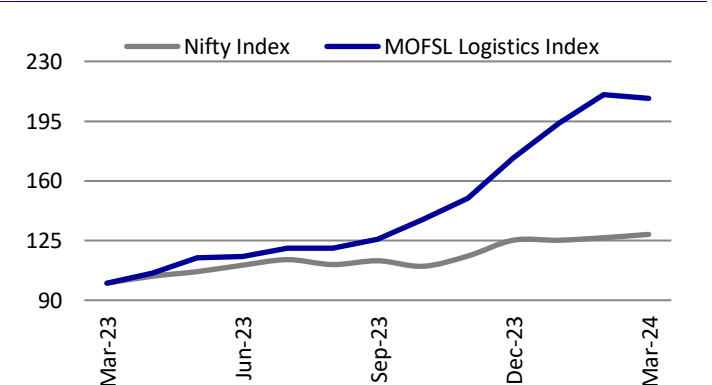
Source: IFTRT, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Logistics						35.2	29.5	24.0	5.5	4.9	4.3	15.6	16.7	17.9
Adani Ports	1,376	Buy	41.3	48.6	58.3	32.5	28.3	23.6	5.5	4.9	4.3	18.2	18.6	19.3
Blue Dart Express	6,147	Buy	123.9	189.1	242.9	49.9	32.5	25.3	10.4	8.5	6.8	22.0	28.7	29.8
Concor	903	Buy	21.0	25.1	31.0	42.0	36.0	29.1	4.5	4.3	4.0	11.0	12.4	14.3
JSW Infra	247	Buy	5.4	7.5	10.3	45.2	33.0	24.0	6.8	5.9	5.0	19.6	19.2	22.5
Mahindra Logistics	427	Neutral	-6.5	7.1	17.1	-63.2	60.3	25.0	5.8	5.7	4.8	-8.7	9.8	20.9
TCI Express	1,065	Buy	34.7	40.5	44.5	29.5	26.3	23.9	5.6	5.0	4.2	20.5	20.4	19.1
Transport Corp.	822	Buy	43.6	51.1	60.3	18.5	16.1	13.6	3.1	2.7	2.3	17.8	17.7	17.7
VRL Logistics	558	Buy	10.1	18.0	25.1	54.3	30.9	22.3	4.8	4.5	4.0	8.9	15.2	19.2

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

Adani Ports & SEZ

Buy

CMP: INR1,376 | TP: INR1,590 (+16%)

EPS CHANGE (%): FY24|25: -3|-3

- Expect revenue to jump ~23% YoY to INR71.5b, driven by 27% YoY growth in volumes and 20% YoY growth in the logistics business.
- Expect adjusted PAT to be at INR23b (+15% YoY)
- Expect EBITDA at INR42.7b; EBITDA margin to expand 320bp YoY driven by cargo volume growth and improving margins in the logistics business.
- Improvement in utilization at the existing and recently acquired ports and growth in the logistics business remain the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	50,581	52,108	47,862	57,969	62,476	66,464	69,201	71,554	2,08,519	2,69,695
YoY Change (%)	8.3	32.8	17.5	40.0	23.5	27.6	44.6	23.4	21.8	29.3
EBITDA	32,905	32,603	30,114	32,713	37,537	38,805	41,860	42,668	1,28,335	1,60,869
Margin (%)	65.1	62.6	62.9	56.4	60.1	58.4	60.5	59.6	61.5	59.6
Depreciation	8,404	8,543	8,836	8,449	9,496	9,745	9,853	9,925	34,232	39,019
Interest	6,512	6,345	5,448	7,631	7,061	7,153	6,864	6,928	25,936	28,007
Other Income	4,681	4,381	2,650	3,823	3,837	3,055	5,069	5,128	15,535	17,088
PBT before EO expense	22,669	22,096	18,479	20,457	24,816	24,962	30,211	30,943	83,701	1,10,931
Extra-Ord. expense	12,232	4,271	3,258	14,146	-844	213	1,822	0	33,907	1,191
PBT	10,437	17,825	15,221	6,311	25,660	24,749	28,389	30,943	49,794	1,09,740
Tax	-721	1,626	2,274	-2,215	3,714	7,591	5,331	7,507	964	24,143
Rate (%)	-6.9	9.1	14.9	-35.1	14.5	30.7	18.8	24.3	1.9	22.0
MI & Asso. Cos	17	573	11	-253	799	-320	973	416	348	1,868
Reported PAT	11,141	15,626	12,936	8,779	21,147	17,479	22,084	23,020	48,482	83,729
Adj. PAT	20,927	19,043	15,543	20,095	20,472	22,200	23,542	23,020	75,608	89,234
YoY Change (%)	25.6	41.8	-2.1	25.0	-2.2	16.6	51.5	14.6	23.0	18.0

Blue Dart Express

Buy

CMP: INR6,147 | TP: INR7,750 (+26%)

EPS CHANGE (%): FY24|25: -1|-1

- Expect revenue to increase ~14% YoY to INR13.9b in 4QFY24.
- Expect adjusted PAT to rise ~16% YoY to INR841m.
- Expect EBITDA to be INR1.4b. EBITDA margin to improve 60bp QoQ with better capacity utilization of the two newly added aircraft.
- Volume growth in the air and surface express segments and movement in ATF prices are the key monitorables.

Standalone quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	12,933	13,253	13,371	12,166	12,376	13,245	13,829	13,896	51,722	53,345
YoY Change (%)	49.6	18.0	6.6	4.3	-4.3	-0.1	3.4	14.2	17.3	3.1
EBITDA	1,908	1,627	1,506	1,282	1,133	1,305	1,343	1,437	6,323	5,218
Margin (%)	14.7	12.3	11.3	10.5	9.2	9.9	9.7	10.3	12.2	9.8
YoY Change (%)	128.7	-18.0	-26.1	-41.2	-40.6	-19.8	-10.8	-1.8	-10.2	-17.5
Depreciation	397	419	414	436	444	456	473	473	1,666	1,845
Interest	47	42	42	44	45	48	47	49	174	189
Other Income	102	121	139	143	157	151	228	172	505	708
PBT before EO expense	1,566	1,288	1,189	945	801	952	1,050	1,087	4,987	3,891
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0
PBT	1,566	1,288	1,189	945	801	952	1,050	1,087	4,987	3,891
Tax	394	368	320	241	204	240	235	274	1,323	952
Rate (%)	25.2	28.5	26.9	25.5	25.4	25.2	22.4	25.2	26.5	24.5
Reported PAT	1,172	920	869	703	598	713	816	813	3,664	2,939
Adj. PAT	1,172	920	869	703	598	713	816	813	3,664	2,939
YoY Change (%)	298.9	-26.6	-28.9	-48.1	-49.0	-22.5	-6.2	15.6	-11.1	-19.8
Margin (%)	9.1	6.9	6.5	5.8	4.8	5.4	5.9	5.9	7.1	5.5

Container Corp. of India**Buy****CMP: INR903 | TP: INR1,120 (+24%)****EPS CHANGE (%): FY24|25: -2|+5**

- Expect volumes to rise ~11% YoY on a low base of 4QFY23.
- EBITDA margin to improve 270bp YoY to 23.2% supported by higher volumes.
- Adj. PAT to increase to ~INR3.4b (+23% YoY) aided by higher volumes and lower LLF growth.
- Expect EXIM/domestic volumes to grow ~9%/15% YoY.
- Growth in EXIM trade, progress on commissioning of the DFC, and divestment of stake by the government are the key monitorables.

Standalone quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	19,783	19,707	19,884	21,660	19,193	21,904	22,051	22,844	81,034	85,993
YoY Change (%)	9.4	8.0	3.6	6.0	-3.0	11.1	10.9	5.5	6.7	6.1
EBITDA	4,723	4,986	4,264	4,447	3,916	5,372	5,117	5,295	18,421	19,700
Margin (%)	23.9	25.3	21.4	20.5	20.4	24.5	23.2	23.2	22.7	22.9
YoY Change (%)	9.0	16.9	-6.4	7.7	-17.1	7.7	20.0	19.1	6.6	6.9
Depreciation	1,312	1,341	1,357	1,531	1,378	1,486	1,543	1,537	5,541	5,943
Interest	139	143	142	146	141	147	175	157	570	620
Other Income	629	520	1,136	955	815	1,025	1,007	994	3,240	3,840
PBT before EO expense	3,901	4,022	3,901	3,725	3,212	4,764	4,406	4,596	15,550	16,978
Extra-Ord. expense	0	0	0	13	0	0	0	0	13	0
PBT	3,901	4,022	3,901	3,713	3,212	4,764	4,406	4,596	15,537	16,978
Tax	988	994	936	928	771	1,187	1,062	1,157	3,847	4,176
Rate (%)	25.3	24.7	24.0	25.0	24.0	24.9	24.1	25.2	24.8	24.6
Reported PAT	2,913	3,028	2,965	2,785	2,441	3,577	3,344	3,439	11,691	12,801
Adj. PAT	2,913	3,028	2,965	2,785	2,441	3,577	3,344	3,439	11,703	12,801
YoY Change (%)	14.3	14.7	3.5	8.4	-16.2	18.1	12.8	23.5	10.2	9.4
Margin (%)	14.7	15.4	14.9	12.9	12.7	16.3	15.2	15.1	14.4	14.9

JSW Infrastructure**Buy****CMP: INR247 | TP: INR300 (+22%)****EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to increase ~9% YoY to INR9.8b driven by volume growth.
- Expect adjusted PAT to be at INR3.3b (+8% YoY)
- Expect EBITDA at INR5.2b; EBITDA margin to improve 200bp YoY driven by strong volume growth in 4QFY24
- Improvement in utilization at the existing and the recently acquired ports remain the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	8,317	6,620	7,977	9,033	8,781	8,483	9,401	9,816	31,947	36,481
YoY Change (%)	50.1	25.9	59.3	30.4	5.6	28.1	17.8	8.7	40.5	14.2
EBITDA	4,452	3,410	3,764	4,576	4,513	4,522	4,799	5,171	16,202	19,005
Margin (%)	53.5	51.5	47.2	50.7	51.4	53.3	51.0	52.7	50.7	52.1
YoY Change (%)	57.8	47.0	63.6	25.2	1.4	32.6	27.5	13.0	46.0	17.3
Depreciation	983	993	1,023	913	947	1,005	1,076	1,097	3,912	4,125
Interest	705	689	720	705	714	752	672	658	2,819	2,796
Other Income	299	345	443	694	401	472	782	750	1,781	2,405
PBT before EO expense	3,063	2,073	2,464	3,652	3,253	3,237	3,834	4,165	11,252	14,489
Extra-Ord. expense	676	403	1,388	676	-872	-45	763	0	3,142	-154
PBT	2,387	1,670	1,076	2,976	4,125	3,282	3,071	4,165	8,110	14,642
Tax	14	288	-88	401	903	723	535	850	615	3,010
Rate (%)	0.6	17.2	-8.1	13.5	21.9	22.0	17.4	20.4	7.6	20.6
Minority Interest	-33.4	0.0	-14.9	-48.6	0.0	-14.7	-29.1	-53.0	-96.8	-96.8
Profit/Loss of Asso. Cos	0	0	0	0	0	0	0	0	0	0
Reported PAT	2,340	1,383	1,149	2,527	3,222	2,544	2,507	3,263	7,398	11,535
Adj. PAT	2,847	1,685	2,190	3,034	2,568	2,510	3,079	3,263	9,755	11,420
YoY Change (%)	184.2	79.0	168.8	1,055.8	-9.8	49.0	40.6	7.5	236.8	17.1
Margin (%)	34.2	25.4	27.4	33.6	29.2	29.6	32.7	33.2	30.5	31.3

Mahindra Logistics**Neutral****CMP: INR427 | TP: INR387 (-9%)****EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to rise 14% YoY to INR14.5b.
- Expect Adj. Loss of INR6m as the loss-making Rivigo business dents profitability.
- Expect EBITDA to be at INR584m (-8% YoY) and project a sequential margin improvement of 30bp.
- Operating profitability in Rivigo business, and outlook on MM's auto segment sales to be the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	11,999	13,263	13,296	12,725	12,932	13,648	13,972	14,504	51,283	55,056
YoY Change (%)	35.9	28.4	17.0	16.9	7.8	2.9	5.1	14.0	23.8	7.4
EBITDA	657	676	627	637	666	536	522	584	2,598	2,308
Margin (%)	5.5	5.1	4.7	5.0	5.2	3.9	3.7	4.0	5.1	4.2
YoY Change (%)	61.8	43.8	38.4	23.8	1.4	-20.7	-16.8	-8.3	41.0	-11.1
Depreciation	409	436	498	553	545	518	515	531	1,895	2,109
Interest	89	107	150	169	178	165	164	161	516	668
Other Income	31	34	56	38	62	66	23	69	159	219
PBT	190	167	36	-46	6	-82	-96	-40	345	-211
Tax	53	47	19	-48	89	73	68	-10	71	220
Rate (%)	28.1	28.5	53.0	104.3	1,556.1	-89.2	-71.4	25.2	20.6	-104.0
Minority Interest/Associates	-1	3	-3	-10	-3	-5	-10	23	-11	6
Reported PAT	135	122	14	-8.2	-85.5	-159	-174	-6	263	-425
Adj. PAT	135	122	14	-8.2	-85.5	-159	-212	-6	263	-463
YoY Change (%)	310.9	132.2	-21.5	-111.1	NA	-230.7	PL	-23.5	49.7	-276.3
Margin (%)	1.1	0.9	0.1	-0.1	-0.7	-1.2	-1.5	0.0	0.5	-0.8

Transport Corporation of India**Buy****CMP: INR822 | TP: INR1,025 (+25%)****EPS CHANGE (%): FY24|25: -1|-11**

- Expect revenue to improve ~8% YoY to INR10.5b propelled by 15% YoY growth in the supply chain segment.
- Expect adjusted PAT to be at INR873m (+3% YoY) in 4QFY24.
- Expect EBITDA at INR1.1b (+4% YoY) and EBITDA margin at 10.6% (-40bp YoY) due to the subdued freight activity and weakness in prices in the seaways business.
- Volume growth in the freight business and margin in the seaways business are the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	9,029	9,321	9,667	9,793	9,498	9,935	10,020	10,530	37,826	39,983
YoY Change (%)	29.7	13.0	15.4	9.0	5.2	6.6	3.7	7.5	16.1	5.7
EBITDA	1,041	960	1,144	1,081	1,008	1,004	999	1,121	4,240	4,132
Margin (%)	11.5	10.3	11.8	11.0	10.6	10.1	10.0	10.6	11.2	10.3
YoY Change (%)	37.4	-8.2	4.8	-10.0	-3.1	4.6	-12.7	3.8	3.2	-2.6
Depreciation	289	300	314	311	308	311	331	333	1,214	1,283
Interest	23	25	26	24	23	34	35	31	98	123
Other Income	53	74	70	121	85	113	95	85	303	378
PBT before EO expense	782	708	874	867	762	772	728	842	3,231	3,104
Extra-Ord. expense	0	0	0	34	0	0	0	0	34	0
PBT	782	708	874	833	762	772	728	842	3,197	3,104
Tax	93	116	110	115	104	96	108	127	434	435
Rate (%)	11.9	16.4	12.6	13.8	13.6	12.4	14.8	15.0	13.6	14.0
Minority Interest	-8.4	-6.6	-8.2	-9.3	-9.0	-8.0	-8.0	-5.0	-32.5	-30.0
Profit/Loss of Asso. Cos	98	138	102	106	174	202	182	163	444	721
Reported PAT	778	723	857	814	823	870	794	873	3,173	3,360
Adj. PAT	778	723	857	848	823	870	794	873	3,207	3,360
YoY Change (%)	65.9	-4.1	4.4	-0.7	5.8	20.3	-7.4	2.9	10.7	4.8
Margin (%)	8.6	7.8	8.9	8.7	8.7	8.8	7.9	8.3	8.5	8.4

TCI Express**Buy****CMP: INR1,065 | TP: INR1,250 (+16%)****EPS CHANGE (%): FY24|25: -2|-8**

- Expect revenue to remain flat at ~INR3.3b.
- Expect Adj. PAT to increase to INR328m (-15% YoY)
- Expect EBITDA at INR470m; margin to contract 220bp YoY due to weak volume growth amid the extended holiday season in Mar'24.
- Outlook on the B2B express segment and competitive scenario are the key monitorables

Quarterly performance

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	2,904	3,099	3,144	3,263	3,049	3,200	3,119	3,255	12,410	12,622
YoY Change (%)	30.3	13.3	9.6	9.4	5.0	3.3	-0.8	-0.2	14.8	1.7
EBITDA	428	515	461	541	464	505	456	470	1,945	1,894
Margin (%)	14.7	16.6	14.7	16.6	15.2	15.8	14.6	14.4	15.7	15.0
YoY Change (%)	33.4	13.7	-2.3	7.8	8.4	-2.0	-1.1	-13.2	11.3	-2.6
Depreciation	33	35	43	42	46	47	48	49	153	190
Interest	3	4	4	7	4	4	3	4	18	15
Other Income	19	23	13	17	15	18	20	22	72	75
PBT before EO expense	411	499	427	509	429	472	424	439	1,845	1,763
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0
PBT	411	499	427	509	429	472	424	439	1,845	1,763
Tax	101	121	106	124	105	116	103	111	453	434
Rate (%)	24.5	24.3	24.9	24.4	24.6	24.5	24.2	25.2	24.5	24.6
Reported PAT	310	378	320	385	323	356	322	328	1,393	1,329
Adj. PAT	310	378	320	385	323	356	322	328	1,393	1,329
YoY Change (%)	30.5	11.0	-8.8	7.0	4.3	-5.8	0.5	-14.7	8.1	-4.6
Margin (%)	10.7	12.2	10.2	11.8	10.6	11.1	10.3	10.1	11.2	10.5

VRL Logistics**Buy****CMP: INR558 | TP: INR700 (+26%)****EPS CHANGE (%): FY24|25: -10|-14**

- Expect revenue to increase ~11% YoY to INR7.7b driven by 10% YoY growth in volumes
- Expect adjusted PAT to be at INR218m (-64% YoY)
- Expect EBITDA to be at ~INR1b; EBITDA margin to improve 50bp QoQ driven by higher sequential volumes
- Addition of fleet, branch expansion, and volume growth are the key monitorables.

Quarterly performance

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	6,143	6,545	6,815	6,982	6,742	7,093	7,367	7,733	26,485	28,935
YoY Change (%)	48.5	2.8	13.3	17.6	9.7	8.4	8.1	10.8	17.9	9.3
EBITDA	913	930	1,033	1,141	1,019	918	944	1,028	4,017	3,910
Margin (%)	14.9	14.2	15.2	16.3	15.1	12.9	12.8	13.3	15.2	13.5
YoY Change (%)	153.0	-17.9	-12.1	-0.7	11.7	-1.3	-8.6	-9.9	5.2	-2.7
Depreciation	334	384	421	453	489	522	568	569	1,591	2,148
Interest	120	139	151	133	163	185	213	210	543	771
Other Income	30	22	45	47	89	60	24	42	143	215
PBT before EO expense	488	429	506	602	456	271	187	291	2,025	1,205
Extra-Ord. expense	-134	0	-114	-1,322	0	-5	0	0	-1,571	-5
PBT	622	429	620	1,924	456	276	187	291	3,596	1,210
Tax	121	122	128	-7	117	77	50	73	364	317
Rate (%)	19.5	28.4	20.7	-0.4	25.6	27.8	26.9	25.1	10.1	26.2
Reported PAT	501	307	492	1,932	339	199	137	218	3,232	893
Adj. PAT	367	307	378	610	339	194	137	218	1,661	889
YoY Change (%)	NA	-38	-33.1	16.6	-7.5	-36.7	-63.7	-64.3	9.2	-46.5
Margin (%)	6.0	4.7	5.5	8.7	5.0	2.7	1.9	2.8	6.3	3.1

Metals

Company

Coal India

Hindalco Industries

Hindustan Zinc

Jindal Steel & Power

JSW Steel

NMDC

National Aluminum Co.

Steel Authority of India

Tata Steel

Vedanta

Lower steel prices and elevated raw material prices to impact performance

Companies in our coverage universe are expected to post weak performance, with EBITDA and PAT declining 12% and 26% QoQ, respectively in 4Q FY24. This can be attributed to: a) softness in steel prices, b) higher coal cost, and c) higher iron ore costs, partially offset by improvement in volumes. While we expect the ferrous sector to post subdued performance, the non-ferrous sector is expected to perform better. The mining companies are expected to report strong growth, driven by volumes.

In 4QFY24, average domestic HRC prices have declined ~5% QoQ to INR53,524/t, while rebar prices and CRC prices have declined 7% and 5% QoQ to INR51,918/t and INR61,650/t, respectively. International iron ore prices decreased 3% to USD125/t and NMDC undertook a price cut of INR250/t recently in 4QFY24.

Similarly, premium HCC was down ~USD19/t (down 5%) QoQ at USD330/t. As Tier-I mills carry nearly two months of coal inventory, they are likely to experience the negative impact of increased coking coal prices in 4QFY24. We would await further insights from the management regarding the influence of elevated coal and iron ore expenses in the coming quarters.

Steel spreads are currently at one of their lowest levels and market participants and vendors are closely monitoring the demand situation. Exports have increased, which should provide some support to realizations. Tier-I mills continue to focus on the domestic market with an expected uptick in construction activity.

HRC and rebar prices, which are currently hovering below INR52,000/t and INR52,700/t, respectively, are expected to improve, driven by the resumption in exports to the EU/MENA region and an expected uptick in domestic demand, following the elections.

We reiterate our **BUY rating** on **HNDL, COAL, NMDC, and JSP**.

Steel: We expect the steel sector to report weak performance due to reduced realization and higher costs, resulting from an increase in iron ore and coal prices. However, it would be partially offset by an improvement in volumes, leading to better operating leverage. The volumes are expected to improve with higher exports and improved demand in the domestic market.

Prices of key input raw materials, especially coking coal, which is currently in the range of USD255/t is expected to provide some cushion to margins in 1QFY25.

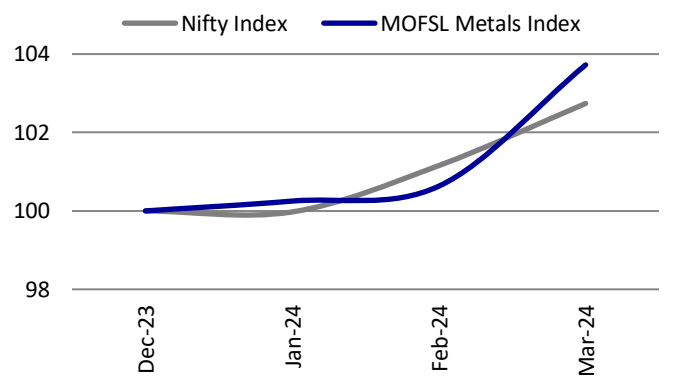
Non-ferrous: Metal prices, which peaked at the beginning of CY23, have since experienced a soft correction throughout 4QFY24. Copper/nickel/lead were up 3%/down 4%/down 2% QoQ at USD8,545/USD16,608/USD2,075 per tonne, while aluminum and zinc stood flat QoQ at USD2,203/USD2,453 per tonne.

Non-Ferrous companies under our coverage are expected to post flat revenue growth on a QoQ basis. EBITDA/APAT are expected to increase 3%/7%, driven by better performance at HNDL and NACL.

Mining: The e-auction premium for COAL, which came in as a positive surprise of 117% in 3QFY24, is expected to be around 53% in 4QFY24 and around 90% for FY24E. The e-auction premium, which improved in Oct'23, has since softened due to increased supplies. In FY24, COAL production increased 10% YoY, while dispatches grew 8.5% YoY.

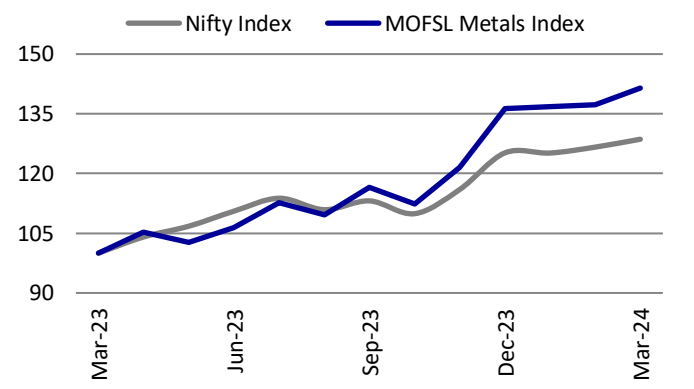
In line with the recent decline in iron ore prices in the international market, NMDC has cut prices in latter part of 4QFY24, aggregating to ~INR250/t. It has closed FY24 with a production of 45mt.

Exhibit 1: Relative performance – three months (%)



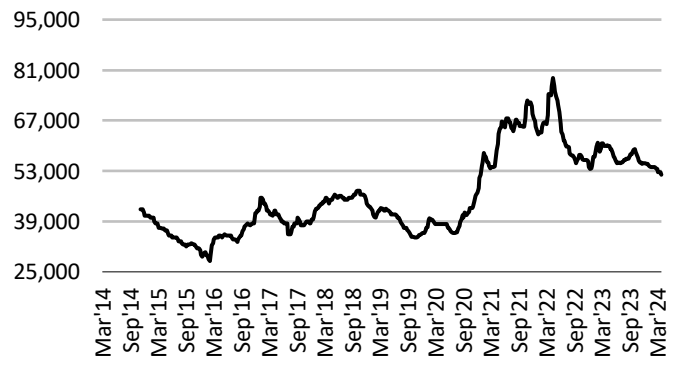
Sources: MOFSL, Bloomberg

Exhibit 2: Relative performance – one year (%)



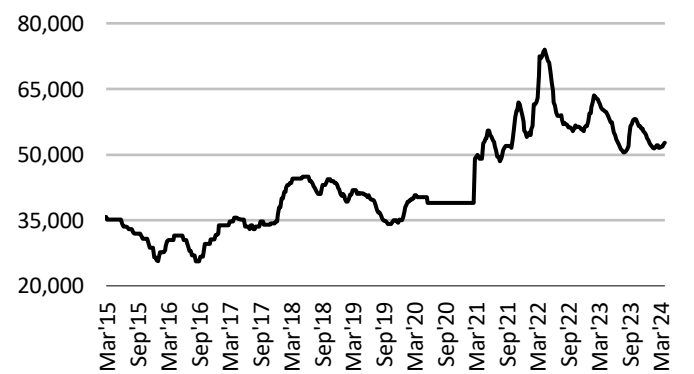
Sources: MOFSL, Bloomberg

Exhibit 3: Domestic HRC prices remained under pressure in 4QFY24



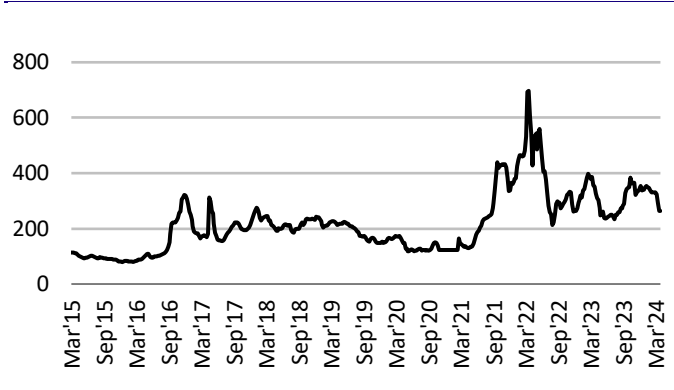
Source: MOFSL, Steelmint

Exhibit 4: Primary Rebar prices were down 7% QoQ



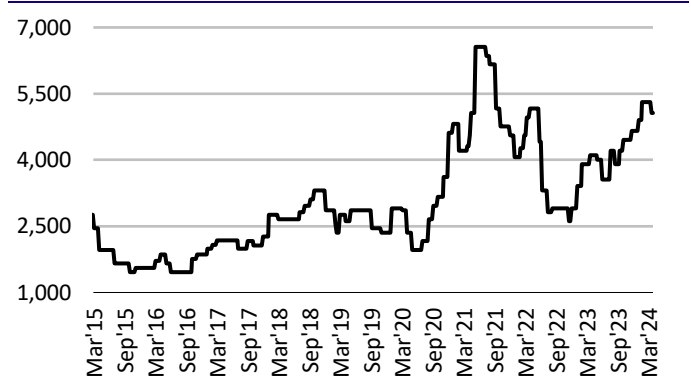
Source: MOFSL, Steelmint

Exhibit 5: Coking coal prices decreased 5% QoQ to quarterly average of ~USD255/t



Source: MOFSL, Steelmint

Exhibit 6: NMDC took a price cut recently in line with the decline in Global Iron ore prices



Source: MOFSL, Steelmint

Exhibit 7: Key assumptions (all amounts in INR b, except for volumes and per tonne)

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel										
Sales - mt	4.5	5.7	5.7	6.5	5.7	6.4	6.0	6.6	10.6	1.6
Realization/t	84,824	72,784	68,536	71,917	73,928	69,772	69,900	67,507	-3.4	-6.1
EBITDA/t	9,597	3,052	7,963	12,158	12,340	12,341	11,967	8,861	-26.0	-27.1
Consol Revenue	381	418	391	470	422	446	419	448	6.8	-4.6
Consol EBITDA	43	18	45	79	70	79	72	59	-18.1	-25.9
Consol PAT	8	-14	5	37	23	31	23	15	-32.7	-58.1
Tata Steel										
Standalone										
Sales - mt	4.1	4.9	4.6	4.8	4.8	4.8	4.9	5.2	6.8	8.6
Realization/t	89,172	70,556	73,920	79,333	74,083	70,924	71,069	68,961	-3.0	-13.1
EBITDA/t	24,113	9,503	11,189	18,047	13,924	14,248	16,905	14,132	-16.4	-21.7
Revenue	363	346	339	380	355	342	347	359	3.6	-5.6
EBITDA	98	47	51	87	67	69	82	74	-10.7	-14.9
PAT	60	22	24	49	46	45	46	37	-20.3	-24.1
Consolidated										
Sales - mt	6.6	7.2	7.2	7.8	7.2	7.1	7.2	7.9	10.5	1.5
Realization/t	95,671	82,818	79,837	80,927	82,625	78,758	77,359	77,505	0.2	-4.2
EBITDA/t	22,584	8,382	5,661	9,279	7,186	6,037	8,760	7,533	-14.0	-18.8
Consol Revenue	634	599	571	630	595	557	553	612	10.7	-2.8
Consol EBITDA	150	61	40	72	52	43	63	60	-5.0	-17.6
Consol PAT	78	15	-24	17	6	7	8	11	24.4	-37.7
TSE										
Sales - mt	2.1	1.9	2.0	2.2	2.0	2.0	1.9	2.1	8.2	-2.8
Revenue	260	216	207	220	213	202	192	226	17.8	2.8
EBITDA	60	18	-16	-16	-16	-25	-29	-15	NA	NA
EBITDA/t (USD)	366	123	-95	-91	-98	-155	-175	-83	NA	NA
SAIL										
Sales - mt	3.2	4.2	4.2	4.7	3.9	4.8	3.8	4.4	16.2	-5.7
Realization/t	76,185	62,328	60,328	62,232	62,717	58,256	61,444	59,021	-3.9	-5.2
EBITDA/t	7,297	1,746	5,007	6,247	4,245	4,429	5,638	4,211	-25.3	-32.6
Consol Revenue	240	262	250	291	244	280	233	261	11.6	-10.5
Consol EBITDA	23	7	21	29	16	21	21	19	-13.2	-36.4
Consol PAT	8	-3	2	12	2	3	3	2	-51.8	-86.1
JSP										
Sales (mt)	1.7	2.0	1.9	2.0	1.8	2.0	1.8	1.9	7.4	-4.3
Realization/t	74,974	67,271	65,539	67,448	68,415	60,946	64,648	62,821	-2.8	-6.9
EBITDA/t	17,200	7,559	12,513	10,775	14,283	11,372	15,705	13,286	-15.4	23.3
Consol Revenue	130	135	125	137	126	123	117	122	4.3	-10.8
Consol EBITDA	30	15	24	22	26	23	28	26	-9.2	18.0
Consol PAT	15	7	9	6	17	14	19	12	-35.3	102.6
NMDC										
Sales - mt	7.8	8.4	9.6	12.4	11.0	9.6	11.4	12.8	12.5	3.3
Realization/t	6,111	3,947	3,885	4,716	4,915	4,194	4,748	4,955	4.4	5.1

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
EBITDA/t	2,434	1,009	1,191	1,743	1,816	1,244	1,762	1,819	3.3	4.4
Revenue	48	33	37	59	54	40	54	64	17.4	8.6
EBITDA	19	9	11	22	20	12	20	23	16.2	7.9
PAT	14	10	9	16	17	10	17	19	13.1	20.5
HNDL	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
Aluminum sales - kt	333	341	349	323	341	334	333	332	-0.3	2.8
Copper sales - kt	101	112	109	117	118	134	119	125	5.0	6.8
Novelis vol- kt	962	984	908	936	879	933	910	953	4.7	1.8
Novelis adj EBITDA (USD m)	561	506	341	403	421	484	454	500	10.1	24.1
Consol Revenue	580	562	532	559	530	542	528	532	0.8	-4.7
Consol EBITDA	84	54	35	53	57	56	59	63	7.8	18.7
Consol PAT	41	22	14	24	25	22	23	29	26.4	22.2
HZL	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
Zinc vol (India) - kt	206	189	210	216	208	185	203	221	8.9	2.3
Lead vol (India) - kt	54	57	46	54	50	57	56	53	-5.4	-1.9
Silver vol- t	177	194	161	182	179	181	197	189	-4.1	3.8
Consol Revenue	94	83	79	85	73	68	73	80	8.9	-6.4
Consol EBITDA	51	44	37	43	33	31	35	36	2.0	-15.6
Consol PAT	31	27	22	26	20	17	20	19	-4.2	-24.8
VED	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
Consol Revenue	386	367	341	379	337	342	355	342	-3.8	-9.9
Consol EBITDA	102	77	71	95	64	67	85	84	-1.1	-10.8
Consol PAT	44	14	16	31	9	5	20	19	-6.2	-39.4
NACL	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
Consol Revenue	38	35	33	37	32	30	33	39	17.2	6.9
Consol EBITDA	9	3	5	8	6	4	8	8	9.1	10.0
Consol PAT	6	1	3	5	3	2	5	5	14.0	8.4
COAL	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
Sales - mt	178	155	176	187	187	174	191	201	5.2	7.5
NSR - FSA INR/t	1,443	1,414	1,482	1,550	1,536	1,542	1,532	1,537	0.3	-0.8
E-auction premium	201	329	241	192	144	83	117	53	-54.9	-72.6
EBITDA/t	717	519	639	461	597	512	624	472	-24.3	2.4
Consol Revenue	351	298	352	382	360	328	362	376	3.9	-1.6
Consol Adj EBITDA	127	80	112	86	112	89	119	95	-20.1	10.3
Consol PAT	88	60	78	55	80	68	91	68	-24.7	23.4

Exhibit 8: Domestic sales volumes (mt) likely to improve QoQ

Sales Volume	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel	4.5	5.7	5.7	6.5	5.7	6.4	6.0	6.6	10.6	1.6
Tata Steel	6.6	7.2	7.2	7.8	7.2	7.1	7.2	7.9	10.5	1.5
SAIL	3.2	4.2	4.2	4.7	3.9	4.8	3.8	4.4	16.2	-5.7
JSPL	1.7	2.0	1.9	2.0	1.8	2.0	1.8	1.9	7.4	-4.3

Sources: MOFSL, Company

Exhibit 9: ASP under pressure in 4QFY24

ASP	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel	84,824	72,784	68,536	71,917	73,928	69,772	69,900	67,507	-3.4	-6.1
Tata Steel	95,671	82,818	79,837	80,927	82,625	78,758	77,359	77,505	0.2	-4.2
SAIL	76,185	62,328	60,328	62,232	62,717	58,256	61,444	59,021	-3.9	-5.2
JSPL	74,974	67,271	65,539	67,448	68,415	60,946	64,648	62,821	-2.8	-6.9

Sources: MOFSL, Company

Exhibit 10: EBITDA/t to be soft for most companies

EBITDA/t	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	QoQ	YoY
JSW Steel	9,597	3,052	7,963	12,158	12,340	12,341	11,967	8,861	-26.0	-27.1
Tata Steel	22,584	8,382	5,661	9,279	7,186	6,037	8,760	7,533	-14.0	-18.8
SAIL	7,297	1,746	5,007	6,247	4,245	4,429	5,638	4,211	-25.3	-32.6
JSPL	17,200	7,559	12,513	10,775	14,283	11,372	15,705	13,286	-15.4	23.3

Sources: MOFSL, Company

Exhibit 11: Key commodity prices

Non-ferrous metal price movement	UoM	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Abs YoY	% YoY	Abs QoQ	% QoQ
Copper-LME	USD/t	7,754	8,010	8,919	8,472	8,356	8,169	8,445	-474	-5%	276	3%
Aluminum-LME	USD/t	2,356	2,324	2,395	2,261	2,154	2,192	2,203	-192	-8%	11	1%
Zinc-LME	USD/t	3,278	3,000	3,123	2,536	2,427	2,500	2,453	-669	-21%	-47	-2%
Nickel-LME	USD/t	22,105	25,581	26,033	22,333	20,396	17,257	16,608	-9,425	-36%	-649	-4%
Lead-LME	USD/t	1,977	2,104	2,143	2,117	2,170	2,121	2,075	-68	-3%	-46	-2%
Alumina-Spot	USD/t	339	319	356	349	336	334	333	-24	-7%	-1	0%
Silver	USD/oz	19	21	22	24	24	23	23	1	3%	-0	-1%
Brent	USD/bbl	99	88	81	78	87	84	83	2	2%	-1	-1%
China Steel Prices												
China TMT	RMB/t	4,164	3,969	4,289	3,842	3,822	4,023	4,066	-223	-5%	43	1%
China HRC	RMB/t	4,077	3,941	4,291	3,947	3,937	3,946	3,991	-299	-7%	45	1%
China Wire Rod	RMB/t	4,604	4,424	4,666	4,231	4,189	4,331	4,299	-367	-8%	-32	-1%
India Domestic Prices												
HRC India FoB	USD/t	597	557	676	629	572	580	593	-83	-12%	13	2%
HRC Dom Mum	INR/t	57,662	55,607	59,189	57,544	56,663	56,350	53,524	-5,666	-10%	-2,826	-5%
Billet Raigarh	INR/t	48,149	44,218	46,076	44,102	42,348	40,676	39,084	-6,992	-15%	-1,593	-4%
Wire Rod - Dom	INR/t	57,750	54,992	57,309	54,076	51,669	54,393	50,214	-7,095	-12%	-4,179	-8%
TMT Primary Mum	INR/t	57,135	56,247	61,212	56,495	53,114	55,812	51,918	-9,294	-15%	-3,894	-7%
TMT Secondary Mum	INR/t	55,051	53,789	56,702	52,383	49,264	49,560	48,705	-7,998	-14%	-855	-2%
Pig Iron SG Durgapur	INR/t	46,514	41,908	43,585	42,282	40,665	38,076	38,344	-5,241	-12%	268	1%
CRC Mum	INR/t	67,046	62,746	64,081	62,086	60,975	62,946	61,650	-2,431	-4%	-1,296	-2%
Galvanized Plain	INR/t	69,238	65,469	72,964	71,117	67,983	69,092	65,854	-7,110	-10%	-3,238	-5%
Color Coated	INR/t	77,923	74,500	80,176	81,138	79,021	78,925	75,931	-4,245	-5%	-2,994	-4%
Coking Coal / Coke												
HCC China	USD/t	291	275	276	199	213	263	242	-34	-12%	-21	-8%
HCC Prem India CNF	USD/t	271	294	357	260	276	349	330	-27	-8%	-19	-5%
HCC Mid Vols India CNF	USD/t	248	276	326	231	236	285	277	-49	-15%	-8	-3%
PCI Coal CNF India	USD/t	265	289	328	226	182	204	182	-145	-44%	-21	-10%
Iron Ore												
62% CNF China - Aus	USD/t	104	99	125	111	114	128	125	-0	0%	-3	-3%
Odisha Fines - 62%	INR/t	4,815	4,815	4,815	4,815	4,815	4,815	4,815	-	0%	-	0%
K'taka Fines Fe 60%	INR/t	2,223	2,050	2,644	3,000	2,706	3,579	4,079	1,434	54%	500	14%
NMDC 64 %Fines (C'garh)	INR/t	2,877	2,860	3,623	3,923	3,999	4,546	5,155	1,533	42%	610	13%
NMDC 65%-Lumps	INR/t	3,353	3,360	4,077	4,020	4,570	5,206	5,802	1,725	42%	596	11%
Domestic Pellet	INR/t	7,156	7,520	9,250	8,367	8,447	8,561	8,630	-620	-7%	69	1%
Sponge Iron- Raigarh	INR/t	32,948	29,820	31,016	28,190	27,930	27,029	25,790	-5,226	-17%	-1,239	-5%
China Chrome Ore (40-42%)	USD/t	243	228	279	285	291	286	289	11	4%	3	1%
Odisha Chrome Ore (E-Auction)	INR/t	16,264	18,423	20,392	21,037	26,577	30,110	30,574	10,182	50%	464	2%
Global Mn Ore 38%	USD/dmtu	4.63	4.24	4.53	4.00	3.75	3.71	3.95	-0.58	-13%	0	6%
Mn Ore India Mn 44% Fe 5%	USD/dmtu	6.03	4.72	5.84	4.92	4.58	4.38	4.40	-1.44	-25%	0	1%
Balaghat Mn 37.5%, Fe 7%	INR/t	14772	12,810	13,513	12,529	11,871	12,084	12,899	-614	-5%	815	7%
Silico manganese	INR/t	77751	75,175	76,884	73,401	68,067	64,202	66,167	-10,717	-14%	1,964	3%
Ferro Manganese	INR/t	80902	75,328	78,772	75,075	69,132	64,738	66,548	-12,224	-16%	1,810	3%
Currency												
EUR/USD	EUR/USD	1.01	1.02	1.07	1.09	1.09	1.08	1.09	0.01	1%	0	1%
USD/CNY	USD/CNY	6.85	7.11	6.84	7.02	7.25	7.22	7.19	0.34	5%	-0	-1%
USD/GBP	USD/GBP	0.85	0.85	0.82	0.80	0.79	0.81	0.79	-0.03	-4%	-0	-2%
USD/INR	USD/INR	79.81	82.22	82.25	82.19	82.68	83.26	83.05	0.79	1%	-0	0%
GBP/INR	GBP/INR	93.81	96.50	99.96	102.92	104.63	103.37	105.32	5.36	5%	2	2%
EUR/INR	EUR/INR	80.34	84.03	88.27	89.49	89.95	89.63	90.18	1.90	2%	1	1%

Sources: MOFSL, Bloomberg, Steelmint

Exhibit 12: Expected quarterly performance summary

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Coal India	442	Buy	3,75,552	-1.6	3.9	95,335	10.3	-20.1	68,263	23.4	-24.7
Hindalco	568	Buy	5,32,082	-4.7	0.8	63,238	18.7	7.8	29,474	22.2	26.4
Hindustan Zinc	306	Neutral	79,633	-6.4	8.9	35,930	-15.6	2.0	19,428	-24.8	-4.2
JSPL	868	Buy	1,22,073	-10.8	4.3	25,818	18.0	-9.2	12,479	102.6	-35.3
JSW Steel	871	Neutral	4,47,906	-4.6	6.8	58,794	-25.9	-18.1	15,349	-58.1	-32.7
Nalco	161	Neutral	39,237	6.9	17.2	8,433	10.0	9.1	5,367	8.4	14.0
NMDC	213	Buy	63,528	8.6	17.4	23,326	7.9	16.2	18,942	20.5	13.1
SAIL	141	Neutral	2,60,639	-10.5	11.6	18,597	-36.4	-13.2	1,670	-86.1	-51.8
Tata Steel	163	Neutral	6,12,287	-2.8	10.7	59,513	-17.6	-5.0	10,542	-37.7	24.4
Vedanta	287	Neutral	3,41,865	-9.9	-3.8	84,336	-10.8	-1.1	18,876	-39.4	-6.2
Metals			28,74,803	-5.0	5.4	4,73,319	-7.0	-7.3	2,00,391	-12.4	-12.8

Source: MOFSL

Exhibit 13: Valuation summary

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Metals						15.3	11.8	9.9	2.4	2.2	1.9	15.4	18.4	19.4
Coal India	442	Buy	49.8	49.6	59.3	8.7	8.9	7.5	3.7	3.1	2.6	42.5	35.1	34.9
Hindalco	568	Buy	44.6	57.8	60.2	12.6	9.8	9.4	1.6	1.4	1.2	13.4	15.2	13.9
Hindustan Zinc	306	Neutral	18.1	22.5	26.6	16.1	13.6	11.5	8.7	6.9	5.2	56.4	57.6	51.6
JSPL	868	Buy	61.3	61.2	92.6	13.9	14.2	9.4	1.9	1.8	1.5	14.8	13.1	17.2
JSW Steel	871	Neutral	38.1	64.2	72.6	21.8	13.6	12.0	2.8	2.5	2.1	13.3	19.6	19.0
Nalco	161	Neutral	8.3	10.0	12.6	18.3	16.2	12.8	2.0	2.0	1.8	11.3	12.6	14.5
NMDC	213	Buy	21.3	23.0	26.0	9.5	9.2	8.2	2.2	2.1	1.8	25.6	23.9	23.4
SAIL	141	Neutral	2.8	10.8	13.1	48.3	13.0	10.7	1.0	1.0	0.9	2.1	7.7	8.9
Tata Steel	163	Neutral	2.6	10.3	13.0	59.0	15.8	12.5	2.1	2.1	1.9	3.5	13.6	16.0
Vedanta	287	Neutral	14.1	22.6	26.4	19.3	12.7	10.9	3.7	3.9	3.7	15.8	30.9	35.2

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

Coal India

Buy

CMP: INR 442 | TP: INR 520 (+18%)

- COAL dispatches grew 7.7% YoY to 202mt in 4QFY24.
- Expect e-auction premium to be at ~53% in 4QFY24.
- Management guidance on FY24 and FY25 production, e-auction volumes and premium are important indicators to look out for.

Quarterly Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	351	298	352	382	360	328	362	376	1,383	1,425
Change YoY (%)	38.8	28.1	23.7	16.6	2.5	9.8	2.8	-1.6	26.0	3.1
Change QoQ (%)	7.3	-15.0	17.9	8.5	-5.7	-8.9	10.3	3.9		
Adj. EBITDA	127	80	112	86	112	89	119	95	406	415
Change YoY (%)	177.6	99.9	52.1	-30.7	-12.4	10.9	6.2	10.3	42.8	2.2
Change QoQ (%)	2.1	-37.0	40.1	-23.1	29.1	-20.3	34.2	-20.1		
EBITDA per tonne	717	519	639	461	597	512	624	472	584	551
Depreciation	10	11	13	13	11	12	13	14	47	50
OBR	5	7	8	17	6	8	6	10	38	30
Interest	2	1	2	2	2	2	2	3	7	9
Other Income	10	18	16	22	15	20	22	22	66	80
PBT after EO	121	78	105	76	107	88	121	91	380	406
Tax	32	16	29	21	28	20	33	23	99	104
Tax Rate (%)	26.8	21.0	27.4	27.9	25.8	23.2	27.1	25.2	26.0	25.5
PAT before MI & Asso.	89	62	76	55	80	67	88	68	281	303
Sh. of Assoc.	0	0	(0)	(0)	(0)	0	0	-	(0)	0
PAT after MI & Asso.	88	60	78	55	80	68	91	68	282	307
Adjusted PAT	88	60	78	55	80	68	91	68	282	307
Change YoY (%)	178.3	105.7	70.1	-17.5	-9.8	12.5	16.9	23.4	62.1	8.9
Change QoQ (%)	31.7	-31.6	28.3	-28.7	44.1	-14.7	33.4	-24.7		

Hindalco

Buy

CMP: INR 568 | TP: INR 670 (+18%)

- Novelis sales volumes expected to be higher on a sequential basis.
- Novelis EBITDA/t guidance of USD525/t in 4QFY24 seems achievable.
- The timeline for commissioning multiple capex is crucial.
- We await management guidance on domestic aluminum demand along with the hedging position.

Quarterly Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	580	562	532	559	530	542	528	532	2,232	2,132
Change (YoY %)	40.2	17.9	5.7	0.2	-8.7	-3.6	-0.6	-4.7	14.4	-4.5
Change (QoQ %)	4.0	-3.2	-5.4	5.1	-5.1	2.2	-2.5	0.8		0.0
Total Expenditure	496	508	496	505	473	486	469	469	2,005	1,897
EBITDA	84	54	35	53	57	56	59	63	227	235
Change (YoY %)	37.5	-28.9	-51.9	-27.1	-32.2	4.7	65.3	18.7	-20.0	3.7
Change (QoQ %)	15.4	-36.4	-33.8	50.1	7.3	-1.8	4.5	7.8		0.0
As % of Net Sales	14.5	9.5	6.7	9.5	10.8	10.4	11.1	11.9	10.2	11.0
Interest	9	9	9	10	10	10	9	9	36	39
Depreciation	17	17	18	19	18	18	19	19	71	74
Other Income	2	3	4	4	4	5	3	3	13	14
PBT (before EO item)	60	31	12	28	33	32	33	38	132	137
PBT (after EO item)	61	31	12	28	33	32	33	38	132	137
Current Tax	11	7	4	7	5	8	8	9	29	30
Deferred Tax	9	2	-5	-2	4	3	2	0	3	8
Total Tax	20	9	-1	4	9	10	10	9	31	38
% Tax	32.4	28.9	-12.2	15.1	26.0	32.0	30.0	22.8	23.8	27.5
Adjusted PAT	41	22	14	24	25	22	23	29	101	99
Change (YoY %)	55.0	-36.1	-60.2	-41.4	-39.5	-1.9	71.1	22.2	-26.2	0.0
Change (QoQ %)	-0.9	-45.9	-38.2	77.0	2.3	-12.3	7.7	26.4		

Hindustan Zinc**Neutral**

CMP: INR 306 | TP: INR 310 (1%)

- Guidance on CoP, volumes, and realizations are critical.
- Guidance on future dividend payout is important.
- We await further insights on any other update related to the change in corporate structure, if any.

Quarterly Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales										
Zinc refined (kt)	206	189	210	216	208	185	203	221	821	817
Lead refined (kt)	54	57	46	54	50	57	56	53	211	216
Silver (tonnes)	177	194	161	182	179	181	197	189	714	746
Net Sales	94	83	79	85	73	68	73	80	341	293
Change (YoY %)	43.7	36.2	-1.6	-3.3	-22.4	-18.5	-7.1	-6.4	15.8	-13.9
Change (QoQ %)	6.7	-11.2	-5.6	8.2	-14.4	-6.7	7.6	8.9		
EBITDA	51	44	37	43	33	31	35	36	175	136
Change (YoY %)	44.4	32.1	-15.2	-14.2	-34.8	-28.8	-5.0	-15.6	7.9	-22.3
Change (QoQ %)	3.5	-14.2	-15.9	14.8	-21.3	-6.2	12.2	2.0		
Finance cost	0	1	1	2	2	2	2	3	3	10
DD&A	7	8	8	9	8	8	9	10	33	35
Other Income	3	4	3	4	3	2	3	2	14	10
PBT (before EO item)	47	39	32	35	26	23	27	26	153	102
PBT (after EO)	47	39	32	35	26	23	27	26	153	102
Total Tax	16	12	10	9	6	6	6	7	48	25
% Tax	33.8	31.7	32.3	26.3	24.8	25.0	24.0	25.2	31.2	24.7
Reported PAT	31	27	22	26	20	17	20	19	105	77
Adjusted PAT	31	27	22	26	20	17	20	19	105	77
Change (YoY %)	55.9	32.9	-20.2	-11.8	-36.5	-35.5	-5.9	-24.8	9.2	-27.1
Change (QoQ %)	5.6	-13.3	-19.6	19.8	-24.0	-12.0	17.3	-4.2		

Jindal Steel & Power**Buy**

CMP: INR 868 | TP: INR 1000 (+21%)

- Management commentary on the reduction/increase in ASP and coal cost is critical.
- Guidance on captive mines and raw material is important.
- Management commentary on the capex timelines is important.

Quarterly Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	130	135	125	137	126	123	117	122	527	487
Change (YoY %)	23.0	-0.7	-0.6	-4.5	-3.5	-9.4	-6.0	-10.8	3.2	-7.5
Change (QoQ %)	-9.0	3.6	-7.9	10.0	-8.1	-2.7	-4.5	4.3		
EBITDA	34	19	24	22	26	23	28	26	99	103
Change (YoY %)	-24.2	-58.0	-28.2	-28.8	-23.6	18.3	19.6	18.0	-36.0	4.1
Change (QoQ %)	12.0	-43.8	23.1	-8.0	20.2	-13.0	24.4	-9.2		
EBITDA/t	19,763	9,609	12,513	10,775	14,283	11,372	15,705	13,286	12,936	13,597
Interest	4	4	3	4	3	3	3	4	14	13
Depreciation	6	6	6	9	6	6	6	7	27	25
Other Income	0	0	0	0	1	0	0	0	1	2
PBT (before EO item)	25	10	14	10	18	14	19	16	59	67
Extra-ordinary Income	1	-9.0	-4	-1.5	0	0	0	0.0	-13.7	0
PBT (after EO item)	26	1	11	8	18	14	19	16	45	67
Total Tax	6	-2	5	3	1	-0	-0	4	13	4
% Tax	22.4	-303.9	51.2	42.2	4.2	-0.4	-0.1	22.2	28.8	6.4
Adjusted PAT	15	7	9	6	17	14	19	12	37	63
Change (YoY %)	-42.5	-73.4	-44.8	-68	15.3	102.2	114.9	103	-57.9	70.7
Change (QoQ %)	-24.9	-53.1	30.7	-31	173.8	-17.7	38.9	-35		
Off Book Adjustments	-4	-4	0	0	0	0	0	0	-9	0

JSW Steel**Neutral****CMP: INR 871 | TP: INR 860 (+4%)**

- JSTL is expected to post a QoQ increase in volumes in 4QFY24. Coal costs are expected to remain at elevated levels in 4QFY24.
- Management commentaries on capex is important.
- Performance of domestic and overseas subsidiaries will be crucial.
- Management commentaries on FY25 production and sales are important monitorables.

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

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	381	418	391	470	422	446	419	448	1,660	1,735
Change (YoY %)	31.8	28.5	2.8	0.1	10.8	6.7	7.2	-4.6	13.4	4.6
Change (QoQ %)	-18.8	9.7	-6.3	20.0	-10.1	5.6	-5.9	6.8		
EBITDA	43	18	45	79	70	79	72	59	185	280
Change (YoY %)	-58.1	-83.2	-50.2	-13.6	63.5	350.1	57.9	-25.9	-52.5	50.9
Change (QoQ %)	-53.1	-59.3	159.5	74.6	-11.2	11.9	-9.0	-18.1		
EBITDA (INR per ton)	9,597	3,052	7,963	12,158	12,340	12,341	11,967	8,861	8,254	11,317
Interest	14	15	18	21	20	21	20	21	69	81
Depreciation	18	18	19	20	19	20	21	20	75	80
Other Income	2	2	2	5	3	2	2	2	10	10
PBT (before EO Item)	13	-14	10	43	35	40	33	20	52	128
EO Items	0	6	0	0	0	6	0	0	6	6
PBT (after EO Item)	13	-8	10	43	35	46	33	20	58	134
Total Tax	4	1	5	5	11	18	9	4	15	41
PAT before MI and Asso.	9	-9	5	37	25	28	25	16	43	93
MI (Profit)/Loss	0.0	0.7	0.2	-0.8	-0.9	-0.1	-0.4	-0.3	0.1	-1.7
Share of P/(L) of Ass.	-0.2	-0.6	-0.6	-0.1	-0.3	-0.2	-0.2	-0.2	-1.4	-0.9
Reported PAT (after MI & Asso.)	8	-8	5	37	23	28	24	15	41	90
Adjusted PAT	8	-14	5	37	23	31	23	15	36	92
Change (YoY %)	-85.8	PL	-88.8	-7.8	179.0	LP	365.3	-58.1	-83.4	159.5
Change (QoQ %)	-78.9	PL	LP	647.8	-36.2	31.1	-25.6	-32.7		

NMDC**Buy****CMP: INR 213 | TP: INR 250 (+17%)**

- Total sales volumes are higher in 4QFY24 on a QoQ basis.
- NMDC has taken price cuts recently, in line with the decline in Global Iron ore prices.
- Plans to expand its current capacity are underway, with ongoing discussions concerning the timeline for the expansion.
- Any guidance on capex and commissioning of new mines (ECs) are the key monitorables.

Consolidated Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	48	33	37	59	54	40	54	64	177	212
Change (YoY %)	-26.8	-51.0	-36.7	-12.7	13.2	20.6	45.4	8.6	-31.7	19.8
Change (QoQ %)	-28.9	-30.2	11.8	57.3	-7.8	-25.6	34.8	17.4		
EBITDA	19	9	11	22	20	12	20	23	61	75
Change (YoY %)	-54.5	-72.7	-56.3	-19.4	5.0	39.9	76.0	7.9	-51.9	24.3
Change (QoQ %)	-29.2	-55.2	34.0	89.6	-7.8	-40.3	68.6	16.2		
EBITDA per ton (INR/t)	2,434	1,009	1,191	1,743	1,816	1,244	1,762	1,819	1,584	1,681
Interest	0.2	0.2	0.3	0.1	0.1	0.2	0.3	0.3	0.8	0.9
Depreciation	0.8	0.7	0.8	0.9	0.7	0.9	0.8	0.9	3.4	3.3
Other Income	1.5	4.3	2.0	-0.1	2.9	3.2	3.4	3.1	7.7	12.7
PBT (before EO Item)	19	12	12	20	22	14	22	25	64	84
Extra-ordinary item	0.0	0.0	0.0	12.4	0.0	0.0	-2.5	0.0	12.4	-2.5
PBT (after EO Item)	19	12	12	33	22	14	20	25	76	81
Total Tax	4.7	3.0	3.3	10.1	5.5	3.8	5.1	6.3	21.1	20.7
% Tax	24.3	25.3	26.6	30.7	24.9	27.0	25.7	25.0	27.6	25.5
PAT after MI and Sh. of Asso.	15	9	9	23	17	10	15	19	55	61
Adjusted PAT	14	10	9	16	17	10	17	19	49	62
Change (YoY %)	-54.7	-58.5	-55.5	-13.3	14.3	5.6	83.6	20.5	-47.7	27.4
Change (QoQ %)	-20.3	-32.7	-6.2	72.3	5.1	-37.9	63.2	13.1		

Nalco**Neutral****CMP: INR 161 | TP: INR 150 (-7%)**

- Management guidance on production and sales volumes for FY25 will be monitored closely.
- We await management guidance on domestic demand.
- Management guidance on CoP and capex timeline to be monitored.

Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	37,833	34,896	32,900	36,709	31,784	30,434	33,469	39,237	1,42,337	1,34,924
Change (YoY %)	52.9	-2.9	-12.8	-15.4	-16.0	-12.8	1.7	6.9	0.4	-5.2
Change (QoQ %)	-12.8	-7.8	-5.7	11.6	-13.4	-4.2	10.0	17.2		
Total Expenditure	29,147	31,552	28,302	29,043	25,840	26,469	25,738	30,805	1,18,044	1,08,852
EBITDA	8,687	3,344	4,598	7,665	5,943	3,965	7,731	8,433	24,293	26,073
Change (YoY %)	49.6	-70.3	-61.4	-52.6	-31.6	18.6	68.2	10.0	-46.2	7.3
Change (QoQ %)	-46.3	-61.5	37.5	66.7	-22.5	-33.3	95.0	9.1		
Interest	39	41	42	7	23	40	21	36	129	119
Depreciation	1,497	1,537	1,571	2,554	1,697	1,862	1,538	1,577	7,158	6,673
Other Income	629	693	663	559	485	686	510	562	2,544	2,243
PBT (after EO)	7,781	2,459	3,648	5,663	4,709	2,750	6,682	7,382	19,550	21,523
Total Tax	1,994	758	910	444	1,215	687	1,797	1,864	4,105	5,564
% Tax	25.6	30.8	24.9	7.8	25.8	25.0	26.9	25.3	21.0	25.9
PAT before MI and Asso.	5,786	1,701	2,739	5,219	3,494	2,063	4,885	5,518	15,445	15,959
Sh. of Associate	-207	-447	-175	-269	-156	-189	-179	-151	-1,098	-675
Reported PAT after MI and Asso.	5,579	1,254	2,563	4,950	3,338	1,874	4,706	5,367	14,347	15,284
Adjusted PAT	5,579	1,254	2,563	4,950	3,338	1,874	4,706	5,367	14,347	15,284
Change (YoY %)	60.4	-83.2	-69.2	-51.7	-40.2	49.4	83.6	8.4	-51.4	6.5
Change (QoQ %)	-45.6	-77.5	104.4	93.1	-32.6	-43.9	151.2	14.0		

SAIL**Neutral****CMP: INR 141 | TP: INR 140 (-1%)**

- SAIL guidance on crude steel production for FY25 is crucial; volumes are expected to be higher in 4QFY24.
- Management guidance on handling the key input costs and debt reduction roadmap will be critical.
- Management guidance on the debottlenecking program and the timelines for its implementation are important factors to consider.
- Guidance on domestic and international steel prices and capex will be critical.

Quarterly Performance (INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	240	262	250	291	244	280	233	261	1,044	1,017
Change (YoY %)	16.4	-2.2	-0.8	-5.3	1.4	6.5	-6.8	-10.5	0.9	-2.6
Change (QoQ %)	-21.9	9.2	-4.6	16.3	-16.4	14.8	-16.5	11.6		
Total Expenditure	217	255	230	262	227	258	212	242	964	940
EBITDA	23	7	21	29	16	21	21	19	80	78
Change (YoY %)	-64.9	-89.6	-39.1	-33.0	-28.4	189.2	3.1	-36.4	-62.4	-3.3
Change (QoQ %)	-47.1	-68.1	182.7	40.7	-43.6	28.9	0.8	-13.2		
EBITDA per ton (INR)	7,297	1,746	5,007	6,247	4,245	4,429	5,638	4,211	4,964	4,602
Interest	4	5	6	5	6	6	6	6	20	24
Depreciation	12	12	12	14	13	13	13	14	50	53
Other Income	2	4	1	3	5	1	1	1	10	9
PBT (before EO Inc.)	9	-6	3	13	2	3	4	0	20	10
EO Income(exp)	0	0	3	-0	0	13	1	0	3	14
PBT (after EO Inc.)	9	-6	6	13	2	17	4	0	22	24
Total Tax	2	-1	2	4	1	5	1	-0	7	7
% Tax	26.9	20.3	29.9	31.3	33.7	27.7	32.7	-18.2	31.9	28.3
Adjusted PAT	8	-3	2	12	2	3	3	2	19	11
Change (YoY %)	-79.8	PL	LP	-53.5	-73.6	LP	42.1	-86.1	-84.8	-40.2
Change (QoQ %)	-65.6	PL	LP	392.1	-82.3	62.3	0.5	-51.8		
Off Book Adj (if any)	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0	0.00	0.0

Tata Steel**Neutral****CMP: INR 163 | TP: INR 150 (-7%)**

- Management commentary on European operations is critical.
- Management guidance on ASP and CoP across geographies to be monitored.
- Capex timeline to be monitored.
- We await an update on the BF status in the Netherlands.

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

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	634	599	571	630	595	557	553	612	2,434	2,317
Change (YoY %)	18.6	-0.9	-6.1	-9.1	-6.2	-7.0	-3.1	-2.8	-0.2	-4.8
Change (QoQ %)	-8.4	-5.6	-4.7	10.3	-5.5	-6.4	-0.7	10.7		
EBITDA	150	61	40	72	52	43	63	60	323	217
Change (YoY %)	-7.1	-63.2	-74.5	-52.0	-65.4	-29.6	54.7	-17.6	-49.1	-33.0
Change (QoQ %)	-0.4	-59.5	-33.2	78.3	-28.3	-17.5	46.8	-5.0		
(% of Net Sales)	23.6	10.1	7.1	11.5	8.7	7.7	11.3	9.7	13.3	9.3
Interest	12	15	18	18	18	20	19	19	63	76
Depreciation	22	23	24	24	24	25	24	25	93	98
Other Income	3	3	3	2	12	2	2	0	10	17
PBT (before EO Inc.)	118	25	2	32	21	1	22	16	177	60
EO Income(exp)	0	0	2	0	0	-69	-3		1	-72
PBT (after EO Inc.)	117	25	3	32	21	-68	19	16	178	-12
Total Tax	42	13	29	18	13	-2	14	8	102	33
% Tax	35.6	51.9	NA	54.6	63.0	NA	64.2	48.2	57.4	55.0
PAT before MI and Sh. of associate	76	12	-26	15	8	-66	4	8	77	-45
Minority Interests	-1	-2	-3	-1	-1	-3	0		-7	-4
Share of asso.	2	1	1	1	-3	1	1	2	4	1
Adj. PAT (after MI & asso)	78	15	-24	17	6	7	8	11	86	32
Change (YoY %)	-14.1	-86.5	PL	-83.1	-92.0	-54.2	LP	-37.7	-78.5	-62.7
Change (QoQ %)	-22.2	-80.3	PL	LP	-63.4	13.2	20.6	24.4		

Vedanta**Neutral****CMP: INR 287 | TP: INR 280 (-3%)**

- Management update on parent debt situation is crucial.
- Management guidance on future dividend payout is critical.
- Management comments on the demerger status and its guidance on volumes and CoP across verticals are key monitorables

Quarterly Performance**(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	386	367	341	379	337	342	355	342	1,473	1,376
Change (YoY %)	35.9	20.6	0.0	-4.8	-12.7	-6.7	4.2	-9.9	11.0	-6.6
Change (QoQ %)	-3.0	-5.1	-7.0	11.2	-11.1	1.3	4.0	-3.8		
EBITDA	102	77	71	95	64	67	85	84	344	301
Change (YoY %)	1.8	-25.7	-34.6	-30.6	-37.0	-12.7	20.7	-10.8	-23.2	-12.5
Change (QoQ %)	-25.2	-24.5	-8.2	33.8	-32.1	4.6	27.0	-1.1		
As % of Net Sales	26.4	21.0	20.7	24.9	19.0	19.7	24.0	24.7	23.4	21.9
Finance cost	12	16	16	18	21	25	24	26	62	96
DD&A	25	26	27	28	26	26	28	28	106	107
Other Income	7	7	7	7	5	6	8	8	29	27
PBT (before EO item)	73	41	35	56	23	22	41	39	205	125
EO exp. (income)	0	-2	-9	13	-18	-43	0	0	2	-61
PBT (after EO item)	73	44	44	43	41	65	41	39	203	185
Total Tax	16.7	16.7	13.0	11.3	7.8	90.9	12.4	11.2	57.7	122
% Tax	23.0	38.4	29.6	26.4	19.0	140.7	30.1	28.8	28.5	66.0
PAT before MI and Asso.	56	27	31	31	33	-9	29	28	145	80
Profit from Asso.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Minority interest	11.7	8.8	6.3	12.5	6.7	8.7	8.6	8.8	39.3	33
APAT	44	14	16	31	9	5	20	19	105	52
Change (YoY %)	-1.3	-69.4	-63.4	-49.5	-80.5	-65.7	29.0	-39.4	-46.2	-50.1
Change (QoQ %)	-28.3	-67.8	9.6	99.6	-72.4	-43.3	312.5	-6.2		

Oil & Gas

Company name

Aegis Logistics

BPCL

Castrol India

GAIL

Gujarat Gas

Gujarat State Petronet

HPCL

Indraprastha Gas

IOCL

Mahanagar Gas

MRPL

Oil India

ONGC

Petronet LNG

Reliance Industries

Refining to remain strong; marketing profits may be hit by inventory losses

CGD volumes to remain flat; margin expected to decline for MAHGL and IGL

- Brent crude prices averaged USD83/bbl in 4QFY24, up 2% YoY. However, Brent has crossed the USD85/bbl level amid escalating geopolitical tensions in the Middle East and as oil tankers circumventing the Red Sea have disrupted the supply flows to global markets. We expect Brent prices at USD85/bbl during FY25-26 amid global oil and oil product inventories being at the lower end of the last five-year average and likely continued production cuts by OPEC+ through CY24.
- We expect our coverage universe to report: a) sales growth of 3% YoY (up 12% YoY excluding OMCs), b) EBITDA growth of 3% YoY (up 7% YoY excluding OMCs), and c) PAT decline of 6% YoY (up 6% YoY excluding OMCs).
- RIL: Consol. EBITDA is expected to grow 10% YoY to INR388b. We estimate EBITDA of INR183b (up 1% YoY) for the standalone business, INR137b (up 12% YoY) for RJio, and INR62b (up 26% YoY) for the Retail business. Production meant for sale is expected at 17.1mmt (flat YoY), with petchem EBITDA at USD91/mt (down 10% YoY).
- OMCs: SG GRM increased to USD7.3/bbl in 4QFY24 (from USD5.5/bbl in 3QFY24), with Naphtha, FO and Gasoline cracks improving to -USD5.6/bbl, -USD9.4/bbl and USD13.5/bbl, respectively. All other cracks declined QoQ. Blended marketing margins for IOCL/BPCL/HPCL are expected at INR3.8/INR3.4/INR4.1 per lit in 4QFY24. Recently announced petrol/diesel price cuts could lead to marketing inventory losses for OMCs.

Brent crude prices increase YoY

- Brent crude prices averaged USD83/bbl in 4QFY24, up 2% YoY. In the later part of 4Q, Brent breached USD85/bbl levels amid escalating geopolitical tensions in the Middle East and as oil tankers circumventing the Red Sea have disrupted the supply flows to global markets.
- The continued decline in US inventories, a bullish oil market outlook from the International Energy Agency (IEA), and damages to Russia's Rosneft Ryazan oil processing plant by Ukrainian drones have also pushed Brent prices higher.
- We are building Brent prices at USD85/bbl during FY25-26 amid global oil and oil product inventories being at the lower end of the last five-year average and continued production cuts by OPEC+ through CY24.

SG GRM expands sequentially to USD7.3/bbl

- SG GRM expanded 33% QoQ to USD7.3/bbl in 4QFY24, due to a strong expansion in Gasoline, Naphtha and FO cracks, with all other cracks contracting. We expect IOCL/BPCL/HPCL to report GRMs at USD15/USD17.1/USD12.4 per barrel (after refining inventory gain) in 4QFY24.
- Gasoline crack expanded 88% QoQ, while diesel crack contracted 3%. ATF crack contracted 10% QoQ to USD21.2/bbl in 4QFY24. FO crack improved to -USD9.4/bbl in 4QFY24 from -USD10.6/bbl in 3QFY24. LPG crack declined to -USD28.4/bbl.
- Refineries are expected to witness a decline in overall throughput QoQ, except for BPCL (up 1% QoQ) and MRPL (up 2% QoQ). The throughput is expected to decline 6% for IOCL and 11% for HPCL.

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

Petchem margins continue to decline in 4QFY24

- Petchem prices declined 8% YoY on an average in 4QFY24. PE/PP/PVC prices were down 5%/8%/13% YoY, while they were up 4%/4%/flat QoQ.
- Petchem margins declined 25% YoY on an average. PE/PP/PVC spreads declined 11%/19%/45% YoY.

IGL, MAHGL to witness margin decline QoQ; GUJGA margin to expand

- Volumes are expected to rise 2%/3%/3% for GUJGA/ IGL/MAHGL QoQ. EBITDA/scm is likely to decline for IGL and MAHGL as lower gas cost is expected to be offset by price cuts in 4QFY24. For GUJGA, we expect margin to expand to INR5.5/scm.
- The focus would be on volumes for CGDs, particularly GUJGA, which is trying to push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan. A key factor to watch out for will be a pickup in Morbi volumes.
- IGL is facing multiple headwinds in volume growth such as stagnation in I/C volume growth amid completion from alternate fuels, stagnant growth from D-Haryana segment over past few quarters and margins likely peaking out in FY24. As a result, we remain cautious on IGL from the long-term perspective.

Valuation and view

- **GAIL:** During FY24-26E, we estimate an 8% CAGR in EBITDA, driven by: (1) rising natural gas transmission volumes to 142mmcmd in FY26 from 122mmcmd in FY24; (2) substantial improvement in the profitability of the petchem segment over 2HFY25-FY26, attributable to the commencement of operations of new petchem capacity and heightened demand driven by low global inventories and; (3) the commencement of operations for 3,892km of gas transmission pipelines and 560ktpa of petchem capacity. We remain positive on GAIL ([our top pick in CY24](#)).
- **Upstream:** For **ONGC**, 1) the potential operational and financial turnaround at OVL can be a major share price catalyst, 2) if ONGC manages to turn around OPaL, we believe this can add 5-8% to the current market price, 3) the merger of HPCL and MRPL can be an indirect value creator as it could strengthen HPCL's business model and alleviate cash infusion concerns. For **OINL**, Phase-I of the IGGL project could prove to be a catalyst for production growth. Additionally, efforts are underway to enhance the capacity of the DNPL pipeline from 1.5mmcmd to 2.5mmcmd, facilitating increased transportation capabilities. Presently, Numaligarh Refinery is utilizing only 1mmcmd of gas, with the potential to increase to 2mmcmd, following the commissioning phase.

Our key assumptions

- We assume crude prices at USD85/bbl for FY25-26. Average crude prices for 4QFY24 stood at USD83/bbl (vs. USD83.8/bbl in 3QFY24 and USD81.2/bbl in 4QFY23).
- We expect the regional benchmark SG GRM to stabilize at ~USD6/bbl (at its long-term average) over the medium to long term.

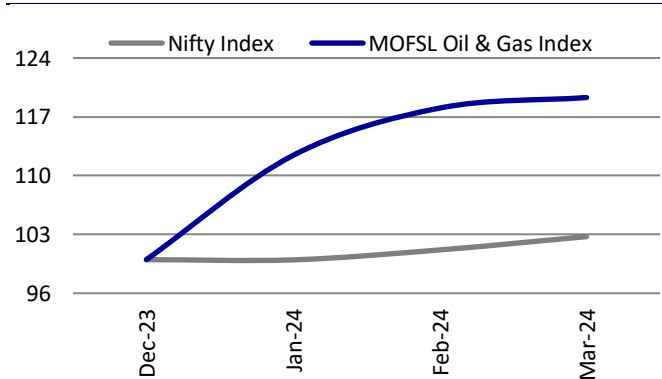
Exhibit 1: Oil & gas product prices, cracks, and margins (USD/bbl)

(USD/bbl)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)
Oil							
WTI	76.1	73.8	82.5	78.4	77.1	1.3	-1.7
Brent	81.2	78.4	86.7	83.8	83.0	2.3	-1.0
Dubai	80.3	77.8	86.7	83.5	81.3	1.2	-2.7
Arab Light-Heavy	4.1	1.8	2.1	2.1	1.8	-56.1	-12.9
Gas							
Henry Hub (USD/mmBtu)	2.7	2.2	2.6	2.7	2.1	-19.7	-22.2
Oil to Gas	31.3	36.3	33.4	30.6	43.5	39.3	42.4
Exchange Rate (INR/USD)	82.3	82.2	82.7	83.3	83.0	0.9	-0.3
Product Cracks (v/s Dubai)							
LPG	-23.4	-33.0	-31.5	-25.4	-28.4	-21.3	-11.8
Gasoline	14.8	12.3	12.8	7.2	13.5	-8.7	88.0
Diesel	20.8	8.1	20.4	16.9	16.4	-21.0	-2.8
Jet/Kero	26.6	14.3	26.0	23.7	21.2	-20.2	-10.4
Naphtha	-4.8	-12.8	-16.4	-11.7	-5.6	-17.0	51.6
Fuel Oil	-16.0	-8.3	-5.0	-10.6	-9.4	41.3	11.7
SGRM	8.2	4.0	9.5	5.5	7.3	-10.7	32.6

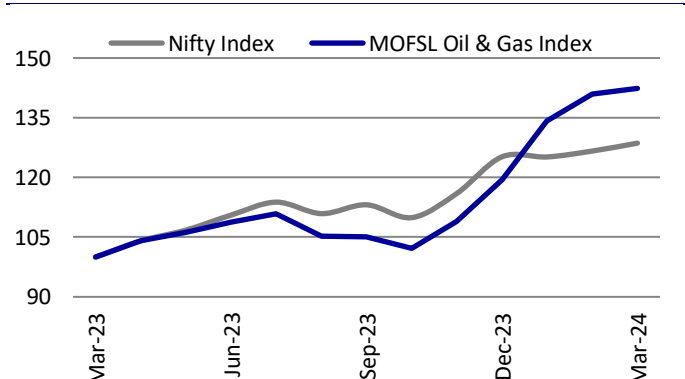
Source: Company, MOFSL

Exhibit 2: Summary of Mar'24-quarter earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Aegis Logistics	437	Neutral	20,609	-4.3	10.0	2,405	18.8	13.6	1,449	2.9	11.3
BPCL	601	Neutral	11,81,783	0.1	2.3	1,02,683	-7.9	63.5	63,622	-15.9	87.3
Castrol India	201	Buy	13,276	2.6	5.0	3,250	10.2	-1.2	2,389	18.0	-1.2
GAIL	182	Buy	3,12,208	-5.0	-8.9	36,913	1,101.7	-3.4	27,040	348.0	-4.9
Gujarat Gas	547	Buy	40,133	2.2	2.1	4,664	-16.8	16.4	2,665	-27.8	20.9
Gujarat State Petronet	367	Buy	4,622	23.6	1.5	3,820	29.6	0.6	2,726	21.5	4.0
HPCL	469	Buy	10,25,797	-5.0	-7.8	41,007	-11.9	92.8	22,050	-31.6	316.8
Indraprastha Gas	439	Sell	30,476	-17.3	-14.3	5,779	23.9	-2.4	3,785	14.8	-10.0
IOC	169	Buy	19,31,374	-4.9	-3.0	1,40,664	-2.0	-9.2	70,989	-29.4	-12.0
Mahanagar Gas	1383	Buy	15,018	-6.7	-4.3	4,102	5.3	-8.6	2,862	6.5	-9.8
MRPL	229	Sell	2,42,365	-4.6	-1.8	15,051	-55.7	27.1	6,161	-67.7	59.2
Oil India	593	Buy	57,086	1.1	-1.8	29,468	25.5	39.9	19,666	10.0	24.1
ONGC	270	Buy	3,48,831	-3.9	0.3	1,80,061	10.2	4.9	87,012	40.8	-8.8
Petronet LNG	265	Neutral	1,23,774	-10.8	-16.1	10,986	16.5	-35.6	7,386	20.2	-38.0
Reliance Inds.	2970	Buy	25,82,070	21.3	14.7	3,88,189	1.0	-4.5	1,75,864	-8.9	1.9
Oil & Gas			79,29,421	3.1	1.9	9,69,043	2.9	4.3	4,95,666	-6.1	6.9
Oil Ex OMCs			37,90,467	11.5	7.7	6,84,689	7.0	-0.8	3,39,005	6.2	-1.4

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

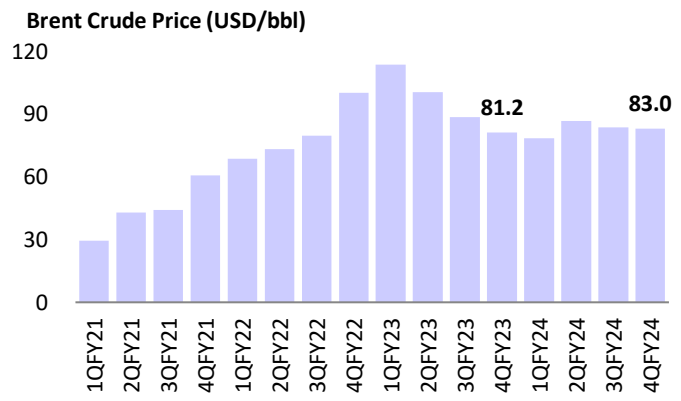
Sources: Bloomberg, MOFSL

Exhibit 4: One-year relative performance (%)

Sources: Bloomberg, MOFSL

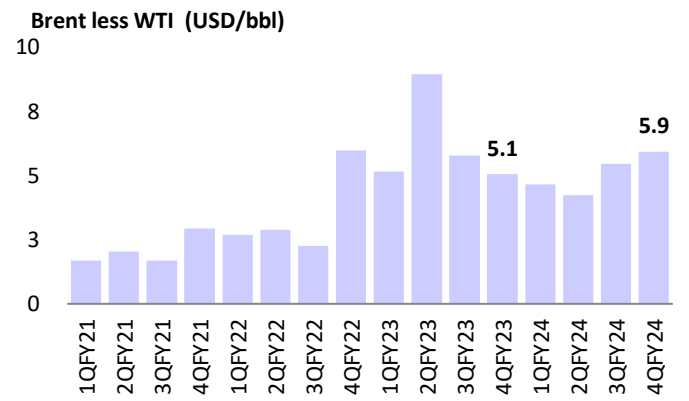
SG GRM expands in 4QFY24; petchem margins continue to decline

Exhibit 5: Brent crude price down 2% YoY and -1% QoQ



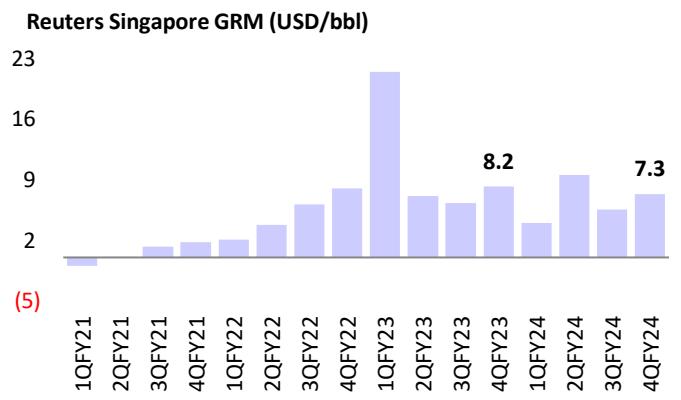
Source: Reuters, MOFSL

Exhibit 6: Brent premium to WTI increased to USD5.9/bbl



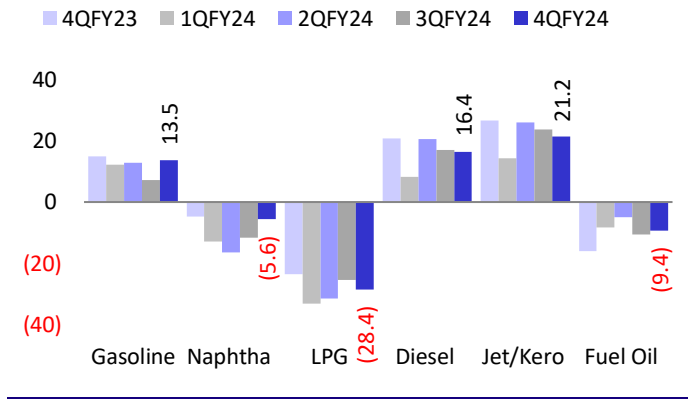
Source: Reuters, MOFSL

Exhibit 7: Reuters SG GRM (average) expanded QoQ to USD7.3/bbl (from USD5.5/bbl in 3QFY24)



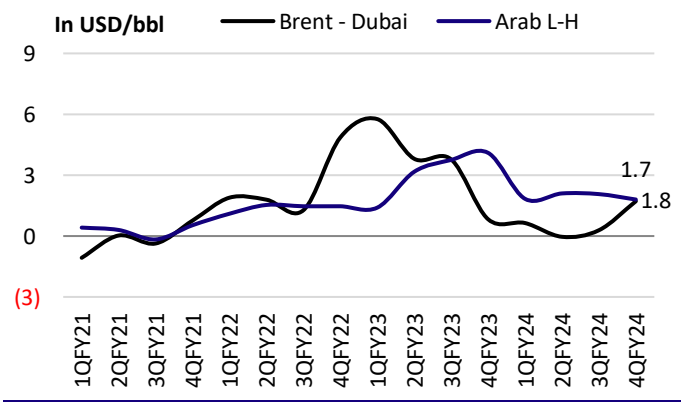
Source: Reuters, MOFSL

Exhibit 8: Naphtha and LPG crack improved during the quarter, others declined (USD/bbl)



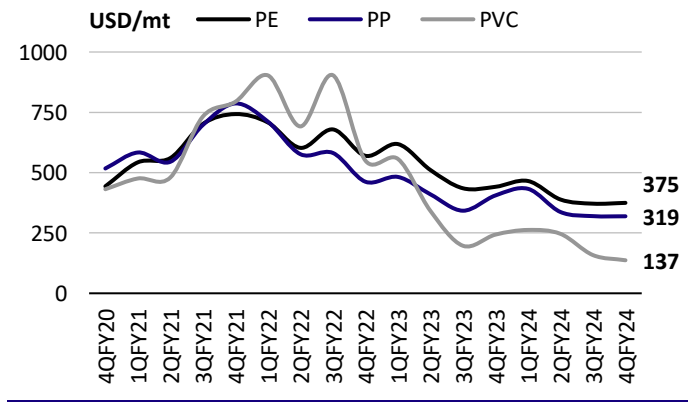
Source: Reuters, MOFSL

Exhibit 9: Crude differential was flat QoQ at USD1.7/bbl for Arab L-H and expanded to USD1.8/bbl for Brent-Dubai



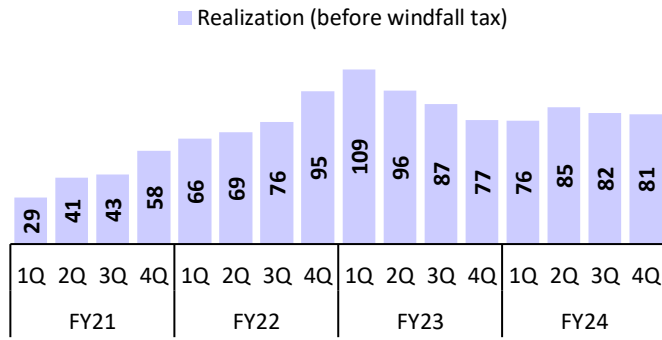
Source: Reuters, MOFSL

Exhibit 10: Spreads over Naphtha for PE, PP, and PVC declined QoQ



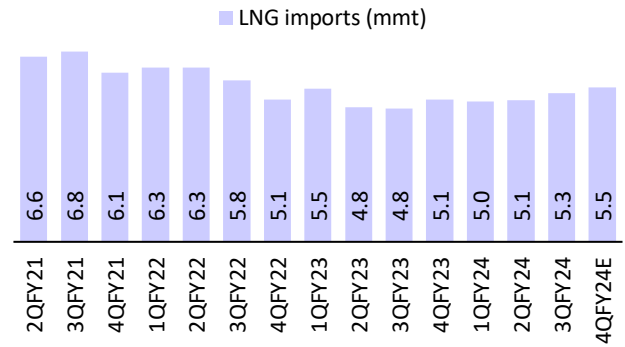
Source: Bloomberg, MOFSL

Exhibit 11: Expect realization (before windfall tax) of USD81/bbl for ONGC in 4QFY24



Source: Company, MOFSL

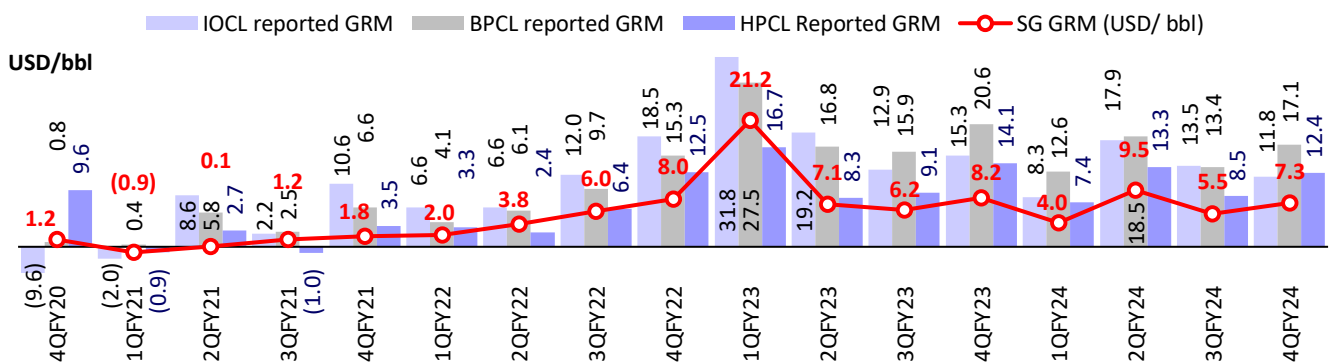
Exhibit 12: Expect LNG imports (mmt) to increase 4% QoQ and 9% YoY in 4QFY24



Mar'24 data extrapolated for 4QFY24E

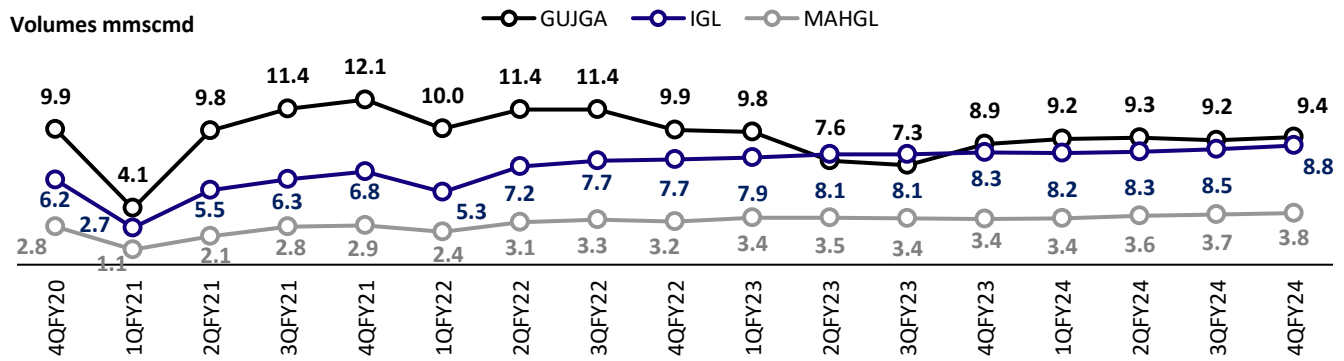
Source: PPAC, MOFSL

Exhibit 13: GRM snapshot for OMCs (USD/bbl)



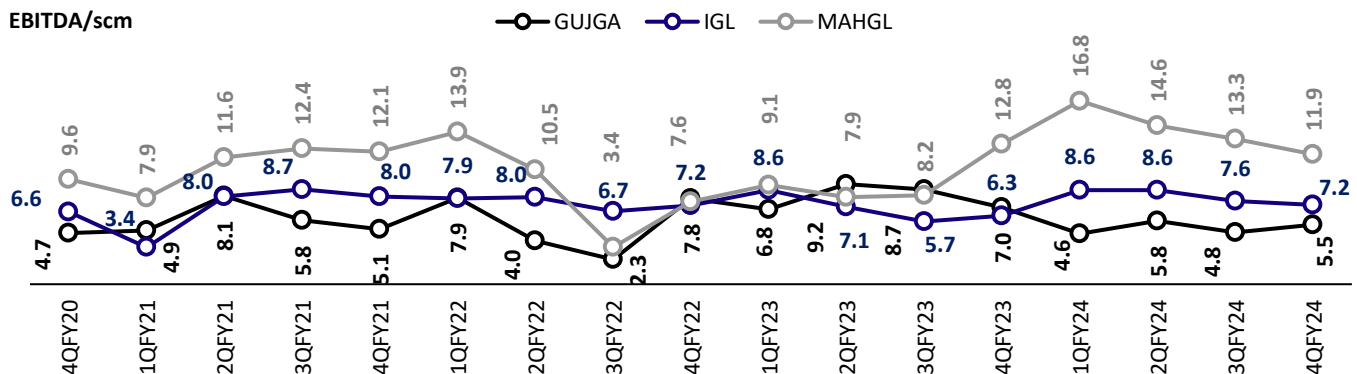
Source: Company, MOFSL

Exhibit 14: Volume snapshot of CGDs (mmscmd)



Source: Company, MOFSL

Exhibit 15: Margin snapshot of CGDs (INR/scm)



Source: Company, MOFSL

Exhibit 16: Valuation summary

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Oil & Gas						13.3	15.1	13.7	1.9	1.8	1.6	14.6	11.8	11.9
Aegis Logistics	437	Neutral	14.8	16.0	17.2	30.2	27.2	25.4	4.0	3.6	3.3	14.0	13.9	13.6
BPCL	601	Neutral	144.3	74.5	75.3	4.2	8.1	8.0	1.8	1.6	1.5	49.2	21.2	19.2
Castrol India	201	Buy	8.7	9.7	10.4	21.3	20.8	19.3	8.7	8.8	8.3	43.1	43.8	44.3
GAIL	182	Buy	14.2	13.1	16.6	12.7	13.9	11.0	1.8	1.6	1.5	15.9	13.2	15.2
Gujarat Gas	547	Buy	14.5	21.9	24.8	37.5	24.9	22.1	4.9	4.3	3.8	13.6	18.4	18.3
Gujarat State Petronet	367	Buy	23.0	19.0	20.0	15.5	19.3	18.3	2.0	1.9	1.8	13.3	10.2	10.0
HPCL	469	Buy	105.7	79.5	80.0	4.5	5.9	5.9	1.6	1.3	1.1	39.8	23.9	20.5
Indraprastha Gas	439	Sell	25.9	24.1	25.9	16.7	18.2	16.9	3.6	3.2	2.8	23.4	18.9	17.8
IOC	169	Buy	34.4	16.2	15.4	4.9	10.5	11.0	1.4	1.3	1.2	31.0	12.9	11.4
Mahanagar Gas	1,383	Buy	132.6	118.2	124.3	10.3	11.7	11.1	2.7	2.4	2.1	28.9	22.2	20.5
MRPL	229	Sell	17.5	14.2	13.8	12.5	16.2	16.6	3.1	2.8	2.5	27.9	18.9	16.1
Oil India	593	Buy	65.2	67.0	74.0	9.2	8.9	8.0	1.7	1.5	1.3	21.4	17.6	17.5
ONGC	270	Buy	37.5	43.2	47.9	7.1	6.3	5.6	1.1	1.0	0.9	16.3	16.9	16.7
Petronet LNG	265	Neutral	23.7	23.2	25.0	11.1	11.5	10.6	2.3	2.1	1.9	22.4	19.5	19.0
Reliance Inds.	2,970	Buy	100.9	118.5	138.9	29.5	25.1	21.4	2.2	2.0	1.8	8.0	8.7	9.4

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

Aegis Logistics Neutral

CMP: INR437 | TP: INR430 (-1%)

EPS CHANGE (%): FY24|25: +6|+2

- Expect EBITDA of INR2.4b due to an increase in India's LPG imports
- Watch out for commentary on competition from natural gas in industrial volumes
- Recovery in sourcing volume will be a key monitorable
- Watch out for updates on LPG terminal capacity in Mangalore and liquid capacity expansion in Kochi

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	22,355	21,505	20,867	21,545	21,005	12,349	18,734	20,609	86,272	72,696
YoY Change (%)	229.7	238.5	71.9	2.4	-6.0	-42.6	-10.2	-4.3	86.3	-15.7
EBITDA	1,466	1,686	2,161	2,026	1,959	2,083	2,118	2,405	7,339	8,565
Margin (%)	6.6	7.8	10.4	9.4	9.3	16.9	11.3	11.7	8.5	11.8
Depreciation	289	334	344	292	333	341	345	370	1,258	1,389
Interest	103	254	272	254	298	266	302	299	882	1,165
Other Income	861	180	192	637	374	444	446	553	1,870	1,817
PBT before EO expense	1,935	1,279	1,738	2,117	1,702	1,920	1,918	2,290	7,068	7,829
Extra-Ord expense	621	0	0	0	0	0	0	0	621	0
PBT	1,314	1,279	1,738	2,117	1,702	1,920	1,918	2,290	6,448	7,829
Tax	240	268	309	524	375	420	396	649	1,341	1,840
Rate (%)	18.2	21.0	17.8	24.7	22.0	21.9	20.6	28.4	20.8	23.5
MI & P/L of Asso. Cos.	41	77	175	185	169	230	221	192	477	812
Reported PAT	1,034	934	1,253	1,409	1,158	1,270	1,301	1,449	4,630	5,178
YoY Change (%)	131.4	-1.1	23.2	48.7	-24.9	36.0	3.8	2.9	43.7	0.8
Margin (%)	6.9	4.3	6.0	6.5	5.5	10.3	6.9	7.0	6.0	7.1

BPCL Neutral

CMP: INR601 | TP: INR620 (+3%)

EPS CHANGE (%): FY24|25: +10|+1

- Expect refinery throughput at 10mmt (-6% YoY/+1% QoQ)
- Expect marketing sales (excluding exports) volumes of 13.3mmt (+3% YoY and QoQ) during the quarter
- Expect reported GRM at USD17.1/bbl, with blended gross marketing margin at INR3.4/lit
- Watch out for updates on expansion of Bina refinery and construction of new petrochemicals plant

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	1,210.5	1,148.1	1,191.6	1,181.1	1,129.8	1,029.9	1,154.9	1,181.8	4,731.2	4,496.4
YoY Change (%)	70.7	50.3	25.3	13.3	-6.7	-10.3	-3.1	0.1	36.5	-5.0
EBITDA	-49.0	20.2	43.8	111.5	158.1	130.1	62.8	102.7	126.5	453.7
Margins (%)	-4.0	1.8	3.7	9.4	14.0	12.6	5.4	8.7	2.7	10.1
Forex loss	9.6	5.9	1.4	-1.9	-0.2	1.0	0.5	0.1	15.0	1.4
Depreciation	16.1	15.6	15.8	16.0	16.1	16.0	18.2	19.0	63.5	69.3
Interest	6.2	8.1	9.8	8.1	6.8	7.7	5.0	6.3	32.2	25.8
Other Income	4.4	5.6	4.5	5.4	4.7	7.7	6.8	7.8	19.9	27.0
PBT before EO expense	-76.5	-3.8	21.3	94.8	140.1	113.1	45.8	85.0	35.8	384.1
Extra-Ord expense	0.0	0.0	0.0	13.6	0.0	0.0	0.0	0.0	13.6	0.0
PBT	-76.5	-3.8	21.3	81.2	140.1	113.1	45.8	85.0	22.2	384.1
Adj PAT	-62.6	-3.0	19.6	75.6	105.5	85.0	34.0	63.6	29.6	288.1
YoY Change (%)	PL	PL	-30.7	202.4	LP	LP	73.4	-15.9	-70.3	874.9

Castrol (India)**Buy****CMP: INR201 | TP: INR230 (+15%)****EPS CHANGE (%): CY24|25: +6|0**

- Forecast volumes at 57.8m liters (up 5% YoY and QoQ) during the quarter
- Expect EBITDA margin to increase 170bp YoY, led by declining input costs.
- Expect realization of ~INR229.9/lit (down 2% YoY) during the quarter.
- Raw material volatility, product launches, and OEM tie-ups remain the key monitorable.

Quarterly Performance**(INR m)**

Y/E December	CY23				CY24				CY23	CY24
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Volume (m litres)	55.0	58.0	51.0	55.0	57.8	60.9	51.0	55.9	219.0	225.6
Realization	235	230	232	230	230	233	236	244	232	236
Net Sales	12,939	13,338	11,829	12,640	13,276	14,215	12,025	13,669	50,746	53,185
YoY Change (%)	4.7	7.4	5.5	7.5	2.6	6.6	1.7	8.1	6.3	4.8
EBITDA	2,950	3,098	2,686	3,291	3,250	3,535	2,872	3,369	12,024	13,026
YoY Change (%)	-7.0	8.3	4.4	31.3	10.2	14.1	6.9	2.4	8.2	8.3
Margin (%)	22.8	23.2	22.7	26.0	24.5	24.9	23.9	24.6	23.7	24.5
Depreciation	227	218	229	250	235	236	248	244	924	963
Interest	17	15	24	20	9	8	14	47	75	79
Other Income	176	186	202	223	188	198	216	238	787	840
PBT before EO expense	2,883	3,050	2,635	3,243	3,194	3,488	2,826	3,315	11,811	12,824
PBT	2,883	3,050	2,635	3,243	3,194	3,488	2,826	3,315	11,811	12,824
Tax	858	797	691	824	805	879	712	835	3,170	3,232
Rate (%)	29.8	26.1	26.2	25.4	25.2	25.2	25.2	25.2	26.8	25.2
PAT	2,025	2,253	1,944	2,419	2,389	2,609	2,114	2,480	8,641	9,592
YoY Change (%)	-11.3	9.2	3.9	25.2	18.0	15.8	8.7	2.5	6.0	11.0

GAIL**Buy****CMP: INR182 | TP: INR214 (+17%)****EPS CHANGE (%): FY24|25: +10|-3**

- Expect strong transmission volumes and ~10% decline in trading EBITDA QoQ amid lower spot LNG prices
- Expect Petchem volumes of 216.4kmt, with segmental EBIT remaining profitable
- Keep an eye on the progress of GAIL Mangalore Petrochemicals plant
- Updates on progress of ongoing pipeline projects remains a key monitorable

Standalone quarterly performance**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	3,75,721	3,84,909	3,53,804	3,28,582	3,22,275	3,18,226	3,42,535	3,12,208	14,43,016	12,95,244
Change (%)	116.1	78.9	37.3	21.8	-14.2	-17.3	-3.2	-5.0	57.5	-10.2
EBITDA	43,657	17,647	2,613	3,072	24,327	34,913	38,226	36,913	66,989	1,34,379
% of Net Sales	11.6	4.6	0.7	0.9	7.5	11.0	11.2	11.8	4.6	10.4
Depreciation	6,030	6,194	6,226	6,432	6,358	7,503	7,843	7,885	24,881	29,589
Interest	481	683	1,050	903	1,758	1,718	1,564	1,420	3,117	6,460
Other Income	1,798	7,988	6,889	10,172	2,676	5,609	8,121	9,367	26,847	25,773
PBT	38,944	18,759	2,227	5,909	18,887	31,301	36,940	36,975	65,838	1,24,103
Tax	9,792	3,388	-231	-127	4,767	7,252	8,514	9,934	12,823	30,467
Rate (%)	25.1	18.1	-10.4	-2.1	25.2	23.2	23.0	26.9	19.5	24.6
PAT	29,152	15,371	2,457	6,035	14,120	24,049	28,426	27,040	53,015	93,636
Change (%)	90.5	-46.3	-92.5	-77.5	-51.6	56.5	1,056.8	348.0	-48.8	76.6
Extraord.: Tax Prov. Write Back	0	0	0	0	0	0	0	0	0	0
Adj PAT	29,152	15,371	2,457	6,035	14,120	24,049	28,426	27,040	53,015	93,636
Change (%)	90.5	-46.3	-92.5	-76.8	-51.6	56.5	1,056.8	348.0	-48.5	76.6

Gujarat Gas

Buy

CMP: INR547 | TP: INR675 (+23%)

EPS CHANGE (%): FY24|25: -3|0

- Expect volumes at 9.4mmscmd (up 6% YoY/2% QoQ) with pickup in PNG I/C segment
- Expect EBITDA/scm to improve QoQ INR5.5/scm as lower spot LNG price offset by price cuts
- Pickup in volumes at Morbi is a key monitorable
- Push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan would be key for growth

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	51,701	39,765	36,843	39,286	37,815	38,454	39,291	40,133	1,67,594	1,55,693
YoY Change (%)	71.7	9.7	-28.4	-15.9	-26.9	-3.3	6.6	2.2	1.8	-7.1
EBITDA	6,066	6,427	5,823	5,603	3,880	4,966	4,007	4,664	23,920	17,517
Margin (%)	11.7	16.2	15.8	14.3	10.3	12.9	10.2	11.6	14.3	11.3
Depreciation	1,032	1,064	1,093	1,094	1,151	1,179	1,201	1,256	4,283	4,787
Interest	136	131	76	61	74	78	72	66	404	289
Other Income	190	185	320	318	239	298	230	243	1,013	1,009
PBT	5,089	5,418	4,974	4,766	2,894	4,007	2,964	3,586	20,247	13,451
Tax	1,278	1,379	1,261	1,074	743	1,029	761	921	4,992	3,453
Rate (%)	25.1	25.4	25.4	22.5	25.7	25.7	25.7	25.7	24.7	25.7
Reported PAT	3,811	4,039	3,713	3,692	2,151	2,978	2,203	2,665	15,255	9,997
Adj. PAT	3,811	4,039	3,713	3,692	2,151	2,978	2,203	2,665	15,255	9,997
YoY Change (%)	-20.0	64.6	204.5	-18.5	-43.6	-26.3	-40.7	-27.8	17.8	-34.5

Gujarat State Petronet

Buy

CMP: INR367 | TP: INR450 (+23%)

EPS CHANGE (%): FY24|25: 0|0

- Expect transmission volumes of 32.4mmscmd (up 29% YoY/ 12% QoQ)
- EBITDA/mscm expected to decline 1% YoY, with tariff likely to fall 1% YoY
- Commissioning of Phase-II Mehsana-Bhatinda pipeline and further expansion/debottlenecking of three pipelines connecting three LNG terminals remain key monitorable
- Key an eye on proposed capex for HP gas grid that would facilitate gas transportation from newer LNG terminals

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	4,200	3,850	3,484	3,740	3,937	4,533	4,555	4,622	15,275	17,646
YoY Change (%)	-4.5	-13.9	-12.7	0.3	-6.3	17.7	30.7	23.6	-7.9	15.5
EBITDA	3,602	3,338	2,699	2,947	3,364	4,103	3,796	3,820	12,587	15,083
YoY Change (%)	-3.8	-12.3	-19.8	-3.7	-6.6	22.9	40.6	29.6	-9.9	19.8
Margin (%)	85.8	86.7	77.5	78.8	85.5	90.5	83.3	82.6	82.4	85.5
Depreciation	479	488	489	483	468	477	488	482	1,939	1,916
Interest	14	11	11	10	10	10	12	9	47	42
Other Income	40	1,037	130	476	180	2,663	211	298	1,684	3,353
PBT before EO expense	3,149	3,877	2,329	2,931	3,066	6,278	3,506	3,627	12,286	16,478
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,149	3,877	2,329	2,931	3,066	6,278	3,506	3,627	12,286	16,478
Tax	794	735	620	687	773	958	884	901	2,836	3,517
Rate (%)	25.2	18.9	26.6	23.5	25.2	15.3	25.2	24.8	23.1	21.3
Reported PAT	2,355	3,142	1,709	2,243	2,293	5,320	2,622	2,726	9,450	12,961
YoY Change (%)	1.1	-4.9	-19.9	11.0	-2.6	69.3	53.4	21.5	-3.5	37.2
Margin (%)	56.1	81.6	49.1	60.0	58.2	117.4	57.6	59.0	61.9	73.5

HPCL**Buy****CMP: INR469 | TP: INR590 (+26%)****EPS CHANGE (%): FY24|25: -1|-1**

- Expect refining throughput at 4.8mmt (-4% YoY)
- Expect reported GRM at USD12.4/bbl, with gross marketing margin at INR4.1/lit.
- Expect marketing sales volumes at 11.4mmt (+3% YoY/ -4% QoQ)
- Watch out for commissioning of remaining units of Visakhapatnam refinery and new Rajasthan refinery

Standalone - Quarterly Earning Model

Y/E March	FY23				FY24				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY23	FY24E
Net Sales	1,144.5	1,084.2	1,096.0	1,079.3	1,119.6	957.0	1,113.1	1,025.8	4,404.0	4,215.5
YoY Change (%)	58.0	30.5	13.5	10.6	-2.2	-11.7	1.6	-5.0	25.9	-4.3
EBITDA	-115.5	-8.9	20.7	46.6	95.2	85.8	21.3	41.0	-57.1	243.3
Margins (%)	-10.1	-0.8	1.9	4.3	8.5	9.0	1.9	4.0	-1.3	5.8
Depreciation	10.9	10.8	11.1	10.4	13.6	12.4	13.4	13.6	43.3	53.0
Forex loss	9.5	6.0	4.0	-1.4	-1.3	3.6	-0.4	-0.1	18.1	1.9
Interest	3.3	5.9	6.8	5.2	5.9	5.8	6.1	6.0	21.3	23.8
Other Income	3.4	2.8	2.9	11.6	6.3	3.4	5.6	8.0	20.7	23.3
PBT before EO expense	-135.8	-28.9	1.7	43.9	83.3	67.4	7.7	29.5	-119.1	187.9
PBT	-135.8	-28.9	1.7	43.9	83.3	67.4	7.7	29.5	-119.1	187.9
Rate (%)	24.9	24.9	-2.4	26.6	25.5	24.1	31.1	25.2	24.7	25.2
Adj PAT	-102.0	-21.7	1.7	32.2	62.0	51.2	5.3	22.1	-89.7	140.6
YoY Change (%)	PL	PL	-80.2	79.5	LP	LP	206.8	-31.6	PL	LP

Indraprastha Gas**Sell****CMP: INR439 | TP: INR350 (-20%)****EPS CHANGE (%): FY24|25: 0|-2**

- Expect total volumes at 8.76mmscmd (up 6% YoY/3% QoQ).
- Key monitorable would be increase in sales volumes from GAs – both existing and the newly awarded ones.
- Expect EBITDA/scm at INR7.2, as price cut offsets decline in spot LNG prices.
- Slowing D-PNG growth and increasing competition from alternate fuels in I/C segment to be the key risk to long-term volume growth prospects.

Standalone Quarterly performance (INR m)

Y/E March	FY23				FY24				FY23		FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Net Sales	31,939	35,540	37,108	36,872	34,070	34,585	35,562	30,476	1,41,459	1,34,693	
Change (%)	154.0	94.1	67.5	53.3	6.7	-2.7	-4.2	-17.3	83.5	-4.8	
EBITDA	6,175	5,275	4,285	4,663	6,424	6,569	5,924	5,779	20,398	24,696	
EBITDA (INR/scm)	8.6	7.1	5.7	6.3	8.6	8.6	7.6	7.2	6.9	8.0	
Change (%)	62.1	-0.5	-8.8	-6.8	4.0	24.5	38.3	23.9	8.4	21.1	
Depreciation	857	914	925	938	989	1,022	1,018	1,092	3,634	4,122	
Interest	24	31	26	26	24	25	18	24	106	90	
Other Income	307	1,100	557	654	457	1,340	550	486	2,619	2,832	
PBT before EO	5,602	5,430	3,891	4,354	5,867	6,862	5,438	5,149	19,277	23,316	
Tax	1,394	1,269	1,109	1,057	1,483	1,514	1,235	1,364	4,827	5,596	
Rate (%)	24.9	23.4	28.5	24.3	25.3	22.1	22.7	26.5	25.0	24.0	
PAT	4,209	4,162	2,783	3,298	4,384	5,348	4,203	3,785	14,450	17,720	
PAT (INR/scm)	5.9	5.6	3.7	4.4	5.9	7.0	5.4	4.7	4.9	5.8	
Change (%)	72.3	3.9	-9.8	-8.8	4.2	28.5	51.1	14.8	9.9	22.6	

IOC**Buy****CMP: INR169 | TP: INR196 (+16%)****EPS CHANGE (%): FY24|25: +4|-3**

- Expect refinery throughput of 17.5mmt (down 9% YoY/6% QoQ)
- Petchem cracks have declined sequentially, which should have a bearing on the company's petchem division
- Expect reported GRM at USD15/bbl, with gross marketing margin at INR3.8/lit.
- Increase in SG GRM to positively impact IOC the most among peers due to its highest leverage to refining.

Standalone - Quarterly Earning Model**(INR b)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	2242.5	2074.9	2047.4	2029.9	1975.3	1797.4	1991.0	1966.9	8394.7	7730.6
YoY Change (%)	89.0	53.2	22.8	14.5	-11.9	-13.4	-2.8	-3.1	40.3	-7.9
EBITDA	43.0	50.1	52.9	143.5	221.6	213.1	154.9	140.7	289.5	730.3
Margin (%)	1.9	2.4	2.6	7.1	11.2	11.9	7.8	7.2	3.4	9.4
Depreciation	28.5	29.6	31.0	29.5	31.5	32.8	43.4	42.7	118.6	150.5
Forex loss	29.4	30.5	17.0	-9.9	0.0	0.0	0.0	0.0	67.0	0.0
Interest	17.2	14.4	19.5	18.1	16.3	18.5	18.3	18.5	69.3	71.5
Other Income	6.8	22.0	17.2	16.4	6.9	9.8	14.5	14.6	62.4	45.8
PBT	-25.3	-2.4	2.6	122.1	180.7	171.7	107.7	94.0	97.0	554.1
Tax	-5.4	0.3	-1.9	21.6	43.2	42.0	27.0	23.0	14.6	135.3
Rate (%)	21.2	-11.5	-74.6	17.7	23.9	24.5	25.1	24.5	15.0	24.4
Adj PAT	-19.9	-2.7	4.5	100.6	137.5	129.7	80.6	71.0	82.4	418.8
YoY Change (%)	PL	PL	-92.4	67.0	LP	LP	1699.8	-29.4	-65.9	408.1
Margin (%)	-0.9	-0.1	0.2	5.0	7.0	7.2	4.0	3.6	1.0	5.4

Mahanagar Gas**Buy****CMP: INR1,383 | TP: INR1,740 (+26%)****EPS CHANGE (%): FY24|25: -2|+3**

- Expect a volume growth of 13% YoY to 3.8mmscmd with CNG volumes up 12% YoY
- EBITDA margin expected at INR11.9/scm, with price cut offsetting the lower spot LNG prices
- Watch out for incentives for CNG vehicles to pick up demand in the segment.
- Updates on progress of recently announced biogas plant is a key monitorable.

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

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	14,548	15,627	16,714	16,105	15,378	15,709	15,688	15,018	62,993	61,793
YoY Change (%)	136.4	88.2	62.6	48.2	5.7	0.5	-6.1	-6.7	76.9	-1.9
EBITDA	2,856	2,528	2,561	3,897	5,213	4,789	4,487	4,102	11,842	18,590
EBITDA/ scm	9.1	7.9	8.2	12.8	16.8	14.6	13.3	11.9	9.5	14.1
Margins (%)	19.6	16.2	15.3	24.2	33.9	30.5	28.6	27.3	18.8	30.1
Depreciation	537	551	585	638	620	658	683	705	2,311	2,667
Interest	23	25	24	22	25	25	27	27	94	104
Other Income	200	260	323	336	390	437	481	461	1,119	1,768
PBT	2,496	2,213	2,274	3,573	4,957	4,543	4,258	3,831	10,555	17,588
Tax	644	573	553	885	1,273	1,158	1,086	968	2,655	4,485
Rate (%)	25.8	25.9	24.3	24.8	25.7	25.5	25.5	25.3	25.2	25.5
Reported PAT	1,852	1,640	1,721	2,688	3,684	3,385	3,172	2,862	7,901	13,103
YoY Change (%)	-9.3	-19.7	203.0	104.0	98.9	106.4	84.3	6.5	32.3	65.9
Margins (%)	12.7	10.5	10.3	16.7	24.0	21.5	20.2	19.1	12.5	21.2

MRPL**Sell****CMP: INR229 | TP: INR180 (-21%)****EPS CHANGE (%): FY24 | 25: 0 | -2**

- Expect refinery throughput of 4.5mmt (up 2% YoY).
- Watch out for details regarding recently announced petchem expansion and retail sales growth.
- Expect reported GRM at USD7.9/bbl, taking inventory gain into account.
- Sustained high valuations remain a concern, given the current highly volatile macro environment.

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

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	3,22,897	2,46,080	2,65,574	2,54,009	2,11,731	1,92,297	2,46,769	2,42,365	10,88,561	8,93,162
YoY Change (%)	185.8	85.0	30.1	2.4	-34.4	-21.9	-7.1	-4.6	56.1	-18.0
EBITDA	54,368	-15,325	5,358	33,940	20,617	22,428	11,843	15,051	78,342	69,939
Margin (%)	16.8	-6.2	2.0	13.4	9.7	11.7	4.8	6.2	7.2	7.8
Depreciation	2,956	2,969	2,980	2,962	2,940	2,960	3,343	3,329	11,867	12,571
Forex loss	7,228	4,624	2,485	-962	-66	1,046	248	46	13,375	1,273
Interest	3,022	3,155	3,377	3,300	2,673	3,112	2,736	2,817	12,853	11,338
Other Income	367	316	573	861	518	745	396	474	2,117	2,133
PBT before EO expense	41,530	-25,756	-2,910	29,500	15,588	16,055	5,911	9,334	42,364	46,889
Extra-Ord expense	0	0	-25	0	0	0	0	0	-25	0
PBT	41,530	-25,756	-2,885	29,500	15,588	16,055	5,911	9,334	42,389	46,889
Tax	14,454	-7,865	-1,005	10,421	5,461	5,462	2,041	3,174	16,005	16,138
Rate (%)	34.8	30.5	34.8	35.3	35.0	34.0	34.5	34.0	37.8	34.4
Reported PAT	27,075	-17,891	-1,880	19,080	10,127	10,593	3,871	6,161	26,384	30,752
YoY Change (%)	LP	Loss	PL	-37.4	-62.6	LP	LP	-67.7	-11.8	16.6
Margin (%)	8.4	-7.3	-0.7	7.5	4.8	5.5	1.6	2.5	2.4	3.4

Oil India**Buy****CMP: INR593 | TP: INR694 (+17%)****EPS CHANGE (%): FY24 | 25: +2 | -3**

- Oil realization (post windfall tax) to expand 2% YoY in 4QFY24
- Expect oil sales at 0.83mmt (up 9% YoY) and gas sales of 0.68bcm (up 15% YoY)
- Increase in production at the Baghjan field is a key monitorable over the medium term
- Update on progress of NRL capacity expansion and IGGL phase I

Quarterly Performance**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	59,641	57,760	58,794	56,462	46,447	59,133	58,150	57,086	2,32,657	2,20,816
Change (%)	98.6	74.4	57.3	26.1	-22.1	2.4	-1.1	1.1	60.1	-5.1
EBITDA	26,329	18,482	28,553	23,476	23,289	24,885	21,058	29,468	96,839	98,700
% of Net Sales	44.1	32.0	48.6	41.6	50.1	42.1	36.2	51.6	41.6	44.7
Change (%)	114.1	102.3	125.3	19.9	-11.5	34.6	-26.2	25.5	80.4	1.9
D,D&A	3,868	4,236	4,536	3,309	3,974	4,234	4,992	5,527	15,949	18,727
Interest	2,042	2,113	2,010	1,077	1,659	2,235	1,814	2,663	7,242	8,371
OI (incl. Oper. other inc)	658	8,949	1,022	4,294	3,341	7,092	5,080	4,512	14,922	20,025
PBT before exceptional	21,077	21,081	23,029	23,383	20,997	25,509	19,331	25,789	88,570	91,626
Exceptional item	0.0	0.0	0.0	0.0	0.0	23,627	0.0	0.0	0	23,627
PBT after exceptional	21,077	21,081	23,029	23,383	20,997	1,882	19,331	25,789	88,570	67,999
Tax	5,522	3,876	5,568	5,501	4,863	-1,372	3,489	6,123	20,466	13,103
Rate (%)	26.2	18.4	24.2	23.5	23.2	-5.4	18.0	23.7	23.1	14.3
PAT	15,555	17,205	17,461	17,883	16,134	3,253	15,843	19,666	68,104	54,897
Change (%)	206.2	241.1	40.3	9.7	3.7	-81.1	-9.3	10.0	75.2	-19.4
Adj. PAT	15,555	17,205	17,461	17,883	16,134	19,088	15,843	19,666	68,104	70,732
Change (%)	206.2	241.1	40.3	9.7	3.7	10.9	-9.3	10.0	75.2	3.9

ONGC**Buy****CMP: INR270 | TP: INR315 (+17%)****EPS CHANGE (%): FY24|25: -5|-3**

- Oil realization (before windfall tax) to expand 5% YoY in line with Brent movement in 4QFY24.
- Update on ramp-up of gas production remain the key monitorable
- Expect oil and gas sales volumes to be +4%/-2% YoY. VAP sales to decline 4% YoY
- Delay in peak oil production from KG Basin or decline in oil prices below USD75/bbl are key downside risks

Standalone - Quarterly Earning Model**(INR b)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	423.2	383.2	385.8	362.9	338.1	351.6	347.9	348.8	1,555.2	1,386.5
YoY Change (%)	83.8	57.4	35.5	5.2	-20.1	-8.2	-9.8	-3.9	40.9	-10.8
EBITDA	259.3	188.1	204.1	163.4	194.5	183.6	171.6	180.1	814.9	729.8
Margin (%)	61.3	49.1	52.9	45.0	57.5	52.2	49.3	51.6	52.4	-740.7
Depreciation	57.1	53.1	64.6	93.0	67.0	59.6	74.1	87.5	267.9	288.2
Interest	6.4	6.7	6.9	7.1	10.1	10.2	10.2	10.5	27.0	41.0
Other Income	7.6	35.3	14.1	19.3	16.1	20.9	34.0	34.3	76.3	105.3
PBT before EO expense	203.4	163.6	146.7	82.6	133.6	134.7	121.3	116.3	596.3	506.0
Extra-Ord expense	0.0	0.0	0.0	92.4	0.0	0.0	0.0	0.0	92.4	0.0
PBT	203.4	163.6	146.7	-9.8	133.6	134.7	121.3	116.3	504.0	506.0
Tax	51.4	35.3	36.3	-7.3	33.5	32.6	26.0	29.3	115.7	121.3
Rate (%)	25.3	21.6	24.7	74.7	25.0	24.2	21.4	25.2	23.0	24.0
Reported PAT	152.1	128.3	110.4	-2.5	100.2	102.2	95.4	87.0	388.3	384.7
Adj PAT	152.1	128.3	110.4	61.8	100.2	102.2	95.4	87.0	452.5	384.7
YoY Change (%)	250.8	50.9	26.0	-30.3	-34.1	-20.3	-13.7	40.8	48.6	-15.0
Margin (%)	35.9	33.5	28.6	17.0	29.6	29.1	27.4	24.9	29.1	27.7

Petronet LNG**Neutral****CMP: INR265 | TP: INR300 (+13%)****EPS CHANGE (%): FY24|25: +4|0**

- We model in Dahej/Kochi utilization at 100%/20%.
- Increasing domestic gas supply may lead to a decline in LNG imports, thereby adversely impacting utilization.
- Progress on ongoing projects is a key monitorable.
- Expect total PLNG volumes to increase 28% YoY.

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

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	1,42,638	1,59,857	1,57,759	1,38,739	1,16,561	1,25,320	1,47,472	1,23,774	5,98,994	5,13,127
YoY Change (%)	65.9	47.8	25.2	24.3	-18.3	-21.6	-6.5	-10.8	38.8	-14.3
EBITDA	10,644	11,730	16,754	9,431	11,818	12,147	17,060	10,986	48,558	52,011
Margin (%)	7.5	7.3	10.6	6.8	10.1	9.7	11.6	8.9	8.1	10.1
Depreciation	1,912	1,922	1,923	1,886	1,919	1,948	1,955	1,937	7,643	7,758
Interest	779	811	814	902	746	747	697	881	3,305	3,070
Other Income	1,418	942	1,839	1,538	1,467	1,567	1,565	1,706	5,736	6,305
PBT	9,371	9,939	15,856	8,180	10,621	11,020	15,973	9,874	43,345	47,488
Tax	2,362	2,496	4,050	2,038	2,723	2,839	4,066	2,488	10,946	12,116
Rate (%)	25.2	25.1	25.5	24.9	25.6	25.8	25.5	25.2	25.3	25.5
Reported PAT	7,009	7,443	11,805	6,142	7,899	8,181	11,907	7,386	32,399	35,372
Adj PAT	7,009	7,443	11,805	6,142	7,899	8,181	11,907	7,386	32,399	35,372
YoY Change (%)	10.3	-9.6	3.2	-18.1	12.7	9.9	0.9	20.2	-3.4	9.2
Margin (%)	4.9	4.7	7.5	4.4	6.8	6.5	8.1	6.0	5.4	6.9

Reliance Industries

Buy
CMP: INR2,970 | TP: INR3,215 (+8%)
EPS CHANGE (%): FY24|25: 0|-2

- Expect consolidated EBITDA to remain flat YoY at INR388b.
- Expect production meant for sale at 17.1mmt (flat YoY).
Expect EBITDA/mt at USD91 (-10% YoY).
- Expect standalone EBITDA at INR182.6b (up 1% YoY)
- Further clarity on INR750b announcements in the new energy business, growth in Retail store additions, and any pricing action in Telecom are the key monitorable.

Consolidated - Quarterly Earning Model

(INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	2,193	2,301	2,172	2,129	2,076	2,319	2,251	2,582	8,795	9,228
YoY Change (%)	56.7	37.3	17.4	2.7	-5.4	0.8	3.6	21.3	25.6	4.9
EBITDA	380	312	352	384	381	410	407	388	1,429	1,585
Margins (%)	17.3	13.6	16.2	18.1	18.4	17.7	18.1	15.0	16.2	17.2
Depreciation	89	97	102	115	118	126	129	130	403	503
Interest	40	46	52	58	58	57	58	29	196	202
Other Income	22	35	31	29	38	38	39	11	118	126
PBT before EO expense	273	205	230	241	243	265	258	240	948	1,006
Extra-Ord expense	-9	-2	-1	0	0	0	0	0	-12	0
PBT	282	206	231	241	243	265	258	240	960	1,006
Rate (%)	27.7	23.6	22.8	11.6	25.2	25.2	24.6	23.9	21.6	24.7
Minority Interest & P/L of Asso. Cos.	15.5	19.3	19.5	20.0	21.7	24.3	22.2	6.9	74.3	75.2
Reported PAT	188	138	159	193	160	174	173	176	679	683
Adj PAT	182	137	158	193	160	174	173	176	679	683
YoY Change (%)	48.3	0.1	-2.6	19.1	-12.0	27.0	9.2	-8.9	16.2	0.5
Margins (%)	8.3	6.0	7.3	9.1	7.7	7.5	7.7	6.8	7.7	7.4

Real Estate

Company

Brigade Enterprises

DLF

Godrej Properties

Macrotech Developers

Mahindra Lifespace

Oberoi Realty

Phoenix Mills

Prestige Estates

Sobha

Sunteck Realty

Pre-sales likely to moderate due to lack of launches

- Our coverage universe is expected to report pre-sales of INR250b, up 4% YoY but down 11% QoQ, in 4QFY24. The cumulative bookings for FY24 are expected at INR907b, up 33% YoY vs. initial expectation of 15-20% growth.
- Although the pace of new launches picked up in 3QFY24, it could not be sustained in 4Q, despite a strong project pipeline, as many companies faced delays in approval. Hence, few companies witnessed moderation in bookings on sequential basis. However, all stocks (except SRIN) in our coverage signed off FY24 with yet another strong performance, delivering 20-60% bookings growth.
- Among all companies, GPL/MLIFE/PEPL are expected to report strong YoY growth of 53%/55%/62% in FY24. On the other hand, SRIN is expected to miss the guidance due to the delay in new tower launch at Mira Road.

GPL, MLIFE and OBER to witness highest YoY growth in bookings

- **DLF:** In line with the 3QFY24 commentary, DLF did not launch any major projects during the quarter. Thus, its pre-sales are expected to be subdued at INR28b vs. comparable quarters. Bookings will be helped by the recognition of land sale in Chennai worth INR7.3b.
- **Oberoi Realty:** Aided by the launch of a third tower at Elysian, OBER is expected to report pre-sales of INR17b, up 2.6x YoY. The Sky City project is expected to benefit from a 10% price hike. The company has also witnessed a pick-up in velocity at Mulund projects.
- **GPL:** GPL had another strong quarter of launches, with eight new project/phase launches across MMR, Pune, Gurugram and Kolkata with saleable area of ~7msf and GDV value of INR80b. New launches, along with INR160b worth of inventory, can enable GPL to report pre-sales of INR65b, up 60% YoY. We also expect a strong performance on cash flows and profitability as the company remains on track to achieve its guidance of >10msf of completions and net collections of INR100b.
- **PEPL:** The company had one small launch in Bengaluru worth INR8b in 4Q; however, strong sales momentum for its INR160b of ongoing inventory should lead to pre-sales of INR47b for the quarter. Accordingly, the company is expected to report pre-sales of INR210b in FY24, up 62% YoY.
- **BRGD:** The company launched two new phases with saleable area potential of 1.3msf, which is lower than its guidance of 2.6msf. With INR26b of existing inventory, BRGD is expected to clock pre-sales of INR15b, flat YoY/QoQ.
- **MLDL:** The company launched four new projects across MMR, Chennai, Pune and Bengaluru in 4QFY24. Since Pune and Bengaluru launches happened at the end of the quarter, we expect bookings to spill over to 1QFY25. However, we expect MLDL to report pre-sales of INR15b, a four-fold jump YoY on the back of a strong response to its Kandivali project. Accordingly, pre-sales in FY24 would jump 60% YoY to INR28b and surpass MLDL's FY25 guidance of INR25b a year in advance.
- **SUNTECK:** The company failed to open up any new inventory during the quarter; however, a pick-up in velocity at its existing projects should lead to a 14% QoQ jump in pre-sales to INR5b. FY24 bookings should thus stand at INR18b, lower than its guidance of INR20b.

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Top picks: PEPL, SOBHA and GPL

- As per Anarock, residential sales in FY24 reached a decadal high, with almost 500k units sold (up 30% YoY). Despite new project launches of over 100k in 4QFY24, available inventory in the top seven cities dropped by 7% annually.
- With a favorable demand-supply balance, a comfortable inventory position, and healthy pricing power, we expect buoyancy to continue in the real estate sector.
- Most of the listed companies are trading above the value of their existing pipelines, so we prefer companies that are able to outperform their peers and whose valuations do not reflect this outperformance. **PEPL, SOBHA** and **GPL** are our preferred picks

Exhibit 1: Summary of 4QFY24 estimates

Sector	CMP (INR)	RECO	SALES (INR B)			EBDITA (INR B)			NET PROFIT (INR B)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Macrotech Developers	1169	Buy	37	14	27	9	20	-14	5.9	-20	17
Oberoi Realty	1504	Neutral	14	40	28	7	87	36	4.8	0	33
Godrej Properties	2391	Buy	5	-68	58	0.6	-83	NA	3.7	-18	498
DLF	948	Neutral	23	56	50	7	82	42	8.3	45	26
Prestige Estates	1264	Buy	22	-15	25	6	-6	16	1.9	-59	66
Brigade Enterprise	956	Buy	11	25	-10	3	26	-3	0.5	-21	-26
Sobha	1546	Buy	12	1	78	1	22	90	0.7	52	389
Mahindra Lifespace	620	Neutral	1	-65	10	0	-5	-34	0.0	NA	NA
Phoenix Mills	2845	Neutral	11	49	10	6	42	11	3.1	52	12
Sunteck Realty	426	Buy	6.0	1126	1,311	2.2	NA	NA	1.6	NA	NA
Real Estate			142	9	34	42	29	23	31	2	46

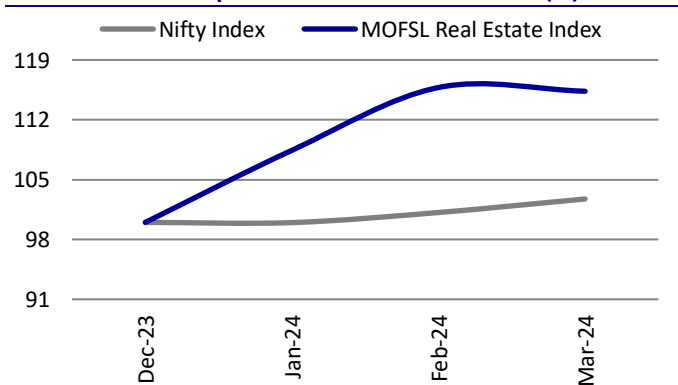
Source: Company, MOFSL

Exhibit 2: Expected operational performance summary

Sector	PRE-SALES (INR b)			VOLUME (MSF)			COLLECTIONS (INR b)		
	Mar-24	Var% YoY	Var% QoQ	Mar-24	Var% YoY	Var% QoQ	Mar-24	Var% YoY	Var% QoQ
Macrotech Developers*	42	40	24	2.9	17	13	35	21	37
Oberoi Realty	17	157	120	0.5	205	93	8	-2	-7
Godrej Properties	65	60	13	5.8	11	34	33	-13	38
DLF	28	-66	-69	1.7	-31	-67	33	73	32
Prestige Estates	47	20	-12	5.6	40	2	34	38	17
Brigade Enterprise	15	1	-1	1.9	-20	12	15	24	10
Sobha*	15	3	-23	1.4	-7	-18	10	-11	-18
Mahindra Lifespace	15	317	240	1.2	155	136	3	-9	-28
Sunteck Realty	5	-2	16	NA	NA	NA	2	-27	-45
Real Estate	250	4	-13	21	13	-3	175	16	18

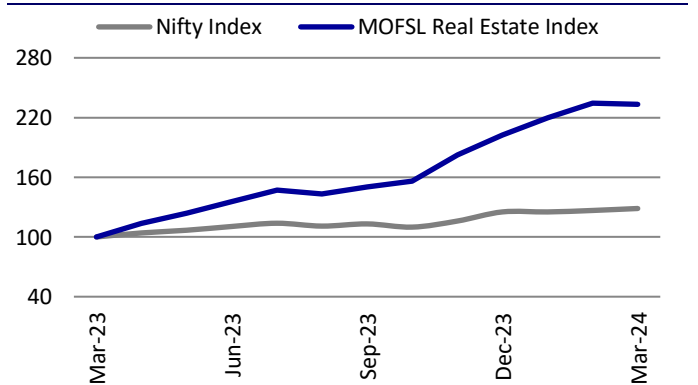
*Actual for Macrotech and Sobha Source: Company, MOFSL

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



Source: Bloomberg, MOFSL

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



Source: Bloomberg, MOFSL

Exhibit 5: Real estate coverage – operational snapshot

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E	YoY (%)	QoQ (%)
Sales (INR b)										
DLF	20	21	25	85	20	22	90	28	-66	-69
Godrej Properties	25	24	33	41	23	50	50	65	60	30
Macrotech	28	31	30	30	34	35	34	42	40	24
Oberoi Realty	8	12	6	7	5	10	8	17	158	119
Prestige Estates	30	35	25	39	39	71	53	47	20	-12
Brigade Enterprise	8	8	10	15	10	12	15	15	1	4
Sobha	11	12	14	15	15	17	20	15	3	-23
Mahindra Lifespace	6	4	5	4	4	5	5	15	317	195
Sunteck Realty	3	3	4	5	4	4	5	5	-2	16
Aggregate Sales (INR b)	140	150	152	240	152	227	279	250	4	-11
Volume (msf)										
DLF	1.2	1.6	1.5	5.0	0.9	1.3	5.0	1.7	-67	-67
Godrej Properties	2.8	2.7	4.4	5.3	2.3	5.2	4.3	5.8	11	34
Macrotech	2.2	2.1	2.5	2.5	2.8	2.6	2.6	2.9	17	13
Oberoi Realty	0.4	0.4	0.4	0.2	0.1	0.2	0.3	0.5	121	93
Prestige Estates	3.6	4.6	2.9	4.0	3.8	6.8	5.5	5.6	40	2
Brigade Enterprise	1.2	1.2	1.5	2.4	1.5	1.7	1.7	1.9	-21	12
Sobha	1.4	1.3	1.5	1.5	1.4	1.7	1.7	1.4	-8	-18
Mahindra Lifespace	0.7	0.5	0.6	0.5	0.4	0.7	0.5	1.2	155	136
Aggregate Volume (msf)	13.5	14.3	15.3	21.3	13.2	20.3	21.5	21.0	-2	-3
Collections (INR b)										
DLF	10	12	13	18	15	24	25	33	81	32
Godrej Properties	18	22	21	43	23	24	24	33	-23	38
Macrotech	26	24	27	29	24	28	26	35	21	37
Oberoi Realty	6	9	4	9	11	11	9	8	-2	-7
Prestige Estates	21	26	23	28	27	24	29	34	22	17
Brigade Enterprise	9	10	9	10	8	14	14	15	57	10
Sobha	9	11	14	12	11	13	13	10	-11	-18
Mahindra Lifespace	3	3	3	3	3	2	4	3	-9	-28
Sunteck Realty	3	3	3	3	3	3	4	2	-27	-45
Aggregate Collections (INR b)	104.2	119.2	117.5	155.0	126.0	142.0	147.8	175.1	13	18

Source: Company, MOFSL

Exhibit 6: Comparative Valuation

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Real Estate														
Brigade Enterpr.	956	Buy	15	37	42	65	26	23	65	26	23	9	20	18
DLF	948	Neutral	11	16	18	86	56	52	4	4	3	7	10	10
Godrej Properties	2,391	Buy	27	46	47	88	51	50	7	6	5	8	12	11
Macrotech Developers	1,169	Buy	16	25	36	72	47	32	8	7	6	12	16	20
Mahindra Lifespace	620	Neutral	1	8	7	397	71	85	5	5	4	1	7	5
Oberoi Realty	1,504	Neutral	44	45	61	31	30	22	4	3	3	11	11	11
Phoenix Mills	2,845	Neutral	61	75	106	46	38	27	5	5	4	12	13	16
Prestige Estates	1,264	Buy	21	21	26	65	63	50	4	4	4	7	7	8
Sobha	1,546	Buy	12	41	84	130	38	19	6	5	4	5	14	24
Sunteck Realty	426	Buy	9	17	23	51	28	20	2	2	2	5	8	10

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

Brigade Enterprise

Buy

CMP: INR956 | TP: INR1250 (31%)

EPS CHANGE (%): FY24|25: 0|0

- We expect revenue to increase 25% YoY to INR10.5b.
- EBITDA is likely to reach INR2.5b with a margin of 24%.
- New bookings for the quarter are likely to reach INR15b, flat YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	9,025	8,792	8,203	8,428	6,540	13,666	11,738	10,509	34,448	42,453
YoY Change (%)	135.8	16.8	-10.9	-10.6	-27.5	55.4	43.1	24.7	14.9	23.2
Total Expenditure	6,698	6,628	6,124	6,406	4,792	10,418	9,117	7,969	25,856	32,296
EBITDA	2,327	2,165	2,079	2,022	1,748	3,248	2,620	2,541	8,592	10,157
Margins (%)	25.8	24.6	25.3	24.0	26.7	23.8	22.3	24.2	24.9	23.9
Depreciation	751	780	781	834	681	757	821	839	3,146	3,098
Interest	1,061	1,096	1,184	1,000	1,081	1,100	1,349	1,336	4,342	4,866
Other Income	178	330	383	295	315	413	344	292	1,186	1,364
PBT before EO expense	693	618	497	483	300	1,803	795	659	2,291	3,557
Extra-Ord expense	-97	-183	0	-170	0	0	0	0	-450	0
PBT	790	801	497	653	300	1,803	795	659	2,741	3,557
Tax	184	283	70	21	82	679	237	142	558	1,138
Rate (%)	23.3	35.4	14.1	3.1	27.1	37.6	29.8	21.5	20.4	32.0
MI & Profit/Loss of Asso. Cos.	-271	-258	-142	-62	-166	-210	-177	-30	-733	-583
Reported PAT	877	776	569	694	385	1,335	735	547	2,916	3,002
Adj PAT	802	658	569	530	385	1,335	735	547	2,515	3,002
YoY Change (%)	-470.8	74.8	-25.9	-18.2	-52.0	103.0	29.2	3.3	59.7	19.4
Margins (%)	8.9	7.5	6.9	6.3	5.9	9.8	6.3	5.2	7.3	7.1

DLF

Neutral

CMP: INR948 | TP: INR850 (-10%)

EPS CHANGE (%): FY24|25: 3|0

- We expect revenue to increase 56% YoY to INR13b.
- DLF can report EBITDA of INR7.2b with steady margin.
- New bookings are expected moderate to INR28b in 4Q due to lack of new launches.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	14,416	13,023	14,948	14,561	14,232	13,477	15,213	22,758	56,948	65,680
YoY Change (%)	26.5	-12.1	-3.5	-5.9	-1.3	3.5	1.8	56.3	-0.4	15.3
Total Expenditure	10,280	8,657	10,176	10,577	10,271	8,853	10,103	15,516	39,690	44,743
EBITDA	4,137	4,367	4,772	3,984	3,962	4,624	5,110	7,242	17,259	20,937
Margins (%)	28.7	33.5	31.9	27.4	27.8	34.3	33.6	31.8	30.3	31.9
Depreciation	373	367	386	360	364	370	380	453	1,486	1,566
Interest	1,052	1,069	954	846	849	902	837	907	3,921	3,495
Other Income	747	582	659	1,196	985	1,287	1,223	1,103	3,173	4,598
PBT before EO expense	3,458	3,512	4,090	3,974	3,734	4,639	5,115	6,985	15,024	20,474
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,458	3,512	4,090	3,974	3,734	4,639	5,115	6,985	15,024	20,474
Tax	876	910	1,104	1,125	1,014	1,122	1,350	1,665	4,015	5,151
Rate (%)	25.3	25.9	27.0	28.3	27.2	24.2	26.4	23.8	33.2	33.2
Minority Interest & Profit/Loss of Asso. Cos.	2,111	2,169	2,203	2,848	2,541	2,701	2,792	2,959	9,330	10,993
Reported PAT	4,692	4,772	5,189	5,696	5,261	6,219	6,557	8,279	20,340	26,316
Adj PAT	4,692	4,772	5,189	5,696	5,261	6,219	6,557	8,279	20,340	26,316
YoY Change (%)	39.2	25.9	-16.7	40.5	12.1	30.3	26.4	45.3	16.6	29.4
Margins (%)	32.5	36.6	34.7	39.1	37.0	46.1	43.1	36.4	35.7	40.1

Source: Company, MOFSL

Godrej Properties**Buy****CMP: INR2,391 | TP: INR2,855 (19%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to de-grow 68% YoY to INR5.2b.
- Aided by strong response to new launches, GPL's pre-sales could increase 60% YoY to INR65b.
- GPL's PAT can increase 14% YoY to INR0.6b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	2,447	1,651	1,962	16,463	9,360	3,430	3,304	5,213	22,523	21,307
YoY Change (%)	184.0	27.7	-29.6	23.7	282.6	107.8	68.4	-68.3	23.4	-5.4
Total Expenditure	2,589	2,325	2,130	12,996	9,303	4,047	3,720	4,639	20,040	21,708
EBITDA	-142	-674	-168	3,466	57	-617	-416	574	2,482	-401
Margins (%)	-5.8	-40.8	-8.6	21.1	0.6	-18.0	-12.6	11.0	11.0	-1.9
Depreciation	55	56	65	66	69	74	142	115	241	400
Interest	345	406	457	535	297	480	430	536	1,742	1,743
Other Income	1,817	2,041	2,084	1,926	3,299	2,621	2,179	3,769	7,867	11,868
PBT before EO expense	1,276	905	1,394	4,791	2,990	1,451	1,192	3,692	8,366	9,324
Extra-Ord expense	0	0	0	0	1,550	0	0	0	0	-1,550
PBT	1,276	905	1,394	4,791	1,440	1,451	1,192	3,692	8,366	7,774
Tax	327	-188	449	1,159	592	388	319	1,033	1,747	2,332
Rate (%)	25.6	-20.7	32.2	24.2	41.1	26.7	26.8	28.0	20.9	30.0
Minority Interest & Profit/Loss of Asso. Cos.	-516	-423	-381	913	488	-336	-245	1,090	-407	997
Reported PAT	433	670	564	4,545	1,336	726	627	3,749	6,212	6,439
Adj PAT	433	670	564	4,545	2,248	726	627	3,749	6,212	7,524
YoY Change (%)	154.6	87.7	44.8	75.6	419.3	8.4	11.2	-17.5	77.2	21.1
Margins (%)	17.7	40.6	28.7	27.6	24.0	21.2	19.0	71.9	27.6	35.3

Source: Company, MOFSL

Macrotech Developers**Buy****CMP: INR1,169 | TP: INR1,320 (+13%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to increase 14% YoY to INR37b.
- The company has reported pre-sales of INR42b, up 40% YoY.
- EBITDA to grow by 20% YoY to INR6.5b driven marginal improvement in EBITDA margin.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	26,758	17,654	17,738	32,554	16,174	17,496	29,306	37,262	94,704	1,00,238
YoY Change (%)	67	-17	-14	-5	-40	-1	65	14	2.6	5.8
Total Expenditure	22,091	13,414	13,701	24,837	12,874	13,335	20,479	27,989	74,042	74,677
EBITDA	4,667	4,240	4,038	7,717	3,300	4,161	8,827	9,273	20,661	25,561
Margins (%)	17.4	24.0	22.8	23.7	20.4	23.8	30.1	24.9	21.8	25.5
Adj. EBITDA (as per co.)	9,030	5,250	5,700	9,800	4,600	5,500	10,800	9,273	29,780	30,173
Margins (%)	33.7	29.7	32.1	30.1	28.4	31.4	36.9	24.9	31.4	30.1
Depreciation	196	219	217	296	240	293	333	212	928	1,078
Interest	1,193	1,249	1,176	1,172	1,241	1,231	1,168	1,101	4,791	4,741
Other Income	0	-42	1,286	163	544	55	281	376	1,408	1,256
PBT before EO expense	3,278	2,730	3,931	6,412	2,363	2,692	7,607	8,335	16,350	20,997
Extra-Ord expense	0	-11,774	0	0	0	0	1,049	0	-11,774	-1,049
PBT	3,278	-9,044	3,931	6,412	2,363	2,692	6,558	8,335	4,576	19,948
Tax	559	270	-119	-1,080	556	624	1,439	2,368	-370	4,987
Rate (%)	17.0	-3.0	-3.0	-16.8	23.5	23.2	21.9	28.4	-0.1	0.3
Minority Interest & Profit/Loss of Asso. Cos.	6	16	0	58	15	40	67	33	80	155
Reported PAT	2,713	-9,330	4,050	7,434	1,792	2,028	5,052	5,934	4,866	14,806
Adj PAT (as per co.)	1,200	3,670	3,000	7,500	1,700	2,100	5,700	5,934	15,370	15,434
YoY Change (%)	-2	28	8	31	42	-43	90	-21	21.9	0.4
Margins (%)	4.5	20.8	16.9	23.0	10.5	12.0	19.4	15.9	16.2	15.4

Source: Company, MOFSL

Mahindra Lifespaces**Neutral****CMP: INR620 | TP: INR600 (-3%)****EPS CHANGE (%): FY24|25: 0|0**

- Revenue is expected to decrease 65% YoY to INR0.9b while profitability will continue to remain weak.
- On the back of successful launch at Kandivali, we expect MLDL to report best ever quarterly bookings of INR15b, up 4x YoY

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Income from Operations	946	698	1,869	2,554	980	178	820	905	6,066	2,883
YoY Change (%)	-36.2	17.8	667.9	57.9	3.7	-74.5	-56.1	-64.6	54.1	-52.5
Total Expenditure	1,265	1,092	1,983	2,827	1,412	527	1,210	1,163	7,167	4,311
EBITDA	-320	-394	-114	-274	-431	-349	-390	-259	-1,101	-1,429
Margins (%)	-33.8	-56.4	-6.1	-10.7	-44.0	-196.5	-47.6	-28.6	-18.2	-49.6
Depreciation	24	32	34	31	30	31	38	36	122	135
Interest	18	25	33	34	42	2	3	11	109	59
Other Income	228	40	112	149	120	79	68	79	530	346
PBT before EO expense	-134	-411	-69	-189	-383	-303	-364	-226	-803	-1,276
Extra-Ord expense	338	0	340	0	0	0	0	0	678	0
PBT	204	-411	271	-189	-383	-303	-364	-226	-124	-1,276
Tax	76	-67	-14	34	-94	-108	-109	-72	28	-383
Rate (%)	37.0	16.4	-5.1	-17.9	24.4	35.7	30.1	31.7	-22.7	30.0
Minority Interest & Profit/Loss of Asso. Cos.	625	266	48	229	247	6	754	113	1,167	1,120
Reported PAT	754	-77	332	6	-43	-189	500	-42	1,014	227
Adj PAT	541	-77	-8	6	-43	-189	500	-42	461	227
YoY Change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margins (%)	57.2	-11.1	-0.4	0.2	-4.4	-106.5	61.0	-4.6	7.6	7.9

Oberoi Realty**Neutral****CMP: INR1,504 | TP: INR1,390 (-8%)****EPS CHANGE (%): FY24|25: 9|0**

- We expect revenue to increase 40% YoY to INR13.5b on the back of commencement of revenue recognition from new tower at Elysian.
- OBER's EBITDA could increase 87% YoY to INR7b due to 1200bps margin expansion.
- New bookings could increase to INR17b, up 2.5x YoY – aided by new tower launch at Elysian.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	9,131	6,886	16,295	9,614	9,100	12,174	10,536	13,504	41,926	45,315
YoY Change (%)	221.2	-8.7	95.8	16.8	-0.3	76.8	-35.3	40.5	55.6	8.1
Total Expenditure	4,209	3,782	6,891	5,927	4,362	5,792	5,443	6,598	20,808	22,196
EBITDA	4,922	3,104	9,404	3,687	4,737	6,382	5,094	6,906	21,117	23,119
Margins (%)	53.9	45.1	57.7	38.3	52.1	52.4	48.3	51.1	50.4	51.0
Depreciation	98	101	102	97	113	113	114	120	398	460
Interest	326	363	381	621	615	565	501	489	1,691	2,170
Other Income	217	232	220	337	236	264	292	341	1,006	1,133
PBT before EO expense	4,715	2,873	9,141	3,306	4,245	5,968	4,771	6,638	20,036	21,622
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,715	2,873	9,141	3,306	4,245	5,968	4,771	6,638	20,036	21,622
Tax	1,137	692	2,260	-896	1,046	1,421	1,192	1,855	3,193	5,514
Rate (%)	24.1	24.1	24.7	(27.1)	24.6	23.8	25.0	27.9	15.9	25.5
Minority Interest & Profit/Loss of Asso. Cos.	453	1,006	144	601	17	21	22	0	2,204	60
Reported PAT	4,031	3,186	7,026	4,803	3,216	4,568	3,602	4,783	19,046	16,168
Adj PAT	4,031	3,186	7,026	4,803	3,216	4,568	3,602	4,783	19,046	16,168
YoY Change (%)	400.0	19.5	50.3	106.7	-20.2	43.4	-48.7	-0.4	81.9	-15.1
Margins (%)	44.1	46.3	43.1	50.0	35.3	37.5	34.2	35.4	45.4	35.7

Source: Company, MOFSL

Phoenix Mills**Neutral****CMP: INR2,845 | TP: INR2,425 (-15%)****EPS CHANGE (%): FY24|25: 3|4**

■ We expect revenue to increase 49% YoY to INR11b in 4QFY24.

■ EBITDA margin is likely to remain steady at 56% with EBITDA reaching INR6.1b

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	5,744	6,511	6,838	7,290	8,106	8,750	9,861	10,882	26,383	37,599
YoY Change (%)	188.2	79.0	60.9	47.2	41.1	34.4	44.2	49.3	77.8	42.5
Total Expenditure	2,515	2,702	2,994	2,983	3,183	3,612	4,343	4,770	11,194	15,908
EBITDA	3,229	3,809	3,845	4,307	4,923	5,138	5,518	6,112	15,189	21,691
Margins (%)	56.2	58.5	56.2	59.1	60.7	58.7	56.0	56.2	57.6	57.7
Depreciation	500	559	569	650	630	659	656	772	2,278	2,717
Interest	741	834	866	971	957	965	1,042	1,092	3,412	4,055
Other Income	235	324	347	257	290	316	343	318	1,163	1,267
PBT before EO expense	2,223	2,739	2,757	2,943	3,627	3,830	4,163	4,566	10,663	16,186
Extra-Ord expense	5,568	0	0	484	0	-78	0	0	6,052	0
PBT	7,791	2,739	2,757	3,428	3,627	3,752	4,163	4,566	16,714	16,186
Tax	341	520	633	496	730	714	724	827	1,989	2,994
Rate (%)	15.3	19.0	23.0	16.8	20.1	18.6	17.4	18.1	18.7	18.5
MI & P/L of Asso. Cos.	263	361	360	391	492	512	646	607	1,375	2,257
Reported PAT	7,187	1,858	1,764	2,541	2,405	2,526	2,793	3,132	13,350	10,934
Adj PAT	1,619	1,858	1,764	2,057	2,405	2,604	2,793	3,132	7,298	10,934
YoY Change (%)	-765.7	220.3	78.3	96.3	48.5	40.1	58.3	52.3	121.3	1,869.7
Margins (%)	28.2	28.5	25.8	28.2	29.7	29.8	28.3	28.8	27.7	29.1

Prestige Estates**Buy****CMP: INR1,264 | TP: INR1,535 (21%)****EPS CHANGE (%): FY24|25: 0|0**

■ We expect revenue to decrease 15% YoY to INR22b in 4QFY24.

■ Despite lack of big launches, strong demand at ongoing projects could propel PEPL's pre-sales by 20% YoY to 47b.

■ PEPL can report EBITDA of INR6.4b with 28% margin.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	19,385	14,277	23,170	26,318	16,809	22,364	17,958	22,470	83,150	79,601
YoY Change (%)	42.3	9.8	74.5	9.6	-13.3	56.6	-22.5	-14.6	30.1	-4.3
Total Expenditure	14,768	10,591	17,428	19,500	11,542	16,439	12,443	16,093	62,287	56,517
EBITDA	4,617	3,686	5,742	6,818	5,267	5,925	5,515	6,377	20,863	23,084
Margins (%)	23.8	25.8	24.8	25.9	31.3	26.5	30.7	28.4	25.1	29.0
Depreciation	1,468	1,626	1,698	1,679	1,655	1,741	1,797	1,805	6,471	6,998
Interest	1,847	1,863	2,009	2,347	2,382	2,639	2,932	2,823	8,066	10,776
Other Income	733	470	305	3,062	2,854	1,684	1,747	1,675	4,570	7,960
PBT before EO expense	2,035	667	2,340	5,854	4,084	3,229	2,533	3,425	10,896	13,271
Extra-Ord expense	1,497	1,463	0	119	0	8,512	0	0	3,079	8,512
PBT	3,532	2,130	2,340	5,973	4,084	11,741	2,533	3,425	13,975	21,783
Tax	996	625	704	1,150	863	2,564	723	860	3,475	5,010
Rate (%)	28.2	29.3	30.1	19.3	21.1	21.8	28.5	25.1	24.9	23.0
Minority Interest & Profit/Loss of Asso. Cos.	487	98	358	139	552	668	647	633	1,250	2,500
Reported PAT	2,049	1,407	1,278	4,684	2,669	8,509	1,163	1,932	9,250	14,273
Adj PAT	974	373	1,278	4,588	2,669	1,856	1,163	1,932	7,213	7,620
YoY Change (%)	112.7	-52.3	47.6	87.6	174.0	397.2	-9.0	-57.9	58.5	5.6
Margins (%)	5.0	2.6	5.5	17.4	15.9	8.3	6.5	8.6	8.7	9.6

Sobha**Buy****CMP: INR1,546 | TP: INR1,740 (13%)****EPS CHANGE (%): FY24|25: -14|0**

- We expect revenue to remain flat at INR12.2b in 4QFY24.
- Sobha reported pre-sales of INR15b, flat YoY, as key projects were launched in the last week of quarter.
- Weak profitability in contractual segment will continue to drag EBITDA margin.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	5,646	6,673	8,682	12,099	9,079	7,412	6,849	12,222	33,101	35,563
YoY Change (%)	25.8	-14.4	39.5	70.3	60.8	11.1	-21.1	1.0		
Total Expenditure	4,918	5,751	7,794	10,943	8,425	6,658	6,108	10,815	29,407	32,006
EBITDA	728	922	888	1,156	654	754	741	1,407	3,694	3,556
Margins (%)	12.9	13.8	10.2	9.6	7.2	10.2	10.8	11.5	11.2	10.0
Depreciation	147	179	175	178	183	193	201	176	678	753
Interest	614	632	660	611	611	639	614	602	2,490	2,466
Other Income	117	233	298	302	313	324	288	319	923	1,245
PBT before EO expense	84	344	351	669	173	247	214	948	1,449	1,582
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	84	344	351	669	173	247	214	948	1,449	1,582
Tax	39	152	33	183	52	97	63	211	407	424
Rate (%)	46.4	44.2	9.4	27.4	30.2	39.4	29.4	22.3	28.1	26.8
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	45	192	318	486	121	149	151	737	1,042	1,158
Adj PAT	45	192	318	486	121	149	151	737	1,042	1,158
YoY Change (%)	-87.1	-69.6	-47.9	242.3	168.3	-22.2	-52.6	51.6	-39.8	11.1
Margins (%)	0.8	2.9	3.7	4.0	1.3	2.0	2.2	6.0	3.1	3.3

Sunteck**Buy****CMP: INR426 | TP: INR640 (50%)****EPS CHANGE (%): FY24|25: -8|1**

- We expect sharp improvement in topline on account of revenue recognition from Naigaon project.
- Delay in launch of new tower in Mira road will result in subdued performance in pre-sales.
- Consequently, EBITDA and PAT are expect to increase by multi-fold.

Consolidated quarterly earnings model (INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	1,435	807	893	489	706	250	424	5,990	3,624	7,370
YoY Change (%)	-35.4	68.8	43.4	219.2	-50.8	-69.1	-52.5	1,125.7		
Total Expenditure	983	707	713	579	780	391	573	3,827	2,982	5,571
EBITDA	452	100	180	-91	-75	-141	-148	2,163	642	1,799
Margins (%)	31.5	12.4	20.2	-18.6	-10.6	-56.5	-34.9	36.1	17.7	24.4
Depreciation	21	23	22	25	18	22	24	7	92	72
Interest	198	176	196	289	173	158	171	142	859	644
Other Income	52	70	81	80	178	113	185	202	284	679
PBT before EO expense	285	-29	44	-324	-87	-208	-158	2,216	-24	1,763
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	285	-29	44	-324	-87	-208	-158	2,216	-24	1,763
Tax	62	-10	42	-62	-27	-64	-55	586	31	441
Rate (%)	21.7	36.3	95.3	19.2	31.0	30.5	34.9	26.5	-125.6	25.0
Minority Interest & Profit/Loss of Asso. Cos.	-27	-42	-19	17	7	-6	-6	-6	-70	-10
Reported PAT	250	23	21	-279	-67	-139	-97	1,635	15	1,332
Adj PAT	250	23	21	-279	-67	-139	-97	1,635	15	1,332
YoY Change (%)	NA	-90.6	-11.4	NA	-75.8	105.7	-29.9	-1,781.2	NA	NA
Margins (%)	17.4	2.9	2.3	-57.1	-9.6	-55.6	-22.9	27.3	0.4	18.1

Retail

Company

Aditya Birla Fashion

Avenue Supermarts

Bata India

Campus Activewear

Metro Brands

Raymond

Relaxo Footwear

Shoppers Stop

Titan Company

Trent

V-Mart Retail

Vedant Fashions

Demand remains muted; soft recovery likely in value space

Revenue growth led by footprint additions

Demand is expected to remain subdued in the retail space as Jan'24 was soft and Feb'24 was slightly better, benefiting from the wedding season and partly from the extended winter season. Festive celebrations (Holi and Eid) in Mar'24 may lead to some demand improvement. Metros/Tier 1 cities/towns continue to outperform Tier 2/Tier 3 cities.

We expect overall revenue to grow 21% YoY to INR1.06t in 4QFY24, which would be driven by footprint addition, as same-store sales could remain muted for most retailers. However, we could see some soft recovery in the value space, i.e., VMART and Pantaloons. VMART in its pre-quarter update reported 4% standalone SSSG, indicating a recovery. MANYAVAR is experiencing a subdued demand environment as the quarter saw fewer weddings. Premium players like METRO, ABFRL and SHOP are too witnessing subdued demand, while TRENT/DMART could be the outlier in the segment.

Store additions to continue despite challenges

Traditionally, the last quarter tends to be robust for retailers in terms of store expansions. We expect store additions to continue for all players in our coverage. DMART in a pre-quarter update reported 24 store additions in 4QFY24 (vs. 17 in 9MFY24). However, as expected VMART closed 19 loss-making stores, resulting in a net closure of 10 stores in 4QFY24. In terms of aggressive store adds, TRENT, METRO, Raymond and Intune are expected to be key outliers. We expect Westside/Zudio to add 6/27 stores in 4QFY24, taking the total store count to 233/444.

Weak SSSG to weigh on margins

The cool-off in raw material prices has eased pressure on gross margins, and due to the subdued demand environment, we do not expect retailers to hike prices during the quarter. Accordingly, we expect gross margins to remain flat YoY. However, a decline in SSSG could hurt store productivity and lead to operating deleverage. We expect overall PAT to grow by 9.6% YoY for our coverage universe.

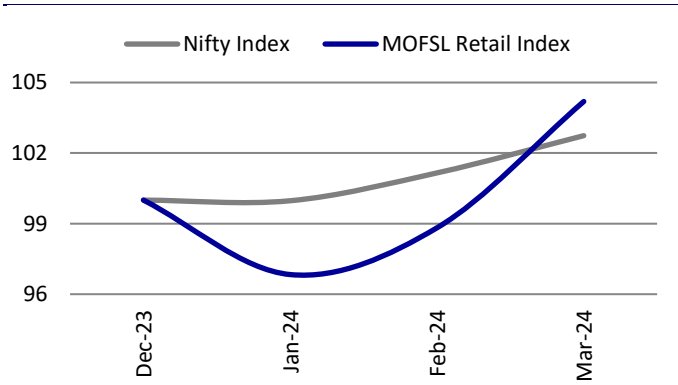
Valuation and View

TRENT and DMART remain strong candidates (BUY), considering their healthy balance sheets and strong secular growth momentum. Additionally, we like RAYMOND, which could benefit from the demerger of its real estate and lifestyle businesses. We continue to monitor VMART, given its comfortable valuations, recovery in SSSG, and likelihood of a decline in losses. In the footwear space, METRO remains a strong player (BUY) for its effective retail economics and healthy growth potential; however, the subdued demand environment may keep the stock range-bound for a few months.

Exhibit 1: Summary of quarterly estimates

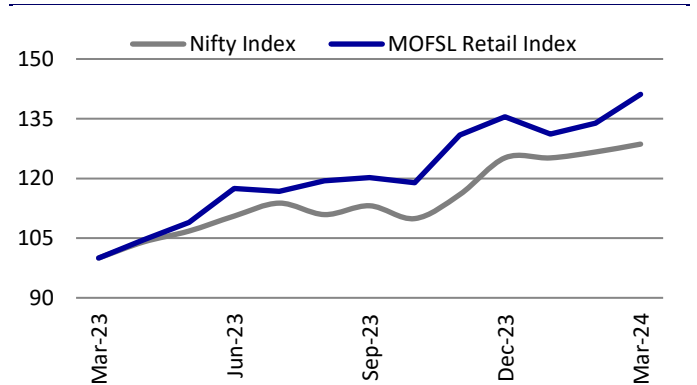
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Aditya Birla Fashion	212	Neutral	32,976	14.5	-20.9	2,227	15.5	-59.7	-2,376	Loss	Loss
Avenue Supermarts	4481	Buy	1,27,285	20.1	-6.2	9,982	29.4	-10.9	5,912	28.5	-14.5
Barbeque Nation	522	Neutral	2,995	6.9	-9.5	536	34.3	-19.2	-16	Loss	PL
Bata India	1369	Neutral	8,033	3.2	-11.1	1,907	4.8	4.6	678	3.3	16.9
Campus Activewear	227	Buy	3,666	5.4	-22.3	557	-1.5	-1.0	257	12.2	3.4
Devyani Intl.	155	Buy	8,120	7.5	-3.7	1,414	-6.6	-3.4	35	-94.2	-30.4
Jubilant Foodworks	455	Neutral	13,260	5.9	-2.1	2,761	9.5	-2.4	511	-17.6	-16.1
Metro Brands	1130	Buy	5,950	9.4	-6.4	1,448	0.9	-27.2	569	-17.3	-42.0
Raymond	1822	Buy	24,643	14.6	3.3	4,221	25.3	16.6	2,333	-14.8	24.3
Relaxo Footwear	824	Neutral	8,218	7.4	15.3	1,382	17.1	58.5	775	22.4	100.8
Restaurant Brands	104	Buy	4,598	26.0	3.2	847	100.5	19.8	64	LP	LP
Sapphire Foods	1598	Buy	6,352	13.4	-4.6	1,098	11.9	-9.8	66	-42.5	-33.2
Shoppers Stop	777	Neutral	9,696	5.8	-19.7	1,741	10.8	-19.2	120	-26.5	-66.4
Titan Company	3738	Buy	122,100	17.9	-13.8	12,884	18.3	-17.7	8,686	18.0	-17.5
Trent	3886	Buy	32,692	57.4	-1.3	4,297	102.7	-31.0	1,897	80.4	-44.8
V-Mart Retail	2173	Neutral	6,680	12.5	-24.9	263	14.7	-78.0	-410	Loss	PL
Vedant Fashions	962	Neutral	3,561	4.2	-25.0	1,754	4.5	-27.5	1,079	-0.9	-31.6
Westlife Foodworld	798	Neutral	5,765	3.6	-4.0	867	-5.7	-9.7	91	-54.8	-47.4
Retail			4,30,180	19.1	-8.7	50,614	22.7	-17.1	20,581	13.9	-23.6

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



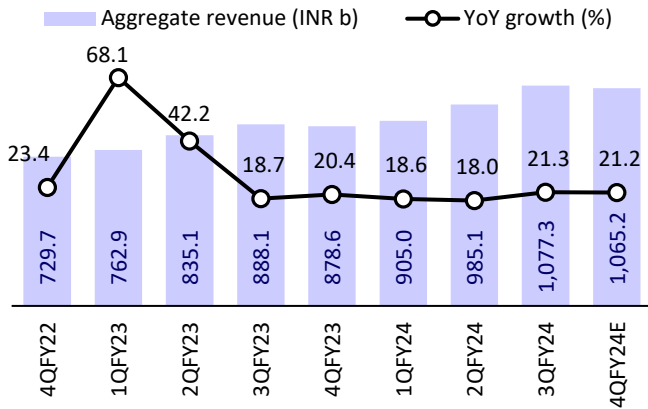
Source: Bloomberg, MOFSL

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



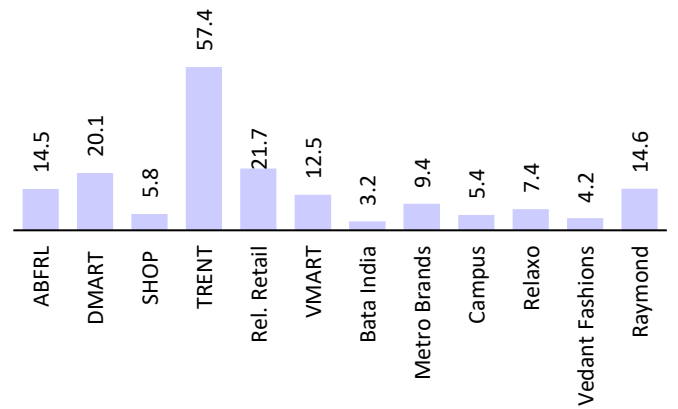
Source: Bloomberg, MOFSL

Exhibit 4: Aggregate revenue growth (INR b; YoY %)



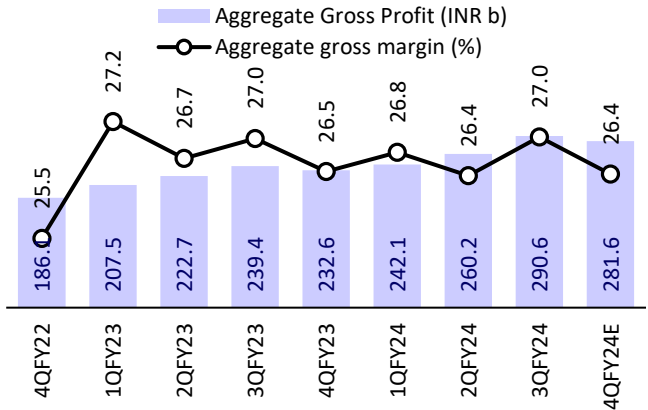
Source: Company, MOFSL

Exhibit 5: Expected revenue growth in 4QFY24; TRENT may continue to outperform (YoY %)



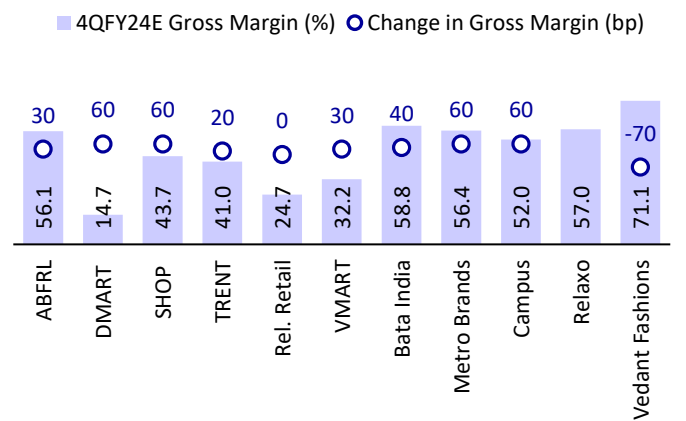
Source: Company, MOFSL

Exhibit 6: Aggregate growth in gross profit (YoY %)



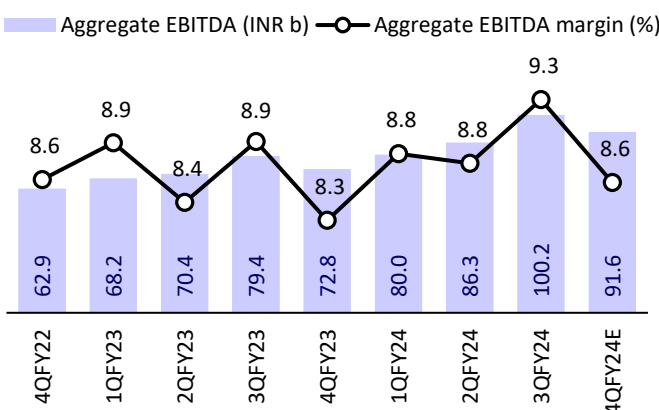
Source: Company, MOFSL

Exhibit 7: Change in gross margin (YoY %)



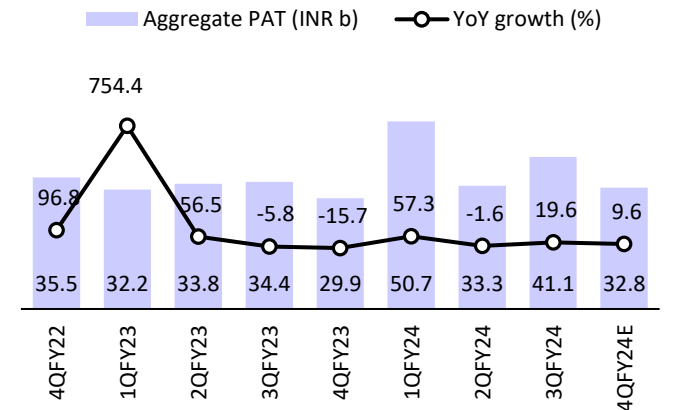
Source: Company, MOFSL

Exhibit 8: Aggregate EBITDA trajectory (margin, %)



Source: Company, MOFSL

Exhibit 9: Aggregate PAT trajectory (YoY %)



Source: Company, MOFSL

Exhibit 10: Retail coverage – KPI snapshot

	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E
Total store count									
Madura EBOs	2,522	2,585	2,561	2,601	2,650	2,643	2,660	2,696	2,750
Pantaloons	377	375	396	406	431	434	439	446	456
DMart	284	294	302	306	324	327	336	341	365
Shoppers Stop	88	90	91	96	98	98	102	105	112
Westside	200	203	208	211	214	221	223	227	233
Zudio	233	247	285	326	352	388	411	460	487
V-Mart	380	391	405	414	423	431	437	454	444
Vedant Fashions	583	603	626	640	649	662	669	673	694
Metro Brands	624	644	672	745	764	789	817	840	879
Store additions									
Madura EBOs	34	63	-24	40	49	-7	17	36	54
Pantaloons	16	-2	21	10	25	3	5	7	10
DMart	21	10	8	4	18	3	9	5	24
Shoppers Stop	5	2	1	5	2	0	4	3	7
Westside	3	3	5	3	3	7	2	4	6
Zudio	56	14	38	41	26	36	23	49	27
V-Mart	6	11	14	9	9	8	6	17	-10
Vedant Fashions	17	20	23	14	9	13	7	4	21
Metro Brands	-5	20	28	73	19	25	28	23	39
Total store additions	979	885	957	893	1032	566	375	345	518

Source: Company, MOFSL

Exhibit 11: Comparative valuation

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Retail														
Aditya Birla Fashion	212	Neutral	-7.5	-6.4	-6.7	-27.3	-33.1	-31.6	7.4	5.8	7.1	-23.9	-19.8	-20.1
Avenue Supermarts	4,481	Buy	39.4	55.7	73.8	114.9	80.4	60.7	15.8	13.1	10.7	14.7	17.7	19.4
Barbeque Nation	522	Neutral	-3.3	-0.1	1.9	-152.9	-7,590.3	276.5	5.0	5.2	5.1	-3.3	-0.1	1.9
Bata India	1,369	Neutral	23.1	30.3	41.7	59.1	45.1	32.9	10.3	8.4	6.7	18.9	20.5	22.7
Campus Activewear	227	Buy	2.7	4.0	5.2	79.8	57.4	43.5	10.4	9.2	7.6	13.0	16.0	17.5
Devyani Intl.	155	Buy	0.8	1.4	2.2	194.6	112.0	69.6	22.2	24.1	23.1	10.4	21.0	33.8
Jubilant Foodworks	455	Neutral	4.2	5.2	6.7	107.6	87.4	68.0	14.5	14.7	14.3	13.5	16.8	21.1
Metro Brands	1,130	Buy	11.6	15.3	19.6	99.2	73.7	57.7	17.5	14.9	12.8	19.1	22.2	24.5
Raymond	1,822	Buy	103.2	117.0	144.9	17.5	15.6	12.6	2.7	2.3	1.9	18.5	15.8	16.6
Relaxo Footwear	824	Neutral	8.7	11.4	15.1	93.8	72.1	54.6	10.1	9.2	8.2	11.2	13.4	15.8
Restaurant Brands	104	Buy	-3.4	-0.9	0.8	-29.9	-111.2	128.4	7.4	8.1	7.6	-22.1	-7.0	6.1
Sapphire Foods	1,598	Buy	8.9	15.3	25.3	176.6	104.8	63.1	7.4	6.6	5.7	4.3	6.7	9.7
Shoppers Stop	777	Neutral	8.3	15.1	14.3	90.8	51.5	54.5	21.2	15.4	12.0	26.2	35.1	24.7
Titan Company	3,738	Buy	40.7	52.8	65.2	93.4	70.7	57.4	23.6	18.8	15.4	27.6	29.4	29.5
Trent	3,886	Buy	24.4	35.0	45.4	162	111	85.5	37.9	27.4	20.4	28.6	30.5	29.3
V-Mart Retail	2,173	Neutral	-54.6	-3.6	28.6	-39	-607	76.0	5.2	5.3	4.9	NM	NM	6.7
Vedant Fashions	962	Neutral	16.7	21.2	26.1	55	45	36.9	14.1	12.3	10.3	26.7	28.6	27.1
Westlife Foodworld	798	Neutral	5.0	7.9	12.5	161.8	100.8	63.8	18.3	16.3	13.3	12.4	17.1	23.0

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

Aditya Birla Fashion

Neutral

CMP: INR212 | TP: INR270 (+27%)

EPS CHANGE (%): FY25|26: -2.9|-3.2

- Expect standalone revenue growth to remain moderate at 5% YoY; margin expansion to be led by better channel mix.
- Consol revenue expected to clock 14.5% YoY growth, led by other businesses
- Expect consol EBITDA margin to remain flat YoY due to funding for its new business
- Madura/Pantaloons expected to add 54/10 EBO stores in 4QFY24

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue	28,748	30,746	35,888	28,797	31,961	32,264	41,667	32,976	1,24,179	1,38,868
YoY Change (%)	254.1	49.7	20.1	26.1	11.2	4.9	16.1	14.5	52.6	11.8
Total Expenditure	24,063	26,779	31,532	26,869	29,037	29,031	36,134	30,748	1,09,243	1,24,951
EBITDA	4,684	3,967	4,356	1,928	2,923	3,233	5,533	2,227	14,936	13,917
Change, YoY (%)	-377.6	26.5	-25.2	-48.3	-37.6	-18.5	27.0	15.5	35.8	-6.8
Depreciation	2,703	2,907	3,175	3,485	3,670	3,888	4,441	4,605	12,270	16,604
Interest	944	1,036	1,321	1,422	1,873	2,084	2,454	2,535	4,724	8,946
Other Income	311	220	269	364	603	457	441	479	1,165	1,980
PBT	1,349	245	129	-2,615	-2,017	-2,281	-922	-4,434	-893	-9,653
Tax	411	-56	62	-646	-397	-282	227	-2,058	-230	-2,510
Rate (%)	30.4	-23.0	48.3	24.7	19.7	12.4	-24.6	46.4	25.7	26.0
Reported PAT	938	301	67	-1,969	-1,620	-1,999	-1,149	-2,376	-663	-7,144
Adj PAT	938	301	67	-1,969	-1,620	-1,999	-1,149	-2,376	-663	-7,144
YoY Change (%)	-126.7	411.2	-96.6	-740.1	-272.7	-763.8	-1,821.9	20.7	-45.1	977.3

E: MOFSL Estimates

Avenue Supermarts

Buy

CMP: INR4,481 | TP: INR5,160 (+15%)

EPS CHANGE (%): FY25|26: +2|0

- Consolidated revenue expected to grow 20% YoY
- Standalone revenue/sqft grew 5% YoY to ~INR33,450
- DMART added 24 stores in 4QFY24, taking its total store count to 365
- Expect PAT to grow by 28.5% YoY

Consolidated - Quarterly Earning

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	100.4	106.4	115.7	105.9	118.7	126.2	135.7	127.3	428.4	507.9
YoY Change (%)	93.7	36.6	25.5	20.6	18.2	18.7	17.3	20.1	38.3	18.6
Total Expenditure	90.3	97.5	106.0	98.2	108.3	116.2	124.5	117.3	392.0	466.3
EBITDA	10.1	8.9	9.7	7.7	10.4	10.0	11.2	10.0	36.4	41.6
EBITDA margin (%)	10.0	8.4	8.3	7.3	8.7	8.0	8.3	7.8	8.5	8.2
Change YoY (%)	349.7	33.4	11.4	4.4	2.7	12.7	16.0	29.4	45.6	14.3
Depreciation	1.4	1.6	1.7	1.6	1.6	1.7	1.9	2.0	6.4	7.3
Interest	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.7	0.6
Other Income	0.3	0.4	0.3	0.3	0.4	0.4	0.3	0.4	1.3	1.5
PBT	8.8	7.5	8.1	6.2	9.0	8.5	9.5	8.1	30.6	35.1
Tax	2.3	0.6	2.2	1.6	2.4	2.3	2.6	2.2	6.8	9.5
Rate (%)	26.6	8.3	27.4	26.4	26.6	26.8	27.2	27.4	22.3	27.0
Reported PAT	6.4	6.9	5.9	4.6	6.6	6.2	6.9	5.9	23.8	25.6
Adj PAT	6.4	5.4	5.9	4.6	6.6	6.2	6.9	5.9	22.4	25.6
YoY Change (%)	574.2	30.4	6.7	7.8	2.5	14.4	17.2	28.5	49.9	14.6

E: MOFSL Estimates

Bata India**Neutral****CMP: INR1,369 | TP: INR1,460 (+7%)****EPS CHANGE (%): FY25 | 26: -1.6 | -1.6**

- Expect 3% YoY growth in revenue to INR8b for 4QFY24
- Expect PAT margin to improve 30bp YoY to 23.7%
- Expect PAT margin to increase to 3% YoY

Consolidated - Quarterly Earning**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	9,430	8,298	9,002	7,786	9,581	8,191	9,035	8,033	34,516	34,840
YoY Change (%)	253.1	35.1	7.0	17.0	1.6	-1.3	0.4	3.2	44.6	0.9
Gross Profit	5,339	4,562	4,931	4,547	5,246	4,755	5,065	4,723	19,379	19,789
Gross margin%	56.6	55.0	54.8	58.4	54.7	58.1	56.1	58.8	56.1	56.8
Total Expenditure	6,983	6,688	6,941	5,966	7,186	6,375	7,210	6,125	26,579	26,897
EBITDA	2,447	1,609	2,061	1,820	2,395	1,817	1,824	1,907	7,936	7,944
EBITDA margin	25.9	19.4	22.9	23.4	25.0	22.2	20.2	23.7	23.0	22.8
Change YoY (%)	-876.5	35.0	22.2	12.2	-2.1	12.9	-11.5	4.8	89.6	0.1
Depreciation	693	736	754	765	811	817	860	821	2,948	3,309
Interest	249	272	286	272	281	284	295	282	1,078	1,143
Other Income	93	119	75	99	133	155	111	103	386	501
PBT before EO expense	1,597	720	1,096	882	1,436	870	780	907	4,296	3,993
Extra-Ord expense	0	0	0	0	0	409	0	0	0	409
PBT	1,597	720	1,096	882	1,436	461	780	907	4,296	3,584
Tax	404	172	265	226	367	121	201	229	1,067	917
Rate (%)	25.3	23.9	24.2	25.6	25.5	26.3	25.7	25.3	24.8	25.6
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0		
Reported PAT	1,194	548	831	656	1,069	340	580	678	3,229	2,666
Adj PAT	1,194	548	831	656	1,069	641	580	678	3,229	2,968
YoY Change (%)	-272	47	15	4	-10	17	-30	3	213	-8
Margins (%)	13%	7%	9%	8%	11%	8%	6%	8%	9%	9%

E: MOFSL Estimates

Campus Activewear**Buy****CMP: INR227 | TP: INR285 (+26%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Revenue growth likely to remain moderate at 5% YoY due to weak demand environment
- Expect volume/ASP growth of 2%/3% YoY
- EBITDA margin to contract ~110bp YoY due to higher SG&A.
- Expect PAT to grow 12% YoY due to lower finance cost.

Consolidated - Quarterly Earning**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	3,377	3,332	4,656	3,478	3,538	2,587	4,720	3,666	14,842	14,510
YoY Change (%)	149.6	22.0	7.4	-1.3	4.8	-22.4	1.4	5.4	24.3	-2.2
Gross Profit	1,676	1,594	2,265	1,787	1,888	1,406	2,420	1,906	7,323	7,620
Gross margin	49.6	47.9	48.6	51.4	53.4	54.3	51.3	52.0	49.3	52.5
Total Expenditure	2,760	2,897	3,737	2,912	2,876	2,342	4,158	3,108	12,307	12,484
EBITDA	617	434	919	565	662	245	563	557	2,536	2,026
EBITDA margins (%)	18.3	13.0	19.7	16.3	18.7	9.5	11.9	15.2	17.1	14.0
Depreciation	145	170	196	200	171	181	184	195	710	730
Interest	56	76	82	72	69	65	58	32	287	224
Other Income	6	7	9	6	2	4	14	7	28	27
PBT	422	196	650	299	424	4	335	337	1,567	1,099
Tax	109	50	167	70	109	1	86	79	396	275
Rate (%)	25.8	25.7	25.7	23.3	25.8	13.5	25.6	23.5	25.2	25.0
Reported PAT	313	145	483	229	315	3	249	257	1,171	824
Adj PAT	313	145	483	229	314	3	249	257	1,171	824
YoY Change (%)	1,467	-49	-12	0	1	-98	-48	12	8.7	-29.6

E: MOFSL Estimates

Metro Brands**Buy****CMP: INR1,130 | TP: INR1,320 (+17%)****EPS CHANGE (%): FY25 | 26: -5.0 | -5.0**

- Revenue to grow 9% YoY to INR6b, led by footprint additions
- Expect to add 39 stores in 4QFY24, taking the total count to 879
- Expect EBITDA margin to contract 200bp YoY to 24.3% due to Fila acquisition

Consolidated - Quarterly Earning**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	5,080	4,763	5,987	5,441	5,825	5,557	6,355	5,950	21,271	23,687
YoY Change (%)	286.6	46.7	23.8	35.0	14.7	16.7	6.1	9.4	58.4	11.4
Total Expenditure	3,251	3,292	3,935	4,006	3,959	4,003	4,365	4,502	14,483	16,830
EBITDA	1,829	1,472	2,052	1,436	1,866	1,554	1,990	1,448	6,788	6,858
EBITDA Margin (%)	36.0	30.9	34.3	26.4	32.0	28.0	31.3	24.3	31.9	29.0
Depreciation	390	414	504	502	543	572	586	600	1,810	2,300
Interest	134	148	173	175	185	197	204	223	631	809
Other Income	93	118	146	187	144	162	160	161	544	626
PBT	1,397	1,027	1,521	946	1,282	946	1,359	786	4,891	4,374
Tax	345	253	394	267	353	275	379	217	1,257	1,225
Rate (%)	24.7	24.6	25.9	28.2	27.5	29.1	27.9	27.7	25.7	28.0
MI & Profit/Loss of Asso. Cos.	5	5	2	8	0	0	0	0	20	0
PAT before MI	1,052	774	1,128	680	929	671	981	569	3,634	3,149
Adj PAT post MI	1,058	779	1,130	688	929	671	981	569	3,654	3,149
YoY Change (%)	-973	41	11	-1	-12	-14	-13	-17	70.4	-13.8

E: MOFSL Estimates

Raymond**Buy****CMP: INR1,822 | TP: INR2,340 (+28%)****EPS CHANGE (%): FY25 | 26: -2.8 | -4.5**

- Expect revenue to grow 15% YoY driven by healthy growth in real estate and branded apparels
- Real estate to post 76% YoY revenue growth and margin expansion
- EBITDA margin to expand 140bp YoY, aided by scale benefits and improved GM

Quarterly Earning**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Revenue	17,281	21,682	21,682	21,502	17,715	22,534	23,862	24,643	82,147	88,753
YoY %	109%	40%	18%	10%	3%	4%	10%	15%	33%	8%
Total expenditure	15,197	18,333	18,490	18,134	15,748	19,388	20,242	20,422	70,153	75,800
EBITDA	2,085	3,350	3,192	3,368	1,966	3,146	3,619	4,221	11,994	12,953
EBITDA margin (%)	12.1%	15.4%	14.7%	15.7%	11.1%	14.0%	15.2%	17.1%	14.6%	14.6%
Depreciation and amortization	584	575	578	616	597	654	703	703	2,354	2,657
Finance Costs	591	634	705	643	795	893	1,035	1,014	2,573	3,737
Other income	263	226	314	420	550	673	642	640	1,223	2,503
Exceptional items	0	96	45	930	94	230	0	0	1,072	324
Profit before Tax	1,172	2,271	2,177	1,599	1,030	2,042	2,523	3,145	7,219	8,739
Tax	365	709	1,161	-231	267	507	626	792	2,004	2,193
Profit after Tax	807	1,562	1,017	1,830	763	1,535	1,897	2,352	5,216	6,545
Margin (%)	4.7%	7.2%	4.7%	8.5%	4.3%	6.8%	7.9%	9.5%	6.3%	7.4%
Minority Interest	-10	-31	-18	-21	-15	-14	-19	-19	-80	-66
Share of Profit in Associated Companies	12	57	-51	135	9,904	77	-43	0	154	9,938
Net Income	809	1,589	948	1,944	10,653	1,598	1,835	2,333	5,289	16,417
Adjusted income	797	1,627	1,044	2,739	842	1,751	1,878	2,333	6,207	6,803
Margin (%)	4.7%	7.3%	4.4%	9.0%	60.1%	7.1%	7.7%	9.5%	6.4%	18.5%

Relaxo Footwear**Neutral****CMP: INR824 | TP: INR830 (+1%)****EPS CHANGE (%): FY25 | 26: 0 | -2**

- Expect revenue to grow 7% YoY
- ASP likely to decline YoY due to price cuts by the company
- Expect improvement in EBITDA margin YoY, aided by scale benefits and improved GM
- Expect 22% YoY growth in PAT to INR775m

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	6,672	6,697	6,810	7,649	7,388	7,153	7,127	8,218	27,827	29,887
YoY Change (%)	34.2	-6.3	-8.4	9.6	10.7	6.8	4.7	7.4	4.9	7.4
Total RM Cost	3,063	3,422	3,199	3,660	3,150.8	3,013	3,065	3,533	13,343	12,761.6
Gross Profit	3,609	3,275	3,611	3,990	4,237	4,140	4,062	4,685	14,484	17,125
Margins (%)	54.1	48.9	53.0	52.2	57.4	57.9	57.0	57.0	52.1	57.3
Total Expenditure	5,810	6,102	6,088	6,470	6,313	6,238	6,255	6,837	24,470	25,643
EBITDA	861	594	722	1,180	1,076	915	872	1,382	3,358	4,244
Margins (%)	12.9	8.9	10.6	15.4	14.6	12.8	12.2	16.8	12.1	14.2
Depreciation	298	305	320	328	346	369	375	375	1,251	1,465
Interest	69	41	41	41	45	47	48	48	192	189
Other Income	42	57	44	43	73	105	60	59	186	297
PBT before EO expense	536	304	406	854	758	604	508	1,017	2,100	2,887
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	536	304	406	854	758	604	508	1,017	2,100	2,887
Tax	149	80	105	221	195	162	123	243	555	722
Rate (%)	27.8	26.3	25.8	25.9	25.7	26.8	24.1	23.9	26.4	25.0
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	387	224	301	633	563	442	386	775	1,545	2,165
Adj PAT	387	224	301	633	563	442	386	775	1,545	2,165
YoY Change (%)	24.9	-67.3	-57.1	0.6	45.6	97.0	28.3	22.4	-33.6	40.2
Margins (%)	5.8	3.3	4.4	8.3	7.6	6.2	5.4	9.4	5.6	7.2

E: MOFSL Estimates

Shoppers Stop

Neutral

CMP: INR777 | TP: INR715 (-7%)

EPS CHANGE (%): FY25 | 26: 0.5 | 0.4

- Expect moderate revenue growth of 5.8% YoY mainly driven by footprint additions
- Intune to add 10 stores
- Expect to add 7 departmental stores, taking the total store count to 112

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Revenue from Operations	9,419	10,082	11,317	9,165	9,816	10,252	12,068	9,696	39,984	41,830
YoY Change (%)	368.4	59.6	19.0	29.1	4.2	1.7	6.6	5.8	60.3	4.6
Total Expenditure	7,795	8,411	9,196	7,594	8,093	8,654	9,914	7,955	32,996	34,615
EBITDA	1,624	1,672	2,121	1,571	1,723	1,598	2,154	1,741	6,988	7,215
EBITDA Margin (%)	17.2	16.6	18.7	17.1	17.6	15.6	17.8	18.0	17.5	17.2
Depreciation	846	927	999	1,044	1,050	1,081	1,112	1,188	3,816	4,431
Interest	511	514	515	551	541	548	579	585	2,092	2,252
Other Income	56	39	244	222	73	105	33	181	561	392
PBT before EO expense	323	270	851	197	204	74	496	149	1,641	924
Extra-Ord expense	0	20	0	0	0	-49	0	0	20	-49
PBT	323	250	851	197	204	25	496	149	1,621	875
Tax	95	68	230	35	55	8	141	30	429	233
Rate (%)	29.5	27.3	27.1	17.6	26.9	29.9	28.3	19.9	26.4	26.6
Reported PAT	228	181	621	163	149	18	356	120	1,192	642
Adj PAT	228	201	621	163	149	67	356	120	1,212	691
YoY Change (%)	-122.2	-766.9	23.7	-200.9	-34.4	-66.8	-42.7	-26.5	-269.1	-43.0

E: MOFSL Estimates

Titan Company

Buy

CMP: INR3,738 | TP: INR4,300 (+15%)

EPS CHANGE (%): FY25 | 26: 0.0 | 0.0

- We expect revenue growth of 17.9% YoY.
- GP margin is expected to decrease 70bp YoY, while EBITDA margins remains flat YoY.
- We anticipate the jewelry segment to grow by ~18.5%, with a five-year revenue CAGR of 21.4%.
- Outlook on international business expansion is a key monitorable.

Consolidated Quarterly Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	94.4	91.6	116.1	103.6	119.0	125.3	141.6	122.1	405.8	508.0
YoY change (%)	171.9	22.3	15.7	32.9	26.0	36.7	22.0	17.9	40.9	25.2
Gross Profit	24.1	25.3	27.7	25.1	26.4	29.3	32.9	28.8	102.2	117.4
Margin (%)	25.5	27.6	23.9	24.3	22.2	23.4	23.3	23.6	25.2	23.1
EBITDA	12.0	12.5	13.5	10.9	11.3	14.1	15.7	12.9	48.8	53.9
EBITDA growth %	773.0	28.8	-6.6	24.3	-5.9	13.2	16.2	18.3	42.5	10.5
Margin (%)	12.7	13.6	11.6	10.5	9.5	11.3	11.0	10.6	12.0	10.6
Depreciation	1.0	1.1	1.1	1.2	1.3	1.4	1.5	1.4	4.4	5.7
Interest	0.7	0.6	0.8	1.0	1.1	1.4	1.7	1.6	3.0	5.8
Other Income	0.4	0.6	0.9	1.1	1.1	1.2	1.4	1.5	3.1	5.2
PBT	10.7	11.4	12.4	9.9	10.0	12.5	13.8	11.3	44.5	47.6
Tax	2.8	3.1	3.3	2.5	2.5	3.4	3.3	2.7	11.7	11.7
Rate (%)	26.3	26.9	26.7	25.5	24.6	26.9	23.6	23.4	26.4	24.6
Adjusted PAT	7.9	8.4	9.1	7.4	7.6	9.2	10.5	8.7	32.7	35.9
YoY change (%)	#	30.3	-9.9	11.0	-4.3	9.6	15.5	18.0	40.2	9.8

E: MOFSL Estimates

Trent**Buy****CMP: INR3,886 | TP: INR4,460 (+15%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Expect revenue growth momentum to sustain at 57% YoY, led by robust SSSG and strong footprint additions
- Revenue from Westside to grow 23% YoY, Zudio revenues expected to double YoY.
- Expect Westside/Zudio to add 4/27 stores in 4QFY24
- EBITDA margin to improve 300bp YoY to 13%

Standalone - Quarterly Earning Model

Y/E March	FY23				FY24E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY23	FY24E
Revenue	16,529	18,136	21,715	20,772	25,364	28,907	33,125	32,692	77,152	1,20,088
YoY Change (%)	405.0	77.7	61.1	75.3	53.5	59.4	52.5	57.4	98.8	55.7
Total Expenditure	13,488	15,461	18,359	18,652	21,708	24,299	26,893	28,394	65,959	1,01,294
EBITDA	3,041	2,675	3,356	2,120	3,657	4,609	6,232	4,297	11,193	18,794
EBITDA Margin (%)	18.4	14.8	15.5	10.2	14.4	15.9	18.8	13.1	14.5	15.7
Depreciation	1,202	1,043	1,106	1,281	1,335	1,448	1,575	1,678	4,632	6,037
Interest	925	880	885	883	891	923	957	1,019	3,572	3,791
Other Income	415	1,680	730	1,291	498	1,511	768	929	4,117	3,705
PBT before EO expense	1,330	2,432	2,095	1,248	1,928	3,748	4,467	2,529	7,105	12,671
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,330	2,432	2,095	1,248	1,928	3,748	4,467	2,529	7,105	12,671
Tax	303	574	486	197	445	851	1,031	632	1,559	2,959
Reported PAT	1,026	1,859	1,610	1,051	1,483	2,897	3,436	1,897	5,546	9,712
Adj PAT	1,026	1,859	1,610	1,051	1,483	2,897	3,436	1,897	5,546	9,712
YoY Change (%)	-222.5	37.1	21.1	40.2	44.5	55.9	113.5	80.4	113.5	75.1

E: MOFSL Estimates

V-Mart Retail**Neutral****CMP: INR2,173 | TP: INR2,210 (+2%)****EPS CHANGE (%): FY25 | 26: NM | -50**

- Consolidated revenue grew 12% YoY mainly led by SSSG
- Excluding revenue from LimeRoad (INR150m), the company's revenue grew 12% YoY
- Added 9 stores and closed 19 stores, taking the total store count to 444
- EBITDA margin likely to remain flat YoY

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY23	FY24E
Revenue	5,879	5,062	7,769	5,939	6,785	5,494	8,891	6,680	24,648	27,850
YoY Change (%)	231.4	49.8	12.3	29.5	15.4	8.5	14.4	12.5	47.9	13.0
Total Expenditure	4,992	4,526	6,732	5,710	6,261	5,488	7,694	6,417	21,959	25,859
EBITDA	887	536	1,037	229	525	7	1,197	263	2,689	1,991
EBITDA Margin (%)	15.1	10.6	13.3	3.9	7.7	0.1	13.5	3.9	10.9	7.2
Depreciation	402	441	473	484	499	532	583	504	1,800	2,118
Interest	247	279	307	336	330	359	376	343	1,169	1,407
Other Income	41	27	7	75	15	20	130	15	150	180
PBT	278	-157	264	-516	-290	-864	369	-569	-130	-1,354
Tax	74	-44	64	-146	-70	-223	87	-159	-52	-366
Rate (%)	26.5	27.9	24.4	28.3	24.2	25.8	23.5	27.9	39.7	27.0
Reported PAT	205	-113	200	-370	-219	-641	282	-410	-78	-988
Adj PAT	205	-113	200	-370	-219	-641	282	-410	-78	-988
YoY Change (%)	-171.2	-20.0	-65.0	1,314.5	-207.3	466.8	41.3	11.0	-167.4	1,159.5

E: MOFSL Estimates

Vedant Fashions**Neutral****CMP: INR962 | TP: INR1,050 (+9%)****EPS CHANGE (%): FY25 | 26: -2.0 | -1.7**

- Revenue to grow 4.2% YoY due to subdued demand environment
- EBITDA margin to slightly improve YoY to 49.3%
- Expect PAT to marginally decline to INR1.08b due to operating deleverage

Quarterly Earning**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	3,250	2,469	4,414	3,416	3,116	2,183	4,745	3,561	13,549	13,604
YoY Change (%)	103.1	23.5	14.7	15.3	-4.1	-11.6	7.5	4.2	30.2	0.4
Total Expenditure	1,619	1,315	2,170	1,737	1,635	1,255	2,324	1,806	6,841	7,020
EBITDA	1,631	1,154	2,245	1,679	1,482	928	2,420	1,754	6,708	6,584
EBITDA margins (%)	50.2	46.7	50.9	49.1	47.5	42.5	51.0	49.3	49.5	48.4
Change YoY (%)	135.6	26.6	17.2	16.6	-9.1	-19.6	7.8	4.5	189.6	96.1
Depreciation	264	249	251	274	299	325	344	351	1,038	1,319
Interest	78	77	75	84	94	107	112	114	315	427
Other Income	71	97	100	134	150	151	155	156	402	612
PBT before EO expense	1,359	925	2,019	1,454	1,238	648	2,119	1,445	5,758	5,450
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
Tax	351	235	516	366	319	161	542	366	1,467	1,387
Rate (%)	25.8	25.4	25.5	25.2	25.7	24.8	25.6	25.3	25.5	25.5
Reported PAT	1,009	690	1,504	1,089	919	487	1,577	1,079	4,291	4,063
Adj PAT	1,009	690	1,504	1,089	919	487	1,577	1,079	4,291	4,063
YoY Change (%)	123	30	18	23	-9	-29	5	-1	36	-5

E: MOFSL Estimates

Technology

Coforge

Cyient

HCL Tech.

Infosys

LTI Mindtree

L&T Technology

Mphasis

Persistent Systems

TCS

Tech Mahindra

Wipro

Zensar Tech.

Demand outlook continues to be uncertain

Low 3Q base to drive sequential growth uptick

- Uncertain macroeconomic outlook continues to dampen the demand environment for the IT services industry in 4QFY24. While the sequential revenue growth for companies across our coverage should see an improvement due to low 3Q base (on account of seasonality), the YoY growth continues to remain anemic. This should result in the weakest sector annual growth (median growth of 4.9% YoY) since 2008-09 financial crisis (excluding pandemic impacted FY21). While discretionary spends continue to be under pressure, there is no meaningful change in industry spending patterns. We factor in demand improvement in FY25 on the back of positive outlook from US Fed and large order backlog; however, the certainty of this translating into tangible growth remains uncertain. Our IT Services coverage universe should report a median revenue growth of 1.8% QoQ/4.1% YoY in 4QFY24. This is also supported by favorable movement of major currencies (EUR/GBP, 0.9%/2.2%). Despite modest revenue growth, we expect most companies to deliver better operating margin in 4Q due to continued focus on cost optimization (with the exception of HCLT where P&P seasonality impacts 4Q profitability). We estimate 3.6% YoY revenue growth in INR, translating to a corresponding YoY growth in INR EBIT/PAT of 3.6%/3.8% in 4Q.
- While deal TCVs should remain stable to positive, conversion of deal wins into revenues continue to be pushed out due to adverse macros, leading to slower revenue conversion in 4Q. As reiterated by Accenture recent earnings commentary, corporate spending continues to be focused on cost optimization and efficiency. We expect collective deal TCV (Tier1 + Tier 2) growth to stay in line or moderate YoY.
- Weakness across major verticals and geographies should continue in 4Q with BFSI, Retail, Hi-Tech, and Communications expected to exercise greater caution and emphasize cost management. With BFS and Hi-Tech seeing meaningful pressure over the last year, the base should start becoming favorable and help moderate the drag on overall growth. Given the limited clarity regarding demand recovery in both the US and Europe, the company commentary should maintain a cautious tone.
- Anticipating a cautious stance, we expect companies' initial guidance/commentary on FY25 revenue growth to reflect the subdued demand outlook. The emphasis is expected to be on a potential uptick in demand in 2HFY25, indicating a more normalized spending environment for FY26. Additionally, we anticipate companies to guide for better margins by implementing cost efficiency measures.
- We expect revenue growth of Tier-I companies to be in the range of -0.1% to +2.2% QoQ CC. Revenue of Tier-II players are expected to grow to the tune of +1.3% to +5.5% QoQ in CC terms.

TCS/LTTS to lead topline growth among Tier I/Tier II firms

- Revenues of Tier-I companies are expected to improve sequentially on account of low base; however, it is still expected to remain below their historical range. Infosys and WPRO should see flat revenues, while TCS is expected to outperform others with +2.2% QoQ CC, driven by the scaling up of the BSNL

business. Meanwhile, LTIM /HCLT/TECHM should grow 1.4%/0.9%/0.7% CC QoQ. Overall, Tier-I companies are expected to exhibit weak median revenue growth (0.8% QoQ CC).

- Among Tier-II companies, we expect LTTS to outpace its peers with 5.5% QoQ CC revenue growth, aided by strong deal momentum. PSYS and COFOGRE should see decent growth of 3.0%/2.9% QoQ CC, followed by CYL-DET, ZENT, and MPHL at 1.9%, 1.5%, and 1.3% QoQ CC, respectively.

Margins should improve through continued focus on cost efficiency

- We expect 4Q EBIT margins to improve QoQ, as companies remain focused on cost efficiency, particularly through workforce optimization, coupled with the absence of incremental costs during the quarter. With a few exceptions, most companies are expected to experience better sequential margins; however, the YoY improvement may be more subdued due to weak topline growth.
- Tier-I companies are expected to report margin changes ranging from -120bp to +160bp QoQ in 4Q. HCLT should see a seasonal impact due to a decline in growth in its high margin P&P vertical, whereas WPRO is expected to see a margin pickup by aggressive cost efficiency measures during the same period.
- The Tier-II pack is anticipated to undergo margin changes ranging from -130bp to +210bp QoQ. ZENT's margin is expected to moderate as it reinvests back into the business, while COFORGE should experience a seasonal pickup. The net headcount addition would be lower across the board, owing to muted demand trend.

Good PAT growth on low 3Q base

- We expect our Tier-I IT coverage universe to report 4.3% QoQ improvement in PAT, although the YoY growth will be a more modest 3.3% due to growth pressure. While TECHM should report a strong QoQ PAT improvement due to weak 3Q profitability, its YoY performance will still be down 31%. Similarly, WPRO's PAT should decline 4.2% YoY. TCS/HCLT are likely to lead the PAT growth with 8.1% YoY/6.9% YoY due to robust business mix.
- Tier-II players should register a strong PAT growth of 6.7% QoQ/12.9% YoY, aided by growth and margin support. LTTS/COFORGE/PSYS/CYL should see robust PAT growth

Prefer Tier I over Tier II companies; HCLT remains our top pick

- With improving macro sentiment and estimated demand recovery in FY25, the IT stock valuations are marginally higher than their historical range. The FY26 PE for the IT stocks (MOFSL universe) stood at 21x, wherein Tier-II looks expensive at 23x with ~20% premium to the Tier-1 pack.
- Given the muted near-term demand with no meaningful sign of recovery in the discretionary IT spends, we expect the companies to provide modest commentary on CY24E budget cycle. Among Tier-I players, HCLT is one of the key beneficiaries on having a defensive business mix, which should support the growth in the demand-constraint environment. Additionally, we expect TCS and INFO to be a key beneficiary of the acceleration in digital and business transformation in the medium term.
- Among Tier-II players, our preference lies with CYL, which is poised for robust performance. This is supported by the revival in the aerospace vertical and the easing challenges in sectors such as railways and communications.

Exhibit 1: Expect Tier-I companies' revenue (USD) to be modest at 1.5% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)
TCS	7,477	7,281	2.7%	7,195	3.9%	621	606	2.4%	592	4.9%
INFO	4,677	4,663	0.3%	4,554	2.7%	388	388	0.0%	374	3.7%
HCLT	3,459	3,415	1.3%	3,235	6.9%	287	284	0.9%	266	7.9%
WPRO	2,671	2,656	0.5%	2,840	-5.9%	223	222	0.3%	232	-4.0%
TECHM	1,594	1,573	1.3%	1,668	-4.4%	132	131	1.0%	137	-3.5%
LTIM	1,102	1,084	1.7%	1,058	4.2%	91	90	1.4%	87	5.2%
Tier I aggregate	20,980	20,672	1.5%	20,548	2.1%	1,742	1,722	1.2%	1,688	3.2%

Company	EBIT margin (%)					Adjusted PAT (INR b)				
	4QFY24	3QFY24	QoQ (bps)	4QFY23	YoY (bps)	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)
TCS	25.0	25.0	-	24.5	60.0	123.6	117.7	5.0%	114.4	8.1%
INFO	20.5	20.5	-	21.0	-60.0	63.0	61.1	3.0%	61.3	2.7%
HCLT	18.5	19.7	-120.0	18.2	30.0	42.5	43.5	-2.2%	39.8	6.9%
WPRO	16.4	14.8	160.0	16.2	20.0	29.6	27.0	9.7%	30.9	-4.2%
TECHM	8.4	7.0	140.0	11.2	-280.0	9.3	7.3	28.1%	13.4	-30.6%
LTIM	15.8	15.4	50.0	16.4	-50.0	11.9	11.7	1.8%	11.1	6.9%
Tier I aggregate	20.1	19.9	20.0	20.1	-	280	268	4.3%	271	3.3%

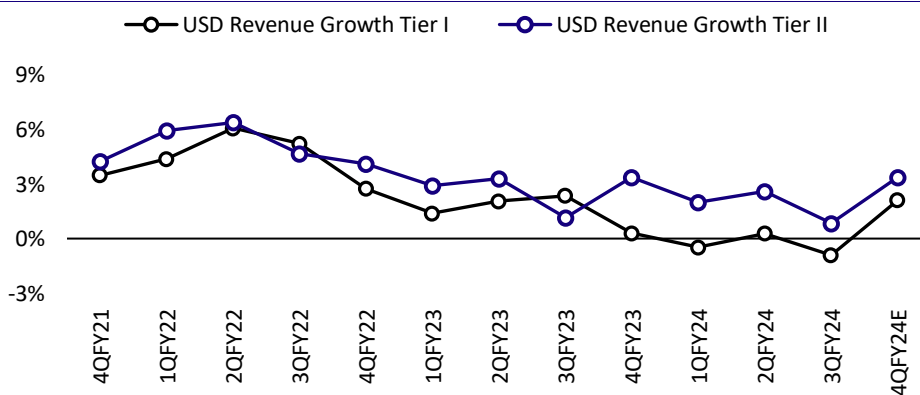
Exhibit 2: Expect Tier-II firms' revenue (USD) to be up 3.3% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)
LTTS	307	291	5.8%	255	20.5%	25.5	24.2	5.4%	21.0	21.7%
MPHL	408	402	1.5%	412	-0.9%	33.9	33.5	1.2%	33.9	0.0%
COFORGE	292	282	3.4%	264	10.3%	24.2	23.2	4.2%	21.7	11.5%
PSYS	310	301	3.1%	275	12.9%	25.7	25.0	3.0%	22.5	14.1%
ZENT	148	145	2.0%	148	0.0%	12.2	12.0	1.7%	12.1	1.0%
CYL	228	219	4.3%	213	7.1%	18.9	18.2	4.0%	17.5	8.2%
Tier II aggregate	1,693	1,639	3.3%	1,567	8.1%	140.5	136.2	3.2%	128.7	9.2%

Company	EBIT margin (%)					Adjusted PAT (INR b)				
	4QFY24	3QFY24	QoQ (bps)	4QFY23	YoY (bps)	4QFY24	3QFY24	QoQ (%)	4QFY23	YoY (%)
LTTS	17.6	17.2	40.0	18.7	-120.0	3.6	3.4	7.6%	3.1	16.8%
MPHL	15.0	14.8	20.0	15.2	-20.0	4.0	3.7	7.3%	4.1	-1.1%
COFORGE	15.9	13.8	210.0	15.5	40.0	2.8	2.4	17.1%	2.3	19.8%
PSYS	15.1	14.5	60.0	15.4	-30.0	3.0	2.9	4.5%	2.5	18.9%
ZENT	13.3	14.6	-130.0	11.6	170.0	1.3	1.6	-19.1%	1.2	9.5%
CYL	15.2	14.3	90.0	14.3	90.0	2.2	1.9	16.6%	1.8	23.0%
Tier II aggregate	15.5	14.9	60.0	15.4	10.0	16.9	15.8	6.7%	14.9	12.9%

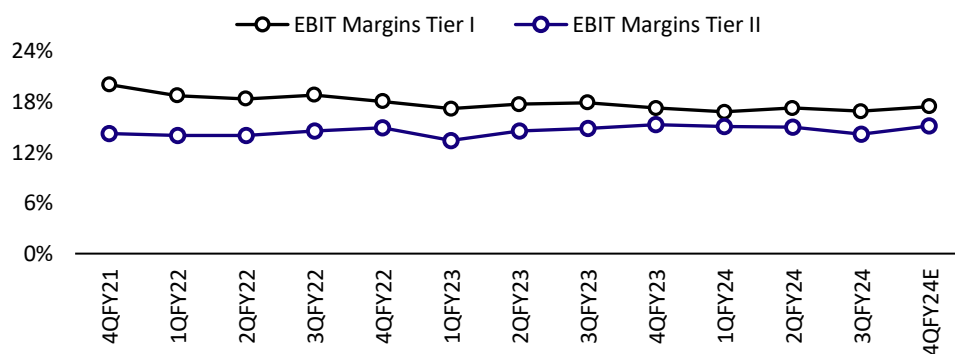
Source: Company, MOFSL

Exhibit 3: Revenue growth should see an uptick up, after a seasonally weak 3Q



Source: MOFSL, Company

Exhibit 4: Tier I should perform better on margin



Source: MOSL, Company

Exhibit 5: Cross-currency will have positive impact on 4Q USD revenue growth

	CC USD growth QoQ (%)	USD growthQoQ (%)	Cross-currency impact (bp)
TCS	2.2	2.7	50
INFO	-0.1	0.3	40
HCLT	0.9	1.3	40
WPRO	-0.1	0.5	60
TECHM	0.7	1.3	60
LTIM	1.4	1.7	30
LTTS	5.5	5.8	20
MPHL	1.3	1.5	20
COFORGE	2.9	3.4	50
PSYS	3.0	3.1	10
ZENT	1.5	2.0	40
CYL (DET)	1.9	2.6	70

Source: Company, MOFSL

Exhibit 6: Currency highlights (INR) in 4QFY24

	Rates (INR)				Change (QoQ)			
	USD	EUR	GBP	AUD	USD(%)	EUR(%)	GBP(%)	AUD(%)
Average	83.1	90.2	105.3	54.6	-0.23	0.68	1.92	0.77
Closing	83.4	90.6	105.7	54.8	0.28	-1.46	-0.05	-3.42

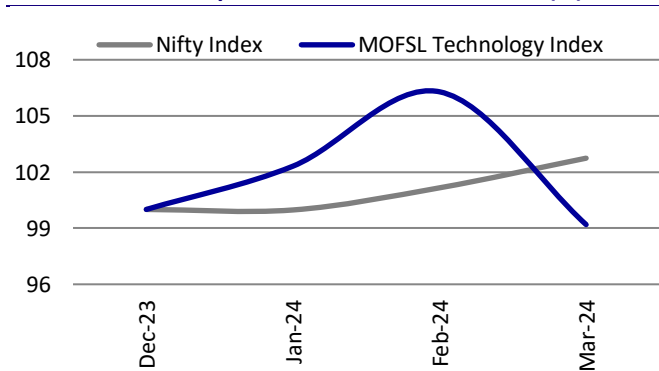
Source: Bloomberg, MOFSL

Exhibit 7: Currency highlights (USD) in 4QFY24

	Rates (USD)			Change (QoQ)		
	EUR	GBP	AUD	EUR(%)	GBP(%)	AUD(%)
Average	1.09	1.27	0.66	0.91	2.16	1.00
Closing	1.09	1.27	0.66	-1.74	-0.33	-3.63

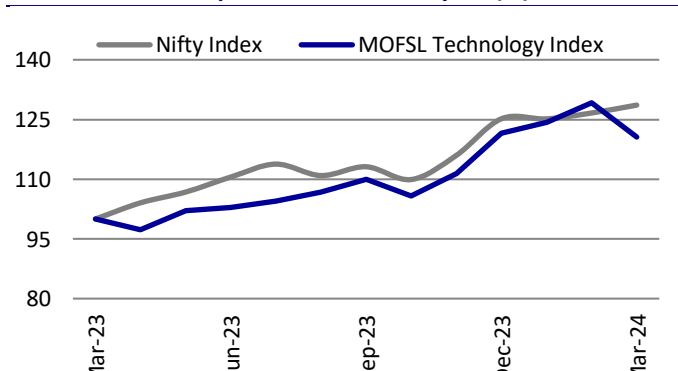
Source: Bloomberg, MOFSL

Exhibit 8: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 9: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 10: Summary of 4QFY24 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Coforge	5491	Neutral	24,206	11.5	4.2	4,672	14.6	16.4	2,787	19.8	17.1
Cyient	2007	Buy	18,943	8.2	4.0	3,637	12.9	11.5	2,167	23.0	16.6
HCL Technologies	1556	Buy	2,87,123	7.9	0.9	64,116	8.2	-4.4	42,515	6.8	-2.3
Infosys	1496	Buy	3,88,160	3.7	0.0	97,337	-0.6	-0.1	62,994	2.8	3.2
LTIMindtree	4882	Neutral	91,448	5.2	1.4	16,411	2.3	3.5	11,907	6.9	1.8
L&T Technology	5602	Buy	25,519	21.7	5.4	5,251	16.9	7.7	3,616	16.8	7.6
Mphasis	2462	Neutral	33,769	0.5	1.2	6,129	2.4	2.0	4,010	-1.1	7.3
Persistent Systems	3992	Neutral	25,732	14.1	3.0	4,683	12.5	6.0	2,991	18.9	4.5
TCS	3915	Buy	6,20,620	4.9	2.4	1,68,110	7.1	2.5	1,23,630	8.1	5.0
Tech Mahindra	1245	Neutral	1,32,320	-3.5	1.0	15,595	-22.8	15.1	9,232	-30.6	28.5
Wipro	485	Neutral	2,22,622	-4.0	0.3	44,715	-2.9	6.0	29,464	-4.2	9.4
Zensar Tech	610	Neutral	12,246	1.0	1.7	1,974	12.2	-4.9	1,307	9.5	-19.1
Technology			18,82,707	3.6	1.3	4,32,630	3.0	1.9	2,96,620	3.9	4.5

Source: Company, MOFSL

Exhibit 11: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Technology						28.5	25.9	22.0	8.5	8.8	8.6	29.7	34.0	39.2
Coforge	5,491	Neutral	140.6	190.3	225.2	39.1	28.9	24.4	9.8	8.4	7.2	26.3	31.1	31.6
Cyient	2,007	Buy	69.4	86.0	112.0	28.7	23.3	17.9	5.9	5.4	4.8	21.2	24.2	28.4
HCL Technologies	1,556	Buy	58.9	67.3	77.9	26.2	23.1	20.0	6.5	6.6	6.7	24.6	28.5	33.5
Infosys	1,496	Buy	59.3	67.6	79.1	25.3	22.1	18.9	8.2	8.2	8.1	32.5	37.0	43.1
LTIMindtree	4,882	Neutral	157.9	179.2	220.0	31.3	27.2	22.2	7.5	6.4	5.5	26.0	25.3	26.5
L&T Technology	5,602	Buy	125.0	151.1	177.7	43.8	37.1	31.5	11.0	9.7	8.4	25.9	28.2	28.6
Mphasis	2,462	Neutral	82.2	94.5	112.7	29.1	26.1	21.9	5.3	5.0	4.6	18.9	20.1	22.1
Persistent Systems	3,992	Neutral	73.2	88.8	109.6	54.5	45.0	36.4	13.5	11.7	10.1	26.7	28.3	30.2
TCS	3,915	Buy	125.7	146.8	170.1	30.9	26.7	23.0	16.1	16.8	17.5	51.5	61.9	74.4
Tech Mahindra	1,245	Neutral	40.4	50.9	68.0	31.0	24.5	18.3	3.9	3.8	3.7	12.7	15.6	20.3
Wipro	485	Neutral	20.6	22.9	27.3	23.3	21.1	17.7	3.5	3.5	3.4	14.7	16.7	19.7
Zensar Tech	610	Neutral	27.3	24.6	28.5	22.2	24.8	21.4	4.1	3.7	3.3	19.6	15.8	16.5

Source: Company, MOFSL

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

Coforge Neutral

CMP INR55065 | TP: INR6310 (8%)

EPS CHANGE (%): FY24|25: +0.0|+0.0

- Revenue growth is expected to be 2.9% QoQ on account of deal scale-up and low base in verticals like BFSI.
- Deal wins should look attractive on the back of healthy deal pipeline on both BFS and Insurance verticals
- EBITDA margin (Pre-RSU) is expected to improve 200bp QoQ, led by enhanced operating efficiency and increased offshoring.
- We expect the company to provide initial FY25 USD revenue growth guidance of low teens YoY CC.

Quarterly performance (Ind-AS)

Y/E March	FY23				FY24E				FY23	FY24E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Rev. (USD m)	239	247	252	264	272	278	282	292	1,002	1,124
QoQ (%)	2.7	3.4	1.9	5.0	2.8	2.3	1.4	3.4	15.6	12.2
Revenue (INR m)	18,294	19,594	20,558	21,700	22,210	22,762	23,233	24,206	80,146	92,411
YoY (%)	25.2	24.9	24.0	24.5	21.4	16.2	13.0	11.5	24.6	15.3
GPM (%)	30.4	32.0	33.4	34.1	30.7	32.5	33.1	34.5	32.5	32.7
SGA (%)	13.9	13.7	14.9	14.5	14.7	14.9	15.1	14.5	14.3	14.8
EBITDA (INR m)	2,922	3,449	3,615	4,076	3,316	3,473	4,012	4,672	14,062	15,473
EBITDA margin (%)	16.0	17.6	17.6	18.8	14.9	15.3	17.3	19.3	17.5	16.7
EBIT (INR m)	2,292	2,835	2,991	3,359	2,559	2,701	3,201	3,849	11,477	12,310
EBIT margin (%)	12.5	14.5	14.5	15.5	11.5	11.9	13.8	15.9	14.3	13.3
Other income	-76	-150	83	-487	-152	-295	-257	-121	-630	-825
ETR (%)	22.2	17.7	23.3	18.3	20.1	21.9	17.5	23.0	20.4	20.8
Minority Interest	-222.0	-195.0	-77.0	-19.0	-104.0	-69.0	-48.0	-83.0	-513.0	-304.0
Adj. PAT	1,501	2,016	2,282	2,327	1,818	1,809	2,380	2,787	8,126	8,795
QoQ (%)	-29.3	34.3	13.2	2.0	-21.9	-0.5	31.6	17.1		
YoY (%)	10.3	32.7	21.1	9.6	21.2	-10.3	4.3	19.8	18.0	8.2
Adj. EPS (INR)	24.2	32.5	36.7	37.4	29.2	29.0	38.1	44.6	130.6	140.6

Cyient Buy

CMP INR2000 | TP: INR2500 (+16%)

EPS CHANGE (%): FY24|25: 0.0|0.0

- Expect 1.9% QoQ CC growth for DET in 4QFY24, with better growth in Aerospace and Comm. verticals.
- DET margins are likely to improve 90bp QoQ, and the company should deliver on its guidance band.
- Sustainability initiatives are performing well and are expected to maintain their earlier momentum in 4Q.
- Given the continued macro headwinds, we expect the FY25 DET revenue growth guidance to be in the 12-13% YoY range.

Quarterly performance (Consol)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	162	175	197	213	205	214	219	228	746	867
QoQ (%)	3.1	8.2	12.7	8.1	-3.6	4.4	2.1	4.3	22.7	16.1
Revenue (INR m)	12,501	13,962	16,182	17,514	16,865	17,785	18,215	18,943	60,159	71,808
YoY (%)	18.1	25.6	36.7	48.3	34.9	27.4	12.6	8.2	32.7	19.4
GPM (%)	36.8	38.4	37.8	38.0	36.6	35.7	35.4	37.3	37.8	36.3
SGA (%)	21.2	22.0	20.6	19.6	17.9	17.4	17.5	18.1	20.8	17.7
EBITDA	1,946	2,290	2,785	3,222	3,156	3,258	3,261	3,637	10,243	13,312
EBITDA margin (%)	15.6	16.4	17.2	18.4	18.7	18.3	17.9	19.2	17.0	18.5
EBIT	1,435	1,660	2,086	2,496	2,480	2,600	2,600	2,879	7,677	10,559
EBIT margin (%)	11.5	11.9	12.9	14.3	14.7	14.6	14.3	15.2	12.8	14.7
Other income	160	-148	60	-257	-176	-134	-100	38	-185	-372
ETR (%)	27.2	19.4	24.1	21.3	22.9	23.6	23.3	24.0	23.0	23.5
Adj. PAT	1,161	1,218	1,628	1,762	1,767	1,831	1,858	2,167	5,769	7,623
QoQ (%)	-24.7	4.9	33.7	8.2	0.3	3.6	1.5	16.6		
YoY (%)	0.9	0.5	23.7	14.3	52.2	50.3	14.1	23.0	10.5	32.1
EPS (INR)	10.6	11.1	14.8	16.0	16.0	16.6	16.9	19.7	52.4	69.4

HCL Technologies**Buy****CMP INR1528 | TP: INR1870 (+22%)****EPS CHANGE (%): FY24|25: -0.3 | -0.5**

- Service (IT +ER&D) revenue growth (organic) is expected to be strong on account of deal momentum and continued ramp-up in Verizon deal. We expect Service business to report 2.7% QoQ growth in CC terms.
- P&P is projected to maintain YoY growth, but it is anticipated to experience QoQ weakness (-12% QoQ) due to seasonal factors, which could potentially impact sequential Consol growth negatively.
- The decline in the high margin P&P business should result in 120bp QoQ decrease in profitability during 4Q.
- We expect the company to provide initial FY25 revenue growth guidance of around 10%, with stable to improving EBIT margin. Commentary on the ramp up of mega wins and the demand trends around ERD space would be watched out for.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	3,025	3,082	3,244	3,235	3,200	3,225	3,415	3,459	12,586	13,299
QoQ (%)	1.1	1.9	5.3	-0.3	-1.1	0.8	5.9	1.3	9.6	5.7
Revenue (INR b)	235	247	267	266	263	267	284	287	1,015	1,101
YoY (%)	16.9	19.5	19.6	17.7	12.1	8.0	6.5	7.9	18.5	8.5
GPM (%)	35.8	35.8	37.4	36.5	35.6	36.2	36.7	36.1	36.4	36.2
SGA (%)	12.9	12.2	12.0	12.8	13.6	12.4	11.5	12.2	12.5	12.4
EBITDA	50	54	63	59	55	60	67	64	226	245
EBITDA margin (%)	21.1	22.0	23.7	22.3	20.8	22.3	23.6	22.3	22.3	22.3
EBIT	40	44	52	48	45	49	56	53	185	203
EBIT margin (%)	17.0	17.9	19.6	18.2	17.0	18.5	19.7	18.5	18.2	18.4
Other income	3	2	1	4	2	2	3	3	10	10
ETR (%)	24.3	23.9	23.8	23.4	24.8	25.3	25.9	24.0	23.8	25.0
Adjusted PAT	33	35	41	40	35	38	44	43	148	160
QoQ (%)	-8.7	6.3	17.4	-2.8	-11.2	8.4	13.5	-2.3		
YoY (%)	2.1	6.9	19.0	10.8	7.6	9.8	6.2	6.8	9.9	7.5
EPS	12.1	12.9	15.1	14.7	13.0	14.1	16.0	15.7	54.8	58.9

Infosys**Buy****CMP INR1481 | TP: INR1740 (+17%)****EPS CHANGE (%): FY24|25: -0.3 | -0.5**

- Revenue growth is expected to be weak at -0.1% QoQ CC, on account of ongoing macro challenges and delays in the ramp-up of large deals.
- Operating margin should remain stable, due to weak growth. We expect the operating margin to be flat QoQ at 20.5%.
- The deal pipeline remains healthy, while closure are somewhat challenging due to slower decision-making processes and furloughs. Nevertheless, the conversion rate remains on track.
- We expect the company to provide initial FY25 revenue growth guidance band of 5-7%, factoring in deal scale up along with initial caution.

Quarterly performance (IFRS)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	4,444	4,555	4,659	4,554	4,617	4,718	4,663	4,677	18,212	18,675
QoQ (%)	3.8	2.5	2.3	-2.3	1.4	2.2	-1.2	0.3	66.5	2.5
Revenue (INR m)	345	365	383	374	379	390	388	388	1,468	1,546
YoY (%)	23.6	23.4	20.2	16.0	10.0	6.7	1.3	3.7	108.1	5.3
GPM (%)	29.3	30.5	30.7	30.5	30.5	30.7	29.8	29.9	30.3	30.2
SGA (%)	9.2	8.9	9.2	9.5	9.6	9.5	9.3	9.4	9.2	9.4
EBITDA	87	97	102	98	96	101	97	97	384	392
EBITDA margin (%)	25.2	26.7	26.6	26.1	25.4	25.8	25.1	25.1	26.2	25.3
EBIT	69	79	82	79	79	83	80	79	309	321
EBIT margin (%)	20.1	21.5	21.5	21.0	20.8	21.2	20.5	20.5	21.1	20.8
Other income	6	5	7	6	5	5	7	6	24	22
ETR (%)	28.8	28.2	26.3	27.5	28.9	29.1	29.1	26.5	27.7	28.4
PAT	54	60	66	61	59	62	61	63	241	246
QoQ (%)	-5.7	12.3	9.4	-7.0	-3.0	4.5	-1.7	3.2		
YoY (%)	3.2	11.1	13.4	7.8	10.9	3.2	-7.3	2.8	63.8	1.9
EPS (INR)	12.8	14.3	15.7	14.8	14.4	15.0	14.7	15.2	57.3	59.0

LTIMindtree**Neutral****CMP INR4928 | TP: INR 5500 (+12%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- LTIM should report 1.4% CC growth in 4Q, with weak demand environment partially compensated by reversal of 3Q furloughs.
- Margins are expected to see a sequential pickup of 50bp QoQ due to better operating leverage.
- Manufacturing continues to perform well, while BFSI should see tailwinds from low base effect.
- We expect the initial commentary on FY25 growth to remain muted, while the company is likely to maintain its margin guidance. The demand commentary will be closely monitored.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	980	1,022	1,047	1,058	1,059	1,076	1,084	1,102	4,106	4,320
QoQ (%)	3.7	4.3	2.4	1.0	0.1	1.6	0.8	1.7	17.2	5.2
Revenue (INR m)	76,442	82,278	86,200	86,910	87,021	89,054	90,166	91,448	3,31,830	3,57,689
YoY (%)	32.9	29.6	25.3	21.9	13.8	8.2	4.6	5.2	27.1	7.8
GPM (%)	31.1	30.8	28.6	29.9	31.6	31.4	29.9	30.4	30.1	30.8
SGA (%)	11.6	11.0	11.7	11.4	12.8	13.1	12.3	12.5	11.4	12.7
EBITDA	14,937	16,356	14,548	16,037	16,355	16,313	15,849	16,411	61,878	64,928
EBITDA margin (%)	19.5	19.9	16.9	18.5	18.8	18.3	17.6	17.9	18.6	18.2
EBIT	13,273	14,397	12,767	14,214	14,508	14,231	13,859	14,491	54,651	57,089
EBIT margin (%)	17.4	17.5	14.8	16.4	16.7	16.0	15.4	15.8	16.5	16.0
Other income	1,465	1,233	1,139	228	856	962	1,588	1,280	4,065	4,686
ETR (%)	24.9	23.9	22.3	22.9	25.0	23.5	24.3	24.5	23.5	24.3
Adj. PAT	11,066	11,890	10,807	11,141	11,523	11,623	11,693	11,907	44,904	46,746
QoQ (%)	-0.2	7.4	-9.1	3.1	3.4	0.9	0.6	1.8		
YoY (%)	31.7	25.1	2.9	0.5	4.1	-2.2	8.2	6.9	13.7	4.1
EPS (INR)	36.1	40.1	35.4	37.6	38.9	39.2	39.4	40.2	151.8	157.9

LTTS**Buy****CMP INR5785 | TP: INR6750 (+17%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect strong revenue growth of 5.5% QoQ CC in 4Q. The growth is expected to be driven by deal scale up and pick up in projects deferred in 3Q.
- With wage hikes behind, we expect a sequential improvement in margin of 40 bps.
- We expect the deal momentum to continue in 4Q on selected verticals.
- We expect the company to provide FY25 USD CC revenue growth guidance of 15%, aided by strong deal pipeline.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	240	247	248	255	280	288	291	307	990	1,166
QoQ (%)	3.2	3.2	0.4	2.9	9.8	2.9	0.9	5.8	12.4	17.8
Revenue (INR m)	18,737	19,951	20,486	20,962	23,014	23,865	24,218	25,519	80,136	96,616
YoY (%)	23.4	24.1	21.4	19.4	22.8	19.6	18.2	21.7	22.0	20.6
GPM (%)	33.0	32.1	33.0	32.5	30.0	28.0	29.2	29.6	32.6	29.2
SGA (%)	11.6	11.0	11.5	11.0	10.4	8.1	9.1	9.0	11.3	9.1
EBITDA	4,010	4,218	4,412	4,492	4,528	4,756	4,877	5,251	17,132	19,412
EBITDA margin (%)	21.4	21.1	21.5	21.4	19.7	19.9	20.1	20.6	21.4	20.1
EBIT	3,434	3,628	3,829	3,927	3,954	4,075	4,162	4,486	14,818	16,677
EBIT margin (%)	18.3	18.2	18.7	18.7	17.2	17.1	17.2	17.6	18.5	17.3
Other income	340	261	627	392	357	286	493	434	1,620	1,570
ETR (%)	27.1	27.2	31.6	28.0	27.6	27.6	27.6	26.5	28.6	27.3
PAT	2,742	2,824	3,036	3,096	3,111	3,154	3,362	3,616	11,698	13,243
QoQ (%)	4.7	3.0	7.5	2.0	0.5	1.4	6.6	7.6		
YoY (%)	26.8	22.8	22.0	18.2	13.5	11.7	10.7	16.8	22.2	13.2
EPS (INR)	26.0	26.7	28.7	29.2	29.4	29.8	31.7	34.1	110.5	125.0

Mphasis**Neutral****CMP INR2502 | TP: INR2600 (+4%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect a revenue growth of 1.3% QoQ CC, driven by low base and scale up of new deals.
- The weakness in the mortgage business (DR) should start stabilizing in 4Q, which is likely to aid volume for BFS.
- We expect margins to improve marginally by 20bp QoQ on continued cost optimization.
- The volume recovery for its DR business, outlook for the mortgage business and deal TCVs, need to be watched out for.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	436	440	429	412	398	398	402	408	1,718	1,607
QoQ (%)	1.2	1.0	-2.5	-4.1	-3.4	0.1	1.0	1.5	7.8	-6.4
Revenue (INR m)	34,113	35,198	35,062	33,612	32,520	32,765	33,380	33,769	1,37,985	1,32,434
YoY (%)	26.8	22.7	12.2	2.5	-4.7	-6.9	-4.8	0.5	15.4	-4.0
GPM (%)	29.8	28.1	28.5	29.2	29.1	28.9	31.3	30.9	28.9	30.1
SGA (%)	12.2	10.5	10.8	11.4	11.1	10.7	13.3	12.8	11.2	12.0
EBITDA	6,001	6,177	6,175	5,987	5,869	5,956	6,007	6,129	24,340	23,961
EBITDA margin (%)	17.6	17.5	17.6	17.8	18.0	18.2	18.0	18.1	17.6	18.1
EBIT	5,205	5,376	5,354	5,152	4,995	5,067	4,972	5,082	21,087	20,116
EBIT margin (%)	15.3	15.3	15.3	15.3	15.4	15.5	14.9	15.0	15.3	15.2
Other income	125	174	156	189	263	150	14	270	644	697
ETR (%)	24.6	24.6	25.2	24.1	24.7	24.9	25.1	25.1	24.6	24.9
PAT	4,020	4,184	4,123	4,053	3,961	3,920	3,736	4,010	16,380	15,627
QoQ (%)	2.5	4.1	-1.5	-1.7	-2.3	-1.0	-4.7	7.3		
YoY (%)	18.3	17.1	15.3	3.4	-1.5	-6.3	-9.4	-1.1	13.2	-4.6
EPS (INR)	21.2	22.1	21.8	21.5	20.9	20.6	19.6	21.1	86.9	82.2

Persistent Systems**Neutral****CMP INR3993 | TP: INR4055 (2%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- Expect revenue growth of 3.0% QoQ CC, aided by continued momentum in Hi-Tech and Healthcare, while BFSI is expected to be soft due to furloughs.
- Margins are expected to improve 60bps QoQ; however, it would be lower than the corresponding last year.
- Deal wins should be healthy in 4Q with continued momentum on client end.
- Commentaries on the demand environment and deal pipeline are closely to be watched out for.

Quarterly performance (IFRS)

Y/E March (Consolidated)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	241.5	255.6	264.4	274.6	282.9	291.7	300.6	310.0	1,036	1,185
QoQ (%)	11.1	5.8	3.4	3.9	3.0	3.1	3.0	3.1	35.3	14.4
Revenue (INR m)	18,781	20,486	21,694	22,545	23,212	24,117	24,982	25,732	83,506	98,043
QoQ (%)	14.7	9.1	5.9	3.9	3.0	3.9	3.6	3.0		
YoY (%)	52.7	51.6	45.4	37.6	23.6	17.7	15.2	14.1	46.2	17.4
GPM (%)	33.8	33.5	33.8	33.9	34.2	33.1	33.8	33.9	33.8	33.7
SGA (%)	16.1	15.5	15.3	15.5	16.0	16.3	16.1	15.7	15.6	16.0
EBITDA	3,333	3,680	4,016	4,163	4,229	4,052	4,418	4,683	15,191	17,383
EBITDA margin (%)	17.7	18.0	18.5	18.5	18.2	16.8	17.7	18.2	18.2	17.7
EBIT	2,688	2,987	3,332	3,466	3,466	3,308	3,631	3,886	12,472	14,290
EBIT margin (%)	14.3	14.6	15.4	15.4	14.9	13.7	14.5	15.1	14.9	14.6
Other income	131	-31	192	-60	90	250	262	103	233	705
ETR (%)	24.9	25.6	24.1	26.2	22.0	26.0	26.5	25.0	25.2	24.9
PAT	2,116	2,200	2,676	2,515	2,774	2,633	2,861	2,991	9,507	11,259
QoQ (%)	5.3	4.0	21.6	-6.0	10.3	-5.1	8.7	4.5		
YoY (%)	33.3	36.0	51.7	25.1	31.1	19.7	6.9	18.9	36.2	18.4
EPS (INR)	13.8	14.4	15.6	16.5	14.9	17.1	18.6	19.4	60.3	70.0

TCS**Buy****CMP INR3998 | TP: INR4600 (+15%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- The growth is expected to be good at 2.2% QoQ CC, led by deal scale up, including the large BSNL deal.
- EBIT margin is expected to be stable, as operational improvements should be compensated by low margins in the India business.
- The deal pipeline should remain resilient, especially in the UK regions, while the US and Europe continue to stay on a weaker trajectory.
- Outlook on near-term demand environment, BFSI, and deal wins are the key monitorables.

Quarterly performance (IFRS)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
IT Services Revenue (USD m)	6,780	6,877	7,075	7,195	7,226	7,210	7,281	7,477	27,927	29,194
QoQ (%)	1.3	1.4	2.9	1.7	0.4	-0.2	1.0	2.7	8.6	4.5
Overall Revenue (INR b)	528	553	582	592	594	597	606	621	2,255	2,417
QoQ (%)	4.3	4.8	5.3	1.6	0.4	0.5	1.5	2.4		
YoY (%)	16.2	18.0	19.1	16.9	12.6	7.9	4.0	4.9	17.6	7.2
GPM (%)	38.4	39.5	40.1	40.1	39.5	40.1	40.8	40.6	39.6	40.3
SGA (%)	15.3	15.5	15.5	15.7	16.4	15.8	15.8	15.6	15.5	15.8
EBITDA	134	145	156	157	150	157	164	168	592	639
EBITDA margin (%)	25.3	26.2	26.8	26.5	25.2	26.3	27.1	27.1	26.2	26.4
EBIT	122	133	143	145	138	145	152	155	542	591
EBIT margin (%)	23.1	24.0	24.5	24.5	23.2	24.3	25.0	25.0	24.1	24.4
Other income	6	8	4	9	12	8	7	11	27	39
PBT	128	141	146	154	150	153	159	166	569	629
ETR (%)	25.5	25.8	25.7	25.7	25.8	25.8	25.8	25.5	25.7	25.7
Adj. PAT	95	105	109	114	111	114	118	124	423	468
Exceptional items	0	0	0	0	0	0	-7	0	0	-7
Reported PAT	95	105	109	114	111	114	111	124	423	461
QoQ (%)	-4.4	9.9	4.0	5.1	-2.8	2.3	-2.5	11.4		
YoY (%)	5.4	8.4	11.0	14.8	16.8	8.7	2.0	8.1	10.0	9.0
EPS (INR)	26.0	28.5	29.6	31.1	30.3	31.0	30.3	33.7	115.3	125.7

Tech Mahindra**Neutral****CMP INR1267 | TP: INR1360 (7%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- Revenue growth is expected to be muted at 0.7% QoQ CC due to weakness in both CME and Enterprise verticals.
- Deal wins are likely to be muted due to macro uncertainty. We expect deal TCV to the tune of USD500m in 4Q.
- Margins are likely to improve 140bp QoQ, as the impact of cost-control efforts should start becoming visible. Weak growth is likely to keep margins under pressure.
- The outlook on margin and growth in the CME vertical will be the key monitorable.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	1,633	1,638	1,668	1,668	1,601	1,555	1,573	1,594	6,607	6,323
QoQ (%)	1.5	0.3	1.8	0.0	-4.0	-2.8	1.1	1.3	10.1	-4.3
Revenue (INR b)	127	131	137	137	132	129	131	132	533	524
YoY (%)	24.6	20.7	19.9	13.2	3.5	-2.0	-4.6	-3.5	19.4	-1.8
GPM (%)	28.3	27.9	28.7	28.9	25.7	22.5	23.9	25.0	28.5	24.3
SGA (%)	13.5	12.8	13.1	14.2	13.5	11.5	13.6	13.2	13.4	13.0
EBITDA	19	20	21	20	16	14	14	16	80	59
EBITDA margin (%)	14.8	15.1	15.6	14.7	12.2	10.9	10.3	11.8	15.1	11.3
EBIT	14	15	16	15	12	9	9	11	61	41
EBIT margin (%)	11.0	11.4	12.0	11.2	8.8	7.3	7.0	8.4	11.4	7.9
Other income	1	2	1	2	1	2	0	1	6	3
ETR (%)	22.8	21.4	27.3	22.9	21.8	9.9	17.6	25.0	23.7	18.9
Adj. PAT	11	13	13	13	10	10	7	9	51	36
QoQ (%)	-24.9	15.8	-1.0	2.6	-28.2	2.3	-26.5	28.5		
YoY (%)	-16.4	-2.2	-5.3	-11.6	-15.5	-25.3	-44.6	-30.6	-8.9	-29.5
Extra-Ordinary Item	0.0	-0.2	0.0	-2.1	-2.6	-4.8	-2.1	0.0	-2.4	-9.5
Reported PAT	11	13	13	11	7	5	5	9	48	26
EPS (INR)	12.8	14.8	14.7	15.0	10.8	11.0	8.1	10.4	57.3	40.4

Wipro**Neutral****CMP INR486 | TP: INR520 (+7%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect WPRO to report flat revenue growth in 4Q, due to macro impact and continued softness in verticals.
- Consulting business continues to be weak, owing to cut down in discretionary spends and reprioritizing of projects.
- IT Service Margin should see improvement of 160bps on account of cost efficiency measures.
- Commentary on revenue conversion, consulting, and deal pipeline will be the key monitorables.

Quarterly performance (IFRS)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
IT Services Revenue (USD m)	2,756	2,817	2,821	2,840	2,779	2,713	2,656	2,671	11,234	10,818
QoQ (%)	1.3	2.2	0.1	0.6	-2.1	-2.3	-2.1	0.5	8.5	-3.7
Overall Revenue (INR b)	215	225	232	232	228	225	222	223	905	896
QoQ (%)	3.2	4.7	3.1	-0.2	-1.5	-1.4	-1.4	0.3		
YoY (%)	17.9	14.6	14.4	11.2	6.0	-0.1	-4.4	-4.0	14.4	-0.9
GPM (%)	27.7	27.3	29.7	29.8	29.4	29.3	30.7	30.9	28.7	30.0
SGA (%)	13.4	13.4	14.1	14.0	14.2	14.6	16.0	14.6	13.7	14.9
EBITDA	40	41	47	46	42	42	42	45	173	171
EBITDA margin (%)	18.5	18.1	20.2	19.9	18.4	18.8	19.0	20.1	19.1	19.1
IT Services EBIT (%)	14.9	15.1	16.3	16.3	16.0	16.1	16.0	17.9	15.7	16.5
EBIT margin (%)	14.8	14.4	16.2	16.2	15.1	14.8	14.8	16.4	15.4	15.3
Other income	2	2	2	3	3	2	3	2	8	10
ETR (%)	23.6	22.5	22.9	23.0	24.0	24.0	24.0	24.0	23.0	24.0
PAT	26	27	31	31	29	26	27	29	114	111
QoQ (%)	-17.0	3.7	14.8	0.7	-6.6	-7.8	1.8	9.4		
YoY (%)	-20.7	-9.3	2.9	-0.4	12.0	-0.5	-11.7	-4.2	-7.1	-2.0
EPS (INR)	4.7	4.9	5.6	5.6	5.1	5.0	5.2	5.6	20.7	20.6

Zensar Technologies**Neutral****CMP INR629 | TP: INR600 (-5%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- We expect revenue growth of 1.5% QoQ CC in 4QFY24, reflecting improvement from the recent trend of decline observed over the last few quarters.
- We expect margins to moderate 130bp from its 3Q level, led by increased investment in growth.
- The order book should look stable YoY; however, sequentially it should see some pickup.
- The demand environment within its critical sectors and progress on stimulating growth drivers would be closely monitored.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (USD m)	156	155	146	148	149	150	145	148	604	592
QoQ (%)	1.8	-0.6	-5.9	1.1	1.2	0.6	-3.7	2.0	6.1	-2.1
Revenue (INR m)	12,034	12,346	11,976	12,127	12,272	12,408	12,041	12,246	48,483	48,967
YoY (%)	28.5	17.5	8.6	5.1	2.0	0.5	0.5	1.0	14.2	1.0
GPM (%)	26.6	25.3	27.4	31.9	33.6	31.8	31.1	32.9	27.8	32.4
SGA (%)	15.3	16.8	16.1	17.4	14.9	13.2	13.9	16.8	16.4	14.7
EBITDA	1,361	1,054	1,349	1,759	2,301	2,308	2,076	1,974	5,523	8,659
EBITDA margin (%)	11.3	8.5	11.3	14.5	18.8	18.6	17.2	16.1	11.4	17.7
EBIT	871	562	852	1,408	1,878	1,942	1,764	1,631	3,693	7,215
EBIT margin (%)	7.2	4.6	7.1	11.6	15.3	15.7	14.6	13.3	7.6	14.7
Other income	149	209	183	209	224	306	356	135	750	1,021
ETR (%)	26.4	26.3	26.1	26.2	25.7	22.7	23.8	26.0	26.2	24.4
Adj. PAT	751	568	765	1,193	1,562	1,738	1,616	1,307	3,277	6,223
QoQ (%)	-42.1	-24.4	34.7	55.9	30.9	11.3	-7.0	-19.1		
YoY (%)	-25.6	-39.8	-15.8	-8.0	108.0	206.0	111.2	9.5	-21.2	89.9
EPS (INR)	3.3	2.5	3.4	5.2	6.8	7.6	7.1	5.7	14.4	27.3

Telecom

Company

Bharti Airtel

Indus Towers

RJio

Tata Communications

Vodafone Idea

Moderate growth with similar capex

Expect moderate growth to continue

We expect the overall telecom sector to see a moderate revenue growth of 2.1% QoQ, driven by both an increase in subscribers and mix led ARPU improvements. In the absence of tariff hike, we expect incremental EBITDA margin to remain at ~64%. Capex is expected to remain similar as observed in the previous quarter. However, the absence of tariff hike, slow market share shift from VIL, and the gradual 5G ramp-up have not significantly contributed to revenue growth, and might potentially lead to a moderation in revenue growth over the next few quarters. This is in contrast to the 4-5% QoQ growth witnessed in the last few years.

Bharti looking to drive ARPUs; RJio chasing subscriber growth

Industry growth is expected to be driven by a 1.2% increase in ARPU mix and a 1.1% growth in industry subscribers. Within the industry, Bharti/RJio continue to see higher revenue growth of 2.4%/2.5%. Bharti's revenue growth will be largely led by 1%/1.5% increase in subscribers/ARPU. RJio's revenue growth should be led by 2.2% subscriber growth while ARPU expected to be flat, reflecting its continued dominance in capturing incremental subscriber market share, largely from VIL. Bharti's strategy involves upgrading 2G subscribers to 4G, premiumising toward postpaid services, and promoting high data usage. This approach emphasizes ARPU enhancements through a diversified mix of services.

Blended ARPU growth supporting margin improvement

The EBITDA margin may slightly improve with limited operating leverage, due to the slower revenue growth. We expect ~3% QoQ EBITDA growth for both RJio and Bharti, respectively, with margin expansions of 20-40bp to 52.7% and 52.5%, respectively. We expect VIL to post ~1% QoQ EBITDA growth, led by an increase in ARPU, even after losing its market share with margin expansions of 30bp QoQ to 41.1%.

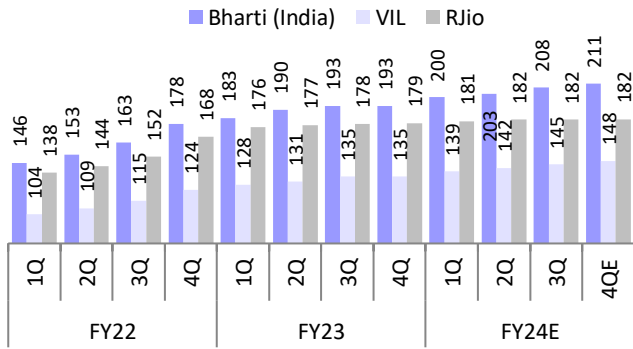
Similar capex to continue

We expect the capex to remain consistent with the last quarter, driven by ongoing investments in 5G infrastructure and rural network densification efforts. RJio has already completed the rollout of 5G telecom services in the majority of cities/towns by Dec'23, using standalone architecture. In contrast, Bharti plans to cover urban cities by Mar'24, using non-standalone architecture. VIL's 5G plans depend on its ability to secure funding. It also plans to use the non-standalone architecture for its 5G rollout. Bharti's management expects INR750b capex in the next three years with front-loading in the initial period. RJio plans to invest INR2t to develop its network (including INR881b for the spectrum).

Exhibit 1: Expected quarterly performance summary

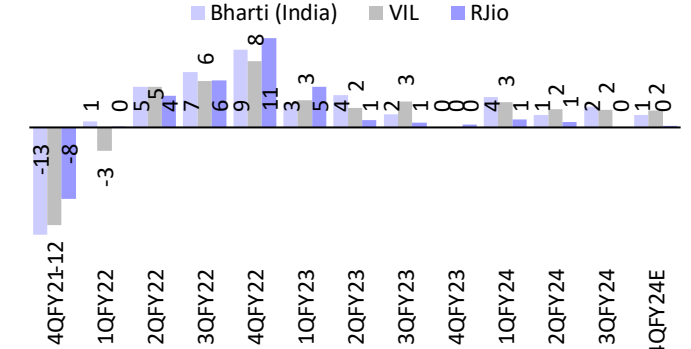
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Bharti Airtel	1218	Buy	3,88,607	7.9	2.5	2,03,981	9.1	2.9	21,994	-15.2	-11.7
Indus Towers	315	Neutral	73,433	8.7	2.0	36,519	6.4	1.9	13,148	-6.0	-14.6
Tata Comm	2037	Neutral	57,689	26.3	2.4	11,551	11.7	1.8	4,951	51.8	114.9
Vodafone Idea	14	Neutral	1,07,159	1.7	0.4	44,053	4.6	1.3	-76,798	Loss	Loss
Telecom			6,26,889	8.3	2.1	2,96,104	8.2	2.5	-36,705	Loss	Loss

Exhibit 2: Player-wise QoQ ARPU trends (INR)



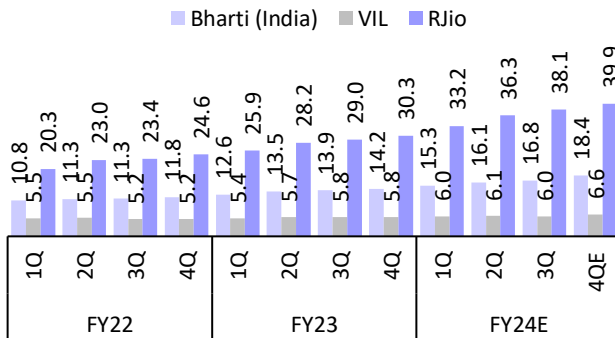
Sources: Company, MOFSL

Exhibit 3: Player-wise QoQ ARPU growth trends (%)



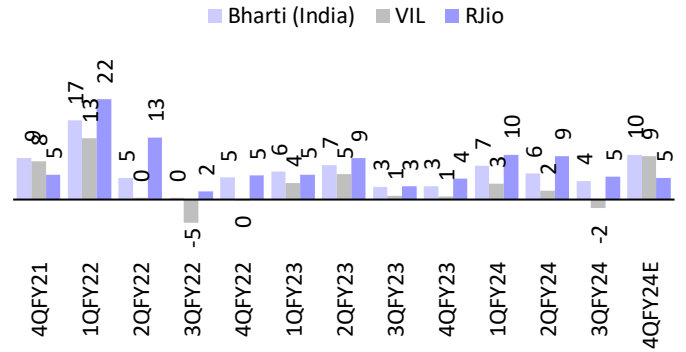
Sources: Company, MOFSL

Exhibit 4: Player-wise QoQ data traffic trends (b GB)



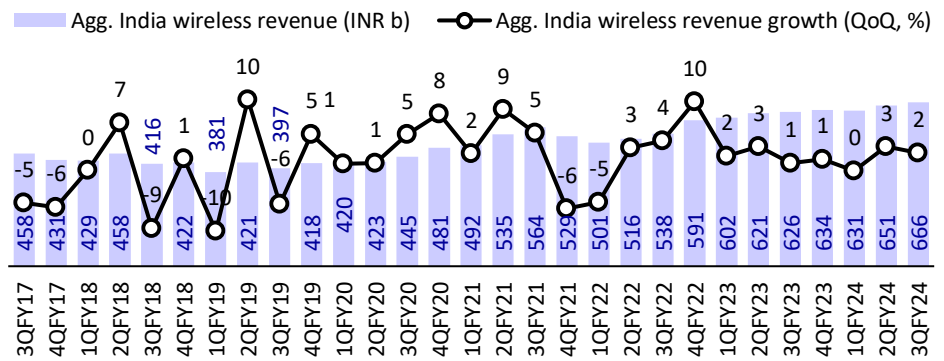
Sources: Company, MOFSL

Exhibit 5: Player-wise QoQ growth trends in data traffic (%)



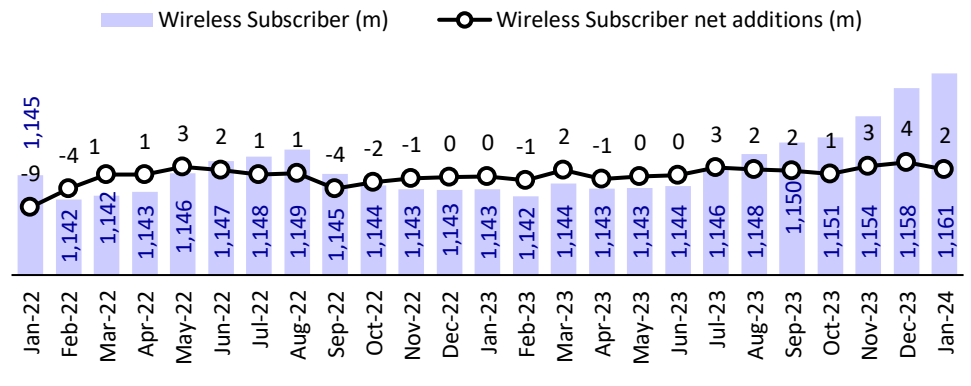
Sources: Company, MOFSL

Exhibit 6: Aggregate India Wireless revenue and growth trends (QoQ, %)



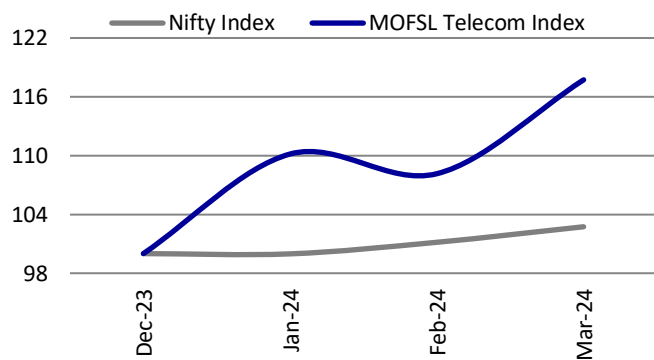
Sources: TRAI, MOFSL

Exhibit 7: Aggregate India Wireless subscriber and growth trends (MoM, %)



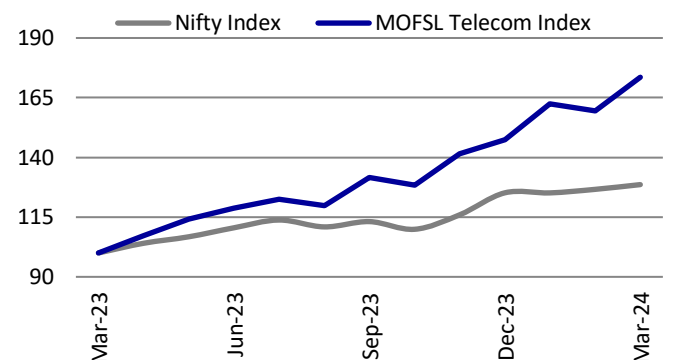
Sources: TRAI, MOFSL

Exhibit 8: Relative performance – three-months (%)



Sources: Bloomberg, MOFSL

Exhibit 9: Relative performance – one-year (%)



Sources: Bloomberg, MOFSL

Exhibit 10: Comparative valuation

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Telecom						-63	-231	212.7	31.6	36.0	31.1	-50.1	-15.5	14.6
Bharti Airtel	1,218	Buy	18.9	32.6	40.6	65.1	37.3	30.0	6.5	5.5	4.6	11.5	15.8	16.7
Indus Towers	315	Neutral	20.4	20.7	21.4	14.3	15.2	14.8	2.9	2.6	2.2	23.0	19.0	16.4
Tata Comm	2,037	Neutral	44.6	54.6	78.2	45.1	37.3	26.1	24.6	16.3	10.6	66.1	52.9	49
Vodafone Idea	14	Neutral	-11.1	-10.2	-9.2	-1.2	-1.4	-1.5	-0.4	-0.3	-0.3	NM	NM	NM

Exhibit 11: Wireless KPI comparison

	FY22				FY23				FY24E				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
EOP Wireless SUBS (m)														
Bharti (India)	321	323	323	326	327	328	332	335	339	342	346	349	4.0	0.9
VIL	255	253	247	244	240	234	229	226	221	220	215	213	-5.6	-0.9
RJio	441	430	421	410	420	428	433	439	449	460	471	481	9.6	2.2
Avg. Wireless Subs (m)														
Bharti (India)	321	322	323	324	327	328	330	334	337	340	344	347	4.0	0.9
VIL	262	254	250	246	242	237	232	227	224	221	218	214	-5.7	-1.5
RJio	433	435	425	416	415	424	430	436	444	454	465	476	9.2	2.3
ARPU (INR/month)														
Bharti (India)	146	153	163	178	183	190	193	193	200	203	208	211	9.4	1.5
VIL	104	109	115	124	128	131	135	135	139	142	145	148	9.6	2.0
RJio	138	144	152	168	176	177	178	179	181	182	182	182	1.8	0.2
MOU/Sub (min)														
Bharti (India)	1,044	1,053	1,061	1,081	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,138	1.5	1.0
VIL	641	630	620	610	620	599	613	623	627	613	614	620	-0.5	1.0
RJio	815	835	901	962	1004	968	984	1001	1006	976	981	1001	0.0	2.0
Wireless traffic (B min)														
Bharti (India)	1,002	1,020	1,030	1,051	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,185	5.4	2.1
VIL	503	480	465	449	450	427	426	425	421	406	401	399	-6.2	-0.5
RJio	1060	1090	1150	1200	1250	1230	1270	1310	1340	1330	1370	1382	5.5	0.9
Data usage/Sub (Gb)														
Bharti (India)	18.9	19.1	18.7	19.2	19.9	20.8	20.8	20.8	21.6	22.2	22.5	23.3	12.1	3.5
VIL	13.3	13.5	12.8	12.9	13.3	14.1	14.2	14.2	14.7	14.9	14.6	15.3	7.4	5.0
RJio	15.6	17.6	18.3	19.7	20.8	22.2	22.5	23.2	24.9	26.6	27.3	27.9	20.5	2.3
Data traffic (B Gb)														
Bharti (India)	10.8	11.3	11.3	11.8	12.6	13.5	13.9	14.2	15.3	16.1	16.8	18.4	29.0	9.6
VIL	5.5	5.5	5.2	5.2	5.4	5.7	5.8	5.8	6.0	6.1	6.0	6.6	13.1	9.3
RJio	20.3	23.0	23.4	24.6	25.9	28.2	29.0	30.3	33.2	36.3	38.1	39.9	31.6	4.6

Sources: Company, MOFSL

Exhibit 12: Quarterly financials

	FY22				FY23				FY24E				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue (INR b)														
Bharti (India wireless)	143	152	161	176	182	190	194	195	204	210	216	222	13.4	2.4
Bharti (consolidated)	269	283	299	315	328	345	358	360	374	370	379	389	7.9	2.5
VIL	92	94	97	102	104	106	106	105	107	107	107	107	1.7	0.4
RJio	180	187	193	209	219	225	230	234	240	248	254	260	11.2	2.5
EBITDA (INR b)														
Bharti (India wireless)	70	75	79	89	93	99	104	105	112	115	119	122	16.0	2.3
Bharti (consolidated)	130	138	147	160	165	176	185	187	196	195	198	204	9.1	2.9
VIL	37	39	38	46	43	41	42	42	42	43	44	44	4.6	1.3
RJio	86	90	95	105	110	115	120	122	126	130	133	137	12.3	3.3
EBITDA Margin (%)														
Bharti (India wireless)	49.2	49.2	49.4	50.6	51.2	52.4	53.8	53.8	54.8	54.9	55.1	55.1	124bps	-4bps
Bharti (consolidated)	48.3	48.8	49.2	50.9	50.4	51.0	51.5	51.9	52.3	52.7	52.3	52.5	57bps	21bps
VIL	40.5	41.1	39.3	45.4	41.6	38.6	39.4	40.0	39.0	40.0	40.8	41.1	113bps	35bps
RJio	47.9	48.0	49.2	50.3	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.7	56bps	41bps
PAT (INR b)														
Bharti (consolidated)	3	11	8	20	16	21	16	30	16	13	24	22	-26.8	-9.9
VIL	(73)	(71)	(72)	(66)	(73)	(76)	(80)	(64)	(78)	(87)	(70)	(77)	19.6	9.9
RJio	35	35	36	42	43	45	46	47	49	51	52	54	14.0	3.2
EPS (INR)														
Bharti	0.5	2.1	1.5	3.6	2.9	3.8	2.8	5.3	2.8	2.4	4.3	3.9	-26.8	-9.9
VIL	(2.5)	(2.5)	(2.5)	(2.0)	(2.3)	(2.4)	(2.5)	(1.3)	(1.6)	(1.8)	(1.4)	(1.6)	19.6	9.9
RJio	0.8	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.2	14.0	3.2

Sources: Company, MOFSL

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

Bharti Airtel**Buy****CMP: INR1,218 | TP: INR1,400 (+15%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- We expect 2.5% revenue growth on a sequential basis, led by 2.4%/2.8% QoQ growth in India Wireless/Airtel Africa.
- We expect India Wireless growth, supported by 1%/1.5% QoQ growth in Subscribers/ARPU.
- Expect EBITDA margin to improve 20bp to 52.5%.
- Expect similar quarterly capex posted in the last quarter

Consolidated - Quarterly Earning Model**(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	328	345	358	360	374	370	379	389	1,391	1,512
YoY Change (%)	22.2	21.9	19.9	14.3	14.1	7.3	5.9	7.9	19.4	8.7
Total Expenditure	163	169	174	173	178	175	181	185	679	719
EBITDA	165	176	185	187	196	195	198	204	713	793
YoY Change (%)	27.3	27.4	25.5	16.6	18.6	10.9	7.4	9.1	23.9	11.3
Depreciation	88	89	93	94	97	97	101	105	364	400
Net Finance cost	45	49	47	52	56	52	66	55	193	229
Other Income	4	6	-1	9	9	9	11	13	17	43
PBT before EO expense	36	43	44	50	53	55	42	57	172	207
Extra-Ord expense	0	0	7	0	34	16	1	0	7	51
PBT	36	43	37	50	19	39	41	57	166	156
Tax	11	13	11	8	3	18	12	17	43	51
Rate (%)	31.3	30.2	29.2	15.7	18.0	46.9	30.0	29.1	25.8	32.5
Minority Interest & P/L of Asso. Cos.	9	8	10	12	-1	8	4	19	39	30
Reported PAT	16	21	16	30	16	13	24	22	83	76
Adj PAT	15	21	20	26	29	30	25	22	82	106
YoY Change (%)	469.4	245.7	147.0	39.4	91.3	44.2	25.0	-15.2	131.2	29.4

E: MOFSL Estimates

Indus Towers**Neutral****CMP: INR315 | TP: INR285 (-10%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- We expect the number of tenants and rental revenue to grow 1.0% and 1.8%, respectively, on a quarterly basis.
- We expect tower additions of 3,000 in 4QFY24.
- Consolidated revenue to grow at 2% QoQ.
- Adj. EBITDA margin is likely to decline 10bp QoQ

Quarterly Performance**(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from operations	69	80	68	68	71	71	72	73	284	288
YoY Change (%)	1.5	15.9	-2.3	-5.1	2.6	-10.5	6.4	8.7	10.6	1.3
Total Expenditure	46	52	56	33	36	37	36	37	187	146
EBITDA	23	28	12	34	35	34	36	37	97	141
YoY Change (%)	-35.7	-22.4	-68.6	-15.5	53.8	21.7	208.3	6.4	-26.2	46.2
Depreciation	13	13	14	13	14	15	16	17	53	62
Interest	4	4	4	3	4	2	0	3	15	9
Other Income	1	1	1	1	1	1	1	0	4	3
PBT before EO expense	6	12	-5	19	18	17	21	18	33	74
Extra-Ord expense	0	0	5	0	0	0	0	0	5	0
PBT	6	12	-10	19	18	17	21	18	28	74
Tax	2	3	-2	5	5	5	5	4	7	19
Rate (%)	25.8	25.8	25.6	26.1	25.5	25.9	25.8	25.2	26.1	25.6
Reported PAT	5	9	-7	14	13	13	15	13	20	55
Adj PAT	5	9	-3	14	13	13	15	13	24	55
YoY Change (%)	-66.3	-44.1	-145.1	-23.5	182.4	48.5	-550.9	-6.0	-51.7	128.7

E: MOFSL Estimates

Reliance Jio

CMP: NR | TP: INR

EPS CHANGE (%): FY25 | 26: -5.2 | +4.9

- We expect 2.5% revenue growth on a sequential basis, led by a 3.5% QoQ growth in subscribers.
- ARPU is expected to be stable at INR182 with subscribers increasing to 481.3m.
- EBITDA margin is likely to improve 40bp QoQ to 52.7%.
- Expect similar quarterly capex posted in the last quarter.

Quarterly Earning Model

Y/E March									(INR b)	
	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Revenue	219	225	230	234	240	248	254	260	908	1,002
YoY Change (%)	21.6	20.2	18.9	11.9	9.9	9.9	10.3	11.2	17.9	10.3
Total Expenditure	109	110	110	112	115	118	121	123	441	476
EBITDA	110	115	120	122	126	130	133	137	467	525
Margins (%)	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.7	51.4	52.4
Depreciation	42	45	48	50	52	53	54	56	185	214
Finance Cost	10	10	10	10	10	10	10	11	41	41
Other Income	1	1	1	1	1	1	1	1	4	4
PBT	58	61	62	63	65	68	70	72	244	275
Tax	15	15	16	16	17	17	18	18	62	70
Rate (%)	25%	25%	25%	25%	26%	26%	26%	25%	25%	25%
PAT	43	45	46	47	49	51	52	54	182	205
Margins (%)	19.8	20.1	20.2	20.2	20.2	20.4	20.5	20.7	20.1	20.5
YoY Change (%)	24%	28%	28%	13%	12%	12%	12%	14%	23%	13%

Tata Communications

Neutral

CMP: INR2,037 | TP: INR1,960 (-4%)

EPS CHANGE (%): FY25 | 26: 0 | 0

- We expect a 3% QoQ decline in Voice revenue, while 2.4% QoQ growth in the overall revenue.
- DPS revenue/Core data services expected to grow 5%/1% QoQ.
- We expect EBITDA margins to decline 10bp QoQ, owing to new acquisitions.
- We expect USD 231m capex for FY24 and similar capex as that of last quarter in 4QFY24.

Cons. Quarterly Earning Model

Y/E March									INRb	
	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	43.1	44.3	45.3	45.7	47.7	48.7	56.3	57.7	178.4	210.5
YoY Change (%)	5.1	6.2	8.2	7.2	10.7	10.0	24.4	26.3	6.7	18.0
Total Expenditure	32.3	33.0	34.5	35.3	37.5	38.6	45.0	46.1	135.2	167.2
EBITDA	10.8	11.3	10.8	10.3	10.2	10.2	11.3	11.6	43.2	43.3
YoY Change (%)	9.2	1.5	-0.5	-1.1	-4.9	-10.1	5.3	11.7	2.2	0.2
Depreciation	5.4	5.5	5.5	6.2	5.8	6.1	6.2	6.4	22.6	24.4
Interest	0.8	1.0	1.2	1.3	1.3	1.4	1.9	2.2	4.3	6.7
Other Income	2.3	0.4	0.3	0.6	1.9	0.3	0.1	3.4	3.6	5.7
PBT before EO expense	6.9	5.2	4.3	3.5	5.0	3.0	3.4	6.4	19.9	17.8
Exceptional (gain)/loss	0.0	-0.8	0.0	0.0	0.0	0.0	1.9	0.0	-0.8	1.8
PBT	6.9	5.9	4.3	3.5	5.0	3.0	1.5	6.4	20.6	16.0
Tax	1.6	0.7	0.4	0.3	1.3	0.8	1.1	1.6	3.0	4.8
Rate (%)	22.9	11.1	10.1	8.1	25.9	26.1	73.8	25.0	14.4	30.2
MI & P/L of Asso. Cos.	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	-0.2	-0.3	-0.3
Reported PAT	5.4	5.3	3.9	3.3	3.8	2.2	0.4	5.0	18.0	11.4
Adj PAT	5.4	4.6	3.9	3.3	3.8	2.2	2.3	5.0	17.2	13.3
YoY Change (%)	87.2	10.5	1.9	-15.5	-30.2	-51.5	-41.5	51.8	16.5	-22.9

Vodafone Idea**Neutral****CMP: INR 14 | TP: INR 14 (-2%)****EPS CHANGE (%): FY25 | 26: -6.9 | -10**

- We expect a 2% sequential increase in blended ARPU, offset by a subscriber decline of 1%, leading to flat revenue growth.
- ARPU is expected to grow to INR148, with an increase in data subscribers and data usage.
- EBITDA margin is likely to increase 30bp on a sequential basis to 41.1%.
- Without fundraising, capex is projected to be minimal and in line with the historical average.

Consolidated - Quarterly Earning Model

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	104	106	106	105	107	107	107	107	422	428
YoY Change (%)	13.7	12.8	9.3	2.9	2.4	1.0	0.5	1.7	9.5	1.4
Total Expenditure	61	65	64	63	65	64	63	63	254	256
EBITDA	43	41	42	42	42	43	44	44	168	172
YoY Change (%)	16.7	6.1	9.5	-9.4	-4.0	4.5	4.1	4.6	4.9	2.3
Depreciation	58	57	59	57	56	57	56	56	230	225
Net Finance Costs	58	60	63	49	64	65	65	65	230	259
PBT before EO expense	-73	-76	-80	-64	-78	-79	-77	-77	-293	-312
Extra-Ord expense	0	0	0	0	0	0	-8	0	0	-8
PBT	-73	-76	-80	-64	-78	-79	-70	-77	-293	-304
Tax	0.0	0.0	0.0	0.0	0.0	8.2	0.0	0.0	0.0	8.2
Rate (%)	-0.1	-0.1	0.0	0.1	0.0	-10.3	0.0	0.0	0.0	-2.7
Reported PAT	-73	-76	-80	-64	-78	-87	-70	-77	-293	-312
Adj PAT	-73	-76	-80	-64	-78	-87	-77	-77	-293	-320
YoY Change (%)	-2.7	6.3	10.7	-2.3	7.4	15.0	-3.1	20.1	3.1	9.3

E: MOFSL Estimates

Others | Various Sectors

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

APL Apollo Tubes

Buy

CMP INR1,575 | TP: INR1,800 (+14%)

EPS CHANGE (%): FY25|FY26: -4 | -4

- The company registered volume growth of ~4% YoY to 678,556 MT in 4QFY24 (up 12% QoQ).
- EBITDA is expected to decline 3% YoY, assuming EBITDA/MT of ~INR4,636 (down 7% YoY).
- Revenue is likely to decline by ~5% YoY due to a fall in realizations.
- Price of primary steel HRC continues to be a key monitorable.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	34,386	39,692	43,271	44,311	45,449	46,304	41,778	42,112	1,61,660	1,75,643
YoY Change (%)	35.7	28.7	34.0	5.1	32.2	16.7	-3.5	-5.0	23.8	8.6
Total Expenditure	32,446	37,373	40,543	41,082	42,377	43,054	38,982	38,967	1,51,444	1,63,379
EBITDA	1,939	2,319	2,729	3,229	3,072	3,250	2,795	3,145	10,216	12,263
Margins (%)	5.6	5.8	6.3	7.3	6.8	7.0	6.7	7.5	6.3	7.0
Depreciation	294	276	345	468	409	413	471	500	1,383	1,793
Interest	100	136	186	249	271	266	285	240	671	1,063
Other Income	83	116	93	180	217	196	150	210	472	773
PBT before EO expense	1,629	2,023	2,290	2,692	2,608	2,767	2,190	2,615	8,633	10,180
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,629	2,023	2,290	2,692	2,608	2,767	2,190	2,615	8,633	10,180
Tax	422	521	598	673	672	738	535	658	2,215	2,603
Rate (%)	25.9	25.7	26.1	25.0	25.8	26.7	24.4	25.2	25.7	25.6
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,207	1,502	1,692	2,018	1,936	2,029	1,655	1,957	6,419	7,577
Adj PAT	1,207	1,502	1,692	2,018	1,936	2,029	1,655	1,957	6,419	7,577
YoY Change (%)	-28.4	2.8	32.3	14.3	60.5	35.1	-2.2	-3.0	3.7	18.1
Margins (%)	3.5	3.8	3.9	4.6	4.3	4.4	4.0	4.6	4.0	4.3

Cello

Buy

CMP INR785 | TP: INR1100 (+40%)

EPS CHANGE (%): FY25|FY26: 0|0

- Revenue is likely to grow by ~8% QoQ on good demand scenario.
- Demand scenario and competitive intensity will be key monitorables.
- EBITDA margins may moderate to ~24%, due to higher raw material costs.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	0	0	0	0	4,718	4,890	5,271	5,700	17,967	20,578
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	#DIV/0!	14.5
Total Expenditure	0	0	0	0	3,526	3,687	3,949	4,335	13,762	15,497
EBITDA	0	0	0	0	1,192	1,203	1,321	1,365	4,205	5,081
Margins (%)	NA	NA	NA	NA	25.3	24.6	25.1	24.0	23.4	24.7
Depreciation	0	0	0	0	118	127	147	183	503	575
Interest	0	0	0	0	6	7	5	4	18	22
Other Income	0	0	0	0	81	107	45	30	167	263
PBT before EO expense	0	0	0	0	1,149	1,176	1,214	1,208	3,852	4,748
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	0	0	0	0	1,149	1,176	1,214	1,208	3,852	4,748
Tax	0	0	0	0	321	310	307	257	1,001	1,195
Rate (%)	NA	NA	NA	NA	27.9	26.4	25.3	21.3	26.0	25.2
Minority Interest & P/L of Asso. Cos.	0	0	0	0	54	66	58	39	189	218
Reported PAT	0	0	0	0	774	800	849	912	2,661	3,335
Adj PAT	0	0	0	0	774	800	849	912	2,661	3,335
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	#DIV/0!	25.3
Margins (%)	NA	NA	NA	NA	16.4	16.4	16.1	16.0	14.8	16.2

Coromandel International

Buy
CMP INR1,114 | TP: INR1,290 (+16%)
EPS CHANGE (%): FY25|FY26: 0|0

- Fertilizer manufacturing volumes are expected to grow 5% YoY, while trading volumes are expected to decline 4% YoY.
- Crop Protection revenue is expected to grow ~4% YoY in 4QFY24.
- Fertilizer manufacturing (NPK and DAP) EBITDA/MT is expected to be ~INR1,600.
- Raw material and product pricing scenario to be the key monitorables.

Quarterly Performance

(INR m)

Y/E March	FY23				FY24				FY23	FY24E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	57,291	1,01,134	83,096	54,758	56,934	69,881	54,642	48,182	2,96,279	2,29,638
YoY Change (%)	56.4	64.5	63.8	29.5	-0.6	-30.9	-34.2	-12.0	55.0	-22.5
Total Expenditure	50,437	90,564	75,290	50,726	49,842	59,294	51,063	45,736	2,67,017	2,05,936
EBITDA	6,854	10,570	7,806	4,032	7,092	10,587	3,578	2,445	29,262	23,703
Margins (%)	12.0	10.5	9.4	7.4	12.5	15.2	6.5	5.1	9.9	10.3
Depreciation	446	457	471	446	481	540	635	600	1,820	2,256
Interest	266	542	568	524	405	462	381	340	1,900	1,589
Other Income	536	311	396	469	445	448	585	450	1,711	1,928
PBT before EO expense	6,678	9,881	7,163	3,531	6,651	10,033	3,147	1,955	27,253	21,787
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	6,678	9,881	7,163	3,531	6,651	10,033	3,147	1,955	27,253	21,787
Tax	1,703	2,481	1,794	901	1,674	2,450	776	492	6,879	5,392
Rate (%)	25.5	25.1	25.0	25.5	25.2	24.4	24.7	25.2	25.2	24.8
Minority Interest & P/L of Asso. Cos.	-15	-6	100	166	36	15	61	108	245	220
Reported PAT	4,991	7,406	5,269	2,464	4,940	7,569	2,310	1,355	20,129	16,174
Adj PAT	4,991	7,406	5,269	2,464	4,940	7,569	2,310	1,355	20,129	16,174
YoY Change (%)	47.8	42.6	38.1	-15.0	-1.0	2.2	-56.2	-45.0	31.7	(19.6)
Margins (%)	8.7	7.3	6.3	4.5	8.7	10.8	4.2	2.8	6.8	7.0

EPL

Buy
CMP INR183 | TP: INR250 (+37%)
EPS CHANGE (%): FY25|FY26: 0 | 0

- Revenue is expected to grow by 9% YoY on broad-based growth across geographies.
- EBITDA margin is likely to grow by ~200bp YoY.
- Increasing the share of fully recyclable tubes will be a key focus area.
- Ramp-up of Brazil plant and prices of raw materials will be key monitorables.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	8,318	9,481	9,449	9,693	9,102	10,016	9,751	10,606	36,941	39,475
YoY Change (%)	4.1	9.0	7.0	10.1	9.4	5.6	3.2	9.4	7.6	6.9
Total Expenditure	7,062	7,995	7,959	8,147	7,512	8,206	7,917	8,705	31,163	32,340
EBITDA	1,256	1,486	1,490	1,546	1,590	1,810	1,834	1,901	5,778	7,135
Margins (%)	15.1	15.7	15.8	15.9	17.5	18.1	18.8	17.9	15.6	18.1
Depreciation	652	664	699	790	800	836	842	850	2,805	3,328
Interest	122	157	189	206	235	306	294	280	674	1,115
Other Income	42	68	43	268	100	96	237	160	421	593
PBT before EO expense	524	733	645	818	655	764	935	931	2,720	3,285
Extra-Ord expense	11	0	0	0	0	0	0	0	11	0
PBT	513	733	645	818	655	764	935	931	2,709	3,285
Tax	141	249	10	-27	106	254	70	251	373	681
Rate (%)	27.5	34.0	1.6	-3.3	16.2	33.2	7.5	27.0	13.8	20.7
Minority Interest & Profit/Loss of Asso. Cos.	-38	-22	-7	-2	-6	-5	-4	-2	-69	-17
Reported PAT	334	462	628	843	543	505	861	677	2,267	2,586
Adj PAT	345	462	628	843	543	505	861	677	2,278	2,586
YoY Change (%)	-40.4	-8.9	10.0	73.1	57.4	9.3	37.1	-19.6	6.3	13.5
Margins (%)	4.1	4.9	6.6	8.7	6.0	5.0	8.8	6.4	6.2	6.6

Godrej Agrovet**Neutral****CMP INR502 | TP: INR510 (+2%)****EPS CHANGE (%): FY25|FY26: +1|0**

- Revenue in the Animal Feed business is expected to grow by ~5% YoY
- The performance outlook on Astec and domestic Crop Protection will be a key focus area.
- EBITDA margins likely to marginally improve to 5.1% from 3.6% in 4QFY23 on the back of broad-based recovery
- Raw material (such as maize and soybean) and palm oil prices are key monitorables.

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	25,099	24,453	23,235	20,950	25,102	25,709	23,452	22,377	93,737	96,640
YoY Change (%)	25.9	13.5	11.8	0.7	0.0	5.1	0.9	6.8	12.9	3.1
Total Expenditure	23,483	22,950	21,872	20,204	23,173	23,694	21,861	21,244	88,509	89,973
EBITDA	1,616	1,503	1,363	746	1,929	2,014	1,591	1,132	5,228	6,667
Margins (%)	6.4	6.1	5.9	3.6	7.7	7.8	6.8	5.1	5.6	6.9
Depreciation	449	461	469	476	528	529	530	535	1,855	2,122
Interest	216	257	249	270	295	279	251	260	991	1,084
Other Income	77	88	76	126	115	112	84	115	367	426
PBT before EO expense	1,028	873	721	127	1,222	1,318	894	453	2,749	3,887
Extra-Ord expense	0	0	-708	0	0	0	0	0	-708	0
PBT	1,028	873	1,429	127	1,222	1,318	894	453	3,457	3,887
Tax	279	219	334	-8	353	369	191	114	823	1,027
Rate (%)	27.1	25.1	23.4	-6.6	28.9	28.0	21.3	25.2	23.8	26.4
Minority Interest & Profit/Loss of Asso. Cos.	-77	-64	-69	-175	-202	-104	-215	-193	-385	-714
Reported PAT	827	718	1,164	310	1,071	1,053	918	532	3,019	3,574
Adj PAT	827	718	640	310	1,071	1,053	918	532	2,495	3,574
YoY Change (%)	-22.0	-34.3	-17.8	-74.6	29.5	46.7	43.5	71.4	-40.6	43.2
Margins (%)	3.3	2.9	2.8	1.5	4.3	4.1	3.9	2.4	2.7	3.7

Havells India**Buy****CMP INR1,514 | TP: INR1,690 (+12%)****EPS CHANGE (%): FY25|FY26: +1.9 |+2.1**

- We estimate revenue to grow 12% YoY in 4QFY24.
- Revenue from C&W/Switchgear is estimated to grow 8%/5% YoY. Lloyd revenue should grow 24% YoY.
- EBITDA is estimated to grow 6% YoY to INR5.6b, driven by higher volume.
- Expect EBITDA margin to decline 60bp YoY to 10.3%.

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	42,445	36,689	41,197	48,592	48,338	39,003	44,139	54,526	1,68,923	1,86,006
YoY Change (%)	63.4	13.9	12.8	10.0	13.9	6.3	7.1	12.2	21.6	10.1
EBITDA	3,615	2,871	4,237	5,271	4,020	3,734	4,327	5,590	15,995	17,670
YoY Change (%)	2.4	-35.3	-3.8	1.3	11.2	30.1	2.1	6.0	(9.0)	10.5
Margins (%)	8.5	7.8	10.3	10.8	8.3	9.6	9.8	10.3	9.5	9.5
Depreciation	721	721	746	774	763	812	877	856	2,961	3,308
Interest	98	68	73	98	85	93	102	90	336	370
Other Income	476	433	399	467	648	525	559	595	1,775	2,327
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-
PBT before EO expense	3,273	2,515	3,818	4,867	3,821	3,353	3,907	5,239	14,473	16,320
Tax	841	646	978	1,287	950	862	1,028	1,383	3,752	4,223
Rate (%)	25.7	25.7	25.6	26.4	24.9	25.7	26.3	26.4	25.9	25.9
Reported PAT	2,432	1,869	2,839	3,580	2,871	2,491	2,879	3,856	10,720	12,096
YoY Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	7.7	(10.3)	12.8
Adj PAT	2,432	1,869	2,839	3,580	2,871	2,491	2,879	3,856	10,720	12,096
YoY Change (%)	3.8	(38.0)	(7.2)	1.4	18.1	33.3	1.4	7.7	(10.3)	12.8

Indian Hotels

Buy

CMP INR602 | TP: 650 (+8%)

EPS CHANGE (%): FY25 | FY26: +3 | +2

- Revenue is expected to grow 15% YoY, while EBITDA margin is expected to be ~35% in 4QFY24.
- Performance of the international subsidiaries and new businesses will be key monitorable.
- Demand scenario in key markets, improvement in occupancy, and ARR are key focus areas.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	12,661	12,326	16,858	16,254	14,664	14,332	19,638	18,692	58,099	67,327
YoY Change (%)	267.5	69.2	51.7	86.4	15.8	16.3	16.5	15.0	90.1	15.9
Total Expenditure	8,882	9,386	10,886	10,899	10,562	10,784	12,315	12,091	40,054	45,752
EBITDA	3,779	2,940	5,972	5,355	4,102	3,548	7,324	6,602	18,046	21,575
Margins (%)	29.8	23.9	35.4	32.9	28.0	24.8	37.3	35.3	31.1	32.0
Depreciation	1,026	1,026	1,033	1,076	1,091	1,112	1,143	1,170	4,161	4,516
Interest	624	600	567	570	565	591	532	510	2,361	2,197
Other Income	271	250	577	291	493	477	398	450	1,389	1,818
PBT before EO expense	2,401	1,564	4,949	4,000	2,939	2,322	6,047	5,372	12,914	16,680
Extra-Ord expense	91	-123	-1	0	0	0	0	0	-33	0
PBT	2,309	1,687	4,950	4,000	2,939	2,322	6,047	5,372	12,946	16,680
Tax	648	443	1,161	980	833	723	1,667	1,612	3,232	4,835
Rate (%)	28.1	26.3	23.4	24.5	28.4	31.1	27.6	30.0	25.0	29.0
Minority Interest & P/L of Asso. Cos.	-39	28	-38	-263	-118	-70	-140	-289	-312	-617
Reported PAT	1,701	1,216	3,827	3,283	2,224	1,669	4,520	4,049	10,026	12,462
Adj PAT	1,769	1,123	3,826	3,283	2,224	1,669	4,520	4,049	10,001	12,462
YoY Change (%)	NA	NA	357.2	430.2	25.7	48.6	18.1	23.3	NA	24.3
Margins (%)	14.0	9.1	22.7	20.2	15.2	11.6	23.0	21.7	17.2	18.5

InterGlobe Aviation

Neutral

CMP INR3,548 | TP: INR3,564 (0%)

EPS CHANGE (%): FY24 | 25: +12 | -20

- Expect RPK at 30b (+16% YoY), PLF at 87.5% (up from 85.8% in 3QFY24) and ASK of 34b (up 12% YoY), with seasonality coming into play in 4QFY24.
- Outlook on P&W engine-fitted aircraft (being grounded in FY25) is a key monitorable. Further, the commentary on impending competition would be keenly monitored.
- According to our database, the average fare was down 17% on one-month forward bookings, while the same was down 23% on 15-day forward bookings.
- International expansion is the focus area for the management with addition of new networks and code share agreements.

Standalone Quarterly performance

(INR b)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	128.6	125.0	149.3	141.6	166.8	149.4	194.5	165.2	544.5	676.0
YoY Change (%)	327.5	122.8	60.7	76.5	29.8	19.6	30.3	16.7	110.0	24.2
EBITDAR	6.6	0.7	31.8	28.9	51.6	23.9	54.4	46.9	68.1	176.9
Margin (%)	5.2	0.6	21.3	20.4	30.9	16.0	28.0	28.4	12.5	26.2
Net Rentals	0.7	0.5	0.7	1.4	1.9	2.0	3.0	2.0	3.3	8.8
EBITDA	6.0	0.3	31.1	27.5	49.7	22.0	51.4	44.9	64.8	168.0
Margin (%)	4.6	0.2	20.9	19.4	29.8	14.7	26.4	27.2	11.9	24.9
Depreciation	11.7	12.4	13.4	13.5	14.0	15.5	16.6	17.0	51.0	63.1
Interest	6.6	7.3	8.3	9.2	9.5	10.2	11.0	10.7	31.3	41.4
Other Income	1.6	3.5	4.8	4.4	4.8	5.6	6.1	6.5	14.3	22.9
PBT	-10.7	-15.9	14.2	9.2	30.9	1.9	30.0	23.7	-3.2	86.4
Reported PAT	-10.7	-15.9	14.2	9.2	30.9	1.9	30.0	23.7	-3.2	86.4
EPS	-27.7	-41.2	36.8	23.8	80.2	4.9	77.9	61.5	-8.2	224.5
YoY Change (%)	Loss	Loss	1,004.1	LP	LP	LP	111.4	158.5	LP	LP

Kajaria Ceramics**Buy****CMP INR1,225 | TP: INR1,600 (+31%)****EPS CHANGE (%): FY25|FY26: -- |--**

- We estimate sales volume to grow 6% YoY (up 10% QoQ) in 4QFY24. Realization is estimated to decline 3% YoY (flat QoQ).
- Gross margin is estimated to rise 60bp YoY to 36%.
- EBITDA is estimated to grow 20% YoY and OPM is likely to grow 1.5pp YoY to ~16%.
- Adjusted net profit after MI is estimated to increase 18% YoY/QoQ to INR1.2b.

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	10,082	10,778	10,911	12,048	10,642	11,216	11,518	13,118	43,819	46,494
YoY Change (%)	79.5	10.7	2.1	9.4	5.6	4.1	5.6	8.9	18.3	6.1
Total Expenditure	8,546	9,484	9,581	10,289	8,950	9,419	9,730	11,004	37,899	39,103
EBITDA	1,536	1,294	1,331	1,759	1,692	1,797	1,788	2,114	5,920	7,391
Margins (%)	15.2	12.0	12.2	14.6	15.9	16.0	15.5	16.1	13.5	15.9
Depreciation	324	337	325	343	305	361	389	405	1,329	1,460
Interest	36	32	83	72	53	43	50	74	223	219
Other Income	81	76	75	104	93	83	113	99	336	387
PBT before EO expense	1,257	1,002	997	1,448	1,427	1,477	1,462	1,733	4,705	6,098
Extra-Ord expense	0	37	0	43	0	0	0	0	79	0
PBT	1,257	966	997	1,406	1,427	1,477	1,462	1,733	4,625	6,098
Tax	328	277	261	298	336	366	379	452	1,163	1,533
Rate (%)	26.1	27.6	26.1	20.6	23.5	24.8	25.9	26.1	24.7	25.1
Adj PAT	930	661	737	1,076	1,091	1,110	1,083	1,281	3,404	4,565
MI & P/L of Asso. Cos.	7	-10	-7	28	16	31	41	49	17	136
Adj PAT	923	671	743	1,048	1,075	1,080	1,042	1,233	3,386	4,429
YoY Change (%)	114.4	-42.2	-39.1	9.5	16.5	60.8	40.2	17.6	-10.2	30.8
Margins (%)	9.2	6.2	6.8	8.7	10.1	9.6	9.0	9.4	7.7	9.5

Lemon Tree Hotels**Buy****CMP INR138 | TP: INR170 (+23%)****EPS CHANGE (%): FY25|FY26: +0|+0**

- Revenue is expected to grow 29% YoY and EBITDA margin is expected to be ~49.5% in 4QFY24.
- The demand scenario in key markets (Mumbai and Delhi) and Occupancy/ARR trend are the key monitorable.
- Ramp-up of Aurika Mumbai will be a key focus area.
- Any update on the management contract pipeline is a key monitorable.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	1,920	1,967	2,335	2,527	2,223	2,272	2,887	3,260	8,750	10,642
YoY Change (%)	355.6	103.0	62.6	111.4	15.7	15.5	23.6	29.0	117.5	21.6
Total Expenditure	997	1,031	1,071	1,128	1,178	1,253	1,490	1,647	4,226	5,567
EBITDA	924	936	1,265	1,399	1,045	1,019	1,397	1,614	4,524	5,075
Margins (%)	48.1	47.6	54.2	55.4	47.0	44.8	48.4	49.5	51.7	47.7
Depreciation	245	250	236	235	228	226	333	350	966	1,137
Interest	429	446	445	452	481	473	534	550	1,772	2,039
Other Income	3	7	6	20	24	29	22	31	36	105
PBT before EO expense	252	247	590	732	359	348	552	745	1,822	2,004
Extra-Ord expense	48	0	0	0	0	0	0	0	48	0
PBT	204	247	590	732	359	348	552	745	1,774	2,004
Tax	71	56	106	143	87	86	118	187	377	478
Rate (%)	34.9	22.7	18.0	19.6	24.2	24.8	21.3	25.2	21.3	23.9
MI & P/L of Asso. Cos.	-5	23	84	149	38	35	80	74	251	227
Reported PAT	138	168	400	440	235	226	354	483	1,146	1,298
Adj PAT	174	168	400	440	235	226	354	483	1,193	1,298
YoY Change (%)	NA	NA	NA	NA	34.5	35.1	-11.4	9.9	NA	8.8
Margins (%)	9.1	8.5	17.1	17.4	10.6	10.0	12.3	14.8	13.6	12.2

UPL**Neutral****CMP INR466 | TP: INR470 (+1%)****EPS CHANGE (%): FY25|FY26: -13|-12**

- All the key geographies are expected to witness YoY decline in revenue.
- Revenue/EBITDA are expected to decline by 31%/56% YoY.
- The price trend in raw materials, debt levels and capex plans are the key monitorables.
- Global demand-supply scenario will be key monitorable.

Cons.: Quarterly Earning Model**(INRb)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	108.2	125.1	136.8	165.7	89.6	101.7	98.9	114.7	535.8	404.9
YoY Change (%)	27.1	18.4	21.1	4.5	-17.2	-18.7	-27.7	-30.7	15.9	-24.4
Total Expenditure	84.8	97.4	106.5	135.5	73.7	86.0	94.7	101.5	424.2	355.9
EBITDA	23.4	27.7	30.3	30.2	15.9	15.8	4.2	13.2	111.6	49.0
Margins (%)	21.7	22.1	22.2	18.2	17.8	15.5	4.2	11.5	20.8	12.1
Depreciation	5.9	6.1	6.2	7.3	6.4	6.6	6.8	6.9	25.5	26.6
Interest	5.2	6.4	8.9	9.1	7.0	8.7	11.9	11.5	29.6	39.1
Other Income	0.7	0.8	1.2	2.1	1.0	1.1	1.5	1.5	4.8	5.1
Exch. difference on trade rec./payable	2.0	3.2	1.5	2.9	3.2	2.5	3.2	0.0	9.6	8.9
PBT before EO expense	11.1	12.7	14.8	13.0	0.4	-1.0	-16.2	-3.7	51.6	-20.5
Extra-Ord expense	0.8	0.4	0.2	0.3	0.4	0.9	0.2	0.0	1.7	1.5
PBT	10.3	12.3	14.6	12.7	0.0	-1.9	-16.4	-3.7	49.9	-22.0
Tax	0.6	2.3	1.4	3.1	-1.6	-1.0	-0.6	-0.7	7.4	-3.9
Rate (%)	5.7	18.8	9.2	24.5	3,280.0	51.9	3.6	18.0	14.7	17.5
MI & P/L of Asso. Cos.	1.0	1.8	2.4	1.7	-0.1	1.0	-3.6	1.0	6.9	-1.7
Reported PAT	8.8	8.1	10.9	7.9	1.7	-1.9	-12.2	-4.0	35.7	-16.4
Adj PAT	10.4	10.5	13.4	10.5	4.0	1.1	-5.9	-4.0	44.7	-4.9
YoY Change (%)	2.9	40.3	11.1	-44.6	-61.7	-89.8	-144.2	-138.5	-7.8	-110.9
Margins (%)	9.7	8.4	9.8	6.3	4.5	1.0	-6.0	-3.5	8.4	-1.2

Voltas**Buy****CMP INR1,153 | TP: INR1,410 (+23%)****EPS CHANGE (%): FY25|FY26: +4.6|+5.2**

- Estimate revenue to grow 27% YoY in 4QFY24.
- Revenues from UCP/EMPS/PES are estimated to increase 21%/42%/19% YoY.
- EBITDA is estimated to grow 5% YoY to INR2.3b. OPM is estimated to decline 1.3pp YoY to 6.1%.
- Adj. PAT is estimated to grow 19% YoY to INR1.7b.

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	27,680	17,684	20,056	29,568	33,599	22,928	26,257	37,487	94,988	1,20,271
YoY Change (%)	55.1	4.7	11.8	10.9	21.4	29.7	30.9	26.8	19.7	26.6
EBITDA	1,770	1,008	764	2,182	1,854	703	284	2,289	5,724	5,129
YoY Change (%)	30.4	(21.9)	(50.9)	(16.4)	4.7	(30.3)	(62.8)	4.9	-16.0	-10.4
Margins (%)	6.4	5.7	3.8	7.4	5.5	3.1	1.1	6.1	6.0	4.3
Depreciation	85	97	111	104	113	117	128	138	396	496
Interest	40	67	64	124	101	115	135	139	296	490
Other Income	268	644	307	467	700	710	579	613	1,685	2,601
Extra-ordinary items	-	(1,064)	(1,374)	-	0	-	-	-	(2,438)	0
PBT	1,913	423	(478)	2,420	2,339	1,181	599	2,625	4,278	6,745
Tax	508	195	300	706	735	493	515	684	1,709	2,427
Rate (%)	26.6	13.1	33.5	29.2	31.4	41.7	85.9	26.1	25.4	36.0
Share of profit of associates/JV's	(316)	(303)	(325)	(275)	(312)	(321)	(389)	(227)	(1,219)	(1,249)
Reported PAT	1,089	(74)	(1,104)	1,439	1,293	367	(304)	1,713	1,350	3,069
YoY Change (%)	(10.6)	(107.2)	(215.0)	(21.2)	18.7	NM	NM	19.1	-73.2	127.3
Adj PAT	1,089	990	270	1,439	1,293	367	(304)	1,713	3,788	3,069
YoY Change (%)	(10.6)	(4.5)	(71.8)	(21.2)	18.7	(62.9)	NM	19.1	-24.8	-19.0

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Mastering the game!

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