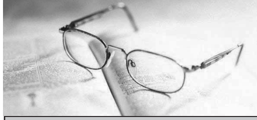
ValueGuide

August 2023

Intelligent Investing	Regular Features	Products & Services	Trader's Edge
Stock Idea	Report Card	PMS	Technical View
Stock Updates	Earnings Guide	MF Picks	Currencies
Viewpoints			F&O Insights
Sector Updates			

Sharekhan

by BNP PARIBAS



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From the Editor's Desk

After four consecutive months of a smart rally in the benchmark indices, the markets seem to be taking a breather now. The Nifty has rallied by close to 3,000 points from the low of March 2023 while the uptrend in the broader market is even better with a 33-34% surge in the CNX Microcap Index during the same period. ....

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EQUITY

FUNDAMENTALS

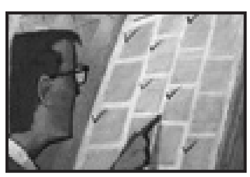
TECHNICALS

CURRENCY

TECHNICALS

PMS DESK

MUTUAL FUND DESK



STOCK IDEAS STANDING (AS ON AUG 03, 2023)

COMPANY	CURRENT RECO	PRICE AS ON 03-AUG-2023	PRICE TARGET	52 WEEK		ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
				HIGH	LOW	1M	3M	6M	12M	1M	3M	6M	12M
Autos													
Alicon Castalloy	BUY	866	999	1111	645	1.4	8.3	-0.4	16.9	1.8	2.5	-7.7	4.4
Amara Raja Batteries	BUY	625	696	708	479	-8.1	5.0	4.5	23.7	-7.8	-0.6	-3.1	10.5
Apollo Tyres	BUY	431	472	441	226	8.6	20.0	27.5	85.9	9.0	13.6	18.3	66.1
Ashok Leyland	BUY	181	221	188	133	10.9	24.4	18.3	24.1	11.3	17.7	9.8	10.9
Bajaj Auto	BUY	4827	5600	4989	3462	4.4	8.3	25.5	20.3	4.8	2.5	16.3	7.5
Balkrishna Industries	HOLD	2479	**	2569	1801	5.4	16.4	7.8	6.9	5.8	10.2	-0.1	-4.5
Bosch	BUY	18243	21929	19980	15301	-4.4	-4.9	4.6	3.9	-4.0	-10.0	-3.0	-7.2
Eicher Motors	BUY	3380	3855	3886	2836	-0.6	1.3	3.7	7.5	-0.3	-4.1	-3.9	-3.9
Exide Industries	BUY	257	301	267	153	7.2	33.1	40.8	64.1	7.6	26.0	30.6	46.6
Gabriel India	BUY	225	**	234	130	15.7	41.3	38.4	59.9	16.1	33.8	28.3	42.9
GNA Axles	BUY	1004	1095	1050	626	16.8	28.8	17.3	77.6	17.3	21.9	8.8	58.7
Greaves Cotton	BUY	140	183	185	119	3.2	2.7	1.9	-14.2	3.6	-2.8	-5.5	-23.3
Hero MotoCorp	BUY	2951	3298	3243	2247	-2.6	17.4	9.5	5.1	-2.2	11.1	1.6	-6.0
Lumax Auto Technologies	BUY	399	406	469	201	13.3	31.4	73.2	74.8	13.7	24.4	60.7	56.2
M&M	BUY	1468	1665	1595	1124	0.3	19.2	6.8	16.4	0.7	12.8	-1.0	4.0
Maruti Suzuki	BUY	9542	11993	10037	8077	-1.1	8.4	7.1	6.4	-0.7	2.6	-0.7	-5.0
Ramkrishna Forgings	BUY	557	580	599	176	24.7	66.2	105.5	191.5	25.1	57.3	90.6	160.5
Schaeffler India	BUY	3037	3406	3969	2555	-0.4	6.8	15.2	8.5	-0.1	1.1	6.8	-3.1
Sundram Fasteners	BUY	1225	**	1275	801	-0.5	17.4	26.0	48.2	-0.1	11.2	16.8	32.5
Suprajit Engineering	BUY	418	439	447	315	2.4	10.4	26.8	22.5	2.7	4.5	17.6	9.4
Tata Motors	BUY	619	748	665	376	4.7	28.7	40.0	32.0	5.0	21.8	29.9	18.0
TVS Motor	BUY	1362	1498	1401	926	4.5	16.4	28.8	45.7	4.9	10.2	19.5	30.2
BSE Auto Index		***35240***		***36455***	***27469***	***1.9***	***15.2***	***15.4***	***18.7***	***2.3***	***9.0***	***7.1***	***6.0***
Agri/Specialty Chemical													
Aarti Industries	HOLD	474	570	806	445	-3.4	-14.2	-16.1	-32.9	-3.1	-18.7	-22.2	-40.0
Atul Limited	HOLD	7017	7550	9805	6469	1.3	4.0	-4.0	-25.3	1.7	-1.6	-10.9	-33.2
Coromandel International	BUY	1033	1155	1094	839	8.0	6.1	15.6	-0.5	8.4	0.4	7.2	-11.1
Insecticides (India)	BUY	465	540	789	410	3.0	-2.0	-22.9	-31.7	3.4	-7.2	-28.5	-38.9
NOCIL Ltd	BUY	219	260	295	199	0.3	-3.0	3.5	-17.0	0.6	-8.1	-4.0	-25.8
PI Industries	BUY	3684	4200	4010	2870	-4.2	7.5	20.4	17.4	-3.8	1.7	11.7	4.9
Sumitomo Chemical India	HOLD	410	430	541	383	-7.8	-1.2	-5.5	-12.2	-7.5	-6.5	-12.4	-21.6
SRF Limited	BUY	2262	2745	2864	2050	-0.5	-11.3	1.9	-7.9	-0.2	-16.1	-5.5	-17.7
Sudarshan Chemicals	BUY	519	600	566	345	5.7	25.0	41.1	9.0	6.1	18.3	30.8	-2.6
UPL	BUY	601	745	807	590	-11.3	-18.1	-15.9	-18.0	-11.0	-22.4	-22.0	-26.7
Vinati Organics	HOLD	1877	1930	2373	1693	2.4	-2.9	0.4	-14.6	2.8	-8.1	-6.9	-23.7
Banks and Financial Services													
AU Small Finance Bank	HOLD	729	800	795	548	-6.3	6.4	15.3	14.4	-6.0	0.7	6.9	2.2
Axis Bank	BUY	937	1140	990	706	-3.5	8.2	6.1	29.8	-3.1	2.4	-1.6	16.0
Bajaj Finance	BUY	7108	8800	8000	5487	-9.6	11.2	16.4	-2.9	-9.3	5.3	8.0	-13.2
Bajaj Finserv	BUY	1495	1870	1846	1216	-8.3	8.8	11.3	-1.5	-7.9	3.0	3.2	-12.0
Bank of Baroda	**	193	**	211	116	-4.5	4.3	15.2	62.9	-4.1	-1.2	6.8	45.6
Bank of India	BUY	84	102	104	46	4.3	-3.0	5.8	71.9	4.7	-8.2	-1.8	53.6
Can Fin Homes	BUY	727	960	905	451	-8.9	14.1	24.9	25.2	-8.5	8.0	15.8	11.9
Cholamandalam Investment and Finance Company	BUY	1069	1350	1215	658	-10.0	12.5	36.8	40.1	-9.6	6.5	26.9	25.2
City Union Bank	HOLD	131	145	205	120	2.7	-7.9	-17.2	-18.2	3.0	-12.9	-23.2	-26.9
Federal Bank	BUY	132	170	143	105	0.2	-5.1	-0.3	22.6	0.6	-10.2	-7.6	9.5
HDFC Bank	BUY	1629	2100	1758	1365	-5.8	-5.7	-1.4	13.9	-5.4	-10.7	-8.6	1.8
ICICI Bank	BUY	966	1200	1009	796	2.3	4.8	13.1	17.8	2.7	-0.8	4.9	5.2
Indusind Bank	BUY	1364	1650	1446	990	-0.2	20.3	20.8	29.9	0.1	13.8	12.0	16.1
Kotak Mahindra Bank	BUY	1825	2250	2063	1644	-2.0	-6.3	4.4	-0.6	-1.6	-11.3	-3.1	-11.1
LIC Housing Finance	BUY	394	490	446	315	1.0	6.5	1.4	5.8	1.4	0.8	-5.9	-5.5
LT Finance Holding	BUY	126	155	140	72	-5.5	31.5	41.5	69.4	-5.1	24.4	31.3	51.4
Max Financial	BUY	769	950	871	599	-3.5	17.9	8.2	-6.4	-3.1	11.6	0.4	-16.4
M&M Financial Services	BUY	286	345	346	176	-16.6	-0.9	9.1	46.7	-16.3	-6.2	1.1	31.1

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				HIGH	LOW	1M	3M	6M	12M	1M	3M	6M	12M
Nippon Life India AMC	HOLD	312	**	326	197	9.5	32.1	37.1	4.3	9.9	25.0	27.1	-6.8
Punjab National Bank	BUY	59	72	65	32	4.2	11.4	15.6	77.9	4.6	5.5	7.2	59.0
SBI	BUY	591	710	630	499	0.2	1.8	8.3	10.8	0.6	-3.6	0.4	-1.0
BSE Bank Index		***50098***		***52499***	***42773***	***-1.9***	***1.4***	***7.0***	***15.6***	***-1.5***	***-4.0***	***-0.7***	***3.3***
Insurance													
HDFC Life	BUY	633	750	691	458	-2.2	15.8	31.2	18.3	-1.8	9.6	21.6	5.7
ICICI Pru Life	BUY	571	650	616	381	0.9	30.4	32.9	1.8	1.2	23.4	23.2	-9.1
ICICI Lombard	BUY	1347	1540	1423	1049	2.4	23.6	18.6	12.0	2.7	17.0	10.0	0.1
Consumer Goods													
Asian Paints	HOLD	3336	3675	3590	2686	-0.4	11.8	21.0	-3.6	0.0	5.9	12.3	-13.8
Bajaj Consumer Care	BUY	223	280	237	146	16.0	29.8	31.9	36.7	16.4	22.8	22.3	22.2
Britannia	BUY	4790	5415	5269	3555	-4.4	4.5	3.5	26.8	-4.0	-1.1	-4.0	13.3
Colgate-Palmolive (India)	HOLD	1993	2080	2062	1435	16.8	25.8	37.0	25.0	17.2	19.1	27.1	11.7
Dabur India	BUY	555	640	610	504	-4.3	4.6	1.8	-3.4	-3.9	-1.0	-5.6	-13.7
Emami	BUY	450	550	525	341	6.3	18.0	6.2	-2.1	6.6	11.7	-1.5	-12.5
Godrej Consumer Products	BUY	1014	1250	1102	794	-4.5	8.9	8.3	18.7	-4.2	3.1	0.4	6.1
Hindustan Unilever	BUY	2551	3050	2769	2393	-5.5	1.8	-3.1	-2.9	-5.2	-3.6	-10.2	-13.3
ITC	BUY	456	485	500	304	-2.1	7.4	19.0	47.4	-1.8	1.7	10.4	31.7
Indigo Paints	BUY	1543	1850	1731	981	7.4	29.6	34.5	-2.6	7.7	22.6	24.7	-13.0
Jyothy Laboratories	BUY	303	340	332	175	30.9	55.9	42.0	76.2	31.4	47.5	31.7	57.4
Marico	BUY	573	645	587	463	8.8	15.2	13.4	7.7	9.2	9.0	5.2	-3.7
Nestle India	HOLD	22460	24650	23390	17888	-0.7	3.5	18.0	13.2	-0.4	-2.1	9.5	1.1
Radico Khaitan	BUY	1447	1660	1478	909	8.9	32.8	22.7	57.2	9.3	25.7	13.8	40.4
Tata Consumer Products Ltd	BUY	835	1010	884	685	-2.4	7.7	14.4	5.8	-2.1	2.0	6.1	-5.4
Zydus Wellness	BUY	1433	1654	1791	1364	-3.3	-6.4	-2.3	-11.1	-3.0	-11.4	-9.4	-20.6
BSE FMCG Index		***18765***		***19553***	***15317***	***-0.9***	***8.3***	***12.6***	***20.2***	***-0.5***	***2.5***	***4.4***	***7.4***
IT / IT services													
Birlasoft	BUY	433	470	455	250	22.4	51.1	52.7	23.8	22.9	43.0	41.6	10.6
Coforge	BUY	4769	5500	5085	3210	1.3	16.1	10.4	22.3	1.7	9.9	2.4	9.3
HCL Technologies	BUY	1125	1265	1203	876	-5.5	5.5	-1.9	17.4	-5.1	-0.2	-9.0	4.9
Infosys	REDUCE	1365	1300	1672	1215	1.5	7.2	-13.1	-14.6	1.9	1.5	-19.4	-23.7
Intellect Design	HOLD	663	735	715	388	8.7	46.6	57.5	7.2	9.1	38.7	46.1	-4.2
LTI Mindtree	BUY	4873	5880	5425	4120	-7.3	8.2	6.0	-0.7	-6.9	2.4	-1.7	-11.3
L&T Technology services	HOLD	4200	4225	4370	3218	6.4	12.8	21.4	19.1	6.8	6.8	12.6	6.4
Mastek Limited	BUY	1987	2400	2254	1475	4.1	14.8	22.4	-4.0	4.5	8.6	13.5	-14.3
Persistent Systems	BUY	4693	5500	5279	3092	-3.6	0.5	-2.9	24.4	-3.2	-4.9	-10.0	11.2
Tata Consultancy Services	BUY	3400	3650	3575	2926	2.8	5.6	-1.7	1.4	3.1	-0.1	-8.9	-9.4
Tata Elxsi	HOLD	7167	7500	10760	5708	-4.6	6.6	7.5	-19.9	-4.3	0.9	-0.3	-28.5
Tech Mahindra	REDUCE	1142	1050	1270	983	-0.5	9.3	13.6	8.2	-0.1	3.5	5.4	-3.3
Wipro	HOLD	400	420	445	352	0.9	4.1	-1.3	-8.2	1.2	-1.4	-8.4	-18.0
BSE IT Index		***30335***		***32047***	***26314***	***1.1***	***9.3***	***0.3***	***0.5***	***1.5***	***3.4***	***-7.0***	***-10.1***
Telecom and New Media													
Affle (India) Limited	BUY	1100	1130	1369	875	3.4	19.2	1.8	-0.5	3.8	12.8	-5.6	-11.1
Bharti Airtel	BUY	872	1010	902	701	0.7	10.5	10.5	25.7	1.1	4.6	2.4	12.3
Info Edge (India)	BUY	4534	4876	4984	3310	2.3	19.3	23.7	6.5	2.7	12.9	14.7	-4.9
Capital goods / Power													
Amber Enterprises	BUY	2413	2800	2633	1762	7.8	29.2	26.3	1.3	8.2	22.3	17.2	-9.5
Bharat Electronics	BUY	125	151	133	87	2.2	16.5	32.0	31.7	2.6	10.2	22.4	17.7
Blue Star	HOLD	768	850	820	493	-0.7	6.9	12.5	53.5	-0.3	1.2	4.3	37.2
Carborundum Universal	BUY	1255	1315	1300	766	4.6	11.8	25.5	44.9	5.0	5.8	16.4	29.5
CESC	BUY	78	85	87	62	7.4	13.2	8.0	-2.0	7.8	7.1	0.1	-12.4
Coal India	BUY	230	270	263	208	-0.7	-3.1	4.8	11.3	-0.3	-8.3	-2.8	-0.6
Cummins India	HOLD	1880	1945	1981	1106	1.3	17.0	30.0	59.6	1.7	10.7	20.5	42.6
Dixon Technologies	HOLD	4439	**	4968	2555	1.8	53.1	59.5	15.7	2.2	44.9	47.9	3.4
Finolex Cable	BUY	1007	1010	1108	408	19.8	12.8	83.9	137.0	20.2	6.7	70.5	111.7

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Honeywell Automation	BUY	42356	45000	44323	34383	0.6	16.6	7.1	2.4	1.0	10.4	-0.7	-8.5
Kalpataru Power Transmission	BUY	629	695	650	353	13.7	18.8	27.1	65.1	14.1	12.5	17.9	47.5
KEC International	BUY	646	770	699	387	12.3	25.6	40.1	45.3	12.7	18.9	29.9	29.9
KEI Industries	BUY	2338	2665	2812	1339	0.4	22.4	36.0	68.7	0.8	15.8	26.2	50.7
NTPC	BUY	220	260	227	153	13.4	24.9	32.7	42.2	13.8	18.2	23.1	27.0
Polycab India	BUY	4613	4970	4875	2305	31.5	41.1	55.5	94.5	32.0	33.6	44.3	73.8
Power Grid Corporation	BUY	249	265	267	186	-0.4	4.2	14.5	12.6	0.0	-1.4	6.2	0.6
Ratnamani Metals and Tubes	BUY	2524	2670	2700	1703	7.8	15.7	9.9	41.8	8.2	9.5	1.9	26.7
Tata Power	BUY	235	245	251	182	6.7	15.5	12.9	3.3	7.1	9.3	4.7	-7.7
Thermax	BUY	2531	2950	2727	1830	12.3	8.0	28.6	22.0	12.7	2.2	19.3	9.1
Triveni Turbine	BUY	400	455	430	188	0.3	12.2	51.3	114.2	0.6	6.2	40.3	91.4
Va Tech Wabag	BUY	511	520	545	240	7.5	23.9	57.9	102.2	7.9	17.3	46.5	80.7
V-Guard Industries	BUY	281	300	335	225	-0.9	12.9	15.3	18.2	-0.5	6.8	7.0	5.6
BSE Power Index		***4266***		***5353***	***3236***	***6.3***	***12.0***	***18.9***	***-10.4***	***6.7***	***6.0***	***10.3***	***-20.0***
BSE Capital Goods Index		***42786***		***44243***	***30426***	***5.6***	***15.2***	***25.3***	***43.9***	***5.9***	***9.1***	***16.2***	***28.5***
Infrastructure													
KNR Constructions	BUY	239	301	281	203	-3.2	-1.8	-9.2	-7.9	-2.9	-7.1	-15.8	-17.7
Larsen & Toubro	BUY	2598	3005	2688	1798	5.5	10.3	20.5	45.9	5.9	4.4	11.8	30.4
PNC Infratech	BUY	345	390	368	248	5.1	12.5	1.8	36.1	5.5	6.5	-5.6	21.6
CNX Infra Index		***5973***		***6124***	***4841***	***3.8***	***10.7***	***18.2***	***21.0***	***4.2***	***4.8***	***9.6***	***8.2***
BSE Real estate Index		***4311***		***4551***	***2966***	***3.0***	***20.7***	***32.0***	***24.0***	***3.3***	***14.2***	***22.4***	***10.8***
Metal & mining													
JSW Steel	REDUCE	804	700	829	614	1.0	8.9	13.1	21.1	1.3	3.1	4.9	8.2
NMDC	BUY	113	125	132	79	5.6	1.6	-5.1	49.3	6.0	-3.9	-12.0	33.4
MOIL	BUY	195	205	221	141	16.8	22.3	21.1	19.7	17.2	15.7	12.3	6.9
SAIL	HOLD	93	**	96	73	6.5	8.4	9.9	20.6	6.9	2.6	1.9	7.8
Oil & gas													
Bharat Petroleum Corporation	BUY	368	430	398	288	-2.3	-0.1	10.3	10.2	-1.9	-5.4	2.3	-1.5
Castrol India	BUY	141	165	156	108	14.2	17.7	19.5	22.9	14.6	11.4	10.8	9.8
GAIL (India)	BUY	116	135	123	83	8.4	7.8	21.9	23.8	8.8	2.1	13.0	10.6
Gujarat Gas	BUY	455	555	539	439	-3.7	-3.8	-4.1	2.5	-3.3	-8.9	-11.1	-8.4
Gujarat State Petronet Limited	BUY	275	342	311	215	-4.8	-2.2	5.8	15.5	-4.4	-7.4	-1.9	3.2
Hindustan Petroleum Corporation	BUY	270	320	310	200	-3.2	4.7	16.6	10.5	-2.8	-0.9	8.1	-1.3
Indian Oil Corporation	BUY	93	105	101	65	-1.2	12.2	18.0	31.3	-0.8	6.2	9.4	17.3
Indraprastha Gas Limited	BUY	453	565	516	363	-5.3	-6.6	6.9	28.8	-4.9	-11.6	-0.8	15.1
Mahanagar Gas	BUY	1122	1285	1145	772	4.7	14.0	27.2	43.6	5.1	7.9	18.0	28.3
ONGC	HOLD	172	**	179	122	6.7	6.9	19.7	26.3	7.1	1.1	11.0	12.9
Oil India Ltd	HOLD	269	280	280	168	9.2	4.2	24.9	43.2	9.6	-1.4	15.8	27.9
Petronet LNG	BUY	225	265	242	196	0.2	-0.9	5.7	5.2	0.6	-6.2	-2.0	-6.0
Reliance Ind@	BUY	2475	2880	2632	1979	5.3	11.4	17.9	6.0	5.7	5.4	9.4	-5.3
BSE Oil and gas Index		***18930***		***21198***	***16878***	***2.3***	***2.9***	***7.3***	***-2.3***	***2.7***	***-2.7***	***-0.5***	***-12.7***
Pharmaceuticals													
Abbott India	BUY	24549	25243	24682	17349	5.8	8.9	17.6	20.2	6.2	3.0	9.0	7.4
Aurobindo Pharma	HOLD	840	**	885	397	17.9	37.2	102.3	47.1	18.3	29.9	87.6	31.5
Biocon	HOLD	255	266	320	192	-3.0	5.4	5.6	-18.9	-2.6	-0.2	-2.1	-27.5
Zydus Lifesciences	BUY	640	663	665	350	11.5	23.2	36.2	75.7	11.9	16.6	26.3	57.0
Cipla	BUY	1165	1279	1272	852	15.1	24.7	13.1	11.5	15.5	18.1	4.9	-0.3
Divi's Labs	BUY	3726	**	3977	2730	4.9	13.6	34.1	-4.1	5.3	7.5	24.4	-14.3
DR Reddy's	BUY	5657	6373	5882	3996	9.0	13.8	30.0	36.4	9.4	7.7	20.6	21.9
Granules	BUY	318	350	381	268	7.6	4.8	10.4	2.8	7.9	-0.8	2.4	-8.1
IPCA Lab	HOLD	894	**	1021	670	19.7	25.6	4.1	-12.8	20.2	18.8	-3.4	-22.1
Laurus Labs	REDUCE	384	293	606	280	9.9	20.4	15.0	-29.3	10.3	14.0	6.7	-36.9
Lupin	REDUCE	1036	779	1109	623	16.3	45.9	39.0	56.9	16.7	38.0	28.9	40.2
Sanofi India	BUY	6884	7500	7588	5240	-1.3	26.0	29.8	4.4	-0.9	19.2	20.4	-6.7

STOCK IDEAS STANDING (AS ON AUG 03, 2023)

COMPANY	CURRENT RECO	PRICE AS ON 03-AUG-2023	PRICE TARGET	52 WEEK		ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
				HIGH	LOW	1M	3M	6M	12M	1M	3M	6M	12M
Strides Pharma Sciences	BUY	444	450	489	268	-8.2	24.5	48.1	26.5	-7.9	17.9	37.4	13.1
Sun Pharmaceutical Industries	BUY	1141	1300	1170	856	8.8	17.2	11.5	24.2	9.2	10.9	3.4	11.0
Torrent Pharma	HOLD	1997	**	2095	1446	6.4	20.3	29.7	28.0	6.8	13.8	20.3	14.4
BSE Health Care Index		***27687***		***27747***	***21394***	***7.7***	***19.4***	***24.6***	***19.1***	***8.1***	***13.1***	***15.6***	***6.4***
Building materials													
APL Apollo Tubes	BUY	1516	1560	1601	943	15.5	25.9	27.7	44.1	16.0	19.2	18.4	28.7
Astral Limited	HOLD	1997	**	2058	1298	3.8	34.0	27.2	35.5	4.1	26.8	18.0	21.1
Century Plyboards (India)	BUY	657	671	710	437	-2.0	24.1	28.1	5.2	-1.7	17.4	18.8	-6.0
Dalmia Bharat	HOLD	1973	2100	2289	1478	-9.7	-2.4	4.7	26.4	-9.4	-7.7	-2.9	13.0
Grasim	BUY	1831	1950	1867	1528	3.5	4.0	13.2	16.1	3.9	-1.5	5.0	3.8
Greenlam Industries	BUY	446	570	523	280	-4.8	51.2	45.3	25.9	-4.5	43.1	34.8	12.5
JK Lakshmi Cement	BUY	635	770	897	451	-9.0	-17.4	-16.5	38.2	-8.7	-21.8	-22.6	23.5
Kajaria Ceramics	BUY	1427	1600	1490	1006	13.6	26.9	28.9	24.9	14.0	20.1	19.5	11.7
Pidilite Industries	HOLD	2585	2600	2917	2251	0.5	4.9	10.8	1.2	0.8	-0.7	2.7	-9.6
Shree Cement	HOLD	24104	26400	27013	20166	0.1	-1.3	-0.1	16.6	0.5	-6.6	-7.3	4.2
Supreme Industries Limited	BUY	3553	4000	3878	1820	9.5	26.5	32.7	87.6	9.9	19.8	23.1	67.7
The Ramco Cements	BUY	870	1010	953	635	-7.0	15.5	27.3	18.2	-6.7	9.3	18.1	5.7
UltraTech Cement	BUY	8139	9400	8501	6005	-3.3	8.5	14.2	23.5	-2.9	2.7	5.9	10.3
Logistics													
Gateway Distriparks	BUY	79	90	81	59	8.8	25.9	27.6	12.7	9.2	19.2	18.3	0.7
Mahindra Logistics	BUY	361	455	567	350	-5.3	-2.9	-16.1	-24.6	-4.9	-8.1	-22.2	-32.7
TCI Express	BUY	1543	1900	2010	1384	-0.8	4.5	8.7	-9.3	-0.4	-1.1	0.8	-18.9
TCI Limited	BUY	757	890	845	556	3.9	18.1	23.2	6.8	4.3	11.8	14.3	-4.6
Discretionary													
ABFRL	HOLD	221	225	359	184	4.8	-1.6	-13.5	-19.6	5.1	-6.8	-19.8	-28.2
Arvind	BUY	138	164	145	78	-0.9	22.7	66.5	42.8	-0.6	16.2	54.5	27.6
Bata India	BUY	1748	1775	1989	1381	7.1	16.2	14.8	-8.6	7.5	9.9	6.4	-18.3
Devyani International Ltd	BUY	194	215	215	134	3.4	10.8	26.6	5.3	3.7	4.9	17.4	-5.9
Gokaldas Exports Ltd	BUY	507	635	558	326	4.5	32.3	44.9	54.6	4.9	25.2	34.4	38.1
Jubilant Foodworks	BUY	491	570	652	412	-1.6	4.1	10.5	-13.7	-1.3	-1.5	2.5	-22.9
KPR Mill	BUY	627	800	685	480	-2.1	7.7	17.2	10.9	-1.7	1.9	8.7	-0.9
PVR	BUY	1609	1780	2138	1337	17.1	8.5	-4.3	-25.2	17.5	2.7	-11.2	-33.2
Relaxo Footwear	BUY	936	1080	1105	749	3.8	10.2	20.6	-7.8	4.1	4.3	11.9	-17.6
Restaurant Brands Asia	BUY	117	150	138	84	5.7	18.2	9.9	-3.3	6.1	11.9	1.9	-13.6
The Indian Hotels Company	BUY	394	450	405	263	3.5	10.4	25.1	45.6	3.9	4.5	16.0	30.1
Titan Company Limited	BUY	2902	3350	3211	2269	-5.6	8.7	18.1	19.8	-5.3	2.9	9.5	7.0
Trent Ltd	BUY	1688	2150	1806	1155	-2.8	20.2	37.3	28.2	-2.4	13.7	27.3	14.6
Welspun India	BUY	115	130	119	62	21.4	15.4	61.7	55.2	21.9	9.3	50.0	38.7
Wonderla Holidays	BUY	620	710	644	273	12.8	30.7	66.8	131.9	13.2	23.7	54.7	107.2
ZEE Entertainment	BUY	234	**	287	172	28.2	19.9	4.5	-3.6	28.7	13.5	-3.1	-13.9
Diversified / Miscellaneous													
Bajaj Holdings	BUY	7412	7615	7638	5255	3.7	8.2	25.1	39.0	4.1	2.4	16.0	24.2
Balrampur Chini Mills	BUY	410	475	431	307	7.2	-2.4	14.2	12.3	7.6	-7.6	5.9	0.3
Dhampur Sugar	BUY	279	315	296	197	4.2	7.0	31.8	23.1	4.6	1.3	22.2	10.0
Dhampur Bio Organics	BUY	168	215	229	115	-0.1	0.3	4.3	#N/A	0.2	-5.0	-3.3	#N/A
Mahindra Lifespace	BUY	504	**	555	316	4.7	35.0	26.3	21.7	5.1	27.8	17.1	8.7
Polyplex Corporation	HOLD	1259	1570	2374	1111	-6.7	-11.5	-15.5	-47.9	-6.4	-16.3	-21.7	-53.4
Triveni Engineering & Industries	BUY	300	360	333	216	7.8	7.4	10.9	26.9	8.2	1.7	2.9	13.4
BSE500 Index		***26617***		***27137***	***22556***	***1.3***	***8.6***	***12.0***	***12.2***	***1.7***	***2.8***	***3.9***	***0.3***
CNX500 Index		***16772***		***17102***	***14178***	***1.3***	***8.9***	***12.3***	***12.6***	***1.7***	***3.0***	***4.2***	***0.6***
CNXMCAP Index		***37326***		***38164***	***29200***	***4.3***	***15.3***	***21.7***	***23.6***	***4.7***	***9.1***	***12.9***	***10.5***

** Price under review
# Reco price adjusted for bonus

@ CMP and PT is adjusted for demerger of Jio Financial Services
^ Reco price adjusted for stock split

VIEWPOINT IDEAS STANDING (AS ON AUG 03, 2023)

COMPANY	CURRENT RECO	PRICE AS ON 03-AUG-2023	PRICE TARGET	52 WEEK		ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
				HIGH	LOW	1M	3M	6M	12M	1M	3M	6M	12M
Caplin Point Laboratories Limited	POSITIVE	937	**	1018	575	18.7	38.2	34.7	14.9	19.2	30.8	24.9	2.7
Chalet Hotels	POSITIVE	470	570	511	304	8.1	23.6	29.5	50.1	8.5	17.0	20.1	34.1
DLF Ltd	POSITIVE	488	583	522	337	-0.3	14.9	38.0	32.8	0.0	8.8	28.0	18.7
Escorts Kubota Limited	NEUTRAL	2549	2791	2676	1645	15.3	24.4	23.6	55.8	15.8	17.7	14.6	39.3
Expleo Solutions Limited New Idea	POSITIVE	1696	**	1771	1111	6.6	26.6	37.3	20.9	7.0	19.8	27.3	8.0
Five star Business Finance Ltd	POSITIVE	735	860	867	476	12.6	39.3	28.5	-	13.0	31.8	19.2	*
Gati Limited	POSITIVE	144	**	195	98	15.4	16.8	1.2	-9.2	15.8	10.5	-6.1	-18.9
Globus Spirits Limited	NEUTRAL	970	**	1326	700	-24.8	11.8	20.5	-7.1	-24.5	5.8	11.8	-16.9
Gravita India Ltd	POSITIVE	686	**	707	279	11.3	21.5	42.9	145.1	11.7	15.0	32.5	119.1
Grauer & Weil (India) Ltd	POSITIVE	114	141	124	64	3.2	0.3	25.2	80.2	3.5	-5.1	16.1	61.0
Gujarat Fluorochemicals Ltd	POSITIVE	2789	4070	4173	2534	-7.0	-18.3	-1.1	-16.0	-6.7	-22.6	-8.3	-24.9
HealthCare Global Enterprises Ltd	POSITIVE	342	355	349	249	6.5	25.3	21.0	26.2	6.8	18.6	12.2	12.8
Himatsingka Seide Limited	POSITIVE	123	165	136	68	-4.1	36.7	71.0	1.9	-3.8	29.4	58.6	-8.9
Hindustan Aeronautics Ltd.	POSITIVE	3761	4393	3999	2137	1.1	27.1	56.4	87.7	1.4	20.3	45.1	67.7
Hitech Pipes Ltd	POSITIVE	82	105	100	50	6.8	12.6	-7.2	57.7	7.2	6.5	-14.0	40.9
Indiabulls Real Estate	POSITIVE	69	85	95	46	15.4	-3.6	4.9	-2.9	15.8	-8.8	-2.7	-13.2
Inox Wind Ltd	POSITIVE	213	**	228	90	31.2	90.0	132.5	107.8	31.7	79.8	115.6	85.7
ISGEC Heavy Engineering Limited	POSITIVE	731	**	754	418	8.7	46.6	61.1	57.7	9.1	38.7	49.4	41.0
Jupiter Wagons Ltd New Idea	POSITIVE	201	213	245	57	12.3	79.2	100.8	241.5	12.7	69.6	86.2	205.1
KIRLOSKAR BROTHERS LTD.	POSITIVE	825	990	888	287	35.7	87.7	149.9	131.1	36.2	77.6	131.8	106.5
Kirloskar Oil Engines	POSITIVE	455	497	466	156	12.8	16.0	46.8	176.5	13.2	9.8	36.2	147.1
KSB Limited	POSITIVE	2729	3039	2762	1534	27.6	22.9	52.3	77.7	28.1	16.3	41.3	58.8
Lemon Tree Hotels Ltd	POSITIVE	95	116	103	67	2.4	6.1	22.5	38.8	2.8	0.4	13.6	24.0
Macrotech Developers Ltd	POSITIVE	710	881	772	356	1.4	56.6	42.3	36.7	1.8	48.2	31.9	22.1
CIE Automotive India Ltd	POSITIVE	502	629	578	252	-4.6	18.3	26.0	89.2	-4.2	11.9	16.9	69.1
Mold-Tek Packaging Ltd	POSITIVE	1028	1151	1123	811	-2.4	2.5	-3.2	27.3	-2.1	-2.9	-10.2	13.8
Mrs. Bectors Food Specialities	POSITIVE	875	**	1064	332	7.7	35.7	86.0	170.8	8.1	28.4	72.5	141.9
Oberoi Realty	POSITIVE	1098	1306	1150	790	10.7	18.4	34.2	22.5	11.1	12.1	24.5	9.5
PCBL	POSITIVE	155	187	178	108	-4.3	22.3	27.8	26.8	-4.0	15.8	18.5	13.3
Prestige Estates Projects Ltd	POSITIVE	571	581	615	391	-0.8	16.2	42.9	32.8	-0.4	10.0	32.5	18.7
Puravankara	POSITIVE	104	**	116	59	10.0	29.6	19.9	8.6	10.4	22.6	11.2	-3.0
Rolex Rings New Idea	POSITIVE	2157	2382	2319	1622	0.9	14.2	22.4	20.6	1.2	8.1	13.6	7.7
Shoppers Stop Limited	NEUTRAL	812	900	890	575	0.1	18.5	24.8	36.0	0.4	12.2	15.8	21.5
Sobha Ltd	POSITIVE	590	635	750	412	8.2	25.8	4.0	-12.4	8.6	19.0	-3.5	-21.7
SP Apparels	POSITIVE	447	515	505	273	-0.3	22.2	46.9	8.9	0.1	15.7	36.2	-2.7
Sterling Tools New Idea	POSITIVE	362	437	457	201	2.9	-10.5	2.4	33.7	3.3	-15.3	-5.1	19.4
Sunteck Realty New Idea	POSITIVE	366	**	496	271	29.9	21.0	7.4	-28.6	30.3	14.5	-0.4	-36.2
Symphony Ltd	NEUTRAL	877	974	1219	821	-1.6	-11.9	-9.2	-5.6	-1.2	-16.6	-15.8	-15.7
Varun Beverages Ltd	POSITIVE	822	970	874	454	2.2	14.0	34.7	63.7	2.5	7.9	24.9	46.2
VST Tillers and Tractors Ltd	NEUTRAL	3010	**	3200	2047	5.1	24.9	25.5	18.2	5.5	18.2	16.4	5.7
Welspun Corp	POSITIVE	331	**	345	178	23.9	39.8	69.0	49.5	24.3	32.3	56.7	33.6

** Price under review
# Reco price adjusted for bonus

@ Reco price adjusted for demerger
^ Reco price adjusted for stock split

From the Editor's Desk

Time for a breather

After four consecutive months of a smart rally in the benchmark indices, the markets seem to be taking a breather now. The Nifty has rallied by close to 3,000 points from the low of March 2023 while the uptrend in the broader market is even better with a 33-34% surge in the CNX Microcap Index during the same period. Hence, it would not be surprising if the market consolidates in a range to absorb all the gains form the recent rally especially given growing global uncertainties.

The unexpected downgrade of the US's credit rating by Fitch had triggered some profit-booking in the global equity markets. This is followed by a downgrade in global economic growth estimates by IMF. The IMF projects global growth at 3% for 2023 and 2024, down from 3.5% in 2022. To top it all, the rating and outlook on US banks has also been questioned by leading institutions, which could further dampen sentiments in the near term. Global scenario is also mired with uncertainty related to peaking out of interest rate hikes and the possible extent of a recession or slowdown in development economies as response to the aggressive interest rate hikes in the past one year.

Domestically, the results season has been a mixed bag with growing variance among sectors. However, headline earnings growth is still likely to be at a healthy high-double digit range. The RBI is also worried about rising food inflation and recent firming up of crude oil prices. Crucial state elections are also round the corner.

The expected volatility in a narrow range of few hundred points would offer investors an opportunity looking to ride the multi-year upcycle in India. Fortunately, the atmosphere is far from euphoric unlike the past experiences at the new high levels. Thus, there is money waiting on the sidelines to take opportunity of the dips to enter at relatively better price points.

In terms of valuations, the research team indicates that valuations are nowhere close to an all-time high. In fact, the Nifty has consolidated in the range of 2,000 points (16,000 to 18,000) for close to 18 months, which has resulted in moderation of valuations from the levels seen in H2 of 2021. More importantly, in the long run, the outlook for Indian equities remains positive given expectations of a sustained economic upcycle for the next 2-5 years.

Happy Investing!

Carysil Ltd

Jul 10, 2023	Riding on 'Glocal' growth engine	
		Reco Price
POSITIVE	Upside potential : 20%	683

Summary

- We initiate viewpoint coverage on Carysil, Asia's only maker of quartz sinks, with a Positive view. Favourable valuations and strong tailwinds make us expect a 20% upside.
- Company has a distinct edge in the manufacturing technology for quartz sinks that raises entry barriers and aids market share gains. Marquee client associations include Kraus and Karren, Grohe and IKEA.
- Focus on deepening reach in the UK, US and Europe besides entry into newer geographies has generated strong demand that Carysil would cater to with doubling of its sink capacities.
- An in-built appliance portfolio, wider dealer networks and focus on B2B sales would ascertain over 30% CAGR in domestic revenues over the next three years.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Carysil-Jul10_2023-New_Idea.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 03, 2023	**HDFC Bank**	Stock Update	BUY	↔	1,720	2,100	↑

Summary

- HDFC Bank (merged entity) is attractively positioned ahead of the new decadal investment cycle to capture a large share in the fastest-growing Indian economy. There is a strong runway for sustained growth ahead, led by large scale, strong distribution network and wider financial product suites.
- The franchise has always been ahead of its peers not only in terms of smoothly navigating the tough economic cycles but also in sustaining superior profitable growth along with pristine asset quality across cycles and its track record is unmatched across the sector.
- Customer acquisition, higher productivity gains led by improvement in the vintage of branches, sustained cost reduction driven by accelerated investments in technology, and cross-selling of wider product suites are the key drivers for sustainable growth over the medium term.
- The macro outlook is positive, which should support asset quality and in turn lower credit cost in the near to medium term, offsetting higher upfront expansion cost and merger-related integration cost. The bank is confident of keeping long-term profitability metrics (1.9-2.1% ROA) with high teen growth. At the CMP, the bank trades at 2.5x and 2.2x its FY2024E and FY2025E Core BV, respectively. We maintain our Buy rating on the stock with a revised PT of Rs. 2,100.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HDFCBank-3R-Jul03_2023.pdf

Jul 03, 2023	**UltraTech Cement Ltd**	Stock Update	BUY	↔	8,432	9,400	↑

Summary

- We maintain a Buy on UltraTech with a revised PT of Rs. 9,400, increasing our valuation multiple, amid strong demand and operational cost tailwinds.
- The company announced a 20% y-o-y growth in domestic and consolidated sales volumes for Q1FY2024 indicating sustained strong demand environment and possibility of market share gains.
- RIL cuts domestic petcoke prices by 10% m-o-m for July 2023 while they are lower by 16% q-o-q in Q1FY2024. International petcoke and Australian coal prices too decline q-o-q.
- Pan-India average cement prices corrected by just 1.6% q-o-q partially retaining savings from P&F costs. Cement prices become key monitorable in the wake of sustained decline in power & fuel (P&F) costs post Q1FY2024.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Ultratech-3R-Jul03_2023.pdf

Jul 04, 2023	**Dr. Reddy's Laboratories Ltd**	Stock Update	BUY	↑	5,188	5,963	↑

Summary

- Dr. Reddy's Laboratories Ltd.'s (Dr. Reddy's) stock is trading at an attractive valuation of ~18.1x/~17.1x its revised FY2024E/FY2025E EPS estimates, while offering strong ROE (~17.5%) and balance sheet proposition for the underlying business. Thus, we revise upwards the PT to Rs. 5,963 and upgrade the rating to BUY from Hold.
- Dr. Reddy's recently announced its foray into the trade generics business in India, which is expected to drive volume growth and overall revenue growth marginally higher over FY2023-FY2025E.
- Although the recent quarterly market share data for key existing products such as gRevlimid, gVascepa and gVasostrict point to a marginally weak outlook for the North American market, we believe gRevlimid will continue to be a key product until January 2026, as guided by management. This coupled with the acquired prescription portfolio of 45 products from Mayne Pharma should continue to drive North America's revenue at a ~8.2% CAGR over FY2023-FY2025E.
- The company's focus on 25-30 limited competition product launches, including for injectables for the North America market in FY24E and receipt of CAD9 million (Rs. 57 crore) of litigation settlement income from Janssen Group in Q1FY2024E should help it drive its earnings growth upwards, marginally though, by ~10.2% CAGR from ~9.1% CAGR envisaged earlier over FY2023-FY2025E.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/DrReddy-3R-Jul04_2023.pdf

Jul 04, 2023	**IDFC Ltd**	Viewpoint	BOOK PROFIT		112		

Summary

- IDFC Ltd & IDFC First Bank's boards approved the swap ratio under which shareholders of IDFC Ltd would get 155 equity shares of IDFC Bank for every 100 shares held in IDFC Ltd.
- The swap ratio is favourable for IDFC Ltd shareholders.
- The reverse merger is likely to be completed in the next 12-15 months. We had earlier advised our investors about the short-term tactical trade through our research report dated March 29, 2023.
- We now advise booking profit as the tactical call has played out on the expected lines and IDFC First Bank itself has already run up sharply by ~49% which has led ~45% return in just three months to the investors of IDFC Ltd.

Read report - https://www.sharekhan.com/MediaGalary/Equity/IDFC-Jul04_2023.pdf

Upgrade	↑	No change	↔	Downgrade	↓
Note: The arrow indicates change in call and price target, if any, vis-à-vis the previous report					

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 05, 2023	**Hindustan Unilever Ltd**	Stock Update	BUY	↔	2,756	3,050	↑

Summary

- We maintain a Buy rating on Hindustan Unilever Limited (HUL) with a revised PT of Rs. 3,050. With strategies in place and softening input prices, HUL is expected to deliver a revenue and PAT CAGR of 12-14% over FY2023-FY2025E. The stock trades at 58.8x/49.9x its FY2024E/FY2025E EPS.
- The company achieved market share gains in 75% of its portfolio and maintained its leadership position in more than 85% of business. Surf Excel crossed US$1 billion annual turnover, while Lux and Pond's crossed Rs. 2,000 crore turnover in FY2023.
- HUL strengthened its distribution network to 9 million outlets (2 million direct reach) in FY2023. Market-development initiatives contributed ~Rs. 10,000 crore to the revenue (~17% of revenue).
- HUL maintained its strong cash flow generation, with FCF at Rs. 8,835 crore (FCF/EBIDTA of 62%); RoE increased to 20.3% in FY2023 from 18.4% in FY2022, while RoCE (ex-goodwill) improved to 38.5% in FY2023 from 36.1% in FY2022.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HUL-Jul05_2023.pdf

Jul 06, 2023	**Bajaj Auto Ltd**	Stock Update	BUY	↔	4,914	5,600	↑

Summary

- We maintain a Buy on Bajaj Auto Limited (BAL) with a revised PT of Rs. 5,600, on its consistent focus on profitability and its brand focus play in premium segment.
- With affordable Triumphs, BAL has entered into a global iconic premium motorcycle segment as it launched Triumph Speed 400 at an aggressive pricing of Rs 2.33 lakh in India.
- BAL is following a multiband approach for a holistic motorcycle play, which in our view would help it to sustain its profitability.
- The stock is currently trading at P/E multiple of 18.6x and EV/EBITDA multiple of 12.8x its FY25 E estimates.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BajajAuto-3R-Jul06_2023.pdf

Jul 07, 2023	**Jyothy Labs Ltd**	Stock Update	BUY	↔	238	275	↑

Summary

- We retain a Buy rating on Jyothy Labs (JLL) with revised price target of Rs. 275. The stock is trading at 29.2x/24.3x its FY24E/FY25E earnings, which is at a discount to some large consumer goods stocks.
- JLL's earnings are expected to grow at CAGR of 25% over FY2023-25E with revenues expected to grow in low teens, while consistent EBIDTA margins expansion would drive strong double-digit earnings growth.
- The company remains debt free with cash on books at Rs. 283 crore, which it will be utilising for inorganic initiatives and higher investments behind brands.
- Return profile would improve with RoE/RoCE expected to rise to 20% and 24%, respectively in FY2025E versus 15.4% and 19.1% in FY2023 on back of consistent improvement in the profitability and better working capital management.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Jyothy_Labs-3R-Jul07_2023.pdf

Jul 07, 2023	**Godrej Consumer Products Ltd**	Stock Update	BUY	↔	1,060	1,250	↑

Summary

- We retain a Buy rating on Godrej Consumer Product Ltd (GCPL) with a revised PT of Rs. 1,250. Stock trades at 47.9x/40.9x its FY24E/25E EPS. It remains preferred pick in the consumer goods space with an expected recovery in domestic HI and Indonesia business, coupled with margin expansion led by moderation in commodity inflation.
- GCPL's Q1FY2024 performance was largely in line with expectation with expected good recovery in the domestic HI and Indonesia business. Low double digit revenue growth was largely volume-led (high single-digit volume growth in domestic business)..
- Gross margins and OPM are expected to improve on y-o-y basis due to lower input prices (palm oil prices are down by 40% y-o-y); PAT is likely to report an over 30% y-o-y growth.
- For FY2024, GCPL aims to continue its volume-led growth momentum and targets high single-digit volume growth and high teens EBITDA growth, while for the medium-long term, the company's strategy is to invest strongly in the India business and simplify the international business. Overall, revenues and PAT expected to post a CAGR of 13% and 23% respectively over FY2023-25E.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/GCPL-3R-Jul07_2023.pdf

Jul 10, 2023	**Tata Motors Ltd**	Stock Update	BUY	↔	618	720	↑

Summary

- In Q1FY24, JLR reported a robust 29.9% y-o-y rise in volumes and is likely to report a positive FCF of over GBP 400 mn.
- JLR continues to enjoy strong demand reflected in the order book of 185,000 units.
- The demand for JLR's most profitable models has been strong as 76% of its order book is constituted by Range Rover, Range Rover Sport and Defender.
- We maintain a Buy with revised PT of Rs 720 in expectation of continued improvement in JLR, PV and CV business along with reduction in net automotive debt from current levels.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TataMotors-3R-Jul10_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 11, 2023	**Kirloskar Brothers Ltd**	Viewpoint	POSITIVE	↔	679	23%	↑

Summary

- Kirloskar Brothers Limited's (KBL's) annual report review highlights strong demand from key user industries in both B2C and B2B segments. The company is also focused on expanding its product range to gain market share in India and overseas.
- Company continues to explore opportunities in irrigation, solar, nuclear power, and other emerging sectors.
- Its working capital cycle is also shrinking, while net asset turnover is high, debt is low and operating cash flows are rising
- Despite a sharp run-up, KBL trades at an attractive valuation of ~18x FY2024E/~15x its FY2025E EPS. We expect Q1FY24E to be a strong quarter on all parameters and see potential upside of 23% from CMP.

Read report - https://www.sharekhan.com/MediaGalary/Equity/KirloskarBrothers-3R-Jul11_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
Jul 12, 2023	**Tata Consultancy Services Ltd**	Stock Update	BUY	↔	3,260	3,650	↔

Summary

- Revenue growth was flat q-o-q and rose 7% y-o-y in CC terms in line with our estimates led by Lifesciences, Healthcare Manufacturing verticals. EBIT margins dipped to 23.2%, down ~130 bps, missing our estimates by 40 bps largely due to wage hike.
- Company reported robust order book TCV of $10.2 billion with Book -to-bill ratio of 1.4x. Deal TCV was broad based with TCVs from North America at $5.2 billion, BFSI at $3.0 billion and Retail at 1.2 billion.
- The management highlighted that clients are reprioritising and causing softness in revenue, but the company is not witnessing any major cancellations or ramp downs. Projects with low ROI are being paused.
- Despite soft demand environment, we believe TCS is well placed to capture opportunities arising from vendor consolidation, transformational deals, cloud services and new technologies like generative AI. Hence, we maintain Buy rating on TCS with an unchanged PT of Rs. 3,650. At the CMP, the stock trades at 26.6x/24.7x FY24/25E Eps.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TCS-3R-Jul12_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
Jul 12, 2023	**HCL Technologies Ltd**	Stock Update	BUY	↔	1,110	1,265	↑

Summary

- HCL Tech reported a CC revenue decline of 1.3% q-o-q, missing our estimates of 1.1% revenue growth. Revenue stood at $3,200 million, down 1.1 % q-o-q/up 5.8% y-o-y, led by the decline in ERS business, down 5.2% q-o-q in CC terms, and HCL Software, down 3.1% q-o-q in CC terms.
- EBIT margin contracted 120 bps q-o-q to 17%, below our estimates of 18.1% in a seasonally soft quarter due to higher direct costs, increased SG&A expenses, and weak revenue.
- New deal wins TCVs declined 24% q-o-q to $1,565 million. Order pipeline was at all-time high, which grew by 17.7% q-o-q/26.2% y-o-y. The telecom, media and entertainment segment fell 14.4%, while the technology services segment declined 7.8% q-o-q in CC terms.
- Management expects a revival in the coming quarters after two consecutive quarters of softness due to seasonal weakness, given the all-time high order pipeline. Hence, it is optimistic about achieving guidance on revenue and EBIT for FY24. We believe the stock continues to trade at reasonable valuations. At the CMP, the stock trades at 19.7x/17.6x its FY24/25E EPS. Hence, we maintain Buy on HCL Tech with a revised PT of Rs. 1,265.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HCL_Tech-3R-Jul12_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
Jul 12, 2023	**PCBL Ltd**	Viewpoint	POSITIVE	↔	163	15%	↔

Summary

- PCBL Ltd (PCBL) reported Q1FY2024 operating profit of Rs. 211 crore, (up 15% q-o-q) was 12% above our estimates, primarily due to a beat in EBITDA margin. PAT of Rs. 118 crore (up 15.9% q-o-q) was 4% above estimate, as higher depreciation and lower other income were offset by increased EBITDA margin.
- Carbon black (CB) volume was up 3.2% q-o-q to 123 kt, led by 3%/4% q-o-q volume increase from domestic/export markets. Blended EBITDA margin beat our estimate by 11% and increased to Rs. 17,147 (up 11.2% q-o-q).
- FY2024 volume guidance of 10-12% y-o-y growth would be supported by capacity expansion (first phase or 40% of new Tamil Nadu carbon black capacity of 150 kt is currently running at 45% capacity utilisation). Phase 2 is expected to be completed in Q2FY2024. Management has guided to maintain FY2023 EBITDA margin in the current fiscal.
- We stay Positive on PCBL and expect a 15% upside, given expectations of a 16% PAT CAGR over FY2023-FY2025E, healthy RoE of 18.5%, attractive valuation of 10x its FY2025E EPS, and dividend yield of ~3%.

Read report - https://www.sharekhan.com/MediaGalary/Equity/PCBL-Jul12_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 13, 2023	**Wipro Ltd**	Stock Update	HOLD	↔	394	420	↔

Summary

- Wipro's CC revenue growth declined 2.8% q-o-q, below our estimates of a 1.7% q-o-q decline. On a y-o-y basis, revenue growth was led by the healthcare, energy and manufacturing verticals, offset by weakness in the BFSI and Technology and Communication verticals.
- IT services margins declined 30 bps on q-o-q to 16.0%, in line with our expectation of 16.1%. Large-deal bookings stood at $1.2 billion, up by 9% y-o-y in CC terms.
- Wipro provided revenue growth guidance in the range of -2% to 1% for Q2FY2024, in line with our expectations.
- Another weak quarter, persisting uncertainty and further softness in discretionary spends could impact Wipro. The upside seems limited as the stock trades at 17x/15.5x its FY24/FY25E EPS implying recovery trade on account of the Buyback is already done. Hence, we maintain our Hold rating on Wipro with unchanged PT of Rs. 420.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Wipro-3R-Jul13_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 13, 2023	**Federal Bank**	Stock Update	BUY	↔	127	170	↔

Summary

- Federal Bank reported mixed performance in Q1FY2024. NII came in ~2% below consensus and our estimates as NIM declined by 16 bps q-o-q/7 bps y-o-y to ~3.15%.
- However, higher core fee income and other income surprised positively and bank managed to report strong operational performance on a y-o-y basis despite lower NII and higher opex growth. Although, performance was muted sequentially, but it was on expected lines.
- The bank believes NIM pressure has bottomed out and is expected to see a rebound gradually from Q2FY2024. The bank also maintained its earlier guidance of ~3.3% NIM for FY2024E which is a key positive.
- We believe the bank is likely to sustain core RoA of over ~1.2% in the near to medium term. At the CMP, the stock trades at 1.1x/0.9x its FY2024E/FY2025E BV estimates. We maintain our Buy rating on the stock with an unchanged PT of Rs. 170.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Federal_Bank-3R-Jul13_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 14, 2023	**APL Apollo Tubes Ltd**	Stock Update	BUY	↔	1,331	1,560	↑

Summary

- Rising application of structural steel tubes in government infrastructure projects, high-rise building, hospitals provide structural long-term growth opportunities for APL Apollo Tubes (APL). APL's leading market position in structural steel tubes market, first-mover advantage, capacity expansion (to 5 mtpa/10 mtpa by FY25/FY30) make it well-placed to tap growth opportunities coming up from 'Amrit Bharat Station Scheme' and 'Jal Jeevan Mission'.
- Superior volume growth (model 31% volume CAGR over FY23-25E and expect it to reach 3.9 million tonnes) and higher margins [as APL target to expand the mix of value-added products (VAP) to 75% versus 56% in FY23] would drive a robust 52% PAT CAGR over FY23-25E which is much higher than earnings CAGR of 33% seen over FY21-23.
- Q1FY24 performance is expected to be strong supported by robust 56% y-o-y volume growth to 123 kt. The share of VAP would also improve by 348 bps q-o-q to 57% and would support the margin in Q1FY24. We expect 71%/73% y-o-y growth in EBITDA/PAT to Rs. 332 crore/Rs. 208 crore in Q1FY24.
- We maintain Buy on APL with a revised PT of Rs. 1,560. Strong earnings growth outlook, high RoE/RoCE of 34%/42% in FY25E would narrow the valuation gap with listed peers and makes the risk-reward scenario favourable. APL trades at 38x/25x its FY2024E/FY2025E EPS.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/APL_Apollo-3R-Jul14_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 14, 2023	**Himatsingka Seide**	Viewpoint	POSITIVE	↔	132	25%	↑

Summary

- We reiterate our Positive stance on Himatsingka Seide (HSL) with potential upside of 25% over the next twelve months. Stock continues to trade attractively at 9.4x/5.8x its FY24E/25E earnings despite good run-up post our upgrade (May 31, 2023).
- OTEXA data shows that bedsheet and terry towel exports to the US grew 20% and 14% m-o-m, respectively in May. This points to better order book visibility ahead.
- Cotton prices have fallen by ~46%, while and Baltic rates (supply costs) are down ~50% y-o-y. This would lead to significant EBIDTA margin improvement in the coming quarters (to reach 17-18% by FY25).
- With no major capex going ahead, HSL will utilise incremental cash to reduce debt. It eyes an RoCE of 15-17% in the coming years.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Himatsingka-3R-Jul14_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 17, 2023	**HDFC Bank**	Stock Update	BUY	↔	1,679	2,100	↔

Summary

- HDFC Bank (standalone) reported a steady performance in Q1FY2024 with PAT at Rs. 11,952 crore (in line), up 30% y-o-y, led by 22% y-o-y growth in operating profit and a 10% y-o-y decline in provisions.
- This translated into average RoA (cal.) of ~1.9% and average RoE of 16.7%. The bank is confident of sustaining RoA of 1.9-2.1% for the merged entity also.
- Management has guided that the macro outlook is positive, which should support asset quality and, in turn lower credit cost at least in the near term, offsetting higher upfront expansion cost and merger-related integration cost.
- We remain positive on the bank; however, we believe incremental deposit accretion remains one of the key areas likely to be monitored closely in the coming quarters for high teen loan growth aspiration. The stock trades at 2.5x/2.2x its FY2024E/FY2025E core BV estimates. We maintain our Buy rating with an unchanged PT of Rs. 2,100.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HDFCBank-3R-Jul17_2023.pdf

Jul 17, 2023	**LTIMindtree Ltd**	Stock Update	BUY	↔	5,134	5,880	↑

Summary

- For Q1FY24 LTIMindtree reported muted constant currency (cc) revenue growth of 0.1% q-o-q missing our estimates 0.7% on account of sequential weakness in BFSI, Manufacturing and Retail. EBIT margin improved ~30 bps q-o-q to 16.7% on account of operational efficiencies.
- Deal wins continued to be strong at $1.41 billion, up 4.4% q-o-q. Deal pipeline was up 10% q-o-q with significant increase in large deal pipeline.
- Management is confident of achieving 17-18% EBIT range as a part of the exit for FY24. Company expects Q2FY24 to be better compared to Q1FY24.
- The company reported soft Q1FY24 which was tad lower than expectations. We believe FY24 to remain soft given the headwinds due to near term uncertainty with stronger growth expected in FY25. Although the stock has run up recently any correction should be taken as an opportunity to buy. We maintain Buy rating on the stock with revised PT of Rs 5880. At the CMP the stock trades at 30.4x/24.5x its FY24/25E Eps.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/LTIMindtree-3R-Jul17_2023.pdf

Jul 18, 2023	**IndusInd Bank**	Stock Update	BUY	↔	1,390	1,650	↑

Summary

- IndusInd Bank (IIB) reported PAT at Rs. 2,124 crore (up 32% y-o-y/4% q-o-q), led by ~21% y-o-y decline in provisions and ~13% y-o-y growth in operating profit, which translated into RoA/RoEof ~1.9%/15.4%.
- Despite strong loan growth (up 22% y-o-y/4% q-o-q), stable NIMs at 4.29% q-o-q, and healthy core fee income (up 19% y-o-y/ 2% q-o-q), core operating profit grew at a slower pace by 15% y-o-y/1% q-o-q mainly due to higher opex growth (up 22% y-o-y/6% q-o-q).
- Annualised total credit cost stood at 134 bps (as of average advances) vs. 146 bps q-o-q and 205 bps y-o-y. The bank is guiding for lower credit cost at 110-130 bps in the coming quarters. Overall, asset quality remained stable.
- Near-term business trends look comfortable, and the franchise is looking towards more predictable performance, which is a key positive. At the CMP, the stock trades at 1.7x/1.5x its FY2024E/FY2025E BV. We maintain Buy with a revised PT of Rs. 1,650.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Indusind-3R-Jul18_2023.pdf

Jul 18, 2023	**Tata Elxsi Ltd**	Stock Update	HOLD	↔	7,543	7,500	↔

Summary

- Tata Elxsi reported constant currency (CC) revenue growth of 1.2% q-o-q and 11.9% y-o-y, missing our estimates of 2.5%. Revenue growth was led by a rise in revenues of industrial design & visualization and transportation divisions (up 41.1%/17% y-o-y in cc terms), respectively.
- EBIT margins dipped slightly by ~ 20 bps q-o-q to 27.1% in line with estimates despite wage hikes and strong employee additions in the quarter, Net profit was impacted by a higher effective tax rate (ETR).
- Company won significant new deals including a strategic multi-year multi-million US$ SDV deal with a leading Asian OEM and a multi-country licensing and deployment of connected vehicle platforms.
- Despite a soft quarter, the company continues to witness good traction and a strong deal pipeline, especially in software defined vehicles and EV and is well positioned to capture opportunities in Industrial design, Medical and other verticals . However, the recent run-up limits the upside with the stock trading at 57.9/50.0x its FY24/FY25E EPS . Hence, we maintain Hold with unchanged price target (PT) of Rs 7500.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TataElxsi-3R-Jul18_2023.pdf

Jul 18, 2023	**L&T Technology Services Ltd**	Stock Update	HOLD	↔	4,064	4,225	↑

Summary

- LTTS reported revenues of $280 million, down 2.9% q-o-q/ up 10% y-o-y in constant currency (cc) terms, missing our estimates of $288 million. Revenue declined sequentially owing to softness in Telecom & Hitech and Plant Engineering verticals.
- EBIT margin dipped ~ 70bps q-o-q to 17.2% in-line with our estimates of 17.1% largely on account of SWC integration and costs due to investments for large deals.
- Company maintained revenue growth guidance of 20% plus in constant currency terms for FY24, within this organic growth will be 10% plus while the rest would come from SWC. The management aspires to achieve 17% EBIT level in FY24.
- After a tepid start to FY24, the company is expected to find the achievement of its guidance and aspirational margins for FY24 challenging due to ongoing uncertainty and the margin dilutive SWC acquisition. Hence we maintain Hold rating with a revised price target of Rs 4225. The stock is currently trading at a multiple of 33.6/26.9x its estimated FY24/FY25 E EPS, respectively.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/LTTS-3R-Jul18_2023.pdf

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 19, 2023</td><td>ICICI Prudential Life Insurance</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>559</td><td>650</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ Value of new business (VNB) fell 7% y-o-y, while VNB margins dipped 100 bps y-o-y to 30%. APE declined by 4% y-o-y.
◆ Despite strong growth in retail protection and stable non-linked savings share, VNB margins were lower due to a change in product mix towards par and ULIP products.
◆ ICICI Bank channel continued to drag growth. Overall, ICICI Bank's contribution declined to 13% in the APE mix versus a peak of 59% in FY2019. Agency/ partnership channel grew at a slower pace 5%/7% y-o-y, while direct channel reported strong growth of 28.5% y-o-y.
◆ Stock trades at 2.0x/1.7x its FY2024E/FY2025E EVPS. We maintain a Buy rating and raise PT to Rs. 650.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/ICICIPru-3R-Jul19_2023.pdf</td></tr>
<tr><td>Jul 19, 2023</td><td>ICICI Lombard General Insurance Company</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>1,366</td><td>1,540</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ ICICI Lombard reported a PAT of Rs. 390 crore (up 12% y-o-y/ down 11% q-o-q) mainly driven by higher investment income (up 22% y-o-y/ 2% q-o-q).
◆ Though net written premium grew strongly by 23% y-o-y, net earned premium grew by just 12% y-o-y due to higher unexpired risk reserves.
◆ Combined ratio was higher at 103.8% versus expectation of 102.5% as it included the impact of Cyclone which increased the loss ratio by 90 bps which led to higher underwriting loss at Rs. 320 crore versus Rs. 251 crore q-o-q and Rs. 193 crore y-o-y.
◆ Stock currently trades at 32.6x/ 28.7x its FY2024E/ FY2025 EPS. We maintain a Buy rating with a revised PT of Rs. 1540.
Read report -https://www.sharekhan.com/MediaGalary/StockIdea/ICICILombard-3R-Jul19_2023.pdf</td></tr>
<tr><td>Jul 19, 2023</td><td>Polycab India Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>4,309</td><td>4,970</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ Q1FY2024 was driven by sharp volume growth of 50-60% in C&W. Strong OPM and profitability expansion was led by operating leverage, better product mix, and exports.
◆ Demand momentum continues to be robust across infrastructure, real estate, and various industries in both domestic and international markets.
◆ FMEG business would see improvement in the coming quarters, particularly fans, switchgear, and switches segments.
◆ We have built in a revenue/PAT CAGR of ~20%/24% over FY2023-FY2025E. We have increased our target multiple and retain Buy on Polycab India Limited (Polycab) with a revised PT of Rs. 4,970 (based on FY2025E EPS), considering multiple growth triggers and its consistent outperformance vs. peers.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Polycab-3R-Jul19_2023.pdf</td></tr>
<tr><td>Jul 19, 2023</td><td>Mastek Ltd</td><td>Stock Update</td><td>BUY</td><td>↑</td><td>2,171</td><td>2,400</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ Revenue stood at $88.1 million, up 0.4% q-o-q/20.2% y-o-y in constant currency (cc), in line with our estimate of $88 million. Revenue from operations stood at Rs 725.3 crore, up 2.3% q-o-q/27% y-o-y.
◆ EBITDA margin stood at 17.5%, down 20 bps q-o-q. The 20-bps reduction was largely due to increments which was offset by currency and other operating levers.
◆ 12-month order backlog stood at Rs 1,763.9 crore ($215 million), down 2.6% q-o-q /up 9.7% y-o-y in cc. The Company added 22 new clients in Q1FY24. LTM attrition rate at 20.4% moderated by 60 bps q-o-q. Utilisation (including trainees) improved to 77.6% from 73.8% in Q4FY23, up 380 bps.
◆ Despite the near-term challenges and uncertainty, we believe the company is well-positioned on account of their comprehensive portfolio, strong UK public sector relationships, momentum in the Americas and Middle East which give them the confidence to achieve stronger and industry-leading growth. Hence, we upgrade the stock to Buy with a revised price target of Rs 2400. At the CMP the stock trades at 20.6/16.2x its FY24/25E EPS.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Mastek-3R-Jul19_2023.pdf</td></tr>
<tr><td>Jul 19, 2023</td><td>CIE Automotive India Ltd</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>520</td><td>21%</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ We maintain our positive viewpoint on CIE Automotive India Limited (CAIL) with an upside potential of 21%, given its focus on strong operating margins while maintaining market dominance.
◆ This was the consecutive second quarter when CAIL reported blended EBITDA margin above ~15%.
◆ Management targets to focus on the domestic business and aims to grow 5-10% ahead of the domestic market.
◆ The stock trades at a P/E multiple of 18.6x and EV/EBITDA multiple of 11.5x its CY2024E.
Read report - https://www.sharekhan.com/MediaGalary/Equity/CIEAutomotive-Jul19_2023.pdf</td></tr>
</table>

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 20, 2023	**Hindustan Unilever Ltd**	Stock Update	BUY	↔	2,702	3,050	↔

Summary

- HUL's Q1FY2024 numbers missed ours as well as the street's expectation, with revenue/PAT growing by 6% and 9% y-o-y, respectively (and volumes rising by just 3%). OPM improved 49 bps y-o-y to 23.2%.
- Price growth will be flat or marginally slip if raw material prices remain low. Volume growth will gradually pick up with expected recovery in demand going ahead (especially in the rural market).
- Focus remains on healthy gross margin expansion with input cost staying moderated. A large part of savings will be invested in higher ad-spends given increased competitive intensity.
- Stock trades at 58x/50x its FY2024E/FY2025E earnings. New leadership is confident of achieving consistent and profitable growth in the medium term. We retain Buy with an unchanged PT of Rs. 3,050.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HUL-3R-Jul20_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target Latest	Price Target Chg
Jul 20, 2023	**L&T Finance Holdings Ltd**	Stock Update	BUY	↔	131	155	↑

Summary

- LTFH's legacy wholesale book has been running down faster, and a favourable cycle is helping its retail business to grow rapidly.
- The wholesale book declined by 65% y-o-y and 28% q-o-q due to a larger sell-down/prepayment. The retail book grew by 34% y-o-y/5% q-o-q. Share of retail assets rose to 82% of loan book vs. 75% q-o-q.
- The company is looking to run down a majority of the wholesale book by the end of FY2024E. Thus, the diminishing wholesale book will constrain net loan growth and RoE in FY2024; however, from FY2025, growth in retail franchise would uplift loan growth and RoE.
- We maintain our Buy rating with a revised PT of Rs. 155. At the CMP, the stock trades at 1.4x/1.2x its FY2024E/FY2025E BV.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/LnT_Finance-3R-Jul20_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target Latest	Price Target Chg
Jul 20, 2023	**Can Fin Homes Ltd**	Stock Update	BUY	↔	833	960	↑

Summary

- Can Fin Homes reported strong performance in Q1FY2024, led by better NIM and lower opex growth. PAT reported at Rs. 184 crore (up 35% y-o-y /9% q-o-q) was 9% above our estimates. NIM (calculated as a percentage of average loans) improved by 17 bps q-o-q to 3.56%, which was a key positive.
- GNPA and NNPA in absolute terms rose by 18%/33% q-o-q, led by higher slippages from the restructured book and some seasonality in the portfolio. GNPA/ NNPA ratio was at 0.63%/0.34% vs. 0.55%/ 0.27% q-o-q. Overall, asset-quality outlook continues to remain stable to positive despite some blips.
- Loan growth remained healthy at 18% y-o-y/3% q-o-q, while disbursements grew by 14% y-o-y/down 23% q-o-q. Q1 is seasonally a weak quarter and the company believes that as interest rates stabilise in H1FY2024, demand is expected to pick up in H2FY2024.
- At the CMP, the stock trades at 2.5x/2.2x its FY2024E/FY20215 ABV estimates. We maintain our Buy rating with a revised PT of Rs. 960.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/CanFinHomes-3R-Jul20_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target Latest	Price Target Chg
Jul 20, 2023	**Infosys Ltd**	Stock Update	REDUCE	↓	1,449	1,300	↓

Summary

- Infosys reported revenue at $4617 million, up 1% q-o-q/4.2% y-o-y in CC in line with our estimates of $4613 million. Sequential growth was led by Manufacturing, Hitech and Energy verticals.
- EBIT margins fell 20 bps q-o-q to 20.8% in line with our estimates. Large deal TCV wins stood at $ 2.3 bn, up 11%q-o-q /35% y-o-y.
- Management sharply downgraded the FY24 constant currency revenue guidance to 1-3.5% from earlier stated guidance of 4-7%. However, the management retained the operating margin guidance for the FY24 at 20-22%.
- Infosys has consecutively disappointed with significant revenue guidance downgrade for FY24 and is expected to underperform industry peers like TCS and HCL Tech, leading to trimming of target estimates. Thus, we have downgraded the stock to Reduce from HOLD with revised Price Target of Rs1300. At the CMP, the stock trades at 25.3x/23.5x FY24/25E EPS.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Infy-3R-Jul20_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target Latest	Price Target Chg
Jul 21, 2023	**UltraTech Cement Ltd**	Stock Update	BUY	↔	8,127	9,400	↔

Summary

- We maintain a Buy on UltraTech with an unchanged PT of Rs. 9,400, considering its long-term growth potential.
- The company reported an in-line standalone operational performance for Q1FY2024 aided by strong volume growth of 20% y-o-y. Net profit beat was led by opting for lower tax regime.
- Management expects double digit volume growth for FY2024 and improvement in operational profitability led by lower energy costs from Q3FY2024.
- It would be de-bottlenecking 4 mtpa cement capacities while phase 2 expansion of 22.6 mtpa remain on track and is expected to go on stream in a phased manner by FY2025 and FY2026.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/UltraTech-3R-Jul21_2023.pdf

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 21, 2023</td><td>Coforge Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>4,639</td><td>5,500</td><td>↑</td></tr>
<tr><td colspan="8">Summary
Reported revenue stood at $271.8 million, up 2.7%q-o-q/18.4% y-o-y in constant currency (cc) terms, missing our estimates of 3.5% q-o-q growth.
Adjusted EBIDTA margin declined to 16%, down 360 bps q-o-q /50 bps y-o-y due to global salary hikes, visa costs, etc. Company reported a record order intake of $ 531 million.
Management reiterated its FY24 annual revenue growth guidance of 13% to 16% in constant currency and the annual adjusted EBITDA guidance of around 18.3%.
Despite the challenging demand environment, the company remains confident in achieving revenue growth guidance due to consistent order intake, robust 12-month executable order book, recent large deal wins, and strong net additions. Hence, we maintain Buy rating with a revised price target of Rs. 5500. At the CMP, the stock trades at 28.1x/22.9x its FY24/25E EPS.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Coforge-3R-Jul21_2023.pdf</td></tr>
<tr><td>Jul 21, 2023</td><td>Reliance Industries Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>2,536</td><td>2,880</td><td>↓</td></tr>
<tr><td colspan="8">Summary
Q1FY2024 consolidated EBITDA of Rs. 38,093 crore (largely flat q-o-q) was 5% above our estimate, primarily led by a beat in standalone EBITDA, while Jio's performance was broadly in-line, but retail EBITDA marginally missed our estimate due to muted revenue growth.
O2C EBITDA declined by 9% q-o-q (versus estimate of 13% q-o-q fall) due to lower refining and petchem margin. Jio platform's EBITDA grew by 2.7% q-o-q to Rs. 13,116 crore, which reflects strong net subscriber addition of 9.2 mn q-o-q and 1% q-o-q increase in ARPU to Rs. 180.5. Retail EBITDA of Rs. 4,896 crore (up 2.7% q-o-q) was slightly below estimate on subdued revenue growth of 1% q-o-q.
We have lowered our FY2024-FY2025 earnings estimate by 2% to factor in lower GRM assumption. The upcoming AGM of RIL is expected to bring more clarity and a strategic roadmap for Jio Financial Services and indications of potential value unlocking from retail and digital services.
We firmly believe that RIL is a compelling long term investment bet given strong growth prospects across businesses and potential value unlocking from retail, digital services, and financial services portfolio would create long term value for shareholders. We maintain our Buy rating on RIL with a revised SoTP PT of Rs. 2,880. At the CMP, the stock trades at 17.9x its FY2025E EPS and 9.8x its FY2025E EV/EBITDA.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/RIL-3R-Jul21_2023.pdf</td></tr>
<tr><td>Jul 21, 2023</td><td>Ramkrishna Forgings Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>505</td><td>580</td><td>↑</td></tr>
<tr><td colspan="8">Summary
We reiterate our Buy rating on Ramakrishna Forgings Limited (RKFL) with a revised PT of Rs. 580 on account of its inorganic growth plan and diversification strategies, the expectation of timely commissioning of new capacities, and sustainable operating performance.
With operating results close to expectations, management has maintained its target of 15-20% volume growth and high margin in FY2024.
This was the consecutive sixth quarter when RKFL reported EBITDA margin above 22%.
The stock trades at P/E multiple of 17.4x and EV/EBITDA multiple of 9.4x its FY2025E.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/RK_Forgings-3R-Jul21_2023.pdf</td></tr>
<tr><td>Jul 21, 2023</td><td>Persistent Systems Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>4,750</td><td>5,500</td><td>↑</td></tr>
<tr><td colspan="8">Summary
Persistent reported revenues of $282.9 million, up 3%q-o-q/17.1% y-o-y in constant currency (CC) terms, nearly in line with our estimates of $283.6 million.
EBIT margin fell ~50 bps q-o-q to 14.9% missing our estimates of 15.5%, as the tailwind of revenue growth was offset by higher SG&A costs, higher amortization costs, and doubtful debt provision.
Order booking moderated to $380.3 million in TCV, down ~10% q-o-q/3% y-o-y. Persistent would endeavour for aspirational quarterly growth of 3-5% in a good economy and 2-4% in a bad economy.
Persistent Systems continues to deliver industry-leading revenue growth despite challenging macro environment on account of consistently decent order booking, strong contributions from top clients and broad-based demand across verticals. Hence, we maintain a Buy rating on Persistent Systems with revised PT of 5500. At the CMP, the stock trades at 30.1/24.4x its FY24/25E EPS.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Persistent-3R-Jul21_2023.pdf</td></tr>
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Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 21, 2023	**ICICI Bank**	Stock Update	BUY	↔	997	1,200	↑

Summary

- ICICI Bank reported yet another strong quarter with earnings rising by 40% y-o-y with RoA sustaining at ~2.4%. Higher other income and lower credit cost helped to sustain the current RoA trajectory despite NIMs compression and higher opex growth.
- Headline asset quality stayed stable q-o-q with GNPA/NNPA ratio at 2.76%/0.48% although slippages ratio was higher at 2.4% versus 2.0% q-o-q (cal. as % of 12-month trailing loans) due to higher slippages in kisan credit card portfolio but slippages remained lower on y-o-y basis. Contingent provision buffer stood at ~1.2% of loans.
- Deposit growth picked up strongly and outpaced loan growth. Loan growth remained healthy and was broad-based, up 18% y-o-y/ 4% q-o-q. Total deposits grew by 18% y-o-y / 5% q-o-q, driven by term deposits (up 26% y-o-y/ 10% q-o-q). CASA balances were down 1% q-o-q.
- We maintain a Buy rating with a revised PT of Rs. 1,200. From here on, only operating leverage can help to sustain current RoA, which could be partly offset by moderation in NIMs and normalisation of credit cost. Further re-rating from here on is likely to be a very gradual one based on sustainable performance and quality earnings. Stock currently trades at 2.6x/2.2x its FY2024E/FY2025E core BV estimates.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/ICICIBank-3R-Jul22_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 21, 2023	**Kotak Mahindra Bank**	Stock Update	BUY	↔	1,971	2,250	↔

Summary

- Kotak Mahindra Bank's earnings growth was steady , rising 67% y-o-y which translated to RoA of ~2.8% led by higher other income despiteNIMs compression, higher opex growth and slightly higher credit cost. Sustainable RoAs for the bank is expected in the range of 2.2-2.5%.
- Headline asset quality trends remained stable q-o-q with GNPA/NNPA ratio at 1.77%/0.40% although slippages ratio was higher at 1.7% versus 1.2% q-o-q (cal. as % of 12m trailing loans) due to seasonality in the portfolio and normalisation of slippages but it remained lower on y-o-y basis. Kotak`s slippage ratio still continues to be lower than the top large private bank which is a key positive.
- Core credit cost stood at 54 bps vs 24 bps q-o-q (excluding reversal of provisions). The bank does not see any potential stress in the any of the portfolio segment but guided that normalisation of slippages and credit cost is expected to happen. Deposit growth (up 6% q-o-q) picked up sharply and outpaced loan growth. Traction in deposits was led by term deposits and a newly product launched Activ money for saving account holders.
- The bank guided that it is on track with leadership transition and would come out with development sooner. We maintain our Buy rating with an unchanged SOTP-based PT of Rs. 2,250. The stock currently trades at 3.0x/2.6x its FY2024E/FY2025E core BV estimates.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/KotakBank-3R-Jul22_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 21, 2023	**Atul Ltd**	Stock Update	HOLD	↔	7,013	7,550	↑

Summary

- Q1FY24 was a positive surprise with a 18%/11% beat in EBITDA/PAT at Rs. 182 crore/Rs. 102 crore, up 22%/13% q-o-q led by sharp margin recovery in performance and other chemicals (POC) despite challenging demand/pricing environment for chemicals industry especially for companies focused on discretionary end-user industries.
- POC revenues/EBIT was up 5%/5.7x q-o-q to Rs. 874 crore/Rs. 89 crore. A key positive surprise was a sharp 828 bps q-o-q rise in EBIT margin to 10.2%. Life Science Chemical (LSC) segment's performance was soft with 14%/42% q-o-q decline in revenue/EBIT to Rs. 350 crore/Rs. 52 crore with steep 726 bps q-o-q decline in EBIT margin to 14.9%.
- Despite outperformance in POC segment, challenges like sharp price erosion led by rise in supply from China, reduction in inventory by customers and weak global demand persist for chemical industry. This makes us cautious about near term outlook for Atul Limited.
- Current valuation of 36/29x its FY2024E/FY2025E EPS seems rich given volatile earnings due to the commodity nature of the business. Hence, we maintain Hold rating on Atul Ltd. with a revised PT of Rs. 7,550.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Atul-3R-Jul21_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 21, 2023	**Dalmia Bharat Ltd**	Stock Update	HOLD	↓	1,921	2,100	↓

Summary

- We downgrade Dalmia Bharat to Hold with a revised PT of Rs. 2,100, considering its strong growth potential, factoring downwardly revised estimates and lowering valuation multiple to factor in challenges in its core East region.
- In Q1FY2024, the company reported a miss on operational profitability led by higher-than-estimated power & fuel and freight costs. Higher depreciation and interest expenses led PAT to severely miss mark.
- The management eyes a 15-17% y-o-y volume growth for FY2024 while it would be taking corrective actions in re-gaining market share in East and better cost efficiencies.
- It would add a 4.9 MTPA capacity in South India to reach 46.6 MTPA by FY2024 end. JP Assets' acquisition completion gets delayed to FY2024-end.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/DalmiaBharat-3R-Jul21_2023.pdf

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<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 21, 2023</td><td>GNA Axles Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>935</td><td>1,095</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ GNA Axles registered 240 bps y-o-y expansion in EBITDA margin to 15.8% against estimate of 14.5%.
◆ The company announced a bonus share in a ratio of 1:1.
◆ The stock is trading at P/E of 12.8x and EV/EBITDA of 7.7x its FY2025E estimates.
◆ We maintain a Buy rating on GNA Axles Limited (GNA) with a revised PT of Rs. 1095, on healthy operating margin performance in Q1FY24 and attractive valuation.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/GNA-3R-Jul21_2023.pdf</td></tr>
<tr><td>Jul 21, 2023</td><td>JSW Steel Ltd</td><td>Stock Update</td><td>REDUCE</td><td>↔</td><td>786</td><td>700</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ Q1FY24 consolidated PAT of Rs. 2,428 crore was significantly above our estimate of Rs. 714 crore led by a beat in standalone margins, strong performance from overseas subsidiaries, higher other income and lower depreciation/interest costs.
◆ Standalone EBITDA of Rs. 4,861 crore (down 22% q-o-q) surprised positively with 25% beat in EBITDA margin at Rs. 9,860/tonne (down 10% q-o-q). Although standalone steel sales volume of 4.93 mt was marginally above our estimate but was affected by inventory destocking and cyclone in west coast of India. US subsidiaries posted robust earnings supported by higher volumes.
◆ FY24 standalone steel sales volume guidance maintained at 24 mt (implies 11% y-o-y growth). For Q2FY24, management expects benefit of lower coking coal price by $45-50/tonne to offset the impact of lower steel realisation while volume growth to be healthy driven inventory liquidation. Plan to take steel manufacturing capacity to 37 mt/50 mt by FY25E/FY31E.
◆ Valuation of 7.8x FY25E EV/EBITDA seem rich to us and is factoring in expectation of margin/volume recovery in H2FY24. We do not find comfort at current valuation given premium to historical average EV/EBITDA of 6.6x and debt to remain elevated given capex plan. Hence, we maintain our Reduce rating on JSW Steel with a revised PT of Rs. 700.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/JSWSteel-3R-Jul21_2023.pdf</td></tr>
<tr><td>Jul 24, 2023</td><td>HDFC Life Insurance</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>653</td><td>750</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ HDFC Life reported ~18% y-o-y growth in VNB. VNB margin reported at 26.2% vs estimates of 27.2% and 25.1% y-o-y. APE grew by 13% y-o-y.
◆ Despite a strong growth in protection and group savings segments, VNB margins lagged estimates led by lower volume in non-par segment and slightly higher expenses.
◆ Bancassurance channel APE growth was strong at 31% y-o-y due to 50-100bps increase in counter share at HDFC Bank. However, growth in the agency channel was moderate at 18% y-o-y.
◆ The company has guided for flat VNB margins in FY24. Stock currently trades at 3.0x/ 2.5x its FY2024E/ FY2025E EVPS. We maintain a Buy on the stock with an revised PT of Rs. 750.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/HDFCLife-3R-Jul24_2023.pdf</td></tr>
<tr><td>Jul 24, 2023</td><td>TVS Motor Company Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>1,306</td><td>1,498</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ We maintain our BUY rating on the stock with a revised PT of Rs 1498 in expectation of a gradual revival in export volumes, successful launches in the EV space and sustenance of a high EBITDA margin.
◆ This was the consecutive 7th quarter when TVSM has reported an EBITDA margin above the 10% level.
◆ TVSM is targeting to ramp up EV production to 25000 units/ month by August and plans to expand its EV portfolio in the coming months.
◆ The stock trades at a P/E multiple of 26.4x and EV/EBITDA multiple of 14x its FY2025E estimates.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TVS_Motor-3R-Jul24_2023.pdf</td></tr>
<tr><td>Jul 24, 2023</td><td>Ashok Leyland Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>182</td><td>221</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ We retain our Buy rating on Ashok Leyland Limited (ALL), with a revised target price of Rs. 221 on expectation of an 11% volume CAGR along with 190-bps expansion in EBITDA margin in the next two years, recovery in the bus segment, and RM cost tailwind.
◆ The company rreported double-digit margin for the second consecutive quarter, as OPM exceeded estimates by 150 bps to 10.0% in Q1FY2024.
◆ Management has guided for 8-10% growth in the MHCV industry and over 5-6% growth in the LCV industry in FY2024.
◆ The stock is trading at a P/E of 18.3x and EV/EBITDA of 10.1 its FY2025E estimates.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Ashok_Leyland-3R-Jul24_2023.pdf</td></tr>
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Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 24, 2023	**AU Small Finance Bank**	Stock Update	HOLD	↓	739	800	↔

Summary

- We downgrade AUSFB to Hold from Buy with an unchanged PT of Rs. 800. Margins compression in near term and lower assets growth expectations at ~20-25% vs earlier ~25-30% would lead to slower earnings growth along with rich valuation drives our hold rating. The stock trades at 4.0x/ 3.4x its FY2024E/2025E ABV estimates, respectively.
- Bank reported a PAT of Rs. 387 crore (up 44% y-o-y/ down 9%) as other income rose and credit cost fell. Credit cost was lower as contingent provisions & provisions on restructured book were reversed. Like-to-like credit cost (excl reversal of provisions) was higher at 73 bps (as % of Avg. advances) vs 62 bps q-o-q and 42 bps.
- NIMs lagged hopes, by ~38 bps q-o-q at ~5.7% as COF increased by 29 bps q-o-q led by increase in deposit cost and drag from excess liquidity buffers. NIM outlook in near term remains negative although disbursement yield has been increased and bank has cut peak savings and term deposit rates by 25 bps.
- We like deposit led asset growth strategy and bank is confident that deposit growth will pick up despite a rate cut. Deposit growth/ cost of funds remains a key monitorable to track.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/AUSmall-3R-Jul24_2023.pdf

Date	Company	Report Type	Recommendation Latest	Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Chg
Jul 24, 2023	**DLF Ltd**	Viewpoint	POSITIVE	↔	494	18%	↑

Summary

- Sales bookings remained in-line while strong collections and net surplus aided by paring down net debt to its lowest level.
- Q1FY24 consolidated revenues and net profit lagged estimates while OPM broadly stayed in line. DCCDL rental income rise 13% y-o-y while net profit rises by 21% y-o-y.
- Management retained 11.2msf launch pipeline having almost Rs. 20,000 crore sales potential with major launches skewed towards H2FY2024. Sales bookings targeted at Rs. 12,000-13,000 crore.
- We stay positive on DLF with an upside potential of 18%, given strong growth potential in residential and scaling up of rental portfolio.

Read report - https://www.sharekhan.com/MediaGalary/Equity/DLF-Jul24_2023.pdf

Date	Company	Report Type	Recommendation Latest	Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Chg
Jul 25, 2023	**Jyothy Labs Ltd**	Stock Update	BUY	↔	291	340	↑

Summary

- Jyothy Labs Limited's (JLL's) Q1FY24 performance beat ours as well as the street's expectation with revenues and PAT growing 15% and 101% y-o-y, respectively (OPM rose 707 bps y-o-y to 17%).
- Domestic household insecticide (HI) business got back in double-digit growth led by seasonal effect and emphasis on wider distribution.
- Focus remains on improving volume growth, improve market share in key categories, widening distribution reach and greater digitisation to achieve double-digit revenue growth in the medium-long term. JLL maintains target of achieving OPM of 15-16% in FY2024.
- Despite a strong run-up post the results, the stock trades at 32.9x/27.5x its FY2024E/FY2025E EPS, which is at discount to mid-to-large peers. We maintain Buy with a revised PT of Rs. 340.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Jyothy_Labs-3R-Jul25_2023.pdf

Date	Company	Report Type	Recommendation Latest	Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Chg
Jul 25, 2023	**Larsen & Toubro**	Stock Update	BUY	↔	2,561	3,005	↑

Summary

- Q1FY24 revenue and net profit recorded stellar growth of 33.6%/46.5% y-o-y, beating the street's estimates by a wide margin, while OPM missed estimates as infrastructure biz margin fell y-o-y.
- Order inflow for Q1FY24 was robust at Rs. 65,520 crore (up 57% y-o-y). Order book continues to grow at a swift pace and stands at an all-time high of ~Rs 4.1 lakh crore (2.1xTTM revenue).
- L&T maintained 12-15% revenue and 10-12% order intake growth guidance for FY24. Core business OPM is expected to be at ~9% (up 40/50bps y-o-y). Working capital/sales to be at 16-18%.
- Special dividend of Rs. 6 per share and share buyback at Rs. 3,000 per share comprising ~2.4% of total equity is sentimentally positive. We maintain a Buy on L&T with a revised PT of Rs. 3,005, factoring in strong execution, margin tailwinds in the near to medium term and upward revision in valuation of its subsidiaries.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/LnT-3R-Jul25_2023.pdf

Date	Company	Report Type	Recommendation Latest	Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Chg
Jul 25, 2023	**Tata Motors Ltd**	Stock Update	BUY	↔	640	748	↑

Summary

- We maintain our Buy on Tata Mootors (TML) with a revised PT of Rs 748 on expecting continued improvement in JLR, PV and CV business and reduced net automotive debt from current levels.
- JLR reported a robust EBITDA margin at 16.3% with an FCF of GBP 451 mn in Q1FY24 and guided for a steady demand outlook supported by an order book of 185,000 units.
- Despite 26% q-o-q decline in volumes, CV business reported an EBITDA margin at 9.4% in Q1Fy24 against 10.1% in Q4FY23.
- Net automotive debt decreased from Rs 43,700 crore in Q4FY23 to Rs 41,700 cr in Q1FY24.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TataMotors-3R-Jul25_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 25, 2023	**Bajaj Auto Ltd**	Stock Update	BUY	↔	4,843	5,600	↔

Summary

- Bajaj Auto's (BAL's) reported PAT stood at Rs 1665 crore in Q1FY24 against estimate of Rs. 1670 crore on maintaining EBITDA margin at ~19%.
- With the Triumph 400 cc, BAL has now ventured into the realm of iconic premium motorcycles, expanding its dominance from the mass premium motorcycles.
- Stock trades at a P/E multiple of 18.3x and EV/EBITDA multiple of 12.5x its FY25 E estimates.
- We maintain a Buy on Bajaj Auto (BAL) with an unchanged target price of Rs. 5,600 owing to its superior profitability, play on premiumisation and expectation of gradual export recovery.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BajajAuto-3R-Jul25_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 25, 2023	**Relaxo Footwear Ltd**	Stock Update	BUY	↔	947	1,080	↑

Summary

- Relaxo Footwears' (Relaxo's) Q1FY2024 numbers met expectations, with revenue/PAT growing by 10.7%/45.6% y-o-y and EBITDA margin expansion at 165 bps y-o-y. The company sold 5.1 crore pairs during the quarter (higher by 34.2% y-o-y).
- As open footwear volumes improve, the company is expected to deliver double-digit volume-led revenue growth in FY2024. Over the next 2-3 years, growth is expected to be driven by distribution expansion, higher share of close-ended footwear and a better mix.
- Management expects raw material prices to fall further, which will drive up EBIDTA margins to ~15-16% in FY2025 from 12% in FY2023.
- Stock trades at 68.2x its FY2025E earnings. We maintain a Buy rating with a revised PT of Rs. 1,080.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Relaxo-3R-Jul25_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 25, 2023	**SRF Ltd**	Stock Update	BUY	↔	2,163	2,745	↓

Summary

- Q1FY2024 results reflect pressure on the fluorochemicals business, which was impacted by muted ref-gas demand/pricing and, thus, consolidated PAT of Rs. 359 crore (down 36% q-o-q) was 13% below our estimate.
- The chemical segment's EBIT declined by 38% q-o-q to Rs. 460 crore due to a 21% decline in revenue and a steep 747 bps q-o-q contraction in EBIT margin to 28%. Ref-gas witnessed volume/pricing pressure, while specialty chemical saw healthy y-o-y revenue/margin growth. Technical textile posted q-o-q rise of 25% in EBIT to Rs. 61 crore; packing film number improved q-o-q but margin still remains under pressure.
- Management indicated pressure for ref-gas to continue in Q2FY2024 and expects better H2FY2024 supported by strong demand traction in the U.S. Inventory rationalisation in agrochem seems temporary and does not have any impact on demand despite some order delays by customers. The company would wait for Q2FY2024 to provide growth guidance. We have cut our FY2024E/FY2025E EPS by 11%/8%.
- Near-term issues are likely to persist, given challenges in the chemical industry. Having said that, SRF is a quality player and its investment in specialty chemicals provides strong long-term earnings growth prospects. Recent weakness in the stock price is a good investment opportunity and the stock's valuation seems reasonable at 23x its FY2025E EPS. Hence, we maintain our Buy rating on SRF with a revised PT of Rs. 2,745.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/SRF-3R-Jul25_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 25, 2023	**Jubilant FoodWorks Ltd**	Stock Update	BUY	↔	477	570	↓

Summary

- Jubilant FoodWorks Limited's (JFL's) like-for-like sales declined by 1.3% y-o-y. Decline was lower than our and street's estimate of a 2-5% decline. Revenue growth of 5.6% y-o-y to Rs. 1,309.7 crore was order-led and partially offset by a fall in ticket prices.
- EBITDA margins came in at 21.1% (up by 97 bps q-o-q). Stabilising of raw material prices, improved product mix and internal efficiencies would help maintain/improve margins going ahead. EBITDA margin is targeted to improve to 23-24% in 2-3 years.
- Though Q1 is a slow start to store openings, management has maintained its guidance of opening 200-225 Domino's stores and 30-35 Popeyes stores in FY2024.
- Stock is down 27% from highs and is currently trading at 66.5x/45.3x its FY2024E/FY2025E earnings. We maintain our Buy recommendation on the stock with a revised PT of Rs. 570.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Jubilant-3R-Jul25_2023.pdf

Date	Company	Report Type	Recommendation Latest	Recommendation Chg	Reco Price (Rs.)	Price Target/ Upside (%) Latest	Price Target/ Upside (%) Chg
Jul 25, 2023	**Asian Paints Ltd**	Stock Update	HOLD	↓	3,400	3,675	↑

Summary

- We downgrade Asian Paints Ltd (APL) to Hold with revised PT of Rs. 3,675, given a limited upside and heightened competitive pressures from new entrants. Stock trades at 60.8x and 51.8x its FY2024E/25E EPS.
- APL's Q1FY24 numbers were a mixed bag with consolidated revenues growing 7% y-o-y to Rs. 9,182.3 crore, while an over 500 bps rise in OPM drove up PAT by 46% y-o-y to Rs. 1,519.4 crore.
- Decorative paint volume grew by 10% in Q1. Management expects volume to growth to be higher in H2FY24 due to extended festive season. Real estate and project demand remains good.
- OPM came at 23.1% in Q1FY24. Management maintained its guidance of 18-20% OPM for FY2024. Any significant increase in crude prices would act as a risk to margins.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/AsianPaints-3R-Jul25_2023.pdf

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 25, 2023</td><td>Mahindra Logistics Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>377</td><td>455</td><td>↔</td></tr>
<tr><td colspan="8">Summary
◆ We retain a Buy on Mahindra Logistics Limited (MLL) with an unchanged PT of Rs. 455, considering a favourable valuation which factors in near-term demand weakness.
◆ MLL reported marginally weak operational performance for Q1FY2024 while net loss widened due to higher tax outgo. OPMs stayed in-line despite sustained operating losses in express business.
◆ The company maintained its slower revenue growth guidance for FY2024 due to moderation of growth in auto, consumer durables, higher competitive intensity in E-com and pricing pressure in freight forwarding.
◆ The express business is targeted for EBITDA breakeven by mid-Q3FY2024 with encouraging volumes in July. Focus stays on improving margin profit in its network services businesses.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Mahindra_Logistics-3R-Jul25_2023.pdf</td></tr>
<tr><td>Jul 25, 2023</td><td>Gravita India</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>672</td><td>20%</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ Consolidated PAT of Rs. 52 crore, was broadly in line with our estimate as the decline in volume due to the closure of Mudra facility for 10-12 days (Cyclone Biparjoy) and higher interest cost/tax rate was largely offset by better margin from lead and plastic segments.
◆ Lead/plastics recycling EBITDA margin was up 4%/15% q-o-q to Rs. 20,958/Rs. 10,217 per tonne, while that from the aluminium vertical declined sharply by 24% q-o-q to Rs. 12,823/tonne. Aluminium margins declined due to commissioning of the new aluminium plant, which was still in stabilisation phase.
◆ Management maintained robust 25%/35% volume/PAT CAGR over FY2024E-FY2027E, supported by capacity expansion for existing recycling verticals. Capex plan of Rs. 250 crore for new recycling verticals would provide the next leg of growth.
◆ We maintain our Positive view on Gravita India and expect 20% upside. Despite the strong 49% increase in the stock price in CY23YTD, valuation of 15x its FY2025E EPS still seems reasonable considering strong earnings growth outlook. Government's focus on circular economics could provide a sustained growth opportunity, while its focus to increase non-lead/VAP business share to 25%+/50%+ would act as key re-rating catalyst.
Read report - https://www.sharekhan.com/MediaGalary/Equity/Gravita-Jul25_2023.pdf</td></tr>
<tr><td>Jul 26, 2023</td><td>Bajaj Finance Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>7,431</td><td>8,800</td><td>↑</td></tr>
<tr><td colspan="8">Summary
◆ Bajaj Finance reported PAT of Rs. 3,437 crore up 32% y-o-y/ 9% q-o-q in line with our estimates. NII was up 27% y-o-y/ 7% q-o-q broadly in line, on the back of strong AUM growth (32% y-o-y/ 9% q-o-q) partly offset by lower NIMs down by 11 bps q-o-q to 10.4% (cal.).
◆ Outlook on NIMs remains negative. The company expects further 20-30 bps NIMs compression in the remaining quarters of FY24 on the back of liabilities getting repriced at higher rates assuming no repo rate hikes further.
◆ Asset quality was remarkable, as GS-3 ratio sequentially declined to 0.87% (vs. 0.94% q-o-q) lowest ever and GS2 ratio (incl. OTR) remained stable at 1.2% sequentially. It has improved the long-term guidance for GNPA at 1.2-1.4% vs 1.4-1.7% earlier and for NNPA at 0.4-0.5% vs 0.4-0.7% earlier.
◆ Loan growth outlook for FY24 has also been revised to 29-31% vs 25-27% earlier with asset mix expected to remain broadly stable. The company is now guiding for long term sustainable RoA/RoE at ~4.6-4.8%/ ~21-23% respectively. We reiterate Buy on BAF with a revised PT of Rs. 8,800. At the CMP, the stock trades at 6.8x/5.3x FY2024E/FY2025E BV estimates.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BajajFinance-3R-Jul26_2023.pdf</td></tr>
<tr><td>Jul 26, 2023</td><td>Axis Bank</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>970</td><td>1,140</td><td>↔</td></tr>
<tr><td colspan="8">Summary
◆ We maintain our Buy rating on the stock with an unchanged PT of Rs. 1,140. Axis Bank reported a PAT at Rs 5,797 crore, up 41% y-o-y below consensus and our estimates led by higher-than-expected opex growth and credit cost partly offset by robust other income.
◆ NII grew by 27% y-o-y/ 2% q-o-q broadly in line with estimates. NIMs declined by 12 bps q-o-q to ~4.1% (better than expectations) as the cost of deposits increased by 31 bps q-o-q in turn putting pressure on cost of funds.
◆ Headline asset quality trends remained stable q-o-q although the slippage ratio was higher at 2.3% (cal. as % of 12-month trailing loans vs 1.9% q-o-q) as Q1 is seasonally a weak quarter and that has been the trend across banks. Core credit cost was still lower at 54 bps annualized.
◆ Outlook on NIMs remain negative along with higher opex growth led by business integration cost of Citi would put pressure on the operating profit growth in FY24. Strong asset quality and in turn lower credit costs would partly offset the impact on earnings and return ratios. Stock currently trades at 1.9x/1.6x its FY2024E/FY2025E core BV estimates.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Axis-3R-Jul26_2023.pdf</td></tr>
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Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 26, 2023	**Cipla Ltd**	Stock Update	BUY	↑	1,079	1,279	↑

Summary

- Profitability strongly beat ours and consensus estimates in Q1FY2024 by 15.7% and 15.9%, respectively, driven by continued strong growth in the US and a recovery in India, leading to an improved products mix.
- US business growth was driven by continued performance of key products such as gRevlimid and Lanreotide and stability in market share of Albuterol. A rise in chronic segment's revenues aided a recovery in India business' revenues.
- We revise our earnings growth estimate to 22.6% over FY23-FY25E from a 15.2% CAGR earlier, and hence upgrade the PT to Rs. 1279 (vs. before Rs. 1,030) and also upgrade the rating to Buy.
- Stock trades at a lower level of ~22.7x and ~19.4x its FY24 and FY25E EPS estimates vs. peers trading at ~28.2x and ~23.3x its FY24E and FY25E EPS estimates, indicating attractive valuation.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Cipla-3R-Jul26_2023.pdf

Jul 26, 2023	**Dr. Reddy's Laboratories Ltd**	Stock Update	BUY	↔	5,475	6,373	↑

Summary

- Dr. Reddy's Laboratories' (DRL) strongly beat on an adjusted profit basis, by 43% versus ours and consensus estimates. Growth was driven by a strong show in North America, Europe and emerging markets that boosted operating leverage and favorable products mix.
- US market is expected to continue to grow strongly driven by key products such as gRevlimid, etc. Volume growth in base business and product launches would also help; partially offset by price erosion.
- On DRL's strong guidance of over 25% EBITDA margins in the near term, driven by settled product agreements like gRevlimid, we revise the EPS estimates by 11% and 9%, respectively for FY24E and FY25E and maintain a Buy with a revised PT of Rs. 6,373.
- Stock trades at an attractive 17.9x/17.2x its FY24E and FY25E estimates vs. peers' 29.7x/24.1x, indicating attractive valuation.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/DrReddy-3R-Jul26_2023.pdf

Jul 26, 2023	**Indraprastha Gas Ltd**	Stock Update	BUY	↔	470	565	↓

Summary

- Q1FY24 PAT of Rs. 438 crore (up 33% q-o-q) was 4% below our estimate due to miss in gas sales volume/margins. CNG volumes rose by only 1% q-o-q despite lower CNG price while D-PNG/I-PNG volume declined 7%/6% q-o-q.
- Gross/EBITDA margin increased by 19%/37% q-o-q to Rs. 14.4/Rs. 8.6 per scm but was 1%/2% below our estimate of Rs. 14.5/8.8 per scm. Sequential margin improvement was led by partial pass through of lower gas costs.
- Q2FY24 CNG volume to be soft due to floods in Delhi. Volume ramp expected at 9 mmscmd in Q4FY24 and long-term EBITDA margin guidance at Rs.7.5-8/scm. IGL would take a call on CNG price depending on likely cut in petrol/diesel price to sustain CNG conversions. We have lowered our FY24/FY25E EPS by 4% each due to lower CNG volume assumption.
- We maintain a Buy on IGL with a revised PT of Rs. 565. Valuation of 18x its FY2025E EPS seems attractive given discount of 21% to its five-year average one-year forward PE multiple of 23x and expectation of healthy earnings recovery over FY24-25.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/IGL-3R-Jul26_2023.pdf

Jul 26, 2023	**Kajaria Ceramics Ltd**	Stock Update	BUY	↔	1,386	1,600	↑

Summary

- We retain Buy on Kajaria Ceramics with a revised PT of Rs. 1,600 increasing our valuation multiple considering strong demand tailwinds from realty sector upcycle and favourable industry exports outlook.
- For Q1FY2024, operational performance broadly remained in-line with marginally lower volume growth was offset by higher-than-expected OPMs. Net cash surplus rise q-o-q.
- Management retained 14-16% y-o-y consolidated revenue growth supported by 13-15% y-o-y tile volume growth and 14-16% OPMs for FY2024. H2 to show strong demand growth.
- Commercial production at Sikandrabad and modernized production from Gailpur to commence from August. Nepal JV project remain on track to commission by March 2024.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Kajaria-3R-Jul26_2023.pdf

Jul 26, 2023	**Amber Enterprises**	Stock Update	BUY	↔	2,411	2,800	↑

Summary

- Though revenues dropped sharply in Q1FY24 on poor volumes (of RAC and components division), margins surged.
- Structural changes in the manufacturing landscape of RACs have transformed Amber's business model and the company is pursuing a components-based model, which would drive margin expansion and growth.
- Company expects a 19-21% ROCE in the next 2-3 years as utilisation levels improve. Company has guided for 30% EBITDA CAGR for the next two years.
- We maintain a Buy with a revised PT of Rs. 2,800 (based on FY2025E EPS), as we expect profitability to improve backed by better product profile in RAC division, traction in motors, electronics and mobility division as well as growth in exports.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Amber3R-Jul26_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 26, 2023	**Triveni Engineering & Industries Ltd**	Stock Update	BUY	↔	307	360	↑

Summary

- Triveni Engineering & Industries' (TEIL's) Q1FY2024 performance was hit by lower domestic sugar sales volumes due to lower quota allocation. Gross revenues and PAT grew by 5% and 16% y-o-y, respectively.
- Company maintained guidance of double-digit growth in ethanol production with expanded capacity to 1,110 KLPD over the next two years. TEIL sees no major impact of FCI suspension of surplus rice for ethanol production. Mix will determine business' profitability.
- Engineering business is scaling up well and has a strong order booking of Rs. 1,613 crore. TEIL foresees strong opportunities in the defence business (investing Rs. 40 crore in capex).
- Stock trades at 15.2x and 11.87x its FY2024E and FY2025E earnings, respectively. We maintain a Buy with a revised PT of Rs. 360.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TriveniEngg-3R-Jul26_2023.pdf

Date	Company	Report Type	Latest	Chg	Reco Price (Rs.)	Latest	Chg
Jul 26, 2023	**Colgate-Palmolive (India) Ltd**	Stock Update	HOLD	↑	1,883	2,080	↑

Summary

- For Q1FY2024, Colgate Palmolive (India) Limited (Colgate) reported a strong beat on our as well as street expectations, with revenue/PAT growing by ~11%/31% y-o-y, driven by 12% growth in the domestic business.
- Volume growth in the toothpaste category stood at ~7%, better than street as well as our expectation of 3-4%.
- Revenue reported a muted CAGR of low single-digit over FY2016-FY2023. Revamped strategies under the new leadership have started showing good results, with double-digit growth in the domestic market. Sustenance of the same will be keenly monitored.
- We upgrade our rating on the stock to Hold with a revised PT of Rs. 2,080 and will keenly monitor the performance in the quarters ahead. The stock is currently trading at 42x/39x its FY2024E/FY2025E earnings.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Colgate-3R-Jul26_2023.pdf

Date	Company	Report Type	Latest	Chg	Reco Price (Rs.)	Latest	Chg
Jul 26, 2023	**Dixon Technologies Ltd**	Stock Update	HOLD	↔	4,087	4,300	↑

Summary

- Consolidated Q1FY24 performance was mixed as despite ~15% revenue growth, the company missed OPM estimates. Adjusted PAT growth was strong at 51% y-o-y.
- Management expects new customer additions, a robust order book in all key segments and scaling up of new verticals would drive growth.
- OPM are likely to expand owing to operating leverage, backward integration and an increase in revenue contribution through ODM solutions in consumer electronics and lighting segments.
- We have built-in revenue/earnings CAGR of 28%/42% (FY23-FY25E). We believe ramp up in its mobile division and traction in new verticals are the key growth catalysts. Currently, the stock trades at ~63x/~48x FY24/FY25E EPS. Given rich valuations, we continue to maintain Hold on Dixon with a revised PT of Rs 4,300.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Dixon-3R-Jul26_2023.pdf

Date	Company	Report Type	Latest	Chg	Reco Price (Rs.)	Latest	Chg
Jul 26, 2023	**Tech Mahindra Ltd**	Stock Update	REDUCE	↓	1,144	1,050	↓

Summary

- Constant currency revenue declined 4.1% q-o-q, missing our estimates of 1.9% decline q-o-q, due to weak revenues from CME and BFSI verticals, down 9.4%/3.2% q-o-q.
- EBIT margin contracted sharply by ~440 bps q-o-q to 6.8 %, below our estimates of 10.8% due to revenue drop impacting margin, one-time provisioning and seasonality.
- Net new deal win (TCV) for the quarter stood at $359 million, down 39% q-o-q/ 55% y-o-y. The number of active clients declined by 42 to 1255.Net headcount declined by 4,103 taking the total headcount to 1,48,297.
- Tech Mahindra reported the weakest performance among Tier 1 IT service companies with declining trajectory of Net new deal wins which places its earnings outlook at risk. Hence, we downgrade Tech Mahindra to Reduce with revised PT of Rs 1050. At CMP, the stock trades at 21.2/15.5x FY24E/FY25E EPS.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TechM-3R-Jul26_2023.pdf

Date	Company	Report Type	Latest	Chg	Reco Price (Rs.)	Latest	Chg
Jul 27, 2023	**Tata Consumer Products Ltd**	Stock Update	BUY	↔	850	1,010	↔

Summary

- Tata Consumer Products Limited's (TCPL's) Q1FY24 performance was broadly in-line, with revenues rising by 12.5% y-o-y to Rs. 3,741.2 crore, OPM expanding by 82 bps y-o-y to 14.6% and adjusted PAT growing by 23.2% y-o-y to Rs. 362.4 crore.
- India growth businesses clocked yet another strong quarter (58% y-o-y combined growth) driven by 60% y-o-y growth in NourishCo and 51% y-o-y growth in Tata Sampann, while Tata Soulfull maintained strong growth trajectory.
- Going ahead, growth is likely to be driven by distribution expansion, innovation and marketing with mid-high single digit volume growth in the tea and salt segments and high growth in other businesses. Cost efficiencies and scale-up of new businesses would drive up margins.
- Stock trades at 53.6x/44.9x its FY2024E/FY2025E earnings. We maintain Buy with an unchanged PT of Rs. 1,010. Robust earnings visibility and improving cash flows make it a good pick in the FMCG space.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/TataConsumer-3R-Jul27_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 27, 2023	**Schaeffler India Ltd**	Stock Update	BUY	↔	3,096	3,406	↑

Summary

- Schaeffler India Limited (Schaeffler) reported EBITDA at Rs. 342 crore against our estimate of Rs. 342.4 crore on 2.3% higher-than-expected topline.
- Management has shared an optimistic outlook for the domestic market and indicated its concern on export volume growth in H2CY2024.
- The wind energy segment has started showing early signs of green shoots.
- We maintain our Buy rating on Schaeffler India with a revised PT of Rs. 3,406 in expectation of sustenance in domestic demand, success in the high-value EV business, increased localisation, and traction in the aftermarket segment.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Schaeffler-3R-Jul27_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
Jul 27, 2023	**Shree Cement Ltd**	Stock Update	HOLD	↑	23,886	26,400	↑

Summary

- In Q1FY2024, standalone operational performance met estimates while net profit beat was led by lower than estimated depreciation.
- Management remains optimistic on the near as well as long-term demand environment leading to accelerated capacity addition plans of 12 MTPA by FY2025 end at a capex of Rs. 7000 crore. It ventures into the RMC business too.
- Income Tax survey followed by the Ministry of Corporate Affairs notice remains a key hangover on the stock.
- We upgrade Shree Cement to Hold with a revised PT of Rs. 26,400, assigning a higher valuation multiple in-line with the industry major. Valuation premium vis-à-vis key peers has narrowed down as per our expectations.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Shree_Cement-3R-Jul27_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
Jul 27, 2023	**Mahindra Lifespace Developers Ltd**	Stock Update	BUY	↔	489	580	↑

Summary

- MLDL reported healthy sales booking driven by sustenance sales in Q1FY2024. Industrial leasing remained weak due to its lumpy nature. Lower revenue booking widened operating and net losses.
- Management sets aspirational sales booking target of Rs. 8000-10000 crore by FY2028. The launch pipeline for FY2024 remain intact, with Q3 expected to be high on sales bookings.
- Business development pipeline to be scaled up from current Rs. 5500 crore to Rs. 40,000-Rs. 50,000 core to achieve targeted sales booking of FY2028.
- We retain a Buy rating on the stock with a revised price target (PT) of Rs. 580, increasing our NAV premium to factor in strong scalability in business over the next five years, well supported by realty upcycle.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/MahindraLifespace-3R-Jul27_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
Jul 27, 2023	**Alicon Castalloy Ltd**	Stock Update	BUY	↔	821	999	↑

Summary

- We maintain our Buy rating on Alicon Castalloy Limited (ACL) with a target price of Rs. 999 on robust order book, an expectation of improvement in operating margin led by better product mix and its focus on EV projects.
- The current order book position stands at Rs. 8,500 crore, and management has increased the revenue target to Rs. 2,200 crores for FY2026.
- Management is strategically focusing on improvement in the product mix via rising revenue from the PV /CV space and targeting a 14% EBITDA margin by FY2026.
- The stock trades at a P/E multiple of 12.4x and EV/EBITDA multiple of 6.4x its FY2025E.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Alicon-3R-Jul27_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
Jul 27, 2023	**Punjab National Bank**	Stock Update	BUY	↔	62	72	↑

Summary

- PNB reported a PAT of Rs. 1,255 crore up 307% y-o-y/ 8% q-o-q below estimates led by higher-than-expected opex due to higher employee pension costs (~Rs. 1,200 crore) and higher credit cost partly offset by higher fee and other income.
- On the positive side, asset quality improved sharply with GNPA and NNPA ratios falling by 101 bps/74 bps q-o-q to 7.73%/1.98%. PCR stood at ~76% vs. 71% q-o-q. Net slippages stayed negative at Rs. 1,205 as the trajectory seen in FY23. Overall, asset quality outlook continues to remain stable to positive with strong recoveries expected (~ Rs. 22,000 crore) in FY24.
- Core credit cost stood at 2.1% annualised (Cal. as a % of 12m trailing loans) vs 1.8% q-o-q. However, the provisions were largely related to back book (Net NPAs & restructured book). The bank maintained its guidance on credit cost for FY24 at ~1.5-1.75% of average advances.
- We expect opex costs to fall substantially led by lower pension-related provisions as bond yields stabilise and credit cost to fall significantly as net NPAs declined steadily in FY24 to ~ 1% that should boost the return ratios in FY25. At CMP, the stock trades at 0.7x/ 0.6x FY24E/FY25E BV estimates. We maintain our Buy rating with a revised PT of Rs. 72.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/PNB-3R-Jul27_2023.pdf

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 27, 2023</td><td>Nestle India Ltd</td><td>Stock Update</td><td>HOLD</td><td>↓</td><td>22,329</td><td>24,650</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• Nestlé India Limited’s (Nestlé) revenue grew by 15.4% y-o-y to Rs. 4,658.3 crore in Q2CY2023; OPM improved by 196 bps y-o-y to 22.7% and PAT grew by 35.5% y-o-y to Rs. 698.3 crore.
• Volume growth in the domestic business is around mid-single-digit, which is lower than street’s expectation of a high single digit for the quarter. We expect mid-to-high single-digit volume growth momentum to sustain in the coming quarters.
• Softening of edible oil, packaging material, and wheat prices from the highs and stabilising of milk prices would provide some relief to margins in the coming quarters.
• The stock has run-up by ~16% in the past six months and trades at premium valuations of 71.3x, 61.6x, and 51.6x its CY2023E, CY2024E, and CY2025E EPS, respectively. In view of a limited upside, we downgrade our rating on the stock to Hold from Buy earlier with a revised PT of Rs. 24,650.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Nestle-3R-Jul27_2023.pdf</td></tr>
<tr><td>Jul 27, 2023</td><td>Birlasoft Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>402</td><td>470</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• Revenue grew by 2.7% q-o-q in constant currency (CC) terms, beating our estimates of 0.9% q-o-q CC growth, driven by decent growth across manufacturing and BFSI verticals.
• EBITDA margin expanded 168 bps q-o-q to 15.3% on lower gross margins as well as lower SG&A. Management is optimistic about exiting FY24 with 16% EBITDA margin.
• Company signed TCV deals of $146 million, down 49% q-o-q in-line with expectations after strong signings in Q3FY23 and Q4FY23. The management stated they would endeavour for $200 million of signings every quarter.
• With consecutive strong quarters, we believe the turnaround for Birlasoft is on track. Hence, we maintain Buy on Birlasoft with revised price target (PT) of Rs 470. At the CMP the stock trades at 19.4/16.5x its FY24/25E EPS.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Birlasoft-3R-Julx27_2023.pdf</td></tr>
<tr><td>Jul 27, 2023</td><td>Indian Hotels Company Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>385</td><td>450</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• Q1FY2024 was a mixed bag for Indian Hotels Company (IHCL), with consolidated revenues growing by 16% y-o-y to Rs. 1,466.4 crore while EBIDTA margins decreased by 187 bps y-o-y to 28%; PAT grew by 20.2% y-o-y to Rs. 210.6 crore driven by higher other income and lower interest costs.
• Domestic growth momentum would sustain as room demand exceeds supply in FY2024. G-20 summit, Cricket World Cup in October and a recovery in foreign tourist arrivals will drive strong room demand and ARR growth in H2FY2024.
• IHCL maintained guidance of achieving nearly a 33% EBIDTA by FY2025. Asset light model to help in high free-cash generation. Diversification of business is scaling up well and contributes 15% of revenues.
• Stock trades at 21x/18x its FY2024E/25E EV/EBIDTA. We maintain our Buy recommendation on the stock with revised PT of Rs. 450.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/IndianHotels-3R-Jul27_2023.pdf</td></tr>
<tr><td>Jul 27, 2023</td><td>Bharat Petroleum Corporation Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>380</td><td>430</td><td>↔</td></tr>
<tr><td colspan="8">Summary
• Q1 reported standalone PAT of Rs. 10,551 crore (up 63% q-o-q) was 20% above our estimate led by beat in refining & marketing margin, better-than-expected volumes, higher other income partially offset by rise in depreciation and inventory loss.
• GRM of $12.6/bbl was 15% above our estimate and at $8.6/bbl premium to Singapore complex GRM; blended gross marketing margin was up 3.1x q-o-q to Rs. 10,865/tonne led by led by auto fuel over-recoveries. Although debt declined 22% q-o-q but BPCL’s massive capex of Rs. 1.4-1.5 lakh crore over next five years would drive up debt in the coming years.
• Although Q1 performance may not be repeated in the coming quarters as marketing margin would come down from Q1 high given rise in Brent crude oil price to $83-84/bbl. Having said that, OMCs would see above-normal earnings over FY24-25 even on current auto fuel margin and GRM. A spike in crude oil price is a key risk to earnings outlook.
• We maintain a Buy on BPCL with and an unchanged PT of Rs. 430 given an attractive valuation of 8.8x/1.4x FY25E EPS/BV and FY24E dividend yield of 4-5%.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BPCL-3R-Jul27_2023.pdf</td></tr>
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Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 27, 2023	**Laurus Labs Ltd**	Stock Update	REDUCE	↓	345	293	↓

Summary

- Q1FY24 was the weakest quarter for Laurus Labs in the past eight quarters under observation, with net profit missing estimates by 79% as compared to ours and consensus estimates.
- The company continues to attribute the consistent underperformance to operational deleverage, material drop in the CDMO revenue and price fall in the ARV business. We do not expect the fall in CDMO segment's revenues to ease at least for the next two quarters until the high base effect from the large COVID 19 related order wanes out.
- Company sees prospects for FY24 to be weak, with capacity utilisation picking up from FY25 onwards only. We thus slash EPS estimates by 50%/13% for FY24E/FY25E respectively.
- Stock trades at higher levels of 55.7x/22.9x its FY24E/FY25E EPS hence we downgrade the stock to Reduce with a revised PT of Rs. 293.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/LaurusLabs-3R-Jul27_2023.pdf

Jul 28, 2023	**Bajaj Finserv Ltd**	Stock Update	BUY	↔	1,584	1,870	↑

Summary

- Bajaj Allianz Life Insurance reported healthy growth in individual new business premium at 15% y-o-y, while overall APE rose by 5% y-o-y. However, Value of New Business (VNB) declined by 30% y-o-y to Rs. 94 crore due to a change in the product mix and interest rate movement. VNB margins stood at 7.4% vs 11.1% y-o-y.
- Bajaj General Insurance's gross direct premium income grew by 22% y-o-y. Net earned premium grew by 5% y-o-y. Claims ratio fell to 74.3% vs 77.9% y-o-y. Combined ratio at 100.7% vs 104.6% y-o-y. Underwriting losses stood at Rs. 42 crore vs Rs. 61 crore in Q1FY23.
- On the lending business side, Bajaj Finance reported solid earnings growth at 32% y-o-y in Q1FY24 driven by strong operating profits growth and contained credit cost.
- We maintain a Buy rating on the stock with a revised SOTP-based PT of Rs. 1,870.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BajajFinserv-3R-Jul28_2023.pdf

Jul 28, 2023	**Indian Oil Corporation Ltd**	Stock Update	BUY	↔	95	105	↔

Summary

- Q1FY24 standalone PAT of Rs. 13,750 crore (up 37% q-o-q) was 7% below our estimate due to a miss in GRM and higher-than-expected decline in petchem margins, which offset robust auto fuel marketing margin.
- GRM at $8.3/bbl missed our estimate of $9.5/bbl which we believe was led by refinery inventory loss (IOCL does not disclose numbers). Petchem EBIT also fell sharply by 70% q-o-q to Rs. 88 crore, as weak margin offset higher volume.
- Although Q1 performance of OMCs may not be repeated in the coming quarters, as marketing margin would come down given rise in Brent crude oil prices to $83-84/bbl. Having said that, OMCs would see above-normal earnings over FY24-25 even on current auto fuel margins and GRMs. A spike in crude oil prices is a key risk to earnings outlook.
- We maintain a Buy on IOCL with an unchanged PT of Rs. 105 on inexpensive valuation of 5.3x/0.9x FY25E EPS/BV and FY24E dividend yield of ~9%.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/IOCL-3R-Jul28_2023.pdf

Jul 28, 2023	**Bharat Electronics Ltd**	Stock Update	BUY	↔	130	151	↑

Summary

- BEL's Q1FY24 performance was remarkable on all fronts, as healthy execution led to solid sales and operating profit growth. Higher other income helped net profit growth of ~47% y-o-y. .
- Order backlog stands strong at ~Rs. 65,356 crore (up 18% y-o-y). YTD order intake has been Rs. 8,100-9,000 crore and expectations of ~Rs. 20,000 crore for the year may exceed if QRSAM/MRSAM orders kick in.
- We believe the increase in R&D expenditure and capacity expansion would enhance its execution capabilities. BEL also aims to increase non-defence revenue and exports contribution in exports.
- BEL boasts a promising order inflow pipeline, strong cash balance and healthy return ratios. Following a good quarter, we retain a Buy on BEL with a revised PT of Rs. 151.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BEL-3R-Jul28_2023.pdf

Jul 28, 2023	**Marico Ltd**	Stock Update	BUY	↔	573	645	↔

Summary

- Marico's Q1FY2024 performance was soft, affected by significant trade destocking in Saffola Edible Oils and channel inventory adjustments in core portfolios. Revenue declined by 3% y-o-y, while adjusted PAT grew by 11% y-o-y, led by sharp margin expansion.
- Volume offtake is expected to improve from Q2 with improved consumer demand. Growth is likely to recover in the positive trajectory in H2FY2024 (we expect growth to be in low double digits).
- Consolidated OPM is expected to be >20% in FY2024 with strong expansion in gross margins. Premiumisation and scale-up in the food business are expected to drive consistent improvement in the medium term.
- The stock trades at 47x/41x its FY2024E/FY2025E earnings. We retain our Buy rating on the stock with an unchanged PT of Rs. 645

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Marico-3R-Jul28_2023.pdf

Date	Company	Report Type	Recommendation		Reco Price (Rs.)	Price Target/ Upside (%)	
			Latest	Chg		Latest	Chg
Jul 28, 2023	**Supreme Industries Ltd**	Stock Update	BUY	↔	3,363	4,000	↑

Summary

- g We retain a Buy on Supreme Industries Limited (SIL) with a revised PT of Rs. 4,000, increasing our valuation multiple considering a strong earnings growth outlook.
- Consolidated revenues beat estimates led by strong volume beat in plastic products. OPMs lagged due to product mix and inventory losses. Net cash surplus increased q-o-q.
- Management upped guidance for plastic products volume growth to over 20% y-o-y and overall OPMs to over 14% for FY2024 with incremental demand from Nal se Jal schemes.
- SIL is venturing into PVC windows and doors business which would add incremental Rs. 350 crore annualized revenues post attaining full capacity.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/SupremeInd-3R-Jul28_2023.pdf

Date	Company	Report Type	Recommendation Latest	Chg	Reco Price (Rs.)	Price Target Latest	Chg
Jul 28, 2023	**Mahindra & Mahindra Financial Services Ltd**	Stock Update	BUY	↔	299	345	↑

Summary

- PAT stood at Rs. 353 crore (up 58% y-o-y/ down 49% q-o-q) below estimates mainly led by higher than expected credit cost at 248 bps annualised versus estimates of 51 bps and negligible in the last quarter. Credit cost is expected to be lower in H2FY24.
- However, PPoP was in line with estimates of Rs. 1,000 crore (up 6% y-o-y/ 6% q-o-q) despite lower NIMs (declined by 60 bps q-o-q due to slightly lower yields led by change in loan mix and higher funding costs) fully offset by lower opex (down 13% q-o-q).
- NIM outlook remains negative in near term due to repricing of liabilities at higher cost. While the company is gradually passing the rates and is expected to manage through a change in loan mix towards pre owned vehicles partly offsetting the impact.
- Asset quality remained stable with GS3/ NS3 assets ratio at 4.3%/1.8% vs. 4.5%/1.9% q-o-q, respectively. However, GS2 assets were marginally higher at 6.4% vs. 6.0% q-o-q. PCR on Stage-3 assets remained stable q-o-q at 60%. The stock trades at 2.0x/ 1.6x its FY2024E/FY2025E BV estimates, respectively. We maintain Buy with a revised PT of Rs. 345.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/MahindraFinance-3R-Jul28_2023.pdf

Date	Company	Report Type	Recommendation Latest	Chg	Reco Price (Rs.)	Price Target Latest	Chg
Jul 28, 2023	**Coromandel International Ltd**	Stock Update	BUY	↔	980	1,155	↔

Summary

- Q1FY24 consolidated PAT of Rs. 494 crore (down 1% y-o-y) was 15% above our estimate, led by strong revenues/margins of the nutrient and other allied segments, which offset continued weakness in CPC business amid high channel inventory, pricing pressure and delayed monsoons.
- Segmental margins were a mixed bag as EBIT of nutrients and other allied segments grew by 12% y-o-y to Rs. 672 crore led by volume growth and sustained per tonne fertiliser margin. However, the CPC business disappointed with a steep 17% y-o-y fall in revenue to Rs. 547 crore and 309 bps y-o-y contraction in EBIT margin to 10%.
- Input cost pressure subsided and the management expects full-year fertiliser margin to sustain at Rs. 5,500-6,000/tonne. Focus on new business stream i.e. specialty chemical/CDMO and future technology (drone for agrochemical space) and innovative products (Nano-DAP by Oct'23), strong margin for fertilizers makes us constructive on growth prospects.
- We maintain a Buy on Coromandel with an unchanged PT of Rs. 1,155, given healthy earnings growth outlook and reasonable valuation of 11.5x FY25E EPS. Focus on CDMO and specialty chemical is a right step and could drive meaningful growth in the medium to long term apart from ssssstrong contribution core fertilizer/CPC business.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Coromandel-3R-Jul28_2023.pdf

Date	Company	Report Type	Recommendation Latest	Chg	Reco Price (Rs.)	Price Target Latest	Chg
Jul 28, 2023	**Intellect Design Arena Ltd**	Stock Update	HOLD	↔	690	735	↑

Summary

- Intellect Design Arena Ltd (Intellect) reported revenues of Rs 639 crore, up 3.9% q-o-q/ 11.1% y-o-y respectively, nearly in line with our estimates of Rs 634 crore with platform revenues driving sequential growth.
- EBITDA margin expanded ~110 bps q-o-q to 23.5%, due to lower software development expenses and lower SG&A . Management's aim to achieve 15-20% full-year growth remains intact.
- The management's optimism of achieving strong growth is supported by strong all-round performance with healthy deal wins and improvement in average deal size, cash generation and collections, robust deal pipeline, strong partnerships, and accelerated traction from emach.Ai.
- The sharp surge in stock price post strong Q1 largely factors the strong growth outlook and margin recovery. With the stock at 52-week high, there is limited room for upside in the near term. Hence, we maintain a Hold rating with a revised PT of Rs. 735. At CMP, the stock trades at 19.6x its FY25E EPS.

Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Intellect-3R-Jul28_2023.pdf

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<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 28, 2023</td><td>JK Lakshmi Cement Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>618</td><td>770</td><td>↓</td></tr>
<tr><td colspan="8">Summary
We retain Buy on JK Lakshmi Cement Limited (JKL) with a revised PT of Rs. 770, factoring downwardly revised estimates and considering favourable risk-reward post a recent stock correction.
JKL reported a miss on standalone operational performance for Q1FY2024, led by lower-than-estimated volume growth and higher opex per tonne. Regional sales mix marred performance.
The company retains 19% y-o-y consolidated volume growth for FY2024 despite weak Q1. Target of Rs. 1,000 EBITDA/tonne in 18 months to stay.
Debt raising plans of Rs. 2500 crore to fund organic/inorganic growth may increase leverage in the near term. UCW expansion is on track. The target to achieve 30mtpa capacity by 2030 remains intact.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/JK_Lakshmi-3R-Jul28_2023.pdf</td></tr>
<tr><td>Jul 28, 2023</td><td>Greenlam Industries Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>478</td><td>570</td><td>↑</td></tr>
<tr><td colspan="8">Summary
We retain a Buy on Greenlam Industries Limited with a revised PT of Rs. 570, increasing our valuation multiple considering its strong growth outlook over FY2023-FY2025E.
For Q1FY2024, the company reported lower-than-expected operational performance due to lower laminate volumes growth although gross margins surprised positively.
Company retained revenue growth guidance of 20-25% y-o-y for FY2024 and expect improvement in OPMs led by softening of raw material prices.
Plywood unit has commenced operations. Greenfield laminate and particleboard capacities remain on track to start commercial operations from Q2FY2024 and Q4FY2024, respectively.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Greenlam-3R-Jul28_2023.pdf</td></tr>
<tr><td>Jul 28, 2023</td><td>Arvind Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>129</td><td>164</td><td>↑</td></tr>
<tr><td colspan="8">Summary
We upgrade our rating on Arvind Limited to Buy from Hold with a revised PT of Rs. 164 on account of improving outlook in the exports market and attractive valuation at 8.3x/6.2x its FY2024E/FY2025E EPS.
As anticipated, Arvind posted soft performance in Q1FY2024, with revenues declining by 18% y-o-y to Rs. 1,853.3 crore and adjusted PAT fell by 36% y-o-y to Rs. 68.7 crore. EBITDA margin improved by 37 bps y-o-y to 9.7%.
U.S. demand is soft but has not fallen off the cliff; EU/UK has bottomed out. In India, the festive season orders should begin from next month. Overall, Q2 is expected to be better than Q1. However, stark improvement is expected in H2FY2024.
The balance sheet remains stable with Rs. 123 crore reduction in long-term debt (overall debt reduced by Rs. 26 crore). The company is on track to execute its capex plan of Rs. 600 crore over the next two years.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Arvind-3R-Jul28_2023.pdf</td></tr>
<tr><td>Jul 28, 2023</td><td>Dhampur Bio Organics</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>167</td><td>215</td><td>↔</td></tr>
<tr><td colspan="8">Summary
Dhampur Bio Organics Ltd (DBOL) posted mixed performance in Q1FY2024 with revenues growing by 43% y-o-y to Rs. 709.5 crore, while lower OPM resulted in a 24% y-o-y growth in operating profit. Lower interest cost led to y-o-y PAT growth of 44% to Rs. 12.7 crore.
Sugar capacity expansion by 7,500 TCD will be operational by Oct/Nov-23, while installation of a dual feed greenfield distillery at Meerganj unit with a capacity of 2,50,000 litres per day (LPD) will be operational by Q2FY26.
Cane plantation grew 7% in SS 2022-23. Growth momentum is expected to sustain in the next season. Focus is on minimum pest infestation to achieve better recovery.
Stock trades at 9x/8x its FY2024E/25E earnings. We maintain a Buy rating on the stock with an unchanged PT of Rs. 215.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/DhampurBio-3R-Jul28_2023.pdf</td></tr>
<tr><td>Jul 28, 2023</td><td>Macrotech Developers Ltd</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>747</td><td>18%</td><td>↓</td></tr>
<tr><td colspan="8">Summary
Macrotech reported strong pre-sales booking and new project additions for Q1FY2024. However, lower collections and growth capex led to marginal sequential increase in net debt.
Lower OCs receipt led to material miss on Q1FY2024 earnings. It is now transitioning to POCM based revenue recognition for contracts entered from April 1, 2023. It would better reflect underlying pre-sales performance.
Management retained retained its guidance for FY2024 in terms of pre-sales, OCF generation, new project additions, and net debt.
We stay Positive on Macrotech Developers Limited and expect an 18% upside, given strong growth levers for its residential portfolio led by realthy upcycle.
Read report - https://www.sharekhan.com/MediaGalary/Equity/Macrotech-3R-Jul28_2023.pdf</td></tr>
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<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 28, 2023</td><td>Five Star Business Finance</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>725</td><td>19%</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• Five Star reported solid earnings growth of 32% y-o-y/9% q-o-q with PAT at Rs. 184 crore, above estimates, led by robust AUM growth (up 43% y-o-y/10% q-o-q), ahead of estimates (+5% q-o-q), and lower-than-expected opex growth, driving RoA/RoE at ~8.4%/16.6% in Q1FY2024.
• 30+ DPD stood at 9.68% (lowest ever). GS2 assets also improved to 8.27% vs. 9.15% q-o-q. However, GS3/NS3 asset ratios were marginally higher at 1.41%/0.79% vs. 1.36%/ 0.69% q-o-q due to seasonality with PCR on GS3 at 44% vs. 49% q-o-q.
• Management continues to guide for ~35% loan book CAGR over the next three years with stable asset quality along with expanding its footprint in new geographies, especially in North by replicating the business model with its time-tested strategies.
• We believe the company remains a high-growth story and execution remains a key monitorable. Strong focus on collections along with a benign credit cycle is expected to support the earnings trajectory. We maintain our positive view with a potential upside of 19%. At the CMP, the stock trades at 4.2x/3.5x its FY2024E/ FY2025E BV estimates.
Read report - https://www.sharekhan.com/MediaGalary/Equity/FiveStar-Jul29_2023.pdf</td></tr>
<tr><td>Jul 31, 2023</td><td>Maruti Suzuki India Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>9,819</td><td>11,333</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• This was the consecutive second quarter when Maruti Suzuki India Limited (MSIL) registered double-digit adjusted EBITDA margin.
• With an order book of 355,000 units and successful new launches, the management has shared an optimistic outlook for near term. Production challenges are likely to ease gradually as chip supply improves.
• We reiterate a Buy rating on Maruti Suzuki India Limited with a revised PT of Rs. 11,333, factoring a success of new launches, better operating performance, and structural upward shift in the product mix.
• Stock trades at P/E multiple of 24.2x and EV/EBITDA multiple of 14.1x its 2025 estimates.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/MarutiSuzuki-3R-Jul31_2023.pdf</td></tr>
<tr><td>Jul 31, 2023</td><td>GAIL (India) Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>119</td><td>135</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• Standalone PAT of Rs. 1,412 crore (up 134% q-o-q) was 31% below our estimate due to continued losses in the petchem segment, miss in LPG-LHC earnings, lower other income and higher interest costs.
• Gas transmission EBITDA grew strongly by 4.6x q-o-q to Rs. 1,351 crore, reflecting a 7.5% q-o-q rise in gas transmission volume and benefit of tariff revision. Gas marketing EBITDA at Rs. 1,103 crore (up 1.9x q-o-q) was supported by better margins. The petchem segment was hit by lower HDPE prices; LPG-LHC segment witnessed recovery but missed estimate.
• Potential higher tariff and strong volume guidance (123 mmscmd/138-140 mmscmd by end-FY24/FY26) would drive sustained healthy growth for gas transmission business while gas marketing EBITDA guidance of Rs. 3,500 crore is encouraging. Petchem may take time for complete turnaround given subdued petchem prices.
• We maintain a Buy on GAIL with a revised SoTP-based PT of Rs. 135 (reflects higher value for gas transmission). Valuation of 6.5x FY25E EV/EBITDA is at steep discount to historical average of 8.4x and stock offers a healthy dividend yield of 4-5%.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/GAIL-3R-Jul31_2023.pdf</td></tr>
<tr><td>Jul 31, 2023</td><td>UPL Ltd</td><td>Stock Update</td><td>BUY</td><td>↔</td><td>624</td><td>745</td><td>↓</td></tr>
<tr><td colspan="8">Summary
• Q1 consolidated revenue/EBITDA declined by 17%/32% y-o-y to Rs. 8,963 crore/Rs. 1592 crore due to an industry-wide slowdown given high channel inventories and pricing pressure. However, adjusted EBITDA was 4% above our estimate, led by an 186 bps beat in EBITA margin at 17.8% (down 389 bps y-o-y) given strong seeds margin and better product mix.
• CPC business' performance were hit by a steep 17%/10% y-o-y decline in volume/pricing, which led to steep revenues de-growth across geographies. UPL SAS was impacted by delayed sowing/price pressures, while seeds business posted strong performance with 26%/54% y-o-y jump in revenue/EBITDA.
• Management cut FY24 revenue/EBITDA growth guidance to 1-5%/3-7% from earlier guidance of 6-10%/8-12%. The new guidance would be dependent upon a recovery in H2FY24. We thus cut our FY24/FY25 earnings estimate by 6%/7%.
• Although near term challenges persists for agro-chem players but the steep fall in UPL's stock price largely factors in concerns and valuation of 10.5x/8.4x FY24E/FY25E EPS seems attractive. Hence, we maintain a Buy on UPL but with a lower PT of Rs. 745.
Read report - cwhttps://www.sharekhan.com/MediaGalary/StockIdea/UPL-3R-Jul31_2023.pdf</td></tr>
</table>

Stock Update

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Company</th><th rowspan="2">Report Type</th><th colspan="2">Recommendation</th><th rowspan="2">Reco Price (Rs.)</th><th colspan="2">Price Target/ Upside (%)</th></tr>
<tr><th>Latest</th><th>Chg</th><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 31, 2023</td><td>Bank of India</td><td>Stock Update</td><td>BUY</td><td>↑</td><td>85</td><td>102</td><td>↔</td></tr>
<tr><td colspan="8">Summary
• We upgrade our rating on Bank of India (BOI) to Buy from Hold with an unchanged PT of Rs. 102. We expect RoAs of ~0.9% for FY24E/FY25E, driving RoE of ~12% for the respective period.
• PAT stood at Rs. 1,551 crore (up 176% y-o-y/15% q-o-q), above estimates, mainly led by lower-than-expected credit cost, partly offset by a higher effective tax rate, which translated into RoA/RoE of 0.71%/14.62%.
• Total credit cost was reported at ~71 bps annualised (calculated as a % of average advances). The bank has guided credit cost at 60-70 bps for FY2024, led by strong recoveries, which are expected to outpace slippages along with lower write-offs.
• We believe valuations are expected to inch higher as the return ratio profile improves in the coming quarters on the back of uptick in loan growth, stable margins and further lower credit cost. At the CMP, the stock trades at 0.6x/0.5x its FY24E/25E ABV estimates.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/BankIndia-3R-Jul31_2023.pdf</td></tr>
<tr><td>Jul 31, 2023</td><td>Petronet LNG</td><td>Stock Updatce</td><td>BUY</td><td>↔</td><td>234</td><td>265</td><td>↔</td></tr>
<tr><td colspan="8">Summary
• Q1 operating profit grew strongly by 25% q-o-q to Rs. 1,182 crore (in-line) led by robust Dahej re-gas volume growth of 27% q-o-q, partially offset by lower trading margin/inventory gains. Adjusted PAT of Rs. 790 crore (up 23% q-o-q) was 5% above estimate on higher other income and lower interest cost.
• Dahej terminal's utilisation improved 97% in Q1FY24 (versus 77% in Q4FY23) with re-gas volume of 217 tbtu (up 11%/27% y-o-y/q-o-q) while Kochi terminal's utilization was flat q-o-q at 20%.
• Fall in spot LNG price bodes well for sustained strong volume recovery in the coming quarters. Dahej capacity expansion to 22.5 mtpa remains on track. We expect a healthy PAT CAGR of 14% over FY23-25E along with strong RoE of 22%.
• We maintain our Buy rating on P-LNG with an unchanged PT of Rs. 265. The valuation of 9.8x/8.4x its FY2024E/FY2025E EPS is attractive considering earnings growth visibility and stock offers healthy dividend yield of 4-5%.
Read report - https://www.cwsharekhan.com/MediaGalary/StockIdea/PetronetLNG-3R-Jul31_2023.pdf</td></tr>
<tr><td>Jul 31, 2023</td><td>Welspun India Ltd</td><td>Stock Update</td><td>BUY</td><td>↑</td><td>110</td><td>130</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• Welspun India Limited's (WIL's) Q1FY2024 performance was better than our and street expectation due to higher-than-expected EBIDTA margins. Revenue grew by 12% y-o-y, while EBIDTA margin expanded by 650 bps y-o-y to 14.2%, resulting in 6.5x y-o-y growth in PAT.
• Capacity utilisation of bed linen, bath linen, rugs and carpet segments is expected to stand at 90-100% as demand is expected to be high prior to the festive season. Management is cautiously optimistic about H2FY2024.
• Net debt increased q-o-q by Rs. 281 crore to Rs. 1,815.1 crore due to working capital requirement. Management maintained its target of net debt reducing to Rs. 1,000 crore by FY2024-end.
• The stock trades at 18x/14x its FY2024E/FY2025E earnings. With consistent improvement in capacity utilisation and better growth prospects in export markets, we upgrade our rating on the stock to Buy from Hold with a revised PT of Rs. 130.
Read report - https://www.sharekhan.com/MediaGalary/StockIdea/Welspun-3R-Jul31_2023.pdf</td></tr>
<tr><td>Jul 31, 2023</td><td>Chalet Hotels Ltd</td><td>Viewpoint</td><td>POSITIVE</td><td>↔</td><td>489</td><td>16%</td><td>↑</td></tr>
<tr><td colspan="8">Summary
• Chalet Hotels (Chalet) registered good performance in Q1FY2024 with revenue growing by 23% y-o-y to Rs. 310.8 crore; EBIDTA margin (excluding one-off) improved marginally by 32 bps y-o-y to 40.6%; adjusted PAT grew by 43% y-o-y to Rs. 42.4 crore.
• RevPar registered strong y-o-y growth of 24%, driven by 38% y-o-y growth in room rentals. Management expects strong double-digit RevPar growth to sustain over the next two to three years, aiding in maintaining double-digit revenue growth.
• The residential project is expected to generate cash flow of Rs. 600 crore in FY2024 (will be largely utilised to repay debt); high EBIDTA from the hotel business will be used to expand room inventory in the coming years.
• Chalet's stock price has run up by 15% since our initiation in the last two months and trades at 14x/11x its FY2024E/FY2025E EV/EBIDTA. We maintain our Positive view on the stock with an upside of 16% over the next 12 months.
Read report - https://www.sharekhan.com/MediaGalary/Equity/ChaletHotels-3R-Jul31_2023.pdf</td></tr>
</table>

Date	Sector	Report Type	Sector View	
			Latest	Chg
Jul 04, 2023	**Automobiles**	Sector Update	Positive	↔

Summary

- MSIL, Eicher Motors, M&M auto, TML PV and ALL have registered inline performance, while M&M tractor and TML CV exceed expectations.
- Two-wheeler universe missed estimates, however, Eicher (RE) outperformed in the pack.
- Key thing to watch out for going forward: monsoon trends and response to new launches.
- **Preferred Picks – OEMs:** Tata Motors, Hero Motocorp, M&M and Maruti. **Auto Ancillaries:** Bosch, Rolex Rings, CIE Automotive, Lumax Auto Technologies, Schaeffler India, Apollo Tyres, Sterling Tools and Gabriel India.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Automobiles-Jul04_2023.pdf

Date	Sector	Report Type	Latest	Chg
Jul 04, 2023	**Q1FY2024 IT Results Preview**	Sector Update	Neutral	↑

Summary

- We expect tepid Q1 owing to the spillover of a soft demand environment given the continuity of weak macros. We expect q-o-q constant currency (CC) revenue growth of -1.9% to 1.2% for Tier-1 companies and 0.7 to 3.0% (ex LTTS) for Tier-2 companies.
- Margins are expected to remain under pressure due to wage hikes and weak revenue growth
- Management commentaries on revision of growth outlook for FY24, spread of demand deterioration beyond BFSI, Hitech, Telecom and Retail verticals, Net hiring, project ramp downs and pricing pressures if any would be key monitorable.
- Given the uncertain macro environment and no signs of pick up in tech spends in the near term we believe recovery would be gradually and is likely to get pushed further into Q4FY24. Hence, we maintain a neutral stance on the sector and advise selective investment in the preferred picks.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_IT_Results_Preview-Jul04_2023.pdf

Date	Sector	Report Type	Latest	Chg
Jul 06, 2023	**Q1FY2024 Cement Results Preview**	Sector Update	Positive	↔

Summary

- Cement companies in our coverage (ex-Grasim) are likely to report 12% y-o-y revenue growth for Q1FY2024, led by a 16% y-o-y rise in volumes, while reporting a 3.5% y-o-y dip in realisations due to weaker pricing environment.
- Weighted average EBITDA/tonne is expected to see a marginal 3.6% q-o-q uptick to Rs. 918 owing to a q-o-q decline in opex/tonne. However, weaker OPM y-o-y is expected to lead to a 7.3% y-o-y dip in net profitability.
- Declining coal/pet coke prices provide operational profitability tailwinds for Q2FY2024 and Q3FY2024. However, pricing strategies in a seasonally weak Q2 would be keenly monitored.
- We stay Positive and selective on the sector. Preferred Picks - UltraTech, Dalmia Bharat, The Ramco Cements, Grasim Industries, and JK Lakshmi Cement.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Cement_Results_Preview-Jul06_2023.pdf

Date	Sector	Report Type	Latest	Chg
Jul 07, 2023	**Q1FY2024 Consumer Goods Results Preview**	Sector Update	Positive	↔

Summary

- We expect our consumer goods universe to register an 8% y-o-y revenue growth in Q1FY2024 with sequential improvement in volume growth, while price hikes take a back seat with moderating input prices.
- A significant correction in commodity prices and a better mix will sharply drive up gross margins y-o-y. Bulk of gross margin savings will be parked in higher advertisement & promotional spends.
- Rural demand is yet to pick up but is showing signs of revival with a well spread-out monsoon and pre-election support from the government, which will boost sentiments. Urban demand remains resilient and is expected to maintain momentum.
- **Preferred picks:** HUL, ITC, Britannia Industries, Godrej Consumers Products (GCPL), Tata Consumer Products, Jyothy Labs and Ms. Bectors Food.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_ConsumerGoods_Results_Preview-Jul07_2023.pdf

Date	Sector	Report Type	Latest	Chg
Jul 07, 2023	**Q1FY2024 Oil & Gas Results Preview**	Sector Update	Neutral	↑

Summary

- Oil marketing companies (OMCs) are expected to clock a strong Q1 given benefit of large auto fuel over-recoveries which would more than offset the sharp decline in GRMs. Upstream PSUs would get impacted by lower APM gas price.
- CGDs (IGL/MGL) would continue to see strong margin recovery thanks to lower gas costs; gas utilities' volumes would improve led by high gas demand on lower spot LNG price. GAIL is likely to post a 10x q-o-q rise in EBITDA as all business segments would see recovery.
- Recent cap on APM gas prices and a sharp fall in spot LNG prices would remove overhang of high gas costs and improve volume/margin visibility for CGDs. A steep fall in crude oil price bodes well for OMCs' earnings outlook. HPCL/BPCL are tactical picks given our expectation of strong Q1FY24 results by OMCs.
- **Preferred Picks:** RIL, IGL, MGL, GAIL, GSPL.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_OilGas_Results_Preview-Jul07_2023.pdf

Upgrade	↑	No change	↔	Downgrade	↓

- Note: The arrow indicates change in call and price target, if any, vis-à-vis the previous report

<table>
<tr><th rowspan="2">Date</th><th rowspan="2">Sector</th><th rowspan="2">Report Type</th><th colspan="2">Sector View</th></tr>
<tr><th>Latest</th><th>Chg</th></tr>
<tr><td>Jul 07, 2023</td><td>Q1FY2024 Banking Results Preview</td><td>Sector Update</td><td>Positive</td><td>⇔</td></tr>
<tr><td colspan="5">
Summary

Banks are expected to report yet another strong quarter, led by healthy loan growth, benign credit costs and base quarter had a loss in their treasury book for most bank. NIM is expected to be flat or decline marginally on q-o-q basis. We expect banks to give a negative outlook on NIMs in the near term.
Deposits growth is improving; however, growth is muted in low-cost CASA deposits, while it is higher in term deposits as well as wholesale deposits.
NII growth is likely to be healthy as system loan growth has been relatively stable at 15-16% y-o-y. Outlook on incremental loan growth would be monitorable. Asset quality may improve further or remain stable.
Top preferred picks: Large Private Banks – HDFC Bank, Axis Bank, and ICICI Bank; Mid-Tier Private Banks – Federal Bank and IndusInd Bank; Small Private Banks – AUSFB; PSBs – SBI and PNB remain our preferred picks.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Banking_Results-Preview-Jul07_2023.pdf
</td></tr>
<tr><td>Jul 07, 2023</td><td>Q1FY2024 NBFC/Insurance/AMC Results Preview</td><td>Sector Update</td><td colspan="2">Positive/Neutral/Neutral</td></tr>
<tr><td colspan="5">
Summary

NBFCs – Loan growth is expected to remain strong driven by healthy disbursements amid strong demand environment despite a seasonally weak quarter. NIMs are expected to decline marginally q-o-q except for HFCs. AUMs are expected to grow at 19% y-o-y/4% q-o-q for Sharekhan`s universe coverage of NBFCs. We expect our coverage universe to deliver 21% /21%/42% y-o-y growth in NII/PPoP/PAT, respectively, in Q1FY24. Asset quality to remain broadly stable for the universe.
Insurance – For life insurers in our coverage, APE growth is expected to be muted. Annuity, non-PAR and credit life products are expected to do better. Individual protection segment likely to see a gradual recovery. VNB margins are expected to remain stable on y-o-y. For non-life insurers, GDPI growth is expected to be healthy. Claim ratio is likely to improve sequentially, but the combined ratio will remain higher.
AMC – Our coverage comprises only NAM India. We have built in ~3% q-o-q increase in its QAAUM. Yields are expected to moderate sequentially however headline earnings growth will appear high due to MTM loss in the base quarter.
Top Preferred Picks
NBFCs: L&T Finance, Five Star Business Finance, Chola, Bajaj Finance and M&M Finance.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_NBFC_Results_Preview-Jul07_2023.pdf
</td></tr>
<tr><td>Jul 07, 2023</td><td>Q1FY2024 Capital Goods & Power Results Preview</td><td>Sector Update</td><td>Positive</td><td>⇔</td></tr>
<tr><td colspan="5">
Summary

Our capital goods coverage universe is likely to report a 15.7% y-o-y revenue growth. Most companies' order books are at an all-time high and therefore healthy execution would drive ~17% revenue growth for project companies. Product-based companies are expected to witness modest ~10% revenue growth due to lower volumes in summer-related products.
OPM to improve on y-o-y basis by 50 bps to 11.3% driven by operating leverage, execution of high margin orders and softening of commodity prices. Net profit is expected to grow by ~21% y-o-y, driven by healthy revenue and operating performance.
Among power PSUs, we expect NTPC/Power Grid to report healthy growth on y-o-y basis. NTPC would benefit from sustained strong growth in regulated equity base, higher other income while Power Grid would see improvement in asset capitalisation. Tata Power would post a y-o-y earnings decline due to lower coal prices.
Preferred Picks: Among project-based companies, we prefer L&T, Bharat Electronics Limited (BEL), Hindustan Aeronautics Limited (HAL), KSB Limited, Cummins India, Kirloskar Oil Engines (KOEL) and Kirloskar Brothers Limited (KBL); while in the consumer electricals (products) space, we prefer Polycab India, Finolex Cables, Blue Star, and KEI Industries. In power we prefer NTPC, PowerGrid and Tata Power.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Capital_Goods_Results-Preview-Jul07_2023.pdf
</td></tr>
<tr><td>Jul 10, 2023</td><td>Q1FY2024 Agri Inputs and Specialty Chemicals Results Preview</td><td>Sector Update</td><td>Positive</td><td>⇔</td></tr>
<tr><td colspan="5">
Summary

Q1 is expected to be a soft quarter for agri-input companies, as high-channel inventories and efflux of Chinese supplies at lower prices, which would impact growth and margin especially for domestically-focused players. PI Industries is better placed in the space.
Specialty chemical companies are expected to see a y-o-y decline in revenue amid weakness in pricing & demand slowdown in developed countries, while lower operating leverage and pass through of decline in input cost to result in margin contraction. Sudarshan Chemicals to post strong y-o-y earnings growth.
Near-term demand concerns persist for specialty chemical players; we expect specialty chemical players to witness subdued demand, given their high exposure to exports/discretionary sectors; however, falling energy costs might provide some respite on the margin front.
Preferred Picks: PI Industries, Sumitomo Chemical India, SRF, Coromandel International and PCBL.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Agri_Results_Preview-Jul10_2023.pdf
</td></tr>
</table>

Date	Sector	Report Type	Sector View	
			Latest	Chg
Jul 10, 2023	**Q1FY2024 Automobiles Results Preview**	Sector Update	Positive	⇔

Summary

- Two-wheeler OEMs are expected to outperform four-wheeler OEMs in Q1FY24.
- Steady input costs and focus on premiumization would keep operating performance strong y-o-y.
- After market focused ancillary players may witness recovery in replacement demand. Shipments (export) could have been impacted due to the cyclonic environment in Q1FY24.
- **Preferred picks:** Tata Motors, Maruti Suzuki, Ashok Leyland, Bajaj Auto, Hero MotoCorp, Apollo Tyres, Bosch, Schaeffler India, Gabriel India, Lumax Auto Technologies, CIE Automotive, Rolex Rings, Sterling Tools.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Automobile_Results_Preview-Jul10_2023.pdf

Date	Sector	Report Type	Latest	Chg
Jul 11, 2023	**Q1FY2024 Infra/Logistics/BM/Realty Results Preview**	Sector Update	Positive	⇔

Summary

- Net earnings for our universe of building materials companies is likely to grow by 34% y-o-y as OPM expands. Piping companies' PAT is likely to grow strongly. Healthy demand and lower gas price to aid tile manufacturers.
- Infrastructure companies would meanwhile see muted numbers. Road project awarding remained weak till May 2023 although construction picked up y-o-y. Logistics would see demand improve, although lower absorption of fixed costs to lead to dip in PAT.
- Real estate companies to continue to report strong sales booking as highlighted in Macrotech's, Sobha's and Puravankara's pre-sales bookings while DLF would normalise q-o-q due to high base. Launch pipeline and business development key monitorables.
- **Preferred Picks –** KNR Construction, PNC Infratech, Century Plyboards, Greenlam Industries, TCI Express, TCI Ltd, DLF, Prestige Estates, Sobha, Macrotech and Sunteck Realty.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Infra_Results_Preview-Jul11_2023.pdf

Date	Sector	Report Type	Latest	Chg
Jul 11, 2023	**Q1FY2024 Consumer Discretionary Results Preview**	Sector Update	Positive	⇔

Summary

- Strong room demand and higher room rentals will help hotel companies to post strong double-digit revenue and PAT growth in Q1FY2024. Slowdown in discretionary spends will impact the performance of retail/QSR companies in Q1.
- Textile companies (including home textile companies) would see sequential improvement in performance with higher capacity utilisation. Margins will improve y-o-y due to lower cotton and yarn prices.
- Retail/QSR companies' performance is expected to revive in H2FY2024, boosted by the festive and holiday season. Textile is expected to pick up from Q2FY24 with expected revival in the demand in key US/European markets.
- **Preferred picks:**
- **Branded apparel and retail:** Trent and Relaxo Footwear
- **Textile:** KPR Mill, Himatsingka Seide and Gokaldas Exports
- **Out-of-home discretionary:** Chalet Hotels, Indian Hotels Company, Wonderla Holidays, and Restaurant Brands Asia.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Cons_Disc_Results_Preview-Jul11_2023.pdf

Date	Sector	Report Type	Latest	Chg
Jul 13, 2023	**Q1FY2024E Pharmaceuticals Results Preview**	Sector Update	Neutral	↑

Summary

- For our universe of pharmaceutical companies, revenues are expected to grow ~12.1% y-o-y (+2.6% q-o-q) in Q1FY24E, similar to Q4FY23. Yet, sequential growth is likely to be better, led by better market share for key products in the US and strong revenue growth in other markets.
- The universe's operating margins are likely to expand by ~143 bps y-o-y (up 60 bps q-o-q) to ~22.1% vs. ~72 bps y-o-y rise to ~21.6% in Q4FY23. Similarly, strong earnings growth of ~18.4% y-o-y (+10.7% q-o-q) would be driven by market share gains, favorable costs, and productivity measures.
- Players like Zydus Lifesciences, Lupin, Dr. Reddy's, Strides Pharma, Caplin Point and Cipla are expected to post not only strong sales growth but equally strong earnings growth.
- **Preferred Picks: Large Caps –** Dr. Reddy's, Zydus Lifesciences and Sun Pharma
- **Midcap:** Abbott India, Strides Pharma, Caplin Point, and Sanofi India

Read report - https://www.sharekhan.com/MediaGalary/Equity/Q1FY2024_Pharma_Preview-Jul13_2023.pdf

Date	Sector	Report Type	Sector View	
			Latest	Chg
Jul 28, 2023	**Automobiles**	Sector Update	Positive	↔

Summary

- Footfall moderated in July due to seasonality, but dealers are not unduly worried and hoping for a robust festive season in CY2023.
- In July 2023, the PV universe is likely to outperform sequentially. MSIL is expected to register 14.2% volume growth on m-o-m basis.
- Premium products from mass market players are receiving healthy acceptance in the market.
- **Preferred picks:** Tata Motors, Maruti Suzuki, Ashok Leyland, Bajaj Auto, Hero MotoCorp, Apollo Tyres, Bosch, Schaeffler India, Lumax Auto Technologies, CIE Automotive, Rolex Rings, Sterling Tools, and Ramkrishna Forgings.

Read report - https://www.sharekhan.com/MediaGalary/Equity/Automobiles-Jul28_2023.pdf

Test of Supports

Daily view

The Nifty has been forming a lower tops and lower bottoms on the daily charts indicating downtrend as per the Dow Theory. The correction has been channelised and all counter trend pullbacks towards the upper end of the channel are being sold into. The daily momentum indicator has triggered a negative crossover, which is a Sell signal. On the downside, we expect the Nifty to retest the recent swing lows formed around 19300, which is also around the 40-day exponential moving average. Below that it can slip towards 19100, which is the lower end of the falling channel.

Trend	Resistance	Support
Negative	19650	19100

Weekly view

The Nifty has been rising in a channelised manner since the rally it started in March 2023 from the lows of 16828. As the last week of July, the Nifty has entered correction mode and has closed in the negative for three consecutive weeks. it has been the longest losing streak in the last four months. Because of the correction, it has reached the lower end of that channel and a breach shall lead to a decline till the 19100, which would also be a retest of the breakout it witnessed above the previous swing highs placed at 18604 and 18888. The weekly momentum indicator has a positive crossover, which is a Buy signal and thus we expect this dip to be bought into.

Trend	Resistance	Support
Negative	19800	19100

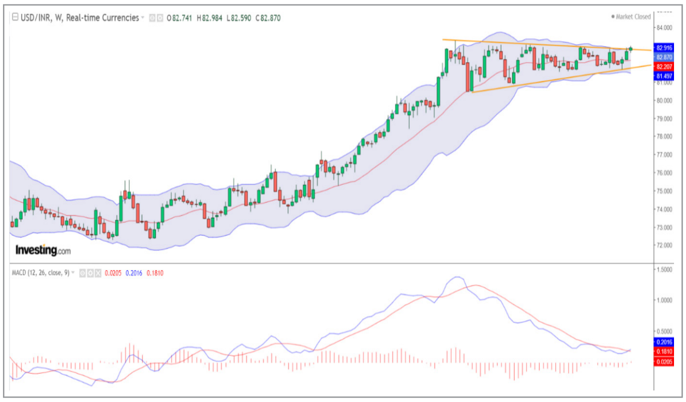
Monthly view

On the monthly chart, the Nifty has faced resistance exactly at the 138.2% Fibonacci extension level (19924) of the fall from 18605 (October 2021) to 15183 (June 2022). This opens the possibility of the current rise being part of the expanded flat correction. The nature of the fall on the lower timeframe chart if is impulsive in nature shall confirm the same. After rising for four consecutive months, the Nifty is likely to take a breather and witness some consolidation. A breach below 19234 (July's low) shall lead to further weakness. Thus, Nifty is trading around crucial levels and in the process of testing crucial supports.

Trend	Resistance	Support
Positive	20200	18650

USD-INR: Symmetrical triangle breakout (Bullish)

- As per weekly chart, USDINR spot price is forming a "symmetrical triangle" chart pattern along with sideways consolidation by forming triple top along with upward trendline breakout indicates a shift in the trend from sideways to bullish for short to medium term.
- At present, USDINR price has given upward trend line breakout along with break in its nearby resistance of 82.82 level indicates trend is bullish in near term. However, USDINR prices have started forming higher high higher low formation signal further confirmation of uptrend in upcoming trading session. Therefore, any break above 83 level which also act as a key resistance will surge the price further up till 84.1 & 85.5 level in near term. On the other hand, key support hold at 81.65 level on the downside and break below will act as trend reversal. The price indicator has given bullish crossover signal trend is "Bullish" in currency pair.



View	CMP	Currency	Support	Resistance
BULLISH	82.87	USD/INR	81.65	84.1-85.5

GBP-INR: Trend line breakdown (Bearish)

- On the weekly chart, GBPINR spot price was moving in strong uptrend in rising channel by forming a higher high higher low and given a trendline breakdown indicate trend is bearish for short term.
- At present, GBP/INR price has given a negative close previous week and not able to breach its short-term resistance of 106 level indicates trend short term trend is bearish in currency pair. However, any break below 104.65 level will drag the price further down till 103.75 & 103.10 level in near term. On the upside, key resistance holds at 106.5 level and break above will act as trend reversal. Any minor degree rise shall be considered as selling opportunity till the price is trading below its key resistance at 106.5 level on upside. The price indicator has given bearish crossover.

View	CMP	Currency	Reversal	Target
Bearish	105.19	GBP/INR	106.5	103.75-103.1

EUR-INR: Sideways (bullish)

- On the weekly chart, EURINR spot price was in sideways zone and given a "trendline breakout" which indicates shift in trend from bearish to sideways bullish for short to medium term.
- At present, EUR/INR price has given a sharp upside bounce after trend line breakout along with break in its nearby short-term resistance of 90.72 level which also signal further confirmation of uptrend in currency pair. However, EURINR price closed negative previous week and expect short term sideways correction in the counter towards its middle Bollinger support till 89.70 level on downside, but overall trend is still bullish till price is holding its important support at 87.90 level on the downside and break below will act as a trend reversal. Any minor degree fall shall be considered as buying opportunity towards key resistance at 91.35 & 92.30 level as a target on upside. The price indicator is bullish.

View	CMP	Currency	Reversal	Target
Sideways/Bullish	90.69	EUR/INR	89.7	91.35-92.3

JPY-INR – Falling channel (Bearish)

- The above chart shows price movement of the spot JPY/INR pair weekly contract. The currency pair is moving in falling channel by forming a lower high lower low formation indicates short term trend is bearish in past.
- At present, JPY/INR price has not able to breach the upper trend line resistance and given negative close previous week signal further weakness in the currency pair in upcoming trading sessions. However, any break below 57 level will drag the price further down till 56.10 & 55.2 level in near term. On the other hand, key resistance holds at 59.80 level on upside and break above will act as trend reversal. Any minor degree rise shall be considered as selling opportunity till the price is trading below its key resistance of 59.80 on upside The price indicator is bearish.

View	CMP	Currency	Reversal	Target
Bearish	57.15	JPY/INR	59.8	56.10-55.2

PRIME PICKS (EQUITY STRATEGY)

OVERVIEW

- Prime Picks is multi-cap discretionary PMS scheme with an aim to generate superior risk adjusted returns across market cycles through a well defined stock selection process and balanced allocation between Quality and Alpha.
- **Performance benchmark :** S&P BSE 500 TRI Index.
- Prime Picks follows a dual investment approach with two distinct portfolios, Quality and Alpha, to maintain disciplined allocation between core portfolio of proven structural growth companies (Quality) and an aggressive portfolio of midcap companies (Alpha).
- **Assets Allocation:** 0-100% in Equity stocks and excess cash balance if any, may be invested in mutual funds.

INVESTMENT STRATEGY

- Maintain disciplined investment approach by building a core portfolio of proven secular growth companies that provide steady returns over a period of time.
- Use allocation in Alpha portfolio to generate outperformance through superior selection of stocks in the midcap space.
- Investors get to choose allocation options between Quality and Alpha portfolios depending upon the risk profile and market conditions.

RISK

- **Market Risk :**As the portfolio created under Prime Portfolio product is invested in the equity market, if for reason the equity market corrects, there will be associated risk with this product too
- Risk associated with full deployment of cash, so in the event of market correction, there can be risk to the portfolio.

PRICING & PRODUCT FEATURES

Particulars	Prime Picks PMS		
	Plan A	Plan B	Plan C
Minimum Investment	Rs. 50 lakh	Rs. 50 lakh	Rs. 50 lakh
Additional Investments	Multiples of Rs. 1 lakh	Multiples of Rs. 1 lakh	Multiples of Rs. 1 lakh
Management Fees	0%-2% p.a. on corpus + taxes	0%-2% p.a. on corpus + taxes	0%-1% p.a. on corpus + taxes
Brokerage	0.1%-0.5% + statutory charges	0.1% + statutory charges	0.1% + statutory charges
Hurdle Rate	18% (net of all the cost)	15% (net of all the cost)	12% (net of all the cost)
Profit Sharing Fees*	20% profit sharing post hurdle rate	20% profit sharing post hurdle rate	20% profit sharing post hurdle rate
Exit Load	Nil	3% if exit within 1 year; 2% if exit within 2 years; 1% if exit within 3 years	3% if exit within 1 year; 2% if exit within 2 years; 1% if exit within 3 years

Note : Management Fees are not charged upfront but in four installments at the end of each quarter. Fees are subject to overall regulatory caps as may be specified in the Disclosure Document. *Subject to High Water Mark Principle.

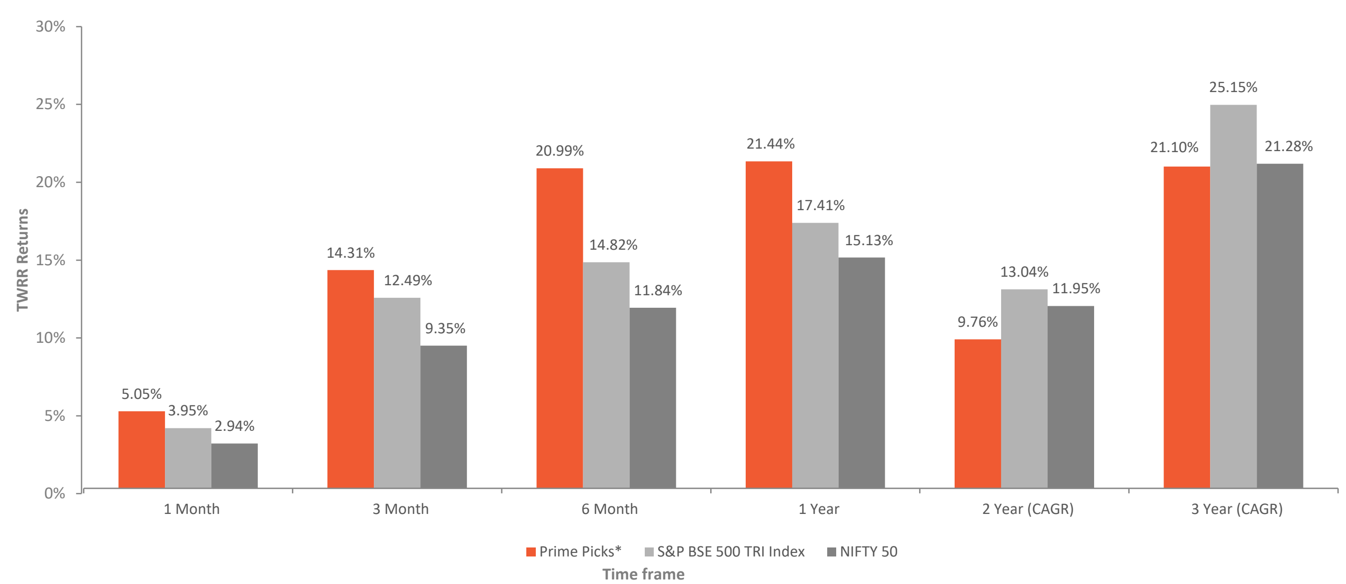
Prime Picks Portfolio Performance (as of Jul 2023)

Duration	Prime Picks*	S&P BSE 500 TRI Index	NIFTY 50
1 Month	**5.05%**	3.95%	2.94%
3 Month	**14.31%**	12.49%	9.35%
6 Month	**20.99%**	14.82%	11.84%
1 Year	**21.44%**	17.41%	15.13%
2 Year (CAGR)	**9.76%**	13.04%	11.95%
3 Year (CAGR)	**21.10%**	25.15%	21.28%
5 Year (CAGR)	**10.63%**	13.49%	11.71%

Note: *1. Returns are net of all taxes and cost.*
2. Returns are generated by Moneyware system and based on TWRR method of calculations as mandated by SEBI
3. Above 1 year return is Compounded Annual Growth Rate (CAGR)
4. Performance related information provided herein is not verified by SEBI
*5.Performance relative to other Portfolio Managers within the selected Strategy: **Click Here**. (as per clause 2.13 of SEBI Circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172, dated December 16, 2022)*

Top 5 Stocks – Prime Picks QUALITY	
1	ICICI BANK
2	ITC
3	LT
4	M&M
5	RELIANCE INDUSTRIES

Top 5 Stocks – Prime Picks ALPHA	
1	AXIS BANK
2	DLF
3	HINDUSTAN AERONAUTIC
4	LT FOODS
5	RVNL



The Portfolio Manager provides an option for Direct On-boarding. Performance related information provided herein is not verified by SEBI. For more details with regard to Portfolio Manager, investment approach, risks, conflicts and other terms, please read the Disclosure Document carefully (available on www.sharekhan.com) before making an investment decision. Investment in securities market is subject to market risks, read all the related documents carefully before investing.

Registration and Contact Details: Name of Portfolio Manager - Sharekhan Limited, PMS Regn No.: INP000005786. (CIN): -U99999MH1995PLC087498. Registered Office: The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA. Tel: 022-6115000.

Other registrations of Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/ CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669, Research Analyst: INH000006183.

Compliance Officer: Ms. Binkle Oza; Tel: 022-62263303; email id: **complianceofficer@sharekhan.com**

For any complaints/grievance, email us at **pms@sharekhan.com** or you may even call PMS desk on - **022-62263242/46/51/67.**

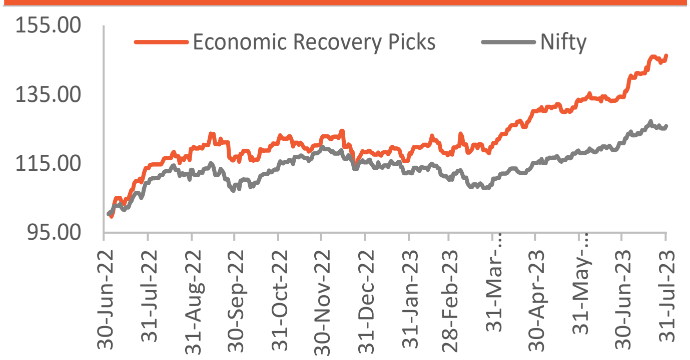
InvesTiger

Most Popular Portfolios

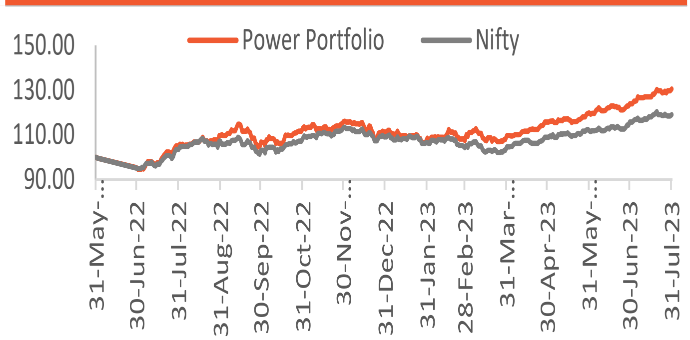
Return Matrix – Thematic Category - Economic Recovery Picks			
Time Period	**Economic Recovery**	**Benchmark: Nifty**	**OP/UP**
1 Month	8.8%	2.9%	**5.9%**
3 Month	12.3%	9.3%	**3.0%**
6 Month	26.2%	11.8%	**14.4%**
1 Year	28.6%	15.1%	**13.5%**
Since Inception	46.2%	25.9%	**20.3%**

Return Matrix – Premier Category - Power Portfolio Picks			
Time Period	**Power Portfolio**	**Benchmark: Nifty**	**OP/UP**
1 Month	8.8%	2.9%	**5.9%**
3 Month	12.3%	9.3%	**3.0%**
6 Month	26.2%	11.8%	**14.4%**
1 Year	28.6%	15.1%	**13.5%**
Since Inception	46.2%	25.9%	**20.3%**

Economic Recovery Picks v/s Benchmark



Power Portfolio Picks v/s Benchmark



Premier Category Portfolios

Power Portfolio				Star Portfolio			
Time Period	**Portfolio return**	**Nifty Return**	**OP/UP**	**Time Period**	**Portfolio return**	**Nifty200 Return**	**OP/UP**
1 Month	6.1%	2.9%	**3.1%**	**1 Month**	5.4%	3.4%	**2.0%**
3 Month	12.7%	9.3%	**3.3%**	**3 Month**	14.4%	11.1%	**3.3%**
6 Month	22.2%	11.8%	**10.4%**	**6 Month**	24.8%	13.3%	**11.6%**
1 Year	24.3%	15.1%	**9.2%**	**1 Year**	39.6%	14.9%	**24.6%**
Since Inception (June 2022)	30.5%	19.1%	**11.4%**	**Since Inception (June 2022)**	46.7%	19.4%	**27.2%**

Top Picks				Emerging Stars Portfolio			
Time Period	**Portfolio return**	**Nifty Return**	**OP/UP**	**Time Period**	**Portfolio return**	**CNX Nifty Midcap 100 Return**	**OP/UP**
1 Month	5.4%	2.9%	**2.5%**	**1 Month**	16.3%	5.5%	**10.8%**
3 Month	16.7%	9.3%	**7.3%**	**3 Month**	31.8%	18.6%	**13.2%**
6 Month	25.8%	11.8%	**13.9%**	**6 Month**	45.4%	23.0%	**22.5%**
1 Year	28.5%	15.1%	**13.4%**	**1 Year**	-	-	-
Since Inception (June 2022)	32.7%	19.1%	**13.6%**	**Since Inception (Jan 2023)**	46.5%	24.7%	**21.8%**

Thematic Category Portfolios

Economic Recovery Picks				Export Picks			
Time Period	**Portfolio return**	**Nifty Return**	**OP/UP**	**Time Period**	**Portfolio return**	**Nifty 500 Return**	**OP/UP**
1 Month	8.8%	2.9%	**5.9%**	**1 Month**	8.8%	3.8%	**5.0%**
3 Month	12.3%	9.3%	**3.0%**	**3 Month**	15.7%	12.1%	**3.6%**
6 Month	26.2%	11.8%	**14.4%**	**6 Month**	15.3%	14.2%	**1.1%**
1 Year	28.6%	15.1%	**13.5%**	**1 Year**	21.2%	16.3%	**4.9%**
Since Inception (June 2022)	46.2%	25.9%	**20.3%**	**Since Inception (June 2022)**	24.6%	21.2%	**3.4%**

MNC Picks				Green Model Portfolio			
Time Period	**Portfolio return**	**Nifty MNC Return**	**OP/UP**	**Time Period**	**Portfolio return**	**CNX Nifty 100 ESG Return**	**OP/UP**
1 Month	4.9%	3.0%	**1.9%**	**1 Month**	3.3%	2.3%	**1.0%**
3 Month	11.8%	13.5%	**-1.7%**	**3 Month**	16.8%	11.0%	**5.8%**
6 Month	15.0%	16.1%	**-1.1%**	**6 Month**	28.2%	11.2%	**16.9%**
1 Year	15.8%	17.1%	**-1.3%**	**1 Year**	-	-	-
Since Inception (June 2022)	24.5%	29.2%	**-4.7%**	**Since Inception (Jan 2023)**	28.2%	8.8%	**19.4%**

Note: Returns shown above pertain to Model Portfolio of each stock basket are as on July 31, 2023.

Sharekhan Mutual Fund Top Picks August 2023

Top Equity Fund Picks

Data as on July 03, 2023

Scheme Name	Absolute % (Point to Point)	Compounded Annualised % (Point to Point)				AUM (In Crs)	NAV (Rs.)	*Riskometer
	6 Months	1 yr	3 yrs	5 yrs	Since Inception			
Large Cap Fund								
HDFC Top 100 Fund - Growth	8.6	26.9	25.8	13.7	18.8	24,819	826	Very High
ICICI Prudential Bluechip Fund - Growth	7.0	24.0	24.4	13.7	14.3	38,734	75	Very High
Tata Large Cap Fund - Reg - Growth	6.7	23.9	23.5	12.5	19.1	1,557	369	Very High
Kotak Bluechip Fund - Reg - Growth	6.7	22.2	22.4	13.4	18.9	6,081	412	Very High
Mirae Asset Large Cap Fund - Reg - Growth	5.5	19.8	21.5	12.9	15.1	35,548	85	Very High
UTI Mastershare Unit Scheme - Growth	5.8	19.8	21.5	12.2	15.3	11,306	207	Very High
Canara Robeco Bluechip Equity Fund - Growth	7.9	23.1	21.0	14.4	12.5	9,946	46	Very High
Large & Mid Cap Fund								
HDFC Large and Mid Cap Fund - Growth	10.8	30.6	31.2	15.9	12.3	9,844	224	Very High
ICICI Prudential Large & Mid Cap Fund - Growth	7.2	25.9	30.8	15.6	18.1	8,582	636	Very High
SBI Large & Midcap Fund - Growth	8.8	29.1	29.1	15.9	14.7	12,609	432	Very High
Edelweiss Large & Mid Cap Fund - Growth	8.6	25.5	26.1	14.1	11.7	2,046	59	Very High
Tata Large & Mid Cap Fund - Reg - Growth	7.8	29.5	26.0	16.1	12.8	4,639	393	Very High
Kotak Equity Opportunities Fund - Reg - Growth	9.4	27.9	25.3	15.4	18.1	13,766	229	Very High
Canara Robeco Emerging Equities - Growth	7.2	21.3	25.0	14.0	16.9	17,382	175	Very High
Mid Cap Fund								
SBI Magnum Midcap Fund - Growth	16.2	30.1	36.2	18.4	16.7	11,133	169	Very High
Nippon India Growth Fund - Reg - Growth	13.5	33.6	34.7	18.5	22.0	16,353	2476	Very High
Edelweiss Mid Cap Fund - Growth	10.8	29.9	33.6	16.5	12.0	3,250	58	Very High
Kotak Emerging Equity Fund - Reg - Growth	9.3	27.7	32.5	17.2	14.0	29,759	84	Very High
Mirae Asset Midcap Fund - Reg - Growth	7.6	25.2	32.5	--	24.4	10,567	24	Very High
UTI Mid Cap Fund - Growth	10.6	26.8	30.6	15.1	17.7	8,229	210	Very High
Baroda BNP Paribas Midcap Fund - Growth	8.4	24.9	28.8	15.8	11.5	1,352	65	Very High
Small Cap Fund								
Nippon India Small Cap Fund - Reg - Growth	16.9	40.0	46.5	21.6	20.6	31,945	110	Very High
HDFC Small Cap Fund - Growth	17.1	45.8	42.9	17.0	15.9	18,999	95	Very High
ICICI Prudential Smallcap Fund - Growth	14.0	28.8	42.6	19.9	12.3	6,047	62	Very High
Kotak Small Cap Fund - Reg - Growth	12.9	25.0	41.4	20.0	17.2	10,830	185	Very High
Edelweiss Small Cap Fund - Reg - Growth	12.4	32.3	40.5	--	27.1	1,946	29	Very High
Focused Fund								
HDFC Focused 30 Fund - Growth	8.1	31.1	31.1	14.1	15.3	5,308	146	Very High
Nippon India Focused Equity Fund - Reg - Growth	5.3	20.0	28.0	13.8	13.9	6,506	86	Very High
360 ONE Focused Equity Fund - Reg - Growth	11.4	31.0	27.5	18.7	15.2	4,085	34	Very High
ICICI Prudential Focused Equity Fund - Ret - Growth	8.3	26.1	25.2	14.3	13.1	4,544	57	Very High
Sundaram Focused Fund - Growth	8.4	25.6	23.3	14.7	15.1	876	120	Very High
Mirae Asset Focused Fund - Reg - Growth	5.6	15.2	22.7	--	18.0	9,202	20	Very High
Flexi Cap Funds								
HDFC Flexi Cap Fund - Growth	8.4	31.2	32.0	16.4	18.5	36,345	1260	Very High
Franklin India Flexi Cap Fund - Growth	6.5	25.7	27.8	13.6	17.7	11,137	1085	Very High
Edelweiss Flexi Cap Fund - Reg - Growth	9.3	25.6	25.3	12.8	11.9	1,238	26	Very High
Aditya Birla Sun Life Flexi Cap Fund - Growth	6.9	23.5	23.5	12.1	21.4	17,025	1232	Very High
SBI Flexicap Fund - Growth	7.8	20.8	23.3	12.5	12.6	17,448	83	Very High
DSP Flexi Cap Fund - Reg - Growth	11.0	28.5	22.7	14.3	13.0	8,564	72	Very High
Canara Robeco Flexi Cap Fund - Growth	7.4	22.5	22.4	14.4	17.5	9,919	244	Very High

Data as on July 03, 2023

Scheme Name	Absolute % (Point to Point)	Compounded Annualised % (Point to Point)				AUM (In Crs)	NAV (Rs.)	*Riskometer
	6 Months	1 yr	3 yrs	5 yrs	Since Inception			
Value & Contra Funds								
SBI Contra Fund - Growth	11.4	33.1	40.1	19.0	19.0	11,865	257	Very High
Bandhan Sterling Value Fund - Reg - Growth	10.8	30.0	39.5	14.4	16.5	6,122	104	Very High
ICICI Prudential Value Discovery Fund - Growth	8.0	26.4	30.4	16.2	19.8	30,705	303	Very High
Nippon India Value Fund - Reg - Growth	9.2	27.6	29.2	14.9	15.8	5,318	141	Very High
UTI Value Opportunities Fund - Growth	5.1	23.5	24.1	13.2	14.3	7,333	111	Very High
ELSS								
Bandhan Tax Advantage (ELSS) Fund - Reg - Growth	9.6	27.9	32.9	14.9	18.1	4,776	112	Very High
HDFC Taxsaver - Growth	8.8	28.3	27.3	12.7	23.1	10,930	897	Very High
Franklin India Taxshield - Growth	6.6	26.4	27.0	12.3	20.8	5,029	978	Very High
Kotak Tax Saver Fund - Reg - Growth	7.1	26.7	25.6	15.4	12.7	3,855	83	Very High
Mirae Asset Tax Saver Fund - Reg - Growth	7.6	21.7	25.5	16.2	17.7	16,634	34	Very High
Canara Robeco Equity Tax Saver Fund - Growth	7.1	23.4	25.5	16.2	19.2	5,750	127	Very High
DSP Tax Saver Fund - Growth	6.4	23.5	25.4	15.3	14.3	11,303	90	Very High
Thematic ESG								
SBI Magnum Equity ESG Fund - Growth	8.3	21.7	21.8	12.9	14.3	4,914	178	Very High
ICICI Prudential ESG Fund - Reg - Growth	9.2	22.8	--	--	15.0	1,266	15	Very High
Kotak ESG Opportunities Fund - Reg - Growth	3.5	21.9	--	--	9.6	1,106	13	Very High
Aditya Birla Sun Life ESG Fund - Reg - Growth	7.0	19.5	--	--	10.4	792	13	Very High
Invesco India ESG Equity Fund - Reg - Growth	6.7	19.0	--	--	11.5	601	13	Very High
Thematic/Sector Funds								
ICICI Prudential Manufacturing Fund - Reg - Growth	14.6	31.8	31.1	--	17.2	897	21	Very High
UTI Transportation and Logistics Fund - Growth	16.6	26.4	29.8	8.3	15.9	2,293	174	Very High
Franklin India Opportunities Fund - Growth	16.2	35.1	28.6	14.0	11.9	818	139	Very High
ICICI Prudential Banking and Financial Services Fund - Retail - Growth	7.2	31.7	26.7	11.5	16.6	6,961	99	Very High
SBI Banking & Financial Services Fund - Reg - Growth	4.3	28.7	23.0	12.4	13.3	4,234	28	Very High
SBI Magnum Global Fund - Growth	12.6	24.0	22.7	13.5	14.5	5,987	316	Very High

Baroda BNP Paribas Equity schemes

Scheme name	Scheme Category	Absolute % (Point to Point)	Compounded Annualised % (Point to Point)				AUM (In Crs)	Riskometer
		6 Months	1 yr	3 yrs	5 yrs	Since Inception		
Baroda BNP Paribas Midcap Fund - Growth	Mid Cap	8.4	24.9	28.8	15.8	12	1352	Very High
Baroda BNP Paribas Multi Cap Fund - Growth	Multi Cap	9.2	26.1	28.5	14.6	16	1805	Very High
Baroda BNP Paribas India Consumption Fund - Reg - Growth	Thematic	12.7	26.1	22.2	--	19	1022	Very High
Baroda BNP Paribas Banking & Financial Services Fund - Growth	Sectoral	3.7	30.3	21.9	9.9	12	85	Very High
Baroda BNP Paribas Focused Fund - Reg - Growth	Focused	8.3	21.3	20.3	10.9	9	375	Very High
Baroda BNP Paribas Large Cap Fund - Growth	Large Cap	6.5	21.8	20.1	13.1	16	1458	Very High
Baroda BNP Paribas ELSS Fund - Growth	ELSS	8.2	22.7	19.0	11.9	11	714	Very High
Baroda BNP Paribas Aqua Fund of Fund - Reg - Growth	FoF - Overseas	10.2	22.9	--	--	3	83	Very High
Baroda BNP Paribas Business Cycle Fund - Reg - Growth	Thematic	6.9	24.2	--	--	5	422	Very High
Baroda BNP Paribas Large & Mid Cap Fund - Reg - Growth	Large & Mid Cap	8.7	26.7	--	--	24	773	Very High
Baroda BNP Paribas Flexi Cap Fund - Reg - Growth	Flexi Cap	8.2	--	--	--	9	1385	Very High

*The Riskometer will indicate six levels of risk – Low, Low to moderate, Moderate, Moderately High, High and Very high.

Every individual has a different investment requirement, which depends on his financial goals and risk-taking capacities. We at Sharekhan first understand the individual's investment objectives and risk-taking capacity, and then recommend a suitable portfolio. So, we suggest that you get in touch with our Mutual Fund Advisor before investing in the best funds.

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a postition in the mutual funds mentioned in the article.

Sharekhan Mutual Fund Top Picks August 2023

Top SIP Fund Picks

(*invested on 1st day of every month)

Data as on July 03, 2023

SIP INVST (Monthly Rs. 1,000)*	1 year		3 years		5 Year		AUM (In Crs)	NAV	*Riskometer
Total amount invested	12,000		36,000		60000				
Scheme Name	Present Value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)			
Large Cap Fund									
HDFC Top 100 Fund - Growth	13,224	23.0	47,115	19.3	90,608	17.0	24,819	826	Very High
ICICI Prudential Bluechip Fund - Growth	13,060	19.9	45,717	17.0	90,424	16.9	38,734	75	Very High
Tata Large Cap Fund - Reg - Growth	13,028	19.2	44,759	15.5	87,279	15.4	1,557	369	Very High
Kotak Bluechip Fund - Reg - Growth	12,936	17.5	43,926	14.1	87,792	15.7	6,081	412	Very High
Canara Robeco Bluechip Equity Fund - Growth	13,048	19.6	43,683	13.7	88,275	15.9	9,946	46	Very High
Mirae Asset Large Cap Fund - Reg - Growth	12,860	16.0	43,313	13.1	85,318	14.5	35,548	85	Very High
UTI Mastershare Unit Scheme - Growth	12,828	15.4	43,009	12.6	85,353	14.5	11,306	207	Very High
Large & Mid Cap Fund									
HDFC Large and Mid Cap Fund - Growth	13,428	27.0	49,139	22.5	99,750	21.1	9,844	224	Very High
SBI Large & Midcap Fund - Growth	13,113	20.9	47,754	20.3	97,141	19.9	12,609	432	Very High
Tata Large & Mid Cap Fund - Reg - Growth	13,198	22.5	46,967	19.0	94,979	19.0	4,639	393	Very High
Kotak Equity Opportunities Fund - Reg - Growth	13,179	22.2	46,350	18.1	93,987	18.6	13,766	229	Very High
Edelweiss Large & Mid Cap Fund - Growth	13,084	20.3	45,429	16.6	92,096	17.7	2,046	59	Very High
Mirae Asset Emerging Bluechip Fund - Growth	13,013	19.0	44,376	14.8	93,367	18.3	26,684	105	Very High
Canara Robeco Emerging Equities - Growth	12,907	16.9	44,232	14.6	90,809	17.1	17,382	175	Very High
Mid Cap Fund									
SBI Magnum Midcap Fund - Growth	13,524	28.9	50,713	24.9	1,09,619	25.1	11,133	169	Very High
Nippon India Growth Fund - Reg - Growth	13,614	30.7	50,085	23.9	1,06,395	23.8	16,353	2476	Very High
Edelweiss Mid Cap Fund - Growth	13,216	22.9	48,170	21.0	1,03,287	22.6	3,250	58	Very High
Kotak Emerging Equity Fund - Reg - Growth	13,103	20.7	47,889	20.5	1,02,404	22.2	29,759	84	Very High
Invesco India Midcap Fund - Growth	13,377	26.0	46,987	19.1	97,751	20.2	3,150	100	Very High
UTI Mid Cap Fund - Growth	13,226	23.1	46,681	18.6	99,231	20.9	8,229	210	Very High
Baroda BNP Paribas Midcap Fund - Growth	13,062	19.9	46,213	17.8	97,170	20.0	1,352	65	Very High
Small Cap Fund									
Nippon India Small Cap Fund - Reg - Growth	14,008	38.7	56,148	32.8	1,26,549	31.3	31,945	110	Very High
ICICI Prudential Smallcap Fund - Growth	13,616	30.8	52,484	27.5	1,16,309	27.6	6,047	62	Very High
DSP Small Cap Fund - Reg - Growth	13,686	32.2	50,706	24.9	1,11,634	25.9	10,764	131	Very High
Kotak Small Cap Fund - Reg - Growth	13,387	26.2	49,892	23.6	1,15,179	27.2	10,830	185	Very High
SBI Small Cap Fund - Growth	13,056	19.8	48,979	22.2	1,08,058	24.5	18,625	123	Very High

(*invested on 1st day of every month)

Data as on July 03, 2023

SIP INVST (Monthly Rs. 1,000)*	1 year		3 years		5 Year		AUM (In Crs)	NAV	*Riskometer
Total amount invested	12,000		36,000		60000				
Scheme Name	Present Value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)	Present value (Rs.)	Compounded annualised return (%)			
Focused Fund									
HDFC Focused 30 Fund - Growth	13,197	22.5	51,004	25.3	99,894	21.1	5,308	146	Very High
Franklin India Focused Equity Fund - Growth	13,094	20.5	47,515	19.9	95,562	19.3	9,070	76	Very High
360 ONE Focused Equity Fund - Reg - Growth	13,393	26.4	46,555	18.4	98,796	20.7	4,085	34	Very High
ICICI Prudential Focused Equity Fund - Ret - Growth	13,159	21.8	46,551	18.4	94,351	18.7	4,544	57	Very High
Nippon India Focused Equity Fund - Reg - Growth	12,783	14.5	45,428	16.6	92,896	18.1	6,506	86	Very High
Sundaram Focused Fund - Growth	13,117	21.0	44,612	15.2	90,553	17.0	876	120	Very High
Flexi Cap Funds									
HDFC Flexi Cap Fund - Growth	13,286	24.3	50,373	24.4	99,705	21.1	36,345	1260	Very High
Franklin India Flexi Cap Fund - Growth	13,040	19.5	46,378	18.1	93,533	18.4	11,137	1085	Very High
Edelweiss Flexi Cap Fund - Reg - Growth	13,126	21.1	45,314	16.4	89,721	16.6	1,238	26	Very High
DSP Flexi Cap Fund - Reg - Growth	13,252	23.6	44,262	14.7	89,253	16.4	8,564	72	Very High
SBI Flexicap Fund - Growth	12,964	18.0	44,063	14.3	86,859	15.2	17,448	83	Very High
Canara Robeco Flexi Cap Fund - Growth	12,979	18.3	43,759	13.8	88,623	16.1	9,919	244	Very High
Aditya Birla Sun Life Flexi Cap Fund - Growth	13,046	19.6	43,732	13.8	86,516	15.1	17,025	1232	Very High
Value & Contra Funds									
SBI Contra Fund - Growth	13,493	28.3	52,851	28.1	1,14,597	27.0	11,865	257	Very High
Bandhan Sterling Value Fund - Reg - Growth	13,352	25.5	50,800	25.0	1,05,888	23.6	6,122	104	Very High
ICICI Prudential Value Discovery Fund - Growth	13,184	22.2	49,082	22.4	1,01,884	22.0	30,705	303	Very High
Nippon India Value Fund - Reg - Growth	13,313	24.8	47,239	19.5	96,162	19.5	5,318	141	Very High
UTI Value Opportunities Fund - Growth	12,873	16.3	44,356	14.8	89,528	16.5	7,333	111	Very High
Tax-saving funds (ELSS)									
HDFC Taxsaver - Growth	13,232	23.2	48,337	21.2	93,124	18.2	10,930	897	Very High
Bandhan Tax Advantage (ELSS) Fund - Reg - Growth	13,258	23.7	48,216	21.0	1,00,265	21.3	4,776	112	Very High
Kotak Tax Saver Fund - Reg - Growth	13,090	20.4	46,117	17.7	93,057	18.1	3,855	83	Very High
Franklin India Taxshield - Growth	13,052	19.7	46,054	17.6	90,473	17.0	5,029	978	Very High
DSP Tax Saver Fund - Growth	13,002	18.7	45,216	16.2	92,087	17.7	11,303	90	Very High
Mirae Asset Tax Saver Fund - Reg - Growth	13,042	19.5	44,606	15.2	92,697	18.0	16,634	34	Very High
Canara Robeco Equity Tax Saver Fund - Growth	12,951	17.8	44,454	15.0	92,452	17.9	5,750	127	Very High

*The Riskometer will indicate six levels of risk – Low, Low to moderate, Moderate, Moderately High, High and Very high.

Every individual has a different investment requirement, which depends on his financial goals and risk-taking capacities. We at Sharekhan first understand the individual's investment objectives and risk-taking capacity, and then recommend a suitable portfolio. So, we suggest that you get in touch with our Mutual Fund Advisor before investing in the best funds.■

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a postition in the mutual funds mentioned in the article.

Sharekhan Earnings Guide

Prices as on August 03, 2023

Company	CMP (Rs)	Sales FY23	Sales FY24E	Sales FY25E	Net profit FY23	Net profit FY24E	Net profit FY25E	EPS FY23	EPS FY24E	EPS FY25E	(%) EPS growth	PE (x) FY23	PE (x) FY24E	PE (x) FY25E	RoCE (%) FY24E	RoCE (%) FY25E	RoNW (%) FY24E	RoNW (%) FY25E	DPS Rs.	Div Yld(%)
Autos																				
Alicon Castalloy	866	1,401.2	1,604.9	1,864.1	51.4	70.1	106.8	31.9	43.5	66.3	44%	27.1	19.9	13.1	11.5	14.5	13.5	17.7	2.5	0.3
Amara Raja Batteries	625	10,385.9	11,424.5	12,567.0	742.5	846.7	944.3	43.5	49.6	55.3	13%	14.4	12.6	11.3	15.2	14.9	14.9	14.6	6.1	1.0
Apollo Tyres	431	24,568.1	27,536.6	29,684.0	1,081.8	1,503.2	1,816.7	17.0	23.7	28.6	30%	25.3	18.2	15.1	9.1	9.8	10.6	11.4	4.5	1.0
Ashok Leyland	181	36,144.1	42,245.8	47,756.5	1,295.5	2,318.6	2,916.7	4.4	7.9	9.9	50%	41.0	22.9	18.2	20.1	21.7	23.2	24.7	2.6	1.4
Bajaj Auto	4,827	36,427.6	42,584.5	47,884.5	5,599.8	6,496.6	7,490.5	197.9	229.6	264.7	16%	24.4	21.0	18.2	23.2	24.2	23.2	24.2	140.0	2.9
Balkrishna Industries	2,479	9,810.5	10,701.3	11,904.1	1,144.2	1,511.0	1,783.9	59.2	78.2	92.3	25%	41.9	31.7	26.9	13.0	13.8	17.5	18.0	16.0	0.6
Bosch	18,243	14,929.3	16,960.8	18,996.1	1,424.3	1,900.2	2,156.0	483.0	644.4	731.1	23%	37.8	28.3	25.0	14.9	14.8	15.6	15.5	480.0	2.6
Eicher Motors	3,380	14,442.2	16,849.4	19,034.4	2,913.9	3,467.4	3,978.3	106.5	126.8	145.5	17%	31.7	26.7	23.2	18.2	17.9	20.1	20.1	37.0	1.1
Exide Industries	257	14,591.9	15,693.0	16,998.8	903.6	1,095.3	1,341.1	10.6	12.9	15.8	22%	24.2	19.9	16.3	9.6	10.7	9.4	10.6	2.0	0.8
Gabriel India	225	2,971.7	3,519.4	3,970.4	132.4	183.6	216.5	9.2	12.8	15.1	28%	24.4	17.6	14.9	19.8	19.9	19.5	19.6	2.6	1.1
GNA Axles	1,004	1,582.9	1,709.1	1,846.9	130.2	142.1	156.6	60.7	66.2	73.0	10%	16.6	15.2	13.8	15.6	15.0	18.2	17.1	6.0	0.6
Greaves Cotton	140	2,699.5	3,081.7	3,448.2	90.5	146.7	180.6	3.9	6.3	7.8	41%	35.7	22.1	17.9	9.1	10.2	8.6	9.7	0.9	0.6
HERO MOTOCORP	2,951	33,805.7	37,523.9	41,120.2	2,910.6	3,379.5	3,874.7	145.7	169.2	194.0	15%	20.2	17.4	15.2	18.2	19.1	18.7	19.5	100.0	3.4
Lumax Auto Technologies	399	1,847.5	2,772.1	3,116.8	101.7	126.7	153.9	14.9	18.6	22.6	23%	26.7	21.5	17.7	16.3	16.7	17.4	17.6	4.5	1.1
M&M	1,468	84,960.3	94,180.0	1,06,056.4	7,700.0	9,427.5	11,250.0	61.9	75.8	90.5	21%	23.7	19.4	16.2	17.6	18.3	18.9	19.5	16.3	1.1
Maruti Suzuki	9,542	1,17,522.9	1,41,039.5	1,55,810.9	8,049.2	10,952.4	12,233.4	266.5	362.7	405.1	23%	35.8	26.3	23.6	15.6	15.6	15.9	15.7	90.0	0.9
Ramkrishna Forgings	557	3,001.0	3,510.6	4,126.8	235.6	348.8	463.3	14.7	21.8	29.0	40%	37.8	25.6	19.2	15.9	18.4	23.5	25.0	2.0	0.4
Schaeffler India	3,037	6,867.4	7,847.2	9,120.1	879.2	976.7	1,183.0	56.3	62.5	75.7	16%	54.0	48.6	40.1	21.4	22.5	21.3	22.4	24.0	0.8
Sundram Fasteners	1,225	5,662.8	6,368.0	7,447.1	500.4	653.0	871.7	23.8	31.1	41.5	32%	51.4	39.4	29.5	17.3	19.9	20.1	22.8	8.6	0.7
Suprajit Engineering	418	2,752.4	3,126.7	3,464.0	152.1	197.2	276.4	11.0	14.2	20.0	35%	38.0	29.3	20.9	11.6	14.2	15.1	18.3	2.3	0.6
Tata Motors	619	3,45,967.0	4,19,191.6	4,84,260.0	733.6	9,789.3	12,649.3	1.9	25.6	33.0	315%	323.1	24.2	18.7	9.6	10.6	17.8	18.8	2.0	0.3
TVS Motor	1,362	26,378.1	29,761.9	34,312.6	1,428.5	1,845.3	2,347.5	30.1	38.8	49.4	28%	45.3	35.1	27.6	20.1	21.2	24.3	24.6	5.0	0.4
Agri/Specialy Chemical																				
Aarti Industries	474	6,619.0	8,290.0	9,828.0	547.0	549.0	794.0	15.1	15.1	21.9	20%	31.4	31.4	21.6	10.2	12.2	10.8	14.3	1.5	0.3
Atul Limited	7,017	5,428.0	5,680.0	6,359.0	518.0	576.0	721.0	175.1	194.6	243.4	18%	40.1	36.1	28.8	14.8	16.6	11.7	13.0	25.0	0.4
Coromandel International	1,033	29,628.0	30,486.0	32,314.0	2,013.0	2,244.0	2,513.0	68.5	75.7	85.5	12%	15.1	13.7	12.1	33.7	31.3	25.3	23.4	6.0	0.6
Insecticides (India)	465	1,804.7	1,981.0	2,279.0	63.0	100.0	146.0	21.4	33.8	49.2	52%	21.7	13.8	9.4	13.6	18.0	10.4	13.5	3.0	0.6
NOCIL Ltd	219	1,617.0	1,785.0	2,169.0	149.0	161.0	229.0	9.0	10.9	13.0	20%	24.3	20.1	16.8	11.9	15.8	10.1	13.3	3.0	1.4
PI Industries	3,684	6,492.0	7,818.0	9,281.0	1,223.0	1,484.0	1,718.0	80.0	97.2	112.6	19%	46.0	37.9	32.7	22.5	22.1	18.7	18.1	5.5	0.1
Sumitomo Chemical India	410	3,511.0	3,630.0	4,141.0	502.0	447.0	611.0	10.1	12.2	14.1	18%	40.6	33.6	29.1	23.2	27.1	17.4	20.4	1.2	0.3
SRF Limited	2,262	14,870.0	16,440.0	18,842.0	2,113.0	2,520.0	2,805.0	71.3	95.4	102.7	20%	31.7	23.7	22.0	21.9	21.3	21.9	19.8	3.6	0.2
Sudarshan Chemicals	519	2,302.0	2,629.0	3,011.0	45.0	121.0	165.0	6.5	18.2	24.2	93%	79.9	28.5	21.5	11.4	15.1	14.0	17.3	1.5	0.3
UPL	601	53,576.0	56,255.0	60,755.0	3,740.0	4,438.0	5,585.0	49.9	63.0	80.2	27%	12.0	9.5	7.5	14.3	14.9	15.4	16.8	10.0	1.7
Vinati Organics	1,877	2,085.0	2,294.0	2,832.0	458.0	495.0	672.0	44.6	48.2	65.4	21%	42.1	38.9	28.7	26.2	29.7	20.4	23.0	7.0	0.4
Banks and Financial Services																				
AU Small Finance Bank	729	4,425.0	5,093.0	6,248.0	1,428.0	1,626.0	2,076.0	21.9	24.4	31.1	19%	33.3	29.9	23.4	-	-	13.8	15.2	1.0	0.1
Axis Bank	937	42,946.0	48,321.0	53,386.0	9,580.0	23,788.0	26,164.0	31.0	76.7	83.1	64%	30.2	12.2	11.3	-	-	17.4	16.2	1.0	0.1
Bajaj Finance	7,108	22,990.0	28,155.0	33,697.0	11,508.0	13,514.0	15,855.0	189.6	222.3	263.0	18%	37.5	32.0	27.0	-	-	22.4	22.0	30.0	0.4
Bajaj Finserv	1,495	82,072.0	1,02,900.0	1,13,190.0	6,417.3	8,797.0	9,676.7	40.3	55.3	60.8	23%	37.1	27.0	24.6	-	-	15.4	15.4	0.8	0.1
Bank of Baroda	193	38,713.0	43,126.0	-	10,177.0	11,710.0	-	19.7	22.6	-	-	9.8	8.6	-	-	-	11.4	-	5.5	2.8
Bank of India	84	20,275.0	23,510.0	25,629.0	4,023.0	7,460.0	8,014.0	9.8	18.2	19.5	41%	8.5	4.6	4.3	-	-	11.9	11.4	2.0	2.4
Can Fin Homes	727	1,015.0	1,205.0	1,535.0	621.0	715.0	870.0	46.6	53.7	65.3	18%	15.6	13.5	11.1	-	-	17.8	18.2	2.0	0.3
Cholamandalam Investment and Finance Company	1,069	6,333.0	7,744.0	9,200.0	2,666.0	3,042.0	3,700.0	32.4	37.1	45.1	18%	33.0	28.8	23.7	-	-	19.4	20.2	0.7	0.1
City Union Bank	131	2,163.0	2,215.0	2,379.0	937.0	935.0	1,019.0	12.7	12.6	13.8	4%	10.3	10.4	9.5	-	-	11.8	11.4	1.0	0.8
Federal Bank	132	7,232.0	8,219.0	9,207.0	3,011.0	3,637.0	4,156.0	14.1	17.2	19.6	18%	9.4	7.7	6.8	-	-	15.6	15.3	1.0	0.8
HDFC Bank	1,629	86,842.0	1,18,841.0	1,46,348.0	44,109.0	64,205.0	74,894.0	78.9	91.4	102.3	14%	20.6	17.8	15.9	-	-	14.8	15.3	19.0	1.2
ICICI Bank	966	62,129.0	69,986.0	79,834.0	31,897.0	36,198.0	39,770.0	44.9	51.8	56.9	13%	21.5	18.6	17.0	-	-	16.6	15.5	8.0	0.8
Indusind Bank	1,364	17,592.0	19,770.0	23,946.0	7,390.0	9,102.0	10,606.0	95.2	116.7	136.0	20%	14.3	11.7	10.0	-	-	15.4	15.4	14.0	1.0
Kotak Mahindra Bank	1,825	21,552.0	25,316.0	28,677.0	10,939.0	12,488.0	14,131.0	54.9	62.9	71.1	14%	33.2	29.0	25.7	-	-	14.0	13.8	1.5	0.1
LIC Housing Finance	394	6,330.0	7,000.0	7,600.0	2,891.0	3,800.0	4,150.0	44.2	58.2	-	-	8.9	6.8	-	-	-	12.5	13.0	8.5	2.2

Company	CMP (Rs)	Sales			Net profit			EPS			(%) EPS growth	PE (x)			RoCE (%)		RoNW (%)		DPS Rs.	Div Yld(%)
		FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E		FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E		
LT FINANCE HOLDING	126	6,768.0	8,131.0	9,834.0	1,623.0	2,680.0	3,178.0	6.5	10.9	12.9	41%	19.4	11.6	9.8	-	-	11.9	15.0	2.0	1.6
Max Financial	769	6,248.0	6,850.0	7,920.0	362.7	359.1	380.0	1.9	1.9	2.0	2%	407.0	411.1	388.5	-	-	20.5	19.5	0.0	0.0
M&M Financial Services	286	6,106.0	7,661.0	8,427.0	1,984.0	2,570.0	2,827.0	16.1	20.8	22.9	19%	17.8	13.7	12.5	-	-	12.7	12.7	6.0	2.1
Nippon Life India AMC	312	1,517.0	1,640.0	1,750.0	723.0	790.0	830.0	11.5	12.7	13.3	8%	27.2	24.6	23.5	-	-	22.2	22.5	11.5	3.7
Punjab National Bank	59	34,492.0	37,248.0	43,005.0	2,507.0	5,983.0	12,204.0	2.3	5.4	11.1	120%	25.8	11.0	5.4	-	-	5.8	10.9	0.7	1.1
SBI	591	1,44,841.0	1,60,662.0	1,77,746.0	50,232.0	63,249.0	68,161.0	56.3	70.9	76.4	16%	10.5	8.3	7.7	-	-	17.6	16.0	11.3	1.9
Insurance																				
HDFC Life	633	13,336.0	14,300.0	16,500.0	1,368.0	1,700.0	1,850.0	6.4	7.9	8.6	16%	98.9	80.1	73.6	-	-	18.4	18.0	1.9	0.3
ICICI Pru Life	571	8,640.0	9,040.0	9,900.0	811.0	994.0	1,140.0	5.6	6.9	7.9	19%	101.9	82.7	72.2	-	-	16.3	16.1	0.6	0.1
ICICI Lombard	1,347	21,772.0	24,800.0	28,600.0	1,729.0	2,060.0	2,340.0	35.2	42.0	47.7	16%	38.3	32.1	28.2	-	-	18.2	18.0	5.5	0.4
Consumer Goods																				
Asian Paints	3,336	34,488.6	37,798.4	42,563.4	4,231.5	5,365.8	6,291.4	44.1	55.9	65.6	22%	75.6	59.6	50.9	25.2	26.1	31.1	31.5	17.9	0.5
Bajaj Consumer Care	223	950.0	1,061.0	1,198.0	140.0	178.0	210.0	9.5	12.1	14.2	22%	23.4	18.4	15.7	23.1	24.3	20.3	21.1	10.0	4.5
Britannia	4,790	16,301.0	18,093.0	20,500.0	1,951.0	2,255.0	2,674.0	81.0	93.6	111.0	17%	59.1	51.2	43.2	33.4	36.4	55.5	50.3	0.0	0.0
Colgate-Palmolive (India)	1,993	5,226.2	5,713.9	6,150.2	1,055.6	1,212.1	1,315.5	38.8	44.6	48.4	12%	51.4	44.7	41.2	85.3	82.3	67.1	64.6	38.0	1.9
Dabur India	555	11,530.0	13,143.0	14,964.0	1,703.0	2,137.0	2,558.0	9.6	12.0	14.4	22%	57.8	46.2	38.5	25.3	28.2	22.6	24.2	4.8	0.9
Emami	450	3,406.0	3,781.0	4,367.0	745.0	836.0	991.0	16.7	18.8	22.3	16%	26.9	23.9	20.2	36.9	39.4	34.0	35.4	4.0	0.9
Godrej Consumer Products	1,014	13,316.0	15,032.5	16,881.6	1,742.5	2,263.0	2,648.7	17.0	22.1	25.9	23%	59.5	45.8	39.2	16.9	18.1	15.6	16.4	0.0	0.0
Hindustan Unilever	2,551	59,144.0	64,419.0	73,348.8	10,024.0	10,985.6	12,801.8	42.7	46.7	54.5	13%	59.8	54.6	46.8	28.2	31.9	21.5	23.9	40.5	1.6
ITC	456	70,251.0	78,992.0	88,957.0	18,663.0	21,204.0	24,134.0	15.2	17.4	19.8	14%	30.0	26.2	23.0	35.3	37.5	30.2	31.5	10.8	2.4
Indigo Paints	1,543	1,073.0	1,299.0	1,509.0	132.0	163.0	197.0	27.7	34.3	41.5	22%	55.7	45.0	37.2	26.8	30.2	20.4	23.0	0.0	0.0
Jyothy Laboratories	303	2,486.0	2,813.6	3,215.7	230.9	324.6	388.8	6.3	8.8	10.6	30%	48.2	34.3	28.6	19.1	20.3	20.2	22.0	4.0	1.3
Marico	573	9,764.0	10,407.5	11,710.5	1,322.0	1,578.9	1,802.4	10.2	12.2	14.0	17%	55.9	46.8	41.0	44.0	46.9	39.4	39.8	7.5	1.3
Nestle India	22,460	16,897.0	19,554.4	21,962.0	2,390.5	3,019.1	3,496.6	247.9	313.1	362.6	21%	90.6	71.7	61.9	135.5	138.9	116.4	120.1	200.0	0.9
Radico Khaitan	1,447	3,143.0	3,631.0	4,180.0	204.0	305.0	416.0	16.5	22.8	31.2	38%	87.7	63.5	46.4	13.6	17.2	12.4	14.7	2.4	0.2
Tata Consumer Products Ltd	835	13,783.6	15,441.4	17,575.7	1,193.0	1,463.9	1,744.4	12.9	15.9	18.9	21%	64.5	52.6	44.1	10.0	11.3	8.6	9.7	4.1	0.5
Zydus Wellness	1,433	2,255.0	2,544.0	2,883.0	320.0	390.0	478.0	50.4	61.3	75.2	22%	28.4	23.4	19.1	7.4	8.5	7.4	8.4	5.0	0.3
IT / IT services																				
Birlasoft	433	4,794.8	5,207.4	5,843.2	323.7	573.9	660.2	11.9	20.8	24.3	43%	36.4	20.8	17.8	26.0	26.2	21.6	21.4	3.5	0.8
Coforge	4,769	8,014.6	9,449.6	10,944.6	811.7	1,002.6	1,235.0	133.6	164.8	202.7	23%	35.7	28.9	23.5	32.0	33.9	29.6	30.2	58.0	1.2
HCL Technologies	1,125	1,01,456.0	1,04,218.6	1,12,471.5	14,850.0	15,287.3	17,088.6	54.7	56.3	63.0	7%	20.6	20.0	17.9	26.0	27.5	22.7	23.9	48.0	4.3
Infosys	1,365	1,46,767.0	1,51,630.7	1,60,970.2	24,097.0	23,701.2	25,522.1	57.6	57.3	61.7	3%	23.7	23.8	22.1	36.0	37.7	29.6	31.5	34.0	2.5
Intellect Design	663	2,231.3	2,692.1	3,219.4	266.3	399.9	490.2	19.2	28.7	35.1	35%	34.6	23.1	18.9	21.8	25.1	17.7	19.9	2.5	0.4
LTI Mindtree	4,873	33,183.0	36,390.0	40,973.0	4,409.0	5,002.0	6,208.0	149.0	169.1	209.9	19%	32.7	28.8	23.2	32.8	33.6	25.3	26.8	60.0	1.2
L&T Technology services	4,200	8,815.5	9,552.5	11,071.5	1,212.1	1,278.6	1,596.3	114.5	120.9	150.9	15%	36.7	34.7	27.8	27.7	28.2	23.8	25.3	45.0	1.1
Mastek Limited	1,987	2,563.4	2,932.2	3,329.5	267.7	325.7	414.6	86.6	105.4	134.1	24%	22.9	18.9	14.8	18.2	20.1	18.0	19.9	7.0	0.4
Persistent Systems	4,693	8,350.6	9,860.1	11,622.0	950.7	1,213.0	1,495.7	127.2	157.7	194.5	24%	36.9	29.8	24.1	30.4	32.8	28.0	29.0	50.0	1.1
Tata Consultancy Services	3,400	2,25,458.0	2,36,935.9	2,53,862.8	42,147.0	44,809.2	48,324.4	115.2	122.4	132.0	7%	29.5	27.8	25.8	50.5	53.4	45.8	45.7	115.0	3.4
Tata Elxsi	7,167	3,144.7	3,529.0	4,043.9	755.3	811.4	839.0	121.3	130.3	150.8	11%	59.1	55.0	47.5	35.0	32.2	31.0	28.7	60.6	0.8
Tech Mahindra	1,142	53,290.2	55,080.0	62,335.7	5,249.3	4,738.4	6,516.1	59.7	53.8	74.0	11%	19.1	21.2	15.4	18.3	23.0	16.3	20.4	65.0	5.7
Wipro	400	90,934.8	91,854.3	98,284.1	11,350.0	12,167.8	1,333.8	20.7	23.3	25.6	11%	19.3	17.1	15.6	14.0	14.5	14.2	14.3	1.0	0.3
Telecom and New Media																				
Affle (India) Limited	1,100	1,434.0	1,718.3	2,050.9	244.6	312.7	377.3	18.4	23.5	28.3	24%	59.8	46.8	38.9	16.1	16.4	17.6	17.5	0.0	0.0
Bharti Airtel	872	1,39,144.8	1,52,353.0	1,71,472.5	8,345.9	14,221.3	19,819.5	14.0	23.8	33.2	54%	62.3	36.6	26.3	11.6	12.2	14.7	15.5	2.5	0.3
Info Edge (India)	4,534	2,158.6	2,506.8	2,799.6	705.9	789.5	932.3	54.6	61.2	72.2	15%	83.0	74.1	62.8	12.7	13.5	15.1	16.1	6.0	0.1
Cap goods / Power																				
Amber Enterprises	2,413	6,927.0	7,758.0	9,000.0	157.0	198.0	277.0	46.7	58.8	82.3	33%	51.7	41.0	29.3	10.7	12.7	10.0	12.5	0.0	0.0
Bharat Electronics	125	17,734.0	20,717.0	23,660.0	2,984.0	3,421.0	4,021.0	4.1	4.7	5.5	16%	30.4	26.5	22.7	20.6	20.9	22.7	23.0	1.2	1.0
Blue Star	768	7,977.0	9,369.0	10,987.0	261.0	366.0	468.0	13.5	19.0	24.3	34%	56.8	40.4	31.6	29.1	34.0	26.2	29.5	10.0	1.3
Carborundum Universal	1,255	4,654.0	5,638.0	6,786.0	389.0	545.0	722.0	20.5	28.7	38.0	36%	61.2	43.7	33.0	21.5	24.8	17.8	20.0	3.5	0.3
CESC	78	7,973.0	9,015.0	9,557.0	830.0	872.0	983.0	6.3	6.6	7.4	8%	12.4	11.9	10.6	7.2	7.8	8.5	9.0	4.5	5.7
Coal India	230	1,38,252.0	1,38,277.0	1,49,473.0	28,165.0	22,702.0	25,482.0	45.7	36.8	41.3	-5%	5.0	6.3	5.6	40.5	42.4	38.0	39.2	4.0	1.7
Cummins India	1,880	7,744.0	8,766.0	10,245.0	1,140.0	1,307.0	1,529.0	41.1	47.1	55.2	16%	45.7	39.9	34.1	28.8	30.3	23.0	23.9	18.5	1.0

Company	CMP (Rs)	Sales			Net profit			EPS			(%) EPS growth	PE (x)			RoCE (%)		RoNW (%)		DPS Rs.	Div Yld(%)
		FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E		FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E		
Dixon Technologies	4,439	12,192.0	16,901.0	20,061.0	252.0	389.0	506.0	42.3	65.4	85.0	42%	104.9	67.9	52.2	29.4	30.5	26.4	26.5	2.0	0.0
Finolex cable	1,007	4,481.0	5,127.0	5,742.0	502.0	560.0	642.0	32.8	36.6	42.0	13%	30.7	27.5	24.0	18.9	19.4	17.5	18.0	6.0	0.6
Honeywell Automation	42,356	3,448.0	4,086.0	4,760.0	438.0	662.0	704.0	495.5	616.3	796.9	27%	85.5	68.7	53.2	17.2	19.1	15.8	17.6	90.0	0.2
Kalpataru Power Transmission	629	14,337.0	16,969.0	20,059.0	493.0	690.0	917.0	30.4	42.6	56.6	36%	20.7	14.8	11.1	13.3	15.5	12.2	14.4	6.5	1.0
KEC International	646	17,282.0	20,032.0	23,000.0	176.0	543.0	969.0	6.8	21.1	37.7	135%	94.9	30.6	17.1	18.7	24.9	13.6	20.8	4.0	0.6
KEI Industries	2,338	6,912.0	8,131.0	9,541.0	477.0	585.0	719.0	52.9	64.8	79.8	23%	44.2	36.1	29.3	24.8	25.4	18.6	18.7	2.5	0.1
NTPC	220	1,63,770.0	1,74,923.0	1,92,706.0	16,314.0	18,621.0	21,154.0	16.8	19.2	21.8	14%	13.1	11.5	10.1	10.0	10.6	13.0	13.7	3.0	1.4
Polycab India	4,613	14,108.0	17,347.0	20,130.0	1,282.0	1,645.0	1,968.0	85.7	109.9	131.5	24%	53.8	42.0	35.1	30.4	30.2	22.6	22.4	14.0	0.3
Power Grid Corporation	249	45,581.0	49,912.0	54,404.0	15,417.0	16,385.0	18,792.0	22.1	23.5	26.9	10%	11.3	10.6	9.2	13.0	13.4	18.8	19.2	4.8	1.9
Ratnamani Metals and Tubes	2,524	4,474.4	5,304.1	6,228.3	510.5	537.5	636.2	72.8	76.7	90.8	12%	34.7	32.9	27.8	22.3	22.5	18.9	18.8	12.0	0.5
Tata Power	235	55,109.0	51,143.0	55,738.0	3,336.0	3,552.0	3,965.0	10.4	11.1	12.4	9%	22.6	21.2	19.0	10.1	11.8	11.7	11.8	2.0	0.8
Thermax	2,531	8,090.0	9,546.0	10,855.0	451.0	651.0	801.0	37.8	54.7	67.3	33%	67.0	46.3	37.6	18.2	20.2	15.9	17.4	9.0	0.4
Triveni Turbine	400	1,248.0	1,697.0	2,240.0	193.0	254.0	344.0	6.0	7.8	10.6	33%	66.6	51.2	37.7	39.4	40.9	29.1	30.3	2.6	0.6
Va Tech Wabag	511	2,960.0	3,197.0	3,581.0	13.0	319.0	325.0	36.9	32.7	52.2	19%	13.8	15.6	9.8	19.9	20.1	19.0	19.5	0.0	0.0
V-Guard Industries	281	4,126.0	4,786.0	5,456.0	189.0	263.0	337.0	4.4	6.1	7.8	33%	63.9	46.1	36.1	19.2	22.4	15.6	17.7	1.3	0.5
Infrastructure																				
KNR Constructions	239	3,743.8	3,990.4	4,323.6	360.9	435.7	471.2	12.8	15.5	16.8	15%	18.7	15.4	14.2	15.6	14.6	14.8	13.9	0.3	0.1
Larsen & Toubro	2,598	1,83,341.0	2,11,287.0	2,39,811.0	10,335.0	12,841.0	15,492.0	73.7	91.6	110.5	22%	35.2	28.4	23.5	10.5	12.1	16.1	17.1	22.0	0.8
PNC Infratech	345	7,060.8	7,895.0	8,620.1	611.5	695.3	768.1	23.8	27.1	29.9	12%	14.5	12.7	11.5	15.5	14.8	16.2	15.4	0.5	0.1
Metal & mining																				
JSW Steel	804	1,65,960.0	1,63,624.0	1,80,463.0	4,139.0	12,901.0	15,218.0	17.1	53.4	63.0	92%	47.0	15.1	12.8	13.5	14.0	16.5	16.5	3.4	0.4
NMDC	113	17,667.0	20,922.0	22,227.0	4,365.0	5,460.0	6,172.0	14.9	18.6	21.1	19%	7.6	6.1	5.4	24.7	24.7	22.4	21.9	2.9	2.5
MOIL	195	1,457.0	1,637.0	-	353.0	444.0	-	17.4	21.8	-	-	11.2	9.0	-	23.6	-	17.7	-	0.7	0.4
SAIL	93	1,04,448.0	1,02,600.0	1,10,200.0	1,919.0	3,996.0	4,549.0	4.6	9.7	11.0	55%	20.2	9.6	8.4	7.9	8.6	7.1	7.6	0.5	0.5
Oil & gas																				
Bharat Petroleum Corporation	368	4,73,125	4,22,609	4,15,752	3,230.0	13,610.0	9,148.0	15.2	63.9	43.0	68%	24.2	5.8	8.6	28.4	26.7	25.6	16.6	4.0	1.1
Castrol India	141	4,774.0	5,187.0	5,493.0	815.0	907.0	1,011.0	8.2	9.2	10.2	12%	17.2	15.4	13.9	56.7	60.2	45.9	46.8	3.5	2.5
GAIL (India)	116	1,44,250.0	1,38,499.0	1,50,337.0	5,302.0	8,871.0	10,156.0	8.1	13.5	15.4	38%	14.3	8.6	7.5	14.1	15.0	15.2	15.9	4.0	3.5
Gujarat Gas	455	16,759.0	17,667.0	23,414.0	1,528.0	1,325.0	1,913.0	22.2	19.2	27.8	12%	20.5	23.7	16.4	21.1	27.1	17.8	22.6	6.7	1.5
Gujarat State Petronet Limited	275	1,762.0	1,958.0	2,247.0	945.0	1,022.0	1,212.0	16.7	18.1	21.5	13%	16.5	15.2	12.8	12.3	13.2	10.5	11.3	5.0	1.8
Hindustan Petroleum Corporation	270	4,38,894	3,73,252.0	3,51,296.0	(8,974.0)	14,669.0	9,768.0	-63.3	103.4	68.9	-	-	2.6	3.9	24.3	16.8	45.8	24.9	14.0	5.2
Indian Oil Corporation	93	8,39,472.0	7,84,473.0	8,17,109.0	8,242.0	23,107.0	25,388.0	5.8	16.4	18.0	76%	16.1	5.7	5.2	12.9	13.4	16.6	17.1	3.0	3.2
Indraprastha Gas Limited	453	14,146.0	13,043.0	14,377.0	1,445.0	1,573.0	1,829.0	20.6	22.5	26.1	13%	22.0	20.1	17.3	26.4	27.0	20.7	21.1	5.5	1.2
Mahanagar Gas	1,122	6,299.0	5,757.0	6,103.0	790.0	1,028.0	1,015.0	80.0	104.1	102.7	13%	14.0	10.8	10.9	29.4	26.1	23.4	20.6	16.0	1.4
ONGC	172	1,55,517.0	1,30,320.0	1,29,787.0	48,064.0	42,356.0	41,475.0	38.2	33.7	33.0	-7%	4.5	5.1	5.2	18.3	16.8	15.8	14.3	0.5	0.3
Oil India Ltd	269	23,273.0	21,199.0	19,651.0	6,810.0	4,191.0	5,044.0	62.8	38.6	46.5	-14%	4.3	7.0	5.8	12.9	14.6	11.9	13.5	5.5	2.0
Petronet LNG	225	59,899.0	53,843.0	58,825.0	3,240.0	3,585.0	4,184.0	21.6	23.9	27.9	14%	10.4	9.4	8.1	25.2	27.7	22.3	22.5	3.0	1.3
Reliance Ind	2,475	8,79,468	8,90,545.0	9,60,158.0	66,702.0	85,122.0	95,904.0	98.6	125.8	141.8	20%	25.1	19.7	17.5	10.4	10.2	8.8	8.5	8.0	0.3
Pharmaceuticals																				
Abbott India	24,549	5,348.7	6,020.5	6,773.1	949.4	1,073.5	1,247.3	446.8	505.2	587.0	15%	54.9	48.6	41.8	38.9	41.2	30.8	32.6	325.0	1.3
Aurobindo Pharma	840	24,855.4	26,646.5	28,811.9	1,978.8	2,927.0	3,199.1	33.8	50.0	54.6	27%	24.9	16.8	15.4	11.4	12.0	10.4	10.3	3.0	0.4
Biocon	255	11,174.0	16,854.0	19,478.0	754.0	1,448.0	2,081.0	6.3	11.1	16.0	59%	40.4	22.9	15.9	6.6	8.0	4.8	6.5	1.5	0.6
Zydus Lifesciences	640	17,237.4	18,824.6	20,645.5	2,474.5	2,800.4	3,194.7	24.5	27.7	31.6	14%	26.1	23.1	20.3	15.1	15.3	14.2	14.3	6.0	0.9
Cipla	1,165	22,753.1	25,491.4	28,821.0	2,984.3	3,830.4	4,484.3	37.0	47.5	55.6	23%	31.5	24.5	21.0	18.0	18.5	14.2	14.5	8.5	0.7
Divi's Labs	3,726	7,767.5	8,343.4	9,511.5	1,823.4	2,188.0	2,473.5	68.7	82.4	93.2	16%	54.2	45.2	40.0	17.6	17.6	14.6	14.2	30.0	0.8
DR Reddy's	5,657	23,459.5	25,907.8	26,767.4	4,083.2	5,078.1	5,301.9	246.0	305.2	318.7	14%	23.0	18.5	17.7	17.6	15.8	15.7	14.1	40.0	0.7
Granules	318	4,511.9	5,367.9	6,173.1	516.6	639.9	758.2	20.3	25.2	29.8	21%	15.7	12.6	10.7	21.6	22.8	19.2	19.4	1.5	0.5
IPCA Lab	894	6,170.0	7,017.0	8,069.6	529.1	774.7	997.0	21.0	30.7	39.5	37%	42.6	29.1	22.6	15.5	17.8	12.1	13.7	4.0	0.4
Laurus Labs	384	6,040.6	5,488.3	6,357.9	793.4	335.6	815.0	14.6	6.2	15.0	1%	26.3	62.0	25.6	9.2	16.4	9.7	18.9	1.2	0.3
Lupin	1,036	16,641.7	18,864.4	21,358.1	352.5	1,092.5	1,685.9	7.8	24.0	37.1	119%	133.5	43.1	27.9	10.6	15.0	8.3	11.6	4.0	0.4
Sanofi India	6,884	2,770.1	2,908.5	3,112.1	488.6	587.4	633.7	212.2	255.0	275.1	14%	32.4	27.0	25.0	53.9	54.6	43.3	41.6	570.0	8.3
Strides Pharma Sciences	444	3,688.4	4,260.6	4,905.9	81.1	193.8	338.2	8.6	20.6	36.0	104%	51.4	21.5	12.3	9.3	11.3	8.3	13.1	0.0	0.0

Company	CMP (Rs)	Sales			Net profit			EPS			(%) EPS growth	PE (x)			RoCE (%)		RoNW (%)		DPS Rs.	Div Yld(%)
		FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E		FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E		
Sun Pharmaceutical Industries	1,141	43,885.7	48,663.9	53,655.7	8,771.1	9,516.9	10,402.9	36.6	39.6	43.3	9%	31.2	28.8	26.3	16.3	16.1	14.5	14.2	7.5	0.7
Torrent Pharma	1,997	9,620.0	10,892.1	12,117.3	1,245.0	1,835.0	2,135.7	36.6	54.0	62.8	31%	54.6	37.0	31.8	24.7	25.9	26.9	26.0	22.0	1.1
Building materials																				
APL Apollo Tubes	1,516	16,166.0	21,335.0	29,250.0	642.0	979.0	1,491.0	23.2	35.3	53.8	52%	65.3	42.9	28.2	32.3	41.6	28.7	33.7	5.0	0.3
Astral Limited	1,997	5,159.0	6,026.0	7,136.0	457.0	559.0	725.0	17.0	20.8	27.0	26%	117.5	96.0	74.0	23.3	25.0	18.8	20.2	1.8	0.1
Century Plyboards (India)	657	3,647.0	4,268.0	4,949.0	387.0	431.0	515.0	17.4	19.4	23.1	15%	37.8	33.9	28.4	18.1	17.8	20.4	20.1	1.5	0.2
Dalmia Bharat	1,973	13,540.0	15,282.0	17,204.0	477.0	721.0	816.0	27.4	38.9	44.1	27%	72.0	50.7	44.7	5.1	5.1	4.5	4.9	5.0	0.3
Grasim	1,831	26,840.0	27,774.0	30,830.0	2,212.0	1,987.0	2,556.0	33.6	30.2	38.9	8%	54.5	60.6	47.1	3.6	4.4	4.1	5.1	10.0	0.5
Greenlam Industries	446	2,025.9	2,494.8	3,252.5	128.4	178.5	258.4	10.1	14.1	20.3	42%	44.2	31.7	22.0	11.7	13.5	17.0	20.7	1.2	0.3
JK Lakshmi Cement	635	6,071.0	6,735.0	7,593.0	331.0	391.0	586.0	28.1	33.2	49.8	33%	22.6	19.1	12.8	11.8	15.2	13.5	17.6	5.0	0.8
Kajaria Ceramics	1,427	4,381.9	4,915.8	5,642.3	352.4	505.5	609.9	22.1	31.7	38.3	32%	64.6	45.0	37.3	19.4	20.5	20.4	21.4	11.0	0.8
Pidilite Industries	2,585	11,799.0	13,539.0	15,488.0	1,289.0	1,939.0	2,280.0	25.4	38.2	44.9	33%	101.8	67.7	57.6	18.8	19.2	24.5	23.9	11.0	0.4
Shree Cement	24,104	16,837.5	20,300.0	22,932.3	1,234.7	1,728.7	2,162.0	352.4	479.1	599.2	30%	68.4	50.3	40.2	8.9	10.1	9.1	10.6	90.0	0.4
Supreme Industries limited	3,553	9,202.0	11,058.0	13,145.0	865.0	1,187.0	1,460.0	68.1	93.5	115.0	30%	52.2	38.0	30.9	25.9	27.7	22.9	23.8	26.0	0.7
The Ramco Cements	870	8,135.0	9,872.0	11,182.0	344.0	620.0	749.0	14.5	26.3	31.7	48%	60.0	33.1	27.5	6.5	7.2	8.8	9.8	3.0	0.3
UltraTech Cement	8,139	61,327.0	69,745.0	77,855.0	4,917.0	6,772.0	8,601.0	170.4	234.6	298.0	32%	47.8	34.7	27.3	11.4	13.2	12.1	13.8	38.0	0.5
Logistics																				
Gateway Distriparks	79	1,420.9	1,594.6	1,805.0	239.9	241.0	287.2	4.8	4.8	5.7	9%	16.5	16.5	13.9	14.7	15.8	12.7	13.8	0.8	0.9
Mahindra Logistics	361	5,128.3	5,986.0	6,883.9	26.3	16.5	73.1	3.6	2.3	10.1	67%	100.2	156.8	35.7	7.9	13.6	2.9	11.9	2.5	0.7
TCI Express	1,543	1,241.0	1,417.7	1,656.6	139.3	168.8	209.8	36.4	44.1	54.7	23%	42.4	35.0	28.2	24.7	25.1	25.5	25.7	8.0	0.5
TCI Limited	757	3,782.6	4,258.8	4,793.2	321.4	363.8	406.8	41.6	47.1	52.6	12%	18.2	16.1	14.4	15.5	15.0	19.4	18.2	6.0	0.8
Discretionary																				
ABFRL	221	12,418.0	14,656.0	17,900.0	(53.0)	(56.0)	335.0	-0.6	-0.6	3.4	-	-	-	65.0	3.5	7.1	-	6.9	0.0	0.0
Arvind	138	8,382.5	8,798.0	10,203.5	356.7	401.5	540.5	13.8	15.5	20.9	23%	9.9	8.9	6.6	8.8	10.8	11.4	13.6	5.8	4.2
Bata India	1,748	3,452.0	3,987.0	4,522.0	323.0	457.0	582.0	25.1	35.6	45.3	34%	69.7	49.1	38.6	16.1	18.4	28.3	28.5	13.5	0.8
Devyani International Ltd	194	2,998.0	3,869.0	4,930.0	283.0	331.0	510.0	2.4	2.9	4.4	35%	80.9	67.0	44.1	21.8	27.4	29.1	36.3	0.0	0.0
Gokaldas Exports Ltd	507	2,222.0	2,456.0	3,033.0	168.0	162.0	214.0	27.8	26.8	35.4	13%	18.3	18.9	14.3	21.4	23.7	16.8	18.7	1.0	0.2
Jubilant Foodworks	491	5,096.0	5,781.9	6,903.9	402.9	473.6	695.1	6.1	7.2	10.5	31%	80.5	68.4	46.6	17.6	21.8	20.2	24.4	1.2	0.2
KPR Mill	627	6,186.0	7,457.0	8,428.0	814.0	1,048.0	1,314.0	23.7	30.4	38.2	27%	26.4	20.6	16.4	26.7	28.4	25.0	24.7	4.0	0.6
PVR	1,609	3,751.0	6,435.0	7,293.0	(98.0)	262.0	636.0	-	26.7	65.0	-	-	60.3	24.7	10.4	19.8	3.5	8.0	0.0	0.0
Relaxo Footwear	936	2,782.8	3,116.6	3,630.2	154.5	233.5	344.8	6.2	9.4	13.9	49%	150.4	99.5	67.4	19.9	22.8	12.0	15.9	2.5	0.3
Restaurant Brands Asia	117	2,054.0	2,640.0	3,191.0	(242.0)	(138.0)	(69.0)	-4.9	-2.8	-1.4	-	-	-	-	-	1.1	-	-	0.0	0.0
The Indian Hotels Company	394	5,809.9	6,971.9	8,017.7	968.1	1,245.3	1,575.6	7.4	8.9	11.3	23%	53.3	44.0	35.0	16.0	18.4	13.5	15.1	1.0	0.3
Titan Company Limited	2,902	40,575.0	46,065.0	53,279.0	3,272.0	3,908.0	4,744.0	36.9	44.0	53.4	20%	78.7	66.0	54.4	31.3	31.8	28.9	27.4	10.0	0.3
Trent Ltd	1,688	7,715.0	9,574.0	11,680.0	555.0	1,071.0	1,377.0	15.6	30.1	38.7	58%	108.2	56.1	43.6	22.7	24.5	29.9	29.1	2.2	0.1
Welspun India	115	8,093.8	9,238.1	10,440.2	202.5	601.1	768.6	2.0	6.0	7.6	95%	56.9	19.2	15.0	12.8	14.9	13.9	15.6	0.1	0.1
Wonderla Holidays	620	429.0	491.0	568.0	149.0	152.0	176.0	26.3	26.9	31.2	9%	23.6	23.0	19.9	18.6	19.0	15.0	15.1	2.5	0.4
ZEE Entertainment	234	8,087.9	8,688.8	9,538.9	581.1	951.4	1,180.2	6.0	9.9	12.3	43%	39.0	23.6	19.0	11.1	12.9	8.3	9.6	0.3	0.1
Diversified / Miscellaneous																				
Bajaj Holdings	7,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40.0	0.5
Balrampur Chini Mills	410	4,665.9	5,735.1	6,383.3	284.2	528.7	625.3	14.1	26.2	31.0	48%	29.1	15.6	13.2	13.9	15.4	16.9	18.0	2.5	0.6
Dhampur Sugar	279	2,874.0	3,215.0	3,591.0	158.0	197.0	231.0	23.8	29.6	34.8	21%	11.7	9.4	8.0	14.7	15.1	17.2	17.1	6.0	2.2
Dhampur Bio Organics	168	2,407.5	2,967.9	3,156.4	97.7	123.1	137.6	14.7	18.5	20.7	19%	11.4	9.1	8.1	9.8	9.8	11.7	11.7	3.5	2.1
Mahindra Lifespace	504	606.6	424.4	518.6	33.6	36.1	136.4	2.2	2.3	8.8	100%	229.3	219.3	57.3	-	1.0	2.0	7.1	2.3	0.5
Polyplex Corporation	1,259	6,557.1	6,824.7	-	501.2	556.1	-	159.7	177.1	-	-	7.9	7.1	-	15.9	-	14.5	-	3.0	0.2
Triveni Engineering & Industries	300	6,310.1	6,724.0	7,891.0	374.3	431.0	563.5	17.8	20.1	26.2	21%	16.8	14.9	11.4	16.0	19.2	15.5	17.4	3.3	1.1

Note: Grasim- Changed reporting to standalone financial numbers

Castrol India and Sanofi Nos for CY2020/Cy2021E/CY2022E

Prices as on August 03, 2023

Company	Cmp (Rs)	Sales			Net Profit			Eps			(%) Eps Growth	Pe (X)			Roce (%)		Ronw (%)		Dps Rs.	Div Yld(%)
		FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E		FY23	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E		
Caplin Point Laboratories Limited	937	1,466.7	1,696.5	1,928.5	376.3	417.0	466.5	49.2	54.5	61.7	12%	19.0	17.2	15.2	24.1	22.7	20.2	19.0	2.0	0.2
Chalet Hotels	470	1,128.5	1,465.5	1,771.3	143.5	283.2	415.4	7.0	13.8	20.3	70%	67.1	34.0	23.2	11.6	14.7	16.8	20.4	0.0	0.0
DLF Ltd	488	5,694.8	6,234.3	6,939.8	2,035.8	2,258.2	2,496.8	8.2	9.1	10.1	11%	59.5	53.6	48.3	6.0	6.3	5.9	6.2	3.0	0.6
Escorts Kubota Limited	2,549	8,345.0	9,264.5	10,543.1	704.1	875.8	1,043.1	63.4	78.9	94.0	22%	40.2	32.3	27.1	9.6	10.3	9.5	10.2	7.0	0.3
Expleo Solutions Limited	1,696	861.7	991.0	1,161.6	104.0	118.9	144.0	67.0	76.6	92.8	18%	25.3	22.1	18.3	22.5	23.1	19.4	20.0	0.0	0.0
New Idea Five star Business Finance Ltd	735	1,233.0	1,572.0	2,147.0	603.0	717.0	970.0	20.5	24.4	32.9	27%	35.8	30.1	22.3	-	-	15.3	17.5	0.0	0.0
Gati Limited	144	1,723.2	2,035.8	2,393.2	(10.2)	26.0	64.1	-0.8	2.0	4.9	-	-	71.9	29.3	6.5	11.0	4.1	9.5	0.0	0.0
Globus Spirits Limited	970	2,114.0	2,653.0	3,084.0	110.0	201.0	264.0	38.2	69.8	91.7	55%	25.4	13.9	10.6	21.8	23.8	18.8	19.9	6.0	0.6
Gravita India Ltd	686	2,801.0	3,501.0	4,376.0	201.0	249.0	310.0	29.1	36.0	44.9	24%	23.6	19.0	15.3	29.0	27.4	35.9	33.5	4.4	0.6
Grauer & Weil (India) Ltd	114	956.0	1,155.0	1,380.0	131.0	164.0	200.0	5.8	7.2	8.8	23%	19.7	15.9	13.0	26.2	27.6	22.0	22.8	0.8	0.7
Gujarat Fluorochemicals Ltd	2,789	5,685.0	6,511.0	7,663.0	1,329.0	1,544.0	1,792.0	121.0	140.6	163.2	16%	23.0	19.8	17.1	26.5	25.7	24.6	22.7	2.0	0.1
HealthCare Global Enterprises Ltd	342	1,694.0	1,915.0	2,204.0	18.0	86.0	144.0	1.3	6.2	10.4	183%	262.7	55.1	32.8	11.0	14.7	9.5	14.2	0.0	0.0
Himatsingka Seide Limited	123	2,678.0	3,088.0	3,482.0	(64.0)	139.0	225.0	-6.5	14.1	22.9	-	-	8.7	5.4	9.1	11.2	9.2	13.5	0.0	0.0
Hindustan Aeronautics Ltd.	3,761	26,927.0	29,346.0	32,461.0	4,851.0	5,273.0	6,020.0	145.1	157.7	180.0	11%	25.9	23.8	20.9	28.4	28.7	21.0	21.2	40.0	1.1
Hitech Pipes Ltd	82	2,386.0	2,751.0	3,492.0	44.0	64.0	95.0	3.5	3.5	5.2	22%	23.5	23.5	15.8	15.4	16.1	12.9	13.2	0.5	0.6
Indiabulls Real Estate	69	587.0	623.0	626.0	(569.6)	(102.8)	(48.7)	-10.5	-1.9	-0.9	-	-	-	-	-	-	-	-	0.0	0.0
Inox Wind Ltd	213	3,127.2	3,737.5	-	180.9	381.6	-	8.2	17.2	-	-	26.2	12.4	-	18.1	-	23.2	-	0.0	0.0
ISGEC Heavy Engineering Limited	731	6,399.0	7,225.0	8,186.0	206.0	254.0	312.0	28.0	34.5	42.5	23%	26.1	21.2	17.2	10.9	12.0	10.0	11.1	2.0	0.3
New Idea Jupiter Wagons Ltd	201	2,068.2	3,450.7	4,101.9	120.7	292.7	472.8	3.0	7.3	11.8	98%	66.6	27.5	17.0	27.4	28.0	24.0	27.9	0.5	0.2
KIRLOSKAR BROTHERS LTD.	825	3,730.0	4,178.0	4,637.0	237.0	306.0	359.0	30.3	38.4	45.2	22%	27.2	21.5	18.3	19.2	19.2	19.9	19.8	4.5	0.5
Kirloskar Oil Engines	455	4,116.0	4,512.0	4,988.0	270.0	310.0	350.0	18.7	21.4	24.2	14%	24.3	21.3	18.8	19.7	20.6	15.0	15.6	4.0	0.9
KSB Limited	2,729	1,822.0	2,157.0	2,603.0	183.0	232.0	294.0	52.5	66.8	84.5	27%	52.0	40.9	32.3	21.7	23.7	17.6	18.8	15.0	0.5
Lemon Tree Hotels Ltd	95	857.0	1,044.0	1,228.0	122.0	173.0	249.0	1.5	2.2	3.2	46%	63.5	43.3	29.8	10.7	12.5	17.1	20.8	0.0	0.0
Macrotech Developers Ltd	710	9,470.0	10,050.0	12,663.0	1,664.0	1,473.0	1,891.0	17.3	15.3	19.6	7%	41.1	46.4	36.2	8.4	9.7	10.9	12.4	2.0	0.3
CIE Automotive India Ltd	502	8,753.0	9,558.4	10,448.1	680.9	917.8	1,059.8	17.1	13.1	11.5	-18%	29.3	38.2	43.5	13.9	14.2	15.5	15.6	2.5	0.5
Mold-Tek Packaging Ltd	1,028	730.0	900.0	1,128.0	80.0	98.0	135.0	24.2	29.6	40.7	30%	42.5	34.7	25.3	20.2	23.8	16.4	19.4	2.0	0.2
Mrs. Bectors Food Specialities	875	1,362.0	1,611.0	1,855.0	90.0	123.0	154.0	15.4	20.9	26.1	30%	56.8	41.9	33.5	24.0	26.4	20.6	21.5	3.0	0.3
Oberoi Realty	1,098	4,193.0	5,169.0	5,815.0	1,905.0	1,628.0	1,963.0	52.4	44.8	54.0	2%	21.0	24.5	20.3	10.4	11.3	12.6	13.4	0.0	0.0
PCBL	155	5,874.0	6,125.0	6,929.0	444.0	502.0	600.0	11.8	13.3	15.9	16%	13.2	11.7	9.8	17.3	18.9	17.0	18.5	5.5	3.5
Prestige Estates Projects Ltd	571	8,315.0	9,581.0	11,112.0	369.0	421.0	531.0	9.2	10.5	13.3	20%	62.1	54.4	43.0	6.6	7.1	4.1	5.0	1.5	0.3
Puravankara	104	1,235.8	1,725.5	2,281.8	66.5	108.4	203.8	2.8	4.6	8.6	75%	37.0	22.5	12.0	10.2	12.8	5.5	10.2	0.0	0.0
New Idea Rolex Rings	2,157	1,179	1,342	1,551	198	217	259	72.7	79.5	95.3	14%	29.7	27.1	22.6	23.5	22.7	25.4	24.2	0.0	0.0
Shoppers Stop Limited	812	3,998.4	4,286.8	5,073.5	119.3	92.8	235.1	11.1	8.5	21.4	39%	73.5	96.0	37.9	9.3	15.3	33.3	53.1	0.0	0.0
Sobha Ltd	590	3,310.0	3,596.0	4,584.0	104.0	217.0	411.0	11.0	22.9	43.3	98%	53.6	25.8	13.6	8.5	12.3	8.5	14.7	3.0	0.5
SP Apparels	447	1,078.0	1,267.0	1,491.0	83.0	120.0	165.0	32.2	46.8	64.3	41%	13.9	9.5	6.9	17.7	21.5	16.5	19.1	0.0	0.0
New Idea Sterling Tools	362	772.0	996.0	1,216.0	44.0	68.0	91.0	12.3	18.7	25.3	43%	29.4	19.3	14.3	13.1	15.3	15.6	18.0	1.0	0.3
New Idea Sunteck Realty	366	362.4	1,029.5	1,682.6	1.4	192.6	362.5	0.1	13.2	24.7	-	-	27.7	14.8	9.3	14.6	6.7	11.5	1.5	0.4
Symphony Ltd	877	1,188.0	1,271.6	1,421.1	117.0	140.6	171.2	16.7	20.4	24.8	22%	52.5	43.0	35.3	21.6	22.5	16.9	20.3	9.0	1.0
Varun Beverages Ltd	822	13,173.1	16,414.4	19,211.4	1,497.4	2,022.0	2,530.5	23.1	31.1	39.0	30%	35.6	26.4	21.1	28.3	31.6	34.8	32.6	3.5	0.4
VST Tillers and Tractors Ltd	3,010	1,003.1	1,202.7	1,422.1	82.9	107.3	132.0	95.9	124.2	152.8	26%	31.4	24.2	19.7	14.5	18.4	14.3	18.3	0.0	0.0
Welspun Corp	331	9,758.0	14,211.0	14,277.0	207.0	799.0	938.0	7.9	50.5	35.9	113%	41.9	6.5	9.2	16.9	19.8	15.9	16.7	5.0	1.5

Note: KSB Ltd. and Varun Beverages Ltd. follow calendar year , therefore nos. are for CY22, CY23E and CY24E

	Remarks
	Autos
Alicon Castalloy	• Alicon to benefit from its established market position in aluminium casting components, driven by established client relationships and operations in India, Austria, and Slovakia. We remain positive on the company's growth prospects, robust order book, multi-year order wins, increased share of high-margin machined components, and higher share of e-mobility business. We maintain a positive stance on Alicon's business outlook and recommend a Buy on the stock.
Amara Raja Batteries	• Amara Raja Batteries Limited (Amara) is expected to benefit from an improving business outlook for automotive and industrial sectors, as economic activities normalize. We expect gradual recovery on sales and EBITDA margins for Amara. Amara's management has laid down the company's vision to remain a dominant battery player in the Indian. We expect Amara to continue outpace peers, by adding clients, launching products and by benefiting from an extensive distribution network. We retain our Buy rating on the stock.
Apollo Tyres (ATL)	• ATL is well-positioned to gain market share in India and Europe, given its strong brand, R&D, technology and distribution network. We expect the company to benefit from its strategy by deleveraging its balance sheet, capital utilisation of over 90% and a focus on firm capital allocation and cash management. ATL is to improve its OEM and replacement market sales, given the improvement in rural and semi-urban demand, coupled with improvement in economic activities in the medium term. While the overseas business is expected to do well on back of richer product mix and gradual capacity additions, though facing macro headwinds. Thus, we maintain a Buy rating on the stock.
Ashok Leyland	• Ashok Leyland is a pure play on upturn in the commercial vehicle (CV) industry, owing to the expected growth recovery in the CV industry post normalisation of economic activities. The company is likely to benefit from its aggressive strategy to increasing market share through increased penetration across all regions and new product launches. ALL continues to focus on greener technology with renewed focus on EV products. The company expects good opportunities to continue to grow exports, defence, power solutions, LCVs, and parts business even as it expands the reach and products of the core medium and heavy commercial vehicle MHCVs business. ALL's subsidiary, Switch Mobility Limited is likely to be a beneficiary of EV mobility movement through its strong presence in the UK, India, and Continental Europe. we reiterate a Buy on stock.
Bajaj Auto	• BAL is the second largest motorcycle manufacturer in India with a market share of about 17%. Over the years, BAL has created a strong brand not only domestically but also in export markets. BAL is the leader in the premium motorcycle segment. With Triumph 400 BAL has entered into premium iconic motorcycle segment. We believe export volumes have reached their bottom and will pick up once dollar availability situation improves in the overseas market. We retain a Buy rating on the stock factoring its continued focus on EBITDA margin and an entry into the electric three-wheeler segment.
Balkrishna Industries	• BKT reported strong operating performance in Q4Fy23 on account of improvement in operating cost matrix. Further the destocking in overseas market is likely to continue in near term.. We believe that significant improvement would be led more by the volume uptick than a correction in input cost as the partial pass on of the cost benefit in a competitive market can't be ruled out. Considering the near-term volatility in demand and challenging business situation in European market, we retain our Hold rating on the stock
Bosch Limited	• Bosch Ltd is a leading supplier of technology and services for mobility solutions, industrial technology, consumer goods and energy and building technology. Given strong technology expertise and deep penetration in domestic automotive segment, Bosch is expected to be key beneficiary of implementation of stringent emission norms in domestic automotive segment. Further, Bosch has adequate expertise to cater to alternate fuel segments including EV, hydrogen and others. Over the period Bosch has emerge has preferred complete powertrain solution providers for OEMs and hence continuously acquiring healthy business orders. Implementation of new emission norms is expected to boost its content per vehicles whichin our view would drive its profitability going forward. Bosch is a strong technological company with a robust balance sheet (zero debt) and healthy return ratios. Its strong brand positioning, focus on technology and electrification of vehicles enable high growth visibility. Hence, we retain a Buy rating on Bosch.
Eicher Motors	• Royal Enfield (RE) is expected to be a key beneficiary of rising premiumization trend in domestic two-wheeler market as RE is gaining market share, while overall two-wheeler industry is still facing headwinds. Along with domestic market, Hunter has started catering to export market, given RE aims to gain significant market share in midsize motorcycle segment in export markets. The introduction of Hunter has revamped its volumes, while suitable price hike coupled with introduction of new products in 650 cc segment would improve its product mix. The performance in Q4Fy23 has improved on sequential basis. We reiterate our Buy rating
Exide Industries	• Exide is the largest battery manufacturer in the lead acid battery markets, amongst organised players. With a strong brand equity and extensive distribution network, we expect Exide to grow strongly in the battery industry, led by replacement demand, recovery in the industrial battery segment, and its extensive distribution network. Q4FY23 results lagged estimates led by a moderation in replacement demand and raw material cost pressure. The management is optimistic on EBITDA margin expansion and a rise in replacement demand in FY24. Battery pack assembly business has won an order of Rs 600-700 crore, Li-ion cell project is on track.With Exide tightening costs through backward integration, enhanced automation, raising share of renewable energy for power and higher digitisation initiatives we expect margins to improve. The company has so far invested Rs 715 cr on Li ion project (Exide Energy SolutionsLtd) out of the total planned investment of Rs 4000 crore. Valuations are attractive as it is trading at a discount to historical multiple. We recommend a Buy rating on the stock.
Gabriel India	• While maintaining its dominant position in its existing business, Gabriel is gradually building up its space in the EV segment. Gabriel is well positioned to benefit from rising p penetration o f E Vs, especially in the 2W and 3W segments, given the company has built up strong relationships with leading EV OEMS. Gabriel is witnessing strong traction from domestic and global OEMs, as automotive demand recovers, d riven by strong b rand recall and a leadership position in suspension components. Further, the company is endeavouring to expand its export business and the aftermarket segment to reduce its dependence on the domestic vehicle production cycle. We retain our Buy rating on the stock.
GNA Axles	• With healthy gross margin expansion,GNA beat our EBITDA margin expectations in Q1FY24 and reported PAT ahead of estimates. The EBITDA margin expansion on y-o-y basis was on expected lines, however EBITDA Margin expansion on q-o-q basis, surprised positively. We believe that the company is passing on corrections in input costs (including freight cost) to customers and hence revenue remains flat in tandem, while it is sustaining desired levels of profitability. In light of a high base and macro issues in overseas market the company was recently looking for a 8-9% revenue growth in FY24 and aiming to sustain EBITDA Margin in the range of 14.5-15%, which in our view is realistic. Given the diversified geography mix and strong clientele, we believe GNA is well positioned to sustain its revenue at higher levels. After Q1FY24 performance, we retain our earnings estimates. We built up a 8.0% revenue CAGR and 9.7% PAT CAGR over FY23-25E. We maintain a Buy rating on the stock.
Greaves Cotton Limited	• For Q4FY2023, Greaves Cotton Limited (GCL) reported revenue and APAT above estimates, while EBITDA margin was below estimates on account of higher-than-expected revenue growth, else EBITDA was close to estimate. Lower-than-expected EBITDA margin can be attributed to higher-than-expected revenue growth and gross margin contraction. While the company has been focusing on the new-age business for sustainable growth, it has been equally looking for sustainable growth in its engineering segment, where it has been catering to the automobile engine and industrial engine segment. Along with the EV business, consolidation of high-margin Excel's business would drive its overall profitability and customer profile in the engineering division

Hero MotoCorp	• After reporting a beat in operating performance the management has guided for a double-digit revenue growth for the industry in FY24 and aimed for a market share expansion via new product launches. The management is targeting to launch one product in every quarter in FY24 and also hinted for an introduction of a product under the Harley Davidson brand. While rural recovery is yet to reflect, the management sees green shoots in the rural segment as sales pick up during festive period and marriage season. After successful launch of its EV scooter VIDA in 3 cities the company is now planning to cater to the EV segment in over 100 cities and has been building up cost effective EV business. While HMCL has been growing organically, we understand that the company can opt for the inorganic route also to enhance its growth opportunities. The company is focusing on enhancing premiumization of its product portfolio and looking for a 10% of revenue to come from export markets in medium term. Softening of commodity prices and adequate price hike along with rise in demand would help HMCL in registering better margins in the coming periods.
Lumax Auto Technologies	• Lumax Auto Technologies (LATL) is a leading auto component manufacturer with a well-diversified product portfolio. Lumax Auto Technologies Ltd (LATL) has acquired 75% stake in IAC International Automotive India (IACI), which manufactures interior as well as exterior components for passenger vehicles and commercial vehicles. On consolidation while the content per vehicle would increase, the profitability is also expected to increase on better product mix. Considering, the superior financials, access to technology and complementary product profile- the offered valuation to IACI's appears to be reasonable. We maintain Buy rating on the stock.
M&M	• Post reporting in line operating performance, M&M has guided for low single-digit growth in the tractor industry in FY2024 and has indicated that, excluding the supply chain constraints, It has largely achieved its targeted capacity in the P V segment. Further, t he company is strategically focusing on achieving a leadership position in most of its operating segments and is aiming to grow its non-core business as per its potential. M&M is consistently improving its profitability, as this was the consecutive 5th quarter when the automotive segment as well as the FES segment reported sequential improvement in EBIT margin. Along with maintaining its leadership position in the tractor segment, the company aims to achieve 10x growth in the farm machinery segment by FY2026. Historically, M&M's operating performance has largely depended on the tractor segment; however, we believe the auto segment is expected to drive its operating performance in the coming years due to increasing volumes going ahead. We reiterate our Buy rating on the stock.
Maruti Suzuki	• the management has shared an optimistic outlook for volumes in near term led by favorable response to new launches as it is enjoying an order book of 355,000 units. With a stable outlook for raw material basket, gradual ease of chip shortage and expectation of rise in ASPs on improvement in product mix in coming quarters, we believe that MSIL would report better operating performance in coming quarters. Along with the results, the company has decided to acquire SMG (Gujrat). While MSIL has not decided the acquisition value yet but we believe that MSIL would acquire SMG at net book value. The acquisition may statistically boost EBITDA margin without affecting bottomline (adjusted to change in other income) on addition of SMG's depreciated assets in its books. A successful entry into premium segment and rise in share of UVs in its overall portfolio is structural shift in MSIL's business model. With expectation of 9.5% volume CAGR and 200 bps expansion in EBITDA margins to 11.4% over FY23- 25E, we expect a 23.3% earning CAGR. We reiterate our Buy rating on the stock.
Ramakrishna Forgings	• Post reporting close to estimated EBITDA, RKFL's management has shared an optimistic outlook for FY2024. Management is targeting 15-20% volume growth in FY2024 with sustainable EBITDA margin trend at higher levels and assumes the growth trend to continue for the next three years. Further, the company is acquiring a casting manufacturing facility and is aiming to become a system supplier from a component supplier to enhance its profitability. As its performance in Q1FY2024 was impacted due to production constraints, management has shared a healthy performance in the coming quarters and is looking for an increase in APAT run rate from the next quarter. Ongoing capacity addition is on track and management has indicated that 56,000T capacity would be added by September 2023. Along with that, the acquisition of JMT Auto and ACIL is in the pipeline, subjected to judiciary approvals. We have revised our earnings estimates for FY2025 by 5.8% on assuming a slight uptick in operating performance. We maintain our Buy rating on the stock
Schaeffler India	• Schaeffler's operating performance in Q2CY2023 was in line with our estimates owing to healthy traction in the automotive aftermarket segment. The company has been expanding its distribution network and product portfolio to leverage its brand equity in the aftermarket. While Schaeffler has been facing headwinds in the export market, it continues to maintain its capex programme to build capabilities in line with the group's relocation strategy and to reach a high level of localisation in the coming years. The company assumes that its export revenue is well diversified geography wise and reduces a risk of a sharp fall in case of an unfavourable business situation in any single geography. Further, the company is continuously focussing on rising content per vehicle, as in H1CY2023 it outperformed the underline growth in the PV, CV, and tractor segments. Schaeffler continues to invest on capacity build-up and allocated 30% of its capex for relocation/export-related capex and is targeting a localisation level of 80% in the next 2- 3 years from the current localisation level of 76%. The company would be benefitted from ongoing localisation, strategic expansion in the export market, and strong footprint in the aftermarket segment. The company's successful entry into system solution supply to EVs would enhance earnings potential on volume ramp-up and localisation. We maintain our Buy rating on the stock.
Sundram Fasteners	• SFL has reported in line with estimated operating performance in Q4FY23. Considering the macro challenges, the company assumes that the export revenue growth may moderate in Q1FY24, and its export revenue performance would be better in H2FY24 compared to H1FY24. We understand that its export revenue performance would improve significantly in FY25E due to the execution of large new orders in the EV segment. The profitability in EV space is assumed to be better than that of legacy business. The increase in revenue contribution from EV segment, exports and the non-auto segment would improve its profitability from the current level; however a substantial improvement in its operating performance would be visible once the benefit of soft raw material cost would filter into its financials, given SFL is still observing under recovery though the gap has narrowed down in Q4FY23. Assuming that its recently acquired EV order would ramp up to its peak revenue in FY25e,Maintain Buy on stock.
Suprajit Engineering	• Post reporting inline EBITDA the management has shared optimistic outlook for its automotive business but indicated that its non-auto business may see a slow growth in the US market due to macro headwinds. Despite sluggish performance in 2W segment the auto cable division has been maintaining healthy traction and management shares healthy revenue visibility for cable division led by order pipelines. With diversification of its revenue stream SEL's dependence on two-wheeler segment has been coming down. The two-wheeler segment has contributed 25% to its revenue compared to 34% in FY22 and 61% in FY12. Further the management is endeavouring to build up its electronic division to improve its non-cable revenue mix in next 4-5 years. We maintain our BUY rating on the stock
Tata Motors	• TML has reported strong operating performance in Q1Fy24 on the back of a recovery in JLR's production and a healthy profitability trend in the domestic CV business. Along with a robust EBITDA margin at 16.3%, JLR has reported a FCF of GBP 451 mn and guided for healthy demand traction in high-margin models as 76% of its order book is constituted by Range Rover, Range Rover Sport and Defender. JLR expects its performance in H2FY24 will be better than that of its performance in H1FY24. The company is witnessing robust demand and is expected to deliver better operational efficiencies, aided by aggressive launches, market positioning, product differentiation, cost savings, and investments in research and development (R&D). The management is looking for double-digit EBITDA margins in both CV and PV business. It is also looking for a positive EBITDA in the electric PV business in near to medium term. Further Tata group company is planning to set up Li-ion cell plant. An EV battery cell plant within the group would help company in achieving speedy product validation and reduce the dependence on the third-party suppliers. We maintain a Buy rating on the stock

TVS Motor	• Despite challenges in the export markets, production constraints in EV space, absorption of rise in cost due to cut down in FAME subsidy TVSM came out with robust operating performance in Q1FY24. The management hopes to expand EBITDA margin in the coming period on gradual recovery in volumes as the RM cost trend is soft. While the macro challenges, including the dollar availability issues are continue in the overseas market the dealer inventory is under control as retail sales have been surpassing the dispatches. This gives hope that TVSM would be able to enhance its export volumes speedily once macros in overseas markets would turn up. Its recently launched product Ronin has been well accepted in the market, and the company continue to aim to expand its penetration in premium segment. Going, forward TVSM aims to expand its EV product portfolio in domestic as well as in overseas market. The company remains the key beneficiary of the rising premiumisation in the domestic motorcycle segment. While we believe that TVSM would face headwinds in near term in the EV space due to a sudden change in FAME subsidy its network expansion and product launches are expected to support its plans to expand in the EV space. Post incorporating Q1FY24 performance, we have increased our earnings estimates by 6.2% and 6.0% for FY24E and FY25E, respectively. We maintain our BUY rating on the stock
	Agri/Specialty Chemicals
UPL	• UPL has moved up in global ranking to the fifth position post Arysta's acquisition (earlier seventh). The company has successfully integrated 25+ companies post the acquisition in the past 20 years. The company is among the top five post patent agrochemical manufacturers in the world and is the largest producer of agrochemicals in India. UPL has mostly outperformed the industry's growth rate. The acquisition (UPL + Arysta) brings in a prudent mix of own manufacturing and outsourcing, which is expected to lead to improved margin profile coupled with capital efficiencies resulting in better return ratios. New product launches in key geographies and flowing of synergy benefits of Arysta's acquisition are likely to fuel growth at a faster pace.
Coromandel International	• We like Coromandel because of its leadership position in key businesses, led by high backward integration through joint ventures for the sourcing of key raw materials and strong distribution reach. This helps the company deliver healthy performance on a consistent and sustainable basis. The company has been generating healthy cash flows, which have helped the company to look for inorganic acquisitions at different intervals in related businesses. A conservative and calibrated approach towards capital allocation in the right business has yielded synergies for the company and has helped the company to maintain a lean and strong balance sheet. The company's focus to foray into CDMO and specialty chemical is a right step to diversify its business stream and the same could drive meaningful growth in the medium to long term. Coromandel's valuation seems attractive considering strong growth prospects and high return ratios.
PI Industries	• A strong CSM order book of ~$1.8 billion and decent growth in the domestic formulation business provides strong long-term revenue growth visibility. The company has organic and inorganic growth aspirations in areas such as enhancement of technological capability, de-risking manufacturing concentration in India, and foray into pharma and specialty chemicals. A successful pharma acquisition could accelerate earnings growth prospects for the company.
Insecticides (India)	• Strategic transition yielding results: IIL's management took strategic steps towards realigning the product mix by introducing NewGen products through higher R&D thrust and weeding out the old generic products for more sustainable growth visibility with improved margin trajectory. The transition has started yielding results, with strong new launches and improved margins. Four growth pillars driving performance: IIL's management has chalked out a four-prolonged strategy for long-term sustainable growth acceleration with new product launches – (1) reverse engineering; (2) combination products; (3) biological products; and (4) product discovery.
Sumitomo Chemical India	• Few crop-protection chemicals are expected to be off-patent in the coming years, thus genetic crop-protection chemicals should grow in double digits. Hence, the merger of ECCL (has 100% generic portfolio in the crop protection market along with backward integration of a few technical) bodes well for industry-leading revenue growth of SCIL. Cost synergies in terms of reduction in imported raw material (post ECCL merger) would drive strong margin expansion. Additionally, SCIL derives multiple benefits from its parent's R&D capabilities and global presence. CRAMS from the parent would support medium to long-term growth for SCIL.
Atul Limited	• Atul intends to expand capacities in a calibrated manner without relying on external borrowings. Moreover, significant opportunities are expected to arise from a medium to long-term perspective, as global players shift their manufacturing base and vendor base outside China. Future growth is expected to be driven by improved utilisation levels, backed by a strong demand outlook along with positive pricing tailwinds and operating leverage. The company achieved debt-free status in FY2018 and return ratios are expected to see a northward trend (after a gap of four years) on account of improved profitability (largely due to ease in input cost pressure) and strong free-cash-flow generation. This gives the company ample scope to explore organic and inorganic growth opportunities further. However, near-term revenue/margin weakness in the POC segment is a concern for the company.
Aarti Industries	• Aarti Industries is investing in the right areas for building capabilities and richer client engagements, which would create a long-term moat in a booming industry. Although the company expects significant growth prospects, led by expansion but near-term challenges are visible for growth from discretionary end-users (50% of revenues of Aarti Industries) while massive capex plan would keep CWIP high and thus impacting return ratios. Moreover, the company's valuation largely factors in a potential earnings recovery over FY24E-25E.
SRF Limited	• Favourable growth prospects across the segment, led by specialty chemicals and fluorochemicals. Management sees significant growth opportunities in agro chemicals and API (developing two pharma molecules in collaboration with innovators). Continued high capex to expand capacities in high-growth areas of the specialty chemical business is likely to drive sustained high earnings growth. Moreover, the structural high-growth cycle for the Indian specialty chemicals sector given favourable dynamics (China Plus One strategy by global companies) to support premium valuation for quality players like SRF.
Sudarshan Chemical	• SCIL is a leading world-class colour solutions provider focusing on exceptional and sustainable results, which help in customer retention. Significant growth opportunities are available for players in Southeast Asia as innovators seek a reliable partner for assured sourcing. The situation in China has not changed much due to the ongoing government clampdown because of environmental and compliance issues. SCIL has completed its Rs. 750 crore capex plan and the ramp-up of new capacities/products would drive medium to long-term growth and would scale up SCIL's position in both domestic and global markets and is expected to benefit from the exit of two global peers from the space.
NOCIL Ltd	• NOCIL is the key beneficiary of China plus one strategy and import substitution in niche market of rubber chemicals. Recent doubling of capacity has made in third largest rubber chemical manufacturers in term of capacity and ramp-up of utilisation would drive sustainable double digit volume growth and help expand global market share to ~8% over next 2-3 years as compared to 5% currently. Long-term structural growth outlook remains intact supported by growth in tyre industry and Europe plus one opportunity. A potential volume recovery and resilient margin would drive earnings recovery over FY24-25. NOCIL's has strong balance sheet with net cash position and is available at attractive valuation.
Vinati Organics	• Vinati Organics operates in niche segments and have an exceptional product basket with a significant market share in its products globally. Hence, the company can generate significantly higher margin profile. This coupled with a lean balance sheet helps Vinati Organics to generate superior return ratios. Vinati Organics is expected to see increased volumes in ATBS (2-Acrylamido 2 Methylpropane Sulfonic Acid) due to capacity expansion, while IB (Isobutylene) volumes are expected to rise due to enhancement of capacity utilisation and a gradual ramp-up in utilisation levels for butyl phenol. However, destocking of ATBS by clients and delay in commissioning of new products (MEHQ, guaiacol and isoamylene) has dampened near term earnings outlook for Vinati Organics.

Banks, Financial Services	
Axis Bank	• The investment thesis remains strong for Axis Bank led by sustained improvement in business franchise. The balance sheet mix has significantly improved for bank, which we believe is positive for its profitability and sustainable growth going forward. Despite this, the bank is trading at lower valuations compared to its close peers due to lower CET-1, lower NIM profile, possible negative surprises that could come from integration with Citi's portfolio in terms of higher cost. We also acknowledge that it would probably take a year to understand the full benefits and challenges related to Citi business acquisition. We believe it is on the path to gradually converge with the sector leader.
Bajaj Finance	• The company has completed its business transformation, developing omnichannel presence to serve customers. BAF has significantly strengthened its technology, digital platforms, and product offering to improve customer experiences. We believe business transformation would enhance growth sustainability, improve the scalability of business, and would give competitive advantage against peers. Additionally, operating leverage is expected to kick in as the company is near to exiting the investment cycle. We are confident on strong sustainable earnings growth and longevity of the franchise.
Bajaj Finserv	• We believe all of Bajaj Finserv's subsidiaries are well-placed to capture long-term growth opportunities. BFL stands out with its strong balance sheet, comfortable liquidity position, is well-capitalized, and is poised to deliver sector-leading ROA/ROE. Moreover, digital transformation, which is undertaken and an omnichannel strategy are likely to bode well for its growth objectives along with operational efficiencies going ahead. The company exhibited its strong ability to navigate through the economic down cycle, led by a prudent and agile management team, robust risk management framework, and diverse product offering strategy. The company's insurance subsidiaries have well-diversified product portfolios and multi-channel distribution networks, which is helping to continuously gain market share along with prudent underwriting, thus auguring well for the long-term sustainability of the business franchise and healthy earnings trajectory.
Bank of Baroda	• BOB is an attractive play on the fast-growing Indian economy. The bank has reported healthy credit growth. Improving asset quality, moderation in slippages, and credit cost would likely augur well for the bank going ahead along with higher PCR and higher capital adequacy buffers. We believe credit growth would be driven by both retail and corporate segments as private capex increases. We see upside risk to margins due to a higher rate cycle and lower credit cost given the benign credit cycle which should lead to improvement in the return ratio profile.
Bank of India	• We see upside risk in the loan growth guidance. We also expect better asset-quality trends, led by lower slippages and strong recoveries, which would likely augur well for the bank's earnings trajectory, driven by lower credit costs, thus leading to improved RoAs going ahead.
Can Fin Homes	• CHFL has shown its ability to deliver superior return ratios metrics, navigated stiff competition from the bank and its asset quality continues to be the best in class among peers. With a strong parentage, it enjoys low funding cost that enables it to raise funds through diversified sources at competitive rates. We expect a healthy trajectory in loan growth and stable asset-quality trends to sustain. Higher opex growth is expected to get offset by margin tailwinds going forward.
Federal Bank	• Federal Bank is evolving as a strong business franchise displaying better asset-quality trends and healthy operating profit trends. We would have to overlook temporary volatility in the performance, led by cyclical variables. The bank is transforming and establishing itself as a next-generation bank in the private mid segment. The bank has been spearheading digital initiatives through tie-ups with various payment platforms, neo banks, and fintech companies across its assets and liabilities. This enables the bank to lower its acquisition costs and increase revenue share. Further, the bank has a well-diversified loan book with a continued focus on increasing the retail mix. We believe the bank is well poised to sustain RoA of over 1.2% over the medium term.
HDFC Bank	• We believe structural drivers are in place with strong execution capabilities. The bank's investment thesis remains strong as the merger stands to consume. The bank is well-capitalized and has strong execution capabilities. Deposit mobilisation remains the key monitorable. Growth levers are intact, and the bank has delivered superior return ratios irrespective of economic cycles in the past. We believe re-rating in the stock could happen in the next 2-3 quarters as more clarity emerges on the smooth integration of the merger.
ICICI Bank	• ICICI Bank is at the inflection point of the new investment cycle and it is positioned well with superior margins, strong RoE, asset quality, contingency buffers, and robust capitalisation levels. Strong liability franchise indicates a robust business outlook for the bank. The bank has all the ingredients in place to take over the pole position in the Indian banking space. We find ICICI Bank to be an attractive franchise with a strong balance sheet and a better return ratio matrix, which makes it attractive over the long term. Moreover, its well performing subsidiaries, which are strong players in their respective fields, add value to the overall business.
IndusInd Bank	• Focus on strong granular growth, risk management framework, and its strategy to create counter-cyclical buffers will act as cushions. Asset-quality outlook is expected to be stable over the medium term, which should lead to lower slippages and, in turn, reduced credit cost. Near-term business trends look comfortable for the bank and the franchise is looking towards a more predictable performance. Strong loan growth momentum and lower credit cost in the near to medium term augur well for earnings growth.
LIC Housing	• We believe valuations clearly factor in all the related concerns – sub-par growth in business, higher stress in the book, and below-par return ratio. We acknowledge that smaller HFCs and listed developers are reporting robust trends. Management alluded to the reason for the slowdown to select cities and is confident of a bounce-back to double-digit disbursements growth. Asset-quality outlook is also stable. We believe sectoral tailwinds should lend support in terms of growth, margins, and benign credit cycle going forward.
PNB	• Improving asset quality trend led by lower slippages and strong recoveries would likely augur well for the earnings trajectory driven by lower credit costs. Increased capital-adequacy buffers is also a key positive, which has low probability of capital dilution. Once the provisions are absorbed on the back book, we should see improvement in the return ratio profile led by lower credit cost.
SBI	• SBI is an attractive play on the fast-growing Indian economy, with a healthy balance sheet and strong liability franchise. The past three years' results indicate its business strength and the past few years' efforts enabled the bank in moving towards improving operating metrics along with strong sector tailwinds. We believe credit growth would be broad-based, driven by retail, SME, and corporate segments. We believe improved performance should sustain over the medium term.
City Union Bank	• We believe credit cost is expected to remain higher due to sub-par coverage on bad loans and slippages are expected to remain higher in FY2024E despite muted growth in the past two years and benign credit cycle. Recoveries are weaker compared with peers. The restructured book is higher than PSU banks also. Business momentum continues to remain below system growth.
Kotak Mahindra Bank	• We believe structural drivers are in place for KMB, helping it to gain market share, aided by strong credit assessment capabilities, strong liability franchise and a stable asset-quality. Notably, the franchise continues to be one of the best-managed business franchises and needs to be seen from a long-term perspective. We believe KMB would continue to command premium valuation, given high growth potential and strong assessment capabilities in terms of underwriting. KMB's prudent risk management, higher coverage on bad loans along with comfortable capitalisation levels are additional positives. Key monitorables from hereon would be the succession plans of Uday Kotak who would retire by December 2023.
L&T FINANCE HOLDING	• LTFH is set to primarily transform itself into a retail franchise, which could lead to improvement in overall profitability and return ratio. The company is realigning its strategy by repositioning its portfolio growth from product-based to customer-centric, focusing on cross-selling, up-selling along with using deep analytics to understand various nuances like business selection, dealer selection, sale volumes, market positioning in various segments, portfolio vintage including customer behaviour, counter share performance, and distribution network, which are key positives. The current collection trends are appearing strong; and overall, the retail asset-quality outlook continues to remain stable to positive

Nippon Life India AMC	• We believe the topline yield could remain slightly stressed in the near term. Higher volatility in the capital market, higher intensity of competition in the industry, and yield compression going forward pose a challenge to NAM. Opex to AAUM remains elevated at a higher level than its peers. We expect its AUM and PAT growth to moderate with lower top-line yields in the near to medium term.
AU Small Finance Bank	• AUSFB has had a long and successful history (since its days as an NBFC and now as a bank) in credit underwriting quality, mainly in the under/unbanked self-employed customer segment that lacks formal income documentation. The bank has a strong skill set and deep experience in its core segments. We find business metrics to be healthy with a robust balance sheet. However, margins compression in near term and lower assets growth expectations at ~20-25% vs earlier ~25-30% would lead to lower earnings growth along with rich valuation drives our hold rating
Cholamandalam Investment Finance Company	• CIFC has a strong business model, as demonstrated by superior performance across economic cycles. A robust collection mechanism aided by a strong credit risk assessment framework has helped it to navigate past business cycles and would enable it to navigate in the future also. Pristine asset quality has been the hallmark of the franchise. The company is likely to deliver a consistently sustainable RoE of 18-20%. We are confident about the longevity of the franchise and best-in-class management in terms of execution capabilities and strong governance. The company is confident of sustaining strong business momentum by penetrating deeper into geographies.
Mahindra & Mahindra Financial Services (MMFS)	• Business momentum remains strong, as reflected in disbursement volumes. We believe business growth would slightly moderate due to a higher base, but it would remain healthy given the robust underlying demand trends, the company's position in the rural/semi-urban customer segment, and better credit filters after pandemic-induced stress. The earnings trajectory is also expected to be healthy. A majority of the clean-up has been done through accelerated write-offs in the past.
insurance	
HDFC Life (HLIC)	• HDFC Life is well placed with superior product mix and strong distribution channel. With high proportion of protection and savings-related products, we believe HDFC Life is better placed in the present environment. A higher share from HDFC Bank, investments in lower ticket non-par business, higher share from protection segment and investments in overall product portfolio will likely sustain market share gains over the medium term. The company is a strong business franchise and there is a long runway for growth despite higher competition and regulatory risk.
ICICI Prudential Life Insurance	• Diversifying business mix, and distribution mix are key important pillars. IPRU has a strong distribution network and bancassurance channel, which is a strong growth lever. A ULIP-heavy top line was always prone to capital market-linked volatility, we believe the growing proportion of the pure-protection business and savings business are long-term positives. Protection and Annuity would be the growth drivers. Higher protection business will also support its margins and the company is looking to optimize its channel and product matrix with a focus on improving persistency and lower dependence on ICICI Bank which is a key positive.
ICICI Lombard General Insurance	• The company remains an attractive franchise, striking a good balance between profitability and growth. It has a strong management team focusing on RoE and a strong execution track record (20% or higher ROE in seven out of the past eight years). We expect healthy demand for health products going forward. The company has also been able to fare better on loss ratio front compared to its peers, which indicates its strong fundamentals. The company's business reach (by virtue of a multi-channel distribution network, including branches of promoter banks) adds to its competitive advantage. Moreover, the company's conservative underwriting is a key differentiator in the insurance business. It has been taking steps such as investing in distribution, innovation (wellness approach) and technology (ILTakeCare app).
Max Financial Services	• Max Financial Services (MFS) is building a strong franchise, characterised by a multi-channel distribution network built upon a balanced product mix. Going forward, the management has indicated a balanced mix of business with non-PAR at ~40% of APE, while protection is at 35-40% of APE. We believe cost management, rebalancing of the product mix and further diversification of distribution channels are key levers for profitability improvement, growth, and add value to business franchise. Key catalyst over the medium term remains the reverse merger of Max Financials with Max Life Insurance along with the listing of Max Life.
Consumer Goods	
Asian Paints	• Asian Paints Limited (APL) leads the domestic paint industry with a 55% market share. Unlike peers, APL has de-risked its business model, deriving more than 85% of revenue coming from domestic decorative paints. The company has a strong brand portfolio across the product pyramid. For FY2023, revenue grew by 18.5% y-o-y to Rs. 34,489 crore and PAT grew by 36% y-o-y to Rs. 4,195 crore, while OPM expanded by 164 bps y-o-y to 18.2%. With a focus on becoming a complete home decor play, the company has introduced products in home lightings, furnishings, and furniture. Water proofing products, Construction chemicals and project business will continue to witness strong traction from real-estate sector, government projects and housing society projects in the medium term. APL's leadership position in the domestic paints industry and better earnings visibility justify premium valuations.
Bajaj Consumer Care (BCCL)	• BCCL is market leader in the light hair oil category with the market share of close to 65%. The company reduced dependence on the wholesale network and increasing share of direct distribution (with focus on penetrating deep in the rural markets) along with relaunch of core brands would key levers for achieving sustained volume growth (targets to achieve volume growth to 6-8% in the medium term). Further new product addition under the hair care category and focus on improving presence in the southern market will add-on to the growth in the coming years. Negative working capital and strong cash generation would help it to invest heavily behind core brands and new launches or go for any inorganic initiative in near future to improve growth prospects.
Britannia	• Britannia is India's largest domestic biscuit and snacking companies with a turnover of over Rs. 16,000 crore. Sustained new launches and entry into healthier and premium variants helped it gain market share and beat category growth. The company is also focusing on growing its adjacent categories such as dairy and bakery. Volume growth is expected to sustain in mid-single digits in the near term. Market share gains, expanding reach in rural India and strong traction to innovation would help volume growth trajectory to improve ahead. Along with its focus on improving mix, the company will stringently manage its discretionary cost and will continue to strengthen efficiencies at the operations and distribution level to reduce the cost, which will help to achieve better OPM of high teens in the coming years.
Colgate-Palmolive (India)	• Colgate-Palmolive (India) is a leading multi-national consumer products company, focused on production and distribution of oral care and personal care products. Oral care contributes ~95% of turnover. In the past few quarters, COLPAL has launched several new products under its core toothpaste/ toothbrush category, focusing on digitalisation and needs of the consumer, and entered into categories (including oral hygiene and skin/face cleansing). Focused strategies have started showing good results with a strong performance in Q1FY2024. We shall keenly monitor the performance in the quarters ahead.
Dabur India	• Dabur is one of India's leading FMCG companies with revenue of over Rs. 11,500 crore (FY2023). Dabur's positioning as an Ayurvedic products company with a focus on herbal and natural products in the healthcare and personal care segments and a strong presence in the juices segment make it a formidable play in the domestic market. Further, the company's international presence de-risks its business model when demand slows down in the domestic market. The company continues to leverage its urban and rural presence by enhancing its distribution network and product launches. Focus on volume growth, continuous innovation, investment behind brands, leveraging power brands, and consumer-connect initiatives are some of the key growth drivers for Dabur in the near to medium term.

Emami	• Emami is one of the leading FMCG companies that manufactures and markets personal care and healthcare products. Emami has a strong brand portfolio, largely catering to low penetrated categories in the domestic market. However, most of these are prone to seasonal vagaries, affecting growth in the domestic business. The company has taken various initiatives for key categories to improve its growth prospects. Ayurvedic hair oil brands, Kesh King and 7-in-one oil, have seen a revival in performance. Strong demand for the Zandu healthcare portfolio is seen, driven by heightened demand for health and hygiene products. The company has appointed a separate sales head, international business head, and healthcare segment head recently, which give us an indication that management is now getting its focus back on improving the growth prospects of its consumer business.
GCPL	• GCPL has a '3 X 3' approach to international expansion by building presence in 'three' emerging markets (Asia, Africa and Latin America) across 'three' categories (home care, personal wash and hair care products). The company has a leadership position in most categories in the domestic and international markets. Under the new leadership, the immediate focus of the company is to fill the gaps to achieve sustainable double-digit revenue growth in the medium term. Increase in penetration, cross-pollination, simplifying business in key markets and increase in distribution are some of the key growth drivers in the medium term. Premiumisation, better revenue mix and operating efficiencies would to drive margins in long run.
HUL	• HUL has a leadership position in highly penetrated categories such as soaps, detergents, and shampoos in India. Out of the company's portfolio of over 50 brands, 19 brands have a turnover exceeding Rs. 1,000 crore per annum (FY23). The company maintained its leadership position in more than 85% of business (FY23). Sustaining product innovation, entering new categories, premiumisation, and increasing distribution network remain some of the company's key revenue drivers. A strong financial background, robust cash-generation ability, and leadership position in some of the key categories give HUL an edge over other companies and, hence, justify the stock's premium valuation.
ITC	• ITC is focusing on de-risking its business model by reducing dependence on its core cigarette business (affected by regulatory and tax hurdles for the past few years) by scaling up the fast-growing consumer goods, PPP and hotel businesses. The company has quickly rebound from disruption caused by the lockdown and key businesses are operating at normal levels. The company posted resilient performance in FY2023 with double-digit revenue and PAT growth. We expect the momentum to sustain in FY2024. Further, scale up in the performance of the non-cigarette FMCG business and margin improvement would be triggers for the stock in the medium to long term. Moreover, strong cash flows and cheery dividend payout make it a good bet in the current uncertain environment.
Indigo Paints	• IPL is the fastest growing paints companies in India, which has carved a niche for itself by developing and marketing differentiated products to establish its position in the high entry barrier paint industry. The company has the highest gross margin of 45% among paint companies. The differentiated business model aided the company to achieve strong top and earnings growth of 15% and 37% over FY2019-FY2023, respectively, with the highest gross margin of ~45% among peers. Though near-term pandemic-led uncertainties would impact growth, rising urbanisation, willingness to spend on home improvement, strong traction to differentiate products, and market share gains would help IPL to achieve faster recovery in the coming years.
Jyothy Labs	• Jyothy Labs (JLL) has a leadership position in the fabric whitener segment in India, whereas it is the second-largest player in the dishwash bar, liquid, and mosquito repellent coil categories. The company is focusing on achieving volume-led, double-digit revenue growth in the medium to long term through driving category development, increased brand-building initiatives, digital technology driving sales efficiency in go-to-market initiatives, market share gains, distribution expansion, and improving penetration for key categories in rural and urban markets. With the recent correction in key input prices, the company expects OPM to reach historical levels of 15-16% in the next 1-2 years (from 12.7% in FY2023).
Marico	• Marico is a leading player in the domestic hair and wellness market with a leadership position in categories such as branded hair oil (~62% market share), value-added hair oil (~28% market share), and branded edible oil (~53% market share). The company has a three-pronged strategy of driving growth through key categories, innovations/entrance into the niche category, and scaling up its presence in international geographies. In recent times, the company has entered into niche categories such as male grooming, premium hair nourishment, and healthy foods, which will not only improve the revenue growth trajectory but would help in boosting margins in the long run due to their premium nature. Consistent innovations, a wide distribution network, and expansion in new-age channels such as modern trade and e-commerce would be key platforms to achieve good growth in the near term.
Nestle India	• Nestlé is the largest food company in India with a turnover of ~Rs. 17,000 crore. The company is present across India with nine manufacturing facilities, four branch offices, one R&D centre, and ~8,000 employees. Nestlé has a diversified portfolio of brands divided into four segments: Milk Products and Nutrition, Prepared Dishes and Cooking Aids, Confectionery, and Beverages. The company manufactures products under internationally famous brand names such as Nescafé, Maggi, Milkybar, KitKat, Bar-One, Milkmaid, and Nestea; and in recent years, the company has introduced products of daily consumption and use such as Nestlé Milk and Nestlé Slim Milk. Sustained innovation, premiumisation, enhancing of distribution reach, and adoption of the cluster-based distribution approach would be the key growth drivers for the company in the near to medium term. A strong return profile, future growth prospects, and good dividend payout make it a better pick in the FMCG space.
Radico Khaitan	• RKL has transformed itself into a leading IMFL brand player from just a distillery player with premiumisation at the core of its growth strategy. The company's P&A segment reported a 19% CAGR over FY2017-FY2022, contributing 31% to IMFL's sales volume (53% to IMFL's sales value). Going ahead as well, the company expects the strong growth trajectory in premium brands to continue. Efficient working capital management and improved profitability would help the company to generate high free cash flows (FCF) in the coming years. The company is investing Rs. 740 crore (mix of debt and internal accruals) in backward integration to secure extra neutral alcohol (ENA) supply (largely grain based). It will help to retain its guidance of high-teen margins over the next two years.
Tata Consumer Products	• TCPL's India branded business is scaling up well and growing in double digits with consistent strong growth in its growth businesses (15% of overall revenues – FY23). Rising per capita income, increasing brand awareness, growing in-house consumption, and consumption through modern channels such as large retail stores/ecommerce would act as key growth levers for branded pulses and spices businesses in India in addition to the consistently growing tea business. Along with margin expansion through product mix, improving efficiencies will help to achieve consistent margin improvement in the coming years. An enhanced product portfolio and expanded distribution reach would help India business's revenues and PAT to grow at CAGR of 13% and 21% over FY2023-25E with consolidated OPM expected to improve to 14.3%.
Zydus Wellness	• Zydus Wellness Limited (ZWL) has a strong brand portfolio that leads its respective categories. Sugarfree brand has a ~96% market share in the artificial sweetener category, while Glucon-D has a ~58% market share. The acquisition of Heinz (completed 3 years ago) has enhanced the company's product portfolio and distribution reach. Over last 3 years, despite losing sales due to COVID, the company has consolidated and grown market shares across categories, launched multiple innovations, doubled its direct distribution reach, made significant strides in growing business ahead of the category in both online and offline organized trade, reduced cost and simplified the organization leading to synergy benefits. Higher demand for wellness and nutrition-related products and increased in-home consumption in the pandemic situation would augur well for ZWL in the near term.
	IT/IT services
Birlasoft	• Birlasoft Limited (Birlasoft) has strong enterprise solutions capabilities and digital competencies, which would help it to capture opportunities in the enterprise digital space. Management expects financial services & manufacturing to do well while on service lines management believes they have great momentum in ERP and infrastructure while digital and data business remain strong. We remain positive on the stock considering robust partnership with hyperscalers, healthy deal intake, robust demand from enterprise customers and inorganic opportunities.

Coforge	• Established in 1981, Coforge (earlier known as NIIT Technologies) is one of the leading mid-sized Indian IT services companies, engaged in providing services in cloud, managed services, data & analytics, automation, application development & maintenance and Business Process Management. Management reiterated its FY24 annual revenue growth guidance of 13% to 16% in constant currency and the annual adjusted EBITDA guidance of around 18.3%. We expect the outlook for FY24 to be uncertain on account of global headwinds and any recovery is most likely to be gradual. Despite the challenging environment Coforge seems well placed on the back of consistent deal wins and healthy order backlog which provides decent revenue visibility.
HCL Tech	• HCL Technologies (HCL Tech) leads the infrastructure management services (IMS) and engineering and research and development (ERD) segments. Management highlighted that BFSI, Manufacturing, and Life Science have shown higher y-o-y growth, led by large deal execution, which offset the impact of lower discretionary spends.. Owing to multiple global headwinds, FY24E looks uncertain, and recovery could be gradual in the coming quarters. However, we believe the structural growth story for Indian IT sector remains intact. Despite the challenging environment Hcltech is well positioned given the strong deal pipeline and tailwinds due to cloud adoption and vendor consolidation
Infosys	• Infosys is a premier IT and ITeS company that provides business consulting, technology, engineering, and outsourcing services Management sharply downgraded FY24 constant currency revenue guidance to 1-3.5%. Given looming global headwinds, the outlook for FY24E looks uncertain and with gradual recovery in the coming quarters. Infosys has consecutively disappointed with a significant revenue guidance downgrade for FY24 and is expected to underperform industry peers like TCS and HCLTech, leading to trimming of target estimates.
Intellect Design	• Intellect Design Arena Limited (Intellect Design) is one of the global leaders in financial technology because of its wide spectrum of products for banking, financial services, and insurance. Management's aim to achieve 15-20% full year growth remains intact. Margins to stay at 24-26%.. The management stated that with strong pipelines and sign-ups in the US, the company is well placed for continued success. Continued deal wins and investment in platforms are long-term drivers, but near term outlook seems uncertain given the macro headwinds.
LTIMindtree	• .L&T Infotech and Mindtree have merged into LTIMindtree to become the country's fifth largest provider of IT services by market capitalisation and sixth largest IT company by revenue. Management expects synergy benefits of US$1 bn and margin expansion of 200 to 300 bps over the next four to five years. Management maintained its guidance for double digit revenue growth in FY24 and is confident of achieving 17-18% EBIT range as a part of the exit for FY24. Company expects Q2FY24 to be better compared to Q1FY24. The company also stated that it has a healthy pipeline ahead and continues to see large deals in the market . Post-merger, LTIMindtree is well-placed to provide cross-selling and up-selling opportunities and reap significant revenue and cost synergies over the longer term.
L&T Technology Services	• L&T Technology Services (LTTS) is the third-largest engineering services provider (ESP) in India and is well-diversified to capture digital engineering spending across verticals. The Company maintained revenue growth guidance of 20% plus in constant currency for FY24, within this organic growth will be 10% plus while the rest would come from SWC. The management aspires to achieve 17% EBIT level in FY24.
Mastek Limited	• Mastek has created a consistent and predictable revenue stream from UK's public sector over the past few years, thanks to introduction of Digital Outcomes and Specialists (DoS) framework by the UK government. The management stated that during the current quarter with increment, there may be some minor fluctuations in margin, but the company expects to return to a range of 17% to 19% by Q3 and Q4. This target is also the plan for the full year. The company stated that its growth outlook for quarter on quarter as well as year-on-year is strong and that it is aiming for industry-leading growth.
Persistent Systems	• Persistent Systems Limited (PSL) has proven expertise and a strong presence in newer technologies, strength to improve its IP base and a decent margin profile, all of which set it apart from other mid-cap IT companies. Company stated that they would endeavour for aspirational quarterly growth of 3-5% in a good economy and 2-4% in a bad economy Despite strong bookings and sustained acceleration in deal wins, the near-term outlook for FY2024E looks uncertain due to persisting global headwinds with gradual recovery coming in the next few quarters. However, we believe that the structural growth story for Indian IT sector is intact.
TCS	• Tata Consultancy Services (TCS) is India's the largest IT services firm. TCS' management indicated that cloud transformation is a multi-year opportunity. Despite growing macro headwinds, management seems comfortable on demand visibility. The management highlighted that clients are reprioritising and causing softness in revenue, but they arenot witnessing any major cancellations or ramp downs. Projects with low ROI are being paused. However, TCV continues to grow due to new incremental projects. At the current juncture, owing to multiple global headwinds outlook for FY24E looks uncertain, and recovery could be gradual in the coming quarters. However, we believe the structural growth story for Indian IT sector remains intact, and TCS being the flagbearer would emerge stronger. Notwithstanding near-term volatility, we remain constructive on TCS for long term.
Tata Elxsi	• Tata Elxsi is an integrated engineering services company with a strong expertise in the automotive and broadcast and communication verticals. TEL has consistently proven its expertise and aims to capture market opportunities across key verticals and adjacencies, given its unique capabilities in design-led engineering, low-cost execution, and high offshore mix. The management highlighted that the deal pipeline is still strong and hopeful for closures insubsequent quarters. The lack of conversion is affecting soft revenue growth. Management is confident that Q2 and Q3 will see more accelerated pipeline closures. We expect the outlook for FY24 to be uncertain on account of global headwinds and any recovery is most likely to be gradual Hence, we believe tapering of superior growth and lack of positive surprise levers would weigh on the premium valuation
Tech Mahindra	• Tech Mahindra (Tech M) has successfully transformed itself from a telecom-focused player to one that offers a wide portfolio of differentiated offerings in the enterprise segment over the last decade. The company has improved its position in the enterprise business because of a calibrated approach with respect to better go-to-market strategy, and smart deal structuring. The management indicated levers for margin improvement such as lowering subcon, increasing offshore mix, generalization. pyramid rationalization and divestment of some non-profitable businesses. Management expects recovery to be gradual with good progress this quarter and recovery in H2FY24. We expect the outlook for FY24 to be uncertain on account of global headwinds and any recovery is most likely to be gradual.
Wipro	• Wipro is among India's top five IT companies Although the company has reported strong deals wins and management commentary indicated a well-balanced deal pipeline mix, supply-side pressures, and higher exposure to discretionary spending would affect earnings growth amid an economic slowdown The management indicated that businesses that have been reducing discretionary spends in response to a weaker macro environment has also had an impact on the company's revenue. Hi-tech and BFSI are the most affected due to the reduction in discretionary spend
	Capital Goods/Power
Polycab India	• Polycab leads the wires and cables (W&C) space with a product portfolio and distribution reach and accelerated growth in the FMEG space, which augurs well for growth visibility. Polycab, being the market leader in wires and cables (W&C) segment, remains the major beneficiaries to reap benefit from a pick-up in real estate demand and a revival in government spends in power, infrastructure, railways and housing. On the FMEG front the company remains focused with its diverse product basket wherein the addressable market opportunity is huge for the company. It is witnessing a bounce back in domestic markets with improving business environment. The company is on a healthy growth trajectory owing to its leadership position and a strong product portfolio both in wires and cables and FMEG businesses.
Bharat Electronics	• Bharat Electronics Limited (BEL) is a defence PSU, with strong manufacturing and R&D capabilities, good cost-control measures, growing indigenisation, and a strong balance sheet with improving return ratios. The company stands to benefit from enhanced budgetary outlay for strengthening and modernising India's security and is well-positioned to capture incremental spends by the government on defence through the Make-in-India initiative. The company continues to invest heavily in capex and intends to increase expenditure in R&D. BEL remains one of our top picks in the defence sector on account of its strong manufacturing and research and development (R&D) base, good cost control, growing indigenisation, and strong balance sheet.

Blue Star

- Blue Star (Blue Star) has been one of the most recognized player in the RAC and refrigeration products. It continues to gain foothold in core business categories and is also consolidating in its global presence. Blue Star's Q1FY2024 performance has been impacted by muted RAC sales due to unseasonal rains during peak summers. The company has cut its guidance for the UCP segment's revenue growth in FY2024. However, in the long term, the company is preparing to leverage on the opportunities in the domestic RAC and commercial cooling as well as refrigeration industry. The company also plans to explore exports opportunities in countries like USA and Europe. The long-term growth momentum would continue, given sectoral tailwinds in terms of soaring temperatures across India and changing consumer lifestyles. The EMPS segment's growth prospects are brighter, given robust order book and continued traction in order inflows in domestic and international markets. We expect revenue/adjusted PAT to post a CAGR of ~17%/~34% over FY2023-2025E. However, we believe positives are priced in and the upside is limited from current levels, given nearterm concerns over weakness in the RAC business and impending QIP. Hence, we recommend investors to wait for a better entry point and downgrade the stock to Hold from Buy.

CESC

- CESC has stable earnings contributions from standalone operations with regulated power generation and distribution businesses getting assured RoE of 15.5% on generation assets and 16.5% for distribution assets. Reducing loss at Dhariwal Infrastructure and Rajasthan DF make CESC an attractive investment proposition. CESC's valuation is also appealing.

Coal India

- The government's plans to increase coal production to substitute imports (stands at more than 200 million tonne) would help CIL to register sustainable volume growth over the next couple of years. Moreover, cost-control initiatives such as reduction of manpower (employee cost accounts for 53-54% of overall cost) would cushion margins. Moreover, valuations are at a steep discount to historical averages and the stock offers high dividend yield.

NTPC

- NTPC is expected to commercialise new capacities of >5 GW annually over the couple of years and the same is expected to drive double-digit CAGR n regulated equity base. Thus, we expect strong earnings growth momentum to continue as NTPC earns 15.5% RoE on regulated equity. Moreover, with improvement in PAF of coal-based power plants, the company's fixed cost under-recoveries are expected to decline. NTPC trades at an attractive valuation and offers a healthy dividend yield.

Power Grid Corporation

- Power Grid is expected to maintain its strong growth momentum, given ~Rs. 50,000 crore (including CWIP) worth of projects pending for capitalisation, which provides healthy earnings growth visibility over the next few years. RE projects would result in significant pick-up in the transmission projects going forward. Power Grid has a healthy RoE of 19% and is trading at an attractive valuation. Lower capex could result in higher dividend payout in coming years.

Tata Power

- Tata Power's core earnings are resilient even in demand down cycle as it gets regulated returns on power generation and distribution assets. The company's focus to shift from a B2G to B2C model would drive robust earnings growth (to be driven by RE and distribution business) over the next 4-5 years. Potential improvement in ESG rating could re-rate the company

Dixon Technologies

- Dixon is a leading manufacturer of products for key consumer durable brands in India and going ahead, local manufacturing is expected to get a boost given the strong demand in the consumer electronics market in India. Dixon stands to benefit in the electronic outsourcing business with a leadership position in key business segments. The company has been constantly adding key brands as its clients which would spur revenue growth in the coming years. Dixon Technologies has reported strong Q4 numbers and provided an optimistic outlook for FY24 without any specific revenue guidance. It has toned down its mobile revenue guidance to Rs. 6,000 crore in FY24 but expects to surpass it. We expect sales/PAT CAGR of ~28%/42% (FY23- FY25E) and margin expansion of ~25-30 bps to 4.5% over the same period. We await a better entry point for the investors given the expensive valuation as the stock trades at ~63xFY24E EPS and ~48xFY25E EPS. We also reckon that scalability in the mobile division holds the key to growth in the future.

KEI Industries

- KEI Industries (KEI) is among the top three organised players in the Indian wires and cables industry and an EPC player in the power T&D segment. Over the years, the company has established its presence in the institutional space by developing the ability to offer various products across locations. KEI has a well-entrenched marketing presence across all states, which increases its ability to deliver products speedily from plants in North and West India. The company has created a presence in building specialized offerings to tap niche segments such as the shipping sector, oil and petroleum plants, etc. They are now looking at tapping several large realty brands and strengthening all- India presence by embarking on opening new warehouses across India. On the back of a growing dealer network and brand building initiatives (advertising, sponsoring), performance-linked schemes and dealer-electrician meets etc, we expect KEI to increase their retail presence further. KEI's diversified user industries, increased sales of high-margin EHV cables, higher export sales and improving traction on exports and low base of the wires business would help combat a weak macro environment with good growth prospects in FY2024-25E. Hence, we retain a Buy on the stock.

Ratnamani Metals

- RMTL is expected to sustain growth momentum path over FY2024E-FY2025E given robust demand outlook coupled with the expectation of healthy order intake. The company is expanding capacities in a calibrated manner through a mix of internal accruals and debt. RMTL is a net debt-free company with a stable margin profile and healthy return ratios.

Cummins India

- Cummins India is the largest standby genset player in India with leading market share in medium and large genset categories. The company has a strong technology/innovation track record, well supported by its parent, which helps it stay ahead of peers across changes in emission norms. Cummins' strong parentage and technological capabilities give it an edge over competitors. Cummins' Q1FY24 performance was driven by domestic markets as the exports demand has started to soften. In the domestic market, it is well-positioned for the transition to CPCB-IV plus norms and barring brief disruption due to pre-buying in H2CY23, long-term implications are favorable for the market leader like Cummins in terms of revenue and profitability. It would also give a fillip to its distribution business in the long term. In addition, it would benefit from broad based demand from data centers, healthcare, infrastructure, real estate; etc. In the exports market, although long-term growth drivers are intact, some of the key markets are witnessing slowdown and therefore company has provided a cautiously optimistic outlook. We build in revenue/PAT CAGR of ~15%/~16% over FY23-25E. The stock currently trades at ~38xFY24E EPS and ~33xFY25E EPS respectively. Given the near term headwinds in terms of weak demand in exports and probable softness in domestic demand for a couple of quarters after pre-buying, we see limited upside from current price levels. Hence, we downgrade the stock from Buy to Hold.

Finolex Cables

- Finolex Cables is set to benefit from improving demand for cables. The company is leveraging its brand strength to build a high-margin consumer product business. Further, ongoing government programs such as Bharat Net Phase II are expected to improve broadband connectivity and related technologies will continue to drive growth for communication cables in the long term. We believe the company's growth momentum would continue backed by demand from key sectors such as real estate, auto, construction and industrials. In addition, scale up of revenues in FMEG and PVC conduit pipes should provide impetus to the revenue. Finolex's debt-free balance sheet and net cash position provide us comfort currently. Further, the government's push for OFC will aid business and boost demand for telecom cables for the company. The company's healthy operating cash flow generation, tight working capital management, and limited capex requirements give us comfort. The stock is trading at a reasonable valuation. We have a Buy rating on stock.

Kalpataru Power

- Kalpataru Power Transmission Limited (KPTL) is a leading EPC player in the power T&D space in India. Opportunities in this space are likely to grow significantly, thereby providing healthy growth visibility. The company has surpassed consolidated order inflows of ~Rs. 22,000 crore for FY23. The merger of KPTL and JMC is completed and the merger would increase geographical reach and improve capability to bid for large-size projects in non T&D. Further, material cost synergies would lead to cost savings. Further, merged balance sheet would help in reducing borrowing cost. KPTL boasts of a healthy and diversified order book and order prospects, which provide strong revenue visibility. Further, cost synergies emanating from JMC Projects' merger and enhancement of its capabilities to bid for large projects and increased scope of its key markets bode well for its future growth. Further, the company expects a decline in debt and improvement in working capital cycle going forward. There has also been a reduction in promoter pledge post the merger. Hence, given the attractive valuation and growth potential going forward, we recommend Buy.

KEC	• KEC International operates in the T&D, cables, railways, water, renewable (solar energy), and civil works verticals. It is a leader in power transmission EPC projects and has more than seven decades of experience. Over the years, it has grown through the organic as well as inorganic route. The opportunity size remains high in the non-T&D segment to help company ramp-up its total order outstanding for the business. Q1FY24 performance was strong on sales and operating profit fronts. However, profitability lagged estimates due to higher interest costs. KEC has a strong order book of Rs. 35,000 crore, including L1 orders. Management expects revenue growth of 15%, and order inflow is expected to be Rs. 25,000 crore in FY24 (+11% y-o-y). SAE Towers has turned PBT positive. Interest costs may decrease, but debt levels may be elevated due to working capital requirements to support revenue growth. The company has guided for 15% revenue growth for FY2024 and expects a sequential improvement in its margins given reduced losses in SAE, Brazil and higher profitability in international orders. KEC trades at ~17xFY25E EPS. Given the strong order book and improving margin trajectory, we have revised our estimates upwards, and therefore we upgrade the stock to Buy from Hold.
Thermax	• Thermax provides solutions in the energy and environment space and benefits from the continuous rise in India Inc's capex. The management commentary on the enquiries pipeline remains positive for small ticket-size orders across food processing, chemical, and pharma in domestic markets, including large orders from oil and gas, FGD, and chemical. Thermax is expected to benefit from India's transitioning to green energy setting up ambitious targets for 2030 in the renewable energy space. The company's enquiries pipeline remains positive for small ticket-size orders in waste heat recovery in cement and steel apart from large orders from oil and gas, FGD, and chemical. The international opportunities in Biomass, WHR, water desalination remain strong. Further, it has a strong balance sheet with healthy cash position which provides investment avenues in new energy technologies like green hydrogen.
Triveni Turbines	• Triveni Turbines Limited (TTL) is a market leader in 0-30 MW steam turbine segment. It has a strong aftermarket segment and overseas business, while the domestic market is showing distinct signs of pickup. TTL is the market leader in steam turbines up to 30 MW and post its exit from JV with GE, is focusing on increasing its market share in high margin 30-100MW export market directly. The company is venturing into API market which along with its focus on exports and aftermarket segments is expected to lead to strong order booking with better margins going ahead. It is undertaking capacity expansion, gearing up its export sales team and increasing its supply chain capacities to drive on a high growth trajectory in the coming years. The company sees strong growth opportunities in sectors like cement, pharma, steel and distillery in domestic markets and internationally in sectors such as Steel, Waste to energy, distillery, food processing, Cement WHRS. A strong margin profile, lean working capital, healthy cash flows and balance sheet along with healthy enquiry pipeline both in domestic and exports provides confidence. Considering improving business environment and valuation comfort, we maintain a Buy on the stock
Va Tech Wabag	• Va Tech Wabag has unique technological knowhow, based on innovative, patented technologies and longterm experience. For over 95 years, the Company has been facilitating access to clean and safe water to over 500 million people. With decades of rich experience, over 6,000 projects across multiple sectors and state-of-the-art plants in over 20 countries, WABAG is a globally respected organisation. Va Tech Wabag is on a strong earnings growth trajectory going ahead with concerns of high leverage led by increasing working capital now behind it. The company's well-funded strong order book provides comfort on execution and collections going ahead. Further, the government's focus is expected to remain on water-related investments providing healthy order intake tailwinds for the company going ahead. Hence, we have a Buy rating on the stock.
V-Guard	• V-Guard Industries is an established brand in the electrical and household goods space, particularly in South India. Over the years, the company has successfully ramped up its operations and network to become a multi-product company. Over the years, it has V-Guard Industries is an established brand in the electrical and household goods space, particularly in South India. Over the years, the company has successfully ramped up its operations and network to become a multi-product company. Over the years, it has successfully ramped up its operations and network to become a multi-product company. The company is aggressively expanding in non-south markets and is particularly focusing on tier-II and III cities, where there is a lot of pent-up demand for its products puts company in good stead with its competitors. The management highlighted that demand drivers remain healthy and it has seen improvement as smaller players are not back to their full operation which is leading to higher share of business coming to larger players. The company focuses on 1) evolving category mix and product mix, 2) go to market with focus on e-commerce and modern trade, 3) distribution enhancement in smaller town and rural along with increase in non-south region and 4) in-organic expansion will generate growth for the company. Its acquisition of Sun flame Enterprises would help it unlock synergy benefits in areas like geography, product portfolio and channels. Sun flame has strong presence in north and west through traditional channels, while V-Guard is pre-dominantly present in south region and is active on e-Commerce and modern trade platforms. The company's strong balance sheet, cash flows, and reputed brand along with robust business fundamentals provide us comfort. Hence, we maintain a Buy on the stock.
Honeywell Automation India	• Honeywell Automation India Limited (Honeywell), a step down subsidiary of Honeywell International (a diversified technology and manufacturing company) is a leader in providing integrated automation and software solutions, including process solutions and building solutions. The company has positioned itself across various industries diversifying sector-specific risks and largely shielding itself from economic downturn. The company's focus on development of new products and services, venturing into new industries apart from core industries and addressing the growing mass mid-market is expected to maintain its healthy earnings growth trend. The company's asset-light model, strong cash position, strong cash flow generation, healthy return ratios, consistent dividend paying record are some of its salient features. Considering its strong business fundamentals. Hence, we retain Buy on the stock.
Amber Enterprises	• Amber Enterprises has a market leadership position in the OEM/ODM segment for branded room ACs. We believe that enormous growth opportunities would come across going forward owing to global players shifting manufacturing base outside China and Government of India to enhance manufacturing through Make in India initiative by providing incentives. Healthy demand outlook for the electronic outsourcing industry and enhanced capacity, increased product offerings and customer penetration is likely to drive company's performance. Structural changes in the manufacturing landscape of RAC would tilt the company's revenue towards components rather than finished goods. The company is confident of maintaining 26-28% market share in manufacturing industry of RACs. Long-term growth would be driven by demand for RAC components, mobility, motor and electronics as well as traction in exports. Amber is well-placed to capture the incremental demand accruing from the indigenization of both fully built-up units and components ecosystem development through reduced imports. It is likely to be a beneficiary from announced PLI schemes for AC and components. The Management remains optimistic about export prospects for both fully built-up units and components that can potentially emerge over the next 3-4 years. Hence, we retain Buy on the stock
Carborundum Universal	• Carborundum Universal (CUMI) manufactures a wide range of abrasives (bonded, coated, and super abrasives), ceramics (wear resistance, lined equipment, engineered ceramics, and metallized ceramics), refractories (fired products and monolithic), and electro minerals (silicon carbide, alumina, and zirconia). CUMI is expected to benefit from early economic cycle recovery in the domestic market along with improvement in overseas operations. CUMI's cost-competitive position in electro minerals being the largest and lowest cost producer domestically and marginal difference with China is expected to benefit in terms of being a domestic and overseas supplier (countries looking to reduce dependence on China). CUMI's growth momentum is expected to sustain, given improvement in domestic economic activity and a strong product line-up for overseas operations. The impact of ongoing Russia-Ukraine war on its Russian subsidiary- VAW was not meaningful. On the positive side, due to a ban on exports to Russia by several countries, demand for CUMI's silicon carbide has increased. In the long-term, capacity expansion, new product introduction, end-user demand, and geographic diversification are expected to revive its earnings growth trajectory along with sustained healthy overseas operations. Hence we maintain a Buy on the stock.

Infrastructure	
KNR Constructions	• KNR is one of the best managed road construction companies with more than two decades of experience executing over 6,000 lane km road projects across 12 states in India. KNR has in-house construction capabilities, which ensure on-schedule project completion (history of receiving early completion bonuses). KNR entered into a complete stake sale agreement with Cube Highways for four of its hybrid annuity projects, which will lower equity requirement along with booking of EPC work with possibility of receiving an early completion bonus. We have a Buy rating on the stock.
L&T	• Larsen and Toubro (L&T) is a direct beneficiary of the domestic infrastructure capex cycle and the Atmanirbhar Bharat scheme with its diversified businesses across sectors such as defence, infrastructure (roads, railways, metros, and DRC), heavy engineering, and IT (digitalization). The National Infrastructure Pipeline project is likely to lead to increased spends in critical areas. L&T is poised to capitalise on these opportunities. L&T targets 12-15% revenue and 10-12% order intake growth in FY24. OPM for the core business to be at ~9% (up 40/50bps y-o-y). Working capital/sales to be at 16-18%. Management expects order inflow /execution momentum to continue. Margins may remain under stress in H1FY24, after which a gradual expansion is possible. Order book stands strong at ~Rs 4 lakh crore (2.2xTTMblue star revenue). Company has chalked out a 5-year strategic plan for pursuing profitable growth in its traditional businesses of EPC projects and manufacturing and expand its IT&TS portfolio. It is aggressively looking to unlock value of its current investments in few non-core areas such as road and power concession projects. We retain Buy on the stock.
PNC Infratech	• PNC is one of the best picks in the roads sector given its strong execution capabilities, healthy balance sheet, robust order book, and prudent capital management. PNC has in-house manufacturing capabilities providing it the ability to timely execute projects. The company's strong order book along with expected order inflows is expected to lead to healthy earnings growth over the next two years. The company is also looking at monetising its assets, which would further lighten its balance sheet and free up equity capital for future projects. We have a Buy rating on the stock.
Metal & mining	
JSW Steel	• China reopening and supportive real estate policies provide a tactical opportunity for recovery in demand sentiments for base metals and steel price recovery in CY2023. This makes us turn our view on the metal space to neutral from negative, but cyclical upcycle in the metal space may not be round the corner, given demand concerns in U.S./Europe. Despite expectations of a gradual recovery in steel price/spreads over the coming quarters, we believe continued high capex would be a concern for JSW Steel. Additionally, JSW Steel's valuation is above historical averages.
MOIL Limited	• MOIL is well-placed to capitalise on potential recovery in the domestic steel demand growth as it holds strong reserves and a resource base of 92.6 million tonnes. Recent price hikes bode well for recovery in margins. Moreover, the company is attractively valued, offers a healthy dividend yield and has a strong cash position which provides room for share buyback.
NMDC Limited	• Reopening of China economy and capacity expansion by domestic steel companies bodes well for volume/ earnings growth of NMDC over FY24-25. Moreover, recent demerger of the steel business will reduce capital intensity. NMDC valuation is reasonable, and stock offers healthy dividend yield.
SAIL	• China reopening and supportive real estate policies provides a tactical opportunity for recovery in demand sentiments for base metals and steel price recovery in CY23. This makes us turn our view on metal space to neutral from negative, but cyclical upcycle in metal space may not be round the corner given demand concerns in US/Europe. Additionally, we believe that a major balance sheet deleveraging cycle is largely over as the company's plan to expand capacities would require sizable capex. SAIL's valuation are reasonable.
Oil & Gas	
Castrol India	• Castrol's recent alliance with the Jio-BP retail network and Ki Mobility provide long-term volume growth opportunity and management's renewed focus to gain share could result in better volume growth in the coming years despite overall muted outlook for lubricant demand (given higher drain interval to change lubricants). Strong FCF generation, healthy dividend yield, and robust RoE of 47% lend comfort to investors. Castrol is trading at a steep discount to its historical valuations.
ONGC	• The recent cap of $6.5/mmBtu on domestic gas price and normalization of international crude oil price would impact earnings of upstream PSUs (including ONGC) in FY24. However, ONGC's valuation is reasonable and the stock offers healthy dividend yield of 8% which limits downside risk for ONGC.
Oil India	• Recent cap of $6.5/mmbtu on domestic gas price and normalization of international crude oil price would impact earnings of upstream PSUs (including OIL) in FY24. Additionally, poor track record of growth in oil & gas production makes us cautious on improvement in operational parameters of Oil India. However, healthy dividend yield provides some comfort to the investors.
Petronet LNG	• The sharp fall in spot LNG price would drive volume recovery at Dahej terminal, which provides earnings visibility. The company's plan to expand Dahej terminal's capacity to 22.5 mmt over the next 3-4 years and ramp-up of utilisation rate for Kochi terminal would drive volume growth. Moreover, PLNG would be able to take 5% re-gas tariff escalation for its Dahej terminal regularly as it enjoys a competitive edge as compared to other LNG import terminals, given its low re-gas tariff and long-term contracted volume with a 'use-or-pay' clause. PLNG's valuation is also attractive, with strong RoE of 22%, FCF yield of 8-9%, and dividend yield of 4-5%.
Reliance Industries	• Improving growth prospects of the telecom business with potential ARPU hike, ramp-up of broadband/5G services and sustained high growth in the retail business would be key catalysts for long-term value creation. The company's target to increase its share of EBITDA from consumer-centric over the next few years bodes well for RIL amid volatility in refining and petrochemical margins. Further, value unlocking in digital and retail (post the recent stake sale deals) would add value to shareholders' return over the coming years. Planned clean energy investment of $10 billion could create long-term value for RIL.
Mahanagar Gas	• MGL's long-term volume growth outlook is strong supported by the government's aim to increase the share of gas in India's energy mix to ~15% by 2030 (from 6% currently) and the thrust to reduce air pollution provides a regulatory push for strong growth in CNG and domestic PNG volumes for MGL. Development of Raigad GA (0.5-0.6 mmscmd volume potential) would further add to the company's volume growth prospects. Recent capping of APM gas price at $6.5/mmBtu would remove high gas cost overhang for CGDs and drive volume/ margin recovery over FY24-25. Moreover, recent acquisition of Unison Enviro is expected to allay the concern of weak volume growth versus peers. MGL is the cheapest CGD stock.
Indian Oil Corporation	• IOCL has diversified earnings with exposure to pipeline and petrochemicals, which insulated it from volatility in refining and marketing margins. Monetisation of hydrogen plant could unlock value for IOCL. Moreover, IOCL's valuation is attractive, and the stock offers a high dividend yield.
Hindustan Petroleum Corporation	• OMCs are expected to benefit from the recent recovery in refining margin and likely normalization of diesel marketing margin given recent fall in crude oil price. Hence, we expect earnings of OMCs to normalize gradually over FY24-25 post steep losses in FY23. HPCL's valuation is attractive, and the stock offers high dividend yield on FY24E DPS.
Bharat Petroleum Corporation	• OMCs are expected to benefit from the recent recovery in refining margin and likely normalization of diesel marketing margin given recent fall in crude oil price. Hence, we expect earnings of OMCs to normalize gradually over FY24-25 post subdued performance in FY23. BPCL's valuation is attractive, and the stock offers healthy dividend yield.

Gujarat Gas	• Strong medium to long-term gas volume growth outlook and resilient margins bode well for strong earnings growth for GGAS. Moreover, India's long-term gas demand outlook remains robust, supported by the regulatory push to curb pollution and the government's thrust to increase the share of gas in India's energy mix to ~15% by 2030 (from 6% currently). Additionally, the development of seven new GAs (won in the 9th and 10th CGD bidding round) has a volume potential of 3 mmscmd-3.5 mmscmd over the next 3-5 years. Moreover, GGAS is expected to be the biggest beneficiary of potential inclusion of natural gas under GST as the same would substantially improve industrial PNG demand. The recent sharp fall in spot LNG price bodes well for strong volume recovery for GGAS.
Indraprastha Gas	• The government's aim to increase the share of gas in India's energy mix to ~15% by 2030 (from 6% currently) and the thrust to reduce air pollution in the NCR region provide a regulatory push for strong growth in CNG and domestic PNG volumes for IGL. Moreover, the development of new GAs of Rewari, Karnal, and Gurugram and recent awarding of three new GAs in the 10th round of CGD bidding would drive volume growth beyond its existing areas of operations. Recent capping of APM gas price at $6.5/mmBtu would remove high gas cost overhang for CGDs and drive volume/margin recovery over FY24-25. IGL's valuations are also attractive considering our expectation of earnings recovery and health return ratios.
GAIL (India)	• Strong long-term gas demand supported by a favourable regulatory environment and improving gas supplies (through upcoming LNG terminals and higher domestic gas production) bode well for improvement in GAIL's gas transmission volumes in the next 2-3 years. We expect GAIL's earnings to witness a strong recovery in FY24 supported by an improving outlook across its business segments given the normalization of global LNG supply and prices. We thus upgrade GAIL to Buy from Hold.
Gujarat State Petronet Limited	• Higher gas supplies with commissioning of new LNG terminals in Gujarat, rise in domestic gas supply, and government's target to increase share of gas in India's energy mix to ~15% by 2030 (from 6% currently) and thrust to reduce pollution provide a strong gas transmission volume opportunity for GSPL. Investment in CGD space (Gujarat Gas and Sabarmati Gas) is likely to create long-term value for investors. Core pipeline business is available at attractive valuation.
	Pharmaceuticals
Aurobindo Pharma	• Aurobindo Pharma Limited (Aurobindo) reported a mixed Q4 as it outperformed on the revenue front. The company reported in-line performance on the operating profits front but underperformed on a net income basis. The company has been witnessing stronger growth in the U.S., Europe, growth markets, and APIs. The company has been seeing stabilisation in gross margins over the last three quarters. We believe the upside potential to the operating profitability is stronger, given the series of feasible drivers such as differentiated product launches, including gRevlimid, PenG, Biosimilars, expected continued growth in injectables, and regular new product launches in the U.S. likely over FY2024E-FY2025E.
Zydus Lifesciences	• For Q4FY23, revenue grew at a strong pace of ~31.7% y-o-y to Rs. 5,010.6 crore (versus internal and street estimates of Rs. 4,652.6 crore and Rs. 4,629.5 crore) and net profits grew at ~ 118.3% y-o-y to Rs. 900.1 crore (versus internal and street estimates of Rs. 704 crore and Rs. 674 crore). Complex products pipeline and a strong focus on the US, India and emerging markets should help it drive sustainable and profitable growth over short to medium term. The company plans to outperform industry growth in India over the medium term.
Cipla	• Cipla's Q4FY2023 financial results were mixed. Revenue of Rs. 5,739 crore, which was higher than our estimate of Rs. 5,565.1 crore, which exceeded our expectations while adjusted PAT came in at Rs. 653.7 crore, which was slightly lower than our estimate of Rs. 673.0 crore. Some of Cipla's significant facilities, including those in Indore and Goa, are still being investigated by the USFDA, which is causing delays in the introduction of important products like gAbraxane and gAdvair and a gloomy prognosis for the US market as the company needs to rely on only two key products such as gRevlimid and gLanreotide for any growth in the US. On the other side, due to the large base impact brought on by COVID 19 sales, the India segment's revenue growth is also progressing slowly. Also, R&D spend is expected to continue to rise as a percentage of revenue due to a likely increase in spend on differentiated portfolio of products and biosimilars, which restricts the likelihood of EBITDA margin expansion over the short – medium term.
Divis Laboratories	• Q4FY23 was largely in line on the profit front as unfavourable conditions such as operating de-leveraging seen due to fall in custom synthesis segment's revenues and core API as pricing pressures were factored in. The company has invested heavily in existing and new generic molecules' capacity expansion, backward integration, and custom synthesis segment. Another ~Rs. 1200-1,500 crore are slated to be invested in Kakinada III unit, is likely to be commissioned by ~FY26-FY27. Margins are expected to continue to lag behind historical averages and normalise by ~FY26-27, as incremental sales come in from new generic and custom synthesis and contrast media APIs.
IPCA Labs	• IPCA Labs has agreed to acquire a majority stake in Unichem Labs for total consideration of Rs. 1,840 crore, at 2.3x Unichem Labs's LTM sales of Rs. 1,311 crore and at an exorbitant EV/EBITDA of ~ 512x its LTM EBITDA of Rs. 6 crore, ending December 2022. The acquisition is expected to help IPCA Labs foray into a lucrative, yet highly competitive US market, with the help of Unichem's regulatory compliant facilities. However, it can also be mulled that the US market is competitive and can thus further stress IPCA's margins. Nevertheless, IPCA's management is confident of generating Rs. 300 crore of EBITDA from Unichem Labs on a revenue of Rs. 1700-1800 crore by FY25E-FY26E through cost synergies, cross market expansions, etc. We believe that the combined profitability on a pro-forma basis will get diluted over short – medium term unless the tall targets in terms of EBITDA and revenue for Unichem Labs can be attained by IPCA's management.
Lupin	• Q4FY2023 financial performance strongly beat expectations, largely driven by more-than-anticipated improvements in the costs. Yet, while competitive pressures have led to restructuring of its US business, India business' revenue growth has been hit by loss of Cidmus brand and stiff competition in diabetes segment on entry of generic players. Company is also grappling with USFDA compliance issues in many key facilities including Mandideep and Pithampur.
Sun Pharma	• Due to a robust product mix, Sun Pharmaceutical's (Sun Pharma) gross margins increased for the fourth straight quarter year over year in Q4FY2023. Sun Pharma will get access to the complete cash of USD 1.3 billion on Taro Pharma's books by purchasing the remaining 21.5% interest in the company. Spending on research and development was 6% of sales; management anticipates an increase to 7-8% of revenue. However, the specialty section should be able to sustain profitable growth over the short to medium term due to a significant increase in sales and consequent increase in profitability.
Torrent Pharma	• Torrent Pharma posted mixed results for Q4FY23, as while it outperformed on the sales front due to stronger growth in India, Brazil and Germany markets than anticipated and it underperformed on net income basis due to lower other income and higher interest costs than anticipated. Revenue growth was driven by strong growth across markets; partially offset by the weakness in the US market. The existing base business in the US is witnessing decline due to huge price erosions without additional product launches. Hence, we downgrade the stock to HOLD as all the potential margin expansion and strong revenue growth prospects are already factored in, in the prices.
Biocon	• Revenues grew strongly by ~56.7% y-o-y to Rs. 3,773.9 crore aided by full benefit of Viatris deal that led to more than doubling of biosimilars business. As finance costs have surged ~2,270% y-o-y to Rs. 248.8 crore driven by debt taken for the inorganic initiatives. Consequently, net profit declined by ~25.9% y-o-y to Rs. 207.2 crore (vs. our estimate of Rs. 175 crore and consensus estimate of Rs. 177 crore). Reported PAT stood at Rs. 313.2 crore, boosted by a one-time forex gains of Rs 109 crore. Although prospects are strong for the company due to traction in its base business and the acquisition of Viatris biosimilar business, the company's cash generation is expected to be affected due to high interest costs and increased borrowings.
Granules	• Q4FY23 revenues grew by a robust ~16.1% y-o-y and +4.3% q-o-q, driven by strong growth in its API revenue (~47.9% y-o-y) and finished dosages (~16.4% y-o-y); partially offset by a decline in pharma intermediate revenues (-15.3% y-o-y). The performance was in line with expectations. An unfavorable product mix towards API sales, especially towards racetamol and in regulated markets, and expected increase in R&D spends, however, led to decline in profitability in Q4FY23. The company plans to spend Rs. 2,000 crore over the next 5 years to build a green chemistry plant at Kakinada, AP, which will enable it to be carbon zero in API manufacturing. An ambitious capex plan should help it to become a fully integrated player, which can bring benefits of operating leverage over medium to long term.

Laurus Labs	• Q4FY2023 numbers were far below expectations, with sales and net profit lagging by ~10% and ~46%, respectively. Sharper-than-anticipated fall in CDMO/ custom synthesis and generic FDF revenue, an unfavorable product mix and operating de-leverage affected performance. The company expects FY2024E to be the year of consolidation, as a large purchase order – the Paxlovid supply contract – gets completed, owing to which we expect CDMO and custom synthesis revenues to decline over FY2023-FY2025E. Yet, a strong growth in generic API and Bio businesses and a gradual recovery in generic FDF business would offset the fall in the CDMO/ custom synthesis biz; partially offset by unfavorable products mix and operating de-leverage over FY2023-FY2025E.
Strides Pharma Sciences	• Strides continued to post strong numbers in Q4FY2023 with the 6th. consecutive quarter of a sequential improvement in EBITDA margins to ~15.8% from ~0.6% in Q3FY2022 Revenues grew by ~13.9% y-o-y to Rs. 986.4 crore; adjusted PAT stood at Rs. 34.2 crore versus Rs. 148.9 crore in Q4FY22 and Rs. 0.23 crore in Q3FY23. The regulated Markets of US, Europe, UK, and South Africa continued to grow at a strong rate in Q4FY2023, since Q1FY2023. They grew at an average ~35.2% rate each quarter of FY23 (y-o-y) vs. an average decline of -14.4% seen in the 4 quarters of FY22, y-o-y. Management is hopeful of reaching historical margins of ~20%-21% in the short – medium term vs. ~11.7% EBITDA margins recorded in FY23.
Dr Reddy's Limited	• For Q4FY23, Dr. Reddy's Laboratories' (DRL's) profitability was augmented by proceeds from divestment of a few non-core brands amounting to Rs. 494.1 crore; this was included in reported revenue. Normalized net income rose ~27.9% y-o-y to ~ Rs. 550 crore, excluding brand divestment-related income, while reported net profits increased ~ 889.8% y-o-y to Rs. 960.1 crore in Q4FY23. Core EBITDA margins excluding other non-operating income and unusual gains and impairment costs fell by ~ 165 bps y-o-y to ~ 18.8% in Q4FY23. Reported EBITDA margins rose ~ 156 bps y-o-y to 25.1%.
Sanofi India	• Sanofi released positive Q1CY23 results. Revenues rose by 4.2% year over year, while adjusted PAT increased to Rs. 172.6 crore by 15.2% year over year. This was brought on by an increase in EBITDA margins of 370 basis points year over year to 31.2%, well exceeding the internal projection of 26.5%. It was fueled by less operational expenses and better raw supplies. We still think that the company's emphasis on streamlining processes has increased profitability. Over CY22-CY24E, we anticipate a PAT CAGR of around 13.9%. Sanofi India Consumer Healthcare Ltd. (SICHL) is a distinct corporation that the firm has claimed will de-merge its consumer business into at a 1:1 ratio. This process is anticipated to be finished in the middle of calendar year 24. For the shareholders of Sanofi India, this promises a significant value unlocking.
Abbott India	• Abbott India Limited (Abbott) reported weaker-than-anticipated net income in Q4FY2023. Gross margin declined ~273.0 bps y-o-y to ~43.4% and EBITDA margin declined ~256 bps y-o-y to ~20.9% in Q4FY2023. PAT grew at a slower pace of ~9.5% y-o-y to Rs. 231.4 crore though, which was lower than the internal estimate of ~Rs. 275 crore. We believe Abbott's strong market leadership in its key therapy product categories such as gastro and gynecology continue to be the key positives.
Building Materials	
APL Apollo Tubes	• Structural steel share in overall steel consumption in India is one of the lowest in the world at ~4% in FY2020 as compared to global average of 9-10%. With rising demand from housing and infrastructure projects, we expect the structural steel market to witness a 10% CAGR over FY2021EP-FY2024E and reach 5mt by FY2024E. APL, a market leader in the segment, would be the key beneficiary of rising demand and potential market share gain over the next couple of years. Thus, we expect sustained volume-led strong earnings growth for APL.
Grasim	• Grasim is benefiting from a rise in domestic demand for its key standalone businesses as offtake from end user industries improves. The same has led to an increase in Capex expenditure and expansion in both verticals. Further, the management's clarity on capital allocation with priority being given to the standalone business and nil investments in listed telecom investment removes a key hangover. The company's venture into the paints business will provide scale, and growth and reduce the cyclicality of the standalone business. Further, UltraTech's growth outlook remains buoyant, which comprises over 70% of Grasim's SOTP valuation.
Greenlam Industries	• GRLM is a joint leader in Rs. 5700 crore laminate industry with a market share of ~20%. Greenlam, with its dominant industry position in laminates, is expected to be among the top three players in the plywood space and the leader in the particleboard segment. Healthy demand, capacity additions and market share gains from unorganised players would drive volumes. Its expansions in laminates, plywood and particle board is expected to provide next leg of growth with manageable leverage on the balance sheet. Key growth drivers are rising incomes, urbanisation, real estate development, Housing for All etc. The government's focus on making India an export hub provides strong export growth opportunities for Greenlam.
Kajaria Ceramics	• Kajaria is expected to see an improvement in operations and demand going ahead. The company's asset utilisation has been improving and is expected to grow further. Anti-China sentiments in the US and European countries have boosted exports for the Morbi cluster, which houses ~850 manufacturing units. This has led to an improved pricing environment for organised players such as Kajaria and an increase in market share domestically. Given the strong demand outlook over the next two to three years, the company is undertaking brownfield expansion. Its rising free cash flow generation and high cash surplus would aid in expansion plans without leveraging the balance sheet.
Pidilite Industries	• Pidilite has monopoly in the domestic adhesive market on account of its strong product portfolio. Over the years, it has transformed itself from a B2B to B2C player by consistently introducing consumer-centric product in the domestic market. Though FY2022 was affected by the pandemic situation, Pidilite's long-term growth prospects are intact as the company is continuously launching new products under core brands, entering into new categories, expanding into neighbouring countries, and enhancing the domestic distribution reach. Strong cash flows, lean balance sheet, and decent payout make it the safest bet in the volatile market environment.
Shree Cement	• Shree Cement is seeing strong demand traction in key regional markets viz. Northern and Eastern India. Shree Cement has been outpacing industry volume offtake over most of the past four quarters and is further expected to outperform over FY2023-FY2025E led by improving capacity utilisation and addition of newer capacities. However, operational profitability is expected to improve at a gradual pace than earlier expected. The firm cement demand has led to the management venturing in increasing capacity from 47MTPA to 57MTPA over three years period and to 80MTPA by 2030. However, major peers in the industry has taken a faster route of capacity additions along with improvement in operational efficiencies. The same may lead to market share loss for the company going ahead.
The Ramco Cements	• The Ramco Cements, one of India's most cost-efficient cement producers, will benefit from capacity additions carried out ahead of its peers in the southern region. The company's ongoing capex plan is to create new grinding and clinker capacities that would help it tap the growth potential in the Eastern region and establish itself as a significant player. Front-loading of capex for future expansions would help it to add incremental organic capacities at lower costs although it has led to lower return ratios in the interim. The ongoing expansion plans provide ample room for future growth. The company's balance sheet is expected to remain strong despite its aggressive expansion plans.
UltraTech Cement	• UltraTech Cement is India's largest cement company. We expect UltraTech to report industry-leading volume growth on account of timely capacity expansion (inorganic and organic expansions) and revival in demand (demand pick up in infrastructure, urban housing along with continued demand emanating from the rural housing segment). We expect the company to be the biggest beneficiary of multi-year industry upcycle, being a market leader and its timely scaling up of capacities and profitability in the shortest possible time.
JK Lakshmi Cement	• JK Lakshmi Cement (JKL) is expected to benefit from sustained rural sector demand along with improvement in infrastructure demand. Pricing environment in key regions remains healthy. JKL's expansion plans at UCW of 2.5MTPA grinding unit are expected to be completed by Q2FY2025, although the 1.5MTPA clinker line is expected earlier in Q3FY2024, which would provide the next leg of growth. Meanwhile, its standalone debt de-leveraging would continue improving its balance sheet strength. On the other hand, the cement industry is on a strong growth trajectory for the next three years. The company's operational efficiency measures would aid in improving operational profitability going ahead

Supreme Industries	• SIL is on a firm footing, with a strong product portfolio and new product launches, which are expected to drive growth in the coming years. The government's thrust on affordable housing and enhanced allocation towards irrigation projects will aid future growth for companies such as SIL. We remain positive on the introduction of value-added products and capacity expansion plans, which are largely funded by robust internal accruals. SIL enjoys superior return ratios with low gearing levels, and we expect the company to maintain high return ratios going forward.
Century Plyboards	• Century Plyboards is a leading player in the organised plywood industry with a market share of 25%. The company also has laminate, particle board, and medium-density fibre board (MDF) division having capacity of 600 cubic metres per day. Century Plywood is expected to ride on strong growth envisaged for wood panel industry over the next five years driven by structural growth tailwinds in the domestic residential market. Aggressive capital expenditure across core businesses would help it capture the industry growth potential and maintaining healthy balance sheet as the expansion plans would be funded majorly through internal accruals. The company has also been able to withstand rising input costs through its ability to increase prices, gain market share from unorganised segment and cost reduction initiative undertaken internally.
Dalmia Bharat	• Dalmia is on a strong growth trajectory for the next five years with capacity expansion plans lined up for the medium and long term. The company outlined its capital allocation strategy over the next decade to increase capacity at 14-15% CAGR to reach 110-130 million tonnes by 2031, which would be done through both organic and inorganic routes maintaining net debt/EBITDA below 2x (unless a significant ticket size acquisition is done). It also highlighted allocation towards shareholders' returns (10% of OCFs) and a green & innovation fund (10% of OCF). The company remains focused on being a pan-India pure pure-play cement company with a significant presence in every market, wherein it operates over the long term, initially expanding in the Southern and North East regions.
Astral	• Astral is among the country's leading manufacturers of plastic pipes used across industries. Astral has a market share of 25% in CVPC pipes and 5% in PVC pipes and is well placed to grab the significant growth opportunities unveiled by the government through its various schemes such as Housing for All by 2022, PMAY, Smart Cities Mission, AMRUT, HRIDAY, Har Ghar Jal by2024, Nal se Jal by 2024, and PMKSY. Astral is expected to perform well in the coming year as it continues to benefit from sustained rural demand along with pick up in infrastructure sector. The company has also been improving upon cash balance with tight monitoring of working capital.
Telecom & New Media	
Affle (India)	• Affle (India) Limited (Affle) provides end-to-end offerings to advertisers through mobile advertising using its proprietary mobile audience as a service platform for customers. Affle's exposure in fast-growing markets such as India and SEA, segments such as e-Commerce and expanding footprint in developed markets provide a platform for sustainable growth momentum in the long term. Management cited that the outlook for CY23 is favorable, since in case of developed markets the company has already found some key verticals where they can accelerate, while global emerging markets (80% of the business) has been quite resilient. Affle is well diversified with regards to markets, use cases, platforms, customers, publishers and has reasonable cash in hand. With key markets of India and global emerging markets continuing to grow steadily, Affle is well placed to capture market opportunities in mobile advertising spends.
Info Edge (India)	• Info Edge is India's premier online classifieds company in the recruitment, matrimony, real estate, education, and related service sectors. Naukri.com is a quality play and is directly related to GDP growth and internet/mobile penetration. Management stated that it experienced longer sales cycle and spend optimization during the quarter especially for IT. The management stated that the IT hiring is muted as IT is facing some slowdown while non-IT hiring such as insurance, hospitality, retail and banking posted robust growth. Growth in Jeevansathi will be impacted for next 2 to 4 quarters as the company changed its strategy to more free offerings to gain share in profiles and match-making segment. We continue to derive comfort on Info Edge's business strength, with leading market share in key businesses.
Bharti Airtel	• Bharti Airtel (Bharti) continues to focus sharply on increasing retail ARPUs, non-mobile services (enterprise services), and value-added services (Airtel TV and music) to boost revenue and reduce the churn rate. Bharti continues to gain market share in both wireless and non-wireless business because of investments in strategic areas, quality customers, leadership position in Airtel Payment Bank and enterprise businesses and strong digital capabilities. The company's continued investments in its three digital layers such as digital infrastructure, digital experience, and digital enterprise along with huge opportunities in the enterprise business are expected to accelerate its growth going ahead. We continue to prefer Bharti Airtel, given the company's industry-leading ARPUs, growing 4G subscriber mix, healthy network capacity, and strong free cash flow (FCF) generation. We continue to remain positive on Bharti given its relatively well-capitalized balance sheet, improving free cash flows, asset Monetisation efforts and strong competitive position.
Discretionary Consumption	
ABFRL	• ABFRL is one of the largest players in the branded apparel and retail space. The company has built an agile supply chain model to deliver continuous fresh fashion throughout the year with its 12-season model, which will aid in reducing working capital in the coming years. The company has entered into strategic partnerships with designers like Shantanu & Nikhil, Tarun Tahiliani, Sabyasachi and House of Masaba, to tap the ethnic and wedding segment, which has a large unorganised presence. Going ahead, the company's growth would be driven by capex across brands, aggressive store expansion plans, marketing expenses incurred on brands, IT and digital enhancement and strengthening the overall digital play through organic & inorganic routes. The company is confident of achieving its target of Rs. 21,000 crore revenue with EBITDA of over Rs. 2,350 crore by FY2027.
Arvind	• Arvind is an innovation-driven and customer-centric global textile play present in garmenting segments such as denim, woven, knits, and technology-driven and high-margin businesses such as AMD. In FY2019, the company created value for shareholders by demerging its branded fashion and retail business and engineering business into two separate listed entities – Arvind Fashion and Anup Engineering. The demerger helped the company to scale up its core textile business in domestic as well international markets. The company is focusing on improving its return ratios by enhancing its profitability through vertical integration, introducing differentiated next-generation products, and scaling up the advance material business.
Bata India	• Bata India is the largest footwear retailer in India, offering footwear, accessories, and bags across brands such as Bata, Bata Red Label, Hush Puppies, Naturalize, Power, Marie Claire, Weinbrenner, North Star, Scholl, Bata Comfit and Bubble gummers, to name a few. It has established a leadership position in the industry and is the most-trusted name in branded footwear. The company has a retail network of over 2,050 stores, including 400+ franchised stores, which sell a total of ~47 million pairs of footwear annually. The retail channel contributes ~82% to the company's total revenue, whereas the balance of 18% is contributed by multi-brand outlets and the e-commerce channel. Bata currently has a 15% value market share in the organised footwear market.
Devyani International	• Devyani International (DIL) is a multi-dimensional quick service restaurant (QSR) player with a strong portfolio of global brands (including KFC, Pizza Hut and Costa Coffee). Its strong association with Yum Brands will help it create more opportunities in India's growing QSR market. DIL plans to add 250-300 outlets pea (as against 60-70 stores added per annum in the earlier years) with a cluster-based approach in India. A strong recovery in the out-of-home consumption, rising traction for branded products, strong store expansion plans, boosting value proposition through an innovated menu and widening delivery reach will help DIL's revenue and EBITDA to post a CAGR of 28% and 34%, respectively, over FY2023-FY2025E. The company is likely to generate a cumulative FCF of ~Rs. 700 crore over FY2023-FY2025E.
Gokaldas Exports	• Gokaldas Exports (GKEL), established in 1979, has evolved to become one stop solution for some of the world's most recognized apparel brands. GKEL is one of the largest integrated apparel manufacturers in India with manufacturing capacity of 36 million apparel pieces per annum. After a change in the management in FY2018, the company has transformed itself into one of the strongest partners for global retailers aiding to post strong results with revenues and PAT growing at CAGR of 17% and 54% over FY2019-23 (EBITDA margins expanded to 11.9% in FY2023 from 5.3% in FY2019). It has made itself future ready by planning to invest around Rs. 370 crore in building capacities (over FY2022-24E) and improving product mix (outer wear share expanding). The revenues and PBT are expected to grow at CAGR of 17% and 20% over FY2023-25E (tax rate to normalise in FY24).

KPR Mill	• KPR is one of India's largest vertically integrated textile players, with a steady financial record and sturdy balance sheet. The strength of its integrated model helps the company to achieve consistent operating margins that are much better than some of the exporting peers. A shift in base from China to India, addition of more international clients, transforming itself from volatile yarn business to profitable garment business, scale-up in the retail business and scale-up in the garmenting revenues through increase in capacity utilisation from newly-commissioned Ethiopia facility are some of the medium to long-term growth drivers for KPR.
PVR	• PVR Limited is the country's largest and most premium multiplex company, with a diverse portfolio of premium formats across the country. t. PVR is well poised to achieve greater traction based on quality content pipeline, strong consumer demand, and success of dubbed Southern and regional movies across the country. The presence in premium locations and the ability to maintain industry-leading pricing are likely to aid its growth momentum. PVR-INOX Leisure merger is expected to bring in enhanced productivity, deeper reach in newer markets, and cost-optimization opportunities
Jubilant Food works	• JFL has four strategic pillars: product and innovation, value for money, customer experience, and digital and technology to drive growth, efficiency, and productivity. The company has introduced Every Day Value (EDV) offer to enhance its value-for-money proposition. With a revamped mobile app and website, the company has been increasing its OLO share, which is in line with its strategy of technology-driven growth. Venturing into Chinese cuisines and biryani segments and entering into franchisee agreement with Popeyes brand to launch in India will be long-term growth drivers. Expansion strategies along with robust SSSG, increasing number of stores, cost optimization, and customer-satisfaction initiatives would be key growth drivers for JFL.
Restaurant Brands Asia	• RBA is one of the emerging and fastest growing QSR player in India with market share of less than 5% in the India's QSR market. Long term franchisee agreement with 'Burger Kings', Differentiated and localisation of menu provides edge over its peers to scale up fast in the domestic market. This along with additional growth levers coming in from introduction of BK Café and expansion in the Indonesia market will help the company to achieve strong and consistent revenue growth in the medium to long run. Improvement in the new store fundamentals, better mix and improving profitability of Indonesia business will drive earnings in the coming years. Strong earnings growth with negative working capital will help in driving higher cash flows in the coming years.
Relax Footwear	• Relaxer's revenue reported a CAGR of ~7% with volume CAGR of 2% over FY2018-FY2023. Inflationary environment and GST rate hike on footwear below Rs. 1,000 per pair affected the company's performance in the near term. However, the long-term growth prospects of the domestic footwear sector are intact. With the implementation of GST, there is a shift from unbranded to branded products, which provides further scope for the company in the Rs. 55,000-60,000 crore Indian footwear market, of which ~50% is unbranded. The management has identified 4-5 levers, which are expected to drive growth for the company including higher contribution from e-commerce channel, expansion in closed footwear, increased export contribution, adoption of the EBO model and steady growth momentum maintained in the open footwear category.
Titan Company	• Titan is India's largest specialty retail player, with over 2,710 stores spread across over 3.5 million sq. ft. having businesses in jeweler, watches, and eyewear. Revenue of Titan's jeweler business reported a CAGR of 18% over FY2017-FY2020. Sustained launch of new collections, expansion in domestic footprint, shift of consumers to trusted brands, and strong growth in diamond jeweler remain the key growth pillars. Titan is aiming to grow its revenue at CAGR of over 20% over FY2022-27 on back of its ambitious growth plan in the medium term. This along with consistent improvement in margins will help cash flows improve strongly in the coming years.
Trent	• Trent is the only branded retail player with a ~100% share of private brands with pan-India presence. Trent a strong set of brands catering to all categories of consumers, which has helped the company offers report the highest average revenue per square foot compared to other branded players. Aggressive store expansion, better store fundamentals, higher contribution from private brands and innovative product offering in the premium and value fashion space would be key growth drivers for the company going ahead. Trent is among India's strong branded retail plays with a robust balance sheet, stable cash flows and one of the highest utilisation rates per store.
The Indian Hotel Company	• The Indian Hotel Company (IHCL) is one of the top players in the domestic hotel space with strong room inventory. The hotel industry's business fundamentals have recently improved with room demand outpacing room supply. Strong domestic travel coupled with recovery in foreign travel would help IHCL in posting better performance in the medium term. A strong focus on building an asset-light model, market share gains in key markets and recovery in the business environment will help IHCL to deliver strong growth in the coming years with strong growth in profitability. Further, the company is focusing on strengthening its balance sheet by a sustained reduction in debt, which augurs well from a long-term perspective.
Welspun India	• Welspun is one of the leading players in the global textile market with capacities of 85,400 metric tonnes (MT) and 90 million metres of terry towels and bed linen capacity largely to cater exports markets. The company will benefit from recovery in the US, where it has market share of 19% and 13% in terry towel and bed sheets segments, respectively. New ventures such as flooring business and advance textile revenue would add-on to revenue in the near to medium term. This along with benign cotton prices and improved revenue mix would aid profitability to improve consistently in the near to medium term. Improving cash flows would aid the company to reduce debt on the books over FY2023-FY2025.
Wonderland Holidays	• WHL is one of the top entertainment companies in India with three amusement parks in Kochi, Bengaluru and Hyderabad. In FY2023, footfalls stood at 33 lakhs as against 24 lakhs during FY2020. Revenues and EBIDTA grew by 58% and 2x, respectively over FY2020. The company expects strong growth momentum to continue in FY2024, aided by innovative marketing activities, event-based campaigns, addition of new attractions and improved traction on its digital platform. Expected opening of Odisha park in 2025 will provide further boost to revenue growth in the years to come. We expect the company's revenue to post a CAGR of ~60% over FY2022-25E, while PAT is likely to be at ~Rs. 145 crore in FY2025.
ZEE Entertainment	• Zee Entertainment Enterprises Limited (ZEEL) is one of India's largest vertically integrated media and entertainment companies, primarily engaged in broadcasting and content development with the widest language footprint, movies and music production, live events and digital business. ZEEL and SPNI have finally entered into a binding term sheet to combine both companies' linear networks, digital assets, production operations and program libraries. The merger will create India's largest media & entertainment (M&E) company across languages and genres, with a ~25% market share in India. The merger with Sony is on track and is awaiting approvals. The merged entity is likely to witness better pricing and volume offtake in advertising given leading market share. The management cited that although structural growth scenario appears positive in the medium to long term, ZEEL remains cautiously optimistic on the near-term advertising revenue outlook. We believe ZEE5's success and improving corporate governance post-merger will play the vital role in re-rating of the stock.
	Diversified/Miscellaneous
Bajaj Holdings	• We maintain our Buy rating on Bajaj Holdings and Investments Limited (BHIL), factoring upside in valuations of its key associates, viz. Bajaj Finserv (BFS) and Bajaj Auto (BAL), and other key investments. Q1FY23 results saw robust growth by BHIL's associates – BFS and BAL. The performance of both the associate companies has improved notably during the quarter. We continue to remain positive on BFS and BAL and have retained our buy rating on the stock. BHIL will be the key beneficiary of improving business prospects and valuations of associates. BAL beats expectations in operational performance during Q1FY23, whereas BFS continues to improve life and general insurance businesses. As a result, we continue to remain positive on BHIL and maintain our Buy rating.
Mahindra Lifespace Developers	• Mahindra Lifespace is scaling up its land acquisitions and approvals pipeline with a strong core management team across key functions. The company is gearing up to pre-sale over Rs. 2,000 crore per annum in the residential division over the next two to three years. The company's low gearing can lend support for aggressive land acquisitions. The company is witnessing strong demand for built-to-suit factories, warehouses, and data centers for its IC&IC business. The company the has benefit of the China +1 apart from increasing government's focus on attracting manufacturing investment in the country led by Atman Norther, production-linked incentive schemes for its IC&IC vertical. Overall, growth outlook is positive for the company as the IC&IC vertical is a cash cow and scale up of its residential business provides strong uptick.

Triveni Engineering and Industries	• TEIL will be one of the key beneficiaries of improving fundamentals of the sugar industry in India with the government focusing on reducing the cyclicality in the industry to achieve stable realization and better profitability in the coming years. Expansion in distillery capacity will drive strong growth for the distillery business, which will add to overall profitability. Further, increased MSPs and higher international sugar prices will keep sugar realization stable despite higher sugar production. This will help EBITDA margin to improve from ~10% in FY2023 to ~11% in FY2025. Higher profitability along with stable working capital management will help cash flows to improve in the coming years. Thus, the balance sheet is expected to strengthen further in the coming years.
Polyplex Corporation	• Robust demand for packaging and capacity additions by Polyplex Corporation (PCL) in the BOPET segment would aid volume growth. However, we believe that the BOPET margin cycle is near peak levels and spreads are expected to contract from current levels, with a rise in supplies and higher raw material cost. Hence, we believe that PCL's margin to decline over FY2023E-FY2024E offsetting the benefit of volume growth. Hence, have Hold rating on the stock.
Balrampur Chini	• BCML will be one of the key beneficiaries of reducing cyclicality in the sugar industry. With new distillery capacity commissioned in Maizapur and Balrampur Units, the company's distillery capacity for FY2023 will be around 20.5-21 crore litres while for FY2024 it will be around 35 crore litres. Higher salience of ethanol in the revenue mix will improve the cash conversion cycle with debt reduction. The company is likely to generate a cumulative OCF of ~Rs. 2,000+ crore over FY2023-FY2025. With increase in the contribution from ethanol business, the company cash flows consistently improve in the coming years. We expect BCML's revenue and PAT to post a CAGR of 17% and 50%, respectively, over FY2023-FY2025.
Dhampur Sugar	• DSML is one of the largest sugar companies in India with integrated facilities of 23,500 tonne per day (canecrushing capacity), distillery capacity of 350 KLPD, and co-generation capacity of 121 MW. The company is focusing on achieving consistent earnings growth and enhancing shareholders' value by focusing on initiatives such as 1) generating more cane from its command areas, 2) driving operating efficiencies through the TPM strategy, 3) investing judiciously in scaling up the ethanol business, and 4) deleveraging the balance sheet with stable working capital and improved cash flows. Consistent improvement in profitability and reduction in debt will help DSML's earnings to post a 21% CAGR over FY2023-FY2025E.
Dhampur Bio Organics	• Experienced promoters with long track record in sugar industry, expanded distillery capacity and integrated power capacity mitigating the industry cyclicality will help DBOL delivering consistent operating performance in the coming years. It's strategy is designed to build on its strengths while exploring new avenues for growth. The strategy, summarised by Innovation, Integration and Value Creation, allows the company to improve production capabilities, diversify product range, and achieve a higher margin through better price propositions and lower costs.
Logistics	
Gateway Distriparks Limited	• The company has been showing resilience performance in the midst of increased EXIM imbalance. However, we expect this imbalance to correct with a gradual pick-up in exports especially in its key NCR market. The completion of DFC would further aid in improvement in volumes. Consequently, we expect overall rail throughput for the company to show healthy growth for the next couple of years. The company is likely to improve upon blended EBITDA/TEU with revenue mix tilting towards rail while CFS remains flattish. The company is undertaking a capex of Rs. 300 crore for the next two years, which includes upfront payment towards the acquisition of Kashipur ICD, construction spends for greenfield ICD at Jaipur and setting up a third terminal.
Mahindra Logistics	• MLL is an integrated third-party logistics (3PL) service provider, specializing in supply chain management and people transport solutions. Founded more than a decade ago, MLL serves over 300 corporate customers across various industries like automobiles, engineering, consumer goods and e-Commerce. The company pursues an asset-light business model under which assets necessary for its operations such as vehicles and warehouses are owned or provided by a large network of business partners on lease rentals, while MLL largely invests in logistics technology. With improving auto demand along with growth in its E-commerce, Consumer and Freight Forwarding business, the company is expected to improve its earnings growth trajectory.
TCI Express	• TCI is a leading time-definite express distributor, with a network of 700 offices covering more than 40,000 locations. The company commenced operations in 1997 and has over two decades of industry experience. The company demerged from Transport Corporation of India in 2016 and was listed on December 15, 2016. The company offers services comprising surface, domestic and international air, e-Commerce, priority, and reverse express services. TCI has over 3,000 plus workforce with 28 sorting centres. The company caters to sectors such as consumer electronics, retail, apparel and lifestyle, automobile, pharmaceuticals, engineering, e-Commerce, energy/power, and telecommunications. TCI has a strong balance sheet, healthy cash flow-generation capacity and high return ratios. Hence, we recommend a Buy on the stock.
TCI Limited	• TCI has a strong long-term growth potential as it operates in a fragmented and highly unorganised logistics industry. The company's presence in multi-modal logistics along with supply chain business with over six decades of experience gives it a distinctive advantage to capture the high growth potential in the logistics sector. TCI is expected to benefit from the logistics sector growth tailwinds, led by GST, increased outsourcing of logistics services owing to COVID-19, government's thrust on Atmanirbhar Bharat, and global supply chain re-alignments. We expect TCI to be on a long-term growth trajectory, driven by positive sectoral fundamentals and its inherent strengths and capabilities.

	Remarks
Caplin Point Laboratories Limited	• Caplin Point witnessed both the US and emerging markets of Latin America and Africa to continue to grow as of Q4FY23. Caplin Steriles (US) has a strong order book of Rs. 230-240 crore for FY24. The company believes that once it completes the expansion of its oncology, OSD, and API projects and also the product registration in the next 2-3 years, the company is sure of being one among the few of these companies of its size. The company has eight products under review with the USFDA, which should lead to product approvals over the next 3-4 quarters. Additionally, 13 products are stable that includes four complex products including ophthalmic bags and vials for the US market. The company is hopeful of targeting a growth of ~50% in the coming years in the US. The order book is to the tune of Rs. 230-240 Crores. The company has gained market share for the majority of its products. For FY23, the results have been in line on the operating profitability front and marginally underperformed on sales and adjusted net income basis and we expect it to clock in growth of ~15.7% and ~10.8% in sales and earnings, respectively, over FY23-FY24E.
DLF Ltd	• DLF's strong leadership position in Delhi-NCR, strong residential project pipeline, increasing rental portfolio, large land reserves at low carrying cost, and strong housing market tailwinds provide high-growth opportunities. DLF offers a long-term play on the real estate market, with its presence across residential, office, and retail sub-segments. Its land bank with a development potential of 187msf at low carrying cost provides steady and sustainable project pipeline visibility along with better operating margins.
Escorts Kubota Limited	• We believe that EKL's partnership with Kubota would provide the company an opportunity to gain global market share going forward, driven by product launches across brands and increase the addressable markets. While creating global capabilities as a single exclusive vehicle for manufacturing and selling Kubota's products in India and for global sourcing of Kubota's products from India. Erstwhile Escorts business and Kubota's business in India are complementary and hence the synergy benefits would translate into market share expansion in the medium term. EKL is well-poised to gain market share in India and globally, driven by new product launches, an increase in share of non-agricultural-based tractors, increase in global footprints and beneficiary of the single exclusive vehicle of Kubota in India. Considering the long-term growth prospects, we maintain our positive view on the stock
Expleo Solutions Limited	• Expleo Solutions Limited (ESL) has successfully transformed itself from a quality assurance (QA) consulting and onsite delivery testing company to a specialised testing services player by building capabilities in digital quality assurance and offshore delivery testing business model. The amalgamation of all Indian Expleo Group entities under ESL, the company would diversify its service capabilities (engineering services), industry portfolio (aerospace, automobiles, defence, industrial and media & entertainment) and markets. Management expects the merged entity to grow in low to mid-teens, considering the current size, sluggish environment. The company expects an EBITDA margin of 15-18% for the merged entity.
Five Star Business Finance	• We believe Five Star is uniquely positioned with superior growth and best-in-class profitability among its peers. Five Star's key strength is in its strong underwriting practices, which have led to a superior assetquality performance through cycles. We find a strong runway for loan growth in the untapped, niche, and fast-growing small business segment of MSME in India. We are confident about the franchise's longevity and considering better return and growth outlook, we believe it is a good compounding story over the medium term.
Gati Limited	• Gati is on a high earnings growth trajectory for the next 2-3 years, which got initiated post acquisition of the company by Allcargo logistics in March 2020. The restructuring involves divestment of subsidiaries and unrelated businesses, sale of land and buildings, significant reduction in debt and contingent liabilities, deep rationalization of costs, streamlined working capital and senior leadership changes which would going ahead lead to asset light focused approach on its core businesses. It is now on path to regain its leadership positioning through accelerated sales, digitization and capacity expansion. Gati targets to grow its revenues in double digit and achieve OPM of 10.5-11.5% over the course of next two years.
Globus Spirits Limited	• GSL will be one of the key beneficiaries of the change in the government's ethanol policy with 50% of ethanol blending expected to happen through grain based. Around 75% of expanded capacity (of 420 KLPD) will be utilised for manufacturing ethanol. Consumer business's (IMIL) contribution has increased to 41% versus 35% in recent years, which has 2x higher margins than the bulk alcohol business. With increased sustainable demand for ethanol and scale-up in the consumer business, GSL's earnings are expected to grow in strong double digit in FY2024. The company generated cash flow from operations of Rs. 495 crore in the last three years driven by improved profitability and lower interest costs. GSL continues to focus on reducing debt and improving return ratios.
HealthCare Global Enterprises Ltd	• HCG is the largest hospital chain in India with specialisation in oncology treatment with 21 cancer centers across India. Comprehensive centers with presence in non-metros, hub-and-spoke model and promoters with strong expertise provides it a competitive edge over large multispecialty hospitals in India. Management is aiming at stark improvement in profitability focusing on key levers such as reduction in ALOS (patient days stay in hospitals), providing specialised services, scaling up the performance of new centers in the coming years. No major capex plan and focus on building up asset light model would help free cash flows to improve significantly over the next three years.
Himatsingka Seide	• HSL will be one of the key beneficiaries of the rising demand for Indian home textiles in export markets. Leveraging on its experience in the US market and vertically integrated business model, the company is focusing on strengthening its presence in European and Middle East markets. In the past five years, the company has spent around Rs. 1,300 crore-1,500 crore to expand its bed sheet capacity to 61 MMPA and set up a new terry towel capacity of 25,000 TPA. The company posted a strong performance in FY2022 due to higher demand and improved market share in key markets. However, FY2023 numbers were weak as inventory correction with global retailers, slowing demand and high input costs put a toll on its operating performance. The company is witnessing progressive improvement in FY2024 and expects recovery in operating performance during the year.
Hindustan Aeronautics Ltd.	• Hindustan Aeronautics Limited (HAL), a leading player in India's defence and aerospace industry is well placed for growth backed by strong order book and promising order pipeline. The government's focus on the 'Make in India' initiative and lower dependency on imports bodes well for a seasoned player like HAL. With government support and proven execution capabilities it is well-poised to leverage on the opportunities in the defence sector. The company has robust order book of Rs 82,000 crore and order pipeline of over Rs 1.5 lakh crore in the next 2-3 years. HAL would hold the key in structural transformation of India's defence sector that eyes a production target of $25 billion by 2025 through indigenization and higher exports under 'Make in India'. HAL's execution would ramp up once large orders like LCA (Mk1A) kicks in. Similarly, better operational efficiencies would drive OPM. HAL has strong government support, proven execution capabilities, an improving working capital cycle and healthy cash balance of ~Rs. 20,000 crore. Thus, we have a Positive view on the stock.
Hitech Pipes Ltd	• Hitech is on a strong growth journey led by structural demand drivers like low per capital domestic steel pipes consumption, infrastructure investments over next five years, government schemes like Jal Jeevan Mission, etc. The company's capacity expansion plans over the medium to long term without leveraging balance sheet is expected to capture the huge growth potential for the domestic steel pipe industry. Hitech Pipes, is among the top five pipe manufacturing companies in India with a 5.8 lakh TPA capacity that has grown by 3.2x over FY2015-FY2021. The company is expanding its capacity to 7.5 lakh TPA in FY2024; while by mid-FY2026, it is targeting to reach 10 lakh TPA capacity. The company's capacity expansion plans over the medium to long term without leveraging the balance sheet are expected to capture the huge growth potential for the domestic steel pipe industry.
India bulls Real Estate	• Indiabulls Real Estate (Indiabulls) is slated to merge with the Embassy Group transforming itself to be one of the leading real estate companies in terms of surplus from launched projects, land bank and residential stock+planned area development. The merged entity to have balanced mix of commercial and residential assets providing natural hedge against cyclicality and would be benefiting from the new promoter Mr. Jitendra Virwani, chairman of the Embassy group. The combined entity can potentially realize Rs. 11,000 crore inventory value with spends of just Rs. 201 crore. Additionally, it large land parcels in prime locations such as Mumbai, NCR, Chennai and Nashik which can provide liquidity through monetization.
Inox Wind Ltd	• Inox Wind is a fully integrated wind energy solutions provider in India with a cumulative manufacturing capacity of 1,600 MW. The company is expected to witness turnaround in profitability with improvement in order execution scale and better margin because of tariff stability and better realisation backed by technological improvement. Moreover, focus towards improving the business mix over the next three years would also improve margin and lower working capital cycle going forward.

ISGEC Heavy Engineering Limited

- ISGEC Heavy Engineering Limited is engaged in the manufacture of process plant equipment, mechanical and hydraulic presses, alloy steel and ferrous castings, containers, contract manufacturing and execution of projects for setting up boilers, sugar plants, power plants and air pollution control equipment for customers in India and abroad. The company expects double-digit revenue growth and expects margin improvement in FY2024, as high-margin orders get executed. Order inflow was strong at Rs. 2,482 crore/Rs. 6,600 crore for Q4FY2023/FY2023 and order backlog stands at Rs. 8,321 crore (up 13.6% y-o-y/7.3% q-o-q). Order pipeline in sugar, distilleries, ethanol, cement, metal, oil and gas is robust. However, conversion of enquiry into orders has been low in overseas markets. The company plans to commission Philippines ethanol plant by Q2FY2024-end. The prospects of ethanol business are promising in this geography. ISGEC's performance has seen a remarkable improvement in the last two quarters, driven by the execution of high-margin projects and a decline in commodity prices from peak levels. Further, new orders are being taken at better margins, which should lead to better OPMs in the long term. We have built in a Revenue/PAT CAGR of ~13%/~23% (FY23-FY25E) and we change our stance to Positive from Neutral.

Jupiter Wagons Ltd

- JWL will be beneficiary of much needed capital expenditure by railway in wagon procurement. The company is also increasing its wagon manufacturing capacity to cater to increased demand by railway as well as private players. Company is focused on growing its leadership position by the introduction of new products through R&D. The company has decent order book which will lead to decent financial performance over next few years. JWL has a robust balance sheet with low net debt balance of Rs. 120 crores and decent debt/equity ratio of 0.36 as on 31st March 2023. Company can fund capex requirements from internal accruals and QIP, with little need for increased debt.

KIRLOSKAR BROTHERS LTD.

- Kirloskar Brothers Limited (KBL), one of the largest players in the domestic pumps industry, is in a transformation phase, boosted by strong underlying demand from key industries, turnaround of the overseas business, and expansion of its services portfolio. The company is successfully leveraging its brand and presence in multiple industries to gain from recovery in key overseas markets. On the domestic front, a favorable demand environment from irrigation, water management, power, building and construction, industrials, and oil and gas among others bodes well for its future growth. Prudent reduction in exposure to low-margin and working capital-intensive EPC business has improved working capital cycle and cash flows. We believe declining commodity prices, improvement in global supply chain, sustained earnings recovery in the international business, and increasing share of services would lead to remarkable growth in margins and earnings. KBL has low leverage, short working capital cycle, and improving cash flows. We have a positive view on the stock.

KSB Limited

- Consolidated Q1CY23 numbers were a mixed bag as operating and net profit lagged estimates despite healthy sales in the pumps segment. Order intake for the quarter was Rs. 676 crore, the highest ever order intake in the conventional business and order book stood at ~Rs. 2,500-2,600 crore. KSB aims to grow market share in high growth sectors such as oil & gas, solar, railways and other emerging and fast-growing sectors through expansion of its product portfolio. Acquisition of Bharat Pumps would help broaden its clientele and product offerings and scale up its aftermarket segment. The company's efforts in increasing its dealers network (adding 100 dealers per annum, over 1,000 dealers currently), improving its aftermarket segment through 'SupremeServ' and enhancement of product portfolio should help it achieve the next leg of growth through market share gains. KSB boasts of a strong parentage, good execution capabilities, healthy balance sheet, robust cash flows and short working capital cycle. We expect Sales/PAT CAGR of ~20%/~27% (CY23-CY24). Therefore, we have a positive view on the stock.

Kirloskar Oil Engines Ltd.

- KOEL is the flagship company of the Kirloskar Group, one of India's largest engineering conglomerates. It is one of the world's largest generating set manufacturers, specialising in manufacturing of both air-cooled and water-cooled engines (2.5HP to 740HP) and diesel generating sets. The new appointments at the top management level is a step towards stability in the leadership team and pursuing its future growth trajectory. Further, strong growth levers in the core business as well as subsidiaries give us confidence in its long-term prospects. Cumulative price hikes in last one year across products should be able to cover commodity inflation. This coupled with higher volumes would lead to increase in profit margins. Implementation and its readiness for CPCB-IV plus norms, product launches, entry into allied businesses through its subsidiary, ramp up in exports and stability at the top level management would fuel the company's next lag of growth.

Lemon Tree Hotels

- Indian hotel industry upcycle is expected to last for the next 4-5 years with room demand expected to stay ahead of room supply, which is a key difference compared to previous upcycle. LTHL with expanding room inventory will be key beneficiary of the upcycle and would see sustained improvement in the occupancies and ARRs in the coming years. LTHL is one of the strongest brand in the mid-market segment with 17% market share in India. With strong expansion plan focusing on asset-light model, LTHL is on strong footing to achieve strong revenue and EBIDTA growth of 22% and 40%+, respectively, over FY2023-25E. Consistent improvement in profitability will drive cash flows, which will help in strengthening balance sheet and return profile in the coming years.

Chalet Hotels

- Chalet Hotels' portfolio comprises nine fully-operational hotels representing 2,802 keys, across mainstream and luxury segments, and commercial spaces, representing 1.2 million sq. ft. in close proximity to the hospitality assets. Chalet Hotels with its strong portfolio of nine high-end branded hotels and commercial property, which are strategically located in high density business districts, is well poised to deliver strong growth in the coming years driven by industry tailwinds and robust development pipeline. Ongoing G-20 summit, sports event such as IPL-2023 and cricket world cup and expected full recovery in foreign tourist arrival will drive hotel business revenue in the coming years. With expected asset sweating, cash flows will improve and take care of capex requirement and pair off some debt which will lead to consistent improvement in return profile (RoE/RoCE to improve to 20.4%/14.7% in FY25E vs. 9.9%/5.5% in FY23).

Macrotech Developers Ltd

- Macrotech Developers (Lodha) has outpaced industry peers in terms of sales during FY2014-FY2023 positioning itself in the league of large residential property developers. The company has also been the second-largest player in terms of deliveries showcasing strong execution capabilities on a larger scale. The company targets pre-sales growth of 20% y-o-y for FY2024 and aims to reach Rs. 21,000 crore by FY2026 (at a 20% CAGR). Embedded EBITDA margin is expected to moderate to 30% in FY2024 from 32% in FY2023 owing to higher contribution from JD projects. The company has increased its RoE target to ~20% for FY2024 from ~17% in FY2023. Management has given moderate operating cash flow target of Rs. 6,000 crore (Rs. 5,660 crore in FY2023), as it would own (rather than sell) annuity assets. Management targets annuity income of Rs. 500 crore per annum by FY2026 and Rs. 1,500 crore p.a. by the end of the decade. It has also given net debt target of below 1x OCF and 0.5x net debt/equity for FY2024.

CIE Automotive India Ltd

- We believe that Mahindra CIE (MACA) is best fit to benefit from a continuous uptick in the Indian automobile market and consolidation in European industry. In our view, a (1) gradual recovery in the European market (2) hiving-off of truck forging business (3) consolidation in the industry (4) focus on high margin PV forging business (5) a strong order book including EV orders and (6) correction in energy prices would augur well for MACA in delivering profitable growth in the coming year. Similarly (1) similarly strong order book (2) increases in wallet share with customers and judicious capacity build-up would drive its Indian business. We believe that MACA would play a strategic role in CIE group's overall growth journey in the Asian region, given MACA is aiming to match its financial performance in line with CIE group's financial standards. The sustainable volume growth and an uptick in EBITDA margin trajectory would turn into re-rating of the stock. We continue to maintain our positive view on the stock.

Metropolis Healthcare Ltd

- Metropolis expects turbulence in the near term after a strong performance in the recent past, benefiting from COVID led opportunities. Increasing competition with new players entering the diagnostics space (leading to possibly margin pressures), normalization in test volumes (as the share of covid tests reduces) and slower than expected pick up in the government business are the key factors that would slow down the growth in the near term, hence FY23 is expected to be a year of normalization for Metropolis. Over the long term, management's thrust to grow the lucrative B2C segment, expand the network and leverage the digital platform would be key growth drivers for Metropolis. Q1FY23 results were disappointing marred by weak topline as well as weak operating performance, due to higher costs and adverse mix which resulted in a sharp drop in margins. Further though there are apparent near term challenges, the long term growth levers are intact.

Oberoi Realty

- Oberoi Realty has unsold inventory in completed and ongoing residential projects worth ~Rs. 17,000 crore, providing the company a strong growth opportunity to cash in the rising demand in the residential segment in the MMR. Oberoi Realty is constructing retail (Borivali Mall), office (Commerz III, Borivali commercial), and hotels (Ritz Carlton, Borivali Hotel), which is expected to be operational by FY2024 and start contributing to revenues. Increased occupancy rates at existing office assets along with new projects getting operational would increase its rental income by more than three times in FY2025. Unleveraged balance sheet, redevelopment project venture, and monetisable annuity portfolio provide value creation avenues for future.

Phillips Carbon Black Limited

- A structural driver for higher carbon black demand led by revival in the domestic tyre industry is expected to drive strong volume growth for PCBL over FY2024E-FY2025E. Volume growth would provide operating leverage, while rise in share of specialty carbon black (fetching a 3x-3.5x higher margin versus traditional tyre industry) would mean sustained high margin. PCBL is well-placed to benefit from improving tyre demand as the company is undertaking Greenfield capacity expansion of 150 kt at its Palej plant in Gujarat.

Prestige Estates Projects Ltd	• Prestige Estate Projects (Prestige) enjoys a strong brand image in South India with its presence across residential, office, retail and hospitality segments. Since 1986, it has forayed into the top 12 markets in India, completing 255 projects spanning 144 msf. Currently, the company has a pipeline of 92 projects across 165 msf across business verticals. The company's residential portfolio has a project pipeline of 41 msf, while its rental income from office and retail segments is expected to rise by 10x by FY2028. The hospitality business is slated to double its rental income. The company has a land bank with 24 msf development potential.
Puravankara	• Puravakara has built a strong launch pipeline of 16 MSF developable areas till FY2024. It is confident of achieving a 90-95% mark for launches, given 70% of projects have received approvals and are either RERA registered or in the process of RERA registration. It has liquidated its inventory and de-leveraged its balance sheet over the past 3-4 years. The company has re-entered the Mumbai market and is planning for further launches going ahead, which would provide a healthy value proposition. Further, it is scouting for investors to build a commercial platform which would provide a steady revenue stream in future. The company has a huge paid-up land bank which would aid in providing sustainable growth going ahead.
Shoppers Stop Limited	• SSL operates 98 department stores, 7 premium home concept stores, 146 Specialty Beauty stores, 3 Intune stores and 22 Airport doors, occupying area of 3.9 million sq. ft. With a new CEO at the helm, SSL is focusing on gaining its lost ground in the next two to three years. Higher sales from private labels, repeat sales from First citizen customers and new store addition with lower store size (25,000-30,000 sq.ft) will help the company to achieve strong revenue growth with improved footfalls in the coming years. This along with the cost saving initiatives would help the profitability to substantially improve by FY2025. With strategies in place, revenue and PAT are expected to report a CAGR of 13% and 40%, respectively, over FY2023-FY2025E.
Sobha Ltd	• Sobha has a saleable area pipeline of 25.59 msf comprising forthcoming launches of 12.11 msf of new residential projects and 13.04 msf of the unsold area comprising both released/unreleased for sale in ongoing projects and 0.44msf of the unsold area in completed projects. Sobha has diversified into other cities (like Gurugram, GIFT City in Gujarat) which will help reduce its dependence on Bangalore. The company estimates Rs. 6,382 crore of ositive cumulative cash flows from its completed unsold inventory and ongoing projects aggregating 43.88 msf We expect Sobha to benefit from higher launches, timely execution, and improving sentiments in real estate led by government efforts.
Sunteck Realty	• Sunteck Realty has a strong sustainable growth potential over the near to long term with strong foundations built across key regions and across income groups in the lucrative MMR market. Its completed and ongoing project portfolio offer near to medium net operating surplus generation at minimal expenditure. The company has underperformed its sector peers with slow pace of monetization of ready BKC assets being a key hangover. However, it remains committed in expediting sales at BKC. We believe traction in BKC sales and high sales rowth in newly built key regions in MMR provide strong re-rating trigger for the company.
S. P. APPARELS LIMITED	• SP Apparels (SPAL) key strengths are stringent quality compliance, superior in-house product development (operating 26 facilities with close proximity to raw material supply and skilled labour) and strong relationship with international retailers. Garment business is expected to grow at ~17% CAGR over FY2023-25 led by strong export demand and higher capacity utilisation. The EBITDA margin is expected to improve to 18% by FY2025 from 13% in FY2023. Improving growth prospects in the garment business and strengthening of balance sheet with reduction in debt will be key re-rating triggers for the stock. Hiving of underperforming retail business would act as an additional trigger for the stock.
Symphony Limited	• Symphony is India's largest maker of air coolers, with 50% value share in the organised market. It boasts of a strong brand equity (commands 10-12% pricing premium over competitors), superior product portfolio and a pan-India presence with deep distribution network. However, subdued performance of the overseas business and a weak outlook for subsidiaries is a key concern. We like Symphony's high brand equity, superior product portfolio and pan-India presence with deep distribution network. The India business sales declined in Q1FY24 due to unfavourable weather conditions. On the positive side, its overseas business has recovered from the lows of Q4FY23 and performed better than expectations with sustained profitability on y-o-y basis. However, from current valuation, we see a limited upside and have a Neutral view on the stock.
Varun Beverages Ltd	• VBL the largest beverage company in India having a strategic association with PepsiCo accounting for 90% (from 47% in CY2017) its beverage sales in India. With strong alliance with PepsiCo the company secured large share in the domestic market and also expanded its reach in key African markets such as Morroco, Zimbabwe and Zambia and South Asian market such as Sri Lanka. Strong expansion in the new acquired territories in the southern and western part of India, higher growth in emerging categories such as energy drink, and sustained growth in the international market would help VBL's revenues to grow at CAGR of 21% (~14-15% volume growth) during CY2022-CY2024E. EBITA margins would remain at around 22-22.5% and earnings to delivers solid CAGR of 30% over CY22-24E.
VST Tillers and Tractors Ltd	• VST is expected to remain a dominant player in the tiller segment and has been looking to expand its presence in the tractor segment. We believe that its entry in the premium tractor segment via VST – Zetor and expansion in the northern market would help it in broaden its addressable market in long term. Post reporting below expected operating performance while management continue to expect healthy topline growth in FY24E but guided that its EBITDA margin would remain lower than its targeted range of 12-15% due to higher marketing expenses. The company envisages higher than normal marketing expenses in coming quarters as it is aiming to expand in the northern markets. We maintain our Neutral view on the stock
Grauer & Weil Ltd	• Growel's vision is to be in the Top 2 players across its businesses and be a predominant global player in Surface Finishing. Company is focused on growing its leadership position by the introduction of new products through R&D. They are expanding the paints capacity and trying to grow the decorative paints business. The order book of the Engineering division is healthy and has performed even during recessionary trends in the capital goods industry. Management's decision to revisit the company's FY19 plan to double the mall space could be potential earnings trigger. Growel has a robust balance sheet with high net cash balance of Rs. 233 crores and negligible debt/equity ratio of 0.04 as on 31st March 2022. Company can fund capex requirements from internal accruals and also has the potential to comfortably raise debt in the future without impacting the gearing ratios.
Gravita India Ltd	• Gravita India is expected to be beneficiary of the government latest regulation on battery waste management as the same would result in strong double digit volume growth for its India lead sales volume. Moreover, the company is implementing sizable capacity expansion plans for existing recycling verticals in India as well as in overseas business. Focus to diversify into new recycling vertical i.e. rubber, copper, paper, e-waste and lithium is expected to stream new business stream and would support to achieve management 2027 target 25%+/35%+ revenue/PAT CAGR along with 25% RoCE.
Gujarat Fluorochemicals Ltd	• GFL has planned capex of Rs. 1,500 crores for FY24 (post high capex of Rs1,349 crore in FY23), which would largely spent towards new fluoropolymers, PTFE and battery chemicals. The company's focus on new age verticals with application in EV battery, solar panel and green hydrogen provides exponential growth opportunities and is expected to drive next leg of earnings growth for GFL. The company's also addressing investor concern on related party transaction. The stock is available at discount to peers despite superior earning and return ratios.
Mold-Tek Packaging	• MTPL has the ability to launch new products by adopting advanced technologies. Higher order inflow in paints and lubes segment and recovery in demand in food and FMCG segment will support volume growth over FY23-FY25. To tap healthy demand from end-user industries, the company plans to expand it's a capacity by 56% to 70 ktpa over next couple of years. The stable growth in existing segments and foray into pharma OTC would drive sustained higher volume growth. The share of high margin F&F/Pharma segment is expected to increase in the company years and drive strong improvement in margin. The company's balance sheet is also lean with low net debt/equity of just 0.1x and generates decent cash flows from operations.
Mrs Bectors Food Specialities	• MBFSL is one of the leading companies in the premium and mid-premium biscuits segment and the premium bakery segment in North India. The company's strategies hinges towards achieving consistent double-digit earnings growth focusing on multiple levers such as enhancing capacities to prepare the Company for future growth opportunities, transforming its selling and distribution infrastructure to extend its geographic presence, expanding the distribution reach and strengthening leadership team to re-charge the organisation and take it to the next level of growth in the coming years. This should help MBFSL to achieve consistent double digit revenue growth while OPM is likely to improve close to 15% by FY25 from 12.4% in FY2022 (earnings to grow at CAGR of 30% over FY2023-25E).
Welspun Corp	• Welspun Corp's strong order book provides revenue growth visibility and ramp up existing line pipe and new businesses (DI pipes, TMT bars and specialty steel) would drive significant earnings growth over FY24E25E. Inorganic growth (acquisition of ABG and Sintex) provide opportunity to diversify into new business avenues of shipbuilding, offshore oil & gas structures and plastics. The company's FY24 revenue/EBITDA/ RoCE guidance of Rs. 15,000 crore/ Rs. 1,500 crore/16% and improve DJSI ESG rating to 60+ is impressive. Valuation is attractive considering strong growth and likely improvement in return ratios over FY24E-25E.

Sharekhan

by BNP PARIBAS

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