Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	74,228	0.5	2.8
Nifty-50	22,515	0.4	3.6
Nifty-M 100	49,744	0.0	7.7
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,147	-1.2	7.9
Nasdaq	16,049	-1.4	6.9
FTSE 100	7,976	0.5	3.1
DAX	18,403	0.2	9.9
Hang Seng	5,875	0.0	1.8
Nikkei 225	39,773	0.8	18.9
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	90	-0.6	16.4
Gold ($/OZ)	2,291	-0.4	11.1
Cu (US$/MT)	9,242	1.0	9.2
Almn (US$/MT)	2,405	0.7	2.5
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	83.4	0.0	0.3
USD/EUR	1.1	0.0	-1.8
USD/JPY	151.3	-0.2	7.3
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.1	-0.01	-0.1
10 Yrs AAA Corp	7.6	-0.01	-0.2
Flows (USD b)	**4-Apr**	**MTD**	**CYTD**
FIIs	-0.1	6.89	1.2
DIIs	-0.11	1.45	13.5
Volumes (INRb)	**4-Apr**	**MTD***	**YTD***
Cash	1,208	1083	1189
F&O	5,63,230	4,32,878	4,00,062

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Financials | Banks (4QFY24 Preview): Earnings to remain steady; NIM contraction to ease

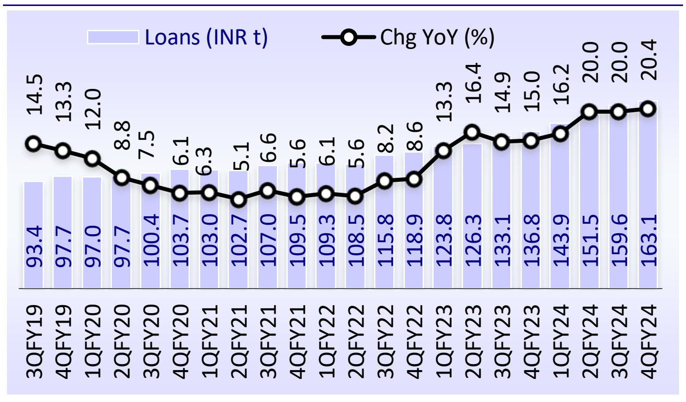
- Systemic credit growth remains robust at 16.5% for the fortnight ending 8th Mar'24. While credit growth has been robust, deposit growth too has gathered pace on the back of aggressive competition, a push for deposits, and competitive TD rates offered by banks. For 4QFY24, we estimate earnings growth of 12% YoY for PSU banks and 14% for private banks (6% excluding HDFCB). **We estimate MOFSL Banking Universe earnings to grow 28% (~26% excluding HDFCB) in FY24, 18% in FY25, and 17% YoY in FY26.**
- **For our private bank coverage universe (excluding HDFCB), we estimate PPoP growth of 6% YoY/2% QoQ and PAT growth of 6% YoY/5.3% QoQ in 4QFY24. We estimate 4QFY24 NII growth** of 15.4% YoY (11% YoY excluding HDFCB), with IDFCFB at ~25%, HDFCB at ~25%, RBL at ~19%, IIB at ~18%, KMB at ~10%, ICICIBC at ~9%, and AXSB at ~8% YoY.
- For PSBs, We estimate PSBs to report healthy earnings growth of 12% YoY/33% QoQ amid stable margins, decent growth, controlled opex, moderate treasury gains and benign credit cost. We, thus, estimate PSBs to report 5% **YoY growth in NII, 1% YoY decline in PPoP, and 11.9% YoY growth in PAT.**

Research covered

Cos/Sector	Key Highlights
Financials (4QFY24 Preview)	Banks: Earnings to remain steady; NIM contraction to ease
	NBFCs: Loan growth strong; rising CoF an impediment to NIM expansion
	Non Lending: Capital markets-linked companies to deliver decent performance
Other Updates	Brigade Enterprise | HDFC Bank | Bajaj Finance | IndusInd Bank | Dabur | AU Small Finance Bank | UPL | Bandhan Bank | AAVAS Financiers | Equitas Small Finance | The Eagle Eye | EcoScope

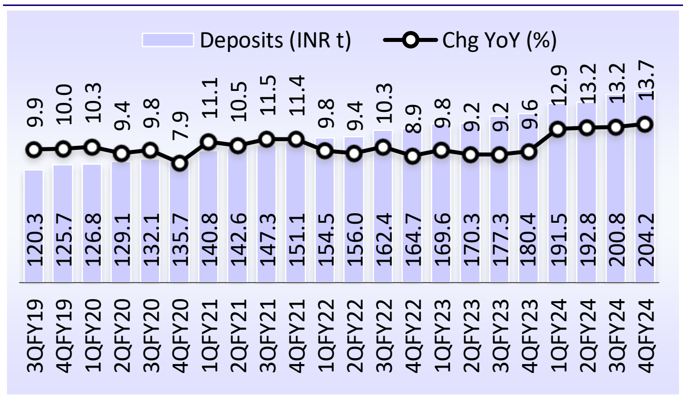
Chart of the Day: Financials (Earnings to remain steady; NIM contraction to ease)

Loan growth healthy at 20.4% (including HDFC)



Source: Company, MOFSL

Deposit growth inches up to 13.7%



Source: Company, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

IndusInd Bank records 18 pc loan growth in Q4

IndusInd Bank's advances grew by 18% to Rs 3,42,857 crore with a 14% increase in deposits. Meanwhile, Suryoday Small Finance Bank reported a 41% rise in gross advances, reaching Rs 8,650 crore.

2

Hero Moto receives tax notices for Rs 605 crore, to appeal against 'unsustainable' demand

The assessment orders and demand notices for six assessment years have been termed as 'unsustainable in nature' by Hero Moto.

3

BHEL bags Rs 4,000 cr order With Rs 6500 cr dedicated budget in 2024-25, railway can achieve 100% electrification: Officials

India is making strides toward complete electrification of its rail network, with a dedicated budget of Rs 65,00 crore allocated for 2024-25.

4

Tesla begins making cars in Germany for export to India this year: Sources

Tesla has initiated the production of right-hand drive cars at its Germany plant for export to India later this year, according to sources familiar with the matter.

5

Apparel exports to go up by 8-9% in FY2025 led by replenishment of stock in US and EU regions, says ICRA

The retail apparel brands in the US and the EU, which together account for close to 55 per cent of global apparel trade, are expected to liquidate the high inventory build-up and book their orders for the Summer 2024 season in H1 FY2025

6

Hot sales ahead: Summer to fire up sales of ACs, beer and sunscreen

Epack Durable, which manufactures air conditioners for durable companies like Voltas, Haier etc., expects a growth rate of more than 15 per cent this year, if the heatwave persists beyond May

7

Indian Oil relaunches green hydrogen plant tender, addresses industry concerns

The newly launched tender for the nation's largest green hydrogen plant removed the controversial clause which the some bidders labelled as discriminatory. However, the new norms have a stricter qualification criteria

Financials

Earnings to remain steady; NIM contraction to ease

Asset quality robust, but remain watchful on credit cost in FY25

- **Credit growth healthy; unsecured loan growth to moderate:** Systemic credit growth remains robust at 16.5% for the fortnight ending 8th Mar'24, and we anticipate this trend to be mirrored across our coverage universe. This healthy growth is fueled by sustained momentum in retail and business banking, along with a gradual recovery in the corporate sector. While the SME segment continues its steady expansion, the real estate sector is experiencing strong growth, supported by favorable industry trends. We expect this positive momentum to continue, with home loans driving growth within the retail segment, accompanied by strong performances in vehicle finance and small business loans. However, we anticipate some moderation in the unsecured segment due to tightening measures by the RBI.
- **Deposit growth gaining traction; NIM compression to moderate:** While credit growth has been robust, deposit growth too has gathered pace on the back of aggressive competition, a push for deposits, and competitive TD rates offered by banks. As a result, the gap between credit and deposits has narrowed to ~3.4% in Mar'24. The CD ratio stays elevated at 80% as most banks will see healthy credit volumes amid the seasonally strong fourth quarter. Among the banks under our coverage, we will watch out for deposit growth for HDFCB and AXSB. We expect ICICIBC, AXISB and KMB to see a 7-11bp moderation in NIM, while we expect flat NIMs for HDFCB, RBK, SBIN, IIB and UNBK. AUSFB is expected to see a substantial moderation in NIMs.
- **Lower bounce rates, healthy credit ratio suggest favorable asset quality outcomes:** The bounce rate has decreased to 19% and stays benign vs. pre-Covid levels, indicating strong asset quality outcomes and a lack of visible stress in the near term. The credit ratio also remained healthy at 1.79x in 2HFY24 but moderated from 1.91x in 1HFY24, thus providing an optimistic outlook for corporate credit quality. Consequently, we anticipate slippages to remain manageable, with upgrades/recoveries and resolutions in certain corporate/SME segments enabling a continued decline in the GNPA ratio. We estimate that credit costs will stay below their normalized run rate, with the release of certain AIF provisions further supporting this lower rate. Moreover, most banks have a minimal restructured book, and the SMA book too remains low, contributing to an improvement in overall credit costs.
- **We estimate our banking coverage universe earnings to grow ~13%/28%/18% YoY (9%/26%/18% excluding HDFCB) in 4QFY24/FY24/FY25**: For 4QFY24, we estimate NII for our banking coverage universe to grow ~7.4% YoY/2.9% QoQ (excluding HDFCB), while controlled opex and modest treasury gains (amid moderation in bond yields) will enable 1.6% YoY/5.5% QoQ growth in PPoP (excluding HDFCB). For 4QFY24, we estimate earnings growth of 12% YoY for PSU banks and 14% for private banks (6% excluding HDFCB). **We estimate MOFSL Banking Universe earnings to grow 28% (~26% excluding HDFCB) in FY24, 18% in FY25, and 17% YoY in FY26.**

4QFY24 earnings estimate (INR b)

PAT (INR b)	4Q FY24E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	3.8	-9.5	2.4
AXSB	63.5	-4.1	4.6
BANDHAN	8.5	5.3	16.2
DCBB	1.3	-7.5	4.0
EQUITAS	2.1	11.1	4.5
FB	9.0	-0.6	-10.9
HDFCB	156.5	29.9	-4.4
ICICIBC	106.3	16.5	3.5
IDFCFB	7.5	-6.5	4.8
IIB	24.2	18.2	5.0
KMB	34.2	-2.2	13.8
RBK	3.4	23.7	43.9
Private Total	**420.3**	**14.0**	**1.5**
PSU Banks			
BOB	48.2	0.8	5.2
CBK	37.3	17.6	2.1
INBK	22.0	51.7	3.6
PNB	28.6	146.5	28.5
SBIN	161.3	-3.4	76.0
UNBK	38.7	39.1	7.8
PSU Total	**336.0**	**11.9**	**32.6**
Banks Total	**756.3**	**13.0**	**13.3**
SBICARD	5.6	-5.5	2.7
Paytm	-4.7	NA	NA

Private Banks – 4QFY24 PAT to grow ~6% YoY (excluding HDFCB)

- **For our private bank coverage universe (excluding HDFCB), we estimate PPoP growth of 6% YoY/2% QoQ and PAT growth of 6% YoY/5.3% QoQ in in 4QFY24.** 4Q earnings growth should be supported by robust business growth, normalized opex and controlled credit cost (which offsets continued NIM compression). However, we expect the pace of NIM squeeze to moderate vs. 3Q/2Q levels.
- **We estimate 4QFY24 NII growth** of 15.4% YoY (11% YoY excluding HDFCB), with IDFCFB at ~25%, HDFCB at ~25%, RBL at ~19%, IIB at ~18%, KMB at ~10%, ICICIBC at ~9%, and AXSB at ~8% YoY.
- Opex is likely to follow a normalized trend as banks continue with their investments in branches and technology, while the pace of employee hiring also remains healthy. The moderation in bond yield is expected to aid other income.
- **Slippages are likely to remain under control,** which should drive continued improvement in asset quality ratios. This, coupled with healthy recoveries from NCLT resolutions and a pick-up in the sale of NPA accounts to ARC, should improve asset quality ratios.

PSBs – Controlled opex, stable NIMs and benign credit cost to aid earnings

- We estimate PSBs to report healthy earnings growth of 12% YoY/33% QoQ amid stable margins, decent growth, controlled opex, moderate treasury gains and benign credit cost. We, thus, estimate PSBs to report **5% YoY growth in NII, 1% YoY decline in PPoP, and 11.9% YoY growth in PAT.**
- **Opex is expected to decrease** from the 3Q levels, primarily due to wage-related provisions made in 3Q. These provisions were largely accounted for in 3Q and partially in 4Q, particularly for SBIN and FB. **Treasury performance is likely to stay robust**, supported by a decline in bond yields and buoyant capital markets.
- The ongoing **improvement in asset quality is expected to continue**, with controlled slippages, complemented by robust recoveries, upgrades, and sales to the NARCL, which will enhance asset quality ratios. Healthy PCR and a significant reduction in the SMA pool bode well for credit costs.

SFBs – Mixed performance; NIM moderation to continue

- We estimate **AUBANK's 4Q PAT** to decline 10% YoY to INR3.84b (+2.4% QoQ) as opex ratios remain elevated (C/I ratio at ~63% in FY24). Its NIMs are expected to remain under pressure and may fall by ~25bp to 5.25% after flat NIMs in 3Q. We remain watchful on asset quality as the bank has seen an uptick in credit cost due to faster normalization of slippage run rate and low recoveries.
- **EQUITASB** is likely to report a mixed quarter, with PPoP likely to decline 5% YoY amid lower other income and PAT likely to grow 11% YoY due to controlled credit cost. Advances may grow ~21% YoY (~7% QoQ), though AUM growth will be faster. We estimate NIMs to moderate by another 11bp QoQ to 8.26%.

Payments/Fintech: Macro uncertainty, regulatory actions to dent earnings

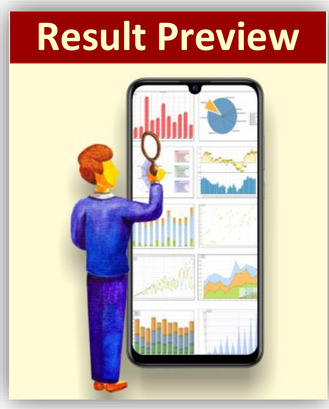
- **SBICARDS:** The momentum in credit card spending is expected to moderate in 4Q amid lower corporate spending. New account sourcing should remain stable in 4Q. NIM is expected to moderate amid a lower revolver mix at 23% and a rise in funding cost, particularly as banks pass on the impact of increased risk-weights. Asset quality could remain under pressure, keeping credit costs high. We, thus, estimate earnings to decline 6% YoY (+3% QoQ).

- **PAYTM:** We estimate a 23% YoY decline in GMV in 4QFY24, amounting to INR3.9t. Additionally, the value of disbursed loans is expected to plunge 67% QoQ, as the company has suspended postpaid loans due to RBI concerns and put merchant loans on hold pending data on QR transition. Revenue from operations is projected to decrease by 21% YoY to INR18.3b, while contribution profit is estimated to decline by 15% YoY to INR10.9b, with a contribution margin of ~60%. Adj. EBITDA loss is estimated to be at INR0.5b. We have factored in UPI incentive in our estimates during 4Q.

Other monitorables

- **RBI regulations tightening:** While the system's overall growth remains robust, regulators have identified various issues in certain companies. Consequently, there will be increased scrutiny on overall growth of the financial sector as attention shifts toward effectively managing compliance and fostering growth. We remain watchful on regulatory actions demanding increased vigilance and compliance from all entities involved.
- **Deposit progression remains a critical** business metric, given an elevated CD ratio. As a result, banks will continue to make efforts to mobilize deposits to improve their CD ratios.
- **Opex and wage provisions:** Ongoing investments in technology and branch expansion or business growth initiatives are likely to impact the opex run rate. It will be crucial to evaluate any gaps in residual wage and pension provisioning to assess earnings growth.
- **Fee income traction and treasury performance:** Another significant focus area lies in monitoring the traction in fee income and treasury performance, particularly amid buoyant capital markets and a moderation in bond yields.

Financials - NBFCs



Company
Aavas Financiers
Bajaj Finance
Can Fin Homes
Chola Inv. & Fin.
CreditAccess Grameen
Fusion Microfinance
HomeFirst
IIFL Finance
L&T Finance Holdings
LIC Housing Finance
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
PNB Housing Finance
Poonawalla Fincorp
Repco Home Finance
Shriram Finance
Spandana Sphoorty

Loan growth strong; rising CoF an impediment to NIM expansion

Asset quality robust but credit costs relatively higher in MFI and personal loans

- **AUM growth strong across product segments:** We expect ~6% YoY growth in AUM for our coverage HFC universe, including both affordable and other HFCs. Vehicle financers are projected to report ~26% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~19% YoY growth. NBFC-MFIs are forecasted to post ~29% YoY growth, while diversified lenders are expected to deliver ~28% YoY growth in AUM. For our coverage universe, we estimate a loan growth of ~20% YoY/~5% QoQ in 4QFY24. While the strong loan growth was broad-based, select micro-financers and small-ticket personal loan (STPL) lenders continued to calibrate their growth.
- **CoB continues to rise and impedes NIM expansion:** Higher risk weights on bank term loans to NBFCs and an increase in MCLR of banks resulted in rising CoB during the quarter. The continued rise in CoB has prevented the NIM expansion, which was previously envisaged for fixed-rate lending like Vehicle Finance. At the sectoral level, we expect NIM to remain stable for vehicle financiers and anticipate NIM compression for HFCs and MFIs.
- **Investments in expanding physical branch distribution network and technology will keep operating cost ratios stable:** We expect operating cost ratios to remain stable sequentially with an improvement bias. NBFCs and HFCs have been investing in upgrading their technology and analytics infrastructure, as well as in expanding their physical branch distribution network.
- **Asset quality robust but credit costs relatively higher in MFI and personal loans:** Typical of the fourth quarter of a fiscal year, we expect a sequential improvement in asset quality across all lenders except for select MFI players. MFI and personal loans are two product segments where we expect credit costs to be relatively higher than their normalized levels.
- **PAT growth of ~25% YoY for the coverage universe; sector on a strong footing and will benefit from any interest rate cuts:** We estimate ~23%/23%/25% YoY growth in NII/PPoP/PAT in 4QFY24 for our NBFC – Lending Financials coverage universe. Structurally, we believe that fixed-rate lenders such as Vehicle Financiers, Micro Financiers and even Micro-LAP lenders will benefit from any interest rate cuts whenever they occur. Our top picks in the sector are SHTF, PNBHF, and Fusion MFI.

Demand improves in mortgages; NIM compression to sustain

- Disbursement momentum improved for both large HFCs and affordable housing financiers (AHFCs). Demand remained strong in the mid-ticket and luxury housing segments, while showing signs of improvement in the affordable segment.
- We anticipate credit costs for LICHF to be at ~55bp (vs. ~60bp in 3QFY24) as we do not expect any further deterioration in asset quality. Margin could contract ~10bp QoQ due to a moderation in yields and a rise in CoF.
- We forecast both Aavas and HomeFirst to report a strong QoQ improvement in disbursements, leading to a healthy AUM growth. While we expect NIM to remain stable for Aavas (aided by an increase in PLR effective Mar'24), we anticipate it to moderate for HomeFirst because of the ongoing rise in its CoB.

Asset quality is projected to improve across buckets, with credit costs likely to remain benign.
- We estimate PNBHF to deliver a ~14% YoY growth in retail loans. We estimate ~10bp QoQ NIM compression. Asset quality will continue to improve in both retail and corporate loan portfolios.

Vehicle finance – NIM to remain stable or exhibit minor compression
- MMFS has reported disbursements of ~INR153b in 4QFY24 (up 11% YoY), but growth in business assets was slightly ahead of our estimates at ~24% YoY. We expect credit costs for MMFS to be at ~0.5% in 4QFY24 (vs. negligible credit costs in 4QFY23). We estimate disbursements to remain healthy for CIFC/ SHTF, which should translate into ~35%/22% YoY growth in AUM.
- We estimate NIM to either remain stable or exhibit a minor compression due to a sustained rise in the CoB. MMFS has already reported a strong improvement in its asset quality (some of which could have been aided by write-offs made at the end of the quarter). Even for CIFC/SHFL, we expect a minor improvement in asset quality of vehicle finance (VF), with a sequential moderation in credit costs.

Gold finance – higher gold prices and gold lending ban on a peer can aid stronger growth
- We expect gold loan financiers to deliver stronger gold loan growth in 4QFY24. While higher gold prices will be a big contributor to gold loan growth, we also estimate that there will be a modest tonnage growth in the quarter.
- We expect ~5%/3% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold Loans NIM should exhibit QoQ compression because of the rise in CoF.

Microfinance – mixed outlook; AUM growth healthy but slippages continue
- Disbursements have remained healthy for NBFC-MFIs, leading to healthy GLP growth for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect CREDAG/Fusion/Spandana to report a ~26%/ 24%/39% YoY growth in FY24.
- While we estimate a ~30bp and ~15bp QoQ NIM compression for CREDAG and Spandana, respectively, we estimate a margin expansion of ~10bp for Fusion, driven by its stable weighted average CoB.
- Flows into forward asset quality buckets continued this quarter as well. Seasonal improvement in asset quality (typical of 4Q of the fiscal year) might not be there for NBFC-MFIs such as Fusion or Spandana. We estimate credit costs of ~2.4%/ ~3%/3% for CREDAG/Fusion/Spandana in 4QFY24.

Diversified financiers: Going strong barring some calibration in personal loans
- LTFH has reported a strong 31% YoY/7% QoQ growth in Retail Loans. Since the wholesale segment (such as real estate and infrastructure) will continue to moderate, the consolidated loan book could grow ~4% QoQ in 4QFY24. We estimate credit costs to moderate for LTFH, leading to a sequential improvement in profitability.
- We expect BAF to report ~35% YoY/7% QoQ growth in its AUM. We estimate a ~20bp QoQ contraction in NIM for BAF with credit costs at ~1.65% (stable QoQ).

- Poonawalla reported ~54% YoY growth in standalone AUM, driven by ~11% QoQ growth in disbursements. We estimate this to translate into ~15% QoQ PAT growth for the company.
- For IIFL Finance, we estimate a consolidated AUM growth of 23% YoY. This factors in a ~5% QoQ decline in its gold loan book, primarily because of the RBI ban on the company's incremental lending in gold loans. We estimate a 4QFY24 PAT of INR4.8b (PQ: INR4.9b).

Summary of 4QFY24 earnings estimates

	CMP		NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
Sector	(INR)	Rating	Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)	Mar-24	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	1,418	Neutral	2,365	6.9	7.1	1,713	3.9	8.6	1,302	2.7	11.6
Bajaj Finance	7,249	Buy	80,980	29.5	5.8	65,194	27.4	6.1	38,613	22.3	6.1
Can Fin Homes	790	Neutral	3,310	26.7	0.7	2,900	30.7	1.2	2,198	32.6	9.8
Chola. Inv & Fin.	1,186	Buy	23,187	31.4	6.8	16,365	28.5	8.0	9,744	14.3	11.2
CreditAccess	1,409	Buy	8,559	38.2	6.6	6,821	35.6	13.3	3,960	33.5	12.1
Fusion Micro	482	Buy	3,666	32.6	8.3	2,728	23.4	4.8	1,466	28.0	15.9
Home First Fin.	920	Buy	1,410	26.1	4.9	1,115	22.6	1.6	828	29.4	5.1
IIFL Finance	346	Buy	14,288	20.6	-9.3	10,289	28.2	7.3	4,798	16.2	-2.2
L&T Fin. Holdings	163	Buy	23,040	30.1	5.7	14,201	19.8	6.1	6,777	62.6	6.0
LIC Housing Fin	637	Buy	20,571	3.4	-1.9	18,184	3.8	-3.5	11,903	0.8	2.4
M & M Financial	287	Buy	17,896	11.8	5.4	11,078	17.3	4.3	7,306	6.8	32.2
Manappuram Finance	182	Buy	15,325	36.2	5.5	9,659	57.3	3.2	5,958	43.5	3.6
MAS Financial	294	Buy	1,117	25.5	4.8	1,161	31.0	5.3	663	19.4	6.2
Muthoot Finance	1,564	Neutral	19,648	6.0	3.1	13,794	6.8	-1.1	10,303	14.1	0.3
PNB Housing	750	Buy	5,963	2.6	0.6	4,993	3.4	-0.0	3,671	31.5	8.5
Poonawalla Fincorp	475	Buy	5,366	41.3	9.3	3,980	97.4	13.6	3,054	69.0	15.2
Repco Home Fin	448	Neutral	1,783	12.8	0.2	1,368	13.7	-0.2	1,000	21.8	0.6
Shriram Finance Ltd	2,433	Buy	51,058	22.1	4.0	38,573	25.2	4.6	19,537	49.3	7.4
Spandana Sphoorty	882	Buy	3,526	30.4	11.5	2,606	-0.1	8.4	1,357	28.6	6.5
NBFC			**3,03,057**	**22.7**	**3.9**	**2,26,721**	**23.1**	**4.6**	**1,34,440**	**24.5**	**7.1**

Financials – Non Lending

Result Preview

Company
BSE
CAMS
ICICI Lombard
ICICI Securities
IIFL Wealth
MCX
Star Health
HDFC Life
IPRU Life
SBI Life
Max Financials

Capital markets-linked companies to deliver decent performance

Price hike set to improve health segment loss ratios; VNB margins to improve QoQ

- **In 4QFY24, Nifty continued with gains (3% QoQ), translating into healthy trends in key parameters (volumes, orders, client additions, etc.) for capital markets-related companies. However, Mar'24 witnessed moderation in volumes, owing to correction in the Small and Midcap space. BSE would be one of the biggest beneficiaries of these trends.**
- **In the AMC sector, net equity inflows were buoyant in Jan'24 and Feb'24. The growth in equity AUM was primarily backed by strong SIP flows (SIP flows reaching an all-time high in Feb'24). Overall, MF AUM grew 6.7% (over Dec'23-Feb'24), owing to strong growth in Equity and Money Market AUM. Given the market environment in the latter half of 4QFY24, equity MF AUM is likely to witness some moderation in the month of Mar'24. Increase in equity AUM would lead to improved performance for both CAMS and 360ONE.**
- **Private Life Insurance players saw an 18%/25% growth in APE in Jan'24/Feb'24. However, we anticipate a decline in Mar'24 for the industry, given the high base of Mar'23. Despite this, we expect a steady to improving sequential trend in terms of VNB margins.**
- **Ex-crop, the general insurance sector experienced steady GWP growth of 16% and 13% in Jan'24 and Feb'24, respectively. Growth in the overall health segment is steady at 17%/16% YoY over Jan/Feb'24 as compared to 15% growth in 3QFY24. The motor segment too saw a steady growth of 12%/10% YoY in Jan/Feb'24 compared to 10% in 3QFY24. Health segment loss ratios are expected to decline on the back of price hikes. We expect STARHEAL and ICICIGI to report improvement in profitability.**
- **We remain positive on the long-term growth potential of the non-lending financials, given their broader themes of financialization and digitization of savings. Our top picks in this space are SBILIFE and STARHEAL.**

Strong growth in incremental demat account additions; steady growth in cash volumes and F&O volumes in first half of 4QFY24

- Retail segment's cash ADTO increased 8%/4% MoM in Jan'24/Feb'24, but it plummeted 16% MoM in Mar'24. Compared to 3QFY24, the growth momentum of F&O ADTO was steady in the first half of 4QFY24 (In Mar'24, NSE's total options premium ADTO declined 17% MoM, whereas for BSE, total options premium ADTO was flat MoM).
- Incremental demat account additions increased to 4.6m in Jan'24 and 4.3m in Feb'24 (average 3.2m/month in 3QFY24).
- BSE witnessed strong traction in derivatives volumes, resulting in a 17.5%/7.2% market share in notional/premium turnover in Mar'24. Also, the increase in transaction charges, w.e.f 1st November 2023 is likely to improve profitability.
- With the tech overhang now over, MCX is in the process of getting a re-validation approval from SEBI for many new products, which were in the pipeline. MCX has seen strong traction in option volumes, although this has been partially offset by lower volumes in Futures.

Life Insurers: High base to restrict APE growth; VNB margins to be steady

- Private Life Insurance players saw an 18%/25% growth in APE in Jan'24/Feb'24. However, we anticipate a decline in Mar'24 for the industry, given the high base of Mar'23. Despite this, we expect a steady to improving sequential trend in terms of VNB margins. We expect demand for annuity, non-par (QoQ) and protection to remain strong, especially with a slew of new product launches.
- **VNB growth:** VNB margins are expected to be steady, given the steady product mix and some benefits of repricing in the non-par segments implemented in 3QFY24.

Steady premium (ex-crop) growth for general insurance sector; health claim ratio to improve on the back of price hikes

- Ex-crop, the general insurance sector experienced steady GWP growth of 16% and 13% in Jan'24 and Feb'24, respectively. Growth in the overall health segment is steady at 17%/16% YoY over Jan/Feb'24 as compared to 15% growth in 3QFY24. The motor segment too saw a steady growth of 12%/10% YoY in Jan/Feb'24 compared to 10% in 3QFY24.
- For ICICIGI, the premium growth in Jan/Feb'24 stood at 14%/39% YoY. The increased growth in Feb'24 can be attributed to a one-off transfer of business to another insurance company in Feb'23. The GWP growth for ICICIGI was led by an enhanced market share in the motor segment and strong expansion in the health segment.
- For Jan/Feb'24, STARHEAL saw a premium growth of 18%/19% YoY, driven by retail growth of 16%/17% and group health business of 46%/61% (given lower base).
- Opex ratios are expected to benefit from operating leverage. Health segment loss ratios are expected to improve YoY, due to the implemented price hikes.

Strong SIP flows and positive net inflows to drive mutual fund AUM growth

- Mutual Fund AUM saw 30%/34% YoY growth, led by strong 43%/49% growth in equity AUM for Jan'24/Feb'24. Net equity inflows remained buoyant in Jan'24 and Feb'24. The growth in equity AUM was primarily backed by strong SIP flows.
- The share of equity AUM improved ~40bp in Jan'24 & ~50bp in Feb'24, reaching 55.6%. The SIP flows were strong for Jan'24 and Feb'24 (SIP flows reached its all-time high in Feb'24). Given the market environment in latter half of 4QFY24, equity MF AUM is likely to witness some moderation in the month of Mar'24.
- This would translate into healthy operating performance for both CAMS and 360 ONE in 4QFY24.

4 April 2024
Company Update | Sector: Real estate

Brigade Enterprise

BSE SENSEX	S&P CNX
74,228	22,515

Bloomberg	BRGD IN
Equity Shares (m)	230
M.Cap.(INRb)/(USDb)	221.3 / 2.7
52-Week Range (INR)	1108 / 464
1, 6, 12 Rel. Per (%)	-5/50/71
12M Avg Val (INR M)	276
Free float (%)	56.3

Financials & Valuations (INR b)

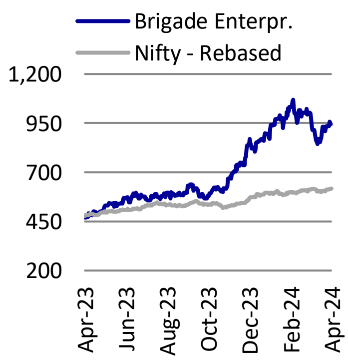
Y/E MARCH	FY24E	FY25E	FY26E
Sales	42.5	49.7	49.8
EBITDA	10.2	15.5	17.2
EBITDA Margin (%)	23.9	31.1	34.5
Adj PAT	3.0	7.5	8.5
Cons. EPS (Rs)	14.7	36.9	41.5
EPS Growth (%)	21.4	151.4	12.4
BV/Share (Rs)	171.4	206.4	245.9
Ratios			
Net D:E	1.0	0.7	0.4
RoE (%)	8.9	19.5	18.4
RoCE (%)	7.3	12.4	12.8
Payout (%)	13.6	5.4	4.8
Valuations			
P/E (x)	64	26	23
P/BV (x)	5.5	4.6	3.9
EV/EBITDA (x)	22.5	14.3	12.4
Div. Yield (%)	0.2	0.2	0.2

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	43.8	43.8	43.8
DII	25.0	25.4	24.6
FII	13.7	13.4	14.2
Others	17.5	17.1	17.4

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR958 | TP: INR1,250 (+31%) | Buy

Targeting consistent growth across all segments

Expanding into newer markets

- In 9MFY24, pre-sales jumped 44% YoY to INR37.7b (90% of FY23 pre-sales). This growth was driven by strong sustained sales, with new launches contributing 50% to the overall pre-sales value in 3QFY24 and 44% in 9MFY24.
- Despite moderation in new launches in 4Q, BRGD is on track to deliver INR53b in pre-sales for FY24, up 28% YoY. This translates into a CAGR of 24% in bookings over FY21-24.
- While Bengaluru has been the focal point of the strong performance, BRGD has significantly expanded its footprint in Chennai and Hyderabad. Of the 16 msf acquired since FY23, 13 msf were into these two markets.
- Overall, the company has INR190b worth of project pipeline in Chennai and Hyderabad and is planning to launch INR60b (5msf) worth of projects in these markets over the next 12 months (including the Kokapet and Mount road projects).
- On the back of planned launches of 11msf over the next four quarters and a strong overall project pipeline of over 43msf, we expect BEL's bookings to rise to INR84b by FY26, implying a CAGR of 26% over FY24-26E with INR25-30b stemming from these two new markets.

Commercial: Unveils the next leg of growth

- Brigade owns ~7msf of office assets across Bengaluru and Chennai and despite concerns around SEZ space, the company has improved the occupancy of its commercial portfolio to 93% in 3QFY24 from 85% in 4QFY23.
- It is expected to be fully leased over the next two quarters and can generate INR10b of rentals (BRGD's share – INR8b) and EBITDA of INR5.5b.
- Brigade Twin towers (1.3msf) is expected to be delivered by Mar'25 and has the potential to generate an additional rental income of INR1-1.2b.
- The company now plans to further expand its portfolio by 5.2msf across office and retail projects with a cumulative rental potential of INR5b. This includes 2.2msf development in Bengaluru (Brigade Padmini and Utopia), 1.6msf in Hyderabad (Brigade Kokapet), and 1.4msf in Chennai.

Building hotels across all major mixed-use projects

- The current portfolio of ~1,500 keys achieved a 73% occupancy in 3Q. The hotels have experienced an ARR growth of ~60% to INR6,500 from INR4,000 in FY22.
- The company is on track to generate INR1.5b EBITDA in FY24 and we expect it to register a CAGR of 8% over FY24-26E, aided by steady growth in occupancy and ARR.

- Given the tailwinds in the segment, the management aims to expand the portfolio by adding ~1,000 keys across five assets – 2 in Bengaluru and 1 each in Hyderabad, Chennai, and Mysore.

Comfortably placed to fund the capex

- The company's collections are expected to increase to INR94b from INR62b over FY24 to FY26, leading to an increase in OCF (post interest) from INR11b to INR32b during the same period. We expect it to spend INR10b annually towards BD in the residential segment.
- The expansion plan unveiled across office, retail, and hospitality segments will require a capex outlay of INR30b. It has a healthy balance sheet with a net debt of INR21b (net D/E 0.7x), providing sufficient headroom for leverage.
- The proposed fund raise of INR15b (mix of debt and equity), coupled with the healthy surplus cash post BD investments, implies that the company is comfortably placed in terms of funding the expansion.

Valuation and view

- BRGD has honed the ability to consistently scale up the business across all segments. It is now gearing up for the next leg of growth in the residential segment by entering new cities and is also planning to significantly expand its annuity portfolio.
- The company continues to provide strong visibility in the near term, supported by the progress made in BD over the last few years. At the CMP, the company is trading at an EV of INR235b. Excluding the value of operational annuity portfolio, the implied value of the residential business stands at INR120b. The NAV of the current residential pipeline is INR75b, implying a premium of 60%.
- Additionally, the proposed development of 5msf office/retail along with 1,000 keys can be valued at INR30-35b; however, this is not currently reflected in the company's valuation. Hence, we maintain our Buy rating with an unchanged TP of INR1,250, implying an upside of 31%.

HDFC Bank

BSE SENSEX	S&P CNX
74,228	22,515

Financials Snapshot (INR b)

Y/E	FY23	FY24E	FY25E
NII	868	1,086	1,273
OP	704	894	1,055
NP	441	600	693
NIM (%)	4.1	3.4	3.4
EPS (INR)	79.3	78.9	91.3
EPS Gr. (%)	18.6	(0.5)	15.7
BV/Sh. (INR)	502	569	641
ABV/Sh. (INR)	490	555	624
Ratios			
RoE (%)	17.0	14.5	15.1
RoA (%)	1.9	1.8	1.8
Valuations			
P/E(X)	19.1	19.2	16.6
P/BV (X)	3.0	2.7	2.4
P/ABV (X)	2.6	2.3	2.1

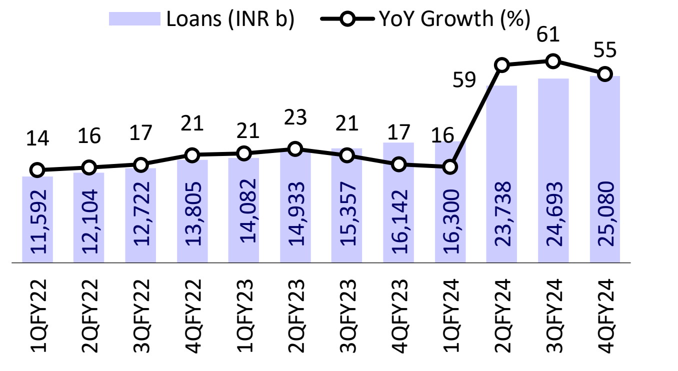
CMP: INR1,515 — Buy

Deposits traction robust; advances grew ~1.6% QoQ

HDFCB released its 4QFY24 business update. Following are the key takeaways:

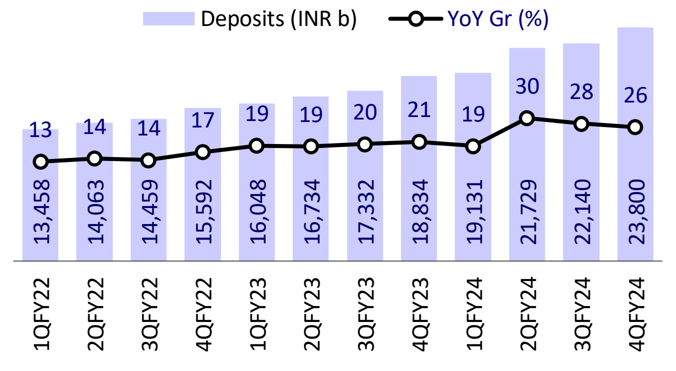
- **Loan book grew 55.4% YoY (up 1.6% QoQ) to INR25.1t. Gross of transfers through IBPCs and bills rediscounted, the loan book grew 53.8% YoY (up 1.9% QoQ).**
- **As per the bank's internal classification, domestic retail loans grew 109% YoY (up 3.7% QoQ) and commercial & rural banking grew 24.6% YoY (4.2% QoQ). Corporate book and other wholesale loans (excluding non-individual loans of the erstwhile HDFC Limited) grew ~4.1%YoY (down 2.2% QoQ).**
- **Deposits grew 26.4% YoY (7.5% QoQ) to INR23.8t. CASA deposits grew 8.7% YoY (up 8.8% QoQ). Thus, the CASA ratio increased 50bp QoQ to ~38.2% in 4QFY24.**
- **Retail deposits grew 27.8% YoY (up 6.9% QoQ), whereas wholesale deposits grew ~19.4% YoY (up 10.9% QoQ). Retail CASA grew ~8.8% YoY and 6.3% QoQ in 4QFY24.**
- **Despite the moderate growth in advances, the anticipated rise in the bank's deposits has gained momentum, with a quarterly growth rate of 7.5%, supported by a healthy increase in CASA deposits by 8.8% QoQ. The bank initially experienced a higher CD ratio, following a merger; however, with the progress made in deposits mobilization in 4Q, the CD ratio moderated ~6% QoQ to ~104%.**

Loans grew 55.4% YoY/ 1.6% QoQ to INR25.1t



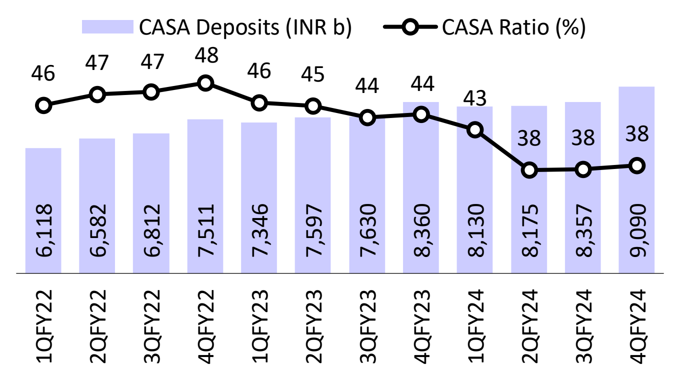
*Proforma merged — Source: MOFSL, Company

Deposits traction robust at 26.4% YoY/ 7.5% QoQ to INR23.8t



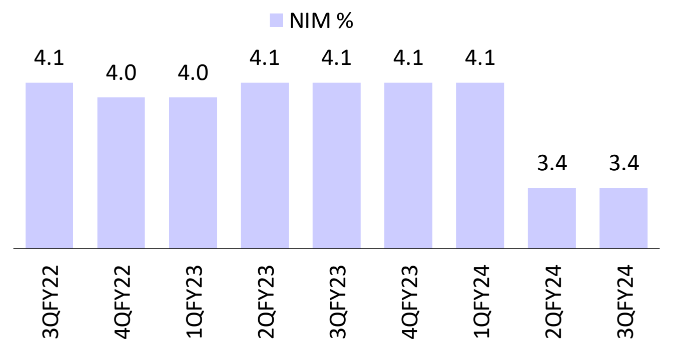
*Proforma merged — Source: MOFSL, Company

CASA ratio increased 50bp QoQ to 38.2%



Source: MOFSL, Company

Margins stood at 3.4% in 3QFY24



Source: MOFSL, Company

Bajaj Finance

BSE SENSEX	S&P CNX
74,228	22,515

Financials Snapshot (INR b)

Y/E March	FY24E	FY25E	FY26E
Net Income	362	454	571
PPP	239	307	389
PAT	143	187	236
EPS (INR)	233	303	382
EPS Gr. (%)	22	30	26
BV/Sh. (INR)	1,227	1,507	1,841
Ratios			
NIM (%)	10.4	10.3	10.3
C/I ratio (%)	34.1	32.3	31.9
RoA (%)	4.5	4.6	4.6
RoE (%)	22.1	22.2	22.9
Payout (%)	14.6	12.9	12.7
Valuations			
P/E (x)	31.2	24.1	19.0
P/BV (x)	5.9	4.8	4.0
Div. Yield (%)	0.5	0.5	0.7

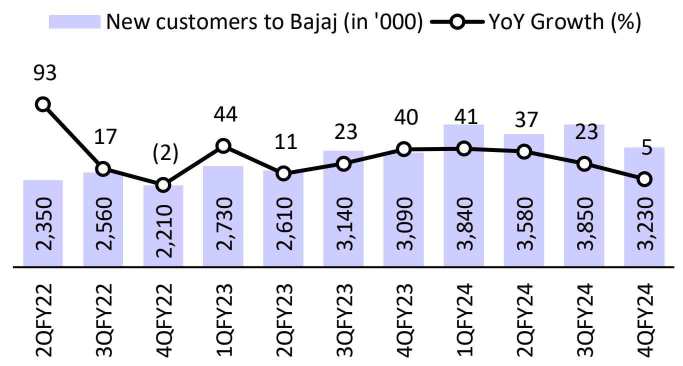
CMP:INR7,283 Buy

AUM growth in line; Impact of RBI ban on customer acquisitions and new loans

New loans booked lower by 0.8m because of RBI restrictions on two products

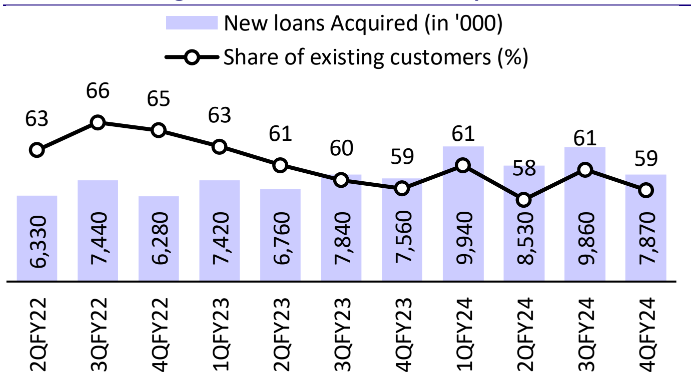
-
- Total customer franchise stood at ~83.6m, up ~21% YoY/4% QoQ. New customer acquisition stood at ~3.2m (vs. ~3.1m YoY and 3.85m QoQ).
- New loans booked and customer acquisitions were impacted by RBI ban on two products the company. New loans booked rose ~4% YoY to ~7.9m (vs. ~7.6m in 4QFY23). During 4QFY24, new loans booked were lower by ~0.8m on account of restrictions placed by the RBI on sanction and disbursal of loans under 'eCOM' and 'Insta EMI Card'.
- AUM growth was in line with the reported AUM at INR3.3t, up ~34% YoY/~6% QoQ.
- Deposit book stood at INR601b and grew 35% YoY/4% QoQ.
- The company's liquidity position remained strong, with a consolidated liquidity surplus of INR157b (vs. INR116b QoQ). Surplus liquidity increased to ~5% of AUM (vs. ~4% QoQ).

New customer acquisitions impacted by RBI Ban



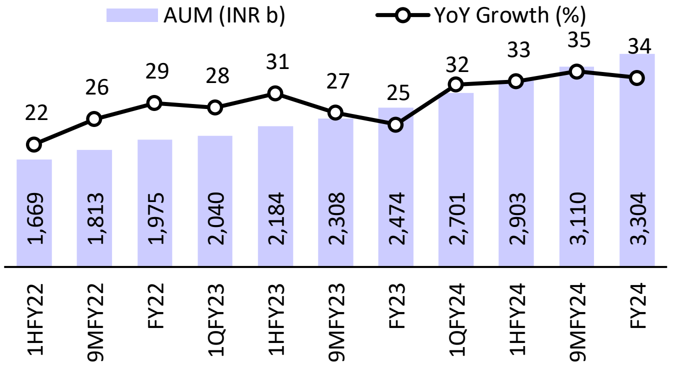
Source: MOFSL, Company

Share of existing customers declined on sequential basis



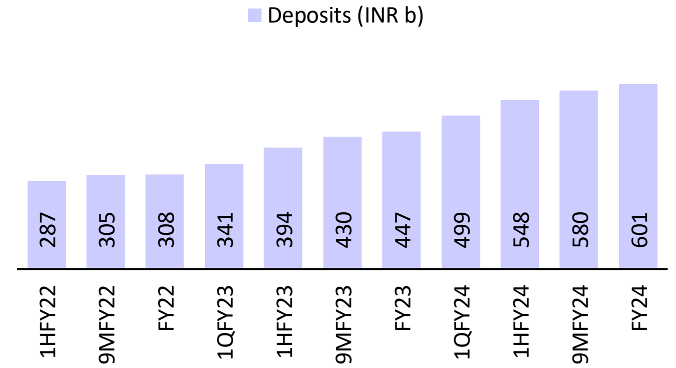
Source: MOFSL, Company

AUM rose 34% YoY, implying healthy disbursements



Source: MOFSL, Company

Deposits stood at INR601b and grew 35% YoY/4% QoQ



Source: MOFSL, Company

IndusInd Band

BSE SENSEX	S&P CNX
74,228	22,515

Financials Snapshot (INR b)

Y/E MARCH	FY23	FY24E	FY25E
NII	175.9	207.3	241.0
OP	144.2	159.4	184.6
NP	74.4	90.4	107.3
NIM (%)	4.1	4.3	4.3
EPS (INR)	96.0	116.6	138.4
EPS Gr. (%)	54.7	21.4	18.7
BV/Sh. (INR)	707	808	930
ABV/Sh. (INR)	691	791	913
Ratios			
RoE (%)	14.5	15.4	16.0
RoA (%)	1.7	1.9	1.9
Valuations			
P/E (X)	16.1	13.3	11.2
P/BV (X)	2.2	1.9	1.7
P/ABV (X)	2.2	2.0	1.7

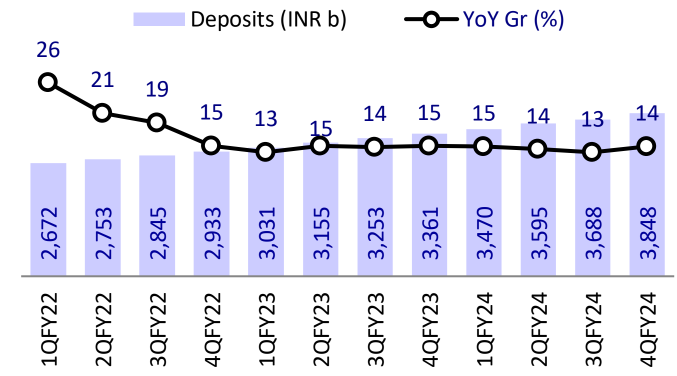
CMP: INR1,544 — Buy

Business growth healthy; CASA mix moderates further

IndusInd Bank (IIB) released its quarterly update, highlighting the key business numbers for 4QFY24. Following are the key takeaways:

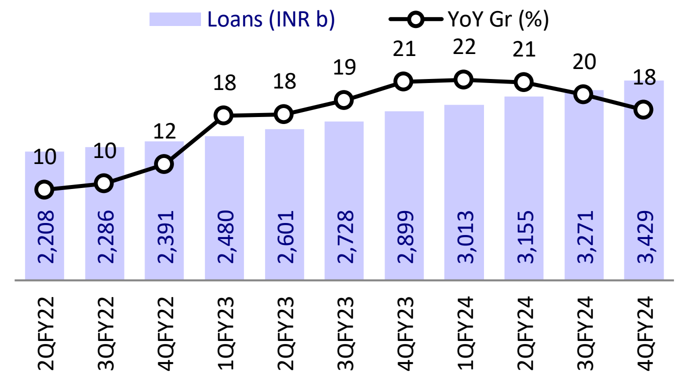
- Net advances picked up and grew 18.3% YoY to ~INR3.4t. Loan growth continued to remain healthy at 4.8% QoQ.
- The CD ratio for the bank increased further to 89.1% (up 42bp QoQ) in 4QFY24.
- Deposit growth came in healthy at 4.3% QoQ (up 14.5% YoY to ~INR3.8t). Within deposits, CASA mix moderated 58bp QoQ to 37.9% in 4QFY24.
- Retail and Small Business deposits rose 2.5% QoQ to reach INR1,694b. Retail deposits (as per LCR) witnessed a one-time net outflow of INR27.6b in 4QFY24, following regulatory actions on a fintech partner of the bank.
- IIB continues to experience a healthy loan growth trajectory, and we expect this trend to sustain. This is likely to support margins going forward. The deposit franchise too is growing at a steady pace.

Deposits up 14% YoY (+4.3% QoQ) in 4QFY24



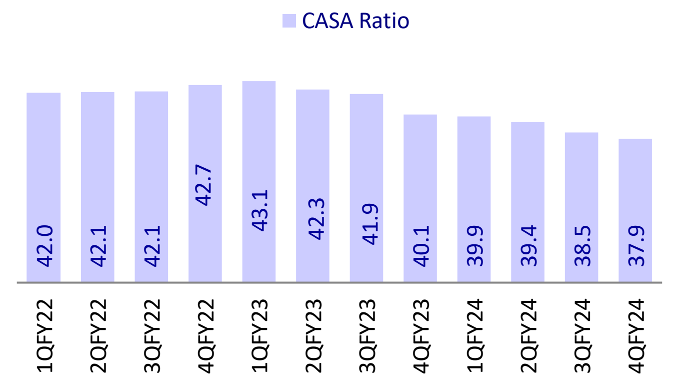
Source: MOSL, Company

Loans up 18.3% YoY (+4.8% QoQ) in 4QFY24



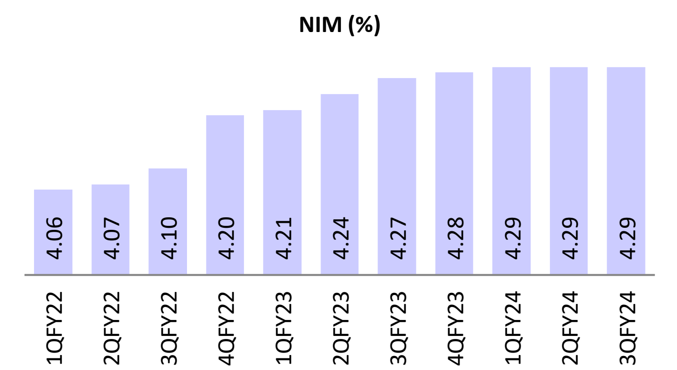
Source: MOSL, Company

CASA ratio moderates to 37.9% in 4QFY24



Source: MOSL, Company

NIM stands at 4.29% in 3QFY24



Source: MOSL, Company

Dabur

BSE SENSEX	S&P CNX
74,228	22,515

Financials Snapshot (INR b)

Y/E Mar	2024E	2025E	2026E
Sales	124.3	134.9	147.0
Sales Gr. (%)	7.8	8.5	9.0
EBITDA	23.8	27.8	30.9
Margins (%)	19.2	20.6	21.0
Adj. PAT	18.5	21.6	23.8
Adj. EPS (INR)	10.5	12.2	13.4
EPS Gr. (%)	8.0	16.4	10.1
BV/Sh.(INR)	55.3	60.2	64.8
Ratios			
RoE (%)	19.8	21.1	21.5
RoCE (%)	18.1	19.4	19.8
Payout (%)	64.0	67.3	72.3
Valuations			
P/E (x)	48.4	41.5	37.7
P/BV (x)	9.2	8.4	7.8
EV/EBITDA (x)	35.0	29.7	26.4
Div. Yield (%)	1.3	1.6	1.9

CMP: INR506 CMP: INR650 (+28%) BUY

Mid-single-digit revenue growth

DABUR released its pre-quarterly update for 4QFY24. Here are the key highlights:

Consumption

- According to the management, demand trends remained sluggish during 4Q.
- Rural growth picked up due to price reductions in staples, resulting in a narrowing gap between rural and urban areas.
- The management expects improvement in consumption going forward as macroeconomic indicators continue to be healthy.

India business

- HPC is expected to grow in high-single digits.
- **The F&B business** is projected to grow in low-single digits.
- The Health Care business is likely to grow in low-single digits due to a delay in the winter season.
- Badshah Masala witnessed healthy momentum and is expected to post strong volume-led growth in **high teens**.

International business

- On a constant currency basis, the international business is expected to **grow in double digits,** led by the MENA region, Egypt, and Turkey.
- Currency depreciation in Turkey and Egypt will translate into revenue growth in mid-single digits when converted to INR terms.

Consolidated

- The management expects consolidated **revenue to grow in mid-single digits** (6.4% YoY in 4QFY23; 6.7% YoY in 3QFY24, 4-year CAGR at ~11.8%).
- It expects **higher gross margin expansion**, supported by moderating inflation and cost-saving initiatives.
- A significant portion of the gross margin expansion will **be directed towards increasing advertising and promotion** (A&P) spending.
- The management expects operating profit to grow at a slightly higher rate than revenue and post an improvement in YoY operating margins.

Valuation and view

- With an improving volume trajectory and no impact of price cuts on revenue (unlike peers), we anticipate that its revenue growth outperformance will continue in the near term.
- The operating margin, which has been hovering around the 20% band over the last 8-9 years (unlike peers that have seen expansion), also has room for improvement in the medium term.
- The stock has underperformed during the last two years, and is currently trading at 40x FY26E EPS, at a 15-20% discount to its historical three/five-year averages. **We reiterate our BUY rating with a TP of INR650, valuing the company at 48x FY26E P/E.**

AU Small Finance Bank

BSE SENSEX	S&P CNX
74,228	22,515

Financials Snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
NII	44.3	51.9	79.9
PPoP	20.2	25.2	37.8
PAT	14.3	15.5	20.5
NIM (%)	5.6	5.2	6.1
EPS (INR)	22.0	23.2	29.1
EPS Gr. (%)	22.3	5.3	25.4
BV/Sh. (INR)	164	182	225
ABV/Sh. (INR)	162	177	220
Ratios			
RoE (%)	15.5	13.4	14.2
RoA (%)	1.8	1.6	1.6
Valuations			
P/E(X)	28.3	26.9	21.4
P/BV (X)	3.8	3.4	2.8
P/ABV (X)	3.9	3.5	2.8

CMP: INR621 Buy

Business growth remains healthy; CASA ratio stable at ~33%

Cost of Fund rises 8bp QoQ to 6.98% as of 4QFY24

AUBANK has released its business update for 4QFY24. Here are the key highlights:

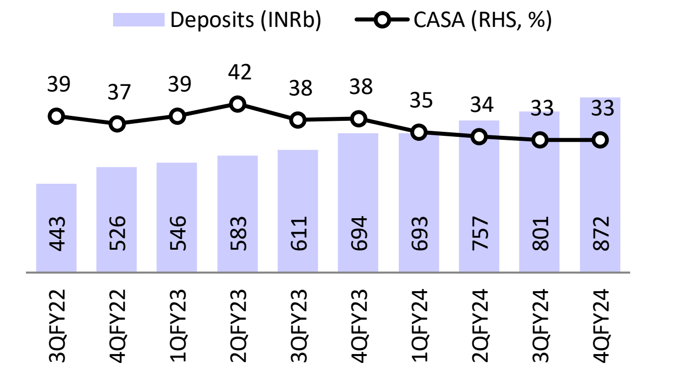
- AUBANK reported a healthy sequential growth of 9% QoQ (up 25% YoY) in gross advances to ~INR740b (Total gross loan portfolio growth of 28% YoY/8% QoQ, i.e., including securitized/assigned loan portfolio).
- The bank has securitized its asset portfolio of INR6.2b in 4QFY24, taking the total assigned book to INR81.8b vs INR85.5b as of 3QFY24. Advances growth continues to remain strong across both Retail assets and Commercial banking assets and the bank achieved the highest ever disbursement in the month of Mar'24.
- On the liability front, total deposits grew 26% YoY and 9% QoQ to INR872b. This was led by growth in CASA deposits at 10.1% QoQ (up 9.2% YoY) as well as term deposits at 8.2% QoQ (up 35.9% YoY). Thus, CASA ratio remained stable at 33.0% in 4QFY24. Amidst the strong competition for deposits, both the liability groups - Urban branch banking and Swadesh banking - continued to expand and execute their respective strategies.
- The average cost of funds increased 8bp QoQ to 6.98% as against 6.9% in 3QFY24. For FY24, the average cost of fund increased 84bp to 6.8% vs 5.96% for FY23.
- The integration process of AUBANK merger with Fincare is expected to get completed over the next nine months. Pro-forma merged deposits stood at INR977b with CASA ratio at 32%. Total gross loan portfolio stood at INR965b as of 31 Mar'24.

Key business trends

INR m	4QFY23	3QFY24	4QFY24	YoY (%)	QoQ (%)
Total Deposits	**6,93,650**	**8,01,200**	**8,71,820**	**26%**	**9%**
CASA Deposits	2,66,600	2,64,460	2,91,260	9%	10%
CASA Ratio (%)	**38%**	**33%**	**33%**	**-540**	**0**
Gross Advances	**5,91,580**	**6,76,240**	**7,39,990**	**25%**	**9%**
Securitized/assigned loan portfolio	**49,140**	**85,530**	**81,760**		

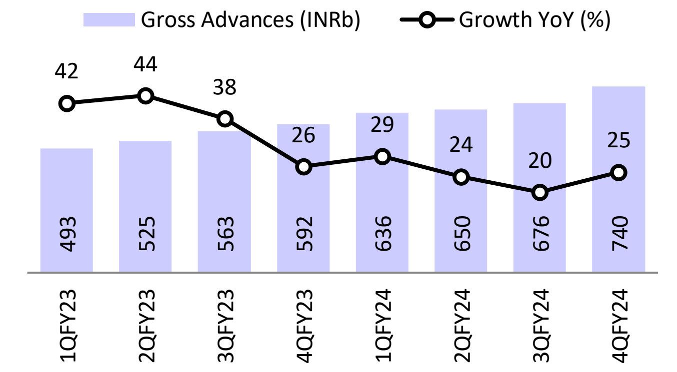
Source: MOSL, Company

Deposits grew 26% YoY (CASA ratio stable at 33%)



Source: Company, MOFSL

Gross advances grew 25% YoY (up 9% QoQ)



Source: Company, MOFSL

UPL

BSE SENSEX	S&P CNX
74,228	22,515

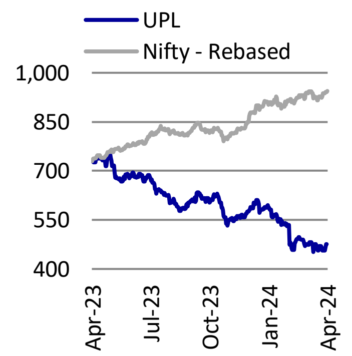
Bloomberg	UPLL IN
Equity Shares (m)	765
M.Cap.(INRb)/(USDb)	370 / 4.4
52-Week Range (INR)	760 / 448
1, 6, 12 Rel. Per (%)	3/-34/-62
12M Avg Val (INR M)	1732
Free float (%)	67.7

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	32.4	32.4	30.7
DII	16.8	17.3	16.2
FII	37.7	37.6	42.7
Others	13.1	10.4	10.4

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR492 — Neutral

Advanta Enterprises' likely listing to facilitate deleveraging efforts

As per media reports, UPLL is likely to list its global seeds business Advanta Enterprises in FY25.

- UPLL is targeting a valuation of USD4b (INR332b) for the seeds business, where the company is expected to divest ~10-12% stake.
- UPLL is likely to utilize this proceeds for debt repayment, which stood at ~INR313.5b (net debt ex of perpetual bond) as on Dec'23.
- UPLL holds ~86.7% stake in Advanta Enterprises, while the remaining is held by KKR (13.33%). KKR acquired the stake in Dec'22 for USD300m (INR24.6b), valuing Advanta Enterprises at USD2.25b (INR184.5b).
- As per the media reports, the IPO is likely to be launched in FY25.
- **Assuming the media-reported IPO valuation of USD4b, which equates to 36x FY23 EV/EBITDA, it appears to be expensive.**

UPLL's and Advanta Timeline

- **FY15-16:** UPLL merged Advanta through a share swap deal.
  - **Terms of Share swap:** One UPLL equity share for one equity share of Advanta; three Optionally Convertible Preference Shares (of par value INR10 each) of UPL for one equity share of resident shareholders of Advanta; three Compulsorily Convertible Preference Shares (of par value INR10 each) of UPL for one equity share of non-resident shareholders of Advanta; and Advanta GDR holders holding 1 GDR will be issued 1.06 GDR of UPL.
- **FY23:** UPLL restructured its business in Oct'22, consolidating its India and International Seeds businesses under a newly incorporated Indian subsidiary named Advanta Enterprises.
- **FY23:** Sold 13.33% stake to KKR in Dec'22 for USD300m, valuing the company at USD2.25b.
- **FY25E:** As per media reports, UPLL is likely to launch IPO and also divest further 10-12% stake in Advanta, targeting a valuation of USD4b.

About Advanta Enterprise

- Advanta Enterprises Limited is UPLL's global seeds platform. It encompasses Indian and international seeds business, positioning it as a comprehensive global seeds platform.
- **In FY23, the business reported revenue/EBITDA of INR35.58b/9.21b, which is 6.6%/8.3% of the group's revenue/EBITDA. The business has recorded a revenue/EBITDA CAGR of 21%/31% over FY20-23.**
- The company offers a wide range of seeds and is committed to providing farmers with the necessary resources to thrive and succeed in their agriculture endeavors. It has a diverse portfolio of over 900 hybrid seed varieties in 80+ countries worldwide.

- Field corn contributes the highest with 45% revenue mix, followed by grains, forage and sorghum (23%); sunflower and canola (14%); and vegetables and fresh corn (12%).
- The company's seeds are sold under brands such as Advanta, Pacific Seeds, MPYR, Advanta Forage Specialists and Hyola.
- Through Advanta, UPLL delivers innovative seeds that foster sustainable crop production and profitability for farmers. The company leverages its biotech and research stations to develop tolerant, climate smart, and high-yielding seed varieties.
- Key competitive advantages for UPLL stem from its superior germplasm and expertise in technology and bioscience.

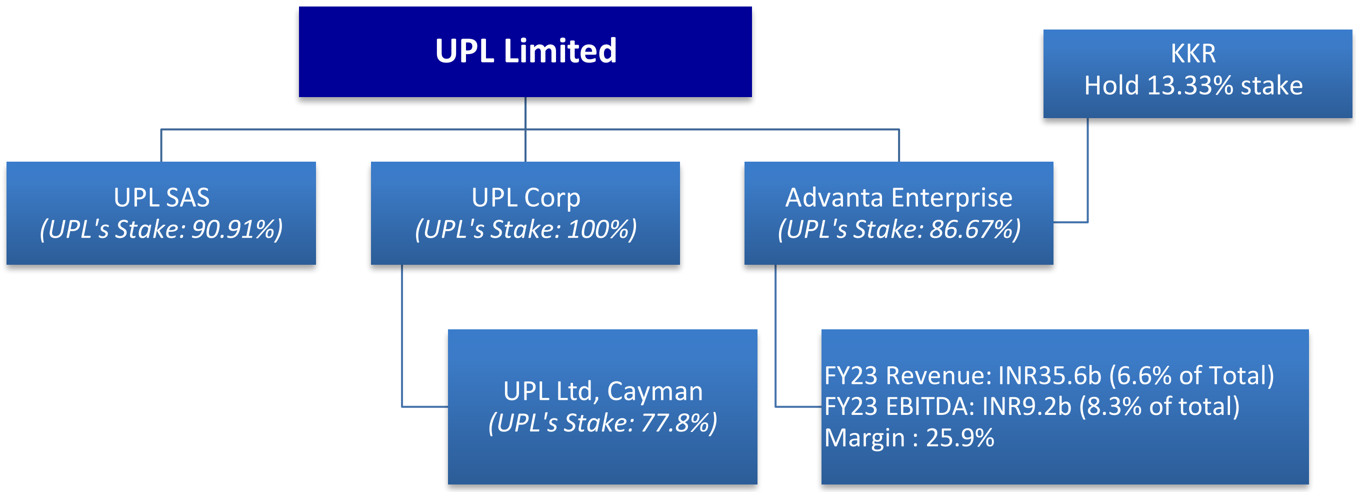
Key Charts

Advanta IPO Valuation

Particulars	Metrics	
Targeted IPO Valuation	USDb	4.0
Targeted IPO Valuation	INRb	332.0
FY23 EBITDA	INRb	9.2
IPO EV/EBITDA	**x**	**36**

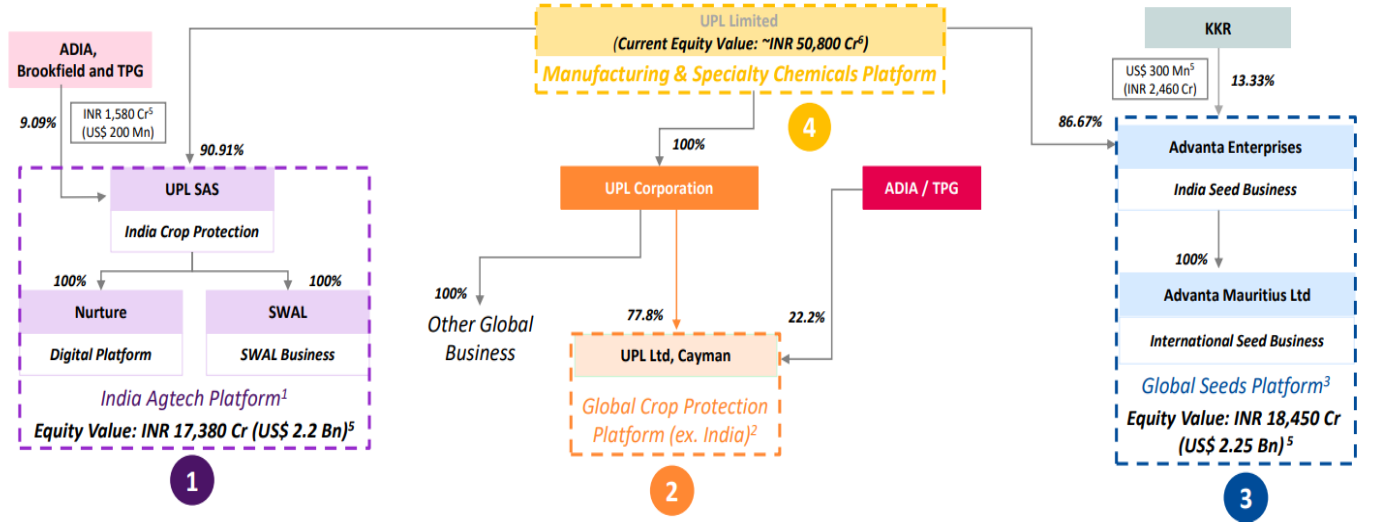
Source: Media Report, MOFSL

UPLL's latest Corporate Structure



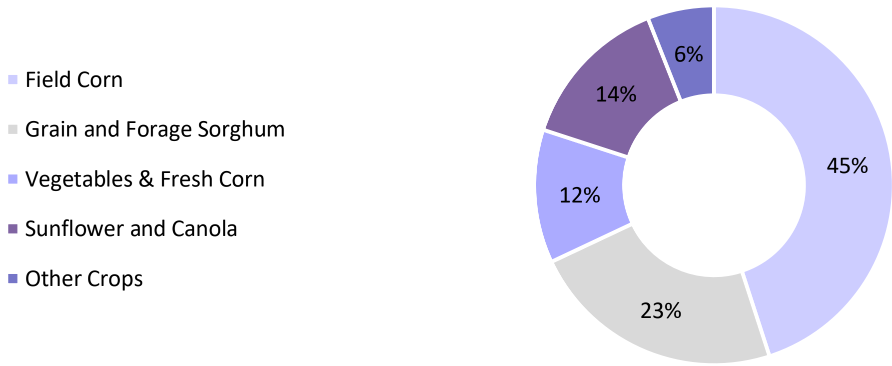
Source: Company, MOFSL

New Corporate structure post Realignment in Oct'22



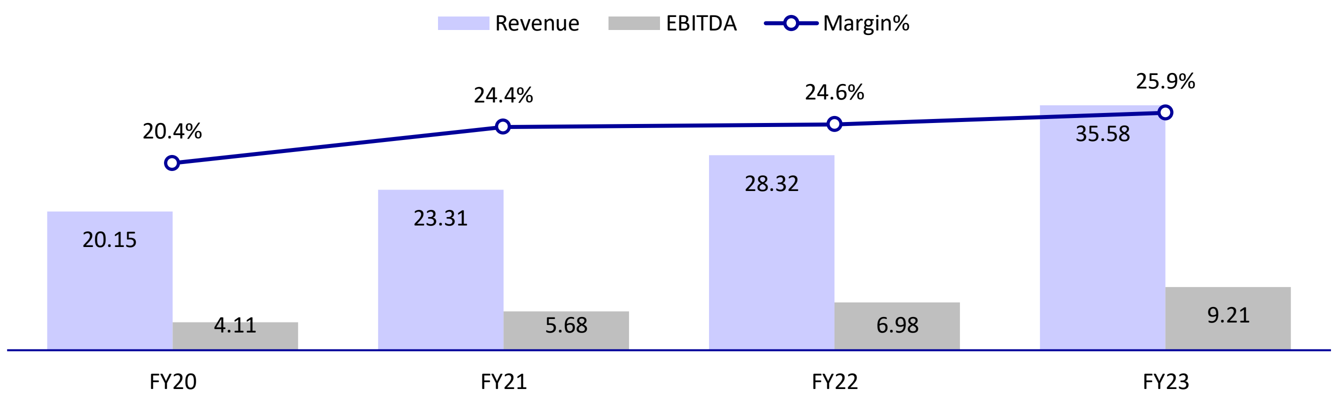
Source: Company, MOFSL

Revenue Mix of Advanta in FY23



Source: Company, MOFSL

Financial performance of Advanta Enterprises (INRb)



Source: Company, MOFSL

Bandhan Bank

BSE SENSEX	S&P CNX
74,228	22,515

CMP: INR198 — Neutral

Robust business growth; CASA ratio improves

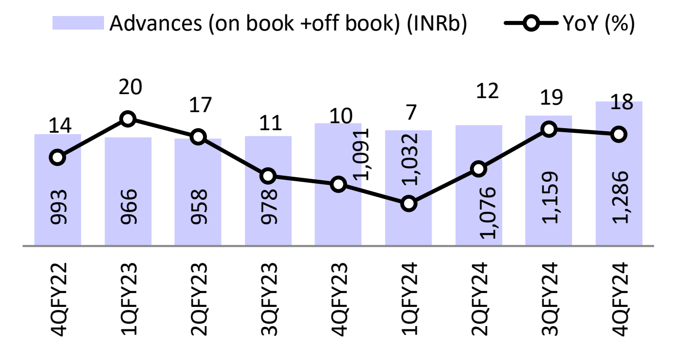
BANDHAN released its quarterly business update, highlighting the key trends for 4QFY24:

- Gross advances (on and off the book and TLTRO investments) grew 17.8% YoY (+10.9% QoQ) to ~INR1.16t vs. 7.7% QoQ increase in 3QFY24.
- The deposit base stood at INR1.35t, growing 25.1% YoY (15.1% QoQ). CASA deposits grew faster at 18.1% YoY (up 18.2% QoQ), resulting in a 1% QoQ increase in CASA ratio to 37.1%.
- Retail deposits (incl CASA) grew 21.9% YoY/12.1% QoQ. The proportion of Retail deposits stood at 69% (vs. 71% in 3QFY24). LCR ratio stood at 172%.
- On the asset quality front, the overall CE remained constant QoQ at 99%, with collection efficiency in the Non-EEB segment at 98%.
- We expect Bandhan Bank to report a healthy quarter. The recent additions to the KMP is expected to drive the business performance. Further, the bank now comprises of two EDs, exceeding the regulatory requirement of having a minimum of one ED, which reinforces confidence in its operations.

Financials Snapshot (INR b)

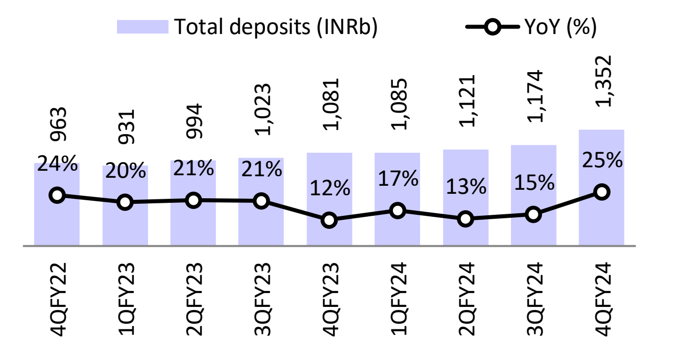
Y/E March	FY23	FY24E	FY25E
NII	92.6	101.3	115.5
OP	70.9	66.1	73.5
NP	21.9	30.3	37.1
NIM (%)	6.9	6.8	6.8
EPS (INR)	13.6	18.8	23.0
EPS Gr. (%)	NM	37.9	22.4
BV/Sh. (INR)	122	134	150
ABV/Sh. (INR)	116	125	142
Ratios			
RoE (%)	11.9	14.7	16.1
RoA (%)	1.5	1.9	2.0
Valuations			
P/E(X)	14.6	10.6	8.7
P/BV (X)	1.6	1.5	1.3
P/ABV (X)	1.7	1.6	1.4

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



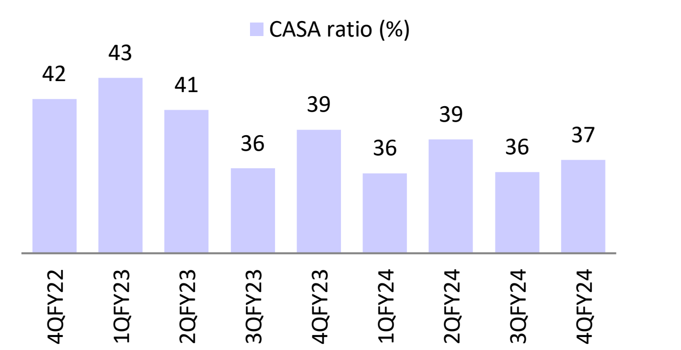
Source: MOFSL, Company

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



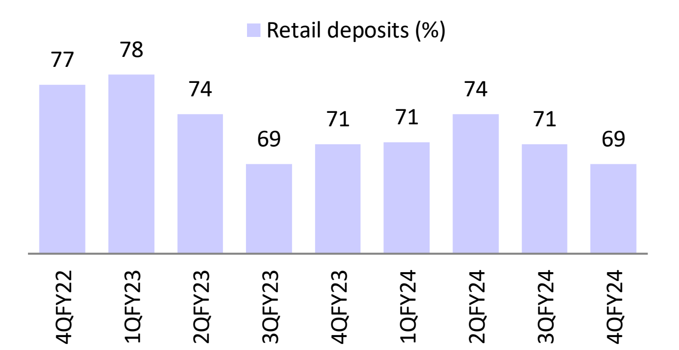
Source: MOFSL, Company

CASA ratio improved 1% QoQ to 37.1%



Source: MOFSL, Company

Retail deposit mix decreased to 69% in 4QFY24



Source: MOFSL, Company

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

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

Source: MOFSL, Company

AAVAS Financiers

BSE SENSEX	S&P CNX
74,228	22,515
Bloomberg	AAVAS IN
Equity Shares (m)	78
M.Cap.(INRb)/(USDb)	114.9 / 1.4
52-Week Range (INR)	1832 / 1307
1, 6, 12 Rel. Per (%)	1/-35/-40
12M Avg Val (INR M)	540
Free float (%)	60.9

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
NII	9.1	11.1	13.4
PPP	6.4	8.0	10.0
PAT	4.8	6.0	7.5
EPS (INR)	60.5	75.4	94.6
EPS Gr. (%)	11	25	26
BV/Sh. (INR)	474	549	644
Ratios (%)			
NIM	5.8	5.8	5.7
C/I ratio	46.0	44.2	42.1
Credit cost	0.21	0.24	0.21
RoA	3.2	3.3	3.5
RoE	13.6	14.7	15.9
Valuation			
P/E (x)	24.1	19.3	15.4
P/BV (x)	3.1	2.6	2.3

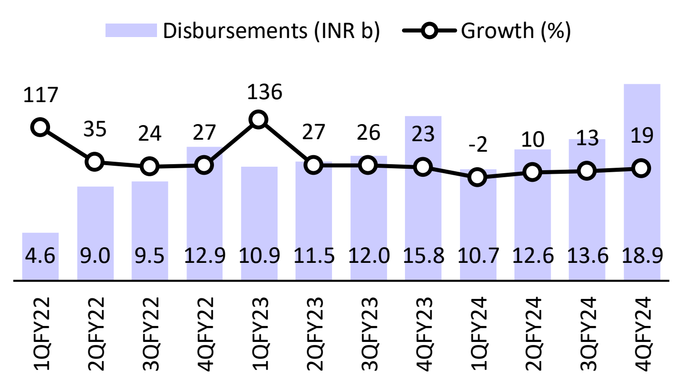
CMP: INR1,456 — Neutral

Strong disbursement momentum leads to better AUM growth

Asset quality improves with GS3 < 1%

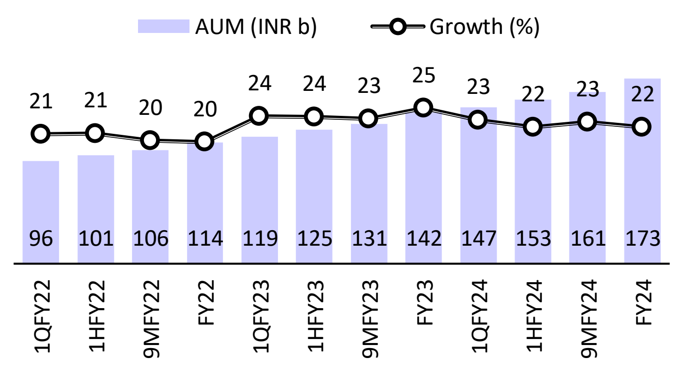
- AAVAS Financiers (AAVAS)'s disbursements were healthy and grew ~20% YoY to ~INR18.9b in 4QFY24. FY24 disbursements stood at ~INR55.8b, up ~11% YoY.
- AUM rose ~22% YoY/8% QoQ to ~INR173b in 4QFY24 (in line with MOFSLe).
- The annualized run-off in AAVAS's loan book increased to ~17% (from ~16% in 3QFY24).
- GS3 declined QoQ to 0.95% (PQ: 1.1%), while 1+DPD improved sequentially by ~60bp and declined to ~3.2%.
- The company added 16 branches in 4QFY24; total branches stood at 367 as of Mar'24.
- The securitization loan book in 4QFY24 amounted to ~INR4b (PY: ~INR2.9b and PQ: ~INR3.2b).
- AAVAS has maintained healthy liquidity levels of ~INR30b as of FY24.
- Notably, its 1+DPD remains within the guided levels, driven by its prudent underwriting process and efficient collection efforts. As AAVAS invests in sourcing, distribution, and technology, it will embark on a strong disbursement growth trajectory in FY25.
- The stock trades at 2.3x FY26E P/BV and captures its strong growth potential and superior asset quality franchise.

Disbursements grew 19% YoY...



Source: MOFSL, Company

...driving AUM growth of 22% YoY



Source: MOFSL, Company

Company Update | Sector: Financials

Equitas Small Finance

BSE SENSEX	S&P CNX
74,228	22,515

Financials Snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
NII	25.4	30.9	36.8
OP	11.8	13.7	16.1
NP	5.7	8.0	9.4
NIM (%)	9.0	8.4	8.1
EPS (INR)	4.9	7.2	8.3
BV/Sh. (INR)	46	52	58
ABV/Sh. (INR)	44	50	56
Ratios			
ROE (%)	12.2	14.6	15.1
ROA (%)	1.9	2.0	1.9
Valuations			
P/E (x)	20.2	13.7	11.8
P/BV (x)	2.1	1.9	1.7
P/ABV (X)	2.2	2.0	1.7

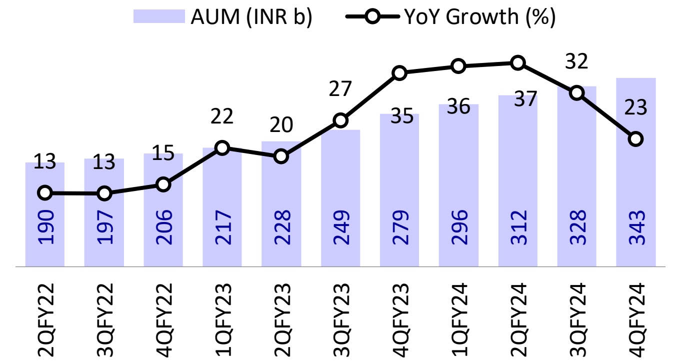
CMP: INR98 Buy

Deposit growth momentum healthy; CASA ratio moderates slightly

Equitas Small Finance Bank (EQUITAS) has released its business update for 4QFY24. Here are the key highlights:

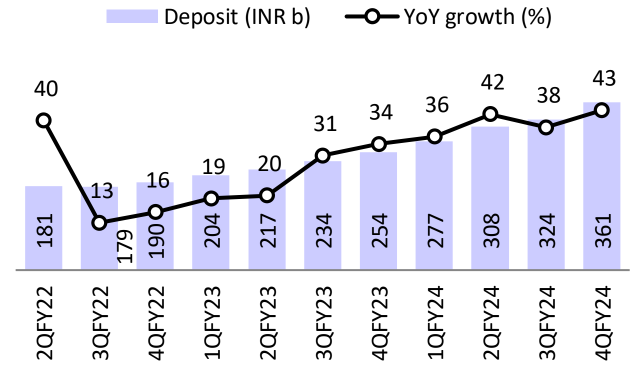
- EQUITAS reported healthy growth of 23% YoY (5% QoQ) in gross advances to INR343.4b.
- On the liability front, total deposits grew 43% YoY/12% QoQ to INR361.3b. CASA deposits increased 9% QoQ to INR115.5b and the CASA ratio stood at 32% in 4QFY24 vs. 33% in 3QFY24.
- As a result, the cost of funds increased to 7.44% in 4QFY24 from 7.36% in 3QFY24.
- EQUITAS reported healthy business growth, with deposits growing steadily; however, the CASA ratio has seen a slight moderation, leading to an increase in the cost of funds to 7.44% (up 8bp QoQ).

Advances grew 5% QoQ (23% YoY) to INR343b



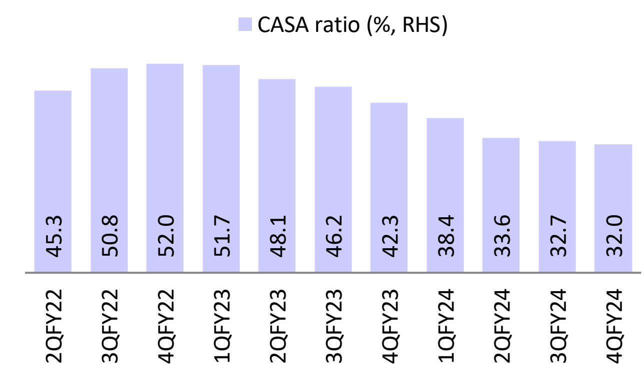
Source: MOFSL, Company

Deposits grew 12% QoQ (43% YoY) to INR361b



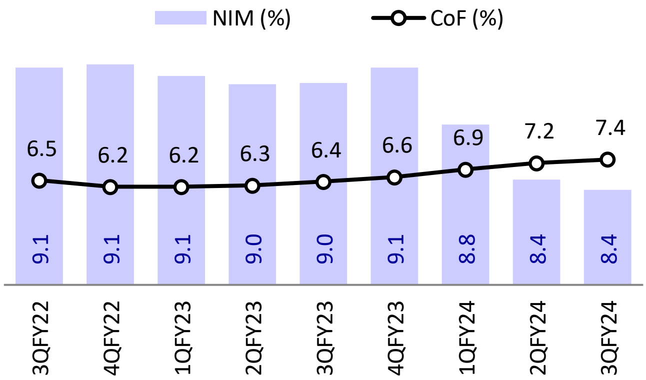
Source: MOFSL, Company

CASA ratio moderated to 32% in 4QFY24



Source: MOFSL, Company

NIM stood at 8.4% in 3QFY24



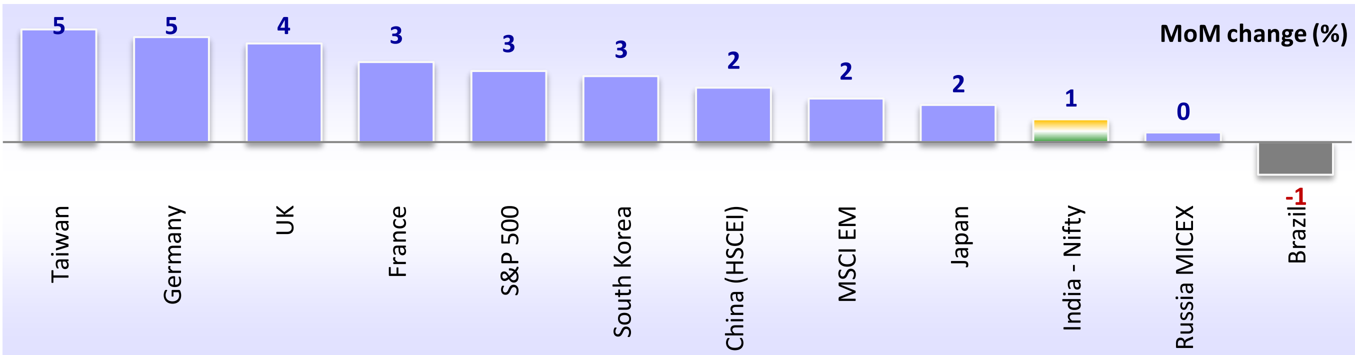
Source: MOFSL, Company

INDIA STRATEGY – Apr'24 (The Eagle Eye): A month of small cap shakeout

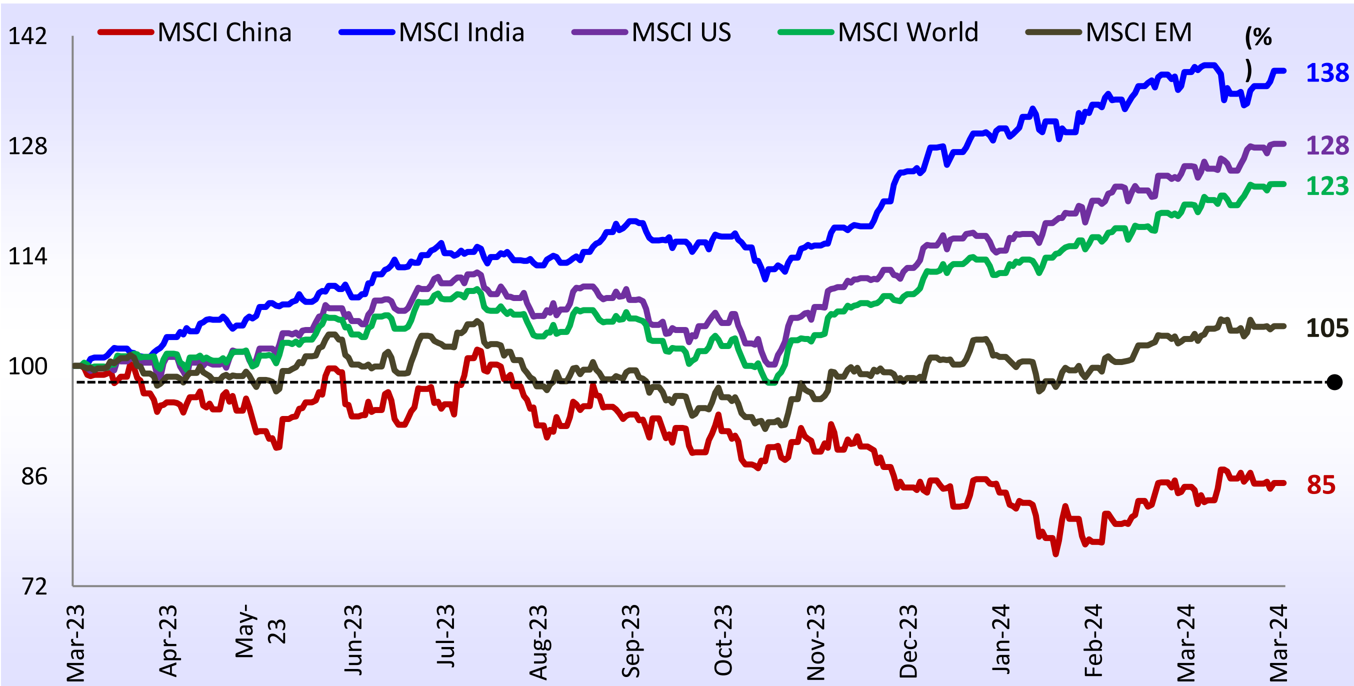
The key highlights of the 'The Eagle Eye' are as follows:

- a) MSCI India outperforms global markets in the last one year; b) Capital goods the top gainer and Media among the key laggards in Mar'24; c) Small and Micro caps witnessed sharp correction from recent highs d) Healthy market returns seen three months prior to the general election results; e) DII monthly flows the highest since Apr'20; FII flows turn strong in Mar'24; f) Average monthly cash and F&O volumes moderate in Mar'24 from the peak of Feb'24; g) India's forex reserves climbed to an all-time high level in Mar'24; h) Funds Mobilization rebounds sharply in FY24
- Notable Published reports in Mar'24: a) Happy Forging: Initiating Coverage: Expanding opportunities with diversification; b) Updater Services: Initiating Coverage: Diversified play on high-growth business services; c) India's Quarterly Economic Outlook – 4QFY24

World equity indices (MoM) in USD terms (%)



Performance of the MSCI India index vs. MSCI US, MSCI World, MSCI Emerging Market, and MSCI China Indices, in USD terms



Motilal Oswal | MORNING INDIA

EcoScope
The Economy Observer

EAI – Monthly Dashboard: Economic activity remained strong in Feb'24

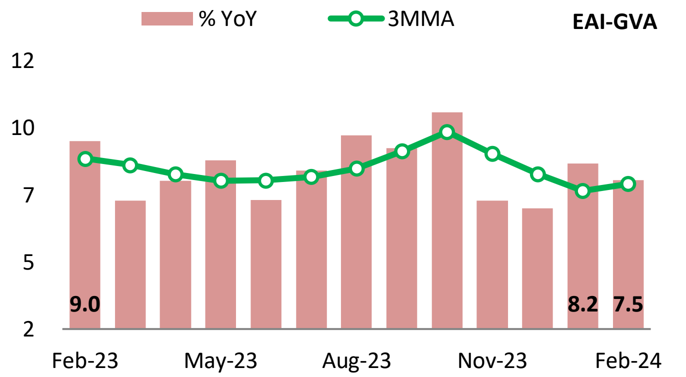
Expect real GDP growth of ~7% in 4QFY24 vs. CSO's estimate of 5.9%

- **Preliminary estimates indicate that India's EAI-GVA growth decelerated to 7.5% YoY in Feb'24 (vs. 9%/8.2% YoY in Feb'23/Jan'24), though the momentum remained robust. The sequential deceleration in growth was due to lower growth in the services sector, which was partly offset by four-month high growth in the industrial sector. At the same time, farm sector growth remained muted.**
- **EAI-GDP grew at a five-month high rate of 4.3% YoY in Feb'24 (vs. 8.8%/2.7% YoY in Feb'23/Jan'24), led by five-month high growth in consumption and four-month high growth in investments. Excluding fiscal spending, EAI-GDP grew at a four-month high rate of 3.7% YoY in Feb'24 (vs. 3.4% in Jan'24).**
- **A few high-frequency indicators (HFIs) portray a mixed picture of Mar'24 growth. Growth slowed last month in some indicators such as vaahan registrations, CV sales and air cargo traffic, whereas the manufacturing PMI was at a 16-year high of 59.1 in Mar'24, toll collections grew 10.6% and rail freight traffic grew at a 22-month highest pace of 13.2% in Mar'24. PV sales grew 14.4% in Mar'24, slightly lower than 15.5% in Feb'24 but still maintained double-digit growth momentum. Water reservoir levels continued to decline, though the services PMI remained strong at 61.2 last month.**
- **For the past three quarters, India's real GDP growth has been much better than expected (above 8%), beating all estimates. We believe that there will be another positive surprise in 4QFY24 as well. Our EAI-GVA estimates suggest that growth remained strong in Jan'24 (8.2% YoY) and Feb'24 (7.5% YoY). Additionally, selected HFIs for Mar'24 portray a mixed picture. Thus, it is likely that real GVA/GDP growth will be ~6%/7% in 4QFY24, better than the CSO's estimates of 5.4%/5.9%.**

Preliminary estimates indicate that India's EAI-GVA growth decelerated to 7.5% YoY in Feb'24.

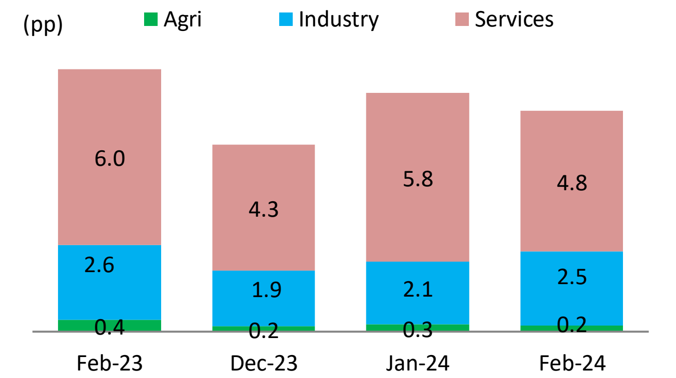
- **EAI-GVA growth decelerated to 7.5% in Feb'24:** Preliminary estimates indicate that India's EAI-GVA growth decelerated to 7.5% YoY in Feb'24 (vs. 9%/8.2% YoY in Feb'23/Jan'24), though the momentum remained robust. The sequential deceleration in growth was due to lower growth in the services sector growth, which was partly offset by four-month high growth in the industrial sector. At the same time, farm sector growth remained muted *(Exhibits 1 and 2)*.
- **EAI-GDP growth at five-month high in Feb'24:** EAI-GDP grew at a five-month high rate of 4.3% YoY in Feb'24 (vs. 8.8%/2.7% YoY in Feb'23/Jan'24), led by five-month high growth in consumption and four-month high growth in investments. Excluding fiscal spending, EAI-GDP grew at a four-month high pace of 3.7% YoY in Feb'24 vs. 3.4% in Jan'24 *(Exhibits 3 and 4)*.

Exhibit 1: EAI-GVA growth decelerated to 7.5% YoY in Feb'24…



Please refer to our earlier report for details

Exhibit 2: …led by a 4-month high growth in the industrial sector



Source: Various national sources, CEIC, MOFSL

J&K Bank : Ended year with CASA growth of more than 50; Baldev Prakash, MD & CEO

- Q4 has been encouraging in terms of liabilities
- Double digit growth in deposits; Advances have grown ~14% on YoY Basis
- Guided for 4.5% GNPA, have done better than that
- Net NPA is below 1%
- Recently entered into a new tie up with new India Assurance
- Looking to grow the home loan segment
- Confident of maintaining market share going ahead

Read More

JBM Auto : EV batteries can last upto ~20 years; Nishant Arya, Vice Chairman & MD

- Co has strong orderbook at present
- EV buses are ~1.4-1.5 x more expensive than traditional buses
- Battery recycling a process spanning over multiple life-cycles
- ~70-75% of the vehicle value addition and structure is in house

Read More

Neogen chemicals : 50% new vehicles coming from EV base by 2030; Dr Harin Kanani, MD

- Strong commitment from government at policy level
- Battery capacity of 150-250 GW expected for India in long term
- India is good location; got specialized chemistry
- 30GWH of salt and battery production by next year
- Revenue potential of Rs 2,500- 2,900 cr expected

Read More

KEC International : Target Rs 25,000 cr order inflow in FY25; Vimal Kejriwal, MD & CEO

- Lowest bidder in orders worth Rs5,000 cr, currently stuck due to election COC
- Newer orders at higher commodity price will happen at higher values
- FY25 margin aimed at 7.5-8%
- Absolute debt wont go down in FY25, might borrow more to fund projects

Read More

Index	1 Day (%)	1M (%)	12M (%)
Sensex	**0.5**	**0.5**	**25.6**
Nifty-50	**0.4**	**0.5**	**29.4**
Nifty Next 50	**-0.4**	**3.7**	**64.0**
Nifty 100	**0.3**	**1.1**	**34.7**
Nifty 200	**0.3**	**1.1**	**38.7**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Automobiles	**0.4**	**3.9**	**74.2**
Amara Raja Ener.	0.5	-4.7	37.6
Apollo Tyres	-1.9	-14.1	42.5
Ashok Leyland	-0.7	0.6	22.7
Bajaj Auto	0.7	11.4	129.0
Balkrishna Inds	1.1	4.7	20.5
Bharat Forge	0.8	-3.2	49.3
Bosch	-0.1	5.1	58.5
CEAT	0.9	-7.4	85.1
Craftsman Auto	1.6	5.8	42.8
Eicher Motors	2.0	7.0	33.6
Endurance Tech.	-1.0	2.9	51.3
Escorts Kubota	0.5	3.5	61.3
Exide Inds.	1.9	-2.8	77.2
Happy Forgings	-0.9	-4.2	
Hero Motocorp	-0.8	-1.9	86.0
M & M	0.7	4.3	71.2
CIE Automotive	-0.5	6.6	33.7
Maruti Suzuki	1.1	8.4	47.8
MRF	-0.6	-7.4	60.4
Sona BLW Precis.	-1.1	-1.5	57.9
Motherson Sumi	-0.7	0.0	76.9
Motherson Wiring	-0.1	0.9	41.6
Tata Motors	0.2	2.5	138.4
TVS Motor Co.	-0.8	-6.5	92.4
Tube Investments	-2.7	-1.5	40.4
Banks-Private	**1.1**	**1.0**	**15.6**
AU Small Fin. Bank	2.6	7.0	10.3
Axis Bank	0.0	-4.0	22.9
Bandhan Bank	3.9	-0.5	-3.0
DCB Bank	-1.1	-3.4	17.8
Equitas Sma. Fin	1.3	12.7	117.3
Federal Bank	-1.3	-0.7	14.5
HDFC Bank	3.1	6.6	-5.2
ICICI Bank	0.2	-1.2	22.1
IDFC First Bank	1.3	-3.2	43.0
IndusInd Bank	0.1	0.9	43.2
Kotak Mah. Bank	1.0	1.3	0.2
RBL Bank	0.8	-6.9	76.1
SBI Cards	-0.2	-3.2	-7.1
Banks-PSU	**-0.7**	**1.6**	**93.1**
BOB	-1.8	-1.4	59.2
Canara Bank	0.1	2.6	111.5
Indian Bank	-0.4	0.1	81.5
Punjab Natl.Bank	0.0	7.2	185.3
St Bk of India	-1.5	-1.7	44.1
Union Bank (I)	1.0	6.9	134.8

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	**0.3**	**1.1**	**41.5**
Nifty Midcap 100	**0.0**	**1.0**	**64.9**
Nifty Smallcap 100	**0.5**	**0.8**	**79.0**
Nifty Midcap 150	**0.0**	**1.5**	**61.2**
Nifty Smallcap 250	**0.6**	**0.5**	**71.1**
NBFCs	**0.8**	**2.1**	**17.7**
Aditya Birla Capital Ltd	0.7	7.6	33.6
Bajaj Fin.	-0.4	10.3	27.4
Cholaman.Inv.&Fn	0.1	11.2	53.7
Can Fin Homes	0.4	2.3	48.3
Cams Services	-0.3	3.2	48.8
CreditAcc. Gram.	4.0	2.3	59.6
Fusion Microfin.	3.3	-8.7	25.4
Home First Finan	2.5	6.6	32.6
Indostar Capital	5.0	6.5	111.7
IIFL Finance	1.0	-40.5	-24.6
L&T Finance	1.2	-1.2	105.6
LIC Housing Fin.	0.4	-2.1	93.0
M & M Fin. Serv.	-0.4	2.3	23.6
Muthoot Finance	2.2	24.6	69.8
Manappuram Fin.	-0.2	5.2	54.5
MAS Financial Serv.	2.3	-6.1	16.1
ICICI Sec	0.0	-13.9	64.2
360 One	0.0	-0.9	70.9
PNB Housing	4.7	6.9	71.8
Repco Home Fin	-1.7	1.0	143.4
Shriram Finance	-2.2	2.2	94.3
Spandana Sphoort	5.3	-2.6	68.4
Insurance			
HDFC Life Insur.	-0.3	2.0	23.6
ICICI Pru Life	-2.3	10.9	38.4
ICICI Lombard	-3.2	-0.7	51.7
Life Insurance	0.9	-2.9	84.8
Max Financial	1.6	2.2	61.2
SBI Life Insuran	0.2	-3.6	32.6
Star Health Insu	-0.4	-0.1	5.8
Chemicals			
Alkyl Amines	10.8	1.6	-2.6
Atul	0.3	-1.3	-13.4
Clean Science	-0.1	-3.5	1.4
Deepak Nitrite	1.4	1.2	22.7
Fine Organic	2.4	1.1	0.6
Galaxy Surfact.	1.2	-0.1	5.2
Navin Fluo.Intl.	-0.4	2.7	-26.0
NOCIL	0.4	5.3	32.7
P I Inds.	-2.1	5.5	28.2
SRF	-1.2	9.1	9.7
Tata Chemicals	0.2	9.0	11.9
Vinati Organics	-1.3	-8.4	-17.9
Capital Goods	**0.3**	**-3.3**	**130.5**
A B B	0.0	15.5	92.7
Bharat Electron	-0.5	5.1	128.1
Cummins India	-0.6	8.9	88.7

Company	1 Day (%)	1M (%)	12M (%)
Hitachi Energy	-0.7	12.7	108.9
K E C Intl.	5.6	5.4	71.1
Kalpataru Proj.	1.3	12.7	117.3
Kirloskar Oil	1.9	0.7	129.0
Larsen & Toubro	0.4	4.2	75.0
Siemens	-0.3	20.0	67.8
Thermax	1.7	21.9	93.4
Triveni Turbine	2.3	14.3	72.7
Cement			
Ambuja Cem.	-1.6	1.2	66.7
ACC	-0.7	-2.9	53.1
Birla Corp.	1.4	-8.0	65.6
Dalmia Bhar.	-0.7	0.0	2.8
Grasim Inds.	-1.2	2.0	40.5
India Cem	0.1	-3.6	19.7
J K Cements	0.2	-2.6	49.3
JK Lakshmi Cem.	-1.1	-7.8	8.6
The Ramco Cement	-1.8	-1.0	11.2
Shree Cement	-1.7	0.7	-1.3
UltraTech Cem.	0.0	0.3	30.9
Consumer	**-0.4**	**-1.1**	**17.3**
Asian Paints	1.7	3.1	5.1
Britannia Inds.	-0.4	-0.5	11.3
Colgate-Palm.	-3.3	5.0	77.6
Dabur India	-4.7	-5.8	-7.6
Emami	2.0	-2.3	24.0
Godrej Consumer	-1.0	-6.1	22.1
Hind. Unilever	0.0	-6.5	-10.7
ITC	-0.6	3.3	11.6
Indigo Paints	0.0	0.5	31.1
Jyothy Lab.	-1.7	0.4	131.1
Marico	-0.9	-6.2	2.5
Nestle India	-0.2	-1.5	29.4
Page Industries	-0.8	-2.7	-8.7
Pidilite Inds.	-0.2	10.9	28.8
P & G Hygiene	-0.2	2.8	16.6
Tata Consumer	-0.1	-7.1	55.9
United Breweries	-1.2	4.0	24.3
United Spirits	-0.9	-3.9	49.2
Varun Beverages	2.6	5.6	114.2
EMS			
Kaynes Tech	-0.8	-13.5	158.5
Avalon Tech	0.6	-1.0	
Syrma SGS Tech.	1.1	-6.6	85.0
Cyient DLM	0.1	-11.3	
Data Pattern	-1.7	-7.0	89.1
Healthcare	**-0.1**	**0.9**	**58.5**
Alembic Pharma	1.4	0.0	103.7
Alkem Lab	-0.6	-5.0	43.1
Apollo Hospitals	1.0	6.8	52.1
Ajanta Pharma	-3.8	4.6	76.6
Aurobindo	-1.2	3.0	115.9
Biocon	-0.9	-3.1	29.1
Zydus Lifesci.	-0.5	3.9	99.7
Cipla	-0.8	-0.8	63.7
Divis Lab	1.3	7.2	29.9
Dr Reddy’s	0.3	-3.0	31.9
ERIS Lifescience	-1.3	-5.6	44.9
Gland Pharma	-0.7	3.9	38.3
Glenmark	1.2	9.1	109.8
Global Health	1.4	7.6	170.0
Granules	-2.0	-4.8	49.5
GSK Pharma	-1.6	-10.0	49.4
IPCA Labs	4.2	6.2	57.5
Laurus Labs	-0.6	4.8	43.6
Lupin	-1.1	-4.9	143.5
Max Healthcare	0.4	10.1	90.1
Piramal Pharma	0.6	4.7	93.8
Sun Pharma	0.0	4.3	65.4
Torrent Pharma	-1.5	-5.2	65.0
Infrastructure	**-0.6**	**0.7**	**64.4**
G R Infraproject	-0.9	9.4	30.8
IRB Infra.Devl.	-0.6	0.8	152.6
KNR Construct.	0.6	-7.6	2.5
Logistics			
Adani Ports	-2.2	1.8	117.7
Blue Dart Exp.	-0.8	1.5	-1.5
Container Corpn.	0.0	-7.4	57.3
JSW Infrast	0.2	-3.5	
Mahindra Logis.	-0.4	0.8	19.3
Transport Corp.	-0.5	4.4	37.4
TCI Express	-0.8	-3.0	-29.3
VRL Logistics	-0.6	0.7	-9.8
Media	**-0.1**	**-4.6**	**12.4**
PVR INOX	0.5	0.4	-8.4
Sun TV	-0.4	-3.2	47.6
Zee Ent.	0.1	-1.2	-28.4
Metals	**-0.1**	**4.4**	**58.5**
Hindalco	0.2	10.1	43.5
Hind. Zinc	2.9	8.2	13.3
JSPL	0.1	7.6	66.0
JSW Steel	-0.7	4.6	26.4
Nalco	0.3	5.2	120.6
NMDC	-0.4	-9.7	94.6
SAIL	-1.5	3.0	74.2
Tata Steel	-0.2	6.7	57.0
Vedanta	3.7	12.2	9.8
Oil & Gas	**-1.6**	**-3.5**	**61.3**
Aegis Logistics	1.4	1.5	16.8
BPCL	-2.0	-6.6	81.4
Castrol India	-0.1	-1.3	85.9
GAIL	-1.4	-2.3	76.9
Gujarat Gas	0.5	-7.3	18.6
Gujarat St. Pet.	-0.8	-2.2	38.8
HPCL	-2.7	-12.1	104.7
IOCL	-2.3	-3.1	119.0

Index and MOFSL Universe stock performance

Company	1 Day (%)	1M (%)	12M (%)
IGL	-1.0	-2.1	3.9
Mahanagar Gas	-0.7	-9.5	51.5
MRPL	-1.2	2.5	337.5
Oil India	-2.2	-0.5	139.6
ONGC	-2.3	-3.7	75.1
PLNG	-2.5	-5.3	17.9
Reliance Ind.	-0.6	-3.0	37.8
Real Estate	**0.0**	**-0.3**	**136.5**
Brigade Enterpr.	1.5	-4.2	100.9
DLF	-1.8	-4.7	145.7
Godrej Propert.	0.3	-3.3	130.5
Mahindra Life.	2.0	7.4	75.8
Macrotech Devel.	2.0	-3.9	148.6
Oberoi Realty Ltd	0.7	10.8	81.9
Sobha	-0.4	-2.7	261.1
Sunteck Realty	0.5	-6.0	48.6
Phoenix Mills	-0.6	5.5	115.8
Prestige Estates	0.2	10.5	216.6
Retail			
Aditya Bir. Fas.	0.3	3.0	10.1
Avenue Super.	4.1	20.8	30.7
Bata India	0.2	-3.7	-4.2
Campus Activewe.	1.6	-3.3	-28.6
Barbeque-Nation	0.9	-5.7	-10.2
Devyani Intl.	0.6	1.6	6.0
Jubilant Food	1.0	0.2	6.7
Metro Brands	-1.5	-4.2	35.9
Raymond	0.0	6.7	60.9
Relaxo Footwear	0.5	1.4	-0.8
Restaurant Brand	-1.4	-3.4	13.7
Sapphire Foods	-1.0	-1.0	24.1
Shoppers St.	-2.0	5.4	17.0
Titan Co.	1.9	1.3	49.1
Trent	2.0	2.1	194.9
V-Mart Retail	-1.4	12.3	-0.9
Vedant Fashions	0.3	-6.8	-17.3
Westlife Food	0.1	10.1	17.4
Technology	**1.1**	**-5.1**	**23.7**
Cyient	4.7	7.4	117.6
HCL Tech.	0.2	-6.0	40.2
Infosys	0.4	-9.2	5.4
LTIMindtree	1.4	-5.4	4.1
L&T Technology	1.3	10.9	69.7
Mphasis	1.2	-3.3	39.9
Coforge	2.8	-9.7	51.1
Persistent Sys	1.4	-4.9	77.8
TCS	1.4	-1.9	25.1
Tech Mah	1.9	-0.1	16.0
Wipro	0.9	-6.4	32.5
Zensar Tech	1.3	12.6	126.8
Telecom	**-0.2**	**2.6**	**68.5**
Bharti Airtel	-1.5	6.5	58.7
Indus Towers	2.0	14.4	113.5

Company	1 Day (%)	1M (%)	12M (%)
Idea Cellular	-1.5	-6.0	117.1
Tata Comm	0.2	3.7	64.9
Utiltites	**0.4**	**2.8**	**95.0**
Coal India	0.8	-1.4	103.9
NTPC	1.0	0.2	99.5
Power Grid Corpn	-0.9	-5.8	64.8
Others			
APL Apollo Tubes	-3.2	0.5	31.3
BSE	1.0	24.6	543.0
Cello World	1.9	-1.8	
Coromandel Intl	0.0	4.8	30.1
Dreamfolks Servi	0.1	-0.3	16.8
EPL Ltd	0.7	-0.4	17.4
Indiamart Inter.	-2.8	-3.3	1.2
Godrej Agrovet	2.9	5.2	28.0
Havells	-0.8	-1.0	29.4
Indian Hotels	0.6	5.0	92.5
Interglobe	-0.2	9.9	83.4
Info Edge	0.3	9.1	52.3
Kajaria Ceramics	-2.5	-3.5	17.0
Lemon Tree Hotel	-0.5	-0.8	83.9
MCX	0.5	-3.2	137.4
One 97	0.0	-1.8	-35.7
Piramal Enterp.	-0.3	-11.4	25.2
Quess Corp	5.5	16.4	57.5
SIS	-0.4	-2.4	28.8
Team Lease Serv.	1.7	5.3	38.0
UPL	3.4	3.9	-32.4
Updater Services	-0.4	-7.7	
Voltas	-0.2	9.6	48.0
Zomato Ltd	4.9	10.1	260.0

NOTES

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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

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