MOTILAL OSWAL FINANCIAL SERVICES

5 November 2024

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	78,782	-1.2	9.1
Nifty-50	23,995	-1.3	10.4
Nifty-M 100	55,785	-1.3	20.8
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,713	-0.3	19.8
Nasdaq	18,180	-0.3	21.1
FTSE 100	8,184	0.1	5.8
DAX	19,148	-0.6	14.3
Hang Seng	7,368	0.3	27.7
Nikkei 225	38,054	0.0	13.7
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	75	1.6	-3.0
Gold ($/OZ)	2,737	0.0	32.7
Cu (US$/MT)	9,568	1.3	13.0
Almn (US$/MT)	2,586	0.6	10.2
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	84.1	0.0	1.1
USD/EUR	1.1	0.4	-1.5
USD/JPY	152.1	-0.6	7.9
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.8	-0.02	-0.3
10 Yrs AAA Corp	7.3	-0.01	-0.4
Flows (USD b)	**4-Nov**	**MTD**	**CYTD**
FIIs	-0.5	-11.46	0.1
DIIs	0.35	13.12	53.6
Volumes (INRb)	**4-Nov**	**MTD***	**YTD***
Cash	1,043	623	1279
F&O	1,94,692	1,07,121	3,79,760

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research theme

Bulls & Bears: Highest ever FII selling and slowdown in earnings lead to a sharp correction

- After achieving the milestone of 26k in Sep'24, the Nifty-50 corrected in Oct'24 due to the geopolitical tensions in the Middle East, including the weak quarterly performance for 2QFY25 and highest ever monthly selling by FIIs. The index oscillated 1,834 points before closing 1,606 points (or 6.2% MoM) lower at 24,205 – the steepest MoM decline since Mar'20.
- Notably, DII inflows (at USD12.8b) and FII outflows (at USD10.9b) were at record highs in Oct'24. FII inflows into Indian equities stand at USD0.1b in CY24YTD vs. inflows of USD21.4b in CY23. DII inflows into equities in CY24YTD continue to be strong at USD53.6b vs. USD22.3b in CY23.
- All major sectors ended lower - Automobiles (-13%), Oil & Gas (-11%), Consumer (-10%), Utilities (-10%), and Real Estate (-9%) were the top laggards on a MoM basis.
- Among the key global markets, Japan (+3%), Taiwan (+3%), and Indonesia (+1%) ended higher in local currency terms. However, Russia (-11%), India (-6%), MSCI EM (-4%), China (-2%), Brazil (-2%), the UK (-2%), Korea (-1%), and the US (-1%) ended lower MoM in Oct'24. Over the last 12 months, the MSCI India Index (+34%) has outperformed the MSCI EM Index (+22%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 169%.

Research covered

Cos/Sector	Key Highlights
Bulls & Bears	Highest ever FII selling and slowdown in earnings lead to a sharp correction
Gland Pharma	2Q beat due to controlled costs; Core business yet to witness revival
Other Updates	Maruti Suzuki | ABB India | Tube Investments | Exide | KEC International | Amara Raja | Bata India | Financials | EcoScope

Chart of the Day: Bulls & Bears (Highest ever FII selling and slowdown in earnings lead to a sharp correction)

Change in market cap over the last 12 months (%): Global market cap increased 25.2% (USD24.9t), whereas India's market cap surged 49.1%

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

China's Haier Group plans JV with JSW Group envisaging Rs 1K cr investment

Chinese appliance giant Haier Group has submitted a proposal to the Indian government to form a joint venture with India's JSW Group. The proposed venture represents a significant investment of Rs 1,000 crore

2

Novel Jewels to open 100 stores in 18 months

Aditya Birla Group's Novel Jewels is investing ₹5,000 crore to open 100 jewelry stores across India in the next 18 months.

3

Hotel cos, developers see room for growth in branded residences segment

Luxury hotel chains are partnering with real estate developers to launch branded residences projects in India.

4

GCCs ping class of 2025 to build their tech talent pipeline

GCCs gained popularity in campus placements in the last season — for the Class of 2024 — when they stepped in to partially fill the gap left by a sharp drop in IT/ITeS hiring.

5

Prestige Estates Gears for Big Launches in 2H

Prestige aims to Launch with Revenue Potential of around Rs52,100 crores and anticipate around Rs16,000 crore of Pre-sale in the second half of the fiscal year

6

Indians go premium to do the laundry

Premium detergents now reach 75% of Indian households, driven by liquid variants.

7

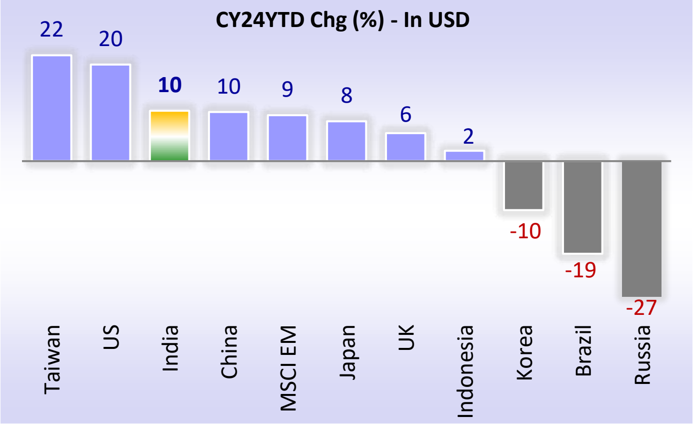
Royal Enfield Flying Flea, company's first-ever EV unveiled

Royal Enfield has launched the Flying Flea C6, an electric motorcycle inspired by the WWII model.

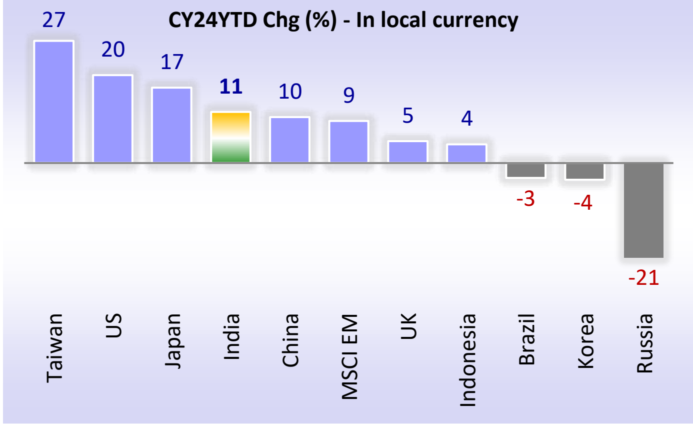
Strategy: Highest ever FII selling and slowdown in earnings lead to a sharp correction

- **Market witnesses high volatility, corrects in Oct'24:** After achieving the milestone of 26k in Sep'24, the Nifty-50 corrected in Oct'24 due to the geopolitical tensions in the Middle East, including the weak quarterly performance for 2QFY25 and highest ever monthly selling by FIIs. The index oscillated 1,834 points before closing 1,606 points (or 6.2% MoM) lower at 24,205 – the steepest MoM decline since Mar'20. The Nifty is up 11.4% in CY24YTD. During the last 12 months, midcaps and smallcaps have gained 44% and 47%, respectively, and outperformed largecaps, which have risen 27%. During the last five years, midcaps have outperformed largecaps by 130%, while smallcaps have outperformed largecaps by 120%.
- **FII outflows and DII inflows at a record high in Oct'24:** Notably, DII inflows (at USD12.8b) and FII outflows (at USD10.9b) were at record highs in Oct'24. FII inflows into Indian equities stand at USD0.1b in CY24YTD vs. inflows of USD21.4b in CY23. DII inflows into equities in CY24YTD continue to be strong at USD53.6b vs. USD22.3b in CY23.
- **All major sectors end lower in Oct'24:** All major sectors ended lower - Automobiles (-13%), Oil & Gas (-11%), Consumer (-10%), Utilities (-10%), and Real Estate (-9%) were the top laggards on a MoM basis. SBI (+4%), Tech Mahindra (+2%), Wipro (+2%), ICICI Bank (+2%) were the top performers, while Indusind Bank (-27%), Bajaj Auto (-20%), Maruti Suzuki (-16%), Tata Consumer (-16%), and BPCL (-16%) were the key laggards.
- **India among the worst-performing markets in Oct'24:** Among the key global markets, Japan (+3%), Taiwan (+3%), and Indonesia (+1%) ended higher in local currency terms. However, Russia (-11%), India (-6%), MSCI EM (-4%), China (-2%), Brazil (-2%) , the UK (-2%), Korea (-1%), and the US (-1%) ended lower MoM in Oct'24. Over the last 12 months, the MSCI India Index (+34%) has outperformed the MSCI EM Index (+22%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 169%.
- **Corporate earnings in line so far in 2QFY25:** The corporate earnings scorecard for 2QFY25 thus far has been weak, but excluding commodities, it has been broadly in line. The earnings spread has deteriorated, with only 62% of MOFSL Coverage Universe either meeting or exceeding profit expectations. The earnings growth of the aforementioned 166 MOFSL Universe companies declined 8% YoY (est. -4% YoY) in 2QFY25 (lowest in 17 quarters). The aggregate performance was hit by a sharp drag from global commodities. Excluding Metals and O&G, the MOFSL Universe and Nifty clocked 9% and 11% earnings growth vs. expectations of +9% and +10%, respectively.
- **Our view:** The markets have negotiated critical events such as the General Elections and the Budget with minimal volatility, as every minor dip has been met with robust buying activity. However, as we gaze into the horizon, it appears the waters may get a bit turbulent for Indian equities in the short term. The recent escalation in the Israel-Iran conflict only adds fuel to the fire of the already simmering geopolitical tensions from the ongoing Russia-Ukraine and Israel-Palestine conflicts. Uncertainty looms over the outcome of the US presidential elections. The monetary stimulus unleashed by China has sparked a wave of tactical FII outflows from India. Corporate earnings, after four consecutive years of healthy double-digit growth, are moderating due to pressures from commodities and fading tailwinds from BFSI asset quality improvements. The earnings revisions have turned adverse, with downgrades exceeding upgrades. Our model portfolio reflects our conviction in domestic structural as well as cyclical themes. We are OW on IT, Healthcare, BFSI, Consumer Discretionary, Industrials, and Real Estate. We are UW on Metals, Energy, and Automobiles.
- **Top ideas: Largecaps –** ICICI Bank, HDFC Bank, L&T, HCL Tech, HUL, M&M, Power Grid, Titan, Bharti Airtel, and Mankind Pharma; **Midcaps and Smallcaps –** Indian Hotels, Angel One, Godrej Properties, Persistent Systems, Metro Brands, PNB Housing, Global Health, Cello World, Dixon Tech, and Five Star Business Finance.

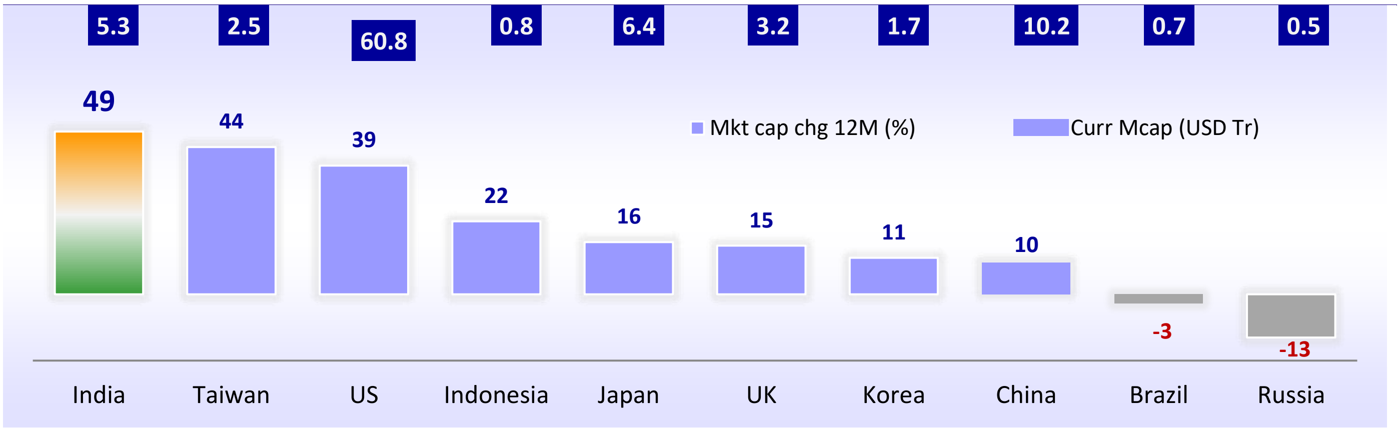
World equity indices in CY24YTD in USD terms (%)



World equity indices in CY24YTD in local currency terms (%)



Change in market cap over the last 12 months (%) – Global market cap increased 25.2% (USD24.9t), whereas India's market cap surged 49.1%



Gland Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	GLAND IN
Equity Shares (m)	165
M.Cap.(INRb)/(USDb)	265.4 / 3.2
52-Week Range (INR)	2221 / 1504
1, 6, 12 Rel. Per (%)	-4/-11/-18
12M Avg Val (INR M)	798

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	59.8	67.1	75.3
EBITDA	13.4	15.7	18.0
Adj. PAT	8.1	9.9	11.7
EBITDA Margin (%)	22.4	23.4	23.9
Cons. Adj. EPS (INR)	49.3	60.2	71.2
EPS Gr. (%)	3.6	22.1	18.2
BV/Sh. (INR)	579.0	639.2	710.4
Ratios			
Net D:E	(0.2)	(0.1)	(0.2)
RoE (%)	8.9	9.9	10.5
RoCE (%)	8.7	9.6	10.2
Payout (%)	-	-	-
Valuations			
P/E (x)	32.5	26.6	22.5
EV/EBITDA (x)	19.0	16.2	13.9
Div. Yield (%)	-	-	-
FCF Yield (%)	(3.1)	(1.0)	0.5
EV/Sales (x)	4.3	3.8	3.3

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	51.8	51.8	57.9
DII	35.4	32.8	22.5
FII	4.5	6.9	4.9
Others	8.3	8.5	14.8

FII includes depository receipts

CMP: INR1,611 TP: INR1,970 (+22%) Buy

2Q beat due to controlled costs; Base business yet to witness revival

Cenexi's EBITDA break-even guidance for 4QFY25 intact

- Gland Pharma (GLAND) delivered better-than-expected operational performance for the quarter. Despite increased EBITDA loss at Cenexi YoY/QoQ and a lower share of the milestone income, the overall EBITDA margin was better-than-expected at 21.1%, led by better segmental mix and controlled operational cost for the quarter.
- We cut our earnings estimate by 8%/10%/7% for FY25/FY26/FY27 to factor in: a) the slowdown in US sales on account of a delay in potential approval and subsequent launches, b) gradual up-tick in the biologics business, and c) lower business due to a temporary setback at the Belgium site of Cenexi. We value GLAND at 30x 12M forward earnings to arrive at a TP of INR1,970.
- With two years of earnings decline in FY23/FY24, we believe the earnings are largely at trough and expected to experience revival over FY25-27. We expect 20% earnings CAGR over FY25-27, led by a) increased volume offtake of base products such as enoxaparin, b) EBITDA break-even of Cenexi and subsequent better operating leverage, c) additional business in the biologics segment, and d) commercialization of new products in the core market segment. Considering this outlook and stock trading at 16x/14x FY26/FY27 EV/EBITDA and 27x/22.5x FY26/FY27 PE, we reiterate BUY.

Ex-Cenexi business EBITDA margin stable YoY/up 500bp QoQ; Cenexi operational loss escalates YoY/QoQ

- GLAND's 2QFY25 revenues grew 2.4% YoY to INR14b (in-line with estimates). The base business (ex-Cenexi) grew 5% YoY to INR10.7b for the quarter. Core market sales grew 3.2% YoY to INR10.5b (75% of sales). RoW sales were flat on a YoY basis to INR2.7b (19% of sales). India sales were flat on a YoY basis to INR874m (6% of sales).
- Gross Margin (GM) contracted 240bp YoY to 59.1% due to a change in the product mix.
- EBITDA margin contracted 250bp YoY to 21.1% (our estimate: 19.6%), led by higher employee costs (up 130bp YoY as % of sales) offset by lower other expenses on a YoY basis by 180bp as a % of sales. On an ex-Cenexi basis, the EBITDA margin was 34.2% (Flat on a YoY basis /+ 520bp QoQ).
- Consequently, EBITDA declined 8.3% YoY to INR3b (our est: INR2.8b).
- Adj. PAT declined 16% YoY to INR1.6b (our est: INR1.5b) due to tax expense.
- In 1HFY25, revenue grew 8.7% YoY to INR28b while EBITDA/PAT declined 9.2%/20.8% YoY to INR5.6b/INR3b, respectively. We expect 3%/6%/27% YoY growth in Revenue/EBITDA/PAT to INR32b/INR8b/INR5b for 2HFY25.

Highlights from the management commentary

- GLAND indicated a low double-digit YoY growth in the sales of core markets for FY25.
- The company reiterated for EBITDA break-even in the Cenexi business by 4QFY25.
- With a new biologics agreement with DRL, GLAND expects commercial operations to commence from 1QFY26.

Consol. - Quarterly Perf. **(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var. (%)
Net Sales	**12,087**	**13,734**	**15,452**	**15,375**	**14,017**	**14,058**	**15,017**	**16,696**	**56,647**	**59,788**	**14,033**	**0.2**
YoY Change (%)	41.1	31.5	64.7	95.9	16.0	2.4	-2.8	8.6	56.3	5.5	2.2	
Total Expenditure	9,147	10,493	11,710	11,788	11,373	11,088	11,593	12,341	43,138	46,395	11,282	
EBITDA	**2,940**	**3,241**	**3,742**	**3,587**	**2,644**	**2,970**	**3,424**	**4,355**	**13,509**	**13,392**	**2,750**	**8.0**
YoY Change (%)	8.9	5.3	29.2	113.0	-10.1	-8.3	-8.5	21.4	30.4	-0.9	-15.1	
Margins (%)	24.3	23.6	24.2	23.3	18.9	21.1	22.8	26.1	23.8	22.4	19.6	
Depreciation	653	813	1,053	926	920	938	970	996	3,446	3,823	960	
Interest	49	60	53	100	56	61	40	29	262	186	19	
Other Income	375	532	374	421	514	597	620	661	1,702	2,392	490	
PBT before EO expense	**2,613**	**2,899**	**3,009**	**2,982**	**2,182**	**2,567**	**3,034**	**3,991**	**11,503**	**11,774**	**2,261**	**13.5**
One-off income/(expense)	0	0	178	0	0	0	0	0	178	0	0	
PBT	**2,613**	**2,899**	**2,832**	**2,982**	**2,182**	**2,567**	**3,034**	**3,991**	**11,325**	**11,774**	**2,261**	**13.5**
Tax	672	958	913	1,058	745	932	953	1,020	3,601	3,650	706	
Rate (%)	25.7	33.0	32.2	35.5	34.1	36.3	31.4	25.6	31.8	31.0	31.2	
Reported PAT	**1,941**	**1,941**	**1,919**	**1,924**	**1,438**	**1,635**	**2,081**	**2,971**	**7,724**	**8,124**	**1,556**	**5.1**
Adj PAT	**1,941**	**1,941**	**2,039**	**1,918**	**1,438**	**1,635**	**2,081**	**2,971**	**7,839**	**8,124**	**1,556**	**5.1**
YoY Change (%)	-15.3	-22.7	-12.1	61.7	-25.9	-15.8	2.1	54.9	-5.6	3.6	-19.8	

E: MOFSL Estimates

Key Performance Indicators (Consolidated) **(INR m)**

Y/E March	FY24				FY25E				FY24E	FY25E	FY25E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Core Markets	8,564	10,198	12,000	12,047	10,641	10,521	10,823	12,099	42,750	34,683	11,118	-5%
YoY Growth (%)	21.4	36.4	81.1	119.1	24.3	3.2	-9.8	0.4	59	-19	9.0	
India	647	876	761	526	527	874	685	724	2,810	2,810	569	53%
YoY Growth (%)	26.9	20.7	-6.5	-18.7	-18.5	-0.2	-10.0	37.7	12	0	-35.0	
Rest of the world	2,876	2,660	2,842	2,802	2,734	2,663	3,509	3,873	11,239	6,524	2,345	14%
YoY Growth (%)	187.0	18.6	46.3	64.3	-4.9	0.1	23.5	38.2	61	-42	-11.8	
Cost Break-up												
RM Cost (% of Sales)	37.5	38.0	38.8	39.0	40.3	40.9	40.4	39.7	38.4	40.3	40.0	93
Staff Cost (% of Sales)	21.1	22.2	22.3	22.9	25.4	23.5	22.1	19.6	22.2	22.5	25.0	(154)
Other Cost (% of Sales)	17.1	16.2	14.7	14.8	15.5	14.5	14.7	14.6	15.6	14.8	15.4	(92)
Gross Margins(%)	62.5	62.0	61.2	61.0	59.7	59.1	59.6	60.3	61.6	59.7	60.0	(93)
EBITDA Margins(%)	24.3	23.6	24.2	23.3	18.9	21.1	22.8	26.1	23.8	22.4	19.6	153
EBIT Margins(%)	18.9	17.7	17.4	17.3	12.3	14.5	16.3	20.1	17.8	22.1	12.8	170

Maruti Suzuki

BSE SENSEX	S&P CNX
78,782	23,995

Financials Snapshot (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	1,409	1,428	1,577
EBITDA	164	168	192
Adj. PAT	132	136	156
Cons. Adj. EPS (INR)	429	445	501
EPS Gr. (%)	56.8	3.6	12.6
BV/Sh. (INR)	2,671	2,959	3,310
Ratios			
RoE (%)	15.7	14.0	15.0
RoCE (%)	20.5	19.5	19.8
Payout (%)	29.1	32.6	33.0
Valuations			
P/E (x)	25.8	24.9	22.1
P/BV (x)	4.1	3.7	3.3
EV/EBITDA (x)	17.0	16.4	14.0
Div. Yield (%)	1.1	1.3	1.5

CMP: INR11,052 TP: INR13,875 (+26%) Buy

E-Vitara marks Suzuki's much-awaited entry in EVs

Sales expected to begin in summer 2025

- Suzuki Motor has unveiled its first electric SUV, e-Vitara, in Milan, Italy. Mass production of this model will commence at Suzuki Motor Gujarat in India in spring 2025, with sales expected to begin in around summer 2025 in various countries, including Europe, India, and Japan.
- The e-Vitara is based on a newly developed "HEARTECT-e" platform specifically for BEVs. The platform is jointly developed by Suzuki, Toyota and Daihatsu Motor, leveraging each company's technological capabilities. This vehicle will be supplied by Suzuki to Toyota in various markets.
- The European model will be offered in two battery capacity versions: 49kWh (2WD) and 61kWh (2WD and 4WD).
- It also features an electric 4WD system called "ALLGRIP-e" that would help in off-roading. The BEV powertrain consists of highly efficient eAxle that integrates motor and inverter, along with lithium-iron phosphate batteries designed for safety and reliability.
- The e-Vitara would be competing with Tata Curvv EV and MG ZS EV. It is also expected to rival Hyundai's Creta EV and M&M's BE 05.
- As per the press release, this BEV is developed through repeated trial and error to create an easy-to-use BEV.
- **Our view**: The e-Vitara is a global product to be manufactured at SMG Gujarat and exported to Japan, Europe, etc. As per some news articles, 50% of its production would be earmarked for export markets, with production in the first year expected to be 140k units. Thus, it will evolve as a good volume driver for MSIL with huge export potential and a gradual ramp-up expected in the domestic market. **Reiterate BUY on MSIL with a revised TP of INR13,875 (premised on 26x Sep'26E EPS).**

E-Vitara's front look…

Source: Autocar India, MOFSL

…complimented by new-age stylish interiors

Source: Autocar India, MOFSL

Comparison of e-Vitara with competition

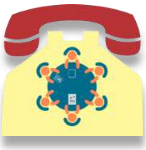
	MSIL e-Vitara (European spec)	TTMT Curvv EV	MG ZS EV
Battery capacity	49kWh/ 61kWh	45kWh/55kWh	50.3kWh
Wheelbase (mm)	2700	2560	2585
Range	Not yet revealed	45kWh- 430kms 55kWh- 502kms	461kms
Price range	Not yet revealed	INR1.75-2.2m	INR1.9-2.6m

Source: Company, MOFSL

ABB India

BSE SENSEX	S&P CNX
78,782	23,995

Conference Call Details



Date: 05th November 2024
Time: 10:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	132.4	160.5	193.0
EBITDA	25.2	29.8	34.7
Adj. PAT	20.6	24.2	28.3
Adj. EPS (INR)	97.0	114.2	133.4
EPS Gr. (%)	64.7	17.8	16.8
BV/Sh.(INR)	370.4	476.2	599.3
Ratios			
RoE (%)	29.8	27.0	24.8
RoCE (%)	29.9	27.1	24.9
Payout (%)	21.8	22.2	22.8
Valuations			
P/E (x)	75.9	64.5	55.2
P/BV (x)	19.9	15.5	12.3
EV/EBITDA (x)	60.8	50.9	43.1
Div. Yield (%)	0.2	0.3	0.4

CMP: INR7,362 — Buy

Revenue mix leads to a miss on all parameters

- ABB India reported a muted set of numbers, with a miss across all parameters. Revenue at INR29.1b grew 5% YoY, missing our expectation of INR34.3b as the order book has tilted towards slightly longer gestation projects from transportation, metals, energy, and data center sectors, while the expected revenue shortfall of 2QCY24 has likely failed to materialize in the current quarter as well. Robotics and Motion/Electrification segments grew 8%/11% YoY, while Process Automation declined 12% YoY.
- With robust demand, stable commodity prices, price hikes, and a better product mix, gross margin expanded ~670bp YoY to 43.4%. This drove an EBITDA growth of 23% YoY to INR5.4b during the quarter. Accordingly, EBITDA margin came in at 18.6%, vs. 15.8% in 3QCY23.
- PAT grew 22% YoY to INR4.4b, aided by higher other income (+21% YoY).
- Order inflow at INR33.4b grew 11% YoY, taking the order book to INR99.9b (+25% YoY).
- Cash balance stood at INR50b at the end of 3QCY24.
- For 9MCY24, the company reported revenue/EBITDA/PAT growth of 15%/54%/49%.

Standalone - Quarterly Earning Model (INR m)

Y/E December	CY23				CY24E				CY23	CY24E	CY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**24,112**	**25,086**	**27,692**	**27,575**	**30,804**	**28,309**	**29,122**	**44,192**	**1,04,465**	**1,32,426**	**34,292**	**-15**
YoY Change (%)	22.5	22.2	30.6	13.6	27.8	12.8	5.2	60.3	21.9	26.8	23.8	
Total Expenditure	21,259	21,599	23,307	23,403	25,152	22,884	23,719	35,429	89,567	1,07,184	27,694	
EBITDA	**2,853**	**3,487**	**4,385**	**4,172**	**5,652**	**5,425**	**5,402**	**8,763**	**14,898**	**25,242**	**6,598**	**-18**
Margins (%)	11.8	13.9	15.8	15.1	18.3	19.2	18.6	19.8	14.3	19.1	19.2	
Depreciation	274	292	303	329	314	310	328	345	1,199	1,297	328	0
Interest	22	14	9	82	38	45	30	-3	127	111	14	119
Other Income	723	750	768	776	871	868	929	973	3,017	3,641	951	-2
PBT before EO expense	**3,279**	**3,931**	**4,842**	**4,537**	**6,171**	**5,938**	**5,973**	**9,394**	**16,589**	**27,476**	**7,207**	**-17**
Extra-Ord expense												
PBT	**3,279**	**3,931**	**4,842**	**4,537**	**6,171**	**5,938**	**5,973**	**9,394**	**16,589**	**27,476**	**7,207**	**-17**
Tax	827	972	1,222	1,085	1,575	1,511	1,568	2,270	4,106	6,924	1,816	
Rate (%)	25.2	24.7	25.2	23.9	25.5	25.5	26.3	24.2	24.8	25.2	25.2	
Reported PAT	**2,452**	**2,959**	**3,620**	**3,452**	**4,596**	**4,426**	**4,405**	**7,125**	**12,483**	**20,552**	**5,391**	**-18**
Adj PAT	**2,452**	**2,959**	**3,620**	**3,452**	**4,596**	**4,426**	**4,405**	**7,125**	**12,483**	**20,552**	**5,391**	**-18**
YoY Change (%)	-34.3	110.9	84.0	13.1	87.4	49.6	21.7	106.4	79.5	65.4	48.9	
Margins (%)	10.2	11.8	13.1	12.5	14.9	15.6	15.1	16.1	11.9	15.5	15.7	

INR m	CY23				CY24E				CY23	CY24E	CY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Segmental revenue												
Robotics & Motion	10,398	10,398	10,993	10,223	11,219	11,601	11,908	17,563	42,011	52,291	13,334	-11
YoY Change (%)	33.2	17.9	17.0	2.4	7.9	11.6	8.3	71.8	16.7	24.5	21.3	
Electrification Products	9,994	10,056	10,420	11,302	12,963	11,214	11,540	18,737	41,772	54,453	13,885	-17
YoY Change (%)	16.1	20.0	18.3	19.0	29.7	11.5	10.7	65.8	18.3	30.4	33.3	
Process Automation	4,202	5,096	6,756	6,307	7,263	6,327	5,963	7,004	22,361	26,557	6,772	-12
YoY Change (%)	22.8	37.6	93.1	23.5	72.9	24.2	-11.7	11.0	42.1	18.8	0.2	
Unallocated and others (incl. excise duty)	19	53	24	29	26	44	47	672	125	788	359	-87
Less: inter-segmental	-500	-517	-502	-286	-667	-877	-335	216	-1,804	-1,663	-59	
Total revenues	**24,112**	**25,086**	**27,692**	**27,575**	**30,804**	**28,309**	**29,122**	**44,192**	**1,04,465**	**1,32,426**	**34,292**	**-15**
Segmental EBIT												
Robotics & Motion	1,275	1,484	2,040	1,746	2,332	2,613	2,659	3,571	6,544	11,175	2,894	-8
Margin (%)	12.3	14.3	18.6	17.1	20.8	22.5	22.3	20.3	15.6	21.4	21.7	63bp
Electrification Products	1,946	1,640	2,011	2,148	3,078	2,594	2,397	4,455	7,746	12,524	3,124	-23
Margin (%)	19.5	16.3	19.3	19.0	23.7	23.1	20.8	23.8	18.5	23.0	22.5	-173bp
Process Automation	389	568	983	810	1,181	1,023	1,145	900	2,749	4,249	1,070	7
Margin (%)	9.2	11.1	14.5	12.8	16.3	16.2	19.2	12.8	12.3	16.0	15.8	341bp
Total	**3,609**	**3,692**	**5,034**	**4,704**	**6,590**	**6,230**	**6,202**	**8,926**	**17,039**	**27,948**	**7,088**	**-13**

Tube Investments

BSE SENSEX	S&P CNX
78,782	23,995

Conference Call Details

Date: 05th Nov 2024
Time: 10am IST
Dial-in details: [Link]
+91 22 7195 0000

Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Sales	168.9	193.0	218.5
EBITDA	19.5	23.8	28.5
Adj. PAT	6.6	11.7	14.4
EPS (INR)	34.4	60.6	74.4
EPS Gr. (%)	-15.2	76.3	22.8
BV/Sh. (INR)	264	320	390
Ratios			
RoE (%)	14.7	20.8	21.0
RoCE (%)	32.5	33.7	34.9
Payout (%)	10.2	6.9	6.7
Valuations			
P/E (x)	126.8	71.9	58.6
P/BV (x)	16.5	13.6	11.2
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	-0.2	1.2	1.6

CMP: INR4,347 Buy

Weak 2Q as margin dips QoQ despite revenue growth

- TIINDIA's standalone revenue grew 5% YoY to INR20.6b (in line), driven by ~4%/1%/18% YoY growth in revenue to INR13.2b/INR4.0b/INR2.4b for engineering/metal formed/other business (est. INR13.9b/INR4.1b/INR2.3b). Revenue for the mobility division declined 5% YoY to INR1.7b (est. INR1.8b).
- Gross margin contracted 10bp YoY/60bp QoQ to 36.2%. This resulted in lower-than-expected EBITDA at INR2.46b (-2% YoY; est. INR2.64b).
- EBITDA margin contracted 90bp YoY/30bp QoQ to 11.9% (est. 12.5%).
- Overall PBIT margin dipped 160bp YoY/20bp QoQ to 10.5% (est. 11.5%). The drop was primarily due to a lower margin in the metal formed business at 11.3% (-210bp YoY; est. 13.2), while the PBIT margin for the other business contracted 480bp YoY to 3.6% (est. 6.3%).
- Mobility and engineering division reported a PBIT margin of -0.2% (vs. -1.7% in 2QFY24; est. -1.5%) and 12.3% (-100bp YoY; est. 12.8%), respectively.
- Adj. PAT declined 8% YoY to INR1.7b (est. INR1.9b) during the quarter.

Performance during 1HFY25:

- Revenue/EBITDA/Adj. PAT grew ~7%/4%/-2% YoY to INR37.5b/INR4.7b/INR3.3b.
- CFO/FCF for 1HFY25 declined 11%/48%.
- **Valuation view:** The stock trades at 72x/57x FY25E/FY26E EPS.

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

Y/E March	FY24				FY25E				FY24	FY25E	2QE
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Net Sales	**17,801**	**19,696**	**18,983**	**19,624**	**19,603**	**20,648**	**20,750**	**21,895**	**76,105**	**82,896**	**21,181**
YoY Change (%)	-9.0	3.3	11.0	18.0	10.1	4.8	9.3	11.6	5.2	8.9	7.5
EBITDA	**2,160**	**2,514**	**2,395**	**2,171**	**2,400**	**2,460**	**2,569**	**2,783**	**9,239**	**10,213**	**2,644**
Margins (%)	12.1	12.8	12.6	11.1	12.2	11.9	12.4	12.7	12.1	12.3	12.5
Depreciation	331	346	361	370	386	407	430	434	1,408	1,656	400
Interest	70	77	74	75	72	69	37	-1	295	177	42
Other Income	219	358	137	1,451	137	261	400	1,574	2,165	2,372	350
PBT before EO expense	**1,979**	**2,448**	**2,096**	**3,178**	**2,079**	**2,245**	**2,502**	**3,925**	**9,701**	**10,752**	**2,552**
Tax	502	634	521	699	534	567	631	985	2,359	2,717	643
Tax Rate (%)	25.4	25.9	24.9	22.0	25.7	25.3	25.2	25.1	24.3	25.3	25.2
Adj PAT	**1,477**	**1,814**	**1,575**	**2,479**	**1,545**	**1,678**	**1,872**	**2,940**	**7,345**	**8,035**	**1,909**
YoY Change (%)	10.0	13.2	14.4	-9.2	4.6	-7.5	18.8	18.6	4.1	9.4	5.2

E: MOFSL Estimates

Segmental Mix (INR m)

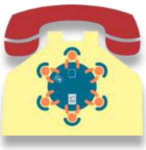
	FY24							FY25E	FY24	FY25E	2QE
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Mobility business	1,867	1,766	1,473	1,539	1,807	1,675	1,620	1,804	6,645	6,907	1,784
Growth (%)	(24.0)	(21.9)	(15.2)	(0.4)	(3.2)	(5.1)	10.0	17.3	(16.9)	4.0	1.0
PBIT margin (%)	1.1	(1.7)	(5.6)	(5.7)	0.9	(0.2)	(4.0)	(5.9)	(2.7)	(2.3)	(1.5)
Contribution (%)	10.5	9.0	7.8	7.8	9.2	8.1	7.8	8.2	8.7	8.3	8.4
Engineering business	11,416	12,741	12,289	12,759	12,652	13,231	13,395	14,572	49,508	53,851	13,888
Growth (%)	(8.2)	6.9	13.7	22.2	10.8	3.8	9.0	14.2	8.5	8.8	9.0
PBIT margin (%)	11.8	13.3	12.4	12.5	12.4	12.3	12.7	13.6	12.5	12.8	12.8
Contribution (%)	64.1	64.7	64.7	65.0	64.5	64.1	64.6	66.6	65.1	65.0	65.6
Metal formed business	3,419	3,996	3,917	3,859	3,576	4,044	4,231	4,554	15,190	16,405	4,116
Growth (%)	2.1	7.7	5.7	11.2	4.6	1.2	8.0	18.0	6.8	8.0	3.0
PBIT margin (%)	12.8	13.4	12.1	11.0	10.0	11.3	13.4	15.2	12.3	12.6	13.2
Contribution (%)	19.2	20.3	20.6	19.7	18.2	19.6	20.4	20.8	20.0	19.8	19.4
Other business	1,776	2,068	2,195	2,302	2,469	2,433	2,392	1,985	8,039	9,279	2,316
Growth (%)	(20.2)	10.1	32.1	20.5	39.1	17.6	9.0	(13.8)	7.5	15.4	12.0
PBIT margin (%)	9.0	8.4	6.3	7.5	6.1	3.6	6.6	9.9	8.0	6.4	6.3
Contribution (%)	10.0	10.5	11.6	11.7	12.6	11.8	11.5	9.1	10.6	11.2	10.9
Total Revenue (post inter segment)	**17,801**	**19,696**	**18,983**	**19,624**	**19,603**	**20,648**	**20,750**	**21,895**	**76,105**	**82,896**	**21,181**
Growth (%)	(9.0)	3.3	11.0	18.0	10.1	4.8	9.3	11.6	5.5	8.9	7.5

E: MOFSL Estimates

Exide

BSE SENSEX	S&P CNX
78,782	23,995

Conference Call Details



Date: 11th Nov 2024
Time: 2.30pm IST
Dial-in details:[Diamond pass link]
+91 22 6280 1245/
+91 22 7115 8146

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Sales	160.3	176.1	196.8
EBITDA	18.7	20.6	24.5
Adj. PAT	10.5	11.6	14.3
Adj. EPS (INR)	12.4	13.7	16.8
EPS Gr. (%)	16.5	10.4	22.8
BV/Sh. (INR)	154.6	165.0	177.8
Ratio			
RoE (%)	8.0	8.3	9.4
RoCE (%)	8.9	8.9	10.0
Payout (%)	16.1	23.4	23.8
Valuations			
P/E (x)	36.0	32.6	26.5
P/BV (x)	2.9	2.7	2.5
Div Yield (%)	0.4	0.7	0.9
FCF Yield (%)	4.0	1.6	3.4

CMP: INR445 Neutral

Operating margin miss due to higher other costs

- 2QFY25 revenues grew 4% YoY to INR42.7b (est INR44.35b).
- Gross margin expanded 40bp YoY (+80bp QoQ) to 31.5% (est. 30.3%) as there was a decline in lead prices.
- However, higher other expenses (+80bp YoY/QoQ; as a % of sales) impacted the EBITDA margin, which stood at 11.3% (-50bp YoY vs est. 11.8%).
- EBITDA remained flat YoY to INR4.8b (est. INR5.2b).
- Higher other income boosted adj. PAT, which grew 4% YoY to INR3b (in line).
- 1HFY25 revenue/EBITDA/PAT grew 5%/7%/9% YoY.
- FCFF/CFO declined 62%/51% YoY.
- Important points from the press release:
  - The Replacement market saw a double-digit revenue growth. However, auto OEM demand remained muted due to excess channel inventory. Industrial UPS and Solar enjoyed strong demand momentum; however, the Home UPS segment remained soft.
  - The Exports market demand has been encouraging and the company is taking strides by entering new geographies and strengthening its position in existing ones.
  - During the quarter, it invested INR2.5b in EESL-Li-ion, its cell manufacturing subsidiary (further INR1b invested in Oct'24), bringing the total investment to date to INR28.5b.

Commenting on the performance, Mr. Avik Roy, MD & CEO, said "
In the first half of the year, we have delivered EBITDA and PBT margin of 11.4% and 9.0%, respectively. Efficient procurement coupled with cost optimisation initiatives has led to stability in operating performance, despite high commodity prices. For the near-term, business outlook is positive and commodity prices have started easing, which is expected to support profitability.
At Exide, we are making multiple strides and are driving strategic initiatives to leverage synergies across our business verticals. We have undertaken organisational and business realignment, which will enable us to strengthen our go-to-market strategy and to capitalise on the strong market demand. With our latest technologically advanced products and services and focus on cost efficiencies, we aspire to achieve strong growth in sales and profitability.
Onsite construction works of the lithium-ion project are progressing well. All the functions, including manufacturing, procurement, R&D, IT, finance, quality & safety, HR, etc., are working relentlessly to ensure project completion."

- **Valuation view**: The stock trades at 33x/26.5x FY25E/FY26E consol. EPS. Maintain Neutral.

S/A Quarterly Performance (INR Million)

Y/E March	FY24				FY25E				FY24	FY25E	2QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	**40,726**	**41,067**	**38,405**	**40,094**	**43,128**	**42,673**	**43,014**	**47,288**	**1,60,292**	**1,76,103**	**44,352**	**-3.8**
Growth YoY (%)	4.4	10.4	12.6	13.2	5.9	3.9	12.0	17.9	9.8	9.9	8.0	
RM cost (%)	71.7	68.9	68.5	67.0	69.3	68.5	69.7	70.8	69.1	69.6	69.7	
Employee cost (%)	5.8	6.2	6.4	6.1	6.1	6.3	6.0	5.5	6.1	6.0	5.9	
Other Exp(%)	11.8	13.1	13.6	14.1	13.1	13.9	12.8	11.3	13.1	12.8	12.7	
EBITDA	**4,322**	**4,831**	**4,399**	**5,162**	**4,943**	**4,836**	**4,947**	**5,842**	**18,714**	**20,568**	**5,211**	**-7.2**
EBITDA Margin(%)	10.6	11.8	11.5	12.9	11.5	11.3	11.5	12.4	11.7	11.7	11.8	
Change (%)	11.8	17.1	9.7	40.6	14.4	0.1	12.4	13.2	19.3	9.9	8	
Non-Operating Income	192	392	227	34	142	528	250	40	845	960	270	
Interest	98	115	145	128	87	103	300	411	486	900	150	
Depreciation	1,194	1,259	1,274	1,248	1,257	1,270	1,290	1,305	4,975	5,122	1,280	
PBT after EO Exp	**3,222**	**3,849**	**3,208**	**3,819**	**3,741**	**3,991**	**3,607**	**4,166**	**14,099**	**15,505**	**4,051**	**-1.5**
Effective Tax Rate (%)	24.9	25.4	25.1	25.7	25.3	25.4	25.4	24.0	25.3	25.0	25.0	
Adj. PAT	**2,419**	**2,870**	**2,403**	**2,838**	**2,796**	**2,978**	**2,691**	**3,164**	**10,530**	**11,629**	**3,039**	**-2.0**
Change (%)	6.9	16.6	7.7	36.5	15.6	3.8	12.0	11.5	16.5	10.4	5.9	

KEC International

BSE SENSEX	S&P CNX
78,782	23,995

Conference Call Details

Date: 05th November 2024
Time: 10:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	222.8	254.2	294.4
EBITDA	16.1	21.6	25.0
Adj. PAT	6.6	10.9	13.0
Adj. EPS (INR)	24.8	41.1	49.0
EPS Gr. (%)	90.3	65.5	19.3
BV/Sh.(INR)	211.2	241.1	276.8
Ratios			
RoE (%)	13.9	18.8	19.6
RoCE (%)	13.3	16.6	17.5
Payout (%)	0.1	0.1	0.1
Valuations			
P/E (x)	37.7	22.8	19.1
P/BV (x)	4.6	4.0	3.5
EV/EBITDA (x)	16.8	12.6	10.9
Div. Yield (%)	-	-	-

CMP: INR968 — Neutral

Mixed quarter

- KEC International's 2QFY25 results were a mixed bag, as an in-line revenue print was offset by a miss at PAT level. Revenue came in at INR51.1b, up 14% YoY, aided by the healthy execution of the opening order book of INR327.1b.
- Gross margin at 22.8% contracted of ~50bp YoY/110bp QoQ. Staff costs stood at 7.9% of sales vs. 8.4% in 2QFY24. Other expenses as % of sales were flat YoY at 8.6%.
- EBITDA grew by 17% YoY to INR3.2b, while margin expanded 20bp YoY/30bp QoQ to 6.3%, below our estimate of 6.6%.
- Interest expenses as % of sales marginally eased to 3.3% vs. 3.4% in 1QFY25 and 4% in 2QFY24.
- PAT came in at INR854m, up 53% YoY, despite a 58% decline in other income and a higher effective tax rate (24.7% vs. 15.2% in 2QFY24).
- Order inflows jumped 29% YoY to INR58.1b, taking the closing order book (OB) to INR340.9b (+9% YoY). T&D/non-T&D mix stood at 55%/45%. OB + L1 position stood at INR425b.
- For 1HFY25, revenue/EBITDA/PAT grew by 10%/14%/76%, while free cash outflow narrowed to INR5.7b vs. INR12b in 1HFY24.

KEC International
Consolidated - Quarterly Earning Model (INR m)

Y/E March - INR m	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Net Sales	**42,436**	**44,990**	**50,067**	**61,648**	**45,119**	**51,133**	**57,915**	**68,584**	**1,99,141**	**2,22,751**	**50,119**	**2**
YoY Change (%)	27.9	10.7	14.4	11.6	6.3	13.7	15.7	11.2	15.2	11.9	11.4	
Total Expenditure	39,992	42,247	46,988	57,768	42,415	47,931	53,745	62,528	1,86,996	2,06,619	46,811	
EBITDA	**2,444**	**2,743**	**3,079**	**3,880**	**2,704**	**3,202**	**4,170**	**6,056**	**12,146**	**16,132**	**3,308**	**(3)**
Margins (%)	5.8	6.1	6.1	6.3	6.0	6.3	7.2	8.8	6.1	7.2	6.6	
Depreciation	418	465	488	483	465	453	531	584	1,853	2,033	506	(10)
Interest	1,587	1,778	1,644	1,543	1,550	1,681	1,413	1,281	6,551	5,924	1,550	8
Other Income	28	158	260	78	431	66	89	111	524	697	89	(25)
PBT before EO expense	**467**	**658**	**1,207**	**1,933**	**1,120**	**1,135**	**2,315**	**4,302**	**4,265**	**8,872**	**1,341**	**(15)**
Extra-Ord expense												
PBT	**467**	**658**	**1,207**	**1,933**	**1,120**	**1,135**	**2,315**	**4,302**	**4,265**	**8,872**	**1,341**	**(15)**
Tax	44	100	239	415	245	281	593	1,153	798	2,271	343	
Rate (%)	9.4	15.2	19.8	21.5	21.8	24.7	25.6	26.8	18.7	25.6	25.6	
Reported PAT	**423**	**558**	**969**	**1,517**	**876**	**854**	**1,722**	**3,149**	**3,467**	**6,601**	**998**	**(14)**
Adj PAT	**423**	**558**	**969**	**1,517**	**876**	**854**	**1,722**	**3,149**	**3,467**	**6,601**	**998**	**(14)**
YoY Change (%)	36.8	1.0	449.5	110.2	106.9	53.1	77.8	107.5	96.9	90.4	78.8	
Margins (%)	1.0	1.2	1.9	2.5	1.9	1.7	3.0	4.6	1.7	3.0	2.0	

Amara Raja

BSE Sensex	S&P CNX
78,782	23,995

CMP: INR1374

Conference Call Details

Date: 06th Nov 2024
Time: 4PM IST
Dial-in details: [Link]
+91 22 6280 1230/ 7115 8131

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	112.6	126.0	139.1
EBITDA	16.2	17.6	20.2
Adj. PAT	9.1	10.0	11.3
EPS (INR)	49.5	54.5	61.7
EPS Gr. (%)	10.4	10.1	13.2
BV/Sh. (INR)	370	415	468
Ratios			
RoE (%)	14.2	13.9	14.0
RoCE (%)	14.0	13.8	13.9
Payout (%)	20.0	16.5	14.6
Valuations			
P/E (x)	27.8	25.2	22.3
P/BV (x)	3.7	3.3	2.9
Div. Yield (%)	0.8	0.7	0.7
FCF yield (%)	3.7	4.4	4.4

In-line operating performance

Investment in cell manufacturing subsidiary revised to INR20b from INR10b

- Revenue grew 12% YoY to INR31.4b (in-line), fueled by healthy volume growth in the auto aftermarket and export markets.
- Gross margin expanded 80bp YoY (+130bp QoQ) to 32.4% (est. 32%), which can be attributed to the softening lead prices and potentially to the better mix.
- EBITDA margins stood at 14.1% (+30bps YoY/ +40bp QoQ, est. 14.4%). Margins were lower than estimated mainly due to the higher-than-estimated other expenses offset by lower RM costs.
- EBITDA grew 14% YoY at INR4.4b (in-line).
- Despite lower than estimated other income, adj. PAT came in at INR2.4b (grew 12% YoY vs est. INR2.5b).
- 1HFY25 revenue/EBITDA/adj. PAT grew 12%/15%/17.5% YoY.
- Operating cash flow grew 19.5% YoY but FCF declined 15% YoY. This was mainly due to higher capex, which grew 2.7x YoY to INR3.8b.
- The company declared its first interim dividend of INR5.3/share for FY25.
- It has revised its investment requirements in its cell manufacturing subsidiary, ARACT, to INR20b from INR10b proposed earlier. This would be funded through loan/equity or any other mode to set up a gigafactory.
- It has also infused INR547.5m in its subsidiary, Amara Raja Circular Solutions Pvt Ltd (ARCSPL), for its capital requirements. Total investment to date stands at INR5b.
- **Valuation view:** We will revisit our estimates following the earnings call. The stock trades at 25x/22x FY25E/26E EPS.

Quarterly Performance (INR Million)

Y/E March (INR m)	FY24				FY25E				FY24	FY25E	2QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	27,707	28,108	28,817	27,967	31,312	31,358	31,987	31,298	1,12,603	1,25,956	30,918	1.4
YoY Change (%)	5.8	4.1	9.3	14.9	13.0	11.6	11.0	11.9	8.4	11.9	10.0	
RM Cost (% of sales)	69.6	68.4	66.0	65.5	68.9	67.6	68.8	69.1	66.9	68.6	68.0	
Staff Cost (% of sales)	6.4	5.8	6.3	5.8	5.9	6.1	5.8	5.8	6.2	5.9	6.0	
Other Exp (% of sales)	10.7	12.1	12.6	14.1	11.5	12.2	11.5	10.8	12.5	11.5	11.6	
EBITDA	3,689	3,870	4,349	4,077	4,304	4,407	4,436	4,474	16,214	17,621	4,457	-1.1
Margins (%)	13.3	13.8	15.1	14.6	13.7	14.1	13.9	14.3	14.4	14.0	14.4	
Depreciation	1,168	1,148	1,202	1,210	1,183	1,220	1,265	1,284	4,787	4,953	1220	
Interest	76	62	77	97	90	131	115	94	332	430	105	
Other Income	218	275	238	283	256	185	285	375	1,015	1,100	280	
PBT before EO expense	2,662	2,935	3,307	3,053	3,287	3,240	3,341	3,471	12,110	13,339	3412	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT after EO	2,662	2,935	3,307	3,053	3,287	3,240	3,341	3,471	12,110	13,339	3,412	
Tax	676	791	779	773	841	833	902	1,139	3,052	3,361	904	
Tax Rate (%)	25.4	27.0	23.6	25.3	25.6	25.7	27.0	32.8	25.2	25.2	26.5	
Adj PAT	1,987	2,143	2,528	2,280	2,446	2,407	2,439	2,331	9,059	9,977	2,508	-4.0
YoY Change (%)	51.1	6.0	13.5	29.7	23.1	12.3	-3.5	2.2	18.4	10.1	17.0	

E: MOFSL Estimates

Bata India

BSE SENSEX	S&P CNX
78,782	23,995

Conference Call Details

Date: 08th Nov 2024

Time: 04:00PM IST

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	34.8	36.4	40.1
EBITDA	7.9	8.4	10.1
Adj. PAT	2.6	4.3	4.3
EBITDA Margin (%)	22.6	23.1	25.3
Adj. EPS (INR)	22.8	26.2	33.5
EPS Gr. (%)	-9.3	15.0	27.8
BV/Sh. (INR)	118.8	139.0	155.8
Ratios			
Net D:E	0.5	0.3	0.2
RoE (%)	19.7	20.3	22.7
RoCE (%)	13.7	13.8	15.6
RoIC (%)	15.5	16.2	20.4
Valuations			
P/E (x)	58.7	51.0	39.9
EV/EBITDA (x)	23.0	21.2	17.5
EV/Sales (X)	5.2	4.9	4.4
Div. Yield (%)	0.9	1.0	1.3

CMP: INR1,336 — Neutral

Weak result; EBITDA declined 4% YoY (10% miss) due to lower gross margin

- BATA's revenue at INR8.4b (**in line**) **inched up ~2% YoY** (vs. 1% YoY decline in 1Q) as 10% YoY store additions were likely offset by a **decline in SSS.**
  - BATA added **39 net stores** during 2Q, taking the total store count to 1,955 (+10% YoY). Further, it renovated 48 stores in 1HFY25.
- Gross margin **contracted 140bp YoY** to 56.6% (albeit up 175bp QoQ) and was **~120bp below** our estimate.
  - Gross profit remained flat YoY at INR4.7b.
- EBITDA **declined 4% YoY** to INR1.7b (**10% miss**) due to higher employee costs (+8% YoY) and weaker gross margin.
  - Margin **contracted 130bp YoY** and stood at 20.9%.
- Adjusted PAT declined 19% YoY to INR520m (25% miss) due to weaker EBITDA, higher D&A (+10% YoY), and finance costs (+12% YoY).
- Net working capital days **improved to 117** (from 137 YoY) on lower inventory days.
- The 1HFY25 FCF (post-leases) **improved to INR1.8b** (from INR0.6b YoY) on favorable changes in working capital.

Management commentary:

- Despite continuing market headwinds and subdued consumption, BATA saw some recovery in growth trajectory in 2Q.
- Premium products are showing robust growth and increased contribution to Bata's revenue mix, driven by premiumization strategy across channels.
- Management remains optimistic about consumption recovery in the coming quarters, on account of the festive season.

Consol P&L (INR m)	2QFY24	1QFY25	2QFY25	YoY%	QoQ%	2QFY25E	vs. Est (%)
Total Revenue	**8,191**	**9,446**	**8,371**	**2**	**-11**	**8,355**	**0**
Raw Material cost	3,436	4,264	3,631	6	-15	3,526	3
Gross Profit	**4,755**	**5,182**	**4,740**	**0**	**-9**	**4,829**	**-2**
Gross margin (%)	***58.1***	***54.9***	***56.6***	***-142.9***	***176.6***	***57.8***	***-117.7***
Employee Costs	1,058	1,208	1,138	8	-6	1,044	9
SGA Expenses	1,880	2,124	1,856	-1	-13	1,838	1
EBITDA	**1,817**	**1,849**	**1,746**	**-4**	**-6**	**1,947**	-10
EBITDA margin (%)	***22.2***	***19.6***	***20.9***	***-132.0***	***127.7***	***23.3***	***-244.4***
Depreciation and amortization	817	872	902	10	3	882	2
EBIT	999	977	844	-16	-14	1,065	-21
EBIT margin (%)	*12.2*	*10.3*	*10.1*	*-212.2*	*-26.7*	*12.7*	*-266.3*
Finance Costs	284	308	318	12	3	311	2
Other income	155	162	172	11	6	170	1
Exceptional item	409	-1,340	0			0	NM
Profit before Tax	**461**	**2,171**	**698**	**51**	**-68**	**923**	**-24**
Tax	121	431	178	47	-59	233	-24
Tax rate (%)	*26.3*	*19.8*	*25.5*	*-2.9*	*567.5*	*25.2*	*NM*
Profit after Tax	**340**	**1,741**	**520**	**53**	**-70**	**691**	**-25**
Adj. Profit after Tax	**641**	**849**	**520**	**-19**	**-39**	**691**	**-25**

Financials

Month	SCB's		
	WALR – O/s Loans	WALR - Fresh Loans	WATDR
Sep-23	9.81	9.38	6.70
Oct-23	9.82	9.50	6.76
Nov-23	9.81	9.41	6.79
Dec-23	9.81	9.32	6.83
Jan-24	9.83	9.43	6.85
Feb-24	9.81	9.36	6.86
Mar-24	9.83	9.37	6.88
Apr-24	9.81	9.55	6.91
May-24	9.86	9.45	6.92
Jun-24	9.89	9.32	6.91
Jul-24	9.89	9.40	6.92
Aug-24	9.89	9.41	6.93
Sep-24	9.88	9.37	6.95

Month	PSB Banks		
	WALR – O/s Loans	WALR - Fresh Loans	WATDR
Sep-23	9.21	8.63	6.75
Oct-23	9.25	8.67	6.80
Nov-23	9.25	8.60	6.85
Dec-23	9.25	8.51	6.88
Jan-24	9.25	8.63	6.91
Feb-24	9.25	8.66	6.94
Mar-24	9.24	8.68	6.96
Apr-24	9.22	8.85	6.97
May-24	9.21	8.60	6.99
Jun-24	9.21	8.46	7.00
Jul-24	9.20	8.55	7.03
Aug-24	9.20	8.60	7.05
Sep-24	9.21	8.57	7.07

Month	Private Banks		
	WALR - O/s Loans	WALR - Fresh Loans	WATDR
Aug-23	10.64	10.16	6.67
Sep-23	10.62	10.18	6.69
Oct-23	10.59	10.20	6.75
Nov-23	10.59	10.23	6.76
Dec-23	10.59	10.20	6.83
Jan-24	10.63	10.23	6.82
Feb-24	10.61	10.08	6.82
Mar-24	10.64	10.29	6.83
Apr-24	10.63	10.13	6.88
May-24	10.63	10.13	6.90
Jun-24	10.83	10.31	6.83
Jul-24	10.84	10.34	6.85
Aug-24	10.84	10.19	6.85
Sep-24	10.83	10.33	6.87

WATDR inches up slightly; NIMs to see negative bias

CD ratio declines to 79% as credit growth moderates

- **The weighted average lending rate (WALR) on fresh loans declined 4bp MoM in Sep'24, compared with a 1bp increase in Aug'24. PSBs reported a 3bp decline MoM (up 5bp MoM in Aug'24), while PVBs saw a 14bp MoM gain after a sharp fall of 15bp in Aug'24.**
- **The weighted average term deposit rate (WATDR) for the system increased 2bp MoM to 6.95% (up 2bp MoM for both PSBs and PVBs). During Jul-Sep'24, WADTDR rose 4bp (7bp for PSBs and 4bp for PVBs); this indicates that competition remains intense for PVBs and PSBs.**
- **Credit growth for the system decelerated sharply to 11.5% as on 18th Oct'24. We note that the deceleration in credit growth was sharper than we thought, led by weakness in the credit environment (led by unsecured loan), besides elevated LDR. We see downside risk to our FY25 credit growth estimate of 12.5% and believe that it can drift down toward ~10.5% YoY.**
- **With repo rates remaining unchanged since Feb'23, lending rates have increased at a slower pace, while funding costs have been rising amid ongoing liability re-pricing and the rise in deposit rates by select banks.**
- **We, thus, expect a minor negative bias in margins of the banking system in the near term, while the potential turn in the rate cycle during 2HFY25 may further compress lending yields. Our top picks are ICICI, HDFCB, SBIN, FB and AUBANK.**

WALR on fresh loan declines in Sep'24; down 3bp MoM for PSBs

- WALR on fresh loans declined 4bp MoM (up 1bp in Aug'24), with a 3bp fall for PSBs and a 14bp gain for PVBs (after a sharp fall of 15bp in Aug'24). During Jul-Sep'24, WALR rose 5bp, with major contribution from PSBs (11bp) and a small 2bp contribution from PVBs. As of Sep'24, fresh rupee loans over repo premium stood at 3.83% for PVBs (3.69% in Aug and 3.84% in Jul) and 2.07% for PSBs (2.1% in Aug and 2.05% in Jul). Banks remain competitive as most of them look for healthy growth while maintaining margins.
- **WALR on outstanding loans was flat MoM** at 9.88%. It was flat for both PSBs and PVBs in Sep'24, Aug'24 and Jul'24. During Jul-Sep'24, WALR on O/S loan was flat for SCBs at 9.88% (up 1bp MoM).
- One-year MCLR for most PVBs increased 15-90bp YoY, with City Union recording a maximum increase of 90bp. For DCB, it remained flat at 2bp YoY. Meanwhile, PSBs saw a 25-40bp expansion in MCLR.

WATDR rises 2bp MoM for both PSBs and PVBs

- WATDR rose 2bp MoM in Sep'24, led by a 2bp gain for both PSBs and PVBs. During Jul-Sep'24, WADTDR rose 4bp, with a 7bp gain for PSBs and 4bp for PVBs; this indicates that competition remains intense among PVBs and PSBs.
- With systemic liquidity in deficit and strong competition for deposits, we anticipate TD rates will stay high in the near term, even with the expected rate cuts. However, banks will continue to prioritize a balanced mix of LCR, CASA, and retail deposits.

Deposit growth surpasses credit growth; PVBs' CD ratio down 347bp since Jan'24

- Systemic credit growth has decelerated sharply to 11.5% as of 18th Oct'24. After two long years of healthy credit growth, banks have now slowed their credit growth in order to adjust their high CD ratio.
- Deposit growth has been following a steady trajectory at 11.7% vs. 11.8% in the previous fortnight, indicating healthy traction in liabilities for the banking system.
- As a result, the gap between credit and deposits reduced to -0.2% from the highs of 7% as of May'24. Banks have increased deposit mobilization efforts over the past few months by raising short-term TD rates to match ALM requirements, while some banks have decided to either opt for bulk TDs or redirect their focus on certificate of deposits (CDs).
- **We note that the deceleration in credit growth was sharper than we thought, partly driven by the weakness in the credit environment (mainly unsecured loans), besides elevated LDR. We revise our FY25 credit growth estimate to 11% YoY vs. 12.5% YoY earlier.**

CD ratio moderates; incremental CD ratio eases to 77.7% (lowest in past 30 months)

- Outstanding LDR has moderated to 79% from the highs of 80.3% in Mar'24. This decline looks minor; however, considering the rising LDR at most of the PSU banks, it implies a faster restoration of skewed CD ratio of private banks. The incremental CD ratio for the sector eased to 77.7%.
- Incremental LDR for banks under our coverage stood at 50-120%, with the lowest for HDFCB at 50% and the highest for INBK at 119%. It was 108% for BOB. The LCR ratio, however, remained at a comfortable level, with most large PVBs falling in the range of 112-136%.

Margin compression to continue, albeit at a slower pace

- With repo rates remaining unchanged since Feb'23, lending rates have increased at a slow pace; however, funding costs have gradually increased due to continuous liability re-pricing and hikes in term deposit rates by select banks. Add to this, most of the banks have been slowing down their credit growth amid rising stress in unsecured loans, which may lead to NIM compression.
- Amid the tight interest rate environment and liquidity conditions, we expect NIMs to continue to see a slight contraction, although at a slower pace.

Our View: Maintain preference for ICICIBC, HDFCB, SBI, FB, and AUBANK

- We keenly monitor the FY25 margin trajectory, as a potential turn in the interest rate cycle would adversely impact lending yields. Banks with a higher proportion of fixed loan books are expected to fare better and report NIM expansion or at least stable NIMs in FY26.
- We remain vigilant about margins and the delinquency cycle in unsecured loans, and expect the credit cost to inch up for select banks.
- With most of the 2QFY25 earnings now behind (barring SBIN and Equitas), we have further cut by ~1% our aggregate earnings estimates for PVBs, led by IIB, IDFCB and RBK. We expect the aggregate earnings to grow at 8% YoY. Looking forward, we anticipate a pick-up in earnings momentum, projecting PAT growth of 16% in FY26 and 18% in FY27.
- For PSBs, despite a solid 2QFY25 performance, we have marginally raised FY25 earnings estimates by 0.5% (pending SBIN's earnings). We estimate aggregate earnings growth for PSBs to moderate to 11-13% over FY26-27.
- **Our top picks are: ICICI, HDFCB, SBI, FB, and AUBANK.**

EAI – Monthly Dashboard: Economic activity picked up in Sep’24

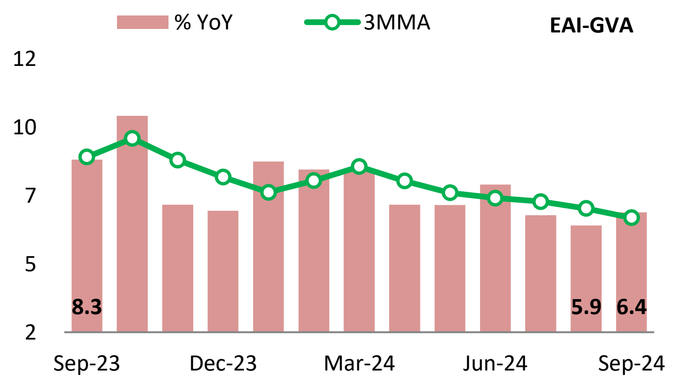
Expect real GDP growth at 6.0-6.5% in 2QFY25 vs. the RBI’s projection of 7.2%

- **Preliminary estimates indicate that India's EAI-GVA growth accelerated to a three-month high of 6.4% YoY in Sep’24 vs. 5.9%/8.3% in Aug’24/Sep’23. The acceleration was primarily led by four-month highest growth in the industrial sector and 24-month highest growth in the farm sector, which was partly offset by 23-month slowest growth in the services sector.**
- **At the same time, EAI-GDP growth picked up to a five-month high of 3.2% YoY in Sep’24 vs. 2.3%/8% YoY in Aug’24/Sep’23. Investment growth improved in Sep’24; however, total consumption growth decelerated sharply (vs. last month). Excluding fiscal spending, EAI-GDP grew 2.9% YoY in Sep’24, the highest in four months.**
- **Selected high-frequency indicators (HFIs) suggest that economic activity improved in Oct’24, likely on the back of the festive season. CV sales grew 3.0% in Oct’24 after declining for four straight months; vaahan registrations grew at a 24-month high rate; toll collections remained robust (highest growth in three months); and PMIs remained resilient. Meanwhile, air cargo traffic contracted for the third consecutive month, while power generation and PV sales saw sluggish growth (better than last month).**
- **After growing at ~8% or more (close to or above 8%) in each of four quarters in FY24, real GDP growth decelerated to 6.7% in 1QFY25, marking the first miss (vs. RBI expectations) in five quarters. For Sep’24, our estimates suggest that EAI-GVA growth improved but still remained below 6.5%. For 2QFY25, our estimates suggest that EAI-GVA grew 6.2% YoY. Accordingly, we believe that real GDP growth could soften further to 6.0-6.5% in 2QFY25, lower than the RBI’s projection of 7.2% and the market forecast of 6.5-7.0%.**

Preliminary estimates indicate that India's EAI-GVA grew 6.4% YoY in Sep’24, the highest in three months

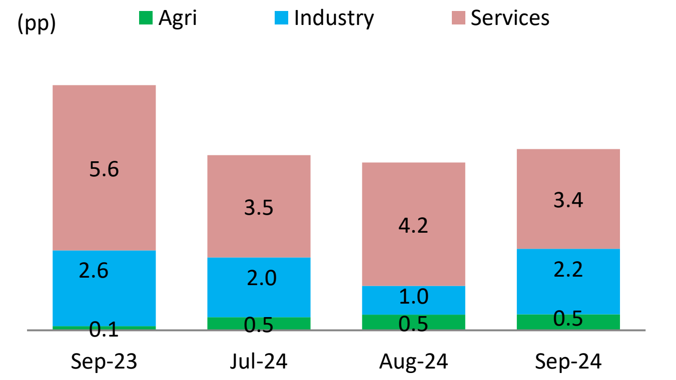
- **EAI-GVA growth at three-month high in Sep’24:** Preliminary estimates indicate that India's EAI-GVA growth accelerated to a three-month high of 6.4% YoY in Sep’24 vs. 5.9%/8.3% in Aug’24/Sep’23. The acceleration was primarily led by four-month highest growth in the industrial sector and 24-month highest growth in the farm sector, which was partly offset by 23-month slowest growth in the services sector *(Exhibits 1 and 2)*.
- **EAI-GDP growth picked up to five-month high in Sep’24:** EAI-GDP growth picked up to a five-month high of 3.2% YoY in Sep’24 vs. 2.3%/8% YoY in Aug’24/Sep’23. Investment growth improved in Sep’24; however, total consumption growth decelerated sharply (vs. last month). Excluding fiscal spending, EAI-GDP grew 2.9% YoY in Sep’24, the highest in four months *(Exhibits 3 and 4)*.

Exhibit 1: EAI-GVA growth at 3-month high in Sep’24…



Please refer to our earlier report for details

Exhibit 2: …led by acceleration in the industrial sector



Contribution of various components to EAI-GVA

Source: Various national sources, CEIC, MOFSL

Zen tech : Confident of achieving 900cr rev in FY25; Ashok Aturi, CMD

- Confident of achieving 900cr rev in FY25
- Maintain EBITDAM of 35% for FY25
- Receivables has gone up but expect it come down in next 2 months -WC days @115 days will continue to be in this range
- Exports in 1H was 13%; 30% in 2H; on track to achieve 300cr of exports -8-9cr for AMC. Towards end of 3Q start of 4Q will receive new orders
- Acquisitions will come in FY25. Expect full benefit from FY27. Target size is 100-300cr. Acquisitions in - Electronic warfare and simulators.

Read More

MAS Financials : In Micro Enterprise loans, Asset quality has suffered; Kamlesh Gandhi, Chairman & MD

- In Micro Enterprise loans, asset quality has suffered
- Concept of chasing growth at any cost does not work in lending
- Industry to grow around 15%
- Write offs taken by Industry will take time to comeback

Read More

Titagarh Rail : Executed 900 Wagons/Month in Q2 , Will cross 1,000 wagons/month in FY25; Umesh Chowdhary, CMD

- Orderbook is at Rs25,000 cr, 50%from our share of JVs
- Will maintain EBITDA Margin at around 12%
- Will see a 300-400 bps jump in Passenger EBITDA Once our own propulsion comes in on stream
- Creating capacity to manufacture 350-400 metro and vande Bharat coaches annually

Read More

Azad Engg : Revenue to start reflecting in coming 3-4 quarters ; Vishnu Malpani, Whole Time Director

- Hold 1% wallet share of Mitsubishi, aim to increase it to 2-5% eventually
- Revenue to start reflecting in 3-44 quarter onwards
- Margin to be consistent with existing levels
- Order book stands at over Rs4,000 cr now

Read More

Paras Defence : Current orderbook is in Excess of Rs 850 cr; Amit Mahajan, Director-Technical & R&D

- • Margin will remain at same levels or slightly better
- Contribution of defence engineering has gone up by H1FY25
- Current Orderbook is in Excess of Rs 850 cr
- Continue to hold a conservative stance

Read More

NOTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Singapore
In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .
In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.
Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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

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

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

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

Grievance Redressal Cell:

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

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

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