Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	75,391	0.0	4.4
Nifty-50	22,932	-0.1	5.5
Nifty-M 100	52,762	0.6	14.2
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,305	0.0	11.2
Nasdaq	16,921	0.0	12.7
FTSE 100	8,318	0.0	7.6
DAX	18,775	0.4	12.1
Hang Seng	6,688	1.3	15.9
Nikkei 225	38,900	0.7	16.2
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	80	0.0	3.0
Gold ($/OZ)	2,351	0.7	14.0
Cu (US$/MT)	10,205	0.0	20.6
Almn (US$/MT)	2,617	0.0	11.6
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	83.1	0.1	-0.1
USD/EUR	1.1	0.1	-1.6
USD/JPY	156.9	-0.1	11.2
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.0	-0.01	-0.1
10 Yrs AAA Corp	7.6	0.00	-0.2
Flows (USD b)	**27-May**	**MTD**	**CYTD**
FIIs	-0.1	-3.04	-2.7
DIIs	0.11	5.11	23.4
Volumes (INRb)	**27-May**	**MTD***	**YTD***
Cash	1,306	1142	1174
F&O	3,02,230	3,30,197	3,78,263

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

The Corner Office| Canara Bank: Earnings growth to sustain at 15-18%

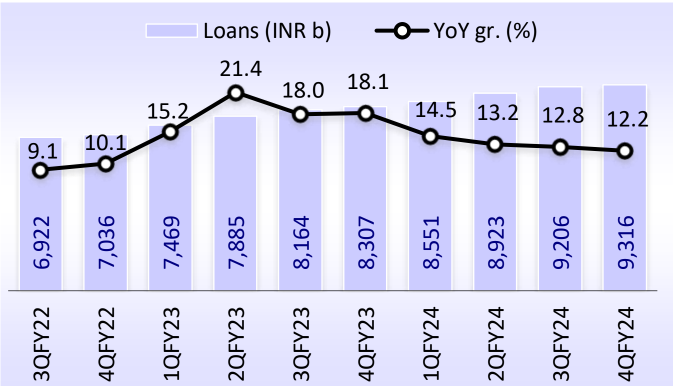
- Canara Bank has been reporting a healthy performance, with earnings driven by steady revenue growth and controlled provisions. With a comfortable CD ratio, it is well positioned to grow its loan book with a continued focus on high-yielding RAM segments, especially, housing finance and vehicle loans.
- Management expects NIM to remain range-bound as the company remains watchful of potential monetary easing and the associated impact on lending yields, even as a high mix of MCLR loans places the bank in an advantageous position over the medium term.
- Asset quality improvement is likely to continue with slippages sustaining at ~1.2%, while recoveries and upgrades continue to outperform slippages, thus keeping credit costs under control. We estimate return ratios to remain steady with RoA improving to 1.1% by FY26E, supported by 12% CAGR in loan growth. **We reiterate our BUY rating on the stock with a revised TP of INR140 (premised on 1.2x FY26E ABV).**

Research covered

Cos/Sector	Key Highlights
The Corner Office: Canara Bank	Earnings growth to sustain at 15-18%
Bosch	4Q performance hit by weak demand for CVs and tractors
United Spirits	Operationally in line; maintains double-digit growth guidance
Aurobindo Pharma	Highest quarterly EBITDA margin over past 5 years
Other Updates	Nalco | Glenmark Pharma | Cello World | Happy Forgings | JK Lakshmi Cement | NMDC

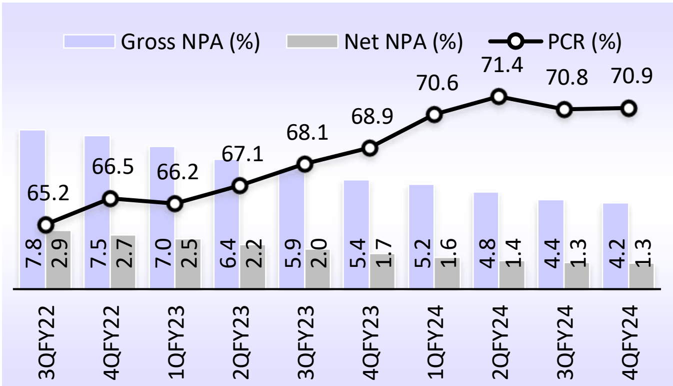
Chart of the Day: Canara Bank (Earnings growth to sustain at 15-18%)

Loan book grew ~12% YoY (up 1.2% QoQ)



Source: MOFSL, Company

GNPA/NNPA ratio improved to 4.2%/1.3%



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Govt to get Rs 3,662 crore as dividend for being's LIC's largest shareholder

The country's largest insurer on May 27 declared an interim dividend of Rs 6 per share

2

Vedanta is said to weigh $1 billion share sale as soon as June

Vedanta may raise the funds through a type of share sale known as a qualified institutional placement, once approved to do so by shareholders, the people said

3

India tightens permissible wastage norms for jewellery export

India has revised the permissible wastage amount for gold, platinum, and silver content in various categories of exports of jewellery items. The Directorate General of Foreign Trade (DGFT) amended the percentage of wastage by weight in plain jewellery to 0.5% for gold and platinum, and studded jewellery to 0.75%.

4

General insurers expect premium income growth of 32 pc to Rs 3.7 lakh cr by FY26: Report

The industry's GDPI saw a robust 15.5 per cent year-on-year (YoY) expansion in 2023-24, rising to Rs 2.79 lakh crore on the health segment, it said. Apart from this, the report said that the growth in the motor segment was healthy, supported by the increase in new vehicle sales

5

ONGC's high investments to delay deleveraging: S&P

ONGC's integrated operations will support earnings resilience

6

Indian pharmaceutical companies likely to cash in on US drug shortages

US drug shortages hit a decade-high of 323 across 22 therapies in the March quarter of 2024

7

Rain-fed areas likely to receive 'above-normal' monsoon, says IMD

Says monsoon may hit Kerala in 5 days, heatwave in the North to abate by month-end

Earnings growth to sustain at 15-18%

Asset quality outlook remains robust

We met with the top management team of Canara Bank, represented by Mr. K Satyanarayana Raju – MD & CEO, Mr. Ashok Chandra, Mr. Bhavendra Kumar, Mr. Debashish Mukherjee, and Mr. Hardeep Ahluwalia – Executive Directors, to discuss the bank's business outlook, profitability goals, and other key focus areas. Here are the key takeaways from the discussion:

Canara Bank

Mr. K Satyanaryana Raju, MD & CEO

Mr. Raju took charge as the MD & CEO of Canara Bank on Feb'23. He has over three decades of experience in financial services. Mr. Raju joined the erstwhile Vijaya Bank in 1988 and rose to the level of CGM in Bank of Baroda, where he headed the operations and services departments. Prior to taking charge as the MD & CEO, he was the ED of Canara Bank. Mr. Raju is a graduate and a

Loan growth to remain healthy; mix of RAM to improve further

Canara Bank has exhibited healthy loan growth, driven by sustained momentum in Retail, Agriculture, and MSME. It reported a 15% CAGR in loans over FY22-24 to INR9.3t, with the share of the RAM segment rising to 56.4% in FY24. Management reiterated its focus on further increasing the mix of high-yielding RAM asset books, and aims to raise the share to 58%. The domestic business constituted ~95% of the overall loan book and stood at INR9.1t in FY24. The bank has a healthy corporate pipeline of INR520b under discussion, with ~INR220b already sanctioned, and it is focusing on the pending proposals from infrastructure, green energy, steel, power, and data center industries. Additionally, the bank has taken a prudent call to unwind INR600b of corporate loans given at a lower rate of interest, which involved offloading a portion of this book amounting to ~INR150-160b in FY24. While there is a strong demand in the NBFC lending space, management has exercised a cautious view, reduced its exposure by ~INR70b in FY24, and passed on the increase in RWA burden to NBFC borrowers. The bank anticipates ~10-12% YoY credit growth in FY25, with corporate growth at ~10%, even as the management will continue reorganizing the corporate book to improve overall book yields.

Focus remains on the improving mix of CASA & retail deposits; NIM to remain range-bound

Canara Bank has delivered ~10% CAGR in deposits over FY22-24, though the CASA mix remained relatively lower vs. peer banks at ~32% in FY24. Management remains focused on increasing the mix of CASA deposits and aims to take this ratio to 35%. The bank has thus initiated various campaigns and taken steps to ramp up growth in CASA deposits, aiming to achieve a CASA ratio of 33% in FY25. The bank stands to benefit from any potential rate cuts in the near future, as a significant portion of its book (~52%) is linked to MCLR, with 38% linked to RLLR and the remainder consisting of fixed-rate, staff loans, and others. Management thus expects lending yields to remain broadly stable, while gradual moderation in funding costs will cushion margins. That being said, management indicated 1HFY25 margins to be slightly better than 2H, as the RBI's monetary easing may have an immediate impact on lending yields for all banks, and this will depend on the extent and timing of rate cuts. The bank anticipates its deposit base to grow at a healthy ~9-10%, driven by retail deposits via CASA and retail TDs. With a current CD ratio of 71%, the bank has sufficient room in place to further boost loan growth and is eyeing an optimal CD ratio of ~76%.

The RBI's draft circular on project finance to have a limited impact

Canara Bank has a limited exposure to project finance loans at ~INR600b. The bank anticipates a minimal impact as it has limited exposure to under-construction projects and suggests a total provisioning impact of ~INR12-13b if the guidelines are stringently followed. The bank plans to transfer 90% of the burden to the borrowers and will vigilantly monitor the developments to mitigate the potential impact of the regulatory changes.

Branch rationalization and digitalization to help contain the cost ratios

Canara Bank has seen an expansion in the yield on advances to 8.7%, driven by the rising share of the RAM segment. However, elevated interest rates have led to an increase in the cost of funds to 5% in 4QFY24. Despite this, NIM stood at 3.05%, remaining within the upper end of the management's guided range of 2.9-3.0%. The opex run rate has been high as the bank made additional provisions in FY24 for a 17% wage hike settlement, resulting in a higher C/I ratio of ~47% in FY24. Looking ahead, the bank expects a modest ~9-10% increase in opex, leading to a moderation in C/I ratio to the range of 45-47% in FY25. Further, the rationalization of branches, with a focus on increasing the business per branch and prioritizing digital and technological advancements, will boost operational efficiencies and result in a moderation in cost ratios.

Asset quality steady; recoveries and upgrades will continue to outpace slippages

Canara Bank's asset quality has been improving steadily, marked by a consistent decline in NPA ratios, with GNPA decreasing ~330bp to 4.2% over the past two years. Conversely, NNPA was down ~145bp to 1.3% over the same period. The improving asset quality has enabled lower credit costs with the same declining to ~66bp in FY24. The bank has also increased its PCR from 76% in FY20 to 89% in FY24 (including TWO) and aims to further raise it to 95%. About INR650-750b still remain in the TWO pool, and the bank aims to recover a minimum of INR40b from this pool, with efforts being focused on maximizing recoveries. Along with healthy recovery rates, the bank expects fresh slippages to remain under control, anticipating recoveries and upgrades to outpace the slippages in FY25 as well. We believe that improvements in underwriting standards, negligible SMA book, and higher provisions on stressed accounts should aid asset quality and it will support earnings. Management thus suggested for a credit cost of ~1.1%.

Other highlights:

- **Subsidiaries related:** 1) Canara Bank is set to transform its existing subsidiary into a dedicated credit card subsidiary, with ambitions to establish a base of 10m cards. It will get approval within 15-20 days and may start functioning on 1st Oct'24; 2) another focus is on the Canara Venture Fund that was not active for some time, but now the bank is focusing on the same; 3) Canbank Computer Services, a subsidiary, will now become a wholly-owned entity of Canara Bank, following the acquisition of KVB's stake in it; 4) looking ahead, management has plans to list Canara Robecco Asset Management and Canara HSBC Life Insurance with an estimated timeframe of 2HFY25 and 1HFY26, respectively.
- Canara Bank plans to open 200 branches in FY25, with consistent yearly run-rate going forward.
- The bank is leveraging direct Staff Engagement to drive 86% of the business, leading to lower opex vs. third-party channels.
- The ECL requirement for the bank is not as critical now because the RBI is implementing other regulations (increase in risk weight, provisions on project financing exposure, etc.) that address this issue, and the bank has already set aside provisions for it.
- **The bank expects ~8-10% operating profit growth and 15-18% net profit growth.** The bank believes that it is well capitalized and strong internal accruals will be sufficient enough to support its growth requirements.

Valuations and view: Reiterate BUY with a TP of INR140

Canara Bank has been reporting a healthy performance, with earnings driven by steady revenue growth and controlled provisions. With a comfortable CD ratio, it is well positioned to grow its loan book with a continued focus on high-yielding RAM segments, especially, housing finance and vehicle loans. Management expects NIM to remain rangebound as the company remains watchful of potential monetary easing and the associated impact on lending yields, even as a high mix of MCLR loans places the bank in an advantageous position over the medium term. Asset quality improvement is likely to continue with slippages sustaining at ~1.2%, while recoveries and upgrades continue to outperform slippages, thus keeping credit costs under control. Canara Bank delivered FY24 RoA/RoE of 1.0%/20%. We estimate return ratios to remain steady with RoA improving to 1.1% by FY26E, supported by 12% CAGR in loan growth. **We reiterate our BUY rating on the stock with a revised TP of INR140 (premised on 1.2x FY26E ABV).**

Bosch

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BOS IN
Equity Shares (m)	29
M.Cap.(INRb)/(USDb)	931 / 11.2
52-Week Range (INR)	32230 / 17925
1, 6, 12 Rel. Per (%)	7/34/43
12M Avg Val (INR M)	778

Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Sales	167.3	191.4	214.8
EBITDA	20.9	27.3	31.8
Adj. PAT	18.3	24.2	28.0
EPS (INR)	620.5	821.1	950.9
EPS Gr. (%)	28.5	32.3	15.8
BV/Sh. (INR)	4,091	4,527	5,058
Ratios			
RoE (%)	15.9	19.1	19.8
RoCE (%)	20.6	24.3	25.2
Payout (%)	44.4	46.9	44.2
Valuations			
P/E (x)	50.9	38.5	33.2
P/BV (x)	7.7	7.0	6.2
Div. Yield (%)	1.2	1.2	1.3
FCF Yield (%)	1.0	1.6	1.8

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	70.5	70.5	70.5
DII	17.2	17.3	16.8
FII	4.1	3.7	3.7
Others	8.2	8.5	9.0

FII Includes depository receipts

CMP:INR31,566 TP: INR28,585 (-9%) Neutral

4Q performance hit by weak demand for CVs and tractors

Industry growth likely to moderate in CY24

- BOS's 4QFY24 performance was operationally weak as revenue/EBITDA came in lower at INR42.3b/INR5.6b (est. INR45.7b/INR6.3b). However, higher other income and lower tax led to PAT beat. The management expects FY25 revenue growth to be similar to FY24 levels.
- We raise our FY25E/FY26E EPS by ~1%/5% to factor in higher other income and lower tax. After the recent run-up, the stock at ~38.5x/33.2x FY25E/FY26E EPS appears fairly valued. **We reiterate our Neutral stance on BOS with a TP of INR28,585 (based on ~30x FY26E EPS).**

Weak tractor demand dents growth for mobility division

- Revenue/EBITDA/adj. PAT rose 4%/7%/42% YoY to INR42.3b/INR5.6b/ INR5.6b in 4QFY24 (vs. est. INR45.7b/INR6.2b/INR4.8b). FY24 revenue/ EBITDA/adj. PAT grew 13%/21%/25% YoY.
- Mobility business grew by ~2.7% YoY, driven by 9.4% growth in mobility aftermarket division and 17.6% growth in 2Ws. Power solutions remained relatively flat. Consumer goods and building technologies grew ~16%/17% YoY.
- Gross margins contracted 150bp YoY (-320bp QoQ) to 34.5%, driven by a weaker mix. Lower gross margin was partially offset by lower other expenses as EBITDA margins grew 30bp YoY (-60bp QoQ) to 13.2% (est. 13.6%).
- PBIT margins for the mobility division expanded ~180bp YoY to 13.9%, while it declined 100bp YoY for non-mobility to 11.4%.
- Further, higher other income and lower tax resulted in a beat in adj. PAT, which came in at INR5.6b (est.INR4.8b), up ~41.5% YoY. CFO/FCF for the year grew ~3%/61% YoY.
- BOS declared a dividend of INR375/share for FY24 (vs. INR480 for FY23).

Highlights from the management commentary

- **Outlook:** Given the high base for most segments, the management expects overall auto industry growth to moderate in CY24. It expects FY25 revenue growth to be similar to FY24 levels. While it expects 1Q to be much slower due to elections, demand is expected to pick up from 2Q onward.
- Hydrogen ICE technology is currently undergoing design maturity with most OEMs. Most of the OEM partners are currently testing/running products based on Hydrogen ICE either within their facility or on the road for testing. BOS expects penetration of this technology in CVs in India at 10-15% by 2030.
- **Localization:** BOS continues to have varied levels of content localization ranging from 90-95% for some matured products to 30-60% for others. OEMs continue to encourage localization and have already decided to localize EGT solution and its SOP would be Apr'25.

- **Update on EV orders:** BOS has indicated that it has a good share of orders in 2W EVs. It is also in serious discussions with multiple OEMs for the supply of e-axles and electronics for EVs.

Valuation and view

- We believe BOS would be outperforming the underlying auto industry growth with new order wins and content increases. We expect BOS to deliver a 24% earnings CAGR over FY24-26E (on the back of 13% revenue CAGR).
- We increase our FY25E/FY26E EPS by ~1%/5% to factor in higher other income and lower tax. After its recent run-up, the stock at ~38.5x/33.2x FY25E/FY26E EPS appears fairly valued. **Hence, we reiterate our Neutral rating with a TP of INR28,585 (premised on ~30x FY26E EPS).**

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

Y/E March	FY23				FY24				FY23	FY24	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
Net Sales	**35,444**	**36,616**	**36,599**	**40,634**	**41,584**	**41,301**	**42,052**	**42,334**	**1,49,293**	**1,67,271**	**45,712**
YoY Change (%)	45.1	25.5	17.7	22.7	17.3	12.8	14.9	4.2	26.7	12.0	12.5
RM Cost (% of sales)	64.6	64.9	60.0	64.0	64.5	66.8	62.3	65.5	63.4	64.8	63.0
Staff Cost (% of sales)	7.6	7.5	7.4	8.1	7.4	8.1	7.9	8.5	7.7	8.0	7.7
Other Expenses (% of sales)	15.6	16.4	23.3	15.9	17.9	13.2	16.0	12.8	16.8	14.7	15.8
EBITDA	**4,495**	**4,311**	**4,037**	**5,224**	**4,679**	**4,913**	**5,784**	**5,572**	**18,067**	**20,948**	**6,212**
Margins (%)	12.7	11.8	11.0	12.9	11.3	11.9	13.8	13.2	12.1	12.5	13.6
Depreciation	648	919	1,083	1,206	921	1,013	1,173	1,188	3,856	4,295	1,245
Interest	36	19	20	46	308	122	39	39	121	508	51
Other Income	566	1,497	1,312	1,359	1,875	1,542	1,548	2,262	4,734	7,227	1,593
PBT before EO expense	**4,377**	**4,870**	**4,246**	**5,331**	**5,325**	**5,320**	**6,120**	**6,607**	**18,824**	**23,372**	**6,509**
Extra-Ord expense	0	0	0	0	0	-7,850	-588	0	0	-8,438	0
PBT after EO Expense	**4,377**	**4,870**	**4,246**	**5,331**	**5,325**	**13,170**	**6,708**	**6,607**	**18,824**	**31,810**	**6,509**
Tax	1,035	1,146	1,057	1,341	1,235	3,181	1,527	962	4,579	6,905	1,668
Tax Rate (%)	23.6	23.5	24.9	25.2	23.2	24.2	22.8	14.6	24.3	21.7	25.6
Reported PAT	**3,342**	**3,724**	**3,189**	**3,990**	**4,090**	**9,989**	**5,181**	**5,645**	**14,245**	**24,905**	**4,841**
Adj PAT	**3,342**	**3,724**	**3,189**	**3,990**	**4,090**	**3,843**	**4,721**	**5,645**	**14,245**	**18,058**	**4,841**
YoY Change (%)	28.7	0.1	35.7	13.8	22.4	3.2	48.0	41.5	17.0	26.8	21.3

E: MOFSL Estimates

Segmental Mix (INR m)

	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Auto	31,092	31,505	32,399	34,165	36,232	35,708	36,522	35,114	1,29,161	1,43,576
Growth (%)	44.7	29.3	18.2	26.0	16.5	13.3	12.7	2.8	28.7	11.2
PBIT margin (%)	13.6	12.1	11.2	12.1	10.9	12.5	14.2	13.9	12.2	12.9
Contribution (%)	87.7	86.0	88.6	84.1	87.1	86.5	86.8	82.9	86.5	96.2
Non-Auto	4,388	5,237	4,464	6,684	5,424	5,634	5,764	7,256	20,787	24,078
Growth (%)	48.0	5.1	8.6	6.2	23.6	7.6	29.1	8.6	14.5	15.8
PBIT margin (%)	9.8	12.6	11.7	12.4	16.4	9.3	13.5	11.4	11.8	12.5
Contribution (%)	12.4	14.3	12.2	16.4	13.0	13.6	13.7	17.1	13.9	16.1
a) Consumer goods	3,188	3,528	2,547	4,757	3,754	3,897	3,336	5,237	14,034	16,224
Growth (%)	52.2	(0.3)	5.2	(1.1)	17.8	10.5	31.0	10.1	10.9	15.6
PBIT margin (%)	5.8	11.1	6.2	8.9	15.5	7.2	11.7	11.5	8.2	11.4
b) Others	1,200	1,709	1,917	1,927	1,670	1,737	2,428	2,019	6,753.0	7,854.0
Growth (%)	38.1	18.1	13.3	29.7	39.2	1.6	26.7	4.8	22.9	16.3
PBIT margin (%)	20.4	15.9	19.0	21.2	18.3	14.0	16.1	11.2	19.1	14.8
Total Revenue (post inter segment)	35,444	36,616	36,585	40,634	41,584	41,301	42,052	42,334	1,49,293	1,67,271
Growth (%)	45.1	25.5	16.9	22.7	17.3	12.8	14.9	4.2	26.8	12.0

E:MOFSL Estimates

United Spirits

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	UNSP IN
Equity Shares (m)	727
M.Cap.(INRb)/(USDb)	842.1 / 10.1
52-Week Range (INR)	1246 / 851
1, 6, 12 Rel. Per (%)	-6/-5/11
12M Avg Val (INR M)	1046

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	106.9	117.1	127.7
Sales Gr. (%)	3.1	9.5	9.1
EBITDA	17.1	19.4	21.5
Margin (%)	16.0	16.6	16.9
PAT	13.1	13.9	15.5
EPS (INR)	18.1	19.1	21.4
EPS Gr. (%)	42.7	5.3	12.1
BV/Sh.(INR)	95.8	114.9	136.3
Ratios			
RoE (%)	18.9	16.6	15.7
RoCE (%)	26.2	23.7	22.3
Payout (%)	38.6	47.2	56.1
Valuations			
P/E (x)	61.0	58.0	51.7
P/BV (x)	11.5	9.6	8.1
EV/EBITDA (x)	45.7	40.1	35.6

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	56.7	56.7	56.7
DII	12.3	12.5	12.7
FII	16.7	16.2	15.4
Others	14.4	14.6	15.2

FII Includes depository receipts

CMP: INR1,158 TP: INR1,200 (+4%) Neutral

Operationally in line; maintains double-digit growth guidance

- United Spirits (UNSP) registered a 6.9% YoY revenue growth (est. 3.9%). The Prestige & Above (P&A) segment grew 6.5% YoY, with volume growth of 3.7% YoY (10% four-year CAGR). The popular segment posted 3.3%/4.0% YoY value/volume growth.
- The premiumization trends in the liquor category (post-Covid) continued to drive the P&A portfolio. Scotch continued to outpace the P&A portfolio. Pricing strategies have also played a significant role in achieving better value growth. The company remains committed to driving double-digit growth going forward.
- Gross margin contracted 200bp YoY, while it was flat QoQ at 43.3%. GM is still far-off from the 48-49% levels achieved in FY18-19. After witnessing high RM inflation in the last 3-4 years, glass prices are likely to stabilize, but ENA inflation remained firm (+11% YoY). We model a GM of 44% for FY25/FY26 each.
- EBITDA margin remained flat YoY at 13.6%, with EBITDA rising 7% YoY (in line). We model a 17% EBITDA margin for FY25/FY26 each, factoring in expectations of stable raw material inflation, sustained favorable product mix, and effective cost-control measures.
- Other income spiked to INR2,290m from INR169m/INR461m in 4QFY23/3QFY24. Royal Challenge Sports paid a dividend of INR1,250m along with an additional non-recurring component of INR750m (interest on tax refunds).
- We value UNSP's standalone EPS at 50x Mar'26E and include INR150/share for its RCB+ non-core assets to arrive at our **TP of INR1,200**. **With limited upside, we reiterate our Neutral rating on the stock.**

In-line EBITDA; higher other income leads to a beat on PAT

- **Volume growth in single digit:** Standalone net sales rose 7% YoY to INR26.7b (est. of INR25.9b), with P&A revenue increasing 7% YoY (88% revenue mix). Popular revenue grew 3% YoY. Volume growth was 3.7%, with P&A volume rising 3.7% YoY to 12.4m cases (est. 12.3m cases). The Popular portfolio saw 4% volume growth to 3.2m cases (est. 2.9m cases).
- **Weak margin print:** Gross margin contracted 200bp YoY/ flat QoQ to 43.3%. (est. 43.2%). Employee and other expenses were up by 10% and 2% YoY, while A&P was down by 5% YoY. As a % of sales, advertising costs declined 160p YoY to 12%, while staff costs rose 10bp to 5%; other expenses dipped 60bp YoY to 12%. EBITDA margin was flat YoY at 13.6% (est. 14.0%); while it contracted 300bp QoQ. EBITDA grew 7% YoY to INR3.6b (est. INR3.6b).
- **Exceptionally high other income:** D&A was up by 4%, interest was down by 19%. While other income was exceptionally high at INR2,290m vs. INR169m YoY and INR460m QoQ. Hence, PBT jumped 96% YoY to INR4.9b and PAT surged 92% to INR4.1b (est. INR2.4b).
- **In FY24,** net sales/EBITDA/Adj. PAT rose 3%/20%/43% YoY. Net sales (on rebased FY23) grew 10.5% YoY. In FY24, P&A clocked a value/volume growth of 12%/5% YoY, while Popular (on rebased) reported a value/volume decline of 2.5%/11.2% YoY.

Highlights from the management commentary

- Demand continued to moderate and remained slower than two years ago. However, the last couple of quarters showed slight improvement.
- Premiumization within the broader segment led to upgrades to P&A products. As a result, the share of P&A products increased to 89% in FY24 from 84% in FY21.
- Other income was primarily generated from dividends received (from the Royal Challenge Sports subsidiary amounting to INR1,250m) and interest earned on income tax refunds of INR750m.
- ENA inflation was ~11-12%. While it appears stable in the current quarter, the medium-to-long-term trend remains inflationary due to fuel-blending targets and policy factors.
- Glass experienced a deflation in 4QFY24 and is expected to remain deflationary in the next few quarters as well.
- The company will continue to drive its double-digit growth guidance.

Valuation and view

- With consistent improvement in gross and EBITDA margins, we raise our FY25/ FY26 EPS estimates by 4%/5%. We model an EBITDA margin of 17% each for FY25/FY26E (FY24 EBITDA margin was at 16%).
- UNSP sold a large part of its popular portfolio to concentrate on its global strategy for the premium portfolio. The liquor industry is currently experiencing an upgrading trend, aligning well with UNSP's renewed emphasis on P&A, which fits into the long-term liquor upgrading narrative in India.
- We value UNSP's standalone EPS at 50x Mar'26E and include INR150/share for its RCB+ non-core assets to arrive at our **TP of INR1,200**. **With limited upside, we reiterate our Neutral rating on the stock**.

Quarterly Performance (INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24	Var.
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Volume growth %	**17.9**	**8.3**	**-25.0**	**-27.3**	**5.8**	**1.0**	**-1.8**	**3.7**	**8.7**	**1.9**	**0.8**	
Total revenues	**21,946**	**29,042**	**27,811**	**24,938**	**21,719**	**28,647**	**29,893**	**26,660**	**1,03,737**	**1,06,920**	**25,911**	2.9%
YoY change (%)	35.9	18.7	-3.4	-0.3	-1.0	-1.4	7.5	6.9	10.1	3.1	3.9	
Gross Profit	**8,974**	**11,449**	**11,281**	**11,315**	**9,474**	**12,437**	**12,979**	**11,550**	**43,019**	**46,440**	11,189	3.2%
Margin (%)	*40.9*	*39.4*	*40.6*	*45.4*	*43.6*	*43.4*	*43.4*	*43.3*	*41.5*	*43.4*	*43.2*	
Total Exp	19,241	24,618	24,133	21,558	17,868	23,946	24,979	23,040	89,550	89,840	22,283	
EBITDA	**2,705**	**4,424**	**3,678**	**3,380**	**3,851**	**4,701**	**4,914**	**3,620**	**14,187**	**17,080**	**3,628**	-0.2%
Margins (%)	*12.3*	*15.2*	*13.2*	*13.6*	*17.7*	*16.4*	*16.4*	*13.6*	*13.7*	*16.0*	*14.0*	
EBITDA growth (%)	*61.3*	*3.9*	*-24.9*	*-21.1*	*42.4*	*6.3*	*33.6*	*7.1*	*20.4*	*20.4*	*7.3*	
Depreciation	741	645	636	684	650	653	628	710	2,706	2,640	669	
Interest	226	210	243	360	193	262	164	290	1,039	910	153	
Other income	256	85	232	169	209	388	461	2,290	742	3,350	417	
PBT	**1,994**	**3,654**	**3,031**	**2,505**	**3,217**	**4,174**	**4,583**	**4,910**	**11,184**	**16,880**	**3,223**	52.3%
Tax	-339	1,947	415	353	814	1,068	1,102	760	2,376	3,740	811	
Rate (%)	-17.0	53.3	13.7	14.1	25.3	25.6	24.0	15.5	21.2	22.2	25.2	
Adj. PAT	**2,218**	**2,636**	**2,163**	**2,124**	**2,397**	**3,183**	**3,481**	**4,073**	**8,808**	**13,140**	**2,412**	68.8%
YoY change (%)	130.1	-3.5	-30.4	-24.2	8.1	20.7	61.0	91.7	-12.5	49.2	13.6	

E: MOFSL Estimate

Aurobindo Pharma

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ARBP IN
Equity Shares (m)	586
M.Cap.(INRb)/(USDb)	701 / 8.4
52-Week Range (INR)	1246 / 585
1, 6, 12 Rel. Per (%)	3/0/71
12M Avg Val (INR M)	2137

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	290.0	315.8	346.8
EBITDA	58.4	68.5	74.6
Adj. PAT	32.8	38.5	43.3
EBIT Margin (%)	14.9	16.1	16.4
Cons. Adj. EPS (INR)	56.0	65.6	73.8
EPS Gr. (%)	46.1	17.1	12.5
BV/Sh. (INR)	509.3	571.0	640.8
Ratios			
Net D:E	0.0	-0.1	-0.1
RoE (%)	11.6	12.2	12.2
RoCE (%)	10.7	10.8	11.2
Payout (%)	6.6	6.1	5.4
Valuations			
P/E (x)	21.9	18.7	16.6
EV/EBITDA (x)	12.3	10.0	9.0
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	-0.7	4.6	1.8
EV/Sales (x)	2.5	2.2	1.9

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	51.8	51.8	51.8
DII	23.3	20.6	15.1
FII	18.0	20.7	23.0
Others	6.9	6.9	10.1

FII Includes depository receipts

CMP: INR1,196 TP: INR1,300 (+9%) Neutral

Highest quarterly EBITDA margin over past 5 years

Broadening offerings/scaling up PEN-G project over medium term

- Aurobindo Pharma (ARBP) delivered better-than-expected 4QFY24 performance, led by strong traction in US generics and sustained benefit of reduced raw material prices. After two years of earnings decline, ARBP has delivered a strong 46% YoY growth in earnings in FY24.
- We raise our earnings estimate by 9%/6% for FY25/FY26, factoring in a) improved profitability due to the ramp-up of the Pen-G project, b) continued benefit from lower raw material prices, c) robust sales traction in growth markets. We value ARBP at 18x 12M forward earnings to arrive at a price target of INR1,300.
- We expect 15% earnings CAGR over FY24-26, driven by 12%/10% sales CAGR in the US/EU market and 140bp margin expansion. While ARBP continues to build its US generics pipeline, it is also progressing well on biosimilars and Pen-G project to drive better sales prospects and profitability. However, the current valuation of 19x FY25E EPS of INR66 and 17x FY26E EPS of INR74, leaves limited upside from current levels. Maintain Neutral.

Lower RM cost/better operating leverage drives margins YoY

- ARBP 4QFY24 sales grew 17% YoY to INR75.8b (our estimate: INR73b). Overall formulation sales grew 19% YoY to INR65.1b. US formulation revenue grew 17.8% YoY to INR35.9b (CC: +16.8% YoY to USD432m; 47% of sales). Europe formulation sales grew 10.4% YoY to INR18.3b (24% of sales). Sales in Growth Markets increased 44% YoY to INR8.5b (11% of sales). ARV revenue grew 50% YoY to INR2.4b (3% of sales). API sales was flat on a YoY basis to INR10b (13% of sales).
- Gross margin (GM) expanded 490bp YoY to 59.6%. Sequentially, GM improved 250bp.
- However, EBITDA margin expanded 680bp YoY to 22.3% (our est: 20.6%) due to lower 'other expense' (down 230bp YoY as a % of sales), offset by an increase in employee cost (40bp YoY as a % of sales).
- EBITDA was up 68% YoY to INR16.9b (our est: INR15b).
- Adjusting for a forex loss of INR143m and an exceptional item of INR1.2b, PAT grew at a higher rate of 96% YoY to INR10b (our est: INR7.2b), driven by a 21% YoY increase in other income.
- In FY24, Revenue/EBITDA/PAT grew 16.7%/44.9%/46.1% on a YoY basis to INR290b/INR58.4b/INR32.8b. Moreover, EBITDA margins expanded 390bp YoY to 20%.

Highlights from the management commentary

- ARBP aims to sustain the growth momentum and maintain its EBITDA margin of 21-22% for FY25.
- ARBP indicated that global injectable sales will sustain at USD150m per quarter, with muted YoY growth expected in FY25.

Quarterly performance (Consolidated) (INR b)

Y/E March	FY23				FY24				FY23	FY24	4QE	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				vs Est
Net Sales	**62.4**	**57.4**	**64.1**	**64.7**	**68.5**	**72.2**	**73.5**	**75.8**	**248.6**	**290.0**	**73.1**	**3.8%**
YoY Change (%)	9.4	-3.4	6.7	11.4	9.9	25.8	14.7	17.1	6.0	16.7	12.9	
EBITDA	**10.2**	**10.5**	**9.5**	**10.0**	**11.5**	**14.0**	**16.0**	**16.9**	**40.3**	**58.4**	**15.0**	**12.2%**
YoY Change (%)	-15.3	-11.3	-6.1	2.9	12.4	33.4	67.8	68.3	-8.1	44.9	50.0	
Margins (%)	16.4	18.3	14.9	15.5	16.8	19.4	21.8	22.3	16.2	20.1	20.6	
Depreciation	2.8	3.0	3.2	3.5	3.3	4.2	4.2	3.5	12.4	15.2	4.3	
EBIT	**7.5**	**7.5**	**6.3**	**6.6**	**8.2**	**9.9**	**11.8**	**13.3**	**27.9**	**43.2**	**10.7**	
YoY Change (%)	-19.8	-15.5	-11.7	-8.9	10.7	30.7	86.1	103.0	-14.5	54.9	63.5	
Interest	0.1	0.3	0.4	0.6	0.6	0.7	0.8	0.9	1.4	2.9	0.7	
Other Income	0.4	0.6	0.8	1.1	0.8	1.9	1.2	1.4	2.9	5.2	1.1	
PBT before EO expense	**7.7**	**7.9**	**6.7**	**7.1**	**8.5**	**11.0**	**12.2**	**13.8**	**29.4**	**45.5**	**11.1**	**24.4%**
Forex loss/(gain)	0.3	0.5	-0.1	-0.2	-0.4	0.3	-0.5	0.1	0.4	-0.4	0.0	
Exceptional (expenses)/income	-0.6	0.0	0.0	0.0	-0.7	0.0	0.0	-1.2	-0.6	-1.9	0.0	
PBT	**6.8**	**7.4**	**6.8**	**7.4**	**8.1**	**10.7**	**12.7**	**12.4**	**28.4**	**44.0**	**11.1**	**12.1%**
Tax	1.6	1.1	1.9	2.2	2.4	3.2	3.2	3.2	6.8	12.1	3.9	
Rate (%)	23.2	15.3	27.8	30.4	29.7	30.1	25.5	26.0	24.1	27.5	35.0	
Minority Interest	0.0	0.0	0.0	0.1	0.0	-0.1	0.1	0.1	0.1	0.1	0.0	
Reported PAT	**5.2**	**6.2**	**4.9**	**5.1**	**5.7**	**7.6**	**9.4**	**9.1**	**21.4**	**31.7**	**7.2**	**25.9%**
Adj PAT	**5.9**	**6.6**	**4.8**	**5.1**	**5.9**	**7.8**	**9.0**	**10.1**	**22.5**	**32.8**	**7.2**	**39.9%**
YoY Change (%)	-21.4	-4.5	-14.4	-10.3	0.9	17.2	87.4	96.3	-12.9	46.1	40.3	
Margins (%)	9.4	11.6	7.5	7.9	8.7	10.8	12.3	13.3	9.0	11.3	9.9	

E: MOFSL Estimates

Key performance Indicators (Consolidated) (INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
Formulations	**53.3**	**47.7**	**54.5**	**54.6**	**58.2**	**59.7**	**62.9**	**65.1**	**210.1**	**244.2**	**66.0**
YoY Change (%)	9.0	-7.6	9.2	11.4	9.2	25.1	15.4	19.3	5.4	16.2	20.9
ARV form.	3.8	1.6	2.5	1.6	1.9	2.5	1.8	2.4	9.5	8.7	2.9
YoY Change (%)	28.1	13.1	61.3	-32.6	-49.8	52.4	-28.7	49.7	14.5	-9.0	80.4
US generic form.	29.7	26.4	30.0	30.5	33.0	33.9	37.6	35.9	116.5	138.7	37.4
YoY Change (%)	10.8	-11.1	9.3	11.6	11.2	28.3	25.1	17.8	4.8	19.0	22.9
EU and ROW form.	19.8	19.7	22.0	22.5	23.2	23.3	23.6	26.8	84.0	96.8	25.7
YoY Change (%)	3.5	-3.9	5.2	16.6	17.4	18.5	7.0	19.2	5.2	15.3	14.0
APIs	**9.1**	**9.7**	**9.5**	**10.2**	**10.3**	**11.7**	**10.2**	**10.2**	**38.5**	**42.4**	**8.3**
YoY Change (%)	11.6	24.1	-5.5	11.4	14.0	20.3	7.1	0.2	9.5	10.2	-18.2
Cost Break-up											
RM Cost (% of Sales)	46.3	41.0	45.4	45.3	46.1	44.8	42.9	40.4	44.3	43.5	43.2
Staff Cost (% of Sales)	14.1	15.1	14.4	13.2	13.9	13.2	13.5	13.5	14.2	13.5	13.4
R&D Expenses(% of Sales)	5.0	4.8	6.5	6.3	5.7	4.2	5.4	5.2	5.7	5.1	5.2
Other Cost (% of Sales)	18.2	20.7	18.9	19.7	17.6	18.3	16.5	18.7	19.6	17.5	17.6
Gross Margins(%)	53.7	59.0	54.6	54.7	53.9	55.2	57.1	59.6	55.7	56.5	56.8
EBITDA Margins(%)	16.4	18.3	14.9	15.5	16.8	19.4	21.8	22.3	16.2	20.1	20.6
EBIT Margins(%)	12.0	13.1	9.9	10.1	12.0	13.7	16.0	17.6	11.2	14.9	14.7

E: MOFSL Estimates

Nalco

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	NACL IN
Equity Shares (m)	1837
M.Cap.(INRb)/(USDb)	356.9 / 4.3
52-Week Range (INR)	204 / 81
1, 6, 12 Rel. Per (%)	1/98/106
12M Avg Val (INR M)	2741

Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	131	147	170
EBITDA	29	32	40
Adj. PAT	17	20	25
EBITDA Margin (%)	22	22	24
Cons. Adj. EPS (INR)	9.1	10.8	13.8
EPS Gr. (%)	16	19	28
BV/Sh. (INR)	78	86	96
Ratios			
Net D:E	-0.2	-0.2	-0.3
RoE (%)	12	13	15
RoCE (%)	16	17	20
Payout (%)	44	37	29
Valuations			
P/E (x)	21.4	18.0	14.1
P/BV (x)	2.5	2.3	2.0
EV/EBITDA(x)	11.4	9.8	7.7
Div. Yield (%)	2.1	2.1	2.1
FCF Yield (%)	3.3	4.4	5.5

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	51.3	51.3	51.3
DII	18.8	18.8	13.3
FII	9.0	11.6	16.0
Others	20.9	18.4	19.5

FII Includes depository receipts

CMP: INR194 TP: INR180 (-7%) Neutral

Beat on EBITDA driven by lower costs

- NACL consolidated revenue stood at INR36b (YoY/QoQ: -3%/+7%) against our estimate of INR39b. Consolidated EBITDA stood at INR11b (YoY/QoQ: +45% /+43%) and was higher than our est of INR8.4b. Consol EBITDA margin stood at 30.9% in 4QFY24 (20.9% in 4QFY23 and 23.1% in 3QFY24).
- During the quarter, the company recognized an exceptional item of INR4.3b due to the reversal of royalty expenses. APAT for the quarter stood at INR6.8b (YoY / QoQ: +37% /+44%) against our est of INR5.4b in 4QFY24.
- In FY24, NACL reported a revenue of INR131.5b (-8% YoY) with an EBITDA of INR28.7b (+18% YoY) and APAT of INR16.7b (+16% YoY). In FY24, the cast metal production stood at 463KT (flat YoY) and metal sales stood at 470KT (+1% YoY). The bauxite excavation grew by +2% YoY to 760KT in FY24.
- NACL declared a final dividend of INR1/- per share.

Chemical business: robust performance

- In 4QFY24, NACL's revenue for the chemicals business declined 1% YoY to INR15.9b.
- EBIT for the vertical stood at INR5.3b (INR2.4b in 4QFY23).
- For FY24, revenue stood at INR54.2b (down 3% YoY), while EBIT stood at INR9.7b (up 152% YoY).

Aluminum business

- Revenue from the aluminum business was down 4% YoY to INR24.4b (our est. of INR26.7b). Average realizations from the aluminum vertical witnessed a decline of 7% YoY to ~USD2,395/t.
- EBIT/t declined 9% YoY to INR4.7b (against our estimate of INR5.2b).
- For FY24, revenue stood at INR96b (down 7% YoY), while EBIT came in at INR15.2b (down 14% YoY).

Valuation and view

- Recently, NACL's JV KABIL (established by three CPSUs) signed its first exploration and lithium mining agreement with Argentina's CAMYEN SE. This will help NACL establish its presence, diversify product offerings, and enhance the supply chain for critical and strategic minerals, which have key applications across various sectors. Additionally, NACL's participation will provide the necessary technical and operational experience for brine-type lithium exploration, exploitation, and extraction.
- Until the fifth stream of alumina comes on stream, we expect NACL to operate at full capacity, leaving little room for capacity expansion over the next two years. The next phase of growth is anticipated to begin once the additional 1mt stream of the alumina refinery comes on stream by May'25.

- The Utkal D coal block will fulfil ~25-28% of the coal requirements for the Angul smelter. This will enhance raw material security and boost the margins until the augmented capacity comes on stream.
- Owing to the improved outlook on input cost, we have increased our EBITDA estimate by ~6% for FY25/FY26. On FY26E, NACL trades at 7.7x on EV/EBITDA and 2x on P/B and appears to be fully pricing in the strong outlook. **We reiterate our Neutral rating on the stock with a revised TP of INR180 per share, valued at 7x on EV/EBITDA of FY26E.**

Quarterly performance — INR m

Y/E March	FY23				FY24				FY23	FY24	FY24E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	37,833	34,896	32,900	36,709	31,784	30,434	33,469	35,791	1,42,337	1,31,477	39,237	-9
Change (YoY %)	52.9	-2.9	-12.8	-15.4	-16.0	-12.8	1.7	-2.5	0.4	-7.6		
Change (QoQ %)	-12.8	-7.8	-5.7	11.6	-13.4	-4.2	10.0	6.9				
Total Expenditure	29,147	31,552	28,302	29,043	25,840	26,469	25,738	24,715	1,18,044	1,02,762	30,805	
EBITDA	8,687	3,344	4,598	7,665	5,943	3,965	7,731	11,075	24,293	28,715	8,433	31
Change (YoY %)	49.6	-70.3	-61.4	-52.6	-31.6	18.6	68.2	44.5	-46.2	18.2		
Change (QoQ %)	-46.3	-61.5	37.5	66.7	-22.5	-33.3	95.0	43.3				
Interest	39	41	42	7	23	40	21	89	129	172		
Depreciation	1,497	1,537	1,571	2,554	1,697	1,862	1,538	2,400	7,158	7,497		
Other Income	629	693	663	559	485	686	510	840	2,544	2,521		
PBT (before EO)	7,781	2,459	3,648	5,663	4,709	2,750	6,682	9,427	19,550	23,568	7,382	
EO (income) /exp	0	0	0	0	0	0	0	4,268	0	4,268		
PBT (after EO)	7,781	2,459	3,648	5,663	4,709	2,750	6,682	13,695	19,550	27,836	7,382	
Total Tax	1,994	758	910	444	1,215	687	1,797	3,537	4,105	7,236		
% Tax	25.6	30.8	24.9	7.8	25.8	25.0	26.9	25.8	21.0	30.7		
PAT before MI and Asso.	5,786	1,701	2,739	5,219	3,494	2,063	4,885	10,158	15,445	20,600	5,518	
Minority interest	0	0	0	0	0	0	0	0	0	0		
Sh. of Associate	-207	-447	-175	-269	-156	-189	-179	-191	-1,098	-715		
Reported PAT after MI and Asso.	5,579	1,254	2,563	4,950	3,338	1,874	4,706	9,967	14,347	19,885	5,367	
Adjusted PAT	5,579	1,254	2,563	4,950	3,338	1,874	4,706	6,766	14,347	16,684	5,367	26
Change (YoY %)	60.4	-83.2	-69.2	-51.7	-40.2	49.4	83.6	36.7	-51.4	16.3		
Change (QoQ %)	-45.6	-77.5	104.4	93.1	-32.6	-43.9	151.2	43.8				

Source: MOFSL, Company

Glenmark Pharma

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	GNP IN
Equity Shares (m)	282
M.Cap.(INRb)/(USDb)	315.9 / 3.8
52-Week Range (INR)	1125 / 588
1, 6, 12 Rel. Per (%)	1/26/65
12M Avg Val (INR M)	1005

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	118.1	132.5	144.2
EBITDA	13.0	24.2	26.8
Adj. PAT	0.7	12.4	14.2
EBIT Margin (%)	6.1	14.5	14.9
Adj EPS (INR)	2.5	44.1	50.4
EPS Gr. (%)	-88.0	1673.6	14.4
BV/Sh. (INR)	278.1	318.6	369.0
Ratios			
Net D-E	-0.1	0.0	0.0
RoE (%)	0.8	14.8	14.7
RoCE (%)	-777.3	15.4	15.0
Payout (%)	-5.4	8.2	0.0
Valuations			
P/E (x)	452.4	25.5	22.3
EV/EBITDA (x)	23.8	13.2	11.7
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	16.6	-2.6	2.3
EV/Sales (x)	2.6	2.4	2.2

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	46.6	46.7	46.7
DII	13.4	11.0	10.5
FII	21.4	23.7	22.5
Others	18.6	18.7	20.5

FII Includes depository receipts

CMP: INR1,124 TP: INR1,050 (-7%) Neutral

Operating performance above est.; FY25 outlook better

Adverse market dynamics/de-prioritization of intangibles lead to an impairment of INR23b

- Glenmark Pharma (GNP) posted lower-than-expected revenue in 4QFY24. However, it delivered better-than-expected profitability for the quarter, aided by an improved product mix and lower raw material costs. Having said this, GNP has taken a considerable impairment charge on manufacturing facilities and certain intangibles (~INR32b) during the quarter.
- We raise our earnings estimates by 17%/10% for FY25/FY26, factoring in: 1) new launches in the US market, 2) increased market share in cardiac, derma, and respiratory products in the Domestic Formulation (DF) segment, and c) a significant reduction in interest costs. We value GNP at 21x 12M forward earnings to arrive at our TP of INR1,050.
- GNP ended FY24 with an adj. PAT of INR700m, the lowest historically. However, new approvals in the US, changes in distribution model in the DF business, and financial deleverage would enable a sharp revival in earnings over FY24-26. The current valuation adequately captures the improvement in earnings over the next two years. **Reiterate Neutral.**

Product mix and lower R&D expenses drive margins YoY

- GNP's revenue grew 2% YoY to INR30.6b (our estimate of INR32b). DF grew 13.4% YoY to INR9.4b (30% of sales). RoW sales rose 9.8% YoY to INR7.5b (25% of sales). Europe generics revenue was flat YoY at INR6.1b (20% of sales). NA revenue declined 11% YoY to INR7.6b (USD91m; 25% of sales).
- Gross margin (GM) expanded 600bp YoY to 67.5% due to lower RM costs and a change in product mix.
- EBITDA margin expanded 320bp YoY due to favorable GP margin, offset by higher employee expenses/other expenses (up 240bp/40bp as a % of sales).
- GNP had exceptional items for the quarter: Out of the exceptional gains of INR54.5b due to the 75% stake sale of Glenmark Life (GLS), there was a deduction of INR19b related to reserves of GLS, an effective gain of INR35.7b. There was an MTM gain of INR7.5b related to the remaining stake in GLS (~7%) shown in other income. Further, there was an impairment of (INR40.4b): INR22b related to manufacturing plants, INR11b related to intangibles, INR3.2b related to legal settlements, and INR4.3b related to issues in the Argentina business. Moreover, there was an overall tax outgo of INR17b, leading to a reported loss of INR12b.
- Adjusting for all, PAT surged ~2.5x to INR1.6b (our est: INR1.4b).
- During FY24, revenue grew 2% YoY to INR118b, while EBITDA/PAT declined 20%/81% YoY to INR13b/INR700m.

Highlights from the management commentary

- GNP guided 14-18% YoY revenue growth to INR135-INR140b, with 19% EBITDA margin for FY25.
- GNP filed for g-Flovent in May'24. One more pMDI to be filed in FY25.
- GNP is also planning to launch WINLEVI in select markets in Europe in FY26.

Quarterly performance (INRm)

Y/E March	FY23				FY24				FY23	FY24	Estimate	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	% Var
Net Revenues (Core)	27,773	30,179	31,002	30,005	30,361	32,074	25,067	30,630	1,15,832	1,18,131	32,187	-4.8
YoY Change (%)	-6.3	0.5	3.3	-0.6	9.3	6.3	-19.1	2.1	-4.5	2.0	-4.6	
EBITDA	4,726	5,220	4,740	3,979	4,374	5,053	-1,444	5,043	16,350	13,025	4,297	17.4
YoY Change (%)	-17.6	0.0	-9.2	-20.8	-7.5	-3.2	PTL	26.7	-25.3	-20.3	-29.0	
Margins (%)	17.0	17.3	15.3	13.3	14.4	15.8	-5.8	16.5	14.1	11.0	13.4	
Depreciation	1,468	1,458	1,515	1,350	1,420	1,415	1,471	1,513	5,692	5,819	1,223	
EBIT	3,258	3,762	3,225	2,629	2,953	3,638	-2,915	3,530	10,658	7,206	3,075	
YoY Change (%)	-29.2	-6.7	-20.0	-29.1	-9.4	-3.3	-190.4	34.3	-37.4	-32.4	-32.9	
Margins (%)	11.7	12.5	10.4	8.8	9.7	11.3	-11.6	11.5	9.2	6.1	9.6	
Interest	600	829	971	1,091	1,116	1,215	1,343	1,486	3,490	5,160	1,310	
Other Income	172	864	374	-424	197	17	454	7,732	2,889	8,400	400	
PBT before EO Expense	2,830	3,797	2,629	1,113	2,034	2,441	-3,805	9,776	10,057	10,447	2,165	351.6
One-off loss/(gain)	-1,250	430	-669	7,997	520	3,684	1,409	4,468	7,659	10,082	0	
PBT after EO Expense	4,080	3,367	3,297	-6,884	1,514	-1,244	-5,214	5,308	2,398	364	2,164	145.3
Tax	1,969	1,648	1,441	-1,389	1,137	559	-718	17,695	3,294	18,673	550	
Rate (%)	48.3	49.0	43.7	20.2	75.1	-45.0	13.8	333.3	137.3	5,123.0	25.4	
Reported PAT	2,111	1,719	1,856	-5,495	377	-1,803	-4,496	-12,386	-896	-18,309	1,614	-867.3
Minority Interest	186	182	182	252	232	204	206	40	802	681	200	
Reported PAT after Minority Interest	1,925	1,536	1,675	-5,747	145	-2,007	-4,701	-12,427	-1,697	-18,990	1,415	
Adj PAT	1,682	2,324	1,298	483	1,111	1,397	-3,486	1,680	3,728	701	1,415	18.7
YoY Change (%)	-39.8	2.3	-42.8	-74.9	-34.0	-39.9	PTL	247.6	-61.8	-81.2	-38.6	
Margins (%)	6.1	7.7	4.2	1.6	3.7	4.4	-13.9	5.5	3.2	0.6	4.4	
Adj. PAT from discontinued operations	1,087	1,069	1,050	1,464	1,355	1,187	1,188	244	4,670	3,973	22	984.3
YoY Change (%)												
Overall Adj. PAT	2,769	3,392	2,348	1947	2,465	2,584	(2,299)	1923	8398	4674	1437	33.8

E: MOFSL Estimates Note: Sum of 4 quarter for FY23 will not match as 1QFY24 is not restated

Key performance Indicators

Y/E March	FY23				FY24				FY23	FY24	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
India formulations	10,352	10,916	10,745	8,284	10,643	11,217	2,622	9,391	40,297	29,945	9,771
YoY Change (%)	-15.5	12.7	6.7	-6.4	2.8	2.8	-75.6	13.4	-1.4	-15.6	18.0
US	6,628	7,533	8,373	8,507	8,085	7,392	7,629	7,557	31,041	24,413	8,732
YoY Change (%)	-15.9	-0.1	10.7	15.3	22.0	-1.9	-8.9	-11.2	2.2	-0.3	2.6
ROW+LatAm	4,226	6,154	6,541	6,856	5,512	7,324	7,250	7,528	23,777	19,551	7,349
YoY Change (%)	25.7	-17.8	22.3	25.1	30.4	19.0	10.8	9.8	9.7	16.4	7.2
Europe	3,300	3,785	4,932	6,078	5,732	5,997	6,357	6,118	18,095	14,795	6,884
YoY Change (%)	7.9	11.9	29.6	22.3	73.7	58.4	28.9	0.7	18.9	33.8	13.3
Cost Break-up											
RM Cost (% of Sales)	36.4	35.6	34.4	38.5	39.1	37.3	41.2	32.5	36.8	37.4	37.9
Staff Cost (% of Sales)	22.9	22.7	22.8	20.5	22.4	22.8	30.0	22.9	22.5	24.3	23.0
R&D Expenses(% of Sales)	10.7	10.9	8.9	11.2	9.3	10.1	12.3	10.0	16.3	10.3	8.7
Other Cost (% of Sales)	12.9	13.5	18.6	16.6	14.7	13.9	22.2	18.2	10.4	17.0	17.0
Gross Margin (%)	63.6	64.4	65.6	61.5	60.9	62.7	58.8	67.5	63.2	62.6	62.1
EBITDA Margin (%)	17.0	17.3	15.3	13.3	14.4	15.8	-5.8	16.5	14.1	11.0	13.4
EBIT Margin (%)	11.7	12.5	10.4	8.8	9.7	11.3	-11.6	11.5	9.2	6.1	9.6

E: MOFSL Estimates

Cello World

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CELLO IN
Equity Shares (m)	212
M.Cap.(INRb)/(USDb)	185.3 / 2.2
52-Week Range (INR)	964 / 711
1, 6, 12 Rel. Per (%)	-8/-4/-
12M Avg Val (INR M)	517

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	20	23.8	28.5
EBITDA	5	6.2	7.7
Adj. PAT	3.3	4.1	5.1
EBITDA Margin (%)	25	26.1	27
Cons. Adj. EPS (INR)	15.6	19.1	24
EPS Gr. (%)	24.4	22.6	25.4
BV/Sh. (INR)	54.1	72.5	95.8
Ratios			
Net D:E	0.2	-0.1	-0.3
RoE (%)	28.8	26.4	25
RoCE (%)	33	28	29.9
Valuations			
P/E (x)	56	45.7	36.4
EV/EBITDA (x)	37.5	30.1	23.7

Shareholding pattern (%)

As on	Mar-24	Dec-23
Promoter	78.1	78.1
DII	12.4	12.8
FII	4.4	3.0
Others	5.1	6.2

Note: FII includes depository receipts

CMP: INR873 TP: INR1,090 (+25%) Buy

Strategies in place for healthy growth trajectory

Earnings in line with estimates

- CELLO reported revenue growth of 5%/11% YoY in 4Q/FY24, led by volume growth of ~8%/15%. EBITDA grew by 20% YoY in 4Q/FY24 as margin expanded by 330bp/180bp, aided by lower raw material costs and a better product mix.
- The management has laid down its growth strategy, involving: 1) the launch of new products; 2) premiumization of consumerware products; 3) increasing glassware capacity; 4) inorganic acquisitions in existing segments; and 5) rationalization/expansion of distribution network.
- We maintain our FY25/FY26 EPS estimates and retain our BUY rating on the stock with a TP of INR1,090.

Lower RM costs and better product mix drive margin expansion

- Consolidated revenue grew 5% YoY to INR5.1b in 4QFY24 (down ~3% QoQ), while EBITDA grew ~20% YoY to INR1.3b (up ~1% QoQ). EBIDTA margins expanded by 330bp YoY to 26% (up 90bp QoQ) as gross margin improved 150bp QoQ, aided by lower raw material costs and a favorable product mix. Adjusted PAT grew 5% QoQ to INR888m. (Note: base year numbers are not reported)
- Consumerware segment revenue (64%/66% of total revenue in 4Q/FY24) declined 7% QoQ to INR3.3b, mainly led by a weak demand scenario in Jan/Feb'24 and subdued realization. FY24 revenue grew 12% YoY to INR13.2b, with the consumer glassware segment growing 24% to INR3.4b (26% of consumerware revenue) and the consumer houseware segment growing 8% YoY to INR9.8b (74%).
- Revenue of the writing instruments (17% each)/moulded furniture (19%/17%) segments grew by 1%/13% QoQ in 4Q, largely led by volume growth (up 11%/18% YoY).
- In FY24, consolidated revenue/EBITDA/adj. PAT grew 11%/20%/24% YoY to INR20b/INR5.1b/INR3.3b, largely led by average volume growth of ~15% across products.
- For FY24, net debt stood at INR1.8b vs. INR1.5b in FY23, while CFO was INR2.3b (flat YoY).
- Net working capital days increased to 169 as of Mar'24 vs. 154 as of Mar'23, mainly led by an increase in receivable days to 111 (vs. 94 in Mar'24). The increase in receivables was due to higher credit given to distributors to push the company's products into the market amid a sluggish demand scenario.

Highlights from the management commentary

- **Demand outlook:** The company witnessed a pickup in demand in Mar/Apr'24; however, it has subsided now due to ongoing general elections. Going ahead, with a better monsoon forecast in CY24, the management expects a strong pickup in rural demand.
- **Guidance**: The management guides 15-17% revenue growth, led by volume growth of 15-17%. Revenue growth can touch 20% in case of a faster ramp-up of the glassware capacity and an improvement in the pricing scenario. EBITDA margins will remain steady in the range of 24-26% in FY25. Consumer glassware revenue will be ~INR4.60-4.75b in FY25, while consumer houseware is expected to grow by 15%.
- **Fund raise:** The company has announced a fundraise for the repayment of debt (including promoter's loans), further expansion of glassware capacity and inorganic acquisitions in the existing segments.

Valuation and view

- Operating in diverse industries, CELLO benefits from an expanding TAM (CAGR of 13% over FY23-27 to INR1,229b), driven by various sector-specific tailwinds, including favorable demographics, increased discretionary spending, greater product penetration, import substitution, innovation, evolving gifting trends, and brand loyalty. We estimate CELLO to grow faster than the industry.
- The company is expected to post a robust CAGR of 19%/24%/24% in revenue/EBITDA/adj. PAT over FY25-26. This will be driven by the expansion of both SKUs and distribution reach, coupled with strong growth in the glassware segment after the ramp-up of the new plant in Rajasthan.
- **We reiterate our BUY rating on CELLO with a TP of INR1,090 (premised on 45x FY26E EPS).**

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY23	FY24	FY24E	Var
	1Q	2Q	3Q	4Q			4Q	
Gross Sales	**4,718**	**4,890**	**5,271**	**5,125**	**17,967**	**20,003**	**5,700**	**-10%**
YoY Change (%)	NA	NA	NA	5.0	32.2	11.3	NA	
Total Expenditure	3,526	3,687	3,949	3,792	13,762	14,954	4,335	
EBITDA	**1,192**	**1,203**	**1,321**	**1,333**	**4,205**	**5,049**	**1,365**	**-2%**
Margins (%)	25.3	24.6	25.1	26.0	23.4	25.2	24.0	
Depreciation	118	127	147	175	503	567	183	
Interest	6	7	5	8	18	26	4	
Other Income	81	107	45	66	167	299	30	
PBT before EO expense	**1,149**	**1,176**	**1,214**	**1,215**	**3,852**	**4,755**	**1,208**	
Extra-Ord expense	0	0	0	0	0	0	0	
PBT	**1,149**	**1,176**	**1,214**	**1,215**	**3,852**	**4,755**	**1,208**	
Tax	321	310	307	250	1,001	1,188	257	
Rate (%)	27.9	26.4	25.3	20.6	26.0	25.0	21.3	
Minority Interest & Profit/Loss of Asso. Cos.	54	66	58	77	189	256	39	
Reported PAT	**774**	**800**	**849**	**888**	**2,661**	**3,311**	**912**	
Adj PAT	**774**	**800**	**849**	**888**	**2,661**	**3,311**	**912**	**-3%**
YoY Change (%)	NA	NA	NA	-81.8	30.5	24.4	NA	
Margins (%)	16.4	16.4	16.1	17.3	14.8	16.6	16.0	

Happy Forgings

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	103.7 / 1.2
52-Week Range (INR)	1124 / 813
1, 6, 12 Rel. Per (%)	14/-/-
12M Avg Val (INR M)	329

Consol. Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Sales	13.6	16.7	20.3
EBITDA	3.9	5.0	6.1
Adj. PAT	2.4	3.3	4.2
EPS (INR)	25.8	34.7	44.9
EPS Gr. (%)	10.6	34.6	29.5
BV/Sh. (INR)	171	200	237
Ratios			
RoE (%)	18.7	18.7	20.6
RoCE (%)	17.0	17.7	19.7
Payout (%)	15.5	17.0	17.0
Valuations			
P/E (x)	42.6	31.7	24.5
P/BV (x)	6.4	5.5	4.6
Div. Yield (%)	26.8	20.8	16.7
FCF Yield (%)	0.4	0.5	0.7

Shareholding pattern (%)

As On	Mar-24	Dec-23
Promoter	78.6	78.6
DII	16.9	5.8
FII	1.1	2.1
Others	3.4	13.5

CMP: INR1,100 TP: INR1,260 (+15%) Buy

Healthy performance despite weakness in core segments

Order book stands at INR6.5b, of which 60% is attributable to exports

- 4QFY24 results were operationally in line with our expectations, while higher 'other income' and lower tax led to PAT beat at INR658m (est. INR607m), up by 30% YoY. Happy Forgings (HFL) maintains its focus on diversifying into industrials and exports, which contributed ~12%/20% of FY24 revenue, compared to 4%/12% in FY23. Currently, exports constitute 60% of the company's order book.
- We raise FY25E/26E earnings by ~3.5%/4.8% to factor in for better-than-expected outlook for underlying industries, new order wins, and higher other income. We remain upbeat on HFL's strategy to grow beyond its core segments, which is further complemented by its recent order wins, especially in PVs and exports. Given its consistent new order wins and huge growth opportunities ahead, we raise our target multiple to 28x from 26x earlier. Reiterate BUY with a TP of INR1,260.

Margin improvement driven by higher share of machining and better product mix

- 4QFY24 revenue/EBITDA/Adj. PAT grew ~14%/13%/30% YoY to INR3.4b/0.97b/0.66b (est. INR3.5b/0.98b/0.61b). FY24 revenue/EBITDA/Adj. PAT grew 16%/22%/27% YoY, adjusted for government grants of INR237.5m received in FY23.
- Revenue growth during the quarter is attributable to ~4% YoY volume growth to 13.5k MT and ~9% YoY growth in realizations to INR255/kg.
- Gross margin improved ~160bp YoY/100bp QoQ to 56.5%, led by better mix. This resulted in EBITDA margin of 28.3% (-10bp YoY/+50bp QoQ) against our estimate of 28%.
- While operating performance was in line, Adj. PAT came in higher, led by higher other income and lower tax.
- CFO declined to INR1.89b in FY24 from INR2.1b in FY23, led by increase in working capital. This, coupled with an increase in capex, led to negative FCF of INR46m vs +350m in FY23.
- The Board of Directors have recommended a dividend of INR4 per share for FY24, which translates into 15% payout.

Highlights from the management interaction

- The management is confident of achieving 15-20% growth in the coming years, driven by increasing utilization, ongoing capacity expansion, and addition of new customers. The current order book stands at INR6.5b, of which, 60% is for exports. This is executable over the next 18-24 months.
- The company expects low single-digit YoY growth for the underlying CV industry and 8-10% YoY growth for the tractor industry in FY25. However, it is more confident about gaining market share in these segments.

- PV segment- Expect to achieve 8-10% revenue mix over the next two years from 1% in FY24. The ramp-up of the new orders is scheduled for FY25. New lines for crankshaft orders have been set up, with testing completed, and ramp-up is scheduled to begin in June. Additionally, ramp-up of E-axle exports orders is anticipated in the last quarter.
- Capex- INR2.5b is planned for FY25. It plans to add 11k ton of machining capacity in FY25, taking the overall capacity to 62k MT, with production ramp-up expected this year. About 50% of the capacity increase is projected to come online in 2Q. The current utilization stands at 80-90%.

Valuation & view

- Driven by new order wins in the Auto segment, we expect HFL to continue outperforming the core auto segments. Further, its healthy order wins in the Industrials and Exports segments would help drive an improved mix. HFL's superior financial track record relative to peers serves as a testament of its inherent operational efficiencies and is likely to be a key competitive advantage going forward.
- We raise FY25E/26E earnings by ~3.5%/4.8% to factor in for better-than-expected outlook for underlying industries, new order wins, and higher other income. We forecast a 22%/25%/32% CAGR in standalone revenue/ EBITDA/PAT during FY24-26E. We reiterate our BUY rating on the stock with a TP of INR1,260 (based on 28x FY26E EPS).

Quarterly (Standalone) **(INR M)**

	FY23		FY24				FY23	FY24
	3Q	4Q	1Q	2Q	3Q	4Q		
Net operating income	**2,943**	**3,025**	**3,298**	**3,431**	**3,420**	**3,433**	**11,965**	**13,582**
Change (%)					16.2	13.5		
RM/Sales (%)	48.9	45.1	43.0	44.7	44.5	43.5	46.3	43.9
Staff Cost (%)	7.9	8.1	7.5	8.5	9.0	8.6	7.3	8.4
Other Exp. (%)	18.3	18.4	18.7	19.5	18.7	19.6	18.1	19.1
EBITDA	**732**	**859**	**1,015**	**938**	**952**	**971**	**3,376**	**3,875**
EBITDA Margins (%)	24.9	28.4	30.8	27.3	27.8	28.3	28.2	28.5
Non-Operating Income	19	17	22	7	33	72	58	134
Interest	34	53	27	44	38	9	125	118
Depreciation	155	143	155	162	171	160	542	647
PBT after EO items	**561**	**678**	**855**	**738**	**777**	**875**	**2,767**	**3,244**
Tax	145	171	214	185	198	217	713	814
Tax Rate (%)	25.9	25.3	25.1	25.1	25.5	24.8	25.8	25.1
Adj. PAT	**416**	**507**	**640**	**553**	**579**	**658**	**2,087**	**2,430**
Change (%)					39.2	29.7		16.4

E: MOFSL Estimates

JK Lakshmi Cement

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	JKLC IN
Equity Shares (m)	118
M.Cap.(INRb)/(USDb)	94.1 / 1.1
52-Week Range (INR)	1000 / 607
1, 6, 12 Rel. Per (%)	-2/-15/-7
12M Avg Val (INR M)	247

Financial Snapshot (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	67.9	73.5	82.8
EBITDA	10.5	11.8	14.1
Adj. PAT	4.7	5.1	6.2
EBITDA Margin (%)	15.5	16.1	17.1
Adj. EPS (INR)	39.6	43.7	52.3
EPS Gr. (%)	29.9	10.5	19.6
BV/Sh. (INR)	271	308	354
Ratios			
Net D:E	0.4	0.4	0.5
RoE (%)	15.6	15.1	15.8
RoCE (%)	11.8	12.1	13.0
Payout (%)	18.0	14.2	14.1
Valuations			
P/E (x)	20.2	18.3	15.3
P/BV (x)	3.0	2.6	2.3
EV/EBITDA(x)	8.9	7.5	6.0
EV/ton (USD)	81	59	51
Div. Yield (%)	0.8	0.7	0.9
FCF Yield (%)	-1.1	3.0	-4.9

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	46.3	46.3	46.3
DII	25.8	27.6	28.0
FII	11.3	10.8	11.7
Others	16.5	15.3	14.1

FII Includes depository receipts

CMP: INR800 TP: INR1,000 (+25%) Buy

Lower costs drive beat; capacity expansion on track

Estimate capacity utilization of ~70%/80% in FY25/FY26

- JKLC's 4QFY24 operating performance was above our estimates, with consolidated EBITDA at INR3.4b (up 45% YoY; 14% above our estimate). EBITDA/t increased 43% YoY to INR1,032 (est. INR852). OPM was up 6.4pp YoY to ~19%. Adj. PAT grew 43% YoY to INR1.6b (est. INR1.4b).
- The management indicated that cement volume growth (consolidated) of ~1% in 4Q was on a lower side due to lower volumes from outsourced units. The company's expansion plans are on track. It will commission grinding capacity of 1.35mtpa at Surat GU in FY25 and Durg (Phase – I) expansion by FY26-end. Further, in the northeast region, JKLC is in the process of land acquisition and getting external approvals such as environment clearance, etc. After this process, it will take two years to set up the cement plant.
- We largely maintain our EBITDA estimates for FY25/FY26. JKLC is trading at 7.5x/6.0x FY25E/FY26E EV/EBITDA. JKLC is a cost-efficient player with a presence in favorable regions (Gujarat and North). We value JKLC at 9x FY26E EV/EBITDA and arrive at a TP of INR1,000. **Reiterate BUY.**

Consolidated volume up 1% YoY and realization down 5%

- 4Q consolidated revenue/EBITDA/PAT stood at INR17.8b/INR3.4b/INR1.6b (down 4%/up 45%/up 43% YoY and down 8%/up 14%/up 12% vs. our estimates). Volume was up 1% YoY at 3.26mt (6% below est.). Realization declined 5% YoY/QoQ to INR5,459/t (1% below our estimates).
- Opex/t declined 12% YoY (-5% vs. our estimate), led by a decline in variable/ freight costs by 20%/6%. Other expenses/t rose 9% YoY. OPM was up 6.4pp YoY at ~19% and EBITDA/t rose 43% YoY to INR1,032 in 4QFY24.
- In FY24, revenue grew 5% YoY to INR68b, primarily led by volume growth (up 5%), while realization remained flat. EBITDA grew 25% YoY to INR10.5b, backed by a decline in opex/t, down 3% YoY. EBITDA/t was up 19% YoY at INR878 and OPM was up 2.5pp YoY at 15.5%. PAT grew 30% YoY to INR4.7b.
- The company's consolidated OFC increased ~42% YoY to INR9b, led by higher profits and a reduction in working capital. Capex stood at INR10.1b vs. INR7.4b in FY23, resulting in cash outflow of INR1.1b vs. INR1.0b in FY23. Net debt stood at INR13.9b vs. INR10.0b in FY23.

Highlights from the management commentary

- Cement demand is estimated to improve after general election results. Prices declined by ~5% YoY in 4QFY24 and lower by 1.5% YoY in FY24. In 1QFY25 so far, price is down ~1% QoQ. However, it believes prices will improve with improvements in demand.
- Average fuel costs stood at INR1.68/Kcal vs. INR1.78/Kcal in 3QFY24. It is not expected to further decline in the near term, given the prevailing fuel prices.
- AFR project at the Sirohi plant achieved TSR of 11.4% in 4QFY24 and ~7% in FY24 (vs. 4.11% in FY23). JKLC targets to achieve TSR of over ~12% in FY25. Its green energy share stood at ~47%.

Valuation and view

- JKLC reported strong operating performance during the quarter, led by higher cost reductions. The company's focus on geo-mix optimization, increasing green energy, AFR share, digitization and automation reduced overall cost/t. JKLC is accelerating its market footprint and aims to increase grinding capacity to 30mtpa by 2030 from its current capacity of 16.4mtpa.
- The stock trades at 7.5x/6.0x FY25E/FY26x EV/EBITDA (consolidated). We value JKLC at 9x FY26E EV/EBITDA to arrive at our TP of INR1,000. We reiterate our BUY rating on the stock.

Quarterly performance (consolidated) **(INR b)**

Y/E March	FY23				FY24				FY23	FY24	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales Volumes (mt)	3.00	2.43	2.75	3.23	3.04	2.73	2.96	3.26	11.42	11.99	3.49	(6)
YoY Change (%)	8.3	1.2	7.8	(0.9)	1.2	12.3	7.6	0.9	4	5	8	
Net Sales	**16.5**	**13.7**	**15.6**	**18.6**	**17.3**	**15.7**	**17.0**	**17.8**	**64.5**	**67.9**	**19.3**	(8)
YoY Change (%)	24.8	13.6	21.5	16.4	4.6	14.6	9.0	(4.4)	19.0	5.2	3.6	
EBITDA	**2.6**	**1.6**	**1.9**	**2.3**	**2.0**	**2.2**	**3.0**	**3.4**	**8.4**	**10.5**	**3.0**	14
Margin (%)	15.5	11.9	11.9	12.5	11.3	13.8	17.7	18.9	13.0	15.5	15.3	
Depreciation	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	2.3	2.5	0.7	(4)
Interest	0.4	0.3	0.4	0.3	0.3	0.3	0.4	0.4	1.3	1.5	0.4	20
Other Income	0.1	0.2	0.1	0.2	0.1	0.1	0.2	0.3	0.6	0.7	0.2	39
PBT before EO expense	**1.7**	**0.9**	**1.1**	**1.6**	**1.2**	**1.4**	**2.1**	**2.5**	**5.3**	**7.2**	**2.1**	22
Extra-Ord. expense	-	-	-	-	-	-	(0.1)	-	-	(0.1)	-	
PBT	**1.7**	**0.9**	**1.1**	**1.6**	**1.2**	**1.4**	**2.2**	**2.5**	**5.3**	**7.3**	**2.1**	22
Tax	0.6	0.3	0.3	0.5	0.4	0.5	0.7	0.9	1.7	2.4	0.7	
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-	-	
Rate (%)	33.1	33.8	27.9	29.0	32.7	32.0	32.7	35.1	30.9	33.4	31.7	
Reported PAT	**1.2**	**0.6**	**0.8**	**1.1**	**0.8**	**1.0**	**1.5**	**1.6**	**3.7**	**4.9**	**1.4**	15
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	-	
Adj. PAT	**1.1**	**0.6**	**0.8**	**1.1**	**0.8**	**0.9**	**1.4**	**1.6**	**3.6**	**4.7**	**1.4**	12
YoY Change (%)	(15.4)	(27.6)	19.1	(13.7)	(29.4)	51.9	80.1	42.7	(12.0)	29.9	22.6	
Per tonne analysis (INR)												
Net realization	**5,514**	**5,645**	**5,677**	**5,758**	**5,699**	**5,763**	**5,753**	**5,459**	**5,650**	**5,662**	**5,538**	(1)
RM Cost	1,020	1,119	940	1,446	1,385	1,255	1,066	1,140	1,142	1,210	1,151	(1)
Employee Expenses	340	383	350	297	357	382	370	292	340	348	312	(6)
Power, Oil, and Fuel	1,514	1,722	1,883	1,554	1,508	1,574	1,492	1,273	1,658	1,455	1,461	(13)
Freight and Handling Outward	1,093	1,059	1,108	1,137	1,131	1,094	1,117	1,064	1,102	1,101	1,127	(6)
Other Expenses	691	689	723	604	672	663	687	658	674	670	635	4
Total Expenses	**4,658**	**4,972**	**5,004**	**5,038**	**5,053**	**4,968**	**4,732**	**4,428**	**4,916**	**4,784**	**4,685**	(5)
EBITDA	**856**	**674**	**673**	**719**	**646**	**795**	**1,021**	**1,032**	**735**	**878**	**852**	21

Source: Company, MOFSL

NMDC

BSE SENSEX	S&P CNX
75,391	22,932

Conference Call Details

Date: 29 May 2024
Time: 11:00 am IST
Registration:
Diamond Pass

CMP: INR263 **BUY**

Revenue in line; EBITDA and APAT below estimates

Highlights of the 4QFY24 consolidated results:

- Revenue was in line with our est. at INR65b (YoY/QoQ: +11%/ +20%), led by better realizations during the quarter.
- Iron Ore production stood at 13.3mt (YoY/QoQ: -6%/ +9%), while sales stood at 12.5mt (YoY/QoQ: +1%/ +10%)
- ASP for the quarter improved to INR5,174/t (YoY/QoQ: +10%/+9%) against our estimate of INR4,955/t
- EBITDA came in at INR21b (YoY/QoQ: -3%/+5%) and was below our est. of INR23b. The miss was due to higher operating costs and royalty & cess.
- EBITDA/t stood at INR1,676 (YoY/QoQ: -4%/-5%) against our estimate of INR1,819 in 4QFY24.
- APAT for the quarter stood at INR14b (YoY/QoQ: -14%/ -19%) vs. our est. of INR19b in 4QFY24. APAT was hit by soft operating performance and higher tax outgo.

FY24 performance highlights:

- Production volume stood at 45.1mt (+10% YoY) and sales volume was 44.5mt (+16% YoY)
- Revenue came in at INR213b (+21% YoY), EBITDA was INR73b (+21% YoY) and APAT stood at INR57b (+16% YoY)
- EBITDA/t stood at INR1,640 (+4% YoY)
- The Board declared a final dividend of INR1.5/share (interim dividend of INR5.75/share)

Consolidated Quarterly Performance (INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Iron ore Production (mt)	**9**	**7**	**11**	**14**	**11**	**9**	**12**	**13**	41	45	**13**	
Iron ore Sales (mt)	**8**	**8**	**10**	**12**	**11**	**10**	**11**	**13**	38	44	**13**	
Avg NSR (INR/t)	6,111	3,947	3,885	4,716	4,915	4,194	4,748	5,174	4,623	4,730	4955	
Net Sales	**48**	**33**	**37**	**59**	**54**	**40**	**54**	**65**	**177**	**213**	**64**	**2**
Change (YoY %)	-26.8	-51.0	-36.7	-12.7	13.2	20.6	45.4	10.9	-31.7	20.6		
Change (QoQ %)	-28.9	-30.2	11.8	57.3	-7.8	-25.6	34.8	20.0				
EBITDA	**19**	**9**	**11**	**22**	**20**	**12**	**20**	**21**	**61**	**73**	**23.3**	**-10**
Change (YoY %)	-54.5	-72.7	-56.3	-19.4	5.0	39.9	76.0	-2.8	-51.9	20.5		
Change (QoQ %)	-29.2	-55.2	34.0	89.6	-7.8	-40.3	68.6	4.7				
EBITDA per ton (INR/t)	**2,434**	**1,009**	**1,191**	**1,743**	**1,816**	**1,244**	**1,762**	**1,676**	**1,584**	**1,640**	**1819**	**-8**
Interest	0.2	0.2	0.3	0.1	0.1	0.2	0.3	0.2	0.8	0.8		
Depreciation	0.8	0.7	0.8	0.9	0.7	0.9	0.8	1.1	3.4	3.5		
Other Income	1.5	4.3	2.0	-0.1	2.9	3.2	3.4	4.2	7.7	13.7		
PBT (before EO Item)	**19**	**12**	**12**	**20**	**22**	**14**	**22**	**24**	**64**	**82**	**25**	**-5**
Extra-ordinary item	0.0	0.0	0.0	12.4	0.0	0.0	-2.5	-3.0	12.4	-5.5		
PBT (after EO Item)	**19**	**12**	**12**	**33**	**22**	**14**	**20**	**21**	**76**	**77**	**25**	
Total Tax	4.7	3.0	3.3	10.1	5.5	3.8	5.1	9.4	21.1	23.8		
% Tax	24.3	25.3	26.6	30.7	24.9	27.0	25.7	45.1	27.6	31.0		
PAT before MI and Sh. of Asso.	**15**	**9**	**9**	**23**	**17**	**10**	**15**	**11**	**55**	**53**		
MI	0	0	0	0	0	0	0	0	0	0		
Sh. of Asso.	0	1	0	0	0	0	0	0	1	0		
PAT after MI and Sh. of Asso.	**14**	**10**	**9**	**23**	**17**	**10**	**15**	**11**	**56**	**53**		
Adjusted PAT	**14**	**10**	**9**	**16**	**17**	**10**	**17**	**14**	**49**	**57**	**19**	**-29**
Change (YoY %)	-54.7	-58.5	-55.5	-13.3	14.3	5.6	83.6	-14.1	-47.7	16.3		
Change (QoQ %)	-20.3	-32.7	-6.2	72.3	5.1	-37.9	63.2	-19.4				

E: MOFSL Estimates

Hindalco: Domestic aluminum and copper demand continues to remain very strong; Satish Pai, MD

- Aim to achieve 450 KT+ downstream aluminum volumes this year
- Aim to achieve 500KT copper sales volumes this year
- Cost of production in Q1 to be lower than Q4
- Capex will continue to be in Rs. 6K-7K cr. range in coming years

Read More

Ashok Leyland: MHCV industry was growing at healthy pace of 8-9% in first 8 months of FY24; Shenu Agarwal, MD

- CV growth momentum will carry forward into FY25
- In last 4 months of FY24, some de-growth happened in m&hcv
- We have not seen any negative effect from elections
- FY24 was an excellent year for the CV sector

Read More

Manappuram Finance: RBI's new regulation has had no impact on the co.; V.P. Nandakumar, MD

- Seeing better performance in the gold loan segment vs last year
- Expect AUM, PAT CAGR of 20%
- Expect 20% CAGR in RoE going ahead
- Asset quality will continue to remain below 2%

Read More

HUDCO: Disbursements target for FY25 at ₹32,000 cr & for FY26; Sanjay Kulshrestha, MD

- As mid-term target, we are estimating loan book of Rs. 1.5 lakh cr.
- Can grow AUM at CAGR of 22-25%
- NIMs to be at 3.1-3.3%
- Expect most of the resolution in stressed assets in 2 years

Read More

DLF: Demand & pricing trends are holding up; Ashok Tyagi, Director

- We are in the midst of a virtuous cycle
- Co. expects to clock Rs 17,000 cr sales in FY25 with Rs 3,500 coming from the 'Lux 5'
- Mumbai project could have 5 msf development potential, launch
- Goa project launch seen in Q2, Lux 5 in Q3, Mumbai project in late Q3/early Q4 & next phase of Privana in Q4

Read More

N O T E S

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.