

India Morning Roundup

April 10, 2024

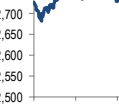
Contents

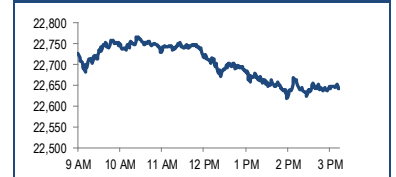
- **Gold Loan NBFCs- NBFC | Sector Update- Multiple sector tailwinds puts spotlight back on Gold NBFCs:**

Key Points

- As mentioned in our in-depth coverage on [gold finance sector](#) dated January 16, 2024 and subsequent updates, the multiple sector tailwinds in the form of increasing gold prices, some reduction in competitive intensity from banks post COVID and regulatory interventions in Unsecured/Gold Loan segments have brought the focus back on Muthoot Finance Ltd (MFL) and Manappuram Finance Ltd (MGFL), which are likely to benefit in terms of growth and profitability going ahead, considering their leadership position in the industry.
- In terms of our pecking order in Gold Loan NBFCs, we are positive on Muthoot Finance because of its strong customer acquisition and retention measures, entry into new geographies and customer segments, economies of scale with low cost to avg. asset ratio of 3% and growth based on strong internal accruals (CAR at 30.9%). We have raised our earnings estimates for FY24E, FY25E and FY26E by 0.9%, 9.8% and 10.8%, respectively on expectation of 16.8% CAGR in Gold Loans during the 2.25 year period between 3QFY24 and FY26E (on assumption of 10.5% CAGR in 22 carat gold prices, 5% CAGR in overall tonnage and 5.7% CAGR in client addition), some improvement in spreads and benign credit costs. We maintain a 'BUY' rating on Muthoot Finance with a revised target price (TP) of Rs1,927 (valued at 2.5x FY26E ABV + subsidiary value of Rs76.3/share) as against Rs1,702 earlier (valued at 2.4x Dec. 2025E ABV + subsidiary value of Rs69.8/share).
- In case of MGFL, besides growth being back in its core business, we are positive about its growth potential as a diversified lender. However, its re-rating hinges on timely execution of its diversification plans and RBI giving approval for the addition of gold loan branches in future. We have raised our earnings estimates for FY24E, FY25E and FY26E by 0.5%, 4.5% and 5.7%, respectively on expectation of 14.9% AUM CAGR in Gold Loan AUM during the 2.25 year period between 3QFY24 and FY26E (on assumption of 10.5% CAGR in 22 carat gold prices, 2.9% CAGR in overall tonnage and 2% CAGR in client addition). We maintain a 'BUY' rating on MGFL a revised TP of Rs233 (valued at 1.2x FY26E ABV + subs. value of Rs60.3/share) as against Rs223 earlier (1.2x Dec. 2025E ABV + subs. value of Rs59.9/share).

- **Corporate/Global/Local News**
- **Valuation Of Companies In Our Coverage Universe**

Local Indices				
(Chg %)	Close	Daily	YTD	
BSE Sensex	74,684	(0.1)	3.4	
NSE Nifty	22,643	(0.1)	4.2	
Sectoral Indices				
(Chg %)	Close	Daily	YTD	
CNX Mid-Cap	49,895	(0.3)	8.0	
CNX Bank Nifty Index	48,731	0.3	0.9	
CNX Metal Index	8,894	1.1	11.5	
CNX FMCG Index	53,629	(0.6)	(5.9)	
CNX Infrastructure Index	8,434	(0.3)	15.5	
CNX Auto Index	21,999	(0.3)	18.2	
CNX Pharma Index	19,182	(0.2)	14.0	
CNX Energy Index	39,693	(0.6)	18.6	
CNX IT Index	35,079	0.0	(1.2)	
World Indices				
Dow Jones	38,884	(0.0)	3.2	
S & P 500	5,210	0.1	9.2	
FTSE 100	7,935	(0.1)	2.6	
Nasdaq	16,307	0.3	8.6	
Hang Seng	16,959	0.8	(0.5)	
Shanghai Comp	3,039	(0.3)	2.2	
Net Investment				
	10-Apr	1M	3M	
Fills (US\$m)	(117.2)	(26.7)	212.7	
MFs (US\$m)	9.3	386.1	(162.4)	
DII turnover (Rsmn)	3,470.5	2,601.8	104.2	
Volume				
	10-Apr	US\$bn	Chg%	
Cash (NSE + BSE)	4.1	4.1	(16.2)	
F&O (net)	15.3	15.3	(10.9)	
Forex/Money Markets				
	10-Apr	1 D	1 M	3M
Rs/US\$	83.3	83.3	82.8	83.1
Rs/EUR	90.2	90.3	90.3	90.9
Rs/GBP	105.6	105.2	106.3	105.8
10 yr G-Sec	7.2	7.1	7.0	7.2
Call Money	6.1	6.2	5.8	6.9
Commodities & others				
	10-Apr	1 D	1 M	3 M
Gold (US\$/ounce)	2,350	2,345	2,180	2,024
Brent Crude (US\$)	90	89	82	76
Aluminium (US\$)	2,460	2,461	2,240	2,250
Copper (US\$/mt)	9,418	9,412	8,580	8,370
				



Please refer to the disclaimer towards the end of the document.

- **Construction Sector- 4QFY24 Result Preview- Quarter marked by strong execution; but weak project awarding continues:**

Key Points

- FY24 saw a slowdown in Construction sector project awards due to policy guidelines and general elections impacting awarding until March'24 (3,000km vs. 6,003km in FY23).
- Low project awarding has impacted order inflows for road construction companies. However, we expect awarding activity to strongly pick up post general elections.
- Construction industry is expected to maintain buoyancy, driven by: (a) Bharatmala & Sagarmala Pariyojana (b) Atal Mission for Rejuvenation & Urban Transformation (c) Jal Jeevan Mission (d) PM Gati Shakti Plan and (e) The government's spending on infrastructure development.
- Easing of raw material and commodity costs to improve margins YoY in 4QFY24.
- Key focus of companies will remain on orderbook diversification in Non-road segments.
- Enhanced execution capabilities by companies will support Revenue/EBITDA/PAT growth of 8.6%/15.6%/14.7% YoY for our coverage universe.

- **Consumer Durables- 4QFY24 Result Preview- Southern India to drive Cooling Products growth:**

Key Points

- For our coverage universe, we expect a topline growth of 19.6% YoY with a flattish EBITDA margin movement (21bps fall YoY).
- *Consumer Durables (CD)*: We expect a topline growth of 28.7% YoY, mainly led by Dixon's Mobile category and RAC players.
- *Consumer Electricals (CE)*: We expect a topline growth of 10.3% YoY. Healthy growth in Wires & Cables (W&C) is expected to be offset by tepid growth in Consumer Lighting.
- *Margins*: While CD is expected to post 11bps YoY margin expansion, CE is expected to post 18bps YoY margin contraction. While easing RM costs, benefits of backward integration and higher contribution from premium products are expected to improve margins, higher ad-spend is expected to keep margin expansion in check.

- **NBFC Sector- 4QFY24 Result Preview- Strong growth momentum; Continued pressure on NIMs:**

Key Points

- While growth in Unsecured Loans has tapered off, we expect covered NBFCs to deliver strong loan growth, driven by Housing/LAP segments, Used Vehicle Finance and Diversified portfolio. We reiterate Shriram Finance and Aavas Financiers as our top 'buys' in this space.
- While growth in the Used CV portfolio is expected to support margins for CV Financiers, rating upgrades and NHB refinance will help control the cost of borrowings for HFCs. Opex is likely to remain elevated.
- While the asset quality environment remains benign, we expect certain pockets of stress in CV Finance, Tractor Finance and Fintech Lending.
- In our view, following will be the key monitorables from 4QFY24 results of NBFCs – (1) Growth guidance, especially for FY25/FY26 (2) NIM movement in subsequent quarters (3) Asset quality and Collection Efficiency (CE) trends.

- **Oil & Gas Sector- 4QFY24 Result Preview- Gas stocks led by GAIL to steal the show:**

Key Points

- **GAIL leads by far with 4.6x surge in 4QFY24 PAT** based on improved operations, growth in volume, higher transmission tariff and the massive surge in Gas Marketing segment earnings. The surge is also due to the beaten down 4QFY23 base, which was hit by shortage of APM and Term gas that had forced GAIL to source more expensive Spot LNG and reduce its Petchem utilisation.
- **OMCs are likely to show muted earnings.** HPCL is likely to show a modest PAT growth of 3.2% YoY in 4QFY24, while BPCL/IOC will likely report 16.7%/10.1% YoY decline in PAT.
- We expect the YoY decline in GRMs from the highs a year ago to dent the earnings of BPCL/IOC. For HPCL, the lower GRMs are offset by 17.7% YoY growth in Refining throughput, driven by 50%+ rise in Vizag, and improved Marketing EBITDA/te. The increase in unit marketing margin favours HPCL vs other two OMCs, as HPCL sources more from outside for its Marketing business. The Rs2/litre cut in MS/HD pump price on March'15, 2024 (the first change since April'6, 2022), has also clipped our 4QFY24E PAT for OMCs by ~4-7%.
- In gas stocks, ex-GAIL, we expect PLNG/GSPL/MGL/IGL to report YoY PAT growth of 49.8%/20.7%/10.0%/5.8%. But, GGL will likely buck the trend and report 42.7% YoY decline in PAT.
- MGL is set to outpace IGL/GGL, albeit with a modest PAT growth, driven by volume growth, mild gains in EBITDA/scm and lower gas cost. The latter is aided by higher APM gas supply (despite the arbitrary 10% cut in sector allocation in Dec'23), and the lower cost of APM gas/LNG. We expect GGL to enjoy volume growth on the back of higher sales in Morbi, aided by lower LNG prices. This will likely hurt margins due to higher share of the low margin Industrial PNG at 59.5% in 4QFY24. GSPL will see earnings growth on the back of 22.1% YoY volume growth, aided by lower gas prices and surge in the Power segment.

Corporate News

- **ICICI Lombard General Insurance** has entered into a partnership with Policybazaar, promising accessible insurance solutions for Indian consumers.
- **Maruti Suzuki India** has commissioned another vehicle assembly line at its Manesar facility. This assembly line has been added to the existing Plant-A of the 3 manufacturing plants at Manesar.
- **Organic Recycling System** has entered into a MoU with Sardar Swaran Singh National Institute of Bio-Energy, Kapurthala to collaborate on sustainable technology development.
- **Lupin** has received approval from the US Food and Drug Administration to market Valbenazine Capsules in strength of 40 mg and 80 mg.
- **Dixon Technologies (India)** has entered into a share purchase agreement with Ismartu Singapore, Transsion Technology, 5A advisors LLP and Ismartu India for proposed acquisition of majority stake constituting 50.10% and further acquisitions in tranches in Ismartu.
- **Dilip Buildcon** has been declared as L-1 bidder for the tender floated by the Haryana Rail Infrastructure Development Corporation on EPC mode in the state of Haryana.
- **JTL Industries** has strategically acquired a controlling stake of 67% in Nabha Steels and Metals, situated in Mandi Gobindgarh, Punjab. This grants JTL ownership of an advanced steel product manufacturing facility.
- **Strides Pharma Science's** WoS- Strides Pharma Global, Singapore, has received approval for Fluoxetine Tabs 10 mg and 20 mg, from the USFDA.
- **Godrej Consumer Products' India** organic business witnessed strong volume growth in 4QFY24 at high-single digit with growth being broad-based across both Home Care and Personal Care.
- **Exide Industries** said it has acquired a 26% equity stake in Clean Max Arcadia Private Ltd for Rs 53.4 mn.

Global/Local News

- EY said that nearly 50 per cent of government and public service organisations in India are set to implement their first generative artificial intelligence solution within one year.
- Craftsman Automation, a Coimbatore-based engineering and manufacturing company, is setting up a new green field plant in RIICO Industrial Area Salarpur in Rajasthan.
- The state governments of Maharashtra and Gujarat have extended lucrative land offers to Tesla for establishment of an EV manufacturing plant.
- IndusInd International Holdings has entered into an agreement to acquire 60 per cent stake in Invesco Asset Management India.
- The government of India has sets up a panel to monitor thermal power capacity additions. The 8-member TPMG will be headed by CEA member (Thermal). The members also include a Chief Engineer or higher-level officer from the CEA.

Gold Loan NBFCs

NBFC | Sector Update

April 9, 2024

Multiple sector tailwinds puts spotlight back on Gold NBFCs

Key Points

- As mentioned in our in-depth coverage on [gold finance sector](#) dated January 16, 2024 and subsequent updates, the multiple sector tailwinds in the form of increasing gold prices, some reduction in competitive intensity from banks post COVID and regulatory interventions in Unsecured/Gold Loan segments have brought the focus back on Muthoot Finance Ltd (MFL) and Manappuram Finance Ltd (MGFL), which are likely to benefit in terms of growth and profitability going ahead, considering their leadership position in the industry.
- In terms of our pecking order in Gold Loan NBFCs, we are positive on Muthoot Finance because of its strong customer acquisition and retention measures, entry into new geographies and customer segments, economies of scale with low cost to avg. asset ratio of 3% and growth based on strong internal accruals (CAR at 30.9%). We have raised our earnings estimates for FY24E, FY25E and FY26E by 0.9%, 9.8% and 10.8%, respectively on expectation of 16.8% CAGR in Gold Loans during the 2.25 year period between 3QFY24 and FY26E (on assumption of 10.5% CAGR in 22 carat gold prices, 5% CAGR in overall tonnage and 5.7% CAGR in client addition), some improvement in spreads and benign credit costs. We maintain a 'BUY' rating on Muthoot Finance with a revised target price (TP) of Rs1,927 (valued at 2.5x FY26E ABV + subsidiary value of Rs76.3/share) as against Rs1,702 earlier (valued at 2.4x Dec. 2025E ABV + subsidiary value of Rs69.8/share).
- In case of MGFL, besides growth being back in its core business, we are positive about its growth potential as a diversified lender. However, its re-rating hinges on timely execution of its diversification plans and RBI giving approval for the addition of gold loan branches in future. We have raised our earnings estimates for FY24E, FY25E and FY26E by 0.5%, 4.5% and 5.7%, respectively on expectation of 14.9% AUM CAGR in Gold Loan AUM during the 2.25 year period between 3QFY24 and FY26E (on assumption of 10.5% CAGR in 22 carat gold prices, 2.9% CAGR in overall tonnage and 2% CAGR in client addition). We maintain a 'BUY' rating on MGFL a revised TP of Rs233 (valued at 1.2x FY26E ABV + subs. value of Rs60.3/share) as against Rs223 earlier (1.2x Dec. 2025E ABV + subs. value of Rs59.9/share).

Company	CMP (Rs)	TP (Rs)	Rating
Muthoot Finance Ltd	1,676	1,927	Buy
Manappuram Finance Ltd	196	233	Buy

Key Links-

[Gold Finance Sector Thematic Report](#)

[3QFY24 Result Review Note-Muthoot Finance](#)

[3QFY24 Result Review Note-Manappuram Finance](#)

[Investor's Conference Note-Manappuram Finance](#)

Safe haven status of gold augurs well for Gold Financiers: As per its [Outlook 2024](#) dated Dec. 7, 2024, the World Gold Council (WGC) had projected 'a stable to rising trend' for gold prices for CY24. Gold prices have rallied by 12.8% since January 2024 and taking into account the overall macro scenario, the following factors are expected to provide further support to gold prices: (1) Elections in various parts of the world in CY24 and geopolitics to add to economic uncertainty (2) In order to diversify their reserves, leading central banks globally are buying gold with [RBI leading the pack](#).

This 'safe haven asset' status of gold augurs well for the business models of Gold Financiers for two reasons: (1) Better AUM growth during times of rising gold prices (2) It's a segment with lowest Loss Given Default (LGD) at 2-13%. The delinquency rates in the Gold Loan segment are also lower since the sentiments attached to gold jewellery they own, the customers tend to make their repayments on time.

Please refer to the disclaimer towards the end of the document.

Some reduction in competitive intensity bringing back Gold Loan NBFCs in limelight: Based on our management interactions and recent channel checks in Kerala / Mumbai, our conclusion is that market potential for Gold Loans to grow is huge with enough space for different categories of lenders to co-exist in a profitable manner. Banks are competing in the segment by offering lower rates to ETB customers in higher ticket sizes from a cross-selling perspective and the activity is higher in Agri Gold Loans, which qualify for PSL. For banks, Gold Loan is not a single focus area and their unit-economics don't support faster expansion in the segment. Gold Loan NBFCs compete on TAT as low as 5-15min, service levels and ease of processing. NBFCs have been able to support their gold AUM growth on the back of high customer retention ratios of 70-80%, focus on higher yielding lower ticket sizes of Rs50,000-100,000 and network expansion/local level campaigns. A leading NBFC's branch we visited in Kerala was able to get customers transferred from banks in that area, with ticket sizes in range of Rs 0.1-0.3mn.

Impact of recent regulatory interventions in unsecured/gold loan segments: As per our channel checks, we also anticipate a minor shift from unsecured personal loans / credit cards to Gold Loans, which will benefit all category of lenders in the segment. Further, with recent restrictions placed on one NBFC on its Gold Loan business, leading NBFCs / Banks in the segment are likely to benefit in terms of some shift in market share to the latter. As per our discussions with managements, the RBI conducts an inspection of all lenders annually where besides financials all other important data is also looked at. So far, no major deviation has been detected in case of leading lenders.

High RoA businesses funded by internal accruals: In case of Muthoot Finance and MGFL, we also observe that their present growth is being funded by internal accruals (not raised equity capital for over a decade) and hence we believe these high RoA businesses deserve better valuations, which we had also demonstrated taking a case study of two capital efficient lenders with a history of rich valuations (HDFC Bank and Sundaram Finance) in our Gold Finance thematic report dated January 16, 2024. After doing a cross-segmental comparison with other mono-line/diversified NBFCs with similar high RoAs trading at higher valuations of 3x-4.5x FY25E ABV, it indicates that Gold Loan NBFCs with RoAs of ~5% are relatively undervalued (1.3x-2.6x FY25E ABV).

Recommendations

Muthoot Finance Ltd: We are positive on Muthoot Finance because of its strong customer acquisition and retention measures, entry into new geographies and customer segments, economies of scale with low cost to avg. asset ratio of 3% in FY23 and growth based on strong internal accruals (CAR at 30.9%). We have raised our earnings estimates for FY24E, FY25E and FY26E by 0.9%, 9.8% and 10.8%, respectively on expectation of 16.8% CAGR in Gold Loan AUM on assumption of 10.5% CAGR in 22 carat gold prices, 5% CAGR in overall tonnage and 5.7% CAGR in client addition during the 2.25 year period between 3QFY24 and FY26E, some improvement in spreads and benign credit costs. We maintain a 'BUY' rating with a revised TP of Rs1,927 (valued at 2.5x FY26E ABV + subsidiary value of Rs 76.3/share) as against Rs1,702 earlier (valued at 2.4x Dec. 2025E ABV + subsidiary value of Rs 69.8/share).

Manappuram Finance Ltd (MGFL): In case of MGFL, besides growth being back in its core business, we are positive about the company's growth potential as a diversified lender. However, in our view, the re-rating of MGFL hinges on two factors: (1) Permission from the RBI in future for the addition of new Gold Loan branches will lead to better growth in the core business. (2) Being on track with diversification plans, timely listing of MFI subsidiary Asirvad Microfinance and its growth going ahead will add value to the parent in the long run.

We have raised our earnings estimates for FY24E, FY25E and FY26E by 0.5%, 4.5% and 5.7%, respectively on expectation of 14.9% AUM CAGR in Gold Loan AUM during the 2.25 year period between 3QFY24 and FY26E on the assumption of 10.5% CAGR in 22 carat gold prices, 2.9% CAGR in overall tonnage and 2% CAGR in client addition. We maintain a 'BUY' rating with a revised TP of Rs233 (valued at 1.2x FY26E ABV + subsidiary value of Rs 60.3/share) as against Rs223 earlier (valued at 1.2x Dec. 2025E ABV + subsidiary value of Rs 59.9/share).

Muthoot Finance

Exhibit 1: Calculation of 2-year forward Adj. Book Value

Particulars	Amount (Rs mn)
March 2026E Network	327,194
Less: March 2026E NNPA	25,617
Less: Cost of Investment in Subsidiaries	9,012
March 2026E Adj. Network	292,565
March 2026E ABV (Rs)	729

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Sum of the parts (SOTP) valuation

Particulars	Primary Business	Stake (%)	Parameter	Amount (Rs mn)	Multiple (x)	Hold Co. Disc. (%)	Value per share (Rs)
Standalone	Gold Loans	Holding Co.	March 2026E Adj. Network	292,565	2.5	-	1,851.0
Muthoot Homefin (India) Limited	Affordable Housing Finance	100.0	March 2026E Network	5,253	1.25	20.0	13.1
Belstar Microfinance Limited	Microfinance	63.9	March 2026E Adj. Network	23,731	1.5	20.0	45.3
Muthoot Money Limited	Vehicle Finance	100.0	March 2026E Network	5,826	1.0	20.0	11.6
Asia Asset Finance PLC	Listed Diversified NBFC in Sri Lanka	72.9	March 2026E Network	1,077	1.0	20.0	1.6
Muthoot Insurance Brokers Private Limited	Insurance Broking	100.0	Trailing 4 Quarters Earnings	475	5.0	20.0	4.7
SOTP Target Price							1,927.3

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Financial summary

Y/E March (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
NII	71,203	66,695	76,611	92,317	105,693
PPOP	54,364	47,270	55,594	68,345	78,311
PAT	39,543	34,735	40,370	49,538	56,912
Loans	593,842	642,649	755,559	912,184	1,023,677
RoA (%)	5.9	4.9	5.1	5.2	5.2
RoE (%)	23.5	17.6	17.8	18.9	18.7
P/ABV	4.0	3.6	3.1	2.6	2.2

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Change in our estimates

	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net interest income (Rsmn)	76,611	92,317	105,693	76,158	85,303	96,755	0.6	8.2	9.2
NIM (%)	11.0	11.1	10.9	11.0	10.7	10.7	-3 bps	37 bps	21 bps
Operating profit (Rsmn)	55,594	68,345	78,311	55,128	62,253	70,952	0.8	9.8	10.4
Profit after tax (Rsmn)	40,370	49,538	56,912	40,023	45,099	51,373	0.9	9.8	10.8
Gold loans (Rsmn)	724,776	876,132	982,539	712,980	814,190	916,292	1.7	7.6	7.2
RoA (%)	5.1	5.2	5.2	5.1	5.0	5.0	-2 bps	25 bps	18 bps
RoE (%)	17.8	18.9	18.7	18.1	18.1	18.0	-27 bps	79 bps	69 bps
ABVPS (Rs)	547	642	751	522	606	700	4.8	5.9	7.4

Source: Company, Nirmal Bang Institutional Equities Research

Manappuram Finance

Exhibit 5: Calculation of Adj. Book Value

Particulars	Amount (Rs mn)
March 2026E Networth	139,385
March 2026E NNPA	6,495
Cost of Investment in Key Subsidiaries	11,386
March 2026E Adj. Networth	121,505

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: SOTP valuation

Particulars	Stake (%)	Parameter	Amount (Rs mn)	Multiple	Holding co. discount (%)	Value per Share (Rs)
Standalone	Holding co.	March 2026E Adj. Networth	121,505	1.2	-	172.3
Asirvad Microfinance	97.6	FY26E Adj. Networth	41,726	1.5	20.0	57.7
Manappuram Home Finance	100.0	FY26E Adj. Networth	2,675	1.0	20.0	2.5
SOTP based Target Price (Rs)						232.5

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Financial summary

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
NII	31,476	32,425	39,139	46,079	53,330
PPOP	18,305	17,514	23,723	28,456	33,070
PAT	13,045	12,663	16,771	20,053	22,734
AUM	227,625	250,593	300,203	359,964	416,336
RoA (%)	5.0	4.5	5.3	5.4	5.2
RoE (%)	17.6	15.0	17.3	17.8	17.5
P/ABV	2.3	1.9	1.7	1.4	1.2

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Change in our estimates

	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net Interest Income (Rs mn)	39,139	46,079	53,330	39,036	44,574	51,258	0.3	3.4	4.0
Operating Profit (Rs mn)	23,723	28,456	33,070	23,617	27,249	31,360	0.4	4.4	5.5
Profit after tax (Rs mn)	16,771	20,053	22,734	16,692	19,192	21,511	0.5	4.5	5.7
AUM (Rs bn)	300	360	416	298	352	406	0.6	2.3	2.5
ABVPS (Rs)	118	136	157	118	135	155	0.1	0.7	1.5

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: One-year forward P/ABV-Muthoot Finance



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: One-year forward P/ABV-Manappuram Finance



Source: Company, Nirmal Bang Institutional Equities Research

Financials-Muthoot Finance

Exhibit 11: Income statement

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Interest income	109,560	103,686	123,845	150,513	172,468
Interest expenses	38,358	36,991	47,235	58,196	66,775
Net interest income	71,203	66,695	76,611	92,317	105,693
Non-interest income	1,424	1,751	2,678	3,278	3,683
Net revenues	72,626	68,446	79,289	95,594	109,376
Operating expenses	18,262	21,177	23,695	27,250	31,065
-Employee Exp	10,302	11,994	13,660	15,709	17,909
-Other Exp	7,960	9,182	10,035	11,540	13,156
Operating profit	54,364	47,270	55,594	68,345	78,311
Provisions	1,270	605	1,395	2,144	2,428
PBT	53,094	46,664	54,198	66,201	75,883
Tax	13,551	11,929	13,829	16,663	18,971
PAT	39,543	34,735	40,370	49,538	56,912

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Balance sheet

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	4,013	4,014	4,015	4,015	4,015
Reserves & surplus	179,432	206,605	238,809	278,311	323,179
Shareholders' funds	183,446	210,619	242,824	282,326	327,194
Borrowings	498,113	497,343	606,771	732,554	822,091
Other liability & provisions	23,989	18,236	18,806	19,569	20,364
Total liabilities	705,547	726,198	868,401	1,034,449	1,169,649
Fixed Assets	3,131	3,392	4,373	4,550	4,735
Investments	13,205	13,169	20,588	21,424	22,294
Loans	593,842	642,649	755,559	912,184	1,023,677
Cash	92,429	64,612	84,921	93,209	115,737
Other assets	2,940	2,377	2,960	3,081	3,206
Total assets	705,547	726,198	868,401	1,034,449	1,169,649

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Dupont Analysis

Y/E March (% to avg. assets)	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	16.3	14.5	15.5	15.8	15.6
Interest Expense	5.7	5.2	5.9	6.1	6.1
Net Interest Income	10.6	9.3	9.6	9.7	9.6
Non-Interest Income	0.2	0.2	0.3	0.3	0.3
Net Revenue	10.8	9.6	9.9	10.0	9.9
Operating expenses	2.7	3.0	3.0	2.9	2.8
Operating profit	8.1	6.6	7.0	7.2	7.1
Provisions	0.2	0.1	0.2	0.2	0.2
PBT	7.9	6.5	6.8	7.0	6.9
Tax	2.0	1.7	1.7	1.8	1.7
ROA	5.9	4.9	5.1	5.2	5.2
Leverage	4.0	3.6	3.5	3.6	3.6
ROE	23.5	17.6	17.8	18.9	18.7

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: Key ratios

Y/E March	FY22	FY23	FY24E	FY25E	FY26E
Growth (%)					
Net interest income	7.3	-6.3	14.9	20.5	14.5
Operating profit	6.6	-13.0	17.6	22.9	14.6
Profit after tax	6.2	-12.2	16.2	22.7	14.9
Gold loans	10.8	7.6	17.1	20.9	12.1
Spreads (%)					
Yield	19.3	16.8	17.7	18.0	17.8
Cost of funds	8.0	7.4	8.6	8.7	8.6
Spread	11.3	9.3	9.2	9.4	9.2
NIM	12.6	10.8	11.0	11.1	10.9
Operational efficiency (%)					
Cost-to-income	25.1	30.9	29.9	28.5	28.4
Cost to avg assets	2.7	3.0	3.0	2.9	2.8
CAR (%)					
Tier I	29.1	31.0	30.6	29.5	29.1
Tier II	0.9	0.8	1.1	1.1	1.0
Total	30.0	31.8	31.7	30.5	30.1
Asset quality (%)					
GNPA (%)	3.0	3.8	3.5	3.2	3.1
NNPA (%)	2.6	3.3	3.1	2.7	2.5
Credit costs (%)	0.2	0.1	0.2	0.3	0.3
Profitability (%)					
ROE	23.5	17.6	17.8	18.9	18.7
ROA	5.9	4.9	5.1	5.2	5.2
Per share (Rs)					
EPS	99	87	101	123	142
BVPS	457	525	605	703	815
ABVPS	418	471	547	642	751
Valuation (x)					
P/E	17.0	19.4	16.7	13.6	11.8
P/BV	3.7	3.2	2.8	2.4	2.1
P/ABV	4.0	3.6	3.1	2.6	2.2

Source: Company, Nirmal Bang Institutional Equities Research

Financials-Manappuram Finance

Exhibit 15: Income statement

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	45,394	47,409	57,526	68,167	78,852
Interest Expense	13,918	14,984	18,387	22,087	25,522
Net Interest Income	31,476	32,425	39,139	46,079	53,330
Non-Interest Income	476	859	1,844	2,225	2,566
Net Revenue	31,952	33,284	40,983	48,305	55,896
Operating expenses	13,647	15,771	17,259	19,848	22,825
Operating profit	18,305	17,514	23,723	28,456	33,070
Provisions	807	451	1,128	1,659	2,689
PBT	17,498	17,063	22,595	26,797	30,381
Tax	4,452	4,401	5,825	6,745	7,647
PAT	13,045	12,663	16,771	20,053	22,734

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 17: Balance sheet

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	1,693	1,693	1,693	1,693	1,693
Reserves & surplus	77,736	88,106	102,651	119,035	137,693
Networth	79,429	89,799	104,344	120,728	139,385
Borrowings	179,260	192,293	229,683	275,406	318,536
Other liability & provisions	11,017	11,283	5,853	6,335	6,858
Total liabilities	269,706	293,375	339,880	402,469	464,779
Fixed Assets	8,839	8,716	8,623	8,973	9,337
Investments	12,155	14,542	17,924	18,821	19,762
Loans	227,197	245,584	291,419	349,432	404,154
Cash	17,585	20,795	17,408	20,367	26,247
Other assets	3,931	3,737	4,506	4,877	5,279
Total assets	269,706	293,375	339,880	402,469	464,779

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Key ratios

Y/E March	FY22	FY23	FY24E	FY25E	FY26E
Growth (%)					
Net interest income	-7.9	3.0	20.7	17.7	15.7
Operating profit	-23.7	-4.3	35.5	20.0	16.2
Profit after tax	-23.2	-2.9	32.4	19.6	13.4
AUM	10.4	10.1	19.8	19.9	15.7
Spreads (%)					
Yield on loans	20.7	20.1	21.4	21.3	20.9
Cost of Borrowings	7.8	8.1	8.7	8.7	8.6
Spread	12.9	12.0	12.7	12.5	12.3
NIMs	14.4	13.7	14.6	14.4	14.2
Operational efficiency (%)					
Cost to Income	42.7	47.4	42.1	41.1	40.8
Cost to AUM	6.3	6.6	6.3	6.0	5.9
CAR (standalone) (%)					
Tier I	31.0	31.7	30.5	30.0	30.3
Tier II	0.3	0.0	0.0	0.0	0.0
Total	31.3	31.7	30.5	30.0	30.3
Asset quality (%)					
GNPA (%)	3.0	1.3	2.0	2.0	2.0
NNPA (%)	2.7	1.1	1.7	1.7	1.6
PCR (%)	10.0	15.4	15.0	17.5	20.0
Credit costs (%)	0.4	0.2	0.4	0.5	0.7
Profitability (%)					
ROE	17.6	15.0	17.3	17.8	17.5
ROA	5.0	4.5	5.3	5.4	5.2
Per share (Rs)					
EPS	15	15	20	24	27
BVPS	94	106	123	143	165
ABVPS	87	103	118	136	157
Valuation (x)					
P/E	12.7	13.1	9.9	8.3	7.3
P/BV	2.1	1.8	1.6	1.4	1.2
P/ABV	2.3	1.9	1.7	1.4	1.2

Source: Company, Nirmal Bang Institutional Equities Research

Rating track-Muthoot Finance

Date	Rating	Market price (Rs)	Target price (Rs)
26 March 2018	Buy	381	471
18 May 2018	Buy	441	485
6 September 2018	Buy	437	514
9 October 2018	Buy	380	501
10 December 2018	Buy	471	547
7 February 2019	Buy	485	558
8 April 2019	Acc	617	653
14 May 2019	Buy	547	670
8 July 2019	Buy	626	721
13 August 2019	Buy	600	720
23 September 2019	Buy	631	858
7 October 2019	Buy	665	874
14 November 2019	Buy	650	877
8 January 2020	Buy	746	879
17 February 2020	Buy	747	909
27 March 2020	Buy	621	884
9 April 2020	Buy	687	884
18 Jun 2020	Buy	1,000	1,173
9 July 2020	Buy	1,085	1,263
20 August 2020	Accumulate	1,256	1,301
23 September 2020	Buy	1,021	1,406
7 October 2020	Buy	1,196	1,422
4 November 2020	Buy	1,190	1,452
26 November 2020	Buy	1,119	1,452
08 January 2021	Buy	1,277	1,495
10 February 2021	Buy	1,186	1,592
21 February 2021	Buy	1,290	1,592
02 June 2021	Buy	1,425	1,735
07 August 2021	Accumulate	1,542	1,747
26 September 2021	Buy	1,505	1,892
9 November 2021	Accumulate	1,659	1,854
28 December 2021	Buy	1,493	1,854
14 February 2022	Buy	1,357	1,804
27 May 2022	Buy	1,144	1,493
14 August 2022	Buy	1,188	1,443
19 September 2022	Buy	1,035	1457
11 November 2022	Buy	1,105	1,451
07 February 2023	Buy	1,011	1,328
22 March 2023	Buy	971	1,283
20 May 2023	Buy	1,035	1,330
12 August 2023	Accumulate	1,350	1,460
10 November 2023	Buy	1,313	1,527
16 January 2024	Buy	1,454	1,722
15 February 2024	Buy	1,380	1,702
09 April 2024	Buy	1,676	1,927

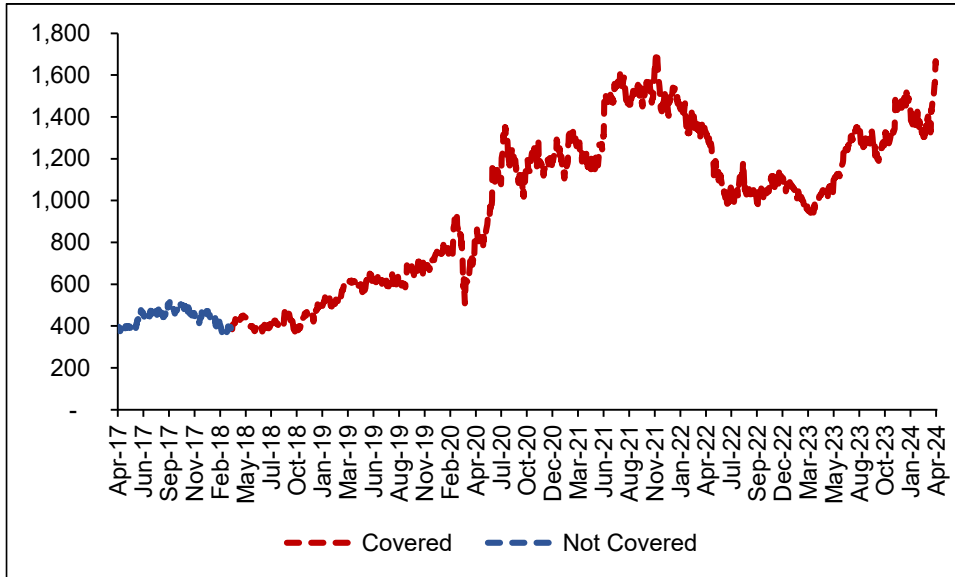
*The coverage has been transferred to Rati J Pandit from July 30, 2023

Rating track-Manappuram Finance

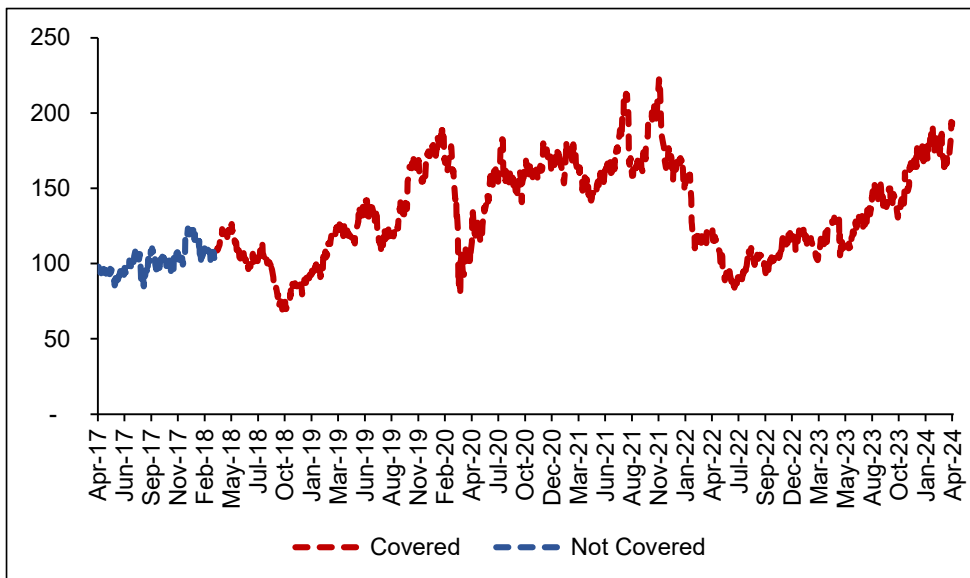
Date	Rating	Market price (Rs)	Target price (Rs)
26 March 2018	Buy	106	128
9 February 2018	Buy	114	133
10 August 2018	Buy	113	142
9 October 2018	Buy	68	103
9 November 2018	Buy	83	112
7 February 2019	Buy	97	127
8 April 2019	Buy	121	141
15 April 2019	Buy	127	154
16 May 2019	Buy	121	157
8 July 2019	Buy	136	170
14 August 2019	Buy	116	153
23 September 2019	Buy	127	174
7 October 2019	Buy	133	173
7 November 2019	Buy	168	193
8 January 2020	Buy	176	207
29 January 2020	Buy	189	218
27 March 2020	Buy	108	149
2 April 2020	Buy	92	149
9 April 2020	Buy	108	149
15 May 2020	Buy	123	142
9 July 2020	Buy	157	187
30 July 2020	Buy	179	209
23 September 2020	Buy	148	210
7 October 2020	Buy	168	208
9 November 2020	Buy	162	210
26 November 2020	Buy	167	210
08 January 2021	Buy	177	235
30 January 2021	Buy	156	235
21 February 2021	Buy	173	235
26 May 2021	Buy	160	233
10 August 2021	Buy	187	226
15 November 2021	Buy	198	240
26 November 2021	Buy	170	240
15 February 2022	Buy	142	184
13 May 2022	Buy	105	166
05 August 2022	Buy	102	164
19 September 2022	Buy	99	183
15 Novemer 2022	Buy	117	154
05 February 2023	Buy	117	151
22 March 2023	Buy	120	150
14 May 2023	Buy	110	149
11 August 2023	Buy	146	172
15 November 2023	Buy	141	177
29 November 2023	Buy	152	177
20 December 2023	Buy	173	200
16 January 2024	Buy	171	209
08 February 2024	Buy	190	223
18 February 2024	Buy	187	223
09 April 2024	Buy	196	233

*The coverage has been transferred to Rati J Pandit from July 30, 2023

Rating track graph-Muthoot Finance



Rating track graph-Manappuram Finance



Construction Sector

4QFY24 Result Preview

April 09, 2024

Quarter marked by strong execution; but weak project awarding continues

Key Points

- FY24 saw a slowdown in Construction sector project awards due to policy guidelines and general elections impacting awarding until March'24 (3,000km vs. 6,003km in FY23).
- Low project awarding has impacted order inflows for road construction companies. However, we expect awarding activity to strongly pick up post general elections.
- Construction industry is expected to maintain buoyancy, driven by: (a) Bharatmala & Sagarmala Pariyojana (b) Atal Mission for Rejuvenation & Urban Transformation (c) Jal Jeevan Mission (d) PM Gati Shaki Plan and (e) The government's spending on infrastructure development.
- Easing of raw material and commodity costs to improve margins YoY in 4QFY24.
- Key focus of companies will remain on orderbook diversification in Non-road segments.
- Enhanced execution capabilities by companies will support Revenue/EBITDA/PAT growth of 8.6%/15.6%/14.7% YoY for our coverage universe.

Company	Rating
PNC Infratech	BUY
KNR Construction	BUY
Ashoka Buildcon	BUY

The Construction sector continued to witness a slowdown in awarding activity in FY24 due to government's policy guidelines (including the requirement for securing all clearances before project awards besides obtaining the Cabinet's approval for new projects following cost over-runs in Bharatmala Phase I) and code of conduct implemented in the run up to the general elections. This resulted in subdued project awarding of only ~3,000km compared to the previous year's ~6,003km. Low project awarding has impacted order inflows for road construction companies in FY24. As per the Ministry of Road Transport and Highways (MoRTH), a total of ~6,644km (~5,544km in FY23) of national highways were constructed in FY24 against a target of 6,544km, registering a growth of 20%. NHAI's capex spending increased by 20% to Rs2.07tn in FY24. NHAI continues to focus on monetization of assets. Monetization receipts in FY24 stood at ~Rs403.10bn (70% YoY increase). We expect the project awarding to continue to remain muted in the next quarter due to general elections and pick-up post 2QFY25. With a 25% YoY increase in budget allocation for roads in the Union Budget, we expect projects under the National Infrastructure Pipeline and Bharatmala Pariyojana to gain momentum and would support construction activities going forward. The companies under our coverage are expected to report margin improvement of ~78bps YoY on the back of easing raw material and commodity costs. Key focus of coverage companies will remain diversification of orderbook towards the Non-road segments.

Please refer to the disclaimer towards the end of the document.

Ashoka Buildcon: NBIE expects 10% YoY increase in 4QFY24 revenue on the back of strong orderbook execution. EBITDA margin is expected to expand to 10.5% vs 8.3% in 3QFY24. PAT is expected to jump by 62%/60% QoQ/YoY due to the base effect. Order book as of Dec'23 stood at Rs140.3bn (2.2x FY23 revenue). The management's focus remains on building a strong EPC business in Highways, Railways, Power T&D and Buildings and targets to achieve order inflow of Rs60-80bn in FY25.

KNR Construction: NBIE expects revenue to increase by 4.3% YoY. EBITDA margin is expected to improve by 27bps to ~16.5% QoQ. PAT is expected to increase by 43.3% QoQ. The order book as of Dec'23 stood at Rs49.6bn. Order book position remains healthy and provides a clear execution visibility over the next 2.5 years. The company is targeting an order inflow of Rs50-60bn for FY25. It wants to diversify further into Railways, Irrigation (in states other than Telangana), and Mining projects. The company's net debt-free status on a standalone basis and strong balance sheet will power robust growth.

PNC Infratech: 4QFY24 revenue is anticipated to increase by 9.6% YoY. EBITDA margin is anticipated to contract by 16bps to 13.1% marginally QoQ. On YoY basis, EBITDA/PAT are expected to increase by 8.2%/6.3%. The order book as of Dec'23 stood at Rs17.4bn (2.5x FY23 revenue). The company anticipates order inflow of Rs120bn in FY25 with a target of 15-20% from the Non-road segments to reduce dependency on road projects. PNC has improved execution in its Water segment and expects it to be the key growth driver in FY25.

Exhibit 1: 4QFY24 Earnings Estimates

Rs. Mn	Revenue			EBITDA			EBITDA margin			PAT		
	4QFY24E	YoY %	QoQ %	4QFY24E	YoY %	QoQ %	4QFY23	3QFY24	4QFY24E	4QFY24E	YoY %	QoQ %
Ashoka Buildcon	22,479	10.0	5.4	2,363	57.4	33.9	7.3	8.3	10.5	1,387	62.0	60.0
KNR Construction	12,261	4.3	35.4	2,028	(4.3)	37.7	18.0	16.3	16.5	1,226	(4.7)	43.3
PNC Infratech	23,177	9.6	28.6	3,042	8.2	27.0	13.3	13.3	13.1	1,962	6.3	29.8

Source: Nirmal Bang Institutional Equities Research

Consumer Durables

4QFY24 Result Preview

April 09, 2024

Southern India to drive Cooling Products growth

Key Points

- For our coverage universe, we expect a topline growth of 19.6% YoY with a flattish EBITDA margin movement (21bps fall YoY).
- **Consumer Durables (CD):** We expect a topline growth of 28.7% YoY, mainly led by Dixon's Mobile category and RAC players.
- **Consumer Electricals (CE):** We expect a topline growth of 10.3% YoY. Healthy growth in Wires & Cables (W&C) is expected to be offset by tepid growth in Consumer Lighting.
- **Margins:** While CD is expected to post 11bps YoY margin expansion, CE is expected to post 18bps YoY margin contraction. While easing RM costs, benefits of backward integration and higher contribution from premium products are expected to improve margins, higher ad-spend is expected to keep margin expansion in check.

Premiumisation remains main theme: Our channel checks imply that easy availability of consumer finance and cashback offers are drawing consumers towards premium products. We expect a 'K' style growth in 4QFY24 too, with premium brands continuing to garner market share. Premiumisation trend is clearly visible in product categories such as Refrigerator, RAC and Fans.

RAC to witness healthy growth in South India: While primary sales are expected to be healthy, secondary sales are expected to be slow mainly due to a prolonged winter. South India saw rising temperatures from early March'24 and therefore sharp growth is expected to be seen in this region. The rest of India, especially North India is expected to post moderate growth as high temperatures started only by the 2nd half of March'24. We expect Hitachi to lose market share while Voltas, Daikin, Blue Star, LG and Lloyds are expected to gain market share.

Secondary sales in Fans expected to see a slowdown: Our channel checks imply that Fans continue to witness tepid demand. In terms of volume, we expect mid-to-high single digit growth for players in Fans as 4QFY23 had seen lower secondary sales due to a prolonged winter. Additionally, we expect Premium Fans to continue to do well.

Tepid demand for WM & Kitchen Appliances: While WM players will see tepid growth mainly on account of non-seasonal quarter, Kitchen Appliances as a product category is expected to disappoint mainly due to tepid demand + inflationary pinch still lingering in the rural pockets of India.

Polycab remains leader in W&C: Polycab continues to garner market share due to its aggressive marketing, a wide product portfolio and quick availability of products.

Company	TP (Rs)	Rating
Amber Enterprises India	3,675	Acc
Blue Star	1,215	Acc
Dixon Technologies	7,155	Buy
IFB Industries	1,295	Acc
Voltas	1,095	Acc
Whirlpool of India	1,305	Acc
Stove Kraft	470	Acc
Bajaj Electricals	700	Sell
Crompton Consumer	330	Buy
Havells India	1,260	Acc
Orient Electric	230	Buy
Polycab India	5,255	Acc
V-Guard Industries	360	Buy

Please refer to the disclaimer towards the end of the document.

Company	Sales			EBITDA			EBITDA margin (%)			PAT		
	4QFY24E	YoY(%)	QoQ(%)	4QFY24E	YoY(%)	QoQ(%)	4QFY24E	3QFY24	4QFY23	4QFY24E	YoY(%)	QoQ(%)
Amber Enterprises	35,702	18.9	175.7	2,421	19.0	208.4	6.8	6.1	6.8	933	(10.2)	NA
Blue Star	30,566	16.5	36.4	2,098	17.1	35.0	6.9	6.9	6.8	1,322	53.5	31.7
Dixon Technologies	51,758	68.8	7.4	1,955	25.1	6.0	3.8	3.8	5.1	994	23.2	3.0
IFB Industries	11,108	12.8	(2.0)	677	139.3	7.0	6.1	5.6	2.9	245	(424.3)	3.3
Voltas	35,560	20.3	35.4	2,508	15.0	782.6	7.1	1.1	7.4	1,689	17.4	NA
Whirlpool of India	19,855	18.7	29.3	1,940	83.6	209.3	9.8	4.1	6.3	1,169	83.4	317.5
Stove Kraft	3,218	15.7	(11.0)	149	152.0	(50.6)	4.6	8.3	2.1	16	(126.0)	NA
Consumer Durables	1,87,767	28.7	34.0	11,746	31.0	94.9	6.3	4.3	6.1	6,367	37.0	183.8
Bajaj Electricals	14,938	0.2	21.6	637	(28.2)	10.5	4.3	4.7	6.0	544	(7.2)	45.7
Crompton Consumer	19,299	7.8	14.0	1,995	(5.7)	33.2	10.3	8.8	11.8	1,082	(17.5)	25.9
Havells India	55,361	14.2	25.8	5,581	5.1	29.0	10.1	9.8	10.9	3,736	3.3	29.8
Orient Electric	7,848	19.3	4.4	533	15.1	9.0	6.8	6.5	7.0	265	7.7	9.0
Polycab India	47,148	9.0	8.6	7,168	17.6	25.9	15.2	13.1	14.1	5,019	18.2	21.6
V-Guard Industries	12,655	11.0	8.6	1,303	32.1	28.2	10.3	8.7	8.7	740	40.4	27.1
Consumer Electricals	1,57,249	10.3	15.8	17,217	8.6	26.6	10.9	10.0	11.1	11,388	8.1	25.6
Our Coverage Universe	3,45,015	19.6	25.1	48,586	16.7	47.6	8.4	7.1	8.6	29,651	16.9	57.0

Source: Company, Nirmal Bang Institutional Equities Research

NBFC Sector

4QFY24 Result Preview

April 09, 2024

Strong growth momentum; Continued pressure on NIMs

Key Points

- While growth in Unsecured Loans has tapered off, we expect covered NBFCs to deliver strong loan growth, driven by Housing/LAP segments, Used Vehicle Finance and Diversified portfolio. We reiterate Shriram Finance and Aavas Financiers as our top 'buys' in this space.
- While growth in the Used CV portfolio is expected to support margins for CV Financiers, rating upgrades and NHB refinance will help control the cost of borrowings for HFCs. Opex is likely to remain elevated.
- While the asset quality environment remains benign, we expect certain pockets of stress in CV Finance, Tractor Finance and Fintech Lending.
- In our view, following will be the key monitorables from 4QFY24 results of NBFCs – (1) Growth guidance, especially for FY25/FY26 (2) NIM movement in subsequent quarters (3) Asset quality and Collection Efficiency (CE) trends.

Vehicle Financiers: We expect CV Financiers to perform well on the back of strong disbursements in Used CV/PV segments. For CIFC, new business verticals/Housing is growing faster than the traditional VF business. Provisional figures for MMFS suggest healthy disbursement growth (9% YoY) while AUM growth remains strong (+24% YoY). We expect some slowdown in CV sales before LS elections and stress in Tractor Finance/Fintech Lending portfolio to hamper growth. Despite a high share of fixed-rate loans and high borrowing costs, we expect NIMs to remain intact, supported by higher yields in the Used CV portfolio (Shriram Finance, CIFC & MMFS). We expect opex costs to remain elevated as companies invest in technology, digital transformation & branch expansion. Credit costs are expected to remain under control for all the players with a strong show by MMFS (GS3 ratio down to 3.3% as of March'24 vs. 4% in Dec'23).

Home Financiers: Despite high competitive intensity, we expect HFCs to post strong loan growth in 4QFY24, driven by pent-up demand (Aavas & Can Fin Homes), new branch openings (LICHF & Repco Home Finance) and the seasonality factor. We expect margins to remain steady, supported by a growing LAP portfolio and recent rate hikes (25bps taken by Aavas in March'24). Moreover, we expect recent rating upgrades (Can Fin & PNB Housing) and NHB refinancing (Aavas, Can Fin & Repco) to help control the cost of funds. Opex is likely to remain elevated as HFCs invest in their franchise and asset quality trends are likely to remain stable.

Please refer to the disclaimer towards the end of the document.

Diversified players: While new loans booked during the quarter were lower due to RBI restrictions, Bajaj Finance has been able to deliver robust AUM growth of 34% YoY in 4QFY24. Despite hiking rates by 20-30bps across portfolios, we expect NIMs to compress by ~20bps in 4QFY24 as cost of borrowings is expected to increase further in the quarter. We expect credit costs to remain elevated (1.79% for 9MFY24, excluding management overlay). The provisional numbers for Poonawalla Fincorp show a strong trend (AUM growth of 54% YoY/13% QoQ). The company expects to maintain NIM at ~10% on a steady-state basis by controlling borrowing costs (high-cost legacy borrowings of Rs4bn are due to mature over the near term). While asset quality trends are best-in-class for both players, we remain watchful of the growth trajectory/asset quality metrics in the unsecured portfolio.

Exhibit 1: 4QFY24 Earnings Estimates

Home Financiers (Rs mn)	Q4FY23	Q3FY24	Q4FY24E	YoY (%)	QoQ (%)
Aavas Financiers					
NII	2,517	2,208	2,726	8.3	23.5
PPOP	1,649	1,577	1,554	-5.8	-1.5
PAT	1,267	1,166	1,142	-9.9	-2.1
NIM (%)	7.8	5.8	6.8	-98 bps	98 bps
Cost-to-income ratio (%)	42.2	46.1	48.9	676 bps	282 bps
Credit cost (%)	0.93	1.00	0.95	2 bps	-5 bps
Loans and Advances	114,763	129,932	139,420	21.5	7.3
Borrowings	98,873	114,721	121,260	22.6	5.7
CanFin Homes					
NII	2,613	3,288	3,251	24.4	-1.1
PPOP	2,218	2,865	2,753	24.1	-3.9
PAT	1,658	2,001	1,825	10.1	-8.8
NIM (%)	3.2	3.7	3.6	32 bps	-13 bps
Cost-to-income ratio (%)	18.9	14.7	17.6	-125 bps	293 bps
Credit cost (%)	0.31	0.37	0.36	5 bps	0 bps
Loans and Advances	311,933	340,530	349,373	12.0	2.6
Borrowings	290,681	311,960	340,096	17.0	9.0
LIC Housing Finance					
NII	19,903	20,972	19,832	-0.4	-5.4
PPOP	17,515	18,845	17,585	0.4	-6.7
PAT	11,803	11,629	10,837	-8.2	-6.8
NIM (%)	2.9	2.9	2.7	-20 bps	-24 bps
Cost-to-income ratio (%)	13.6	12.2	13.5	-11 bps	132 bps
Credit cost (%)	0.46	0.62	0.50	4 bps	-12 bps
Loans and Advances	2,678,348	2,812,060	2,952,663	10.2	5.0
Borrowings	2,447,742	2,450,670	2,684,239	9.7	9.5
PNB Housing Finance					
NII	5,723	5,859	5,803	1.4	-1.0
PPOP	4,909	5,044	5,265	7.2	4.4
PAT	2,829	3,465	3,461	22.3	-0.1
NIM (%)	3.5	3.6	3.4	-12 bps	-17 bps
Cost-to-income ratio (%)	20.7	24.1	21.5	78 bps	-257 bps
Credit cost (%)	1.00	0.38	0.41	-59 bps	2 bps
Loans and Advances	579,085	623,370	657,655	13.6	5.5
Borrowings	536,211	531,060	578,737	7.9	9.0
Repco Home Finance					
NII	1,474	1,635	1,667	13.1	2.0
PPOP	1,203	1,370	1,356	12.7	-1.0
PAT	821	994	991	20.7	-0.3
NIM (%)	4.9	5.2	5.1	19 bps	-9 bps
Cost-to-income ratio (%)	23.9	23.0	23.8	-14 bps	77 bps
Credit cost (%)	0.26	0.09	0.11	-16 bps	1 bps
Loans and Advances	119,622	129,218	133,741	11.8	3.5
Borrowings	99,241	103,582	111,450	12.3	7.6

Source: Respective NBFCs, Nirmal Bang Institutional Equities Research

Auto Financiers (Rs mn)	Q4FY23	Q3FY24	Q4FY24E	YoY (%)	QoQ (%)
Cholamandalam					
NII	17,649	21,709	24,311	37.7	12.0
PPOP	12,731	15,157	16,766	31.7	10.6
PAT	8,528	8,762	9,763	14.5	11.4
NIM (%)	7.1	6.8	6.9	-24 bps	9 bps
Cost-to-income ratio (%)	38.2	41.2	40.0	180 bps	-124 bps
Credit cost (%)	0.5	1.1	1.0	54 bps	-10 bps
Loans and Advances	1,047,483	1,325,320	1,499,400	43.1	13.1
Borrowings	973,561	1,231,030	1,388,333	42.6	12.8
Shriram Finance					
NII	41,810	49,110	50,305	20.3	2.4
PPOP	30,810	36,893	40,491	31.4	9.8
PAT	13,083	18,183	24,536	87.5	34.9
NIM (%)	9.9	10.2	10.0	4 bps	-23 bps
Cost-to-income ratio (%)	31.9	29.3	25.6	-633 bps	-372 bps
Credit cost (%)	2.8	2.1	1.9	-91 bps	-20 bps
Loans and Advances	1,719,846	1,978,956	2,058,114	19.7	4.0
Borrowings	1,579,063	1,774,702	1,845,690	16.9	4.0
Mahindra & Mahindra Financial Services					
NII	16,004	16,983	17,288	8.0	1.8
PPOP	9,441	10,625	10,648	12.8	0.2
PAT	6,841	5,528	7,627	11.5	38.0
NIM (%)	8.4	7.4	7.2	-115 bps	-19 bps
Cost-to-income ratio (%)	45.2	41.5	42.5	-272 bps	100 bps
Credit cost (%)	0.0	1.4	0.2	20 bps	-123 bps
Loans and Advances	794,547	933,920	980,616	23.4	5.0
Borrowings	749,459	864,350	907,568	21.1	5.0
Sundaram Finance					
NII	4,308	5,010	5,027	16.7	0.3
PPOP	4,217	4,112	4,341	2.9	5.6
PAT	3,164	3,001	3,057	-3.4	1.9
NIM (%)	5.1	4.9	4.7	-32 bps	-13 bps
Cost-to-income ratio (%)	31.4	37.5	34.5	307 bps	-300 bps
Credit cost (%)	0.2	0.2	0.3	10 bps	9 bps
Loans and Advances	345,520	421,720	427,243	23.7	1.3
Borrowings	327,549	403,400	393,639	20.2	-2.4

Source: Respective NBFCs, Nirmal Bang Institutional Equities Research

Diversified Financials (Rs mn)	Q4FY23	Q3FY24	Q4FY24E	YoY (%)	QoQ (%)
Bajaj Finance					
NII	74,176	89,662	95,808	29.2	6.9
PPOP	51,206	61,439	67,153	31.1	9.3
PAT	31,578	36,390	36,617	16.0	0.6
NIM (%)	10.5	10.2	10.0	-44 bps	-16 bps
Cost-to-income ratio (%)	35.8	35.2	34.9	-86 bps	-30 bps
Credit cost (%)	1.4	1.7	2.3	86 bps	64 bps
Loans and Advances	2,473,790	3,109,680	3,266,119	32.0	5.0
Borrowings	2,166,905	2,001,700	2,001,360	-7.6	0.0
Poonawalla Fincorp					
NII	3,798	4,907	5,455	43.7	11.2
PPOP	2,016	3,502	3,887	92.8	11.0
PAT	1,807	2,651	2,562	41.8	-3.4
NIM (%)	10.0	10.1	9.9	-3 bps	-16 bps
Cost-to-income ratio (%)	49.3	36.3	35.2	-1,418 bps	-117 bps
Credit cost (%)	-1.0	-0.1	0.9	184 bps	99 bps
Loans and Advances	152,295	194,150	219,399	44.1	13.0
Borrowings	111,196	124,720	146,266	31.5	17.3

Source: Respective NBFCs, Nirmal Bang Institutional Equities Research

Exhibit 2: 4QFY24 Provisional Update

Aavas Financiers (Rs bn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
Disbursements	18.9	15.8	19.5%	13.624	38.7%
AUM	173.0	141.7	22.1%	160.8	7.6%
Gross Stage 3 (%)	0.95	0.92	3bps	1.09	-14bps
1+ DPD (%)	3.15	3.30	-15bps	3.75	-60bps
Branches (#)	367	346	-	351	-

Bajaj Finance (Rs bn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
Customer Franchise (mn)	83.6	69.1	21.0	80.4	4.0
New Loans (mn)	7.9	7.6	4.1	9.9	-20.2
AUM	3,304.0	2,473.8	33.6	3,109.7	6.2
Deposits Book	601.0	446.7	34.6	580.1	3.6

Poonawalla Fincorp (Rs bn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
Disbursements	96.8	63.7	51.9	87.3	10.9
AUM	248.0	161.4	53.6	219.5	13.0
Liquidity	36.0	-	-	-	-

Mahindra Finance (Rs bn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
Disbursements	153.0	137.8	11%	154.4	-1%
Business Assets	1,024.0	827.7	24%	970.5	6%
Stage-3 (%)	3.3	4.5	-119 bps	4.0	-67 bps
Stage-2 (%)	5.1	6.0	-90 bps	6.0	-90 bps

Cholamandalam Finance (Rs bn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)
Vehicle Finance	129.0	121.9	5.8	123.5	4.4
LAP	42.0	27.6	52.1	34.1	23.2
Home Loan	17.0	14.1	21.0	15.9	7.1
MSME	21.3	21.1	1.0	-	-
CSEL	33.0	23.6	40.0	-	-
SBPL	3.7	2.0	87.0	-	-
Overall Disbursements	246.0	210.2	17.0	223.8	9.9
AUM	1,530.0	1,065.0	43.7	1,337.9	14.4

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Valuation Summary

Company	CMP	TP	Current Rating	M-cap (US\$m)	Upside / Downside	P/ABV (x)			ROE (%)			ROA (%)		
	(Rs)	(Rs)				FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Auto Financiers														
Chola Investment and Finance	1,203	1,350	Acc	12,208	12%	7.5	5.5	4.4	20.5	19.8	23.3	2.7	2.4	2.9
Mahindra & Mahindra Financial	299	309	Acc	4,445	3%	2.3	2.2	2.0	12.5	11.0	15.9	2.4	1.8	2.4
Shriram Finance	2,569	2,682	Buy	11,511	4%	2.6	2.2	1.9	15.3	16.7	19.0	3.1	3.5	3.9
Sundaram Finance	4,585	3,552	Acc	5,974	-23%	7.0	6.3	5.6	14.9	15.0	14.6	2.9	2.7	2.4
Home Financiers														
Aavas Financiers	1,626	1,772	Buy	1,506	9%	4.0	3.5	3.0	14.3	12.7	14.8	3.6	3.0	3.2
Can Fin Homes	799	794	Acc	1,296	-1%	3.0	2.6	2.2	18.5	18.3	17.0	2.0	2.1	2.0
LIC Housing Finance	647	619	Acc	4,303	-4%	1.7	1.5	1.3	11.2	16.4	14.8	1.1	1.6	1.5
PNB Housing Finance	764	904	Acc	2,385	18%	1.4	1.4	1.2	10.2	11.1	12.0	1.6	2.0	2.3
Repco Home Finance	449	472	Acc	330	5%	1.2	1.0	0.9	12.5	14.4	12.9	2.4	2.9	2.6
Diversified Financiers														
Bajaj Finance	7,179	9,094	Buy	53,479	27%	8.1	5.8	4.7	23.5	21.7	23.2	4.6	4.5	5.0
Poonawalla Fincorp	489	480	Acc	4,570	-2%	6.0	4.8	4.3	9.6	14.1	15.4	3.8	4.9	5.0

Source: Company, Nirmal Bang Institutional Equities Research

Oil & Gas Sector

4QFY24 Result Preview

April 10, 2024

Gas stocks led by GAIL to steal the show

Key Points

- **GAIL leads by far with 4.6x surge in 4QFY24 PAT** based on improved operations, growth in volume, higher transmission tariff and the massive surge in Gas Marketing segment earnings. The surge is also due to the beaten down 4QFY23 base, which was hit by shortage of APM and Term gas that had forced GAIL to source more expensive Spot LNG and reduce its Petchem utilisation.
- **OMCs are likely to show muted earnings.** HPCL is likely to show a modest PAT growth of 3.2% YoY in 4QFY24, while BPCL/IOC will likely report 16.7%/10.1% YoY decline in PAT.
- We expect the YoY decline in GRMs from the highs a year ago to dent the earnings of BPCL/IOC. For HPCL, the lower GRMs are offset by 17.7% YoY growth in Refining throughput, driven by 50%+ rise in Vizag, and improved Marketing EBITDA/te. The increase in unit marketing margin favours HPCL vs other two OMCs, as HPCL sources more from outside for its Marketing business. The Rs2/litre cut in MS/HD pump price on March'15, 2024 (the first change since April'6, 2022), has also clipped our 4QFY24E PAT for OMCs by ~4-7%.
- In gas stocks, ex-GAIL, we expect PLNG/GSPL/MGL/IGL to report YoY PAT growth of 49.8%/20.7%/10.0%/5.8%. But, GGL will likely buck the trend and report 42.7% YoY decline in PAT.
- MGL is set to outpace IGL/GGL, albeit with a modest PAT growth, driven by volume growth, mild gains in EBITDA/scm and lower gas cost. The latter is aided by higher APM gas supply (despite the arbitrary 10% cut in sector allocation in Dec'23), and the lower cost of APM gas/LNG. We expect GGL to enjoy volume growth on the back of higher sales in Morbi, aided by lower LNG prices. This will likely hurt margins due to higher share of the low margin Industrial PNG at 59.5% in 4QFY24. GSPL will see earnings growth on the back of 22.1% YoY volume growth, aided by lower gas prices and surge in the Power segment.

YoY trend in key indicators for 4QFY24E:

Brent crude down 2.3%; MS spread up 11.6%; HSD spread down 12.1%.

Spot LNG price down 44.1% YoY at US\$10.3/mmbtu.

APM gas price at US\$6.5/mmbtu (new ceiling) down 24.2%.

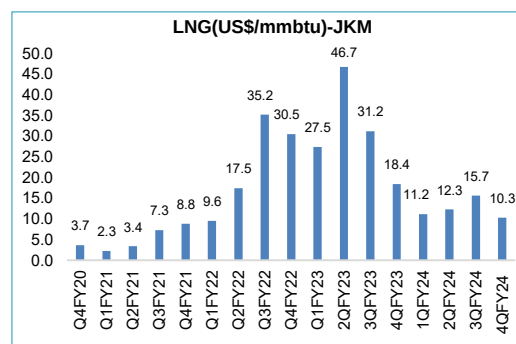
Jan'24-Feb'24 gas demand/LNG Import volume: up 22.1%/32.7% YoY.

Petchem deltas vs Naphtha: Ethylene: US\$211/te; HDPE: US\$311/te; LLDPE: US\$323/te; PP: US\$308/te and MEG: minus US\$136/te.

Trend in Brent and crack spreads

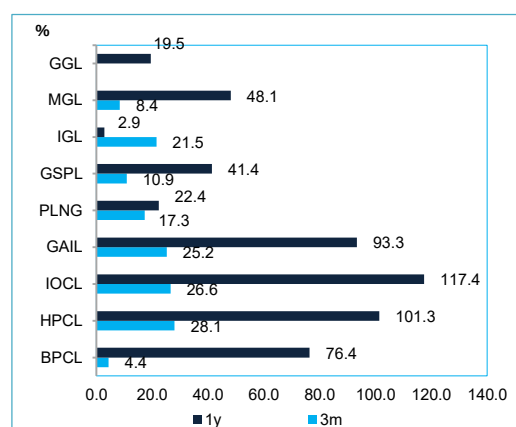
US\$/bbl	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	FY23
Brent	81.2	78.4	86.7	84	83.1	95.3
Dubai	80.1	77.4	83.7	83.9	81.5	92.8
MS spread	15.7	15.5	15.2	9.5	17.5	17.0
HSD spread	28.4	15.1	25.9	27.2	24.9	36.1
Singapore HC GRM	7.2	4.3	10.7	5.9	8.3	8.5

Source: Bloomberg; Nirmal Bang Institutional Equities Research; HC -hydrocracker



Source: Bloomberg; Nirmal Bang Institutional Equities Research

NBIE O&G Universe Stock Price Performance



Source: Bloomberg; Nirmal Bang Institutional Equities Research

Please refer to the disclaimer towards the end of the document.

Exhibit 1: OMCs operating assumption

OMCs operating assumption	4QFY23			4QFY24E		
	IOCL	BPCL	HPCL	IOCL	BPCL	HPCL
Brent Crude US\$/bbl	81.2	81.2	81.2	83.1	83.1	83.1
GRM (US\$/bbl)	15.3	20.6	14.0	10.2	13.3	8.0
Marketing EBITDA (Rs/te)	-105	941	1236	1045	1606	1618
FX gain/(loss)(Rsmn)	9890	1928	1430	649	539	1298
Inventory gain/(loss)(Rsmn)	-32583	-31887	-19286	27668	24486	18073
Refining throughput(mnte)	19.2	10.6	5.0	17.9	10.3	5.8
Marketing throughput(mnte)	22.5	13.3	11.1	23.8	14.0	12.1

Source: Companies (for GRM and FX loss in 4QFY23), Nirmal Bang Institutional Equities Research. *4QFY23 marketing EBITDA/te is based on our reconciliation, as this is not disclosed by the OMCs.

Exhibit 2: 4QFY24 earnings estimates for NBIE Oil & Gas universe

Company	CMP (Rs)	TP (Rs)	4QFY24E		4QFY24E		EBITDA margin (%)		4QFY24E	
			Revenues (Rsmn)	YoY growth (%)	EBITDA (Rsmn)	YoY growth (%)	4QFY23	4QFY24E	PAT (Rsmn)	YoY growth (%)
OMCs										
BPCL	586	520	12,17,796	3.1	1,06,712	-4.3	9.4	8.8	65,250	-16.7
HPCL	459	530	12,44,522	15.3	51,291	6.9	4.4	4.1	33,263	3.2
IOC	169	120	20,83,803	2.7	1,61,028	5.0	7.6	7.7	90,418	-10.1
Gas Aggregators										
GAIL	204	170	3,41,523	4.0	37,189	1,110.7	0.9	10.9	33,906	461.8
PLNG	288	297	1,42,568	2.8	13,498	43.2	6.8	9.5	9,267	49.8
GSPL#	384	431	5,048	14.0	3,709	25.8	66.5	73.5	2,709	20.7
CGD										
IGL	476	484	36,006	-2.3	5,553	19.1	12.6	15.4	4,205	5.8
MGL	1457	1,373	15,455	-4.0	4,373	12.2	24.2	28.3	2,958	10.0
GGL	558	564	36,949	-5.9	3,829	-31.7	14.3	10.4	2,125	-42.7

Source: Nirmal Bang Institutional Equities Research; OMCs, GAIL, GSPL, MGL quarterly estimates are on standalone numbers. The rest are on consolidated numbers; #GSPL- Revenue includes pure gas transmission revenue of Rs4.22bn (excluding electricity sales and gas transmission expenses/interconnect charges) – this is up 20% YoY on a like-to-like basis

OMC's to report subdued earnings in 4QFY24

IOC is likely to see a decline of 10.1% YoY in PAT at Rs90.42bn.

BPCL is set to report 16.7% YoY decline in standalone adjusted PAT at Rs65.25bn. This compares with 4QFY23 adjusted PAT of Rs78.4bn, excluding one-time exceptional expense of Rs13.6bn (towards impairment of investment in BPCL's upstream arm BPRL).

HPCL will buck the trend among OMCs and report a growth of 3.2% YoY in PAT at Rs33.3bn.

We estimate 4QFY24E Retail pump profit to have suffered a hit of ~Rs0.35/litre due to the Rs2/litre cut from March'24 in MS/HSD pump prices. This implies a hit of ~14% in Marketing EBITDA ~Rs260/tonne.

For BPCL and HPCL, the hit on retail margin in the two weeks of 4QFY24 due to the above pump price cut has shaved off ~4-7% from 4QFY24E PAT. In IOC, this has hit 4QFY24E by ~5%.

Current retail margins running at a loss of Rs3.3-Rs4.2/litre at US\$90-92/bbl crude. Our sensitivity analysis shows that crude price must decline to ~US\$80-81/bbl – for retail margins to reverse to a profit of Rs1.3-Rs1.8/litre.

OMCs: YoY growth drivers

IOC: GRM down 33.4%; Fx gain down from Rs9,890mn to Rs649mn; Refining throughput down 6.7%; IOC's Marketing segment is also likely to turn around to positive EBITDA; Ethylene spreads on Naphtha is up YoY; but Polymer spreads are down YoY – see Exhibit-14.

BPCL: GRM down 35.5%; Fx gain down from Rs1,928mn to Rs539mn; Refining throughput down 3.3%.

HPCL: GRM down 42.6%; Fx gain down from Rs1,430mn to Rs1,298mn; Refining throughput up 17.7%.

Key factors to watch out for include Marketing earnings, GRMs and inventory loss.

Exhibit 3: Segment EBITDA details – IOC

Segment EBITDA (Rsmn)	4QFY23	4QFY24E	Chg YoY(%)
Refining	129959	98818	-24.0
Marketing	-2359	37831	LTP
Pipelines	18813	18813	0.0
Petchem	3826	2085	-45.5
Others	3165	3482	10.0

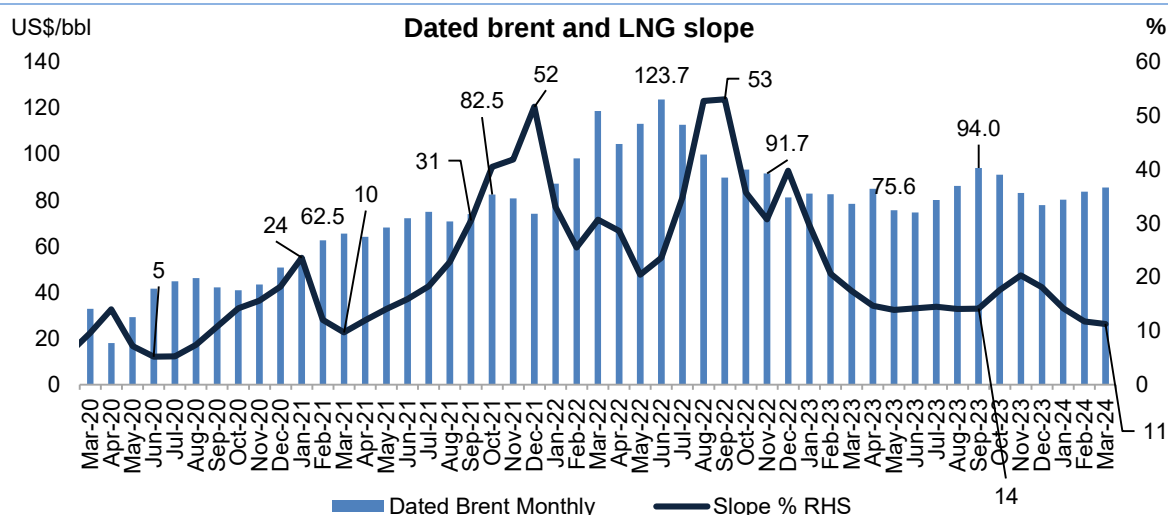
Source: Nirmal Bang Institutional Equities Research

Note: 4QFY23 Segment EBITDA details (based on NB reconciliation) and our estimate for 4QFY24E Segment EBITDA excludes other income. IOCL no longer shares segment EBITDA details in its analyst handout. LTP means Loss to profit.

Gas stocks

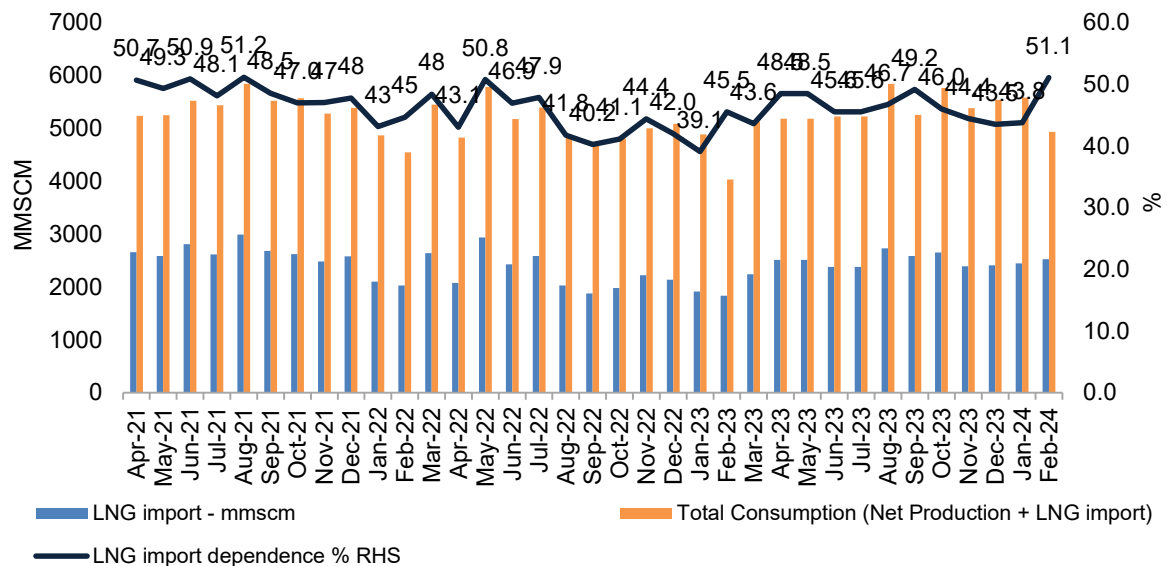
The decline in spot LNG price has been a tailwind for LNG imports and gas demand growth.

Exhibit 4: Trend in Brent crude price and LNG price slope to Brent



Source: Bloomberg; Nirmal Bang Institutional Equities Research; Slope = (LNG price in US\$/Mmbtu divided by Brent crude price in US\$/bbl) x 100

Exhibit 5: Trend in the share of India's LNG imports



Source: PPAC, Nirmal Bang Institutional Equities Research

GAIL to lead sector with 4.6x YoY growth in PAT

This surge is due to: (i) Healthy volume growth in NG Transmission as well as Petchem segments and ~40% YoY increase in Transmission tariff as per new integrated tariff, (ii) Surge in Gas Marketing EBITDA, driven by oil-linked gas sales contracts enjoying healthy Brent crude premium over breakeven Brent price of US\$65/bbl and (iii) Normal operations in NG Transmission and Petchem segments vs. the adverse operating conditions in these two segments during the base 4QFY23 as explained below:

GAIL's 4QFY23 was beaten down due to: (i) The hit of Rs13.6bn – including Rs11.3bn for high gas cost used in NG Transmission segment's gas compressors, (ii) The weak Petchem sales volume as the PATA Petchem plant was operating at ~75% of capacity and Petchem sales volume had crashed 45% YoY in 4QFY23. These two negative factors had pushed NG Transmission and Petchem segments into an EBITDA loss (excluding other income) in 4QFY23.

We expect Petchem EBITDA to revive from a loss of Rs2.6bn in 4QFY23 to a profit of Rs2.4bn on the back of 52.5% YoY growth in volume amid ramp-up in utilisation to at least 90%, which is likely to offset weaker polymer spreads – HDPE/LLDPE spread over Naphtha is down 14.5%/13.2% YoY. As a result, **GAIL is likely to see 11.1x/4.6x YoY growth in EBITDA/PAT, led by 995bps expansion in EBITDA margin YoY.**

Exhibit 6: Segment EBITDA details – GAIL

Segment EBITDA (Rsmn)	*4QFY23	4QFY24E	Change YoY (%)
Natural Gas Transmission	-1049	12368	LTP
LPG Transmission	970	1010	4.1
Natural Gas Trading	433	13624	3044.4
Petrochemicals	-2570	2446	LTP
LPG & Other Liquid Hydro Carbons	957	3087	222.7
Others	4654	4654	0

Source: Company, Nirmal Bang Institutional Equities Research; Note: *The 4QFY23 base is adjusted to strip off other income pro-rata - GAIL reports segment EBITDA including other income, in the analyst handout issued by the company

CGD companies

MGL leads CGD sector earnings growth for third quarter in a row

In the CGD sector, MGL will lead the pack with 4QFY24 PAT growth of 10.0% YoY on the back of larger savings in gas cost relative to its CGD peers IGL and GGL. We expect IGL to report a PAT growth of 5.8% YoY. GGL is likely to suffer a steep 42.7% YoY decline in PAT.

Exhibit 7: CGD operating assumptions

	GGL			IGL			MGL		
	4QFY23	4QFY24E	Chg YoY (%)	4QFY23	4QFY24E	Chg YoY (%)	4QFY23	4QFY24E	Chg YoY (%)
Vol mmscmd									
CNG	2.5	2.8	12.0	6.1	6.4	5.0	2.4	2.6	6.5
PNG	6.3	6.7	5.5	2.1	2.3	6.7	1.0	1.0	8.6
Total	8.9	9.5	7.3	8.3	8.7	5.4	3.4	3.6	7.1
Rs/scm									
Realisation	49.3	42.7	-13.3	49.6	45.5	-8.4	53.1	47.0	-11.4
Gas cost	38.6	34.8	-9.9	37.6	32.9	-12.5	34.4	27.2	-20.8
EBITDA	7.0	4.4	-37.0	6.3	7.0	11.7	12.8	13.3	3.6

Source: Nirmal Bang Institutional Equities Research

MGL

MGL's robust earnings is based on margin expansion of 410bps to 28.3%, driven by EBITDA/scm rising from Rs12.8 to Rs13.3 on a declining topline following price cut. This will be supported by Gas Cost/scm dipping by 20.8% YoY due to lower gas cost (as APM gas prices declined by 24% YoY), which offsets the 4.0% decline in topline. We estimate decline in revenue growth for MGL despite volume growth of 6.5%/8.6% in CNG/PNG as the blended realisation is expected to fall by 11.4% (CNG down 14.0% and PNG down 9.7%).

Our 4QFY24 CGD sales volume estimate of 3.62mmscmd compares with the high base run-rate of 3.37mmscmd in 4QFY23.

IGL

We expect IGL to report overall growth of 5.4% YoY in 4QFY24 gas volume. Revenue is expected to decline by 2.3% YoY while EBITDA/PAT is expected to grow by 19.1%/5.8% YoY. Consolidated PAT includes JV share of PAT from its 50% stake in unlisted CGD entities MNGL and CUGL. IGL's EBITDA/scm is set to rise by 11.7% YoY on the back of 12.5% YoY decline in gas cost as APM gas prices declined by 24% YoY. Realisation is set to decrease by 8.4% YoY.

GGL

We expect GGL's 4QFY24 PAT to decrease by 42.7% YoY to Rs2.13bn. This will be due to 31.7% YoY decline in EBITDA on account of the net impact of 5.9% YoY decrease in revenue - due to the higher share of LNG as a result of higher share of sales in Industrial PNG. We estimate 390bps decline in EBITDA margin.

The decline in EBITDA is due to 37% YoY decline in EBITDA/scm. Volume is set to rise by 7.3% YoY. CNG volume will increase by 12.0% YoY and PNG volume will rise by 5.5% YoY, aided by Industrial volume growth of 5.5% YoY.

The 3% QoQ increase in global LPG/propane price is positive for GGL's 4QFY24 PNG sales growth in Morbi. Even in the long term, we believe that the announcement of several Propylene/PP projects based on propane dehydrogenation is likely to boost demand and price for Propane/LPG, and thereby improve the competitiveness of GGL's PNG in Morbi.

PLNG

We expect **PLNG's 4QFY24 PAT to increase by 49.8% YoY to Rs9.27bn in 4QFY24**. We expect PLNG's revenue to increase by 2.8% YoY, supported by volume growth of 24.7% YoY. EBITDA is set to increase by 43.2% YoY as EBITDA margin is likely to expand by 267bps.

We estimate the blended tariff to increase by 4.6% YoY to Rs58.8/mmbtu in 4QFY24.

Note: Revenue growth lags volume growth as its earnings fixed unit tariffs with 5% escalation - whereas the revenue growth is driven by the cost of LNG that adds to its revenue only on 50% of its LNG volumes, which it imports directly. The sales value of PLNG's remaining LNG volume imported by third party off takers does not include the cost of LNG.

We expect GSPL's 4QFY24 pure Gas Transmission revenue to grow by 20% YoY to Rs4.22bn and adjusted PAT to grow by 20.7% YoY to Rs2.71bn. This is driven by Gas Transmission volume growth of 22.1% YoY. EBITDA is expected to grow by 25.8% YoY, while PBT will increase by 23.6% YoY.

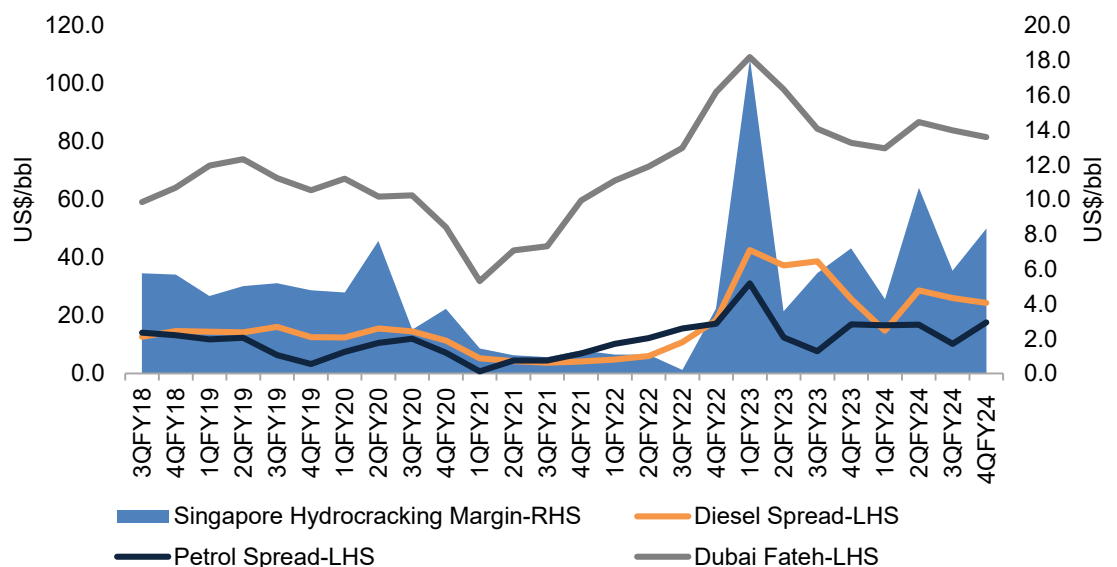
We expect growth in GSPL's Gas Transmission volume to be driven by Power, Fertilizer and CGD sector, underpinned by: (i) the beaten down base volumes and (ii) the steep YoY 44% YoY decline in global spot LNG prices to ~US\$10.3/mmbtu - the slope of spot LNG price on Brent crude price is down to 12% in 4QFY24 from 23% a year ago.

GSPL's Power segment volume is expected to surge by 96.8% vs 4QFY23 because of: (a) ramp up in gas-based power plants as per government's mandate amid shortage of coal and (b) the beaten down base consumption in Power segment last year. **The share of Power sector in GSPL's Gas Transmission share is expected to increase from 5% in 4QFY23 to 8% in 4QFY24.**

GSPL's Transmission volume growth in other segments: CGD segment is likely to see volume growth of 15.2% YoY. Fertilizer segment volume is expected to increase by 29.1% YoY and Refinery volume is set to increase by 10.9% YoY.

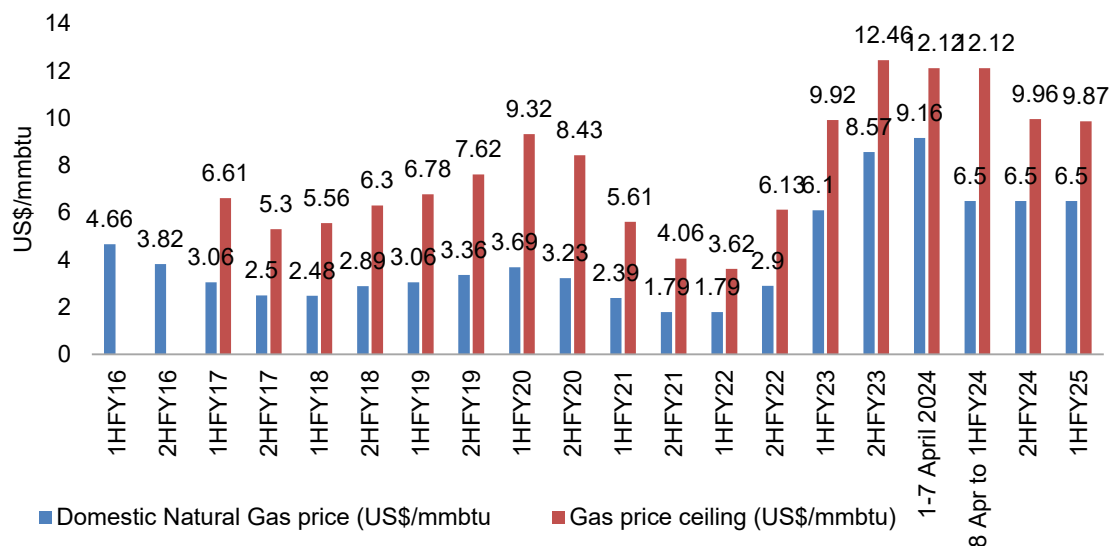
Oil&gas and Petchem in charts

Exhibit 8: Singapore complex refining margin and fuel spread trend



Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 9: Trend in domestic natural gas price and gas price ceiling for HT/DW



Source: PPAC, Nirmal Bang Institutional Equities Research.

Note: DW- Deep Water, HT- High Temperature. HTHP gas ceiling price has been fixed at US\$9.87/mmbtu for the entire 1HFY25. As per the new APM gas pricing formula (from Apr 8th, 2023) the APM gas price for every month will be fixed at - 10% of average price for Indian basket crude oil in the previous month (10% slope on crude price) - subject to ceiling of US\$6.5/mmbtu. At current crude prices ceiling is applicable. Also, as per our crude assumption this ceiling should be applicable for the entire 1HFY25; and FY25 as well.

Exhibit 10: Trend in Indian gas demand

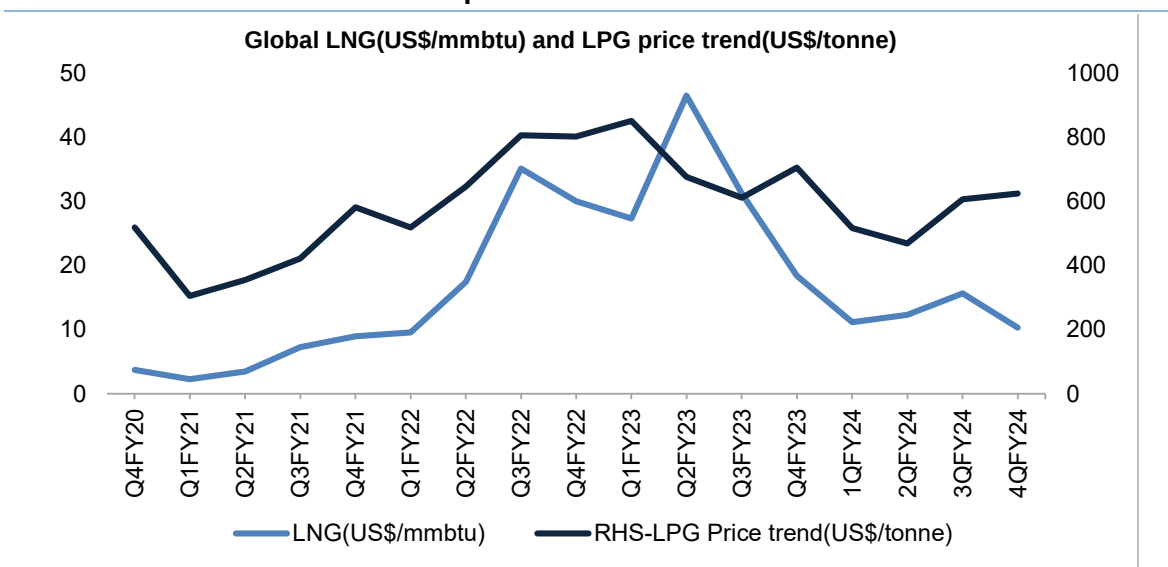
Segment	Vol. (mmscmd)		Growth YoY (%)	Vol. (mmscmd)		Growth YoY (%)	mmscmd	Growth YoY (%)
	FY22	FY23		4QFY23-QTD	4QFY24-QTD		YTD FY24	
Fertilizer	49.5	53.2	7.3	55.6	58.8	5.6	57.7	6.0
Power	24.5	22.3	-8.7	21.2	24.4	15.0	24.9	21.0
Citygas	33.2	33.0	-0.8	33.1	38.3	15.8	36.7	10.9
Refinery	14.6	10.7	-26.4	9.9	17.3	75.2	15.5	45.8
Petchem	7.6	5.4	-29.0	5.6	7.2	30.1	7.3	54.1
Other+ losses	33.7	36.3	7.7	34.1	49.2	44.2	45.1	36.3
Total	163.1	160.8	-1.4	159.5	195.2	22.4	187.2	19.5

Source: PPAC, Nirmal Bang Institutional Equities Research Note- 4QFY24 – QTD and FY24 YTD is till Feb'2024.

Exhibit 11: Indian petroleum consumption - Quarterly

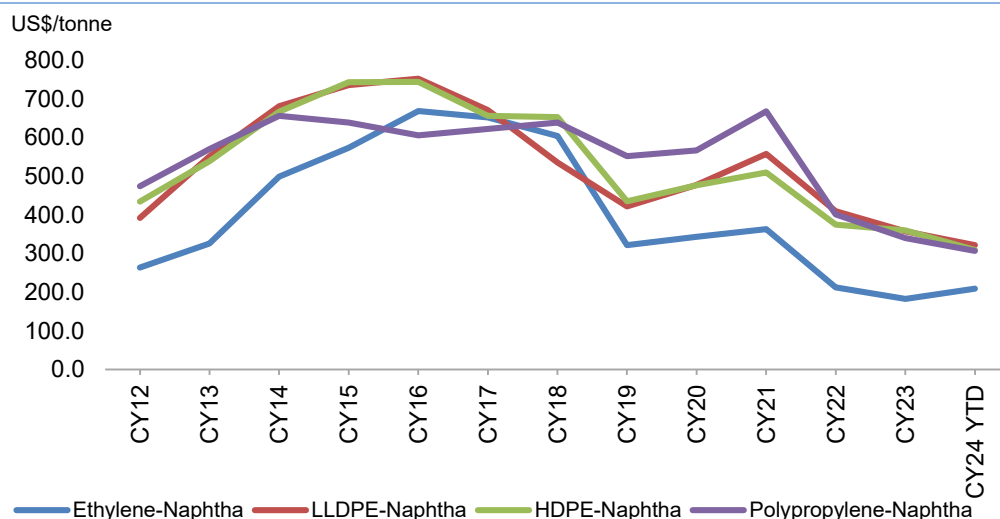
Products (‘000 tonnes)	4QFY24	Chg YoY %	Chg QoQ %	FY24	Chg Vs FY23 YoY %	Chg vs FY21 %
LPG	7,904	8.2	3.9	29,650	3.8	-11.4
Naphtha	3,697	9.8	3.7	13,864	12.3	-19.8
MS	9,446	8.5	2.0	37,219	6.4	10.5
ATF	2,180	10.2	3.7	8,247	10.8	83.1
SKO	104	7.9	-12.9	479	-0.4	-77.1
HSD	22,900	4.2	0.6	89,653	3.3	2.0
LDO	198	6.8	4.9	783	9.9	-22.6
Lubricants & Greases	1,076	-5.5	6.8	4,076	4.2	-5.8
FO & LSHS	1,610	-8.2	0.1	6,523	-6.0	-8.6
Bitumen	2,675	11.8	24.1	8,838	9.3	-2.2
Petroleum coke	4,853	9.4	6.6	19,114	6.2	-12.9
Others	4,223	-2.1	30.0	14,829	-5.9	10.3
TOTAL	60,866	5.6	4.6	2,33,276	4.1	-1.1

Source: PPAC, Nirmal Bang Institutional Equities Research

Exhibit 12: Global LNG and LPG price trend


Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 13: Long term trend in Ethylene and Polymer spreads



Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 14: Quarterly analysis of Petrochemical spreads

US\$/te	4QFY24	4QFY23	YoY%	3QFY24	QoQ%
Ethylene-Naphtha	211	167	26.1	197	6.9
HDPE-Naphtha	311	364	-14.5	318	-2.4
LLDPE-Naphtha	323	372	-13.2	316	2.2
Polypropylene-Naphtha	308	370	-16.6	301	2.4
MEG-Naphtha	-136	-173	-21.6	-166	-18.1
Paraxylene-Naphtha	337	328	2.7	347	-2.9

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Valuation Of Companies In Our Coverage Universe

Auto - OEM

Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Bajaj Auto	8,979	6,871	Acc	30,106	3,64,276	4,40,289	5,23,308	65,507	87,011	1,09,844	56,291	73,700	89,760	260.5	317.2	277.6	19.9	29.5	26.3
Eicher Motors	4,249	4,453	Buy	13,972	1,44,422	1,66,238	1,80,529	34,436	42,990	48,411	29,805	38,465	43,344	109.0	140.5	158.3	11.8	18.6	20.6
Hero MotoCorp	4,522	5,720	Buy	10,857	3,38,057	3,71,172	4,30,959	39,862	51,077	64,644	29,106	40,815	48,852	145.7	204.3	244.5	12.9	27.3	29.6
Mahindra & Mahindra	2,091	2,019	Buy	31,228	8,49,603	10,33,629	11,38,784	1,05,638	1,55,060	1,74,234	77,000	1,08,365	1,19,999	61.9	87.1	96.5	15.8	28.4	24.8
Maruti Suzuki India	12,888	12,772	Buy	48,666	11,75,229	14,13,436	15,72,852	1,10,441	1,63,605	1,90,315	80,856	1,29,393	1,48,164	267.7	428.5	490.6	15.7	31.3	35.4
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ashok Leyland	176	214	Buy	6,209	3,61,441	3,77,042	4,15,574	29,307	41,491	47,375	12,955	23,393	27,416	4.4	8.0	9.3	7.2	27.1	45.5
TVS Motor Co	2,099	1,833	Acc	11,977	2,63,781	3,08,873	3,46,286	26,747	33,685	42,702	14,910	19,174	25,333	31.4	40.4	53.3	14.6	26.4	30.3

Valuation Metrics

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Bajaj Auto	8,979	6,871	Acc	30,106	34.5	28.3	32.3	34.6	25.9	20.4	10.0	9.3	8.6	22.1	27.0	30.4	18.5	23.0	27.0
Eicher Motors	4,249	4,453	Buy	13,972	39.0	30.2	26.8	30.6	23.9	20.7	7.7	6.7	5.8	20.4	24.2	22.9	19.4	23.7	22.5
Hero MotoCorp	4,522	5,720	Buy	10,857	31.0	22.1	18.5	19.9	15.2	11.8	5.4	4.8	4.3	17.4	21.8	23.0	17.0	21.2	22.7
Mahindra & Mahindra	2,091	2,019	Buy	31,228	33.8	24.0	21.7	22.1	14.6	12.5	5.8	4.8	4.1	17.8	21.0	19.8	16.0	20.0	19.0
Maruti Suzuki India	12,888	12,772	Buy	48,666	48.1	30.1	26.3	32.5	21.6	18.2	6.4	5.7	4.9	14.1	20.0	20.0	13.4	18.9	18.8
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ashok Leyland	176	214	Buy	6,209	39.9	22.1	18.8	16.3	11.0	9.2	6.1	5.4	4.7	15.4	24.4	25.0	11.8	18.5	19.8
TVS Motor Co	2,099	1,833	Acc	11,977	66.9	52.0	39.4	36.1	28.3	21.9	16.5	13.2	10.4	24.7	25.3	26.5	24.1	26.2	28.9

Auto - Ancillary

Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Balkrishna Industries	2,434	2,419	Acc	5,650	1,00,275	90,315	1,04,259	19,326	23,357	28,286	10,337	13,112	16,499	53.5	67.8	85.4	2.0	21.0	26.3
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apollo Tyres	470	623	Buy	3,584	2,45,681	2,64,079	2,88,277	33,137	46,542	51,602	10,826	19,403	23,541	17.0	30.6	37.1	8.3	24.8	47.5
Endurance Technologies	1,904	1,938	Acc	3,216	88,040	1,02,575	1,18,917	10,363	13,082	17,081	4,901	6,436	8,678	34.8	45.7	61.7	16.2	28.4	33.1
Small Cap (M-cap <US\$1.5bn)																			
Ceat	2,638	3,323	Buy	1,282	1,13,149	1,21,776	1,32,254	9,738	16,805	18,251	1,862	6,784	7,653	54.3	167.7	189.2	8.1	36.9	102.8
Jamna Auto Industries	134	146	Buy	642	23,253	25,439	28,691	2,614	3,307	3,931	1,684	2,189	2,685	4.2	5.5	6.7	11.1	22.6	26.3
Minda Corp	420	467	Buy	1,205	43,001	46,665	52,021	4,615	5,103	5,982	2,845	2,370	3,218	11.9	9.9	13.5	10.0	13.9	6.3
Suprajit Engineering	427	405	Acc	709	27,524	28,670	30,509	3,006	3,191	3,602	1,521	1,629	2,160	11.0	11.8	15.6	5.3	9.5	19.2

Valuation Metrics

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Balkrishna Industries	2,434	2,419	Acc	5,650	45.5	35.9	28.5	25.0	20.6	17.0	6.2	5.6	4.9	13.6	15.5	17.3	9.6	11.4	13.2
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apollo Tyres	470	623	Buy	3,584	27.6	15.4	12.7	10.3	7.3	6.6	2.3	2.1	1.9	8.6	13.5	14.8	10.0	16.1	18.2
Endurance Technologies	1,904	1,938	Acc	3,216	54.7	41.6	30.9	25.5	20.2	15.5	6.2	5.5	5.0	11.9	14.1	17.0	14.4	17.6	21.1
Small Cap (M-cap <US\$1.5bn)																			
Ceat	2,638	3,323	Buy	1,282	48.6	15.7	13.9	12.9	7.5	6.9	3.1	2.7	2.3	6.4	17.0	16.6	6.2	14.1	14.5
Jamna Auto Industries	134	146	Buy	642	31.7	24.4	19.9	20.4	16.1	13.6	6.8	5.9	5.1	22.9	25.9	27.4	23.3	24.7	23.5
Minda Corp	420	467	Buy	1,205	35.3	42.3	31.2	23.0	20.8	17.8	6.3	5.6	4.8	17.9	13.2	15.4	19.2	16.9	19.7
Suprajit Engineering	427	405	Acc	709	38.8	36.2	27.3	20.3	19.1	16.9	4.8	4.2	3.7	12.4	11.6	13.4	9.5	10.2	11.0

Banking																			
Rati Pandit (rati.pandit@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
Axis Bank	1,080	1,256	Buy	40,036	4,29,457	4,99,504	5,56,993	1,97,906	3,68,591	4,29,569	95,797	2,40,641	2,63,062	31.1	78.0	85.3	13.9	47.3	65.7
Bandhan Bank	183	194	Acc	3,535	92,596	1,01,689	1,12,415	70,913	68,080	76,829	21,946	31,327	36,809	13.6	19.5	22.9	10.2	4.1	29.5
Bank of Baroda	266	286	Acc	16,490	4,13,555	4,47,220	5,11,204	2,68,634	3,09,323	3,52,094	1,41,095	1,77,076	1,99,227	27.3	34.2	38.5	11.2	14.5	18.8
HDFC Bank	1,549	1,994	Buy	1,41,291	8,68,422	10,84,097	13,59,705	7,04,050	8,83,500	11,08,901	4,41,087	5,80,553	6,93,168	79.1	76.5	91.3	25.1	25.5	25.4
ICICI Bank	1,107	1,264	Buy	93,373	6,21,286	7,42,762	8,29,140	4,90,868	5,80,494	6,62,595	3,18,965	4,02,287	4,36,299	45.7	57.3	62.2	15.5	16.2	17.0
IndusInd Bank	1,555	1,854	Buy	14,535	1,75,921	2,06,992	2,31,199	1,43,465	1,63,373	1,92,286	73,897	92,550	1,08,471	95.2	119.0	139.4	14.6	15.8	21.2
Kotak Mahindra Bank	1,781	1,909	Acc	42,512	2,15,519	2,57,973	2,87,934	1,48,480	1,92,680	2,19,271	1,09,393	1,31,630	1,46,604	55.1	66.2	73.8	15.6	21.5	15.8
Punjab National Bank	133	105	Sell	17,522	3,44,916	4,00,659	4,35,457	2,25,288	2,55,328	2,94,782	26,804	72,570	1,30,751	2.4	6.6	11.9	12.4	14.4	120.9
State Bank of India	764	862	Buy	81,912	14,48,405	15,99,433	18,10,431	8,37,130	8,90,938	11,10,269	5,02,324	6,17,864	7,19,990	56.3	69.2	80.7	11.8	15.2	19.7
Yes Bank	25	-	UR	8,482	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
AU Small Finance Bank	632	721	Buy	5,081	44,253	52,357	65,217	20,195	25,397	32,251	14,279	16,197	20,531	21.4	24.2	30.7	21.4	26.4	19.9
City Union Bank	156	156	Acc	1,390	21,592	21,327	24,495	18,144	15,926	18,838	9,339	10,116	11,614	12.6	13.7	15.7	6.5	1.9	11.5
Federal Bank	156	178	Buy	4,555	72,322	83,357	95,864	47,944	53,132	63,210	30,106	35,552	41,311	14.2	14.6	17.0	15.1	14.8	17.1
RBL Bank	259	273	Acc	1,881	44,515	60,211	66,919	22,025	29,954	37,334	8,827	11,566	14,101	14.7	19.2	23.4	22.6	30.2	26.4
Small Cap (M-cap <US\$1.5bn)																			
DCB Bank	124	165	Buy	467	17,170	19,066	21,410	7,867	8,618	10,422	4,656	5,168	6,208	14.9	16.6	19.9	11.7	15.1	15.5
Equitas Small Finance Bank	99	127	Buy	1,347	25,449	31,147	39,447	11,762	14,347	18,344	5,740	8,012	10,094	5.2	7.1	8.9	24.5	24.9	32.6

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Valuation Metrics											
					P/E (X)			P/BV (X)			RoE (%)			RoA (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																
Axis Bank	1,080	1,256	Buy	40,036	34.7	13.8	12.7	2.8	2.3	2.0	8.0	17.5	16.3	0.8	1.7	1.6
Bandhan Bank	183	194	Acc	3,535	13.4	9.4	8.0	1.6	1.5	1.3	11.9	15.1	15.8	1.5	1.9	2.0
Bank of Baroda	266	286	Acc	16,490	9.7	7.8	6.9	1.5	1.3	1.1	15.3	16.7	16.3	1.0	1.2	1.2
HDFC Bank	1,549	1,994	Buy	1,41,291	19.6	20.3	17.0	3.1	2.8	2.5	17.0	16.5	15.5	1.9	1.9	1.8
ICICI Bank	1,107	1,264	Buy	93,373	24.2	19.3	17.8	4.0	3.5	3.1	17.2	18.7	17.7	2.1	2.3	2.2
IndusInd Bank	1,555	1,854	Buy	14,535	16.3	13.1	11.2	2.3	2.0	1.8	14.4	15.9	16.3	1.7	1.9	2.0
Kotak Mahindra Bank	1,781	1,909	Acc	42,512	32.3	26.9	24.1	4.3	3.7	3.2	14.1	14.7	14.2	2.4	2.5	2.4
Punjab National Bank	133	105	Sell	17,522	54.4	20.1	11.2	2.1	1.6	1.4	2.7	7.0	11.5	0.2	0.5	0.8
State Bank of India	764	862	Buy	81,912	13.6	11.0	9.5	2.2	1.9	1.7	16.5	17.7	17.9	1.0	1.0	1.1
Yes Bank	25	-	UR	8,482	-	-	-	-	-	-	-	-	-	-	-	-
Mid Cap (M-cap between US\$1.5bn to 5bn)																
AU Small Finance Bank	632	721	Buy	5,081	29.5	26.1	20.6	3.9	3.5	3.0	15.4	13.7	15.0	1.8	1.6	1.7
City Union Bank	156	156	Acc	1,390	12.4	11.4	10.0	1.6	1.4	1.3	13.3	12.8	13.2	1.5	1.5	1.5
Federal Bank	156	178	Buy	4,555	11.0	10.7	9.2	1.6	1.4	1.2	14.9	14.9	14.4	1.3	1.3	1.3
RBL Bank	259	273	Acc	1,881	17.6	13.5	11.1	1.2	1.1	1.0	6.7	8.2	9.2	0.8	0.9	1.0
Small Cap (M-cap <US\$1.5bn)																
DCB Bank	124	165	Buy	467	8.3	7.5	6.2	0.9	0.9	0.8	10.8	10.8	11.8	1.0	0.9	0.9
Equitas Small Finance Bank	99	127	Buy	1,347	19.1	13.9	11.1	2.3	2.0	1.8	12.2	14.6	16.2	1.9	2.0	2.0

NBFC																			
Rati Pandit (rati.pandit@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
Muthoot Finance	1,676	1,702	Buy	8,080	66,695	76,158	85,303	47,270	55,128	62,253	34,735	40,023	45,099	86.5	99.7	112.3	13.1	14.8	13.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Manappuram Finance	196	223	Buy	1,991	32,425	39,036	44,574	17,514	23,617	27,249	12,663	16,692	19,192	15.0	19.7	22.7	17.2	24.7	23.1
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			P/BV (X)			RoE (%)			RoA (%)					
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E			
Large Cap (M-cap >US\$5bn)																			
Muthoot Finance	1,676	1,702	Buy	8,080	19.4	16.8	14.9	3.6	3.2	2.8	17.6	18.1	18.1	4.9	5.1	5.0			
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Manappuram Finance	196	223	Buy	1,991	13.1	9.9	8.6	1.9	1.7	1.5	15.0	17.2	17.1	4.5	5.3	5.2			

NBFC																			
Shreya Khandelwal (shreya.khandelwal@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
Bajaj Finance	7,194	9,100	Buy	53,479	2,73,927	3,52,900	4,55,301	1,87,175	2,43,444	3,24,891	1,15,076	1,43,662	2,06,542	190.1	232.5	334.2	28.9	31.7	34.0
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Aavas Financiers	1,584	1,870	Buy	1,506	9,024	10,256	12,424	5,614	6,045	7,490	4,301	4,436	5,589	54.4	56.1	70.7	17.3	15.5	14.0
LIC Housing Finance	651	620	Acc	4,303	63,303	84,426	91,949	55,000	75,919	80,526	28,910	47,853	51,375	52.6	87.0	93.4	20.5	21.0	33.3
Poonawalla Fincorp	491	472	Acc	4,570	12,217	19,083	25,044	6,008	13,563	18,064	5,849	7,539	11,891	7.6	25.7	15.5	43.2	73.4	42.6
Small Cap (M-cap <US\$1.5bn)																			
Can Fin Homes	811	800	Acc	1,296	10,146	12,486	13,703	8,658	10,724	11,238	6,212	7,216	7,973	46.6	54.2	59.9	16.2	13.9	13.3
PNB Housing Finance	765	890	Acc	2,385	22,733	23,681	29,177	20,581	20,581	26,103	10,563	13,965	17,699	62.6	53.8	68.2	13.3	12.6	29.4
Repco Home Finance	439	480	Acc	330	5,559	6,629	7,054	4,523	5,405	5,686	2,961	3,933	4,184	47.3	62.9	66.9	12.6	12.1	18.9

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Valuation Metrics											
					P/E (X)			P/BV (X)			RoE (%)			RoA (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																
Bajaj Finance	7,194	9,100	Buy	53,479	37.8	30.9	21.5	8.1	5.8	4.7	23.5	21.8	23.7	4.6	4.5	5.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																
Aavas Financiers	1,584	1,870	Buy	1,506	29.1	28.2	22.4	3.9	3.4	3.0	14.3	12.7	14.1	3.6	3.0	3.1
LIC Housing Finance	651	620	Acc	4,303	12.4	7.5	7.0	1.8	1.5	1.3	11.2	16.5	15.4	1.1	1.6	1.6
Poonawalla Fincorp	491	472	Acc	4,570	64.5	19.1	31.7	6.0	4.8	4.3	9.6	14.0	14.1	3.8	5.1	4.9
Small Cap (M-cap <US\$1.5bn)																
Can Fin Homes	811	800	Acc	1,296	17.4	15.0	13.5	3.0	2.6	2.2	18.5	18.2	17.3	2.0	2.0	2.0
PNB Housing Finance	765	890	Acc	2,385	12.2	14.2	11.2	1.4	1.4	1.2	10.2	10.8	11.3	1.6	2.0	2.2
Repco Home Finance	439	480	Acc	330	9.3	7.0	6.6	1.2	1.0	0.9	12.5	14.6	13.8	2.4	3.0	2.8

Auto NBFC																			
Shreya Khandelwal (shreya.khandelwal@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
Cholamandaram Investment and Finance	1,210	1,335	Acc	12,208	63,334	84,171	1,14,293	44,494	59,236	79,205	26,662	33,389	48,432	32.4	40.6	58.9	34.3	33.4	34.8
Shriram Finance	2,550	2,675	Buy	11,511	1,60,616	1,86,908	2,18,820	1,23,441	1,42,997	1,75,499	59,793	76,641	99,632	159.7	204.7	266.1	16.7	19.2	29.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Mahindra & Mahindra Financial	300	305	Acc	4,445	61,059	66,532	82,830	37,518	41,169	55,002	20,388	19,387	28,952	16.5	15.7	23.5	16.5	21.1	19.2
Sundaram Finance	4,477	3,550	Acc	5,974	16,950	19,518	23,859	15,542	17,750	19,849	10,883	12,089	13,222	98.0	108.8	119.0	18.6	13.0	10.2

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Valuation Metrics											
					P/E (X)			P/BV (X)			RoE (%)			RoA (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																
Cholamandalam Investment and Finance	1,210	1,335	Acc	12,208	37.3	29.8	20.5	7.6	5.5	4.5	20.5	19.8	22.2	2.7	2.5	2.9
Shriram Finance	2,550	2,675	Buy	11,511	16.0	12.5	9.6	2.6	2.2	1.9	15.3	16.7	18.9	3.1	3.5	3.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																
Mahindra & Mahindra Financial	300	305	Acc	4,445	18.1	19.1	12.8	2.3	2.2	2.0	12.5	11.2	15.6	2.4	1.9	2.4
Sundaram Finance	4,477	3,550	Acc	5,974	45.7	41.1	37.6	6.8	6.1	5.5	14.9	14.9	14.7	2.9	2.6	2.4

Insurance																			
Shreya Khandelwal (shreya.khandelwal@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	NBP (Rsmn)			Operating surplus (Rsmn)			PAT (Rsmn)			EVPS			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
HDFC Life Insurance	634	635	Acc	16,377	2,90,851	3,15,783	3,64,730	5,89,765	6,60,924	7,62,646	13,601	15,254	19,187	184	214	251	12.0	13.7	18.8
ICICI Pru Life Insurance	625	610	Buy	10,819	1,74,125	1,88,098	2,16,313	4,33,075	5,42,282	6,15,436	8,135	10,548	12,279	248	273	307	11.5	19.2	22.9
SBI Life Insurance	1,511	1,685	Buy	18,169	2,95,886	3,45,548	4,02,622	7,42,942	9,19,333	10,79,260	17,206	18,919	23,961	464	557	666	16.7	20.5	18.0
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Max Financial	1,034	1,020	Acc	4,286	89,596	99,179	1,15,866	2,56,392	2,74,433	3,07,805	4,352	4,260	4,907	85	102	121	13.7	9.6	6.2
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/EV (x)			P/BV (x)			RoE (%)			RoEV (%)					
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E			
Large Cap (M-cap >US\$5bn)																			
HDFC Life Insurance	634	635	Acc	16,377	3.4	3.0	2.5	10.5	12.6	10.7	9.6	12.9	16.4	19.7	16.6	17.0			
ICICI Pru Life Insurance	625	610	Buy	10,819	2.5	2.3	2.0	9.2	12.7	11.1	20.6	21.5	20.5	15.9	15.4	15.3			
SBI Life Insurance	1,511	1,685	Buy	18,169	3.3	2.7	2.3	11.7	10.5	9.2	20.5	19.2	18.3	15.6	16.1	16.0			
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Max Financial	1,034	1,020	Acc	4,286	12.2	10.2	8.5	56.1	50.0	44.5	12.9	11.3	11.6	22.1	19.8	19.5			
Capital Goods																			
Natasha Jain (natasha.jain@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apar Industries	7,196	7,000	Buy	3,472	1,43,522	1,62,876	1,97,470	12,270	14,966	17,196	6,377	8,045	9,208	166.6	210.2	240.6	17.3	18.4	20.2
KEC International	757	690	Acc	2,338	1,72,817	2,00,016	2,32,775	8,297	13,401	20,950	1,760	4,441	9,064	6.8	17.3	35.3	16.1	58.9	126.9
Solar Industries India	8,709	7,240	Buy	9,465	69,225	67,688	82,366	12,889	15,636	19,191	7,575	9,562	12,184	83.7	105.7	134.6	9.1	22.0	26.8
Thermax	4,560	3,170	Acc	6,526	80,898	94,127	1,06,857	5,976	7,907	9,938	4,507	5,731	7,523	40.0	50.9	66.8	14.9	29.0	29.2
Small Cap (M-cap <US\$1.5bn)																			
Power Mech Projects	5,172	5,045	Acc	982	36,012	47,653	66,006	4,036	5,778	8,825	2,091	3,018	5,417	140.3	190.9	342.7	35.4	47.9	60.9
Triveni Turbine	549	560	Buy	2,096	12,476	17,018	22,796	2,338	3,302	4,514	1,929	2,751	3,784	6.1	8.7	11.9	35.2	39.0	40.1
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apar Industries	7,196	7,000	Buy	3,472	43.2	34.2	29.9	23.4	19.2	16.7	12.3	10.0	7.9	32.3	32.3	29.6	49.0	48.6	45.3
KEC International	757	690	Acc	2,338	110.6	43.8	21.5	26.9	16.7	10.7	5.2	4.8	4.0	4.8	11.3	20.3	10.3	17.0	25.8
Solar Industries India	8,709	7,240	Buy	9,465	104.1	82.4	64.7	61.8	51.0	41.5	30.2	23.8	18.5	29.0	28.9	28.6	29.4	31.0	33.2
Thermax	4,560	3,170	Acc	6,526	113.9	89.6	68.3	90.4	68.3	54.4	13.3	12.2	10.7	12.3	13.3	16.7	11.3	13.6	16.1
Small Cap (M-cap <US\$1.5bn)																			
Power Mech Projects	5,172	5,045	Acc	982	36.9	27.1	15.1	21.0	14.7	9.6	6.0	4.3	3.4	18.0	19.0	25.1	21.8	24.8	29.6
Triveni Turbine	549	560	Buy	2,096	90.5	63.5	46.1	73.4	52.0	38.0	23.0	18.9	15.3	25.4	29.8	33.1	27.9	33.2	37.3

Consumer Durables & Consumer Electricals

Natasha Jain (natasha.jain@nirmalbang.com)

Company	Operational Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Havells India	1,513	1,260	Acc	11,385	1,68,684	1,86,517	2,08,829	16,030	18,401	22,974	10,750	12,531	15,799	17.2	20.0	25.2	11.3	19.7	21.2
Polycab India	5,261	5,255	Acc	9,494	1,41,078	1,71,623	1,96,720	18,521	24,438	28,972	12,700	17,396	19,769	84.7	116.0	131.8	18.1	25.1	24.8
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bajaj Electricals	994	700	Sell	1,375	48,892	46,062	48,474	3,748	2,302	3,262	2,154	1,373	2,139	18.8	12.0	18.7	(0.4)	(6.7)	(0.4)
Blue Star	1,400	1,215	Acc	3,457	79,773	93,276	1,14,669	4,928	6,540	8,776	2,612	3,870	5,557	27.1	18.8	27.0	19.9	33.5	45.9
Crompton Greaves Consumer Electricals	287	330	Buy	2,214	68,696	75,237	83,691	8,544	7,798	9,617	5,472	4,624	6,161	8.6	7.3	9.7	10.4	6.1	6.1
Dixon Technologies India	7,692	7,155	Buy	5,527	1,21,920	1,81,998	2,85,500	5,128	7,103	11,237	2,555	3,717	6,562	42.9	62.4	110.2	53.0	48.0	60.3
V-Guard Industries	344	360	Buy	1,795	41,260	47,487	53,830	3,199	4,195	5,595	1,891	2,482	3,648	4.4	5.8	8.5	14.2	32.2	38.9
Voltas	1,314	1,095	Acc	5,222	94,988	1,17,523	1,38,660	5,723	5,279	10,178	3,788	2,993	7,507	11.5	9.0	22.7	20.8	33.4	40.8
Whirlpool of India	1,400	1,305	Acc	2,133	61,966	66,677	70,813	4,157	3,703	4,532	2,418	2,190	2,553	19.1	17.3	20.1	6.9	4.4	2.8
Small Cap (M-cap <US\$1.5bn)																			
Amber Enterprises India	3,786	3,675	Acc	1,532	69,271	78,084	91,306	4,179	5,465	6,963	1,572	1,592	2,797	46.7	47.2	83.0	14.8	29.1	33.4
IFB Industries	1,512	1,295	Acc	736	41,041	43,672	48,912	1,608	2,326	3,376	172	779	1,611	4.2	18.9	39.0	9.2	44.9	205.6
Johnson Controls-Hitachi Air Conditioning	1,195	-	UR	390	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Orient Electric	208	230	Buy	533	25,292	29,311	32,360	1,510	1,634	2,459	758	765	1,357	3.6	3.6	6.4	13.1	27.6	33.7
Stove Kraft	446	470	Acc	177	12,838	14,376	16,842	990	1,438	1,752	358	630	864	10.8	19.1	26.2	14.5	33.0	55.4

Company	Valuation Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Havells India	1,513	1,260	Acc	11,385	88.2	75.6	60.0	58.0	50.5	40.5	14.3	13.2	11.6	17.1	18.2	20.6	19.1	20.6	23.7
Polycab India	5,261	5,255	Acc	9,494	62.1	45.4	39.9	42.4	32.1	27.1	11.9	10.0	8.8	19.2	22.0	22.2	23.9	26.9	28.4
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bajaj Electricals	994	700	Sell	1,375	52.8	82.9	53.2	29.6	48.1	34.0	6.0	5.9	5.3	11.3	7.1	10.0	15.8	7.1	10.1
Blue Star	1,400	1,215	Acc	3,457	51.6	74.4	51.8	59.1	44.5	33.2	21.6	12.0	10.8	34.1	20.8	21.9	23.9	22.4	24.9
Crompton Greaves Consumer Electricals	287	330	Buy	2,214	33.3	39.4	29.6	22.5	24.7	20.0	6.9	6.7	6.3	21.9	17.9	22.8	16.6	16.5	22.6
Dixon Technologies India	7,692	7,155	Buy	5,527	179.3	123.2	69.8	89.7	64.7	40.9	35.7	30.5	21.5	19.9	24.8	30.8	26.7	32.2	40.2
V-Guard Industries	344	360	Buy	1,795	78.5	59.8	40.7	47.8	36.5	27.3	9.2	8.7	7.6	12.5	15.0	20.0	14.4	15.4	21.8
Voltas	1,314	1,095	Acc	5,222	114.7	145.3	57.9	75.8	82.2	42.6	8.0	8.1	7.3	2.5	5.5	13.3	8.9	7.5	13.9
Whirlpool of India	1,400	1,305	Acc	2,133	73.4	81.1	69.6	38.8	43.6	35.6	5.3	5.0	5.4	7.8	6.4	7.5	8.5	5.2	6.5
Small Cap (M-cap <US\$1.5bn)																			
Amber Enterprises India	3,786	3,675	Acc	1,532	81.1	80.1	45.6	32.4	24.8	19.4	6.7	6.3	5.6	8.6	8.1	12.9	8.9	10.0	13.0
IFB Industries	1,512	1,295	Acc	736	362.0	80.1	38.7	38.8	26.8	18.5	9.5	8.5	7.0	2.7	11.2	19.8	4.8	11.5	22.0
Johnson Controls-Hitachi Air Conditioning	1,195	-	UR	390	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Orient Electric	208	230	Buy	533	58.2	57.7	32.6	28.4	26.2	17.4	7.6	7.2	6.5	13.5	12.8	21.2	17.7	16.9	27.2
Stove Kraft	446	470	Acc	177	41.2	23.4	17.0	16.0	11.0	9.0	3.7	3.4	2.9	9.3	14.5	17.0	13.9	18.0	20.7

Cement

Jyoti Gupta (jyoti.gupta@nirmalbang.com)

Company	Operational Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Ambuja Cements	623	915	Buy	16,446	3,89,370	3,50,452	4,45,225	51,224	73,295	1,15,369	30,244	50,480	79,104	15.2	25.4	39.8	6.9	50.1	61.7
Dalmia Bharat	1,991	3,005	Buy	4,484	1,35,400	1,47,714	1,76,264	23,190	28,321	37,488	10,830	8,272	12,928	57.8	44.1	69.0	14.1	27.1	9.3
Shree Cement	25,992	32,918	Buy	11,263	1,68,375	1,99,525	2,31,513	29,423	40,457	52,919	13,281	22,427	23,536	368.1	621.6	652.3	17.3	34.1	33.1
UltraTech Cement	9,769	11,669	Buy	33,872	6,32,400	7,00,069	9,28,689	1,06,199	1,23,719	2,14,009	50,734	67,058	1,27,865	175.8	232.3	442.9	21.2	42.0	58.8
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
ACC	2,524	2,579	Buy	5,693	2,22,100	1,97,885	2,11,861	19,190	31,159	34,718	8,699	19,641	22,382	46.3	104.6	119.2	(2.3)	34.5	60.4
JK Cement	4,322	4,655	Buy	4,011	97,116	1,13,853	1,33,695	13,057	20,759	21,860	4,191	8,624	9,166	54.2	111.6	118.6	17.3	29.4	47.9
The Ramco Cements	840	1,173	Buy	2,385	81,353	93,317	1,03,381	11,820	16,177	18,616	3,435	4,470	6,169	14.6	19.0	26.2	12.7	25.5	34.0
Nuvoco Vistas Corp	311	432	Buy	1,333	1,05,862	1,08,672	1,19,868	12,017	16,354	19,309	158	1,560	3,887	0.4	4.4	10.9	6.4	26.8	395.4
Small Cap (M-cap <US\$1.5bn)																			
Birla Corp	1,496	1,841	Buy	1,383	86,823	96,231	1,03,755	7,720	14,265	19,456	521	4,251	8,199	6.8	55.2	106.5	9.3	58.8	296.5
HeidelbergCement India	207	166	Sell	564	22,381	24,878	24,734	2,489	3,760	4,470	992	1,980	2,009	4.4	8.7	8.9	5.1	34.0	42.3
JK Lakshmi Cement	808	1,193	Buy	1,142	64,515	68,435	77,979	8,387	10,139	12,891	3,691	4,515	5,697	31.4	38.4	48.4	9.9	24.0	24.2
Sagar Cements	217	299	Acc	341	22,295	24,725	27,694	1,532	3,789	4,539	120	(66)	1,266	0.9	(0.5)	9.7	11.5	72.1	224.5
Star Cement	236	192	Acc	1,144	27,088	29,135	32,602	4,684	5,809	7,358	2,476	3,212	3,841	6.1	7.9	9.5	9.7	25.3	24.6

Company	Valuation Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Ambuja Cements	623	915	Buy	16,446	40.9	24.5	15.6	26.2	18.3	11.6	3.2	2.9	2.5	6.8	12.4	17.2	12.4	14.8	20.1
Dalmia Bharat	1,991	3,005	Buy	4,484	34.4	45.1	28.9	16.3	13.4	10.1	2.4	2.3	2.1	6.6	4.9	7.3	8.9	8.8	10.4
Shree Cement	25,992	32,918	Buy	11,263	70.6	41.8	39.8	31.6	23.0	17.6	5.1	4.6	4.2	7.5	11.7	11.1	13.9	16.7	19.0
UltraTech Cement	9,769	11,669	Buy	33,872	55.6	42.1	22.1	26.7	22.9	13.3	5.2	4.7	3.9	9.7	11.7	19.4	10.7	12.5	19.2
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
ACC	2,524	2,579	Buy	5,693	54.5	24.1	21.2	24.6	15.1	13.6	3.4	3.0	2.7	4.9	13.2	13.5	10.8	16.7	16.5
JK Cement	4,322	4,655	Buy	4,011	79.7	38.7	36.4	29.0	18.3	17.3	7.2	5.9	5.0	9.4	16.8	14.9	7.6	11.4	11.0
The Ramco Cements	840	1,173	Buy	2,385	57.6	44.3	32.1	20.5	14.9	13.0	2.9	2.7	2.5	5.2	6.4	8.2	6.5	7.6	8.9
Nuvoco Vistas Corp	311	432	Buy	1,333	700.7	71.1	28.5	12.9	9.5	8.0	1.3	1.2	1.2	0.2	1.8	4.2	(0.1)	6.5	8.3
Small Cap (M-cap <US\$1.5bn)																			
Birla Corp	1,496	1,841	Buy	1,383	220.9	27.1	14.0	19.7	10.7	7.8	1.9	1.8	1.6	0.9	6.9	12.2	4.4	7.0	9.8
HeidelbergCement India	207	166	Sell	564	47.3	23.7	23.4	17.7	11.7	9.8	3.2	3.2	3.2	6.6	13.6	13.8	9.5	15.3	15.7
JK Lakshmi Cement	808	1,193	Buy	1,142	25.8	21.1	16.7	12.5	10.4	8.1	3.4	2.9	2.5	13.9	14.9	16.1	11.6	11.0	11.5
Sagar Cements	217	299	Acc	341	236.2	(433.2)	22.4	26.8	10.8	9.0	1.7	1.7	1.6	0.8	(0.4)	7.5	4.1	5.1	7.3
Star Cement	236	192	Acc	1,144	38.5	29.7	24.8	19.7	15.9	12.6	3.9	3.5	3.1	10.8	12.5	13.1	13.5	13.5	12.3

Construction

Jyoti Gupta (jyoti.gupta@nirmalbang.com)

Company	Operational Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Small Cap (M-cap <US\$1.5bn)																			
Ashoka Buildcon	174	218	Buy	586	63,619	75,070	83,328	5,232	6,810	8,064	3,221	5,058	6,145	11.5	18.0	21.9	14.4	24.1	38.1
KNR Constructions	266	343	Buy	899	37,113	42,680	47,801	6,892	7,682	8,604	4,909	4,848	5,571	17.5	17.2	19.8	13.5	11.7	6.5
PNC Infratech	452	520	Buy	1,391	70,238	80,985	94,104	9,169	10,933	12,234	5,745	6,108	7,058	22.4	23.8	27.5	15.7	15.5	10.8

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Valuation Metrics														
					P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Small Cap (M-cap <US\$1.5bn)																			
Ashoka Buildcon	174	218	Buy	586	200.6	25.2	14.2	10.1	7.8	6.6	1.4	1.3	1.1	10.6	14.0	14.7	10.6	12.5	13.3
KNR Constructions	266	343	Buy	899	40.6	19.6	19.3	10.4	9.3	8.3	11.7	12.0	10.7	19.8	16.3	16.0	14.0	16.4	16.1
PNC Infratech	452	520	Buy	1,391	32.5	30.3	28.1	12.7	10.7	9.5	2.9	2.6	2.2	15.8	14.4	14.4	13.3	13.2	13.7

Tiles																			
Jyoti Gupta (jyoti.gupta@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Kajaria Ceramics	1,257	1,690	Buy	2,403	43,819	46,629	53,374	5,920	7,390	9,086	3,542	4,578	5,624	22.2	28.8	35.3	10.4	23.9	26.0
Small Cap (M-cap <US\$1.5bn)																			
Somany Ceramics	613	956	Buy	302	24,785	25,791	29,697	1,880	2,454	2,981	662	1,027	1,590	15.6	24.2	37.5	9.5	25.9	54.9
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Kajaria Ceramics	1,257	1,690	Buy	2,403	56.5	43.7	35.6	33.5	26.8	21.8	8.6	7.6	6.6	14.7	16.8	18.0	17.6	20.4	22.5
Small Cap (M-cap <US\$1.5bn)																			
Somany Ceramics	613	956	Buy	302	39.2	25.3	16.3	15.2	11.6	9.6	3.3	3.0	2.6	11.5	15.5	16.2	9.0	12.7	16.1
Chemicals																			
Ramesh Sankaranarayanan (ramesh.s@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
PI Industries	3,906	3,994	Buy	7,117	64,920	79,503	92,584	15,421	21,184	24,029	11,984	17,410	18,581	79.0	114.8	122.6	19.4	24.8	24.5
UPL	490	568	Acc	4,416	5,35,760	4,22,118	4,80,053	1,01,960	39,964	1,01,649	37,400	(11,951)	30,104	49.8	(15.9)	40.1	(5.3)	(0.2)	(10.3)
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Coromandel International	1,148	1,058	Acc	4,059	2,96,279	2,28,498	2,27,043	29,262	24,287	27,649	20,129	16,562	19,360	68.5	56.3	65.8	(12.5)	(2.8)	(1.9)
Sumitomo Chemical India	385	440	Buy	2,311	35,110	27,825	34,756	6,666	4,360	6,433	5,022	3,398	5,080	10.0	6.8	10.2	(0.5)	(1.8)	0.6
Tata Chemicals	1,138	665	Sell	3,482	1,67,890	1,56,020	1,63,094	38,220	29,102	27,913	23,350	12,054	11,252	91.7	47.3	44.2	(1.4)	(14.5)	(30.6)
Small Cap (M-cap <US\$1.5bn)																			
Anupam Rasayan India	874	671	Sell	1,153	12,841	10,988	16,035	3,675	3,111	4,356	1,685	1,076	2,014	16.2	9.5	17.8	11.7	8.9	9.3
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
PI Industries	3,906	3,994	Buy	7,117	49.4	34.0	31.9	36.3	26.4	23.3	8.2	6.8	5.7	18.0	21.8	19.3	16.1	19.2	17.2
UPL	490	568	Acc	4,416	9.8	(30.8)	12.2	5.4	13.7	5.4	1.2	1.3	1.2	13.7	(4.2)	10.6	11.5	1.8	11.2
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Coromandel International	1,148	1,058	Acc	4,059	16.8	20.4	17.4	10.8	13.0	11.5	4.3	3.7	3.2	28.2	19.4	19.4	26.9	18.3	18.1
Sumitomo Chemical India	385	440	Buy	2,311	38.4	56.7	37.9	28.0	42.9	29.1	8.1	7.4	6.3	23.3	19.6	23.7	21.3	11.3	15.3
Tata Chemicals	1,138	665	Sell	3,482	12.4	24.1	25.8	8.7	11.4	11.9	1.5	1.4	1.4	12.3	6.0	5.4	8.7	4.8	4.4
Small Cap (M-cap <US\$1.5bn)																			
Anupam Rasayan India	874	671	Sell	1,153	53.8	92.2	49.2	26.8	31.6	22.6	4.1	3.5	3.0	8.3	4.2	6.8	7.2	4.7	6.2

Specialty Chemicals																			
Abhishek Navalgund (abhishek.navalgund@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
SRF	2,593	2,400	Acc	9,231	1,48,703	1,30,378	1,51,141	35,292	26,893	36,888	21,623	13,607	19,410	72.9	45.9	65.5	0.8	2.2	(5.3)
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Aarti Industries	700	570	Sell	3,046	66,186	61,744	79,502	10,890	9,799	14,213	5,452	4,393	6,368	15.0	12.1	17.6	9.6	14.2	8.1
Clean Science & Technology	1,325	1,500	Acc	1,691	9,358	7,846	9,874	4,026	3,269	4,041	2,286	2,286	2,286	21.5	21.5	21.5	2.7	0.2	-
Fine Organic Industries	4,313	6,000	Buy	1,588	30,231	22,039	23,126	8,311	5,501	5,307	6,181	3,861	3,889	201.6	125.9	126.8	(12.5)	(20.1)	(20.7)
Navin Fluorine International	3,058	3,500	Acc	1,821	20,774	22,376	28,003	5,503	3,952	6,694	3,752	2,122	4,266	75.7	42.8	86.1	16.1	10.3	6.6
Vinati Organics	1,483	1,300	Sell	1,831	20,847	18,135	24,157	5,954	4,497	6,184	4,580	3,217	4,316	44.6	31.3	42.0	7.6	1.9	(2.9)
Small Cap (M-cap <US\$1.5bn)																			
Advanced Enzyme Technologies	359	400	Acc	482	5,406	6,433	7,532	1,564	2,134	2,748	1,086	1,478	1,893	9.7	13.2	16.9	18.0	32.5	32.0
Camlin Fine Sciences	103	150	Buy	207	16,816	16,316	18,370	2,053	1,081	2,329	569	(260)	869	3.6	(1.6)	5.2	4.5	6.5	23.6
Galaxy Surfactants	2,548	3,300	Buy	1,085	44,452	38,583	43,110	5,683	4,810	5,765	3,810	2,985	3,691	107.5	84.2	104.1	(1.5)	0.7	(1.6)
Neogen Chemicals	1,348	1,300	Acc	427	6,862	7,118	9,458	1,116	997	1,608	500	307	566	20.0	11.6	21.5	17.4	20.0	6.5
Rossari Biotech	705	850	Acc	468	16,559	18,421	21,274	2,230	2,490	2,973	1,073	1,231	1,486	19.4	22.3	26.9	13.3	15.5	17.7
Tatva Chintan Pharma Chem	1,262	1,000	Sell	355	4,236	3,823	6,298	606	650	1,134	491	253	608	22.2	10.8	26.0	21.9	36.8	11.3
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
SRF	2,593	2,400	Acc	9,231	35.5	56.5	39.6	22.7	29.8	21.7	7.4	7.0	6.2	22.9	12.8	16.6	17.7	16.9	10.0
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Aarti Industries	700	570	Sell	3,046	46.5	57.7	39.8	25.7	28.6	19.7	5.2	4.9	4.5	11.6	8.7	11.8	10.0	9.3	7.7
Clean Science & Technology	1,325	1,500	Acc	1,691	61.6	61.6	61.6	34.2	42.2	34.1	13.8	11.2	9.0	34.0	20.8	21.8	30.7	18.5	18.7
Fine Organic Industries	4,313	6,000	Buy	1,588	21.4	34.2	34.0	15.3	23.1	24.0	8.6	7.1	6.1	49.4	22.8	19.4	26.1	44.5	20.4
Navin Fluorine International	3,058	3,500	Acc	1,821	40.4	71.4	35.5	29.0	40.3	23.8	6.9	6.4	5.7	18.6	9.4	17.1	14.8	6.6	10.8
Vinati Organics	1,483	1,300	Sell	1,831	33.3	47.4	35.3	25.3	33.4	24.3	6.9	6.5	5.7	22.6	14.1	17.2	17.7	19.9	12.6
Small Cap (M-cap <US\$1.5bn)																			
Advanced Enzyme Technologies	359	400	Acc	482	36.9	27.1	21.2	22.7	16.6	12.9	3.2	2.9	2.6	9.4	11.3	12.8	11.5	7.7	9.8
Camlin Fine Sciences	103	150	Buy	207	28.4	(66.2)	19.8	11.7	22.3	10.3	2.0	1.9	1.7	7.3	(3.0)	9.0	4.8	3.3	7.8
Galaxy Surfactants	2,548	3,300	Buy	1,085	23.7	30.3	24.5	15.9	18.8	15.7	4.8	4.3	3.7	22.0	14.9	16.3	15.0	19.1	13.3
Neogen Chemicals	1,348	1,300	Acc	427	67.3	115.9	62.8	34.2	38.3	23.8	7.0	4.7	4.4	10.7	4.5	6.8	8.9	4.8	5.6
Rossari Biotech	705	850	Acc	468	36.2	31.6	26.2	17.1	15.3	12.8	4.2	3.8	3.3	12.5	12.6	13.5	15.9	13.2	12.3
Tatva Chintan Pharma Chem	1,262	1,000	Sell	355	56.9	116.7	48.5	51.5	48.0	27.5	5.4	4.0	3.7	9.9	4.0	9.1	21.7	8.1	3.9

Consumer Staples

Krishnan Sambamoorthy (krishnan.s@nirmalbang.com)

Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Britannia Industries	4,795	5,910	Buy	13,871	1,63,006	1,68,130	1,89,940	28,309	31,086	35,100	20,476	21,216	24,487	85.0	88.1	101.6	7.9	11.3	9.4
Colgate-Palmolive India	2,622	2,510	Acc	8,566	52,262	56,389	60,638	15,461	18,530	20,381	10,547	13,066	14,345	38.8	48.0	52.7	7.7	14.8	16.6
Dabur India	503	600	Acc	10,708	1,15,299	1,26,185	1,39,737	21,641	24,668	28,046	17,072	18,788	21,549	9.6	10.6	12.2	10.1	13.8	12.4
Hindustan Unilever	2,264	2,670	Acc	63,892	5,91,440	6,08,963	6,58,024	1,36,320	1,42,563	1,56,605	97,200	1,02,105	1,10,994	41.4	43.4	47.2	5.5	7.2	6.9
ITC	426	520	Buy	63,929	6,60,433	6,59,407	7,24,097	2,39,762	2,47,389	2,71,632	1,86,972	2,03,284	2,18,061	15.1	16.4	17.5	4.7	6.4	8.0
Marico	510	550	Acc	7,920	97,640	96,041	1,07,704	18,110	20,162	22,826	13,030	14,239	16,091	10.1	11.0	12.5	5.0	12.3	11.1
Nestle India	2,503	2,380	Acc	28,982	1,68,970	2,40,202	2,13,599	37,038	57,095	52,281	23,818	38,573	34,480	24.7	40.0	35.8	12.4	18.8	20.3
P&G Hygiene & Health Care	16,179	17,900	Acc	6,308	39,123	41,327	46,049	8,686	10,332	12,111	6,781	7,646	8,985	208.9	235.3	276.4	8.5	18.1	15.1
Tata Consumer Products	1,126	1,305	Buy	12,881	1,37,832	1,52,521	1,82,803	18,565	22,430	30,466	10,873	14,435	18,215	11.7	15.5	19.0	15.2	28.1	29.4
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Emami	457	530	Acc	2,412	34,057	35,400	38,657	8,628	9,441	10,733	7,895	8,469	9,328	17.9	19.2	21.1	6.5	11.5	8.7
Gillette India	6,598	7,915	Buy	2,582	24,771	26,474	29,630	5,392	5,947	7,141	3,557	3,961	4,823	109.1	121.5	148.0	9.4	15.1	16.4

Company	Valuation Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Britannia Industries	4,795	5,910	Buy	13,871	56.4	54.4	47.2	41.1	37.5	33.2	32.7	26.7	22.3	66.9	52.7	52.2	34.4	30.2	32.8
Colgate-Palmolive India	2,622	2,510	Acc	8,566	67.6	54.6	49.7	45.5	38.0	34.5	41.6	41.6	41.6	61.1	76.1	83.6	59.5	74.6	81.9
Dabur India	503	600	Acc	10,708	52.2	47.4	41.4	41.2	36.2	31.8	9.9	9.0	8.3	19.7	19.9	20.9	17.6	17.9	18.9
Hindustan Unilever	2,264	2,670	Acc	63,892	54.7	52.1	47.9	38.5	36.8	33.5	10.6	10.8	11.2	19.6	20.5	22.9	20.4	20.9	23.4
ITC	426	520	Buy	63,929	28.3	26.1	24.3	21.4	20.7	18.9	7.8	7.7	7.5	29.0	29.7	31.2	28.2	28.9	30.4
Marico	510	550	Acc	7,920	50.4	46.2	40.9	35.9	32.3	28.5	17.3	16.3	15.0	36.5	36.6	38.8	31.0	30.5	32.8
Nestle India	2,503	2,380	Acc	28,982	101.3	62.6	70.0	64.7	42.0	45.8	98.1	68.1	63.0	108.1	116.2	119.1	118.9	122.3	125.7
P&G Hygiene & Health Care	16,179	17,900	Acc	6,308	77.4	68.8	58.5	59.3	49.9	42.6	55.5	51.4	47.2	80.6	77.7	84.2	87.6	84.5	91.3
Tata Consumer Products	1,126	1,305	Buy	12,881	96.2	72.4	59.1	56.4	46.7	34.4	6.4	6.3	5.3	6.9	8.8	9.9	6.8	8.1	9.4
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Emami	457	530	Acc	2,412	25.6	23.8	21.6	23.0	21.0	18.5	8.8	7.4	6.7	36.1	33.7	32.5	38.6	37.7	36.2
Gillette India	6,598	7,915	Buy	2,582	60.5	54.3	44.6	39.0	35.4	29.5	21.7	24.4	22.0	38.5	42.4	51.9	39.1	42.8	52.4

Consumer Discretionary

Krishnan Sambamoorthy (krishnan.s@nirmalbang.com)

Company	Operational Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Asian Paints	2,857	3,470	Acc	32,915	3,44,886	3,62,866	4,08,026	62,602	80,556	89,273	41,427	56,440	60,890	43.2	58.8	63.5	8.8	19.4	21.2
Berger Paints India	556	585	Acc	7,781	1,05,678	1,14,542	1,25,995	14,872	19,881	22,065	8,594	12,038	13,761	8.8	10.3	11.8	9.2	21.8	26.5
Jubilant Foodworks	448	495	Acc	3,550	51,582	53,475	60,511	11,516	10,807	13,512	3,532	2,197	3,403	5.4	3.3	5.2	8.3	8.3	(1.8)
United Breweries	1,825	2,050	Buy	5,794	74,999	80,062	92,071	6,162	7,836	13,643	3,282	4,422	8,700	12.4	16.7	32.9	10.8	48.8	62.8
United Spirits	1,128	1,130	Acc	9,857	1,03,737	1,07,566	1,22,138	13,496	17,048	20,238	8,431	11,529	13,777	11.6	15.8	18.9	8.5	22.5	27.8
Small Cap (M-cap <US\$1.5bn)																			
Restaurant Brands Asia	101	120	Acc	600	20,543	24,376	30,620	1,115	2,158	3,945	(2,418)	(2,129)	(1,370)	(4.9)	(4.3)	(2.8)	22.1	88.1	-
Westlife Foodworld	810	960	Buy	1,518	22,782	23,776	27,817	3,741	3,793	5,043	1,116	810	1,599	7.2	5.2	10.3	10.5	16.1	19.7

Company	Valuation Metrics																		
	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Asian Paints	2,857	3,470	Acc	32,915	66.2	48.6	45.0	43.4	33.7	30.4	17.1	14.9	13.2	27.8	32.9	31.1	26.2	31.4	30.1
Berger Paints India	556	585	Acc	7,781	62.8	53.8	47.1	43.9	32.8	29.6	12.0	10.2	8.7	20.4	24.6	24.0	19.1	23.5	24.2
Jubilant Foodworks	448	495	Acc	3,550	83.7	134.5	86.9	24.9	26.5	21.2	14.5	14.4	14.3	17.3	10.7	16.4	24.6	17.4	23.5
United Breweries	1,825	2,050	Buy	5,794	147.0	109.1	55.5	77.7	61.1	35.1	12.2	11.2	9.8	8.3	10.7	18.9	7.6	10.8	18.9
United Spirits	1,128	1,130	Acc	9,857	97.4	71.2	59.6	59.7	47.2	39.8	13.8	11.9	10.3	14.2	16.8	17.4	16.4	18.6	19.0
Small Cap (M-cap <US\$1.5bn)																			
Restaurant Brands Asia	101	120	Acc	600	(20.6)	(23.4)	(36.4)	49.1	25.4	13.9	4.8	6.0	8.1	(25.9)	(29.6)	(25.2)	(12.6)	(9.3)	5.3
Westlife Foodworld	810	960	Buy	1,518	113.2	156.1	79.1	33.9	33.4	25.2	22.3	19.6	15.7	21.7	13.4	22.0	23.1	17.3	21.3

Information Technology																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
HCL Technologies	1,541	1,514	Sell	50,208	10,14,560	11,00,422	12,04,597	1,84,850	2,03,417	2,24,359	1,48,510	1,59,447	1,78,825	54.9	58.8	66.0	9.0	10.2	9.7
Infosys	1,495	1,610	Acc	74,523	14,67,670	15,50,236	16,80,498	3,09,060	3,22,663	3,58,108	2,40,950	2,44,101	2,75,156	57.6	58.9	66.4	7.0	7.6	6.9
LTIMindtree	4,893	4,651	Sell	17,403	3,31,830	3,57,404	3,90,763	53,851	57,342	65,255	45,608	49,055	54,999	149.0	160.2	185.3	8.5	10.1	9.8
Tata Consultancy Services	3,947	3,609	Sell	1,71,494	22,54,580	24,10,274	25,81,188	5,42,370	5,91,092	6,38,162	4,21,470	4,62,521	4,95,487	115.2	127.3	137.2	7.0	8.5	8.4
Tech Mahindra	1,251	1,540	Buy	14,680	5,32,902	5,22,190	5,48,009	60,720	33,073	59,339	48,531	25,973	47,255	54.7	29.3	53.2	1.4	(1.1)	(1.3)
Wipro	476	441	Sell	29,859	9,04,876	8,98,380	9,41,892	1,39,606	1,36,934	1,48,897	1,13,500	1,11,527	1,23,109	20.7	20.9	23.5	2.0	3.3	4.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Birlasoft	729	575	Sell	2,415	47,948	52,900	59,051	4,382	7,475	8,643	3,316	6,005	6,995	12.0	21.8	25.4	11.0	40.4	45.2
Coloforge	5,712	5,576	Acc	4,241	80,146	92,267	1,04,913	11,477	12,180	14,775	8,264	8,582	10,810	113.8	139.6	175.3	14.4	13.5	14.4
Mphasis	2,457	2,008	Sell	5,578	1,37,985	1,33,176	1,47,320	21,087	20,396	22,630	16,380	15,698	17,187	87.1	83.4	91.3	3.3	3.6	2.4
Persistent Systems	3,957	2,838	Sell	7,321	83,506	98,017	1,12,774	12,472	14,201	17,087	9,211	10,706	12,992	60.3	69.6	84.5	16.2	17.0	18.8
Zensar Technologies	606	538	Sell	1,650	48,483	49,014	53,110	3,693	7,228	7,051	3,277	6,335	6,213	14.4	27.8	27.4	4.7	38.2	37.7
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
HCL Technologies	1,541	1,514	Sell	50,208	28.1	26.2	23.3	21.6	19.7	17.8	6.4	6.2	6.1	23.3	24.1	26.4	19.6	20.4	21.8
Infosys	1,495	1,610	Acc	74,523	26.0	25.4	22.5	19.7	18.9	17.0	8.2	7.8	6.9	31.8	31.5	32.5	29.5	29.5	30.0
LTIMindtree	4,893	4,651	Sell	17,403	32.8	30.5	26.4	26.5	24.9	21.9	8.7	7.8	6.6	29.5	27.8	27.1	22.6	21.1	21.0
Tata Consultancy Services	3,947	3,609	Sell	1,71,494	34.3	31.0	28.8	26.2	24.0	22.3	15.8	15.7	14.7	46.0	50.8	52.6	30.9	33.5	34.8
Tech Mahindra	1,251	1,540	Buy	14,680	22.9	42.8	23.5	19.2	35.2	19.6	4.0	4.3	4.2	18.7	10.6	18.5	14.2	8.1	14.5
Wipro	476	441	Sell	29,859	23.0	22.7	20.2	16.0	16.3	15.0	3.3	3.3	3.0	15.8	14.5	15.6	11.4	10.4	11.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Birlasoft	729	575	Sell	2,415	60.6	33.4	28.7	43.7	25.6	22.2	8.2	8.5	7.1	13.2	25.0	26.9	13.1	23.3	24.9
Coloforge	5,712	5,576	Acc	4,241	50.2	40.9	32.6	30.6	28.8	23.8	11.3	9.6	8.4	28.4	25.4	27.4	24.1	21.3	21.8
Mphasis	2,457	2,008	Sell	5,578	28.2	29.5	26.9	20.8	21.5	19.4	5.8	5.9	5.4	22.0	19.9	21.1	18.3	15.9	16.2
Persistent Systems	3,957	2,838	Sell	7,321	65.7	56.9	46.9	48.3	42.4	35.3	15.3	12.4	10.7	25.1	24.1	24.5	23.7	23.0	23.5
Zensar Technologies	606	538	Sell	1,650	42.2	21.8	22.1	35.2	18.0	18.5	4.7	4.2	3.7	11.8	20.5	17.9	8.6	15.8	13.7
Others																			
Abhishek Navalgund (abhishek.navalgund@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Small Cap (M-cap <US\$1.5bn)																			
CCL Products India	574	820	Buy	921	20,712	25,989	32,698	3,999	4,691	5,900	2,840	2,717	3,245	21.3	20.4	24.4	25.6	21.5	6.9
LA Opala RG	337	450	Buy	449	4,523	4,044	5,164	1,722	1,541	1,957	1,230	1,418	1,579	10.9	12.8	14.2	6.9	6.6	13.3
Mold-Tek Packaging	865	1,100	Buy	345	7,299	7,097	8,717	1,354	1,356	1,766	804	688	973	24.2	20.8	29.5	9.3	14.2	10.0
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Small Cap (M-cap <US\$1.5bn)																			
CCL Products India	574	820	Buy	921	26.9	28.1	23.5	21.3	18.1	14.4	5.1	4.5	4.0	20.7	17.1	18.0	12.4	14.5	12.2
LA Opala RG	337	450	Buy	449	31.0	26.4	23.7	19.3	21.6	17.0	4.8	4.3	3.8	16.2	17.2	17.0	11.7	14.6	13.5
Mold-Tek Packaging	865	1,100	Buy	345	35.7	41.5	29.4	21.5	21.5	16.5	5.1	4.8	4.3	15.8	11.9	15.5	14.9	11.3	14.4

Retail																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bata India	1,343	1,710	Buy	2,073	34,516	34,827	37,243	7,910	7,783	8,402	3,230	2,857	3,675	25.1	22.2	28.6	3.9	3.1	6.7
Small Cap (M-cap <US\$1.5bn)																			
V-Mart Retail	2,139	2,313	Acc	508	24,648	27,897	32,745	2,689	2,466	3,465	(78)	(713)	201	(4.0)	(36.2)	10.2	15.3	13.5	NA
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bata India	1,343	1,710	Buy	2,073	53.5	60.4	47.0	22.4	22.8	21.1	12.0	12.4	11.1	19.9	20.2	24.9	14.5	14.7	18.3
Small Cap (M-cap <US\$1.5bn)																			
V-Mart Retail	2,139	2,313	Acc	508	(537.1)	(59.1)	210.0	16.2	17.6	12.6	5.0	5.4	5.3	(0.9)	(8.8)	2.5	5.8	2.1	11.6

Pharmaceuticals																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Cipla India	1,450	1,532	Buy	14,063	2,27,531	2,62,554	2,92,981	50,270	63,013	71,194	29,300	41,953	49,077	36.3	52.0	60.8	13.5	19.0	29.4
Dr Reddy's Laboratories	6,168	6,553	Acc	12,357	2,45,879	2,76,941	2,94,203	63,873	73,850	71,741	45,067	50,553	49,054	271.5	304.5	295.5	9.4	6.0	4.3
Gland Pharma	1,800	1,856	Acc	3,561	36,246	56,454	64,313	10,248	14,366	18,549	7,810	9,410	12,319	47.4	57.1	74.8	33.2	34.5	25.6
Lupin	1,606	1,678	Acc	8,788	1,66,417	2,02,265	2,21,425	17,981	39,113	45,706	4,301	21,022	26,854	9.5	46.2	59.0	15.3	59.4	149.9
Mankind Pharma	2,365	2,133	Acc	11,380	87,494	1,03,815	1,17,825	19,006	27,185	32,937	12,819	19,395	24,138	32.0	48.4	60.3	16.0	31.6	37.2
Sun Pharmaceutical Industries	1,603	1,653	Buy	46,179	4,38,857	4,89,987	5,51,910	1,16,468	1,34,978	1,62,352	86,296	97,976	1,21,848	36.0	40.8	50.8	12.1	18.1	18.8
Torrent Pharmaceuticals	2,578	2,443	Acc	10,479	96,200	1,09,216	1,22,769	28,420	33,422	38,879	12,450	15,753	19,207	36.8	46.6	56.8	13.0	17.0	24.2
Zydus Lifesciences	989	931	Buy	11,954	1,72,374	1,92,937	2,12,740	35,755	50,387	58,558	22,111	35,086	41,740	21.8	34.7	41.2	11.1	28.0	37.4
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ajanta Pharma	2,151	2,529	Buy	3,252	37,426	41,782	46,853	7,833	11,037	13,103	5,880	8,161	10,676	45.9	63.7	83.3	11.9	29.3	34.8
Alembic Pharmaceuticals	990	923	Acc	2,338	56,526	65,907	75,886	7,083	9,101	12,731	3,420	5,477	8,022	17.4	27.9	40.8	15.9	34.1	53.2
Alkem Laboratories	4,883	5,091	Acc	7,011	1,15,993	1,28,641	1,42,238	16,095	22,261	27,420	10,636	17,028	22,023	89.0	142.4	184.2	10.7	30.5	43.9
JB Chemicals & Pharmaceuticals	1,730	2,062	Buy	3,224	31,493	34,933	41,449	6,958	9,148	11,911	4,093	5,671	7,971	26.5	36.7	51.6	14.7	30.8	39.6
Natco Pharma	989	956	Acc	2,127	27,071	39,088	40,723	9,356	16,310	17,185	7,153	12,379	13,206	39.2	69.1	73.7	22.7	35.5	35.9
Pfizer India	4,228	3,755	Sell	2,323	24,248	22,422	25,107	8,089	6,084	7,427	5,989	4,601	6,044	130.9	100.6	132.1	1.8	(4.2)	0.5
Sandoz India	8,412	9,212	Buy	2,327	27,701	28,905	31,531	7,044	8,388	9,555	5,258	6,257	7,396	228.6	272.0	321.6	6.7	16.5	18.6
Small Cap (M-cap <US\$1.5bn)																			
Eris Lifesciences	842	1,076	Buy	1,376	16,851	20,544	25,210	5,367	6,894	8,770	3,787	4,014	5,854	27.9	29.5	43.1	22.3	27.8	24.3
Indoco Remedies	348	363	Acc	385	16,686	18,961	21,638	2,862	2,659	3,794	1,423	1,155	2,060	15.4	12.5	22.3	13.9	15.1	20.3
Jubilant Pharmova	650	570	Acc	1,244	62,817	68,416	76,141	7,763	9,508	12,559	1,658	2,085	4,876	10.4	13.1	30.6	10.1	27.2	71.5
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Cipla India	1,450	1,532	Buy	14,063	40.0	27.9	23.9	22.5	17.9	15.9	5.0	4.4	3.7	13.2	16.7	16.9	12.6	16.0	16.1
Dr Reddy's Laboratories	6,168	6,553	Acc	12,357	22.7	20.3	20.9	15.4	13.3	13.7	4.4	3.8	3.3	21.4	20.1	16.9	19.0	19.1	16.3
Gland Pharma	1,800	1,856	Acc	3,561	38.0	31.5	24.1	25.3	18.0	14.0	3.7	3.3	2.9	10.3	11.2	12.9	9.2	10.8	13.4
Lupin	1,606	1,678	Acc	8,788	169.9	34.8	27.2	43.3	19.9	17.0	5.9	5.1	4.5	3.5	15.8	17.6	3.4	12.4	13.7
Mankind Pharma	2,365	2,133	Acc	11,380	73.9	48.9	39.3	49.1	34.4	28.4	12.4	10.2	8.3	18.9	23.5	23.8	17.2	22.2	22.6
Sun Pharmaceutical Industries	1,603	1,653	Buy	46,179	44.6	39.2	31.6	32.3	27.9	23.2	6.9	6.1	5.4	16.6	16.5	18.2	14.6	14.6	16.7
Torrent Pharmaceuticals	2,578	2,443	Acc	10,479	70.0	55.3	45.4	30.2	25.7	22.1	13.5	11.1	9.0	20.5	23.5	24.5	12.8	15.0	17.7
Zydus Lifesciences	989	931	Buy	11,954	45.3	28.5	24.0	28.1	19.9	17.1	5.7	4.9	4.2	12.8	18.5	18.9	10.2	15.7	16.5
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ajanta Pharma	2,151	2,529	Buy	3,252	46.9	33.8	25.8	33.5	23.8	20.1	8.1	6.8	5.5	17.7	21.9	23.5	17.0	21.1	22.8
Alembic Pharmaceuticals	990	923	Acc	2,338	56.9	35.5	24.3	28.7	22.3	16.0	4.5	4.0	3.6	7.1	11.9	15.6	7.0	11.1	14.5
Alkem Laboratories	4,883	5,091	Acc	7,011	54.9	34.3	26.5	35.5	25.7	20.8	6.2	5.4	4.7	12.0	17.6	19.8	9.9	15.2	17.5
JB Chemicals & Pharmaceuticals	1,730	2,062	Buy	3,224	65.3	47.1	33.5	39.0	29.6	22.8	10.8	9.0	7.3	17.7	20.8	24.1	16.1	18.4	22.4
Natco Pharma	989	956	Acc	2,127	25.2	14.3	13.4	17.8	10.2	9.7	3.7	3.1	2.6	14.7	21.9	19.7	20.1	30.7	28.0
Pfizer India	4,228	3,755	Sell	2,323	32.3	42.0	32.0	21.8	29.0	23.7	6.0	5.5	5.0	19.7	13.7	16.3	18.8	13.3	15.8
Sandoz India	8,412	9,212	Buy	2,327	36.8	30.9	26.2	26.1	21.9	19.2	15.2	12.6	10.6	30.0	44.6	44.0	28.8	42.7	42.5
Small Cap (M-cap <US\$1.5bn)																			
Eris Lifesciences	842	1,076	Buy	1,376	30.2	28.5	19.6	22.8	17.8	14.0	5.2	4.5	3.8	18.5	17.0	21.3	14.7	12.7	15.4
Indoco Remedies	348	363	Acc	385	22.6	27.8	15.6	12.3	13.2	9.3	3.1	2.8	2.4	14.7	10.7	16.8	12.2	9.1	13.5
Jubilant Pharmova	650	570	Acc	1,244	62.4	49.6	21.2	16.8	13.7	10.4	1.9	1.8	1.7	3.1	3.8	8.4	3.2	3.7	6.1

Multiplex																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Small Cap (M-cap <US\$1.5bn)																			
PVR INOX	1,385	1,941	Buy	1,632	37,519	63,642	73,996	3,202	8,739	12,888	(2,491)	2,147	5,268	(37.8)	21.9	53.7	40.4	100.6	NA
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Small Cap (M-cap <US\$1.5bn)																			
PVR INOX	1,385	1,941	Buy	1,632	(36.7)	63.2	25.8	46.9	17.2	11.7	1.9	1.8	1.7	(5.7)	2.9	6.8	0.9	3.3	6.7
Oil & Gas																			
Ramesh Sankaranarayanan (ramesh.s@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY23-FY25E		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Bharat Petroleum Corp	586	520	Acc	15,261	47,31,872	44,84,363	51,40,870	1,23,924	4,57,362	3,15,152	37,740	2,96,247	1,95,079	17.7	139.1	91.6	4.2	59.5	127.4
GAIL India	204	171	Acc	16,098	14,42,497	13,24,076	11,03,826	66,989	1,34,654	1,66,114	53,015	1,00,501	1,24,402	8.1	15.3	18.9	(12.5)	57.5	53.2
Gujarat Gas	557	564	Acc	4,608	1,67,594	1,52,514	1,53,140	23,920	16,681	22,303	15,284	9,457	13,852	22.2	13.7	20.1	(4.4)	(3.4)	(4.8)
Hindustan Petroleum Corp	459	530	Buy	7,817	44,07,093	43,61,519	45,70,158	(72,071)	2,58,020	2,17,584	(69,802)	1,73,931	1,38,361	(49.2)	122.6	97.5	1.8	NA	NA
Indian Oil Corp	169	120	Sell	28,645	84,17,559	84,33,950	70,36,146	2,43,226	7,99,642	5,34,042	34,157	4,56,913	2,60,558	7.1	33.2	18.9	(8.6)	48.2	176.2
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Gujarat State Petronet	384	431	Buy	2,605	17,618	20,295	21,772	12,587	14,972	16,052	9,450	12,944	13,596	16.8	23.0	24.1	11.2	12.9	19.9
Indraprastha Gas	476	484	Buy	4,000	1,41,459	1,41,031	1,41,327	20,398	24,188	30,753	16,397	20,453	25,164	23.4	29.2	35.9	(0.0)	22.8	23.9
Petronet LNG	289	297	Acc	5,198	5,98,994	4,95,700	4,39,339	48,539	54,523	53,131	33,300	38,182	36,208	22.2	25.5	24.1	(14.4)	4.6	4.3
Small Cap (M-cap <US\$1.5bn)																			
Mahanagar Gas	1,456	1,373	Acc	1,728	62,993	62,334	63,899	11,842	18,862	20,359	7,901	13,199	14,192	80.0	133.6	143.7	0.7	31.1	34.0
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Large Cap (M-cap >US\$5bn)																			
Bharat Petroleum Corp	586	520	Acc	15,261	33.1	4.2	6.4	13.6	3.7	5.4	2.3	1.7	1.4	7.1	39.5	21.8	3.6	23.0	12.8
GAIL India	204	171	Acc	16,098	25.3	13.3	10.8	22.5	11.2	9.1	2.4	2.2	1.9	9.5	17.2	19.1	4.3	10.0	11.8
Gujarat Gas	557	564	Acc	4,608	25.1	40.6	27.7	15.8	22.6	16.9	5.5	4.8	4.2	21.7	12.8	17.0	19.4	10.7	14.4
Hindustan Petroleum Corp	459	530	Buy	7,817	(9.3)	3.7	4.7	(17.0)	4.7	5.6	2.0	1.5	1.2	(11.0)	18.0	13.7	1.8	1.1	1.0
Indian Oil Corp	169	120	Sell	28,645	23.8	5.1	8.9	15.1	4.6	6.9	1.7	1.4	1.3	7.0	27.3	14.5	4.8	16.1	8.7
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Gujarat State Petronet	384	431	Buy	2,605	22.9	16.7	15.9	16.7	14.0	13.1	2.3	2.1	1.9	10.7	12.7	12.2	8.7	9.9	9.3
Indraprastha Gas	476	484	Buy	4,000	20.3	16.3	13.2	14.8	12.5	9.8	4.2	3.8	3.4	21.1	24.7	27.4	15.2	16.5	19.4
Petronet LNG	289	297	Acc	5,198	13.0	11.3	12.0	7.6	6.7	6.9	2.8	2.5	2.2	23.0	23.2	19.4	15.8	16.5	14.2
Small Cap (M-cap <US\$1.5bn)																			
Mahanagar Gas	1,456	1,373	Acc	1,728	18.2	10.9	10.1	11.5	7.2	6.7	3.5	2.8	2.3	20.4	28.4	24.9	17.0	24.1	21.6

DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as "NBEPL") for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I/We, Ramesh Sankaranarayanan, Rati J Pandit, Shreya Khandelwal, Natasha Jain, Jyoti Gupta, research analyst and Debesh Agarwala, Research Associate, the author of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimer

Stock Ratings Absolute Returns

BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

DISCLAIMER

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

*"Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Our reports are also available on our website www.nirmalbang.com

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,

Nr. Peninsula Corporate Park,

Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010