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A Pantomath Group Company

MARKET pulse

Dear Investors,

MARKET PULSE, the monthly report from ACMIIL, aims to provide insightful perspectives on all aspects of the market, the Fundamental, Technical, and Derivatives. The report contents

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MARKET PULSE provides a range of information that helps in making wise investment decisions.

Regards,
Research Team
ACMIIL

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Overall Outlook

Indian Outlook:

The Indian equity market extended further with high volatility in the month of March. Nifty & Sensex gain around 1.6% & 1.6% respectively for the month of March. Despite the overall positive economic trends, the Indian stock market experienced a sharp sell-off, particularly in the mid-cap and small-cap segments due to sebi' red flag regards to "forth" and "bubble" in pockets of the market, fears of investment curbs, and margin calls affecting retail investors in the month of march. At the end, Nifty Midcap 50 & Nifty small cap 250 remained -1.6 % & -4.2% respectively in negative territory. FPI net bought equity worth Rs 3314.47 crore and DII net bought worth Rs 56311.60 crore for the month of March.

HSBC India PMI data came around 59.1 for the month of March v/s 56.9 in the month of February. There is gain of new order inflow & fastest growth in factory activity for the month of March. India's economy surpassed expectations in the third quarter of FY2024, achieving a growth rate of 8.4%. This performance, primarily driven by the manufacturing and construction sectors, led to an upward revision of the full-year GDP growth forecast to 7.6% from the previous estimate of 7.3%. For FY2025, Fitch and S&P Global Ratings have also increased their growth forecasts for India to 7% and 6.8%, respectively, citing strong domestic demand and an uptick in exports. The Indian economy is expected to close the current fiscal year with strong growth, stable inflation, a robust external account, and a progressive employment scenario. The economic outlook for FY2025 remains "Bright", as per the Finance Ministry's monthly economic report for February. The wholesale price index (WPI)-based inflation eased in February to 0.20 per cent from 0.27 per cent in the preceding month. This decline is mainly due to contraction in Inflation for manufactured Products. India trade deficit for the month of February increased to $ 18.71 bn from $17.5 bn in the preceding month. India's import and export stood around $60.11bn and $41.40bn respectively for the month of February. India collected Rs 18.90 lakh crore in direct tax for the current financial year net of refunds, registering a growth of 19.88%, against the net collection of last year till third week of March.

India's forex reserve stood at $642.5 bn on March 15, 2024. CPI for the month of February came around 5.09%, down slightly from 5.1% observed in January, largely due to a pronounced escalation in vegetable prices which contributed to heightened food inflation levels in overall Inflation numbers. In the industrial sector, India reported a 3.8% year-on-year growth in industrial production (IIP) for January 2024, coming off an upwardly revised 4.2% increase in the preceding month. This growth trajectory was underpinned by robust expansions in the mining and electricity sectors, which mitigated the impact of a deceleration in the manufacturing sector's output due to slower public capex spending in month of January. Economists expects growth to maintain momentum in coming months as the states and union government would be looking to meet their annual capex targets in the coming months. Mutual fund inflow swell for 35th consecutive month through SIP to ₹19,186 crore life time highest levels in February 2024 from 18,838 crore in January 2024. The GST collection in March rose 11.5% yoy basis to 1.78 lakh crore, the second highest since launch of the tax regime in July, 2017 indicating robust demand environment. Total GST collection for FY24 stood at Rs 20.18 lakh crore, surpassing revised budget estimate, compared to Rs 18.10 lakh crore in the previous financial year. India's eight core infrastructure sectors clocked 6.7% growth in February, a three month high, up from 4.1% in January. Except for fertilizers, the output of all other industries increased in February.

ICRA expects revenue growth (for its sample set companies) for IT industry in FY25 to remain tepid at around 3-5 per cent for the second consecutive year, given the persistent macroeconomic headwinds in key markets of the US and Europe, resulting in lower discretionary IT spends by corporate. The Indian housing market continued its growth trajectory post-pandemic, with record-breaking sales in the March quarter of FY24. The top seven cities achieved sales of 1,30,170 units during the quarter, marking a 14% growth from the previous year. The automotive sector saw a robust performance in February 2024, with passenger vehicle sales increasing by 10.8% year-over-year. The government also introduced the Electric Mobility Promotion Scheme (EMPS), 2024, with a budget of Rs 500 Cr to promote electric vehicle sales, indicating a commitment to sustainable transport solutions. This new initiative replaces the ongoing FAME-II scheme which lapses on March 31, 2024 and will be effective from April to July 2024. Companies needs to register under new programme to be eligible for getting subsidies. A third iteration of FAME-III will be announced after poll to cover more categories. The Ministry of Petroleum announced a reduction of Rs 2 per litre in petrol and diesel prices across India, effective from March 15. This reduction in petrol and diesel prices will boost consumer spending and reduce operating costs. The Reserve Bank of India's monetary policy meeting, scheduled for April 3-5. RBI likely to maintain Status Quo on key rates and maintain withdrawal of accommodation stance. Experts are anticipating "The policy stance is unlikely to be changed before August 2024 MPC review, until there is visibility on the monsoon turnout, the sustenance of the growth momentum and the US fed's rate decision. Consequently, the earliest rate cut is only likely in the October 2024 meeting. As per care edge ratings, the hospitality industry will clock a revenue per available room growth of 12%-14% in FY2024. The growth momentum in hotel industry is expected to be sustained in the financial year 2025, resulting in a likely yoy revenue growth by 9% to 11% backed by domestic leisure and business travel and complemented by increasing foreign tourist arrivals.

We continue to be bullish on some of the key sectors like Auto & Auto Ancillary, Cements, Defence, Railways, Consumer Durables, Energy, Logistics, FMCG, Capital Goods & Engineering, Infrastructure, Construction, Banking, and Financials, etc. which are going to be outperformers in the rally ahead. Some of the laggard sectors also have some value buying opportunities to accumulate at lower levels including Information Technology, Specialty Chemicals and Metals, etc. The structure Bull Market for Indian Equity remains intact supported with strong domestic fundamentals. As mentioned earlier, 22000 levels is crucial resistance levels for Nifty, sustain above it will confirm extension of rally towards 24000-24500 levels on nifty for medium to long term perspective.

Global Outlook:

US market ended the month of March on a positive note. Global Indices particularly dow jones, S&P 500 & Nasdaq composite ended a positive monthly closing of around 2.1%, 3.1%, and 1.8% respectively. The Overall trend for the US market remains positive. The ISM Manufacturing PMI for the month of March rising to 50.3, the highest and first reading above 50 since September 2022, from 47.8 in February. The rebound ended 16 straight months of contraction in manufacturing. There were positive trends in demand with gain in new order inflow. US PCE (Price index) rose 0.3% in the month of February, it's indicating prices increased moderately in February.

Employment data for February showing a substantial increase in nonfarm payrolls by 275,000 jobs, surpassing the expected 200,000. However, the unemployment rate unexpectedly rose to a 2-year high of 3.9% from 3.7%, and wage growth slowed more than anticipated. The US CPI also saw a slight uptick to 3.2% in February 2024 from 3.1% in January, primarily due to higher shelter and gasoline prices. Retail sales in the US were up 0.6% month-over-month in February 2024, below market forecasts of a 0.8% gain. The Producer Price Index rose by 0.6% month-over-month in February 2024, marking the largest increase since last August and surpassing market expectations of a 0.3% advance. Both data is showing divergence as compare to expectation. In FOMC Monetary Policy meeting of march, The Federal Reserve left the interest rate unchanged in the target range of 5.25%-5.5% as expected, but signaled that it still plans three rate cuts before the end of the calendar year 2024. Timing of Rate cut is still not conclusive, it depends upon Economic data dependent. The Committee also significantly raised its forecast for this year's real GDP growth to 2.1% from the 1.4% predicted in December. It's showing long term positive outlook for the US economy. Market participants currently estimate about a 60% chance of a Fed rate reduction in June 2024. ECB & BOE kept Interest unchanged at 4.5% & 5.25% in in March policy meet. China's economic growth target of around 5% for 2024, indicating optimism for recovery.

Brent crude trading around $88 per barrel. It gained momentum & closed third consecutive month in positive territory. In March meet, The Organisation of Petroleum Exporting Countries and its allies (OPEC+) led by Saudi Arabia and Russia agreed to extend voluntary oil output cuts of 2.2 million barrels per day into the second quarter or mid-2024 to stabilize the market. Tensions in the Middle East and Red Sea shipping disruptions keep geopolitical premium for oil. Crude is going to get support at lower levels due to supply cut & prevailing Geopolitical tensions in near term.

Conclusively, the structural long-term equity bull market for India is intact driven by strong domestic driving forces as mentioned above. The Geopolitical tensions, Higher Interest & Food Inflation are potential Risk for global economic growth. We continue to reiterate the same view, one should BUY stock specific at current levels or any kind of decline or consolidation for medium to long term Investment perspectives

Global Indices Performance

Index	Mar 2024	Feb 2024	Change MoM %
Dow Jones	39,807	38,996	2.10%
S&P 500	5,254	5,096	3.10%
Nasdaq	16,379	16,092	1.80%
CAC 40	8,206	7,927	3.50%
DAX	18,492	17,678	4.60%
FTSE 100	7,953	7,630	4.20%
Nikkei 225	40,369	39,166	3.10%
Hang Seng	16,541	16,511	0.20%
Shanghai	3,041	3,015	0.90%
Nifty 50	22,327	21,983	1.60%
BSE Sensex	73,635	72,500	1.60%
Brent Crude ($)	87.5	81.9	6.80%
WTI Crude ($)	83.1	78.3	6.20%
Sources : Yahoo Finance /BSE			

Overall Outlook

Domestic & Sectoral Indices Performance

Index	Mar 2024	Feb 2024	Change MoM %
Nifty 50	22,327	21,983	1.60%
Nifty IT	34,898	37,720	-7.50%
Nifty Next 50	60,624	58,991	2.80%
Nifty Bank	47,125	46,121	2.20%
NIFTY MIDCAP 100	48,076	48,336	-0.50%
Nifty 500	20,255	20,090	0.80%
Nifty 100	22,921	22,526	1.80%
Nifty Midcap 50	13,527	13,746	-1.60%
Nifty Realty	901	911	-1.10%
Nifty Infra	8,336	8,086	3.10%
Nifty Energy	39,021	38,838	0.50%
Nifty FMCG	53,949	54,016	-0.10%
Nifty MNC	25,874	25,091	3.10%
Nifty Pharma	18,996	19,003	0.00%
Nifty PSE	9,122	9,139	-0.20%
Nifty PSU Bank	7,007	6,930	1.10%
Nifty Serv Sector	27,844	27,684	0.60%
India VIX	13	16	-17.60%
Nifty Auto	21,419	20,412	4.90%
Nifty Metal	8,257	7,922	4.20%
Nifty Media	1,796	2,050	-12.40%
NIFTY SMLCAP 250	14,331	14,965	-4.20%

Sources : NSE

Investment Idea

MARKET pulse

ACCUMULATE

Schaeffler Limited

Company Background

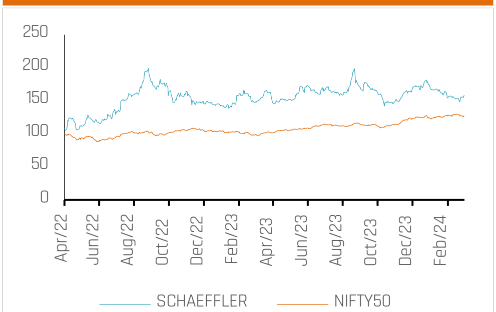
Schaeffler India Limited (SCHAEFFLER) was incorporated in 1962 and is engaged in the development, manufacturing and distribution of high-precision roller and ball bearings, engine systems and transmission components, chassis applications, clutch systems and related machine building manufacturing activities. The Company operates through three segments: Automotive, Industrial and Automotive Aftermarket.

The Automotive segment is a pioneer in developing and manufacturing technological solutions for passenger cars and commercial vehicles, and tractors. The Industrial segment offers a portfolio of bearing solutions, ranging from high-speed and high-precision bearings with small diameters to large-size bearings. It focusses on smart products and connecting components for a wide sectorial range. The Company's manufacturing units are located in the State of Gujarat at Vadodara and Savli, in the State of Maharashtra at Talegoan (Pune) and in the State of Tamilnadu at Hosur. It has 8 Sales Offices and 2 R&D facilities across India.

Key Data	
DATE	21.03.2024
Reco Price	2,900-2,920
Target	3,696
Sector	Auto & Industrial Components
BSE Code	505790
NSE Code	SCHAEFFLER
Diluted EPS (CY2023)	58.27
Face Value (Rs.)	2.00
Market Cap (Mn)	4,53,468.20
52-week High/Low (Rs)	3,719.20/2,616.05

Shareholding pattern (December 2023)	%
Promoters	74.13
DIIs	15.68
FIIs	4.36
Public	5.83
Total	**100.00**

Price Performance



Rebase to 100

Outlook and Valuation

The Company has managed to improve its performance in the last few quarters aided by recovery in automotive and industrial segment. We continue to remain positive on Schaeffler India due to consistent performance, EV push, rising export, increasing localization, positive outlook on the domestic PV segment, traction in the railway business, and strong presence in the aftermarket segment to drive growth momentum going forward. Hence, we believe Schaeffler India Limited is well placed to capitalize on these opportunities. **Going ahead, we expect the company's revenue to grow at a CAGR of ~13% over CY23-CY26E. Hence, We recommend Schaeffler India Limited with a target price of Rs 3,696 based on CY26E EPS of Rs 85.08, and a forward PE valuation multiple of 43.45x. Hence, we recommend ACCUMULATE rating for the long term.**

Financial Snapshot

Particulars (In Rs. Mn.)	CY23	CY24E	CY25E	CY26E	CAGR % (CY23 to CY26E)
Net Sales	72,261.30	80,932.66	91,453.90	1,04,257.45	13.00%
Expenses	58,993.70	65,909.81	74,295.18	84,550.55	
EBITDA	13,267.60	15,022.84	17,158.72	19,706.90	14.10%
EBITDA Margin	**18.36%**	**18.56%**	**18.76%**	**18.90%**	
PAT	9,090.30	9,828.06	11,382.80	13,272.46	13.45%
Diluted EPS (Rs)	**58.27**	**63.00**	**72.97**	**85.08**	

Source: Company, ACMIIL Retail Research

Company at glance

- Schaeffler's precision products are key to reducing fuel consumption and emissions.
- Diversified Portfolio: Automotive, Industrial and Automotive Aftermarket Segments Catering to Esteemed OEM & Retail Clients.
- Strength in innovation by cutting-edge sustainable mobility solutions to the world.
- Strong parentage with Schaeffler Group AG, leveraging on product range and robust technology.
- Long-standing client relationships helps them to maximize the share of customer's wallet.

Retail research

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Business Segments

Schaeffler India Limited (SCHAEFFLER) is one of the India's biggest original equipment manufacturers (OEMs) and bring reliable offerings and solutions across all the three segments of Industrial, Automotive Technologies, and Automotive Aftermarket. It caters to wide range of sectors includes Cements, Power transmission, Mining, Wind, Agriculture & Industrial Automation etc. Schaeffler India is actively engaged in innovating and shaping the global pace of change with innovative technologies, products, and services for CO2-efficient drives, electric mobility, Industry 4.0, digitalization, and renewable energy. The company is a reliable partner for making motion and mobility more efficient & resilient.

A) Automotive Technologies:

It develops and manufactures customer solutions for conventional internal combustion engines and hybrid and fully electric drives. Products includes hybrid and Electrified drive systems, Chassis systems, Transmission systems for Tractors, 2 wheelers, Commercial and Passenger vehicles, etc.

B) Industrial:

This division offers a wide portfolio of bearing solutions, ranging from high-speed and high-precision bearings with small diameters to large-size bearings. The Company focusses on smart products and on connecting components for a wide sectorial range. Its products include Maintenance services, Mechatronics, Digital services, rolling and plain bearings, etc and it caters to railways, industrial automation, power transmission, etc.

C) Automotive Aftermarket:

This segment provides solutions to global spare parts business and delivers repair solutions in original-equipment quality. Products include Replacement parts for Transmission, Engine components, intelligent solutions for repair and service points. The company also caters to Repair garages, Retail Market, Fleet Workshop, etc.

Company's Segment wise Product Offerings

A) Automotive OEM:

- Chassis components and systems
- Clutches and transmission systems
- Engine components and precision products
- Drives for hybrid and Electric Vehicles (EVs)

B) Industrial:

- Rolling and plain bearings
- Linear guidance system
- Maintenance products
- Maintenance services
- Mechatronics
- Digital services

C) Automotive Aftermarket Replacement parts for:

- Transmission
- Engine components
- Chassis components
- Intelligent solutions for Repair and service points via platforms such as REPXPERT

Industries Catered

Cements	Power transmission	Mining	Wind	Agriculture	Automobile	Railways	Renewable Energy	Industrial Automation

Source: Company, ACMIIL Retail Research

Investment Rationale

Positive medium term outlook with ample growth opportunity across automotive segments

The passenger segment, both for two-wheelers and four-wheelers, is expected to remain strong, as the preference for personal transport rises. Rural demand is expected to improve on positive sentiments. We expect sequential improvement in M&HCV sales to continue, driven by the rise in e-commerce, agriculture, infrastructure, and mining activities. We expect M&HCVs to outpace other automobile segments in the medium term, followed by growth in the tractor, PV, and 2W segments. Moreover, exports provide a huge growth potential, given India's cost- effective manufacturing, being geographically closer to key markets of Middle East and Europe.

Expanding Horizons for future growth: Schaeffler India's Growth Strategy in the Railway Segment

The railway segment contributes 4-5% to the topline. Schaeffler India has been strongly present in the metro-rail segment and provided bearings, traction motors as well as sub-assemblies. The company is looking to expand its capacities for railway-related supplies. Currently, it has been importing some of the components from Europe. However, going forward, it plans to localize them in India due to visibility of volumes. The introduction of Vande Bharat trains and new locomotives with government's objective for Multimodal Logistics corridors would augur well for Schaeffler's railway segment.

Strong growth with support from parent company Schaeffler Group AG

Schaeffler India's parent company (Schaeffler Group AG) has identified it as a manufacturing base for supply to Asia-Pacific region. This provides a huge growth potential for the company in the long run. With access to e-mobility technology through its parent company, Schaeffler India is developing technology for two-wheelers, working jointly with the parent company. By leveraging its extensive research and development (R&D) capabilities, Schaeffler Group AG can facilitate the transfer of advanced technologies and expertise to Schaeffler India. This technology transfer enables Schaeffler India to enhance its manufacturing processes, product offerings, and overall competitiveness in the Indian market. It also plays a pivotal role in supporting its Indian subsidiary through technology collaboration and innovation.

Future Expansion: Diversified Product Portfolio Targeting New Growth Segments across Industries

Schaeffler India have expanded their horizons and entered new growth areas including robotics, construction equipment, escalators, elevators, forklifts, food and beverages, defence, aerospace, and mineral processing. Schaeffler India have strengthened their leadership position by beating the industry's average growth with a significant margin. The Company's strategic focus on product diversification and expanding their transmission segment, based on gap analysis and purchase behaviour, has aided the growth. The new products where the company offers an extensive range of lubrication products, from automatic lubricators through to lubricant monitoring systems, wiper blades for the UJ cross, shock absorbers and dampers, especially in the commercial vehicle segment, have been receiving excellent reviews and gaining traction in the previously untapped semi-urban areas.

Committed towards greener future and Sustainable solution

The Company is committed to sustainable technology and its goal is to enhance the efficiency of Internal Combustion Engines (ICE), while also providing hybrid and electric drivetrain solutions for the automotive industry. On the Industrial front, it offer refurbishment services and cutting-edge digital solutions for machine health monitoring, which extend product lifecycle and durability. Hence, we believe that Company is well-positioned to take advantage of emerging sustainable energy opportunities and are eager to continue contributing to providing sustainable solutions to critical challenges. SCHAEFFLER is integrating sustainable practices that enhances corporate reputation and attractiveness which is bolstering long-term financial viability. Furthermore, this commitment to sustainability fosters innovation, driving the development of eco-friendly bearing solutions that align with market demand and contribute to a healthier environment, thus ensuring long- term competitiveness and growth.

Robust future for company with the future adoption of EV Buses in state public transportation

The announcement by Union Transport Minister Shri Nitin Gadkari to replace 800,000 diesel buses with electric counterparts presents a remarkable opportunity for the bearing industry. As industrial bearing manufacturers gear up to meet the demands of this transition, there's a significant potential for growth and innovation within the sector. Adapting to the evolving landscape of public transportation not only opens new avenues for innovation but also positions bearing manufacturers favorably in the expanding market for electric vehicles. This strategic move aligns perfectly with the industry's focus on environmental sustainability and technological advancement, paving the way for the development of specialized bearings tailored to the unique requirements of electric vehicles. By seizing this opportunity, bearing manufacturer like SCHAEFFLER can play a crucial role in supporting the government's vision for a cleaner, greener future while driving growth and prosperity within the industry.

Scrappage policy will boost demand for CVs

Government approved vehicle scrappage policy was launched in Aug'21 to replace old vehicles with modern and new vehicles on Indian roads. According to the new policy, commercial vehicles aged >15 years and passenger vehicles aged >20 years will have to be mandatorily scrapped if they do not pass the fitness and emission tests. The policy does not treat a vehicle as scrap just because of its age, but considers other factors such as quality of brakes, engine performance and others. The objective is to phase out old cars, reduce urban pollution levels and stimulate automotive sales. Additionally, the vehicle scrappage policy is also said to be a part of a larger stimulus package majorly requested by OEMs to stir their demand.

Promising Fame III Policy boosting opportunities for the Indian EV Industry

The Fame III (Faster Adoption and Manufacturing of Electric Vehicles) policy is set to significantly benefit the Indian EV industry. With a focus on promoting electric mobility, the policy will drive demand for electric vehicle (EV) components, encouraging innovation in specialized solutions tailored to EV drivetrains. Additionally, the emphasis on domestic manufacturing presents an opportunity for Indian automotive component companies to expand production and localize manufacturing, capitalizing on incentives under Fame III.

This expansion not only supports the growth of the domestic manufacturing ecosystem but also opens up export opportunities for Indian automotive components manufacturers in the global market for electric vehicle components. India's EV ecosystem is thriving due to the support it gets from government initiatives, increasing sector investments, and widespread adoption by organizations.

Capex lead growth plan going ahead

Schaeffler India has invested Rs.1,500 Cr for next 3 years in capital expenditure (Capex), primarily aimed at enhancing capacities for exports and supporting the expansion of their domestic automotive and industrial businesses. The company has established a robust Capex framework, facilitating efficient and judicious resource allocation. This framework enables ongoing investment in the business and facilitates prompt action on emerging opportunities. The Capex plans encompass capacity expansion, localization efforts, and investments in new products. Specifically, the breakdown of Capex includes allocations for infrastructure, plant construction, localization initiatives, capacity enhancement, development of new products, and process improvements.

Future Growth strategies to increase content per vehicle through product innovation and launches supportive with government policies

The company is experiencing consistent growth momentum supported by the Indian Government's continuous focus on initiatives such as 'Make in India,' 'Atma-Nirbhar,' and PLI (Production Linked Incentive) programs. Schaeffler India, being well-positioned to benefit from these programs leveraging its strategies to increase content per vehicle through product innovation and new launches. Additionally, by identifying new business divisions in the industrial sector, the company will further solidify its growth trajectory. Further, the combination of government initiatives and Schaeffler India's strategic initiatives to enhance content per vehicle and explore new business divisions in the industrial sector will likely sustain and bolster the company's growth traction in the market.

Schaeffler Optimistic about India's Interim Budget: Aligned with Company Vision for Growth

SCHAEFFLER is positive about the Interim Budget 2024-2025 presented by the Honorable Finance Minister. The government's emphasis on sustainability, infrastructure development, digitalisation, and promotion of AatmaNirbhar Bharat (self-reliant India) closely aligns with Company's vision and strategies. The Management is confident that these measures will stimulate the growth of the Indian economy and create numerous opportunities for businesses. As a leading player in the automotive and industrial sectors, the Company is encouraged by the government's efforts to boost domestic manufacturing. Further, the PLI scheme enables the development of economies of scale and a reliable supply chain for advanced automotive technology products. It also addresses cost-related issues throughout the value chain, thereby giving SCHAEFFLER a competitive advantage and boosting export opportunities.

Localization remains a key strategic imperative for SCHAEFFLER

The company's focus on localization has proven beneficial in reducing its business risk and increasing operational flexibility. With India aspiring to become a regional manufacturing hub, the company's four plants are well-positioned to cater to growing customer demands, aligning with strategic priorities. The company continues to remain focused on investments in India, considering the unique competitive advantages offered by the government's push towards manufacturing in India, which bodes well for the company in the long term. Further, Company's clear and consistent strategic priorities enable them to achieve strong and sustainable performance. It has also invested in new technologies, added capacity, and focused on building customer trust. Moreover, it plans to increase localization, achieve Schaeffler Group's decarburization targets by CY40, and accelerate the adoption of green technologies. Hence, we are optimistic for Schaeffler that localization will translate into a higher growth trajectory going forward.

Industry Overview

A) Indian Automotive Component Overview

The Indian automotive component industry is a vital part of the country's auto sector, supplying a wide range of parts domestically and globally. Known for its cost competitiveness and manufacturing prowess, it adapts swiftly to market shifts and regulations. With investments in EV technology and government support through initiatives like 'Make in India', the industry is poised for continued growth, playing a key role in shaping India's automotive future and economic development.

India's auto component industry is an important sector driving macroeconomic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. By 2026, the automobile component sector will contribute 5-7% of India's GDP. India's auto components industry's market share has significantly expanded, led by increasing demand for automobiles by the growing middle class and exports globally. Due to the remarkable growth in demand for Indian auto components, several Indian and international players have entered the industry.

India's auto component industry is broadly classified into organised and unorganised sectors. While the unorganised sector consists of low-valued items and mostly serves the aftermarket category, the organised sector serves OEMs and includes high-value precision instruments. The Government has reaffirmed its commitment towards EVs and its mission for 30% electric mobility by 2030. Budget announced customs duty exemption on the import of capital goods and machinery required for the manufacture of lithium-ion batteries that typically power EVs.

B) Indian Bearing Overview

The Indian bearing industry plays a pivotal role in supporting various sectors of the economy, including automotive, industrial machinery, railways, and aerospace. With a strong manufacturing base and technological capabilities, Indian bearing manufacturers have positioned themselves as key players in both domestic and global markets. The industry encompasses a wide range of products, including ball bearings, roller bearings, taper roller bearings, and spherical bearings, catering to diverse applications and requirements across industries. In recent years, the Indian bearing industry has witnessed significant growth driven by factors such as increasing industrialization, infrastructure development, and automotive production. Moreover, the government's initiatives such as "Make in India" and focus on improving manufacturing competitiveness have further bolstered the industry's growth prospects. This growth trajectory has also been supported by advancements in technology, automation, and digitalization, enabling Indian bearing manufacturers to enhance product quality, efficiency, and innovation. The growth of the market depends on several factors, such as the increase in focus on automation, the increasing demand for bearings from heavy industries, and the increasing production of electric vehicles.

1) Automotive Bearings

The India Automotive Bearing Market is projected to grow at a CAGR of around 7.0% during the forecast period, i.e., 2023-28. The market growth is predominantly driven by the flourishing automotive production, sales, and modification of vehicles, the varying goals to reduce the vehicle's carbon footprint, and alterations to make it lighter. Besides, the requirement for lightweight & durable bearings for automotive, along with the increasing preference for personal mobility, has further elongated the bearings industry ventures. Moreover, the governmental policies like 'Make in India' and 'Aatmanirbhar Bharat,' with the goals of strengthening the manufacturing industry domestically, with supportive policies & regulations to smooth manufacturing process are the other driving factors behind the expansion of the sector, further contributing in enhancing the India Automotive Bearing Market size. With the expansion of domestic manufacturers, the market in India is propelling exponentially. Additionally, the rising demand for automotive electrification and technological advancement in vehicles has raised the variety of applications of bearings in automobiles, further extending the industry.

2) Industrial Bearings

The Indian industrial bearing market has experienced significant growth over the years, driven by factors such as increasing industrialization, infrastructure development, and expansion of key sectors like automotive, railways, power transmission and manufacturing. With a vast and diverse industrial base, India offers ample opportunities for bearing manufacturers to cater to the needs of different industries and applications. Industrial bearing sector in India plays a vital role in supporting the country's industrial growth and infrastructure development. With its robust manufacturing base, technological capabilities, and focus on quality and innovation, the Indian industrial bearing industry is well-positioned to meet the evolving needs of diverse industries and contribute to the nation's economic progress.

Additional Key Industry Growth Drivers

- The Indian Auto Component market size is forecast to increase by USD 115.79 Bn, at a CAGR of 25.7% from 2023 and 2028.
- Three major economic railway corridor programs will be implemented: energy, mineral, cement corridors, port connectivity corridors and high traffic density corridors, as identified under the PM Gati Shakti initiative for enhanced multi-modal connectivity, aiming to boost logistics efficiency and reduce costs.
- The interim budget for fiscal year 2024-25 allocates Rs 2.55 lakh crore to the Indian Railways, promising significant benefits. This enhanced amount will come handy for buying modern Vande Bharat trains, laying new tracks, doubling lines on existing routes, and deploying automated train safety tech-Kavach across the national transporter.
- The rapid expansion of the middle class and urbanization are driving the need for urban transformation, with Metro Rail and NaMo Bharat acting as catalysts. Support will be focused on expanding these systems in large cities, with an emphasis on transit-oriented development. To improve passenger safety, convenience, and comfort, 40,000 normal rail bogies will be upgraded to Vande Bharat standards.
- The capital expenditure outlay, which has tripled in the last four years boosting economic growth and employment, will rise by 11.1% to Rs. 11,11,111 crore for FY2024-25. This enhanced outlay amounts to 3.4% of the GDP. This implies the private sector will have to step in if the growth momentum has to be maintained.
- The Indian Government is placing significant emphasis on improving the country's road network, constructing dedicated freight corridors, implementing technology-driven warehousing, and establishing multimodal logistics parks to ride on the opportunity.

Story in Charts (Values in Mn.)

Exhibit 1: Sale Growth%

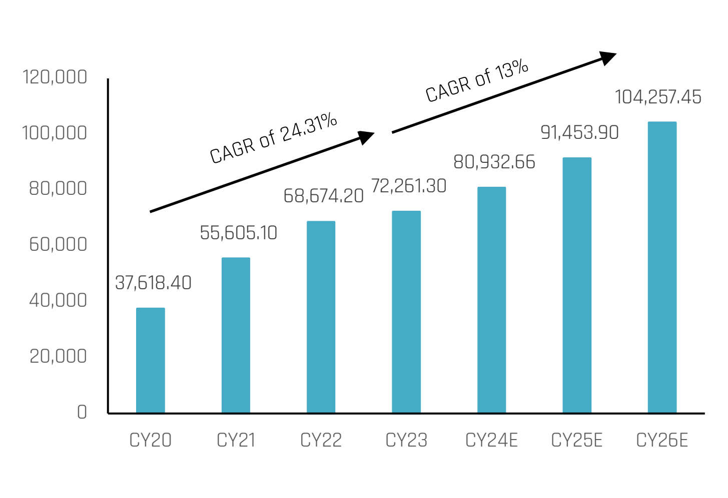


Exhibit 2: EBITDA & EBITDA Margin %

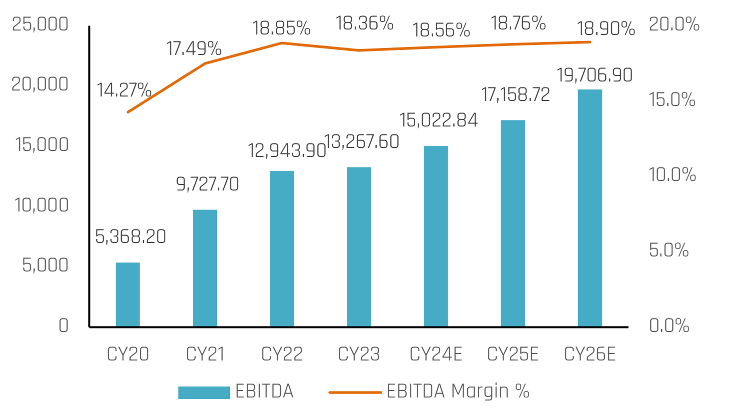


Exhibit 3: Location wise breakup - Dec 2023

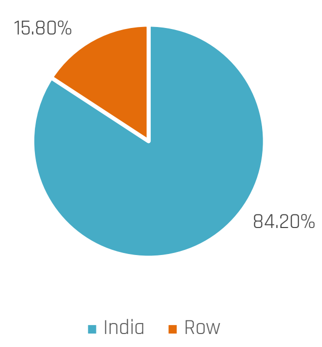
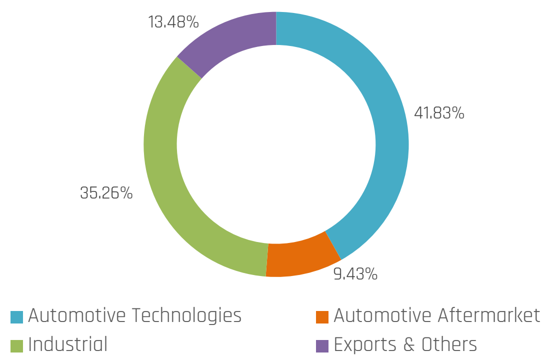


Exhibit 4: Revenue Mix - Dec 2023



Source: Company, ACMIIL Retail Research

Financial Statements

Standalone Profit & Loss Statement:

Particular (Rs Mn.)	CY20	CY21	CY22	CY23	CY24E	CY25E	CY26E
Net Sales	37,618.40	55,605.10	68,674.20	72,261.30	80,932.66	91,453.90	1,04,257.45
Expenses	32,250.20	45,877.40	55,730.30	58,993.70	65,909.81	74,295.18	84,550.55
EBITDA	**5,368.20**	**9,727.70**	**12,943.90**	**13,267.60**	**15,022.84**	**17,158.72**	**19,706.90**
EBITDA Margin %	**14.27%**	**17.49%**	**18.85%**	**18.36%**	**18.56%**	**18.76%**	**18.90%**
Depreciation	1939.70	1971.10	2064.60	2190.90	3049.14	3129.39	3177.41
Interest	52.40	36.70	35.50	41.70	42.00	44.00	45.00
Other Income/(exceptional item)*	603.00	723.80	920.60	1,201.90	1,225.00	1,252.70	1,283.20
PBT	**3,979.10**	**8,443.70**	**11,764.40**	**12,236.90**	**13,156.70**	**15,238.03**	**17,767.69**
Tax	1,062.40	2,140.20	2,978.30	3,146.60	3,328.65	3,855.22	4,495.23
PAT	**2,916.70**	**6,303.50**	**8,786.10**	**9,090.30**	**9,828.06**	**11,382.80**	**13,272.46**
Diluted EPS (Rs)	**18.70**	**40.41**	**56.32**	**58.27**	**63.00**	**72.97**	**85.08**

*Other Income includes exceptional items. Source: Company, ACMIIL Retail Research

Risks and concerns:

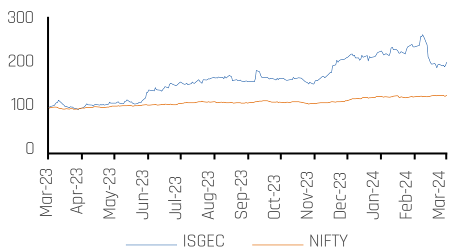
- Any slowdown in automobile industry might adversely impact the scale of operations and profitability margins of the company.
- Economic slowdown worry due to global recession and geopolitical tensions.
- GDP slowdown in Indian economy may hamper industrial as well as automotive growth.

ACCUMULATE

Key Data	
DATE	05-03-2024
Reco Price	920-930
Target	1,170
Sector	Capital Goods - Industrial Engineering
BSE Code	533033
NSE Code	ISGEC
EPS (2023)	26.53
Face Value (Rs.)	1.00
Market Cap (Mn)	68,099.40
52-week High/Low (Rs)	1,178.00/418.25

Shareholding pattern (December 2023)	%
Promoters	62.43
DIIs	8.73
FIIs	3.53
Public	25.30
Government	0.01
Total	**100.00**

Price Performance



Retail research

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ISGEC Heavy Engineering Limited

Company Background

ISGEC Heavy Engineering Limited (ISGEC), was incorporated as a public company under the ISGEC Group in 1933, manufactures heavy engineering equipment and provides related EPC/turnkey services with an extensive global presence. The Company's segments include manufacturing of machinery and equipment and engineering, procurement, and construction (EPC).

The manufacturing of machinery and equipment segment is engaged in manufacture of process plant equipment's, presses, castings, boiler tubes and panels and containers. The engineering, procurement and construction segment consists of projects and turnkey solutions for sugar plants, distilleries, power plants, boilers, air pollution control equipment's, buildings, and factories.

The Company manufactures process plant equipment, mechanical and hydraulic presses, steel and iron castings, boiler pressure parts, and built-to-print equipment.

Outlook and Valuation

ISGEC Heavy Engineering Ltd. is a multi-product, multi-location public company that has been delivering engineering solutions to global customers for the past 90 years. The company holds a robust market position in the capital goods segment, along with several technology joint ventures (JVs) and strategic partnerships with international majors. With a track record spanning over 75 years in the industry, coupled with its capacity to adopt and indigenize technology, the company is well-positioned to drive growth in the future. Given these factors, we believe ISGEC Heavy Engineering Limited is well-equipped to capitalize on emerging opportunities. Looking ahead, we anticipate a CAGR of ~12% in the company's revenue over FY23-FY26E. **Hence, we recommend ISGEC Heavy Engineering Limited with a target price of Rs 1,170, based on FY26E EPS of Rs 50.04, and a forward PE valuation multiple of 23.4x.** It looks like a value buy with growth potential for medium to long-term investment. **Hence, we recommend an ACCUMULATE rating for the long term.**

Financial Snapshot

Particulars (in Mn.)	FY23	FY24E	FY25E	FY26E	CAGR % (FY23 - FY26E)
Sales	63,990.40	69,749.54	78,526.99	89,094.42	11.66%
EBITDA	4,729.00	5,524.16	6,470.62	7,510.66	16.67%
EBITDA Margin %	**7.39%**	**7.92%**	**8.24%**	**8.43%**	
PAT	1,964.90	2,496.91	2,816.73	3,677.94	23.24%
PAT Margin %	3.07%	3.58%	3.59%	4.13%	
EPS (₹)	**26.53**	**33.97**	**38.32**	**50.04**	
D/E (x)	0.54	0.45	0.43	0.38	

Source: Company, ACMIIL Retail Research

Company at Glance

- Diversified Heavy Engineering Company with wide Spectrum of User Industries.
- Global Presence: Equipment Supply in 91 Countries across 6 continents.
- Diversified Portfolio: Manufacturing, EPC, Sugar & Ethanol Segments Catering to Esteemed Clients.
- Strategic Technology Collaborations with Prominent Global Enterprises.
- Robust Order Book, with strong credit profile.

Business segments

A) Engineering Procurement and Construction (EPC):

The company possesses proven expertise in establishing captive and independent waste-to-energy power plants on an EPC basis. It has successfully executed power plant projects using various fuels, including Petcoke, Coal, Oil and Gas, Waste Heat Recovery, MSW-based fuels, among others. With a portfolio encompassing over 60 diverse power plant projects, the company has garnered experience in contracting for more than 1600 MW of power plants on an EPC basis. Additionally, the company features in-house manufacturing capabilities for key project equipment such as Boilers, ESP, Water Solutions, FGD, and more. It maintains EPC offices in Uttar Pradesh, Tamil Nadu, and Maharashtra.

B) Manufacturing of Machinery and Equipment:

The company engages in the manufacturing of Boilers, Diffusers, and Process House Equipment for Sugar Plants, Refineries, and Distilleries. It specializes in the operation and maintenance of Sugar, Co-generation, and Distillery Plants. Over the years, the company has successfully completed 180 Sugar/Distillery/Refinery Projects and has installed 720 cane-crushing mills across 49 countries globally. These achievements establish ISGEC as the world's largest supplier of sugar plants and machinery.

This Segment also consists of manufacture of Presses, Contract Manufacturing (built-to-print and built-to specifications), Process Plant Equipment, Liquefied Gas Containers, Boiler Pressure Parts & Piping Spools, and Iron & Steel Castings.

Company's products under this segment involve significant level of intellectual property in terms of design, particularly, Mechanical design, Thermal design, Pneumatics, Electrical, design, instrumentation and tribology. In addition, its products involve elaborate fabrications, welding, machining and assembly skill and skills related to foundry products.

ISGEC has a strong production facility to manufacture machinery and equipment to serve diverse industry segments ranging from defense, oil and gas, refinery, nuclear, chemical and petrochemicals, consumer durables, fertilisers, automobiles, textiles, steel, cement, paper, construction, and mining, etc.

C) Sugar:

ISGEC's roots trace back to the establishment of Saraswati Sugar Mills in 1933, with an initial sugarcane crushing capacity of 400 tonnes per day. Over time, it has evolved into one of India's largest sugar mills, currently crushing 13,000 tonnes per day. The company's manufacturing facility is situated in Yamuna nagar, Haryana. Notably, in FY23, exports accounted for 13.2% of the total turnover, with the company allocating an export quantity of 32,447 tonnes of sugar.

Manufacturing Facilities & EPC Offices

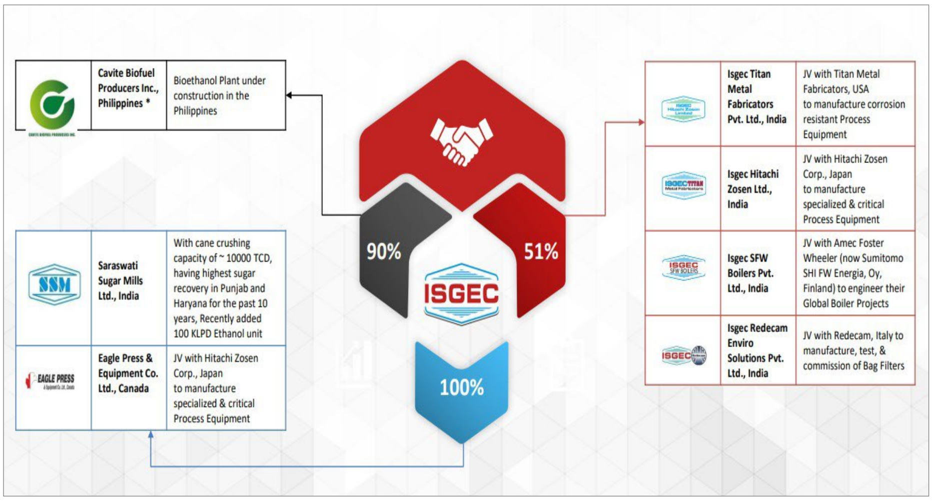
The company possesses 6 manufacturing facilities in India, comprising 4 in Haryana, 1 in Uttar Pradesh, and 1 in Gujarat. Additionally, the company maintains 2 overseas manufacturing facilities situated in Canada and the Philippines. The Company has 3 EPC offices in India including Uttar Pradesh, Tamil Nadu, and Maharashtra.

Company Caters to a wide range of Industries

Power	Defense	Fertilizer	Sugar	Oil	Gas	Petrochemicals	Automobile components	Steel	Cement

Source: Company, ACMIIL Retail Research

Corporate Structure (Subsidiaries & Joint Ventures)



Source: Company, ACMIIL Retail Research

Investment Rationale

Strategic Role in Fulfilling Renewable Energy Mandates:

The private capex revival is expected to benefit heavy industry companies as they seek to comply with renewable energy norms outlined by Environmental, Social, and Governance (ESG) standards. This transition not only underscores their commitment to sustainability but also translates into substantial cost savings on power consumption. Consequently, ISGEC is poised to provide tailored solutions to meet these evolving needs by offering Engineering, Procurement, and Construction (EPC) services coupled with advanced manufacturing capabilities. This strategic alignment enables ISGEC to cater to the growing demand for renewable energy solutions within the industrial sector, facilitating sustainable growth for both ISGEC and its clients.

Leveraging Private Capex Revival:

The combination of increased government spending, various policies & reforms and private sector revival bodes well for the company's future growth prospects. ISGEC's substantial production capabilities enables it to manufacture a diverse range of machinery and equipment, catering to industry segments ranging from defense, oil and gas, refinery, nuclear, chemical and petrochemicals, machine tools, consumer durables, fertilizers, automobiles, textiles, steel, cement, paper, construction, and mining. This diversity propels the company's growth momentum moving forward.

In-house Design & Manufacturing Capability and Synergies through Various JV's & Tie-ups:

ISGEC operates as an engineering, procurement, and construction (EPC) company and an equipment/machinery fabricator in the capital goods sector. The Company continuously works on improving designs and technology of its products and value engineering to make its products competitive and value for money by way of JV's.

Company's growth in the engineering sector is propelled by strategic tie-ups and technical collaborations with leading foreign manufacturers. These partnerships, tailored for specific product needs in the Indian market, enhance ISGEC's competitiveness. Moreover, the company's long- term alliances with globally renowned heavy engineering firms, alongside its in-house design and manufacturing capabilities, further solidify its position. This collaborative approach enables ISGEC to offer a diverse range of high-quality machinery and equipment across multiple industry segments, fueling its growth momentum. The company's revenue visibility over the medium to long term is well-diversified across industry segments, customers, and geographies, encompassing a broad spectrum of product segments.

Market Leadership:

The company asserts its leadership by holding the No. 1 / No. 2 position in most business lines, including Hydraulic and Mechanical Presses, Sugar Plants, CFB Boilers (Circulating Fluidized Bed), Traveling Grate Boilers, Liquefiable Gas Containers, Process Equipment Fired Boilers, Oil and Gas Boilers Bubbling, Bed Boilers, and Large Steel Castings made to order. Additionally, in 2023, the company ranked 294 among Fortune India 500 companies operating in the EPC segment.

20% Ethanol Blending Programme to expand horizons:

The Government of India's Ethanol Blending Programme (EBP) aims to achieve 20% blending rate by FY2025-26, there's a need for an additional 700 crore liters of ethanol production annually. This presents substantial opportunities for ISGEC in the future to grow revenue from sugar and Ethanol verticals. Additionally, it will promote environmental sustainability, fostering growth and competitiveness.

Strong Global Presence: Engineering Solutions across Borders

With over 80 years of rich history, Operating in 91 Countries, ISGEC stands as a stalwart in the engineering domain. It's offering a comprehensive suite of products and services to clients across the globe.

- Process Equipment operations span across USA, Oman, UAE, Kuwait, Qatar, Mexico, China, Denmark, Australia & Japan.
- EPC Projects are undertaken in Kenya, Uganda, Sierra Leone, the Philippines, Saudi Arabia & Colombia.
- Industrial & Utility Boilers are installed in Brazil, Colombia, the Philippines, Spain, Thailand, Guatemala, Zambia, Sudan, Senegal & China.
- Sugar Plants & Distilleries are strategically located across key sugar cane producing regions including Kenya, Sierra Leone, Senegal, Sudan, Uganda, Zambia, Mozambique, the Philippines & Vietnam.
- Metal Forming Presses serve the automobile sector in Germany, Spain, Brazil, the USA, France, Mexico, South Africa & China.
- Castings supplied globally to Japan, Germany, the USA, Argentina, Brazil, the Czech Republic & Italy.

Strong Product Portfolio to give an edge:

ISGEC manufactures and markets heavy engineering equipment, mechanical and hydraulic presses, and castings. The company also produces process plant equipment, such as reactors, high-pressure vessels, shell and tube exchangers, columns and towers, high-pressure boiler drums, and boiler pressure parts. Their product range includes presses, including mechanical and hydraulic straight-sided presses and mechanical gap frame presses; as well as boilers, encompassing dump grate boilers, traveling grate boilers, atmospheric fluidized bed combustion boilers, circulating fluidized bed combustion boilers, oil/gas-fired boilers, waste heat recovery boilers, deaerators, and related spare parts.

Philippines Project to Enhance Ethanol Production:

The Philippines project, the construction of the Cavite Biofuel Ethanol projects in the Philippines has been completed. Full-scale trial production of ethanol from sugarcane has started from 30th January 2024. Certificate of accreditation has been received from the Department of Energy, Government of Philippines to operate the plant. Commercial production has already been started. This Ethanol plant in the Philippines is expected to have an annual revenue of Rs.530-550 Cr. and EBITDA of around INR 140-145 Cr.

Established Position as a Leading EPC Player:

ISGEC is having captive manufacturing and fabrication facilities spanning key product segments such as presses, boilers, and process equipment. The Company benefits from synergies with its EPC segment, distinguished by sound design and execution capabilities. It executes wide range of projects on turnkey basis for Boilers, Air Pollution Control Equipment, Sugar Plants & Machinery and Distilleries, Power Plant Solutions, Bulk Material Handling Systems, Process Plants, Projects for installation of Factories & Workshops for Railways and other Projects.

ESG Footprints:

The company continually takes initiatives to incorporate Environmental, Social, and Governance (ESG) principles throughout its operations and value chain. Over the years, the company has actively reduced its carbon footprint, making its ongoing operations more sustainable in a highly carbon-efficient manner.

Additional Key Growth Drivers

- The government's announcement for new thermal power plants, likely to provide opportunities in the Ash Handling business due to the scarcity of contractors and technology providers. ISGEC has entered into a technical collaboration with a US company for this product.
- ISGEC is optimistic on the margin expansion in EPC and Manufacturing segment in FY25.
- Due to lower quota allocation by the government and ban on export of sugar may affect company's performance in sugar business in near term but long term outlook remains positive.
- The company will be installing some additional plants and machinery to enable its plant to produce ethanol from C-heavy molasses, which will be requiring investment of Rs. 17 crore that will be incurred through internal accrual.
- The Philippines has a 10% blending requirement for ethanol, yet the country's existing production is only about 5%, creating a shortage in ethanol demand that the company will be addressing.
- Inquiries for orders are being received from all sectors, indicating the company's anticipation of new order inflows in the upcoming quarters.
- The company has crossed the INR 2,000 crore annual mark in the manufacturing business with double-digit growth rates and foresees similar growth in the future.
- The Company is having lot of opportunity on CBG (Compact Biogas) and Green hydrogen in Renewable Energy Space.
- The order book position is favorable. Consolidated orders in hand as of December 31, 2023, amount to Rs. 85, 840 Mn (50% is for the EPC business, 34% is for the manufacturing business and 16% for Sugar & Ethanol business).
- Saraswati Sugar Mills, the sugar factory started crushing operations from 31st October 2023. Manufacturing of refined sugar also started. The plant has been operating at full capacity and its refined sugar has been well accepted in the market. The ethanol plant is also operating at full capacity of 160 KLPD.

Company's Strong Marquee Clients (Put logo of all those clients)

Dalmia Bharat	एनटीपीसी NTPC	TATA	RITES THE INFRASTRUCTURE PEOPLE	vedanta transforming for good	इंडियनऑयल IndianOil	MARUTI SUZUKI
TOSHIBA	adani wilmar For a healthy growing nation	Bharat Petroleum	TOYOTA	सेल SAIL	DCM SHRIRAM Growing with trust	SIEMENS
ABB	Reliance Industries Limited	गेल GAIL	ADITYA BIRLA GROUP	L&T	हिन्दुस्तान पेट्रोलियम HP	Ford

Source: Company, ACMIIL Retail Research

Order Book as at end of 9MFY24 (In Rs. Mn)

Source: Company, ACMIIL Retail Research

Industry Overview

India's Capital Goods manufacturing industry serves as a robust foundation for engagement across sectors such as Engineering, Construction, Infrastructure, and Consumer Goods, among others. The engineering sector is the largest among the industrial sectors in India and holds immense strategic importance for the country's economy due to its close association with manufacturing and infrastructure. India exports transport equipment, capital goods, other machinery/equipment, and light engineering products such as castings, forgings, and fasteners to various countries around the world. The demand for services in the engineering sector is being driven by capacity expansion in various industries such as cement, automotive and auto ancillaries, electricity, mining, oil and gas, refinery, steel, chemicals, sugar, and consumer durables. India maintains a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors.

The engineering sector in India has experienced remarkable growth in recent years. Furthermore, the Indian government's policies and reforms aimed at boosting manufacturing, such as the Make in India initiative and the Production-Linked Incentive (PLI) schemes, are beginning to yield positive outcomes. These initiatives are expected to contribute to the overall sustainable GDP growth of the country throughout this decade, as noted by many experts.

The engineering industry is diversified and broadly categorized into two major segments - heavy engineering and light engineering. Most of the leading players are engaged in the production of heavy engineering goods. The expected expansion of the heavy engineering industry can be attributed to increased demand and capacity expansion in end-user industries such as infrastructure, power, mining, oil & gas, refinery, steel, automobiles, and consumer durables. The heavy engineering industry is one of the largest and key sectors in the world. It produces machinery, capital goods, as well as components and parts for various industries.

The government's emphasis on ESG standards and carbon emissions, coupled with increased public capex presents significant opportunities for companies under heavy industries. This focus on sustainability not only improves corporate responsibility but also drives competitiveness in the market. As companies adapt to meet these standards, it stand to benefit from a supportive regulatory environment and emerging opportunities in the green economy. Such public capex initiatives and government policies are expected to stimulate private capex revival across industries and contribute to the overall GDP growth of the country. Additionally, incentives and schemes have been implemented to encourage the use of renewables and alternative energy sources in industries.

Indian Power Market size in terms of installed base is expected to grow from 492.86 gigawatt in 2024 to 752.90 gigawatt by 2029, at a CAGR of 8.80% during the forecast period (2024-2029). The Indian power sector employs a wide range of fuel sources, including traditional sources such as coal, oil, and gas, alongside environmentally sustainable sources such as solar, wind, biomass, industrial waste, and both large and small hydro plants. With a population of approximately 1.4 Bn and the world's fastest major growing economy, India's energy demand is growing rapidly. A catalyst for power industry growth, infrastructure development initiatives focus on expanding and modernizing power generation, transmission, and distribution networks. These efforts aim to meet rising energy demands, integrate renewable sources, and enhance overall efficiency. Investment in smart grids and digital technologies contributes to improved grid management, reducing losses. Beyond advancing the power sector, these initiatives create ancillary opportunities, stimulate economic growth, and generate employment. In summary, infrastructure development serves as a cornerstone for building a resilient, efficient, and sustainable power ecosystem.

The Ministry of Coal is planning to offer coal at a notified price for coal gasification projects to boost the sector. This move aims to ensure that the industry does not face a shortage of coal. Coal gasification is a process that converts coal into synthesis gas, which is cleaner than coal combustion. The Union Cabinet has approved a coal and lignite gasification programme with viability gap funding worth Rs 8,500 crore for both public and private sectors.
This process not only enhances energy security but also promotes resource efficiency and economic development, particularly in regions abundant in coal reserves. Furthermore, coal gasification facilitates the implementation of carbon capture and utilization technologies, contributing to environmental sustainability and mitigating greenhouse gas emissions. Overall, coal gasification presents companies with opportunities for innovation, cost-effectiveness, and environmental stewardship.

Carbon Capture, Utilization, and Storage (CCUS) policies incentivize companies to adopt technologies that capture and store carbon emissions, ensuring compliance with regulations, mitigating carbon costs, enhancing CSR, accessing funding and investment, managing climate-related risks, driving technological innovation, and contributing to long-term sustainability goals, thus fostering a transition to a low-carbon economy and enhancing business competitiveness in a carbon-constrained world. These incentives are anticipated to unlock significant opportunities for the industry, particularly in developing new product lines like green ammonia, green urea, and green hydrogen. CCUS is recognized as a crucial strategy in the global fight against climate change, offering a way to reduce emissions and enable oil and gas companies to utilize captured CO_2 for enhanced oil recovery (EOR) or chemical production.

Key Industry Growth Drivers

- The government's robust push towards infrastructure development, with an allocation of ₹11.11 lakh crores in the Interim Budget 2024- 25, will create lucrative opportunities for the heavy engineering industry. Such public capex initiatives and government policies are
  expected to stimulate private capex revival across industries and contribute to the overall GDP growth of the country.
- The Union Environment Ministry's directive for thermal power plants to install pollution control technologies and adhere to new emission norms by December 31, 2026, is likely to result in increased demand for emission control equipment.
- The Indian Renewable Energy market is projected to increase from 326.90 billion kilowatt-hours (Bn KWh) in 2024 to 428.54 Bn KWh in 2028, at a CAGR of 7.01% during the forecast period (2024-2028).
- The Union Cabinet, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved National Green Hydrogen Mission where the initial outlay for the mission will be Rs.19,744 crore. This presents a transformative opportunity for industries and companies to embrace sustainable practices and drive India's transition towards a greener future.
- To meet India's rising energy demand, the Oil & Gas industry is projected to attract investments nearing $250 billion in the next 10 years.
- Government has also issued Green bonds which are debt instruments that raise capital to finance environmental or climate-related projects. It is specifically designed for financing and refinancing environmental projects that have positive effects on the environment or the climate such as the use of renewable energy, energy efficient transportation, clean energy, sustainable water management and the reduction of greenhouse gas emissions. Thus, this move to gain traction in coming years as the country looks to reduce its carbon footprint and transition to a more sustainable economy.

Exhibit 1: Revenue Growth

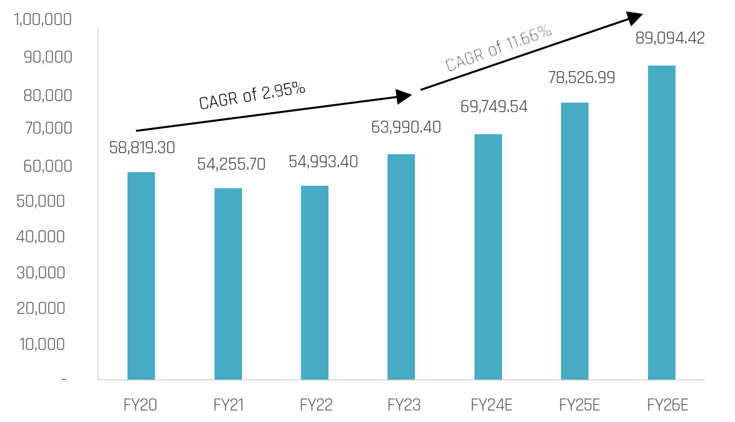


Exhibit 2: EBITDA & EBITDA Margin %

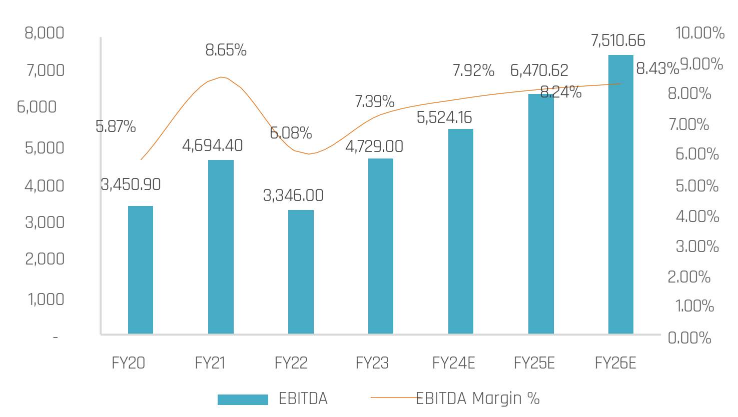


Exhibit 3: PAT & PAT Margin %

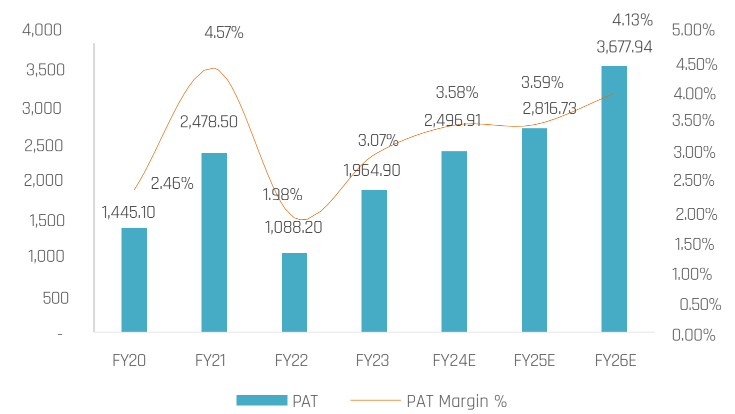


Exhibit 4: Segmental Revenue (FY23)

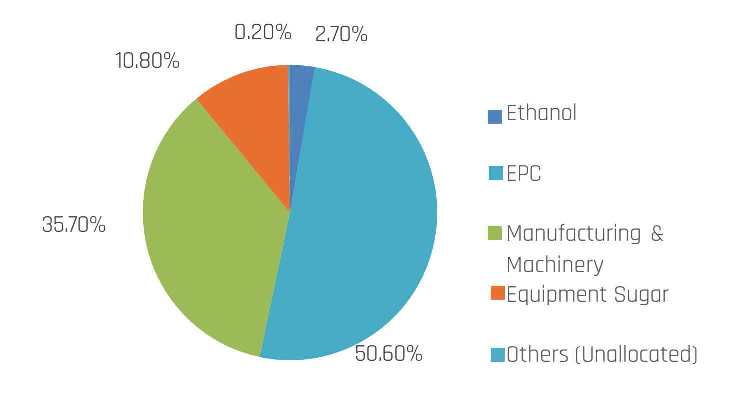
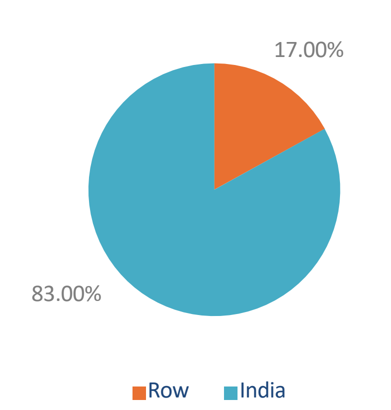


Exhibit 5: Geographical Revenue (FY23)



Source: Company, ACMIIL Retail Research

Investment Idea

Financial Statements

Consolidated Profit & Loss Statement:

Particulars (in Mn.)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Sales	58,819.30	54,255.70	54,993.40	63,990.40	69,749.54	78,526.99	89,094.42
Expenses	55,368.40	49,561.30	51,647.40	59,261.40	64,225.37	72,056.37	81,583.76
EBITDA	**3,450.90**	**4,694.40**	**3,346.00**	**4,729.00**	**5,524.16**	**6,470.62**	**7,510.66**
EBITDA Margin %	**5.87%**	**8.65%**	**6.08%**	**7.39%**	**7.92%**	**8.24%**	**8.43%**
Other Income	313.70	516.20	127.00	122.20	220.00	230.00	250.00
Depreciation	1,011.90	1,008.60	1,013.60	1,043.00	1,264.40	1,727.84	1,598.92
Interest	608.20	643.90	878.40	907.90	822.14	864.72	840.70
PBT	**2,144.50**	**3,558.10**	**1,581.00**	**2,900.30**	**3,657.62**	**4,108.07**	**5,321.04**
Tax	653.20	1,027.50	431.10	844.90	1,060.71	1,191.34	1,543.10
PAT	1,491.30	2,530.60	1,149.90	2,055.40	2,596.91	2,916.73	3,777.94
PAT (Adjusted)*	**1,445.10**	**2,478.50**	**1,088.20**	**1,964.90**	**2,496.91**	**2,816.73**	**3,677.94**
PAT Margin %	**2.46%**	**4.57%**	**1.98%**	**3.07%**	**3.58%**	**3.59%**	**4.13%**
EPS	**19.66**	**33.72**	**14.81**	**26.73**	**33.97**	**38.32**	**50.04**
D/E	0.56	0.49	0.58	0.54	0.45	0.43	0.38

*PAT Adjusted includes excluding minority interest and exceptional items.
Source: Company, ACMIIL Retail Research

Risks and concerns:

- Rise in commodity prices may impact business performance.
- Economic slowdown due to external and internal factors can affect the overall GDP growth of the country.
- Any unexpected change in government policies and regulations.
- Supply chain disruption due to prevailing geopolitical risks may impact the company's business performance.

Mutual Fund Recommendation as on April 2024

Category	Mutual Fund Scheme	NAV	Rating	AUM (in Crores)	CAGR (in %)					Since Inception	LAUNCH DATE	Riskco Meter
					1 YEAR	2 YEAR	3 YEAR	5 YEAR	10 YEAR			
Equity: Large Cap	HDFC Top 100 Fund (G)	1026.92	****	31653	41.41	22.05	21.76	15.35	14.44	15.03	04-09-1996	Very High
	ICICI Pru Bluechip Fund Reg (G)	96.15	*****	49838	44.56	21.5	21.79	17.9	15.88	16.1	23-05-2008	
	Nippon India Large Cap Fund (G)	78.1945	*****	21454	47.06	24.7	24.98	17.13	16.11	17.06	08-08-2007	
	Kotak Bluechip Fund (G)	491.384	****	7447	34.37	16.16	16.59	15.95	14.09	14.95	29-12-1998	
	Tata Large Cap Fund Reg (G)	443.9407	***	1968	37.39	16.63	17.95	15.13	13.47	13.81	07-05-1998	
Equity: Mid Cap	HDFC Mid Cap Opportunities Fund (G)	156.827	****	59027	58.93	31.91	29.54	22.73	18.09	21.48	25-06-2007	Very High
	Quant MidCap Fund (G)	210.9906	****	4858	67.95	30.29	35.9	29.35	23.58	19.98	09-03-2001	
	Nippon India Growth Fund (G)	3262.9715	*****	24366	58.52	27.93	28.41	23.82	19.12	20.43	08-10-1995	
	DSP Mid cap Fund Reg (G)	116.28	***	16312	42.96	16.56	15.65	16.18	13.34	18.37	14-11-2006	
	ICICI Pru MidCap Fund (G)	240.38	**	5418	53.92	23.8	24.12	20	15.87	19.68	28-10-2004	
Equity: Small Cap	HDFC Small Cap Fund (G)	117.664	**	28599	49.23	29.12	31.42	21.38	19.95	20.59	03-04-2008	Very High
	Nippon India Small Cap Fund (G)	141.2388	*****	45894	57.48	29.97	34.52	28.48	22.54	26.65	16-09-2010	
	Quant Small Cap Fund (G)	229.8431	***	15664	69.09	33.22	41.08	34.88	24.7	19.96	24-11-1996	
	Franklin India Smaller Companies Fund (G)	147.3492	****	11823	54.7	29.7	30.46	21.76	16.46	21.17	13-01-2006	
	ICICI Pru Smallcap Fund Reg (G)	74.49	***	7455	43.36	22.13	27.2	24.49	17.31	18.11	18-10-2007	
Equity: Flexi Cap	Parag Parikh Flexi Cap Fund Reg (G)	69.3206	*****	55034	41.87	18.65	22.62	22.69	19.79	19.45	28-05-2013	Very High
	HDFC Flexi Cap Fund Reg (G)	1605.808	****	49657	45.18	26.45	26.71	18.7	16.81	17.08	01-01-1995	
	JM Flexi Cap Fund (G)	84.8294	***	1438	59.5	29.2	26.39	22.21	17.91	19.16	23-09-2008	
	Quant Flexi Cap Fund (G)	93.1745	*****	4155	60.56	26.8	33.19	28.78	22.19	23.4	15-10-2008	
	SBI Flexi Cap Fund Reg (G)	96.4628	-	20097	32.48	12.83	15.83	14.65	13.35	16.64	29-09-2005	
Equity: Focused	HDFC Focused 30 Fund (G)	185.131	****	9918	42.68	27.03	28.37	18.62	14.93	16.17	17-09-2004	Very High
	SBI Focused Equity Fund Reg (G)	292.6212	***	30736	35.2	12.33	16.49	15.79	15.78	17.37	11-10-2004	
	Aditya Birla SL Focused Fund Reg (G)	120.7019	***	7060	39.1	16.02	17.26	15.21	13.18	14.75	24-10-2005	
	Franklin India Focused Equity Fund (G)	94.257	****	10946	42.05	21.23	21.98	17.84	15.47	18.56	26-07-2007	
	Nippon India Focused Equity Fund (G)	101.9103	****	7780	34.45	15.46	17.32	16.54	14.04	18.53	26-12-2006	
Hybrid: Balanced Advantage	HDFC Balanced Advantage Fund (G)	451.473	*****	77011	40.78	25.93	24.52	17.55	15.11	16.47	01-02-1994	Very High
	Edelweiss Balanced Advantage Fund (G)	45.46	***	10623	26.66	13.53	13.33	14.04	12.44	12.63	20-08-2009	
	ICICI Pru Balanced Advantage Fund Reg (G)	64.44	****	54142	23.83	14.29	13.52	12.76	11.46	12.41	30-12-2006	
	DSP Dynamic Asset Allocation Reg (G)	23.528	***	3125	20.7	9.93	8.48	9.34	8.37	8.69	06-02-2014	
	Aditya Birla SL Balanced Advantage Fund (G)	90.93	****	7036	22.76	12.37	11.77	11.4	9.79	11.7	25-04-2000	
Equity: Index	ICICI Pru Nifty 50 Index Fund Reg (G)	221.7042	***	6759	31.68	14.36	16.21	14.63	14.14	13.37	26-02-2002	Very High
	HDFC Index Fund-NIFTY 50 Plan (G)	208.9662	***	12614	20.79	11.1	16.12	15.81	0	14.12	17-07-2002	
	UTI Nifty 50 Index Fund (G)	151.2189	****	15301	31.72	14.45	16.34	14.85	14.58	13.73	06-03-2000	
	Nippon India Index Fund Nifty 50 Plan (G)	37.4353	***	1349	31.38	14.01	15.7	14.02	13.73	12.91	28-09-2010	
	Bandhan Nifty 50 Index Fund Reg (G)	47.64	**	1165	31.42	14.22	16.05	14.74	14.47	13.66	30-04-2010	
Equity: ELSS	HDFC ELSS Tax saver Reg (G)	113.685	****	13820	47.64	26.14	26.33	17.04	14	15.46	31-03-1996	Very High
	DSP ELSS Tax Saver Fund Reg Fund (G)	1149.356	****	14147	42.48	19.15	20.41	18.39	15.67	18.05	18-01-2007	
	Mirae Asset ELSS Tax Saver Fund Reg (G)	40.826	*****	20950	37.12	16.23	17.6	18.32	17.32	0	28-12-2015	
	SBI Long Term Equity Fund Reg (G)	40.888	****	21203	60.81	30.92	27.39	20.71	16.67	16.99	31-03-1993	
	Quant ELSS Tax Saver Fund (G)	#N/A	*****	7238	58.06	24.59	31.3	30.06	23.95	25.11	01-04-2000	
Hybrid: Conservative	HDFC Hybrid Debt Fund (G)	74.1558	****	3093	17.53	11.42	11.36	10.09	8.73	10.05	26-12-2003	Moderately High
	ICICI Pru Regular Savings Fund (G)	66.8563	****	3397	15.12	9.52	9.46	9.43	9.08	10.42	30-03-2004	
	SBI Conservative Hybrid Fund Reg (G)	64.446	*****	9538	15.37	10.22	10.44	10.21	8.59	9.85	24-03-2001	
	UTI Conservative Hybrid Fund (G)	60.9214	***	1576	14.41	8.45	9.7	7.95	7.7	9.09	16-12-2003	
	Aditya Birla SL Regular Savings Fund Reg (G)	58.8577	****	1410	12.19	7.16	8.57	8.63	7.34	9.86	22-05-2004	

Mutual Fund Recommendation as on April 2024

Hybrid: Equity Savings	Kotak Equity Savings Fund Reg (G)	23.4682	****	4330	20.34	12.53	11.99	10.57	9.86	0	13-10-2014	Moderately High
	ICICI Pru Equity Savings Fund (G)	20.26	****	8774	11.93	8.59	8.55	8.02	7.64	0	05-12-2014	
	SBI Equity Savings Fund Reg (G)	21.1778	*****	3897	21.12	10.59	10.54	10.35	9.1	0	27-05-2015	
	HDFC Equity Savings Fund (G)	59.789	*****	3737	19.45	11.41	11.98	10.19	9.17	9.97	17-09-2004	
Debt: Liquid	Axis Liquid Fund (G)	383.1795	****	33841	7.29	6.47	5.43	5.22	5.77	6.48	09-10-2009	Low to Moderate
	Aditya Birla SL Liquid Fund Reg (G)	2646.6046	*****	43962	7.22	6.42	5.39	5.22	5.76	6.48	29-03-2004	
	UTI Liquid Fund Reg (G)	2875.4709	***	26477	7.22	6.41	5.39	5.18	5.74	6.45	10-12-2003	
	HSBC Liquid Fund (G)	2736.6485	*****	19885	7.22	6.42	5.38	5.15	5.72	6.43	01-06-2004	
	DSP Liquidity Fund (G)	2737.0933	****	16940	7.22	6.39	5.37	5.14	5.69	6.41	23-11-2005	
Equity: Large & Mid Cap	DSP Equity Opp Fund Reg (G)	500.423	***	10917	44.36	21.71	19.98	17.52	14.9	17.36	16-05-2000	Very High
	HDFC Large And Mid Cap Fund Reg (G)	287.737	****	16757	51.76	25.28	25.85	19.99	16.8	14.71	18-02-1994	
	ICICI Pru Large & Mid Cap Fund Reg (G)	829.53	*****	10854	47.88	25.39	26.86	20.6	16.12	16.34	09-07-1998	
	UTI Large & Mid Cap Fund (G)	145.9516	***	2500	49.21	23.7	23.18	18.35	14.87	15.3	16-02-1993	
	Quant Large and Mid Cap Fund (G)	111.2095	****	1689	63.53	27.15	29.86	24.55	18.29	22.59	12-12-2006	
Equity: Multi Cap	Quant Active Fund (G)	617.9979	-	8467	52.33	21.14	27.78	27.43	22.89	23.02	21-03-2001	Very High
	Invesco India Multicap Fund (G)	108.62	-	3145	44.67	19.92	21.01	18.03	14.62	17.71	17-03-2008	
	ICICI Pru Multicap Fund Reg (G)	673.33	-	11180	49.98	24.42	23.78	17.89	15.12	17.07	01-10-1994	
	Nippon India Multi Cap Fund (G)	244.6441	-	26809	52.19	27.92	30.01	19.66	17.54	17.32	28-03-2005	
	Baroda BNP Paribas Multi Cap Fund (G)	242.5556	-	2247	47.74	18.54	23.36	19.77	15.62	15.96	12-09-2003	
Hybrid: Multi-Asset	ICICI Pru Multi Asset Fund (G)	635.2374	****	32831	34	21.09	24.49	18.83	15.62	16.02	31-10-2002	Very High
	UTI Multi Asset Allocation Fund Reg (G)	64.4345	*****	1152	40.76	21.08	17.43	13.74	11.11	10.61	19-11-2008	
	Quant Multi Asset Fund (G)	121.6886	****	1456	45.41	23.17	31.12	27.02	20.06	16.5	21-03-2001	
	SBI Multi Asset Allocation Fund Reg (G)	49.9739	***	3879	27.57	15.66	15.09	13.38	10.97	11.38	21-12-2005	
	HDFC Multi Asset Fund (G)	61.275	***	2406	23.81	14.09	14.53	13.67	11.32	11.26	17-08-2005	
Hybrid: Aggressive	HDFC Hybrid Equity Fund (G)	104.125	*****	22643	24.32	14.77	16.04	13.84	12.61	14.99	11-09-2000	Very High
	ICICI Pru Equity & Debt Fund (G)	336.87	****	31196	42.68	22.11	25.99	20.16	16.74	17.67	03-11-1999	
	Quant Absolute Fund (G)	395.2141	*****	1788	38.5	18.67	24.35	23.46	19.62	18.95	21-03-2001	
	Canara Robeco Equity Hybrid Fund Reg (G)	310.39	***	9809	28.91	13.28	14.11	14.34	13.24	14.81	01-02-1993	
	Tata Hybrid Equity Fund Reg (G)	391.6261	***	3694	26	14.87	15.1	13.13	10.8	13.4	08-10-1995	
Gold: Gold Funds	Nippon India Gold Savings Fund (G)	26.2626	***	1603	11.32	12.81	12.96	14.65	11.1	7.19	07-03-2011	Very High
	HDFC Gold Fund (G)	20.5	**	1682	11.51	12.81	12.96	14.79	11.43	7.32	01-11-2011	
	SBI Gold Fund Reg (G)	20.0483	***	1507	11.65	13.27	13.13	14.91	11.57	7.42	12-09-2011	
	Kotak Gold Fund (G)	26.4019	****	1590	11.42	12.62	12.72	14.8	11.61	7.3	25-03-2011	

Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Mutual Fund returns are market linked. Returns below 1 year are on absolute basis and above 1 year are on CAGR basis Growth Option. Crisil Rating is just for Information. Powered by ACE MF Based on scheme NAV as on 31st Mar, 2024 for Regular Plan- Growth Option

NIFTY-WEEKLY CHART

Chart as on 28th Mar 2024

- Nifty started the month of March on a positive note and registered a new lifetime high of 22,527. However, throughout the month, the index consolidated in a narrow band of 21,710-22,530 and finally settled the month on the positive note at 22,327.
- From a technical standpoint, a bearish engulfing candlestick pattern has formed on the weekly chart, indicating strong resistance near 22,527. If Nifty can sustain above 22,530, the rally may extend towards 22,800 in the short term and 23,000-23,200 in the medium term.
- On March 1st, Nifty broke out of a consolidation pattern known as the ascending triangle. As long as it holds support at 21,530, it could aim for targets of 23,000-23,200.
- The 21-week Exponential Moving Average (WEMA) is currently positioned near 21,487, serving as a crucial support level for Nifty in the medium term.
- The Relative Strength Index (RSI) on the weekly scale is above the midpoint, indicating strength in the market.
- For the short term, 21,850 and 21,490 will act as support points, whereas 22,800 and 23,200 will act as resistance points.

BANKNIFTY- WEEKLY CHART

Chart as on 28th Mar 2024

- Bank Nifty commenced the month of March with a bullish sentiment. However, it remained consolidated within a range of 45,800-48,200 throughout the month and finally settled the month on the positive note at 47,125.
- Technically, the index is holding the trend line support (45,000) and forming higher lows indicating strength. Thus, 45,000 will act as strong support for the index. Recently, the index has formed hammer candle near 34-WEMA, indicating strength.
- On the upside, trend line resistance is currently placed near 48,000 levels and previous high is placed near 48,636 levels. Thus, 48,000 and 48,640 will act as strong resistance for banknifty in the short term.
- The 34-WEMA is placed near 45,720, which will act as first key support for the index followed 44,950 where the 50-WEMA is placed.
- The momentum indicator RSI on the daily scale is positioned above the center point, indicating strength.
- For the short term, 45,720 and 44,950 will act as support points, whereas 48,000 and 48,640 will act as resistance points.

NESTLE INDIA LIMITED (NESTLEIND)

Chart as on 28th Mar 2024

NESTLEIND-DAILY CHART

- The stock has witnessed a trendline breakout and a breakout of a cup and handle pattern on a daily scale, accompanied by strong volume. This breakout suggests a target range of 2750-2800 in the short term.
- The volumes observed during the breakout are higher than those seen during the consolidation phase, indicating strength in the breakout.
- The 50-DEMA (Daily exponential moving average) is currently placed near 2550. Thus, any dip around 2550 will offer good entry point in the stock in the short term.
- The momentum indicator RSI on a daily scale is placed above the centre point, and witnessed trend line breakout, suggesting strength.
- Based on the above technical setup, we recommend buying NESTLEIND at the current market price and on dips near 2550 with a stop loss of 2465 on closing basis for a price target of 2750-2800.

GLAXOSMITHKLINE PHARMACEUTICALS LIMITED (GLAXO)

Chart as on 28th Mar 2024

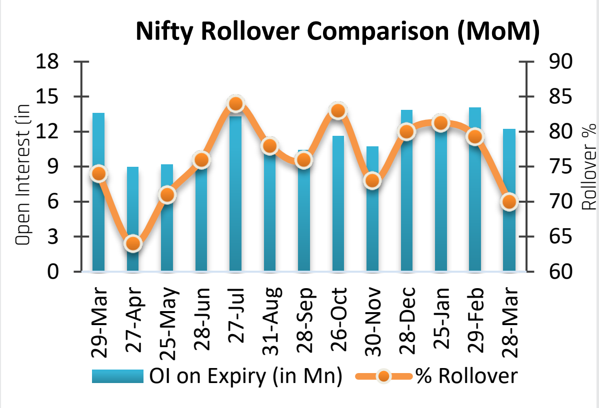
GLAXO-WEEKLY CHART

- The stock on a weekly scale has witnessed a breakout of medium term consolidation with strong volume, as highlighted in the chart. Post breakout, the stock has registered a high of 2524 and retested the breakout point. Technically, the stock has formed hammer candlestick pattern near previous breakout point, indicating strength.
- The 34-Week Exponential Moving Average (WEMA) is providing strong support for the stock, currently positioned near 1850. Therefore, any dip in the stock price around 1850 presents a favorable entry point in the short term.
- The momentum indicator RSI on a weekly scale is placed above the centre point, suggesting strength.
- Based on the above technical setup, we recommend buying GLAXO at the current market price and on dips near 1850 with a stop loss of 1740 for a price target of 2150-2250.

Derivatives Report

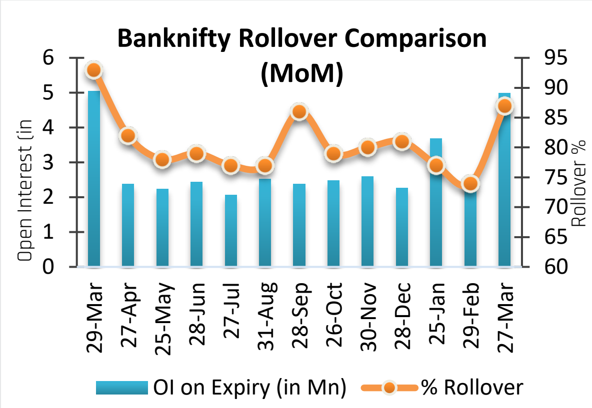
APRIL SERIES VIEW

Domestic benchmark indices rose sharply during the F&O expiry week. The broader market also responded positively to the US Federal Reserve's decision to hold interest rates unchanged and maintain its forecast of three rate cuts in 2024. Finally, Nifty settled the March expiry on positive note at 22327 level, with gain of 344 points (EoE) indicating positive bias for the short term. On the expiry day, the Nifty futures rollover stood at 70%, which is lower than the last three series average rollover of 80%. Foreign Institutional Investors (FIIs) will start the April series with a long rollover in index and stock futures. Nifty will begin the April series with an open interest of 1.22 crore shares, compared to 1.41 crore shares at the commencement of the March series indicating reduction in position by investors. Market-wide rollovers stood at 93% as compared to the average rollovers of 93% in the last three series. Going forward, monthly auto sales data, Rupee movement against the Dollar, bond yields, Fiis flow, global cues, Fed interest rate, geopolitical concerns, Q4FY24 earnings, RBI monetary policy and crude oil price movement will dictate the trend on the bourses next month.



DERIVATIVES INDICATORS

The volatility index, India VIX, cooled off by 17.58% and closed at 12.83 vs. 15.57 levels (EoE) of the previous month, supportive for bulls. We expect volatility will remain continue due to geopolitical issue, corporate earnings growth and general election. Another leading derivatives indicator, Nifty PCR, opened on a higher note this month at 1.18 against last month's 1.09.

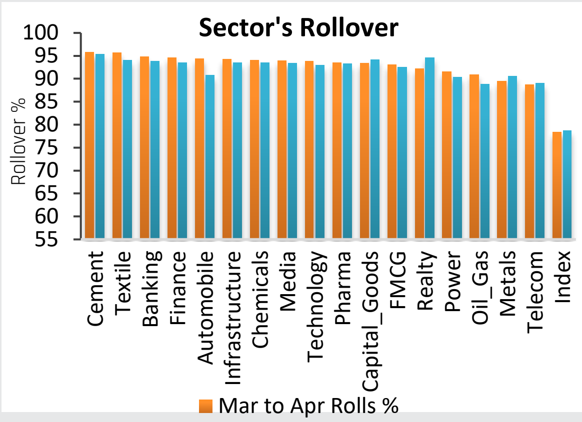


BANKNIFTY

The index saw high rolls of 87% (On Wednesday) as compared with the 3M average of 77%. BankNifty started the April series with high OI of 4.98 Mn shares as compared with OI of 2.57 Mn shares at the beginning of the March series indicating positive bias for short term. As per technical, support for the index stands around 45700 and 44900 whereas resistance stands at 48000 and 48600 for the short term.

SECTOR/STOCK ROLLOVER ACTIVITY:

1. From the sectoral action, rollovers accelerated for **CEMENT, TEXTILE, BANKING, AUTOMOBILE, MEDIA, FMCG, FINANCE, and CHEMICALS** sectors in April expiry. However, low rollovers were seen in **METALS, REALTY and CAPITAL GOODS** sectors stocks on expiry day as compared to three month's average as highlighted in the chart.
2. Within the Nifty50 space, index heavy weights such as **ONGC, NESTLEIND, HEROMOTOCO, HINDALCO, and ULTRACEMCO** saw aggressive rollover in the April series while low rolls were seen in **ITC, HCLTECH, ICICIBANK, TITAN and TECHM** compared with the 3M average rollover.
3. From the midcap space, **SAIL, BALKRISIND, NATIONALUM, ALKEM, and OFSS** saw high rollovers whereas **JINDALSTEL, METROPOLIS, TATACHEM, BEL, and OBEROIRLTY** saw lower rollover compared with the 3M average.



Stocks to watch out based on Rollover Analysis:

POSITIVE	
GRASIM	Rollover of 98% compared with 3 months average of 95%.
METROPOLIS	Rollover of 66% compared with 3 months average of 91 %.
NESTLEIND	Rollover of 99% compared with 3 months average of 90%.
NEGATIVE	
BANDHANBNK	Rollover of 97% compared with 3 months average of 96%.
ABFRL	Rollover of 97% compared with 3 months average of 95%.

Retail Research Call Performance

MT Medium Risk Calls												
Calls Performance	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Calls Activated	27	59	64	68	32	36	23	23	25	21	41	29
Successful	21	43	44	44	18	23	14	13	14	12	30	18
Unsuccessful	6	16	20	24	14	13	9	10	11	9	11	11
Succes Rate	78%	73%	69%	65%	56%	64%	61%	57%	56%	57%	73%	62%

MT High Risk Calls												
Calls Performance	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Calls Activated	15	9	11	20	27	27	28	32	31	16	24	41
Successful	11	7	8	15	20	18	16	22	21	6	17	29
Unsuccessful	4	2	3	5	7	9	12	10	10	10	7	12
Success Rate	73%	78%	73%	75%	74%	67%	57%	69%	68%	38%	71%	71%

Positional Calls												
Calls Performance	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Calls Activated	8	10	9	17	18	19	10	9	14	14	15	20
Successful	8	10	9	13	14	16	5	8	13	10	10	13
Unsuccessful	0	0	0	4	4	3	5	1	1	4	5	7
Success Rate	100%	100%	100%	76%	78%	84%	50%	89%	93%	71%	67%	65%

Techno Funda												
Calls Performance	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Calls Activated	1	1	1	1	2	-	-	2	-	-	2	2
Successful	1	1	1	1	2	-	-	2	-	-	2	2
Unsuccessful	0	0	0	0	0	-	-	0	-	-	0	0
Success Rate	100%	100%	100%	100%	100%	-	-	100%	-	-	100%	100%

Event Calendar April 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1 • Monthly AutoSales Number	2 • HSBC Manufacturing PMI Final MAR	3	4	5 • RBI Interest Rate Decision • HSBC Services PMI Final MAR • US Unemployment Rate MAR	6	7
8	9	10 • US FOMC Minutes	11 • ECB Interest Rate Decision	12 • Industrial Production YoY Feb • Manufacturing Production YoY Feb • Inflation Rate YoY MAR • TCS	13	14
15 • Passenger Vehicles Sales YoY MAR • WPI Manufacturing YoY MAR • WPI Inflation YoY MAR	16	17 • ANGELONE • ICICIGI	18 • INFY • BAJAJ-AUTO • HDFCLIFE • ISEC	19 • WIPRO • HDFCAMC	20 • HDFCBANK	21
22 • PERSISTENT	23 • ICICIPRULI	24 • NAM-INDIA • SYNGENE • MAHSCOOTER	25 • BAJFINANCE • TECHM • NESTLEIND • LTTS • MPHASIS • UTIAMC	26 • BoJ Interest Rate Decision • HCLTECH • MARUTI • BAJAJFINSV • CSBBANK • MAHLIFE • BAJAJHLDNG • MHRIL • ATUL	27 • IDFCFIRSTB • ICICIBANK • CRAFTSMAN	28
29 • POONAWALLA • KPITTECH • ULTRACEMCO • GILLETTE	30 • Fed Interest Rate Decision • EXIDEIND • CHOLAFIN • CASTROLIND • PGHH					

Result Updates

Economic & Other Event

ACMIIL Retail Research Products

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