



19th Aug - 23rd Aug, 2024 | Grand Hyatt, Mumbai



Today's top research idea

Zen Technologies | Initiating Coverage: A niche defense play!

- ❖ Zen Technologies (ZEN) is a niche player in the defense simulator-based training market and counter-drone market. The addressable markets for simulators and counter-drones in India are estimated at ~INR140b and INR120b, respectively, over the next five years.
- ❖ The company commands a significant market share in both these segments, with just 2-3 players in the defense simulator market and 5-6 players in the counter-drone market. With a healthy order book of INR14b and a likely inflow CAGR of 37% FY24-27, we expect its revenue/EBITDA/PAT to clock a CAGR of 63%/57%/56% over FY24-27.
- ❖ We initiate coverage on the stock with a BUY rating and a TP of INR1,775 based on 40x Jun'26E earnings. We expect the company to: 1) grow much faster than peers, 2) have a very strong margin, and 3) expand into newer segments.

Market snapshot



Equities - India	Close	Chg. %	CYTD.%
Sensex	80,717	0.1	11.7
Nifty-50	24,613	0.1	13.3
Nifty-M 100	57,664	0.0	24.9
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	5,588	-1.4	17.2
Nasdaq	17,997	-2.8	19.9
FTSE 100	8,187	0.3	5.9
DAX	18,437	-0.4	10.1
Hang Seng	6,297	-0.3	9.2
Nikkei 225	41,098	-0.4	22.8
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	87	0.0	11.6
Gold (\$/OZ)	2,440	0.7	18.3
Cu (US\$/MT)	9,653	-0.1	14.0
Almn (US\$/MT)	2,403	-0.1	2.4
Currency	Close	Chg. %	CYTD.%
USD/INR	83.6	0.0	0.5
USD/EUR	1.1	0.1	-1.3
USD/JPY	158.4	0.2	12.3
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.0	-0.01	-0.2
10 Yrs AAA Corp	7.5	0.00	-0.3
Flows (USD b)	16-Jul	MTD	CYTD
FII's	0.2	2.85	3.0
DII's	-0.06	0.43	29.0
Volumes (INRb)	16-Jul	MTD*	YTD*
Cash	1,341	1494	1278
F&O	5,07,839	3,51,904	3,76,271

Note: Flows, MTD includes provisional numbers.

* Average



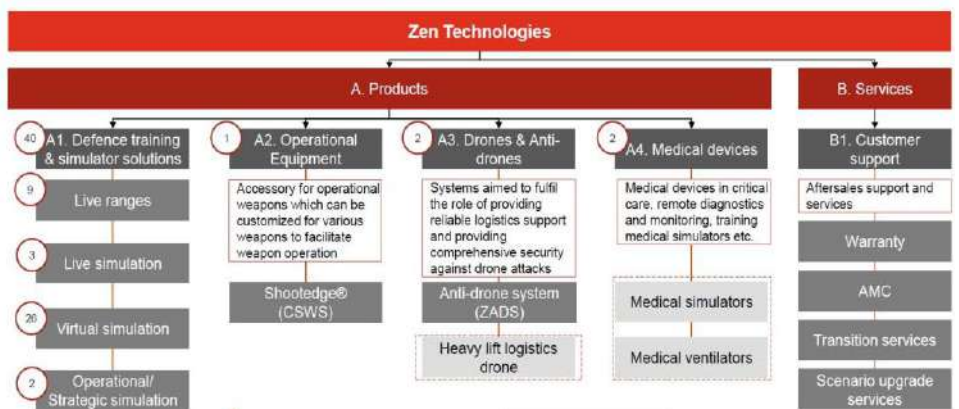
Research covered

Cos/Sector	Key Highlights
Zen Technologies Initiating Coverage	A niche defense play!
LTIMindtree	Data modernization to lead the recovery; Upgrade to Buy
Asian Paints	Muted sales with miss on margin
Bajaj Auto	In line; stable margin despite increase in EV mix
Angel One	Strong PAT beat driven by lower opex
Other Reports	360 One WAM Automobiles Telecom Aviation EcoScope



Chart of the Day: Zen Technologies (A niche defense play!)

Wide product portfolio of ZEN



Source: Company, MOFSL

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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

Godrej Consumer aims to cut global manufacturing footprint

GCPL said its strategic focus on achieving double-digit volume growth in key markets like India and Indonesia is pivotal to driving its aspirations for sustainable growth. Despite challenges such as lower consumption levels in India

2

Sanofi looking to expand India hub with Rs 3.6k-cr push

The Hyderabad GCC will support Sanofi's global operations spanning commercial, manufacturing, supply chain research and development (R&D) and digitalisation.

3

NCLT admits Axis Finance's plea against Primat Infrapower & Multiventures

The Mumbai bankruptcy court has admitted Essel Group affiliate Primat Infrapower & Multiventures under the corporate insolvency resolution process (CIRP) following an application filed by Axis Finance Ltd. Axis Finance, a subsidiary of Axis Bank, approached the tribunal after the company defaulted on its dues.

4

Zydus inks licensing pact with Takeda to sell GERD drug

"With a rich legacy in marketing gastrointestinal therapies in India, we have been offering different breakthrough clinical options across the spectrum," Zydus Lifesciences MD Sharvil Patel said.

5

Zensar Technologies acquires BridgeView Life Sciences in \$25 million deal, eyes more acquisitions

Zensar will be on the lookout for more acquisitions to expand businesses across its four verticals, said Anant Goenka, the vice-chairman of Zensar Technologies.

6

Anuj Poddar resigns as MD and CEO of Bajaj Electricals, announces last date with company as 30 September

The Bajaj Electricals' Board has accepted Anuj Poddar's resignation while recognising and acknowledging his contributions in formulating the transformation and growth journey of the company over the past five and a half years.

7

Bira91 maker brews plans to tap capital market in 2026

The development comes amid supply shortages of Bira91 over the past few quarters across some of India's largest spirits markets including Delhi, Karnataka and Haryana, profitability pressures, and a surge of competitors in the craft beer space.



Zen Technologies

BSE SENSEX
80,717

S&P CNX
24,613

CMP: INR1,360

TP: INR1,775 (+31%)

Buy



Bloomberg	ZEN IN
Equity Shares (m)	84
M.Cap.(INRb)/(USDb)	113.7 / 1.4
52-Week Range (INR)	1487 / 575
1, 6, 12 Rel. Per (%)	16/63/103
12M Avg Val (INR M)	395
Free float (%)	44.9

Financials & Valuations (INR b)

Y/E Mar	2025E	2026E	2027E
Net sales	9.1	13.2	18.6
EBITDA	3.4	4.8	6.8
Adj. PAT	2.4	3.4	4.8
EPS (INR)	28.1	40.1	57.1
EPS Gr. (%)	85.9	42.9	42.4
BV/Sh. (INR)	82.0	122.1	179.1

Ratios

RoE (%)	41.3	39.3	37.9
RoCE (%)	41.6	39.5	38.1

Valuations

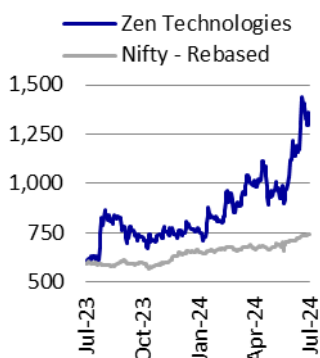
P/E (x)	48.5	33.9	23.8
P/BV (x)	16.6	11.1	7.6
EV/EBITDA (x)	33.5	23.1	16.1
Div. Yield (%)	-	-	-

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	55.1	55.1	57.5
DII	3.4	3.3	0.2
FII	3.6	4.5	4.2
Others	37.9	37.2	38.1

FII Includes depository receipts

Stock's performance (one-year)



A niche defense play!

- A niche player with strong competitive positioning:** Zen Technologies (ZEN) is a niche player in the defense simulator-based training market. The company has also forayed into the counter-drone market. The addressable markets for simulators and counter-drones in India are estimated at ~INR140b and INR120b, respectively, over the next five years. The company commands a significant market share in both of these segments, with just 2-3 players in the defense simulator market and 5-6 players in the counter-drone market.
- Healthy financials backed by a robust order book:** ZEN has established a strong vendor base for simulators and has achieved backward integration for counter-drone solutions, resulting in strong margins and a high RoCE. The company is also planning to foray into newer defense segments. With a healthy order book of INR14b and a likely inflow CAGR of 37% over the next three years, we expect its revenue/EBITDA/PAT to clock a CAGR of 63%/57%/56% over FY24-27.
- Valuation and View:** We value the stock at 40x Jun'26E earnings. We initiate coverage on the stock with a BUY rating and a TP of INR1,775. We expect the company to: 1) grow at a much faster pace than the industry, 2) have a very strong margin, and 3) expand its capabilities across other defense segments.

Long-term industry growth drivers in place

The Ministry of Defence (MoD) had rolled out a comprehensive simulation framework aimed at enhancing the utilization of simulators by the Armed Forces and Coast Guard, with a view to achieving cost-effective, efficient, and smart training. As per industry estimates, the Indian simulator market is likely to grow to USD1.7b by FY29 from USD1b, at a 10% CAGR driven by the government's increased focus on virtual training. Additionally, there is an increased focus on the Agnipath Pravesh Yojana (APY), which would also drive demand for faster training of new recruits. Further, the counter-drone market is also expected to grow to USD1.4b by FY29, driven by the requirement to install anti-drone systems across the borders. ZEN has a strong market share in both of these segments. We expect ZEN to benefit from its wide product portfolio in simulators, counter-drone, and new areas over the next five years.

Well-positioned simulator portfolio to capitalize on opportunities

ZEN has a portfolio of over 40 products designed and developed indigenously, ranging from live fire, live instrumented, virtual, and constructive training systems for individual and collective training, as well as counter-drone solutions. Its extensive product portfolio is also complemented by a services division that provides after-sales service, warranty, and AMC, et al. ZEN also boasts 150+ filed patents, with nearly 70 already granted. Notably, the company is self-reliant and does not rely on imports for its supply chain.

Fully backward integrated counter-drone product

ZEN has an advantage of having a fully backward integrated counter-drone portfolio. The company has in-house manufacturing of jammer and detector. Radar is developed by its subsidiary UTS. ZEN also has a 51% share in AI Turing for EO camera, so the company is completely integrated in the counter drone system. It also has capabilities of both soft kill and hard kill and hence is ahead of most of its competitors.

Strong competitive advantage

ZEN has a diverse customer base spanning over 100 government customers. The company also boasts customer loyalty, with 90% repeat orders. In the simulator market, ZEN secured nearly 11 out of 12 contracts tendered out during FY24, capturing more than 80% market share. In the anti-drone market, ZEN competes with 5-6 players but it has an edge over others in terms of backward integration. The company generates healthy EBITDA margin due to its strong competitive positioning.

Current order book provides healthy revenue visibility

In FY24, the company secured orders worth ~INR13.6b, taking the total order book to INR14b diversified across both simulators and anti-drones. Additionally, there is a healthy order pipeline for both simulators and anti-drone systems, ensuring revenue visibility for the next few years. We anticipate order inflows and revenue to report a CAGR of 37% and 63% over FY24-27, respectively.

Asset-light model can potentially generate strong RoE and RoCE

The company boasts an asset-light business model that does not require high capex. Instead, ZEN invests in R&D to build robust Intellectual Property Rights (IPRs). The manufacturing of simulators is outsourced, which helps generate a healthy fixed asset turnover ratio. Material costs account for 20-25% of sales, resulting in a significantly higher gross margin. The asset-light business model also helps to generate an RoCE of 30-40%.

AMC business will grow in line with product business over few years

In FY24, the company generated 8% of its overall revenue from the AMC business. The lifecycle of a simulator is 15 years, creating a lifetime revenue potential of 120% of product sales. With the increase in the installed base of simulators, AMC revenues will also grow simultaneously.

Aiming to increase exports from the current levels

The company is focused on expanding its geographical footprint by capitalizing on opportunities in both anti-drone systems and simulators. Currently, it has a presence in markets such as Nigeria, Qatar, Malaysia, the UAE, Kenya, and Egypt. As of FY24, the share of exports stood at 19%, and ZEN aims to increase it to 35% by FY28. This strategy will boost margins as exports are more profitable for ZEN.

Financial outlook

We expect a revenue/EBITDA/PAT CAGR of 63%/57%/56% during FY24-27. This growth will be led by: 1) order inflow growth of 37%, due to a strong pipeline across simulators and anti-drones, 2) EBITDA margin of 37%/36.5%/36.5% for FY25/FY26/FY27, and 3) enhanced control over working capital due to improved collections. With a substantial revenue growth, healthy margins, and stable working capital, we expect ZEN's RoE and RoCE to improve to 38% and 38% by FY27, respectively.

Key risks and concerns

Any slowdown in procurement from the defense industry, especially for simulators, can expose the company to the risk of reduced order inflows and hinder its growth. ZEN is also exposed to foreign currency risks for its export revenue. High working capital can also pose risks to cash flows, as historically, ZEN's working capital has remained high due to issues related to high debtors and high inventories. This is likely to come down due to improved collections and lower inventory, as per the management. However, any delays in the same can affect cash flows for FY25/26.

Valuation and view

We value the stock at 40x Jun'26E earnings. **We initiate coverage on the stock with a BUY rating and a TP of INR1,775.** We expect the company to: 1) grow at a much faster pace than the industry, 2) have a very strong margin, and 3) expand its capabilities across other defense segments.



LTIMindtree

Estimate change	↑
TP change	↑
Rating change	↑

CMP: INR5,562 TP: INR7,000 (+26%) Upgrade to Buy

Data modernization to lead the recovery

Strong growth in BFSI and CMT verticals; margins remain a key concern

- LTIMindtree (LTIM) reported a strong 1QFY25 revenue growth of 2.6% QoQ/ 3.7% YoY in constant currency (CC) vs. our estimate of ~1% QoQ in CC. In USD terms, revenue came in at USD1.1b (up 2.5% QoQ/3.5% YoY), which was slightly above our estimate of USD1.07b. EBITDA grew 4.6% QoQ but declined 1.8% YoY to INR16.1b (in line with our estimate of INR15.8b). PAT came in at INR11.3b, up 3.1% QoQ/down 1.5% YoY and below our estimate of INR11.6b. Deal wins were slightly subdued at USD1.4b (up 0.7% QoQ).
- **LTIM's commentary was particularly encouraging** among the companies that have reported so far. Clients are finally resuming the "high-priority transformation" projects, primarily focusing on areas such as data engineering, data estate modernization, and ERP modernization. Following a prolonged period of subdued client activity, this development sets a positive stage for pre-GenAI investments, with promising implications for FY26. Although cost-reduction initiatives remain a top priority, there is now a possibility of reinvesting technology dollars into pre-GenAI expenditures, and LTIM will benefit from this uptick.
- **We upgrade LTIM to BUY** due to its superior offerings in data engineering and ERP modernization, positioning it well to capture the pre-GenAI expenditures. We anticipate LTIM to outperform its large-cap peers and expect low double-digit CC growth for FY26.
- **Margins remain a concern, however**, and the biggest risk to our thesis. A re-rating depends on significant margin recovery, driven primarily by volume recovery, as we do not see a lot of levers apart from revenue growth; any further hiccups in execution could result in downside risks to our estimates.
- **We broadly maintain our FY25E EPS and raise our FY26E EPS by 2.8%.** We also upgrade our target multiple to 35x (this is now at 1STD above LTIM's five-year average). Our revised TP of INR7,000 implies 26% upside potential.

Bloomberg	LTIM IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1647.4 / 19.7
52-Week Range (INR)	6443 / 4514
1, 6, 12 Rel. Per (%)	6/-23/-17
12M Avg Val (INR M)	2451

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	355.2	377.1	417.8
EBIT Margin (%)	15.7	15.8	17.1
PAT	45.8	49.4	58.9
EPS (INR)	154.8	166.8	198.8
EPS Gr. (%)	2.0	7.7	19.2
BV/Sh. (INR)	676.0	772.2	887.5

Ratios

RoE (%)	24.4	23.0	23.9
RoCE (%)	21.2	19.4	20.6
Payout (%)	42.0	42.0	42.0

Valuations

P/E (x)	35.9	33.3	28.0
P/BV (x)	8.2	7.2	6.3
EV/EBITDA (x)	24.3	22.5	18.8
Div Yield (%)	1.2	1.3	1.5

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	68.6	68.6	68.7
DII	13.6	12.9	11.7
FII	7.9	8.7	8.4
Others	10.0	9.8	11.2

FII Includes depository receipts

Revenue beats estimates; deal wins slightly subdued

- Revenue stood at USD1.09b, up 2.6% QoQ CC and above our estimate of 1% QoQ CC. Reported USD revenue growth was 2.5% QoQ/3.5% YoY.
- The growth was primarily led by Technology, Media & Comms (+7.9% QoQ), BFSI (2.9% QoQ), while Healthcare & Public Services (-7.9% QoQ), and Retail (-1.4% QoQ) were weak. Manufacturing & Resources grew 1.8% QoQ.
- EBIT margin at 15.0% expanded 30bp QoQ, below our estimate of 90bp sequential expansion.
- Employee metrics: Software headcount rose ~377 (+0.5% QoQ), utilization improved 140bp QoQ to 88.3%, while attrition was stable QoQ at 14.4%.
- Order inflows were steady at USD1.4b, with BTB of 1.3x.
- PAT came in at INR11.3b, up 3.1% QoQ/down 1.5% YoY and below our estimate of INR11.6b.

Key highlights from the management commentary

- LTIM witnessed early signs of clients deploying savings and budgets into high transformation programs and laying the foundation in AI, especially in BFSI and Telecom (LTIM's largest verticals). Further, the ramp-up of the previously won deals also supported 1QFY25 revenue growth.
- LTIM expects growth momentum to continue in 2QFY25 as deals won in the earlier quarter are ramping up according to the plan. Some verticals, especially BFSI, have high-priority projects kicking in as well, which gives confidence for a strong 2Q.
- In BFSI, key clients are now beginning high-priority projects that were paused last year. Clients are looking to reduce technical debt. The company expects the BFSI vertical to see good momentum throughout the year.
- The company's EBIT margin stood at 15.0%. The absence of project cancellations and improved operational efficiency provided a tailwind of 100bp, which was partially offset by Visa costs and higher SG&A expenses.

Valuation and view

- **Upgrade to BUY: We upgrade LTIM to BUY** due to its superior offerings in data engineering and ERP modernization, positioning it well to capture the pre-GenAI expenditures. Further, clients are finally resuming the "high-priority transformation" projects, in these areas. We anticipate LTIM to outperform its large-cap peers and expect low double-digit CC growth for FY26. **Margins remain a concern, however**, and the biggest risk to our thesis. A re-rating still depends on significant margin recovery, driven primarily by volume recovery.
- We expect LTIM to deliver a CAGR of 8.0%/13.4% in USD revenue/INR PAT over FY24-26. We broadly maintain our FY25E EPS and raise our FY26E EPS by 2.8%. We also upgrade our target multiple to 35x (this is now at 1STD above LTIM's five-year average). Our revised TP of INR7,000 implies 26% upside potential.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E	Est.	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QFY25	/bp	
Revenue (USD m)	1,059	1,076	1,084	1,069	1,096	1,116	1,158	1,144	4,287	4,514	1,077	1.8
QoQ (%)	0.1	1.6	0.8	-1.3	2.5	1.8	3.8	-1.2	4.4	5.3	0.7	183
Revenue (INR m)	87,021	89,054	90,166	88,929	91,426	93,273	96,799	95,618	3,55,170	3,77,116	89,827	1.8
YoY (%)	13.8	8.2	4.6	2.3	5.1	4.7	7.4	7.5	7.0	6.2	3.2	184
GPM (%)	31.6	31.4	29.9	29.8	30.3	29.7	31.5	31.5	30.7	30.8	30.7	(39)
SGA (%)	12.8	13.1	12.3	12.5	12.7	12.6	13.0	12.5	12.7	12.7	13.0	(26)
EBITDA	16,355	16,313	15,849	15,357	16,061	15,950	17,908	18,167	63,874	68,086	15,899	1.0
EBITDA Margin (%)	18.8	18.3	17.6	17.3	17.6	17.1	18.5	19.0	18.0	18.1	17.7	(13)
EBIT	14,508	14,231	13,859	13,087	13,709	13,991	15,875	16,159	55,685	59,734	14,013	(2.2)
EBIT Margin (%)	16.7	16.0	15.4	14.7	15.0	15.0	16.4	16.9	15.7	15.8	15.6	(61)
Other income	856	962	1,588	1,396	1,547	1,306	1,355	1,434	4,802	5,642	1,258	23
ETR (%)	25.0	23.5	24.3	24.0	25.6	24.0	24.0	24.0	24.2	24.4	24.0	
Adj PAT	11,523	11,623	11,693	11,007	11,351	11,626	13,095	13,371	45,846	49,443	11,606	(2.2)
QoQ (%)	3.4	0.9	0.6	-5.9	3.1	2.4	12.6	2.1			5.4	
YoY (%)	4.1	-2.2	8.2	-1.2	-1.5	0.0	12.0	21.5	2.1	7.8	0.7	
EPS (INR)	38.9	39.2	39.4	37.1	38.2	39.2	44.2	45.1	154.5	166.7	39.2	(2.5)



Asian Paints

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,974 TP: INR3,150 (+6%) Neutral

Muted sales with miss on margin

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USD\$)	2853.1 / 34.1
52-Week Range (INR)	3568 / 2670
1, 6, 12 Rel. Per (%)	-3/-21/-39
12M Avg Val (INR M)	3475

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	354.9	375.4	422.9
Sales Gr. (%)	2.9	5.8	12.6
EBITDA	75.8	77.6	88.9
EBIT Margin (%)	21.4	20.7	21.0
Adj. PAT	55.6	55.6	63.0
Adj. EPS (INR)	57.9	58.0	65.7
EPS Gr. (%)	30.9	0.1	13.3
BV/Sh.(INR)	195.2	211.1	234.8

Ratios

RoE (%)	32.0	28.5	29.5
RoCE (%)	27.2	24.4	25.2
Payout (%)	75.9	70.7	62.4

Valuation

P/E (x)	51.3	51.3	45.3
P/BV (x)	15.2	14.1	12.7
EV/EBITDA (x)	37.0	35.6	31.0
Div. Yield (%)	1.5	1.4	1.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	52.6	52.6	52.6
DII	12.4	11.7	10.1
FII	15.3	15.9	17.5
Others	19.7	19.8	19.8

FII Includes depository receipts

- Asian Paints (APNT) posted 2%/3% YoY decline in consolidated/standalone revenue in 1QFY25. Decorative volume grew 7% YoY (est. 12%). The value vs. volume gap was in the range of 5-6% vs. ~12% in 4Q. Revenue growth was affected by price cuts in the last quarter (~3.5% in 4Q), an unfavorable product mix, general elections and heat waves.
- Raw material prices rose 1.8% in 1Q and are expected to rise ~1.5% in 2Q. To offset these costs, APNT implemented a ~1% price hike in Jul'24 and may hike again in the upcoming quarter. Gross margin contracted by 40bp to 42.5% in 1Q. Monitoring gross margin in FY25/FY26 will be crucial due to the changing competitive landscape, rising raw material prices and ongoing supply chain challenges.
- Employee and other overhead costs hurt EBITDA margin, which contracted by 420bp YoY and 50bp QoQ to 18.9%. APNT added new employees to expand its distribution and retail touchpoints. EBITDA declined by 20% YoY (est. -6%). Given the changing competitive landscape, a high mix of economy/mid-segment, and the company's focus on volume traction, we estimate EBITDA margins of 20.7%/21.0% in FY25/FY26.
- Despite APNT's various initiatives to boost volume growth, revenue growth excitement does not look like in FY25 due to price cuts, downtrading and competitive pressure. Besides, sustaining the current high-level EBITDA margin is also a challenge for APNT in the near term. **We reiterate our Neutral rating with a TP of INR3,150 (based on 45x FY26E EPS).**

Disappointing performance on all fronts

- Volume growth in high-single digit:** Consol. net sales declined 2.3% YoY to INR89.7b (est. INR91.8b), impacted by weak demand, general elections, and severe heatwaves. Volumes grew by 7% (est. +12%) in the domestic decorative paints business, aided by some improvement in rural markets.
- Poor margin performance:** Gross margins contracted 40bp YoY to 42.5% (est. 43.5%). Employee/other expenses grew 24%/14% YoY. EBITDA margin shrank by 420bp YoY and ~50bp QoQ to 18.9% (est. 21.7%). EBITDA was down 20% YoY at INR16.9b (est. INR19.9b). PBT fell 25% YoY to INR15.7b (est. INR18.9b). Adj. PAT declined 25% YoY to INR11.9b (est. INR14.3b).
- Non-core businesses improved:** Kitchen business revenue grew 5% as sales have been growing for the past two quarters. It has maintained positive PBDIT for six quarters, with a PBT loss of INR30m, down from INR20m in 1QFY24. Bath business revenue rose 10% on a low base, with a PBT loss of INR20m. White Teak and Weather Seal delivered double-digit revenue growth. Home Décor now has over 61 stores, with several more expected to open in 2Q. Home Décor is adding about 15 to 20 stores annually.
- Currency devaluation continues to affect growth:** Internationally, Ethiopia and Sri Lanka showed good growth in 1Q due to a gradual economic recovery, although macroeconomic issues in Nepal, Bangladesh and Egypt affected overall international business performance.

Key highlights from the management commentary

- Demand was affected by the heatwaves and general elections for both retail and institutional businesses. Apr-May'24 were challenging months, but Jun'24 saw signs of recovery, especially in rural demand.
- APNT delivered 7% volume growth in domestic decorative paints in 1Q on a healthy base (10% in 1QFY24). The five-year CAGR in volume is healthy at 15.3%.
- The value segment has been under pressure, down 3% vs. 7.8% growth in 1QFY24. The five-year CAGR in value is 12.7%.
- The management observed 1.8% inflation in 1Q and implemented a 1% price increase in response. In 2Q, inflation is expected to be in the range of ~1.4% to 1.5%. Consequently, there may be further price increases.
- International operations posed challenges for the overall business with a 2% decline in revenue. Adjusted for constant currency, it would have seen 1.8% growth, despite currency depreciation in Ethiopia, Egypt and Bangladesh.
- The company continued to expand its distribution footprint, reaching over 165k touchpoints in 1QFY25.

Valuation and view

- There are no material changes to our EPS estimates.
- APNT has launched “Neo Bharat Latex paint” in Jan'24 to compete with the unorganized segment with a branded solution that is affordable and accessible to consumers. It will address the market size of INR50-55b (targets to achieve 30% share in the medium term).
- With the entry of new players with deep pockets and massive commitments to investments, the overall industry may see a shift in market share and cost structures. These factors will be the key monitorables in FY25.
- We remain cautious for both value growth and margin in FY25/FY26. Despite a correction in the stock, competitive pressure still hovers around earnings. **We reiterate our Neutral rating with a TP of INR3,150 (based on 45x Jun'26E EPS).**

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	9.5	11.0	12.0	
Est. Dom. Deco. Vol. growth (%)	10.0	6.0	12.0	10.0	7.0	8.0	14.0	15.0	9.5	11.0	12.0	
Net Sales	91.8	84.8	91.0	87.3	89.7	87.3	100.1	98.2	354.9	375.4	91.8	-2.3%
Change (%)	6.7	0.2	5.4	-0.6	-2.3	3.0	10.0	12.5	2.9	5.8	0.0	
Gross Profit	39.4	36.8	39.7	38.2	38.2	37.7	43.4	44.1	154.0	163.3	39.9	
Gross Margin (%)	42.9	43.4	43.6	43.7	42.5	43.2	43.3	44.8	43.4	43.5	43.5	
EBITDA	21.2	17.2	20.6	16.9	16.9	16.8	22.3	21.6	75.8	77.6	19.9	-15.0%
Margin (%)	23.1	20.2	22.6	19.4	18.9	19.3	22.3	21.9	21.4	20.7	21.7	
Change (%)	36.3	39.8	27.6	-9.3	-20.2	-2.0	8.5	27.5	21.2	2.3	-6.1	
Interest	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.5	2.1	2.2	0.5	
Depreciation	2.0	2.1	2.2	2.3	2.3	2.3	2.5	2.6	8.5	9.7	2.3	
Other Income	2.0	1.7	1.4	1.9	1.6	1.8	1.8	1.8	6.9	7.0	1.8	
PBT	20.7	16.2	19.2	16.0	15.7	15.7	21.1	20.3	72.1	72.8	18.9	-17.1%
Tax	5.3	4.2	4.9	3.5	4.2	4.1	5.1	4.9	17.9	18.2	4.8	
Effective Tax Rate (%)	25.6	25.8	25.7	21.8	26.6	25.8	24.0	24.2	24.8	25.0	25.5	
Adjusted PAT	15.7	12.3	14.8	12.8	11.9	12.0	16.3	15.5	55.6	55.6	14.3	-17.2%
Change (%)	48.5	53.3	34.5	-0.6	-24.6	-2.9	10.2	21.7	30.9	0.1	-9.0	

E: MOFSL Estimates



Bajaj Auto

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR9,718 TP: INR8,695 (-11%) Neutral

Bloomberg	BJAUT IN
Equity Shares (m)	279
M.Cap.(INRb)/(USD\$)	2713.2 / 32.5
52-Week Range (INR)	10039 / 4541
1, 6, 12 Rel. Per (%)	-7/22/74
12M Avg Val (INR M)	3422

In line; stable margin despite increase in EV mix

Domestic business on firm footing; export outlook remains uncertain

- BJAUT's 1QFY25 performance was in line with our estimates. Margins remained stable QoQ, despite EV ramp-up, due to PLI accrual and favorable forex. We believe BJAUT is likely to continue to outperform the domestic motorcycle industry on the back of its focus on 125cc+ segment; however, the export outlook remains uncertain.
- We have marginally lowered our FY25/FY26 estimates to factor in persistent weakness in exports. BJAUT has significantly outperformed the Nifty Auto Index, led by market share gains in the 125cc+ domestic motorcycle segment, improved margins, and a one-of-a-kind policy to reward its shareholders. After the sharp rally, however, the stock at ~31x/25.5x FY25E/26E EPS appears fairly valued. **We reiterate our Neutral rating with a TP of INR8,695 (based on 22x Jun'26E consol. EPS).**

Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	447	513	602
EBITDA	88.2	102.4	123.4
EBITDA (%)	19.7	20.0	20.5
Adj. PAT	77.1	88.3	106.3
EPS (INR)	276	316	381
EPS Gr. (%)	28.9	14.6	20.4
BV/Sh. (INR)	890	996	1,066

Ratios

RoE (%)	30.7	33.5	36.9
RoCE (%)	28.8	30.7	33.8
Payout (%)	29.9	63.2	78.8

Valuation

P/E (x)	35.0	30.7	25.5
P/BV (x)	10.9	9.7	9.1
Div. Yield (%)	0.8	2.1	3.1
FCF Yield (%)	2.5	2.4	3.2

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	55.1	54.9	55.0
DII	8.6	8.7	10.9
FII	14.5	14.7	12.4
Others	21.9	21.7	21.8

FII Includes depository receipts

EBITDA margin expansion driven by PLI accruals and forex benefits

- BJAUT's 1QFY25 revenue/EBITDA/PAT grew 16%/24%/19% YoY to INR119.3b/INR24.2b/INR19.9b (est. INR116.7b/INR23.3b/ INR19.8b).
- Volume grew 7% YoY, which, combined with a better mix, resulted in ~8% YoY improvement in net realizations to INR108.2k/unit (est. INR105.9k/unit).
- Spares revenue grew ~8% YoY to INR13b, while export revenue jumped ~32% YoY to INR38.4b in 1QFY25.
- Gross margin expanded 190bp YoY (+30bp QoQ) to 30% (est. 29.5%). The sequential gain in gross margin was driven by FX benefits and PLI accrual.
- EBITDA margin improved 120bp YoY to 20.2% (est. 20%). Margin expansion was driven by better realizations, PLI benefits and cost reduction efforts, offsetting expenses incurred for the expansion of e-2W business.
- BJAUT maintained a strong balance sheet position with total cash of INR167.6b. It infused INR5.05b into its wholly owned finance subsidiary for further expansion.

Highlights from the management commentary

- **Exports 2W:** Small but steady recovery visible. BJAUT expects 2Q to be better than 1Q. Production in its newly established plant in Brazil started in Jun'24, with a single-shift capacity of 20k units per annum, scalable to 50k units per annum.
- **Domestic 2W:** It anticipates 6-8% YoY volume growth for the industry in FY25, with the 125cc and above category outperforming. EVs, including 2W and 3Ws, contributed 14% of the domestic revenue.
- **Freedom 125:** The addressable market is 450-500k customers per month. It has received bookings for 4,200 units, with 90% from Maharashtra and Gujarat initially. It is expanding into Kerala and Delhi in two quarters. Initial production capacity is set at 10k units per month for the second quarter, with plans to ramp it up to 40k units per month by the fourth quarter.

- **Expect cost inflation in the coming quarters:** BJAUT anticipates 50-70bp cost inflation in the coming quarters. It has increased prices at the beginning of the quarter, covering half of the estimated cost increase.

Valuation and view

- We have marginally lowered our FY25/FY26 earnings estimates by 4%/0.4%. We expect BJAUT to gain share in domestic motorcycles in FY25, aided by: 1) a shift in demand to the 125cc+ segment, which is its strong market; and 2) a healthy launch pipeline. However, the export outlook remains uncertain.
- BJAUT has witnessed a significant re-rating in the last 12 months, aided by market share gains in the 125cc+ domestic motorcycles segment, improved margins, and a one-of-a-kind policy to reward its shareholders. After the sharp rally, however, the stock at ~31x/25.5x FY25E/26E EPS appears fairly valued. **We reiterate our Neutral rating with a TP of INR8,695 (premised on 22x June-26E consol EPS).**

Quarterly Performance

(INR Million)

	FY24				FY25E				FY24	FY25E	FY25E 1QE
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Volumes ('000 units)	1,027	1,054	1,201	1,069	1,102	1,191	1,345	1,186	4,351	4,824	1,102
Growth YoY (%)	10.0	-8.4	22.1	24.3	7.3	13.0	12.0	11.0	10.8	10.9	7.3
Realization (INR/unit)	1,00,347	1,02,256	1,00,862	1,07,476	1,08,234	1,08,451	1,07,366	1,01,539	1,02,703	1,06,400	1,05,864
Growth YoY (%)	17.0	15.4	6.5	3.8	7.9	6.1	6.4	-5.5	10.7	3.6	5.5
Net Sales	1,03,098	1,07,773	1,21,135	1,14,847	1,19,280	1,29,161	1,44,420	1,20,415	4,46,852	5,13,276	1,16,668
Change (%)	28.8	5.6	30.0	29.0	15.7	19.8	19.2	4.8	22.7	14.9	13.2
EBITDA	19,539	21,329	24,299	23,063	24,154	25,810	29,098	23,347	88,229	1,02,408	23,317
EBITDA Margins (%)	19.0	19.8	20.1	20.1	20.2	20.0	20.1	19.4	19.7	20.0	20.0
Other Income	3,463	3,614	3,461	3,487	3,209	3,600	3,900	3,917	14,025	14,626	3,800
Interest	121	65	121	228	207	175	120	98	535	600	100
Depreciation	835	876	881	906	937	945	950	981	3,498	3,813	910
PBT after EO	22,046	24,000	26,758	25,416	26,219	28,290	31,928	26,184	98,220	1,12,622	26,107
Effective Tax Rate (%)	24.5	23.5	23.7	23.8	24.2	24.2	24.2	24.2	23.9	24.2	24.1
Adj. PAT	16,648	18,361	20,419	19,360	19,884	21,450	24,209	19,850	74,788	85,394	19,807
Change (%)	41.9	20.0	36.9	35.1	19.4	16.8	18.6	2.5	32.9	14.2	19.0

E: MOFSL Estimates



Angel One

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR2,220 TP: INR3,300 (+49%) Buy

Strong PAT beat driven by lower opex

- PAT came in at INR2.9b in 1QFY25 (up 33% YoY), registering a 21% beat, because of lower-than-expected operating costs and higher-than-expected net interest income.
- Net brokerage income was up 72% YoY and flat QoQ at INR6.8b in 1QFY25. Net revenue from operations grew 76% YoY and 5% QoQ to INR9.2b.
- Total operating expenses grew 115% YoY and 18% QoQ (6% lower than expectations). On a sequential basis, the CI ratio rose to 62.3% in 1QFY25 (vs. our expectation of 67.9%). Excluding IPL sponsorship costs of INR1.14b, the CI ratio came in at 52.1% in 1QFY25.
- We have cut our FY25/FY26 earnings estimates by 1%/3% to factor in higher employee costs. **We reiterate our BUY rating on the stock with a revised TP of INR3,300 (premised on 16x Mar'26E EPS).**

Strong growth in F&O and Cash segments

- The 65% YoY growth in gross broking business (INR9.2b) was driven by F&O segment (+65% YoY) and cash segment (+81% YoY).
- Net interest income stood at INR2.4b, up 89% YoY and 24% QoQ (5% beat). MTF book stood at INR26.26b vs. INR11.17b in 1QFY24.
- Other income increased by 82% YoY to INR1.99b.

Ex-IPL sponsorship costs, CI ratio stands at 52.1%

- Total operating expenses jumped 115% YoY and 18% QoQ (6% lower than expectations). On a sequential basis, the CI ratio increased to 62.3% in 1QFY25 (vs. our expectation of 67.9%).
- Employee costs rose 63% YoY to INR2b (9% above est.), while admin & other expenses (incl. IPL cost) surged 147% YoY (12% lower than est).

Total orders grew 86% YoY

- ADTO stood at INR40.4t, up 93% YoY and flat QoQ. The total number of orders increased to 462m in 1QFY25 from 249m in 1QFY24.
- The number of F&O orders grew 75% YoY to 348m (199m in 1QFY24). Revenue per order was flat at INR22.1.
- Cash ADTO grew 16% QoQ to INR88b (+167% YoY). The number of orders rose 155% YoY to 97m. Sequentially, revenue per order rose to INR10.4.
- Commodity ADTO jumped 101% YoY and 35% QoQ. However, the total number of orders in commodities segment increased to 17m.

Bloomberg	ANGELONE IN
Equity Shares (m)	84
M.Cap.(INRb)/(USDb)	199.9 / 2.4
52-Week Range (INR)	3900 / 1446
1, 6, 12 Rel. Per (%)	-20/-45/4
12M Avg Val (INR M)	1829
Free float (%)	64.3

Financial & Valuation (INR b)

Y/E March	2024	2025E	2026E
Revenues	33.3	47.7	57.5
Opex	17.7	26.4	32.8
PBT	15.1	20.2	23.1
PAT	11.3	14.9	17.1
EPS (INR)	135.9	179.9	205.8
EPS Gr. (%)	26.4	32.4	14.4
BV/Sh. (INR)	366.7	727.6	851.1

Ratios (%)

C/I ratio	53.1	55.4	57.0
PAT margin	33.8	31.2	29.7
RoE	43.3	32.9	26.1
Div. Payout	27.0	0.0	40.0

Valuations

P/E (x)	20.6	13.1	11.4
P/BV (x)	7.6	3.2	2.8
Div. Yield (%)	1.3	0.0	3.2

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	38.2	38.2	38.5
DII	9.5	9.3	9.7
FII	17.3	19.1	16.6
Others	35.0	33.3	35.2

Highlights from the management commentary

- Regarding the **1) True to Label charges regulation**: Angel One's FY24 revenue was INR3.5b. The business will eventually implement the same using its levers to offset it. **2) NSE stopping 1,000 stocks from being allowed to pledge**: a minimal impact is expected, which can be offset via new pledges. **3) Despite the measures reported by media and SEBI's move to limit F&O volumes for the retail segment**, the management is confident that it will be able to mitigate the volume impact through a number of levers, including pricing action.
- EBIDTA margins are likely to sustain at current levels (ex-IPL) in case of no action from the regulator. In case of an adverse impact of regulatory changes, the management believes it has levers to offset the impact, but margins can be hit for a short term. Excluding regulatory changes, the management is confident of reaching pre-QIP level RoE in the medium term.

Valuation and view: Maintain BUY

- ANGELONE is well positioned to grow business across key parameters such as client acquisition, number of orders and MTF book. Additionally, new segments, such as loan distribution and fixed income product distribution, should scale up in the near term. Over the longer term, AMC and Wealth Management will start contributing to revenues. We have cut our FY25/FY26 earnings estimates by 1%/3% to factor in the 1Q performance. **We reiterate our BUY rating on the stock with a revised TP of INR3,300 (premised on 16x Mar'26E EPS).**

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	1Q FY25E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Revenue from Operations	5,198	6,747	6,874	8,742	9,150	9,565	10,054	10,905	27,562	39,674	8,931	2.5
Other Income	1,088	1,411	1,401	1,869	1,983	1,922	1,997	2,153	5,769	8,055	1,958	1.3
Total Income	6,286	8,158	8,275	10,611	11,133	11,486	12,051	13,058	33,331	47,729	10,890	2.2
Change YoY (%)	22.0	46.0	43.9	64.7	77.1	40.8	45.6	23.1	45.3	43.2	73.2	5.3
Operating Expenses	3,230	3,974	4,635	5,856	6,940	5,791	6,677	7,032	17,695	26,439	7,392	-6.1
Change YoY (%)	21.4	49.3	75.1	114.0	114.8	45.7	44.0	20.1	65.3	49.4	128.9	-10.9
Depreciation	89	112	131	167	226	256	286	316	498	1,085	240	-5.8
PBT	2,967	4,072	3,509	4,588	3,968	5,439	5,089	5,710	15,137	20,206	3,258	21.8
Change YoY (%)	22.3	42.5	16.1	26.9	33.7	33.6	45.0	24.5	26.9	33.5	9.8	244.6
Tax Provisions	759	1,027	907	1,188	1,041	1,427	1,335	1,498	3,881	5,301	844	23.4
Net Profit	2,208	3,045	2,602	3,400	2,927	4,012	3,754	4,212	11,255	14,905	2,414	21.2
Change YoY (%)	21.6	42.5	13.9	27.3	32.5	31.8	44.2	23.9	26.4	32.4	9.3	249.5
Key Operating Parameters (%)												
Cost to Income Ratio	51.4	48.7	56.0	55.2	62.3	50.4	55.4	53.9	53.1	55.4	67.9	-555bps
PBT Margin	47.2	49.9	42.4	43.2	35.6	47.4	42.2	43.7	45.4	42.3	29.9	572bps
Tax Rate	25.6	25.2	25.8	25.9	26.2	26.2	26.2	26.2	25.6	26.2	25.9	34bps
PAT Margins	35.1	37.3	31.4	32.0	26.3	34.9	31.1	32.3	33.8	31.2	22.2	412bps
Revenue from Operations Mix (%)												
As % of Gross Broking Revenue												
F&O	84.0	85.0	84.0	85.0	84.0	85.0	85.0	84.6	84.6	84.7	85.8	-2.1
Cash	10.0	11.0	11.0	11.0	11.0	10.7	10.9	11.4	10.8	11.0	10.0	10.2
Commodity	5.0	4.0	5.0	4.0	5.0	4.2	4.1	3.9	4.4	4.3	4.2	18.3
Currency	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Net Broking (As % Total Revenue)	75.7	77.1	74.3	78.0	73.9	74.0	72.4	72.1	76.4	73.1	74.6	-0.9
Net Interest Income (As % Total Revenue)	24.3	22.9	25.7	22.0	26.1	26.0	27.6	27.9	23.6	26.9	25.4	2.8
Expense Mix (%)												
Employee Expenses	37.1	32.5	29.7	26.4	28.0	34.9	31.8	31.7	30.6	31.5	24.2	15.8
Admin Cost	59.7	64.3	67.1	70.4	68.3	60.9	64.1	64.0	66.7	64.6	72.6	-5.9
Depreciation	2.7	2.7	2.7	2.8	3.2	4.2	4.1	4.3	2.7	3.9	3.1	0.4



360 One WAM

BSE SENSEX
80,717

S&P CNX
24,613

CMP: INR981

TP: INR1,150 (+17%)

Buy



Stock Info

Bloomberg	360ONE IN
Equity Shares (m)	359
M.Cap.(INRb)/(USD\$b)	355.9 / 4.3
52-Week Range (INR)	1065 / 469
1, 6, 12 Rel. Per (%)	17/37/66
12M Avg Val (INR M)	490
Free float (%)	82.3

Financials Snapshot (INR b)

Y/E March	2024	2025E	2026E
Net Revenues	18.5	22.0	25.2
Opex	9.6	10.7	11.6
Core PBT	8.9	11.3	13.6
PAT	8.0	9.6	11.6
EPS	22.4	26.7	32.4
EPS Grw (%)	21.3	19.3	21.2
BV	96.1	101.5	107.9

Ratios

PBT margin (bp)	22.0	22.6	23.9
PAT margin (bp)	19.9	19.2	20.5
RoE (%)	24.5	27.1	31.0
Div. Payout (%)	74.9	80.0	80.0

Valuations

P/E (x)	43.2	36.2	29.9
P/BV (x)	10.1	9.5	9.0
Div. Yield (%)	1.7	2.2	2.7

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	17.8	17.8	22.0
DII	8.3	8.9	2.2
FII	63.2	62.5	64.8
Others	10.7	10.9	11.0

FII Includes depository receipts

Improving client, geographical, and product diversity

Expect higher costs due to the new business initiatives

- In its FY24 Annual Report, 360 ONE WAM (360 ONE) outlined the emerging growth opportunities in the Wealth Management industry in India and expects a 13-14% AUM CAGR over the next 4-5 years. The drivers for this growth will be: 1) an increase in the number of UHNIs and HNIs, 2) an increase in the wealth of existing HNIs, and 3) wealth transfer between generations.
- The company is likely to focus on diversifying its customer base from the existing INR250m+ net worth customers to adding INR50-250m net worth customers in India as well as overseas. This would present a huge opportunity to double its market share over the next few years from 4-5% currently.
- In addition, 360 ONE is looking to diversify its geographical presence from the top cities and metros to tier II and tier III cities (i.e., shift in focus from the traditional 10-15 cities to over 60 cities over the next few years, reflecting a significant demographic transformation).
- It recently launched a platform, known as '360 One Global', to cater to the demands of non-resident Indians. With a robust product suite and human talent in place, 360 ONE is well-placed to address the growing global Indian wealth management opportunity (currently, ~30m Indians reside globally).
- Recently, 360 ONE acquired **ET Money**, a company that specializes in the digital distribution of financial products such as mutual funds, fixed deposits, NPS, and insurance. Further, it provides registered investment advisor services for investing in stocks and mutual funds. This acquisition is likely to expand the client base and solidify 360 ONE's position as India's premier wealth manager.
- In FY24, its total AUM surged 37% YoY to INR4.7t, with strong growth in both ARR and TBR assets. The ARR AUM jumped 36% YoY to INR2.28t, and Wealth Management's ARR AUM increased 43% YoY to INR 1.55t.
- For FY24, 360 ONE's operating revenue/PAT rose 18%/23% YoY to INR18.5b/ INR8.0b. Operating expenses jumped 33% YoY to INR9.6b from INR7.2b in FY23, mainly due to a 36% YoY surge in employee costs to INR7.1b.
- **Valuation and view:** The company is looking to diversify its presence in terms of the mass-affluent client segment and geography (lower tier cities + international regions). The resultant investments in team building have kept costs at elevated levels. The benefits of these investments, however, are likely to be back ended in nature. We are building in a minimal contribution from these new (mid-market segment and global platform) diversifications in FY25 and FY26. We have also modeled higher costs due to these new business initiatives. **We reiterate our BUY rating with a one-year TP of INR1,150 (based on 33x Mar'26E EPS).**



Automobiles

“PV inventory levels have reached an all-time high, ranging from 62 to 67 days. Despite improved product availability and substantial discounts aimed at stimulating demand, market sentiment remains subdued due to extreme heat resulting in 15% less walk-in’s and delayed monsoons. Dealer feedback highlights challenges such as low customer inquiries and postponed purchase decisions. With the festive season still some time away, it is crucial for passenger vehicle OEMs to exercise caution. Effective inventory management strategies are essential to mitigate financial strain from high interest costs”

Mr. Manish Raj Singhanian,
President, FADA.

Wholesales growth surpasses retails in 1QFY25

HMSI and MSIL outperform peers in their respective segments

- We have analyzed the segmental volume data for 1QFY25 across various segments. Volume growth in the 2W segment, at 20% YoY, continued to outperform the PV/CV segment growth of 3.0%/3.5% YoY in 1QFY25.
- We have observed that wholesale numbers during the quarter significantly exceeded retail sales. While 2W retails grew ~13% YoY, wholesale growth was 20% YoY, suggesting that some level of channel filling has already begun.
- Retail growth in PVs and CVs stood at ~2.5% and 0.7% YoY, respectively.
- HMSI experienced a notable resurgence in domestic 2W market share, with its supplies normalizing this year. It was the biggest beneficiary in the domestic 2W market, having gained 560bp market share to reach 29.1%. HMSI significantly narrowed the gap with the market leader HMCL, whose share stood at 30.3%.
- In the PV segment, both MSIL and Toyota reported healthy market share gains in the Car and SUV categories. However, despite its market share gains in both categories, MSIL actually witnessed a 70bp contraction in the overall PV market share to 40.8% due to the mix impact.
- In CVs, growth was largely driven by the bus segment, which rose 27% YoY. In contrast, the goods segment saw flat YoY growth in 1QFY25. Within CVs, TTMT experienced a healthy recovery in market share. However, it continued to lose share in LCVs. On the other hand, AL lost share in the MHCV goods category, but gained in all other segments. M&M continued to gain market share in the LCV goods segment, led by its pick-up range.

Update on 2Ws: HMSI rebounds strongly with normalization of capacity

- The domestic 2W industry volumes rose 20% YoY in 1QFY25. While motorcycles and mopeds increased ~17% YoY, scooters (ICE) grew ~27% YoY.
- HMSI was the best performer in the domestic 2W market, having gained 560bp YoY market share to reach 29.1% in 1QFY25. With this growth rate, it came within striking distance of market leader HMCL’s share at 30.3% (-210bp YoY).

Motorcycle update:

- All the OEMs (ex-RE) reported a YoY volume growth.
- HMSI outperformed the segment with ~71% YoY volume growth. Among other large peers, only HMCL managed double-digit volume growth of 13.5% YoY.
- Given its significant outperformance, HMSI gained ~610bp market share YoY to reach 19.4%.

Scooters (ICE) update:

- In this segment, all the major OEMs (ex-HMCL) reported healthy double-digit YoY volume growth in 1QFY25. Volumes of HMSI/Suzuki/TVSL grew ~35%/30%/20% YoY, while those of HMCL declined 8% YoY.
- HMSI gained 290bp YoY market share even in the scooters category to reach 51.7%. The only other company to have gained share (+30bp YoY to 16%) in 1QFY25 was Suzuki.
- The market share of TVSL/HMCL dipped 135bp/180bp YoY to 21.9%/4.9% YoY.

Update on PVs: MSIL and Toyota gain market share across segments

- The PV industry witnessed a much slower volume growth of 3% YoY in 1QFY25. Its growth was capped primarily by the slowdown in the Car segment (-17.5% YoY). Conversely, the UV demand momentum remained healthy at 18% YoY.
- Hence, UV's contribution to total PVs rose to 62.9% in 1QFY25 from 60% in FY24.

Car segment:

- MSIL gained ~350bp share to reach 65.1%, while Toyota gained ~90bp share to reach 3.9%.
- Conversely, Hyundai/TTMT/Honda lost 140bp/140bp/110bp YoY share to 14.3%/ 11.0%/2.5%.

UV segment:

- In the UV segment, the key YoY outperformers were: MSIL (+29%), MM (+24%), Hyundai (+20%), and Toyota (+42%).
- Conversely, the key YoY underperformers were: TTMT (-13%) and Kia (-1%).
- MSIL gained 220bp YoY market share to reach 25.3%, while MM gained 90bp YoY share to 19.2%. Hyundai gained 30bp YoY share to reach 15.6%, while Toyota gained 140bp YoY share to reach 8.5%. Meanwhile, TTMT/Kia lost 70bp/180bp YoY share to 15.6%/9.4%.

Domestic PVs:

- In the overall domestic PV segment, the key YoY gainers were: MM (+210bp to 12.1%), Hyundai (+140bp to 9.8%), and Toyota (+150bp to 5.3%).
- However, MSIL actually lost 70bp to reach 40.8%, given its significantly higher share in the Cars segment (which is declining).

Update on CVs: Passenger segment leads the entire CV growth in 1QFY25

- CV volumes grew 3.5% YoY in 1QFY25 despite the election-related headwinds.
- The growth was largely driven by the MHCV segment, which rose ~10% YoY. However, LCV volumes remained flat YoY. Within both of these categories, the passenger segment drove overall growth (at +27% YoY). The volumes in the goods segment remained flattish YoY.
- Within overall domestic CVs, there was no material change in the market share of the top 3 players.

MHCV segment:

- Within MHCVs, volumes of the goods category grew ~3% YoY, while those of the passenger segment jumped ~53% YoY.
- **MHCV goods:** TTMT's market share improved ~340bp YoY to 50.7%. In contrast, both AL/VECV witnessed a decline of 170bp/100bp YoY to 30.0%/15.8%.
- **MHCV passenger:** Both TTMT and AL reported market share gains of 940bp/540bp YoY to 33.0%/33.3%. On the contrary, VECV reported a sharp correction of ~10.3pp YoY in its market share to 24.9%.

LCV segment:

- Within LCVs, volumes for the goods category declined ~1% YoY, while the same grew ~8% YoY for the passenger category.
- **LCV goods:** MM/AL gained market share of 130bp/40bp YoY to 48.3%/12.1%. However, TTMT reported a contraction of 130bp to reach 30.8%.

- **LCV passenger:** All the players (ex-TTMT) reported market share gains. Force Motors/AL clocked market share gains of ~520bp/80bp YoY to 41.5%/2.7%. In contrast, TTMT's market share declined ~890bp YoY to 27.0%.

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. While we expect the 2W segment to continue outperforming other segments even in FY25, this appears to be fully priced in after the recent strong rally in 2W stocks.
- Hence, one will have to make selective micro strategies to outperform from hereon. In this backdrop, MSIL and MM are our top picks in Auto OEMs. Among Auto Ancillaries, our top picks are CRAFTSMA, MOTHERSO and HAPPYFORG.

Domestic 2W volumes grew 20% YoY

Total domestic 2Ws ICE	1QFY25	YoY (%)	FY24	YoY (%)
HMCL	14,73,603	12.2	54,00,565	4.8
HMSI	14,14,232	48.5	45,30,196	12.5
BJAUT	5,38,643	3.2	21,21,491	19.9
TVSL	7,79,159	14.1	29,67,154	18.6
Others	6,52,509	12.5	24,94,429	19.7
Total	48,58,146	19.9	1,75,13,835	12.7

Source: SIAM, MOFSL

Market share trend of overall domestic 2W market

Market Share (%)	1QFY25	YoY (bps)	FY24	YoY (bps)
HMCL	30.3	-210	30.8	-234
HMSI	29.1	560	25.9	-5
BJAUT	11.1	-179	12.1	72
TVSL	16.0	-82	16.9	84
Others	13.4	-88	14.2	83

Source: SIAM, MOFSL

Domestic motorcycle volumes rose 17% YoY

Domestic Motorcycles	1QFY25	YoY (%)	FY24	YoY (%)
HMCL	13,98,773	13.5	50,19,917	4.6
BJAUT	5,38,643	3.2	21,21,491	19.9
TVSL	3,18,975	7.7	12,23,838	34.4
HMSI	6,19,397	70.7	19,99,529	24.5
RE	2,04,686	-1.2	8,34,795	13.6
Others	1,17,448	0.6	4,53,667	10.1
Total	31,97,922	16.8	1,16,53,237	13.9

Source: SIAM, MOFSL

Market share trend of domestic motorcycles

Market Share (%)	1QFY25	YoY (bps)	FY24	YoY (bps)
HMCL	43.7	-129	43.1	-381
BJAUT	16.8	-222	18.2	91
TVSL	10.0	-84	10.5	160
HMSI	19.4	612	17.2	145
RE	6.4	-117	7.2	-2
Others	3.7	-59	3.9	-13

Source: SIAM, MOFSL

Domestic scooter volumes grew 27% YoY

Scooters - ICE	1QFY25	YoY (%)	FY24	YoY (%)
HMSI	7,94,835	34.9	25,30,667	4.6
TVSL	3,37,469	19.9	12,61,513	9.8
Suzuki	2,46,264	29.9	8,92,670	25.3
HMCL	74,830	-7.6	3,80,648	6.6
Others	84,111	26.7	3,13,297	39.6
Total	15,37,509	27.3	53,78,795	10.6

Source: SIAM, MOFSL

Market share trend of domestic scooters

Market Share (%)	1QFY25	YoY (bps)	FY24	YoY (bps)
HMSI	51.7	290	47.0	-270
TVSL	21.9	-135	23.5	-18
Suzuki	16.0	32	16.6	194
HMCL	4.9	-184	7.1	-27
Others	5.5	-3	5.8	121

Source: SIAM, MOFSL



The 4G subscriber base continues to grow

RJio leads in both wireless and wired broadband subscriber additions; VIL continues to decline

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

- A rise in the gross and active subscriber base:
 - The industry's **gross subscriber** additions were **2.0m MoM** (vs. +1.5m in Apr'24), taking the total base to 1,169m. The additions were continued to be driven by RJio and Bharti, which added 2.2m and 1.3m subscribers MoM, respectively, while VIL lost 0.9m subscribers MoM (vs. 0.7m loss in Apr'24).
 - **The active subscriber base** additions were **2.1m MoM** to 1,060m (vs. flat in May'24). For the last six months, average additions were 2.3m per month. RJio and Bharti added 3.5m and 0.8m subscribers, respectively, while VIL lost 1.7m subscribers (vs. 0.6m loss in Apr'24).
 - The industry's **rural subscriber base grew 1.5m MoM** (vs. +2.4m in Apr'24) to 535m, led by RJio/Bharti, which added 1.1m/0.5m rural subscribers. VIL lost 0.2m rural subscribers. RJio continued to lead in the rural markets, with a 39.2% share (+10bp MoM), followed by Bharti at 35.7% (flat MoM), and VIL at 20.0% (-10bp MoM).
 - The industry's **4G subscriber additions were strong at 6.1m MoM** (vs. +3.8m in Apr'24 and average 5.9m additions per month in the last six months), taking the total to 893m (84% of active subscribers). RJio/Bharti added 2.2m/2.6m subscribers, while VIL added 0.8m MoM.
- **Mobile number portability (MNP)**: The total MNP requests had increased consistently, validated by a higher churn and SIM consolidation. The number of MNP requests stood at 12.0m (vs. 11.1m in Apr'24), representing 1.1% of the total active subscribers.
- **Bharti's gross/active subscriber additions** were 1.3m/0.8m (vs. +0.8m/-2.1m in Apr'24 and average +1.3m/+1.6m per month in the last six months). Its active market share inched up by 10bp MoM to 36.3%. The company added 2.6m subscribers (vs. +2.1m in Apr'24), taking its total 4G subscriber base to 270m (70% of gross subscribers).
- **RJio maintained its leading position**, with gross/active subscriber additions of 2.2m/3.5m MoM (vs. +2.7m/3.1m in Apr'24). Its active market share increased 20bp MoM to 41.2% (the highest in the industry). Its 4G subscriber additions were 2.2m MoM (vs. +2.7m in Apr'24) to reach 475m.
- **VIL continued to lose subscribers**, with a 0.9m/1.7m MoM decline in gross/active subscribers (vs. 0.7m/0.6m loss in Apr'24). Its active market share contracted to 18.0% (-20bp MoM). Its 4G subscriber base grew 0.8m MoM (vs. -1.3m in Apr'24) to 127m (58% of gross subscribers).
- **Wired broadband subscribers** for the industry increased 600k MoM to 41.31m (vs. +650k in Apr'24), led by RJio/Bharti, which added 380k/110k subscribers MoM (vs. +350k/110k in Apr'24). RJio is aggressively rolling out JioAirFiber, which could be aiding this growth. BSNL's net subscribers increased 40k MoM (vs. +90k in Apr'24).

Aviation

Domestic PAX dips MoM; IndiGo loses market share

- Domestic air passenger (PAX) traffic grew ~6% YoY in Jun'24 to 13.2m (down ~4% MoM). The traffic was above pre-Covid levels. Passenger growth declined for IndiGo, SpiceJet, Akasa, and AIX Connect MoM, while it improved for Air India (AI).
- The average domestic passenger load factor (PLF) decreased 130bp MoM in Jun'24. It only increased for AIX Connect and declined for the rest of the airlines on a MoM basis. The on-time performance (OTP) declined 360bp MoM for the airlines, and the domestic average stood at 68.3% in Jun'24. The cancellation rate dipped 30bp to 1% in Jun'24.
- IndiGo has improved its market share after the collapse of GoFirst, which ceased operations in May'23. IndiGo's share has surpassed the 60% level since then, and has remained more or less stable in the past six months. It has grounded ~80 planes due to issues with Pratt and Whitney (PW) engines.

India's domestic PAX and market share

- India's domestic air PAX increased ~6% YoY (declined ~4% MoM) to 13.2m in Jun'24. Although there was a MoM decline in passengers vs. May'24, it was the best June month on record for domestic air traffic in India. Domestic PAX stood at 8m for IndiGo (up 2% YoY), 4m for the AI group (up 18% YoY), 0.63m for Akasa (up 3% YoY), and 0.5m for SpiceJet (down 10% YoY).
- The domestic market share stood at 60.8% for IndiGo (down 240bp YoY), 30.1% for the AI group (up 310bp YoY), 4.8% for Akasa (down 10bp YoY), and 3.8% for SpiceJet (down 70bp YoY).
- The country's aviation growth is being hampered by a significant shortage of planes. Akasa Air has not added any new planes since Feb'24. This aircraft shortage has driven up airfares compared to pre-pandemic levels. IndiGo and the AI group are currently benefiting the most from the market's growth.

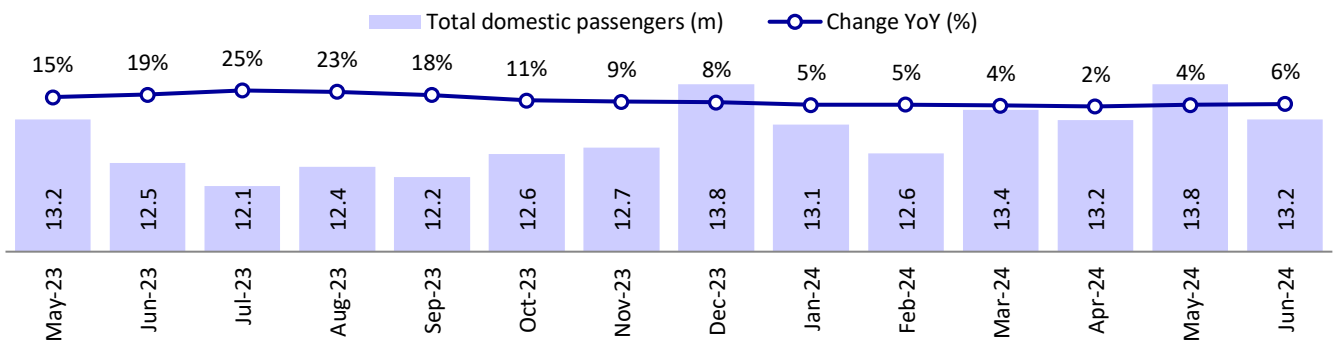
Domestic industry's PLF and OTP

- The domestic PLF was 71.6% in Jun'24 (vs. 72.8% in May'24/90.8% Jun'23). The PLF was 87% for IndiGo (down 390bp YoY), 88.1% for the AI group (down 290bp YoY), 89.6% for Akasa (down 150bp YoY), and 91.5% for SpiceJet (down 210bp YoY).
- The average OTP for domestic airlines at the top four airports declined to 68.3% (down 10.8pp YoY/360bp MoM). OTP stood at 75.6% for IndiGo (down ~12pp YoY), 72.7% for Air India group (down ~710bp YoY), 79.5% for Akasa (down 810bp YoY), and 46.1% for SpiceJet (down ~13.4pp YoY).
- The on-time performance of airlines dropped for the third consecutive month in Jun'24 due to adverse weather conditions and monsoons affecting flight operations across the nation.

Other highlights

- The air turbine fuel (ATF) price for Jul'24 to date is at INR96,148/Klit (up 1% MoM). In 2QFY25 to date, AFT stands at INR96,148/klit (3% decline QoQ and 4% YoY). For 1QFY25, the ATF price was INR99,194/klit (down 2% QoQ). Brent crude is currently at ~USD86.6/bbl (USD84.5/bbl in 1QFY25).
- SpiceJet announced this week that its CFO, Ashish Kumar, has resigned after less than two years of his appointment. It has also announced the appointment of Joyakesh Podder as the new head of finance, designated as deputy CFO of the company w.e.f. 15th Jul'24. Mr. Podder has held various positions with companies such as Go First, Mahindra, and Reliance as well as the global consultancy firm PwC. The airline posted a net loss of INR4.1b for FY24.

Domestic PAX grew 6% YoY but declined 4% MoM



Source: DGCA, MOFSL

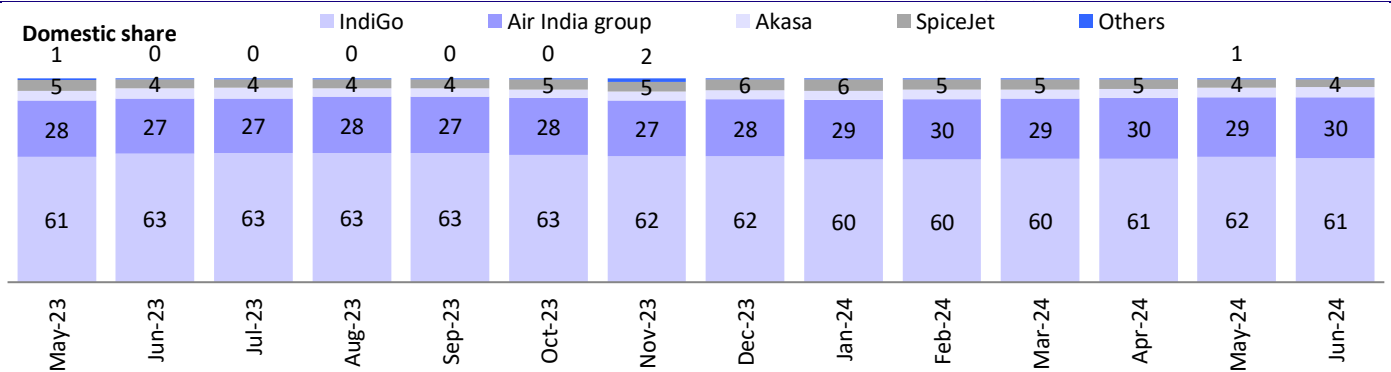
Historical domestic passenger trend (m)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	12.5	11.3	11.6	11.0	12.2	12.0	11.9	11.8	11.5	12.3	12.9	13.0
2020	12.7	12.3	7.7	NA	0.3	2.0	2.1	2.8	3.9	5.3	6.3	7.3
2021	7.7	7.8	7.8	5.7	2.1	3.1	5.0	6.7	7.1	9.0	10.5	11.2
2022	6.4	7.6	10.0	10.4	11.4	10.7	9.1	10.1	10.3	11.4	11.7	12.9
2023	12.5	11.9	13.0	12.9	13.2	12.5	12.2	12.5	12.3	12.6	12.7	13.8
2024	13.1	12.7	13.4	13.3	13.9	13.3	6.1					

*Jul'24 is till date

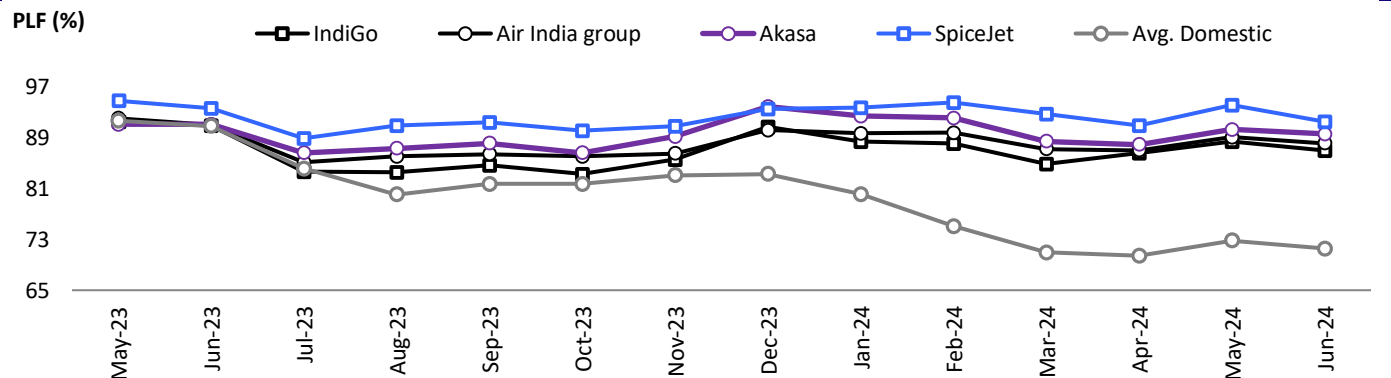
Source: MoCA, MOFSL

IndiGo's domestic market share was 60.8% in Jun'24, while the same was 30.1% for the AI group



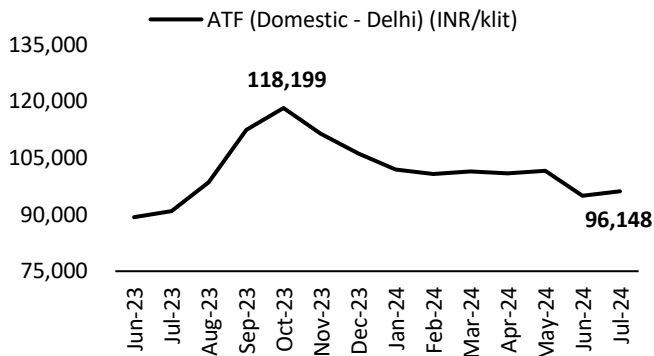
Source: DGCA, MOFSL

Average domestic PLF was 71.6%, while it was the highest for SpiceJet at 91.5% in Jun'24



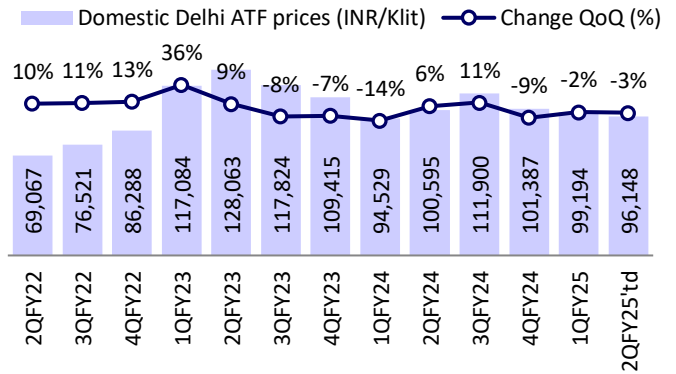
Source: DGCA, MOFSL

Increase in ATF prices in Jul'24 to date...



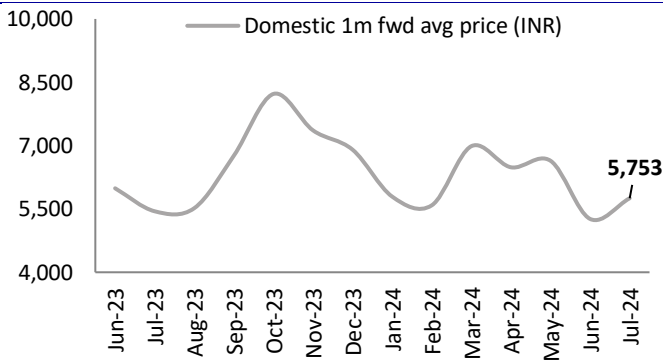
Source: HPCL, MOFSL

...with the same decreasing 4% YoY in 2QFY25'td



Source: HPCL, MOFSL

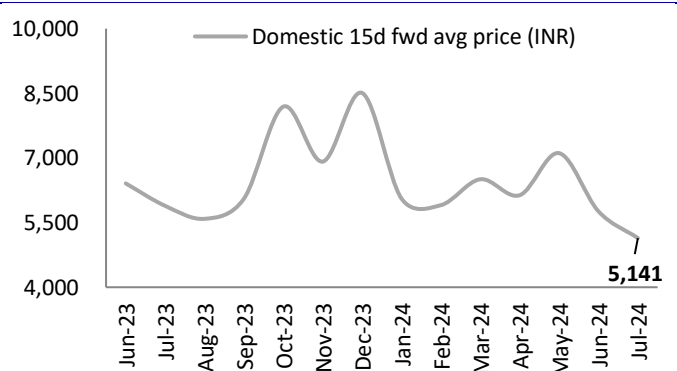
Domestic fares on a one-month forward basis



*Jul'24 till date

Source: MakeMyTrip, MOFSL

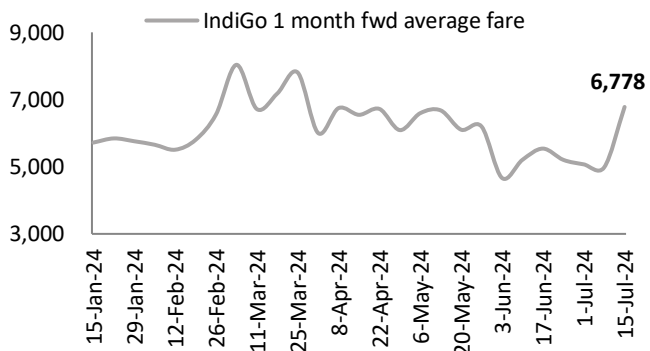
Domestic fares on a 15-day forward basis



*Jul'24 till date

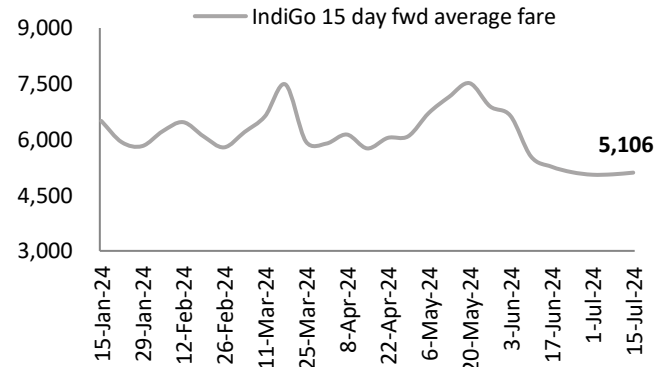
Source: MakeMyTrip, MOFSL

IndiGo fares on a one-month forward basis



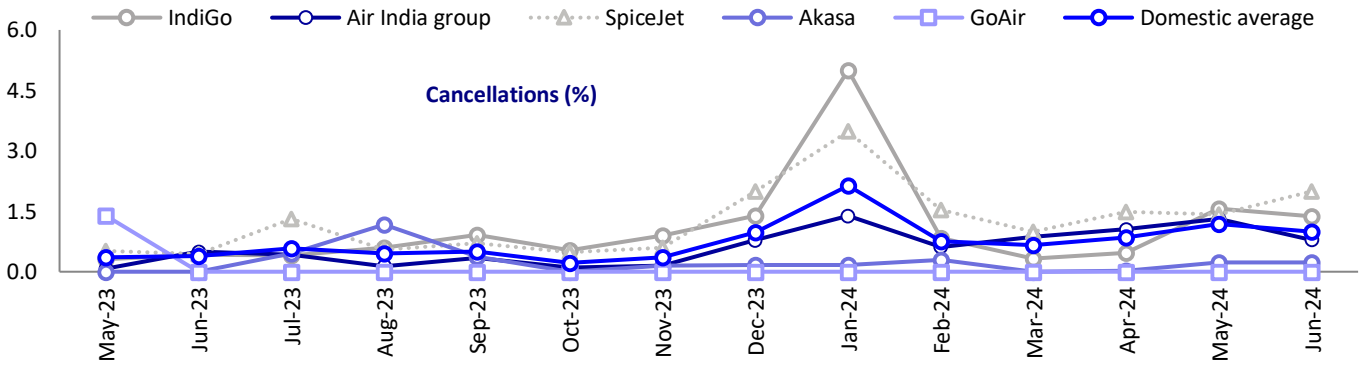
Source: MakeMyTrip, MOFSL

IndiGo fares on a 15-day forward basis



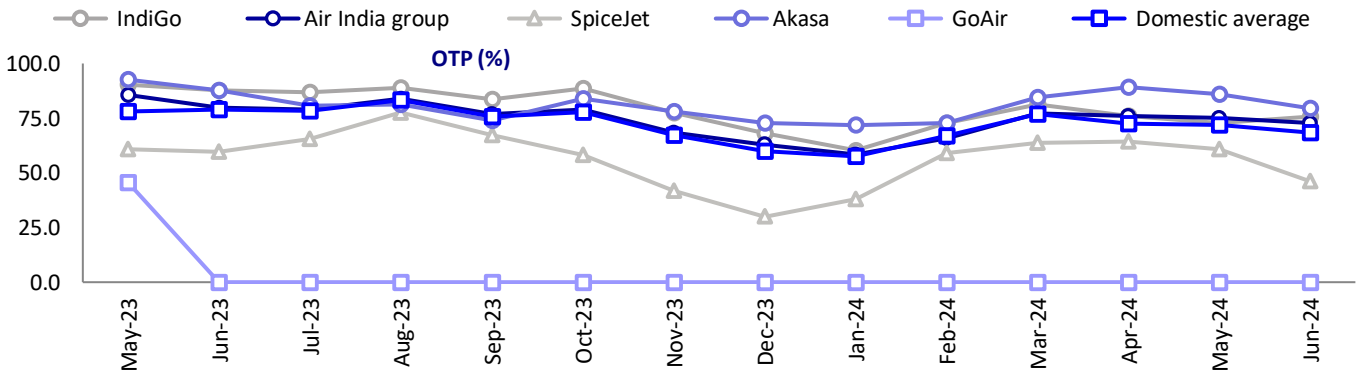
Source: MakeMyTrip, MOFSL

% cancellations increased YoY in Jun'24; Air India saw the highest number of cancellations in the month



Source: DGCA, MOFSL

OTP declined YoY for airlines at the top four metro airports in Jun'24



Source: DGCA, MOFSL

Debt Dossier: India's debt growth stable at ~12% YoY in 4QFY24

Household debt estimated to have hit a new high in the quarter

- India's non-financial sector (NFS) debt is estimated to have grown 11.9% YoY in 4QFY24 (quarter-ending Mar'24), similar to 11.8% a year ago and 12-13% in the previous three quarters. Outstanding NFS debt touched USD6.0t (or INR502t) in 4QFY24, equivalent to an eight-quarter high of 170% of GDP. In real terms, however, total debt (using GDP deflator) grew 9.7% YoY in 4QFY24, the slowest in four quarters.
- Within NFS debt, non-government non-financial (NGNF) debt grew at a five-quarter high rate of 12.7% YoY in 4QFY24 (vs. 9.7% YoY growth in 4QFY23), while the growth in government debt was at a 19-quarter low of 11.1% YoY (vs. 13.7% YoY growth in 4QFY23). Within the NGNF basket, household (HH) debt jumped 15.6% YoY in 4QFY24, driven by faster growth in the non-housing¹ debt. Our estimates suggest that HH debt² touched a new peak of 39.7% of GDP in 4QFY24, higher than 39.2% in 3Q and 38.6% of GDP in 4QFY21. Corporate debt³, however, rose by a six-quarter high rate of 10.1% YoY during the quarter, reaching close to a 15-year low of 43.2% of GDP⁴.
- An analysis of NGNF debt by sources/lenders suggests that NBFCs posted a strong lending growth of 19% YoY, while HFCs' outstanding loans⁵ are estimated to have contracted – led by HDFC Ltd. – in 4QFY24. Scheduled commercial banks' (SCBs) loans grew at a six-quarter high rate of 15.4% YoY in 4QFY24, with decent growth in corporate bonds (CBs), commercial papers (CPs) and external commercial borrowings (ECBs).
- A comparison of India's debt with that of other major global economies confirms that: a) India's NFS debt-to-GDP ratio at 170% of GDP in 1QCY24 (or 4QFY24) was the lowest and compared with 225-410% of GDP in other economies; b) India's debt-to-GDP ratio, along with China, in 1QCY24 was higher than a year ago, while it was lower in advanced economies; c) Compared to all-time peak in the pandemic, India's debt-to-GDP ratio was slightly lower in 1QCY24, although it was at a much lower level in many advanced nations and all-time high in China; and d) Although India's debt-to-GDP ratio is much lower than that of China and advanced economies, it is much higher than that of other emerging/developing economies.
- Overall, our estimates suggest that corporate debt growth remained sluggish, while the growth in HH and government debt was decent in India in 4QFY24. These trends have been observed in many recent quarters and broadly align with the investment growth observed by these economic participants. Further, HH debt is estimated to have reached a new peak, with non-housing loans growing faster than housing loans for the seventh successive quarter in 4QFY24.

India's domestic NFS debt estimates⁶

	USD t				As a percentage of GDP ⁷			YoY (%)	
	FY21	FY22	FY23	FY24	4QFY23	3QFY24	4QFY24	3QFY24	4QFY24
Households (HH)	1.0	1.1	1.2	1.4	37.6	39.2	39.7	16.8	15.6
Non-financial corporate (NFC)	1.4	1.5	1.4	1.5	43.0	42.6	43.2	5.7	10.1
General government	2.4	2.7	2.8	3.1	85.9	86.6	87.1	14.0	11.1
Central government	1.6	1.8	1.9	2.1	58.1	59.0	58.9	16.3	11.1
State governments⁸	0.8	0.9	0.9	1.0	27.8	27.6	28.2	9.4	11.2
Non-financial sector (NFS)	4.8	5.3	5.5	6.0	166.6	168.4	170.0	12.4	11.9
Non-government non-financial (NGNF)	2.4	2.6	2.6	2.9	80.6	81.7	82.9	10.8	12.7

Source: Reserve Bank of India (RBI), Ministry of Finance (MoF), Comptroller and Auditor General (CAG), Bloomberg, Company reports, MOFSL

¹ Housing and mortgage debt are used synonymously in this analysis.

² The estimates of household debt in this study are slightly lower than the ones mentioned in our other research [report](#) (at 40% of GDP), since the latter includes household loans from other financial institutions (apart from SCBs, NBFCs and HFCs), as reported by the RBI (up to 4QFY23). The methodologies of the two estimates are different as the latter is more comprehensive.

³ Corporate debt is estimated as the residual, after deducting estimates of household debt from NGNF debt.

⁴ RBI has recently published Financial Stocks and Flow of Funds accounts for 2021-22, updating India's sectoral debt data up to FY22.

⁵ HDFC Ltd. is included under HFCs in this analysis. For housing debt, it is suggested to look at the aggregate, rather than SCBs or HFCs separately.

⁶ Our estimates in this report are based on internal calculations, for which the methodology is shared in the Appendix at the end of the report. Bank for International Settlements (BIS) also provides India's debt estimates, which are available up to 3QFY24 and different from our estimates.

⁷ Annualized nominal GDP = Sum of the last four quarters to smoothen the sharp changes in nominal GDP on a quarterly basis

⁸ Debt estimates of state governments (based on fiscal deficit of 20 states) are prepared by us.



Styrenix Performance Materials: Expecting 15% to 20% revenue growth in FY25; Rahul Agarwal, MD

- Seeing the import substitution opportunity going forward
- Expecting good growth going forward from end use industry like home appliance, auto sectors
- After new management takeover seeing the volume growth on result of debottlenecking
- Added new blended and value added products
- Expecting margins will be around 12 to 14% and margins will improve from here on in medium term
- Not seeing any challenge from imports

[➔ Read More](#)

Jupiter Wagons: Looking forward to have 1000 wagons capacity per month by end of the year; Vivek Lohia, MD

- Acquired the wheel biz recently, so far India was net importer of railway wheel sets
- Planning to expand this wheelset biz capacity
- Once this business will be operational expecting around Rs. 4000 cr revenues
- From this business looking forward around Rs. 2000 exports revenues opportunities
- Positive on brake system segment, targeting Rs. 1000 cr orderbook next year
- Revenues this quarter could be subdued but will see substantial jump in coming quarters
- Will see expansion in revenue base and EBITDA margins compared to last year

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CarDekho: Used car to see pricing pressure due to new car inventory pile up; Amit Jain, Co-Founder & CEO

- Seeing stock pile up at the dealers
- Overall, due to pile up of stocks we see the discount offerings
- Noticing similar signal as last year in terms of demand online
- 60% of cars sold are SUVs in India
- Indian consumer likes the value for money, and SUVs provide the same
- Seen slowdown in Sedan and hatchback, SUV is the main segment
- Seeing 20% growth on both lease biz and advertisement biz
- Auto industry has grown at 2% in this quarter
- Have seen muted growth from manufacturer side

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Antony Waste: Looking at new ventures that will aid healthy growth going forward; Mahindra Ananthula, President of Operations and Business Development

- Had a high PLF of 89% in the second quarter
- Looking at the orderbook of approximately Rs. 8,300 cr, positive that a CAGR revenue growth of 20-25% over the next 5 years
- Targeting 80% PLF in the waste to energy power plant
- 1,000 tons of waste is guaranteed for the waste-energy project

- Expect of maintain an EBITDA margin of 22-23% and PAT margin of 10%
- Starting with a new venture of a recycling park

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DB Corp: Radio does not seem like a worthwhile business in the country; Girish Agarwaal, Promoter Director

- Advertisement business is dependent on the market
- Sharp decline since last quarter
- Growth for other sector will boost the growth of DB Corp
- EBITDA margin grown from 24% to 31%-- 31% is expect to be maintained

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UNDER REVIEW	Rating may undergo a change
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