

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	73,961	0.1	2.4
Nifty-50	22,531	0.2	3.7
Nifty-M 100	51,706	0.5	12.0
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,278	0.8	10.6
Nasdaq	16,735	0.0	11.5
FTSE 100	8,275	0.5	7.0
DAX	18,498	0.0	10.4
Hang Seng	6,393	-1.1	10.8
Nikkei 225	38,488	1.1	15.0
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	80	-1.2	3.3
Gold (\$/OZ)	2,327	-0.7	12.8
Cu (US\$/MT)	9,913	-0.9	17.1
Almn (US\$/MT)	2,607	-1.9	11.2
Currency	Close	Chg .%	CYTD.%
USD/INR	83.5	0.2	0.3
USD/EUR	1.1	0.1	-1.7
USD/JPY	157.3	0.3	11.5
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.0	-0.02	-0.2
10 Yrs AAA Corp	7.6	-0.02	-0.2
Flows (USD b)	31-May	MTD	CYTD
FII	0.2	-3.09	-3.0
DII	0.25	6.93	25.0
Volumes (INRb)	31-May	MTD*	YTD*
Cash	2,385	1199	1185
F&O	54,128	3,32,119	3,76,820

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research theme

India Strategy: Earnings review – 4QFY24: A broad-based beat!

- ❖ **Corporate earnings – broader markets' contributions continue to improve:** The 4QFY24 corporate earnings ended on a strong note, with widespread outperformance across aggregates. Domestic cyclicals, such as Autos and Financials, along with Healthcare, Capital Goods, and Cement drove the beat. Conversely, global cyclicals (Metals and O&G) dragged down overall profitability.
- ❖ **Financials and Autos propel 4QFY24 earnings:** The aggregate earnings of the MOFSL Universe companies exceeded our expectations and rose 10% YoY (vs. our est. of +5%). Earnings for the Nifty-50 jumped 12% YoY (vs. our est. of +5%).
- ❖ **Heavyweights buck up the quarter:** Nifty delivered a strong beat with a 12% YoY PAT growth (vs. est. of +5%). Five Nifty companies – HDFC Bank, SBI, ONGC, Tata Motors, and Coal India – contributed 72% of the incremental YoY accretion in earnings. Ex-Metals & O&G, Nifty's earnings grew 16% YoY (vs. est. of +9%).
- ❖ **Nifty exits FY24 with 24% EPS growth:** Nifty EPS for FY24 increased 2.6% to INR1,005 (earlier: INR980) largely fueled by notable upgrades in ONGC, Coal India, and SBI. EPS for FY25E/FY26E also experienced upward revisions of 0.8% each to INR1,142/INR1,327. We now expect Nifty EPS to rise ~14%/16% YoY in FY25/FY26.



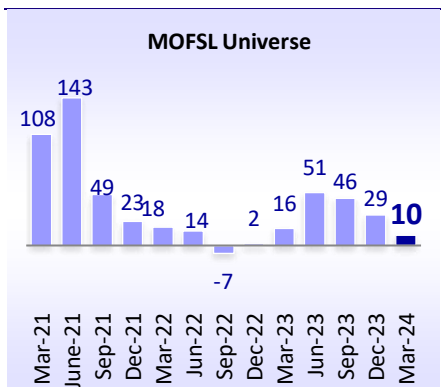
Research covered

Cos/Sector	Key Highlights
India Strategy	Earnings review – 4QFY24: A broad-based beat! Exit polls predict Modi 3.0!
Titan Company	Buoyant prospects beyond the near-term blip Apollo Hospitals Bata India Sunteck Realty Automobiles EcoScope (a. BJP's 2024 manifesto; b. Fiscal deficit; c. Real GDP; d. GST Monitor)
Other Update	

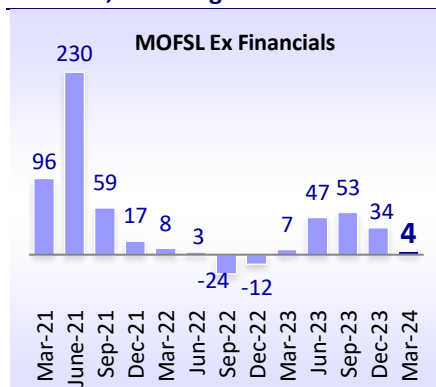


Chart of the Day: India Strategy (Earnings review – 4QFY24: A broad-based beat!)

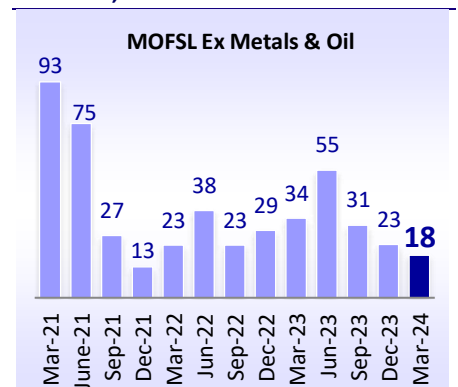
PAT grew 10% YoY for the MOFSL Universe



PAT jumped 4% YoY for the MOFSL Universe, excluding Financials



PAT rose 18% YoY for the MOFSL Universe, sans Metals & Oil



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

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



Kindly click on textbox for the detailed news link

1

Legacy issues behind us, PNB on right path to outperform its competition: MD Atul Kumar Goel

PNB, led by Atul Kumar Goel, achieved a 229% profit growth to Rs 8,245 crore in FY24. Initiatives like reducing NPAs, improving ROA, and expanding branches contribute to the bank's success.

2

NMDC's iron ore output falls 37% in May; sales down 22 pc

India's largest iron ore miner, NMDC, reported a 37% decrease in production in May 2024, with monthly sales declining by 22%. The company's cumulative iron ore output fell to 5.82 MnT in April-May 2024, from 7.22 MnT in the year-ago period.

3

Vedanta Resources expects highest-ever Ebitda of \$6.5 billion in FY25

Vedanta holds a majority 64.9% stake in Hindustan Zinc (HZL), while the Central government holds a minority 29.5% stake.

4

Properties worth Rs 1.17 lk cr sold by 18 listed realty firms in FY24; Godrej properties at top

Major real estate developers in India, including Godrej Properties, Prestige Estates Projects, and DLF, achieved significant sales bookings in the last fiscal year driven by strong demand for residential properties, especially luxury homes.

5

Demerger of biz to help commercial vehicle business capitalise on opportunities globally: Tata Motors

Tata Motors is planning to demerge its commercial vehicle (CV) and passenger vehicle (PV) segments into two separate listed entities to better capitalize on global growth opportunities. The CV business and related investments will be housed in one entity, while the PV business, including electric vehicles (EVs), Jaguar Land Rover (JLR) and its related investments, will come under a separate listed entity.

6

TCIL may sell remaining stake in Bharti Hexacom after tariff hike

The market is expecting a 20-25% tariff hike by telecom service providers after the elections

7

GSK blood cancer drug nearly halves risk of death in late-stage trial

In the trial of 302 patients with relapsed or difficult-to-treat multiple myeloma, 71% of those who received Blenrep in combination with the steroid dexamethasone and pomalidomide were alive without their disease worsening at the end of a year.



India Strategy

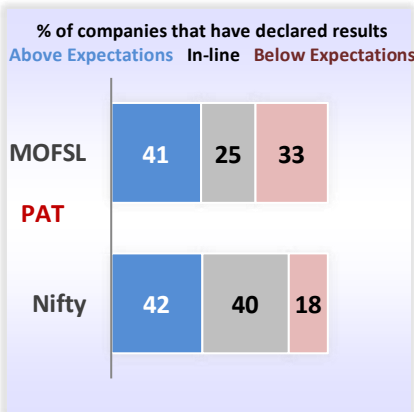
BSE Sensex: 73,961

Nifty-50: 22,531

Refer to our Mar'24 Quarter Preview



4QFY24: Expectations vs. delivery

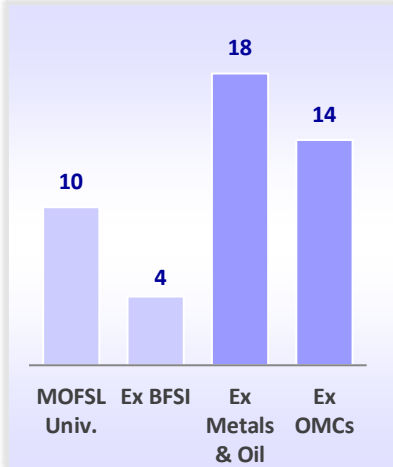


Earnings review – 4QFY24: A broad-based beat!

BFSI and Automobiles drive earnings; Nifty EPS experiences an upward revision

- Corporate earnings – broader markets’ contributions continue to improve:** The 4QFY24 corporate earnings ended on a strong note, with widespread outperformance across aggregates. Domestic cyclicals, such as Autos and Financials, along with Healthcare, Capital Goods, and Cement drove the beat. Conversely, global cyclicals (Metals and O&G) dragged down overall profitability.
- Financials and Autos propel 4QFY24 earnings:** The aggregate earnings of the MOFSL Universe companies exceeded our expectations and rose 10% YoY (vs. our est. of +5%). Earnings for the Nifty-50 jumped 12% YoY (vs. our est. of +5%). The earnings growth for the MOFSL Universe was fueled by domestic cyclicals (such as BFSI and Autos). Autos registered a growth of 32% YoY (vs. est. of +20%), driven by Tata Motors, Maruti, and Bajaj Auto. BFSI grew 22% YoY (vs. est. of +15%). The Healthcare sector posted a healthy earnings growth of 44% YoY (vs. est. of +36%). The Capital Goods sector clocked a strong earnings growth of 27% (vs. est. of +5%). In contrast, the aggregate performance has been dragged down by the Metals and O&G sectors, which posted a 13% and 7% earnings decline, respectively. Excluding Metals and O&G, the MOFSL Universe recorded an 18% YoY earnings growth (vs. est. of +12%).
- Heavyweights buck up the quarter:** Nifty delivered a strong beat with a 12% YoY PAT growth (vs. est. of +5%). Five Nifty companies – HDFC Bank, SBI, ONGC, Tata Motors, and Coal India – contributed 72% of the incremental YoY accretion in earnings. Ex-Metals & O&G, Nifty’s earnings grew 16% YoY (vs. est. of +9%).
- The beat-miss dynamics:** The beat-miss ratio for the MOFSL Universe was favorable, with 41% of the companies recording a beat at the PAT level, while 33% reported a miss. For the MOFSL Universe, however, the earnings upgrade-to-downgrade ratio has been largely balanced for FY25E, as 72 companies’ earnings have been upgraded by >3%, while 80 companies’ earnings have been downgraded by >3%. The earnings upgrade/downgrade ratio of 0.9x was better than 0.6x in 3QFY24. EBITDA margin for the MOFSL Universe (ex-Financials) improved marginally by 40bp YoY to 16.5%.
- Report card:** Of the 23 sectors under our coverage, 11/8/4 sectors reported profits above/in line/below our estimates. Of the 258 companies under coverage, 107 exceeded our profit estimates, 86 posted a miss, and 65 were in line.
- The FY24 snapshot:** The MOFSL/Nifty Universes delivered 34%/26% YoY PAT growth in FY24. Excluding OMCs, MOFSL/Nifty posted 24%/22% YoY PAT growth.
- FY25E earnings highlights:** The MOFSL Universe is likely to deliver sales/EBITDA/PAT growth of 11%/11%/14% YoY in FY25. The Financials and Metals sectors are projected to be the key growth drivers, with 18% and 36% YoY earnings growth, respectively. They are likely to contribute 65% of the earnings growth.
- Nifty exits FY24 with 24% EPS growth:** Nifty EPS for FY24 increased 2.6% to INR1,005 (earlier: INR980) largely fueled by notable upgrades in ONGC, Coal India, and SBI. EPS for FY25E/FY26E also experienced upward revisions of 0.8% each to INR1,142/INR1,327. We now expect Nifty EPS to rise ~14%/16% YoY in FY25/FY26.

PAT growth YoY in 4QFY24 (%)



Key sectoral highlights – 1) Banks: The banking sector reported a healthy performance in 4QFY24, fueled by robust business growth and controlled provisions. NIM performance was mixed, with many banks reporting margin improvements. Opex was high for most of the banks, barring ICICIBC and SBIN. Credit growth was healthy, supported by strong traction in the retail and MSME segments. PSBs continued to report strong improvements in operating performance. NII growth also remained strong, which, along with steady fee income and treasury gains, led to healthy growth in PAT. 2) **Autos:** Volumes (ex-tractors) in 4QFY24 grew 20% YoY, led by a healthy recovery in 2Ws and a sustained growth in the SUV segment. 2Ws witnessed the highest growth of ~26% YoY during the quarter, driven by a low base and strong demand for the 125cc+ segment. 3) **Consumer:** Our coverage universe posted revenue growth of 4% YoY (est. 5%) in 4QFY24. The demand trends were largely stable, but most companies witnessed rural recovery, primarily towards the end of 4QFY24. After a lackluster demand trend in FY24, the commentaries from most management teams look promising, backed by a volume recovery in FY25. 4) **Oil & Gas:** The overall performance was in line with our estimate, mainly driven by OMCs, GAIL, MRPL, and PLNG. OMC’s performance was boosted by marketing; IOCL reported a miss on our EBITDA estimate due to lower-than-estimated reported GRM and weak performance of the petrochemical division. BPCL’s reported GRM was below our estimate, while its implied marketing margin was above our estimate.

- **The top earnings upgrades in FY25E:** ONGC (+22%), Bharti Airtel (+17%), Coal India (+13%), JSW Steel (+8%), and Tata Steel (+6%).
- **The top earnings downgrades in FY25E:** L&T (-10%), Bajaj Finance (-8%), HCL Tech (-7%), LTIMindtree (-6%), and Titan (-6%).
- **Our view:** India is currently experiencing a mini-Goldilocks moment due to solid macroeconomic conditions, healthy corporate earnings, peaking interest rates, moderate inflation print, and ongoing policy momentum. The 4QFY24 corporate earnings have exceeded our expectations, with the BFSI and Automobile sectors driving the overall performance. The Healthcare and Capital Goods sectors reported healthy earnings growth, providing further fillip to the overall earnings. The spread of earnings has been satisfactory, with 67% of our Coverage Universe either meeting or exceeding profit expectations. The margin tailwinds in 4QFY24 have ebbed from a high base, necessitating a recovery in revenue growth to boost earnings going forward. Nifty is trading at a 12-month forward P/E of 19.2x, at a 6% discount to its own long-period average (LPA). **Our model portfolio remains aligned with the key domestic cyclical themes amid a consistent backdrop of earnings growth.** We remain OW on Financials, Consumption, Industrials, and Real Estate. Industrials, Consumer Discretionary, Real Estate, and PSU Banks are our key preferred investment themes. We have also made several additions from a bottom-up viewpoint across sectors in our [model portfolio](#). Markets, in the near term, will take cues from: 1) the outcome of the Lok Sabha elections to be declared on 4th June, and 2) the timing and quantum of easing in the interest rate cycle, both globally and in India.

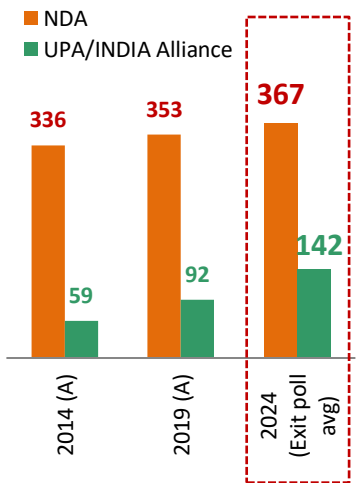


India Strategy

2024



Average of 2024 exit polls vs. past mandates



Kindly Refer our: Earnings review – 4QFY24: A broad-



Exit polls predict Modi 3.0!

NDA set to come back with a landslide two-thirds majority

Key highlights from the exit polls of 2024

Lok Sabha 2024 elections concluded yesterday and Exit polls for the same were announced subsequently. We present our key takeaways and analysis of the same in this note

(1) The exit polls predict Modi 3.0: NDA is forecasted to win ~370 seats (NDA had won 353 seats in 2019) according to the average of all exit polls. Today's Chanakya, the only agency that predicted the 2014 seats correctly, has estimated 400 seats for NDA. Meanwhile, the highly respected and eagerly awaited Axis MY India Exit Poll (the agency that accurately predicted 2019 and also has a track record of correctly predicting 64 out of 69 polls to date) has placed the NDA in the higher range with 400 seats (361-401).

More importantly, none of the 12 exit polls that we analyzed are predicting defeat or even a slim majority for Mr. Modi. The lowest number of seats predicted for the NDA is 316 by Dainik Bhaskar, with a range of 281-351. The dispersion of NDA seats predicted by these 12 exit polls ranges from 316 seats on the lower end to 400 seats on the higher end out of a total of 543 Lok Sabha seats.

Within the NDA, the BJP alone is expected to win ~325 seats vs. 303 that it won in 2019. If the actual election results are in line with the exit polls, it will be the first time since the 1960s that an incumbent Prime Minister is returning to power for a third consecutive term with a comfortable majority. The last time this happened was in the 1960s when Mr. Jawaharlal Nehru (India's first Prime Minister) won the Lok Sabha Elections in 1962 (he had also won in 1952 and 1957). Equally, if the BJP wins ~325 seats as predicted in exit polls, this would be an unprecedented performance. It would have surpassed its previous tally for the second time in a row after winning 282/303 seats in 2014/2019, highlighting the pro-incumbency trend.

(2) Vote Share: 40 vs. 20: The BJP is expected to inch closer to ~40% vote share on its own (vs. 37.3% in 2019) and the NDA is likely to touch 47% vote share (vs. 45% in 2019). The prevailing narrative after the first two phases of elections, which saw a reduced voter turnout, created nervousness and anxiety in equity markets in late April and early May. However, this does not appear to be making any difference to the eventual outcome, according to the exit polls.

(3) Congress is not expected to exceed triple digits in seats for the third consecutive time: The opposition I.N.D.I.A. alliance is projected to win ~140 seats. Within the opposition grouping, Congress is likely to improve its tally from 52 in 2019 to win ~65 seats. Congress' tally had slumped to 44 in 2014 (its lowest ever) from 206 in 2009 and then marginally improved to 52 in 2019. Congress is also expected to increase its vote share to ~21% in 2024 from 19% in 2019, but it will still be close to half of the BJP's expected vote share. Interestingly, even in states like Telangana and Karnataka, where the Congress won the state assembly elections in the last 12 months, it is not expected to see any material positive impact of those victories on its performance in the parliamentary polls in the same states.

(4) How does the math stack up for BJP? State-wise insights: The BJP is expected to gain ~20-25 seats in states like *Odisha, West Bengal, Telangana, and Andhra Pradesh* (in alliance with the TDP), which together constitute 105 seats in the Parliament. It is expected to lose 7-8 seats in its traditional stronghold geographies such as *Rajasthan and Haryana* (the BJP won 35 out of 35 seats in these two states put together in 2019). It is also expected to more or less retain its tally in big states like Maharashtra, Bihar, Karnataka, and Uttar Pradesh, which together contribute 196 out of 543 seats in the Parliament. The BJP was expected to shed some seats in these four big states as per the narrative, which prevailed during the Lok Sabha campaign. Aside from these states, the BJP is likely to sweep *Gujarat* (26/26 seats, for the third time in a row), *Madhya Pradesh* (28-29/29 seats), *Chhattisgarh* (11/11 seats), *Delhi* (6-7/7), *Himachal Pradesh* (3-4/4), *Uttarakhand* (4-5/5), *Assam* (10-11/12) and *Jharkhand* (10-12/14). Thus, as per the exit polls, at an overall aggregate level, the BJP is losing very few seats in its traditional stronghold states in North and West India, where it had scored significantly in 2019. Conversely, it is making decent progress in the South and East, which more than compensates for the loss of seats in Rajasthan and Haryana. We note that in 2019, the BJP won 224 seats out of 303 with a vote share of >50% and thus it has entered 2024 with a big gap vs. its opponents. **The BJP is also expected to open its account in the southern states like Tamil Nadu and Kerala, where it scored a duck in 2019.** The BJP and Prime Minister Mr. Modi had prioritized these states and also invested significant political bandwidth to raise the BJP's performance here, with Mr. Modi alone making ~20 visits to TN.

(5) Regional political parties' performance: One of the key takeaways of the exit polls is the weakening of regional political parties in the I.N.D.I.A alliance that are strong in their respective states. For example, Samajwadi Party/BSP in UP, TMC in West Bengal, BJD in Odisha, BRS in Telangana (the BJP is gaining seats at the expense of BRS here), RJD in Bihar, YSRCP in Andhra Pradesh and NCP (SP) in Maharashtra are expected to see a reduction in their respective tallies or gain very marginally. For some parties, e.g., SP and RJD, this will have significant ramifications even for state-level politics, as this will now be the third consecutive Parliament election where they would have performed poorly. From the national politics perspective, this augurs well, in our view, as it results in enhanced political stability without the pulls and pressures of coalition-politics that hamper policy-making.

Political implications of this verdict: If the BJP/NDA wins 325/370 seats on 4th June, the political ramifications of this verdict will be far-reaching, we believe. It will once again reaffirm the political supremacy of **Brand Modi**, who for the third consecutive time, has not only won a comfortable majority but has also kept its key opponent, i.e., the Congress party at a fraction of BJP's strength in Parliament (Congress had 1.8x of BJP's seats in 2009, but succumbed to just 16% of the BJP's total tally in 2014 (44 vs. 282) which, after ten years, will now improve just a bit to ~20% (~65 vs. ~325), if Exit Poll predictions come true). It will result in further marginalization and organizational weakness in opposition parties, which have seen significant attrition and churning in their ranks in the last few years. The after-effects of this massive pro-incumbency verdict may also have spill-over impacts in the next round of State Assembly Elections i.e. **Maharashtra and Haryana in Oct-Nov'24**. Thirdly, it may also

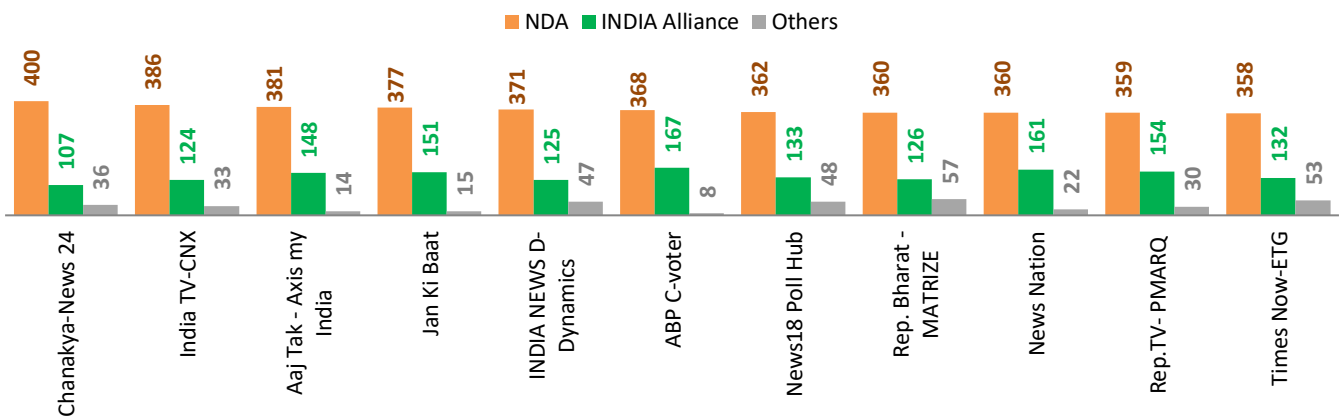
result in further shifts in equations in political alliances, e.g., in Maharashtra. The magnitude of this victory will also boost the political capital of PM Modi/BJP in pushing through tough legislative agenda such as **Uniform Civil Code, One Nation One Poll, Re-introduction of Farm Laws**, etc. We note that, right after winning the 2019 elections in May'19, BJP had abrogated **Article 370** from the Constitution in Aug'19, one of the very important political steps and core agenda of the BJP since the inception of the party. It had withdrawn the farm laws in the face of strident opposition during 2020-21. It remains to be seen whether this fresh boost of political capital will make the BJP reintroduce those farm laws in the same or modified form.

Implications for the market/economy: The victory of PM Modi/BJP augurs well for the economy and capital markets as it provides stability and continuity in policy-making with a single-party majority government, which will be expected to continue pushing its economic agenda. Equity markets displayed some anxiety and nervousness recently around the impending political uncertainty, which resulted in a sharp rise in volatility in Apr and May'24. With this clear verdict, markets will heave a sigh of relief, in our view, and go back to fundamentals/business-as-usual mode. Fundamentally, India is witnessing its own mini-Goldilocks moment with excellent macros (GDP growth of 8.2% in FY24 on the back of ~7% growth in FY23, inflation at ~5%, both current account and fiscal deficits well within tolerance band, stable currency, etc.), solid corporate earnings (Nifty ended FY24 with 25% earnings growth and FY25/26 earnings are likely to post 14-15% CAGR), focus on manufacturing, capex and infrastructure creation, and valuations at 20x one-year forward earnings. This verdict and consequent political stability and continuity in policy-making will act like an icing on the cake and keep India as the cynosure of all eyes, in our view.

Our model portfolio remains aligned with the key domestic cyclical themes amid a consistent backdrop of earnings growth. We remain OW on Financials, Consumption, Industrials, and Real Estate. Industrials, Consumer Discretionary, Real Estate, and PSU Banks are our key preferred investment themes.

TOP IDEAS: **Large caps** – ICICI Bank, SBI, L&T, Coal India, M&M, Adani Ports, ABB, HPCL, and Hindalco; **Midcaps:** Indian Hotels, Godrej Properties, Global Health, KEI Industries, PNB Housing, Cello World, and Kirloskar Oil.

Exhibit 1: All exit polls predict a stronger mandate for NDA





Titan Company

BSE SENSEX
73,961

S&P CNX
22,531

CMP: INR3,242 TP: INR4,000 (+23%)

Buy



Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	2878.1 / 34.5
52-Week Range (INR)	3887 / 2790
1, 6, 12 Rel. Per (%)	-9/-19/-7
12M Avg Val (INR M)	3344
Free float (%)	47.1

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	510.8	599.2	697.7
Sales Gr. (%)	25.9	17.3	16.4
EBITDA	52.9	63.8	76.2
EBITDAM (%)	10.4	10.6	10.9
Adj. PAT	35.0	42.6	53.4
Adj. EPS (INR)	39.3	47.9	60.0
EPS Gr. (%)	6.8	22.0	25.2
BV/Sh.(INR)	105.5	193.8	234.8

Ratios

RoE (%)	32.8	32.0	28.0
RoCE (%)	22.5	21.0	20.9
Payout (%)	28.0	38.0	39.0

Valuations

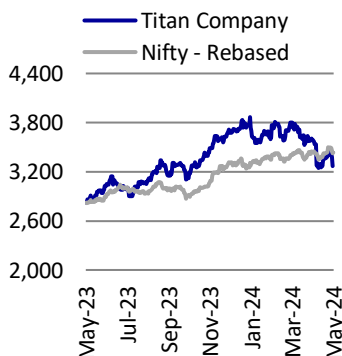
P/E (x)	82.6	67.7	54.1
P/BV (x)	30.7	16.7	13.8
EV/EBITDA (x)	55.3	44.5	36.9
Div. Yield (%)	0.3	0.6	0.7

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	52.9	52.9	52.9
DII	10.5	10.5	11.4
FII	19.1	18.9	17.5
Others	17.6	17.8	18.2

FII Includes depository receipts

Stock's performance (one-year)



Buoyant prospects beyond the near-term blip

Titan Company (Titan) held an analyst meet to discuss the company's growth and operating margin outlook. The company remains optimistic about sustaining strong growth across segments, with a guided 15-20% growth for the core-business and 30-40% growth for the emerging business (wearables, Taneira, international, fragrance, etc.) over the medium term. However, the key highlight of the meet was the revised EBIT margin guidance for the Jewelry business to about 12% (11.5%-12.5% for consolidated) from 12-13% guided earlier. Looking at the gold inflation and rising competitive intensity (affecting gold premium, etc.), Titan is considering guiding the lower end of the previous guidance. We slightly raise our growth assumption to 17% CAGR over FY24-26, while we cut our Jewelry EBIT margin (standalone) estimate to ~12%. Overall, we reduce our earnings estimates by 4% and 3% for FY25 and FY26, respectively. We reiterate our BUY rating on Titan with a TP of INR4,000 (premised on 65x FY26E EPS). The near-term growth/margin fluctuations are possible, but we do not see any structural change to our long-term thesis.

Jewelry: Growth metrics remain promising

The jewelry business has grown well, with revenue increasing 19% annually over the past five years and studded jewelry growing 18% annually. Titan's market share has almost doubled to ~8.0% in FY24 from ~4.5% in FY19, and it is further looking to surpass the 10% mark over the next 2-3 years. Titan has 464 Tanishq stores in 270 towns and plans to add over 250 more. The high-value jewelry, higher number of buyers, and both online and physical stores boosted its growth over the years. Titan aims for 15-20% yearly growth and increasing stores to 1,250 (from 900) in the next three years. Mia aims to reach 1m customers and 750 stores and double its revenue. CaratLane plans to have 425 stores and 3m customers.

Watches: Considering market share expansion in the premium segment

The watch market (analog) stands at INR187b, with a volume of 70m. Titan has a value/volume market share of 27%/20%. Titan has a major presence (~50% share) in the INR1k-25k price range market, which contributes 35% in volume and 45% in value of the market. The market is witnessing a massive premiumization trend, with the >25k price point contributing 1% in volume but >40% in value. In this market, Titan has a 6% share. Further, the market with a <1k price point contributes 65% in volume but 13% in value. In this market, Titan has an 8% share. The company is looking to expand its presence across price points and expects to gain 400bp market share to reach 31% by FY26 (in value terms). Titan is expanding its product portfolio with offerings such as Titan Meteorite and Titan Stellar, alongside strategic partnerships with renowned brands like Cerruti and Kenneth Cole. The company is intensifying its retail presence through Titan World, Helios, and Fastrack outlets, aiming to capitalize on the market's significant growth trajectory. It aims to achieve a 12-14% EBIT margin over the next 2-3 years (vs. 10% in FY24).

EyeCare: Focus on innovations

The Eyecare segment has delivered a 7% revenue CAGR during FY19-24. The market size is huge at INR200b, with the majority (65%) of the market being unorganized and having annual buyers of 80-100m. Titan has a <2% market share with 1.4m buyers. It is trying to bring parity to the affordable segment, launch differentiated products in progressive lenses, and focus on premiumization in sunglasses. The company aims for INR20b revenue with an 11-13% EBIT margin by FY27.

Taneira: Crafting a premium brand in India's ethnic-wear market

The saree market is an INR510b market, and Titan is trying to capture the high-quality product and mass premium pricing (INR5k-10k) through Taneira. The company aims to achieve INR10b in revenue by FY27 through various initiatives on products, touchpoints, and pricing. The number of Taneira stores rose to 74 by FY24 from 20 in FY22. It is strengthening its presence in metros by opening 12 new stores in the top 8 metro cities.

International business: Aims to reach 5% of the total revenue

The first international Tanishq store was established in Oct'20 in Dubai. At present, there are eight Tanishq stores in the UAE, four in the US, two in Qatar, and one in Singapore. The first international Mia store was opened in Burjuman Mall, Dubai, in Oct'23. Watches and eyecare witnessed similar store addition journeys. Therefore, Titan was able to double the revenue each year in the last three years. The company plans to have 75 Watch EBOs, 25 Tanishq stores, 10 Titan Eye+ stores, and 5 Mia stores worldwide by FY25.

Outlook and Valuation

With competitive pressure, Titan has been reducing the gold premium over its peers, and is also exploring alternatives to safeguard operating margins (such as reducing making charges, etc.). In the long term, the company's diverse portfolio instills confidence in sustaining healthy growth with structural drivers such as: 1) the expansion of target users in rising urban cities and the potential of the store network, 2) Titan's expanding customer base (new buyers contributing 45-50%), 3) multiple jewelry brands catering to consumers across income groups, 4) the rapidly changing consumer preferences (transitioning from unorganized to organized market), 5) further potential for market share gain (currently at 8%), and 6) the increasing number of women and young people entering the workforce. We model 17%, 20%, and 22% revenue, EBITDA and PAT CAGR during FY24-26, respectively. Titan's valuation is expensive, but its superior competitive positioning (sourcing, studded ratio, consumer trust, youth-centric, reinvestment, etc.), and business moats are not easily replicable. Reiterate BUY with a TP of INR4,000 (premised on 65x FY26E EPS).



Apollo Hospitals

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR5,839 **TP: INR6,750 (+16%)** **Buy**

In-line 4Q; higher ARPOB drives hospital performance

Work-in-progress to improve Healthco sales/profitability

Bloomberg	APHS IN
Equity Shares (m)	144
M.Cap.(INRb)/(USDb)	839.6 / 10.1
52-Week Range (INR)	6874 / 4525
1, 6, 12 Rel. Per (%)	-1/-6/5
12M Avg Val (INR M)	2706

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	190.6	215.7	252.1
EBITDA	23.9	28.0	36.3
Adj. PAT	9.0	13.4	19.0
EBIT Margin (%)	12.5	13.0	14.4
Cons. Adj. EPS (INR)	62.4	93.1	132.2
EPS Gr. (%)	29.6	49.2	41.9
BV/Sh. (INR)	498.5	588.7	719.3

Ratios

Net D:E	0.2	0.0	-0.2
RoE (%)	13.7	17.7	20.9
RoCE (%)	12.8	15.7	18.8
Payout (%)	9.4	6.3	4.4

Valuations

P/E (x)	93.7	62.8	44.2
EV/EBITDA (x)	36.1	30.2	22.8
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	0.9	2.3	2.9
EV/Sales (x)	4.5	3.9	3.3

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	29.3	29.3	29.3
DII	19.8	19.1	18.0
FII	45.6	46.3	47.0
Others	5.3	5.3	5.7

FII Includes depository receipts

- Apollo Hospitals (APHS) delivered in-line 4QFY24 performance. The reduction in losses in Apollo Healthco continued to drive superior EBITDA growth on YoY basis. APHS continues to implement efforts to improve sales growth momentum and enhance profitability in Healthco over the medium term.

- We reduce our FY25/FY26 earnings estimates by 3% each, factoring in a gradual uptick in occupancy of hospital business and opex for new beds. We value APHS on SOTP basis (25x EV/EBITDA for hospital business, 12x EV/EBITDA for retained pharmacy, 20x EV/EBITDA for front end pharmacy, 24x EV/EBITDA for Apollo Health and Lifestyle (AHLL) and 2x EV/sales for Apollo 24/7) to arrive at a TP of INR6750.

- APHS has chalked out a plan to a) add 1,500 beds in existing markets, b) improve GMV/profitability in Healthco, c) add 500 stores for off-line pharmacy, and d) add labs/collection centers for the diagnostic business, thereby providing comprehensive healthcare solution. We maintain BUY on the stock.

Better patient realization, lower losses improve margins

- 4QFY24 revenue grew 15% YoY to INR49.4b (est. INR48.7b).
- Healthcare services revenue grew 16.8% YoY to INR25.6b.
- Healthco revenue grew 12.6% YoY to INR20.3b.
- AHLL revenue grew 15% YoY to INR3.5b.
- EBITDA margin expanded 160bp YoY to 13% (our est: 12.8%) due to better operating leverage (employee expenses/other expenses down 70bp/50bp YoY as a % sales).
- EBITDA grew 31.2% YoY to INR6.4b (in line). Hospital EBITDA grew 11% YoY to INR5.9b. Healthco posted EBITDA of INR117m in 4QFY24 vs. INR720 loss in 4QFY23. AHLL EBITDA grew 40% YoY to INR357m.
- Adj. PAT jumped 47% YoY to INR2.5b (in line).
- For FY24, revenue/EBITDA/PAT grew 14.7%/16.6%/29.6% YoY to INR190b/INR24b/INR9b.

Highlights from the management commentary

- Healthcare services growth would be more than 15%, led by volume growth and improved occupancy due to an increase in international patients.
- The revenue contribution from international patients should rise to 10% in FY25 from 7% in FY24.
- Cost optimization measures, along with growth in surgical volume, would drive a 150bp EBITDA margin expansion to 25% for the hospital segment in FY25.
- GMV would grow 50% YoY in FY25 for Apollo Healthco, led by an increase in private labels and customer acquisition. The company expects EBITDA breakeven for Apollo 24/7 in the next six to eight quarters.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY23				FY24				FY23	FY24	FY24E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	37,956	42,511	42,636	43,022	44,178	48,469	48,506	49,439	1,66,124	1,90,592	48,698	1.5%
YoY Change (%)	0.9	14.4	17.2	21.3	16.4	14.0	13.8	14.9	13.3	14.7	13.2	
Total Expenditure	33,049	36,857	37,582	38,141	39,088	42,194	42,369	43,034	1,45,628	1,66,685	42,469	
EBITDA	4,908	5,654	5,054	4,881	5,090	6,275	6,137	6,405	20,496	23,907	6,229	2.8%
YoY Change (%)	-5.6	-8.1	-13.9	5.4	3.7	11.0	21.4	31.2	-6.2	16.6	27.6	
Margins (%)	12.9	13.3	11.9	11.3	11.5	12.9	12.7	13.0	12.3	12.5	12.8	
Depreciation	1,478	1,550	1,534	1,591	1,669	1,634	1,670	1,897	6,152	6,870	1,657	
Interest	927	927	1,000	954	1,062	1,113	1,126	1,193	3,808	4,494	1,013	
Other Income	161	226	354	164	282	222	278	281	903	1,063	319	
PBT before EO expense	2,663	3,402	2,874	2,500	2,641	3,750	3,619	3,596	11,439	13,606	3,879	-7.3%
Extra-Ord expense/(Income)	0	0	0	0	0	-19	0	0	0	-19	0	
PBT	2,663	3,402	2,874	2,500	2,641	3,769	3,619	3,596	11,439	13,625	3,879	-7.3%
Tax	-695	1,142	1,035	1,080	966	1,300	1,089	1,098	2,562	4,453	1,095	
Rate (%)	-26.1	33.6	36.0	43.2	36.6	34.5	30.1	30.5	22.4	32.7	28.2	
Minority Interest & Profit/Loss of Asso. Cos.	187	220	303	-25	9	140	77	-40	687	186	274	
Reported PAT	3,171	2,040	1,535	1,445	1,666	2,329	2,453	2,538	8,190	8,986	2,509	1.1%
Adj PAT	1,623	2,040	1,535	1,725	1,666	2,317	2,453	2,538	6,923	8,973	2,509	1.2%
YoY Change (%)	-43.2	-23.7	-36.9	-5.3	2.6	3.0	59.8	47.1	-29.3	29.6	45.4	
Margins (%)	4.3	4.8	3.6	4.0	3.8	4.8	5.1	5.1	4.2	4.7	5.2	

E: MOFSL Estimates

Key performance Indicators (Consolidated)

Y/E March	FY23				FY24				FY23	FY24	FY24E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Hospital Revenue (Mature) (INRm)	14,466	15,920	15,422	15,185	15,845	17,500	17,245	18,020	60,993	68,610	18,020	0.0%
YoY Growth (%)	14.1	9.3	9.2	18.4	9.5	9.9	11.8	18.7	12.5	12.5	18.7	
Hospital Revenue (New) (INRm)	5,768	6,725	6,522	6,761	7,092	7,972	7,391	6,936	25,775	29,391	6,936	0.0%
YoY Growth (%)	-8.0	1.3	16.8	27.1	23.0	18.5	13.3	2.6	8.2	14.0	2.6	
Back end distribution (INRm)	14,792	16,683	17,578	17,992	18,054	19,454	20,493	20,267	67,045	78,206	20,205	0.3%
YoY Growth (%)	-2.2	42.9	34.5	30.9	22.1	16.6	16.6	12.6	25.1	16.6	12.3	
AHLL Revenue (INRm)	2,930	3,183	3,114	3,084	3,187	3,542	3,377	3,547	12,311	13,644	3,538	0.3%
YoY Growth (%)	-5.2	-16.5	-0.6	-0.2	8.8	11.3	8.4	15.0	-6.2	10.8	14.7	
Cost Break-up												
Gross Margin (%)	48.6	48.9	48.0	48.1	48.7	49.3	47.8	48.5	48.4	48.6	50.6	
EBITDA Margin (%)	12.9	13.3	11.9	11.3	11.5	12.9	12.7	13.0	12.3	12.5	12.8	
PAT Margin (%)	4.3	4.8	3.6	4.0	3.8	4.8	5.1	5.1	4.2	4.7	5.2	



Bata India

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,365 TP: INR1,400 (3%) Neutral

Weak distribution channel drags down performance

Bloomberg	BATA IN
Equity Shares (m)	129
M.Cap.(INRb)/(USD\$)	175.5 / 2.1
52-Week Range (INR)	1771 / 1294
1, 6, 12 Rel. Per (%)	0/-28/-35
12M Avg Val (INR M)	541

- BATA revenue grew 2% YoY (in line) in 4QFY24, dragged down by weakness in the distribution channel and the mass segment. Improvement in gross margins (+170bp YoY) was offset by weak SSSG and high SG&A, which led to a 50bp YoY contraction in EBITDA margins.
- Persistent softness, particularly in the value segment (<INR1,000 ASP), remains a drag. However, a steady network rollout and a product revamp (including apparels and sneakers) could support growth going ahead. We estimate a CAGR of 10%/33% in revenue/PAT over FY24-26. We reiterate our Neutral stance on the stock with a TP of INR1,400.

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY25E
Sales	34.8	38.0	42.3
EBITDA	7.9	9.2	11.1
Adj. PAT	2.6	3.7	5.1
EBITDA Margin (%)	22.6	24.1	26.2
Adj. EPS (INR)	22.8	29.2	40.1
EPS Gr. (%)	-9.2	27.9	37.3
BV/Sh. (INR)	118.8	148.0	188.0

Ratios

Net D:E	0.5	0.2	0.0
RoE (%)	19.8	21.9	23.8
RoCE (%)	13.7	15.0	16.8
RoIC (%)	15.5	17.7	22.5

Valuations

P/E (x)	59.7	46.7	34.0
EV/EBITDA (x)	23.4	19.7	15.9
EV/Sales (X)	5.3	4.7	4.2
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	50.2	50.2	50.2
DII	28.3	29.7	30.6
FII	8.2	7.9	5.9
Others	13.3	12.3	13.4

FII Includes depository receipts

Weak SSSG leads to decline in margins (in line)

- Revenue grew 2% YoY to INR8b (in line), likely due to **weak SSSG**.
- The company added three own stores and 24 franchise stores in the quarter, taking the total store count of 1,329 and 533, respectively.
- **Revenue per store (including SIS) declined 6% YoY**, mainly due to continued headwinds in discretionary spending.
- Gross margins expanded 170bp YoY to 60.1%, aided by a softening in RM prices and an improved product mix. Gross profits increased by 6% YoY to INR4.8b (in line).
- EBITDA was flat YoY at INR1.6b (in line) due to an increase in employee/other expenses by 3%/13% YoY, offsetting the GM benefit. EBITDA margins contracted 50bp YoY to 22.8%.
- **The cost of retailing per store was under control (flat YoY)**.
- PAT declined 3% YoY to INR636m (6% miss) due to higher depreciation/finance costs, which rose 18%/14% YoY.
- FY24 revenue rose 1% YoY, while EBITDA/adj. PAT declined 1%/9% YoY.
- The company declared a dividend of INR12 per share (vs. INR13 in FY23).
- FY24 OCF declined 65% YoY to INR 1.1b due to an amount blocked in WC and a 10% increase in LL. Capex rose 9% YoY to INR980m and the dividend payment stood at INR1.7b. This led to cash outflow of INR1.6b, resulting in a decrease in net cash to INR4.3b.

Key takeaways from the management interaction

- **Rationalization of stores-** The company closed some loss-making COCO stores during the quarter and expects to add new stores to the franchisee network (40 stores per quarter). BATA continues to expand in tier-3/tier-4 cities.
- **Guidance-** It aims to clock double-digit revenue growth consistently and expects to maintain marketing costs at 3%.
- **Mass segment improving-** Distribution business and lower ASP products have been a drag on overall growth, but the management has seen some signs of improvement in the mass market.

- **Power apparels picking up-** The company is extending power apparels across stores, as the segment has seen good momentum from winters. BATA targets to expand to 100 stores by Dec'24 (vs. 70 at present).

Valuation and view

- Its robust balance sheet, marked by a net cash position, healthy FCF generation and impressive returns profile, along with a substantial growth potential within the industry, should help BATA drive its growth initiatives.
- Over the last couple of years, following the change in management, a renewed focus on growth has been evident, characterized by a brand refresh, introduction of new product lines (such as the newly launched sneaker segment), and enhancements in the backend supply chain infrastructure.
- While the company continues to explore growth opportunities through product improvement and introduction, revenue growth has been challenging amid a weak recovery in demand in the value category and an improving share of the sneaker segment.
- We estimate a CAGR of 10%/33% in revenue/PAT over FY24-26. We reiterate our Neutral stance on the stock with a TP of INR1,400, based on 35x FY26E EPS.

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	9,430	8,298	9,002	7,786	9,581	8,191	9,035	7,979	34,516	34,786	8,033	-0.7
YoY Change (%)	253.1	35.1	7.0	17.0	1.6	-1.3	0.4	2.5	44.6	0.8	3.2	
Gross Profit	5,339	4,562	4,931	4,547	5,246	4,755	5,065	4,798	19,379	19,864	4,723	1.6
Gross margin%	56.6	55.0	54.8	58.4	54.7	58.1	56.1	60.1	56.1	57.1	58.8	
Total Expenditure	6,983	6,688	6,941	5,966	7,186	6,375	7,210	6,156	26,579	26,927	6,125	0.5
EBITDA	2,447	1,609	2,061	1,820	2,395	1,817	1,824	1,823	7,936	7,859	1,907	-4.4
EBITDA margin	25.9	19.4	22.9	23.4	25.0	22.2	20.2	22.8	23.0	22.6	23.7	
Change YoY (%)	-876.5	35.0	22.2	12.2	-2.1	12.9	-11.5	0.2	89.6	-1.0	4.8	
Depreciation	693	736	754	765	811	817	860	903	2,948	3,391	821	9.9
Interest	249	272	286	272	281	284	295	310	1,078	1,170	282	9.7
Other Income	93	119	75	99	133	155	111	219	386	617	103	112.4
PBT before EO expense	1,597	720	1,096	882	1,436	870	780	829	4,296	3,915	907	-8.6
Extra-Ord expense	0	0	0	0	0	409	0	0	0	409	0	
PBT	1,597	720	1,096	882	1,436	461	780	829	4,296	3,506	907	-8.6
Tax	404	172	265	226	367	121	201	193	1,067	881	229	-15.8
Rate (%)	25.3	23.9	24.2	25.6	25.5	26.3	25.7	23.2	24.8	25.1	25.3	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	1,194	548	831	656	1,069	340	580	636	3,229	2,625	678	-6.1
Adj PAT	1,194	548	831	656	1,069	641	580	636	3,229	2,927	678	-6.1
YoY Change (%)	-272	47	15	4	-10	17	-30	-3	213	-9	3	
Margins (%)	13%	7%	9%	8%	11%	8%	6%	8%	9%	8%	8%	

E: MOFSL Estimates



Sunteck Realty

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR471 TP: INR640 (+36%) BUY

Healthy performance aided by luxury sales

Targeting 30-35% bookings growth in FY25

- Sunteck Realty (Sunteck) reported pre-sales of INR6.8b in 4QFY24, up 26%/51% YoY/QoQ (29% above our estimate). In **FY24**, it achieved bookings of INR19.2b, up 20% YoY, with an embedded EBITDA margin of 35%.
- Pre-sales in FY24 were slightly lower than the guidance of INR20b due to a delay in the new tower launch at the Mira Road project. However, Sunteck remains confident in delivering 30-35% bookings growth in FY25.
- In 4QFY24, Sunteck posted 10% YoY decline in collections at INR3b. For FY24, collections were flat at INR12.4b and adjusted for proceeds from the treasury stake sale, collections dipped 24% YoY to INR9.6b. The decline can be attributed to lower inflows from new projects such as Mira Road and Vasai, where it posted healthy sales but the pace of construction has not picked up.
- In FY24, the Uber luxury projects at BKC generated sales of INR2.4b (up 3x YoY), which were higher than cumulative bookings achieved in the last three years. The upper mid-income projects recorded a 19% YoY decline in bookings to INR10b. However, the lower mid-income projects posted strong bookings of INR4.8b, up 118% YoY.
- Aided by robust surplus cash generation of INR4b, Sunteck has become net debt free, and it intends to redeploy the surplus to further strengthen its project pipeline.
- **P&L performance:** Revenue surged ~9x YoY to INR4.3b, but was 29% below our estimate on account of partial revenue recognition of Phase 2 (Maxx World) at Naigaon. It reported an EBITDA of INR1.5b vs. a loss of INR91m in 4QFY23. EBITDA margin came in at 36%. PAT stood at INR1b vs. a net loss of 279m in 4QFY23. In FY24, revenue/EBITDA/PAT stood at INR5.6b/INR1.2b/INR0.7b, a sharp improvement compared to its FY23 performance.

Bloomberg	SRIN IN
Equity Shares (m)	146
M.Cap.(INRb)/(USDb)	69 / 0.8
52-Week Range (INR)	512 / 271
1, 6, 12 Rel. Per (%)	8/-17/46
12M Avg Val (INR M)	352

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	5.6	14.1	18.3
EBITDA	1.2	3.5	4.9
EBITDA (%)	20.8	24.8	26.5
PAT	0.7	2.4	3.4
EPS (INR)	4.8	16.2	23.2
EPS Gr. (%)	NA	234.8	43.1
BV/Sh. (INR)	213.3	228.0	249.7

Ratios

Net D/E	0.1	0.1	0.0
RoE (%)	2.4	7.4	9.7
RoCE (%)	3.5	7.4	9.5
Payout (%)	31.0	9.2	6.5

Valuations

P/E (x)	97.2	29.0	20.3
P/BV (x)	2.2	2.1	1.9
EV/EBITDA (x)	61.1	20.3	14.5
Div Yield (%)	0.3	0.3	0.3

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	63.2	63.3	67.2
DII	9.1	7.3	6.1
FII	18.3	20.3	19.5
Others	9.3	9.2	7.2

Key management commentary

- **Launches:** Sunteck is aiming to launch the Napean Sea and Bandra projects in FY25, and these projects have a combined GDV of INR30b. Additionally, the subsequent phases of Mira Road, Naigaon, and ODC will also be launched in FY25. These projects have a cumulative GDV of ~INR50b (Mira Road – INR8b, Naigaon – INR10b, and ODC – INR30b).
- **Guidance:** Management is expecting 30-35% pre-sales growth in FY25 and it is confident of achieving it even if the launch of Napean Sea gets delayed.
- **Business development:** The surplus cash generation has been robust at INR4b in FY24, which will be redeployed in building commercial assets and BD for residential business. Sunteck has commenced planning of an office tower at ODC, and it will soon share the construction timelines. In residential, it is aggressively looking for new projects in the Western Suburbs/South Mumbai and will hopefully sign a few large deals in FY25.

- **P&L Performance:** Management expects further improvement as revenue from Avenue 4 (ODC) and Maxx World, along with BKC projects, will be recognized in FY25.

Valuation and view

- We expect Sunteck to deliver a healthy 30% pre-sales CAGR over FY24-26, fueled by a ramp-up in launches from both new and existing projects. Further, its sound balance sheet, strong cash flows, and recent partnership with IFC would spur project additions and drive sustainable growth.
- We value its residential segment based on the NPV of existing pipelines and its commercial segment based on an 8% cap rate on FY25E EBITDA. We also assign INR14b of value to its future project additions through the IFC platform to arrive at our TP of INR640, indicating 36% upside potential.

Quarterly performance

Y/E March	FY23				FY24				FY23	FY24	FY24E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	1,435	807	893	489	706	250	424	4,269	3,624	5,648	5,990	-29
YoY Change (%)	-35.4	68.8	43.4	219.2	-50.8	-69.1	-52.5	773.4			1,125.7	
Total Expenditure	983	707	713	579	780	391	573	2,735	2,982	4,476	3,827	
EBITDA	452	100	180	-91	-75	-141	-148	1,534	642	1,173	2,163	-29
Margins (%)	31.5	12.4	20.2	-18.6	-10.6	-56.5	-34.9	35.9	17.7	20.8	36.1	
Depreciation	21	23	22	25	18	22	24	31	92	95	7	
Interest	198	176	196	289	173	158	171	182	859	684	142	
Other Income	52	70	81	80	178	113	185	81	284	555	202	
PBT before EO expense	285	-29	44	-324	-87	-208	-158	1,402	-24	949	2,216	-37
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	285	-29	44	-324	-87	-208	-158	1,402	-24	949	2,216	-37
Tax	62	-10	42	-62	-27	-64	-55	386	31	240	586	
Rate (%)	21.7	36.3	95.3	19.2	31.0	30.5	34.9	27.5	-125.6	25.3	26.5	
Minority Interest & Profit/Loss of Asso. Cos.	-27	-42	-19	17	7	-6	-6	3	-70	-1	-6	
Reported PAT	250	23	21	-279	-67	-139	-97	1,013	15	710	1,635	-38
Adj PAT	250	23	21	-279	-67	-139	-97	1,013	15	710	1,635	-38
YoY Change (%)	NA	-90.6	-11.4	NA	-75.8	105.7	-29.9	-1,141.7	NA	NA	-1,781.2	
Margins (%)	17.4	2.9	2.3	-57.1	-9.6	-55.6	-22.9	23.7	0.4	12.6	27.3	
Operational metrics												
Pre-sales	3,330	3,360	3,960	5,370	3,860	3,950	4,550	6,780	16,020	19,140	5,259	29
Collections	2,840	3,310	3,040	3,300	2,880	2,140	4,380	2,960	12,490	12,360	2,404	23

Source: MOFSL, Company

Automobiles

May'24 sales update: AL and VECV outperform expectations

CV demand continues to be steady

May wholesale numbers have normalized as base year anomaly adjusted. In 2Ws, while TVS numbers have been ahead of estimates, RE has been below estimates. In PVs, M&M has outperformed the key players on the back of his healthy order backlog. In CVs, both AL and VECV have grown in double digits relative to single digit growth for TTMT. CV industry demand has held up well in Q1 and we continue to expect the industry to post mid-single digit growth for FY25E. In tractors, M&M sales were ahead of estimates while Escorts have been in line. In terms of outlook, we expect PVs and CVs to post 6% volume CAGR over FY24-26E. We expect the 2W industry to post 9% volume CAGR in the same period. In Auto OEMs, MSIL and AL are our top picks.

- **2Ws (without BJAUT):** Wholesale sales for HMCL (inline) /EIM (below est.) declined 4%/8% YoY to 498.1k/71k units but grew 13% YoY for TVSL (above est.) to 359.6k units. For YTD now, RE sales are up just 1.5% YoY, which is lower than that for mass market motorcycle players like HMC / TVSL. Export dispatches for TVSL/RE grew 33%/12% YoY albeit on a low base. EV volumes for TVSL grew 4% YoY to 18.6k units.. BJAUT is yet to report their numbers.
- **PVs:** MSIL's volumes for May'24 came in at 174.5k units (declined 2% YoY) and were in line with our estimates. While domestic volumes for MSIL grew 4% YoY to 157.2k units, exports declined 34% YoY to 17.4k units. Compact segment sales were up 20% on mom basis largely led by launch of the new Swift. Also, sales to Toyota has increased sharply to 10.5k units, the first time when this has crossed the 10k mark. MM total auto volumes were up 17% YoY to 71.7k units due to the strong growth of 31% YoY for UVs. TTMT PV volumes grew 2% YoY to 47.1k units inline with estimates. Further, while overall UV volumes were up 12% YoY, growth was limited by the car segment, which declined 8% YoY.
- **CVs:** Overall MHCVs grew 10.5% YoY while LCVs grew 5% YoY. This trend is actually better than our estimates where we had built in CV recovery from H2 (however, the industry continues to post positive growth even in Q1). CV sales for TTMT grew 2% YoY (MHCVs grew 10% YoY while LCVs declined 3% YoY) in May'24 (inline with estimate) to 29.7k units. AL wholesales grew 12% YoY to 14.7k units (MHCV/LCVs grew 12% YoY each). VECV's CV sales grew 10% YoY to 6.9k units (above est.).
- **Tractors:** MM tractor volumes grew 9% YoY to 37.1k units (above est.) while ESC's sales were in line with our estimate at 8.6k units (declined 6% YoY). As per MM press release, "Coupled with timely arrival of southwest monsoon in Kerala and northeast states and forecast of an above normal monsoon has improved the on-ground sentiments of the farmers. Land preparation activities for Kharif crops are expected to begin on time, which is likely to boost tractor demand in coming months." As per ESC press release "On ground sentiments are being influenced by a variety of factors, including ongoing elections, low reservoir water levels, heatwaves, and reduced haulage activities in certain regions of the country. However, with the forecast of a near to above-normal monsoon this year that is expected to be widespread across the nation, we anticipate an improvement in demand and industry performance post southwest monsoon."

Surprise (Variance %)	In line (Variance %)	Disappointment (Variance %)
TVSL (+6%)	MSIL (-1%)	EIM RE (-14%)
EIM VECV (+21%)	TTMT PVs (2%)	
AL (+11%)	ESC (-2%)	
	TTMT CVs (+2%)	
	HMCL (+2%)	

■ **Valuation and view:** It is now an established fact that the majority of easy gains in Auto OEM stocks are now behind us, as we have witnessed significant volume growth across segments over the last two years, and input costs also appear to have bottomed out. Hence, one will have to make selective micro strategies to outperform from hereon. In this backdrop, MSIL is our top pick in Auto OEMs along with AL. Among Auto Ancillaries, our top picks are CRAFTSMA, MOTHERSO, and HAPPYFORG

Snapshot of volumes for May-24 (incl Exports) *

Company Sales	YoY			MoM		FY25YTD	FY24YTD	(% chg)	FY25E	Gr (%)
	May-24	May-23	YoY (%) chg	Apr-24	MoM (%) chg					
2W	9,28,723	9,16,230	1.4	9,90,047	-6.2	19,18,770	16,80,259	14.2	1,15,58,500	9.3
Cars	1,20,172	1,30,472	-7.9	1,11,410	7.9	2,31,583	2,55,287	-9.3	15,75,660	22.7
Uvs + MPVs	1,61,588	1,44,753	11.6	1,64,095	-1.5	3,25,682	2,80,374	16.2	20,66,481	8.1
PVs	2,81,760	2,75,225	2.4	2,75,505	2.3	5,57,265	5,35,661	4.0	36,42,141	14.0
3Ws	66,137	64,617	2.4	60,994	8.4	1,27,131	1,24,900	1.8	9,46,542	10.6
M&HCVs	29,676	26,851	10.5	27,718	7.1	57,394	50,866	12.8	4,16,662	6.4
LCVs	27,179	25,967	4.7	27,002	0.7	54,181	47,927	13.0	3,58,901	6.0
CVs	56,855	52,818	7.6	54,720	3.9	1,11,575	98,793	12.9	7,75,563	6.2
Tractors	45,721	43,293	5.6	44,554	2.6	90,275	87,263	3.5	5,04,079	4.8

* 2W: HMCL, TVSL,EIM; PVs: MSIL, MM & TTMT; 3Ws:TVSL, MM; CVs: TTMT, AL, MM, EIM; Tractors: MM, ESC

Snapshot of volumes for May-24

Company Sales	YoY			MoM		FY25YTD	FY24YTD	(% chg)	FY25E	Gr. (%)	Residual Gr. (%)	Residual Monthly Run rate	FY25 YTD Monthly Run rate	May-24
	May-24	May-23	YoY (%) chg	Apr-24	MoM (%) chg									
Maruti Suzuki	1,74,551	1,78,083	-2.0	1,68,089	3.8	3,42,640	3,38,612	1.2	22,85,450	7.0	8.1	1,94,281	1,71,320	1,75,874
LCVs	2,692	2,888	-6.8	2,496	7.9	5,188	5,087	2.0	36,464	8.0	9.1	3,128	2,594	2,599
Vans	10,960	12,818	-14.5	12,060	-9.1	23,020	23,322	-1.3	1,41,253	3.0	3.9	11,823	11,510	14,100
Mini Segment	9,902	12,236	-19.1	11,519	-14.0	21,421	26,346	-18.7	1,46,357	3.0	7.9	12,494	10,711	11,012
Compact (incl Dzire Tour)	78,696	76,429	3.0	62,434	26.0	1,41,130	1,55,403	-9.2	9,33,253	5.3	8.3	79,212	70,565	68,786
Mid Size - CIAZ	730	992	-26.4	867	-15.8	1,597	2,009	-20.5	10,337	0.0	4.9	874	799	853
UVs	54,204	46,243	17.2	56,553	-4.2	1,10,757	82,997	33.4	7,14,713	11.3	8.0	60,396	55,379	57,341
Domestic	1,57,184	1,51,606	3.7	1,45,929	7.7	3,03,113	2,95,164	2.7	19,82,377	20.7	24.6	167,926	151,557	154,692
Export	17,367	26,477	-34.4	22,160	-21.6	39,527	43,448	-9.0	3,03,073	7.1	10.0	26,355	19,764	21,182
Mahindra & Mahindra	1,08,791	95,541	13.9	1,07,510	1.2	2,16,301	1,94,240	11.4	13,00,926	7.4	6.7	108,462	108,151	103,008
UV (incl. pick-ups)	62,826	54,046	16.2	61,929	1.4	1,24,755	1,09,045	14.4	7,89,139	8.0	6.9	66,438	62,378	62,193
LCV & M&HCV	2,889	1,518	90.3	3,038	-4.9	5,927	3,261	81.8	20,884	17.3	2.8	1,496	2,964	2,321
Three-Wheelers	5,967	5,851	2.0	5,504	8.4	11,471	11,403	0.6	86,516	12.0	14.0	7,504	5,736	5,734
Tractors	37,109	34,126	8.7	37,039	0.2	74,148	70,531	5.1	4,04,387	5.0	5.0	33,024	37,074	32,761
Tata Motors	76,766	74,973	2.4	77,521	-1.0	1,54,287	1,44,572	6.7	10,23,217	5.3	5.0	86,893	77,144	75,301
HCV's	13,532	12,292	10.1	13,218	2.4	26,750	21,807	22.7	1,90,588	5.2	2.8	16,384	13,375	12,197
LCV's	16,159	16,697	-3.2	16,320	-1.0	32,479	29,674	9.5	2,28,612	5.3	4.6	19,613	16,240	17,031
CV's	29,691	28,989	2.4	29,538	0.5	59,229	51,481	15.1	4,19,200	5.2	3.8	35,997	29,615	29,228

Snapshot of volumes for May-24

Company Sales	YoY			MoM		FY25YTD	FY24YTD	(% chg)	FY25E	Gr. (%)	Residual Gr. (%)	Residual Monthly Run rate	FY25 YTD Monthly Run rate	May-24
	May-24	May-23	YoY (%) chg	Apr-24	MoM (%) chg									
PVs	47,075	45,984	2.4	47,983	-1.9	95,058	93,091	2.1	6,04,016	6.0	6.7	50,896	47,529	46,073
Hero MotoCorp	4,98,123	5,19,474	-4.1	5,33,585	-6.6	10,31,708	9,15,581	12.7	59,78,413	6.3	5.1	494,671	515,854	488,306
Ashok Leyland	14,682	13,134	11.8	14,271	2.9	28,953	26,108	10.9	2,05,658	5.6	4.8	17,671	14,477	13,251
M&HCV	9,243	8,270	11.8	9,123	1.3	18,366	16,203	13.3	1,32,718	6.3	5.2	11,435	9,183	8,435
LCV	5,439	4,864	11.8	5,148	5.7	10,587	9,905	7	72,940	4.5	4.1	6,235	5,294	4,815
TVS Motor	3,69,914	3,30,609	11.9	3,83,615	-3.6	7,53,529	6,36,833	18.3	47,55,146	13.5	12.6	400,162	376,765	349,488
Motorcycles	1,73,627	1,62,248	7.0	1,88,110	-7.7	3,61,737	3,14,613	15.0	22,61,374	13.6	13.4	1,89,964	1,80,869	1,71,983
Scooters	1,45,305	1,21,156	19.9	1,44,126	0.8	2,89,431	2,28,652	26.6	18,28,155	15.3	13.3	1,53,872	1,44,716	1,29,637
Mopeds	40,658	35,891	13.3	42,356	-4.0	83,014	70,816	17.2	4,93,341	5.4	3.2	41,033	41,507	37,686
Three-Wheelers	10,324	11,314	-8.8	9,023	14.4	19,347	22,752	-15.0	1,72,275	17.9	23.9	15,293	9,674	10,183
Domestic	2,72,948	2,54,002	7.5	3,03,107	-9.9	5,76,055	4,88,563	17.9	35,61,824	12.1	11.0	2,98,577	2,88,028	2,68,285
Exports	96,966	76,607	26.6	80,508	20.4	1,77,474	1,48,270	19.7	11,93,322	17.8	17.5	1,01,585	88,737	81,203
Eicher Motors														
Royal Enfield	71,010	77,461	-8.3	81,870	-13.3	1,52,880	1,50,597	1.5	9,97,216	9.3	10.8	84,434	76,440	82,109
VECV	6,901	6,289	9.7	5,377	28.3	12,278	12,856	-4.5	93,356	9.1	11.5	8,108	6,139	5,697
Domestic LMD	2,809	2,713	3.5	2,264	24.1	5,073	5,724	-11.4	43,804	8.0	11.2	3,873	2,537	2,306
Domestic HD	1,635	1,408	16.1	1,263	29.5	2,898	2,998	-3.3	23,251	8.0	9.8	2,035	1,449	1,295
Domestic Buses	1,860	1,705	9.1	1,371	35.7	3,231	3,246	-0.5	19,352	12.0	14.9	1,612	1,616	1,569
VTI	182	213	-14.6	123	48.0	305	381	-19.9	2,670	8.0	13.1	236	153	160
Domestic	6,486	6,039	7.4	5,021	29.2	11,507	12,349	-6.8	89,077	8.8	11.6	7,757	5,754	5,330
Exports	415	250	66.0	356	16.6	771	507	52.1	4,279	15.0	9.2	351	386	368
Escorts Kubota	8,612	9,167	-6.1	7,515	14.6	16,127	16,732	-3.6	99,692	4.0	5.6	8,357	8,064	8,746
Domestic	8,232	8,704	-5.4	7,168	14.8	15,400	15,956	-3.5	94,122	4.3	6.0	7,872	7,700	8,269
Exports	380	463	-17.9	347	9.5	727	776	-6	5,570	-1	0.0	484	364	477
Const. Equipment	439	425	3.3	446	-1.6	885	882	0	7,203	10	11.5	632	443	468

Comparative valuations

	Rating	Mcap (INR b)	CMP (INR)	TP (INR)	P/E (x)		EV/EBITDA (x)		PB (x)		FY25 Yield (%)		EPS CAGR (%)
					FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	Div	FCF	FY24-26E
Auto OEM's													
Bajaj Auto	Neutral	2,536	9,082	8,360	27.9	24.2	21.8	18.7	9.0	7.9	2.2	2.6	16.5
Hero MotoCorp	Buy	1,025	5,120	5,320	21.5	18.3	14.5	12.3	5.1	4.5	2.6	3.6	16.9
TVS Motor	Neutral	1,035	2,179	1,930	39.4	33.4	24.4	20.9	10.4	8.2	0.4	1.6	21.9
Eicher Motors	Sell	1,293	4,727	4,020	28.9	26.0	26.7	23.7	6.2	5.3	1.2	4.4	11.6
Maruti Suzuki	Buy	3,898	12,397	14,700	25.1	22.2	16.0	13.7	4.1	3.6	1.2	1.9	14.7
M&M	Buy	3,006	2,506	2,720	24.5	20.9	17.9	14.7	2.4	2.1	0.9	3.3	16.0
Tata Motors	Neutral	3,393	923	955	15.8	13.7	5.5	4.6	3.2	2.7	0.5	5.4	7.0
Ashok Leyland	Buy	658	224	245	19.2	16.9	12.2	10.7	6.3	5.3	2.7	4.2	20.4
Escorts	Neutral	422	3,816	3,145	37.6	31.6	26.7	25.1	4.6	4.1	0.5	3.2	12.8
Auto Ancillaries													
Bharat Forge	Neutral	724	1,555	1,370	40.1	31.8	23.0	19.5	8.6	7.2	0.7	0.0	54.1
Exide Industries	Neutral	415	488	430	29.8	25.9	17.8	15.8	2.9	2.7	0.7	1.9	23.4
Amara Raja	Neutral	216	1,182	1,090	21.1	19.5	11.7	10.7	2.8	2.5	0.8	5.1	10.5
BOSCH	Neutral	896	30,375	28,585	37.0	31.9	31.8	27.3	6.7	6.0	1.3	1.7	23.8
Endurance Tech	Buy	312	2,218	2,515	33.7	27.3	19.2	16.2	5.4	4.7	0.5	1.8	30.9
SAMIL	Buy	1,025	151	170	23.7	19.4	9.7	8.4	3.5	3.1	1.3	1.6	45.2
CIE Automotive	Buy	202	533	565	21.8	18.0	12.9	10.8	3.0	2.7	0.9	2.4	18.5
CEAT	Buy	95	2,355	2,930	14.6	12.0	7.0	6.1	2.1	1.8	1.3	4.9	7.4
Balkrishna Ind	Neutral	590	3,050	2,535	33.5	26.7	21.2	17.4	5.9	5.1	1.1	2.4	22.3
MRF	Sell	532	1,25,445	92,000	27.4	24.5	12.3	11.1	2.9	2.6	0.4	2.3	1.2
Apollo Tyres	Buy	294	464	550	15.4	13.4	6.6	5.7	1.5	1.4	1.4	16.8	9.2
Sona BLW	Neutral	382	651	630	55.7	46.5	31.2	26.1	11.7	10.0	0.6	1.0	25.0
Tube Investments	Buy	675	4,400	2,234	57.8	46.7	29.5	23.9	11.4	9.4	0.2	1.7	49.6
MSUMI	Buy	299	68	80	36.1	30.0	24.0	20.1	13.9	11.3	1.6	1.8	25.0
CRAFTSMAN	Buy	89	4,237	5,305	24.3	18.4	9.9	8.2	4.5	3.7	0.4	4.5	26.5
Happy Forgings	Buy	103	1,115	1,260	32.1	24.8	20.7	16.6	5.6	4.7	0.5	1.3	32.0

Exit polls predict a clean sweep for the BJP-led NDA in the 2024 Lok Sabha elections

BJP's 2024 manifesto promises policy continuity

- The BJP-led NDA is forecasted to win ~370 seats (NDA had won 353 seats in 2019), according to the average of all exit polls. Three exit polls predicted that the NDA may create history and surpass the 400-seat milestone in the Lok Sabha election. Today's Chanakya, the only agency that predicted the 2014 seats correctly, has estimated 400 seats for NDA. Meanwhile, the highly respected and eagerly awaited Axis MY India Exit Poll (the agency that accurately predicted 2019 and also has a track record of correctly predicting 64 out of 69 polls to date) has placed the NDA in the higher range with 400 seats (361-401).
- Prime Minister Narendra Modi unveiled the Sankalpa Patra (Manifesto) of the Bhartiya Janata Party (BJP), titled "Modi ki Guarantee 2024" for the 2024 Lok Sabha Elections. According to various opinion polls, the BJP is expected to retain power for the third consecutive term with a full majority. In this note, we look at the key takeaways from the manifesto that promises policy continuity and focuses on the four strong pillars of Viksit Bharat—women power, youth power, farmers, and the poor.
- The manifesto reflects the confidence of the current dispensation to return to power and thus refrains from any meaningful freebies, which would have extracted a fiscal cost. It focuses more on expanding the ongoing projects/progress in several areas.
- The manifesto talked about the free ration scheme, which was extended by five years in Dec'23 to provide free ration to 80 crore citizens. The government will focus on self-reliance in production of pulses, edible oils, and vegetables in order to achieve price stability.
- The government will focus on taking piped gas to all homes and providing free electricity to poor households under PM Surya Ghar Muft Bijli Yojana.
- The manifesto promised to onboard auto, taxi, truck, and other drivers on e-Shram portal and ensured 100% coverage of all drivers under insurance and other welfare programs.
- The Ayushman Bharat scheme, Mudra Yojana, and PM Awas Yojana will be expanded. The Mudra loan limit will be doubled up to INR2m and provided to entrepreneurs who have availed of and successfully repaid previous loans under the Tarun category. All the individuals above 75 years of age will be brought under the purview of Ayushman Bharat Yojana to provide them access to free and quality healthcare. Under PM Awas Yojna, 3 crore more houses will be built for the poor.
- The manifesto proposed to expand the start-up ecosystem to promote youth entrepreneurship by encouraging start-ups in government procurement. Increasing employment generation through infrastructural development and expansion of the tourism sector.
- Nari Shakti Vandan Adhinyam will be implemented to ensure higher representation for women in Parliament and state legislatures. The Lakhpati Didi self-help group initiative for rural women will be expanded. The development of infrastructural facilities such as women's hostels and crèches will be done to boost women's participation in the workforce.
- The manifesto promised to encourage the production of nutritious vegetables, set up news clusters for the production of essentials such as onions and tomatos, build more storage facilities, focus on natural farming & crop diversification, boost farming infrastructure and irrigation facilities, and create a satellite focused on agricultural activities.
- The BJP manifesto promised to ramp up railway infrastructure by building world class stations, expanding coverage of new age trains such as Vande Bharat, Amrit Bharat, and Namu Bharat. The Metro network will also be expanded in major urban centers, ensuring last mile connectivity.
- The manifesto promised to implement the Uniform Civil Code (UCC), which is contemplated as a common set of laws for citizens governing personal matters such as inheritance, marriage, divorce, and adoption, irrespective of religion, sex, gender, or caste. It further proposed to make 'One Nation, One Election' a reality in order to make provisions for a common electoral roll for all levels of elections.
- The manifesto proposed to implement 'One Nation, One Student ID' through the Automated Permanent Academic Account Registry (APAAR) to store academic qualifications, credit scores, and certificates, et al. for students from pre-primary to higher education.
- A global outreach program will be started to document and promote the tangible and intangible legacy of Lord Ram in all countries.
- The Anusandhan National Research Foundation (with an investment of INR1t to provide loans to promote scientific research) will be operationalized to build robust research and development infrastructure across the country.

Fiscal deficit at 5.6% of GDP in FY24 vs. 5.8% in FY24 RE...

...led by lower revenue spending and higher dividends

- The Central government’s total spending grew at a much lower pace of 5.9% YoY in FY24 (vs. 10.5% YoY in FY23), the lowest since FY06. This was entirely led by an all-time slow growth in revenue spending (1.2% YoY in FY24 vs. 7.9% YoY in FY23). Conversely, capital spending continued its robust growth momentum. It grew 28.3% YoY in FY24 vs. 24.8% in FY23.
- Revenue spending stood at INR34.9t in FY24 (INR462b lower than revised estimates) vs. INR34.5t in FY23. Within revenue spending, subsidies stood at INR4.1t in FY24 (-22.1% YoY), INR270b lower than the revised estimates (REs). Capital spending in FY24 was INR9.5t, in line with the REs (-17b), compared to INR7.4t in FY23. Therefore, total spending stood at INR44.4t in FY24 (INR479b lower than REs) as against INR41.9t in FY23 (*Exhibit 3*).
- Further, the government’s total spending grew 39.3% YoY in Apr’24 vs. a growth of 10.6% in Apr’23, led by a robust 43.7% YoY growth in revenue spending (vs. +15.2% in Apr’23) and 26.5% YoY growth in capital spending (vs. -0.6% in Apr’23).
- Central govt. receipts grew at a higher pace of 13.6% YoY to INR27.9t in FY24 vs. INR24.6t in FY23 and INR27.6t in FY24RE. Gross receipts in FY24 were INR332b higher than the REs, primarily led by higher non-tax revenues mainly comprising dividends (+INR261b) and non-debt capital receipts (-INR45b) (*Exhibit 1*).
- Gross tax revenue grew sharply by 13.4% YoY in FY24 to INR34.6t vs. INR30.5t in FY23 (12.7% YoY) and INR34.4t in FY24 RE, mainly led by a higher pace of growth in income taxes (25.1% YoY in FY24 vs. 20% in FY23) and robust indirect tax collections (8.6% in FY24 vs. 7.3% in FY23). Gross taxes were INR276b higher than REs, led by indirect taxes viz. GST (+INR55b) and customs (+INR144b), which were almost entirely offset by lower direct tax collections viz. corporation (-INR116b) and personal income (-INR114b) taxes. Even though gross tax revenues were higher than the REs, they were almost entirely offset by higher devolution to states (INR250b higher than REs) due to which net tax revenues were in line with the REs (+INR26b) (*Exhibit 2*).
- The total receipts of the government jumped 25.1% YoY to INR2.1t in Apr’24. While direct taxes rose 12.1% YoY in Apr’24, indirect taxes increased at a faster pace of 22.9% YoY in Apr’24. Within direct taxes, while corporate tax collections declined 6.2% YoY in Apr’24, income tax collections remained robust (+20.6% YoY). Devolution to states grew by a massive 18.2% in Apr’24 to INR0.7t.
- Consequently, the government’s fiscal deficit in FY24 stood at INR16.5t (5.6% of GDP) vs. INR17.3t (5.8% of GDP) in FY24 RE. The fiscal deficit was only 95.3% of the revised estimates (lower by INR811b), primarily led by lower revenue spending (-INR462b) and higher dividends (+INR261b) (*Exhibit 4*). For Apr’24, fiscal deficit stood at INR2.1t vs. INR1.3t in Apr’23. The sharp increase in Apr’24 fiscal deficit is mainly led a higher growth in revenue spending.

Exhibit 1: Government’s gross receipts stood at INR27.9t in FY24, ~INR0.3t higher than the revised estimates...

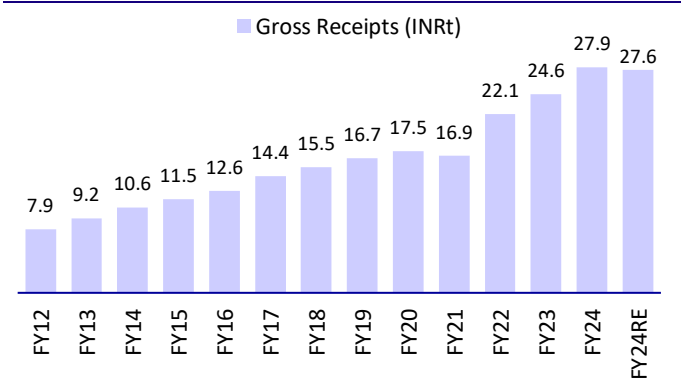
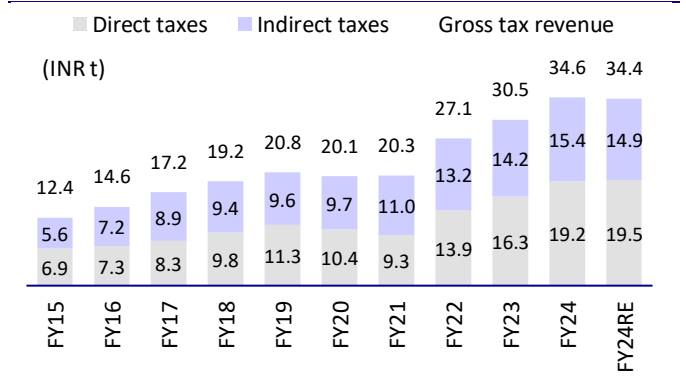


Exhibit 2: ...led by higher indirect taxes, which was partly offset by lower direct taxes



Source: Controller General of Accounts (CGA), MOFSL

Exhibit 3: Total spending stood at INR44.4t, ~INR0.5t lower than the REs, mainly due to lower revenue spending

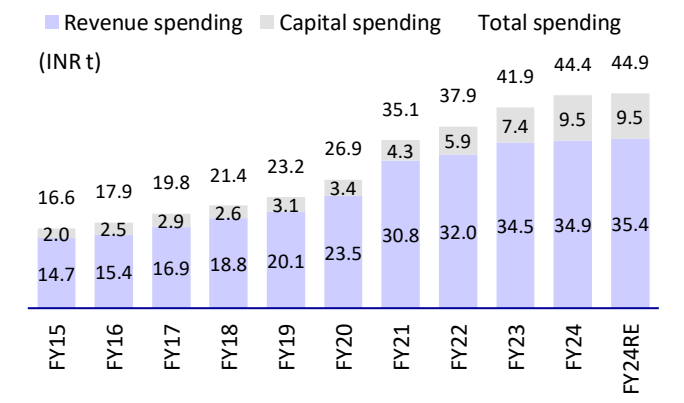
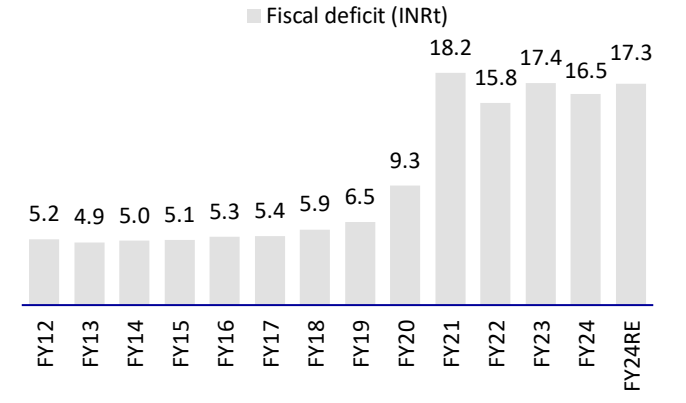


Exhibit 4: The fiscal deficit stood at INR16.5t in FY24, lower than the REs by ~INR0.8t



Source: CGA, MOFSL

Real GDP growth beats all estimates

FY24 growth at 8.2%; FY25 print expected to moderate

- Real GDP growth came in much higher than expected at 7.8% in 4QFY24 vs. 8.6% (revised higher from 8.4%) in 3QFY24 and 6.2% in 4QFY23. The number is much higher than the market consensus and our expectation of 7%. Higher-than-expected GDP growth was led by higher government consumption and a higher contribution of net exports. Private consumption witnessed some improvement in 4QFY24, as per our forecasts. In other words, robust growth in real net indirect taxes and higher discrepancies explained higher-than-expected real GDP growth.
- For FY24, real GDP growth stood at 8.2% vs. 7% in FY23, which is the highest since FY17, barring FY22. The annual growth number was also significantly higher than the market consensus and our expectations (of 7.9% each). The major growth driver was real investment, which grew 9.4% in FY24 vs. 5.5% in FY23. On the other hand, private consumption remained weak, up 4% in FY24 vs. 6.8% in FY23.
- Details suggest that better growth in 4QFY24 was driven by investments (which, however, grew slower than our forecast) and a higher contribution of net exports (+0.1pp in 4QFY24, highest in four quarters, vs. -1.3pp/+2.8pp in 3QFY24/4QFY23). Private consumption growth improved in 4QFY24, though remained weak. It grew 4% YoY in 4QFY24 vs. 1.5%/4% in 4QFY23/3QFY24. On the other hand, government consumption growth remained weak at 0.9% in 4QFY24 (better than our forecast of -0.7%) vs. 13.9% in 4QFY23.
- India's investment rate stood at 33.9% of GDP in 4QFY24, better than 31.6% of GDP in 3QFY24 but slightly lower than 34.2% of GDP in 4QFY23. Net imports came in much lower at 0.8% of GDP in 4QFY24 vs. 1.5% in 4QFY23. Consequently, implied gross domestic savings (GDS) jumped to 33.1% of GDP in 4QFY24 (highest in 39 quarters) from 32.7% of GDP in 4QFY23. It also means that implied GDS was at a nine-year high of 31.1% of GDP in FY24.
- Real GVA, the basis of GDP estimates, grew 6.3% YoY in 4QFY24 (vs. 6%/6.8% in 4QFY23/3QFY24), in line with the consensus but higher than our forecast of 5.9%. Notably, better growth (vs. our forecast) was entirely led by the farm sector, wherein we expected a fall of 1.8% vs. actual growth of 0.6%. On an annual basis, GVA grew 7.2% in FY24 vs. 6.7% in FY23, mainly led by strong industrial sector growth. GVA, excluding the farm sector, grew 7.3% in 4QFY24 (vs. 5.7% in 4QFY23), in line with our expectations.
- Importantly, nominal GDP growth was ~10% YoY for the third consecutive quarter in 4Q (better than forecast), implying 9.6% growth in FY24, better than 9.1% estimated by us and the CSO in Jan'24.
- Although the headline print looks impressive, the details are not as convincing. We continue to believe that real GVA growth could be ~6% in FY25 and GDP growth at ~6.5%. Such decent growth (on such base) does not warrant any monetary easing in the near term.

I. Real GDP growth much higher than expectations

- **Real GDP growth above expectations for the fourth quarter in a row:** Real GDP growth came in much higher than expected at 7.8% in 4QFY24 vs. 8.6% (revised higher from 8.4%) in 3QFY24 and 6.2% in 4QFY23. The number is much higher than the market consensus and our expectation of 7%. Higher-than-expected GDP growth was led by higher government consumption and a higher contribution of net exports. Private consumption improved in 4QFY24, as per our forecasts. In other words, robust growth in real net indirect taxes and higher discrepancies explained higher-than-expected real GDP growth (*Exhibit 1*). For FY24, real GDP growth stood at 8.2% vs. 7% in FY23, which is the highest since FY17, barring FY22. The annual growth number was also much higher than the market consensus and our expectations (of 7.9% each). The major driver of growth was real investment, which grew 9.4% in FY24 vs. 5.5% in FY23. On the other hand, private consumption remained weak, up 4% in FY24 vs. 6.8% in FY23.

- **Investments remain strong, while private consumption muted:** Details suggest that better growth in 4QFY24 was driven by investments (which, however, grew slower than our forecast) and a higher contribution of net exports (+0.1pp in 4QFY24, highest in four quarters, vs. -1.3pp/+2.8pp in 3QFY24/4QFY23). Private consumption growth improved in 4QFY24, though remained weak. It grew 4% YoY in 4QFY24 vs. 1.5%/4% in 4QFY23/3QFY24. On the other hand, government consumption growth remained weak at 0.9% in 4QFY24 (better than our forecast of -0.7%) vs. 13.9% in 4QFY23 (*refer to Exhibit 2,3,4*).

II. GVA growth came in line with expectations

- **Real GVA grew 6.3% YoY in 4QFY24:** Real GVA, the basis of GDP estimates, grew 6.3% YoY in 4QFY24 (vs. 6%/6.8% in 4QFY23/3QFY24), in line with the consensus but higher than our forecast of 5.9%. Notably, better growth (vs. our forecast) was entirely led by the farm sector, wherein we expected a fall of 1.8% vs. actual growth of 0.6%. On an annual basis, GVA grew 7.2% in FY24 vs. 6.7% in FY23, mainly led by strong industrial sector growth (*Exhibit 5*).
- **Non-farm sector grew strongly in 4QFY24:** Details of the supply side suggest that the improvement in GVA growth in 4QFY24 was mainly led by industrial sector (8.4% YoY vs. 3.4% in 4QFY23) and decent growth in the services sector (6.7% YoY vs. 7.2% in 4QFY23), which was partly offset by the weakness in the farm sector (0.6% YoY vs. 7.6% in 4QFY23). GVA, excluding the farm sector, grew 7.3% in 4QFY24 (vs. 5.7% in 4QFY23). (*refer to Exhibit 6-7*)

III. Domestic savings increased to 33.1% of GDP in 4QFY24

- India's investment rate stood at 33.9% of GDP in 4QFY24, better than 31.6% of GDP in 3QFY24 but slightly lower than 34.2% of GDP in 4QFY23. India's net imports came in much lower at 0.8% of GDP in 4QFY24 vs. 1.5% in 4QFY23. Consequently, implied gross domestic savings (GDS) picked up sharply to 33.1% of GDP in 4QFY24 (highest in 39 quarters) from 32.7% of GDP in 4QFY23. It also means that implied GDS was at a nine-year high of 31.1% of GDP in FY24. (*Exhibit 8*)

IV. Our view

- Overall, while headline growth was better, we do not see a major reason for the cheer, as the details are not convincing. We continue to believe that real GVA growth could be ~6% in FY25, with GDP growth at ~6.5%. Such decent growth (on such base) does not warrant any monetary easing in the near term. For FY25, we predict real GDP growth to decelerate to 5.5-6%.

GST Monitor: GST collections rise 10% YoY to INR1.7t in May'24...

...led by robust growth in domestic transactions

- GST collections stood at INR1.7t in May'24 vs. INR2.1t in Apr'24 and INR1.6t in May'23. It grew 10% YoY in May'24 vs. a growth of 12.4% YoY in Apr'24 and 11.5% in May'23. For FY25YTD, GST collections stood at INR3.8t (+11.3% YoY) vs. INR3.4t in FY24YTD (*Exhibit 1*).
- In May'24, CGST collections amounted to INR324b (up 14.1% YoY in May'24 vs. 13.5% YoY in May'23), and SGST collections stood at INR402.7b (up 12.4% YoY in May'24 vs. 12% YoY in May'23). IGST collections amounted to INR877.8b (up 7.9% YoY in May'24 vs. 10.9% YoY in May'23).
- In FY25YTD, CGST collections stood at INR762.6b (up 14.1% YoY) and SGST collections stood at INR938b (up 12.7% YoY). IGST collections stood at INR1.9t in FY25YTD (+9.9% YoY) vs. INR1.7t in FY24YTD. The increase in FYTD'25 GST collections vs. FYTD'24 GST collections is mainly led by higher IGST collections (*Exhibit 2*).
- GST collected on domestic activities grew at a higher pace of 15.2% in May'24 vs. 11.5% in May'23. At the same time, GST collected on imports contracted 4.5% YoY to INR409.6b in May'24 vs. a growth of 11.5% YoY in May'23. For FY25YTD, while GST collected on imported goods has risen slowly by 1.4% YoY to INR798b, GST collected on domestic activities has jumped 14.2% YoY in FY25YTD. GST collected on domestic transactions has constituted 79.7% of the total GST receipts in FY25YTD vs. 77.7% in FY24YTD (*Exhibit 3*).
- Overall, the government has collected GST of INR3.8t in FY25YTD (vs. INR3.4t during the same period last year). It means that GST collections have averaged INR1.9t per month in FY25YTD, compared to the budgeted estimate of INR1.88t per month. With this run rate, we believe that the budgeted GST target for FY25 (INR22.6t) would be easily achievable (*Exhibit 4*).

Exhibit 1: GST collections stood at INR1.7t in May'24...

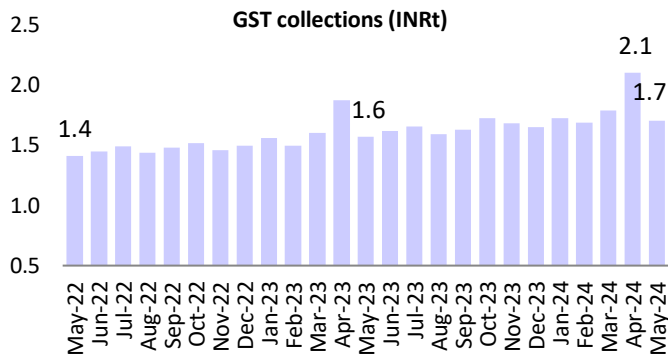


Exhibit 2: ...led by higher IGST collections

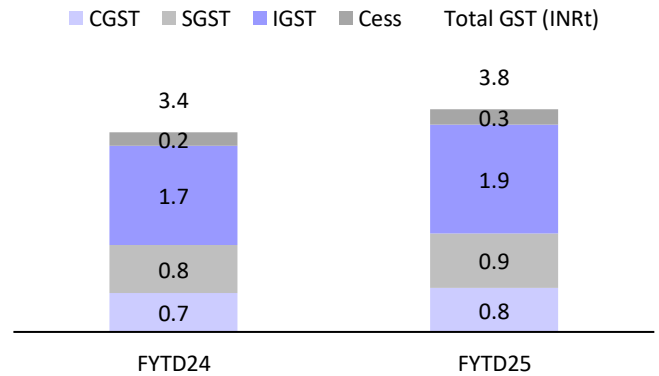


Exhibit 3: GST collected on domestic activities has reached 79.7% in FY25YTD

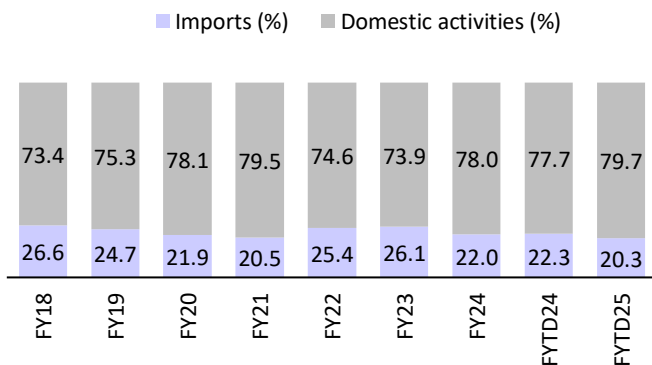
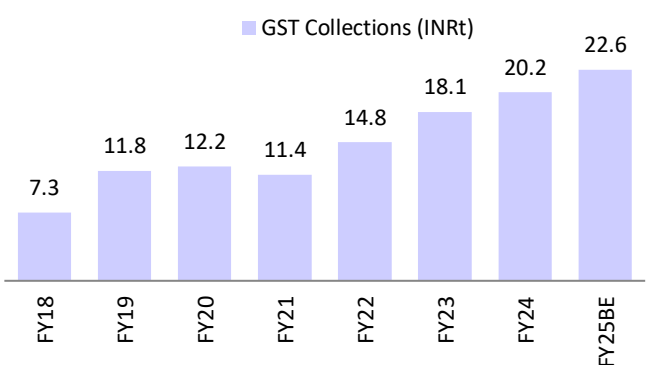


Exhibit 4: FY25 GST collections budgeted at INR22.6t, implying average monthly receipts of INR1.88t



Source: Finance Ministry, MOFSL



Apollo Hospitals: Have established momentum to go forward next year in Q4; Suneeta Reddy, MD

- Continue to look at acquisitions, hope to announce one of them this year
- Diagnostic is a strong vertical, growing at 35%
- ARPOB has risen, giving is headroom to offer more beds
- Focus is increasing volumes this year, will reflect in occupancy

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Metropolis Health: We had 15% growth in revenues in Q4 out of which 7.5% was led by volume growth; Surendran Chemmenkotil, CEO

- Have seen some pricing stability in the industry in last 12 months
- Size of the acquired asset will be important to assess the funding requirements
- Core revenue growth is led by wellness & specialty segments
- We had 15% growth in revenues in Q4 out of which 7.5% was led by volume growth

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Cummins India: Have worked on consolidating our base which will help sustain & improve margins; Ashwath Ram, MD

- See room for further growth in return ratio
- Have systematically launched higher technology products & will continue to do so
- Have worked on consolidating our base which will help sustain & improve margins
- Seeing historical demand in renewable energy

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Honasa: Will grow by more than 20% in FY25, margin will improve by 150 bps In FY25; Varun Alagh, Founder

- Would like to reach 4-5 lk. outlets in next few years
- Will continue to deliver growth better than FMCG sector
- Bottom-line will grow faster than topline
- Acquired entity valuation is very fair, at Rs.4 crore

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Bata: Will not rule out the possibility of double-digit growth in FY25; Gunjan Shah, CEO

- Will open EBOs under Floatz brand, target 5 more EBOs under Power brand
- Aspiration target of Rs.5k Cr. revenue by FY26 on the table
- 80% store openings will happen via franchise route
- Will continue to focus on premiumisation, casualization and store expansion

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Bajaj Fin.	Neutral	6703	7800	16	233.7	283.0	364.5	22.8	21.1	28.8	28.7	23.7	5.4	4.5	22.0	20.7
BSE	Neutral	2694	3000	11	57.0	71.7	87.0	275.5	25.8	21.3	47.3	37.6	11.0	10.1	23.4	27.0
Cams Services	Buy	3479	3700	6	71.6	86.2	103.4	23.3	20.3	20.0	48.6	40.4	18.6	16.0	41.3	42.7
Can Fin Homes	Neutral	728	820	13	56.4	64.3	73.3	20.8	14.1	14.0	12.9	11.3	2.2	1.9	18.8	18.1
Cholaman.Inv.&Fn	Buy	1240	1500	21	40.7	56.3	72.0	25.6	38.1	27.9	30.4	22.0	5.3	4.3	20.2	21.7
CreditAccess	Buy	1322	1725	30	90.7	105.7	129.7	74.5	16.5	22.7	14.6	12.5	3.2	2.6	24.8	23.0
Fusion Micro	Buy	455	605	33	50.2	66.3	82.8	30.2	31.9	24.9	9.1	6.9	1.6	1.3	19.5	21.0
Five-Star Business	Buy	756	950	26	28.6	35.2	43.3	38.0	23.2	23.0	26.4	21.5	4.3	3.5	17.5	18.0
HDFC Life Insur.	Buy	550	700	27	7.3	10.1	11.9	15.4	38.2	18.4	75.4	54.6	2.5	2.1	20.1	16.4
Home First Fin.	Buy	817	1070	31	34.5	41.4	51.6	33.2	19.8	24.8	23.6	19.7	3.4	3.0	15.5	16.0
ICICI Pru Life	Buy	546	700	28	5.9	6.3	6.5	5.0	5.6	4.7	92.2	87.2	1.9	1.5	18.8	19.7
ICICI Lombard	Buy	1579	2100	33	38.9	50.3	59.4	11.0	29.1	18.1	40.6	31.4	6.5	5.7	17.2	19.4
ICICI Securities	Under Review	715	-		52.6	56.0	63.8	50.7	6.5	14.0	13.6	12.8	6.4	5.4	52.5	46.0
IIFL Finance	Buy	399	535	34	49.1	54.6	68.1	24.4	11.2	24.8	8.1	7.3	1.4	1.2	19.1	18.1
360 ONE WAM	Buy	777	950	22	22.4	26.9	31.5	21.3	20.1	16.9	34.7	28.8	8.1	7.6	24.5	27.2
IndoStar	Buy	230	280	22	8.5	13.2	21.1	-48.5	54.6	60.2	27.0	17.5	1.0	0.9	3.7	5.4
L&T Finance	Buy	153	210	37	9.3	11.7	15.6	42.4	26.0	33.0	16.4	13.1	1.6	1.5	10.3	11.9
Life Insurance Corp.	Buy	1013	1270	25	64.3	68.3	73.6	11.8	6.2	7.7	15.7	14.8	0.9	0.8	24.9	11.6
LIC Hsg Fin	Buy	633	790	25	86.6	90.8	94.0	64.8	4.9	3.5	7.3	7.0	1.1	1.0	16.3	15.0
MCX	Buy	3631	4400	21	16.3	92.8	115.6	-44.2	469.4	24.6	222.8	39.1	13.4	12.6	5.8	33.2
Manappuram Fin.	Buy	169	225	33	26.0	28.8	34.4	46.5	11.0	19.4	6.5	5.9	1.2	1.0	20.7	19.4
MAS Financial	Buy	290	390	35	15.1	19.7	24.4	23.3	30.2	24.1	19.2	14.7	2.8	2.4	15.6	17.3
Max Financial	Neutral	917	1040	13	16.0	21.6	26.4	74.4	34.9	22.0	57.2	42.4	2.0	1.7	19.9	19.2
M&M Fin.	Buy	268	325	21	14.3	22.5	27.9	-11.4	58.1	23.8	18.8	11.9	1.9	1.7	10.4	15.2
Muthoot Fin	Neutral	1683	1620	-4	100.9	121.1	137.6	16.6	20.0	13.7	16.7	13.9	2.8	2.4	17.9	18.6
Piramal Enterp.	Neutral	795	925	16	-75.0	30.9	65.8	-200.1	LP	112.7	NM	25.7	0.7	0.7	-5.8	2.6
PNB Housing	Buy	722	1015	41	58.1	71.3	87.7	-6.3	22.8	23.0	12.4	10.1	1.3	1.1	11.6	11.7
Poonawalla Fincorp	Buy	450	570	27	13.3	18.8	25.6	72.2	40.8	36.4	33.7	24.0	4.2	3.7	14.1	16.5
Repco Home Fin	Neutral	468	540	15	63.1	69.7	73.8	33.3	10.5	5.9	7.4	6.7	1.0	0.9	14.6	14.1
Spandana Sphoorty	Buy	757	1075	42	70.2	92.5	112.8	3,922.1	31.8	21.9	10.8	8.2	1.5	1.3	14.8	16.6
Shriram Finance	Buy	2353	2950	25	191.3	224.6	275.9	19.8	17.4	22.9	12.3	10.5	1.8	1.6	15.7	16.2
SBI Life Insurance	Buy	1386	1700	23	18.9	19.9	21.2	10.0	5.3	6.6	73.3	69.7	2.4	1.9	26.5	22.7
Star Health Insu	Buy	520	730	40	14.4	19.2	24.2	35.8	32.7	26.2	36.0	27.1	4.6	3.9	12.8	15.6
Aggregate								-0.8	24.9	24.4	19.9	15.9	2.8	2.5	14.3	15.5
Chemicals																
Alkyl Amines	Neutral	1895	2010	6	29.1	39.4	57.4	-34.9	35.5	45.6	65.1	48.1	7.7	6.9	12.2	15.1
Atul	Neutral	5623	5670	1	103.4	131.0	162.0	-38.8	26.6	23.7	54.4	42.9	3.2	3.0	6.2	7.3
Clean Science	Neutral	1307	1375	5	23.0	27.9	34.4	-17.3	21.6	23.0	56.9	46.8	11.5	9.5	22.1	22.3
Deepak Nitrite	Neutral	2189	2320	6	55.1	69.2	77.3	-11.7	25.5	11.7	39.7	31.6	6.2	5.3	16.9	18.1
Fine Organic	Sell	4432	3785	-15	120.0	109.9	108.1	-37.7	-8.4	-1.6	36.9	40.3	7.3	6.3	21.8	16.7
Galaxy Surfact.	Buy	2450	3450	41	85.0	98.5	115.0	-20.9	15.9	16.7	28.8	24.9	4.0	3.6	14.8	15.1
Navin Fluorine	Neutral	3189	3110	-2	46.1	62.7	88.9	-39.1	35.9	41.8	69.1	50.9	6.6	6.1	10.0	12.4
NOCIL	Neutral	253	260	3	7.9	10.2	13.0	-11.7	29.5	27.4	32.1	24.8	2.5	2.4	8.1	9.8
PI Inds.	Buy	3551	4280	21	110.6	111.8	131.9	36.8	1.1	18.0	32.1	31.8	6.2	5.3	21.1	17.9
SRF	Neutral	2207	2100	-5	47.5	56.6	73.1	-37.7	19.2	29.2	46.5	39.0	5.7	5.2	13.0	13.9
Tata Chemicals	Neutral	1031	980	-5	36.1	34.9	50.4	-60.5	-3.5	44.6	28.5	29.6	1.2	1.2	4.4	4.0
Vinati Organics	Buy	1737	2080	20	31.2	42.3	52.0	-22.8	35.7	22.9	55.7	41.1	7.3	6.4	13.8	16.7
Aggregate								-26.4	20.8	19.8	45.8	37.9	5.5	5.0	12.1	13.1
Capital Goods																
ABB India	Buy	8317	8500	2	58.9	90.5	111.9	81.9	53.7	23.5	141.2	91.9	29.6	22.8	22.9	28.1
Bharat Electronics	Buy	296	310	5	5.5	6.7	8.2	33.7	21.0	22.7	53.8	44.5	13.4	10.7	24.9	24.0
Cummins India	Buy	3553	4100	15	60.0	74.2	89.0	33.4	23.7	19.9	59.2	47.9	16.0	14.1	28.8	31.3



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Vedant Fashions	Neutral	1048	1010	-4	17.1	20.5	25.2	-3.5	20.1	23.2	61.5	51.2	16.4	13.8	27.6	28.4
Westlife Foodworld	Neutral	830	775	-7	4.4	7.7	12.2	-38.0	74.3	57.6	186.9	107.3	22.0	15.2	12.0	16.7
Aggregate								-2.5	38.9	32.5	114.9	82.7	17.4	13.9	15.2	16.8
Technology																
Cyient	Buy	1734	2500	44	68.2	86.0	112.0	30.3	26.1	30.2	25.4	20.2	5.1	4.7	20.9	24.2
HCL Tech.	Buy	1323	1700	29	57.9	62.8	73.6	5.6	8.4	17.3	22.8	21.1	5.2	5.3	23.5	25.1
Infosys	Buy	1406	1650	17	63.3	63.8	74.0	10.0	0.7	16.0	22.2	22.1	6.6	6.6	29.8	30.0
LTI Mindtree	Neutral	4705	5020	7	154.8	168.4	200.9	2.0	8.8	19.3	30.4	27.9	7.0	6.1	24.4	23.2
L&T Technology	Buy	4489	6750	50	125.0	151.1	177.7	13.1	20.9	17.6	35.9	29.7	9.0	7.8	25.9	28.2
Mphasis	Neutral	2286	2600	14	81.5	94.5	112.7	-6.3	15.9	19.3	28.0	24.2	5.0	4.7	18.8	20.2
Coforge	Neutral	4973	6310	27	140.6	190.3	225.2	7.7	35.3	18.3	35.4	26.1	8.9	7.6	26.3	31.1
Persistent Sys	Neutral	3410	4055	19	74.2	95.1	117.4	19.3	28.2	23.4	46.0	35.9	10.5	9.1	25.6	27.5
TCS	Buy	3670	4600	25	126.3	147.5	169.6	9.5	16.8	15.0	29.1	24.9	14.8	15.1	50.9	59.9
Tech Mah	Neutral	1229	1210	-2	41.1	50.8	67.3	-28.2	23.7	32.3	29.9	24.2	4.1	4.0	13.3	16.6
Wipro	Neutral	438	490	12	20.4	22.4	26.9	-1.5	10.0	19.9	21.5	19.5	3.1	3.1	14.4	16.0
Zensar Tech	Neutral	609	600	-2	26.8	24.6	28.5	86.9	-8.3	15.9	22.7	24.8	4.1	3.7	19.3	15.8
Aggregate								3.8	12.6	17.0	28.0	24.9	7.9	7.8	28.1	31.5
Telecom																
Bharti Airtel	Buy	1372	1640	20	20.2	38.1	54.4	38.6	88.6	42.7	67.8	36.0	9.3	6.2	14.2	20.7
Indus Towers	Neutral	348	340	-2	22.4	24.8	27.6	151.1	10.7	11.1	15.5	14.0	3.5	2.8	25.1	22.0
Vodafone Idea		15			-11.1	-10.1	-8.9	9.3	Loss	Loss	NM	NM	-0.5	-0.4	NM	NM
Tata Comm	Neutral	1777	1910	7	42.3	48.1	83.5	-30.0	13.8	73.6	42.1	36.9	28.4	17.9	72.9	59
Aggregate								Loss	LP	6,669.0	-69	4,290	138.4	19.5	-201.4	0.5
Others																
APL Apollo Tubes	Buy	1502	1800	20	26.4	37.9	55.7	14.1	43.7	46.7	56.9	39.6	11.6	9.3	22.2	26.0
Cello World	Buy	848	1090	29	15.6	19.1	24.0	24.4	22.6	25.4	54.4	44.4	15.7	11.7	28.8	26.4
Coromandel Intl	Buy	1306	1400	7	55.8	65.1	73.2	-18.5	16.6	12.5	23.4	20.1	4.1	3.5	19.0	18.8
DreamFolks Services	Buy	466	650	39	12.9	16.2	21.1	-3.7	25.6	30.5	36.2	28.8	10.8	7.8	36.6	32.5
EPL	Buy	182	250	37	8.2	11.0	14.0	13.5	34.6	27.2	22.3	16.6	2.8	2.5	12.7	15.9
Godrej Agrovet	Neutral	519	570	10	18.7	22.1	25.9	44.1	18.2	17.0	27.7	23.4	4.0	3.6	14.8	16.2
Indiamart Inter.	Buy	2416	3000	24	51.9	65.6	86.2	11.8	26.5	31.4	46.6	36.8	6.3	5.6	14.3	15.9
Indian Hotels	Buy	556	680	22	8.9	11.2	13.3	25.9	26.0	19.2	62.7	49.8	8.4	7.2	14.4	15.6
Interglobe	Neutral	4181	4210	1	211.8	181.3	187.2	-	-14	3	19.7	23	83.2	18.0	-373.7	128.9
Info Edge	Neutral	5691	5720	1	63.5	68.4	81.6	99.5	7.8	19.2	89.7	83.2	6.2	5.8	0.0	0.0
Kajaria Ceramics	Buy	1207	1500	24	27.2	33.4	38.2	27.2	23.0	14.2	44.4	36.1	7.3	6.8	17.1	19.2
Lemon Tree Hotel	Buy	136	170	25	1.9	3.5	4.7	25.7	82.9	36.5	71.6	39.2	10.6	8.4	16.0	23.9
MTAR Tech	Buy	1801	2390	33	18.2	33.3	59.0	-45.7	82.4	77.4	98.7	54.1	8.2	7.1	8.7	14.1
One 97	Neutral	361	400	11	-13.8	-17.6	-1.8	-50.8	Loss	Loss	NM	NM	1.7	1.8	-6.7	-8.8
Qess Corp	Neutral	567	600	6	20.6	33.6	46.4	79.4	63.5	38.0	27.6	16.9	2.4	2.2	11.8	17.9
SIS	Buy	404	590	46	21.4	34.5	45.1	-7.9	61.3	30.6	18.9	11.7	1.0	0.9	12.8	17.9
Team Lease Serv.	Buy	2913	3620	24	70.0	104.1	150.9	7.5	48.7	45.0	41.6	28.0	5.3	4.5	13.3	16.9
UPL	Neutral	509	560	10	3.7	27.8	46.7	-93.7	660.8	67.5	139.0	18.3	1.0	1.0	1.1	8.4
Updater Services	Buy	269	465	73	10.8	16.0	21.7	59.2	48.7	35.6	24.9	16.8	2.0	1.8	11.4	11.6
Zomato	Buy	179	220	23	0.4	1.1	2.7	-134.7	168.2	140.0	432.6	161.3	7.8	7.4	1.8	4.7



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.1	-0.7	18.1
Nifty-50	0.2	-0.3	21.6
Nifty Next 50	0.3	4.0	60.6
Nifty 100	0.2	0.3	27.5
Nifty 200	0.3	0.5	31.0
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-0.2	4.2	64.9
Amara Raja Ener.	-0.7	7.4	96.5
Apollo Tyres	-0.5	-9.1	18.6
Ashok Leyland	1.9	16.3	53.1
Bajaj Auto	1.3	2.0	98.9
Balkrishna Inds	-1.3	25.5	34.1
Bharat Forge	0.0	22.3	96.5
Bosch	-0.7	3.5	63.7
CEAT	0.3	-8.2	22.3
Craftsman Auto	0.8	-4.4	13.5
Eicher Motors	-0.2	3.0	28.9
Endurance Tech.	1.2	12.1	54.7
Escorts Kubota	-0.8	13.7	75.4
Exide Inds.	-1.9	3.4	131.2
Happy Forgings	1.8	18.5	
Hero Motocorp	-0.3	12.7	85.5
M & M	0.5	16.2	90.0
CIE Automotive	-1.5	8.5	17.2
Maruti Suzuki	-1.6	-3.3	32.4
MRF	0.0	-5.7	29.0
Sona BLW Precis.	2.0	4.1	20.2
Motherson Sumi	-0.3	15.3	91.3
Motherson Wiring	1.4	-2.0	16.9
Tata Motors	-0.1	-8.4	75.4
TVS Motor Co.	-2.3	5.8	67.3
Tube Investments	-3.3	-4.4	24.9
Banks-Private	0.5	-1.3	7.8
AU Small Fin. Bank	2.3	3.1	-15.9
Axis Bank	-0.5	-0.3	27.0
Bandhan Bank	1.0	0.0	-29.7
DCB Bank	1.0	-8.3	8.7
Equitas Sma. Fin	0.0	-2.5	122.5
Federal Bank	1.1	-0.3	29.4
HDFC Bank	1.1	0.8	-4.9
ICICI Bank	0.7	-2.6	18.1
IDFC First Bank	-1.5	-7.0	6.6
IndusInd Bank	1.0	-3.6	13.6
Kotak Mah. Bank	-0.6	3.5	-16.6
RBL Bank	1.3	-5.6	51.6
SBI Cards	-0.3	-5.0	-24.5
Banks-PSU	1.3	-2.9	83.3
BOB	0.8	-5.9	43.2
Canara Bank	2.6	-5.1	90.5
Indian Bank	-2.0	3.5	110.3
Punjab Natl.Bank	1.6	-8.2	149.7
St Bk of India	0.5	0.5	43.2
Union Bank (I)	4.9	3.9	125.2

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	0.3	0.5	33.8
Nifty Midcap 100	0.5	1.6	53.2
Nifty Smallcap 100	0.5	-1.9	64.2
Nifty Midcap 150	0.6	2.2	53.0
Nifty Smallcap 250	0.5	-1.3	57.6
NBFCs	0.6	-0.6	11.7
Aditya Birla Capital Ltd	1.2	-3.3	31.4
Angel One	-0.3	-11.5	83.4
Bajaj Fin.	1.2	-3.3	-4.2
BSE	5.4	-3.5	383.0
Cholaman.Inv.&Fn	2.3	4.0	18.1
Can Fin Homes	0.9	-4.6	2.8
Cams Services	0.5	8.7	57.0
CreditAcc. Gram.	0.5	-12.2	7.3
Fusion Microfin.	-0.1	-12.1	-12.4
Five-Star Bus.Fi	6.5	-0.2	38.9
Home First Finan	0.4	-10.5	13.3
Indostar Capital	4.8	-5.9	58.8
IIFL Finance	-1.7	-1.7	-7.8
L&T Finance	-0.1	-8.2	46.9
LIC Housing Fin.	0.2	-6.1	70.1
MCX	0.8	-11.5	149.8
M & M Fin. Serv.	1.7	2.5	-5.9
Muthoot Finance	0.6	-2.2	50.9
Manappuram Fin.	0.4	-15.7	53.0
MAS Financial Serv.	2.0	-3.3	17.6
ICICI Sec	0.2	-5.5	44.1
360 One	-0.7	-1.0	85.5
PNB Housing	-3.0	-9.2	43.1
Repco Home Fin	0.3	-9.4	80.5
Shriram Finance	2.2	-7.7	68.2
Spandana Sphoort	-1.0	-13.4	5.4
Insurance			
HDFC Life Insur.	-0.2	-5.8	-7.2
ICICI Pru Life	-0.6	-4.8	17.0
ICICI Lombard	-0.3	-7.6	33.7
Life Insurance	2.0	3.5	70.2
Max Financial	-0.9	-9.2	29.9
SBI Life Insuran	0.5	-3.5	12.3
Star Health Insu	0.0	-8.9	-3.3
Chemicals			
Alkyl Amines	-1.0	-7.4	-23.5
Atul	-0.8	-5.9	-16.3
Clean Science	-2.0	-1.1	-7.9
Deepak Nitrite	0.3	-9.8	5.7
Fine Organic	-1.7	0.9	-1.5
Galaxy Surfact.	-1.8	-5.2	-0.5
Navin Fluo.Intl.	-1.4	-6.8	-31.7
NOCIL	-2.4	-5.9	15.1
P I Inds.	-0.5	-3.1	-2.1
SRF	-0.5	-15.6	-12.2
Tata Chemicals	-1.3	-3.9	6.1
Vinati Organics	-1.5	6.3	-4.4



Company	1 Day (%)	1M (%)	12M (%)
Capital Goods	2.1	-9.4	28.2
A B B	0.6	27.2	101.6
Bharat Electron	1.8	26.6	163.9
Cummins India	-1.3	8.4	101.8
Hitachi Energy	1.1	12.4	179.9
K E C Intl.	-2.4	-1.4	41.3
Kalpataru Proj.	0.0	-2.5	122.5
Kirloskar Oil	3.2	21.9	207.7
Larsen & Toubro	1.0	2.1	66.4
Siemens	-0.2	19.3	96.2
Thermax	-0.4	15.7	131.4
Triveni Turbine	-1.2	9.2	46.9
Cement			
Ambuja Cem.	2.4	2.3	49.7
ACC	2.0	0.6	43.3
Birla Corp.	-1.6	-2.2	25.8
Dalmia Bhar.	0.5	-3.4	-16.6
Grasim Inds.	-1.2	-4.0	35.3
India Cem	-0.2	-8.9	1.1
J K Cements	-0.8	-3.2	20.7
JK Lakshmi Cem.	-0.1	-1.5	18.3
The Ramco Cement	-0.5	-6.6	-17.9
Shree Cement	-1.5	1.0	-1.9
UltraTech Cem.	0.5	-0.6	26.0
Consumer	-0.3	-0.2	6.0
Asian Paints	-0.1	0.2	-9.8
Britannia Inds.	-0.1	8.7	11.5
Colgate-Palm.	0.5	-5.9	67.0
Dabur India	-1.1	7.4	-1.9
Emami	2.2	28.5	59.7
Godrej Consumer	-0.3	4.2	20.0
Hind. Unilever	-1.0	4.4	-12.7
ITC	0.6	-2.1	-4.3
Indigo Paints	-1.3	-2.4	-8.0
Jyothy Lab.	-3.4	-7.8	91.4
Marico	-0.3	15.0	9.7
Nestle India	-2.1	-6.1	8.7
Page Industries	-5.3	3.4	-7.3
Pidilite Inds.	-1.0	-2.6	13.9
P & G Hygiene	1.1	-1.2	18.0
Tata Consumer	-0.7	-4.3	32.8
United Breweries	1.0	-8.7	27.9
United Spirits	-1.0	-1.5	31.2
Varun Beverages	-0.8	-3.6	68.4
Consumer Durables	0.5	-0.5	34.4
Polycab India	0.4	19.0	96.9
R R Kabel	0.0	4.4	
Havells	2.5	14.6	45.8
Voltas	0.7	-7.8	65.5
KEI Industries	0.1	2.6	105.3
EMS			
Kaynes Tech	2.6	27.2	136.9
Avalon Tech	1.4	-5.8	13.3

Company	1 Day (%)	1M (%)	12M (%)
Syrma SGS Tech.	1.1	-1.6	22.3
Cyient DLM	-2.9	-9.2	
Data Pattern	4.2	-0.3	75.4
Healthcare	-0.9	-0.9	48.3
Alembic Pharma	-2.0	-7.7	68.9
Alkem Lab	-2.8	-0.5	43.2
Apollo Hospitals	1.3	-1.8	26.3
Ajanta Pharma	-3.3	5.3	78.3
Aurobindo	-1.2	2.8	80.0
Biocon	-0.5	3.6	26.1
Zydus Lifesci.	-2.3	4.9	99.1
Cipla	-1.3	3.4	51.8
Divis Lab	-2.4	7.6	25.1
Dr Reddy's	-1.4	-6.6	28.7
ERIS Lifescience	0.3	2.2	42.8
Gland Pharma	-0.5	7.5	99.1
Glenmark	0.4	9.8	94.1
Global Health	2.8	-17.5	101.2
Granules	-1.5	-1.1	48.4
GSK Pharma	1.0	25.5	100.7
IPCA Labs	-7.8	-14.0	64.4
Laurus Labs	-2.1	-6.9	26.7
Lupin	0.2	-3.8	96.7
Max Healthcare	-3.7	-10.5	36.8
Piramal Pharma	1.6	3.1	86.4
Sun Pharma	0.0	-2.8	49.7
Torrent Pharma	1.4	2.0	46.9
Infrastructure	0.5	1.1	58.8
G R Infraproject	3.5	17.6	27.9
IRB Infra.Devl.	1.4	-2.8	131.1
KNR Construct.	5.1	19.6	28.7
Logistics			
Adani Ports	3.9	8.5	94.6
Blue Dart Exp.	-1.7	14.1	15.7
Container Corpn.	0.8	4.6	60.2
JSW Infrast	0.9	13.2	
Mahindra Logis.	-1.0	-8.3	20.0
Transport Corp.	-2.4	-4.6	18.1
TCI Express	4.4	2.3	-33.4
VRL Logistics	-1.0	-1.5	-26.1
Media	-1.4	-1.2	6.5
PVR INOX	-0.3	-3.8	-7.5
Sun TV	-2.1	0.2	47.8
Zee Ent.	-2.1	1.3	-23.7
Metals	1.9	6.0	65.1
Hindalco	-0.8	7.0	69.8
Hind. Zinc	3.1	61.0	124.6
JSPL	-0.3	10.6	98.8
JSW Steel	-0.4	-0.2	26.5
Nalco	1.1	3.5	128.7
NMDC	4.3	2.3	143.6
SAIL	0.5	-3.5	92.1
Tata Steel	1.9	1.3	58.0



Company	1 Day (%)	1M (%)	12M (%)
Vedanta	2.1	13.1	61.7
Oil & Gas	0.6	-1.2	59.4
Aegis Logistics	0.8	2.9	97.2
BPCL	0.3	3.4	72.7
Castrol India	3.9	-7.5	73.7
GAIL	2.5	-2.3	94.9
Gujarat Gas	2.1	0.9	8.8
Gujarat St. Pet.	0.4	-2.0	-3.5
HPCL	0.5	8.5	106.0
IOCL	0.3	-3.8	80.4
IGL	-3.2	-5.8	-8.0
Mahanagar Gas	1.3	-10.1	22.7
MRPL	-2.0	-18.8	210.4
Oil India	1.0	2.5	147.1
ONGC	-0.9	-6.5	70.7
PLNG	1.2	-4.3	31.7
Reliance Ind.	0.4	-2.5	27.1
Real Estate	2.3	4.7	112.9
Brigade Enterpr.	3.9	24.3	128.2
DLF	1.7	-8.5	71.8
Godrej Propert.	2.1	5.0	99.9
Kolte Patil Dev.	-2.9	-17.2	35.5
Mahindra Life.	2.1	-9.4	28.2
Macrotech Devel.	4.5	11.3	152.6
Oberoi Realty Ltd	0.5	22.7	95.5
Sobha	1.7	6.9	264.9
Sunteck Realty	-0.9	7.4	67.5
Phoenix Mills	1.0	-1.6	111.3
Prestige Estates	3.9	15.7	230.6
Retail			
Aditya Bir. Fas.	-1.7	9.4	42.8
Avenue Super.	-3.2	-6.6	23.9
Bata India	-0.5	-0.3	-13.8
Campus Activewe.	-1.8	12.1	-8.8
Barbeque-Nation	-0.8	-6.3	-14.5
Devyani Intl.	1.5	-7.4	-16.5
Jubilant Food	-1.8	6.6	2.2
Metro Brands	-2.5	5.8	18.5
Raymond	1.7	5.1	41.3
Relaxo Footwear	-1.4	-5.4	-12.5
Restaurant Brand	4.0	2.3	-5.5
Sapphire Foods	1.9	2.0	-0.3
Shoppers St.	-0.3	1.8	-4.0
Titan Co.	-0.9	-9.7	14.8
Trent	-2.0	3.4	192.2
V-Mart Retail	-0.1	-2.4	3.9
Vedant Fashions	4.1	9.4	-19.0
Westlife Food	-1.6	-2.1	7.7
Technology	-1.3	-2.5	10.5
Cyient	0.1	-4.0	33.7
HCL Tech.	-0.6	-3.1	15.6
Infosys	-1.4	-1.0	6.7
LTIMindtree	-1.5	-0.1	-5.9

Company	1 Day (%)	1M (%)	12M (%)
L&T Technology	-1.3	-3.2	15.1
Mphasis	-1.2	-1.3	17.3
Coforge	-0.5	-2.6	9.1
Persistent Sys	-3.0	1.2	32.7
TCS	-1.7	-3.9	11.6
Tech Mah	-1.0	-2.8	10.1
Wipro	0.3	-5.2	8.6
Zensar Tech	-2.4	-0.5	65.0
Telecom	1.2	3.3	67.6
Bharti Airtel	-0.3	3.8	61.5
Indus Towers	1.3	-1.9	126.3
Idea Cellular	4.5	15.5	111.8
Tata Comm	0.9	2.8	37.0
Utilites	1.8	6.6	101.6
Coal India	1.9	8.1	103.6
NTPC	-0.2	-1.2	106.5
Power Grid Corpn	1.1	2.7	76.7
Others			
APL Apollo Tubes	-1.8	-3.4	32.6
Cello World	-1.4	-6.4	
Coromandel Intl	0.3	8.0	35.9
Dreamfolks Servi	-2.1	-14.3	-19.5
EPL Ltd	1.4	0.4	0.6
Indiamart Inter.	-1.1	-8.6	-13.4
Godrej Agrovet	-1.5	-4.6	20.7
Havells	2.5	14.6	45.8
Indian Hotels	0.0	-3.4	43.0
Interglobe	0.6	5.2	76.6
Info Edge	-1.0	-5.9	39.8
Kajaria Ceramics	-3.4	0.1	-5.7
Lemon Tree Hotel	-1.1	-10.8	42.1
MTAR Technologie	-0.4	-4.5	-5.2
One 97	-4.4	-3.1	-48.3
Piramal Enterp.	-0.6	-14.0	3.1
Quess Corp	-0.6	-9.0	39.9
SIS	-2.9	-13.4	1.8
Team Lease Serv.	-0.5	-12.0	31.4
UPL	0.5	0.3	-25.7
Updater Services	-2.4	-12.0	
Voltas	0.7	-7.8	65.5
Zomato Ltd	-0.8	-7.2	159.4

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NOTES

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

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

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