

HSIE Results Daily

Contents

Results Reviews

- Bajaj Finance:** Bajaj Finance (BAF) reported a mixed set of earnings with robust AUM growth (+34% YoY) despite a regulatory embargo on select products, offset by sharp NIM compression (21bps) and elevated credit costs (1.6% annualised). While the regulatory embargo led to muted traction in customer acquisitions and loan volumes, a shift towards secured assets helped drive loan growth. On the back of its omnichannel strategy, the widest product suite and focus on cross-selling, we believe BAF is poised for ~23% AUM CAGR over the medium term, while also simultaneously delivering steady profitability. We tweak our earnings by 2-4% for FY25E-FY26E to reflect the management guidance of NIM compression and higher credit costs for FY25; maintain BUY with a revised RI-based TP of INR8,810 (implied 27x FY26 EPS; 4.9x Mar-26 ABVPS).
- LTIMindtree:** LTIMindtree (LTIM) delivered a muted print, impacted by project cancellations in BFSI. The company has been impacted by higher exposure to BFSI including large-client related risks, sub-optimal deal pipeline and an extended period of integration (reflected in limited synergy/executive attrition). We, however, remain positive on LTIM's medium-term prospects. LTIM's strong competencies across the spectrum of services (comparable and even better than some larger peers) as well as its strong large client mining track record can drive growth outperformance vs. larger peers. Margin recovery is premised on growth recovery as drivers such as utilisation and delivery optimization (offshore/sub-con) are not levers. We build 6.4% and 14.3% revenue growth for FY25E and FY26E and an EBITM recovering to 16.0/17.0% for FY25/26E, translating to 17% EPS CAGR over FY24-26E. Cut EPS by 3-5% to factor delayed margin recovery - maintain ADD on LTIM with a TP of INR 5,340, based on 25x FY26E EPS.
- Macrotech Developers:** Macrotech Developers Ltd (MDL) reported strong quarterly presales of INR 42.3bn (+40/24% YoY/QoQ), with a presales volume of INR 3.3msf (+32/+27% YoY/QoQ). Average price realisation stood at INR 12,818 (+6/-2% YoY/QoQ). MMR/Pune/Bengaluru market saw presales of INR 109.2/18/12bn. Collections were INR 35.1bn (29/36% YoY/QoQ). The embedded EBITDA margin on presales was ~30%. MDL has provided annual presales guidance of INR 175/210bn for FY25/26. In terms of launches, INR 121bn worth of launches are planned for the rest of FY25 with a saleable area of 10msf. In terms of price hikes, since Apr'23, MDL has hiked prices by 5.5% and expects price appreciation of 6-7% for FY25. Moreover, MDL is also planning a luxury project in Palava which would help the developer gain better realisations. Given robust growth visibility, better-than-expected GDV addition and uptick in land prices (Palava may see price and volume increase as new infra projects get commissioned over the next few years), we increase our TP to INR 1,311/sh. Owing to the limited upside TP, we maintain our ADD rating.
- IndusInd Bank:** IndusInd Bank (IIB) reported stable earnings, led by strong loan growth (+18% YoY) and stable NIMs (4.3%). Deposit growth (+14% YoY) lagged loan growth, coupled with a drop in the share of retail deposits, as the LCR dropped 400bps QoQ to 118%. CASA fell 60bps QoQ to 37.9%, contrary to what was witnessed by larger peer banks, showcasing sluggish sequential CASA accretion. Annualised credit costs remained elevated at 111bps

HSIE Research Team

hdfcsec-research@hdfcsec.com

(Q3FY24: 119bps) as net slippages were at 1%, with improvement in gross slippages (1.8%), offset by lower recoveries and upgrades in the corporate segment. We expect medium-term opex ratios to stay elevated as the bank frontloads its investments in digital build-out, capacity building and distribution. With a further drawdown (INR3bn) from its contingency provisions, we believe IIB needs to ramp up its provisioning buffer. We tweak our FY25E and FY26E earnings estimates, factoring in steady margins; maintain REDUCE with a TP of INR1,420 (1.4x Mar-26 ABVPS).

- **Cyient:** Cyient reported a weak quarter; the digital, engineering and technology (DET) revenue growth was down 0.5% QoQ CC due to softness in the transportation and communication verticals. DET clocked 12.6% YoY growth in FY24 (organic ~10.6%) led by a revival in aerospace, automotive and sustainability verticals. The management guided for a high single-digit growth in FY25E, which implies a CQGR of >3%. The growth in DET will be supported by (1) growth in aerospace driven by the recent partnership with Deutsche Aircraft and Airbus deal, (2) healthy order intake, (3) investment in sustainability (energy and renewals), and (4) growth in EV and mobility. The weakness in the communication and rail transportation segment will continue. The DET margin in Q4 was flat at 16% and the management has guided for a 16% margin for FY25E. The DET TCV stands at 197.6mn with nine large deal wins. We have lowered our revenue estimate by ~2% for FY25/26E due to growth moderation. We maintain our ADD rating with a target price of INR 2,100, based on 22x FY26E EPS. The stock is trading at 24/20x FY25/26E, a discount of ~30% to LTTs.
- **Dalmia Bharat:** We maintain our BUY rating on Dalmia Bharat with a revised TP of INR 2,530/sh (13x its Mar-26E consolidated EBITDA). We continue to like Dalmia for its healthy margin and comfortable balance sheet outlook, ongoing expansions, and acquisitions. During Q4FY24, Dalmia delivered robust 19% YoY volume growth, regaining market share. However, NSR cracked 7% YoY (on major corrections across east and south), leading to unit EBITDA declining to INR 395/209 per MT QoQ/YoY to INR 742 (six-quarter low). We estimate the margin will recover during FY25/26E as cement prices should increase post-monsoon, on lower input costs and logistics cost rationalisation.
- **Zensar Technologies:** Zensar reported a good quarter with a revival in growth (+2% QoQ CC), stable margins, and strong TCV wins. The revenue growth was broad-based, led by healthcare and life sciences, manufacturing and BFSI verticals. The company reported a strong TCV of USD 182mn (+8.5% QoQ) in Q4 and the FY24 TCV at USD 698mn was up 22% YoY (book-to-bill of 1.2x). The farming engine is on track and the focus is on winning new logos and large deals to revive growth. The focus on margin improvement has yielded results, ~640bps YoY expansion in FY24. There is limited scope for further improvement and investments will be made to revive growth, the target range of which is 16-17%. The management indicated improvement in the growth trajectory, led by healthy wins and stability in the hi-tech vertical. The macroeconomic condition remains challenging with delays in decision-making for large deals. We expect growth to revive in FY25E, supported by a strong Q4FY24 exit and growth visibility for 1H. We increase our FY25/26E EPS estimates by ~3/4%. We maintain our ADD rating with a TP of INR 625, based on 18x FY26E EPS. The stock is trading at a P/E of 19/17x FY25/26E EPS, lower than tier-2 IT average multiples.
- **Aavas Financiers:** AAVAS's earnings were ahead of our estimates largely due to lower-than-expected provisioning (11bps annualised), while PPop growth was in line with our estimates. Disbursements witnessed good traction (+20% YoY) post-muted 9MFY24 (+7% YoY) and the sustenance of this momentum

remains a key monitorable. AAVAS remains focused on improving its sub-par throughput by diversifying the sourcing mix, along with ongoing tech transformation that would aid in improving TAT and operating efficiency. NIMs declined marginally in Q4, although AAVAS's efforts to drive margins through rate hikes, increasing share of lower ticket-size loans etc., are likely to provide some cushion. We trim our FY24/FY25 earnings estimates marginally to factor in lower NIMs and maintain ADD with a revised RI-based TP of INR1,850 (implying 3x Mar-26 ABVPS; 22x FY26 EPS).

Bajaj Finance

Operating efficiencies to offset margin pressure

Bajaj Finance (BAF) reported a mixed set of earnings with robust AUM growth (+34% YoY) despite a regulatory embargo on select products, offset by sharp NIM compression (21bps) and elevated credit costs (1.6% annualised). While the regulatory embargo led to muted traction in customer acquisitions and loan volumes, a shift towards secured assets helped drive loan growth. On the back of its omnichannel strategy, the widest product suite and **focus on cross-selling**, we believe BAF is poised for ~23% AUM CAGR over the medium term, while also simultaneously delivering steady profitability. We tweak our earnings by 2-4% for FY25E-FY26E to reflect the management guidance of NIM compression and higher credit costs for FY25; maintain BUY with a revised RI-based TP of INR8,810 (implied 27x FY26 EPS; 4.9x Mar-26 ABVPS).

- NIM compression offset by improving operating efficiencies:** BAF's NIMs declined 21bps QoQ on the back of rising cost of funds (7.9%) and a shift in the product mix towards secured assets, driving incremental yields lower. Operating efficiency continued to improve (C/I at 34%; opex-to-AUM at 4.1%) on account of increasing contributions from new initiatives. Management has indicated margin pressure will sustain during H1FY25.
- Credit costs normalising:** Credit costs, adjusted for utilisation of management overlay, were at 1.8% (Q3FY24: 1.8%), largely due to sustained stress in the rural B2C segment. Management has guided for similar credit costs in FY25, as the benign credit environment witnessed over the past couple of years begins normalising. GS-III/NS-III improved sequentially to 0.85%/0.37% (9MFY24: 0.95%/0.37%) with GS-II up marginally to 1.2%.
- Profitability metrics remain intact; maintain BUY:** BAF's shift towards secured assets, coupled with NIM pressure and higher credit costs, is likely to drag RoA/RoE lower during FY25. However, BAF's focus on multi-channel customer acquisition and cross-selling of existing and new products is likely to drive robust medium-term AUM CAGR. Additionally, BAF's relentless focus on throughput and resultant operating efficiencies, coupled with sustained pricing power in key segments, is likely to help sustain strong profitability.

Financial summary (Consolidated)

(INR bn)	Q4FY24	Q4FY23	YoY(%)	Q3FY24	QoQ(%)	FY23	FY24	FY25E	FY26E
NII	80.1	62.5	28.1	76.6	4.7	229.9	295.8	368.2	456.9
PPOP	64.1	51.2	25.3	61.4	4.4	187.2	239.3	299.3	371.2
PAT	38.2	31.6	21.2	36.4	5.1	115.1	144.4	177.6	220.5
EPS (INR)	61.7	52.0	18.6	59.2	4.2	190.2	233.8	287.4	355.9
ROAE (%)						23.5%	22.0%	21.0%	21.5%
ROAA (%)						4.7%	4.4%	4.3%	4.3%
ABVPS (INR)						885	1,225	1,466	1,781
P/ABV (x)						8.2	6.0	5.0	4.1
P/E (x)						38.4	31.2	25.4	20.5

Change in estimates

INR bn	FY25E			FY26E		
	Old	New	Chg	Old	New	Chg
AUM	4,021	4,146	3.1%	4,956	5,138	3.7%
NIM (%)	10.2	9.9	-30 bps	10.2	9.8	-33 bps
NII	370.6	368.2	-0.7%	456.7	456.9	0.0%
PPOP	301.0	299.3	-0.6%	375.1	371.2	-1.0%
PAT	184.9	177.6	-3.9%	225.7	220.5	-2.3%
ABVPS (INR)	1,464	1,466	0.1%	1,782	1,781	-0.1%

Source: Company, HSIE Research

BUY

CMP (as on 25 Apr 2024) INR 7,295

Target Price INR 8,810

NIFTY 22,570

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR8690	INR 8810
EPS %	FY25E	FY26E
	-3.9%	-2.3%

KEY STOCK DATA

Bloomberg code	BAF IN
No. of Shares (mn)	619
MCap (INR bn) / (\$ mn)	4,515/54,199
6m avg traded value (INR mn)	8,872
52 Week high / low	INR 8,192/5,929

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.0	(5.2)	20.1
Relative (%)	(2.2)	(21.3)	(3.6)

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	54.8	54.7
FIs & Local MFs	14.1	14.4
FPIs	20.9	20.6
Public & Others	10.2	10.2
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

Krishnan ASV

venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Deepak Shinde

deepak.shinde@hdfcsec.com
+91-22-6171-7323

Akshay Badlani

akshay.badlani@hdfcsec.com
+91-22-6171-7325

LTIMindtree

Uninspiring Q4

LTIMindtree (LTIM) delivered a muted print, impacted by project cancellations in BFSI. The company has been impacted by higher exposure to BFSI including large-client related risks, sub-optimal deal pipeline and an extended period of integration (reflected in limited synergy/executive attrition). We, however, remain positive on LTIM's medium-term prospects. LTIM's strong competencies across the spectrum of services (comparable and even better than some larger peers) as well as its strong large client mining track record can drive growth outperformance vs. larger peers. Margin recovery is premised on growth recovery as drivers such as utilisation and delivery optimization (offshore/sub-con) are not levers. We build 6.4% and 14.3% revenue growth for FY25E and FY26E and an EBITM recovering to 16.0/17.0% for FY25/26E, translating to 17% EPS CAGR over FY24-26E. Cut EPS by 3-5% to factor delayed margin recovery - maintain ADD on LTIM with a TP of INR 5,340, based on 25x FY26E EPS.

- Revenue decline on impact from BFSI and Manufacturing & Resources decline:** LTIM's weak revenue print at USD 1,069mn, -1.3% QoQ (HSIE est. USD 1,077mn), was impacted by 2.8% QoQ drop in BFSI revenue (cancellation of 2 projects in Q4) and a 9.6% sequential drop in Manufacturing & Resources vertical on lower passthrough. For FY24, the BFSI vertical, Tech, Media & Comms vertical and Consumer vertical underperformed the company average, while Manufacturing & Resources outperformed (higher mix of cost efficiency programs).
- Weakness in discretionary offsetting book-to-bill of 1.3x:** LTIM's portfolio mix is changing from being high on discretionary to moving towards cost optimization. This mix led to a steeper growth deceleration in FY24 and a disconnect with book-to-bill and revenue growth – while book-to-bill improved to >1.3x in FY24, revenue growth decelerated from 17.2% to 4.4%. The current deal pipeline has >80% of deals that are on the cost optimization side, which entails more infrastructure services deals that also have margin implications.
- Margin recovery contingent on growth recovery:** Margin decline was due to revenue decline and higher employee expenses (onsite related) leading to 65bps drop in EBITM at 14.7%. Lower furloughs and lower passthrough were a 70bps margin tailwind, offset by -80bps from project cancellation, and higher SG&A impact. Over the past two quarters, LTIM's profitability has taken a severe impact and is now nearly 280bps below pre-merger operating margins of 17.5%. There are limitations in levers such as utilization (near peak) and sub-con (at the lower end). Growth recovery and subsequent improvement in segmental margin (BFSI) can drive the improvement – towards pre-merger margin by FY26E. We're factoring EBITM of 16.0/17.0% for FY25 and FY26E respectively following 15.7% in FY24 – largely gross margin-led expansion of >100bps over FY24-26E. Internal cost management programs to drive pyramid optimization, and pricing can support the targeted levels of 17-18%. Risk remains deferment of the margin improvement timelines owing to muted growth.

Financial Summary

YE March (INR bn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY23	FY24	FY25E	FY26E
Revenue (USD mn)	1,069	1,058	1.1	1,084	(1.3)	4,106	4,287	4,560	5,213
Net Sales	88.93	86.91	2.3	90.17	(1.4)	331.83	355.17	380.82	443.06
EBIT	13.09	14.21	(7.9)	13.86	(5.6)	53.85	55.69	60.93	75.11
APAT	11.01	11.14	(1.2)	11.69	(5.9)	44.10	45.85	51.77	63.22
Diluted EPS (INR)	37.2	37.7	(1.2)	39.6	(5.9)	149.1	155.0	175.0	213.7
P/E (x)						31.7	30.5	27.0	22.1
EV / EBITDA (x)						21.7	20.4	18.2	14.6
RoE (%)						28.6	25.0	24.1	25.5

Source: Company, HSIE Research

ADD

CMP (as on 24 Apr 2024) INR 4,727

Target Price INR 5,340

NIFTY 22,402

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 5,630	INR 5,340
	FY25E	FY26E
EPS %	-3.9	-5.1

KEY STOCK DATA

Bloomberg code	LTIM IN
No. of Shares (mn)	296
MCap (INR bn) / (\$ mn)	1,400/16,806
6m avg traded value (INR mn)	2,598
52 Week high / low	INR 6,443/4,148

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.9)	(9.1)	13.0
Relative (%)	(19.8)	(23.5)	(10.0)

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	68.64	68.60
FIs & Local MFs	12.93	13.58
FPIs	8.65	7.86
Public & Others	9.78	9.96
Pledged Shares	0.00	0.00

Source : BSE

Apurva Prasad

apurva.prasad@hdfcsec.com
+91-22-6171-7327

Amit Chandra

amit.chandra@hdfcsec.com
+91-22-6171-7345

Vinesh Vala

vinesh.vala@hdfcsec.com
+91-22-6171-7332

Macrotech Developers

Strong performance

Macrotech Developers Ltd (MDL) reported strong quarterly presales of INR 42.3bn (+40/24% YoY/QoQ), with a presales volume of INR 3.3msf (+32/+27% YoY/QoQ). Average price realisation stood at INR 12,818 (+6/-2% YoY/QoQ). MMR/Pune/Bengaluru market saw presales of INR 109.2/18/12bn. Collections were INR 35.1bn (29/36% YoY/QoQ). The embedded EBITDA margin on presales was ~30%. MDL has provided annual presales guidance of INR 175/210bn for FY25/26. In terms of launches, INR 121bn worth of launches are planned for the rest of FY25 with a saleable area of 10msf. In terms of price hikes, since Apr'23, MDL has hiked prices by 5.5% and expects price appreciation of 6-7% for FY25. Moreover, MDL is also planning a luxury project in Palava which would help the developer gain better realisations. Given robust growth visibility, better-than-expected GDV addition and uptick in land prices (Palava may see price and volume increase as new infra projects get commissioned over the next few years), we increase our TP to INR 1,311/sh. Owing to the limited upside TP, we maintain our ADD rating.

- Q4FY24 financial highlights:** Revenue: INR 40.1bn (+23/+37% YoY/QoQ, beat of 40%). EBITDA: INR 10.4bn (+36/+19% YoY/QoQ, beat of 30%). EBITDA margin: 26% (+990/-1350bps YoY/QoQ, vs. estimate of 28%). RPAT: INR 6.6bn (-10/+32% YoY/QoQ, 34% beat).
- Strong presales, Palava valuation to see upgrade owing to connectivity boost:** Presales of INR 42.3bn (+40/24% YoY/QoQ), with a presales volume of INR 3.3msf (+32/+27% YoY/QoQ). Embedded EBITDA margin on presales: ~30%. The company launched projects of 5msf with GDV potential of INR 110bn across MMR, Bengaluru and Pune (11.7msf, INR 180bn in FY24). With infra connectivity expected to improve, Palava may see better pricing and volumes. Airoli-Katai connector may reduce travel time to ~25min. Besides, the upcoming bullet train station near Palava will reduce travel time to BKC by FY28.
- Substantial decline in net debt:** Net debt reduced substantially to INR 30.1bn on the back of higher collections (operating cash flows/equity fundraise contributed INR 11/30bn to INR 41bn debt reduction) and successful equity fundraise via QIP. Net D/E came at 0.34/0.11x (excluding/including fundraise) which is well within the guidance of lower ND/E of 0.5x or net debt/OCF of 1x. In terms of business development, MDL has exceeded FY24 BD guidance of INR 175bn with INR 203bn worth of projects in FY24.

Consolidated financial summary (INR mn)

YE March (Rs mn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	FY24	FY24E	FY25E	FY26E
Net Sales	40,185	32,554	23.4	29,306	37.1	1,03,161	103,725	1,19,419	1,46,845
EBITDA	10,469	7,717	35.7	8,827	18.6	26,757	26,034	32,646	44,246
APAT	6,670	7,462	(10.6)	5,052	32.0	16,329	17,088	20,457	32,101
Diluted EPS (Rs)	6.9	7.7	(10.6)	5.2	32.0	16.4	17.7	20.6	32.3
P/E (x)							58.3	50.3	32.0
EV / EBITDA (x)							40.4	32.5	23.3
RoE (%)							12.8	11.2	15.6

Source: Company, HSIE Research

Change in Estimates

INR mn	FY25E			FY26E		
	New	Old	% chg.	New	Old	% chg.
Revenues	1,19,419	1,19,419	-	1,46,845	1,46,845	-
EBIDTA	32,646	31,210	4.6	44,246	43,622	1.4
EBIDTA Margins (%)	27.3	26	120.3	30.1	29.7	42.5
APAT	20,457	20,202	1.3	32,101	32,605	(1.5)

Source: Company, HSIE Research

ADD

CMP (as on 25 Apr 2024)	INR 1,213
Target Price	INR 1,311
NIFTY	22,570

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,197	INR 1,311
EPS Change %	FY25E -2.0	FY26E -4.5

KEY STOCK DATA

Bloomberg code	LODHA IN
No. of Shares (mn)	994
MCap (INR bn) / (\$ mn)	1,207/14,482
6m avg traded value (INR mn)	1,530
52 Week high / low	INR 1,309/440

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.9	59.9	171.5
Relative (%)	9.7	43.9	147.9

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	74.92	72.16
FIs & Local MFs	3.21	3.32
FPIs	21.09	23.79
Public & Others	0.78	0.73
Pledged Shares	-	-

Source : BSE

Parikshit D Kandpal, CFA
 parikshitd.kandpal@hdfcsec.com
 +91-22-6171-7317

IndusInd Bank

Steady-state quarter; deposit mobilisation remains key

IndusInd Bank (IIB) reported stable earnings, led by strong loan growth (+18% YoY) and stable NIMs (4.3%). Deposit growth (+14% YoY) lagged loan growth, coupled with a drop in the share of retail deposits, as the LCR dropped 400bps QoQ to 118%. CASA fell 60bps QoQ to 37.9%, contrary to what was witnessed by larger peer banks, showcasing sluggish sequential CASA accretion. Annualised credit costs remained elevated at 111bps (Q3FY24: 119bps) as net slippages were at 1%, with improvement in gross slippages (1.8%), offset by lower recoveries and upgrades in the corporate segment. We expect medium-term opex ratios to stay elevated as the bank frontloads its investments in digital build-out, capacity building and distribution. With a further drawdown (INR3bn) from its contingency provisions, we believe IIB needs to ramp up its provisioning buffer. We tweak our FY25E and FY26E earnings estimates, factoring in steady margins; maintain REDUCE with a TP of INR1,420 (1.4x Mar-26 ABVPS).

- Healthy operating performance:** IIB reported steady NII growth (+15% YoY), led by stable margins (4.3%) and healthy loan growth (+18% YoY). Loan growth came in largely from the consumer finance portfolio (~23% YoY), led by business banking, CV, MFI and PL/CC, while the wholesale book closed with a moderate growth of ~13% coupled with high growth in high-yielding small corporate book (+33% YoY). We build in 16% loan book CAGR over FY24-26E, 200bps below management guidance.
- Asset quality needs further improvement:** Gross slippages improved to 1.8% (Q3FY24: 2.4%), largely from MFI, corporate and 2W book, offset by lower recoveries and upgrades, resulting in steady GNPA at 1.9%. The management continues to guide for FY25 credit costs at similar levels as in Q4FY24, as the bank looks to build up its provisioning buffers.
- Deposit franchise key to sustain growth levels:** With the retail deposit mix at sub-optimal levels (44%) and elevated LDR (89%), we believe that IIB faces structural liability-side challenges to sustain its pace of growth. Incremental buffers and elevated opex are likely to cap medium-term return ratios.

Financial summary

(INR bn)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	FY24	FY25E	FY26E
NII	53.8	46.7	15.1%	53.0	1.5%	206.2	234.1	265.3
PPOP	40.8	37.6	8.6%	40.4	1.0%	158.6	186.9	214.8
PAT	23.5	20.4	15.0%	23.0	2.1%	89.8	102.7	116.4
EPS (INR)	30.1	26.3	14.6%	29.6	1.8%	115.3	131.9	149.5
ROAE (%)						15.2	15.2	15.0
ROAA (%)						1.8	1.9	1.8
ABVPS (INR)						788.4	901.4	1,029.4
P/ABV (x)						1.9	1.7	1.5
P/E (x)						13.0	11.3	10.0

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY25E			FY26E		
	Old	New	Δ	Old	New	Δ
Net advances	3,990	3,964	-0.7%	4,631	4,631	0.0%
NIM (%)	4.4	4.5	17 bps	4.2	4.5	26 bps
NII	228.2	234.1	2.6%	260.0	265.3	2.1%
PPOP	183.0	186.9	2.1%	210.8	214.8	1.9%
PAT	102.1	102.7	0.5%	114.9	116.4	1.2%
Adj. BVPS (INR)	912.3	901.4	-1.2%	1,048.2	1,029.4	-1.8%

Source: Company, HSIE Research

REDUCE

CMP (as on 25 Apr 2024) INR 1,496

Target Price INR 1,420

NIFTY 22,570

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR1,380	INR1,420
	FY25E	FY26E
EPS %	0.5%	1.2%

KEY STOCK DATA

Bloomberg code	IIB IN
No. of Shares (mn)	778
MCap (INR bn) / (\$ mn)	1,164/13,977
6m avg traded value (INR mn)	5,585
52 Week high / low	INR 1,695/1,065

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.1)	5.9	33.4
Relative (%)	(6.2)	(10.2)	9.7

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	16.5	16.4
FIs & Local MFs	26.7	28.6
FPIs	42.5	40.2
Public & Others	7.3	7.9
Pledged Shares	6.9	6.9

Source : BSE

Pledged shares as % of total shares

Krishnan ASV

venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Deepak Shinde

deepak.shinde@hdfcsec.com
+91-22-6171-7323

Akshay Badlani

akshay.badlani@hdfcsec.com
+91-22-6171-7325

Cyient

Growth moderating

Cyient reported a weak quarter; the digital, engineering and technology (DET) revenue growth was down 0.5% QoQ CC due to softness in the transportation and communication verticals. DET clocked 12.6% YoY growth in FY24 (organic ~10.6%) led by a revival in aerospace, automotive and sustainability verticals. The management guided for a high single-digit growth in FY25E, which implies a CQGR of >3%. The growth in DET will be supported by (1) growth in aerospace driven by the recent partnership with Deutsche Aircraft and Airbus deal, (2) healthy order intake, (3) investment in sustainability (energy and renewals), and (4) growth in EV and mobility. The weakness in the communication and rail transportation segment will continue. The DET margin in Q4 was flat at 16% and the management has guided for a 16% margin for FY25E. The DET TCV stands at 197.6mn with nine large deal wins. We have lowered our revenue estimate by ~2% for FY25/26E due to growth moderation. We maintain our ADD rating with a target price of INR 2,100, based on 22x FY26E EPS. The stock is trading at 24/20x FY25/26E, a discount of ~30% to LTTTS.

- Q4FY24 highlights:** (1) DET revenue stood at USD 179.3mn, -0.5/+1.8% QoQ/YoY CC (vs estimate of USD 182mn); (2) DET EBIT margin was flat at 16% (estimate of 15.7%) and there is limited scope for margin expansion in FY25E; (3) nine large deal wins with TCV of USD 197.6mn (vs 136.8mn QoQ); order intake in DET improved 15% YoY to USD 902mn in FY24; (4) LTM attrition dropped by 130bps QoQ to 17.1% but still higher than peers; (5) the value of DLM is INR 285/share, taking 15% holding discount; (6) transportation and connectivity was down 1.2/1.4%, while sustainability/NGA grew 1.7/1.6% QoQ CC; (7) group revenue was up 2.4% QoQ due to strong DLM (+12.9% QoQ); DLM margin stood at 8.0%, up 150bps QoQ. The FCF conversion improved and net cash stood at INR 9.7bn, ~5% of the market cap.
- Outlook:** We have factored in +7.2/11.4% DET USD revenue growth for FY25/26E. The DET margin is estimated at 15.9/16.6% for FY25/26E, resulting in a consolidated EPS CAGR of 19% over FY24-26E.

Quarterly Financial Summary

YE March (INR bn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY22	FY23	FY24	FY25E	FY26E
Revenue (USD Mn)	224	213	5.2	219	2.4	608	746	863	951	1,088
Net Sales	18.61	17.51	6.3	18.21	2.2	45.34	60.16	71.47	79.90	93.07
EBIT	2.68	2.49	7.5	2.60	3.2	6.30	7.67	10.36	11.93	14.56
APAT	1.97	1.76	11.9	1.92	2.8	5.22	5.65	7.49	8.57	10.54
Diluted EPS (INR)	17.8	15.9	11.9	17.4	2.8	47.3	51.2	67.8	77.6	95.5
P/E (x)						40.5	37.4	28.2	24.7	20.0
EV / EBITDA (x)						24.7	20.9	15.9	13.9	11.4
RoE (%)						17.2	17.2	19.4	19.2	21.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE Mar (INR bn)	FY25E Old	FY25E Revised	Change %	FY26E Old	FY26E Revised	Change %
Revenue (USD mn)	965	951	-1.5	1,112	1,088	-2.1
Revenue	81.08	79.90	-1.5	95.04	93.07	-2.1
EBIT	12.21	11.93	-2.3	15.08	14.56	-3.5
EBIT margin (%)	15.1	14.9	-13bps	15.9	15.6	-22bps
APAT	8.87	8.57	-3.4	11.03	10.54	-4.4
EPS (INR)	80.4	77.6	-3.4	100.0	95.5	-4.4

Source: Company, HSIE Research

ADD

CMP (as on 25 Apr 2024) INR 1,915

Target Price INR 2,100

NIFTY 22,570

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,200	INR 2,100
	FY25E	FY26E
EPS %	-3.4	-4.4

KEY STOCK DATA

Bloomberg code	CYL IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	212/2,549
6m avg traded value (INR mn)	884
52 Week high / low	INR 2,459/1,142

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.2)	19.6	65.4
Relative (%)	(10.3)	3.5	41.8

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	23.20	23.16
FIs & Local MFs	22.69	25.91
FPIs	34.11	31.04
Public & Others	20.00	19.89
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Amit Chandra

amit.chandra@hdfcsec.com
+91-22-6171-7345

Apurva Prasad

apurva.prasad@hdfcsec.com
+91-22-6171-7327

Vinesh Vala

vinesh.vala@hdfcsec.com
+91-22-6171-7332

Dalmia Bharat

Volumes soar; margin takes a knock

We maintain our BUY rating on Dalmia Bharat with a revised TP of INR 2,530/sh (13x its Mar-26E consolidated EBITDA). We continue to like Dalmia for its healthy margin and comfortable balance sheet outlook, ongoing expansions, and acquisitions. During Q4FY24, Dalmia delivered robust 19% YoY volume growth, regaining market share. However, NSR cracked 7% YoY (on major corrections across east and south), leading to unit EBITDA declining to INR 395/209 per MT QoQ/YoY to INR 742 (six-quarter low). We estimate the margin will recover during FY25/26E as cement prices should increase post-monsoon, on lower input costs and logistics cost rationalisation.

- Q4FY24:** Sales volume rose 19/29% YoY/QoQ, core volumes rose 12% YoY and tolling volume from JPA plant contributed the rest. As guided earlier, Dalmia went all out to push volumes (both trade and non-trade) to regain market share. However, this came at the cost of margin as NSR fell sharply (down 7/7% QoQ/YoY) and Dalmia also incurred higher marketing and freight costs QoQ. These negated the benefits of stable fuel costs, the rising share of low-cost green power (28% vs 25% QoQ) and strong volumes. Opex remained flat QoQ (-4% YoY). Unit EBITDA fell ~INR 394/209 QoQ/YoY, negating the robust volume offtake benefits. In FY24, consolidated volumes rose 12% YoY, while pricing dipped 3% YoY. This offset op-lev gains and energy cost fall. Unit EBITDA rose a modest INR 14/MT YoY to INR 913/MT.
- Con call KTAs and outlook:** It remained confident of growing 1.5x industry with an additional 4-5% growth from JPA assets. The JPA assets' (5.2mn MT, phase-1) acquisition timeline is now delayed to Q2FY25. Meanwhile, Dalmia is seeding the central market through tolling volumes (5% volume share in FY24). It is also confident of 4.2mn MT phase-2 acquisitions by FY25 end. It guided for a total Capex of INR ~70-75bn in FY25 towards ongoing expansions and JPA's 5.2mn MT acquisitions. It noted that while cement prices would rebound mostly after the monsoon, the one-off increase in opex should reduce Q1FY25 onwards: inventory write-off INR 40/MT (to reverse in next quarter Q1) and logistics cost stretch by INR 70/MT (to be reversed over next 2-3 quarters). The board of directors will review the stated capacity target of 75mn MT by FY27. We lower our FY25/26E EBITDA estimates by 9/4% to factor in weak pricing in H1FY25 and delays in JPA's asset acquisition. During FY24-26E, we expect Dalmia to deliver 13% volume CAGR along with an average unit EBITDA of INR 1,046/MT. Despite its aggressive expansions, Dalmia's balance sheet will remain comfortable, in our view.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q4 FY24	Q4 FY23	YoY (%)	Q3 FY24	QoQ (%)	FY22	FY23	FY24P	FY25E	FY26E
Sales (mn MT)	8.8	7.4	18.5	6.8	29.2	22.2	25.8	28.8	32.5	36.8
NSR (INR/MT)	4,889	5,263	(7.1)	5,279	(7.4)	5,084	5,255	5,103	5,103	5,179
EBITDA(INR/MT)	742	951	(21.9)	1,137	(34.7)	1,093	903	917	999	1,094
Net Sales	43.07	39.12	10.1	36.00	19.6	112.86	135.52	146.91	166.01	190.40
EBITDA	6.54	7.07	(7.5)	7.75	(15.6)	24.26	23.28	26.39	32.49	40.22
APAT	3.15	2.05	53.7	2.63	19.8	8.10	6.56	8.27	9.13	11.65
AEPS (INR)	16.8	10.9	53.7	14.0	19.8	43.8	35.5	43.5	48.1	61.3
EV/EBITDA (x)						14.2	15.0	13.0	11.8	9.7
EV/MT (INR bn)						9.6	9.0	7.7	7.0	6.6
P/E (x)						41.1	50.8	40.3	36.5	28.6
RoE (%)						5.6	4.1	5.1	5.4	6.6

Source: Company, HSIE Research

BUY

CMP (as on 25 Apr 2024) INR 1,806

Target Price INR 2,530

NIFTY 22,570

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,690	INR 2,530
EBITDA revision %	FY25E (9.3)	FY26E (3.9)

KEY STOCK DATA

Bloomberg code	DALBHARA IN
No. of Shares (mn)	188
MCap (INR bn) / (\$ mn)	339/4,067
6m avg traded value (INR mn)	855
52 Week high / low	INR 2,431/1,767

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.1)	(12.2)	(6.0)
Relative (%)	(23.2)	(28.3)	(29.6)

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	55.84	55.84
FIs & Local MFs	11.03	12.63
FPIs	12.96	11.37
Public & Others	20.16	20.02
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Rajesh Ravi

rajesh.ravi@hdfcsec.com

+91-22-6171-7352

Keshav Lahoti

keshav.lahoti@hdfcsec.com

+91-22-6171-7353

Zensar Technologies

Growth revival

Zensar reported a good quarter with a revival in growth (+2% QoQ CC), stable margins, and strong TCW wins. The revenue growth was broad-based, led by healthcare and life sciences, manufacturing and BFSI verticals. The company reported a strong TCW of USD 182mn (+8.5% QoQ) in Q4 and the FY24 TCW at USD 698mn was up 22% YoY (book-to-bill of 1.2x). The farming engine is on track and the focus is on winning new logos and large deals to revive growth. The focus on margin improvement has yielded results, ~640bps YoY expansion in FY24. There is limited scope for further improvement and investments will be made to revive growth, the target range of which is 16-17%. The management indicated improvement in the growth trajectory, led by healthy wins and stability in the hi-tech vertical. The macroeconomic condition remains challenging with delays in decision-making for large deals. We expect growth to revive in FY25E, supported by a strong Q4FY24 exit and growth visibility for 1H. We increase our FY25/26E EPS estimates by ~3/4%. We maintain our ADD rating with a TP of INR 625, based on 18x FY26E EPS. The stock is trading at a P/E of 19/17x FY25/26E EPS, lower than tier-2 IT average multiples.

- Q4FY24 highlights:** (1) Zensar's revenue at USD 148.1mn was higher than our estimates of USD 146.8mn, +2.0/+0.4% QoQ/YoY CC. (2) Among verticals, hi-tech remained flat sequentially (+0.7% QoQ CC) while BFSI/MCS/HLS grew +2.0/+2.3/+3.5% QoQ CC respectively. The hi-tech vertical had the impact of extended furlough in the quarter. (3) Within geographies, North America was up +4.2% QoQ while Europe/Africa declined by -3.1/-2.0% QoQ. (4) EBITDA declined 73bps QoQ to 16.5% due to higher cost of delivery (-250bps) offset by operational efficiency (+190bps) and higher utilisation (83.7%). (5) The headcount increased by 124 employees after seven consecutive quarters of decline and attrition moderated to the lowest level of 10.9% (-113/890bps QoQ/YoY). Net cash stood at 22.3 bn in FY24, which is 17% of the market cap.
- Outlook:** We expect USD revenue growth of +6.3/+11.3% and an EBITDA margin of 16.7/16.9% for FY25/26E respectively, resulting in revenue/EPS CAGRs of +8.8/+9.2% over FY24-26E.

Quarterly Financial Summary

YE March (INR bn)	Q4 FY24	Q4 FY23	YoY (%)	Q2 FY24	QoQ (%)	FY22	FY23	FY24	FY25E	FY26E
Revenue (USD Mn)	148	148	0.4	145	2.3	569	604	592	629	701
Net Sales	12.30	12.13	1.4	12.04	2.1	42.44	48.48	49.02	52.87	59.56
EBIT	1.79	1.41	27.4	1.76	1.6	4.72	3.69	7.38	7.79	8.98
APAT	1.73	1.19	45.4	1.62	7.2	4.16	3.28	6.65	6.94	7.92
Diluted EPS (INR)	7.6	5.2	44.9	7.1	7.2	18.2	14.3	29.1	30.4	34.7
P/E (x)						31.6	40.1	19.7	18.9	16.6
EV / EBITDA (x)						17.9	20.5	12.3	11.6	9.6
RoE (%)						16.3	11.3	20.0	17.8	18.0

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY25E Old	FY25E Revised	Change %	FY26E Old	FY26E Revised	Change %
Revenue (USD mn)	630	629	-0.1	702	701	-0.2
Revenue	52.93	52.87	-0.1	59.67	59.56	-0.2
EBIT	7.69	7.79	1.3	8.77	8.98	2.4
EBIT margin (%)	14.5	14.7	21bps	14.7	15.1	37bps
APAT	6.74	6.94	3.0	7.62	7.92	4.0
EPS (INR)	29.5	30.4	3.0	33.3	34.7	4.0

Source: Company, HSIE Research

ADD

CMP (as on 25 Apr 2024)	INR 575
Target Price	INR 625
NIFTY	22,570

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 600	INR 625
	FY25E	FY26E
EPS %	+3.0	+4.0

KEY STOCK DATA

Bloomberg code	ZENT IN
No. of Shares (mn)	227
MCap (INR bn) / (\$ mn)	130/1,563
6m avg traded value (INR mn)	859
52 Week high / low	INR 646/267

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.2)	20.9	114.5
Relative (%)	(5.4)	4.8	90.9

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	49.20	49.17
FIs & Local MFs	16.45	17.53
FPIs	17.12	16.53
Public & Others	17.23	16.77
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Amit Chandra

amit.chandra@hdfcsec.com
+91-22-6171-7345

Apurva Prasad

apurva.prasad@hdfcsec.com
+91-22-6171-7327

Vinesh Vala

vinesh.vala@hdfcsec.com
+91-22-6171-7332

Aavas Financiers

Sustenance of growth momentum key monitorable

AAVAS's earnings were ahead of our estimates largely due to lower-than-expected provisioning (11bps annualised), while PPoP growth was in line with our estimates. Disbursements witnessed good traction (+20% YoY) post-muted 9MFY24 (+7% YoY) and the sustenance of this momentum remains a key monitorable. AAVAS remains focused on improving its sub-par throughput by diversifying the sourcing mix, along with ongoing tech transformation that would aid in improving TAT and operating efficiency. NIMs declined marginally in Q4, although AAVAS's efforts to drive margins through rate hikes, increasing share of lower ticket-size loans etc., are likely to provide some cushion. We trim our FY24/FY25 earnings estimates marginally to factor in lower NIMs and maintain ADD with a revised RI-based TP of INR1,850 (implying 3x Mar-26 ABVPS; 22x FY26 EPS).

- **NIMs remain under pressure:** AAVAS's core spreads declined further to 5.06% (-6bps QoQ), largely due to the rising cost of funds, while rate hike and optimisation of portfolio mix drove higher yields sequentially (+6bps). With the marginal cost of funds approaching the blended cost of funds, management is upbeat about maintaining the core spreads above 5%. Other income grew by 38% YoY, largely driven by fee income, driving PPoP growth of 10% YoY. Opex intensity moderated marginally (opex to AUM at 3.4%; C/I at 44%) and is expected to come off to ~3% in the medium term.
- **Asset quality remains pristine:** Asset quality remained pristine, led by a conservative lending approach (low approval rates, conservative LTV, high due diligence etc.). GS-III/NS-III improved sequentially to 0.9%/0.7%, with GS-II at 1.5%. 1+ dpd further improved to 3.12%.
- **Sustenance of business momentum key to re-rating:** AAVAS's business throughput needs to sustain from current levels to achieve 22-25% loan growth. With the investments in tech (largely done) and distribution (~10% branch addition during FY25), loan growth, amidst elevated competitive intensity, remains a key monitorable for re-rating. While improving productivity is likely to drive operating efficiency, the sustained pressure on NIM and bottoming out of credit costs is likely to marginally impact profitability.

Financial summary

(INR bn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ(%)	FY23	FY24	FY25E	FY26E
NII	2.4	2.2	7.2	2.2	7.3	8.0	9.1	11.0	13.4
PPoP	1.8	1.6	10.2	1.6	15.2	5.6	6.5	8.1	10.0
PAT	1.4	1.3	12.4	1.2	22.0	4.3	4.9	6.0	7.4
EPS (INR)	18.0	16.0	12.4	14.7	22.1	54.3	62.0	76.4	93.5
ROAE (%)						14.1	13.9	14.8	15.6
ROAA (%)						3.5	3.3	3.3	3.3
ABVPS (INR)						403.7	464.9	537.0	626.4
P/ABV (x)						4.0	3.5	3.0	2.6
P/E (x)						29.6	25.9	21.0	17.2

Change in estimates

INR bn	FY25E			FY26E		
	Old	New	Chg	Old	New	Chg
AUM	211	212	0.5%	259	261	0.7%
NIM (%)	6.3	6.2	-8 bps	6.2	6.2	0 bps
NII	11.0	11.0	0.1%	13.3	13.4	0.3%
PPoP	8.2	8.1	-1.4%	10.1	10.0	-0.7%
PAT	6.0	6.0	0.3%	7.4	7.4	0.6%
ABVPS (INR)	527.6	537.0	1.8%	616.8	626.4	1.6%

Source: Company, HSIE Research

ADD

CMP (as on 25 Apr 2024) INR 1,605

Target Price INR 1,850

NIFTY 22,570

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1735	INR 1850
	FY25E	FY26E
EPS %	0.3%	0.6%

KEY STOCK DATA

Bloomberg code	AAVAS IN
No. of Shares (mn)	79
MCap (INR bn) / (\$ mn)	127/1,525
6m avg traded value (INR mn)	657
52 Week high / low	INR 1,818/1,307

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.4	3.7	5.9
Relative (%)	1.3	(12.4)	(17.8)

SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	39.1	26.5
FIs & Local MFs	15.3	24.0
FPIs	32.3	34.8
Public & Others	13.3	14.7
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

Deepak Shinde

deepak.shinde@hdfcsec.com
+91-22-6171-7323

Krishnan ASV

venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Akshay Badlani

akshay.badlani@hdfcsec.com
+91-22-6171-7325

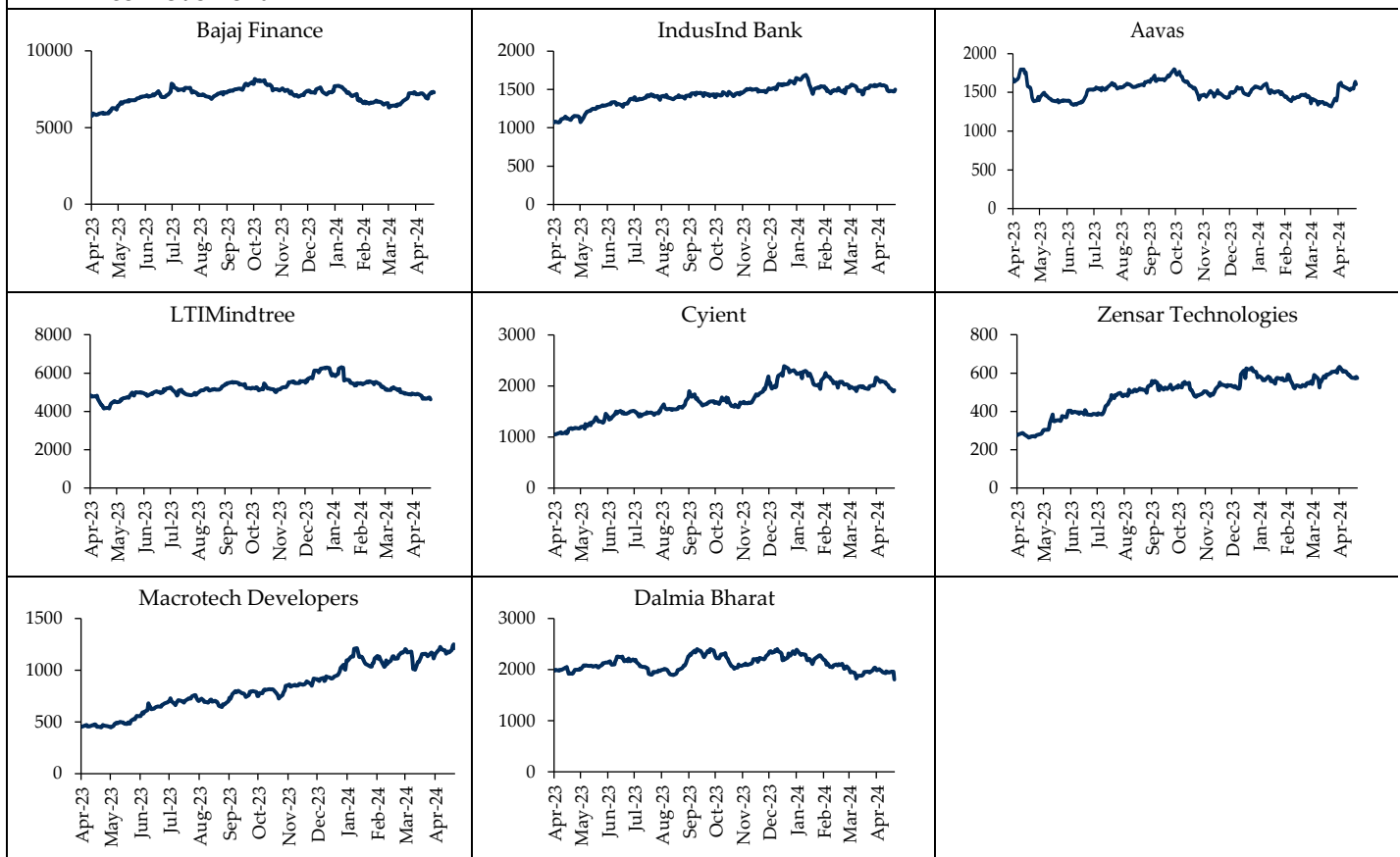
Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	Bajaj Finance, IndusInd Bank, Aavas Financiers	PGDM	NO
Deepak Shinde	Bajaj Finance, IndusInd Bank, Aavas Financiers	PGDM	NO
Akshay Badlani	Bajaj Finance, IndusInd Bank, Aavas Financiers	CA	NO
Apurva Prasad	LTIMindtree, Cyient, Zensar Technologies	MBA	NO
Amit Chandra	LTIMindtree, Cyient, Zensar Technologies	MBA	NO
Vinesh Vala	LTIMindtree, Cyient, Zensar Technologies	MBA	NO
Parikshit Kandpal	Macrotech Developers	CFA	NO
Rajesh Ravi	Dalmia Bharat	MBA	NO
Keshav Lahoti	Dalmia Bharat	CA	NO

1 Yr Price movement



Disclosure:

Authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

HDFC Securities**Institutional Equities**

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Board: +91-22-6171-7330 www.hdfcsec.com