Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	74,743	0.7	3.5
Nifty-50	22,666	0.7	4.3
Nifty-M 100	50,041	0.0	8.4
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,202	0.0	9.1
Nasdaq	16,254	0.0	8.3
FTSE 100	7,920	0.1	2.4
DAX	18,282	0.6	9.1
Hang Seng	5,869	0.1	1.7
Nikkei 225	39,347	0.9	17.6
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	93	0.0	20.2
Gold ($/OZ)	2,343	0.6	13.6
Cu (US$/MT)	9,411	2.2	11.2
Almn (US$/MT)	2,461	2.0	4.9
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	83.3	0.0	0.1
USD/EUR	1.1	0.0	-1.9
USD/JPY	151.9	0.2	7.7
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.2	0.03	0.0
10 Yrs AAA Corp	7.6	0.00	-0.2
Flows (USD b)	**8-Apr**	**MTD**	**CYTD**
FIIs	-0.1	6.94	1.3
DIIs	0.42	1.97	13.5
Volumes (INRb)	**8-Apr**	**MTD***	**YTD***
Cash	1,020	1066	1185
F&O	2,48,419	3,51,258	3,93,826

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

ABB India: Quality versus price

- ABB in its annual report highlighted its growth strategy to keep targeting high growth profitable markets that are benefiting from key megatrends.
- Company's improved penetration across Tier 2 and Tier 3 cities, higher localization, benefits from global feeder factory for exports and improved product portfolio is helping it expand its presence across markets through its 23 market segments. Company has been able to double up the share of orders from high growth segments in last 5 years. ABB has been one of our top picks in the sector and has continuously outperformed on earnings.
- Stock is expensive on valuations but has one of the best RoIC's in the capital goods sector. We remain positive on the company and maintain BUY.

Research covered

Cos/Sector	Key Highlights
ABB India	Quality versus price
Tata Motors	JLR 4QFY24 wholesales at 110.2k units (est. 111k units)
Container Corporation	Commissioning of DFC to drive the containerized cargo movement...
Bandhan Bank	CEO announces retirement upon term end
Cyient DLM	Navigating Growth in the Aerospace and Defence Sector
Telecom	Gross and 4G subscribers continue to grow

Chart of the Day: ABB India (Quality versus price)

Company is focusing on high growth segments - higher the share of high growth segments, better the pricing

Source: Company, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

India remains net importer of finished steel in FY24; inbound shipment grows 38 pc to 8.32 MnT

The data comes at a time steel makers have been raising concern over increasing imports from certain countries including China and seeking government's intervention on the issue.

2

Bain Capital eyeing exit from Axis Bank, launches around $430-mn block deal

In November 2017, in one of the largest private equity investments in the Indian banking sector, Bain Capital invested Rs 6,854 crore in Axis Bank

3

Gland Pharma's ex-promoter Dr Ravi Penmetsa launches $150-mn block deal with upsize option

The floor price, which is at a discount of 7.3 percent, is likely to be at Rs 1,725 per share

4

NCLT grants another 60 days to complete insolvency process of Go First

A two-member bench of the Delhi-based NCLT admitted the request by the resolution professional (RP) of Go First, seeking an extension of the timeline to complete the corporate insolvency resolution process (CIRP).

5

BMW sales rise 51 pc to 3,680 units in Jan-Mar quarter

The company sales rose 51 per cent in the first quarter of this fiscal as compared to 2,440 units in the January-March quarter of 2022-23. Besides, BMW Motorrad sales stood at 1,810 units in the first quarter.

6

BSE, NSE declare May 20 as trading holiday on account of polling in Mumbai

India will elect a new parliament in seven phases between April 19 and June 1. Votes will be counted on June 4

7

DFC Approves $697 Million Worth 22 Transactions Across Priority Sectors in Q2 of FY2024

Among the approved projects, some significant investments were made in Indian sectors to boost sustainable agriculture practices, strengthening food security, and other development promoting deals.
DFC Approves $697 Million Worth 22 Transactions Across

ABB India

BSE SENSEX	S&P CNX
74,743	22,666

Bloomberg	ABB IN
Equity Shares (m)	212
M.Cap.(INRb)/(USDb)	1419.7 / 17
52-Week Range (INR)	6748 / 3137
1,6,12 Rel. Per (%)	15/47/68
12M Avg Val (INR M)	1593
Free float (%)	25.0

Financials &Valuations (INR b)

Y/E MARCH	CY24E	CY25E	CY26E
Net Sales	130.1	158.8	189.5
EBITDA	14.4	14.7	14.8
PAT	15.6	19.1	22.9
EPS (INR)	73.4	90.1	108.1
GR. (%)	24.6	22.8	19.9
BV/Sh (INR)	346.9	428.5	526.3
Ratios			
ROE (%)	23.4	23.2	22.6
RoCE (%)	23.5	23.3	22.7
Valuations			
P/E (X)	91.2	74.3	61.9
P/BV (X)	19.3	15.6	12.7
EV/EBITDA (X)	72.8	57.8	47.4
Div Yield (%)	0.3	0.3	0.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	75.0	75.0	75.0
DII	6.9	7.4	9.7
FII	10.7	10.2	7.6
Others	7.4	7.5	7.7

FII Includes depository receipts

CMP: INR6,697 TP: INR7,500 (+12%) Buy

Quality versus price

ABB, in its annual report, highlighted its growth strategy to continue targeting high growth profitable markets that benefit from key megatrends. The company's improved penetration into Tier II and Tier III cities, higher localization efforts, benefits from global feeder factories for exports, and improved product portfolio are helping it expand its presence across markets spanning 23 market segments. The company has been able to double its share of orders from high-growth segments in the last five years. ABB has been one of our top picks in the sector and has consistently outperformed on earnings. While the stock is expensive on valuations, it has one of the best RoIC in the capital goods sector. We remain positive on the company and maintain our BUY rating on the stock.

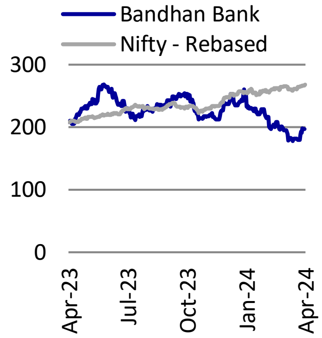
Remain focused on new high growth segments

ABB's order inflow for CY23 was up by 23% YoY, led by orders from diverse sectors, including data centers, electronics, metros, railways, renewables, automotive, water and wastewater, and power distribution. Moreover, the company strengthened its presence in segments such as metals, mining, cement, pulp, and paper through its energy-efficient and eco-friendly solutions. ABB's portfolio has expanded significantly, now serving 23 market segments, comprising both core and emerging sectors, compared to the seven segments before the onset of the COVID-19 pandemic. The share of the emerging segments (data centers, electronics, water, F&B, pharma, warehouse, and logistics, etc.) in the order book has doubled in the last five years. Improved penetration toward tier II-III cities, global feeder factories, product customizations, OEM or channel focus, and local certifications have ensured preference for ABB India products in varied markets.

Targeting opportunities across segments

Electrification and motion continue to remain key segments for ABB. The Annual Report for 2023 highlighted that 1) **Electrification business** witnessed significant growth and increase in market share during the year. Growth in this segment would be driven by focus on energy efficiency and increased requirements of electrification network. Improving demand from emerging segments such as green hydrogen, semiconductors, battery manufacturing, energy storage as well as established segments such as renewables, data centers, metals, cement, oil and gas, and food & beverages are likely to lead growth, 2) **Motion and robotics segment** growth was driven by strong export orders, increased penetration in Tier II, III, and IV cities through channel partners. Future growth will be driven by continued investments in high-speed rail, metros, market expansion into Tier II/Tier III cities and industrial capex, 3) **Process automation** segment revenues were driven by sectors such as city gas distribution, terminal automation, life sciences, metals & mining, and cement,

Stock Performance (1-year)



refineries and the petrochemical industry, upstream energy and power OEMs. Future growth in process automation will be driven by steel, cement, mining, ethanol, green hydrogen, etc., 4) **Robotics** segment has a small share in revenues and inflows were driven by automotive, electronics, food & beverages, and service industries.

Improved gross margin and operating leverage driving margin improvement

Over CY19-23, ABB's gross margin improved 320 bp as benefits of localization, product mix, and improved pricing benefited the company. With a CAGR of 0.6% increase in number of employees, company's employee cost increased at a 5.4% CAGR over the same period from CY2019-23. Other expenses came down 270 bp over CY19-23, despite payouts to the parent remaining high at around 8% of sales, indicating operating leverage benefits. The company's purchases from related parties have also come down over the last four years. ABB has benefited from improved demand and pricing and we expect some RM price correction benefits to be passed on. However, in comparison with its parent, ABB still has a scope of 160 - 300 bp improvement across divisions.

Sustainability initiatives remain in focus

ABB has maintained its focus on sustainability; in 2023, the company achieved ~88% reduction in its own GHG (Scope 1 & 2) emissions compared to the baseline set in 2019. Moreover, about 50% of its manufacturing facilities are certified as Water Positive and the company has improved its water recyclability by 6% in 2023 to ~45%, compared to 39% in 2022. Furthermore, it has one of its five sites certified as zero waste to landfill.

Scope for margin improvement

We believe that there is a scope for margin improvement for ABB, given its advantageous position as one of the top five to six players in its critical markets such as electrification, automation, data centers. During the year, more than 10 facilities across multiple locations from offices to shop floors were modernized, refurbished, and inaugurated by the company. These included a most modern and sustainable switchgear factory in Nashik, new lines for manufacturing energy-efficient drives and a Motion services workshop. With ABB being a preferred choice as a quality player with full control over the value chain, it's future trajectory of margins will be dependent upon improving business mix, higher share of exports and services in the future, and better operating leverage despite nearly 8% of sales going to the parent as royalty, IT fee, and group management fee. We expect the net impact of pass on lower RM prices and improved product pricing to be favorable for margins. We bake in EBITDA margin of 14.4%/14.7%/14.8% for CY24/25/26E.

Capex during the year

During the year, the company inaugurated a new production line for Drive modules, expanded R&D, and engineering footprint in India by System Drives division. The company also launched high voltage NEMA AMI induction motors, which further expanded the business's global footprint. The service team opened a new Drives Service Workshop at Vadodara and extended its support to customers in more than 22 countries, providing commissioning and preventive maintenance support.

Valuation and recommendation

We expect the company to continue to benefit from improved addressable market and improve upon its share of high growth segments. We incorporate AR2023 details and expect revenue to grow by 24.5%/22.1%/19.3% in CY24/25/26E and we bake in margins of 14.4%/14.7%/14.8% for the same period, translating into PAT growth of 24.6%/22.8%/20% for CY24/25/26E. ABB has been one of our top picks in the sector and has continuously outperformed on earnings. The stock is expensive on valuations at 74.3X/62.0X on CY25/26E earnings, but has one of the best RoIC in the capital goods sector. We incorporate AR2023 details and revise our TP. We remain positive on the company and maintain our BUY rating with a two-year forward price target of INR7,500.

9 April 2024

Update | Sector: Automobiles

Tata Motors

BSE SENSEX	S&P CNX
65,632	19,546

TATA MOTORS

Stock Info

Bloomberg	TTMT IN
Equity Shares (m)	3598
M.Cap.(INRb)/(USDb)	3708.5 / 44.5
52-Week Range (INR)	1066 / 450
1, 6, 12 Rel. Per (%)	-3/47/103
12M Avg Val (INR M)	8496
Free float (%)	53.6

Financials Snapshot (INR b)

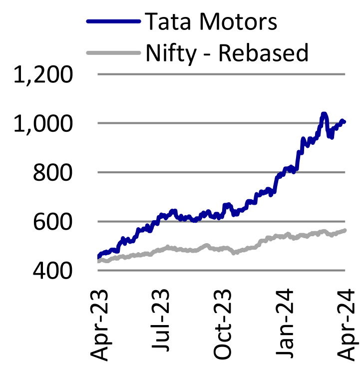
Y/E March	2024E	2025E	2026E
Net Sales	4,358	4,686	5,061
EBITDA	591.9	662.2	739.4
Adj. PAT	208.3	219.3	257.4
Adj. EPS (INR)	54.4	59.7	70.0
EPS Gr. (%)	2,429	10	17
BV/Sh. (INR)	168.0	230.3	296.2
Ratios			
Net D/E (x)	0.3	0.1	-0.1
RoE (%)	38.0	29.4	26.6
RoCE (%)	15.4	15.0	15.3
Payout (%)	5.6	7.0	6.0
Valuations			
P/E (x)	18.6	17.0	14.5
P/BV (x)	6.0	4.4	3.4
EV/EBITDA (x)	7.0	5.7	4.7
Div. Yield (%)	0.3	0.4	0.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	46.4	46.4	46.4
DII	17.4	17.5	15.4
FII	18.6	18.4	18.2
Others	17.6	17.0	20.1

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR1,013 TP: INR970 (-4%) Neutral

JLR 4QFY24 wholesales at 110.2k units (est. 111k units)

Management refrains from giving any guidance on its order book

Wholesales grew 16% YoY and 9% QoQ

- In 4QFY24, wholesales (excluding China JV) grew 16% YoY (9% QoQ) to 110.2k units and were in line with our estimate. Jaguar wholesales jumped 39% YoY to 13.5k units, while LR wholesales rose 14% YoY to 96.7k units. Wholesales for RR/Defender/Discovery increased by 22%/5%/1% YoY to 58.3k units/28.7k units/9.7k units.
- In FY24, JLR wholesales (excluding China JV) grew 25% YoY to 401.3k units. Jaguar/LR FY24 wholesales grew 16%/26% YoY to 49.6k/351.7k units.

Retail volumes (including China JV) up 11% YoY/4.5% QoQ

- 4Q retails grew 11% YoY (+4.5% QoQ) to 114k units, while FY24 retails increased by 22% to 431.7k units. Retails also grew in the rest of the world (+16% YoY), North America (+21% YoY) and UK (+32% YoY), whereas they declined 9%/2% YoY in China/Europe.
- The management has refrained from giving any guidance on its order book and FCF, which they used to give earlier. As of 3QFY24 end, the order book stood at 148k units. JLR had in 3Q indicated that the order book might come down to about 110k units by 4Q end.
- **Valuation and view**: Owing to a strong performance across its key business segments, TTMT stock has significantly outperformed key indices, with a 48% CAGR in the last 36 months vs. a ~15% CAGR in the Nifty. However, we now expect growth to stabilize in the coming years, given moderate volume growth in underlying domestic PV/CV industries, persistent weakness in EU light vehicle industry (coupled with mix related challenges), and limited scope for margin expansion. We have recently downgraded the stock as we believe the current valuation of ~17x/14.5x FY25E/FY26E consol. EPS already prices in most of the positive factors. We maintain our Neutral rating with a TP INR970 (Mar'26E SOTP).

TATA MOTORS : JLR (Exc.JV) [Wholesale]

Company Sales	4QFY24	4QFY23	YoY (%) chg	3QFY24	QoQ (%) chg	FY24	FY23	(%) chg
JLR	**1,10,190**	**94,649**	**16.4**	**1,01,043**	**9.1**	**4,01,303**	**3,21,362**	**24.9**
Jaguar	13,528	9,748	38.8	12,149	11.4	49,561	42,720	16.0
Land rover	96,662	84,901	13.9	88,894	8.7	3,51,742	2,78,642	26.2

TATA MOTORS : JLR [Retails, incl JV]

	YoY			QoQ				
Company Sales	**4QFY24**	**4QFY23**	**YoY (%) chg**	**3QFY24**	**QoQ (%) chg**	**FY24**	**FY23**	**(%) chg**
JLR	**1,14,038**	**1,02,889**	**10.8**	**1,09,140**	**4.5**	**4,31,733**	**3,54,662**	**21.7**
Region-wise retail sales								
Region	**4QFY24**	**4QFY23**	**YoY %**	**3QFY24**	**QoQ %**	**FY24**	**FY23**	**YoY %**
North America	26,926	22,253	21.0	25,061	7.4	95,091	77,526	22.7
UK	27,295	20,625	32.3	19,219	42.0	89,579	64,011	39.9
Europe	18,962	19,349	-2.0	19,087	-0.7	78,241	71,706	9.1
China	22,980	25,253	-9.0	27,811	-17.4	1,04,071	90,998	14.4
RoW	17,874	15,409	16.0	17,963	-0.5	64,751	50,421	28.4
JLR	**1,14,038**	**1,02,889**	**10.8**	**1,09,140**	**4.5**	**4,31,733**	**3,54,662**	**21.7**

TATA MOTORS: Sum-of-the-parts valuation

INR B	Valuation Parameter	Multiple (x)	FY25E	FY26E
SOTP Value				
Tata Motors - Standalone	P/BV	1		
Tata Motors - Standalone	SOTP		1,656	1,906
CVs	EV/EBITDA	11	1,091	1,240
PVs	EV/EBITDA	15	564	666
EV PVs	DCF			
JLR (Adj for R&D capitalization)	EV/EBITDA	2.5	1,167	1,300
JLR - Chery JV EBITDA Share	EV/EBITDA	2.5	34	37
Tata Motors Finance	P/BV	1.5	66	67
Total EV			**2,922**	**3,310**
Less: Net Debt (Ex TMFL)			88	-67
Add: TataTech @ INR445b Mcap	20% discount	53.39% stake	191	191
Total Equity Value			**3,025**	**3,568**
Fair Value (INR/Sh) - Ord Sh	**Fully Diluted**		**823**	**970**

Container Corporation

BSE SENSEX	S&P CNX
74,743	22,666

CONCOR

Stock Info

Bloomberg	CCRI IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	555.3 / 6.7
52-Week Range (INR)	1035 / 572
1, 6, 12 Rel. Per (%)	-6/12/31
12M Avg Val (INR M)	1139
Free float (%)	45.2

Financials Snapshot (INR b)

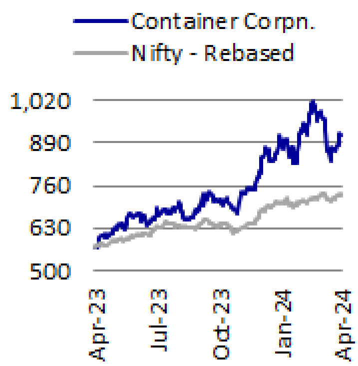
Y/E March	2024E	2025E	2026E
Net Sales	86.0	98.9	115.9
EBITDA	19.7	23.2	28.5
Adj. PAT	12.8	15.3	18.9
EBITDA Margin (%)	22.9	23.5	24.6
Adj. EPS (INR)	21.0	25.1	31.0
EPS Gr. (%)	9.4	19.4	23.6
BV/Sh. (INR)	195.7	209.0	225.5
Ratios			
Net D/E (x)	(0.3)	(0.4)	(0.4)
RoE (%)	11.0	12.4	14.3
RoCE (%)	11.5	12.8	14.6
Payout (%)	46.9	46.9	46.9
Valuations			
P/E (x)	43.3	36.3	29.4
P/BV (x)	4.6	4.4	4.0
EV/EBITDA (x)	25.5	21.3	16.9
Div. Yield (%)	1.1	1.3	1.6
FCF Yield (%)	1.6	2.4	3.2

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	54.8	54.8	54.8
DII	22.9	21.6	17.6
FII	19.6	20.7	24.1
Others	2.8	3.0	3.6

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR911 TP: INR1,120 (+23%) Buy

Commissioning of DFC to drive the containerized cargo movement…

…CCRI will be the key beneficiary

- **Container Corporation (CCRI) will be a key beneficiary of the Dedicated Freight Corridor (DFC), which is likely to result in volume growth driven by a modal shift and enhanced operating efficiencies. The DFC connecting Dadri to Mundra became operational in May'23. CCRI is operating a timetable of trains on this route, and this development has led to a significant shift in the proportion of its business from road to rail.**
- **Further, we anticipate that CCRI would benefit from the shift in northern hinterland volumes from Gujarat ports to JNPT after the entire DFC commissioning, which is likely to be completed in FY26. CCRI's strong positioning at JNPT (~55% market share in 9MFY24) could result in tailwinds from operating efficiencies stemming from DFC and the ability to offer full-fledged scheduled services.**
- **Domestic container volumes for CCRI grew 11% YoY in 9MFY24, while EXIM volumes rose 6% YoY during the same period. Weak trade volumes due to the geopolitical headwinds hit EXIM volumes. We expect domestic operations to scale up (35% contribution in 9MFY24) due to the addition of new services/ commodities for multiple sectors, and a strong network of terminals. Further, strategic initiatives such as addition of FMCG-led cargo, deployment of LNG trucks, partnerships for solar energy products, etc., are likely to result in higher double-digit growth for domestic cargo.**
- **With DFC commissioning and a continuous ramp-up in the number of double-stacked trains, we expect blended volumes to report 10% CAGR during FY24-26. Further, with clarity on LLF provisioning, we project the EBITDA margin to be 23-25% over FY24-26. The stock trades at 16.9x FY26E EV/EBITDA. Reiterate BUY with a TP of INR1,120 (based on 22x EV/EBITDA on FY26E).**

Reduction in LLF provisions to expand margins

- Land License Fee (LLF) for 9MFY24 stood at INR2.9b. CCRI has reversed INR360m of LLF provisions for previous years; hence, LLF provisioning is likely to be ~INR4.0b for FY24 (net of reversals).
- An additional INR900m provision is pending reconciliation, possibly reversing in the future as discussions are underway.
- CCRI has surrendered certain land parcels in Tughlakabad in Nov'23 that are anticipated to reduce the annual LLF cost by ~INR250m. CCRI has also offered to surrender a portion of land at its Vadodara terminal and plans to reduce LLF expenses by shifting volumes to its terminals.
- Management has guided LLF expenses at ~INR4.5b in FY25, assuming a 7% escalation over FY24. CCRI aims to further reduce LLF expenses by shifting volumes to its terminals.

Strategic new initiatives to boost volumes

- CCRI has deployed 75 LNG trucks at Chennai, Nagpur, Baroda, and Ankleshwar terminals, and is witnessing healthy returns. Consequently, management plans to increase the fleet count and also signed an MoU with Indraprashta Gas Ltd (IGL) in Nov'23 for developing LNG pumps at CCRI terminals.
- Apart from this, the company has taken several new initiatives, including: a) MoU with NTPC Vidyut Vyapar Nigam in Dec'23 for solar energy product development at its terminals, and b) MoU with DB Schenker, a leading international trade-forwarding company from Germany, to expand CCRI's range of services in the EXIM and domestic segments.
- The First Mile Last Mile (FMLM) mix has risen to 63% in 3QFY24 from 30-35% in 3QFY23, and the company plans to increase the mix to 80-85% in the next couple of years.

Leads in the container rail freight segment with strategically located infrastructure

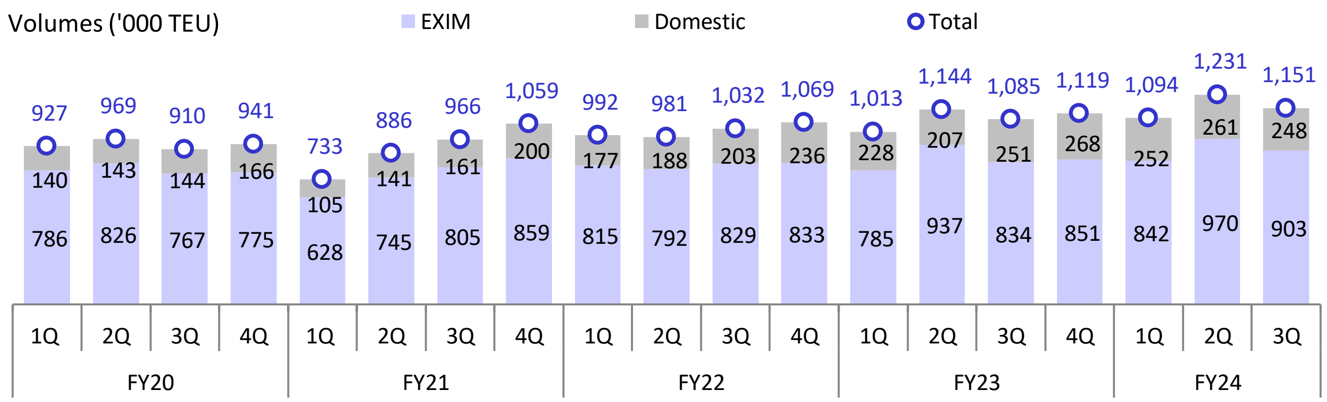
- CCRI maintained ~75% market share in the rail freight segment over the last decade, although this has moderated to ~65% in FY23 due to rising competition from private Container Train Operators (CTOs) and the road freight players.
- CCRI's strategically located infrastructure across India offers a competitive advantage, which helps the company maintain profitability despite losing some market share.

Valuation and view

- With DFC commissioning and a continuous ramp-up in the number of double-stacked trains, we expect blended volumes to report 10% CAGR during FY24-26.
- Further, with clarity on LLF provisioning, we project the EBITDA margin to be 23-25% over FY24-26. The stock trades at 16.9x FY26E EV/EBITDA.
- **Reiterate BUY with a TP of INR1,120 (based on 22x EV/EBITDA on FY26E).**

Dominant position in the containerized rail freight business

Quarterly EXIM and domestic volume trends ('000 TEU)



Bandhan Bank

BSE Sensex	S&P CNX
74,743	22,666

Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	297.9 / 3.6
52-Week Range (INR)	272 / 173
1, 6, 12 Rel. Per (%)	-6/-42/-40
12M Avg Val (INR M)	2597
Free float (%)	60.0

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	92.6	101.3	115.5
OP	70.9	66.1	73.5
NP	21.9	30.3	37.1
NIM (%)	6.9	6.8	6.8
EPS (INR)	13.6	18.8	23.0
EPS Gr. (%)	NM	37.9	22.4
BV/Sh. (INR)	122	134	150
ABV/Sh. (INR)	116	125	142
Ratios			
RoE (%)	11.9	14.7	16.1
RoA (%)	1.5	1.9	2.0
Valuations			
P/E(X)	13.6	9.8	8.0
P/BV (X)	1.5	1.4	1.2
P/ABV (X)	1.6	1.5	1.3

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	40.0	40.0	40.0
DII	14.9	17.5	12.5
FII	34.7	32.8	32.4
Others	10.4	14.0	15.1

FII Includes depository receipts

CMP: INR185 **TP: INR190 (+3%)** **Neutral**

CEO announces retirement upon term end

Mr. Chandra Shekhar Ghosh, MD and CEO of Bandhan Bank (BANDHAN), has announced his plan to retire from the bank upon the completion of his current term on 9th Jul'24. The bank's top management team hosted an analyst call to discuss the current developments and the outlook going forward. Here is our view on the announcement:

Board to initiate CEO search process

Mr. Ghosh's resignation surprised markets as the board had recently approved his name for another term and subsequently recommended him to the RBI for approval. The bank will now have to start the process of succession planning before Mr. Ghosh's term ends on 9th Jul'24 and submit the shortlisted names to the RBI for approval; this may entail the evaluation of external candidates as well.

Business recovery may be prolonged; remain watchful on audit report outcome

BANDHAN has witnessed frequent changes in its top leadership team recently. Mr. Ghosh's announcement has come at a time when the bank has just plugged the gaps in key leadership roles and is looking at a sustainable recovery in FY25E. The bank has recently hired Mr. Rajinder Kumar Babbar as ED & Chief Business Officer; Mr. Ratan Kumar Kesh as ED and COO; Mr. Santosh Nair as Head of Consumer Lending and Mortgages; and Mr. Rajeev Mantri as CFO. The MD's resignation at this juncture may delay the recovery in underlying business and earnings. This will also keep investors watchful of the bank's growth and profitability. Additionally, the outcome of the CGFMU audit remains another near-term overhang.

Valuations and view:

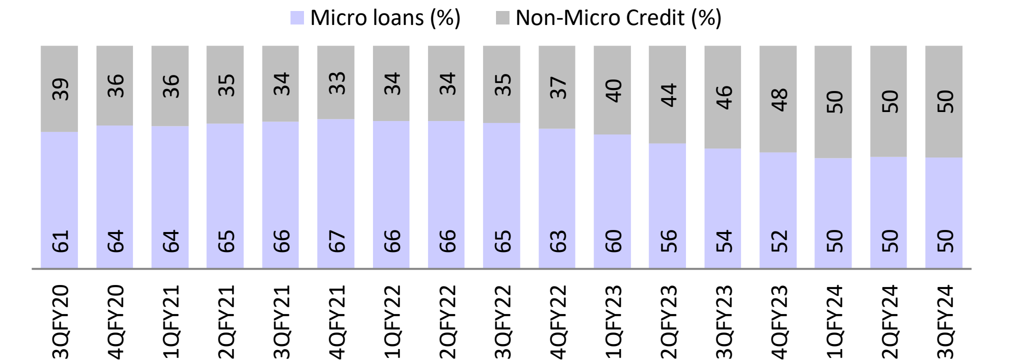
We believe BANDHAN's strategy to diversify away from the microfinance segment, focus on restoring asset quality, and pursue geographical diversification is in the right direction to ensure long-term sustainability. But the decision of Mr. Ghosh to step down and assume a more strategic role at the holding company has come as a negative surprise. BANDHAN has already witnessed several changes in its top leadership team over the recent period, and CEO succession at this time becomes altogether more critical when several members of the top team are fairly new to the bank. We remain watchful the management transition and the banks execution capability as it focuses on continued diversification of loan book while improvement in asset quality is expected to drive earnings. **We maintain our Neutral rating on the stock with a TP of INR190 (based on 1.1x FY26E BV).**

Bandhan Bank has seen significant changes in the top leadership team over recent period

Name	Position	Tenure in the Bank
Mr. Chandra Shekhar Ghosh	CEO	23 years+
Mr. Rajinder Kumar Babbar	ED & Chief Business Officer	3 months
Mr. Ratan Kumar Kesh	ED & Chief Operating Officer	1 year 2 months
Mr. Rajeev Mantri	CFO	3 months
Mr. Santosh G nair	Head - Consumer Lending & Mortgages	3 months
Mr. Sujoy Roy	Head - Branch Banking	10 years 8 months
Mr. Hirak Joshi	Head - Retail Assets	1 year 11 months
Mr. Subhash Samant	Head - Housing Finance	1 year 7 months
Mr. Suresh Chandran	Head - Commercial Banking	1 year 9 months
Mr. Vishal Wadhwa	Head - EEB	11 months
Ms. Arpita Sen	Head – Financial Institution Group	18 years 1 month
Mr. Partha Samanta	Head - Small Enterprise Business and Agri loans	21 years 10 months

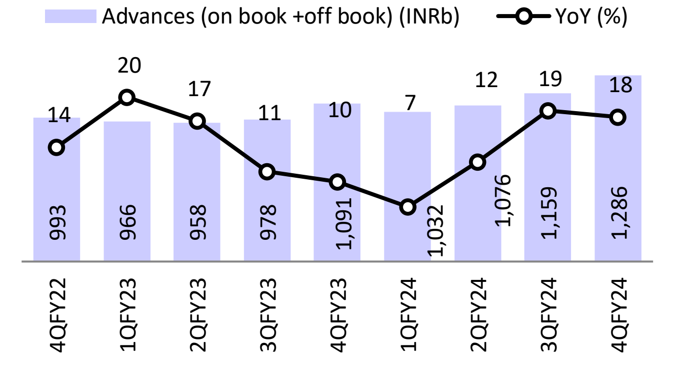
Source: MOFSL, Company

Bank has diversified its business mix away from the MFI



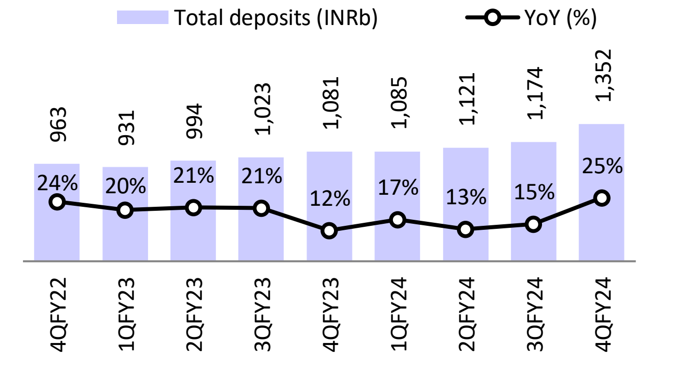
Source: MOFSL, Company

Advances grew 17.8% YoY (10.9% QoQ) to ~INR1.28t in 4Q



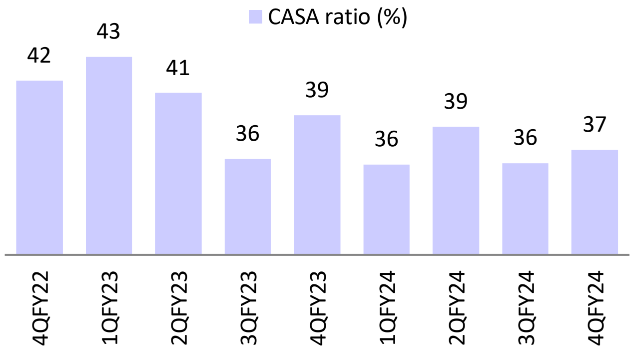
Source: MOFSL, Company

Deposits grew 25.1% YoY (15.1% QoQ) to INR1.35t



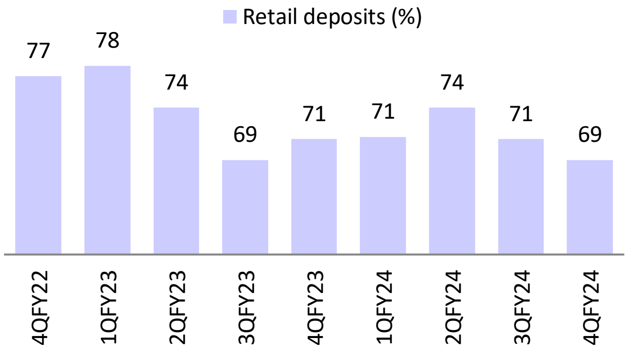
Source: MOFSL, Company

CASA ratio improved 1% QoQ to ~37%



Source: MOFSL, Company

Retail deposit mix stood at 69% in 4QFY24



Source: MOFSL, Company

Collection efficiency in the MFI book remained at 99% in Mar'24

Collection efficiency – excluding NPA	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24
EEB	98%	98.5%	98%	98%	98%	99%
Non-EEB	99%	98.5%	98%	99%	98%	98%
Overall bank	**98%**	**98.5%**	**98%**	**98%**	**98%**	**99%**

Source: MOFSL, Company

Cyient DLM

BSE SENSEX	S&P CNX
74,743	22,666

Bloomberg	CYIENTDL IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	55.7 / 0.7
52-Week Range (INR)	884 / 401
1, 6, 12 Rel. Per (%)	-11/-10/-
12M Avg Val (INR M)	385
Free float (%)	33.3

Financials Snapshot (INR b)

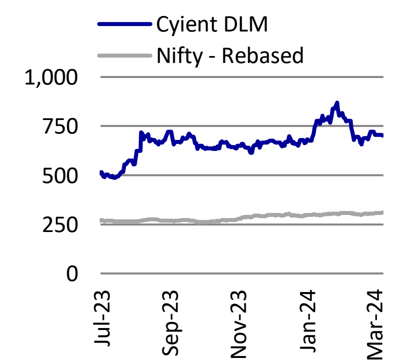
Y/E MARCH	FY24E	FY25E	FY26E
Sales	12.1	16.4	22.2
EBITDA	1.1	1.6	2.5
Adj. PAT	0.6	1.1	1.8
EBITDA Margin (%)	9.3	10.0	11.4
Cons. Adj. EPS (INR)	7.8	14.0	22.9
EPS Gr. (%)	96.1	78.4	63.4
BV/Sh. (INR)	121.1	135.1	157.9
Ratios			
Net D:E	-0.6	-0.5	-0.6
RoE (%)	10.7	10.9	15.6
RoCE (%)	10.0	10.4	15.2
Valuations			
P/E (x)	90	50	31
EV/EBITDA (x)	45	30	19

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	66.7	66.7	0.0
DII	11.2	12.3	0.0
FII	6.3	6.2	0.0
Others	15.8	14.0	0.0

FII Includes depository receipts

Stock performance (one-year)



CMP: INR703 TP: INR810 (+15%) Buy

Navigating Growth in the Aerospace and Defence Sector

CyientDL is a well-integrated EMS solution provider, deriving majority of its revenue (69% in 9MFY24) from the high-margin and critical end-user industry of Aerospace and Defence (A&D).

- **The global A&D space is poised to grow at a healthy pace (5.9% CAGR over CY22-26), led by technological advancements, rising defence spending, and the emergence of new markets such as space exploration. This is, in turn, translating into higher growth for the A&D EMS industry, led by the growing trend of outsourcing, which provides cost savings and access to advanced technologies.**
- **CyientDL is better placed to grab the growing EMS opportunity in this space, leveraging its strong client relation and multi-decade experience in the A&D sector (both domestic and exports).**
- **The India defence sector is under prime focus with defence spending rising steadily, hitting INR6.22t in FY24B, up 4.7% from FY23A. The government targets USD25b in defence manufacturing by CY25, including USD5b from exports. Initiatives such as the Defence Offset Policy are geared toward reducing reliance on foreign arms imports. As of Mar'22, a total of 57 contracts have been signed under this policy, amounting to USD13.5b.**
- **To align with the nation's focus on the indigenization of defence, the company has hired key personnel with robust backgrounds in defence and deep connections to drive the company's domestic defence growth story.Of the total exports (~60% in FY23), CyientDL generates majority of its export revenue from the Aerospace industry, backed by its strong clientele. The company is in advanced talks with new and existing clientele, expecting the Aerospace segment to grow the fastest among other segments.**
- **Overall, the A&D segment will continue to be the key growth driver for the company in the coming years, capitalizing on both the global and domestic upcycle in the A&D industry.**

India's Defence industry to witness a strong growth through indigenization

- India's defence spending is consistently increasing, with the annual budget growing 4.7% to INR6.22t in FY24 from INR5.94t in FY23.
- The government aims for USD25b in defence manufacturing by CY25, with USD5b from exports. CyientDL generates approximately 60% of its revenue from exports, with a significant portion from the A&D sector.
- As per SIPRI, India accounts for ~11% of the total global arms imports, prompting initiatives to bolster domestic defence manufacturing. One such measure is the Defence offset policy, which mandates foreign vendors to reinvest at least 30% of the contract value in the Indian defence sector.
- It applies to procurement categories with contract values exceeding INR20b, requiring foreign OEMs to fulfil the offset obligation. Contract value below INR20b are exempt from offsets.
- Additionally, defence public sector undertakings (DPSUs) have partnered with foreign countries under this policy for equipment production. (refer Exhibit 7)

- By Mar’22, 57 offset contracts were signed, with a total obligation of USD13.5b between CY08 and CY33. As of Jan’24, the total defence offset surpassed USD7b, more than doubling from USD2.9b in Mar’20, as reported by the Department of Defence Production.
- CyientDL’s domestic A&D revenue is currently minimal (excluding large order from BEL, it’s less than 5%), but the Indian A&D industry offers significant growth potential, driven by defence offset agreements and domestic product development.
- The company’s current key offering in domestic defence is the Surveillance Radar System, which is designed to locate aircraft over long or short ranges.
- To strengthen its domestic defence segment, the company appointed Mr. Kaushal Jadia as its CTO, leveraging his extensive experience and defence connections to secure offset orders.
- Additionally, CyientDL has appointed a Sales India head and formed a new sales team for its India business, highlighting its focus on domestic defence opportunities.
- The Indian A&D electronics market is expected to grow significantly, with a projected CAGR of 32.5% to reach INR339b by FY27. The EMS market within A&D is anticipated to grow even faster, at a CAGR of 38%, reaching INR186b by FY27. Despite comprising only 2.5% of the Indian EMS market, the A&D EMS sector shows considerable potential for growth.
- With strong industry tailwinds, the defence segment is expected to record a CAGR of 34% over FY23-26, primarily driven by domestic industry growth. The revenue mix is expected to decline marginally to 34% by FY26 (assuming completion of large BEL order).

Export in Aerospace segment to grow the fastest

- The global aerospace market is set to register a CAGR of 7.8% from CY23 to CY32, reaching USD678b by CY32.
- Key drivers include the emergence of new markets such as space and advanced air mobility, alongside airlines transitioning to newer, more environmentally friendly aircraft.
- CyientDL's Aerospace segment contributes 23% of its total revenue in 9MFY24, with a focus on exports, particularly to key markets such as Israel, the US, and the EU.
- The company maintains strong client relationships with industry leaders, such as Honeywell, Thales, and Rafael, offering a range of aerospace solutions, including cockpit display units, flight management systems and communications among others.
- The Aerospace segment is expected to register a CAGR of 51% over FY23-26, majorly driven by exports market, increasing the revenue mix to 26% by FY26.

Scaling up capacity to support growth

- CyientDL's order book as of Dec'23 stood at INR22.9b vs. INR22.5b as on Dec’22, with a major portion from the A&D segment executable over the next 12-18 months.
- The company is in advanced discussions with clients, indicating upcoming large deals in the next few quarters.
- The company operates three manufacturing units – Mysore, Bangalore, and Hyderabad, with plans for a new facility in Mysore targeting medical and industrial sectors.

- The total manufacturing area is ~2,65,000 sqft (~180K hours p.a.). This also includes recently inaugurated precision machining facility in Bangalore with 36,000 sqft of manufacturing area.
- Despite a utilization rate of around 50% in 3QFY24, CyientDL is expanding its capacity to accommodate client growth.

Valuation and view

- CyientDL, an integrated EMS and solutions provider, with strong presence in high-margin and rapidly growing critical end-user industries, is likely to capture its share of the pie, on the back of its strong core competencies and high technical capabilities.
- The company's focus on the domestic defence offset opportunities, alongside its efforts to scale up exports in the aerospace sector, is poised to drive the growth for the company.
- Going ahead, we expect CyientDL to sustain its growth momentum, aided by: 1) strong order book coupled with healthy order inflows; 2) high customer stickiness; and 3) strong promoter heritage.
- We estimate CyientDL to report a CAGR of 39%/42%/79% in revenue/EBITDA/ Adj. PAT over FY23-26
- **We reiterate our BUY rating on the stock with a TP of INR810 (35x FY26 EPS).**

Telecom

Gross and 4G subscribers continue to grow

RJio continues to lead in wireless gross subscriber and wired broadband addition

The Telecom Regulatory Authority of India (TRAI) has released the subscriber data for Feb'24. The key highlights are as follows:

- **Gross subscriber base showing healthy momentum:**
  - The industry's **gross subscriber** addition was healthy at **3.9m MoM** (vs. +2.2m in Jan'24), taking the total base to 1,165m. The additions were led by RJio and Bharti, which added 3.6m/1.5m subscribers MoM. VIL lost 1.0m subscribers MoM (vs. 1.5m loss in Jan'24).
  - **The active subscriber base** grew by **1.5m MoM** to 1,052m (vs. +2.7m adds in Jan'24). For the last nine months, growth in the active subscriber base has slowed to an average addition of 1.0m per month. RJio and Bharti continued to gain by 1.2m/1.5m MoM (vs. 1.1m/3.6m in Jan'24). VIL lost 1.1m subscribers (vs. 1.7m in Jan'24).
  - The industry's **rural subscriber base grew 1.8m MoM** (vs. +1.7m in Jan'24) to 528.5m, led by RJio/Bharti, which added 1.6m/0.6m subs (vs. +1.9m/+0.9m in Jan'24). VIL continued to lose rural subscribers by 0.3m (vs. -0.6m in Jan'24). RJio continued to lead in rural markets with a 39.0% share (+20bp MoM), followed by Bharti at 35.3% (flat MoM) and VIL at 20.7% (-10bp MoM).
  - **4G subscriber additions strong:** The industry's 4G subscriber addition was strong at **5.2m MoM** (vs. 6.0m in Jan'24 and 6.1m in last nine months), taking the total to 876m (83% of active subscribers). RJio/Bharti added 3.6m/2.3m and VIL lost 0.2m MoM.
- **Mobile number portability (MNP)**: Total requests for MNP have been consistently increasing, validated by a higher churn and SIM consolidation. The number of MNP requests in Feb'24 stood at 11.5m (vs. 12.4m in Jan'24), representing 1.2% of the total active subscribers.
- **Bharti** added 1.5m both gross/active subscribers (vs. +0.8m/3.6m in Jan'24). Its active market share increased 10bp MoM to 36.4%. The company's 4G subscriber additions remained strong at 2.3m (vs. +2.4m in Jan'24), taking its total 4G subscriber base to 262m (68% of active subscribers).
- **RJio maintained its peak position,** with gross/active subscriber additions of 3.6m/1.2m MoM (vs. 4.2m/1.1m in Jan'24). Its active market share inched up by 10bp to 40.6% (highest in the industry). 4G subscriber additions stood at 3.6m MoM (vs. +4.2m in Jan'24) to reach 468m.
- **VIL continued to lose subscribers,** with a 1.0m/1.1m MoM decline in gross/ active subscribers (vs. -1.5m/-1.7m in Jan'24). Its active market share declined to 18.4% (-20bp MoM). Its 4G subscriber base fell 0.2m MoM (vs. -0.5m in Jan'24) to 127m (65% of active subscribers).
- **Wired broadband subscribers** for the industry increased 0.6m MoM to 39.5m (vs +0.5m in Jan'24), led by RJio/Bharti, which added 290k/110k subscribers MoM (vs. 250k/110k in Jan'24). BSNL's net subscribers increased by 80k MoM (vs. 60k in Jan'24).

Exhibit 1: Active subscriber base continues to grow

Active subscriber base (m)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	367	370	370	373	373	376	376	376	375	375	378	381	383
VIL	208	208	207	205	203	202	199	200	198	199	197	195	194
RJio	398	403	407	412	414	416	417	420	422	423	425	426	427
Top Three players	**973**	**980**	**985**	**990**	**990**	**994**	**992**	**996**	**995**	**996**	**999**	**1002**	**1003**
Other players	**55**	**54**	**54**	**53**	**53**	**52**	**51**	**51**	**50**	**50**	**49**	**49**	**49**
Total	**1028**	**1034**	**1038**	**1043**	**1043**	**1046**	**1043**	**1047**	**1045**	**1046**	**1048**	**1051**	**1052**

Source: TRAI, MOFSL

Exhibit 2: Bharti added the highest active subscribers

Active subscriber net adds (m)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	0.8	2.5	0.7	2.4	0.1	3.2	-0.4	0.6	-1.2	-0.4	3.0	3.6	1.5
VIL	-0.8	-0.5	-0.8	-1.8	-2.5	-0.4	-2.9	0.4	-1.4	0.1	-1.8	-1.7	-1.1
RJio	3.2	5.0	4.7	4.9	2.3	1.4	1.2	3.1	1.8	1.2	1.2	1.1	1.2
Top Three players	**3.2**	**7.0**	**4.6**	**5.5**	**-0.1**	**4.2**	**-2.1**	**4.1**	**-0.8**	**0.9**	**2.4**	**2.9**	**1.6**
Other players	**-0.4**	**-0.3**	**-0.4**	**-0.5**	**-0.5**	**-0.6**	**-0.9**	**-0.7**	**-0.6**	**-0.4**	**-0.4**	**-0.2**	**-0.1**
Total	**2.8**	**6.7**	**4.2**	**5.0**	**-0.5**	**3.6**	**-3.0**	**3.4**	**-1.4**	**0.5**	**1.9**	**2.7**	**1.5**

Source: TRAI, MOFSL

Exhibit 3: Active subscriber market share (in %)

Active subscriber market share	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	35.7	35.7	35.7	35.7	35.7	35.9	36.0	35.9	35.9	35.8	36.0	36.3	36.4
VIL	20.3	20.1	19.9	19.7	19.4	19.3	19.1	19.1	19.0	19.0	18.8	18.6	18.4
RJio	38.7	38.9	39.2	39.5	39.7	39.7	40.0	40.1	40.4	40.5	40.5	40.5	40.6
Top Three players	**94.7**	**94.8**	**94.8**	**94.9**	**94.9**	**95.0**	**95.1**	**95.2**	**95.2**	**95.3**	**95.3**	**95.3**	**95.4**
Other players	**5.3**	**5.2**	**5.2**	**5.1**	**5.1**	**5.0**	**4.9**	**4.8**	**4.8**	**4.7**	**4.7**	**4.7**	**4.6**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Exhibit 4: Growth in gross subscribers remains strong

Gross subscriber base (m)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	370	371	371	372	374	375	376	378	378	380	382	382	384
VIL	238	237	234	231	230	228	228	228	225	224	223	222	221
RJio	427	430	433	436	439	442	446	449	452	456	460	464	468
Top Three players	**1035**	**1038**	**1038**	**1040**	**1042**	**1046**	**1050**	**1055**	**1056**	**1060**	**1065**	**1068**	**1072**
Other players	**107**	**106**	**105**	**104**	**102**	**100**	**98**	**96**	**95**	**94**	**94**	**93**	**93**
Total	**1142**	**1144**	**1143**	**1143**	**1144**	**1146**	**1148**	**1150**	**1151**	**1154**	**1158**	**1161**	**1165**

Source: TRAI, MOFSL

Exhibit 5: In terms of gross subscribers, RJio/Bharti gained, while VIL declined

Gross subscriber net adds (m)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	1.0	1.0	0.1	1.3	1.4	1.5	1.2	1.3	0.4	1.7	1.9	0.8	1.5
VIL	-2.0	-1.2	-3.0	-2.8	-1.3	-1.3	0.0	-0.7	-2.0	-1.1	-1.4	-1.5	-1.0
RJio	1.0	3.1	3.0	3.0	2.3	3.9	3.2	3.5	3.2	3.4	4.0	4.2	3.6
Top Three players	**0.0**	**2.9**	**0.1**	**1.6**	**2.4**	**4.1**	**4.4**	**4.0**	**1.5**	**4.1**	**4.5**	**3.4**	**4.1**
Other players	**-1.0**	**-0.9**	**-0.9**	**-1.5**	**-2.0**	**-1.4**	**-2.2**	**-2.3**	**-0.6**	**-0.9**	**-0.2**	**-1.2**	**-0.2**
Total	**-1.1**	**2.0**	**-0.8**	**0.1**	**0.4**	**2.7**	**2.2**	**1.7**	**0.8**	**3.2**	**4.3**	**2.2**	**3.9**

Source: TRAI, MOFSL

Exhibit 6: RJio continued to gain market share

Gross subscriber market share (%)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	32.4	32.4	32.5	32.6	32.7	32.7	32.8	32.8	32.9	32.9	33.0	33.0	33.0
VIL	20.8	20.7	20.4	20.2	20.1	19.9	19.9	19.8	19.6	19.4	19.3	19.1	18.9
RJio	37.4	37.6	37.9	38.2	38.4	38.6	38.8	39.1	39.3	39.5	39.7	40.0	40.1
Top Three players	**90.6**	**90.7**	**90.8**	**90.9**	**91.1**	**91.3**	**91.5**	**91.7**	**91.7**	**91.9**	**91.9**	**92.0**	**92.1**
Other players	**9.4**	**9.3**	**9.2**	**9.1**	**8.9**	**8.7**	**8.5**	**8.3**	**8.3**	**8.1**	**8.1**	**8.0**	**7.9**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Exhibit 7: 4G subscriber base continued to increase

MBB subscriber base (m)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	234	236	238	240	242	244	247	251	251	255	257	260	262
VIL	124	125	124	124	125	124	126	127	126	127	127	127	127
RJio	427	430	433	436	439	442	446	449	452	456	460	464	468
Top Three players	**785**	**791**	**795**	**800**	**805**	**811**	**818**	**826**	**829**	**838**	**844**	**851**	**856**
Other players	21	21	21	21	20	20	21	21	21	20	21	21	20
Total	**805**	**812**	**816**	**821**	**825**	**832**	**839**	**847**	**850**	**858**	**865**	**871**	**876**

Source: TRAI, MOFSL

Exhibit 8: 4G subscriber additions remained strong

MBB subscriber net adds (m)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	2.2	2.0	2.3	2.1	1.3	2.9	2.6	3.6	0.5	4.0	2.3	2.4	2.3
VIL	-1.3	1.1	-1.3	0.0	1.3	-0.6	1.3	1.0	-0.8	1.0	0.7	-0.5	-0.2
RJio	1.0	3.1	3.0	3.0	2.3	3.9	3.2	3.5	3.2	3.4	4.0	4.2	3.6
Top Three players	**1.9**	**6.2**	**4.1**	**5.2**	**4.9**	**6.2**	**7.1**	**8.0**	**2.9**	**8.4**	**6.9**	**6.1**	**5.6**
Other players	-1.5	0.4	0.0	0.2	-0.9	-0.1	0.5	0.0	0.0	-0.4	0.4	0.0	-0.5
Total	**0.5**	**6.6**	**4.1**	**5.3**	**4.0**	**6.1**	**7.6**	**8.0**	**2.8**	**8.0**	**7.3**	**6.0**	**5.2**

Source: TRAI, MOFSL

Exhibit 9: 4G subscriber market share

MBB subscriber market share	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Bharti	29.0	29.0	29.2	29.2	29.3	29.4	29.4	29.6	29.5	29.7	29.7	29.8	29.9
VIL	15.4	15.4	15.1	15.0	15.1	14.9	15.0	14.9	14.8	14.8	14.7	14.5	14.4
RJio	53.0	53.0	53.1	53.1	53.1	53.2	53.1	53.0	53.2	53.1	53.1	53.3	53.4
Top Three players	**97.4**	**97.4**	**97.4**	**97.4**	**97.5**	**97.6**	**97.5**	**97.5**	**97.5**	**97.6**	**97.6**	**97.6**	**97.7**
Other players	2.6	2.6	2.6	2.6	2.5	2.4	2.5	2.5	2.5	2.4	2.4	2.4	2.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Exhibit 10: MNP requests remained elevated

Mobile Number Portability (m)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Request submitted	11.2	11.7	11.0	11.5	10.9	11.8	12.7	12.7	12.7	12.0	12.4	12.4	11.5
Cumulative request submitted	808.0	819.7	830.7	842.1	853.0	864.8	877.4	890.1	902.8	914.8	927.2	939.6	951.1
% to active subscribers	1.1%	1.1%	1.1%	1.1%	1.0%	1.1%	1.2%	1.2%	1.2%	1.1%	1.2%	1.2%	1.1%

Source: TRAI, MOFSL

Imagicaa World Entertainment : Aims to make it Asset light model; Jai Malpani, MD

- Post Merger will have 7 parks; 1 park under construction
- Four Parks : Revenue of Rs125 cr & 75cr EBITDA +60% of acquisition will be funded through internal accruals ; 40% through debt and equity
- Currently at 2.8 million combined annual footfalls
- Planning to make an asset light model

Read More

Sheela Foam; Demand of international market still oscillating; Rahul Gautam, Executive Chairman

- Still 6 months till the real estate tailwinds plays out for the mattress industry
- Q2FY25 onwards will start seeing improved trends due to real estate uptick
- Full blown impact of the synergies will be seen in 10-12 months for kurlon
- At a Rs 1000cr run rate for kurlon and expect to achieve by end of calendar year

Read More

SBI : Expecting better credit growth numbers in FY25; Dinesh Khara, Chairman

- We should be in a position to maintain net interest margin at current levels
- Banks were keeping as much as Rs 50,000 cr of extra liquidity
- We are in the last leg where corporates have started investing
- Based on current environment, we should get to see better credit growth numbers in FY25

Read More

Bandhan Bank : Business Momentum has picked up in 2023-2024; CS Ghosh, MD &CEO

- After giving 24 years at Bandhan, will be taking up strategic role in the holdco
- Would like to guide team on strategic growth direction over the next 3 months
- Business momentum has picked up in 2023-2024
- 2023-2024 was a year of fantastic biz momentum along with slippage control

Read More

Embassy Group ; Aims to invest Rs1,160 cr in Indiabulls Real Estate; Jitendra Virwami, MD

- Merger between Embassy & Indiabulls real estate is pending at NCLAT level
- Will raise fund for project additions
- Aims to invest Rs1,160 cr in Indiabulls Real Estate
- Disappointed with the chandigarh NCLT decision on merger, next hearing for the merger is slated on April 24

Read More

NOTES

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

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

Disclosures:
The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

MOFSL, it's associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and it's associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:
a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
(b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.
To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:
This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification
The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	**Companies where there is interest**
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)
This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:
This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.
MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under

applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.