# *Q4 FY'24 CONFERENCE CALL Key Takeaways*

ArihantCapital
Generating Wealth

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## NBFC & Banks

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55. Fedbank Financial Services Ltd
56. Indostar Capital Finance Ltd
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61. Geojit Financial Services
62. Cholamandalam Investment & Finance Company Ltd
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64. Fino Payments Bank
65. Moneyboxx Finance Ltd
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67. General Insurance Corporation of India Ltd
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70. Prudent Corporate Advisors Limited
71. Muthoot MicroFin Ltd
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## *NBFC & Banks*

73. Fusion Micro Finance Ltd
74. Edelweiss Financial Services Ltd

## *IT*

1. Infosys
2. Wipro
3. PB Fintech Ltd
4. Datamatics Global Services
5. Ksolves India Ltd
6. Zomato
7. C.E. Info Systems (MapmyIndia)
8. LTIMindtree Ltd
9. Affle (India) Ltd
10. DigiSpice Technologies Ltd
11. Tata Elxsi Ltd
12. Cyient DLM
13. Cyient Ltd
14. Tech Mahindra
15. Zensar Technologies Ltd
16. First source Solution Ltd
17. TATA Technologies
18. Ideaforge Technologies
19. OnMobile Global Ltd
20. Bharati Airtel
21. Dixon Technologies
22. Aurionpro Solutions Ltd
23. Infibeam Avenues Ltd
24. Endurance Technologies Ltd

# *IT*

25. Onward Technologies Ltd
26. Vodafone Idea Ltd
27. CMS Info Systems Ltd
28. eClerx Services Ltd
29. Kaynes Technology India Ltd
30. Nazara Technologies Ltd
31. Expleo Solutions Ltd
32. Sonata Software Ltd
33. Mphasis
34. Quick Heal Technologies Ltd
35. Tanla Platforms Ltd
36. HCL Tech
37. Veefin Solution
38. KPIT Technologies Ltd
39. Newgen Software Technologies Ltd
40. eMudhra Ltd
41. Aurum Proptech Ltd
42. Coforge
43. Netweb Technologies
44. Data Pattern
45. Rategain Travel Technologies Ltd
46. All E Technologies Ltd
47. Kfin Technologies Ltd
48. Yatra Online

## *IT*

## Auto and Ancillaries

## Auto and Ancillaries

# *Media and Entertainment*

1. Tips Films Ltd
2. UFO Moviez India
3. Shemaroo Entertainment Ltd
4. Tips Industries Ltd
5. MPS Ltd
6. Music Broadcast

## *Energy and Power*

1. Hindustan Zinc
2. Sterling & Wilson Renewable Energy Ltd
3. Finolex Cables Ltd
4. Sarda Energy & Minerals
5. Inox Wind Ltd
6. Lloyds Metals & Energy Ltd
7. Indian Energy Exchange
8. Borosil Renewables Ltd
9. GE T&D India Ltd
10. Godawari Power & Ispat Ltd
11. RattanIndia Power
12. KEI Industries
13. Polycab

## *Industrial Products and Consumer Durables*

1. CG Power & Industrial Solutions
2. Bharat Forge Ltd
3. KEC International
4. Sterlite Technologies
5. Kalpataru Projects International
6. Greaves Cotton Ltd
7. Escorts
8. Thermax Ltd
9. Apar Industries Ltd
10. AIA Engineering Ltd
11. Siemens
12. Senco Gold Ltd
13. Stove Kraft Ltd
14. Centum Electronics Ltd
15. Astra Microwave Products Ltd
16. TD Power Systems Ltd
17. Aditya Vision Ltd
18. Kirloskar Brothers
19. Titagarh Rail Systems
20. Jindal Stainless Ltd
21. Texmaco Rail & Engineering
22. Happy Forgings Ltd
23. Bosch
24. IKIO Lighting Ltd

## *Industrial Products and Consumer Durables*

25. Kilburn Engineering
26. TTK Prestige Ltd
27. Lakshmi Machine Works Ltd
28. Schaeffler
29. Havells India Ltd
30. Indus Towers Ltd
31. Ramkrishna Forgings
32. Skipper Ltd
33. DDev Plastiks Industries Ltd
34. Jyoti CNC Automation
35. Ppap Automotive Ltd
36. Bharat Heavy Electricals Ltd
37. Azad Engineering
38. BEL
39. GMM Pfaudler Ltd
40. Gensol Engineering
41. Premier Explosives
42. Ion Exchange
43. Maiden Forgings
44. NMDC Ltd
45. Exicom Tele Systems Ltd
46. Epack Durable Ltd
47. Salzer Electronics Ltd
48. Virtuoso Optoelectronics Ltd

## *Industrial Products and Consumer Durables*

49. ICE Make Refrigeration Ltd
50. Aeroflex Industries
51. Orient Electric
52. ABB
53. Pitti Engineering Ltd
54. IFB Industries Ltd
55. Electronics Mart India Ltd
56. PG Electroplast
57. Voltas
58. Timken Indian
59. Inox India Ltd
60. Electrosteel Casting
61. Sterling tools
62. Nelcast Ltd
63. Pyramid Technoplast Ltd.
64. Blue Star
65. Crompton Greaves Consumer Electricals Ltd
66. Everest Kanto Cylinder Ltd

## *Infrastructure*

1. Atam Valves Ltd
2. Rajoo Engineers
3. Elecon Engineering Company Ltd
4. The Anup Engineering Ltd
5. Suraj Estate Developers Ltd
6. Ajmera Realty & Infra India Ltd
7. Dilip Buildcon Ltd
8. Ganesh Housing Corporation Ltd
9. DLF Ltd
10. PSP Projects Ltd
11. Macrotech Developers Ltd
12. Anant Raj Ltd
13. HFCL
14. Inox Green Energy Services Ltd
15. Godrej Properties Ltd
16. JSW Infrastructure Ltd
17. Man Infraconstruction Ltd
18. NCC Ltd
19. Oberoi Realty
20. Keystone Realtors Ltd
21. Nirlon Ltd
22. Signature Global India Ltd
23. Eldeco Housing & Industries Ltd
24. Arihant Superstructure

## *Infrastructure*

25. Om Infra Ltd
26. Tinna Rubber & Infrastructure Ltd
27. WPIL Ltd
28. Patel Engineering Ltd
29. Welspun Enterprises Ltd
30. Ircon International
31. Shriram Properties
32. Engineers India
33. ISGEC Heavy Engineering
34. Ahluwalia Contracts
35. Genus Power Infrastructures
36. Brigade Enterprises
37. Sunteck Realty
38. Vishnu Prakash R Punglia
39. Capacite Infraprojects Ltd
40. Techno Electric & Engineering Company Ltd
41. J Kumar Infraprojects Ltd
42. Ashiana Housing Ltd |
43. Rites Ltd
44. Arvind Smart Spaces Ltd
45. IRB Infra
46. Phoenix Mills
47. Tega Industries Ltd
48. Schneider Electric Infrastructure Ltd

49. Vascon Engineers
50. Max Estates Ltd
51. Puravankara Ltd
52. Ashoka Buildcon Ltd

## *Cements*

1. Bigbloc Construction Ltd
2. J K Cements Ltd
3. Dalmia Bharat Ltd
4. Shree cements
5. Sagar Cements
6. J K Lakshmi Cement Ltd
7. UltraTech Cement Ltd
8. Orient cements
9. Ambuja Cements Ltd
10. Star cement
11. Heidelberg Cement

# Textiles and Fashion

1. K P R Mill Ltd
2. Arvind Ltd
3. GHCL Textiles Ltd
4. Relaxo Footwear
5. V.I.P Industries
6. Nitin Spinners
7. Vardhman Textiles Ltd
8. Banswara Syntex Ltd
9. Sangam India
10. Siyaram Silk Mills Ltd
11. Rupa & Co
12. Cantabil Retail
13. Century Enka Ltd
14. Sai Silks Kalamandir
15. Shoppers Stop Ltd
16. Sportking
17. Vedant Fashions Ltd
18. Pearl Global
19. Mayur Uniquoters
20. FSN E-Commerce Ventures Ltd
21. Arvind Fashions Ltd
22. Mallcom India
23. Kewal Kiran Clothing
24. Monte Carlo Fashions Ltd

## *Textiles and Fashion*

## *Iron and Steel Products*

1. RajRatan Global Ltd
2. Novelis (Hindalco Industries Ltd)
3. Jindal Saw Ltd.
4. APL Apollo Tubes
5. JTL Industries
6. Hi-Tech Pipes
7. Tube Investments of India Ltd
8. Hindalco Industries Ltd
9. Welspun Specialty Solutions Ltd
10. Usha Martin
11. Jai Balaji Ltd
12. Steel Authority of India Ltd
13. IFGL Refractories Ltd
14. Technocraft Industries
15. Shivalik Bimetal Controls
16. Goodluck India Ltd
17. Surya Roshni
18. Pennar Industries Ltd

# *Oil and Gas*

## *Pharma and Healthcare*

1. Aarti Drugs Ltd
2. Vijaya Diagnostics
3. Hikal Ltd
4. Hester Biosciences Ltd
5. Dr Lal Path Labs
6. Cipla Ltd
7. Jupiter Life Line Hospitals Ltd
8. Ami Organics Ltd
9. Neuland Laboratories Ltd
10. Fortis Healthcare
11. Orchid Pharma Ltd
12. Shilpa Medicare
13. Torrent Pharmaceuticals Ltd
14. Yatharth Hospital & Trauma Care Services Ltd
15. Syngene International Ltd
16. Glenmark Lifesciences Ltd
17. Laurus Labs Ltd
18. Zim Laboratories Ltd
19. Sanjivani Paranteral Ltd
20. Granules India Ltd
21. Aarti Pharmalabs
22. Sequent Scientific Ltd
23. Indoco Remedies Ltd
24. Jeena Sikho Lifecare Ltd

## ***Pharma and Healthcare***

25. Sanofi India Ltd
26. IOL Chemicals & Pharmaceuticals
27. Lincoln Pharmaceuticals Ltd
28. Mankind Pharma Ltd
29. Krishna Institute of Medial Sciences Ltd
30. Aurobindo Pharmaceuticals Ltd
31. Glenmark Pharmaceuticals  Ltd
32. Narayana Hrudalaya
33. Natco Pharma
34. RPG Life Sciences Ltd
35. Ajanta Pharma Ltd
36. Rainbow Children's Medicare Ltd
37. Metropolis Healthcare
38. Morepen Laboratories Ltd
39. GPT Healthcare Ltd
40. Gland Pharma
41. Healthcare Global Enterprises
42. Innova Captab
43. Strides Pharma
44. Gufic BioSciences
45. SMS Pharma
46. Dishman Carbogen Amcis
47. Apollo Hospitals
48. Marksans Pharma

# FMCG

1. United Breweries
2. Sula Vineyards
3. ADF Foods Ltd
4. CCL Products Ltd
5. Spencer
6. Ethos Ltd
7. Zydus Wellness Ltd
8. Bajaj Electricals
9. KRBL
10. Bikaji Foods International Ltd
11. Foods & Inns Ltd
12. Associated Alcohols & Breweries Ltd
13. Colgate-Palmolive Ltd
14. Patanjali
15. Radico Khaitan Ltd
16. United Spirits
17. EID Parry Ltd
18. Apex Frozen Foods Ltd
19. L T Foods Ltd
20. Adani Wilmar Ltd
21. Sheela Foam Ltd
22. Tilaknagar Industries Ltd
23. Bata India
24. Renaissance Global

## *FMCG*

25. Titan Company Ltd
26. Linc Ltd
27. Flair Writing Industries

## *Consumer Foods*

1. Dhampur Bio organics Ltd
2. Dwarikesh Sugar Industries Ltd
3. Dhampur Sugar Mills Ltd
4. Balrampur Chini Mills Ltd
5. Hindustan Foods Ltd
6. Globus Spirits
7. Mrs Bector Foods Specialities

## *Transport and Logistics*

1. Mahindra Logistics Ltd
2. Allcargo Gati Ltd
3. Allcargo Terminals Ltd
4. Snowman Logistics
5. AVG Logistics
6. Accuracy Shipping Ltd
7. TCI Express

## *Agriculture and Chemicals*

1. Gujarat Fluorochemicals Ltd.
2. Styrenix Performance Materials Ltd
3. SRF Ltd
4. Alkyl Amines Ltd
5. Balaji Amines Ltd
6. Fine Organics Ltd
7. Aarti Industries Ltd
8. Yasho Industries Ltd
9. Sharda Cropchem Ltd
10. Jubilant Ingrevia Ltd
11. Fairchem Organics Ltd
12. Oriental Carbon & Chemicals
13. I G Petrochemicals
14. Tatva Chintan Pharma Chem
15. Clean Science & Technology Ltd.
16. Shree Pushkar Chemicals & Fertilizers Ltd
17. DCW Ltd
18. Best Agrolife Ltd
19. DMCC Specialty Chemicals Ltd
20. Oriental Aromatics
21. NGL Fine Chem Ltd
22. Concord Biotech Ltd
23. S H Kelkar & Company Ltd
24. Sumitomo Chemical India

## *Agriculture and Chemicals*

25. Coromandel International Ltd
26. Supreme Petrochem Ltd
27. Tata Chemicals Ltd
28. Rossari Biotech Ltd
29. Castrol India Ltd
30. Sudarshan Chemical Industries Ltd
31. 20 Microns Ltd
32. J B Chemicals & Pharmaceuticals Ltd
33. Dhanuka Agritech
34. Camlin Fine Sciences Ltd
35. Anupam Rasayan India Ltd
36. Gulf Oil Lubricants India Ltd
37. Galaxy Surfactants Ltd
38. GSFC Ltd
39. Deepak Nitrite
40. NOCIL
41. Fineotex Chemical
42. Deepak Fertilisers
43. India Glycols
44. Kiri Industries
45. Sukhjit Starch
46. India Pesticides
47. Dharmaj Crop Guard
48. Asahi Songwon Colors

## Agriculture and Chemicals

49. Insecticides India Ltd
50. Aimco Pesticides Ltd
51. Jyoti Resins and Adhesives Ltd
52. Navin Fluorine International Ltd
53. Meghmani Organics Ltd
54. Jain Irrigation Systems Ltd
55. Mitsu Chem Plast Ltd
56. P I Industries
57. PCBL Ltd
58. Laxmi Organic Industries Ltd
59. Godrej Agrovet
60. Nath Bio-Genes Ltd
61. DCM Shriram Ltd

## *Pipes and Building materials*

1. Kajaria Ceramics
2. Asian  Paints
3. Cera Sanitaryware
4. Kirloskar Pneumatic Company
5. Greenply Industries Ltd
6. Action Construction Equipment Ltd
7. Apcotex Industries Ltd
8. Kansai Nerolac
9. Indigo Paints Ltd
10. Somany Ceramics
11. Prince Pipes
12. Greenpanel Industries
13. Kriti Industries

## *Hospitality and Travel*

1. Westlife Foodworld Ltd
2. Chalet Hotels Ltd
3. Devyani International Ltd
4. Indian Hotels Co Ltd
5. Mahindra Holidays & Resorts India Ltd
6. Apeejay Surrendra Park Hotels
7. Lemon Tree Hotels
8. IRCTC Ltd
9. Praveg Ltd
10. Kamat Hotel

## *Diversified*

1. Crisil Ltd
2. Tejas Networks Ltd
3. Tara Chand Infralogistic Solutions Ltd
4. CL Educate Ltd.
5. Care Ratings Ltd
6. Syrma SGS
7. Rain Industries
8. Venky's Ltd
9. Matrimony.com Ltd
10. Radiant Cash Management Services Ltd
11. Rashi Peripherals Ltd
12. Railtel Corporation of India Ltd
13. AGI Greenpac
14. Eco Recycling Ltd
15. Cosmo First Ltd
16. Hindustan Aeronautics Ltd
17. Solar Industries India Ltd
18. Antony Waste Handling Cell Ltd
19. Garden Reach Shipbuilders & Engineers Ltd
20. Borosil Ltd
21. Krystal Integrated Services Ltd
22. Kaya Ltd
23. Spectrum Talent Management  Ltd
24. Supreme Industries

## ***Diversified***

25. Huhtamaki India Ltd
26. Atam Valves Ltd
27. Shakti Pumps (India) Ltd
28. Eveready Industries India Ltd
29. Symphony
30. IndiaMART InterMESH Ltd
31. IRB InvIT Fund
32. Gravita India Ltd
33. Ador Welding Ltd
34. SIS
35. Adani Enterprises
36. GRP Ltd
37. Updater Services Ltd
38. Team Lease Services Ltd
39. Indegene
40. Cochin Shipyard
41. Knowledge Marine and Engineering Works
42. Popular Vehicles and Services Ltd
43. TCPL Packaging Ltd
44. CDSL
45. Century Textiles & Industries Ltd

**Angel One Ltd. Q4FY24 Concall Highlights**
**CMP: INR 2,842 I Market Cap: INR 255.50 Bn**
**Robust Performance**
**OUTLOOK**
**Angel One Ltd has exhibited strong performance in Q4FY24, with promising indications for future growth. The launch of their wealth management division is anticipated to bolster their business operations significantly. We have a long-term positive outlook on the company.**

Guidance
* Management has given EBITDA margin guidance of 42% - 45% for the full year FY25.

Highlights
* The company's gross revenue grew by 28% QoQ/ 63% YoY at INR 13.585 bn.
* Finance cost increased by 56% QoQ/ 171% YoY to INR 556.4 mn. Higher borrowings were in line with the growth in client funding book and borrowings availed to fulfill margin obligations with the clearing corporations.
* The employee benefit expense increased during the quarter by 12% QoQ/ 110% YoY to INR 1,587.5 mn, due to additional headcount, primarily in the wealth management business ramp up of their asset management business.
* Other expenses increased by 33% on a sequential basis (+116% YoY) at INR 4,238.1 mn, higher on account of higher spends on cloud infrastructure in line with the growth of the business.
* Company further intends to spend about 1.2 bn towards remainder of the annual sponsorship cost and digital electronic media adverts.
* Operating margin stood at 44.8% v/s 44% in Q3FY24, improved by 80 bps on a sequential basis, which is within their guided range.
* The ROE post the fundraise will also see a decline before gradually going back with growth benefits of deployment coming in towards the end of the financial year.
* Their digital model has helped them to penetrate deeper into the market.
* Through this digital engagement, clients from every acquired year tend to become active and transact in one or more segments over time. For instance, about 54% of clients acquired in FY 21 became active over the next four years and continued to engage on our platform across multiple segments.

Business Highlights
* Company has 23.1% share in India's incremental demat accounts in Q4FY24 v/s 24.7% in Q3FY24.
* NSE Active client base increased from 5.3 mn in Q3FY24 to 6.1 mn in Q4FY24 (+14.5% QoQ/ 42.7% YoY).
* The total number of orders increased by 34.5% QoQ and 79.4% YoY to 471 mn.
* Average Daily Turnover (ADTO) stood at INR 44.4 trn (+23.3% QoQ/ +139.9% YoY).

AMC & Wealth business
* During Q3FY24, company has announced that they are planning to start a wealth management business, which will be operational by Q1FY25.
* Company has on boarded core leadership team to get the final approval from the regulator for the swift launch.

* With respect to wealth management, Mr. Srikant Subramanian as the co - founder of wealth management business, will lead it.
* He has extensive experience at Kotak Mahindra bank in life insurance, private bank, including global wealth management and investment advisory.

Other Highlights
* Company successfully raised INR 15bn from Marquee Investors through QIP.
* They intend to use these funds for margin monies with stock exchange and the growth of their MTF book.
* Company further appointed Minal Maheshwarisha, as the group general council.
* Her expertise extends to working on diverse legal transition, navigating complex legal landscape and providing insightful counsel on legal policy and regulatory matters.

**HDFC Life Insurance Limited – Q4FY24**
**CMP INR 608 per share | Market Cap INR 1.31 trn**

**OUTLOOK**
**The company experienced an uptick in performance for the quarter, although the VNB margin saw a decline attributed to budget changes. The emphasis remains on VNB growth over VNB margins, with anticipated expansion driven by APE growth. We have a long term positive outlook on company’s performance.**

Guidance
* The company opened 75 new branches in FY24 and anticipates their presence to exceed 600 touchpoints in FY25.
* Technology expenses to increase gradually, going forward.
* VNB growth is expected to continue led by APE growth.
* Management believes that annuity segment has growth potential in India and remains positive on the growth of annuity segment.

Highlights
* Business growth from tier-2 and tier-3 locations was healthy at 13% YoY, faster than industry growth.
* Growth in number of policies stood at 11% YoY and was higher than industry growth.
* The average ticket size of policies under the company has grown by 5% on a 2 year CAGR basis.
* More than 70% of the retail customers on boarded were new customers of the company and half of them are below the age of 35 years.
* Annuity and Protection premium contributed to 50% of total new business premium in FY24.
* On total APE basis, the premium was flat in FY24 on a YoY basis, in which growth in Individual APE business stood at 1% YoY.
* VNB margin declined by 130 bps on a YoY basis to 26.3% for FY24, primarily due to 70 bps impact for operating leverage gap caused by one time INR 10 bn additional APE received in FY23 on account of budget changes and 40 bps due to higher ULIP proportion.
* Persistency ratio (13th Month) was stable on YoY basis at 87% for FY24.
* Mr Deepak Parekh has stepped down as chairman & non-executive director of the company.
* Company appointed Mr Keki M Mistry as the Chairman of the Board.
* Mr Keki M Mistry has been associated with the Company since December 2000 and is currently a Non-Executive Director on our Board.
* Company proposed final dividend of INR 2 per share.

**HDFC AMC Ltd – Q4FY24 Concall KTAs**
**CMP INR 3,708 | Market Cap INR 791.41 bn**

**OUTLOOK**
**The company's equity AUM growth outpaced the industry growth. We expect the growth momentum to continue over the next year and remain positive on the long-term performance of the company.**

Industry Highlights
* Industry QAAUM increased by 10% QoQ/ 34% YoY to 54.1 trn.
* Debt funds remained flat QoQ with QAAUM at INR 10.2 trn in Q4FY24 and up from INR 8.8 trn in Q4FY23 (+16% YoY).
* Net flows into equity-oriented funds amounted to INR 1039 bn as compared to 733 bn in Q3FY24 (+42% QoQ, +75% YoY), with increase in SIP flows by 10% QoQ/ 35% YoY to INR 193 bn.

Business Highlights
* PAT improved by 11% QoQ and 44% YoY to INR 5.41 bn.
* Other income was up by 9% QoQ/ 60% YoY, aided by healthy mark to market growth.
* EE cost arrived at INR 0.87 bn (-4% QoQ, +21% YoY), which includes non – cash charge of INR 0.1 mn towards ESOP.
* The tax expense declined, primarily due to decrease in deferred tax charge for the current quarter, mainly attributed to the holding period of certain investments transitioning from short to the long term.
* HDFC AMC's debt QAAUM market share for Q4FY24 is at 13.4% (Q3FY24: 13.2%, Q4FY23: 13.3%). The ratio of equity oriented and non-equity oriented QAAUM increased from 61:39, in Q3FY24 to 63:37, in Q4FY24, as compared to the industry ratio of 54:46. Actively managed QAAUM market share was at 12% (Q3FY24: 12.6%, Q4FY23: 12.8%).
* 70.8% of the company's total MAAUM was contributed by individual investors compared to 60.5% for the industry.
* Total Live accounts is at 16.6 mn for Q4FY24 (Q3FY24: 14.9mn, Q4FY23: 11.4mn) and unique customers totaled 9.6 mn (Q3FY24: 8.7mn, Q4FY23: 6.6mn) compared to 44.6 mn for the industry, a share of 22%.
* The company's SIP flows grew 17% QoQ/ 68% YoY to INR 29.3bn led by a focus on multiple distribution channels to improve flows.
* The board of the company has recommended a dividend of INR 70 /share as against INR 48 /share last year, translating into a dividend payout ratio of 77%.

**Jio Financial Services Ltd – Q4FY24 KTAs**
**CMP INR 370 | Market Cap INR 2.3 trn**

**OUTLOOK**
**The company has displayed robust performance during the FY24, led by the increase in the interest income, dividend, and fees and commission income. We remain positive on the future performance of the company.**

Financial Highlights
* In FY24, the growth in revenue from operations was led by increase in interest income to INR 9.38 bn (v/s INR 0.38 bn in FY23), dividend income of INR 2.17 bn, fees and commission income of INR 1.52 bn and net gain on fair value changes of INR 5.47 bn.
* Net profit for the whole FY24 stood at INR 16.05 bn v/s INR 0.31 bn in FY23.

Lending & Leasing Business
* In the lending business, Products such as loan against mutual funds, home loans and loan against property are in pipeline.
* The company launched supply chain financing solution business to address the working capital requirements of the suppliers.
* In leasing business, Jio Leasing Services Limited will offer operating lease solution for consumer and businesses under DaaS (Device-as-a-Service) model. In this model, the company will provide equipment such as air-fibre, phones, laptops, ship lease, solar panels, electric vehicle batteries and IT equipments on lease to end consumers.

Payments Business
* In payments business, the company launched debit card and revamped digital savings account under Jio payments bank.
* In Jio Payment Solutions Limited, the company has initiated pilot launch of Jio voice box for the merchants in Mumbai.

Protection Business
* In the protection business, the company has tie-ups with 29 insurance company as of 31st March 2024. The insurance subsidiary also launched embedded insurance for white goods at point of sale. Institutional sales channel also launched during the quarter.

Investments Business
* On 15th April 2024, the company and BlackRock Limited have signed an agreement to form a 50:50 joint venture for launching wealth management and broking business in India.
* The regulatory process is underway and top-level hiring for asset management business is in progress.

Other Highlights
* During the quarter, Jio Financial Services Limited through its wholly owned subsidiary Jio Leasing Services Limited established a ship leasing business.
* The company made an equity investment of INR 400 mn in its subsidiary Jio Leasing Services Limited for its leasing business and INR 40 mn in Jio Payments Bank Limited (JPBL).

**TamilNad Mercantile Bank – Q4FY24 KTAs**
**CMP INR 499 | Market Cap INR 79.01 bn**

**OUTLOOK**
**The bank's emphasis on the RAM segment, along with efforts to enhance asset quality, branch network expansion, and digitalization initiatives, continues. Despite a slight decrease in net interest margin for the full year, Q4 displayed a positive trend. We remain positive on the stock.**

Guidance
* Bank has given a growth guidance of 15% in the current fiscal year, with projected ROA between 1.9% and 2%.
* The bank expects the cost of funds to remain stable in the coming year.
* Management plans to open 50 branches in FY24 – 25.

Highlights
* The operating expenses, has increased by INR1.89 bn in the recent quarter, with INR 0.22 bn being towards employee cost and the balance being professional charges, software license renewal fee, UPI operation charges, etc.
* The company has entered into MoU with two companies, Jakota and another, for digitalization of the loan process.
* The company wants to have a digital journey for loan processing and has entered into MoU with two companies for this purpose.
* The bank's focus on the Retail, Agriculture, and MSME (RAM) segment continues, with this segment constituting 91% of the loan portfolio.
* NIM for the full year slightly decreased to 4.11% compared to 4.46% last year, but showed a positive trend in Q4, reaching 4.24%.
* Bank opened 22 branches in FY23-24 and plans to open 50 more in FY24-25, indicating strategic expansion plans.
* The board of the bank has recommended a dividend of INR 10/share.

**Aptus Value Housing Finance India Ltd– Q4FY24 Concall KTAs**

**CMP: INR 323| Market Cap: INR 1,61,402 Mn**

**Outlook**
**The company expects to grow its business at around 30% annually, driven by the low mortgage penetration and robust demand for affordable housing finance in Tier 3 and Tier 4 cities where it operates. The management aims to achieve this growth while maintaining a sharp focus on the quality of its loan book, good financial metrics, and sustained profitability. They have guided that the company's expansion plans include strengthening its presence in existing geographies by opening new branches, particularly in the states of Odisha, Maharashtra, Karnataka, and Telangana. Additionally, the company intends to increase its focus on digital channels, productivity enhancements, and cost optimization to support its growth objectives.**

Financial Performance
-The company's AUM grew by 29% YoY to INR 31,270 Mn
-NIM was at 13.45%, while Opex to assets stood at 2.7%.
-Gross NPA was at 1.07%, down from 1.15% in March 2023, and Net NPA was at 0.8%.
-PAT grew by 22% YoY to INR 6,120 Mn, with ROA and ROE at 8% and 17.25%, respectively.
-The company declared a total dividend of INR 4.50 per share for FY24, with a payout ratio of around 35%.

Asset Quality and Collections
-Collection efficiencies improved during Q4, resulting in a 30+ DPD improving to 5.41% from 6.04% in December 2023.
-The company is carrying a total provision of INR 920 Mn, with a provision coverage of 99% as a percentage of NPA.

Geographical Expansion
-The company plans to strengthen its presence in existing geographies by opening new branches, particularly in the states of Odisha, Maharashtra, Karnataka, and Telangana.
-They also opened its first branch in Maharashtra during FY24 and plans to expand further in these new markets.

Product Mix and Diversification
-The company has a diversified product mix with housing loans (60% of AUM), small business loans (15-17% of AUM), and quasi-home loans (15-17% of AUM).
-They also plan to grow the small business loan book at a faster rate of around 40%, as the base is relatively lower.

Digital Adoption and Productivity
-Approximately 18% of the business in Q4 FY24 came from Customer Referral Lab, Construction Ecosystem App, and Social Media Channels.
-The focus is on increasing leads from these digital channels, in addition to the physical branch network.

Funding and Liquidity

-Borrowings are well-diversified, with 63% from banks, 24% from NHB, and 13% from NCDs and securitization.

-The company had sufficient on-balance sheet liquidity of INR 10,020 Mn, including undrawn sanctions of INR 6,200 Mn from banks.

Cost of Funds and Interest Rates

-The incremental cost of funds for housing finance was between 8.5% and 8.6%, while for the NBFC business, it was between 9% and 9.25% during the quarter.

-The management believes that the cost of funds is likely to peak, as recent sanctions have been received at similar rates.

Other Highlights

-The company is compliant with regulatory norms, including the recent RBI guidelines on charging interest rates and Fair Practices Code.

-They has implemented the RBI's account-to-account transfer (RTA) system for disbursements, creating security interests before disbursement.

-The incremental ticket size for housing loans increased by 5% to INR .92 Mn in Q4, while for small business loans, it increased by 7% to INR .86 Mn.

-With a strong capital adequacy ratio of 66%, the company does not foresee the need for any equity capital raise in the near future.

**J&K Bank – Q4FY24 Concall KTAs**
**CMP INR 136 | Market Cap INR 149 bn**

**OUTLOOK**
**Bank has displayed a healthy performance during the quarter with 51.69% sequential growth in profitability. They further demonstrated promising growth in key metrics such as yield enhancement, NIMs, and asset quality, among other indicators. Management is currently assessing the potential impact of the RBI draft guidelines on project financing, anticipating a potential exposure of INR 14.60 billion necessitating increased provisioning. Our outlook on the company's long-term performance remains optimistic.**

Guidance for FY25
* Credit growth of around 15% with deposit growth of around 12%.
* NIM to be within the range of 3.75% - 3.85%.
* The bank guided a gross NPA of 3.5% for FY25.
* They further anticipate ROA within the range of 1.25% to 1.3% and ROE between 17% to 18%.

Highlights
* Bank reported a profit of INR 6.39 bn for the Q4FY24 (+51.69% QoQ, +34.21% YoY).
* Profitability growth was driven by decline in opex and improvement in other income.
* NIMs of the bank improved by 9bps QoQ at 3.92%, led by improvement in yields. NIMs were well within the bank's guidance.
* Yield on Advances rose annually to 9.54% from 8.91% YoY.
* Asset quality improved during the quarter. GNPA decreased to 4.08%, while NNPA fell below 1% to 0.79%. Management has guided GNPA to reduce further to 3.5% in FY25.
* Employee cost declined by 23.64% sequentially and 32.69% YoY to INR 4.86 bn. They are expected to grow by 5-6% in FY25, due to retirements of high-cost resources and cost-saving initiatives.
* Other opex stood at 3.84 bn (+37.7% QoQ, +55.98% YoY). Management has guided other opex to to increase by 8-10% in FY25.
* The bank will continue its strategic expansion plan, focusing on low-cost deposits and growth in the home loan segment.
* BOD recommended a dividend of INR 2.15/ share for the FY24.
* The bank is still evaluating the potential impact of the new guidelines and estimates a potential exposure of INR 14.60 bn requiring higher provisioning.

**Mahindra and Mahindra Financial Services Ltd – Q4FY24 Concall KTAs**
**CMP INR 260 | Market Cap INR 321 bn**

**OUTLOOK**
**Company posted a decent performance during the quarter. Their loan book grew by 24% YoY while disbursement growth stood at 11% YoY. Credit cost remained stable on a sequential basis, which included additional provision towards fraud at one of their branches. We have a positive outlook on the long term performance of the company.**

Guidance
* Maintain NIMs at 7.5% against current NIMs of 6.8%.
* ROA guidance of 2.5%. Current FY24 stood at 1.7%.
* Gross stage 3 asset quality below 6%, against which FY24 gross stage 3 asset quality came at 3.4%.
* AUM growth of 2x, of which 1.6x growth achieved during FY24.
* New business contribution of 15% (FY24: 5.5%).

Highlights
* NII was up 14% YoY and 9% QoQ to INR 19.71 bn, which helped the NIMs to improve.
* NIMs for the quarter was up 30 bps sequentially to 7.1% but on YoY basis it was down 30 bps.
* Tractor segment saw some sluggishness in terms of disbursement, in-line with the industry, however market share is largely maintained.
* Passenger vehicles form 40% of business mix while commercial vehicle & construction equipment form 22% of the total. Pre-owned vehicles and Tractors form 13% and 12% respectively.
* The company had a credit cost of around 1.2% in Q4FY24, similar to previous quarter levels. During the quarter the company made provisions worth INR 1.36 bn towards fraud in one of the branches.
* The fraud at Mizoram branch was an isolated event and resolution process is ongoing.
* Asset quality improved as GNPA declined to 3.4% as against 4% QoQ while NNPA also declined to 1.28% from 1.5% QoQ. GNPA is expected to remain below 6% for FY25.
* The company plans to add around 150-180 branches during the FY25.

**Canara Bank - Q4FY24 Concall Highlights**
**CMP: INR 558 | Market Cap: INR 1,012 bn**
**Outlook: Canara Bank has posted a decent set of earnings in Q4FY24 with visible conservative approach towards advances growth seen slowing sequentially. The Bank has achieved healthy NPA levels and is expected to maintain the same over the medium term. However, going ahead, we expect the over cautiousness upsetting growth numbers, especially on the Corporate side.**

Guidance:
•The Management says that they are working more & more on the CASA deposits increase as this directly impacts their bottomline and NIMs. The Management intends to achieve a CASA ratio of 35% over the next couple of years.
•The Management remained conservative with their growth guidance at a mere 10.5% as the bank intends to maintain their focus on maintaining their asset quality and margins against faster growth.
•The Management intends to control their Credit Costs at below 1.2% for FY25.

Key Highlights
•Net Interest Income increased to INR 95.8 bn, up 1.73% QoQ/11.18% YoY.
•PPOP increased to INR 73.87 bn, up 8.54% QoQ/1.86% YoY.
•Provisions increased to 36.3 bn, up 15.24% QoQ/down 10.96% YoY.
•Net Profits increased to INR 37.57 bn, up 2.76% QoQ/18.33% YoY.
•NIMs for the bank's Q4FY24 stood at 3.05%, which was up 3 bps QoQ and 10 bps YoY.
•The Yield on Advances increased to 8.71% against 8.60% in Q3FY24, i.e, up 11 bps QoQ/up 101 bps YoY.
•The Q4FY24 Cost of Funds stood at 5.00%, increasing by 7 bps sequentially and 97 bps over last year.
•The Asset Quality continued to improve for the bank with the GNPA & NNPA at 4.23% & 1.27% respectively, up 16 bps & 5 bps sequentially.
•The Gross Advances for the bank stood at INR 9.6 trillion, up 1.07% QoQ/up 11.34% YoY respectively. This growth was driven by RAM credit which grew by 13.5% YoY, with the Agri book growing by 18.7% YoY and the Retail credit growing by 11.7% YoY. Corporate advances growth was muted at 8.6% YoY.
•The Deposits of the bank grew to INR 13.12 trillion, up 3.91% QoQ/11.29% YoY. This was majorly driven by the Term Deposits which grew by 3.14% QoQ/12.96% YoY to INR 8.22 trillion.
•The Bank has given a guidance of 10% growth, which was what they had guided earlier for previous years as well.
•Annual NIMs stood at 3.05% while Q4FY24 run rate NIMs stood at 3.07%.
•The bank is not looking at lower traction in the banking systems, especially in the RAM sector.
•The Bank intends to keep the growth guidance at lower levels and outperform themselves.
•The Cost of Deposits for the incremental deposits is between 5.5-5.75%
•The bank has done Over Provisioning of INR 18 bn in addition to the Provisions already required as per Regulatory requirements.
•The bank has Accounts Under Collections Account to the tune of INR 680 bn to 720 bn, hence, the bank keeps witnessing higher Recoveries against Slippages during every quarter/year.
•The Bank has INR 1.1-1.2 lakh Cr of NPA book balance which have been written off from the Balance Sheet.

•The Other Opex has increased during the quarter significantly. The Management explained that the bank has to provide for the 17% hike that the bank has to provide INR 3.5 bn for the wage hike and gratuity of employees from Nov 2022.

•The Management clarified that the bank requires a lot of clarifications regarding the RBI guidelines on the Project Finance Provisionings as they have concerns on several fronts. For example, the bank

•The bank has invested INR 600-700 bn in the Long Term Issuer ratings security 3-4 years back. These Borrowers have now become more high cost borrowing for the bank. Hence, the Management is looking to reduce these borrowings by around 50%.

•There was 1 large account that slipped during last year of INR 18 bn, and the bank Management informed that as per IREC norms, they have provided additional INR 3 bn for the same account.

•The Bank has been churning their Investment Portfolio, causing an increase in their Yield on Portfolio to 6.91% against 6.69% in previous quarter.

•The Bank sold 12 NPA accounts during the year, and that has caused an aggregate consideration of INR 9.16 bn.

•The Management reaffirmed their commitment to increase the CASA levels from the current 32%, and has launched 6 products at the start of the year, 2 for the salaried class people and 3-4 products for the younger generation customers with the purpose of increasing their CASA levels. The Management intends to achieve CASA levels of 35% over the next couple of years, and then over the next 5 years, take it further up to 38%.

**REC Ltd – Q4FY24 concall KTAs**
**CMP INR 538 | Market Cap INR 1.42 trn**
**OUTLOOK**
**Company posted healthy performance during the quarter. Their margins improved along with decline in cost of funds. Further, 35% of the distribution book is expected to be impacted by the new RBI guidelines. We remain positive on the long-term performance of the company backed by strong pipeline for future growth.**

**Long – term Guidance**
* Company is targeting to double their AUM to about $125 bn by the year 2030.
* They are also targeting to increase their renewable energy portfolio to about 30%. Currently, renewable energy portfolio is about 7% of total AUM, which amounts to about $4 billion.
* Company plans to increase their renewable energy portfolio by ten times towards $40 billion by the end of 2030.
* AUM from non-power infrastructure and logistics is expected to see a fourfold growth to about $25 billion by the end of 2031.
* AUM mix guidance: 30% from renewable energy segment, 15% to 20% from non - power infrastructure & logistics and 50% to 55% from conventional coal based generation capacity, distribution and transmission sector.
**Impact of RBI guidelines**
* As per RBI guidelines, in case of NBFCs, the provisioning for project financing will be routed through impairment reserves, instead of P/L account.
* As a result, profitability of the company, along with ROA/ ROE will not be impacted.
* Management stated that 35% of the distribution book is expected to be impacted by the new RBI guidelines.
**Financial Highlights**
* Company's profitability stood at INR 40.16 bn in Q4FY24 v/s INR 30.01 bn in Q4FY23. For the whole FY24, profitability came at INR 140.19 bn v/s INR 110.55 BN in FY23.
* Growth in profitability was driven by healthy NII growth, which stood at INR 42.63 bn (+25.3% YoY).
* Cost of fund reduced by 15 bps from 7.28% in the FY23 to 7.13% is FY24, because of their conscious efforts to reduce cost.
* The spread has also improved by 41 bps YoY from 2.45% to 2.86%. Their NIMs has seen an increase of 19 bps YoY from 3.38% to 3.57% in FY24.
* Company's total AUM is about $62 billion. They aim to double their AUM to about $125 bn by the year 2030.
* They sanctioned projects worth $43 billion in FY24 v/s $32.2 billion in FY23 (+34% YoY). Further, their disbursements grew by 67% YoY to $19.3 billion v/s $11.6 billion in FY23.
* Company's approval for renewable energy projects increased by 533% YoY, st INR 1360 bn.
* They have a huge pipeline of projects amounting to INR 1750 bn. Since, turnaround time for renewable energy projects is higher and it gets commissioned over a period of two to three years, a lot of disbursement is expected to happen from renewable energy portfolio.
* GOI had allowed the company to diversify into non-power infrastructure logistics in the month of October 2022.
* In FY23, we had sanctioned infrastructure logistics project worth about $6 billion.

**ESAF SFB Ltd – Q4FY24 Concall Highlights**
**CMP: INR 66 | Market Cap: INR 34 bn**

**OUTLOOK**
**Bank has shown a substantial improvement in profitability for the FY24 as a whole. However, there has been a decline in asset quality, largely attributed to challenges within the microfinance sector in Kerala and Tamil Nadu. Despite potential implications of increased credit costs, management expects NIMs to remain stable around 10%. Looking ahead, the bank aims to maintain a minimum growth rate of 25% for advances and anticipates the stress in the microfinance sector to ease over the next two quarters. We remain positive on the long-term performance of the company.**

Guidance
* The bank aims to maintain a minimum growth rate of 25% for advances.
* NIMs are expected to remain stable at around 10% and aims to maintain its ROA target of 1.8% for FY25 despite potential impact of elevated credit costs.
* Management has guided that credit cost is to remain elevated over the next 2 quarters.

Highlights
* Gross AUM grew by 20.4% YoY and 8.32% QoQ to reach INR.196.59 bn with a deposits growth of 35.5% YoY/ 5.34% QoQ, reaching INR 198.68 bn.
* PAT for Q4FY24 stood at INR 0.43 bn as compared to INR 1.01 bn in Q4FY23, mainly driven by setting aside an additional provision of INR 0.82 bn in Q4FY24.
* For the full FY24, PAT stood at INR 4.26 bn v/s INR 3.02 bn in FY23.
* The bank saw an increase in both GNPA/ NNPA, reaching 4.8%/ 2.3% respectively because of the stress in the microfinance segment, particularly in the states of Kerala and Tamil Nadu.
* The share of Tamil Nadu and Kerela in total gross advances constitutes to 58.1%. It has reduced from 61.2% to 58.1% on a QoQ basis.
* The bank has been consciously making efforts to reduce lending in the state of Kerela, due to the stress in that state. They have stopped fresh lending in Kerela and guided to reduce the portfolio in Kerela to 25% against 58.1% in Q4FY24.
* Micro loan currently constitutes to 70% of the total AUM. Management has guided to bring down this book to 60%, due to the stress in this segment.
* NIMs for the FY24 stood at 10.7% v/s 10% in FY23. It is expected to remain at same levels with a marginal change going forward.

**State Bank of India - Q4FY24 Concall Highlights**
**CMP: INR 820 | Market Cap: INR 7,318 bn | TP: INR 828 (Q3FY24)**
**Rating: Buy (Q3FY24 recommendation)**

**Outlook: State Bank of India reported spectacular set of earnings for Q4FY24 with Profits of INR 20.7 bn.**

**Guidance:**
•The Chairman gave Growth guidance for the Loan book at 13-15% for FY25.
•The Management states that the Cost of Deposits has plateaued over the quarter between Oct-Dec 2023 quarter.
•The Management says that the bank strategies for their loan growth by adding GDP Growth + Nominal Growth + 2%.
•The Bank intends to maintain Credit/Deposit ratio at 75% (domestic books).
•The Management says that the pace of Loan growth for Corporate segment will depend upon Macro economic situation, and not on whether other large Private Bank's loan growth is expected to slow (As per the Management).
**Result Highlights:**
•NII came at INR 416.5 bn against our estimates of INR 425.4 bn (up 4.6% QoQ/up 3.1% YoY).
•PPOP came at INR 287.5 bn against our estimates of 260.6 bn (up 41.4% QoQ/up 16.8% YoY).
•Provisions increased in the quarter to INR 16 bn against our estimates of 7.56 bn (down 79.3% QoQ/down 51.4% YoY).
•PBT came at INR 271.4 bn against our estimates of INR 253 bn (up 116.3% QoQ/up 27.4% YoY).
•PAT came at INR 206.98 bn against our estimates of INR 189.35 bn (up 125.9% QoQ/up 24.0% YoY).
•NIMs were stable sequentially at 3.28% by flat QoQ/down 15 bps YoY over Q4FY23.
•Asset Quality: GNPA/NNPA ratio for the bank stood at 2.24% / 0.57% for Q4FY24, decreasing by 18 bps QoQ & 5 bps QoQ respectively.
•Balance Sheet: Advances at INR 37.04 trillion grew by 5.2% QoQ/15.8% YoY against Deposits at INR 49.16 trillion which grew by 3.2% QoQ/11.1% YoY. CASA ratio came to 41.11%, up by 157 bps QoQ/down 269 bps YoY.
**Key Concall Highlights:**
•Slippages for FY24 stood at 0.62% improving by 3 bps YoY.
•Regarding the Project Financing Provisions, the Chairman says that SBI has INR 320 bn of additional prudent Provisions in place (excluding PCR). Hence, any kind of extra Provisioning required can be absorbed by the bank completely.
•The Management says that the Central Bank RBI might be concerned about the risk involved over the long term Project Financing through T-Bills going up to 15 years as the long duration can cause timeline extensions which is risky for any lender.
•The Bank has done additional INR 10 bn in the AUCA.
•24 NPA Accounts were transferred worth INR 70 bn which are from NARCL.
•The Bank is in the process of revamping the SBI Wealth business. They are looking at the Virtual business of the Wealth business. They have already launched Pilot services in Bangaluru and Mumbai, and the Management sees the opportunity very promising. The bank expects the AUM to grow up to INR 1 trillion over 1 year.

•The Management expects that the additional expense towards Employees Wages would be INR 5 bn per month, of which INR 71 bn is already provided, so that will be the savings for the bank's bottom line.
•SBI has got an International Banking Unit in Gift City.
•SBI Mutual Fund, a subsidiary, will be moving to the Gift City as well.
•The Management states that the bank's CET ratio is high enough and above the regulatory requirement as well as high enough for their intended growth in FY25. Currently, the Bank has enough capital for up to INR 7 trillion of growth for FY25, which is 21% YoY Balance Sheet growth.
•The Chairman says that the Banking Group is not looking to list SBI Mutual Fund as the business requires a lot of Knowledge Capital, and they don't want the employees there to be exposed to listed norms for Quarter on Quarter assessments being a listed entity. A similar reason for the SBI General Insurance is stated as the company is currently said to be too small for listing.
•The Management expects Employee Cost to be around INR 650 bn for FY25.
•The Bank says they have invested well enough for strategic Investments whether financing of EV Battery manufacturing, Solar & Renewables Energy, and other new age Technology capacities being added in the economy.
•The Bank follows a strategy for Credit Underwriting that NPAs and SMAs at 31st March of the current year has to be lower than the previous year's.
•The Management states that a Part of the Term deposits is actually coming from the Sweep-in Deposits coming actually from the Savings Accounts.
•The Bank has reduced their Agri NPA from 15% (historical data some years back) to 9.58% in Q4FY24, and the Bank intends to bring it down below 8%.
•Reversal of NPA done by the Bank stood at INR 9 bn. 2 other NPA accounts which have behaved as standard over last 2 years, have been written back.
•The Management says that there are no Lumpy accounts in the Corporate NPA book.

**Star Housing Finance Ltd | Q4FY24 Concall KTAs**
**CMP- INR 55.8 | M.Cap- INR 4400mn**

**Company has posted a robust performance for FY24 with 74% increase in AUM at INR 4260mn. Company has been expanding and has recently entered in NCR where it sees great opportunity. Company sees extensive demand from the low income group it caters to. Over the next 4 years company is aiming to 4x it's AUM. We have a positive outlook on the company given its numbers and strategic plans for future operations**

About
Dedicated retail home financing company which services first time buyers mainly, weaker and low income section group.

-SHFCL network spans across Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, the NCR and Tamil Nadu with over 24 physical locations. Company has recently entered in NCR in Ghaziabad from where it shall also cater to Meerut and Bulandsher. NCR contributes 10% of incremental monthly disbursements. Focus is to penetrate deeper into the existing geographies.

AUM has reached rupees INR 4260mn(+74%YoY).

-Asset portfolio is predominantly retail with average incremental loan size at INR 12lakh in semi urban area and INR 8lakh in rural area.

-Portfolio at risk of 3.22% for accounts that are zero plus days past due. GNPA and NNPA stands at 1.50% and 1.02% respectively. Provision coverage ratios at 43.60%.

Secured credit lines totalling INR 225mn from various banks and financial institutions. Company has working relationships with 20 lenders which includes seven banks both in the private and public sector.

Financial Performance
FY24
Interest stood at INR 2408.6mn with total income INR 616.4mn(+65.52%YoY). Net Interest Income stood at INR 261.3mn. PBT stood at INR 114.71mn(43.1%YoY) and PAT stood at INR INR 88.83(+27.27%). NNPA and GNPA has reduced on YoY basis.

Successful issuance of warrants amounting to INR 60mn of which 25% of amount has been received. Networth as of March end stood at IRN 1330mn. Leverage is at 2.41x .

-Initiated new co lending partnership with tata Housing Finance
-Focus on growth momentum while maintaining loan quality.
-In FY24, company received rating upgrade from care and is now rated BBB. Company is hopeful of credit rating upgrade to BBB+ in six to nine months.

Portfolio construction

~ 50% of portfolio are new to credit but that doesn't mean they dont have repayment track record and are available with Credit bureau. These customers do have repayment history with local money lenders and have habit of repayment.

-Typical household income for these borrowers where company operates is between INR 15k-50k income range. Star calculates EMI based on household income.

Maximum ticket size

-INR 25lakh semi urban and rural geography, bearing areas which are close to metro, then max INR 35lakh but not beyond that.

AUM split

Maharashtra is the bulk of aum at 60-63% followed by MP and Rajasthan at 12-13% each. Tamil Nadu and Gujarat at 5% each. NCR 2-3%, which over time NCR should build to double digit share.

-Company is looking forward to enter Chhattisgarh, UP, and either Andhra Pradesh or Telangana.

-Current branch network has a capacity of INR300-350mn of monthly dispersal. Currently company is clocking at INR 200-250mn.

-Avg loan to value ratio is maximum 75%.Maximum contribution to portfolio from self construction cases which has low loan to value and hence at portfolio level it is around ~52%.

-Next 36 to 48 months company is well poised to have book of INR 20000mn

-For the 4500 plus live loan accounts, there is man to man marking for loan collection ensuring timely collection.

**India Shelter Ltd – Q4FY24 Concall KTAs**
**CMP: INR 601 | Market Cap: INR 64,338 Mn**

**Outlook**

**The company aims for 30-35% AUM growth through strategies like branch expansion and product diversification. They foresee a debt-to-equity ratio of 3.5x, indicating comfortable leverage for expansion. Management expects a 4% ROA in the steady state. However, investments in technology, risk management, and personnel training may be needed to support growth initiatives. Additionally, scaling AUM and branches may require further investments in operations and customer service to maintain quality and efficiency.**

Financial Highlights

Total Income stood at INR 2,444 Mn in Q4FY24 up by 38% YoY & INR 8,614 Mn in FY24 up by 42% YoY.

PAT was at INR 779 Mn in Q4FY24 down by 47% YoY & INR 2476 Mn in FY24 up by 59% YoY.

AUM was at INR 60,840 Mn in FY24 up by 40% YoY & 8% QoQ.

The company's Stage 2 and Stage 3 assets (DPD 30+) remain in the range of 2.5-3.5%, indicating well-controlled asset quality.

Product Mix & Asset Quality

The company's primary focus is on housing loans, with a target customer segment of self-employed individuals in the affordable housing segment.

Its loan ticket size typically ranges from INR 0.5 Mn to INR 2.5 Mn , with a concentration in the INR 0.5 Mn to INR 1.5 Mn range.

The company's stage 2 and stage 3 assets are around 3.2% of the total portfolio which are considered to be well-managed.

The company closely monitors asset quality and has a robust collection process in place.

Branch Expansion Strategy

The company currently operates in 15 states and plans to expand further in the southern, western, and northern regions of India.

The company typically opens new branches within a 50-60 km radius of existing branches to ensure optimal coverage.

Funding Mix & Co-Lending

The company aims to increase its funding from the National Housing Bank (NHB) to around 18-20% of the total borrowings from the current level of 15%. The spread earned on NHB funding is in the range of 500-600 basis points.

The company has recently forayed into the co-lending business, primarily for loan against property (LAP) products.

Company’s co-lending currently contributes around 2% of the total AUM, and the company plans to gradually increase this proportion based on experience and partnerships.

The company plans to partner primarily with private and public sector banks.

Growth Strategy

The company is planning on ramp-up of new branches and for each new branch, the company targets to achieve a sustainable level of around 11-12 units (loan disbursals) per month within the first 1.5 years of operations.

Subsequently, they aim for the branch to reach a peak level of around 17-18 units per month, which typically takes another 1-1.5 years.

Risk Management

The company maintains a strong focus on risk management, with a comprehensive assessment process that involves multiple touchpoints with the customer at their business premises.

They capture around 70-80 data points for each customer before evaluation, and then use a blend of on-field assessment and data-driven scorecards to make the credit decisions.

Cost Structure

The company's cost-to-income ratio is around 45%, and their operating expense ratio (opex/assets) is around 4.5%, which is relatively higher than some of the larger housing finance companies. This is primarily due to the direct origination model they follow, where the sourcing costs are expensed upfront rather than being amortized over the loan tenure.

Other Highlights

The target for branch managers is based on the number of files they can process per month, with 16-17 files per month being the pinnacle.

The company plans to maintain a mix of around 60% housing loans and 40% loans against property.

**Computer Age Management Services Ltd – Q4FY24 Concall KTAs**
**CMP: INR 3208 | Market Cap: INR 1,57,649 Mn**

**Outlook**

**Computer Age Management Services Ltd expects to drive growth from segments like KRA, AIS, and Account Aggregation, aided by regulatory tailwinds and increasing adoption. With a strong cash position, the company is actively exploring inorganic growth opportunities, especially in the payments and insurance segments, which could further accelerate growth. The company's margins can be moderated slightly from peak 46.1% EBITDA margin due to annual appraisal impact, but are expected to remain at 45-46% range driven by operating leverage. The company is continuously investing in technology platforms and new product development. However failure to keep pace with technological advancements or any major platform migrations could impact its competitive positioning..**

**Financial Highlights**

- Consolidated revenue from operations stood at INR 3,104 Mn in Q4FY24 up by 24.6% YoY & INR 11,365 Mn in FY24 up by 16.9% YoY.
- Operating EBITDA was at INR 1432 Mn in Q4FY24 up by 31% YoY & INR 5,056 Mn in FY24 up by 19.9% YoY.
- PAT was at INR 1,035 Mn in Q4FY24 down by 38.7% YoY & INR 3,536 Mn in FY24 up by 24% YoY.
- Cash and cash equivalents were at INR 62 Mn.

**Mutual Fund Business**

- Company's AUM grew 33% YoY to INR 37,200 Mn , its equity AUM scaled up by approx. 50%.
- Company's live SIP book grew 37% as compared to 22% of the industry. Its unique investor base crossed 30 Mn and grew 25% as compared to 18% for the industry.
- Company's yields moderated slightly in Q4FY24 due to growth in AUM from larger/scale customers which have lower yields
- Its Non-asset-based revenues (transaction fees, call center, miscellaneous fees) are expected to grow in line with asset-based revenues.

**Non-MF Business Growth**

- Company's Non-MF business grew 52% YoY, which will be 38% excluding acquisition.
- Its alternatives (AIF, Venture Pool) were up by 20%.
- Company's KRA was up 90% driven by fintechs, brokers and wealth managers.
- The company's key growth drivers were KRA, AIS, and Account Aggregator businesses.
- Its Insurance Repository and RefPay (payments) businesses are also expected to scale up.

**AIF Business**

- Around 75% of the company's AIF revenues are linked to the number of investors serviced rather than AUM.
- Company's new fund launches and closure of older funds impacted revenue and caused fluctuations.
- The company's competitive pressure on pricing is limited as it's a more relationship-driven business.

Insurance Repository

- The company crossed 8 Mn policies and 6 Mn insurance accounts. They had a 40% market share in insurance repository business

Key Focus Areas

- The company is ramping up newer businesses like Account Aggregator, EIA and extending offerings like analytics, digital on-boarding in the AIF segment.
- The company expects the Gift City IFSC operations to drive growth.
- It aims to gain market share in the equity mutual fund segment, as evident from its faster growth compared to the industry.

Dividend and Capital Allocation

- The board recommended a dividend of INR 16.5 per share for FY24 which will be taken up by the shareholders for final approval at the AGM in July.
- Company's has surplus cash available for inorganic growth opportunities after dividend payout.

New Regulatory Developments

- The opening up of Atal Pension Yojana (APY) to non-government players presents an opportunity to the company.
- Company requires some regulatory changes for higher adoption of e-Insurance Accounts (EIAs).
- IRDA has mandated electronic issuance of insurance policies, which is expected to drive momentum for CAMS' Insurance Repository business.

Other Highlights

- The company won 3 new open mutual fund AMC mandates and it has now total 5 out of the last 7 such mandates in the country.
- Company's Equity AUM gained market share and Equity net sales share jumped from 65% to 75% for FY24
- The company's transactions volume grew over 30% from INR 130 Mn to INR 175 Mn per quarter.

**Bank of Baroda – Q4FY24 Concall KTAs**
**CMP INR 255 | Market Cap INR 1.32 trn**

**OUTLOOK**
**Bank of Baroda posted modest PAT growth during the quarter owing to higher opex due to higher employee expenses. Asset quality largely improved QoQ as NPA ratios declined, but slippages were higher as compared to previous quarter. We remain optimistic about the future performance of the company. ROA guidance have been revised upward to 1.1%.**

Guidance
* The bank expects loan growth to be in the range of 12%-14% in FY25.
* Deposit growth is guided at 10% – 12%.
* NIMs is expected to be 3.15%.
* Slippage rate is guided at 1% to 1.25%
* Credit cost is estimated to be lower than 1%.
* Recoveries from written-off accounts is expected to be at similar levels to that in FY24.
* Credit-deposit ratio is envisaged to be in the range of around 80% to 82%.

Highlights
* The NII (standalone) growth was modest on YoY basis at 2.3% owing to margin contraction, however sequential performance was better.
* NIM declined 26 bps YoY but were up 17 bps QoQ to 3.27%. Sequential rise in Overall NIMs was on account of higher domestic NIMs as international margins declined.
* Non-interest income was up 20.9% YoY and 49.1% QoQ, this was owing to sharp rise in treasury income.
* Operating expenses increased 13.9% YoY and 14.2% QoQ mainly due to higher employee expenses arising from wage revision and retiral provisions.
* In Q4FY24, the asset quality largely improved on QoQ basis as GNPA and NNPA ratio declined by 16 bps and 2 bps to 2.92% and 0.68%, respectively.
* Fresh NPA addition increased for the quarter and stood at INR 32 bn, up 22.2% QoQ and 16.6% YoY.
* Slippage from MSME, retail and Agriculture segment were higher as compared to previous quarter while corporate slippages were lower.
* This year two large account worth INR 17 bn (Aviation account) and INR 5 bn (international account) slipped into the NPA category.
* Higher NPA provisions QoQ was due to INR 5.50 bn additional provision made towards one large account which is an NPA.
* Concerns include pressure on deposit costs due to a tight liquidity scenario, potential impact of RBI draft guidelines on project loan provisioning, and potential moderation of treasury income due to regulatory changes.

**Suryoday SFB – Q4FY24 Concall KTAs**
**CMP INR 209 | Market Cap INR 22.1 bn**

**OUTLOOK**
**Overall, Suryoday Small Finance Bank delivered a strong performance in FY24 with healthy growth, improved profitability, and controlled asset quality, suggesting a positive outlook for the future.**

Guidance
* Company projects 30-35% growth in advances and 40-45% growth in deposits for FY25.
* They aim to increase the share of secured loans to 45% within the next 2-3 years.

Highlights
* Gross advances grew by 41.5% YoY, reaching INR 86.50 bn, driven by increased disbursements in various segments, especially Vikas Loans.
* Vikas Loans crossed INR 26 bn in AUM, contributing to 53% of the inclusive finance portfolio.
* Company has projected a 30-35% growth in advances and 40-45% growth in deposits for FY25.
* Deposits increased by 50.5% YoY, reaching Rs.7,777 crores, with retail deposits accounting for 78.8%.
* Company added 109 new branches in FY24 to expand reach and depth in existing geographies.
* They plan to reduce exposure to 3 states, accounting for 66% of the portfolio.
* Company is eligible to make claims under the CGFMU scheme for its insured portfolio, contributing to improved asset quality and profitability.
* They continue to focus on improving customer experience through digital banking initiatives and robotic process automation.
* Looking ahead, the bank aims to transition to offer a wider range of banking services to lowincome households.

**Capital SFB – Q4FY24 Concall KTAs**
**CMP INR 370 | Market Cap INR 16.67 bn**

**OUTLOOK**
**The bank provides affordable credit services and catering to middle income group segment with emphasis on rural and semi urban areas. They are expected to apply for universal bank in the coming years, subject to fulfilment of eligibility criteria. Their loan book is expected to grow by 22 – 24% in FY25. We have a long term positive outlook on the stock.**

Guidance for FY25
* Bank is targeting to achieve a loan portfolio growth ranging from 22% - 24% in FY25.
* ROA guidance of 1.4% for FY 25 v/s current ROA of 1.3%.

Industry Highlights
* Growth in India is projected to remain strong at 6.9 per cent in FY25.
* India is aspiring to reach high middle - income status over the coming period.
* Amidst this economic landscape, Bank is strategically positioned to capitalize on the rise of the middle-income segment.

Highlights
* The core strategy of the Bank is to build a retail focused business model with special emphasis on rural and semi urban geographies and Middle - Income Group segment.
* The Bank is presently having 177 branches spread over 5 states and 1 UT.
* Bank's PAT increases to INR 1.12 bn (19% YoY & 16% QoQ).
* Their Gross advances increased to INR 61.60 bn (8% QoQ).
* Bank's portfolio comprises of 37% agriculture, 26% mortgage and 19% MSME and trading book.
* They are a secured lender with 99.9% secured book.

* Bank plans to apply for Universal Bank license in the coming years, which will help them to expand their geographical footprint across India.

Arihant Capital Markets LtdCapital SFB – Q4FY24 Concall KTAs
CMP INR 370 | Market Cap INR 16.67 bn

OUTLOOK
The bank provides affordable credit services and catering to middle income group segment with emphasis on rural and semi urban areas. They are expected to apply for universal bank in the coming years, subject to fulfilment of eligibility criteria. Their loan book is expected to grow by 22 – 24% in FY25. We have a long term positive outlook on the stock.

Guidance for FY25
* Bank is targeting to achieve a loan portfolio growth ranging from 22% - 24% in FY25.
* ROA guidance of 1.4% for FY 25 v/s current ROA of 1.3%.

Industry Highlights
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* They are a secured lender with 99.9% secured book.

* Bank plans to apply for Universal Bank license in the coming years, which will help them to expand their geographical footprint across India.

**Capri Global Capital Ltd – Q4FY24 concall highlights**
**CMP INR 234 | Market Cap INR 193 bn**

**OUTLOOK**
**Company displayed robust performance during the quarter. We expect the growth momentum to continue going forward. This trajectory is primarily fueled by an uptick in spreads and the ongoing optimization of opex.**

Guidance
* Management believes NIMs are expected to moderate but the spreads are expected to improve to the range of 6.8 – 6.9%.
* They remain committed to deliver 15%+ ROE over medium term.
* Company is looking to generate at least INR 200 mn in net fee income from insurance distribution in FY25E.

Highlights
* The PAT for the Q4FY24 stood at INR 826 mn a strong growth 27% YoY and 22% QoQ.
* Strategically, company paused the aggressive branch expansion post-Q2FY24, they expect to benefit from a further softening of its cost-ratios and spread stabilization going ahead.
* Non-interest income rebounded with its share hitting 31% in net income compared to 30% in Q3FY24. The growth was driven by car loan fees and fees from lending businesses.
* CGCL had received a composite license from insurance regulator IRDAI allowing it to distribute life, non-life, and health insurance policies. This shall be an important source of fee income in the future and the Company is looking to generate at least INR 200 mn in net fee income from insurance distribution in FY25E.
* The consolidated AUM including co lending AUM increased 52% YoY and 17% QoQ to touch INR 156,530 mn. Retail growth momentum during the quarter was driven by Gold (46% QoQ) and Housing (17% QoQ).
* Co-lending AUM stood at INR 18,306 mn comprising 12% of consolidated AUM compared to 9% in Q3FY24 and 5% in Q4FY23.
* The PCR on Stage-3 loans enhanced to 43.2% in Q4FY24 from 34.7% in Q3FY24 and 32.2% in Q2FY24.
* During FY24, the Company also infused Rs2bn by way of fresh equity in its wholly-owned subsidiary CGHFL.
* Board has recommended a final dividend of INR 0.15 per equity share.

**Cholamandalam Financial holdings Ltd – Q4FY24 Concall Highlights**
**CMP INR 1066 | Market Cap INR 200 bn**

**OUTLOOK**
**Management is aiming for higher growth than the industry average in FY25 and plans to expand the crop insurance business in other states. They are focusing on growth in the corporate business segment within commercial lines and seeking to diversify and reduce motor segment concentration. The company expects a reduction in the combined ratio in FY25. We have a positive outlook on the company.**

Guidance
* Aiming for growth higher than the industry average in FY25.
* Plans to expand crop insurance business in other states, including Tamil Nadu, Andhra Pradesh, and Telangana.
* Focusing on growth in the corporate business segment within commercial lines.
* Seeking to diversify and reduce motor segment concentration.
* Expecting a combined ratio reduction in FY25.

Highlights
* Gross Written Premium Surpassed industry growth, reaching INR 20.77 bn in Q4 FY24, and INR 75.33 bn for the full year.
* Company witnessed growth across all channels, with captive channels showing a 21.5% growth in Gross Written Premium.
* They further witnessed strong growth in the private car segment, including new and used vehicles. Over 100,000 electric vehicles insured during the year.
* 26.5% of premium (excluding crop insurance) comes from rural markets.
* Crop Insurance Premium constituted 6.2% of the total premium, reaching INR 4.65 bn for FY24.
* Expense of Management Decreased to 32.64% for FY24.
* Claims Ratio Increased to 73.7% for FY24. Impact of Natural Catastrophes is INR 0.55 bn, increasing the overall claims ratio by 1.08%. Combined Ratio 109.9 for FY24, including the impact of natural catastrophes.
* Return on Equity Increased to 14.25% for FY24.

**Bank of India Ltd – Q4FY24 Concall KTAs**
**CMP: INR 125 | Market Cap: INR 5,66,807 Mn**

**Outlook**
**The bank expects a domestic credit growth of around 13% and deposit growth of 12% for FY25, with a focus on increasing low-cost CASA and retail term deposits. It aims to maintain a net interest margin (NIM) of around 3% by augmenting high-yielding advances like retail, agriculture, MSME, and mid-corporate loans. The bank projects its slippage ratio for FY25 to be around 1.2%, lower than the current FY24 1.58%, by improving collection efficiencies and minimizing fresh slippages. This is expected to bring down the gross and net NPA ratios further. The cost-to-income ratio is guided to be around 51% for FY25. The bank is targeting a ROA of around 0.9% for the next financial year. It plans to leverage digitization for better underwriting standards and improve operational efficiency through various technology initiatives.**

Profitability and Asset Quality
- Net profit for FY24 stood at INR 63,180 Mn, up 57% YoY and INR 14,390 Mn, up by 7% YoY in Q4FY24.
- In FY24, global NIM stood at 2.97%, and domestically, it reached 3.34%, reflecting steady growth from Q4FY24's figures of 2.92% and 3.30% respectively.
- Gross NPA ratio improved by 233 bps YoY to 4.98%, and net NPA ratio improved by 44 bps to 1.22% in FY24.
- The management anticipated slippage ratio for FY25 at approximately 1.2%, demonstrating a significant improvement from the 1.58% recorded in FY24.

Business Growth and Pipeline
- Global business grew by 11.65% YoY in FY24, with incremental growth of INR 6,90,000 Mn.
- Domestic advances increased by 14.08% YoY, led by 18.12% growth in retail loans while the global advances increased by 10.67% YoY in FY24.
- The bank has a credit pipeline of around INR 5,00,000 Mn as of March 31, 2024. Corporate credit pipeline of INR 3,80,000 Mn and retail/MSME pipeline of INR 1,20,000 Mn.
- Focus on infrastructure, power (including green power), steel, textile, pharmaceuticals, and chemicals sectors.

Slippage Management
- Fresh slippages in Q4 FY24 were INR 20,380 Mn, lower than Q4 FY23 slippages of INR 26,250 Mn. However, Q4 FY24 slippages were higher than Q3 FY24 slippages of INR 13,130 Mn. Around 70% of the slippages in Q4 FY24 were in the agriculture and MSME segments.
- The bank has guided for a slippage ratio of around 1.2% for FY25, lower than the current 1.58% as of March 2024.
- The bank made provisions of INR 20,430 Mn in Q4FY24, higher than INR 5,460 Mn in Q4FY23, due to aging provisions, reversals, and prudent provisioning for unsecured MSME accounts.
- SMA (Special Mention Accounts) above INR 50 Mn reduced from INR 1,69,000 Mn (March 2023) to INR 71,000 Mn (March 2024).

Strategic Initiatives

- The bank has collaborated with Boston Consulting Group on the 'BOI Starlight' project aimed at HR transformation. Also implemented an Intelligent Process Automation (IPA) solution in partnership with Accenture, enhancing its AI/ML capabilities.

RBI Guidelines Impact

- The management expected that the impact of new RBI guidelines on provisioning for project loans to be minimal.
- Estimated increase in credit cost by 10 bps and CET-1 impact of 20-22 bps by March 2027. No impact on CRAR due to CET-1 changes under the new guidelines.

Technology and Digitization

- The Bank spent 75% of the budgeted INR 20,000 Mn on technology in FY24. They sanctioned INR .75 Mn retail loans worth INR 1,50,000 Mn on digital platforms.
- Launched mobile app with 300+ features.
- The management are collaborating on a supply chain finance initiative with Wipro and introducing an innovative cash flow management solution.

Other Highlights

- Co-lending and pool purchase book stood at around INR 40,000 Mn, with better IRRs.
- The bank is exploring new products for GIFT City operations.
- Treasury expected to transform into a NIM center rather than a profit center due to new RBI circular.
- Non-interest income and operating profit were higher after netting off a one-time accounting entry. Non-interest income grew by 11% YoY (vs. -14% reported). Operating profit grew by 13% YoY (vs. 5% reported).

**Punjab & Sind Bank Q4FY24 Concall highlights**
**CMP INR 55 | Market Cap INR 372.44bn**

**Focus on technological upgradation along with improving mix of advances portfolio.**

Guidance:
- Intend to increase CD ratio to 73-74%.
- Rebalancing portfolio and moving from corporate to RAM segments.
- Targeting 14% growth in RAM segment, 13% in MSME, 8% in Agri and 15% in Retail segment for FY25.
- Plan to foray into forex trade finance module.
- The bank has invested INR 8bn in technology upgradation in the last 5 years and plan to spend another INR 5bn over next 3 years.
- Plan to open new 100 branches in FY25.
- Target to take Cost to Income ratio below 60% in next two years, which is currently at 69.49%.

Key highlights:
- Net Interest Income increased to INR 4130mn (+14.09% YoY). Core fee income also saw 21% growth.
- Operating profit came in at INR 3360mn (+21.3% YoY), net profit at INR 1390mn (+21.93% YoY). This was due to write back of provisions in Q4 due to recovery in some big ticket resolutions.
- PCR increased to 88.69% (+53bps YoY)
- Slippage ratio down to 0.47 in the quarter.
- Gross and Net NPA stood at 5.43% and 1.63% respectively.
- Capital Adequacy stood at 17.16%
- RoA and RoE came in at 0.38% and 7.29% respectively.
- Total deposits increased to INR 1194.1bn (+8.89%) while Total advances came in at INR 859.64bn (+6.15%) as of March’24. CD ratio stood at 71.99%.
- CASA deposits increased to INR 387.08bn (+5.09%)
- Technological upgradation done in Q3 takes time to stabilise, leading to spillover effects on business in Q4.
- Facing competition in MSME segment from private sector counterparts, specially in the north region.
- Wage revisions have led to decrease in operational costs. Employee cost to remain low even in FY25.

**Nuvama Wealth Management Ltd – Q4FY24 Concall Highlights**
**CMP INR 5200 | Market Cap INR 184 bn**

**OUTLOOK**
**Company displayed healthy performance during the quarter. We expect the growth momentum to continue going forward, backed by their offshore proposition and new product launch that will support the company to grow.**

Long - term Guidance
* Management has guided to grow clients and client assets to 2 - 2.5x.
* Their AUM is expected to grow by 6 - 8x in next 5 years.

Industry Highlights
* India's structural growth journey continues, with robust GDP, healthy corporate earnings, sustained domestic demand and stable macros.
* Equity markets saw highest ever institutional flows in FY24 making India, one of the best-performing markets.
* Company was able to leverage full potential of these trends and closed FY24 with PAT of INR 5.97 bn, growing by 62% YoY.

Highlights
* Mr. Mihir Nanavati resigns as a CFO of the company effective 14th May, 2024 and Mr. Bharat Khalsi joins Nuvama Wealth with more than two decades of experience across multiple domains like finance strategy, planning, investor relations and treasury.
* In wealth business, PBT came at INR 1.13 bn in Q4FY24, grew by 15% YoY and INR 4.16 bn in FY24, grew by 24% YoY.
* Company added 200+ RMs in Nuvama Wealth and 20 RMs in Nuvama Private. They further expanded to 3 new locations in India.
* They are making progress on launch of their offshore proposition. They have received their license to operate in Dubai.
* They plan to operate in Dubai before Singapore, due to the market potential available there. It will be easier to tap clients and breakeven.
* In Asset Management, newly launched commercial real estate fund with Cushman & Wakefield is on track to raise funds as planned. Company will scale it in the next three to four quarters and take it to the desired level.
* Their capital markets business displayed healthy performance, supported by increased market volumes and growth in market share.

**AB Capital Ltd– Q4FY24 concall highlights**
**CMP INR 222 | Market Cap INR 579 bn**

**OUTLOOK**

**Overall, the company's future outlook looks positive, backed by strong growth in the NBFC loan book, increased disbursements in the HFC segment, and momentum in the AMC with higher SIP flows. Further, the pending merger of Aditya Birla Finance with Aditya Birla Capital is expected to be completed within 9 – 12 months.**

Guidance
* Plans to double the loan book size by March 2026 in NBFC.
* Focus on accelerating growth in prime and affordable segments in HFC.
* Expansion in retail franchise and alternative assets planned for AMC

Highlights
* NBFC loan book grew 31% year-on-year, emphasizing direct sourcing and a new B2B platform for MSMEs.
* HFC continued strong momentum with a 64% increase in disbursements year-on-year.
* AMC witnessed strong momentum, and SIP flows increased to INR 12.52 bn in March 2024.
* Life Insurance and Health Insurance demonstrated continued growth and market share expansion.

Merger of ABCL & ABFL
* The Board of Directors of Aditya Birla Capital Limited and Aditya Birla Finance Limited, have approved a scheme of amalgamation of ABFL with ABCL. The scheme is subject to regulatory approvals.
* The scheme is expected to be completed within 9 to 12 months.
* ABCL to be the surviving entity and get converted from NBFC CIC (i.e holding company) to NBFC ICC (operating company).

Further, Company sold 5% stake in ABSLAMC through OFS in Mar’24, augmenting capital base by INR 5.7 bn.

**SMC Global Securities Ltd - Q4 FY24 Concall KTAs**

**CMP: INR 165 |Market Cap: INR 18,712 Mn**

**Outlook**
**The company has made significant investments in technology and innovation, launching new platforms like StoxCart which has introduced industry differentiating features like pay-only when you earn in intraday segment and zero brokerage in delivery. The company's management highlighted the surge in retail participation, fueled by increased financial literacy and accessibility to investment avenues, as a key driving force for the broking industry's growth. The company expects strong growth to continue, aiming to double its revenue from StoxCart in the next 3 years and achieve exponential growth in the number of Demat accounts. The management expressed confidence in maintaining a sustainable growth rate of around 35% for its NBFC lending business and indicated plans for further technological enhancements across all verticals.**

Financial Outcomes
- In FY24, consolidated revenue surged to INR 16,385 Mn, YoY growth of 35.2%. and to INR 5,097 Mn, exhibiting YoY growth of 67.8% in Q4FY24.
- Consolidated EBITDA stands at INR 4,246 Mn, YoY growth of 57.3% in FY24 and at INR 1,388 Mn, YoY growth of 121.6% in Q4FY24.
- Consolidated PAT stands at INR 1,883 Mn, YoY growth of 56.4% in FY24 and at INR 662 Mn, YoY growth of 202.6% in Q4FY24.

Segment Performance
- Broking, Distribution & Trading revenue in Q4 FY24 stands at INR 2,779 Mn, up 52% YoY
- NBFC revenue in Q4 FY24 stands at INR 630 Mn, up by 86% YoY and in FY24 increased by 56% YoY.
- Insurance broking revenue in Q4 FY24 stands at INR 1,777 Mn.

Operational Highlights
- As of FY24, the company has an extensive network of 2,327 authorized persons covering 437 cities and 7,040 associates
- The company has over 1.067 Mn broking clients having Demat and trading accounts, including StoxKart's 0.25 Mn accounts and the company has consistently added around 0.125-0.15 Mn new Demat accounts every year
- StoxKart achieved revenue of INR 200 Mn and profitability in FY24 and has launched new features and digital marketing campaigns like "Stox that Kia Kya" for StoxKart. It targets 100% revenue growth and exponential client base expansion in the next 3 years
- The company has a strong presence in GIFT City broking operations through SMC Global IFSC.
- The company has a diversified lending portfolio in NBFC business across segments like SME loans, supply chain financing, etc. The NBFC business achieved AUM of INR 12,367 Mn in FY24, a YoY growth of 37.2%. The business aims to grow AUM at 35% CAGR, with a focus on SME lending.
- Leverage ratio for NBFC business currently at 1.84x, with plans to increase it up to 3-3.5x equity.
- Insurance broking business crossed 0.995 Mn policies in FY24 with premium of INR 28,840 Mn and expects sustainable margins in the range of 3-4% over FY25.

Digital Ecosystem

- The company launched new payment platforms, trading portals, websites, mobile apps and also cloud migration of trading systems for enhanced scalability and stability.
- StoxKart has around 0.845 Mn mobile app installations as of FY24.

Future Growth Plans

- The company plans to double revenue from StoxKart in the next 3 years and aims for exponential growth in StoxKart's client base from the current 0.25 Mn.
- The company looks forward to expand NBFC business with target AUM of INR 20,000 Mn and leverage up to 3-3.5x equity.

**Multi Commodity Exchange of India Ltd Q4FY24 Concall KTAs**
**CMP: INR 3,838 | Market cap: INR 1,95,711 Mn**

**MCX reported its highest-ever annual income and turnover since inception.**

Financial Performance
- Total income for Q4FY24, increased by INR 456.2 Mn, reaching INR 1,994.5 Mn, marking a 29.66% rise YoY, and a decline of 4.69% QoQ due to a drop in futures turnover and lower treasury income from margin funds.
- EBITDA for Q4FY24 surged to INR 1,203.3 Mn from a loss of INR 19.7 Mn QoQ and from INR 221.5 Mn YoY. EBITDA margin for Q4FY24, was 60.33%, while the PAT margin stood at 44.06%.
- Net profit for Q4FY24 was reported at INR 878.7 Mn.

Key highlights
- For FY24, MCX earned INR 5,600 Mn from transaction charges, with INR 2,080 Mn from futures and INR 3,510 Mn from options.
- In Q4FY24, MCX earned INR 1,030 Mn from options and INR 210 Mn from treasury income on clearing corporation funds.
- The recently launched crude oil and natural gas mini contracts are also expected to increase volumes.
- For options, the average realization in Q4FY24 was INR 40.83 per lakh of premium turnover. Higher volatility leads traders to prefer far-month option contracts, resulting in lower premium realization for MCX.
- Post implementation of the new trading system, MCX had taken certain premium services from vendors (like DB2, Linux etc.) to support 24/7 operations.

Cost structure
- IT costs, comprising software support charges and depreciation, are expected to remain around INR 600 Mn annually, similar to the pre-September 2022 levels with the previous vendor.
- No substantial reduction in IT costs is expected, as lower operating expenses will be offset by higher depreciation.
- Employee and other expenses are expected to stabilize in the next 1-2 quarters.
- For energy products, MCX pays 10% of the transaction charges to CME Group as per their agreement. In Q4FY24, this payment to CME was INR 103.8 Mn.
- After October 2024, MCX will start paying AMC charges to TCS for the new trading system, which is expected to be in single digits.

Product launches
- New product launches like gold futures (10 grams, monthly contract), cotton and sunflower oil contracts are in the testing phase.
- Weekly/serial contracts for crude oil and natural gas are being worked on, with plans to apply for regulatory approval once the system is ready.

**Outlook: The management is optimistic about future growth prospects now that the core trading system transition is complete. MCX is not considering full interoperability with other exchanges (BSE and NSE) at present. However, MCX is working on enabling the fungibility of collateral, allowing members to transfer collateral between exchanges without physical movement.**

**Nippon Life India AMC Ltd - Q4FY24 Concall KTAs**
**CMP: INR 584 | Market Cap: INR 3,68,471 Mn**

**Reported highest ever annual operating profit & profit after tax and gained market share across all the segments**

Financial Highlights
- Revenue from operations stood at INR 4,683 Mn in Q4FY24 and INR 16,432 Mn for FY24, up by 34% YoY and 22% YoY respectively.
- Core operating profit stood at INR 2,818 Mn in Q4FY24 up by 41% YoY and 12% QoQ.
- PAT stood at INR 3,429 Mn in Q4FY24, up by 73% YoY and 21% QoQ.
- The board declared a dividend payout of INR 16.5 per share for FY24, which is 99% of net profits and this includes proposed final dividend of INR 11 per share.
- Yields on equity funds were around 63 bps, debt funds around 25 bps, liquid funds 10-12 bps and ETFs around 15 bps.
- The lower tax rate during Q4FY24 was due to the movement of some investments from short-term to long-term and a reversal of provisions for previous years.

Individual and Corporate AUM
- Individual AUM, consisting of retail and HNI segments, grew 10% QoQ to INR 2,578 Bn and market share increased by 8 bps QoQ to 7.74%
- Corporate AUM grew 16% QoQ to around INR 1,842 Bn, with the company regaining wallet share with large institutional clients.
- The market share in the corporate segment improved by 70 bps QoQ to 8.49%, the highest gain since June 2020.

Systematic Investment Plan Flows
- Incremental SIP flows in Q4FY24 had a market share of around 15%.
- SIP market share increased by 305 bps over FY23 to FY24, ending at 9.1%.
- Monthly systematic book grew by 11% QoQ to INR 23.3 Bn in Q4FY24, resulting in an annualized SIP book of INR 280 Bn.
- The number of systematic transactions increased by 19% QoQ to roughly INR 18.1 Mn Q4FY24.
- Around 75-80% of the company's SIP investors invest less than INR 10,000 per SIP. This small ticket size SIP book is seen as stickier and more profitable.
- Even after imposing restrictions on small-cap fund inflows, the company did not see a sizable reduction in SIP inflows due to this high retail concentration.

Expenses and Cost Structure
- Going ahead expenses are expected to be in range of 8-10%, excluding ESOP costs for fresh grants.
- The company approved a new ESOP grant, with an estimated cost of INR 850-900 Mn over four years, aimed at retaining talent and controlling fixed costs. The company expects about 49-50% of ESOP cost to come in FY25 itself.
- Administrative expenses saw a jump due to increased marketing and IT spends, out of incremental cost QoQ 30-25% is considered to be one off.

Other Highlights

- The company added 3,400 distributors in Q4FY24.
- Launched two new ETFs: Nippon India Nifty Bank Index Fund and Nippon India Nifty IT Index Fund
- Fixed income category (debt + liquid funds) witnessed net outflow of INR 464 Mn in Q4FY24
- The market share in B30 locations improved by 6 bps QoQ, forming 20% of the company's overall AUM compared to 18% for the industry.
- Despite restrictions on small-cap funds across the industry, the company's outflow from its small-cap fund was only 2% of the industry outflow, because of very high retail base and the top 10 investors in small cap fund constituting less than 1%
- The company's other income for the Q4FY24 was driven by mark-to-market gains, with no one-off components.
- For the full year FY24, the company concluded with a high double-digit equity net sale which is excluding arbitrage.
- The company considers expansion into the alternate investment fund and offshore businesses as a key growth area, with a focus on attracting Japanese money into India.

**Outlook**

**The company had a strong Q4 and FY24, reporting its highest-ever profits. The company intends to maintain its focus on profitable growth by leveraging its strong retail investor base, expanding its monthly systematic investment plan book, which increased 109% year on year, and diversifying into fixed income, AIFs and offshore segments. The company also intends to invest more in digital capabilities and brand building.**

**360 ONE WAM Ltd Q4FY24 Concall KTAs**
**CMP: INR 800 | Market cap: INR 290 Bn**

**Robust performance**

**OUTLOOK**
**360 ONE WAM has displayed robust performance during the quarter. Their profitability increased by 24.3% sequentially and 55.5% YoY at INR 2.41 bn. Going forward, company plans to expand their domestic market coverage, which is expected to fuel growth inflows over next few years.**

Guidance
* Company has an expansion plan for expanding their domestic coverage and remains optimistic about the substantial wealth opportunity beyond Tier-1 cities. Number of addressable cities are expected to increase from 20 to 70.
* Furthermore, they expect to fuel high growth in the HNI segment, using their digital competencies.
* EE cost is expected to increase by 4- 5 % for the FY24 and Admin cost is expected to increase by around 3%.
* Management expects to reduce cost to income ratio gradually.

Industry Highlights
* India sustained its position as one of the fastest growing economies, globally.
* The increasing trend of financialisation of traditional assets and savings, and new wealth creation from monetization events, continues to present a substantial opportunity for the wealth and asset management sector.
* The financial assets of ultra-high net worth households are between $915 to $935 bn and that of HNI households are anywhere $230 to $240 bn. It is expected to grow at 13% to 14% CAGR over the next 3 – 4 years.
* India's MF pool as a share of GDP is only 15% compared to global average of more than 70%, leaving large room to grow.

Highlights
* Company's profitability was up by 24.3% QoQ and 55.5% YoY, at INR 2.41 bn. Further, profit for the whole FY24 stood at INR 8.02 bn (up by 20% YoY).
* ARR Revenue is up by 27.8% YoY/ 5.7% QoQ at INR 3.58 bn, and up by 13.6% YoY at INR 13.31 bn in FY24, led by growth in assets across business segments and healthy retentions on Active ARR AUM.
* Total Revenue for the FY24 increased by 25% to INR 19.65 bn, driven by strong growth in ARR AUM and higher transactional/brokerage income.
* AUM stands at INR 4,669.09 bn, consisting of Wealth Management AUM of INR 3,946.61 bn and Asset Management AUM of INR 722.48 bn.
* In FY24, 360 ONE Wealth successfully on boarded 400+ clients (with more than IMR 0.10 bn ARR AUM). Overall, the segment manages assets for approx. 7,200 relevant clients. Overall client attrition rate was 1.4%, which was one of the lowest in the industry.
* New initiatives in HNI segment and global platform which are expected to contribute 25 – 30% of wealth net flows.
* Board approved interim dividend of INR 3.50 /share.

**Muthoot Capital Services Ltd – Concall KTAs**
**CMP: 280 | Market Cap: 4610 Mn.**

**Outlook:**
**Company demonstrated revenue increase QoQ with, decline on YoY bases in Q4FY24. The company's strategic focus on core lending, coupled with improved recovery rates and a strong co-lending business, positions it well for future growth. With targets set for significant disbursements across two-wheeler, used car, and commercial vehicle loans, along with the entry into the EV market. At CMP, company trades 39.15x FY24EPS.**

Performance Consol:
•Revenue came in at INR 979.74 Mn. (+2.10% QoQ) (-14.84% YoY) in Q4FY24.
•PAT came in at INR 116.84 Mn. (+8% QoQ) (-54.98% YoY) in Q4FY24.

Highlights:
•The company saw revenue growth due to a high core lending share and a reduction in NPS share, which was turned around by Q3 and Q4 in FY24.
•Company's own funds increased from INR 4890 Mn at the start of FY24 to approximately INR 6120 Mn by year-end.
•The corporate loan book remained stable with only an 8% growth, but yields increased.
•In FY24, average Non-Confirming Lona Rate increased by 0.12%, but it impacted the company only by 0.08%.
•Recovery rates improved, with NACH recoveries increasing from 48% to 56%, reducing overall recovery costs from 5% to 4% in FY24.
•Provision Coverage Ratio dropped from 88% to 75%, impacting the NNPA decreased to 3.40% in FY24.
•The company acquired 174,178 new customers, marking an 11% YoY growth.
•Early stage GNPA was reduced by 68%, bringing it down to 0.49%
•The Company's total borrowings stood at INR 16610 Mn, with total AUM reaching INR 20180 Mn in FY24.
•Co-lending business grew from 22% to 32% QoQ in Q4FY24, with five co-lending partners contributing INR 6000 Mn.
•The company entered the EV space through impact funding and a co-lending partnership with EV-Fin in FY24 and claims double digit growth by FY25.
•NPAs were 11.24% in the two-wheeler segment and 5.46% in the used car segment in FY25.
•GNPA was reduced by 54%, attributed to an ARP sale of INR 2350 Mn and a hardcore recovery of INR 700 Mn.
•In FY24, the company expanded its portfolio to include used cars and commercial vehicles, in addition to its traditional two-wheeler loans.
•70% of the dealership business comprises Hero and Honda, with TVS contributing 14%. Two-wheelers remain the largest segment, but significant growth is expected in used cars and commercial vehicles.

Guidance for FY25:
•Disbursement Targets:
- Two-Wheeler Loans: Target of INR 11000 Mn.
- Used Car Loans: Target of INR 1500 Mn.
- Commercial Vehicle (CV) Loans: Target of INR 1600 Mn.
- Co-Lending: Expected to contribute INR 4000 - 5000 Mn.
•Opex growth of around 6-8% for FY25.
•For two-wheeler loans, GNPA is expected to be around 6%.
•Expected credit cost for Used Car and CV loans is between 0.6% to 0.75%.

**New India Assurance Company Ltd | Q4FY24 Concall KTAs**
**CMP INR 239 | Market Cap INR 393.23 bn**

**Company remained committed to pursuing growth with profitability having diverse product mix with technical competence and strive to excel in customer service with a consistent market leadership.**

•Company's operations span across 25 countries and has been market leader since 1973.
•In india, Company is rated AAA stable by crisil.
•Indian general insurance industry has been growing impressively by 12.78% with a gross premium collection of INR 2.89 lakh crore in FY24.
•Company holds highest market share in the industry amounting to INR 370.85 Bn.
•Gross written premium grew by 8.3% to INR 419.96 bn in FY24 as compare to INR 387.91 bn in FY23.
•PAT increased by 7% YoY to INR 11.29 bn while in Q4FY24 PAT doubled and increased by 128.4% to INR 3.54 bn.
•Product mix : Health and personal accident 45%, fire 16%, motor third-party 14%, motor owned average 12%, other lines of business including liability and aviation at 10% and marine 3%.
•Distribution mix: brokers 33%, Direct at 29%, agency 28%, dealer 9% and Bancassurance at 1%.
•The solvency ratio remains healthy at 1.8x. The net worth stood at INR 211.35 Bn as against INR 199.20 Bn last year.(6.09% YoY)
•The investment assets stood at INR 959.10 Bn as against INR 861.11 Bn last year. (11.37% YoY).
•In Q4FY24, company recorded an impairment charge of INR 1.10 Bn on the Nigerian operations due to devaluation of their currency.

**ICICI Prudential Life Insurance – Q4FY24 Concall KTAs**
**CMP INR 597 | Market Cap INR 861 bn**

**OUTLOOK**
**Company posted decent set of numbers on growth front. VNB margins declined on YoY basis due to shift in product mix and slight rise in expense ratio. Overall expense ratio was up due to rise in commissions as a result of new regulations. Going ahead the company intends to focus on growing VNB. We have a long term positive outlook on the company.**

Guidance
* Management intends to focus on growing VNB in future while overall margins are expected to remain stable.

Highlights
* VNB margin declined to 24.6% in FY24 as against 32% in the previous year. Margins continue to decline owing to change in product mix and higher expenses.
* Product mix for the company stands at 43.5% from linked products, 24.3% from non-linked products, 12% from protection and rest from group and annuity business for Q4 FY24.
* New business premium was up at 6.8% YoY to INR 180.81 bn, while value of new business was down 19.5% YoY for FY24. For the quarter, NBP was up 16.3% YoY.
* Net Commissions increased by 107.8% YoY to INR 15.66 bn, owing to new commission structure as per revised norms.
* Persistency ratio (13th Month) improved to 89% in FY24 from 86.6% in FY23, while 49th month persistency was also up to 68.5% v/s 64.2% YoY.
* The company has 44 banks tie-up in place and has added around 42,000 agents during FY24.
* Total protection business posted a decline of 4.6% YoY on quarterly basis while for FY24 it was up modestly at 1.4%. Retail protection on APE basis saw a healthy growth of 28.3% YoY for the quarter, while company’s savings business was up 5.4% YoY.
* Within protection APE retail protection shared 31.4% of total business, credit life contribution was at 39.4% while rest came in from group term segment.
* The company expects business growth to be ahead of industry.

**5 Paisa Capital Ltd – Q4FY24 Concall Highlights**
**CMP INR 547 | Market Cap INR 17.11 bn**

**OUTLOOK**
**Company's profitability declined during the quarter, primarily due to the increase in EE cost, but has seen an uptick of 25% for the FY24 as a whole. Further, their retail market share declined during the quarter. We continue to remain positive on the long-term performance of the company on the back of healthy industry growth, which will support company's growth.**

Industry Overview
* 35 Mn demat accounts opened in FY24. Approx. 7.4x growth from FY2020 to FY2024, implying a good growth in the industry.
* Retail Derivative Average Daily turnover (ADTO) has seen an exponential rise at 108% CAGR from FY2020 to FY2024. ADTO for FY2024 stood at 123 trn.
* Number of NSE Active clients have seen a rapid rise in the past 5 years, from 10.8mn active clients in FY2020 to 40.8mn for FY24.

Guidance
* Companies aims to achieve 35 – 40% growth rate in next 2 years.
* ROE guidance of 20% in the long term.

Highlights
* Client Acquisition: 2.37 lakhs (Out of which 87% STP) (+96% YOY, +15% QOQ).
* ADTO (Avg daily turnover): 3.7 Tn (+59% YOY, +3% QOQ).
* Average funding book: 3.58 bn (+13% QOQ, +25% YoY).
* Retail Market share: 2.36% (-15% QOQ).
* The company's Q3 FY2024 profitability has seen a decline of 61% QoQ and 60% YoY at INR 58 mn, driven by rising opex and decline in margins.
* PAT margin for Q4FY24 stood at 5% (Q3FY24: 15%, Q4FY23: 16%).
* EE cost saw an increase during the Q4FY24 by 64% QoQ and 107% YoY at INR 319 mn, attributable to onboarding of new talent in FY24. Further, Q4FY24 includes INR 98.6 mn towards RSU/ESOP cost.
* Finance cost rose by 29% QoQ and 124% YoY at INR 103 mn. It increased due to change in Law in FY24 which states that stock brokers need to infuse own funds for bank guarantee and can't use client funds.
* Segmental breakup: Brokerage Income 452 mn (40% of Total Revenue), Allied Broking Income 345 mn (31% of Total Revenue), Cross sell Income 52 mn (5% of Total Revenue), Other operating Income  280 mn (25% of Total Revenue).

Withdrawal of the Scheme of Arrangement between IIFL Securities Limited and 5 Paisa Capital Ltd
* The Company has decided to withdraw the proposed Scheme considering the overall impact of change in business environment.

**Aavas Financiers Ltd. - Q4FY24 Concall KTAs**
**CMP: INR 1,607 | Market cap: INR 1,27,213 Mn**

**Outlook**

**The company's AUM rising 22% to INR 173 billion in FY24. Going ahead, the company intends to achieve 22-25% sustainable AUM growth in FY25, with an opex to asset ratio of less than 3%, a ROA of 3%, and spreads of around 5%. The company is working towards strengthening the "Aavas Vision 3.0" plan for long-term, sustainable value development.**

**Financial Highlights**

- Net Interest margin stood at INR 3,240 Mn in Q4FY24, up by 14.3% YoY and 11.5% QoQ.
- PAT stood at INR 1,426 Mn, up by 12.5% YoY and 22.3% QoQ.
- In Q4FY24, disbursements grew 39% QoQ and 20% YoY to INR 18.93 Bn, the highest ever quarterly disbursement.
- The increase in employee costs in Q4FY24 was partly attributable to ESOP costs and long-term incentive provisions, not just net employee additions.

- **Asset Quality**: The company's 1+DPD ratio stood at 3.12%, one of the best levels since inception, aided by strong focus on underwriting, risk architecture and use of analytics. Management guided to maintain GNPA at around 1% going forward.
- **Spreads and Yield:** The company raised its Prime Lending Rate by 25 bps from March 1, 2024, which is expected to support yield improvement in Q1FY25. Management reiterated its guidance to maintain spreads around the 5% mark going forward, with focus on <= INR 10 lakh ticket size loans.
- **Opex Rationalization:** The company is targeting to bring down the opex ratio to around 3% over the next couple of years from the current levels of around 3.5%. Digital channels like eMitra are expected to aid in this opex rationalization drive.
- **Borrowings costs:** With incremental borrowing cost at 8.14% in Q4FY24 vs closing cost at 8.07%, management expects the borrowing cost to peak out. Tie-ups with institutions like NHB, PTC issuances are aiding in keeping borrowing costs under control.
- **Geographic Expansion**: The company plans to add around 10% new branches in FY25, with focus on expanding presence in Karnataka and Uttar Pradesh markets. While Rajasthan remains, the largest geography contributing 35% of AUM, the top 4 states account for 80-82% of the loan book.
- **Product Mix:** The share of non-home loan portfolio (MSME loans) has become around 17-18% of the total AUM. There is an increased focus on growing the MSME book further, driven by higher yields and bank appetite for such assets. While the focus remains on growing the sub-INR 10 lakh home loan segment, increase in construction costs is impacting average ticket sizes.
- **Technology Transformation:** The company has gone live with Salesforce as its Loan Origination System (LOS) and is in the process of implementing Oracle FlexCube for loan management. These tech initiatives are expected to drive operational efficiencies and support future growth without significant increase in manpower.

**Other Highlights:**

- The company plans to grow its assignment volumes by 15-20% in FY25 to fund its long-term growth and manage ALM requirements.
- The current BT rate is around 0.5% per month of the opening book or 6% of the opening AUM.
- There is a yield differential of around 250-300 bps between the home loan products (avg. 12.5%) and non-home loan products like MSME loans (avg. 15%)

**MAS Financial Services Ltd- Q4FY24 Concall KTAs**
**CMP: INR 307 | Market Cap: INR 50.4 bn**

**OUTLOOK**
**The company has displayed a good set of numbers during the quarter. They have been able to maintain their ROA of 2.79% despite economic challenges. We remain positive on the stock.**

Guidance
* The company aims to increase its revenue from INR 100 to INR200 bn in the next three to four years. The company believes the retail distribution is growing at a pace that makes the revenue guidance achievable.
* Management expects 25%-30% contribution from new geographies in 2-3 years.
* Guidance for the housing finance company is in the range of 30% to 35% growth.
* Spread is expected to be 15 – 20% for next 3-6 months.
* Asset quality (NNPA) is expected to remain below 2%.
* ROA is expected to be 2.75%-3%.

Highlights
* AUM and PAT grew by over 23% YoY, reaching Rs.101.26 bn and Rs.2.48 bn respectively.
* Direct Retail Distribution contributed to 67% of total AUM.
* The MSME segment contributed 60% in the YoY AUM growth of the company.
* Company's focus is on South and North India for branch expansion. The company has a multi-product strategy and explores new geographies for product expansion.
* The company takes its time to develop geographies and penetrate them deeper in terms of Tier II, Tier III cities. They have started deploying some team piloting and trying to understand the market before scaling up.
* The company has introduced new products such as salaried personal loan. Their focus is on exploring used car financing and supply chain financing.
* Cost of Borrowing increased to 9.80% but remained stable compared to the previous quarter.

**Bajaj finance Ltd Q4FY24 Concall KTAs**
**CMP: INR 7,294 | Market Cap: INR 45,14,897 Mn**
**Bajaj Finance delivered a strong performance in Q4FY24, with AUM growth of INR 196,470 Mn, 7.9 Mn new loans disbursed, and 3.23 Mn new customers added. The initiatives around digital platforms, data analytics, and new business verticals are expected to drive customer acquisition, cross-selling, and operating efficiencies in the medium to long term. The potential listing of Bajaj Housing Finance Ltd could unlock further value.**

**Financial performance**
- Consolidated AUM for FY24 stood at INR 33,06,000 Mn, up 34% YoY.
- Net interest income increased by 29% to INR 2,95,820 Mn in FY24 from INR 2,29,890 Mn in FY23. Operating income in Q4FY24 grew by 34% YoY.
- PAT grew by 21% to INR 38,250 Mn, with an ROE of 20.5% in Q4FY24.
- NNPA remained low at 0.37%.

**Guidance**
- The management expects AUM growth of 26-28%, NIM moderation of 30-40 bps, OpEx to NIM improvement of 20-40 bps, and credit costs within 1.75-1.85%.
- ROA is expected to be within the long-term guidance of 4.6-4.8%, while ROE may marginally decline due to excess capital. GNPA and NNPA are expected to remain range-bound and lower than the long-term guidance.
- For FY25, the company expects to originate 10-14 Mn new customers, similar to the 14.5 Mn added in FY24.
- The company remains cautiously optimistic about FY25 profitability, with profit expected to be more back-ended due to NIM moderation in H1FY25.
- Assuming a healthy macro environment and conducive regulatory conditions, the company is expected to revert to its medium-term profit growth guidance of 23-24% in FY26.

**Business highlights**
- The company faced regulatory restrictions on sanction and disbursal of loans under e-commerce and MCI.
- Initiatives like Account Aggregator, ONDC, Social Commerce, Rewards platform, and O2O are being implemented to strengthen competitive positioning and improve cost-to-income ratios.
- The cross-sell franchise crossed 50 Mn customers, and the company added 53 new locations and 7,700 distribution points.

**Bajaj Housing Finance Limited (BHFL)**
- BHFL's board evaluated options for meeting mandatory listing conditions, including a potential IPO.
- BHFL delivered a strong performance with AUM growth of 32%, approvals up 19%, and disbursements up 26%.
- GNPA and NNPA remained at industry-best levels of 27 bps and 10 bps, respectively.
- BHFL raised INR 20,000 Mn through a rights issue from BFL to remain well-capitalized for growth.
- The management indicated that BHFL is expected to deliver a sustainable ROE in the range of 13-15% on a long-term basis.

- BHFL's focus is on building a large, low-risk annuity business by growing its home loan portfolio at a 25-27% CAGR.
- The developer finance business acts as a return enhancer for BHFL's mortgage business and helps in building its home loan presence at developer counters.
- BHFL plans to keep the developer finance business within 12-15% of its overall asset mix in the medium term.

Other Highlights
- Rural B2C business remained a challenge, leading to slowed growth in that segment.
- Bajaj Finance has recently launched new businesses like Loan Against Property, New Car Financing, and Tractor Finance, which are expected to support AUM growth in the secured asset segments.
- The cost of funds for Bajaj Finance increased by 70 bps on a YoY basis.
- The management highlighted intense competition in the mortgage space, with home loan rates being offered at levels lower than the company's borrowing costs, impacting net interest margins.
- The company is rapidly deploying various AI initiatives across operations, service, and contact centers to enhance operating efficiencies, with bigger benefits expected in FY26.
- Employee headcount was reduced by 499 in Q4FY24 as part of optimizing the operating cost model.
- The company mentioned that its open architecture 2W business, which was launched two years ago, should start making money in FY25, indicating progress in building the renewal premium financing business.
- BFL gets paid a fee if it originates customers for BHFL, and around 35% of BFL's customers end up being BHFL customers as well.

Borrowing
- Bajaj Finance raised USD 725 mn in external commercial borrowing during the quarter to diversify its borrowing profile, with plans to increase its ECB exposure to 4% of overall borrowings.
- The deposit book grew by 35% YoY and stood at INR 6,01,510 Mn, contributing 21% of the overall borrowings on a consolidated basis.

**South Indian Bank Ltd Q4FY24 Concall KTAs**
**CMP: INR 29 | Market cap: INR 75.3 Bn**

**OUTLOOK**
**Company's PAT growth was weak on a QoQ basis, due to higher Opex and slow revenue growth. Asset quality improved on a sequential basis, but slippages increased during the quarter. Going forward, We expect the Opex to reduce. Further, Deposit is expected to grow by 10 – 12% along with loan growth of 12 – 13%. We remain positive on the stock.**

Guidance
* Management expects retail and MSME loans to contribute 45% of loans going ahead.
* NIM is expected to reach around 3.5%, going forward.
* Deposit growth is guided in the range of 10%-12% for FY25.
* Loan growth to be around 12%-13% mark going ahead.

Highlights
* Operating Profit of the year increased from INR 15.07 bn in FY23 to INR 18.67 bn in FY24 (+23.91% YoY).
* Net interest margin improved by 19 bps QoQ to 3.38%, however, margins declined by 29 bps YoY, and as a result NII growth was modest at 2% on YoY basis in Q4FY24.
* GNPA came down by 64 bps YoY from 5.14% to 4.50% and NNPA came down by 40 bps YoY from 1.86% to 1.46%.
* The bank expects GNPA to decline to 4% and NNPA to 1% by the end of FY25.
* Provisions for the quarter were down 16.3% QoQ as stress on book reduced.
* Company's focus is on A+ rated in large corporates. A+ rated book in large corporate segment stand at 98% v/s 96% QoQ.
* Operating expenses increased 22.8% YoY but was flat on sequential basis. Company's focus will be on reducing Opex, going forward.
* The bank launched new products in FY24 like affordable housing, LAP (loan against property), CV/CE (Commercial Vehicle and Equipment), that should aid yields.
* The bank has launched automated lending solution for SMEs during the quarter
* CV/CE, LAP business are expected to be around INR 10 bn by end of FY25.
* ROA to be at 1% mark in the near term.

**Kotak Mahindra Bank Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 1,547 | Market Cap: INR 3,074 bn**

**Outlook: Kotak Mahindra Bank surprised the streets with robust growth in Balance Sheet and Profits in their Q4FY24 earnings despite RBI's regulatory action banning New Customer Acquisition digitally. The Bank's subsidiaries also impressed with massive growth in their respective bottom lines. The Bank's NIMs have increased sequentially along with improvement in RoAs in Q4FY24. The Stock has seen massive corrections over the last month, and is available at P/B valuations of 3.2x as of FY24, which is significantly lower than their historical levels.**

Guidance:
•The Management intends to maintain their guidance for mid-teens growth rate for the bank as they believe the Industry is witnessing aggressive Credit Growth for quite some time now.
•The Bank expects the Deposit rates to remain stable across the banking industry while US Fed rate action is watched globally, and will expectedly cause RBI rate actions in future as well.

Key Highlights:
•NII came at INR 69.09 bn (up 5.4% QoQ/up 13.2% YoY).
•PPOP came at INR 54.62 bn (up 19.6% QoQ/up 17.5% YoY).
•Provisions decreased in Q4FY24 to INR 2.64 bn (down 54.4% QoQ/up 79.6% YoY).
•PBT came at INR 51.98 bn (up 30.4% QoQ/up 15.5% YoY).
•PAT came at INR 41.33 bn (up 37.5% QoQ/up 18.2% YoY).
•*NIMs increased sequentially in Q4FY24 to 5.28% increasing by 6 bps QoQ/down 47 bps YoY over Q4FY23.
•Asset Quality: GNPA ratio decreased by 34 bps QoQ/down 39 bps YoY at 1.39% and NNPA was stable sequentially at 0.34% flat QoQ / down 3 bps YoY for Q4FY24.
•Balance Sheet: Advances at INR 3,760.75 bn grew by 17.6% YoY/4.6% QoQ while Deposits stood at INR 4,489.45 bn which grew by 23.6% YoY/9.9% QoQ. CASA ratio came down to 45.5% in Q4FY24 from 47.7% in Q3FY24 & 52.8% in Q4FY23.
•The Bank's Credit Cost stood at 45 bps.
•The Bank completed the acquisition of Sonata MicroFinance based out of Lucknow at the end of Q4FY24. The MFI has a branch network of 610 branches in 165 districts primarily in the states of Bihar, MP, and other North Indian states.
•The bank saw a tax reversal of INR 2 bn along with reversal of AIF provisions of INR 1.57 bn in Q4FY24.
•The Bank written off fully provisioned Retail Unsecured Loans to the tune of INR 14.55 bn in Q4FY24. The Management states that the Bank will be pursuing the collections of these accounts but they will have no impact on the Bank's financials as they are fully provided.
•The Bank's Customers assets grew by 6% QoQ/20% YoY and the advances of consumer banking grew by 5% QoQ/6% YoY. Commercial Banking division grew by 7% QoQ/21% YoY while SME & Corporate Banking grew by 6% QoQ/19% YoY.
•The Tractor financing declined in Q4FY24 by 7.5% YoY/flat QoQ due to muted growth in the Tractor Industry.

•The Bank's MicroFinance business saw a growth of 31% YoY due to the acquisition of Sonata Micro Finance. They have a presence of 1,400 branches with a customer base of 2.7 million women borrowers. The Acquisition of Sonata complements the bank's earlier MicroFinance presence in South India, thereby giving a Pan India Micro Finance presence.
•The Bank had opened 150 new branches during FY24 and remains committed to open 150 branches this year FY25 as well.
•The bank maintains their Provisioning guidelines as they have done in the past. They Provide 100% for any unsecured loans of 180 days DPD.
•On the question of Provisioning to create a buffer for any future negative, like several large Private Banks are maintaining 2.5-3.7% of their total loans, for Kotak Mahindra Bank it is 1.6%. The Management maintains that they believe they are well provided.

RBI regulatory directions Impact on the Bank and counter actions by the Bank:
•The bank has fully complied with RBI directions by halting new customer acquisition through digital onboarding of new customers as well as fresh Issuance of Credit Cards.
•This has impacted the bank's customer acquisition in 811 Account and Credit Cards, as they will not be able to add new customers.
•The Management says that they are spending towards Technology and digital platform improvement has grown by 30% YoY and constitutes more than 10% of their Total Operating Expenses. The Management intends to accelerate this to resolve the issue with alignment as required by RBI.
•Hence, the bank is working with RBI to align their digital, data safety and other issues which has caused such a regulatory action.
•Management expects an impact of INR 3-5 bn in terms of PBT due to the RBI direction.
•The Bank spent INR 13 bn in FY23 towards Tech and INR 17 bn in FY24, and is still in finalizing the scope of work that has to be done, hence, no guidance on Tech spends for FY25 as of now, but the Management expects somewhere around ~20% or INR 4 bn increase this year in Tech spend.
•The Bank acquired 8.5 million customers in FY23 and 8.8 million in FY24, of which around 70-75% (roughly 6 million) customer acquisition came from 811 account, which the bank will not be able to acquire now due to RBI ban.
•The Management intends to increase their cross sale to existing customers as new customer acquisition in 811 account is stopped.
•The Management clarified that the existing customers will be able to use Bank App for all kinds of transactions, and only new customer digital onboarding is stopped as per RBI order.

**Abans Holding Ltd – Q4FY24 Concall KTAs**
**CMP: INR 450 | Market Cap: INR 22,556 Mn**

**Outlook**

**The management provided an optimistic outlook for the company, highlighting the strong performance of its Global Arbitrage Fund, which grew by 80% this year. The company also received regulatory approvals to operate as an investment manager for alternative investment funds in India and is working towards expanding its Global Arbitrage Fund to the US market. Additionally, the company is focusing on increasing its fee-based income through asset management, advisory services, and lending operations, aiming to make it a 75% fee-based earning business. Overall, the management expressed confidence in the company's growth trajectory, driven by its strategic focus on the asset management business and expanding its product offerings.**

Financial Performance

- Consolidated revenue grew by 18.5% YoY to INR 13,780 Mn in FY24 and decline by 56% YoY to INR 2,520 Mn in Q4FY24.
- EBITDA increased by 74% YoY to INR 1,500 Mn, with EBITDA margins at 11% in FY24 and up by 42.3% to INR 370 Mn, with EBITDA margin at 14.68% in Q4FY24.
- In FY24, net profit rose by 27% YoY to INR 890 Mn and decline by 8.7% to INR 210 Mn in Q4FY24.
- Assets under management (AUM) grew from INR 16,650 Mn in March 2023 to INR 25,000 Mn in March 2024, primarily due to the performance of the Global Arbitrage Fund and acquisition of a portfolio management service (PMS) firm.

Strategic Focus

- The company aims to transform into an operational entity from a holding company by leveraging its regulatory approvals.
- Emphasis on increasing fee-based income from asset management, advisory services, and lending operations, targeting a 75% fee-based earning business.
- Expansion of the Global Arbitrage Fund to the US market by initiating the regulatory process.
- Received approval from SEBI to operate as an investment manager for alternative investment funds (AIFs) in India.

Growth Prospects

- The management expects consistent growth, driven by the increasing focus on fee-based businesses and growing assets under management.
- The Global Arbitrage Fund is expected to maintain a strong growth trajectory, with plans to access US investor funds after securing regulatory approvals.
- The company plans to explore opportunities in the remittance business by replicating its licenses in different countries.
- No plans for equity dilution in the next 12 months, as the company is comfortable with its current capital position.

Risk Management
- The Global Arbitrage Fund maintains a net exposure close to zero, mitigating risks associated with spread fluctuations.

- The company reported a Sharpe ratio of 3.12 for the Global Arbitrage Fund as of April 30, 2024.

Employee and Finance Costs
- Employee costs increased due to new hirings in different parts of the world, as well as the issuance of ESOPs and performance incentives.
- Finance costs rose due to full-fledged operations and the company's trading strategies involving borrowings against instruments like government securities.

Regulatory Approvals
- The company has received approval from SEBI to operate as an investment manager for AIFs in India.
- It is in the process of obtaining regulatory approvals, such as the Commodity Pool Operator license, to access US investor funds for the Global Arbitrage Fund.

Other Highlights
- The company has applied for a mutual fund license and plans to run its own commodity ETFs, leveraging its expertise as a supplier of underlying commodities like gold and silver.
- It has entered into a tie-up with SMC Global for the distribution of its financial products, leveraging SMC's sales team to reach a wider audience.
- The management sees significant growth potential in the remittance business by replicating the license in different countries and onboarding clients from various industries.

**Niyogin Fintech Ltd – Q4FY24 Concall KTAs**
**CMP: INR 73 | Market Cap: INR 6,952 Mn**

**Outlook**

**The company initially guided for INR 5,000 Mn in gross revenue and INR 500 Mn in EBITDA, expecting INR 4,000 Mn from the lending business (with an AUM of INR 4,800-5,000 Mn) and INR 1,000 Mn from non-lending activities.. The company is targeting a 10% EBITDA margin based on the earlier INR 5000 Mn revenue guidance. Non-GTV revenue streams like Soundbox and device management programs are anticipated to yield higher gross margins compared to the GTV-based business. Additionally, the SuperSCAN acquisition is expected to contribute significantly with high operating margins due to the absence of revenue sharing. For the Soundbox business, capital expenditure may be necessary if the company decides to supply devices and handle logistics. Nevertheless, if banks prefer rental models, the capex can be minimized with financing provided by the NBFC arm.**

Financial Performance

•Revenue from operations (excluding devices) stood at INR 476 Mn in Q4 FY24, up 41% YoY and down 5% QoQ.

•The company achieved adjusted EBITDA break-even in Q4 FY24, driven by improving economics of the lending and distribution business.

•Gross transaction value including payouts was INR 1,10,340 Mn in Q4 FY24, down 2% QoQ and up 90% YoY.

Business Overview

•Niyogin Fintech operates on a tech-centric platform-based model offering banking as a service to its subsidiary iServeU.

•It also offers credit solutions to rural and urban areas through a partnership-led strategy, collaborating with local enterprise partners.

•The revenue model revolves around transaction fees or commissions earned on transactions processed through their platform.

Strategic Initiatives

•Niyogin Fintech signed a definitive agreement to acquire SuperSCAN, an AI-enabled toolkit for conversion of unstructured data to structured input, from Orgo.ai.

•SupersCAN will help Niyogin provide value-added services to BFSI customers by reducing KYC costs and streamlining credit infrastructure costs.

•The company secured a contract to provide a Soundbox platform supporting nearly 500,000 Soundboxes for a leading PSU bank.

•It also secured a device management program to deliver devices loaded with its technology for another leading bank.

Lending Business

•The company's AUM grew by 13% YoY to INR 1,790 Mn in Q4 FY24, driven by a partnership-led approach.

•The FinTech channel now contributes nearly 45% of the AUM mix, up from 20% since its launch in October 2023.

•Niyogin Fintech is exploring complimentary inorganic growth opportunities at potentially attractive valuations.

Platform Capabilities

•Niyogin has built an API-first lending platform that allows partners to integrate seamlessly and provide lending capabilities through their networks.
•It has integrated with over 30 lenders to create a loan distribution marketplace.

Partnership Model

•Niyogin follows a partnership-led approach, leveraging the distribution networks of local enterprise partners to reach MSME customers cost-effectively.
•It has onboarded partners like Khatabook, Soch, Fatakpay, and Capital Trust, integrating its lending platform with their customer networks.
•The loss rates on loans originated through these partnerships have been below 1%, aided by the 5% FLDG allowed by RBI.

Acquisition Details (SuperSCAN)

•Niyogin will pay an initial amount of INR 80 Mn in cash and a maximum deferred consideration of another INR 80 Mn, depending on performance.
•The company has formulated clauses for business incentivization and reward mechanisms to safeguard against attrition of critical resources from the SuperSCAN team.
•The acquisition will be housed in a newly incorporated subsidiary, Niyogin AI Private Limited, to aid transparency and simplicity in financial reporting.

Subsidiary Performance

•iSU, the subsidiary, saw some recovery of provisions amounting to INR 12 Mn in Q4 FY24, indicating an improvement in the prevailing issues.
•On a standalone basis, iSU turned profitable in Q4 FY24, despite a sequential contraction in topline.
•Device sales witnessed a significant uptick of INR 37 Mn in Q4 FY24.

Other Highlights

•The company's professional network increased by 13% YoY to 5,884 as of March 31, 2024.
•Transaction volumes stood at nearly INR 30 Mn in Q4 FY24, compared to INR 42 Mn in Q3 FY24, resulting in an average transaction size of INR 3,678.
•For FY25, Niyogin plans to raise an additional INR 2,000 Mn , with INR 1,000 Mn expected from existing lenders and the remaining INR 1,000 Mn from new lenders, NBFCs, or through creative funding options.

**LIC Housing Finance Ltd – Q4FY24 Concall KTAs**
**CMP: INR 653 | Market Cap: INR 3,59,163 Mn**

**Outlook**
**LIC Housing Finance is optimistic about its prospects in FY25. The management expects double-digit growth in disbursements and loan portfolio, driven by a steady demand scenario for housing loans and the company's renewed focus on operations post the transformational changes last year. The net interest margins are anticipated to remain in the range of 2.7% to 2.9%, with the delivery expected towards the higher end of the range. The company aims to maintain its cost efficiency, with the cost-to-income ratio projected to be around 13-13.5% in FY25. It has a continuous emphasis on recoveries and resolution of stressed assets and is expected to further improve the asset quality, building on the significant reduction in delinquencies achieved in FY24.**

Financial Highlights
* Revenue from operations stood at INR 69,364 Mn in Q4FY24 up by 8% YoY & INR 2,72,282 Mn in FY24 up by 20% YoY.
* PAT was at INR 10,908 Mn in Q4FY24 down by 8% YoY & INR 47,654 Mn in FY24 up by 65% YoY.
* Company’s loan portfolio stood at INR 28,68,440 Mn, up by 4% YoY.
* Total disbursements in Q4FY24 were INR 1,82,320 Mn up 14% YoY, with individual housing loan disbursements at INR 1,43,000 Mn up by 15% YoY.
* Net Interest Income (NII) grew by 12% YoY to INR 22,370 Mn in Q4FY24.
* Net Interest Margin (NIM) stood at 3.15% in Q4FY24 as compared to 2.93% in Q4FY23.
* The company declared a dividend of INR 9 per share.

Asset Quality
* The company’s stage 3 Exposure at Default (EAD) stood at 3.31% in FY24 as compared to 4.37% in FY23.
* The company made technical write-offs of INR 10,806 Mn during Q4FY24 and INR 20,056 Mn during FY24.
* The company's continuous focus on recoveries led to a significant and consistent reduction in delinquency levels during FY24.

Funding and Cost of Funds
* The company’s overall cost of funds increased by 13 bps during FY24 from 7.63% to 7.76%.
* Its Incremental cost of funds for FY24 stood at 7.84% and 7.90% for Q4FY24.
* The company renegotiated outstanding borrowings to manage interest expenses and keep them flat QoQ.
* Segmental Performance
* The company’s Individual Home Loans (IHL) had a Stage 3 ratio of 1.48% in Q4FY24 as compared to 1.71% in Q3FY24.
* Its non-housing corporate loan book had a Stage 3 ratio of 30.65%.

Asset Recovery
* The company is exploring to sell some stressed assets to asset reconstruction companies (ARCs) as a resolution strategy. A test case of selling a large account to ARCs is underway.
* The company's  technical write-off pool currently stands at around INR 40,000 Mn.
* The company's management overlay provisions of INR 17,000-18,000 Mn have been made over the model ECL provisions as a buffer.

Challenges Faced
* The company faced some operational challenges in H1 FY24 due to technological changes and expansion of organizational structure, including opening new marketing offices and credit appraisal clusters.

Management Changes
* The company appointed 5 new General Managers and 4 new Regional Managers mostly from the parent company LIC to replace outgoing senior personnel.

Other Highlights
* The company's interest rates were at elevated levels in Q4 FY24 due to tight liquidity control by RBI.
* During the quarter, its employee expenses were higher due to one-off provisions for wage revision arrears (INR 320 Mn) and gratuity calculation change (INR 220 Mn).

**Rane Holdings Ltd – Q4FY24 Concall KTAs**
**CMP: INR 1,260 | Market Cap: INR 17,990 Mn**
**Outlook**
**They anticipate no growth in the tractor segment for the current year based on customer outlook. However, Rane Madras' margins are expected to improve gradually, contingent on a pickup in demand from the tractor and M&HCV segments. Rane NSK's margins are likely to remain under pressure for the next two years, with a gradual improvement anticipated once new businesses with better margins commence production from 2026 onwards. The group plans to invest around INR 10,000 Mn in capital expenditure over the next three years. Investments of around INR 2,600 Mn have already been made in inflator and webbing plants at ZF Rane under the PLI scheme, aimed at margin improvement through backward integration. The group continues to prioritize operational improvement and cost-saving initiatives. Additionally, capacity expansion and a new plant setup are underway for Rane Madras in Mexico, with revenue generation expected from the second half of 2025.**

Financial Highlights
• Consolidated Total revenue stood at INR 8,744 Mn in Q4FY24 down by 7.8% YoY & INR 35,4440 Mn in FY24 up by 0.2% YoY.
• Consolidated EBITDA stood at INR 876 Mn in Q4FY24 down by 23.4% YoY with margins at 10% & INR 3,356 Mn in FY24 down by 3.7% YoY and margins at 9.5%.
• Consolidated PAT was at INR 384 Mn in Q4FY24 up by 576.5% & INR 1496 Mn in FY24 up by 71.4% YoY.
• Consolidated revenue from domestic OEM customers grew by 9%, while international revenue increased by 4%

Business Highlights
• Company's Rane Madras (steering and linkage business) was impacted by the drop in passenger car and farm tractor segments, but export sales grew by 10%.
• Its Rane Brake Lining business achieved its highest sales driven by strong growth across all market segments with a 105 bps improvement in EBITDA margin.
• The company's joint venture with ZF (Rane ZF) benefited from evolving safety regulations in India, with the occupant safety business growing by 20%.

Merger Update:
• Rane Group has announced the merger of its three operating entities to create a larger company. This will serve as a strong platform for future growth.
• Benefits expected from the merger include cost savings (reduced listed company costs, compliance costs, etc.), stronger combined balance sheet, tax benefits, operational synergies, and ability to cross-sell products.
• The merger process is underway and is expected to be completed in the next few months.

Strategic Initiatives
• The company announced the merger of its operating entities to create a larger company, aiming for synergies and better financial strength.
• Rane ZF venture acquired 100% of TRW Sun Steering Wheel Private Limited to provide comprehensive occupant safety solutions.
• The company plans to invest around INR 10,000 Mn over the next three years in capacity expansion and operational improvements.

Rane Madras

• Company’s Rane Madras business export sales grew 10% despite a drop in the off-road vehicle segment in the US and Light metal casting business in India witnessed 18% growth in exports.

• It has also won new business worth over INR 5,000 Mn across products and customers.
• Rane Madras business EBITDA margin declined due to lower capacity utilization and one-off provisions.
Rane Engine Valve
• Company’s Rane Engine Valve business achieved the highest ever sales driven by domestic, aftermarket and export growth.
• Rane engine valve business is focusing on expanding EV-related sales like power generation applications
• Its EBITDA margin improved by 157 bps aided by operational efficiencies.
Rane Brake Lining
• Company’s Rane Brake lining business aftermarket customer sales grew 6% and export sales were up 33%.
• Its operational improvements and energy savings helped offset cost inflation and capital investments in equipment helped enhance competitiveness.
Rane NSK Steering Systems
• Company’s Rane NSK Steering systems business had 14% revenue growth led by strong offtake in the electric power steering segment.
• Rane NSK steering systems won new orders worth INR 5,500 Mn across customers.
• Its EBITDA was impacted by unfavorable product mix.
Other Highlights
• The company is evaluating new EV-related product opportunities and has initiated backward integration for inflators and webbing at ZF JV to improve margins.
• Company’s Mexico steering plant is on track for production from the second half of 2025.
• The company is working on cost reduction initiatives across businesses and debt reduction on a priority post-merger.
• Aftermarket growth has been unsatisfactory in the last 12-15 months, especially for segments like M&HCV and passenger cars.

**ICRA Ltd| Q4FY24 Concall KTAs**
**CMP INR 5358 |Market Cap INR 51.77 Bn**

**Bond issuances are likely to benefit from competitive funding costs domestically, which may additionally be supported by a possible rate cut by RBI later in FY25. Growth in the AUMs of NBFCs and HFCs expected to support the demand for securitisation. Bank credit growth may face some headwinds with higher risk weight for certain high growth consumption segments as well as elevated credit to deposit ratio.**

Financials
•Revenue from operation stood at INR 1240 Mn in Q4FY24 (14% YoY). In FY24 revenue stood at INR 4461 Mn (11% YoY). PAT stood at INR 471 Mn in Q4FY24 (22%YoY) in Q4FY24. FY24 PAT stood at INR 1522 Mn (11% YoY).

Operating Highlights
•Ratings business grew by 12% YoY while the analytics business grew by 8.6% YoY.
•ICRA's rating accuracy metrics, namely the cumulative default rate and rating stability, have been improving consistently over the past few years.
•The number of instances of defaults dipped to 5 in FY24 as compared to 22 in FY23 and 42 in FY22.
•The severity of rating actions reduced to 0.7% in FY24 from 1.4% in FY23 and 2.3% in FY22.

Analytics Business
•Knowledge services, biggest vertical continued to drive company's growth, although inflationary pressures continued company expanded its value added services.
•Company to remain focus on business transformation, data analytics and technology services.
•In knowledge services company sees headwinds driven by drive for automation solutions.
•Company has expanded its coverage with newer services like stress testing and has entered into tie up with global data providers like FactSet, Bloomberg and Moody's analytics.
•Risk management segment saw a robust growth driven by increasing spends from banks on the risk management solutions.

Highlights
•Company expects a GDP growth of 6.5% in H1FY25 and improving to 7.2% in H2FY25, backed by government capex, improved rural demand if monsoon turns out to be favorable and some pickup in export growth.
•Bank credit outstanding and bond issuances grew by 16.3% and 17.2% YoY respectively in FY24, as overall cost of borrowing in the global market remained elevated and large corporates preferred to borrow domestically.
•Commercial paper outstanding grew 9.9% YoY as securities firms issued commercial paper to fund their working capital requirements and margin trading facility.
•Securitization volumes are estimated to have grown by ~ 25% excluding the impact of a large HFC that exited.

•Company sees strong demand from D2K Technologies on all three verticals on credit monitoring, regulatory reporting and data management.
•Company has automated solutions in the internal risk scoring system as well as the ECL systems, and has also upgrade to a newer version of internal risk solutions called IRS3 which has received very strong acceptance from the market.
•The management is focused on improving margins in the rating business, and this area will continue to be a key focus for the company.
•Employee count stood at 1500 of which bulk would be in rating and the balance would be of non-rating.
•Ratings business is range bound in terms of growth as it is a regulated business. Company intend to have a diversify business portfolio and is consistent in growing non ratings business.

**UTI Asset Management Company Ltd – Q4FY24 Concall Highlights**

**CMP INR 978 | Market Cap INR 124.48bn**

**The industry is seeing a massive inflow of substantial investors in the financial ecosystem as the mutual fund industry is reinforcing itself. With expanding presence in International and Tier II and III cities, introduction of new funds and digital and technological advancements, UTI AMC are well positioned for the change.**

**Guidance:**

* Employee cost could be 100-150bps higher in International business than the standalone business in FY25.

* Tax rate to be in 22-23% range in FY25.

* Dividend payout expected to be in similar range in FY25.

**Key highlights:**

* Group AUM stood at INR 18,483.3bn, increasing by 18.79% YoY.

* Revenue for the year stood at INR 17.37bn, increasing by 37% YoY. For Q4FY24, the revenue was INR 4,160mn (up 37% YoY, down 7% QoQ).

* PAT for the year was INR 7,660mn, increasing by 75% YoY. Q4FY24 PAT stood at INR 1,630mn (up 90% YoY, down 12% QoQ)

* The company proposed final dividend of INR 24 and special dividend of INR 23, taking the total to INR 47.

* The ratio of equity oriented QAAUM and non-equity oriented QAAUM is 78:22 vis-à-vis industry ratio of 70:30.

* Yield improvements seen across all categories of the fund. Additional trail commission stopped in Q4 which lead to improvements in yield.

* Management fee has seen some increase on account of overestimation of commission.

* Employee costs increased by 10% YoY as there was a one time expense of gratuity along with high insurance cost. Employee cost in UTI International rose as the company is expanding its business in Europe and North America. Paris office may not see any additional expenses in relation to this.

* 29 new branches were opened during the year in Tier II and III cities as they continue to expand their presence in smaller cities.

* Retirement solutions business received point of presence approval from PFRDA and NOC from SEBI.

* The company's market share for gross sales for FY24 was at 7.79%.

* Equity quarterly AUM grew 20% YoY.

* SIP inflows in Q4FY24 grew by 5% YoY to INR 17,720mn.

**Digital presence:**

* UTI continues to improve its digital presence and have launched their new website. All digital assets of UTI MF are merged into digital platform, UTI HUD.

* Introduced robo-advisory capabilities covering goal planning and implemented three in one services digital KYC process and virtual desktop infrastructure for secure access.

* Digital purchase transactions rose to 126.54 lakh in count, an increase of 9.24% as against year ended 31st March 2023.

**International presence:**

* UTI International received license from the French regulator for business operations in Europe through their Paris office.

* UTI Investment America Ltd have been restored by SEC. They plan to start operations in USA.

**Expansion plans:**

* The company plans to target new generation investors who look at index funds, leading to improvement in SIPs.

* There are plans to launch multi cap fund in FY25. The company is also actively looking to further innovate on passively managed fund and thematic funds. As and when the market cycles and timings are right, the company will launch these products.

* The company is heavily investing in international business and expect to see yield improvements further. They also plan to launch new funds while also promoting Innovation and Private Real estate fund.

* The company is deepening their relationship with top thousand MF distributors and are looking to increase their physical and digital presence.

* Current live Folios are at 1.24 crore and the management is confident that they will be able to add more SIP folios as well as normal folios.

* The company plans to launch new funds, including UK Credit Opportunities fund and UK Asset Reconstruction Opportunity fund.

**Utkarsh Small Finance Bank Ltd. - Q4FY24 Concall KTAs**

**CMP: INR 59 | Market cap: INR 65,374 Mn**

### Outlook

**In FY25, the company expects the Net Interest Margin to moderate to around 9.4-9.5%, with a target loan growth of about 30%. They anticipate deposit growth to exceed loan growth by 3-5%. The company aims to maintain nil NPAs and a credit cost of around 2%. They target an ROA of more than 2% and an ROE exceeding 18% for the same period. The cost-to-income ratio is expected to range between 54-57% in FY25. Additionally, in FY25, the focus will be on establishing rural housing and micro-housing finance verticals.**

### Financial Highlights

- Net Interest Income stood at INR 5,400 Mn in Q4FY24, up by 32% YoY. For the FY24, it amounted to INR 18,860 Mn, reflecting a growth of 23%.

- PAT stood at INR 1,600 Mn, up by 19% YoY, and for the full year FY24 stood at INR 4,980 Mn, up by 23%

- The loan portfolio experienced a growth of approximately 31% in FY24, aligning closely with the expected 30% growth, while the micro-banking loan portfolio expanded by around 23% during the same fiscal year.

- The bank has started paying dividends from FY24, becoming a dividend-paying company.

### Asset Quality

- Gross NPAs declined by 50 bps during Q4 FY24 to 2.51% while the Net NPAs were at 0.0% as of March 24.

- The company's Collection efficiency for micro-banking loans has improved to 97.6% in Q4 FY24, in line with the guidance of 97-97.5%.

### Liability Franchise

- Retail term deposits grew by 42.9% YoY, while bulk term deposits saw an increase of 12.3% YoY.

- CASA ratio stood at 20.5% as of March 2024, with plans to strengthen CASA deposit growth and CASA percentage in FY25.

- The institution maintained a comfortable liquidity position with surplus liquidity of around INR 25,000 Mn at the end of March 2024.

**Product Strategy**

- They will continue to focus on the MSME segment, particularly on loan sizes ranging from INR 2.5 to 5 Mn. Additionally, housing loans are currently concentrated in the average ticket size segment of INR 2 Mn to 2.5 Mn.

**Geographical Presence and Expansion**

- The company has opened 58 new branches during FY24, taking the total to 888 branches.

- Their core geographies include Uttar Pradesh, Bihar, and Jharkhand.

- They plan to leverage their existing footprint in these states for products such as housing and MSME lending. New branches will primarily be added in the core geographies initially.

**Technological Initiatives**

- The company has implemented digital onboarding processes for both loans and savings accounts.

- They leverage tools like e-KYC, e-signatures, QR code-enabled digital collections, and micro-ATMs to streamline operations and boost efficiency. Additionally, they have adopted a cutting-edge lead management system (LEMS) to foster cross-selling avenues and optimize sourcing workflows.

**Business Banking/Secured SME Lending**

- In Q4 FY24, the bank disbursed close to INR 1,000 Mn across MSME, housing, and CV loans, which is almost 50% higher than the quarterly disbursement in FY23 for these three products combined.

- All SME loans are backed by hard collateral by 100% or more. They aim to achieve a growth rate of 40-50% in this segment for FY25.

- For MSME lending, the bank is focusing more on the lower end of the MSME segment, with ticket sizes ranging from INR 2.5 Mn to INR 5 Mn The average ticket size for MSME loans is around INR 40-50 Mn.

**Other Highlights**

- The merger plan between Utkarsh and Utkarsh Core Invest is expected to take 12-15 months to complete.

- They are directed by the board to establish a 2% floating provision on the JLG book.

- Their expansion plans for FY25 include opening 150 new branches, comprising 50 for general banking and over 90 for micro-banking.

**Shriram Finance Ltd | Q4FY24 Concall KTAs**

**CMP- INR 2499 | M.cap- INR 938,960mn**

**Co. exhibited robust operational performance in Q4FY24, with significant YoY disbursement growth, resulting in a 26% increase in AUM. Notably, NII grew by 20% YoY, while PAT soared by 48.73%. Sriram Housing Finance Limited also reported substantial disbursement and PAT growth. The company maintains a strategic focus on high-yielding assets to sustain a 9% margin and aims for a 2% credit cost in the long term. Additionally, efforts towards product development include expanding branch networks for specific products like gold loans and SMEs.**

**Operational performance**

- Disbursement growth 26.64% YoY, 4.07% QoQ.
- INR 393260mn disbursement in Q4FY24. AUM as at 31st march 24, 21% YoY growth stood at INR 2,24,8619.8mn.

- NII for Q4FY24 grew at 20%YoY and stood at INR 5336060mn with 9.02% NIM margin.

- PAT for Q4FY24 grew by 48.73% YoY. EPS for quarter stood at INR 51.79. credit cost- 2.06% for qtr along with 26% cost to income ratio.

**Sriram Housing Finance Limited**

- 76% disbursement growth for Q4(YoY) at INR 23014.9mn. 137610mn AUM at end of Q4FY24. PAT growth of 67.1% in Q4 FY'24 (YoY). Q4 NII at INR 960mn. EPS of INR 1.42

**Debt**

- Total debt as of March '24 stands at INR 1858450mn, broken up into term loans which is 24%, securitisation which is 15.5%, external
- commercial borrowing both from the bond and the loan group at around 15%, capital market borrowing at 20% and fixed deposit at 24%.
- Cost of debt 5 bps increase this qtr and 19bps increase on YoY basis.
- Leverage ratio at 3.83x and lcr ratio 195.55%.

**Product Mix**

Management believes cost of funds to be maintained and not go up above 9%. Focus in product mix is on high yielding assets with the intent to maintain 9% margin.

**AUM growth guidance**

Election will slow down credit demand. capex to slow down till election. slow growth expected in first qtr. focus on high yielding products. Company is focussing on growing the bottom-line rather than increasing the topline.

**Credit cost :** 2% long term guidance.

**Product Development**

- All products will not be available in all branches. 900 branches added for gold loan and 600 branches for SME. commercial vehicle largest segment of portfolio. Cv to grow at 11-12% expectation. For the
- AUM to grow at 15%, other products other than CV will have to grow at 20%.
- ROE expected to cross 17%,and by FY26 reach 18%.
- Deposit rate for FD incresed by 5-10 bps. 805 cr bad debt and 456 incremental provisioning recorded.

**Employee Recruitment**

- Only hiring for replacement employees who are on notice period.
- Good rural demand expected from Q2,

**Macro**

- India's GDP expanded 8.4% in Q3FY24 which exceeded expectations. Govt has revised GDP growth forecast for year ending march 24 to 7.6%. Under the interim budget, there is an 11% annual rise in capex for FY25. Retail inflation is at 2.85%.
- RBI estimates GDP for 7% growth in FY25 while retail infaltion to be 4.5%. IMD had predicted above normal monsoon thereby raising hopes for farm sector. Rural demand has picked up from Q2 FY24. Strong uptick in 2 wheeler and tractor sale in rural area.
- GST collection for March 24 rose 11.5% on annual basis. Q4FY24 has been good for automobile industry. 9.68lakh commercial vehicles sold for full year showcasing flatish growth.
- Passenger vehicle seen significant growth, 8.4% growth annual. 24.9% in Q4(YOY) growth in 2 wheeler segment. Construction equipment 23.77% growth in sales for full year.

**Bajaj Finserv Ltd – Q4FY24 Concall KTAs**

**CMP INR 1595 | Market Cap INR 2.54 trn**

**OUTLOOK**

**We remain positive on the long-term performance of the company. They have displayed a healthy performance during the quarter. Further, the board has approved acquisition of Vidal health care services, 100% stake for INR 3.25 bn, which will help accelerate Finserv Health's growth in the healthcare payment spectrum.**

**Guidance**

* Combined ratio is expected to improve going ahead.

* The company intends its premium to grow faster than industry going ahead in insurance business.

* It will be adding more branches in tier-2 and tier-3 cities.

**Highlights**

* Bajaj Finance Ltd has displayed a good performance in terms of AUM and premium growth during the quarter.

* Margins have declined by 21 bps QoQ, due to change in AUM mix and some rise in funding cost.

* The company added 1.45 crore new customers in FY24 v/s 1.16 crore addition in previous year, and 32 lakhs in Q4FY24 v/s 38 lakh YoY.

* Total cross sell franchisee for the company stood at 5.1 crore in terms of number of customers.

* In Q4 FY24, the company added 53 new locations and 7,700 new distribution points.

* Bajaj Alliance General Insurance reported gross direct premium income growth of 32.3% YoY as compared to industry growth of 10.9% YoY and private players growth of 12.4% YoY.

* Motor business growth was muted as company focused on profitable mix.

* Within AMC business the company had total AUM of INR 95.22 bn as on Q4FY24.

* Bajaj allianz life insurance limited reported new business premium growth of 20% YoY growth to INR 39.53 bn for Q4FY24.

* Persistency (13th month) improved from 83.2% to 84.3% for FY24 while 61st month persistency also improved to 51.7% versus 49.9% a year ago.

* The company board has approved acquisition of ‘Vidal health care services’, 100% stake for INR 3.25 bn.

**RBL Bank Q4FY24 Concall Highlights**

**CMP INR 266 | Market Cap INR 161 bn**

**OUTLOOK**

**Bank posted healthy performance during the quarter. NIMs were down, led by the rising cost of funds. We remain positive on the stock.**

Guidance

* Loan book is expected to grow by around 20% in FY25.

* Cost-to-income is expected to go below 60% in medium term.

* Management has given a ROA guidance of around 1.4% to 1.5% by FY26.

Highlights

* In Q4FY24, credit growth for the bank stood at 19.6% YoY and 5.1% QoQ to INR 839.87 bn. It is expected to be around 20% in FY25.

* Deposit growth for the quarter stood at 21.9% YoY and 11.6% QoQ to INR 1034.94 bn in which CASA deposits were up 12.9% YoY and 16.2% QoQ.

* CASA ratio declined 240 bps YoY but was up 140 bps QoQ to 35.2% in Q4FY24.

* The asset quality performance was healthy as GNPA/ NNPA ratio declined 47 bps/ 6 bps QoQ to 2.65%/ 0.74%, respectively. On a YoY basis as well NPA ratios declined.

* Slippage during the quarter increased from INR 6.66 bn in Q3FY24 to INR 6.80 bn in Q4FY24.

* NIMs was down 7 bps QoQ and 17 bps YoY to 5.45% and was impacted by 8 bps sequential rise in cost of deposits. NIMs are expected to remain at current levels.

* Operating expenses increased at a slower pace than the revenue growth and as a result cost to income ratio declined 290 bps QoQ and 660 bps YoY to 64.2%.

* Own sourcing mix in credit card segment is expected to rise.

* It plans to add 3 new co-branded credit cards in coming quarter.

* Provisions during the quarter were down 9.7% QoQ but were up 76% YoY. Credit cost to be around 2% range going ahead.

**Aditya Birla Sun Life AMC Q4FY24 concall KTAs**

**CMP: INR 556 | Market Cap: INR 160 bn**

**OUTLOOK**

**During the year, the revenue and the net profit of the company improved on a YoY basis, led by AUM growth and mark to market gains on investments. Further, they witness strong growth in the SIP flows during the quarter. We remain positive on the long term performance of the company.**

Industry Highlights

* QAAUM for Q4FY24 grew by 33.5% YoY & 10% QoQ at INR 54.1 Lakh crore.

* The SIP flows continued its growth trajectory, witnessing an inflow of INR 193 bn in March 2024 as compared to INR 143 bn in March 2023.

* Net flows for the year stood at INR 3.5 lakh crore. The largest contributor to the net flows were actively managed equity-oriented funds as it stood at INR 2.4 lakh crore in FY24, recording a growth of 50% on a YoY basis.

Highlights

* The company's total QAAUM including alternate assets was at INR 348 bn for Q4FY24. Its mutual fund QAAUM stood at INR 3317 bn, recording a growth of 21 YoY.

* The growth in the total revenue in Q4FY24, was in line with the AUM growth and on account of mark to market gains on investments.

* The employee benefit expenses increased by 6% YoY on account of bonus payments.

* B-30 monthly AAUM was INR 578 bn for March 2024. B-30 mix was at 17.5% of total AUM.

* During the year, the company added 11 lakh new folios, taking the total number of folios to 85.9 lakhs as on 31st March 2024.

* 5,96,400 new SIPs were registered in Q4FY24. There was a growth in registration both on a YoY and sequential basis by 125% & 154%, respectively.

* As on 31st March 2024, the yields in the various asset's classes stood at: equity 68 bps, 23-25 bps debt, 12-13 bps in liquid.

**Motilal Oswal Financial Services Ltd – Q4FY24 KTAs**

**CMP INR 2557 | Market Cap INR 387 bn**

**Growth momentum continues**

**OUTLOOK**

**The capital markets segment has displayed a robust performance during the quarter and is expected to grow further going forward. The outlook for Investment banking looks promising with a strong pipeline for FY25. In the wealth management business, company aims to double its gross sales in FY25 led by strong traction in existing products and launch of new products. Further, the board has recommended issuance of 3 bonus shares on 1 fully paid-up equity share. We remain positive on the stock.**

**Capital Markets**

* The segment demonstrated a robust performance during the year, reporting a revenue of INR 32.35 bn, up by 37% YoY, thereby strengthening its retail market position in cash and F&O segment.

* In Q4FY24, the company witnessed growth in average daily turnover stood at INR 7.2 lakh crore (+26% QoQ/ 122% YoY). The premium market share of retail F&O also improved by 55 bps QoQ/ 214 bps YoY to 8.7%.

* During the quarter, average revenue per user stood at INR 30,130 and brokerage ARPU was INR 24,022.

* NSE active clients grew on a sequential basis to 8.8 lakhs as of March 2024. However, the market share declined to 2.1% during the quarter.

**Investment Banking**

* Investment Banking business executed 17 deals with total fund raise of INR 191 bn in FY24.

* Revenue for FY24 stood at INR 1.04 bn, up 232% YoY. Pipeline of signed mandates provide strong growth visibility for FY25.

* The PBT margin in this segment improved by 300 bps on a YoY basis to 48%.

**Wealth Business**

* The management aims to double its gross sales in FY25 led by strong traction in existing products and launch of new products.

* It added 10 lakhs new SIPs in FY24. They witnessed market share gains, on account of top quartile performance across schemes.

* The wealth management business AUM grew by 78% YoY/ 11% QoQ to INR 1236.45 bn as on 31st March 2024.

* They added 177 Wealth RMs in FY24, taking the total wealth RM count to 343 as on 31st March 2024.

**Housing Finance**

* Motilal Oswal Home Finance Ltd reported a profit of INR 1.29 bn in FY24, flat on a YoY basis.

* NII grew by 5% YoY to INR 3.12 bn and NIMs stood at 7.6% in FY24.

* The yield on advances stood at 14.2% in FY24, up by 30 bps YoY with the spreads maintained at 5.9%.

**SBI Cards and Payment Services Ltd Q4FY24 Concall KTAs**

**CMP: INR 750 | Market Cap: INR 7,13,606 Mn**

**Subsequent to industry-wide credit stress witnessed in recent quarters, the company has implemented various measures to manage its credit costs effectively. The management's guidance reflects a guarded approach, targeting moderate new card acquisitions in the next couple of quarters while expecting growth in retail spends and NEA of around 23-25% in FY25. SBI Cards' strong liquidity position, healthy capital adequacy, and ongoing investments in technology and security posture further improve its positioning.**

**Financial performance**

- Total revenue for FY24 was INR 1,74,840 Mn, marking a 22% YoY growth. PAT for FY24 was INR 24,080 Mn, a 7% increase YoY.

- In Q4FY24, ROAA was 4.7%, a decrease from 5.4% in Q4FY23. ROAE also decreased to 22.2% in Q4FY24, down from 24.6% in Q4FY23.

- Gross NPA improved to 2.76% in Q4FY24 from 7.5% in Q3FY24.

**Cost and Margins**

- The cost of funds rose to 7.4% in Q4FY24, up by 20 bps due to increased risk weights on bank borrowings.

- NIM for FY24 was 11.3%, and 10.9% for Q4 despite higher funding costs.

- The management expects NIM to remain stable around current levels, with any marginal increase in cost of funds being transmitted to asset yields.

- Cost to income ratio improved to 31% in Q4FY24 and is projected to be in the range of 58-60% for FY25.

- The company has implemented various measures like credit line decreases, intensive collection efforts, and offering flexible payment plans to manage credit costs.

- Credit costs for FY25 are expected to remain elevated at around 7%.

**Business highlights**

- SBI Cards market share in CIF was 18.6% and 17.8% in spends during FY24.

- SBI Cards raised INR 12,750 Mn through Tier-2 bonds to boost its capital adequacy ratio. Liquidity ratio stood at 105%.

- New customer acquisition has been managed selectively, aiming to maintain volume between 1 to 1.5 Mn per quarter for the next two quarters.

- Strong growth in both cost and online spends across various categories such as departmental stores, health, utilities, education, travel, and entertainment.

- Online spends made up 58% of total retail spends in FY24. The retail spends active rate was over 50% during FY24.

- B2B spends that were halted from mid-February due to new guidelines are expected normalization by mid-FY26 as vendors are getting set up as merchants by acquiring banks.

- Introduced UPI functionality on SBI RuPAY credit cards, enabling transactions via UPI apps.

- Launched co-branded cards with Reliance Retail and Titan. The Reliance SBI card crossed the milestone of 1 lakh cards since its launch.

- Corporate spend contributes around 1.9-2.1% of the total spend value as interchange income. The reduction in corporate spend in Q4 impacted both fee income (interchange) and operating expenses.

- The company is betting on UPI for transaction fee income growth. For RuPay UPI customers, the average spend per customer is around INR 13,000 per month on UPI and a similar amount on cards.

- The company is providing restructuring options to stage 3 NPA customers by converting dues into EMIs for up to 12 months, allowing them to pay based on their cash flows.

**L&T Finance Holdings Ltd- Q4FY24 Concall KTA's**

**CMP: INR 169 | Market Cap: INR 407 bn**

**OUTLOOK**

**Company displayed healthy performance during the quarter. Further, they have revised their FY26 guidance, since they achieved their last guidance in Q3FY24. We expect the company's growth momentum to continue in coming quarters. We remain positive on the long term performance of the company.**

**Guidance for FY26**

* Upward revision of retailisation mix from 80% to 95%. It came at 94% during Q4FY24.

* Company had given a retail growth guidance of 25% CAGR. Retail growth was at 31% YoY in Q4FY24.

* Q4FY24 consolidated asset quality with Gross Stage 3 at 3.15% and Net Stage 3 at 0.79% v/s the targeted GS3 of <3% and NS3 of <1%, respectively.

* Consol ROA came at 2.19% in Q4FY24 v/s their guidance of 2.8 – 3% for FY26. Company achieved its retail ROA guidance in Q3FY24 and has now shifted its focus on improving consolidated ROA.

**Highlights**

* Net Profit for FY24 grew by 43% YoY growth to INR 23.20 bn, driven by a 31% YoY increase in retail book and a 29% YoY rise in disbursements

* Weighted Average Cost of borrowing was up marginally by 1 bps to 7.82% QoQ, and by 34 bps to 7.80% in FY24 v/s 7.46% in FY23, despite an environment of rising interest rates.

* Continued accelerated reduction in wholesale book with a significant decrease of 72% YoY and 21% QoQ, reaching INR 55.28 bn in Q4FY24.

* In rural business finance, company reported disbursements of INR 57.68 bn in Q4FY24 v/s INR 44.01 bn, up 31% YoY, aided by a strong focus on strengthening customer retention coupled with a renewed focus on new customer acquisition.

* Farmer Finance has displayed strong business momentum during the year despite a de-growth witnessed in the industry. FY24 disbursements were up by 6% to INR 68.48 bn v/s INR 64.50 bn YoY.

* Growth in the two-wheeler finance business was driven by geographic penetration, maintaining a strong focus on customer value proposition and building preferred dealer / Original Equipment Manufacturer relationships to grow market share.

* Additionally, focus remains on continuously increasing the Prime & Electric Vehicle segment owing to deepening and new tie-ups with leading industry players.

* Q4FY24 disbursements were up 45% YoY to INR 25.02 bn v/s INR 17.27 bn.

* The Board has recommended a final dividend of INR 2.50 per equity share.

* Company’s PLANET App crosses 90 lakh downloads till date.

**SBFC Finance Ltd. - Q4FY24 Concall KTAs**

**CMP: INR 91 | Market Cap: INR 97,765 Mn**

**Outlook**

**The Company has guided 5-7% QoQ growth in its loan book, aiming to further expand its reach through branch additions and portfolio diversification. It expects to reduce its credit costs by 50 bps over the next two financial years and maintain credit costs within the range of 80-100 bps. The Company is evaluating entry into the housing finance business, subject to regulatory approval. The target for ROE is 15% by FY26, up from the IPO target of 11%. It's diversifying borrowing sources, considering entry into housing finance pending approvals, and investing in technology. Maintaining healthy liquidity, Asset and Liability Management, and capital buffers are priorities.**

**Financial Highlights**

- Interest Income stood at INR 2,480 Mn in Q4FY24, up by 43.2% YoY. For the FY24, it amounted to INR 8,660 Mn, reflecting a growth of 45.5%.

- PAT stood at INR 730 Mn, up by 71.7% YoY, and for the full year FY24 stood at INR 2,370 Mn, up by 58.2%

- AUM grew by 38% YoY and 9% QoQ in Q4FY24, with MSME AUM growing 46% YoY and 9% QoQ

- They added 31 new branches during the year, bringing the total to over 250.

**Asset Quality and Provisioning**

-The NPA remained stable at 2.43%, staying within the guided range. Additionally, the PCR saw a YoY increase from 39% to 45%.

- In Q4, the Stage 2 assets accounted for 3.55% of the AUM. Within stage 2 assets, the MSME portfolio had a ratio of around 3% earlier, and it has now increased slightly to around 3.2%. The management expects the MSME stage 2 asset ratio to remain range-bound going forward.

**Liability Management**

- The borrowing cost decreased by 8 bps YoY to 9.38%, supported by a rating upgrade and diversification efforts.

- The company raised NCDs from mutual funds and included foreign banks as lenders, with the aim of further decreasing reliance on banks for borrowings.

**Customer** Profile

- Approximately 85% of secured MSME customers are first-time borrowers against property.

- The typical ticket size for micro-enterprise customers falls within the range of INR 0.9-1.1 Mn.

- The customers predominantly belong to the retail, trading, services sectors, and neighbourhood establishments.

- The balance transfer ratio is low, ranging from 10-15%, primarily because the majority of customers are new to credit.

**Key Risks and Headwinds**

- The availability of funds for NBFCs has been constrained by the high Credit-Deposit ratio of banks. The cost of funds is expected to stay elevated amid rate hikes and tight liquidity conditions.

- The guidance for growth moderation from the regulator poses a significant headwind for the industry. Managing spreads, growth, and asset quality amidst numerous challenges remains a key challenge.

**Gold Loan**

- The company onboards 3,000-3,500 new gold loan customers every month, and around 45-50% of them become repeat customers.

**Other Highlights**

- The company was listed during the year and subsequently included in the MSCI Global Small Cap index. It received a rating upgrade to AA- during the year, which helped in diversifying its borrowing sources.

- Loan approval rates stand at approximately 50% of the total loan login data. The credit assessment process integrates a data-driven approach with human judgment.

- Technology investments, such as implementing a new loan origination system, were undertaken.

- The weighted average asset tenor is approximately 4.5 years, whereas liabilities are of longer tenure.

**PNB Housing Finance Ltd. - Q4FY24 Concall KTAs**

**CMP: INR 94 | Market cap: INR 1,00,686 Mn**

**Outlook : The company has provided guidance for various key metrics in FY25. They expect a net interest margin of around 3.5% and anticipate a 17% growth in the retail loan book for FY25 onwards. The cost of funds for FY25 is projected to be around 8%, while the ROA guidance for FY25 aims for more than 2.1%. Additionally, the company aims to achieve best-in-class asset quality in the coming years. Moreover, the company has made investments in IT transformation and the new Roshni vertical as part of its strategic initiatives.**

**Financial Highlights**

• Interest Income stood at INR 6,322 Mn in Q4FY24, up by 6.7% YoY. For the FY24, it amounted to INR 25,161 Mn, reflecting a growth of 7.3%.

• PAT stood at INR 4,393 Mn, up by 57.3% YoY, and for the full year FY24, it stood at INR 15,080 Mn, up by 42.2%

• The retail loan book expanded by 14.1% YoY, outpacing the overall loan book growth of 10.3% YoY.

• The credit cost was 4 basis points for Q4FY24 and 25 basis points for FY24. Additionally, there were recoveries of INR 490 Mn from the written-off pool in Q4FY24.

**Business Strategy:**

• PNB Housing is transitioning from a prime-based business to affordable and emerging market segments.

• The affordable housing segment accounted for 12% of disbursements in Q4FY24, and it is anticipated to rise to 18% in FY25.

• The emerging market vertical was launched in FY25, with 50 branches targeting higher-yielding segments.

• The company aims to have 40-42% of incremental disbursements from affordable and emerging segments in FY25.

• The corporate loan book decreased by 46% in FY24, with plans to resume corporate lending in the second half of FY25.

**Asset Quality and Liability Management:**

• GNPA decreased significantly from 3.83% in FY23 to 1.5% in FY24, while NNPA declined to 0.95%.

• PNB Housing availed INR 30,000 Mn from NHB at a lower cost, raised INR 15,000 Mn through NCDs, and INR 1,00,000 Mn via CBLs.

• Deposits grew by 3% during the year, with 88% being public deposits.

**Branch Network:**

• The company had approximately 200 branches at the beginning of FY24 and added 100 more branches, including 60 affordable and 40 emerging/prime branches, between December 2023 and March 2024.

• The company plans to have a total of 300 branches, with 160 affordable, 50 emerging market, and 90 prime branches.

**Other Highlights:**

• In Q4FY24, the borrowing mix was: Term Loans 40%, Deposits 32%, NCDs 10%, CPs 9.2%, and ECBs 2.6%.

• In terms of geographical breakup of disbursements, North contributes 35.3%, West 27%, and South 37.5%.

• In the affordable housing segment, around one-third of customers are new to bank credit, and around 45-50% fall in the informal income category.

• The product mix indicates that 86% of retail disbursements are for loans up to INR 10 Mn, while only 14% of retail disbursements are for loans above INR 10 Mn

**Spandana Sphoorty Financial Ltd – Q4FY24 concall KTAs**

**CMP INR 887 | Market Cap INR 63.2 bn**

**OUTLOOK**

**Company has displayed healthy performance across all parameters. Their profitability increased by 1% QoQ and 22% YoY. Further, company's NIMs improved, cost of borrowing declined and GNPA/ NNPA declined, signaling a positive outlook on the company.**

**Guidance**

• Targeting a 20-25% AUM growth in FY25.

• Aims to fur her bring down the cost-to-income ratio and opex-to-AUM ratio.

• Focus on managing the transition to the weekly model and improving collection efficiency.

**Highlights**

• Company displayed healthy performance across various parameters.

• Q4FY24 disbursements grew by 30% YoY and 56% QoQ at INR 39.70 bn, aided by healthy loan book growth and customer acquisition.

• Weekly model disbursements accounted for 21% of total disbursements in Q4FY24.

• They added 1.4 million new customers during FY24, achieving a 59% YoY growth. 50% of new customer acquisitions in Q4 came from 6 focus states.

• AUM grew 41% YoY to INR 119.73 bn, driven by customer acquisition-led growth.

• Company maintained focus on smaller ticket sizes and shorter loan tenures.

• PAT for FY24 reached INR.5.01 bn, v/s INR 0.12 bn in FY23.

• NII rose by 23% QoQ/ 41% YoY at INR 3.78 bn for Q4FY24, reflecting successful loan portfolio expansion and healthy NIMs.

• The asset quality was under pressure in Q3FY24, due to the transition from monthly to weekly collection. Asset quality improved during the Q4FY24. GNPA decreased to 1.50% and NNPA improved to 0.30%.

**Fedbank Financial Services Ltd. - Q4FY24 Concall Highlights**

**CMP: INR 131 | Market Cap: INR 48 bn**

**Outlook: All across Positive signs reflected from Fedfina's Q4FY24 earnings. Growth with persistent check on quality has ensured a balanced way of approaching business.**

**Guidance:**

• The impairment cost guidance given by the Management is 80 bps.

• The Bank intends to grow 25% YoY Credit growth in the future.

• The Bank plans to open 50 gold Loan branches as well as 50 small ticket loan branches in FY25.

• The bank is not entering any new region in FY25, and will expand in the states where they already have their presence.

**Key Highlights:**

• At the end of Q4FY24, AUM stood at 121.9 bn, 14% QoQ/34% YoY rise.

• Disbursements in Q4FY24 stood at INR 43,361 mn up 30% QoQ/35% YoY while disbursements in FY24 stood at INR 13,580 mn, up 26% YoY against INR 10,750 mn in FY23.

• In Q4FY24, NII stood at INR 2,120 mn (up 6% QoQ/31% YoY), Operating Profit at INR 1,086 mn (down 2% QoQ/up 32% YoY) and Net Profits at INR 677 mn (up 3% QoQ/73% YoY).

• For full year FY24, NII stood at INR 7,783 mn (up 29% YoY), Operating Profit at INR 3,939 mn (up 28% YoY) and Net Profit at INR 2,447 mn (up 36% YoY).

• The Company has completed a sale to an ARC a single large account with POS of INR 239.2 mn, and helped bring down the GNPA of the company.

• The total branch count reached 621 branches, with the bank opening 12 branches in Q4FY24 and 46 branches in the full year FY24.

• The Company is doing Co-Lending in their Gold Loan Portfolio, which is causing a decline in their Yields for the Advances.

• The Bank has an upfront gain in their books during the quarter.

• The Management believes that their Cost of Borrowings will remain sticky during the year, as even if the Central Bank cuts interest rates, the Cost of Borrowings will take a good duration of time to come down.

• In the Gold Loan business, there is a tailwind for the business that the rise in prices of gold has allowed more disbursements due to higher increase in the bank's LTV.

• The Credit Cost for FY24 stood at INR 659 mn, against Credit Cost of INR 489 mn in FY23.

• Salesforce has gone live with Fedfina.

• The expenses will not increase in proportion to historical rises due to the bank's expenses towards several platforms etc as well as the branch expansion the bank has witnessed.

• As of Q4FY24, the Opex / Average AUM has gone down by 40 bps in Q4FY24 over Q3FY24.

• The Bank has applied for Institutional license for their Gold Loan portfolio Insurance, and is expected to receive it in the coming 1-2 months.

• The Bank has received a Credit Rating Upgrade in the previous quarter to AA plus by CARE and India Ratings. CRISIl has a long term credit rating of AA with Positive Outlook.

• The Bank applied an Off book strategy which worked for them. Its basically using one large segment where they are doing Co-lending. The Bank saw its Gold Loan Co-lending went up from INR 1,760 mn in Q3FY24, increased to INR 5,220 mn in Q4FY24, an increase of 3,460 mn in a quarter.

**Indostar Capital Finance Ltd – Q4FY24 Concall KTAs**

**CMP INR 244 | Market Cap INR 33.2 bn**

**OUTLOOK**

**Company displayed a healthy performance in terms of disbursement, with a growth of 33% QoQ and 205% YoY at INR 17.26 bn during Q4FY24, and improvement in asset quality with GNPA/ NNPA at 4.1%/ 1.8%, respectively. Further, their ROA for the whole FY24 stood at 2.9%, which exceeded their guidance of 1%. Going forward, their user commercial vehicle segment is expected to grow further. We remain positive on the long-term performance of the company.**

**Guidance for FY25**

* Company has guided disbursement of INR 75bn for FY25.
* ROA expected to be around 1.3 to 2% for FY25.

**Highlights**

* Company has achieved its disbursement of INR 50.8 bn for FY24 v/s the guidance of INR 55bn.
* ROA for whole FY24 stood at 2.9% against guidance of 1%.
* Their Retail to wholesale mix on a consol basis, has increased from 26% in 2018 to 96% in 2024.
* The AUM for ICFL stands at INR 64.93 bn, out of which the retail vehicle finance business is INR 55.94 bn.
* IHFPL delivered a PAT of INR 0.16 bn in Q4FY24 v/s INR 0.06 bn in Q3FY24, aided by AUM growth and securitization transactions.
* Sale of stressed portfolio of SME and monetization of SRs, aggregating to principal outstanding of INR 0.395 bn, to Encore Asset Reconstruction Company.
* The company also transferred a portion of its standard SME portfolio with a principal outstanding of INR 1.43 bn at par through Direct Assignment.
* The company further monetised its Security Receipts from a previous asset reconstruction transaction on its legacy CV book, realizing INR 0.97 bn.
* During the quarter, the Board and shareholders approved a fundraiser of INR 4.567 bn via preferential allotment of warrants to Brookfield Asset Management.
* The company will receive 25% of the warrant subscription amount following customary regulatory approvals, with the remaining 75% being received within subsequent 18 months.
* They received a certificate of registration to act as a Corporate Agent from IRDAI. This will allow the company to cross-sell insurance products to its customers, generating fee income.

**Satin Creditcare Network - Q4FY24 Concall KTAs**

**CMP: INR 262 | Market Cap.: INR 28,920 Mn**

**Outlook : *The company aims to achieve a steady-state ROA ranging from approximately 4.8% to 5% in the long term, which includes contributions from subsidiaries. They target a ROE of around 20% or higher for the steady-state, although the current year's ROE is at 18.5%. Additionally, they have provided guidance of 25% AUM growth for FY25, driven by expansion into under-penetrated geographies and new states. The Operating Expense Ratio is expected to decrease below 20% in the next couple of years from the current level of about 20%. The company intends to concentrate on expanding its presence in under-penetrated geographies and new states, which may entail investments in new branches and strengthening its distribution network. Furthermore, they plan to deepen their presence in under-penetrated states like Uttar Pradesh, Bihar, and Assam, where the penetration of microfinance services is relatively low.**

**Financial Highlights**

• Revenue stood at INR 5,939 Mn in Q4FY24, up by 8.5% YoY. For the FY24, it amounted to INR 20,506 Mn, reflecting a growth of 16.9%, driven by strong collection efficiency that remained consistent at 98.5% for the year.

• PAT stood at INR 1,253 Mn, up by 15.6% YoY, and for the full year FY24 stood at INR 4,228 Mn, up by 60%

• The company's asset quality remained healthy with a Gross NPA ratio of 2.5% and a provision coverage ratio of 83%.

• The company's customer base grew to 3.4 Mn customers, with a presence in 13 states and 19 districts.

**Subsidiaries and Diversification:**

• Subsidiaries like Satin Housing Finance and Satin Finserv are witnessing robust growth and expected to contribute more in the future

• Diversification into affordable housing loans, MSME loans, and other secured lending products to cater to the evolving needs of customers

**Technology and Digitization:**

• They have made significant investments in their IT infrastructure and digitization initiatives to enhance operational efficiency and customer onboarding processes.

• The company has implemented various measures, such as Iris-based verification, geo-tagging, and e-KYC, to ensure robust customer onboarding and mitigate fraud risks.

• The company has achieved a remarkable reduction in its branch manual registers, from 20 to 6, leading to streamlined processes and enhanced efficiency.

• They have made significant progress in their cashless collection efforts, with approximately 10% of collections being purely cashless, eliminating the need for physical cash handling.

**Funding and Capitalization:**

• The company raised INR 94,940 Mn from various lenders on a standalone basis during the year, reflecting its ability to access funds from diverse sources.

• They have successfully completed 15 rounds of capital raising since 2008, amounting to INR 15,370 Mn, including a QIP of INR 2,500 Mn in December 2023.

**UCO Bank - Q4FY24 Concall KTAs**

**CMP: INR 57| Market Cap.: INR 685,554 Mn**

**Outlook**

**The outlook for UCO Bank appears positive, with the company taking several initiatives to drive growth and profitability. While the management did not provide specific financial guidance, they expressed confidence in improving operational efficiency, growing the low-cost CASA deposits, and reducing credit costs. The bank aims to achieve a RoA closer to 1% in the fiscal year 2025, although it acknowledged that this could be challenging.**

**Financial Highlights**

- Interest income stood at INR 58,600 Mn in Q4FY24, up by 17.49% YoY. For the FY24, it amounted to INR 2,18,540 Mn, reflecting a growth of 23.82%.

- PAT stood at INR 5,260 Mn, down by 9.52% YoY, and for the full year FY24 stood at INR 16,540 Mn, down by 11.17%

- Retail advances grew by 14.62%, with home loans increasing by 21% and vehicle loans by 31%. The bank's retail advances comprise 60% of its total loan book.

**Asset Quality**

- The asset quality of the bank improved, with gross NPA decreasing from 4.78% in Q4FY23 to 3.46%, indicating a decline of 132 basis points. Additionally, the maximum NPA also improved to 0.89% from 1.29%, representing a decline of 0.40%.

- The PCR stands at 95%, inclusive of 75% for tangible assets. The slippages ratio is at 1.27%, down from 1.75% in the FY23.

**Technology and Infrastructure Upgrades**

- The bank plans to implement virtual machine solutions to address server capacity issues and enable faster project implementation.

- Around 1,600 branches have been equipped with tap banking capabilities, enabling the initiation of account openings through this method.

- It is also upgrading its cybersecurity solutions and overseas network infrastructure.

- The bank has initiated several digital transformation projects, including HR transformation, credit underwriting standards, treasury solutions, and capacity building.

### CASA and Deposit Growth Strategy

- The bank's CASA ratio improved to 39% in Q4 FY24. It plans to open branches in top deposit centers to garner more CASA and deposits. The focus will be on improving retail term deposits and CASA to reduce the reliance on bulk deposits.

- The bank reduced its cost of deposits in Q4FY24 by raising funds through overseas channels and utilizing excess SLR securities.

- The bank grew its deposits by only 5.5% in FY23, compared to 15.62% growth in advances.

### Priority Sector Lending (PSL)

- The bank achieved 54% of its PSL target in FY24. It sold INR 4,000 Mn of excess PSL certificates related to small and marginal farmers, earning a commission of INR 20 Mn.

### NBFC Lending and Non-SLR Investments

- The bank reduced its exposure to NBFCs by around 50 bps after the RBI guidelines on increasing risk weights. Interest rates for NBFCs were increased on a case-by-case basis, and some exposures were reduced if the pricing was unviable.

- The bank increased its non-SLR investments, primarily in corporate bonds and debentures, to INR 26,490 Mn in Mar 2024 from INR 16,140 Mn in Mar 2023. This was done to lock in higher yields when interest rates were elevated.

### NIM and Treasury Income

-The bank's domestic NIM improved to 3.25% in Q4FY24 from 3.03% in the previous quarter.

- With the new investment norms, volatility in treasury income due to MTM changes will be reduced, as MTM gains/losses will be booked in the AFS reserve.

- The bank will selectively book securities in the AFS category to benefit from market opportunities.

### Recoveries and NPA Management

- The bank expects recoveries to remain at similar levels as FY24 (around INR 30,000 Mn) in FY25.

- It is holding additional provisions of around INR 25,000 Mn on the standard book to prepare for ECL guidelines.

- The bank recovered INR 1,100 Mn from interest income on NPAs in Q4FY24.

**Corporate Bond Investments**

- The bank increased its exposure to AA and AAA-rated corporate bonds and PSU bonds to lock in higher yields. The average yield on these investments is around 7.8-8%.

- The bank is maintaining a modified duration of around 3 years for these investments.

**Investment Book Reclassification**

- The bank has reclassified its investment book in accordance with new RBI guidelines, categorizing them into HTM, AFS, and TPL categories.

- The bank plans to selectively retain securities in the AFS book to realize gains, while the remaining will be kept in the HTM category.

- The bank plans to maintain around 75-80% of its SLR investments in the HTM category.

**Other Key Highlights**

- The cost of deposits ratio improved from 4.91% in Q4 FY24 to 4.82% in Q3 FY24.

- The board has approved a resolution for capital raising INR 4000 Mn which will go for shareholder’s approval and declared a dividend pay-out of 2.8%, the first in 9 years due to consistent profits.

- The yield on advances improved to 9.06%, with the NIM standing at 3.25% for domestic operations.

**Star Health and Allied Insurance Company Ltd – Q4FY24 KTAs**

**CMP INR 571 | Market Cap INR 335 bn**

**OUTLOOK**

**The company's market share in the retail health segment stood at 33%, which is expected to rise in the future with an anticipated decline in claims ratio, aiding business growth. We remain positive on the long-term performance of the company.**

**Guidance**

* The claims ratio is anticipated to reduce in the future.

* There's a forecasted gradual enhancement in the combined ratio.

* Reinsurance to GWP is to be around 8% to 8.5% going ahead.

**Highllights**

* The GWP for Q4FY24 rose by 18.3% YoY and 37.8% QoQ to INR 49.68 bn.

* Net earned premium in the retail health segment was up 16.6% YoY to INR 31.95 bn and it formed 94.1% of total earned premium.

* Investment yield improved to 7.7% in FY24 v/s 6.9% YoY.

* Claims ratio for the quarter was down 356 bps QoQ and up 214 bps YoY to 64.1%. The claims ratio is anticipated to reduce in the future.

* The company added 16,000 agents during the quarter and total agents stood at 7.01 lakh as of March 2024 v/s 6.26 lakh a year ago

* Star health had 33% market share in retail health insurance as on March 2024 v/s 34% YoY, and within SAHI players the market share stood at 59%The insurer expects market share to improve in retail health segment.

* Agency business contributes around 67% of total fresh business while non-agency channel forms 33% of the same.

* The company has 58 tie-ups in banks and NBFC space for insurance distribution.

* The company has plans to re-price couple of products in Q1FY25.

* Company expects business growth to be higher than the industry in FY25.

**Jana SFB – Q4FY24 Concall Highlights**

**CMP INR 600 | Market Cap INR 63 bn**

**STELLAR PERFORMANCE**

**OUTLOOK**

**Company has displayed a healthy performance across all parameters. Further, they have plans to apply for Universal Bank license, which will help them to grow at a faster pace. We expect the company's growth momentum to continue and remain positive on the performance of the company.**

Guidance

•Management has guided an AUM growth of 20% along with Deposit growth of 20%.
•PAT growth is expected to be within the range of 30 – 40%.
•ROA guidance of 1.8 – 2.0% and ROE at 19 – 21%.

**Highlights**

•NII has grown to INR 21.27 bn in FY24 vs INR 16.60 bn in FY23 (up 28.1% YoY).

•NIMs improved to 8.0% in FY24 v/s 7.8% in FY23 (+20 bps YoY), despite the increase in cost of funds by 80 bps YoY at 7.8%, led by change in average ticket size.

•Asset quality has improved and has returned to pre – covid levels with GNPA/ NNPA at 2%/ 0.5% (Q4FY23: GNPA/ NNPA: 3.6%/ 2.4%).

•PCR during the quarter stood at 74% v/s 34% in Q4FY23. It is expected to reduce going forward.

•Company has presence in 24 states, with 5.4 mn active customers as on March 2024.

•Jana SFB believes unbanked rural areas to be most profitable as they breakeven in few months. They have presence in 36.8% of total unbanked rural areas in FY24.

•They have witnessed a slight increase in opex during the quarter, led by the branch expansion. Opex is expected to reduce, going forward.

•They have launched 17 new branches & relocated 39 branches during the FY.

•Relocating branches helps them to save cost as cost of relocating is less as compared to launching new branches.

•Company may look to venture into used two – wheeler segment and used car segment in the future.

•Company is planning to apply for universal bank soon.

**Geojit Financial Services - Q4FY24 Concall Highlights**

**CMP: INR 96 | Market Cap: INR 23,100 mn**

**Outlook: The Company is exploring opportunities for further expansion of their business as the company is sitting on a huge pile of Cash utilized as working capital for MTF trading, i.e., their Equities business. However, the Company has now realized and is looking for expansion in the Private Wealth business catering to HNIs in both domestic markets as well as their UAE & Middle East business.**

**Guidance:**

• The Company has decided to expand their Wealth, HNI & UHNI individual customers segment in the domestic markets from now onwards.

• The Company is looking to expand their Wealth business in different geographies where the Compliance and rules are favorable for the company. Hence, the Company will announce their advance in external Geographies in future.

• Going ahead, the Company will be reducing their dependency on the brokerage income alone and will be focussing on Services income growth in different verticals, which is why the Brokerage Income has been coming down in proportion to the growth in their Financial Product Distribution income.

• The Management informed that they currently do not have any inorganic acquisition in line, but they can consider any opportunity that comes, and will inform if such opportunity comes.

**Key Highlights:**

• Geojit Financial Services reported Q4FY24 earnings, where consolidated Income from Operations grew by 37% QoQ/88% YoY to INR 2,081 mn in Q4FY24.

• EBITDA stood at INR 807 mn (up 38.7% QoQ/ 144% YoY) while the company's EBITDA Margins improved by 55 bps QoQ/ 897 bps YoY to 38.8% in Q4FY24 vs 38.2% in Q3FY24 & 29.8% in Q4FY23.

• PAT stood at INR 519 mn, up 37% QoQ/72% YoY.

• Fees & Commission Expenses have increased by 26% QoQ/102% YoY while Fee & Commission Income increased by 41% QoQ / 99% YoY.

• The Company has INR 1,472 mn Cash & Cash Equivalents (up 93.4% YoY) along with Bank balances other than Cash of INR 9,258 mn (up 44.4% YoY) in their balance sheet as of March 2024.

- Segmental breakdown involves Brokerage services which contributed ~76% of income of the Equity related business in Q4FY24, up by 103% YoY.

- Similarly, in the Financial Product segment, the Insurance Distribution Income was up 219% QoQ/ up 208% YoY, contributing 62.8% of the segmental income. Hence, the Brokerage incomes and Insurance Distribution commissions were the primary drivers of the topline growth of the Company in Q4FY24.

- The Management says that the company has decided that there is no point of waiting any further and that the company has started Hiring aggressively for the HNI & UHNI segment business.

- The Company’s PMS division was not aggressively focussed earlier, hence, from INR 4,500 mn of PMS in FY23 has now increased to INR 9,140 mn as of now.

- The Company on a Group basis has Cash of INR 7,500 mn in their books. However, this Cash is utilized for lending for the company’s MTF trading working capital requirements.

- The Other operational income of INR 240 mn consists of INR 185.7 mn income from Interest and PMS income.

**Cholamandalam Investment & Finance Company Ltd. – Q4FY24 Concall Highlights**

**CMP: INR 1,243 | Market Cap: INR 1.04 trn**

**OUTLOOK**

**Company has displayed healthy performance during the quarter, with increase in disbursements across all segments, and improvement in NIMs among others. Going forward, the growth momentum is expected to continue and we anticipate disbursement growth of 20-25% along with 25-30% growth in AUM for FY25, with a focus on rural and semi-urban markets. We have a long-term positive outlook on the company.**

**Guidance for FY25**

* Company expects to maintain a net interest margin of 7.8% for FY25 against 7.5% for FY24.

* AUM growth is anticipated to be within the range of 25% - 30%.

* Disbursement is expected to grow by 20 – 25%.

**Highlights**

* Company has displayed healthy performance during the quarter, with increase in disbursements across all segments, and improvement in NIMs among others.

* Disbursement in vehicle finance grew by 6% YoY, aided by steady growth.

* Further, LAP grew by 55% YoY and Home loans grew by 24% YoY, led by geographical expansion into tier three and tier four locations.

* Company's focus remains on rural and semi-urban Markets with prioritizing presence in tier-III to tier-VI towns.

* Majority portion of disbursement is contributed by balance transfers, particularly in LAP segment.

* Balance Transfer contributes to 45% of total disbursements.

* Company has seen an increase in opex during Q4FY24, driven by the branch expansion. We may see further rise in opex, aided by management's focus on further branch expansion.

* Management has guided opex to be around 3% going forward.

* Profitability of new business improved substantially and is anticipated to improve further going forward.

* NIMs stood at 7.8% during Q4FY24 (+40bps QoQ/ Flat YoY).

* LAP segment has seen a price hike and increase in incremental lending in the month of March 24. It didn’t have much impact in FY24 but is expected to help improve NIMs in FY25.

* The company’s capital adequacy is well above regulatory norms. It stood at at 18.57% v/s regulatory requirement of 15%.

* The board of directors has recommended a final dividend of INR 0.70/ share, which is 35% on the equity shares of the company.

* The board of directors of Cholamandalam Home Finance Ltd have approved an equity infusion of INR 0.25 bn in Cholamandalam Securities Ltd, both of which are wholly owned subsidiaries, subject to the approval of the regulator.

**Five-Star Business Finance Ltd – Q4FY24 Concall KTAs**

**CMP INR 742 | Market Cap INR 217 bn**

**OUTLOOK**

**Five Star Business Finance plans to focus on South India and implement a cluster branch approach to mitigate risks. Going forward, Disbursement growth is expected to be slightly lower than AUM growth which is expected to grow at 30%. We remain positive on the stock.**

**Guidance**

•Plans to achieve a 30% YoY AUM growth by expanding the branch network and increasing manpower, primarily in South India.

•The company has guided for 80-100 new branches to open year on year.

•Guidance for 25% to 27% growth in disbursal, slightly lower than AUM growth.

•Company aims to increase leverage to 3.5x over the next 3 years without requiring further equity capital raise.

•ROA projection of 6.5%-7% and ROE of 20%+ over the next three years.

**Highlights**

•Profit after tax increased by 40% YoY/ 9% QoQ, amounting to INR 2,361 Mn in Q4FY24.

•A slight uptick in credit costs during the quarter was attributed to a one-time technical write-off. The company expects credit costs to stabilize around 75-80 basis points.

•94% of the AUM originates from South India, with plans to continue concentrating efforts in this region while gradually expanding in other states like Madhya Pradesh and Maharashtra

•The company has guided for cost to income to remain stable at around 35% to 37% level even in the steady state.

•Company has implemented a cluster branch approach to mitigate risks associated with larger branches by splitting them into 2-3 smaller branches within close proximity.

•Company aims to consistently decrease the proportion of cash collections by promoting digital payment methods.

•They are actively considering the implementation of a dividend policy.

**Fino Payments Bank - Q4FY24 ConCall KTAs**

**CMP: INR 292.00 | Market Cap.: INR 24,340 Mn**

**Outlook:Fino Payments Bank has maintained its margins within a range of 31% to 33%, consistent with their outlined expectations. Looking forward, the company is focused on leveraging digital services to enhance margins over time. This strategic shift not only promises improved profitability compared to conventional banking practices but also presents avenues for cross-selling. Typically, profit growth guidance aligns with revenue growth, set at approximately 1.5 times the percentage increase, factoring in substantial investments in digital and technological infrastructure. With a vision for superior performance, Fino Payments Bank is poised to excel in FY25 and beyond, driven by anticipated growth in Current CASA, Cash Management Services , and digital offerings.**

**Financials Highlights:**

• Revenue stood at INR 4,013 Mn in Q4FY24, up by 24% YoY. For the FY24, it amounted to INR 14,784 Mn, reflecting a growth of 20%.

• EBITDA stood at INR 542 Mn, up by 26% YoY, and for the full year FY24 stood at INR 1,914 Mn, up by 41%

• Fino payment bank delivered its most profitable quarter yet, PAT stood at INR 252Mn, up by 14% YoY, and for the full year FY24 stood at INR 862 Mn, up by 32%

• The average deposit base grew by 49% during FY24, reaching INR 17,140 Mn, aligning with the strategy of becoming a liability-first bank.

**CASA and Digital Initiatives:**

• Fino Payments Bank crossed INR 10 Mn accounting for a significant milestone in their acquisition phase.

• The CASA business contributed 23% of the overall revenue, driven by new account acquisitions and renewal income.

• Digital initiatives are gaining traction, with INR 0.3 Mn digital accounts and 40% of customers being digitally active.

• The Fino Pay app is now available on the Apple Store, targeting a broader customer segment and enabling digital cross-selling opportunities.

• The company aims to establish itself as the preferred digital bank for rural and semi-urban India, known as Bharat.

**Technology and Innovation:**

•Fino Payments Bank is investing heavily in technology and digital platforms to enhance user experience, security, and compliance.

•Around 4 Mn customers, constituting 40% of the total customer base, are digitally active, with average balances per account exceeding INR 2,000.

•The company spent INR 1,030 Mn on technology and digital initiatives during FY24 and plans to continue similar investments in the next 12-18 months.

**Competition and Industry Landscape:**

•One major player exited the wallet and digital payments space, leading to some volume shift to Fino remittance business.
•Not facing significant competitive pressures or merchant churn at present, despite another player becoming more aggressive in certain segments.

**Geographical Expansion:**

•Fino Payments Bank has a wide geographic presence, with operations across multiple states in India.
•The company sees growth opportunities in the southern and eastern regions of India and plans to deepen its presence in these areas.

**Merchant Network and Distribution:**

•Fino Payments Bank currently has a merchant network of INR 1.8 Mn merchants.
•The company plans to expand its merchant network to around INR 2 Mn merchants as it prepares for the transition to a Small Finance Bank .
•There is a focus on deepening the merchant network in the southern and eastern regions of India, where the company sees growth opportunities.

•The merchant network is seen as a key touchpoint for enhancing digital penetration and cross-selling opportunities.

**Product Diversification and Cross-selling:**
•Fino Payments Bank plans to introduce asset products and investment offerings after transitioning to a Small Finance Bank, enabling cross-selling opportunities.
•The company recently launched a new Line of Business called "Digital Services," which contributed 9% to the revenue in Q4 FY24, up from 1% in Q4 FY23.
•Fino Payments Bank sees digital cross-selling as a key opportunity, especially with the Fino Pay app now available on iOS devices.

**Moneyboxx Finance Ltd – Q4FY24 Concall Highlights**

**CMP INR 305 | Market Cap INR 9.49 bn**

**Stellar Performance**

**OUTLOOK**

**Company has displayed a healthy performance during the quarter. Their profitability doubled on a sequential basis. Further, they have announced to raise INR 1.50 bn in H1FY25 to fund their FY25 expansion plan and process for the same is initiated. This will help them to achieve their growth goals for FY25. We have a positive outlook on the company. We are working on a detailed note and will share soon.**

**Guidance for FY25**

* Management has guided to double the AUM in FY25.

* They further aim to expand their geographical presence in 3 new states viz., Karnataka, Tamil Nadu and Telangana.

* They plan to add 60 to 75 new branches in existing and new states.

* The share of secured loans is expected to go over 40%, in the coming year.

* Incremental borrowing cost is expected to reduce by 100bps, led by improvement in credit rating.

**Financial Highlights**

* NBFC reported a net profit of INR 41.24 mn, (vs INR 4.19 mn for Q4FY23) (vs INR 20.11 mn for Q3FY24) (up 884.93% YoY, up 105.04% QoQ).

* Net interest income stood at INR 212.45 bn (up 99.14% YoY, up 29.73% QoQ).

* They reported PPOP of INR 73.71 mn (vs INR 11.52 mn for Q4FY23) (vs INR 46.50 mn for Q3FY24) (up 539.71% YoY, up 58.5% QoQ).

* PBT came in at INR 44.27 mn (vs INR 3.07 mn for Q4FY23) (vs INR 26.86 mn for Q3FY24) (up 1341.62% YoY, up 64.82% QoQ).

**Highlights**

* Consol. PAT increased by 105.04% QoQ and 884.93% YoY at INR 41.24mn.

* FY24 average borrowing costs was still higher at 14.6% because of earlier higher rate borrowings, while in H2FY24 incremental borrowing rates stood at 13%.

* Profitability is expected to further improve driven by declining cost of borrowing and benefit of operating leverage.

* Company's AUM/ branch increased from INR 9.2 cr in FY23 to INR 13.7 cr in FY24.

* Their secured book increased from 5% in FY23 to 23% in FY24. It is expected to go over 40% in FY25, which will help improve their asset quality and bring stability to the Balance Sheet.

* Company has been focusing in branch expansion during the FY24, which led to the increase in their total opex by 17.97% sequentially and 106.07% on a YoY basis.

* They expanded geographical presence to 8 states with entry into Bihar in Q2FY24 and Gujarat in Q3FY24.

* They currently have 100 branches with a target of 270+ branches by FY26.

* This will help them to achieve their AUM growth guidance of 3.5x by FY26. They expect to double their AUM in FY25.

* The NBFC soon plans to raise INR 1.50 bn in H1FY25 to fund their FY25 expansion plan and process for the same is initiated.

**Aadhar Housing Finance Ltd Q4FY24 Concall Highlights**

**CMP INR 340 | Market Cap INR 145.25Bn**

**Over the last couple of years on the incremental disbursements has grown at 20%, AUM have grown at 22-23% and PAT about 30% and expects to grow at similar rate.**

**Plans to add approximately 75 branches annually, with 50 smaller sales offices and 20-25 larger branches in existing cities.**

**Aims to maintain a 75-25 mix of home to non-home loans and expects spreads to be around 5.9% to 6% next year aided by a recent 25bps RPLR rate increase.**

Financial Performance

- Interest on loan grew by 29% YoY to INR 5686.7Mn for Q4 FY24 and stood at INR 21480.7 Mn for FY 24 a growth of 28%.

- Total income stood at INR 6918.1 Mn growth of 25% for quarter and INR 25,869.8 Mn for FY24 with a growth rate of 27%.

- Net Interest margin grew 26% to INR 4299.3 Mn for quarter and 16,002.9 Mn showing a growth of 29%.

- PAT for the quarter stood at INR 2017.6 Mn growing 43% and INR 7496.4 Mn for FY24 which grew 38%.

- Decline in yield is attributed to a combination of factors including a one-day period adjustment, a waiver of around 4-5cr in interest, and direct assignment interest income.

Other Key Highlights

- Company sees strong demand due to housing shortfall, particularly in the EWS segment, which is its primary market.

- RBI data indicates a shortfall of INR 9.5 crore units in this segment, translating into a housing loan requirement of INR 35 trillion.

- Company's view assignment as a diversification process, currently doing around 8-9% of their opening book in assignments, amounting to about ~INR 1200cr this year and will maintain this level moving forward.

- Go-lending is still developing, with the company having INR 600cr book and partnerships with both a public sector and a private sector bank. Company intend to proceed cautiously with go-lending until the business model stabilizes.

- Company also plans to borrow more from NHB due to its lower borrowing costs compared to banks.

- 79% of loans are on floating rates and changes are passed on to customers.

- The cost-to-income ratio is targeted to improve by 50-60bps. Despite total rate increases of 150bps, aligning with competitors.

- Demand remains strong due to measures like extending loan tenors to minimize EMI impacts, with no significant rise in delinquencies.

- Disbursements were flat due to the typically high numbers achieved in Q4FY23.

- Home loan disbursements remained stable, with slight overall growth in both home and non-home loans.

- Company's incremental cost of borrowing for FY24 was ~8.02%, with Q4 seeing an increase to 8.36%. Despite this rise, overall borrowing cost are expected to remain stable in 8.3-8.4% for Q1, Q2FY25.

- Company maintains a liquidity buffer of 6-8%, generating an investment income of ~7.1% from G-Sec, bank deposits, and liquid funds.

- Company aggressively pursues processing fees and insurance attachments, offering life and property insurance to customers, with property insurance being mandatory by regulation.

- Balance transfers (BT), the company saw a BT out rate of 6.9% for the year, slightly higher in Q4 at 7.2-7.3%. Post-COVID, BT out rates were around 5-5.5%.

- Company uses analytics and a retention team to mitigate BT out and does not actively promote BT in, keeping it below 1% to align with its social objectives.

- Incremental yields for home loans are around 12.4-12.5%, and for non-home loans, range from 16.7-17%, averaging 13.65-13.75% at the company level.

- Average ticket size for disbursements is about 11.7 lakhs, with home loans ranging from 13.7-13.9 lakhs and non-home loans from 8.3-8.5 lakhs.

- Incremental sourcing is about 32% from corporate DSAs, 20% from Aadhaar Mitras, and 45% from direct sales.

**General Insurance Corporation of India Ltd – Q4FY24 Concall KTAs**
**CMP: INR 355 | Market Cap: INR 6,22,812 Mn**

**Outlook**

**For FY25, the company expects a 15-16% YoY premium growth, driven by April 2024 renewals and domestic non-obligatory and obligatory business. International business growth may improve following a potential credit rating upgrade in September-October 2024. The company plans to maintain equity investments at 17-18% of book value, focusing on fixed-income instruments for liquidity and risk management. Sthbilized by three-year state government contracts, the crop insurance business is expected to maintain similar premium levels. Expansion aims to achieve projected growth, contingent on the credit rating upgrade.**

Financial Highlights

Gross premium stood at INR 87,237 Mn in Q4FY24 up by 18.37% YoY & INR 3,71,818 Mn in FY24 up by 1.61% YoY.

Incurred Claims stood at INR 49,819 Mn in Q4FY24 down by 11.76% YoY & INR 3,09,804 Mn in FY24 down by 5.37% YoY.

PAT was at INR 26,425 Mn in Q4FY24 up by 3.06% YoY & INR 64,973 Mn in FY24 up by 2.92% YoY.

Combined ratio stood at 89.26% in Q4FY24 & 111.82% in FY24.

Net worth without fair value change was at INR 3,75,818 in FY24 up by 16.15% YoY.

Net worth including fair value change was at INR 8,13,303 in FY24 up by 27.58% YoY.

Business Highlights

The company highlighted bringing down the combined ratio to 89% in Q4FY24 as a positive outcome, driven by prudent risk evaluation and underwriting practices.

The company is witnessing hardening of reinsurance markets internationally, yielding tangible benefits.

Domestic premium for FY24 grew by 1.7% to INR 2,58,040 Mn, while international premium grew by 1.5% to INR 1,13,777 Mn.

The company is targeting growth across different classes to diversify risk, with a focus on retail health business.

Rating Upgrade and International Business

The company expects the credit rating to improve in Sep-Oct after the meeting with the credit rating agency in the month of July.

The international business growth will depend on the company regaining its 'A-' credit rating, which they are hopeful of achieving by September/October 2024. If the rating upgrade happens, they expect to get access to better quality international business.

Growth in international business is to be calibrated based on quality of business opportunities.

Risk Management and Catastrophe Losses

The company experienced significant catastrophe losses in FY24, particularly in the domestic fire segment.

The company faced USD 260 Mn losses this year for contracts in the US made in between 2017-2020.

The company mentioned that if extreme one-off events like the catastrophic losses in FY24 (around INR 33,500 Mn) and the large losses from a specific US contract (around INR 21,000 Mn) do not repeat, they are very confident of achieving a combined ratio in the range of 105-107% in FY25, compared to 112% in FY24.
The company introduced a catastrophic reserve to absorb impact of large catastrophic events.

Pricing and Market Dynamics
The company observed some softening in direct pricing for fire insurance in the domestic market, despite reinsurance rates remaining largely flat in the April 2024 renewals.
The company is actively engaging with insurance companies to maintain pricing discipline and ensure profitability for treaty capacities.
The motor insurance segment faced challenges, with the company pushing for a revision of third-party motor rates to better reflect the increasing loss ratios.

Management Changes
The company appointed Balakrishna Warrior as the new CFO, an internal candidate with over 36 years of experience at GIC.
Continuous efforts are in place to strengthen the management team with lateral hires for key positions like Chief Investment Officer and Appointed Actuaries.

Other Key Highlights
The crop insurance segment witnessed a 27% decline in FY24, with premiums closer to INR 36,000 Mn.
The cash and bank balances, including foreign balances, stood at around INR 2,20,000 Mn, reflecting the company's liquidity position.
The company expects the tax rate to revert to the statutory rate of around 25.2% in the future, barring any specific adjustments.
The company has keen focus on safeguarding the bottom line while targeting growth and is ensuring every business segment contributes positively to overall financial health.

Arihant Capital Markets Ltd

**TruCap Finance Ltd – Q4FY24 Concall KTAs**
**CMP: 62 | Market Cap: 7320 Mn.**

**Outlook:**
**The company demonstrated robust performance in Q4FY24, with revenue rising and EBITDA margins improving to QoQ and YoY. PAT saw a significant increase to INR 58.51 Mn., up 89.99% QoQ and 448.96% YoY. Strategic expansions included 58 new branches, a substantial increase in loan disbursements, and entry into the 3-Wheeler EV segment. Despite potential challenges from RBI guidelines and pressure on NIM, the company's operational focus and collection efficiency indicate strong future prospects.**

Performance Consol:
Revenue came in at INR 411.94 Mn. (+4.02% QoQ) (+26.54% YoY) in Q4FY24.
EBITDA margins came in at 70.69% (Vs. 67.62% QoQ) (55.65% YoY) in Q4FY24.
PAT came in at INR 58.51 Mn. (+89.99% QoQ) (+448.96% YoY) in Q4FY24.

Highlights:
The company announced three warrant issuances totalling INR 1.5 Bn. Of this, INR 120 Mn was received in February'24, INR 300 Mn in April'24, with an additional INR 100 Mn expected within the next two weeks.
The company expanded its footprint by opening 58 new branches in FY24, focusing on Tier 2, Tier 3, and Tier 4 cities, bringing the total number of branches to 128. Out of these, 71 branches reached breakeven in FY24.
Approximately 162,000 loans were disbursed in FY24, with the company maintaining an active customer base of around 92,000.
The company entered the 3-Wheeler EV product segment in FY24. Despite being a nascent segment, it features an average loan ticket size of INR 1.5 lakhs.
Collection efficiency, including payments on gold loans, exceeded 500% in Q4 FY24. Excluding gold loan payments, the efficiency ranged between 88% and 92% monthly.
NIM declined in FY24 due to liability side pressure.
The company anticipates a potential decline in disbursements due to recent RBI cash guidelines.
The company has no plans to enter the South Indian market or add branches in Punjab. Instead, it will focus on consolidating its presence in existing states, with planned expansion into Rajasthan, Gujarat, and parts of Maharashtra.
Currently, 40% to 50% of the company's business involves co-lending. The company does not foresee the need to establish additional co-lending partnerships at this time.
GNPA in the gold loan segment remain negligible at approximately 6 basis points.
Company has focus on un-urbanized cities and customer focus on businesses and automative segment, no focus to expand the businesses segment further into housing loans.

Arihant Capital Markets Ltd

**Arman Financial Services Ltd – Q4FY24 Concall KTAs**
**CMP: 2056 | Market Cap: 21,540 Mn.**

**Outlook:**
**The company's performance in Q4FY24 was robust, with Revenue and PAT increasing QoQ and YoY. Key achievements include a 42% YoY increase in standalone AUM, the opening of 67 new branches, and significant technological advancements. With stringent credit filters maintaining a high-quality loan book and substantial liquidity, the company is well-capitalized for future growth. Looking ahead, the company aims to build an AUM of INR 50,000 Mn and anticipates increased export revenue and continued growth in EBITDA and profits, indicating a positive growth outlook.**

Performance Consol:
Revenue came in at INR 377.39 Mn. (+15.72% QoQ) (+35.53% YoY) in Q4FY24.
PAT came in at INR 116.12 Mn. (+24.30% QoQ) (+64.59% YoY) in Q4FY24.

Highlights:
The company has adopted stringent credit filters, resulting in a high rejection rate, to ensure the maintenance of a high-quality loan book.
Standalone Assets Under Management (AUM), including lending to micro enterprises, 2-Wheeler loans, and the Micro LAP pilot vertical, increased by 42% YoY.
GNPA stood at 2.88%, while NNPA were lower by 32 basis points in Q4FY24.
Total borrowings amounted to INR 22,610 Mn, comprising a diverse mix of financial instruments.
The company opened 67 new branches in FY24, bringing the total branch count to 402.
The company initiated several technological and digital advancements in FY24, including Aadhar-based biometric e-sign, the launch of new HR software, live staff tracking, streamlined paperless loan origination, AI-based bot calling, monitoring apps for audit and supervisors, and the establishment of a business intelligence unit using advanced analytics and many other initiatives.
The company raised INR 2,300 million through QIP, ensuring adequate capitalization for future growth. Additionally, the company maintains substantial liquidity of approximately INR 1,800 million in cash, bank balance, liquid investments, and undrawn credit limits.
The company reported a 30% growth in disbursements, amounting to approximately INR 23,000 Mn.
The company has recommended a dividend of ₹5 per share.

Growth Prospects:
The company aims to build AUM portfolio of INR 50,000 Mn while maintaining a balanced debt-to-equity ratio.
Management anticipates an increase in export revenue starting from the H2FY25.
The company is confident of achieving growth in EBITDA and profits compared to FY24.

Arihant Capital Markets Ltd

**Prudent Corporate Advisors Limited – Q4FY24 Concall KTAs**

**CMP: INR 1,598 | Mcap: INR 66.26 Bn**

**On track to achieve their AUM guidance of INR 1000 bn.**

**OUTLOOK**

**Company has displayed an AUM growth of 48% YoY in FY24, led by the marked to market gains and remain optimistic on the industry growth potential. We believe company is well poised to capture the growing market and remain positive on the stock.**

Guidance

• AUM guidance of INR 1000 bn AUM by FY26.

• Monthly SIP inflow is expected to cross INR 10 bn.

• Opex and admin expense is expected to increase in FY25.

Industry Highlights

• Gross Household Financial Savings is expected to double to INR 62 trillion in the next six years.

• Within gross household financial savings, share of savings in the form of currency & deposits have gone down from 67% in FY13, to 45% in FY23, which is being captured by Equity and MF.

• Industry's SIP book has grown by almost INR 50 bn in FY24, of which Prudent's contribution is 2bn leading to a 4% market share in the incremental SIP additions.

Highlights

• AUM for the FY24 grew by 48% YoY at INR 833.84 bn, led by the marked to market gains as markets witnessed a strong growth in FY24.

• Revenue from operations grew 32% YoY to INR 8.05 bn led by 32% growth in Yearly Average AUM in the mutual fund vertical coupled with a 50% growth in revenues from non-mutual fund products.

• Revenue growth was slower as compared to the AUM growth, primarily due to the withdrawal of B-30 product. In the FY25, we will not see income from B-30.

• Monthly SIP book grew by 40% YoY, at INR 7.26 bn for the FY24. Their market share improved by 10ps QoQ at 3.8% for FY24.

• Net sales during the year was INR 62 bn, which is 25% higher compared to FY23.

• In the insurance vertical, management has guided the increase in operating expenditure driven by increasing expense on marketing and advertising.

• The Board of Directors has recommended a final dividend of INR 2/ share.

**Muthoot MicroFin Ltd – Q4FY24 Concall KTAs**
**CMP INR 241 | Market Cap INR 40 bn**

**OUTLOOK**

**Company has posted a healthy NII growth of 19% QoQ and 50% YoY. The company recently started operating in the state of Telangana and plans to expand their operation in the northern region. Further, they are looking to enter into co lending partnerships in the future. We remain positive on the long-term performance of the company, backed by the industry growth, along with their branch expansion and co lending strategy.**

Guidance for FY25

• NIMs expected to be within the range of 12.7% - 12.9% against 12.7% in FY24.

• Credit cost expected to remain at 1.7% - 1.9% v/s 1.7% in FY24.

• Operating cost guided to be within the range of 5.7% - 5.8% as compared to 6% in FY24.

Highlights

• PBT stood at INR 1774 mn v/s INR 1298 mn in Q3FY24 (+36.62% QoQ, +40.32% YoY), led by improvement in NII.

• NII grew by 19% sequentially and 50% YoY, at INR 4131 mn, driven by increase in interest income and stable finance cost.

• Company's cost of borrowing for the FY24 stood at 11.2%. Their incremental cost of borrowing is at 10.39%.

• Their operating cost for the FY24 reduced by 20bps YoY to 6% but, were higher than the guided levels of 5.8 – 5.9%.

• They currently operate 1508 branches against the budgeted count of 1400 branches, due to which there was a slight uptick in operating cost.

• Company has expanded their operations to Telangana, during the quarter.

• The continuous branch expansion will increase their opex in short term but is expected to improve their performance in long term. They plan to expand their operation in Northern region.

• Their collection efficiency continues to be robust at 98.4% in FY24 v/s 95.8% in FY23.

• Company's disbursement improved by 18% YoY at INR 28,879 mn, led by the continuous branch expansion, among others.

• They are further looking to enter into co - lending partnership, which will help to access untapped markets.

• Asset quality remained flat sequentially. Management has guided GNPA to be around 2% for the FY25.

**Creditaccess Grameen Limited – Q4FY24 Concall KTAs**

**CMP INR 1415 | Market Cap INR 226 bn**

**OUTLOOK:**

**The company exhibited robust performance in the Q4FY24, with its NII showing strength, primarily fueled by margin performance. The asset quality degraded as NPA ratios were up sequentially. We remain positive on the stock.**

**Guidance**

• Loan growth is expected to be around 23%-24%.

• NIMs to be within the range of 12.8% to 12.9% range.

• Cost to income ratio expected to be at 30%-31% levels.

• Credit cost is guided in the range of 2.2%-2.4%.

• Cost of borrowings are expected to remain stable going ahead.

• ROA is targeted at 5.4% to 5.5% and ROE at 23%-23.5% mark.

**Highlights**

• Net interest income (Standalone) was up 33.7% YoY and 14.9% QoQ driven by healthy margin performance.

• NIMs for the quarter was up 90 bps YoY and steady on QoQ basis to 13.1%, mainly due to higher uptick in yields than cost of borrowings.

• The company took additional provisions worth INR 0.26 bn towards long term incentives and onetime special bonus to employees.

• Loan book for the quarter was up 27% YoY to INR 267.14 bn and disbursement for the quarter was up 12.3% YoY and 50.7% QoQ to INR 80.53 bn.

• Asset quality degraded as GNPA/ NNPA ratio increased 21 bps/ 6 bps QoQ to 1.18%/ 0.35% respectively.

• Customer retention for Q4FY24 stood at 88% indicating customer loyalty. It is expected to be around 85% to 90%.

• The company added 86 branches in Q4FY24 and now they have 1,967 active branches.

**Fusion Micro Finance Ltd.- Q4FY24 Concall KTAs**

**CMP: INR 488 | Market Cap: INR 49,289 Mn**

## Outlook

**Despite the challenges faced in Punjab, the company remains confident of growing in FY25, with healthy return ratios. The management has provided guidance for credit costs to be less than 3% in FY25, excluding management overlays, indicating an improvement from the previous year. Additionally, the company plans to continue its diversification strategy by opening a significant portion of new branches outside its top five states, including its entry into Andhra Pradesh and Telangana. The MSME business is also scaling up as planned, with a focus on secured loans.**

## Financial Performance

- Disbursements grew by 24.45% YoY to INR 29,530 Mn in Q4 FY24.

- AUM grew by 7.32% QoQ to 1,14,760 Mn and up by 23.45% YoY in FY24.

- Net Interest Margin (NIM) expanded by 5 bps QoQ to 11.59%, in line with guidance.

- Profit after tax stood at INR 5,053 Mn, up by 30.52% YoY and at INR 1327 Mn in Q4FY24.

- Total Income was INR 6,751 Mn, up by 10.09% QoQ and INR 24,124 Mn, up by 34.03% in FY24.

- Cost-to-income ratio remained at 36.60% YoY down by 184 bps.

- ROA and ROE delivered in the range of 4.5-5% and 19-22%, respectively, for two consecutive years.

## Operational Metrics

- The company's Gross Loan Portfolio per branch stands at INR 91 Mn as of FY24, up from INR 88.4 Mn in FY23. Clients per branch stood at 3,404, which is one of the best in the sector.

- The company has calibrated the average customers handled by field officers by around 15%, considering field dynamics.

## Punjab Exposure

- The company has a total exposure of INR 3,170 Mn in the state of Punjab. Around 65% of the company's branches in Punjab (35 out of 55 branches) are impacted by the stress in the state.

The collection efficiency in Punjab remained around 75% during Q4 FY24. The company mentioned that the collection efficiency in Punjab has stabilized at this level, and no further deterioration was observed in April 2024.

- The company has provided 25% provision (around INR 800 Mn) against the Punjab portfolio of INR 3,170 Mn. This provision is split across Stage 2 and Stage 3 assets, with a significant portion being classified as Stage 3 (around INR 1,000 Mn out of the total INR 1,130 Mn Stage 3 assets).

- Additionally, the company has created a management overlay of INR  595 Mn, which can be utilized for any unforeseen events, including the Punjab portfolio.

- The company has accelerated its write-off policy from 365 days to 270 days during the last year. Historically, the company's recovery rate on written-off assets has been around 5-7%, and it expects a similar recovery pattern in the coming quarters.

Credit Costs and Provisions

- The company's credit cost guidance for FY25 is less than 3%, excluding management overlays. The management overlay provision increased by INR 180 Mn in Q4 FY24 to INR 595 Mn.

- The company plans to utilize the NIM expansion and operational efficiency gains to create further overlays in the coming quarters.

Growth and Expansion

- The company opened 211 new branches in FY24, taking the total branch count to 1,297, a growth of approximately 19%. Around 66% of new branches planned for FY25 will be opened outside the top 5 states, aiding the diversification strategy.

- The company has entered Andhra Pradesh and Telangana markets, strengthening its presence in South India.

Customer Metrics

- The company added close to 1 lakh new customers during Q4 FY24. The average ticket size increased by 6% YoY in Q4 FY24.

- The company aims for a healthy mix of growth between customer addition and average ticket size increase, with a targeted growth of 10-12% in both metrics in FY25. The average outstanding per customer grew by 11% YoY to INR 28,500, which remains one of the lowest among peers.

**Other Highlights**

- 41% of the company's branches are less than 3 years old, contributing 26% to the overall AUM.

- The MSME vertical's AUM stood at INR 5,310 Mn across 97 branches as of March 24. The MSME business is scaling up as planned, with a focus on secured loans.

- The company's collection efficiency, excluding Punjab, remained steady at around 98.3% in Q4 FY24.

- The company's top 5 states contribute around 70.4% to the overall portfolio, and it remains committed to diversification across states.

**Edelweiss Financial Services Ltd Q4FY24 Concall Highlights**

**CMP INR 78 | Market Cap INR 73.19bn**

**The company expects the debt from current net debt of 7.5 to be come down to about 3.5-4 in the next 18 months. Company expects to start receiving dividend income from its underlying subsidiaries, which could be around INR4500cr per year.**

**Segmental Performance**

• Alternative Asset Management business AUM grew by 18% YoY to INR 54,700 Cr; profitability up by 32% YoY to INR 210 Cr in the year.

• Mutual Fund business AUM increased by 21% YoY to INR 1,27,000 Cr; profitability grew by 112% YoY to INR 38 Cr in the year.

• In mutual fund net Equity inflows was INR 1,700 Cr in Q4, up 162% YoY; INR 4,800 Cr in the year, up 41% YoY.

• Asset Reconstruction business grew its profitability by 12% YoY in the year to INR 355 Cr.

• In Asset Reconstruction company acquired debt assets of INR 455 Cr in Q4; INR 13,187 Cr in the year, up 98% YoY.

• General Insurance was the fastest growing in the industry, GWP of INR 255 Cr in Q4, up 107% YoY; INR 851 Cr in the year, up 54% YoY and Issued 1.4 lakh policies in Q4, up 45% YoY; 4.3 lakh in the YoY.

• In Life Insurance Gross Premium stood at INR 805 Cr in Q4, up 19% YoY; INR 1,926 Cr in the year, up 15% YoY and claim settlement ratio at 99.23%; 13m persistency improved YoY to 78% from 75%.

• In NBFC company disbursed INR 420 Cr in Q4; INR 1,050 Cr in the year, 80% via CLM and Wholesale book reduced by 42% YoY to INR 4,150 Cr.

• In Housing Finance company disbursed INR 547 Cr in Q4; INR 1,325 Cr in the year, 32% via CLM.

Key Highlights

• Customer reach expands further on the back of a retail scale up, growing 35% YoY to 7.6mn. This has also aided a 13% YoY growth in customer assets to over INR 2.1tr.

• Overall businesses saw a growth in customer base - demonstrating the continued trust of customers.

• Net Worth at INR 6,216 Cr.

• Net debt reduced by INR 3,270 Cr; reduction of 20% YoY.

• Liquidity of INR 2,880 Cr at 16% of debt.

• Strong capitalization across businesses, with capital adequacy of over 39% across credit entities.

• Company has been focusing on product innovation and customer experience, with a lot of industry-first launches in the last five years.

• Company plans to continue investing in its non-ETF side of the business, which has scaled up well, with a goal of reaching INR100,000 crores in the next 18 months.

• Company is investing in new product development, including a mobile telematics embedded app to personalize motor insurance solutions for customers.

• Company is looking to expand its product offerings in the alternative asset management space, specifically in private equity, private credit, and real asset.

• Company is building its product expertise, which takes 5-10 years, and developing a distribution capability to raise money and gain the confidence of qualified and institutional investors.

**Infosys Concall KTAs**

**Long on tomorrow weakness**

Management expects BFSI to perform better in FY25 compared to FY24.

Margin guidance is 20-22%, with efforts aimed at improving margins through a large deal ramp-up this year and Gen AI deployment.

Once the demand environment changes, hiring will adjust accordingly.

Signed 8 large deals in communications, 6 each in BFSI and retail, 4 each in manufacturing and life sciences, 2 in EOR region-wide, 16 from North America, 10 from Europe, and 4 from the ROW ending FY24 with the TCV $17.7 bn +52% net new and 8 mega deals.

The board has declared a dividend of  INR 20 for FY24 along with an INR 8 special dividend.

Focus remains on optimizing tracks for medium-term margin growth, amid cautious spending in BFSI due to high inflation and interest rates, with robust cloud adoption and growth in manufacturing witnessed in FY24.

Clients and communication sectors continue to be cautious with growth and challenges.

Project Maximus is in work and seeing good traction

In terms of tailwinds, utilization remains below the comfort level of 84-85%, which is higher than the optimum level of 5-6% for efficiency; however, company can improve ratios, particularly if growth is better.

Our view: LONG on tomorrow weakness if any..

**Wipro- Q4FY24 Concall KTAs**
**CMP INR 452| Market Cap INR 2,36,6223 Mn**
**In-line Nos with the guided revenue growth of (-)1.5% to +0.5% for Q1FY25. Margins are expected to remain within a consistent range over the coming quarters. Despite challenges in the macroeconomic environment and slower discretionary spending, there are signs of stabilization, with Capco's encouraging growth in Q4 providing stability after several difficult quarters.**

Five focus area, 1) Company will revitalize the company by accelerating large deal momentum through strengthened client and partner relationships.2) Focus on industry-specific offerings infused with AI.3) Scale talent development to deliver industry-specific business solutions.4). Simplify operating model for faster execution.5). Maintain the core tenets of the strategy.

Revenue flat QoQ in both USD and INR terms, de-growth 6.4% YoY in USD terms/ decline 4.2% YoY in INR terms of INR 222.1 bn (BE: INR 222.2bn). QoQ performance was led by BFSI up by 2.6% QoQ and Healthcare grew by1.3% QoQ.

- EBIT margin improved by 130 bps QoQ to 16.0% led by lower SG&A that was down 17.6% QoQ. Despite challenges, operational excellence drove a expansion in Q4 operating margins, even after factoring in two additional months of wage hike.
- Capco: In Q4, Capco witnessed a 6.6% QoQ revenue growth, attributed to positive signs in consulting and the strategic decision to maintain the Capco brand separately, with the added benefit of a weak Q3 performance due to furloughs.
- Deal wins: 43.6% increase in order bookings, totaling $3.6 bn for Q4FY24 and $14.9 bn for FY24 18 large deals, totalling $1.2 bn in Q4, and recorded $4.6 bn in large deal bookings for FY24 up 17.4% YoY. Revenue growth is being affected by the slow progression of deals and delays in replenishing completed deals. Remains committed to cultivating a strong pipeline of internal leaders and maintaining a strong deal pipeline across mid and large sizes.
- Acquisition: Company acquired a majority stake in Aggne, a top consulting and managed services firm in the Insurance and Insure tech industry.
- Clients: Company is ramping up revenue from key clients, introducing 3 in the $100M+ bracket, with 6 of the top ten accounts showing QoQ /YoY growth in Q4FY24.
- Geography: 60% of revenues from the BFSI sector, with green shoots visible. However, Europe revenue decreased by 0.1% QoQ and 7% YoY. Despite challenges in Germany and the UK, signs of recovery are evident in Switzerland and southern Europe, growing by 1.7% and 1.6% respectively in Q4. Southern Europe saw a significant +14.6% YoY growth in FY24, securing 5 large deals worth over $300 mn in Q4. Conversely, APMEA revenues declined by 2.2% QoQ and 4.5% YoY. Strategic focus in APMEA on high-value projects led to a margin improvement of 235 bps for IT services. There are no plans to alter the market structure.
- Headcount: Down by 6,180 QoQ to 234,054 employees. Utilization up by 290 bps QoQ to 86.9% . LTM attrition was flat QoQ at 14.2%.

**Outlook: The overall results in-line with expectations, we believe Wipro's performance to improve, led by significant growth in Europe, signs of recovery in Switzerland and visible green shoots in BFSI.**

**PB Fintech Ltd.- Q4FY24 Concall KTAs**
**CMP: INR 1,243 | Market Cap: INR 5,60,959 Mn**

**Outlook**
**The company achieved profitability ahead of target in Q4 FY24 and reported a PAT of INR 640 Mn for the FY24, a significant improvement from the previous year's loss. While the management did not provide specific guidance for the FY25, they expressed confidence in sustaining the growth trajectory, especially in their core health and life insurance segments, which grew at 53% YoY in Q4. The credit business faced a temporary slowdown due to process-related tightening, but the management expects this to normalize within a quarter. The company aims to focus on customer acquisition, leveraging technology and partnerships with insurers to introduce innovative and affordable products, streamline the claims process, and enhance customer experience.**

Financial Performance
- Consolidated Revenue for FY24 grew 34% YoY to INR 34,380 Mn, and up by 25% YoY to INR 10,900 Mn in Q4FY24.
- Core online Revenue grew 39% YoY to INR 23,750 Mn in FY24 and up by 33% YoY to INR 6,690 Mn in Q4FY24.
- Consolidated Adjusted EBITDA improved from a loss of INR 1,190 Mn in FY23 to a profit of INR 1,440 Mn in FY24. Core Adjusted EBITDA margin improved from 6% to 14% YoY.
- PAT for FY24 was INR 640 Mn, up from a loss of INR 4,880 Mn in FY23.

Strong growth in core business segments
- Health and life insurance premiums grew by 53% YoY in Q4, driving long-term profitability.
- Total insurance premium for Q4 was INR 51,230 Mn, with an annualized run rate of INR 2,00,000 Mn. New core line insurance premium grew at 47% for the quarter.

Focus on customer acquisition and growth over margins
- The company's priority is growth over margins, as they aim to acquire more customers in the underpenetrated Indian insurance market.
- They don't set specific goals for maintaining steady-state margins; instead, their priority lies in delivering top-quality products to their customers.

Leveraging technology and AI
- The company is utilizing AI, machine learning, and generative AI in areas such as risk assessment, call center productivity, and customer service. They aim to experiment with generative AI to change the nature of customer interactions with digital assets.

Addressing industry challenges
- The company is focused on addressing affordability issues in health insurance by introducing low-cost plans, deductibles, and flexible payment options. They are working on improving the claims experience by reducing waiting times and providing a seamless process for their customers.

Long-term vision

- The management envisions PB Fintech as more than just an online platform, aiming to address all problems in the healthcare industry, including misaligned interests, overcharging, and payment issues.

- They consider the current stage as an early evolution, with plans to dive deeper into solving social security and healthcare infrastructure problems in the future.

Credit business slowdown

- The credit-linked business, Paisa Bazaar, has slowed down as expected, with a guided growth rate of around 20-22% for the quarter. The management expects this slowdown to continue for at least one more quarter due to a process-based tightening, rather than a quality-based issue.

Persistency and renewal rates

- The company's persistency rates for health insurance policies, measured by both the number of policies and premium amount, are at the highest levels ever.
- The renewal revenue has increased, with the take rate on renewal commissions moving up from 6.3% to 7%, indicating an improved non-life mix.

Strategic initiatives

- The company recently obtained a broker license, which they believe will allow them to offer better propositions to customers, especially in the protection segment.
- They are exploring opportunities in secured loan categories, such as loans against securities, to increase the contribution of secured loans in their credit business.

Other Highlights

- In FY24, the company did a loan disbursal of INR 1,48,000 Mn and card issuance of .58 Mn
- PB Partners (agent aggregation platform) is growing rapidly and is expected to break even soon.
- The company aims to collaborate with insurance partners to introduce customized and relevant products for customers, improving conversion rates.
- They are exploring ways to provide a "green channel" for their customers, streamlining the claims process and reducing waiting times.

**Datamatics Global Services – Q4FY24 Concall KTAs**
**CMP INR 556 |Market Cap INR 32,803 Mn**

**Despite challenges in western markets, Datamatics anticipates a 7-8% revenue increase in FY25, driven by organic growth and contributions from the Dextara acquisition, with margin enhancements expected from cost-saving measures, emphasis on hyperscalers, and revenue growth from AI solutions. In our view, the Q4FY24 numbers were good, but there was a YoY dip due to the acquisition and certain costs involved in new technology. Looking ahead, it will be important to watch the upcoming quarters for decent performance.**

Financial
Revenue stood at INR 4127 Mn grew by 11.8% QoQ/-0.9% YoY.
EBITDA margin stood at 15.7% (14.3% QoQ) (20.2% YoY).
EBIT margin stood at 13.5% against (11.8% QoQ/18.1% YoY).
PAT margin 12.3% (10.9% QoQ/14.2% YoY)
Employee Attrition 17.9%; Added 10 new clients in Q4FY24

Concall KTAs
•Segments: Digital Operations contributed 49% of revenue, growing 8.1% YoY in Q4 FY24, while Digital Experiences accounted for 15% of revenue, with a 3.8% YoY increase. However, Digital Technologies, making up 36% of revenue, experienced a 12.4% YoY decline and significant margin contraction due to increased AI investments. Not a particular industry vertical is predicted to excel, with a subdued macroeconomic environment anticipated across sectors
•DSO remained stable at 67 days.
•Dividend: Recommended a final dividend of INR 5 per share for FY24.
•Acquisition: Datamatics acquired Dextara Digital, a Salesforce services provider, to bolster its focus on hyperscalers and the US market, expecting a 4% contribution to topline growth from Q1FY25 onward.
•AI was a major focus in FY24, with substantial investments affecting the margin of the Digital Technologies segment. The development of various AI solutions, such as customizable small language models, co-pilots, and application mining tools, was undertaken, with plans for showcasing and launching them in FY25,positive initial feedback from pilot customers.
•Sales: Datamatics is pivoting its sales strategy towards existing customer mining and larger deals, especially in the hyperscaler segment, while implementing a sales enablement program in the US to boost capabilities.
•Margin: AI investments are promising; the substantial margin squeeze in Digital Technologies remains a worry.
•Western Markets: A projected slowdown in technology spending and outsourcing in western markets could affect Datamatics' growth trajectory.
•Deal: The company continues to secure contracts across various regions and industries.

**Ksolves India Ltd – Q4FY24 Concall KTAs**
**CMP: INR 1,099 | Market Cap: INR 13,028 Mn**

**Outlook**

**The management remains bullish on the demand environment, especially for their niche focus areas of AI/ML and big data analytics. The company is focusing on investing in cutting-edge technologies, high customer retention, and increasing employee travel to client locations for project work. However, the key challenge for the company lies in securing the required talent supply given the dynamic demands of these emerging technologies. The company plans to grow organically and has no major acquisitions in the pipeline currently.**

**Financial Highlights**

* In Q4FY24, revenue from operations surged to INR 304 Mn, marking a strong YoY increase of 33.9%. For the FY24, revenue stood at INR 1,086 Mn, reflecting a substantial YoY growth of 38.7%.
* EBITDA for Q4FY24 reached INR 129 Mn, showing a noteworthy YoY growth of 39.4%. Over the entire FY24 period, EBITDA amounted to INR 464 Mn, indicating a YoY increase of 41.2%.
* PAT in Q4FY24 reached INR 94 Mn, demonstrating a YoY growth of 28.2%. For FY24, PAT amounted to INR 341 Mn, showcasing a YoY increase of 38.2%.

**Revenue Mix**

* Company's 81% revenue comes from overseas markets with the majority of it coming from North America. Its open source tech and Salesforce contribute over 20% of revenue.
* Its Odoo segment contributes around 18% and AI/ML & Big Data over 10%.
* Company's 97.5% revenue from services and consulting

**Client Wins**

* The company added a Fortune 500 telecom customer.
* It is working with a large Australian digital marketing firm client and a UK-based global commercial real estate services company.
* Also the company is working on a project with a large banking institute in the Middle East and has got new contracts with a US-based shipping giant.
* It has also received order from the largest bank for big data project.

**Growth Strategy and Drivers**

* Company's focus is on niche technologies like AI/ML, Big Data.
* It operates in a lean cost structure and has high customer retention (82% repeat business).
* The company has done partnerships with Red Hat, odoo, AWS and Salesforce.
* Company is planning to expand geographic reach and focus on customer satisfaction and references.
* The company is also planning to invest in infrastructure and emerging technologies.

**Technology Roadmap**

* The company is working on DevOps, Interface Engineering, and some products as well as the value pattern, which is like regular application development, which includes mobile and other projects.
* It is also actively participating in domestic and international AI/ML events.

**Other Highlights**

* The company generates business through partnerships, content marketing and general marketing.
* The company has indicated that its primary hurdle lies in sourcing the appropriate talent.

**Zomato-Q4FY24 Concall KTAs**
**CMP INR 194| Market Cap INR 1709,787 Mn**

**Rapid store expansion planned in quick commerce business, aiming for 1000 stores by Mar 2025 across top cities. Proposal for new ESOP pool equivalent to 2% of share capital. Adjusted EBITDA likely to be around zero initially, but expect 4-5% margin in steady state, leading to ~4x increase in GOV.**

**Financial**
Revenue grew by 61% to INR 38,730 Mn.
EBITDA INR 3690 Mn against 1940Mn
GOvs INR 13,53,60 Mn gre by 51%.Food delivery GOV grew 28% YoY (-0.6% QoQ) - Quick commerce GOV grew 97% YoY (14% QoQ), and Going-out GOV grew 207% YoY (25% QoQ)

**Concall KTAs**
New Stores Expansion
Doubling the number of stores in Ahmedabad, Bangalore, and other under-penetrated cities by Mar 2025. Delhi remains the strongest market.
**Blinkit**
March 2024: 100% of orders had a non-zero delivery fee, averaging INR 20 per order (excluding new customers). Healthy pipeline with no significant issues faced.
**Zomato**
- Aiming for faster growth than the overall restaurant industry.
- Focused on innovation with customer-first principles, creating value for restaurant and delivery partners.
- GOV Growth driven by AOV and order growth. Q4FY24 28%YoY GOV growth fueled by 5% YoY AOV growth and 23% YoY order growth. Order growth is driven by transacting customers and order frequency growth.

**EBITDA Margin**
Improved by 2.1% over the past four quarters. Driven by higher AOV, improved take rate and ad monetization, introduction of platform fee, and cost efficiencies. efficiencies. Together, these factors more than compensated for the lower customer delivery fee because of the free delivery benefit on Gold orders.
**Esop**
In Q4FY24 was INR 1610 Mn as against to INR 1220 Mn for Q3FY24. Expect the ESOP charge to increase further in FY25 on account of the grant of ESOPs to the Blinkit leadership team and senior employees.
**Other highlights**
- Good Partner in every city looking to open dark sources.
- Hyperpure (B2B) Supplies margin improved from -9% to -2% in Q4FY24.
- Quick commerce business turned Adjusted EBITDA profitable in March and Hyperpure losses also reduced meaningfully.
- Company plans to expand stores slowly while keeping watch of the company's bandwidth

**C.E. Info Systems (MapmyIndia) Q4FY24 Concall KTAs**
**CMP INR 1917 |Market Cap INR 103,664 Mn**

**Company maintained its revenue outlook of INR 10,000 Mn annual revenue by FY27/FY28, while in FY25, it focuses on expanding its global footprint and has established its consumer business, primarily driven by Map-led and automotive sectors**

**Financial**

Reported revenue of INR 1069 mn(up 16.2% QoQ, up 47.2% YoY). The sequential growth was led by (14.6% QoQ) & C&E segment (~17%)
EBITDA margin down 210bps QoQ/down 300bps YoY to 37.0% due to higher cost of material (57% QoQ). Map led business; EBITDA margin was 49.2% vs 49.4% in Q4FY23; while EBITDA margin of IoT led business continues to grow and was 17.4% vs 4.0% in Q4FY23, led by increase in SaaS income
PAT after MI of INR 379 Mn led by by lower tax rate of 18.6%

**Concall KTAs**

- 2.5mn + new vehicles were built in with Mappls in FY24 vs 1.9mn vehicles in FY23( up 32% YoY).
- Secured a INR 4000 Mn contract in map-led business with Hyundai & Kia, revenue to commence from Q2FY24, with a 5-year tenure.
- Map-led margins strengthened, rising by 100 bps YoY to 54% in FY24 from 53% in FY23.
- Grew by 52% YoY growth with 2.9+ Lakhs devices rented and sold in FY24.
- Focused on expanding its international presence in FY25 and has set up
- its consumer business well led by the more Map-led and automotive led.
- IoT-led revenue grew by 91% YoY led by device growth and improved product mix.
- Subscription revenue share increased from 28% in FY23 to 40% in FY24.
- Consumer Tech & Enterprise Digital Transformation business experienced a 67% growth in Q4FY24 compared to Q4FY23, attributed to new customer acquisitions and upselling.
- Historical Open Order Book to Revenue conversion ratio has typically ranged from 3 to 5 years.
- Company has launched a new product, MapmyIndia Mappls, which has seen faster
- than industry growth uptake among OEMs, including new age EV companies.
- Significant increase in consumer demand for its products, with 20
- Mn users downloading its app as of Q3FY24.

**LTIMindtree Ltd - Concall KTAs**
**CMP INR 4,733 | Market Cap INR 1,401,608 Mn**

**~80% of the deals in its pipeline focus on saving costs, and these deals usually last for many years. Margin improvement has been delayed slightly because the main focus right now is on the growth side.However, it is well-prepared to capitalize on any rebound in discretionary deals**

Financial
Revenue at $1,069.4 Mn (-1.3% QoQ +1.1% YoY).Net profit at INR 11,007 Mn (-5.9% QoQ / -1.2% YoY)

Concall KTAs

EBIT margins stood at 14.7% against 15.4% in Q3FY24, affected by: 70 bps from wage points, 80bps from project cancellations(Due to two project cancellations where clients reprioritize the spends), and a 60bps impact from higher SG&A and depreciation.

Some of top 40 customers experienced a decline in growth due to market dynamics and client centric factors.

Verticals
BFSI segment down by 2.8% QoQ due to project cancellations as clients reprioritized spending, impacting margins, but grew 2.2% YoY.
TMC business grew 1.7% only , impacted by higher discretionary spend.
Manufacturing and resources business showed strong growth at 14.6% driven by ERP and supply chain modernization.
Retail, consumer goods, travel, transportation, and hospitality business grew 2.3%.
Health, life sciences, and public services business up by 6.1% YoY.

Geographically: North America grew 5.9%, Europe 3.5%, and RoW down by 3%in FY24.

DSO was at 80 days, an improvement of 5 days.

Recommended a final dividend of INR45 per share.

Deal wins: Secured over 20 deals in the past year, and expact to ramp up starting from Q1FY25.

Utilisation: 87% in Q4FY24 and company target utilization level is within the range of 85-86%.

Anticipates a return to growth in Q1FY25, driven by the acceleration of recently secured deals.

**Affle (India) Ltd Q4FY24 Concall KTAs**
**CMP INR 1,228 | Market Cap INR 172,141 Mn**

**Management guided the effective tax rate to gradually increase from the current 9% in FY24 and expects 20% long-term business growth, driven by strong consumer trends in smartphone usage and connected TV. The market continues to benefit from accelerated consumer adoption of digital technologies and a shift towards digitally enabled processes. There is a strong market opportunity as advertisers consistently increase their digital spending.**

Financial: Additional income contributes to the growth of PAT and enhances margin improvement on a QoQ basis*

Revenue stood at INR 5062 Mn grew by 1.5% QoQ/ 42.3% YoY. the growth in revenue from India & Emerging markets was ~28% YoY. However, developed markets grew by 105% YoY & Revenue growth of 15% YoY in India.

EBITDA Margin 19.5% (19.4% QoQ) (20% YoY). Other expenses increased by ~89% YoY & ~20% QoQ to INE 400 Mn, on account of higher sales and marketing costs to support developed market growth in Q4FY24.

The organic growth for the company was ~18.5% YoY in Q4 FY24.

PAT stood at INR 875 Mn grew by 40.2% YoY/13.9% QoQ

Concall
Strong market opportunity as advertisers steadily accelerated their digital spendings resulting in a broad-based growth in their CPCU (Cost Per Converted User) business in global emerging markets and successful turnaround in the developed markets.

Data and inventory cost stood at INR 11250 Mn comprising 61.1% of revenue in FY24. The company is calibrating its platform to premium inventory touchpoints.

The overall market tailwind continued to be intact anchored on the accelerated consumer adoption of the digital and an enhanced organizational shift towards digitally enabled processes.

They are witnessing strong market opportunity as advertisers are consistently increasing their digital spending.
In Q4FY24 witnessed broad based growth across verticals & geographies.

In FY24, 76% of the revenue contribution amounting to INR 14,070 Mn was from direct customers.

Their strong anchoring across India and global emerging markets continued to be resilient and it contributed ~73% of the revenue in FY24.

In FY24, CPCU model contributed 95% of revenue while the remaining 5% came from Non-CPCU.

The company has been pushing more for CPCU based business model to new customers as reflected in Q4 FY24 which constituted ~100% of the CPCU based revenue.

The CPCU business revenue stood at INR 1,759 crore in FY24, a growth of 33% YoY. Converted users and average CPCU was 31.3 crore and INR 56.2, respectively.

Average CPCU grew by 10% on a YoY basis in FY24.

Conversions recorded a 22% YoY growth of 22% in FY24 while the 5-year CAGR for the same was 54.5%.

The company filed 15 new patents in Q4FY24, powering futuristic use cases in interaction, training, and Gen AI integration, while calibrating to avoid overdependence on any specific vertical.

**DigiSpice Technologies Ltd – Concall KTAs**
**CMP: 29.6 | Market Cap: 6870 Mn.**

**Outlook:**
**DigiSpice Technologies reported a revenue of INR 1060 million for Q4FY24, reflecting a slight decline of 4% QoQ and 1% YoY. However, the company achieved a significant improvement in EBITDA margins at 9.43%, up from 3.63% QoQ, and a substantial PAT increase to INR 375 million, demonstrating a remarkable growth of over 2300% QoQ. With a strategic focus solely on the Spice Money fintech operations and the introduction of new products enhancing fee-based income, the company is well-positioned for growth. Future projections indicate continued revenue expansion driven by the hybrid model of physical and digital presence and targeted expansion in underserved regions, promising strong financial performance ahead.**

**Performance Consol:**
•Revenue came in at INR 1060 Mn. (-4% QoQ) (-1% YoY) in Q4FY24.
•EBITDA margins came in at 9.43% (Vs. 3.63% QoQ) (8.41% YoY) in Q4FY24.
•PAT came in at INR 375 Mn. (+2305.88% QoQ) (+2183.33% YoY) in Q4FY24.

**Highlights:**
•Company has shifted its focus entirely to the Spice Money business, making it the only brand moving forward, company has decided to exit all non-fintech businesses, focusing solely on fintech operations from FY24 onwards.
•The company is not in a rush to raise funds and aims to stabilize its business model before considering fundraising, especially for the credit business in FY24.
•Introduction of new products and services is expected to increase fee-based income. Gross margins have improved from 30% to 41% in FY24.
•Gross Transaction Value is growing faster than revenue due to the nature of the product mix, with the Collection Management System business contributing significantly to GTV but at lower margins.
•Indirect costs have been reduced, contributing to an improvement in EBITDA from INR 102 Mn to INR 217 Mn.
•The company is focusing on a hybrid model combining physical and digital presence to serve small businesses in rural and semi-urban India.
•Gross margins have improved due to a strategic shift from capitalizing devices to direct sales, thereby reducing subscription fees for devices to zero.
•Introduction of Aadhaar EKYC based savings accounts and third-party lending partnerships have led to significant growth in new business lines in FY24.
•The collections business, including cash management and Bharat Bill payment systems, has seen YoY growth of 54% and 90% respectively.
•AEPS fraud concerns have led to regulatory changes, impacting transaction numbers but the company is countering this through growth in the collections business.
•The company is reinvesting profits into building its tech and distribution network to drive future growth.
•Improving customer engagement through subscription packs and better service offerings is a key strategy.

•Nearly 100,000 loans have been issued to merchants on the platform, indicating growth in the lending business in FY24.
•Company focuses on improving customer engagement through subscription packs and better service offerings is a key strategy.
•Plans for strategic acquisitions are in place, with ongoing processes to get regulatory approvals and integrate new businesses.
•Detailed plans are in place for FY25 growth targets across different business segments, Over the next five years, the company will focus on consolidating its presence in north, central, and east India while gradually expanding into the south and west.

**Tata Elxsi Ltd- Q4FY24 Concall KTAs**
**CMP INR 7394 | Market Cap INR 460,462 Mn**

**Expect improvements in media and communications in FY25, while transportation growth may be delayed, emphasizing the need to maintain margins and aim for faster growth**

Margin: 28.8% against 29.5% decline in margin led by 30bps from cross-currency headwinds, and 80bps invested in talent development, including AI capability enhancement, and onboarding campus batch, resulting in a total dip of 110 basis points.

Vertical: In Q4FY24, industrial design and visualization business will be reported across all 3 verticals; software development services combine EPD and IDV revenues, with transportation business growing at 20.5% YoY, constituting 50% of SDS revenues, and despite delays, the business grew at 1.2% QoQ in CC terms.

Media and Communication:  In Q4FY24, there was a decline of 2.6% YoY, primarily due to the merger-led impact of a deal ramp-down with one customer, which affected margins. This segment  declined 4% QoQ, with 3% attributed from the single customer and the single ramp down.

Transportation: 40% YoY growth  encountered delays in one deal secured, there's anticipation for a ramp-up in activity during the latter half of this quarter.Healthcare started to pick up towards the later part of the year.

Gen AI: Company is investing and winning deals with Gen AI led solutions for the healthcare industry, including identification and elimination of toxic materials from the medical device supply chain.

Red Sea: Revenue and growth in Q4 were impacted by hardware shipment delays due to the Red Sea shipping crisis, impacted on revenue.

Clients: Strong growth is in among the top 10 and top 25 customers throughout the company.

Employee: Added 178 net additions in Q4 and 1535 in the FY24. Employee retention at 12.4%, while aiming to make 25% of Engineers AI-ready by Q3FY25.

Dividend: Company recommended a final dividend of INR 70 per share.

**Cyient DLM Q4FY24 Concall Highlights**
**Cyient DLM | CMP: INR 686 | Mcap: INR 54.53bn**

Revenue
The revenue is expected to grow at a CAGR of 30% going forward.

H1 and H2 revenue share is around 45% and 55%.

Margins
EBITDA margins stood at 10.5% in Q4FY24 and the company focused on maintaining double-digit margins going forward.

Revenue share
PCBA's revenue share increased from 63% (FY23) to 70% in FY24 and Box Build's revenue share decreased from 32% (FY23) to 25% in FY24. The change in share is based on customer and program requirements.

Industrial and medical revenue share is expected 25% each over the next 2-3 years.

Order book
The order book stood at INR 21,705mn (~1.8x of FY24 revenue) as of Q4FY24. The company has long-term agreements with customers and is expected to convert into orders going forward.

The order book left from BEL is around $55mn and margins are lower compared to other businesses.

The company is focused on high mix and low-value space like Aerospace & Defence, Medicals, and Industrial applications.

Working capital days
Net working capital days stood at 79 days as of Q4FY24. The working capital days are expected 90-100 days in FY25E.

Advances from customers are around 25 days in FY24.

Exports
Exports and domestic mix contribute 2/3 and 1/3 as of Q4FY24. Exports and domestic mix is expected to reach 70:30 over the medium term.

IPO proceeds usage
In IPO proceeds, the company used INR 1,609mn (100% utilization) for debt repayments and working capital of INR 799mn (27.1% utilization). The company has a working capital requirement of INR 3,000mn going forward.

Acquisitions
The company is looking for acquisitions, which is between $40mn to $100mn revenue company.

RoCE
RoCE is expected 15% in a couple of years and 25% in the next 5 years.

Other highlights
Industrials witnessed de-growth of 57% YoY in Q4FY24 due to key client. Recovery is expected in the sector and from new clients.

Employee costs were increased by 81.4% YoY to INR 1,174mn in FY24 due to planned SG&A investments.

Defence growth is majorly supported by India and the Middle East.

**Outlook: Cyient DLM is expected to grow 30% CAGR along with double-digit margins going forward. Aerospace and Defence contribute ~80% of revenue and a sector tailwind is expected to drive the business. The company is at an advanced stage for acquisitions which will lead to in-organic growth going forward.**

**Cyient Ltd-Q4FY24 Concall KTAs**
**CMP INR 1916 |Market Cap INR 212,464 Mn**

**Expects 16% in cc growth in FY25, led by ramping up of recently signed deals while initial softness expected, with improvement in the H2FY25; quarterly guidance not provided due to project uncertainties, awaiting clarity for the H1FY25.**

Financial
Revenue at INR 14,890 Mn de-grew by 0.1% QoQ/+2.8%YoY.CC Revenue de-grew by 0.5% QoQ/+1.8% YoY. EBIT margin of 16% expanded 2bps QoQ/90bps YoY. PAT at INR 1730 Mn grew by 9.1% YoY/flat QoQ. Order Intake grew by 7. 1%YoY to $227.8 Mn.

Concall KTAs
•Signed a strategic partnership with Deutsche Aircraft Group for the development of a new 40-seater turboprop aircraft.

•Vertical: In transportation was down by 1.5% QoQ led by challenging rail verticals. Connectivity was down by -2.3% QoQ/-12.3% YoY, Sustainability was flat QoQ/+19.2% and New Growth Areas was up by 1.2% QoQ/-3.3% YoY expact it bounce back in this segment by FY25. Growth expected in automotive, semiconductors, and healthcare, led by software-defined vehicles, high-performance computing, and patient monitoring.

•ER&D services are likely to experience increasing demand in smart and connected ecosystems, while Aerospace demand has come back driven by the manufacturing and aftermarket sectors.

•Deals: Company won 2 large deal, totalling 11 for Q4FY24. Few deals closed late in Q4 are expected to be realized in Q1&Q2 FY25.

•M&A: The focus isn't on M&A investments; rather, company is focusing on organic investments in technology to drive revenue and margin growth within the signed project.

•Headcount was down by 217 QoQ to 15461. LTM attrition was down 130 bps QoQ to 17.1%. Company has seen a drop in revenue volume due to offshoring.

•Geography: Lot of capabilities in Europe and started doubling down on Japan, while also exploring opportunities in the Middle East amidst energy transition investments, supports strong growth prospects for the medium to long term.

•Recommended a final dividend of 18 per share, totalling of 30 per share for FY24.

**Tech Mahindra-Q4FY24 Concall KTAs**
**CMP INR 1190 |Market Cap INR 116,244 Cr**

**Add on decline**

**Expectations are for growth to rebound in the H2FY25, surpassing the performance seen in FY24. FY25 guidance indicates a temporary downturn in YoY growth, with a turnaround projected in Q1 H1 and annual growth expected by year-end. FY27 goal is to surpass the industry average in revenue growth, aiming for an EBIT margin of 15% and a ROCE >30%. Going forward, we believe better growth for Tech Mahindra, driven by improved performance resulting from restructuring efforts and enhanced synergy with portfolio companies, leading to improvements in both margins and growth opportunities.**

**Financial**
- Revenue at USD 1,548 mn was down by 1.6% QoQ/-7.2% YoY. Revenue at INR 128,710 Mn down 1.75% QoQ/-6.17% YoY.
- EBIT margin at 7.4% on low base up by 200bps
- Consolidated PAT at INR 6610 Mn up 29.5% QoQ/down 40.9% YoY

**Concall KTAs**
- Aims to achieve cost savings of ~$250 Mn annually through various optimization initiatives, including pyramid enhancement and G&A streamlining.
- Vertical: Retail & Transport (down 9.4% QoQ) & Communication (down 2.8% QoQ). Expected outcomes for FY26 involve the commencement of growth stemming from the new service line structure and vertical focus areas, coupled with initial returns from strategic investments. Estimates emerging as a strong contender in the BFSI sector in the years ahead.
- Focus on organic growth: Moving forward, the company's emphasis will be on organic expansion, with no current plans for strategic acquisitions.
- Headcount was down 795 employees QoQ to 145,455 employees. LTM attrition was down by 30bps to 10%. The company is committed to investing in new talent and intends to maintain this strategy in the future. Order Book TCV grew by 31.2 QoQ to $500 Mn vs $381Mn in Q3FY24. This also includes the two large deals that signed in Q4FY24, each over $100 Mn in TCV.
- Financial: Company's Objective is to ensure more consistent financial results in the future. Dividend Recommended final dividend of INR 28 per share for Q4, totalling dividend for FY24 to INR 40 per share. •Wage Hike: The company will prioritize addressing wage inflation over the next three years.
- Consumer Shift Towards Digital Services: Consumer demand is influenced by the widespread adoption of technology, shaping consumer behavior towards prepaid offerings and digital services, with the entry of fintech firms into lucrative segments highlighting the trend.
- Pricing strategy aims to transition towards value-based pricing over time, automating workloads and focusing on short-term returns, albeit posing challenges from a billing rate perspective.
- Gen AI: Company is upskilling over 50,000 employees in AI and software for internal transformation and productivity enhancements.

**Zensar Technologies Ltd. – Q4FY24 Concall KTAs**
**CMP: INR 575 | Market Cap: INR 1,30,359 Mn**

**Outlook**
**The company had a strong FY24 with improvements across profitability, order booking, attrition and client satisfaction metrics. The management expresses optimism in the company's future prospects, with an aim to achieve sequential QoQ growth for each quarter in FY25, with margin guidance of 15-16% for the full year FY25.**

Financial Highlights
- Revenue for Q4FY24 stood at USD 148.1 Mn, registering 2.4% QoQ growth in reported currency and 2.0% in constant currency.
- Gross margin dropped by 50 bps QoQ. The decline was primarily due to reversal of 120 bps benefit received in Q3FY24 on account of higher leave utilization and increase in cost of delivery and other operational cost.
- Other income in Q4FY24 increased primarily due to resizing and termination of some of lease premises and one time impact due to settlement of pending adjustment pertaining to earlier acquisition.
- The company's board has recommended a final dividend of INR 7 per share for FY24 subject to approval of shareholders. With this total dividend payout, including interim dividend for the financial year FY24 will be 450% of the face value.

Margin Performance and Guidance
- The company has reported better-than-expected margin performance in FY24 and for FY25, margins are expected to be in range of 15-16%.
- There were some one-time benefits in Q4FY24, like lease termination benefits affecting depreciation and other income. However, the normalized depreciation is expected to be in the range of USD 3.2-3.5 Mn per quarter going forward.

Order Book
- The order book for Q4FY24 stood at USD 181.5 Mn, up 8.4% QoQ. With this the full year order book stood at USD 698 Mn, up by 22% YoY.

High-Tech Vertical Performance
- For the first time in several quarters, the high-tech vertical recorded sequential growth of 0.7% in Q4FY24.
- The company hopes that the worst is behind for the high-tech vertical, although some clients are still facing financial challenges.
- The company is diversifying its high-tech client base and expanding its focus TMT sector, with 34 new logos added in FY24 and 25% added came the TMT space.

Large Deal Strategy
- The company has a comprehensive strategy in place to win large deals, with a pipeline already in progress.
- Large deals are primarily focused on application management, infrastructure management, cloud services, and bundled hardware/software offerings.

Generative AI
- Generative AI is believed to still be in a nascent stage, and there are concerns around scalability and legal aspects, particularly for IT service providers.
- The company is cautiously experimenting with generative AI for internal productivity improvements.

Other Highlights
- LTM attrition improved to 10.9% in Q4FY24 from 12% in Q3FY24.
- The company achieved highest ever client satisfaction score of 70, up from 53 two years ago.
- Utilization improved by 300 bps QoQ and 230 bps YoY in Q4FY24.
- Gross employee addition stood at 816 in Q4FY24

**First source Solution Ltd– Q4FY24 Concall KTAs**
**CMP: INR 210 | Market Cap: INR 1,44,765 Mn**
**Outlook: The company's confidence in its trajectory is bolstered, aiming for a USD 1 Bn exit run rate by FY '26 on an organic basis, alongside an annual expansion of EBIT margin by 50 to 75 basis points over the medium term. For FY25, revenue growth of 10-13% in constant currency terms is anticipated, excluding the effects of residual offshore shift in the top account and the QBSS acquisition contribution. The FY25 EBIT margin guidance is set at 11-12%, considering upfront investments in the business. Over the medium term, spanning 3-4 years, the company targets an annual EBIT margin expansion of 50-75 basis points. To seize opportunities presented by a robust deal pipeline and client engagements, the company has expedited certain investments while maintaining a cautious and strategic approach to margin management. These investments, primarily front-loaded, are crucial for future growth, with ongoing adjustments expected as the business landscape evolves. Notably, in Q4 FY24, the company expanded seating capacity in Bangalore, Mumbai, and Mexico to accommodate recent order wins. The QBSS acquisition was funded through internal accruals.**

**Financial Highlights**
•Revenue stood at INR 16,705 Mn (USD 201 Mn) in Q4FY24, up 7.3% in INR, 6.2% in USD YoY & INR 63,362 Mn (USD 765 Mn) in FY24, up 5.8% in INR ,2% in USD YoY
•EBIT stood at INR 1,830 Mn in Q4FY24 up by 1.7% YoY, with margins at 11% & INR 6,962 Mn in FY24 up by 23.6% YoY, with margins at 11%.
•PAT was at INR 1,335 Mn in Q4FY24 down by 5.5% YoY & INR 5,147 Mn in FY24 up by 0.2% YoY.

**Banking and Financial Services Vertical:**
•In Q4FY24, BFS vertical experienced a 1.7% QoQ growth in constant currency terms. However, this growth was down 3.3% YoY, primarily due to the base effect in the mortgage portfolio.
•The company is investing in strengthening its sales and solutions teams in this vertical to expand its footprint in existing clients and adjacent segments.
•The technology-led proposition is resonating well with mortgage customers exploring non-linear execution models to prepare for potential cyclicality.
•The company saw increased volumes in collections services for credit card issuers and added 6 new logos in the BFS vertical during Q4FY24.
**Healthcare Vertical:**
•The healthcare vertical grew 5% YoY and 3% QoQ in constant currency terms in Q4FY24.
•Two large deals from existing customers in Q3FY24 ramped up well in Q4FY24, and 2 new logos were added in the vertical.
•The US healthcare market is in a transition phase, driving up costs and affecting revenue for providers, creating opportunities for revenue cycle management solutions.
•The acquisition of QBSS expands the company's scale in the mid and back-office revenue cycle management market, which is growing at a double-digit CAGR.
•The combination with QBSS allows the company to offer technology-led, end-to-end revenue cycle management services and disrupt traditional players.

Communications, Media, and Technology Vertical:
•The CMT vertical grew 9% YoY and 8% QoQ in constant currency terms in Q4FY24.
•Growth was strong outside the top client as well, across telecom and digital media, edtech, and consumer tech sub-segments.
•The engagement with ETS in the edtech segment is scaling well, and the company is actively engaging with multiple providers globally.
•In consumer tech, the company is expanding its footprint among market-leading logos with a non-traditional service proposition.

Diversified Vertical (Energy and Utilities):
•The diversified vertical, comprising energy and utilities, grew nearly 50% YoY and 7% QoQ in constant currency terms in Q4FY24.
•The company continues to see strong demand in the utilities and energy market and is making fresh inroads with existing clients in this vertical.

Deal Wins:
•The company added 41 new clients in FY24, including 9 in Q4FY24.
•Notable deal wins in Q4FY24 included a large cooperative financial institution in the UK, a major player in the US healthcare delivery system, and an existing retail bank client for customer support and back-office services.

Operational Updates:
•The company added 1,993 new employees in Q4FY24, bringing the total count to 27,940 as of 31st March 2024.
•Trailing 12-month attrition rates stood at 30.8% offshore and 42.5% onsite in Q4FY24, trending downwards due to employee value-focused initiatives
•Initiatives were taken to intensify the First Source brand, including a new brand positioning and increased engagement with industry analysts and advisors.

Geographic Performance:
•Growth was well-distributed across the US and Europe, with both geographies growing at 4% QoQ in constant currency terms in Q4FY24.
•The company expects broad-based growth across both geographies in the coming quarters, given strong deal pipelines.
•Efforts are underway to strengthen sales teams in the US and Europe, focusing on client acquisition and expanding wallet share.
•In the UK, the company is targeting the public services sector and making selective moves in continental Europe to support European operations of large UK clients.

Automation and Efficiency Initiatives:

•Technology, AI, and automation are being actively explored across the life cycle of an engagement to drive further efficiency.
•Optimization of sourcing and staffing strategies, right-shoring of resources across operations and support functions, and increased use of technology, AI, and automation are underway to drive efficiency and margin expansion.
•Centralization, automation, and offshoring of roles in support functions are being explored as additional levers for margin expansion.

**TATA Technologies – QFY24 Concall KTAs**
**CMP INR 1,086 | Market Cap INR 4,40,516 Mn**

**OUTLOOK**
**With a strong large-deal pipeline, anticipated uptick in deal conversions, and strategic partnerships like BMW JV, Siemens and Databricks the company expects to capitalize on rising demand for software-defined vehicles, autonomous tech and smart manufacturing solutions. The company is looking at multiple levers to sustain and improve margins, including driving efficiency through global delivery from India, improving pricing for newer engagements in areas like embedded systems, SDV, cybersecurity and leveraging TechVarsity for reskilling.**

Financial Highlights
- Revenue from operations stood at INR 13,010 Mn in Q4FY24, grew by 0.9% QoQ and 7.2 % YoY.
- Operating EBITDA stood at INR 2,400 Mni up by 1.4% QoQ and down by 1.1% YoY.
- Operating EBITDA margin stood at 18.4% in Q4FY24, an improvement of 10 basis points compared to Q3FY24.
- The board recommended a final dividend of Rs 8.4 per share and a special dividend of Rs 1.65 per share for FY24.

Revenue Mix
- The services business, which formed 77% of total revenue, was flat sequentially in Q4FY24 due to the anticipated ramp-down at WinFast, but excluding WinFast, the rest of the services business grew by 10.4%QoQ and 30% for full year FY24.

Business Highlights:
- The company closed 12 large deals in FY24, including one deal worth over USD 50 Mn and five deals in the USD 15-USD 25 Mn range.
- Large-deal pipeline remains healthy, and the company anticipates an uptick in deal conversions in the current quarter.
- The company is supporting Tata Motors in developing an all-new battery electric vehicle for the Indian market using JLR's EMA platform.
- Signed a strategic agreement with BMW to establish a JV in India focused on developing next-generation automotive software and digital technologies.
- Education business saw strong sequential growth of 6% in Indian rupees in Q4FY24, driven largely by ongoing projects for the governments of Bihar, Assam, and Uttar Pradesh. The order book is healthy, and expects to close several sizable deals in the current quarter.
- Customer pyramid continued to improve, with 41 customers generating over USD 1 Mn in annualized services revenue in Q4FY24, compared to 34 customers during the Q4FY23.
- The Aerospace vertical continues to scale, with opportunities opening up in North America, Europe, and India. Revenues from Airbus doubled in Q4FY24.

Strategic Initiatives
- Established partnerships with Siemens EDA for software-defined vehicle solutions and Databricks for data analytics and AI in manufacturing.

- Investing in capabilities for Generative AI solutions in engineering, manufacturing, and customer experience.
- Launched a USD 30 Mn deal in the education segment with the government of Telangana to modernize 65 state-owned ITIs.

Human Resources
- The company's headcount stood at 12,688 employees at the end of Q4FY24 representing a point-to-point increase of 0.5% compared to Q3FY24.
- TechVarsity trained and reskilled over 8,500 people last year, highlighting the company's focus on internal talent development.
- Utilization levels improved by 180 basis points sequentially to 86% in Q4FY24 and added 1,017 net new members to its employee base in FY24, an increase of 9.2% over FY23.
- The 12-month voluntary attrition rate stood at 14.5% at the end of Q4FY24, compared to 15.4% in Q3FY24, and the annualized attrition rate stood at 13%.

Innovations with GenAI
- The company trained almost 1,000 engineers in GenAI skills in Q4FY24 alone, highlighting its focus on building capabilities in this area.
- The company is developing a GenAI bot for field engineers to provide quick access to service documents stored in various data silos, formats, and languages.
- For an Indian automotive OEM, the company is developing a factory co-pilot using GenAI, which will improve manufacturing quality by enabling assembly workers to log build issues in local languages.

EV & Hybrid Demand
- The company is not seeing a drop-off in demand amid EV slowdown concerns globally.
- OEMs are doubling down on building EV portfolios to compete with Chinese makers. Tata Tech is involved in full EV as well as hybrid/plug-in hybrid programs.

Guidance
- The management does not provide specific revenue or earnings guidance for FY25 but anticipates an uptick in large-deal conversions in Q1FY25.

Other Highlights
- The JV with BMW is expected to commence operations in the second half of FY25, subject to regulatory approvals.
- The company sees opportunities arising from OEMs transitioning their existing ICE vehicle platforms to accommodate electric propulsion systems, similar to the work done for Tata Motors.
- The company is focused on driving pricing improvement as a lever for margin expansion, particularly for newer engagements in areas like embedded systems, software-defined vehicles and cybersecurity.

**Ideaforge Technologies Q4FY24 Concall Highlights**
**Ideaforge Technologies | CMP: INR 699 | Mcap: INR 29.96bn**

**Outlook: The order book stood at INR 1,247mn and the L1 order pipeline of INR 3,000mn shows business visibility. The company is witnessing a lot of traction from US markets. The R&D spend stood at INR 510mn (~16% of sales) in FY24 and focused on developing world-class technologies. The margins remain under pressure due to aggressive bidding on contracts and competition for products.**

Arihant Capital Markets Ltd

Order book
The order book stood at INR 1,247mn in Q4FY24. The L1 order pipeline is around INR 3,000mn and conversion is expected in the next 1-2 quarters. The majority of orders are expected from International markets.

R&D
The R&D spend stood at INR 510mn and capitalized at INR 250mn in FY24.

The company has onboarded high-quality talents. In R&D, around 200 people are there.

Intangible assets under development stood at INR 470mn. The capitalized amount stood at INR 380mn and amortization was over 3 years. The company remains focused on building world-class technology.

Margins
The EBITDA margin stood at ~19% vs ~26% in FY23. The company is aggressive for some of the contracts to compete with competitors.

Pricing of the products is more competitive.

Change in model
The company is moving from the COCO model to the FOFO model to scale up the business.

Quadcopter and UAV
The company has deployed Ideaforge UAVs for real-world missions with US law enforcement customers for a pilot program.

The company is focused on the upgradation of Quadcopter (NETRA) and Hybrid (SWITCH) with cutting-edge features including AI-based image intelligence.

International Markets
The company is participating in US procurement programs for anchor use cases. Most of the order pipelines are from the US market.

Indigenization
The company is focused on increasing indigenization through developing domestic supplier ecosystems.

Other highlights
Strong revenue visibility in FY25E.

The increase in other expenses was led by aggressive expansion in international markets.

The company has obtained Q6 certification for UAVs.

The company has participated in MILAN 2024 organized by the Indian Navy.

The company has delivered large defence contracts ahead of schedule.

The other income stood at INR 300mn (+300% YoY) led by investments in FD.

The company has a partnership with ESRI to enable smart forest solutions.

**OnMobile Global Ltd-Q4FY24 Concall KTAs**
**CMP INR 76 |Market Cap INR 8,061 Mn**

**The Gaming Business continues to experience consistent growth. Expect this increase to boost both revenue and profitability in FY25**

Financial
•Q4FY24 revenue at INR 1,252 Mn, up 2.4% QoQ/-6.9% YoY due to Voda-Idea revenue loss and offset by the gaming revenue across geography.

•Q4FY24 Gross Profit improved to INR 643 Mn at 52.4% , up 8.8% QoQ/-8.4% YoY

•Q4FY24 EBITDA at INR 34 Mn vs INR 2 Mn Q3FY24.

•FY24 people cost reduced by 19.2% to INR 1,082 Mn vs INR 1,339 Mn in FY23.

•EBITDA margin 2.8% in Q4FY24 (0.1% QoQ/1.6% YoY) led by improvement in Opex and people cost.

•Mobile Gaming revenue increased by 19.5% YoY/12.6% QoQ to INR 804 Mn during FY24

•6.75 Mn net active subscriber base in mobile gaming in Q4 FY24; increase of 26% QoQ

•DSO is at 94 days compared to 105 days in Q3

Concall KTAs
•The company has signed 155 customers, out of which 101 are live. Mobile gaming revenue has grown by 12.6% QoQ with a total net active subscriber base of 6.75 Mn, a growth of 26% QoQ.
•There's an increase in Q4 Cash due to better customer collections.
•INR 77 Mn exchange fluctuation is part of forex loss led by currency devaluation in Nigeria & Egypt. If excluding this loss, then PAT is 70 Mn.
•Pulling back on marketing expenses, focusing on low-value and low-account sixty-six percent accounts.
•The company is in the right spot.
•The company has signed 155 customers, out of which 101 are live. It will continue to optimize marketing spends across all deployed customers. With all these carrier relationships, the company will emphasize strategic deals related to core B2B operations.
•The pricing is too high.
•The company made significant investments in gaming. Twenty-five accounts are optimized, while decent revenue comes in, and sixty-five accounts cannot market at full capacity due to issues, with sixty-five percent of operators deployed.

**Bharati Airtel-Q4FY24 Concall KTAs**
**CMP INR 1297 | Market Cap INR 7356,981 Mn**

**Plans to reassess its guidance in three to five months, offering revised commentary on free cash flow outlook, anticipates a moderation in overall CapEx for the upcoming year, and aims for additional debt reduction in the future. In our view, we believe that the company will keep performing led by the gaining market share across all businesses and greenshot visible in DTH segments.**

Finanacial
Bharti Airtel revenues stood at INR 375 Bn grew by 4.4% YoY by currency devaluation in Africa. Adjusting for the impact of the Beetel acquisition, revenue growth was 1.7%.
India business revenues stood at INR 285Bn grew by 12.9% YoY backed by strong and consistent performance across the portfolio
Mobile services India revenues up 12.9% YoY, led by strong 4G/5G customer additions and increase in ARPU.
Airtel Business revenues up by 14.1% YoY, led by growth in the underlying portfolio and consolidation of Beetel.
Homes business continues its growth momentum, with revenues up 20.0% YoY led by healthy customer additions.
Digital TV revenues up by 5.5% YoY, continuing the market momentum

Concall KTAs

Debt
Company paid INR 163 Bn of debt. India's net debt to EBITDA is now at a comfortable level of 2.86x. Company target to reduce debt going forward.

DTH
The company saw green shoots emerging on DTH and continues to follow a clear strategy.
Rolled out 43,100 sites, network sites, and 55,982 kilometers of fiber. Company bet on NSA, which is a non-standalone technology, paid off.

Mobile
Churn declined from 2.9% Q3FY24 against 2.4% in Q4FY24. Postpaid net ads were steady at 0.8 Mn.
ARPU came in at INR 209 and was impacted by one day less in the quarter.
Airtel 5G Plus is now available across urban areas and select rural areas. The company continues to expand coverage despite no monetization in sight. 5G shipments continue to grow steadily, and continue to gain a fair share, which is reflected in the growing 5G base. ~INR70 Mn as of March.

Broadband & OTT: Customer additions by 1.6 mn. However, there was some moderation in net additions to 3.6 lakhs in Q4FY24. Broadband is an area that companies need to do more work, particularly given the size of the opportunity.

1)Expanded presence to 23 more cities and added 2.2 Mn fiber home passes in the quarter. 2) Focus on convergence continued with simplification of the convergence propositions by bringing in over 22 OTT platforms into the extreme app. 43% of all broadband customer additions are now on the converged plans. 3) Fixed wireless access.

•Over the next eight weeks, company will expand Fiber-To-The-Home service in weak fiber areas, focusing on key markets in the South, Maharashtra, and Bengal. Despite the usual softness in Q4 company grown customer base by 9k Q4FY24 and over 200k FY24.

•Customer: The entry-level plan starts at INR 499, and with content, it gets to INR 699 a month. Consumer demand is increasing, with some pickup in customer additions.

•ARPUs: ARPU decline is not a concern as new customers are on lower price plans and existing customers are on higher price plans.

•The company has developed four platforms for its B2C business, including buy, bill, pay, and serve, which are common journeys across all its businesses.

•Cloud: The company is expanding its addressable market beyond connectivity into cloud and analytics.

•Price: Moderate price hike due to broadcaster increases boosted revenue growth.

•HL Business: 0.6% sequential revenue growth in Q4, sustained double-digit growth annually.

•Domestic business: 80% to 20% growth, 67 mn monthly transacting users, INR 21Bn annualized revenue in Payments bank.

•Deposits: INR 28bn grew by 50% YoY growth, 22% QoQ growth in savings bank account balances.

•Digital businesses: INR 19Bn annualized run rate, 50% revenue growth.

•Airtel Finance: 400,000 customers served, INR 20Bn loans disbursed.

•Strategic pillars: Resilient portfolio shaping, Africa at 25% revenues, India mobile at 59%, India non-mobile at 17%, focus on non-mobile growth.

•Africa: 3% sequential revenue growth. Expanding fiber presence, driving convergence offers, leveraging digital targeting, utilizing FWA. Focus on delivering superior home customer experience.

NSA: NSA this is a non-standalone technology, paid off it saved CapEx.

**Dixon Technologies Q4FY24 Concall Highlights**
**Dixon Technologies | CMP: INR 8,103 | Mcap: INR 484.84bn**

**Outlook: Dixon Technologies smartphone volumes are expected to be 20-30mn in FY25E. The volumes are picking up on across categories and growth is majorly by smartphones. The margins are expected to be 4%-4.5% and further improvement is based on operating leverage and efficiencies. The capex of $30mn for display would bring additional revenue going forward. We believe, the company would take advantage of the high-growth EMS industry. We have a positive outlook on the stock.**

Phones
The company has manufactured 15bn smartphones and 38bn feature phones till now.

The smartphone capacity stood at 45mn and the feature phone capacity stood at 40mn. The company expected strong volume growth on Motorola phones which includes export orders.

The company has 6 brands and the manufacturing of global brands is expected from Sep-24 onwards.

Xiaomi phones are ramping up and 3 lakh volumes per month are expected from May onwards.

Oppo brand volumes are 4-4.5 lakh per month and are expected to pick up.

The average realization of smartphones is INR 8,000 to INR 9,000.

The display cost is around 10%-11% of smartphones.

Volumes
Smartphone volumes are expected 28-30mn in FY25E; out of this Samsung volumes are expected 10mn.

The volumes are; LED pulps – 3mn, semi-automatic washing machines – 1.7mn, automatic washing machines 1.6 lakhs; smartphones excluding Samsung – 6.5mn; Samsung – 8.6mn.

Margins
The margins are expected 4%-4.5%, because larger growth is coming from mobiles and margins are relatively lower.

Display plant
The capex of $30mn (without land and building) for 25mn smartphone display capacity in Delhi NCR. The company is almost closure to a technology partnership.

Capex

The company has bought 2 land parcels. One land for mobile plant and construction started in a 1mn sq.ft facility. Another land for refrigerators plant in Chennai.

The capex stood at INR 5.69bn in FY24 and is expected to lower than INR 5.69bn in FY25E. A large part of the capex is done for refrigerators and washing machines in FY24.

The company has committed investments of INR 2.5bn in the hybrid category.

The company is setting up the campus for RFQ and is very optimistic about the business.

Partnership

The company has partnered with DeSo for mobile plants. The DeSo platforms give real-time data and automation on plant's lives to improve production efficiency. The Deso investment is expected INMR 70-80mn.

Exports

The company is exporting to the Middle East and Europe.

Mobile phone exports are expected 1.25mn units to the North American market. The growth rate is expected 60%-70%.

PLI

The PLI income stood at INR 710mn across four PLI excluding IT hardware.

5G devices

The company has started pilot production for Airtel; 5G fixed wireless devices and mass production is expected from Jun-July- 24 onwards.

Other highlights

The increase in other income is due to forex gains.

The company started manufacturing digital signage solutions from 65 inches to 100 inches.

The company has a 60%-65% market share in TV.

The company has started manufacturing LED bars which will improve the margins. The company is also migrating from JDM to ODM.

**Aurionpro Solutions Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 2,608 |Market Cap: INR 71,996 Mn**

**Outlook**
**In FY25, Aurionpro anticipates sustaining its growth, with a projected revenue expansion of 30-35%. The company aims to uphold EBITDA margins within the range of 20-22% and PAT margins between 15-16%. Management underscores prospects within Banking, Fintech, Transit, and Data Center sectors. The company intends to concentrate on advancing its product development initiatives and enhancing operational scalability to leverage the prevailing opportunities across its business domains.**

Financial Segment
- The revenue increased by 35% YoY to reach INR 8,870 Mn in FY24 and at INR 2,47o Mn, an increase of 29% YoY in Q4FY24.
- EBITDA stood at INR 1,930 Mn, up by 33% YoY in FY24 and at INR 530 Mn, up by 30% in Q4FY24.
- PAT increased by 40% YoY to reach INR 1,430 Mn in FY24 and at INR 390 Mn, up by 48% YoY in Q4FY24.
- The company announced a bonus share issue of 1:1 and a dividend payout of INR 2.5 per equity share post-bonus.

Operational Highlights
- Planning to launch new offerings specifically tailored for the Indian banking market in the next quarter, capitalizing on the increasing technology spending by Indian banks.
- Strong order book growth, especially in the banking and fintech segment, with the number of pipeline deals tripling over the last 12 months.
- Expanding their presence in the transit payments segment through strategic partnerships with Mastercard and Wix, expected to significantly boost their order book and pipeline.
- The Company secured a significant order from the Government of Haryana for the issuance of 5 million Open Loop cards, establishing Aurionpro as a leading provider in this space.

Geographical Highlights
- The revenue breakup of the company by geography showed India contributing 63%, Asia-Pacific excluding India 26%, the USA 8%, and the Middle East and Africa 3%.

Inorganic Growth
- The company pursued acquisitions to enhance its offerings and address gaps in its strategic blueprint, including the acquisition of ARIA AI in the AI space, allowing Aurionpro to shape the adoption of AI in banks and insurers globally.
- The management provided insights into the rationale behind the ARIA AI acquisition, highlighting the company's focus on building a mature Enterprise AI offering tailored for the banking and insurance industries.
- They  plan to integrate ARIA AI's products and capabilities across 50-90% of its customer base within the next two to three years, enabling AI-augmented enterprise workflows.

- The company acknowledged the challenges of scaling human capital to support the growth momentum and plans to strategically manage growth rates across different business segments to ensure safe scaling.

Indian Banking Opportunity

- The management looks forward to an increase in technology spending by Indian banks in response to regulatory pushbacks, presenting new opportunities for its offerings.
- The company expects the banking segment to drive strong growth in FY25, with plans to launch additional offerings for the Indian banking space in FY25.

Other Highlights

- The company has made investments in fixed assets, capacity, and technology layers, including implementing a new technology framework across ERP, CRM, and HR systems.
- The management emphasized the importance of scaling human capital and attracting talent from global majors to support the growth of the company.

**Infibeam Avenues Ltd – Q4FY24 Concall KTAs**
**CMP: INR 33 | Market Cap: INR 90,860 Mn**

**The company has provided gross revenue guidance of INR 39,000 Mn to INR 42,000 Mn and PAT guidance of INR 1,750 to INR 2,000 Mn . The international business is expected to double year-on-year and contribute 30% to total income, up from the current less than 10%. An investment of around INR 1,000 Mn is planned for setting up an AI Hub in Gujarat. Additionally, the estimated capital expenditure is USD 5-6 Mn per new region for establishing data centres, obtaining licenses, and ensuring regulatory compliance. Ongoing capital expenditures are anticipated for adjacent businesses such as Merchant Finance Offerings and the AI platform Theia. However, capex is expected to be lower for offering the platform to new clients, with a strategic focus on revenue generation.**

Financial Highlights

•Gross Revenue stood at INR 7,269 Mn in Q4FY24 up by 11% YoY & INR 31,711 Mn in FY24 up by62 % YoY.
•EBITDA was at INR 600 Mn in Q4FY24 up by 21% YoY & INR 2,526 Mn in FY24 up by 41% YoY.
•Take rate improved from 8.2% to 8.8% YoY, aiming for double-digit take rate
•Return on Equity improved from 7% in FY23 to 9% in FY24

Growth Strategies

•Focus on international expansion, targeting 30% contribution to total income in the next 2 years (currently <10%)
•Raised pre-IPO round of up to USD 25 Mn for the UAE subsidiary to accelerate growth in the Middle East region
•Pursuing growth in the US, Australia, and Southeast Asian markets
•Launching new brand for Merchant Finance Offerings (business loans, insurance, wealth management) to deepen engagement with merchants

Product Offerings

•Strengthening recognized brands like CC Avenue (online payments), CC Avenue TapPay (offline payments), Res Avenue, and Bill Avenue
•Introducing TapPay framework to enable merchants to accept payments through mobile apps
•Developing AI platform "Theia" for visual AI applications across various industries
•Secured regulatory licenses for Payment Aggregator and Bharat Bill Payment System to support growth.

Geographic Expansion

•Obtained approval from Saudi Arabian Monetary Authority (SAMA) to operate in Saudi Arabia, a significant market opportunity

•Expanding presence in Oman by partnering with major banks to offer white-labeled solutions

Partnerships and Collaborations

•Partnership with PayPal in the Middle East region, offering PayPal as a payment option to merchants
•Formed consortium with Meta, and Google to apply for a New Umbrella Entity (NUE) license from RBI

Acquisitions

•They acquired a 20% stake in Xduce, a Wall Street firm, to expand their presence in the US market by leveraging Xduces existing client relationships.

Platform Business

•They resolved an intellectual property dispute with GEM, providing clarity on sole ownership of the platform's IP.
•Expects platform business revenue to be flat or higher compared to FY24, with minimal seasonality after resolving GEM situation

Financial Services Offerings

•Launching a new brand for Merchant Finance Offerings, including business loans, insurance, and wealth management products
•Aims to deepen engagement with existing SME merchants and acquire new merchants through access to financial products
•Sees significant opportunity in offering affordable and secure consumer financial products and services

Artificial Intelligence  Initiatives

•Investing in AI business, which has synergies with payment platforms
•Positioning Theia as a general-purpose visual AI model with applications across industries like security, retail, and facilities management
•Conducting multiple pilots for Theia, transitioning from solving technology problems to addressing business problems

Other Highlights

•They estimate their market share to be between 10-15% in the Indian digital payments space.
•The Board proposed a final dividend of 5% for FY24, subject to shareholder approval.
•They obtained a perpetual license from the RBI for the Bharat Bill Payment System.

**Endurance Technologies Ltd – Q4FY24 Concall KTAs**
**CMP: INR 2,190 | Market Cap: INR 3,08,143 Mn**
**Outlook**

**The company aims to enhance its gross margins by increasing the share of higher-margin proprietary products, aluminum castings, and aluminum forgings in its product mix. In Europe, management expects EBITDA margins to be around 17.9-18% after adjusting for higher energy costs compared to the pre-COVID situation. Additionally, the company anticipates booking around INR 300 Mn as an incentive under the Mega Project Incentive Scheme in FY25. A key focus is on increasing the aftermarket sales contribution to 10% of India sales by FY28, up from the current 6.5%. Management is optimistic about the growth potential in the aluminum die-casting segment, driven by the rising demand for lightweight materials, especially in the electric vehicle (EV) space. The company plans to invest INR 4,009 Mn in stages until March 2028 to set up a new plant in Aurangabad for four-wheeler and non-automotive aluminum castings, with expected annual sales of over INR 5,000 Mn. In Europe, the company also plans to invest around €40 million in FY25 to achieve the total production capacity required for electric vehicle projects awarded by customers like Volkswagen and Mercedes-Benz.**

Financial Highlights

• Consolidated Total income stood at INR 27,110 Mn in Q4FY24 up by 20.2% YoY & INR 1,03,270 Mn in FY24 up by 16.7% YoY.

• Consolidated EBITDA stood at INR 4,160 Mn in Q4FY24 up by 35.8% YoY & INR 14,140 Mn in FY24 up by 30.7% YoY.

• Consolidated PAT was at INR 2,100 Mn in Q4FY24 up by 54% & INR 6,810 Mn in FY24 up by 41.9% YoY.

Business Updates

• Company's India operations contributed 77% of consolidated total income, while European operations contributed 23%.

• It secured new business wins worth INR 11,980 Mn in India from OEMs other than Bajaj Auto.

• The company's total four-wheeler business win in FY24 was around INR 2,810 Mn.

• The company also secured new business wins worth EUR 30.8 Mn in Europe, mainly from Volkswagen Group, Porsche, Audi, and Mercedes-Benz.

Capacity Expansions

• The company is setting up a new plant in Aurangabad airport land for four-wheeler and non-automotive aluminum casting business, with a total investment of INR 4,009 Mn.

• Also, it has set up a second plant at Aurangabad for disc brake assembly business and has reached a run rate of 6.2 Mn disc brake assemblies and 8.1 Mn brake discs per annum.

• The company has scaled up ABS assembly capacity to 6,40,000 units per annum with plans to increase it to 1.2 Mn units.

• It expanded alloy wheel capacity to 5.5 Mn wheels per annum.

• In Europe, the company invested €62 million in FY24 for new production capacity, primarily for electric vehicle projects.

Focus Areas

• The company is planning on increasing business for premium bikes (150cc and above) for brake assemblies, ABS, suspension, and clutch assemblies and for electric vehicles with existing and new products

• The company is becoming a significant player in battery management systems and electronic products for EVs and expanding in non-automotive business, especially in aluminum castings.

New Orders and Growth Opportunities

**Onward Technologies Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 440 | Market Cap: INR 9,920 Mn**
**Outlook**
**Onward is targeting a significant increase in gross margins, aiming for 35%, up from the current 21%, driven by higher utilization and the ramping up of new projects. The management also aims to improve EBITDA margins to double digits in FY25, up from 8.2% in Q4 FY24. Transitioning to an offshore delivery model and increasing offshoring are expected to aid in margin expansion. To support offshore delivery, Onward is investing in new delivery centres in Tier-1 cities such as Pune, Chennai, and Bangalore. The company aims to establish operations in A-grade tech parks and buildings to ensure the data security and people safety measures required for offshore delivery.**

Financial Segment

- The consolidated FY24 revenue stands at INR 47,240 Mn, up 7.1% YoY from INR 44,090 Mn in FY23. The Q4 FY24 revenue stands at INR 11,840 Mn, up 3.8% QoQ and down 2.4% YoY.
- The FY24 EBITDA stands at INR 5,220 Mn, up 78.2% YoY and the Q4 FY24 EBITDA stands INR 970 Mn, down 9.3% QoQ and 36.6% YoY
- The FY24 PAT stands at INR 3,390 Mn, up 194.8% YoY and Q4 FY24 PAT is INR 670 Mn, down 1.5% QoQ and 6.9% YoY
- The company's board has recommended a dividend of INR 5 per equity share for FY24

Operational Updates

- The total headcount stood at 2,529 employees as of Q4 FY24, down from 2,798 in Q4 FY23.
- The management clarified that revenue growth is not directly linked to headcount, as the company is transitioning to higher-value projects and billing rates.
- The company is focused on three verticals: Industrial Equipment & Heavy Machinery, Transportation & Mobility, and Healthcare.
- The company has structured international business into 9 regional business units for deeper client engagement.
- The top 25 clients of the company contribute to about 85% of total revenues.
- The company has 84 active clients, down from 98 in Q4 FY23, after exiting some low-margin business.
- The management aims to improve gross margins from the current 21% to 35%, driven by better utilization and project maturity.

Geographical Presence

- In Q4 FY24, 37% of the revenue of the company came from the USA, 14% from Europe, and 49% from India.
- The management is focused on expanding presence in the USA, Canada, and Europe, and key management teams are now based in these regions.

Vertical Focus:

- Industrial equipment & heavy machinery vertical contributed around 52% of revenues.
- Transportation & mobility (automotive and rail) vertical contributed around 20% of revenues.
- Healthcare vertical, which is a new focus area, contributed around 8% of revenues.
- In healthcare, Onward has exited domestic and European business to focus on the US and Canada markets.

• The company sees significant potential in the digital and embedded systems space across verticals.

Revenue Model Shift:

• Onward is transitioning from an on-site delivery model to an offshore delivery model.
• This shift requires investing in better infrastructure, data security, and people's safety measures.
• The offshore delivery model will help improve margins in the long run

Business Lines and Offerings

• The company operates in three main business lines: ER&D (Embedded, Digital, and Mechanical Engineering), Digital (Automation, Big Data Analytics, Cloud & DevOps, AI/ML, Digital with AR/VR), and Embedded (Platform Services, Product Sustenance & Modernization, New Product Design & Development, and others).
• The management is confident about growth opportunities in ER&D and Digital spaces, especially in areas like AI, ML, Cybersecurity, Data Analytics, and Cloud & DevOps.
• The management is focused on expanding presence in the EV and Automotive sectors, both in India and internationally, as more OEMs establish operations in India.

**Vodafone Idea Ltd Q4FY24 Concall KTAs**
**CMP: INR 13.3 | MCap: INR 886.22 Bn**
**Company plans to start rolling out 5G on a large scale in about 6 months from now.**
**Company provided guidance for CapEx of INR 50,000-55,000cr for the purpose of improving coverage and competitiveness in 17 circles over the next 3 years.**
**Plan for the next 3 years is to use internal cash generation for clearing existing debt and vendors.**
Financial Performance
* Net Revenue for quarter stood flat YoY at INR 106.07 Bn (INR 106.73 Bn for Q3FY24) and for FY24 revenue stood at INR 426.52 Bn vs INR 421.77 Bn in FY23.
* EBITDA grew 2.2% YoY to INR 171.2 Bn and the EBITDA Margin stayed flat YoY to 40% on an annual basis. EBITDA for quarter stood at INR 43.33 Bn (Slightly de grew QoQ, +3% YoY).
* PAT stood negative at INR 312.38 Bn for FY24 vs negative INR 293.01 Bn and stood at -INR 76.75 Bn for the quarter vs - INR 69.86 Bn in Q3FY24 and INR 64.19 Bn for Q4FY23.
Other Key Highlights
* Company expects to retain more subscribers with improved coverage and experience, leading to positive subscriber additions and a control on market share.
* Capex will be towards expanding 4G population coverage, 5G launch, capacity expansion, and growing the enterprise business; largest part being used for 5G.
* Company will utilize its equity funding and proposed bank facilities primarily towards CapEx.
* CapEx for the quarter stood at INR5.5bn and for the year at INR18.5bn.
* Company is investing in digital ecosystems to drive customer stickiness and provide incremental monetization opportunities.
* The company is expanding its 4G services and coverage, which will lead to an increase in customer additions.
* Company has improved the pricing of its entry-level plans to make them unlimited voice plans, which has reduced the delta between its R4 and unlimited plans.
* Company believes that the industry is moving towards getting the right price for its services rather than just focusing on market share.
* Company has agreements in place to ensure facilities are available when needed.
* VI has been able to pass on cost increases to customers, with tariff increases, and has seen 11 consecutive quarters of ARPU growth.
* Company has seen some correction in usage after a price increase and expects it to get recovered over a period of time.
* Price increase may not be as high at the entry level and focus is on paying more for using more.
* Company believes that many customers can reduce their data usage if prices are increased.
* Company is in an advanced stage of trials of open RAN and new technologies such as virtual RAN.
* Company is launching a cloud gaming service called Cloud Play, which will be available on mobile and soon on large screens.
* Vi App now includes utility bill payment functionality and a Shop section featuring partnerships with players across various categories like entertainment, food, shopping, and travel.
* Additionally, VI has revamped Vi Movies and TV, introducing new mobile apps for Android and iOS, as well as TV apps compatible with all operating systems, with plans to expand content partnerships for both prepaid and post-paid users on the Vi App.

**CMS Info Systems Ltd Q4FY24 Concall KTAs**
**CMP: INR 429 | MCap: INR 69.87 Bn**

Company is guiding to the INR 2500-2700cr revenue range for FY25, with a goal of achieving the upper end of range.
Managed services business is expected to grow higher.
Company plans to do capex of INR200cr per year. FY25 CapEx will be higher because of the underspend in FY24.
Company is looking to launch a new solution for retail cash solutions, which should grow at a substantially higher level than the rest of the business.

Financial Performance
* Net Revenue for quarter grew by 25.1% YoY to INR 6,271 Mn (+7.7% QoQ) and for FY24 revenue stood at INR 22,647 Mn vs INR 19,147 Mn in FY23.
* EBITDA grew 11.5% YoY to INR 5,995 Mn and the EBITDA Margin contracted 150bps YoY to 26.5% on an annual basis. EBITDA for quarter stood at INR 1,554 Mn (+7.9% QoQ, +3.1% YoY).
* PAT stood at INR 3,471 Mn for FY24 vs INR 2,972 Mn and stood at INR 914 Mn for the quarter vs INR 871 Mn in Q3FY24 and INR 799 Mn for Q4FY23.
* Dividend payout recommended for the year by the board is ~25% of FY24 PAT.

**Other Highlights**

* Company is reinvesting some of its earnings back into the business to expand into new sectors.

* Company has done 7 smalls to medium sized deals over the last 10 years and is is looking to expand through M&A partnerships in FY '25.

* Company hired a new CIO, Rajiv Bhatia, who joined from a banking and tech perspective and hired a Senior President level officer towards the end of the financial year.

* Company hopes to make progress in scaling its efforts from immediate interest to long-term growth in FY25.

* A switch on the interchange is a large external macro driver which will serve the growth of ATM's or incremental investment into the sector.

* In ATM cash business, with the company focusing on leveraging its network compliance to improve pricing and yield.

* Company has been able to grow its revenue through pricing and yield improvements despite flat volume growth in the ATM cash business.

* The company has been focusing on yield and pricing in the ATM cash business to improve yields and pricing.

* Company now feels confident of maybe inching up its compliant network rate even further, closer to a 90% rate.

* Typically, the lifespan of an ATM ranges from 8-10 years. While it's not a perfect yearly occurrence, there tends to be some clustering of RPFs and contracts for bank CapEx. Over the long term, this pattern should result in an annual replacement cycle of 20,000 to 25,000 ATMs.

* Company is developing its own integrated platform for remote monitoring, which will help in pitching for projects which are more complex and at the higher end of the technology curve.

* Company has launched new solutions and succeeded with them, bringing alpha for growth.

* The company is focused on broadening its solution sets, and has already got service lines that prevent a TAM opportunity of roughly INR 22,000cr for the industry in FY '27.

Arihant Capital Markets Ltd

**eClerx Services Ltd | Q4FY24 Concall KTAs**
**CMP- INR 2291 M.Cap- INR 112,320mn**
**Company has its focus on expanding market share and increasing sales across segments. They have onboarded 3 senior leaders including CMO and CRO. They are adding space in 3 locations in next 6 months. Buyback of INR 3850mn has been announced. Company guides that ~350bps margins impact in Q1FY25 due to wage hike and aspires to deliver double digit growth. Company has been actively using Gen AI in various activities.**
Financials
Q4
Total revenue stood at INR 7,896mn(+2.1%QoQ), EBITDA of INR 2,186mn(-4.1%QoQ) with margins of 27.7%(-179bps QoQ). PAT stood at INR 1,305mn(-5.86%QoQ) with margins of 16.5%(-139bps QoQ). Strong performance keeping in mind the slowdown in developed markets.
FY24
Total revenue stood at INR 29,910mn(+10.2%YoY), EBITDA of INR 8,404mn(+3.8%YoY) with margins of 28.1%(-174bps YoY). PAT stood at INR 5,115mn(+4.6%YoY) with margins of 17.1%(-91 bps YoY).
-Around INR 11000mn of cash on books. Company has announced a buyback of INR 3850mn with dividend of INR 1.
-New office in Switzerland. Adding space in Mumbai, Pune and Chandigarh in next 6 months.
Guidance
Company expects Q1 margins to have 300-350bps impact due to wage hike. Company aspires to deliver double digit growth.
-Exceptional growth in financial markets segment with increase in transaction volumes. Co. has also started provided compliance service in US office. Analytics and automation business decline due to challenges faced by clients. Pipeline healthy across all 3 businesses.
Customer operations segment- Management plans to expand their core services to new industries by offering disruptive proposals to gain new market share.
Digital segment- soft quarter with clients coming in slowly. uptick in Q1 expected but the management stays cautious on this segment. Co. will work on increasing market share in existing clients.
-3 senior leaders onboarded. Mr Manish, Ms Karolina in new York for marketing, Mr Michael in customer operations. eClerx continues to invest in sales and delivery.
-80% of business comes from client references. Sharper focus on sales.
-Focus areas for next 4 years would be to strengthen sales operations, mine existing clients and win new logos while enhancing their positioning.
-Bulk of investments would be in amplifying sales.

**Kaynes Technology India Ltd | Q4FY24 Concall KTAs**

**CMP- INR 2911 | M.Cap- INR 186,070mn**

**Company has showcased stellar performance with significant increase in profitability. Company has plans to expand and is guiding for the medical segment to cross INR 1,000mn in FY25. Company guides for 60% revenue growth in FY25 and 100bps increase in margins. We are bullish on the company given the tailwinds that they are experiencing.**

**Financials**

**Q4**

Consolidated revenue stood at INR 6373mn(+75%YoY) with EBITDA of INR 952mn(+60%YoY) and margins of 14.9%(-134bps YoY). Finance cost of INR 153mn(+89%YoY). PAT stood at INR 813mn(+97%YoY) with margins of 12.8%(+143bps YoY).

FY24

Consolidated revenue stood at INR 18,046mn(+60%YoY) with EBITDA of INR 2,542mn(+51%YoY) and margins of 14.1%(-86bps YoY). PAT stood at INR 1,833mn(+93%YoY) with margins of 10.2%(+170bps YoY). Order book stood at INR 41,152mn(+55%YoY). Net debt of INR 2177mn. ROE and ROC 22% and 22.8% respectively.

**Guidance**

- Margin improvement of 100basis point for FY25 and 60% revenue growth. Growth momentum expected to continue for next 3-4 years.
- -Pune facility now operational. Plans to expand across India and overseas as well. Construction work started in Telangana and expected to complete soon.
- -Co. acquired Digicom Electronics, a low-volume and prototyping player, to expand its presence in the US and secure high-volume business for its Indian facility.
- -The company's inventory was a bit higher as they have to make advance purchases, keeping in mind requirements of upcoming quarters.
- -Smart Meters and Power electronics showing strong signs of demand by customers along with EV across 2&4Wheeler.
- -Growth led by strong demand across all verticals, notably, EV and aerospace.
- Order inflow of INR 3212mn in Q4.
- -Improved working capital cycle reduced to 83 days in FY24(vs99days FY23). Further improvement expected in FY25. Target is to take this to 70-72 days in FY25.
- -New subsidiary which will focus on generation of plastic. Received substantial order in aerospace, which will improve overall revenue of FY25. In medical area, concluded contract with a large medical company. Industrial and EV, breakthrough contract from smart meter company.
- -Maximum contribution in gross margins is from automotive and EV and industrial sector. Margins from these lower relatively when compared to aerospace and other verticals. Upcoming portfolio, 50% of high volume and 50% of high margin mix. Guidance for 15% operational EBITDA. Margin expansion possible once hi-tech packaging established.
- -Asset turnover to be in the range of 7-8x. 1.25 years is the execution timeline for order book.
- -Exports to pick up in certain verticals like aerospace. Bulk of business to be driven by domestic sector in EMS.
- -Started developing for anti collision under Kavach program for Railways. In line to do electronics for safety program and signalling program. Developing some legacy products used by Railways. Strategic supplier to ISRO and external enquiries also coming in. FY25, Medical segment to do INR 1,000mn.

**Nazara Technologies Ltd – Q4FY24 Concall KTAs**
**CMP: INR 673 | Market Cap: INR 51,520 Mn**

**Outlook**

**The company has taken significant initiatives in FY24 across new game launches, partnerships, acquisitions and its publishing platform. It is planning an M&A pipeline focused on core gaming IPs and real money gaming, to capitalize on growth opportunities over the next 12 months which can be aided by the substantial cash reserves of around INR 14,500 Mn raised during FY24. The company is targeting an EBITDA of at least INR 3,000 Mn by FY27and revenue growth, margin expansion from consolidating gaming entities, cost synergies from acquisitions, and leveraging AI/analytics to drive engagement and monetization. The impact of its FY24 initiatives is expected to be visible from Q2 FY25 onwards. Overall, the company remains focused on building a global gaming powerhouse out of India through both organic and inorganic routes over the long-term.**

Financial Highlights

•Revenue from operations stood at INR 2,662 Mn in Q4FY24 down by 8.1% YoY & INR 11,383 Mn in FY24 up by 4.3% YoY.

•EBITDA was at INR 293 Mn in Q4FY24 up by 5.4% YoY with margins at 11% & INR 1,279 Mn in FY24 up by 16.5% YoY with margins at 11.2%

•PAT from continued operations was at INR 171 Mn in Q4FY24 up by 43.6% YoY & INR 895 Mn in FY24 up by 41.2% YoY.

•Net cash balance was at INR 14,500 Mn at end of FY24.

Business Highlights

•Company's promoter sells 4.88 Mn shares (6.38% stake in the company) to Plutus Wealth Management.

•The new GST Regime by the government has impacted the Real Money Game segment of the industry.

•The company raised 9,500 Mn of cash from prominent investors during FY24.

•M&A is a strong priority for the company. The company at this point of time has 4-5diligences going on and they expect to work at least 2 of them till Q2 of FY25.

•An entirely new game is being developed by the company which is expected to be in Alpha stage in 3-4 months and Beta stage around end of the year.

Segment Performance

•The Company's Gaming contributed 36% of revenues and 53% of EBITDA in FY24.

•Its eSports segment contributed 55% of revenues and 41% of EBITDA in which growth was impacted by lack of media rights renewals in H2.

•The company expects faster growth in Esports segment in FY25

Growth Strategy

•The company is aspiring to use AI/analytics to drive engagement, personalization across games.

•It is consolidating some gaming entities at parent level for efficient capital allocation and focusing on the India market for new game publishing platforms initially.

Gaming Business Updates

•Company's "Kiddopia (Early learning)" App revenue was stable YoY and EBITDA was up by 57% YoY in FY24. It is exploring IP licensing to drive growth and looking for alternate strategies to drive growth in Kiddopia app.

•"Animal Jam " App revenue was INR 947 Mn and EBITDA at INR 188 Mn in FY24.

•Its Classic Rummy App was impacted by the new GST regime.

•Sportskeeda business revenue grew by 50% YoY to INR 1,960 Mn in FY24, the company expects good margin in sportskeeda business to continue.

•Their notable acquisitions include Pro Football Network, the UTP casual card game, and the Comic Con India IP.

•Company's "WCC" game marketing has increased and it is trying to expand globally.

eSports Business (Nodwin Gaming)

•The company had revenue growth of 10% YoY to INR 4,270 Mn in FY24 in esports business.

•The company had multiple acquisitions like Comic Con India to dominate youth media space.

•Its Playground IP is gaining traction and international demand is emerging.

**Expleo Solutions Ltd – Concall KTAs**
**CMP: 1242 | Market Cap: 19,280 Mn.**

**Outlook:**
**The company reported slight growth with a revenue of INR 2,554.1 Mn in Q4FY24, marking a 2.1% QoQ and 10.5% YoY increase, with EBITDA margins slightly improving to 15.6%. However, PAT declined significantly. Despite challenges in core European markets, opportunities in the Middle East and India, coupled with strategic investments in AI and technology, position the company for a robust future. The company anticipates EBITDA margins in the 16-17% range and targets a 16-20% revenue growth rate for FY25, expecting stronger customer acquisition and expansion in key growth areas in H2FY25. At CMP, company trades 122.72x FY24EPS.**

Performance Consol:
•Revenue came in at INR 2554.1 Mn. (+2.1% QoQ) (+10.5% YoY) in Q4FY24.
•EBITDA margins came in at 15.6% (Vs. 15.4% QoQ) (18.7% YoY) in Q4FY24.
•PAT came in at INR 157 Mn. (-53.9% QoQ) (-46% YoY) in Q4FY24.

Highlights:
•Company observed marginal revenue growth of around 3.6% in Q4FY24 on the QoQ bases attributed to the one-time benefit in Q3FY24, without that growth was flat at 2.1%.
•The core markets in UK, Germany and France are still showing weakness in terms of pipelines and demand, while Middle-East and India shows opportunities for growth.
•Company has been acting on optimizing bench based on the demand, and the traction started in Q4FY24.
•Company is investing in AI and Technology, and investing on both in terms of training upskilling the team and also in terms of the leadership from those domains.
•Overall cash position stood at INR 1,840 Mn in Q4FY24 as compared to INR 2,117 Mn for Q3FY24.
•Group contribution to revenue growth exceeds direct market performance in FY24.
•Forex losses in the Q4FY24 totalling to INR 56 Mn.
•The offices that were opened are actually expanding capacity in Chennai and Bangalore, primarily in anticipation of commodities demand.
•Business development team for direct business now consists of 14 people, with an additional 18-20 people in pre-sales.

Guidance:
•Company to see a greater number of customers moving beyond the half million, getting closer to the million and million plus customer range in the upcoming Q2, Q3, Q4FY25.
•EBITDA margin anticipated to be in the 16 - 17% range.
•The company is aiming for 16-20% growth rate in the next financial year.

**Sonata Software Ltd-Q4FY24 Concall KTAs**
**CMP INR 637 |Market Cap INR 178,742 Mn**

**Company aims for 20% revenue from AI in 3 years, reallocating last quarter's investments and personnel for new contracts. Growth is expected to be flat to slightly up in 1-2 quarters, with FY25 showing growth ahead of the industry (5-6% industry growth). Investments aligned with large deal expectations over the next 2 quarters with projections ranging from high single digits to mid-teens.long-term target of reaching $1.5 bn by the end of FY26**

Performance (Consol)
(Q4 is generally weak Quarter & Q3 is their best quarter so QoQ comparison not justifiable but overall weak Nos)
•Revenues came in at INR 21.916 Bn (-12.1% QoQ) (+14.5% YoY)
•EBITDA came in at INR 1.441 Bn (-30.6% QoQ) (-4.9% YoY)
•EBITDA margins came in at 6.6% (Vs 8.3% QoQ) (Vs 7.9% YoY) contraction of 175bps QoQ/-135bps YoY
•PAT came in at INR 1.104Bn (-14.1% QoQ) (-3.0% YoY)
•PAT margins came in at 4.9% (Vs -1.8% QoQ) (Vs 5.9% YoY)
•Board recommends a final dividend of INR 4.40/Share

Concall KTAs

Segments
Healthcare: Delayed client decision on large deal due to organizational changes impacted revenue and investments.

Plan to redeploy investments over next one or two quarters as company close other deals; BFSI and retail sectors expected to see flat to moderate growth due to sector headwinds.

Company continued to witness green shoots in High-tech and followed by the healthcare business.

Book to bill is 1.22 for the
international business.

Deal wins: large deals pipeline looks healthy and data and cloud pipeline looks healthy as well at 40% of the total pipeline.

Utilization improved by 1.6% QoQ to 87.4%.

Interest Cost: Amortization of intangibles will stay constant, tied to acquisition loan interest; short-term uptick in interest costs expected from upselling; RBI issue hampers cash remittance, prolonging interest costs; interest on deferred consideration halves post-June; final Quant payout next year eliminates current quarterly costs.

**Mphasis -Q4FY24 Concall KTAs**

**CMP INR 2,233 | Market Cap INR 422,085 Mn| Buy on declines**

**Outlook: Despite fluctuations in spending and sentiment, the outlook for FY25 outlook better than the previous year. Estimating growth above industry standards, the strategy hinges on technology-driven initiatives and a concentrated approach to key accounts. The plan entails sustained investment across various capabilities and sectors, with a targeted operating margin range of 14.6% to 16% and earlier guidance of 15.25% to 16.25% in Q3FY24. While striving for consistent margins within this range, efforts will be directed toward enhancing productivity, efficiency, and operational advantage to support ongoing growth initiatives. We believe, Mphasis going to outperform in the near term led by stability in the Mortgage segment and the worst seems to have passed regarding issues with key accounts**

•Revenue reported of INR 34,120 Mn up 2.2% QoQ/1.5% in INR terms, up 2.1% QoQ/flat YoY (BE: INR 34,133 Mn) growth led by TMT.

•EBIT margin was flat sequentially at 14.9% (BE: estimate 15.16%).

•Net profit stood at 11.5% at INR 3,932 Mn in Q4FY24 (BE: INR 3,887 Mn)

•Deal booking $177mn vs $241mn in Q3FY24, of which 77% in new-gen services. Distribution of booked deals across service lines is well balanced.

•Recommended a dividend of INR 55 per share for FY24, against INR 50 per share in FY23.

•Total headcount was down 1,328 employees QoQ to 32,664 employees. Significant expansion of headcount isn't planned and will be contingent upon demand trends.

•DSO at 66 days in Q4 FY24 versus 71 in Q4 FY23

**Concall KTA**

- Margin: Expectations are set for revenue growth in FY25 to surpass industry averages, with an EBIT margin targeted within the 14.6% to 16% range. FY24 margin moved closer to the upper end of the stated band (ex-M&A impact), with focus on productivity and operating levers.
- Deal wins: There's a noticeable increase in the conversion of TCV to revenue, particularly with the rise in short-term deals.
- Resilient pipeline across TCV archetypes, including in anchor BFS vertical.

- Diversified revenue and pipeline beyond BFS and Top 10. Revitalized leadership in core geos, verticals and technologies. Expanded addressable market with new/enhanced capabilities
- Gen AI: Invested in tech-led, strategically diversified, transformative growth. Focus on new engines of direct growth paying off. Continued strengthening of AI-infused capabilities build, Buy & Partner.
- Segments: Strong double-digit growth in TMT and Others (Healthcare). Healthy revenue ramp-up in new customers across segments.Near-term growth will be primarily propelled by the BFS and TMT verticals.
- Mortgage: The mortgage segment has maintained stability for the past two to three quarters.
- Key Accounts: The worst seems to have passed regarding issues with key accounts.

**Quick Heal Technologies Ltd. – Q4FY24 Concall KTAs**

**CMP: INR 499 | Market Cap: INR 26,678 Mn**

**Outlook**

**The company is focused on increasing its SOM from INR 18,000 Mn to INR 40,000 Mn over the next three years through new product launches, strategic partnerships and capitalizing on emerging opportunities such as India's DPDP Act, and aims to maintain a gradual increase in EBITDA on a YoY basis.**

**Financial Highlights**

- Revenue stood at INR 800 Mn in Q4FY24, up by 62% YoY, revenue for full year FY24 stood at INR 2,918 Mn up by 5%

- EBITDA increased by 9X in FY24 over the previous year to INR 176 Mn, EBITDA in Q4FY24 stood at INR 100 Mn.

- EBITDA margins expanded to 6% in FY24 from 1% in FY23.

- The company proposed dividend of INR 3 per share for FY24.

- The increase in general administration expenses by INR 15 Mn in Q4FY24 was mainly on account provision for debt.

**Enterprise Business**

- The enterprise business grew at around 11-12% CAGR, in line with the industry growth rate.

- Enterprise business now contributes 37% to the overall revenue mix, up from 20% a couple of years back. The company expects the enterprise segment to continue growing faster than the consumer segment.

- Some large government deals got deferred due to the general elections and the related code of conduct. The company is confident of securing these deals once the code of conduct period is over.

**Consumer Business**

- The company remains the market leader in the consumer cybersecurity segment in India, with a 35% market share.

- Despite headwinds in the consumer segment, the company has been able to maintain positive momentum and YoY market share growth.

- The company expects significant growth opportunity in this segment as India's paid antivirus penetration is currently at 22% as compared to 40-50% in the mature markets.

**Investments and Focus Areas**

- The company plans to invest heavily in building new products, adjacencies and capabilities to expand its addressable market.

- Key focus areas for investments include zero trust network access solutions, data privacy solutions to cater to the upcoming DPDP Act requirements, consumer product innovations and solutions around threat intelligence and malware reverse engineering.

- The company aims to enhance its AI/ML capabilities through its Godeep.Ai platform to power its future technologies.

**DPDP Act Opportunity**

- With the upcoming Data Protection and Digital Privacy Act, the company sees a significant growth opportunity in the data privacy solutions space.

- Currently, there are very few players offering comprehensive data privacy solutions in India, giving the company an early mover advantage.

- The company has already developed a solution for DPDP Act compliance and plans to expand it further to address the entire data privacy lifecycle.

**Partnership with M-Tech**

- The company has onboarded M-Tech as a national distributor to target mid-market and large enterprise customers, which are currently untapped segments.

- The partnership with M-Tech is expected to drive the deployment of Quick Heal's enterprise solutions across M-Tech's customer base.

**Guidance**

- The company did not provide specific guidance, but expects revenue growth to outpace industry growth and aims to maintain a gradual increase in EBITDA on a YoY basis.

**Other Highlights**

- The company aims to build capabilities in the services segment to cater to large enterprise deals and projects that require services beyond just product offerings.

- Currently, services are not a material part of company revenue, but they have a vision to grow this segment over the next 3-5 years.

- The company considers OneTrust as their competitor.

- R&D investments are expected to increase dramatically as the company focuses on building new products and adjacencies.

- The company is open to inorganic growth opportunities in areas such as cloud security, data loss prevention, and complementary technologies to its existing portfolio.

**Tanla Platforms Ltd Q4FY24 Concall KTAs**

**CMP: INR 936 | Market Cap: INR 1,25,814 Mn**

**Tanla plans to double its WhatsApp revenues from around INR 3,700 Mn in FY24 to INR 7,000 Mn in FY25. While facing near-term headwinds from declining international SMS revenues, Tanla is investing heavily in developing new platforms like Wisely ATP to address emerging opportunities like curtailing financial scams. Expected to drive strong growth as new platforms gain traction, aided by favorable regulations and the company's ability to deploy its proprietary solutions with OTT partners and enterprises.**

**Margins**

- Excluding the impact of exiting a Vodafone deal, the gross margin of the platform business grew 35% YoY.

- The management expects higher margins as they deploy their platforms with OTT partners and enterprises. Deploying their mapping platform with telcos for RCS is expected to double margins.

- Margins on the Truecaller channel are currently higher than other channels.

- As platforms move from build phase to deployment phase, hardware/tool costs increase while employee costs reduce, impacting margin profile.

**OTT messaging**

- OTT revenues, primarily from WhatsApp and RCS (Rich Communication Services), contributed 18% of total consol revenues in Q4FY24, 12.5% in full for FY24 up from 4% in FY23.

- The company sees significant growth potential in OTT channels, with OTT revenues growing at 60-70% annually.

- The company has extended its exclusive partnerships with Truecaller for the next two years, and expects to attain at least 50% market share in RCS.

- The pricing model for OTT channels like WhatsApp is based on sessions rather than transactions, unlike traditional SMS pricing.

**International SMS**

- The decline in international SMS (ILD) revenue due to the shift to OTT channels has bottomed out, with no further significant impact expected.

- WhatsApp's planned price increase for ILD messages to 3 cents is expected to further impact the ILD SMS market, but the company's margins are expected to remain intact.

**Wisely ATP**

The company is postponing broader adoption of Wisely ATP, despite successful trials with banks, due to regulatory uncertainty regarding liability—whether banks or customers are accountable for financial losses resulting from scams—and is awaiting regulations in India and other countries to provide clarity.

**UPI opportunity**

The company sees an opportunity in UPI transactions, but banks are currently not sending notifications/messages for all UPI transactions to curtail costs. Discussions are ongoing with regulators to mandate sending notifications for UPI transactions, which could benefit Tanla's messaging business.

**Competition**

The company faces limited competition in Threat Intelligence (Widely ATP) both in India and globally, but in other segments like VLT platform collaboration with companies like Tech Mahindra and IBM exists alongside competition.

**Other highlights**

- The exit of the Vodafone firewall deal is expected to have a residual impact of around INR 50 Mn in Q1FY25.

- The digital platform contributes about 34% of Tanla platforms' gross profits for FY24.

- The company is capitalizing employee costs and platform costs related to the development of new revenue streams.

- SMS pricing remains higher than OTT channels like WhatsApp for most use cases, except international messaging.

- For RCS, Google has decided to go through telecom operators in India, similar to the SMS model. Tanla will have to buy RCS traffic from telcos and build solutions on top to sell to enterprises.

**HCL Tech- Q4Y24 Concall KTAs**

**CMP INR 1,472|Market Cap INR 3995,329 Mn**

**Outlook: Guided for 3.0% - 5.0% YoY for FY25 with EBIT margin band of 18-19%. Continued momentum in services, AI-led solutions, Engineering and R&D services segment, and profitability focus. However, potential revenue impact from offshoring, client spending moderation, and competitive pressures poses challenges. Despite optimism driven by a strong portfolio and AI focus, Clients continue to consolidate their tech spending with muted discretionary spending.**

Financial-Mixed performance, with revenue in-line while EBIT margin below estimates

Reported revenue of INR 284.9 Bn ( up 0.2% QoQ/7.1% YoY). Revenue in USD was up 0.4% QoQ/6.0% YoY & 0.3% QoQ/6.0% YoY in CC terms growth led by BFSI and manufacturing.

EBIT at INR 50.1Bn ( down 10.6% QoQ/up 3.8% YoY). EBIT Margin was down by 210bps to 17.6%.

Dividend of INR 18 per share,totaling in FY24 dividend INR 52 per share.

Headcount was increased by 2,725 employees QoQ to 227,481 employees. LTM attrition was down by 40bps to 12.4%.

Order booking stood at $2.3bn vs $1.9bn for Q3FY24

**Concall KTAs**

**Discretionary spends**

Customers persist in consolidating their technology expenditure while showing restrained discretionary spending. Company sees growth potential for the vertical in FY25.

Q1FY25e

Company estimates to report a 2% QoQ decline in revenue in Q1FY25 due to the usual annual productivity passback.

### Gen AI

In FY25, clients are expected to reinvest technology spends into AI and emerging tech for productivity and growth. Estimates Gen AI to significantly enhance productivity throughout the software engineering process.

### EBIT Margin

Aspirational EBIT margin band remains around 19%-20%. Talent supply chain and overall cost structure underwent significant changes, with fresher hiring doubling from FY21 to FY23, increased from 13k to 27k hires.

### Telecom product

ARR growth slowdown YoY and QoQ drop attributed to discontinuation of certain telecom product portfolio components, with Americas leading geography growth among IT services verticals.

### ER&D

The company has merged its sales teams for ER&D and IT services to enhance synergy and performance.

**Veefin Solution Ltd. – Q4FY24 Concall KTAs**

**CMP: INR 327 | Market Cap: INR 7,387 Mn**

**Outlook**

**The company has set its revenue guidance for FY25 at INR 500 Mn, with an increase to INR 1,100 Mn expected for FY26. The reported EBITDA margin for FY24 was 43%, with management aiming to maintain it in the range of 43-46% for the next few years. With a primarily fixed cost base, the company anticipates margin improvement as revenue scales up without a direct increase in costs. Veefin expects amortization expenses related to capitalized product development costs to rise from INR 12-15 Mn in FY25 to around INR 5 Mn in FY26, driven by higher projected revenues. Management has mentioned the initiation of new subsidiaries for API Gateway, Trade Finance, and Cash Management solutions, indicating investments in these areas.**

**Financial Highlights**

- Revenue stood at INR 15,918 Mn in H2FY24, up by 75.81% YoY. Revenue for the full year FY24 stood at INR 24,972 Mn up by 77.38%

- EBITDA stood at INR 9433 Mn in H2FY24, up 529.93% YoY. In EBITDA for the full year FY24 stood at INR 10,931 Mn up by 110.29%

- PAT stood at INR 6,416 Mn in H2FY24, up by 556.13% YoY. PAT for full-year FY24 stood at INR 7,393 Mn up by 72.87%

**Business Overview**

- Veefin is the leading supply chain finance platform in India, utilized by over 50 banks and NBFCs.

- It manages USD 25 Bn in annual disbursements across banking clients in both India and globally.

- The platform provides end-to-end coverage, including onboarding, underwriting, transaction, and loan management. The focus is on productization rather than custom software development to ensure quicker implementation.

**Product Portfolio**

- They have introduced new products such as a Loan Origination System, Loan Management System for various loan products, and a Collect Flow debt recovery solution.

- They've introduced the Deep Tier Finance solution to access deeper levels within corporate supply chains.

**Market Opportunity**

- The supply chain finance market in India was approximately INR 5,00,000 Mn in FY21 and is forecasted to double to INR 11,10,000 Mn by FY31.

- The collection market size is anticipated to reach INR 17,00,000 Mn by FY26, offering new growth opportunities.

**Market Expansion and Growth Initiatives**

- There were active conversations and demos with 193 banks globally, with 129 of them added in FY24.

- The company has begun prioritizing expansion efforts in the Middle East, Africa, ASEAN, and Eastern Europe regions. Additionally, it intends to enter the Western Europe, US, and Canada markets in the upcoming year.

- The company secured 17 new deals in FY24.

**Revenue Model and Pricing Strategy**

- Veefin employs a percentage-based charging model for lenders, ranging from single-digit basis points to 30-40 basis points. The specific rate depends on factors such as the lender's spread, existing portfolio size, and growth potential.

- The company follows a recurring revenue model based on the lender's disbursement volumes and does not charge one-time license fees. Veefin's pricing is competitive, and it does not lose deals due to pricing issues.

**Technology and Product Development**

- Veefin consistently invests in enhancing its product features, functionality, and user experience to maintain a competitive edge over its rivals.

- The company has a dedicated team focused on developing new products and solutions based on market demands and client feedback.

- They're developing trade finance and cash management solutions to offer as cross-selling opportunities to their existing clients.

**KPIT Technologies Ltd – Q4FY24 Concall KTAs**

**CMP: INR 1,509 | Market Cap: INR 4,13,546 Mn|View: Positive**

**Outlook**

**The company has guided a revenue growth guidance of 18-22% in CC terms and an EBITDA margin guidance of 20.5% for FY25 taking into account the business on hand and the current pipeline.We are a positive about the company growth prospects, driven by increasing outsourcing trends and believe it will continue outperform the industry**

**Financial Highlights**

- Q4FY24 revenue stood at INR 13,178 Mn (+4.8% QoQ, +29.5% YoY), led by Middleware, Connected and Autonomous domains.

- EBITDA stood at INR 2,723 Mn in Q4FY24. EBITDA margin expanded by 160 bps YoY to 20.7% in Q4FY24.

- PAT stood at INR 1,644 Mn, up by 5.8% QoQ.

- The company declared final dividend of INR 4.6 per share, subject to shareholders approval, taking total dividend for FY24 to INR 6.7 per share.

**Deal Wins**

- Reported deal wins of USD 261 Mn during Q4FY24, including two significant deals - one from Asia in the area of SDV space and another from Europe in the integration space.

- Deal wins from existing clients in Q4FY24 were upward of USD 50 Mn.

**ESOP Cost**

- Announced an ESOP scheme, with an expected cost of around INR 1,000 Mn in FY25.

- The dilution from the ESOP grant is expected to be less than 0.2%, with a standard 3-year vesting period.

- The ESOP cost is expected to be maximum in the first year, tapering down in subsequent years.

**R&D Spending Outlook**

- The company does not expect a slowdown in R&D spending from OEMs, despite some reports suggesting flat growth from next year onwards.

- The management highlighted that OEMs will continue investing in future technologies like software-defined vehicles, autonomous driving and electrification while optimizing spend on legacy programs.

**Qorix Joint Venture**

- The company is awaiting regulatory approvals across multiple countries for the Qorix joint venture, expected to be completed in the current quarter.

- The leadership team and product development roadmap are already in place, with global engagements planned across Europe, Asia, and the USA.

**Growth drivers and opportunities**

- The company expects continued growth from its diamond clients and is also focusing on expanding business with platinum and gold accounts.

- The company is exploring adjacencies like industrial farm equipment and targeting OEMs in India and China for future growth.

- Areas like Software-Defined Vehicle, electric powertrain, autonomous and connected technologies are driving incremental spending from OEMs.

**Other Highlights**

- The company does not expect any significant impact from the announced Tata Technologies-BMW joint venture, as OEMs typically outsource 50-70% of their engineering spend to specialist players like KPIT for high-end work.

- The company is open to acquisitions that bring strategic value through new technologies, talent or access to certain markets or capabilities.

**Newgen Software Technologies Ltd-*Q4FY24 Concall KTAs**

**CMP INR 944|Market Cap INR 132,758 Mn**

**Outlook: Aims for increased deal closures in FY25 similar to this year's growth pattern. Company estimate higher growth in Q1&Q2, followed by slightly slower growth in H2FY25. Efforts to boost deal sizes with insurance clients are underway, expected to drive revenue over the next 2-3 years. We believe, company continue to perform well in the coming quarter led by the cost optimization and strong deal pipeline.**

**Financial-Strong set of Nos**

• Revenue INR 3753 Mn grew by 15.9% QoQ/+23% YoY

• EBITDA stood INR 1225 Mn grew by 59.1% QoQ/+27.1% YoY. Margin expanded by 110bps YoY/890bps QoQ.

• PAT stood at INR 1,053 Mn grew by 54% QoQ/31.7% YoY.

• DSO improved by 15 days YoY to 130 days against 145 in Q4FY23. QoQ average to be in the range of 120-125 and target to reach 100 days average.

• Dividend INR 4 per share as did the bonus of 1:1

**Concall KTAs**

- Customer revenue has increased by 29%.
- Company seen growth in the existing banking customer base, with 51 new logos added.
- In Norway, Gen AI newer version has provided new input for customers and solidified the position as an industry leader, particularly in micro services and system integration.
- Vertical solution for digital lending has performed strongly, especially in the NBFCs segment.
- R&D: Invested 9% of revenue in R&D and 20% in sales and marketing.
- Order book stands at 15600 Mn, led by new deals mining, signaling recovery in the APEC region for FY25.While the traditional space pipeline remains healthy, growth in the US is expected to be modest.
- Australia and the UK are showing promising growth.There's significant potential in the insurance sector, with notable investment flowing in.

- Focused on cost planning to ensure strong margins and aim for 2-3% growth next year.
- Q1FY25 will see efforts to reduce seasonality and achieve higher growth rates.
- Growth in the order book is at 20%, with a focus on larger numbers.
- New logos are experiencing much higher growth compared to last year, particularly in banking.
- Insurance: The insurance order book is growing, with varying deal sizes and closure cycles.
- Sales strategy is being reset to focus on account acquisition and larger opportunities.
- Company is exploring some M&A opportunities, though nothing is actively in discussion.
- BFSI: Targeting 90 banks, with a focus on mid-sized institutions.Banking and finance are leading global sectors, with significant business potential in healthcare and government partnerships, along with various sales channels.
- Focus on expansion geography: Trade finance revenue is substantial, with deals exceeding 1000 Mn.
- In FY25, focusing on incremental growth in the Middle East and India, with selective expansion in Europe and the UK.
- Consistently expanding offices and opening new centers, including one in Saudi America.
- Gen AI:Company launched their next-gen low-code trade finance solution, IDP Studio, integrating advanced machine learning algorithms under the umbrella of IDP and Newgen AI Data Science Studio.
- Price: Company is constantly assessing and adjusting pricing elements for its products and services, with a keen eye on resetting pricing in the near term.

**eMudhra Ltd – Q4FY24 Concall KTAs**

**CMP: INR 759 | Market Cap: INR 59,292 Mn**

**Outlook**

**eMudhra had a strong Q4 and FY24. Looking ahead, the company sees continued opportunity in digital transformation and the move towards zero trust due to cyber threats. The management has provided a guidance of around 25-30% revenue growth for FY25, driven by strong demand from India, the Middle East, Africa, and the US market.**

**Financial Performance:**

- Revenue stood at INR 1,031 Mn (+3.6% QoQ, +30.5% YoY) in Q4FY24, driven by strong performance in trust services. Revenue for FY24 stood at INR 3,800 Mn (+49.6% YoY)

- EBITDA stood at INR 363 Mn (+35.7% QoQ, +39.9% YoY) and EBITDA margin stood at 35.2% in Q4FY24. FY24 EBITDA stood at INR 1,165 Mn (+25.8% YoY) with a margin of 36.5%

- PAT stood at INR 212 Mn (+5.9% QoQ, +34.2% YoY) in Q4FY24. For FY24 PAT stood at INR 764 Mn (+ 24.8% YoY).

**Segmental Performance**

- Enterprise Solutions segment revenue grew by 64.1% YoY in Q4FY24, driven by strong performance in international markets.

- Trust Services segment revenue grew by 22.8% YoY in Q4FY24. The sudden spike in the trust business in Q4FY24 was due to a 2.5x price increase implemented by the company at around September-end.

**Order Book**

- Opening order book for FY25 stood at INR 14,900 Mn, primarily for Enterprise Solutions business.

- Majority of the orders are towards the cybersecurity segment 74%, with paperless transformation comprising 26%.

**Guidance and Cash position**

- The company expects a sustainable EBITDA margin of around 25-30% for FY25.

- The PAT margin is expected to be 18-20%, considering the introduction of taxation in Dubai and Middle east countries.

- Services business is expected to grow at around 20-25%.

- With INR 2,500 Mn of cash on the balance sheet, the company has earmarked INR 800 Mn for potential acquisitions and INR 450 Mn for developing new products such as homomorphic encryption, PKI and post-quantum cryptography.

**Geographic Expansion**

- Strong focus on expanding international business, especially in regions like North America, Middle East, Africa where digital technology adoption and e-government initiatives are high.

- The acquisition of Ikon has enabled cross-selling and upselling opportunities across both Ikon's and eMudhra's offerings.

**India Enterprise Business Strategy**

- The receivables from India enterprise business are high at around INR 400 Mn out of 1,000 Mn.

- The company is aiming to reduce bundling of hardware in government contracts to minimize receivables risk.

- With the unbundling of hardware from government contracts, DSO is expected to improve to around 85-90 days going forward.

**New Products Performance**

- Among the new products, E-Sign has started gaining good traction, while SSL is yet to pick up momentum.

- The company is positioning SSL along with the E-Sign hub as an integrated offering targeting niche market, rather than as a standalone product.

**Other Highlights**

- New pricing model mandated by CCA for Trust Services business effective July 1, 2024, where direct sales to retail customers is required. Partners can only introduce customers and earn commissions.

- The company is revamping its software to align with this new model, and the impact on volumes and partner roles needs to be closely monitored.

**Aurum Proptech Ltd Q4FY24 Concall KTAs**

**CMP: INR 155 | Mcap: INR 4.53 bn**

**Company saw impressive growth of 69% yoy in FY24 and commits to maintain this momentum and expect robust revenue growth in the coming years, targeting a range of 45% to 50%. Company also aims to improve margin by 700 to 1000 bps over the next 3 years**

**Financials**

• Revenue stood at INR 598.1 Mn grew by +4% QoQ in Q4FY24. Revenue from Operations in FY24 stood at INR 2140.5 Mn 69% YoY.

• Total Income stood at 657.3 Mn in Q4FY24 +5.86% QoQ while in FY24 total income stood at 2330.7 Mn (6.8%YoY)

• EBIT margin of 9.9% in FY24 expanded 1150 bps YoY.

• EBITDA stood at INR 204.7 Mn in Q4FY24 grew by 655% YoY.

**Rental Vertical**

• Company have become the largest rental management platform in India aims to double capacities to cross 50,000 rental units.

• Company aims to become one of the largest MSME reits in India. Company acquired single asset worth INR 70 crores in Pune, paving the way to apply for becoming one of the first MSME reits in India.

**Distribution Verrtical**

• On distribution vertical, company successfully onboarded top developers last year across India including Embassy, Tata, JB Infra.

• Company's prestigious clientele includes Birla Estate, Adani Realty, Chandak, Shriram Properties, Raymond, Suntech and many more.

• CRM is a fully SaaS product charged on a prepaid, license, or subscription basis.

• Company focus remained on profitable growth and unit economics.

**Operations Highlights**

• Company's focus remains on deepening integrated ecosystem, maintaining sustained improvement on unit economics and driving profitable growth across all three clusters.

• Co-living business registered an 87% YoY.

• The distribution solutions which includes analytics, CRM, and broker acquisition have shown robust growth.

• In broker Aggregation business company's objective is to get velocity for real estate developers to sell the inventory.

• Company's rental solutions offers enhanced security and convenience for users along with value for money spaces and offers a hassle-free experience experience for those seeking rental accommodation.

**Key Highlights**

• The company remains committed to expanding its presence in cities such as Bangalore, Kota, Hyderabad, and Pune.

• With unit economics, company strive to continue a similar growth trajectory over the next 12 quarters.

**Coforge Q4FY24 Concall KTAs & First Cut**

**CMP INR 4,986 | Market Cap INR 3,082,45 Mn**

**Concall KTAs**

**Cigniti Technologies**

The acquisition will help to achive  $ 2 Bn firm by FY'27 and improve operating margins by 150 – 250 bps improvement in operating margin in this time. The acquisition will add three new industry verticals, expand presence in the  West, Mid west, South West market of the US, and address opportunities in AI assurance services. Three new industry verticals - Retail, Hitech, and Healthcare - will be integrated into Coforge's operations.The acquisition is anticipated to be completed by the Q2FY25.

Offshore revenue as a percentage of total revenue increased to 52.5% in Q4 FY24 from 50.7% in the same quarter last year.

**Order book**

The company has a confirmed order book worth USD 1.02 Bn for the next year

**Margin**

The company expects a significant increase in EBITDA by FY25 end, driven by examined synergies, but anticipates flat reported EBITDA margins for the fiscal year due to a new ESOP scheme.

**Wage Hike**

- Salary increments, effective from April 1, 2024, were fully implemented across the entire employee base since the beginning of the last fiscal year to maintain high retention and commitment levels.
- The 12M order executable has risen by approximately 17% YoY, offering visibility into the revenue outlook for FY25.
- The company signed two large deals in Q4 FY24: a USD 400 Mn TCV 6-year deal in the BFS vertical and a USD 55 Mn 3-year transformation deal in the insurance vertical.

Q4FY24 First Cut

- Coforge reported revenue growth of 1.9% CC QoQ/9% YoY. Order intake was USD 1,019 Mn. In Q4FY24, Coforge secured a TCV of USD 400 Mn through the signing of a large deal.
- Revenue for the quarter was INR 23,585 Mn (Estimated INR 24,060 Mn) & USD 282 Mn (USD 290Mn), Up 8.7% YoY in INR terms and 8.5% YoY in US$ terms QoQ and Up 1.5% in INR terms and 1.7% in USD terms QoQ
- EBIT margin came in at 14.4% (Estimated 15.4%); expansion of 66bps QoQ/144bps. Adjusted EBITDA margin at 19%, improved by 102 bps QoQ.
- PAT came in at INR 2,237 Mn in below our expectation INR 2,733 Mn, -6% QoQ / +94.9% YoY.
- Total order intake during the year stood at USD 1,973 Mn, up 56% YoY.
- Headcount at 24,726 for Q4FY24 vs global headcount of 24,607 in Q3FY24. LTM Attrition (excl. BPS) stood at 11.5%, improved 60 bps QoQ and 258 bps YoY.
- Coforge launched Orion- A Gen AI-based autonomous self-service solution to enhance customer experience across multiple industries.
- Coforge has signed a definitive agreement to take over Cigniti Technologies Limited. The acquisition will create three new scaled-up verticals - Retail, Technology, and Healthcare.
- The board recommends an interim dividend of INR 19 per share.

**Netweb Technologies – Q4FY24 Concall KTAs**

**CMP: INR 1,765 | Market Cap: INR 99,508 Mn**

**OUTLOOK**

**The company is well positioned for revenue and profit growth in the current fiscal period, owing to high repeat customer revenue and favorable industry trends, and it remains focused on its strategic priorities and growth pillars, with an emphasis on long-term growth and profitability. Furthermore, as AI adoption grows, the company expects AI segment revenue to increase to 15-16% of total revenue from its current 11%. Going forward the company aims to grow at a CAGR of 30-35%.**

**Financial Highlights**

- Q4FY24 revenue stood at INR 2,659 Mn, up by 115% YoY and 4.9% QoQ.

- Operating EBITDA margin was 15.2% for Q4FY24 and 14.2% for the entire full year FY24.

- PAT of the company increased by 182% YoY in Q4FY24 to INR 297 Mn and 62% YoY for the full year FY24 to INR 759 Mn.

- The board has recommended a dividend of INR 2 per share, with a payout ratio of 14.9%.

**Growth Opportunities**

- The company sees significant growth opportunities in the AI segment, driven by increasing demand for GPUs and AI workloads across industries.

- India's digital adoption and data center growth present promising opportunities for the company’s diverse product offerings.

- The company is actively working with major Cloud Service Providers to build large AI clouds and capitalize on this trend.

**Strategic focus**

- Aims to be an end-to-end solutions provider rather than solely a hardware manufacturer or provider of specific services.

- Potential acquisitions and partnerships are being evaluated, but there are no specific plans at the moment.

**Customer Base and Order Book**

- The company has recorded a revenue of more than 70-80% from repeat customers and also added 171 new customers in FY24.

- The order book for FY24 stood at INR 110 Mn, with a win rate of 60-65% across different segments.

- The order book conversion cycle is typically between 2 weeks to 3 months, with a high probability of conversion from lowest bid level to confirmed orders.

**Capex and Investments**

- The company plans to invest INR 350-400 Mn in capex, which should be sufficient to support revenue growth up to INR 18,000-20,000 Mn.

- After this capex, significant additional capex may not be required for the next 2-3 years, except for regular maintenance and upgrades.

**Guidance**

- The company expects to maintain a CAGR of 30-35% in the coming years.

- The company is also expecting the AI segment revenue to grow to 15-16% of total revenue in FY25 from 11% in FY24, given the increasing adoption of AI and GPU-based computing.

- Operating margins are sustainable and better than peers, and the company expects to maintain the current margin levels.

**Data Pattern Q4FY24 Concall Highlights**

**Data Pattern | CMP: INR 3,176 | Mcap: INR 177.9bn**

**Outlook:**

**Data Pattern is expected to grow 20%-25% over the next 2 years and margins are expected 35%-40% in FY25E. The order book stood at INR 10.8bn (~2x of FY24 revenue) and expected order inflows of INR 10bn show business visibility. The capex of INR 1bn for new capacities and INR 1bn for product developments will drive growth going forward.**

**Revenue**

- Revenue stood at INR 5.2bn in FY24 vs internal target of INR 5.4bn+ due to delayed inspection by customers in two projects.
- Revenue growth is expected 20%-25% over the next 2 years.

**Margins**

EBITDA margins are expected 35%-40% in FY25E. The product margins are around 40% and the integration margin are relatively lower.

**PAT**

PAT growth is expected 30% in FY25E.

**Order book**

- The order book stood at INR 10,831mn as of Q4FY24. The order pipeline is around INR 20bn in FY25E.
- The order inflows are expected INR 10,000mn in FY25E.
- The export order book stood at INR 700mn as of Q4FY24.

**Capex**

- The company bought land and INR 1,000mn capex for new capacities.
- The capex is going on radars, Electronic Warfare Suite, and Communication equipment. Some of the products are expected to come in the next 3-6 months. The capex is expected INR 1bn.

**R&D**

R&D and product development stood around 20%-25% of sales in FY24.

**Other highlights**

- MOD business scaling is expected over the next 3-5 years.
- BrahMos trails are expected in the next 3-4 months. The company is in discussion about some orders for quick production.
- Cash conversion cycle is expected 270-280days going forward.

**Rategain Travel Technologies Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 771 |Market Cap: INR 90,820 Mn**

## Outlook

**For FY25, RateGain is projecting a 40% growth in revenue, underpinned by a pipeline of INR 4,862 Mn. Moreover, the company expects to further improve its profitability, with EBITDA margins anticipated to expand by 100-200 bps. RateGain's M&A strategy remains a significant growth driver, and the company continues to evaluate interesting opportunities to consolidate its position and build an integrated tech stack focused on maximizing revenue for its customers. The company is actively considering acquisition opportunities in the USD 5-10 Mn and around USD20 Mn revenue range. The company follows a disciplined approach, evaluating cost and revenue synergies, and aims for a payback period of 5 to 7 years.**

## Financial Performance

- For FY24 revenue stands at INR 9,570 Mn, YoY growth of 69.3% and the Q4 FY24 revenue stands at INR 2,558 Mn, YoY growth of 39.8% and a QoQ growth of 1.5%.

- EBITDA stands at INR 1,897 Mn, YoY increase of 124.1% in FY24 and the Q4 FY24 EBITDA stands at INR 542.5 Mn, a YoY increase of 68.5% and a QoQ growth of 5.8%.

- The FY24 PAT stands at INR 1,454 Mn, a YoY increase of 112.6% and the Q4 FY24 PAT stands at INR 500.2 Mn, a YoY increase of 48.1% and a QoQ growth of 23.7%.

## Financial Metrics and Guidance

- LTV:CAC ratio stands at an industry-leading 14.1, reflecting its strong business model.

- Revenue per employee of the company has increased by 22.3% YoY to INR 13.3 Mn in FY24, indicating improved productivity and scalability.

- The company guided for 20% organic revenue growth in FY25, with the potential for further growth through acquisitions.

- They aim to achieve a revenue target of INR 20,000 Mn within the next three years, implying a CAGR of around 26%.

## Geographical Performance

- In FY24, the company's revenue distribution by geography was as follows: North America accounted for 54.6%, Europe contributed 31.3%, Asia Pacific made up 12.4%, and the remaining 1.7% came from other regions.

## Operational Efficiency and Scalability

- Rategain's subscription-based revenue improved to 60.7% of total revenue, indicating a more stable and predictable revenue stream.

- The company has diversified its revenue base, with the top 10 customers contributing 28.3% of total revenue, down from 32.2% in the previous year.

- Cash flow from operations stood at INR 1,518 Mn, a 2.9x increase compared to the previous year, reflecting improved operational efficiency and working capital management.

- The new contract wins of the company in FY24 has more than doubled to INR 2,848 Mn compared to FY23.

- The ARR of the company stood at INR 10,233 Mn in FY24.

- Employee attrition rate of the company has reduced to 11.6% in FY24 from 21.1% in FY23.

## Segmental Performance

- The Data as a Service business of the company contributed 32.9% of total revenue in FY24, with key enterprise accounts and new logo additions across airlines, OTAs, car rentals, and cruise liners.

- The Distribution segment accounted for 22.1% of total revenue. RateGain was recognized as an Elite Connectivity Partner by Expedia for the second year in a row, validating its high-quality product and customer service. The company witnessed good traction for its RedMax platform with mid-size chains in the APAC and Middle East regions.

- The MarTech business contributed 45% of total revenue in FY24, backed by growth in the paid digital marketing segment and continued traction in the social media management segment with leading hospitality brands in the North America geography.

## M&A Strategy and Outlook

- The company is evaluating acquisition opportunities, and are confident of closing a deal in the coming quarters.

- The company remains focused on maintaining its current stake and dilution levels, as the founder still holds over 48% stake.

## Human Resources and Talent Management

- The company is focused on nurturing talent and promoting from within, emphasizing career growth opportunities for employees.

- It has implemented a new age HR information system to drive innovation in all areas of human resource management.

- The company is building a future-ready workplace, with a focus on attracting and retaining top talent through competitive compensation and growth opportunities.

**Other Highlights**

- The company's net worth increased by more than two times to INR 14,500 Mn compared to the previous year, and it had a cash and cash equivalent balance of INR 10,822 Mn as of FY24.

- The company's digital media offering continues to see traction across hotel chains in Europe and Asia.

- The company added 337 new customers in FY24, taking the total customer base to 3,279.

- The company's gross revenue retention rate was 90.1%, and the net revenue retention rate was 113.2%.

**All E Technologies Ltd - Q4FY24 Concall KTAs**

**CMP: INR 263 |Market Cap: INR 5,311 Mn**

## Outlook

**All e Tech Ltd. is well-positioned for strong future growth, driven by the rising demand for digital transformation services. The management has set an internal target of ~ 25% revenue growth for the FY25 through organic means, with the potential for further growth from strategic acquisitions. The company also aims to benefit from Microsoft's rapid growth, increasing use of AI across industries, and India's economic progress. With a strong cash reserve of INR 1,150 Mn. The company's focus on proprietary industry-specific solutions, long-standing customer relationships, and presence across multiple regions puts them in a good position to sustain their impressive growth and achieve their long-term revenue target of INR 10,000 Mn.**

## Financial Performance

- Operating revenue was INR 304 Mn, up by 27.93% YoY in Q4FY24 and stood at INR 1,163 Mn, increased by 32.67% YoY in FY24.

- EBITDA stood at INR 77 Mn, grew by 66.45% in Q4FY24 and INR 272 Mn, up by 70.49% in FY24. EBITDA margin was 23.9% in Q4FY24 and 22% in FY24, increased by 456 bps.

- PAT stood at INR 55 Mn, up by 67.6% YoY in Q4FY24 and at INR 197 Mn, up by 69.8% YoY in FY24.

- Their repeat and recurring revenue was 88% for FY24.

## Growth Strategy

- The management aims for an organic growth rate of 20-25% annually.

- Inorganic growth through acquisitions is a key focus area, with ongoing discussions for potential acquisitions.

- They plan to increase investments in international markets like the US and Canada, particularly in sales and pre-sales teams.

- Their long-term vision is to achieve INR 10,000 Mn in revenue within 5-10 years through organic and inorganic growth.

**Customer Relationships**

- The company has a long-term relationships with customers, often spanning 10-15 years.

- They provide end-to-end services, from consulting to implementation, maintenance, and managed services.

- Their solutions are mission-critical for customer businesses, leading to high customer stickiness.

**Human Resources**

- Current team size is 360 employees. They plan to selectively hire laterally and from campus recruitments.

- The attrition rate for FY24 was 16% and 7% for the Q4FY24.

**Customer Acquisition**

- In recent months, they have started acquiring net new customers in the US and Canada who are evaluating different product options, not just those already using Microsoft products. This has made them more attractive to the Microsoft field sales team in these regions.

**Other Highlights**

- Service margins are higher for international customers (50-55%) compared to domestic customers (22-25%). Product margins range from 16-19%.

- Travel, manufacturing, and professional services were their highest revenue-generating industries in the past year.

- The company has cash and cash equivalents of INR 1,150 Mn. Funds will be utilized for acquisitions, investments in international markets, and increasing sales teams.

- The overall market size for enterprise applications and digital transformation services that the company operates in is estimated to be in excess of USD 50 bn.

**Kfin Technologies Ltd – Quick KTAs Q4FY24 Concall**

**CMP- INR 751 | Market Cap – INR 1,28,327 Mn**

**Outlook**

**The management has provided guidance indicating that they expect the mutual fund industry's AUM to double in the next 5 years or less, driven by the rapid expansion of the SIP book. Additionally, the alternatives market is witnessing a substantial increase in AUM, with a significant gap between capital committed and capital drawn down, providing further growth opportunities for Kfin Technologies. The company is actively pursuing expansion in international markets, particularly in Southeast Asia, Europe, and the United States, through organic growth and strategic acquisitions. While no specific revenue or profit guidance was provided, the management expressed confidence in sustaining the strong growth momentum, driven by their focus on innovation, operational efficiency, and strategic investments in talent and technology.**

**Financial Performance**

- The revenue stood at INR 2,283 Mn, up by 24.7% YoY in Q4 FY24, and the FY24 revenue grew by 16.3% to INR 8,375 Mn.

- The EBITDA stood at INR 1,046 Mn, up by 24.8% YoY, and the EBITDA margin grew by 3 bps YoY and 105 bps QoQ in Q4 FY24. In FY24, EBITDA grew by 23% to INR 3,666 Mn and EBITDA margin was up by 238 bps YoY to 43.8%.

- PAT stood at INR 745 Mn, up by 30.6% YoY in Q4 FY24 and up by 25.7% YoY to INR 2,461 Mn in FY24.

- Targeted expense growth of around 10% for FY25, excluding investments in new market expansions.

**Business Segments**

* Mutual Fund Business witnessed growth in SIP book, with a market share of 44% in SIP AUM vs. 33.5% in overall AUM.

- Alternatives Business launched a new platform called XOFT for multi-currency, multi-geo, multi-asset, and multilingual capabilities. It witnessed a 60% increase in AUM in the FY24 and manages 472 funds, with a market share of 36.3%.

- Pension Business (National Pension System) grew at 2.5x the industry's pace, with a market share of 10%.

- In Q4 FY24, International Business onboarded 3 new asset managers in Gift City, along with securing extra contracts in Hong Kong and extending the pipeline to exceed USD 5 Mn. The company also initiated operations with the first contract in Thailand.

- The issuer solutions business added over 200 new clients in Q4 FY24 and the international business added 16 new clients in FY24, taking the total to 57 clients.

### Strategies and Initiatives

- The company is expanding its footprint in Tier 2 and Tier 3 cities to tap into talent pools and manage costs.

- They also exploring opportunities in new geographies like Thailand, Malaysia, and Singapore and Investing in regulatory compliance and platform solutions to enhance operational resilience.

- They are focusing on wealth management solutions, with plans to launch a new web platform.

### Market Position and Growth Opportunities

- The company is the largest investor solution provider in India, with a total investor base of around 260 Mn folios across share transfers, mutual funds, and alternatives.

- The company sees significant growth potential in the alternatives market, with a substantial gap between capital committed and capital drawn down by fund managers.

### Technology and Innovation

* The company continues to drive technological innovations, with the share of value-added solutions and services improving from 5.3% to 6% on a YoY basis.

* The company has launched several new solutions, including APS claim management and solutions for internet trading monitoring, leveraging account aggregation technology.

### Operational Efficiency and Cost Management

- They are focusing on automating regulatory compliance processes to reduce operational costs and headcount dependency in the medium term.

- The company is exploring opportunities to leverage its collaborative platform-based working model to expand its presence in Tier 2 and Tier 3 cities, optimizing costs and tapping into talent pools.

### Other Highlights

- The company has secured mandates from clients like Vedanta Corporation, Mostec, and Usha Martin, transitioning from other registrars.

- Kfin Technologies has signed contracts with one of the largest NBFCs for wealth management solutions and with one of the largest custodian banks for alternative fund accounting solutions.

**Yatra Online Ltd Q4FY24 Concall Highlights**

**CMP INR 126 | Market Cap INR 19.85Bn**

**Expects growth to be driven by corporate and profitability to be driven by B2C.**

**Expecting a PAT of INR 20cr for FY25.**

**Focus is on Hotels segment on both B2C and corporate side and expects growth to come in from H2 FY25.**

**Air take rates are currently muted due to supply constraints but are expected to improve as more airline capacity becomes available.**

**Expects to gain significant market share in corporate travel while maintaining its share in the B2C segment.**

**Financial Performance**

- Revenue for Q4 stood at INR 1,077 Mn, down 10% YoY due to a one-time accrual of threshold bonus of GDS Contracts in Q4FY23. Excluding this, revenue would have seen a growth of ~7% YoY.

- Revenue for FY24 stood at INR 4,223 Mn, up 19% YoY. Gross booking was INR 75,884 Mn (13% YoY) and 8,637 total transactions, with a YoY growth of 17%.

- Gross Booking for quarter grew 12% YoY to INR 19,943 Mn and 2,200 total transactions, with a YoY growth of 2%.

- EBITDA for quarter was INR 108 Mn (48% YoY), with an EBITDA margin of 13% and INR 273 Mn (47% YoY), with an EBITDA margin of 8% for FY24.

- PAT for quarter was INR 56 Mn (38% YoY) and negative INR 45 Mn for FY24.

- Current mix of revenue is 45% from corporate and 55% from B2C.

**Other Key Highlights**

- Company is seeing strong recovery happening in both corporate and consumer segment and expecting mid double-digit growth.

- On B2C side company have been focused more on driving operational profitability, but there is volume challenge especially given the supply side constraints.

- Receivable days have normalized and expected to be in the similar range.

- Key focus is to grow share of hotels, for that company have put together a new team which has come on board and currently undertaking to modernize and enhance our hotel platform.

- GDS bonus is a recurring part of their contract. Going forward, bonuses will continue on a normalized basis. Bonus will be recognized as the volume trends meet the contract terms.

- Provisions released are directly related to business expenses and should have initially been included in revenue from operations, as they were expenses that lowered the EBITDA in the past. These adjustments are not non-cash items.

- Airline Customer Acquisition Costs and Take Rates:

- Customer acquisition costs for airline have risen due to competitive pressures.

- Most B2C earnings come from customer convenience fees, which are stable, despite market consolidation among airlines.

- Focus will be on expanding products and services for corporate customers, enhancing cross-selling opportunities.

- Goal is to strengthen the corporate travel proposition by adding more products like hotels, car rentals, visas, Meetings, Incentives, Conferences, and Exhibitions. Enhancing cross-selling opportunities.

- Initiatives like the Yatra Prime membership, which waives convenience fees for frequent travellers, are showing strong traction.

- Partnerships with leading banks to offer special propositions for credit and debit card holders also contribute to growth.

- Focus is on effective and efficient customer acquisition methods rather than large-scale discounting.

- Strengthening brand recall and customer service are key priorities to drive growth in the B2C market.

**Black Box Ltd – Q4FY24 Concall KTAs**

**CMP: 243 | Market Cap: 40,560 Mn.**

**Outlook:**

**Despite a dip in Q4FY24 revenue, the company demonstrated resilience with an improved EBITDA margin and a significant YoY PAT growth. Challenges from consumer demand delays and higher interest costs have impacted short-term performance, but the company's strong data centre pipeline and strategic focus on core customer segments are expected to drive future growth. The company is well-positioned for sustained growth with a backlog of North American projects and strategic investments in talent and data center capabilities. Continued focus on key customers and enhanced operational margins are anticipated to deliver solid financial performance and shareholder value in the coming fiscal year.**

Performance Consol:

•Revenue came in at INR 14803.5 Mn. (-10.57% QoQ) (-11.98% YoY) in Q4FY24.

•EBITDA margins came in at 8.24% (Vs. 7% QoQ) (5.64% YoY) in Q4FY24.

•PAT came in at INR 409 Mn. (+0.07% QoQ) (+77.05% YoY) in Q4FY24.

Highlights:

•Consumer demand is being impacted by delays in customer decision-making, adversely affecting short-term revenue growth.

•The company cited higher interest costs resulting from the current interest rate environment in the U.S. as the reason for slightly missing their profitability target and FY24 guidance.

•The company anticipates a continuous upward trend in their North American project backlog, projecting an order backlog of USD 470 Mn in FY24 compared to USD 490 Mn in FY23.

•Decision-making delays have led to postponed project execution in H2FY24, impacting revenue growth.

•The company has met its EBITDA targets for FY24.

•The company's data centre pipeline has seen significant growth and is expected to mature throughout FY25.

•North America is expected to lead the demand for data centres over the next 5-7 years, with current capacity projected to increase from 17 GW to approximately 35 GW by FY25.

•The company aims to achieve a 10% growth in operating margin by FY25 - FY26 and is confident in reaching this goal.

•Although the company serves large Global Fortune 500 customers in the enterprise and hyperscaler data centre markets, it is shifting its focus to the top 250 - 300 customers, gradually exiting other segments.

•Future guidance suggests 5% - 10% revenue growth, driven by a strategy of deepening engagements while maintaining a focus on EBITDA growth for coming FY25-26.

•The company is experiencing 20% growth in its data centre practice.

•The TPS business currently contributes about 12%-13% to revenue, with expectations for this range to remain consistent going forward.

•Cybersecurity, while still a small segment, is gaining traction with significant wins, including 20 new customers in FY24 and a recent large airport client. These successes are being leveraged to drive momentum with the top 50 existing clients.

•The company has no plans for geographical expansion and is focusing on strengthening its market position by leveraging relationships with global customers in North America.

•Significant investments have been made in talent development at the company's Bangalore centre of excellence in FY24.

**Xelpmoc Design and Tech Ltd – Q4FY24 Concall KTAs**
**CMP: INR 134 | Market Cap: INR 1,962 Mn**

**Outlook: The company is focused on data science, which they believe will enable them to sustain and increase their value. They are placing greater emphasis on regenerating certain types of corporate procurement data, beyond just human capital management. Additionally, they are working towards improving profitability and are considering bonuses for achieving the best profitability, depending on market conditions. This applies to both their start-up initiatives and their website operations, suggesting a strong focus on the successful execution of their existing solutions.**

Financial Highlights
Revenue from operation stood at INR 9 Mn in Q4FY24 down by 72.6% YoY & INR 65 Mn in FY24 down by 56.1% YoY.
Operating EBITDA was negative INR 49 Mn in Q4FY24 compared to negative INR 24 Mn in Q4FY23.
Net loss for Q4FY24 was INR 60 Mn, compared to a net loss of INR 33 Mn in Q4FY23. The net loss for FY24 was INR 139 Mn.

Business Strategy
The company is focused on transitioning from the start-up segment to the corporate segment, with an emphasis on data science solutions.
They aim to sustain and increase value for corporate clients through data science capabilities.
The company is exploring opportunities in industries where their solutions can be applied, such as high-speed architecture, real-time data processing, and reducing manual recurring tasks.

Challenges
The transition to the corporate segment and the adoption of their solutions have been slower than expected, leading to lower revenue recognition.
There is some confusion in the market about the applicability of their AI/ML solutions compared to popular AI technologies like ChatGPT.
The company is facing challenges in finding the right customers and marketing their solutions effectively.

Funding and Runway
The company mentioned having a 10-12 month runway based on current cash reserves.
They are exploring potential capital raises, but no concrete plans were discussed.

Portfolio Companies
The company provided updates on their portfolio start-ups, including e-commerce platforms, talent marketplaces, agricultural technology solutions, publishing platforms, and organizational excellence platforms.
Most of these start-ups are in the pre-revenue or early revenue stage, and the company is focused on their growth and development.

Users/Customers

The e-commerce platform has over 54,000 users. The remote talent marketplace has attracted more than 5.4 Mn visitors. The agricultural platform has connected 7.2 Mn farmers and 35 Mn soil farmers.

The publishing platform has over 42,000 signups and more than 2,000 pieces of published content. The organizational excellence platform has facilitated over 5,000 presentations and engaged more than 30,000 participants.

The wellness platform has over 20 Mn users, including more than 100,000 paid users and 175,000 tracked users.

Product Development

The company has developed a text-to-speech solution called "SIGNUP" for secure document handling, which they are considering offering as a standalone product.

They also mentioned exploring opportunities in the agricultural sector through their influence technology platform, which connects farmers and enables end-to-end agricultural trials and research.

Customer Acquisition Strategies

The company is actively reaching out to potential customers in industry segments where they have delivered solutions in the past, aiming to cross-sell and expand their offerings.

They are also targeting new customers in similar industry segments where they believe their solutions could provide value, although the conversion has been slow.

The sales process often involves proof-of-concept (POC) projects, which sometimes get extended or face delays due to customers' cautious approach towards adopting new technologies.

**DC Infotech & Communication Ltd – Q4FY24 Concall KTAs**
**CMP: INR 244 | Market Cap: INR 3,175 Mn**

**The company aims to achieve INR 10,000 Mn in revenue within the next couple of years, targeting 30-50% YoY growth. While optimistic, management is cautious about committing to a specific timeline due to potential fluctuations. Current margins are 5-7% for networking, 7-9% for unified communication, and double digits for enterprise security. The company plans to expand into more segments, optimize margins through product mix and efficiency, and increase service offerings. Additionally, it is exploring expansion into international markets and southern India.**

**Financial Performance**
* In Q4 FY24, revenue increased by 60.7% YoY to INR 1,546 Mn. For the entire FY24, revenue rose by 27.8% Mn to INR 4,596 Mn, driven by large orders in the enterprise and UC segments.
* EBITDA for Q4 FY24 increased by 78.16% YoY to INR 67 Mn, with an EBITDA margin of 4.4%. For the entire FY24, EBITDA rose by 57.5% YoY to INR 200 Mn.
* Net profit for Q4 FY24 was INR 42 Mn, up from INR 22 Mn in Q4 FY23, with a net profit margin of 2.7%. For the entire FY24, net profit was INR 116 Mn, compared to INR 95 Mn in FY23.

**Growth Strategies**
* The company plans to simplify its segment and revenue reporting into three categories: Networking, Unified Communication, and Enterprise Security.
* They aim to secure more segments and expand their presence in those areas to deliver sustained value to stakeholders.
* Margin improvement is a key focus area, achieved through product mix optimization, operational efficiency, and increasing service offerings. Guidance for FY25 and beyond is to maintain a net profit margin of around 3% or higher.
* The company is open to raising funds if needed to fuel growth.
* Expanding into international markets and the southern region of India is being studied and planned.

**Customer Base**
* The top 50 customers contribute around 40-50% of the company's revenue.
* Major customers include financial institutions, banks, consulting firms (Deloitte, KPMG, NTT, Hitachi), and partners like Data Communication Limited.

**Interactive Panels**
* Interactive panels are poised to become a significant growth opportunity, particularly in the education and government sectors.
* The company expects to generate revenue of INR 300-400 Mn from interactive panels in the current year, compared to INR 80-120 Mn in FY24.

Product and Solutions Offerings
* Networking offerings include on-premises and cloud solutions, wired and wireless solutions, and a complete range of networking products.
* Unified Communication offerings cover digital signage, controllers, and audio-video solutions for voice and video convergence.
* Enterprise Security offerings include cyber security, data security, cloud security, and internet/network security solutions.
* The company is moving from just trading products to more of a solutions and services-oriented approach, which is helping improve margins.
* Around 80% of revenue comes from product sales, while 20% is from software and services in FY24.

Brand Portfolio
* Top brands in the Networking segment include Samsung (29% of revenue), Netscout, and G-Wing.
* Resiliency solutions and network security solutions contribute around 60% of the Enterprise Security segment.

Order Book and Funnel
* The company measures itself on the funnel of quoted cases rather than the order book, as their delivery is relatively fast (within a month).
* The current funnel of quoted cases is around INR 400-500 Mn.

Data Centre Offerings and growth potential
* DC Infotech offers networking solutions (switches, cables, routers) for data centre connectivity.
* Their enterprise security solutions protect data centres from threats like DDoS attacks and ransomware.
* With increasing cloud adoption, the company sees good growth potential in its data center solutions offerings, including networking and security solutions.
* The company is well-positioned to benefit from the hybrid data center and cloud infrastructure demand.

Competition and Differentiation
* The company differentiates itself from competitors like Redington and Ingram Micro by focusing on solutions and services rather than just distribution.
* Their strength lies in understanding customer needs, designing effective networks, and providing installation and support services.
* DC Infotech competes with non-listed private players specialized in specific domains rather than listed peers.

Arihant Capital Market Ltd

**Happiest Minds Q4FY24 Concall KTAs**

**CMP INR 803 |Market Cap INR 122, 588 Mn**

**The company guided revenue growth of 35%-40% for FY25, with an expected margin 22%-24%. In FY25 aiming for a revenue milestone of $1 Bn by 2031, supported by growth of 25.3% CAGR. Despite macro and geopolitical challenges impacting demand dynamics, company has strong pipeline, particularly in growth markets like India, where despite prolonged deal cycles, opportunities abound.In our assessment, company has recently transitioned to a vertical-based organizational structure, with six industry groups. This change is expected to boost growth by 2-3% in the medium term. Despite recent growth deceleration, the company's scale, and quality differentiation. Additionally, synergies from recent acquisitions are poised to accelerate future growth.**

Financial

•Company Reported revenue of INR 41,729 Mn ( up 1.8% QoQ in INR terms, up 1.4% QoQ/9.5% YoY in USD terms) (BE: 41790 Mn).

•EBIT margin expanded by 25bps QoQ to 16.4% led by control on direct cost.( higher offshort revenue mix).

•Offshore revenue mix increased by 100 bps QoQ to 87.2%

•Digital revenue increased to 96.8% of revenue vs 96.2% in Q3FY24

•Added 5 customers QoQ to reach 250 customers against the addition of 1 in Q3FY24.

•Headcount was down 78 QoQ to 5,168. Attrition was down 90 bps QoQ to 13.1% against 14.1% in Q3FY24.

•Utilization was down 160 bps QoQ to 75.1%.

•Recommended final dividend of INR 3.25 per share

Concall KTA

Organic

Organic outlook has never been stronger. Company created Gen AI GBS, apart from the acquisitions, which will create this cross selling opportunities that reflected in the growth of healthcare vertical practice.

Inorganic

The newly created Gen AI business unit, creation of six new Industry Groups and closure of two acquisitions ( PureSoftware Technologies and Macmillan Learning ). The acquisitions are expected to contribute to the company's growth and profitability in FY25.

Industrial and manufacturing and energy and utilities under one leader, healthcare and life sciences, retail, CPG and logistics. Company has BFSI, which the industry is aware, what it stands for, high tech and media and entertainment under another.

Significant investments in acquisitions and the resultant drop in cash reserves and other income investments in GBS and time taken to pull in synergies coming out of the acquisition.

Headcounts

New acquisitions has cumulatively added 1250 happiest minds to the team and has further strengthened key BFSI healthcare and Edutech.

Consumer demand

Company's focus on plan and expand coupled with quality execution has led them to penetrate deep into their customer strategic spending. The number of $10 Mn customers has increased by one to a total of two and the number of $3 Mn cohort has increased by 5 to 37. The number of $1 Bn customer increased by 9 in FY24.

Enterprises and customers are embracing technology, AI, and innovative solutions for digital transformation, guided by the promise of happier outcomes.

Other Highlights

•Targeting carbon neutrality by 2030.

•Accelerating the development of Gen AI solutions with 350 dedicated practitioners proficient in local languages and English, alongside the expansion of product and service offerings in infrastructure, cybersecurity, digital engineering, and Pimcore.

•Anticipating growth in the healthcare sector in the upcoming year, with substantial industry expansion expected.

**LatentView Analytics – Q4FY24 Concall KTAs**

**CMP: INR 474 | Market Cap: INR 97,506 Mn**

**Outlook**

**The management expressed a cautiously optimistic outlook for FY25, projecting a steady organic growth rate of 18-20%. They anticipate growth to accelerate in the H2FY25 as pipeline conversion improves. Despite decent Q4 FY24 results, the subdued QoQ growth and conservative FY25 guidance suggest a cautious stance. Our advice is to await more signs of a demand resurgence and a robust deal pipeline in the short term to confirm if the projected growth momentum materializes as anticipated by the management**

**Financial Highlights**

•Revenue stood at INR 1,716 Mn in Q4FY24, up by 3.6% QoQ and 21.7% YoY.

•EBITDA stood at INR 404 Mn in Q4FY24, up by 9.8% QoQ and 34.0% YoY. EBITDA margins stood at 23.5% in Q4FY24.

•PAT stood at INR 452 Mn, down by 2.8% QoQ and up by 32.2% YoY in Q4FY24.

**Decision Point Acquisition**

•The company is in the final stages of acquiring Decision Point, a revenue growth management solutions provider.

•Acquisition is expected to strengthen the company's CPG practice, with a target of contributing 20% of total revenue in a two-year timeframe.

•RGM solutions and IP from Decision Point are expected to create new opportunities and cross-sell opportunities within LatentView's existing client base.

•Formed a partnership with NVIDIA to leverage their GPU technology for generative AI use cases, enabling real-time analytics and insights on streaming data.

•The partnership with NVIDIA is expected to create new opportunities and deliver business impact.

Outlook for FY25

For FY25, the company expects revenue growth similar to FY24 on an organic basis.

•H1FY25 is expected to be muted, with a sequential growth of 5-6% in Q1FY25.

EBITDA margins are expected to remain in the 21-23% range for the H1FY25, with the aim of reaching 25% by the FY25 driven by improved revenue growth.

•The company remains cautiously optimistic about the demand environment, with expectations of a gradual recovery in the H2FY25.

• Expects Europe and APAC to contribute 5-6% of revenues in FY25.

Focus Areas and Opportunities

•The company sees opportunities in areas like Gen AI, Marketing Analytics, and the Microsoft Fabric ecosystem.

•Aims to leverage the RGM capabilities from Decision Point to drive growth in the CPG and Financial Services verticals.

•Inorganic growth remains a priority, with the company actively exploring opportunities in areas like data engineering, BFSI, and retail.

**Other Highlights**

•Won 6 new additions in Q4FY24.

•Launched a Marketing Analytics Centre of Excellence, focusing on full-funnel growth marketing for B2B companies using data and AI.

•Onboarded 133 campus hires in Q4FY24 and has made 250 offers for FY25.

**Vertoz Advertising Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 737 |Market Cap: INR 30,976 Mn**

**Outlook**

**The management is targeting sustainable EBITDA margins between 15-20% in the long run and expects to achieve a CAGR growth of 25-30% over the next 5 years, aided by its focus on innovation, talent acquisition, and strategic acquisitions. The recent integration of CloudTech offerings through strategic mergers and acquisitions has positioned the company as a partner for businesses seeking to leverage digital technologies for both cloud and advertising services. The company is pursuing further expansion initiatives. The company is scouting for inorganic growth opportunities through acquisitions in the MadTech and CloudTech segments, the company is considering a potential fund raise for both organic and inorganic growth initiatives.**

**Financial Performance**

- The FY24 revenue stands at INR 1,554 Mn, reflecting a YoY growth of 87.61%. For Q4 FY24, revenue is INR 457 Mn, showing a YoY growth of 33.05% but a QoQ decrease of 17.32%.

- The FY24 EBITDA is INR 215 Mn, marking a YoY increase of 25.93%. In Q4 FY24, EBITDA is INR 67 Mn, which represents a YoY increase of 3.06% and a QoQ growth of 10.12%.

- The FY24 PAT is INR 161 Mn, showing a YoY increase of 46.04%. For Q4 FY24, PAT is INR 47 Mn, indicating a YoY increase of 14.34% and a QoQ growth of 4.11%.

**Operational Highlights**

- The company's key platforms include IngeniousPlex which is a self-serve media buying platform, IncrementX which is a audience monetization platform, Adzurite which is a performance marketing platform, AdMozart which is a ad exchange platform, ConnectReseller which is a domain reselling network, and Qualispace which is a cloud solutions platform.

- The company has integrated cloud services into its offerings through the merger with PayNX Technologies and Qualispace Web Services, positioning itself as a partner for businesses.

- Investments were made in talent acquisition, software optimization, and marketing initiatives to cater to the surge in demand.

- The company expanded its global footprint, opening new offices in the United States and Delhi, India, to capture larger market shares in these regions.

- The company generated 70-80% of its revenue from international markets with a significant portion coming from the US and 20-30% from India in FY24.

**Revenue Model**

- The company operates a subscription-based model for certain products, such as domain registration and cloud services, with customers renewing their services annually.

- Additionally, it generates project-based revenue from advertising agencies and marketing campaigns. The company is actively working towards enhancing visibility and transparency in reporting revenue bifurcation across different product lines.

**Customer Concentration**

- No single customer contributes more than 20% of the company's revenue.

- Top customers of the company include major global advertising agency groups like Dentsu, WPP, and Publicis, as well as over 10,000 domain resellers and integrated service providers for CloudTech.

**Inorganic Growth Plans**

- The company is actively evaluating acquisition opportunities in both the MadTech and CloudTech segments to support its growth plans.

**Operational Metrics**

- The company tracks internal metrics like revenue per partner, average queries per second, and revenue per query to measure performance and operational efficiency.

- It is working towards increasing disclosure and transparency around key operational metrics to provide better visibility to investors.

**Allied Digital Services Ltd-Q4FY24 Concall Quick KTAs**

- Aims to increase its EBITDA margin in the India business to 20%.

- Competes with 5-6 large players like L&T, KEC, NEC, and Avarel. It sometimes collaborates with these firms as well,in the smart city projects space.

- Rebranded "DigitalDesk" platform (formerly ADiTaaS) incorporates artificial intelligence (AI), automation, and generative AI capabilities to improve end-user productivity and automate workflows.

- A healthy pipeline of deals worth approximately $26 million in total contract value (TCV) projected to close in the next 3-6 months.

- Targets achieving INR 10,000 Mn in revenue in the next two years, driven by new order wins and renewals.

- Sees an opportunity of INR 5,00,000 Mn in smart city projects over the next five years, with plans to bid for new projects in Q2FY25.

- Exploring inorganic growth opportunities, primarily in the cybersecurity and cloud domains.

- Increase in debt is primarily due to the company taking project loans to execute its smart city projects and fund working capital requirements.

- Cash balance has increased, with some cash lying in the US subsidiary as well. The healthy cash balance of around INR 1,300 Mn is being maintained to fund any large contract wins or opportunities that may arise, without having to raise capital externally.

- There is a continued endeavor to further improve the DSOs.

- Has made about 8-10% of the billing for the Taloja and Ayodhya smart city projects in Q4FY24.

**Zen Technologies Ltd – Q4FY24 Concall KTAs**
**CMP: INR 1,033 | Market Cap: INR 86,860 Mn**

**Outlook:**
**The company has reported good sales and profitability in FY24, and its order book position of over INR 14,000 Mn as of March 31, 2024, provides visibility for sustained growth in FY25. The management has confidently guided for exceeding a turnover of INR 9,000 Mn in the current financial year FY25, much higher than the earlier guidance of INR 4,500 Mn for FY24. They expect a 35% EBITDA margin and a 25% PAT margin. The company sees strong demand and opportunities in both domestic and export markets, especially for their training equipment and anti-drone systems.**

Financial Highlights
- Consolidated revenues stood at INR 1,414 Mn in Q4FY24 up by 47.45% YoY & INR 4,398 Mn in FY24 up by 101% YoY.
- EBITDA stood at INR 531 Mn in Q4FY24 up by 50.92% YoY, with margins at 36.85% & INR 1,957 Mn in FY24 up by 145% YoY, with margins at 43.03%.
- PAT was at INR 493 Mn in Q4FY24 up by 49.45% YoY & INR 1,837 Mn in FY24 up by 163.5% YoY.

Business Highlights
* The company's expectations of higher margins were tempered due to product mix.
- In Q4FY4, there were no sales from exports, all sales were domestic. The company is expecting to launch new products in the next few months.
- In FY25, the majority of orders will come in Q3 and Q4 and small orders will come in Q2. The company expects the Anti-drone system to have good demand going forward.

R&D and Acquisitions
- The company plans to invest around INR 300 Mn in R&D in FY25 but it plans to keep it opportunistic.
- The company got shareholder's approval of capital raising via QIP for INR 10,000 Mn but still actively exploring inorganic opportunities.

Export Opportunities
- The company is very optimistic about export market opportunities and sees huge demand globally for training and anti-drone solutions. They also received a positive response from an exhibition held in Saudi Arabia.

Competitive Landscape
- In the anti-drone systems segment, the company faces competition from DRDO and its technology transfer partners domestically, but the management believes that their products are more advanced and evolving faster than competitors.
Strategic Vision
- The company's long-term goal is to contribute towards India's self-reliance in defense technology so the core focus remains on serving Indian armed forces and global defense markets.
- It plans to create an indigenous net export capability in niche defense products.

Net Working Capital

- The company expects its working capital cycle to remain in the range of 140-160 days, similar to its earlier guidance of 130-150 days, driven by factors like higher receivables and inventory build-up to support order execution.

Other Highlights

- The company's other current liabilities increased from INR 1,000 Mn in the previous year to INR 2,050 Mn in FY24. A significant portion of the other current liabilities, around INR 1,730 Mn, was GST payable for the month of March, which was due on April 28.

* The company is exploring to tie-up with OEMs for co-developing simulators of which some partnerships are already in place but formal announcements are pending.

**CG Power & Industrial Solutions Q4FY24 Concall Highlights**
**CG Power & Industrial Solutions | CMP: INR 546 | Mcap: INR 834.69bn**

**Outlook: CG power got approval for setting up an OSAT facility in Sanand, Gujarat with a capex of INR 76bn over next 5 years. The demand from semiconductor space will provide long term visibility. The doubling capacity in power transformers will double the revenue and 50% increase in distribution transformer capacity will lead to additional revenue of INR 2.5bn. Strong demand from railways, metros and Vande bharat trains and EV shows strong business visibility. We believe that exports will improve once the supply chain normalizes. We have a positive outlook on the stock.**

**Arihant Capital Markets Ltd**

Margins
Industrial systems EBIT margin stood at 13.9% (-190 bps YoY) in Q4FY24 due to pricing pressure in low tension motors due to competition.

Power systems EBIT margin stood at 18.5% (+580 bps YoY) in Q4FY24 due to higher realizations, favorable product mix, cost efficiency and operating leverage.

The copper prices have moved up by 10% in the last 1 month. The margins profiles are based on the stability of commodity prices.

Order book
Industrial systems order book stood at INR 25.44bn (+25% YoY/+28.4%) in Q4FY24. Industrial systems consist of motors and railways. The majority of order books come from railways.

Power systems order book stood at INR 37.31bn (+64% YoY/+4.4% QoQ) in Q4FY24.

OSAT
The company has received approval from the Union cabinet under the semiconductor scheme to set up the OSAT facility in Sanand, Gujarat. The investment is expected to be ~INR 76bn over the period of 5 years. The capex funding is through govt subsidies, internal accruals and debt. The JV partners are Renesas Electronics, Japan and Stars microelectronics, Thailand.

Capex
The capex is expected to be INR 6.6bn in FY25E.
The capex for switchgears is around INR 1.55bn in the nursing plant. INR 310mn capex for power transformers and INR 360mn capex for HC motors in Bhopal.
Transformers
Power transformer capacity is doubling from 17,000MVA to 34,000MVA. The doubling the capacity will double the revenue over next 2-3 years. The demand will sustain at least 5 years or beyond.
Distribution transformers capacity stood at 5,500MVA and expected to reach 8,500-9,000MVA. The revenue is expected to improve from INR 4.5bn to INR 7bn.

Railways
Railways revenue stood at INR 13bn in FY24E. Railways are expected to grow 40% YoY in FY25E.

Railways and power systems are a tender business. The company is facing stiff competition.

In railways, the number of locomotives has gone up to 1,500 in FY24. The company is one of the players in the limited approver list.

The company is supplying drives, transformers, motors and switchgears to locomotives and supplying entire propulsion systems to Vande Bharat trains.

EV
In EV motors, the company has developed one application and is under testing. The company is in the advanced stage of design for another two applications. Motors and controllers will be in-house.

Exports
Exports share stood at 3%-4% of sales in FY24.

In exports, the company focuses on high margins, payment security and selective orders.

Revenue mix
In power systems, transformers and switchgears mix 45:55.

In industrial systems, industrials and motors mix 70:30.

Motors
In HT motors, the company is targeting large applications like nuclear power. Generally, the order's execution starts after 2 years.

LT motors share around 60% of motor business.

In industrial systems around 80%-85% revenue from LT motors.

In industrial motors, the projects are slowed down due to elections.

Other highlights
The company has sold the LLC subsidiary in the US.

Industrial segment volume growth stood at 12%YoY in Q4FY24.

The deferral revenue is around INR 350mn in the power segment.

IE3 and IE4 crossed more than 50% and customers are looking for efficient products.

**Bharat Forge Ltd | Q4FY24 Concall KTAs**
**CMP- INR 1281 M.Cap- INR 596,400mn**

**We believe that defense segment has shown great performance and will outperform all other sectors in Bharat forge and will be the driving force for growth. They have INR 52000mn of order book for defence and new plant under KSSL will enhance the production capabilities. Company has ventures into new sectors like aerospace, EV and industrial to diversify its portfolio and mitigate cyclicality risks. Europe has revived and US will stabilise in the next 2 quarters. We have a bullish outlook for future growth and would recommend to buy based on the defence opportunities. INR 5000mn capex guidance for India in FY25**

Financials
Q4 standalone
Revenue came in at INR 23286mn(+2.88%QoQ) with EBITDA at INR 6541mn(+1.38%QoQ) and margins of 28.09% (-42bpsQoQ). PBT of INR 5210mn (+7.09%QoQ) and PAT of INR 3897mn (+3.1%QoQ).

FY24 consolidated-
Revenue were registered at INR 156821mn(+21.47%YoY) and EBITDA of INR 25661mn(+44.37%YoY). PBT before Exchange Gain / (Loss) & Exceptional items stood at INR 14541mn(+58.74%YoY).

-Balance sheet continues to remain robust with surplus funds net of long term loans is now about INR 8000mn and RoC net of cash was at 20%.

New Business Orders
In FY24 the company secured new business worth almost INR 63000mn across all key businesses including defense, the traditional business as well as the casting business.

Capex Guidance
From a capex perspective, India operations incurred capex of about INR 8000mn. Overseas subsidiary incurred a capex of about $60mn in FY24. For FY25 the capex would be for overseas entities would be about $65mn which is mainly towards the US aluminum phase II. Capex guidance of INR 5000mn for India for FY25 and consolidated capex of INR 8000-10000mn for FY25.

Europe
Operations in European aluminium business have stabilized, and company is now working on getting price increase from our customers. Current utilisation of aluminium business is 75%

US
US operations continue to show incremental improvement. Company had certain one off cost in Q4 which has adversely affected their performance. Current utilisation of aluminium business ~50%. US business will progress towards operational stability in the next few quarters.

Defence

-Defense business has taken off in a very meaningful way. Clocked a strong revenue of INR 15610mn in FY24. More than 80% of this revenue is export. The defense business will move entirely into the 100% owned subsidiary KSSL in '25 once their new facilities are fully commissioned and the licenses get transferred to those critical facilities. This will involve transfer of manpower and customer contracts from Bharat forge to KSSL. There will be some change in the standalone earnings as this transition plays out. Defence segment has an order book of INR 52000mn with 3-4 years execution timeline.

-Company is creating capability to build initially over 100 guns per year and 50 vehicles a month. They can scale this up, at least on the gun side, to probably almost five guns a week, i.e. 200 to 250 guns per year and close to 1000 vehicles per year. At the new KSSL plant, company can do 100tons per annum.

2 new sunrise sectors

Company has made breakthroughs in two new sunrise sectors and they expect that these will become large growth sectors going forward. These will continue ramp up from FY25, but will become meaningful by about 2027. Company did not provide any further details on these sectors.

-To cushion the impact of potential cyclicities from any one business sector company has undertaken new initiatives like defence industrial casting and EV business. The aerospace business is now on the cusp of a major takeoff.

JS Autocast

FY24 closed with revenue of INR 5670mn and EBITDA margin in Q4 crossing 16.5%. This business will double or more over the next 4 years.

**KEC International Q4FY24 Concall Highlights**
**KEC International | CMP: INR 746 | Mcap: INR 191.92bn**

**Outlook: KEC international has an order book of INR 296.4bn and an additional L1 of 70bn shows revenue visibility over the medium term. EBITDA margins are expected to be 7.5% in FY25E. The debt reduction would lead to finance cost savings and is expected to maintain 2.5% of sales going forward. We believe, the order intakes are expected to improve post-election and collections are lined up in the coming quarters. The traction from T&D, Vandhe Bharat trains, Data centers, and refineries is expected to drive the business going forward. We have a positive outlook on the stock.**

Arihant Capital Markets Ltd

Revenue
Revenue growth is expected to be 15%-17% in FY25E.

Margins
Margins are expected to be 7.5% in FY25E and 9%+ margins in FY26E.

In FY25E, a substantial margin improvement is expected in Q3 and Q4.

The margins are below guidance in FY24. The deferment of revenue of INR 4-5bn due to supply chain issues which is around INR 500mn on EBITDA levels.

Order book
The order book stood at INR 296.44bn (~1.5x of FY24 revenue) and an additional L1 of 70bn in Q4FY24.

The orders intake stood at INR 181bn in FY24 and order inflows are expected at INR 250bn in FY25E.

The opportunity size is around INR 550bn in India and INR 400bn in international markets.

In transmission lines, the company is expecting INR 25-30bn out of 100bn opportunities.

The large order pipelines from Renewables, especially from Rajasthan and Jam Nagar.

Debt
Debt is expected to be maintained between INR 50-60bn in FY25E.

Finance cost
Interest cost in terms of sales stood at 2.5% in Q4FY24.

Interest cost in terms of sales stood at 3.3% in FY24 and is expected to be 2.5% backed by 15% of debt reductions.

Capex

The Capex is expected INR 3.5bn in FY25E.

Conductors

The company forays into conductors portfolio. The capex is expected around INR 600mn and is expected to bring revenue of INR 6bn (Asset turn:10x). The company is building EI and ACSR range of products.

Transmission and Substations

Transmission construction cost varies 20%-30% in India and goes up to 40% in International markets.

Substation construction cost is around 10%-15%.

Around 35%-40% are bought out for transmission projects and 80% are bought out for substation projects.

Working capital days

Net working capital days stood at 112 days in FY24 and are expected to be below 100 days going forward.

T&D

India's T&D business grew 45% YoY in FY24 and the same kind of growth is expected in FY25E.

Other highlights

The transformers and conductors are facing supply chain issues and the red-sea impact is minimal.

The collection of INR 1.1bn from Afghanistan in Apr-24. Lots of collections are lined up in the coming quarters.

In civil projects, there are 4-5 players for above INR 5bn projects. In railways, around 15-17 players are there.

The company has executed a tunnel ventilation project in Jammu & Kashmir.

**Sterlite Technologies Q4FY24 Concall Highlights**
**Sterlite Technologies | CMP: INR 125 | Mcap: INR 60.85bn**

Arihant Capital Markets Ltd

BharatNet Projects
In BharatNet projects, response is expected in 1-2 months for tenders. Some work is expected from Q3/Q4 onwards. The company has opportunities in deployments, selling cables, and supplying fibers to other players.

BEAD projects
In the BEAD project, the initial impact is expected in Q3/Q4 onwards and meaningful demand is expected from CY25 onwards. The company has met BEAD compliance requirements.

Order book
The order book stood at INR 10,290cr (-6.9% YoY/+4.5% QoQ) as of Q4FY24.

Market share
The global (ex-china) OFC market share stood at 8% vs 12% in FY23.

Interconnect attach rate
Optical connectivity rate stood at 13% (+300 bps) in FY24. The company is focused on product development.

Inventory levels
The inventory piled up with operator levels has reduced due to strong deployment. The inventory is expected to clear in 1-2 quarters. Product portfolio improvement and US factory ramp-up will improve the business.

Volumes
Volumes are majorly impacted in North America followed by Europe. Volumes are lower in North America and higher volumes in other markets. The company is focused on geographical expansion.

Capacity utilization
The capacity utilization is around 50% across plants. The profitability is expected to be back at 60%-65% utilisations.

Realization
OFC realization is relatively lower in India & Europe compared to the US.

OF and OFC prices were fairly stable in Q4FY24.

Optical networking business
Optical networking business revenue stood at INR 7,770mn (-48.4% YoY/-9.3% QoQ) due to lower OFC volumes.

Global Business

Global service business revenue stood at INR 3,230mn (-8.2% YoY/-20.2% QoQ). The company is selective in order intake and execution. The company is taking orders based on better margin profiles, cash flows, etc.

UK services become breakeven in Q4FY24.

Global services margins witnessed the highest-ever margin of 12.1% in Q4FY24. The margin improvement is led by a favorable project mix. The margins are expected to be 8%-10% on a conservative basis.

Digital and technology business

Digital and technology solutions revenue stood at INR 780mn (+122.9% YoY/-2.5% QoQ); driven by order book execution. The company acquired customers in the US and India across the tech & services industry in FY24.

The company has signed a partnership with SAP and Google. The company has more than 40 active partners.

Demerger

In global services business, 1st hearing was conducted in Apr-24 for de-merger.

Other highlights

The company has reduced net debt by INR 3,340mn which will reduce the interest cost going forward.

India’s revenue growth is around 25% YoY in FY24.

**Kalpataru Projects International Q4FY24 Concall Highlights**
**Kalpataru | CMP: INR 1,212 | Mcap: INR 196.88bn**

**Outlook: Kalpataru Projects International is expected to grow 20% in FY25 along with a margin improvement of 25-50bps in FY25E. The order book of INR 584.15bn (~3.5x of FY24 revenue) shows revenue visibility over the next 2-3 years. The company has already bid for INR 150bn and the opportunity size of T&D INR 500bn shows visibility going forward. Post-elections, the govt will announce capex plants, and orders are expected. We have a positive outlook on the stock.**

Arihant Capital Markets Ltd

Revenue
The revenue growth is expected 20%+ in FY25E.

Margins
EBITDA margins stood at ~8.1% and are expected to be in the range of 8.5%-8.8% in FY25E. The margins are expected to be around 9.5% in FY26E.

PBT margin stood at 4.6% in FY24 and 25-50bps improvement is expected in FY25E.

Consolidated PBT margins stood at 3.6% and are expected to be ~4% in FY25E.

Order book
The order book stood at INR 584.15bn (~3.5x of FY24 revenue) in FY24. The order inflows stood at INR 300.2bn (+19% YoY) in FY24.

The order inflows are from the Oil & gas sector, Metro tunneling projects in Indore and Bhopal, and substation orders in T&D.

The company bid for tenders worth of INR 150bn and results are expected in 1-2 months.

Post-elections, the government will announce capex plants, and orders are expected.

Capex
The capex stood at INR 4.5bn in FY24 and is expected INR 5bn in FY25E. The capex majorly for urban infra, tunnel boring machines, and B&F. B&F and urban infra capex will account for 75% in FY25E.

Finance cost
Finance cost stood at 2% of sales in FY24 and is expected to maintain the same going forward.

T&D
T&D order book stood at INR 206.78bn in FY24.

The domestic T&D market is estimated to be around INR 500bn over the next 2-3 years.

The international transmission business has double-digit margins and RoC is around 35%-40%.

In transmission, more than 50% of the order book is coming from Latin America, Chile, Brazil, etc.

In domestic T&D, traction is from buildings, factories, data centers, water, and international oil & gas.

In T&D, the competition is less for above INR 5bn orders, and 4-5 players are there.

Linjemontage
Linjemontage revenue stood at INR 10bn and EBITDA margin stood at 3.5% in FY24. The Linjemontage is expected to grow 25% YoY in FY25E & 30%-35% YoY in FY26E and margins are expected to move to 5%-6% going forward.

In Linjemontage, the EBITDA and PBT margin difference is around 50bps.

The company has qualified for a 400Kv substation in FY23. The orders were doubled in the last 5 months.

Oil & gas
In Oil & gas, the company has secured an LOI for a large gas pipeline order in the Middle East.

The oil & gas pipeline orders execution timeline is around 36-42 months and deliveries would start from Q3FY24 onwards.

Working capital days
Net working capital days stood at 99 days in FY24 and are expected to maintain 100 days going forward.

Divestment
The company is focused on the divestment of the Indore road project of INR 1.7bn over the next 12 months.

Other highlights
The company has invested equity of INR 850mn in Florida and expected the same levels in FY25E.

The company is targeting Latin America, the Middle East, Africa, and Europe markets.

Brazil's subsidiary order book stood at INR 15bn and revenue growth stood at 60% YoY in FY24.

The government has announced an 11 lakh cr outlay for infra development.

**Greaves Cotton Ltd – Q4FY24 Concall KTAs**
**CMP: INR 131 | Market Cap: INR 30,392 Mn**

**Outlook**

**Greaves Cotton Ltd engine business is undertaking a major transformation journey from being a single diesel engine maker to a multi-product, fuel-agnostic organization. The company expects electric mobility as a key growth driver with new high-performance products like Nexus e-scooter and Eltra e-rickshaw receiving positive market response. They also aim to increase its market share across L2, L5 and L3 electric vehicle segments through a comprehensive product roadmap. However, the company is contingent on receiving delayed subsidies from the government for which all formalities have been completed.**

Financial Highlights

- Consolidated Income from operations stood at INR 6,730 Mn in Q4FY24 down by 19% YoY & INR 26,330 Mn in FY24 down by 2% YoY.
-EBITDA was at INR 240 Mn in Q4FY24 down by 52% YoY & INR 910 Mn in FY24 down by 31% YoY.
-Operating PBT was at INR 60 Mn in Q4FY24 down by 90% YoY & INR 630 Mn in FY24 down by 53% YoY.

Greaves Retail

-Expanding into spare part distribution for electric vehicles like motors, controllers, and batteries, targeting the growing e-rickshaw market.
-Achieved a 10% YoY revenue growth in FY24, reaching INR 5880 Mn.
-The portfolio of the company has expanded from 3- wheelers diesel aftermarket to CNG, petrol, EV components, and construction equipment parts.
-The company has strengthened its distribution network in India and overseas. It is also making digitalisation efforts and upskilling of mechanics to cater to the evolving product portfolio.

E-Mobility Business

-They are awaiting government subsidy approvals, which could impact pricing by around INR 10,000.
-The company is well-positioned with a strong product portfolio and distribution network across different electric vehicle segments.
-The board is evaluating various options for raising funds in the electric mobility business.
-In 2-wheelers, the Nexus model is positioned as "India's first family scooter" with high performance and build quality to compete in the middle/high-speed segment. Other models like Magna, Primus, and Rio are being worked on.
-Recorded sales of 61,000 units of 2w and 3w combined in FY24.
-In L5 3w, the Eltra model delivers maximum range per charge and the company aims to increase market share as distribution expands.
-In L3 3w, the company has a strong presence in northern and eastern states and is working on new products.

Engines Business

-While the company faced diesel engine volume decline due to COVID-19 impact and pushback against diesel 3w, the company is now offering CNG and electric engine options.
-The non-automotive engine business of the company is growing and expanding into newer applications like fire pumps, gensets, etc.

Exports of engines have started increasing, which accounted for 12.5% of total revenue in FY24, aiding growth.
-The company is focused on manufacturing, supply chain, and profitably delivering castings, precision machining, forgings etc. for the components business.
-Overall volumes grew 26% YoY in the auto engines segment and 13% in the non-auto engines segment.

CNG Vehicle Segment Trends
- They are focusing on creating a portfolio that is energy-agnostic, catering to diesel, CNG, and electric variants in the three-wheeler segment.
-The company is witnessing the growth of the three-wheeler industry, and its participation in this segment is expected to grow as well.

Other Highlights
-The company is focusing on margin improvement journeys, targeting a return to pre-COVID levels of 13-15% EBITDA margins.
-The company is expanding its customer base to include construction majors like JCB, Caterpillar, and commercial vehicle manufacturers like Daimler, Scania.
-The company is exploring fundraising options for the electric mobility business.
-The board has recommended a final dividend of 100%.

**Escorts – Q4FY24 Concall KTAs**
**CMP INR 3,443 |Market Cap INR 380445 Mn**

**Expecting low to moderate single-digit growth for FY25, with 2HFY25 projected to exceed 10%. Anticipating a strong recovery in H2 due to favorable rainfall forecasts by multiple agencies. However, Q1FY25 may see some impact on tractor volumes due to elections and low reservoir levels, with demand expected to accelerate from Q2 onwards for tractors and construction equipment. In our view, we believe going forward, elections will impact demand.**

Financial
Net Profit increased by 30.5% to INR 2420 Mn compared to INR 1855 Mn (YoY).
Revenue decreased by 4.6% to INR 20825 Mn compared to INR 21830 crore (YoY).
EBITDA increased by 12.8% to INR 2660 Mn compared to INR 236 crore (YoY).
EBITDA Margin improved to 12.7% from 10.8% (YoY) and 10.3% from 10.1% (MS).
Board Recommended a dividend of INR 18 per equity share.
Tractor sales in FY24 declined to 95,858 units from 1,03,290 units in FY23.
Construction equipment volume in FY24 increased to 6,548 units from 4,605 units in FY23.
Escorts Kubota's railway product division strong revenue of INR 9504 Mn in FY24, up 12.9% from INR 8419 Mn in FY23.
Order book for the division stood at INR 9500Mn as of March 2024.

Concall KTAs
•The FY24 CapEx totaled INR 1750 Mn, while for FY25, it stands at INR 3000 Mn, with one-third allocated to product development, another third to building infrastructure, and the remainder earmarked for the construction equipment and railways businesses.

•Tractor EBIT margin surged by 95% YoY, driven by improved realization and cost-saving measures, as stated by Escorts Kubota.

•Construction equipment volume in Q4 rose to 1,789 machines from 1,530 machines in the FY23, attributed to industry growth and reduced commodity costs over the past 5-6 quarters.

•Industry outlook: suggests low to mid-single-digit growth, with expectations of a potential uptick post-August. Channel issues are anticipated to be lower than industry norms at 37-39 days, with some planned capital expenditure for the year, focusing on regions like Tamil Nadu, Telangana, and Karnataka.

•Margin: Volume and production drop impacted margins. Operating Leverage would kick in subsequent quarters and margins would be 13-14% for FY25. For Railways margins would be +/- 100bps in FY25.

•Election: The industry grew 53% against 43% in FY23 of CE volume comes from this segment for EKL and are better-margin products.

•Order book: The division order book stood at a INR 9504 Mn. By maintaining a steady, fast commitment to product diversification and expansion into new export markets.

•Railway: Company expects that the railway equipment business segment will sustain its double-digit growth trajectory throughout the FY25. New product: Electric control, panels and brake pads for metro coaches and brake pads for Vande Bharat trains.

•Agri Machinery: EBIT Margin down by 12.7% led by volume drop & some production drop. However, There was a price hike, which was announced recently.

•Pick & carry: Segment has seen the maximum growth within the construction equipment space FY24.

•Cultivators and rotovators: Company's Implement business witnessed growth in cultivators and rotovators.

•JV: INR 20,000 Mn for the JVs. JV is dealing with much larger implements like Harvesters, and planters. Company is waiting from NCLT for approval and expected by Q1FY25. The combined capacity is 170k total.

•Export: Exports base has gone down by 30% last year. It expects good growth in FY25 and to be at par with high historical levels. Supply of parts to Kubota Global and management expects the exports to commence this year.

•Region-wise: While North and West regions have experienced slight growth, the South, comprising 15% of the total market, is unlikely to contribute significantly to volume increases, leading to a greater emphasis on the North and West regions.

•NBFC: Application sent in March to RBI. The license is expected to come in 6-8 months.

**Thermax Ltd | Q4FY24 Concall KTAs**
**CMP- INR 4606 | M.Cap- INR 548830mn**

**Company has gone through tough time setting up its plant based on rice straw with several challenges yet to be solved. On the chemical front, Thermax inventory' got tied up on water due to increased shipping time. Company is betting heavily on green energy. They expect FEPL to be loss making in FY25 as well. In H1FY25, company will be delivering on projects that it has been working on since last year. We believe that operational efficiency and order momentum in next 1-2 quarters will determine Thermax performance for FY25.**

Financial
Q4
Order book stood at INR 23,090mn(-7.86%QoQ). Revenue of INR 27,640mn(+18.93%QoQ) with PBT before exceptional item of INR 2,510mn(+37.16%QoQ) and PAT of INR 1,880mn(-20.67%QoQ) and margins of 6.8%.

FY24
Order book stood at INR 93,550mn(+6.46%YoY). Revenue of INR 93230mn(+15.24%YoY) with PBT before exceptional item of INR 7,930mn(+31.51%YoY) and PAT of INR 6,430mn(+42.58%YoY) and margins of 6.9%(+130bpsYoY).

-Company entirely missed its order book number for large orders for the whole year. Pipeline for visibility in last quarter for large order is better and company expects improvement in Q1and Q2FY25. Couple of sectors are seeing election related slowdown.

-Sugar sector slowdown since people are waiting on the policy continuity for ethanol which depends on rain. Improvement expected in order finalization in Steel.

-For critical and super critical utility projects, norms have diluted but it is unclear and the company has does not have a very successful history in large projects of size INR 100,000mn.

-On Thermal power front, CEA can only make recommendation and no tenders have come out. Consortium partners to bid is possible but capable partners are needed. Management is not very keen on this option.

-On Bio-CNG front, company faced more than expected setbacks on rice straw based feedstock plant. Company invested quite heavily in improving the plants. Because of these setbacks they have been slow on taking new orders and are waiting for the plant to stabilize.

-Company introduced electric heater for industrial applications. FlexiSource has done well in Q4. Edgelife platform continue to gain traction. Truck application, which the company thought could be a big breakthrough, didn't have the success as expected.

-Enquiry pipeline is large and big for Bio-fuel while focus is on mitigating the risk involved in these projects.

-Margin profile is expected to be stable for next 2qtrs. Focus on project side is to win orders with better margins than before. Profitability has been lower and management expects a change in trend direction for projects.

Chemicals

Efforts to grow this segment from some time but efforts in vain. Q4 inventory tied in longer shipping since shipping time has gone up. INR 200mn of revenue couldn't be recognised. Expansion into new segments will be seen in coming months in chemicals.

-Comapny has put up a new water plant. Green energy will take biggest portion of capex.

-Company's free cashlow has come down, which means thermax is investing again and management is comfortable with it.

-TOESL which is a biomass based solution in which Thermax ismarket leader, has IRRs of 19-20%.

-Company took significant losses last year in FEPL. Next year will be loss making as well though less than last year. Year after that, breakeven expected. Management is confident since they're building the business from ground zeero without any M&A. IRRs are in 15-16% range.

**Apar Industries Ltd| Q4FY24 Concall KTAs**
**CMP- INR 8305 | M.Cap- INR333,530**

**Company has showcased good operational performance keeping aside the major reduction in demand from US market which has led to 3% decrease of USA' share in overall revenue share . FY24, recorded highest revenue and PAT. Guidance to grow conductor and cable business by 15% and 25% yearly. Company says US demand has slowly started picking up, which going forward shall further benefit the company. With amply of opportunities within companies domain of expertise, we have a positive outlook on the company.**

Financials

Q4,
Revenue stood at INR 44550mn(+9%YoY).Domestic demand continues to be strong offsetting lower US sales caused by customers de-inventorising.
Overall export mix is 39% vs 53%(Q4FY24).
EBITDA of INR 4570mn(+3%YoY) with 10.3% margin(-60bpsYoY).PAT of INR 2360mn(-3%YoY) with margins of 5.3%(-60bpsYoY).

FY24
All time high INR 161530mn(+13%YoY) with all time high PAT of INR 8250mn(+29%YoY). This increase is led by higher volumes from all 3 segments. Export mix is of 45.2%(48.8%FY23). EBITDA is of INR 16320mn(+24%YoY) with margins of 10.1%(+90bpsYoY) and pat of INR 8250mn(+29%YoY) with 5.1% margin(+70bpsYoY).

-Domestic demand continues to be strong.

Industry highlights

-Central electricity authority in FY24, added 14,203km of transmission were lines which fell short of planned addition of 16,602km. In next 3 years, target is to add 17,500km of transmission line each year and 80,000 MVA of capacity addition p.a.
total new capacity added fy24- 18.48gw higher than '23 cap addition

-India achieved the highest ever annual new capacity addition to the grid

-Total new capacity added in FY'24 stood at 18.48GW. higher than FY'23.

-Adverse effects from competition, where higher freight cost impacted by the Red Sea Crisis and a slowdown in the US market affected exports in Q4. Export revenues contributed 40.3% of overall revenues vs 53.5% (Q4FY23).

-The premium products contributed to 48.9% of the revenue mix, despite some headwinds from the US market, EBITDA /MT post forex adjustment came in at INR 48,453 per ton.

-Order book stands at about INR 68850mn with the premium basket contributing to 44.8%, and the export mix contributing to 37%.

-New order inflow for Q4 came in at INR 30,180mn.

-US order intake slowly improving. Increased level of enquiry coming in but enquiry to closure period is long. Red sea crisis impacted supply chain especially to Europe, where local players are becoming more competitive.

-Major slowdown in US Market .

-Increase competition from Chinese exporters. They are illegally routing through alternate geographies. US authorities have acted by revoking license of such importers or fining them.

-US market to continue to remain soft this year. Next CY, things expected to be better.

-Company plans on doing INR 3500-4000mn capex per year.

-Co. impacted by the high interest rates set by Fed. The company expects that once the interest rates are lowered, the demand for its products will increase and it will be able to execute projects more effectively.

-Long term note, guidance to grow by 15% cagr for conductor and 25% YoY growth guidance for cables business.

-Fixed asset turnover ratio ranges from 10-15 times.

-On B2B cable side, demand growth is there while competition to increase as well since major players looking at capacity expansion.

-Business from US market stood at 12-13% FY24 while it was 16% in FY23.

-The company is investing in growing copper transport conductors, which are used in transformers.

**AIA Engineering Ltd| Q4FY24 Concall KTAs**
**CMP- INR 3774 | M.Cap- INR 356,290mn**

**The company has seen a flattish kind of growth. It is facing investigation in US as well as Brazil. Company is participating in renewables project which shall generate 60GW at an investment of INR 300-400mn. Company stake in MPS now stands at 43%. We believe it would be interesting to see how things shape up for the company in the next few quarters which shall determine its future trajectory.**

Financials
Q4
Production stood at 64,057MT(-23%QoQ) with total income of INR 11,502.2mn (-2%QoQ)and EBITDA of INR 3746.3mn(-5%QoQ) with margins of 32.57%(-122bpsQoQ). PAT stood at INR 2605.4mn(-7%QoQ).

FY24
Production stood at 295,509MT(+3%YoY) with total income of INR 48,537.6mn (-1%YoY)and highest ever EBITDA of INR 16166.7mn(+10%YoY) with margins of 33.31%(+326bpsYoY). PAT stood at INR 11,355.7mn(+8%YoY).

-Growth in sales have come from Mining. Of the 297,000MT sold, 203,000 tons is from mining(vs 192k tons FY23).

-Anti-dumping and anti-custom duty process has been initiated by US Authority and is a sub judice matter. Brazil business is also going under investigation, a sunset review, the outcome of which shall come in next 4-6 weeks.

Brownfield expansion for non grinding media business
-Company will be spending INR 2000mn of which INR 1100mn has been already spent with balance to be done in FY25. Company is buying land for storage facilities and is doing reorganization of older plants in Noida. This will give them additional capacity of 20,000tons, which will take the total capacity to 460,000tons.

-*Brownfield expansion which was going to add 80,000tons of capacity has been partially on hold due to equipment shipment delay from Europe. Of this, company has chosen to implement 36,000tons of capacity.

-Company is making investment in renewables by participating in solar and wind projects under which they will be adding 60MW which shall translate to 40-50% of power factor. Investment in the range of INR 300-400mn.

*MPS Acquisition- 43% acquired at the rate of INR 640mn.

-Company guides on EBITDA margins of 20-22% on sustainable basis.

**Siemens Q2CY24 Concall Highlights**
**Siemens | CMP: INR 6,660 | Mcap: INR 2,371.9bn**

**Outlook: Siemens witnessed strong revenue growth along with margin improvement in Q2CY24. The company witnessed lots of traction in railways and Energy segments, however, some of the large orders are deferred in Energy, smart infra, and mobility segments. The book-to-bill of ~2.4x and strong order inquiries show business visibility. The capex for GIS, Metros, and Power transformers will bring additional revenue going forward. The de-merger of the Energy segment is expected to be completed by CY25 and is expected to unlock the potential going forward. We have a positive outlook on the stock.**

Capex
The capex is expected INR 3.33bn for Gas insulated switchgear factory in Goa. The Capex is focused on localization, sustainability, and technology upgradation. The capex is expected to be completed by Dec-26.

The capex of INR 1.86bn for the metro train manufacturing facility in Aurangabad. The facility majorly caters to Australia, ME, and Asia. The capex is expected to be completed by FY27E.

In the Energy business, the capex of INR 3.6bn for doubling up power transformer production capacity to 30,000 MVA.

The overall capex is expected INR 10bn+.

De-merger
The de-merger will lead to a focus on core activities, capital allocation, and the ability to execute its strategy. The go-to-market and operational approach to leverage full potential to the Indian and international markets.

Siemens board has approved the de-merger of the Energy business into a separate entity. The entitlement ratio is 1:1. The de-merger is expected to be completed by CY25.

Post-de-merger, there is no overlapping in decision-making.

Order book
The overall order book stood at INR 469.8bn (+3.2% from CY23) in H1CY24. The book-to-bill stood at 2.4x as of Q2CY24.

The order inflows stood at INR 111.5bn (-76% from CY23) in H1CY24.

Post de-merger, Energy order book ~INR 97.4bn (+26.2% from CY23), and order inflows stood at INR 47.8bn (-29.4% from CY23).

Some of the large orders deferred in Energy, Smart infra, and mobility solutions.

Energy
India’s energy market is expected to grow 9% CAGR to 820GW for FY21-30E. Siemens has the opportunity for RE transmissions, Green hydrogens, and Industrial turbines.

The energy business order book stood at INR 97.4bn.

Energy order inflows stood at INR 19.6bn (+12.6% YoY/-30.5% QoQ) in Q2CY24 led by Grid technologies and gas services.

In the Energy segment, book-to-bill stood at 1.2x.

Mobility
The company is getting continuous orders from Rolling Stock, Signaling, and Electrification Projects in Railways.

The mobility segment remains strong and has lots of traction in propulsion systems, trainsets, metro projects, bogies, and E-locomotives.

Smart infrastructure
In smart infrastructure, the company has opportunities in data centers and commercial buildings. The growth is visible in metals, cement, O&G, and E-Mobility for industrial infrastructures. The upgradation of distribution utilities will be a key trigger.

Digital Industries
In digital industries, the company has opportunities in high-end machine building and digitalization.

Digital industries order inflows stood at INR 22.2bn (-26% YoY) in H1CY24. Smart Infrastructure order inflows stood at INR 36.4bn (+6% YoY) in H1CY24. Mobility order inflows stood at INR 5.2bn (-98% YoY) in H1CY24.

The digital industry's business is majorly through imports and there is no plan for localization.

Other highlights
The national infrastructure projects pipeline capex INR 110trn till 2025 and 24% allotted to energy. The PLI scheme of INR ~2trn across 13 sectors will lead to increase the local manufacturing in various sectors.

National hydrogen mission approved ~INR 197bn for a production capacity of ~5MMT green hydrogen by 2030.
The increase in other income due to the sale of properties.

Medium Voltage GIS is primarily for Indian markets. The company also supplies to global markets. Blue GIS prices will come down to the Indian market at affordable.
Forex gain was significant last year compared to this year.

**Senco Gold Ltd Q4FY24 Concall highlights**
**CMP INR 876 | Market Cap INR 67.94bn**

**There has been a major increase in competition in the jewellery market. Sudden price increase has also led to a consumer shift. Diamond jewellery is also gaining lot of traction. Going forward, the company's main focus is on expanding their customer base and have an aggressive approach for marketing and expansion. This will affect and create pressure on margins but the company is prepared for it as they want to gain market share.**

**Industry outlook**
-The industry is witnessing an overall shift from unorganised to organised sector. The competition has also been very healthy in the market.
-Competition has been healthy in the market and the management feels this will remain as the market is getting organised. The management expects consolidation in the market in the next 4-5 years.
-Gold imports have been an average 700-750 tonnes/year.

**Key highlights**
- -The company is expanding their presence in the digital market and focusing on technological advancements.
- -23 new stores were added in FY24 – 17 were company owned while 6 were franchisee. They have entered Central India region with stores in Bhopal and Indore.
- -SENNES launched last year focuses on lab grown diamonds and leather accessories. They have opened 3 stores in Calcutta as pilot project.
- -Topline grew by 39% YoY in Q4FY24 and 28% in FY24. Overall there was 13% volume growth in gold while diamond grew by 19%. Though there were no improvements in margins.
- -Exports have been around INR 1800mn in FY24. Gross margins are lower in export market.
- -New customers were around 49% and they are growing at 5-10% annually.
- -Overall retail growth has been around 35% including SSSG of 19%.
- -North has contributed the most to the growth. Average sales per store is around INR 270mn.
- -Stud ratio has been improving yearly as diamond jewellery is growing rapidly. It has improved by 100bps in FY24 to 11.4%. They intend to grow yearly by 100-150bps.
- -Sudden increase in gold prices has led to a shift in consumer behaviour. Consumers are shifting to diamond jewellery for daily use from light gold jewellery. Wedding jewellery has also seen a lot of traction.
- -Q4 did achieve EBITDA of 8.2% but overall FY24 margin was 7.3%. The company targets to recover back to 8% margins.
- -Inventory has increased by INR 5.59bn due to new stores instalment and 15% price increase. No quantity increase was there at stores.
- -Q4 growth has been higher than Q3 due to festivals and wedding season. CY24 also saw good sales till Feb due to extended wedding season.

- -In the ongoing quarter, there has not been much volume growth despite Askhaya Tritaya. There was value increase due to increased prices. SSSG growth has been around 12%, overall growth has been 20-21%. Franchisee growth has been bit higher. Semi urban areas have witnessed higher traction. Value growth has led to this as Volume growth has been flat.
- -Target to continue growing at 18-20% and also expand bottomline by 15-20%. Margins may see marginal increase of 20-30bps.
- --Revenue mix – Owned 65% Franchisee 30% and rest (exports, e-commerce etc) was 5%.

**Stove Kraft Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 497 |Market Cap: INR 16,420 Mn**
**Outlook**
**For FY25, the company expects to maintain the same steady growth rate of approximately 19% that it has achieved on average over the last 4-5 years. They are projecting a volume growth of around 20%, consistent with the 21.4% volume growth recorded in FY24. Management has also provided guidance for an EBITDA margin of 10-11%, aiming to reach their desired EBITDA target. They believe that the addition of new channels, new products, and increased accessibility will position the company for sustained growth in FY25. The capex for FY25 is budgeted at around INR 500 Mn, covering both the concluding capex and regular maintenance capex, with annual maintenance capex expected to be around INR 250 Mn in the future. These capex investments are focused on enhancing manufacturing capabilities, achieving backward integration, and expanding the company's retail presence through company-owned stores.**

*Financial Performance *

•The FY24 revenue stands at INR 13,643 Mn, YoY growth of 6.3% and the Q4 FY24 revenue stands at INR 3,252 Mn, YoY growth of 17% and a QoQ growth of 10.1%.
•The FY24 EBITDA stands at INR 1,188 Mn, YoY increase of 20% and the Q4 FY24 EBITDA stands at INR 248 Mn, a YoY increase of 320.6% and a QoQ growth of 17.6%.
•The FY24 PAT stands at INR 341 Mn, a YoY decrease of 4.6% and the Q4 FY24 PAT stands at INR 27 Mn, compared to loss of INR 60 Mn in Q4 FY23.

Operational Highlights

•Overall 9.4% volume growth of the company in FY24 as compared to FY23.
•The company added 117 retail stores in FY24, taking the total count to 171 stores across 50 cities in 8 states.
•The company transitioned to a 'Company Owned - Franchise Operated' model for new stores from FY25 onwards, with plans to add 25-30 new franchise stores every quarter.
•The company launched new products such as Pigeon Health Air Fryer, Pigeon Cast Iron Cookware, Multi-Purpose Kettle, Dough Maker, Water Bottles, and Hobs.

Geographical Expansion

•The company is expanding its retail presence in Delhi-NCR region (11 stores currently) and Gujarat.
•The management sees an opportunity for growth in Northern and Eastern regions through the General Trade channel.
•Retail expansion of the company is targeted in Delhi-NCR, Gujarat, and Uttar Pradesh regions.

Channel-wise Performance
•The General Trade segment of the company saw a flat growth in Q4, contributing 38.5% to FY24 revenue.

•The E-Commerce segment of the company grew by 9% in FY24, the second-largest contributor to revenue.
•The company is expanding its retail presence, adding 117 stores in FY24, taking the total to 171 stores across 50 cities and 8 states.
•The company plans to transition its existing company-owned, company-operated (COCO) stores to a company-owned, franchisee-operated (COFO) model, with a target of adding 25-30 stores per quarter.
•The Modern Trade segment of the company grew by 25% in Q4.
•The Export segment of the company saw a substantial growth of 26% in FY24.
•The Corporate Sales segment of the company saw a strong growth in Q4.
•The Retail Stores segment of the company contributed INR 420 million to FY24 revenue.

Product Category Performance

•Appliances, non-stick cookware, and industrial cooktops witnessed significant growth of 33%, 33%, and 63%, respectively, in Q4FY24.
•The inner lid pressure cooker category, where the company has a strong market share, witnessed substantial growth, particularly in the North and East regions.
•The company is witnessing high market share growth in categories where it manufactures products within its facilities.
• The inner lid pressure cooker category, where the company has a strong market share, witnessed substantial growth, particularly in the North and East regions.

Manufacturing and Backward Integration
• The company operates state-of-the-art manufacturing facilities in Bengaluru and Baddi with high levels of backward integration.
• The company has a dedicated in-house R&D facility with 13 personnel and tie-ups with foreign companies for technology enablement.
• The company mandates rigorous quality control processes at all stages, from sourcing to manufacturing.

Other Highlights

•The company has adopted a lease and buy-back model to fund some of its manufacturing facility investments, leading to a higher lease liability on the balance sheet.
•The company plans to transition its retail stores to a franchise-operated model, reducing cash outflows for store expansions and leveraging franchisee deposits for funding.
•The company is focused on enhancing the consumer experience by offering a wider range of products through its retail stores, even in areas with existing multi-brand stores.
•The company has adopted a policy of passing on input cost benefits to consumers, which led to higher volume growth but lower value growth in certain categories like cookers and non-stick cookware.

**Centum Electronics Ltd Q4FY24 Concall Highlights**
**CMP: INR 1,685 | Mcap: INR 21.75Bn**

**Company is targeting revenue growth of 18-20% on console basis.**
**Company is targeting console EBITDA margin of 10-12% in FY25, with an eventual goal of 14-15% in the next 2-3 years.**
**Company is focusing on improving operational efficiency and utilization in the French subsidiary.**

Consolidated Financial Performance
* Net Revenue for quarter de-grew by 6.1% YoY to INR 2,969 Mn (+0.4% QoQ) and for FY24 revenue stood at INR 10,908 Mn vs INR 9,230 Mn in FY23.
* EBITDA stood flat and grew 12.7% YoY to INR 859 Mn and the EBITDA Margin contracted 83bps YoY to 7.87% on an annual basis. EBITDA for quarter stood at INR 180 Mn (-37.5% QoQ, -64.2% YoY).
* PAT stood at - INR 28 Mn for FY24 vs INR 67 Mn for FY23 and stood at - INR 69 Mn for the quarter vs INR 72 Mn in Q3FY24 and INR 258 Mn for Q4FY23.

Operational and other Key Highlights
* Company is actively participating in indigenization programs with DRDO and other foreign partners.
* Unpredictable government project timelines drive company's performance.
* Company has diversified portfolio and operates in defense, space, aerospace, industrial, transportation, and medical sectors.
* Company's ~75% of revenue comes from overseas customers, having strong, long-term relationships with global OEM customers.
* Order book stood at INR 16,400 Mn as on 31st March, 24.
* Decline in Q4FY24 Standalone EBITDA margins on a YoY basis was primarily related to increase in sales of lower margin, EMS Business, and a decline in higher margin BTS business.
* Additionally, YoY increase in employee costs and a one-time impairment cost related to an investment, further dragged the margins down.
* On a consolidated basis in Q4FY24, Revenues from International Subsidiaries grew by 6% YoY, although driven by lower margin contracts, which resulted in lower EBITDA margins.
* There was one-time increase in other expenses for provision cost INR 50 Mn and exceptional item of INR 49 Mn towards severance cost to employees in the French subsidiary, resulted in margin decline.
* Company has reduced debt by INR 891 Mn in FY24. Working capital reduced to 61 days in FY24 compared to 78 days in FY23.
* There has been a significant increase in Net Cash Flow from Operations in FY24 by INR 1,427 Mn due to higher advances received on orders, as well as reduction in working capital.

**Astra Microwave Products Ltd | Q4FY24 Concall KTAs**
**CMP-INR 800 M.Cap-INR 75960mn**

**Astra Microwave Ltd is set for a promising future, driven by a strong order book and strategic partnerships that boost its technological edge. The company expects to see substantial growth in revenue and margins, thanks to high-value defense and space contracts. With ongoing investments in R&D and innovative product development, Astra aims to become a leading force in the global defense and aerospace industries.**

Arihant Capital Markets Ltd.

Financial Highlights
Co. recorded highest ever revenue, EBITDA and PAT for the Q4 and for FY24. Margin expansion on YoY basis was observed due to an improved product mix. Revenue from operations stood at INR 3,540mn(+53.2%QoQ)/(+37%YoY) with gross profit of INR 1,350mn(+23.6%QoQ)/(+70.4%YoY) and 38.1% margins. EBITDA stood at INR 810mn(+22.1%QoQ)/(+135.5%YoY) with 22.8% margins. EBIT stood at INR 770mn. PAT stood at INR 540mn(+24.1%QoQ)/(+299.3%YoY) with 15.2% margins.

-Entered into an agreement with Teledyne e2v HiRel Electronics to provide semiconductor services for aerospace, defense, and high-reliability electronics markets.

Order Book - As of March 31, 2024, the standalone order book stood at INR 19560mn. Orders worth INR 4720mn were booked in Q4, with INR 4460mn from the defense sector.

R&D and New Ventures - Spent INR 38 crores on R&D, focusing on radar systems and critical subsystems. A subsidiary company has been incorporated to undertake space-related business, aiming to launch its own satellite within 2-3 years.

-JV company ARC reported significant improvements, with orders worth INR 3860 mn and a healthy order book of INR 4560mn.

Guidance - Order book target: INR 12000-13000mn. Revenue target: INR 10,000-11,000mn. PBT margins are expected to be maintained at current levels, with slight positive growth. Anticipated CAGR growth in sales: 18-22%. Potential to achieve INR 70,000 mn in cumulative revenue by FY28.

Space and Metrology - Orders worth INR 260mn booked from the space and metrology sectors in Q4.

Production Orders - Significant production orders expected for radar systems and EW products from defense entities like BEL and DRDO.

-INR 400mn spent on test equipment and infrastructure to support existing activities.

Borrowings  - Short-term borrowings primarily for working capital; potential increase in borrowings by INR 400-500 mn expected in the coming months.

Receivables - High receivables due to end-of-year sales and project cycles; efforts to reduce working capital days to around 240.

-Continued development of advanced radar and EW systems, aiming for direct sales to armed forces under new procurement policies.

-Plans to enhance export capabilities with IP-driven products targeting global markets.

-Focus on scaling MMIC business; expected to significantly impact revenue and profitability over the next 2-3 years.

-Orders for radar systems and EW products to be major contributors to revenue growth in the coming years.

-Efforts to establish and expand export markets, leveraging IP and technological advancements

**TD Power Systems Ltd Q4FY24 Concall KTAs**
**CMP INR 340| Market Cap INR 53.18 bn**

**Company to hold its initial guidance of minimum 17% growth with an upside potential of 3-5% on top of 17%. Margin to grow by 3-4% more than sales growth due to operational leverage. Company expects sale to be ~12 Bn for FY25 of which ~2.5 -2.6 bn will be Q1FY25 and ~2.9- 3 bn in Q2FY25. In motor business, company expects to grow at a healthy rate and aims to across 1 bn order inflow for FY25.**

Financials
•Revenue from operation stood at INR 2639 Mn in Q4FY24 (5.6% YoY/8.7%QoQ).
•Gross Profit stood at INR 973 Mn (11.9% YoY/ 18.1% QoQ), with gross margin of 36.64%(240 bps YoY/ 305 bps QoQ).
•EBITDA stood at INR 435 Mn (-8.5% YoY/2.7%QoQ), with EBITDA margin of 16.38%(-230 bps YoY/-90 bps QoQ) in Q4FY24.
•PAT stood at INR 290 Mn in Q4FY24 (-17.9% YoY/-2.9%QoQ), with PAT margin of 10.93%(-300 bps YoY/-130 bps QoQ) in Q4FY24.

Operating Highlights
•In FY24, Company installed 496 generators with 49% of supplied in Domestic Market and the remaining 51% Exported.
•Order inflow for Q4FY24 stood at INR 2897 Mn (+23% YoY), of which INR 1111 Mn is from domestic and INR 1787 Mn from exports. Exports order inflow increased by 72% YoY in Q4FY24.
•The company has spent 32 mn towards one time VRs scheme in Q4FY24. ~ INR 20 mn towards backlog gratuity payment to contract and temporary workmen as required under the new labour code.
•Company spent ~ INR 17 mn towards royalty payments on account of sale of two pole generators under the license agreement.
•Order book stood at INR 11.89 bn of which ~ INR 7.4 Bn contributes from regular manufacturing business, 4.18 bn from railways business , INR 0.14 bn from Spares & Aftermarket and INR 0.17 from turkey business.

Other Highlights
•International market order book is driven by bumper orders in the segments of hydro, gas turbine and gas engines. Hydro in Southeast Asia, Nepal and parts of Europe has a strong pipeline of orders and inquiries.
•In motor business, company expects to grow at a healthy rate and aims to across 1 bn order inflow for FY25.
•Raw material: increase in price of copper in past 2-3 weeks, company has hedge copper until Q3FY24. If copper price hold on to increase company to demand price increase to avoid impact on margins.
•Company to set capacity in 2 phase for its 3rd unit, with initial investment this year and rest next year.
•3rd unit will mainly be component plant which will supply components and subassemblies to the main plant.

- Company expects INR 17 - 18 Bn total capacity potential once the 3rd plant is operational and running in full stream.
- Company has maintained its market share in India while international business is growing at much faster rate.
- Turkish subsidiary continues to suffer from the problem of rapidly depreciating turkish lira.
- Capex plan of ~ INR 1.2 bn for it's 3rd unit and additionally Capex for the existing 2 factories equal to depreciation every year. This investment will spread over 2 years.
- Capex outflow for FY25 is expected to be ~ 800-900 Mn.
- Domestic order inflow was impacted due to delay in order finalization mainly due to election. Company see good active inquiry pipelines and expects orders to get finalized in Q1FY25 or in early Q2FY25.
- For FY25 company is focusing order inflows mainly from the induction motor side.
- Company anticipates stronger performance in H2FY25 compare to H1FY25.

**Aditya Vision Ltd Q4FY24 Concall KTAs**
**CMP INR 3561 | Market Cap INR 45.64 bn**

**Company targets to grow revenue by 20-25% CAGR over next 3-4 years. Company to continue store expansion in Jharkhand, gradually to move towards Central UP and target new states like Chhattisgarh and Madhya Pradesh in FY25-26. High inventory levels in Q4 were due to advance stocking for the summer season were company has strong demand for Cooling Products**

Financials
•Revenue from operation stood at INR 3757 Mn in Q4FY24 (23% YoY).
•Gross margin was maintained at 17.4%.
•EBITDA stood at INR 377 Mn (31% YoY) in Q4FY24, with EBITDA margin of 10%.
•Net Profit stood at INR 79 Mn in Q4FY24 (16% YoY), with PAT margin of 2.1%

Operating Highlights
•Geography mix: Bihar contributes ~83% of overall revenue, Jharkhand 11% and UP 6% in Q4FY24. In FY24, Bihar contributes 86%, Jharkhand 10% and UP 4%.
•Company opened more than 1.5x stores in FY24 as compare to last year. 40 new stores opened in FY24 . As on 31st march24 company has 145 stores with 30% stores less than a year old.
•Company added 13 new stores in Q4FY24.
•Company has presence over 72 districts in hindi heartland.
•Company has recently raised INR 2.82 Bn from capital group utilized towards repayment of debt, working capital requirements and other general corporate purposes of the company.
•Company saw robust Demand in month of April and initial May but late may was little impacted by rains in various parts.
•Company has adopted aggressive inventory acquisition approach to avoid stock out situations due to element of seasonality where Q1 is traditionally strong quarter. Inventory level stood highest at INR 4.33 Bn in March24.
•Company will be listed in Nse by end of Q1FY25 or by Q2FY25.
•UP contributes 6% of overall sale in last two quarter, and is expected to continue to grow further.
•ESOP for FY25 is expected to be INR 15 Mn. Higher finance cost is attributed towards utilizing full credit to keep high level of inventory comprising of AC, compressors, and air coolers.
•Company to utilize cash flow for store expansion over next 2-3 years. Aims to expand stores in central UP, interiors of Jharkhand and newer markets like Chattisgarh and MP in FY25 and FY26.
•Company to add 25-30 stores per year.
•Gross margin in mobility product is much lower than consumer durables large appliances.

**Kirloskar Brothers Q4FY24 Concall Highlights**
**Kirloskar Brothers | CMP: INR 1,690 | Mcap: INR 134.58bn**

**Outlook: The order book stood at INR 18.98bn (~1.6x of Q4FY24 revenue) and strong order pipelines show strong business visibility. The debottlenecking of subsidiaries will improve efficiency. The company is launching new products that will improve the product portfolio mix going forward. We have a positive outlook on the stock.**

Arihant Capital Markets Ltd

Revenue
Domestic business is expected to grow double-digit rate in FY25E.

Margin
The margin stood at ~16% in Q4FY24. The margins will be maintained based on commodity prices remaining favorable.

Order book
Standalone order book stood at INR 18.26bn (+0.3% YoY/-6% QoQ) in Q4FY24.

The order book stood at INR 18.98bn (-1% YoY/-6% QoQ) in Q4FY24. The order inflow stood at INR 9.47bn (+14.4% YoY/+29.5% QoQ) in Q4FY24.

The order inquiries remain strong and the company is expanding into new areas.

Contracts
The company is taking over and negotiating contracts, which are 2x the gross margins of the products business.

Capex
Capex is majorly used for modernizing and de-bottlenecking. The company has already invested in various types of machineries.

The company is focused on de-bottlenecking on domestic subsidiaries.

The company has put up a high-pressure molding line for the small pump system.

Acquisition
The company is considered an acquisition to establish a root to market. Earlier, the company has acquired SyncroFlo at a low price.

Pumps
Small pump business witnessed strong demand in Q4FY24.

The DBXC model pump is the only pump in the world with an index-meeting efficiency of 0.7.

The company has developed boiler feed pumps for the 700MW.

The company is launching new products every year. In small pumps, the company is launching more than 1 product every year.

International Business
The company is streamlining UK and US plants.

Fire pumps are majorly used in the US market and there are no spare requirements.

In the UK; pump requirements are there for water, fire, and oil & gas segments.

Development
The company is developing a new heat transport pump for a small modular reactor and is currently in design approval space.

The company is developing primary circuit pumps for small modular reactors.

Other highlights
The company is looking to add more people for repair and refurbishment.

New products in oil & gas contributed 7%-8% of sales in last year.

Standard pumps and make-to-order pumps share stood at 50:50.

Kolhapur steel plant, the company is making 200 tonnes per month, and it's profitable.

**Titagarh Rail Systems Q4FY24 Concall Highlights**
**Titagarh Rail Systems | CMP: INR 1,213 | Mcap: INR 163.32bn**

Order book
The standalone order book stood at INR 147.5bn. The breakup is freight rail systems – INR 80bn (54%)  and Passenger rail systems – INR 67.5bn (46%).

The JV share order book stood at INR 133.26bn. Around 53% share (INR 70.26bn) from Vande Bharat with BEML and 47% share (INR 63bn) from wheelsets with Ramkrishna forgings.

Indian railways and Private order book mix stood at 55-60: 40-45.

Wagon volumes
The wagon volumes stood at 2,700 in Q4FY24. The wagon production stood at 1,089 units in Mar-24.

The wagon volumes stood at ~8,400 units in FY24.

The company has produced 700 wagons per month in FY24 and is expected to produce 900-950 wagons per month in FY25E.

Passenger volumes
The company has produced 4 cars per month in FY24.

In Passenger rail systems, the production is expected two trains per month (12 cars per month) in FY25E.

The company is targeting 15-20 cars per month by the end of FY25E.

Passenger rail systems
Passenger rail systems performance was muted in Q4FY24 due to the completion of the Pune Metro contract and delays in the Bangalore Metro projects. Bangalore metro projects are expected to commence in FY25E.

Passenger rail systems margins stood at 3% in FY24. The margin expansion of 4%-4.5% is due to propulsion systems in the next few years. Overall, the company is targeting a 10% margin in passenger rail systems.

Metros
The metro coach's capacity is expected to reach 36 cars per month and the Vande Bharat train's capacity is expected to reach 36 cars per month over the next 2-2.5 years. Total capacity is expected 72 cars per month in Passenger rail systems.

Bangalore metros execution and delivery will start from the beginning of Jul-24. Stainless steel coaches production will start from Q1FY25E. Stainless steel coaches are cost cost-effective than aluminum coaches and margins are higher.

In Pune metro, the production was completed in Mar-24, and 90% of coaches were dispatched. Some small part of the revenue is expected to be booked in FY25E.

In Ahmedabad metro projects, ABB propulsion systems are used.

The company is exploring export opportunities for metro coaches.

In Q2FY24, Surat metro project execution is expected.

Metro coach's value is around INR 100mn to 120mn.

Capex

The capex is expected INR 10bn over the next few years. Some of the amount is already spent remaining for capacity building, passenger coaches, upgradation of the foundry and backward integration.

Vande Bharat

In Vande Bharat, brownfield expansion is going on.

Traction motors and propulsion systems

Traction motors are under production. The capacity stood at 250 traction motors. The company is focused on utilizing 60%-70% of the capacity.

Propulsion systems cost around 20%-30% of the coach based on speed, type of the coach, etc.

Exports

The company got export orders for components. The company is doing propulsion, traction converters, and other electrical components for coaches in Europe.

Wagon volumetric capacity costs INR 35 lakhs to INR 40 lakhs, while the same volumetric capacity of metros costs INR 100mn to 120mn. So, the transportation costs as a % of the equipment cost is less for metros. Metro coaches are easily exportable.

Industry

The industry size is around 30,000-35,000 wagons per annum and company capacity stood at 12,000 wagons per annum.

Other highlights

- The company is focused on design and engineering capability. The company has a fully pledged design center, a JV design center in Hyderabad, and also opened design center in Bangalore.
- Private demand is around 10%-20% and the remaining is from Indian railways.
- Domestic coach manufacturing competitors are Alstom and BEML.
- Railways will take over the share in logistics once lines are operational due to low cost and operational convenience.

**Jindal Stainless Ltd Q4FY24 Concall KTAs**
**CMP: INR 684 | MCap: INR 562.74 Bn**

**Company have given a volume guidance of 20% growth in FY25 and company expects Q1FY25 to be better.**
**Company has re-iterated on maintaining its EBITDA/t guidance of Rs 18,000/t – Rs 20,000/t for FY25.**
**We are optimistic about the company and expect company to grow along with industry.**

**Multiple Mergers and their details**
- Company has acquired a 54% stake in Chromany steels, which is located in Mundra, Gujarat, with an outlay of INR 1,340cr, comprising the takeover of existing shareholder debt at ~INR 1,295cr and balance towards equity purchase.
- Company has acquired 30% stakes, at a total consideration of EUR 30,000, in Spain's subsidiary Iber Jindal, and now holds 95% stakes in the Spain subsidiary.
- Company has divested 4.87% stakes in JCL and is exploring the option to divest the balance 21.12% stake, which will be completed by 30th September.
- Company's acquisition of Cromanie aims to strengthen its coal rolling capacity, elevating downstream capacity from 50% to 65% and expanding production from 1.4mn tons to 3mn tons.

**4QFY24 Financial Overview**
- Revenue at Rs 9,454cr; down 3.2% YoY.
- Standalone 4QFY24 sales volume at 5,70,362, up 12% YoY. Highest ever recorded for any quarter.
- Standalone FY24 sales volume at 21,74,610 tonnes, up 23% YoY.
- EBITDA at Rs 1,035.2cr; down 9.5% YoY with EBITDA margin of 10.9 (vs 4QFY23: 11.7% and 3QFY24: 13.7%).
- PAT at Rs 500.7cr; down 30.1% YoY.
- Board recommended a final dividend of Rs 2 per share for FY24.

**Key Takeaways**
- On account of negative inventory valuation due to continuously falling nickel prices margins remained under pressure.
- Red sea crisis during 4QFY24 further led to a steep increase in ocean freight and constrained availability of containers, consequently compressing margins.
- Key export markets, such as Europe and US remained weak. However, domestic market is showing strong volume growth and expects the momentum to continue.
- Company plans a total CapEx of INR 5,675cr over 3 years, with INR 5,400cr for expansion and INR 275cr for acquisitions like Rathi, Chromany, and Rabiran.
- Additionally, there's around INR 800cr in default and spill over CapEx from FY24, while the expected CapEx outflow for FY25 is INR 4,700-4,800cr, primarily financed through internal accruals.
- Company has created space for its CapEx by repaying shorter-term loans and reducing liability for repayment while not increasing debt.
- The company expects closing debt to be INR 5,100Cr-5,200Cr for FY25.
- Product mix for FY24 was; 200 series having 35% share of revenue, 300 series having 45% and 400 series having 20% of total revenue.

**Texmaco Rail & Engineering Q4FY24 Concall Highlights**
**Texmaco Rail & Engineering | CMP: 193 | Mcap: INR 77.04bn**

**Outlook: The order book stood at INR 80bn (~2.3x of FY24 revenue) showing business visibility. The company has a 25%-30% market share in wagons and awaiting 14,000 wagon tender results, further 20,000-25,000 wagon tenders are expected in FY25E. Texmaco is currently executing 850 wagons per month and is expected to reach 1,000 wagons per month in 1-2 quarters. The foundry business is expected to grow 20%-25% in FY25E. The write-off in freight and non-performance of EPC has impacted the margins and is expected to be 12.5%-13% going forward. Rail infra & Green energy demerger is in progress and an announcement is expected in the coming days. We have a positive outlook on the stock.**

Wagon volumes
The wagon production volumes stood at 850 wagons per month and are expected to reach 1,000 wagons per month from Q1FY25E onwards.
The wagon volumes stood at 2,300 in Q4FY24. The company has reached 850 wagons in Mar-24.
The wagon volumes stood at 7,028 in FY24. Around 20%-25% volume growth is expected in FY25E.
Order book
The order book stood at INR 80bn. The break-up is freight cars – INR 55bn and Rail infra energy – INR 7.5bn, Rail Electrification – INR 11.5bn, JV & Subsidiaries – INR 5bn.
The wagon order book is more than 14,000 wagons in Q4FY24. The railways already floated 15,000 wagon tenders and the company is awaiting. The other tender is expected 20,000-25,000 wagon tender is expected in FY25E.
The private order backlog is around 15% in 14,000 wagon orders. It has around 2,000 wagon volumes and the order value is around INR 8bn.
Around 17,000 wagons tenders floated by private companies and a minimum 14,000-15,000 wagons are expected from private players.
Margins
The margins stood at ~11% in Q4FY24, after excluding write-offs and non-performance of the EPC business.
EBITDA margins are expected 12.5%-13% going forward.
Gross margins are expected to reach ~22% in FY25E.
Write-off
In the EPC business, the loss is around INR 130mn in Q4FY24 and a write-off amount of INR 140mn in freight affected the margins.
The write-off amounts were more than 4 years old in the books.
Foundry
The steel foundry production stood at INR 35,100MT (+36.6% YoY) in FY24 and is expected to grow 20%-25% in FY25E.
Debt
Long-term debt stood at INR 2.41bn and short-term debt stood at INR 3.88bn. the company repaid INR 1.75bn for long-term borrowings in Apr-24 and focused on being debt-free in the next 2-3 years.

Market share
Texmaco’s wagon market share is around 25%-30%.
Capex
The capex stood at INR 800mn in FY24 and the same kind of capex is expected in FY25E.
Exports
The company has done de-bottlenecking and capacity increased by 20% in foundries by adding balancing equipment.
The company is exporting to the US and European markets. Exports are expected to grow 50% YoY in FY25E.
Rail Infra and green energy
In rail infra and green energy, the loss of INR 130mn is majorly due to the account of demerger and stopped taking all long-term contracts. The old contracts are under execution which are Bangladesh projects, Bangalore metros, etc.
Other highlights
Railways and Private wagons mix is expected at 70:30 going forward.
Wagons prices remain stable despite higher demand
The company has declared a dividend of INR 0.5 per share. Few tenders have come up with some of the conditions including dividend paying company is last 3-5 years.

**Happy Forgings Ltd Q4FY24 Concall KTAs**
**CMP INR 1105| Market Cap INR 104.12 bn**

**Company expects to grow by 15-20% over the medium term through rising utilization on existing units, ongoing capacity expansion and by acquiring new customers globally and domestically. Company expects PV sector to contribute ~ 5-6% to revenue in FY25 which is expected to further grow to 7.5-8% in FY26.**

Financials
•Revenue from operation stood at INR 3430 Mn in Q4FY24 (14% YoY) and remained flattish QoQ.
•Gross Profit stood at INR 1940 Mn (17% YoY/ 2% QoQ), with gross margin of 56.5%.
•EBITDA stood at INR 970 Mn (13% YoY/2%QoQ), with EBITDA margin of 28.3% (50 bps QoQ) in Q4FY24.
•PAT stood at INR 660 Mn in Q4FY24 (30% YoY/14%QoQ), with PAT margin of 19.2% (240 bps YoY) in Q4FY24.

Operating Highlights
•Finished goods volume grew by 9% in FY24 to 55,379 MT, while EBITDA/Kg improved by 12% YoY to INR 70.
•Product mix : Machine products (which has higher realization) contribution increased from 79% to 85% in FY24 and rest 15% is contributed by forged products.
•Share of industrials business increased from 4% to 12% leading to a further diversification of the business to non-auto segments.
•Company has entered into passenger vehicle sector both domestically and in export markets and with recent order wins from leading global oems in the sector, company expects to achieve 8-10% contribution to sales on this segment in next 2 years.
•Company to add 11,000 tons of machining capacities in FY25, which will increase capacity from 51,000 tons to 62,000 tons. 50% of the additional capacity to come by beginning of Q2FY25. Delay in these capacities by 2 months due to red sea crises.

Other Highlights
•Farm equipment sector which has been not been performing in past 12-14 months, post-election is expected to grow at a CAGR of 8.5% from FY24 to FY29.
•Company expects to gain market share in both Farm Equipments and CV sector through customer addition. Company expects a low single digit growth in the cv sector.
•Order wins: Company has received Crankshaft order where testing has been completed and is expected to ramp up from the month of June. On export side company has won orders for E Axle Components, ramp up on this order is expected to start from Q4FY25.
•Crankshafts contribution to revenue stood at 48% for FY24.
•On farm equipment side, company has 38-40% market share. Company has added Mahindra and Mahindra as a new client last year and expects business to ramp up in FY25.
•Company to spent INR 2 Bn in 2 phases for acquiring land and building for its new subsidiary, which will cater to domestic sector majorly in the machining space.
•In exports, 45% is contributed to CV while 55% is through industrial sector.
•60% of the new businesses is from exports to Europe and North America. Exports contribution is expected to increase from 20% to 28-30% in next 2 years.

**Bosch Q4FY24 Concall Highlights**
**Bosch | CMP: INR 31,490 | M.cap: INR 929.9bn**

**Outlook: Bosch is expected to grow a double-digit rate in FY25E. The company is focused on a high level of localization which will improve the margins. The company has demonstrated hydrogen IC trucks and 10%-15% sales are expected by 2030. The company is in talks with OEMs for a full range of hybrid solutions. Q1FY25E is expected to be weak due to elections and gradual improvement is expected from Q2FY25E onwards.**

**Revenue**
Revenue growth stood at 12% YoY in FY24 and the same kind of growth is expected in FY25. Revenue growth is majorly led by the mobility business and consumer goods business.

**Margins**
EBITDA margin stood at 13.2% (+30 bps YoY) in Q4FY24 led by lower spending in other expenses.

**Capex**
The capex is expected INR 4-6bn in FY25E.

**Technologies**
OBD 2.2 norms should be applicable in 2025 and the company will upgrade for OEMs.

**Localization**
- The company is focused on a high level of localization. Some of the products are moving from 30%-35% to 60%-65%. Some of the products are reached to 90%-95%.
- The localization is primarily for CV-related components.

**Hybrid**
The company has a full range of products for hybrid. The company offers hybrid energy batteries. The company is in talks with several OEMs for a full range of hybrid systems.

**Hydrogen IC Engines**
The company has demonstrated Hydrogen IC engines. Around 10%-15% of hydrogen IC technology truck sales are expected by 2030.

**Diversification**
Building technology business diversification is expected in Q1/Q2FY25E.

**Exports**
Exports stood at 8.1% of sales in FY24 and are expected to increase going forward.

**Consumer demand**
Consumer demand for SUVs increased, while sedans and compact cars demand decreased in Q4FY24.

**IKIO Lighting Ltd – Concall KTAs**
**CMP: 272 | Market Cap: 20,990 Mn.**

**Outlook:**
**In Q4FY24, the company experienced a notable decline in revenue and PAT, coupled with a reduction in EBITDA margins to 17.9%. Despite these setbacks, improvements in gross margin and resilience in other segments have maintained overall performance. The upcoming year looks promising, with expected revenue growth of 20-25% and EBITDA margins of 20-22%, driven by new product launches, expansion into the GCC market, and strategic cost management. Early signs of demand recovery and operational advancements further support a positive outlook for FY25. At CMP, company trades 213.38x FY24EPS.**

**Performance Consol:**
•Revenue came in at INR 947.91 Mn. (-18.90% QoQ) (-17.50% YoY) in Q4FY24.
•EBITDA margins came in at 17.9% (Vs. 22.5% QoQ) (19.9% YoY) in Q4FY24.
•PAT came in at INR 95.23 Mn. (-49.76% QoQ) (-31.34% YoY) in Q4FY24.

**Highlights:**
•The company achieved a notable improvement in gross margin, which increased by 7% points YoY bases in Q4 FY24.
•Despite a substantial 24% decline in Agra exports, the company's overall performance for FY24 remained flat, demonstrating resilience in other areas.
•The EBITDA margin contracted due to the incremental costs associated with the expanded facility and the addition of new employees in FY24.
•Export demand was adversely affected by geopolitical turmoil, particularly impacting the US and EU economies.
•There are early signs of demand recovery, with improved capital expenditure reported in the RV segment in Q1 FY25.
•Block one of the new facilities is now operational, while civil construction for block two is ongoing and expected to be completed by March 2025.
•The company is in the process of merging its subsidiaries to streamline its corporate structure and reduce compliance costs in FY24.
•Despite an industry-wide slowdown, the product display segment achieved double-digit sales growth in FY24.
•The ODM lighting industry showed signs of regrowth, with plans to launch new innovative products in the next three to four quarters.
•The company has expanded into the GCC market for product exports, with operations commencing in Q1 FY25.
•The increase in P&L costs is primarily due to the onboarding of new talent to support expanded product lines and geographic reach.
•The company continues to maintain a robust financial position, boasting an almost debt-free balance sheet in FY24.
•Revenue from new verticals and product categories is expected to stabilize costs and enhance margins.
•The company has effectively deployed about half of the IPO funds in FY24 and is on track to fully utilize the remaining funds by FY25.
Guidance:
•Company plans on introducing new product categories like wearables and smartwatches in FY25.
•The company forecasts consolidated revenues to grow by 20-25% year over year, with EBITDA margins anticipated to be in the range of 20-22% for FY25.

**Kilburn Engineering Q4FY24 Concall Highlights**
**Kilburn Engineering | INR 415 | Mcap: INR 17.36bn**

**Outlook: Kilburn Engineering is expected to reach INR 5bn revenue and margins of 20% in FY25E. The order book stood at INR 2,847mn and expected order inflows of INR 20bn show business visibility. Strong inquiries were witnessed from the petrochemicals, chemicals, oil & gas, and cement sectors. We have a positive outlook on the stock.**

Arihant Capital Markets Ltd

Revenue
Revenue is expected to reach INR 5bn in FY25E based on the current order book and rolling enquires of INR 20bn.

Revenue is based on customized jobs and types of orders. The company can achieve INR 6-6.5bn based on current capacity.

Margins
EBITDA margins are expected to be 20% in FY25E.

Order book
The consolidated order book stood at INR 2,847mn as of Q4FY24. The order execution timeline ranges from 4-12 months.

Killburn order book stood at INR 2,275mn as of Q4FY24. The order inflows stood at INR 789mn as of Q4FY24.

Around INR 15bn for the L1 Pipeline and INR 7bn for the ME Energy pipeline.

Carbon Black is expected to do a capex of INR 100bn. The company is expected to address battery, technology, and carbon black-related equipment. The orders are expected INR 500-600mn.

Exports order inflow stood at INR 400mn (+33.3%) in FY24.

ME Energy
Kilburn completed the acquisition of a 100% stake in M.E Energy on 20th Feb 2024. The acquisition transaction is around INR 987mn.

M.E Energy's order book stood at INR 571.2mn (+14.2% YoY) in FY24.

MEP energy revenue stood at INR 760mn in FY24 and is expected more than INR 1,000mn in FY25E.

Capex
ME Energy's capex is expected to be INR 100mn-150mn in FY25E. The land is available for sufficient working space. The crane space will be increased by 50% and enhance the capabilities.

The company has done capex for a clean room for material titanium equipment to up-sell the products.

Other highlights
Around 20%-30% of work is outsourced and subcontractor cost is around 7%-8%.

The order inquiry pipelines from Soda ash, Petrochemicals, Chemicals, Oil & Gas, and Cement sectors.

The equipment cycle is around 20-25 years and replacement demand is around 5%.

Carry forward loss is around INR 240-250mn and deferred tax assets are around INR 80mn.

The company is focused on Europe and South East Asia for exports.

**TTK Prestige Ltd Q4FY24 Concall Highlights**
**CMP: INR 706 | Mcap: INR 97.89Bn**

**Company's focus is on keeping leadership in key product categories without compromising on healthy margins, resisting deep discounting which will create an impact on margins and improve asset utilization and efficiency especially in working capital. However, company was not able to perform at par with the peers**

Financial Performance
- Net Revenue for quarter grew by 1.9% YoY to INR 6,225.6 Mn (-15.7% QoQ) and for FY24 revenue stood at INR 26,780.5 Mn vs INR 27,771.3 Mn in FY23.
- Gross margin remained steady and was higher than Q3FY24 and last year levels despite higher sales promotion expenses in the initial period of quarter.
- EBITDA de-grew by 6.2% YoY to INR 3,789.8 Mn and the EBITDA Margin contracted 40bps YoY to 14.15% on an annual basis. EBITDA for quarter stood at INR 957.1 Mn (-7.1% QoQ, -1.5% YoY).
- PAT stood at INR 2,253.3 Mn for FY24 vs INR 2,549.5 Mn for FY23 and stood at INR 574.2 Mn for the quarter vs INR 615.6 Mn in Q3FY24 and INR 580.1 Mn for Q4FY23.

Key Highlights
- Some of the Consumer goods market did very well but some products like kitchen appliances witnessed weak consumption patterns in this quarter as well.
- Raw material prices remained stable for major part of this quarter, but by the end of the quarter started seeing the pressures due to increase in supply chain cost and delays.
- All channels were active throughout the quarter, though there was pressure in the general trade due to subdued customer sentiment caused by inflationary trend.
- The modern formats, e-commerce and exclusive stores registered better growth for quarter.
- Better growth was seen in kitchenware items than on kitchen appliances during the quarter.
- Competitive intensity continued to be high with higher promotion expenses.
- The exports for this quarter remained at similar level as the same period last year.
- Company was able to manage working capital well with reduced receivables and inventories in quarter.
- Addition to free cash for the year was ~INR 177cr after payment of dividend INR 83cr and capex of INR 67cr.
- Customer facing channels like EBOs, E-Commerce and Modern Retail did well for the quarter.
- Company Introduced 27 new SKUs for the quarter across all categories. New launches are being received well in the market.
- Prestige Xclusive chain strength stood at 699 in 371 towns.
- Company has successfully completed the first phase of the automation of the Stainless-Steel Pressure Cooker manufacturing at Hosur Plant.
- Judge brand repositioning is on track and the benefits of these are expected in the coming quarters with the expanded distribution network.
- The MFI channel was previously a significant contributor, especially for mixed grinders. However, due to the elections and increased regulation of MFIs, this channel has underperformed.
- Mr. Venkatesh Vijay Raghavan, the new leader of TTK Prestige, is focused on sustaining profitable growth and exploring new opportunities in both organic and inorganic categories.
- Company's multi-brand strategy is in progress, with one brand already launched and plans for segmentation and brand architecture underway.
- Focus on product development and ensure is in line with the new trends for last 1 year.
- Company expects sales growth due to increase in real estate demand. This growth will come when start moving into those flats.
- For exports 75-80% are white label products rest is prestige own brand product.

**Lakshmi Machine Works Ltd-Q4FY24 Concall KTAs**
**CMP: INR 15,777 |Market Cap: INR 168,545 Mn**

**Outlook: The company remains cautious, particularly in the Textile Machinery Division, where a slowdown has been witnessed for over nine months. The company is prepared for a challenging environment and is focused on cost control measures. A recovery in capacity utilization and a return to good utilization levels is expected to take at least two quarters. On the other hand, the Machine Tool Division and the Aerospace Division present promising prospects. In MTD the capacity utilization is around 65%, leaving room for further growth. With continued investments in capacity creation and the introduction of new models, MTD is well-positioned to capitalize on the growing engineering demand in India. The ATC division, bolstered by a strong order book, is poised for growth, driven by opportunities in both export and domestic markets, including defence and aerospace sectors.**

Financial Performance
* The FY24 revenue stands at INR 46,840 Mn, YoY growth of 1% and the Q4FY24 revenue stands at INR 10,108 Mn, a QoQ decrease of 18.8%.
* The FY24 EBITDA stands at INR 5,712 Mn, YoY increase of 2% and the Q4FY24 EBITDA stands at INR 1,116 Mn, a QoQ decrease of 23%.
* The FY24 PAT stands at INR 4,675  Mn, a YoY increase of 30.7% and the Q4FY24 PAT stands at INR 585 Mn, a QoQ decrease of 43.9%.

Operational Highlights
* The company achieved the highest quarterly turnover for the MTD division in Q4FY24, driven by continued investment and capacity creation in this business.
* New models introduced in Vertical Machining Centers have enabled the company to service the non-auto sector, such as oil and gas, die mold, and general engineering.
* The company has invested in additional 5 megawatts of solar capacity, taking the total installed renewable power capacity to 53 megawatts, serving 90% of its energy requirements.
* In MTD, investments in new models and capacity have enabled growth, particularly in servicing non-auto sectors such as oil and gas, die-cutting, mold, and general engineering.
* Price revision for machines, which was on hold for 2 years, was implemented in May 2024.
* Reduced the number of working days in May 2024 due to lower capacity utilization.
* TMD and the foundry operated on fewer days due to reduced demand.
* New projects are being completed in TMD, but there's a reduction in new machine offtake resulting in lower sales.
* Globally, the company's market share in the TMD is estimated to be between 12% and 15%.
* The company is actively exploring opportunities in the domestic defense and aerospace market and will continue to bid for projects as they arise.
* In the Aerospace Division, exports contributed over 90% of the turnover, with the metallic division contributing 80%.

Regional performance
* LMW China reported turnover for FY24 was INR 280 Mn, a significant 90% decline from FY23. Reported a loss of INR 130 Mn.
* LMW Middle East achieved a turnover of INR 2,490 Mn for FY24. Value addition of 40% in consol revenue.

The global economic situation has resulted in weak demand and business challenges in export markets.

Order Book
* The current order book for TMD stands at INR 35,700 Mn, and the active order book for the same is around INR 23,000 Mn.
* Export order book stands at INR 3,000 Mn.
* The order flow during the current year is closer to INR 7,000 Mn, which is around 60% of the FY23's order flow.
* The order book for ATC continues to be upwards of INR 2,000 Mn which are executable over the next 18 months.

New Product Launches
* The company is test-piloting the commercial launch of the AirJet product, with plans for a full-fledged launch in the next two quarters.
* The Robotic Auto-Pacing product has been commercially launched by the company and is available in the market as an automation tool for customers.
* Efforts to increase the spare parts business and reduce response times for customers are ongoing, with spares currently contributing around 11-12% of revenue.

Capacity Utilization
* Capacity utilization is currently low, and it is expected to take a couple of quarters to improve.
* Continuous investments are being made in assembly facilities and higher quality assembly facilities to meet future demand as capacity utilization increases.

## Schaeffler Q1CY24 Concall Highlights

**Schaeffler | CMP: INR 3,360 | Mcap: INR 525.21bn**

**Outlook: The exports are expected to improve in the coming quarters. The uptick in railways, infrastructures, and traction in wind equipment will improve the business going forward. The introduction of new products to expand the portfolio and investments in EV mobility will be beneficial for the company. The localization through import reduction and inventory rationalization will improve efficiency going forward. The Hosur plant is expected to be operational by next year. We have a positive outlook in the long term perspective.**

### Exports

Exports witnessed a 10% YoY rebound in Q1CY24. All the regions are recovering, Europe witnessed optimum levels and orders started flowing in. Asia Pacific market is doing well and has a new order book.

All the regions are better than Q4CY23 for Exports. Europe, America, Asia, and China order booking are improving.

The company doesn’t have any plants in Southeast Asia and exports are expected to be sustained going forward.

### Capex

- Around INR 15bn capex for Hosur plant, backward integration, roller localization in Savli, etc.
- The capex is around INR 1,170mn, which is 7% of sales in Q1CY24.
- In the Hosur plant, hall construction is underway. Post-construction of the hall and building, machines are expected to install some new machines, and some of the machines are expected to move from the old plant. The project is expected to be completed in this year and production is expected to start from next year onwards.

### Localization

- The localization stood at 77% vs 75% in CY23. The localization focuses on component levels for automotive applications and imports some high-specialty products from Europe.
- The company sells products through imported resources and many of the finished products are localized.

### Railways

- In railways, 4-5 players are competing and the sector is growing. The company has a strong portfolio that can cater to new applications and is able to adopt privatization and modernization.

**Wind**

The company sells wind equipment to domestic wind producers in India. They export to Europe and other countries. Around 80%-85% of equipment is exported by customers.

The company is witnessing strong demand from gearbox manufacturers for winds.

**Region expansion**

The company is focused on the western and northern regions through KRSV innovative Auto solutions for the vehicle lifetime solutions market.

The company is focused on expanding aggressively in southern areas such as Bangalore and Chennai, which will yield positive results.

**EV Technologies and IC**

The Vitesco acquisition will improve EV tech space and power electronics.

The products are ready for BS4 to BS6 transitions and repairs. The demand is coming for BS6 products.

**Pricing**

The commodity prices are stabilizing and price volatility is passed to customers.

In the aftermarket, the company increases the prices instead of passing on the aftermarket.

**Target operating model**

In the target operating model, Integration of BD bearings of Automotive Tech into Industrials and renamed to Bearings and Industrial solutions. Automotive Aftermarket was renamed to Vehicle Lifetime Solutions.

**Bearings and Industrial solutions**

In bearing industrial solutions, exports witnessed an uptick and grew 19.6% YoY Q1CY24.

**Automotive Technologies**

In automotive technology, the company is launching new products and solutions for reliability and emission reduction.

**Employee costs**

The increase in employee cost is due to wage agreements and performance increments.

**Other highlights**

Working capital is expected 17%-19% of sales going forward.

In mobility components, PV, tractors, and railways are in one category. wind transmission and industrial distribution come under others.

**Havells India Ltd Q4FY24 Concall Highlights**

**Havells India Ltd | CMP: INR 1,664 | Mcap: INR 1,042.5bn**

**Capex**

- The capex is expected ~INR 8bn in FY25E. The capex majorly for Havells portfolio and less for Lloyd. The company continues to invest capacities, product, brands, channel and R&D.
- Cable capacity is expected to be commissioned in June-24. Around 25% additional capacity will be there in underground cables and domestic wires.

**Volume**

- Cables and wires volume growth stood at 18% YoY in Q4FY24.
- The volume growth stood at 15% YoY in FY24.

**Lloyd**

- In Lloyd, primary sales remain strong. The consumption is strong in the South, West and East. North market is yet to pick up.
- Lloyd has grown 30% CAGR over the past 2 years and focused on the same kind of growth. Lloyd also maintained the market share.
- Lloyd became EBIT Positive due to cost savings and business efficiency measures. In new plants, the company focused on manufacturing and cost efficiencies.
- Lloyd has been strong in southern markets except Tamil Nadu. The growth remains strong in the South and East.
- AC capacity stood at 2mn units and utilization is around 65% in FY24.
- LED's, washing machines and refrigerators are growing at a decent pace.
- In Lloyd, AC contributes 70%-75% of business.

**ECD**

- Fans witnessed better growth in ECD due to low base and summer season peaking up.
- In ECD business, profitability impacted due to lack of industry growth and higher ad spends.
- In the ECB category, the demand from last stage products in residential. The construction trend is in initial years and hand over is expected in 12-18 months.
- In large kitchen appliances, the company owned IPs and manufacturing through 3rd parties.

**Wires and cables**

The wires and cables mix stood at 60:40 in Q4FY24.

Cables and wires demand is majorly from the residential and commercial market, led through capex.

**Switchgears**

In the switchgear segment, demand is majorly from residential and commercial segments. Telecom is expected to pick up from next year onwards.

For switch gears, the market share lost in initial years and regained from unbranded players in 3-4 years over the past 10 years due to product mix, offering.

**Price hike**

There is no price hike in Q4FY24. The company has not taken any price hike from Oct-23 to Apr-24.

The raw material prices up-ticked in early Apr-24. Some price hike is expected in coming quarters.

In wires and cables, price renewal happens every 15 days. In March and April, some price increases in cables and wires.

**Outlook: Havells is doing Capex of INR 8bn for Havells Portfolio in FY25E. The underground cables and wires capacity will become operational on June-24. Price hike is expected in coming quarters. We believe, Fans and AC sales will pickup in Summer season. We have a positive outlook on the stock.**

**Indus Towers Ltd Q4FY24 Concall Highlights**

**CMP INR 355 | Market Cap INR 956.16bn**

**The company delivered substantial performance in the quarter aided by rapid tower additions and steady collections from customers. Rural expansions by major customers and increased pace of 5G rollouts to act as significant levers in the near term. Capex momentum is expected to continue in the near term given the rapid tower rollouts. Focus remains on market share and improving renewable energy portfolio.**

**Tower Additions:**

• The company surpassed 200,000 towers in the year, standing at 219,736 towers at end of Q4FY24. This was aided by accelerated rollouts by key customers, especially in rural areas.

• Rapid increase in tower additions was mostly driven by one large customer.

• Quarterly Macro and Co-locations towers additions doubled which led to increase in market share. These tower additions were new and not additions to existing ones.

• Tower additions rate doubled in the quarter compared to Q4FY23 while grew by 3.5x in FY24. This led to substantial improvement in market share of the company.

• Tower additions run rate is expected to continue in FY25 as well.

**5G**

• 5G rollouts by major customers continued the momentum in the quarter. This had contributed to the company's loading revenue.

• The wider adoption of 5G is expected to increase demand of newer sites. Total 5G subscribers are expected to increase to 575mn by 2026.

**Renewable energy portfolio:**

• The initiative of green open access policy, aimed at incentivising usage of cleaner sources of energy has been adopted by more than 12 states.

• Focus on improving renewable energy portfolio led to addition of 8000 solar bytes in the quarter, doubling the run rate.

**Key highlights:**

• Total Revenue stood at INR 71.93bn (+6.5% YoY); rental revenue improved 7.7% YoY to INR 45.8bn.

• Profitability improved with EBITDA recorded at INR 41.03bn (+19% YoY) and PAT at INR 18.53bn (+32.4% YoY). EBITDA margins improved to 57% (+600bps YoY) while PAT margins were 25.7%.

• Recognized 100% collections against billings during the year leading to write back of provisions of doubtful debts.

• Free cash flow situation of the company did not see improvements due to high capex. FCF generation is expected to improve in FY25.

• Focused on deployment process to increase competitiveness.

• The company is expecting rural rollouts by major customers to continue in the near term.

• Cost optimisation measures applied to control operating costs. Increased use of renewable energy solutions led to diesel costs decreasing by 6% YoY in Q4FY24.

• Network uptime improved in the year despite heavy rains and power outrages in North and East India.

• The company has been incurring high capex in the last few quarters which continued in Q4FY24 as well. The momentum is expected to continue for some more quarter given the rapid tower rollouts.

• Trade Receivables increased by INR 4.3bn due timing difference in write backs and collections for past dues made in April'24.

• The company is currently in discussion with key customers, who recently raised funds, and are working on improving tendencies and regular payouts. The discussions are still in early stages.

• Average rental per Tenant (ARPT) has been fairly stable in the year and the management expects no major improvement in it in FY25.

• Smart City initiative taken by the company some years back is fairly dependent on the government. The company has been executing its part but the project has slowed down.

• Renewal tenancy is generally been around 10-12%. In FY22, the company saw bulk renewals and thereafter, renewal rate has been around 10-12% for last 2 years. And with new additions, renewal rate is expected to be maintained.

**Ramkrishna Forgings Q4FY24 Concall Highlights**

**Ramkrishna Forgings | CMP: INR 757 | Mcap: INR 136.90bn**

**Outlook: Ramkrishna Forgings is expected to grow 15%-20% along with a 150bps margin expansion going forward. The company has received Vande Bharat's order for 32 print sets and a further 150 print sets are expected going forward. The cold forging production is expected from Q2FY25E onwards which will bring additional revenue of INR 2.5bn—5bn going forward. Strong growth with margin expansion is expected in Multitech Auto, JMT Auto, and ACIL going forward. We have a positive outlook on the stock.**

**Revenue**

Revenue growth is expected to be 15%-20% going forward.

**Volume**

The volume growth is expected to be 15%-20% on consolidated levels.

**Margins**

- Gross margins stood at ~51% in FY24 and 100bps margin improvement is expected in FY25E.
- The margin improvement is expected around 150bps on consolidated levels.

**Cold forging**

The cold forging production is expected from Q2FY25E onwards. The capacity stood at 25,000 Tonnes. From Q4FY25E onwards, full utilization is expected. The project cost is around INR 1.25bn and turnover is expected at INR 2.5bn at 10,000 – 15,000 tonnes volumes.

**Capex**

- The capex is expected around INR 4bn in FY25E. The capex for capacity addition in Mexico plant and brownfield activities.
- Maintenance capex is expected INR 400mn to INR 500mn every year.

**Multi-Tech Auto**

- MAPL sales stood at INR 900mn and the EBITDA margin stood at 16.5% in Q4FY24.
- Multi-Tech is expected to grow 20% along with a 200 bps margin improvement in FY25E.

**JMT Auto**

- in JMT Auto, the production will start from May-24 onwards and ramp up from Jul-23 onwards. JMT topline is expected around INR 1bn to INR 1.5bn in FY25E.
- JMT auto utilization is expected ~80% by FY26E.

**ACIL**

ACIL sales stood at INR 90mn and margins around 16%-17% in Q4FY24. The sales is expected ~INR 1,200mn in FY25E.

**Vande Bharat order**

- The company has received a Vande Bharat order of INR 270cr. The samples will be submitted in Oct-24 and 1st batch production by Dec-24 and orders will be supplied over the next 2 years.
- The order has 32 print sets. The actual requirement is 200 print sets in Vande Bharat. The company is expected to get 100-150 print sets, after building & supplying prototypes going forward.

**Domestic and Exports**

- The domestic and Export mix is expected 50:50 over the next 3 years. Export margins are 100-200 bps better than domestic margins going forward.

**Auto and Non-Auto**

- Auto and Non-auto mix is expected 60:40 over the next 4-5 years.

**Red sea and Steel price impact**

- The freight rate has increased due to the Red-sea impact. Around INR 200mn impact due to delayed shipments in Q4FY24. The company is in discussion with customers to rationalize 10%-15% going forward.
- The international steel markets declined by $35 in Jan-24 which impacted realizations.

**Inventory**

- The inventory reduction in OEM has impacted volumes, however, the company has done better than the industry average.

**Asset turn**

- The net asset turnover of 1.9x and 2.5-3x asset turn are expected over the next 2-3 years.

## Mexico plant

- Around INR 800mn to INR 100mn revenue is expected from Mexico plants in FY25E. PV exposure stood around 2% to 2.5% of sales.

## Other highlights

- The company has secured a contract of $220mn which will be executed over the next 10 years. The company focuses on Tier 1 customers in the light vehicle segments across North America.
- Standalone Net debt stood at INR 5.22bn and Consolidated Net debt stood at INR 8.18bn.
- The domestic industry is expected to grow 10%-12% going forward.
- Working capital days are around 85-90 days.
- Every year around INR 0.7bn investments are expected in railway JV. Overall, investments are expected to be INR 2.1bn to INR 2.4bn.
- The company is witnessing metro orders from Europe and Wagons orders from North America.

**Skipper Ltd Q4FY24 Concall Highlights**

**Skipper | CMP: INR 352 | Mcap: INR 38.24bn**

**Outlook: Skipper is expected to grow 25% CAGR over the next 2 years. The order book of INR 62.15bn (~2x of FY24 revenue) and order pipeline of INR 170bn shows revenue visibility. The company witnessing traction from the telecom sectors. The order execution, working capital rationalization, reduction in finance cost & tax rate will improve the profitability going forward. We have a positive outlook on the stock.**

**Revenue**

- Revenue growth is expected 25% CAGR over the next 2 years.
- Revenue from BSNL orders around INR 10bn in FY24 and INR 7bn expected in FY25E.
- The revenue potential from tower testing is around INR 400-500mn.

**Margins**

- The margins stood at 9.7% in FY24 and are expected to be same range going forward.

**Order book**

- The order book stood at INR 62,150mn (~2x of FY24 revenue) as of Q4FY24. The order execution timeline is 2-2.5 years.
- Domestic and export order book break up are 87:13. In Domestic, T&D and Non-T&D share 53:34.
- In telecom, Non-T&D order book is less than 10%.
- The order inflows stood at INR 11.41bn in Q4FY24 and INR 44.86bn in FY24.
- The domestic order pipeline is around INR 108.3bn and the international order pipeline is around INR 59bn.
- Order inflows are expected to slow down in Q1 and Q2 due to elections.
- The order win rate ranges from 15%-50% based on orders and markets. The blended rate is around 25%-30%.

**Telecom**

- Telecom order book share ~30%. Currently, BSNL and Vodafone are quite active. Around 1-2 lakh new towers are expected which will be an opportunity for the company.

**Market share**

- The telecom market share stood at 15%-20%, the T&D market share stood at 15%, and the PVC market share stood at around 1%-2%.

**Capex and utilization**

- The capex is expected INR 2bn in FY25E. The funding is through internal accruals and long-term debts.
- Polymer capacity utilization is around 55% and is expected to reach 75% going forward.

**Finance cost**

- Finance cost stood at 4.7% of sales in Q4FY24 and is expected to be 4.4%-4.5% going forward.
- The cost of funds is around 9%.

**Domestic and exports**

- The company is in an advanced stage of negotiations for two orders in domestic and International markets.
- The domestic and export mix is expected 75:25 going forward.

**Working capital days**

- The inventory days come down from 170 days (FY23) to 135 days in FY24; further inventory rationalization is expected going forward.
- Net working capital days are expected 90-100 days going forward.

Tax rate :The company is moving a tax rate of 33% from a lower rate of 25%.

**Other highlights**

- The company is focused on Infra and electrifications and Telecoms.
- Non-fund-based limit stood at INR 21bn and fund-based limit stood at INR 5.25bn.
- Around 5-6 competitors at domestic and global levels.

**DDev Plastiks Industries Ltd Q4FY24 Concall KTAs**

**CMP INR 270 | Market Cap INR 27.93 Bn**

**Company expects revenue of INR 4500-5000cr FY30 with a CAGR growth of 12-15% for next 5 years with sustainable EBITDA margin of 11-12%.**

**Company plans a capex of ~INR 300cr over the next 3 years via brownfield expansion of existing manufacturing facilities.**

**Company would increase HFFR capacity to reach 20,000 MTPA by FY26 which was 5000 MTPA in FY23.**

**Company expects 10-15% will be contributed by HFFR over a period of time which is currently at ~1% on volume basis.**

**Margin increase will be through product mix and not through raw material**.

**Financial performance**

* Revenue increased by 12% to INR 650cr in Q4 FY24 from INR 580cr in Q4 FY23 and increased by 5% from INR 620cr in Q3 FY24. On annual basis Revenue decreased by 3% to INR 2,431cr.

* Production volumes increased by 16% to 1,66,718 MT in FY24 from 1,43,986 MT in FY23.

* EBITDA grew by 15% to INR 78cr in Q4 FY24 from INR 68cr in Q4 FY23 and grew by 4% from INR 75cr in Q3 FY24. On annual basis EBITDA grew by 36% to INR 282cr.

* EBITDA margin improved to 12% in Q4 FY24 from 11.7% in Q4 FY23 and remained stable at 12% in Q3 FY24. On annual basis EBITDA margin improved to 12% from 7% in FY23.

* PAT increased by 10% to INR 50cr in Q4 FY24 from INR 45cr in Q4 FY23 and increased by 6% from INR 47cr in Q3 FY24. PAT increased by 75% to INR 182cr in FY24.

**Other Highlights**

* The total installed capacity has remained relatively stable over the past 5 years, ranging from 2.33 lakh MTPA to 2.39 lakh MTPA with current utilization of 70% vs 60% in FY23.

* ~50% market share in Sioplas and ~33% in XLPE compounds and are major revenue contributor.

* CRISIL rating of A/Positive for long term and A1 for short term.

* In HFFR 30% of utilization of current 5000 MTPA capacity and expected to be 60% of same capacity.

* Not major inventory gains as price changes every week and can pass on to costumer.

* Overseas revenue contribution is 25%, having exports in more than 50 countries except North America and Australia and New Zealand.

* Once company secure approval for North America, will start within the region. Contribution of export will be in same range but will increase in value terms as overall revenue grows.

* HFFR is expected to replace PVC in public spaces due to its non-toxic nature, particularly in the event of a fire. PVC emits hazardous gases and black smoke when burned, while HFFR does not.

* This transition is anticipated to extend beyond public spaces and gradually households, presenting an opportunity for the company's revenue growth as only 2 players in the market company itself and Shakun polymer.

* Cable industry typically requires a long approval period of 6-12 months. Company is currently navigating through this approval process, and upon completion, anticipate a boost in revenue.

* Launching XLPE Compound for cable insulation up to 132kV in few quarters with next target of 220kV segment, which currently no competitors makes.

* Capex of INR 300cr will be used for capacity addition of roughly 40,000 tons split between HFFR 15,000 tons and other compounds 25,000. Establishing a scalable foundation for future expansions with minimal capex requirements.

**Jyoti CNC Automation Q4FY24 Concall Highlights**

**Jyoti CNC Automation | CMP: INR 893 | Mcap: INR 203.3bn**

**Outlook: Jyoti CNC's order book stood at INR 34.38bn (~2.6x of FY24 revenue) and expected order inflows of INR 25-30bn show business visibility. The industry is expected 25% CAGR and 65% of machines are imported, the company has an advantage in terms of localization and industry growth. The new sector focus on EMS and semi-conductor machines will provide additional opportunities.**

**Revenue**

Entry-level products revenue – INR 2.2bn, Mid-level products revenue – INR 6.69bn, High-level products revenue – INR 1.62bn in FY24.

**Volumes**

The company manufactured 1,000 machines in Q4FY24 and 3,450 machines in FY24.

**Margins**

EBITDA margins are expected 25%-27% on a sustainable basis. Large execution is from defence and aerospace orders where margins are higher. Small margin improvement is expected due to high-margin orders and operating leverage.

**Order book**

The order book stood at INR 34.38bn as of Q4FY24. The order book is executable over the next 1.5 years.

The executable order book from Aerospace and Defence is around INR 10bn in FY25E.

**Order inflows**

- Defence order inflows are expected INR 10bn in the next 1-2 quarters and INR 15bn order inflows are expected in FY25E.
- The order inflows are expected INR 25bn to INR 30bn in FY25E.

In EMS, the order inflows stood at INR 2.6bn in FY24. EMS order inflows are expected INR 5.5bn in FY25E.

**Realization**

Enter levels machine realization – INR 5mn, Mid-levels realization – INR 5mn to INR 20mn, and High-level realization – INR 20mn to INR 250mn.

**Capacity expansion**

The capacity stood at 4,400 machines per annum and is expected to reach 6,000 machines per annum by Sep-24.

**Tax rate**

The tax rate is expected 20% in FY25E.

**Industry**

Around 65% of machines are imported and the industry is growing by a CAGR of 25%.

**Opportunities**

66 components are required in mobiles, Tablets require fully CNC machines, watches are made from CNC, and keyboards, and metal bodies of laptops are manufactured through CNC. The company has lots of opportunities.

**Other highlights**

- The company has installed 1.3lakh+ machines till now.
- The company has 200+ variants across 44 verticals.
- The company has more than 12,000 customers across the globe.
- Chinese is a major market and is addressed by Huron.
- The increase in other expenses is due to exhibition and marketing costs.
- In aerospace and defence, the company is exporting to Europe.

**Ppap Automotive Ltd – Q4FY24 Concall KTAs**

**CMP: INR 190 | Market Cap: INR 2664 Mn**

**Outlook**

**The company's internal restructuring initiatives, including organizational realignment, process improvements, and cost optimization measures, are likely to enhance operational efficiency and support margin improvement. The company expects significant improvement in consolidated financial performance in FY25 due to industry growth, contributions from new businesses, and improved profitability of the joint venture company. The company is actively pursuing development activities with leading manufacturers like Tata Motors, Mahindra & Mahindra, Hyundai, and Kia to diversify its customer base. It is conducting Sustainability efforts, including EcoVadis certification, BRSR compliance, and water consumption reduction, with a target of becoming a carbon-neutral company by 2040.**

**Financial Highlights**

- Consolidated Revenue from operations stood at INR 1,357 Mn in Q4FY24 up by 2.6% YoY & INR 5,229 Mn in FY24 up by 2.3% YoY.

- Consolidated EBITDA stood at INR 115 Mn in Q4FY24 up by 29.2% YoY with margins at 8.5% & INR 397 Mn in FY24 down by 9.6% YoY and margins at 7.6%.

- Consolidated loss stood at INR 82 Mn in Q4FY24 & INR 130 Mn in FY24.

**Capacity Utilization**

- The company commenced production of parts for new models launched by Honda, Maruti Suzuki, MG, and others during FY24 and is developing parts for 10 new models in FY25.

- The company's CAPEX spending will be aligned with the OEMs' CAPEX plans, indicating a prudent approach to capacity expansion.

- Its Capacity utilization stood at 75%, and the company expects it to exceed 80% in FY25 based on the current order book.

**Diversification Efforts**

- The company's lithium-ion battery business faced challenges in the previous year, but a shift in focus toward solar and energy storage solutions (ESS) has yielded positive results.

- The company’s Commercial Tool Room division, renamed Meraki Precision Molds, is gaining traction, with confirmed orders for 50% of the annual targets.

- The company’s Aftermarket Division has expanded its network to 123 distributors across India and is venturing into international markets, adding over 550 new products.

**Customer Relationships**

- Maruti Suzuki remains the company's largest customer, with contributions from other OEMs like Honda, Tata Motors, Hyundai, and Kia increasing gradually.

- The company has started working with Mahindra & Mahindra at the tier 2 level and expects to become a tier 1 supplier in the current financial year.

- The company's relationship with Hyundai and Kia is strengthening, and it has started exporting products to Kia's global operations.

- It continues to outperform competition at its customers' end receiving awards from Honda, Maruti Suzuki, and Toyota for quality, performance, and Kaizen initiatives.

Joint Venture (JV) Company

- Its JV company faced troubles in the previous year, but PPAP was able to make significant strides in reducing losses.
- The company states that based on the trends observed in the past 50 days, the JV company is expected to become profitable in the FY25 and contribute positively to the group's performance.

Margin Improvement Initiatives
- Stabilizing raw material prices and reducing internal rejections have positively impacted the company's margins since the previous year.
- The company is having active negotiations with customers to compensate for inflationary costs and have yielded favorable results in Q4 FY24.

**Organizational Restructuring**
- The company has reformed its HR structure and aligned the KRAs of employees across the organization to boost performance.
- It has done Internal restructuring to bring clear focus on unutilized capacity, with plans to utilize it for short-term and long-term business.
- The company is doing cross-functional collaboration among sales, engineering, manufacturing, and supply chain teams and has enhanced them to develop new products faster and reduce costs.

**Other Highlights**

- The Indian passenger vehicle industry surpassed 4 million sales in FY24, reaffirming India's position as the third-largest passenger vehicle market globally.

- Industry growth was driven by new SUV launches and improved semiconductor availability, although the rate was lower than the previous year due to the tapering of pent-up demand.
- The commercial vehicle sector saw growth, with sales volume reaching 9,68,000 units, spurred by economic expansion and increased construction activities.

- Geopolitical uncertainties, fragile emerging market currencies, and domestic regulatory changes remain challenges for the industry.

**Bharat Heavy Electricals Ltd | Q4FY24 Concall KTAs**

**CMP- INR 320** **M.Cap- INR 1,115,130mn**

**BHEL has registered a fall in its profit for Q4. It has received defence order for 20 guns along with 80 vande bharat trains. Industry segment saw the highest ever order inflow. Guidance to keep margins in the range of 14% along with 12-15% CAGR revenue growth. We believe the upcoming year can be substantially better for the company keeping in view the opportunities the company forecasts post election in FY25.**

**Financials**

**Q4**

Total revenue from operations stood at INR 82602.5mn(+0.4%YoY) with EBITDA of INR 7278.6mn(-31%YoY) and margins of 8.81%. PAT for the period stood at INR 4896.2mn(-25.6%YoY).

**FY'24**

Total revenue from operations stood at INR 238927.8mn(+2%YoY) with EBITDA of INR 6126mn(-23.6%YoY) and margins of 2.56%. PAT for the period stood at INR 2822.2mn(-57%YoY).

-In FY24, received order of 9.6GW for power sector totalling to INR 520,000mn. Industry segment highest ever order inflow of INR 220,000mn.

-BHEL's highest ever order book of INR 780,000mn .

-Some of the major orders received last year, were EPC order for Yamuna nagar, lara super critical power plant, Raigad super critical power plant from Adani group. 80 vande bharat trains,20 super rapid gun mounts for naval ships. Contractual delivery of vande bharat trains is from June'25.

**Accomplishments in FY24**

Completed 7GW globally last year. 5GW power generation capacity added to grid, 2GW commissioned and synchronized. Supply of 22 locomotive to Indian railways.

**Diversification efforts**

JV with Coal India for ammonia nitrate of 2000TPD. Railway signalling business partnership in Middle East,Dubai.

-10GW of power plants to be awarded in next 1-2 years.

-30,000mn of advances received last year, majorly Q3 and Q4.

-March'24, receivables were 80,000mn and contract assets were 267,000mn.

-Company has it focus on defence with large volume of orders in last 1.5 years. Air defence gun is a big ticket opportunity for which bid is submitted. Prototype to be given which is being developed in partnership with an OEM. Tied up with co. in Europe for marine gas turbine and bid is submitted and early FY26 results of bid to open.

-In the power segment, to ensure timely execution efforts are to get new vendors on board along with retaining the old ones.

-Govt to add 88GW by 2032 on thermal side, expecting ordering of 10GW every year. 10GW has been already tendered out with 27GW under tendering. Installation should be completed by 2032.

-EBIT margins in industrial segment hit due to some provisions.

Guidance for 12-15% CAGR revenue growth.

-Out of INR 1,310,000mn order book, INR 70,000-80,000mn are non moving orders in the order book. Remaining order book is executable with INR 920000mn from power and INR 300000mn from industrial.

-INR 10370mn of provision in FY24.

-For majority of order booking in Q4, advances received in Q1FY25.

-last 2-3 years, delay in execution and supply chain disrupted. Margin trajectory is expected to change in the upward direction.

**Azad Engineering Q4FY24 Concall Highlights**

**Azad Engineering | CMP: INR 1,465 | Mcap: INR 86.62bn**

**Outlook: Azad Engineering is expected to grow 25%-30% in FY25E. The margins are expected 33%-35% going forward. The order book stood at INR 30bn (~9x of FY24 revenue) in FY24. The capex is expected INR 18bn for 10x capacity over the next 5 years to achieve a revenue of INR 36bn going forward.**

**Revenue**

Revenue growth is expected 25%-30% in FY25E.

The energy business is expected to grow 25%-30%, Oil & Gas is expected to grow 35%-40% and aerospace has larger growth.

**Margins**

EBITDA margins stood at 34% FY24 and are expected to be above 33%-35% going forward.

**Order book**

The order book stood at ~INR 30bn in FY24. Aerospace and defence – INR 17bn and Oil & Gas and Energy – INR 15bn and remaining from others.

**Capacity utilization**

The capacity utilization stood at 80%-85%.

**Capex**

The capex of INR 1.2bn for plant & machinery and INR 0.8-1bn for infra developments in FY25E.

Significant revenue is expected to come from FY26E onwards due to capacity expansion (10x capacity addition) in the Hyderabad Plant.

The capex is expected INR 18bn over the next 5 years to achieve a topline of INR 40bn.

**Working capital**

Working capital is expected 140-160 days going forward.

Receivable cycles are around 120-150 days.

**Acquisition**

The company has acquired a special process and coding company to integrate its portfolio. The acquisition company Azad VTC, will cater to captive process and coding requirements and global demand from OEMs and suppliers.

**Other highlights**

The company has secured Jeevanova's steam power business and the phase-1 program is expected to supply highly complex rotating airfoils for the nuclear industrial thermal power industries for the next 7 years

**BEL Q4FY24 Concall Highlights**

**BEL | CMP: INR 284 | Mcap: INR 2,073.8bn**

**Outlook: BEL's order book stood at INR 760bn (~3.7x of FY24 revenue) and expected order inflows of INR 250bn in FY25E shows business visibility. BEL is expected to grow 15% and margins are expected 23%-25% in FY25E. The capex is expected INR 6-7bn per annum for new capacities and upgradation of new technologies will additional revenue going forward.**

**Revenue**

Revenue growth is expected 15% in FY25E.

**Revenue Mix**

Non-defence revenue share is expected 15% in FY25E.

Sales of goods and services mix is expected 90:10 in FY25E.

In non-defence, EVM revenue stood ~INR 10bn in FY24. The company is targeting other products in FY25E.

**Margins**

EBITDA margins is expected 23%-25% in FY25E.

Gross margins are expected around 45% in FY25E.

**Order book**

The order book stood at ~INR 760bn in FY24 and order inflows are expected INR 250bn+ in FY25E.

The order pipeline is around INR 150-200bn excluding QRSAM.

The project pipelines are Himshakti – INR 25bn, Akash Army – INR 35bn, LRSAM – INR 56bn.

## Capex

- The capex is expected INR 6-7bn per annum for new infra, capacities and upgradation of technologies.
- The company is building new 5 factories. Advanced night vision devices factory is setup in 50acre land with a capex of INR 3bn and ready for inauguration.
- EW system factory capex is INR 2bn and expected to complete in FY26E.
- Weapon system and Integration defense system integration facility at 930acres and will be operational in next 2 years.
- The Fuse factory is setting up in 200 acres at Nagpur and will be operational in next 2-3 years.
- The company has signed MoU with Andhra Pradesh govt for 175 acres land to setting up defence corridor for MRO facility for missile systems including QRSAM.

## Exports

Exports revenue stood at $82mn in FY24 and expected to reach $110mn in FY25E.

Exports orders are expected $200mn+ in FY25E.

## Imports

The import content for DRDO 30%-35% and 40%-60% import content for others and company has work share arrange with foreign sources.

## Provision

The provision of INR 2.3bn for INR 80bn project.

## Other highlights

- The company is working with BEML for metro projects.
- Employee cost is expected ~12% of sales going forward.

**GMM Pfaudler Ltd – Q4FY24 Concall KTAs**

**CMP: INR 1403 | Market Cap: INR 63,091 Mn**

**Outlook**

**The company expects a strong opportunity pipeline and continued growth in order intake in Q1FY25. Company's diversification strategy into non-traditional industry segments helped mitigate the slowdown in the chemical sector. Semiconductor industry emerged as a growth driver for the company, particularly for the Edlon subsidiary. The company expects revenue and profitability growth in FY25, with a conservative outlook due to ongoing market challenges. The company plans to come out with a strategic plan and guidance for the next three years in the coming months. The management sounded optimistic about a recovery, driven by improving order intake and a strong opportunity pipeline, particularly in the US and Europe markets.**

**Financial Highlights**

- Consolidated revenue stood at INR 7,410 Mn in Q4FY24 down by 14% YoY & INR 34,460 Mn in FY24 up by 8% YoY.

- Consolidated EBITDA stood at INR 910 Mn in Q4FY24 down by 4% YoY with margins at 12.3% & INR 4,770 Mn in FY24 up by 11% YoY and margins at 13.8%.

- Consolidated PAT was at INR 290 Mn in Q4FY24 down by 14% YoY & INR 1,740 Mn in FY24 down by 17% YoY.

**Operational Efficiency**

- The company is making continuous efforts to control costs and enhance operational efficiency.

- It is having some restructuring exercises in Europe, including establishing a re-glassing facility in the UK and a low-cost sourcing facility in Eastern Europe.

- They are planning for a significant transformation project aimed at achieving substantial cost savings.

**Business Diversification**

- The company is implementing a diversification strategy to counteract the slowdown in the chemical sector by expanding into non-traditional industry segments..
- The acquisitions of Mixel and Mixpro are poised to drive growth in the mixing business, with a target of reaching USD 100 Mn in revenue over the next three years.

- The company is prioritizing the expansion of market share and the development of innovative technologies within the mixing business.

- Its Heavy Engineering division in India is performing strongly, serving major clients such as the Adani Group and Reliance.

**Corporate Updates**

- The company completed the consolidation of Mixpro in Canada during Q4.

- It has appointment Ms. Shilpa Vinirula as an independent director, with 70% of the board now comprising independent directors.

**Growth Initiatives**

- The company is focusing on cost optimization and operational excellence measures.

- It is exploring new technologies and innovations in mixing to differentiate from competitors and collaborating with engineering companies to offer combined solutions to customers

**Order Book and Lead Times**

- Company's Q4 order intake grew by 14% to INR 8610 Mn, driven by non-gas line technologies and system platforms.

- The company has a strong order backlog of INR 17000 Mn, providing a good starting point for FY25.

- Company's Lead times differ between India and international businesses. For India, orders booked until November can be shipped by Mar 31 For international business, orders booked until Aug 31 can be shipped by Mar 31.

- Company's 30% international business revenue comes from services, which can be booked closer to the end of the year.

**Capacity Utilization**

- Company's Glassline business is operating at around 65% capacity utilization and other businesses operating at 70-75% capacity utilization.

- Current capacity utilization stands at approximately 65%, with potential to increase to 90% through throughput enhancements.

**Competitive Landscape**

- Competitive intensity remains high for the company particularly in the domestic glass lined equipment (GLE) space.

- The company is focusing to improve manufacturing efficiency and reach out to a broader customer base to win more orders and gain market share

**Services and Re-glassing**

- The company has focus on expanding service footprint, including new service centers in various locations.

- It has an opportunity for increased revenue from re-glassing and spare parts business, especially in India, as the installed base ages.

**International Business Strategies**

- The company is establishing a low-cost sourcing base in Eastern Europe and facing challenges in China but is anticipating a recovery.

**Gensol Engineering Ltd | Q4FY24 Concall KTAs**

**CMP-INR 966 M.Cap-INR 36,580mn**

**Gensol has recorded stellar performance this Qtr. It's electric vehicle has received ARAI certification. Guidance of INR 20,000mn for FY25 with 25-26% EBITDA margins. Supernormal profits from Scorpious trackers from FY26 is expected. Majority of the revenue of Q4 in receivables whihc shall be received in Q1FY25. We believe that with the upcoming EV segments and the tailwind in solar EPC will drive the company to future growth.**

Financials

Q4

Total revenue stood at INR 4120mn(+147%YoY) with EBITDA of INR 920mn(+188%YoY) and margins of 22.33%. Interest expense of INR 390mn(+235%YoY). PBT of INR 290mn(+172%YoY). PAT stood at INR 200mn(+168%YoY) with margins of 4.85%. Highest always for EPC business. Q4 revenue higher than FY23 revenue.

FY24

Total revenue stood at INR 9960mn(+147%YoY) with EBITDA of INR 2,600mn(+218%YoY) and margins of 26.1%. Interest expense of INR 1080mn(+362%YoY). PBT of INR 780mn(+135%YoY). PAT stood at INR 530mn(+129%YoY) with margins of 5.32%.

Guidance

FY25 consolidated INR 20,000mn revenue, approx. 2x growth from FY24.

Consolidated EBITDA margins 25-26%. By Q2, electric vehicle plant commencement. Q2 trial production to start and gradually ramp up. It is expected not contribute a great amount of revenue in FY25.

-Renewable energy and solar sector seeing tremendous tailwinds. India surpassed Japan to become world's 3rd largest solar power generator. Co. at position to seize all opportunity in the sector.

Order book of INR~17,000mn of which INR 1000mn from Scorpious Tracker.

Bid pipeline is also extremely strong.

INR Q4 INR 3540mn revenue from solar EPC and solar segment grew 2 times in the year.

Ms Shilpa appointed as CEO of solar business(ex- sterling and Wilson).

-Expanded in EV leasing and mfg in last 2 years. New segments to contribute in foreseeable future.

Leasing business recorded INR 1,340mn in the year.

-EV mfg facility in Pune with 30k p.a. production capacity. Currently undergoing testing for weather conditions and vibration.

-Good amount of revenue from Scorpious trackers expected. Supernormal profits expected form FY'26. EV leasing loss due to heavy depreciation which is close to INR 600-700mn. There is no cash loss.

Cashflow- Receivable day in solar EPC segment is 45-50 days. Half of revenue in receivables for Q4 revenue. Much better cashflow to be seen in Q1FY'25. INR 3800mn of cash available with the co.

Other current assets of INR 880mn retention money, INR 80mn application money for listing securities and INR 1390mn of WIP.

-Electric car received ARAI certification. Test vehicles to start selling for Q2FY25. Revenue of 50-100cr from EV mfg in FY25.

-Order bid pipeline extremely strong for Indian market is close to INR 30,000mn. Mid east started to win order and order book growing.

-Debt raised to fund growth of EV leasing. Cash to be converted in Fixed asset for this business.

-EBITDA next year to come half and half from Solar and EV leasing.

-Eventually in future, slump sale of EV leasing assets to the subsidiary incorporated for EV leasing. Greater than 50% of asset under management is from BluSmart.

-Strong demand for trackers in US. Lot of growth potential. 8-9months of waiting timeline thereby providing lot opportunities for new companies like Scorpious Trackers. Co. is currently undergoing testing.

-Net debt to equity at 2.7x. INR 9000mn to be raised through warrants which shall come by June. This ratio shall then come down significantly.

-EV mfg plant will require additional capex. EV leasing continuous capex to be seen which is revenue generating from year 1. EV manufacturing will require INR 750-1000mn of capex more.

**Premier Explosives Ltd | Q4FY24 Concall KTAs**

**CMP-INR 966 M.Cap-INR 27250mn**

**Co. recorded highest ever quarterly revenue with cash received from the export order. Margins are guided to be in the range of 18-21% with improvement in revenue. Defence business which formed 62% of topline is expected to become 75-80% going forward. 60% of money raised through QIP will be used for raw material manufacturing capacity. Co. is available at EV/EBITDA of 44.1x. We believe that with the sector tailwind, co. can capitalise on the upcoming opportunities.**

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Financials

Q4

Highest ever quarterly Revenue from Operations at INR 867.9mn(+95%QoQ)/(+65%YoY) with Operating profit of INR 150.9mn(+209%QoQ)/(86%YoY) and margins of 17.4%(+642bps QoQ)/(+189bps YoY). PBT stood at INR 103.3mn(+334%QoQ)/(+249%YoY). PAT of INR 66.3mn(+297%QoQ)/(+184%YoY).

-Strong Order Book of Rs. 9,647 Mn(+85%YoY) out of which defence order are 86%. This order book is ~3.6x of FY24 Revenue. Order Inflow in FY24 stands at ~Rs 7,115 Mn (Excl GST). Execution of these will help in bidding for bigger orders. Order book is 89% domestic.

-Received pending revenue from export order.

-Co. is thee only qualified Indian company for countermeasures also specializes in the export of fully assembled rocket motors.

-Healthy profit cashflow generation of INR 96mn in q4 and INR 390mn in FY24. Improved cashflow to strengthen balance sheet.

-Indian defence export reached unprecedented high.

-Dividend of INR 2.5 /share proposed.

-Margins to be in range of 18-21% for FY'25. Improvement in revenue expected.

-Management foresees demand to be sustainable going ahead.

-Capex to expand in raw material manufacturing capacity to meet international demand which will come under defence segment. Also, in space and ammunition field.

-QIP funds to be used for capex and the rest to be used to repay the existing debt. 60% of money to be used for Capex.

-Good contribution is expected from export of raw materials. Order book to be in range of 9,000-10,000mn going forward. Except for some orders from ISRO, remaining orders to be completed in next 1-2 years.

-Odisha govt identified and offered co. land of 500acres . It will take 5-6 months for the land to get allotted. Mainly TNT and ammunition to be produced on this land.

-8500MT of bulk explosive produced with value of INR 385mn.

-Timeline for delivery of countermeasure, co. has request for extension of date due to current maritime problems. Management hopes to complete it by FY'25. Advance of around INR 700mn received for this order.

-Internal R&D is continuous process which gets absorbed in operating cost which is less than 1%. Since all development of such explosive are done in production plants, difficult to calculate separate cost.

-Flares product is in house R&D and export rocket motors and developed as per specifications which is also in house r&d.

-Current defence contribution came at 62% and is expected to reach 75-80% going ahead. Margins in this segment are better than explosives.

**Ion Exchange (India) Ltd | Q4FY24 Concall KTAs**

**CMP-INR 505 M.Cap-INR 74,130mn**

**ION Exchange India Ltd is poised for substantial growth driven by a robust order book and strategic investments in expanding its engineering and chemical segments. The company's focus on capturing international opportunities and ramping up its consumer division makes way for its future growth trajectory. Stable margins and continued investment in infrastructure and manpower further strengthen its market position.**

Financials

Q4

Operating income stood at INR 7818mn(+41.1%QoQ)/(+20.7%YoY) with Operating profit of INR 921mn(+30.5%QoQ)/(-13.4%YoY) and margins of 11.78%(-97bps QoQ)/(-465bps YoY). PBT stood at INR 954mn(+43.2%QoQ)/(-6.7%YoY). PAT of INR 725mn(+53.6%QoQ)/(-10.7%YoY) with margins of 9.27%(+75bps QoQ)/(-327bps YoY).

segmental performance-

Engineering- INR 5293mn(+17%YoY). INR 537mn EBIT(-4%YoY). strong international order inflow. finalization of large value opportunities in next few months. INR 35,460mn order book as of march end.

Chemicals- 1,990mn(+21%YoY). EBIT INR 478mn(-1%YoY). improved volumes with healthy margins.

Consumer- INR 728mn(+41%YoY). Loss at INR 28mn (compared to ₹7 million loss in Q4FY23).

Bid Pipeline Value of INR 80,000mn consisting predominantly private sector; minimal government or municipal sector involvement. Co. historically has a hit Ratio of around 15-20%.

*Engineering Division:*

-Conservative estimate of 20% growth in FY25.

-Execution Timeline- Significant contracts with a two-year execution period.

-Order Book Distribution: 27% international, rest domestic.

In Chemical Segment, continued momentum in volume growth; margins expected to remain stable if geopolitical and raw material prices remain unchanged.

In consumer division, continued investment in manpower and infrastructure; significant volume growth expected, though break-even timeline not specified.

Roha Plant- Total Capex * of INR 4000mn of which INR 700mn has spent till date. FY25 Expected Spend of INR 2500-3000mn. *Commercialization expected in FY25-26.

- Successful completion of the merger with two Indian subsidiaries: Global Composite and Structural Limited, and Ion Exchange Environment Management Limited.

International Projects

- Significant orders from Saudi Arabia (INR 1200mn) and UAE (INR 2,500mn).

*Engineering Segment Execution:*

- Slower execution due to unforeseen cost increases in a significant domestic industrial project.

- UP project impacted by elections; expected to resume pace post-election.

- Stable margins in chemical attributed to stable raw material prices and exchange rates.

- Receivables increased to 145 days due to majority of Q4 billing in March. Normalized working capital levels expected around mid-year.

Cash Utilization - Significant portion of cash held as margin money for bank guarantees. 20% of Roha project funded from internal accruals, balance from debt.

Future Outlook - Focus on capturing opportunities in the Middle East, Southeast Asia, and Africa.

- Addressing market size in India estimated at INR 200,000-350,000mn annually, with international opportunities being several times larger.

In Consumer Division - Healthy gross margins, though bottom line impacted by high infrastructure costs.

**Maiden Forgings Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 94 |Market Cap: INR 1,322 Mn**

Outlook: The company is targeting 20-25% growth in revenue and EBITDA for FY25 and FY26. It plans to increase the contribution of high-margin, value-added products to 18-20% in FY25. The company is pursuing a contract manufacturing model for finished steel products, which is expected to leverage new opportunities and improve asset efficiency. Additionally, the company is banking on operational and financial efficiencies that will arise from the consolidation of activities into the new plant, which is expected to be operational by Diwali this year. The new plant's layout has been designed to cater to larger global brands. Furthermore, the company has registered with the Ordnance Factory Board and is actively engaged in R&D activities to launch new products in the near future, solidifying its growth prospects.

Financial Performance FY24

* In H2FY24, total income was INR 1210.2 Mn, EBITDA was INR 127.8 Mn (10.56% margin), and PAT was INR 55 Mn (4.58% margin).

* In FY24, total income was INR 2373 Mn (up 7.3% YoY), EBITDA was INR 240.7 Mn (up 7.9% YoY, 10.14% margin), and PAT was INR 97.2 Mn (up 1.19% YoY, 4.10% margin).

* Despite lower steel prices, volume growth was achieved as per the company's target of 15-20% annual growth.

Operational Details

* The company got listed on the BSE SME platform on April 6, 2023, raising INR 238 Mn from the public through a 26.25% primary equity sale for future expansion.

* Sales volume of high-profit, high-value items like wires, dry bars, and nails increased by 31% YoY to 2,348 metric tons in FY24 from 1,793 metric tons in FY23.

* Pneumatic nail sales have started, contributing ~5-7% to volumes in FY24, expected to reach 20% in FY25 (10-12% of revenue).

* Registered with the Ordnance Factory Board and increasing traction with US-based customers.

* The company added more than 40 new customers in FY24 while retaining almost all existing customers and increasing volumes with them.

* The company has three manufacturing units in Ghaziabad with an installed capacity of 50,000 metric tons per annum.

* The company incurred exceptional expenses for IPO costs and extensive marketing, including participation in four global exhibitions and building a global sales network.

Capacity Expansion

* Currently operating at around 70% capacity utilization. Optimal utilization targeted is 85-90%.

* The company is working on consolidating activities from its existing three plants into a new plant with an improved layout to enhance operational and financial efficiencies.

* The new plant's layout will enable the company to cater to larger global brands and expand its customer base.

* Working on a contract manufacturing model for finished steel products in high-demand areas with limited supply.

Geographical Reach

* The company has started exploring small volumes of exports to the US, and with the operational pneumatic nail plant, it anticipates significant growth in exports.

* The company exhibited at a major industry exhibition in Germany to explore opportunities for selling post bar or stainless steel fasteners to global customers.

Challenges and competitors

* Volatility in steel prices, which impacted revenue growth in FY24 despite volume growth.

* Managing inventory levels and debtor cycles due to catering to new customers and product lines.

* Major competitors mentioned are Bansal Wire (wires), GSW (bright bars), Vetrotech and GK Wire (nails).

**NMDC Ltd Q4FY24 Concall highlights**
**CMP INR 256| Market Cap INR 745bn**

Q4 FY24 Financial Performance:

* NMDC produced 132.40 LT, compared to 141.26 LT YoY, i.e. a decrease of 6%YoY and a increase of 8% QoQ
* The company achieved sales of 125.41 LT, slightly higher than the 124.10 LT YoY and 10% increase QoQ
* Revenue from operations stood at ₹6,848 crore, which matched the best-ever performance recorded in Q4 FY21.
* The company reported PAT of ₹1,462 crore for the quarter a decrease of 36%YoY, decrease of 2% OoQ
* Average sales realisation stood at INR 5125/T (+10%QoQ/+10%YoY)

FY24 Financial Performance:

* NMDC produced 450.22 LT, marking a 10% increase from 408.17 LT in FY23.
* Sales volumes reached 444.81 LT, a 16% increase from 382.23 LT in the previous fiscal year.
* The company generated ₹21,294 crore in revenue from operations, a 21% increase from ₹17,667 crore in FY23.
* EBITDA increased by 28% to ₹8,709 crore, with an EBITDA margin of 41%, a increase of 200bps
* The company recorded PAT of ₹5,632 crore, up 2% from ₹5,529 crore in FY23.

Guidance:

* For FY25, NMDC has provided a volume guidance of 50mt. However, due to a loss of production in May, the target might be missed by approximately 1mt.
* The volume guidance for FY26 is set at 54mt.
* The target for FY30-31 is to reach a volume of 100mt.
* The incremental volumes would come from 1.5mt additional EC at Karnataka 2mt additional EC from Bacheli, Chhattisgarh

Capex

* The company plans to undertake ₹500 billion in capital expenditure over the next 5-7 years. This expenditure will be allocated as follows:

Approximately 3% of the capital expenditure will be spent on the downhill conveyor system. Around 4% will be allocated to the Deposit 5 crusher and conveyor system, and about 4% will go towards the 10mt pellet plant. Five stockyards will receive approximately 5% of the capex, while RWLS will account for 10% of the expenditure. Additionally, equipment will take up 2% of the capital expenditure.  - Current capex tenders will constitute 3% of the expenditure.

  - The slurry pipeline to Vizag will receive 20% of the total capex.
  - Digitalization initiatives will be allocated 1%.
  - The township at Kirandul will receive 2%.

* For FY24, the capex was ₹21 billion, which is 114% above the target.
* The capex projected for FY25 is ₹25 billion.
* It is important to note that land acquisition costs are not included in the above capex calculations.

Employee Cost
* Wage negotiations have been concluded, and NMDC has already made provisions for a wage hike since the last fiscal year.
* Wages are expected to increase by ₹1-1.25 billion per quarter going forward.

Royalty
- Royalty rate was high in Q4 due to price lag
- Going forward expected to be 43% of the revenue

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**Exicom Tele Systems Ltd-Q4FY24 Concall KTAs**
**CMP: INR 272 |Market Cap: INR 32,846 Mn**

**Outlook**
**The company is strategically positioned to benefit from the rapid expansion of India's EV charging and telecom infrastructure markets. It projects the EV charging hardware market to grow at a 40-60% CAGR until FY28, reaching ~INR 90,000 Mn, driven by new EV model launches, supportive policies, and increased EV adoption. Additionally, strong demand for the company's critical power solutions is expected due to ongoing 5G rollouts, 4G upgrades, and the shift to lithium-ion batteries at telecom sites. To support this growth, the company is establishing an integrated manufacturing facility in Hyderabad and expanding its product range through R&D. The management remains optimistic about leveraging its technological capabilities, customer relationships, and pan-India service network to gain market share across verticals.**

Financial Performance
- Overall revenue grew by 44% YoY to INR 10,196 Mn in FY24 from INR 7,079 Mn in FY23. In Q4FY24 total revenue degrew by 13.09% YoY to INR 3,009 Mn from INR 3,462 Mn in Q4FY23.
- EBITDA grew by 29.08% YoY to INR 397 Mn in Q4FY24 from INR 308 Mn in Q4FY23. In FY24 EBITDA grew by 114.27% YoY to INR 1,121 Mn from INR 523 Mn in FY23.
- PAT grew by 95.62% YoY to INR 639 Mn in FY24 from INR 327 Mn in FY23.

EV Chargers Business
- The EV charger industry size is directly correlated with the growth of EVs in the country, expected to be 40-50% CAGR for the next 4-5 years.
- EV Charger business revenue grew by 11% YoY to INR 2434 Mn in FY24.
- The EV charger market is estimated to grow from INR 14,000 Mn in FY24 to INE 90,000 Mn in FY28, including both AC and DC chargers.
- The company is present across all EV charging segments: home charging, fleet charging, bus charging, and powering CPOs for their network rollout.
- The company has recently launched new products like Spin Air home charger and Gen 1.5 Harmony 400 kW DC charger, one of the fastest chargers in India.
- The company has partnerships with OEMs like Mahindra & Mahindra and JBM Auto for bundling home chargers with EVs, though these partnerships are not exclusive.

Order Book
- Started FY24 with open orders worth INR 3,600 Mn (higher than INR 2,900 Mn in FY23). Total orders booked in FY24 stood at INR 11,060 Mn (vs INR 9,520 Mn in FY23).
- Added new customers in both EV Charging and Critical Power businesses.

Industry Outlook
- Government expected to release new EV policy frameworks to boost charging infrastructure.
- E-passenger vehicle sales nearly doubled from 50,000 units in FY23 to 1 lakh units in FY24.

- Under PM e-SEVA scheme, about 10,000 electric buses to be rolled out pan-India.
- EV charging hardware market expected to grow at 40-60% CAGR till FY28 (INR 90,000 Mn market by FY28.)

Expansion Plans
- The company is investing INR 1700 Mn in a new facility in Hyderabad to produce all product lines (power conversion equipment, lithium batteries, and EV chargers).
- This new facility is expected to cater to the growing demand for the company’s products across all three segments: power conversion equipment, lithium batteries, and EV chargers.
- The facility is expected to start trial runs in April’25 and will cater to the industry's potential for the next 4-5 years.
- The company is also exploring opportunities in emerging segments like data centers and solar.

Competition and Market Position
- Competition in the fast-growing EV charger industry but is focused on providing the best value to customers through its strengths in technology, manufacturing, and service network.
- The company aims to maintain its position in the industry by leveraging its homegrown technology, IP, and integrated manufacturing capabilities.

Strategic Approach
- The company follows a strategy of using its domain expertise and knowledge to enter related industries and sectors, as it did with lithium batteries for data centers after working with telecom batteries.
- It continuously evaluates new opportunities that align with its core strengths and capabilities.

Other Highlights
- The company aims to achieve a gross asset turnover of 7-8 times in the long term, indicating potential revenue of around INR 10,000-13,000 Mn from the new facility investment.
- The company is focused on exports and has seen initial success with pilots in markets like Europe and Southeast Asia.
- Debt Service Coverage Ratio improved from 166 days to 81 days.
- Adjusted ROCE stood at 26.4%, and adjusted ROE at 18.4%.

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**Epack Durable Ltd | Q4FY24 Concall KTAs**
**CMP-INR 179 M.Cap-INR 17,150mn**

**Epack Durables has faced significant challenges in Q4 FY24 due to weather disruptions and increased in-house manufacturing capacities by large brands. However, company has managed to improve margins and reduce working capital days. Looking ahead, Epack plans to leverage its expanded capacities, diversify its product offerings, and maintain its focus on growth and profitability.**

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Financials
Q4
Operational income of INR 5,257mn(-17.7%YoY) with EBITDA of INR 555mn(-9.9%YoY) and margins of 10.56%. PBT before exceptional item stood at INR 386mn(-18.7%YoY). PAT of INR 278mn(-16.5%YoY) with margins of 5.29%. EPS of INR 3.08(-30.8%YoY).

-Debt-to-equity ratio reduced from 1.58x in FY23 to 0.37x in FY24.

About
-Epack Durables Limited is the second-largest air conditioning original design manufacturer (ODM) in India, specializing in room air conditioners (RACs) and small domestic appliances (SDAs). Epack operates three manufacturing facilities located in Dehradun, Rajasthan; and Andhra Pradesh.

Reasons for Poor Q4 FY24 Performance
The decline in revenue was primarily due to weather disruptions in Q1 FY24, leading to elongated end-of-season periods and excess inventory liquidation.

Expansion of in-house manufacturing capacities by large brands, particularly in the AC segment, posed a challenge to Epack's revenue stream.

The company experienced reduced demand for fresh manufacturing in Q4 FY24, shifting significant demand to Q1 FY25.

Notable improvement in EBITDA margins from 6.67% in FY23 to 8.19% in FY24 due to internal strategies aimed at enhancing operational efficiencies.

Substantial reduction in working capital days from 91 days in FY23 to 45 days in FY24.

Commissioning of the facility in Andhra Pradesh increased manufacturing capacity by around 50% in FY24.

Expansion into new product categories such as air coolers and components for various brands.

Epack plans to continue diversifying its product mix and expanding its client base.

The company aims to reduce its dependence on RACs from 80% of overall revenue to less than 70% over the next two to three years.

Epack is on track with the development of fully automatic top-load washing machines , targeting the start of production by the end of September FY25.

The company is focusing on leveraging its increased capacity and operational efficiencies to sustain growth.
Capex and Margin Guidance

Epack plans to maintain its EBITDA margins at around 8% despite industry challenges.

The company has invested heavily in expanding capacities and capabilities to meet growing demand, particularly in the RAC and component segments.

Significant growth is expected in Q1 FY25 , with revenue projected to exceed INR 6,000mn , a 50% increase year-on-year.

The top five customers now contribute to 80% of revenue, showing reduced dependence on the largest clients compared to previous years.

The RAC segment, including component sales, showed significant growth.

Despite fears of in-house capacity expansion by brands, demand has increased from the same set of customers, indicating a positive market outlook.

The management expects the industry to grow by 17-20% in FY25.

**Salzer Electronics Ltd-Q4FY24 Concall KTAs**
**CMP: INR 702 | Market Cap: INR 12,207 Mn**

**Outlook: The company expects revenue growth of 18-23% in FY25, excluding its smart meter business, and aims to improve its EBITDA margin by 100 bps to 10.75-11% during the same period. The smart meter facility installation is 80% complete, with trial production having commenced in June 2024. The company anticipates achieving at least 50% capacity utilization in FY25, which is expected to generate INR 4,000-5,000 Mn in revenue. The company has the capacity of 4 Mn smart meters out of a total addressable market of 250 Mn meters and thus plans to expand its capacity in the coming years. In addition, the company is exploring new markets such as Australia, New Zealand, and the Middle East for expansion. The focus remains on sustaining its growth trajectory, primarily driven by its Industrial Switchgear and Wire & Cable businesses.**

Financial Performance
* The consolidated FY24 revenue stands at INR 11,663 Mn, YoY growth of 12.45% and the Q4FY24 revenue stands at INR 3,266 Mn, YoY growth of 7.87% and a QoQ growth of 20.8%.
* The FY24 EBITDA stands at INR 1,169 Mn, YoY increase of 21.98% and the Q4FY24 EBITDA stands at INR 330.8 Mn, a YoY increase of 34.09% and a QoQ growth of 6.6%.
* The FY24 PAT stands at INR 470.7 Mn, a YoY increase of 18.80% and the Q4FY24 PAT stands at INR 133.2 Mn, a YoY increase of 35.24% and a QoQ decline of 1.2%

Operational Highlights
* The Industrial Switchgear business of the company contributed 53.7% of the Q4FY24 revenue
* The Wire & Cable business of the company contributed 40.5% of the Q4FY24 revenue.
* The Building Segment of the company contributed 5.8% of the Q4FY24 revenue.
* The exports by the company contributed 24.97% to Q4FY24 revenue.
* The building products division of the company witnessed high sales outstanding, leading to slowing down of sales to specific distributors.

Product Innovation & New Initiatives
* The company received patents for 'Integral Cam Operated Rotary Switches' and 'Motor Protection Circuit Breaker with Increased Air Gap'.
* The company has set up a new manufacturing facility in Hosur, Tamil Nadu, which is to commence production in March 2024.
* Kostad Steuerungsbau GmbH (JV company) became a subsidiary of the company with 60% shareholding.
- The company faced a setback in the CoStar EV charger development in communication testing, and is working on resolving the software issue to comply with Indian standards.

The management expects the EV charger business to grow, and are targeting a significant market share.
* Development of three-phase transformers and the wire harness business.

* Successful development and BIS certification for single-phase smart meters. Trial production is underway, and discussions with customers for long-term tie-ups are ongoing.

Geographical Expansion
* The company is exploring opportunities in the Russian market and has received their first order.
* The company plans to expand in the US, Africa, and the Middle East markets.

Capex & Working Capital
* The company's capex plan for FY25 is essentially the maintenance of INR 170-200 Mn capex. Additionally, the smart meter capex stood at almost 70% this year and the balance will be done next year.
* The current cash conversion cycle of the company is around 145-150 days, and the management is aiming to reduce the same to 120 days.

Other Highlights
* The company expects consolidation and shakeout in the smart meter industry in the next 1-1.5 years.
* The company has received orders from Indian Railways for rotary cam switches, and also sees potential for transformer orders in near future.
* KC Industries, which is a subsidiary, targets a 20% growth in FY25, and is aiming to reach INR 1,000 Mn revenue in the next 3 years.
* Promoter shareholding in the company increased from 32% to 38% as of now, the management is comfortable increasing it further close to 40%.

Arihant Capital Markets Ltd

Virtuoso Optoelectronics Ltd | Q4FY24 Concall KTAs
CMP-INR 241 M.Cap-INR 5,500mn

Co. has recorded stellar performance with 50% increase in EBITDA over the year. Growth to be led by Ac and newer segments like commercial refrigeration, water dispnser and lighting. Guidance to grow by 40-50% over next few years. Plans to enter washing machine segment. Co. looking to add capacities in ODU by 20%. EBITDA guidance in range of 8.5-9.5%. Management believes June quarter to be better than previous year. We believe with the segment tailwind and growth opportunities available and the expansion plans along with diversification efforts, company is on path to grow significantly.

Arihant Capital Markets Ltd.

Financials
Q4
H2FY24 net sales stood at INR 2926.5mn(+30.2%YoY)/(+22.7%HoH) with EBITDA of INR 287.8mn(+64.6%YoY)/(+20.7%HoH) and margin of 9.8%(+203bps YoY)/(-16bpsHoH). EBIT stood at INR 188mn(48.5%YoY)/(+20.9%HoH). PBT at INR 86mn(+99.3%YoY)/(+50.9%HoH). PAT stood at INR 66.2mn(+142.2%YoY)/(+88.5%HoH) with margin of 2.3%(+104bpsYoY)/(+79bpsHoH).

Lighting Business: The lighting segment experienced significant growth, attributed to the addition of new customers, including the prestigious Gold Medal. The segment's performance contributed positively to the company's overall growth trajectory.

Air Conditioning Segment: Both Indoor Unit (IDU) and Outdoor Unit (ODU) segments witnessed growth, with strong projections for the upcoming year. The company plans to increase ODU capacity by 20% to meet the escalating demand.

Expansion into New Categories: Virtuoso Optoelectronics Ltd successfully entered the water dispenser segment, along with initiating exports. Additionally, the company commissioned a commercial refrigerator unit, which is expected to contribute to revenue from Q4 onwards.

Capex Initiatives: The company is strategically expanding its manufacturing capabilities by establishing a unit in Chennai for manufacturing AC components. The targeted capex for FY25 amounts to INR 600 million, inclusive of the Chennai facility.

Growth Projections: Virtuoso Optoelectronics Ltd aims to sustain a growth rate of 40-50% over the next couple of years, driven by expansion into segments like commercial refrigeration and water dispensers. The company anticipates an 8.5-9.5% EBITDA margin.

Exploring New Opportunities

The company is exploring opportunities in the washing machine segment and is open to participating in the upcoming PLI schemes for toys and ACs. Additionally, it is considering transitioning to straight-line depreciation to potentially enhance PAT margins.

## Future Outlook and Expansion Plans

With a strong pipeline of products and a focus on customer diversification, Virtuoso Optoelectronics Ltd expects robust growth across its segments. The company foresees substantial growth in the commercial refrigeration segment, aiming for a significant increase in its topline over the next few years.

## Financial Projections

The company anticipates a notable increase in topline from the commercial refrigeration segment, aiming for a 150-200% growth next year. Furthermore, it expects the water dispenser category to contribute significantly to its revenue over the next two years.

## Operational Efficiency and Working Capital Management

Virtuoso Optoelectronics Ltd aims to optimize its working capital and increase borrowings marginally in the coming year. The company is focused on enhancing operational efficiency to support its growth trajectory.

## Market Dynamics and Demand Trends

The company foresees high demand for semi-automatic entry-level washing machines, driven by preferences for local manufacturing to mitigate logistical challenges. Leveraging its strategic location, Virtuoso Optoelectronics Ltd aims to capitalize on this segment effectively.

## PLI Benefits and Depreciation Strategy

The company has accrued PLI benefits on an accrual basis, with a portion already received. It is contemplating transitioning to straight-line depreciation to potentially enhance PAT margins.

## Competitive Landscape and Customer Base

Virtuoso Optoelectronics Ltd boasts a diversified customer base, with plans to expand into new customer segments. The company aims to maintain a competitive edge through innovation and strategic partnerships.

## Overall Market Position and June Quarter Expectations

Despite market challenges, Virtuoso Optoelectronics Ltd anticipates a better performance in the June quarter compared to the previous year. The company remains optimistic about its growth prospects and market positioning

**ICE Make Refrigeration Ltd-Q4FY24 Concall KTAs**
**CMP: INR 712 |Market Cap: INR 11,241 Mn**

**Outlook**

**The company is aiming to reach INR 5,000 Mn revenue in FY25. This plan aligns with India's cold chain market projections, which estimate growth to INR 50,60,000 Mn by 2028 at a CAGR of 18.25%. The company's strategy focuses on premium verticals, contributing up to 75% of sales, and introducing new product lines like continuous panels and chase freezers. IceMaker is also exploring geographical expansion in North India and considering entry into sectors such as data center cooling. The company's current order book and capacity expansion plans suggest potential for growth, but the actual performance will depend on various factors including market dynamics, successful product launches, and effective cost management.**

**Financial Performance**

- The FY24 revenue stands at INR 3,791.4 Mn, YoY growth of 20.95% and the Q4FY24 revenue stands at INR 1,401.4 Mn, YoY growth of 22.61%.
- The FY24 EBITDA stood at INR 413.9 Mn, and at INR 209.3 Mn in Q4FY24.
- The FY24 PAT stood at INR 261.4 Mn, up by 25.64% YoY and at INR 142.7 Mn, up by 65.23% YoY in Q4FY24.
- The BOD of the company has recommended a dividend of INR 2 per share for FY24.

**Order Book and Industry Mix**

- The company records over INR 1,220 Mn of orders on hand, including INR 300 Mn from ammonia vertical.
- The company has received substantial orders from Haldiram, Bikanerwala, and Amul Group Federation Unions.
- Industry mix of the company can be summarized as 30-40% dairy, 15-20% each from food processing, hospitality, pharma, and chemical, 3-5% e-commerce, 5% logistics.
- Premium verticals of the company; cold room and commercial, industrial contribute up to 75% in sales.

**Capacity Utilization and Expansion**

- Current capacity utilization of the company is at 80%, up from 70% last year and the current capacity can support a top line of INR 4,500 Mn, excluding ammonia business.
- The company invested approximately INR 80-90 Mn in its Chennai plant expansion
- The Kolkata plant of the company contributed INR 9.07 Mn, and is expected to reach INR 100 Mn at full capacity.

**Strategic Initiatives**

- The focus is on expanding the product portfolio and enhancing market presence.
- There is a plan for timely launch of innovative products and capacity expansion.
- New product lines such as Continuous Stock Panel, Chase Fridges, and Chennai plant expansion are in the pipeline.
- The company is targeting premium verticals like Cold Room, Commercial, and Industrial Refrigeration.
- There is strong demand for cooling and cold chain storage solutions, both domestically and internationally.

**Geographical Expansion and Client Base**
- The company has seen good growth in orders from various regions such as Southern, Eastern, and Northern zones.
- The company has a strong presence in the e-commerce and dark store solutions segment.
- The company has a major client for ammonia vertical projects and supplied to 20+ distributors for the new brand HOKO.

**Revenue Mix**
- In Q4 FY24, the revenue mix was as follows: Cold Room (43-44%), Industrial (3-4%), Commercial (19-20%), Vendor (10%), Ammonia (16%).
- In FY24, the revenue mix was as follows: Cold Room (47%), Industrial (4%), Commercial (20%), Vendor (9%), Ammonia (15%).

**New Product Development**
- The production of the Continuous Stock Panel is expected to start in early Q3FY25.
- The machinery for Chase Fridges has been ordered, and it is expected to be operational by October 2024.
- The construction of the Chennai plant is underway and is expected to be completed by the end of FY25.

**Other Highlights**
- The gross margin range for ammonia projects is around 28% (material cost around 70%).
- The project business provides higher margins due to operating leverage.

Arihant Capital Market Ltd.

**Aeroflex Industries Q4FY24 Concall Highlights**

**CMP: INR 143 | Market Cap: INR 18.5 Bn | Promoter: 66.99%**

Performance (Consol)

• Revenues came in at INR 777 Mn (+6.35% QoQ) (+11% YoY)

• EBITDA margins came in at 18.57% (Vs 18.89% QoQ) (26.74% YoY)

**Key Highlights from the call:**

• Red sea issues affected 15 days of sales in December (Q4) however, demand for products remain strong in traditional and new regions.

• The red sea issue impacted freight costs in parts of Dec, Jan and Feb which impacted the EBITDA margins. However improvement is seen in gross margins (due to improvement in product mix)

• Going ahead, also aim to expand in industries such as solar, robotics, semiconductors and EVs.

• Stainless steel price declined 22-25% in FY24.

• SS flexible hose market stood at US$ 3.5 Bn in FY24 (US$ 3.3 Bn in 2022). Company has 1-1.5% market share globally and 30-40% in Indian organized market.

• Globally, pipes has 51% share application wise whereas company's sales industry wise is largest in steel, Oil & Gas, refineries and firefighting.

• 84% of sales came from exports. Largest markets for the company are USA (North and South) and Europe.

• Europe contributed to 26% while USA contributed to 61%

• Sales in US is predominantly through OEMs and then directly to assemblers.

• China is not a competitor. Company has competitors in USA and Europe.

• Company is in the process of getting BSIR certification and verification to supply to different industries in India.

• Solar segment was recently started, company is developing specific hoses for solar segment (SS hoses)

• Project orders contributed to 20% of overall orders and remainder was from maintenance repairing (recurring orders). Lead time in project orders is 3 weeks to 1 month.

**Orient Electric Q4FY24 Concall Highlights**

**Orient Electric | CMP: INR 209 | Mcap: INR 4,455cr**

**Hyderabad Plant**

Commercial production of TPW fans from 6th May-24 in Hyderabad plant. The capacity would double the sales of fans. It would improve the market share in the southern market share.

In the Hyderabad plant, two lines of ceiling fans are under commissioning, and dispatch is expected by the end of May-24.

**EPR**

Extended Producer Responsibility (EPR) liability impacted the industry. The company made a provision of INR 19cr for EPR and expected INR 22cr of EPR provision in FY25E. The impact is around INR 20/fan whether INR 1,500-5,000 range fans or higher range.

**ECD**

Fans grew at 29% YoY & 15% YoY Q4FY24 & FY24 respectively and gained some market share.

Fans are expected to grow 15%-20% CAGR over the next few years.

Air cooler sales have been impacted due to untimely rains, and extended rains, and products are not sold on time. The season starts, while channels are occupied with last year's inventory.

**Switchgear**

Switchgear costs are higher due to European technology. The company has invested again in switchgear in the Noida plant to bring out more competitive switchgear. Switchgear margins are expected to improve going forward.

**Lighting**

Lightings are doing well, switchgears and wires would take some time.

Lighting price erosion came down in Q4FY24.

**Go to market**

The go-to market grew 46% YoY & 65% YoY in Q4FY24 & FY24 respectively. The company has decided to go direct to the markets and replace some of the legacy distributors. The company has established two more states in Q1FY24.

**Price**

The company has taken a price hike from Apr-24 onwards and pricing is linked to market dynamics.

The company does not want to play in the market by cutting prices to gain market share.

**Other highlights**

South market grew 33% YoY and accounted for a sales share of 32% in Q4FY24.

E-commerce grew 85% YoY and 75% YoY in Q4FY24 and FY24 respectively.

Large format store growth stood at 80% YoY & 13% YoY in Q4FY24 & FY24.

Direct-to-market sales share stood at 30% and General trade share stood at 30%.

**ABB Q1CY24 Concall Highlights**

**ABB | CMP: INR 7,950 | Mcap: INR 1,684.7bn**

**Outlook: ABB has witnessed strong large orders from railways, data centers, and process automation industries. The data center investments are doubling up and strong traction will continue. Strong demand witnessed for propulsion technology for railways and electrification for metros. The company is operating in 23 segments in various cities and is focused on expanding to Tier 3, 4, and 5 cities. We have a positive outlook on the stock.**

**Order book**

The order book stood at INR 89.35bn (+25% YoY/+6% QoQ) in Q1CY24.

The order inflows stood at INR 36,070mn (+15.4% YoY/+14.6% QoQ) in Q1CY24. Large orders were received from the data center and base order momentum continued.

Large orders are coming from Railways, data centers, and process automation industries.

**High growth areas**

Data centers, Railways & Metros, and Electronics are growing more than 15%+ and remain high growth-focused areas.

**Data centers**

The data center is a fast-moving market and accelerating. The investments are doubling and the trend will continue.

Data centers are highly localized at company levels.

**Capital allocation**

In capital allocation, 30%-35% for net-working capital, and some portion for organic/in-organic options to expand the portfolio.

**Exports**

Exports revenue share is expected to be 5%-10% of sales. Domestic demand remains strong.

**Electrification**

Electrification order inflow stood at INR 17.91bn (+34.2% YoY/+72.7% QoQ) in Q1CY24 led by data centers, and smart buildings. The expansion in Tier 2/3 and OEMs remains robust.
The electrification order book stood at INR 24.68bn (+29% YoY) in Q1CY24.
In Transports, strong demand for propulsion technology for railways and electrification for metros.

**Motion**

Motion order inflow stood at INR 11.81bn (-2.9% YoY/-15.6% QoQ) in Q1CY24 due to delay in system orders and pricing pressure on standard products.

Motion order book stood at INR 36.75bn (+57% YoY) in Q1CY24.

Around 15%-20% of motors are using the drive. The market will increase based on the increase in penetration.

The company is increasing the bar to IE3 and IE4 as the minimum efficiency levels.

**Process Automation**

Process Automation order inflow stood at INR 5.41bn (+16.8% YoY/-22.2% QoQ) in Q1CY24 led by metal, power, and logistics.

Process automation order book stood at INR 26.86bn (-0.2% YoY) in Q1CY24.

**Robotics**

Robotics and discrete automation order inflow stood at INR 1.52bn (-2.6% YoY/+166.7% QoQ) in Q1CY24 led by the automotive and electronics sector.

Robotics and discrete automation order book stood at INR 2.26bn (-28% YoY) in Q1CY24.

Robotics is expected to replace cost advantage over developed economics by 4%-5% over the next 10 years.

**Capex**

The company has invested INR 1.8-2bn for expansion in the last 2 years and continues to invest for expansion going forward. The incremental capacity is expected in RA, PA, and MO.

Private capex remains strong in data center, automation, Industrial automation, metals & mining, and PLI-led capex.

**Cost savings**

Raw material cost in terms of sales stood at 59.8% (-390bps YoY/-340bps QoQ) in Q1CY24 led by higher service and exports, Localization, SCM savings, and better margin order execution.

**Other highlights**

ABB India growth stood at 15% YoY from 3rd party customers in India compared to 5% YoY on ABB group levels. ABB India performed relatively better than group levels.

The company has 23 segments in various cities. Tier 3,4,5 cities are picking up and long way to go.

Cautiously optimistic on short term and moderation is expected in large capex and channel spend.

Strong market uptake for distribution solutions and smart power.

**Pitti Engineering Ltd Q4FY24 Concall Highlights**

**Pitti Engineering | CMP: INR 878 | Mcap: INR 2,815cr**

**Volumes**

Pitti Engineering’s volumes stood at 42,305 MT in FY24 and are expected 48,000 MT in FY25E. Around 45,000 tonnes from Pitti Engineering and 3,000 MT are expected from Pitti Castings.

Around 54,000 MT and 58,000 MT of volumes are expected in FY26E and FY27E respectively.

Bagadia Chaitra Industries' volumes stood at 14,000 MT in FY24. The company is targeting 16,000 MT in FY25E.

The overall volumes are expected 80,000 MT in FY27E, including Pitti Engineering, Castings, and Bagadia Chaitra Industries.

**Realization**

Pitti Engineering's EBITDA per tonne is stood at INR 42,008 in FY24 and expected to reach INR 45,000 in FY25E. EBITDA per tonne is expected to reach INR 48,000 due to economies of scale and better operating leverage.

The EBITDA per tonne realization stood at INR 10,500 in FY24 and expected INR 18,000 at the end of the entire process (18 months).

**Bagadia Chaitra Industries**

Bagadia Chaitra Industries revenue stood at INR 250cr and EBITDA stood at INR 14.5cr in FY24. Margin improvement is expected from Q2FY25E onwards based on utilization and raw material management between Pitti Engineering and Bagadia Chaitra Industries.

**Order book**

The order book stood at INR 800cr as of Q4FY24. Around 25%-30% of order books are from exports and the remaining from domestic. Around INR 200cr of the order book is executable for more than 1 year and the remaining is executable in less than 1 year.

**Capex**

The sheet metal capacity is expected to increase from 56,000 MT to 72,000 MT by Sep-24. The machine hours are expected to increase from 4.6 lakh hours to 6 lakhs hours going forward.

**Incentives**

The company has received an incentive of INR 30.45cr in Q4FY24. The incentives are expected INR 30cr per annum in FY25E and FY26E.

The current capex for the next 2 years is also eligible for incentives. The incentives are expected INR 300cr to INR 350cr over the next 9 years which starts from FY27E.

**Fundraising**

The board has approved INR 360cr fundraising. The funds will be used for growth and debt repayments. The company is focused to be net debt zero over the next 2-3 years.

**Railways**

Railways business revenue stood at INR 500cr (~40% of sales) in FY24. Domestic revenue stood at INR 125cr and the remaining was from exports. Exports are expected to be flat and domestic is expected to grow more than 100% over the next 2-3 years.

The company is supplying OEMs like Wabtec, Alstom, Bombardier, etc. In direct supplies, the company is in the field trial stage and expected to be completed in Oct-24 and will start bidding for tenders in Indian railways.

**Exports**

The export markets remain strong in Europe and the US. The company supplies to clients and they export to their parents.

**Components**

In the components business, the topline is expected INR 500-700cr in FY27E. Around INR 200cr revenue is expected from non-motor and INR 300cr revenue is expected from motors.

Components revenue stood at INR 270cr in FY24. Non-motor revenue stood at INR 90cr and INR 180cr from motors and generators.

Non-motor revenue is expected to reach from INR 90cr (FY24) to INR 200cr over the next 2 years.

**Pitti Casting**

Pitti castings merger is expected going forward.

Pitti casting business's gross margin is around 45%.

**EV**

Most of the EV motors are imported from China. The localization will give opportunity for the company.

**Working capital**

The big change in working capital is due to a change in procurement strategy. Earlier, the procurement from vendors was on a calendar year basis, and currently, on a financial year basis. Most of the procurement through cash and carry basis.

### Current and Non-current assets

The current asset stood at INR 115cr in FY24. Out of this INR 48cr accounted for incentives and yet to receive from the government. The remaining are GST and others.

The other current asset stood at INR 64cr in FY24. Out of this INR 62cr for capital advances which is deposited with government bodies and it will come down once capex is done.

### Other highlights

The company witnessed traction in railways, renewables, and other end-user segments. Railways are continuously outperforming well in domestic and international markets.

Plain vanilla machining revenue stood at INR 90cr. Machining business gross margins are around 45%-50%.

In machining, railway margins are lower compared to OEM.

The top 5 clients' revenue share is around 60% in FY24.

Net debt stood at INR 428cr in FY24.

**IFB Industries Ltd | Q4FY24 Concall KTAs**

**CMP-INR 1,307 M.Cap-INR 52,950mn**

**IFB recorded stellar performance this quarter. It has plans to acquire company for inorganic growth opportunities. It plans to sell 490k ACs this year and 650k refrigerators. Company is making efforts to reduce its fixed cost and impact of material cost reduction to be seen in next 2 qtrs. Company is launching a whole new range of washing machines. We believe with the growing demand for company's core product, IFB is poised for significant growth.**

**Financials**

**Q4**

Total revenue stood at INR 10,670mn(+7.3%YoY) with EBITDA of INR 540mn(+44.9%YoY) led be decline in material cost, and margin of 5.1%(+132bps YoY). Net profit margin of 1.3%(+206bps YoY) with EPS of INR 3.42.

**FY24**

Total revenue stood at INR 43,440mn(+5%YoY) with EBITDA of INR 2,400mn(+31%YoY) and margin of 5.53%(+110bps YoY). Net profit margin at 1.59%(+117bps YoY) with EPS of INR 17(+12.75 YoY). Receivables stood at INR 43,100mn and inventory of INR 5,360mn. Accounts payable at INR 9620mn. RONW at 11.2%.

-On cost reduction initiatives , material and fixed cost reduction, material is on track as per internal plan and there is a visible reduction in material cost YoY. Fixed cost reduction work is WIP.

-In AC, the impact of reduction of material cost was not visible in this qtr, since raw material has pipeline of around 90 days, and hence the impact of reduction in material cost to be seen in results of Q1andQ2.

-To achieve double digit margin s in appliances,

**2 things will have to be done-**

first one, being material cost which is being reduced, second is, fixed cost reduction which the co. is working on for 2qtrs now. Impact to be seen in next 2qtrs.

-Increased volume target for Ac from 400k now revised to 490k for FY'25. Growth to come from brand sales and not much from OEM sales.

-To reach breakeven , 35k-37k refrigerators a month will have to be done and co. is working on plans to reach healthy level of 50k refrigerators a month.

-85,786 branded ac sold and 4822 ac sold to OEM in Q4 . For Fy'24, 199,168 branded ac and 42,256 ac sold to OEM.

-More than 100k+ ACs have been already sold in months of April and May.

-Major issue faced in AC, was that the co. did not foresee such a jump in demand. Co. also wanted to streamline creditor repayment. Compressors are imported which also ran short during peak demand. They also ran short in April and may, otherwise they could have done way better.

-for refrigeration, it was the first season where Co.'s presence was much broader than before which is a positive sign.

-Co. looking at 7-8 companies to explore opportunities of inorganic growth . Size of minimum of INR 3,000mn and upwards. Prospective companies also have operations in segments which co. is not currently active in, but is interested to enter. It will not go for any M&A activity until it's cash reserves reach INR 5,000mn.

-They have a capacity of 500k ACs and was running at 100% capacity in April but could not in may due to supply issues.

For refrigeration, co. has 1mn and 10-20% more can be achieved with debottlenecking efforts. Target to sell 6.5lakh refrigerators.

-Co. plans to make 15% of AC and Refrigerator sales through its IFB points.

-Co. is not happy with washer sales and is internally working to ensure that sales rise. Market de-grew last year according to data while the company is gaining market share.

-IFB is in front load and top load and always faces competitive intensity. From this qtr onwards, new range introduction is being done with more features and better tech. Opportunity in 2 areas with 9-10kg category expanding more and with new range company hopes to better its performance.

**Electronics Mart India Ltd Q4FY24 Concall Highlights**

**CMP: INR 212 | Mcap: INR 81.62Bn**

**Company is aiming for 30+ new stores in FY25, with 10 opening in the Q1 FY25.**

**Company is also aiming for SSG target of 9-10% for existing stores and 15% plus blended growth including new stores.**

**Company's focus area is increasing mobile phone penetration, expanding into built-in kitchen appliances, and enhancing store productivity.**

**Company expects to sustain margin growth in FY25 with antiparticipation of similar levels of margins to FY24.**

**Financial Performance**

* Revenue for quarter stood at INR 1,524cr, up 15% YoY and INR 6,285cr, up 15% YoY for FY24.

* EBITDA for quarter stood at INR 108cr, up 18% YoY and for FY24 stood at INR 449cr, up 34% YoY. With EBITDA margin of 7.1% vs 6.8% in Q4 FY23 and 7.2% for FY24 vs 6.2% in FY23.

* PAT for quarter stood at INR 41cr, up 12% YoY and INR 184cr for FY24 up 50% YoY.

* Same store sales growth (SSSG) stood at 8.4%.

**Other key Highlights**

- Company added 33 new MBOs and 1 EBO in FY24 with total store count of 160, 147 MBOs and 13 EBO.

- Company is actively focusing on regions like Andhra Pradesh, Telangana, and Delhi NCR region and also continue in existing markets.

- Large appliance contributed 45% to total revenue and followed by mobiles which stood at 42%.

- New 6 MBOs are showing low productivity as its initial stage and store opened in march only.

- Company is utilizing self-competition to penetrate new markets and customer segments.

- Margin expansion in Delhi NCR is lower than historical margins due to high initial investment in property acquisition.

- Small appliances experienced degrowth in Q4 due to a temporary sales halt but are expected to return to growth.

- There are higher inventory levels due to stocking for the seasonal and upcoming festive season.
- Company expects working capital to be managed effectively through internal accruals and IPO proceeds.

**PG Electroplast Q4FY24 Concall Highlights**

**PG Electroplast | CMP: INR 2,502 | Mcap: INR 65.12bn**

**Outlook: PG Electroplast revenue is expected to be INR 40bn (+46% YoY) and margins are expected to be 10%-11% in FY25E. The capex is expected INR 3.7-3.8bn for incremental capacities which will drive the growth. PLI incentives are expected INR 400-500mn in FY25E and incentives are expected to continue over the next 10-12 years.**

**Revenue**

PG Electroplast revenue is expected INR 34bn and INR 6bn revenue from JV subsidiaries in FY25E. The revenue is expected to be INR 40bn in FY25E on group levels.

Washing machines, RAC, and Air coolers revenue stood at INR 16.68bn in FY24 and is expected to reach INR 24bn in FY25E.

**Margins**

EBITDA margins are expected to be 10%-11% in FY25E.

**PAT:** PAT is expected to be INR 2bn in FY25E.

**Capex**

The capex is expected to be INR 3.7-3.8bn in FY25E, out of this INR 1.7bn for land and building. Around 90% of funding is from internal accruals.

The company is planning to expand RAC capacity by setting up a new integrated unit in Rajasthan.

The company is expanding capacity from 1.2mn to 2mn units in the new green field facility in Noida.

The company has acquired 8.5 acres of land in Bhiwadi and 12 acres in Noida. The company is building 4.5 lakh sq. ft of construction for capacity expansion.

**AC**

AC revenue stood at INR 13.17bn (+25% YoY) in FY24 and is expected to grow 35%-40% in FY25E.

AC penetration stood at 7%-8% and washing machine penetration stood at 13%.

The industry is expected to grow 15%-20% going forward.

80%-85% of AC revenues from brands and 15%-17% from private levels.

Outdoor unit volume growth stood at 51% YoY in FY24.

**TV**

TV business accounts for 10% of sales. The volume stood at 3-3.5 lakh units.

The company has invested INR 60mn in the TV JV business and is expected to invest INR 60mn.

Washing machines

In Washing machines, brands are 65% and private labels are 35%.

Washing machine volume growth stood at 24%.

**PLI**

The company has received PLI of INR 150mn in FY24 and expected INR 400-500mn in FY25E. The incentives are expected to continue over the next 10-12 years.

**Moldings**

The plastic molding margin stood at 7.5%, business electronics margin stood at 2%.

Plastic molding and components are expected to grow 10%-15% in FY25E.

**Other highlights**

ASP in the RAC, washing machines, and coolers came down significantly due to lower commodity prices in Q4FY24.

ESOP expenses stood at INR 155mn.

The company has started supplying PCB assembly.

Pre-tax ROC is expected to be 20% going forward.

**Voltas Q4FY24 Concall Highlights**
**Voltas | CMP: INR 1,319 | Mcap: INR 43,661cr**

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Revenue
The commercial refrigeration revenue stood at INR 1,000cr, Commercial AC revenue stood at INR 1,300cr, and the remaining INR 5,860cr from RAC in FY24.

Margins
RAC margin stood at 9.2% in Q4FY24. The company is focused on maintaining a high single-digit margin going forward.

Market share
RAC's market share stood at 18.7% as of Q4FY24.

Voltas Beko targeting a 10% market share along with breakeven.

Refrigerator market share stood at 5.3% in Q4FY24. The washing machine market share stood at 8.5%, and the semi-automatic machine market share stood at 15%.

Capex
The Chennai factory capex is around INR 500cr and ~50% is already capital work-in-progress and the remaining will be in FY25E.

The Waghodia plant capex is expected INR 200cr to INR 250cr in FY25E and the Chennai plant capex is expected INR 220-230cr in FY25E. Overall capex is around INR 500-550cr in FY25E.

Capacity
The company acquired a land parcel of 150 acres in Chennai for Capex earlier. The plant is expected to operationalize by the end of this month. Around 1mn capacity is expected in FY25E and will move to 2mn capacity in FY26E.

In the Waghodia plant, the capacity stood at 1.3-1.5mn capacity and is expected to reach 2.3-2.5mn capacity.
Overall, the company is focused on increasing 3-3.5mn capacity over the next 2-3 years.

Voltas Beko
Voltbeko revenue stood at INR 1,585cr (+45.6% YoY) in FY24.

Voltas Beko has achieved 5mn volumes in appliances in FY24. The volume growth stood at 50% YoY in FY24.

In Voltbeko, the company has more than 12,500 channel partners.

Strong market share growth in Refrigerators, Washing Machines, and semi-automatic table-top dishwashers.

UCP

In primary sales, the company has achieved 2mn AC units in FY24. There is a lag in secondary sales reportingThe company has a presence of more than 325 exclusive outlets and 26,000 channel partners.

The AC volume growth stood at 35% & 72% in FY24 and Q4FY24 respectively. The growth is majorly led by a strong distribution network, innovative new launches, and demand for cooling products.

Split AC category share increased to 80% due to portfolio expansion, newer SKUs designed in-house, and competitive pricing.

Strong demand was witnessed for premium products like 4 & 5-star rated products.

The commercial refrigeration industry witnessed lower traction due to reduced investment by brands, especially from the chocolate side. The channel push and demand for cold beverages and ice creams will improve the business going forward.

Consumer-centric finance schemes have increased the sales in FY24.

An increase in profitability and USD-INR depreciation have impacted the profitability.

The company is doing capex in Chennai and Waghodia plants to cater to south and west markets.

Electro-Mechanical projects

In Electromechanical products, domestic business grew 38% YoY & 73% YoY in Q4FY24 and Fy24 respectively.

In international business, Saudi performance remains good.

In Qatar projects, the unreasonable delays on receivables and prolonged execution timelines led to provisioning which impacted profitability.

Order book

The domestic business order book stood at INR 5,024cr as of Q4FY24.

International order book stood at INR 3,030cr, largely from UAE and Saudi Arabia.

The order book stood at INR 8,054cr (+8.6% YoY) as of Q4FY24.

Engineering products and services

In Engineering products and services, Mining & Construction equipment witnessed strong growth however, margins remain under pressure.

The textile market remains sluggish and subdued export demand for yarn. It has impacted the utilization levels of spinners. However, the company has achieved growth due to a healthy order book and focus on After sales.

**Timken Indian-Q4FY24 Concall KTAs**
**CMP INR 3,409| Market Cap INR 256,424 Mn**

**Sales performance is led by the product mix and meeting customer demand for steady growth. Overall, we believe that the company's performance will continue to improve, led by government support and increasing demand for railways**

Financial
Revenue grew by 46% QoQ/12% YoY to 9085 Mn in Q4FY24
EBITDA margins 22.05% against 19.03% expanded by 302bps YoY.
PAT stood at INR 141 Mn grew by 35% YoY

Concall KTAs

FY25 Capex: 4000 Mn+ to improve infrastructure, emphasizing railways and electrification; CAPEX varies yearly;master plan prioritizes railways and electrification in infrastructure development.

Revenue Mix: Rail 34%, Mobile 17%, Distribution 19%, Process Industry 17%, Exports 14%. In FY24 Rail 23%, Mobile 20%, Distribution 18%, Process Industry 19%, Exports 20%. Rail increased from 17% to 23%, while exports decreased from 28% to 20%. Exports constituted ~20% of Q4 revenue.

Export
Heavy truck exports are strong in South America for rail, while North America's heavy truck market is soft with continued softness expected in the short to medium term, compounded by election yr uncertainty

Domestic Rail markets perform well, Australia remains flat, ASEAN markets are stable to low, China experiences a downturn except for wind industries; pockets of resilience include South America and India, with no major growth expected akin to India's in the near term.

Railway:
India's rail market shows sustained buoyancy driven by increased wagon construction, Bharat initiatives, metro expansions, and locomotive projects, ensuring continual growth and expansion in the sector for years to come.

Freight, with its substantial base, is experiencing growth, while metro, albeit growing, has a comparatively smaller base, and electrification drives locomotive and Vande Bharat passenger segments, following wagon consumption as the 2nd largest base.

Industry
Company's low per capita steel consumption compared to other countries suggests potential for demand growth; anticipates sustained demand driven by increased production needs and incline mania; plans to capitalize on demand surge while staying customer-centric.

Scrapage Policy

Timken Indian aims to serve strategic domestic customers while exporting 25% to 30% of its total output; anticipates increased demand for heavy trucks if the government implements scrappage policies for 15-year-old vehicles.

Price

The company collaborates with customers to boost price realization, focusing on maintaining strong pricing despite softening metal prices and recognizing that pricing is not solely determined by steel prices.

CRB and SRB mix primarily targets domestic consumption, with a strong presence in India and growing markets in ASEAN and Australia, prioritizing domestic sales while considering expansion into export markets, leveraging existing relationships in metal handling, cement, and power sectors.

New Products

The company has been focused on new product development, including a heavy-duty truck, while relentlessly collaborating with customers on price realization.

**Inox India Ltd | Q4FY24 Concall KTAs**
**CMP- INR 1288 | M.Cap- INR 116,900mn**

**INOX India has recorded its highest ever income and export revenue. It has commissioned its plant at Savli and is expected to generate INR 1,000mn of revenue in FY25. Margins to remain between 21-25% and is confident of growing by 25% annually. It has signed an MoU with Adani Total Gas for LNG coiling stations and has become a preferred partner. Inox India is expecting several big projects to be finalised in LNG segment in Q1/2FY25 and has capex plans of INR 1,000mn from internal accruals. Given the growing shift to hydrogen fuel for vehicles and government push for adaption, we have a positive outlook on the company and would recommend to buy it.**

Financials
Q4
Total income stood at INR 2873.2mn(-2.66%QoQ) with EBITDA of INR 644.2mn(-9.81%QoQ) and margin of 22.42%(-178bps QoQ). PAT stood at INR 440.8mn(-9.29%QoQ) and margin of 15.34%(-112bps QoQ).

FY24
Highest ever total income stood at INR 11624.9mn(+17.89%YoY) with EBITDA of INR 2815.9mn(+25.41%YoY)and margin of 24.22%(+145bps YoY). PAT stood at INR 1960mn(+26.67%YoY) and margin of 16.86%(+117bps YoY).

-Highest ever export revenue of INR 6,410mn(+44%YoY)

Net cash of INR 2580mnn after INR 1000mn capex.

Key developments
-Successfully commissioned the new plant at Savli, Gujarat, in a record time of six months, and has started receiving orders from various global customers. Management is confident to generate INR 1,000mn of revenue from this plant in FY25

-New products developed for hydrogen helium and LNG markets.

-Order backlog INR 10870mn as on FY24, with 55% orders from industrial gas, 20% orders from LNG, and balance 25 orders from cryo-scientific division. FY24, order inflow of INR 11,930mn(+14%YoY).

-Company participated in public sector tenders which are at various stage of awarding.

-In Aug'23, company signed an MOU with Adani Total Gas to strengthen LNG ecosystem in India

-Disposable cylinder and stainless steel containers at new plant have a very less lead time. That means it takes 4-6 weeks from the time order received to product dispatch.

-Company is expecting several big projects to be finalized in LNG in Q1-Q2FY25 which couldn't be finalised previous qtr.

-Order booking for disposable cylinders will be stronger now since competitors have got ~8% of anti-dumping whereas for INOX it is 0%. Revenue from this is expected to reach INR 1,500-1,600mn inFY25 (vs INR 980mn FY24).

-Decrease in EBITDA margins can be contributed to order mix and not any seasonal weakness.  Margins to remain in the range of 21-24%.

-Around 200,000 cylinders are expected to be dispatched this year amounting to INR 800-1,000mn revenue.

-Capex of INR 1,000mn for FY25 out of internal accruals.

**Electrosteel Casting Q4FY24 Concall Highlights**
**CMP: INR 166 | Market Cap: INR 98.5 Bn | Promoter: 46.21%**

[Arihant Capital]

Performance (Consol)
•Revenues came in at INR 20.4 Bn (+7.7% QoQ) (+6.8% YoY)
•EBITDA margins 15.55% (Vs 21.7% QoQ) (Vs 10.3% YoY)

Key Highlights of the call
•Realisation stood at INR 74,000-75,000 per tonne for FY24
•EBITDA per tonne for Q4 stood at INR 15,881. Volumes for Q4 stood at 192,000 tonnes and 750,000 for FY24
•Company incurred INR 600 Mn of maintenance capex at one of its plant which was shut for 53 days during the quarter
•Gross debt stood at INR 20.1 Bn and Net debt at INR 15.23 Bn
•Capacity at end of FY25 will reach 900,000 tonnes and company will do volumes of 850,000 in FY25. For FY26, volumes will be 900,000 tonnes and 1,000,000 in FY27
•Company is going to spend INR 640 Mn at Kalahasti plant to add 100,000 tonnes in capacity which will take total capacity to 1 Mn tonnes.
•Company has also announced acquisition of 500 acres of land in Orissa where they will set up future plants. To put in perspective, company has 550,000 tonnes of its capacity in Shrikalahasti which is 350 acres of area and not even 100% utilised.
•Benefit of land in Orissa is that all the RM is available within 100 Kms of distance. Also the government is very cooperative (as per the company)
•Cost of land acquisition not disclosed. Deal to be completed in 15 days, company will make a formal announcement then.
•Current industry capacity close to 4.8 Mn tonnes and will be taken to 5.7 Mn tonnes by end of FY25
•Current orderbook stands at 600,000 tonnes worth INR 45 Bn which will be executed in 9-10 months
•Inventory of coking coal worth 3-4 months (imported from Australia)
•Coal block case next hearing on 25th May
•High tax reversal is due to high court order of reversal of earlier provision
•Other financial liabilities of INR 2.52 Bn was of the case that company won against the railways and the railways were told to deposit the same in the bank
•JJM, out of total 3.6 trillion, 3.11 Tn is completed. Company expects the budget to be extended and the current budget to have JJM allocation of more than 500 Bn
•Company aims to be long term debt free by end of FY25 but will have to again take debt for capex at Orissa
•Company had INR 300 Mn of cost increase in RM and fuel surcharge of INR 140 Mn which led to lower EBITDA margins.

**Outlook: Company has large capex plans, current plan is to take the capacity to 1 Mn tonnes (excluding the Orissa land deal). The Orissa land deal is a big positive for the company, however, company will also have to work actively to bring down the debt. At CMP, company trades 9.65x FY24 EV/EBITDA**

**Sterling tools- Q4FY24 Concall KTAs**
**CMP INR 366 |Market Cap INR 13,172 Mn**

**Company is optimistic about the future growth of company & industry as believes that focus on innovative customer service and operational excellence will continue to drive growth and profitability in FY25. EBITDA margin targeted 8-10% for the FY25 in SGEM (JV) & overall Margin targeted 12%. In our view, we believe that the company will be going to outperform driven by the strong order book and large client base in PV & 2W space.**

Financial
Revenue stood at INR 2702 Mn grew by 27% YoY/15.4% QoQ
EBITDA stood at INR 338 Mn grew by 44.4% YoY/20.2%
EBITDA Margin 11.8% against 11% YoY & 12.0% QoQ
PAT grew by 108.9% YoY/19.9% QoQ; PAT Margin 6% , 3.7 YoY/5.8% QoQ

Concall KTAs
MoU
Company has entered into a MoU with South Korea's Yongan Electronics to establish an EV components facility in India. INR 20-25 cr investment in 1st phase without plant & equipment.
MoU, its a different product category called magnetic and it will add to the kitty in EV components and sub components. It will increase the price pack and value OEMs & tier 1 customers.

Capacity: Motor control; ramp up volume to meet the customer requirement and producing 2k per day and reach 6000 unit and debottleneck further and expansion largely in place so mostly finishing touch.  Fastener does not need capacity. Company target to reach revenue 750-800 Cr with the capacity and maintained capex.

Capex: Mostly goes in new business and INR 20-25 cr in JV business
Partnership will predominantly be for the automotive space to begin with and specifically the EV space for components like chargers, both on board and off road chargers, battery management systems.

Order
The orders for the Korean taking off from H2FY25 onwards till the latter half of this decade. On top of the korean ecosystem, korean OEMs, company is trying to add more customers which could be the indian OEMs, the Indian tier ones, the MNC's present in India. So then, company wants to mention INR 2000 Mn potential.

Fastener
Order visibility for the Korean customers. No. Therefore, that is factoring in not just the Korean ecosystem but also the market size of the Indian OEMs.

Segments

•CV has been probably slightly negative.

•Farm equipment has been negative. John Deere is ~30% negative in revenue and Mahindra is ~11% negative in volumes as well. Therefore, it's a combination of things, some aspects customer portfolio needs some strengthening and at the same time weakening in some of the customer segments in FY24.

•2w segment (21% revenue) up 8% in volume. In 2W, company added HMSI 18 month ago which is showing good growth.

•PV (7% revenue), company has all big OEMs like Maruti, Suzuki primarily, and Mahindra Automotive division. In FY23 signed some business with Hyundai but revenue visibility in FY25-26.

•Revenue mix: In FY24 PV is of 27%, 2w is of 24%, CV 22%, Retail 13% aftermarket 12%, and export 2%.

•LCV & Pickup trucks: 700,000unit market overall in a total category and it is also expected to see the highest penetration

**Nelcast Ltd – Q4FY24 Concall KTAs**
**CMP: INR 143 | Market Cap: INR 12,480 Mn**

**Outlook**

**For FY25, the company anticipates its revenue to reach approximately INR 18,000 Mn, reflecting a substantial increase of about 40% over the span of two years (FY24 and FY25). Strong growth is expected in the export segment, propelled by the introduction of new products and heightened volumes of existing offerings, notwithstanding projections of a 10-15% decline in the US commercial vehicle market. The management is confident that the installation of holding furnaces at the GUDU facility and the ongoing modernization project at the Pune plant will enhance production efficiencies and productivity, potentially resulting in margin improvements. The company aims to achieve an EBITDA margin of Rs. 15-16 per kg in the next couple of years, compared to the current level of around Rs. 12.5 per kg in FY24.**

Financial Highlights

•Revenue stood at INR 2,992 Mn in Q4FY24 down by 5.07% YoY & INR 12,812 Mn in FY24 up by 0.09% YoY.

•EBITDA/KG was at INR 10.5 Kg in Q4FY24 up by 8.56% YoY with margins at 6.5% & INR 12.5 Kg in FY24 up by 10.05% YoY with margins at 8.32%.

•PAT was at INR 51 Mn in Q4FY24 up by 12.97% YoY with margins at 1.69% & INR 544 Mn in FY24 up by 82.98% YoY with margins at 4.25%.

•The company achieved a remarkable 40% CAGR over the last 7 years, culminating in FY24.

Segment Performance

•Exports grew by 20% YoY to INR 445 crores in FY24, driven by new product launches and increased volumes of existing offerings.

•The domestic medium and heavy commercial vehicle segment faced subdued demand, impacting overall revenue growth.

•The tractor market experienced a downturn in Q4FY24, but the company expects good traction in Q1FY25 due to normal seasonality.

•In FY24, the largest share of revenue was contributed by Medium and Heavy Commercial Vehicles (MNHCV) at 38.6%, followed by Exports at 35.4%, Tractors at 21.1%, Railways at 2.2%, and Off-Highway Equipment at 2.2%.

Capex and Expansion

•Nelcast launched a 1MW solar power plant at its  Pedapaiaya facility, demonstrating its commitment to sustainability and reducing carbon footprint. The company has a CWIP of INR 560 Mn, primarily related to a modernization project at the Ponneri plant and installation of additional holding furnaces at the Gopal facility.

•Nelcast aims to achieve 30% capacity utilization at its new plant in FY25, with the potential to break even at 40% utilization by the end of the year, subject to new product ramp-ups.

•The company plans to launch several new products targeting the North American and European markets, which are expected to drive export growth in the coming years.

## Market Outlook and Opportunities

•The U.S. commercial vehicle market is forecasted to experience a 10-15% downturn in FY25, but a strong rebound is expected in FY26 due to pre-buy effect ahead of legislative changes in January 2027.
•The company sees significant opportunities in the European market, as some casting companies have closed down, creating potential for capturing market share.
•They expect limited impact from the shift towards electric vehicles in the commercial vehicle and tractor segments.
•Strong GST collections by the government indicate potential for public investment in infrastructure, which could boost demand for commercial vehicles and construction equipment.

## Inventory Management

•The company made conscious efforts to reduce inventory levels in Q4FY24, leading to a drop in production from around 23,000 tons to 18,000 tons.
•Further inventory reduction efforts are planned in Q1FY25, with a goal to bring inventories down from the current level of INR 1900 Mn to around INR 1600-1700 Mn.

## New Product Launches

•Several new product launches are aimed at the North American region, as well as opportunities being explored in the European market.
•The company believes that new product launches will drive growth, despite some potential slowdown in existing products in FY25.

## Other Highlights

•Focus on increasing product diversity and geographic diversification to overcome cyclicality in the industry.
•Current capacity utilization at the Pedapaiaya facility is around 20%, with plans to increase it to 30% in FY25, driven by new product launches and ramp-ups.
•The company has long-standing relationships with customers, with some products being produced for 20-30 years, indicating strong customer retention and loyalty.

**Pyramid Technoplast Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 152 | Market Cap: INR 5,590 Mn**

**Outlook**

**The management is optimistic about the growth prospects in FY25 driven by capacity additions across product segments and an expected demand revival in the chemical industry. The company is targeting a 20% revenue growth in FY25 led by higher volumes. With raw material prices showing signs of stabilization after a sharp fall of INR 13/kg from the peak in FY24 which impacted margins by ~INR 460 Mn at revenue level, margins are expected to improve in FY25. The management is focused on maintaining a debt-free balance sheet with all capex being funded through internal accruals and cash generations.**

**Financial Performance**

- The FY24 revenue stands at INR 5,370 Mn, YoY growth of 11% and the Q4 FY24 revenue stands at INR 1,350 Mn, YoY growth of 9% and a QoQ growth of 4%.
- The FY24 EBITDA stands at INR 490 Mn, YoY decrease of 6% and the Q4 FY24 EBITDA stands at INR 130 Mn, a QoQ growth of 18%.
- The FY24 PAT stands at INR 290 Mn, a YoY decrease of 9% and the Q4 FY24 PAT stands at INR 70 Mn, a QoQ growth of 13%.

**Operational Highlights**

- Overall volume of the company grew by 19% YoY in FY24 driven by 21.1% growth in metal drums and 16.4% in HDPE drums.
- IBC sales volume of the company increased by a strong 27.2% YoY.
- Capacity utilization of the company fell 2.2% YoY to 73.1% in FY24 due to the new IBC unit being at 50% utilization initially.
- The commissioned Unit 7 - Line 1 for IBC production in July 2023 is currently operating at 50% utilization.

**Expansions & Capex**

- Increased MS drum capacity from 30,000 to 50,000 units per month at Unit 6 in Gujarat through automation.
- Targeting to reach 70,000 units per month by September 2024 and 90,000 units with further automation at Unit 6.
- The initially proposed Unit 8 will be merged with Unit 7 for better efficiency.
- Commenced civil work for a new plant in Wada, Maharashtra, with Phase 1 CAPEX estimated at INR 400-450 Mn..
- The Wada plant will be developed in three phases over 4-5 years, with a total CAPEX of INR 100 Mn and revenue potential of around INR 4,000 Mn.

**Product Mix & Competition**

- The revenue mix in FY24 of the company was Polymer Drums at 49%, IBC at 33%, Metal Drums at 9% and others at 10%.
- The management expects the IBC share to increase to 36-37% in FY25 led by volume growth.
- In metal drums, the current margins of the company are at 1-2% which are expected to improve to 12-13% with higher volumes.
- The capacity expansion targets for FY25 end may be summarized as Metal Drums at 10,650 MTPA, IBC at 366,000 units, Polymer Drums at 27,000 MTPA.
- Some accessories like ID plates are being manufactured in-house in the company to improve margins.

**Blue Star Q4FY24 Concall Highlights**
**Blue Star | CMP: INR 1,448 | Mcap: INR 298bn**

**Outlook: Blue Star is focused on growing 25% and cornering a 15% market share in FY25E. UCP margins are expected to reach 8.5% due to operational efficiencies, new launches, and rationalization. Consumer finance peaked at 55% and market share gain is coming from Tier 3,4,5 cities. We believe; the summer season would improve the sales in Q1FY25E. We have a positive outlook on the stock.**

**Arihant Capital Markets Ltd**

Revenue
The company has an internal growth target of 25% in FY25E.

UCP
Unitary product revenue growth is expected more than 20% and margins are expected 8%-8.5% in FY25E.

The company has maintained the No.1 position in conventional and inverted ducted air conditioning systems, scroll chillers, and 2nd position in VRF and screw chillers.

The new launch of inverter-speed air conditioners under flagship models like Duty AC, and Super Energy Efficient AC led to growth in Q4FY24.

The hot summer season would continue the momentum in Q1FY25.

Electro-mechanical projects and Commercial AC
Electro-mechanical projects and commercial AC growth is expected at ~25% and margins are expected at 7%-7.5% in FY25E.

In the Electro-mechanical projects business, Growth primarily comes from manufacturing and data centers. Slowdown witnessed in commercial building and infra projects and expected to pick up post-elections.

Commercial air conditioning demand is from industrial, healthcare, hospitality, retail, and educational institutions.
VRF Light has addressed the premium residential segment. The launch of centrifugal chillers witnessed inquiries.

Market share
RAC's market share stood at 13.75% in FY24. The company is targeting a 15% market share by FY25E.

Around 60% of market share gain comes from Tier 3,4,5 cities.

Price hike
There has been no price hike in Q4FY24 and Q1FY24.

Consumer Finance
Consumer finance stood at 55% of sales.

Order book
The carry-forward order book stood at INR 56.97bn (+12.3% YoY) in FY24.

Electro-mechanical project order book stood at INR 43.44bn (+11.6% YoY) in FY24.

Professional electronics and industrial
NDT business has grown due to making in India-related capacity expansion and the introduction of high-quality standards in the industry.

International orders
The company is executing some trial orders in the US and Europe and witnessed a slowdown. The orders are expected to be executed over 18 months. The US market is expected to pick up post-election. The company is majorly focused on decarbonization, energy efficiency, and improvement-related products.

Industry
RAC market size is around INR 240bn and the commercial refrigeration market share is INR 50bn.

RAC penetration level around 7%-8%.

Other highlights
The primary sales growth was estimated at 65%-70% and secondary sales at 70%-90% in Apr-24.

EPC EBITDA margins are around 4%-5% and moving higher due to manufacturing and servicing elements.

In B2B, marketing and institutional share exceeded 30%.

**Crompton Greaves Consumer Electricals Ltd | Q4FY24 Concall KTAs**
**CMP- INR 339 M.Cap- INR 218,210mn**

**Company has had a stellar quarter with highest ever revenue. Company as an industry wide phenomenon is facing issue in lighting segment due to price erosion in B2C. Company under Crompton 2.O has made significant stride with A&P spends up 49% which has resulted in increased market share. Company is experiencing increased traction in its premium fans segment and is focussed on scaling Butterfly business. We have a positive outlook on the company.**

Financials
Q4
Highest ever standalone revenue at INR 17,970mn(+12%YoY) with EBIT of INR 2,060mn(+14%YoY) and margins of 12.3%. ECD EBIT margins have consistently improved from 12.7% in Q1FY24 to 17.2% in Q4FY24.

FY24
Standalone revenue stood at INR 63,880mn(+10%YoY) led by strong performance in ECD segment with EBIT of INR 6230mn and margins of 9.8%. ECD EBIT margins have consistently improved in FY24 and strong lighting EBIT margin at 11.1%.

-Company has appointed Swetha Sagar as new Product line head for kitchen appliances, Butterfly who brings in 20 years of related experience.

-It was 3rd qtr of Crompton 2.O. which showcased robust Q4FY24 with 14% growth in ECD business. EBITDA margins went up from 10% to 12.5%. A&P spend up 49%. 14cr investment in Q4 towards EPR.

-Fans reported highest Q4 sales (+13%YoY), Appliance grew by 27%.

-1 out of 5 fans sold last year were of premium category, today it is 1 out of 4. Crossed milestone of selling 20mn fans p.a. Strong double digit growth for first time since pandemic. Gross margins on fans from 23% in Q1 to 25% in Q4.

-Co. entered a new area of business in Solar pumps last year. Q4 fresh order of INR 870mn, totalling it to INR 1220mn for FY24 . Air cooler grew 33%. Small domestic appliances grew 35%. INR 610mn of large domestic appliances sold. Profit profile in solar pumps is good as is the cashflow cycle. Money has been already realised for orders executed last year.

-Lighting is showing signs of stabilisation. Growth was flat but B2B shown robust growth. B2C has de-grown because of price erosion in lamp segment due to Chinese competition. Co. has stopped making conventional lamps in B2C portfolio.

-Focus is on A&P spends which was 3.14% of revenue, 1.1% higher than FY23. Steady flow of patents being granted. 85 design registration filed. 10 patents granted. INR 710mn incurred towards R&D.

-E-commerce channel sales crossed the milestone of more than INR 1,000mn. Rural channel grew by 20% while export channel also crossed INR 1,000mn.

Outlook
Q4 seen strong demand. Positive outlook. Company to take measured prices increase across product range.

Butterfly
Transition underway with strengthening of management. INR 1660mn revenue with EBITDA of -20crs. INR 12mn of EPR done. One off costs incurred from re-organisation efforts. Swetha Sagar intends to scale they business with innovation and right channel mix with efficiency building through consumer engagement.

-Agri pumps is an exciting opportunity in which co. has garnered 7-8% market share . Participation in KUSUM depends on profitability matrix of bids that come up.

-Market share has gone up in ceiling fans and gone up in premium segment of ceiling fans as well. Company will become No.1 player Geysers in e commerce.

-INR 152mn EPR on consolidated level in FY24.

-Premium fans are growing at 2x. Non ceiling fans category shows strong double digit growth.

**Everest Kanto Cylinder Ltd | Q4FY24 Concall KTAs**
**CMP INR 127 |Market Cap INR 14.19 Bn**

**Company expects volume to grow by 10-15% in FY25 across various geographies and revenue growth of 10-15% with margin to be in range of double digit. Company has a market share of 50% in CNG segment.**

Financials
•Revenue from operation stood at INR 3258 Mn in Q4FY24 (9.4% YoY). FY24 revenue stood at INR 12.23 Bn.
•EBITDA stood at INR 308 Mn, with EBITDA margin of 9.4% in Q4FY24, impacted due to lower realization and higher cost.
•PAT stood at INR 131 Mn in Q4FY24. FY24 PAT stood at INR 976 Mn. (28.6% YoY)
•India business stood at INR 2170 Mn (+ 20.3% YoY) while US business stood at INR 808 Mn (21.1% YoY) in Q4FY24.

Operating Highlights
•Interest cost decreased by 31% from INR 111 Mn to INR 76 Mn in FY24
•Product wise breakup: 51.1% CNG, 28.6% industrial, 15.7% Jumbo and 4.6% trading sales.
•The government's plans to expand green hydrogen usage across sectors like transportation, industry, and energy storage, combined with the rising demand for hydrogen-related infrastructure, will help company to enhance its market presence in the growing hydrogen market.

Other Highlights
•Volume grew by 18% YoY in FY24.
•Company has limited presence in PV segment and is actively working to add customers in coming years.
•Capacity utilization improved to 60% led by higher volumes in Q4FY24.
•Company saw drop in realization in both domestic as well as international market.
•Margins were impacted due to provision for CSR expense of INR 35 Mn and changes in product mix.
•In UAE, company faced delays in delivering products due to foreign exchange regulations, leading to inventory buildup and impacting realizations.
•Company get better pricing in raw material as they buy in bulk.
•Company to supply Bajaj Auto for it's CNG two wheelers where company has already made a few supplies.
•Company has supplied a buffer vessel for UAE's first high-speed green hydrogen refueling pilot station, these are project based order with better margins.
•Company to provide CNG in Nigeria where demand is on the rise. Company faces competition in global markerts, where chinese products are priced lower by 10-12% however company has advantage on better quality.

**Hyd-Air Engg:**

• Acquisition of Hyd-Air has added new products and assembly capacities to the company.

• Hyd-Air is manufacturer of Hydraulic Fittings, Fluid Connectors & Flanges while aeroflex makes Metallic Flexible Flow Solutions. Acquisition will help in reduction of production lead time

• Acquisition helping in entry in new segments such as railways, shipbuilding and heavy industries (clientele such as Mazgaon, SAIL, BHEL, etc)

• Acquisition cost of INR 172 Mn (through internal accruals)

Capex Plans:

• Flexible Hoses: Company completed Phase 1 capex increasing the total capacity from 11 Mn metres to 13.5 Mn metres. Company intends to complete phase 2 capex by Dec 2024 taking total capacity to 16.5 Mn metres.

• Composite Hoses: 3 operational lines manufacturing product sizes from 0.5 – 14 inches. Company plans to add 3 more for sized up to 20 inches by Q2FY25

• Assembly and fittings: Company had 21 welding stations and added 8 more in March 2024. Company plans to double this in next 2 years.

• Metal Bellows: Company to expand in 2 phases, Phase 1 to add 120,000 pieces by Dec 2024 and Phase 2 will be decided later but capacity to add is 180,000 pieces. Product diameter range from 25mm to 600mm

**Other Highlights:**

• Hoses volumes for FY24 stood at 11.87 Mn metres (+32.18% YoY) while composite hoses volumes stood at 18,424 metres. SS Flexible hose contributed 60% of total revenues, Assemblies and Fittings stood at 34% (VAP segment). Remainder by composite hoses.

• In Q4, 40% of sales was from fittings and assemblies segment. This segment has higher realisations and profitability. Higher contri in Q4 from fittings didn't reflect in EBITDA because the container issues persisted in Dec, Jan and Feb. The freight costs impacted margins although gross margins had increased.

• Some of the orders are on FOB basis and some are on CIF basis

• Total SKUs stood at 2400 Vs 1700 in FY23

• Dividend of INR 0.25 per share declared

• Introduced new products like metal bellows during the year.

Outlook: Going ahead, company aims to grow EBITDA at 25% and also reach EBITDA margins of 25% in the future. Company aims to grow the fittings portfolio from current 34% to 60-70% in 3 years. Q4 had fittings contribution of 40% while FY24 stood at 34%. Company is in the direction to grow the this to 60-70%. North America is the biggest market, aim to grow further there and expand in Middle East as well. Company also aims to expand application scope. Outlook for the company looks bright. At CMP, company trades 44.3x FY24EPS

**Carborundum Universal Q4FY24 Concall Highlights**
**Carborundum Universal | CMP: INR 1,516 | Mcap: INR 287.8bn**

**Outlook: The revenue growth is expected to be 9%-11% in FY25E. The margin improvement is expected to range from 20-100 bps in various segments in FY25E. Awuco and Rhodius are expected to be breakeven in FY25E. The Dronco asset acquisition is done and setting up the facility would take 2 years; the facility would bring additional revenue of INR 2.5-3bn going forward. The high-purity silicon carbide capex will lead to additional revenue going forward. We have a positive outlook on the stock.**

**Revenue**

Revenue growth is expected to be 9%-11% in FY25E. The revenue is expected to be INR 51-52bn.

**Abrasives**

- Abrasive revenue growth is expected at 9%-11% in FY25E. Indian abrasive businesses, Rhodius, and Awuco majorly drive the growth. The growth drivers are market expansion for retail and mass industrial products.
- Abrasive margins stood at 8.7% in FY24 and 100 bps margin improvement is expected in FY25E.
- In abrasives, the company growth has been around 5% in the past few years, less than industry growth. The organized competitors have taken market share.

**Ceramics**

- Ceramics revenue growth is expected at 12%-14% in FY25E. Industrial ceramics is expected to grow 13%-15% backed by metalized cylinders, engineered ceramics, and refractory materials.

**Awuco**

- Awuco sales stood at EUR 9.13mn and PAT stood at –EUR 2.3mn in FY24.
- Awuko is expected to be near EBITDA breakeven with a small loss of EUR 0.7-1mn in FY25E. Awuko is expected to reach a topline of EUR 8-10mn. The top line is expected to be EUR 17-18mn in FY26E.

**Rhodius**

- Rhodius topline stood at EUR 63.3mn and PAT stood at -1.5mn in FY24. Rhodius is expected to grow 10% YoY in FY25E and EBITDA breakeven is expected.
- Rhodius is expected to grow 10% YoY to EUR 5-7mn. moderate economic activity in Germany and other European countries with demand pickup in private label business will drive the business growth.

**VAW**

- The Russian subsidiary VAW's PAT is around INR 1.5bn. around 1/3 of profits are paid as a dividend to the holding company.

Capex

Last 5 years average capex of INR 1.95bn per annum. The capex stood at INR 2.19bn in FY24. The capex is expected INR 3.5bn in FY25E.

Dronco asset acquisition

The company has acquired the assets in Dronco, Germany. The assets are moved to India and setting up the facility would take 2 years. The capacity is expected 50mn thin wheels per annum. The capacity would bring additional revenue of INR 2.5-3bn from FY27E onwards.

High-purity silicon carbide

The company is setting up a high-purity silicon carbide facility with a capacity of 6 tonnes per month.

In high-purity silicon carbide, the company is looking into semiconductor and ceramics. The ceramics are used in semiconductor equipment.

The company has anchored customers in Silicon carbide for ceramic business. The customers are preparing for semiconductor-based ceramics, defence based ceramics, and electronic-based ceramics. The customers have requirements of high purity silicon materials. The company has the supply opportunity of more than 50% of production

Minerals

Refractory minerals are expected to grow 12%-13% in FY25E.

Electro Minerals growth is expected at 5%-6% in FY25E.

Electro-mineral margins are around 9.5% on a standalone basis. EBIT margin stood at 13.5% in Q4FY24 and is expected to improve by 20-30 bps in FY25E.

Other highlights

The company is looking at Alumina Zirconia, thermal spray powders, Silicon nitrate, etc. which would contribute 10%-15% of specialty sales. it will change the current mix of 89:11 to 75:25 going forward.

The company also doing capex for IT infrastructure and Safety.

Awuco and Rhodius volume growth are high single digit in FY24

## Bajaj Auto Ltd Q4FY24 Concall Highlights

**2W sales led by strong growth in 125cc+ segment, particularly Pulsar brand. Six new Pulsar models to be launched in H1FY25, including the biggest Pulsar ever. Plans to launch the world's first CNG motorcycle targeting mileage-conscious commuter segment (100-125cc). 3W business maintained 78% MS, driven by CNG and e-autos.**

**EV business**

Chetak scooter sales reached record highs, achieved no. 3 position in the market. Expansion of Chetak dealership network to 600 stores in H1FY25. Launch of a new Chetak model in Q1FY25. Cost rationalization efforts underway to improve EV profitability.

**Export business**

Challenges persist in key export markets due to macroeconomic factors. Exports volume up 20% YoY, driven by higher realization and richer product mix. Commencing exports of Qute quadricycle to Egypt after regulatory approval from April.

**Triumph motorcycles**

Focused on scaling up domestic network to 150 stores in H1FY25. Supporting Triumph UK in expanding business in overseas markets (exported over 19,000 units to 57 countries).

**Product pipeline**

Significant focus on new product launches, with 9 new models launched in FY24 across 125-250cc range. Plans to introduce big bikes (KTM) in select cities and invest in developing the sports category. Investing behind the Qute (quadricycle) platform, including developing CNG and electric variants.

**3W EVs**

E-autos (L5 category) now contribute over 10% to the overall 3W industry volumes. Plan to rapidly scale up EV 3W presence, targeting markets where ICE 3Ws are restricted (45% of industry). In Q1FY25, Bajaj aims to more than double their EV 3W network, adding 1 store every two days.

**Capex**

Gross capex of around INR 7,000-8,000 Mn in FY24, primarily towards capacity and capability enhancement in EVs, 3Ws, and premium motorcycles.
Investing in fundamental development of the sports motorcycle category in partnership with KTM Austria.

**Other highlights**

- Captive financing arm (Bajaj Auto Credit Limited) commenced operations, plans to cover 100% territory by FY25-end.
- Approved capital infusion of INR 22,500 Mn in a phased manner for Bajaj Auto Credit Limited.
- New plant in Brazil to start production by June 2024 to cater to pent-up demand.
- Chaser Technology Ltd to become the fountainhead for creating cutting-edge technologies for Bajaj, not just EVs but also non-EV products.
- KTM brand had its highest ever sales year, and the company expects that the new generation KTM and Husqvarna models should help build on this in FY25.

**VST Tillers Tractors Ltd Q4FY24 Concall KTAs**
**CMP: INR 3422 | Market Cap: INR 29.56 Bn**

**Company expects tractor business to grow by 10 -15% and the tiller business to grow by 15%-20% in FY25. Further, company has entered into the large US compact tractor market and is actively expanding its dealer network in northern India. Company expects power tiller industry to reach 1 lakh units by FY26.**

**Financials**

•Revenue came in at INR 2.73 bn in Q4FY24 (-15.24%YoY).
•Operating EBITDA stood at INR 398.3 Mn in Q4FY24 (-26.98%YoY), with operating EBITDA margins of 14.57%.
•PAT stood at INR 351.2 Mn Q4FY24 (-12.52%YoY), with PAT margins of 12.37%.

**Segmental Volumes**

•Power Tiller Sales Volume: Recorded 36,480 units in FY24 with a 5% decline YoY.
•Tractors Sales Volume: Witnessed a decline of 22%, totalling 5,388 units in FY24.
•Power Weeder and Reaper witnessed 35% and 37% growth YoY , totalling 4,567 and 1,964 units respectively.

**Exports**

•Compact tractor was mainly sold in Europe market, company is now entering into US market as well.
•Compact tractor sales geographies : France, Germany, Netherlands, Spain, Portugal, Belgium and Italy and expects to enter into US market in FY26.

**Other Highlights**

•Company has launched Vst Zetor in Collaboration between Vst Tillers Tractors Ltd and HTC Investments.
•Company has incorporated a wholly owned subsidiary Vst Americas in the United States to cater the needs of the US market in tractors and farm machinery segments.
•Company is operating only in the compact tractor segment and remain focus to improve capacity utilization.
•With entry in Us market which is 3x times of the indian compact tractor market, company expects to increase volume over next 5-10 years after the launch in FY26.
•compact tractor industry in india has dropped by more than 30% to 40%, mainly in Maharashtra and Gujarat. Company expects volumes to increase with the monsoon picking up.
•Company expects tiller industry in India which is around 60,000 units is expected to grow to 1,00,000 units by FY25.
•Specific markets like Orissa in seeing robust growth with sales moving from 3000 to 11,500 units in last 3 years.
•Company has 20 dealers operating in UP and expects to increase to 50 dealers in FY25.
•Company aims to reach 5000 units at the end of 2 years and 8000 units and the end of 3 years and aims to maintain margin at 10%.
•For Vst zetor current installed capacity can meet 3-5 years company's plan.
•Expansion of 6000 unit capacity for power weeder is expected to launch in FY25.
•Company has grown its small farm machines dealerships to more than 750 compare to 175 dealerships in FY20.

**Tata Motors Ltd Q4FY24 Concall KTAs**
**CMP: INR 1,047 | Market Cap: INR 34,79,456 Mn**

**Outlook**

**The company reported strong financial performance in FY24 with record revenues, EBITDA, and FCF across its business units and repaid significant debt. With a guidance of around 8.5% EBIT margin for JLR in FY25, they aim to reach 10% margins by FY26 driven by new product launches and cost control measures. The domestic CV industry is expected to remain flat to slightly decline, but Tata Motors expects to perform well. On the PV front, while industry growth is projected to moderate below 5%, Tata Motors plans to drive higher EV and CNG penetration through new launches. We have a positive view on the stock given the strong performance across segments and the company's operational preparedness to navigate emerging challenges and deliver sustained profitability.**

Financial Perfromance

- Revenue stood at INR 4,380 Bn, up by 27% YoY in FY24 and increased by 13.3% YoY to INR 1,200 Bn in Q4FY24.
- EBITDA stood at INR 630 Bn in FY24 and INR 179 Bn in Q4FY24. EBITDA margin of 14.3% increased by 360 bps in FY24 and 160 bps increased to reach 14.9% in Q4FY24.
- PAT stood at INR 318 Bn increased by 29.1% YoY in FY24 and INR 175 Bn, up by 12% in Q4FY24.

Segment Performance

Jaguar Land Rover

- Record Q4 revenues of GBP 7.86 Bn, up by 11% YoY. EBIT margin of 8.5% in FY24 in line with upgraded guidance. Net debt reduced significantly to GBP 732 Mn from GBP 3 Bn a year ago. Waitlist of 33,000 bookings for the upcoming Range Rover Electric. The company expects FY25 EBIT margins around FY24 levels of 8.5%, targeting 10% margins by FY26 driven by new product launches and cost controls.
- Order book of 133,000 units, higher than pre-COVID levels. Demand remains strong in North America and China, while Europe is facing some challenges.
- Multiple new product launches planned, including Range Rover EV.

Commercial Vehicles

- Company recorded highest ever revenues and profits for the CV business. Q4FY24 EBITDA stood at strong 12% level.
- They are focusing on higher tonnage vehicles like 48-tonne multi-axle and 55-tonne tractors. The management expects flat to slightly declining volumes for the industry in FY25 but remains cautiously optimistic.

Passenger Vehicles

- This segment record wholesales of 5,73,000 units in FY24. PV business achieved double-digit EBITDA margins. EV revenues stood at INR 90,000 Mn with improving profitability.
- Market share gains to 14.3% in H2FY24. The company expects industry growth to moderate below 5% in FY25.

- Plans to drive higher EV/CNG penetration through new launches like Curve and Sierra. Long-term secular growth trend for PV industry expected to be 6-8%.

Electric Mobility
- Company deployed over 1,700 electric buses with over 140 Mn kms covered. Over 4,300 electric SCV trucks on road covering 16 Mn kms. They launched higher payload 1-ton ACE EV truck for post-FAME incentives era. The company is also planning to participate in future e-bus tenders after resolving payment security and asset-light model issues.
- 48% YoY growth in EV volumes with 74,000 units sold & 150,000 EVs produced cumulatively in FY24, significantly higher than the industry growth.
- Multiple new EV launches planned in the current and coming years, with higher range offerings. Barriers to EV adoption reducing with increasing model choices, charging infrastructure, and lower price points
- The company has deployed over 2,600 electric buses and has an order book of 1,200 more buses for FY24. They are focusing on securing payment security mechanisms and exploring asset-light business models for future tenders.

Harrier and Safari
- Upgraded versions of Harrier and Safari launched in October 2022 have seen a 30% increase in average monthly volumes. Further growth expected with the introduction of petrol and EV variants in 2025.

Network Expansion
- The company's network size is around 1,450 outlets, one-third of the market leader's network. They are planning to cautiously increase the network by a couple of hundred outlets in FY24 to support new product launches. Network expansion is balanced with ensuring dealer profitability.

Battery Costs
- Battery costs have been coming down, and the company has secured the best possible battery costs from suppliers. Further reduction in battery costs is expected, but at a slower pace, as prices reach a level considered the best possible.

Other Highlights
- Non-vehicle businesses contribute around 20% to company's revenue and are expected to grow at a higher rate than the vehicle business. These businesses are linked to the overall vehicle park size, providing a hedge against cyclicality in the vehicle business.
- Trend towards higher tonnage vehicles like 48-tonne multi-axle vehicles and 55-tonne tractors continues in the commercial vehicle segment. Higher tonnage vehicles expected to see faster growth compared to lower tonnage vehicles.
- Company has no immediate plans to access bond markets for fundraising.
- Interest costs at the consolidated level have not seen a significant reduction despite a decline in gross debt due to translation impacts.

**Subros- Q4FY24 Concall KTAs**
**CMP INR 628 |Market Cap INR 40,968 Mn**

**Double-digit revenue growth is anticipated in the next year, with stability expected post-elections and significant revenue from new technology projected between FY27 and FY30. Initial milestones aim for a 10% margin, progressing to 11% and then 12% over the next 3-4 years, with a focus on recovering from current deficiencies and achieving better performance. Emphasizing sustainable and adaptable technologies will be essential to meet the unique requirements of the Indian market and ensure long-term growth and stability.**

Financial
Revenue stood at INR 831.51 Cr grew by 11% YoY due to an increase in volume and the Start of Production (SOP) of the new business award.
EBITDA stood at INR 268.88 Cr grew by 43% YoY; Margin 9.76% (9.06% Q4FY23) (7.59% Q3FY24)
PAT at INR 97.66 Cr grew by 103% YoY. Other Income is lower due to: In FY23 there was a refund of electricity duty for INR 6.85 Cr

Concall
•MSR is lower due to the softening of FE & commodity prices, container cost, product mix, and cost down realization, resulting in reduced material cost.
•Finance cost is higher due to the withdrawal of the early payment scheme with customers carrying a higher discount rate.
•Employee cost is higher due to yearly salary revisions.
•Localization is being aggressively pursued at 80% and the target is to increase it by 90%.
•The company is debt-free.
•New business initiatives, promising future, and strategic investments enhance technology capabilities.
•Focus on energy efficiency and product development.
•Subros is driving innovation and sustainability by expanding its product portfolio, with green mobility solutions now contributing 17% of revenue and expected to reach 20%.The company is advancing in various segments, including tractor AC systems and electric vehicle projects.
•2-3 year reflection on the tractor segment with Mahindra Oja, with these tractors exported to Japan.
•EV development for M&M and Maruti.
•Mahindra & Mahindra in SOP development. Mahindra picks up vehicle and thermal products in subsequent model
•Market development completed all stages and will be finalized this quarter.
•Company targets carbon neutrality by 2040.
•Margin: 10% trajectory due to reduced cost pressures, easing commodity prices, cost pass-through, and sales growth.
•New Products: PV is performing well, and EV remains stable.
•Home air: Margins struggling compared to current segments, but the market positively contributing to the top line.

•Capex: Investment can be offset from this INR 100 cr plus CapEx which that normally done every year just to debottleneck operations and try to get more capacity in that; business opportunities in FY26-27.
•Order book: INR 475 cr and against INR 530cr Sops 12-18 months.
•Total Number of PV AC products INR 2300 crore ECM INR 500 cr, Bus market INR 40 Cr, Truck is  INR 90 cr other, INR 5 cr in railway Which will mainly the order execution will happen in this FY25.
•Share of business: Pv segment share of business 43% and truck if of 40% In bus segment 17%
•SUV growth is strong, with product share improving from 10% to 20-22%.
•M&M: 22% in thermal buying, expected to increase. Company will begin all EV production in PV next year.
•Supplying for upcoming Maruti EV and hybrid models. The launch which is going to happen 1st model of Maruti in Kharkoda will be a hybrid vehicle for that business and is already tied up. Since the Company is a supplier through the hybrid of Grand Vitara in TKM by Subros.
•Industry Evolution: As the EV market evolves, there will be a shift in technologies for charging and overall vehicle performance. The adoption of compressor technology will be crucial for both EV and hybrid vehicles.
•Technology and Product Requirements: Essential components include condensers, compressors, and radiators, especially for handling frozen pipes.Emphasis on sustainable and adaptable technologies suitable for the Indian environment.
•Geographies: Significant growth was observed in European, US, and Chinese markets.
•Tax rate effective 25.19% in FY25.

**Talbros Automotive Components Limited-Q4FY24 Concall KTAs**
**CMP INR 298 |Market Cap INR 1839 Cr**

**The plan aims to achieve a 13% CAGR in revenues, reaching INR 700 crores by FY27. A significant part of this growth will come from the heat shield business, which is expected to contribute approximately INR 90 cr annually. Additionally, there will be an increased focus on exports, to raise export contributions from 10% in FY18 to around 22% by FY27. To further strengthen the portfolio, the plan includes diversifying segment offerings, particularly by boosting the share of PVs from 2% in FY18 to ~11% by FY27.**

Financial
•Revenues INR 791 crores, a growth of 21% on YoY
•EBITDA INR 127 cr, a growth of 36% YoY. EBITDA Margin stood at 16.1% as compared to 14.3% last year
•PAT (Before Exceptional Gains) INR 83 cr, a growth of 49% YoY
•Exports contributed 25% of income from operations
•Dividend INR 0.50 per share

Concall KTAs
•In FY25, the company secured an order worth INR 1,000 cr from a leading European OEM through a joint venture. This order involves supplying suspension arms for both conventional ICE vehicles and new-age EV platforms in the EMEA and NAFTA regions, adding a new customer for the TACL group in Europe and enhancing market share. The company anticipates a strong upward trajectory in business and profitability, driven by consistent order inflows from leading OEMs.

Order Book
The order book includes INR 400 crores from both overseas and domestic markets, to be executed over the next 4-5 years, with INR 205 crores from the EV segment and INR 270 crores from OEMs.

EV Order book
EV order book out of INR 2000 cr which the company has from last year till last month INR 475 cr is EV and INR 415 cr is export (Marelli)

Exports are projected to constitute 25-35% of total revenue, led by heat shield orders, including a 44 Cr revenue order from Maruti, Kia, Hyundai, and a UK Jeep manufacturer. Gaskets and TACL standalone heat shields grew by 11%, reaching INR 515 crores in FY24, while forging grew by 26%, reaching INR 277 Cr in FY24 EBITDA.

Capacity Utilisation
The company has invested in new technology and diversified its portfolio, with capacity utilization for gaskets at 90% with a product mix of 85%, MM at 80%, MTCS at 75%, Talbros Marugo Rubber AV at 87%, and hoses at 80%. In the 14 division company is enhancing the capacity further and inmachinery and in some rated equipment’s and Hammer which company set up in the Q3FY24. It has started the trial and commercial production start within month and expect 30 cr capex in this division.

Planned capex for FY25 is INR 20 cr, with an additional INR 30 cr planned, totaling INR 62 cr for the fiscal year.

Margins in Marugo has declined, but they are expected to improve. Industrial gasket revenue stands at 2%, with specific MM heat shield orders contributing 8-10%.

EV

EV contribution increasing to 3% FY24 from 2% FY23, including presence in Tata Motors EVs and prestigious overseas EVs, while achieving a strong performance in FY24 with a revenue of INR 1,258 cr , a 21% YoY growth. The EV presence is projected to increase to 3% in FY25, up from 2% in FY23, with FY25 expected to be a robust year with positive contributions from all joint ventures.

Nippon Leakless Talbros

In January 2024, concluded the investment of a 40% ownership interest in the joint venture entity

Magneti Marelli already got the huge order and Pune plant already started the construction.

Raw material

Export product prices have increased. Company has already started negotiating with the suppliers and hopes to recover these costs. The lag effect in passing on these increases to the customers varies, but company aim to manage this by reviewing and adjusting the pricing strategies each quarter.

Industrial segment contribution in Gasket segment it is very small only 2%.

**Exide Industries Ltd-Q4FY24 Concall KTAs**
**CMP: INR 475 |Market Cap: INR 4,03,495 Mn**

**Outlook**
**The management is optimistic about maintaining the sales growth momentum, driven by factors such as the government's infrastructure push, increasing demand for renewable energy solutions, and the expected recovery in automotive demand, particularly in the aftermarket segment. While the company has not provided specific financial guidance, the management has expressed confidence in stabilizing margins at pre-COVID levels, supported by operational efficiency measures, cost optimization initiatives, and calibrated price hikes. Additionally, Exide Industries is well-positioned to capitalize on emerging opportunities in the lithium-ion battery space through its subsidiary EESL, which has signed a non-binding agreement with Hyundai and Kia for supplying lithium-ion cells for their global EV platforms.**

Financial Performance
- Consolidated revenue stood at INR 40,090 Mn, up by 13% YoY in Q4FY24 and at INR 1,60,290 Mn, grew by 10% YoY in FY24.
- EBITDA grew by 41% YoY at INR 5,160 Mn in Q4FY24 and stood at INR 18,710 Mn, up by 19% YoY in FY24.
- PAT stood at INR 2,840 Mn, up by 37% YoY in Q4FY24 and at INR 10,530 Mn, increased by 17% YoY in FY24.

Hyundai and Kia Partnership
- The company has entered a non-binding agreement with Hyundai and Kia to potentially supply batteries, indicating a shift from NMC to LFP chemistry. Hyundai's global plans include building battery capacity of 20 to 30 GW-hrs with LG and SK Innovations, suggesting significant potential market opportunities for the company in the long term.
- It expects the margins in lithium-ion cell manufacturing to be comparable to its lead-acid business, targeting mid-teens in percentage terms once full capacity utilization is achieved.
- Commercial production is a few quarters away, with an initial focus on stabilization before achieving full capacity utilization.

Lead-Acid Battery Business
- Exide Industries has experienced strong volume growth in its lead-acid battery segment over the past two to three years. Strong performance in Q4 FY23 with 13% sales growth, driven by double-digit growth across verticals. Aftermarket contributes around 75% of automotive trade business.
- The company is continuously adjusting its production capacity to meet the growing demand, particularly in response to the increased investments by the top two auto manufacturers in the country in internal combustion engine (IC) capacities.
- It has maintained a consistent capex outlay of approximately INR 5,000 Mn annually for its lead-acid battery business.
- The management aims to stabilize margins in the 12-14% EBITDA range, similar to pre-COVID levels. However, due to the volatility of commodity prices, there will be fluctuations.

Lithium-Ion Battery Business

- The company has signed a non-binding agreement with Hyundai and Kia for supplying lithium-ion cells for their global EV platforms. Active discussions ongoing with two-wheeler, three-wheeler, four-wheeler, and bus OEMs for supplying lithium-ion cells and battery packs.
- It also has a comprehensive agreement with S-Volt, which includes support in setting up the supply chain and leveraging S-Volt's buying volumes.
- The plant is expected to be commissioned by the end of the financial year.
- The company expects to reach its intended market once it achieves 80 to 90% capacity utilization of its lithium-ion battery facility.
- The management anticipates reaching EBITDA break-even at 50 to 60% capacity utilization of its lithium-ion battery facility.
- The penetration of lithium-ion batteries in the motive power market is expected to be much slower compared to electric vehicles.

Capex

- The company has invested approximately INR 23,000 Mn so far in lithium-related projects, with INR 20,000 Mn in ESL and INR 3,000 Mn in a pack and module making unit. The total Phase 1 CAPEX is projected to be around INR 50,000 Mn.
- For the current year, the company plans to invest an additional INR 10,000 Mn into ESL. The remaining INR 20,000 Mn needed to complete Phase 1 will be funded through bridge loans, which it can repay over time based on cash flow from core operations.

Recycling business

- The company’s subsidiary, Chloride Metals, plays a crucial role in recycling and supplying lead. Chloride Metals provides over 60-70% of Exide's lead requirements, which includes sourcing used lead-acid batteries.
- It employs multiple channels to collect used lead-acid batteries, including imports, dealer networks, B2B businesses, and auctions.
- The company benefits from its in-house recycling facilities, allowing it to handle a significant portion of its lead requirements internally which give it a competitive edge, enabling better management of lead supply and compliance with regulatory requirements.

Other Highlights

- The company’s collaboration with S-Volt includes plans for both automotive and industrial applications.
- It’s aftermarket share in the automotive battery segment is currently around 75%, with approximately 20% from OEM sales and 5% from exports.
- The company had an order book of INR 6,000-7,000 Mn and sees a strong pipeline of orders going forward, indicating healthy demand and future business prospects.
- Strengthening pan-India network of over 115,000 channel partners and taking a data-driven approach to identify areas for further expansion.
- Providing quick and efficient doorstep service (Exide Batmobile) for vehicular and inverter battery customers in over 300 cities.

**CEAT Ltd - Q4FY24 Concall KTAs**
**CMP INR 2,544 |Market Cap INR 102,929 Mn**

**Expects a good Q1FY25 driven by summer heat and high demand in truck bus radial; rural areas indicate signs of recovery expected to persist, with the company gaining MS in the PV segment while the CV category remains subdued, with potential recovery expected in August and September.**

Financial
Net Revenue grew by 4.1% YoY/1.0% QoQ to INR 29, 919 Mn (below BE: 30,555 Mn)
Gross Margin +96bps/219bps to 42.3% (Above BE: 40.8%), expansion led by RM was similar to Q3FY24
EBITDA margin +34bps YoY/-97bps QoQ to 13.4% (Below BE: 14.86%)
PAT de-grew by 43.6% QoQ/-22.8% YoY to INR 1,023 Mn (Below BE: 1,688 Mn)
INR 79.9 Mn for the voluntary retirement

ConCall KTAs
EPR
The company expects to mitigate the impact of EPR-related costs on its margins in the medium to long term led by improved product mix, pricing & internal efficiencies. Overall, liability (INR 1072 Mn for FY23 & FY24 INR 345 Mn has been mentioned as an exceptional item in Q4 and FY24.

EPR obligation for FY24 is at 70% of the quantity of new types manufactured/imported in FY22.9M FY22 infra was fully developed. Due to inadequate infra decided not if time and better to reflect in the beginning year with a certain year.

Ceat is not recycling buy certificates from recycle to them and the cost of the certificate and not registered on the platform.

Passenger EV segment has entered Tata Punch EV which is a high-volume vehicle. The company has 20% MS in the PV EV in India and has a share of ~ 27% in the 2W EV ecosystem.

Commercial EV segment catering to Switch Mobility, Volvo Eicher's, New EV SUV, and Internationalization has been a key driver.

Launch: Company has launched 55 plus off-highway skus in Q4FY24. Export business is margin accretive for CEAT and therefore will continue to invest in product mix for agri radial and TCR and TBR.
Launch in Q2 sees strong growth in Europe and North America.

Export:19+% target to do 25% in the next couple of years. Mahindra launched their OJA tractors in the US completely fitted with CEAT tires. Progressing well on channel expansion in the US market. The macro situation in Sri Lanka is improving gradually.

Utilization & Capex
Company continues to be good in the range of 80%.

Capex is INR 10,000 Mn with INR 2500 Mn of maintenance capex and INR 7500 Mn of growth capex primarily in the Chennai TBR project then Ambarnath expansion of agriculture radial project and in Chennai PCR project, these are the 3 main projects where the growth capex will be deployed.

Replacement grew by 5% led by growth in TBR passenger and 2w segments. With the focus on premium categories, company has been able to improve in premium segments in all categories. TCR MS in replacement again increased Q4FY24 and 17% MS. 2W has crossed 35% MS.

The company's working capital was reduced in line with the historical trend for Q4

Margin
EBITDA margin in a narrow band as invest in IPL investing heavily in Q4FY24 & Q1FY25, and maintain in a tight band. Sharp inflation is so difficult to manage.

Debt within the range INR 2000-3000 Mn range and continue to work on the opportunity. Debt is at a comfortable level.

Price hike
The company has taken a price hike of 1.5% replacement converting orders to the new pricing in international business of 1.5%-2% as it settles down.

**Apollo Tyre-Q4FY24 Concall KTAs**
**CMP INR 474 |Market Cap INR 301,069 Mn**

**In Europe, despite a challenging demand environment, the company gained market share across key product segments. In India, strong operating performance is evident with a focus on improving sales mix and cost optimization. Post-general elections, there's an expectation for demand to increase, with a continued focus on business fundamentals, cost control, and generating free cash flow**

Financial
Revenue INR 62,582 Mn de- grew -5.1% QoQ/+0.2% YoY.
EBITDA Margin 16.4% (16% YoY) (18.3% QoQ). EBITDA for the quarter and year included the impact of EPR liability to the extent of INR 685 Mn.
PAT margin 5.7% (6.6% YoY) (7.5% QoQ)

Concall KTAs

India:
•Marginal YoY volume growth; double-digit growth in exports and mid-single-digit growth in replacement segments (TBR +7%, PCR +10%).

•Stable pricing environment; recent 3% price hike across product range to offset EPR-related costs.

•Marginal drop in EBITDA margin YoY due to EPR liability impact (INR 685 Mn); standalone EBITDA margin at 17.2% (+125 bps YoY).

•Expect demand to pick up post general elections; focus on business fundamentals, cost control, and free cash flow generation.

Europe:
•Flat PCT industry volumes; growth in company volumes with over 7% growth in the UHP segment.

•UHP mix at 47%, up from 43% last year, continuing the premiumization journey.

•All-season (PCT) outperforming the overall market with double-digit volume growth YoY.

•Gained market share across key product segments despite a challenging demand environment.

•Expect market growth improvement against last year; strong operating performance with a focus on sales mix improvement and cost optimization.

•Replacement volume growth: 4% OEM, 30%+ export growth; expecting double-digit growth in PV & CV after elections, with single-digit growth in both segments currently.

•Q1 forecast aligns with current direction: MEA, Africa, and certain areas like Saudi Arabia showing recovery; Europe facing double-digit growth but uncertainty in 45%+ pie.

•FY24 Capex below guidance, registering free cash flow generation; gross debt reduced from INR 56bn in FY23 to INR 39bn in FY24.

•Europe margin recovered post-H1FY24; planning 1-2% price hike in H1FY25 depending on input costs; interest cost relative at 105-110 Cr, decreasing with any short-term borrowing due to linked benchmark rate.

*Capex*Lower Capex due to volume allocation behind PV car utilization; considering a small capacity start in PV car but nothing confirmed yet; well-covered for FY25; using AI/machine learning for productivity.

•Provision made for manufacturers/regulations not purchasing entire lot; availability of certificates and infrastructure necessary for compliance.

•Domestic top line affected by market share loss; new mantra: Apollo profitable growth, especially with smaller sizes; focusing on bus segment, avoiding entry into certain segments.

•Leadership maintained in PV and 2W; last quarter had a better mix, aiming for 43% product mix on average.

•PCR saw an increase; higher other income due to forex fluctuation of 400 Mn; 4-5% increase in raw material, with natural rubber prices completely up on a QoQ basis.

**Harsha Engineers International Ltd | Q4FY24 Concall KTAs**
**CMP- INR 439 M.Cap- INR INR 39930mn**

**Although Q4 turned out relatively better in FY24, on yearly business, the business underperformed. The management in very optimistic for FY25 with the profitability being led by international subsidies. Co. plans to undertake INR 3,000mn of capex. Management guides to double the bushing segment business to INR 750mn in FY25. It would be a wait and watch call to see how the business optimism turn out on field for the company**

Arihant Capital Markets Ltd.

Financials
Q4
Consolidated revenue of engineering business of INR 3206.3mn(+15%QoQ). EBITDA of INR 606.3mn(+25%QoQ) with 18.9%(+140bps QoQ) margins. Improvement in raw material prices helped in better EBITDA margins. INR 250mn capex incurred. PAT stood at INR 357mn(+27%QoQ) with 11.1% margins(+100bps QoQ).

FY24
Consolidated revenue of engineering business of INR 12,268.4mn(-6%YoY). EBITDA of INR 1,984mn(-9%YoY) with 16.2%(-60bpsYoY) margins. PAT stood at INR 1100.9mn(-11%YOY) with 9% margins(-50bps YoY).

Bushing segment
Good traction seen with healthy inflow of order and hence the revenue visibility for FY25. Co. expects to double it from INR 400mn and grow it to ~750mn sales in FY25. Gearboxes supplied with bushings is increasing which is driving the demand.

-Improved order flow from plants set up by key customers in India that cater to global requirements. Beneficiary of china+1 sentiment.

-Japan business lower than expectation but expect to grow it significantly. 10%+ growth last year. Project pipeline got delayed in terms of realisation which are back on track now. Guidance to grow by 20-30% for FY25.

-Strong growth in stamping segment especially railway and automotive side. INR 500mn sales achieved and 50% growth for FY25.

-Greenfield project in India is on track. Phase 1, additional capacity for bushing and large size bearing.

Romania and China
Romania continue to face headwinds with no near term revival. FY25 expected to reach breakeven. Overall muted demand in Europe. Increasing cage share from 15% to 30% since traction from customers wanting to buy from Romania facility. Company is having support from customers in the form of orders which is leading the change in direction. China has turned positive and is expected to grow in FY25.

Guidance
Guidance for FY25 consolidated rev growth of 10-15% and bottom line growth is +25% for FY25. International subsidies contributed on consolidated level of negative INR 140-150mn in FY24. Factoring in the improvement of China and Romania facilities, bottom line is expected to increase in FY25.

Export forecast out of India
Expect export out of India to continue to grow. However, muted demand expectation and forecast from customers.

International Revenue Geography Mix
25%-30% Europe, 10-12% America, 10-15% China, remaining is rest of the world.

Capex
3000mn+ capex plans in next 2-3years. ROE expected to reach 17-18% in next couple of years.

**Pricol Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 452 | Market Cap: INR 55,030 Mn**

**Outlook:**
**The company has confirmed volumes and LOIs from several customers, and the delay in the start of production from four customers in Q4FY24 has been resolved, with normal production resuming from April. The company aims to achieve an EBITDA margin of around 13.5% in FY25 through productivity improvements and process optimizations. The company is also focusing on expanding its capacity, with a new plant under construction and plans to enhance the existing facilities. The company has added new customers, such as Honda Motorcycle and Scooter India, which will significantly contribute to the top line in the coming years. The management remains committed to achieving its organic revenue target of INR 32,000 Mn and an inorganic revenue target of INR 4,000 Mn by FY26, although the export target has been revised downward to 10% from the earlier 20%.**

Financial Performance
* The FY24 revenue stands at INR 22,082 Mn, YoY growth of 16.1% and the Q4 FY24 revenue stands at INR 5,662 Mn, YoY growth of 11.1% and a QoQ growth of 1.6%.
* The FY24 EBITDA stands at INR 2,786 Mn, YoY increase of 18.2% and the Q4 FY24 EBITDA stands at INR 726 Mn, a YoY increase of 16.4% and a QoQ growth of 4.16%.
* The FY24 PAT stands at INR 1,406 Mn, a YoY increase of 12.8% and the Q4 FY24 PAT stands at INR 415 Mn, a YoY increase of 39.2% and a QoQ growth of 22%

New Product Development and Growth Initiatives
* New product launches in Q4 FY24 included LCD TYPE - DIS for Bajaj (Pulsar N 250) and Bajaj (Pulsar NS 200 & 400).
* The company has started production and is ramping up capacities and LOIs for its strategic product, the Disc Brake, under the ACFM division.
* The e-Cockpit and connected vehicle solutions are in advanced stages, with prototypes and proof of concepts being showcased to customers.
* Significant LOIs have been won with Honda Motorcycle and Scooter India, expected to boost top-line growth in the coming years.
* The company aims to achieve a 10% market share in the passenger vehicle segment, compared to the current 6.8%.
* New product revenue (NPD) has been hovering between 20-25% of total revenue every year, and the company plans to maintain this momentum.

Product Mix and Segment Contribution
* The Driver Information and Connected Vehicle Solutions (DICVS) division contributed around 69% to the overall revenue in FY24.
* The Actuators, Controllers, and Fuel Management Systems (ACFMS) division contributed around 31% to the revenue in FY24.
* The contribution from the ACFMS division is expected to increase to around 35-36% in the next fiscal year as the Disc Brake production volumes ramp up.
* In the two-wheeler segment, the revenue contribution stands at 60-63%, while the passenger vehicle segment contributes around 6.8%.

* The commercial vehicle segment contributes around 25% to the revenue, with the remaining coming from off-road vehicles and industrial segments.

Geographical Highlights
* The company has a presence in India, Indonesia, Singapore, Japan, and Dubai.
* It supplies directly to OEMs in 16 countries.
* Exports contribute around 8% of the total revenue, and the target for FY26 has been revised to 10% from the earlier 20% due to weaker economic conditions in the US and Europe.

Capacity Expansion and Capital Expenditure
* The company is planning to increase its capital expenditure to around INR 2,000-2,200 Mn in FY25, as part of its larger INR 6,000 Mn Capex plan for organic growth over three years.
* The current capacity utilization is around 85%, prompting the company to enhance capacity with a new plant under construction in Pune and upgrades to existing facilities in Coimbatore and Manila.
* The company plans to set up a capacity of INR 3,000-4,000 Mn per annum for Disc Brakes, starting with a current capacity of INR 1,200 Mn per annum.
* The capital work in progress has increased significantly due to the construction of a new plant, commencement of construction at another plant, installation of new production lines, and commissioning of new machinery.

Market Share and Customer Acquisitions
* The company has increased its market share in the two-wheeler cluster segment and expects further growth with the new LOIs received.
* The company has added new customers like Honda Motorcycle and Scooter India, which will significantly contribute to the top line in the coming years, with volumes expected to ramp up in the next 18-24 months.

Products and Innovation
* The company has started production of disc brakes, which is a strategic product in its Actuation, Control and Fluid Management Systems division.
* The company has developed prototypes and proof of concepts for its e-Cockpit product and is showcasing them to various passenger vehicle and commercial vehicle customers. It has partnered with a Chinese company called TYW for vertically integrated screens and other components related to the e-Cockpit.
* The company has showcased its connected vehicle solutions, especially in partnership with Sibros, to most domestic and international customers. Testing is ongoing with international OEMs, which have shown a good response to these solutions.

**Motherson Sumi Wiring India Ltd.– Q4FY24 Concall KTAs**
**CMP INR 70 | Market Cap INR 3,07,311 Mn**

**Outlook**

**The company has charted a large capex plan aimed at growth, productivity improvements, quality enhancements, and asset replacements which is expected to generate around 8-10% additional revenue Capacity expansion remains a key focus area, with two new plants slated to be operational soon.On the operational front, the company is undertaking extensive digitization efforts on the shop floor and cost reduction activities to drive efficiencies also company is aligning itself with the plans announced by various regions in the country, suggesting they are gearing up for any new opportunities arising from policy changes/initiatives.Overall, the company's strategic initiatives, coupled with prudent capital investments, position it well to capitalize on the industry's growth prospects while maintaining profitability.**

**Financial Highlights**

•Revenue from operations stood at INR 22,330 Mn in Q4FY24 up by 19% YoY & INR 83,280 Mn in FY24 up by 18% YoY.

•PAT was at INR 1,910 Mn in Q4FY24 up by 38% & INR 6,380 Mn in FY24 up by 31% YoY.

•EBITDA stood at INR 2,910 Mn Q4FY24 up by 32% YoY & INR 10,130 Mn up by 27% YoY

•The company achieved a gross margin of 48% in FY24, higher than 44% in FY23.

**Operational Highlights**

•The company supplies to most major OEMs (Original Equipment Manufacturers) in the passenger vehicle, two-wheeler, and commercial vehicle segments.

•Product mix and model-specific performance impact the company's performance and market share calculations.

•Maruti Suzuki is the company's biggest customer.

•The company has a separate joint venture with Hyundai and Kia called Motherson Function.

•The company has undertaken digitization efforts to improve operational efficiency on the shop floor.

**Capex and Growth**

•The company has two new plants coming up, which will be operational soon.

•The company plans to incur a Capex of around INR 2,000 Mn in FY25, which includes growth, productivity, quality improvement, and asset replacement.

•The additional revenue potential from the Capex is expected to b around 8-10% initially and will increase after the initial six months as the facilities ramp up.

**Gross Margin Drivers**

•The company has achieved gross margin improvement through cost reduction activities and recoveries from customers.

•Operational improvements on the shop floor, facilitated by digitization efforts, have contributed to gross margin enhancement

**Other Highlights**

•Commodity prices, such as copper, are passed through to customers with a lag ranging from one quarter to six months, depending on the customer.

•The company is aligning with the plans announced by various regions/states for expansion.

•The company's focus is on gross margin rather than margins, as product mix keeps changing.

**Varroc Engineering Ltd-Q4FY24 Concall KTAs**
**CMP INR 568|Market Cap INR 86,798 Mn**
**Aims to outperform the industry in India while undertaking several initiatives to expand its overseas business. By collaborating with various customers on additional revenue opportunities and driving cost-reduction efforts to improve margins, Varroc is positioning itself for growth. With an INR 87B order intake and projected revenue of INR 8.5B for FY25, the company expects INR 850 Cr next year and INR 1,450-1,750 Cr over two years, assuming timely OEM production start-ups. Notably, 52% of new orders are from purchased products, 43% from new orders, and 81% are related to 2W and 3W segments. Varroc is expected to perform well in the coming quarters, supported by a strong order book and robust cash flow generation, which will help reduce debt.**
Overseas Markets
Expenses related to overseas R&D, default tax charges, and asset charges will impact the P&L for the next few years, but business wins, overseas market recovery, and cost reduction efforts are expected to gradually enhance the company's overseas performance.
Revenue Mix
The large two segments, 37.8% from electrical and electronics lighting and 32% from polymer. So these contribute 70% of the total revenue and in terms of geographical distribution, 87% from within India, 13% comes from outside.
Product segment
2& 3 dealers add up to 75% and in terms of customer-provided budgets, this is 42% of the total revenue.
Order book
INR 200 Cr FY25 and in the same range for the upcoming years depend on the requirement. Targeting lower capex for the next 2 year
Interest Cost
Targeting to decrease as hope to generating a good amount of cash flow in 2 years to repay the debt.
EV: 5% revenue contribution and supply to EV Power Train or Engine agnostic, which is the larger portion.
Gross Margin: 0.6% improvement YoY led by the 2 years government incentive last year. So, going forward 1.6% or 1% benefit will continue going forward.
Increased in long-term debt ~INR 416-660 cr. Replace the short-term debt with long-term debt but overall reduced in debt to 9,826 Mn.
Other expenses: Increase in other expenses led by one of the prominent EV customers, plus a few other provisions also which the company provided on a conservative basis.
Employee expenses: There may be some increase because of Q1 but it will be in line with the top line.
Incentive
Total incentive amount over 10 years expecting 50 cr.
China JV
There is no significant progress on that particular matter. The final verdict is likely to come out maybe by the end of H1FY25.
Tax Rate
Company guided for the 25-27% tax rate for the FY25-27

**Sansera Engineering Ltd-Q4FY24 Concall KTAs**

**Maintaining an EBITDA margin target of 17-19%, expecting 40-50% growth in aerospace and ~40% growth in tech-agnostic components, leading to an overall 40% growth in both segments, led by the strong order book for new generation products and higher engine cc.**

**Margin**

Margin expansion led by the product mix, manufacturing efficiency, ongoing cost improvement projects, and operating leverage from increased volume, with the Q4FY24 seeing slightly higher freight costs due to the Red Sea crisis, along with other minor expenses.

**EV**

Company has a diverse customer lineup, including premium 2w and PV manufacturers globally, with EV segment revenue reaching INR 1243Mn, up 52%, driven by a major North American customer's order commercialization.

Finance cost

The finance cost increased to INR 225 Mn largely due to higher levels of debt.

Forex gain/loss

The foreign exchange gain/loss consists of realized gains on completed transactions and MTM measurement of open exposures, such as outstanding receivables, payables, or forward contracts. Towards the end of this year, the company experienced a temporary negative impact due to MTM, which is a notional loss that will reset over time.

Order book

The order book remains to be strong led to strong revenue growth 40-45% in both domestic and International. Expecting good year for the Aerospace and CV.

INR 1500 Mn of orders were added, with significant wins from Ford Motor Company and Triumph.

Aerospace/Collins, including a connecting Rod program with Tata Motors, indicating momentum in both North America and Latin America, with accelerated discussions due to regional challenges like floods.

LOI of INR 6000 Mn

Secured component business from Japanese-based 2w manufacturers for whom the new EV will be launched, anticipating revenue doubling from xEV components FY25 due to commercialization efforts in North America and introduction of newer components to existing 2w market customers, alongside ongoing development of interesting RFQs for overseas customers.

MMRFIC

Completed investment in MMRFIC of INR 200 Mn in Q4FY24.

Invested in a renewable energy project in Q4FY24 which will help them to improve overall green power - MMFRIC investment with HAL, DRDO, and other government agencies. It is part partial contribution that has come in FY24 and would be a contribution in FY25-FY26.

Capex

Capex for new-generation components and higher CC engines includes adding 4000-ton and 2500-ton presses, amounting to INR 4000 Mn in FY25 but is expected to return to a normal range of INR 3000-3500 Mn in FY26, funded through cash flow and a slight increase in debt while maintaining flexibility for further funding if necessary.

26% capacity has been allocated to PVs and CVs in auto ICE, 40% to tech-agnostic and non-auto components, and 15% to high-end premium 2w legacy components, with new investments primarily targeting higher category engine components like industrial engines, agriculture, and heavy commercial vehicles.

Utilization

2w growth normalizing, while 40-45% of the investments target tech-agnostic and non-auto segments, including aluminum forging, machining, aerospace, and defense, and company has secured a new INR 750 Mn order from Ford, with continued investment in PVs, heavy engines, and new generation components.

PV: The company should be able to generate a revenue of INR 9000 Mn per quarter on a peak utilization basis.

Segment

Auto ICE is at 76% of the business, while non-auto, XEV, and tech-agnostic components stand at 24%, rising to 26% in the Q4FY24; Target for 40% revenue from these segments, supported by a robust order book and strong order wins.

International

Sweden represents a small portion of the international business, which is 32% of total revenue, with Sweden contributing just 6%; exports from India account for 26% of total revenue and have the highest margin ratio, positively impacting overall performance.

Newer Components

Newer components are co-designed or designed from a statement of requirements, validated through finite element analysis and in-house testing, with a focus on transitioning towards full system assembly in automotive and subsystem suppliers in aerospace.

**ZF Commercial Vehicle Control System India Ltd| Q4FY24 Concall KTAs**
**CMP-INR 16,285 M.Cap-INR 308,760mn**

**Co. demonstrates resilience with stable revenue and EBITDA growth despite industry challenges. The company is poised for significant growth in electric bus production and advanced mobility technologies, supported by new product launches, expanding export services and its new 6th manufacturing facility. Government expectation to mandate ADAS and a strategic focus on digital solutions further bolster its growth outlook for FY25**.

Arihant Capital Markets Ltd.

Financials
Q4
Consolidated revenue from operations stood at INR 9,586.4mn(+6.7%QoQ)/(-1.87%YoY) with EBITDA of INR 1,460.7mn(+9.36%QoQ)/(+1.41%YoY) with margins of 15.24%. PAT stood at INR 1,001.9mn(-0.63%QoQ)/(-1%YoY).

-Export business- growth expected in 15-20% range and low double digit growth for after market business. outperformance sales in OEs by 10%.

-Services activity is likely to grow above the pre-pandemic trend.

-CY24 commercial vehicle expected to be flattish.

-Indian commercial vehicle with stable fuel price fueled by government investment, experienced growth of 6% for FY24. Q4FY24, de growth since OEMs probably focused on inventory reduction methods.

-In production of commercial vehicles, industry de grew by 7.2% while the company grew by 0.8%.In OEM vehicles production, sales growth of 16% outperforming the market by 9.5%.

**-**Launch of pneumatic and hydraulic electronic stability control for buses complying with new regulations.

-In the next few years, electric bus production is expected to increase rapidly. The company is well-prepared to meet these increasing demands.

-Govt expected to mandate ADAS with lane departure system and emergency braking to be mandated in next 2-3 years.

-After market grew in Q4 by 4.5% and 11.% in FY'24 . Growth driven by launch of new products. Improved penetration of digital solutions.

-Degrowth in export of goods in FY'24 at 2.3% and a degrowth of 15.5% in Q4FY'24.

-Export of services grew at 14.1% in Q4 and 30.5% at full year 2020-'24 due to increasing engineering activity from India to global.

-Inaugurated on Feb 14th, 6th manufacturing facility near Chennai. 7k sq mtr facility, will be hub for manufacturing and assembling electric mobility and advanced mobility technologies for light, medium, and heavy-duty commercial vehicles.

-Company has started exporting compressor to Volvo and is expected to onboard new customers. This is expected to double in FY'25.

-Export business- growth expected in 15-20% range and low double digit growth for after market business. outperformance sales in OEs by 10%.

-Services activity is likely to grow above the pre-pandemic trend.

-CY24 commercial vehicle expected to be flattish.

Macro
industry and economy- eco growing at annual growth rate of 8%. fastest growing eco with upturn in investment cycle. RBI estimate real GDP 7.6% expand in FY24. Monsoon exp to be normal. MFG to maintain momentum. Headwind from geo political concerns. Real GDP growth estimated for FY25 at 7%.

**Divgi TorqTransfer Systems Ltd – Concall KTAs**
**CMP: 766 | Market Cap: 23410 Mn.**

**Outlook:**
**The company reported mixed results for Q4FY24, with a marginal revenue increase of 3% QoQ, though there was an 11% decline YoY. Throughout FY24, the company commissioned a new plant and introduced new designs. Despite a 6% revenue decline for the full fiscal year, driven by a slowdown in demand, the company achieved notable growth in its EV segment. Company expects growth in H2FY25, Strategic alliances, with Toyota, and new business acquisitions are expected to drive future growth and technological advancements. At CMP, company trades 254.48x FY24EPS.**

**Performance Consol:**
•Revenue came in at INR 650.6 Mn. (+3% QoQ) (-11% YoY) in Q4FY24.
•EBITDA margins came in at 20.12% (Vs. 20.31% QoQ) (26.19% YoY) in Q4FY24.
•PAT came in at INR 92.1 Mn. (+1% QoQ) (-30% YoY) in Q4FY24.

**Highlights:**
- •Company commissioned its Shirwal Plant which became operational in FY24.
- •In FY24, company developed 3 new designs one of which was commercialized and launched.
- •RSU order volume order reached approximately INR 750 – 800 Mn., with orders from regions in Europe including Mexico, USA, Portugal.
- •Company's key OEM clients include Mahindra, Tata EV, MG, and Mahindra Defence.
- •In FY24 company saw a 6% decline in revenue compared to FY23, this decrease was attributed to a slowdown in demand from its major OEM customers, rather than order cancellations or capacity constraints.
- •Company observed a loss of revenue from Transfer Cases of INR 350 Mn which was compensated by growth in EV business with Revenue of INR 250 Mn.
- •Company observed a significant revenue increase from EV Transmission, from 0.1% to 9.6% in FY24.
- •Current utilisation is about 25% which is expected to ramp up in the coming quarters driven by new order wins from existing OEMs.
- •Divgi remains a net cash company with a net cash position of INR 2250 million as of FY24.
- •The company aims for recovery by FY26, focusing on the 4-wheel segment, EV segment, and expanding exports.
- •Company is more optimistic in the EV Transmission segment as compared to Transfer case in FY25.
- •Company's ongoing projects include three designs for Tata (Tiago, Punch mid-range, and Nexon), 1 for Mahindra, and 1 in the 3-wheeler segment.
- •The company has a long-term strategic alliance with Toyota and anticipates new business wins, technology awards, and significant announcements in the upcoming quarters.
- •For FY24, the company allocated INR 780 million in capital expenditures. Moving forward into FY25, the company plans to take a measured approach, ensuring that capex investments are made proactively, avoiding overinvestment.
- •Recommended net dividend of INR 2.60 / share.

Guidance:

•H1FY25 to be soft due to the revised volume schedule received from the OEMs, and growth to return from H2FY25.

•Revenue is expected to be between 8% to 10%, derived by increased revenue contribution from EV Transmission and Export Business.

New Business Wins:

•Potential lifecycle revenue of more than INR 9000 Mn for 5 years, most of this supply will start from H2FY25 and full revenue will be reflected in FY26.

**Uniparts India Ltd-Q4FY24 Concall KTAs**
**CMP: INR 525 |Market Cap: INR 23,704 Mn**

**Outlook**
**The company's focus on cost optimization, operating efficiencies, and capacity utilization positions it well to improve margins as demand recovers. The management reiterated its medium-term target of achieving EBITDA margins of 20-21%. The management has indicated that the inventory correction cycle is largely over, and demand in the aftermarket segment is expected to normalize in the coming quarters. Additionally, the company has a healthy pipeline of new business, including orders worth INR 1,750-2,000 Mn expected in the current year. However, the management has tempered its earlier guidance of mid-teens revenue growth for FY25, citing continued softness in certain segments like large agricultural machines in the US.**

Financial Performance
- Revenue was INR 2,899 Mn, down by 11.7% YoY in Q4FY24 and for the FY24 revenue was INR 11,365 Mn, up declined by 16.6% YoY.
- EBITDA stood at INR 515 Mn, down by 26.5% YoY in Q4FY24 and INR 2,107 Mn, declined by 32.7% in FY24. EBITDA margin for Q4 FY24 was 17.8%, and for the FY24 was 18.5%
- PAT stood at INR 286 Mn, down by 36.9% YoY in Q4FY24 and INR 1,247 Mn, down by 39.1% YoY in FY24.

Growth Initiatives and New Products
- New business worth INR 1,750-2,000 Mn expected in the current year, including year 0 to1.
- Commenced sales to the second-largest customer in the US aftermarket, with sales crossing 0.5 Mn in Q4FY24
- Pilots for 3PL for ATVs and UTVs have been launched, with sales starting recently
- Exploring opportunities in the South American market, driven by the same customers for their manufacturing requirements.

Capacity and Capex
- Overall capacity utilization closed at around 60% in FY24, providing adequate headroom for normal products
- Capex plan for the current year is around INR 400 Mn, representing around 2.5% of sales, plus some special project-related capex.

Cost and Margin Outlook
- Medium-term target is to achieve EBITDA margins of 20-21%, with operating leverage expected to improve as revenue growth comes back.
- Inflationary pressures on input costs are expected to be partially mitigated through operating efficiencies.

Inorganic Growth
- The company is actively looking at inorganic acquisition opportunities, with cash flows being utilized for dividends and potential acquisitions.

Customer and Geographic Focus
- The company has a well-diversified customer base, with the top 10 customers contributing around 76-77% of revenue, and the top 5 around 55-60%
- The company is catering to most of the large OEMs globally in the off-highway vehicle market, except for a few large names in the construction segment, which they are trying to add.
- They are already supplying to markets where off-highway vehicles are produced, including North America, Europe, India, and Japan, except for China.

Competitive Advantage and Market Position
- In the PMP segment, the company's advantage lies in its existing relationships with key global OEMs and the China+1 strategy benefiting them recently
- The PMP segment is fragmented, with no player holding a very large market share, unlike the 3PL segment, where the company is one of the three large global players.

Product Development and New Applications
- The company is seeing good traction and requirements in the 100 HP tractor range from multiple customers, with ongoing projects and negotiations
- There is a healthy pipeline of RFQs in the fabrication segment, indicating good potential.
- The company is continuing its efforts in the hydraulics segment with one particular customer, where business is increasing.

Other Highlights
- Operating cash flow for FY24 was ~INR 2,000 Mn, driven by improved working capital performance and healthy profitability.
- Net working capital days stood at 152 days as of Mar 31, 2024, down by ~INR 640 Mn during the FY24.
- The company continues to be net debt-free, with a Group net cash position of approximately INR 1,130 Mn.
- Domestic Indian market remained soft throughout FY24, with recovery expectations linked to monsoon performance and export demand pick-up.
- Aftermarket segment declined by around 30% in FY24, but inventory correction cycle is over, and demand is expected to normalize.

**TVS Supply Chain Solutions Ltd Q4FY24 concall highlights**
**CMP INR 177| Market Cap INR 78.05bn**

**TVS Supply Chain Solutions showed resilience in Q4FY24, achieving positive PBT for the first time in the year, while maintaining steady growth in revenue and EBITDA.**

Financials
Q4FY24
* Revenue for Q4FY24 was Rs 2,426.3 Cr, representing a 4.5% YoY growth and a 9.2% QoQ growth.
* Adjusted EBITDA for the quarter was Rs 175 Cr, showing a 2.2% YoY growth but at 0.5% on QoQ levels.
* PBT for Q4FY24 was Rs 5 Cr, an improvement from a loss of Rs 16.5 Cr in the same quarter last year and Rs 0.6 Cr in the previous quarter (756% QoQ growth).
* PAT for the quarter was Rs 5.4 Cr, compared to a loss of Rs 9.4 Cr YoY and Rs 10 Cr QoQ.

FY24
* Revenue for the full year FY24 was Rs 9,200 Cr, indicating a decline of 7.9% YoY.
* Adjusted EBITDA for FY24 was Rs 710 Cr, marking a 3.5% YoY growth.
* Adjusted EBITDA margins expanded by 80 basis points YoY.
* PBT for the full year was Rs -36.1 Cr, down from Rs 45.9 Cr in FY23.
* PAT for FY24 was Rs -57.7 Cr, compared to Rs 47.7 Cr in the previous year.

Business Development
* Business development continues to contribute 10.4% of the incremental revenue, amounting to Rs 881 Cr.
* The company won new deals in India, the UK, and the US.
* The order book stands at over Rs 4000 Cr.
* Achieved partner-level status with John Deere.
* Won a contract with an American automotive company to provide logistics solutions.
* The Centrica contract was an inflection point, with an order worth Rs 2000 Cr, and similar orders are now being secured.
* Actively engaged in AI solutions, deployed at scale in the US, UK, and India.

Turnaround
* The company has turned around at the PAT level: Q1 and Q2 were loss-making, Q3 was breakeven, and Q4 is positive.
* All long-term debt has been repaid, and working capital borrowing has been lowered from the proceeds of the IPO.

Guidance
* Expecting double-digit PBT numbers in the upcoming quarters.
* Targeting a 4% PBT margin by FY27.

-Revenue segmentation goals:
  - ISCS: 55% or better
  - IFM: 18-20%
  - GFS: 25%
* Positive outlook on ocean freights bottoming out.

* FY25 aims to improve momentum and financial performance.

ISCS Business
* ISCS orders take 9-12 months to convert to revenue, with different orders at various stages and lead times ranging from 4-10 weeks.
* ISCS accounts for 55% of the company's revenue and delivered a 14% YoY growth.
* Guidance for ISCS includes double-digit revenue growth, with a 17-18% growth rate over the past three years.
* The business is consistently adding more Fortune 500 companies.

IFM Business
* The IFM business was significantly impacted by UK inflation, improvement in basic wages, and cost inflation, facing substantial cost challenges for the first time.
* The target for Q2 is to achieve run-rate profitability in IFM.
* A significant number of customers have accepted price increases, with another round of price increases in progress.
* Costs have increased by 10-12%.

India Operations
* ISCS business in India remains flattish.
* NS business is driven by freight, showing signs of recovery.

Working Capital Improvement
* The goal is to reduce overall debt levels. All long-term debt has been repaid
* Currently, 18-19% of operating profit flows into cash flow, with expectations for FY25 to be slightly better.

**SJS Ltd-Q4FY24 Concall KTAs**

**CMP INR712| Market Cap INR 22,109 Mn**

**Guidance**

•SJS expects to outperform the underlying industry growth by over 1.5x due to premiumization, creating mega OEM accounts, exports, WPI acquisition, and higher than industry sales growth.

•Current order book for FY25 represents over 85% of forecasted revenue.

•Management is optimistic about the upcoming years, focusing on top-line growth and expanding EBITDA margins driven by this growth.

**Margins**

•Targeting EBITDA margins of 25%-26%, dependent on customer mix and company is on track to maintain these margins.

**Revenue Growth**

•SJS aims to continue its strong financial performance, with revenue growth exceeding the underlying industry growth.

**WPI Acquisition**

•Completed the acquisition of WPI, opening opportunities in the PV & Consumer segments.

•Strong performance driven by robust OEM demand.

•WPI has diversified its customer base and expanded its PV business.

•New product launches are expected to maintain 25%-26% margins.

**Exports**

•Export revenue grew by 51.1% YoY to INR 483 Mn.

•Focus on expanding wallet share with M&M, Tata Motors, TVS, Honda, Yamaha, Stellantis, Whirlpool, Geberit, and Skoda.

•Optimistic about export growth through Exotech & WPI.

**Inventory and Provisioning**

•One-time provision for slow-moving stock in Q4 FY24, impacting RM costs and customer demand-supply changes.

**Exotech Performance**

•Achieved 18.1% EBITDA margins.

•Strong traction in the export market with a legacy customer base.

•Efforts to improve efficiency and expand capacity in the plating business, targeting 15%-16% margins.

•Revenue target of INR 500 Mn QoQ, dependent on demand.

**Consumer Segment**

•Contributes 20% of the revenue mix.

•Added Reliance as a customer and a new vertical, electroacoustics.

•Expected revenue growth in the range of 1%-2%, depending on demand.

**Customer Base**

•End customers contribute 70%-75% of consolidated revenue.

•Largest customer accounts for >14%-15%.

**2w**

•Good uptick in the rural market with 8%-10% growth expected.

•SJS aims to grow 1.5x the market rate due to high content per vehicle.

**Market Position**

•Unique market position with integrated product and design capabilities.

•Significant growth expected in the next 3-4 years, driven by sales, ILM, Exotech chrome plating, and painting.

**Product Development:**

•Focus on quality over volume.

•Offers 15 types of technology under one roof, tailored to specific vehicle needs.

**Financials:**

•Exotech: INR 15,060 Mn turnover annually.

•WPI: INR 10,190 Mn turnover annually.

**Capex:**

•FY25: INR 700 Mn (INR 200 mn for maintenance, INR 500 mn for expansion).

•Total: INR 1,600-1,700 Mn over 3 years.

**Covered Glass Business:**

•New venture with advanced stage RFQs.

•Expected to contribute to turnover in 3-4 years with progressive margin improvement through different phases.

Automotive Segment grew by 38.3%.

**ESG Initiatives:**

•95% of energy needs are met through renewable sources, with 25% being green energy.

**Sona BLW Precision Forgings Ltd. – Q4FY24 Concall KTAs**

**CMP: INR 626 | Market Cap: INR 3,66,881 Mn**

## Outlook

**Sona Comstar expressed confidence in its ability to surpass industry growth by expanding market share, introducing new products, and acquiring customers. Despite acknowledging global EV concerns, they remained optimistic about long-term BEV adoption. To enhance R&D and develop new products, they plan to increase spending by over 100 basis points in FY25. A portion of the capex will establish a new plant in New Mexico to serve North American customers, leveraging cost advantages. These investments aim to support growth, foster new product development, and expand production capacity.**

## Financial Highlights

• Revenue stood at INR 8,853 Mn in Q4FY24, up by 19% YoY. Revenue for FY24 stood at INR 31,848 Mn up by 19%

• EBITDA stood at INR 2,481Mn in Q4FY24, up 23% YoY. EBITDA for FY24 stood at INR 9,021 Mn up by 30%

• PAT stood at INR 1,487 Mn in Q4FY24, up by 24% YoY. PAT for FY24 stood at INR 5,173 Mn up by 31%

• BEV revenue grew by 34% YoY to INR 2,730 Mn, contributing 32% of total revenue.

• They generated a strong free cash flow of INR 3,740 Mn for the year, covering investments and dividends using internal funds.

## Business Developments and Order Book

• Sona Comstar added 12 new EV programs and 4 new EV customers during FY24, further diversifying its EV order book.

• They obtained a new EV differential assembly program valued at INR 9,000-10,000 Mn from an existing customer in North America.

• Total order book at the end of FY24 stood at INR 2,26,000 Mn, with 79% coming from EV-related orders.

• The company secured INR 51,000 Mn in new orders during FY24, encompassing 39 new programs and 5 new customers.

**Electrification and Technology**

• They plan to repurpose their plant in China to specialize in manufacturing traction motors and suspension motors, transitioning away from starter motors.

• They are shifting their Novelic business from providing engineering services to focusing on product and semiconductor chip design, channeling resources towards research and the development of new products.

• The company launched an integrated motor controller product and secured orders for it.

• They are exploring opportunities in areas such as semiconductor design, signal processing, and software to facilitate chip intelligence.

**Competitive Positioning**

• The company has consistently maintained an average EBITDA margin of over 26% while simultaneously gaining market share against formidable global competition.

• They believe in maintaining a consistent focus on quality and technological advancements to stay ahead of the competition.

Capacity Expansion and Localization:

• They have established a new plant in New Mexico, Mexico, to serve customers in North America, capitalize on cost advantages, and ensure compliance with the United States-Mexico-Canada Agreement.

• The company plans to invest between INR 10,000-12,000 Mn in capital expenditure over the next 2-3 years.

**Emerging Opportunities**

• They are actively exploring opportunities in emerging sectors such as drone motors, motors for Electric Vertical Take-Off and Landing vehicles, and non-automotive applications for their motor products.

• The company sees potential in developing advanced technologies like radars for zone monitoring, 360-degree short-range applications, and in-cabin sensing.

**Ask Automotive Ltd-Q4FY24 Concall KTAs**

**CMP: INR 316 |Market Cap: INR 62,376 Mn**

**Outlook**

**The management expects double-digit revenue growth in FY25, outperforming the industry's anticipated growth of 8-9% for the two-wheeler segment. They aim to improve their EBITDA margins by 100 basis points, reaching around 11.5%, driven by economies of scale from the new Karoli plant. The company has made significant capacity expansions, investing INR 3,800 Mn in the Karoli plant and planning an additional INR 2,000 Mn investment in Bangalore this year. With a strong focus on new product development, such as the introduction of high-pressure die-cast alloy wheels in collaboration with a Taiwanese partner, ASK Automotive is well-positioned to capitalize on the industry trends, including lightweighting and the growing demand for electric vehicles.**

**Financial Performance**

- Consolidated revenue stood at INR 29,945 Mn, up by 17.2% YoY in FY24 and at INR 7,825 Mn, grew by 37.6% YoY in Q4FY24.

- EBITDA grew by 26% YoY at INR 3,110 Mn in FY24 and stood at INR 857 Mn, up by 71% YoY in Q4FY24. EBITDA Margins stood at 10.4% in FY24 and 10.9% in Q4FY24.

- PAT stood at INR 1738 Mn, up by 41% YoY in FY24 and at INR 478 Mn, increased by 112% YoY in Q4FY24.

- The company declared a dividend of INR 1 per share.

**Product Segment Performance**

- Advance braking system revenue grew by 6.5% YoY in FY24 and by 22.7% YoY in Q4FY24.

- Aluminium LW Precision Solutions increased by ~29% YoY in FY24 and by 72.5% YoY in Q4FY24.

- EV revenue grew by 133% YoY in FY24 and by 91% YoY in Q4FY24 whereas export revenue grew by 58% YoY in FY24 and by ~22% YoY in Q4FY24.

**Capacity Expansion**

- The company has invested INR 3,800 Mn in the Karoli plant and plans to invest an additional INR 2,000 Mn in Bangalore this year.

- The Karoli plant is expected to achieve 60% capacity utilisation in the first year and full utilisation within 1.5 years.

- They plan to invest around INR 3,000 Mn in the next year to cater to future growth.

**New Product Development**
- The company is collaborating with a Taiwanese partner to introduce high-pressure die-cast alloy wheels for two-wheelers, leveraging the partner's expertise.
- Results from the product testing with OEMs are anticipated by Q1 of the next fiscal year.

**Revenue Mix**

- Approximately INR 1,200 Mn of revenue comes from supplying to tier-1 in the industry.

- The rest of the revenue, apart from exports and non-automotive segments, is derived from the 2w segment.

**Joint Venture**
- The company plans to enter into a joint venture for the independent aftermarket segment, leveraging its existing setup.
- The JV will focus on distributing quality parts manufactured by the company and its partner in India and nearby ASEAN countries.
- An equity infusion of around INR 110 Mn is planned for the JV as of March 31.

**Working Capital Management**
- The company's working capital cycle has improved significantly, coming down to 17 days in Q4FY24 from the historical levels of 27-28 days. However, the management expects the working capital cycle to revert to the historical range of 27-28 days, which is considered one of the best in the industry.

**Customer Concentration**
- The top three customers account for around 60% of company’s revenue in FY24.

**Light Weighting Trend**
- The trend towards light weighting in vehicles, especially in electric vehicles (EVs), is increasing the potential content per vehicle for aluminum components.
- This trend presents an opportunity for the company to expand its product offerings and increase revenue.

**NDR Auto Components Ltd-Q4FY24 Concall KTAs**

**CMP INR 895 | Market Cap INR 10,640 Mn**

**The company transitioned to a multi-product, multi-client model, targeting low double-digit growth with similar or slightly better margins, with an order book of INR 250-300 crores executable over 2-3 years. Currently operating at 80%, utilization and we do not see management exuberating confidence of incremental business flow from any new client/ existing client and export side**

**Gross Margin**

Gross margin has increased from a run rate of 76-77% to 78%, driven by a reduction in RM costs by 200bps. The gross margin for artificial leather is slightly lower, which led to a 1% decrease overall as this segment has higher returns. The share of artificial leather is expected to increase significantly, as models like the Grand Vitara have a high percentage of artificial leather.

Debtor days increased from 30 to over 50 days, as payments from Gujarat and NCR plants are within 30 days, while Bangalore plant payments take slightly longer; however, creditor days have increased similarly, leaving working capital unaffected.

**Capacity utilization**

Utilization is at 80%. The company has purchased a plant in Karkoda near the new Maruti plant and is looking for new land potentially in Anantapur. Once capacity is exhausted, expansion near the Kia plant will be considered. Currently, production is sent from Bangalore. Karkoda will use existing capacity, and once sufficient business is secured, new capacity will be set up within 1-1.5 years.

Volume growth has been revised upward for the current year for the XUV. Kia business will start in January FY25 and another project in February, with the Maruti EV project postponed to FY25, targeting low double-digit growth with similar or slightly better margins. Projects include Maruti Desire and EV next year.

Dividend distribution policy is set at 10-15%.

Capex is INR 30 cr for FY25 (no maintenance), with depreciation in a similar range.

Revenue potential of  INR 100-115 crore for Bangalore and INR 100 crore for Gujarat.

Order book stands at INR 250-300 crore, executable over 2-3 years.

**JK Tyre Q4FY24-Concall KTAs**

**CMP INR 424 | Market Cap INR 110,585 Mn**

**JK tyre has guided a high single digit volume growth in FY25, supported by a healthy demand in the replacement and export markets. It also expects to manage the EPR impact through a combination of price hikes and an improved mix. We have positive view on the stock led by the recovery in the H2FY25 across the segment**

**Financial**

- Revenue stood at INR 37,140 Mn grew by 2% YoY
- EBITDA margins expanded by 271bps YOY to 13.4% (15.2% QoQ)
- PAT margin at 4.7% in Q4FY24 (6.1% QOQ) (3.1% YOY)

**Concall KTAs**

- OEMs: JK tyre is optimistic about the medium to long-term outlook for the car sector, with buoyant demand for PV and 2w-3w tyres. CV tyre replacement demand is stable, and OEM demand is expected to increase in the H2FY25. Export demand has been recovering since Q4FY24. Market presence in the replacement segment has been strengthened with over 130 brand shops and 200 lead customers added.

- Capacity expansion projects for TBR and PCR are nearly complete, with full production by Q1 FY25. The INR 1,4000 Mn expansion for TBR, PCR, and All Steel Truck Radial tyres is on track.

- Utilization: Consolidated capacity utilization was about 89% in Q4 which was 86% for the FY24. In the truck tyre ~45%, TBR 90% & PCR 95%.

- EPR: In Q4FY24 made provision for INR 740Mn in JK Tyre and INR 320 Mn in CIL towards the EPR liability which was regulated which was notified by the Government of India and this liability was provided in Q4.

- Price Increase: In Q1FY25, the company is looking to implement a 1.5-2% price hike across all categories due to a 3-4% expected increase in RM costs, driven by premiumization mix and efficiency improvements, and started recovering EPR costs on a per-kilogram or per-tire basis, which will continue.

- Medium-Term MS Focus on leveraging social media to build a positive emotional connection.

- Fleet: The company has added marquee fleets and mobility solutions, connecting with almost 1300 out of 1800 large fleets nationwide, which is expected to drive further consolidation and provide a competitive advantage.

- Brand Stores: Brand stores enhance profitability through value sales pitches and additional services, with consistent volume sales ranging from 200 to 2000 tyres, making them highly profitable.

- The company expanded its brand shops network especially the steel wheel and truck wheels by adding nearly 150, reaching over 800 shops, with 50% of PCR segment sales coming through these. shops. Plans to add 200+ brand shops in FY25 aim to improve customer connections, brand salience, and brand image.

- Subsidary: Cavendish Industries Limited and JK Tornel, Mexico continued to perform well and have significantly contributed to the revenue and profitability on consolidated basis.

- Volume growth: Domestic volume growth was 6% contributed by replacement and OEM segment, which grew by 7% and 5% respectively over the last year. In Q4FY24, company witnessed a volume growth of 7% in the replacement segment, however, the OEM volumes were muted, mainly owing to lower CV offtake.

- Premiumisation: The company has also launched new products in the truck radial segment, such as XF, XM, and XD, which have added to its premiumization mix. The company is continuing to work on premiumization, product premiumization, and operating efficiencies to offset material costs. The company has launched innovative product.

**Minda Corporation Ltd-Q4FY24 Concall KTAs**

**CMP INR 426 |Market Cap INR 101,847 Mn**

**MindaCorp anticipates growth in the aftermarket division, with the industry expected to grow by 15%-20%, driven by increased content for vehicles and products like smart keys, FY25 guidance is muted and FY26 outlook is higher due to a robust order book. We have a positive view on the stock led by the increasing premiumization which led to increased content per vehicle and upcoming multiple launches from the OEMs in FY26.**

**Financial**

- Revenue of INR 12,150 Mn, a growth of 13.1% YoY/4.2% QoQ
- EBITDA margin of 11.4%, an increase of 52 bps YoY/26bps QoQ
- PAT of INR 710 Mn with a margin of 5.8% (11.3% YoY) (4.5% QoQ)

**Concall KTA**

**Orderbook**

INR 100 Bn lifetime orders against INR 80 Bn previously, with over 50% from EV platforms across new and existing product lines, prompting proactive enhancement of capabilities and capacities across various domains, including vehicle access, EV products, driver information systems, die casting parts, electrical distribution systems, and new technologies. 50% of this is replacement businesses and 50% of this is new businesses

**Capex**

~5% of its revenue to CapEx annually, and plans to maintain similar levels for the next year. This will focus on regular and replacement CapEx (2%-3%), capacity expansion (INR 1700-2000 Mn ), and engineering (1.5%).

**Premiumization**

The mechatronics division has strong demand in two-wheeler and PV segments due to premiumization of existing and new products.

Minda Corp products are shifting to premium status, with 2w kit values ranging from INR 22,000 to INR 27,000, driven by increased demand for vehicle access, wiring harness, instrument clusters, EV-related innovations, and other developmental products.

**R&D**

~3% into R&D of top line for new product and innovation. The company has >11 engineering and R&D centers and focuses on engineering capabilities in the area of testing, validation, electronics, embedded software and other technologies.

**Content Per vehicle**

Minda Corporation is growing in terms of content for vehicles, peak value, and premiumization.

**Product**

- The penetration of smart keys in Indian 2w is 3% to 5% and expected to increase is simply because of the comfort and convenience factor. Smart keys, given the higher realization and there is also good profitability at double-digit margin. MS 40% in mechanical and smart key would be >80%.
- DFT clusters are going to be leading the product segment across customers. In 4w, company is already supplying that to various customers, and in 2w is supplying to Indian OEMs as well as exporting DFT clusters from India across the world.
- 2W EV industry: Company expects in 2030 it should be 30%.
- The five product lines are 1) vehicle access space, 2) die casting area, 3) Wiring harness division across the cluster division 4) exports 5) EV platforms
- Segment revenue: Interior plastics division INR 1500 Mn.
- Other product line: Antenna business which is in a start-up phase and there are other electronic components, such as telematics, and intelligent transportation systems.

**Export**

In FY24 has been lower by 14% due to the global scenarios where company is exporting various products to Ukraine and Russia region. In FY25, despite a global downtrend in America and Europe, the company expects muted exports, but anticipates growth in FY26 led by a strong order book and focus on IC and EV aspects.

**Partnership**

Company has forged strategic technology partnerships for automotive sunroof and smart vehicle access systems, enhancing capabilities as a comprehensive mobility solution provider, and inaugurated a new smart key facility to better serve customers in the ASEAN region.

**Lumax Auto Technologies Ltd-Q4FY24 Concall KTAs**

**For FY25, LATL anticipates overall revenue growth of 20-25%, with standalone growth of 15-20% and JV growth of 14-15%, and expects EBITDA margins to remain in the 14-15% range (FY24 range). IAC India is projected to achieve a double-digit CAGR, while the standalone entity targets growth between 15-20%. Despite concerns over slower-than-expected revenue growth in FY24 due to subdued aftermarket performance and changes in the customer product mix, LATL remains optimistic about its future growth prospects, led by its diversified product portfolio, strong customer relationships.**

Order book: The company boasts a healthy order book exceeding INR 900 crores and currently has no concrete plans for a merger with Lumax Industries. EV contribute 40% of the total order book.

Content: INR 25,000 content per vehicle in the 3XO model, less than the Mahindra 700.

Product: Company is seeing increased penetration in plastic fuel tanks, contributing to strong revenue growth.

Bajaj Chetak models are driving substantial value growth. Significant growth driven by a mix change in Bajaj Auto.

Export strategy involves moderate expansion with JVs, with initiatives in ASEAN regions including Indonesia and Malaysia, and a five-year roadmap for Japan.

Lumax Mannoh is enhancing penetration in automatic gear shifters 70%, contributing >80% to PV gear shifters.

IAC India is focusing on interior lighting

Product-wise Revenue Mix: Integrated Plastic Modules, 47%, Aftermarket , 14%, Gear Shifters, 12%, Fabrication, 8%, Lighting, 5%, Emission, 6%, Others, 8%.

Customer-wise Revenue Mix: Mahindra & Mahindra, 26%, Bajaj Auto, 22%, Aftermarket, 14%, Others: 16% & Tata Motors 4%.

**Amara Raja Energy & Mobility Ltd-Q4FY24 Concall KTAs**

**CMP INR 1190 | Market Cap INR 217,754 Mn**

**Company plans to start commercial production of its localized charger for 2W and 3W last part of Q4FY24, expects to accelerate into new pack customers with its new facility, and targets INR 1,500 Mn in revenue from its automotive aftermarket business in FY24, up from INR 250 Mn in Q3FY24. International contributions grew by 30% last year, with enhanced flooded and AGM batteries released ahead of India's demand, showcasing technological abilities. This growth positions Amara Raja Energy and Mobility for larger global market share, particularly in UPS and data center segments.**

•Acquisition: Company has also completed the acquisition of the Amara Raja Power Systems Ltd, which is an industrial charger and EV charger manufacturer. 13% overall revenue growth, with a 10% increase in the lead-acid battery business and doubled the new energy business, driven by significant traction in EV chargers and battery packs.

•Margin: 1) Completed integration of the plastic component business acquired on 1.4.2022, contributing a 0.8% EBITDA increase, 2) Incurred one-time expenses of about INR 20 crores for stamp duty payments related to the merger, 3) Trading activity of inverter batteries increased trading revenue percentage to 10-11% from 5% FY23, impacting operating margins.

•In FY24, company invested INR 8000 Mn in CapEx, allocated across the recycling venture, new energy venture, and lead-acid battery projects.

•Capex: For FY25, the company plans to spend around INR 15000 Mn on CapEx, with INR 3000-4000 Mn allocated to the lead-acid business and INR 10,000-11,000 Mn for the new energy business and a similar capex is expected for FY26. Trading activity of inverter batteries increased trading revenue percentage to 10-11% from 5% last year, impacting operating margins.

•International business growth driven by new markets and solid performance in APAC and the Middle East. Domestic volumes saw a 15% increase in the aftermarket segment for 2W and 4W, with 2W OEM volumes up 20%. Inverter batteries also grew significantly despite FY23's factory fire.

•New energy business (chargers and battery packs) saw over 30% growth, selling packs for telecom, 3w, and small quantities for 2w applications.

•Strong traction: Trading activity of inverter batteries increased trading revenue percentage to 10-11% from 5% last year, impacting operating margins.

•R&D: The company's strong R&D pipeline ensures technological advancements in lithium chemistry for the next 5-6 years.

•lead per annum: Roughly ab 3,000,000 tons of lead per annum and 70% to 75% of that will come from recycled sources. The new recycling unit, with a capacity of 150,000 tons per annum, will cover 40% of the company's requirements, enhancing efficiency and recovery targets, and achieving 99% efficiency in converting old lead-acid batteries into new products.

•PLI: The initial cell configuration's fit within the PLI grid is uncertain, but higher energy densities will likely qualify. At the NMC level, the energy density grid should be applicable, covering about 90%. Further confirmation is needed. Partner is a reliable supplier based out of China, having a presence in all these additional geographies.

**Balkrishna Industries Ltd – Q4FY24 Concall KTAs**

**CMP: INR 2798 | Market Cap: INR 5,41,085 Mn**

**Outlook**

**The company aims to sustain double-digit growth in India by capitalizing on increasing mechanization and automation in the farm machinery sector. It also plans to gain market share in the industrial and construction tire segments beyond its traditional strength in agricultural tires. While raw material cost inflation and freight costs remain headwinds, the company is evaluating price increases to protect margins. The ramp-up of the advanced carbon black facility in FY25 should provide an additional margin boost. In FY25, the company expects INR 5,000-6000 Mn routine maintenance CAPEX along with some last-mile completion spends for the advanced carbon black project and mold manufacturing CAPEX. Overall, the company expects to maintain FY25 margins at around the FY24 levels on a full-year basis.**

**Financial Highlights**

•Revenue stood at INR 26,970 Mn in Q4FY24 up by 16% YoY & INR 93,750 Mn in FY24 down by 7% YoY.

•EBITDA stood at INR 6,990 Mn in Q4FY24 up by 42% YoY with margins at 25.9% & INR 23,220 Mn in FY24 up by 14% YoY with margins at 24.8%.

•PAT was at INR 4,810 Mn in Q4FY24 up by 88% & INR 14,380 Mn in FY24 up by 33% YoY.

•Sales volume stood at 82,085 MT in Q4FY24 up by 13% YoY & 2,92,628 MT in FY24 down by 3% YoY.

•The Board of Directors declared a final dividend of Rs. 4 per equity share, subject to shareholders' approval.

**Operational Highlights**

•In Q4FY24, 47% of the company's sales came from Europe, 27% from India, 17% from America, and the balance from the rest of the world.

•In terms of channel contribution, 71% was from replacement, 27% was from OEM, and the balance from others.

•In terms of category, agricultural contributed 61%, while OTR industrial and construction contributed 36%, and the balance came from other segments.

**Growth Markets**

•India is a key focus market for the company going forward. The company aims to sustain double-digit growth in the Indian market.

•The company gained some market share in the domestic Indian market during the year, aided by increasing mechanization and automation in the Indian farm machinery sector.

•The company is also working to increase its presence in the industrial and construction tire segments beyond just agricultural tires.

**Pricing and Cost Outlook**

•The company is evaluating a price increase to offset expected raw material cost inflation of INR 1-2 per kg in Q1FY25.

•Freight costs increased in Q4, and the company was able to pass on around 50% of the increase through surcharges.

**Carbon Black Business**

•Around 50% of the company's carbon black production is used internally, while the remaining 50% is sold.

•The company does not foresee oversupply risks impacting margins despite capacity expansions by major players.

**Capex and Debt**

•Company's FY24 capex spends were INR 11,400 Mn.

•Company's gross debt stood at INR 30,360 Mn as of March 31, 2024, with cash and cash equivalents of INR 27,460 Mn, resulting in a net debt of approximately INR 2900 Mn.

•In April 2024, the company repaid INR 1750 Mn of long-term debt as per the repayment schedules.

**Other Highlights**

•The company provided INR 113 Mn in the books for the current year for the Extended Producer Responsibility regulations, which is expected to be around INR 150 Mn for the FY25.

•The company's advanced carbon black project with a capacity of 30,000 metric tonnes per annum is expected to be completed in the first half of FY25, with margins expected to be 200-300 basis points higher than regular carbon black.

•The company's vision is to achieve a 10% market share in the entire basket of highway tyre manufacturing in the next five years, up from the current 5-6% share.

•The mold manufacturing capex is expected to be completed in Q1FY25.

•The Income Tax department conducted search operations at the company's offices and manufacturing units in March 2024. The company is cooperating and will update on the outcome.

**FIEM Industries Ltd- Q4FY24 Concall KTAs**

**CMP INR 1221 |Market Cap INR 32,131 Mn**

**FIEM experienced growth in the 2w industry with valued OEM customers like Hero Harley Davidson, despite delays and market acceptability challenges with the Gogoro project. The company plans to invest INR 250-300 Cr in capex over the next 3 yr, aiming for 12-15% organic revenue growth in FY25, while focusing on new product development such as laser technology, night vision, & ambient lighting**

**Financial**

INR 554.70 Cr, up 28.1% YoY (+9.83% to INR 2,014 Cr in FY24)

PAT of INR 47.11 Cr, up by 54.02% (+18.77 to INR 165.84 Cr)

Invested INR 85.86 Cr Capex in FY24

Recommended a dividend of INR 20 per share

Insurance claim for a fire incident is under process.

**Concall KTAs**

Demand: High demand across the segment, with a continued focus on 4W and Indian PV segments.

PLI Scheme: Maintained by Gogoro; production has not yet started, but revenue generation is ongoing.

Laser Technologies: Focus on night vision and ambient moonlighting for premium segments.

Growth Expectation: 12-15% organic revenue growth projected.

Order Book: Expected orders from 3 Indian customers.

Capex Breakdown: INR 2000-3500 Cr over the next 2-3 years, including INR 40-45 Cr for maintenance. Incremental revenue is expected to be 3x the investment. Including the hub controller. Current Year Capex INR 86 cr, including roadshow expansions.

Yamaha: Strong growth is expected with the 160cc model and exports.

Growth: Anticipated industry growth in EVs and hub motor business.

Slightly higher margins as 2W, with potential for slight increases as prices rise.

Capacity Utilization at 80%.

India OEM: Orders from 3 customers; 1 project under development expected to commence in 3 months.

Execution: INR 10 cr order to start this year, expected to grow 2x-3x.

The company is working for Hero on 7 products under development.

Yamaha: Ongoing RFQs and under development.

Ambient Moon Lighting: 3 RFQs, with 1 expected to finalize in 3-5 months.

New Product Development: The company is working on laser technology, night vision, and ambient lighting for potential market expansion.

2W Business: Underperforming sales performance, although the last 2 quarters showed improvement.

Gross Margin: The Company’s gross margin was down by 200 bps YoY in Q4 FY24 due to increased employee costs.

Replacement Business: Company’s investments in Southern India to enhance capacity utilization.

Mirror Segment: The company is targeting double-digit margins.

Exports Good growth was observed, particularly with Hero Harley Davidson.

4w significant entry secured.

**Suprajit Engineering Q4FY24 Concall KTAs**

**Suprajit anticipates more robust growth and enhanced profitability in FY25, with the expectation of strong growth across the segment with recovery in the international business. The cost structure has significantly improved, with notable performance enhancements from Luxlite and Phoenix Lamps.**

- Control Division: Achieved an EBITDA margin of 3% in Q2, 7% in Q3, and 6% YoY. The company aim to surpass an 8% EBITDA margin by FY25.
- Revenue Growth: Continued restructuring has led to revenue margin growth, particularly in the automotive sector.
- Non-Automotive: Company is integrating Westcon unit in the U.S. with the India unit, which maintains an EBITDA margin of over 30%, and company aim to enhance margins by expanding into high-value non-automotive segments, increasing customer share of wallet and transitioning to better margin profiles.
- Warehouse & Contracts: Focus on optimizing warehouse operations and contract management.
- Market Pressure: Facing significant pressure in both the US and Europe.
- Diversification: Expanding into non-automotive businesses, including rotary and non-cable products.
- Global: Continued success in winning global business and expect to have a decent FY25
- Cable Division: Performed well, showing strong results. Capex in this segment INR ~50 Cr out of INR 180 cr.
- Aftermarket: The aftermarket business was muted after a long period of lull due to the GST COVID effect. Suddenly sees the gray market. Efforts are underway to strengthen this market.
- Margin Improvement: Solid margin improvement through cost reduction in operations.
- Suprajit Technology: Suprajit Technology and Digital Cluster HTC have showcased innovation and are collaborating with global customers, demonstrating significant and ongoing industry applicability.
- Phoenix Lamp: Phoenix and Control Division faced challenges, but operations performed well, and the worst seems to be behind. Q1 is anticipated to be a strong quarter, with a robust outlook both internally and externally, focusing on electronic and global actuation programs.
- Capex: Planned capex of INR 180 cr, with 50% for maintenance and 50% for strategic expansion.

- One-Off Costs: Relocation of the China plant to take the advantage of lower labour cost. Last two years in excess of 20% every year, that will continue to be there on the balance P&L, things like China tariffs.
- LED Retrofit: Small-scale project with a budget of INR 25 cr.
- Cost Structure: Significant improvements in Luxlite and Phoenix Lamp's performance. H1 FY25 saw some one-off events, with margins reaching double digits at 12-14%.
- Suprajit Electronics: Maintained steady state margins, comfortable with double-digit margins. Consolidation of premises expected to yield another good year for the electronics division.
- Suprajit Cable Division: Expanding beyond traditional cable products, transitioning towards Suprajit Electronic Division, and securing new business.
- Margin Improvement: Anticipated margin improvements and India portion has traditionally been at a good EBITDA margin of 30%+ in non-automotive business, with expectations for recovery.
- Brake Products: Collaborating with OEMs for both ICE and EV markets, advancing the braking division with new plant setups. Gaining traction, though the braking division progresses slower due to safety regulations.
- Competitive Market: Price competitive bidding happening with some of the customers.
- Actuator Development: Focus on actuators for 2-wheelers and PV, including head-rests and seat movement mechanisms.
- Digital Panel Development: The business development team is focusing on actuator and digital panel innovation.
- Domestic Control Division: Adjusted for aftermarket growth and EV market emergence. Q4 saw 21% growth, with 15% at the DCD level. Also last year price decreased due to drop in commodity price.
- Order Book: Order book looks strong and there have been even more wins on top of that in FY25. The domestic cable division anticipates double-digit growth, with strong margin profiles for DCD products.
- Inorganic Opportunities: Exploring opportunities for inorganic growth. it's important to have geographic size, and also it is important to have financial stability and strength to survive this marketplace, particularly where there are many players trying to take the same business from the way from each other. So there has been a price competitive.
- Speedometer Development: Continuing advancements in speedometer technology. nternal manufacturing also started supporting Phoenix lamps for their led retro kit lamps as well as for SCD for exports of controller boards. This is expected to ramp up significantly in the coming year after certain reorganization. From Q1 onwards will be including mechanical speedometers.

**Sharda Motor Industries Ltd-Q4FY24 Concall KTAs**

**CMP: INR 1,568 |Market Cap: INR 46,621 Mn**

**The upcoming TREM V emission norms in 2026 present a significant growth opportunity, with Sharda Motor aiming for market leadership. The company is actively pursuing export opportunities for sub-components and emission systems across tractors, gensets, and construction equipment. Additionally, Sharda Motor is diversifying its product portfolio into the power-train agnostic segment, including light-weighting solutions. Sharda Motor's debt-free status and substantial surplus funds position it well for future growth opportunities. Despite previous challenges in the tractor industry, the outlook is positive due to favorable government policies and increased rural spending. While specific revenue guidance is not provided, the company expects to outperform the industry through new product development, capacity expansion, and strategic acquisitions.**

**Financial Performance**

- The FY24 revenue stands at INR 28,093 Mn, YoY growth of 4% and the Q4 FY24 revenue stands at INR 7,034 Mn, YoY growth of 2% and a QoQ growth of 2%.

- The FY24 EBITDA stands at INR 3,614 Mn, YoY increase of 28% and the Q4 FY24 EBITDA stands at INR 994 Mn, a YoY increase of 23% and a QoQ growth of 5%.

- The FY24 PAT stands at INR 2,996 Mn, a YoY increase of 44% and the Q4 FY24 PAT stands at INR 883 Mn, a YoY increase of 42% and a QoQ growth of 16%

- The management has proposed a final dividend of INR 9.92 per share for FY24.

**Operational Highlights**

- The company's market share in the passenger vehicle segment for emission control systems in India is around 30%.

- The company has an annual installed capacity as well as annual production of exhaust systems of approximately 1 Mn units.

- Sharda Motor has located manufacturing facilities across four states in India, catering to both domestic and international customers.

- The company has filed 9 intellectual properties in the last two years, with 3 patents granted.

- The company is expanding its lightweighting vertical, starting with control arms and suspension assemblies.

- The company has seen an increase in other expenses due to higher value-added sales, labor charges, freight, and power.

## New Product Development and Customer Diversification

- The company is working on developing products for the upcoming TREM V (tractor emission) norms, which have already been notified by the government. Most OEMs have nominated suppliers for TREM V and have started the development process.

- It is strongly preferring to take the Free of Cost route for new TREM V products, aligning with its strategy of improving margins.

- The company has added one new customer in the light-weighting (suspension control arms) segment and has been nominated for a platform that caters to both EVs and ICE vehicles. This highlights the company's focus on diversifying its customer base and catering to the evolving automotive industry.

- The company is exploring opportunities in the 3-liter to 4-liter engine segment, where it is currently not present.

## Geographical Expansion

- The company estimates a huge potential export market for its current product range in the USA and Europe.

- The company has manufacturing facilities across locations in four states of India, specifically one in Gujarat, two in Maharashtra and one in Tamil Nadu.

- The company is investing INR 500 Mn in a new facility in Pune. This facility will focus on control arms and suspension assemblies and will be powertrain agnostic.

## Buyback of Shares

- The company's decision to buy back shares was influenced by a surplus of cash reserves, aimed at returning value to shareholders while still retaining enough funds for M&A opportunities.

## Other Highlights

- The company continues to be debt-free, with surplus funds of approximately INR 9,000 Mn, including investments in bonds and mutual funds.

- The management believes that the market size for construction equipment is estimated to be about 20% of the tractor industry.

- The tractor industry witnessed an 8% drop in domestic sales and a 22% decrease in exports in FY24 due to various economic challenges. However, the outlook is positive for a recovery in the tractor industry, supported by government initiatives and increased rural spending.

- The implementation of TREM V (tractor emission norms) from April 1, 2026, is expected to open up new business opportunities for the company.

- New emission norms, such as TREM V, and CEV V, are expected to drive content increase and market share gains for the company.

**Ashok Leyland Ltd- Q4FY24 Concall KTAs**

**Outlook: There are concerns due to external factors, particularly European uncertainty and issues in the UK, company remain positive about new orders and the launch of interesting products in the LCV segment***

**Margin**

- Company aspirations for mid-teen EBITDA margins by focusing on cost reduction and efficiency improvements.
- Capex for FY24 was at INR 500 cr, with an increase to 500-700 cr planned for FY25. Investments in switch operations are lower than FY24, with no additional investment needed in H1.Switch turned EBITDA positive in FY24.
- Hinduja Leyland Finance has an AUM of 38,000 cr, and Hinduja Housing Finance has about 11,000 cr, totaling nearly 50k cr Despite a GNPA of about 4.5% and NNPA around 2.25-2.3%, the company is well-managed and diversified, with only 27-30% in CV and investments in 2w, 3w off-road vehicles, low-ticket properties, and paper buyouts.
- In Q4FY24 IC bus and EV bus segments have shown significant progress.
- The company is set to deliver the first set of fuel cell buses to NTPC and already delivered to MGL soon.

**Order book**

- A strong order book of 1500 and the company has 950 to deliver in Delhi
- and another 320 to deliver in Bangalore and then few more, So the company has to ramp up on various aspects of production,
- sourcing capabilities.
- The company is launching new products, including a 12-meter low-floor bus for Delhi and
- Bangalore, and a brand new E1 that has been developed over the last two years.

**CV**

- Despite a challenging start to the year, the CV numbers are expected to bounce back, showing strong performance in April. The focus on the ground is very robust, which bodes well for the CV industry.
- LCV segment has shown good growth, supported by stable diesel prices and a strong market. May is looking promising based on current trends and inquiries, suggesting a good year ahead for the company.

**Industry**

- The company is optimistic about the macro environment, citing a prediction of a good
- monsoon, a stable government post-elections, and a flurry of robust economic measures.
- The country is poised to grow at a faster pace in the foreseeable future.
- All macroeconomic factors are in favor.

**M&HCV**

- Company remain optimistic about M&HCV despite expecting negative growth in Q1 and Q2, with recovery and growth in H2.
- For FY24, overall growth of 3-4% in the M&HCV segment. The first seven months have seen a 7-8% increase due to a high base number and OBD norms, with the industry growing 8-9% and April growth at 10%, creating a positive environment.
- Replacement demand: Company anticipate strong replacement demand as older BS4 vehicles are converted to newer technology in BS6.

**Tax**

- There is a likelihood of lower tax rates, which could benefit the industry.
- Cost savings intiative: Costs tend to rise, company is committed to cost-saving measures and increasing productivity. Ambition is to continually save costs across all parameters.

**Fleet***

- Fleet average utilization has increased, a trend that started during COVID-19 and continues positively. Might need additional capacity in 2-3 years and plan to create a common production line for EV and traditional buses.

**E-Bus Tender**

- Progress in e-bus tenders, holding a 1,500 order book and actively participating in new tenders. Focus is on building a profitable tender book, especially in green mobility, with smaller versions launching in the next few months.

**Defence**

- Defence has done 2x growth in FY24 to reach ~1,000 cr. The order pipeline and viability are strong, setting new targets.
- Gross margins benefit from robust performance across all segments, with significant contributions from defence and power solutions.

**New Products**

- The company plans to launch 16 new products in the 2 to 3.5 tons M&HCV segment in FY25 which should boost its market share.The company is looking to improve its product positioning in the market to the next level.

**Reverse Merger**

- The company expects the reverse merger process to be back on track and to take a
- couple of more quarters. Company's believe that there is a value upside that will be seen not only for Hinduja Leyland
- Finance, but also for Ashok Leland, because the investment that is there in Ashok
- Leyland's book is not reflective of the value that Hinduja Housing Finance has.

**Uno Minda Ltd - Q4FY24 Concall KTAs**

**CMP: INR 835 | Market Cap: INR 4,79,712 Mn**

**Outlook: The management provided an optimistic outlook, guiding for 1.5x industry growth in the near term backed by new capacity additions and strong order book, especially in the EV segment. Expecting to maintain 11% +/- 50bps EBITDA margin band indicates an expectation of healthy profitability growth in FY25.**

**Financial Performance**

- Consolidated revenues grew by 31% YoY to INR 38,000 Mn in Q4FY24, driven by strong performance across product lines, especially EV products, lighting, switches, sensors, controllers, and alloy wheels.

- EBITDA of INR 4,740 Mn in Q4FY24, up 48% YoY, benefited from operating leverage and yearly tax increase settlement.

- PAT for Q4FY24, excluding exceptional items, stood at INR 2,690 Mn, up 47% YoY.

**Industry outlook**

The company expects a cautiously optimistic outlook for FY25, with new product launches, particularly in the EV segment, and anticipated good monsoons fueling demand in rural areas and the commercial vehicle sector.

**Margins**

- While Q4FY24 EBITDA margins benefited from operating leverage and yearly tax increase settlement, the management guided for maintaining annual EBITDA margins in the 11% +/- 50 bps range for FY25, with a bias towards the higher end.

- The lighting business margins are lower than the company's average due to the high share of bought-out electronic components as the industry transitions from halogen to LED lighting.

**Lighting Business**

- Lighting revenues contributed 26% to consolidated revenues.

- 4W lighting business almost doubled revenues in less than 2 years to INR 12,000 Mn in FY24.

- Won orders to supply 3 long LED tail lamps and a signature LED front DRL with welcome/goodbye sequence for a major EV OEM.

- Expects lighting business momentum to continue, targeting 20% market share.

**Alloy Wheels**

- 4W alloy wheel capacity at 390,000 wheels/month running at full utilization.

- Received large order for diamond finish alloy wheels from a Japanese OEM for the facelift and a new EV model.

- 4W alloy wheel penetration reached 45% from 15% when they entered the market.

- In 2W alloys, became one of top 3 players with 5.4-6 mn wheels/year capacity.

- Diversifying customer base in the 2W alloy wheel business, with around five key customers in both the scooter and motorcycle segments, including an order from an American 2W OEM manufactured in India.

**Exports and Aftermarket**

- Exports emerged as a major growth driver for the switches business in 2W segment.

- Seating business exports around INR 2,000 Mn, witnessing some headwinds. Started supplies for two new H-EV OEMs. These supplies for new 2W OEMs to start in the next six months. Also, secured an order for a mechanical suspended seat and pneumatic suspended seat to be supplied to a domestic CV OEM.

- Aftermarket revenues at INR 2,700-2,800 Mn range, growth has been flattish.

**Capacity Expansions**

- Secured 94 acres of land at IMT Kharkoda, Haridwar, for a greenfield alloy wheel plant with an initial capacity of 120,000 units per month, to be commissioned in two phases.

- Approved capex of INR 3,000 Mn for expanding the 2W alloy wheel plant capacity by an additional 2 mn wheels per year, taking the total capacity to around 10.5-8 mn wheels per annum.

- Continuing to evaluate and acquire strategic land parcels in major auto hubs, such as Gujarat and Tamil Nadu, to meet future demand.

- Total capex guidance for FY25: Sustaining capex of INR 4,500-5,000 Mn and project capex of INR 8,500-9,000 Mn.

**EV and Sensors**

- EV order book increased from INR 33,000 Mn to INR 37,000 Mn in Q4.

- Revenues from EV-specific products expected to continue to increase, with a strong order book and new product launches planned for FY25.

- Entered into a technical license agreement with StarCharge Energy PTE Limited to manufacture and sell EV supply equipments in India, strengthening the 4W EV product portfolio.

- Continued focus on emerging technologies, including sensors, controllers, and ADAS, with combined revenues of INR 6,000 Mn.

**Other highlights**

- Net debt stood at INR 13,180 Mn in FY24, up from INR 10,780 Mn in FY23, due to expansion capex and land bank acquisitions.

- ROCE for FY24 was around 18.5%, while RoE was around 19.4%.

- The merger process is expected to be completed within the next two to three months after the NCLT hearing scheduled for the first week of August.

- Approved an increase in stake in TG Minda from 47.93% to 49.9% by acquiring an additional 1.97% stake from the promoter entity.

**CarTrade Tech – Concall KTAs**
**CMP INR 809 |Market Cap INR 37927 Mn**

**Outlook: Growth of 20-25% is achievable, though no specific guidance has been provided. With rising sales volumes and a harmonized supply-demand landscape, dealers and manufacturers are motivated to bolster sales strategies, capitalizing on the ample supply. In the used car sector, despite OLX's dominance, dealers are gradually shifting towards substantial investments in digital advertising, signaling an imminent transformation in the industry.**

Financial
Recorded Total Income at INR 1606.1 Mn grew by 38% YoY
Adjusted EBITDA for the quarter is at INR. 491.1 Mn grew by 23% YoY.
PBT for the quarter is at INR 297.3 Mn grew by 30% YoY.
PAT for the quarter is at INR 249.7 Mn grew by 43% YoY.

Concall KTAs
•Olx revenue stood INR 43 Cr business steady at this level. There is very low marketing costs, and reasonably high leverage to profitability with revenue growth. Automotive tends to be ~45-50%.

•Finance cost: Total finance cost itself is only 0.16 Cr and including depreciation that cost is increased by 1.6 cr in Q4FY24, which includes both. Therefore, majority of the increase is because of the Olx acquisition.

•Focused Growth in Used Car Classifieds: Olx prioritizes boosting revenues in the used car classified sector by adding dealers, increasing dealer revenues, and enhancing dealership value through improved traffic and services.

•Utilizing Existing Customer Base: With 30 mn customers already using Olx, attracting dealers to the platform is easier, emphasizing the importance of capitalizing on this existing user base for immediate growth in the used car market.

•Future Expansion into Non-Auto Segments*: Beyond the initial focus on cars, Olx plans to diversify into non-auto sectors such as real estate, jobs, electronics, 2w, and household items post the initial two quarters, broadening revenue streams and market presence.

•New car business 20% for the consumer group.

•The company had 17 Mn unique customers in April 2024 across platforms like Olx, Carwale, and Bikewell.

•Trade receivable increased 50% compared to FY23 due to Olx from the continuing business.

•Company is debt-free with strong cash balance of ~7500 Mn.

•In Olx margin improvement expected as revenue grows, particularly as plans to expand into non-automotive sectors leverage the game-changing potential of the Olx acquisition, transforming the business landscape.

•Consumer: The consumer group to exceed industry standards significantly, potentially doubling in strength, led by growth in digital advertising and digitalization within the car industry. With a focus on retail business expansion and a potential rebound in repossessions, Olx aims to capitalize on the strong used car market, where it holds a dominant position, while also exploring growth opportunities in jobs and home segments, particularly in B and C towns.

•Acquisition: Following Sriram Automall in 2018, Olx emerged in 2023; however, company refrained from pursuing acquisitions until identifying opportunities to the utilization of synergies.

**Menon Bearings Ltd-Q4FY24 Concall KTAs**
**CMP INR 120 |Market Cap INR 6708 Mn**

**Targeted EBITDA margins of 20-22% for its primary business, driven by the gradual pass-through of raw material costs. They aim for a consolidated CAGR of 25%, 15% CAGR for standalone operations, 45% growth in the casting sector, and 70-75% growth in the braking business. This strategy is projected to yield an overall 15% CAGR growth in 3 years**

**Financi**al
Revenue stood at INR 521.8 Mn (+5.68%QoQ/-3.13% YoY)
EBITDA stood at INR 105.3 Mn (+10.8% QoQ/-23.3 % YoY)
EBITDA Margin 20.17% (19.24% QoQ) (25.48% YoY) expansion 93.45bps QoQ/contraction 530.8 YoY
PAT INR 64.7 Mn (-29.5% YoY/15.69% QoQ); PAT margin 12.40% (11.32% QoQ/17.05% YoY)

**Concall KTAs**
- Capex: INR 300 Mn for Bi-metal division 40% to cater to increased market demand and Alkop Division 60%.
- Capacity: Bi-mental 70%, Alkop Capacity (in MT) 68% (>20 cr already received from the John Deere & Honeywell ) and Brake Capacity (lac pcs) (FY24) 20%.
- Clientele: No single customer contributes more than 10-12% to the business. Client wallet share consists of 60% from Tata Motors and Cummins.
- New Product: Manufacturing eco-friendly antifriction (asbestos-free) products used in braking systems such as brake lining and brake shoes.
- Capitalize on strong network: Leveraging the existing supply network and strong relationships with OEMs for brake segment products.
- Focus on high-margin products: No capacity constraints; land parcel available for future expansion.
- Export: Expected to exceed 25% in FY25 with plans to penetrate Africa and Latin America through a large distributor network. Many prepositions are forthcoming, such as battery chargers.
- Focus on M&HCV Segment: The company continues to focus on its strong customer segment in M&HCV segments, particularly the Aftermarket segment, due to its robust dealer network across India.
- Braking System (FY24 20% Capacity Utilization) (new products) Installed capacity: 15 lakh units per annum for Brake Lines, and 2.4 lakh units per annum for Brake Shoes. Non-Asbestos Organic (NAO) Brake Lining is made from organic materials like rubber and glass.

**TBO Tek Ltd-Q4FY24 Concall KTAs**

**CMP: INR 1420 |Market Cap: INR 1,54,157 Mn**

**Outlook**

**The company is well-positioned to benefit from the global outbound travel market, projected to reach $2.7 tn by 2027. With a presence in over 100 countries and significant international revenue, TBO Tek is set for growth. The management aims to expand its travel agent network, enhance its supply base, introduce new product lines, and improve its technology platform. Strategic acquisitions will also boost its global market position. The company has not provided specific future guidance, but its strong financial performance and focus on operating leverage suggest a promising growth trajectory.**

**Business Overview**

- TBO Tek operates in the global outbound travel space, providing an online platform for travel agents worldwide to search and book travel products across the world.

- The platform solves pain points like discovery of global supply, establishing trust between buyers and suppliers, facilitating payments in local currencies, and providing service for changes/cancellations.

- The company makes money through commissions (for airlines) and markup on wholesale rates (for hotels and ancillaries).

- It operates on a low-cost distribution platform model, aiming to keep margins reasonable to attract more buyers and suppliers.

- The hotel and ancillary business contributes around 75% of gross profit, while airline sales account for approximately 19%.

**Financial Performance**

- Consolidated revenue stood at INR 13,930 Mn, up by 30.8% YoY in FY24.

- EBITDA grew by 41.76% YoY at INR 2,580 Mn in FY24.

- PAT stood at INR 2,010 Mn, up by 35.81% YoY in FY24.

**Growth Strategy**

- The company is growing its global network of travel agents through an active, on-the-ground sales team.

- Enhancing penetration, building local supply ecosystems, and introducing new supply lines such as cruises, rail, and transfers.

- Ongoing investments in technology and data to continuously improve the platform.

- Pursuing strategic acquisitions to boost global reach and market position.

**India Market**

- Focusing on expanding reach beyond Tier 1 and Tier 2 cities into Tier 3 and Tier 4 cities.

- Leveraging the existing buyer base for both outbound hotel and airline businesses.

- Enhancing customer engagement and exploring strategic acquisitions in India.

**Platform Dynamics**

- The company's platform demonstrates strong network effects, as adding more suppliers makes the platform more productive for existing travel agents, and vice versa.

- The platform exhibits stickiness, with travel agents continuing to transact on the platform for many years after joining, and increasing their share of wallet over time.

**Geographic Presence**

- The company has a global presence, operating in more than 100 countries.

- Around 76% of the company's gross profit is derived from outside India, indicating a strong international footprint.

**Seasonality and Demand Trends**

- The travel industry exhibits seasonality, with peak seasons varying across geographies due to factors like festivals, holidays, and weather patterns.

- Demand for outbound travel from emerging economies like India, driven by a sizeable young population, is a significant growth driver.

- In developed economies, an older demographic with more time and resources is fuelling demand for complex, multi-destination itineraries.

**Competitive Landscape**

- The outbound travel market is highly fragmented, with the company being a relatively small player compared to the overall market size of $2.7 tn (projected for 2027).

- Travel agents remain relevant, providing value-added services like visa assistance, forex arrangements, and bundled packages, which OTAs may not offer.

**Risks and Challenges**

- Travel is a volatile industry, sensitive to macroeconomic and political situations, which can disrupt growth.

- Currency risk management through natural hedging and plain vanilla forwards for INR exposures.

**Tips Films Ltd Q4FY24 ConCall KTAs**
**CMP: INR 602 | Market Cap: INR 2,602 Mn**

**Outlook**
**The company has set ambitious goals for its film production ventures in the FY25 and beyond. Their strategic plan involves releasing a minimum of three films in FY25, with a gradual escalation to producing 8-10 films annually over the next 2-3 years. Notable upcoming projects include a collaboration with Varun Dhawan and David Dhawan for one film, and there's also potential for a project involving Salman Khan, although it's still in the conceptual stage. The company aims to achieve a top line revenue ranging between INR 1,500-2,000 Mn while maintaining a healthy bottom line of 25-30% in the coming years, signifying their commitment to both creative excellence and sustainable financial growth.**

Financials Highlights
Revenue stood at INR 601 Mn in Q4FY24, up by 89.9% YoY. For the FY24, it amounted to INR 776 Mn, reflecting a growth of 26%.
EBIT stood at INR 41Mn, up by 78.3% YoY, and for the full year FY24 stood at INR 10 Mn, down by 97%
PAT stood at INR 46 Mn, up by 70.7% YoY, and for the full year FY24 stood at INR 11 Mn, down by 95%
The performance was lower than expected, mainly due to the underperformance of the film "Merry Christmas" at the box office.

Revenue Streams
The company generates revenue from various sources like box office collections, OTT rights, satellite rights, music rights, and international distribution (e.g., plans to release Merry Christmas in China).
For Merry Christmas, the OTT rights were sold before the theatrical release, but there was a commitment from the OTT platform to pay a bonus if the movie performed well at the box office.
The satellite rights for Merry Christmas are still pending.

Operational Insights
The company is open to exploring opportunities like co-producing or acquiring projects already in production.
The OTT and satellite rights play a significant role in the revenue model, and negotiations happen before or after the theatrical release, depending on the situation.

Music Rights and Collaborations
The company has a music label called TIPS Music, and they may consider selling the music rights of their upcoming films to TIPS Music.
However, they are open to collaborating with other music houses as well, depending on the project.
There is a possibility of partnering with actors for film productions, allowing for potential co-ownership or revenue-sharing models.

Conservative Approach and Write-Offs

The company has adopted a conservative approach to development, likely referring to their decision to write off 100% of a movie's cost within 12 months of release.

For Merry Christmas, they have written off 75% of the cost, keeping 25% on the books due to pending satellite rights and potential release in China.

Box Office Performance and Targets

For the movie "Merry Christmas", the company expected a box office collection of around INR 900 Mn, but it ended up earning only INR 180-200 Mn, which was a major setback.

For FY25, the company is targeting a top line of around INR 600-700 Mn if the Varun Dhawan-David Dhawan project does not materialize

Other Highlights

The "Other Current Assets" on the balance sheet, which primarily includes investments in future films, stood at INR 700 Mn.

The promoters offloaded an 11% stake through a bulk deal to raise funds, indicating their willingness to invest their own money in the company's growth.

The company mentioned that the cost of production for the upcoming film with Varun Dhawan and David Dhawan is still being worked out, as they are figuring out how to arrange the funds.

They stated that these fluctuations are part of the film business, and sometimes critically acclaimed movies may not perform well commercially, while movies with poor reviews can be profitable.

**UFO Moviez India-Q4 FY24 Concall KTAs**
**CMP: INR 123|Market Cap: INR 4,749 Mn**

**Outlook**

**The company achieved profitability in FY24 for the first time since FY20, driven by steady growth in revenue from content delivery services and a significant 62% year-over-year increase in advertising revenue. While the management refrained from providing specific revenue guidance for the future, they expressed optimism about the upcoming movie lineup and the potential for continued positive momentum. The company is also focusing on expanding its multiplex screen network, which now accounts for a significant portion of its total screens, aligning with industry trends and enhancing its advertising potential. Additionally, the NOVA Cinemas initiative, a long-term infrastructure project aimed at establishing theaters in smaller urban areas, is expected to create new opportunities for growth and potentially attract more advertisers.**

Financial Performance

- The consolidated FY24 revenue stands at INR 4,101 Mn, YoY growth of 3% and the Q4 FY24 revenue stands at INR 1,192 Mn, YoY growth of 35%.
- The FY24 EBITDA stands at INR 690 Mn, YoY increase of 88% and the Q4 FY24 EBITDA stands at INR 166 Mn, a YoY increase of 44%.
- The FY24 PAT stands at INR 164 Mn, improved from a loss of INR 132 Mn in FY23, and the Q4 FY24 PAT stands at INR 60 Mn, a YoY increase of 600%.

Content Delivery Services

- The content delivery services segment, which generates revenue by charging a fee to movie distributors for delivering their films to theaters, saw an increase in revenue in Q4 FY24 compared to the same period last year.
- The increase was attributed to a higher number of movies being released across various genres and languages, with over 500 movies released in Q4 FY24.
- The content delivery services segment has a high EBITDA margin of around 90%.

Advertising Revenue

- Advertising revenue grew by 62% YoY in FY24 compared to FY23.
- Corporate advertising revenue grew by 40% compared to the previous financial year.
- Government and PSU advertisement revenue marked an 85% YoY growth due to traction from state governments and PSUs.
- While central government advertising spend remains low, the company is optimistic about an eventual recovery in this segment, which could significantly boost advertising revenue.
- Central government advertising spend remains low, but the company is hopeful that spending in this segment will recover in the future, potentially providing a significant boost to advertising revenue.

Multiplex Screen Expansion

- The company's screen network has expanded significantly, surpassing 3,800 screens for the first time in over 5 years.

- The number of multiplex screens in the company's network has increased, with over 2,100 multiplex screens now part of the network, representing a significant portion of the total screen count.

- The shift towards multiplex screens is expected to continue, aligning with industry trends and potentially enhancing the company's advertising potential.

NOVA Cinemas Initiative
- The company has launched the NOVA Cinemas initiative, a long-term infrastructure project aimed at establishing movie theaters in smaller urban areas.
- Around 16 screens (8 properties) are currently in the pipeline for the NOVA network, with the first couple of properties expected to open in Q1 of the current financial year.
- The NOVA Cinemas project is designed to create anchor entertainment centers in smaller urban areas, potentially attracting footfalls and fostering commercial activities around the theaters.

Content Volatility and Box Office Performance
- The company acknowledges that its business is closely tied to the fortunes of the film industry and the success of movies at the box office.
- While a strong box office performance can boost advertising revenue, the company's content delivery charges are relatively insulated from the success or failure of individual films.
- The management highlighted the industry's resilience in meeting changing consumer demands by releasing a diverse range of films across languages and genres.

Other Highlights
- The company's Caravan advertising segment, which focuses on outdoor advertising, saw a significant boost in revenue during FY24.
- The empanelment of Caravan with the government during the previous year contributed to the growth in this segment, enabling advertising from central and state governments.
- The company is working on developing programmatic solutions that would allow advertisers to target specific regions, genres, and audience demographics more effectively.
- The company clarified that the perception of UFO Movies India Limited being primarily a single-screen theater network is inaccurate.

**Shemaroo Entertainment Ltd | Q4FY24 Concall KTAs**
**CMP-INR 142 M.Cap-INR 3,860mn**

**Co. showcased a strong performance sequentially, with revenue growth driven by B2B segment. Investments to be around INR 500mn in FY'25. Co. has changed its amortization policy due to which there is high inventory charge off leading to subdued margins. Plans to reduce debt by INR 1,000mn in next 2 years and proceed on the path of value discovery through new policy implementations.**

Arihant Capital Markets Ltd.

Financials
Q4
Revenue from Operations stood at INR 1989mn(+27.5%QoQ)/(+20.9%YoY) with EBITDA of INR -75mn showcasing an improvement of 57.4%QoQ with -3.79% margins. PAT after adjustments stood at INR -143mn with 52.3% improvement QoQ and margin of -7.18%.

FY24
Revenue from Operations stood at INR 7072mn(+27.1%YoY) and EBITDA of INR -3mn with margin of -0.04%. PAT after adjustments stood at INR -407mn with margin of -5.75%.

Robust revenue growth driven by B2B business .

-Initiated inventory charge off . Co. has changed its amortization policy. Under this, inventory is being amortized over a shorter period of time which was earlier being done over a 10year horizon. Incremental INR 100mn write off in Q4. This is purely an accounting measures and no impact on monetization ability of the content.

-Inventory charge off, over 2 year period can come down by 40-45%, will make the financial outcome strong and help in value discovery. Allowed to carry forward the losses as business losses for income tax.

Co. also plans to bring down debt by INR 1000mn in next 2 year. Margins were subdued and will continue so in near term.

Co. had targeted INR 200mn debt reduction and bring it to INR 2900mn. Due to Q3 being extraordinarily bad, the debt reduction couldn't happen. Debt as of Dec'23 was at INR 3620mn which by March'24 was at INR 3380mn. Cashflow from good visibility on content monetization, gives company the confidence to go ahead with its debt reduction plan.

Gujarati content saw traction. Co. launched 13 new titles . Co.'s youtube channel became 22nd most subscribed channel globally.

Broadcast- 'chahenge tumhe inta' show launched.

GEC channel secured 7.1% share overall Hindi GEC genre.

-Co. has announced appointment of 2 new independent director.

Advertising revenue for FMCG showing signs of revival.

Traditonal business done better than digital in last 7-8qtrs.

Investments for FY25 at approx INR 500mn.

Television broadcasting nearing break even. Toned down investment in OTT.

-Out of the INR 3000mn spent on investments in last 5 years, around INR 750-800mn has been done through debt.

**Tips Industries Ltd. - Q4FY24 Concall KTAs**

**CMP: INR 469 | Market cap: INR 60,226 Mn**

**Outlook**

**The management has guided targeting a 30% CAGR in revenue and profitability for FY25. This growth is expected to be driven by several factors, including the new global exclusive deal with Warner Music Group, anticipated to increase payouts in comparison to the prior deal. Also, the company plans to focus on acquiring quality content, with a target of releasing around 150 songs in FY25 and investing INR 750-800 Mn in content acquisition. Furthermore, the company is exploring new revenue streams through collaborations with brands, sync rights opportunities, and regional expansion, particularly in the South Indian market.**

**Financial Performance**

- In Q4 FY24 revenue grew 22% YoY to INR 633 Mn and up by 29% YoY to INR 2,416 Mn, exceeding the company's guidance and reflecting strong performance.

- YouTube contributes around 40-50% of the company's overall streaming revenue.

- In FY24, PAT increased 66% YoY to INR 1,272 Mn, driven by strong revenue growth and controlled content costs.

- EBITDA for FY24 stood at INR 1,272 Mn, up 66% YoY.

- The company declared a cumulative interim dividend of INR 6 per share and announced a buyback of INR 3,719 Mn (excluding taxes) for minority shareholders.

- Despite a 26% YoY increase in Q4 content costs, the full-year content cost decreased by 11% YoY. The company emphasized its focus on acquiring high-quality content while maintaining cost consciousness.

**Content Acquisition and Release**

- The company focuses on a two-pronged approach: producing music with promising singers and selectively purchasing music rights from other producers.

- Tips Industries released 179 new songs in Q4 FY24, bringing the total for FY24 to 733 compared to 896 in the FY23. The focus has shifted towards quality over quantity.

- The company plans to acquire music rights for 8-10 films in various regional languages, including Hindi, Tamil, and Telugu, with an average of 5 songs per movie.

**Warner Music Deal**

- Tips Industries signed a new 4-year global exclusive contract with Warner Music Group for music distribution across various platforms. This deal provides upfront payments and minimum guarantees for Tips.

- If the minimum guarantee is exceeded, overflow occurs, and the distribution split will be between Tips and Warner at a ratio of 85% to 15%, respectively.

- The company has received a higher advance payment in the first year of the deal compared to the subsequent 3 years. This advance payment has been accounted for as a non-current liability (INR 1,710 Mn) and other current liability (INR 640 Mn) in the balance sheet.

- The deal gives Warner Music Group access to distribute Tips Industries' content across various audio streaming platforms, including those where the company previously did not have a direct presence, such as JioSaavan and Gaana.

**Employee Costs**

- The employee costs of INR 47 Mn for Q4 FY24 included a one-time acquisition payment of around INR 12 Mn to employees.

- The management indicated that employee costs may slightly increase going forward as they hire more expensive talent for new business initiatives.

**Concerns**

- The South Indian music industry is experiencing growing competition, presenting a hurdle in acquiring content.

- Although there's a shift towards a paid streaming model, it may take 2-3 years to gain substantial traction in India.

**Other Highlights**

- The company anticipates a slight increase in employee costs due to new hires for supporting business expansion initiatives.

- The company is actively engaging with brands and exploring opportunities in music synchronization for films and advertisements.

- While the South Indian market has become aggressive, the company aims to acquire 3-4 regional films, contributing around 20-30 songs to their portfolio.

- The company has short-term investments of INR 910 Mn, primarily invested in debt mutual funds and liquid/short-term funds.

- The management aims to earmark a maximum of 30-35% of the total content cost for obtaining content from group companies.

**MPS Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 1,610|Market Cap: INR 27,539 Mn**

**Outlook**

**MPS Ltd. has set a target of achieving at least 25% year-on-year growth in earnings for FY25, a goal they deem both comfortable and feasible. They anticipate a 2-3% enhancement in consolidated margins for FY25, primarily due to margin expansion within the underperforming eLearning Solutions division. The Content Solutions arm is expected to maintain its robust margins, while the Platform Solutions sector is poised for margin improvements fuelled by factors such as a healthier customer base, strategic cloud expenditure, and enhanced operational efficiency. This guidance reflects expectations of strong performance across all business segments, including a rebound in the eLearning Solutions division and continued momentum in both the Content and Platform Solutions sectors.**

**Financial Performance**

• For FY24 revenue stands at INR 5,453 Mn, YoY growth of 8.83% and the Q4 FY24 revenue stands at INR 1,494 Mn, YoY growth of 17.2% .

• EBITDA stands at INR 1,699 Mn, YoY increase of 8.38% in FY24 and the Q4 FY24 EBITDA stands at INR 428 Mn, a YoY decease of 6.31% .

• The FY24 PAT stands at INR 1,188  Mn, a YoY increase of 8.8% and the Q4 FY24 PAT stands at INR 287 Mn, a YoY decease  of 10.6% .

• MPS Ltd. has recommended a final dividend of INR 45 per equity share of INR 10, taking the total distribution to INR 75 per share for FY24.

• MPS Ltd. completed two acquisitions in FY24 - Liberate Learning (Australia/New Zealand) and AJE (AI-based language editing services).

• The acquisition of AJE has elevated MPS Ltd.'s progress in AI capabilities and market position.

• The company is open to taking on some debt for future acquisitions, having tested the waters during the AJE acquisition.

• Another acquisition, likely in the range of over USD 20 Mn in revenue, is being considered for later in the calendar year.

### Operational Efficiency and Cost Management

• MPS Ltd. has eliminated USD 12 Mn in annual operating expenses for AJE after the acquisition.

• The company is shifting its operating model in the eLearning business to have a leaner permanent workforce and leverage more contractors/outsourcing, following the successful model of Liberate Learning.

• Integration efforts post-acquisitions have become more efficient, with the process starting during the diligence phase.

### AI and Technology

• MPS Labs, the company's R&D division, has made substantial progress in FY24 in areas like AI-powered content profiling, editing, structuring, and accessibility solutions.

• The acquisition of AJE has further elevated MPS Ltd.'s progress in AI capabilities and market position.

• MPS Ltd. is confident in its AI capabilities and expects to benefit from the increasing adoption of AI workflows by customers in the near term.

• In the medium term, the company anticipates a consolidation of the supply chain as customers work with fewer vendors for AI-powered workflows.

### Customer Landscape and Market Dynamics

• MPS Ltd. sees three types of customer reactions to AI adoption - cautiously optimistic, wanting to follow but not lead, and a small segment looking to ignore AI altogether.

• The company expects a positive revenue opportunity in the short term as customers try to enable AI workflows and need strong partners.

• In the medium term, MPS anticipates customers consolidating their vendor base and working with fewer providers capable of offering end-to-end AI-powered solutions.

### Product Innovation and New Offerings

• MPS Ltd. launched two new SaaS products, DigiQuo Pro and Think365, in FY24.

• The company expects revenue growth from customer migrations to new platforms and new customer acquisitions, particularly in the second half of FY25.

• MPS has an active product roadmap for its platform suite, with new features and functionalities being introduced to drive monetization opportunities.

### Margin Expansion Opportunities

• The eLearning business segment is currently underperforming on margins, and MPS Ltd. aims to improve margins to 25% in the short term and 30% within two years for this segment.

• The company expects some margin appreciation in the Content and Platform businesses as they scale up, contributing to an overall 2-3% improvement in consolidated margins.

### Geographic Expansion

• Through the acquisition of Liberate Learning, MPS Ltd. has expanded its presence in the Australia and New Zealand markets for corporate learning solutions.

• The company is actively looking at acquisition opportunities to expand its geographic reach, particularly in certain parts of Europe and Latin America where it currently has a weaker presence.

### Recurring Revenue Profile

• Across its business segments (Content Solutions, Platform Solutions, and eLearning Solutions), MPS Ltd. has a significant proportion of recurring or annuity-based revenue.

• The Platform Solutions business is estimated to have around 95% recurring revenue, while the Content Solutions business is expected to have around 90% recurring revenue due to long-standing customer relationships.

• Even within the eLearning Solutions business, which has a higher proportion of project-based revenue, the company estimates around 80% of revenue to be recurring.

**Music Broadcast Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 17 |Market Cap: INR 5,800 Mn**

**Outlook: The company aims to capitalize on emerging opportunities and navigate challenges in the media landscape by staying agile, innovative, and customer-centric. The company plans to distribute its content across various platforms, including Jio TV, Jio TV Plus, Jio TV App, and Jio TV Bharat phone, reaching a potential audience of 475 Mn. Additionally, the company aims to create and distribute both audio and video content on third-party platforms to cater to consumer preferences. Revenue mix to shift gradually, with radio contributing 65-70%, digital contributing 15-20%, and other initiatives like on-ground activations contributing the remaining portion. The company expects its EBITDA margins to improve further from the current level of 15%, driven by various efficiency and cost management initiatives. The management remains confident about achieving a 10-15% growth in utilization, particularly in smaller markets, given the market elasticity.**

**Financial Performance**

- The FY24 revenue stands at INR 2,285.4 Mn, YoY growth of 15% and the Q4 FY24 revenue stands at INR 626.3 Mn, YoY growth of 22% and a QoQ growth of 4%.

- The FY24 EBITDA stands at INR 562.3 Mn, YoY increase of 31% and the Q4 FY24 EBITDA stands at INR 161.2 Mn, a YoY increase of 52% and a QoQ growth of 5%.

- Adjusted PAT for FY24 (adjusted for interest on NCRPs of INR 79 Mn) stood at INR 147 Mn.

- The company's cash reserves stood at INR 3,270 Mn as of March 31, 2024, providing flexibility to take advantage of present and prospective future opportunities.

**Operating Highlights**

- Radio City's market share in Q4FY24 stood at 19%.

- Radio City remained the preferred choice for advertisers, with 40% of the industry's client base and 33% of newly acquired clients in the radio domain specifically choosing the platform for their advertisements.

- Inventory utilization of the company increased to 78% in FY24 compared to 63% in the FY23.

- Digital revenue of the company grew by 25% YoY in FY24, contributing 9% to overall revenue. The management expects the digital revenue contribution to increase from 9% to 15-20% over time.

**Advertising and Brand Solutions**

- The company's partnership with Jio TV provides opportunities to reach digital audiences and explore new revenue models through channel advertising and creative solutions for brands.

- The company aims to monetize its 100.8 Mn fan base across social media platforms through influencer collaborations, brand engagements, and content solutions.

- The company also plans to launch podcasts by leveraging its repository of audio content.

- The management has announced that for Q4 FY24, the radio yields are operating at 85% of pre-COVID yield levels.

- In Q4FY24, around INR 80-90 Mn of additional revenue came from government advertising.

**Other Highlights**

- The company is scaling up its influencer marketing efforts by leveraging its RJs across the country and selectively using external influencers based on brand requirements.

- The management highlighted plans to diversify content offerings beyond entertainment, focusing on categories like motivation, do-it-yourself, finance, and travel to cater to evolving consumer preferences and expand into the podcast space.

- While the April-June 2024 quarter was expected to see an increase in political advertising, the impact was muted due to the different political scenario. Despite the muted increase, political advertising will increase the first quarter results by a notable margin.

**Hindustan Zinc Q4FY24 Concall KTAs**
**CMP: INR 399 | Market Cap: INR 16,85,268 Mn**

**Guidance: The company is working towards increasing its refined metal capacity from the current 1.123 mn tons to 1.25 mn tons in the next 16 months through debottlenecking projects. The long-term vision is to expand the capacity to 2 mn tons of metal in concentrate within the next 2.5-3 years. The 160 KT roaster and 510 KT fertilizer plant projects are on track, with the fertilizer plant expected to commission in FY26.**

Financial performance
- Revenue from operations for FY24 stood at INR 2,89,320 Mn, down 15% YoY due to lower zinc prices and volumes, strategic hedging impact in base period. Partially offset by better silver & lead volumes and prices, favorable exchange rates.
- EBITDA for FY24 was INR 1,36,770 Mn, down 22% YoY.
- Net profit for FY24 stood at INR 77,590 Mn, down 26% YoY.

Operational performance
Hindustan Zinc recorded production of 1,079 KT of mined metal and 1,033 KT of refined metal in Q4FY24. Silver production stood at 746 tons, positioning the company as the third-largest silver producer worldwide. The company achieved a record 20% share of value-added products in its portfolio. Zero fatalities were reported, and the zinc cost of production was USD 1,117 per ton in Q4FY24.

Demerger
The government has advised against the demerger of Hindustan Zinc's metal, silver, and recycling divisions due to the ongoing disinvestment process of the government's 29% stake. However, the company believes that demerging the silver business could unlock USD 3-4 Bn in market capitalization.

Costs and Profitability
The company achieved its lowest cost of production in 12 quarters at USD 1,051 per metric ton in Q4FY24, down 4% QoQ and 13% YoY. Supported by better grades, higher linkage coal utilization (46% in Q4), softened coal and input commodity prices, partly offset by lower asset realization.

Market trends
- Geopolitical tensions between Iran and Israel have led to a surge in commodity prices in April 2024, with silver reaching its highest price in Chinese terms.
- Q4FY24 saw silver prices at around USD 23.3 per troy ounce, rising to USD 23.6 per troy ounce for the year, up 10% YoY. Silver demand outlook remains strong.
- Zinc prices fell to USD 2,450 per tonne (down 25% YoY), and lead prices averaged USD 2,077 per tonne (down 2% QoQ, 3% YoY) due to subdued demand and lower global automobile sales.

Other highlights
- Total Reserves and Resources increased by 35% over the last five years to 456.3 mn tons. The company added 118 mn tons of ore to the R&R through exploration efforts.

- Hindustan Zinc incorporated a wholly-owned subsidiary, InMetal Exploration Services Pvt Ltd, to explore and develop mineral resources.

- The company received regulatory approvals for the Bamnia Kalan mine, which is expected to start operations soon.
- The company recorded its 7th quarter highest domestic prime zinc market share at 80% during Q4FY24.

**Outlook: The company is targeting a cost guidance of USD 1,050-1,100 per ton for FY25 and a growth capex of USD 270-335 Mn. The strategy is to operate in the zinc-lead mode to optimize production and profitability based on market dynamics. The company aims to reduce import dependency by producing zinc alloys domestically. Hindustan Zinc is exploring opportunities to recover metal and silver from accumulated waste stockpiles through potential tie-ups. The company plans to focus its exploration efforts on the Zawar mine to increase the reserve and resource base, targeting an ore production of 8 mn tons from the current 4.5 mn tons.**

**Sterling & Wilson Renewable Energy Ltd – Q4FY24 KTAs**
**CMP INR 613 | Market Cap INR 142.95bn**

**Outlook: We remain optimistic about the company's future prospects as company is actively pursuing opportunities in wind EPC, O&M, and battery storage projects. With a debt-free balance sheet and revenue guidance of INR 85-90bn for FY25, company is poised for significant growth.**

Financial and operational performance:
* Company reported FY24 with a revenue of INR30.34bn which was 51% higher than the previous year. Gross margins came in at 10.3% aided by domestic EPC business, which has been the key driver of performance in FY '24.
* Company's have rationalized overheads to INR3.33bn this year and were able to navigate back into positive EBITDA, closing the year at INR540mn. Employee and overhead costs not expected to rise significantly.
* Revenue from operations for Q4 FY24 was INR11.78bn aided by a pickup in domestic EPC execution and gross margin came in at 10.5%.
* Q4 EBITDA came in at INR590mn, an EBITDA margin of 5% which is beginning to reflect steady state margin profile.
* Segment wise, domestic EPC continues to operate at ~10.3% gross margin while international EPC margin was 9.8% in Q4FY24. O&M margins during the quarter was 15%.
* Company has INR 400cr of term debt and INR 25cr have already been paid and another INR 50cr has been earmarked by fixed deposits. On the remaining INR328cr debt interest cost would be ~INR30-35cr on an annualized basis.

Guidance:
* Company's unexecuted order book stands at INR80.84bn (~65% growth YoY) with ~85% constituting domestic orders and is expecting to convert 60-70bn to revenue for FY25.
* Also, company has new orders of INR 80bn out of which company expects 25% to convert as revenue.
* In conclusion company expects INR ~80bn revenue for FY25. This doesn't include Reliance and Nigeria deals as they are still in early stages.
* Company expects to maintain current levels of 10-11% gross margin at consistent rate.

Reliance and Nigeria project update:
* Due to size and complexity of the Nigeria project, it has taken longer than expected, but some progress has been made in last few weeks and company remains confident of finalizing the same in near future.
* Discussions with reliance are in progress but company have not guided on any numbers. However, it is expected to conclude orders soon and with a huge rollout.

Other Highlights
* Middle East, Africa and European markets are growing strongly and company is going to focus on these three markets in coming two years.
* The tax rate continues to be 25% and carry forward losses should absorb a bulk of next year's profit on standalone basis.

* The rating upgrade is expected shortly, which will be an improvement over the previous one.
* Company’s domestic order book is selling and major contribution is coming from PSU bid, which contains the provision for 3 years of compulsory O&M path, this will lead growth in O&M portfolios.
* Company have executed battery storage projects in Africa and are bidding for same in multiple geographies and expects this market to come up in India. Company expects this market to grow significantly and they have in house capabilities to address this market.
* With liquidity constraints easing post the QIP and a UOV comprising new projects with good margin profiles, company expects to maintain profitability and growth going forward. Also, company do not see any need for new fundraise.

**Finolex Cables Ltd | Q4FY24 Concall KTAs**
**CMP-INR 1393 M.Cap-INR 213,010mn**

**Finolex Cables Ltd reported robust financial performance for Q4FY24 and FY24, with significant revenue and EBITDA growth driven by strong volume increases across most product lines and new product segments. Despite challenges in the Optic Fiber Cable segment, the company remains optimistic, with major expansion projects and capacity enhancements underway to sustain future growth. With strategic price adjustments and a substantial capex program, Finolex aims to maintain healthy margins and capitalize on growth opportunities in construction, automobile, and agricultural sectors.**

Arihant Capital Markets Ltd.

Financials
Q4
Revenue stood at INR 14010mn(+15%QoQ)/(+14%YoY) with EBITDA of INR 2090mn(+17%QoQ)/(+10%YoY) with margins of 14.92%. PAT stood at INR 1,460mn(+15%QoQ)/(+9%YoY) with margins of 10.42%.

FY24
Revenue stood at INR 50,140mn(+12%YoY) with EBITDA of INR 7,990mn(+15%YoY) with margins of 15.94%. PAT stood at INR 5,720mn(+14%YoY) with margins of 11.41%.

Strong Cash Flow The company generated INR 575mn in cash flow from operations, significantly higher than the INR 380mn in FY23.

-Volume Growth Most product lines showed an increase in volumes. Electrical wires were up 15%, and cables improved by 50% in Q4. Communication and metal-based cables grew by an average of 14%.

New Products The new product segment, including appliances, conduits, and lights, showed substantial growth, reaching INR 2250mn in revenue. The goal is to reach INR 5000mn in the next 2-3 years.

-Revenue Growth Target The management aims for a growth rate two times the nominal GDP, indicating strong future growth prospects.

-*Optic Fiber Cable (OFC) * Despite a 30% decline in OFC volumes due to delays in government tenders and telecom contracts, the company remains optimistic and continues to invest in this area.

The company has three major expansion projects:

-E-Beam Technology:* The first machine has been installed and is undergoing testing. Products are expected to be market-ready in the next 6-8 weeks. 2nd machine to be delivered by 3rd week of June. products to be available by August/September.

-Preform Facility The structure is ready, with production expected to start by the end of the calendar year.

-Fiber and Cable Expansion Plans to double the fiber capacity to 24 million kilometers and increase cabling capacity to 10 million kilometers.

Margin Guidance The company has made necessary price adjustments to cope with commodity price volatility. The aim is to maintain margins close to 12-13%.

-OFC Business Margins in the OFC segment have been volatile due to fluctuating demand. The company is working on backward integration to control costs and remain competitive.

Dividend A dividend of 400% at FV of INR 2 has been recommended, translating to a payout of 21.5%.

-Company through its JV EHV cables has confirmed order book INR 2800mmn and additional INR  1900mn orders where co. is L1 which will be finalized post elections.

-Capex- Program of INR 5000mn announced of which INR 1600mn has been done. Balance to take place in this FY with some spill over in FY26.

-capacity utilsation of  wire at 72%, cables less than half, OFC during the year not much demand from govt hence half utilised. addition capacity planned when utilisation crosses 75%.

-Construction and automobile sectors have driven growth. The agricultural segment has also bounced back.

-The company has maintained its market share in wires and gained some share in agricultural applications.
Channel Financing Finolex has a non-recourse channel finance program, helping fund customers without taking on credit risk.

**Sarda Energy & Minerals Q4FY24 Concall Highlights**
**Sarda Energy | CMP: 241 | Mcap: INR 84.98bn**

**Outlook: Sarda Energy & Minerals volume is expected to be flat in FY25E. The prices increased by 10% QoQ in Q1FY25E. The capex is expected INR 5bn for Solar power plants, waste management projects, and coal mines. The SKS acquisition is INR 20bn, has 600MW thermal power, and is expected to bring operational synergies with a coal mine. We believe, an increase in prices will improve the business going forward. We have a positive outlook on the stock.**

Arihant Capital Markets Ltd

Volume and Price
The volume growth is expected to be flat in FY25E. The increase in prices will improve the topline. The realization increased by 10% QoQ in Q1FY25E.

Coal mine Volumes
Gare Palma coal mine operated at full capacity and produced 1.44 lakh tonnes. The company has sold 0.84mn to the market and remaining for captive.

Coalmines
The company has received environmental clearance to increase the capacity to 1.68mn tonnes. The company will propose to increase the capacity to 1.8mn tonnes in FY25E.

The company has received stage 1 approval for Shahpur West, Madhyapradesh. After stage 2 approval, mine opening work will start in FY25E.

Indonesian mine JV produced 5.58 lakh tonnes in FY24 and 2.24 lakh tonnes in Q4FY24. The company is focused on producing 1mn tonnes in FY25E.

The capacity of coal wash trees is proposed to increase the capacity from 0.96mn tonnes to 1.8mn.

SKS
SKS acquisition is around INR 20bn. NCLT board passed the judgment to hear the case and dispose of it in 60 days.

SKS has a thermal power plant of 600MW capacity in Chhattisgarh and the acquisition will bring operational synergies with a coal mine.

After the proposed acquisition of SKS power, the mining capacity was proposed to increase to 5.2mn tonnes.

Capex
The capex is expected INR 5bn in FY25E.  The solar power capex is INR 2bn and the waste management project capex is INR 700mn remaining for 3 mines and hydropower projects.

Power plants
The lower captive power production is due to the shutdown of one unit of the captive power plant at Raipur for overhauling SBC boilers and turbines.

Hydropower generation was down by 10% YoY in FY24 due to lower rainfall in catchment areas and pipeline damage from a landslide in the Uttarakhand project.

Hydropower projects of 25MW are expected to be operational in Q1/Q2FY25E.

The company has placed orders for 30MW TG set to save energy and carbon footprint and is expected to be operational in H1FY27E.

Other highlights
The spending is expected from the government side on the infra projects and incentives schemes.

Ferroalloy capacity will go up 30% compared to silicon magnesium.

There is a shortage of laborers due to elections.

**Inox Wind Ltd – Q4FY24 Concall KTAs**
**CMP: INR 615 | Market Cap: INR 2,00,426 Mn**

**Outlook:**
**Inox Wind Ltd, has provided guidance for executing 800 MW of wind energy projects in FY25 and 1,200 MW in FY26. This guidance is backed by a strong order book of 2.7 GW, which provides visibility for the next two and a half years. Inox Wind has also transitioned to a new 3 MW wind turbine platform, which is expected to improve profitability. The company aims to maintain EBITDA margins in the range of 14-15% and targets a working capital cycle of 90 days. Company is focusing on execution and a strong balance sheet and is trying to capitalize on the growing demand for wind energy in India and achieve its stated guidance.**

Financial performance
- Consolidated revenue stood at INR 5,630 Mn in Q4FY24 up by 190% YoY, & INR 17,990 Mn in FY24 up by 139% YoY.
- Consolidated EBITDA stood at INR 1,400 Mn in Q4FY24 as against INR 250 Mn loss in Q4FY23 & INR 3,440 Mn in FY24 as against INR 2420 loss in FY23.
- PAT was at INR 380 Mn in Q4FY24 & INR -510 Mn in FY24 as compared to INR -6970 Mn in FY23.

Factors Influencing Margins
- Company's transition from 2 MW to 3 MW wind turbine production impacted margins in Q4 FY24 due to the ramp-up phase. In the future when the 3 MW turbine reaches its full capacity, the company expects margins to improve and normalize.
- The company's realization on the 3 MW turbines is higher, leading to stronger profitability scenarios.

Order Book
- The company has a healthy order book of 2.7 GW as of Q4 FY24 which comprises a mix of orders from PSUs, private IPCs, C&I market, and retail market.
- It has recently secured a 210 MW order from Hero Future Energy, which is a significant repeat order from a large C&I player.
- The order book of the company comprises a mix of turnkey projects and equipment supply with value-added services.
- The company expects a blended realization of around INR 60 Mn per MW on a gross basis and INR 52 Mn per MW on a net basis.

Operational Highlights
- The company achieved profitability in Q3 FY24 and ramped up manufacturing of 3 MW wind turbines in Q4 FY24.
- It has also secured a license for a 4X MW wind turbine platform which is expected to be a "revolutionary product" in India
- The company is focusing on hybrid projects and leveraging existing transmission infrastructure in Gujarat and Rajasthan.

Wind Tendering and Installations
- Around 15 GW of hybrid and round-the-clock (RTC) tenders have been awarded in FY24. Out of the 15 GW, roughly 8-9 GW is the effective grid capacity that needs to be set up.
- Additionally, around 2.3 GW of pure-play grid projects have been awarded. In FY24, wind installations in India were around 3.2 GW, with approximately 1 GW in Q4.

Industry Outlook and Demand
- The macro environment for renewables, especially wind power, seems favorable for the company.
- Over 50 GW of renewable capacity awarded through auctions in FY24, including 15 GW of hybrid/RTC projects and 2.3 GW of grid-connected projects
- India plans to add around 100 GW of wind power capacity over the next 8-10 years.

Offshore Wind and Future Capex
- The company is not currently pursuing offshore wind projects due to the higher cost of energy. The focus remains on onshore wind, given India's substantial potential.
- Future capex requirements are expected to be around INR 500-750 Mn per annum for new modes and infrastructure.

Growth Opportunities
- The company is having advanced discussions ongoing with existing and new customers for future orders.
- Company's is expecting strong demand across all customer segments, including PSUs, IPCs, C&I, and retail
- The company will be benefited if hybrid and RTC/FDRE projects gain traction because it will require more wind capacity additions.

Debt Reduction and Capital Allocation
-The company aims to become net debt-free by the H1 FY25, with multiple strategies being evaluated for debt reduction.
-Free cash flows from operations are expected to be larger than the outstanding debt of INR 6000 Mn.

Other Highlights
- The working capital cycle is expected to be around 90 days, with a net working capital target of 45 days.
- The company is targeting a gigawatt-scale execution capability in the medium term.
- The company issued a bonus share to reward shareholders and increase liquidity, considering the significant stock price appreciation over the past year.

**Lloyds Metals & Energy Ltd | Q4FY24 Concall KTAs**
**CMP- INR 712 M.Cap- INR 359740mn**

**Lloyds Metals & Energy Ltd reports robust Q4FY24 results with revenue reaching INR 15,624mn (+74% YoY), driven by increased volumes in sponge and iron ore, crossing INR 1,000mn of PAT. The company aims for significant growth with single-location mine, anticipating revenue to hit INR 400,000mn post-capex completion. Various expansion projects, including slurry pipelines and DRI plants, are underway, with plans to double iron ore mining to 55mn tons, enhancing competitiveness with mines attracting no premium till 2057.**

Financials

Q4FY24 Revenue at INR 15624mn (+74% YoY) driven by higher volumes in sponge and iron ore. EBITDA at INR 4665mn (+153%).

FY24 Revenue at INR 65746mn(+90%), EBITDA at INR 17812 (+101%YoY) with iron ore and sponge playing pivotal role.

Operations
DRI segment saw coal production at 60,000tons, iron ore 10mn tonne.

EBITDA per tonne for iron ore at INR 2375(Q4) and INR 1710(FY24).

85 km slurry pipeline project is 50% complete and DRI and pellet projects are progressing at a breathtaking speed. Both projects to be completed by FY'25.

Balance sheet is gross debt free. Dividend INR 1/share announced.

-After 5 yrs once the entire capex plan is complete, revenue can touch INR 400,000mn with iron ore sales at ~9mmn tons, pellet ~6mn tons, and steel ~4.2mn tons.

-Approvals such as IBM plan approval and EC to happen by year end 2025 in order to expand mines to 55mm tons.

Volume outlook- 12-13mn tons this FY.

QIP process is on. clearance last week from shareholders.

-At peak, iron ore mining would be 55mn tons with 45mn tons of BHQ. 25mn tonnes would be saleable.

-Coal buying through auction route or importing.

-Mines will fetch no premium until 2057 which is a big differentiator. By 2032, only 1 or 2 players will be left with no premium fines which will add on to competitiveness. Steel is a cyclical business and prices have gone up between march and April.

-Steel is a logistic game, spending INR 1000-1500mn to develop road network upto the stockyard and railway siding. Developing road outside state as well.

Slurry pipiline

2 pipelines have been planned- 1 from mine to konsari plant of 85km with 10mn ton capacity, 2 grinding units of 5mn ton each. 1st one to be commissioned in Dec/Jan and 2nd one in next year .

Other pipeline being planned is 5mn ton pipeline of 185km, survey of which has started. Started applying for permissions and by march 2028/29- pipeline should be ready.

-INR 7000-8000mn of cost saving on first plant and on second plant INR 11000-12000mn of logistic cost saving through these pipelines.

Pending capex
Total capex plan of INR 330,000mn.

Chandrapur-INR 64000mn. Konsari~ INR 210,000mn. Mine-INR ~8000mn

-By FY25, 2 DRI plants will be ready along with associated power plant and one pellet plant with one pipeline.

**Indian Energy Exchange Ltd Q4FY24 Concall Highlights**
**CMP INR 148 | Market Cap INR 131.93bn**

**Company expects 15% year-on-year growth in volume and expects 25%-30% growth in the REC segment.**
**As gas prices continue their downward trend, volume at IGX is expected to increase in the coming year.**

Financial Year 2023-2024
* Total volumes in FY24 at 110.1 BU increased 13.7% YoY and in Q4FY’24 at 30.1 BU increased 15.5% YoY.
* Revenue in FY24 at Rs. 550.8 Cr increased 16.2% YoY and in Q4FY’24 at Rs. 149.5 Cr increased 15.4% YoY.
* PAT in FY24 at Rs. 341.4 Cr increased 16.7% YoY and in Q4FY’24 at Rs. 95.1 Cr increased 14.7% YoY.
* Consolidated PAT in FY24 at Rs. 350.8 Cr increased 14.7% YoY and in Q4FY’24 at Rs. 96.7 Cr increased 9.5% YoY.
* Company announced a final dividend of INR1.5 equivalent to 150% of the face value of equity shares.

Key highlights
* Indian power sector demand is expected to grow by 8% in the next year.
* Company's consultant tracks recorded INR350.8cr higher by 15% over the previous financial years.
* Demand increases in few states due to the order of 15%-16% and those states are big buyers and then there is a surplus capacity available in other part of the country.
* Demand and supply differences in different parts of the country are driving volume growth.
* Energy demand in the country is going to grow and is expected to grow at least by 6% to 7%.
* Company's volumes are expected to grow by at least 20% if demand increases by 7% to 8%.
* Extension of section 11 directives to imported coal-based power plants till 15 October 2024 to enable supply from this imported coal-based power plant in the system.
* Combination of measures undertaken by the government to ease the supply crunch, increase in fuel supply and increase in hydro and thermal are expected to rationalize price on the exchange.
* Imported gas price reduced by almost 40% on January basis and it is today around $10 per MBTU and with this the variable cost will be about INR8-9.
* Since the new RF regulations, prices have continuously become more competitive and were traded at the lowest ever price of INR185 against INR1000 in April '23.
* This will incentivize obligated entities to buy RECs to meet their renewal purchase obligations and company is working with many distribution companies and industries having captive generations to purchase RAC now to meet their obligations because the prices are all time low.
* Pricing strategy is to maintain price range as given by CRC.

* Pricing is extended to other segments of the market where the price today is very high in comparison to the DAM market.
* Open access market has reduced because of the increase in price.
* Company is developing a battery energy storage system with a capacity of 4000 megawatt hours.
* Software for the system is still in development, 3 ½ months after the expected two months development timeline.
* Company will start taking products from the exchange and conduct simulation studies before launching the product.
* The process has not yet begun, and the software development and testing are taking longer than expected.
* Company has filed for an 11-month contract in CRC and is expecting approval shortly.
* Company will have to develop software and regulations for new products, which will take a long time.

**Borosil Renewables Ltd-Q4FY24 Concall KTAs**
**CMP: INR 481 |Market Cap: INR 62,841 Mn**

**Outlook**
**The management maintains a positive outlook on the sector, expecting better prices due to higher landed costs of solar glass, strong domestic demand from increased module manufacturing, and the anticipated imposition of duties on imports. Demand in the USA is expected to grow as more plants start production and ramp up operations, increasing export demand from India. The company is hopeful of better performance from its subsidiaries, driven by high operational levels and cost-saving measures.**

Financial Performance
- Consolidated revenue stood at INR 2,831 Mn in Q4FY24, declined by 8% YoY and INR 13,693 Mn in FY24 compared to INR 8,940 Mn in Q4FY23.
- EBITDA stood at INR -208 Mn in Q4FY24 compared to INR 391 Mn in Q4FY23. For FY24 EBITDA stood at INR 749 Mn, compared to INR 1,629 Mn in FY23.
- EBITDA margin declined from 18.2% in FY23 to 5.5% in FY24 due to relentless dumping by Chinese and Vietnamese solar glass producers.
- Consolidated Post-tax loss of INR 503 Mn in FY24 compared to a profit of INR 706 Mn in FY23 and a loss of INR 533 Mn in Q4FY24 compared to a profit of INR 105 Mn in Q4FY23.

Industry Challenges
- Dumping of solar glass by Chinese and Vietnamese producers at unrealistically low prices led to a severe decline in selling prices and margins.
- The exemption of basic customs duty on solar glass imports was extended until Sep 30, 2024, disappointing the domestic industry.
- The company has applied for the imposition of anti-dumping duty on imports from China and Vietnam and a countervailing duty on imports from Vietnam.

Capex Plans
- The company plans to spend over INR 1,000 Mn on capex in the current year, with INR 200 Mn allocations for balancing equipment, INR 200 Mn for solar-wind hybrid power plant, and INR 500-550 Mn for furnace rebuilds.

Strategic Initiatives
- The company is actively engaged in improving efficiencies to lower costs.
- Plans are underway to set up an additional solar plus wind hybrid power plant to meet a significant portion of the electricity demand from captive renewable sources.
- The company is considering entering the solar module manufacturing segment for backward integration.
- The board has approved raising funds through rights issue, preferential issue, or QIP up to INR 7,500 Mn to meet funding requirements and reduce debt.

Product Innovation
- The company launched innovative products like 2mm glass, grid-printed glass, and anti-glare glass for use near airports.

- The 2mm glass, introduced in 2017, gained significant traction in 2022 and now comprises 20-25% of the product portfolio, expected to reach 60-65% by the end of FY25.
- The company has introduced large format glass sizes to cater to the demand for larger solar modules.

Capacity Expansion Plans
- The company's earlier capacity expansion plans were put on hold due to the lack of visibility on proper returns on investment in the absence of trade barriers. However, it is well-prepared for future capacity expansion, with existing infrastructure like a batch house, electrical installations, land, and drawings readily available.
- The management claims they can set up a new furnace in as little as 14 to 24 months, significantly faster than the industry standard.

Cost Competitiveness
- The company's production costs are estimated to be 10-15% higher than the subsidized costs of Chinese producers, putting them at a disadvantage in the absence of trade barriers.
- Increasing freight rates from China to India are expected to provide some relief and improve realizations for domestic producers.

**GE T&D India Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 1,362 |Market Cap: INR 349,770 Mn**

**Outlook**

**GE T&D India is positioned to capitalize on the expanding demand generated through energy transition and digitization. India's data centre market is witnessing significant investments, creating opportunities for GE T&D India's products and solutions. The company is committed to developing technologies, including HVDC systems, STATCOM solutions, grid stabilization solutions, and SF6-free switchgear. GE T&D India's energy-focused software business, particularly Grid OS, has a robust addressable market due to the critical demand for grid orchestration and variability management. The company continues to focus on deploying its lean operating system to reduce lead times, reduce costs, and expand production output. India's commitment to achieve 50% electricity generation capacity from non-fossil resources by 2030 will necessitate substantial investment in interstate and intrastate transmission networks, supporting GE T&D India's growth prospects.**

**Financial Performance**

• The FY24 revenue stands at INR 31,679 Mn, YoY growth of 14.2% and the Q4 FY24 revenue stands at INR 9,136 Mn, YoY growth of 29.9% and a QoQ growth of 8.3%.

• The FY24 EBITDA stands at INR 3,415 Mn, YoY increase of 154% and the Q4 FY24 EBITDA stands at INR 1,167 Mn, a QoQ growth of 59.7%%.

• The FY24 PAT stands at INR 1,811 Mn, compared to a loss of INR 15 Mn in FY23 and the Q4 FY24 PAT stands at INR 663 Mn, compared to a loss of INR 154 Mn in Q4 FY23

**Operational Highlights**

• The company commissioned 400/220kV Air-Insulated Substation for Renew Copper Phase-2, including 2 ICTs of 500 MVA, 4 400kV bays, and 8 220kV bays.

• The company commissioned 220kV Gas-Insulated Substation (GIS) for Adani Kutch Copper Ltd, including 100MVA and 150 MVA ICTs, 33kV switchgear panels, and 11kV switchgear panels.

**Geographical Split**

• The FY24 Order Booking may be broken down as 68% from domestic market and 32% from exports

• The FY24 Revenue may be broken down as 69% from domestic market and 31% from exports

**Cash Performance**

• The company is debt-free company as of FY24

• The Cash and Cash Equivalents balance stands at INR 2,765 Mn as of FY24, compared to INR 1,573 Mn as of FY23, and a net debt of INR 1,730 Mn as of FY23

• The Cash generation stands at INR 1,192 Mn during Q4 FY24 and INR 4,495 Mn during FY24

**Order Intake**

• Q4 FY24 Order booking stands at INR 13,300 Mn, up 53% YoY from INR 8,700 Mn in Q4 FY23

• FY24 Order booking stands at INR 57,900 Mn, up 112% YoY from INR 27,400 Mn in FY23

**Order Backlog**

• Order backlog as of FY24 stands at INR 62,700 Mn, up 70% from INR 37,000 million as of FY23

**HVDC Opportunities**

• India remains an important market for HVDC projects, and the company is committed to participating actively.

• Mentioned the potential to execute at least two of the upcoming HVDC projects in the country, without specifying which ones.

• Discussed the execution timelines for the Fatehpur Badala and Khavda Nagpur HVDC projects, which are 48 months for the first 3,000 megawatts and 54 months for the next 3,000 megawatts, respectively.

**STATCOM Market**

• Acknowledged the growing demand for STATCOM installations in India, driven by the increasing integration of renewable energy sources.

• Estimated the market size for STATCOM projects in India over the next 2-3 years to be around 15-20 projects, with individual project costs ranging from INR 2,500 Mn to INR 5,000 Mn.

• Clarified that STATCOMs are primarily required for transmission substations, not distribution substations, to compensate for reactive power due to renewable energy integration.

• Indicated that STATCOM is the preferred technology in India, although other technologies are available globally.

**Other Highlights**

• The Board of Directors has recommended a dividend of INR 2 per share, subject to shareholder approval, after a gap of 5 years.

• Provided a broad estimate that staff costs are primarily fixed, while other operating expenses have a mix of fixed and variable components, roughly a 50-50 split.

**Godawari Power & Ispat Ltd | Q4FY24 Concall KTAs**

**CMP- INR 951** **M.Cap- INR 129,260mn**

**GPIL has guided for INR 10,000mn capex in FY26 and 6MT of increased iron ore capacity. Taking in view the strong cashflows, GPIL will increase its steel capacity to 2.5MT. Company has appointed 2 new independent directors with vast experience. 70MW of additional solar capacity to be added and investments to be funded from internal accruals. We believe that the company has a strong balance sheet and can continue to perform well in coming period.**

**Financials**

**Q4**

Net sales stood at INR 15,300mn(+17%QoQ) with operating EBITDA of INR 3,290mn(-1%QoQ) and margins of 22%. PAT stood at INR 2,190mn(-4%QoQ)

**FY'24**

Net sales stood at INR 54,550mn(-5%YoY) with operating EBITDA of INR 13,280mn(+14%YoY) and margins of 24%. PAT stood at INR 9,360mn(+18%YoY)

-Strong BS with net cash balance of INR 10,000mn. INR 3350mn distributed to shareholder. FY24 no dividend due to certain technical reason and board meeting is scheduled for 24th May to consider payment of dividend.

-For the integrated steel plant, revenue could be INR 100,000mn in next 3 years and EBITDA per ton of INR 10,000.

-Current margins of FY24 to continue in FY25. In case prices take a downturn, then margins may be impacted.

-Production volume guidance of iron ore at 3MT for FY'25.

-steel demand forecasted to grow which will drive the demand and price for iron ore.

**Capex**

Double iron ore capacity  to 6MT by FY'26. INR 6,000mn for Phase I of capex of which INR 320mn has been incurred for placing orders. INR 7,000mn to be spent in FY'25 to complete the capex cycle. Capex guidance of INR 10,000mn in FY26.

Board has approved additional solar power plant capacity of 70MW to meet additional power requirement.

-Considering its strong cashflow, GPIL will increase steel capacity to 2.5MT. Commissioning will take 36months from date of environmental approval.

-Co. has appointed 2 industry experts to board as independent directors.

-In FY24, consent to operate Sponge Iron plant with 0.9MT from 0.49MT. Commissioned solar power plant capacity of 45MW in FY24. Higher power generation by 7-8MW without higher fuel cost.

-Capex  now almost complete, and operational by June'24.

All this led to higher operational revenue and margin.

-Iron ore and pellet production decreased by 11 and 7%.

-Production volume of value added products has gone up. Sales volume of iron ore pellet and sponge iron dropped due to increased captive consumption. Realisation of iron ore increased.

-FY24, operating margins increased by 4% is result of high operating efficiency in form of savings from solar power plant and high efficiency turbines.

-Slight over run on cost of de-bottlenecking.

-ByQ3FY25, approvals in hand and target to reach 3MT steel production this year, and 6MT in FY26.

-Ferro alloy saw uptick in price of around 30% in last 1 month market due to cyclone in Australia which resulted in one of the mines out of production. This mine used to handle 10% of global demand. It will come in production in Q3FY25 or later.

-Iron ore prices have been volatile with global prices down from $140 to $100 which then reached $120. Uptick in steel demand led to prices of domestic iron ore price to rise.Domestic prices expected to remain higher than international market.

-Employee expense increase due ESOP scheme for senior level and annual increment in Q4.

-New capacity of 6MT of iron ore, entire thing will be used for captive consumption.

-Iron ore mine capacity, 3MT in FY25 against 2.4MT(FY24)

-Debt not required for INR 10,000mn of investments. It will be fulfilled from cash and internal accruals.

**RattanIndia Power Ltd-Q4FY24 Concall KTAs**

**CMP: INR 19 |Market Cap: INR 99,454 Mn**

**Outlook**

**The Indian power sector is witnessing surging demand fueled by economic growth, industrialization, and the government's electrification push. This aligns well with the company's efficient thermal power plant in Amravati, which is poised to meet the rising energy needs. The company believes thermal power will remain a vital component of India's energy mix for the next 20-30 years due to its ability to provide reliable baseload power and the country's limited natural gas reserves. The company is actively exploring capacity expansion opportunities in both thermal and renewable segments. The company is focusing on maximizing its revenue from the 1,350 MW Amravati power plant, which has been generating stable EBITDA of around INR 10,000 Mn.**

Financial Performance

- The consolidated FY24 revenue stands at INR 33,640 Mn, YoY growth of 4% and the Q4FY24 revenue stands at INR 9,139 Mn, YoY growth of 1.4% and a QoQ growth of 13%.

- The FY24 EBITDA stands at INR 9,158 Mn, a YoY growth of 24% and the Q4FY24 EBITDA stands at INR 2,060 Mn, a QoQ growth of 20%

- The FY24 PAT stands at INR 88,968  Mn, a YoY increase of 575% and the Q4FY24 PAT stands at INR 106,662 Mn, a YoY increase of 2308% and a QoQ growth of 1917%. The above growth figures are due to exceptional items.

Debt Restructuring and Repayment

- The company completed a deal in 2018-19 to pay off Indian banks using funds from Goldman Sachs, Varde Partners, and others. The debt was restructured in January 2020, and since then, the company has repaid over INR 35,000 Mn in principal and interest.

- The remaining debt of INR 5,220 Mn as of FY24, was refinanced from Kotak in June 2023, which the company aims to repay in FY25.

- The company has tax losses of around INR 20,000-30,000 Mn, which will act as a tax shield for future profits.

## Regulatory Receivables

- The company has accumulated regulatory receivables of around INR 27,000 Mn, which it expected to realize over the next 3-4 years.

- These receivables of the company are due to litigation over various components of the tariff, which have been decided in the company's favor by the Supreme Court and other regulatory bodies.

## Expansion Plans

- The company is evaluating options for capacity expansion, either through thermal power, potentially a single 660-800 MW unit or renewable energy projects.

- The expansion plans of the company will be finalized after it becomes debt-free in the financial year.

## Land Assets

- The company has over 1,000 acres of land in Amravati, which it plans to utilize for potential data centers, industrial parks, or other commercial purposes, leveraging the power and water availability.

- The company has around 800 acres of land in Punjab, which is being evaluated for potential commercial use in collaboration with the state government.

## Sindhi Power Plant

- The Sindhi Power Plant of capacity 1,350 MW, which was part of the company's portfolio, has been admitted to the National Company Law Tribunal process.

- The company will participate in the bidding process for the plant as a potential resolution applicant, but the outcome remains uncertain.

## Other Highlights

- The company has achieved high operational efficiency at its Amravati plant, with a Plant Load Factor (PLF) of around 82-83% in the previous year.

- RPL is looking to capitalize on its land assets and leverage the regulatory receivables of around INR 27,000 Mn.

**KEI Industries Q4FY24 Concall Highlights**

**KEI Industries | CMP: INR 3,893 | Mcap: INR 351.3bn**

**Outlook: KEI Industries focused to grow 17%-18% CAGR backed by volume growth and capacity expansion. The margin is expected to be 11% in FY25E. The company has added EV into the portfolio. The strong visibility in exports, distribution & dealership expansion and Industry growth will be beneficial for the company. We have a positive outlook on the stock.**

Revenue

Revenue growth is expected at 17%-18% going forward.

Margins

Margins stood at ~11% in Q4FY24 and expected to maintain the same going forward.

Volume

The volume growth 24% YoY & 22% YoY in Q4FY24 & FY24.

Capacity utilization

Cables capacity utilization was 92%, wires utilization stood at 70%-75% and SSW utilization stood at 90% in FY24.

Capex

The capex stood at INR 3.97bn in FY24. The capex breakup are Chinchpada – INR 840mn, Sanand – INR 1.97bn, land acquisitions in Kheda – INR 90mn and remaining for other plants.

The capex is expected to be INR 9-10bn in FY25E and INR 5-6bn in FY26E.

EHV cables capacity peak revenue potential INR 6bn/annum. The company fully utilized the capacity in FY24. The company has started the construction and new capacity is expected to come in FY26E.

Chinchpada wires and cables plant is expected to be operational in the next 2 months.

A&P expenses

A&P expenses are expected to be INR 500mn-600mn in FY25E.

Exports

Exports are expected to grow 50% in FY25E. The exports remain strong in the Middle East, Africa and Australia. The exports have started to the US.

The company has received certifications and approvals from US and European markets.

Order book

The order book stood at INR 35.3bn. The break-ups are Domestic cables – INR 18.65bn, EHV – INR 3.74bn, EPC – INR 7.71bn and exports INR 5.21bn.

Dealers and distributors

Dealers and distributors sales are expected to grow 20% CAGR through network expansion and new geographies.

Industry

Wires and Cables market size is around INR 750bn and expected to grow 15% CAGR going forward.

Other highlights

EPC business accounts for 5%-6% of sales. The company mainly sells cables in the EPC business.

The company has added EV charging cables to the Portfolio.

The demand is coming from real estate and infra projects in domestic and exports.

The Cable market is growing faster than wires.

**Polycab Q4FY24 Concall Highlights**

**Polycab | CMP: INR 6,156 | Mcap: INR 924.9bn**

**Outlook: Polycab has gained market share to 25%-26% in FY24. Cable volume growth stood at 30%-40% in FY24 and momentum would continue going forward. EHV cable plant is expected to be operational by the end of FY26E and revenue is expected to be realized from FY27E onwards. FMEG losses are widened due to lower capacity utilization and are expected to improve over the next 2-3 years.**

**Revenue**

The company is focused on achieving INR 200bn topline by FY26E. The company will revise the guidance.

80%-90% of sales are through distributors and 10% of sales are directly.

**Margins**

EBITDA margin stood at 13.6% (-48bps YoY/+50bps QoQ) in Q4FY24, backed by better operating leverage, lower advertising and promotion.

Cables and wires margins are expected to be 12%-13% on a consistent basis. The margin improvement is based on product mix.

**Market share**

Polycab's domestic organized cable market share increased from 22%-24% to 25%-26% in FY24. The industry-level market share is 18%-19%.

**Volumes**

Domestic cable volume growth stood at 30%-40% in Q4FY24 and FY24.

**Wires and cables**

The cables and wires mix stood at 70:30 in FY24. Cables are growing faster than wires and cable margins are 100bps better than wires.

EHV plant is expected to be operational by the end of FY26E. The asset turn is expected 5-6x.

Etira and green wires contributed north of 30% of the retail wire sales in FY24.

**FMEG**

Fans and lights contributed 50% of sales in FMEG segments. Switches and switchgear are 2nd largest contributors.

The premium and BLDC fans accounted for 28% of fan sales in Q4FY24.

The company has in-house manufacturing and capacity utilization is very low. The scale-up of sales across all product categories and capacity utilization improvement will lead to margin improvement.

The company launched 90 SKUs in FY24, majorly in the premium and BLDC range.

The switches and switchgear segment witnessed strong growth backed by an uptick in real estate.

Luminaries witnessed a 7%-8% price decline on industry levels and further correction is expected.

**Capex**

The capex stood at INR 8.6bn in FY24. The company is focused on investing INR 10-11bn per annum over the next 2-3 years. A large part of capex is towards wires & cables and the expansion of switches and switchgear.

**Capacity utilization**

The wires and cables capacity utilization stood at ~70% in Q4FY24.

**International Business**

International business accounts for 8% of sales and is expected to reach 10% of sales in FY26E. The company is exporting to 79 countries. The transition of the business model in the largest demand geography (US) impacted international business. The transition would take 3-5 quarters.

The company has added Middle East and Australia are the high growth markets.

**Write-off**

The company has written off investments of INR 105mn in Techno Electromagnet JV due to the losses. The company also write-off a similar amount due to the aged inventory of lights and panels.

**EPC**

In the RDSS scheme, the government is expanding power generation and distribution capacities. The company is supplying cables to the project.

In EPC, the company has received tenders for the RDSS project. EPC order book stood at INR 48bn and execution timeline over next 2-3 years.

**Atam Valves Ltd Q4FY24 Concall Highlights**
**CMP: INR 191 | M.Cap: INR 2,010mn**

**Atam Valves Ltd reports Q4FY24 revenue of INR 172.7mn, affected by delayed payments due to MSME norms. Planning a INR 300mn capex for forward integration into stylish bathware, aiming for INR 10,000mn revenue by FY2030, with a focus on exports and becoming API compliant by Q1FY25 which will help the orders to start flowing in.**

Financial Update
Q4FY24 - Revenue stood at INR 172.7mn; EBITDA stood at INR 40.1mn with 23.23% margin. PAT stood at INR 26.8mn with margins of 15.55%.

FY24 - Revenue stood at INR 526.2mn(+7%YoY), EBITDA stood at INR 98.2mn with 18.66% margin. PAT stood at INR 58.3mn with margins of 11.08%.

The management mentioned that Q4 has historically been the best quarter among all but the reason for revenue dip in this years' Q4 is because of the MSME norms that mandate payment within 45 days.

Revenue & Margin guidance
The company aims to achieve a revenue of INR 10,000mn by FY30 of which 50% shall come from exports.

The company gives EBITDA margin guidance of 20-25% and revenue for Q1FY25 of INR 170 mn. Management aims to achieve a topline of INR 700-750 mn for FY25.

Revenue mix
The boilers contribute 30% of the sales, domestic appliance (40%), hydro projects (10%), while the remaining 20% is contributed by the other segments.

Top 15 clients account for 80% of the sales.

Capex
The company is planning forward integration by undertaking INR 300mn capex and entering into stylish bathware.

Exports
The company have presence in South Africa, US, UK and Indonesia and our looking to expand in Saudi Arabia, Tanzania and Kenya. Currently the exports contribute 3% of the revenue and they target this to reach 25%.

Dealer Network
The company have a 750 dealer network with a target to reach 1,000 dealers this year.

Inventory
The company is holding an inventory of INR 210 mn out of which INR 100+mn is finished products. By Q1 FY25 company expects to liquidate 70% of this stock.

API

The company will become API compliant by Q1FY25 and orders will start flowing in from the moment they become compliant. By August or September they shall become API certified. Company is in talks for orders worth $2mn post API certification.

Other highlights

The company is into manufacturing of plumbing valves that can handle conditions ranging from -192C to 550C. They have three specialised foundary shops which can manufacture 96,000 pieces per month and has plant capacity utilisation of 85%.

The company caters to industries like oil and gas, refineries, petrochemical, marine, mining and sugar industries. They have 300 clients with the marquee ones being Thermax, NTPC, BPCL, ADANI.

The company is taking efforts to expand its topline and is participating in a lot of trade exhibition which is now driving 20% of the top line.

Arihant Capital Markets Ltd

**Rajoo Engineers Ltd Q4FY24 Concall Highlights**
**CMP: INR 231 | Mcap: INR 14,230mn**

**Rajoo Engineers Ltd reported a decline in Q4FY24 revenue but a significant increase in EBITDA, driven by operational improvements. They secured key contracts, including a high-value order from a European farm machinery manufacturer, and completed notable projects in sheet extrusion systems. Additionally, the company invested in expanding facilities and initiated a share buyback program while aiming to meet 65% of its electricity needs through renewable sources.**

Financial Performance
Q4FY24 - Revenue stood at INR 526.8mn (-26%YoY), mainly due to delay in the balance of payment and lifting of machines by the customers, since the lead time of the order execution ranges from 4 to 9 months and can exceed even 9 months in some orders. EBITDA stood at INR 89.6mn (+38.4% YoY) due to higher capacity utilization and improvement in operational efficiencies.

FY24 – Revenue stood at INR 1,973.5mn (+23.5% YoY), because of intensive efforts by a larger sales team and entry into new territories. EBITDA at INR 266.8mn (+90.35% YoY), because of an increase in sales, higher capacity utilization, and improved operational efficiencies.

Capacity and Integration
On April 16, 2024, The company integrated a new facility, expanding operational capacity. With an additional 21,000 sqft dedicated to assembly. The company is poised to streamline production processes and meet growing demand with efficiency and reduced lead times. The company also has a dedicated 7,000 sqft space for quality control.

Projects
The company has successfully delivered two prestigious projects in the category of sheet exclusion systems, each boasting an impressive output of around 800 kg/hour.

New launches
The company is prepared to launch India's first ever high output five-layer blown film line, With an impressive output of 800 line speed exceeding 150 meters/minute, and cutting-edge technology sets a new standard in the industry.

Renewables
The company aims to satisfy 65% of total electricity needs through renewable energy sources, primarily through the expansion of the existing solar park.

Other highlights
- The company backed a high-value order from one of the leading manufacturers of farm machinery and equipment based out of Europe.
- The company bought back 26,076 equity shares at INR 210 each in the assurance of shareholder's special resolution dated 17th January 2024.

**Elecon Engineering Company Ltd | Q4FY24 Concall KTAs**
**CMP- INR 1155 | M.Cap- INR 129850mn**

**Elecon Engineering's FY24 highlights include record revenue and profits driven by a transition to product focus and overseas expansion, with Gear segment dominance and MHE gaining orders. FY25 aims for continued growth despite geopolitical challenges, emphasizing after-sales service, while conservative financial management strengthens underlying margins.**

Business overview

-Elecon has achieved various milestones in this year with the highest ever Revenue of INR 19370mn and PAT- INR 3560mn. Elecon has transformed itself from an EPC player to product player and the strategy can be seen to have played out in its favour.

-Elecon is one of the largest gear solution provider in Asia. In India they have 39% market share in organised sector and has diverse industries as its clientele.

-It is dedicated to expand overseas which represent significant growth opportunities. Additionally, they are participating in overseas expos where they get to showcase their capabilities.

-They have partnered with 11 OEMs in international market and are looking at an estimated annual business value of EUR 6mn from these partnerships. Once they successfully deliver to these 11 OEM, their competitors then too will approach.

-Elecon has presence in 85+ countries. Overseas sales contribute 24% to topline.

Elecon has 2 segments- Gear and MHE

Gear

85% of topline comes from this segment as of fy24. Management takes pride in being industry leaders in lead time. They are reliable equipment provider and focus is on customisation and precision for customers.

MHE-

Elecon has discontinued EPC work and is now focussing on product and after sales services. They are getting order inflows from esteemed players.

Financial Highlights

Q4FY24

Revenue of INR 5650mn(+33%YoY) basis. Domestic market accounted for 79% of the revenue with EBITDA of INR 1350mn(+46%YoY) and margin of 24%. PAT margins were at 18.4% (240bps increase YoY).

-Gear division accounted for 80% of the revenue while the MHE division in this quarter contributed 20%.

FY24

Revenue stood at highest ever of INR 19370mn which showcased a 27% YoY growth for the same period while EBITDA was of INR 4740mn with margins of 24.5%. PAT was recorded at INR 3560mn which was a 50% growth YoY.

-85% of the revenue was contributed from Gear division while 15% was contributed by the MHE division.

-INR 372mn received fArom arbitration awards totalling INR 630mn. They have initiated fresh arbitration of INR 310mn in Q1FY24 of which they anticipate a positive outcome.
-Final dividend of 2 rupees is proposed.

Guidance

FY25- Consolidated revenue of INR 22250mn, 24% sustainable EBITDA margins. Of this INR 3600mn from MHE and balance from gear division. Revenue from overseas- INR 2500mn.

Capacity utilisation

It was 76% last time. This time for whole year it is 74% due to 2 machines being added. Peak level ca be at 85% for commerical production. They have to keep 5% idle for R&D process.

Import enquiries from Russia

Lot of Russian companies are looking to import gear boxes from India.

Revenue from After sales

29% of domestic revenue comes from replacement market while internationally 85-90% of revenue comes from after sale service.

-Elecon is looking to achieve 15% growth in the coming year. They are being conservative due to challenges like west asia geo-political tension, upcoming election period in India due to which orders by PSU will be on hold. Orders from these PSUs will start flowing after August. Election in US is also due in Nov 24’ and will have a wider impact since dollar is the centralised currency.

-Inventory and bad debts are recorded on conservative basis, which makes the underlying margins stronger than the ones reported due to these book keeping entries.

Capex

They have outperformed on their margin guidance and is looking at INR 3000 mn capex over 3 years.

**The Anup Engineering Ltd– Q4FY24 Concall KTAs**

**CMP: INR 2,067| Market Cap: INR 41,130 Mn**

**Outlook**

**The management expects revenue growth of 25-30% and an EBITDA margin of over 20% in FY25. This growth is expected to be driven by a strong order book of around INR 8,540 Mn, with around INR 7,000 Mn executable in FY25, and a healthy inquiry pipeline of close to INR 10,000 Mn. The company has also expanded its capacity by making operational a new plant in Khera and starting construction on an extension of the existing bay, which will be operational in Q2 of FY25. Additionally, the acquisition of Mabel Engineers Private Limited is expected to contribute revenue of INR 500-600 Mn in FY25, further boosting growth. The company's focus on exports, which now contribute around 50% of the order book, has also been a key growth driver, with opportunities arising from markets such as the US, Middle East, Nigeria, and Australia.**

Financial Performance

- FY24 consolidated revenue stood at INR 5,504 Mn, a YoY increase of 33.8% over FY23 and the revenue of Q4 FY24 stood at INR 1,569 Mn, up by 8.81% YoY.
- EBITDA of FY24 stood at INR 1,268 Mn, a 53.3% YoY increase over FY23 and the EBITDA of Q4 FY24 stood at INR 373 Mn, a 23.51% increase YoY.
- PAT of FY24 stood at INR 1,035 Mn, a 101.2% YoY increase over FY23 and the PAT of Q4 FY24 stood at INR 430 Mn, as compare to INR 195 Mn in Q4FY23. In Q4 FY24, provision of tax reversed by INR145 Mn which led to higher PAT in Q4 FY24 and FY24.
- The company issued a dividend of INR 15 per share and a special one-time dividend of INR 5 per share in FY24.

**Order Book**

- The company had a strong order book of INR 8,540 Mn at the end of FY24, with around INR 7,000 Mn executable in FY25.
- Approximately 50% of the order book is for exports, with a significant portion coming from the U.S., Middle East, Nigeria, and Australia.
- The company expects a revenue growth of 25-30% and an EBITDA margin of 20%+ in FY25.
- The order book has a significant portion coming from the petrochemical sector, followed by the oil and gas, hydrogen, and fertilizer sectors.
- Exports contributed around 31% of the total order book.

**Capacity Expansion**

- The company made operational its new plant in Kheda in June 2023 and has started construction work on an extension of the existing bay in Phase 1, which will be operational in Q2 of FY25.
- Upon completion of Phase 1, the company will have two complete manufacturing bays at Kheda, delivering revenue of over INR 1,500 Mn in FY25.

**Working Capital Management**

- The company maintained its average working capital at 4 turns, which is considered the best for the company. Working capital management is better for export orders, as they typically receive larger advances compared to domestic orders.

Acquisition of Mabel

- The company acquired Mabel Engineers Private Limited, a manufacturer of vessels and silos, to complement its existing product portfolio.
- The acquisition will provide additional capacity and geographical spread, with plans to generate revenue of INR 500-600 Mn from Mabel in FY25.
- The company aims to enter the skids and modules segment in the next 2-3 years, which will further drive growth.

Export Focus and Domestic Market

- The company has shifted its focus to export markets, targeting 40-50% of revenue from exports, compared to the historical 10-15%.
- The domestic market has seen a temporary slowdown, but the company expects investments to pick up within the next 6 months.

Sustainability Initiatives

- The company has completed a 1 MW rooftop solar project at Ahmedabad and, along with its windmill, now sources 60% of its power requirements from renewable sources.

Competitive Landscape

- In the domestic market, the company competes with players like L&T, and Godrej, while in the export market, the company primarily competes with other Indian fabricators, as energy costs make it challenging for foreign players to compete.

Other Highlights

- The company had a net cash positive position of INR 1,140 Mn at the end of FY24. The cash will be utilized for dividend payments (around INR 400 Mn), acquisition-related payments (around INR 350 Mn), and CAPEX requirements.
- Around 20-25% of the company's pending order book of INR 8,540 Mn is from the hydrogen business, primarily from blue hydrogen projects.
- A significant portion of the hydrogen orders (around 100% mentioned) are from the export market, particularly from the western part of the world, including the U.S. and the Middle East.

**Suraj Estate Developers Ltd Q4FY24 Concall KTAs**
**CMP: INR 385 | Market Cap: 17.08 Bn**

**Company plans to launch 7 new projects in FY25 with a total GDV of ~ INR 11.50 Bn. With focus on luxury residential project it aims to strengthen its presence in south central mumbai markets and expand into Bandra sub-market.**

Financials
•Q4FY24 total Income stood at INR 1004 Mn (-5.3% QoQ). In FY24 total income grew by 35% YoY at INR 4157 Mn.
•Q4FY24 EBITDA stood at INR 535 Mn (-23.1% QoQ) while in FY24 EBITDA grew by 54.3% YoY at INR 2364 Mn.
•PBT grew by 33.6% YoY in Q4FY24 at INR 295 Mn.
•PAT grew by 17.4% YoY at INR 195 Mn in Q4FY24, with PAT margins of 19.4%. In FY24 PAT grew by 110.9% YoY at INR 675 Mn.
•Net debt decreased to INR 3153.4 Mn as compare to INR 5650.7 Mn in FY23.

Operation Highlights
•Residential segment pre sales value stood at INR 4.83 bn in FY24 vs INR 4.37 Bn in FY23(10.5%YoY).
•Collections stood at INR 3.16 Bn in FY24 Vs 3.46 Bn in FY 23.
•Realisation improved by selling luxury projects to INR 45074 In FY24 vs INR 42,420 in FY23.

Guidance
•Company expects pre sales value to be ~8.5 Bn for FY25, out of which 2 bn will be contributed by commercial projects and rest 6.5 Bn from residential projects.
•Revenue guidance of INR 5000 - 5250 Mn for FY25 and operating margins to remain intact.

Debt
•In FY24, company has repaid high cost debt of 2.85 Bn from the IPO Proceeds and net debt as of march 31st stood at INR 3.15 Bn.
•Currently company has 800-900 Mn high cost debt out of the total gross debt.
•Blended average cost for FY24 is expected to be ~14%, company further expects to reduce this to 12-13% from FY26.

Other Highlights
•Company has developed custom spaces for leading institutions including NSE, ICICI Bank, Union bank of India and Clearing Corporation of India Limited.
•Company has 13 ongoing projects with a developable area of more than 20 lakh sqft and a saleable area of ~6 lakh sqft.
•Total construction cost for ongoing projects is around 6 Bn.
•Further 18 upcoming projects in pipeline with a carpet area of 9 lakh sqft, primarily in the value luxury and luxury segments (estimated price of INR 50,000-55,000/ sqft.)
•With infrastructure boom and increase in absorption rate, company saw a drop in unsold inventory by 31%YoY.

•company enjoys 8% market share in redevelopments projects in this south central Mumbai market

•company has amicably settled a pending litigation with OLV & OLPS Society and agreed to pay to the landowner a consideration of ~INR 470 Mn along with additional flats measuring (35,500 Sq. Ft).

•This leaves the company with built-up area of 10800 Sq meters amounting to a GDV of INR 3.50 Bn.

•Company obtained development Rights of a Land Component spanning 4,790.76 sq meters including five existing buildings.The FSI to be consumed for rehousing the 108 existing tenants/occupants, with a GDV of ~INR 2.25 Bn.

•Company has acquired freehold land in mahim west. The redevelopment project involves 7 tenant occupants and after accounting for the FSI required for rehabilitating these tenant and the surplus area to be handed over to MHADA, the estimated balance carpet area to be ~30,000 sqft with a gdv of 1.20 Bn.

•Company successfully launched Suraj Lumina, Mahim west project with a GDV of 1 Bn and the project is expected to be completed by December28.

•The Unsold inventory of 1.21 lakh sq feet from the ongoing projects have an estimated GDV of ~ 6.3 Bn.

•Plans to launch 7 new projects in FY25,with a carpet area of 2.66 lakh sqft with total GDV of 11.50 bn.

•Bandra project has received concession approval and plans to launch by end of FY25 or early FY26.

**Ajmera Realty & Infra India Ltd Q4FY24 Concall KTAs**
**CMP: INR 783 | Market Cap: INR 27.80 Bn**

**Company is focused on portfolio expansions and expects to launch 8 projects in FY25 with a total gdv of more than 45 Bn with a total development of about 1.9 mn sqft. Company is further looking to add 30-35 Bn of projects in pipeline, in addition to what company already have. Pre- sale value is expected to grow by 30-35% in FY25**

**Financials**

•Q4FY24 total Income stood at INR 2341 Mn (99%YoY/12%QoQ). In FY24 total income grew by 61% YoY at INR 7078 Mn.

•Q4FY24 EBITDA stood at INR 686 Mn (98%YoY/11%QoQ) while in FY24 EBITDA grew by 56% YoY at INR 2090 Mn.

•PAT grew by 90% YoY at INR 288 Mn in Q4FY24, with PAT margins of 12% (-54bps YoY/-232 bps QoQ). In FY24 PAT grew by 44% YoY at INR 1028 Mn.

**Operation Highlights**

•Pre sales value stood at INR 2.87 bn in Q4FY24 vs INR 1.40 Bn in Q4FY23(104%YoY/13%QoQ).

•Collections stood at INR 1.97 Bn in Q4FY24 Vs 1.03 Bn in Q4FY23.(91%YoY/30%QoQ).

•Ajmera Manhattan project, in Wadala has sold 76% of inventory.

•Company launched next phase of Greenfinity project in Q4FY24 and have sold 19% of its inventory. Another project in Ghatkopar, Ajmera Eden sold more than 50% of its inventory during the first year of its launch.

•Ajmera Prive, in juhu saw great sales with 38% of inventory sold.

•Ajmera Lugaano & Florenza in north Bangalore, saw robust sales with 85% of the inventory sold.

**Other Highlights**

•Company anticipates revenue visibility of INR 18.60 Bn from ongoing projects and a launch pipeline of INR 45.70 Bn, totalling INR 64 Bn.

•Estimated net cash flow from OC received and ongoing portfolio is expected to be 7.50 Bn.

•Company focuses on seizing opportunities which has favorable margins, particularly in cluster, slum and mhada redevelopment projects.

•Redevelopment project margin- slump redevelopment projects is around 18% -22%, society redevelopment projects is about 25% - 35% and Mhada redevelopment project is about 30-35%.

•Company's owned projects yield margin around 40-50%.

•For redevelopment projects company looks for prime location and expects a minimum margin of 20-25%

•At present company has 3-4 redevelopment projects and in FY25 and FY26 company aims to add 7-8 projects.

•Pre-sale guidance – expects to grow sales value by 30-35% in FY25.

•Company is focus on reducing debt to equity ratio and targets to bring it to 0.8x by end of FY25. The weighted average cost of the debt remains stable and below 12%

•Company aims to maintain EBITDA margin of 30%.

•Company sees good run rate in Bangalore market for its affordable or a mid-affordable segment.

•Average realization on a portfolio level basis is INR 19,000/ sqft.

**Dilip Buildcon Ltd Q4FY24 Concall KTAs**
**CMP: INR 471 | Market Cap: 68.65 Bn**
**Company has delivered a growth in Q4 with overall increase in margins. Company has reduced its net debt and aims to become net debt free in 2 years. Further, it has improved its working capital days and anticipates orders to flow after election.**

**Financials**
•Standalone revenue from operations stood at INR 29308 mn in Q4FY24 (2.57%YoY).
•EBITDA stood at INR  3524 mn (29.56 %YoY), with EBITDA margins of 12.02% in Q4FY24.
•EBITDA margin increased on account of better execution of the projects and reduction in cost.
•PAT stood at INR 1237 mn ( 112.18 %YoY), with PAT margins of 4.22%.
**Operating Highlights**
•Company won 6 projects worth INR 36,022 Mn across 4 sectors in the state of Madhya Pradesh, Rajasthan, Goa and Tamil Nadu.
•Of these orders, 42% of the project is for irrigation, 35% for water supply, 15% for roads and 8% for urban development.
•Company has reduced its exposure from the road sector as a risk mitigation strategy contributing 37% as compare to 65% in FY20.
•Company has reduced net debt by INR 8,611 Mn. In FY25 company further plans to reduce debt by 5000 mn.
•Company has issued warrants worth INR 5.33 Bn to alpha alternatives, out of which Alpha has taken 25%.
•Balance 75% will be received as per the SEBI timelines and is expected to come in by June25.
•Company has divested 26% in Ham assets to Alpha and have received 1.30 Bn
•In FY25, Company to divest 5 ham assets and is expecting to receive INR 5.08 bn, of which majority will be received in Q1FY25 and ~ 600-650 mn will be received in Q2FY25.
**Guidance**
•In Siarmal Coal mine company has overachieved its target by 30% extracting 7 mn tons compared to target of 5 mn tons.
•Company plans to achieve a production of 15 mn tons in FY25 (earlier guidance of 10 mn tons)
•In next 4 years company plans total extraction to be 80 mn tons.
•MDO, Pachhwara mine delivered 4.6 mn tonnes and expects to deliver 7 mn tons in FY25.
•Company aims to become a net debt free company on a standalone basis within the next 2 years.
•Company expects to maintain EBITDA margin of 12-14%.

**Other Highlights**
•Continuous focus on improving return on equity and return on capital has resulted in jump from 6.9% to 13.8% ROE in FY24.
•Company hopes to improve its rating in FY25 which will help company to reduce it cost of debt.
•Working capital days improved from 70 day to 65 days as on Mar24.
•After election company anticipate a surge in orders.
•In FY25 company expects total order book to be ~100-120 Bn from all sectors.
•Capex of INR 500-700 Mn in FY25.
•Company’s equipment debt stood at INR 1.7 – 1.8 Bn and expects to repay 80% in FY25.
•Targeted finance cost for FY25 is expected to be INR 3.50 bn
•Interest rate on a project level for financing ham projects is close to 9 – 9.5% in the construction phase.

**Ganesh Housing Corporation Ltd**
**CMP: INR 845| Market Cap: INR 70.21 bn**

**Company successfully completed Malabar Exotica well ahead of schedule and booked 60% revenue in FY24. The company has an extensive project pipeline across residential, commercial, and township projects with plans for future launches and developments. Company continues to focus on high- growth Ahmedabad market.**

Financials
•Revenue stood at INR 2801 Mn vs INR 1,830 Mn in Q4FY23.
•EBITDA came in at INR 1524 Mn (45%YoY), with EBITDA margins of 54.4% in Q4FY24.
• PAT stood at INR 1128 Mn (186%YoY), with PAT margins of 40.3% in Q4FY24 vs 21.5% in Q4FY23.
•Company has strong cash flow of INR 2.3 bn as of March24.
•Company's return on capital stood at 39.6% while return on equity is at 29.7%.

Macro
•Indian's real estate sector is valued at US$482 Bn and is expected to reach US$1.5tn by 2034, showing vast potential and opportunities within the real estate sector.

Other Highlights
•Ahmedabad saw significant growth in real estate with 21.5% increase in residential projects and 1.5% increase in average property prices.
•Company has completed Malabar Exotica ahead of schedule and partially booked revenue in FY24.
•Company has realized around 60% revenue from Malabar exotica and 40% is expected to be recognised in Q1FY25.
•Company launched Malabar Retreat in Q4FY24 with strong booking of 27-30 apartments, totalling 670 Mn in pre-sales in Q1FY25.
•One Thaltej, commercial project is expected to start by H2FY25 and to be completed by H2FY28 with ~21 Bn in revenue.
•With ongoing and upcoming projects company is set to develop over 5.5 mn area under various stages of development.
•Revenue split - In Q4FY24, 60% stood land sales and 40% from project sales. For FY24 80% stood land sale while 20% from project sales.
•Company's inventory stood at INR 4.21bn.
•Pre sales value from the residential project is expected to be ~INR 14 bn in next 2 years.
•Company saw 15% growth YoY in terms of progression in launches and 9% growth YoY in terms of pricing.
•In Ahmedabad Market company saw robust demand for larger and premium houses along with bungalow and farmhouse projects.

**DLF Ltd Q4FY24 Concall KTAs**
**CMP: INR 839 | Market Cap: INR 2078.15 Bn**

**Company has a sales potential of INR 360 bn for FY25. Super-luxury projects will further boost company's cash flows and profitability. Management is optimistic about its growth prospects over the next few years backed by new launches as well as debt reduction plans.**

Financials
•Revenue grew by 47% at INR 23.17 Bn in Q4FY24.
•EBITDA stood at INR 9.36 Bn (81% YoY), with EBITDA margins of 40% in Q4FY24.
•PAT stood at INR 9.27 Bn (60% YoY/43% QoQ) in Q4FY24.

Operating Highlights
•Sales booking stood at INR 14.62 Bn in Q4FY24 and FY24 sales booking stood at INR 147.78 Bn.
•Collections stood at INR 22.05 Bn in Q4FY24 while in FY24 collection stood at INR 86.55 Bn.
•Operating cash flow stood at INR 11.05 Bn in Q4FY24 while FY24 cash flow stood at INR 43.85 bn.
•Net debt stood at INR 179.03 Bn in FY24 with net debt to GAV at 0.23x.
•Total rentals for FY24 stood at INR 44 Bn.

Other Highlights
•Company expects pre-sale value of INR 170 bn for FY25.
•Exit rental income for FY25 is expected to be INR 59 -60 Bn.
•Cash flow from Chennai land sale stood at INR 7.28 Bn.
•Privana south and Privana west is expected to have strong collection in FY25.
•Privana West recorded 27% sales from NRI and saw strong demand from the corporates, entrepreneurs and doctors.
•Atrium Place - A 2.88 mn sq ft with 4 tower is expected to deliver towers by April25 to beginning FY26.
•Downtown 2 & 3 is already completed and yielding rental income.
•Downtown 4 an approximately 2.1 mnsqft is expected to to be delivered by end of FY25 and will start earing rental from Q1FY26.
•Company’s total cash balance stood at INR 60 Bn of which 40 bn is escrowed in the RERA which is not accessible for general business purposes.
•Company aims to reduce its gross debt to zero.
•Company aims to expand its footprint in geographies like Mumbai and Noida. Company plans to launch its first 1 mn sqft residential Mumbai project by Q4FY25.
•In Q2FY25 company plans to launch villa project in goa and in Q3FY25 company plans to launch Lux 5.

**PSP Projects Ltd Q4FY24 Concall KTAs**
**CMP INR 671 | Market Cap INR 26.60 bn**

**Considering the bid book and upcoming projects company expects an order inflow of INR 35 bn in FY25. Revenue to grow by 15% next year and company to maintain margin of ~10-11% in FY25.**

Financials
•Revenue from operation stood at INR 6491.7 Mn in Q4FY24 (-11% YoY/-7%QoQ).
•EBITDA stood at INR 518.2 Mn (-33% YoY/-27%QoQ) in Q4FY24, with EBITDA margin of 7.98%.
•PAT stood at INR 150.8 Mn in Q4FY24 (-67% YoY/-54%QoQ), with PAT margin of 2.30%.

Operating Highlights
•Company received an order inflow of INR 34.98 Bn in FY24.
•In April 2024, the company raised capital through Qualified Institutional Placement amounting to INR 2.44 Bn.
•Ongoing litigation with Surat Diamond Bourse, an out-of-court settlement has been reached between company and SDB on the basis constructive dialogue, discussion and negotiations, effectively resolving all disputes between the parties.
•Total approved project value of SBD Project amounts to INR 1,960 crore excluding GST of which, the Company has recorded revenue of INR 18.96 Bn.

Other Highlights
•Company is bidding projects in building space to increase projects of higher ticket size gradually over period of time.
•Company’s bid book is spread across projects in states of odisha, Delhi, karnataka etc.
•Out of QIP money received company has repaid INR 1.88 Bn debt and compare to FY24 company expects to reduce finance cost.
•Margins were affected in FY24 due to higher expense in UP projects. Total size of this order is INR 14.78 Bn where company to earn lower margins.
•Unbilled revenue as of 31st march 24 stood at INR 4.42 Bn.
•Government projects comprised of 69% of the order book as on FY24 vs 56% in FY23.
•Company is bidding for few large projects including the project in delhi of about ~INR 20 Bn. Company's bid pipeline is over ~50 bn, which also includes new delhi project of ~ INR 4.45 bn, academic project for tata institute ~ INR 3.50 Bn, Sabarmati Riverfront project in ahmedabad. ~ 3 Bn, residential tower building ~3.5 Bn, residential project at Mumbai ~2 bn , residential project at ahmedabad ~2.5 Bn.
•Pending dues from vishwanath project is still under process due to election and is expected to move in next 2 months.

**Macrotech Developers Ltd – Q4FY24 Concall KTAs**
**CMP – INR 1218 | Market Cap – INR 1211.45 bn**

**Company guided pre-sales to grow by 20% to INR 175 Bn, supported by strong demand and a robust launch pipeline.**

Financials
•Revenue grew by 23.4% YoY to INR 40.2 Bn in Q4FY24. FY24 revenue stood at 103.2 Bn (+8.9%).
•EBITDA stood at 13.4 bn (37.2% YoY) in Q4FY24 with EBITDA Margin of 33.4%.
•Presales continue to grow at a healthy rate by 40% YoY. Collection increased by 20 % YoY growth, totaling INR 35.1 Bn in Q4FY24.
•Cash collections continue to be robust leading to net operating cash flow of 20.5bn in Q4FY24.
•Company's net debt stands at ~30 Bn, taking into account the impact of the of QIP (less than 0.2x of equity)

Macro Aspect
•Indian economy continues to perform strongly seeing acceleration in private investment with steady wage growth, ongoing increase in economic activity, as well as the availability of mortgages.
•The demand for housing is expected to continue to scale up in the years ahead.

Pricing - Overall, the company saw an average price growth of ~5.5% in FY24 supported by affordability due to wage growth.

Guidance
•Company targets its pre-sales growth of over 20% in FY25, reaching INR 175 bn. It expects price growth to contribute ~5-6% with an additional volume growth of ~ 4-5% and rest 10% growth through projects in new locations.
•Company's operating cash flow stood at INR 57 bn and is expected to grow to INR 65 bn in FY25.

MMR
•The company holds approximately a 10% market share in Mumbai.
•In eastern suburbs of Mumbai, company had ~20 Bn sales in FY24 compared to 12 bn in FY23.
•Company's large land parcel, particularly in Palava and Upper Thane provides long-term visibility and growth potential.
•Over the next few years, with additional infrastructure improvements and the opening of the Navi Mumbai airport Palava market will see a huge demand.
•Company anticipates sales from Palawa as well as upper thane to grow atleast by 30% in FY25 and expects similar growth in FY26.
•First premium multi-storeyed apartment building in Palava is set to be launched this quarter, with an average price of INR 10,000 per sqft, earning good premium.

Pune
•Company had entered the expansion stage beginning from INR 2 bn sales during the FY21 from one project to having achieved pre-sale of INR 18bn in FY24.
•Aims to double pre-sales within the next 2-3 years and gain market share of 12-15% by the end of the decade.

Land sales- Company targets INR 4-5 Bn annually from land sales.

Other Highlights
•Company received 6th rating upgrade in the last three years, now being rated AA- stable by ICRA.
•Company average cost of funds is ~9.4% prior to the impact of the QIP and the rating upgrade and is expected to improve further.
•It delivered 9000 units in FY24 and expects to deliver more than 10,000 units in FY25.
•Company launched the Women in Construction Network under its Unnati initiative to promote women empowerment
•The company anticipates pre-sales value in its key markets to reach 470 bn in MMR , 130 Bn in pune and 120 bn in Bangalore by FY31.

**Outlook- Company delivered strong annual pre-sales and operating cash flow and expects to see a steady growth in its margin by operational efficiency and further expansion.**

**Anant Raj Ltd Q4FY24 Concall KTAs**
**CMP: INR 359 | Mcap: INR 122.87 bn**

**Financials**

•Revenue stood at INR 4,426mn for Q4FY24 (+58% YoY/+12.8% QoQ).
•Gross Profit stood at INR 1,302mn (+44.4% YoY/+25.1% QoQ). Gross margins contracted by 276bps YoY (up by 288bps QoQ) to 29.4% vs 32.2% in Q4FY23.
•The cost of sales in terms of revenue stood at 70.6% vs 67.8% in Q4FY23. Employee cost in terms of revenue stood at 1.2% vs 1.6% in Q4FY23.
•EBITDA stood at INR 1,044mn (+41.6% YoY/+15.8% QoQ). EBITDA margin contracted by 272bps YoY (up by 61bps QoQ) to 23.6% vs 26.3% in Q4FY23.
•PAT stood at INR 840mn (+73.4% YoY/ +17.6% QoQ). PAT margin improved by 169bps YoY (up by 77bps QoQ) to 19% vs 17.3% in Q4FY23.

**Real estate**

•In FY24, company focused on three projects in the real estate segment and saw robust demand with better pricing.
•Company already has a land parcel, and expects to launch two projects of 0.4 mn sqft each, totaling to 0.8 mn sq ft for independent floors and another project of housing of 0.65 mn sq ft.
•This year, company anticipate to launch approximately 2.5 mn sq ft.

**Date center**

•Last year in march company had entered into a fresh agreement with TCIL, for providing cloud services introducing a new revenue stream with significant growth potential.
•Visible data centers - Company is fully poised to have 21 Mw to be operational by December24 and also working at Panchkula site to have another 7MW.
•It plans to have 28 MW operational by December24, with a long-term goal of reaching 300 MW within the next four years.
•Within this 7 MW, company plans to partly use this for server as well.
•Company anticipates if it spends INR 20 additional on the server, it can expect a revenue of close to INR 120 in a year.
•Company have already invested in the land and building and now investing in infrastructure with an additional expenditure of approximately 260 Mn, expected to recover in three years.
•Company gets 90 lakhs per MW per month, out of which 15 lakhs is spend on maintenance on operations. •These revenues are linked to inflation and might change accordingly.
•Data center business is brand new business for the whole country, company understood the collocation part very well and is slowly moving towards different things and has started to multiply its capacity. •Contract life of a data center varies from 10 -15 years. •Total capex for the the data center in FY25 is expected to be 5 bn.

**Other highlights**

•In January, company completed its QIP in which it raised about INR 5 bn.
•Debt of the company substantially came down to INR 2.9 bn in FY24 and focus remains to be net debt free company by Dec24.
•Borrowing costs have also been reduced to below 10%.

**Outlook- Management express a bullish perspective showing confidence in the growth trajectories of both real estate and data center operations and remains committed to its zero net debt target.**

**HFCL Q4FY24 Concall Highlights**
**HFCL | CMP: INR 101 | Mcap: INR 14,496cr**

Revenue
Telecom equipment's revenue is expected to improve from INR 150cr (FY24) to INR 2,000cr in FY25E.

OFC revenue is expected INR 2,000+cr in FY25E.

Turnkey projects revenue is expected INR 1,750cr to INR 2,000cr in FY25E.

Products and EPC mix is expected to be 70:30 by FY27E.

Margins
EBITDA margins are expected around 15%-17% depending on orders.

Capex
The company is doing a Capex of Euro 15.9mn in Poland Plant. The capacity is expected 3.2mn fkm, which is expected to be operational on Apr-25. Further, the scaleup is expected to be 7.5mn fkm. The revenue peak potential from the plant is around INR 350cr.

The capex stood at INR 140cr in FY24. The capex is expected to be around INR 900cr over the next 2 years. The funding is expected through internal accruals and debt.

Telecom Products
Telecom products revenue is expected from Q2FY25E onwards. Telecom products and equipment revenue is expected to be INR 2,000cr in FY25E.

The company has launched 5G Fixed wireless access equipment, IP/MPLS Routers, 1728 high fiber intermittently bonded ribbon cable, etc. Ultra high-capacity point-to-point and point-to-multipoint unlicensed band backhaul radios are under development.

Defence
Electronic fuses are completely ready and 200 fuses are under trial in army firing ranges. For night vision devices, the company has participated in tenders and trials are going on.

Drone detection radar is under development and coming up in the next 6 months. The software development is in the final stage and the ability to detect 10 objects simultaneously.

There are 9 types of fuses are there. The price ranges are between INR 5,000 to INR 20,000 per fuse.

The company has installed new machines for special types of OFC and supplies to defense forces.

HFCL’s subsidiary Raddef has developed state-of-the-art ground surveillance radars. The current generation radars are used in India. Currently, the radar weights are 30-35 kgs and the company is designing with better features and performance weighting 7-8 kgs.

**Exports**

The company is exporting OFC to more than 40 countries. It's focused on exporting products and 5G network solutions.

Exports revenue share is expected to be 40% by FY27E.

OF and OFC Prices

OF price realization stood at INR 250-260/f.km and OFC price realization was INR 1,000/f.km in Q4FY24.

Order book

The order book stood at INR 7,600+cr. The company has received order inflows of INR 3,725cr comprising product orders of INR 1,500+cr and system integration orders of INR 2,225cr.

Telecom equipment’s order book is around INR 1,700cr. HFCL has secured an order of INR 141cr from BSNL to supply unlicensed band radios in the 5GHz frequency band and 1 GPBS capacity. The order aims to build a 4G network infra ensuring cost efficiency by minimizing equipment expenses by eliminating spectrum usage charges. BSNL order execution is expected from Q1FY25 onwards.

HFCL has secured orders of INR 1,127cr from BSNL to transform optical transport network infrastructures.

HFCL has secured orders of INR 1,500cr orders from Madhya Pradesh Jal Nigam for laying OFC in critical and important routes. Madhya Pradesh project orders have been executed for less than INR 50cr till now. The order execution is expected 8-9 months.

HFCL has secured INR 80.9cr from Delhi Metro for advanced communication technology solutions.

Bharat Net Phase 3

Bharat Net announcement is expected in the next 2 weeks. Bharat Net Phase 3 capex is around INR 60,000cr for 3 years.

Order execution timeline

Fixed wifi access order execution timeline around 5 months. UBR order execution is expected in 3-4 months. The order execution timeline is 3-12 months based on orders.

**Other highlights**

- Inventory build-up with major operators and expected to improve from Q2FY25E onwards. Debt to equity stood at 0.24x and it can go up to 0.3x.
- The receivables days are around 60-90 days.
- Intangibles and under development increase due to R&D capitalization for developed and under-development products. It will be amortized over a period of 5 years.
- Vodafone has raised INR 18,000cr via FPO and capex spending is expected INR 40,000cr. Some orders are expected to HFCL.

**Inox Green Energy Services Ltd - Q4FY24 Concall KTAs**
**CMP: INR 141 | Market Cap: INR 41,384 Mn**

**Outlook**
**Inox Green Energy Services Limited has set a target to almost double its wind O&M portfolio from the current level of 3.3 GW to 6 GW by FY26. This growth is expected to be achieved through leveraging the 2.7 GW order pipeline of parent company Inox Wind, participating in tenders from PSUs, capturing third-party wind turbines nearing end of lease, and actively pursuing inorganic acquisitions of O&M portfolios in India and globally. The management has guided for an EBITDA margin target of 50%. Inox Green has set a vision to become a 10 GW wind O&M company in the next 2-4 years, focusing on margin expansion, and the growing demand for wind energy in India.***

Financial Performance
- In Q4 FY24 Total Income from operation (excluding trading income) stood at INR 841 Mn, up by 32% YoY and INR 2,612 up by 10% in FY24.
- EBITDA stood at INR 465 Mn, up by 112% YoY in Q4Fy24 and for FY24 it stood at INR 1,287 Mn, up by 32% YoY.
- In Q4FY24 PAT stood at INR 216 Mn, up by 1163% YoY and for FY24 it stood at INR 298 Mn as compared to loss of INR 465 in FY23.

Operational Highlights and Portfolio Growth
- INOX Green Wind O&M portfolio stood at 3.3 GW in FY24. Machine availability for the entire portfolio in FY24 was at 96.1%.
- The subsidiary IPOC Wind Technics secured an order for the restoration of 33 WTGs from NLC India.
- INOX Green is committed to doubling its portfolio in revenue terms to 6 GW by FY26 through both organic and inorganic means.

Geographical Presence
- Inox Green's wind O&M portfolio is currently focused on India.
- The management mentioned looking at global opportunities for inorganic growth/acquisitions of wind O&M portfolios.

Financial Management and Debt Position
- Despite being a net cash positive company, INOX Green reported an increase in finance costs, attributed to existing debts and financial restructuring.
- The company aims to maintain strong financial discipline and continue reducing debt over time, ensuring sustainable growth and financial stability.

Business Updates
- Achieved a major milestone by becoming net cash positive as of 31st March 2024.
- Wind O&M portfolio stood at 3.3 GW as of Q4 FY24 in India. Machine availability for Q4 FY24 was 97.05% and the entire FY24 was 96.1%.
- Subsidiary Inox Wind Technics secured a INR  400 Mn restoration order from NLC India for 33 WTGs.
- Organic growth leveraging Inox Wind's 2.7 GW order pipeline in India.
- Inorganic opportunities from PSUs, third-party WTGs nearing end of lease.

**Godrej Properties Ltd Q4FY24 Concall KTAs**
**CMP INR 2570 | Market Cap 714.48 Bn**

**The sales volume grew by 31% YoY in FY24, indicating robust demand. Company aims for 20% YoY growth in residential bookings in FY25 and has a strong pipeline of new launches planned across its key market areas and has entered into Hyderabad market to expand its presence.**

Operational highlights
•Total income stood at INR 19.52 Bn in Q4FY24 as compare to INR 19.30 Bn in Q4FY23.
•Net Profit stood at INR 4.71 Bn in Q4FY24 (14% YoY/ 657% QoQ) and INR 7.25 Bn in FY24 (27%YoY)
•Cash collection grew by 23% YoY to INR 46.93 Bn while net operating cashflow stood at INR 26.07 Bn (16%YoY) in Q4FY24.
•Booking value grew by 135% YoY/ 66% QoQ to INR 95.19 Bn attributed to both improve product mix as well as strong volume growth.
•Company saw a strong growth by new launches in Q4FY24. Godrej Zenith, Gurugram achieved a booking value of INR 30.08 bn while Godrej Reserve in MMR achieved a booking value of INR 26.93 Bn.
•In FY24, 4 projects including Godrej Aristocrat launched in Q3 and Godrej Tropical Isle launched in Q2 achieved over INR 20 bn booking value.
•NCR contributed ~ INR 100.16 Bn while MMR contributed ~ 65.45 Bn booking value in FY24.
•Strong cash collections helped company to reduce net debt by over 7 Bn in Q4.

Expansion into Hyderabad
•Company has entered into Hyderabad market with two land deals with an estimated booking value potential of ~ INR 50 Bn.
•Company sees Hyderabad as fastest growing residential real estate markets in the country and will help to strengthen company's portfolio across the key markets in India.

Promoter Family Agreement
•Once the deal will close. Both families will be depromotorized from each other's side of the group. Some crossholding between the groups will remain to continue.
•For the first six years, Godrej Boyce will only develop real estate on current land holdings, with Vikhroli being the primary focus.
•After six years Godrej Boyce has freedom to pursue development on other lands, but cannot use Godrej brand for those projects.

Commercial Portfolio
•Total rental portfolio potential is about INR 11 Bn (GPL's share will be INR 2.70bn).
•Company expects OCs of all the residual core inventory to receive this year and have a different share of profit for different projects in Godrej.
•Company saw massive leasing uptake in Q4FY24.
•Another commercial portfolio, Taj the trees which is 100% owned by Godrej Properties have seen fantastic occupancy of about 68%.

Key Highlights

•Company aims to grow residential bookings by over 20% with FY25 booking value guidance of INR 270 Bn, attributed through the launch of a large number of new projects combined with strong customer sales.

•Company has seen demand to noticeably increased compared to previous years with strong volume growth of 31% in FY24.

•The growth has stemmed from strategically repositioning the company into more robust locations, coupled with pricing increase.

•In NCR company plans to launch atleast 5-6 projects this year and expects market condition to sustain and see further growth.

•In Mumbai company has several large projects in the market and has additional towers and inventory to be launched in the year ahead and new launches planned in worli, navi Mumbai and Bhandup. It has 40 bn plus inventory available in Kandivali project.

•Company maintains gearing ratio between 0.5x- 1x. In Q4FY24 was at 0.72x and expects net debt to never cross about 100 bn.

**JSW Infrastructure Ltd | Q4FY24 Concall KTAs**
**CMP- INR 258 M.Cap- INR 542,850mn**

**JSW Infrastructure Ltd reported robust Q4FY24 results with operational revenue up by 20% YoY, driven by acquisitions in UAE and Maharashtra, contributing to a 9% YoY growth in cargo volumes. The company is planning to enhance cargo handling capacity by 2.4x by 2030, supported by significant expansions at Tuticorin and Goa ports, amidst a national initiative to boost total port handling capacity to 10,000 million tons by 2047.**

**Arihant Capital Markets Ltd**

Operations

In October 2023, company acquired a liquid storage terminal at Fujairah in the United Arab Emirates, and acquired a majority-staking PNP port, which is opposite to Dharamtar port in the state of Maharashtra. On the development of Greenfield port, a concession agreement has been signed with Karnataka to develop a 30 million ton all-weather multi-cargo deepwater commercial port.

Cargo Volumes

March '24, the total cargo handled stood at 106 million tons (+15% YoY). Third party grew by 36% year-on-year to 42 million tons, and the share of third party increased to 40% in the overall interest. In Q4FY'24, company handled cargo volumes of 29.3 million tons(+9%YoY). Newly acquired assets PNP and Liquid Terminal at UAE contributed to the growth. Paradip and Ennore locations and acquisitions have significantly contributed to an increase in third-party cargo.

Financials

- Q4-operational revenue at INR10960mn, (+20%YoY) with EBITDA at INR 6850mn, (+29%YoY) and PBT stood at INR4170 mn (+41% YoY).
- FY24- Total revenue for the year stood at INR 40320mn(+20%YoY) with EBITDA for
- the period at INR 22340mn(+25%YoY) and the net profit grew by 55% to INR 11610 mn.
- Guidance- 2030 growth plan aimed to enhancing present cargo handling capacity by 2.4x, from existing 170 million tons to 400 millionvtons by 2030. Long-term sustainable growth rate would be around 15%-17 % kind of CAGR, but for immediate next year, it would probably be 10% to 12% of growth in terms of volume.
- Capex Guidance - INR300000mn of investment in the next six years, from 2025 to 2030.For three year horizon, it would be around INR140000mn and the next three years, it will be INR160000mn.
- Tuticorin Port- Company has been a declared winner for the bid they have submitted. At Tuticorin, capacity addition in next three years will be ~85mn ton.
- Goa Port capacity addition from existing 8.5mn ton to 10mn ton in next 10 months.

Macro

Central and state governments are working in tandem to increase the country's total port handling capacity to 10,000 million tons by 2047, from the current capacity of 2,600 million tons per annum.

**Man Infraconstruction Ltd | Q4FY24 Concall KTAs**
**CMP- INR 202 M.Cap- INR 74m,810mn**

**FY24 has been year of acquisition for the company with 4 new projects acquired at premium locations like pali hill, bandra and marine lines. Company has revenue visibility of INR 154,000mn for next 5-6 years. Company will have liquidity of around INR 11000mn which will propel further growth. We believe that the company with new acquisitions along with requisite resource is a growth story.**

Financials
Q4
Revenue from operations stood at INR 2967mn(+23%QoQ) with EBITDA of INR 496mn(-52%QoQ) and margins of 16.7%. PBT stood at INR 772mn and PAT stood at INR 647mn(-25%QoQ) and margins of 19.6%. Sales volume stood at 1.5 lakh sq. ft. with value of INR 7440mn. Collections stood at INR 3,760mn.

FY24
Revenue from operations stood at INR 12,635mn(-33%YoY) with EBITDA of INR 3264mn(-21%YoY) and margins of 25.8%. PBT stood at INR 3972mn and best ever PAT of INR 3033mn(+5%YoY) and margins of 22.1%. Sales volume stood at 3 lakh sq. ft. with value of INR 3910mn. Collections stood at INR 11,970mn.

-As of March'24 INR 1230mn of negligible debt and as of 10th may'24*it stands at *INR 230mn. It has INR 7410mn cash and bank balance, showcasing strength for future growth.

-FY24 has been the year of acquisition for the company with 27.5lkah sq ft area acquired across projects at Marine Lines, Pali Hill,Goregaon west and Ghatkopar east.

-MCIL acquired iconic project at Marine lines east with 5.3lakh sq ft area and potential of PBT INR 4000mn.

-In FY24, MCIL delivered 3 large scale projects which were delivered in less than 4yrs. INR 3300mn sales achieved on launch of Aradhya 1 Park which is 25% of the total revenue potential from the project. This response re-confirms demand for luxury project.

-INR 5340mn raised by preferential issue in Dec'23. By Jan'24, INR 1360mn received and balance to come by July'25.

-INR 970mn of other income for FY24 includes interest income from investment in real estate and profits from JV.

Utilisation of Funds
INR 200mn utilised in working capital and INR 1160mn parked in F.D.

-All completed projects almost sold out with negligible inventory remaining.

-US division, in one of the projects, certificate of occupancy received in Q4FY24 and one villa sold. $11.5mn liquidity balance.

Revenue visibility
Unsold inventory of 13.4lakh sq ft. with  sales value of ~INR 50,000mn. Upcoming launches of 39lakh sq ft with INR 100,000mn sales visibility. In totality, INR 154,000mn of sales visibility in next 5-6 years.

Business Model of new acquisitions
Pali Hill is JD prpject, with 33% equity with MICL. Marine lines project is a DM model project. Goregaon west is also JV development which is expected to launch in next FY.

-INR 7000-9000mn to be invested in next 1.5yrs.

-MICL looking to expand the real estate portfolio from current 6mn sq.ft. to 10mn sq ft.

**NCC Ltd | Q4FY24 Concall KTAs**
**CMP- INR 251 M.Cap- INR 157620mn**

**NCC has surpassed its guidance for FY24 in terms of order booking and revenue but remains soft on revenue growth EBITDA margins for FY25. The company sees impact of ongoing elections and expects orders to come up for bidding from July. We would like to observe how things turn out for the company in next few quarters.**

Financials
Q4
Standalone revenue stood at INR 54880mn(+36%YoY) with gross profit of INR 7710mn(+22%YoY) and 14.2% margins. EBITDA stood at INR 5,100mn(+20%YoY) with margins of 9.4%. PAT of INR 1870mn(+37%YoY) with margins of 3.4%.

FY24
Standalone revenue stood at INR 184390mn(+38%YoY) with gross profit of INR 25900mn(+29%YoY) and 14.1% margins. EBITDA stood at INR 16480mn(+9%YoY) with margins of 9%. PAT of INR 6310mn(+47%YoY) with margins of 3.4%.

-Order inflow for FY24 came in at INR 272,830mn and order book stood at INR 575,360mn.

-Election year may have impact on order booking and progress of NCC business.

-2 SPVs incorporated for 2 projects of smart meters. Sample testing in process by client for Bihar smart meter project. 53% of Jal Jeevan UP project has been executed.

Sembcorp
- INR 1980mn arbitration awarded of which INR 1510mn has been received and for the balance amount, both the companies went to court again.
- BGs- were INR 2670mn at beginning of the year whose value has now come down to INR 670mn. PTTL case has been closed.
- -CapEx, in Q4 of INR 1140mn and FY24 of INR 2490mn and company has guided capex of INR 2500mn for FY'25. Trade receivables are down to decade low of 57 days. Working capital days also at decade low of 76 days. Smart meter projects do not require major capex to be incurred.

Guidance
- Management guided for 15% growth in topline and EBITDA margins in the range of 9.5-10%. Company had surpassed FY24 guidance both in term of order book and topline growth.
- -Currently, Debt stand at around INR 10,000mn and the company aims to make it around INR 5,000mn by FY25.
- -Company expects a healthy pipeline of projects to come up for bidding in the 4 major verticals that it operates by July/August

**Oberoi Realty Q4FY24 Concall KTAs**
**CMP: INR 1574| Market Cap: INR 571.54 bn**

**With upcoming project pipeline in Thane, Gurgaon, Worli, and South Mumbai the company is positioned for continued growth. Company has secured a redevelopment deal for seven buildings in Adarsh Nagar. Company is focused on land acquisition and expanding its presence to new micro-markets.**

Financials
•Revenue came in at INR 15.58 Bn in Q4FY24 vs INR 10.82 bn in Q3FY24.
•EBITDA stood at INR 10.32 Bn in Q4FY24 vs INR 5.38 bn in Q3FY24.
•PAT stood at INR 7.87 Bn in Q4FY24 vs INR 3.60 bn in Q3FY24.

Operating Highlights
•Cash balance stood at INR 7.86 Bn in Q4FY24 vs 6 Bn in Q4FY23.
•Net debt to equity stood at 0.09x in FY24 as compare to 0.25x in FY23.
•Operating margin stood at INR 53.60% in FY24 vs 50.37% in FY23.
•Roce for FY24 stood at 13.20%

Other Highlights
•In Q4FY24, company launched Elysian Tower-C and delivered over 1100 homes at sky city in Borivali.
•Company has received occupancy certificate for Oberoi Commerz III, where Morgan Stanley is an anchor tenant occupying 50% of the building.
•The entire building is close to 2.4 million carpet area.
•Commerz building project has already started yielding rental from 1st April.
•Company has entered into a deal to redevelop 7 buildings in Adarsh Nagar. The land has the potential to generate a free sale component of ~ 6.24 lakh sq ft from the project.
•Company plans to launch Adarsh Nagar project and Gurugram project in next 8-12 months.
•Thane Kolshet project sales has been commenced while Pokhran Road, thane project is expected to be launch in around festive season by early October.
•Company is not focusing on Bangalore market very aggressively.
•Company has launched 3 towers of Elysian project and the balance is yet to be launched. company expects to see both top line as well as bottom line growth from Elysian project over the next few years.
•Project in south Mumbai, Tardeo is expected to launch in 12 months after all the approvals.

**Keystone Realtors Ltd Q4FY24 Concall highlights**
**CMP INR 692 | Market Cap INR 78.67 bn**

**Company reported growth in Q4FY24 results, as evident by increased pre-sales and collections. Company expects to launch 2 projects every quarter. Company is focusing on maintaining an asset-light model that will increase it's profitability. With strategic project launches in the upcoming quarters, the company is poised to have continued growth in the upcoming years.**

Financials
•Revenue from operation stood at INR 8116 Mn in Q4FY24
•EBITDA stood at INR 667 Mn in Q4FY24
•PAT stood at INR 306 Mn in Q4FY24

Operational Highlights
•Pre-Sales stood at INR 8.43 bn for Q4FY24 vs INR 6.16 bn during Q3FY24 (37% QoQ).
•Collections stood at INR 6.70 bn in Q4FY24 vs INR 4.53 bn during Q3FY24 (48% QoQ.
•In Q4FY24 company launched 2 Developments in Pali Hill & Bandra East with an estimated saleable area of 0.20 mn sqft.
•In Business Development company added 5 Developments in Q4FY24 with estimated saleable area of 1.9 mn sqft.
•Operating cash flow stood at INR 6.43 Bn in FY24 (40% YoY).
•Net debt stood at INR 3.59 Bn with net debt to equity ratio of 0.21x in FY24.
Other Highlights
•In township Urbania, company sold 139 units with pre-sale value of 1.91 bn for Q4FY24.
•Company has surpassed its guidance of one launch every quarter. In FY24 Company launched 6 projects with total estimated value of 30 Bn. Further company expects to launch 2 projects every quarter.
•In FY24 company has added 10 projects with estimated saleable area of 4.1 mn sqft of which ~87% of the total area added is into the mid and mass segment.
•Company has added 15 new developments in the last two financial years, most of these projects is expected to launch in FY25.
•Company has completed Crown Tower A & B and expects to complete 3rd tower by FY26.
•Company's business model is asset light model and it keeps the initial investment ~ 10% of the total GDV of the project, where expected average margin is 35%.
•Company saw a growth of 7% in its super luxury segment and expects continue this growth momentum.
•Company remains focused on its core market MMR area where it sees tremendous potential. Company has started exploring area like Dombivali , Palghar and boisar and to some extent even pune.
•The total area for the crown project is 22 lakh sqft, of which 15 lakh sqft is keystone'share while the balance is the benefit of the landowner.
•Out of 15 lakh sq ft, company has sold 13 lakh sq feet and rest 2 lakh sqft is yet to be sold.

**Nirlon Ltd Q4FY24 Concall Highlights**
**CMP: INR 429 | Market Cap: INR 38.69 Bn**

**Nirlon Knowledge Park achieved 100% occupancy. Company to follow old tax regime due to the accumulated Mat credit available for set off. Discussions regarding potential restructuring is still ongoing and management has not guided any timeline.**

Financials
•Total Income stood at INR 1544 Mn in Q4FY24 (0.7% QoQ/ 4% YoY).
•EBITDA stood at INR 1227 Mn (1.4% QoQ/ 5% YoY), with EBITDA margin of 79.47% in Q4FY24.
•PAT stood at INR 512 Mn (-1.7% QoQ/ 3% YoY), with PAT margin of 33.16% in Q4FY24.
•Net debt to EBITA stood at 2.25x in FY24.

Operating Highlights
•Average occupancy of the company was stable at 99.8% including both Nirlon Knowledge Park and Nirlon house.
•As on 31 March 23, NKP was 100% occupied.
•Deutsche agreed to take up additional space at NKP, accommodating ~ 200-250 seats.
•Potential restructuring and other measures and discussion with concerned parties is still going on.
•Company is yet to take decision regarding either to delist or restructure in the form of REIT.
•Company decide to stay with the old tax regime due to the accumulated mat credit available for set off in the old tax regime.
•Mat credit as of 31 March23 was 300 mn and company expects this to run down fully by next 2 years.
•Growth in the revenue will largely be driven by the profile of the licensees in NKP and potential increase in license fees.
•Company is focus on capex related to repair, maintenance and upgrading the asset to attract new potential licensees.
•Valuation of the company as of 31st march stood at 45 Bn, fair value as per statements.
•Nirlon House where the profile of the asset is owned by multiple owners. NL's share is licensed out over the past few years and is going to be continued to be licensed out.
•Company has a 5 year moratorium on debt, where company pay only interest. Of which 2 years has been over with remaining 3 years of interest only.
•25% of the debt in paid over 6-10 years and a bullet payment of 75% at the end of 10th year.

**Signature Global India Ltd Q4FY24 Concall Highlights**
**CMP: INR 1264 | Market Cap: INR 177.90 Bn**

**Company expects revenue to be ~38 bn in FY25. With robust cash flows and collections, company expect operating surplus of 45%. Company is optimistic about its growth in pre-sale by upcoming launches and is focused on the Gurugram market.**

Financials
•Sales grew by 112% in FY24 at INR 72.7 Bn
•97% of sales is from high margin mid income and retail product categories with the embedded EBITDA margin of ~32%.
•collection grew by 62% in FY24 at INR 31.1 bn while Q4FY24 collection stood at INR 10.10 Bn.
•Company has 48.6mn sqft portfolio of saleable area with 16.4 mn sft for ongoing projects, 2.9mn sqft of recent launch and 29.3 mn sft for forthcoming projects.
•Net Debt stood at INR 11.6 Bn as of 31st March 2024, company aims to below 0.5x the projected operating surplus.
•In FY24 company has operating surplus of 30% and going forward company anticipates to have operating surplus ~45%.

Guidance
•Company expects its pre-sales value to grow by more than 35% to INR 100 bn in FY25.
•Revenue recognition to go up significantly as completion picks up in coming year.
•Collection expected to be ~ 60 bn in FY25, 65% of these collections are anticipated from projects which are already under development while the rest is anticipated to come from new projects.

Other Highlights
•Company has shifted it's focus from affordable segment to the mid income and premium segment.
•Company witnessed consistent trend of robust demand in the housing sector.
•Company sees robust demand growth in Gurugram for good quality housing and further will focus on nearby geographies like Noida or other cities.
•Revenue recognition was slightly lower in FY24 but management expects to improve in FY25 with revenue guidance of INR 38 bn.
•Company aims to recognized revenue of ~120 bn over FY24 to FY26.
•Company has grown its sales from INR 16 bn in FY21 to INR 73 Bn in FY24, a 60% plus sales CAGR.
•Company is confident to launch projects of ~ 160 Bn within the first 3 quarters in FY25.
•In Q4FY24 company successfully launched DXP Project which did ~36 bn sales and contributed largely in overall sales for the quarter.
•Company has a launch pipeline of Sohna Elevated Corridor and apartment complex on the southern peripheral road in sector 71 within next 6 months.
•Average realization improved to ~INR 11,800.
•On the sales of 73 bn in FY24 company anticipates profitability at EBITDA level of 32% and ~35% for the prime project which are yet to be sold.

**Eldeco Housing & Industries Ltd Q4FY24 Concall KTAs**
**CMP: INR 1059 | M.Cap: INR 10.42 bn**
**Company has acquired 61 acres of land in 3 different sites and expects these projects to launch in FY25 which will further drive company's growth and profitability. Company to remain focus on Lucknow market where it now sees strong market potential. Company to maintain EBITDA margin of 30% going forward.**

Financials
• Revenue came in at INR 492 Mn in Q4FY24.
• EBITDA stood at INR 149 Mn in Q4FY24, with EBITDA margin of 30.3%.
• PAT stood at INR 117 Mn in Q4FY24, with PAT margin of 23.8%.

Operational Highlights
• Booking value grew significantly to INR 2535 Mn in Q4FY24, driven by successful launches.
• Collections stood at INR 383 Mn in Q4FY24 (62%YoY).
• Average realization for FY24 stood at INR 4968/ sq ft.
• Historical realization stood at INR 3000/ sq ft which has now increase to INR 5516/ sq ft in Q4FY24.
• In FY24, company booked 7.8 lakh sqft at INR 3880 Mn.
• Company acquired 61 acres of land across 3 different sites in Lucknow and expects to launch atleast 2 projects by FY25.
• With these acquisition company expects to add ~10 bn GDV in next 3 years.
• Additionally, company to launch Eldeco Trinity in Q1FY25.

Other Highlights
• Company is focused on Lucknow market which is now undergoing a significant infrastructure transformation where company sees demand outpacing supply.
• Eldeco Trinity a luxury project is expected to have higher realization with better margins.
• 3 new acquisition will increase booking value going ahead and company expects to surpass revenue achieved last year.
• Historically company's margin was around 40% which were too high to sustain. In FY24 Company's stood at 30% and expects to maintain this margins.
• Eldeco group has 2 companies Eldeco Housing, which works in Lucknow and Eldeco infrastructure (unlisted company) which works in the rest of the country.
• Both the companies not to compete with each other geographically and Eldeco Housing will be focusing on lucknow market.

**Arihant Superstructure Q4FY24 Concall KTAs**
**CMP: INR 347 | Market Cap: 14.28 Bn**
**Company expects pre-sales and collection to grow by 30% in FY25. Company expects premium segment to contribute more in revenue driving margin to improve. Further 7 new upcoming projects are expected to launch in FY25 which will further drive the growth and profitability.**

Financials

- Revenue came in at INR 1617 Mn in Q4FY24 while FY24 revenue came in at INR 5113 Mn.
- EBITDA stood at INR 362 Mn in Q4FY24, while EBITDA margin stood at 22.36%.
- PAT stood at INR 219 Mn in Q4FY24, while PAT margin stood at 13.55%.

Operating Highlights

- Pre-sale value stood at INR 4048 Mn in Q4FY24 (60.57% QoQ).
- Collection stood at INR 1295 Mn (-1.29%).
- In FY24, company has added INR 24.35 Bn of new projects which has received approvals and is expected to launch in phases in FY25.

Market scenario

- Company saw a robust demand for residential homes with price hike of 7% across all its sites in FY24.
- With inauguration of Navi Mumbai International Airport terminal 1 in March25 company expects to see uprise in the market, further infra projects such as the Navi Mumbai Metro and the Atul Setu inaugurated in FY24 to drive real estate demand.

Other Highlights

- 30% of the sales came from affordable housing segment, 50% from mid income housing segment and 20% from premium segment.
- Premium segment is going to contribute more towards revenue and EBITDA which will further drive growth and profitability.
- Pre-sale value guidance of INR 13 bn in FY25 on conservative basis may see some suprises.
- Collection guidance of INR 6.5 – 7 Bn in FY25.
- Company has received commencement certificate for 7 projects and these projects will be launched in FY25 which will further drive the growth and profitability.
- Company is confident to grow sales and collections by 30% on back of launches of its new projects with EBITDA margin of 30-35%.
- The average realization for the quarter stood at INR 6237/ sqft.
- Company is focus on its core market and has positioned as unique developers in Navi Mumbai and MMR region.
- Company aims to increase its land bank holdings from 200 acres to 300 acres.
- Club Gymkhana provides an annuity- based income to the company. Total capex spend for this project ~1500 Mn.
- Company has 75% projects where it owns the land and remaining 25% comprise of an asset light model in the form of joint developments.
- The interest outgo for FY25 is expected to be INR 700-750 Mn which also comprise of 200-250 Mn unsecured loans where the interest is not paid but still accrued to the accounts.

**Om Infra Ltd Q4FY24 concall highlights**
**CMP INR 119 | Market Cap INR 11.45bn**

**Going forward, EBITDA margins will be around 10-12% with topline growing at 15-20%. We can expect better profitability going ahead starting with Q1FY25. Post elections, the company expects better and huge inflow of new projects.**

Key highlights
-Revenue came in at INR 2957mn (-15% YoY). FY24 revenues increased by 40%.
-EBITDA came in at INR 256mn (+22.4% YoY), margins of 8.7%. FY24 EBITDA margins improved to 8% from 4.7% in FY23.
-PAT came in at INR 32mn (-59% YoY), margin of 1.1%. FY24 PAT margins improved to 4.2% from 1.6% in FY23.
-Execution rate in engineering segment and pick up in Real estate business led to the overall robust growth in FY24.
-The management expects good growth of the engineering segment (hydro) as the country is on the tip of hydroelectric boom.
-Unbilled revenues in Dec'23 of INR 250mn have added to bottomline this quarter while INR 720 unbilled revenues of March'24 will add to profiability next quarter.

Order book
-Current order book stands at INR 22.35bn (~2.1x of FY24 revenue) – 60% pertains to JJM while 40% is Hydro & Water. Hydro & Water projects have a execution timeline of 3-4 years -with EBITDA margins of 18-20%. JJM projects have execution timeline of 2-3 years with EBITDA margins of 12-15%.
-The company is looking to add on to the order book but the general elections have caused delay; new orders may start coming in from June onwards.
-Q1FY25 may see muted growth in terms of order inflows. They target to add another INR 5-10bn worth orders in FY25. Bidding will start post elections.
-The management expects the order book to cross INR 40bn in the next 2-3 years.
-They are bidding for PSP but have not yet received an order for the same.

Real estate
-The company has no plans to launch Bandra project as of now as they are waiting for absolute clearance. They are currently working on clearing the slum area. No time frame given for the launch.
-They intend to close and sell all inventories at both their Jaipur and Kota projects in the next 2-3 years as they have almost completed.
-Revenue recognition will happen once the registering takes place.

**Tinna Rubber & Infrastructure Ltd | Q4FY24 Concall KTAs**
**CMP INR 1237 |Market Cap INR 21.19 Bn**

**Company remains committed to achieve revenue of INR 9 Bn by FY27, with 18%+ EBITDA margin and ROCE of over 30%. Capex plan for FY25 is expected to be INR 300-400 Mn. Company expects to generate anuually ~50,000 -75,000 EPR credits**

Financials
•Revenue from operation stood at INR 1099 Mn in Q4FY24 (51.2% YoY/18.2% QoQ)
•EBITDA stood at INR 225 Mn (44.2%QoQ), with EBITDA margin of 20.47% (370 bps QoQ) in Q4FY24.
•PAT stood at INR 157 Mn in Q4FY24 (57%QoQ), with PAT margin of 14.29% (494 bps YoY/354 bps QoQ) in Q4FY24.

Operating Highlights
•Volume grew by 22% QoQ at 30,665 MT in Q4FY24.
•Average credit cycle decreased from 40 days to to 32 days in FY 24.
•Company plans to set up a solar plant with a capacity of 1.2 MW which will generate 1.6 mn units annually saving INR 12.5 Mn. The plant is expected to be operation by Q2FY25.
•Revenue breakup: 52% infrastructure, 25% industrial, 13% steel and 10% consumer.

Ongoing Projects
•Varle plant has the capacity to recycle approximately 60,000 MT of passenger radial tyres annually, the plant was commissioned in Feb24 and contributed INR 30 Mn in FY24. The plant is expected to contribute ~ INR 750-1000 Mn in FY25. Additional capacity has product line difference as it process passenger car radial as compare to truck, Bus and Radial tyres in other factories.
•Company has acquired overseas facility in Oman, investing USD 1.5 Mn, production commenced in July23 and in first year of operation it contributed ~ USD 1.56 Mn in revenue. Limitation to grow in oman as it is a small country with less population. Plant is operating at ~80-85% utilization.
•Thermoplastic elastomer plant commissioned in March24 with a capacity to process 6000 MT of plastic and anticipates sales to commence in Q2FY25.

Other Highlights
•Total capacity utilization for FY24 stood at 75-80%.
•In FY24, 10% rise in input cost resulted due to red sea crisis, company continue to look for alternate options for processing raw materials and has large base of supply between domestic and overseas where Red sea does not play a role.
•Company to continue to invest in new capacities and process improvement with capex plan of INR 300-400 Mn in FY25.
•Exports revenue stood at INR 240 Mn in FY24.
•Margins improvement is attributed to increased product lines and operation efficiency along with robust demand and increase in government spending on infrastructure with increase in bitumen consumption.
•Company has no plans to reduce debt in accelerated manner and may increase if company sees good opportunity.
•Netherlands company is not yet operationalized, it is set up as an investment vehicle for any overseas investments and opportunities.
•Company earned an income of INR 66 Mn from the sale of EPR credits in FY24. Company to continue to monetize Epr units and expects to generate anuually ~50,000 -75,000 EPR credits

**WPIL Ltd | Q4FY24 Concall KTAs**
**CMP-INR 3,880 M.Cap-INR 37,900mn**

**WPIL Ltd's strategic focus on maintaining strong profitability, expanding its product and project business, and exploring new growth opportunities through both organic and inorganic means. The company's emphasis on execution, margin management, and geographic expansion positions it well for future growth.**

Financials
Q4
Revenue from Operations stood at INR 5,914mn(+37.3%QoQ)/(+13.6%YoY) with EBITDA of INR 1,024mn(+46.3%QoQ)/(0.1%YoY) and margins on 17.31%. PBT of INR 995mn(+54.5%QoQ)/(+7.9%YoY) and PAT of INR 658mn(-17.1%YoY) and margins of 11.13%.

Domestic revenue by grew by 7.4% to INR 10,796mn. Product business grew by 18% and order book increased by 11% to INR 3,470mn giving strong revenue visibility led by development of products in oil and gas and drainage products.

Co. is ahead of schedule in few projects in West Bengal and executed record projects in Q4FY24.

-One of the Madhya Pradesh Jal Nigam contract was terminated by the client on grounds of slow progress. The company has disputed the termination on the grounds that land for construction was allotted only in Dec'23 which led to the delay in the project. All contractual remedies are being explored to protect the company's interests. All other 8 projects of Madhya Pradesh Jal Nigam are on track and progressing well

-WPIL South Africa performing well with focus on water and both sterling pumps and united pumps Australia have record order books.

EBITDA Range
-Management anticipates maintaining profitability across both domestic and international levels in the range of 15-20% at the EBITDA level.

-Navy business framework agreement for new types of pumps is progressing and will continue to contribute to revenue over the next six months.

-Strong revenue growth is expected in both domestic and international product businesses.

-Domestic product business, driven by new products for the oil and gas and sewage and drainage segments, shows positive outlook.

-WPIL aims to maintain a balance between product and project segments, targeting a 2:1 ratio.

-Focus on maintaining margins in the project business rather than just volume, with a significant order book and consistent execution.

-No significant capex planned, with only brownfield additions expected.

-Cash on balance sheet will be utilized for inorganic growth opportunities, specifically targeting new product segments and markets.

-Management indicates a focus on replacing lost revenues from divested nuclear business with stronger revenue streams from other segments.

-Domestic project business has a strong order book of INR 30,540mn with international order book at INR 4580mn.

-Current focus on states with significant water project opportunities, such as Assam, West Bengal, and Madhya Pradesh. Actively exploring opportunities in other states and international markets, including Africa, for water projects.

Seeking Inorganic Growth
-WPIL is actively seeking acquisition opportunities to expand its product portfolio and market presence, leveraging the cash received from the divestment of the nuclear business

**Patel Engineering Ltd | Q4FY24 Concall KTAs**

**CMP- INR 61.9** **M.Cap- INR 52,300mn**

**Company has showcased a strong performance. Guidance for revenue growth at 10-15% for FY25 and 20-25% for FY26. Order inflow is subdued due to election and is expected to rise significantly in FY25 post election. Company has acquired 10% stake in start up focussing on tunnel boring machine servicing. Co. received INR 1,300mn under vivadh se vishwas scheme and is expected to receive ~2000mn in FY'25. With govt focus and huge potential in company' core area of expertise, we believe that company can deliver good growth.**

**Financials**

**Q4**

Consolidated revenue from operations stood at INR 13,431.79mn(+11.46%YoY) with EBITDA of INR 2375.76mn(+40%YoY) and margins of 17.69%. PBT before exceptional items stood at INR 1,466.47mn(+110.13%YoY). PAT at INR 1,233.71mn(+51.72%YoY) and margins of 9.19%.

-Hydro-47%, irrigation-30%, tunneling- 11% share of revenue.

**FY'24**

Consolidated revenue from operations stood at INR 45,441.08mn(+16.78%YoY) with EBITDA of INR 6,902.94mn(+22.92%YoY) and margins of 15.19%. PBT before exceptional items stood at INR 3,194.94mn(+74.22%YoY). PAT at INR 2,760.73mn(+130.63%YoY) and margins of 6.08%.

-INR 18854.9mn debt with advances from customer of INR 7600.9mn. Cash balance of INR 3387mn. Net serviceable debt of INR 26455.8mn.

-FY24 order book stood at INR 1,86,630mn. In Q4, INR 5,250mn irrigation project received in Telangana. It is a JV with the company having 51% share. Execution timeline for this project is 2 years .

-INR 40,000mn new orders received during the year. 61% of order book if for hydro power, 21% irrigation. 62% of orders from Central Gov & PSUs and 35% from State govt.

Order inflow in FY24 subdued due to election. Post election, large orders to be announced for which co. is equipped. INR 4000mn raised through QIP to be used in debt reduction and working capital requirement.

-On 9th march, PM inaugurated, highest tunnel, Sela Tunnel project which is a  bi-lane tunnel.

-INR 1300mn realised last year under Vivaad se vishwas scheme and INR 1,500-2,000mn expected to come next year. This run rate is expected to be going forward.

**Guidance**

10-15% revenue growth in FY25. FY26 revenue growth can be 20-25% , if new orders received in FY25. Margins to maintain in range of 14% blended.

-Out of the INR 5540mn receivable, INR ~2000mn are current receivable and INR ~3000mn is under arbitration awards.

-Co. has a 20-25% hit ratio on bidding. Pipeline of INR 8,000-1,000 bn worth of projects might come up for bidding with 4-5 years execution timeline. INR 7,000-8,000mn term debt to reduce over next 3-4 years, and hence around INR 2000mn to be repaid this year. Debt to EBITDA target to be 2-2.5.

-Co. looking to sell it's land and is not interested in any partnership.

-10% stake in a start up acquired which is in tunneling business, especially in servicing of tunnel boring machine.

-Govt has set a goal of 50% of energy requirement through renewable by 2030. 500GW non fossil fuel by 2030. Govt has focus on hydro-power generation and there is tremendous potential yet to be exploited. 18GW of hydro under contruction of which 8GW is being done by Patel engineering. 19GW of hydro power ready to be taken for construction. another 18GW is under due diligence. All these are expected to come for bidding in next 1-2 years.

**Welspun Enterprises Ltd | Q4FY24 Concall KTAs**

**CMP- INR 396** **M.Cap- INR 54,800mn**

**WEL recorded its highest ever revenue and EBITDA and has guided for standalone margins at 12-13%. Company has highest standalone order book with 67% of it coming from water vertical. Company is expected to have a consolidated topline of INR 40,000mn in FY'25. It's subsidiary, WMEL, foresees huge opportunities. With a solid order book, company has strong revenue visibility in coming years.**

**Financials**

**Q4**

-Total income stood at INR 8670mn(-5%YoY) and EBITDA of INR 1,570mn(-6%YoY) with margins of 18.1%. PBT before exceptional item at INR 1200mn(-5%YoY) and PAT of INR 780mn(-45%YoY).

FY'24

-Total income stood at INR 30,630mn(+6%YoY) and EBITDA of INR 6,160mn(+58%YoY) with margins of 20.1%(vs 13.5%,FY23). PBT before exceptional item at INR 4,790mn(+85%YoY) and PAT of INR 3,190mn(-56%YoY). This was the highest revenue and EBITDA in history of company.

-Interest cost not expected to rise from these levels. Avg PAT margins delivered by the company are around 12%.

-Highest ever standalone order book of INR 122,000mn of which INR 36,000mn is of operations and maintenance. Water vertical has 67% share in order mix, balance is transportation.

-INR 30,000mn of revenue should mature on standalone basis in FY25 and upside of INR 3000mn based on order finalisation. On consolidated level, INR 40,000mn revenue in FY'25.

Capex FY'25, HAM projects of INR 2,000mn and INR 1,000mn towards oil and gas. Balance cash reserve for further growth of business. 12-13% EBITDA guidance for standalone.

-Post results, co. emerged L1 in MSRTC road project with INR 18,640mn quoted price. Once LOA is issued, co. will share further details.

-WMEL has INR 16,000mn of order book. This takes the consolidated order book to INR 138,000cr which is 4x of conso revenue of FY24.

-Transportation vertical, promising opportunities from NHAI and Maharashtra from next few quarters.

-Dividend of 30% on face value i.e. INR 3/share, subject to approval.

INR 700cr distributed by way of dividend and buyback.

-Bhandup project expected to start post election and preferably after monsoon. Dharavi waste water treatment project has progressed well.

-Added significant order in Q4, development of new water treatment plant. Project to be designed and constructed within 48 months and operated for 15yrs. INR 41230mn of contract value.

-WMEL grew by 30%. growth momentum to continue. EBITDA margin of 23% for full year. INR 990mn of EBITDA. These margin levels are expected to sustain. INR 16,270mn of order book with 36 months execution timeline. Co. foresees large opportunities ahead in new geographies. EBITDA growth of 33% over last 3 years.

## Ircon International Q4FY24 Concall Highlights

**Ircon International | CMP: INR 279 | Mcap: INR 262.5bn**

**Outlook: Ircon International order book stood at INR 272bn (~1.2x of FY24 revenue) and targeted order inflows of INR 100-150bn shows business visibility for medium term. Revenue is expected to grow double-digit rate going forward. The margins are expected to be 7%-7.5% in FY25E. We believe, Post elections tenders are expected and company will benefits from railways and infrastructure capex going forward.**

### Revenue

Revenue growth is expected double digit rates over next 4-5 years.

### Margins

- The margins is around ~7% and expected to be 7%-7.5% in FY25E.
- The margin difference between bidding and nomination based projects 0.5%.

### Order book

- The order book stood at INR 272.08bn (-22.7% YoY) as of FY24. The competitive bidding and nomination mix stood at 50:50 and domestic and international mix stood at 91:9.
- The order inflows stood at INR 10bn in FY24.
- High speed rail network order book stood at INR 52bn. The network will be opened in phase-wise in FY26E, FY27E and full connectivity after 1 year.
- The order book of INR 270bn includes bullet train projects, tough terrain Myanmar project, and expected to be completed in 4-5 years.

### Opportunity

- The opportunity size is around INR 700-800bn from railways, especially new lines, gauge conversion and doubling some bridges. The company is targeting order inflows of INR 100-150bn in FY25E.

### Projects

- Myanmar and bullet train projects completion stage around 25%. The company has booked revenue of INR 10bn.
- In solar projects, equity infusion is around INR 1.12bn and expected INR 0.89bn in FY25E.
- STD investments are around INR 20bn to INR 22bn and expected INR 10-11bn investments over next 2 years. Around INR 5bn is expected in coal connectivity projects

.

**One-off**

- There is one-off income from arbitration settlement which is off-set by provisions in south Africa project. The impact stood at INR 970mn.

**Other highlights**

- Coal connectivity projects losses is around INR 250mn and expected to continue over next 2 years.
- The tax rate is expected around 25% going forward.
- Other income is expected to be more than INR 5bn in FY25E.

**Shriram Properties Ltd | Q4FY24 Concall KTAs**

**CMP INR 113 |Market Cap INR 19.30 Bn**

**Company recorded high revenues up 21% YoY to near INR 10 Bn. Total handover in FY24 stood at 3015 units and company expects to hand ~3,500 units in FY25. Company remains confident to maintain gross margin in the mid-thirties, EBITDA margin in the mid-twenties and the PBT in the range of 9-10%. Company to have zero net debt over the next 12-18 months. Sales volume to grow by 20% to 5.2- 5.5 msf while sales value to reach INR 27.50-30 bn up by 27%. Collection to be in range of INR 17-18 bn in FY25.**

Financials

•Total Revenue stood at 3584 Mn in Q4FY24 (49% QoQ/110% YoY). In FY24, revenue stood at INR 9874 Mn (21% YoY).

•EBITDA stood at INR 657 Mn (45%YoY/70%QoQ), with EBITDA margin of 18.33% in Q4FY24.

•PAT stood at INR 201 Mn in Q4FY24 (28% YoY/9% QoQ), with PAT margin of 5.6% in Q4FY24.

Operating Highlights

•Sales volume stood at 1.56 msf (19% YoY). In FY24, sales volume grew by 14% YoY at 4.59 msf.

•Sales value stood at INR 7080 Mn in Q4FY24. (43% YoY). Collection stood at INR 3360 Mn in Q4FY24 (10% YoY).

•Company received OC's for 3 projects in Q4FY24, ahead of RERA timelines.

•Average realisation increased by 12% YoY during FY24. Cash from operations doubled in FY24 stood at INR 2270 Mn.

•Interest cost remained flat, overall finance cost was up 11% YoY due to one-time costs related to project acquisition expected to reduce in FY25. One time cost was related to acquisition of Sriram 122 west from a DM partner where the project came along with associated debt.

•Net debt to equity stood at 0.35x and further to reduce to 0.25x in FY25.

Other Highlights

•On Business Development front company to enter pune market by Q1FY25.

•LOGOS deal got delayed and pushed to FY25 where company is trying to solve 4% royalty issue. It has INR 2.56 bn royalty burden on books.

•Monetization process for retail mall asset in Chennai land has progressed well and closing is expected during Q1FY25/Q2FY25. Cashflow to realize in FY25.

•Shriram Shubham launched in last week of march thus sold ~ 4-5% of project area.

•Shriram Sapphire project sold 70% of inventory in first week of its launch with 80% inventory sold within a month.

•Shriram 122 is seeing low momentum and company expects to repositioned through marketing strategy.

•ROCE improved to 11% and company is confident to deliver mid-teen roce for next 2 years.

•In FY24 , 75% of Revenues were driven by recently completed projects- Liberty Square, Chirping Woods Tower 5, Grand One, Park63 and Shankari.

•Volume for Q4FY4 was driven by Liberty Square, Chirping Woods and Grand One projects.

•JV are still at the construction phase and have not yet reached the revenue recognition resulted in negative income. 2 projects WYTfield and 107 South East will reach revenue recognition by 12-24 months.

•Average realization for mid-market is ~ INR 6000/sqft and INR 5500/sqft on average portfolio level.

•Management says company's other income should not be counted as non- operating as it includes JV income as well as interest income on loans given by Shriram. Out of 1239 Mn other income 920 Mn attributed to this.

**Engineers India Ltd-Q4FY24 Concall KTAs**

**CMP: INR 252 |Market Cap: INR 1,41,382 Mn**

**Outlook**

**The management has provided guidance that the company's revenue and profitability are expected to improve compared to FY24, driven by a strong order book of INR 78,230 Mn as of Mar 31, 2024, and a healthy order inflow of INR 18,350 Mn as of May 29, 2024. The company is actively pursuing opportunities in various sectors, including refinery and petrochemicals, coal gasification, compressed biogas, and other sunrise sectors. Additionally, the company anticipates receiving a dividend income of more than INR 1,000 Mn from its joint venture RFCL Ramagundam in FY25.**

Financial Performance

- Consolidated revenue stood at INR 8,051 Mn, decline by 8.51%% YoY in Q4FY24 and at INR 32,809 Mn, degrew by 1.5% YoY in FY24.

- EBITDA decline by 3.63% YoY in FY24, to INR 2,971 Mn. EBITDA margin remained same at 9% in FY24.

- PAT declined by 39.25% YoY in Q4FY24 to INR 1,155 Mn and up by 28.59% YoY to INR 4,453 Mn in FY24.

- The company declared dividend of INR 3 per share for FY24.

Order Book and Order Inflow

- Order inflow for FY24 was INR 34,060 Mn, lower than the expected range of INR 45,000-50,000 Mn.

- As of March 31, 2024, the overall order book position stood at INR 78,230 Mn, compared to INR 76,950 Mn in the PY.

- As of May 29, 2024, the order book stood at INR 18,350 Mn for the FY25.

Margins and Profitability

- The company maintained good margins in the consultancy segment, around 22-24%.

- The turnkey segment saw an improvement in margins, with margins exceeding 4.8% in the last two quarters.

- The management expects margins to improve further in FY25, driven by better order execution and a healthy order book.

Operational Highlights

- The company's debtors days declined to 35 days in FY24 from 39 days in FY23.

- The company secured orders worth around 8-9% of the total order value from the green/renewable energy sector in FY24.

- EIL is pursuing opportunities in coal gasification, compressed biogas (CBG), and other sunrise sectors.

International Business

- The company has booked orders worth INR 750 Mn from Nigeria and expects to secure a larger contract in the coming months.

- EIL is setting up an office in Saudi Arabia and has seen significant growth in the Middle East market, particularly in the UAE.

- The company is actively bidding for projects in the international market and expects to secure more orders in the coming quarters.

Growth Opportunities

- The management sees good prospects in the refinery and petrochemical sectors, with several projects in the pipeline.

- EIL is actively pursuing opportunities in coal gasification projects from private investors and Coal India.

Client and Project Diversification

- EIL has secured a INR 3,500 Mn order from the Intelligence Bureau for the construction of office facilities.

- The company is exploring opportunities in the fertilizer sector, particularly from private investors in the green segment.

- EIL is engaged with Numaligarh Refinery Limited (NRL) for potential projects, including an upcoming polypropylene unit.

Other Highlights

- The company is not solely reliant on nomination-based contracts from PSUs.

- EIL is bidding for two major petrochemical complexes in India.

- They are in the process of bidding for a pet-coke gasification complex overseas, with the contract expected to be finalized in a couple of months.

**ISGEC Heavy Engineering Ltd – Q4FY24 Concall KTAs**

**CMP: INR 986 | Market Cap: INR 72,511 Mn**

**Outlook**

**The company is strategically shifting towards shorter-duration, high-technology, and technology-linked projects, with this approach it aims to mitigate risks associated with long-duration projects and improve payment terms, including higher advances from customers. The company is actively exploring opportunities in the decarbonization and green energy space, aligning itself with industry trends through product development and engineering solutions. The management expects double-digit revenue growth in FY25 which can be closer to 15%, with an aspiration to achieve 11-12% EBITDA margins in the next 3-4 years. The company expects the capex for FY25 to be around INR 500 Mn.**

Financial Highlights

- Revenue stood at INR 18,720 Mn in Q4FY24 down by 8.61% YoY & INR 62,452 Mn in FY24 down by 2.59% YoY.

- EBITDA stood at INR 1,416 Mn in Q4FY24 down by 16.7% YoY with margins at 7.6% & INR 5,240 Mn in FY24 up by 12.13% YoY and margins at 8.4%.

- PAT was at INR 721 Mn in Q4FY24 down by 22.63% YoY with margins at 3.9% & INR 2549 Mn in FY24 up by 24.03% YoY with margins at 4.1%.

Order Book

- Company's consolidated orders in hand as of 31st March 2024 stood at INR 79,050 Mn.

- Company's 71% of the order book is for the project business and 29% is for the manufacturing business.

- The order book includes INR 10,470 Mn for international orders (13%).

- The order book includes INR 10,480 Mn from the Hitesh Hitachi Roshan joint venture.

Order Book Composition

- The company is consciously avoiding taking up longer-duration Engineering, Procurement, and Construction (EPC) orders involving significant civil/site work.

- The company is focusing on technology-intensive projects where ISGEC can provide engineering solutions and value-addition.

- The company is giving emphasis on better payment terms and higher advances from customers and is targeting margins of 7-8% on an EBITDA basis for new orders.

Manufacturing Business

- The Hitesh Hitachi Roshan joint venture (JV) has booked good orders at better margins than previous years.

- The company expects the JV's profitability to improve and reach ISGEC's standard levels.

- Over 50% of the JV's orders in the current year were from the export market.

- ISGEC is also seeing good traction in export orders outside of the JV business.

Philippines Project

- Company’s Philippines ethanol plant commenced commercial production in April 2024 and the plant has produced about 3 Mn liters of ethanol so far.

- The plant is expected to generate annual revenue of around INR 4800-5000 Mn when utilized at full capacity.

Product Development

- The company is continuously developing new products, such as tail gas-fired boilers, new gas coolers, and solutions for air pollution control (dry solvent injection, electrostatic precipitators, bag filters).

- In the sugar industry, the company is working on reducing energy consumption (electricity and fuel) and developing technologies like zero liquid discharge for ethanol plants.

- Its areas of focus include boilers, sugar machinery, material handling, air pollution control equipment, and energy conservation solutions.

Margins and Growth Aspiration

- The management acknowledged that the company's margins have been lower than peers but expressed an aspiration to reach 11-12% EBITDA margins in the next 3-4 years.

- The company plans to hold an investor meet to provide better insights into the business and its growth plans.

Working Capital and Payment Terms

- The company has been able to secure better payment terms, including higher advances from customers, for new orders.

- This has led to an increase in unearned revenue (part of current liabilities), reflecting improved working capital management.

- Company’s receivables position is expected to improve as long-duration orders get completed.

**Ahluwalia Contracts (India) Ltd-Q4FY24 Concall KTAs**

**CMP: INR 1,212|Market Cap: INR 81.41 Bn**

Financial Overview:

Q4 FY24:

- ACIL's income from operations was ₹1,176 crores, up from ₹863.1 crores in Q4 FY23, marking a 36.2% growth.

- EBITDA was ₹104.3 crores, down 5.4% from ₹110.3 crores in Q4 FY23.

- EBITDA margin was 9.0%, compared to 12.8% in Q4 FY23.

- Net profit surged to ₹199.9 crores from ₹72.2 crores in Q4 FY23, a growth of 176.9%.

FY24:

- Total income rose to ₹3,891.9 crores, a 37.1% increase from ₹2,838.4 crores in FY23.

- EBITDA grew to ₹388.5 crores, up 27.7% from ₹304.2 crores in FY23.

- EBITDA margin was 10.1%, slightly down from 10.7% in FY23.

Margin:

- Q4 saw a decline in EBITDA margin due to election-related slowdown and labor shortages.

- Private sector margins are generally 1-1.5% higher, depending on the project.

Guidance:

- FY25 margins expected to exceed 10%.

- FY24 revenue projected to grow by 15-20%.

- Q1 FY25 may be sluggish due to labor shortages and monsoon season.

- Aim to increase private sector revenue share with high-quality clients.

Order Book:

- ₹4000 crores worth of projects to be awarded, including 3 government and 1 private (gems and jewelry park).

- Unexecuted order book stands at ₹11,179 crores, to be executed over 24-30 months.

- Targeting ₹2000-3000 crores in new orders for FY25.

- Current order book: 35% private orders, 65% government orders.

Project Highlights:

- CSMT redevelopment project started, with expected revenue of ₹800 crores in FY25 and ₹1200 crores in FY26.

- Bihar pharmaceutical project to be completed in 15 months.

- Gems and jewelry project valued at approximately ₹2300 crores.

- Collaborating with DLF, Godrej, Birla, JW Marriott for private orders.

- All operations to shift to SAP in the next 9-12 months.

**Genus Power Infrastructures Ltd | Q4FY24 Concall KTAs**

**CMP-INR 303 M.Cap-INR 92,170mn**

**Genus Power Infrastructures Ltd. anticipates a substantial revenue surge in FY25 driven by a robust order book of INR 21,000 crores, with significant contributions from the expanding smart metering business. The company expects EBITDA margins to improve to 15-16% due to operating leverage and cost management efforts. Strategic investments in workforce and system enhancements are set to support future growth and profitability.**

Financials

-Revenue stood at INR 4201mn(+108%YoY). This growth was driven by the continued expansion of the smart metering business and strong order

execution.

-EBITDA stood at INR 554 mn, (+104%YoY). Increase in employee costs and other expenses as a result of growing workforce and improvement of systems.

-PAT stands at INR 314 mn for Q4FY24(+151%YoY). Profitability Q4FY24 impacted due to significant increase in financing expenses. This was because of the need to provide additional bank guarantees to secure the influx of orders.

-In FY24, total order inflow exceeding INR 160bn for 1.82cr smart meters. It takes 6-9months before starting these projects.-The total order book stands at INR 210,000mn

-A revenue surge is expected starting from FY25 due to the execution of a robust order book. Revenue for FY25 is projected to be around INR 25000mn.

-Operating profit margins are expected to improve due to operating leverage, economic scale, and continued cost management efforts and to be in the range of 15-16% EBITDA .

-Significant growth in the smart metering business is driving the overall performance.

-Orders have an execution cycle of 24 to 27 months , providing good visibility for future revenues.

-Currently L1 in projects worth INR 11,000 crores.

-Investments in manpower and systems to handle large orders, no unrealistic challenges anticipated.

-Significant tenders are expected, with no restrictions from GIC on the size of bids.

Sectoral Expansion- Exploring opportunities in smart gas meters and water meters alongside electricity meters.

Receivables -Significant portion from historical meters supplied to state utilities; new projects may increase receivables initially.

-Financing expenses have increased due to supplementary bank guarantees; a better working capital cycle is expected from next year.

Communication Technology Both RF and cellular technologies are being deployed depending on the area and network availability.

Export Market- Focus on hardware and solution provision; significant export opportunities being explored.

Capacity Expansion -Current production capacity is 1 million meters per month, with plans to increase to 15 million meters annually.

Long-Term Vision- Multiple avenues for growth including exports, water meters, and gas meters to maintain revenue post smart metering surge.

-Target of 250 mn smart meters in the next four to five years.

**Brigade Enterprises Ltd| Q4FY24 Concall KTAs**

**CMP INR 1225 |Market Cap INR 283.09 Bn**

**Company has a pipeline of 12.61 mn sqft of new residential launches in chennai, Bangalore and Hyderabad market of which 7.5 mnsqft is in Bangalore, 3 mn in Chennai and 2 Mn in Hyderabad. GDV of these projects is expected to be INR 130 bn. Office rental is expected to increase by 16% in FY25 to INR 7 Bn**

Financials

•Total Revenue stood at 17626 Mn in Q4FY24 (46% QoQ/102% YoY). In FY24, revenue stood at INR 50641 Mn (42% YoY).

•EBITDA stood at INR 4930 Mn (113%YoY/66%QoQ), with EBITDA margin of 28% in Q4FY24.

•PAT stood at INR 2109 Mn in Q4FY24 (234% YoY/278% QoQ), with PAT margin of 12% in Q4FY24.

Operating Highlights

•Pre sales stood at INR 22,430 Mn (47% QoQ) in Q4FY24. In FY24, achieved pre-sales of INR 60,125 Mn.

•Sale volume stood at 7.55 Mn sft in FY24 and 2.72 Mn sft in Q4FY24. (61% QoQ).

•Company has a strong pipeline of 22 mn sqft of ongoing project and 16 mn of upcoming projects.

Other Highlights

•Company has no plan to expand its presence in Mumbai and NCR as of now and to remain focus on chennai, Bangalore and Hyderabad market.

•7.5 mn sqft sold in real estate business of over ~ INR 60 bn including area share landowners. Collection stood at INR 42.43 bn in FY24.

•In Q4FY24 , sales contribution from area stood at 45% and 50% from value.

•Average realization stood at INR 7970 (23% YoY).

•Company is adding land bank in Chennai and Hyderabad which will reduce Bangalore as a percentage of the total sales in FY25 which earlier contributed ~ 90%.

•Company has 7% market share in Bangalore market. Brigade Tech Gardens achieve 100% occupancy.

•Office demand to be robust in FY25 driven by medium to large sized office space requirements by players from automobile, technology, engineering and manufacturing sector.

•Leasing portfolio revenue stood at INR 9370 Mn (25% YoY). Collection remained stable at 99%. Q4FY24 revenue stood at 2470 Mn with EBITDA of 71%.

•Hospitality revenue increase by 18% YoY to INR 4641 Mn in FY24. ARR stood at INR 6483 with occupancy at 72%. Q4FY24 revenue stood at INR 1260 Mn with EBITDA margin of 36%.

•Company saw a 10% growth in average realization and expected ARR to further grow at same level with increase in occupancy.

•Company has reclassified brigade Twin Towers b into sales. Historically, company has operated at 60% of the commercial buildings on sale and 40% as retail.

•Company has a plan to double its overall key count in hospitality portfolio and may look for partnership as it involves additional funding.

•Upcoming 3 mn sqft commercial projects mix: Bangalore 54%, Chennai 28%, Gift city 13% and Kochi 5%.

•Collection breakup for Q4FY24 : Residential- INR 13270 Mn , Commercial sale – INR 330 Mn , Commerical lease INR 1790 Mn , Retail INR 590 Mn and PMS 680 Mn.

**Sunteck Realty Ltd Q4FY24 Concall KTAs**

**CMP INR 469 | Market Cap INR 68.72 bn**

**Company remains optimistic to growth pre sales value by 30-35% in FY25 with higher growth in operating cashflows. Aims to double GDV from INR 300 Bn to INR 600 Bn in less than 3 years.**

Financials

•Revenues came in at INR 4269 Mn in Q4FY24 (906% QoQ/ 773% YoY)

•EBITDA came in at INR 1534 Mn vs EBITDA loss of INR 148 Mn in Q3FY24.EBITDA Margins came in at 35.9%.

•PAT came in at INR 1013 Mn PAT loss of INR 97 Mn in Q3FY24 and loss of INR 279 Mn in Q4FY23.PAT Margins stood at 23.74%

Other Highlghts

•Q4FY24 pre-sale value stood at INR 6780 Mn (+26.25% YoY/+49.01% QoQ).

•Collection stood at INR 2960 Mn in Q4FY24. Cash flow yield stood at 21% in FY24.

•Company stood net debt zero by end of FY24, with 58% reduction in gross debt since FY22 to INR 2.95 bn (Gross debt to equity at 0.09x).

•Nepean Sea Road and bandstand bandra new launches has a GDV of ~ 30 Bn.

*Company has seen good traction in BKC inventory and sold ~ INR 2.45 bn in FY24 vs INR 2.03 Bn cumulatively in last 3 years.

•Both marquee properties in BKC , BKC51 and Sunteck Icon is fully leased out as long term lease with a ROI of 30%.

•Company sold INR 19.15 bn of area in FY24 (20% YoY).

•In Q4FY24, company recognized revenue of INR 2.84 bn from Naigaon with 30% project level margin.

•Company to complete Sunteck city 4th Avenue in FY25 and expects better EBITDA margin due to better realization. Sunteck Maxwell project partially will be recorded in FY25.

•Long term credit rating has been upgraded from AA- to AA stable.

•Launch pipeline In Q2FY25 company to launch new phase of Mira road and naigaon project. In Q3FY25 new phase launch of 5th avenue at ODC and at end of FY25 company expects to launch nepean sea road project.

•Company sees sale of uber luxury segment to be faster than the mid income segment or the affordable segment.

•Fund raise of INR 22.50 Bn is an enabling resolution that company has been taking for years. Company has no plan to raise any equity or increase the debt.

• New phase launch at Mira road Naigaon and ODC has a GDV of over ~40-50 Bn.

•Borivali project is in special development zone and company is planning phase and doesn’t expect to launch by FY25.

•Company sees sale of uber luxury segment to be faster than the mid income segment or the affordable segment.

**Vishnu Prakash R Punglia Ltd – Q4FY24 Concall Highlights**

**CMP: 180 | Market Cap: 22470 Mn.**

Outlook:

The company's performance in Q4FY24 has been robust, with Revenue and PAT surging QoQ and YoY, reflecting strong operational efficiency with EBITDA margins improving to 15.95%. The substantial order book of INR 47,170 million provides visibility for the next 2-3 years, and the company is well-positioned to sustain margins at 13-14% for FY25. Despite increased debtor days, the company expects normalization post-elections and maintains a positive cash flow outlook, leveraging internal funds and strategic geographic diversification to drive growth. At CMP, company trades 16.43x FY24EPS.

Performance Consol:

•Revenue came in at INR 6572.06 Mn. (+171.57% QoQ) (+44.21% YoY) in Q4FY24.

•EBITDA margins came in at 15.95% (Vs. 14.03% QoQ) (14.12% YoY) in Q4FY24.

•PAT came in at INR 671.34 Mn. (+286.51% QoQ) (+68.21% YoY) in Q4FY24.

Order Book and Inflows:

•As of Q4FY24, the company's order book stands at INR 47,170 million, to be executed over the next 2-3 years.

•For FY25, the order book remains at INR 47,170 million with a bidding success rate of 17%.

Margins and Receivables:

•Expected margins are projected to sustain at 13-14% for FY25.

•Debtor days have increased to 150 days from the previous 70-80 days, attributed to the elections, but are expected to normalize.

•The company is receiving payments on time.

Growth Strategy:

•The company aims to maintain a growth rate of 15-20% without aggressive bidding to focus on completing existing orders.

•Diversification efforts are ongoing, reducing reliance on Rajasthan (from 60% to 37%) and experiencing growth in other states.

•Higher growth is anticipated in the last quarter due to increased government spending towards the fiscal year-end.

Financial Strategy:

•There are no plans for fund-raising; growth will be financed through internal funds and bank borrowings.

•The company is cash positive, having allocated all IPO funds, and expects positive cash flow in the coming months.

•The timeline for participating in tenders is typically 1-2 months, depending on the department.

Market and Sales Expectations:

•The sales growth expectation for FY25 is approximately 26.5%, with an order book growth up to three times the turnover.

•Debt levels will be maintained, avoiding aggressive borrowing.

•The water supply segment shows the highest growth visibility, with significant potential in the railway segment.

•The March quarter is traditionally strong due to industry patterns.

Operational Details:

•Operating profit margins are around 15% and are expected to remain stable.

•All business segments exhibit similar margins.

•Competitive intensity involves 4-5 companies in each bid.

•Geographic expansion is planned for nearby states beyond the current 10 focused states.

•No additional CapEx is planned for FY25, as the company is already prepared.

**Capacite Infraprojects Ltd | Q4FY24 Concall KTAs**
**CMP INR 314 |Market Cap INR 26.56 Bn**

**Company to remain committed to grow revenue by minimum 25% in FY25. Company may lose some momentum during monsoon but will see good traction in H2FY25. Company expects order intake of over INR 30 Bn in FY25. Company to be net debt free by end of FY25. Company to expand geographical presence in Delhi NCR, targeting revenue in excess of 100 Mn per month from both private and public sector.**

Financials
Revenue from operation stood at INR 5989 Mn in Q4FY24 (34% YoY). In FY24, revenue stood at INR 17986 Mn (7% YoY)
EBITDA stood at INR 1208 Mn (41%YoY), with EBITDA margin of 19.8% in Q4FY24 vs 19.1% in Q4FY23.
PAT stood at INR 518 Mn in Q4FY24 (139%YoY), with PAT margin of 8.5% in Q4FY24 vs 4.8% in Q4FY23.
Cash PAT stood at INR 802 Mn in Q4FY24 (68%YoY), FY24 cash PAT stood at INR 2293 Mn (-5% YoY).

Operating Highlights
Gross debt stood at INR 3260 Mn in FY24, with gross to equity at 0.21x.
Net debt to equity stood at 0.05x as compare to 0.17x as on 31st March23.
Order inflow stood at INR 20.09 Bn in FY24 vs INR 34.62 in FY23.
69% of the order book accounts to public sector.
Category split: Institutional- 21%, Residential- 41%, Mixed Use- 39%.

Other Highlights
Order mix between public and private sector will remain 70:30 going forward.
Company is executing 13 data centers for defence across cities, this project is expected to be completed by Aug/sept23. Company has bid for data centers ~ INR 7 Bn, opening is expected to be after elections.
Revenue expansion has led to increase in debtors, debtors increased by INR 1.5 Bn in Q4FY24 as compare to Q3FY24. Company aims to reduce net working capital by ~ 20 days in FY25.
Company expects revenue to grow at INR 6.5 – 7 Bn per quarter.
Company’s share of order book for MHADA project is ~ 55 bn of which 15 bn is recognised.
In Q4FY24 company received additional order for 4 residential project, expected to start from Q2FY25.
In FY24 MHADA project contributed ~2.5 Bn of which 700 Mn was contributed in Q4FY24 itself.

Cidco project revenue stood at INR 3.72 Bn in FY24, company expect revenue of ~INR 6 bn in FY25 from this project.

Capex for FY24 stood at 451.1 Mn while company expects to spend INR 550 Mn in FY25.

Interest cost stood between 9-12% and going forward in Q2FY25 company expects to reduce finance cost by 100 bps. Finance cost in Q3FY24 stood at INR 256.1 Mn which reduce to INR 221.5 in Q4FY24, company expects to be at same level as March24 for Q1FY25 and thereafter see some reduction.

Company has shifted from output to input method of from 1st April22, which has led to decrease in depreciation. Company expects Q4FY24 depreciation to continue in Q1 & Q2FY25 and further reduce in Q3 &Q4FY25.

**Arihant Capital Markets Ltd**

**Techno Electric & Engineering Company Ltd| Q4FY24 Concall KTAs**
**CMP-INR 1,064 M.Cap-INR 114,540mn**

**TECL registered a decent performance. It aims for INR 100bn revenue by 2030 and guides for INR 250bn revenue in FY25. Capex guidance for INR 50bn over 2 years. Company is setting up data centres and has been allocated land in Kolkata for the same. It is present in all areas of power sector and anticipates unprecedented demand in the sector going forward. With per capita power consumption rising, co. is gearing up with top notch professionals to capitalise on the opportunities available.**

Arihant Capital Markets Ltd.

Financials
Q4
Created SPV for 40MW data centre in Chennai which is under.
Consolidated rev standalone INR 4826.7mn (+7.5%YoY)/(30%QoQ). EBITDA at INR 588.4mn(+52%YoY). Other income of INR 310mn(+40%YoY). PBT of INR 835mn(+58%YoY). PAT at INR 690mn(+%YoY). INR 6.45EPS which is double of last year.

-Aspiration to reach potential INR 100bn topline by 2030 . FY25 70-80% topline growth expected.

-Margin guidance continue to remain at 13%.
-This is company's best performance so far in recent past. Management sees this as the beginning of the journey.

Guidance
-Revenue of INR 25000mn for FY25 and INR 35000mn for FY26.
-INR 35 EPS for FY25 and INR 50+ for FY'26.
-Capex of INR 50,000mn equally over next 2 years

Cash and cash equivalent of INR 12,000mn at Mar'24. FY24 order intake at INR 70,000mn at all time high. INR 92,000mn of unexecuted order book . After Mar'24,co. emerged L1 in orders worth INR 100,500mn.

-Co. stands L1 in Punjab for high end meter work with order value of INR 6610mn which translates to INR 37k for each meter. Order inflow of INR 50,000mn expected in FY'25 on a conservative basis.

-INR 7/share dividend announced. Co. is likely to go for QIP this year.
-Management's outlook is very bright with nil energy growth for last 8 yrs, energy demand is back and demand growth is in doble digit.

-Per capita consumption of power in India is growing phenomenally, which is at present 1,250 units per capita is likely to be 1,750 units by 2030.

-Present in all areas of power sector , namely transmission solutions, AQI solutions, FGD implementation, digitization of distribution networks and smart meter solution, hyper scale and data centre. all verticals full of opportunities.

-Techno placed L1 for transmission project at Ladakh for INR 1700mn project. L1 in Punjab for feeders for INR 6660mn project .

-In coming years, battery storage and pumping storage solutions demand to come up and company is qualified to supply those.

-Momentum in FGD is back with 125GW yet to be fitted with FGD.

-Techno has been allotted land in Kolkata to setup data center next to centres setup by Reliance and Adani Conenct.

-Required resources in form of professionals are being recruited for next phase of growth.

-45% dividend policy of bottomline.

**J Kumar Infraprojects Ltd | Q4FY24 Concall KTAs**
**CMP INR 666 | Market Cap INR 50.37 Bn**

**Revenue to grow by 15-16% to INR 56 -57 bn in FY25. Company to maintain 14-15% EBITDA margin and aims to further improve to 15-16% in 6-8 quarters through operation efficiency. Company expects fresh order intake of ~ 60-80 bn in FY25 with total order book of over ~ 200-220 Bn by end of FY25.**

Financials
Revenue from operation stood at INR 14.25 Bn in Q4FY24 (26% YoY). In FY24, revenue stood at INR 48.79 Bn (16% YoY)
EBITDA stood at INR 2.03 Bn (27%YoY), with EBITDA margin of 14.3% in Q4FY24 vs 14.1% in Q4FY23.
PAT stood at INR 1 Bn in Q4FY24 (35%YoY), with PAT margin of 7% in Q4FY24 vs 6.5% in Q4FY23.

Operating Highlights
Segment Wise Break-up: Metro projects (26%), elevated corridors (39%), roads and tunnels (24%) and others (11%).
Working capital cycle improved backed by substantial reduction in receivables
Order book as of 31st March stood at INR 210.11 Bn.
Debt stood at INR 5.76 Bn in FY24, company expects to have ~6 -6.5 Bn debt in FY25.

Other Highlights
For GMLR project, company has started mobilization and have also submitted designs. Physical work on site for chennai elevated corridor project is expected to start by June. Contribution to revenue from this project is expected to start by Q3FY25.
Timeline for completion of GMLR project is expected to be ~60 months, Chennai elevated corridor project ~ 30 months and underground metro is almost completed and expected to be operational by August.
Maintenance capex of INR 1 Bn in FY25 along with additional capex of INR 4 bn for GMLR and elevated corridor project for next 2 years.
Working capital days has reduced from 126 days to 123 days and company intents to maintain it between 120-125 days.
Mobilization advance as on 31st March24 stood at INR 4.59 Bn of which ~ 4 bn is non-interest bearing. Cash and bank balance stood at INR 1.31 Bn and FDR at 4.80 bn.
MSRDC project has a provision for mobilization advance of 10% which are interest bearing with a net cost of 9-10%.
Company aims to be a billion-dollar revenue company by FY27.
Company has bid 2 new projects in MP for metro projects which are expected to open in June.
In FY25, company expects metro projects to contribute  35-40% to over INR 22 bn.

Arihant Capital Markets Ltd

**Ashiana Housing Ltd| Q4FY24 Concall KTAs**
**CMP INR 357 |Market Cap INR 35.80 Bn**

**Company guided pre sales of INR 20 Bn in FY25. Company expects 25-26 Lakh sqft construction in FY25. Company expects larger revenue and profit contributions to come from senior living projects in coming years.**

Financials
Total Revenue stood at INR 2969.6 Mn in Q4FY24 (56.91% QoQ). In FY24, revenue stood at INR 9965.2 Mn (127% YoY)
EBITDA stood at INR 275.8 Mn (-26.45%QoQ), with EBITDA margin of 9.29% in Q4FY24 vs 12.02% in Q4FY23.
PAT stood at INR 173.8 Mn in Q4FY24 (-37.48% QoQ), with PAT margin of 5.85% in Q4FY24 vs 8.87% in Q4FY23.

Other Highlights
Realization improved to INR 6,811/sf in FY24 vs 5,080/sf FY23 (34% YoY), backed by change in mix towards higher priced projects.
Company launched 10 projects in FY24 which includes 4 greenfield project and 6 new phases of existing project.
Ashiana Amodh project was launched in July23 in pune. Two new projects launched in Jaipur: Ashiana Nitara and One44 and a new senior Living project Ashiana Vatsalya launched in Chennai.
Sales value stood at INR 17.98 Bn in FY24 vs INR 13.13 Bn for FY23 (37% YoY).
In Q4FY24, INR 10.60 lakh sqft were booked vs 3.35 lakh sqft in Q3FY24.
Company saw decrease in margin quarterly. Margin varies depending on which project is getting delivered. In Q4FY24 company delivered Ashiana Aditya in Jamshedpur, Ashiana Dwarka in Jodhpur and Ashiana Amantaran where cost were higher than expected which impacted margin.
Company sees margin expansion going forward and gradually improve to ~17-18% and focus on return on capital.
Company targets ROE of over 15% by FY26.
Company sees large opportunity from senior living project where company has some term sheets under negotiation and looking to close them which will further drive returns.
Company has two term sheets in Bangalore for senior living and expects to close this transaction on revenue share.
Ashiana Amarah phase 4 & 5 is expected to launch in FY25 and another project in sector 80 in Gurugram is expected to launch in Q4FY25/Q1FY26.
Out of 62 lakh sqft launch company has done 28 lakh sqft of construction.
Company has partnership with Arihant Foundations for Chennai Swarang project where it has 50% share of profit and both the entity has bought land together.
While bidding for land parcels company looks for 27-30% gross margin for JV project and little higher margins for outright sales to cover finance cost.

Arihant Capital Markets Ltd

**Rites Ltd – Q4FY24 Concall KTAs**
**CMP: 719 | Market Cap: 172,730 Mn.**

**Outlook:**
**The company's Q4FY24 performance saw a revenue decline, but EBITDA margins improved QoQ, and PAT rose to INR 1866.9 Mn. (+9.27% QoQ, -2.32% YoY). Despite softer export revenues, the company achieved record consultancy revenues and significant international orders, particularly in Bangladesh. With a strong order book of INR 59,600 Mn and strategic goals focusing on balanced order acquisition and leasing expansion, the company is well-positioned for future growth in EBITDA and profits, with expected revenue boosts in H2FY25 from international projects. At CMP, company trades 38.04 x FY24EPS.**

Performance Consol:
Revenue came in at INR 6432.5 Mn. (-5.80% QoQ) (-6.34% YoY) in Q4FY24.
EBITDA margins came in at 27.7% (Vs. 25% QoQ) (27.8% YoY) in Q4FY24.
PAT came in at INR 1866.9 Mn. (+9.27% QoQ) (-2.32% YoY) in Q4FY24.

Revenue Highlights:
The company recorded its highest-ever consultancy revenue at INR 12,890 Mn.
Revenue from the leasing segment reached INR 1,381 Mn.
Turnkey segment revenue stood at INR 9,030 Mn.
Export revenues were softer, falling below INR 1,000 Mn.

International Business and Orders:
Secured two significant orders, including 200 railway coaches worth INR 9,000 Mn for Bangladesh and locomotives worth INR 3,000 Mn.
Achieved breakthroughs in the USA, South-East Asia, Bangladesh, and Africa.
Received the first QA order in Sri Lanka during Q4FY24.

Order Book and Future Prospects:
As of Q4FY24, the order book stands at INR 59,600 Mn, with 100 orders worth INR 9,400 Mn, excluding the Bangladesh coach order.
The formal contract for the Bangladesh coaches was signed on 20 May 2024, with revenue realization expected in Q3 and Q4 of FY25. Revenue from the locomotives order is anticipated by the end of FY25.
58% of orders were in the consultancy segment. The company aims to maintain a balanced mix of high-value and low-value orders and plans to expand its leasing business.

Strategic Goals:
The company targets maintaining a trend of acquiring one order per day while increasing the average ticket size.
Confident of achieving growth in EBITDA and profits compared to FY24.
Anticipates an uptick in export revenue from H2FY25.
Recommended a dividend of INR 5 per share.

Arihant Capital Markets Ltd

**Arvind Smart Spaces Ltd Concall KTAs**

**CMP: 705 | Market Cap: 31.98 Bn**

**Company has achieved 11.07 Bn sales in FY24 and expects sales and business development to grow by 30-35% in FY25. Company has acquired new projects with an expected topline of INR 41.50 Bn and expects similar growth prospect for the current year**.

**Financials**

• Company reported sales in Q4FY24 at INR 3.23 bn (32%YoY) and annual sale value at INR 11.07 Bn (+38% YoY).

• Collections stood at INR 2.15 Bn (+14% YoY) and annual collection at INR 8.76 Bn (+46% YoY).

• Revenue grew by 27% YoY in Q4FY24 at INR 1.17 Bn compare to INR 0.93 Bn last year. FY24 revenue from operations stood at INR 3.41 Bn (33%YoY).

• EBITDA stood at INR 286 Mn in Q4FY24 (27% YoY) while PAT grew by 67% YoY at INR 155 Mn.

• Company declared a total dividend of INR 3.5 (Including INR 1 special dividend).

**Operation Highlights**

• Net debt decreased to INR 0.41 Bn in FY24 with net debt to equity ratio of -0.10x.

• Net operating cash flow stood at INR 980 Mn in Q4FY24 and 4580 Mn in FY24.

• Bangalore market to remain strong with bookings of INR 4.20 Bn contributing 38% to the total annual bookings in FY24.

• Company launched Arvind Orchards in Bengaluru in Q4FY24, sold entire released inventory in the 1st phase worth more than INR 1.63 Bn.

• Company saw a strong launch momentum with better realization. 22% of total bookings came from referrals.

• Company launched Rhythm of Life, Laxmanpura in Q4FY24 achieving sales of over ~700 Mn, which accounts to ~75% of the launched inventory.

• Company expects to further deepen its presence in Gujarat, Bangalore and the market of Maharashtra.

**Key highlights**

• Last year company launched 4 projects and for FY25 it plans to launch around 7 - 8 projects including launch of new phases of the existing project.

• The total opportunity company had from HDFC fund in the beginning of the year was ~9 Bn, of which company has deployed 3 Bn.

• Company's strong internal accruals of 4 bn was entirely utilized in acquisition of newer projects.

• Company has underutilized the HDFC platform funds and expects the money to get fully deployed in the coming year.

• The company has been heavily focused on the horizontal projects in recent years but expects to add significant amount of vertical projects to the portfolio.

• In the long run company anticipates horizontal and vertical mix to range equally.

• Company plans to deploy ~ 10 bn this year through HDFC funds, internal accruals and by raising debt which will help the topline to grow by 30-35%.

• The Projected launches for FY25 is expected to be around 18-20 bn.

• Company expects to acquire one or two large projects within the market of pune and mumbai in coming quarters

• Company expects to raise debt of ~ 3-4 Bn in FY25.

• Investment demand for horizontal projects in Gujarat is comparatively stable, with the majority of sales still coming from middle to upper-middle-class individuals.

**IRB Infra Q4FY24 Concall Highlights**

**IRB Infra | CMP: INR 66 |Mcap: INR 398.99bn**

**Outlook: IRB Infra is expected to grow 15% YoY in FY25E. The order book of INR 350bn (~4.7x of FY24 revenue) is likely to get at least INR 200-250bn order inflows from NHAI projects. The increase in toll collections and favorable arbitration awards will be beneficial for the company.**

**Revenue**

EPC Revenue growth is expected around 15% YoY in FY25E.

**Order book**

The order book stood at INR 350bn.  Out of this EPC order book stood at INR 57bn. Around INR 80bn order book is executable over the next 2 years.

**NHAI Projects and pipeline**

The upcoming NHAI projects is estimated INR 2trn which includes 53 BOT projects and a pipeline of 33 TOT projects.

The company has 30%+ market share in BOT and TOT projects. The company is expected to get atleast INR 200-250bn worth of projects from NHAI.

**Toll collection**

The toll collection per day stood at INR 68.9mn (+17% YoY) from Mumbai-Pune-Ahmedabad in Q4FY24.

Private InviT toll collection per day stood at INR 86.1mn (+37% YoY) in Q4FY24. The increase in toll collection was led by an increase in traffic and the addition of a new project.

**Arbitration**

The company has received an ADC arbitration award on ADC Aurangabad.

The company has initiated a claim to NHAI for delay in the completion of the project which was disputed by NHAI.

The arbitration award led to compensation of INR 16.81bn from NHAI.

The company received an arbitration award for the Ahmedabad Vadodara project on April 24.

**Fundraising**

The company has raised $540mn through dollar bonds. The coupon stands at 7.11% p.a and has a life of 7.25 years.

**Other highlights**

The company has one-time finance expenses of INR 2.4bn in Q4FY24.

In ADC Aurangabad, fair valuation gain/loss is expected around INR 400-450mn per quarter. Around INR 1.5bn is expected in FY25E.

**Phoenix Mills Ltd Q4FY24 Concall KTAs**

**CMP: INR 3128 | Market Cap: INR 559.04 Bn**

**Company aims to have an operational portfolio of around 14 mn sqft of retail, 7 mn sqft of office and ~1000 hotel keys by FY27. Company is poised for robust growth through strategic expansions, high occupancy rates in projects, and robust pipeline of future development. Further company has acquired land parcels in Thane and Bengaluru and is under planning and design stage.**

**Financials**

•Income from operation stood at INR 13.06 Bn in Q4FY24 (79% YoY).

•Operating EBITDA stood at INR 6.27 Bn in Q4FY24(46% YoY), with EBITDA margin of 48%.

•PAT stood at INR 3.25 Bn in Q4FY24.

•Sales for FY24 stood at INR 113.44 bn (23% YoY), while Q4FY24 sales stood at INR 28.33 bn (28% YoY).

•Retail rental income stood at INR 4.47 in Q4FY24 (31% YoY).

•New malls contributed ~ 2.95 bn rental income in FY24 with EBITDA stood at ~INR 2.57 Bn.

•Gross Retail collections stood at ~ INR 27.43 Bn in FY24(27%YoY)

**Operational Highlights**

•Phoenix Citadel Indore, launched in December22, crossed 90% occupancy levels within 12 months of its launch.

•Palladium Ahmedabad launched in February23 is trading at occupancy level of 86%, multiplex at Ahmedabad will commence operation once it receives occupation certificate.

•Phoenix Mall of the Millennium, Pune opened in September 23 is operating at 77% occupancy levels within 8 months of operation while Phoenix Mall of Asia, Bangalore is operating at 67% occupancy levels.

•Company has received the occupation certificate for tower 7 at one Bangalore west and has recognized revenue of INR 4.54 Bn in Q4FY24 and INR 8.70 bn in FY24.

**Key highlights**

•Company has acquired 6.6 acres of land parcel through a joint venture with Canada pension plan at the cost of ~INR 2.30 Bn, located adjacent to Phoenix MarketCity Bangalore.

•By FY27, company aims to have operational portfolio of about 14 mn sqft of retail, 7 mn sqft of offices, close to 1000 keys in hotels and add another 1mn sqft to residential development.

•Company has acquired land parcel in Thane and Bengaluru. For thane company is under planning stage with large mix development with a combination of some retail and hotel.

•On residential front, company has secured major approvals for Calcutta projects and expects to launch in 6-8 months. Company has a total ready inventory of INR 12 bn and expects to sell INR 3.5-4 bn ready inventory from kessaku and one Bangalore.

•Realization has improved from INR 15,000/sqft in FY19 to INR 24,000/sqft in FY24.

•Return on capital invested in tier 2 cities has been better than tier 1. Within 6 years of acquisition, lucknow saw 17% yield on cost and is growing every year. Company expects same trajectory for its surat project.

•Company has increased the percentage of gross leasable area occupied by FNB in the newer malls which comprise of 15-16%. FNB and entertainment centers now cumulate to ~30%.

•Asia Towers, Bangalore is nearly completed and company expects to commence operations immediately after received oc.

•Phoenix Millennium towers at Pune is expected to be ready by end of Q3FY25.

•Office building in Mumbai at lower parel is expected to get ready by FY27 and 4 lakh sqft of new offices at  Phoenix Market City, Bangalore on Whitefield Road will be ready by FY26.

**Tega Industries Ltd | Q4FY24 Concall KTAs**

**Cmp-INR 1543** **M.Cap-INR 102,560mn**

**Company has delivered stellar performance in Q4 with 35%QoQ increase in EBITDA. Guidance for ~22% margin for consumable and ~11% margin for equipment along with 15% growth guidance for both verticals. Chile plant has revenue potential of $100mn and construction to complete by 2025. With new capacities and integration of McNally, company is set for a decent growth.**

**Financials**

**Q4**

Revenue from operations stood at INR 5069.8mn(+49%QoQ)/(+27.9%YoY) with EBITDA of INR 1388.4(+147.5%QoQ)/(+35%YoY) and margins of 27.4%. PAT stood at INR 894.9mn(+151.3%QoQ)/(+15.8%YoY) with 17.7% margin.

-Consumables business segment grew by 9.3% with 23% margin, while equipment segment grew by 12.6% with 9% margin.

-Supply chain challenges eased in Q4, but not completely eliminated. Geo political issues in west asia and red sea issue resulted in transportation delay due to which INR 700mn of revenue was lost. This lost revenue is expected to crystalise in Q1FY25.

-Strong order book for FY24 of INR 6300mn(+30%YoY).

Tega McNally integration has been progressing well and management has taken conservative approach with 10% growth guidance for McNally.

-Co.'s subsidiary entered in an agreement with largest mine in Europe with 5+extended year contract. INR 6850mn of minimum revenue from this. 5mnths of operation of this contract has been done and progress has been well.

-Construction for Chile plant to start soon and to be completed by June'25. Revenue potential of $100mn.

-Capacity utilisation are ~65%.

-Copper and gold is 75% of business. Last year copper grew by 2.2%. In Q4, Panama mines closure caused headwind which will be there in H1FY25.

-Consumables margins reached 30%, Q4 is the best qtr for the co. and hence the high margins. 20-22% yearly EBITDA.

Guidance of 10-11% EBITDA margins for equipment on yearly basis and 20-22% margins for consumable business. 15% growth guidance for both verticals.

**Schneider Electric Infrastructure Ltd Q4FY24 Concall highlights**

**CMP INR 921| Market Cap INR 220.12 bn**

**The company to remain positive for the data center segment and the transformer market in India, with a focus on power-intensive segments. It aims to maintain its gross margins of 36-37%. Order inflow for Q4FY24 grew only by 6.2% YoY due to election cycle company expects to rebound in order flows once new governments is formed.**

**Financials**

•Revenue came in at INR 4718 Mn in Q4FY24 (14.9% YoY). In FY24 revenue stood at INR 22.07 Bn (24.2%YoY).

•Gross profit stood at INR 1927 Mn with a margin of 40.8% (+320 bps) in Q4FY24. Gross margin improved due to raw material, cost normalization and better mix.

•EBITDA stood at INR 768 Mn (18.33%YoY) in Q4FY24, with EBITDA margins of 16.3%

•PAT stood at INR 33 Mn (-92.6%YoY) in Q4FY24, with PAT margins of 0.7%.

•Orders stood at INR 5920 Mn (6.2%YoY) in Q4FY24.

**Order mix**

•For Q4FY24 - equipment 47%, projects 5%, transaction 31% and service 17%. For FY24 order mix stood as 43% equipment, projects 15%, transactions 25% and services 16%.

**Revenue mix**

•Revenue breakup: 59% system , 24% transaction and 7% services.

**Other Highlights**

•Key order wins for Q4FY24 stood 33kV GIS for one of the oldest Indian Metros, packaged sub station for leading coal producing company and 33/11kV E-House for Oil & Gas Public Sector.

•Increase in other expense is attributed to risk coverages including provisions for warranties and specific provisions and some portion of increase is linked to volume growth.

•Company has build a provision of INR 480 Mn for its older unresolved tax matters.

•Management has a positive outlook for data center segment driven by the upcoming data centers in multiple location including Mumbai, Hyderabad, Chennai and NCR. Overall, Data center segment contributes ~15%.

•Company has introduced easy set, air-Insulated switchgear having compact footprint with the robust structure.

•Company operates in cyclical business, a multi product and multi sector business where it expects to sustained its gross margin of 36-37% and expects to improve further in coming years.

•Company to start its new Greenfield project towards Q3FY25/Q4FY25.

•Company has a transformer manufacturing capacity of about 6,000 MVA a year which contributes ~ 30-35% in revenue.

**Vascon Engineers Q4FY24 Concall Highlights**

**Vascon Engineers | CMP: INR 65.2 | Mcap: INR 14.44bn**

**Outlook: The order book stood at INR 33.65bn (~3.2x of FY24 revenue) showing revenue visibility over the medium term. EPC revenue is expected to reach INR 10bn in the coming year and the company is focused on launching new projects and partnerships with top realtors in Mumbai, Pune, and Coimbatore. There is no capex in FY25E and INR 200mn capex to achieve additional revenue of INR 2.5bn. The order inflows are expected post-elections and the company is focused on increasing the private share going forward.**

**Order book**

- The order book stood at INR 33.65bn in FY24. External EPC order book stood at INR 28.38bn as of Q4FY24.
- The EPC order intake stood at INR 18bn in FY24.
- Govt and Private order mix stood at 80:20 and is expected to be 60:40 over the next 2 years.

**Margins**

- Real estate gross margins stood at 66% and EBITDA margin stood at 36%.
- Real estate gross margins are expected 30%-35% on a sustainable basis.

**EPC**

- In EPC, the company did INR 6-7bn and is expected to reach INR 10bn in the coming year.

**Real estate**

- In Real Estate, the company has rolled out one real estate development project in FY24 and is preparing two additional projects in the coming months.
- In real estate, sales booking stood at INR 1bn, and collection stood at INR 1.27bn.
- One of the Santacruz development launched and another one is in the last stage of approval and expected to launch in the next 4-5 months.
- Powai, Mumbai project plans are ready and awaiting BMC approval. The project is expected to launch in 4-5 months after approval.
- The company is in the process of partnership with top realtors based in Pune, Mumbai, and Coimbatore.

**Realization**

- Capgemini project realization is around INR 4,000-5,000/Sq.ft.
- EPC projects realization is around INR 1,000-5,000/Sq.ft.

**Projects**

- The Capgemini project is around INR 4.16bn and is expected to be completed in the next 24-30 months. Revenue is expected to come once the facility is completed.
- Hospital projects are in the range of INR 5bn.
- The land is around 170 acres and the company is expected to do data centers, residential, warehousing, and some of them for selling.

**Capex**

- There is no capex in FY25E and INR 200mn capex is required to achieve additional revenue of INR 2.5bn.

**Other highlights**

- In private, opportunities are available for building hospitals and Institutions.
- The increase in commodity prices affects the profits of the GMP business.
- The company got a bank guarantee of INR 2bn from multiple banks.

**Max Estates Ltd | Q4FY24 Concall KTAs**

**CMP: INR 369 | Market Cap: INR 54.29 Bn**

**Company to remain focus on premium and luxury segments in both residential and commercial real estate. Aims to acquire at least 3 mn sqft annually with 2 mn in residential and 1 mn in commercial portfolio.**

**Financials**

•Net sales stood at INR 300 Mn in Q4FY24 (28.75% YoY/23.96%QoQ).

•EBITDA stood at INR 78 Mn (2.63%YoY) in Q4FY24, with EBITDA margins of 26.1%.

•PAT loss stood at INR 47 Mn in Q4FY24.

**Operating Highlights**

•Max Towers, 100% occupied with a leased rental income of INR 381 Mn for FY24.

•Max House phase 1, 100% occupied with a leased rental income of INR 141 Mn for FY24.

•Max square Project is 55% leased at a premium of 25-30% over the market rate and with growing demand for office leasing management expects to achieve 100% leasing by end of 2025.

•The lease rental income from Max House phase 2 stood at INR 28 Mn in Q4FY24.

•The leased rental income from Max house phase 2 is expected to be INR 250 to 300 mn once fully leased.

•Company to start construction of Max square 2 by Q1FY25 and the lease rental income is expected to be ~ INR 1000- 1150 Mn at 100% occupancy.

•Max 65, Golf Course Extension to start construction by Q1FY25 with expected lease rental income of ~1600-2000 Mn at 100% occupancy.

•Company's first luxury residential project in NCR has been fully sold and has collected ~ INR 4.41 Bn for the project.

•Company has entered into joint development agreement in Sector 36A, Gurugram with a development potential of 4 mn sqft with a potential GDV of over INR 90 Bn.

•Two combined residential project with the existing 11.8 acres at gurugram has a GDV potential of over ~INR 130 bn of developing and selling 6.5 mn sqft.

**Other Highlights**

•Max asset services revenue stood at INR 310 Mn in FY24 and further company expects facility service businesses to witness strong growth in FY25.

•Company aims to add 3 mn sqft to its portfolio each year, with 2 mn in residential and 1 mn in commercial in the Delhi NCR region. Company to add commercial project into portfolio drive by strong office demand.

•NCR market is fastest growing market where company has seen tremendous growth.

•Earlier company was focused on Noida and now has diversified its portfolio in Gurgaon. The company aims to continue diversifying its presence across all three regions of Delhi NCR, subject to available supply and market conditions.

•New York Life Insurance has made an investment commitment of ~ INR 12 Bn till date

•On commercial front for 4 operational asset company has deployed ~ INR 6 Bn.

•Company aims an IRR of over 25% for all its residential projects.

•A Joint Development agreement of a land parcel ~ 11.8 acres in Dwarka expressway is expected to launch in July24 and the another JDA in sector 360 A is expected to launch next year.

**Puravankara Ltd Q4FY24 Concall highlights**

**CMP INR 446| Market Cap INR 106.73 bn**

**Company is targeting to launch ~14 mn sqft of projects with an estimated top line of INR 74.43 Bn and a surplus of INR 26.96 Bn from these projects. Company delivered ~2600 units in FY24 and aims to deliver ~ 3500-4000 units in FY25. Company sees tailwind and robust demand across the country and remain focus to expand its geopraphy through further acquisition.**

**Financials**

•Total Revenue stood at INR 9.47 bn in Q4FY24 (112% YoY).

•EBITDA stood at INR 1.39 bn, with EBITDA margin of 15% in Q4FY24.

•PAT loss stood at INR 70 Mn in Q4FY24 vs a profit of INR 280 Mn in Q4FY23.

•Net debt increased from INR 17.41 Bn in Q3FY24 to INR 21.51 bn IN Q4FY24. Net debt to EBITA stood at 1.14x in Q4FY24.

Other Highlights

•Pre-sale value grew by 93% at INR 19.47 Bn in Q4FY24.

•Collection stood at INR 10.94 Bn in Q4FY24.(66% YoY)

•Average realization stood at INR 8285 per sqft in Q4FY24.

•Company targets an EBITDA margin of ~30% for both the projects in Mumbai market in Lokhandwala and in Pali hills.

•Residential redevelopment project is Pali hill has estimated development potential of 0.4 mn sq ft area with company's saleable share of 0.21 mn sqft, potential GDV of INR 31 bn.

•Another redevelopment project in Lokhandwala, Mumbai has saleable area of 0.6 mn sqft with potential GDV of INR 15 bn.

•Company plans to launch ~14 mn sqft projects from within the current land bank. Company targets to maintain over 40 mn sqft inventory going ahead and targets to take the project to the market within 9-12 months from the date of deployment.

•Lokhandwala project is expected to be launch by Q3FY25/Q4FY25 and Pali hill is expected to launch by Q4FY25/Q1FY26.

•Company is also looking for outright land acquisition/ JDA in thane and Panvel market.

•Company expects 7.28 mn sqft of its upcoming projects to launch by Q3FY25/Q4FY25.

•Partnership with HDFC Capital for INR 11.50 Bn which will add an additional 6.2 msft of new residential projects to the ongoing 14.8 msft with GDV of INR 171 Bn.

•GDV from unlocking existing land bank of ~ INR 93.77 bn and from new acquisition of ~ INR 77.23 Bn.

•Cash balance stood at INR 9.31 bn as of March 31, 2024 of which ~ INR 5 bn lies in escrow, rera accounts and ~ INR 4 bn is in the form of fixed deposits.

•Non-Bengaluru projects now account for 47% of the share of ongoing and 82% of launch pipeline.

**Ashoka Buildcon Ltd Q4FY24 Concall Highlights**

**Ashoka Buildcon | CMP: INR 182 | Mcap: INR 51.12bn**

**Outlook: EPC is expected to grow by 15% in FY25E. Margins are expected to improve to 9.5% in FY25E and 11.5% in FY26E. The order book stood at INR 116.97bn (~3.8x of FY24 revenue) showing business visibility. The order inflows are expected INR 120-150bn in FY25E. The order inflows are majorly expected from Q2FY25E onwards. The monetization of projects will improve the cashflows going forward.**

**Revenue**

EPC revenue growth is expected 15% in FY25E.

**Margins**

- EBITDA margins are expected 9%-9.5% in FY25E and 11.5% in FY26E.
- The high-margin projects are expected to be executed in Q1FY25.
- PAT margins are expected 5%-6% in FY25E.

**Order book**

- The order book stood at 116.97bn as of FY24.
- EPC building order book stood at INR 6.87bn as of FY24.
- The order inflows stood at 19.53bn in FY24 and order inflows are expected INR 120-150bn in FY25E.
- The lower order inflows due to low bidding in various sectors, especially post-Jan-24. The bidding is expected post-Jun-24 and the order book is expected to ramp up from Q2FY24 onwards

**Projects**

- The company has 11 HAM, 6 BOT, and one annuity project. The company is in the process of a share purchase agreement with investors and is expected to sign off in mid near future.
- Water treatment order execution has started and electro-mechanical work will start from Q3FY25E. the company can able to book INR 2bn in FY26E. the order book stood at INR 5.5bn.
- The company is qualified to bid for solar projects.
- In bidding, 50% of the focus will be on the road and the remaining from others.
- The company has been pursuing the SPA for the HAM and BOT projects. The company has to renegotiate prices for Chennai ORR and Jaora Nayagaon projects. These projects' signing is expected before jun-24.

**Debt**

Working capital debt is expected to go down by 50%. The debt reduction is expected INR 9-10bn in FY25E.

**Investments**

The equity investments are expected INR 1.53bn in FY25E.

**Bigbloc Construction Ltd| Q4FY24 Concall Highlights**
**CMP- INR 253 M.Cap- INR 17930mn**

**Bigbloc Construction reported robust Q4FY24 results with revenue up 46% YoY, driven by expansion in new markets and marketing of its 'Panel' product in new geogrpahies. Capacity expansion at Wada plant aims to double AAC block production at the plant, supported by solar installations and carbon credit initiatives. Future growth targets include 20-25% revenue increase for FY25, with plans for expansion into southern and northern markets.**

Financial Highlights

Q4
Revenue at INR 680mn(+46%YoY) with EBITDA of INR 130mn(+19%YoY) and margins of 18.53%. PAT at INR 90mn(+54%YoY) with margins of 12.65%.

FY24
Revenue registered of INR 2430mn(+22%YoY) with EBITDA at INR 560mn(+12%YoY) and margins of 23.07%. PAT stood at INR 310mn(+2%YoY) PAT margins of 12.6%.

Capacity Utilisation- for the quarter was about 85% and the annual capacity utilization was approximately around 75%.

Revenue Growth and EBITDA Guidance
For FY25, growth of approximately 20-25% and for FY26, a further 10-15% increase. Company is targeting EBITDA margins in the range of 20%-25% going forward.

Price Realisation difference
Red bricks are in similar price range of INR 4500-5000 cubic meterwhile AAC blocks are in the range of INR 3800-4000 cubic meter.

Margins Impact
Margins for this quarter have been impacted due to entry in several new markets and the marketing expense for 'Panel' product since its a new product. Revenue from same is expected to reflect by Q1/Q2.

Company has better margins as compared to competitors since it is the only company eligible for carbon credits and has its own fleet of 75 trucks for transportation.

Volume Update
Volume for the quarter stood at 179251 CBM(17.56%QoQ)(62.72%YoY).
Volume for the year stood at 600149 CBM(+30.77%YoY).

Capacity Expansion
Wada plant has initiated capacity expansion from 2,50,000 CBM to
5,00,000 CBM of AAC blocks; post expansion it will be the largest capacity plant in India.
Company will be getting subsidy of INR 270mn for Wada plant over 10 years.

Company's JV, Siam Cement Bigbloc Construction,with a capacity of 2,50,000 CBM, has started production with effect from 30th March, 2024.

Solar Installation and Carbon credits

The company completed solar installation of 450 KW at Umargaon plant and has initiated to install a rooftop solar power project of 625 KW at the Wada plant. The Wada plant has also received the Eligibility Certificate for Subsidy and has applied for registration of carbon credits at VEERA.

-Company has entered into several new geographies and onboarded multiple marquee clients. Company is looking to start production facilities in the southern markets(Bangalore/Chennai) and one in Northern market this year.

Volume guidance

-After expansion at Wada, company will have installed capacities of 1.6mn CBM and is targeting for 75%+ utilisation levels for the entire year. Once a new capacity is added, it takes about 6mnths for it reach utilisation of around 80%.

Price Reduction in construction Material

All raw materials of construction division have gone down and that's why prices of AAC blocks have also reduced a little bit. But in terms of the margins, they have been maintained almost similar levels.

**J K Cements Ltd Q4FY24 Concall KTAs**
**CMP: INR 3922 | Market Cap: INR 302.97 Bn**

**Company witnessed subdued demand due to election causing pricing pressure. Management expects volume to grow by 10% in FY25 and aims to continue its focus on cost optimization and reduce total cost by INR 150-200 per tonne. Company plans capex of INR 19 Bn for FY25.**

Financials
•Net sales stood at INR 28.56 Bn in Q4FY24 (6% QoQ/8% YoY).
•EBITDA stood at INR 5.48 bn in Q4FY24 (-10%QoQ/ 51% YoY), with EBITDA margin of 19.2%.
•PAT stood at INR 2.36 Bn in Q4FY24 (-18%QoQ/ 69% YoY), with PAT margin of 8.2%.

Operating Highlights
•In Q4FY24, grey cement sales volume grew at 13% YoY at 4.67 Mn tons.
•Overall, capacity utilization stood at 85%.
•During the quarter, trade mix stood at 61% while the blended cement stood at 66%.
•Premium product contributed 13% of overall trade sales.
•Fuel cost decrease by 2%QoQ/31% YoY to INR 889/mt, due to substantial reduction in petcoke prices.
•Lead distance reduce to 419 km in Q4FY24 vs 427 Km in Q3FY24.
•Logistic cost stood at INR 1274/mt in Q4FY24 (+2% YoY/-1% QoQ)

Expansion
•Greenfield Expansion at Prayagraj is on advance stage and is expected to be commissioned by Q2FY25.
•Expansion plans at Panna, MP of 3.3 MTPA Clinker Line-2 and 1 MTPA cement capacity expansion is expected to be commissioned by Q2FY26.

Capex
•Company plan capex of INR 19 bn for FY25 and INR 18 Bn for FY26.

Paint business
•Revenue stood at 500 Mn for Q4FY24 while FY24 revenue stood at INR 1530 Mn.
•EBITDA reported a loss of INR 60 Mn in Q4FY24 and FY24 EBITDA loss stood at INR 200 Mn for FY24.
•Company expects EBITA loss INR 350-400 Mn for FY25 due to additional spend towards branding.
•Topline for paint business for FY25 is expected to be ~3000 Mn and for FY26 is expected to be ~5000 Mn.
•Management expects to be EBITDA positive by FY27 with very little loss in FY26.

Other Highlights
•Company is working on reducing logistic cost which will help company to save INR 50 per tonne.

•Company has already achieved 50% plus green power and expects total cost to reduce ~ INR 150-200 per tonne.
•Demand remain subdued due to election, management expects volume to grow by 10% in FY25.
•Company acquired Toshali Cement to extend footprint in Eastern markets.
•Additionally, company to invest INR 400 Mn this year for mordenization of the plant and expects 3-4 lakh ton annually from Q3FY25.
•Fuel mix – 60% Pet coke 40% imported coal and alternative fuel.
•TSR stood at 16% for Q4FY24
•Company has a market share 45-48% in its white cement business while 22% market share in wall putty.
•Continued price pressure for putty which impacted realization.
•UAE business volume grew by 34% YoY In FY24, from 4.28 lakh tons to 5.75 lakh tons and company expects to maintain this volume.
•EBITDA from UAE business stood at INR 700 Mn in FY24 and company is further expanding by strengthening its presence in Africa and Australia.
•Incentives for Q4FY24 stood at INR 700 Mn.
•40-50 MW of solar power capacity expected to be added by the end of Q1FY25.

**Dalmia Bharat Ltd Q4FY24 Concall KTAs**
**CMP: INR 1,804 | Market Cap: INR 338 Bn**

**Dalmia Bharat saw prices drop significantly in key markets during Q4FY24, leading to lower EBITDA per tonne at INR 743 due to reduced realisations and higher costs. Average prices fell by 7.5% QOQ, with March exit prices down 9-10% from Q3. Management expects soft prices for H1FY25, with potential increases from Q3FY25 onwards. The company incurred additional costs to regain market share, some of which may be resolved in upcoming quarters.**

JP assets acquisition
- NARCL has put in a bid to buy the entire debt of JP, which is under evaluation by the current lenders.
- The transaction closure may get pushed out to Q2FY25 due to procedural delays.
- The company sold 0.6 mn tonnes from JP in Q4FY24 and 1.4 mn tonnes in FY24 through a tolling arrangement.

Capacity expansion
- Capex for FY24 was INR 28,270 Mn.
- The company added 6 mn tonnes of cement capacity in FY24, reaching a closing capacity of 44.6 mn tonnes.
- Expansions at Ariyalur and Kadapa (1 mn tonne each) are under trial run production.
- The company is progressing on expansions at Lanka, Northeast (2.4 mn tonne), expected to come on stream by the end of FY25.
- Considering organic and the proposed JP acquisition, the company is likely to close FY25 with 58.9 mn tonnes of cement capacity.
- The company expects capex spending of about INR 35,000-40,000 Mn in FY25, primarily towards the Northeast expansion project and a cement plant in Bihar.

Margins
- The management expects margins to recover in the coming quarters as some of the incremental costs incurred in Q4 to regain market share get corrected.
- The company aims to improve margins by reducing discounts as it spends more on branding and marketing activities.

Debt
- The company's closing debt stands at INR 46,510 Mn, resulting in a net debt to EBITDA ratio of 0.18x as of March 31, 2024.
- The company has doubled its capacity to close to 50 mn tonnes without adding any debt on its balance sheet.
- The peak gross debt is expected to be around INR 90,000 Mn, with a net debt of around INR 50,000-52,500 Mn by the end of FY25.

Other Highlights
- Renewable power usage improved to 27% in FY24 from 21% in FY23, and the company plans to operationalize its own coal mines during the year.

- The company aims to be the lowest-cost producer in the industry, with further room for cost improvement through increased renewable power usage, operationalization of coal mines, and optimization of logistics costs.
- The company is optimistic about the sector's long-term prospects, with incumbents investing heavily, indicating their confidence in the sector's future returns.
- The company clarified that it has sufficient limestone reserves, and there were gaps in the information residing in the public domain, which are being corrected.
- The company accrued INR 230 Mn in incentives during Q4FY24 and collected INR 980 Mn.
- The company has switched to straight-line depreciation method and adjusted salvage values of assets from 1% to 5% of the cost, effective January 24. This led to a INR 460 Mn and INR 140 Mn decrease in depreciation for Q4FY24.
- Depreciation is expected to be in the range of INR 13,500-14,000 Mn in FY25, excluding the impact of JP plants' depreciation.
- The company's trade mix rose to 65% compared to 63% in FY23.

**Outlook: The company is revisiting its long-term capacity expansion plans and will announce them when ready, suggesting that the previously mentioned target of 75 mn tonnes by 2027 may change. The company aims to grow at 1.5x the industry growth rate, excluding the volumes from the JP assets acquisition. The JP assets are expected to add an incremental 4-5% growth on an overall basis. Overall, despite the challenges faced in Q4FY24, the company remains focused on volume growth, cost optimization, capacity expansions, and capitalizing on the expected industry consolidation and demand growth in the Indian cement sector**

**Shree cements Q4FY24 Concall KTAs**
**CMP: INR 25,820 | Market Cap: INR 931.79 Bn**

**Company saw a robust demand growth in eastern markets with 20% growth YoY, north grew by 5% YoY while south saw a decline of 9-10% with overall growth of 7%. Company is focus on renewable energy and is committed to use 100% renewable electricity by 2050. Company aims to reach capacity utilization of 80%.**

Financials
•Revenue came in at INR 51.01 Bn in Q4FY24 (7% YoY).
•Operating EBITDA stood at INR 13.27 Bn (49% YoY).
•PAT stood at INR 6.62 Bn (21% YoY).

Operating Highlights
•Sales volume grew by 8% YoY 8.83 mn tonnes to 9.53 mn tonnes in Q4FY24.
•Capacity Utilization for Q4FY24 stood at 79% vs 77% last year. Company aims to reach capacity utilization of 80%.
•Company commissioned integrated cement plant in Guntur district of Andhra Pradesh with cement capacity at 3mnT per annum.
•In FY24, company increased its share of green power consumption to 55.9% vs 51.1% last year.
•Total green power generation capacity stood at 480 MW vs 385 MW last year.
•Company is working towards additional capacity of 188 Mw going ahead, of which 148 MW to commence by March25 and balance 40MW by March26.
•Out of 188 MW, 30 MW would be WHRS and 114 MW wind solar.
•Company has increased use of agro waste from 1.19 lakh tons to 1.24 lakh tons in FY24.
•By FY28 company intends to have rail connectivity at all its sites, and to move ~25% through rail in next 3-4 years.
•In Q4FY24, company has dispatch 88% through road and 12% through rail. The road cost stood at INR 3 while rail stood at INR 2.6 a differential of ~10-12% per ton per kilometer.

Other Highlights
•Power revenue stood at INR 4.40 Bn vs INR 3.43 last year with EBITDA margin of 10%.
•Company expects premium products to contributed ~12-15% of overall trade sales.
•Cement realization for march stood at INR 4721 vs INR 4848 per ton last year.
•18 million tonnes capacity expansion projects is progressing as per schedule of which 9.4-10mn tonnes will be completed by FY25.

Ready mix concrete business
•Company has signed a deal to purchase 5 RMC Plants in Mumbai at INR 335 Mn.
•Company has commissioned one plant in Hyderabad of 90 $m^3$/hour capacity.
•Company plans to setup ~100 Bangur Concrete plants in next 3 years, operating in 50 cities.
•Company has plan capex of 1 bn per year for next 2 years and is focusing on tier 2 cities where RMC profitability is higher.
•Company expects margin to be ~5-7%.

**Sagar Cements Ltd Q4FY24 Concall KTAs**
**CMP: INR 219 | Market Cap: INR 28.55 bn**

**Demand from infrastructure projects and urban real estate remained consistent while company observed some weakness in the rural segment. Demand to remain subdued in first two quarters and strongly pickup after election by H2FY25.**

Financials
•Revenue stood at INR 7.09 bn in Q4FY24 (14% YoY).
•Operating EBITDA stood at INR 681.3 Mn in Q4FY24(75% YoY/ -22% QoQ)
•PAT stood at INR 115.8 bn (-87% YoY).

Operating Highlights
•Sales volume grew by 19% YoY to 1.61 MnT in Q4FY24.
•Company witnessed muted realization and expects price trends to improve in coming quarters.
•Lead distance reduce to 258 km in Q4FY24 vs 271 Km in Q4FY23.
•During the quarter, trade mix stood at 52% while the blended cement stood at 53%.
•Trade sales volume grew by 13% in Q4FY24.
•Power and fuel cost stood at INR 1556/ ton in Q4FY24 vs INR 1817/ton in Q4FY23, company saw moderation in fuel and freight cost.
•EBITDA per ton stood at INR 422 (47% YoY), company expects to sustain EBITDA per tonne going forward on back of investment towards cost optimization and increase share of green energy in the overall mix.
•Capacity Utilization: Mattampally plant operated at 55% capacity utilization while Gudipadu- 100%, Bayyavaram – 77% , Jeerabad- 82% Jajpur – 35%.
•Gross debt stood at INR 14.39 Bn of which INR 12.48 bn for long term debt and remaining constitutes for working capital.
•For FY25 company expect volume to be 6.5 mnT (earlier guidance 7mnT), bulk of these will be coming from Jajpur and Andhra while 5% incremental volume from Mattampally.
•Company expects demand to pick up from H2FY25.
•For Andhra cement expansion plan for modernization company expects to complete all the critical aspect by Q1FY25.

Other Highlights
•Company witnessed muted realization and expects pricing to improve going ahead.
•Company capex plan for FY25 is ~3.5 bn of which 2.5 bn will be for Andhra.
•200 Mn of capex is for 6 MW solar plant, gudipadu.
•Company has 11% shares in renewable energy power and targets to have 50% wind power by 2030.
•Company expects Andhra plant capacity utilization ~ 50-55% in FY25.
•Company expects cost saving of INR 100 per ton from Q1FY25.
•Cc ratio for Q4FY24 is 52% and expects to reach 60% by end of FY26.
•Incentives from MP plant ~300 Mn is sanctioned but have yet not received.

**J K Lakshmi Cement Ltd | Q4FY24 Concall KTAs**
**CMP: INR 800 | Market Cap: INR 94.11 Bn**

**Company expects to achieve 70% capacity utilization and to grow volume by 10% in FY25. At consol level TSR is expected to improve by 3-4% to 10% in FY25. Pricing continued to remain subdued. Company expects Q2FY25 to be better once the election is over with improvement in price.**

Financials
- Net sales stood at INR 17.80 bn in Q4FY24 as compare to INR 18.62 Bn in Q4FY23. (-4.36%YoY). In FY24, net sales stood at INR 67.88 Bn (5.22% YoY). PAT stood at INR 1.62 Bn in Q4FY24 as compare to INR 1.14 Bn in Q4FY23. (41.13% YoY).

Operating Highlights
- Standalone sales volume stood at 25.51 lakh ton in Q4FY24 vs 26.65 lakh ton in Q4FY23, impacted due to reduce sales from outsourced unit.
- Consol sales volume stood at 32.62 lakh ton in Q4FY24.
- In Q4FY24, renewable energy stood at 47% at group level and at JKLC and Udaipur cement works stood at 39% and 46% respectively.
- TSR improved from 4% in FY23 to 7% in FY24 and Q4FY24 TSR stood at 11.27%.
- Premium segments contribute over 25% in west and north market.
- Trade: non trade mix is 56:44 in Q4FY24 and blended stood at 66%
- Lead reduction of over 25 km YoY and in Q4FY24 lead distance stood at 372 km.
- In Udaipur cement works ltd, company has commissioned cement grinding capacity of 2.5 Mn tonnes.
- WHR Capacity of 3.5 MW at Sirohi is expected to commence by Q1FY25, company is also planning to add WHRS in other locations.

Expansion
- Company to double the capacity from 1.5 Mn tonne to 2.7 Mn tonne at surat grinding unit. Expected to be operation by end of Q4FY25. Project cost is expected to be INR 2.25 Bn
- Company is expanding the Clinker Capacity at its integrated Cement Plant at Durg by 2.3 Mn tonnes and cement capacity by 4.6 Mn tonnes also three split location cement grinding units at a total cost of INR 25 bn.
- Company is in process of acquiring land for its north east project.

Capex
- Capex plan for FY25 including durg expansion of 6 bn is expected to be INR 12 Bn. For FY26 capex is expected to be INR 10 bn.

Other Highlights
- Non cement revenue stood at INR 1540 Mn of which 860 Mn is RMC, EBITDA margin for non-cement stood at 5%.
- Cost optimization is expected to be driven by TSR and renewable energy going forward.
- AFR stood at 1.2, varies across location while its on lower side in north. Blended stood at 1.68.

•Conveyor belt project is at final stages of approval, once the approval is received in about 1-2 months it will take another 6 months to commence.
•Capacity utilization of Udaipur Cement's new greenfield plant of 2.5 mn tons is at 40%.
•Standalone gross debt for JK Lakshmi stood at 7 Bn, cash stood at INR 5 Bn with net debt of INR 2 bn.
•Consol gross debt for stood at 20 Bn, cash stood at INR 6.5 Bn with net debt of INR 13.5 bn, which is expected to increase due to capex plan.
•Udaipur volume for Q4FY24 stood at 7.56 lakh ton of which 6.42 lakh ton included cement and 1.14 lakh ton of clinker. For FY24, volume stood at 24.92 lakh ton of which 20.97 lakh ton includes cement and 3.95 lakh ton of clinker.
•JK Lakshmi volume stood at 70 lakh ton for FY24.
•Clinker sale on consol stood at 2.32 lakh ton in Q4FY24, for FY24 it stood at 8.7 lakh ton.
•CC ratio stood at 1.46 in FY24.

**UltraTech Cement Ltd Q4FY24 Concall KTAs**

**CMP: INR 9964 | Mcap: INR 2876.92 bn**

**Company aims to achieve INR 100-300 per ton reduction in operating costs over the next three years through efficiency improvements. Further, it plans to add 15-17 million tons capacity in FY25 and aims to reach 199.6 million tons by FY27.**

**Financials**

• Revenue stood at INR 20069 cr up by 9% YoY/22% QoQ; Volume stood at 35.08 mt up by 11%YoY/28% QoQ

• Ebitda stood at INR 4250 cr is up by 23% YoY/25% QoQ.

• Realization declined by 3.8 YoY% and 6.0%QoQ basis. Realizations stood at INR 5170/mt vs INR 5499/mt in Q3FY23, impacted EBITDA/mt by ₹ 23/Mt QoQ.

• Logistics cost decreased 2% YoY due to internal efficiencies, the lead distance was reduced by 13km to 400km in Q4FY24 YoY while remained flat QoQ.

• Power cost decreased by 2% YoY and 7% QoQ and stood at INR 395/mt in Q4FY24, due to increase in the green power mix to 25.7% in Q4FY24.

• Fuel cost decrease 3% QoQ/ 21% YoY, and the Pet coke consumption was at 36% vs 52% in Q4FY23 and 44% in Q3FY24.

• RM cost remained flat YoY/- 5% QoQ led by decrease in cost of raw materials like fly ash, limestone and gypsum etc; other costs down by 4% YoY/24% QoQ due to operating leverage benefit.

**Key Highlights**

• Company has increased its pace of growth in the RMC business with 307 RMC plants in FY24 serving customers across the country.

• Individual Home Builders continues to be the biggest demand driver segment for cement in India.

• Company has a largest retail footprint in the country with over 3900 stores with 16% of the sales coming through retail platform.

• Ongoing increase in the green power mix, reduced fuel costs, increase in AFR and operating leverage are expected to drive cost optimization.

• All India capacity utilization seems to have increased by about 200 bps , with company achieving an 85% capacity utilization rate.

• Managements anticipates some amount of moderation in FY25 in terms of demand, however the slowdown is expected to be shorter than previous years.

• The industry is anticipated to maintain its growth trajectory, aiming for high single-digit growth this year as well.

• Company expects to add 15-17 million tons capacity in FY25 and by end of FY27 it aims to reach 199.6 mn tons.

• Though the realizations has dropped about 6% QoQ across the country, average prices have increased by 3.5% CAGR over last five years.

• Fuel consumption cost stood at Rs2.03/Kcal

• High priced coal contracts likely to get utilize fully by Dec24.

• The kesoram transaction has received CCI approval and plans to merge with effect from 1st April 24 subject to all regulatory approvals.

• Kesoram has already refinanced and reduced cost of debt by 50% and company plans to reduce further.

• Considering the potential capacity gain from kesoram Company has put hold on grinding unit expansion of 2.7 mn tonne in same markets.

• Company expects fuel prices to soften and substantial improvement from Q4FY25.

• Company plans to increase green power share from 24% to 60% by FY27.

• Company targets to reach net cash by end of FY25 exluding Kesoram, and net debt level of 15-20 bn including Kesoram.

• Pricing - Company has witness improvement in few regions since march, particularly in Maharashtra, eastern and southern region. Central region remain flat in terms of pricing.

• Trade volumes for the quarter was 63%.

**Orient cements Q4FY24 Concall KTAs**

**CMP: 224 | Market Cap 45.53 bn**

**The company expects weak demand in April and May, but is hopeful for a pickup post-monsoon and is targeting 8% YoY volume growth for FY25. Aims to spend around INR 10 bn for capex in FY25**

**Financials**

• Revenues came in at INR 8880.2 Mn in Q4FY24 (18.2% QoQ / 1.4% YoY).

• EBITDA came in at INR 1481 Mn (+28.3% QoQ) (+6.2% YoY)

• EBITDA Margins came in at 16.7% (Vs 15.4% QoQ) (Vs 15.9% YoY)

• PBT stood at INR 1100.14 Mn (53.3% QoQ)

• PAT came in at INR 681.9 Mn (+51.6% QoQ) (1.2% YoY)

• PAT Margins came in at 7.7% (Vs 6% QoQ) and remain flattish YoY.

**Pricing**

• Company faced a challenging quarter with march month being very brutal due to little growth or low demand in the market.

• Throughout the march month company saw decreases in prices across the market with a slight recovery observed in the first two weeks of April.

**Operations Highlights**

• In terms of volumes company saw fairly strong growth +24% QoQ, but realizations went down by 5%.

• Volume for the quarter stood at 1.72 mn ton.

• The company's overall utilization rate stood at 81%.

* Realizations for the quarter on blended basis stood at INR 5130.

• EBITDA per ton stood at INR 900 vs INR 840 in Q3FY24 and 843 in Q4FY23.

**Key Highlights**

• Company’s challenge lies in the old plant at Devapur which continues to struggle in terms of overall capacity utilization while some plants are doing more than 100% capacity utilization.

• Setback in the performance is seen due to Devapur plant which largely caters to markets in Telangana and certain areas of Maharashtra.

• Telangana has seen improvement by 12% QoQ but still there's a decline of 26% for the same period last year.

• Maharashtra remains the company's largest market and grew by 32% QoQ and 13% YoY.

• The impact is reflected in increased freight costs, stemming from lower freight rates in the Telangana market compared to the higher sales in Maharashtra.

• Increased sales in Maharashtra including in Mumbai and Pune have push B to B sales contributing ~55%.

• OPC sales stood at 46% in Q4 vs 43% last year, mainly due to large customers in Mumbai continue to prefer OPC.

• Company have got its product approved for the bullet train project i.e Mumbai–Ahmedabad. Company have already been in contact with some of contractors building that train and have agreed to supply cement to the bullet train project in that market.

• Company saw an increase in premium brands volumes by 31%YoY, contributing 22% of total paid sales.

• Company charges a premium INR 45 per bag over PPC. In dolphin, company is in excess of INR 65 a bag over PPC and in orient green cements a premium of ~INR 25-27 per bag.

• The first phase of waste heat recovery project at Karnataka Chittapur plant was commissioned in the early second half FY24. The pending second phase has finally commissioned on 29th April 24, with will exceed 10 Mw power.

• Company expects the annual gain from wasted recovery to be minimum 500-550 Mn a year.

• Company have signed up with the solar power players with Jalgam to receive additional solar power within the month of May and Karnataka Chittapur plant will start getting solar power in the month of June.

• Fuel mix for the quarter- 45%, domestic coal, 34%, pet coke and 21% alternative fuels.

• The company's market mix comprises 67% from the West and 24% (slight decline from previous levels) from the South and 9% from the central.

**Ambuja Cements Ltd Q4FY24 Concall KTAs**

**CMP: 626 | Market Cap 1242.82 bn**

**Financial**

• Ambuja consol Revenues came in at INR 88.94 bn in Q4FY24 (12% YoY).

• EBITDA came in at INR 16.99 bn (+37% YoY).

• PAT came in at INR 15.26 Bn (+100 % YoY).

• ACC Standalone Revenues came in at INR 53.98 Mn in Q4FY24 (+9.7% / +12.6% YoY).

• EBITDA stood at INR 8.02 Bn with EBITDA margin of 15.5% (vs 18.4% QoQ/ 9.7%YoY).

• Sanghi Revenues came in at INR 2.85 bn in Q4FY24 (26.1% YoY/ -23.7 % QoQ).

• EBITDA stood at 0.59 bn with EBITDA margin of 20.71%, driven by higher capacity utilisation and reduction in cost of production

**Industry outlook**

• Company expects higher utilization over the next five years since demand is expected to grow at the rate of 8-9% faster than the capacity expansion rate.

• Company will benefit from accelerated growth, lower cost and group synergies, all of which will contribute to lead the market and achieve sustainable performance in the near future.

**Capex**

• Substantial plan for capex which includes buying new railway wagons and ongoing programs for efficiency ranges about 50-60 bn purely a growth capex.

**Expansion**

• Sanghi has a great location having fantastic fitment of footprint within company's ecosystem.

• Currently, it has 2 kilns which can produce 6.6 million as per the rated capacity which needed refurbishment and this whole process is expected to get over by H1FY25.

• Company further plans to add two more kilins of 4 million each, making sanghi one of the largest single location and lowest cost plants.

**Pricing**

• Management anticipates pricing to remain stable and should not decrease further and improve from this point onward.

**Other Highlights**

• In trade segment of ACC, premium products comprise of 30% and on an average level between both the companies it has more than 25% premium products targeting much higher volumes from this segment.

• Company expects the cost to come down by ~INR 500 a tonne by FY28 , 40% cost optimization coming  from logistics and 55-60% from manufacturing and associated adjacencies.

• Company is focus on long term procurement of critical raw materials, targeting a sizable percentage coming through long term agreements.

• Power cost saving of INR 100 per ton resulted from significant investment program of 100 bn in green and waste heat initiatives.

• Currently, power cost is about INR 6.75 paisa. Over the next five years company aims to decrease this to about INR 4.50 paisa.

• Company launched a new Kiln ametha of ACC, which is running at 100% plus capacity utilization.

• 60% of power sourced will be from green power by FY28, which will help to reduce carbon footprint.

• Company is optimizing the infrastructure at Sanghi that would enable efficient transportation of cement and clinker from the plant to the jetty through mechanized conveyor belts.

**Star cement Q4FY24 Concall KTAs**

**CMP 236 | Market Cap 95.42 bn**

**Company expects volume to grow by 20% in FY25. Demand environment in north east remained subdued due elections while the prices remained stable. In next 3-4 years company plans to have 12 mn capacity in northeast including Siligur and 4-5 mn ton capacity in Rajasthan.**

**Financials**

• Revenue stood at INR 9.14 bn in Q4FY24 as compare to INR 8.29 in Q4FY23.

• Operating EBITDA stood at INR 1.88 bn in Q4FY24 as compare to INR 1.79 Bn in Q4FY23.

• PAT stood at INR 880 Mn in Q4FY24 as compare to INR 960 Mn in Q4FY23.

**Operating Highlights**

• Clinker production stood at 6.93 lakhs ton in Q4FY24 vs 7.78 lakh tons in Q4FY23.

• Cement production stood at 13.88 lakhs ton in Q4FY24 vs 12.51 lakh tons in Q4FY23.

• Sales volume grew by % to 13.87 lakh ton in Q4FY24.

• Geography mix: Company has sold 10.40 lakh ton in Q4FY24 vs 9.12 lakh ton in Q4FY23 in north east and outside northeast company sold 3.48 lakh tons vs 3.23 lakh tons in Q4FY23.

• Fuel mix- 4% is FSA, Biomass was 10% and Nagaland ~36% and spot contract coal ~50%.

• Trade: non trade mix is 85:15%.

• Lead distance stood at 227 km for Q4FY24.

• Weighted average cost for fuel stood at 1.7 which is expected to reduce further as company has signed FSA contract with coal india for next 10 years for 3.6 lakh tons of coal at INR 1.5 gcv.

• EBITDA/ton stood at INR 1312 in FY24 vs INR 1297 in FY23.

**Capex**

• Company has spent ~INR 10.35 Bn out of the planned INR 12.50 bn on the clinker plant.

• For griding unit company has spent ~220 Mn and in FY25 company expects to invest ~3000 Mn for this unit.

• Overall, capex for FY25 is expected to be INR 10 Bn of which INR 2.20 Bn is for clinker plant ,~ INR 3 bn for grinding unit , 0.65 bn for AAC block and adjacent construction chemical plant , 0.3 bn for acquisition of land in Jorhat , operation capex of INR 1.5 bn.

• INR 7.5 bn capex will be funded through internal accruals while the rest will be debt.

**Other Highlights**

• Company expects percentage of institutional sales to go up in coming quarters.

• GST credit spent on new project will get adjusted in Q1FY25 and benefit of gst from both clinker and subsidies is expected to occur from Q2FY25.

• Pricing remained stable in north east while outside north east in Bengal and Bihar saw a drop of INR 300 in prices.

• Company plans to invest in a new plant in Jorhat in upper assam over the next 2.5 years.

• Griding unit is operating at a capacity utilization of 78%.

• Plans to expand in Rajasthan where company is in the process of acquiring a mine.

**Heidelberg Cement India Ltd Q4FY24 Concall highlights**

**CMP INR 202 | Market Cap INR 45.80 bn**

**Company expects to grow volume in line with industry by 6-7% in FY25. Major capex will be for its debottlenecking project of ~500-550 Mn and other 550-550 Mn as sustainable capex. Total capex for FY25 is expected to be ~ 1,000-1,250 Mn.**

Financials

•Revenues came in at INR 5966 Mn in Q4FY24 (-0.9%YoY). FY24 revenue stood at INR 23658 Mn (5.7% YoY).

•EBITDA came in at INR 889 Mn (+28.6% YoY), while EBITDA margins stood at 14.9% (Vs 11.5% YoY)

•PAT came in at INR 482 Mn (37.7% YoY), while PAT Margins stood at 8.07% (Vs 5.81% YoY).

Operating Highlights

•EBITDA per tonne stood at INR 721 in Q4FY24 vs INR 583 in Q4FY23 (23.7% YoY). Sales volume stood at 1233 in Q4FY24 vs 1186 in Q4FY23.(4% YoY).

•Company has signed long term Hybrid PPA for 8 MW Wind and 8 MW Solar for 37 Gigawatt hours p.a. which will further increase the share of green power. Share of non-grid power increased to 38% in FY24.

•Ammasandra is consistently operating at over 90% green power. Company targets to reach more than 40% green power by FY25

•De-bottlenecking of clinker capacity will increase cement volume of 200,000 tons per annum. The project has been started is expected to be commence by Q3FY25.

•Company added value added product Power shield in December23, accepted well by market and done ~ 8000 tonnes of sale per month.

•Company has dispatched 44% of total products by road(-2.8% YoY). AFR stood at 8% (2.3% YoY). Trade mix stood at 82%.

•Fuel cost stood at INR 1.8 kcal. current fuel cost remains flat as compare to March.

•Fuel Mix: 30% coal, 60% pet coke, and 10% alternative fuels.

•Pricing: Company has seen a drop of INR 6 per bag in April and May as compare to last quarter.

•Volume growth with line with industry with capex of 1,000- 1,250 Mn for FY25.

•Company is working on stamp duty and other problems for merger of zuari with Heidelberg. It is expected to be completed by FY26/FY27.

**K P R Mill Ltd Q4FY24 Concall Highlights**
**CMP: INR 839 | Market Cap: INR 286.63 Bn**

**Present brownfield expansion is expected to complete during the H1 FY25. Company is waiting for the market to improve to plan for further expansion.***
**If UK FDI happens, it will be very advantageous for KPR., because they are already in Europe in a big way, it will help them to increase the market share.**
**Company expects garment margin to be steady at 24%.**

**Financial performance**
* Net Revenue for quarter de-grew 13% YoY and stood at INR 1,696.72cr (+36.7% QoQ) and for FY24 revenue stood at INR 6,059.68cr vs INR 6,165.88cr in FY23.
* EBITDA stood flat YoY to INR 1,303.95cr and the EBITDA Margin also stayed flat at 21.28% on an annual basis. And EBITDA for quarter stood at INR 346.96cr (+16% QoQ, +5.6% YoY).
* PAT stood at INR 805.35cr for FY24 flat YoY. And stood at INR 213.61cr for the quarter vs INR 187.06cr in Q3FY24 and INR 209.55cr for Q4FY23.
* Sugar revenue came in at INR 73cr and Ethanol at INR 150cr with a combined margin of 28%.
* In garmenting; company has inventory of one-month stock
**Industry Outlook**
* FY24 was a challenging year for the textile industry. The fluctuation in cotton prices resulting in lower realization of yarn, reduced demand from downstream apparel companies, increase in energy cost, piling up of inventories, severe competition from competing countries, etc., were some of the contributing factors.
**Concall Highlights**
* Company has faced difficulties in African markets, particularly in Ethiopia due to regional issues and withdrawal of tax benefits. As a result, company is not pursuing further business opportunities there and are focusing on Indian expansion. They have added new customers in the US market and expect more to come.
* Company have introduced full body printing, Swarovski printing, garment printing and embroideries and other things in the recent past 2-3 years' time. So slowly the value additions are increasing in the garment and this will be increased margins in the segment.
* Breakup of sales is Europe ~60%, US is about 20% and Australia is about 15%. Company expects stable outlook for these markets.
* Company's current capacity for garment is 38mn garments per quarter; after brownfield expansion this will reach to 40mnin H1 and 45mn in H2.
* Last quarter margins for yarn and garment were at 16% and 27% which have come down to 12% and 24% due to fluctuations in cotton prices.
* The sugar volumes are down for year because company has to wait for government release orders to fill when they produce more sugar. Currently, they have an inventory of close to 150,000 tons.
* Company anticipate receiving volume quotas for the next couple of quarters based on their inventory quota as of Q4, once they receive the release orders from the government.
* Company is focusing on increasing visibility and sales promotion activities for FASO in South India to enhance both volume and value. For FY24 recorded a topline of INR 25cr.

**Arvind Ltd Q4FY24 Concall Highlights**
**CMP: INR 338 | Market Cap: INR 88.34 Bn**

**Company expects garmenting (Currently 15%; target 17-18%) and AMD (Target of low double-digit) segment to drive margin growth as denim and fabric have reached peak returns.**
**Company expects AMD revenue share to grow to 30% which is currently 17-18% and rest to textile in 3 years.**
**Company expects a surge in garmenting sector driven by global interest in sourcing from India, alongside diversification from traditional hubs like Bangladesh and Vietnam. Company expects to grow this segment by 25%.**
**Regarding AMD business, the company aims to sustain a growth rate of 20% or more, leveraging its superior return on capital profile and competitive advantages in innovation and cost.**

Financial Performance
* Revenue for the quarter stood at INR 2075cr which is a growth of 10% on YoY basis and FY 24 revenue stood at INR 7738cr. (Revenue includes sale of land of INR 32cr and INR 6cr EBITDA)
* During Q4 company's volume grew significantly on YoY basis, Denim 13%, Garments 41% and AMD (Advanced Material Division) by 17%.
* EBITDA during the quarter was INR 243cr which is a growth of 27% on YoY basis with EBITDA margin of 11.7% which has improved by 156 bps YoY.
* FY24 EBITDA reached a milestone of INR 845cr which is a growth of 6% YoY with EBITDA margin of 10.92%.
* PAT stood at INR 99cr which is growth of 19% on YoY basis and for FY24 PAT stood at INR 334cr.
* Long-term debt as on FY 24 has come down by another INR 34cr from Q3 FY23 level and stood at INR 399cr with total net debt of INR 1250cr compared to INR 1327cr in FY23.
* ROCE for Q4FY 24 improved by 326bps to 14.8% at the end of FY24.
* Company have declared a dividend of INR 4.75 per equity which is 35% of consolidated PAT.

Segment wise Financials
* In Q4 textile revenue stood at INR 1504cr with an EBITDA of INR 173cr with EBITDA margin of 11.5% which is improved 200bps YoY on account of softening of input cost, efficiency gains in garmenting and better product and customer mix.
* AMD revenue in Q4 is INR 387cr which is a growth of 21% YoY, EBITDA margin for the period has improved by 131bps to reach 15.8%.
* In FY 24, AMD business has revenue of INR 1428cr and EBITDA of INR 222cr which is a growth of 14% and 35% respectively YoY. EBITDA margin for the year has improved by 240 bps and stood at 15.6%.

Other Highlights
* Last year had two distinct phases: a slow start with soft demand and excess inventory, followed by a revival in demand and cautious optimism for growth as inventory issues resolved.

* Company have commissioned first agrofuel boiler to replace fossil fuel, accelerating decarbonization efforts. Currently, 47% of our power comes from renewables, with plans to increase to nearly 90%.
* Additionally, company have launched Jivica, a global water innovation center, in collaboration with a key customer, inviting industry collaboration for water conservation initiatives.
* Company's major capex will be done in AMD and garmenting and these new capacities will be commenced from H2 FY25.
* Capacity utilization for AMD and garmenting is ~90% therefore company expects growth in these segments with major capex being used for the same.
* Company expects garmenting and AMD segment to drive margin growth as denim and fabric have reached peak returns.
* Total of 60-70% of AMD revenue is coming through exports. Company expects domestic to grow as demand for safety, defense, industrial products, composites, mobility, all of that is going to go up.
* Arvind Envisol has propelled company's leadership in water management over the past 8-10 years. Starting as an internal initiative, it has evolved into INR 280-300cr business with positive cash flow.

**GHCL Textiles Ltd | Q4FY24 Concall KTAs**
**CMP- INR 86M.Cap- INR 8,170mn**

**Company plans to do a capex of INR 350cr in 2 years' time out of which INR 200-250cr will be funded through debt. Company expects debt of INR 200-250cr in 2 years.**

Company expects revenue of INR 1250cr with EBITDA margin of 17-20% in FY25, INR 1400cr in Fy24 and INR 1550cr in FY27.

Company's current debt/equity was at 0.05 which will rise to 0.11 in FY25 and expected to go till 0.39 by FY29.

Financial Performance

Net Revenue for quarter grew 7% YoY to INR 2,280Mn (+17% QoQ) and for FY24 revenue stood at INR 10,600mn vs INR 10,370mn in FY23.

EBITDA grew 50% QoQ to INR 300mn and the EBITDA Margin expanded by 200bps QoQ to 10% for quarter. And EBITDA for FY24 stood at INR 890mn (+27% YoY).

PAT grew 150% QoQ to INR 100mn for quarter. And stood at INR 250mn FY24.

Key highlights

There was a recent decline in spread possibly due to elections. When spreads decrease, it often suggests decreased risk perception or increased market liquidity. Demand is slightly gone down due this and therefore slightly the inventory buildup is taking place.

Company is strategically expanding its presence in the fabric business, with plans for gradual vertical integration and diversification into higher value-added products.

Company embarked on fabric business in FY23-24 and is now planning a more significant expansion in the current year.

Currently, company does not have its own manufacturing but outsources the conversion of yarn into fabric. This allows flexibility and enables to export its products and cater to the domestic market.

Looking ahead to FY 25-26, company plans to establish its manufacturing for weaving and knitting. This vertical integration can enhance control over production process, improve efficiency, and potentially reduce costs.

Company aims to move towards producing finished, dyed fabric, company also envisions exploring opportunities in functional fabric as part of its value-added product portfolio.

Bangladesh is facing some currency crises, demand dip from the importing countries like US and Europe therefore they are not taking a long position on the RM, which is a yarn all these leads to demand dip for the company.

There was a fluctuation in cotton prices which went up to 64-65k and then came down and again are in the range of 59-60k, this can also be the reason for demand dip.

Company is looking for productizations, premium segment of the export market, investing in green power will reduce power cost, bringing efficiency all this will lead to margin expansion.

11% duty on the long staple cotton has gone down and this will be advantage to the Indian yarn producers.

Capacity utilization for the year was 98% of 225k spindle capacity.

Company have added 40K spindles last year and is adding 25k this year.

Margin difference in established product and value-added products will be around 2-3%.

**Relaxo Footwear Q4FY24 Concall KTAs**

**CMP: INR 851| M Cap: INR 213Bn| TTM EPS: INR 8.05**

**Arihant Capital**

Q4FY24 Financials:
There was a slight decline in revenue at INR 747 cr -2.3% YoY.
EBITDA +2% YoY to INR 120 cr, with a margin of 16.1%
PAT -3% YoY to INR 61 cr.

Operational highlights: Capacity utilization was 65%, and there was the acquisition of a 30-acre land parcel for future capacity expansion. They also launched a DMS and a retailer app for engagement and sales monitoring which reached 50,000 outlets. The southern market faced a slight decline in sales. They also added a new plant for backend manufacturing of sportswear in the PU category.

Guidance: The management has guided for double-digit revenue growth in FY25 and over the next 2-3 years, with an EBITDA margin of 15-16%. They also plan to add 50-60 EBOs next year.

There was subdued demand which impacted receivable collections, increased competition, and RM price volatility. There was also a decline in Q4 volumes. Receivables were up 30% this year vs a revenue growth of 4%.

Capex of INR 248cr incurred during the year which includes the land parcel in Bhilwadi

Export margins are similar to domestic margins.

Avg realization for the year was INR 148/ pair and INR 149 for Q4FY24. Corresponding volumes were 19.5cr pairs and 5cr pairs.

BIS implementation led to Q4 volumes declining as it led to increased prices being passed on

Revenue Mix: Open footwear contributes 80% of revenue. Sparx brand contributes ⅓ of sales and has a 55% closed footwear mix. Exports constitute 4.5% of sales. E-commerce contributes to 9-10% of sales.

Inventory is now in control and has been normalized

Profits under pressure over the past 2-3 years has led to lower ROE

Sportswear is growing ahead of open footwear, and will be a major focus area going forward. Currently closed footwear is 40% of revenues. Open footwear is facing excess supply in the market which has pushed down market prices. In order to maintain margins, the company took a moderate price increase in open footwear which led to a slight increase in realization QoQ.

**V.I.P Industries Q4FY24 Concall KTAs**

**CMP: INR 531| M Cap: INR 75Bn| TTM EPS: INR 5.21**

**Arihant Capital**

Q4FY24 Financials:
Revenue +15% YoY (first double-digit growth in 3 quarters), and volumes +14% YoY (8% and 11% respectively for FY24).
EBITDA margin was 2.3% .
PBT declined in Q4, and the company recorded a loss of 24 cr.

Operational Highlights: Healthy volume growth and secondary sales. E-commerce growth during Q4 was well over the 9MFY24 growth rate while general trade and international business also improved. The company has reached 1,300 town penetration. Aristocrat has joined the INR 1,000 Cr club, but VIP and skybags are lagging. They added 14 EBOs and are not at 507- closing loss-making ones this year. There was an INR 15 Cr one-off this year out of which INR 5 Cr was toward employee costs, and the rest was toward legal fees.

New launches in VIP and Skybags April will be reflected in Q1.

Caprese crossed the INR 100cr mark, and they signed Kiara Advani as the brand ambassador.

Guidance: In FY25 they plan to grow ahead of the market with a 15% EBITDA margin coming majorly in H2. Target GM is 52-53%, and they are not looking to add any more EBOs, and are instead focused on improving the throughput of existing ones. The target debt level is INR 250 Cr vs the current INR 485 Cr. The target luggage capacity is 7 Lakh pieces for soft luggage and 13 Lakh pieces for hard luggage.

The company had a 50% GM in Q4 due to the underutilization of the Bangladesh entity which is expected to improve in H2, with a large part of recovery coming in Q3. This entity is used for backpack and duffel bag production

Out of the INR 900cr inventory, INR 300cr is soft luggage, which the company has now stopped producing, and is selling INR 50cr worth every month with no discounting (it is a 6-month inventory). By the end of year they are looking to reduce inventory to INR 200 cr.

55% of revenues come from brands other than aristocrat- which are premium and mid-premium level brands. in India 20% of the market is premium.

50% of trolleys have become consumable and overall trolley cost is not substantial enough to make a dent in profitability

The company is working towards receiving an insurance refund for the fire incident at the Bangladesh facility, expecting a resolution by Q2FY25

**Nitin Spinners Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 341 |Market Cap: INR 19,162 Mn**

**Outlook**

**The management expects an improvement in demand in the next 5-6 months. The company plans to focus on operational excellence, innovation, and expansion into value-added segments while maintaining sustainability. The company plans to increase the proportion of value-added products to more than 50% of total revenue from the current level of 38-40%. The management expects a volume growth of around 10% in the coming year, driven by improved capacity utilization and increased demand. To reduce costs and improve margins, the company aims to add more solar power capacity, which will further reduce its power costs. The management is also optimistic about the potential benefits from the upcoming Free Trade Agreements with the UK and the EU.**

Financial Performance

* The revenue for FY24 stood at INR 29,060 Mn, YoY growth of around 21% and, INR 8,010 Mn, YoY growth of 22% in Q4FY24.
* EBITDA for FY24 stood at INR 3,770 Mn, YoY growth of ~27% and INR 1,160 Mn, YoY growth of 64% in Q4FY24.
* EBITDA margin for Q4 FY24 is at 14.52%, YoY improvement of 368 bps.
* PAT for FY24 was at 1,320 Mn, YoY decline of 20% and at INR 391.7 Mn, YoY growth of 1.63% Q4FY24.
* The board recommended a dividend of ₹2.5 per share for FY24, same as the previous year.

Operational Performance

* Achieved capacity utilization of around 90% across spinning and weaving segments in Q4 FY24.
* The company completed INR 9,550 Mn capital expenditure plan as per designated timeline.
* The management aims to maintain a debt-to-equity ratio of around 1.2 and keep interest costs below 2.5-3% of revenue.
* The company integrated sustainable practices by using Organic, BCI cotton, and Recycled fibers in product lines.

Capacity Utilization

* The company was operating at nearly full capacity utilization for yarn spinning in Q4 FY24 at around 91,000 tons out of rated capacity of 110,000 tons per annum.
* The management sees scope for further improvement in capacity utilization of around 10% for yarn and 7-8% for fabric in the coming year.

Capital Expenditure

* The company has added substantial new capacity recently, with a capex of around INR 8,400 Mn over the last 1.5 years.
* Around 30% of this capex was for value-added segments like weaving, processing and knitting.

Debt and Interest Cost
* Total debt as of March 2024 was INR 13,390 Mn and the company plans to reduce the same through scheduled repayments of around INR 1,500 Mn in FY25, without adding any new debt.

* It is getting interest subsidies, which after approval will reduce interest cost by around INR 200 Mn annually.

Power Cost Reduction Efforts
* The company has added 23 MW of solar capacity recently, up from 12-13 MW previously.
* It plans to further add 7-8 MW solar capacity in the current year at its plant locations.
* This is expected to generate around 27 million units of solar power annually at very low cost, reducing overall power expenses significantly.

Other Highlights
* The company's net worth increased from INR 1030 Mn in FY23 to INR 11,460 Mn in FY24.
* The return on net worth of the company was 12% in FY24 as compared to 17% in FY23.
* The debt-equity ratio also improved from 1.19x in FY23 to 1.17x in FY24.
* Operating cash flow generation stood at INR 1,630 Mn in FY24.
* The management remains committed to innovation and sustainable practices in pursuit of long-term growth.
* The company maintained a diversified product portfolio catering to varied customer needs across domestic and international markets. Around 59% of revenue comes from exports.

**Vardhman Textiles Ltd Q4FY24 Concall KTAs**
**CMP: INR  437 | Market Cap: INR 126.33bn**

**China plus one is working out very well for the company and the industry, lot of brands are coming to India.**
**Government has announced a rotate on the underway advanced platforms, so the disadvantage of cotton import with the duty is relatively much less now compared to what it used to be.**
**Spinning side company expects big margin expansion as utilization increases in 6-9 months.**
**Company have plan a capex of INR 1000cr for spinning, INR 300cr for technical textile, INR 200cr for debottlenecking and modernization and INR 300-400cr for green power.**

Financial Performance
* Net Revenue for quarter stood flat at YoY to INR 24590mn (+5.6% QoQ) and for FY24 revenue stood at INR 95050mn vs INR 101370Mn in FY23.
* EBITDA de-grew 26.5% YoY to INR 9730mn and the EBITDA Margin contrast by 300bps YoY to 10% on an annual basis. And EBITDA for quarter stood at INR 3080mn (+26.2% QoQ, 2%).
* PAT de-grew21.71% YoY to INR 6370mn for FY24. And stood at INR 2020mn for the quarter vs INR 1620mn in Q3FY24 and INR 1600mn for Q4FY23.

Key highlights
* First phase of new capex of ~INR 300cr will be for technical textile this will add capacity of 15 lakh meter per month. 70-80% will be for polyester and rest neon, which will be used in sportwear and active wear.
* Company expects that for fabric industry worst is over but recovery will take some time.
* Company did a capex of INR 200cr adding 15-16k spindles, these will commence from Dec of FY25. And have planned to add 50k spindles more which will take another year to commence.
* For FY24 company is running at 100% capacity utilization for spinning division. Comparatively industry utilization is 72-75%.
* Currently both domestic and exports are having normal demand with same margins.
* Company plans to raise 50-60% of capex and 50-60% of working capital through debt.
* Company plans to increase green power share from 2% to 25% by installing power capacity of INR 350-400cr for this year.
* Company is adding new 77k spindles which is a capex of about INR 1000cr.
* Margins and turnover ratio will be lower as most of these products will be polyester based or the filament based. So, the prices of that will be determined by the polyester or the filament

**Banswara Syntex Ltd – Q4FY24 Concall KTAs**
**CMP: INR 144 | Market Cap: INR 4,938 Mn**

**Outlook**

**The company is optimistic about its potential, aiming for a turnover of up to INR 20,000 Mn without significant modernization or capex, leveraging existing capacities and the potential for increased market access. Anticipating a resurgence in demand during FY25, they foresee market recovery driven by a potential revival in exports and the domestic market. Additionally, the company expects to benefit from recent free trade agreements with Europe and potential agreements with the UK and Canada, which could enhance export opportunities. Management expresses confidence in the enduring promise of the Indian textile sector, attributing it to favorable government initiatives and the trend towards India due to the "China plus one" strategy.**

Financial Highlights

•Total Income stood at INR 3,521 Mn in Q4FY24 down by 5.9% YoY & INR 12,821 Mn in FY24 down by 15.3% YoY.
•EBITDA was at INR 308 Mn in Q4FY24 down by 44.9% YoY with margins at 8.7% & INR 1,206 Mn in FY24 down by 43.3% YoY with margins at 9.4%.
•PAT was at INR 83 Mn in Q4FY24 down by 70.1% YoY with margins at 2.4% & INR 353 Mn in FY24 down by 68.4% YoY with margins at 2.7%.

Industry Overview

•The global economic climate remains challenging due to geopolitical uncertainties, impacting global trade and the Indian textile industry, particularly the export-dependent sectors.
•However, growth is expected in the coming quarters driven by demand revival in the domestic market and potential recovery in exports and reduced raw material prices.
•The company states that India stands to benefit from global demand diversification away from China, with the Indian textile market having a huge potential for a 10% growth rate and gaining an additional 9-10% market share.

Product Mix

•The company is focusing on Synthetic fabrics and blends, catering to the growing demand for athletic/leisure wear, wrinkle-free and moisture management fabrics.
•It is not into home furnishings, but produces jacquard/decorative fabrics for ceremonial wear and is expanding into nylon-based products by importing yarns.

Business Segments

•Company's sales volume of yarn division increased by 9% to 22.9 Mn kilograms, but revenue declined by 8% to INR 5,120 Mn due to pricing pressure.
•Company's fabric division revenues dipped by 18% to INR 4,560 Mn, with capacity utilization at 66%.
•Company's garment division sales declined by 23% YoY to INR 2,820 Mn due to an overall market slowdown, with capacity utilization at 57%.

Strategies and Initiatives

•The Company has launched new brands "Simone Federico and Figli" and "One Mile" to compete in the domestic market.

•It is focusing on sustainability initiatives including reducing water consumption, using greener energy sources and improving Higg Index rating.

•The company is doing proactive expansion of its customer base in the EU and USA markets to counter market fluctuations.

•Company’s emphasis is on innovation, speed, and digital marketing to adapt to changing consumer preferences.

Export Markets Focus

•Company is focusing on the USA which is the biggest export market, with plans to grow significantly with customers like Phillips Van Heusen, Ralph Lauren, Gap and Banana Republic.

•The company is exploring new geographies and expanding customer base in European markets like France, Germany and Italy.

Domestic Market

•The company has a strong presence in the suit and formal tailored clothing business, supplying to major brands like Blackberrys, Arrow, Van Heusen, Louis Philippe, Park Avenue.

•It is selling through modern trade channels like Reliance Retail and Tata Trent.

Technical Textiles

•The company does not have a core focus on technical textiles, but has specialty lines like flame retardant curtains for railways, theaters, etc. and tent fabrics for the army.

•The company’s automotive textiles joint venture with Tesca is performing well and the company is considering expansion.

Capacity Utilization & Working Capital Management

•Company had relatively low capacity utilization in FY24 which was 82% in yarn, 66% in fabric, 57% in garments.

•Company’s inventory cycle was reduced from 185 days to 175 days and the overall working capital cycle was improved leading to lower borrowings.

Automotive Textiles

•The company supplies textile components for the interiors of vehicles, including electric vehicles (EVs), through its joint venture with Tesca.

•The company's products cater to the soft interiors of vehicles, which remain relevant irrespective of the powertrain technology

•To better serve automotive customers, the company has established a separate division in Chennai, which is a major automotive manufacturing hub in India. It is also considering setting up a third facility in Madhya Pradesh for the same purpose.

**Sangam India Q4FY24 Concall KTAs**

**CMP: INR 396| MCap: INR 20 Bn| TTM EPS: INR 11.7**

**Arihant Capital**

**Expansion into garment, denims, and fabrics (VAPs). INR 344 cr capex in Yarn to be completed by Q1FY26, and INR 160 Cr of capex in synthetic fabric to be completed by Q3FY25. Denim & phase 1 of the synthetic fabric capex is completed, and the benefits will come from Q1FY25, and Phase 2 is still ongoing. This was done to increase proportion of high margin products.**

Existing facilities are running on full utilization.

Guidance: 12.5% margin by FY26- after capex, depending on yarn spread. If yarn spreads improve to the historical 10% margins, they can reach 15% margins. This margins are also supported by government focus on man made fiber to encourage value added yarn production.

Export markets: cotton yarn- Bangladesh, South Africa, LATAM; fabric- Africa, Egypt, Middle East. Exports are 30% of revenue. FY25 exports will be in the range of 33-48%.

Shift in revenue mix: The current yarn contribution to VAP is 47-53, which is targeted at 40-60.

Debt: The company forsees debt coming down in FY25. Interest rates have gone up globally, and are now at their peak. They have LTB of INR 690 Cr (INR 150 Cr of old loans at 9%, and the rest below 5%0, and STB of INR 240 Cr at 8%.

Indian cotton is 2% cheaper than industry cotton now.

revenue from branded products is 3%. The capex on garments has been completed- and growth should be visible from FY25.
10% energy is sourced from renewable resources.

FTAs: Signed with the UK and Australia will take time to reflect as the new government settles in the next 2 months.

Effective tax rate will be 25% going forward.

No conversion of existing warrants is going to take place (no further equity infusion).

**Siyaram Silk Mills Ltd – Q4FY24 Concall KTAs**
**CMP: INR 469| Market Cap: INR 21,295 Mn**

**Outlook**

**The company faced challenges in the previous fiscal year due to muted consumer demand, inflation, and fewer wedding days, resulting in flat revenue growth. However, the management is hopeful about a revival in demand in the H2FY25, driven by festivities and increased wedding dates. The company has provided a revenue growth guidance of 10-12% for FY25, with the expectation that the first half will continue to be challenging. The focus remains on premiumization, brand building, and advertising, with plans to allocate 4-5% of revenue towards advertising and sales promotion. Overall, while acknowledging the near-term challenges, the management is optimistic about the long-term prospects.**

Financial Performance

- Standalone revenue for FY24 stood at INR 20,870 Mn compared to INR 22,290 Mn in FY23, degrew by 6.4% YoY and stood at INR 6,464 Mn, decline by 7% YoY in Q4FY24.
- EBITDA stood at INR 2,849 Mn, decline by 22.8% in FY24 and at INR 1,059 Mn, down by 12.8% YoY in Q4FY24.
- EBITDA margin for Q4FY24 was 16.4%, in line with the objective of investing in brand building and increased visibility while PAT margin for FY24 was 8.8%.
- PAT stood at INR 1,847 Mn, decline by 26.7% YoY in FY24 and INR 690 Mn in Q4FY24, down by ~22% YoY.
- The company has announced a final dividend of INR 4 per share, taking the total dividend for FY24 to INR 11 per share.

Growth Strategy

- The company is working on a new retail project to take them closer to end consumers and gain a larger wallet share.
- The company plans to open 40 new stores in FY25, following a franchise-owned and franchise-operated model.
- The company is focused on premiumization and brand building, allocating 4-5% of revenue towards advertising and sales promotion.

Product Portfolio

- The company has a diverse brand portfolio offering a wide range of designs, styles, and quality levels to cater to different customer preferences.
- They are expanding their knitted fabric (denim) product category, with a capacity of 200 tons per month and plans to increase the fabric sales mix.
- The company is sourcing recycled yarn and recycled products as per market requirements, with a focus on sustainability.

Manufacturing Capacity and Utilization

- The company outsources about 80% of its garment manufacturing capacity, while in-house capacities are generally fully utilized.
- The yarn and fabric capacities were utilized at around 50% in the previous year.
- The company aims to optimize the utilization of its knitted fabric capacity, which was at 25% in the previous year.

Product Mix and Pricing

- The company has observed a trend of increasing realizations due to premiumization, but the product mix keeps changing based on demand. It participates in various product categories, including blends of wool, linen, cotton, and other premium fibers.
- The pricing policy for each new design and product range is determined based on market acceptance and consumer demand trends.

Distribution Strategy

- The company follows a multi-brand and multi-product strategy for its distributors, with some distributors handling multiple brands and categories.
- The allocation of brands and product segments to distributors is based on their financial capacity, manpower, and growth vision.
- The company regularly reviews the performance of its distributors and adjusts their portfolio accordingly.

Capital Expenditure

- The company's capital expenditure is primarily focused on maintenance and technological upgrades, with a closing capital work in progress of INR 187 Mn as of March 31, 2024.
- The capital expenditure in the FY23 was around INR 590 Mn, primarily for plant and equipment investments.

Other Highlights

- The company acknowledges the increasing acceptance of recycled yarn and recycled products in the export market.
- The government's imposition of a minimum import price of $3.5 on Chinese knitted fabric imports is expected to boost Indian manufacturers across segments, supporting the "Made in India" initiative.

**Rupa & Co Q4FY24 Concall KTAs**

**CMP: INR 260| Mcap: INR 20,688 Mn| TTM EPS: INR 8.02**

**Arihant Capital**

**Outlook: *The management has guided FY25 revenue growth of 13-15% YoY and an EBITDA margin of 10-11%. The company plans to focus on athleisure, women's wear, and thermal wear, expand distribution through the "Pragati" retailer loyalty program, and potentially implement price hikes. However, there remain concerns about subdued rural demand and market share loss in FY24. The company has also mentioned the rise in recognition of the "Rupa" trademark, the introduction of the "Pragati" retailer loyalty program, and the decision to discontinue the licensed brand FCUK in the UK**

Volume Growth: was 17% YoY.

Modern Trade & E-commerce: Contributed 4% to FY24 revenues.

Exports: Contributed 2% to FY24 revenues, but the market continues to face challenges due to macroeconomic factors.

Capacity Utilization: They are operating at 70-75% of total capacity.

FY25 Guidance: Revenue growth of 13-15% YoY with EBITDA Margin of 10-11%. They have also gilded for Q1FY25 Revenue Growth of 18-20% YoY.

Focus Areas: Athleisure, women's wear, thermal wear, and expanding distribution through the “Pragati" retailer loyalty program.

Price Hikes: Potential 3-5% price increases planned in FY25.

EBO Expansion: The company plans to open 20 new Exclusive Brand Outlets (EBOs) in FY25.

Subdued Rural Demand: The company faced slower rural demand attributed to inflation.

Market Share: There was an indication of market share loss in FY24 to unnamed competitors.

Product Mix: They are undertaking Initiatives to expand premium segments and introduce new product lines.

Branding and Advertising: The costs Constituted 5% of FY24 revenue. The company will keep up continued investment in marketing efforts, including celebrity endorsements.

Discontinuation of Licensed Brand: The company has decided to discontinue the licensed brand FCUK in the UK.

**Cantabil Retail Q4FY24 Concall KTAs**

**CMP: INR 205| MCap: INR 17 Bn| TTM EPS: INR 7.44**

**Arihant Capital**

**Outlook: The company is gung ho on store expansion, opening ~90 stores pan-India, with a focus on women's and kids stores across T2 and T3 cities- mostly in the north. Q1FY25 so far has seen a strong demand uptick despite lower wedding demand. We believe discretionary spending will further improve on the expectation of a normal monsoon. The company is fairly priced at a TTM P/E of 28x, and given how aggressive it is being with growth, improving balance sheet health, and its operating metrics will lead to significant value unlocking in the medium to long term.**

Q4FY24 Financials:
Revenue from Operations grew by 12% to INR 194 Cr.
EBIDTA stood at INR 44 cr vs INR 42 cr in Q4FY23. The margin for stood at 22.6% VS 24.2% in Q4FY23.
PAT stood at INR 18.3 cr vs INR 16.9 cr in Q4FY23.

Fundraising: They raised INR 50.4cr from FIIs in Q4.

Store addition, retail space, and ABV: The Company added 86 Stores (opened 98, closed 12) in Q4. Total retail area stood at 6.64 lakh sq. ft as of FY24 VS 5.27 lakh sq. ft for FY23. The PSF for FY24 was INR 802 vs INR 903 in FY23. SSG for the year was -4%. The ABV for FY24 was INR 4,099 vs INR 3,954 in FY23. ASP for the FY24 was INR 1,039 vs INR 1,058 for FY23.

FY24 Volume growth was 10%.

Demand is good for Q1, with a visible pick-up in demand last few months. Wedding season toward the end of June will also lead to a demand revival. The suit and blazer category generally picks up in the wedding season- in winter, and the category constitutes 10% of revenues.

GM is less in Q4, due to higher EOSS discounting.

They plan to take a few markups in FY25, to keep up with inflation, such that they can comfortably maintain 55% GMs going forward. They did not take any markups in FY24 which led to a decline in SSSG in Q4. SSSG volumes for March are 9%. Going forward, SSSG will be 7% with a 50-50 value volume split.

Long-term EBITDA margin is 28-30%, with the driver being incentivization programs, and the creation of special winterwear categories.

Store split: Was 1/3 franchisee- 2/3 company store, and this split is now 25-75.

In FY25, they plan to add 85-90 stores, most of which will be company-owned. They plan to increase the store count to 700 in the next 2 years. The average store size is 1,600 sqft.

Inventory: finished goods are at the level same as they were last year due to the conversion of RM and WIP into FG, which was consumed.

Footwear sales last year were INR 2.6cr, and are targeted to be INR 10 Cr in FY25.

Online sales were 2.5x over last year, though this segment does not have great margins, it is a channel to get rid of old inventory. It is targeted to reach INR 50 Cr (6-7% of revenues) in FY25.

**Century Enka Ltd – Q4FY24 Concall KTAs**
**CMP: INR 604 | Market Cap: INR 13,203 Mn**
**Outlook**
**The company's focus is on increasing the share of value-added products, reducing costs, and driving operational efficiencies. The newly commissioned polyester tire cord fabric capacity, once approved by tyre companies, is expected to aid volume growth in FY25. Management remains optimistic about 10-20% revenue growth in FY25, supported by 5-10% higher overall volumes. However, margin pressures may persist due to elevated input costs and pricing discipline required to combat cheap imports.**

Financial Highlights

- Revenue from operations stood at INR 4,687 Mn in Q4FY24 down by 0.8% YoY & INR 17,442 Mn in FY24 down by 15.8% YoY.
- EBITDA stood at INR 338 Mn in Q4FY24 up by 48.9% YoY with margins at 7.21% & INR 828 Mn in FY24 down by 41.9% YoY and margins at 4.75%.
- PAT was at INR 203 Mn in Q4FY24 up by 40% with margins at 4.33% & INR 428 Mn in FY24 down by 52.6% YoY with margins at 2.45%.

Revenue Breakup

- NTCF sales in Q4FY24 stood at INR 2,160 Mn down by 13% YoY & INR 8,270 Mn in FY24 down by 22% YoY.
- NFY sales in Q4FY24 stood at INR 2,380 Mn up by 14% YoY & INR 8,500 Mn in FY24 down by 7% YoY.

Business Updates

- The company had slight improvement in demand for nylon cord and tyre cord fabrics (NCCs), but growth remained muted.
- The company noticed improving demand for two-wheeler tyres in India, but commercial vehicle tyre demand was flat and tractor tyre demand was declining.
- Its Tire exports were rising but were still lower than past levels.
- The company has overcapacity in China which leads to dumping into India, impacting demand and margins.

Operational Updates

- The company commissioned new polyester tire cord fabric (PTCF) capacity in March 2024.
- The company initiated a process for PTCF approval from tire companies.
- Company had total cash outflow of INR 1,150 Mn towards ongoing Capex programs in FY24 and its total installed capacity is currently at 92,000 tons per annum.

Growth Plans

- The company is evaluating opportunities in technical textiles segment and focusing on increasing value-added products and reducing costs
- It has no plans for major capacity expansion in the nylon cord segment.

Other Updates

- The company has no plans to acquire any stressed assets or companies in the NFI segment currently.
- It has an expected payback period of 5-7 years for the new PTCF facility.
- The company states that some modernization or replacement capex will continue but no major expansions planned for the NCC segment.

**Sai Silks Kalamandir Q4FY24 Concall KTAs**
**CMP: INR 174| MCap: INR 26,532 Mn| TTM EPS: INR 6.58**

**Outlook: With the wedding market still in recovery mode, the overall number of wedding days in Q4 was lower compared to last year (accompanied by lower consumer spending), with a slight recovery visible in March- marked by heightened footfalls, positive SSSG, and new store openings. The company also expanded its retail space and customer base, with a focus on digital marketing and integration of systems. SSKL aims to open additional store capacity in FY25 and expects positive SSSG and revenue increase, primarily in Tamil Nadu. However, they face issues regarding negative operating cash flow and weaker market consumption in the wedding and occasion segments. The management remains optimistic about growth in the Tamil Nadu market and plans to focus on expanding its presence in the region.**

Store Additions: SSKL added three new stores in Q4, totaling 22,750 sqft of retail area, all under the Vara Mahalakshmi. Additionally, one Kalamandir store was upgraded to Vara Mahalakshmi. In Q3 they added another 3 stores. The throughput in new stores seems encouraging. Going ahead, most store additions will be Vara Mahalakshmi stores centralized in Tamil Nadu in FY25. 1-2 quarters after these are completed, they might consider Kalamandir stores in Chennai and Coimbatore. Total retail space for the full year increased by 43,900 square feet, bringing the total to 647,300 square feet. SSKL aims to open 90,000 square feet of additional store capacity in FY25, primarily under the Vara Mahalakshmi Silks brand in Tamil Nadu.

- Digital advertisements have 2x over last year.
- 12-15% of current inventory is greater than a year. Post the 90,000sqft addition, inventory levels should normalize- post Q2 and Q3 which is when most of the festivities come in.
- Major focus area will be silk saris in the >INR 25,000 range.
- 100% of Vara Mahalakshmi sales are at full price, and they rarely offer discounts. In FY24 very few specific stores had an EOSS.
- 15-18% of revenues come from men and kidswear. These are driven by occasion demand.
- Cash flow conversion: Their conversion of investments into cash is lower than their peers because the company is currently working on paying off liabilities and improving balance sheet health. In FY24 they worked toward reducing payables.
- Out of the current customer base of 6.5mn, they witness 53% repeat purchases.
- Guidance: Q2 and Q3 productivity will be better in FY25 with 2-3% SSSG (similar to that of Q4FY24). FY24 had -6% SSSG. FY25 revenues will be higher by INR 300-350 Cr. Expansion plans for the next two years include reaching approximately 750,000 square feet of retail space.
- Sari demand in India is growing at an 8% CAGR, and 50% of demand comes from south India. For the company, demand from Tamil Nadu Andhra + Telangana combined.
- Revenue per store (per sqft): Vara Mahalakshmi INR 45-46,000, Mandir INR 44,000, KLM INR 14,000, Kalamandir INR 20,000.

**Shoppers Stop Ltd – Q4FY24 Concall KTAs**

**CMP INR 717 | Market Cap INR 78.86 bn**

## Key Focus and growth drivers

-Company plans to spend Rs 250- 275cr in FY25 for opening 100 stores and renovations, funding through internal accruals and existing credit lines.

-Challenges were faced in the private brands segment, but the beauty and Intune formats showed growth and expected to grow further. Also, apparel business is showing signs of recovery.

-Company expects improved consumer sentiment post- elections and plans to focus on new store openings, premiumization, and customer experience enhancement.

-Company is also actively working on improving its omnichannel presence, Exploring the possibility of franchising the Intune format in the future and focus on operational efficiency and cost control.

-Company is widening the base of users and aims to gain market share by opening number of stores, entering newer cities, strengthening the private label and increasing the loyalty base.

## Financial Performance

* Company reported Q4 Revenue of Rs 1000 Cr, growth of 9% YoY and EBITDA of Rs 199 Cr, up 11%, with EBITDA margin of 16%. Annual Revenue of Rs 4213 Cr, + 5% and EBITDA Rs 767 Cr, +2%.

* EBITDA was impacted by one-time investments in beauty and inventory write-offs totaling Rs 14cr.

* Gross margin slightly decreased YoY due to increased promotional activity in private label brands. Company expects gross margin to increase going forward.

## Private brands segment

* Private brands facing challenges due to weak demand in women's western wear and men's categories. However, the company is taking steps to improve product differentiation and positioning.

* In private brands company is focusing on specific categories with strong potential such as men's ethnic wear and women's sleepwear.

* Implementing learnings from Intune to improve inventory management and product differentiation. Inventory levels reduced by 25% YoY for private brands.

**Beauty Segment**

* Beauty business showed strong performance with 7% YoY growth, contributing 18% to overall sales.

* Launched Largest Premium Beauty store (9000 sq. ft.) at Quest Mall, Kolkata; opened 3 Beauty Stores in Q4 and 16 for FY24, aggregating to 87 as at FY24.

* Beauty segment achieved profitability in its first full year. Expanding distribution network and brand portfolio.

**Other Key Highlights**

* Company invested Rs 84cr during the quarter and Rs 246cr for the full year primarily for new store openings and renovations.

* Company opened 7 departmental stores, 3 beauty stores, 12 Intune stores. Targeted to open 56 stores this year and opened 55 stores.

* During the quarter premium portfolio grew by 25% this resulted in increase in Average Transaction Value by 8%.

* Loyal customers contributed 78% of sales, with 65% repeat purchases. The program is nearing 10mn members.

* Intune value-fashion format is showing growth with 22 stores opened in its first 8 months of operation.

* Company is concerned about impact of elections (Stores have to be closed) and heatwave on near-term consumer demand. Also, Higher Capex requirements for Beauty format stores impacting overall profitability.

**Sportking Q4FY24 Concall KTAs**

**CMP: INR 849| MCap: INR 1,079 Cr| TTM EPS: INR 61.65**

**Outlook: We expect the margin to keep further inching up over the next couple of quarters under a steady demand scenario. Top line may touch INR 1,200 Cr in the next year with a 3% deviation depending on yarn price trajectory, as yarn demand is just starting its route to recovery.**

- Operating environment: Indian cotton prices have moderated since their peak and will remain range bound for the near future. For the last 3-4 months Indian cotton has been at a discount to international cotton. Cotton prices moved from INR 54,000 to INR 59,000 per candy during the quarter, with no further movement expected. The company currently has 5-6 months of cotton inventory. All segments are recovering well. Chinese consumption has not fully returned, but demand from Bangladesh remains sturdy- some of which can be attributed to previous spillover demand.
- 100% increase in exports over last year witnessed while domestic demand still has headroom for growth. Dumping from China is hurting key synthetic yarn markets.
- Depreciation was elevated during the quarter because of capex completion
- No capex on the books right now, but if any, it will be brownfield expansions funded through a debt + equity (internal accruals) combination with the LTD ratio kept under 1. Target D/E ratio is to be kept below 1. In FY24 INR 274 Cr of capex was done. Any further expansion has a high chance of taking place in the yarn department.
- 30-35% of preference shares were redeemed, with no plans of further redemption for the next 2-3 years.
- Sale and order book- Most business continues to be with existing customers decades old rather than new ones.
- Q4 yarn blend: 60% cotton 25% poly cotton, 2-3% acrylic, and the remaining is blended yarn.
- Peak demand is usually October to March generally, but this time was pushed back to December to april/ may.
- Yarn prices have gone up INR 10 over the last quarter.
- Cost of debt is 7% for STD of INR 250 cr, and 7.5% for LTD of INR 300-350 cr. STD will come down to INR 100cr in the next 3-4 months because of good OCF. LTD repayment of INR 55-60cr targeted for FY25.
- WC increase during the quarter was due to cotton purchase- a seasonal commodity.

**Vedant Fashions Ltd Q4FY24 Concall KTAs**

**CMP INR 954 | Market Cap INR 231.6 Bn**

**Outlook: We believe the company is poised for growth alongside the industry, owing to its strong retail base, continued ad spends, diversified brand portfolio, upcoming projects like Project Mantan targeting online and dealer network expansion, exploration of new opportunities in accessories, and a focus on effective execution.**

**Overview**

* This year company reported flat growth due to lower weddings, muted sentiments of consumers and higher base effect of last year which was post COVID.

* Company expects growth from Q2 as the base year (FY24) is now normalized and Q1 doesn't have weddings.

**Financial Performance**

* The company reported revenue of INR 363cr for quarter delivering a growth of 6.3% YoY with gross margin of around 67.1%.

* EBITDA margins for quarter were 49% and EBITDA stood at INR 178cr. The company reported PAT margin of 31.9% and PAT stood at 116cr with a growth of 6.4% QOQ.

* Revenue for the year stood at INR 1368cr compared to INR 1355cr for FY23, with gross margin of around 67.2%.

* EBITDA margins for year stood at 48.6% and the EBITDA at INR 664cr. PAT margin of 30.3% and PAT at INR 414cr.

* Company maintained working capital at 88 days and has been able to achieve ROCE of 85.3%, with cash conversion ratio of 81.4%.

**Key Highlights**

* Company's receivables have increased from 130 days to 150 days due to the expansion of square footage, slower revenue growth compared to expansion and the business model's reliance on franchisee payments upon product sales, resulting in a higher level of receivables.

* Company added higher proportion of leased stores compared to the overall retail area expansion, primarily driven by a focus on tier one and tier two cities, where a majority of the stores are leased. This led to increase in ROU.

* 65% of revenue comes from stores where company pays rent in 1-2 years it can fluctuate but company aims to keep in same range in long term.

* Company have opened Mohey EBO in current quarter which is using ~7500 sqft area, with a new concept keeping women in mind. Company have received positive feedback and conversion rates in 30-35 days.

* Company's other income is increased attributing to rise in finance income, driven by improved cash balances leading to higher investments and better yields compared to the previous year.

* Average store size has increased from 2400-2250 sqft to 3050 sqft as new stores opened are large in size and these new stores will take 2-3 years to mature.

* Company have added 2.37 lakh sqft on base of 1.45mn sqft, with focus on replacing and relocating older stores with larger ones to optimize space and maximize potential. This has been going for past 2-2.5 years and may continue in future, with smaller stores (1000sqft) where there is potential.

* Company expects digital project Manthan to launce in next 1 or 2 quarters.

* Company speeded 5.6% of revenue on ad bit higher than previous years which will help in long term and also company spend another 5.1% on job work.

**Pearl Global Q4FY24 Concall KTAs**

**CMP: INR 644| Mcap: INR 2,806 Cr| TTM EPS: INR 40.1**

**Outlook: The company increased its capacity to 84mn pieces per year as of now vs 80mn in FY23 and is focusing on expanding operations in Bangladesh, Vietnam, Indonesia, and Guatemala. In India, the company is addressing high attrition and absenteeism rates through digitization. The company is also focused on new customer additions However; concerns remain about the cautious optimism in the US market and a slowdown in the European market. PGIL is open to inorganic growth opportunities while focusing on maximizing existing infrastructure and organic growth.**

**FY24 Financials:**

Revenue INR 3,436.2 cr (+8.8% YoY), driven by 21% YoY growth in overseas revenue.

Adjusted EBITDA (ex. ESOP) INR 316.4 cr (+22.5% YoY).

Adjusted EBITDA Margin 9.2% (+100 bps YoY), due to operational efficiency gains and increased profitability from overseas operations.

PAT After Minority Interest INR 174.8 cr (+17.1% YoY).

The overall industry growth outlook is cautiously optimistic as elections and geopolitical conditions coupled with interest rates being at an all-time high have impacted retailer buying activity, and current demand is in the low digits. The European market is also witnessing a slowdown.

Capex plans for the next 4 years is INR 500 Cr, and for FY25 they target INR 70-90 Cr for India. There will be an additional INR 8-10 Cr of maintenance capex in India and a further INR 8-10 Cr for maintenance in Bangladesh.

The company recorded a ROCE of 28.2%, (+400bps YoY) due to better WC management, which came down from 38 to 30 days.

**Current utilization is 57mn pieces**

Geographic performance: Bangladesh had Revenue growth and efficiency gains that led to economies of scale and improved margins. Vietnam and Indonesia had Capacity expansion in previous years and now major capex is done, expecting steady growth. Guatemala also has completed Capacity addition. However, India is Expanding capacity in existing and new states to leverage lower labor costs and available workforce.

*Guidance: Expecting a revenue CAGR of 15-18% (potentially up to 20%), and  Aiming for 120-140 million piece capacity by FY28. With an EBITDA of 10-12%. FY25 targets 15% growth, INR 300 Cr+ EBITDA, and 35-40 days of NWC. Target revenues for FY28 are INR 6,000 Cr.

The combination of owned and partnership capacities allows for easy adjustment of production volumes without incurring the cost of manufacturing

Interest cost was INR 13.6cr, up from INR 8cr last year, and has increased due to heightened liabilities, but leverage is maintained in line with the growth strategy.

Approximately 50% of garments supplied involve PGIL's design input.

**Mayur Uniquoters  Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 552 |Market Cap: INR 24,268 Mn**

**Rating : Buy|TP: INR 672**

**Outlook**

**Mayur Uniquoters is optimistic about its future prospects, projecting a 20-25% YoY growth in both revenue and profit over the next two years. The company expects robust expansion in its export business, with OEM exports anticipated to grow by 20-25% annually and general exports by 15-18% annually. They are concentrating on high-value segments, premium products, and securing long-term contracts with global brands. Additionally, they see opportunities in the marine sector and plan to enter the US market. Despite this positive outlook, there are concerns about margin trends, footwear regulations, competition in the PU segment, and the slow approval process for new business.**

**Financial Performance**

• For FY24 revenue stands at INR 8,030 Mn, YoY growth of 3.5% and the Q4 FY24 revenue stands at INR 2,209 Mn, YoY growth of 14.3% and a QoQ growth of 23.9%.

• EBITDA stands at INR 1588 Mn, YoY increase of 14.5% in FY24 and the Q4 FY24 EBITDA stands at INR 1,225 Mn, a YoY increase of 17.2% and a QoQ growth of 16.8%.

• The FY24 PAT stands at INR 1,454  Mn, a YoY increase of 17.5% and the Q4 FY24 PAT stands at INR 322 Mn, a YoY increase of 37.8% and a QoQ growth of 18.0%.

**Business Segment**

• The OEM business generated INR 1,580 Mn in FY24, accounting for approximately 25% of total revenue. It is expected to grow 2.5 to 3 times over the next three years.

• The general export business generated INR 700 Mn in FY24, accounting for approximately 11% of total revenue. It is expected to grow at an annual rate of 15-18%.

• The domestic OEM business generated INR 1,850  in FY24, accounting for approximately 29% of total revenue. It is expected to grow at a rate of 20-25% in FY25.

• The domestic replacement business generated INR 1,430 Mn in FY24, accounting for approximately 22% of total revenue.

• The footwear business generated INR 480 Mn in Q4 FY24, with an implied revenue of approximately INR 1,890 Mn for the full FY24, accounting for around 30% of total revenue.

• The PU business generated INR 65 Mn in Q4 FY24, with an implied revenue of approximately INR 260 Mn for the full FY24, accounting for around 4% of total revenue.

**Capacity and Expansion Plans**

• The company has around 25% spare capacity available for further growth.

• Land has been acquired in Mexico near the US border for warehousing facilities and potential future manufacturing facilities to cater to the US market.

• The company plans to establish a subsidiary in Lithuania, Europe, to serve the European market better.

**Capital Expenditure (CAPEX)**

• The company incurs an average CAPEX of INR 300-400 Mn annually for capacity expansions and machine upgrades.

• The increase in depreciation from INR 250 Mn to INR 290 Mn in FY24 was due to additional depreciation on buildings and front-end machines.

**Marine Business**

• The company has recently entered the marine business segment, which has significant potential globally.

• The company has participated in various activations for the marine segment and has received positive responses from customers.

• The marine segment requires high-quality products due to the harsh environmental conditions, and the company is working to meet these standards.

**Customer Acquisition and Approval Process**

• Acquiring new customers, especially in the global markets, is a time-consuming process involving extensive sample testing, product evaluations, and approvals.

• The company is actively working on submitting samples to global brands and receiving positive responses, but it may take time to translate into significant business.

• Once approved by global brands, the company's products can be recommended and supplied to various locations worldwide.

## BMW Order Update

• The company had previously mentioned starting supplies for a BMW model in Q1FY25.

• However, the management clarified that there could be some delays in the start of supplies, as projections from OEMs often vary.

• The company remains optimistic about the BMW order and expects it to contribute significantly once it commences.

## Order Book and Customer Pipeline

• The company has received good orders for OEM supplies to new models in the export markets, which are expected to drive growth in the coming years.

• Supplies to some new models have already started, while others are expected to commence in the coming quarters.

• The company has a strong pipeline of customers in the footwear, leather goods, and marine segments, which are expected to contribute to growth in the future.

**FSN E-Commerce Ventures Ltd – Q4FY24 Concall KTAs**

**CMP: INR 179 | Market Cap: INR 5,11,431 Mn**

**Outlook**

**With its diversified presence across the beauty, personal care, fashion, and distribution segments, the company has successfully tapped into multiple large and growing market opportunities in India. Brands like "Dot & Key", "Nykaa Cosmetics", and "Nykaa Fashion" have already achieved significant scale, and the company aims to further accelerate their growth while nurturing emerging brands through targeted investments. Company's partnerships with global brands and its positioning as a preferred partner for brands entering the Indian market supports it well for future growth. The company's entry into the GCC market through the launch of the brand "Nysaa" presents a substantial growth opportunity for it, given the region's high per capita consumption and rapid market growth. As the company expands its presence in the GCC, it can leverage its expertise and learnings from the Indian market to drive profitability and market share.**

**Financial Highlights**

- Revenue from operations stood at INR 16,680 Mn in Q4FY24 up by 28% YoY & INR 63,856 Mn in FY24 up by 24% YoY.

- EBITDA stood at INR 933 Mn in Q4FY24 up by 32% YoY with margins at 5.6% & INR 3,462 Mn in FY24 up by 35% YoY and margins at 5.4%.

- PAT was at INR 91 Mn in Q4FY24 up by 298% & INR 397 Mn in FY24 up by 90% YoY.

**Segment Performance**

- Company's BPC (Beauty & Personal Care) segment continued its strong growth, with a GMV contribution of 67% in Q4FY24.

- Its Fashion segment recorded a GMV growth of 27% YoY in Q4FY24, with a focus on improving profitability metrics.

- Its Superstore (B2B distribution) segment experienced an 84% YoY growth in GMV in Q4FY24, driven by an increase in transacting retailers and order quality.

**Strategic Initiatives**

- The company is expanding its physical retail footprint, with the launch of a new flagship store format.

- It is focusing on growing the owned brands portfolio across beauty and fashion verticals, with brands like Dot & Key, Nykaa Cosmetics, and Nykaa Fashion achieving significant scale.

- The company entered into the GCC market through the launch of the brand "Nysaa" with plans for further expansion in the region.

- The company is focusing on improving contribution margins across verticals, particularly in Fashion and Superstore, through improved operational efficiencies and reduced marketing costs.

**Brand Partnerships and Global Expansion**

- The company has established strong partnerships with global beauty and fashion brands, positioning itself as the preferred partner for brands entering the Indian market.

- The company hosted visits from CEOs and top executives of major global brands like Unilever, Estée Lauder, Amore Pacific, and others, highlighting its importance in the Indian market.

- The company has successfully launched global brands like Fenty Beauty (by Rihanna) exclusively in India, leveraging its brand custodianship capabilities and omnichannel distribution.

**Owned Brands Strategy**

- The company's owned brands portfolio has gained significant scale, with brands like Dot & Key (beauty) and Nykaa Fashion crossing annualized GMV of INR 5000 Mn and INR 2000 Mn.

- The company aims to further accelerate the growth of its successful owned brands while nurturing emerging ones through targeted investments.

**Technology and Data Capabilities**

- The company has invested in improving its technology capabilities, focusing on personalization and customer experience.

- They are using data-driven insights which enables it to optimize marketing expenses and improve customer acquisition and retention metrics.

- Also planning to invest in areas such as personalization, AI, and chatbots to enhance the customer experience and operational efficiency.

**Operational Efficiencies**

- The company has achieved significant improvements in operational metrics like conversion rates, repeat purchase behavior, and cost efficiencies in areas like fulfillment and marketing.

- These efficiencies have contributed to the expansion of contribution margins, particularly in the Fashion and Superstore segments.

**Investments in Customer Acquisition**

- The company accelerated its investments in new customer acquisition strategies especially in the post-COVID environment.

- These new customer acquisition strategies included targeted marketing campaigns, personalization efforts, and offering discounts/coupons (accounted for as a reduction in revenue rather than marketing expenses).

**Expansion of Physical Retail Stores**

- The company plans to accelerate the expansion of its physical retail stores, with a potential for 350-400 stores across India.

- These store additions are expected to be a mix of metro and non-metro cities, catering to the growing demand for beauty products across the country.

**Advertising and Brand Partnerships**

- The company is focused on improving advertising opportunities for brands on its platform, allowing them to target consumers at different stages of the purchase journey.

- The company collaborates with global beauty brands, bringing them to the Indian market, with some brands being exclusive to the platform.

**Profitability and Margin Expansion**

- The company is aiming for margin expansion in the BPC (Beauty and Personal Care) segment, driven by improved gross margins and contribution margins.

**Brand Management**

- The company's brand portfolio has grown to include around 1,500 beauty and fashion brands, which it plans to manage and develop for long-term growth.

**Arvind Fashions Ltd Q4FY24 Concall Highlights**

**CMP INR 487 | Market Cap INR 64.91Bn**

**Company's focus is to drive the business of these 5 marquee brands and profitably.**

**Margins for Flying machine is expected to grow in next 2 years.**

**Company expects better growth rate than FY24 for FY25. And once the market conditions become neutral, company is confident that it will achieve 12-15% growth.**

**Company's primary focus remains on retail and online B2C.**

**Company plans to expand and add 15% space from current levels. Also, some reduction because 3-4% of cleaning up their distribution happens every year.**

**Financial Performance**

* Net Revenue for quarter grew by 3.7% YoY to INR 1,094 Cr (-2.8% QoQ) and for FY24 revenue stood at INR 4,259 Cr vs INR 4,421 Cr in FY23.

* EBITDA grew 8.3% YoY to INR 511 Cr and the EBITDA Margin expanded 132bps YoY to 12.0% on an annual basis. EBITDA for quarter stood at INR 135 Cr (-5.6% QoQ, +19.5% YoY).

* PAT stood at INR 137 Cr for FY24 vs INR 87 Cr for FY23 and stood at INR 40 Cr for the quarter vs INR 65 Cr in Q3FY24 and INR 29 Cr for Q4FY23.

* Advertisement expense stood at 4% for the year which is 100bps more than FY23, going forward expected to be in the range of 4%.

**Other Highlights**

* Company opened 5 odd marquee flagship stores in the last quarter these are like full building multi storage 4,000-odd Sq. ft stores of US Polo, with entire line of menswear, women's wear.

* Company's focus is on Kidswear which is grown very well in Q4 FY24.

* Footwear segment has got impacted because of BIS and currently in the footwear, the whole industry has a little bit of lower inventory and assortment is impacted, which is a short-term.

* Company opened this mega mart and in last 2 years, which scaled up also it gives opportunity to liquidate in a better realization and much faster cash realization.

* Company plans to expand its retail footprint only through FOFO model and vision is to be asset light company.

* MBO has grown in high single-digit in the FY24, and is expected continue to grow, at its own pace.

* In wholesale channel, company is very watchful on stocking and especially in department store, have been careful in inventory level and are not overstocking that channel. That's the reason of a little slow down.

* Kidswear in US Polo and Tommy Hilfiger have become more than INR 200cr and is fairly profitable with close to double digit EBITDA. Post COVID, there was closure of lot of kidswear local brands and that opportunity came up.

* Footwear is reaching close to INR 300cr mark and it is close to double digit EBITDA again. Company Just launched last year flying machine footwear.

* Company’s focus is in 4 segments footwear, innerwear, fitwear, and women's wear. Overall, this is INR 500cr business and its growing in double digits and currently share is 15% which is expected to be 20%.

**Mallcom (India) Ltd – Q4FY24 Concall KTAs**

**CMP: INR 1011 | Market Cap: INR 6,309 Mn**

**Outlook**

**The company has set a target of achieving a revenue of INR 10,000 Mn by FY28. The company expects 15% growth in FY25 and expects to grow in all its segments. It majorly expects a similar percentage split in International & India business mix , and a bit increase in white label segment. In FY25 the company expects the margin profile to be similar as this year. The company is strengthening its manufacturing capabilities through capacity expansions, including a new unit for industrial safety shoes in West Bengal and a Greenfield project for protect gloves and other PPE in Gujarat. The company is also focusing on expanding its footprint in the North American market and exploring opportunities in the construction and mining industries within India.**

Financial Highlights

•Consolidated operational income stood at INR 1,224 Mn in Q4FY24 up by 8.6% YoY & INR 4,207 Mn in FY24 up by 2.5% YoY.

•Consolidated EBITDA stood at INR 165 Mn in Q4FY24 down by 1.2% YoY with margins at 13.48% & INR 577 Mn in FY24 down by 1.5% YoY and margins at 13.72%.

•Consolidated PAT was at INR 118 Mn in Q4FY24 up by 20.4% YoY with margins at 9.64% & INR 363 Mn in FY24 down by 1.6% YoY with margins at 8.63%.

Industry Dynamics

•The Indian PPE market is witnessing stricter labour regulations and increased compliance requirements, driving the shift from unorganized to organized players.

•Major raw materials used by the company include leather, PU (polyurethane), nitrile compounds, and fabrics like cotton and polycotton.

•The company follows a cost-plus pricing model, which helps protect margins from fluctuations in raw material prices and currency movements.

Operational Highlights

•Company's garment manufacturing unit in the city was fully shifted and integrated with the newly set up unit in Chandpur, West Bengal, which will lead to improved productivity.

•The company is setting up a new unit for manufacturing industrial safety shoes in Chandpur, with a built-up area of 50,000 square feet and a CAPEX of INR 200 Mn.

•The Greenfield project at Sanand, Gujarat for protect gloves and other PPE is progressing as scheduled, with an investment of INR 380 Mn already made and an additional INR 400 Mn planned.

Product Mix

•The company's product portfolio includes hand protection (gloves), foot protection (safety shoes), body protection (workwear), and head/eye protection gears.

•Company’s leather gloves command lower margins in the private label space compared to other product categories.

•Around 95% of the products of the company are manufactured in-house, with only some stitching work being outsourced to dedicated factories.

•Capacity utilization in Q4 Leather gloves 90%, Garments 70%, Synthetic gloves 70%, Safety shoes 80%

Growth Strategies

•The company is expanding its manufacturing capacity with new facilities in West Bengal and Gujarat to cater to the anticipated demand.

•The company plans to invest around INR 600 Mn in FY25, funded through internal accruals, towards capacity expansion and new product lines.

•The company is focusing on increasing its presence in the North American market, which it expects to perform well in the coming years.

•The company is also exploring opportunities in the construction and mining industries within India.

•Shifted garment manufacturing unit from Delhi to new facility in Chandpur, West Bengal

Competitive Landscape

•The Indian market for PPE products is estimated to be around INR 1,20,000-1,50,000 Mn, with a significant portion being unorganized.

•The company expects the shift from unorganized to organized players to continue as awareness about quality products and compliance increases.

•The company has a long-term rating of 'A' with a stable outlook from ICRA and has retained its status as a three-star export house and is an AEO (Authorized Economic Operator) status holder.

Working Capital Management

•The company's working capital requirements are higher for the export business (90-100 days) compared to the domestic business (around 30 days).

•The company primarily sells through distributors in both domestic (80-85 distributors) and export markets.

•The company does not plan to take on significant debt, with only working capital borrowings expected in the future.

Distribution and Branding

•For the domestic branded business, the company focuses on creating pull from end-users through technical seminars, outdoor campaigns, digital marketing, and participation in exhibitions.

•Dealer outlets have limited space for brand visibility, so the company relies more on direct outreach to safety officers and purchase officers.

**Kewal Kiran Clothing Ltd Q4FY24 Concall Highlights**

**CMP INR 678| Market Cap INR 41.80Bn**

Q4 FY24 Financial Summary

- Revenue Increased by 9.6% QoQ from ₹200.2 crore in Q3 FY24 to ₹219.4 crore, and by 10.0% YoY from ₹199.5 crore in Q4 FY23.

- EBITDA Increased by 9.0% QoQ from ₹38.9 crore to ₹42.4 crore, and by 8.7% YoY from ₹39.0 crore and EBITDA margin was 19.3%, down slightly from 19.4% in Q3 FY24 and 19.6% in Q4 FY23.

- PAT Increased by 13.1% QoQ from ₹33.3 crore to ₹37.6 crore, and by 19.0% YoY from ₹31.6 crore.

Kraus Acquisition

- Kewal Kiran aims to enhance its portfolio in the women's and kids' wear segments, positioning itself as a comprehensive brand for casual wear.

- The company acquired a 50% stake in Kraus for ₹166.5 crore, a brand specializing in women's denim with a working capital cycle similar to Kewal Kiran's, ranging from 120 to 130 days.

- Kraus's major sales channel is through Large Format Stores (LFS), where it ranks among the top three brands (3rd) in the women's denim category, alongside Levi's, Veromoda, and ONLY.

- Kraus operates with an EBITDA margin of 14-15% and a PBT margin of 14-15%.

- The acquisition aims to achieve the right product mix, allowing Kewal Kiran to establish itself as a complete household brand.

- The performance of Kraus in FY25 is expected to be similar to that of Kewal Kiran.

- Ravi Punjabi, one of the partners, will continue to stay with Kraus.

- Kraus is available at over 1000 LFS counters.

- The price range for Kraus denim is between ₹1299 and ₹1999, with an average selling price around ₹850.

Operational Highlights:

- Kewal Kiran will focus on opening more Exclusive Brand Outlets (EBOs) to increase brand visibility.

- The company has reduced its inventory days to 35 from the usual 80 due to the dynamics of fast fashion.

- The expected growth in the shirts segment will mirror the growth of the jeans segment.

- Due to a weaker market, only 34 stores were added in FY24, with a target to add 50 stores in FY25.

Guidance:

- Growth: The company projects a yearly double-digit growth rate of 15-18%.

- EBITDA Margins: Expected to range between 18-20%.

- PBT Margins: Expected to range between 14-15%.

- Q1 FY25: April business performance was good, but May was slower, and the overall demand scenario for Q1 FY25 is not very promising.

Financial Position

- The company maintains a cash balance of ₹200-250 crore in reserves to manage any unforeseen events.

- Winter and accessories contribute 13% to the overall business.

- Other expenses were higher in Q4 due to acquisition activities.

CAPEX

Kewal Kiran plans to invest ₹30-40 crore to expand its warehousing capacity in FY25.

EBO Model

- The company follows a Franchise Owned Franchise Operated (FOFO) model.

- The investment is ₹4000 per square foot for a typical 500-square-foot store.

- The first-year return is expected to be 18%, increasing to 24% subsequently.

Kidswear:

- Kidswear currently represents a smaller percentage of the overall business.

- The segment was recently launched in stores and has shown encouraging results in the first two months.

**Monte Carlo Fashions Ltd Q4FY24 Concall Highlights**
**CMP: INR 618 | Mcap: INR 12.77Bn**

**Company expects flat revenue with improvement on profitability side compared to FY24.**
**Company plans to open 45-50 new EBOs in FY25, focusing on western and southern India.**
**Company expects Home Textiles segment to grow at 15-20% in FY25.**
**Focus on improving profitability by rationalizing costs, shutting down unprofitable stores, and optimizing inventory planning.**

Financial Performance
- Revenue stood at INR 206.5cr for the quarter a decline of 12.8% YoY and INR 1061.9cr for FY24 a decline of 5% YoY.
- EBITDA loss of INR 9.9cr for Q4 FY24 and INR 142.9cr profit for FY24, a decline of 34.4% YoY.
- EBITDA Margin stood at -4.79% for Q4 FY24 and 13.46 for FY24.
- PAT loss was at INR 19cr for quarter and +INR 61cr for FY24, a decline of 54% YoY.
- Company have no long-term debt.

Other Key Highlights
- Sales returns were higher than anticipated due to delayed winter season, excess inventory, and aggressive discounting.
- Company closed ~65-70 unprofitable stores.
- Online Sales contributed 9% overall sales; Home Textiles showed strong performance; brand "Rock it" performed well and gained market acceptance.
- Premium Brand "Luxuria" have begun contributing to sales.
- Kidswear segment faced competition and lower margins.
- Company’s focus is on driving online sales growth.
- High sales returns raises concerns about inventory management and sales forecasting.
- Uncertainty regarding consumer spending pattern have contributed to depressed Retail sentiment.
- Company is facing increased competition in certain product categories.
- Company raised prices by 7-8% in FY24.
- Company have implemented app for better inventory management.

Arihant Capital Markets Ltd

**Goldiam International Ltd-Q4FY24 Concall KTAs**

**CMP: INR 173 |Market Cap: INR 18,513 Mn**

**Outlook**

**The company has reported remarkable growth in revenue and profitability, driven by the strong performance of its LGD segment. The company is optimistic about the future growth prospects of both natural and lab-grown diamonds, with LGD gaining significant traction, especially in the US market. The company is now expanding its footprint in the domestic market by launching its retail operations under the brand "ERA" for LGD jewellery. It aims to become the largest retailer of LGD jewellery in India and plans to open 15 stores in the calendar year 2025 itself. With aiming to maintain EBITDA margins of 20-21%, the management expressed confidence in maintaining healthy margins and steady growth going forward.**

**Financial Performance**

- Consolidated revenue reached INR 1,513 Mn in Q4 FY24, marking a 12% YoY increase, and INR 6,168 Mn in FY24, up by 11% YoY.

- EBITDA was INR 274 Mn in Q4 FY24, up by 22% YoY, with margins at 18.1%. For FY24, EBITDA was INR 1,282 Mn up by 3% YoY, with margins at 20.8%, reflecting a decline of 175 bps.

- PAT stood at INR 178 Mn in Q4 FY24, up by 10% YoY, with margins at 11.7%. For FY24, PAT was INR 909 Mn grew by 7% YoY, with margins at 14.7%.

**Lab-grown Diamonds (LGD) Business**

- In FY24, the LGD segment accounted for 49% of the company's revenue, a significant increase from 21% in FY23.

- During Q4FY24, LGD contributed 54% of the revenue, compared to 23% Q4FY23.

- The company has successfully maintained stable margins in the LGD segment despite concerns about falling prices. This was achieved by leveraging its ability to offer higher carat age and converting it into high-end jewellery.

- As of March 31, 2024, the company had an order book totaling INR 1,200 Mn. Additionally, it received two new export orders worth INR 300 Mn each, bringing the total to INR 600 Mn.

**Capex**

- The company does not plan to invest in additional capital expenditure (capex) for growing lab-grown diamonds. This decision is due to the fact that the B2B market prices for lab-grown diamonds are similar to the cost of producing them, making expansion unviable.
- For mall-based stores, the planned capex is approximately INR 25 Mn per store. For high-street stores, the capex ranges from INR 32 Mn to INR 35 Mn per store. This capex includes inventory cost, build-out cost, and rental deposits.

- For mall stores, the inventory cost is estimated to be INR 18 Mn to INR 19 Mn per store and for high-street stores, its range is INR 17 Mn to INR 28 Mn per store.

- For mall stores, the build-out cost and rental deposits amount to around INR 6 Mn to INR 7 Mn per store and for high-street stores, this cost ranges from INR 4 Mn to INR 18 Mn per store.

**Retail Expansion**

- The company is set to launch its retail operations for lab-grown diamonds (LGD) in the domestic market under the brand "ERA" in FY25. The first few stores are planned to open by Q3 FY25, just in time for the festive season.

- ERA's targeted average retail price will range from INR 45,000 to INR 55,000, focusing on the modern mall-built jewellery retail segment.

- The company plans to open 15 stores (a mix of malls and high street locations) throughout the calendar year 2025, positioning itself as the largest COCO (Company-Owned Company-Operated) LGD retailer in India.

**Competition**

- The company has created a strong presence as a dominant LGD retail supplier to large US retailers.

- It believes that differentiation lies in distribution, integration with customers, and providing end-to-end solutions for LGD jewellery.

- The entry of traditional Indian jewellers like Titan into LGD is seen as a positive move that will validate and increase consumer acceptance of LGD in India.

**Distribution and Sales**

- The company caters to large US retailers, department stores, wholesale clubs, and mass-market discount retailers for both in-store and online sales.

- A significant portion of online sales comes at negative working capital for the company.

- The company has introduced its products in the Middle East and certain European countries, receiving positive responses.

**Other Highlights**

- The company does not plan to invest in additional CapEx for growing LGD as the B2B market prices are similar to the cost of growing diamonds themselves.

- The breakeven revenue target for each retail store is set at INR 3-3.5 Mn of monthly sales.

- LGD has gained significant traction in the US market, crossing 50% of unit sales for engagement rings. It sees good traction for LGD in Europe and India through private client sales.

**Grasim Industries Ltd Q4FY24 Concall highlights**

**CMP INR 2,454 | Market Cap INR 1,641.4bn**

**Overall, the company has been growing at a steady rate through the years. Cellulosic Fibre and Building materials business continued to remain strong while Chemicals business did have an impact mainly due to major industry headwinds. Birla Opus, the new paints business started by the company has started production in April'24 and has received good traction from dealers and contractors. They plan to aggressively expand this business and gain market share.**

**Key highlights**

-Consolidated Revenue came in at INR 377.27bn (+13% YoY)

-EBITDA stood at INR 61.96bn (+27% YoY), margin of 16%.

-PAT stood at INR 27.22bn ( +4.5% YoY).

-Overall FY24 did see reasonable growth on all fronts. PAT was impacted due to high exceptional items.

-One time impairment provision against current investments of INR 4.97bn on consolidated level.

-Issued first ever sustainability linked non convertible debentures of INR 12.5bn; IFC has also invested in this.

-AV Terrace Bay JV has stopped operations due to non viable operations and adverse market conditions. They have realised an impairment charge of INR 2.8bn.

-Clocked highest ever sales volumes in CSF, cements and caustic soda business in the year.

-Capex for FY25 will be ~INR 45bn, largely towards paints business.

**Cellulosic Fibres**

-Maintained 95% capacity utilisation. They are working on ramping up production further.

-Realisations in India were lower due to oversupply from Indonesia.

-Growth in volumes continued in Q4 as well as FY24.

**Chemicals**

-Global caustic soda prices bottomed out with gradual improvements seen in Q4. Volumes continued to grow consistently.

-The segment have been under pressure largely due to chlorine derivatives low salas as slowdown in agrochemical industry prevails. Realisations continued to face pressure.

-The company evaluates their performance on overall basis taking margins as base for all products and not individually.

-Some plants were under maintenance shutdown for repairs and upgradation during the quarter.

-Epoxy polymer plant commissioned recently has started to see an uptick in volumes.

-Chlorine business saw seen degrowth by 5% in Q4 when compared to Q3FY24. The ongoing quarter has seen some improvements.

**Building materials, B2B E-commerce**

-Cements business utilisation stood at 85%. They have been leaders in this segment and are growing beyond industry estimates.

-Added new 7.8mn tonnes capacity in Q4 in cements.

-B2B business maintains INR 2bn monthly run rate. Tiles and ply launched under private label earlier will be the focus area going forward. They plan to penetrate across channels.

**Birla Opus – Paints business**

-Commenced production at greenfield plants in April’24.

-The company has received positive response on quality from dealers and contractors. Dealers are being onboarded and placement of tinting machines is going as per plan. -Promotion activities are on track.

-Target to have a dealer network of 50,000 by year end along with 150 operating depots.

-They plan to enter all towns with population more than 1 lakh across India.

-Marketing and branding expenses will be higher in FY25 as the company will look to get this business established.

-The company is optimistic to achieve INR 100bn topline in 3 years of full operation.

**Financial services**

-Amalgamation of Aditya Birla Finance and Aditya Birla Capital announced and is under process.

**Others segments**

-Textiles business is moving towards retail.

-Renewable business continues to ramp up operating capacity.

**Swaraj Suiting Limited - H2 & FY24 Concall Highlights**

**CMP : INR 204 | MarketCap : 3110 Mn**

## Outlook

**The company has successfully met its previous guidance and is now aiming to double its revenue, supported by a strong order book. It is also focusing on obtaining key certifications to drive future growth. And has showcased strong financial performance and strategic foresight, positioning itself for significant growth in both domestic and international markets. The company's commitment to sustainability, product innovation, and capacity expansion indicates a promising future with a clear trajectory towards improving profit margins. Strategic initiatives and favorable market trends suggest that the company is well-prepared to capitalize on the growing demand in the textile industry.**

## Financial Performance

•Revenue for H2 FY24 stood at INR 1767 mn with growth of 1.3% YoY. And FY24 Revenue stood at INR 3196 mn with the growth of 45.7% YoY.

•EBITDA of H2 FY24 increased by 65.4% YoY to INR 238 mn and FY24 EBITDA stood at growth of 69.2% YoY at INR 397 mn.

•Net Profit of H2 FY24 is INR 127 mn with growth of 219.0% YoY. And FY24 Net Profit stood at INR 182 mn growth of 228.6% YoY

•EBITDA Margin of H2 FY24 is 13.5% (+522 bps YoY). And FY24 EBITDA Margin is 12.4% (+172 bps YoY).

•Net Profit Margin H2 FY24 came at 7.2% (+491 bps YoY). And FY24 Net Profit Margin is 5.7% (+317 bps YoY).

## Other Highlights

•Capex Plans: Total planned Capex of INR 500 Cr with Phase 1 completed and Phase 2 expected in FY24-25. Investment aimed at enhancing vertical integration and operational efficiencies.

•Capacity Expansion: Company new plant expansions are set to increase production capacity significantly, with plans to process 72 lakh meters of non-denim fabric. The company aims to reduce outsourcing and improve margins by converting 4-5% waste into usable fabric.

•Order Book: Strong order book with healthy demand, both domestically and internationally. Estimated domestic and international orders amount to approximately 35 lakh meters. Company is already holding 5-6 lakh international order.

•Targets: The company has set an ambitious target to double revenue in the next fiscal year. Expected to achieve 100% revenue growth with a 5.7% margin target.

•Projected topline sales for FY24 are expected to be between INR 350-380 crore, driven by both denim and non-denim segments.

•Company core strength lies is its diverse production base that is handling a variety of natural fibers like cotton, jute, silk, wool and synthetic fibers polyester, viscose, nylon, acrylic

•The company has adopted environmentally friendly policies, minimizing water usage by recycling it completely. Waste management includes converting waste into salt for safe disposal. Received a government subsidy of INR 10 mn for these initiatives.

•Indian Composites Market: Expected to reach US$1.9 billion by 2026, with a CAGR of 16.3% from 2021 to 2026. Consumption of composite materials in India anticipated to reach 7,68,200 tons by 2027.

•Indian Denim Market is expected to grow at a CAGR of 8%-9%, reaching approximately INR 918.94 bn by 2028.

•Global Denim Market valued at USD 193.74 bn in 2022, projected to grow at a CAGR of 7.3%, reaching USD 295.72 bn by 2030.

•The company has a denim finished fabric capacity of 19.76 mn meters with a utilization rate of 42% in FY23.

•Company plans to acquire new equipment to process approximately 25 mn meters of denim and 18 mn meters of cotton annually.

•Peak debt projected at INR 220 crore with an emphasis on reducing financial costs. plans to manage risks by strengthening the global supply chain and optimizing cost structures.

**Guidence**

No plans for mergers; the company will focus on leveraging existing subsidiaries to enhance operational efficiencies.  Continued government subsidies expected to support financial stability over the next 7 years.

**Page Industries Ltd Q4FY24 Concall Highlights**

**CMP INR 35,581 | Market Cap INR 396.73 Bn**

**Time to Accumulate**

**Company’s looks good for long term prospects of the business driven by India's economic growth and increasing middle-income population, growing organized retail landscape, shift in consumer preference towards premium products, PIL is well-positioned to capitalize on growth opportunities in both innerwear and athleisure along with industry.**

**Financial Performance**

* Net Revenue for quarter grew by 3.2% YoY to INR 9,954 Mn (-19% QoQ) and for FY24 revenue stood at INR 45,817 Mn vs INR 47,142 Mn in FY23.

* Sales volume grew 6.1% YoY, amounting to 45.3 Mn pieces for the quarter.

* EBITDA stood flat and grew 1.1% YoY to INR 8,722 Mn and the EBITDA Margin expanded 70bps YoY to 19.0% on an annual basis. EBITDA for quarter stood at INR 1,672 Mn (-27.2% QoQ, +24.5% YoY).

* PAT stood at INR 5,692 Mn for FY24 vs INR 5,712 Mn for FY23 and stood at INR 1,082 Mn for the quarter vs INR 1,525 Mn in Q3FY24 and INR 784 Mn for Q4FY23.

* Company’s improved sewing efficiency and resource optimization contributed to profitability gains.

**Other Key Highlights**

* Company is focused on operational efficiency and inventory management to maintain margins.

* Strategic cost management and supplier negotiations helped mitigate the impact of fluctuating input costs.

* Company’s continued expansion of the distribution network, especially in metros and tier 2 & 3 cities.

* Company is actively working on modernizing the distribution management system and enhanced digital platforms for improved customer experience and engagement.

* Company plans to continue investments in brand building and marketing, product diversification, distribution network expansion, technology adoption.

* Demand was low due to the sluggishness in the overall retail market and subdued consumer demand, particularly in the first half of FY24.

* Competitive intensity has increased from both organized and unorganized players.

* Retailer inventories remain slightly elevated, especially in the athleisure category.

* Company remains committed to a value-for-money proposition without resorting to price cuts.

* Company is focused on maintaining a healthy inventory mix across all channels.

* DRI investigations related to customs duty valuations have been ruled in company's favour.

**S P Apparels Ltd Q4FY24 Concall Highlights**

**CMP INR 597 | Market Cap INR 14.95Bn**

Company is targeting 7-10% volume growth for company's traditional business for FY25 and additional INR 100cr from Sri Lanka for FY25 and INR 200-300cr for FY26.

Company is targeting 85-90% utilization for FY25 which is currently 78% for FY24.

Company have guided for 18% margin for garment division, this quarter was affected by Red sea issue but on yearly basis stood at similar level of 17.67%

Company is targeting INR 110cr revenue for FY25 in retail segment which is now turning EBITDA positive at break even revenue of INR 100cr for the year.

Company plans to increase capacity by 7-10% every year YoY.

**Financial Performance**

• Net Revenue for quarter grew by 7.3% YoY to INR 2,951.3 Mn (+17.1% QoQ) and for FY24 revenue stood at INR 10,873.6 Mn vs INR 10,778.8 Mn in FY23.

• EBITDA de-grew 10.2% YoY to INR 1,551.1 Mn and the EBITDA Margin contracted 130bps YoY to 14.4% on an annual basis. EBITDA for quarter stood at INR 389.2 Mn (+8.6% QoQ, -3.9% YoY).

• PAT stood at INR 896.2 Mn for FY24 vs INR 825.1 Mn for FY23 and stood at INR 284.6 Mn for the quarter vs INR 205.2 Mn in Q3FY24 and INR 176.1 Mn for Q4FY23.

**Other Key Highlights**

• Customers are looking for, number one is the consolidation of the suppliers and this will benefit company.

• Antique China sentiments all over Europe, UK and the US. Therefore, many companies are looking for Indian supplier.

• European, American and UK customers, they want to mitigate the risk of sourcing from Bangladesh because too much of fraud has been placed and find it too risky.

• Company is exiting HEAD brand by December 24, which is a new brand and is not performing well so that will start yielding better margins going forward for retail.

• Company can do INR 1250-1300cr revenue from existing garment capacity and young brands can do ~INR 450cr revenue from current capacity and has 24 acers of land and water is only 7 acers.

- Company feels there’s enough demand headroom, only thing is capacity constrain, once capacity is in place they can get orders accordingly.
- In sipping division company have EBITDA of INR 40 lakhs.
- Company is covered 94% and have minimal forex open exposure.
- Company expects FDA to commence after elections of both UK (4th July) and India, and this will give additional boost to company’s revenue.
- Company has 5000 machines and is adding 1000 machines in Sri Lanka, Shivakasti will be ~500 machines.

**RajRatan Global Ltd – Q4FY24 Concall KTAs**
**CMP: INR 675 | Market Cap: INR 34,270 Mn**

**Guidance: For FY25, the management expects a 20% growth in domestic volumes, driven by the new Chennai plant and reduced Chinese imports. The company is targeting 15-20% volume growth annually through market share gains and OEM approvals. Margins expected to improve, particularly in Thailand, as the product mix shifts towards higher-priced customers.**

Financial performance
- Revenue was flat (up 2% YoY) due to a decline in product prices despite a 16% increase in overall consolidated volumes.
- PAT for FY24 was down 28% to INR 720 Mn.
- EBITDA for FY24 declined 21% YoY to INR 1,276 Mn. EBITDA margin in India was maintained at 17.5%, but Thailand's EBITDA margin was low.

Volume growth
- Significant volume growth of 43% in Thailand since company decided to run the Thailand plant at full capacity, even if it meant taking on low-margin business from Chinese customers, to maintain market share and avoid creating space for competition..
- Marginal volume growth of 2% in India due to cheap Chinese imports, which the government has now curbed through a quality control order.
- Q4FY24 EBITDA per ton for India was INR 15,000 and THB 3,100 for Thailand.

Chennai plant
- The new plant in Chennai is fully operational, with commercial production expected to commence in the current quarter.
- Projected to contribute 15,000 tons (25% of capacity) in FY25, with a gradual ramp-up to 60,000 tons over 4 years.
- Advantages include proximity to customers, lower logistics costs, and PLI benefits (8% of sales as a one-time benefit).
- Margins may be impacted in the initial years due to supplying to low-cost customers until OEM approvals come through.
- The company, previously focused on exporting from Thailand, is now aiming to increase exports from its port-based Chennai facility (around 50% of the plant production) in India to optimize logistics and expand its export capabilities.

Export plans from Thailand
- Aggressive efforts to increase exports to the US and Europe through newly established marketing subsidiaries.
- In Q4FY24, RajRatan exported an average volume of 400-500 tons per month to the European market after receiving approval from a customer there.
- Efforts are underway to obtain approvals from major tire companies like Michelin.
- Approvals and trial orders received from Bridgestone (Europe) and Korean companies (Southeast Asia).
- The company is also expecting regular business from some customers in the US market in the current year.

Market dynamics

- Overall outlook for the tire industry is mixed, with some companies projecting growth while others remain cautious.
- Globally, apart from Chinese players, major competitors include Kiswire (Korea), Bekaert (Europe & America), and a few others with multiple manufacturing locations.

Raw material

Primary raw material is high carbon steel wire rod, constituting around 62% of total sales. Procured mainly from JSW on a monthly basis, and also from Tata Steel, and Electro Steel.

Market share

- In India, RajRatan's market share has come down from earlier levels to around 38% currently due to increased competition from Tata Steel's capacity expansion and Chinese imports. In the auto segment in India, their market share is around 40%.
- In Thailand bead wire market as of Q4FY24, RajRatan currently has a 35-37% market share.

Product diversification

In addition to bead wire, RajRatan also produces other products like black wire, wire for conductors, and wire for screens at their Pithampur plant. In FY24, they did around 15,000 tons of these other products, contributing around INR 1,000 Mn in revenue.

Capacity utilization

- In Q4FY24, the capacity utilization in Thailand was around 85%.
- For the full year FY24, the average capacity utilization in Thailand was 75%, while in India (Pithampur) it was around 84-85%.
- In Thailand, the management targets over 50,000 tons of sales in the coming years, with a capacity utilization of around 80%.

Debt & Capex

- As of March 31, 2024, the consolidated debt stood at around INR 1,900 Mn, with INR 1,350 Mn in India and INR 550 Mn in Thailand. The company plans to reduce debt gradually using cash flows from the newly commissioned assets.
- The cost of debt is around 7.5% on a consolidated basis.
- The total investment in Thailand has reached THB 410 Mn (gross block of INR 1.1 Bn) after the recent capacity expansion from 36,000 tons to 60,000 tons.
- In Chennai, the total planned investment is around INR 3,000 Mn for a capacity of 60,000 tons with a projected turnover of INR 6,000 Mn.

**Outlook: RajRatan Global faced challenges from cheap imports and margin pressure but remains optimistic about future growth. The management does not expect a significant improvement in product prices in the near term due to increased competition and capacity additions by competitors. Going forward, the growth strategy for Thailand is to gradually shift from low-cost customers to higher-priced multinational companies and major tire companies (non-Chinese) by leveraging new customer approvals and exports.**

**Novelis (Hindalco Industries Ltd) | Q4FY24 Concall KTAs**
**CMP- INR 639 M.Cap- INR 1,435,520mn**

**In Q4FY24, Novelis saw a 7% dip in net sales but a significant 28% surge in Adjusted EBITDA. Their focus remains on increasing recycled content to 75% by 2030, backed by $4.9 billion investments in sustainable aluminum projects, including a $4.1 billion facility in the US. Additionally, they plan a dividend payout of 8-10% of cash flow post maintenance capex.**

Business Highlights
-Increased recycled content to 63% in FY24 and target to achieve 75% by the end of this decade. Demand for beverage packaging sheet recovered throughout the year with record full year automotive shipments. Committed to maintain net leverage levels around 3x. Company is confident to achieve margin of $600 per ton over time.

Financial Highlights
Q4
-Net Sales down 7% to $4.1 billion with FRP Shipments up 2% to 951kt.
-Adjusted EBITDA up 28% to $514 million and Adjusted EBITDA per tonne up 25% to $540 compared to $431 prior year.
-Net income up 6% to $166 million

FY24
-Net Sales down 12% to $16.2 billion with FRP shipments down 3% to 3,673kt.
-Adjusted EBITDA up 3% to $1.9 billion and FY24 Adjusted EBITDA per tonne up 7% to $510 compared to $478 in FY23.
-Net income down 9% to $600 million.

Segments- Northern and Southern America have displayed robust results while Europe suffered reduction in adjusted EBITDA by -19% and Asia recorded slight decrease in shipments.

Capital Projects
- $4.9 billion of investments underway to capture growing demand for sustainable aluminum products.
- $4.1 billion 600kt state of the art facility in Bay Minette,US.$365 million advanced automotive recycling center in Guthrie, US.
- $350 million for ~265kt finished goods capacity expansion between FY24 26.
- To tackle the increased demand for scrap with new capacities coming in, company is investing in innovative frontline technologies on scrap sortation, preventing scrap from going into landfills and making it come to the company in higher volumes.
- LME has gone up by 15odd percent which has led to some supply tightness due to increased demand which is being offset by better metals.
- Capex for FY25 to range between $1.8bn to %2.1bn depending upon the project execution timeline.
- Company has paid $100 million dividend to its parent and will be paying 8-10% of cash flow post.

**Jindal Saw Ltd.- Q4FY24 Concall KTAs**
**CMP: INR 532 | Market Cap: INR 1,70,013 Mn**

**Outlook**

**The company well-positioned to capitalize on the expected growth opportunities in its core markets while maintaining a disciplined approach to capital management and strategic initiatives. While no specific revenue guidance was provided, the company expects volume growth to be modest in the range of 10-15% and EBITDA should be in the range of 16-17% in the coming year. The management highlighted the robust order book of USD 1.5 Bn, with a strong demand outlook in the water, oil & gas, and industrial sectors, driven by the government's focus on infrastructure development in India. Additionally, the company plans to reduce its debt levels by prepaying the INR 10,000 Mn acquisition loan during the current calendar year, further strengthening its financial position. The management expressed optimism about the resolution of the ongoing NTPC case, which could potentially unlock additional cash and improve the company's balance sheet strength.**

Financial Performance
- Consolidated revenue grew by 17% YoY to INR 2,11,259 Mn against INR 1,80,610 Mn in FY23.
- EBITDA stood at INR 34,892 Mn, up by 87.9% YoY in FY24.
- PAT was INR 15,929 Mn in FY24 as compared to INR 4,518 Mn in FY23, reflecting a growth of 252.6% YoY.

Dominant Contribution from Core Business
- The core business contributes around 98.75% of the consolidated profits, while the subsidiaries contribute only around 1.25%. The management aims to improve the profitability of the subsidiaries to match the core business.

Raw Material Prices and Cost Competitiveness
- The company expects raw material prices, such as coking coal and iron ore, to remain stable in the range of USD 100-120 per ton, while they source domestically at lower prices (USD 80-85 per ton).
- The management is confident about maintaining cost competitiveness, even with new capacities coming online from competitors.

Improvement in Operational Efficiency
- The company has undertaken various initiatives to improve operational efficiency, cost control, and productivity, resulting in a reset of EBITDA margins to the 16-17% range. Initiatives like improving the coke oven batteries and process improvements have led to cost savings.

Strong Order Book and Demand Outlook
- The company has a strong order book of USD 1.5 Bn, with 30% from exports and 70% from domestic market. The management expects strong demand from the water, oil & gas, and industrial sectors, driven by government focus on infrastructure development.

Debt Reduction and Capital Management

- The company plans to prepay the INR 10,000 Mn acquisition loan for SIL during the current calendar year. Out of the loan, the Company has prepaid INR 1,000 Mn in FY24 and INR 2,500 Mn in April 2024.The management aims to reduce debt, conserve cash, and improve the capital structure to prepare for future growth opportunities.

Capacity Expansions and New Products

- The company has successfully extruded 13-chrome alloy, positioning itself as the only producer in the country.
- The joint venture with Hunting (JV) for premium OCTG pipes is performing well and operating at full capacity utilization.

Cautious Outlook on Subsidiaries and Geopolitical Risks

- While the subsidiaries have turned profitable, the management acknowledges their performance still lags behind the core business.
- The company has a strong presence in export markets, particularly the Middle East, with its Abu Dhabi facility catering to markets as far as Finland, Australia, and Brazil. However, the management acknowledged that geopolitical conflicts, such as the Israel-Iran tensions, could disrupt operations in certain regions.

Other Highlights

- Regarding the ongoing case against NTPC, the management expect the case to be resolved during the current calendar year.
- While the company increased the dividend payout, the proportion to profit was relatively lower, as the management aims to conserve cash for debt reduction and future growth opportunities.
- The management stated that there are no immediate M&A plans, although they remain open to strategic opportunities.

**APL Apollo Tubes Q4FY24 Concall Highlights**
**APL Apollo | CMP: 1,565 | Mcap: INR 434.33bn**

**Outlook: APL Apollo is targeting 5mn tonnes of volumes and EBITDA per tonne of INR 5,000+ by FY26E. The value-added products share stood at 60% and is expected to reach 70%-75% in FY25E, where EBITDA/tonne is INR 5,000+. Raipur plant utilization will improve from 55%-70%-75% in FY25E. The operation of the Dubai plant would add 1.5 lakh tonnes of volumes. The products are commanding a 5% premium compared to competitors. We believe the increase in utilization, volumes, realizations, and value-added products will drive the growth going forward. We have a positive outlook on the stock.**

Arihant Capital Markets Ltd

Volumes
The volumes stood at 2.62mn tonnes against the guidance of ~3mn tonnes (13% shortfall) in FY24.

The volume was impacted due to a slowdown in construction activity, particularly in the retail sector, and a delay in Dubai plant operations. The Dubai plant is planned for operational in Mid of the year, however become operational by the end of FY24.

The company is focused on 20-25% volume, EBITDA, and PAT growth over the next 2-3 years.

The company is targeting volumes of 5mn tonnes in FY26E.

Spread
The spread is coming down, the spread between primary and secondary steel is around INR 6,000-7,000/tonne vs the earlier spread of INR 15,000/tonne.

The cost of primary steel is less than secondary steel.

Realization
The product realization ranges from INR 57,000/tonne to INR 1,00,000/tonne.

The company is supplying solar projects and the realization is around INR 80,000/tonne for super high-grade material. One MW of solar tracker requires 25 tonnes of top tubes.

EBITDA/tonne
EBITDA per tonne stood at INR 4,132 in Q4FY24. Value-added products and standard products EBITDA per tonne stood at INR 5,000+ and INR 2,000+ respectively.

The EBITDA per tonne is expected to be more than INR 5,500, once volume crosses above 5mn tonnes.

Capex

The company has invested INR 14-15bn in the Raipur plant and INR 1.5-2bn in the Dubai plant. The RoCE is expected more than 38% for these investments.

Capacity and utilization

Raipur plant capacity stood at 1mn tonne and utilization is around 55% and expected to reach 70%-75% in FY25E.

In Dubai plants, two mills were operational and utilization stood at 45% in Q4FY24. Another two mills are going to be operational in the next 1-2 months.

Dubai plant capacity stood at 3mn tonnes and 50% utilization levels of around 1.5 lakh tonnes of volumes are expected in FY25E.

Discounts

The company offered discounts to clients which impacted INR 200/tonne on EBITDA levels. The company is facing competition on general products.

Premium

The price premium is 5% compared to 2nd and 3rd players.

The company is commanding atleast INR 3,000/tonne of premium in the market.

Incentives

The company has given extra incentives to the sales team to push volumes. The impact is around INR 150/tonne in Q4FY24. Overall, the impact is INR 100/tonne on 7 lakh volumes which is around INR 7cr in FY24.

Exports

The export sales stood at 1 lakh tonnes in FY24 and are expected to be 2-2.5 lakh tonnes in FY25E, which includes Dubai‘s expected volumes of INR 1.5 lakh tonnes.

Value added products

Value-added products share stood at 60% in FY24 and is expected to increase to 70%-75% in FY25E.

Other highlights

Shankara's sales contribution stood at 7%-8% of volumes.

The auto OEM approval is in progress. The company is ready with innovative design and supplies and is expected to start within eight months.

The product range starts from 8mm to 1,000mm and allows to service the construction industry.

**JTL Industries – Q4FY24 Concall Highlights**
**CMP: INR 217 | Market Cap: INR 37.2 Bn | Promoter: 54.3%**

[Arihant Capital]

Performance (Consol)
•Revenues came in at INR 4.66 Bn (-17.9% QoQ) (-1.4% YoY)
•EBITDA margins came in at 7.9% (Vs 7.5% QoQ) (Vs 11.2% YoY)
•Volumes came in at 81,913 tonnes (Vs 100,905 tonnes QoQ) (Vs 80,177 tonnes YoY)
•EBITDA per tonne came in at INR 4,485 (Vs 4,213 QoQ) (Vs 6,584 YoY)

Key Highlights of the call:
•Total capacity stood at 586,000 tonnes of pipe manufacturing and 300,000 tonnes of backward integration. Company aims to take total capacity to 1 Mn tonnes by FY25 end.
•Company is spending INR 1.5-2 Bn for capex in FY25 which will add 400,000 tonnes capacity (200,000 tonnes in DFT). Post reaching 1 Mn tonnes in FY25, company will take total capacity to 2 Mn tonnes by FY27 end. Capex for next 2-3 years will be INR 5 Bn
•Topline guidance for FY25 and few years ahead maintained at 30-35%
•Exports stood at 6% in Q4FY24 and 5% in FY24
•Industry is expected to grow at 12-13% going forward. Current industry size is 13-14 Mn tonnes where roughly 1 Mn tonne is being added.
•VAP sales contributed 23.6% in Q4FY24 and 29.2% in FY24. Company aims to take this to 40% as and when new capacities come in
•Cash conversion cycle stood at 60 days Vs 71 in FY23
•Current quarter had low demand from government (which accounts roughly 20% of company's orders). Expect this to come back in H2 (post election)
•Company aims to take EBITDA per tonne to INR 5,000 in FY25
•Promoters had subscribed to warrants of INR 6.75 Bn of which INR 1.75 have been converted. From time to time, company will convert remainder.
•Company procures 50% primary and 50% secondary steel. Primary is procured from JSW and Tata while secondary is procured from smaller players. Paipur and Mandi are secondary steel. In secondary steel, company directly procures billets.
•With acquisition of Nabha steel, company now has 1.2 lakh steel from secondary coil in Mandi which is made from scrap. This will help 30% in EBITDA derived from Mandi plant (200,000 tonnes)
•INR 650 Mn are currently in QIP
•Export markets doing better than last year. Realisations better as well
•DFT will be commissioned by Q1FY25 end
•April and May saw good demand from export markets. Company will report lifetime best quarter in Q1

Outlook: Company has strong capex plans which are from internal accruals and warrants. Expansion plans are in VAP which will help in better profitability. Company has guided for 30-35% growth and has also mentioned that they will upgrade guidance as and when new capacities come in. At CMP, company trades 18.8x FY24 EV/EBITDA

**Hi-Tech Pipes Q4FY24 Concall Highlights**
**CMP: INR 128 | Market Cap: INR 18.4 Bn | Promoter: 53.82%**

Performance (Consol)
•Revenues came in at INR 6.81 Bn (+8.1% QoQ) (-2.97% YoY)
•EBITDA margins came in at 5.14% (Vs 5.08% QoQ) (Vs 4.84% YoY)
•Volumes came in at 107,721 tonnes (Vs 98,512 tonnes QoQ) (Vs 107232 tonnes YoY)
•EBITDA per tonne stood at INR 3,280 (Vs 3,205 QoQ) (Vs 3,147 YoY)

Key highlights:
•VAP contribution to sales stood at 35% which the company aims to take to 40% on conservative basis
•New government tenders are on hold due to elections.
•ERW market size stood at 800,000-1,000,000 tonnes per month. Hitech is 6-7% of total industry
•Company has plans to scale capacity by 20-25% per annum for next 5 years
•Trade receivables have increased significantly due to JJM orders which have 45-60 days of receivable cycle.
•FY25 volumes to be 450,000-500,000 tonnes with target EBITDA per tonne of INR 4,000. VAP EBITDA per tonne is 5,000
•In 1 Mn tonne capacity, company will have 50% VAP capacity. Volumes in FY26 will be 600,000-650,000 tonnes with VAP of atleast 40%
•Warrant money coming in 1-2 months - ~1 Bn
•Company will have coating pipes certification this FY.
•Company has taken off discounts from all clients.

RM
•Steel prices saw drop of INR 2,500-3,000 per tonne in Q4FY24 which led to fall in EBITDA per tonne. Overall in FY24, steel prices dropped by INR 8,000-9,000 per tonne. Now the HRC prices are aligned with international prices.
•Company has 20 days of work in progress and 20 days of finished goods

Capex:
•Company started Phase 1 of Sanand from 18th March 2024. Phase 2 to go under construction this year.
•Construction for Sikandarabad Unit 3 has started, anticipated commencement by Q4FY25
•Current capacity is of 750,000 tonnes which the company wants to take to 1 Mn tonnes by FY25
•Capex till FY26 to be of INR 500 Mn

**Outlook: Company has ambitious targets of reaching 1 Mn tonnes capacity and achieving sales of 600,000-650,000 tonnes in FY25 with EBITDA per tonne of INR 4,000. Company did volumes of 391,000 tonnes in FY24 with EBITDA per tonne of INR 2,937. At CMP, company trades 19x FY24 EV/EBITDA**

**Tube Investments of India Ltd – Q4FY24 Concall KTAs**
**CMP: INR 3756 | Market Cap: INR 7,26,457 Mn**

**Outlook**

**The company did not provide specific revenue/profit guidance for FY25 but indicated a focus on cost reduction, operational efficiency and new product launches. The company plans to double its EV dealership network by the end of FY25 and aims to increase exports contribution to 20% in the next couple of years. Company's large diameter tube expansion will be completed by Q2FY25, adding 30-40% extra capacity. Its capex plan for FY25 is around INR 5,000 Mn for the core business. Capex of INR 3,200 Mn planned for a new small commercial vehicle factory**

Financial Highlights

- Revenue from operations stood at INR 19,624 Mn in Q4FY24 up by 18% YoY & INR 76,105 Mn in FY24 up by 5.17% YoY.
- EBITDA stood at INR 2,171 Mn in Q4FY24 and at INR 9,239 Mn in FY24.
- PAT was at INR 2,479 Mn in Q4FY24 down by 1.12% & INR 7,345 Mn in FY24 up by 10.4% YoY.
- The board recommended a final dividend of INR 1.50 per share for FY24.

Business Updates

- Company's engineering business revenue was at INR 12,760 Mn in Q4 FY24 up by 22.22% YoY.
- Metal Form business revenue was at INR 3,860 Mn in Q4 FY24 up by 11.23% YoY.
- Mobility business revenue was at INR 1,539 Mn in Q4FY24 down by 0.64% YoY.
- Other businesses revenue increased to INR 2,300 Mn in Q4 FY24 up by 20.41% YoY.

Subsidiary Performance

- The company has 58.05% stake in CG Power which reported consolidated revenue of INR 21,920 Mn in Q4 FY24.
- CG Power secured approval from the Union Cabinet under India's semiconductor mission to establish an outsourced semiconductor assembly and test facility with an investment of INR 76,000 Mn over five years.

Electric Vehicle (EV) Business

- The company is focused on launching new EV products across three-wheelers, small commercial vehicles, trucks, and tractors
- It has planned investments of around INR 30,000 Mn planned in the EV business, with around INR 19,000 Mn already invested.
- For three-wheelers, the company plans to launch cargo variants and expand product range this year
- Company is expecting to launch a small commercial vehicle in Aug-Sept 2024 and EV tractor variant in Oct-Nov 2024.

Exports and Growth Strategy

- Company's exports grew by 14% in FY24, the company aims to increase exports contribution to 20% in the next couple of years.

- The company is focusing on growing in line or better than the domestic market and targeting new opportunities arising from EV vehicles' evolution like weight reduction and improved efficiency.
- The company is focused on building software capabilities for vehicle integration and customer experience.

New Business Initiatives
- The company entered into the medical devices business by acquiring Lotus Surgicals.
- The company is making progress in the camera module business and is expecting orders soon. Also, it is studying opportunities in semiconductor manufacturing and assembly.

Other Updates
- Capex for core business will be INR 5000 Mn which will be used for engineering and metal form capacity expansion. Most of the INR 5000 Mn will be used this year and some next year.
- Other expenses on standalone has gone up substantially because there are a couple of one time expenses.

**Hindalco Industries Ltd | Q4FY24 Concall KTAs**
**CMP-INR 82.9 | M.Cap-INR 1525bn**

**Co. is well-positioned for future growth with robust plans for significant CapEx, especially in renewable energy and capacity expansions. The company's strong focus on cost control, efficiency improvements, and long-term ESG initiatives, combined with its strategic hedging and input cost management, indicate a stable and promising outlook. Continued advancements in both aluminum and copper segments, along with strong market demand, further solidify its potential for sustained profitability.**

Financials
Q4
Revenue from operations of INR 559940mn(+6% QoQ). EBITDA of INR 72010mn(+24% YoY)/(+14%QoQ). PBT of INR 41360mn(+24%QoQ)/(+46%YoY) and PAT of INR 31740mn(+36%QoQ)/(+32%YoY).

FY24
Revenue from operations of INR 2159.62bn(-3%YoY). EBITDA of INR 257.28bn(+7% YoY). PBT of INR 140.12bn(+6%YoY) and PAT of INR 101.55bn(+1%YoY).

- Consolidated net debt stands at INR 315,360mn, with net cash of INR 34,390mnin India operations. Net debt to EBITDA ratio well below two times at 1.21x at the end of March 2024.
- Focus on maintaining cost efficiency, particularly in the Aluminium business, where lower input costs and higher shipments are expected to sustain profitability.
- Planned CapEx of INR 60,000mn for the next fiscal year, including the opening of two mines and starting an alumina refinery. Significant organic growth opportunities in both the copper and aluminium segments.
- Achievement of 57% of the target of 300 MW of renewable energy by 2025. Commissioning of 173 MW of solar and wind energy to date, with further projects expected to be completed by Q2 FY25. A 100 MW hybrid power project is on track for commissioning by Q3 FY25.
- Aluminium Business- Continued focus on value-added products, particularly in the downstream aluminium sector. Expansion plans in the Aluminium sector include increasing renewable power usage and considering expansion in Aditya with 180 kt.
- Copper segment reported best-ever performance with EBITDA up 30% YoY due to higher shipments and better realization. Focus on developing India's first copper and e-waste recycling facility at Dahej, Gujarat. Inner group tubes project expected to be commissioned by the end of calendar year 2024. Expansion in copper rod production to meet strong market demand.
- ESG - Significant progress in waste recycling and reduction, with 84% of total waste recycled and reused. Certification of three plants as zero waste to landfill and several sites as single-use plastic-free zones.

**Welspun Specialty Solutions Ltd – Q4FY24 Concall Highlights**

**CMP: INR 42.5 | Market Cap: INR 22.5 Bn | Promoter: 55.17%**

**Overview: strong client addition for the full year. Export scenarios looking weak but compensated by strong domestic demand scenario**

**Performance (Consol)**

• Revenues came in at INR 1,513 Mn (-13.44% QoQ) (+9.8% YoY)

• EBITDA came in at INR 120.7 Mn (+1.26% QoQ) (-33.24% YoY)

• EBITDA Margins came in at 7.98% (Vs 6.82% QoQ) (Vs 13.12% YoY)

• SS Bars: 3,610 T Vs 3,921 T QoQ and 2,783 T YoY

• SS Pipes: 1,118 T Vs 1,183 T QoQ and 1,079 T YoY

**Key Highlights of the call:**

• Full year volumes for SS bars stood at 15,903 tonnes (+132% YoY) and 4,785 tonnes for SS pipes (+17.88% YoY). Overall utilization at 30% for FY24 while pipes utilization stood at 60-65% for FY24.

• Current orderbook stands at 4,111 tonnes.

• Orderbook in value terms stood at INR 1661 Mn (excluding order worth INR 216.4 Mn for supply of tubes announced after results). Orderbook sufficient for 2-3 months of business.

• 45 new customers added during FY24. Red sea crisis continues to affect shipments. 50% of new customers added belong to steel industry

• Clientele industries include Fertilizers, shipping, defence, space, food, dairy, Pharma and much more

• Maintenance capex for FY25 INR 100-150 Mn. Next capex will be to enrich product portfolio

• Only 15-20% pipes sold as hot pipes. Hot finish fetches better margins than low grade cold finish

• Company is not aware of any big billet capacities coming in. Possible of some old capacities restarting

- Volume expansion not on cards. Company aims to reach full utilization in pipes in 2 years while bars should show strong utilization.

• Company still has unabsorbed losses worth INR 6 Bn however, company has opted for new taxation regime due to which MAT credit is not applicable

• Exports contri for FY24 stood at 40% but was ~30% in Q4FY24. Bars export is higher since domestic consumption lower.

• 60-65% RM (scrap) procurement was domestic in FY24. The price differential between domestic and imports vary between 1-4% hence the procurement source keeps changing. Currently domestic is 2% cheaper than imports.

• Volume wise, Turkey is a good market but not keeping hopes from turkey currently.

**Outlook: Company is highlighted the scope to do 100,000 tonnes in next 7-8 years. Current guidance is of 20-30% volume and value growth for FY25. If the market scenarios support then the company will be able to make double digit EBITDA margins. Currently export market is flattish, big move is expected from domestic existing customers. Last years' client addition will yield results in current year. At CMP, company trades 44.2x FY24EV/EBITDA.**

**Usha Martin Q4FY24 Concall KTAs**

**CMP: INR 358 | Market Cap: INR 109.1 Bn | Promoter: 46.05%**

**Overview: Phase 1 of capex completed which will help in achieving 12-15% volume growth. Focus to remain on VAP**

**Performance (Consol):**

• Revenues came in at INR 8.29 Bn (+4% QoQ) (-3.1% YoY)

• EBITDA margins came in at 18.3% (Vs 19.7% QoQ) (Vs 18.0% YoY)

• EBITDA per tonne came in at INR 31,784 (-6.6% QoQ) (-0.9% YoY)

**Volumes Q4FY24:**

• Wire ropes at 25,000 tonnes (+8.7% QoQ) (+1.7% YoY)

• Wire & Strand at 8,000 tonnes (-6.1% QoQ) (-4.1% YoY)

• LRPC at 13,000 tonnes (+1.3% QoQ) (-1.1% YoY)

**Key Operational & Business Highlights:**

• Wire & Strand (W&S) and LRPC segment saw decline in revenues YoY (for full year). Ropes segment supported overall growth. Realisations in ropes grew while realisations in W&S and LRPC fell for FY24.

• Steel prices (per tonne) fell from INR 61,691 in FY23 to 55,392 in FY24

• VAP sales stood at 51% (in FY24) Vs 44% in FY23

• Currently, company is maintaining high levels of inventory. Orderbook currently stable and delivery time of 1-2 months (average). 85% of total business is replacement market. Larger projects take 6-8 months for completion.

• Integration with the Thailand subsidiary is helping to become more profitable. Brunton Shaw has won some larger orders recently. Supplying to Brunton Shaw will lead to cost benefit of $300-400 per tonne

• Q4 saw LRPC facility under maintenance for 6 weeks. Now company is focused on plasticized and galvanized LRPC which yields higher margins.

• Plasticized LRPC has limited volumes (300-500 tonnes per month) due to its project based nature. It consists of 7-10% of total LRPC volumes. Realisations of INR 135,000 per tonne and EBITDA of INR 55,000 per tonne. While basic LRPC does realization of INR 63,000-64,000 per tonne and EBITDA of INR 8,000-9,000 per tonne.

• Wire rod prices have come down by INR 6,000 per tonne this year which has reflected directly in prices of LRPC (coming down from 71,000 to 63,000) and wire strand (coming down from 90,000 to 80,000). Company purchased steel from outside but not wires.

• The facilities are not fungible. LRPC capacities cannot product Wire Rope or W&S. From here on, company only wants to produce VAP wires.

• Growth from Brunton Show is coming in Oil & Gas and wind energy sector.

**Capex:**

• New Ranchi plant operations started in Q1FY25 and will have impact on numbers Q1 onwards. The capex was delayed by 1 quarter but company is confident of delivering 12-15% volume growth for full year as earlier stated.

• Phase 1 of the capex will bring in 40,000 tonnes of capacity while phase 2 will bring 10,000 tonnes. Phase 1 will be ramped up in 9-12 months. Phase 2 capex will cost INR 1.67 Bn and will be completed in 18-24 months. Both the phases are from internal accruals. Phase 2 capex will be mainly for mining ropes.

• Company has set up subsidiary in Dubai to offer products in Saudi Arabia. Company has started shipments to Saudi as well which should reflect in Q1 numbers

**Other KTAs:**

• Nothing on table for acquisition currently.

• Segment wise contribution: Wire ropes at 71%, strands at 8% and LRPC at 12%

• India contributed to 45% of topline while Rest of India contributed to 55%

• ROCE at 21.9%, ROE at 19.2%, Net Debt stood at INR 1.24 Bn for FY24

**Outlook: Company aims to achieve topline CAGR of ~15% & EBITDA margins ~18% over the next 3 years. Currently, company is maintaining high levels of inventory. The Ranchi capex was delayed by 1 quarter but company is confident of delivering 12-15% volume growth for full year as earlier stated. No acquisitions planned yet. Focus from hereon is on VAP wires. At CMP, company trades 18.4x TTM EV/EBITDA**

**Jai Balaji Ltd Q4FY24 Concall KTAs**

**CMP: INR  1064 | Mcap: INR 173.57 bn**

**Jai Balaji is an integrated steel player focusing on value added products. Aims to enhance margins by focusing on revenue growth from ductile iron pipes and specialized Ferro alloys, while implementing cost-cutting strategies and operational efficiencies and aims to be net debt free within the next 15 months**

**Financial highlights**

* Revenue stood at INR 18.46bn for quarter (Vs 17.24bn in Q4 FY23) and at INR 64.14bn for FY 24 (Vs 61.25bn in FY23).

* EBITDA stood at INR 2.57bn for quarter (Vs 2.65bn in Q4 FY23) and at INR 9.75bn for FY 24 (Vs 5.70bn in FY23). With EBITDA margin of 14% for Q4 and 15% for FY24 compared to 15% in Q4 FY23 and 9% for FY23.

* PAT stood at INR 2.73bn for quarter (Vs -0.13bn in Q4 FY23) and at INR 8.79bn for FY 24 (Vs 0.58bn in FY23). With PAT margin of 15% for Q4 and 14% for FY24 compared to -1% in Q4 FY23 and 1% for FY23.

**Volumes: (In '000 T)**

* Sponge iron was at 70 for Q4 and 237 for FY24 compared to 60 in Q4 FY23 and 252 for FY23.

* Pig Iron was at 114 for Q4 and 429 for FY24 compared to 121 in Q4 FY23 and 481 for FY23.

* Billets was at 39 for Q4 and 152 for FY24 compared to 41 in Q4 FY23 and 176 for FY23.

* TMT was at 82 for Q4 and 253 for FY24 compared to 66 in Q4 FY23 and 215 for FY23.

* Ferro Alloys was at 33 for Q4 and 115 for FY24 compared to 28 in Q4 FY23 and 103 for FY23.

* DI Pipes was at 69 for Q4 and 242 for FY24 compared to 65 in Q4 FY23 and 213 for FY23.

Debt

•In FY24, the net debt decreased to INR 3.98 Bn from 8.71 Bn marking a reduction of 54%.

• Net debt to EBITDA ratio stood at 0.4x as of March 24 , surpassing the guidance of maintaining a net debt to EBITDA ratio of 0.6x.

**Capex**

• The company's total expansion plans amounted to ~10 Bn. Of this, ~4.97bn is already incurred and the balance expected to be incurred in the next 15 months.

• The company does not have any plans for further capex until the current plan has been executed.

**Guidance**

• Company expects revenue to grow by 25-30% in FY25 and EBITDA margins to reach 17-18% in FY25, supported by capacity expansion and cost-saving initiatives.

**Capacity**

• Capacity of DI types has been expanded to 3 lakh tonnes, compared to 2.4 lakh tonnes last year.

• Ferro alloys capacity is being increased from 1.3 lakh tons to 1.66 lakh tons, balance capacity of 0.24 lakh tons is expected to be commissioned by FY25.

• The blast furnaces expanded its capacity to 6.3 lakh tons, up from 5 lakh tons the previous year and the second blast furnace is anticipated to get completed in next FY.

**Ferro alloy**

• Company produce special grade ferro alloys which are exported globally which is used in defence, automobile and ship building industries.

• Company is exporting specialized ferro alloys to around 40 countries with more than 50% being exported to key European ,American countries and Japan.

**Operation Highlights**

• The company expects the DI pipe industry to grow at a CAGR of 13% to 15% in the near future.

• The company plans to increase the percentage of value-added products in its total portfolio to 80%- 85%.

- Ductile iron pipes are expected to contribute 45% to 50% of total volumes while ferro alloys are expected to contribute around 35% of total volumes by FY25-26.

- By expanding the capacities for ductile iron pipe and ferro alloys, both high-value and high-margin products, company anticipate EBITDA margins to be around 17-18%.

- Currently, the company has a market share of close to 9%. Upon completion of the capacity expansion initiatives, company anticipates achieving a market share of around 20%.

- The realization for both Ferro Alloys and DI Pipes saw a significant increase, reaching INR 176,000 per ton for Ferro Alloys and INR 77,000 per ton for Ductile Iron pipes.

**Steel Authority of India Ltd | Q4FY24 Concall KTAs**

**CMP- INR 172 M.Cap- INR 711,280mn**

**SAIL had the best every physical performance in terms of crude and saleable steel production. It also registered a robust financial performance on yearly baiss but declining performance on quarterly basis. Company has no major capex plans other than INR 63000mn of sustenance capex. FY27 onwards major capex is expected to come. Long prices have been on increase while coking coal prices are on the decline. This is positively impacting the company. Company has substantially high inventory days which it is working to reduce. Company should be observed for execution on its guidance which can drive growth.**

Financials

Q4

Sale turnover stood at INR 277,440mn with EBITDA of INR 38,290mn with margins of 13.8% . PAT stood at INR 10,110mn. EPS stood at INR 2.73

**FY4**

Best every physical performance with 19.2MT production and saleable steel volume of 18.4MT .

Sale turnover stood at INR 1,045,450mn with EBITDA of INR 12,280mn with margins of 11.75%. PAT stood at INR 27,330mn. EPS stood at INR 7.42.

-Employee cost has declined on account of 3000 employees reduction in the year. 55,989 employees as of March end. Actuarial gain on leave encashment also one of the reason in fall in cost.

-Reduction in power and fuel along with reduction in provision of INR 1770mn this year led to fall in other expenses.

-Company has guided for 35MT crude steel target by FY2031 from current 20MT. This year no major expenditure in capex and modernization. INR 63,000mn capex plan for FY25 which is mostly sustenance capex. FY27 onwards, major capex shall come.

**Volume growth targe**t

Production planned in excess of 20MT and sale of 19MT. 1.6MT of inventory currently.

Debt FY25 target

INR 305,000mn of total borrowing. This Qtr borrowing increased due to high inventory and difficulty in realisations from Railways. Guidance for end of FY25, debt to be below INR 300,000mn level on account of declining coke prices and realisations from Railways. Focus on value added products in product mix.

-Durgapur structural mills, best ever utilisation capacity.

-FY25, positive growth expected. China economy is not in good shape. Steel from China might come to India and put pressure on Indian steel. Indian steel production shall be consumed domestically itself. 12-13% growth expected.

-Long realisation at 55,400 in Q4 with positive sentiment in market. Since April, long prices have increased. Good consumption trend expected to continue. Secondary market control 70% of total long product. Flat prices driven by import from China and other countries.

-Rourkela casters expected to come by FY25.

-Inventory days, higher than peers which the company is trying to bring down substantially. Saleable steel capacity currently at 19.04MT and growth percentage expected to the tune of 9%. This capacity for FY25 to reach 20.09MT

-Steel demand forecast positive with Indian economy as the silver lining in the otherwise gloomy global economy. Stability is expected in the domestic market and is poised to grow 7% in FY25 and 6.5% in FY26. Prices of coal has been on the decline which shall positively impact the company.

**IFGL Refractories Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 624 |Market Cap: INR 22,498 Mn**

**Outlook**

**According to the World Steel Association, Indian steel demand is projected to grow by 8% in 2024 and 2025, driven by significant infrastructure investments. Leveraging the same, the company's domestic business is expected to see a marginal growth of 2-3% in FY25, with the primary focus on capitalizing on the growing market in India. The magnesia carbon brick plant and the mold flux powder plant are expected to ramp up to 50% capacity by the end of FY24, reaching 80-85% capacity in FY25. The growth projection for the domestic market in FY25 is around 17-18%. The company's export business is also anticipated to grow, the main emphasis will remain on the domestic market. Additionally, there are considerations for potential acquisitions in the United States and India to expand the product portfolio and enhance geographical presence.**

**Financial Performance**

• The consolidated FY24 revenue stands at INR 16,583 Mn, YoY growth of 18% and the Q4 FY24 revenue stands at INR 4,012 Mn, and a YoY growth of 7%.

• The consolidated FY24 EBITDA stands at INR 2,128 Mn, YoY increase of 28% and the Q4 FY24 EBITDA stands at INR 420 Mn, a YoY decrease of 25%.

• The consolidated FY24 PAT stands at INR 817 Mn, a YoY increase of 3% and the Q4 FY24 PAT stands at INR 125 Mn, a YoY decrease of 57%.

• The company has announced a dividend of Rs. 7 per share for FY24, subject to shareholder approval.

**Operational Highlights**

• The company commenced operations at the continuous casting flux plant in Visakhapatnam, expected to generate upwards of INR 900 Mn revenue annually at full capacity.

• The company inaugurated the magnesia carbon brick plant, projected to bring in over INR. 1,000 Mn revenue annually.

• The company dispatched inaugural products from the high alumina plant in Vankaner, Gujarat, catering to non-ferrous sectors like cement, glass, coke, lime, and coal gasification industries.

• The company signed a contract with PwC for SAP S4/HANA implementation under 'Project GATI' to drive operational excellence and streamline processes.

• The company partnered with Deloitte for the 'People First' HR transformation initiative to enable 2x growth in the next 5 years.

• The company faced challenges in the European market due to the Russia-Ukraine conflict, geopolitical instability, and high inflation and interest rates.

**Geographical Highlights**

• The company's domestic business contributed around 77% of total revenue in Q4 FY24, compared to 63% in Q4 FY23.

• For FY24, the company's domestic business contributed around 70%, and exports contributed around 30%.

**Capital Expenditure**

• The total expected CAPEX cost for FY23 and FY24 of the company was INR 1,775 Mn.

• In Odisha, around 90% of the CAPEX of the company has been utilized.

• In Kandla, 90% of the planned CAPEX of the company has been utilized.

• In Visakhapatnam, approximately 75% of the planned CAPEX of the company has been utilized, and the remaining is expected to be completed by Q1 FY25.

**Mergers and Acquisition**

• The management is looking at potential acquisitions in the United States and India, with the US acquisition being in a new product segment and the Indian acquisition in the steel segment.

**Other Highlights**

• The company is working on options for a new plant in Odisha, which will predominantly focus on non-steel products and then steel products.

• Automation and digitization initiatives are being implemented, with the recently commissioned casting plant being 100% automated, and plans to automate manual activities.

• The company remains net debt-free, with cash and cash equivalents standing at INR 2,020 Mn on a consolidated basis as of FY24.

**Technocraft Industries (India) Ltd– Q4FY24 Concall KTAs**

**CMP: INR 2,450 | Market Cap: INR 56,256 Mn**

**Outlook: The company anticipates a sturdy performance in the coming years, with the greige yarn business expected to achieve an EBITDA margin of 10-12% next year. The fabric segment is projected to gain momentum starting next quarter as the US market picks up. Management highlights that the scaffolding and formwork sectors are looking strong moving forward. Additionally, the new plant is expected to have an incremental effect over the next 3-4 months, contributing to growth compared to last year. For FY25, the company forecasts consolidated top-line growth of approximately 25-27%, followed by an estimated growth of 20-21% in FY26. The overall EBITDA margin is projected to be around 19-20% in FY25, with improvements anticipated across all verticals.**

Financial Highlights

* Consolidated operating revenue stood at INR 5,925.5 Mn in Q4FY24 up by 23% YoY & INR 21,816.3 Mn in FY24 up by 10% YoY.

* Consolidated EBITDA stood at INR 1,170.6 Mn in Q4FY24 up by 25% YoY with margins at 20% & INR 4,882.6 Mn in FY24 up by 8% YoY and margin at 22%.

* Consolidated PBT was at INR 893.6 Mn in Q4FY24 up by 32% YoY with margins at 15% & INR 3,809.1 Mn in FY24 up by 5% YoY with margin at 17%.

Drum Closures Segment

* The company has a significant market share in the drum closures business, competing with players like Greif.

* The company has a successful Indian-owned greenfield project in China for drum closures, contributing around 15-20% of revenue.

* The company is expanding into plastic closures, which currently contribute around 15% of the steel closures business but offer good profit margins.

Scaffolding and Formwork Segment

* Company's scaffolding division witnessed a decline in volumes during FY24 due to slowdown in the European market and delays in infrastructure project execution in India.

* However, the demand from the US, Middle East, and domestic markets has picked up and the company is back to producing 3,000 tons per month.

* The company is awaiting a key certification to increase sales of scaffolding in Europe, which is expected to put them on par with European manufacturers.

* The company has set up an aluminum extrusion plant in Aurangabad to support its aluminum formwork Mach One business, with an expected incremental revenue of around INR 4,500 Mn in FY25-26.

Textile Business

* After shifting operations from Mumbai to Amravati, the spinning unit is now generating an EBITDA margin of around 10-12%.

* For the garment unit, they expect an EBITDA margin of around 15% in FY25.

* Its garmenting operations have also been shifted to Amravati, and the company expects improved sales and margins in the coming year.

* Company's fabric business was impacted by a slowdown in the global apparel retail segment but is expected to recover in the next quarter.

Defense Technologies

* The company has successfully developed defense technologies like Joule-Thomson coolers and equipment to measure the mass moment of inertia of objects dropped from the air.

* The company is working on various projects for DRDL, HAL, and other defense organizations, and expects the defense business to grow, although it is currently small in size.

Logistics

* The company faced turbulence in freight costs due to the crisis in the red sea until around a month ago, but the situation has cooled down, and freight costs have come down.

* The company passed on these freight costs in the prices of their products sold, so it did not significantly impact their margins.

Capacity Utilization & Order Book

* Company's drum closures division in India is operating at around 90% capacity utilization.

* Its plastic closure capacity is running at 75-80% utilization currently.

* The company has a strong order book of around 0.2 Mn square meters for aluminum formwork.

Other Key Points

* The company expects to realize around INR 270-280 Mn from the sale of assets related to the discontinued Gian textile operations in Murbad.

* Company's total capex planned for the aluminum extrusion plant and aluminum formwork facility in Aurangabad is around INR 2,800 Mn for the first phase.

* Company's engineering design services division, which is 100% export-oriented, primarily to the US and Western Europe, performed well in FY24 and is expected to continue its strong growth trajectory.

* The company has developed automated dies and special-purpose machines for drum makers in the US, which is a growing business segment.

* The company is not actively pursuing any new business verticals beyond its existing operations.

* The company faces some resistance from large US manufacturers when trying to export plastic closures but they are exploring other markets.

**Shivalik Bimetal Controls Ltd | Q4FY24 Concall KTAs**

**CMP-INR 503 M.Cap-INR 28,980mn**

**Company's zero-debt status and and plans to form a JV with French Co. provides a solid foundation for navigating market fluctuations and capitalizing on emerging opportunities. With continued focus on sustainability and strategic global expansion, Shivalik Bimetal is well-positioned to enhance its market leadership and financial performance.**

Financials

Q4

Revenue From Operation at INR 1277.6mn(+3.37%YoY) with gross profit of INR 542.7mn(59.05%YoY) and margins of 42.47%. EBITDA stood at INR 218mn(-21.74%YoY) with margins of 17.06%. PBT stood at INR 333.9mn(+30.06%YoY). PAT stood at INR 256.7mn(+19.41%YoY) with margins of 20.09%(+270bps YoY).

-The company experienced a significant revenue increase from INR 1870mn in 2020 to INR 4490mn in FY24, reflecting a CAGR of 24.48%. PBT & PAT also grew substantially with a CAGR of 61.19% and 58% respectively.

Segment Performance- The thermostatic bimetal and trimetal segments saw a 25.79% growth in Europe and 31.69% in India, offsetting reduced demand from the Americas. Shunt register sales (excluding India) increased by 32.84%.

*Zero Debt *- The company maintained a zero-debt status as of FY24, ensuring financial flexibility for future investments.

PLI Scheme- Contributed INR 80mn to the bottom line, reflecting effective strategic initiatives.

New Property Acquisition- The company acquired a new property to expand assembly lines and forward integration.

Market Growth Expectations- Management anticipates steady growth recovery in the USA and continued robust demand from Asia, particularly India.

Expansion Plans Plans to establish a wholly-owned subsidiary in Italy to better serve clients and streamline operations in Europe.

-Continued investment in R&D, technological innovation, and automation to control costs and improve quality.

Potential Joint Venture- Ongoing discussions for a JV with a French company, which could double the market size for Shivalik's contact business. The JV with the French company is in the final stages of due diligence, expected to be completed within FY24, potentially doubling the market size for Shivalik.

Market Fluctuations- The global market environment posed challenges, particularly with moderated demand from North Atlantic markets.

EV and Automotive Market- The slowdown in the EV market impacted shunt sales in North America. However, the company expects a rebound with a focus on hybrid vehicles and other automotive developments.

India-  Strong growth in thermostatic bimetal and shunt register sales, driven by increasing demand in the automotive and smart meter markets.

Product Mix Impact- The margin decline in Q4FY24 was attributed to a higher proportion of thermostatic bimetal sales, which have lower margins compared to shunt resistors.

Commodity Prices Copper and nickel price fluctuations impacted top-line growth but not margins significantly. The company expects to maintain or improve margins through strategic initiatives.

-Prepared for significant capacity expansion, especially in the switchgear market, to meet the anticipated demand growth.

**Goodluck India Ltd | Q4FY24 Concall KTAs**
**CMP-INR 879 M.Cap-INR 27,920mn**

**Goodluck India registered a great performance with new plant to be commissioned by July'24 and defence and aerospace to be commissioned by March'25. Company guides for 15-20% revenue growth comfortably and margin expansion due to favourable steel pricing. Capacity will increase to 4.8lakh tons this year on commissioning of new plant. Management aims to become billion dollar co. in next 3 years**

Arihant Capital Markets Ltd.

Financials
Q4
Standalone operating income of INR 9024.9mn(+18.04%YoY) with EBITDA of INR 727.2mn(+20.56%YoY) and margins of 8.06%. PAT stood at INR 355mn(+27.19%YoY) and EPS of INR 11.32.

Sales volume for the year were 383,795tons. Regular sector registered 6% increase while value added saw 39% increase YoY.

Effort to increase and improve exports. Guidance for topline increase of 15-20% for next 3yrs. Requirement of working capital met by INR 2,000mn QIP.

-Despite demand challenge, co. maintained momentum.

- Co. is putting up a plant for producing hydraulic tubes which shall be commissioned by July'24. This plant will further boost exports. Agreement signed with Europe Canada and Mexico. Plant is expected to be game changer.

-With govt's focus on electric vehicles, it represents a great opportunity for the co. as it is into bus body structures.

-Co. has entered into solar hardware and equipment . Growth momentum to continue.

-40% of bullet train fabrication done by Goodluck . It is entering into construction equipment machine. They have incorporated a subsidiary for aerospace and defence sector. enhanced production facility.

-Mgmt estimates half of renewable energy to be transported through hydrogen rather than electric grid in next 5 years.

-Rising demand of steel and infra, expected to result in brighter future for engineering products.

-Management aims to become billion dollar co. in next 3-4 yrs.

-Goodluck aerospace and defence to be commissioned by March'25 and will start contributing by Q2FY26.

-Current capacity of 4,12,000tons which after commissioning of new plant will increase to 4,80,000tons. INR 1410mn incurred for the new capex which has revenue potential from at peak level of INR 5,000-6,000mn.

-Any product offering more than 10% EBITDA is considered value added products and new products that are going to be added will give 12-13% margins.

-Margins to be better than previous year due to favourable steel pricing and supply. No threat on margins. All cost increases passed on to customers, however no expectation of price rising in this year.

-inventory of 74 days and debtor of 34 days. Working capital cycle of 40-42 days.

-Comfortable with 15-20% growth guidance for next year.

-Margins in bullet train project is much better than the previous projects like dfcc bridge.

**Surya Roshni - Q4FY24 Concall Highlights**

**CMP: INR 578 | Market Cap: INR 62,880 | Promoter: 62.96%**

**Performance (Consol)**

• Revenues came in at INR 20.8 Bn (+7.3% QoQ) (-3.3% YoY)

• EBITDA margins came in at 7.98% (Vs 8.00% QoQ) (Vs 11.72% YoY)

**Key Highlights:**

Company has paid off INR 4 Bn debt in current FY. Currently company is net cash positive at INR 295.6 Mn

**Segmental:**

**Lighting & Consumer durable:**

• Revenues came in at INR 4.18 Bn (+3.7% QoQ) (-3.01% YoY)

• EBITDA margins came in at 10.66% (Vs 9.33% QoQ) (Vs 9.84% YoY)

• Price erosion observed throughout year in lighting business

• Professional lighting business has witnessed high-teen digit growth in Q4 and more than 20% in FY24 driven by infrastructure as well as industrial projects

• LED Batten & LED Downlighter verticals saw healthy volume growth in FY24

• In FY24, the fan business recorded mid-teens growth, while the appliances segment grew by robust 20%

• Capex of INR 250-300 Mn for next 2 years

• Net Working Capital: 76 days in Q4FY24 as against 70 days in Q3FY24

**Steel Pipe and Strips**

• Revenues came in at INR 16.65 Bn (+8% QoQ) (-3% YoY)

• EBITDA margins came in at 7.69% (Vs 7.88% QoQ) (Vs 12.32% YoY)

• EBITDA per tonne came in at INR 5,877 (Vs 6,156 QoQ) (Vs 9,868 YoY)

• EBITDA per tonne for FY24 stood at INR 5,401 Vs 6,496 for FY23

• Highest ever volumes of 236,000 tonnes (+4% YoY). Exports grew by 12% in FY24

• Lower EBITDA per tonne due to lower VAP sales in Q4. VAP sales reduced by 32% (API grade sales). This was due to general elections. Similar trend was also observed in Q3. Company expects a bounce back in Q1FY25 post elections. For FY24, company did 45% sales from VAP.

• Galvanised pipes have INR 6,500 EBITDA per tonne, API grade has 11,000-12,000 per tonne, Black pipes has 4,500 per tonne, section pipes have INR 2,000 per tonne

• Steel price has been rising and also remained stable since Q4FY24. For the full year, steel prices fell by INR 3,000 per tonne (cumulative loss of INR 2.5 Bn), Zinc prices fell by 70,000 per tonne (Cumulative loss of INR 600 Mn) and loss of API grade sales worth INR 3 Bn.

• Overall, company has planned to spend INR 5 Bn over next 2 years for expansion from 1.2 Mn tonnes capacity to 2 Mn tonnes. Company is also acquiring land worth INR 500 Mn in Maharashtra for further expansion. Out of INR 5 Bn, 1 Bn will be spent in FY25

• The addition of 800,000 tonnes capacity will be 70% in VAP and 30% in remainder products

• Company is adding ~15,000 tonnes per month in FY25 capacity which includes

O 8 inch diameter pipes of 50,000 tonnes capacity (p.a.) which will commence in June 2024

O Spiral pipes of 60,000 tonnes p.a. capacity in Gwalior which will commence in Q2FY25 (good demand for water projects)

O CRM of 36,000 tonnes in Bahadurgarh which will commence in Q3FY25

• Orderbook stood at INR 8 Bn

• Working capital stood at 55 days vs 69 days

Guidance and Outlook:

Company has guided for overall 15% volume growth. FY25 should clock INR 6.9-7 Bn EBITDA of which INR 5 Bn will be from Steel business. Lighting business will have 10.5% margins for FY24, Q1FY25 will have 9.5% EBITDA margins. Steel business will have INR 5,400-5,500 EBITDA per tonne and 17-18% volume growth. April has seen good performance in steel business.

We have a positive outlook on the company. Future outlook is bright. Compared to other players, company has much better margins. Demerger of businesses will also be a future trigger. At CMP, company trades 10.9x FY24 EV/EBITDA.

**Pennar Industries Ltd | Q4FY24 Concall KTAs**

**CMP-INR 140** **M.Cap-INR 18,840mn**

**Company is extremely confident of the growth to come in the years for the company. It is going to focus on its 5 verticals which have high margin, low market share and large addressable markets. Guiance for double digit revenue and profitability growth. New plant for PEB commissioned and guidance for boiler plant revenue to double this year. We believe that the company has great potential as long as it keeps on adding capacities to capitalise on the growth opportunities and increase it's market share in focus verticals.**

**Financials**

**Q4**

Revenue from operations stood at INR 8228mn(+23.09%YoY) with gross profit of INR 3210mn(+20.78%YoY) and EBITDA of INR 813.1mn(+14.91%YoY). PBT stood at INR 391.7mn and PAT at INR 288.1mn(+20.8%YoY) and margins of 3.5%.

Guidance- Double digit revenue growth and profitability is achievable.

INR 7,800mn of revenue of PEB India in FY'24. PAT margin to reach 5% and PBT if 6.5-7% over next 2 years.

-Company recorded highest revenue and PBT for FY24.

-Pennar to focus on higher margin revenue streams where co. has low market share and which have large addressable markets.

-Company as of March'24 had 76 days of working capital and has set a long term target of 72 days.

-PEB segment, both in India and US, to grow on account of new plant commissioned. Order book for this new plant is substantial and revenue can be seen flowing form Q1/Q2.

-Hydraulics and process equipment are sitting on higher than ever order books. Engineering services continues to scale with the addition of business development teams in the US and in Europe.

-In US, capex is underway and order backlogs have also grown quite well. Co. expects to see substantial double digit growth in revenue and profitability in FY'25 from US business.

-Finance cost high due to growth phase.

-Addressable market for railways, coach components and wagon components is INR 20,000mn. Revenue in that vertical was INR 2,000mn. Further growth is expected. Railways, however, is not major growth vertical for the company.

-Working capital as 3.5% of net sales is the target.

-In US market, Pennar has 2-3% market share currently hence potential to grow a lot. Adding capacities in terms of manpower and production capacity. Margins higher than Indian business and will be the fastest growing vertical of the business.

-Boiler plant will double revenue this year and co. has order book for the same. Margins are higher than avg margins of business. 5-7% of PBT. Comparable companies have 10% PBT margins in the industry.

-ROC above 20% and ROE crossed 10% and further improvement expected.

-Undertaken transformation exercise, extremely confident of QoQ revenue and profit growth in FY25.  Growth not a challenge for the company. it will focus on its 5 verticals and scale them.

-Pennar's 5 year plan is much bigger than earlier aim of becoming a billion dollar company.

-Goal is to be no.2 in PEB in Indian market this year. Order book strong.

-Strong capacities in US with doubling addressable market in US.

-Pennar will provide capacity expansion growth plans in next Qtr.

-Peak revenue assuming 70-80% cap utilisation could be INR +50,000mn.

-Gross margin of 30% on PEB vertical.

**Mangalore Refinery And Petrochemicals Ltd Q4FY24 Concall highlights**
**CMP INR 229 | Market Cap INR 401.59bn**

Key highlights:
•Revenue from operations was INR 291.9bn (-1% YoY), exports of INR 91.16bn.
•EBITDA came in at INR 23.61bn (-34% YoY), margin of 8.08%
•PAT came in at INR 11.37bn (-40% YoY), margin of 3.9%.
•Total throughput came in at 4.6 MMT in the quarter. For FY24, total throughput was 16.59 MMT. Target to achieve excess of 17 MMT in FY25.
•Board approved INR 2/share final dividend.
•Debt to equity ratio improved to 0.94 from 1.7 as of March'24. The management expects the WC loans to continue while Term loans will continue till FY32. They intend to clear debt as and when feasible. In FY25, repayment of INR 11.74bn debt is scheduled.
•Distillate yield reported at 79.27% in the quarter. For FY24, the yield stands at 78.77%. Continuous efforts by the company for improvement.
•Enhanced capacity of desalination plant from 30 MLD to 40 MLD liberates the company from being dependent on river water.
•Capex of INR 15bn done during FY24 on inhouse projects and Devanguti terminal.
•Inventory gain during the quarter was around US$ 1/barrel.
•As the cash and debt position of the company is improving, they intend to reward their shareholders at regular intervals.

Capex and Expansion plans:
•Significant projects underway to enhance GRM, currently at US$12.36/barrel.
•Plans to enhance Petchem intensity from current 10% to 12.5%. About INR 80bn investment planned over next 5 years, funded through internal funds, for the project. This will increase the capex by INR 20bn yearly.
•Plan to launch new products through their patented technology. They include Isobutyl Benzene, which is currently in pilot stage. The plant for IBB will have capacity of 10,000-15000 tonnes a year, enough to cater to the domestic demand.
•Will be implementing green hydrogen project at the refinery; capex of INR 500mn to be done.
•Processed KG-D98 Crude and KGD6 Crude for the first time in the quarter.
•Margins have been on the lower side for some time. No major fall or drastic change in margins is expected in the near term and the management expects to continue at the current levels of margins.
•Routine capex of INR 10bn will be done every year. Given all the plans, the company expects the capex to be ranging between INR 30 to 40bn from FY26 onwards.
•Grid power upgradation project coming up which will help the company in importing power through grid and reduce captive power.
•The company's plan for Bio ATF plant is not viable right now and will act accordingly. Capex for the plant will be INR 3.5bn; expected to complete by FY27.
•Reached total of 100 retail outlets in the year. Target to have 1000 outlets by FY27 along with selling 1mn products through these outlets.

**Indraprastha Gas Ltd Q4FY24 Concall KTAs**
**CMP: INR 451 | Market Cap: INR 3,16,225 Mn**

**Outlook**

**IGL has set a sales volume target of 9.5 mmscmd for FY25, representing a 13% YoY growth. Growth is anticipated from new geographical areas outside Delhi/NCR, increased industrial segment sales, and the ramp-up of the LNG business. Delhi/NCR is projected to grow at 5-10%, while new GAs could see growth of over 15%. The targeted capex for FY25 is around INR 17,000-18,000 Mn .This capex will primarily focus on core areas of Delhi/NCR for adding CNG stations, domestic PNG connections, and expanding the steel/MD pipeline network. Additionally, investments are planned in LNG infrastructure, CBG plants, and potential renewable energy opportunities. Over the last 2-3 years, approximately INR 50,000 capex is expected, with a significant portion dedicated to building infrastructure in new GAs awarded. Management expects all GAs, except very new ones, to turn EBITDA positive by early next year as volumes ramp up.**

**Financial Highlights**

* Revenue stood at INR 40,739 Mn in Q4FY24 up by 2.32% YoY & INR 1,58,197 Mn in FY24 down by 0.29% YoY.
* EBITDA was at INR 22,370 Mn in FY24 up by 17%% YoY and EBITDA per SCM has increased from INR 6.86 to INR 7.67.
* PAT was at INR 3,828 Mn in Q4FY24 down by 2.36% YoY & INR 17,481 Mn in FY24 up by 20.97% YoY.

**Business Highlights**

* The company has achieved the highest ever annual sales volume of 8.43 mm HCMD.
* The company witnessed a surge in vehicle conversions, with an average monthly addition of around 15,500 vehicles to the CNG pool in FY24, up from 14,000 in FY23.
* Company’s CNG vehicle penetration in geographical areas has reached around 27-28%.
* It has added 90 new CNG stations and 0.33 Mn new domestic connections in FY24.
* The company's total compression capacity stands at 11 Mn kg per day, and the current average throughput is around 4.5 Mn per day.
* The company has commissioned one LNG station and plans to set up 5-6 more in FY25.

**Expansion and Diversification**

* The company plans to focus on LNG and compressed biogas to improve volumes and profitability.
* The company is evaluating opportunities to diversify into the renewable energy sector.
* It is in the process of setting up small-scale LNG plants in its geographical areas to utilize the idle capacity of CNG stations.
* IGL is evaluating opportunities in renewable energy, primarily for captive consumption of solar power.

**Geographical Expansion**

* The company is focusing on increasing volumes in new geographical areas acquired in 2016-17 onwards, as these areas contribute only 10% of the current business.

* The company is targeting growth in the industrial segment, which remained flat in FY24 due to pricing pressure from alternate fuels.
* It is working on expanding CNG usage in the commercial vehicle segment, including interstate buses and dumpers.
* The company has added 126 CNG stations in FY24, including 90 new stations and 36 station upgrades.

Key Challenges and Opportunities
* The company will face the challenge of phase-out of CNG buses by the Delhi Transport Corporation, as around 1,800 buses are expected to be converted to EVs in the next two years.
* The company is in discussions with state roadways corporations in Uttar Pradesh, Uttarakhand, and Rajasthan for CNG bus conversions.
* The company is exploring opportunities in the hydrogen segment through pilot studies with IITs.

CNG Vehicle Segment Trends
* The company expects the taxi segment to see healthy growth, with around 2,100 taxi additions in April 2024.
* It is not seeing any negative impact of EV policies on the taxi segment as of now.
* The company also expects the commercial vehicle segment to witness an uptrend, with around 2,400 CNG commercial vehicle additions per month in recent months, up from 1,800-1,900 earlier.

Gas Sourcing and Pricing
* The company’s current gas sourcing mix is 72% domestic allocation (including HPHT) and 28% R-LNG.
* The company states that the gap between domestic gas and R-LNG prices has reduced to around 10-12% due to softening of spot LNG prices.
* The company is lining up medium and long-term contracts to reduce volatility in R-LNG sourcing.

Royalty Payments
* The company is currently paying a royalty of more than INR 5.5 per kg of CNG in Delhi, and slightly lower in other geographical areas.
* The company is currently facing an ongoing dispute regarding royalty payments in Delhi and Mumbai.

Other highlights
* Delhi, Noida, and Ghaziabad (NCR region) contribute around 90% of the current sales volume. Other new GAs like Rewari, Muzaffarnagar, and Ajmer are expected to drive future growth.
* CNG vehicle additions were around 15,500 per month in FY24, with the commercial segment driving growth.
* Recent crude movement has provided a 5-7% pricing advantage for CNG over alternate fuels in the industrial segment.
* The company is expanding into the LNG trucking business and has signed an MoU with Concor for their LNG requirements.

**Gujarat Gas Ltd Q4FY24 Concall KTAs**
**CMP: INR 545| Market Cap : INR 375.17 Bn**

**Financials**
•Revenues came in at INR 42.94 Bn (5.14 % QoQ) (5.4% YoY).
•EBITDA stood at INR 6.05 Bn (47.56% QoQ) ( 4.6% YoY).
•PAT stood at INR 4.10 Bn (86.3% QoQ) (11.11% YoY).

**Operational Highlights**
•Company has achieved CNG volume of 2.89 mmscmd in Q4FY24(+14% YoY) in line with company's expectation to increase gas volume. Company has achieved average industrial volume of 6.84 mmscmd for March24.
•Total volumes grew by 9% from 8.86 mmscmd to 9.69 mmscmd in Q4FY24.
•Company completed hydrogen blending project at 5% blending and to increase the blend percentage from 5% to 8%.
•Company started injecting biogas into GGL system The project has been started with injecting biogas in 3 different locations.

**Industrial Segment**
•In Industrial segment company saw 8% volume growth from 5.36 to 5.80 mmscmd in Q4FY24, due to continuous focus on business development activities for customer segments of ceramic as well as non - ceramic industries.
•Morbi volumes grew by 11% to 3.82 mmscmd in Q4FY24 compared to 3.4 mmscmd in Q4FY23.
•Company has published an EOI for supply of natural gas to ceramic customers of Morbi and Suhindanagar area and has received good response.
•Company to compete with the propane in the Morbi market where EOI is particularly towards this and expects to complete the scrutiny of more than 150 EOIs in next month.
•Targeting propane customers to switch back to natural gas.
•Company is able to sourced gas at a better price which is helping realization to go up.
•For non- morbi Market managemnet expects additional volume of 0.2 - 0.3 mmscmd.
**CNG segments**
•Company is currently operating 808 CNG stations across the geographies.
•Company has added 33 CNG stations across Gujarat and outside Gujarat.
•anticipated further CNG sales growth. The growth has been achieved on the back of investment in CNG station infrastructure coupled with favorable government policy.
•Historically company has grown at 11.50% CAGR in Gujarat region, where ahmedabad rural has grown CNG volume by 51%.
•87% of the volumes comes from the Gujarat region, with the remaining 13% contributed by other regions.
•For CNG stations company follows FDODO models and expects majority of the CNG capex to be done by third party.
**Capex**
•Company expects to invest ~10 Bn on a yearly basis, focus on steel pipelines, PE pipelines and for development of the infrastructure.
Other Highlights
* Initiatives taken by state governments to reduce VAT will help company to growth.
* The average cost of spot energy procurement for Q4FY24 was $11.5-12.

**Bharat Petroleum Corporation Ltd – Q4FY24 Concall KTAs**
**CMP: INR 619 | Market Cap: INR 13,41,900 Mn**

**Outlook**

**Bharat Petroleum Corporation Ltd plans to increase its refining capacity to 45 MMT per annum by FY29, through expansions at the Bina refinery and debottlenecking at other refineries. This will cater to the growing domestic demand and support their petrochemicals foray. The company has capex target of INR 164 Bn for FY25 with a planned investment of an overall outlay of INR 1,700 Bn planned over 5 years till FY29 and Pilot 100 Nm3/hr green hydrogen refueling station project at Kochi expected to be commissioned by January 2025. Additionally, the company has a goal of an ambitious 10 GW renewable energy target by 2040. However, the company's core refining business remains susceptible to fluctuations in global crude oil prices and refining margins, which could impact profitability and the reliance on Russian crude oil supplies although commercially viable currently carries geopolitical risks and potential disruptions due to evolving sanctions and trade tensions.**

**Financial Highlights**

* Revenue stood at INR 1,326 Bn in Q4FY24 down by 1% YoY & INR 5,093 Bn in FY24 down by 4.98% YoY.
* PAT was at INR 42.2 Bn in Q4FY24 up by 24.3% YoY & INR 266.74 Bn in FY24 up by 1,326.3% YoY.
* Company's standalone net worth as of March 31, 2024, is INR 746.80 Bn, with earnings per share of INR 125.21.
* Company declared a final dividend of INR 21 per share (pre-bonus) and proposed a bonus issuance of one bonus share for every existing share held.

**Macroeconomic Overview**

* The Consumption of petroleum products in India showed resilient growth of 4.8% in FY24.
* Major products like petrol, diesel, and ATF grew by 6.4%, 4.3%, and 11.8%, respectively.
* Brent crude oil prices averaged around USD 83 per barrel, 13.6% lower than the previous year.
* Global economy is forecasted to marginally strengthen in FY25, supported by resilience in key markets like the US and China.
* India continues to be an oasis of growth and stability, with estimated real GDP growth of 7.6% in FY24.

**Renewable Energy**

* The company currently has installed renewable energy capacity of 64 MW, and has 190 MW under construction.
* The company is implementing BP Shell's first green hydrogen electrolyzer plant of 5 MW at Bina refinery.

**Gas Business**

* The company operationalized 25 out of 27 CGD geographical areas, except recently acquired Jammu & Kashmir and Ladakh.
* It added 435 new CNG stations in FY24 taking the total count to 2,034 and plans to add 300 more in FY25.

* Company’s total gas footprint was around 1.5-1.6 MMT currently, including refinery consumption and CGD network.
* The company has long-term gas supply agreements for 2.9 MMT per annum, including a renewed 20-year deal with Qatar Energy.

**Operational Highlights**
* Company’s refinery throughput for Q4 FY24 was 10.36 Mn metric tons (MMT).
* Its Distillate yield was 84.67% one of the highest among Indian refineries.
* Company's GRM for Q4 FY24 was USD 12.48 per barrel, and USD 14.14 per barrel for the full year.
* Domestic market sales grew by 2.09% in Q4 FY24 to 13.18 MMT.
* The company increased its market share in petrol and diesel retail segments among oil companies with a share of 29.6 and 29.8 in MS and HSD.
* It commissioned around 800 new retail outlets in FY24, taking the total network to over 22,000 outlets. The company plans to add 300 more CNG stations in FY25.

**Strategic Initiatives**
* The company launched Project Aspire, a five-year strategic framework with focus on nurturing the core business and investing in future big bets.
* It is planning to expand refining capacity to 45 MMT per annum by FY29, including brownfield expansion of Bina refinery.
* It has announced two new petrochemical projects, with licenses onboarded and process packages in progress.
* The company intends to increase gas footprint by building optimal CGD infrastructure and acquiring high opportunity geographic areas
* It aims to build 10 GW of renewable energy portfolio through organic and inorganic acquisitions by 2040.

**Upstream and Exploration**
* Company’s share of production from investments in Russia, Abu Dhabi, and Indian blocks was 2.63 MMT of oil in FY24.
* It impaired investments in BPRL by INR 17,980 Mn, primarily due to BMC 30 concession in Brazil.
* Company guides its activities are progressing as per schedule in the onshore block in Abu Dhabi and are expected to move to the development phase shortly.
* Its gas sales increased in the Madanam block, resulting in a reduction of gas flaring from 70,000 SCMD to 25,000 SCMD.

**Crude Oil Sourcing**
* The company imported around 36 MMT of crude oil in FY24, of which 39% was procured from Russia and expects similar levels of Russian crude sourcing in FY25. As Russian crudes are commercially more viable compared to other grades currently. However, it is procuring Russian crudes on a spot basis rather than term contracts due to geopolitical uncertainties.

**Refinery Operations**
* Company’s Bina refinery's high GRM performance is attributed to higher processing of Russian Urals crude (high sulfur) and higher diesel yield.
* It expects Bina's GRM outperformance to continue with Russian crude processing.

**Hindustan Petroleum Corporation Ltd | Q4FY24 KTAs**
**CMP- INR 504 M.Cap- INR 715,230mn**

**HPCL had a turnaround in Q4 with (+437%QoQ) PAT and profit on yearly basis. Company has made progress on developing 3 new revenue streams with focus on green energy going forward. HPCL reduced its fuel loss and repaid INR 60,000mn of debt. They have guided for a Capex of INR 180,000mn for FY25. Company is using AI in several areas of operational. Given the turnaround in this quarter along with efforts being taken on operational front we have a positive outlook on the stock and would recommend to buy it.**

Financial Performance
Q4
Total income on consolidated basis stood at INR 1221bn(+6.03%YoY)(+2.59%QoQ) with PBT of 31.24bn(-33.7%YoY)(+216.84QoQ) and PAT of INR 27.09bn(-24.92%YoY)(+280.48%QoQ).

FY24
Total income on consolidated basis stood at INR 4638.86bn(-0.87%YoY) with PBT of 205bn(vs loss of INR 99.86bnFY23) and PAT of INR 160.14bn(vs loss of INR 69.80FY23).

-HPCL turnaround in Q4, 437% PAT increase QoQ. FY'24 160150mn profit, vs loss of 69800mn last year.

-Focus on Enhancing core assets i.e. refinery. Successfully commissioned Visakh refinery modernisation project which has started giving results. Commissioning bottom upgradation will be done next in next 3-4mnths. significant stride made in marketing infrastructure development. The outcome of this is among PSUs, market share has improved, retained position as second largest LPG player.

-Fuel loss performance in this year is significantly better and fuel loss % has come down.

-Concentrated on adding New revenue streams in segments like petrochemicals, biofuel and renewable, and natural gas. Significant stride made in all three made. In next 5 yr plan i.e. 2026-32, significant portion of revenue to come from these 3 segments.

-HPCL renewable and green energy ltd fully operational now. Wholly owned subsidiary incorporated by HPCL is now operational and doing solar power now.

-Investment in Rajasthan Refinery, started commissioning of certain units. Progress on major units pertaining to refining stream is above 90% and is expected to stabilise this by calendar year end.

-Company has received draft report in March'24 from international consultants for Steps to be taken in regard of finalizing plan for Lubricants . Efforts on the same have begun like approval from authorities, unbundle of assets, operational expertise in various areas are being planned.

Capex of 143,420mn done last year, from internal accruals, no money borrowed. Repaid 60,000mn of long term loan. Resulted in Debt equity ratio 1.06x. March 24, 43603cr long term debt.

-After commissioning of bottom upgradation unit, twin advantage, in terms of margin and enhanced capacity, stabilise by Q3FY25. Capacity shall increase from 13.7MMT to 15MMT. Once this is done, GRMs shall be at par with peers if not better.

Capex FY25- 180,000mn, 50,000mn for refinery, 65,000mn for marketing, corporate level 8,000mn, 56,000mn for equity contribution to various JVs including contribution to green initiative and Rajasthan refinery.

-Next 2-3 years, Capex to be in 150,000-180,000mn. Focus apart from refinery and green would be on green energies. This capex to be done from internal accruals and not any borrowings.

-Barmer Refinery plant to be commissioned by end of calendar year with +12% IRR.

-Company is currently producing 450,000 tons in Mumbai refinery, and plans to increase this to 800,000 tons in next 3 years.

-HPCL is the market leader among the three OMCs with 36-37% market share. On an overall basis, HPCL is estimated to have 20-22% market share.

-Chhara terminal was supposed to be commissioned by April but due to rough sea and other challenges, company couldn't unload the cargo and now it will happen in October of 2025.

-HPCL on standalone basis is doing INR 12000-15000mn of investment for CGD. On an overall basis, HPCL is doing 0.4 MMT of sales in natural gas.

-30-40% of oil imports is from Russia on spot prices basis.

-Company is using AI in several areas of operation. Video analytics of retail outlets, to study the consumer behavior. AI for pipeline security, the pipeline integrity system. Company using AI was able to demand forecast quite accurately.

-Equity investment of INR 147,000mn done in Rajasthan refinery with GRM of $20/barrel. The high GRM is on account of petrochemical content and petrochemical conversion index of 26%.

**Mahanagar Gas Ltd | Q4FY24 Concall KTAs**
**CMP- INR 1301 M.Cap- INR 128,520mn**

**MGL achieved a marginal Q4 income rise, yet saw a decline in PAT. FY24 registered flattish growth in topline but showed improvement in the bottom-line, highlighted by the acquisition of Unison Enviro and initiation of the Mahanagar LNG JV. With record CNG station expansions, rising domestic connections, and ambitious capex plans, MGL anticipates sustained growth, particularly in industrial and commercial sales, supported by increasing volumes. We have a positive outlook on the future of MGL.**

Financials
Q4
MGL reported total income of INR 18,155.9mn(+2.47%QoQ) with PAT of INR 2,522.6mn(-20.47%QoQ)(-6.16%YoY) and EPS of INR 25.54(-20.46%QoQ)(-6.14%YoY).

FY24
MGL reported total income of INR 70,892.2mn(+0.80%YoY) with PAT of INR 12763.7mn(+61.56%YoY). EBITDA of INR 18430mn(+56%YoY) and EPS of INR 129.21(+61.55%YoY).

-commissioned 36 new CNG stations and upgraded 45 existing CNG stations, highest ever in company's history. MGL provided 3,20,125 domestic CNG connections

Business Development

Unison ENviro -MGL has completed acquisition of 100% stake in Unison Enviro Pvt. Ltd. It is and EBITDA positive company and is currently making ~INR 600mn EBITDA p.a. Growth is expected to be in double digits and MGL has aggressive capex plans for it as well.

JV -MGL has started the JV company, Mahanagar LNG Pvt. Ltd. with 51% equity holding for supplying LNG to vehicles.

3evi -MGL has made equity investment in 3evi industries Pvt. Ltd., a startup in the business of manufacturing three-wheeler cargo and passenger electric vehicles and they also have a business of last mile mobility through their associate company.

-MGL has signed an MOU with MCGM for setting up of a CGD plant in Mumbai.

-Capex of INR ~7750mn done in FY24.

Volume
Achieved highest volume of yearly sales, which is 3.609 MMSCMD(+5.45%YoY). In Q4, 1,17,279 domestic household connections has been achieved and added 226.04km of steel and PE pipeline along with adding 108 industrial and commercial customers.

Dividend Final dividend of INR18/share has been proposed.

-Higher opex on account of volume linked expense and increase in marketing spend of INR 250mn

-Q4, 20,000+ CNG vehicles added of which 13,000 were private cars. about 5,400 were auto rickshaws and about 1,400 were small commercial vehicles. MSRTC converted and added 300 busses and MGL expects 100 more in next 1-2qtrs.

-Next 4-8qtrs, it is expected that industrial and commercial sales volumes to grow in double-digits, which will be more than CNG or domestic PNG.

Guidance
Company is comfortable with EBITDA per SCM guidance of INR9-11.
Company guides for a volume growth of 6-7%. Company is targeting to complete +50 station in FY25 and ~40-50 stations in FY26. Capex guidance is of INR9,000-10,000mn in FY25.

**Hindustan Oil Exploration Company Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 192 |Market Cap: INR 25,324 Mn**

**Outlook: The company expects an increase in gas offtake from Dirok Field in Assam from FY26 onwards, once the Eastern Gas Grid is connected to the Central India grid, easing the current demand constraints. To drive growth and create value, the company has lined up a capital program of around INR 10,000 Mn over the next three years. This capital will be deployed towards building development and exploratory wells across its asset portfolio. The company is also focused towards increasing its reserve base and maintaining a reserve replacement ratio through active exploration and development activities across all its blocks. Specifically, for the B-80 or Bombay Offshore Asset Block, the company plans to ramp up production to its full potential of around 70 Mn standard cubic feet per day after drilling three additional wells in the third year of its planned development program for this asset.**

Financial Performance

* The consolidated FY24 revenue stands at INR 7,678 Mn, YoY growth of 35% and the Q4FY24 revenue stands at INR 2,926 Mn, a QoQ growth of 55%.

* The consolidated FY24 EBITDA stands at INR 3,268 Mn, YoY increase of 1.8% and the Q4FY24 EBITDA stands at INR 776 Mn, a QoQ decline of 3%.

* The consolidated FY24 PAT stands at INR 2,264 Mn, a YoY increase of 16.6% and the Q4FY24 PAT stands at INR 706 Mn, a QoQ growth of 51.6%

Operational Updates

* The company became the first to secure an offshore block in the Discovered Small Fields Bid Round-1, put the field into production within the stipulated time frame, and share revenue with the Government of India.

* Paid INR 1,605 Mn as revenue share and INR 885.3 Mn as royalty to the Government for the B-80 block.

* Capex of INR 10,000 Mn lined up for next 3 years for development/exploratory wells.

* Dirok (B-80 Block) production of the company in Q4FY24 was 83,000 barrels of oil and 0.32 BCF of gas, lower than Q3FY24 due to blockage in the export flow line.

* The company mobilized steam boilers, indirect water bath heaters, and high-capacity pumps to clean up the export flow line at B-80 to test the optimum flow potential of both D1 and D2 wells.

* In the Dirok Field of the company, production for Q4FY24 was 0.55 BCF of gas and 10,917 barrels of condensate, lower than Q3FY24 due to lack of demand.

* The company is working on increasing the uptake from the Dirok Field by connecting it to the national gas grid and establishing common carrier status for the DNPL line.

* In the Kharsang Field, the company plans to drill 15 development wells to increase production from the Upper Girujan formation and one exploratory well to test the potential of deeper formations like Lower Girujan, Tipam, and Barail.

* The company completed seismic data reprocessing and plans to drill one exploratory well with seven seismic signatures after obtaining the extension for the Exploration Period.

Geographical Updates

* In the eastern region, the company initiated a workover of the DROC-1 well in the Dirok Field to test the potential of sands 9 and 10 for hydrocarbon reserves, in addition to the existing producing sands 12 and 15.

* In PY-1 offshore block, three drilling locations identified after reprocessing of seismic data. Plan for three development wells, with first well expected in April-June 2025 quarter.

Pricing and Contracts

* The company is selling gas from the Dirok Field at the PPAC price without any discount, while major players like Oil India Limited and ONGC sell gas at lower prices applicable to nominated blocks.

* The price realized by the company from the Dirok Field under the PPAC was USD 8.82 per mmbtu in Q4FY24, with the PPAC price for May 2024 at USD 8.90 per mmbtu.

* The company secured a new contract for the B-80 Block gas, with the price fixed at 12% of the Brent crude price, down from the previous 22% of Brent price, aligning with Western India LNG import rates.

Financial Position and Ratings

* As of May 31, 2024, the outstanding loan in the standalone account was INR 750 Mn, and in the subsidiary account, it was INR 580 Mn.

* The company has a stable rating for INR 5,000 Mn of bank loans from India Ratings.

* With the current cash position and continued production, the company expects to meet all its obligations, including the proposed work program for the next three years, without additional borrowings.

**Petronet LNG - Q4FY24 Concall Highlights**

**CMP: INR 308 | Market Cap: INR 462,670 mn**

**Outlook: The Company's volumes peaked in Q4FY24 as the increase in demand got compensated by lower LNG prices. However, going ahead, with the Dahej expansion to be completed and immense demand of Power in India and shortfalls in Traditional Power generation, we remain positive on the demand side Volume growth.**

**Guidance:**

•The Management guidance for FY25 for imports of LNG stood at 27 MMTPA.

•The Management expectations for higher LNG usage is based on the assumption that due to the lower LNG prices, India being a price sensitive market, and will fulfil the Power shortfall from Gas generated Power.

•The Company has already been doing the expansion at Dahej for which the work is under progress and should be able to complete the additional capacity of 5 million MTPA at Dahej by March 2025, taking the total capacity at Dahej to 17.5 MMTPA to 22.5 MMTPA.

**Key Highlights:**

•Q4FY24 Revenue came at INR 137,932 mn (down 6.4% QoQ/ down 0.6% YoY), EBITDA came at INR 11,040 mn (down 35.2% QoQ/up 17.2% YoY), EBITDA Margins stood at 8.0% in Q4FY24 (against 11.56% in Q3FY24 & 6.8% in Q4FY23), PAT came at INR 7,376 mn (down 38.05% QoQ/ up 20.1% YoY).

•The Company processed 219 TBTU as against 172 TBTU in Q4FY23 (up 27% YoY) and 218 TBTU in Q3FY24 (up 0.5% QoQ) in Dahej.

•The overall throughput of the Dahej and Kochi taken together attends at 234 TBTU against 185 TBTU in Q4FY23 and 232 TBTU in Q3FY24. Hence, the throughputs have been the highest on a quarterly basis in Q4FY24.

•For FY24 at Dahej, the throughput stood at 865 TBTU as against 704 TBTU in FY23, i.e. 26% higher for the full year FY24.

•The Management attributed the lower LNG prices for the dip in margins on a sequential basis.

•For the Gopalpur terminal, the Management informed that the project is at initial stages, and that it will take around 3 years of time as they are in the process of due diligence and other things.

•The Gopalpur terminal is planned to have FSRU terminal as the FSRU availability is an issue globally with a capacity of 4 MMTPA. However, if the Gopalpur terminal is land based terminal, then the company will go for capacity of 5 MMTPA.

•The management informed that the external environment regarding the demand is extremely positive, and they are already negotiating with customers for getting their capacities booked for the capex.

•The Regas revenue for the quarter stood at INR 6,740 mn.

•The Company has made a Provision of INR 2,640 mn for FY24, and including the 20% Provision of last year for INR 900 mn, the total Provisions stood at INR 3540 mn in total. The total for 3 years of Provisions stands at 6.6 million tonnes for the past 3 years.

•The Management clarified that the Company has not made in Provisioning for 2023 as there was no scheme and nothing for arrangement. Hence, its a one-time Arrangement.

•The Company has not estimated the capex for the Gopalpur land based green field terminal, but said that normally a 5 MMTPA land based terminal would cost around INR 55 bn capex.

•The Management denied any financial arrangements for any long lead items yet as they already have a consultant for making all the arrangements for the EPC packages.

•The Capacity Utilization in Q4FY24 stood at 97%.

•On the Capex to be done by the company over the next 2 years, the Management stated that the Company's 2 tanks which were constructed at a capex of almost INR 12.46 bn have been commissioned.

•The 5 MMTPA additional capacity capex for INR 5.7 bn will be completed by March 2025.

•The Company also has plans of INR 17 bn capex for a Jetty.

•Also, the Gopalpur Project is on a capex of INR 23 bn to be spent over the next 3 years.

•The Management confirmed that the Company has undertaken the 5% annual escalation on Kochi facility.

•The Management denied any competition from the new terminals started in Chara and one other terminal as the Dahej terminal has almost 5 Pipelines connected to the Dahej Terminal. Also, the tariffs are charged less if demand centre is close to the gas source, so no consumer will change their supplies from Dahej for any far away terminal. Also, the Company's capacities are all booked.

**Aarti Drugs Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 494 | Market Cap: INR 45,576 mn**

**Outlook: The Company has commenced the recently concluded capex, and incremental revenues are expected to start adding up in the next few years. While sequentially the profits have increased and market prices also improved, we remain watchful for the prices in the exports market.**

Guidance:

•The Management has provided guidance projecting enhancement in gross margins driven by upturn in selling price levels due to growth in export sales amid high interest rates & destocking chain hurdles and conservative ordering.

•The Company expects growth in exports, driven by the Formulation business.

•The Management expects good volume growth with prices at the levels of last quarter of FY24, leading to a negative rate variance of 5% to 8%.

•The Gross contributions are expected to improve by around 1% over the next 3 years.

•The Company will invest INR ~2 bn in two greenfield projects in FY25.

•The majority of capex of INR 6 bn has been completed and the balance is expected to be completed soon.

•The Management expects the company to utilize their new capex within the next 3 years to achieve a revenue of INR 40-45 bn.

Key Highlights:

•Q4FY24 revenues stood at INR 6200 mn (up 2.3% QoQ/up 16% YoY), EBITDA came at INR 869 mn (up 21% QoQ/down 8% YoY) and PAT came at INR 473 mn (up 28.9% QoQ/down 16% YoY).

•The Company has incurred a CapEx of INR 5.43 bn in the last three years.

•The Company may require some capex for developing more and more oncology products in the Formulation side and has budgeted for the same.

•The Company has been able to reduce its labor costs through lower selling prices and lower working capital requirements.

•The Company has faced negative rate variances in the past four quarters.

•Prices are expected to remain similar to the last quarter of FY24, leading to a possible 5-8% negative rate variance in FY25.

•Demand in the domestic market for the specialty chemical segment was good as per the Management.

•The Company anticipates a positive shift in the export landscape in the near future on the back of interest rate reductions, low stock level and upswing in demand.

•They are ramping up production of Pharma dermatology products in H1FY25 to coincide with the gestation period of the demand.

•The Company is continuously expanding the existing products in terms of debottlenecking the existing plants to meet the demand and are expecting better export market demand in FY25 due to foreign countries giving tenders to local Formulation companies.

•The consumer demand is not expected to increase for existing top 15 molecules unless overall pricing levels go up.

•Export demand encountered challenges in select regions during Q4FY24.
•Pricing environment for APIs declined in Q3FY24 but stabilized during Q4FY24.
•The Management expects the prices of APIs to be affected if the crude oil price increases.
•The product prices have been falling over the last 4 quarters with a 15% decline in domestic markets and 10-11% decline in export markets over the past year.
•The Company expects prices to remain similar in FY25 as in Q4FY24, with minimal negative price variation in the H2FY24.
•Price levels are expected to go up due to increase in exports selling prices higher than the domestic trading prices.
•With a strong pipeline of oncology products, the company is developing 12-14 oral oncology molecules, which will come into filing stages over the next 6 to 18 months. The Company is filing a lot of cardiac, diabetic, and other segment products in non-US markets.
•The Company is targeting INR 3-3.5 bn of additional revenue from the oncology segment over the next 24 to 36 months.
•They are still introducing new products, but the capex required is not expected to be as high.
•The Company is developing and registering more oncology products, and has budgeted for capex accordingly.
•There are one or two products that the company wants to launch, but the projects are still on paper and have not been finalized.

**Vijaya Diagnostics - Q4FY24 Concall Highlights**
**CMP: INR 711 | Market Cap: INR 73 bn**

**Outlook: The Company has been growing at very rapid pace and still able to maintain such high margins. We can expect quick break even in Hub in Kolkata adding up to their topline in the subsequent quarters.**

Guidance:
•The Management said that over the next 2 years, the company aims to expand in both the Pune geography and East India with up to 10 Hubs and and few spokes.
•Of these 10 Hubs, the company intends to open 4-5 hubs in & around Pune and the rest in the east.
•The Management reaffirmed their confidence of achieving EBITDA Margins of 40% despite the growth & expansion of Hubs for the future.

Key Highlights:
•Vijaya Diagnostics posted revenues of INR 1,552 mn in Q4FY24, up 17% QoQ/28.3% YoY.
•EBITDA stood at INR 631 mn, up 20% QoQ/28.3% YoY and Margins improved to 40.7% went up 130 bps QoQ/1o bps YoY.
•Total tests went up to 3.36 million, up 16.7% QoQ/24.1% YoY.
•Footfalls increased to 0.98 million increasing by 11.5% QoQ/21.4% YoY.
•The Company's Hub Centre in Mehbubnagar has already achieved break-even within 2 quarters of operations.
•Regarding the Hub in Kolkata, the management informed that the Month-on-Month performance of the kolkata Hub has been promising, and that the Management expects it to achieve break even in the next couple of months.
•In addition to the new hubs, the Company has finalized leases for 6 new Hub locations.
•The PH Diagnostics which became a wholly owned subsidiary of Vijaya Diagnostics as of 21st Dec 2023, the company has completed the successful migration and integration of ERP and IT with the Parent company, and the company is co-branded as Vijaya PH.
•The radiology business made up 37% of the business mix while the Pathology made up 63% of the consolidated revenue.
•The B2C contribution stood at 93% for the company.
•The Hyderabad region which is the home geography of the company, made up 82% of the revenue till last year, came down to 72% post PH Pune acquisition.
•The Management informed that the company has not taken any price hike for any Tests during the last year, hardly in 1-2 Tests.
•Regarding the growth, the management says that a 15% revenue growth generally involves 12-13% of Volume growth as the Price hikes are not more than 1-2% across Tests.
•The Company has hired a radiologist with 13 plus years of experience for the Kolkata Hub.
•The Management explained that of the acquisition cost of INR 1,475 mn for the PH Pune, the company's Balance Sheet's Goodwill accounts have increased from Goodwill of INR 50 mn for Medinova business (earlier), to now INR 1,190 mn, i.e, INR 1,140 mn of Goodwill for the PH Pune.

•Apart from these, the Valuer had accounted INR 30 mn of Non-Compete clause for the Acquisition.

•The Company will be having CT & MRI Scan machines in 3 Hubs in the Pune regions new planned Hubs.

The management intends to have 12-15 spokes in the Pune region. In the eastern region, the Company currently has 1 Hub, and they intend to have 2 more Hubs in the east which will give them more headway. The company intends to come up with 5-6 spokes in the Co-geographies in the next few quarters.

•Regarding Inorganic Acquisitions for growth, the management says they are open to any opportunities, but will not be venturing into Northern Indian geographies as they are more comfortable in geographies like South & East.

•The Management explained that the company does not decides on the number of spokes to be catered under a Hub, but rather the Population density in a residential geography. Hence, the Hubs are placed in the high street areas, and the Spokes are then spread in the residential areas around the Hub with high population density.

•The Company would be doing a capex of INR 2,000-2,200 mn which would go for the Hubs and Spokes, with INR 100-150 mn of maintenance capex.

•The Company says they don’t need to take any debt as the company has Treasuries of INR 1,850 mn and 28% of cash back as Free Cash Flow.

•The current run rate of PH Pune is around INR 400-450 mn, and the management expects it to triple from current levels over the next 4-5 years.

**Hikal Ltd Q4FY24 Concall highlights**
**CMP INR 287 | Market Cap INR 35.34bn**

**CDMO business has degrwon as a percentage of revenue as their API business is going faster than CDMO. But going forward company aims to reach 50:50 share.**
**In FY 23-24 company did a capex of INR 200cr, 55-60% was growth capex and commercial supply will start from H2 of FY25. Company expects capex of INR 120cr for the debottleneck and some infra.**
**Company have signed new contract and currently some products are under validation and at full commercialization at peak capacity company expects revenue of INR 300-400cr in 4-5 years.**

Financial Performance
* Revenue for quarter stood at INR 514cr, 15% growth QoQ basis and INR 545cr in Q4FY23. There was change in product mix with increased demand of Own products in Pharmaceutical segment.
* EBITDA for quarter stood at INR 94cr, 45% increase on QoQ basis and INR 88cr for Q4FY23.
* EBITDA margins expanded by 390bps QoQ basis and contracted 200bps vs Q4FY23. Sequential recovery in margins is on back of softening of RM prices and operational improvement initiatives.
* PAT was INR 34cr, 108% increase on QoQ basis and was INR 36cr in Q4FY23. Improved business profitability driven by better product mix.

Pharmaceuticals Segment
* Revenue for quarter stood at INR 338Cr, 26% growth QoQ, driven by change in product mix and increased demand of Own products in Pharmaceutical.
* EBIT stood at INR 54cr with EBIT margins improving by 900bps on a QoQ. Due to softening of RM prices and operational improvement initiatives.
* In Animal Health four products are validated and several other products are under validation and expected to be completed in upcoming few quarters.
* Company sees good traction in Own Products from customers in Japan, Latin America and Middle East geographies for the newer product portfolio.
* New opportunities are under advanced stage of discussion with various global innovators in CDMO business.

Crop Protection segment
* Revenue for quarter stood at INR 177cr. EBIT stood at INR 14cr.
* Overcapacity and high channel inventory situation continue to affect at an Industry level.
* There is intense price erosion from competitors primarily from China.
* Commissioning activity is going on at the new facility at Panoli, Gujarat.
* Company have a strong pipeline of opportunities under discussion with various global innovators.

**Hester Biosciences Ltd Q4FY24 Concall highlights**
**CMP INR 1,712 | Market Cap INR 14,450mn**

**Hester Biosciences expects to benefit from upswing seen in poultry sector along with the recovery of dairy sector. Focus is more on enhancing product portfolio of healthcare products other than vaccine. They are ready to cater to anticipated demand for vaccines given the approvals received. With the African subsidiary, they plan to penetrate in the East and Central African countries.**

Operational highlights:
Revenue came in at INR 792.5mn (+18% YoY/14% QoQ).
EBITDA improved to INR 164mn (+37% YoY), margin of 20.7%.
PAT came in at INR 64mn (+12% YoY), 8.06% margin.
Animal healthcare business saw significant growth of 89% YoY in the quarter. Poultry healthcare business also improved by 22% YoY.
Debt repayment of INR 250-300mn planned annually.

Animal healthcare:
The segment saw growth despite discontinuation of two products. Sales of Goat Pox vaccine and continuous supply of PPR vaccine to GOI led to growth.
Hopeful of catering to global demand of PPR vaccines anticipated to come in after UN FAO spirited it.
Aim to capitalise on the growth of dairy sector and expand presence; new products are introduced to meet the evolution.
Increased regulations regarding insurance in the dairy sector will increase vaccination. The company is working with stakeholders regarding distribution but feels the process will be slow as the market is huge.
In process of developing lumpy skin vaccine given the technology acquisition from GOI. When the demand comes, the company will be ready with the products. They are already supplying this in African market.

Poultry healthcare:
Poultry industry is on upswing in more scientific way. Pickup in vaccines expected due to growing demand from farmers.
GOI has allowed production of AVN influenza vaccines. The company plans to start production in next 3-8 months just like other competitors.
Along with vaccines, they are targeting to expand portfolio with introducing healthcare products like feed segment, biosecurity products. Margins will shift with shift in product mix. Focus will remain more on healthcare rather than vaccine.
Emphasized effort on improving technical and after sale services.
Focus on development of modified versions of some vaccines along with introducing diverse products.

Petcare:
FY24 was when the segment was operational for the full year. The segment grew 49% in the quarter.
In process to introduce new products in therapeutics, supplement and prescription in Pet food segments, thus increasing product offerings.

Subsidiaries:

Nepal –

Executed SPO tender vaccine. Aim to increase POSI vaccine manufacturing to cater domestic and export demand, reducing dependency on India plant.

Debt has come down. The plant still has 2x capacity which can achieve 3x turnover.

Africa –

Commenced revenue generation this year. They are prepared for anticipated government orders in FY25. Aim to penetrate East and Central African countries with increased marketing.

The subsidiary's loss for the year was mainly due to high depreciation and were EBITDA positive in the year.

Tanzania plant was going through some tough times. The country is looking to get into animal disease immunization programs. The company is taking small steps like creating distribution network and working with the government.

**Dr Lal Path Labs - Q4FY24 Concall Highlights**
**CMP: INR 2,345 | Market Cap: INR 196 bn**
**Outlook: The company posted double digit growth in revenue in Q4FY24 which looks impressive considering the base effects of Covid and Covid induced other Tests in the previous years. While competition from industry peers continue in the organized diagnostics business, the company's strategy however looks promising as they are expanding in the densely populated regions in Northern India.**

**Guidance:**
•The company will be focussing on growth path by expanding their into Tier 3 & 4 towns organically where Lal Path Labs core market is and in the rest of Northern India.
•The Company will be establishing 20 new Hub Labs under the brand.
•The Company will be spending INR 500-600 mn on opening New Hub Labs in Northern India and other regions where the brand is strong.
**Key Highlights:**
•In Q4FY24, the revenue increased to INR 5,450 mn (up 1.1% QoQ/up 11.1% YoY), EBITDA increased to INR 1,450 mn (up 2.8% QoQ/up 25.1% YoY), EBITDA Margins came at 26.5% (26.1% QoQ/23.6% in Q4FY23) and Net Profit came at 860 mn (up 4.9% QoQ/up 50.8% YoY).
•The Management exuberated satisfaction on the integration between Dr. Lal Path Labs & Suburban Diagnostics which is yielding good results in the western markets.
•The Chairman introduced the incoming CEO designate Mr. Shankha Banerjee who will be leading the business going ahead.
•The Company has identified key areas of growth of the Diagnostics business strengthening their presence in Mumbai and select parts of Maharashtra via the Suburban Diagnostics brand.
•The Company's flagship bundled program, Swasthfit brand, comprising 24% of their revenue has been extended in various markets.
•In Q4FY24, the Company's revenue per patient stood at INR 833, an increase of 3.2% over previous quarter.
•In Q4FY24, Samples per patient stood at 2.91, an increase of 4.7% YoY. Overall, during the quarter the company did 19.1 mn samples, which is a growth of 8.1% YoY.
•The Cash & Cash Equivalents stood at INR 9.6 bn, while the company has a negative Working Capital of 26 days.
•Regarding the industry wide decline in tests for FY24, the Management attributed the base years for FY24 had largely Covid and Covid induced non-Covid Tests which were not there in FY24. Hence, in FY25, the Management expects the industry to show good growth due to absence of any base effect.
•The Company saw Suburban's growth close to double digits in Q4FY24, and hence, will be able to post good growth in FY25 as well.
•The Management says that the Company already has multiple labs in all of the Tier 1 cities, and labs in ~99 Tier 2 cities/towns are also present. Hence, as there is a gap in terms of presence in the Tier 3 Labs, the Company will be expanding their presence in the Tier 3 towns & cities.
•The Management sees huge opportunity in the Northern states of Bihar and UP, where th population density is very high, and penetration further in these geographies is sought after by the company.
•The Management attributes the growth of Swasthfit as both Patients choice for its better value for money offering while Doctors also see this as a convenient way for testing.
•Since the Management didn't have an exact split of the D2C and pick-up business, they highlighted that it will be around 50:50% coming from both channels.
•The Suburban labs posted a revenue of INR 1,640 mn for the full year FY24 with EBITDA Margins at 13%. The Q4 margins came at 17% with 80% of the revenue coming from the city of Mumbai where it has build up its own brand name over last several years.

**Cipla Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 1,340 | Market Cap: INR 1,081 bn**

**Outlook: The Company's performance in terms of topline growth was muted during the quarter due to the Seasonality factors in domestic markets. However, going ahead we expect their margins and profitability to further improve as seen during Q4FY24.**

Guidance:
•The Company's focus will be on market leading growth in their key markets, growing big brands bigger, investing in future pipeline as well as focusing on resolutions on regulatory front.
•They are targeting to file 2 respiratory assets in the 12-15 months timeline.
•In the peptides and complex generics, the Company has filed 12 assets with a launch horizon of 2-4 years.
•The Company aims to deploy INR 15 bn as capex to enhance manufacturing capability and improve sustainability.
•Management gave EBITDA margin guidance for FY25 to be up by ~100 bps on a YoY basis.

Key Highlights:
•In Q4FY24, the revenue increased to INR 61.63 bn (down 6.7% QoQ/up 7.39% YoY), EBITDA increased to INR 13.16 bn (down 24.7% QoQ/up 12.1% YoY), EBITDA Margins came at 13% (down 511 bps QoQ/up 54 bps YoY) and Net Profit came at 9,320 mn (down 12.7% QoQ/up 78% YoY).
•The Company's profitability improved due to favorable mix of products, calibrated price action across branded and generic portfolios with impact of easing cost inflation.
•Gross debt as on 31st March 2024 stood at INR 5,590 mn which included lease liabilities.
•Cash and cash equivalents stood at INR 82.67 bn as on 31st March 2024.
•The Company did a Capex of INR 13.15 bn during the year.
•India business revenue grew by ~7% YoY to INR 24.17 bn in Q4FY24 and for FY24 stood at INR 108.65 bn registering a growth of 10.1% YoY.
•On the branded prescription front, the business outperformed the market at 10% growth backed by the chronic portfolio. The share of chronic portfolio improved by 107 bps YoY to 61%.
•Expansion in this quarter was backed by key therapies of respiratory and cardiac each posting 10% growth.
•On the trade generics front, the business witnessed robust growth supported by strong execution in key therapies, deepening distribution network in tier 2-6 cities, 40+ new launches as well as technological interventions.
•The Company has recently changed the distribution model to consolidate their channel and increase direct touchpoints. Consumer health business was adversely impacted due to soft seasonal demand, while the operating profitability continued to be sustainable.
•Q4FY24 North America revenue stood at INR 18.75 bn and grew by 11.8% YoY and in FY24 it grew by 26.9% YoY to INR 75.01 bn. Growth was supported by momentum in differentiated portfolio coupled with strong demand signals in base business.

•The Company made continuous thrust towards market share expansion in Lanreotide injection used for the treatment of growth hormone disorder.

•Their market share grew to 20.8%. The market share in Albuterol was 12%-13% for FY24 which they expect to improve by a few percentage points, going forward.

•South Africa, Sub-Saharan Africa and Cipla Global Access revenue increased by 9.6% on a YoY basis to INR 7.61 bn during the quarter and by 11.3% YoY to INR 30.58 bn in FY24.

South Africa private market grew by 26% YoY in local currency terms by outpacing market growth. Recently, they achieved leadership position in the pharma prescription market by consistently outpacing market growth for a few years which was led by leadership ranks in key therapies of respiratory and anti-infectives.

•The Company now has successfully integrated Actor Pharma and are the fastest growing company amongst the top 5 players. The Company aspires to be 2nd ranked in the near future in that market.

•The Company entered into partnership with Sanofi for distribution and promotion of Sanofi India’s central nervous system product range in India.

•They completed the purchase of the distribution and marketing business undertaking of cosmetics and personal care from Ivia Beaute Private Limited through a slump sale arrangement.

•The company commissioned their plant in China, which cleared US FDA audit. This plant has capabilities to manufacture Budesonide respules for the local market as well as US and is expected to start supplies in the H2FY25.

•The Company’s investments in Actor Pharma to aid their South Africa OTC portfolio stands fully integrated as on date and is expected to help accelerate the journey towards growth.

•Their R&D spends during Q4FY24 was up by 19% YoY driven by product filings and developmental efforts.

**Jupiter Life Line Hospitals Ltd – Q4FY24 Concall KTAs**
**CMP: INR 1299 | Market Cap: INR 85,170 Mn**

**Outlook**

**The company is expanding aggressively, with plans to open a new 500-bed hospital in South Pune and adding capacity in Indore and its existing Pune facility. The management has provided guidance that they aim to double their bed capacity to 2,500 beds within the next five years, and they are actively scouting for another hospital location in Western India. The company has renegotiated insurance contracts securing high single-digit price hikes, and they have realized cost savings of around INR 400 Mn after becoming debt-free post their IPO. Company's strategy of targeting dense residential micro-markets in large urban centers like Pune, where quality healthcare is lacking, presents a substantial untapped opportunity. Its existing facilities are nearing optimal occupancy levels, allowing better utilization and profitability. However, aggressive expansion plans can bring execution challenges in terms of land acquisition, regulatory approvals, hiring, and ramping up operations efficiently.**

Financial Highlights

- Revenue from operations stood at INR 2,882 Mn in Q4FY24 up by 20.3% YoY & INR 10,598 Mn in FY24 up by 20.3% YoY.
- EBITDA was at INR 632 Mn in Q4FY24 up by 22.7% YoY & INR 2421 Mn in FY24 up by 18.9% YoY.
- PAT was at INR 453 Mn in Q4FY24 up by 187.4% YoY & INR 1,766 Mn in FY24 up by 142.2% YoY.
- The average occupancy for FY24 was 63.8% as compared to 62.6% in FY23.
- The blended ARPOB (Average Revenue per Occupied Bed) for all units was INR 54,871, and the ALOS (Average Length of Stay) was 3.93 days.

Growth Plans

- The company has signed a new land for a second hospital in Pune (South Pune) with a capacity of 500 beds. In Pune, they will be commissioning 22 new suite rooms to enhance operational capacity.
- This land is taken on no escalation in lease agreement for 10 years and company has an option to buy the land after 3 years, the Capex for this Pune hospital will start after approvals are completed and the company does not expect heavy capex for Pune hospital this year.
- In Indore, the company has secured permission to build two additional floors, adding around 75 beds.
- The Hospital construction in Dombivali is progressing as per company's expectations and is slated for completion by Q4 FY25.

Operational Metrics

- The company's occupancy in the existing Pune hospital is around 62%, and the management believes it can grow by 10 percentage points to mid-70s.
- Company expects the ARPOB growth to be inflation-linked going forward for mature facilities like Pune.
- In the Company's Indore facility the occupancy is nearing 60% of installed capacity.

Market Dynamics

- The company sees significant unmet demand for quality healthcare in the micro-markets they operate in, even in cities with higher bed density like Pune.
- The company analyzes the quality of existing beds and their location within the micro-market before entering a new region.
- Urban India is increasingly moving towards organized and quality healthcare providers.

Pricing and Insurance

- The company negotiated insurance contracts with companies in Thane and Pune during the year, resulting in high single-digit hikes of around 8-10%.
- For self-pay patients, company took a price hike of around 5% in February-March across all facilities.

Capex and Costs

- For FY25 and FY26, the estimated capex is around INR 6000 Mn (INR 3000 Mn for Dombivali and INR 2000-2500 Mn for the new Pune hospital), plus INR 400-500 Mn for maintenance and upgradation.
- The cost for the Indore expansion (75 beds) is estimated at INR 2 Mn per bed (INR 150 Mn total).
- The cost for the Pune suite rooms (22 beds) is estimated at INR 1 Mn per bed (INR 20-30 Mn total).

Hiring and Operations

- For new hospitals, the company has started hiring support staff, nurses, and doctors in the last quarter before operations.
- The hiring costs for new facilities are expected to be similar to the company's Thane hospital.

Other Key Points

- The company has become debt-free post-IPO and has realized annualized cost savings of around INR 400 Mn.
- The company took a small hike in prices for self-payers in February-March, partially contributing to improved ARPOB in Q4.

**Ami Organics Ltd Q4FY24 Concall highlights**
**CMP INR 1,248 | Market Cap INR 46,030mn**

**Ami Organics has witnessed substantial topline growth in Q4 as well as FY24 on the back of robust volume growth. Going forward, minimum 25% topline growth is expected along with sequential improvement in margins. Capacity utilisation of all units will ramp up. Foray into battery and semi conductor chemicals will open up customer base and new geographies; firm orders are already in hand. CDMO business to have much more contribution going forward.**

Guidance:
- Optimistic of achieving atleast 25% revenue growth in FY25. H2FY25 will drive majority of the growth.
- Capex for FY25 to be around INR 2.5bn. INR 700mn will go in further ramp up of Ankleshwar unit, INR 1bn for electrolyte additives and INR 500mn for captive solar power plant.
- Intend to raise funds through equity for the planned capex and also will look to repay existing loans. They do not intend to increase debt to their recently increased debt ceiling.
- Asset turn is currently at 2.8x. It is expected to supress a bit in short term due to asset capitalisation. In next two years, it will reach back to 2.5-3x levels.
- Margins to continue to improve sequentially due to improved pricing and utilisation. Initial target to get back to historical margin of 21%.

Key highlights:
- Revenue came in at INR 2250mn (+35.2% QoQ/+20.7% YoY). FY24 revenue grew by 16.3%. Prices were stable thus the growth in Q4 was driven by volumes itself.
- EBITDA increased to INR 432mn (+62.8% QoQ/+5.9% YoY). Margins expanding sequentially to 19.2%. However, FY24 margins dropped to 17.9%.
- PAT came in at INR 257mn (-5.4% YoY/+44.2% QoQ). Margins expanding sequentially to 11.4%. However, FY24 margins dropped to 6.8%.
- Export market seeing gradual recovery; prices have stabilised. Export business had 56% share while domestic market contributed 44%.
- 100% volume growth witnessed in both segments during the year. EBITDA margins of 68% in Specialty chemicals segment while 19.53% in Active intermediates.
- Cash flow from operations was INR 1.25bn.
- Capex for FY24 was INR 2.8bn including INR 2.3bn for Ankleshwar unit ramp up.
- Capacity utilisation – Unit 1 to see normal growth as not much opportunities are available. Unit 2 blocks are expected to get filled up in next 3 years; will reach optimum utilisation of 60-65%. Out of the 3 blocks, 1 has begun production and will reach breakeven at 30-35% utilisation. Unit 3 will ramp up at 20-25% rate given it is underutilised currently. It is dedicated to specialty chemicals business.

Active Intermediates –
- Business has been growing sequentially. Introduction of CTM contracts has balanced the business model.

- CDMO – Looking to target lifecycle management, innovative markets. Existing project is expected to ramp up from H2FY25. The business will have high share going forward.
- Apixaban is a strong product and is expected to see growth in H2FY25 and peaking in FY26 and FY27.

Specialty chemicals –
- Adding new products like battery and semi conductor chemicals.
- Baba fine chemicals is focused on semi conductor chemicals. Integration process started; will see steady growth. Pending documentation process is expected to complete by Q1-Q2. Onboarding new client for existing and new products will lead to jump in revenue. These products are niche and will see gradual demand ramp up.
- Electrolyte additives – commercial production started in Q4FY24. Orders are in hand; supply to be slow in FY25 and FY26 will witness ramp up by 100%. Commercial supplies will start in Q2FY25. Currently working out the project details with JV partner in relation to MoU signed with Gujarat government. Agreements with other customers are already in place.
- Received grants of 3 processes during the quarter.

**Neuland Laboratories Ltd Q4FY24 Concall highlights**
**CMP INR 6,173 | Market Cap INR 79.2bn**

**Neuland Laboratories has been growing in line with their long term plan and have delivered substantial growth in FY24. Q4FY24 did not see growth as the company had anticipated. Crunch seen in biotech funding in the US market has now stabilised and this will lead to incoming of new projects for the business. CMS segment has been growing at a fast pace and will continue to do so. The company is conservative in their approach and expect the revenues and margins to stabilise from hereon as they are going into investment phase and anticipating increase in input costs. They are very likely to keep increasing the mix of high margin products in the API segment.**

-Revenue came in at INR 3904mn (-6% YoY). FY24 revenue saw substantial growth of 30.8% YoY.
-EBITDA came in at INR 1122mn (-12% YoY), Margins of 28.7%. FY24 EBITDA increased by 68.8% YoY with margins at 30.2% (+680bps).
-PAT came in at INR 676mn (-20% YoY), margins of 17.3%. PAT in FY24 increased by 83.7% YoY with margins at 19.1%.
-FY24 growth was driven by high growth in CMS and Specialty GDS business.
-Debt was reduced by INR 394mn in FY24.
-WC days was reduced to 122 days from 141 in March'23. They target to reduce it to 120.
-Capex of INR 1437mn done in FY24.

-Revenues and margins are expected to normalise in FY25 as the company will get into investing phase and anticipated increase in input costs. The company feels that the current pipeline of projects will only contribute to FY25 performance thus they have been conservative in their approach. Any new additional business will always benefit the company. Generally, new projects contribute only after 2-3 years.

-CMS business has been growing consistently; 49% share in revenue in FY24. Some new projects are about to launch that are in clinical Phase 1 and 2 while key products continue to scale.

-Due to crunch in biotech funding observed last year, process of getting new projects slowed down. Given the new biotech environment improvements, US market looks favourable.

-Specialty GDS business grew while Prime GDS witnessed some decline as specialty have higher margins. It is very likely that specialty contribution will be higher going forward.
-Capex for FY25 will be atleast INR 1bn along with a new project in Specialty GDS as they look to be opportunistic.

**Fortis Healthcare - Q4FY24 Concall Highlights**
**CMP: INR 463 | Market Cap: INR 349,550 mn**

**Outlook: The Company posted good sequential growth in Q4FY24 with the Specialty and Complex disease treatments growing faster than the other revenue segments. While the new beds are getting added across different facilities along with the Manesar facility opening in Q2FY25, we remain watchful on the Occupancy levels as consolidation in the hospital space has been much faster since Covid era, causing high valuations and lesser room for more upside in the medium term.**

Guidance:
•The Management expects the margins to reach 25% over the next 3 years.
•In the medium term, the margins are expected to remain 18-20% on an average.
•The Company has been adding beds in Faridabad facility, 50 beds addition in Shalimar bagh, i.e., 100 beds for the current financial year.
•The Company is expecting the manesar facility to open from the Q2FY25, where they will be opening 100 beds initially, and will see how the ramp up goes for the Kolkata facility where they will be adding another 100 beds.

Key Highlights:
•Q4FY24 Revenue came at INR 17,859 mn (up 6.32% QoQ/ up 8.72% YoY), EBITDA came at INR 3,908 mn (up 34.4% QoQ/up 37.3% YoY), EBITDA Margins stood at 21.9% in Q4FY24 (against 17.3% in Q3FY24 & 17.3% in Q4FY23), PAT came at INR 2,031 mn (up 51.34% QoQ/ up 46.85% YoY).
•The Hospital business revenue has grown 11.3% YoY to INR 56,860 mn while the Diagnostics business revenue shown a marginal growth of 2% to INR 13,720 mn.
•In Q4FY24, the Hospital business revenues grew by 10.3% YoY to INR 14,900 mn, while the diagnostic business gross revenues witnessed a marginal growth of 2% YoY to INR 3,380 mn.
•The Q4FY24 Operating Margins of Hospital business increased from 16.4% in Q4FY23 to 22.4% Q4FY24 while after adjusting the one-offs, the Diagnostics business operating margins came at 14.9% in Q4FY23 to 15.9% in Q4FY24.
•The Hospital business operating EBITDA margins improved from 16.9% to 18.6% in FY24. The Hospital business EBITDA contributed to the total consolidated EBITDA increased to 83% as against 79% in FY23, signifying the profitable growth witnessed in the business.
•In the diagnostic business, Gross Revenues were at 15.3% versus 17.7% in FY23. However, after adjusting the one-offs related to rebranding exercises undertaken by Agilus, the Operating Margins improved from 17.7% in FY23 to 19.5% in FY24.
•The Company reduced their debt by INR 760 mn to INR 2,640 mn bring down the Net Debt to EBITDA ratio to 0.17x against 0.30x in Q4FY23.
•The Company undertook 60,000 cardiac procedures, 1100 transplants, close to 28,000 joint replacements & ortho procedures, and 7,800 neuro & spine procedures, and 11,000 radiation therapy for their patients. The Management expressed satisfaction with the kind of confidence shown by their patients on the brand.

•ARPOB for the Hospital business grew by 10.8% to INR 22.2 mn in FY24. The Management attributes the increase in complex surgical volumes for the increase in the ARPOB.

•The Hospital group maintained focus on the Oncology, cardiac sciences, Neurosciences and renal Sciences, as these specialties collectively saw a growth of 13% YoY in FY24 and accounted for 62% of the revenue of the hospital business against 61% in FY23.

•The Company continues to upgrade their medical infrastructure and has recently commissioned LINACs in Mohali and Noida, a CAT Scan and MRI machine in Anandpur, robots at FMRI, Shalimar Bagh, Noida and digital bed CTA.

•About their brownfield expansion, the Company says that it is progressing well. The Company has added beds in FY24 in their facilities in Mohali, Anandpur, Mulund and BG Road.

•In Q4fY24, the Company has launched 70 beds in their Ludhiana facility, making their second facility in that city and fourth in the state of Punjab.

•The Management says that the expansion strategy continues to focus on deepening their cluster presence. They plan to ramp up their brownfield bed capacity and take up the total bed count to 6,000 beds over the next few years. This will result into the facilities at Shalimar Bagh, FMRI Mohali and BG Road to reach more than 450 beds themselves separately.

•In order to maintain profitability, the Management has diversified 2 facilities in Chennai and have exited that geography as well. The Company has acquired a potential 450 bed potential facility in Manesar Gurugram, thereby further strengthening their presence in the NCR region.

•The Company's revenues from website, mobile apps and digital campaigns increased 27% YoY and contributed 25.2% to the overall hospital revenue against 22% in FY23. The Company will be collecting the customer experience feedback through Whatsapp and QR Codes.

•The Non-Covid business revenue grew by 5% YoY in Q4FY24 and 6% for the full year FY24 over FY23.

Agilus Diagnostics business:

•The Agilus Diagnostics business reported a revenue of INR 13,720 mn for FY24 growing by 2% YoY. Operating EBITDA for the year was INR 2,090 mn in FY24 compared to INR 2,390 mn in FY23 while the EBITDA margins came at 15.3% in FY24 against 17.7% in FY23 respectively.

•In FY24, the Company incurred a one time expense of INR 580 mn primarily in relation to Agilus rebranding and the provisioning pertaining to agreements with Directorate General of HealthServices, New Delhi

•The average realization purchased for Q4FY24 stood at INR 352 and the average realization per patient stood at INR 869.

•Across different geographies, the revenue mix stood at 33% from North, 21% from the West, 29% from the Southern India and 14% from the East states of India.

•The Wellness Portfolio of the company went up by 14% YoY in FY24 while in Q4FY24, it went up by 18% YoY.

•Revenue split in terms of products was: 34% from Specialized Testing, 54% from Routine Testing and 12% from the Wellness product.

**Orchid Pharma Ltd Q4FY24 Concall highlights**
**CMP INR 1,027 | Market Cap INR 52.09bn**

**New projects in line to be commissioned in FY25 will help the company achieve significant growth from FY26 onwards.**

- Sales reached INR 2170mn (+3% YoY). EBITDA was INR 420mn (+1% YoY), margins of 19%. Overall FY24 did see growth in revenue by 23% with significant growth in profitability.
- Employee and other expenses have decreased. Gross margins saw marginal decrease in FY24.
- Their new drug, Enmetazobactam has received USFDA and European medicine agencies. It will enable the company to earn royalties from the market. They have been granted waiver for phase 3 clinical trials and will be conducting phase 4 trials post launch. The timeline for launch has been preponed to Q2FY25. This will help in enhancing revenues in Indian market.
- They intend to partner with a third party for hospitals coverage and will rely on their AMS division for distribution. They will have a team of 40-50 personnel. They will be targeting tier 1 and 2 hospitals and nursing homes.
- They have also filed for new drug application for Septazidam Avibactam in USA.
- 7ACA project in Jammu is progressing steadily. Land acquisition is almost done. Trial batches are ready at the pilot plant along with obtaining key permissions. The commissioning of the project has been delayed to March’26. Production ramp up will be in FY27. They target to reach 67% utilisation in the first year. Payback period is around 3-4 years. About 80% of production can be used for captive consumption.
- Small capacity rejig in house is progressing as per schedule and will be commissioned in Q2FY25. This expansion will provide increased capacity for further growth.
- Downstream products project for 7ACA and Cephalosporins project are also growing steadily, to be commissioned in FY26. About US$ 15mn has been spent on capex for Cephalosporins project.
- 40% of revenues come from regulated markets while unregulated markets contribute 60%. Oral business has 75% share and Sterile business has 25% share.
- Sterile facility, commissioned in Dec’23, operated at 80% utilisation in Q4FY24. Product approvals take time thus no major jump in revenues witnessed.
- Oral facility is expected to be commissioned by start of Q2FY25.
- The management maintained their 20% CAGR guidance atleast for the next two years.
- The management feels they will be in a better position after two quarters to give guidance as projects are about to get commissioned.

**Shilpa Medicare - Q4FY24 Concall Highlights**
**CMP: INR 501 | Market Cap: INR 48,950 mn**

**Outlook: The Company's performance in Q4FY24 was better sequentially is a good sign considering the headwinds faced across API manufacturers in the Pharma business. However, the developments of excipient grade Albumin and other filings in the regulated as well as the unregulated markets give an impression of demand increase in the future.**

Guidance:
•The Management intends to operate in the 25-27% margins range for the API business, but hesitated to give any margin guidance for the overall business.

Key Highlights:
•Q4FY24 Revenue came at INR 2,942 mn (up 2% QoQ/ up 11% YoY), EBITDA came at INR 725.5 mn (up 6% QoQ/up 80% YoY), EBITDA Margins stood at 25% in Q4FY24 (against 24% in Q3FY24 & 15% in Q4FY23), PAT came at INR 245 mn (against INR 47 mn in Q3FY24 and a Net Loss of INR 76 mn in Q4FY23).
•The Company's most important business of APIs added 3 new molecules during Q4FY24: Methotrexate, Liraglutide and Teriparatide, which are at the validation stage and are likely to be completed during Q1FY25.
•The Company is also enhancing the capacity of an existing key molecule Tranexamic Acid from 15 MT to 25 MT per month.
•For another key molecule UDCA, the Company is witnessing significant improvements in Volume Pick up, and with the filings of US DMF and EU GMP, the Management feels more confident of the increase in demand of the molecule in these geographies.
•For the polymer initiative, the Company has developed one product for their US based clients and supplied them with Pilot and validation Quantities.
•The Company is developing 8 APIs for the Oncology segment, and the management says that those will come at the Plant level before FY26.
•On the Formulations side of business, the Company has launched their first ANDA product with their partner in the US Market under the J Code.
•They are also developing NU D07 for which the Phase 3 studies have been initiated and the recruitment of NSDL patients is ongoing.
•The Company has also completed the Phase 3 trials of another product which is a tropical Lotions solution, SML TOP09 for the treatment of Androgenic Alopecia. The Company is now planning to initiate Phase 3 trials by July-August 2024.
•The Company's Jadcherla facility got issued the approval by EU GMP certification for continued supply to the European countries from that facility.
•The Company is working with the US FDA for their GAAP reports pointed out in the Nov 2023 inspection. They are also entering new emerging markets through licensing and supply deals.
•The Company has partnered for the Rotigotine product, which is the most complex product in the European markets. They are planning to take this product in the US Markets as well for the treatment of Parkinson's disease.
•In the Shilpa Biologics, they are monitoring the volume growth of the high concentration Albumin product. The Company has completed the Phase 1 studies, and they are submitting the data to the CDSCO approvals for approvals for the Phase 3 pathway.

•Additionally, their first biologic CDMO project for microbial fermentation has been moved to the second level and have signed one more CDMO project in biologics.

•The Company's Net Debt as of March 2024 stood at INR 9,120 mn, and they have incurred capex of INR 1,720 mn for FY24, of which majority to the tune of INR 1,500 mn has been incurred for the Algorithmic manufacturing facility.

•The Company has recently in the month of April completed the QIP issue of INR 5,000 mn.

•The Management stated that the Goodwill has accumulated from the acquisitions that they have done over the years, and if they are required to write down any asset's goodwill value, they will do so in the future.

•Regarding the Intangibles, the Company follows a prudent policy of charging the P&L for any product which is in the process of development, and has risk involved against it as the financial returns for the product aren't assured/sales haven't started. Once the product is commercialized, the expenses for the same are capitalized.

•For the Pemetrexed product launched in the Europe in Q1FY23, the Management says that they are competing with the generics in Europe, and will be launching it in the US markets where there are J Code verifications to be met.

•The Management informed that the Phase 1 submission has been file with the CDSCO for Albumin, and they will be filing the Phase 3 submission also. The Managment explained the complex nature of the product, and why they are developing the fermentation facility for the manufacturing of this product.

•The Management speaking on Albumin explained that the excipient grade is itself not a drug, but used in various formulations. Currently, they will be supplying it to customers in Pilot quantity, and once the customers see better results, will get more supplies of it. The Management did not give away any pricing differential for the Excipient grade and the Therapeutic grade Albumin, but admitted that the Excipient grade is much more effective, and will have higher pricing, but all of this will take some time within the supply chains to reflect in the revenues.

•So, going ahead, they are expecting of its acceptance in the Indian markets, and then they will follow the same in the exports markets as well.

•On the Lenvatinib product, the Company and Sun Pharmaceuticals were the only 2 filers for the approvals, and while Sun Pharma has settled this, the Company is litigating for the same.

**Torrent Pharmaceuticals Ltd Q4FY24 Concall highlights**
**CMP INR 2,613 | Market Cap INR 884.17bn**

**India business is expected to outperform IPM growth for the coming quarters. Focus will be on increasing chronic therapies market share, expand new launches in new areas, improve productivity at newly entered regions and scale up consumer health business. They intend to penetrate international markets with their branded generics. Germany business to drive growth. US business is expected to start contributing positively to bottomline from FY25.**

Guidance
-The management expects the growth momentum to continue given the price increases and decent growth in volumes.
-The management feels they might see margin expansion by 50-100bps for overall business.
-Currently, they do not have any M&A planned.
-Debt repayment to follow similar runrate.
-Tax rate to be around 30% in FY25 and with new regimes in FY26, it should be around 27%.
-RoW markets to continue to grow at 12-13%.

Key highlights
**-**Revenue stood at INR 27.45bn (+10% YoY). EBITDA stood at INR 8.83bn (+21% YoY) with margin of 32%.
-Board has recommended INR 6 dividend per share.
-Trade generics business has been growing at 20% and has been decent in terms of profitability. It is quite a small part of the overall business of the company so they are not thinking of any other plans for the same. They expect to see similar growth in FY25 post which it may slow down a bit.
-WC days have come down to 90 from 110.
-Branded generics had about 73% share of overall revenues.

**India business**
**-**Overall business grew by 14%, driven by new launches in chronic therapies, field force expansion and traction in consumer health business. Price increase had a major role in the growth followed by volumes and new products.
-Consumer health - Shelcal 500 continued to see robust growth due to aggressive marketing. They continue to invest in Tedibar, Ahaglow and Unienzyme due to positive response.
-Field force increased to 5,700 MRs. Their guidance to increase MRs every year remains intact and the company might end FY25 with 6,000 MRs.
**Brazil**
-Brazil business outperformed market growth. Pricing has been strong along supported by volume growth. New launches continued the momentum with 3-5 new launches in pipeline.
-They have obtained approvals for their first product in CNS segment. Generic business continued the momentum with 31% growth in FY24.
-They expect Brazil to maintain 14-15% growth.

Germany

-Tender wins continued in the quarter. This will lead to incremental sales in Q2FY25. 10-15 new products in pipeline for launch.

-Increased sales rep count in the market and expanded their coverage to 8,000 pharmacies.

USA

-There was sequential improvement backed by new contracts which helped in offsetting the increased competition in the market. The management expects the business to have better and positive contribution in FY25.

-They are expecting about 8 approvals to come in FY25 and 3-4 out of these might start contributing to revenues positively. In the medium to long term, the management expects to do US$ 250-300mn revenues.

**Yatharth Hospital & Trauma Care Services Ltd | Q4FY24 Concall KTAs**
**Cmp-INR 438 | M.Cap-INR 37,590mn**

**Company's shift towards complex procedures has led the ARPO to increase . Co. aims to focus more on super speciality treatment and is expecting occupancy growth. 40% of topline is coming from govt due to which it is facing payment issue. These receivables are expected to significantly come down in next few quarters. We believe with increasing bed capacities, acquisition plans and demand in the geographies it is located coupled with reputed doctors with client following, company can perform well.**

Arihant Capital Markets Ltd.

Financials
Q4
Revenue stood at INR 1,778mn(+24%YoY)/(+7%QoQ) with INR 465mn EBITDA(+0.2%QoQ)/(+21%YoY) and margins of 26.2%(-58bps YoY). PAT stood at INR 383mn(+30%QoQ)/(+121%YoY) with margins of 21.6%(+953bps YoY). Net cash at INR 1,556mn.

FY4
Revenue stood at INR 6,705mn(+24%YoY) with INR 1,799mn EBITDA(+35%YoY) and margins of 26.8%(+113bps YoY). PAT stood at INR 1,145mn(+74%YoY) with margins of 17.1%(+443bps YoY). RoCE of 32% and ROE of 22%.

-Company is confident of sustaining the current growth pace along with the margins over the next 3-4 years.

-Company has completed 115 robotic surgeries till date and installed 3 Da Vinci X and 1 Stryker's mako robots.

-One of Big6 audit firm to be appointed for statutory audit.

In Q4, started with radiation oncology and nuclear medicine at Noida extension facility. oncology contributes 10% of revenue in Noida extension with significant growth in FY'25 expected.

-With Jewar, Asia's largest airport, to commence in FY'25, company has appointed international marketing professionals to expand medical tourism business. Company is developing additional 200 beds at Greater Noida to cater to international patients.

-Faridabad hospital, acquired for INR 1,160mn, has been rebranded as Yatharth hospital. It became operational on 12th,2024. Company is on track to acquire one hospital each year till FY'26. Company will keep its focus in North India along UP for new acquisitions.

-Uptick in occupancy rate. Overall 54%. Noida 89% occupancy. greater Noida 67% occupancy and to reach optimum this year . Noida extension 44% (vs 33% FY23) and to reach optimum next year. Jhansi 34% occupancy rate with continued improvement.

Company is witnessing the impact of debt reduction with reduction in finance cost of 93% in Q4.

-ARPOB at INR 29,300 for Q4(+6%YoY) and INR 28,600 for FY24(+8%YoY).

-Revenue contribution from government business was at around 40% of top line. Remaining business is divided equally between cash and insurance segment. Rise in outstanding receivable from govt entities has resulted in high receivables. This expected to come down significantly in coming quarters.

-ARPO at Jhansi hospital is on the lower side due to increased adoption of government schemes. In coming qtrs, volume of critical care patients to increase at Jhansi which shall reflect better performance.

Capex for FY25 and FY26 in the nature of brownfield expansion of INR 60l-65l per bed capex.

-Govt payment generally comes in 90-120 days while money from insurance comes in 45-50 days.

**Syngene International Ltd – Q4FY24 Concall Highlights**
**CMP INR 696 | Market Cap INR 280bn**

**Outlook: Recovery in the R&D segment is expected in H2FY25 as the company expects the spending from Biotech companies to gain back momentum. The revenue is expected to see high single digit growth in next year with similar EBITDA margins as FY24. The company is focused on increasing investments in technological and infrastructure development.**

Guidance:
The management expects better demand situation in FY25 in development and manufacturing segment. Revenue is expected to rebound in H2FY25 with stabilisation of dedicated centres and expected project growth. The management expects to see double digit growth in H2FY25 while H1 is expected to be flat with nominal growth. The full year revenue guidance is high single digit to low double-digit growth. EBITDA margins are expected to remain same as FY24.
Focus on increasing investment in technology deployment and digitisation.
Capex for FY25 is planned at US$ 60mn. 40% of the capex is planned for CDMO business while ~50% of it is for research services.

Key Highlights:
Revenue for the quarter stood at INR 9170mn (-8% YoY/+7 QoQ) while the company reported INR 34,890mn revenue for FY24 (+9% YoY).
EBITDA for the quarter was reported at INR 3330mn (-1% YoY) while FY24 EBITDA stood at INR 11,050mn (+10% YoY). Q4FY24 margin was 36% (+300bps YoY) while FY24 margin remained flat at 31%. Lower material costs and power utilities costs led to an increase in margins.
PAT for the quarter was INR 1890mn (+6% YoY), margin of 20% (+200bps YoY). FY24 PAT stood at INR 4640mn (+10% YoY); margin remained flat at 14%.
The biotech industry faced a lot of funding challenges through the year, which was not the case the last few years; the situation improved in Q4FY24. The reversal has led to reduced demand for R&D services coming from US Biotech companies. The management feels the company is in a good position to capture the upturn. About US$ 23bn was invested in US Biotech sector in the last quarter.
Development services experienced a softer quarter than expected.
The company continues to add infill capabilities in development and manufacturing segment.
The company completed Stelis Biopharma acquisition successfully. The modifications and repurposing of the facility is expected to complete in H2CY24. This will triple the bio manufacturing capacity of the company.
A new capability for purifying and separating chiral compounds and HPAPIs became operational.
Drug discovery process was enhanced by extending Syn.AI to diverse sectors.
Some clients postponed work for the quarter to FY25 which affected the topline of the company.

The company saw substantial decline in costs during the quarter with 31% YoY decline in materials costs.
Renewable energy consumption has increased from 78% to 87%.
The company incurred US$ 55mn Capex in FY24 with 60% of it done for adding new capacity in research business. 30% went into development and manufacturing while 10% was invested in infrastructure development.
Share of CDMO business increased in the year which was offset by increased material cost to revenue ratio, leading to negligible improvement in margins. The same ratio is expected to continue in FY25.

**Glenmark Lifesciences Ltd. - Q4FY24 Concall Takeaways**
**CMP: INR 750 | Market Cap: INR 91,960 mn**

**Outlook: The Pharmaceuticals sector, especially the API segment has been undergoing issues with the logistical issues erupted in the Middle East. While potential positives in the expansion of drugs and formulations are enormous in this segment, reality burdened upon by Geopolitical issues might impact along with the GPL business lost. Hence, we would wait for better signs for the Chemicals export markets.**

Business Strategy:
•The company successfully completed the Nirma acquisition during the quarter. Post the acquisition, the company is now poised to articulate a clear strategy regarding the future direction of the acquired business.
•The Company provided an update towards the Solapur project that engineering work has commenced for the construction of 200 KL in phase I. The project aims for a total operational capacity of ~500 KL across 2 phases and is envisaged to be operational by FY26.
•The construction for the intermediate block at the Ankleshwar site, with a capacity of 208 KL out of the total 400 KL has been completed and is expected to be operationalized in Q1FY25.
•The additional 18 KL pharma capacity at Dahej is under validation and is expected to be operationalized by Q1FY25.
•The company expects the new facilities to commence with ~60%-65% capacity utilization in FY25.
•They continued to file DMFs across various markets in Q4FY24, taking the total cumulative filings to 520, largely driven by CNS and cardio-vascular therapies.
•Going ahead, they are extremely optimistic about delivering stable growth in FY25, driven by a strong order book. However, slowdown in the GPL business may result in slightly lower growth compared to initial projections.

Key Highlights:
•The pharmaceutical industry as a whole witnessed a subdued demand in FY24, facing certain challenges with respect to supply chain disruptions and geo-political issues, mainly on account of Red Sea situation. The Red Sea crisis further disrupted the global supply chains, affecting the Rest of the World and LATAM markets. Also, the re-routing of shipping vessels resulted in delayed shipments, followed by inflated costs. However, despite these delays, the company foresees a strong order book in the upcoming quarters.
•Revenue during the quarter was impacted on account of ongoing geo-political issues, resulting in delayed flight availability for dispatches.
•Gross margin for the quarter was ~56%, an expansion of 60 bps YoY. However, the same expanded by ~300 bps YoY in FY24, largely driven by better product mix and lower input cost. Going forward, there might be an impact of ~100-150 bps on account of reduced PLI scheme benefits towards the margins.
•Employee expenses during the quarter remained at elevated levels (~13%) on account of regular increment cycle of the company and certain talent management costs, which are expected to normalize in the upcoming quarters.

•EBITDA margins for the year contracted by ~100 bps YoY, mainly on account of one-time bonus to employees.
•Company continues to remain net debt free. During FY24, it generated free cash of INR 2.85 bn leading to cash & cash equivalents of INR 3.01 bn as on 31st March 2024.
•Working capital days for the year was towards the higher side (~170 days) on account of high inventories being maintained due to the geo-political issues.
•They invested INR 1.29 bn as capex during FY24. Further, the projected capex for FY25 is ~INR 3.40 bn, of which ~INR 1.40 bn is expected to be spent towards the greenfield project at the Solapur site.

Business Units:
•Therapeutic-wise, CVS (Cardiovascular) and CNS (Central Nervous System) portfolio continued to deliver strong growth, largely supported by the Diabetes portfolio. Its key focused area of chronic therapies contributed ~62% of the revenue in Q4FY24.
•Market-wise, regulated market contributed ~83% in Q4FY24 mix, and this was primarily driven by growth in the Europe and LATAM markets.
•From a regional perspective, it was observed that growth in India, US, LATAM and ROW markets was robust, while the Europe business was flattish and Japan reported a de-growth due to certain inventory build-up.
•The external business (excluding Glenmark Pharmaceuticals Limited) saw de-growth of ~5% YoY, primarily on account of delay of shipments due to the Red Sea situation. However, it witnessed positive momentum for the European and LATAM markets. It contributed ~69% to the revenue during the quarter.
•GPL business witnessed subdued demand, registering a decline of ~28% YoY in Q4FY24. It contributed ~31% towards the overall revenue during the quarter.

Segmental Highlights
Generic API
•It reported a YoY decline of ~9% in Q4FY24, mainly impacted by the Red sea situation across the external business and de-growth in GPL business. However, the same witnessed a YoY growth of ~7% in FY24.
•Geographically, this business was driven by growth in the European and LATAM markets.
•The company has added 6 new products in its pipeline that includes 4 products in high potent API /oncology molecule category and 2 are synthetic small molecules.
•The HP API portfolio now extends to 17 products; 3 products are validated and 4 products are in the advanced stage of development.

CDMO
•CDMO (contract development and manufacturing organization) business witnessed a decline of ~38% YoY in Q4FY24 due to the high base in the previous year. However, the same grew by ~2% YoY in FY24, backed by a rebound in demand.
•Multiple discussions are ongoing with companies globally for additional business opportunities. It envisages to ramp up this business, going forward.
•During the quarter, it signed a multi-year definitive agreement with an innovator for the supply of API and expects the same to commercialize by Q3FY25.
•With regards to their prior guidance, they expect commercialization of the 4th product by H2FY25.

**Laurus Labs Ltd – Q4FY24 Concall Highlights**
**CMP INR 434 | Market Cap INR 233.6bn**

**Outlook: The company performed well in Q4FY24 driven by significant growth in Formulations and Bio segment. They have increased focus on R&D and have initiated many new projects and JV. They are expanding into animal health, crop sciences and biotech other than the generics and expect these new projects to have significant contribution in revenue in the coming years. The company feels headwinds in API segment will continue in pricing but they are confident of achieving increased volume sales. CDMO and Bio segment will be the focus as the company.**

Guidance:
Pricing headwind in API is expected to continue in FY25. The company will not look to gain market share by disrupting it with lower prices.
Focus remains on long term growth and achieving cost leadership. Efforts are being made to mitigate pricing headwinds and improve efficiency.
The company is positive of achieving increased volumes and cost improvements despite headwinds.
The company expects to improve its operating margin by increasing asset utilization across its network and delivering on late-phase commercial opportunities.
CDMO and Bio segment are expected to have 1/3rd share of the total revenue in the next two years.

Key highlights:
- Revenue for Q4FY24 stood at INR 14,400 Mn, increased 4% YoY and 21% QoQ, driven by continued strength in FDF and good sequential recovery across CDMO, API business. Revenue for FY24 stood at INR 50,410mn, decreasing 17% YoY.
- Gross Margins for the quarter were 49.8%, decreased by 10 bps YoY and 450 bps Q/Q due to product mix.
- R & D spends reported at INR 690mn (4.8% of Revenues) including CGT spends.
- EBITDA for the quarter was INR 2,590mn, decreased by 10% YoY but increased by 42% QoQ.  EBITDA Margins stood at 18.0%, decreased 280 bps YoY but increased 270 bps QoQ, benefiting from higher sales partly absorbing idle cost, preparing for margin uptick.
- EBITDA for FY24 stood at INR 7,980mn (-50% YoY)
- Net profit for FY24 decreased 80% YoY to INR 1,610mn.
- Net Profits for Q4FY24 was INR 760mn, decreased 26% YoY and increased 230% QoQ.
- Capex for FY24 was INR 7,000mn. FY25 capex is expected to be in similar range, focused on Bio and CDMO segment.
- Large CAR-T facility is under construction to service more patients and make treatment more affordable.
- The company is delivering on multiple projects involving multi-step complex chemistry and large-scale biocatalysis, and has made significant investments in its development and manufacturing capabilities to drive the next wave of impactful growth.

- In FY24, FDF and Bio division saw growth of 24% and 28% respectively but CDMO business saw significant degrowth, leading to 17% degrowth in revenue. CDMO core business saw 24% growth but PO business was nil for the year; Strong RFP flow continued from Big pharma & large biotech's, increased commercial pipeline, preparing for future business growth.
- API business saw 27% YoY increase with highest ever sales recorded in a quarter.
- Currently, the company does not have any agreements for long terms contracts but several contracts are moving in later clinical phases. They are moving towards offering APIs and not just intermediaries in CDMO business as big pharma companies look for suppliers who can provide both these services.
- The company is also under process of validating new 1-2 APIs which are expected to go into NDA soon.
- Share of Non – ARV APIs is seeing gradual increase with increasing share of ARV formulations. About 50% of the revenue came from ARV in Q4FY24.
- As the company has adopted the new tax regime, they expect the tax to be in 25% range.
- The company has collaborated with IIT Kanpur to start a GLP/GMP plant construction for the manufacture of viral sectors and gene therapy products, with a target to operate phase one by Q3FY25.
- The new fermentation capacity to be added in Vizag will be 500,000 litres.
- The business is expanding more into animal health, crop sciences, biotech and gene therapy apart from the generics. The management expects the new animal health line to contribute significantly to the revenues hereon.
- The company signed a JV with KRKA with a focus to enhance combined generic portfolio and market presence. It is a great opportunity to utilise capacities and the extensive pipeline.
- The company is looking to avoid debt for capex requirements in FY25.
- R&D spend is expected to be in the range of 5%.
- The project planned with IIT is expected to start contributing to revenue from FY26. Roughly INR 3000mn capex and opex will be incurred in the next 3 years on this project.
- Currently ROCE is at bottom levels and the company aims to maintain it between 20-25%. The management is confident that when their investments start to yield, the ROCE will get much better.

**Zim Laboratories Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 117 | Market Cap: INR 5,710 mn**
**Outlook: The Company is in the formulations business making or innovating new products which are replacements of other generic products in the Pharmaceuticals and Nutraceuticals segment. However, due to the nature of such R&D driven business, and the Management not able to provide any timelines or financial number guidance for future, nor able to disclose the nature of new Products under Development, we reserve ourselves from any outlook for future.**
**Guidance:**
Management refused to give any guidance either in Financial terms or on the timelines of the business for the future.
**Key Highlights:**
- Q4FY24 Revenues came at INR 1,179 mn (up 22.4% QoQ/up 12% YoY), EBITDA came at INR 172 mn (up 36.5% QoQ/up 6.8% YoY), Margins stood at 14.6% (up 150 bps QoQ/down 70 bps YoY) and PAT stood at INR 81 mn (up 68.8% QoQ/up 12.5% YoY).
- Pharmaceuticals segments revenue comprised 81% & of total revenue while Nutraceuticals made up remaining 19% of the revenue in Q4FY24.
- The Pharmaceutical segment grew 38% QoQ/4% YoY in Q4FY24.
- The Exports decreased in the mix coming down from 85% of their revenue in FY23 to 78% in FY24 contributing INR 287 mn.
- The NIP & OTF segment showed substantial growth with NIP revenue reaching INR 73 mn in Q4FY24 and INR 241 mn in FY24.
- Indian market revenue rose by 35% in FY24 to INR 209 mn for Q4FY24 itself and INR 804 mn in for the entire financial year.
- The R&D expense of the company stood at 9.7% of the total operating income for FY24 against 6.6% in FY23.
- The Company is targeting the external geographies of Australia, New Zealand, other European & American markets which are highly regulated.
- The Company has a new NIP product which they will be introducing for the regulated markets.
- The Management says that post filing for NIP the revenue is expected to come by next 15-18 months.
- The market size of the new product is projected to be around USD 1 bn and the company will be having a market share of 0.75%.
- The Company has done 1 NIP filing during the quarter Q4FY24 in different countries of EU, 7 NIP filings done on Emerging markets and Rest of World.
- 17 OTF filings were done on 7 products, with 7 of the filing are with Zim Laboratories.
- The Management acknowledges that there are issues with finding investments in the Nutraceuticals segment.
- Most of the products the company files the NIP for has only 3-4 competitors.
- The NIP is actually the new molecules that are not older than 10-20 years, and the Company is in the Formulations space for these new molecules.
- So, basically the Company spends heavily on the innovation of these new formulations, take these as filings to register them with Government regulators across different countries.
- The Management mentions that 4-5 products are majorly contributing to their NIP revenues.

**Sanjivani Paranteral Ltd Q4FY24 Concall highlights**
**CMP INR 190 | Market Cap INR 2,220mn**

**The company has delivered substantial growth in FY24 on all fronts. They continue to focus on expanding to newer geographies. They are in process of upgrading their existing facilities for introducing new products, which will eventually contribute to revenue in FY26. Prague JV will help them in expanding to European countries. HAL JV for IV production will drive significant growth as there is less competition in that segment.**

Guidance:
-20-25% revenue growth and similar profit margins expected in FY25.
-INR 900mn topline expected in FY25 with HAL JV contribution.
-PAT of INR 120-130mn expected with contributions from Prague JV.
-Tax rate to be around 25-26% in FY25.

Financial and operational highlights:
-Revenue came in at INR 128.6mn (+58% YoY/-14% QoQ), due to foray into new geographies. Exports had the higher share of 70% v/s domestic share was 30%.
-EBITDA increased to INR 22.1mn (+60% YoY), margin of 17.2%
-PAT came in at INR 12.6mn (+26% YoY/-24% QoQ), margins dipped to 9.7%.
-Overall FY24 performance was substantial with 53% growth in revenue while profitability also increased.
-Added 15 new products in FY24 and plan to add another 15-20 in FY25.
-CDMO business is a small segment for the company and they tend to work on only few molecules for existing customers. There is already lot of competition in the segment in the domestic market, thus the company focuses on exports.
-They currently have 180 active registrations with run rate of 15-20 filings every quarter.
-Other expenses have increased due to audits and sampling tests.

Existing facilities –
-Capex planned for existing facilities is ~INR 80mn. Plants are going into upgradation along with production to meet GMP guidelines. Revenue from expansions will be seen in FY26.
-Will be adding newer countries in LATAM for business expansion after the planned upgradation.
-Dehradun plant at 40-45% capacity utilisation. 65-70% utilisation expected in Q1FY25 and will continue going forward. Traction from US and African markets for inspection.

JV with Alivia Healthcare (Prague project) –
-Logistic issues have not cleared out yet.
-Trial and validation process is ongoing; operation may start in June'24. Revenue may come in from Q2FY25.
-The company has minority share in this JV and will contribute only to the bottomline on consolidated basis.

JV with Hindustan Antibiotics (IV project) –
-Investment of INR 300-350mn will be done where the company will contribute 60%.
-Revenues may come in from Q4FY25. Estimating INR 200-250mn revenue and 18% margins from this JV on quarterly basis..

-Estimating 80% capacity utilisation this year. They will be starting with producing 5 million bottles monthly. With further capex of INR 100-120mn, it can reach to 8-9 million.
-Confirmed monthly purchase agreement for 13 years is already set with the customer. Excess production will be sold in the open market.
-Demand in the domestic market is way more than the domestic total capacity. There is a major difference between domestic and export pricing for IV. Pricing is better in Middle East, Europe and LATAM when compared to South East Asia.
-As it will be the only plant in the Maharashtra region and very less players in this segment, priority will be given to the company for supply.
-Plan to set up and R&D facility at this premise and will be filing for new product licenses

**Granules India Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 396 | Market Cap: INR 95,970 mn**

**Outlook: The Company's shift from APIs to FDs in FY24 and beyond has led to higher margins while API price erosion has come in line with them reducing the API segment contribution. We believe the company will be able to achieve their forward guidance with ease as they continue to launch new products in the Finished Dosage segment.**

Guidance:
•The Company achieved gross margins of 48% in FY23, improved to 55% in FY24 with the last 2 quarters between 57-60%. Hence, the Management guided of achieving 55-58% of Gross Margins in FY25.
•On a similar basis, the Management being conservative gave a guidance of 22-23% of EBITDA Margins for FY25.
•The Management explained that the excess capacity built up after Covid could cause a continuation of Price Erosion in the API sales, and expect a Quarter on Quarter improvement and some stabilization from FY26.
•The Management said they are comfortable at Net Debt to EBITDA levels of 1-1.1x over the next 2-3 years.
•The Company expects the ramping up of the new plant to yield 100 million dosages per month from July 2024 onwards and achieve 4-5 million dosages per month by next fiscal year.
•The Management explained that their shift from APIs to FDs has caused the margins moving upwards, and the products already launched and in process of approval over the next couple of years will help achieve higher margins.

Key Highlights:
•Revenue came at INR 11,758 mn (up 2% QoQ/ down 2% YoY), EBITDA came at INR 2,557 mn (up 2% QoQ/ up 12% YoY), EBITDA Margins stood at 21.7% in Q4FY24 (against 21.7% in Q3FY24 & 19.1% in Q4FY23) and Net Profits came at INR 1,296 mn (up 3% QoQ/up 8% YoY).
•Value Addition also increased during the quarter at INR 7,062 mn (up 7% QoQ/up 23% YoY).
•Value Addition as percentage of Revenue also increased to 60.1% in Q4FY24 against 57.0% in Q3FY24 and 47.8% in Q4FY24.
•Region-wise, the company witnessed decline in regional revenue across all geographies except for North America. North America remained their largest markets with revenue increasing from INR 6,962 mn to INR 8,260 mn, i.e., 19% YoY growth and constituting 70.2% of total Q4FY24 revenue.
•The Company's Finished Dosages segment grew by 41% YoY in Q4FY24 and contributed 65% to the total revenue.
•The Management said that the sales of new products other than the legacy five products have been growing well and now contributed 25% of the revenue versus 15% a year ago.
•The management informed of exciting product Pipeline in the Oncology, Antibiotic segment, large volume molecules and select old molecules as well.

•The Pilot plant validation for two API products has now been completed and the Company is gearing to build commercial scale manufacturing capacity at Unit 5 in Vizag facility.
•The Company has achieved US FDA approvals for the finished products finished Dosage forms of those APIs and the Company with backward integration enabled by differentiated technology platforms intends to achieve leadership position in these molecules.
•The Company's new formulation facility at Genome Valley is progressing well and will add 8 billion finished dosages. The plant successfully commenced operations in the month of March and the capacity is being ramped up progressively.
•On the Sustainability front the Company has pledged to achieve Net Zero carbon discharge by 2050.
•With the Carbon Zero Green Pharma initiative, the Company is focused on strengthening their core business with backward integration of paracetamol and metformin. They have commenced operations for DCDA at the newly built pilot plant in Vizag during March 24 which has a capacity of 108 tons per annum. The Management informed of the Plants being worked out for a larger commercial facility at Kakinada.
•The Company's Finished Dosages segment contributed 65% of the revenue in Q4FY24 while the APIs and CFI made up the rest of the 35% of revenue.
•The Company has built a packaging facility in the US, and has grown their OTC business by around 25% in FY24. The move has made them one of the key players in the private label OTC space and the only integrated player right from raw materials to distribution.
•The Company has received 16 doses approvals from various regions in FY24 with several of those molecules having been launched in the US. They witness gaining momentum on products launched in Q3 and Q4 of FY24, primarily in the US. Majority of those molecules have been filed in Europe and some of the chosen Rest of the world markets with some approvals in the Europe and they expect to receive few approvals in the next couple of quarters.
•The Management stated that their Oncology platforms are leveraging infrastructure in APIs. They have started developing the Oncology portfolio to launch products in the US and Europe. This portfolio will also extend to the rest of the world including India. These products will be developed for the global markets and the Company expects to launch them from FY26 onwards. A lot of commercial work in this direction has already begun and they expect to play a very significant role in the overall solid oncology business across the globe in the coming years.
•The Net Debt was INR 8,421 mn as compared to INR 7,671 mn at the beginning of the year, i.e., an increase of only INR 750 mn. The cash to cash cycle was 161 days in the Q4FY24 as compared to 132 days at the beginning of the year.
•The Capex for Q4FY24 stood at INR 1,006 mn, which was primarily invested in Granular Lifetime and Granule Carbon Zero programs. The Annual Capex stood at INR 3,823 mn.
•The Company's New Products are expected to achieve 7-10% contribution of next year's revenues if everything goes as per plan.

**Aarti Pharmalabs Ltd Q4FY24 Concall highlights**
**CMP INR 587 | Market Cap INR 53.2bn**

**Aarti Pharmalabs is already a market leader in Xanthine and its derivatives and plan to capture more market with their new significant capacity expansions planned. CDMO business has been growing consistently and is expected to grow at 40-50% for next two years. FY25 will be capex heavy year given the projects planned, which will eventually have much more impact in FY26.**

Guidance –
-The management was conservative in their approach while anticipating growth ahead due to market volatility. The company is in line to achieve 15% overall growth along with EBITDA growth of 10-12% in FY25. They had earlier guided for 12-17% EBITDA growth in next two years.
-FY25 is going to be Capex heavy year; INR 6bn planned for the upcoming projects. INR 3bn is projected for Atali greenfield expansion, INR 900mn on solar power plant. 50-60% gross block additions expected in next 15-18 months. INR 500mn capex will be for intangible assets.
-Asset turn of 1-1.2x expected from Atali project.
-The company is positive on maintaining 50% gross margins going forward.

Key highlights –
-Revenue came in at INR 5058mn (+12.7% QoQ/4.3% YoY)
-EBITDA improved to INR 1176mn (+22.9% QoQ/47% YoY), margins of 23.25%.
-PAT came in at INR 653mn (+23.7% QoQ/52.2% YoY), margins improved standing at 12.91%.
-Overall FY24 did see marginal degrowth in revenue but profitability increased with increased margins.
-Xanthine continued to have the highest share in revenue with 44%, followed by API and CDMO at 37.6% and 18.4% respectively.
-Net debt to Equity was 0.14 as of March'24.
-The board recommended final dividend of INR 1/share.
-Currently Xanthine segment is operating at 90% utilisation while others are at 85%. There a lot of capacity additions and debottlenecking planned going forward, which will eventually contribute to business from FY26 onwards.
-At the current capacity, xanthine growth has peaked. CDMO has been contributing most to EBITDA margins followed by API.
-Opex was higher in Q4 due to increased freight costs and write down of R&D projects.

Xanthine –
-Undertaking brownfield expansion along with re-debottlenecking at existing plants. They plan to purchase the existing land parcel for this expansion and expect to complete the project by end of FY25. This will increase production capacity to 750 MT/month. The expansion will take 12-15 months. Optimum utilisation will be achieved 2 years after completion.
-There is substantial demand coming in from customers, thus the company is doing capacity expansion.

-They will be entering regulated Pharma space in Caffeine and are already present in food and beverages space. Pharma commands higher margins but volumes are low.
-The backward integration planned for Xanthine is operationally ready but the company has not started operating it as they are getting better prices in the market. They always have the option to start once price in the market increases.
-Utilisation may improve to 95% this year.

-Selling prices and RM prices have reduced significantly which has led to topline degrowth in FY24. Prices seem to have bottomed out. Prices decreased by 20-25% which was offset to some extent by capacity increase of 15%.

API & Intermediates –
-Regulated markets had 54% share, RoW with 34% while non regulated markets contributed 12% of sales.
-Focus will be on regulated markets.
-Validation process is mostly completed. Additional block set up last year will drive growth, upwards of 10%.

CDMO and CMO –
-12 new projects were added and 5 new molecules were commercialised during FY24.
-Working on expanding existing chemistry capabilities.
-Semi commercial blocks at USFDA intermediate manufacturing site in Vapi is nearing completion and will be operational from Q1FY25 and will reflect in revenues from Q2.
-Given the current pipeline of projects and customers and the new facility, the management feels the anticipated 40-50% growth in next 2-3 years, which was mentioned earlier, remains intact.
-Currently investing in R&D of new products and chemistries.

Solar Power plant –
-This plant will fulfil 1/3 of total power requirement and also reduce manufacturing costs.
-Returns on capex expected of 20% with payback period of 4-5 years.
-Expect to be operational from Q4FY25.

**Sequent Scientific Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 118 | Market Cap: INR 29,480 mn**
**Outlook: The Company posted a decent set of earnings for the Q4FY24, especially on a sequential basis. The API business as per the management is showing good traction with almost INR 1,000 mn of revenue per quarter run rate, and is expected to run at that pace over the next 7-8 quarters. Similarly, in the De-worming business, they are seeing some revival while 3-4 API fillings are remaining in the Pipeline. We believe the Management has been conservative due to some decline in the past year, and a revival will help them outgrow their growth and margin guidance.**
**Guidance:**
•The Management expects the margins in Q4FY24 will be sustainable maintained during FY25 apart from minor fluctuations due to Seasonality factors.
•For FY25, they expect the EBITDA margins to be in the low to mid teens levels. The Management aims to achieve high teens EBITDA Margins over the next 3 years.
•In terms of growth the Management gave a growth guidance of double digit growth in FY25.
•The management said that the De-worming Portfolio which was seeing a declining trend few quarters back, now is showing a Portfolio growth.
•Going ahead, the Management expects the Europe business to grow in high single digits or lower double digits over the years.
**Key Highlights:**
•Q4FY24 Revenues came at INR 3,612 mn (up 10% QoQ/down 1% YoY), EBITDA came at INR 411 mn (up 36% QoQ/up 221% YoY), Margins stood at 10.1% (against 7.6% in Q3FY24 and 1.4% in Q4FY23) and PAT stood at INR 13 mn (against 107 mn in Q3FY24 and Net loss of 924 mn Q4FY23).
•The Management informed of the ex Joint MD Mr.Sharat Matapur, their CFO who has moved out of Sequent Scientific and Mr. Saurabh Bhalla has joined as CFO of the company.
•The Company saw Seasonality factor impacting business in Europe.
•In Q4FY24, India Formulation business was seen doing well despite a short term distribution Product Non-availability Issue which they expect to re-introduce soon. In Q4FY24, the Company has launched 3 products in India and will be launching other products in subsequent quarters.
•The Company focussing on growth has discontinued some products from their Formulations Portfolio which were not showing much traction.
•API business had a very strong quarter with strong order flow from all the regulated markets for the Company. The Management exuberated confidence that the API business is gaining momentum with around INR 900 mn of revenue in Q4FY24, and expects it to register INR 1,000 mn of revenue run rate per quarter very soon. Also, the Management said that the API business largely depends on the levels of Inventory stocked up by their customers, hence, that too determines the order flows during the quarter.
•The Company did 2 filing in Q4FY24, and the Company has 3-4 Filings in the pipeline for the filing next year. The Management mentioned that they have a bias towards the Companion Animal Products rather than the Production Animal API filings.
•The Jan to March quarter is domestically soft due to Seasonal factors for the domestic markets.
•The Europe business contributed INR 1,236 mn, Emerging Markets delivered INR 1,007 mn and india business at 232 mn revenue for Q4FY24.
•The Formulation business revenue stood at INR 2,476 mn which is 69% of their business, API business contributed INR 959 mn in Q4FY24
•The Company's Net debt stood at INR 3,789 mn against 3,654 mn in FY23.
•Their Net debt to EBITDA stood at 3.55x in March 2024 against 4.7x in FY23.
•The Company's nearly 70% of the business comes from regulated markets in Europe and Emerging markets.
•In Turkey, the Management says the Pricing has been driving the business, and now they are looking for Volume growth as well.

**Indoco Remedies Ltd – Q4FY24 Concall KTAs**
**CMP: INR 319 | Market Cap: INR 29,485 Mn**

**Outlook**
**The company is optimistic about its future prospects, driven by strategic initiatives across various business segments. In the domestic market, the company aims to reduce its dependence on pure acute therapy segments and focus more on subchronic and chronic segments, which should drive better profitability. The management is confident of improving EBITDA margins going forward, targeting a range of 17-18% in the next few years. The company expects 15-20% growth in the Europe business in FY25. It expects its US business to benefit from the shift towards selling products through the front-end subsidiary, Florida Pharma. The company plans to launch 3-4 new products in the US market in FY25 primarily oral solids and potentially some sterile products.**

Financial Highlights
* Consolidated revenue from operations stood at INR 4,391 Mn in Q4FY24 up by 2.40% YoY & INR 17,882 Mn in FY24 up by 9.03% YoY.
* Consolidated PAT was at INR 220 Mn in Q4FY24 up by 41.58% & INR 970 Mn in FY24 down by 31.80% YoY.
* EBITDA margin for FY24 was 14.6% as compared to 17.4% in FY23.

Operational Highlights
* The company's largest brand Cyclopam crossed INR 1,500 Mn revenue and two other brands Oxypod and Cital crossed INR 1,000 Mn.
* The company launched a new ophthalmology division called Vision to enter the anti-glaucoma therapy segment in India.
* Its API division registered a YoY growth of 79% at INR 1,260 Mn.
* Company’s API KiloLab manufacturing facility and Indoco Analytical Services Testing Lab successfully cleared the USFDA audit.

Business Segments
* Company’s domestic formulation business grew by 3.6% in Q4FY24 and international formulation business witnessed a degrowth of 1% in Q4FY24.
* Its US business revenues for Q4FY24 were INR 675 Mn, while Europe revenues were INR 765 Mn.
* The emerging markets business particularly in Africa, Southeast Asia and Latin America performed strongly with a 24% CAGR over the last four years.
* Strong growth in emerging markets like French West Africa, Kenya, Tanzania, Sri Lanka, Myanmar, and Latin American countries like Chile, Bolivia, Colombia
* Maintained a specialized team with over 150 medical representatives in French West Africa and other countries

Challenges and Strategies
* The company was impacted by the performance of anti-infectives and respiratory segments in the domestic market.
* In Europe, the Paracetamol orders disruption affected the company's performance, but the company expects a revival in the coming quarters.

* The company aims to reduce dependence on pure acute therapy and focus more on subchronic and chronic segments.
* The company plans to improve manufacturing efficiency in the international business to boost margins.

Brand Performance
* The company's flagship brand Cyclopam grew by 3%, Sensodent K grew by around 16%, Kfnz grew by 18%, Cital grew by 89.5%, Kidodent and other brands posted double-digit growth in FY24.
* However, brands like Febrex Plus, ATM, and Oxypod did not perform well.

US Business Strategy
* The company has acquired a front-end partner called Florida Pharma to shift from the historical model of licensing out dossiers.
* FPP has recently started selling Indoco's products, and the full impact is expected to be visible next year.
* The company expects better margins as FPP will sell their own products rather than paying milestones to partners.
* Products like Comdigran and Vinsolamine are currently under refurbishment, and the lines are expected to be operational by August/September 2024.

Distribution Strategy
* Indoco primarily focuses on ethical sales promotion to doctors, accounting for 95% of domestic sales.
* For dental products like desensitizing toothpaste, the company has undertaken digital marketing to reach end consumers directly.

Regulatory Updates
* The company regularly sends updates to the USFDA on its commitments under the remediation plan and the final update is likely to be around July-August 2024, after which the USFDA may plan a visit.
* Received zero 483 observations in the recent USFDA audit of API KiloLab and Analytical Services Testing Lab

Manufacturing
* Commenced manufacturing operations at the 100% subsidiary Warren Remedies Private Limited
* Utilization at the Micro Labs plant in Europe is around 50%, impacted by lower Paracetamol orders
* Expect utilization to improve to over 70% as Paracetamol orders normalize

R&D and Capital Expenditure
* The company plans to continue investing around 5-6% of its sales in R&D activities.
* The expected CapEx for FY25, including maintenance and additions across manufacturing sites, is around INR 2,500 Mn.

**Jeena Sikho Lifecare Ltd-Q4FY24 Concall KTAs**
**CMP: INR 1,170 |Market Cap: INR 29,090 Mn**

**Outlook**
**The company has planned an addition of 500 hospital beds in the next few months, it expects to achieve an occupancy rate of 85% for its existing beds, which could translate into revenues of around INR 6,500-8,000 Mn. The management aims to convert its clinic model into a hospital model, reducing the franchisee operations, to improve profitability and patient footfall. It is actively expanding its geographical presence, with recent forays into Mumbai and Hyderabad. Furthermore, the company is exploring the over-the-counter market for its Ayurvedic products, targeting segments like diabetes, blood pressure, liver, kidney, and stress management. It expects to launch OTC products in the price range of INR 150-600, which could provide an additional revenue stream with healthy margins. The management has guided for 50% revenue growth in FY25, targeting INR 4,500 Mn in revenues**

Financial Highlights
•Consolidated revenue of FY24 stands at INR 3,244 Mn, an YoY increase of 59%
•Consolidated FY24 PAT stands at INR 692 Mn, an YoY increase of 105%
•EBITDA for FY24 stands at INR 930 Mn, an YoY increase of 102%

Operational Highlights
•The total operational hospital beds as of FY24 is 1,237 and the company plans to add 500 more hospital beds in the next 4-5 months, taking the total to around 1,700 beds.
•The company has 70 clinics which are currently operational, out of which 55 are franchisees. The company further plans to convert 15 clinics into hospitals and reduce franchisee model.
•The company is operating 20 Panchakarma day-care centers and 25 hospitals out of which, 4 are the large ones and 21 are small
•The company is targeting 85% occupancy rate for existing hospital beds
•The company aims to sell 3,000 hospital beds over the next 5 years, up from the current 1,237 beds

Business Model
•Jeena Sikho operates clinics, hospitals, and day-care centers focused on Ayurvedic treatment.
•They have a clinic-led model, where patients come to clinics first, and serious cases are referred to hospitals.
•They outsource manufacturing to third-party vendors with patented formulas.

Geographical Segment
•The company has a strong presence in North India, especially in Delhi-NCR, Punjab, Haryana
•The company has recently expanded to Mumbai (Andheri and Thane) and Hyderabad

Product and Pricing

•Current average selling price of Ayurvedic medicines at clinics is around INR 1,200 and the company is planning to launch OTC products in the price range of INR 150-600 as OTC products expected to have 7x higher retail price than manufacturing cost

Human Resources

•The company is hiring experienced professionals from companies like Dr. Trust, Patanjali, Divya Pharmacy for senior/mid-level roles

•The company is aiming to have best-in-industry salary and incentive structure for doctors and has taken an initiative which ensures 20-50% of a doctor's salary is linked to incentives based on patient feedback.

Margins

•Gross margins of the company are currently around 85% and they are targeting a net margin of above 25% going forward

•For OTC products, the company is expecting a 15% net margin after accounting for distribution, marketing, and tax expenses

•The management aims to reduce other expenses by 3% to increase profits by INR 100 Mn per month

Other Highlights

•Plan to migrate to the main board from the SME exchange by 2025.

•Increasing insurance billing, especially for daycare procedures.

•Offering annual wellness packages for INR 0.1-.15 Mn.

**Sanofi India Ltd Q1 2024 Concall highlights**
**CMP INR 8,542 | Market Cap INR 196.44bn**

**Expanded partnerships will drive growth; plan to grow business inorganically and scale up D2C brand**

-Revenue came in at INR 7234mn. (+5.54% QoQ)
-EBITDA came in at INR 2189mn. (+16.8% QoQ), margin of 30.25%.
-PAT stood at INR 1366mn. (-0.8% QoQ), margins of 18.48%.
-NLEM implementation in April’23 continues to impact business till today. Going forward, it will have no impact on business.

Diabetes –
-Plan to extend offerings and engage in therapy. Volumes have grown at steady pace.
-Launched Soliqua, therapy for patients treated with premixed insulins. It is expected to capture significant market share at a fast pace. With this launch, they tap into newer areas of insulin where they weren’t present before.

Consumer healthcare –
-Target to double this segment. Team merger has led to optimum efficiency.
-The company is focusing on developing new products in the core categories of allergy, physical wellness, and pain.

E2E innovation –
-Will be fully leveraging local innovations. Focus will be on innovations and bringing out full potential in the domestic market.
-Two new partnerships announced recently for reach on established portfolio with Cipla and Emcure for CV and CNS portfolio. Sanofi will be doing the innovation, production while Cipla and Emcure will look into marketing and distribution/promotion.
-Localised innovation strategy will only be applied to Indian market. They plan to work with contract manufacturing companies.

**IOL Chemicals & Pharmaceuticals Ltd Q4FY24 Concall highlights**
**CMP INR 373 | Market Cap INR 21.88bn**

**IOL has been witnessing strong growth in the Non Ibuprofen segment for the last 3-4 quarters. With the recent approvals and good traction coming in from export clients, export business is expected to drive growth of this segment. Prices have now stabilised in the last 2 quarters which will lead to be improvement in margins. Speciality chemicals segment has high share but very low contribution to profitability. Recovery of this segment is on cards in FY25.**

Guidance –
-Revenues to grow at moderate levels of 12-13% in FY25.
-Expecting EBITDA margins to improve to 14-15% from current 12% in FY25, due to stabilised input prices.
-Capex in FY25 to be at similar levels of INR 1.5-2bn.
-R&D expenses, currently at 8% of API sales, will see increase by 100-200bps.
-They are optimistic that these developments will convert into topline and bottomline growth. They expect the topline to grow at normal rates of 12-13% and reach topline of upwards of INR 30bn in the next 4 years, only from the existing capacities and product portfolio; any additions will add to growth. Targeting EBITDA margins of atleast 14-15% in the long term.

Key highlights –
-Revenue came in at INR 5039mn. (-14.2% YoY)
-EBITDA came in at INR 576mn (-45% YoY/+8.9% QoQ), margins dropped to 11.3%
-PAT came in at INR 282mn (-57% YoY/+21% QoQ), margins of 5.5%.
-EBIT margins for Pharma and Specialty chemical segment were 13.22% and 0.48% respectively, for Q4FY24. It has been low due to high volatility between input and selling prices, which impacted the delta. For the last 2 quarters, prices have been stable and is expected to stabilise further in the next 2-3 quarters.
-Capex of INR 2.46bn done during FY24.
-Capex in the last 2 years has been substantial and they expect to maintain this rate going forward.

Ibuprofen –
-Demand and prices have been stable for the last 2 quarters.
-They are currently operating at 85-90% capacity utilisation.
-Other expenses have increased mainly due to increased freight and insurance costs.
-The segment is expected to grow at 12% in FY25.

Non Ibuprofen –
-Volumes have seen an improvement of 10-15% in FY24.
-Since receiving approvals from European and other regulated markets last year, export volumes have seen substantial increase. Metformin exports increased by 60% compared to FY23 while Paracetamol exports increased by 10%.
-Paracetamol and Metformin capacity is operating at 95%. There has been a substantial increase from last year.

-Paracetamol prices were down 35-40%, Metformin prices were down 20-22%,during FY24.
-With the recent approvals from clients in international market, exports are expected to be around 25-30% next year.
-40-50% growth in this segment expected in FY25.
-Plans to increase Paracetamol capacity in FY25.
-Good traction seen from domestic and export clients in Q1FY25 till now.

Specialty Chemicals –
-Ethyle Acetate prices were down by 10%.
-Margins are expected to remain in single digit for some time.
-Acetic Anhydride, added recently, will contribute to revenues in FY25.

**Lincoln Pharmaceuticals Ltd Q4FY24 Concall highlights**
**CMP INR 573 | Market Cap INR 11.47bn**

**Moving from B2B to direct marketing model in the export markets along with penetrating domestic markets starting from Tier 2 cities. The company has been growing consistently over the years and expect to continue this momentum.**

Guidance –
-Capex plans – INR 250-260mn for FY25 and INR 300mn for FY26.
-Targeting to achieve minimum 15-18% growth annually and reach topline of INR 10bn in next 3-4 years. They also look to sustain the 20-22% EBITDA margins.

Key highlights –
-Total income increased to INR 1495mn (+28.5% YoY). Overall FY24 income increased 15.4% YoY.

-EBITDA came in at INR 254mn (+23.6% YoY). FY24 EBITDA saw 20.3% improvement.

-Net profit stood at INR 188.8mn (+55.14% YoY). FY24 net profit increased by 28.6%.

-The company operates their own branded segment in the domestic market. They were working on B2B model in international market till 2021, but have now started their selling through their own channels in some geographies and are working on expanding this network.
-They currently have 1500 products registered in the international and domestic market. They also provide CMS and in turn, these clients help them in market their own products.
-The company has approvals from European markets for their facility. They have been able to bring cost efficiency which has led to sustained margins even in the non regulated markets.
-Cephalosporin plant has already commercialised. Expecting INR 550-600mn revenue from this business and factory in FY25. Margins will remain at similar levels of other products but will gradually improve as they establish this product. They will look to bring this product in the existing product basket and then gradually move to regulated markets. At 100% utilisation, this product can generate INR 2.2-2.3bn topline.
-Major presence is in Africa, followed by LATAM and South East Asia. They have recently started exporting to Canada. Since they work mostly on B2B model, currency issues in Africa have not affected them much.
-Top three segments which will be in focus are Derma, Cardiac and Diabetic. ENT will be also a focus area for domestic market. Products for CNS segment is under development currently. They target to atleast achieve 50% growth in the next 3 years from these segments.
-20% of products in the domestic market are under price control.
-For domestic market, they intend to penetrate in Tier 2 cities for market expansion.

**Mankind Pharma Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 2,093 | Market Cap: INR 838 bn**

**Outlook: The Company posted degrowth sequentially while trimming down growth guidance for FY25. Since the company has historically been driven by strong growth, we believe we have to be watchful on its Valuations which were earlier driven by strong growth against lower growth guidance.**

Guidance:
•The Management is guiding mid-teen growth in revenues for the FY25.
•The Company does have any plan to do capex for the exports business or any capital outlay planned for such a plant.
•The Management expects the Company to take Price hike of 4-5%  in FY25 in line with inflation rates, and expects to take a hike slightly lesser than last year.
•The Management expects the Consumer Healthcare business to grow at mid-teens growth rate in FY25.
•In FY25, the Management expects EBITDA margins to be in the range of 25-26%.

Key Highlights:
•The Q4FY24 revenues came at INR 24,410 mn (down 6.4% QoQ/up 18.9% YoY), EBITDA came at INR 5,940 mn (down 2.9% QoQ/up 41.5% YoY), Margins stood at 24.3% (up 90 bps QoQ/up 390 bps YoY) and PAT stood at INR 4,770 mn (up 3.6% QoQ/62.3% YoY).
•The Company has recently got into agreement with Astra Zeneca for distribution of their respiratory brand Symbicort.
•The Company's Gross margins have increased to 69% in Q4FY24 against 67% in Q4FY23. The Management said that it mainly happened on account of price increases taken & favorable sales mix. In Q4FY23, the Company had some write offs which impacted the margins in Q4FY23, resulting in a lower margin.
•In FY24, EBITDA grew by 33% driven by operational leverage, robust growth in modern trade, sales in hospital and extension in chronic share.
•The depreciation & amortization expense witnessed an increase in FY24 mainly due to higher capitalization of completed projects, which included the Udaipur plant which got operationalized in Q2FY24.
•The R&D expenses for the year was INR 2,230 mn.
•As of 31st March 2024, the Company had a net cash position of INR 32,600 crore and Net Operating Working Capital Days reduced from 45 days as on 31st March 2023 to 42 days 31st March 2024.
•The Effective Tax Rate was at 19.1% in FY24 compared to 21.6% in FY23.
•The Company's Domestic business segment posted a strong primary growth of 10% YoY in Q4FY24, driven by strong performance in the chronic segment and recovery in Gynaecology segment.
•The Domestic secondary sales grew by around 8% YoY compared to the Indian Pharmaceutical Market's growth of 5.7% during Q4FY24.
•The chronic share to domestic revenue increased to 37% in Q4FY24 vs 35% in Q4FY23 indicating 1.6x outperformance to IPM. The prescriber penetration in Q4FY24 was 83.4% as against 81.7% in Q4 FY23.

•The Consumer Healthcare business revenue grew by ~2% YoY during FY24 mainly on account of multiple business transformation initiatives taken in FY24 and secondary sales were healthy. The company witnessed robust growth in the primary sales.
•The Company’s Exports revenue increased substantially by ~175% YoY in Q4FY24, aided by good performance in the US markets.
•During Q4FY24, the Company launched 4 new products in the US taking the total launched products to 39. In addition to the USA, the Company was also exporting to other countries including Bangladesh, Sri-Lanka, Nepal and Yemen.
•The Management said that in order to provide international quality healthcare products in India, the Company has entered into an in-licensing agreement with AstraZeneca for their Symbicort brand. This brand is known globally for its inhaler used for the treatment of asthma.
•The Company took a write off for one product which caused a 60 bps decline in Q4FY24 EBITDA margins.
•The R&D expenses for FY24 stood at INR 2,530 mn which is 2.4% of their revenue.
•The Cash & Cash Equivalents of the Company increased to INR 32,600 mn.
•The Capex for FY24 INR 2,890 mn which is 2.94% of the total revenue.
•The Management says that the margins at the Exports business is not very different or high from the overall business or the domestic business.

**Krishna Institute of Medial Sciences Ltd (KIMS Hospitals) Q4FY24 Concall highlights**
**CMP INR 1910 | Market Cap INR 152.89bn**
**Major facility additions and bed expansions are to be commissioned by end of FY25 which in turn will contribute to revenues from FY26 onwards. ARBOP on the overall levels is expected to see sequential improvement. Traction from consultants seen and hiring process of doctors is currently in process.**

Key highlights –

-Revenue came in at INR 6338mn (+10% YoY/4.6% QoQ)
-EBITDA came in at INR 1527mn (-2.3% YoY/6.4% QoQ), margin of 24.1%.
-PAT came in at INR 716mn (-27.4% YoY/-6.5% QoQ), margin of 11.2%.
-Overall FY24 saw revenue growth of 13.7% but bottomline degrew marginally.
-Overall Bed occupancy at 51.4% in Q4FY24. Marginal decline QoQ and YoY basis.
-Net debt to Equity ratio stood at 0.44. Debt has increased by around INR 5bn. INR 2.5bn will go towards Thane project, INR 1.4 towards Bangalore project and rest for Nashik and Nagpur. Repayment will start after 12 months. Target to curtail debt to Equity at 0.7.
-ARPOB saw 12.1% YoY and 11.5% QoQ growth at INR 34,270.
-ARPP improved 7% QoQ and 7.5% YoY to INR 137,500.
-Depreciation costs to continue at similar levels and may increase as projects gets commercialised.

Maharashtra –

-Plan to set up new Multi Specialty hospital in Thane with capacity of 290 beds, to be commissioned in Q4FY25.
-Nagpur facility to see 22-24% EBITDA growth in FY25. Plan to add few more beds in FY26.
-Fixed costs at Nagpur facility will be around INR 75mn/month while Thane facility will have 20-30% incremental costs.
-Plan to add 300 beds at Nashik facility, operations to start from Q1FY25. They expect to reach breakeven in one year.

Andhra Pradesh and Telangana –

-Telangana witnessed muted growth due to low capacity and delay in hiring doctors.
-Adding another 600 beds at Kondapur facility, to be commissioned by Q4FY25. Once the expansion is done, a lot of new recruitments are expected to happen. They will be positioning this facility as flagship.
-INR 100mn one off expenses for repairs at Secundarabad and Kondapur facilities.
-In course to rebuild the Secundarabad facility in 3 years by adding six lakh sqft premise.
-The cluster has seen 10% growth in revenue in FY24 with major contribution from AP; pricing will contribute 2-4% to this growth. Expect to see strong rebound in revenue with expansions lined up in Q4; Cancer and mother & Child treatments will contribute significantly.
-About 750 beds are to be added in the cluster in the coming time.
-The cluster can see 300-400bps margin expansion in next 3 years inspite of adding doctors and expansion costs.

Sunshine –

-Consultants have joined in Q4FY24. Plan to add new departments at the facility.
-One off expense led to marginal decrease in EBITDA. Can expect 26% margins to sustain going forward.

Bangalore –

-2 new hospitals planned in Bangalore.
-1st will be multi specialty and will have 450 bed capacity and will come into operations from Q4FY25. Mother and Child and Cancer department will start along with commencement. Cost per bed is around INR 10mn while market ARPOB is around INR 18mn. This will help in reaching breakeven faster.
-South Bangalore will have the 2nd facility with 300 bed capacity in Phase 1 and will scale up by 150 beds as required. Cost per bed is around INR 7-8mn. As they get established, ARPOB and ROCE will see improvements

**Aurobindo Pharmaceuticals Ltd Q4FY24 Concall highlights**
**CMP INR 1,227 | Market Cap INR 719bn**

**Expect growth momentum to continue in FY25 along with target of 21-22% margins. Generics and injectables may see muted growth in FY25 when compared to previous growth rate, as there as no major product approvals lined up. FY26 to be much better.**
**PenG project to be completed by September.**
**Large part of the Capex planned has already been incurred – No major capex to be done in FY25.**

Key highlights
-Revenue came in at INR 75.8bn (+17% YoY/3% QoQ). FY24 revenues saw 16% growth.
-EBITDA came in at INR 16.87bn (+68% YoY/5% QoQ), margins expanded to 22.3%. FY24 margins improved by 503bps to 20.1%.
-PAT came in at INR 9.09bn (+80% YoY/-3% QoQ). FY24 PAT saw substantial increase of 65%.
-The company was able to surpass their internal targets marginally for revenues and margins in FY24.
-Gross margins improved in the quarter due to better RM prices to 59.6%.
-Major capex done in FY24 and Q4FY24 has been towards PenG project.
-Four manufacturing facilities were commercialised in Q4FY24 including PenG, 6 APA and injectables.
-Vizag plant audit has been completed and the company expects to receive first approvals soon. They also plan to de risk Eugia III with dual filings from Vizag plant. They do not have plans to transfer existing filings of Eugia III to Vizag.

Formulations business (excl. Puerto Rico)
-The business grew by 21% with 86% contribution to total revenues in Q4FY24, aided by growth in Europe and Growth markets. It had similar growth in FY24.
-Europe business grew 12% while Growth markets grew by 50%. China and Vizag facilities contribution to be significant in FY25.

US formulations
-The business grew 22% driven by better volumes, stable demand and new product launches.
-Prices declined by 4% in Q4FY24.
-11 new ANDA approvals were filed while 17 approvals were received. 7 new products were launched.
-Oral and Specialty & Injectables business saw significant growth in FY24.

API business
-The growth was flat YoY with 13% contribution to total revenues. 10% growth was recorded in FY24 as the business saw higher volumes and better utilisation.

ARV
-Business degrew by 11% mainly due to pricing pressure.

Biosimilars
-The company has applied for manufacturing license for their first product and expect to receive it soon. USFDA filing has been slightly delayed; expect to complete in next 2-3 months. Plan to start manufacturing and launch products in H2FY25 in the domestic market.
-Two new biosimilars are filed in Europe which can receive approvals by Q3-Q4FY25.
-The company expects good revenue inflow once the products get into Europe and US markets.
-This business will have substantial contribution to the business in the long term.
-The management expects to sustain 70% gross margins even if the product faces price erosion in the US market.

**Glenmark Pharmaceuticals Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 1104 | Market Cap: INR 3,11,451 Mn**

**Outlook**

**The company aims for a double-digit PAT margin for the entirety of FY25, with an expected effective tax rate of approximately 25-27% moving forward. Glenmark's R&D investment for FY25 is targeted to hover around 7% to 7.25% of the total revenue, while the company's EBITDA margin objective is set at close to 19% for the full fiscal year FY25. Growth initiatives and expansion into new areas such as wireless technology are also part of their strategy. In line with this, the company plans to introduce its product Winlevi in Europe, commencing from FY26, thereby broadening its geographic footprint. Additionally, Glenmark has collaborated with Pfizer to launch Jabiris, an oral treatment for atopic dermatitis, in India.**

Financial Performance

•The FY24 revenue stands at INR 1,18,131 Mn, showing a YoY growth of 2.0%. Additionally, the Q4 FY24 revenue stands at INR 11,953 Mn, indicating a YoY growth of 2.1% and a quarter-over-quarter growth of 22.7%.
•The FY24 EBITDA stands at INR 11,953 million, reflecting a YoY decrease of 27.7%. However, the Q4 FY24 EBITDA stands at INR 5,043 Mn, marking a YoY growth of 26.7%.
•The loss from continuing operations in FY24 was INR 18,308 Mn, compared to a loss of INR 896 in FY23.

Product Development

•Glenmark and Pfizer launched Jabiris for atopic dermatitis in India. Additionally, Glenmark launched Levocetirizine Dihydrochloride  in Q4.
•The company launched several products under licensing agreements, including some injectable products
•The overall business remained challenging due to a lack of meaningful product launches and a delay in the scale-up of some recent launches
•Glenmark was granted final approval for three NDAs: Saxagliptin, Apremilast, and Tacrolimus 0.03%.
•Glenmark is awaiting approval of four respiratory products filed in Q4 FY '23
•Glenmark plans to launch Winlevi in Europe starting FY '26
•They are developing Envafolimab in the USA and plan to file it in more than 30 markets in FY25.
•The company has started the launch phase of Ryaltris and expects peak sales of UDS 200 Mn to USD 300 Mn over the next 3 to 5 years

Pipeline Updates

•Glenmark is developing Envafolimab with Tracon Pharma in a pivotal trial for soft tissue sarcoma subtypes in the USA.
•The company plans to file Envafolimab in more than 30 markets in FY25.

Cost Management

•The company has brought down its spending on Ichnos and IGI (innovation and global initiatives) substantially over the years.
•They will ensure that the IGI spend remains at or below INR 50 Mn going forward.

Geographic Expansion

•They plan to launch their product Winlevi in Europe starting in FY26, expanding their geographic presence.

Strategic Collaborations

•They collaborated with Pfizer to launch Jabiris, an oral treatment for atopic dermatitis, in India.

Capital Investments

•Glenmark's consolidated capital investment for FY25 is projected to be INR 7,000 Mn.
•There is a significant amount of front-ending of capital expenditure required in FY25 to support the targeted performance in FY26.

**Narayana Hrudalaya - Q4FY24 Concall Highlights**
**CMP: INR 1,237 | Market Cap: INR 252,730 mn**
**Outlook: The Hospital chain company posted impressive earnings for Q4FY24, and we believe with rising incomes and standardization of health insurance claims, would continue to see healthy traction going ahead.**

**Guidance:**
•The Company gave guidance for capex for FY25 at INR 16,435 mn, out of which INR 10450 mn would be used for inorganic opportunities & greenfield expansion, INR 3,237 mn for maintenance & replacement and INR 2,748 mn for new Cayman hospital.
•The Company would be funding 20% of capex from internal accruals and the remaining through debt.
•The Gross Debt for FY25 for expansion would be INR 24,000 mn which is an addition of INR 10,000 mn YoY while the net debt would be INR 10,000 mn.
•The employee costs would rise in Q1FY25 on account of wage hikes.
•The Company's insurance business is expected to go live from Q1FY25 onwards.
•They plan to add several clinics in the next quarter in Bengaluru.
**Key Highlights:**
•Q4FY24 Revenue came at INR 12,790 mn (up 6.2% QoQ/ up 4.6% YoY), EBITDA came at INR 2,950 mn (up 5.7% QoQ/ up 6.8% YoY), EBITDA Margins stood at 23% in Q4FY24 (against 23% in Q3FY24 & 23% in Q4FY23), Net Profit stood at INR 1,910 mn (up 1.6% QoQ/ up 10.4% YoY).
•The Management attributed the improvement in the margins towards improved realizations and enhancement of cost efficiencies across units.
•As of March 2024, consolidated total borrowings less cash & bank balance and current investments stood at INR 1,837 mn, demonstrating a net debt to equity ratio of 0.06x on account of funding expansion via borrowings. Borrowings consisted USD 66.5 million worth was foreign currency denominated.
•The Company incurred INR 9,079 mn as capex against their prior guidance of INR 11,360 mn as planned capex for FY24. The capex mix stood at INR 2,210 mn for Greenfield expansion, INR 2,180 mn for brownfield capacity expansion, INR 870 mn towards maintenance & replacement capex and INR 3,820 mn for the new hospital at Cayman.
•The Investments made in their subsidiaries of NHIC and NHIL was INR 120 mn.
•The effective tax rate for India business in Q4FY24 was 15.5% due to the deferred tax credit effects on account of the translation to the new tax regime.
•The effective tax rate for FY25 is expected to be in the range of 26%. The India business would have an effective tax rate of ~26% going ahead due to no further credits being realized while the Cayman's business effective tax rate would stay at 0%. Further, depending on the mix between India and Cayman, the tax rate is expected to get moderated.
•Q4FY24, Revenue break-up of India business based on geographies in India were: Bangalore 37%, Kolkata 27%, Northern region 13%, Eastern peripheral 11%, Southern 6% and Western peripheral regions 6%.
•THe Management said that the Q4FY23 had a high base due to post Covid discharge volumes & demand, therefore, the YoY growth for the quarter was slightly moderate.
•Average revenue per patient for IP (inpatient) and OP (outpatient) in Q4FY24 was INR 1,31,300 and INR 4,300 respectively. y.

•ALOS for this region was 4.4 days during the quarter. However, the company anticipates ALOS for India to be at 4.1-4.2 days in the upcoming quarters.
•Patient footfalls for IP and OP during the quarter was: 57,000 and 6,31,000, rspectively, supported by the growth in their flagship units and newer hospitals.
•During the quarter, ARPOB (average revenue per occupied bed) for India across geographies stood at: Bangalore INR 18 mn, Southern Peripheral INR 13 mn, Kolkata INR 15 mn, Eastern Peripheral INR 12 mn, Western region INR 13 mn and Northern region INR 16 mn.
•On the capex front, Bangalore and Kolkata units are expected to take approximately 2-3 years to get complete. However, the company has acquired the land for its Kolkata project in Rajarhat of more than 3 lakh square feet for INR 1700-1800 mn with expected bed capacity of 1,000 beds. For the Bangalore region, they have applied for the permissions to commence the project.
•By end of Q3FY25, the Company would begin construction on 8-10 lakh square feet of land.
•Going ahead, the expansion plans in Bengaluru would be 9 lakh square feet, Kolkata 5-6 lakh square feet, Delhi 6 lakh square feet, Bombay 2 lakh square feet, Raipur 2.5 lakh square feet & Jaipur 2 lakh square feet.
•In the short term, the Company plans to add additional capacity of 50% of current capacity.
•During Q4FY24, the performance of 3 new hospitals (Gurugram, Dharamshala and SRCC Hospital in Mumbai) were improving, of which Gurugram has become EBITDA positive from prior breakeven levels. Mumbai witnessed steady performance and Dharamshala has consistently been growing with double-digit QoQ growth in Q4FY24. EBITDA margins combined was 9% during the same period on revenue of INR 1,150 mn.
•Also, the NCR would remain the focus expansion market and is growing steadily. Dharamshala would continue to record EBITDA margins of more than 15% going ahead.
•With no further investments, the Company expects India business to witness growth on the back of rising throughputs and total numbers served under the same infrastructure. The Management focus would be to improve the payor mix, increase efficiency & improve capacity utilization of beds.
•In Cayman Islands business in Q4FY24, Operating revenue stood at USD 30.4 mn, an increase of 2% YoY. Revenue in FY24 was USD 123.9 mn as compared to USD 109.8 mn in FY23, with EBITDA of USD 58 million for FY24.
•Average revenue per patient for IP and OP in Q4FY24 was USD 29,100 and USD 1,100 respectively.
•ARPOB for the region stood at USD 2.1 million in Q4FY24 as compared to USD 2.2 million in Q4FY23.
•The capex for the new unit in Cayman is almost completed and the same is expected to get commissioned in the next couple of quarters. This unit would add 3-4 new service lines along with 60 additional beds.
•Revenue mix across speciality profile in Q4FY24 was: Cardiac Sciences 35%, Oncology 15%, Gastro Sciences 13%, Renal Sciences 9%, Neuro Sciences 8%, Orthopaedics 4% and others 16%.
•As of March 2024, the Company had a capacity of 6,074 beds, of which 5,683 beds were operational during the period.
•Domestic walk-in patients accounted for 44% and international patients 9%, respectively

**Natco Pharma - Q4FY24 Concall Highlights**
**CMP: INR 1,040 | Market Cap: INR 186,240 mn**

**Outlook: The Company posted robust set of earnings for Q4FY24 along with guidance of 15-20% Revenue growth & 20% growth in PATs for FY25. We remain positive on the future growth of the business with 5-6 new products in the R&D Pipeline for launch in the next 2-3 years.**

Guidance:
•The Company gave guidance for 15-20% topline growth and 20% profit growth for FY25 on a conservative basis.
•The Management is not in favour of a buyback and probably would go for some acquisition.
•The Company expects to spend around INR 3,000-3,500 mn in capex for FY25. They will not be doing capacity expansion in any new sites, and will expand in existing facilities.
•The Management expects INR 4,000 mn of PAT per quarter on account of Revlimid ramp up.

Key Highlights:
•Q4FY24 Revenue came at INR 11,103 mn (up 39.56% QoQ/ up 19.8% YoY), EBITDA came at INR 5,393 mn (up 76.7% QoQ/ up 46.5% YoY), EBITDA Margins stood at 48.6% in Q4FY24 (against 38.4% in Q3FY24 & 39.7% in Q4FY23), Net Profit stood at INR 3,863 mn (up 81.6% QoQ/ up 40.1% YoY).
•The Company is not in the field of Biologics as they lack the in-house skill set.
•On Revlimid, the Company has got orders into new markets like Egypt and Saudi Arabia.
•The Management has adopted the strategy of going into new countries, and strengthening their distribution chain through geographical expansion.
•On the question of acquisition strategy, the management clarified that the company is looking for acquisitions in the RoW region as per their geographical diversification strategy.
•The Management denied the timeline for the new products due to Confidentiality agreement with partners, but assured that most of the products in Pipeline are to be launched in the next 2-3 years.
•The Management said that the Company needs more clarity on the new registrations submitted by them with the regulators over the next couple of years to say anything on the new products.
•The Company is not utilizing an Intermediate product's capacity due to a sudden big drop in the prices of the Intermediate.
•The Company had a one time charge of INR 900 mn in Q4FY24 in their domestic business.
•As of May 26, the Company has INR 20.04 bn of Cash and investable liquid assets and INR 1.16 bn of debts.
•Speaking on the Exports front, the direct & subsidiary Exports for Brazil stood at USD 25-26 mn for FY24 which was the best among the RoW business. Similarly, the Canada Subsidiary exports stood at CAD 40 mn for FY24.

•The management said that they intended to do business of INR 1,400-1,500 mn of domestic business for FY24, but fell short of their targets by INR 250-300 mn. The Management attributed the poor rainfall last year for the lower revenues as the Company has to do some returns.
•The Management said that the there was no significant impact on their business due to the red Sea crisis as the Company's products are of niche category, and compared to the value of shipments or Air Cargoes, the price variation in the logistics costs are of insignificant size.
•The Management informed of an Oral cancer drug on which they are working at very early stages, and hence cannot commit any timeline or guidance.
•The Company has filed a product for Revlimid for Migraine.
•Speaking on the R&D Pipeline, the Company has at least 5-6 products currently.
•The management confirmed that they have an agreement with Teva for distribution, and the Profit sharing terms are the same for the Distribution agreement as they had for the Revlimid agreement.
•The Management clarified that in the US, Teva decides the distribution strategy and Pricing. But the distribution and Pricing are different in Canada as every geography has different marketing partners and different strategies are adopted in them.
•Regarding the Agri business, the Management intends to triple the revenues of the Agri business in the next 3 years

**RPG Life Sciences Ltd Q4FY24 Concall Highlights**
**CMP INR 1510 | Market Cap INR 24,970mn**

**RPG Life sciences have been net debt free for the last 2 years. Recently, most of the cash flow generated is used for plant modernisation. The company is looking to expand production of export products at these new furbished plants. They are also actively looking for M&A opportunities. Few old and iconic brands of the company are being worked on to make them INR 1bn brand which in turn will help in achieving long term goal of INR 10bn revenue.**

**Key highlights:**

- Revenue growth of 7.2% YoY to INR 1270mn, impacted due to seasonality, some product discontinuation and government restrictions on licenses.
- Profitability growth has been solid with EBITDA and PAT improving by 26% and 28% to INR 224mn and INR 132mn respectively. EBITDA margin improved to 17.6% (+260bps YoY) while PAT margins were 10.4% (+170bps YoY)
- Cash flow of INR 1720mn in FY24 after capex of INR 510mn for plant modernisation.
- Looking to take some old and iconic portfolios to INR 1000mn brand; they will enable the company to achieve long term goal of INR 10bn revenue.
- FY24 business segment mix – Domestic formulations had 67%, International formulations had 18% share while APIs had 15% share. Formulations business saw good growth of 15%. EBITDA growth for all segments was in double digits.
- Plant modernisation and capacity expansion by 25-30% by the company for both API and Formulations plant has been on the right track. They are waiting on results from regulators visit of API plant while regulators are expected to visit the Formulations plant in third quarter. The modernisation is being done mainly for export products. Once they are done, the company will look to expand itself in export market.
- R&D pipeline of 70 products for Domestic formulations, 10 for international formulations while 10 products are for new APIs.
- The company has recently started to go big in chronic and specialty segment. The new product pipeline is mostly related to this segment. The company is committed to the segment for long term.
- Margin growth has been very steep in the last 5 years. The management feels the company will see further margin improvement but it will be steady and not be as robust as before in the near term.
- Most of the surplus cash after capex for plants will be used in M&A and inorganic growth.
- Most of the new products for the domestic market will be outsourced to CDMOs. When products start gaining traction and volumes, the company looks to start manufacturing them in house to get better margins.
- The management expects the API business to see growth from H2FY25 onwards with the launch of new molecules.

**Ajanta Pharma Ltd Q4FY24 Concall highlights**

**CMP INR 2,234 | Market Cap INR 280.98bn**

**Ajanta Pharma has posted good set of numbers aided by robust growth in profitability in Q4FY24 as well as FY24. They continue to focus on increasing market share with launch of new products and targeting untapped markets. US business has seen improvement with stabilised price erosion and is expected to continue this momentum. Significant growth anticipated in Branded Generics business in FY25. The board has approved Buyback worth INR 2.85bn at INR 2,770/share.**

**Guidance:**

• Overall revenue expected to grow at low teens rate in FY25; gross margins are expected to remain at similar levels.

• Capex for FY25 is expected to be INR 1.75-2bn.

• Aiming for 10-11% growth in India business, better than IPM.

• Given the current trade situation, EBITDA margins are expected remain at 28% levels going forward. But, if situation improves, it may improve by 100bps. The company has factored in INR 300mn for freight crisis and manpower costs.

• 100bps improvement in PAT margins possible pertaining to favourable conditions.

• Plan to file 8-12 NDAs in FY25.

• Current tax rate of 27% can see improvement by 100bps next year.

**Key highlights:**

• Revenue for Q4FY24 came in at INR 10.54bn (+20% YoY)

• Profitability saw robust growth with EBITDA standing at INR 2.78bn (+86% YoY) and PAT coming in at INR 2.03bn (+66% YoY). EBITDA margins were 26% while PAT margins were 19%. Gross margins were 75%.

• Overall FY24 performance was also led by 12% growth in revenue and increased profitability. Free Cash flow for the year was INR 6.37bn.

• Board has approved buyback of shares at INR 2770/sh with total payout of INR 3.51bn.

• Paithan and Dahej facilities cleared USFDA inspections during the year. Currently, 44 products are on shelf with 22 ANDA approvals in process.

• Branded Generics, US Generics and Institution business contributed 71%, 23% and 6% to total revenue in FY24 respectively.

• R&D expenses were INR 500mn, 5% of total revenue.

• The company continues to outperform IPM by 180bps, growing at 9.4%.

• Trades have gone up in West Asia and Africa amid the Red sea crisis. US has not seen much uptrend.

• The company has around 5,000 MRs, 3,000 MRs in India. They look to add about 200 MRs more in international markets.

• Trade generic segment is expected to grow slightly above par. Antibiotics, painkillers, cardiology, diabetology and gastro are the main areas where the company operates.

• API prices have eased out in the last few quarters due to supply chain getting organised. Prices have cooled down which had shot up post COVID. The current prices are expected to sustain.

**Branded Generics:**

• Branded generics business increased by 15% in Q4FY24.

• Launched 18 new products in Asia, 9 in Africa and 15 in India in Branded Generics segment. The business in Africa saw minimal growth due to inventory rationalisation.

• The management is positive of achieving mid-teens growth in FY25 as they anticipate to increase market share in International market with new launches. Asia and Africa markets are expected to see substantial growth.

• New countries are also being looked at in Asia and Africa for expansion.

• All therapies in the portfolio aim at growing faster than IPM. Derma will see fastest growth, followed by Ophthal, Cardiology and Pain. They do not intend to enter in any new therapeutic segment.

• New products are in pipeline across all segments and will be revealed soon.

**US Generics:**

• US Generics business improved by 32% as price erosion softened along with shortage of APIs and ease in prices. The management expects the business to grow at mid-digit rate hereon.

• 6 new products planned to launch in FY25.

• Price erosion happens only when margins are higher. The new products will have higher margins which makes them prone to price erosion. Legacy products do not see much impact.

• Current price erosion is in range of 8-11% and the management expects this rate to continue.

• Capacity additions for US business will be incremental if needed as the company is working sufficiently as of now.

**Institution business:**

• Revenue from the segment was up 23% in Q4FY24, driven by preponement of few supplies.

• The business is mostly unreliable due to procurement agency's schedule and their funds situation.

**Rainbow Children's Medicare Ltd -Q4FY24 Concall KTAs**

**CMP INR 1332 |Market Cap INR 135.16 Bn**

**Company expects to grow top line and bottom line by mid teens ~15-18% going forward. Company has added 440 beds in last 2 years and expects to add ~600 beds in next 3 years. In Q4FY24, company has commissioned 280 beds across 3 hospitals one each in Hyderabad, Bengaluru, and Chennai.**

**Financials**

• Revenue came in at INR 3411 Mn in Q4FY24 (7.6% YoY/1.5% QoQ).

• EBITDA came in at INR 1055 Mn in Q4FY24 (7.7% YoY/-10.6% QoQ), with EBITDA margin of 30.9%.

• PAT came in at INR 511 Mn in Q4FY24 (-5.2% YoY), with EBITDA margin of 15%.

**Operating Highlights**

• Company commissioned 280 beds across 3 hospitals in Hyderabad, Bengaluru, and Chennai and 1 additional block to an existing hospital in Hyderabad.

• The company opened an outpatient clinic at Hennur, Bengaluru.

• In FY24, company commenced IVF Services at 8 hospitals, totalling IVF services to 11 hospitals and further plans to add IVF services across existing hospitals and in new upcoming hospitals.

• Developments of the spoke hospital at Hennur, Bengaluru (~60 beds) and the regional spoke hospital at Rajahmundry (~100 beds) is expected to commence its operation by Q4FY25.

• Regional spoke hospital at Coimbatore project work has been started and is expected to commence its operation in 24 months.

• Company has received the possession letter for the land parcels at Gurugram and have assigned architect and expects ground breaking in next 3-4 months.

• Company aims to first run spoke hospital and within 6 months of that time period to start running the hub hospital.

• Overall occupancy stood at 48.5%, while mature hospitals recorded an occupancy level of 59.2% and new hospitals at ~32.1%.

• Outpatient and inpatient grew by 3% YoY to 1% YoY for FY24 while deliveries grew by 7% YoY.

• ROC and ROE stood at 29.6% and 18.8% respectively, management expects to grow further with commencement of new units.

• Pay mix for Q4FY24: 53.3% revenue came from insurance and 46.7% from cash.

• International business stood at 2.5% of total business in Q4FY24 and 3.4% to INR 440 Mn in FY24.

**Other Highlights**

• The insurance business has experienced a notable uptick contributing 53% in Q4FY24. With rising awareness about the insurance and increase penetration in formal economy like Bangalore and Chennai and Hyderabad is further expected to increase.

• Company witnessed increase in quaternary and tertiary care business which resulted in higher ARPOB, along with 5-7% price hike.

• Company expects International business to contribute ~5% in FY25. Company's long term goal is to not only focus on building brand across india's neighborhood but also in the Africa and the middle eastern parts of the country.

• Uptick in occupancy in FY24 is seen mainly by Hyderabad and Andra clusters.

• Case mix expected to improve in FY25 in terms of the specialty services, obstetrics, intensive care services and ordinary care.

• Company to remain focus to grow Ipd and opd with overall increase in occupancies in FY25 with similar or little lower growth in ARPOB.

• New unit at Sarjapur is seeing good traction and is expected to further increase as company ramp up their operation and grow more units.

• Chennai cluster is operating below company's expectation. With focus on strengthening marketing and sales strategies management expects to improve performance in line with expectation in FY25.

**Metropolis Healthcare - Q4FY24 Concall Highlights**

**CMP: INR 2,009 | Market Cap: INR 102,910 mn**

**Outlook: We believe MetroPolis will be able to gain further market share owing to their reliable brand recognition and higher Profitability that will allow inorganic expansion opportunities in the next couple of years.**

**Guidance:**

• The Company plans to open 25 new labs in FY25 in strategic locations to target underserved markets aiming for accelerated revenue growth and market share expansion.

• Ms Ameera Shah will be transitioning to the role of Executive Chairperson and Whole Time Director going ahead looking after the governance and strategic growth part, while leaving the company's operations to other Professionals for day to day activities. The Founder and Chairman Mr. Sushil Shah will aslo be transitioninig to the role of Chairman Emeritus.

• The Companny has revamped the TruHealth packages suiting the needs of the customers with bundled testing packages and upselling to existing customers.

• The Management exuberated confidence of maintaining EBITDA Margins seen in Q4FY24 at a sustainable level ranging between 25.5-26% for FY25 and beyond.

**Key Highlights:**

• Q4FY24 Revenue came at INR 3,128 mn (up 7.45% QoQ/ up 10.7% YoY), EBITDA came at INR 797 mn (up 21.7% QoQ/up 15.3% YoY), EBITDA Margins stood at 25.5% in Q4FY24 (against 22.5% in Q3FY24 & 24.5% in Q4FY23), PAT came at INR 361 mn (up 32.2% QoQ/up 7.9% YoY) and PAT Margins stood at 11.6% in Q4FY24 (against 9.4% in Q3FY24 & 11.9% in Q4FY23).

• The Management expects the Diagnostics sector to grow by 10% CAGR over the next 5 years.

• The Management acknowledged that the market saw several new participants entering the diagnostics space during 2020-2022.

• Several new entrants from among the HealthTech players hopes of acquiring the customers via wellness route and tried to convert them into illness customers. However, the conversion rates of such remained in low single digits.

• Metropolis has benefitted from the increase in post-Covid wellness trends, and with brand recognition and an omnichannel strategy been able to increase the share in the wellness market.

• The Company says that recent trends have been seen with the customers preferring the organized players in the industry. Due to this, the standalone Laboratories are experiencing a decline in the market share.

• The Company is focussed on several therapeutic areas like Neurology, Nephrology, Gastroenterology, Oncology, etc. Additionally, they are also investing in areas like genomics and Molecular Diagnostics.

• As a strategy for Organic growth, the Company will be focusing on New Tech Advancement and amplify their engagements with Specialty doctors to grow their Specialty volumes.

• The Company will also be expanding their network in new cities as well as Tier 2 & 3 cities across the nation.

• While enhancing their services standards and digital initiatives will improve the productivity of the existing centres, they are also looking to expand outside India with their global reference lab in Mumbai as a Specialty Hub for Testing which will be an Asset Light model moving samples from outside India to Mumbai lab.

• For inorganic growth, the Company is open for M&A opportunities and will be looking for local players with cutting edge capabilities and skills with ability to sell through their large distribution network. The Company is especially interested in acquisition in the North & East markets while they may aslo look for acquisitions inn specific cities in South & Western markets.

• The Company plans to conserve cash by reducing their Dividend payout from 30-35% to 15-20% for the next couple of years while they look for acquisition opportunities.

• The Company has completed 23 acquisitions over the last 2 decades, and will return the cash Surplus in a suitabl;e payout manner if none of the Acquisition plans work out and return to the historical dividend Payout trends.

• The subsidiary Hitech has shown significant growth in the past year, and the Company has been able to increase the EBITDA margins by 4% for Hitech.

• The Company witnessed volume growth of 7% for the year FY24 on account of Product mix, change and realization Benefits.

• The B2C revenue has grown at 20% YoY in Q4FY24 with volume growth of 7% and 13% increase in the RPP attributable to the recent price increase implemented.

• The B2B revenues have been able to grow at 11% in Q4FY24 with corresponding volume growth of 7%. The Specialized & Wellness testing grew by 17% & 22% in Q4FY24.

• The Company has added 24 new labs in the last 12 months, with 7 labs in Q4FY24.

• The Company plans to open 25 new labs in FY25 in strategic locations to target underserved markets aiming for accelerated revenue growth and market share expansion.

• In FY24, the Company has added more than 550 collection centres of which 150 were added in Q4FY24 alone. The Company has expanded their footprint from 307 towns in April 2023 to 600 towns at the end of FY24.

• Upon the completion of the accelerator lab and network expansion by the end of FY25, they are anticipating that the enhanced revenue stemming from both existing and new labs will further enhance their margin profile for full year FY25.

**Morepen Laboratories Ltd Q4FY24 Concall highlights**

**CMP INR 222 | Market Cap INR 88.38bn**

**The company continued their robust performance with expanding profitability in this quarter as well and posted substantial growth in FY24. Medical devices continues to remain their fastest growing segment and the plans to demerge this business and list it under separate entity continues to remain on track. They intend to keep the momentum going and further increase profitability margins across all segments. Formulations business is picking up and they expect to breakeven in FY25. Focus remains on technological advancements and new products.**

**Key highlights**

-Revenue came in at INR 4.27bn (+16.5% YoY)

-Profitability has seen major growth mainly led by expansion of EBITDA margins by 722bps to 12.31%. EBITDA increased by 182% to INR 526mn while PAT grew by 249% to INR 287mn.

-Overall FY24 performance was robust with substantial increase in profitability.

-Revenue mix – APIs have the highest share with 56%, Medical devices constitute 26% while Rx formulations and OTCs contribute 13% and 5% respectively.

-Given the current gross block and recent capex, API business can generate INR 11.5bn topline while Formulations business has potential of 3x topline to INR 3bn.

-They target to reach 300,000 retailers in the next years. The network currently includes 125,000 retailers.

-They also intend to foray and penetrate into the south market as they are largely based in North and West markets.

-The company plans to foray into direct exports under their name as they see a huge opportunity. They plan to increase sales team for the same.

-New research lab at Baddi was incorporated in Q4FY24.

**API**

-68% of the API business comes from exports. In API segment, they have 6 main products which constitute 90% of total revenue. Going forward, the new 30 products which constitute 10% of revenues will eventually have 30% contribution.

-API segment saw 40% volume growth while value growth was only about 14% in FY24. EBITDA margins were around 18%.

**Formulations and OTC**

-Formulations and OTC segments were bit slow in the quarter while they grew 10% in FY24. Formulations business is currently running at negative EBITDA; reported PAT at INR (45mn) in Q4FY24. They target to breakeven in FY25.

Medical devices

-Medical devices segment continues to remain their fastest growing segment. BP monitors and Glucometers remain their most selling products with ~95% share in revenue. About 85% of Glucometer revenues come from Strips. Strips business has potential to grow at 30% while glucometers will grow at 20%.

-The company is currently facing shortage in the medical devices segment due to capacity constraints and high demand. Thus, they are planning for backward integration. The segment is running at 12% EBITDA margins and the company targets to achieve 18-19% margins.

-They intend to increase own manufacturing contribution in medical devices and the anticipated growth in the segment will be catered fully through own manufacturing and not outsourcing.

-The company already has plans to demerge their medical devices business and have already received shareholders approval. They are currently in licensing process and expect to execute this plan as per plan.

**GPT Healthcare Ltd Q4FY24 Concall highlights**

**CMP INR 162 | Market Cap INR 13.29 Bn**

**Company expects to grow by 14% - 15% from the existing hospitals in FY25 driven by improvements in the occupancy at Agartala and Howrah. With operating leverage company expects to improve EBITDA margin from 23% to 24% and maintain cash flow from operations to EBITDA at 80%. Aims to become 1000 bed hospital chain in the next 2-3 years.**

**Financials**

• Revenue came in at INR 994 Mn in Q4FY24 (3.43% YoY/ 2.9% QOQ).

• EBITDA stood at INR 248 Mn (-4.25%YoY/ 11.8% QoQ) in Q4FY24, with EBITDA margins of 24.6%

• PAT stood at INR 128 Mn (23.08%YoY/ 11.6% QoQ) in Q4FY24, with PAT margins of 12.7%.

**Operating Highlights**

• ARPOB increase to INR 32,947 in FY24 vs INR 29,671 in FY23.

• Occupancy rate stood constant at 58.9% in FY24, with inpatient and outpatient volume of 30,595 and 1,60,820 respectively.

• ROCE and ROE stood at 30.2% and 25.7% respectively, surpassing the guidance of maintaining at 25%.

• New hospital in Raipur with estimated cost of INR 550 Mn is expected to be commissioned in Q4FY25.

• Salt Lake hospital, with 85 total beds is operating at an occupancy level of 61% in FY24. ARPOB stood at ~ INR 34,083 with an EBITDA margin of 26.3% in FY24.

• Agartala Hospital which has 205 beds operated at 53% occupancy in FY24 with an EBITDA margin of 26%.

• Agartala hospital has received BARC approval for Radiation Oncology in Q4FY24 and is expected to commissioned by end of 2024.

• Dum Dum Hospital with 155 beds has occupancy rate of 77%. Alos stood at 5.2, due to extensive renal transplant program with 190 surgeries performed in FY24.

• Howrah Hospital having 116 beds, improved occupancy rate from 39% to 44% in FY24 and achieved an EBITDA margin of 11.5%.

**Other Highlights**

• Company expects occupancy for the existing hospitals to reach 65% in FY25.

• Radiation Oncology setup that would be commence by end of CY24 will add more occupancy, further company expects Howrah hospital to reach occupancy to 70% in next 2-3 years which will further drive future growth.

• Company expects utilization in Howrah to improve by 10% in FY25 and for Agartala its expects to improve from 53% to 60%.

• Salt Lake utilization was impacted due to some closure of the hospital for refurbishment of the gastroenterology department.

• For oncology division at Agartala hospital, the machines are expected to get installed within 3-4 months and in first year it should contribute ~5% increase in revenues.

• Company has maxed out the space available in Dum Dum Hospital, company plans to reclassify internal bed layout and add the number of ICU beds which will improve overall ARPOB of the hospital.

• By focusing on high end surgeries company has managed to increase ARPOB to ~ 38,000 and expected to maintain at ~ 40,000 going forward.

• Company to spend INR 100 Mn for maintenance capex and INR 550 Mn for Raipur hospital.

• Outpatient department sales contribute ~18% of total revenue.

• Transplant surgeries only in Dum Dum Hospital contributes ~ 7.5 -8% of the overall sales.

• Company expects to be EBITDA break even for Raipur hospital within 15-18 months.

**Gland Pharma - Q4FY24 Concall Highlights**

**CMP: INR 1,793 | Market Cap: INR 295,330 mn**

**Outlook: The FY24 increase in revenues were attributed to past year's expansion, and now the Company has several filings awaiting approvals. We expect some moderation in growth while new product launches and relaunches happen in FY25.**

**Guidance:**

• The Management says they have a  lot of products lined up for launch in FY25, and they expect to achieve EBITDA margins of 21%.

• They expect the Cenexi business to see EBITDA margins in the high teens in the next couple of years.

**Key Highlights:**

• Q4FY24 Revenue came at INR 15,375 mn (down 0.5% QoQ/ up 96% YoY), EBITDA came at INR 3,587 mn (up 1% QoQ/up 113% YoY), EBITDA Margins stood at 23% in Q4FY24 (against 23% in Q3FY24 & 21% in Q4FY23), PAT came at INR 1,924 mn (up 0.3% QoQ/up 145% YoY) and PAT Margins stood at 13% in Q4FY24 (against 12% in Q3FY24 & 10% in Q4FY23).

• The Management says that there are 3-4 players in the same products category as them, and they are happy with 25-30% market share.

• The Management attributed the increase in revenue to the integration of Cenexi business and new product introductions in the base business.

• The Company invested INR 3,980 mn as capex during the year FY24 out of which INR 2,370 mn was towards upgrading & setting up production line and routine maintenance in the Indian facility. The rest of the capex was towards Cenexi business.

• The Company introduced over 50 new molecules in FY24 including 30+ relaunched molecules which were temporarily unavailable due to challenges faced with some partners.

• They received 6 approvals out of 19 submissions in complex injectables of which 4 products were launched. Eribulin was launched as the first major complex product in May 2024.

• In Q4FY24in the US markets, the Company launched 5 molecules in the market, including Carboprost, Ketamine, Ganirelix Acetate and Paclitaxel.

• As of 31st March 2024, the Company along with its partners had 349 ANDA filings in the US, of which 286 were approved and 63 pending approval. The US market accounted for 57% of Q4FY24 revenue against 61% in Q4FY23.

• In Q4FY24, revenue from the European region was INR 2,690 mn, up by 727% YoY. In Q4FY24, sales in the core markets stood at INR 580 mn, registering a growth of 58% YoY.

• In Q4FY24, revenue from domestic Indian markets stood at INR 530 mn, down by 19% YoY. It contributed 4% to the revenue in Q4FY24. The sales in India contributed 5% towards the total revenue in FY24.

• In FY24, Rest of the World markets revenue stood at INR 11,240 mn, a growth of 63% YoY mainly on account of higher volumes from Cenexi business. It contributed 14% of the revenue in Q4FY24 as compared to 22% in Q4FY23. The Company witnessed good traction for its products in these markets.

• The Cenexi business Q4FY24 revenue declined primarily due to operational disruptions which caused high order backlogs. Additionally, there was a delay in executing tech transfer for the new business which was intended to replace the phasing out business.

• The Company filed 4 ANDAs during Q4FY24 and received approvals for 6 ANDAs filed in earlier quarters.

• The FY24 R&D expenses for the Company stood at INR 1,770 mn.

• On the new products that were launched, the Management denied that there will be price erosion on them going ahead.

• In the Biologics front, the Management says it will take some more time to ramp up as is the nature of biologics business. The Company is focussed on getting the base business back as a lot of funding has stopped in the US markets for the smaller companies in biologics business.

• Going ahead, the Management is focussed on the CDM side of the biologics business, and is making efforts in getting the manpower and technical side of it, post which they expect the financial flows will come naturally.

• In the rebuilding products side, the Company is one of the first to launch the products done last month. The product revenue potential is around USD 170-180 mn, but since there are other players who have filed for the same, they are awaiting for approvals which generally comes between 6-18 months of time.

• The Company intends to install a new line for which they are pushing the suppliers so that once they go for the planned shut down, post that they have new capacity to work with. The Company has order backlogs of USD 20-25 mn for the same.

• Going ahead, the Management expects the new products and relaunches to aid revenues by 10-11% of growth.

**Healthcare Global Enterprises Ltd Q4FY24 Concall highlights**

**CMP INR 358 | Market Cap INR 49.87bn**

**Growth drivers for FY25 – Volume increase has been the major reason for revenue growth and will remain major contributor to growth going forward. They are also moving to larger facilities with increased capacities which will increase footfall.**

**Q4FY24 margins were better due to better service and payor mix along with operating leverage kicking in. The management expects the current momentum to continue. Emerging hospitals will drive EBITDA going forward.**

Guidance

-The company is actively looking for inorganic growth opportunities through M&A. They are already in evaluation stage of some projects. They will be looking at assets which are already EBITDA positive to get a headstart. Future M&As will be funded through internal accruals as well as external debt.

-Capex for FY25 will include mostly maintenance capex of INR 700mn and some capex for North Bangalore facility of INR 900mn.

-Plan to add another 60 beds at Vizag facility in the next 2-3 years. They aspire to have 800-900 beds capacity in the next 5 years.

Key highlights

-Revenue came in at INR 4946mn (+12% YoY/5% QoQ). FY24 Revenues came in at INR 19121mn (+13% YoY)

-EBITDA came in at INR 920mn (+21% YoY/17% QoQ), margin of 18.6% (+130bps YoY). FY24 EBITDA margins were 17.2% (-40bps).

-PAT came in at INR 212mn (+154% YoY/273% QoQ), margin of 4.3%. FY24 PAT came in at INR 481mn with 2.5% margin.

-Emerging centres had RoCE of 20.6% while Emerging centres had negative RoCE in FY24. Overall RoCE was 10.4%.

-ARBOP stood at INR 42,700 (+8% YoY) in Q4FY24 and INR 41,800(+10% YoY) in FY24. Emerging centres ARBOP continued to see much better growth than established centres.

-AOR stood at 64.2% (-120bps YoY). Emerging centres did see reasonable decrease in AOR by 440bps. Utilisation rate is around 56%.

-Digital revenue grew 75% YoY in FY24 and will be an important growth driver in future.

-Capex for FY24 was around INR 1.87bn including acquisitions and growth capex. Net debt stood at INR 3.58bn.

-Effective tax rate for FY25 will be in 35-39% range. Currently, overall tax rate has been on the higher side. It is mostly because some entities are incurring losses and are some are not getting benefits at consol level. The management expects reduction in tax rate as they move towards profitability. Profitable entities are paying 25% tax.

-Doctor attrition rate is less than 5%.

-Some competitors have seen better growth in oncology segment than HCG. The management cleared out that some of the competitors have presence in the specific markets thus their ARBOP has been higher. HCG has a much larger base and presence thus they focus more on volume growth and have been able to achieve above market growth.

Exisiting and Emerging hosptials

-Two new hospitals in process to be established in Bangalore with 125 beds capacity within the next 12-15 months, enhancing their cancer care capacity.

-Ahmedabad expansion is almost done and is expected to be operational from Q1FY25.

-Emerging centres in South Mumbai and Kolkata have seen robust growth of 37% and 20% respectively in the quarter. Nagpur facility registered 48% growth.

-South Mumbai facility is expected to reach breakeven by mid FY25 while Kolkata facility achieved breakeven in Q3FY24.

-Cyberknife and Tomotherapy have been the strengths of South Mumbai facility. They are able to cater international patients through these services which will eventually help them in reaching breakeven in mid FY25.

-Indore acquisition done recently is on track. The company has been working on its infrastructure development.

-The company plans to add another 350-400 beds capacity within the next 3-4 years at their existing capacities which will be mostly be brownfield expansion. The management also feels there is already enough headroom for growth at current capacity at their current hospitals, so they will be working towards improving utilisation of these too.

Multispecialty hospitals

-Bhavnagar facility has been dominant in Oncology. They plan to add another linear accelerator there.

-Rajkot facility has been doing well and will continue as comprehensive cancer care facility.

-Suchirayu facility will also be adding new liner accelerator and PET scan machine.

**Innova Captab Ltd Q4FY24 Concall highlights**

**CMP INR 493 | Market Cap INR 28.2bn**

**Innova Captab is an integrated pharmaceutical company providing CDMO services along with branded generics presence in Domestic and International markets.**

Key highlights

-Revenue came in at INR 2626mn (+9% YoY/-13% QoQ). FY24 Revenues came in at INR 10813mn (+16.7% YoY)

-EBITDA came in at INR 38.1mn (+42.1% YoY/-14.5% QoQ), margin of 14.5%. FY24 EBITDA margins were 14.9%.

-PAT came in at INR 287mn (+66.5% YoY/14.3% QoQ), margin of 10.9%. FY24 PAT came in at INR 680mn with 7.3% margin.

-Exports contributed 27% while Domestic sales had 73% share.

-Jammu greenfield expansion on track and expect to complete it by Q2FY25. The unit will contain four blocks with capex of INR 4.5bn. The management expects revenue ramp up within 4-5 months of starting operations. They expect some benefits from government schemes to come in which will lead to better margins compared to other facilities. Jammu facility will be servicing CDMO business.

-Expect to maintain 20% CAGR for the next 3-4 years.

-Q3 and Q4 are much better for CDMO business. CDMO business has lower margins compared to other segments.

-With Sharon Bio Medicines, the management expects marginal growth in margins too.

-Consolidated Gross margins have seen improvement due to better product mix, increasing volumes and contribution from Sharon Bio Medicines. Gross margins on standalone basis to remain around 25-26% while Sharon Bio Medicine will see much better margins. Margins are better in branded generics and Sharon when compared to CDMO business.

-Maintenance capex to be around INR 50-70mn along with INR 1bn capex for Jammu facility in FY25.

-The company is targeting to improve their existing facilities utilisation.

CDMO

-Demand continues to remain strong. The company follows a cost plus model; decline in API prices has led to low realisations. Low realisations have had some impact to topline. FY25 to see much better growth – Volumes will have double digit growth but the pricing is expected to be volatile, though there may not be any major pricing decline.

-Change in product mix and pricing has majorly led to degrowth in absolute revenues in CDMO segment.

-193 customers as of FY24. Contribution down to 58% in FY24 from 73% in FY23.

-The business is focused more on domestic market. Growth depends on their capacity and pricing. They are operating already at reasonable capacity utilisation.

-The management is hopeful of achieving 20% CAGR going forward.

-They target to achieve INR 10bn revenue in next 3-4 years.

Domestic branded generics

-18% contribution in FY24. They have 600+ products with distribution network of 5000+.

International branded generics

-Exports to 20+ countries with 200+ active registrations. 11% contribution to revenues in FY24.

Sharon Bio Medicine

-Acquired the business in June’23. Formulations and API services catering to global markets. 13% contribution to total revenues.

-FY24 revenues were around INR 1.3bn with 24% EBITDA margins. The management is optimistic of this business and expect good yield from this going forward.

**Strides Pharma - Q4FY24 Concall Highlights**

**CMP: INR 900 | Market Cap: INR 82,670 mn**

**Outlook: The Company has revamped their business in FY24 and achieved their previous guidance. While they have reduced their debts and intend to reduce it further by INR 5 bn in FY25 as they are expecting significant growth from H2FY25 in Europe and US markets. We expect the company's first couple of quarters in FY25 to remain muted and achieve their growth guidance from H2FY25.**

**Guidance:**

•The Company has brought down the Debt to EBITDA to 2.72 as per their previous guidance on bringing it below 3.0x. The Management intends to reduce their debts by another INR 5 bn in the future as their Cash flows improve further. The Management gave a guidance to bring down the Debt to EBITDA below 2.0x in FY25.

•The Company gave a guidance of US markets in the range of USD 285-300 mn for the year FY25.

**Key Highlights:**

•Q4FY24 Revenue came at INR 10,583 mn (up 1.9% QoQ/ up 6.9% YoY), EBITDA came at INR 2,040 mn (up 4.6% QoQ/up 27.8% YoY), EBITDA Margins stood at 19.3% in Q4FY24 (against 18.8% in Q3FY24 & 16.1% in Q4FY23), PAT came at INR 104 mn (against INR 541 mn in Q3FY24 and Net Loss of INR 138 mn in Q4FY23).

•The Management expressed satisfaction that the Company has achieved the publicly announced in FY22 the Reset Strategy and have completed it ahead of their internal set timeline.

•The Management informed of the small Institutional business that was impacted in FY24 due to lower tenders, but now have gained momentum and will see higher allocation on that segment for the next 2 years.

•The Company expects major growth to come from H2FY25 as they have several products in the Pipeline for launch in that period.

•The Company's subsidiary Stelis reported first ever quarter of EBITDA break even in Q4FY24. The Management expects this business to turn Profitable from FY25.

•The Management expressed satisfaction that they have achieved the earlier guidance of USD 250 mn revenue from the US markets, and exuberated confidence while guiding for achieving USD 400 mn in the next 2-3 years.

•With the focus of the company in Customer efficacy, they have achieved lowest failure to supply now at sub USD 200,000 for a USD 250 mn business, i.e., 99% service levels, the Management stated.

•The Company is investing heavily in the Newer Technologies and more complex generics, beyond the USD 400 mn generics guidance for the next couple of years. They have recently announced a Partnership for Nasal sprays in controlled substances and will be making the filings in this financial year.

•The Company has identified 60 products that meet the criteria of margins they are comfortable with, and will be building a Portfolio of products through licensing, partnerships as well as by developing themselves.

•In the other regulated markets, the Company says they had 3 consistent quarters of USD 40 mn business even while the other markets were growing 19-20%. The Management says they have already partnered in the European markets, and that after the first couple of quarters in FY25, from H2FY25 onwards there will be significant growth in the European markets as well. This is due to the nature of business practices in Europe where developing Partnerships takes little more time compared to the US markets.

•The Company has achieved an exit run rate of 15% RoCE in Q4FY24.

•The Company's recently acquired OneSource platform for CDMO products has officially received the name. They have 40 unique logos and 17 GLP partners including several exclusive players who are their partners

**Gufic BioSciences Ltd-Q4FY24 Concall KTAs**

**CMP: INR 313|Market Cap: INR 31.39 Bn**

Financial Overview

Q4 FY24

- The total revenue for Q4 FY24 was ₹194.9 crore (+12.7% YoY / -6.5% QoQ).

- The EBITDA for Q4 FY24 stood at ₹34.6 crore (+5.5% YoY / -5.7% QoQ).

- The PBT for Q4 FY24 was ₹26.6 crore (+11.3% YoY / -9.5% QoQ).

- The PAT for Q4 FY24 reached ₹19.5 crore (+7.7% YoY / -10.6% QoQ).

FY24

- Total revenue was ₹806.7 crore, marking a 16.8% growth from ₹690.6 crore in FY23.

- EBITDA for FY24 was ₹148.05 crore, showing a 7.9% growth compared to ₹137.2 crore in FY23.

- PBT for FY24 stood at ₹115.7 crore, reflecting an 8.4% growth from ₹106.7 crore in FY23.

- PAT for FY24 was ₹86.1 crore, indicating an 8.0% growth from ₹79.7 crore in FY23.

Indore Capex:

- INR 300 Cr invested in Indore plant, which is 1.5 times larger in size than Navsari plant

- Pre-audit conducted by an ex-FDA inspector.

- Revenue from Line 3 and Line 4 to commence from June, with full revenue from all lines expected from July.

- Validation batches successfully executed.

Gross Margin:

- Enhanced due to direct billing, eliminating secondary and tertiary channels.

- Critical Care and Sparsh divisions instrumental in margin improvement through direct supply to hospitals rather than stockists.

Products:

- Developed 40 niche products, including molecules targeting schizophrenia and bipolar disorder.

Critical Care:

- Expanded market presence to 2000 hospitals.

- Introduced new products and have a pipeline of unique offerings.

Sparsh Division:

- Operates on a direct-to-hospital business model, present in 1400 hospitals.

- Future plans include the launch of more value-added products.

International Business:

- Secured new product approvals in the UK, US, Australia, Myanmar, and Nepal.

- 200 products registered in regulated and unregulated markets, with 150 more in the pipeline.

Guidance:

- FY25 target: INR 1000 Cr topline ambition.

- Transitioning towards direct supply over contract manufacturing.

- Revenue split: Sparsh and domestic business (55-58%), CDMO (20%), Exports (20%), API business (remaining).

Other Highlights:

- Sankalp initiative provides free therapy to economically weaker sections.

- Utilized preferential amount from Motilal Oswal for validation batches and loan repayment of INR 40 Cr.

**SMS Pharmaceuticals Ltd Q4FY24 Concall highlights**

**CMP INR 200 | Market Cap INR 16.97bn**

**SMS Pharma have reported good set of numbers in Q4FY24 as well as FY24. There has been major improvement in profitability in FY24 with EBITDA margins expanding by 610bps. Ibuprofen project started recently has been contributing significantly to revenues and it is expected to continue the growth momentum. The company is doing capex mainly towards backward integration and new products. Their focus is on high margin products and in demand therapeutic segments.**

Guidance

-Capex of INR 1.5bn planned for FY25. The company will invest towards hydrogenation plant, backward integration, new product lines and introducing high margin products. The capex will be funded through internal accruals, term loans and the recent fundraise done via convertible warrants.

-These new products planned will eventually contribute to revenues from FY26.

-Anticipating atleast 20-25% revenue growth along with bounce back to 20% EBITDA margins. Growth will be on sequential basis.

-The management expects to touch INR 12-14bn revenue in the next 3-4 years.

-They are also looking at two new large projects once they consolidate ibuprofen.

Key highlights

-Revenue came in at INR 2458mn (+65% YoY/52% QoQ). FY24 Revenues came in at INR 7093mn (+36% YoY)

-Gross profits are around 25.7% in the quarter while FY24 gross margins improved to 29.8%.

-EBITDA came in at INR 336mn (+45% YoY/16% QoQ), margin of 13.7%. FY24 EBITDA margins saw major improvement, coming in at 16.4% v/s 10.3% in FY23.

-PAT came in at INR 161mn (+99% YoY/31% QoQ). FY24 PAT came in at INR 498mn v/s INR (70mn) in FY23.

-Strong growth across all segments driven by increased volumes. Their product mix has improved as they are now focusing on high margin products and the in demand therapeutic segments which has eventually led to significant improvement in margins in FY24.

-Margins were impacted a bit due to RM prices and some increase in other expenses. The management expects the RM price volatility to continue in the short term but eventually consolidate.

-Backward integration focus has helped them manage RM and mitigate price fluctuations.

-Board has recommended final dividend of INR 0.4/share.

-There has been some very marginal price stability in terms of raw materials in the last six months. The company majorly sources its RM from Domestic market and has very less dependency on imports. Most of the RM are supplied on contractual basis thus the price fluctuations does not have much effect.

-Current utilisation levels is ~65%.

-40% of R&D work is done on cost optimisation.

-The company already has significant presence in Regulated markets and they will continue to penetrate the markets further. They also see RoW markets as a big opportunity for geographic expansion.

API segment

-API segment continued with highest contribution with 98.5% share.

-11% of revenues come from Domestic sales while major chunk (89%) comes from Exports.

-ARV continued to remain their highest contributing segment with 60% share. It had almost 20% contribution to consolidated topline in FY24. The management expects ARV segment to reach back to pre covid levels.

-Anti diabetic segment has shown impressive growth in volumes. New products are currently under development.

-The management expects incremental growth in anti diabetic and Ibuprofen segments going forward. The company is looking at expanding in regulatory markets with patents expiring.

ARV

-Demand in ARV segment remains strong and the company has undertaken many initiatives to enhance their product portfolio.

-The company reduced their dependency on ARV segment thus there has been very marginal decline in Q4FY24.

Ibuprofen

-Ibuprofen segment saw robust growth in FY24. Sales of Ibuprofen have double on QoQ basis driven by wider customer base and increased traction with existing customers. The management expects the trend to continue going forward.

-Atleast 30-40% growth is expected in next quarter with robust overall growth in FY25.

-The segment currently contributes 19% to total revenues and the company expects to reach 25% contribution by FY25.

-FY24 capacity utilisation has been on lower side of 25% due to slow commercialisation, though in Q4FY24 they had 40% utilisation. They are targeting 65-70% utilisation.

**Dishman Carbogen Amcis Ltd-Q4FY24 Concall KTAs**

**CMP: INR 161 |Market Cap: INR 25,226 Mn**

**Outlook**

**The management has provided guidance of achieving an EBITDA margin of around 19-20% and revenue growth of 10-12% in FY25 on a consolidated basis. The major issues faced at the French facility have been resolved, and the company expects it to contribute substantially to revenue growth from FY25 onwards, with the aim of achieving breakeven in FY26. The regulatory clearances received for the Bavla site in India are expected to boost revenue and order flow. With most major capital expenditure programs completed, the management expects to generate a free cash flow of around INR 5,000 Mn in FY25.**

Financial Performance

- Consolidated revenue stood at INR 6,547 Mn, grew by 5.8% YoY in Q4FY24 and at INR 26,158 Mn, grew by 8.4% YoY in FY24.

- EBITDA grew by 1.2% YoY to INR 996 Mn in Q4FY24 with margin 15.2% and decline by 1.4% to INR 4,085 Mn with EBITDA margin at 15.6% in FY24.

- Cash PAT grew by 15.51% YoY to INR 752 Mn in Q4FY24 and decline by 6.77% YoY to INR 3,039 Mn in FY24.

French Facility

- The French facility faced unexpected issues and technical problems during the startup phase, leading to one-off costs and delays.

- The issues have been resolved, and the facility is expected to contribute substantially to revenue growth from FY25 onwards.

- The French facility is expected to incur an EBITDA loss of INR 250-400 Mn in FY25, significantly lower than the INR 1,000 Mn loss in FY24.

- The company is confident about filling up the French facility and achieving breakeven in FY26.

Bavla and Other Facilities

- The regulatory clearances received for the Bavla site are expected to boost revenue and order flow from existing and new customers.

- The company is exploring opportunities to transfer projects from the Swiss entity to the Indian entity to leverage the lower cost base.

- The Netherlands entity is expected to improve profitability by focusing on higher-margin products and reducing raw material costs.

Revenue and Order Book

- The company is working on development orders worth over 140 Mn, indicating a strong future revenue pipeline.

- There is visibility of a linear growth in volumes for a key monoclonal antibody project, with peak demand expected around 2030-2031.

- The company expects a significant ramp-up in revenue from the India entity, targeting INR 3,500 Mn in FY25 and INR 4,000-5,000 Mn in FY26.

Employee Costs and Margins

- Employee costs account for a significant portion of revenue (~46-47%) due to the company's heavy reliance on a skilled workforce of around 500 scientists for molecule development.

- Margins are highest during the phase 3 stage of development, lower in early phases, and slightly lower in commercial manufacturing due to volume discounts.

Forex and Translation Impact

- The company faces significant forex translation impact, primarily due to the Swiss entity's costs being in Swiss Francs while reporting in INR.

- The management clarified that while the reported numbers show forex losses, the actual cash impact is minimal as the company hedges its cash flows.

Capital Expenditure

- With most major CAPEX programs completed, the company expects CAPEX in FY25 to be around INR 250-300 Mn, primarily for digital transformation and maintenance.

- Historical CAPEX has been driven by the French facility, Swiss facility upgrades, and regulatory-related investments in India facilities.

Other Highlights

- The one-off expenses in FY24 were primarily related to the French facility issues, employee benefit expenses due to inflation, and maintenance costs.

- The company expects these one-off expenses to be significantly lower or not recur in FY25.

- The net debt is not expected to increase significantly going forward, and the company is working on initiatives to reduce interest costs.

**Apollo Hospital - Q4FY24 Concall Highlights**

**CMP: INR 5,839 | Market Cap: INR 839,590 mn**

**Outlook: The Company's hospitals business has established brand recognition and is able to attract incremental international patients. We believe the Hospital segment's growth will continue along with even better margins as surgical volumes keep on increasing.**

Guidance:

•The Company is looking to grow their healthcare services segment beyond 15% YoY. The growth will be driven by volumes, focus on increasing flow of international patients and improved performance of the centres of excellence in oncology and neuro.

•Going forward, the Company plans to operationalise 4 new hospitals with ~1,500 beds in the existing markets. It will operationalise its hospitals in Gurgaon, NCR along with hospitals in Kolkata, Hyderabad and Pune within this calendar year 2025 & 2026.

•The Management stated that there is a concentrated effort to enhance surgical volumes across centres. The Management aims to implement cost optimizing measures which are likely to aid in improving the segment's EBITDA margin by ~150 bps.

•The Management is committed to achieve breakeven for Apollo 24*7 digital business with Apollo Health Co by the next six to eight quarters.

•In FY25, the Company is looking to add 500-550 offline stores. And, expects to generate 20-21% growth from the offline business.

Key Highlights:

•Q4FY24 Revenue came at INR 49,439 mn (up 1.9% QoQ/up 15% YoY), EBITDA came at INR 7,913 mn (up 2.8% QoQ/up 31% YoY), EBITDA Margins stood at 13% in Q4FY24 (up 30 bps QoQ / up 170 bps YoY), Net Profit stood at INR 2,538 mn (up 3.5% QoQ/up 76% YoY).

•The Company maintained the pace of network expansion with the addition of beds in Indore and Rourkela, and net addition of 489 pharmacies and several additions across lifestyle facilities and diagnostic centres.

Healthcare (Hospitals):

•In FY24, the Healthcare segment reported topline growth of 14% YoY to INR 98,670 mn. The cash & insurance revenue grew by 17% YoY, and contributed 82% of the inpatient hospital revenue.

•In Q4FY24, revenue was INR 25,630 mn, up by 17% YoY. EBITDA was INR 5,930 mn, up by 11% YoY. EBITDA margins came at 23.1% in Q4FY24 v/s EBITDA margin of 24.4% in Q4FY23. The dip in the margins was on the back of investments made in recruiting around ~150 new doctors and enhanced sales & marketing costs.

•The overall occupancy across the group was 65%. This was achieved despite the marginal decline in ALOS (Average length of stay) on YoY basis and also after recalibrating some beds for specialty clinical requirements and optimizing realization.

•In FY24, ARPOB (average revenue per occupied bed) increased by 11% YoY to INR 57,488. In Q4FY24, ARPOB was INR 59,523, up by 12% YoY.

•In FY24, revenue from international patients grew by 24% YoY. At present, international patients form 7% of total revenue.

•During the period, the inpatient volume grew by 6.1% YoY within which surgical volume grew by 9% YoY. Thereby, maintain a healthy trajectory.

•Tertiary care specialties and secondary specialty witnessed steady growth, as patients prefer the organized sector care enabled by insurance products.

Apollo Healthco Ltd.

•In Q4FY24, the segment reported revenue of INR 20,270 mn, a growth of 13% YoY. It reported positive EBITDA of INR 120 mn v/s EBITDA loss of INR 720 crore in Q4FY23, on account of optimization of cost and growth in operational revenue.

•The Pharmacy distribution business within Apollo Health Co recorded EBITDA of INR 1,340 mn, growth of 11% YoY.

•The Private label and the Generic business of pharmacy is at 16% of the total pharmacy business.

•The digital platform 24*7 added 2 million new users. The platform GMV was INR 6,810 mn, growth of 35% YoY.

•In FY24, the Company added ~500 stores, taking the total number of offline stores to 6,000.

Apollo Health & Lifestyle Ltd.

•In Q4FY24, the segment reported revenue of INR 3,550 mn, up by 15% YoY, EBITDA came at INR 360 mn, a growth of 40% YoY, and EBITDA margin was 10% v/s EBITDA margin of 8% in Q4FY23.

**Marksans Pharma Ltd. - Q4FY24 Concall Highlights**

**CMP: INR 149 | Market Cap: INR 67,320 mn**

**Outlook: The Company has got several products for launch in subsequent quarters in FY25 along with ramp up of acquired Teva unit and its expansion in H2FY25. We remain positive on the gradual increase in the company's topline while margins remain stable for the next couple of years.**

Guidance:

•The Management expects gross margins to remain in the range of 50-52% on a sustainable basis.

•The Company expects launches of new molecules to happen every quarter, which will fuel growth expected to be 40% YoY or higher.

•The Company anticipates a much more robust bottom line due to improving margins from operational efficiencies and leverage. The company is expecting revenue growth in the current quarter and for the full year.

•The Management expects meaningful revenue contribution from the unit acquired from Teva Pharma in FY25. The Company plans to increase the capacity to 5 billion dosages by the end of H2FY25.

•The Management expects 15% volume growth for FY25.

•The Management expects the revenue to reach INR 30 bn in the next 2 years.

Key Highlights:

•Q4FY24 Revenue came at INR 5,600 mn (down 4.5% QoQ/up 15.2% YoY), EBITDA came at INR 1,096 mn (down 17.6% QoQ/up 0.1% YoY), EBITDA Margins stood at 19.6% in Q4FY24 (down 312 bps QoQ / down 296 bps YoY), Net Profit stood at INR 776 mn (down 6.4% QoQ/down 6.1% YoY).

•The Company spent INR 2,080 mn on CapEx in FY24, which included INR 1,250 mn for acquired facilities from Teva Pharma, INR 300 mn for the existing Goa facility, INR 310 mn for the US Facility, and INR 520 mn for the UK manufacturing facility.

•The Management said that the transit time and freight costs have almost doubled in Q4FY24 against Q3FY24 due to the Red Crisis.

•In Q4FY24, the US & North AMerican markets made up INR 2,450 mn revenue, up 26.6% YoY, th UK & EU markets grew by 12.9% to INR 2,328 mn, Australia & New Zealand contributed revenue of INR 633 mn and the Rest of the World revenue stood at INR 189 mn.

•In FY24, the US and North America was at INR 9,180 mn, a 18.5% increase YoY, the UK and EU formulation markets grew by 22.9% YoY to INR 9,430 mn, Australia and New Zealand formulation market recorded revenue of INR 2,188 mn, a 4.4% increase YoY and the Rest of the World recorded sales of INR 974 mn.

•The Company spent INR 346 mn in R&D, which amounts to 1.6% of the sales. We continue to remain debt-free and have a total of INR674 crores of cash as of 31st March, 2024.

•The Company has broken down its CapEx and capacity into three phases: the first phase was 3 billion tablets, which it has achieved installing with capacity, and it is now scaling up to utilize this capacity and generate additional revenue. The Company spends nominal CapEx of around INR 250 mn per plant for its existing plants. The Company has improved its free cash flow and distributed the balance amount after investing in CapEx into dividends.

•The Company is investing more money in CapEx and other growth-related avenues.

•The Company has hired over 200 new people in the acquired manufacturing plant of Teva Pharma and plans to recruit more in the future.

•The Management attributed the Seasonal factors impacting their business in Q4FY24.

•The Company has increased inventory levels of finished products and key raw materials in their US warehouse due to various supply chain issues.

•The Company has implemented a buffer stock to mitigate the risk of supply shortages and production delays. The Company has different delivery systems involved in its supply chain.

•The Management said that Pricing pressure was moderate for Rx products in the US.

•The Company is taking steps to mitigate the risk of supply shortages and production delays, including increasing inventory levels of finished products and key raw materials.

•The Company is planning to launch a product mix from its new facility in India. The Company is launching products into various markets in FY25, but it's difficult to determine which product will contribute more revenue.

**Aster DM Healthcare Ltd Q4FY24 Concall highlights**
**CMP INR 368 | Market Cap INR 184bn**

**Aster DM Healthcare has seen reasonable growth on across all parameters in FY24. The company has plans to add good capacity of beds in the coming two years and are also actively looking for inorganic opportunities. As the hospitals are mostly situated in Tier 2 and 3 cities, ARBOP will be lower compared to competitors but has substantial headroom for growth. We can expect the next 2 quarters to see good momentum. Labs and Pharmacies business is not on focus of the company as they are using this business majorly to increase footfall**.

Key highlights
-Revenue came in at INR 9.78bn (+22% YoY). FY24 revenues increased by 24% to INR 36.99bn.
-EBITDA stood at INR 1.67bn (+24% YoY) with margins of 17.07%. FY24 EBITDA margins stood at 16.76% v/s 16% in FY23.
-PAT came in at INR 350mn (-27% YoY). FY24 PAT increased to INR 1.88bn (+28% YoY).
-International business grew 44% YoY to INR 1.88bn in FY24.
-Net debt to EBITDA stood at 1.1x.
-Actively looking for inorganic growth opportunities by greenfield and brownfield expansion. Plan to set up 1700 new beds till FY27 and reach total of 6500 beds; Capex of INR 10bn will be done.
-The management expects the next 2 quarters will witness good growth and pick up momentum.
-Overall margins can expand gradually to 20% while core hospitals segment margins can reach 23-24% from current 19%.
-The company will be moving to new tax regime. Overall Tax rate can be around 14-15%.
-Debt will peak in FY25 and gradually come down from FY26 onwards as capex gets capitalised.
-The company successfully completed the segregation of their GCC and India business in April'24 along with obtaining all regulatory approvals. 80% of their receipts from sale of GCC business were distributed as dividend while 20% of it will be used for strategic initiatives and organic growth opportunities.
Hospitals segment
-550 new beds capacity was added in FY24 (286 in Whitefield) totalling to 4,867 beds. ARBOP stood at INR 40,100 (+10% YoY) while Non O&M hospitals saw 14% ARBOP growth.
-Core hospitals business recorded EBITDA margins of 19.5% v/s 18.9% in FY23. Mature hospitals had 77% contribution with 22.4% EBITDA margins and 32% ROCE.
-Their new Whitefield hospital in Bangalore achieved breakeven EBITDA in 3 months of operation with INR 70,000 ARBOP in Q4FY24.
-3-5% price increase is expected which will lead to 8-9% ARBOP growth in FY25.
-70% of business comes from Tier 2 and 3 cities. Continue to penetrate Tier 3 cities through asset light model. Strength lies in non metro cities. Further expansion will be mostly in Tier 2 and Tier 3 cities only.
-Looking at M&A opportunities of single hospitals along with partnerships by expanding further in Maharashtra and explore UP.

-MVT can contribute ~10% to total revenue in next 2-3 years which is currently at 5.4%. Currently, 40% of MVT is contributed from GCC while 60% is non GCC. Patients who cannot be serviced in GCC will be transferred to India. Good opportunity lies in international patients.
-The management expects insurance share to increase in the coming time, especially in the metro cities and Kerela and Karnataka clusters.

Cluster performance
-Maharashtra and Karnataka cluster continued to grow with 31% overall contribution. EBITDA grew by 35% while Revenues saw 44% growth. This cluster will drive majority of the growth.
-Kerela cluster continues to have highest contribution with 57%. Decent revenue growth of 19% and 21% EBITDA growth.
-Andhra and Telangana cluster continued with 20% revenue growth and 29% EBITDA growth. Andhra has seen patients traveling out of state for treatment. If the company can start development there, they can restrict the outflow and also increase insurance penetration ,which will eventually increase ARBOP.
-Kerela will continue to see increase in cash payors while metro cities will see more revenue coming in from Insurance.

Labs and Pharmacies business
-Labs and Pharmacies business grew at 32% with 8% contribution to total revenue. Business achieved Breakeven EBITDA in Q4FY24 while FY24 was negative.
-There is no major focus on Labs and Pharmacies business. No plan to add more labs and further capex and goal is to increase footfalls. Pharmacies target to increase revenues; expect to breakeven by FY26.

Arihant Capital Markets Ltd

**Max Healthcare Institute Ltd Q4FY24 Concall highlights**

**CMP INR 803 | Market Cap INR 779.6bn**

**Max Healthcare has reported decent growth in topline but there has not been major margin expansion. Going forward, the company has major expansion plans, some of them to be completed in FY25. These new facilities start contributing majorly from FY26 onwards.**

**Key highlights**

-Gross revenue was INR 18.9bn including 42 Cr from New Units. (+15% YoY/+6% QoQ). Growth was mainly driven by increase in ARPOB while OBDs grew by 5%.

-Operating EBITDA was INR 5.03bn including INR 30mn from New Units (+15% YoY/+7% QoQ.) EBITDA margin was 27.9% versus 28.2% in Q4 FY23 and 27.9% in Q3 FY24.

-EBITDA per bed (annualised) stood at INR 7.6mn (+8% YoY).

-PAT was INR 3.11bn (-3% YoY/8% QoQ).

-Free cash from operations was INR 4.12bn. Net cash as of March'24 was INR 220mn.

-Occupancy stood at 75% v/s 77% in Q4FY23 and 73% in Q3FY24. New units had 61% occupancy.

-ARBOP stood at INR 78,100 (+10% YoY/2% QoQ). New Units ARBOP was at INR 77,000. International patient revenue grew 14%.

-The management feels the Lucknow market lacks quality infrastructure facilities thus they have massive expansion plans there. They are already witnessing good traction and expect this to continue.

-Nagpur market is also emerging. There a lot of oncology patients in that region and oncology being one of their key areas, the company expects good traction.
-FY26 is expected to see major contribution coming in from these new projects as some are set to be completed in FY25 and may become profitable by FY26. Brownfield projects wont take much time to reach breakeven.

-Lucknow facility will have marginally lower ARBOP and EBITDA, but will gradually cover up.
-Nagpur facility will have a lower ARBOP and ROCE when compared to Delhi and Mumbai facilities.

**Recent acquisitions and expansion projects**
-Acquired 200 bedded Alexis Hospital, Nagpur effective Feb'24 for a consideration of INR 3.95bn. Acquired 550 bedded Sahara Hospital, Lucknow effective March'24 for net consideration INR 9.93bn. These hospitals have been renamed as Max Super Specialty Hospital, Nagpur & Max Super Specialty Hospital, Lucknow respectively.

-Nagpur facility – plan to add 25 beds by Q3FY25 and forming plans for additional 140 beds infrastructure.

-Lucknow facility – 140 new beds will be added by Q2FY26 while 50 beds will be added through internal configuration. Further plan to put up 350 beds tower by Q1FY27.

-Purchased 5.44 acres of land at Shaheed Path, Lucknow for INR 1.68bn, with the potential to construct ~550 beds hospital. The plan will be taken forward once these recent acquired hospitals are established.

-Dwarka facility is awaiting few licenses and is expected to launch by early June'24. Already onboarded 280 personnel. It may incur losses in the initial period and will take time to breakeven.

-Nanavati facility should be up by mid July'24 and will be completed by Q4FY25.

-Max Smart at Saket has fast tracked after delay and will be complete by Q1FY26. The project has been pre-poned.

-Mohali facility is underway. Some modifications have been done to follow norms. Project will be completed by Q1FY26.

-Gurgaon project is expected to be delayed by six months.

**Medi Assist Healthcare Services Ltd – Q4FY24 Concall KTAs**
**CMP: INR 486 | Market Cap: INR 34,164 Mn**

**Outlook**
**The company is well-positioned to capitalize on the rapidly growing health insurance industry in India driven by favorable regulatory policies, increasing awareness and rising disposable incomes. The recent acquisitions of Raksha TPA and MedAdvantage have expanded Medi Assist's reach and capabilities. As these are integrated over the next few quarters significant operational synergies are expected to accrue, driving margin expansion back towards the company's historical levels of 23-24%. The company is focusing on developing technology platforms, data analytics capabilities, and automation to further enhance efficiency and profitability**

Financial Highlights
•Operating revenue stood at INR 1,668 Mn in Q4FY24 up by 22.6% YoY & INR 6,347 Mn in FY24 up by 25.7% YoY.
•Operating EBITDA stood at INR 370 Mn in Q4FY24 up by 20.7% YoY with margins at 22.2% & INR 1,333 Mn in FY24 up by 11.7% YoY and margins at 21%.
•PAT was at INR 257 Mn in Q4FY24 up by 50.6% & INR 923 Mn in FY24 up by 22.6% YoY.

Business Segments
•Company's total premiums grew 30.7% YoY to INR 1,90,500 Mn for FY24.
•Its Group premiums grew 30.4% YoY and retail premiums grew 33.2% YoY.
•Company's Market share in health insurance premiums administered was 19.6%.
•The company had a group policy retention rate at 94.7%
•The company has processed 3.6 million outpatient claims in FY24 and has enabled cashless claims for 60% of inpatient and 30% of outpatient cases.
•It has integrated with the National Health Claims Exchange for multiple insurers.
•The company is focusing on the retail segment which grew 33.2% in FY24.

Acquisitions
•The company acquired Raksha TPA and MedAdvantage in FY24 which added around 750-800 employees.
•The company expects integration of these acquisitions to take 2-4 more quarters to bring margins in line with Medi Assist's levels.

Margins & Cost
•The company aims to get back to 23-24% EBITDA margin range after acquisition itegrations.
•The company is investing heavily in technology and automation to drive operational efficiencies, It spends around INR 30-40 Mn annually on technology platforms.
•Recently the company invested around INR 90 Mn for international business tech platforms.
•Company's recent acquisitions temporarily impacted margins which should normalize over the next 2-4 quarters.

Industry Trends and Outlook
•The health insurance sector in India is expected to continue growing, supported by government initiatives and private enterprise.

•The recent news about the composite license for life insurers and a possible downward revision in GST on health policies are anticipated to benefit all stakeholders, including policyholders.
•The company is a leader in the National Health Claims Exchange integration and has successfully completed the integration for multiple insurance companies.

Revenue Recognition
•The company faces a lag between when premiums are booked and when the corresponding revenue is recognized.
•The company had unbilled receivables for FY24 around INR 1,170 Mn and deferred revenue (contract liabilities) of INR 2,200 Mn will get accounted as revenue in FY25.

Take Rates
•Company's Take rates (revenue as % of premiums) range from 2.5-4.5% for group business and 2.5-5.5% for retail.
•Its overall take rates may fluctuate based on business mix and timing of premium booking.

Other Highlights
•Company's DSO stood at 102 days in FY24 and it is targeting to bring it down to 90 days.
•The company's employee costs were at around 40-41% of the revenues.

**United Breweries Q4FY24 Concall KTAs**
**CMP: INR 2,012| MCap: INR 53,192 Cr| TTM EPS: INR 15.5**

**Outlook: There will be sequential margin improvement hereon as the company's premium launches continue to be well-received. Along with this, there is also an increased focus on operational efficiencies. Volume growth remains healthy and so far the top-line growth has followed instead. Margins were shaken by regulatory issues and raw material pressures.**

- Southern and eastern markets have been doing a lot of heavy lifting in terms of volumes, and they also had some growth in Maharashtra and Goa but Goa is facing a weak category trend because of stock-up with retailers
- There was a 12% volume dip last year and a 21% growth in the premium segment this year, which indicates a low base the company had allowing it to register an overall volume growth of 11%.
- The election benefit is expected to shape up, as they have above 30% market share in most states. There is recovery visible in most states where elections are over, but the rest are still lagging.
- A positive revenue mix of 11% volume and 5% price with a 4% favorable state mix was seen this year.
- The company appears to be patient on margins as they were a single-brand company a few years back and now has many brands in a competitive environment with international and local players. They are investing in capacities as they have many breweries but they are old, and also improving the quality of malt and ingredients.
- They are looking toward high single to double-digit volume growth and high single-digit volume growth with sequential margin improvement.
- There is a lot of volatility and uncertainty in the states they operate in the Telangana government has not paid INR 700-800cr for the last 5 months, which is a drag on margins as well.
- Gross margins improved, but operating expenses also increased due to inflation and investments in brand-building.
- The company is focused on premiumization and supply chain optimization to increase local production of premium brands. The company emphasized its focus on premiumization with successful launches like Kingfisher Ultra and Heineken Silver and intends
- The company will address regulatory challenges and plans for capacity expansion and future investments during the roadshow in August.
- The company faces concerns with inflationary pressures, regulatory uncertainties, and competition from international and local players.

**Sula Vineyards – Q4FY24 Concall KTAs**
**CMP: 513 | Market Cap: 43270 Mn.**
**Outlook:**

- **The company's performance was subdued on QoQ basis mainly due to their core markets that are Mumbai and Goa did not see the anticipated demand. However, volume growth in the premium segment and also wine tourism during the year indicates growth opportunities ahead. Sustainability focus, ND Wines acquisition, and capacity expansion will aid in maintaining their position in the domestic market. At CMP, company trades 46.2x FY24EPS.**

Performance:
•Revenue came in at INR 1355 Mn. (-33.25% QoQ) (+12.1% YoY).
•EBITDA margins cane in at 25.3% (Vs 35.387% QoQ) (27.183% YoY).

Highlights:
•Company has seen 8 quarter for topline growth, surprising growth in non-traditional markets like Telangana and Rajasthan, this positions up for success in future.
•Company has seen 8% volume growth in premium wine sector YoY and Vine tourism business showed 35% growth YoY.
•Company gets 70% sales from Maharashtra and Karnataka.
•The Maharashtra government recently revised the VAT refund scheme, which will now continue till FY28.
•The company acquired ND Wines, that is going to minimizing the impact of the lower refunds, this acquisition provides the tremendous scope for wine tourism.
•Companies' capacity utilization stood at around 85%, and targeting to expanding capacity by about 1 Mn L in FY25, which represents a 6% increase in capacity.
•With wine tourism, company is now also focusing on the rest of alcohol sector.
•Wine tourism revenues grew by about 22% in FY '24, much faster than the overall business.
•In FY25', milestone sellers by Sula, standalone tasting room to open outside one of the winery campuses, which helps in direct customer interaction.

•Company planning to increase sales force by 8% to 10% from tier 2 cities, for market penetration.
•Company is now a board member of the international wineries for Climate Action, and have reached about 60% today of energy needs, adding more sustainability, capex, more solar, and targeting to go from 60% to 70% of renewable energy by FY25'
•Companies board has recommended final dividend of INR4.5 per share which takes the full year dividend to INR8.50 per share almost at the same level as previous year.

**ADF Foods Ltd Q4FY24 Concall KTAs**
**CMP: INR 227 | Market Cap: INR 24.95bn**

**EBITDA margin expansion was driven by product mix; processed food share has increased. Company is investing in Truly Indian and Sole brand which will going forward contrast margin to high teen number.**
**Company expects 20% volume and value growth for FY25 and expect Truly Indian brand to grow upwards of 20% volume and value growth and Ashoka brand also to grow about 20%.**
**Company is investing INR 13cr in Sole and INR 8-10cr in Truly Indian.**
**We have a positive outlook and expect company to grow along with the growing packaged and Processed food industry**

Consolidated Financial Performance
* Net Revenue for quarter grew by 24.8% YoY and stood at INR 1536mn (+18.4% QoQ) and for FY24 revenue stood at INR 5203mn vs INR 4503mn in FY23.
* EBITDA grew by 30.4% YoY to INR 1049mn and the EBITDA Margin expanded by 230bps YoY to 20.2% on an annual basis.
* EBITDA for quarter stood at INR 343mn (+27% QoQ, 29.4% YoY) with EBITDA margin of 22.3% for Q4FY24 (vs 27% Q3FY24 and vs 21.5% Q4FY23).
* PAT grew 32% YoY to INR 738mn for FY24. And stood at INR 250mn for the quarter vs INR 191mn in Q3FY24 and INR 1610mn for Q4FY23.

Key Highlights
* Company currently has listing in 2 large chains in US which gives them access to 350 outlets, in UK they have 500-600 stores and in Germany they have 1000-1500 stores.
* Company faced some problems from red sea issue in Q3 due to which cost went up to 9% of revenue, company now expects this to settle down similar to previous 6-7%.
* Company aims Sole brand which is meant for India to reach INR 100cr size in 3-4 years.
* Company is actively investing in advertisement; however, the percentage of ad spend have come down compared to revenue but the absolute number have increased.
* Company expects Indian packaged foods industry to grow and expects more opportunity in domestic market.
* Truly Indian contribute ~3-4% of total revenue and 23% from B2B on the standalone basis.
* Ashoka will continue to focus, as flagship brand for the south Asian and Truly Indian is for the mainstream market in the US and expect a huge Runway there.
* Indian food overall is getting more popular in the US and other parts of the world. It's a much larger audience that company can cater to.
* For quarter 15-20% growth was attributed to new stores which were added.
* Company is targeting INR 30cr revenue from Sole brand but won’t contribute to profit as company is in investing mode for this brand for next 2 years.
* Company has green field project in Surat which is expected to be ready in next 15 months and in Nasik and Noida company is expanding capacity.

**CCL Products Ltd Q4FY24 Concall KTAs**
**CMP: 568 | Market Cap : 75.84 Bn**

**Company achieved a volume growth of 14% for FY24 lower than expected volume growth of 18-20% due to volatility in coffee prices. Branded business continues to grow and recorded a revenue of INR 2100 Mn and the management further expects branded business to grow by 30-40%. Company aims to optimize interest cost and expects EBITDA per kilogram to increase in future.**

Financials
•Revenue came in at INR 7267.17 Mn in Q4FY24 as compare to INR 6644.82 in Q3FY24.
•EBITDA stood at INR 1222.4 Mn in Q4FY24 as against 1154.7 Mn in Q4FY23.
•Profit after tax stood at INR 652.22 Mn in Q4FY24 as compare to INR 632.853 in Q3FY24.

Operation Highlights
•Domestic sales stood at INR 3200 Mn of which INR 2100 Mn was purely from branded business.
•Volume grew by 14% at the group level vs a volume growth guidance of 18-20%, mainly due to volatility in the prices.
•Company is increasing its business in North America and eastern asian markets in China and with softening of prices expects volume to grow by 18-20% going forward.
•Sales of Q3 deferred to Q4FY24 due to the red sea issue, volume growth was impacted due to increase in coffee prices and customer being less committed toward long term contracts.
•Management anticipates coffee prices to soften and further drive volume growth.
•Sharp increase in other expense due to increase in volume of small packs that led to higher cost in secondary packaging.

Capacity Utilization
•In india, company is operating at 100% capacity utilization while in Vietnam including new capacity company operates at 65-70% capacity utilization.
•Vietnam freeze dried capacity is expected to commence by the month of September or October, taking company's total capacity to 77,000 metric tons.

Debt
•Company has availed funding from bank ~INR 6500 Mn for two new projects, of which INR 4500 Mn was drawn last year and INR 2000 Mn is yet to be drawn.
•Company witnessed increase in working capital requirements mainly due to volume growth and value of coffee prices.
•Company is optimizing interest cost outflows. The cost of capital in swiss and the Vietnam entity is much lower than in india.
•Out of INR 16 Bn debt, 6 Bn is long term debt and remaining is working capital debt.
•The company is not so concerned about its working capital debt as it is against confirmed orders.

Other highlights

•Expanding capacity for freeze dried coffee will commercialize on time, company has received assurance from key client and does not anticipate any impact on volumes or its ability to sell.

•In Branded business company is driving growth and is increasing market share. Further management expects to grow the business by 30-40%.

•Company focuses on south india, the central hub for coffee consumption in India and has ~4-4.5% market share.

•70% to 75% of company's sales are fob sales.

•Company expects coffee prices to soften from next quarter. Brazilian coffee price has already softened by almost $600 to $800 per metric ton.

•EBITDA per kilogram for the Vietnam is at INR 110-115.

•Even though company witnessed volatility in the prices, there has been no reduction in the consumption for coffee.

•Modern trade, e commerce and quick commerce contribute around 35% of company's business.

•In terms of product profile company aims to drive more focus on small packs, specialty and premium coffees.

**Spencer Q4FY24 Concall KTAs**

**CMP: INR 98| MCap: INR 8,855 Mn| TTM EPS: INR -23.5**

**Arihant Capital**

**Outlook: the current focus is to drive top-line growth with a better product mix of fresh foods and keep up aggressive cost-cutting. This is supported by granular customer-level insights that help drive ATVs. They also plan to up investments in marketing and improve the WC cycle. With a refreshed management team, we are positive about the company's prospects. We also expect to see mid-single-digit SSSG. However, they might further reduce trading area through shutdowns of loss-making stores**

Equity infusion: The board has approved an equity infusion of INR 300 Cr, however, it will not be shortly.

Opex management: The company shut down multiple high loss-making stores in H1, which saved 7-8% on opex cost. This led to lower consolidated business growth and lower EBITDA deterioration.

EBITDA improvement: The company can see an EBITDA improvement of INR 75-85 Cr in FY25, half of which will come from opex savings, and the remaining from improvement in revenue mix*

E-commerce foray: They launched an express delivery service in Kolkata which doesn't follow the quick commerce model, as they take an hour to deliver, but provide a wider range of premium products to choose from- to cater to existing store customers. The products are sourced from existing stores unlike their peers, and they offer slotted delivery. This business has grown 30%, aided by the extreme heatwave and expansion into areas with high store density.  Banaras and Lucknow are the target cities for FY25.

Q3 had a good impact on the festive season, but Q4 is soft with marginal growth, and a 3% LFL growth for the year.

Store expansion in Q4: Nature basket +12% from the launch of 3 new stores, and Spencers launched 2.

They launched their 1st wholesale bazaar last year in Siliguri.

Store expansion 7-8 stores are in the pipeline for the year.

New store openings so far: They have opened 1 in Bombay and Calcutta, and are going to open another in Bangalore, and Hyderabad- all of which will be nature's basket as they are high GM stores.

**Ethos Ltd Q4FY24 Concall KTAs**
**CMP: INR 2319 | Market Cap: INR 56.78 Bn**

**Company reported good growth with margin expansion. Company has a long-term vision of achieving 10x revenue growth within the next decade and is focusing on long-term strategies and vision. Company aims to increase its physical footprint by adding 25 boutiques in FY25 and is focus in expanding its lifestyle vertical**

Financials
•Revenue came in at INR 2525 Mn (+21.7% YoY) in Q4FY24. In FY24 revenue stood at INR 9990 Mn (26.7% YoY),
•EBITDA stood at INR 444 Mn (45.1% YoY) in Q4FY24, with an EBITDA margin of 17% (+262 bps YoY).
•PAT stood at INR 210 Mn (57.9% YoY) in Q4FY24, with PAT margins of 8.1% (+190 bps).
•Other income in FY24 includes fair value gain of INR 25 Mn.
•Inventory days stood at 161 days as on 31st March 2024.

Operation Highlights
•Company focuses to increase its physical footprint currently having 63 stores in 24 cities as compare to 54 stores at the start of FY24 of which two stores were closed due to relocation.
•Company has expanded its presence by adding new cities such as Surat, Bhubaneswar, Raipur, Mohali and further will open new store in kochi in june24.
•In FY24 company spent over INR 383 Mn on new stores and restoration of existing ones and in FY25 company expects to add ~20 -25 boutiques.
•Company intends to keep growing its physical network and further invest to improve digital network with the launch of the app.
•In FY24 exclusive brands accounted for ~ 29% of company’s total sales from its portfolio of 51 brands.

Rimowa division
•Rimowa’s fisrt store in Mumbai was profitable at PAT level from its first month of operation.
•Two more Rimowa stores has been signed up in Emporium Mall in Delhi and Mall of Asia in Bangalore.

Other Highlights
•Company plans to open its second service center in Bangalore in Q2FY25.
•Company aims to grow margin through operational leverage and focus more on exclusive brands where company earns better gross margins.
•In FY25 company aims to add 25 boutiques with a long term target of 150 boutiques.
•Most of the company’s boutiques are profitable from first year and earns ~18-20% return on capital.
•All exclusive brands allow company to set price in india.
•The India-Switzerland EFTA agreement is expected to reduce import duty on Swiss watches to zero over a 7-year period, potentially starting in H2FY25. This is expected to improve gross margins and attract more luxury brands to the Indian market.

•Company’s core competency is retail in India and aims to reach 50% sales from exclusive brands.

•To add another 20% company expects to add one brand where it has great influence and have long term contract rather than adding another 20-25 brands.

•Company plans to open 6 boutique in phoenix mall of Bangalore in FY25.

•Company has one duty free store at the Delhi international airport and another duty free store in Bangalore airport is expected to be opened in next 60 days, management remains bullish on travel retail.

•Same store sales growth for the quarter stood at 10%.

•Segment above one lakh rupees – In FY23 company sold ~18,471 watches while in FY24 Company sold 22,000 watches increase of 19%

**Zydus Wellness Ltd Q4FY24 Concall Highlights**
**CMP INR 1,729 | Market Cap: INR 110.06bn**

**Company expects its brands in Nigeria, which is one of its largest markets, can help company achieve its target of doubling its business every 3 years.**
**Company expects personal care categories, Nielsen, and Heavy Youth Distribution to be growth drivers.Company expects its international business to grow in the 3.5%-4% for the full-year.Company saw good double-digit growth in GCC and India's subcontinent and expects these to be growth drivers over the next 3-4 years.**
**Financial Performance (QoQ not comparable as seasonal business)**
* Net Revenue for quarter grew by 9.6% YoY to INR 7,780 Mn and for FY24 revenue stood at INR 23,279 Mn vs INR 22,548 Mn in FY23.
* EBITDA de-grew by 8.6% YoY to INR 3,082 Mn and the EBITDA Margin contrast 180bps YoY to 13.2% on an annual basis. And EBITDA for quarter stood at INR 1,622 Mn (+12.2% YoY).
* PAT de-grew 9.1% YoY to INR 2,623 Mn for FY24. And stood at INR 1503 Mn for the quarter vs INR 1205 Mn for Q4FY23.

**Other Highlights**
- Company expects inflation to return to a manageable 4%-5% or 3% range in the 2 years, after experiencing extreme inflation in previous 2 years, which they managed by optimizing costs and investments.
- Consolidated CapEx for the year was INR489mn.
- Demand recovery was fuelled by the demand of summer-led brands like Glucon-D and Niacin
- Company has been impacted by macroeconomic and currency issues in Nigeria.
- Company further expects demand to pick up in the hope of good monsoon and improvement in macroeconomic factors.
- The personal care segment continues to register strong double-digit growth for the quarter, with both Everyouth and NYSIL portfolios witnessing a good demand.
- Food and nutrition segment also turned positive and reported a mid-single-digit value growth for the quarter on a YoY basis.
- Both Complan and Sweetener's portfolios have seen positive revival in demand and for Nutralite, brand value growth trails the volume due to market-driven prices.
- The company is introducing a new core model to strengthen supply chain capabilities and increase product availability.
- Pricing strategy focuses on passing cost increases to consumers, expanding presence in food/nutrition and personal care categories and capturing more of the smaller price packs market.
- Company launched Glucon-D Active Ores Electrolyte Energy Drink, a ready-to-drink in couple of states.
- Company extended its Sweetener portfolio with the launch of Imlite, a unique formulation which offers consumers 50% less calories than regular sugar, and a new range of products under the Sugar-Free Delight range for the international business.
- Company plans to expand its product portfolio by launching new products in the next 1-2 years, with a focus on widening its portfolio within existing outlets.
- Company has a lag of 6-7 weeks in its product development cycle, which it aims to reduce.

**Bajaj Electricals Q4FY24 Concall Highlights**
**Bajaj Electricals | CMP: INR 949 | Mcap: INR 109.26bn**

**Outlook: Bajaj Electricals fan volume grew by single digits in Q4FY24 and new launches at the end of Q4FY24 will reflect the impact in Q1FY25E. The price hike is expected from Mid of may onwards. The price erosion in lighting products has impacted the segment and is expected to bottom out in Q1FY25E. The company made provisions of INR 90mn for EPR and expected INR 120mn in FY25E. The summer season will improve the fan's sales and lighting will improve in the coming quarters.**

**Consumer products**
- in consumer products, fans' contribution is around 40%. Fan volumes grew at a single-digit rate in Q4FY24. The company has new fan launches at the end of Q4FY24 and picking-up.
- Coolers witnessed growth in Q4 and momentum continues in Q1. Kitchen appliances dragged overall growth in consumer products.

**CL segment**
- In the CL segment, consumer lighting and professional lighting mix stood at 35:65. The lighting volumes are flat and witnessed price erosion in Q4FY24. The price is expected to be bottom-out in Q1FY25E.

**Price hike**
- The company has not taken any price hikes in Q4FY24. The price hike is expected from 16th May 2024.

**Capex**
- The capex stood at INR 1.24bn in FY24 and expected a similar level of capex over the next 2 years.

**EPR**
- EPR cost stood at INR 90mn in FY24 and is expected to be INR 120mn in FY25E.

**Morphy Richards**
Morphy Richards grew at high single-digit rates and is expected to back growth in Q3/Q4FY25E.

**A&P**
- A&P expenses stood at ~3% of sales in Q4FY24 & FY24.

**Sales mix**
- Premium and non-premium products grew single-digit volumes in Q4FY24. Non-premium revenue share stood at 70%.
- The general trade and modern trade sales mix stood at 62:38.

**Discounting**
- The discounting is around 5%-6% across different product categories.

**Other highlights**
- The increase in employee costs due to variables, incentives, etc.
- In-house manufacturing increased from 17% (FY22) to 20% in FY24 and is expected to reach 22% in FY25E.

**KRBL Q4FY24 Concall KTAs**

**CMP: INR 280| Mcap: INR 63,986 Mn| TTM EPS: INR 26.01**

**Arihant Capital**

**Outlook: KRBL is focused on accelerating export business growth in FY25, and is targeting volume growth in consumer and bulk packs domestically. However, they face geopolitical instability impacting export demand, challenges in the Saudi Arabian market (unstable payment cycles from clients in these regions, problems finding distributors, and some legal disputes persist), and competition from other local private label brands in these export markets. They also emphasized a focus on premium regional rice varieties and ongoing investments in tech.**

Domestic revenue +18% in FY24, while export revenue declined by 30%. They are targeting consumer and bulk packs to push volumes. Most of the domestic revenue growth was fueled by branded basmati sales. Non-branded basmati sales +53% in Q4.

Export Recovery The company is focused on accelerating export business growth in FY25 despite current headwinds in the market.

General trade market share was 36.9% in Q4, and modern trade market share was 55.4%. The e-commerce business doubled in FY24, and regional rice contributed 5% to overall India revenue in FY24.

Biryani Masala Captured 10% market share in modern trade within 3 months of launch.

Distribution Expansion and Product diversification: The company plans to expand the reach of branded basmati rice, and is focusing on premium regional rice varieties and exploring new food product categories to enter into the VAP segment

Reduction in GM during the year was primarily attributed to the increased cost of basmati rice input (+7% YoY), which outpaced the rise in average basmati realization prices.

EBITDA margin benefited from lower freight on sales which helped offset the impact of higher basmati input costs.

The rise in inventory days is primarily on account of higher per MT paddy/ rice costs.

**Bikaji Foods International Ltd Q4FY24 Concall Highlights**
**CMP: INR 556 | Mcap: INR 139.48Bn**

**Company is targeting minimum volume growth of 13-15% for next 2 year along with 2-4% price hike.**
**Company is targeting 0.5% margin expansion driven by PLI scheme.**
**Company have guided for Ad spends of 1.75% of total revenue.**

Financial Performance
* Net Revenue for quarter grew by 32.9% YoY to INR 6,144 Mn (-1.6% QoQ) and for FY24 revenue stood at INR 23,293 Mn vs INR 19,661 Mn in FY23.
* EBITDA grew by 83.5% YoY to INR 3,913 Mn and the EBITDA Margin expanded 600bps YoY to 16.8% on an annual basis. EBITDA for quarter stood at INR 1,616 Mn (+115% QoQ, +161% YoY).
* PAT stood at INR 2,635 Mn for FY24 vs INR 1,359 Mn for FY23 and stood at INR 1,163 Mn for the quarter vs INR 460 Mn in Q3FY24 and INR 387 Mn for Q4FY23.

Other Key Highlights
* Company have built capacity for ethnic snacks connecting nations in last 2-3 years.
* Company grew 22% in focus states and 10% in core states, going forward company expects to grow market share on the focus states.
* Focus markets didn't perform well due to Delhi and company have also added Chandigarh to focus states.
* Company comply with the law of land and whatever is permitted in country that is only exported.
* Company have received ~INR 261cr of commitments from government for PLI scheme on an investment of INR 434cr over a period of 6 years and now are left with 3 years.
* Company completed CapEx in last December for frozen foods and have started trials which will be there for next 2 months. Frozen is largely for export, currently contributes ~40% of export.
* Company doesn't have major capex plans for next 2-3 years and will only be doing maintenance capex.
* Shift from unorganized to organized is helping company grow revenue.
* Company will not use discounting as a strategy for new markets but will focus on distribution, advertisement, brand building.
* Company have expanded its contract with Amitabh Banchan as a brand ambassador.
* Company have started commercial production at Chandigarh plant in march and plans to do INR 70-80cr revenue for FY25.
* Company expects western snacks to grow better than ethic snacks.
* Company faces seasonality in the sweets segment and therefore have started with 5rs packet's and are trying a new segment industry wise.
* In core states Assam have grown highest followed by Rajasthan and then Bihar. Bihar growth was low at 7.8% for whole year due to heavy floods early monsoon.

**Foods & Inns Ltd Q4FY24 Concall Highlights**
**CMP: INR 146 | Mcap: INR 8,300Mn**

**Company aims to achieve a top line of INR 1700-1800cr in the next 3 years.**
**Company expects Q1 FY 25 to show higher volume growth than this quarter.**
**Company is aiming to increase revenue in spice segment from INR 18cr to INR 100cr in 3 years, with an anticipated 35-40 crores this year.**
**Company anticipates growth in frozen foods, aiming for INR 150cr in 3-4 years.**
**Company aims for a minimum of 20% growth in the mango business and other product segments, leveraging its established customer base and operational strengths.**
**Focus is on absolute EBITDA growth, driven by product mix and consistent gross margin improvements per kilogram.**

Financial Performance
- Total income for quarter grew by 4.31% YoY to INR 345 Cr (+129.68% QoQ) and for FY24 revenue stood at INR 1,027 Cr vs INR 1,002 Cr in FY23.
- EBITDA grew by 25.01% YoY to INR 127 Cr and the EBITDA Margin expanded 222bps YoY to 12.37% on an annual basis. EBITDA for quarter stood at INR 41 Cr (+107.72% QoQ, +17.95% YoY).
- PAT stood at INR 37 Cr for FY24 vs INR 48 Cr for FY23 and stood at INR 5 Cr for the quarter vs INR 4 Cr in Q3FY24 and INR 15 Cr for Q4FY23.
- For company their revenue is closely tied to RM prices, which dropped in 2023, leading to lower sales prices despite volume growth.
- Company's tax rate has increased from 25% to 34.94% due to higher turnover and write-offs related to an associate company, Tribe Global Foods Ltd. Future tax rates are expected to stabilize at this level.

Other Key Highlights
- Packing project which was going to get completed by November got delayed and commercial production started in March but will be fully operational by May-June.
- Successfully started co-packing after completing necessary audits, achieving 50 metric tons of co-packing in the Q4 for 2 brands.
- Company have received new orders for the current FY, finalizing fees has been delayed due to ongoing R&D and sampling.
- Plans to launch an improved mango product in July, which is similar to product introduced last year.
- Company received INR 25.4cr in as a PLI income.
- Company's incentives under the PLI scheme are category 1 for capex and sales growth to achieve INR 145cr in incentives, and category 3 for exporting branded goods, INR 2.7cr in incentives, applicable to exports to Hong Kong.
- Although Q4 wasn't as strong as anticipated, with lower sales in Q1, Q2, and Q3, there was a good 20% YoY growth in Q4, which aligns with earlier projection of a 40% increase in order bookings for FY 23.
- Company operate on a cost-plus model to manage RM prices volatility, passing RM cost changes to clients while maintaining fixed margins.
- Current year raw material costs are higher due to agricultural uncertainties, such as potential crop shortages or heat waves, which might impact future prices.

- Company maximizes its capacity utilization and caters to clients with contract and then go to open market based on demand scenario. So, order book is not a challenge, procurement is challenging as agriculture commodity.
- Company produced 40% more volume than sold last year, which will be sold this year, enhancing Q1 and Q2 performance.
- Increased finance costs from holding this stock will be passed to customers. As, company operates on a cost-plus model, allowing for price adjustments based on holding periods.
- Company has launched its own canned tomato products in Hong Kong, dispatching 20 MT valued at $35,000 USD, with expectations of monthly shipments.
- Success in this market depends on product acceptance, but company is optimistic due to their partnership with a well-established local distributor, Gates Corporation, led by Raymond Simkins.
- Company is capitalizing on the market space left by MDH and Everest due to a recent controversy by promoting their ETO-free spices, which lack cancer-causing elements.
- Margins in segments like spray drying and frozen foods are higher than the company's overall margins, which will improve profitability.
- The company remains optimistic about its capacity to meet increased demand and maintain steady growth.

**Associated Alcohols & Breweries Ltd**

**CMP: INR 537| Market Cap: INR 971 Cr| TTM EPS: INR 28**

**Arihant Capital**

**Outlook: The alcobev industry is going through some trying times and AABL is not exempt- facing massive hikes in the cost of raw materials over the year, which have started to moderate in Q4- except rice. Regardless, the company continues on its path to premiumization and geographical expansion – the benefits of which will start to play out in FY25.**

Operating Environment: Alcobev industry shift; Premiumization ongoing; Operational efficiency + VAP focus; Fluctuating RM prices- some experienced an uptrend and have stabilized high.

Guidance: IMFL: 15%-18% YoY, IMFL (Licensed) 12%-15% YoY, Premium Line: 18%-20% YoY. B2B is expected to progress with the inflation rate. The ethanol segment (a recent addition) is expected to reach full capacity in FY25.

Developments in Q4: Established ethanol manufacturing facility in UP. EBITDA margin fell in Q3 due to a non-recurring one-off material cost (an increase in grain price was absorbed). All categories except IMIL experienced a drop in realization in Q4 and FY24. The sharp decline in cases was because the sector is government-regulated, but they had taken a price hike.

Average grain price (maize) for FY24 was INR 22,000.

IMFL mix stays the same as last year because the industry has not grown, but this will change as state presence expands

Utilization of ethanol plant- is currently at 40% as it has just started. They are tied up with partners for selling. Grain is the major input cost (30-40%) with the rest being glass, bottle caps, etc.

Seeing opportunity in UP they are in the process of setting up a distillery and bottling plant.

Rice prices are up substantially, and over the last 2 quarters, the company has been using maize entirely. There was a rice shortage due to government buying which pushed up prices.

The company has applied for licenses to sell premium and super premium IMIL launches in Goa, Pondicherry, Maharashtra, and Karnataka, which are expected to be cleared post-elections, and sales will begin from Q2FY25 onward. They have launched premium rum, and super premium gin, both of which have been well accepted in the five states they have been launched in. Recently they have received approval for MP and Chhattisgarh.

The new ethanol plant became operational in January- for 2.5 months. In FY25 this plant has a potential revenue of INR 300 Cr.

In FY25 price hikes across most products and better utilization of fixed cost with new plants will lead to improved margins through better economies of scale.

GM for Q4 was at a multi-quarter low because of an increase in maize price from INR 23,000 to INR 25,000, an exceptional item

**Colgate-Palmolive Ltd Q4FY24 Concall highlights**

**CMP INR 2704 | Market Cap INR 735.41bn**

**Company expects it can deliver current level of growth through a combination of premiumization, positive macros in rural, and consumption growth activities.**

**Company expects margins to be in same range and even if grows than not at the rate at which it grew from last year.**

**Company has a target for its premium portfolio to grow at least 2.5-3 times faster than its core portfolio.**

**Financial Performance**

* Net Revenue for quarter grew by 10.3% YoY to INR 1,490cr (+6.7% QoQ) and for FY24 revenue stood at INR 5,680cr vs INR5,226cr in FY23.

* EBITDA grew 22.9% YoY to INR 1,901cr and the EBITDA Margin expanded 300bps YoY to 33% on an annual basis. And EBITDA for quarter stood at INR 532cr (+13.7% QoQ, +17.7% YoY).

* PAT grew 26.5% YoY to INR 1,324cr for FY24. And stood at INR 380cr for the quarter vs INR 330cr in Q3FY24 and INR 316cr for Q4FY23.

* Company has increased advertising by 20% YoY and 125 bps to 13.5% levels, spending INR760cr on ads during the year.

* Company announced a special dividend of INR10 in addition to the INR26 second interim dividend, totaling INR58 for the year.

**Key Highlights**

- Company uses SmileStores algorithm tool to determine the ideal product assortment for different types of stores within the general trade. It helps ensure that stock in the stores align with target market and distribution strategy.
- Company have launched 3 new bodywash in personal care segment, have relaunched Colgate Active Salt in oral care segment, has relaunched its Zigzag toothbrush and is also launching a premium toothpaste under the same brand.
- Company plans Palmolive to place product in modern trade, e-commerce, and general trade.
- The company anticipates significant growth in the body wash segment due to its low penetration rate of only 3%.
- Personal care is growing at a faster pace than oral care, and company continue to expect the growth to further accelerate.
- Company is looking at inorganic growth opportunities.
- Company is prioritizing organization and people priorities to ensure they have the right structures and capabilities to take the business forward.
- Company anticipates headroom for oral care in India compared to other countries as only 20% of household brush 2 times a day, with growing awareness this number can increase.
- Company is 3X ahead of 2nd player in toothpaste and 1.4X the 2nd player in toothbrush.
- Palmolive body wash segment already growing at 30-40% CAGR and expected to grow further.
- Company has been investing behind its brands, with a sizable proportion of its advertising spend going towards the brushing at night campaign.
- Company's marketing strategy includes influencer marketing, digital campaigns, and in-store promotions, which are the bulk of it spend on Palmolive.
- Company is simplifying its supply chain to reduce non-value-adding costs and improve efficiency.

**Patanjali Q4FY24 Concall KTAs**

**CMP: INR 1,383| MCap: INR 501 Bn| TTM EPS: INR 21.14**

Arihant Capital

**Outlook: The Q4 consensus on most FMCG companies is that rural demand is starting on its road to recovery after being suppressed for 2 years. The industry is seeing a revival in volumes of personal care and other staples, with staples leading the category. Food inflation has significantly moderated and will be lower-in the range of 3-4% of FY25. As for PFL, we forsee significant growth in edible oil volumes and revenue from the food & FMCG segment. We also expect substantial bottom-line and EBITDA margin improvements in the edible oil segment, targeting 16-18% EBITDA margin in the food & FMCG segment, and are aiming for a 50% growth in the nutraceutical segment in FY25. The company also plans to focus on international expansion and the oil palm plantation business. However, they face concerns related to the volatility of crude prices, subdued profitability in the edible oil segment, and challenges in the nutraceutical business re-branding.**

Q4FY24 Financial Performance:
Revenue INR 8,221 Cr (+4.43% YoY)
EBITDA INR 496 Cr (+19.37% YoY)
PAT INR 206 Cr (-22% YoY)

Edible Oil: Volumes 24.99 lakh MT in FY24 (+13.16% YoY). Q4 volumes were 6.34 lakh MT. This segment expects substantial bottom-line and EBITDA margin improvements in FY25. Q4 edible oil +1.9% to INR 5,588 cr out of which INR 128cr was from the palm oil plantation business

Oil Palm Plantation: Expanded plantation area to 74,376 hectares with a revenue of INR 124 crores for Q4. Growth potential over the next two years is high.

Food & FMCG: Achieved FY24 revenue of INR 9,643 cr (55.09% YoY growth). Biscuits segment grew by 22% in FY24. Targeting 16-18% EBITDA margin and maintaining growth trajectory in biscuits revenue. This quarter they Increased contribution of food & FMCG +55%.

Nutraceuticals: Re-launched sports nutrition under "Nutrela Sports" and experienced significant e-commerce sales surge.

Exports: Products exported to 34 countries with export value reaching INR 323 cr. Focusing on branded and food additive businesses, targeting 20% YoY export growth and expanding reach to 60 countries.

Pilot launches in millet digestives, nutrela max nuts and dry fruits, and cereal were well received.

Branding activities led to an increase in volumes.

Recovery in rural demand commences, and these areas are gaining momentum.

Focus shift toward high margin products. The company is evaluating the acquisition of Patandi Ayurveda Limited HPC portfolio encompassing hair, skin, dental and home care products, which includes renowned brands like Dhankanthi in the dental care, Sonderya in the skincare, Keshe Kanti in the hair care and super dishwash and herbal mosquito repellent.

The company also formed 2 wholly owned subsidiaries, contemporary Agro pvt ltd and Rishi Krishi Farming pvt ltd as training programmes for farmers.

New premium biscuit launches, and increase in retail reach to >1bn, has led to the growth of biscuits surpassing industry growth of 8%. Biscuit performance this year was an outlier with excessive volumes leading to significant improvement on the bottom line. The company is confident of maintaining a 16-20% top line growth in biscuits vs industry growth of 8%. We are positive on rural demand and the premium window seeing an uptick.

Nutrela soya protein had a 7.7% increase in volume in FY24.

The outlook on wheat and sugar prices is benign for the year.

**Radico Khaitan Ltd Q4FY24 Concall highlights**
**CMP INR 1,618 | Market Cap INR 216.3bn**

**P&A has seen major volume growth in the quarter while regular category volumes were impacted due to due portfolio rationalisation. Gross margins were affected due to high input costs. RM prices are expected to soften from Q2 onwards. Focus is on expanding luxury segment in the international market.**

-Expect to continue with 15-18% volume growth in premium segment in FY25.

-Target to become debt free by FY26.

-The company has seen 2x growth in Prestige and Above brands when compared to industry. It has continued to grow beyond expectations.

-P&A segment can see 500-600bps expansion in realisations.

-EBITDA margins will see sequential improvement from Q2 onwards.

-Focus on expanding luxury portfolio in the international markets. Double digit growth targeted.

-Demand for lower and mid segment of malt whiskies is growing in the domestic market.

-No major capex planned other than the regular maintenance capex of INR 600-700mn.

-Non IMFL business has become EBITDA positive this year. Single digit margins will sustain going forward. Major impact was due to RM prices.

-Net revenue stood at INR 10.78bn (+29.7% YoY/7.1% QoQ)

-PAT increased to INR 568mn (+52.4% YoY/-23.1% QoQ), margin of 5.3%.
-Total volumes sold – 7.16mn cases (-1.2% QoQ/YoY). Prestige and Above saw 14.2% volume jump while Regular and others volume degrew by 22%. Royalty brands also witnessed growth in volumes.
-Commissioned Sitarpur project, strengthening their backward integration capabilities.
-Pressure on RM prices has softened a bit; company to benefit from tailwinds in prices going forward.
-IMFL realisations have seen improvement due to price increases and continued premiumisation.
-H1 looks challenging in terms of RM pricing but better monsoon will ease pressure on ENA and grain prices. H2 to see much more impact.
-Q1 may see some marginal disruptions due to general elections.

**United Spirits Earnings Q4FY24 Concall highlights**
**CMP INR 1159 | Market Cap INR 843.06 Bn**

**Overview**
**The company's focus remains on premiumization across various product categories, new product launches, advertising efforts, and strategic investments. The company also addressed the current market conditions and future outlook, considering inflationary pressures but maintaining double-digit revenue growth.**

Financial Highlights
Q4 Performance:
- Revenue: ₹2783 Cr., a 10% YoY increase despite a seasonally subdued quarter.
- Operating Profit Margin (OPM): 12% for the quarter, down from 16% in the previous two quarters due to increased raw material prices.
- Net Profit: ₹241 Cr., a 31% QoQ decrease but a 12.5% YoY increase.

FY24 Performance:
- Gross Margin: 43.4%.
- EBITDA Margin: Maintained at 16%.
- PAT increase to 1408Cr. From 1126 cr., a growth of 25%

- Growth: Double-digit growth over the last three years, with ₹1000 Cr. added in net sales over the past year, primarily driven by premiumization and growth in top luxury segments.
- Highest Ever EPS: 18.3 in FY24 compared to 12.1 in FY23.

Other Financial Notes:
- Other Income: Royal Challengers Sports Ltd has wiped out all its losses, contributing to dividends paid to United Spirits and interest paid on income tax.
- Receivables: Sharp increase due to one particular state.

Operational Highlights
Portfolio Reshape and Premiumisation:
- Emphasis on premiumisation across all categories.
- Launch of McDowell's X Series and Indian Single Malt Whisky, Godawan.
- Advertising and Brand Initiatives: Onboarded Kartik Aryan as brand ambassador and collaborations with various artists, including King.

Product Expansion:
- Tequila and Agave: Don Julio launched, and a 15% stake acquired in Pistola for ₹5.65 Cr.
- White Spirits: Tequila recognized as the fastest-growing white spirit globally.

Segment Performance:
- Lower Prestige Segment: McDowell's performing competitively.
- Upper Prestige Segment: Signature, Royal Challenge, and Antiquity performing well after renovations.
- Indian Single Malt: Godawan shows strong growth despite being a small volume currently.

Other Highlights

Market and Demand:

- Demand Growth: Moderated compared to two years ago; lower segment faces challenges due to pressure on the wallet, but premiumization remains intact.

- Election Impact: No significant change in demand.

- Rolling 4Q Basis: Confident of double-digit growth overall, with H1 expected to be soft, covered by H2.

Margins and Inflation:

- Margin Goals: Aim to return to 13-14% in the P&A segment with moderate overall margin growth.

- Gross Margin Expansion: Intent to expand gross margins.

- Raw Material Inflation: FY24 inflated by 11-12%; Q1 seems stable but long-term inflationary pressures expected, although deflation noted in commodities like glass.

Product Performance and Competition:

- White Spirits: Small market share (5%) but growing well.
- X Series: Launched in Goa with plans to expand across India within 9-12 months, positioned in mid to high prestige price points.
- Competition: Strong in mid and upper prestige segments, which is beneficial for category expansion.
- Customer Preferences: Ongoing changes in the portfolio to align with customer preferences.

**EID Parry Ltd Q4FY24 Concall highlights**
**CMP INR 630 | Market Cap INR 111.83bn**

-Sugar division's performance during the year was affected by low recoveries, high cane cost, no exports and change in product mix. Total cane crush quantity saw marginal decrease. Sugar segment degrew by 12.5% due to no exports which was partly offset by domestic growth.
-Expansion at Hailyal is progressing as per plan and will operate full stream from Q1FY25.
-Nutraceutical division registered loss due to certification issues in Europe.
-Refinery business saw volume growth resulting in improved spread and cost reduction which led to a profitable quarter.
-Recovery has been around 10.69% v/s 11.5% in Q4FY23, mainly due to weather conditions in South India. Production was around 2.04 lakhs MT v/s 2.34 lakhs MT in Q4FY23.
-ENA production was 1.33 lakhs litre while Ethanol was 1.9 lakhs litre. Sugar price has improved to INR 38.16/kg.
-Policy change in terms of ethanol disbursement has impacted EBITDA margins in distillery segment in Q4FY24. For full year, the margins were better.
-The management expects some changes in ethanol blending policy and expect the restrictions on exports to ease out.
-Debt has been high currently due to new project. The management expects debt to come down by end of Q2FY25.

Consumer product division
-The company is looking to leverage their brand position in the sweetener segment thus have started this new line.
-The company targets to grow their value added products aggressively as they command better realisations. They aspire to achieve 35% gross margins.
-Most of the products in this division will be branded.
-Substantial investments will be done in marketing and advertising.
-The company sees high growth prospects for this division and will be great addition to their business segments.
-Many new products are in pipeline to be launched in FY25.

**Apex Frozen Foods Ltd-Q4FY24 Concall KTAs**
**CMP: INR 210 |Market Cap: INR 6,562 Mn**

**Outlook**
**Due to subdued demand from the US market and lower global shrimp prices, the company faced some challenges in the FY24 but remains optimistic about future growth prospects, particularly in EU market. Once the regulatory approvals for its high-value RTE products are obtained in the EU, the company expects to see a significant boost in sales and margins. Additionally, Apex is actively exploring new markets in Asia and Scandinavia to diversify its sales mix and reduce dependence on the US market. The company is taking steps to strengthen its presence in the US market by setting up a subsidiary to support logistics and market development activities in North America**.

Financial Performance
- Net revenue for Q4FY24 was INR 1,616 Mn, lower than Q4FY23 due to subdued demand from the US market and lower global shrimp prices but higher than INR 1,481 Mn in Q3FY24 and stood at INR 8,041 Mn in FY24.
- EBITDA for Q4FY24 was INR 28 Mn, declined by 6% YoY and INR 444 Mn in FY24 declined by 48% YoY.
- PAT stood at INR -4 Mn in Q4FY24 compared INR -40 Mn in Q4FY23 and INR 146 Mn, declined by 59% YoY.
- Total volumes sold in Q4 FY24 were 2,302 MT, lower than Q4 FY23 (2,851 MT) but higher than Q3 FY24.

US Market
- Preliminary CVD of 4.36% imposed on Indian shrimp exports to the US.
- Anti-dumping duty of 10.58% imposed on Ecuador and 6.3% on Indonesia for US exports.
- Demand in the US market has been sluggish, leading to increased competition from Ecuador due to its proximity to the US.

EU Market
- Sales to the EU market grew by 31% YoY in FY24, driven by RTC products.
- Regulatory approval for RTE products in the EU market is still pending, which is limiting the company's potential.
- Discussions ongoing between the Indian government and the EU Commission to resolve issues related to approvals and non-tariff barriers.

Cost and Margins
- Gross margins were maintained due to a favourable product and geography mix, including higher sales to the EU.
- Interest costs were contained despite higher working capital requirements due to longer sailing periods.
- Depreciation expense is expected to reduce by around INR 10 Mn/quarter due to a reassessment of the useful life of fixed assets.

- They mentioned that the cost margins could further increase once they obtain approvals to produce and sell their higher margin ready-to-eat (RTE) products in the European Union market.
- In general, the RTE products fetch around 50 cents/kg higher margins compared to other product categories for the company.

Supply and Farming
- Farmers have adopted a conservative approach due to low shrimp prices, leading to reduced stocking densities and farming areas.
- The government is promoting shrimp aquaculture in non-traditional fish-producing states like Uttar Pradesh, Haryana, Rajasthan, and Punjab to balance supply shortages.
- The company's hatchery sales have not increased significantly due to the overall subdued demand from farmers.

Competitive Landscape
- Ecuador has emerged as a major competitor in the US market due to its proximity, putting pressure on Indian exporters like Apex.
- The duties imposed on Ecuador (10.58% anti-dumping duty and 2.89% CVD) aim to level the playing field in the US market.
- The company is closely monitoring the impact of these duties on the pricing dynamics and competitiveness in the US market.

Operational Initiatives
- The company is in the process of setting up a subsidiary in the US to support logistics and market development activities in North America.
- The company has consolidated its hatchery operations to the major producing sites in South Andhra Pradesh to optimize costs.
- Efforts are underway to strengthen direct relationships with farmers through hatchery sales and other initiatives.

Government Schemes and Policies
- The company is awaiting clarity on the workings of the RODTEP and Duty Drawback schemes, which could potentially reduce the effective CVD rate.
- These schemes are subject to annual renewals, but the management is optimistic about their continuation in some form.

Capacity Utilization
- The overall capacity utilization dropped to 33% in FY24 from 45% in FY23, primarily due to lower demand from the US market.
- The RTE plant utilization fell to 16% in FY24 from 22% in FY23, highlighting the impact of subdued US demand on higher value-added products.

Other Highlights
- Political instability in Ecuador has increased security costs for companies operating there, but no significant impact on overall supply has been observed yet.
- The ongoing Russia-Ukraine conflict has disrupted shipping routes through the Red Sea, leading to longer sailing periods and higher freight costs for Indian exporters.

**L T Foods Ltd Q4FY24 Concall KTAs**

**CMP: INR 227 | MCap: INR 78.86 Bn**

**Company expects 10-12% demand growth from international markets.**

**In span of 5 years company expect ready to eat food segment EBITDA margin to be 8-10%; Basmati rice segment to grow at 15% with consistent margin of 13.5% and organic segment to grow at 10% which have EBITDA margin of 13.5-14%.**

**Company expects revenue growth of 10-12% for FY25 driven by half-half both volume and value.**

**Company expects margin of 14-15% in next 5 years and states that margin will be impacted due to Red Sea and investment in digital for 2-3 years.**

**Company expects revenue from ready to eat food to contribute 8-10%, organic segment ~12% and rest ~80% from basmati to total revenue in next 5 years.**

**We have positive outlook for the company and expect to grow along with the industry.**

**Operational Highlights**

• Net Revenue for quarter grew by 14% YoY and stood at INR 2,092 Cr and for FY24 revenue stood at INR 7,822 Cr vs INR 6,979 Cr in FY23.

• EBITDA grew 33% YoY to INR 988 Cr and the EBITDA Margin expanded 190bps YoY to 12.6% on an annual basis. EBITDA for quarter stood at INR 262 Cr (+25% YoY).

• PAT stood at INR 598 Cr for FY24 vs INR 423 Cr in Fy23 and stood at INR 150 Cr for the quarter vs INR 132 Cr for Q4FY23.

• Operational efficiency and the reduction in the freight cost led to a reduction in the other expenditure for this year.

• Current inventory level is 243 days and a value of INR 3500cr.

• Volume for quarter was 1,85,000 tons representing 17% YoY growth with 1 lakh tons for international and rest for India and volume for full year 318K tonnes is for India and 330k tonnes for international.

• Dividend guidance is of 10-20% of consolidated net profits.

**Key Highlights**

• Company’s capex has gone for capacity increase, maintance and building. In last 2 years company have invested heavily into green energy and some part in warehousing building have set up RTH plant, have increased RTH facility in USA.

• Company expects RPC and the RTE to have 7%-8% of total revenue coming from this segment, which has a lower working capital cycle.

• For distribution in India company have 1.4 lakh outlets and is present in omnichannel and e-commerce in modern trade and is considering and exploring opportunity in general trade.

• Realization for rice per Kg was INR 65 for India and INR 138 for international business.

• Company's realization at every price point is at par with premium as compared to competition and not discounted.

• Company's ready to eat food contribute INR 200cr to total revenue and is expected to break even at INR 370cr which will take another 2 years.

• In America the jasmine market is 3X bigger than basmati market.

• Company have lost some organic business due to anti dumbing soya and have recovered it, also rest of the portfolio is growing.

• Pakistan is giving competition to Indian basmati rice and India has also lost some share in Europe.

• Company's freight cost has doubled in US and Europe but have not seen any impact in last quarter as have an inventory in target which is next quarter will have some impact on the freight cost.

• Company have grown 42% in Saudi markets and sees good potential.

**Adani Wilmar Ltd Q4FY24 Concall Highlights**

**CMP: INR 351 | Market Cap: INR 456.51bn**

**Company anticipates continued growth in edible oil segment, particularly in rural markets.**

**Company expects Foods and FMCG to grow better than edible oil with improved margins.**
**Bangladesh challenges have resolved, and profitability is expected in FY25.**

**Financial Performance**

* Company recorded revenue of INR 132.38bn in Q4’24 with EBITDA of INR 3.57bn and EBITDA margin of 3% and PAT of INR 1.57bn.

* Company recorded revenue of INR 512.62bn in FY24 with EBITDA of INR 11.35bn and EBITDA margin of 2% and PAT of INR 1.48bn.

* Edible oil segment recorded revenue of INR 101.95bn in Q4 and INR 387.88bn in FY ’24. The volume grew by 11% YoY in Q4 and 9% YoY in FY’24.

* Food & FMCG segment recorded revenue of INR 13.41bn in Q4 and INR 49.44bn in FY ’24. The volume grew by 9% YoY in Q4 and 23% YoY in FY’24.

* The Industry Essentials segment recorded revenue of INR 17.02bn in Q4 and INR 74.79bn in FY’24. Segment’s volume declined by 22% YoY in Q4 and 8% YoY in FY’24.

**Key Highlights**

* Company has gain market share in its key products. In edible oils, ROCP MS of AWL has increased by 60bps to 19.0% on MAT basis. In Wheat Flour, MS has increased by 60bps to 5.6%.

* Company has a reach close to 7.2lakh direct outlets with 2.1 million overall reach. The go to market strategy for rural remained focused for company covering 30,000 towns. And have target of 50,000 towns by end of year.

* Company dispatched 25 % of volumes through rails without adding any carbon footprint in the environment.

* Company expects Edible oil to grow led by strong demand for branded oils, particularly sunflower and mustard oil. Also, continued growth expected, particularly in rural markets, with focus on expanding distribution and maintaining market share.

* Food and FMCG segment is primarily driven by domestic market, with branded products achieving over 30% YoY growth for the past 10 quarters.

* Company expects Food and FMCG to grow exceeding the edible oil segment with improved margins.

* Challenges in Bangladesh operations have been successfully addressed, and they are not anticipated to negatively impact profitability in FY25.

* Company is focusing on digital marketing campaigns and social media engagement for brand building and premiumization.

* New plant for mustard oil will expand production capacity to leverage growing consumer preference and government focus on domestic production.

* Concerns for company are volatility of edible oil industry and raw material prices, along with competition within the FMCG market.

* Company stays committed to ESG initiatives. And aims to achieve 100% renewable energy usage in operations.

**Sheela Foam Ltd Q4FY24 Concall Highlights**

**CMP INR 923 | Market Cap INR 100.28bn**

**Company is targeting 15% value growth rate with 11-12% EBITDA margin for next 3 years.**

**Company expects market share of 29-30% in 2-3 years.**

**Company expect incremental EBITDA margin of 3% in 3 years, driven by synergy with Kurlon.**

**Company is focusing on its flagship brand Sleepwell and Kurlon and is investing in its development.**

## Financial and Operating Performance

- Net Revenue for quarter grew by 15.9% YoY to INR 845 Cr (-3.9% QoQ) and for FY24 revenue stood at INR 2,982 Cr vs INR 2,873 Cr in FY23.

- EBITDA grew 1.3% YoY to INR 301 Cr and the EBITDA Margin stood flat YoY to 10.1% on an annual basis. EBITDA for quarter stood at INR 81 Cr (+6.6% QoQ, +3.8% YoY).

- PAT stood at INR 184 Cr for FY24 vs INR 203 Cr for FY23 and stood at INR 65 Cr for the quarter vs INR 31 Cr in Q3FY24 and INR 61 Cr for Q4FY23.

- Volume growth was 31% for sleepwell and 17% for Kurlon. However, volumes de-grew for ancillary brands like Sleep X, Starlight, etc.

- Volume for the quarter was 6.75 lakhs pieces vs 6.65 lakhs in Q4 FY23.

- Company invested INR 750cr last year and used some for acquisition, currently stands at INR 500-550cr. On this company earned other income of INR 117cr and is expected to be in the same range.

- Company have raised NCD for acquisition which is INR 725cr with interest cost of 8.45%, foreign debt of INR 250-300cr at interest of ~5% and residual debt in ICTPL for jabalpur plant with interest cost of 5.5-6%. Expected interest cost overall is expected to be ~7.5-8%.

## Other Key Highlights

- Online segment hold about 9-10% of market share in mattress market and is doing well and rest is either flattish or marginal de growth.

- Company expects volume growth rate to be higher than value growth rate.

- Company's focus is on the B2C space and within that, the branded mattress space.

- Company plans for significant advertisement expense for brand building of both brand Kurlon and Sleepwell.

- Company have launched Tarang for small towns under sleepwell and is doing same for Kurlon also which got launched last month.

- On standalone basis company have expanded gross margin but is using same for brand building, if ad spends are normalized EBITDA margin will be 12%.

- Company plans to cross sell both brands, sleepwell which has EBO presence will be sold with Kurlon in MBO and vise versa.

- Furelnco side company have crossed revenue of INR 15cr and will cross INR 20cr in next 6 months with 40-50% contribution margin.

- Kurlon achieved a 7% plus EBITDA margin for Q4 24, which is double the margin at the time of acquisition.

- Kurlon is launching a brand refresh on June 9th, coinciding with the India-Pakistan match in the T20 World Cup.

**Tilaknagar Industries Ltd – Concall KTAs**

**CMP: 228 | Market Cap: 43930 Mn.**

**Performance Consol:**

• Revenue came in at INR 3588 Mn. (-4.8% QoQ) (+0.4% YoY) in Q4FY24.

• EBITDA margins came in at 13.4% (Vs. 13.6% QoQ) (12.2% YoY) in Q4FY24.

• PAT came in at INR 315 Mn. (-28.1% QoQ) (-46.8% YoY) in Q4FY24.

**Highlights:**

• With a 16% volume growth in FY24, company became the largest IMFL company rising at the quickest rate.

• Mansion House Brandy and Courrier Napoleon Brandy are the company's flagship products and they made major contributions in the expansion, the brands in the CNB family increased by 50% in FY24.

• Currently, company holds the third-largest premium and above and fourth-largest IMFL position in Telangana, with a market share of more than 25%.

• Telangana, Andhra Pradesh, Karnataka, Puducherry, and Kerala, company has improved its market share by around 100 bps, over 80% of their volumes and 40% of all India IMFL volumes come from these states.

• Company is confident of growing brandy volumes by ~10% for the next 2 - 3 years, driven by its marketing investments and initiatives.

• Margins increased despite of fluctuation in raw material costs ENA and glass, company expects some softening in glass prices and hopes for a correction in ENA prices in the second half of FY25

• Net debt decreased to INR 74 crores after gross debt was lowered by more than INR 130 crores. From INR 40 crores in FY23 to INR 27 crores in FY24.

• By FY25, the corporation aims to be net debt-free.

• Notable marketing initiatives were carried out, such as the "Flandy Song" campaign and a digital project for Mansion House Brandy. Both market involvement and brand visibility were enhanced by these initiatives.

• Company has no capex plans for the next 2 years, regular maintenance to be done in less than INR 250 Mn.

• No changes in the capacity utilization, and set to continue as Q4FY24.

• Company has declared a dividend of INR 0.5 per share for FY25.

Guidance:

• Volume growth in mid double digits in FY25, and 13% - 14% in FY26.

• Incremental growth is expected to be 300 – 400 bps above volume guidance for revenue.

• The company refrains from providing guidance on net sales revenue (NSR) due to its dependence on state and brand mix.

**Bata India Ltd – Q4FY24 Concall KTAs**

**CMP: 1365 | Market Cap: 175.5 Bn.**

**Outlook:**

**Bata India Ltd reported mixed performance in Q4FY24 with revenue, down QoQ but slightly up YoY, while EBITDA margins improved. Despite a 3% YoY decline in PAT, the company showed resilience through its premium segment growth, retail expansion, and significant omni-channel milestones. Looking ahead, Company's strategic focus on store expansion, product line launches, and supply chain automation is expected to support moderate revenue growth of 3% in FY25, indicating a cautiously optimistic view among market volatility. At CMP, company trades 66.84x FY24EPS.**

Performance Consol:

•Revenue came in at INR 7978.71 Mn. (-11.64% QoQ) (+2.47% YoY) in Q4FY24.

•EBITDA margins came in at 23% (Vs. 20% QoQ) (23% YoY) in Q4FY24.

•PAT came in at INR 636.49 Mn. (+9.78% QoQ) (-3% YoY) in Q4FY24.

Highlights:

•Premium Segment Traction: Premium brands such as Red Label, Comfit, and Power have demonstrated robust growth, now accounting for approximately 40% of turnover despite overall sluggish market conditions. The school shoes segment contributes mid-single digits to the overall turnover.

•Retail Expansion: Bata added 24 new stores in Q4FY24, slightly below the target of 40, but plans to compensate in the subsequent quarter. The company aims to maintain a quarterly run rate of opening 40 new stores, reflecting an aggressive expansion strategy. The omni-channel strategy has been extended to 400 franchise stores, showing wide adoption.

•Omni-channel Milestone: The company achieved a significant milestone with nearly 1 million pairs sold through its omni-channel platforms in FY24.

•Sneaker Studios Expansion: The number of Sneaker Studios has increased to nearly 700 stores, driving substantial growth in the sneaker segment.

•Increased Marketing Investments: Marketing expenses have been higher due to significant campaigns such as the 10 by 10 campaign, positively impacting brand metrics in FY24.

•Stable Pricing Strategy: The company's pricing strategy has been to maintain steady prices for 5 to 6 quarters, anticipating that price sensitivity will diminish.

•Supply Chain Automation: Bata has automated its second largest warehouse in Mumbai and is nearing the completion of monetizing the Faridabad land.

•ERP Implementation: A new ERP system went live in Q4FY24, positioning the company for improved demand cycle management.

•Franchise Store Renovation: Renovation and facelifts of franchise stores are prioritized, with 70 stores updated in Q4FY24.

•Seasonal Sales Expectations: The company anticipates higher sales in categories like floats and sneakers in the upcoming monsoon season.

•New Product Line Launch: The company is launching Nine West, a new product line, in 40 stores in Q4FY24, with plans to expand to 70 stores by the end of Q3FY25.

•Retail and EVA Range Expansion: The company is focusing on extraction from key retail outlets and expanding its EVA range, which has been a growth category for the past 18 months.

•Revenue Growth Target: The company aims for a revenue growth of 3% in FY25.

•BIS License Acquisition: The company obtained a BIS license for its Batanagar factory in Q3FY24.

**Renaissance Global Ltd – Q4FY24 Concall KTAs**

**CMP: INR 105 | Market Cap: INR 10,132 Mn**

Outlook

The company projects a revenue growth of 10-15% and a profit before tax increase of 25-30% for FY25, driven by strong brand partnerships, an extensive distribution network, and direct-to-consumer (D2C) capabilities. Company's strategic initiatives include expanding the distribution of lab-grown diamonds to IRASVA stores in India and launching a Barbie collection with a major retail partner, which may boost the licensed brand segment. The company's current inventory levels are elevated due to a strong order book at the factory level, which should support significant revenue growth in FY25. The company aims to achieve a 50% revenue increase for the IRASVA brand, targeting breakeven or slight profitability.

Financial Highlights

- Revenue stood at INR 5,370 Mn in Q4FY24 up by 7% YoY & INR 21,070 Mn in FY24 down by 6% YoY.

- EBITDA stood at INR 450 Mn in Q4FY24 up by 18% YoY with margins at 8.4% & INR 1,680 Mn in FY24 and margins at 7.9%.

- PAT was at INR 210 Mn in Q4FY24 up by 7% YoY with margins at 3.9% & INR 740 Mn in FY24 down by 16% with margins at 3.5%.

Business Overview and Highlights

- Despite demand challenges in core markets, the company reported improved performance, driven by the success of its high-margin D2C business and an uptick in demand sentiment.

- The company has reorganized its business segments, focusing on licensed brands and its own brands, while exiting the plain gold business to streamline operations, reduce debt, and drive margin expansion.

- The company expanded its license portfolio through strategic partnerships with Warner Brothers, DC and existing agreements with Disney, Hallmark, NFL and Star Wars.

Growth and Strategy

- The strategic outlook positions the company for sustained growth and enhanced financial performance in the coming years, focusing on maximizing benefits from strong brand partnerships, distribution network, and D2C capabilities.

- The company plans to expand the distribution of lab-grown diamonds to its IRASVA stores in India, increasing their contribution in the coming years.

- The company's strategy for the next 2-3 years centers on driving revenue growth and improving margins through its strong partnerships with renowned brands, distribution network, and D2C capabilities.

Lab-Grown Diamonds and Industry Trends

- Lab-grown diamonds comprise about 48% of the company's D2C sales, highlighting their increasing demand among end consumers.

- The company has started expanding the use of lab-grown diamonds in its licensed brands, further enhancing their market presence.

- The company is witnessing significant growth in its factory order book, with a substantial increase of 25-30% compared to the previous year, driven by strong expectations across all verticals.

Plain Gold Business Exit

- The company is exiting its plain gold manufacturing business, which was an acquisition made in 2016.

- The gross margins in this business were very low (10-13% ROCE) due to transparent pricing of gold as an internationally traded commodity.

- By exiting this business, the company aims to evolve into businesses where it has more pricing power and can achieve higher returns.

- Company’s working capital involved in the plain gold business is around INR 650-700 Mn, with fixed assets of INR 150-200 Mn.

- The company expects to fully exit this business within the next six months and generate proceeds from the sale to release around INR 750 Mn of invested capital.

Erasma (India D2C Brand)

- The D2C segment demonstrated YoY revenue growth of 11% in Q4 and 25% in FY24, respectively, with EBITDA margins around 6%.

- The company opened its fifth IRASVA store in Mumbai on June 18th, 2024.

- Its plan is to introduce lab-grown diamonds into all IRASVA stores, which will help increase the blended margin for this business.

- Further store expansions for IRASVA will be planned once profitability is achieved, rather than aggressive near-term expansion.

US D2C Brands

- Company’s US D2C brands achieved revenue of INR 1,650 Mn in FY24, with a 3 yr CAGR of 93%.

- The company took meaningful price hikes for its US brands, which should reflect in improved EBITDA margins in the coming years.

- In Q4 FY24, there were some inefficiencies in the company's digital marketing spend due to a change in agency, impacting margins temporarily.

- Its plan is to reduce customer acquisition costs over time as customer repeat rates improve, driving margin expansion.

Licensed Brands

- Company's licensed brand segment achieved revenue of INR 4,370 Mn in FY24 and INR 640 Mn in Q4, with EBITDA margins of 15.4% and 16.1%, respectively.

- The company is introducing lab-grown diamonds in all its licensed brands, which should further boost growth in this segment.

Working Capital Management

- With the exit from the plain gold business, the company expects a reduction of around INR 750 Mn in working capital over the next two quarters.

- The management expects the working capital situation to correct during the course of the year as the elevated inventory is consumed to meet the strong order book.

**Titan Company Ltd FY24 Concall KTAs**
**CMP INR 3534 | Market Cap INR 3137.35 Bn**
Key pointers
- Company expects gross margin to be in pressure for next few quarters as focus is topline growth and not margin expansion.
- Given the gold price rise and volatility in recent period can impact demand scenario and costumer sentiment.
- The company faces uncertainty regarding the impact of lab-grown diamonds, but demand in the USA remains consistently high.
- Growing competitive pressure prompts the use of discounts and ongoing schemes to drive sales growth.

**Outlook: In response to heightened competition, company is focused on maintaining market share, even at the expense of near-term profitability. This emphasis on revenue growth over margins is expected to impact overall profitability in the near to midterm, with no immediate expectations for a strong rebound.**

**Financial Performance**
* Net Revenue for quarter grew 20.6% YoY to INR 124.94bn (-11.8% QoQ) and for FY24 revenue stood at INR 510.84bn which is 25.9% YoY growth.
* EBITDA grew 8.4% YoY to INR 52.92bn and the EBITDA Margin contrast 160bps YoY to 10.4% on an annual basis.
* EBITDA for quarter stood at INR 11.91bn (-23.9% QoQ, +9.4% YoY) with 9.5% EBITDA margin.
* PAT grew 6.8% YoY to INR 34.96bn for FY24. And stood at INR 7,710mn for the quarter vs INR 10.53bn in Q3FY24 and INR 7,360mn for Q4FY23.

**Other Highlights**
* During the quarter company opened total of 39 stores out of which 10 were of Caratlane and rest 29 is combination of Tanishq, Mia and Zoya.
* Studded ration was maintained at similar level of 33% for FY24.
* Management views current debt levels as acceptable, with a debt/equity ratio of 1.65X.
* In Jewellery segment company wanted to achieve 20% growth hence continued with various discount schemes even in soft environment leading to pressure on margins
* Tanishq has identified an immediate addressable market expansion opportunity to reach 300 cities, compared to its current presence in approximately 270 cities.
* Caratlane's primary focus is to enhance Same-Store Sales Growth, reflecting its commitment to strengthening performance within its existing outlets.
* Company expects town expansion opportunity more for Tanishq than Caratlane.
* Exports were at ~$120mn which 90% came from jewellery.
* High value studded done well this year at 14% contribution of total revenue compared to 13%.
* In watches wearables growth @ 3% vs Analog @ 9% due to clearance by Unbranded players which is expected to settle down in 3-4 months; New launches from titan will aid growth.
* Companies like Titan, which don't fully hedge against fluctuations in gold prices, might benefit in short run when gold prices rise. As they can keep their price lower than competitor who hedge fully.
* Even though the price of gold has gone up, these companies can still make the same profit margins on their products

**Linc Ltd Q4FY24 Concall KTAs**
**CMP: INR 634 | Market Cap: INR 9,430 Mn**

**The company aims for a revenue growth of 17-20%, with expected EBITDA margins of around 13-15% in the next two to three years.**
Export current is 19% of revenue, going forward 2-3 years target is to achieve 25%. Margins in export is slightly high avg 5%. Mostly manufacturing is outsourced for export.
Company's focus is VAP and premiumization accordingly plans to promote 10rs plus products.
The company plans to modernize its oldest plant in Kolkata, allocating capex of INR 35cr annually for upgrades and additional INR 10cr for routine maintenance.
Company expects Pentonic portfolio to grow to 50% in 2-3 years which is currently 34% of total revenue.

Kenya Subsidiary
* Company have invested in a Kenyan manufacturer by acquiring 60% stake for 100$ and have given a loan of 350k$ for revamping the operations. Company expects a total investment of 0.5mn$.
* From Kenya idea is to export to east African markets like Egypt, Ethiopia, Kenya, Tanzania, Uganda. These five countries put together has a 350mn population.
* Currently exports to this side of Africa is negligible so given the population number and market size company expects a good potential to grow in the near and the medium term.
* The company aims to compete on pricing in markets like Egypt, Tanzania, and Uganda by leveraging trade agreements, such as COMESA, to benefit from reduced tariffs when exporting from Kenya.
* Despite potentially higher manufacturing costs in Kenya compared to India, lower tariffs can make Kenyan exports more price competitive.

Financial Performance
* Net Revenue for quarter stood flat at YoY to INR 1,380Mn (+15% QoQ) and for FY24 revenue stood at INR 5,078.5mn vs INR 4,870Mn in FY23 with 7,318 lakhs volume.
* EBITDA de-grew 9.7% YoY to INR 560Mn and the EBITDA Margin contrast 158bps YoY to 11.2% on an annual basis. And EBITDA for quarter stood at INR 170mn (+21% QoQ, -15%).
* PAT de-grew 8.1% YoY to INR 340mn for FY24. And stood at INR 110mn for the quarter vs INR 80mn in Q3FY24 and INR 120mn for Q4FY23.
* Margin for the FY24 were affected as there was hike in minimum wedge in Gujrat. Going forward it is expected not to be grown at this rate. Employee expenses grew by 25%.
* Company have declared dividend of INR 5rs.

Key highlights
* Company holds a market share of about 66%. With exports in more than 50 countries.

* The company has been expanding its retail touchpoints, but recent efforts have focused on making existing outlets active before increasing coverage further.
* Company have appointed national distributor for North America for Pentonic brand and not for private label. (Online and offline) Company expects multiplier growth in next 3-5 years.
* Company didn’t focus on legacy products as low margin but now will hold on to volumes even if not grown.
* Company’s sales are highest in Q4 as exams as a result company showed 14% growth QoQ.
* Company expects new launches in H2 of FY25 with at least 3 products. Going forward company expects to launch at least 1 product every quarter.
* This investment will be funded through internal accruals. Company has no major capex plans as manufacturing can be outsourced.
* Company’s other incomes was high and large part is one off.
* Earlier for 10 years avg realization was Rs 3.5 but now from Pentonic there have been is significant increase.
* The company distinguishes itself through its unique design capabilities, although it operates in a competitive industry with low entry barriers.

**Flair Writing Industries Ltd Q4FY24 concall highlights**
**CMP INR 307 | Market Cap INR 32.37bn**

Q4 FY24 Performance
- Revenue from Operations: ₹250.1 crore, a decrease of 3.9% year-over-year from ₹260.4 crore in Q4 FY23 but an increase of 11.2% quarter-over-quarter from ₹224.9 crore in Q3 FY24.
- Gross Profit: ₹124.9 crore with a gross profit margin of 52.1%, up by 650 bps from 45.6% in Q4 FY23.
- EBITDA: ₹50.5 crore with an EBITDA margin of 20.2%, slightly down from ₹53.4 crore in Q4 FY23.
- Profit After Tax (PAT): ₹34.2 crore with a PAT margin of 13.7%, up from ₹33.1 crore in Q4 FY23.

Full Year FY24 Performance
- Revenue from Operations: ₹978.7 crore, an increase of 3.8% from ₹942.7 crore in FY23.
- EBITDA: ₹191 crore with an EBITDA margin of 19.5%.
- Profit After Tax (PAT): ₹118 crore with a PAT margin of 12.1%, up from ₹117 crore in FY23.
- Revenue Contribution: 81% from pens and 19% from other segments for FY24.
- Gross Profit Margin Improvement of 400 bps YoY due to reduced raw material costs and increased premiumization.

Pens segment
Revenue of ₹795 crore (including ₹17 crore from refills) with EBITDA margin of 19.5%. The segment is growing consistently despite subdued demand.
* New Models: Introduced 20 new models in FY24; planning to introduce 16 new premium products priced between INR 100-500.
* Emphasis is on ₹5 MRP products with no new capex required.
* Guidance of 11% yearly growth
* Manufacturing Capacity: New facility in Valsad will increase capacity by 10%.
* Revenue Mix: 52% from mass category, 45% from mid and premium category.
* Realisation Increased from ₹5.39 per piece to ₹5.62 per piece.

Creative Segment
* Growth: High growth segment with 28% growth in its third year of operation.
* Revenue: ₹145 crore (₹129 crore domestic, ₹16 crore export).
* Product Categories: Pencil, colouring range, geometry boxes (58% revenue); remaining from erasers, highlighters, etc.
* Company has Agreement with Disney for 2 years.
* Margins are Currently 1-2% lower than writing instruments but expected to improve.
* Company will intordouce New models in the pencil and colouring range in FY25 with Efforts to improve margins

Steel Bottles and Houseware
The segment earned ₹18 crore, with BIS-certified bottles. Flair plans to launch 17 new models in FY25, focusing more on its own brands over OEMs. Long-term margins are expected to match those of the pens segment.

CAPEX for FY25
Total Investment of ₹100 crore out of which ₹30 crore for tips manufacturing machine, ₹40 crore for construction of buildings and remaining for other goods.
Production will be 70-75% will be in-house post capex; the rest will be outsourced.

OEM Business
* Demand was Subdued due to reorganization at a major customer’s corporate and India office.
* Revenue Contribution: 13% of overall revenue comes from a major customer, which constitutes 70-80% of OEM business.

**Dhampur Bio organics Ltd – Q4FY24 Concall highlights**

**CMP INR 135 | Market Cap INR 8,990mn**

**Focus remains on enhancing profitability, sustained growth and foray into value addition and byproduct utilisation across all segments.**

**Industry outlook:**

• India's gross sugar production was 34 MMT while net production was 32 MMT, better than estimated. This increased production along with pre monsoon in Western region and La Nina transition ensures adequate availability going forward.

• The company feels there will be restoration in policy for diversion of sugar towards ethanol.

• Sugar prices in North were at INR 39/kg while in Western India, price was INR 36/kg.

• Increased cost of production has led to ISMA requesting increase in MSP.

• International market continued to decline due to surplus in Indian market and improved supplies from Brazil and Thailand. The projected deficit is expected to turn into surplus in FY24-25.

**Key highlights:**

• Revenue for Q4FY24 stood at INR 5946.2mn (-35.19% YoY), mainly due to lower volumes in Sugar and Bio fuels business.

• EBITDA for the quarter stood at INR 870.6mn, margins of 14.64% (+204bps), due to improvements in margins in sugar business.

• PAT came in at INR 412.2mn, margins of 6.93%.

• Overall FY24 performance was also subdued due to degrowth in Sugar and Bio fuel business. Country liquor segment improved significantly.

• Long term loans of INR 782.8mn were repaid during FY24. Long Term debt to equity ratio remained at 0.24x.

• The company availed new loans of INR 723.3mn for capex next year. They expect to see no major capex other than maintenance and part conversion.

• All mills are closed currently; only the Mansurpur mill is still running which will be closed down too in coming days.

• In last sugar season, the company crushed about 42.7 lakhs ton sugarcane and they expect to crush 38.5 lakhs ton in FY25.

• Cane crushing dropped by ~11% across all factories while others saw ~18% drop.

• Recovery before and after diversion is higher by 0.37% this year.

• The company is expected better yields in FY25 given their development activities and better monsoon expectations.

• The company is currently in the process of converting their existing distillery into a dual feed distillery as the CBG policies become more crystal and will wait for a year to get more clarity to think about new products.

• Some idle time at distillery is expected in the next 4-5 months due to the change in ethanol policy by the government.

**Segmental performance:**

• Sugar and Bio fuels revenue was significant decline of 46% and 35% YoY respectively. Country liquor business grew by 12% in the quarter. Realisations per tonne in Sugar segment improved in the quarter.

• Sugar realisations improved to INR 38796/ton from INR 37357/ton in Q3FY24.

• Ethanol production and sales saw degrowth, standing at 22.58mn BL and 15.01mn BL respectively.

• Country liquor sales and average realisations saw significant improvement.

• Revenue contribution from Sugar decreased to 64% from 74%, Bio fuels contribution remain unchanged at 14% and Country liquor contribution increased to 22% from 12%.

• Sugar segment was mainly impacted due to lower export sales. Meanwhile, demand in domestic market increased and due to lower costs and better product mix, the company was able to achieve better margins this time.

• Branded sugar did not have much contribution to the revenue. The company is still doing inroads and studies into product offerings and expect this business to grow in the short to medium term. About 31,000 tonnes were sold and INR 1200mn revenue was generated in FY24 from branded sugar. Double digit of incremental volume growth is expected going forward and will be diverting most of the sugar sold to branded segment as it commands a premium.

**Dwarikesh Sugar Industries Ltd | Q4FY24 Concall KTAs**

**CMP- INR 72.8** **M.Cap- INR 13710mn**

**Dwarikesh Sugar Industries Ltd reported a substantial decline in Q4FY24 revenue (-28.6% YoY) and PAT (-50% YoY), attributed to lower sugar sales volume and under-utilization of capacities. Industrial alcohol production also suffered due to adverse weather conditions and policy changes, leading to underutilization of capacity. The company anticipates improved performance in the next season but faces challenges amidst sluggish sales and poor numbers.**

**Financial Highlights**

Q4FY24-Revenue of INR 3799mn (-28.6%YoY) with PAT of INR 228.9mn (-50%YoY)

FY24- Revenue of INR 17095mn (-18.69%YoY) with PAT of INR 835.2(-20.2%YoY).

Decrease in profit for the year was attributed to lower volume of sugar sales, under-utilisation of capacities, higher levy obligation of B heavy molasses resulting in additional expense of Rs. 199.2 million and higher provisioning of taxes.

No capex/capacity building planned as of now. Efficiency enhancement is the focus.

**Business Highlights**

-UP production number has been discouraging

-Current price of 3763 rupess/ quintal. During the sugar season, company crushed 4.01 crore quintals of sugarcane.

-Company had 30% decline in sugar releases and hence lower sales. Year 25-26 new varieties are expected in big way.

-10% improvement in realisation per quintal.

-Ban on Exports lead to loss of opportunity.

Industrial Alcohol- Quarter production has not been impressive while the year numbers are good.

-Bijnor district, where 2 of the 3 units are located, experienced untimely and persistent rainfall, making worse the impact of a widespread red-rot attack. These adverse conditions severely affected sugarcane availability, resulting in the most dismal crushing numbers company has seen in recent times. March and April, which have been traditionally months of recovery, did not turn out as expected this time.

-Change in  ethanol policy lead to underutilisation of capacity. Management is expecting the  government to resume ethanol policy after reviewing sugarcane production over the year. Crushing numbers also suffered a big dent

-Company expects significant improvement in crushing numbers in coming season.

-Company is expected to have advantage of carrying heavy stock on revival of sugar prices.

**Dhampur Sugar Mills Ltd – Q4FY24 Concall KTAs**

**CMP: INR 233 | Market Cap: INR 15,209 Mn**

**Outlook:**

Dhampur Sugar Mills Ltd expects the sugar prices to likely hold steady for the next 5-6 months. The company plans to enhance sugarcane yields and expand distillery capacity which could open up new opportunities, especially if ethanol exports become viable. However, it depends on factors like government policies and weather, which can significantly impact the industry.

**Financial Highlights**

- Standalone revenue stood at INR 6,670 Mn in Q4FY24 down by 11.6% QoQ & INR 26,440 Mn in FY24 down by 6.4% YoY.

- Standalone EBITDA stood at INR 1,000 Mn in Q4FY24 down by 4.4% QoQ, with margins at 15.1% & INR 2,920 Mn in FY24 down by 6.2% YoY, with margins at 11%.

- Standalone PAT was at INR 520 Mn in Q4FY24 down by 10.7% QoQ & INR 1,330 Mn in FY24 down by 11.6% YoY.

**Revenue Mix**

- In Q4 FY24 Sugar contributed 46.2% of revenue, Ethanol contributed 20.6% of revenue, Power contributed 10.6% of revenue, Chemicals contributed 7.2% of revenue, Potable Spirits contributed 14.5% of revenue.

- In FY24 Sugar contributed 43.5% of revenue, Ethanol contributed 24.7% of revenue, Power contributed 6.8% of revenue, Chemicals contributed 7.9% of revenue, Potable Spirits contributed 16.4% of revenue.

**Segment-wise performance**

**SUGAR**

- The Company crushed sugarcane of 1.6 Mn tons in Q4FY24 as compared to 1.9 Mn tons in Q4FY23.

- The Company had sugar production of 0.17 Mn tons in Q4FY24 as compared to 0.14 Mn tons in Q4FY23 & 0.35 Mn tons in FY24 as compared to 0.30 Mn tons in FY23.

- In FY24 Sugar Sales were 0.28 Mn tons as compared to 0.38 Mn tons in FY23.

- Average Sugar Realization in FY24 was INR 37,359 per ton as compared to INR 34,839 per ton in FY23.

## ETHANOL

- Company’s Ethanol production was at 26 Mn liters in Q4FY24 as compared to 35 Mn Liters in Q4FY23 & 119 Mn liters in FY24 as compared to 93 Mn liters in FY23.

- Company’s Ethanol Sales in Q4FY24 were at 27 Mn liters as compared to 29 Mn liters in Q4FY23 & 123.18 Mn liters in FY24 as compared to 89.78 Mn liters in FY23.

## Sugarcane Availability and Varietal Shift:

- Sugarcane availability in Uttar Pradesh was lower this season due to weather conditions and the impact of the red rot disease.

- The company plans to work on changing its sugarcane variety over the next 3-5 years to mitigate the impact of red rot and improve yields.

## Global Sugar Scenario

- Brazil is witnessing a good sugar crop this year.India has not exported sugar in FY24 so far, but the government has been requested to allow exports of 2 million tons after June, once the current season ends.

- Given the current raw sugar prices, any exports from India will likely be in the form of white or refined sugar, and not raw sugar.

## Mill Operations

- All the company's sugar mills have been closed. Only in UP (Uttar Pradesh) there are hardly any mills working due to less availability of sugarcane, the weather and the red rot.

## Working Capital and Interest Expenses

- Company had lower production and sales of ethanol which has higher cash velocity resulting in higher utilization of working capital limits.

- The company faced increasing interest rates with reduced ethanol production and sales this quarter which led to higher interest expenses for the company during the quarter, despite improvement in credit rating and some debt refinancing.

**Working Capital Borrowings:**

- The company had unallocable liabilities of INR 10,700 Mn which primarily represent working capital borrowings, as borrowings cannot be allocated to specific segments.

**Depreciation and Interest Expenses**

- This quarter, the company's depreciation increased due to full-year charges on new distillery assets.

**Balrampur Chini Mills Ltd Q4FY24 Concall KTAs**
**CMP INR 378 |Market Cap INR 76.2 Bn**

**Financial and operational Performance**

* Net Revenue for quarter de-grew by 3.89% YoY to INR 1,434 Cr (+16.59% QoQ) and for FY24 revenue stood at INR 5,594 Cr vs INR 4,666 CR in FY23.

* This was supported by strong volumes and realizations in both sugar and distillery segments.

* Sugar production for FY24 is expected to be 32 Mn tons, slightly lower than 32.8 Mn tons produced in the FY23.

* Company's sugar crushing volume was 2% lower YoY, while Uttar Pradesh's sugar production was down by around 8%.

* Achieved one of the highest sugar recoveries ever at 11.73% in FY24.

* EBITDA grew 50.57% YoY to INR 786 Cr and the EBITDA Margin expanded 286bps YoY to 14.05% on an annual basis. EBITDA for quarter stood at INR 345 Cr (+205% QoQ, -14.6% YoY) with 24% EBITDA margin.

* PAT stood at INR 534 Cr for FY24 vs INR 284 Cr and stood at INR 203 Cr for the quarter vs INR 91 Cr in Q3FY24 and INR 254 Cr for Q4FY23.

**Reasons for Lower Crushing Volume**

* Unexpected impact of zero winter rain, which reduced cane yield.

* Diversion of cane to unorganized MSME sector and increased animal/rodent attacks due to lack of winter rain.

* Change in ethanol policy leading to reduced crushing in one of their mills.

**Sugar Prices and Ethanol**
* Sugar prices are stable around INR 39.50-39.95 per kg despite lower diversion to ethanol.

* Profitability from maize-based ethanol is lower compared to FCI rice-based ethanol.

**PLA Project**

* Contracted with global technology providers for India's first degraded sugar to bioplastic facility.

* Project is on track, but no specific timeline shared.

* PLA project also remains a key focus area for future growth.

Guidance

* Cautious about providing cane crushing volume guidance for FY25 due to the unpredictable impact of weather conditions on cane yields.

**Hindustan Foods Ltd – Concall KTAs**

**CMP: 495 | Market Cap: 56,740 Mn.**

**Outlook:**

- **The company's performance in Q4FY24 showed positive growth. The projected revenue target for FY25 is INR 40,000 Mn., with expectations of significant growth from the shoe industry integration. The company is focusing on operational excellence, scalability, and strategic investments. Capex updates include new factory operations in Guwahati and Kundli, with plans for further investments in plant development. Despite challenges, the company maintained strong cash flow and is aiming to enhance operational efficiency. At CMP, company trades 60.96x FY24EPS.**

**Performance Consol:**

- Revenue came in at INR 7309.6 Mn. (+0.24% QoQ) (+10.80% YoY) in Q4FY24.
- EBITDA margins came in at 8.76% (Vs. 7.81% QoQ) (7.42% YoY) in Q4FY24.
- PAT came in at INR 230 Mn. (4% QoQ) (13% YoY) in Q4FY24.

**Projected Revenue:**

- Keeping the INR 40,000 Mn revenue target for FY '25, assuming steady commodities prices.
- In FY25, full integration of the shoe industry is anticipated to have a major positive impact on both top- and bottom-line growth.

**Expanding operations:**

- Long-term operational excellence and scalability are prioritised as seen by ongoing ERP system upgrades and integration.

**Acquisitions and Investments:**

- The business acquired the Shoe and Baddi businesses, which resulted in extra interest and depreciation costs of INR 380 Mn.
- Revenues were hurt by the Baddi factory's delayed ramp-up because of licencing and regulatory problems.

- Plans call for investments of INR 400 Mn. for the Silvassa Colour Cosmetics plant and INR 500 Mn. for plant development in Hyderabad.
- The expansion of the Lucknow ice cream factory with INR 200 Mn. investment.

**Capex and Production Updates:**

- The Guwahati, Assam juice factory started operations with a capital expenditure of about INR 200 Mn.
- The scope of work for the new ice cream factory in Kundli, Haryana, grew, exceeding the initial estimate of INR 1000 Mn. and resulting in a total Capex of almost INR 1500 Mn.
- The acquisition of KNS Shoetech has been finalised, and operations should stabilise starting in Q2 of FY25.

**Cash flow and operational efficiency:**

- In spite of the difficulties, the business produced a strong consolidated cash flow from operations of INR 870 Mn.
- The company is expecting improvements in ROE performance when additional capital is used, and is concentrating on making greater use of its current factories.

**Beverage and Seasonal Categories:**

- The beverage segment has been using an anchor tenant strategy since FY19 in an effort to make up for its losses from ATC Beverages.
- Shared manufacturing presents issues for seasonal categories like ice cream and beverages because all brands experience simultaneous peak demand periods.

**Globus Spirits Ltd – Q4FY24 Concall KTAs**

**CMP: 760 | Market Cap: 21,910 Mn.**

**Outlook:**

**The company's Q4FY24 performance indicates mixed results with revenue declining QoQ, but increasing YoY, and PAT showed huge fall. Despite the decline in quarterly profitability due to a shift in raw material mix, the company is strategically positioned for growth, with a focus on maize-based ethanol production and significant capacity expansions in Jharkhand and West Bengal. With the commencement of commercial production at new units and a joint venture to introduce Carib beer, the company anticipates EBITDA breakeven within two years and aims to maintain a consistent EBITDA margin of INR 7/L. The outlook is positive, supported by expanding market presence and improved production efficiency.**

Performance Consol:

•Revenue came in at INR 5,899 Mn. (-14% QoQ) (+9% YoY) in Q4FY24.

•EBITDA margins came in at 4.35% (Vs. 6.25% QoQ) (14.08% YoY) in Q4FY24.

•PAT came in at INR 3 Mn. (-99.32% QoQ) (-99.16% YoY) in Q4FY24.

Highlights:

•The company experienced unprecedented low margins due to a shift in the raw material mix, resulting from FCI discontinuing dry supplies for bulk alcohol manufacturing.

•The company is utilizing maize for ethanol production, which yields higher final product realization and offers a better environmental footprint.

•The EBITDA margins for the bulk business, comprising ENA and ethanol, are projected to be approximately INR 7 / L.

•Following regulatory approvals for expansions in Jharkhand and West Bengal, the total installed capacity has increased to 300-301 Mn L per year as of Q4.

•Commercial production at the Lakhimpur bottling unit in Uttar Pradesh commenced in Q1, with a full range of brands being launched in the state.

•The company announced a joint venture with Ansa Macau to distribute, market, and manufacture Carib beer in India, with contract manufacturing set to begin, and an expected launch in Q1FY26.

•The total production capacity for FY24 was approximately 64.8 Mn L.

•The company aims to maintain an EBITDA margin of INR 7 / L moving forward.

•The company anticipates reaching EBITDA breakeven over the next two years.

•Branch Expansion: Plans include adding 2 branches in the Regular and Other segment, and 5 branches in the Prestige and Above segment.

Consumer Business:

•The Prestige & Above segment observed a sales volume of 0.13 million cases, reflecting an 84% growth for the full year FY24.

•The current portfolio includes 9 brands across whisky, gin, vodka, and rum segments.

•The company's presence expanded to 6 states in FY24.

•Full year volumes reached 0.38 Mn cases, with a 1% year-over-year growth, and profitability stood at INR 4 Mn, growing by 22% YoY in the Regular & Other segment.

•Volumes were at 14.16 million cases with profitability at INR 140 million, showing a 22% YoY growth.

•The Regular & Others brand portfolio is scheduled to be launched in Uttar Pradesh in Q2FY25.

Manufacturing Business:

•Revenue stood at INR 16,278 Mn, marking a 17% YoY growth.

•Category sales volume growth aligned with installed capacity growth.

•The company expects margin improvements driven by lower raw material prices in Q1FY25.

**Mrs Bectors Food Specialities Ltd Q4FY24 Concall highlights**

**CMP INR 1265 | Market Cap INR 74.40 bn**

Financial Overview

Q4

Revenue rose by 17.4% year-over-year (YoY) to Rs. 406 crore. Gross profit increased by 24% YoY to Rs. 194 crore, with the gross profit margin improving from 45.2% to 47.7% YoY. EBITDA grew by 21.6% YoY to Rs. 58.6 crore, and the EBITDA margin rose from 13.9% to 14.4% YoY. PAT jumped by 21.6% YoY to Rs. 33.6 crore, expanding the PAT margin from 8.0% to 8.3% YoY.

FY24

Revenue climbed by 19.2% YoY to Rs. 1624 crore. EBITDA increased by 38.4% YoY to Rs. 242.4 crore, with the EBITDA margin improving from 12.9% to 14.9% YoY. PAT surged by 55.8% YoY to Rs. 140.4 crore, raising the PAT margin from 6.6% to 8.6% YoY, achieving the highest-ever PAT margin of 8.6% in FY24.

Operational Highlights:

- In the biscuit segment, Q4 revenue increased by 18% YoY and FY24 revenue by 23% YoY.
- Biscuit exports contributed approximately 13-14% of overall business.
- The bakery segment saw Q4 and FY24 revenue both rise by 18% YoY.
- Working capital increased due to higher export contributions and freight issues.
- Contract manufacturing experienced a temporary dip but is expected to rebound in the next 1-2 quarters.
- The company is developing capabilities for cakes in the Delhi and Mumbai markets, targeting both B2B and B2C segments. Investments are being made in premium frozen bakery product capabilities.

- Employee costs rose due to new line additions, pre-hiring for new plants, and cost reclassification.

- Marketing spend increased due to heightened competition in the biscuit segment.

- Premiumization is key to the revenue growth strategy.

Future Outlook:

Demand trends are expected to improve starting Q2 FY25, driven by favorable monsoon projections and controlled inflation. The company is aiming for mid-teens annualized growth in the domestic biscuit segment for FY25. The margin outlook is expected to remain stable or slightly moderate in the near term. Capex is planned at Rs. 550-570 crore for FY24 and FY25.

Initiatives:

- "Project Impact 1.0" is a cost transformation program focusing on procurement, packaging, and logistics.

- The acquisition of the "Cremica" brand is focused on bakery operations in North India.

- The Dubai subsidiary is expanding into MENA and African markets and is focused on building a distribution network via the Dubai route

Demand and capex:

Subdued near-term demand trends, especially in the biscuit segment, are a concern. Increased competition in the biscuit market is leading to higher marketing expenses. Higher working capital needs are due to increased exports and freight issues. Rising employee costs stem from new line additions and reclassifications.Capex is planned at Rs. 550-570 crore for FY24 and FY25. There may be a potential need for additional debt to fund capex in FY25.

**Mahindra Logistics Ltd - Q4FY24 Concall KTAs**
**CMP INR 451 | Market cap INR 32.53 Bn**

**Company aims to reach INR 100 bn logistics service provider by FY26. Its focus remains on becoming EBITDA positive by the end of Q2FY25. Further, it expects early-teen growth rate across its entire portfolio.**

Financial performance
•Revenue stood at INR 55.06 Bn up by 7.4% YoY marked by volume recovery and strong growth in mobility segments.
•EBITDA for FY24 declined 12.2 % YoY to INR 2285 Mn. EBITDA margin declined to 4.1 %. (-100 bps QoQ)
•Reported a PAT loss of 547 Mn which was impacted by one time non-recurring charges.
•Q4FY24 revenue stood at INR 14.51 bn as compare to INR 12.73 bn in Q4FY23 (14% YoY/3.8% QoQ).
•Q4FY24 EBITDA stood at INR 564 Mn as compare to INR 643 Mn in Q4FY23 (-11.9% YoY/% 8.46% QoQ).

Contract Logistics
•Revenue for contract logistics stood at INR 43.10 bn for FY24, which is expected to grow by 15% - 17% over the next 3 years.
•3PL business saw a strong order intake with an annual contract value of over INR 1000 Mn.
•Company observed high pickup in transportation more than warehousing.
•Company has started new warehouse sites which will take around 3-6 months for right level of earnings and is expected to launch its new sites by May.
•Realization was impacted due to higher start-up cost & white space and is expected to stabilize in next two quarters.

B2B Express
•Revenue stood at INR 970 Mn in Q4FY24 with improvement in EBITDA by 34% QoQ due to improvement in cost and network optimization.

E- commerce
•Since last 3 quarters E- commerce has been a challenging market for the company. However, it has seen a strong order intake in Q4, due to good growth in hyperlocal grocery and specific product segments.
•Sluggishness in e-commerce has kind of bottomed out, with more focus to segments like grocery which will help in value creation.
•The company has strengthened its presence by account expansion and introduction of new services in emerging markets.
•Started an integrated line haul service in partnership with Flipkart.
•The company has exposure to e-commerce through both 3PL business and last mine delivery business out of which 15% is purely transportation and rest of the business is generally contracted out for at least 2-3 years.

Last Mile Delivery
•Market size is expected to grow at 25% CAGR to INR 365 Bn by FY26.
•Company sees a significant growth in Micro fulfilment, sub same day delivery and dark store management.
•Gross margin stood at 5.6% in Q4FY24 and company expects to have strong growth driven by increased purchasing power and Co locating operations more consistently taking margins up to 8% going forward.

Pricing
•Company has observed small uptick on ocean freight prices in last quarter while the overall pricing remains subdued across all border logistics.

Drivers for cost optimization
•Higher utilization with restructuring on lower pickup and delivery costs along with focus on more productivity and volume through the existing sites.

Other highlights
•Company continues to invest in green logistics capabilities and is focused on becoming net zero by 2040.
•Rivigo business EBITDA losses have come down from nearly 220 Mn to 150 Mn in Q4FY24, driven by higher capital utilisation.
•In Q3FY24 line haul utilization was about 65-70% which improved to 80-85% and can further see a 5-10% improvement as new volumes comes in.

**Allcargo Gati Ltd – Q4FY24 Concall KTAs**
**CMP: INR 108 | Market Cap: INR 14,119 Mn**
**Outlook**
**The company is targeting a revenue of INR 30,000 Mn and 9-10% margins by FY26. To achieve this, they aim to reduce direct costs by at least another 5% in the current year. Efforts are ongoing to improve service parameters like DIFOt to reach 95% levels. The development of GEMS 2.0, their technology platform, is in progress, with the first module expected to roll out in October 2024. Additionally, there are plans to create an additional 3 Mn sq.ft. of warehousing capacity over the next three years following integration with Gati. The company is exploring multiple alternatives to dispose of its fuel station assets. There is also a continued focus on improving infrastructure, including roads and the company's own facilities, to enhance operational efficiency.**

Financial Highlights
• Revenue from operations stood at INR 4,060 Mn in Q4FY24 down by 2% YoY & INR 16,980 Mn in FY24 down by 1% YoY.
• EBITDA stood at INR 140 Mn in Q4FY24 up by 21% YoY with margins at 3% & INR 520 Mn in FY24 down by 26% YoY and margins at 3%.
• PAT was at INR -62 Mn in Q4FY24 & INR 60 Mn in FY24.

Operational Highlights
• The company has improved service quality and sales acceleration initiatives which aided in volume growth.
• The company is focusing on reducing direct operating costs through process compliance and operational audits.
• It has implemented new SOPs for standardized shipment handling across locations and is striving to find out the root cause of top customer damages, shortages, etc.

Strategic Initiatives
• The company has restructured its sales team under new Chief Commercial Officer and has set up an inside sales team to target MSME clients and improve retention.
• The company has introduced digital wallet and redesigned the SME incentive policy.
• Company's 6 out of 8 hubs are recognized in Phase 1 of amplification and are up and running.
• On the technology front, the company's GEMS 2.0 development is in progress, with the first module to be rolled out in October 2024.

Margin Expansion
• The company is working towards cost optimization to improve margins and is looking at reducing direct cost by around 5% this year.
• It is also working towards yield improvement through contract renegotiations and better realization from customers.

Business Mix & Industry Trends
• The company has 70% clients and strategic accounts & 30% retail and MSME, it is planning to bring clients and strategic accounts to 62% and increase the retail and MSME part.
• The industry is shifting towards more express logistics services and time-definite deliveries.

Customer Verticals
• The company had growth in volumes from the automotive aftermarket industry

• Company’s retail suppliers are increasingly using more express logistics services
• The company is attracting more large corporate customers through improved service and sales strategy

Infrastructure Expansion
• The company is planning on phase 2 of amplification (infrastructure modernization).
• It is looking to create an additional 3 Mn sq.ft of warehousing capacity over next 3 years for contract logistics business.

Cost Optimization
• The company is focused on optimizing line-haul utilization through better truck fill mix of dense and volumetric cargo.
• The company is identifying opportunities for cost reduction across pick-up/delivery, line-haul, and feeder operations

Competitive Landscape
• Company’s consistency in service quality and customer relationships are key differentiators for it.
• It is planning to gain market share by improving service consistency and customer service levels.

**Allcargo Terminals Ltd -Q4FY24 Concall KTAs**

**CMP INR 56 |Market Cap INR 13.77 Bn**

**Company aims to reach volume to 1 million TEUs by FY28 through organic growth and new locations. Company reported a volume growth of 8% YoY in FY24. Company has acquired additional land in Mundra to create facility which will further drive the growth in future. ICD at Jhajjar is expected to commence by FY26.**

**Financials**

•Revenue came in at INR 1820 Mn in Q4FY24 (-1% YoY/ -2% QOQ)

•EBITDA stood at INR 270 Mn (1%YoY/ -9% QoQ) in Q4FY24, with EBITDA margins of 14.7%

•PAT stood at INR 90 Mn (-27%%YoY/ -37% QoQ) in Q4FY24, with PAT margins of 5.1%

**Macro aspect**

• The International Monetary Fund had projected global growth at 3.2% in FY24 and FY25.

• Geopolitical crisis coupled with the slowdown in consumer spending had an adverse impact on the trade.

• Demand was impacted by rising inflation on account of the Russia Ukraine war and crisis in the Middle east, vessels were sent through longer Red Sea road which impacted import volume in india with rising freight rates at the end of FY23 which has now moderated.

• In FY24, India's merchandise exports declined while trade deficit improved by 35.7% as compared to last year.

**Operating Highlights**

• Company is focused on optimizing yard utilization and identifing procurement initiatives which lower operating costs by 3% in Q4FY24.

• Company has completed land acquisition in Mundra, one of India's fastest-growing ports where management sees significant potential for further growth.

• CFS volumes stood at 153’000 TEUs in Q4FY24(1%YoY/ -1% QoQ)

• Overall, volume grew by 8% YoY in FY24.

**Other Highlights**

• Company's gross margin improved to 32.4% in Q4FY24 vs 31.6% in Q4FY23.

• Company is focus to increase volume which will lead to increase in margin as 30% of company's operational expense are fixed. A 10% increase in volume is expected to increase gross margin by 2%.

• Procurement efficiencies which will further lead to improve margins by saving in expenses like transport and repairs and maintenance.

• Volume recovery is expected through changing geopolitical scenario and optimizing yard utilization.

• Company is operating 2 facility at JNPT. Company has license till december25 for Speedy JNPT and renewal discussion where it has an option to extend its license by 10 years at beginning of next year.

• With good track records and positive feedback from the customers, management is optimistic about its renegotiations.

• ICD at Jhajjar is expected to launch by FY26. Company to bid for identified Gati Shakti Cargo Terminals in Gujarat , Maharashtra and Haryana.

• Company has grown 1-2% better than the industry growth which has helped to increase market share and expects this trend to continue. Company to maintain market share in excess of 10-11%.

**Snowman Logistics Ltd – Q4FY24 Concall KTAs**

**CMP: INR 61 | Market Cap: INR 10,206 Mn**

**Outlook**

**Companies expect the Red Sea crisis to calm down in the next month or two, which should bring cargo volumes back to normal. The company is actively exploring expansion opportunities, including the addition of two new terminals and increasing its cold chain capacity to 0.2 Mn pallets by FY25. The management has provided guidance for an EBITDA per TEU of around INR 9,500 for the next year, factoring in potential discounting and cost increases. Additionally, the company plans to focus on higher-yielding segments like dairy, ice cream, and seafood, while strategically reducing its exposure to the meat and poultry segment.**

Financial Performance

- Revenue stood at INR 1,265 Mn in Q4FY24 up by 12.6% YoY & INR 5034 Mn in FY24 up by 20.5% YoY.

- EBITDA stood at INR 299 Mn in Q4FY24 up by 16.8% YoY with margins at 23.1% & INR 1,083 Mn in FY24 up by 12.8% YoY and margins at 21.2%.

- PAT was at INR 21.5 Mn in Q4FY24 down by 57.8% YoY with margins at 1.7% & INR 127 Mn in FY24 down by 5.1% YoY with margins at 2.5%.

Rail Operations

- The company expects double-stacking to improve from the current 35% levels, closer to 40-45% in the coming quarters as supply chain disruptions ease.

- Company’s Faridabad terminal is expected to become double-stacked in the next 3-4 months, providing further operational advantages.

- The company handled around .37 Mn TEUs at its ICDs and .36 Mn TEUs at its CFS facilities in FY24, totalling .73 Mn TEUs.

Port Concentration

- Around 60% of the company's volumes are handled through the Mundra port, 35% through Pipavav, and only 5-7% through JNPT.

- The company sees an opportunity to increase its JNPT volumes, as several shipping lines prefer a single discharge point for both the North and local volumes.

Warehouse Models and Margins

- For owned land, the company operates at an EBITDA margin of around 55%, while for leased land, the margin is around 35-36%.

- For BTS warehouses, where the land and infrastructure are owned by the landlord, the company operates at an EBITDA margin of around 14-15%.

Container Freight Stations (CFS)

- The company faced high competition in the CFS business, putting pressure on top-line growth.

- Gateway Distriparks is focusing on cost control measures to maintain margins in the CFS segment.

- The company expects an EBITDA per TEU of around INR 1,500 for the CFS business in FY25, considering the competitive landscape.

Capacity Utilization

- The company has ample capacity at its ICD locations, with the ability to handle up to four times the current volumes by expanding the container yard.

- The utilization levels vary across locations, with NCR and Ludhiana terminals operating at around 70% capacity, while Faridabad, Kashipur, and Viramgam have lower utilization levels of around 50%.

Cold Chain logistics and Transportation

- Dairy and ice cream segments have been driving growth for Snowman Logistics, with a 20% YoY increase.

- The company is strategically reducing its focus on the meat segment and shifting towards better-yielding segments like seafood.

- The company’s transportation services saw a 5.8% revenue growth in FY24, impacted by the winding down of operations by a major truck operator they were associated with.

- The company is implementing a Snowman Order Management System (SOMS) to improve operational efficiency by enabling customers to directly place orders, reducing manual data entry costs.

- The transportation services (3PL) segment is expected to be a major growth driver in the long term, with revenue increasing from INR 830 Mn in FY23 to INR 1,410 Mn in FY24.

## Market Share and Competition

- The company maintained a 22% market share in the NCR region, while in Ludhiana, the market share declined from 30% to 27% due to the entry of a new player.

- Intense competition and discounting continued in the Ludhiana and Kashipur regions.

- The company has a Pan-India license, which could give them an advantage in capturing JNPT volumes meant for the North compared to other players without a Pan-India license.

## Dedicated Freight Corridor (DFC) Impact

- The DFC has primarily provided operational benefits for the company such as transit time improvements and cost savings through double-stacking.

- While the DFC has increased supply, it has not led to significant volume growth for Gateway District parks.

## Expansion Plans

- Gateway Distriparks is actively looking for land to set up new ICDs, with a focus on identifying suitable locations near railway stations and manufacturing hubs.

- Snowman Logistics plans to add two new facilities in Kolkata and Lucknow during FY25, increasing its pallet capacity to 0.2 Mn.

- The Jaipur ICD project faced delays due to legal issues, and the company is evaluating alternative plans like a CFS or acquiring more land.

- The company plans to add two new terminals, but the locations are yet to be finalized.

## Tax Benefits

- Gateway Distriparks has been getting tax benefits through the MAT credit, with an effective tax rate of around 2% in FY24.

- The tax benefits are expected to continue until FY27 and FY28 for different locations, after which the full tax rate will become applicable.

## Other Highlights

- Gateway Distriparks Ltd (Parent Company of Snowman logistics) operates container freight stations (CFS) and inland container depots (ICD).

- Gateway Distriparks saw a decline of 7.5% in train volumes during Q4FY24 due to the Red Sea crisis and lower imports of scrap and waste paper.

- The company has finalized the monetization of around 7 acres of land and some warehousing facilities at KrishnaPatnam, with an inflow of INR 200 Mn.

- The monetized land and facilities at KrishnaPatnam will be taken over by Snowman Logistics and converted into cold storage facilities.

**AVG Logistics Ltd – Q4FY24 Concall KTAs**

**CMP: INR 485 | Market Cap: INR 6.48 Bn**

- Revenue increased to INR 136.95 Cr., marking a YoY growth of 23%.

- EBITDA surged to 45.35 Cr., witnessing a YoY increase of 61%.

- EBITDA margin grew to 33.12%, showing a QoQ growth of 180 bps.

- PAT reached 21 Cr., reflecting a YoY growth of 106% with a PAT margin of 16.7%.

Railway:

- Secured a long-term contract of 6 years worth 105 Cr. from Indian Railways, covering the Chennai to Guwahati route.

- FY24 railway business revenue stood at 100 Cr., aiming to surpass 200 Cr. in FY25 with a targeted PAT level margin of 5-6%.

- Quarterly addition of 1 train is planned.

- Targeting growth in railway business with an optimal mix of weight and volume for maximum margins.

QSR Sector and Refer Business:

- Received orders from JFL in the QSR sector, with FY24 revenue ranging between 12-14 Cr., expected to double in FY25.

- Refer business revenue for FY24 ranged between 75-80 Cr., with a target to reach 150 Cr. in FY25 due to better margins.

EV and LNG:

- Ordered LNG trucks to promote a cleaner and sustainable future.

- Targeting 50 EV and LNG vehicles by December ‘24.

- LNG vehicle dynamics include long-term contracts of 5-7 years, vehicle value at 80L, monthly business ranging between 6-7L, EBITDA margin of 30%, and PAT margin of 12-15%.

Margins and Guidance:

- Current PAT margin stands at 5-6%.

- FY25 margin is expected to increase, focusing on refer business, LNG, and highly profitable EV vehicles.

- Revenue target for FY25 is set at 700 Cr.

Other Highlights:

- Fleet strength increased to 572 in FY24 from 467.

- Planned investment for the next 2-3 years is 100 Cr., intending to add 200-300 vehicles.

- Focus on growing B2C business due to better margins, aiming for an annual increase of 2-3% as a percent of revenue.

Accuracy Shipping Ltd | Q4FY24 Concall KTAs

CMP-INR 8.45 M.Cap-INR 1,270mn

Accuracy shipping has informed about the deepened issues at the Red Sea with the risk zone expanding. It has added 11 trucks in its fleet for increased competitiveness. Co. guides for INR 7,000mn topline for logistics and INR 3,000mn for commercial vehicle. EBITDA margins to remain in 4-5%. Company guides to reduce 50% of its debt in this year.

Arihant Capital Markets Ltd.

Financials

Q4

INR 1713mn(-8.6%QoQ)/(-3.5%YoY) revenue with gross profit of INR 231mn(+118.4%QoQ)/(-0.9%YoY) and margin of 13.5%. EBITDA of INR 144mn(+226.98%QoQ)/(+20.1%YoY) and margin of 8.4%. EBIT of INR 110mn (+27.6%YoY) and PAT of INR 92mn(+60.9%YoY) and margin of 5.4%. EPS of INR 0.61.

Red sea issue has grown more complex over past few months. Risk zone has expanded and attack are now reaching further offshore. This has resulted in extended journey, hence the increased time and cost in delivery.

-As of March 2024, we have 14 branches and 72 agencies agreement across the globe. Added five trucks at Mumbai operations and six for Chennai at cost of INR 42.7mn.

-To reduce our reliance on marbles, co. has expanded into new sector like paper and rubber.

-Co. has done revenue diversification across various new streams.

-Co. is also focussing on increasing share of business in existing customers and onboarding new ones.

InQ4, ebitda margin improved since freight prices have significantly improved from India to Europe and India to US.

-currently, debt level of INR 1090mn of which INR 670mn is working capital. This year, debt will reduce by 50%.

-Logistics business recorded INR 4710mn of revenue while commercial vehicle stood at INR 2040mn. and sale of petroleum recorded at INR 690mn. Guidance to cross INR 7,000mn for logistics and cross INR 3000mn for commercial vehicle.

-Core focus towards logistics. no divestment on plan.

-Management expects for exports to grow.

-Guidance on EBITDA of 4-5% margin . Commercial business at breakeven. revenue of 700cr shipping, 35cr sale of petroleum, 300cr sale of commercial vehicle. FY'26 growth of 10-15% in logistics, commercial vehicle- 5% growth.

-FY'24 none of the customers contribute more than 2% and has client base of 2500+.

Macro

Global eco showing signs of recovery and is projected to grow 3.1%. Indian economy stands resilient in 3rd qtr with growth of 8.4%. This growth driven by strong revenue collection strong, domestic demand and increased govt spending. India's GDP expected growth at 7.6% for FY25

**TCI Express Q4FY24 Concall Highlights**

**CMP: INR 1096 | Market Cap: INR 42 Bn | Promoter: 69.6%**

**Performance (Consol):**

• Revenues came in at INR 3.17 Bn (+1.7% QoQ) (-2.8% YoY)

• EBITDA margins came in at 14.16% (14.59% QoQ) (Vs 16.58% YoY)

**Key Highlights from the call:**

• Volumes: stood at 258,000 tonnes (+3% QoQ) (-2% YoY)

• Total volumes for FY24 stood at 1,000,000 tonnes

• Market share stood at 7% in express industry

• Capacity Utilisation levels: 83.5%(Q4FY24) vs 85%(Q4FY23) vs 83.5% (Q3FY24). For the full year utilisations were ~84%. Company aims to gradually increase the same to 86-88% levels. Company cant go beyond 90% utilisation

• New businesses like Rail express, C2C (cold chain service for pharma) contribution to revenue stood at 17.5-18%.

• Rail express now has 125 routes. Lot of business from air cargo is moving to rail express. Rail transport is 1/3rd cost of air transport

• Pune sorting centre has now come online. Currently two sorting centres completed.

• Next sorting centres planned are Ahmedabad and Kolkata (construction will start this year for either one). Post that will be Mumbai and Chennai

• Capex of INR 460 Mn incurred in FY24, & further targets to do capex of INR 3.3 Bn mainly for automation and associated expenses.

• Lifestyle (consumption, textile), pharma, engineering goods and electronics segment are not growing. Only auto displayed growth.

• Company is not very optimistic on recovery from textile and pharma. Focusing on solar and defence as well now. If company takes on other sectors then they might not be able to maintain 15% margins.

• 51% contribution came from big customers, remainder from SME in Q4. 50-50 for FY24. 97% business from B2B

• In peers, Delhivery is in B2C segment (Full truck load). Safe express is not in express cargo

• DFCC not a threat, built for commodity transport

• Based on 9 month numbers, industry itself has not grown.

• Gross margins maintained at 32% which was same for FY23

• In pricing, company only has a price hike clause, no price reduction clause

• Added 10 new branches in Q4FY24 to expand presence, total 25 new branches were opened in FY24.

**Outlook: Company underperformed its guidance of 3% volume growth for Q4FY24 (stated in Q3 concall). Going ahead, company aims to deliver 10-12% growth in FY25 with 100 bps margin expansion In FY24, company took price hike of 0.5-0.75%, In FY25 they plan to hike prices by 1-2%. Company had earlier guided to take contribution from new businesses to 25% (currently 17-18%). At CMP, company trades 31.9x FY24EPS**

**Gujarat Fluorochemicals Ltd Q4FY24 Concall highlights**
**CMP INR 3,638 | Market Cap INR 399.5bn**

**Fluoropolymers, the core segment, has witnessed degrowth in the year mainly due to destocking and low demand. Q4 has seen demand revival along with stable pricing. Fluorochemicals and Bulk chemicals segment facing a hard time will be offset by the significant sequential growth anticipated in Fluoropolymers, contributing largely to profitability. EV business expected to begin sales from H2FY25; will see significant growth FY26 onwards.**

Key highlights:
•Revenue increased to INR 11.33bn (+14% QoQ)
•EBITDA came in at INR 2.38bn (+15% QoQ), margin remained flat at 21%.
•PAT came in at INR 1.01bn (+26% QoQ)
•Capex done in FY24 amounted to INR 10.5bn. This will contribute to topline from FY26 onwards.
•Operating costs have been higher due to CSR applications, capex and red sea crisis.
•EBITDA to see sequential growth in FY25 QoQ with robust growth anticipated in H2FY25.
•VCM to VDC backward integration project has been slightly delayed; can be implemented by end of FY25.
•FY25 expected to remit performance similar to FY23.
•Capex of INR 5bn planned for non EV business will be for new polymers expansion, backward integration and some cost effective programs.

Bulk Chemicals:
Bulk chemicals segment saw improvement in volumes; plants ran at full capacity. Caustic soda and MDC prices remain low due to excess supply. Prices have bottomed out; improvement expected in next 2 quarters.

Fluorochemicals:

Fluorochemicals segment saw pickup in volumes of refrigerants; pricing remained sluggish. Segment expected to perform at similar level/may soften a bit in FY25. Specialty chemicals volume remained low due to Chinese dumping, impacting revenues and margins.

Fluoropolymers:
Fluoropolymer segment saw volume improvement with stable pricing. The segment performance has bottomed out; degrowth in volumes and is expected to see growth in coming quarters. Legacy players exiting and improvement of utilisation of new capacities will aid in increased sales in FY25. Green shoots in the segment like destocking phasing out and uptick in demand can be seen. FY25 expected to be significantly better than FY24.
China dumping has not affected Fluoropolymers segment in the higher grade products. Domestic market for low grade products has faced challenges.
Volume increment and value added grade introductions in new polymers will lead to growth of the segment.

Current capacity additions will be enough for about 2 years; will expand depending on the market demand thereon.

Battery chemical (EV) project is running as per schedule. New plant commissioned and sampling process began. Commercial sales to start in H2FY25. Capex of INR 8bn already done for this segment which will reflect in FY25; another capex of INR 8bn planned which will reflect in FY26 performance. The new capex will be funded through external funds. Products like electrolyte salts, cathode active materials and cathode binders will be looked into for the EV segment. 2x Asset turnover expected from the investments.

25% margin targeted for EV business. FY27 is when this business will see very high growth.

**Styrenix Performance Materials Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 1,627 | Market Cap: INR 28,650 Mn**

**Outlook**

**The management expects the overall polymer demand in India to grow at a rate of 8-10% annually. Specific segments like the automotive industry (2W and 4W) are estimated to grow around 7-10% in FY25, while miscellaneous items like small appliances and utility products are projected to witness even higher growth rates of over 12% in FY24. New product ranges like Tyroloy (PC+ABS, PA+ABS blends) and Asalac (ASA) were introduced in FY24 as part of this strategy. Styrenix is open to exploring specific export opportunities that offer strategic value addition in the long term.**

Financial Outcomes

- In FY24, consolidated revenue amounted to INR 22,222 Mn, reflecting a YoY decline of 6.3%. Notably, Q4 FY24 revenue reached INR 5,987 Mn, marking a modest decrease of 2.7% YoY but showcasing a 23.5% increase QoQ.
- EBITDA reached INR 2,728 Mn, down 6.0% YoY in FY24 and INR 743 million, showing a 7.3% YoY rise in Q4FY24.
- PAT amounted to INR 1,732 Mn, marking a modest decline of 5.4% YoY in FY24 and INR 494 Mn, reflecting an increase of 16.3% YoY in Q4FY24.

Capacity Expansions

- The company is undertaking significant capacity expansions in both ABS (Acrylonitrile Butadiene Styrene) and PS (Polystyrene) segments.
- For ABS, they plan to increase capacity from 105 KT to 210 KT by FY28 and for PS, they plan to increase capacity from 105 KT to 115 KT by FY27, with further expansions planned.
- The capacity expansions are aimed at capturing the growing domestic demand and reducing import dependence.

New Product Development

- They are focusing on developing value-added specialty grades in both ABS and PS segments to improve product mix and margins. The company have launched new product ranges like Tyroloy (blends of polycarbonate ABS and nylon ABS) and Acelaq (ASA production).
- They aim to increase the share of specialty grades in its portfolio to cater to specific customer requirements.

Cost Optimization Initiatives

- The company is undertaking various cost optimization measures, including projects related to power and fuel, logistics, and other areas. They expect significant savings from these initiatives, particularly in fuel and power costs, which will improve overall profitability.

Market Dynamics

- The Indian ABS market is expected to grow at 7-10% CAGR, and the company believes that even after the planned capacity expansions, the market will remain underserved.
- In the PS segment, the company expects demand to grow at 5-6% CAGR, and they plan to capture this growth through capacity expansions and product diversification.
- The company aims to maintain its strong brand presence in the domestic market and capture additional market share before exploring export opportunities.

Product Mix Improvement

- The company aims to improve its product mix by increasing the share of value-added specialty grades in both ABS and PS segments.
- For ABS, specialty grades currently account for around 55-60% of the total volume, and the company plans to further increase this proportion.
- In the PS segment, the company is developing new grades for specific applications like refrigeration liners, high-gloss products, and low-tint grades for appliances.

Customer Engagement and OEM Business

- The company plans to increase its engagement with OEMs (Original Equipment Manufacturers) to secure more contractual business and improve margins.
- In the PS segment, the company has addressed concerns over consistent supply, enabling it to engage better with OEMs.

Other Highlights

- The company has pricing formulas in place that allow it to pass on increases in raw material costs to customers, helping to protect margins. While there may be a lag of a month or two, the company can generally pass on the cost increases within the quarter or on an annualized basis.
- The company's ongoing capacity expansions are primarily through debottlenecking and brownfield projects, which are expected to result in fixed cost dilution and better operational efficiencies.

**SRF Ltd Q4FY24 Concall highlights**
**CMP INR 2,298 | Market Cap INR 681.32bn**

**SRF did see marginal contraction in revenues while margins declined significantly. Overall, the management was optimistic of revival in FY25 given their increased focus on capacity utilisation and improved mix of products. Chemical sector has been facing major headwinds like inventory destocking and Chinese dumping and SRF was no exception to it; recovery expected from H2FY25 onwards given the significant capex plans. Margin pressure in Packaging business will continue.**

Key highlights:
•Revenue came in at INR 35.7bn (-5.5% YoY).
•Profitability saw substantial decrease with margin contraction. EBITDA came in at INR 7.35bn (-25% YoY), margin of 20.6%. PAT stood at INR 4.22bn (-25% YoY), margin of 11.8%.
•FY24 – performance was subdued mainly due to market conditions as the overall industry is facing major headwinds like inventory destocking.
•Chemicals and Packaging business faced tough market conditions but Technical textiles business saw marginal growth in FY24.
•Overall Capex of INR 21bn expected in FY25 including INR 0.5-1bn maintenance capex.

Chemicals business -
Overall, recovery of chemicals business is expected with 20% annualised growth.
26% EBIT guidance remains unchanged given the capacity expansions and foreseeable recovery.
Current run rate indicates INR 12bn capex in FY25.

Specialty chemicals:
Inventory destocking from customers continued led by pricing pressure.
China has seen capacity expansions leading to tougher competitive landscape. This challenged one of the key products of the company. The management feels the company will overcome this and gain market share and contribute significantly to profitability.
Focus on putting up better and advanced plants with the planned capex. Capex intensity will increase in H2FY25.
Capex of INR 17bn done in FY24. Most of the assets were commissioned in later half of FY24 which may have led to under utlisation.
5-6 new active ingredients be launched by FY25 with 2-3 to start contributing to revenues.

Fluorochemicals:
Business remained under pressure with increased stress on Ref gas prices and volumes due to Chinese dumping.
US continued to destock HFC. Market expected to decline further. India, Middle East and South East Asia market expected to cover up the decline. Currently, exports have 54% share in revenue. In the long term, the mentioned regions will have 70-75% share in revenue given the US market condition.

Focus to increase R410A sales. Additional loss due to low pricing will be offset by R410A and R32 sales.
Volume growth expected in Ref gas. 10,000-12,000 tonnes of HFC volumes will be added.
Capitalised Capex of INR 12bn in FY24.

Packaging business -
Severe competition from China in Asian market.
BOPET segment is on bottom of the cycle and is expected to remain at similar levels for next 2 years. Post 2 years, gradual and slow recovery is expected.
BOPP has seen improvement and may see further improvement. Continue to improve market in Europe.
Aluminium foil business is new. The company is hoping to tap into EV and AC segments which are still untapped. Plan to commission a new in line coating machines in Thailand and India, for portfolio enhancement.

Technical Textiles business -
Share of business with domestic tyre companies increased.
Initial melting fabric capacity to come on board soon; expected to fully utilise in FY25 and drive major revenue growth.
Coated and Laminated fabrics business continued to see growth. Plan to commission new hot laminating machine.

**Alkyl Amines Ltd Q4FY24 Concall highlights**
**CMP INR 1,979 | Market Cap INR 101.18bn**

**Outlook: Overall FY24 performance was subdued but Q4FY24 saw improvement on QoQ basis. Commissioning of their new ethylamine plant will be one the key growth drivers given the pricing is seeing improvement. FY25 may see volume growth driven by Ethylamine and methylamine derivatives.**

**Ethylamine:**
- Ethylamine plant has commissioned and running well. It is the largest Ethylamine plant in India with capacity of 120 tonnes per day. Current utilisation is at 60% with headroom for growth. INR 3.75bn capex was done on this plant. Pricing for Ethylamine has improved on SP and RM basis.
- Ethylamine margins have seen improvement and by FY25, they expect to reach similar margins/kg which were in FY21. Hope to achieve 20-22% margins going ahead.
- Ethylamine demand is mostly domestic though the company has some export presence.
- Diethyl ketone has not been fully utilised by the company yet and the capacity utilisation was also in the lower range of 20-30%. They expect this product to aid volume growth next year.

**Methylamine:**
- Methylamines derivatives are seeing better growth than base ones. About 30% of methylamines is used for captive consumption while 60% is sold.
- The old ethylamine plant will be converted to methylamine over next two years.
- Methylamine market size is of about 70,000 tonnes, by including NMP and DMF, the demand will increase to 80,000 – 90,000 tonnes. The company has capacity of 45,000 tonnes/year at Dahej and are working at 80-85% utilisation. The standby Patalganga plant has about 15,000 capacity which is only used when demand is high.
- Plans to set up DMF is on hold as the company feels the current price is not the right time to enter.

**Acetonitrile:**
- Utilisation of the Acetonitrile plant was much lower in H2 than H1 (60-65%) due to Chinese pressure on pricing and aggressive selling. Overall utilisation was around 55-60% and going forward it may improve to 60-65%. Prices have stabilised in Q4. The company is facing competition more from China rather than domestic players.
- The company has filed for anti dumping of Acetonitrile in Dec’23 as well as March’24. They expect to get interim relief by Q4FY25. Injury is in the range of 15-20%.

**Other highlights:**
- Market demand for Pharma remained quite stable during the year and is on a growing trajectory. This led to volume growth but pricing remained a challenge which affected topline. RM prices also dropped which led to slight improvement in margins. Demand from Agri sector remained subdued.
- Volume of 10% achieved in FY24. Pressure on acetonitrile and monoisopropyl was offset by other downstream products of methylamine.
- The overall margins will never reach FY21 levels due to drop in prices. Although, they expect to better than average margins with the anticipated volume increase. Volume growth will aid in bottom line growth.
- The company expects to maintain their 10-15% volume growth for FY25.

**Balaji Amines Ltd Q4FY24 Concall highlights**
**CMP INR 2,186 | Market Cap INR 70,810mn**

**The industry headwinds continued to affect the business leading to degrowth in FY24 performance. Q4FY24 has shown signs of improvement with volume increase, stable pricing and growing demand scenario. The company has an extensive pipeline of expansion projects like capacity expansions and introduction of new and value-added products. Solar power plant project will contribute significantly in cutting down power costs.**

Key highlights:
- Revenue came in at INR 4.23bn (+8% QoQ/-11% YoY). FY24 revenue degrew by 30%.
- EBITDA increased to INR 1.06bn (+29% QoQ/+7% YoY). Margins expanding by +400bps QoQ/YoY to 25%. However, FY24 margins dropped to 21%.
- PAT came in at INR 720mn (+51% YoY/+30% QoQ). Margins expanding by +500bps YoY to 17%. However, FY24 margins dropped to 14%.
- Minimum 10% volume growth expected in FY25 on standalone basis.
- Taking Q4 margins as base, we can expect margins to be between 21-24% in FY25.
- Consumption of NMP is expected to increase in the coming time due to the lithium battery companies planning to commence production. DMC was also operating at 30-40% utilisation. Even if 2-3 players in the battery space stand out, the demand will increase and the company will operate NMP at 100% capacity. The company has already met some players in the battery space who are looking to commence production.
- Capex of INR 7500mn planned for introducing new products in the specialty chemicals. The capex will be done in 2 phases. Phase 1 will see INR 3500-4000mn capex with 6 new products planned while Phase 2 will see additional INR 3500mn capex. Phase 1 will be funded through internal accruals only but during Phase 2 expansion, company might raise debt of INR 500-1000mn. The management is optimistic that this capex will generate minimum INR 10bn in revenue.
- Once Methylamine new plant will get commission, it will operate at 100% capacity. DMA and DMF plant will operate as one, working at 100% capacity at 30,000 tonnes. 15,000 tonnes DMA produced from new plant will be fully used for captive consumption. The company has begun exports to Saudi Arabia and Europe.
- Ethylenediamne (EDA) plant is running at 35-40% capacity. The company has plans to gradually reduce EDA sales in the market and shift their focus to value added products and are actively working on new tech R&D.
- Acetonitrile is currently on hold and they focusing on other priority products.

Expansion projects pipeline:
- N-butyl production commenced at Unit 4, capacity of 15,000 tonnes. The domestic demand is only 8,000 tonnes. They are coming up with a new product which will consume 2500 tonnes of N-butyl, thus the capacity installed is much higher.
- Methylamine project of 40,000 tonnes (includes 15,000 tonnes of DMA) likely to be commissioned by Dec'24.
- Existing Electronic grade DMC plant with 15,000 MTPA capacity is under execution and is to be commissioned in FY25. EV batteries market has high potential going ahead. They have the advantage of being the only DMC manufacturers in India currently.

- Working on a DME project at Unit 4, to be launched in March’25.
- Other proposed projects include N-Methyl morpholine capacity of 3000 TPA and N-Thiophosphoric triamide capacity of 2500 TPA.
- They are also considering to modify existing ethylamine plant at Unit 1 to produce isopropylamine.
- Solar power plant project of 20MW capacity with capex of INR 1200mn. will commence with 8 MW capacity plant in Phase 1. It is expected to be operational from Dec’24. This will reduce 60-70% of power cost.
- Hotel business is doing well with 85-90% occupancy rate. They propose to add another 40 rooms, costing INR 300-350mn.
- New expansion of INR 7500mn planned with introduction of new products in Specialty chemicals segment.

**Fine Organics Ltd Q4FY24 Concall highlights**
**CMP INR 4,302 | Market Cap INR 131.89bn**

**The company plans to remain in the oleochemistry space and develop new products in this category as they feel it still has headroom for growth. They plan to commercialise their new ideas at their new planned facility. They even intend to set up plant outside India with considerable capacity, strengthening their presence in global market. They are also actively looking for acquisition opportunities.**

-Revenue came in at INR 5470mn (+12% QoQ/-8.3% YoY). FY24 revenue degrew by 29.8%.

-EBITDA came in at INR 1435mn (+21.4% QoQ/-29.1% YoY), Margins of 26.2%. FY24 margins came in at 25.2%.

-PAT came in at INR 1146mn (-23.3% YoY/+21.6% QoQ), margins of 20.9%. FY24 margin came in at 19.4%.

-Exports contributed 52% of revenue in FY24. Lead time for exports to Europe and US has increased by 1-1.5 months due to red sea crisis.

-RM prices have been stable which has led to better margins.

-All plants are running at optimal capacity. Patalganga plant still has headroom for ramp up. The plant will still take 3-4 years to reach optimum utilisation.

-New products which are developed will be produced at Patalganga plant or any other plants which will have bandwidth to increase production. The new plant planned at SEZ Maharashtra will also produce new products.

-Plan to set up a plant in Maharashtra SEZ area with their newly incorporated subsidiary, primarily for the export market. They are waiting for allotment letter from the government regarding the land. Once EC is received, plant set up will begin.

-Raw materials situation has been improving for some quarters. Q2 is expected to see similar growth as there is not much change in situation compared to Q1. As there is not much headroom for increasing capacity utilisation other than at Patalganga, volumes are expected to remain at similar levels.

-Situation in Americas, Asia have improved and have shown revival signs but Europe continues to face slowdown.

-The company will receive all approvals for Thailand project by this week and plan to commission it by June'24. The product planned has only one competitor globally. The company will first begin with trial production and then plan for ramp up. They already have approvals from some customers.
-The company does not believe in changing their product mix frequently as they have long term commitments to their customers.

**Aarti Industries Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 660 | Market Cap: INR 239 bn**

**Outlook: Aarti Industries has put a decent earnings in Q4FY24 sequentially as the product prices are seen stabilizing in Q4FY24. The 25-30% volume growth guidance in FY25 will be seen coming incrementally from Q1FY25.**

Guidance:
•Management maintained guidance on EBITDA growth for FY25 & beyond at 20-25% CAGR.
•The Management aims to achieve an EBITDA of INR 1,4500-1,7000 mn for FY25.
•The Company is expecting some revival in the Agro-chemicals segment in the H2FY25 along with some capacity coming up during Q2 & Q3 of FY25.
•The Company is expecting a Volume growth of 25-30% in FY25, with incremental volumes coming from Q1FY25.

Key Highlights:
•Q4FY24 Revenues came at INR 19,550 mn (up 3.49% QoQ/up 7.06% YoY), EBITDA came at INR 2,830 mn (up 5.6% QoQ/up 12.75% YoY), Margins stood at 14.48% (against 14.19% in Q3FY24 and 13.75% in Q4FY24) and PAT stood at INR 1,320 mn (up 6.45% QoQ/down 11.4% YoY).
•The Domestic revenue stood at 52% while exports comprised 48% of their total income for the Q4FY24. In the exports markets, the North America market comprised 11%, Europe 6%, 4% China, 3% Japan and 28% to the rest of the World.
•Nitrochlorobenzene production stood at 17,646 tonnes for Q4FY24 against 18,842 tonnes in Q4FY23 and 19,580 tonnes in Q3FY24.
•Nitro Toluene production stood at 6,675 tonnes against 6,130 tonnes in Q4FY23 and 6,951 tonnes in Q3FY24.
•Hydrogenation Output stood at 3,389 tonnes per month in Q4FY24 against 3,315 tonnes in Q4FY23 and 3,644 tonnes in Q3FY24.
•The Company did capex of INR 12,800 mn in FY24 and intends to do Capex of INR 15000-18000 mn of Capex in FY25 towards Acid Phase 2 capacity expansion, Specialty Chemical Block Installation and Asset upgradation.
•The Chloro Toluene project is on schedule and the Initial Phase is projected to commence by FY26. The Company states that upon completion, this Project will place them in a distinctive spot in the Global Chemical Supply Chain.
•The Management acknowledged Agro-chemical segment being under pressure, causing volumes to be impacted. Since, some of the Nitro Chloro Benzene goes towards Agro Chemicals and Pharma sector, the volumes sold got impacted due to the sluggish demand scenario in those segments.
•The Capex of INR 15,000-18,000 mn for FY25 will be towards the existing Product Lines in zone 1,2 & 3 while the Acid Phase 2 expansion in the Eastern side and NitroToluene expansion in Jhagadia will be commissioned during FY25.
•The management stated that there could be 10-15% increase in planned Capex for FY25, i.e. up to INR 20 bn of Capex guidance in FY25 for their Ethylation expansion.
•Regarding the recent 2 contracts signed by the Company, the First contract is for INR 15 bn for Intermediates for which the company has already done the ramp up.

•The second contract is also INR 15 bn for the next 4 years, and is not connected to the current installations.
•The Company informed that by Q2FY25, both the Nitro Toluene and Downstream capacities will be commissioned.
•The Management attributed the products in line which are value Added in nature, and therefore have high EBITDA Margins of 25-30%.
•The Company says that the increase in Freight Cost during the quarter is absorbed and almost fully passed on to the Customer, and around INR 400-450 mn kind of increase in Other Expenses are due to that.
•On the contract with Deepak Fertilizers for INR 80 bn spread over a period of 20 years, the company clarified that the revenue realization per year will be varying and fluctuate as per requirement of the customer.

**Yasho Industries Ltd Q4FY24 Concall highlights**
**CMP INR 1,919 | Market Cap INR 21.88bn**

**The company is taking steps to increase their capacity as they are targeting to capture market with dynamic pricing due to increased competition from overseas players. Export market has started to stabilise and is contributing to volume growth. Focus is shifting more towards industrial chemicals as margins are decreasing in consumer business.**

Guidance:
-Expecting topline of INR 9-9.5bn in FY25 while INR 12.5-13bn in FY26.
-Margins are expected to be in range of 19-20% for FY25, increasing from current levels of 17.8%.
-Pressure on RM prices and realisations is expected to continue for the next two quarters.
-No intention to raise debt. Target to bring down Debt to EBITDA ratio of 5.2x to 3x in FY25.

Financial and operational highlights:
-Revenue came in at INR 1720.3mn (+13.2% YoY/32.3% QoQ). FY24 revenue degrew by 11.6% YoY.
-EBITDA came in at INR 314.5mn (+12.5% YoY/21.4% QoQ), Margins of 18.3%. EBITDA degrew by 14.9% in FY24.
-PAT came in at INR 179.4mn (+14.4% YoY/32.5% QoQ), margins of 10.4%. PAT degrew by 14.6% in FY24.
-Average cost of funds is 8.75%.
-The company has improved their working capital by reducing the credit period of their debtors.
-Despite the overall revenue degrowth in FY24, volumes increased by 13% led by improved mix. Industrial chemicals saw 17-18% volume increase.
-Industrial chemicals had 84% share while Consumer business had only 16% share. Export market had the higher share at 64% while domestic sales contributed 34% to overall revenue.
-Reduced freight costs, savings in power and fuel costs and reduced repairs led to significant reduction of other expenses in FY24. These expenses are expected to be in control from hereon due to increased measures.
-Global demand is showing signs of stabilisation. Q4 saw good demand from export market. Till now, Q1 has also witnessed similar trend. Volume growth in Q4 was 35% - 20% from exports while 15% from domestic market.
-The company has adopted a bit aggressive approach in terms of pricing to gain market share.
-RFQs from global companies are expected to come in later this year and they expect to start with trial supply for new products. Business is expected to come in from Q3FY25.
-Margins in the consumer business have seen a downward trend thus the company has shifted their focus to Industrial chemicals.

-Vapi plant has 90-92% capacity utilisation in FY24. This utilisation rate will be maintained going forward. The plant will focus more on niche, low volume (specialty) products while Pakhajan plant will product high volume products (commodity).
-Top 5 clients contribute about 30-35% of total revenue.

Pakhajan Plant:
-Pakhajan plant with 20,000 MT capacity, has commenced commercial production in April'24. The plant will contribute to topline and will aid in margin improvement. The rationale behind starting this plant is that the company wanted to expand their volumes.
-INR 700mn excess capex was done at the plant as they increased planned capacity, implemented automation process and safety measures.
-75% of the products that are planned at this plant will be old industrial products which have higher volumes along with 1-2 new ones. Realisations of these products will be similar as to when they were produced at Vapi plant. Average realisations will be ~INR 350/kg. These products will have better margins due to excess production, automation and decreased costs.
-50% utilisation is targeted for FY25; to see improvement from H2FY25. Full benefits of this plant are expected to yield from FY26.
-Phase 2 expansion will be discussed in Jan'25.
-They already have soft commitments from customers for rubber chemicals. They intend to start business with customers with shorter approval period and then move to long term customers.
-They anticipate to see increased demand from domestic market for products produced here.

**Sharda Cropchem Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 401 | Market Cap: INR 36,130 mn**

**Outlook: The Company posted better earnings than several Peers on account of better product mixes as well as Volume growth in Q4FY24 on account of some increase in prices in global markets. We can expect further increase in FY25 revenue guidance in future quarters if price and volume growth are further seen improving in subsequent quarters.**

**Guidance:**

•The Management does not sees any reason for the gross margins to come down anywhere in the future.
•The Company has provided a guidance of 12-15% revenue growth in FY25.
•EBITDA margins are expected to be between 15-18% in FY25.
•The capex for FY24 stood at at INR 4,200 mn for FY24 and the Management gave guidance of INR 4,000-4,500 mn for FY25.

**Key Highlights:**

•Q4FY24 Revenues came at INR 13,121 mn (up 107% QoQ/down 11% YoY), EBITDA came at INR 3,027 mn (up 541% QoQ/down 3% YoY), Margins stood at 23.1% (against 7.5% in Q3FY24 and 21% in Q4FY24) and PAT stood at INR 1,435 mn (against INR 46 mn QoQ/down 28% YoY).
•The Company witnessed volume growth of 25% YoY for Q4FY24 with Agrochemicals growing 28% & Non-Agro Chemicals growing 42% YoY. Overall full year Volume growth was 4% YoY.
•The Management stated that they did not have any Inventory gain during the quarter.
•The Management stated that the Freight rates have increased very high along with the travel duration of the logistics especially due to the Red Sea region’s disturbances as many ships aren’t ready to use the Suez canal route and instead are circling the African continent going through Cape of Good Hope.
•The Company stated that they do not have any control in the Cost of Registration of Products. Hence, if Governments and Authorities are increasing the Cost of Registrations that is what is driving the Prices of Chemicals upwards.
•The Waiting period for most products is very less as the factories are having high inventories, and that too, is a reason that Prices aren’t moving upwards that quickly.
•The Management clarified that there hasn’t been any capacity addition in the Chemical industry in China as the industry is itself suffering with excess Capacity.
•As per the Management, the Inventories are coming down across channels at both producer levels as well as consumer levels which is driving the Demand up.
•The Company witnessed almost zero Sales Return during the quarter which was an abundant number of sales returns in the last year.
•The Volumes for Q4FY24 grew by 25% YoY, Foreign Exchange Gain of 3% and the Price Mix impact was -40%, causing an Overall total growth of -11%.
•The Company’s Q4FY24 region-wise gross margins stood at Europe 36%, LatAm 36% and NAFTA 31% and RoW 36%, i.e., overall 31%.
•The Write-Off for the full year stood at INR 350 mn.
•The Chinese Manufacturers from whom the company gets its supplies are sitting on accumulated inventories which are coming down gradually.

•The Company clarified that they aren’t sitting with much high cost Inventory currently compared to the size of inventory they had in previous quarters.

•The Management attributed the decline in non-agrochemical revenue to increased freight charges and high transportation costs.

**Jubilant Ingrevia Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 514 | Market Cap: INR 81,910 mn**

**Outlook: The Company posted healthy set of earnings for Q4FY24 while most of the sub sectors in the Chemicals industry saw prices being compromised due to sluggish demand in the Agro-chemical sector while demand growth did not picked up as high as seen historically due to supply excesses.**

**Guidance:**
•The Company has a capex plan of INR 20.0 bn to deliver structured growth and drive the company towards the vision of Pinnacle 345, i.e., 3x revenue and 4x EBITDA in 5 years.
•The Company has also put forward a plan in commission for New Diocese derivatives in the Growler factory which will further enhance their dieting product Portfolio.

**Key Highlights:**
•Q4FY24 Revenues came at INR 10,740 mn (up 11% QoQ/down 6% YoY), EBITDA came at INR 1,010 mn (down 4% QoQ/down 9% YoY), Margins stood at 9% (against 11% in Q3FY24 and 10% in Q4FY24) and PAT stood at INR 420 mn (down 24% QoQ/down 44% YoY).
•During the quarter, the Company has commissioned the multi-purpose agroactive integrated land capacity at their Bharuch facility. The Company aims to produce high potential agro-actives and Intermediates from this facility.
•The Management acknowledged that the Agro-chemical sector is still under the pressure from excess supply from China keeping prices lower globally even with the volumes move up gradually.
•The Management expects all the 3 sectors to improve sequentially in FY25 with the demand and prices expected to improve over the next couple of quarters.
•In the Specialty Chemicals segment, the Company witnessed higher volumes from Pyridine building blocks and fine chemicals including Diketine. The CDMO segment remains the Company's key driver of future growth.
•Acetic Anhydride volume was stable while the pricing remained soft on account of lower demand from paracetamol and agrochemical end use in both India and European markets.
•During the quarter, the Company was also impacted due to higher freight costs led by Red Sea crisis which correspondingly dented the overall margins.
•With the help of project lean initiatives, the Company successfully kept the costs under control and brought down working capital to 18% of sales.
•The Company has also signed an agreement with O2 Renewables for captive renewable energy sourcing for the Tablet facilities. They expect the share of renewables to increase to 30% plus in the next 12-15 months.
•A GMP compliant facility for food and cosmetic grade Vitamin B3 is expected to be commissioned in Q3FY25.
•Capex done during Q4FY24 stood at INR 1,430 mn and INR 5,720 mn in FY24.
•The Net Debt of the Company as of March 2024 was INR 6,530 mn and Net Debt to EBITDA ratio was at 1.43 times. The increase of INR 3,410 mn in Net Debt during FY24 was led by INR 5,720 mn of capex done during the year.

- The Company has been doing capex for several chemicals except Acetic Anhydride over the last 2 years, and expects to see Volume growth gradually as these new capacities are already achieving +60% capacity utilization.
- The Management mentioned that the Agro-chemicals segment formed 20-25% of their total revenue generally, and rest 70-75% revenue is derived from the Nutrition and Pharma segment. Hence, the Company remained confident of future growth to be driven by these segments, with the CDMO business was driving the business.
- The Management also mentioned that the Nutrition and Pharma segment products prices being very much stable over the last 5-6 months with marginal declines compared to the declines seen in the Agro-chemicals segment where price declines of products were seen anywhere between 30-50% during this period.
- The Management also attributed benign pricing in the Nutrition segment for the Company’s declines in EBITDA terms as the other segments saw pricing pressure.

**Fairchem Organics Ltd Q4FY24 Concall highlights**
**CMP INR 1,306 | Market Cap INR 17bn**

**Forward integrated isostearic acid will gradually help the company in recovering back to 15-16% EBITDA margins. 15-20% volume growth also seems to be maintainable. Topline may see marginal growth. First two quarters may not see much growth compared to H2FY25.**

-Revenue came in at INR 1606mn. EBITDA stood at INR 188mn with margins of 11.71%. PAT stood at INR 118mn, margin of 7.35%. There was very marginal growth in revenue on QoQ/YoY basis while profitability did not see growth and degrew by ~5%. FY24 as a whole witnessed marginal degrowth in both topline and bottomline.

-Q4FY24 did witness volume growth of 15% but value degrew by 8% due to low realisations.

-The company is optimistic of their new high value product – isostearic acid will drive growth. They have executed export orders to Europe in March and have further orders from existing and new customers. They target to achieve full operational capacity utilisation by end of FY25.

-Realisations from prime products has improved from 75% to 85% in FY24.

-The new Raw material project is expected to see some delays. Currently, pilot plant work is going on thus commercialisation is not expected in FY25.

-Exports currently have 5% share in total revenue. We can expect growth in export sales going forward and it may have 10-15% share in FY25 revenues.

-Overall capacity utilisation will improve to 90% in FY25.

-The new projects are not very capital intensive as forward integrated product requires less capex. Capex going forward will be minimal and will be funded through internal accurals.

-The management mentioned that the dumping from Chinese companies has come down significantly.

**Oriental Carbon & Chemicals - Q4FY24 Concall Highlights**
**CMP: INR 751 | Market Cap: INR 7,500 mn**
**Outlook: The Company has posted muted set of earnings with margin guidance cut by another 4-5% due to global oversupply of insoluble sulphur. As the realizations have come down by around 50% from last year, and excess supply is expected to continue over muted demand growth, we don't see much of any improvement in the Company's return ratios.**
**Guidance:**
•The Management is expecting the margins to come down by 4-5% in FY25 from FY24 levels due to the Pricing pressure resulting out of excess supplies globally.
**Key Highlights:**
•Q4FY24 Revenue came at INR 1,080 mn (up 22% QoQ/ up 4% YoY), EBITDA came at INR 268 mn (up 66% QoQ/up 7% YoY), EBITDA Margins stood at 24.8% in Q4FY24 (against 18.3% in Q3FY24 & 24.1% in Q4FY23), PAT came at INR 133 mn (up 119% QoQ/ up 15% YoY).
•The Company has reduced their debt by INR 350 mn during FY24.
•The Management attributed the reduced revenue in FY24 towards the lower pricing on account of lower input and freight costs for insoluble sulphur and acids respectively.
•The demand in Europe which is the second largest market for the company was particularly weak due to inflation and geopolitical factors.
•The Company's balance sheet strength however got stronger as they reduced their debts by INR 350 mn in FY24 with long term debts at INR 330 mn, short term borrowings including current maturities at INR 520 mn and liquid cash investments at INR 630 mn.
•The Company has received NCLT approvals for the demerger scheme.
•The Capacity Utilization of the overall Company was 70% for the Q4FY24.
•The Management stated that once the capacity utilization reaches 85-90% levels, then they will be looking for capacity expansion in the Phase 2.
•The Management stated that their total capacity of 39,000 tonnes is more than the domestic demand which is 22,000 tonnes. Hence, they have to take price cuts in the Exports markets as well as compete against dumping from Chinese and Japanese suppliers.
•The Management said that the demand in Europe has not picked up, but they are witnessing that the prices in Europe is not going down further below from current levels, which is a good sign.
•The Management said that the Chinese suppliers are already selling at very low prices, and they don't see the Chinese being able to sell at any further lower prices.
•The demand and supply gap in China is already very big biased towards the supply side. Hence, with a demand growth of 3-4%, the Management does not sees Pricing to improve from the Chinese side over the next 2-3 years.
•The Company could not expand their market share in America last year due to the producer in America being in a dominant position.
•The Demand growth for insoluble sulphur in domestic Indian markets is going to be 8-10% per year, hence, the Company is looking for faster growth than that.
•The Management said that on the Buyback concerns, the company will look to reward the existing shareholders at the appropriate time.
•The Management denied any capacity addition other than Shikoku Chemicals last year. However, they mentioned that due to the decline in realizations by around 50% globally, even the Japanese have reduced their prices.

**I G Petrochemicals - Q4FY24 Concall Highlights**
**CMP: INR 495 | Market Cap: INR 15,240 mn**

**Outlook: The Company has posted a good set of earnings for Q4FY24 with a recovery in the margins over previous quarter, and is witnessing the margins to recover to the 5-10 year average margins range of USD 150-200 for Phthalic Anhydride. Hence, we remain watchful on the pricing recovery in the segment and will improved margins sustain for longer.**

Guidance:
•Since the Management saw recovery in margins from the month of March, and witnessed it improving in the months of April and may as well, so they denied of giving any guidance for FY25.
•However, not reflecting on the Quarterly margins, the Management expects the margins to come between USD 150-200 range which is the 5 to 10 year average normalized margin for Phthalic Anhydride in normal market scenario.
•If there is an improvement in the Maleic Anhydride prices to historical levels, the Management expects the EBITDA to increase by INR 250-300 mn for FY25.

Key Highlights:
•Q4FY24 Revenue came at INR 5,635 mn (up 13.8% QoQ/ down 7.76% YoY), EBITDA came at INR 356 mn (up 36.9% QoQ/down 48.7% YoY), EBITDA Margins stood at 6.32% in Q4FY24 (against 5.3% in Q3FY24 & 11.38% in Q4FY23), PAT came at INR 92 mn (against Net Loss of INR 160 mn/ down 75.9% YoY).
•The Management attributed the low demand from the major economies for the growth impact that is seen across all chemical sectors.
•The Company witnessed the demand for Polymer clients remain subdued while the UTR & Pigment segment has recovered well in the later part of FY24.
•The Management expressed relief that the PFI unit has successfully completed the last quarter.
•The Company is expecting INR 5,000 mof incremental revenue from PFI from the next financial year. The Management expects 5-7% growth in this product over the following year.
•IGPL is the largest producer of Pthalic Anhydride in India and the second largest in the world.
•The Company believes they have sufficient capacity to serve and cut out market share by vertical application as well as Raw Material integrated from downstream chemicals users.
•Exports contributed 13% of the overall tariff business for the company in Q4FY24.
•The Company aims to expand their downstream divide to increase their performance in the Indian domestic markets. The expansion is expected to improve their operating business and boost the profitability and potentially increase the revenue for non salic business.
•The Management says that the prices have bottomed as it went below USD 100 to USD 60-70 during December & January, but saw an increase from March onwards, and improved further in April and is hovering around USD 150-170 currently. Hence, the Management expects the revival in prices to continue from hereon.

•The Company has undertaken the PFI manufacturing in the month of February, and they expect the utilization levels to reach 90-95% which will be optimum capacity utilization for this plant of 53,000 tonnes, and for FY25, it will be in the range of 70-85%.
•The Management explained that whenever the margins goes below USD 100, few players who have conversion cost between USD 100-150, they are not able to sustain.
•Speaking about the Chinese suppliers, the Management explained that suppliers who are producing with Naphthalene, they create a lot of pollution and the Chinese Government puts ban on such productions.
•Similarly, the Company says that the Indian government is also mulling at setting up standards so as not to allow them to enter India.
•The Management says that the demand has been good as seen in Q4FY24 across all the sectors that the company caters to, and expects it to further improve in the subsequent quarters.
•The Current domestic capacity of Phthalic Anhydride is around 550-600 thousand tonnes, and the domestic consumption stands at 500-550 K tonnes per year. Hence, the Management said that the imports are running at around 4,000 tonnes per month.
•The Company generally sees exports of 20%, which is currently 10-15%. The Export markets mainly catered by the company are Middle East markets, and sometimes to Africa as well.

**Tatva Chintan Pharma Chem Ltd Q4FY24 Concall highlights**
**CMP INR 1,251 | Market Cap INR 29.3bn**

**FY25 expected to better aided by improved market sentiments, product approval pipeline and expected commercialisation. Demand growth will not reflect in revenues much due to low realisations. Despite this, the management expects to achieve 35-40% topline growth and EBITDA margins of 22-24%, considering RM prices remain at these levels.**

Key highlights:
Revenue for the quarter came in at INR 983mn (+21% YoY).
EBITDA came in at INR 156mn (-4% YoY), margins improved to 15.9% (+280bps YoY)
PAT decreased to INR 96mn (-43% YoY), margin of 9.8% (-380bps YoY)
Overall FY24 performance remained subdued with marginal decrease in revenue; PAT saw significant degrowth of 33.7% YoY.
SDA segment was the highest contributor to revenue with 41% share followed by PASC and PTC at 29% and 28% respectively.
Improvement in volumes seen in the quarter. The management anticipates moderate volume in the next 2 quarters with an uptick from Q3 onwards.
Shift seen in customer behaviour; good demand coming with early shipment and urgent orders request.
Expect for Agrochemical, all other chemical sectors indicating a brighter outlook.
Prices of several chemicals continued to decline. Prices of raw materials of SDA and PTC products also declined. April has seen stabilisation in prices with improved demand.
Turnaround expected in the next two quarters.
Freight charges remained high resulting in elevated cost.
Currently operating at satisfactory gross margins but EBITDA margin is low. With the expected volume growth, the management feels the overhead costs will improve and result in better margins. Expect to achieve 22-24% EBITDA margins in FY25.
Employee cost expected to be ~INR 500mn next year.
Capacity Utilisation was 70% for Reactor while mere 30% for Assembly, the two parts of the plant. Reactor utilisation to reach 85-90% next year.
A new large customer onboarded recently has been contributing well to the sales volumes. The company is targeting to make them one of their top 3 customers within 2-3 years.
Capex for FY25 is estimated at INR 700mn.

PTC:
Low RM prices led to lower realisations.
Expect a stable revenue going forward; retained all major customers.
Recent introduction of new business in the segment will offset the subdued demand for other products.

SDA:
Strong recovery in segment across applications; qualified for all ongoing applications with customers and started commercial supplies.

50% volume growth expected in FY25; low RM prices in Q4 will lead to marginally lower realisations in FY25.
Pricing will remain an issue; target to have enough RM inventory to maintain price similar to earlier levels.

Despite 50% volume growth expected, revenue growth will only be 25%.
Euro’27 will also aid volume growth in FY26, where they expect to achieve 30-40% growth.
Plant capacity utilisation was only 30%. Anticipated volume growth will take this utilisation to 70-80% in two years.

Electrolyte Salts:
Poor uptick in Chinese market led to subdued Q4.
Qualification process with customers in the hybrid cars and batteries business going smoothly and customers are in line with their new projects; uptick in demand expected from August’24.

PASC:
Validation process from customers going smoothly. Delivery delay due to Red sea crisis and late orders will lead to tight production schedule.
Commercial production for two new Agro products began; supplies to begin in late Q2.

Flame Retardants:
Unrealistic low pricing continues in the market. Observing improvement in volumes but prices have remained low.

**Clean Science & Technology Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 1,328 | Market Cap: INR 1,40,870 mn**

**Outlook: The Company witnessed good traction in the Performance chemicals segment while the Pharma and Agro segment suffered on account of global markets scenario causing de-growth. We expect the company's Performance segment gets further boosted by the launch of new HALS series of products while Pharma and Agro may take few more quarters to normalize.**

Guidance:
•The Company is on track to commercialize the capacity for Pharma Intermediate by Q3FY25.
•The Capex for the same was INR 300 mn.
•The Management expects the volume growth for FY25 to be mainly driven by new products and capacity ramp up of new Pharma Intermediates.
•In the HALS series, the Company expects sales of ~3,000 tonnes per annum by year end with the majority of sales coming from HALS 770.
•The Company expects to launch HALS 622 and HALS 944 in the next 3-4 weeks and would later launch HALS 119 and 2020 which would largely be for exports.

Key Highlights:
•Q4FY24 Revenues came at INR 2,222 mn (up 16% QoQ/up 4% YoY), EBITDA came at INR 987 mn (up 14% QoQ/down 6% YoY), Margins stood at 44.4% (down 50 bps QoQ/down 470 bps YoY) and PAT stood at INR 748 mn (up 20% QoQ/down 8% YoY).
•The Company's Ex-insurance Net Profit for FY24 stood at INR 6,610 mn increasing by 8% YoY.
•The Company's Net Debt declined by 20% YoY to INR 32,700 mn, and it has around 14% stake in 'Nuvama wealth' worth around INR 22,500 mn.
•The Company's Customer base had increased to 7.6 mn, up 35% YoY, as a result of which customer assets increased to INR 2.1 trillion, increasing by 13% YoY.
•The Company's Segment-wise revenue contribution was: Performance chemicals ~67%, Pharma & Agro Intermediates ~19% and FMCG chemicals at ~14%.
•During Q4FY24, the revenue contribution from principal products was 76% as compared to 84% in Q4FY23.
•The Capacity Utilization stood at 70% for Performance chemicals, ~70% for Pharma & Agro Intermediates and ~75% for the FMCG segment.
•The Performance Chemicals segment profile diversified with the addition of new Hindered Amine Light Stabilizers HALS 770 and HALS 701.
•The Management said that the price realization impacted the growth during the year. In FY24, the Pharma and Agro segment reported de-growth primarily due to Guaiacol which recovered in H2FY24.
•The Dicyclohexyl Carbodiimide product contributed positively to the growth during the period.
•The FMCG segment contributed positively to the growth during the year.
•The Company's new product segment, i.e, HALS 770 and 701 continued to report sequential volume growth with sales increasing by 40% on a lower base.

•In FY24, the new products, i.e, Para Benzoquinone, Tertiary-butyl Hydroquinone and HALS contribution was 23% from 18.5% in FY23.
•The Company incurred capex of INR 2,350 mn, of which, INR 2,160 mn was invested in subsidiary Clean Fino-Chem Limited (CFCL).
•In March 2024, the Company commenced production at CFCL.
•The HALS 701 is majorly used in water treatment whose major market is out of India.
•The Company has started trial orders and commercial shipments to its customers and expects to reach ~1,000 tonnes per annum of volume in the next 3-5 months.
•For HALS 770, currently ~50% of the Indian market is supplied by the company and in the next 3-4 months, the Management expects this to increase to 60-65%.
•The Company is giving a price discount of 2.5-3% in this product as compared to its competitors.
•In the Exports market, the Company is shipping material to Europe and the Middle East. It is in discussion with customers and distributors in North America while Europe region is the bigger market for HALS products.

**Shree Pushkar Chemicals & Fertilizers Ltd Q4FY24 Concall highlights**
**CMP INR 189 | Market Cap INR 5,960mn**

-Revenue came in at INR 1908mn (+6% YoY/+9.3% QoQ). EBITDA came in at INR 187mn (-8% YoY/+33.57% QoQ), margins of 9.8%. PAT came in at INR 131mn (+2% YoY/+72.3% QoQ), margin of 6.9%. FY24 saw marginal increase in revenue of 6% while bottomline displayed no growth.

-Overall, there was a marginal improvement of 4% in total sales volumes. Volume growth of 5% YoY in Q4FY24 – Chemicals segment saw 9% growth and Fertilizers saw 4% growth.

-Expansions in process – Initiated fertilisers division at Unit 6 with 150,000 tonnes, expanding solar power plant by 3.8 megawatt with capex of INR 220mn and set up new water soluble plant at Unit 4 of 12,000 tonnes.

-Capex for FY25 planned at INR 2.15bn, to be funded through internal accruals and preferential allotment to promoters.

-Stabilised growth in volumes and prices seen across segments in the last two quarters.

-Government has improved subsidy levels of fertilisers by INR 1200/ton. It is expected to further improve post elections.

-Degrowth in volumes for chemicals segment has mostly been due to acid business. Most of the acid produced was used for captive consumption and less volumes were sold in open market.

-There has been substantial decrease in creditors while debtors grew due to increase in business.
-Chinese players in the Dyes segment are slowly phasing out and the global players are not facing much competition from them as it was the case some years ago, mainly because China has high domestic consumption. Position of India in this segment has increased and will continue to do so.
-Exports revenue in FY24 was INR 770mn, largely contributed by dyes segment and some SOP.
-Topline may reach INR 8.75-9.25bn in FY25 and INR 11bn in FY26 leading to 20% growth. Margins may recover back to 10%. Though the management expects to see 20% growth in bottomline in FY25.
-Payback period for Solar power plant to be around 3.5 years.
-With the monsoon season coming up, the management expects to see moderate uptick in fertilisers segment due to the current headwinds.
-Q1 and Q2FY25 to remain subdued and growth is expected from H2FY25.
-Expecting overall utilisation to improve by 10% going forward.

**DCW Ltd Q4FY24 Concall highlights**
**CMP INR 52.2 | Market Cap INR 15.39bn**
**Focus is on expanding volumes as prices are seeing a downtrend for the past year. Specialty chemicals segment has witnessed increased margins. C-PVC and SIOP capacity additions to drive growth going forward as they are commanding good demand. As most of the expansions planned are almost done, they are currently working on making the south facility chlorine neutral by adding value added products. Meanwhile, new products are currently in idea phase.**

**Key highlights –**
-Revenue stood at INR 6217mn (+5.7% YoY/+56.3% QoQ), led by C-PVC and SIOP.
-EBITDA stood at INR 633mn (-36.4% YoY/+226% QoQ), margin of 10.18%.
-PAT came in at INR 153mn (-56.7% YoY), margins at 2.46%.
-Finance costs normalised at INR 740mn in FY24 and they did debt repayment of INR 1bn. Average cost of debt is around 10%.
-Renewable energy project is underway and they expect it to be operational by H2FY25.
-Input costs did not see much correction unlike realisations.
-Investment in Specialty segment has stabilised bottomline. Share in EBITDA increased to 67% in the quarter.
-Capacity additions in C-PVC and SIOP and the captive solar power investment to yield benefits from FY25.
-Specialty chemicals is high price, low volume and high margin segment. Emphasis on this segment is mainly to expand bottomline.
-Capex for FY25 to be around INR 550-600mn. Routine capex of INR 300-350mn while efficiency capex will be INR 150-200mn. Growth capex is still not planned as yet. This capex to be funded through internal accruals.

**Industry outlook –**
-Domestic demand for chemicals has been stable compared to global scenario.
-There has been an increase in Soda ash production globally which has led to oversupply. No more capacity additions expected in the near term. Domestic industry is operating at underutilisation.
-PVC pricing is affected due to dumping but demand is reviving due to downstream piping sector. Volume growth of 10-12% to continue. PVC prices are expected to increase due to high freight costs.
-Caustic soda domestic market is operating below 80% utilisation.
-Synthetic Rutile (SR) - $TiO_2$ demand is improving, especially in China, but pricing remains under pressure.
-C-PVC demand has been strong but Chinese imports have created pricing pressure.
Soda Ash –
-Currently operating at lower utilisation but target to increase it to 85%. Margins are around 18-20%. When the utilisation increases, margins are bound to improve.
PVC –
-Prices remained stable in the quarter. Demand remains strong with 8-10% growth. Margins of 3-5% can see improvement in the domestic market in the near term.

C-PVC –
-Achieved highest ever quarterly sales. New capacity is operating at 100% utilisation. Margins are currently at 30%.
SIOP –
-Despite weak market scenario, highest ever sales were recorded in the quarter and FY24. Margins have been steady at 35%.
-Debottlenecking will increase capacity to 28,000 tonnes.
-Current capacity is running at 85% utilisation. New products samples are sent to customers and are very well accepted.
-Synthetic Rutile capacity of 40,000 tonnes is running at 90% utilisation. America is their biggest market and 60% of sales come from exports. They continue to explore other regions for exports.
Caustic Division –
-Demand remained subdued with gradual decrease seen in prices.

**Best Agrolife - Q4FY24 Concall Highlights**
**CMP: INR 562 | Market Cap: INR 13,260 mn**

**Outlook: The Company has not performed well in Q4FY24 and the reason we believe is the market conditions and demand being poor due to high cost channel inventories. However, while they have several Patented products in the pipeline for launch, we remain conservative on the aggressive Revenue growth guidance of 20% for Fy25 and EBITDA margins at 20% as well due to the whole industry facing headwinds.**

Guidance:
•The Management expects 20% revenue growth for FY25.
•They expect to achieve 20% EBITDA margin, and they are hoping of good margins from the Q1FY25 itself.

Key Highlights:
•Q4FY24 Revenue came at INR 1,350 mn (down 57.1% QoQ/ down 46.8% YoY), EBITDA came at negative INR 670 mn (INR 190 mn in Q3FY24 & INR 70 mn in Q4FY23), EBITDA Margins stood at -49.6% in Q4FY24 (against 5.9% in Q3FY24 & 2.8% in Q4FY23), Net loss reported stood at INR 720 mn (against Net Loss of 70 mn & INR 80 mn Loss in Q4FY23.
•The Company has commenced Registration work in Multiple regions, including Africa.
•The Mauritius Holding Company has also started operations.
•The Company's acquisition of 99% stakes in Kashmir Chemicals is a strategic decision which has enhanced their capacities.
•The Company has launched 1 patented Product in FY23, and in FY24 launched products like Tricolour, Shot Down, Auriculum, Defender, and one other Patented Product which will be launched till FY26.
•In FY25, they will be launching 4 new Patented products, so, i.e, 6 Patented products.
•The Management said that the market size for Ronfen is about INR 80 bn.
•The Management informs that Ronfen was launched in FY23, and FY24 was the second year of the product, when it achieved a sales of INR 2.5 bn for the year, The Management expects the molecule to become one of the largest for them in terms of sales.
•The decline in the revenue in Q4FY24 is due to the earlier the company was doing B2B business, but now they are shifting to B2C business as the Company has the Patent of the product, and has taken this strategic decision to shift their business from B2B to B2C.
•In Q4 the market prices were low compared to previous quarters due to excess supplies by the Chinese suppliers.
•The Company did a Capex of INR 500 mn in FY24 and had earlier planned Capex of INR 2-2.5 bn, but due to poor market condition for the industry over the last 6 months, they have deferred the capex plans for the time being, and will review any such plan in the next 2-3 months.
•The Management expects the inventory to be very little in the Q1 & Q2 FY25 and beyond as the H1 part of the fiscal year is the sowing time in India and several other countries.
•The Management informed that the Company had INR 9.5 bn of High Cost Inventory in their books, and as the sowing season continues, the Management expects most of the High Cost Inventory to be consumed.

- The Management says that they have not reduced the prices of their Patented products as they are able to sell their patented products across different geographies.
- As of March 2023, the company's revenue mix was split in 70% Institutional while 30% was branded product. Currently, the mix is 60% Branded while 40 % Institutional products, which the Management expects to rise to 70% by the end of FY25.
- The Revenue from Ronfen for FY24 was at INR 2.5 bn while the revenue for CTPR stood at INR 1.3 bn.
- The Receivables of the company which was around INR 10 bn at the end of Sept 2023, and it has come down to INR 4.5 bn at the end of March 2023. The Management says this is due to the fact that the Company business is a 1st Half heavy business, and the receivables get reduced after the farmers start getting money for their produces after the cutting season is over, and gradually the company receives the money and receivable reduce, which is a general nature of their business.
- The Company says that the acquired company Sudarshan Farm Chemicals which had a turnover of INR 300 mn in FY23, had a turnover of INR 2,500 mn in FY24.
- The Management says that Sudarshan Farm chemicals has a very good R&D division, and they have good supply chain logistics to create synergies for the company's business

**DMCC Specialty Chemicals Ltd Q4FY24 Concall highlights**
**CMP INR 296 | Market Cap INR 7,380mn**

**The business continues to remain under pressure due to industry headwinds. Europe markets continued to be subdued while US markets have shown signs of recovery. Volume growth has been stable but pricing pressure has impacted topline. The focus has been on improving profitability and achieving better margins due to uncertain demand.**

**Industry outlook**

-Commodity chemicals faced challenges during the quarter. Oversupply and reduced demand prevailed. Volumes were good but profitability took a hit.
-Europe continues to struggle. US market has shown recovery and did offset the impact. India market has decent demand but pricing remains under pressure.
-Chinese dumping and logistic issues continued.
-Overall, pigments and coatings sectors have improved and expect to continue further recovery while Agrochemical continued the downtrend. The management feels the sector has bottomed out.

**Guidance**

-At the current prices, capacity and optimum utilisation, the company can generate INR 4-4.5bn revenues.
-The company targets 20% EBITDA margins in the long term.

**Key highlights**

-RM prices get passed on to customers thus even though there has been degrowth in topline, the margins remained intact and saw marginal improvement.
-Volumes – Commodity volumes increased while Specialty volumes were subdued.
-Dahej site has been audited and received the certifications.
-Specialty chemicals utilisation (50%) has been much lower than before. Bulk chemicals had ~90% utilisation.
-Margins in the specialty chemicals are around 20%. Bulk chemicals are already a low margin business and has been negligible in FY24. The company always targets to have atleast 30% margins for their new products.
-Most of the capex has been done and the company is ready with capacity to cater to the anticipated demand.
-Revenue mix – Specialty and Non-Specialty 50:50. Expect to get back to mix of 67% Specialty chemicals business and 33% Non-specialty business.
-The company targets to eliminate all of their long term debt in the next 3 years.
-About 10-12% of revenues are generated from Agrochemical industry, catered by their specialty chemicals business. Agrochemical sector continues to be subdued leading to substantial decrease in exports.
-Due to the pricing pressure and uncertain demand, the company will be focusing more on increasing profitability and generating better margins.
-Currently, the boron business contributes 20% to total sales. The company continues to increase their boric acid capacity as the demand has been intact with future growth prospects. Margins have also been healthy. They expect to achieve INR 1.5bn topline from the capex done for Boron business.
-New downstream product from Boron business supplied to Automotive client has been doing well. Going forward, focus will be more on downstream products.

**Oriental Aromatics Ltd Q4FY24 concall highlights**
**CMP INR 379 | Market Cap INR 12,760mn**

**New business strategies have been implemented by the company which had major contributions to the overall growth in margins and topline. Stable demand in specialty chemicals and Fragrance and Flavours segment complemented the strategies which led to growth in Q4FY24. The company is cautiously optimistic for the upcoming quarters and gradually moving towards their guidance of 10-12% EBITDA margins.**

Key highlights
-Revenue came in at INR 2165mn (+11% YoY/10% QoQ). FY24 revenues saw marginal decrease of 1.5%.
-EBITDA came in at INR 209mn (+48% QoQ), margin of 9.65%. FY24 EBITDA margins came in at 5.62% (-76bps).
-PAT came in at INR 101mn with 4.67% margin. FY24 PAT came in at INR 91mn (-54% YoY).
-Gross margins have improved in FY24 but there was no improvement in EBITDA margins.
-Revenue mix in FY24 – International 44% Domestic 56%. Exports growth was majorly contributed by Specialty chemicals and Fragrance and Flavours segment.
-Finance costs increased in FY24 due to higher utilisation of working capital borrowings. Debt to Equity ratio improved to 0.3x. Interest costs to be around INR 170-180mn while Depreciation will be around INR 250mn on consolidated basis in FY25.
-Net operating cash flow came in at INR 1.42bn.
-Global RFQs are of about 12 months in specialty chemicals business at fixed prices. Camphor powder and Terpene chemicals are sold at spot prices. Fragrance and flavours have longer contracts than 12 months.
-Sizable part of business comes from fixed contracts.
-Current contributions from all three segments to remain similar throughout.
-Red sea crisis have led to issues but has had no major impact on topline or profitability.

Camphor
-Camphor segment continues to see competition in the domestic market leading to pricing pressure. Camphor powder and Terpene chemicals will continue to face pressures.
-Focus is more on profitability.
-Pinene prices did bottom out early in the year and are currently recovering with an upward trend. Due to demand supply gap, camphor prices have not been able to replicate the same. They continue to source this RM from global markets.

Specialty Aroma chemicals
-Specialty chemicals have also faced pressure with major price erosion. Recently, demand has seen recovery with stabilised prices. Q4 has seen better margins.
-Anticipated growth will be targeted from the existing products and will gradually move to the new products.
-Specialty aroma chemicals segment is working at full utilisation.

. Fragrance and Flavours
-Fragrance and Flavours segment has benefited from the pricing pressure. The segment saw growth led by new customer acquisitions and improved profitability. The management expects the momentum to continue

**-**Demand in the domestic market has been good while International demand has also been stable and expected to improve further.
-Fragrance and flavours have also been working at decent capacity utilisation.

Capacity expansions
-Mahad and Baroda projects are in advance stages and moving towards completion.
-Mahad project Asset turnover will be around 1.2x for new capacity. Baroda project will have 1.5x asset turnover. Trial productions are going on at these new capacities. They target to atleast reach base utilisation for their new products in the early stage and reach 60-80% in first year of operations.
-Sample submission and approvals will be completed in the next 6-9 months. These new capacities will start contributing slowly in Q3FY25 with major ramp up expected from Q1FY26 onwards.

**NGL Fine Chem Ltd Q4FY24 concall highlights**
**CMP INR 2212 | Market Cap INR 13,670mn**

**Q4FY24 did see improvement in topline and profitability due to good volume growth and stable pricing. They continue to see good demand growth and expect to increasing their outsourcing for manufacturing to keep the supply going. Volume growth has been substantial in FY24 and is expected to continue but margins will remain at similar levels due to increased competition.**

Guidance
-The management expects good volume and topline growth going forward but margins will take time to improve. EBITDA margins to be in similar range of 15-17% for some time. Focus will be more on gaining market share.
-For the long term, the company targets to recover back to 17-22% EBITDA margins.

Key highlights
-Revenue came in at INR 997mn (+13% QoQ/35% YoY). FY24 revenues increased by 22% driven by volume growth.
-EBITDA came in at INR 158mn (+14% QoQ/22% YoY), margin of 15.86%. FY24 margins came in at 15.73%.
-PAT increased to INR 123mn (+23% QoQ/32% YoY). FY24 PAT came in at INR 413mn.
-Animal API segment continued to gain momentum. Revenue share increased to 89% v/s 83% in FY23. Q4FY24 share was 90%.
-Geographical mix – Q4FY24 saw major increase in contribution from Asia with 42%. Europe contribution also improved to 22% while RoW dipped to 12%. In FY24, Europe revenue share dipped to 22% from 30% while India and RoW markets increased their revenue share.
-The company does not have product registrations in Europe and the customers are mostly purchasing for export purposes. They now directly have access to direct end consumers thus they have started supplying there leading to downtrend in Europe share.
-Major industry headwinds and currency fluctuations in key markets affected the company in the start of FY24 but eased out during late phase of the year. Demand recovery seen in Q4 with better RM prices led to better margins.
-There is a possibility that the company might increase their outsourcing by contract manufacturing due to pricing pressure. They do this mainly to keep the supply going and not lose market share.
-Gross margin is around 53% v/s 50% in FY23. The management expects to maintain the similar rate.
-Power and Fuel costs have seen major increase which has led to increase in other expenses on annual basis.
-FY23 saw steep decrease in prices (20-40%) which continued till Q3FY24. The management feels prices have bottomed out and no major price rise seen till now. Demand has been good at these prices which is driving the volume growth. They are not trying to increase margins as they do not want to lose market share.
-The company is already running at high utilisation along with continuous debottlenecking.
-Whenever there is a volume growth, the company looks to outsource manufacturing to keep the supply going.

-Market share of their top products has been decreasing and sales have been coming in from other products in the basket.
-Major capacity has been added globally which has led to increased competition.
-Capex plan for greenfield expansion is on track and Phase 1 is expected to complete by Q3FY25 while full plant will be ready by end of CY25. Product filings (8 products) have already started in Europe and aim to start US filings by FY26. Asset turnover of 2x is expected from this expansion. Phase 1 will be only producing sample batches.
-New plant will only be used to cater to regulated markets while other plants will be used for Row markets.

**Concord Biotech Ltd Q4FY24 concall highlights**
**CMP INR 1406 | Market Cap INR 146.93bn**

**Profitability will see better growth when compared to topline going forward led by operational efficiency measures, mostly contributed by their Limbasi facility. Target to gradually achieve 25% CAGR over the next 3-5 years. Margins can see further improvement as additional capacity utilisation starts to kick in. Margin expansion will be driven by API segment.**

Key highlights
-Revenue came in at INR 3.19bn (+32% QoQ/17% YoY). FY24 revenues increased by 19%.
-EBITDA came in at INR 1343mn (+27% QoQ/4% YoY), margin of 42.1%. FY24 margins came in at 42.4%.
-PAT increased to INR 950mn (+22% QoQ/4% YoY). FY24 PAT increased substantially by 28%.
-Gross margins were at 72.1% for Q4FY24 and 77.5% in FY24.
-Domestic sales were 47% while Export sales were 53%.
-Revenue split – In FY24, API contribution decreased to 81% from 89% in FY23 and shifted to Formulations contribution which increased to 19% from 11% in FY23.
-Domestic sales grew by 21% YoY while Export business grew 14% in Q4FY24. Similar growth was witnessed on annual basis.
-Expanded reach to more than 1,000 doctors, penetrating deeper into formulations space.
-Commercial production of new injectables plant along with revenue contribution is expected to start in Q3FY25.
-Customers have begun the qualification process for Limbasi facility.
-The management emphasised on evaluating their performance on annual basis as there are many factors which affect quarterly performance of the company like lumpy sales, product mix within segments.
-The company secured numerous regulatory and product approvals for their products and got their facilities approved during FY24. This will enable the company in expanding customer base and extend geographies and they now have access to most of the global markets.
-They acquired 95 new customers along with introducing new products to existing customers which led to decrease in dependency on top customers.
-Most of the capex has been incurred and only maintenance capex will be done of INR 250mn.
-The management expects no margin dilution because of introduction of new products.
-Q4 did see impact on gross margins due to changes in product mix.

API
-API Revenues increased by 14% YoY in Q4FY24 while FY24 saw 9% growth. Some customers relocated their manufacturing base which forced the company to go through approval process again which was completed in March'24. They expect revenues to normalise in FY25.
-Share of oncology and antibiotics segment has been improving sequentially.
-2 new products in fermentation APIs were added in FY24 taking the total to 30. 10 new products to be introduced in coming years.

Formulations
-Formulations revenues increased substantially by 37% YoY in Q4FY24 and saw robust growth of 106% in FY24.
-21 new products were added during FY24 taking the total to 98.

CDMO
-The management believes securing CDMO projects will help them in achieving substantial volumes which will lead to revenue growth and margin expansion.
-The management sees CDMO as a big opportunity as they have the approvals, capacities in place along with established relations with their customers. CDMO was big in China but customers are looking to de risk themselves which opens up opportunities
-Sales in FY24 were minimal; ramp up from FY25 expected.

**S H Kelkar & Company Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 199 |Market Cap: INR 27,628 Mn**

**Outlook**
**The company is projecting a 12% CAGR for FY25 and the following years across its global operations, with a long-term target of mid-teens growth by steadily increasing spending on R&D and product development. Despite the Vasuli fire incident impacting the first quarter of FY25, the company expects to offset this in subsequent quarters and sees potential for further EBITDA margin expansion once the Vasuli facility is fully restored. For a large MNC order, net margins are anticipated to be similar to regular business despite lower gross margins. The company has invested USD 4-5 Mn in a new greenfield facility in Jakarta, Indonesia, and is evaluating a EUR 3-4 Mn capital expenditure for capacity expansion in Europe to serve the Middle East and Africa markets. Continuous investments are being made to enhance R&D capabilities and creative development centers, alongside significant investments in strengthening the senior talent pool, highlighting the company's commitment to innovation and leadership in its industry**

Financial Performance

•The FY24 revenue stands at INR 19,300 Mn, YoY growth of 14.4% and the Q4 FY24 revenue stands at INR 5,331 Mn, a QoQ increase of 7.5%.
•The FY24 EBITDA stands at INR 3,129 Mn, YoY increase of 36.5% and the Q4 FY24 EBITDA stands at INR 895 Mn, a QoQ increase of 13.2%.
•The FY24 PAT stands at INR 1,235 Mn, a YoY increase of 96.3% and the Q4 FY24 PAT stands at INR 334 Mn, a QoQ decrease of 4%

Operational Highlights

•The company gained sales traction from a global MNC account, with the order book for FY25 more than doubling from FY24.
•The company commissioned a greenfield manufacturing facility for fragrances near Jakarta, Indonesia, to strengthen presence in the Southeast Asia market.
•The company faced a fire incident at the Vashivali facility on April 23, 2024, leading to a temporary shift in production to alternate sites. Customer servicing resumed on April 30, 2024, but some impact on Q1 FY25 performance is expected.
•The company incorporated a wholly-owned subsidiary, Keva USA Inc., to assess the potential of the U.S. market and cater to the local customer base.
•Pursuing a "3-I" strategy targeting key markets in India, Italy, and Indonesia

Global Ingredients Business

•The turnaround in the global ingredients business of the company is driven by backward integration, cost reduction, and improved productivity.
•The company believes it can maintain its market leadership in global ingredients, leveraging its cost competitiveness and the China+1 strategy adopted by major customers.

## New Product Development and R&D

- The company has been steadily increasing its spend on R&D and product development, including developing 8 new molecules over the last three years and filing 18 patent applications.
- The company has a strong and dedicated team of scientists, perfumers, flavourists, evaluators and application executives working across five creation and development centers globally.
- Continuing investments in R&D capabilities across India, Italy, and Indonesia

## Debt and Working Capital Management

- The company expects its net debt level to remain below INR 5,500 Mn throughout FY25, despite the interim cash flow requirements for restoring the impacted facility.
- The management aims to reduce inventory levels by around INR 1,000 Mn through FY25 as growth normalizes.
- The management is working on expediting insurance claims to support cash flows related to the fire incident.

## Geographical Expansion

- Expansion plans in the U.S. market to address large MNC companies headquartered there
- Targeting new geographies like Germany and Eastern Europe to expand European footprint
- Indonesia facility to cater to the ASEAN market and provide duty-free benefit

## International Market

- The company plans to invest EUR 3-4 Mn in additional capacity in Europe to support growth in the Middle East, North Africa, and West Africa markets.
- The Indonesia facility was set up with a capital investment of USD 4-5 Mn, and the company aims to migrate USD 10-12 Mn in revenue to this facility in the first year.
- The incorporation of the wholly-owned subsidiary Keva USA Inc. is aimed at assessing the potential of the U.S. market. Over the next 4-5 years, the company aims to build a strong base in the U.S. market to drive future growth.

**Sumitomo Chemical India - Q4FY24 Concall Highlights**
**CMP: INR 449 | Market Cap: INR 224,120 mn**

**Outlook: Sumitomo Chemicals posted healthy earnings in Q4FY24, and the Management sharply pointed their focus on Volumes as Pricing power is beyond any chemicals players hands. We believe the company will continue to see external headwinds and rather see better demand in domestic markets where its new products have been accepted well in FY24.**

Guidance:
•The Company gave guidance of 100% exports capacity utilization at the Bhavnagar plant for FY25.
•The Management does not sees any price erosion in FY25 and expects the margins to remain stable.
•The Company has completed a Capex of INR 1,200 mn which will generate a revenue potential of INR 2,500-3,000 mn over the next 2-3 years.
•The Management does not intends to borrow but rather fund any capex from their internal accruals only.
•The Company has allocated INR 250 mn for green energy Capex to achieve 100% green power generation by the end of the financial year.

Key Highlights:
•Q4FY24 Revenue came at INR 6,742 mn (up 24% QoQ/ up 3% YoY), EBITDA came at INR 1,402 mn (up 113% QoQ/ up 74% YoY), EBITDA Margins stood at 20.8% in Q4FY24 (against 12.1% in Q3FY24 & 12.4% in Q4FY23), Net Profit stood at INR 1,099 mn (up 101% QoQ/ up 52% YoY).
•The Management says that their main focus is to increase the volume of the Company’s product as the prices of most of the products were much lower than last year, so for revenue growth, the Company has to increase the volumes.
•The Management says that they started purchasing low cost raw Material from the Q3FY24, and while the prices were lower, the company did not passed on fully the low raw material prices to the customers, leading to the company’s improvement in Margins from Q3Fy24 and H2FY24.
•However, the Management said that the industry is still reeling with the excess inventory accumulated, and will take more time for the industry to witness prices at sustainable levels.
•The Management says that the company does not have skill set currently for producing any Semiconductor/EV battery chemicals, even though the parent company is in that particular business.
•The Management says that the prices of Chemicals started coming down from the Q4FY23, and they along with all other chemicals companies were carrying high cost inventory.
•The demand position of companies
•The Management is confident that in FY25, they will be seeing 100% capacity utilization of the Bhavnagar plant for exports while the Tarapur plant will be used at high vlumes.
•In terms of number of days, the Company has improved the Working Capital days.
•On the demand concerns, the Management said that compared to last year, the feelings are positive for better rainfall.

- The Company launched 6 new products in FY24. They launched 3 Herbicides, 1 insecticides and 2 Fungicides in the year FY24.
- Most of the Chemicals are 9(3) molecules which include ~25 around molecules with different market sizes and share.
- The Company has bought 2 land parcels for future expansion: 20 Acres land in Bhavnagar and 50 Acres at Prime location in Dahej within Chemical Zone.
- The Management is awaiting the monsoon to see how it pans out but they have high expectation from the monsoon for the domestic business.
- In FY24, the revenue contribution across products was: Insecticides 41%, Herbicides 22%, PGR (plant growth regulator) 10%, Metal Phosphides 9%, Fungicides 8% and 10% from Environmental Health Division (EHD) & Animal Nutrition Division (AND).
- During the year, the segment wise breakup was: generic 69% and speciality 31%.
- In FY24, bulk and branded (exports) mix was 64% and 36%, respectively while bulk and branded (domestic) mix was 22% and 78%, respectively.
- Geography wise break ups in FY24 were: Domestic 80%, South America 5%, Africa 5%, Japan 4%, Asia (Ex. India) 3%, Europe 2% and rest was from North America.
- In the Latin America market, Brazil experienced adverse weather conditions which significantly affected agriculture activity. The Management said that the pricing pressure was even higher in external markets leading to lower volumes.
- The Management clarified that they do not supply Glyphosate to LATAM, but supply it to African markets, and have been able to adjust prices according to global prices.
- The Company has been expanding its product segment in environment friendly technologies with the acquisition of Barrix, which supports its growth and sustainability goals.

**Coromandel International Ltd. - Q4FY24 Concall Highlights**
**CMP: INR 1,182 | Market Cap: INR 347 bn**

**Outlook: The Q4 quarter is a seasonally low business quarter with the company witnessing volume declines in Production & Sales in DAP & NPK fertilizers. The Urea and MoP did better for overall year, but the Q4 volumes were weak. With the IMD predictions on expected rain this year to be normal, the Company is expected to see good volume growth along with the de-bottlenecking to be done.**

**Guidance:**

• The Management expects the new NBS subsidy rates for H1FY25 to help the fertilizer margins for the domestic players as the raw material prices have mostly remained stable.

• During the year, the company's plant in Kakinada and Vizag operated at 95% capacity utilization, and they are planning a de-bottlenecking it granulated capacity adding up to 3.5 lakh tonnes.

• The company has commenced the work for the new Phosphoric Acid and Sulphuric Acid at their plant in Kakinada & Vizag with a capex of INR 10.3 bn.

• The Company plans to introduce new Urea SSP products, which have recently been approved and brought under the NBS subsidy scheme.

**Key Highlights:**

• The Management acknowledged the lower than average rainfall in domestic geography, i.e, at 94% of long term average rainfall in India for FY24 caused some demand weakness.

• The Company's primary markets were hit, with crops in North Interior karnataka impacted by 10%, Kausalandra by 3%, Vidarbha by 2% and West Bengal by 22% and Marathwada by 11%, impacting their Agri-nutrient consumption.

• The fertilizer industry in India saw massive cuts in Production, Imports and Sales of Di-ammonium Phosphate (DAP) in Q4FY24 which were down in Q4FY24 by 25%, 63% and 15% respectively. Similarly, there were cuts in NPK (Nitrogen Phosphorus and Potassium) fertilizers with Production, Imports and Sales down in Q4FY24 by 2%, 37% and 8%.

• On the Urea and MOP front, situation was slightly better as Urea Production was up by 4%, Imports and Sales were down by 27% & 0.2% respectively for Q4FY24. MoP (Muriate of Potash) which is almost completely imported, saw Imports growth of 56% and sales growth of 6% in Q4FY24.

• Overall, in FY24, the Urea production grew by 10% and sales grew by 0.2% YoY, DAP & NPK Productions degree by 1% YoY and grew by 3% YoY respectively in FY24. Fall in Imports was of some benefit for the domestic players, but only to a limited extent.

• Volume wise, in Q4FY24, Coromandel international witnessed the fall in Production of Urea and SSP by 31.4% YoY and 37.4% YoY respectively along with 24.8% & 19.1% decline in Urea & SSP volumes in FY24.

• In the Crop protection segment, domestic sales came down by 17% in Q4FY24 while exports grew by a mere 2%, thereby the overall Crop Protection in Q4FY24 saw a decline in sales growth of 8% while for full year, the Crop Protection segment sales fell by 7% YoY in FY24.

• The sales of nana DAP commenced from the H2FY24, and the Management takes a sigh of relief with the kind of response it has achieved till now.

• The Company introduced 7 new products during the year and is partnering with Innovators to launch in-Licensing products. The new Products turnover index for the year stood at 15%.

• Dhaksha, the newly acquired drone company has an order book of INR 2.5 bn which the company plans to sell in the H1FY25 alone as the company has recently commissioned its new plants in Chennai.

**Supreme Petrochem Ltd Q4FY24 Concall Highlights**

**CMP INR 673 | Market Cap INR 126.56bn**

**Supreme Petrochem witnessed good volume and realisation growth in the quarter on the back of increased demand. Historically, the company experiences good demand in Q4 and Q1 due to market dynamics. The company has many major projects like capacity expansion in newer regions, setting up downstream capabilities planned which are expected to complete by end of FY25 and will eventually contribute to FY26 performance. Focus remains on improving capacity utilisation, product enhancement and its presence in domestic market. The future looks promising for the company given demand persists.**

**Operational highlights:**

• Revenue for the quarter increased to INR 15,628mn (+12.7% YoY/31.6% QoQ)

• EBITDA saw 15.8% YoY degrowth and stood at INR 1,753mn, margin of 11.22%, down 380bps YoY. Compared to Q3FY24, EBITDA increased by 84.7% and margins improved by 323bps.

• PAT for the quarter was INR 1315mn (-17.5% YoY/+94.2% QoQ), margin of 8.41% (-308bps YoY/+271bps QoQ)

• Sales volumes improved by 17.6% to 96,255 MT in Q4FY24 driven by EPS, XPS and special compounds. Historically, Q4 has been better in terms of revenue and volume for the company.

• Overall FY24 performance was subdued with marginal decline in Revenue but profitability declined substantially. Sales volumes improved by 13.8% to 3,25,235 MT for the year.

• ROCE and ROE declined to 24% and 18% respectively.

• Due to increase in production capacity, business was able to increase its export sales. Domestic volumes increased 15.5% while Export volumes saw significant growth of 44%.

• Styrene Monomer prices were range bound the whole year but are seeing an uptrend since March'24 due to geopolitical issues.

• The board declared INR 7/share as final dividend, bringing the total dividend for FY24 to INR 9/share.

• The company remained debt free with surplus of INR 10.73bn at year end.

• Barring XPS, all verticals have seen volume growth in FY24 and also in

**Q4FY24.**

• Trading revenue for Q4 was 23-24% of total revenue.

**Capacity expansion plans, Capex and Utilisation:**

• Capacity utilisation after the expansion was 75%.

• The management feels 90% capacity utilisation is easily possible if the current demand scenario sustains.

• First line of Mass ABS project with capacity of 70,000 MT in technical collaboration with Versalis is as per schedule and is expected to commission by Q4FY25.

• Capex planned for enhancing compounds and Masterbatches and EPS capacities at its Amdoshi Plant to cater to additional demand.

• The company is facing delays in proprietary equipments by 4-5 months which has led to delay in projects by 6-8 months.

• The Phase 1 of Mass ABS project which was expected in June’24, will get completed in December’24. Phase 2 will start in 2026. The company is expecting INR 22bn top line at the current market prices and on full capacity utilisation basis, giving an Asset T/o of 2.75.

• The rationale behind the Karnal land acquisition was that the company wants to penetrate the large market in North. They plan to start downstream units there which will cater to the construction industry, extruded polymer etc. Advantage of freight costs is also expected from this plant.

• Masterbatch and Compounds and EPS phase 2 is expected to get completed this year; benefits to come in FY26.

• Cash and liquid assets of INR 11bn will be used for Capex of INR 8.5bn at Karnal and other future expansions planned.

• ABS project is expected to function at 50% capacity utilisation in first year.

**Margins:**

• During 2020-22, the deltas had shot up due to high freight costs, supply chain disturbance and underutilisation of plants globally, which led to higher EBITDA/ton during those times. The management feels the current EBITDA/ton are sustainable going forward.

• The management feels the current Deltas have stabilised but they are still uncertain due to the existing geopolitical issues.

**Key highlights:**

• There is generally higher demand in Q4 and Q1 because of appliance manufacturers preparing for festive season. OEM demand remains steady throughout the year.

• Mass ABS production is not like other polymer batch process; it is done through reactor and is a continuous process. Other than this, there is no major difference between Mass ABS and conventional one. As it is continuous process, conversion cost is lower.

• Margins in export market are not better than Domestic business.

• The company is expanding manpower and increasing wages, leading to higher employee costs.

**Guidance:**

• Volume growth of 8-10% is expected in FY25. The new expansions are expected to complete only be FY25 end, thus they will not be contributing much to the topline and volumes in FY25 and will contribute from FY26 onwards.

• The main focus remains on catering to the domestic demand first and then expand in the export market.

• From the current gross block, excluding new projects, the company can achieve peak revenue of INR 65bn at 100% utilisation. Including the ABS project, the peak revenue will increase further.

**Market outlook:**

• China has annual demand of 600,000 tonnes of ABS. India only has 300,000 tonnes of demand and the domestic production is only about 50%, rest of the demand is imported. The market in India is growing at 8-10% yearly.

• The industry can see some old plants shutting down, starting from China.

• Currently, there is large gap between supply and demand in the market but will growing industries, the market is projected for growth.

• The management expects to see an oversupply situation in the market.

• Historically, the domestic market has been growing at 8-10% and with growing industries, it can grow faster.

**Tata Chemicals Ltd. - Q4FY24 Concall Highlights**

**CMP: INR 1,100 | Market Cap: INR 280 bn**

**Outlook: Since half the revenue for Tata Chemicals is derived from Soda Ash, we believe the demand for solar glasses will define the time when demand starts picking up as Renewables capex see an increase.**

**Guidance:**

• The Management expects the upcoming months to remain challenging due to geopolitical reasons.

• Anticipating an increase in sustainable practices, the Company projects a greater need for products such as solar glass and lithium, driving the company's growth forward. Their primary objective is to ensure timely project completion and efficient cost management.

• The Company plans to spend INR ~20.0 bn on capital expenditure from FY25-28.

**Key Highlights:**

• In Q4FY24, Consolidated Revenue stood at INR 34,750 mn (down 6.84% QoQ/down 21.2% YoY), EBITDA stood at INR 4,430 mn (down 18.3% QoQ/down 54.1% YoY) and Profit After Tax came at INR 1,450 mn (down 25.3% QoQ/down 79.1% YoY).

• In FY24, Revenue stood at INR 154,210 mn (down 8.2% YoY), EBITDA at INR 28,470 mn (down 25.5% YoY) and PAT at INR 13,100 mn (down 46.57% YoY).

• The overall market demand during the quarter remained tepid across geographies and all segments, backed by pricing pressures in soda ash. However, overall volumes increased on a QoQ basis.

• EBITDA during the quarter was impacted due to volume and pricing pressures of soda ash across all geographies.

• There was an exceptional loss worth INR 9,630 mn during the quarter pertaining towards non-cash write down of assets.

• The Company reported Gross Debt of INR 55,630 mn as on 31st March 2024, lower by INR 7,330 mn as of 31st March 2023.

• The debt repayment was as scheduled, with a prepayment of USD 15 million in the USA in Q4FY24 and a total of USD 110 million prepayment in FY24. They are issuing non-convertible debentures to repay their foreign-denominated currency debt, primarily because the debt increasing significantly due to the depreciation of the rupee during the year.

• Soda ash sales volume around different geographies for Q4FY24 were: 370 Kts (kilotons) for US (Export), 256Kts for US (Domestic), 157 Kts for India, 64 Kts for Kenya and 46 Kts for UK.

• Sodium Bicarbonate sales volume around different geographies were: 34 Kts for India and 23 Kts for UK in Q4 FY24.

• Salt sales volume across different geographies were: 371 Kts for India and 75 Kts for UK during the quarter.

• The Management stressed the challenge posed by the Turkish capacity, which serves global markets to the company's disadvantage. However, factors like the Red Sea incident and rising freight charges have restricted Turkish shipments to Asia, providing a degree of shielding for the company.

• They believe that the prices of soda ash have almost bottomed out as on date.

• TCL India revenue during the quarter stood at INR 10,900 mn, a decline of ~16.3% YoY.

• EBITDA stood at INR 1,920 mn, a de-growth of ~25.9% YoY. This was mainly due to subdued realizations during the quarter.

• Demand in India for FY24 stayed low overall, but in the Q4FY24, there were signs of improvement, especially in the detergent and chemical sectors. The demand for flat and solar glass fluctuated, whereas the demand for container glass remained stable.

• In Q4FY24, US revenue stood at INR 13,070 mn, a decline of 20.8% YoY. EBITDA stood at INR 1,470 mn, a de-growth of 67.8% YoY.

• In Q4FY24, UK revenue de-grew by ~21.8% YoY to INR 5,530 mn, driven by lower soda ash volumes. EBITDA stood at INR 630 mn for Q4FY24, reporting a decline of 72% on a YoY basis.

• In Q4FY24, Kenya revenue stood at INR 1,460 mn and declined by 29.8% on a YoY basis. EBITDA stood at INR 390 mn for Q4FY24, exhibiting a fall of ~57.1% on a YoY basis.

• Rallis in Q4FY24, revenue stood at INR 4,360 mn, down by 16.6% YoY. There was a positive trend in domestic demand, however, revenue growth was affected in the international market. EBITDA was INR 70 mn, a growth of 110.8% YoY. The profitability improved due to effective pricing strategies and cost management.

**Rossari Biotech Ltd Q4FY24 Concall Highlights**

**CMP INR 755 | Market Cap INR 41.71bn**

**The company continues to maintain focus on specialty surfactants and performance chemicals. They are actively working towards achieving their guidance of reaching a topline of INR 20,000mn in FY25. Efforts are being directed towards achieving a low double-digit growth. HPPC segment, specially Agrochem and Institutional chemicals will be the primary focus areas in FY25.**

**Operational highlights:**

•Revenue for the quarter stood at INR 4727mn (+16.3% YoY/1.9% QoQ)

•EBITDA came in at INR 636mn (+16.5% YoY/0% QoQ), margins of 13.5% (-20bps QoQ/+2bps YoY)

•PAT for Q4FY24 was INR 341mn (+17.8% YoY/-0.8% QoQ), margin of 7.2% (-20bps QoQ/8bps YoY)

•Overall revenue in FY24 increased by 10.5% to INR 18,306mn. Profitability increased with EBITDA and PAT seeing growth of 12% and 21.8% respectively. The company achieved highest ever EBITDA and PAT in a year.

•ROCE and ROE remained consistent at 21% and 13% respectively. Net Debt to Equity ratio increased to 0.03.

•Board has recommended INR 0.5/share dividend for the year.

•Expansions planned in the year are progressing at per schedule and will complete in phases in FY25. These will enable to cater demand in key sectors. The management expects to see revenue contribution from these expansions Q4FY25 onwards.

•Inventories and Receivables increased during the year. The company planned to stock up inventory in March as they were short during the agro season and one key supplier was on shutdown; this led to higher inventory.  Agro business and government tender increased receivables.

•Gross margins in the quarter were 2% lower QoQ but for FY24 it remained at 29%. Change in product mix during the quarter and moderation in selling prices impacted the Gross margins. Raw material prices have started to stabilise and with increased focus on cost optimisation and R&D, the company will be able to generate better margins going forward.

•Working capital cycle was upwards of 85-90 days. Institutional chemical also have high receivable days. 90 days cycle is expected to continue but long term target is to bring it down to 85 days.

•During the IPO, the margins were higher as the product mix was different. Given the current product mix and demand scenario, the management believes the 30% Gross margins will be the ideal margin for business and the company will work to improve this in the long term.

**Segmental performance**:

•Home, Personal care and Performance chemicals (HPPC) contributed 73%, Textile Specialty Chemicals (TSC) contributed 20% while Animal Health and Nutrition (AHN) had 7% share in Q4FY24 revenue.

•HPPC saw substantial growth YoY basis but was relatively flat when compared to Q3FY24 performance.

•TSC and AHN's performance degrew YoY basis but saw good growth against Q3FY24 performance due to external industry headwinds which are expected to continue for short term.

•Expanded customer base in HPPC.

•Despite slowdown in Textile industry, volumes in TSC business saw growth.

•Setting up sales network, dealers in Bangladesh for Textile business. The management expects to see good ramp up in the segment from Q2FY25 onwards.

•The company targets to double revenue from Institutional chemical business in FY25. The business is high cash consuming and high working capital requirements. There are setting up new team and the management have high expectations from the business. Revenue for FY24 was INR 1590mn with 4% EBITDA margin.

•High revenue came from Government tender business in Q4. The business provides high profit margins.

•HPPC segment expected to drive the business and continue the growth momentum. Drive of the business has been derived mostly by non agro (Home, Personal care and Paints) industry in FY24.

•Oil and Gas and Institutional chemicals to drive growth of HPPC segment going forward.

•Putting up new capacities for AHN business with automated technology. The management is hopeful to see growth in the segment with contributions from Aquaculture.

•The company will target Malaysia, Middle East, India and Russia markets with new oil and gas chemicals introduced. FY25 will go in approvals and seeding stage while FY26 will see contributions.

•TCS segment saw 5% volume growth seen in FY24 while 10% QoQ volume growth seen in the quarter.

•Focus area for TCS segment for exports will be on Americas, LATAM and Asian markets.

•The management expects no drop in volumes in the Agrochemical segment given the anticipated demand and current order book.

**Castrol India Ltd Q1 2024 Concall Highlights**

**CMP INR 210 | Market Cap INR 207.47bn**

**Castrol India continues to maintain focus on driving topline growth, maintaining healthy operating margins and improving volume sales along with providing premium and value products. The company is looking to further expand its after market presence with rural market penetration. Foray into auto care segment looks promising for the company.**

**Key highlights:**

• Sales volumes grew by 6% in the quarter. Overall, the company sold 58mn litres of lubricants in Q1. Car and Bikes (Personal mobility) contributed 45% of sales volumes, Commercial vehicles had 40% share while balance was Industrial sales.

• The company expects the auto lubricants market to see volume growth of 4-5%, while they target to outperform the market.

• Revenue for the quarter stood at INR 13.25bn (+2% YoY/5% QoQ).

• PBT came in at INR 2.92bn (+1% YoY/-10% QoQ)

• PAT for Q1 came in at INR 2.16bn (+7% YoY/-10.7% QoQ), margins of 16.3%.

• Product prices have majorly remained in the same range in the quarter.

• The company has been increasing its reach in rural regions along with strengthening its after market presence.

• The company had high travel expenses in the quarter along with increase in variable costs due to volume increment. There were one off expenses of INR 20-30mn.

• Channel mix for Q1 – OEM contributed 16-20% while balance was After Market and Industrial.

• The auto care and Non lubricants segment recently started by the company is witnessing good traction by customers. Customers are showing trust in these products.

• Focus remains on Auto care segment and they plan to launch new products in this segment soon.

• The company has increased focus on marketing and advertisement. They recently onboarded Shahrukh Khan as brand ambassador and entered into a strategic partnership with Mumbai Indians. Advertising expenses were 2.5% of total turnover in the quarter. They expect it to reach to 3% in Q2 as they have increased market campaigns and spends on digital marketing.

• The company is planning new products for Data Centre thermal management and immersion coolers. They already have presence in EV with fluids as a product but the business is relatively small. The company anticipates this business to grow along with EV market expansion in India. They are also working with companies for Data centres and made investments in this segment.

**Operating Margins and Raw material prices:**

• Operating margins came in at 22%. Margins were 26% in Q1 2023. The reason for drop in margins was a slow start to the year along with some change in product mix.

• Cost of Goods sold increased in Q4. The major raw material, Base oil (70% of total RM), did not see any price increase but the other Raw material prices were impacted.

• Base oil prices are expected to increase in Q2 due to changes in Crude oil prices.

• The management feels the range of 22-25% for operating margins is sustainable and the company will look to remain in this range. They target to eventually bring down the cost of production in long term.

• Overall capacity utilisation of all 3 plants was 80%.

**Market Outlook:**

• The India lubricants market is growing significantly with entry of unorganised players and strengthening of organised players and is expected to see substantial growth in next 10-15 years. The increase in competition encourages the company to be efficient and provide value products to customers.

• With growing market, the demand for premium and value products is expected to increase. The company is well positioned with many value products across all segments and can cater to all technological advancements in vehicles. The company already has strong relationships with OEMs like Tata and Maruti and many global players.

**Sudarshan Chemical Industries Ltd Q4FY24 Concall highlights**

**CMP INR 858 | Market Cap INR 59.38bn**

**Focus going forward will be more on revenue growth which will eventually lead to improvement in margins.**

**Key highlights –**

-Revenue came in at INR 7.64bn (+11% YoY)

-EBITDA came in at INR 1.19bn (+40% YoY), margin of 15.6% (+330bps YoY).

-PAT came in at INR 570mn (+73% YoY), margin of 7.5%.

-Overall, FY24 has seen substantial improvement in performance led by focused approach on pigments business along with increased focus on R&D. Revenue saw 10% growth while profitability saw significant improvements.

-Net debt to Equity ratio has seen major improvement, standing at 0.3x in FY24 v/s 1x in FY23.

-Board has approved interim dividend of INR 3.6/share.

-Capex for FY25 is INR 1bn, mostly allocated to maintenance capex.

-The company will look to maintain the current debt levels. They are also looking for M&A opportunities for inorganic growth.

-Given the current scenario, the company may increase their inventory, especially for the export market.

-Balance sheet has strengthened with improvements on all fronts.

-The company follows a dual distribution policy for all geographies. Direct business is around 65-70% while rest comes from distribution.

**Pigments business –**

-The segment saw 8% YoY and 23% QoQ sequential growth in Q4FY24. Specialty and Non Specialty mix is 2:1.

-The newly commissioned capex is mostly on the specialty segment side. Going ahead, Specialty segment will have 70-72% share of total business.

-Specialty segment and economies of scale will aid in margin improvements going forward.

-Domestic business improved while Export business saw marginal growth. Some geographies continue with low demand while North America saw double digit growth in demand.

-Volume growth in FY24 was higher than value growth in the Pigments business due to low realisations.

-The company has been targeting to become a global leader in pigments. The recent headwinds in the industry have opened up opportunities for them. They expect to see much better growth going forward.

-When compared to global players, they have a wider portfolio. Europe, Americas will remain focus areas. Customers have accelerated approval process. Coatings industry is a big opportunity for this segment.

-Some minor product mix changes and RM inventory management has led to very marginal change in Gross margins on QoQ basis in Q4FY24. RM prices have witnessed stability in the last 2 quarters.

-Q4FY24 is generally is a strong period for the domestic market. Demand from Plastic industry saw good growth while Painting industry was flattish.

-The company is seeing a better flow in incremental orders recently along with demand from new customers.

-The projects commissioned in FY24 – products have received positive remarks from customers and the company is in line with their expansion plans. The company is positive to achieve full utilisation before their guided timeline.

-Recent insolvency declared by a competitor in the export market has opened up opportunities for the company. Though they continue to focus on their overall order book and not on one off opportunities.

-The company does not plan to invest further in backward integration facilities, aleast in FY25.

**20 Microns Ltd Q4FY24 Concall KTAs**

**CMP: INR 182 | MCap: INR 6,410 Mn**

**Company appears promising with a diverse product portfolio and proactive approach to exploring new markets. Ongoing research and development efforts suggest potential for growth.**

**Formed a JV with a German-based company, Steve, specializing in construction chemicals, to capitalize on emerging opportunities.**

**Company plans to do together branding and cater to the Indian markets.**

**Financial Performance**

* Net Revenue for quarter grew by 22.54% YoY to INR 2,123.43 Mn (+21.4% QoQ) and for FY24 revenue stood at INR 7,774.93 Mn vs INR 7,016.87 Mn in FY23.

* Volume for the year was at 450,000 MTPA which is 14% volume growth over last year.

* EBITDA grew 22.63% YoY to INR 1,051.34 Mn and the EBITDA Margin expanded 130bps YoY to 13.52% on an annual basis. EBITDA for quarter stood at INR 265.4 Mn (+19.2% QoQ, +29.1% YoY).

* PAT stood at INR 561.6 Mn for FY24 vs INR 419.62 Mn and stood at INR 136.65 Mn for the quarter vs INR 115.05 Mn in Q3FY24 and INR 93.19 Mn for Q4FY23.

* Company plans to use cash for dividend 25% and rest for capex.

* There are no immediate plans for fundraising and are comfortable with current working capital levels and intend to fund capacity expansion through internal accruals.

**Other Highlights**

* Expanded product offerings with 10+ products added during FY 24. Entered new markets in Eastern Europe, Russia, Italy, Middle East, and Southeast Asia.

* Focused on innovation, strategic alliances, and capitalizing on growth prospects.

* Company is looking for international companies to engage with them in terms of technical collaborations for developing specific products for the EV battery and the semiconductor industry which is expected to get by end of this FY.

* Company expects good opportunity various sectors like paint, plastic, rubber, export markets and various specialty products which have seen a good amount of traction this will lead to better revenue growth compared to the previous year.

* Company's primary focus is product development to expand its offerings, nearing completion with plans to launch additional products this FY.

* Subsequently, attention will shift towards distribution, followed by increased investment in branding when opportunity comes.

* Company acknowledges market uncertainties due to the ongoing election but anticipates a favorable economic climate with the new government's vision shaping up.

* Company expect growth opportunities in all domestic segments driven by new players and product development.

* Internationally, focus has shifted towards Middle Eastern, South Asian, Far Eastern, and Latin American markets, where product acceptance and freight considerations are aiding market development.

* On margins, company foresee continued growth within the industry-standard range of 13-15%, given the product portfolio's composition and volume.

* Company’s 20% revenue comes from VAP and rest from industrial minerals. 50% of revenue comes from calcium carbonate and 20% from Keolin.

* Company is only operating Keolin mine remaining all mines are not fully operational. Currently using 50% of mining material in house and 50% we are procuring from outside for Kolin.

* Company is experiencing challenges related to Red Sea issue, leading to freight hikes, especially Europe and the Middle East. Additionally, there's a recent shortage of containers and vessels.

* While they try to pass on some of these costs to customers, it's challenging to predict the future impact, prompting them to explore alternatives like bulk shipments to mitigate freight costs.

* China plus one strategy, adopted globally, is benefiting India's mineral industry. Customers are shifting away from Chinese products due to trust, logistics, and pricing concerns.

* This trend is observed among Indian, Latin American, and Middle Eastern customers.

* The company is exploring potential mine acquisitions for minerals like calcium carbonate, clays, and talc, both domestically and internationally.

**J B Chemicals & Pharmaceuticals Ltd Q4FY24 Concall highlights**

**CMP INR 1,771 | Market Cap INR 275.3bn**

**Domestic business will continue to outperform IPM by 200-300bps while its share in overall revenue will continue to increase. CDMO business will continue to gain traction given the product portfolio and new product pipeline. Domestic and CDMO business will eventually have 75-80% share in the medium term (currently at 67%). Focus on international formulations business remains intact.**

**Guidance –**

-The company has revised their EBITDA guidance of 25-27% to 26-28%.

-Topline is expected to grow 12-14%, excluding recent Ophthalmology segment. India, CDMO and emerging markets will grow at 12-14%. US, Russia and South Africa will grow at 8-9%.

-Most of the capex has been covered and only maintenance capex will be done in FY25.

-The company is also open to M&A opportunities along with focus on portfolio expansion.

-ESOP costs to be around INR 400mn in FY25.

**Key highlights –**

-Revenue came in at INR 8.62bn (+13% YoY)

-EBITDA saw 21% YoY growth standing at INR 1.98bn, margin of 23%.

-PAT stood at INR 1.26bn, 44% growth compared to Q4FY23.

-Gross margins improved by 130bps YoY to 65.2%.

-The company is net cash positive as of March’24.

-New products contributed about 3% to total revenue.

**Domestic business –**

-The business grew 22% to INR 4.65bn, driven by strong brand portfolio and higher share of chronic products.

-Ophthalmology segment was integrated in the business in Jan’24 and is growing thereon. They target INR 150-160mn monthly revenue from this segment.

-Acute segment was affected by muted season. FY25 is expected to be much better.

-MR productivity stands at ~INR 7 lakhs/month per rep. They plan to further increase MR headcount. They expect productivity to further grow at 8-10%.

**International business –**

-Revenue came in at INR 3.97bn (+4% YoY). Topline was affected by strategic choices in South Africa business. The company has lowered their tender business and is emphasis more on improving mix and margins, which has led to the impact.

-US and Russia continue to delivery healthy growth. CDMO share in international market is improving, standing at 27%. They have entered European market with CDMO segment.

**CDMO business**

-The segment registered INR 4.32bn, growing at 14%. CDMO business is expected to see high teen growth from Q3FY25, given their current order book. New lozenges will commercialise by Q4FY25. They have enough headroom for increasing utilisation due to their large capacity of lozenges. Major growth will come in H2FY25 driven by new products.

**Dhanuka Agritech - Q4FY24 Concall Highlights**

**CMP: INR 1,242 | Market Cap: INR 56,770 mn**

**Outlook: The Company has already made launches of 3 Powerful Products, and is about to launch another Powerful product. While the competition will be reflected in the topline growth in the future, we expect the Company to do good in both revenue and bottom line considering the prices have bottomed but will remain watchful on the pricing of products.**

**Guidance:**

• The Management maintained guidance for Revenue Growth of 18% for FY25. This will be driven by around 16% from Brand Sales and the rest 2% from Technical sales.

• On the Margin front, the Management maintained their guidance for Gross Margins at 38-39% while EBITDA margins are expected to be 18% on a sustainable basis.

• The Normal capex for FY24 is expected to be INR 200 mn for FY25. In FY24, the major capex for FY24 was towards Dhesh and the normal capex of INR 200-250 mn.

**Key Highlights:**

• Q4FY24 Revenues came at INR 3,683 mn (down 8.7% QoQ/down 0.8% YoY), EBITDA came at INR 801 mn (up 28.8% QoQ/up 2.9% YoY), Margins stood at 21.75% (against 15.42% in Q3FY24 and 20.98% in Q4FY23) and PAT stood at INR 590 mn (up 30.1% QoQ/down 9.6% YoY).

• The Company's volume has grown by 9.07%, the value has grown by only 3.43%, representing an overall value reduction of 5.64% on the entire portfolio for FY24.

• The revenue contribution in Q4FY24 was Insecticides 44%, Fungicides 16% and Herbicides 28% and Others 12%. For FY24, Insecticides 38%, Fungicides 16%, Herbicides 28% and Others 12%.

• The zone-wise percentage share of turnover was, for North India, for Q4FY24, it was 26% and for the whole year, it was 25%. Similarly, for East zone, for Q4FY24, it was 14% and for FY24, it was 12%. West zone, Q4FY24, it was 20% and for the FY24, it was 31%. For South zone, for Q4FY24, it was 40% and for FY24, total was 32%.

• The management acknowledged that the prices of different products have bottomed out and they are seeing an upward movement in prices of few products.

• The Company announced the launch of LaNevo, a powerful broad spectrum Insecticide that controls both sucking and chewing pests.

• LaNevo is produced in collaboration with Nissan Chemicals of Japan. The Management informed that the LaNevo product has a market potential of INR 10 bn which was developed over the last 2 years and has competition from 2 other products in the same space.

• The Company is conducting more than 20 launches across the country for LaNevo considering the immense potential for LaNevo.

• The second product is Purge, which is a post emergence herbicide to control both narrow leaf and wide leaf weeds in Soyabean and Groundnut crops. This powerful Herbicide is also developed in collaboration with Nissan Chemicals.

• The third product is MyCore Super which is a premium and advanced Micro Raja Fertilizer developed in-house by Dhanuka and has received excellent feedback on the product.

• The Company has also started a new R&D laboratory with 30 Chemists to build speed in their Product & Process Development capabilities in Kannan.

• The Company is focussed on developing New products and has in Pipeline the margin accretive 9(3) Portfolio products which will be developed in-licensed basis.

• The New Products contributed 13.29% of the total revenue in FY24 for the company against 12.75% in FY23.

• The Management informed of the marketing expenses for the company to be around 6-7% of their total revenue in FY24, and will be higher by 1% in FY25 as they have more products to be launched during FY25.

• The Management informed that the Channel Inventory had gone marginally up in the month of March 2024, and in the current quarter, the Management is seeing slower uptake. They believe from the month of June, when the rain arrives, the inventory channels are relatively high.

• The Management believes the Price Correction has already been arrested in the current quarters and was entirely passed on to the Trade Channels.

• The Management says that due to El Nino impact last year, they saw a Volume growth of 9%, and this year in FY25, due to La Nina impact, they are expecting 15% Volume growth.

• The Other revenue driver is expected to be the 3 Powerful Product launches done by the Company already and is seeing good acceptance in the markets. The Company will also be doing another big Product in the next 3-4 months of time, which will drive the company’s growth.

**Camlin Fine Sciences Ltd Q4FY24 Concall highlights**

**CMP INR 96.8 | Market Cap INR 16,240mn**

**Pricing headwinds continued to affect the business. Blends business has been driving the majority of the growth. Situation is expected to stabilise and improve post Q2FY25. North America, Mexico and Brazil business continues to do well but Italy and India business have taken major hits.**

**Guidance –**

-The company targets to achieve INR 10bn topline in blends business, INR 2bn from Vanillin and another INR 6-7bn from HQ and other downstreams, leading to consolidated topline of INR 18-19bn in FY25.

-They intend to grow at 10-15% and achieve 10-12% EBITDA margins in FY25.

-They are not looking to raise debt levels from hereon. INR 250mn loan repayment planned in FY25.

**Key highlights –**

-Revenue came in at INR 4016.9mn (+4% QoQ/-6% YoY). Adjusted EBITDA stood at INR 45mn. PAT came in at INR (818)mn.

-The quarter includes INR 368mn of inventory write off by marking them to market due to low realisations in Catechol and Vanillin.

-North America, Brazil and Mexico subsidiaries are in the Blends business and are doing well with high teens margins. Italy subsidiary has seen major degrowth [INR (630mn) EBITDA] while write offs affected in India affected the business [INR (360mn) EBITDA] .

-The company expects to reach breakeven at the Italy subsidiary if they start producing MEHQ and Guaiacol by end of FY25.

-They plan to refurbish China and Italy units. Investments for both projects will be around US$ 2.5-3mn each. Revenues from these expansions to come in from FY26 onwards.

**Shelf Life Solutions –**

-The segment saw overall growth driven by Blends business. The momentum in Blends business is expected to continue going forward.

-Blends business continues to achieve high teens margins.

**Performance Chemicals –**

-Increased sale of Catechol in the quarter would have led to growth but it was offset by low realisations.

-The segment is currently running at 80% capacity, mostly driven by Catechol and not HQ.

**Aroma Chemicals –**

-The company had to liquidate major portion of Vanillin inventory amounting to INR 175mn as low prices prevailed in the market.

-They started with production of Ethyl Vanillin and are rapidly focusing on improving quality and planning for consistent production.

-Vanillin ex-clove production is going well for the company. Product approval process is ongoing with the customers in various industries.

-They target to reach 40-50% utilisation by FY25. The company is optimistic that they will achieve 2.5mn tonnes production and sales volumes in FY25 for Vanillin.

-Average pricing of Vanillin is around US$ 9-9.5/kg.

-To run Vanillin utilisation at desired levels, Diphenol utilisation will be affected to some extent.

-About 75% of revenues in Vanillin to come in from H2FY25 onwards.

**Anupam Rasayan India Ltd Q4FY24 Concall highlights**

**CMP INR 785 | Market Cap INR 86.2bn**

**Industry headwinds continued to affect the business across all segments. As the overall industry expects revival in H2FY25, the company also hopes to see improvement thereon. Focus will be more on Polymer and Pharmaceutical segment along with a balanced portfolio. Japan market to become one of the major growth drivers going forward.**

-Pharma business' contribution has increased despite headwinds, standing at 9% in FY24. The company expects the contribution to be around 15% in FY25. Revenue contribution from Polymers segments is also anticipated to see substantial increase. Fluorination segment to follow the same trend.

-Revenue came in at INR 4010mn (-16.5% YoY), pertaining to challenges in Agrochemical space and drop in RM prices. EBITDA came in at INR (-21% YoY), margins of 23.11%. PAT stood at INR 405mn (-44% YoY), margins of 10%.

-Top 10 customers, who are customers for 25 various products, contributed 77% of total revenue during the year.

-Initiated an investment of INR 510mn to build a hybrid power plant with 9.2 megawatt capacity. This plant will result in INR 150mn yearly energy costs savings.

-Funds raised through preferential allotment – INR 2.49bn were used to repay loans in Q4FY24. Capex of INR 6.7bn planned and INR 4.82bn were used from these funds during FY24. Balance capex to be incurred in H1FY25 with some maintenance capex additions.

-Three facilities are planned to be set up. Two for Fluorination segment while one to cater to LOIs and other products.

-Sluggish growth and demand led the company to provide longer payment cycle to debtors and inventory issues led to increase in working capital days. There has not been any dead inventory but the inventory rollout has not been at the pace the company expected. They intend to bring WC days to normalised levels in the next 18-24 months.

-Revenue mix between Exports and Domestic business to remain at similar levels.

-LOIs generally lead to revenues in the next 18-24 months. Around INR 2bn revenue reported in FY24 accounted to these LOIs. FY25 to see much more revenue recognition.

-17 products were launched in FY24 and they target to launch another 6-8 in the coming year.

**Gulf Oil Lubricants India Ltd – Q4FY24 Concall KTAs**

**CMP: INR 1046 | Market Cap: INR 51.51 Bn**

**Company aims to continue to grow 2-3x of the market growth. Company expects robust domestic demand to continue for lubricants driven strong GDP growth, significant manufacturing and infrastructural impetus and acceleration in automotive industry**

**Financials**

• Revenue from Operations stood at INR 8.52 Bn in Q4FY24 (7.67% YoY).

• EBITDA stood at INR 1150 Mn (31.42%YoY) in Q4FY24, with EBITDA margins of 13.49% (+244 bps YoY)

• PAT stood at INR 854.3 Mn (37.41%YoY) in Q4FY24.

**Operating Highlights**

• Company maintained the growth momentum driven by double digit volume growth in Infra, mining, and B2B segments.

• Company saw an uptick in motorcycle oils, the commercial vehicle oils and agri segment. Overall company's distribution in retail segment have grown by double digit in both in rural and urban areas.

• Company improved gross margin by 3.5% in FY24 but saw a slight dip of 1.6% sequentially due to crude oil volatile in Q4FY24.

• The Company gained overall market share in the bazaar segment led by agri and new generation CVO gains.

• Volume grew only by 3% sequentially due to double-digit decline in factory fills attributed to the production for OEMs without the factory filler.

• Factory fills contribute ~10% of overall volume.

**Other Highlights**

• Company acquired 51% stake in EV charger maker Tirex Transmission for INR 1.03 bn. Company aims to grow charger business aggressively aiming a double-digit growth. Revenue from the battery business stood at INR 800 Mn in FY24.

• Overall through 3 investments company has invested ~1500 Mn in the EV segment.

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• Company has a market share of ~ 8-9% in motorcycle and commercial vehicles while in certain segments like passenger car company has market share of below 5% where company aims to grow faster than 2-3x of the market.

• B to C segment contributed ~60% of overall sales while 40% is contributed by B to B sales.

• Exports contribute ~ 5-6 % of overall core lubricants.

• Automotive segment has slightly higher gross margin as compare to industrial segment.

• Company saw overall price increase of ~2% , varying between categories

**Galaxy Surfactants Ltd Q4FY24 Concall Highlights**

**CMP INR 2534 | Market Cap INR 89.82bn**

**Company have guided for 6-8% volume growth on conservative side and EBITDA/MT of INR 19,500-20,500 in FY25.**

**Expect double-digit volume growth in AMET in FY25.**

**Company mentioned that capacity utilization is expected to be ~85-80% going forward.**

**Company has planned a capex of INR 1200cr.**

**H1 FY 2025 will seek stabilization and the next restocking cycle will commence.**

**Financial Performance**

* Net Revenue for quarter de-grew by 5.2% YoY to INR 9,290 Mn (-1.2% QoQ) and for FY24 revenue stood at INR 37,944 Mn vs INR 44,640 Mn in FY23.

* EBITDA de-grew 13.9% YoY to INR 4,977 Mn and the EBITDA Margin expanded 10bps YoY to 13.0% on an annual basis. EBITDA for quarter stood at INR 1,256 Mn (+5.6% QoQ, -11.3% YoY).

* PAT stood at INR 3,015 Mn for FY24 vs INR 3,810 Mn for FY23 and stood at INR 775 Mn for the quarter vs INR 714 Mn in Q3FY24 and INR 905 Mn for Q4FY23.

**Other Highlights**

* Inflation began to cool off in H2 of CY22 and demand revival only began around H2 of CY23.

* Company did not completely capitalize on robust demand due to supply-led gaps in terms of volume growth.

* Mass consumption made a comeback first, followed by the end of the destocking cycle at the end of 2023 in the developed markets, which eventually translated to strong pickup in matt sweet products in the start of 2024.

* Rest of the world made a strong comeback in H2 FY '24, registering a healthy 29% volume growth Q4 FY 24 saw its complete according its highest quarterly volumes driven by massive products.

* Demand stability returns, an uptick in premium specialties and restocking will be the next big triggers.

* Destocking was happening across the value chain at my customers and at the consumer end, and even at say the ingredient manufacturers end.

* Restoration of the demand and supply cycles is the biggest positive for this year.

* The period between 2020-22 March was marked by moderate inflation, strong demand, and stocking up by consumers due to their due to various issues like container availability, raising freight costs, and supply gaps.

* In FY22-23, restoration of suppliers declining convention due to high prices led to an inventory clutch.

* Thus, FY24 began with an inventory glut in developed markets and uncertainty with respect to demand revival in developing markets.

* While the Red Sea escalation did reception, this disrupt the supply chains briefly in Q4 FY24, it did not impact the demand.

* The company launched new products in the market, which contributed to the double-digit volume growth.

* Company is developing new products to cater to the changing consumer trends, and is constantly evaluating new molecules in its innovation lab with a focus on both mass and premium products.

* Company has a large number of patents and product possibilities that can be brought to the market.

**GSFC Ltd Q4FY24 Concall highlights**

**CMP INR 222 | Market Cap INR 88.38bn**

**Guidance**

-Targeting 20% growth in fertilisers volumes given the production expansion from new plants.

-The management has given a ballpark figure of INR 100bn topline in FY25 as subsidy plans tend to be fluctuating.

-Part of the expansive capex plan will be done in FY25 of about INR 8-9bn. They have planned for INR 60bn capex over the next 5 years.

**Key highlights**

-Revenue came in at INR 12.16bn with marginal changes when compared QoQ/YoY basis. Subsidy income also remained flat INR 7.24bn. EBITDA and PAT have seen substantial decrease, coming in at INR 250mn and INR 210mn respectively.

-Overall FY24 revenues where flattish while Subsidy income declined. Profitability has decreased significantly. Government had reduced subsidy for P&K fertilisers in Q3 and it continued in Q4. Input costs were on the higher side and have stabilised recently.

-Outstanding subsidy at INR 11.06bn as of March'24.

-Red sea crisis led to delay in procurement of Raw materials which affected the margins. They are well planned going forward and plan to have excess production in case of delays.

-The company has declared lower dividend in the year as they tend to retain the cash to meet the capex plans over the next 5 years.

-Salary expenses are expected to reduce by INR 900mn next year as FY24 had some one offs.

**Fertilisers**

-Fertilisers prices remained range bound in Q4FY24 and are expected to maintain similar levels in FY25. Longer credit periods and dry season also led to reduction in margins.

-Ammonium Sulphate - Due to subsidy reduction and competition in the market, MRP had to be lowered or large discounts had to be given in Q4.

**Industrial products**

-Industrial products segment continues to remain subdued with recovery expected in H2FY25. Q4FY24 did see some improvements but overall contraction is expected to continue.

-Capro-Benzene spread continued to remain low but some improvements seen sequentially.

-They look to add niche value added products in their portfolio for import substitution in domestic market.

**-**They will also look to import Raw materials which will lead to margin improvements.

**Expansive Capex and expansion plans**

-Four plants will be commissioned in FY25 – Sulfuric Acid plant, HX crystal plant, 15 megawatt solar installation and urea revamping to be done to meet energy norms (March'25). These will start contributing to overall business from next year onwards.

-Sulfuric acid plant will be used for captive consumption and solar plant will help in reducing costs. Only HX Crystal will be directly contributing to topline by INR 1bn in FY25.

-Capex for Phosphoric acid and Sulphuric acid plant at Sikka (planned over 5 years) will be around INR 15bn. Phosphoric acid capacity will be 2 lakhs tonnes. They have further plans to have 4 lakh tonnes sulphuric acid capacity in phase 2. DAP and NPK capacities will be further added.

-Capex for Urea plant revamping is around INR 4.5bn.

-Currently, the company consumes 4.5 lakh tonnes of Phosphoric acid. With the plant, 2 lakh tonnes requirement will be done through captive consumption while some requirements will come in from JV in Tunisia. This will eventually bring down import dependence

**Deepak Nitrite - Q4FY24 Concall Highlights**

**CMP: INR 2,464 | Market Cap: INR 336,000 mn**

**Outlook: The sequential improvement in EBITDA and margins by the company is commendable considering the headwinds faced by the Agro-chemicals segment which comprises of 35% of revenue. We expect H2FY25 onwards better margins for the overall company as de-bottlenecking and industry revival benefits the company.**

**Guidance:**

• The Company is expecting INR 20 bn of new investments to be commissioned in CY24.

• The Capital outflow would be INR 10-12 bn in FY25 against FY24 levels of INR 8-9 bn.

**Key Highlights:**

• Q4FY24 Revenue came at INR 21,450 mn (up 6% QoQ/ down 3% YoY), EBITDA came at INR 3,200 mn (up 1% QoQ/down 10% YoY), EBITDA Margins stood at 25.5% in Q4FY24 (against 22.5% in Q3FY24 & 24.5% in Q4FY23), PAT came at INR 2,540 mn (up 26% QoQ/down 5% YoY) and PAT Margins stood at 11.6% in Q4FY24 (against 9.4% in Q3FY24 & 11.9% in Q4FY23).

• The Management acknowledged the Pricing pressure faced by the industry along with rise in freight costs due to the Red Sea crisis.

• The Company faced a challenging business environment owing to Chinese dumping, continued recessive trend in EU Zone, the Red Sea crisis and general weakness in market due to uncertain future caused by geopolitical tensions at several geographies.

• The Company reported resilient performance, across businesses on the back of volume growth aided by increased wallet share, improved plant efficiency and record volumes in select products.

• They leveraged their strong brand & market position prioritizing strategic relationships which led to sales volume growth, enhanced capacities & utilization along with de-bottlenecking of operations for key intermediates and cost optimisation initiatives led to certain savings which helped maintain the margins.

• The Company's favourable product mix management coupled with operating leverage gains helped maintain the EBITDA performance sequentially in an environment that was marked by steep decline in realizations for several products, even sharper than the RM price decline.

• There was an exceptional gain during Q4FY24 to the tune of INR 800 mn related to insurance claim proceeds received for the fire incident that took place in June 2022.

• In Q4FY24, the domestic and export mix stood at 80:20. The domestic business generated a revenue INR 17,120 mn, while the export business stood at INR 4,140 mn in Q4FY24.

• In FY24, the standalone export share had risen to 47% from 43% in FY23. Production volumes in FY24 increased by 16% while it improved market share despite a moderated environment with lower sales price.

**Advanced Intermediates**

• In the Advanced Intermediates segment, revenue de-grew by ~10% YoY to INR 27,240 mn. However, the same declined marginally by 0.5% in Q4FY24 to INR 6,710 crore.

• The segment was led by volume gains while Agrochemicals is still witnessing demand headwinds, other applications related to Pharma as well as discretionary sectors like dyes & pigments, textiles & paper, homecare and glass among others are seeing a gradual volume led recovery.

• The Agrochemicals segment contributes ~35% of revenue and It achieved higher volumes through a mix of product basket diversification and focus on end user categories that witnessed better demand.

• Overall, both domestic and export customers worked on a lean inventory cycle due to moderated demand and on-going geopolitical tensions.

• The market share improved for the core portfolio through active customer engagements despite transient market conditions.

• EBIT stood at INR 1,340 mn and increased by ~43% QoQ. However, the same during the year declined by 20% to INR 4,460 mn and the EBIT included the exceptional gain.

• The Advanced Intermediates margins during Q4FY24 stood at 20% v/s 14% in Q3FY24 and the same during the year stood at 16% as compared to 18% in the previous year. The initiatives around backward integration and brownfield capacity expansion will further elevate the performance trajectory, in-line with expected improvement in demand during H2FY25.

**Deepak Phenolics**

• In Deepak Phenolics, revenue for FY24 increased by ~1% YoY to INR 50,030 mn. In Q4FY24, the same grew by ~9% QoQ to INR 14,660 mn, primarily fueled by healthy sales volumes and better plant efficiencies.

• Despite weak prices of Phenol in Q4FY24, the Company was able to improve the margins due to highly integrated manufacturing infrastructure with consistently high utilization levels. During FY24, the volume growth was 12%. EBIT from the segment during FY24 was INR 6,440 mn, up by 8%, while in Q4FY24 it grew by 15% QoQ to INR 2,060 mn.

• The EBIT margins expanded by ~100 bps QoQ to 14% in Q4FY24 and 100 bps in FY24 to 13%. This was primarily due to reduced realization as compared to unusually high realization in the base period.

• The phenol plant sustained its average capacity utilization during the quarter and this is further expected to go up post debottlenecking. The segment is on course to substantially improve its downstream product offerings, leading to a higher captive utilization of acetone and resultant value addition.

**Business Updates:**

• In Q4FY24, the Company acquired 100% of OXOC Ltd, an Indian based company engaged in the business of manufacturing Polycarbonate Compounds and has started manufacturing activities in March 2024. The cash consideration is INR 0.1 mn with a turnover of INR 0.6 mn and is expected to be complete by 31st July 2024.

• In Q4FY24, Deepak Chem Tech Limited, a wholly owned subsidiary signed 2 additional MOUs worth INR 140 bn adding over the prior MoU with the government of Gujarat to manufacture 3 new products.

• It would invest this amount across these projects with an aim to commence its Phase 1 by 2024-2025 and complete the remaining by 2027. Out of the prior MOUs, INR 18,000-20,000 mn of capital outlay has already been incurred.

• The fluorination plant at Dahej commenced operations from March 2024. Additionally, they established a new unit for 'specialty salts' in Sankarda near Vadodara. The specialty salts facility is a forward integration into formulations of existing products & operates on a pilot scale for trial quantities.

• The fluorination asset bolsters the Company’s backward integration for a crucial agrochemical intermediate, enhancing its supply chain resilience. In addition, it will allow the company to expand its technical toolkit for contract manufacturing opportunities. Emphasis will be on serving the domestic market, highlighting the significance of meeting local needs and demands prior to pursuing international markets.

• The Company signed a long term supply deal with Petronet LNG, based in Dahej that is expected to de-risk its growth trajectory by ensuring the availability of the critical raw materials.

• The company would offtake ~250 KTPA of Propylene and 11 KTPA of Hydrogen for its expanded capacities. The Management says this agreement is to provide access to crucial feedstock for its production processes, paving the way for consistent output and operational stability. The manufacturing is expected to commence later in the next quarter.

• The Company is further expanding projects in hydrogenation and nitration.

• The Company funded INR 7,090 mn and INR 50 mn to its wholly owned subsidiaries Deepak Chem Tech Limited and Deepak PMC Limited respectively while they invested INR 270 mn in Deepak Oman Industries, increasing the stake to 51%.

• They are building a state-of-the-art Research & Development Centre in Savli, Vadodara, with completion aimed by March 2025.

**NOCIL Ltd Q4FY24 Concall Highlights**

**CMP INR 261| Market Cap INR 43.42bn**

Financial Overview

- Net Revenue from Operations in Q4 FY24 was ₹357 crores, showing a 5% increase from ₹341 crores in Q3 FY24 but a 9% decrease from ₹393 crores in Q4 FY23.

- Operating EBITDA for Q4 FY24 was ₹45 crores, reflecting a 9% decrease from ₹49 crores in Q3 FY24 and a 10% decrease from ₹50 crores in Q4 FY23.

- Net Profit for Q4 FY24 stood at ₹42 crores, marking a significant 40% increase from ₹30 crores in Q3 FY24 and a 48% increase from ₹28 crores in Q4 FY23.

Operational Highlights

- Q4 FY24 volumes grew by 12% QoQ and slightly YoY.

- Selling prices remained subdued during Q4 FY24 due to Chinese dumping

- The company continued to employ a strategic mix of pricing and volume adjustments.

- Overall capacity utilization was at 65%.

- Exports accounted for 33-34% of revenue in both Q4 and FY24.

Industry

- The tire industry is projected to grow in single digits this fiscal year.

- Tire exports remain subdued with only moderate growth expected.

- The challenge of dumping from China persists until their domestic consumption improves.

Capex

- A capital expenditure of ₹250 Cr at the Dahej facility is underway to expand into rubber chemicals, expected to be commercialized in 2.5 years.

Volume Growth

- Q4: Volumes increased by 12% QoQ—domestic growth was in the high single digits, exports in the high double digits, with marginal improvement in specialty (Latex).

- FY24: Overall volume grew by 2%—domestic volumes were flat, while exports increased by 9%.

Guidance

- The company is optimistic as customers show positive traction and new business opportunities are emerging.

- Margins have bottomed out and are expected to improve.

- Q4 figures can be considered the base volume numbers, with anticipated growth in upcoming quarters.

- An increase in capacity utilization is expected in the forthcoming quarters.

**Fineotex Chemical Ltd Q4FY24 Concall highlights**

**CMP INR 354 | Market Cap INR 39.21bn**

**Fineotex Chemical has reported substantial growth in Q4FY24 as well as FY24. There has been major margin expansions as the company has been focusing on improving margins; reasonable growth seen in revenues too. Volume growth of the company has been robust with 25% growth in FY24. They have also witnessed increased demand coming in from across sectors the company caters to. The management is very optimistic to see uptick in demand from Textile and Cleaning sectors and they are confident that the pricing pressure has bottomed out and the industry will see an uptrend from Q1FY25 onwards. The management is confident of maintaining their current growth rate in the long term.**

Key highlights

-Revenue came in at INR 1530mn (+11% YoY). FY24 Revenues came in at INR 5690mn (+10% YoY)

-EBITDA came in at INR 383mn (+17% YoY), margin of 25%. FY24 EBITDA margins were 26.1%.

-PAT came in at INR 305mn (+17.2% YoY), margin of 19.9%. FY24 PAT came in at INR 1210mn with 21.3% margin.

-Commissioned solar power plant with 100kWp capacity at Ambernath facility in FY24.

-Final dividend proposed of INR 0.4/share.

-RoCE increased substantially to 32.4%.

-Good volume growth in Textile chemicals and Hygiene chemicals in Q4FY24 but FY24 witnessed higher volumes of Hygiene chemicals.

-Overall capacity utilisation is 72%.

-25% volume growth YoY on overall basis in Q4FY24 as well as FY24. Cleaning and Hygiene only saw 5% QoQ/23% YoY growth in the quarter.

-Focus is on expanding EBITDA margins further.

-We can expect better prices scenario from Q1FY25 and better stability in RM prices.

-B2B business is the main focus area of the company and will always be bigger than B2C business.

-The management feels we can see uptrend in textile chemicals from hereon. Demand is increasing for technical textiles.

-The company has expanded into many new products in detergent chemicals and have acquired many new customers. Demand is coming in for products for India.

-The company has increased their product portfolio to cater to the cleaning and hygiene sector. The management expects uptrend in this industry too especially on the sustainability side.

-No long term contracts with customers in Textiles sector.

-The company is confident of accelerated growth in the coming 3-5 years expect to continue with the same momentum going forward.

-The management is very optimistic of future of specialty chemicals in India. The company expects major import substitution in the domestic market as well as increase in exports from India.

-All capacities added can be used and will cater to all verticals of the business.

Capacity additions at Ambernath facility

-Acquired additional 7-acre factory premise for INR 350mn at Ambernath facility through internal accruals. Total capex planned is INR 500mn. Site work has already begun.

-The capacity has been added to cater to increasing demand and eventually to increase volumes. The new capacity will produce existing products as well as new products.

-Alteast 20,000 MTPA expansion will be done in Phase 1 and Phase 2 will see similar capacity addition. Phase 2 expansion will be cheaper and faster. They target to complete Phase 1 by end of FY25.

-Other expenses are higher in Q4 as the company has increased marketing expenses.

Fund Raise

-Fund raise of INR 1200mn planned. INR 550mn already raised and promoters' stake has also increased by 1.1% . Marquee investors will also be onboarded soon.

-The acquisition will be in international market and the company is already on the evaluation stage.

**Deepak Fertilizers - Q4FY24 Concall Highlights**

**CMP: INR 558 | Market Cap: INR 70,500 mn**

**Outlook: Deepak Fertilizers posted a robust set of numbers for Q4FY24 on a sequential basis. The upcoming Nitric Acid plant will place the company in a strong position in the future of the Nitric Acid supply chain environment among Indian manufacturers. IMD forecasts for this years monsoons are also working in favour of Agro-chem players as well as monsoon was seen entering Kerala couple of days back. We expect good growth pick up for the Company's volumes in FY25.**

Guidance:

•The Company's Nitric Acid plant will be commissioned in H2FY26.

•The Management expects the demand for mining chemicals to have strong growth in FY25, driven by the robust demand for coal in power production and ongoing Government investments in infrastructure projects.

•The Management expects the Nitric Acid prices to remain stable or improve over the next few quarters.

•The Management believes Propylene based IPA would continue to perform better from demand and price perspectives going ahead.

•The Company expects Ammonia pricing to be in the range of USD 400-450 per MT in FY25.

Key Highlights:

•Q4FY24 Revenue came at INR 20,860 mn (up 12.6% QoQ/down 25.4% YoY), EBITDA came at INR 4,380 mn (up 55.2% QoQ/down 6.7% YoY), EBITDA Margins stood at 21% in Q4FY24 (against 15.2% in Q3FY24 & 16.8% in Q4FY23), Net Profit stood at INR 2,200 mn (up 262.8% QoQ/down 14.7% YoY).

•The Management acknowledged that the year witnessed challenges in all segments i.e, fertilizers due to below normal monsoon, short term aberration in the import of fertilizer-grade ammonium nitrate from Russia and import of Nitroaromatics from China.

•The overall EBITDA margins rose from 16.8% in Q4 FY23 to 21% Q4 FY24 and the annual margins were lower at 14.8% due to the large one-time subsidy adjustment.

•Net debt as on 31st March 2024 was INR 34,260 mn.

•The Board has recommended a dividend of ₹8.5 per equity share.

•The Company's TAN sales volume during the quarter surged by 39% QoQ / 26% YoY due to improved demand coupled with low imports. In FY24, the sales volume grew by 1% YoY which stood as the second highest sales in the company's history.

•Nitric acid volumes in Q4FY24 de-grew by 25% QoQ/27% YoY due to extended plant shutdown at Dahej. IPA (Iso Propyl Alcohol) continued to perform better in Q4FY24 as the volume grew by 26% QoQ.

•During Q4FY24, specialty products Croptek & Smartek sales volume increased by 11% YoY & 10% YoY growth respectively. Bulk Fertilizers sales volume grew by 1% even though seasonal conditions were not favorable during the year.

•The Company's decline in revenue was attributed to a one time subsidiary impact of INR 2,670 mn taken during the year.

•The Management expressed relief that the IMD has predicted above average rainfall for the upcoming monsoon which will aid well for both the Kharif and Rabi seasons.

•The Company launched Croptek soyabean aiming kharif soyabean high acreages in the state of Maharashtra and Madhya Pradesh.

•The capacity utilization stood at 58% for Q4FY24 and 55% for FY24.

•Segmentally, Capacity Utilization during Q4FY24 was: TAN 101%, IPA 102% and Nitric Acid 82%. For FY24, the utilization stood at TAN 92%, IPA 87% and Nitric Acid at 86% respectively.

•Ammonia contributed INR 6,000 mn to the topline in Q4FY24.

•The Company started exporting TAN in Q4FY24. The Management expects they can export up to 20,000 ton in a year as per the quota.

•The Company's Ammonia project which commissioned in August 2023, has achieved 100% design production capacity.

•The Company signed a 15 year long term gas supply agreement with Equinor, commencing in May 2026. This move is expected to enhance their profitability through effective natural gas/LNG hedging and in-house ammonia production, ensuring greater stability.

•The Company is a leading manufacturer and marketer of IPA in India and largest manufacturer of Nitric Acid in South East Asia. The Company is developing specialized grades of Nitric acid and IPA to meet specific requirements to cater needs of the industry/consumer.

**India Glycols Q4FY24 Concall Highlights**

Capex

In Gorakhpur, grain-based distillery capex of INR 133cr for capacity addition of 180 KLPD which is expected to be completed by Q2FY25E.

In Gorakhpur, Bio-based ethanol capex of INR 4cr for capacity addition of 90 KLPD which is expected to be completed by Q2FY25E

In Kashipur, Bio-based ethanol capacity stood at 410 KLPD, and capacity addition of 180 KLPD which is expected to be completed by Q1FY25E.

Maintenance capex is expected to be INR 40-50cr per annum going forward.

Value added products

In NSU, part of the commissioning is done, and the remaining is expected to be completed by Q2FY25E.

The company has started commercial supply and volumes is around 150MT per month and expected to supply 400-500MT per month after it is fully commissioned. The customers are from oilfields and carbon smart spaces.

The company is targeting additional revenue of INR 200cr from new value-added products.

Margins

EBITDA margin stood at 12.4% in FY24 and margin improvement was backed by grain-based distilleries and moderation of RM costs.

The green technologies will help to improve margins to some extent.

Potable Spirits

In Uttarakhand, earlier plastics were not allowed and policy changes on 1st Apr 2024. The company is the only supplier of tetra packs and margins are higher because there are no glass, cap, or label models.

The company got a higher price as per country liquor policy in Uttarakhand.

IMFL has a market share of 25%.

The company has tied up with Amrut Distilleries. The company is making whiskey through the royalty route.

Amazing vodka has been popular and successful over the past 3 years. The vodka brands are top 3 in Delhi, Uttarakhand, and others.

In Delhi, the company is working with distributors, 6-7 brands are there, and growth potential is there.

In paramilitary, the company is adding 2 more brands; however, it’s a limited business.

In paramilitary, The company covers 19 states and further expands 4 states.

Ethanol supply

The company got an ethanol supply allocation contract of INR 1,164cr from oil companies. The supply started and is expected to be completed in FY25E.

Captive power

The company signed an agreement with Renew Green to procure captive wind and solar hybrid power. The commissioning is delayed due to certain regulations. It will reduce power costs going forward.

Ennature Biopharma

Ennature Biopharma witnessed margin pressure due to continuous price erosion on Thiocolchicoside and Nicotine.

Consumption

Around 50 lakh liters consumed for captive and 50 lakh liters supplying to JV. Potable spirits consumption is around 15 lakh liters per month.

Utilization

Potable spirits are operating at ~100% utilization and chemicals still have the headroom to grow.

Debt and interest

Debt is expected to reduce from INR 725cr to INR 625-650cr in FY25E.

Interest cost is around 9%.

Other highlights

Ethanol blending is expected to reach from 12% to 20% going forward.

Imported ethanol used for chemicals and expected to continue foreseeable future.

Grain-based ethanol is used in-house and for biofuels.

Ethanol is converted into ENA and ENA is converted into 99.9% pure biofuel.

**Kiri Industries Ltd Q4FY24 Concall highlights**

**CMP INR 303 | Market Cap INR 15.72bn**

Key highlights

-Revenue came in at INR 2691mn (+21% YoY/22% QoQ). FY24 Revenues came in at INR 9492mn, registering no growth.

-EBITDA came in at INR 51mn (v/s (47mn) YoY), margin of 1.9%. FY24 EBITDA came in at INR (122mn).

-PAT came in at INR (164mn) (v/s (183mn) YoY). FY24 PAT stood at INR (879mn).

-Q4FY24 did see better material margins in the commodity chemicals market which led to some improvement in profitability.

-The company targets to have atleast 30% IRR on any new projects. The company is already evaluating new greenfield projects which are not related to Dyes and intermediates. They are actively looking at new products to expand their customer and end user industry base.

-The promoters are highly inclined towards increasing their stake and we can expect increase in stake in near term. They are in process of accumulating funds and will increase their stake as soon as possible.

-The management expects to become EBITDA positive and generate atleast 5-10% EBITDA margin in FY25 and comfortably cross INR 1bn revenues (India business on consolidation basis).

-Capacity utilisation for intermediates is about 36%, Dyes is around 25% while Basic chemicals is about 60%. Total overall capacity utilisation is around 50%.

-Lonsen Kiri product lines are bit different from Kiri industries. The company has 40% in the JV. Revenues of INR 880mn were included in Q4FY24 consolidated financials of Kiri Industries.

-The management acknowledges that the company could have made changes to product mix in the last 2 quarters. They plan to work on this and feel they do not need to increase capacity as they already under utilising their current capacity.

DyStar court case update

-The company received judgement from Singapore court regarding DyStar buyout order. Kiri is entitled to receive US$ 603.8mn and balance will be received by Senda. Deadline for the sale is set at Dec 31, 2025. The company expects to receive sale proceeds well before Dec'25; the process has already started. The company will be paying 10% Capital gain tax on these proceeds.

-If the company does not find any buyers till Dec'25, DyStar will be liquidated. The management believes liquidation is unlikely to happen.

-The utilisation of these proceeds are still under evaluation. We can expect new projects along with some reserves and benefits provided to shareholders. Majority of the funds would be utilised for future growth.

-The company will continue to incur some litigation expenses till funds are transferred to them. They are actively participating and involved in the transfer process.

-They are planning to file an appeal for the interest which they have not received.

-The company has witnessed good traction from interested potential buyers.

-There also are considering buyback as an option after the proceeds.

-The company was adamant on receiving some immediate compensation of US$ 100mn. But the court did not agree to this as it would affect DyStar's value.

-The management also expects Senda to challenge the judgement and go for an appeal.

**Sukhjit Starch - Q4FY24 Concall Highlights**

**CMP: INR 558 | Market Cap: INR 70,500 mn**

**Outlook: The Company is looking for volume growth as prices have not been improving much faster for the industry as the demand from the FMCG sector remains muted. We stay with our stance on some recovery in prices after the elections and New Government forms in terms of prices of Maize and other agricultural produce.**

Guidance:

•The Management said that the Company is open to exploring both Greenfield and Brownfield expansions opportunities.

•Speaking about the new capacity addition, the Management clarified that they may go for 1,000-1,200 tonnes per day capacity addition in the future when sustainable demand growth is observed.

Key Highlights:

•Q4FY24 Revenue came at INR 3,678 mn (up 2% QoQ/down 5.9% YoY), EBITDA came at INR 331 mn (down 12.5% QoQ/down 8.3% YoY), EBITDA Margins stood at 9% in Q4FY24 (down 150 bps QoQ / 23 bps YoY), Net Profit stood at INR 114.6 mn (down 34.4% QoQ/down 27% YoY).

•The Management acknowledged that the company's volumes were higher in Q4FY24 compared to last year but margins got affected because of the pricing pressure faced by the industry.

•In the Financial front, the long term debt reduced by INR 830 mn bringing down the Debt to Equity Ratio to 0.16.

•The Management denied that there was any delay in shipments causing their inventories higher in Q4FY24. The Company clarified that they follow a strategy that whenever they see it is going lower than the usual levels they carry, or they are expecting prices to be higher in future, they would prefer to have higher inventories ensuring continuity of operations.

•The Management said that around 60% of the Inventory is Raw Materials, and generally as well they keep more Raw Material as Inventory rather than Finished Goods.

•The Management maintains that they have capacity of 1,600-2,000 tonnes per day. However, due to the elections, the Management says they are seeing delays which they will be completing the expansion works in the next few months.

•The Company is looking for land parcels, and will be investing INR 500-1000 mn for any land once finalized within 1 or couple of years time.

•The Management did not provide a clear figure of volume growth or market share growth by the company but stated that the company has been increasing their utilization levels for the capacity expansions that the company underwent recently.

•The Management said that the demand from the FMCG majors like Nestle and Dabur etc, has been muted over the last 4 quarters.

•The Management clarified that the Prices have been volatile during the Q4FY24 depending upon the crop availability. For example, the Prices can be INR 25-50 in some parts of the country, while in regions where crop availability is locally available, it could be as low as INR 22-23.

•The Company spent INR 1,540 mn towards Power cost during the year, hence going forward, the Management says that they will be going for the most efficient standalone units so that the power cost is reduced in the future as a percentage of sales.

•The Company is currently seeing some inflation in the prices of Maize. However, the Management commented that Indian Maize has been more of a shielded in terms of prices compared to the prices seen for US Maize, Argentina Maize or Ukraine Maize.

•The Company maintains good relationship with FMCG players, and when FMCG players tell them about their capacity expansion plans which they do in advance, then the Company goes for major capacity expansion in order to remain their reliable suppliers.

•The Company generally maintains a policy of negotiating prices as per the rates on the day of contracts with FMCG players, and not go for long term fixed pricing contracts.

**India Pesticides Ltd Q4FY24 Concall highlights**

**CMP INR 217 | Market Cap INR 24.97bn**

**Industry headwinds like dumping in domestic market, inventory destocking by global customers had a major impact on the company on all parameters. Volumes have seen major decline which indicated low demand coming in. The management is optimistic that the new products planned and revival in export market will drive growth in FY25**.

Guidance

-Capex of INR 500mn and INR 600mn planned for IPL and Shalvis Specialities respectively in FY25 to be funded mostly through internal accruals.

-15-20% growth in topline expected in FY25, largely contributed by new products and exports. Recovery will come more from volume side than realisations.

-The management did not stand by their 20-22% EBITDA margin guidance given earlier for FY25 and guides for better clarity after two quarters.

-The management expects H1FY25 to remain challenging for the company as well as the industry.

Key highlights

-Revenue came in at INR 1300mn (-35% YoY/16% QoQ). FY24 Revenues came in at INR 6960mn (-23% YoY)

-Gross profits are around 48.5% in the quarter while FY24 gross margins declined to 42.8%.

-EBITDA came in at INR 70mn (-84% YoY/80% QoQ), margin of 5.7%. FY24 EBITDA margins declined substantially, coming in at 14.6% v/s 23.4% in FY23.

-PAT came in at INR 10mn (-96% YoY/QoQ). FY24 PAT came in at INR 600mn v/s INR 1430mn in FY23.

-Cash and cash equivalents stood at INR 1.32bn.

-Formulations had 28% contribution while Technical and APIs had 72% share.

-Domestic sales amounted to 60% of total revenue while Exports had 60% share.

-China plus one policy has been beneficial for the company as it diversified their supply chain and expand in global markets.

-Other expenses in Q4FY24 were high as the company converted their two RMs to job work basis instead of buying which led to impact on margins. Freight costs were also high due to Red sea crisis. The job work will continue in Q2FY25.

-Headwinds in the agrochemical industry continued. Export market was majorly impacted as customers continued with inventory destocking. Chinese dumping led to pricing pressure in the domestic market.

-The Indian agrochemical industry is anticipated to grow at 9% for the next 3 years. Sustained government support, technology advancement and export market expansion will drive the growth forward.

-The quarter witnessed 34% volume decline along with 4% decline in prices.

-Capacity utilisation has declined by 12% in FY24.

-The company has witnessed good export orders (<INR 1bn) in Q4FY24 along with strong demand for their new and old products. Though exports have declined by 65% in Q4FY24.

-In FY24, the company received registrations from Canada, Europe and USA. They plan to register 3 more products in Australian and European market in FY25 while 12 products are in pipeline.

FY24 Updates

-Overall all products witnessed price decline of 10-12%.

-First commercial production from new block at Shalvis specialities.

-The company has entered into 3 years agreement with a Japanese company to supply an intermediate; supply has already begun.

-Increased Technical and Intermediate capacities to 24,200 MT.

**Dharmaj Crop Guard Ltd Q4FY24 Concall highlights**

**CMP INR 215 | Market Cap INR 7,270mn**

Guidance

-The management expects good monsoon along with price improvement in FY25. On the back of this, the management expects to touch INR 9bn sales in FY25. They expect marginal improvement in EBITDA margins (100-150bps expansion in FY25).

-Exports will remain in 10-15% range of total revenues.

-3-4% margin expansion expected once they reach optimum utilisation at Sayakha by FY27.

-Expect to maintain alteast 25% growth rate going forward. Volume growth will be much higher.

-No major capex planned for the next 2-3 years.

-The management expects FY26 to be the turnaround year with Technicals business getting established and the foray into south region contributing substantially.

Key highlights

-Volume growth of 50% in Fy25 but value growth was around 25%.

-Q4FY24 profitability was affected due to finance costs and some fixed overheads. Going forward, Q1FY25 cost structure will fully rebase as it will be the first fully operational quarter for Sayakha plant.

-INR 62.5mn of one off was included to other expenses which pertained to professional fees paid for Sayakha plant set up.

-The company has also changed their discounts accounting, which will now directly will be adjusted in Revenue, which was further included in other expenses.

-Revenues of FY24 has been restated with a INR 90mn adjustment.

-Credit period in Technicals is higher than Formulations. 85-90 days cash conversion cycle is the desired and optimum level.

Technicals business

-Commercial production has begun at the Sayakha facility in April’24. 7-8 new products have been started in Phase 1 including Synthetic Pyrethroid and non Synthetic pyrethroid.

-The company had originally planned for only Synthetic pyrethroid but looking at industry scenario and opportunities, the company included other products too and had to incur additional capex for that.

-They target to achieve atleast 200 MT per month in the beginning, leading to 30% utilisation and expect to reach optimum utilisation within 3 years of operations. 25-30% of this will be captive consumption.

-Exports have already begun in the Asian market while registration process is ongoing at Americas, Europe and Australia. They expect to have much larger presence in the global market in the next 2 years.

-The management expects Sayakha to have major contribution going forward with Synthetic Pyrethroids showing an uptrend.

-They are currently working on preventing any negative contributions from Sayakha plant as they will be working on front load expenses and low utilisation for some time.

-The company is anticipating INR 700mn total overheads from the Sayakha plant in FY25. Q4FY24 overheads were around INR 100mn.

-The management feels that at 40% utilisation, Sayakha plant can achieve breakeven (INR 2-2.2bn sales). They do not expect to reach breakeven in FY25.

-The company targets to reach INR 1500mn revenues in FY25 from Sayakha plant excluding captive consumption and INR 2200mn for FY26. 30-35% of volume growth expected.

-The company booked INR 150-200mn EBITDA loss in the segment in FY24.

-Three new molecules will be introduced in Phase 2 by end of FY25.

-The management expects INR 4bn revenue from external sales by FY27. This is the peak revenue expected from the Sayakha plant.

-The management expects no change in demand from the anticipated anti-dumping duty being applied in North America.

Formulations business

-The company forayed into South Region, particularly in Orissa, Andhra Pradesh, Karnataka and Telangana. They do not plan to expand further as of now and plan to focus on penetrating these markets further for the next 2 years. The management expects robust growth coming in from these regions.

-Majority of the investments have been already done for branded business.

-Exports continued to remain challenging through the year.

-Formulations business is expected to compensate the Technicals loss in FY25.

-Targeting INR 8bn revenue from Formulations in FY25.

-The management feels prices have bottomed out and we will see an uptrend from here.

-Rajasthan, the region where the company had foray recently, has grown by 60%.

**Asahi Songwon Colors Ltd – Q4FY24 Concall KTAs**

**CMP: INR 365 | Market Cap: INR 4,538 Mn**

Outlook

The company reported improved performance in Q4FY24 after a challenging period, driven by stabilizing raw material prices and clearing of inventory pipeline. For FY25, the company expects the macro environment to improve further, leading to better pricing power and margins. It anticipates gross margins of approx 30% and EBITDA margins of 5-7% in the azo pigment segment. The company aims to achieve double-digit EBITDA margins on a consolidated basis in FY25. While no volume growth in FY24, the company expects improved consolidated volumes and turnover in FY25. The company expects the chemical industry, including APIs and intermediates, to improve further, it targets double-digit EBITDA margins in the API segment aided by backward integration. Debt levels are expected to be stable at ~INR 1950-2000 Mn. The company expects the global demand to come back in the 2025 calendar year after the US elections in November. It has ongoing strategic initiatives like new product launches and portfolio expansion, particularly in APIs which are planned to drive growth.

Financial Highlights

- Consolidated revenue from operations stood at INR 1259.7 Mn in Q4FY24 up by 1.77% YoY & INR 4,262 Mn in FY24 down by 15.52% YoY.

- EBITDA stood at INR 87.8 Mn in Q4FY24 up by 203.48%% YoY with margins at 6.97% & INR 182.6 Mn in FY24 up by 245.84% YoY and margins at 4%.

- PAT was at INR 9.1Mn in Q4FY24 up by 107.78% YoY & INR 156.4 Mn in FY24 up by 184.6%

Blue Pigments Segment

- Demand is gradually picking up, but not substantial yet.

- Prices have recovered by around 20% from the lows, and the company expects further improvement.

- Capacity utilization is around 70%.

Azo Pigments (Reds and Yellows) Segment

- Company's Azo segment reported improved numbers compared to the previous year, but growth was slower than expected.

- The company is working on expanding its product range and improving quality to drive growth in this segment.

- Its utilization rate for the yellow line was around 65% in Q4FY24.

Pharmaceutical Intermediates and APIs Segment

- The company's newly commissioned intermediate plant at Chhatral is operating at 50-55% utilization and expected to achieve PBT breakeven soon.

- The company has planned new product launches in this segment, but its main focus for FY25 is on improving margins through backward integration.

Raw Material Dynamics

- The company faced significant inventory losses in the past due to sharp declines in raw material prices.

- The company states that the raw material prices have now stabilized and started inching up, which bodes well for inventory profits in upcoming quarters.

- Key raw materials like phthalic anhydride, urea, and copper have seen price increases, which the company has been able to pass on to customers.

Debt and Working Capital

- The company's total borrowings stood at around INR 1,970 Mn as of March 2024, with short-term borrowings of INR 1,280 Mn and long-term borrowings of INR 700 Mn.

- The management expects the debt levels to remain stable or slightly reduce, unless additional capex is undertaken.

- Company's debtor's turnover ratio had increased to 105 days in FY24, but the company has bring it down to previous levels of around 90 days and aims to be around its long term cycle again going forward.

Capacity Utilization

- Company's blue pigment segment was operating at around 70% capacity utilization in Q4FY24.

- Its red pigment line's capacity utilization had improved to similar levels as the yellow line (around 65%).

Geographical Demand & Competitive Landscape

- Company's demand recovery in the blue pigment segment was not specific to any particular geography, as the company caters to global markets.

- It states the Indian manufacturers are the dominant suppliers of blue pigments globally.

- The company highlighted that a major global player in the azo pigment segment had filed for bankruptcy, which could create opportunities for other players.

Product Pricing

- In the API segment, the company noted that prices for its main product pregabalin had stabilized after declining over the past 12-16 months.

- Company's realizations per kg for the intermediates R-CMH and CMH were expected to be similar to that of pregabalin.

**Insecticides India Ltd Q4FY24 Concall highlights**
**CMP INR 532 | Market Cap INR 15,750mn**

**Insecticides India have posted decent growth in FY24 mainly led by volume growth and product mix along with cost efficiency measures. Their Maharatna portfolio continues to remain their growth driving unit and will continue the same going forward. They have many new products in pipeline especially in the value added segment which generate better margins and have high potential. The management believes prices have bottomed out and recovery is expected from hereon driven by decent growth in domestic markets.**

Key highlights
-Revenue came in at INR 2.72bn (-10% YoY). FY24 revenues grew by 9% to INR 19.66bn. Volume growth was around 20%.
-EBITDA came in at INR 90mn v/s INR (280mn) in Q4FY23, margin of 3.4%. FY24 EBITDA improved by 33% with margins of 8%.
-PAT stood at INR 80mn v/s INR (290mn) in Q4FY23. FY24 PAT increased to INR 1.02bn (+62% YoY).
-Net Working Capital days improved to 150. Debt to Equity improved to 0.09x.
-8 new products were introduced in FY24 and they generated INR 510mn revenues, shows signs of acceptance by the market.
-Changes in product mix and cost efficiencies led to improvement in profitability. Value added products have been the focus rather than volumes.
-Herbicides share dropped from 40% to 33% in FY24 while Fungicides share improved to 19% from 12%.
-Exports continued to be under pressure. The management expects revival and decent growth in FY25.
-Visible signs of demand recovery as above normal monsoon is expected in 2025.
-High cost inventory is gradually coming down in the global market.
-Working towards double digit margins in next 2 years largely led by new products.
-B2B business has seen decent growth of 5%. They continue to introduce new molecules.
-Chopanki expansion is complete and already functioning. Dahej plant is ready for production but some approvals are awaited and will help in backward integration and produce AIs which are to be launched in FY25.
-Working closely with farmers with a large base of retailers and distributors.
-Targeting atleast 20% volume growth in FY25.
-OAT and Insecticides India's JV are on track with their new products. They are currently evaluating process. These products will be launched in FY26 or early FY27. These products will be introduced in Indian market first and then introduced to global markets like Japan, Europe. The company does not see very high potential with these products and expect gradual growth.
-Export demand has been low comparative to domestic demand though there are signs of recovery. The management expects very minimal growth in their export sales as it not a large part of their business and expect the overall contribution to grow to 7-8% from current 5%.
-The company is moving out of old generics and moving to better products which have better margins.

B2C business led by Maharatna portfolio

-B2C revenue saw 11% growth. Value added products in “Maharatna” portfolio continues the upward trend (27% growth) and improved its contribution to 59% in B2C business. Shinwa, Torry and other products launched in the last 3 years have seen robust growth with INR 5bn contribution to total revenues.

-B2C business will continue with double digit growth led by Maharatna. R&D support has been strong which enables them to launch new products.

-The company targets to achieve 65% contribution from Maharatna in B2C business in the next 2 years. Long term target is 75%.

-The company has 5-5.5% market share in B2C. They continue to work on improving market share with new molecules and new value added products.

-If the product has long term value, good margins and decent revenues, the company classifies them in Maharatna portfolio.

-Maharatna products have around 35% gross margins.

Arihant Capital Markets Ltd

Aimco Pesticides Ltd-Q4 FY24 Concall KTAs
CMP: INR 95 |Market Cap: INR 907 Mn

Outlook: The company is hopeful for a better demand environment on the export front, while simultaneously doubling down on its successful domestic market strategy. The domestic agrochemical brand business segment's success, coupled with the launch of a dozen new products and expansion into Kerala and Rajasthan markets, the company targets 25% revenue growth in FY25. The company has commercialized three new products, set for material scale-up in FY26, and a complex herbicide is in development. Furthermore, the company plans to attain Zero Liquid Effluent discharge status in the next three years.

Financial Performance
* FY24 revenue stood at INR 2,072 Mn, a YoY growth of 0.5% and the Q4FY24 revenue was at INR 366.8 Mn, YoY decline of 12% and a QoQ decline of 16.8%.
* FY24 EBITDA stood at INR -64 Mn, a YoY decline of 299% and the Q4FY24 EBITDA stands at INR -34.8 Mn, a YoY decline of 8%.
* PAT for FY24 stood at INR -100 Mn a YoY decline of 359% and the Q4FY24 PAT was INR -38.3 Mn, a YoY increase of 19%.

Business highlights
* The company faces intense price competition from Chinese manufacturers in key export markets like North America, Brazil, and Australia.
* The chlorpyrifos business margins have improved, with volumes expected to grow by 25%. The plant is running at full capacity.
* While volumes for Trichlopyr increased by 40%, selling prices declined substantially (by 40-45%), limiting top-line growth. The company is working on commercializing a few new products for contract manufacturing.
* The bifenthrin margins are not attractive at the moment, but volumes are strong.
* The domestic agrochemical brand business is a silver lining, showing decent growth in FY24 and better margins.
* The domestic agrochemical brand business has shown resilience and decent growth in FY24. The company expects further improvement in FY25.
* The company has a 6,000 tonnes annual capacity for technicals, a 7,000 kl for liquid formulations, and 7,000 tonnes for granules.
* The company is currently operating at about 70% capacity, which is to continue for another quarter.
* The company’s R&D expenditure is INR 34 Mn in FY24.

Product Development
* Three new products; two insecticides, and one growth promoter are being commercialized, with material scale-up expected in FY26.
* A complex herbicide with 14 steps is in development, in the company, with patents expiring next year.

* The company is focusing on adding molecules with better margins and larger market opportunities. Brands for these new molecules have been launched in domestic markets.
* Material scale-up is expected in FY26, while some revenue will start from Q2FY25 through domestic brand sales.

Capex
* The company will initiate capex for setting up a new formulation facility for the domestic brand business in the next financial year (FY26).
* The company has acquired land near its existing plant and plans to set up a new formulation facility (for domestic brand business) and a technical manufacturing facility (for new molecules) on the two plots.

Margin guidance
* The company expects to maintain gross margins of 30-35% for the domestic brand business in FY25.
* Realizations on an EBITDA level expected to be at INR 750 Mn and margins of 20-22% from the domestic brand sales business in FY25.
* Gross margins are expected to be maintained for the newly commercialized products for a few more years.

Arihant Capital Markets Ltd

Jyoti Resins and Adhesives Ltd Q4FY24 Concall highlights
CMP INR 1345 | Market Cap INR 16.14bn

The company is focusing on expanding their market share through new brand strategies, penetrating newer markets and focusing on team building. Competition in the industry has increased which may impact the company marginally. Going forward, the company will focus on yearly growth due to seasonality.

Financial performance
-Q4FY24 saw revenue growth of 9.5% YoY to INR 712,4mn. FY24 revenue degrew marginally by 1.5%.

-EBITDA came in at INR 212.3mn (+5.8% YoY), margin of 29.8%. FY24 saw robust margin expansion by 941bps to 32.61%.

-PAT came in at INR 187.7mn (+14.4% YoY), margin of 26.35%. FY24 PAT margin increased by 831bps to 26.08%.

Key highlights
-Q3-Q4FY24 saw major recovery as H2 is generally better due  to seasonal business.

-Delhi and UP region, the company forayed into last year, have responded positively.

-Focused on penetrating western region.

-They are analysing consumption patterns of customers to improve their product mix.

-Other income included interest coming in from recent FDs.

-Q4 has seen degrowth in margins. The company wanted to increase topline in the quarter thus they went for volume growth through aggressive marketing. They targeted customer acquisition, thus gave discounts on products. Profitability was impacted but there was revenue growth.

-Vision of 20% CAGR; management optimistic for Q3-Q4 growth in FY25.

-The management feels 20-25% EBITDA margins are sustainable.

-The company has witnessed increased competition in the last 1-1.5 years. The management feels the increased competition will continue to affect the industry for some time. The company will focus on their long term business strategies.

-Dealer expansion may see some slow down.

-Customer retention is their first priority, post which the company will look to expand further.

-Building materials sector will see robust growth in the long term. Rural region is seeing early signs of demand growth.

-The company never plans to have online presence and will continue to sell their products through retail and dealers.

-The company looks to revamp their team, branding/marketing strategies, brand awareness and increase focus on customer demand (especially on carpenters).

-Market share of unorganised players is very minimal due to challenges in retail market. The company mostly looks to compete with the market leader, rather than small players.

-As the company directly deals with retailers, thus their receivable days are on the higher side. The company prioritizes market share expansion. 80-85% of their sales come directly through retail while the balance comes from Dealers.

-New markets have higher receivable days of 100-120 while established market have lesser receivable days of 70-75. The company is not facing bad debt issues. The company has 35% market share in Gujarat.

-75-80% comes from 5 states including Gujarat, Maharashtra, Madhya Pradesh, Karnataka. Maharashtra and Karnataka have witnessed robust growth recently. Newer states can achieve 35-40% growth rate which the company is comfortable with 10-15% growth in established markets.

-Telangana, Andhra Pradesh, West Bengal, UP and Delhi are the new markets where the company sees major growth. Average realisation has been around INR 230-235 in FY24.

-The management acknowledges that they could not achieve their revenue growth guidance but insisted on margin growth, which has been substantial.

-The management insisted on evaluating yearly growth rather than quarterly growth as it is a seasonal business.

-The company has advantage of raw material prices which allows them better margins.

-New capex will be planned next year and executed within next 2 years.

-Target of 20% market share in Mumbai along with increase in hardware store network.

-No new products currently planned till the company achieves substantial market share with their existing products.

-Current capacity utilisation is at 55%. At peak utilisation of 90%, the company can achieve INR 4-5bn revenue.

## Navin Fluorine International Ltd Q4FY24 Concall highlights

**CMP INR 3,377 | Market Cap INR 167.65bn**

**Plans to focus on innovator molecules and have good pipeline of new molecules in the Specialty Chemicals segment. CDMO business has high revenue growth potential, especially with onboarding new customers, current product pipeline and focus on early and commercial stage molecules. R32 prices were lower in the year resulting in muted growth in HPP segment. Strong growth anticipated in Refrigerant gas market will aid in volume growth.**

### Key highlights:

• Revenue for Q4FY24 was at INR 6.02bn (-14% YoY/+20% QoQ)

• EBITDA came in at INR 1.1bn (-45% YoY/+45% QoQ), margin of 18.3% (-1067bps YoY/+315bps QoQ)

• PAT came in at INR 704mn (-48% YoY/10% QoQ).

• Specialty chemical segment saw 26.2% growth; HPP growth was marginal at 2.5%; CDMO segment degrew significantly by 76.5%.

• Net debt to Equity stands at 0.35.

• Total dividend for FY24 at INR 15/share.

• Margins have been lower primarily due to degrowth in CDMO business and lower Refrigerant gas prices. As operating leverage plays out, margins will further improve.

### HPP:

• Working in collaboration with Honeywell to ramp up plant at Dahej. Production was much higher in Q4 compared to other quarters; plants running at full capacity.

• Lower HFO volumes in the quarter along with low export realisations.

• R32 pricing has seen positive trends; current market conditions indicate strong growth in refrigerant gas business. R32 plant capacity doubled; to be operational from Feb’25.

• AHF Capex to commission by late FY25/early FY26.

• If current plant stabilisation momentum continues, 1.3x volumes can be achieved in FY25.

### Specialty chemicals:

• Industry is facing major headwinds; NFL is well placed due to long term contracts with a continued focus on innovating molecules. Continuous pipeline of new products provides opportunities.

Chemical charge at Agro specialty plant initiated; commercial production from Q1FY25 with firm orders already in place.

• Capex of INR 300mn done for new capacity at Surat.

• MPP has many new and existing molecules under its pipeline. At 80% utilisation, peak revenues of INR 2.6-2.8bn is expected.

• Upgrading existing plants to cater to higher level of molecules.

• Exploring performance/advanced materials opportunities along with looking to expand customer base in US, Europe and East.

**CDMO:**

• Weak due to deferred sales of key molecules and delated validation for few for next stage. Future pipeline with current molecules to be robust.

• cGMP4 capex announced of INR 2.88bn. Phase 1 to commission by CY25; largely will cater to Fermion. Phase 1 has revenue potential of US$ 100mn.

• 50% orders in hand for FY25 from large European customer (Fermion). Expect to see growth from H2FY25. As validation process is long and revenues will be coming in incrementally, H1 is expected to not see much contribution. Incremental 2x growth YoY expected in revenues.

• Received FDA approval for one drug which has significant revenue potential.

• Split between early stage and commercial molecules will be 50:50.

**Meghmani Organics Ltd – Q4FY24 Concall KTAs**

**CMP: INR 83 | Market Cap: INR 20,986 Mn**

**Outlook**

**Meghmani Org Ltd is optimistic about the current financial year FY25 and expects a significant improvement over the previous year, although it may not reach the levels from two years ago. The company sees growth opportunities in its two main segments - titanium dioxide and nano urea. For titanium dioxide, the management expects the anti-dumping duty initiation against Chinese imports to help domestic manufacturers. In the nano urea segment, the government's push to replace conventional urea imports with nano urea under the PM Pranam Paramparagat Krishi Vikas Yojana provides a large market opportunity. The management guided for 60% capacity utilization in titanium dioxide this year and plans to introduce 4-5 new products in the nutrition segment alongside nano urea to provide a basket of offerings to farmers.**

**Financial Performance**

- Q4FY24, revenue reached INR 3,998 Mn, showing a gradual improvement compared to the previous quarter. However, the revenue for FY24 amounted to INR 15,399 Mn, influenced by sluggish demand and reduced price realizations.

- EBITDA for Q4 FY24 stood at INR 101 Mn. The full-year EBITDA for FY24 was INR 95 Mn, affected by market conditions and approximately INR 700 Mn inventory destocking.

- The profitability for FY24 experienced negative impacts due to market conditions and inventory destocking.

**Operational Performance**

- Crop protection accounted for approximately 70% of revenue in FY24, but its performance suffered from a global demand slump and excess inventory in distribution channels.

- Pigments, contributing around 30% of revenue, faced challenges from industry-wide price declines due to reduced global demand.

- The newly commissioned Nano Urea Plant in March 2024 is anticipated to make a substantial contribution starting from FY25.

- Additionally, the Titanium Dioxide ($TiO_2$) Co-gen Power Plant, which came online in the last quarter, is aimed at lowering energy expenses.

**Titanium Dioxide**

- Indian market size is around 400,000 tons, with 70% being imported. Major application is in the paints segment (>70%)

- Current capacity is 16,500 tons, targeting 60% utilization this year. Anti-dumping duty initiation against Chinese imports expected to help domestic players

**Nano Urea Segment**

- Developed by IFFCO, company's product is identical in quality. Current capacity is 50 Mn bottles (25,000 tons)

- Efficient absorption, reduces soil/air/water pollution. Government plans to restrict 9 million tons of urea imports by FY26 in favor of nano urea. The company sees a significant market opportunity as government aims to reduce subsidy burden.

- Unlike conventional urea which receives government subsidies, nano urea is not subsidized, reducing the fiscal burden on the government.

- Replacing conventional urea imports with domestically produced nano urea can help conserve foreign exchange reserves.

- Nano urea offers better results for farmers at a lower price compared to conventional urea, making it an attractive alternative.

- For the Nano Urea segment, the company expects margins of 15-17% and ROCE similar to company level in a normal environment.

**Business Strategy**

- To mitigate the impact of Chinese pricing pressures, the company is strategically shifting its product mix towards more value-added offerings where Chinese competition is less intense.

- The company aims to balance its revenue mix, which is currently heavily skewed towards exports, by targeting the domestic market for titanium dioxide, aligning with the government's Atmanirbhar Bharat initiative.

**Agrochem Business**

- The agrochemical business faced demand headwinds in FY24, but a recovery is expected going forward.

- While Meghmani has undertaken backward integration for some products, the benefits are currently offset by Chinese dumping of intermediates, though the long-term strategic importance of integration is recognized.

**Concerns**

- Market conditions are dampening demand across Crop Protection and Pigments sectors.

- Affecting current profitability, yet anticipated to ameliorate in the FY25.

- Ongoing dumping of Titanium Dioxide by China persists in affecting pricing, although measures against dumping are anticipated.

- The company is recently venturing into the fertilizer/nutrition domain, with success reliant on market reception of Nano Urea.

**Other Highlights**

- Under the PM Pranam Paramparagat Krishi Vikas Yojana, the central government incentivizes state governments to promote the use of nano fertilizers like nano urea by offering them 50% of the subsidy savings they achieve through reduced conventional fertilizer usage.

- The Phase 2 expansion for titanium dioxide is contingent on the successful ramp-up of Phase 1 operations.

- The main raw material for titanium dioxide production is ilmenite ore, which is a naturally occurring mineral. The company sources it from Indian Rare Earth as well as through imports, providing flexibility.

- For crop protection products like pyrethroids, India has an advantage over China in terms of cost-competitiveness, allowing them to export these products to China.

- Company plans to repay ~INR 140 crore debt in the current financial year, with further reduction planned for the next year.

- No significant CAPEX planned for the next one to two years due to recent investments in infrastructure.

- Management expects significant working capital improvement in FY25.

**Jain Irrigation Systems Ltd – Q4FY24 Concall KTAs**

**CMP: INR 69 | Market Cap: INR 46,342 Mn**

**Outlook**

**The company aims to double digit revenue for FY25, driven by growth across various business segments. The company plans to expand its distribution network into residential and plumbing applications for its plastic pipes business, beyond the current focus on the agricultural market. The company is building an ecosystem across the agricultural value chain, offering inputs, irrigation systems, and processing/buying back outputs from farmers, creating multiple touchpoints. However, the company's performance may be influenced by external factors such as monsoon patterns, state elections, and the pace of receivables recovery from government projects in the short-to-medium term.**

**Financial Highlights**

•Consolidated revenue stood at INR 17,266 Mn in Q4FY24 down by 1.1% YoY & INR 61,473 Mn in FY24 up by 7% YoY.

•Consolidated EBITDA stood at INR 2,636 Mn in Q4FY24 up by 6.9% YoY with margins at 15.3% & INR 8,552 Mn in FY24 up by 16.8% YoY and margins at 13.9%.

•Consolidated PAT was at INR 375 Mn in Q4FY24 & INR 910 Mn in FY24.

**Business Segments and Growth**

•The company’s tissue culture business grew from INR 1,770 Mn in FY23 to INR 2,500 Mn in FY24, and is expected to reach INR 3250 crore in FY25.

•Its piping business witnessed higher growth than the drip irrigation business in FY24, and the market sentiment remains positive for this segment.

•The company expects the food business to grow at around 15% in FY25, compared to single-digit growth in FY24.

•They plan to expand into new applications like residential plumbing, sewage, and drainage pipes, in addition to the existing agricultural pipes segment.

**Strategies and Focus Areas**

•The company is winding down the government project business and recovering maximum receivables over the next 12-18 months.

•It is further strengthening the dealer network in existing markets and expanding into new geographical regions.

•

The company is building an ecosystem across the agricultural value chain by supplying inputs, buying back outputs, and creating more touchpoints with farmers.

•The company is exploring opportunities in the residential and plumbing segments for the plastic pipes business.

•Building a stronger dealer network, even in states where they currently operate through government portals.

**Receivables and Debt Reduction**

•The company aims to bring down government project receivables to around INR 6,000-8,000 Mn on a net basis over the next 12-18 months.

•This receivables recovery will be utilized for debt repayment, leading to de-leveraging of the balance sheet.

•The Company is targeting to reduce debt to a level of INR 4,000-5,000 Mn over the next 12-18 months.

**Monsoon and Elections Impact**

•A good and timely monsoon in FY25 is expected to boost demand for the company's products, as farmers will have access to water and be more inclined to invest in irrigation systems.

•However, the company acknowledges that monsoon patterns and upcoming state elections could impact demand in the short term.

**Working Capital Management**

•The company aims to improve its working capital cycle by reducing receivable days, especially in the retail business.

•In FY24, the company's net working capital cycle improved by 15 days compared to the previous year for the India business.

•The company expects further improvement in the working capital cycle as the government project receivables are recovered.

**Capacity Utilization and Expansion**

The current capacity utilization across the company's businesses is around 50-55%, owing to seasonality factors.

•The company believes that the business can be doubled from the current levels without significant additional capital expenditure, primarily through improved capacity utilization.

**Market Share and Competition**

•The company estimates its market share in the drip irrigation segment to be over 30%.

•In the plastic piping business, the company has a high single-digit market share overall.

•

The company is benefiting from challenges faced by competitors in the government project business, as it has a stronger presence in the retail market.

**Corporate Developments**

•Jain Irrigation's associate company, SuffolK, an NBFC, has repaid all its liabilities, removing the overhang of corporate guarantees issued by the company.

•The company's long-term external credit rating has been reaffirmed at investment grade (BBB-) by CRISIL.

**Mitsu Chem Plast Ltd Q4FY24 Concall highlights**

**CMP INR 150 | Market Cap INR 1,810mn**

**Packaging and Plastic industry has been facing headwinds like low realisations and subdued demand. However, revival is expected in the medium term. Export market is not performing well but domestic demand has been stable.**

**Key highlights –**

-Revenue came in at INR 825mn. EBITDA came in at INR 75.2mn. PAT stood at INR 28.3mn.

-Packaging business contributed 85.7%, Hospitals furniture contributed 9.65% while other products contributed 4.65% to total revenue.

-Q4FY24 did see some improvement in revenue on QoQ basis but YoY performance remains stagnant. The company did not see any growth in FY24 compared to FY23. Q3 and Q4FY24 have seen minor improvements when compared to first 2 quarters.

-Total debt stands at INR 780mn including long term debt of INR 357.2mn. They plan to repay some debt in the current quarter.

-The company completed the rights issue of 15.09L shares in the quarter. INR 150mn was used for loan repayment and balance was used in reserves and working capital from the funds raised through rights issue.

-Total production capacity 26,000 MT, capacity utilization 71%. At 85-90% optimum utilisation, the company can achieve INR 4500mn topline.

-Volumes increased 13.8% in FY24 but revenue remained stagnant due to low realizations and low RM prices.

-There is currently no subsidy from the government for companies increasing focus towards sustainability.

-Overall, exports from India have not been great but domestic consumption has been stable.

-RM prices depend on demand and supply in the market. There have been no major changes in RM prices in the last 2 quarters even though crude prices have been volatile.

-The management is expecting new reforms from the government for the industry.

-The company is prioritizing to increase profitability and achieve double digit margins as volumes are expected to see no major growth.

-The company is also working on technological advancements and have added new PET machine for the same. They continue to work on new products to be introduced in FY25. They have not yet received approvals from customers for their new products.

-In the ongoing quarter, the industry is working at low capacity due to low manpower, mostly in Maharashtra and Gujarat.

-The management is positive that packaging industry will see robust demand in the coming time, but the current market demand is not reflecting the same.

-Automotive segment of the company has not been doing well when compared to their Packaging and Furniture segment.

-The company cannot maintain their order book of more than 1 month due to price volatility.

-Pail containers, which the company has started recently, has high entry barriers. They are currently struggling with this product but are expecting good orders to come in.

**PI Industries - Q4FY24 Concall Highlights**

**CMP: INR 3,660 | Market Cap: INR 555,390 mn**

**Outlook: The Company witnessed sequential fall across most financial parameters in Q4FY24. However, with robust Pipeline of products, and the Company's revenue growth guidance of 15%, we can expect overall company performance to be better as the newer products aren't from the Agri-chem space which has been maximum impacted among the chemical sector, thereby chances of margin stabilization along with growth.**

**Guidance:**

•The Management expects the Gross margins to be in the range of 49-50% in FY25 and the EBITDA margins to be normalized at 25-26% similar to Q4FY24.

•The Management expects an overall revenue growth of 15% for the fiscal year FY25.

•The Company intends to do INR 8-9 bn of Capex for FY25.

**Key Highlights:**

•Q4FY24 Revenue came at INR 17,410 mn (down 8.24% QoQ/ up 11% YoY), EBITDA came at INR 4,442 mn (down 20% QoQ/up 26% YoY), EBITDA Margins stood at 26% in Q4FY24 (against 29% in Q3FY24 & 22% in Q4FY23), PAT came at INR 3,695 mn (down 17.4% QoQ/ up 32% YoY).

•The Management acknowledged that the industry is seeing Pricing pressure and investory de-stocking is expected only from the H2FY25.

•In FY24, the Company's 70% of the growth came from the introduction of New Molecules. The Company says they have a robust pipeline of new molecules and the share of non-active molecules to new molecules stood at 50%.

•The Management sees strong contribution to growth on the back of the new Molecules to be introduced by the company.

•On the Domestic side, The Company saw subdued performance owing to the erratic monsoon and menial conditions which led to long dry spells impacting insecticide and herbicide sales in certain geographies.

•In the biological segment, the Specialist band saw a 35% traction growth in Q4FY24.

•The Company has launched 17 new domestic brands during the year, and all of them have been received well in the markets.

•The Company is in the process of building an integrated CRDMO market and business for which the initial upgrade to the research facility, infrastructure upgrades, manufacturing facility, and human capital buildup process is progressing well. They are also augmenting a talent base by hiring global industry experts and the front of business development. As per the Management, the R&D and pipeline inquiries for the same has started shaping up to help achieve aspirational long term growth of this segment.

•The R&D setup designed global specification and world-class standards engages more than 700 scientists and 165 PhDs, which has delivered more than 170 odd Patents so far.

•The Effective Tax Rate for FY24 is 11.3% with a one-off gain of around 3% in their pharma subsidiary PI Health Sciences.

•The Working capital days were reduced from 79 days in March 2023 to 59 days in March 2024.

•The Management saw improvement in the balance sheet with CapEx at INR 10,823 mn, including Pharma acquired assets of INR 4,972 mn. The Surplus cash net of debt stood at INR 38,825 mn as of 31st March 2024.

•The management expects the deductions to continue for their business, and the Effective tax rate to be in the 24% Tax Rate range for FY25 and FY26.

•The development process of the Pharma segment is expected to continue over the next 1 and a half years, and the management expects the Pharma business to achieve Normalized levels of EBITDA margins post that.

**PCBL Ltd – Q4FY24 Concall KTAs**

**CMP: INR 258 | Market Cap: INR 97,744 Mn**

**Outlook**

**The company anticipates reaching full capacity utilization at the Tamil Nadu plant by Q3 or Q4 of FY25. PCBL is targeting an 11-12% CAGR in volume growth, necessitating the addition of 80,000-100,000 tons of capacity annually. To accelerate growth momentum, the company plans to rapidly expand the capacities of various specialty chemicals in Aquaform. The management expects the Indian tire sector to grow at a high single-digit to low double-digit rate over the next few years. Aquaform Chemicals has generally generated around 20% EBITDA margins in the past 3-4 years when operating at approximately 60-65% capacity utilization. With higher capacity utilization and operating leverage, there is significant scope for margin improvement in the Aquaform business. Additionally, PCBL will invest an INR equivalent of USD 28 Mn in the NanoWaste Technologies JV for capital expenditure and the commercialization of technology over the next 1.5-2 years.**

**Financial Highlights**

•Consolidated revenue stood at INR 19,288 Mn in Q4FY24 up by 40.39% YoY & INR 64,198 Mn in FY24 up by 11.18% YoY.

•Consolidated PAT was at INR 1,109 Mn in Q4FY24 down by 25% YoY & INR 4,911 Mn in FY24 up by 11.06% YoY.

•Consolidated sales volume in Q4 FY24 was 1,42,000 Tons, up 20% YoY & 5,31,000 Tons in FY24 up by 20% YoY.

**Operational Highlights**

•The company has commissioned the Greenfield Carbon Black Project in Chennai with a capacity of 1,47,000 Tons .

•Company's total installed capacity on a consolidated basis stands at 7,70,000 Tons.

•The company has commissioned a 24 MW cogeneration captive power plant at the Tamil Nadu site, taking the total cogeneration power capacity to 122 MW.

•The new Tamil Nadu facility is based on Industry 4.0 standards, incorporating AI, machine learning, and data analytics.

•The company has also commissioned one specialty black line of 20,000 Tons in Mundra, Gujarat, and another 20,000 Tons line is under implementation.

•Company's total manufacturing capacity is expected to reach 7,90,000 Tons in the current year.

•PCBL acquired 28 acres of land in Mundra for future expansion requirements.

**Strategic Initiatives**

•The company has acquired Aquapharm Chemicals Private Limited, a leading specialty chemical company with end applications in detergents, water treatment, and multiple other applications.

•Also it has formed a joint venture with Kinaltek, an Australian company, to develop nano-silicon additives for lithium-ion battery anodes.

•The company has incorporated a wholly-owned subsidiary, PCBL Europe SRL, in Belgium to enhance research and development initiatives and better serve European customers.

•The company has secured two patents related to oxidized and surface-modified grades for applications in ink, coatings, and improving fuel efficiency and tire life..

**Aquapharm Chemicals Acquisition**

•Company's recent acquisition Aquapharm chemicals pvt ltd derives over 75% of its revenue from the Western markets (USA and Europe) and its key products include phosphonates, polymers, green chelates, and oil & gas chemicals.

•Its Major customers include FMCG giants like P&G, Unilever, Henkel, as well as oil & gas companies like Halliburton and Baker Hughes.

•It Has production facilities in the USA, India, and Saudi Arabia.

•The acquisition was completed on January 31, 2024, for a total consideration of INR 38,500 Mn.

•The company is working on integrating Aquapharm's business and aligning its vision with their growth plans.

•Capacity expansions for various specialty chemicals at Aquapharm are planned to accelerate growth momentum.

**Research and Innovation**

•Research and innovation are important drivers of technical advancement and business expansion for the company.

•The company has intensified its commitment to research by making substantial investments in infrastructure, human capital, and streamlined processes.

•These investments have significantly bolstered its capabilities in new product development, customization, application, and process efficiency.

**Debt and Capital Expenditure**

•PCBL issued 16 Mn warrants convertible into equity shares at INR 280 per share, aggregating to INR 4480 Mn, to the promoter group to deleverage the balance sheet.

•For the brownfield expansion of 1,10,000 Tons, the capital outlay for the company will be around INR 5,000-5,500 Mn, over the current and next year.

•For the planned greenfield project (similar in size to the Tamil Nadu plant), the capital outlay is expected to be around INR 9,000-10,000 Mn.

•In the USA, Aquapharm will be spending around INR 1,800 Mn over the current and next year for capacity expansions.

**Carbon Black Business**

•The expansion will help the company significantly increase its global market share in carbon black.

•The company did around 54,000 Tons of international carbon black sales volume in Q4 FY24.

•The company sees a large opportunity in the Western European market (around 2 Mn ton market) as it looks to de-risk from overdependence on Chinese and Russian suppliers.

•The company aims to grow quickly in the European market, leveraging its infrastructure, supply chain, and local presence.

**Competitive Intensity**

•The company believes customers have lost confidence in Chinese suppliers due to their inconsistent supply.

•Customers prefer long-term strategic relationships with companies like PCBL rather than spot transactional relationships with Chinese suppliers.

•The company believes it is one of the best in terms of technology, productivity, and yield, giving it an edge over Chinese competitors.

•PCBL has constantly improved its performance despite India adding almost 60,000 Tons (60% of previous capacity) in the last three years, resulting in oversupply in the market.

**Working Capital Management**

•Aquapharm currently has an operating cycle of around 90 days, which is relatively high.

•The company is looking at alternate geographies for sourcing to reduce the operating cycle.

•On a consolidated basis, the management expects the working capital cycle to be around 70-75 days, which is common in the chemical industry.

**Margin Profile**

•Company’s current EBITDA per metric ton in the carbon black business is around INR 22,600.

•The company believes that even with capacity additions by other players and temporary oversupply situations, it can maintain its margins through operational efficiency, product portfolio improvements, and market share gains.

•Despite a 60% capacity addition in India over the last three years, the company has managed to improve its performance and margins.

**Laxmi Organic Industries Ltd Q4FY24 Concall highlights**

**CMP INR 257 | Market Cap INR 70.82bn**

**Laxmi Organics has delivered decent performance in the quarter as well as FY24 despite the industry headwinds. Given the diverse customer base and end user industries, the company did not have to face much pressure. Their expansion plans have been going well and the company will comfortably fund their future capex with their healthy cash flow from operations. They continue to focus on improving their product portfolio.**

**Key highlights**

-Total income stood at INR 7920mn (+8.5% YoY). Gross profits improved to 37%. EBITDA stood at INR 979mn (+51.7% YoY), margin of 12.2%. PAT saw 82% growth YoY standing at INR 443mn.

-FY24 performance saw marginal growth despite the current industry headwinds. Margins remained flat.

-Cash flow from operations (INR 5986mn in FY24) has been impressive despite the company being on a heavy capex cycle.

-Overall volumes increased by 14% in FY24 and 23% in Q4FY24.

-Revenue mix – 67% specialty and 33% Essentials.

-Exports improved to 70%. Due to low demand in Europe and better demand in North America, Europe's share decreased to 32% from 55% while America's share increased to 26%. Rest of Asia pacific sales also improved to 19%.

-BOD has approved merger of wholly owned subsidiary at Lote i.e. Yellowstone Fine Chemicals Pvt Ltd into Laxmi Organics.

-There has been an improvement in WC days as there was sharp increase in payable days. The company has started procuring 95-97% of their ethanol requirements via imports which gives them higher credit period and better prices v/s domestic. They intend to continue with this practice.

**Essentials chemicals**

-New products share in total revenue is seeing improvement sequentially.

-Volumes in Essentials have grown at 20% in FY24, 14% in Q4FY24. They continue debottlenecking capacity and expect to increase 5%.

-Essentials segment already has enough exports presence. During FY24, the demand in the international market slowed down thus the exports were on the lower side but Q4FY24 did see some improvements.

**Specialty Chemicals**

-Specialty segment's topline has grown 15% in FY24 and also seen improvements in Q4FY24.

-The customer base for specialty chemicals is very broad and continues to improve. They want to focus on expansion so that they are not dependent on some industries.

**Expansions**

-Lote facility for fluoro intermediates has been completed. First sales were achieved in FY24 by supplying a specialty product to key customer in Q4FY24. Revised timelines have been achieved and ramp up will be done in FY25. They have also signed a contract with MNC for delivery in FY25.

-Dahej site has received first approvals and construction will begin in Q1FY25.

**Industry outlook**

-No major change in China, Europe in chemical space. High cost, lower demand continues.

-Demand in North America has been better than other regions. Domestic demand has also been decent.

-Ethanol was in range of $720-750/MT and will continue. Acetic acid $430-450/MT range and will persist.

-The management feels overcapacity is one of the major reasons behind pricing pressure in the industry.

**End user industries**

-Coatings – Q4 has been in line with expectations. Demand momentum continues.

-Pigments – Demand has improved in Q4.

-Pharma – Domestic continues to be stable with improved exports. Pricing still remains under pressure.

-Agro – Remains subdued due to destocking. End products under pressure due to excess competition.

-Packaging – Domestic demand normalised with festive season upcoming.

**Godrej Agrovet Q4FY24 Concall KTAs**

**CMP: INR 555| MCap: INR 10,654  Cr| TTM EPS: INR 18.7**

Arihant Capital

Strong growth in animal feed and crop protection, whereas the vegetable oil segment saw a margin impact due to decreased end-product prices.

Heightened focus on VAPS across segments and efforts to improve operational efficiency, particularly in the dairy segment.

The company expects continued growth in animal feed, vegetable oil, crop protection, and dairy segments.

Astec Lifesciences' enterprise product segment performance seems dubious due to unfavorable market dynamics, and intense competition in the liquid milk segment of the dairy business also causes concern.

Significant investments made in recent years expected that would now start to contribute to future revenue.

Significant improvement was seen in PBT reaching INR 434 cr in FY24, a 55% increase vs INR 280 cr in FY23.

Animal Feed saw a double-digit volume growth in Cattle and Fish feed with improved margins.

Vegetable Oil Margins were impacted by decreased end-product prices despite volume increase but had a continued focus on improving extraction ratios and expanding operations.

Crop Protection saw Strong performance with 36.8% topline growth and 31% segment margin with a continued focus on in-house and licensed product growth.

Astec LifeSciences has a Subdued performance in enterprise products, but contract manufacturing and new products did well and will be the future drivers of performance.

Dairy saw a Structural turnaround with improved profitability and a focus on value-added products.

Godrej Tyson Foods had a Robust improvement in profitability driven by higher prices and branded products.

ACI Godrej Agrovet had an 8% year-on-year revenue growth and a 117% increase in profitability.

CAPEX of INR 250-300 cr is planned.

**Nath Bio-Genes Ltd Q4FY24 Concall highlights**
**CMP INR 193 | Market Cap INR 3,670mn**

**Targeting 15-20% topline growth and 100bps improvement in PAT margins for FY25. Focus remains on expanding non paddy, non cotton portfolio with hybrid seeds. Many new products already in pipeline. Better monsoon will be beneficial for the business leading to robust Q1FY25. Export market is a big opportunity for the company. Short target to achieve INR 5bn top line remains intact.**

Key highlights:

Revenue came in at INR 430mn (-4% YoY)

Gross margins improved by 1000bps to 73% in Q4FY24. For FY24, margin improved to 60% from 55% in FY23.

EBITDA improved by 10% YoY to 45mn, margin of 10%.

PAT saw improvement by 100% YoY to INR 32mn.

Overall, FY24 did see marginal improvement.

Began trials and seed production activities in Uzbekistan through JV for crops in harvesting stage.

Focus on expanding non cotton, non paddy portfolio. The portfolio achieved 16% growth in the quarter.

Hybrid and Basic paddy ratio (Volume) was 25:75. In terms of value, it was 41:59. Target to achieve 50:50 split in near term. Average ASP of hybrid paddy is double of basic paddy.

Focus on Bajra with Super 27 led to 26% growth.

Working capital position improving with control on stock and debtors. Operational cash flow of INR 747mn in FY24.

Indian seeds have huge potential for exports given economic production and and diverse climate conditions. The company has chosen few countries and few products which are suitable. Focus currently is on understanding the need and developing products accordingly. Operations in Philippines re initiated along with JV in Uzbekistan. Already present in Egypt, Bangladesh and Myanmar.

Pipeline of new products in evaluation and testing phase, getting ready to be launched. Peas introduced in the vegetable portfolio recently.

With better monsoon anticipated this year, Q1 is expected to outperform significantly going by historical performance.

**DCM Shriram Ltd Q4FY24 Concall highlights**

**CMP INR 973 | Market Cap INR 151.72bn**

**Earnings have bottomed out and growth is anticipated hereon aided by new capacities. Agri inputs business to rebound in FY25. Chloro Vinyl segment to see significant growth in the medium to long term driven by Caustic Soda, Chlorine, Hydrogen and other value added products.**

**Key highlights:**

• Revenue came in at INR 23.99bn (-12% YoY), due to subdued prices and low volumes in Chloro Vinyl segment.

• EBITDA came in at INR 2.89bn (-22% YoY), margins of 12%.

• PAT stood at INR 1.18bn (-37% YoY), margin of 4.9%.

• Net debt increased to INR 14.34bn v/s INR 6.81bn in FY23. Cost of debt 7.5%. Want to maintain debt to EBITDA level of 1.5-2x. Annual repayment between INR 1-1.5bn,

• All segments have witnessed degrowth excluding Fenesta and farm solutions in Q4FY24 as well as in FY24.

• Tied up INR 3bn towards sustainable developments.

• Capital employed increasing in Chloro Vinyl and Sugar business.

• Power cost optimisation project sanctioned with capex of INR 1.2bn.

• Board recommended final dividend of 130% amounting to INR 405mn.

**Chloro Vinyl:**

• Commissioning of capacity expansion of 850 TPD will improve efficiency in the near term. Other plants also in advance stages, to commercialise in next 2 months.

• 120 megawatt plant has been at low utilisation lately; expect to see ramp up from July 2024.

• Caustic soda domestic prices will always be lower than international prices. Thus ECU did not see much growth.

• Chemicals showed some improvement. Domestic demand has been healthy with pickup in downstream activities. China continued to struggle, resulting in excess exports. Pricing expected to remain under pressure.

• PVC demand has been subdued led by softer prices.

• Not looking for PVC capacity expansions right now and rather looking at value added segment.

• Chlorine consumption to increase going ahead. Captive consumption to be 55%, rest will be market but also looking at tie ups for chlorine disposals; already in advance stages of discussion.

• Caustic soda and chlorine demand to be robust in the medium to long term given the capacity expansions by the company as well as their customers.

• Low Caustic soda demand in the domestic market will be offset by global demand.

• Capacity additions in the industry in last 2 years leading to excess supply of chlorine in the market. Optimistic on chorine and caustic consumption in the medium term.

• Hydrogen had 60% contribution to EBITDA for the segment. Have ready customer base for hydrogen. Hydrogen peroxide to be commissioned in next 2 months.

• Caustic soda capacity to increase by 0.5 to 1mn tonne in the next one year; operating at 90%. Global market scenario will improve exports of caustic soda. Chlorine will be more of domestic play. Prices to remain range bound and medium term demand looks good.

• Company is optimistic on new ECH capacities and anticipates good demand. Meaningful contribution will start in Q4 and FY25 onwards. To be commissioned in Q2.

• Capex of ~INR 11bn done for Hydrogen peroxide and ECH.

• PVC demand expected to remain strong hereon.

• Capacity utilisation for PVC and chlorine to come down for some time but medium term the utilisation will pick up.

**Sugar:**

Global sugar supply and demand expected to be good. Prices remained strong. Domestic sugar prices have been down; expected to improve. Domestic consumption has been good. FRP increased by government by INR 25/quintal. Production expected to be marginally down. Due to export disablements inventory to be up.

Prices expected to increase given FRP increased.

COP INR 3590/quintal this year.

**Fenesta building systems:**

Good performance with uptick in volumes and strong order book. 35% revenue is from projects, rest is retail. Looking at 20% YoY growth of the business.

Focus remains on expansion and increasing product offerings.

**Farm solutions:**

Q4 is an off season. Continue to strengthen leadership position; healthy growth on back of all segments.

Focus on new technology and products and expanding geographical presence.

**Fertilisers:**

Urea business environment continues to be low. Taken maintenance shutdown in March.

Working on improving efficiencies.

**Bioseed:**

Q4 is an off season. Robust demand across segments with increased acceptance of new products in FY24. Production constraints delaying scaling up of business. Pipeline will lead to good growth in near term.

**Kajaria Ceramics Q4FY24 Analyst Meet Highlights:**
**CMP: INR 1,156 | Market Cap: INR 184 Bn | Promoter: 47.49%**

**Key Highlights from the meeting:**

•Company aims to achieve EBITDA margins of 15-17% in tiles segment going forward. Also aims to reach revenues of INR 7.5 Bn in sanitaryware in 3 years with EBITDA margins of 13.5-15.5%

•Realisations in tiles segment has bottomed out

•Lots of projects are not taking up tiles instead of marbles

•FY24 volume breakup stood at 46% ceramics, 26% PVT and 31% GVT while value breakup stood at 38% ceramics, 26% PVT and 36% GVT

•Biofuel stood at 32% of total fuel consumption.

•Company highlighted the issue of ADD in USA. However, since the company doesn't export much to USA, it is indifferent to it. Exports from Morbi are significant but company is confident that the dumping of Morbi products in domestic market will not impact them (dealers will not prefer to buy Morbi products).

•Company's focus is not to take on associate entities, company buys out the entity directly. Recently bought out a distressed entity in Morbi.

•Project sales contribution stood at 30% (12% from govt orders which will increase by another 2-3% in 2-3 years, 7-8% from large builders and 10% from medium sized builders)

•Retail sales contribute 70% of total revenues. Retail sales generate 4-5% higher margins

•Company aims 15% contribution from bath, adhesive and ply segment in 3 years

•Company is putting up 5 MSM plant is Nepal where market is 40 MSM (INR 20 Bn). Company is spending INR 1.81 Bn to set up plant. Expect to start production in July. Company expects to have 10% market share in Nepal. Company will double its capacity in Nepal in 1-2 years for which it will spend INR 7-8 Bn. Margins in Nepal are better, exports from India attract 50-55% duties.

Outlook: Kajaria is on extremely strong footing, company has highlighted the opportunities coming in from multifold growth in real estate presales. Going ahead, company is extremely confident of improvement in margin profile. We have a positive outlook on the company. At CMP, company trades 43.6x FY24EPS.

**Asian Paints Q4FY24 Concall KTAs**
**CMP: INR 2,716| M Cap: INR 2,605,181 Mn| TTM EPS: INR 55.73**

**Outlook: Rural markets seem to be picking up and we expect Q1 demand to be double-digit growth despite a high base. Strong focus on the bottom of the pyramid, which offers good potential to grow and enlarge the pie. The B2B business is will to pick up in Q2 post-election results and we anticipate strong growth in Government/ Infrastructure/construction business. The Monsoon prediction is normal which would support this. However, the company is Watchful of geo-political developments and their impact on raw material prices as it will lead to increased volatility in some key inputs. They are focused on further strengthening growth in the Industrial Business and scaling up their footprint across Home Décor. On the International Business front - some of our key geographies, especially Nepal & Egypt, are likely to continue seeing macro-economic headwinds that will affect near-term performance- especially in Asia**.

GMs for the quarter were good because of sourcing efficiencies and RM deflation.

Higher marketing spends on brand building.

Decorative segment had -1.8% value growth with 10% volume growth in Q4. These numbers were 9% and 3% respectively for FY24. In the decorative segment, urban growth led to rural growth due to weak demand with inflationary issues, however, there was 2-digit volume growth in urban markets. Rural demand was weak but the economy range picked up. The luxury market has done well, but the overall premium market has seen down trading, especially in the rural areas, however, the economy segment did well. They increased their distribution reach by 40-45k to reach over 1.63 lakh retail touchpoints (3-4x the size of the closest competitor).

The industrial business segment had -0.7% value growth with 10% volume growth in Q4. These numbers were 10% and 3.9% respectively for FY24 In light of all joint ventures, including the ones in the US doing well. The Institutional Business continued to grow well driven by the Builder & Factories segment. There is a visible pre-election slowdown in government demand in the latter part of Feb- march, now postponed to June- July. They maintained strong growth in Smartcare Waterproofing in Q4, and aim to be #1 in the retail market. New products contributed to ~11% of overall revenues in Q4. Over the past 6 years, they have applied for 126 patents, granted 60, and commercialized 30. The Auto business saw good 2-digit growth with impressive margins.

The Greenfield capacity in MP has a 4-lakh KL pa capacity for which land is acquired and statutory approvals are pending. It will complete by 2028. Brownfield Capacity Enhancement from 17.3 to 22.7 lakh KL pa. across Khandala & Kasna are complete, and have an additional capacity of 1.2 lakh KL p.a., whereas Ankleshwar & Mysuru expansion is on track, with targeted completion in the current year. Backward Integration for the VAM-VAE/ White Cement plant in Dubai is ongoing. VAM-VAE's collaboration with GCPL for ethylene supply has received environmental clearance, and civil work has commenced; targeting completion by CY26.

whereas the White Cement plant's civil construction started, and they are targeting commissioning of the plant in CY25.

The bottom of the pyramid is an INR 5000cr market where they have low-cost emulsions and are adding new technologies to this market launched in Jan 2024. The volumes are adding up, which has boosted the economy and affected rural centers more than urban centers. They have Virat Kholi as the brand ambassador and launched a cricket scholarship with an expenditure of two lakh per kid; this has seen a boost from the unorganized sector.

Beautiful Homes has seen a 70-80% growth as the largest painting service. This year they trained 6.8 lakh painters and plumbers, and are training more.

Home décor is now the #1 integrated home décor player, and they are now at 60 beautiful home stores, all of which are growing 50-60%. Retailers in this business do better in coatings too.

The Kitchen and Bath have not done well, with small players in the bath causing pressure from the unorganized and organized market. Kitchen had a 3% growth in revenue in Q4 post 5 quarters of degrowth and was positive PBDIT for all 4 quarters of FY24. Bath had a De-growth of 8% in Q4 due to a weak demand trend at the industry level; Seeing a slow pick up in revenue over the last 3 quarters

White teak and weather seal have done well in Q4 and are now #1 in décor lighting.

The collaboration with Sabyasachi to create wallpapers to sell for INR 200/ sqft

The global business saw low growth (-1%) but is good ex Nepal registers a high single-digit growth. Besides Nepal, there has been a good recovery in all other markets. There has been Sturdy growth in Africa & Middle East, but a Continuation of a subdued performance in Asian markets: a Liquidity crunch & adverse macroeconomic situation have affected sales in Nepal. There has also been slower industry growth influenced Bangladesh sales. The Stabilizing economic conditions supported by currency appreciation aided revenue recovery in Sri Lanka

**Cera Sanitaryware Q4FY24 Concall Highlights**
**CMP: INR 6,931 | Market Cap: INR 90.11 Bn | Promoter: 54.48%**

Performance (Consol)
•Revenues came in at INR 5.49 Bn (+25% QoQ) (+2.5% YoY)
•EBITDA margins came in at 17.3% (Vs 13.9% QoQ) (Vs 16.8% YoY)

Key Highlights of the call:
•Company has revised duration of target revenue of INR 29 Bn from Sept 2025 to March 2027 (delayed by 1.5 years) implying 16% CAGR between FY24-27
•Demand softness of Q3FY24 continued in start of Q4FY24. Company has maintained market share. Demand to improve post Q1FY25. Demand has been subdued across all regions
•Q3FY24 price hike of 2% was taken in February.
•Import of Chinese products stood at 1.8% of sales in the quarter
•Ad spends stood at 3.4% of sales at INR 632 Mn for FY24. Spends for FY25 to be at INR 650 Mn
•Capacity utilization of sanitaryware stood at 82% while 90% for faucetware
•Gross margins stood at 50.5% Vs 53.5% YoY. This is due to higher cash discounts offered.
•Sales contribution of Q4 was 51% from sanitaryware, 38% from faucetware, 9% from tiles, and 2% from wellness.
•Sales contribution for Q4 was 41% from premium segment, 35% from medium and 24% from entry level. For FY24, it was 43% from premium, 33% from medium and 24% from entry level
•WC days stood at 59 days vs 69 YoY
•Contribution from T1 cities stood at 35%, T2 at 21% and T3 at 45% in Q4FY24
•Dealers stood at 6200 Vs 5400 YoY. Retailers stood at 19,300 Vs 14,500 YoY
•Market for Sanitaryware stood at INR 90-100 Bn while INR 140 Bn for faucetware
•65% of sales from projects and 35% from retail

Gas:
•Q4 Blended gas price stood at INR 32.63 Vs 43.23 YoY. Avg from GAIL stood at INR 28.35 Vs INR 35.67 YoY. Avg from Sabarmati stood at INR 60.12 Vs 57.4 YoY. Procurement from GAIL stood at 80% which was 50% earlier

Capex:
•Company expanded faucetware capacity from 300,000 pieces monthly to 400,000 in Q3. The facility is running at 90% utillisation now
•Majority of land acquisition for Sanitaryware expansion in Gujarat completed, remainder to be done in June. 18 months to commence operations from completion of acquisition. Spent INR 250 Mn from planned capex of INR 1.3 Bn
•Maintenance capex of INR 254 Mn

**Outlook: Company has revised duration of target revenue of INR 29 Bn from Sept 2025 to March 2027 (delayed by 1.5 years) implying 16% CAGR between FY24-27. 16% will be achieved by 10-13% volume growth, 4-6% product mix and 2-3% price hike. At CMP, company trades INR 37.7x FY24EPS**

**Kirloskar Pneumatic Company Q4FY24 Concall Highlights**
**Kirloskar Pneumatic | CMP: INR 913 | Mcap: INR 59.10bn**

Revenue
Revenue growth is expected strong double-digit rate in FY25E.

Revenue mix
- Air compressor revenue stood at ~INR 2,570mn in FY24.
- Air compressor share 20%-25%, Refrigeration (30%-35%), and Gas (45%) stood at Q4FY24.
- Equipment and package split stood at 60:40 in Q4FY24.
- Projects and product share stood at 50:50 in Q4FY24.
- New product launches revenue share around 6% of sales and is expected to be 12%-15% going forward.

Margins
- The margin stood at 18.7% in Q4FY24. The margin improvement is backed by product mix and transmission business.

Order book
- The order book stood at INR 14,750mn (+28% YoY) as of Q4FY24.
- The order booking is expected around INR 5bn per quarter in FY25E.
- The domestic order book is very strong and domestic business is expected to grow at least 20% in FY25E.
- Oil & Gas sector is doing well and witnessed strong order inflows and queries in the domestic market. In exports, order inquiries are coming up, however, order finalization is slowing up.

Capex
- The capex stood at INR 610mn in FY24.
- The Nashik facility capex stood at INR 250mn. The fabrication facility capex is around INR 80mn to INR 100mn. The facility is for internal consumption. The plant's internal valuation is around 1,000mn.
- The company has enhanced the Forging facility at Nashik for alloy forging and critical fabrications. The facility would allow the delivery of INR 5bn of sales per quarter.

Compressors
- In the Air compressor, Tezcatlipoca and Atmos Aria are doing well.

Bare shaft ammonia compressor used in cold chain and ice plants. The larger installations in food processing plants, diaries, and pharma continue to be dominated by imported compressors. The company has started screw compressors and scale-up is expected in FY25E.

The company is producing around 3,000 compressors in a year. The compressor ranges from INR 60 lakhs to INR 25mn.
Exports -Exports revenue stood at INR 690mn in FY24. Exports are expected to be less than INR 1,000mn in FY25E.

New stations
Around 12,000 stations are coming up in 5 years. One year is already over and most of the stations are expected in the next 4 years.
Around 5,000 biogas stations are expected which leads to demand of 5,000 compressors. The company has around 30 compressor package orders and negotiation is going on for big numbers.

CNG Package and Calana
CNG package sales have declined in FY24. Calana compressors have grown in FY24. The combined CNG and Calana compressors have been declined from 150 (FY23) to 110 in FY24. Calena witnessed significant order inflows. For CNG station orders, clearance is waiting for shipping to Installation.

Collaboration
The company is collaborating with PDC machines. PDC machines are leaders in hydro compression space in the US and other countries. The company would take advantage of the Indian hydro compression market through collaboration.

Industry
The Air Compressor market is around INR 50bn and the company has a 5% market share. The gas compressor market is around INR 20bn which includes upstream and downstream. Indian CNG, Hydrogen, and Bio gas market is less than 2% of the global market. The industrial and commercial refrigeration market stood at INR 30bn. India imports around 30,000 shelf new compressors from China and packages them. The company has launched a smaller range and focused on catering in this space.

Other highlights -The company has a supply chain within 200km, while competitors are importing critical parts from Europe, China, etc. The company is majorly operating in MENA, Middle East, and North Africa regions.

In the Refrigeration market, the company has a presence in cold chain, ice plant, hydrocarbon, and biogas packages. The company is focused on commercial refrigeration going forward.

**Outlook: Kirloskar Pneumatic is expected to grow a strong double-digit rate (domestic business > 20%) and order bookings are expected around INR 5bn/quarter in FY25E. 5,000 new gas stations would lead to demand going forward. The collaboration with PDC machines would lead to cater to Hydrogen compression space. The introduction of shelf compressors would reduce the import (currently ~100%) and the opportunity size is around 30,000 compressors. The Nashik facility would allow to deliver revenue of INR 5bn/quarter going forward. We have a positive outlook on the stock.**

**Greenply Industries Ltd – Q4FY24 Concall KTAs**

**CMP: INR 260 | Market Cap: INR 32,205 Mn**

## Outlook

**Greenply Industries appears optimistic about its future prospects, driven by targeted volume growth in the plywood segment (guided at 8-10% for FY25) and margin expansion opportunities in both plywood and MDF businesses. The company expects to improve plywood margins through phased price corrections and a greater focus on the premium segment. In the MDF segment, operational efficiencies, increased production of value-added products, and potential realization gains post-BIS norms implementation are expected to drive EBITDA margins towards the sustainable range of 15-16% in FY25 and 18-20% over the long term. Additionally, the company's foray into the furniture hardware segment through a joint venture is anticipated to contribute meaningfully to revenues and profitability, with the potential to achieve annualized revenue of INR 2,000 Mn and margins of 25% at peak capacity in the third year of operations.**

## Financials Performance

- Consolidated revenue from continuing operations stood at INR 6,000 Mn in Q4FY24 up by 40.4% YoY & INR 21,800 Mn in FY24 up by 31.1% YoY.

- Adj. Core EBITDA stood at INR 590 Mn in Q4FY24 up by 22.8% YoY with margins at 9.9% & INR 1,910 Mn in FY24 up by 12.6% YoY and margins at 8.7%.

- PAT was at INR 330 Mn in Q4FY24 up by 96.6% & INR 850 Mn in FY24 down by 19.6% YoY.

## Segment Performance

### Plywood Business

- Plywood business grew by 9.4% YoY in Q4 FY24, achieving the annual guided volume growth rate of 8-10%.

- The premium segment grew by 1% in FY24, while the mid-segment drove volume growth. Raw material prices increased by 1% YoY, and advertisement expenses rose by 1.8%, impacting margins.

- The company expects an 8-10% volume growth in FY25, with potential margin improvement of 50-75 bps through product mix changes and price corrections. It plans to invest in the premium segment to drive growth and improve margins.

**MDF Business**

- MDF business revenue in Q4FY24 was INR 317.1 Mn, with a volume of 45,764 CBM and EBITDA margin of 14.1%.

- The company is focusing on the trade distribution network and restricting OEM sales to maintain margins. It expects the MDF market to grow at 15% annually and plans to achieve better margin profiles in FY25.

- The management targets an EBITDA margin of 15-16% for the MDF business in FY25, with potential improvement through operational efficiencies.

- The company plans to introduce value-added products and focus on the western and northern regions for sales.

**Furniture Fittings Business**

- The new furniture fittings joint venture (JV) plant is expected to commence operations by mid-July 2024. The company expects to generate revenue of INR 3,000 Mn with margins of 20% in 3-4 years.

- In the first year, the company expects a minuscule loss as it invests in marketing and establishing the business.

**Business Updates**

- The company discontinued Africa business operations which is controlled by the middle east entity, GMEL, and received purchase consideration. It is focusing on the trade distribution network for MDF business and restricting OEM sales to 13-14% of topline.

- The company's furniture hardware joint venture is set to commence full phase 1 operations by end of June/mid-July and expected to benefit from upcoming BIS implementation.

**Capex and Debt Reduction**

- Net debt level as of Q4FY24 was INR 5,020 Mn, within the guided peak net debt level of INR 5,400 Mn.

- The company plans a CAPEX of INR 700-800 Mn in FY25, which includes investments in the furniture hardware joint venture.

- The management targets a net debt reduction of INR 500 Mn, bringing the net debt level to INR 4,500 Mn by the end of FY25.

## Operational Efficiency and Capacity Utilization

- The company has undertaken line balancing initiatives at its plywood plants, improving capacity utilization to 97% in Q4FY24. It may explore additional capacity expansions or new locations for the plywood business in the next year.

- For the MDF business, the company plans to de-bottleneck capacity from 2,40,000 CBM to 3,00,000 CBM, with an estimated cost of INR 500 Mn.

## Raw Material and Pricing

- Timber prices were around INR 9,500 per unit for plywood in Q4FY24, compared to INR 7,700-8,000 in the same period last year.

- The company expects timber prices to remain stable in FY25 and potentially decline in the second half of FY26 as more supplies become available. It faced challenges in passing on the entire raw material price increase to customers in the previous year but expects better pricing power in FY25.

- For MDF business, raw material prices were around INR 6,000 per ton in Q4 FY24, slightly down from the previous quarter.

## Regional Focus and Distribution Network

- The MDF business aims to generate 70-75% of its sales from the western and northern regions, leveraging its plant location advantage.

- The company is focused on strengthening its distribution network and dealer relationships, particularly for the plywood business.

## Other Highlights

- The company plans to continue investing in brand building, with an advertisement spend of 3-4% of annual revenue and exploring new product categories and focusing on expanding its distribution network.

- The management expects the MDF market to remain competitive, with new capacity additions anticipated, primarily in the southern region.

- The implementation of BIS norms for certain furniture hardware products is likely to positively impact realizations in the second half of FY25.

**Action Construction Equipment Ltd | Q4FY24 Concall KTAs**

**CMP-INR 1525 M.Cap- INR 181,600mn**

**ACE has guided for 15-20% topline growth in FY25 along with margin guidance of 16%. Company is looking to acquire an overseas company which it can use to whitelabel and increase exports by capitalising its international network. Company is expecting some of its biggest orders from defense sector and guides it to become 5% of revenue. Company foresees muted demand for next 2qtrs due to elelctiona and monsoon but would revise it's outlook after Q2. Company expects exporst to become 10% of revenue. We belive company can perform well if it is able to achieve its target of 3x revenue in next 5 years.**

**Financials**

**Q4**

Total income of INR 8,568mn(+38.9%YoY) with INR 1,506mn(+97.1%YoY) EBITDA and margin of 17.58%. PAT stood at INR 985mn(+109.1%YoY) with 11.5% margin. Diluted EPS of INR 8.27/share(+106.8%YoY).

**FY24**

Total income of INR 29,909mn(+35.9%YoY) with INR 4,803mn(+83.3%YoY) EBITDA and margin of 16.06%. PAT stood at INR 3,282mn(+89.7%YoY) with 10.97% margin. Diluted EPS of INR 27.56/share(+91.3%YoY). highest ever sales and margins.

Strong performance with ROCE and ROE of 42% and 30% resp.

-Strong margin profile was led by capacity utilization, favorable product mix and improved price realization.

-Company is targeting to 3x its revenue in next 5 years.

-Company is looking to acquire a company overseas to increase its export by spending INR ~2,000mn, and use it for white labelling and capitalise on its international network

-Co. continues to be long term debt free. Dividend of INR 2/share.

Crane business grew by 37.8% with 8570 cranes in FY24(vs 6584cranes FY'23). Profit of crane segment at INR 3430mn which grew by 76%.

-Co. increased global footprint with export sales increase by 72%YoY. Export to contribute 10% of overall revenue in medium term and target of 15-20% of total revenue in long term.

-Manufacturing and logistics contribute ~35% of revenue while agriculture and export each account for 8% to 9%. Real estate sector makes up around 10% and institutional sales is about 3%. The construction and infrastructure sector represents the remaining 35%.

-The company expects to deliver its new aerial work platform product in June, after supply chain constraints pushed back the initial March launch date.

-Company in FY24 has entered into the defense sector. Going forward, defense is expected to contribute 5% of the revenue. Co. is expecting some of it's biggest orders from this segment in range of IN R4000-7000mn.

-Company has completed it capex which enhanced its crane division capacity to 13,200 units annually from previous 9k units.

-FY25 first 2 months, muted growth due to elections and monsoon. Guidance of 15-20% topline growth on YoY basis with belief to exceed it along with possibility of margin expansion. Guidance for EBITDA margins in FY'25 at +16% range.

-From 1st Jan,2025, BS 5 norms will come in existence for CEV. Co. expects end of Q2/Q3 FY25, there will be a lot of pre-buying for machines which are moving straight from BS3 to BS5. Around 40% of company's machine are BS3 and there would be substantial price increase from BS3 to BS5.

-Electric cranes are expected to start selling from July onwards.

-Bigger capacity cranes(75-80tons) was getting imported from China due to its aggressive pricing. ACE  has increased its capacity and expects sales to double in FY25.

Changes in material handling business, rate of growth will be faster than last 2 years. new range of machine handling to be launched that comply with BS V in Jan'25. 20% growth guidance for material handling in FY'25.

ACE in advance talks with big brand for manufacturing but can't disclose it because of NDA. Formation of this JV will be delayed which is in interest of the company.

Company is scouting to acquire companies, in domestic and overseas market, which provide opportunities for inorganic growth.

## Apcotex Industries Ltd Q4FY24 Concall highlights

**CMP INR 433 | Market Cap INR 22.4bn**

**Volumes have been significantly good in the quarter as well as FY24, but poor margins and low realisations led to minimal growth in revenue. Focus on improving volumes and capacity utilisations along with expanding margins. Can see mid teen margins if the market improves. High double digit growth in volumes is easily sustainable as there is substantial demand in the market – Nitrile Latex to see 30-35% upside while others may see mid teen growth.**

### Key highlights:

Revenue came in at INR 3106mn (+21% YoY, 21% QoQ), led by increased volumes, product mix and better realisations.

EBITDA came in at INR 313mn (-8% YoY,+23% QoQ), margins of 10.08% (-324bps YoY), affected by low margins in some products.

PAT for the quarter was INR 153mn (-34% YoY, +38% QoQ), margin of 4.93% (-413bps YoY)

Revival in realisations seen in the quarter.

Overall, FY24 saw flattish growth in revenue while profitability decreased significantly. Volume growth was substantial, especially in the export business. Fall in RM prices led to lower realisations.

Export business was 30% of total sales while 70% of sales came from domestic market.

Highest ever quarterly volume recorded with 34% increase YoY. Export volumes grew by 71% YoY. The growth was mainly led by capacity expansions.

Once the market improves, the company will look to rapidly increase capacity utilisation to 100%.

As export sales have started to increase, credit days has increased which led to high receivables in the year.

Demand has not been an issue for the business but low margins have raised concerns.

### Nitrile Latex:

Volumes have been significant; lower margins has been an issue.

Nitrile Latex utilisation reached only 30% in the year while it was around 40-45% in Q4FY24. Target to increase customer base and do business where contribution margins are positive. Finding ways to reduce costs as the market hasn't behaved as anticipated.

If the margins support the business, they will look to increase utilisation to 100% given the approvals received from customers. Even if all business comes in FY25, they are still witnessing low margins.

Continuation of Nitrile latex depends on the market cycles. If the market condition improves, the company will fully focus on this product but if the cur

rent situation persists, they might look to use the plant for other value added products.

Few competitors have announced capacity expansion plans but the management feels this will not affect their market share as market has bottomed out.

RoCE from the plant will be lower than what was anticipated earlier.

**NBR:**

NBR has seen a challenging year mainly due to increased imports in the market. Margins were bit lower than sustainable. The reason has been slow demand in China and other Asian countries. Capacity utilisation is at 100%.

**Kansai Nerolac Q4FY24 Concall KTAs**

**Mcap: INR 22,934 Cr| TTM EPS: INR 14.7**

**Outlook: The company is being proactive in increasing its capacity, and growing its market share in decorative paints which is a hard market to break into. This is supported by their current leadership in industrial paints. However, the paint industry has been facing headwinds over the past year with volatile crude oil prices, geopolitical tensions, and currency issues. We expect a pick up in domestic demand, especially in the rural sector to pick up in FY25 which will lead to better times for the company, supported by their aggressive marketing.**

Industrial growth has been good with demand in the automotive sector on the rise, and the company has undertaken initiatives in decorative areas and has seen a 2-digit volume growth in decoratives.

Govt spending and capex are up, leading to an increased demand for high-performance coating

Rural demand in industrials (B2B) led to urban demand- which was reflected in 2W demand this year, there was also a little improvement in in decorative paint demand (B2C). Rural demand has been strong on a like-to-like basis.

Geopolitical situation remains tumultuous, but the company's brand equity has improved.

They have launched 4 new products in Paint+ (performative paint like no smell paint) which saw an increased saliency (150+bps) during the year. This sector has no direct competition in Paint+

Increased marketing expenses over the last 2 years and have been especially higher this year. They are over-indexed in decorative paint marketing expense, and spent 4.5-5% this year, totalling to INR 350 Cr.

EV paint demand was up 100% this year, however, CV and tractor demand has lagged in the last month. PV demand was up 7%, and 2W demand is picking up.

The industry is growing 8%, and the company is expected to follow up with a 2% deviation.

They have a 40% market share in powder paint.

Expanded distribution network by launching depos, and also providing bike service for premium products in cities (paint that costs INR 15,000 a drum pain being supplied in an hour).

International subsidiaries are facing issues, though their contribution is not very high.

EBITDA Margin is 13.8%, and below peers. The Industrial portfolio (B2B) has 2-digit

EBITDA margins and will remain at the sustainable 10-12%. The decorative (B2C) space margins can go up over the next 2 years, but this market has many players which makes it challenging.

They have gained market share in decorative paints- reducing gap the between them and the market. This year they completed 6 prominent projects in the decorative segment. They have notable pricing power in industrial

Next year they plan INR 300 Cr of capex. This is including the greenfield plant in Vizag and the brownfield expansion in Jainpur, Out of this, INR 100-150 Cr will go toward patience. Capacity post this will be up 25-30% for decorative paints. In industrials, it will be focused on backward integration like resin for automobiles. The new capacity will be 700 ML/Yr.

Royalty is paid to the parent company for certain auto products which is about 3% of income (less than 5% of total revenue)

**Indigo Paints Ltd – Q4FY24 Concall KTAs**

**CMP: INR 1385 | Market Cap: INR 66,079 Mn**

**Outlook**

**For the FY25, Indigo Paints expects to continue outpacing industry growth while improving profitability further. The company plans to increase its advertising and promotion spends, with a greater focus on digital media to cater to changing consumer behavior. Capacity expansions are underway, with new plants being set up and existing facilities being expanded to support future growth. While no specific revenue growth guidance was provided, the management expressed confidence in growing at least three times faster than the industry growth rate.**

**Financial Highlights**

- Consolidated revenue from operations stood at INR 3,849 Mn in Q4FY24 up by 18.3% YoY & INR 13,061 Mn in FY24 up by 21.7% YoY.

- EBITDA stood at INR 846 Mn in Q4FY24 up by 17.9% YoY with margins at 22% & INR 2,381 Mn in FY24 up by 31.1% YoY and margins at 18.2%.

- PAT was at INR 544 Mn in Q4FY24 up by 11.8% YoY with margins at 14% & INR 1,488 Mn in FY24 up by 28.7% YoY with margins at 11.3%.

- Consolidated top-line grew by over 18% for Q4, outperforming the industry average of less than 1% growth.

**Operational Highlights**

- The company witnessed over 20% value and volume growth in the putty and primer plus distemper segments in Q4 and mid-teen double-digit volume growth in the emulsion segment, with value growth lagging due to price reductions.

- The growth was muted in the enamel and wood coating segments for the company.

- Company's active dealer count was over 18,000, and the tinting machine population was almost 10,000 as of March 31, 2024.

- Its Waterproofing and construction chemical products contributed mid-single-digit to revenue in the last 6 months.

- The company has capacity expansions underway, including a new water-based paint plant and a solvent-based plant at Jodhpur, and doubling of putty manufacturing capacity.

**Competitive Landscape**

- Company claims no measurable impact from new entrants on their network and growth.

- Its Focus remains on competition from established players like Asian Paints, Berger Paints, Kansai Nerolac, and Akzo Nobel.

**Marketing and Distribution**

- The company has plans to increase A&P spends and supplement TV advertising with significant digital media spends.

- It has focused on wholesale dealer addition and is increasing feet on the ground (sales force) in FY24.

**Subsidiary Performance**

- Apple Chemie (subsidiary) registered robust 50%+ growth in Q4, expected to continue strong growth.

- The company is increasing geographical expansion beyond Maharashtra into 8-9 states for B2B construction chemicals business.

**Growth Drivers and Strategy**

- Focus areas in FY23 included adding more wholesalers, increasing sales force, and gaining market share from larger contractors.

- The company's differentiated product portfolio (around 30% of revenue) contributes to higher gross margins compared to competitors.

- Increasing premiumization of the product basket is expected to improve gross margins further

**Capacity Expansion and Capex**

- The compay is undertaking capex of around INR 2,700 Mn for a new water-based plant, INR 400-450 Mn for a new solvent-based plant, and less than INR 150 Mn for expanding the existing Putti facility, all in Jodhpur.

- The expansion is expected to cater to the increasing demand in northern, western, and eastern India.

- The company plans to finance the capex through internal accruals.

**Pricing and Competition**

- The company guides that industry leader Asian Paints initiates any price reductions, which others then follow.

- The company states that new entrants have not had any measurable impact so far on Indigo's pricing, discounts or dealer policies.

- The company maintains premium pricing over market leaders due to lower inter-dealer competition currently.

**Dealer Dynamics**

- Of the company's onboarded dealers around 90% are existing paint dealers.

Productivity of dealers with tinting machines is 2-3x higher on average compared to those without.

- There is a growing affinity among the younger generation and first-generation dealers to opt for Indigo Paints as the main brand.

**Other Highlights**

- Freight costs currently account for around 8-9% of the company's sales.

- The management expects some moderation in freight costs as a percentage of sales due to premiumization of the product range and improved logistics with new capacities coming up.

- The company is planning to set up solar panels at manufacturing facilities and head office and is committed to setting an emission reduction target with the Science Based Targets Initiative.

**Somany Ceramics Q4FY24 Concall Highlights**

**CMP: INR 621 | Market Cap: INR 25.5 Bn | Promoter: 55.01%**

**Result much better than industry peers; Buy ( Working on detail numbers)**

**Overview: Company has delivered superior performance compared to all peers.**

**Performance (Consol)**

•Revenues came in at INR 7.38 Bn (+20.5% QoQ) (+8.6% YoY)

•EBITDA margins came in at 10.78% (Vs 9.64% QoQ) (Vs 8.98% YoY)

**Key Highlights:**

•Demand was sluggish in export and domestic due to higher freight and war scenarios. Company anticipates weak demand in Q1 due to elections but strong pick up from H2

•Gas prices were at INR 45/CBM in FY24 (Vs 59/CBM in FY23). South plant is based on in spot gas

•Capacity utilization stood at 86% in FY24, Q4FY24 was at 89%. In FY23, it was at 87.5%

•Focus on GVT continues, Q4 GVT contribution stood at 36% (Vs 32% YoY). FY24 GVT contribution stood at 34% Vs 32% in FY23. Company aims to take this to 38% in FY25 and 40% by FY26. Company has adequate capacity in GVT for next 18 months. Company has 25 MSM capacity of GVT out of total 78 MSM

•There is slight pressure in GVT as all players have GVT now. Large slabs is where the company aims to grow. There is low competition in large slabs.

•ASPs were down during the quarter due to added pressure on commodity products and incentive schemes giving lot of discounts. ASP will go up as GVT contribution goes up.

•Company sold 68 MSM, total capacity of 79 MSM. Net addition of 110 dealers during the year

•Brand spends were 3% of revenues. INR 500-600 Mn capex which is routine capex.

•Debt stood at INR 1.8 Bn which will be amortised over the next 3-4 years.

•Company has 20% institutional sales while Morbi has 50-60% project sales. Government projects contribute 12% of overall revenues which expect to do better post results. Going forward, institutional sales to go up to 25% from current 20%

•Company aims to take Max plant capacity to 80% by March

•Greenfield plant takes 15 months to complete while brownfield plant takes 9 months to complete.

•Capacity utilization in sanitaryware stood at 70% and 100% in faucetware

•Bathware grew only 9% over FY23: fittings performed well while sanitaryware struggled. Looking at double digit growth going forward.

**Morbi:**

•Exports from Morbi stood at INR 12 Bn in Q4 which was INR 18-19 Bn in Q3. Although this has gone up to INR 17 Bn in April 2024.

•Morbi pricing has bottomed out. Morbi is operating at 65-70% capacity utilization

•Company doesn’t see new plants coming in next 12 months in Morbi

•Industry is expected to grow at 5% in FY25, exports are volatile. In FY24, exports stood at INR 190 Bn which is expected to increase by another 20-30 Bn in FY25

•USA is 7-10% of Morbi exports, out of these, duties may be levied only on 7-10% of these. Europe levied 6% duties on Indian tiles last year.

**Guidance:** Company has guided for low double digit growth in FY25 but Q1 will be weak due to elections. Expect 1-1.5% improvement in EBITDA for full year. Industry is expected to grow at 5%. In long run, margins should normalize at 11%. At CMP, company trades at 26.3x FY24EPS

**Prince Pipes Q4FY24 Concall KTAs**

**CMP: INR 664 | Market Cap: INR 73.4 Bn | Promoter: 60.94%**

**Operating Performance (Consol):**

•Revenues came in at INR 7.4 Bn (-3.14% QoQ) (+19.55% YoY)

•EBITDA margins came in at 12.43% (Vs 12.28% QoQ) (Vs 19.37% YoY)

•Volumes came in at 51,444 tonnes (+20.58) (+16.08% YoY)

**Operational highlights:**

•Construction for manufacturing facility in Bihar underway, to serve east India market. Capacity of 48,000 tonnes at cost of INR 2 Bn. To come on stream by Q4FY25

•WC days have risen significantly from 57 days in FY23 to 95 days in FY24. This is mainly due to higher receivables (of sales that took place in March). However, the receivables have come down to INR 4.6-4.7 Bn now (which was INR 5.85 Bn in FY24 end)

•Company has significant land bank at Jaipur, Telangana and Bihar facilities

•Channel financing sanction limit is INR 1.5 Bn, utilized was INR 1.23 Bn in end of FY24

•Company expects next 2-3 years to be good for RE, commodity prices to remain rangebound for next 2 Quarters

•Price correction in pipes and fittings done. Company doesn't expect any more correction. However, company took 3-5% pricecorrection in CPVC in Q4 (in line with industry). CPVC prices will be subdued

•No inventory loss/gain in Q4. JJM is not significant revenue contribution

**Industry:**

•Housing sales grew 14% across top 7 cities in FY24

•According to CREDAI, housing market is expected to reach US$ 1.3 Tn by 2034 and US$ 5.34 by 2037. Current size is US$ 300 Bn

•35% of Indian market is unorganised

**Faucet, Bathware & Sanitaryware:**

•Acquired Aquel brand at INR 550 Mn which is located in Bhuj. Company has presence in West and North market, plan to enter east and south by H1FY25

•Company will spend another 70-100 Mn in Aquel for maintenance and debottlenecking.

•Company will need another 12-18 months breakeven at EBITDA, Current topline at INR 100 Mn

**Watertank:**

•Sales for year stood at INR 100 Mn with costs of INR 850-950 Mn

•Company will launch in Chennai this quarter.

•Bihar facility will have 6 Mn litre per month capacity for watertanks

•Addressable market of INR 600 Bn

**Capex:**

•Phase 1 in Bihar will have pipe capacity, phase 2 will have fittings

•Maintenance capex will be of INR 600-700 Mn. Total INR 2 Bn to be spend this year.

**Other KTAs:**

•Finished goods volumes stood at 172,793 tonnes in FY24 (+10% YoY)

**Outlook:**

**Company has guided for 15% volume growth and 12-14% EBITDA margins for next 2 years. Company expects next 2-3 years to be good for RE, commodity prices to remain rangebound for next 2 Quarters. Company will need another 12-18 months breakeven at EBITDA at Aquel, Current topline at INR 100 Mn. At CMP, company trades 23.8x FY24 EV/EBITDA.**

**Greenpanel Industries Q4FY24 Concall KTAs**

**CMP: 311 | Market Cap: INR 38.1 Bn | Promoter: 53.12%**

**Overview: Weak performance on all parameters**

**Performance (Consol)**

•Revenues came in at INR 3.97 Bn (+2.8% QoQ) (-10.15% YoY)

•EBITDA margins came in at 12.94% (Vs 15.63% QoQ) (Vs 17.27% YoY)

**MDF:**

•Sales at INR 3.6 Bn (-6.6% YoY)

•EBITDA margins at 16.4% (Vs 21.7% YoY)

•Sales volumes at 127,239 CBM (-7.3% YoY)

•Capacity utilization at 78% (Vs 80% YoY)

•Domestic realizations at INR 29,058/CBM (-11.9% YoY)

•Export realizations at INR 20,430/CBM (+17.1% YoY

•Domestic volumes grew 23.4% YoY and export volumes fell 74.8% YoY. Company reduced exports as it was not economically viable to export

•MDF margins fell due to lower realizations (due to volume based schemes), higher competition and rising wood prices

•Half of Lower domestic realizations could be attributed to low cost MDF.

•Low cost MDF for the quarter stood at 40,924 CBM at INR 21,029/CBM (out of 116,434 CBM)

•Company expects import of MDF to start back from May 2024 as the BIS is delayed by 1 year. Import volumes for Q3 was at 83,000 CBM and for Q4 was at 45,000 CBM.

•Industry capacity in FY23 was 2.3 Mn CBM and in FY24 was 2.9 CBM. 850,000 CBM capacity is coming in FY25 of which 230,000 is with Greenpanel and 310,000 is with Century. Company doesn't see price hike in H1FY25. Imports in MDF stood at 350,000 CBM and exports stood at 150,000 CBM

•Dealers are sitting on additional inventories for incentive reasons.

•New capacity to start from Q3FY25

•Domestic sales in April was at 35,600 CBM and exports was at 8,000 CBM. For FY25, company will be able to do 24,000 CBM of sales

**Plywood:**

•Sales at INR 356.7 Mn (-34.6% YoY)

•EBITDA margins at -10.5% (Vs 0.4% YoY)

•Sales volumes at 1.42 Mn SQM (-30.4% YoY)

•Capacity utilization at 51% (Vs 70% YoY)

•Average realizations at INR 250/SQM (-6.7% YoY)

•Plywood margins were impacted by higher RM costs. Company expects price to be stable in FY25.

•Expansion in Ply segment only if capacity utilization touches 85-90% in FY25

**Timber:**

•Timber prices increased 10% sequentially in North (INR 6.29) and 19% in South region (INR 5.28). The blended cost stood at INR 5.65. Timber prices has increased by 7% in April on avg cost of Q4FY24.

•The new plantation output will be available from June/July'25 wherein the timber supply might improve.

**Other KTAs:**

•Capex for FY25 at INR 2 Bn and for FY26 at INR 500 Mn

•Net working capital cycle at 28 days vs 17 Days YoY

•Net debt stood at INR -1.56 Bn

•The Company decided to defer the recognition of subsidy until receipt or until the Company has some evidence which gives high level of assurance. Hence, the Company has not recognized ~126.8 Mn of power subsidy for October 2021 to March 2023, ~81.9 Mn of power subsidy for April 2023 to March 2024, INR 500 Mn for Green measures subsidy and ~36.8 Mn for land conversion and stamp duty subsidy in spite of approval being received. Only approval for power subsidy for October 2022 to March 2024 is not yet received.

•The subsidies are in relation to manufacturing plant at Chittoor, Andhra Pradesh. Management is hopeful of recovering the outstanding amounts due from AP Govt.

**Outlook: Widening distribution reach, increase in domestic volumes, higher proportion of value-added products and increasing plantations. Company has guidance of 15% volume growth in MDF and 8% volume growth in Ply. Company has not given margin guidance on margins front as they will monitor the performance in Q1FY25 and then guide. Company is potentially looking at bounce back in imports of MDF, lower realizations, higher RM costs and higher capacities in the industry. Company aims to reach 65% VAP in MDF sales including the new capacities in 3 years. AT CMP, company trades 16.1x FY24 EV/EBITDA.**

**Kriti Industries Q4FY24 Concall Highlights**
**CMP: INR 121 | Market Cap: INR 6.05 Bn | Promoter: 66.35%**
**Outlook: Company aims to reach optimum utilization in Building products space by Q1FY26 which will take overall margins to 12%. Expect 20% topline growth in FY25 & FY26**

Performance (Consol)
•Revenues came in at INR 1.95 Bn (-19.8% QoQ) (+3.3% YoY)
•EBITDA came in at INR 138 Mn (-22.8% QoQ) (-12% YoY)
•EBITDA margins came in at 7.08% (Vs 7.35% QoQ) (Vs 8.31% YoY)
•PAT came in it INR 36 Mn (-54.76% QoQ) (-77.5% YoY)
•PAT margins came in at 1.84% (Vs 3.26% QoQ) (Vs 8.48% YoY)

Operational & Business Highlights:
•FY24 segmental breakup stood at 62% from Agri, 12% from industrial solutions and 26% from building products. Present in 16 states with 400+ dealers. Retail sales accounted for 85% of revenues
•Company has completed building range of SKU's in Building Products and Column Pipe Segment at capex of INR 200 Mn
•Core market for agri is central India. Developing new markets as well
•Company has recently added capacities in Building products space which takes total capacity to 9,000 tonnes per annum. Company aims to reach optimum utilization by Q1FY26. At optimum utilization, company will be generating revenues of INR 1.7 Bn (Vs 0.99 Bn inFY24) and take the overall company to double digit margins. Internal aim is 12%
•Company spent INR 400 Mn to set up 6,645 tonnes capacity for building products and INR 200 Mn for 2,300 tonnes in the same segment.
•Company continues to have 8-10% market share in Maharashtra
•Company recently got government registration for sale of products so B2G will also take place now
•No inventory loss for current quarter

Volumes
•Total sales volumes stood at 75,655 tonnes for FY24 (Vs 59,148 tonnes in FY23)
•In Q4FY24 company had 52% volume growth in Institutional Business on QoQ basis. 51% volume growth in Institutional and 38% in building products over FY23 for FY24
•Agri volumes stood at 10,582 tonnes (Vs 16,230 tonnes QoQ) (Vs 8,913 tonnes YoY)
•Industrial volumes stood at 5,298 tonnes (Vs 3,496 tonnes QoQ) (Vs 4,933 tonnes YoY)
•Building products volumes stood at 1,674 tonnes (Vs 1,753 tonnes QoQ) (Vs 1,237 tonnes YoY)

**Outlook: Growth strategies include increase sale of VAP products and enhance presence of Industrial pipes. Company aims to reach INR 1.7 Bn of topline in building products pipes by Q1FY26 (which will be full utilization). At the same time, company will reach double digit margins (aspiration of management). Topline growth expectations is 20% for FY25 and FY26. Demand for Q1 has been fairly good, strong agri and building product sales expected. At CMP, company trades 27.4x FY24 EPS**

**Westlife Foodworld Ltd | Q4FY24 Concall KTAs**

**CMP- INR 867 | M.Cap- INR 135330mn**

**Company has been facing difficulties including the recent 'cheese' controversy. The company's performance in Q4 has been below par. Company is undertaking lot of brand building activities in the form of damage control which shall lead to an uptick in advertising cost. We believe it will take few quarters before the company can see revival and softening of macro factors as well. Company hasn't taken price increase due to soft market conditions. New store additions and focus on drive thru and investment in digital ecosystem can be seen as positive factors**

Financials
Q4FY24
Sales stood at INR 5622.8mn(-6.32%QoQ) with Restaurant Operating Margins at 19.4%(-310bps QoQ). PBT stood at INR 19.6mn and PAT stood at INR 7.6mn

FY24
Sales stood at INR 23918.1mn with Restaurant Operating Margins at 21.8%. PBT stood at INR 958.4 and PAT stood at INR 692.1.

Q4
Profitability during the Q4 was muted, largely on account of unfavorable operating leverage arising from the sales deleverage and the nascent fee of new stores. Other operating expenses were higher on account of increased marketing spend.

Company had to tackle various issue on the external front like the 'cheese' concern. The impact from these issues have stabilised but it would take a quarter or two for growth to kick in again. The company has been spending on brand building more than it ever did.

Margin Guidance
Company aims to achieve a margin of 18-20%. Company plans to achieve this by bringing it's volumes back.

SSSG Guidance
Company gives guidance, in accordance with its Vision 2027,for high single digit which shall translate to INR 40000-45000mn of sales.

South India
South has become the focus of expansion since it remains under- penetrated and the value proposition in terms of real estate is also attractive as well.

Capex Guidance
FY25 in the range of INR 2000-2500mn.
No price increase done by company right now keeping in view the soft market conditions. The company doesn't see any impact of this on gross margins.

Business Highlights

significant macroeconomic challenges, including inflation and subdued consumer spending.

Company opened 41 new stores in FY24 with 17 of them in Q4 taking the total to 397 restaurants across 64 cities.

New Store Guidance

Company to add 45-50 new stores in FY25.

Macro Outlook

YoY basis, eating out frequency continues to be lower. However, easing pressures on consumer wallet due to improving macros and moderating retail inflation will positively impact discretionary consumption.

Guest Count- comparable guest count growth for the full year of FY 24 was positive, indicating an increase in market share across all geographies.

Lotus Biscoff Collaboration

Limited time dessert and frappe offering which has been very well received by customers.

Digital Sales Contribution

Digital sales contribution grew by a massive 15% to 70% in the last two years.

Off premise business grew by 8% YoY contributing 43% to overall sales. On-premise business declined by 2%. Average sales per store on a trailing twelve month basis was at INR 63mn.

Cost optimization projects resulted in INR 400mn of incremental cost savings across various P&L line items.

Drive thru

The proportion of drive thru has been increasing in new store edition. Management guides to substantially increase number of new stores as drive thru. 30-35% of the new stores in next 5-6 years will be drive thru.

**Chalet Hotels Ltd Q4FY24 Concall Highlights**
**CMP: INR 799 | Market Cap: INR 174.2bn**
**Company is looking to invest over INR20 billion over the next 3 years across various CapEx projects largely funded through internal accruals, this does not include residential project at Bengaluru.**
**Company is expecting that it will continue to do well and work at industry rates, which have an upside of double-digit rate growth going forward.**
**Company's focus is on protecting the market share therefore to some extent pricing growth was low.**

Financial Performance
* Net Revenue for quarter grew by 23% YoY to INR 4,244 Mn (+12% QoQ) and for FY24 revenue stood at INR 14,370 Mn vs INR 11,780Mn in FY23.
* EBITDA grew 32% YoY to INR 6,294 Mn and the EBITDA Margin contrast 50bps YoY to 42.1% on an annual basis. And EBITDA for quarter stood at INR 1,971 Mn (+14% QoQ, +23% YoY).
* PAT grew 52% YoY to INR 2,782 Mn for FY24. And stood at INR 824 Mn for the quarter vs INR 705 Mn in Q3FY24 and INR 361 Mn for Q4FY23.

**Other Highlights**
* Overall growth for Mumbai is 14% for the year, and for the hotels in other cities, it's about 23%, with a blended ADR increase of 17%.
* Industry saw an 18% pricing growth in Q4, but it's now 4-8%, reflecting the exceptional performance of last year's Q4.
* To recognize revenue for residential projects, 3 conditions are required to be fulfilled. One is handing over of possession, 90% of collection, and receipt of OC.
* The company aims to finish and hand over possession to flat owners by the end of June, despite temporary delays due to laborers relocating for elections.
* Aravali resort competes with 3-4 similar properties, has seasonal occupancy due to its resort status, and plans to expand capacity for higher product positioning, ensuring future growth potential.
* Taj, construction is underway and is expected to complete by Q4 FY26, ~2 years from now.
* Company spent INR6.6 billion in investment across capital expenses and acquisitions during the year, which was majorly made out of its internal accruals.
* Net debt as on Q4FY24 was at INR25bn, marginally up from previous year. Around half of the debt is allocable to capital work-in-progress and assets not yet operationalized.
* Company will be spending ~INR1,500cr over the next 2 years on CapEx, out of which ~INR700cr for Commercial Tower, ~INR650-700cr for the new Commercial Tower, which they are adding in Powai.
* There is some spillover CapEx of Commercial Tower, which is almost ready in Powai and Bengaluru, balance will be for DIAL, Dukes' expansion and renovation, Bengaluru edition, and some maintenance CapEx of hotels.
* Company's women employee ratios have grown from 17% to 22% in FY '24.
* Company is taking a project up from an earlier price point envisaged of INR13,000-13,500 a square foot to current blended price of INR18,800 a square foot and hoping to take it higher.
* Company launched its second hotel in Hyderabad, the Westin Hiteck City, Hyderabad, with 168 rooms and USGBC LEED Gold certification.

**Devyani International Ltd – Q4FY24 Concall KTAs**
**CMP: INR 157 | Market Cap: INR 1,89,056 Mn**

**Outlook**

**The Company guides food courts will be a key focus area for growth, along with existing core brands. The company was impacted by weak consumer sentiment and decreased consumer spending, but despite the slowdown, it plans to maintain a similar store expansion rate of 275-300 new stores in FY25. The Nigerian currency significantly depreciated during Q4, resulting in a significant impact on the company's full-year reserves. The company expects consumer sentiment to improve post-elections and stability in the geopolitical situation in West Asia. Overall, the company remains committed to ambitious growth plans and improving financial performance.**

Financial Highlights

- Revenue from operations stood at INR 10,471 Mn in Q4FY24 up by 38.69% YoY & INR 35,563 Mn in FY24 up by 18.63% YoY.
- EBITDA was at INR 1739 Mn in Q4FY24 up by 14.93% YoY with margins at 16.6% & INR 6524 Mn in FY24 down by 0.40% YoY with margins at 18.3 %.
- PAT was at INR 490 Mn, down by 18.2% YoY in Q4FY24 & INR 97 Mn, decline by 96.3% YoY in FY24.
- Brand contribution for the full year was 15.5%, lower than the previous year due to lower ADS numbers across KFC and Pizza Hut.

Business Performance and Expansion

- The Company opened 539 (out of which 245 was in India) new stores in FY24, which includes 283 KFC stores acquired in Thailand in January 2024.
- Company's acquisition and integration of the Thailand KFC business marked a significant milestone, expanding the company's international footprint.
- It focuses on enhancing the domestic footprint of the food court business to cater to the rising demand for food on the go.

Brand-wise Performance and Initiatives

- In KFC, the company added 106 new stores in FY24, reaching a total count of 596 stores in India and introduced value-priced offerings like rolls and wraps.
- In Pizza Hut, the company added 61 new stores, reaching a total count of 567 stores in India and is focusing on reviving the brand and premium positioning.
- In Costa Coffee, the company added 67 new stores, reaching a cumulative store count of 179 stores and the gross margin and brand contribution improved quarter-over-quarter.

Key Strategies and Focus Areas

- The Company entered into a strategic partnership with PVR & INOX to develop and operate food courts at shopping malls across the country, co-promoting movies and food. This partnership will strengthen the company's presence in malls and boost its brands and food court business.
- It is leveraging food courts as a growth strategy to cater to the rising trend of food on the go and address various consumption channels. Also, it is exploring partnerships and strategic tie-ups for food courts across highways, malls, railways, and airports.

- They are maintaining a balance between premium positioning and introducing value-priced offerings to appeal to a wider consumer base and are implementing initiatives like menu optimization, reducing wastage, enhancing cost controls for improving operational efficiency.

Nigeria Business Impact

- The Nigerian currency (Naira) significantly depreciated by almost 200% versus the USD during FY24. This resulted in a loss of INR 2360 Mn for the company due to USD-denominated liabilities in Nigeria.
- The company recorded an exceptional item of INR 900 Mn in the P&L and INR 1470 Mn in other comprehensive income due to this currency impact.
- The company also took a full impairment of its INR 1160 Mn investment in the Nigerian business through its subsidiary RV Enterprises.

Consumer Trends and Initiatives

- The company is witnessing a rising trend of food on the go, driven by factors like increased travel, tourism, and shopping in India.
- The company is introducing value-priced layers and optimizing promotions to cater to consumers seeking more value for money during the inflationary environment.

Real Estate and Expansion Plans

- Real estate availability and costs are not a significant challenge outside the top 50-70 locations in India for the company.
- The company is able to negotiate favorable terms with landlords in smaller towns and suburban areas.
- The Company guides KFC expansion will remain at similar levels, while Pizza Hut expansion will be more cautious given the brand's performance.

Return on Capital and Payback Period

- The company’s KFC segment payback period is currently around 2.5-3 years, slightly higher than the earlier 2-year period due to the slowdown.
- In Costa Coffee and Vaango segments the payback period is under 2 years.
- For Pizza Hut, the payback period is currently around 5-6 years due to the brand's performance challenges.

**Indian Hotels Co Ltd – Q4FY24 Concall KTAs**
**CMP: INR 608 | Market Cap: INR 8,65,803 Mn**

**Guidance: They are guided for consistent double-digit topline growth in FY25. Revenues from new businesses are expected to grow over 30% in FY25. Their target is to open a minimum of 25 new hotels in FY25. Additionally, they anticipate long-term industry demand to grow at over 10% annually.**

Financials Highlights
•Revenue increased by 18% YoY to INR 19,515 Mn in Q4FY24 and by 17% YoY to INR 69,517 Mn in FY24.
•EBITDA stood at INR 7,060 Mn in Q4FY24 and INR 23,400 Mn in FY24, up by 25% YoY and 20% YoY respectively.
•PAT stood at INR 4,180 Mn in Q4FY24 and INR 12,590 Mn in FY24, up by 27% YoY and 26% YoY respectively.

Brand & Business Strategy:

•The company has a unique balanced mix of 60% capital-light and 40% capital-heavy assets.
•Gateway is an established brand, and they have introduced an upscale version, essentially an upgraded version of the existing brand, with an initial offering of 15 hotels and a target of reaching 100 by 2030.
•The new businesses Ginger, Qmin, and Ama Stays & Trails experienced a 35% YoY growth. TajSats achieved revenues of INR 9,000 Mn, marking a 40% YoY growth and capturing 60% of the market share.

Capex Plans:

•They commenced a 5-year INR 35,000 Mn capital deployment plan for asset upgrades and new investments.
•They plan to invest in strengthening digital capabilities, including new websites, ERP systems, and data analytics. Additionally, they are working on two large greenfield projects on existing landbanks in the leisure segment.

Other Investment Areas:

•In renewable energy, their target is to use 37% of energy from renewable sources. Additionally, they have installed 343 EV charging stations across 142 locations.
•They have installed 40 bottling plants as part of their initiative to eliminate single-use plastic. Additionally, they operate 32 skill centres across 15 states for skill development.

Partnerships and Synergies:

•They entered into a strategic alliance with Ambuja Neotia Group's Tree of Life Resorts, which includes 14 resorts.
•They are exploring synergies with other Tata Group companies such as Air India and Vistara for cross-selling.
•Potential upside from increased inbound foreign tourist arrivals going forward

New Market Opportunities:

•The Events segment has significant growth potential, especially with the introduction of new convention centres.
•The weddings and social gatherings remain an important part of the culture.
•They are well-positioned to capture demand in spiritual tourism destinations, with a presence in over 50 places.

Customer and Demand Trends:

•The shift towards shorter holiday durations and multi-destination trips .
•Sports and mega events such as the G20, IPL, World Cups, etc., are aiding demand.

Geographic Focus:

•They have around 100 hotels in the top 7 cities, diversified across segments and price points.
•They are developing their presence in Tier 2/3 cities to capture growth and have entered the airport hotel/transit segment with flagship properties.

**Outlook :**

**The hospitality industry is gearing up for strong growth over the next few years, with demand expected to rise by over 10% annually. New supply will come from emerging regions and non-tier 1 cities. To maintain profits, there's a focus on efficiency and maximizing resources. They aim to increase revenue from high-margin ventures by 20%. They're open to acquisitions that fit their brand strategy and are planning two new leisure projects to expand their market presence.**

**Mahindra Holidays & Resorts India Ltd**

**CMP INR 435 | Market Cap 87.85 bn**

## Financials

• Total Income for Q4FY24 stood at INR 8.30 bn, increased 13% YoY. Revenue for FY24 stood at INR 28.19 bn, increasing 7.5 % YoY.

• EBITDA for the quarter was reported at INR 2.18 bn (15.7% YoY) while FY24 EBITDA stood at INR 6.28 bn (+8.7% YoY). Q4FY24 margin was 26.2% (+60bps YoY) while FY24 margin remained flat at 22.3%.

• PAT for the quarter was INR 832Mn (+32.3% YoY), margin of 10.02 % (+236 bps YoY). FY24 PAT stood at INR 1161 mn (+2% YoY); margin remained flat at 4.1%.

## Expansion

• In FY24 company commenced two new greenfield projects, 236 keys at Ganpatipule and 152 keys at Theog. Completed one acquisition of 72 Keys Resort in Jaipur and expansion project in goa.

• One ongoing expansion at Kandaghat aims to make it a flagship resort with 257 keys.

• Total capex of 8.35 Bn for five greenfield, one brownfield and acquisition projects, expected to add approximately 690 keys.

## Key Highlights

• On industry level in Q4FY24, there was an increase in occupancy and ADR with occupancy reaching 73% and ADR around INR 8900.

• Company reached a milestone of adding 20,000 members and reaching a cumulative member base of 2.98 lakhs.

• Membership Sales Value stood at INR 2.43 Bn in Q4FY24 (+18%YoY) and 8.24 Bn (+16%YoY) in FY24, demonstrating the satisfaction of existing members.

• Cash position stood at INR 13.83 Bn, and company received income tax refund of INR 0.66 Bn which includes interest of INR 65 Mn.

• Deferred revenue grew by INR 2.69 Bn to INR 55.95 Bn.

• Resort income stood at INR 860 mn.

- In Q2FY24, occupancy was impacted due to heavy rainfall and landslide in Himachal Pradesh and Uttarakhand while in Q3 it was impacted due to flooding in Sikkim.

• In Q4FY24 Company saw a recovery resulting in 85% occupancy on the expanded inventory base.

• In Q4, 59% of member additions were acquired through referral and digital routes.

• Online booking for the year stood at 82% out of which 76% came through mobile app.

• Aims to double the inventory base from 5000 rooms level to 10,000 room level by FY30.

• Company targets to be carbon neutral by 2040 through EP 100, Re 100 and science based targets.

• In FY24, company added six new resorts as the green resorts platinum, totalling to 17 resorts.

• Company's goal is to have 100% renewable energy by 2050 and may achieve it earlier.

• India's affluent consumer base is projected to expand at a 13% CAGR, surpassing the overall population growth rate.

• According to the management demand is outpacing supply, indicated by the rising average room rates across the country.

• With improved connectivity and the expansion of travel infrastructure and the tourism industry the company is expected to grow in both existing and new destinations.

• Company's member to room ratio lies ~56 level.

• In the next five to six years, company anticipate significant tailwinds, and might run inventory additions ahead of member additions.

• Sales and marketing expenses amounted to 2.12 Bn, despite a larger member base shows success in lowering the cost of acquisition.

• Company is actively engaged in PPP for inventory expansion. Signed a concession agreement for the MTDC Harihareshwar resort in Maharashtra as part of PPP.

• HCR has delivered€ 5 mn Operating Profit in FY24 despite the impact of Russia-Ukraine War.

• Company is actively looking for new opportunities and have signed agreements to open new timeshare destinations.

Company’s new strategy aims to target retail sales through corporate partnerships, offering special holiday packages to corporate employees.

**Outlook**

**The company's strong cash position of INR 13.83 bn, ensures no capital constraints. It aims to double its inventory to 10,000 rooms by FY30 and plans to leverage corporate sales, digital channels, online sales, and network effects to drive future growth. Further it anticipates resort revenues to outpace last year's growth.**

**Apeejay Surrendra Park Hotels Ltd | Q4FY24 Concall KTAs**

**CMP INR 175 |Market Cap INR 37.34 Bn**

**Company aims to double its inventory and plans to add 23 hotels totaling to 2385 keys over the next 5 years. Hospitality sector ARR is expected to grow at 12-14% going forward. Company plans to add 40 -50 flury outlets every year over the next 5 years.**

Financials

•Revenues came in at INR 1560 Mn in Q4FY24 (-2% QoQ/ 8.1%YoY).

•EBITDA came in at INR 540 Bn (-11.4% QoQ) (+22.5% YoY), while EBITDA margins stood at 34% (Vs 37% QoQ) (Vs 31% YoY).

•PAT came in at INR 180 Mn (-32.8% QoQ) (72.4% YoY), while PAT Margins stood at 12% (Vs 17% QoQ) (Vs 7% YoY).

Other Highlights

•RevPAR stood at INR 6,847 in Q4 FY24 (6.7% YoY) with 92% occupancy rate in Q4 FY24.

•Company achieved occupancy of 100% at the park kolkata, 96% at the park Navi Mumbai and 95% at the park New Delhi.

•Ipo proceeds were utilized to fully repay loans resulting in becoming net cash positive company.

•Segment-wise revenue mix Q4FY24: Room Rent 52%, F&B 39%, Management Fees 2% and others at 7%.

•Q4FY24, room revenue stood at INR 820 Mn with ARR of INR 7463.

•F&B revenue stood at INR 610 Mn contributing 40% of oversales with EBITDA of 540 Mn (23% YoY).

•Company added 97 new keys and 5 new outlets of flurries in Q4FY24.

•FNB segment contributed 42% of total revenues in FY24 with margins of 18%.

•Company plans to add 228 keys across 6 hotels in FY25. Chettinad palace is expected to open by July/ August24 and Ran baas palace at Patiala by September/ October.

•Company plans to renovate 38 rooms in New Delhi, 14 rooms in Vizag, 30 rooms in Chennai and upgrade ~ 500 rooms in Calcutta, Navi Mumbai and Bangalore.

•Company plans to launch E M Bypass Kolkata (250 keys and 100 apartments) by January/ February25. Sale of apartments will add ~ 1000 Mn to cash flows every year for the next 3 years.

•Company has opened 2 new flurrys outlets at bhubaneswar airport, 3 new outlets in Mumbai and to add at gateway of india and colaba causeway.

•Company aims to reach 100 flury outlets by September24 and targets for 120-125 outlets by the end of FY25.

•ARR in bangalore was impacted due to additional supply which has fully stabilized now and is expected to improve going forward.

•Renovation capex of ~ 450 -500 Mn per year. Flury capex ~ 1,000 - 1,200 Mn over the period

•Palace hotels ARR is higher as compare to other resort hotels. Company expects ARR ~ INR 12,000- 15,000 at Chettinad palace and INR 20,000 - 25,000 for Patiala palace.

•Company plans to add 383 keys on asset light model in FY25 including 43 keys in kolkata, 100 keys in Lucknow 50 keys in alibag and 42 keys in patna and additional hotel in indore of 118 keys.

**Lemon Tree Hotels Ltd – Q4FY24 Concall KTAs**

**CMP: INR 141 | Market Cap: INR 111.47 Bn**

Q4FY24 Financial Summary

- The total revenue was INR 327.3 crores, reflecting a 30% increase YoY and a 13% increase QoQ.

- The EBITDA for Q4 FY24 was INR 175.3 crores, marking a 24% rise both YoY and QoQ.

- The EBITDA margin was 52.9%, which represents a decrease of 278 bps YoY but an increase of 415 bps QoQ.

- The PAT reached INR 84.0 crores, showing a 42% increase YoY and a substantial 91.8% increase QoQ.

- The gross average room rate (ARR) was INR 6,605, an increase of 13% YoY and 4% QoQ.

- The company's debt increased by INR 143.3 crores, primarily due to borrowing for the Aurika, Mumbai SkyCity project.

ARR:

- Industry ARR hikes are projected to be in the range of 5-10%, varying by hotel, location, and market.

- Mid-market hotels are expected to see substantial growth.

- Lemon Tree's ARR growth for FY25 will be at least 10%, maintaining or exceeding FY24 levels.

- All brands above Keys will see an ARR increase of INR 800-1,000.

- Prior to 2009, the ARR for Lemon Tree Hotel and Red Fox was around INR 9,000, indicating current ARR levels have not yet returned to those highs.

- Price sensitivity is higher for lower category rooms compared to upper and upscale rooms.

Aurika Mumbai:

- Achieved 66% occupancy rate with an ARR over INR 9,000 in Q4.

- The number of crew rooms, which was 200-250 in Q4, is being gradually reduced.

- April performed well, May was similar year-over-year, and significant pickup is seen in June 2024.

- Q1 FY25 is expected to be much better than Q1 FY24.

Keys Hotel:

- Renovations for all properties will begin in FY25, with ARR improvements starting in October 2024.

- Keys is projected to achieve an annual EBITDA of INR 60 crores by October 2025, with early signs visible from October 2024.

- Once the entire Keys portfolio is renovated, its ARR is expected to reach INR 4,500.

Guidance:

- Consolidated revenue is projected to grow by 15% annually over the next three years, driven by improvements in ARR, occupancy rate, and management fees.

- The company will continue signing new management contracts, with more hotel signings than openings expected.

- Overall airline revenue is expected to decrease to 10% going forward.

City-wise Trends:

- Bangalore is experiencing a tough period due to a significant slowdown in tech company hiring, affecting Lemon Tree hotels located in IT clusters.

- Temporary closures for renovation include 100 rooms at Keys in Whitefield and 30-40 rooms in Hosur (Electronic City), with these trends continuing into H1 FY25.

- Mumbai's Lemon Tree Premier showed year-over-year improvement.

- In Hyderabad, 80-90 rooms out of 663 are temporarily closed for renovation, with around 12-15% of rooms shut at any given time until October 2025.

Demand:

- The management does not view competition as an issue, noting substantial demand growth.

- No demand spillover from Q1 FY25 to Q2 FY25 is expected; the slowdown in Q1 is attributed to elections. Q2 is generally weaker than Q1, but the company has outperformed in Q2 compared to Q1 over the last two years and expects the same trend this year.

Renovation:

- The company plans to spend approximately INR 100 crores on renovations in both FY25 and FY26, with 60-65% of this being operational expenses and the rest capital expenditures. Renovation expenses are higher in H1, a seasonally weak period.

- Renovation operational expenses were 2% of sales in Q4 FY24, up from 0.6% in Q4 FY23.

- Post-renovation, EBITDA margins are projected to be approximately INR 6 lakhs per room.

**IRCTC Ltd-Q4FY24 Concall KTAs**
**CMP: INR 1043 | Market Cap: INR 8,34,400 Mn**

**Outlook**

**The company has achieved record revenues and profits in FY24, driven primarily by strong growth in the catering segment. The management is optimistic about sustaining this growth momentum, leveraging opportunities from the expansion of railway infrastructure, introduction of new trains, and upgradation of stations across India. While the company refrained from providing specific guidance, it expects the catering segment margins to improve to around 15% in FY25 as it secures more long-term contracts and expands its e-catering services. The management also highlighted plans to apply for a payment gateway license, which could open up new business avenues.**

Financial Performance

- Consolidated revenue stood at INR 11,548 Mn, grew by 19.66% YoY in Q4FY24 and at INR 42,702 Mn, grew by 20.57% YoY in FY24.
- EBITDA grew by 14.89% YoY in FY24, to INR 14,660 Mn. EBITDA margin remained stable at 34.3% in FY24 compared to 36% in the FY23.
- PAT grew by 1.93% YoY in Q4FY24 to INR 2,842 Mn and by 10.46% YoY to INR 11,111 Mn in FY24.
- The company declared its highest ever dividend of INR 6.5 per share for FY24.

Segmental Performance

Internet Ticketing

- Revenue grew by 16% YoY to INR 3,424 Mn in Q4FY24. The segment demonstrated resilience despite the transition from reserved to unreserved tickets.
- The convenience fee margin moderated due to the increased adoption of UPI payments (39% in Q4FY24 vs. 33% in the PY).

Catering

- The segment reported strong revenue growth of 34.1% YoY to INR 5,308 Mn in Q4 FY24.
- The EBIT margin moderated to 8.7% in Q4 FY24 due to higher administrative cost allocation and GST on mobile catering services. The company targets a catering margin of around 15% in FY225.
- The e-catering business crossed the 0.1 Mn per day, and the company aims to leverage opportunities from station upgrades and new train introductions.

Tourism

- The segment reported a QoQ revenue growth of 3.2% to INR 2,017 Mn in Q4FY24.
- The EBIT margin was strong at 9.4% in Q4FY24, indicating the segment's resilience and growth potential.

Rail Neer

- The segment reported a steady revenue of around INR 829 Mn in Q4FY24. The EBIT margin recovered from a loss on a QoQ basis to 18.6% on a YoY basis.

## Business Initiatives and Partnerships

- The company has entered into an MoU with Central Armed Police Forces to provide catering services.
- IRCTC has signed agreements with several state governments like Chhattisgarh, Uttarakhand, Madhya Pradesh, Jharkhand, and Goa to run trains, but the implementation was delayed due to the model code of conduct.
- The company has onboarded major food aggregators for its e-catering services, covering 407 stations.

## Operational Highlights

- The daily ticket booking reached a record high of 1.3 Mn tickets per day in Q4FY24, and the annual average was 1.24 Mn tickets per day (vs. 1.18 Mn in the previous year).
- The Rail Neer plant's capacity utilization improved to 1.45 Mn bottles per day in FY24 (vs. 1.552 Mn bottles in FY23).
- The company operated 563 pre-paid catering trains and 702 under the GSBC category in Q4FY24, with pre-paid trains offering higher revenue potential.

## Capex and Cash Balances

- The company's CapEx for Q4FY24 was INR 550 Mn, and the total CapEx for FY24 was INR 2,400 Mn
- As of the end of FY24, IRCTC had cash and bank balances of INR 22,630 Mn and a net worth of INR 32,300 Mn.

## Other Highlights

- The company expects to capitalize on the growing railway infrastructure, new train introductions, and station upgrades to drive future growth.
- The product mix is expected to change, with the potential for segments like catering, tourism, and Rail Neer to contribute more significantly to overall revenue and profitability.
- The company plans to apply for a payment gateway license from RBI to provide payment gateway services to enterprises.

Arihant Capital Market Ltd.

**Praveg Ltd- Q4FY24 Concall KTAs**
**CMP: INR829 | Market Cap: 20.34 Bn**

## FINANCIAL OVERVIEW

Q4 FY24

- Net Sales amounted to ₹32.52 crore, a growth of 73.76% compared to ₹18.72 crore in Q4 FY23.
- Total Expenditure was ₹24.03 crore, an increased by 164.64% compared to ₹9.08 crore in Q4 FY23.
- EBITDA was ₹9.46 crore, a decrease of 4.64% compared to ₹9.92 crore in Q4 FY23, and the EBITDA Margin stood at 28.25%, down from 52.20% in Q4 FY23.
- PAT was ₹1.59 crore, a decline of 69.13% compared to ₹5.15 crore in Q4 FY23, and the Net Profit Margin was 4.89%, down from 27.22% in Q4 FY23.

FY24

- Net Sales amounted to ₹91.60 crore, an increase of 8.56% compared to ₹84.38 crore in FY23.
- Total Expenditure was ₹62.41 crore, a growth of 58.00% compared to ₹39.51 crore in FY23.
- EBITDA was ₹32.14 crore, a decrease of 28.98% compared to ₹45.24 crore in FY23, and the EBITDA Margin stood at 34.00%, down from 53.38% in FY23.
- PAT was ₹12.84 crore, a decline of 54.70% compared to ₹28.36 crore in FY23, and the Net Profit Margin was 13.66%, down from 33.48% in FY23.

Net Profitability Impact and FY25 Guidance

- Net profitability has been impacted because Praveg is focusing on end customer satisfaction, which requires good manpower and service. The company is focusing on in-house operations, with manpower exceeding 1,000. Most of the resorts were inaugurated in Q3 and Q4, leading to high initial expenses.

- It typically takes 6-12 months for occupancy to increase. The EBITDA margin currently stands at 9.1% and as hotel matures the EBITDA margins could be increased to more than 40%

## Project Updates

Ayodhya, Brahmakund Project

The project features 30 cottages and has been operational for 5 months. Despite being sold out, only 400 guests were served because operations started in November but no visitors were allowed until January 31st. Therefore, occupancy figures are for February and March.

Velavadar wildlife Project

The current capacity is 12 cottages, although the project can be eventually expand to 30 cottages depending on demand. It is a boutique wildlife resort, and the Average Revenue Per Unit (ARPU) is expected to increase to ₹20,000 during the season.

Ahmedabad 5-Star Hotel- Grand Eulogia
- The Average Room Rate (ARR) is currently low because the focus is more on social functions rather than room service, which comprises less than 25% of total revenue. However, 80% of the hotel is booked during the wedding season.

- The new hotel is expected to generate more than ₹35 crore in revenue for FY25, with an EBITDA margin exceeding 40%. The current monthly run rate is ₹1-1.5 crore. Revenue peaks in Q3 and Q4 due to weddings.

Lakshadweep Project
Implementation has already started for 4 resorts, which are expected to begin operations in November

Inventory Costs and debtors
- The inventory on books amounts to ₹12 crore. This is not related to hospitality but event management as Praveg is also involved in event management business, which contributes to the inventory.

- The majority of debtors are related to the hospitality business, including government debtors for conferences, with typical payment cycles of 90 days.

EBITDA Margin and Cost Structure
- The cost structure is divided into 35-40% for structure of resort, 20-25% for furniture, and 15-20% for peripheral expenses and remaining as overhead expenses.

Profitability Goals
- The company aims for a 40% EBITDA margin once the properties are well-established.

Acquisition of Advertising(hoardings) Company
- The acquisition of the advertising sites company is intended to enhance Praveg's advertising business, leveraging 30 years of experience. This move is also expected to support the hospitality business during periods of low occupancy of their hoardings.

ARR (Average Room Rate) and Occupancy
- For FY23, the ARR was based on only 2 resorts with an average revenue of ₹10,000. This figure is not comparable to FY24, as several new resorts have since been opened.

- The average occupancy for FY24 was between 45-50%.
Arihant Capital Markets

**Kamat Hotels (India) Ltd Q4FY24 Concall KTAs***

**CMP- INR 268 | Market Cap- INR 6,610mn**

Company repurchased outstanding NCDs totalling INR 128.45cr. INR 114cr came from a loan from Alpha alternatives and remaining INR 14cr sourced from internal accruals.

This initiative involves tying up with Axis Bank, resulting in a significant reduction in the interest rate from 21% to 10.75%. This will lead to interest expenses of INR 14cr which was earlier INR 35-38cr.

Company expects FY25 revenue to be INR 400cr on consolidated basis with EBITDA of INR 140cr.

Increment INR 100cr revenue will come from new unit addition ~INR 80cr and rest will come from other new acquisitions company have done which will now mature for the full year.

**Financial Performance**

• Net Revenue for quarter grew 5% YoY and stood at INR 845.1mn (-1.9% QoQ) and for FY24 revenue stood at INR 6043.4mn vs INR 2950.8mn in FY23.

• EBITDA de-grew 17.9% YoY to INR 916.4mn and the EBITDA Margin contrast by 700bps to 30% on an annual basis. And EBITDA for quarter stood at INR 233.2mn (-10.9% QoQ, -22.5% YoY).

• PAT stood at INR 448.5mn for FY24 down 85.7% YoY. And stood at INR 21.3mn for the quarter vs INR 415.7mn in Q3FY24 and INR 2711.6mn for Q4FY23.

**Concall Highlights**

• Company opened its IRA by ORCHID hotel in Ayodhya on 17th April and is doing well with ARR of INR 6800.

• Occupancy was 55% for Orchids, 40% for Jadhav Gadh, 44% for Mahodadhi Palace, 54% for Lotus Resort and 62% for IRA by orchid.

• There is a shift from interest payment to lease rentals which has affected the EBITDA. However, despite this shift, company was able to generate additional GOP after covering both interest and lease rental. Over the past 5 months, company has earned ~INR 4cr above and beyond these fixed expenses.

• Company's 32% revenue comes from repeat coustmers.

. Company falls short of their EBITDA guidance, as there were several one-time expenses and operational adjustments that affected, such as processing fees, registration charges, and payments towards the repurchase of NCDs.

• One significant factor impacting EBITDA was the transition from lease interest costs to lease rentals, which reduced interest expenses but affected EBITDA calculation.

• Orchid Mumbai hotel building is owned by Kamat hotels but the land is owned by Plaza hotels therefore company has to pay royalty to Plaza in percentage terms.

• The company plans to utilize the cash inflow of ~INR 120cr from internal accruals and warrant conversion. While INR 40cr will be used for repayment and repurchase of NCDs and pay debt.

• The plans to maintain a comfortable debt level without necessarily repaying debt to Axis Bank at this point. Instead aims to strengthen its relationship with banks and achieve a higher credit rating.

• Management and lease both are the focus of the company but more focus is at lease as lease hotels gives better control.

• More management properties are in pipeline. It may not add much to top line or bottom line but offers scale and it also offers customers more options.

• The increase in employee costs is attributed to the hiring of new staff across different levels to support our recently acquired properties in various locations.

**Crisil Ltd. – Q1CY24 Concall KTAs**
**CMP: INR 4,344 | Market Cap: INR 3,17,641 Mn**

**Outlook**
**The company faced some challenges in Q1CY24 as a result of global uncertainties and a slowdown in financial institutions' discretionary spending, which impacted its research and analytics operations. The rating business expanded 12% in Q1CY24, aided by domestic bond issuances. Despite near-term headwinds, Crisil intends to achieve double-digit growth and margin expansion by leveraging its global talent and focusing on private capital, data analytics, and sustainability solutions.**

Financial Performance:
- Revenue grew by 13.4% YOY to INR 31,395 Mn in CY23, with both segments registering double-digit growth and 3.2% YoY to INR 7,377 Mn in Q1CY24.
- PAT grew by 16.7% YoY to INR 6,584 Mn in CY23 and de-grew by -5.5% YoY to INR 1,377 Mn in Q1CY24.
- The company declared an interim dividend of INR 7/sh in Q1CY24.

Segment Performance
- Domestic ratings revenue benefited from the strong bond market in H1CY23 and continued mid-market client growth and it grew by 12% in Q1CY24, largely from government schemes and new mid-corp ratings.
- The Global Analytical Center experienced strong growth in its support work for sovereign ratings at S&P Global.
- The Market Intelligence & Analytics sector benefits from trends such as the financialization of savings, growth in asset management, and demand for innovative products.
- The Global Benchmarking & Analytics division achieved double-digit revenue growth in CY23 by expanding its reach among global banks.
- Although the Global Risk & Research Solutions division gained 29 new clients in CY23, Q1CY24 showed softness due to a slowdown in discretionary spending.

Macroeconomic Environment:
- The company mentioned that the global economy remained resilient in CY23, with only a mild moderation expected in CY24. Geopolitical factors, including elections in 64 countries, pose downside risks to the outlook of the global economy.
- The company foresees that India's GDP growth momentum will continue to be strong, forecasted at 6.8% for FY25, making it the fastest-growing large economy.
- Corporate bond issuance in India grew by 29% YoY as of Q1CY24, driven by demand from retail and services sectors.
- Bank credit expanded by 16.5%, primarily fueled by demand from the retail and services sectors, while growth in the large corporate segment was anticipated to reach 6.6%.

Competitive Position:
- The company consolidated its market leadership position in domestic ratings, benefiting from investor preference for top-rated agencies. Despite industry headwinds, the position remains strong in the Global Risk & Research Solutions (GRRS) business.

Strategic Initiatives/Priorities:
- The company aims to create impact through work and sustainability efforts for stakeholders.
- It recently established a new data proficiency center in Bogota, Colombia, catering to North American clients.

Digital Transformation:
- The company's digital transformation initiatives are having a tangible impact on its ability to deliver analytics through digital channels to clients.
- The company's focus on digitization and automation is driven by the demand for integrated credit platforms that connect data, create data marts, and automate the entire credit life cycle.

Diversification and Portfolio Expansion:
- Crisil is looking for opportunities to improve its client services and internal processes using GenAI technology across various sectors.
- The company is developing data and analytics expertise in emerging fields like electronics, semiconductors, solar PV modules, and electric vehicles (EVs) to assist both corporate and financial institution clients.
- The company aims to maximize revenue opportunities in CY24 and build a broader revenue base for the GR&RS business going forward.

**Tejas Networks Ltd – Q4FY24 Concall KTAs**
**CMP: INR 906 | Market Cap: INR 1,54,619 Mn**

**Strong performance in Q4FY24 and FY24 overall driven by growth across all product segments, including wireless and wireline businesses.**

Financials Highlights
- Revenue increased by 343% YoY to INR 13,270 Mn in Q4FY24 and by 168% YoY to INR 24,710 Mn in FY24.
- EBIT stood at INR 2,480 Mn in Q4FY24 and INR 830 in FY24, up by 669% YoY and 178% YoY respectively.
- PAT stood at INR 1,470 Mn in Q4FY24 and INR 630 Mn in FY24, up by 1380% YoY and 273% YoY respectively.

BSNL Order Book
- The backlog order of INR 82,000 Mn doesn't include the 5G order but only the existing 4G and wireline orders.
- The BSNL 4G order is for 1 lakh sites, out of which equipment for around 10,000 sites has been shipped so far.
- The company does not face any delays or resource constraints from BSNL's side for executing the 4G network rollout project and expects to complete the supplies for the BSNL 4G order in FY25 itself, with a significant portion of the network also getting deployed and commissioned during the year.
- The company expects to get 5G upgrade order from BSNL for around 40% of the existing 1 lakh sites, after completing the Proof of Concept in the next few months.

International and Domestic Business
- The company is increasing its focus and investments in the international market, targeting opportunities in the U.S, Europe, emerging markets and the utility sector.
- The company is also engaged in multiple PoCs with private telcos in India for its wireless products and expects to line up some opportunities in the near future.
- The company is eyeing to participate in the upcoming BharatNet tenders with its IP/MPLS routers and xPON OLT/ONT.

Working Capital
- The increase in working capital is primarily due to inventory buildup for executing the BSNL 4G project.
- The company expects the working capital to taper down as the project execution progresses over the next 2-3 of quarters.

Partnership with Valiant Communication
- The company strong partnership with Valiant Communications, where Valiant's teleprotection technology is integrated with Tejas' transmission products to offer optimized solutions for utility and critical infrastructure customers.
- The companies are exploring opportunities together, not only in India but also globally.

Other Highlights
- The company’s margins improved in Q4FY24 due to a higher mix of higher-margin products and company expects its blended margins to improve over time, closer to historical levels.
- The company is eligible for PLI incentive of up to 5-6% on the incremental manufacturing revenue over the base year.
- The semiconductor chips designed by Tejas' subsidiary Saankhya are currently being used in their satellite transponder products. These new chips will be integrated into future 5G products when ready.
- The company has invested in manufacturing capacity to execute the BSNL order within the stipulated timeline.
- The company has not provided any revenue or margin guidance for FY25.

**Outlook**

**The company performed well in Q4FY24 and FY24 overall, with growth across all product segments, including wireless and wireline businesses. With an order book worth INR 82,000 Mn, the company is well-positioned to capitalise on upcoming opportunities such as BSNL's 4G/5G rollout, Bharat Net Phase 3, private telco broadband expansions, and utility network upgrades in India and around the globe. Going forward the company’s long term goal is to maintain historical margins level over time.**

**Tara Chand Infralogistic Solutions Ltd | Q4FY24 Concall Highlights**
**CMP-INR 426 M.Cap- INR 6030mn**

**TCISL has recently migrated to the NSE mainboard with highest revenues and profitability. It will be entering into renewable sector in FY25. Depreciation has reduced and will remain so going forward. Company has guided for 30% growth year on year. Company has planned capex and will execute its order book in next one year with robust demand coming in. We have a positive outlook on this stock and would recommend to buy it for its future growth.**

About the company

Operates across India under 3 segmenets-
1. Equipment rental- 300 machines, largest crane of 800ton capacity
2. Warehousing and transport- warehousing for steel products for PSUs. handling more than 10mn tons per annum
3. Steel processing and distribution- construction of metros, participated in several metros. Played role in bullet train construction as well as provided equipment for Atal Setu construction .

-The company in FY25 is going to enter renewable energy and is expected to contribute 5-6% of revenue. Company is also looking to enter into EPC projects in the civil and mechanical realms

Registered highest Revenue and Profit with highest debt repayment of INR 380mn and debt equity at 0.9x. Receivable days have come down to 84 days.

Order book of INR 1382.3mn as on 1stMay'24 which will be executed in current year upto 31st march 2025. 55% of order book is from our warehousing and transportation segment and rest from equipment rental.

Financials
Q4
Income stood at INR 469mn and EBITDA of 169.3mn with 36% margins. PBT and PAT were INR 92.2mn and INR 63.1mn respectively.

FY24
Income stood at INR 1748.6mn and EBITDA of INR 582.3mn with 33% margins. PBT and PAT were INR 217.1mn and INR 161.3mn respectively.

Segment revenue
44% equipment rental and 48% from warehousing and logistics with 8% from steel processing.

-Equipment rental of 2.85% monthly for FY24. This yield has increases on a YoY basis.

Growth Guidance
Minimum 30% YoY growth for FY25.

-As equipment gets older it  increases its price competitiveness. Aging doesn't change the realisations. The company generally churns out equipment after 9-10 years. Equipment able to sale at 60% of org value even after 8-10 years of usage.

-Depreciation has fallen significantly because larger crawler cranes have over 20 years age over which they depreciate. Also, necessary corrections have been made and certain equipment are now being depreciated over longer period of time.

-FY24, companies lifting capacity has crossed 2600metric tons.

-Capex of INR 1600mn will be executed over FY25and FY26 based on orders received. Capex will be funded through debt and internal accruals. Tonnage capacity will increase drastically.

-INR 700mn of secured term loans will remain constant over next few years.

-Receivable days have been reduced due revenue mix has change, and fading out of challenges faced during the covid period and revenue has moved to segments where realisations are faster.

-Sufficient bandwidth internally to enter renewable sector.

-Execution period for warehousing is 5-7yrs and equipment rental is  6mnths-3yrs.

-Target to sustain EBITDA margin of ~33%.

-Company is picky in choosing EPC orders since it doesn't want to hamper margins.

-Decline in margin in transportation segments due to certain new contracts which took time to take off. These contracts are for 4-5 years and stress in margins will average out over the remaining period.

**CL Educate Ltd. -Q4 FY24 Concall KTAs**
**CMP: INR 78 | Market Cap: INR 4,226 Mn**

**Outlook**

**While CL Educate faced a temporary setback due to changes in the law examination calendar, leading to INR 80-100 Mn shortfall in revenues compared to pre-COVID levels, the company remains optimistic about regaining its previous performance. As the market leader in law exam preparation, CL Educate has intensified its marketing efforts and school outreach programs to attract more students. The management expects test-taker numbers to gradually recover over the next couple of years, and with its enhanced initiatives, the company anticipates regaining its lost market share and revenues.**

Financial Performance
- Revenue stood at INR 3,324 Mn, marking a YoY growth of 12% in FY24.
- PAT for FY24 amounted to INR 156 Mn, reflecting a YoY growth of 12%.
- EBITDA for FY24 stood at INR 379 Mn, showcasing a growth of 18% YoY.

Segment Performance

EdTech segment
- Revenue increased to INR 2,094 Mn, up by 16% YoY and EBITDA grew to INR 245 Mn, up by 13% YoY. In FY24, Volume increased by 10% YoY, accompanied by a corresponding 10% rise in billing. Publishing revenue grew by 19%; Margins enhanced due to moderation in paper prices. Platform Biz revenue grew by 42%, 70 new clients added during the year.

MarTech segment
- Revenue stood at INR 1,230 Mn, increased by 6% YoY while EBITDA grew by 29% YoY to INR 134 Mn in FY24. Change in revenue mix contributing to higher margins. 56 new clients added making a total of 117 clients. Notable clients added are SBI, Deloitte, Nike, Softtek, HP.
- Growth in Singapore business is 35% YoY. Indonesia & US contributing 50% of the total growth

Change in Law Examination Calendar
- The change in the academic calendar for the law examination led to a 30% increase in the number of test-takers. CL Educate, being the market leader, has increased its focus on outreach and marketing to schools to promote law as a career.

Revenue Impact
- Despite the decrease in the number of enrolled students, CL Educate managed to maintain similar revenues as the previous year. However, the company is INR 80-100 Mn short of its target revenue compared to pre-COVID years before the law market was impacted.
- The management views this as a temporary phenomenon and expects a return to normalcy in the coming months.

Inorganic Growth Opportunities
- The company currently has a significant cash reserve, which is being securely held in fixed deposits. The management is actively evaluating opportunities to deploy this cash for inorganic growth, potentially through acquisitions or investments in the EdTech or Martech spaces.

Diversified Product Portfolio
- The company offers a range of products across different price points, including test series programs, interview/GD preparation, personality development programs, study materials, and video programs. This diversified product portfolio allows CL Educate to cater to different customer segments and compete with various players in the market.

Other Highlights
- In the student mobility business, the company has seen enhanced direct US university partnerships (pilot program with 7 top universities). Premium admission consultancy for test prep grew by 58% YoY
- In UAE, the volume of operations have increased by 20% and billing has increased by 16%
- As of Q4 FY24, the company continued to be net debt-free.

**Care Ratings Ltd Q4FY24 Concall KTAs**
**CMP: 1092 | Market Cap: 32.63 Bn**

**Company's analytics and advisory businesses saw significant top-line growth. Company's subsidiary ESG Ratings Provider will expand its service offerings and cater to the growing demand for ESG assessments and solutions. The company remains committed to invest in technology and automation to improve efficiency and explore the use of AI in its operations.**

Financials
•Total Income stood at INR 901.5 Mn (16%YoY) in Q4FY24.
•EBITDA stood at at INR 290.3 Mn flatitsh YoY in Q4FY24, with EBITDA margin of 32%.
•PAT stood at INR 245.5 Mn (22%YoY), with PAT margin of 24%.

Operating Highlights
•Company witnessed subdued growth in private consumption, primarily due to the weather related uncertainties and slow rural demand recovery while the urban demand remained robust.
•Despite facing headwinds from various global fronts, the indian economy showcased remarkable resilience.
•Fundraising through corporate bond issuances increased by 19% to INR 10.2 lakh cr in FY24 while issuances of commercial paper remained stable at INR 13.8 lakh crore.
•Bank credit to industry grew by 8.5% in FY24 compared to 5.6% last year, driven by 7% growth in large industries.
•Company witnessed some moderation in credit growth to NBFCs and personal loans due to the increased risk weightage for credit disbursement.
•Company expects merchandise exports to improve in this fiscal year.

Business mix
•Rating to non-rating ratio mix stood at 90:10 compared to 94:6 in FY23.

Other Highlights
•The advisory consulting division saw a robust growth of 65% on the top line.
•Company's subsidiary Care ESG Ratings Limited will operate as an ESG ratings provider.
•CARE Ratings (Africa) Private Limited signed an MoU with African Peer Review Mechanism in the area of Credit Rating.
•The license is under processing by the regulator and company expects to receive by H1FY25.
•Subsidiary in Africa will take some to stabilize in order to create market but management is confident in terms of the growth in these businesses.
•Company aims to become tech driven hub and committed to invest in people, technology, branding, and growth initiatives.
•The company is exploring ways to leverage large quantum of data and incorporate generative AI to enhance analyst productivity.

**Syrma SGS-Q4FY24 Concall KTAs**
**CMP INR 396 |Market Cap INR 70,421 Mn**

**Company aims to maintain growth of >40-45% in automotive, healthcare, industrials, and consumer sectors, expecting consumer revenue to stabilize at 37-40% in FY25 while maintaining a focus on strong growth in FY25..**

Financial
Reported a Con. Revenue INR 32,124 mn, up by 53.5% YoY primarily driven by Healthcare, Automotive, and Consumer segments.
EBITDA was up by 11.1% YoY to INR 2,571 mn. EBIDTA margin at 7.8%
Margin
PAT was INR 1,243 mn, up by 1.1% YoY. PAT margin at 3.9%.
Export Revenue at 23% of Revenue from Operations.

Concall KTAs
•Doubled SMT capacity from three. 5.2 Mn component placement for company to 6.3 mn components. Replicated in 1yr a capacity which was built over three decades. This is also reflected in a high depreciation charge in the books.

•Net working capital has stabilized at 70 days (average ~80 days) based on the FY24 numbers and the target to bring it down to 60 days.

•New Pune design center will go live in Q2FY25. Commissioning of the Pune plant is also on track and will be ready for production in Q2 or early Q3 of FY25.

•Geography: Company is expanding in Germany with a new facility, expecting 40.5% growth driven by demand in various sectors, aiming to stabilize consumer revenue at 37-40% in FY'25 with further reduction targeted.

•Export: Company expects softness in the exports in H1FY25 but despite that expects exports to grow by 30% in FY25. Company expects annual operated EBITDA margins to stabilize at 7%. QoQ variations based on the seasonality of the demand from the various verticals would be always there.

•ROCE return on capital employed for FY24 is 15.4%, excluding the unutilized IPO funds and goodwill from the balance sheet.

•OCF operating cash flow for the year is negative, mainly because of incremental investments towards working capital on the back of higher business demands expected into the upcoming quarters.

•Merger: Company has filed for a merger of subsidiaries with NCLT, expecting completion in 9 to 12 months. For FY25, similar growth of 40-45% in revenue and an operating EBITDA margin of 7% are anticipated, with a continued focus on working capital and OCF improvement.

•Gross Margin: Individual customer margins have not decreased. Mix changed in consumer business to 46%, have affected overall gross margins. The EV sector's larger contribution to the automotive sector has also slightly affected margins.

•Consumer: Company has seen a big jump in consumer business while some of the higher-margin businesses have grown at a slower pace. However, company has not seen the corresponding decline in working capital.

•Order: INR 4500 cr in which 22%-25% in export. Order book contribution revenue mix, 40% odd in consumer, 20%-22% consumer, 20-22% Auto and 5-8% in Healthcare and the rest in IT

•Capex: Spent INR250 crores in FY24 and expecting INR150 cr to INR180 cr in the year FY25 towards the Pune project and other projects that are already ongoing.

•PLI: In FY24, company does not factor any PLI benefits but expects INR 48-50 cr benefits in PLI.

**Rain Industries Ltd Q1 2024 Concall highlights**
**CMP INR 162 | Market Cap INR 54,350mn**

**Outlook:**
**Normalised earnings and margins expected in H2 2024 on the back of aluminium pricing trend and capacity improvements in calcination operations. Till now, Q2 has indicated stable market conditions. Cement segment will see improvement in operating margins post general elections in India. Net Debt to EBITDA at 4x; it is expected to drop down to 3x with better performance and reduced debt in next few quarters.**

Key highlights:
- Revenue came in at INR 36.7bn.
- Net loss recorded at INR 1.62bn.
- TRIR of 0.14 achieved in Q1 at Rain Carbon Inc level due to slippery conditions in the winter season.
- EBITDA came in at INR 3.3bn, below their internal benchmarks. Although, there has been improvement QoQ basis. This was mainly due to margin compression in high volume products like CPC and CTP. Prices have seen a downtrend since Q2 2023 which has impacted operational costs too.
- Aluminium remained major end customer industry with 38% share. This declined from 48% due to reduced volumes in Calcination business. It will return back to 45-50% next quarter.
- Capex of US$ 17mn done in Q1.

Carbon business:
- Average blended realisations declined by 25.7%. Revenue decreased by 39.4% YoY.
- Carbon business was affected by major turbine failure at CPC plant while global conflicts led to hampered shipping to key markets. Overall Volumes decreased by 13% while price declined by 4%. This was mainly due to weak shipment in India. Raw material prices declined by 18%.
- Product prices in distillation business have stabilised but margins in CTP remained under pressure. Volumes increased by 17% while there was 9% drop in prices. RM prices dropped 6%.
- Other products saw 10% decline in volumes and 7% drop in prices.

Advance Materials business:
- Blended realisations decreased by 4.5%. Revenue increased by 8% YoY.
- Advance Materials segment saw improved earnings led by reduced gas prices and robust volumes in HHCR. Demand from Europe has increased substantially.
- Volumes of CARBORES and PETRORES, part of engineered products category, increased by 19% with flat pricing.
- BTX and Phthalic anhydride in Chemical intermediaries witnessed higher volumes.
- 17% volume increase in Resins and Downstream materials. This segment benefitted from Red sea crisis as demand for made in Europe products increased. The crisis also eliminated competition coming from Asia.

Cement business:
- Realisations dropped by 5% but volumes increased 2.4%. Overall, there was 5% drop in revenue.
- Cement segment’s EBITDA margin declined to 10% from normal levels of 16-18%, mainly due to low realisations and high operational costs.

Calcination market:
- Calcination market continues to face pricing pressure. GPC prices are decreasing along with constrained availability. CPC volumes declined due to customer destocking in hope of impact of new regulations.

Aluminium industry:
- Aluminium industry displaying growth trend with prices surpassing US$ 2500 mark and reduced inventories due to tougher sanctions in Europe and US on trading from Russia. Forecasts indicate robust production over next two years.
- One CPC and CTP customer has announced green-aluminium smelter in USA.

**Venky's Ltd-Q4 FY24 Concall KTAs**

**CMP: INR 1,787 |Market Cap: INR 25,177 Mn**

**Outlook**

**The company's overall performance improved in Q4 FY24, driven by better realizations from the sale of day-old chicks and grown-up broilers in the poultry segment due to lower maize and soya costs compared to the previous year. The management expects this trend to continue in FY25 as input costs are expected to remain stable, aided by a good monsoon forecast. The prices of key raw materials, maize and soya, are expected to remain stable in FY25 at similar levels as FY24; maize approximately INR. 23-24 per kg and soya approximately INR 44-47 per kg. The animal health products segment is also expected to register over 20% revenue growth in FY25 due to newly added capacities. However, the oil seeds segment may take longer to recover, though improvement is anticipated as the poultry segment, which is a major consumption driver, gains momentum. The company does not have any major capex plans for FY25 and is focused on optimizing utilization of its recent expansions across segments.**

Financial Performance

- Revenue stood at INR 37,381.5 Mn, reflecting a decrease of 11.7% YoY in FY24 and at INR 8,959.4 Mn, a decrease of 14.06% YoY in Q4Fy24.
- PAT stood at INR 790.7 Mn, reflecting an increase of 12.19% YoY in FY24 and at INR 335.1 Mn, an increase of 32.82% YoY in Q4FY24.
- EBITDA stands at INR 1233.6 Mn in FY24 and INR 500.3 Mn in Q4FY24.

Poultry and Poultry Products Segment

- Profit margins in this segment improved due to lower costs of maize and soya compared to the previous year.
- The company faced challenges due to higher mortality rates, 10-11% in summer vs. 5-6% in winter, and lower body weight of broilers, 2.1-2.2 kg in summer vs. 2.4-2.5 kg in winter, during the summer months.
- Realization for broiler chicks in FY24 was INR 30.38 per chick, a YoY increase of 10.19% from INR 27.57 in FY23.
- Realization for layer commercial chicks in FY24 was INR 84.16 per kg, a YoY decrease of 5.81% from INR 89.36 in FY23.

Animal Health Products Segment

- The company completed regulatory clearances for a new AHP plant in January-February 2024. The new plant is expected to handle specialized product lines and improve overall product line and profitability.
- The company expects a 20% revenue growth in the AHP segment in FY25, targeting around INR 3100 Mn.
- The new plant's capacity utilization is expected to be around 35-40% initially, while the old plant is running at 75-80% utilization. The company expects to utilize the full capacity of the new plant in 4-5 years.

Oil Seed Segment

- The performance of this segment was affected due to unfavorable market conditions and is expected to improve in subsequent quarters as poultry consumption grows.

Other Highlights

- The government's policy on diverting maize towards ethanol production is being monitored, as it could impact the availability and pricing of maize for the poultry industry.
- The company is exploring the possibility of importing GM corn to address the potential shortage of maize supply.
- The company cross-sells its AHP products to its poultry segment customers.
- As of FY24, 42% of the company's revenue came from group companies, while 58% came from outside business.
- The company had 13 company-owned outlets and 52 franchisee-owned outlets for its processed chicken business as of FY 24.
- There was a jump in 'other financial assets' under non-current assets on the balance sheet, which was attributed to a bank deposit of INR 960.7 Mn.

**Matrimony.com Ltd – Q4FY24 Concall KTAs**
**CMP: 530 | Market Cap: 11800 Mn.**

**Outlook:**
**The company estimates challenges in meeting its FY28 revenue guidance due to shifts in expansion plans. However, the marriage services business is projected to reach break-even by Q4FY25, with an expected increase in PAT in Q1FY25. We believe that H2FY25 will be more favorable for the company, aligning with its growth plans.**

Performance:
•Revenue came in at INR 1192 Mn. (+1.61% QoQ) (+4.10% YoY).
•EBITDA margins came in at 14.2% (Vs 14.3% QoQ) (15.0 % YoY).
•PAT came in at INR 117 Mn. (+5.6% QoQ) (+2.9% YoY).

Highlights:
•Company launched an exclusive dating app for Indian Americans MeraLuv in FY24.

•Achieved their target of 1 Mn. paid subscribers in FY24.

•Matrimony had an issue with Google Services in FY24, due to which many of its applications were taken down, now the issue has been resolved and all the applications are back on Google Play Store. 11% charges are paid to Google as a fee for hosting its applications.

•The company will not be able to achieve revenue guidance of INR 10 Bn. for FY28 given earlier, due to changes in their expansion plans (buildingbazaar.com) and schedule of launching applications.The newly launched business will not be profitable at least till FY25.

•The Marriage Services business is expected to break even by Q4FY25.

•PAT is expected to increase marginally in Q1FY25 compared to Q4FY24.

•No considerations to expand in foreign except the subcontinent due to different cultures.

•Final dividend of INR 5 per share.

**Radiant Cash Management Services Ltd | Q4FY24 Concall KTAs**
**CMP-INR 82.9 | M.Cap-INR 8,840mn**

**Co. is navigating significant challenges in the e-commerce and petroleum segments, which have impacted volume and profitability. Despite these hurdles, the company remains focused on strategic growth through acquisitions, entry into new segments, and a robust focus on direct clients. The management's proactive steps, such as the acquisition of Ace Money and the expansion into the DBJ segment, are expected to drive substantial revenue growth.**

Financials
Q4
Standalone Revenue stood at INR 973mn(-3.1%QoQ)/(+8.5%YoY) with EBITDA of INR 152mn(-15.8%QoQ)/(+31.2%YoY) and margins of 15.4%. PAT stood at INR 90mn(-25.2%QoQ)/(+42.1%YoY) with margins of 9.1%.

-ROCE for the year was 22% and ROE was maintained at 17.9%, as the highest in the industry due to strong working capital management and a clean balance sheet.

Acquisition of Ace Money - This acquisition aims to leverage the growth in digital payments and complement the existing cash management business.

Entry into Diamond, Bullion, and Jewelry (DBJ) Segment -This new segment is seen as a significant adjacent business opportunity.

Focus on Direct Clients Enhanced focus on direct client business, particularly in the nationalized banking sector.

Expansion of Cash Van Operations -Acquisition of 220 cash vans to bolster operations.

Launch of Radiant Instant Credit (*RIC): Focus on digital payments, targeting small outlets.

-Guidance of of 18% revenue growth for the FY25.

-Proposed a 250% dividend on the face value of equity shares.

Challenges -Faced headwinds in petroleum and e-commerce logistics segments due to reduced volumes and pricing pressures.

Cash Van Operations: Achieved 53% revenue growth while direct clients recorded a 50% revenue growth. Cash burial at 14% growth. Core cash pickup and delivery saw muted growth at 2.2% due to challenges in the e-commerce logistics segment.

-Ace Money achieved operational breakeven and is expected to significantly contribute to revenue growth and profitability in FY25. It is expected to contribute around 10% of total revenue in the next two years.

DBJ Segment is undergoing consolidation after infrastructure expansion and is expected to reach breakeven within the next two quarters and contribute positively to EBITDA.

-Significant growth opportunities in retail cash management, which is still in the nascent stages in India.

-Investment in cash vans amounted to INR 240mn during the year.  EBITDA margins are expected to improve as the new segments stabilize and contribute to profitability.

-Co. plans to add approximately 1000 new touch points every month in the coming years.

Petroleum Segment Challenges- Volume reductions due to the Ukraine war and subsequent recovery in the second half of the year.

-Majority of cash volumes are transported by vans, adhering to RBI guidelines.

-Deployment of mobile apps to improve efficiency, though billing cycles remain dependent on bank reconciliation processes

**Rashi Peripherals Ltd | Q4FY24 Concall KTAs**
**CMP-INR 334 M.Cap-INR 22,000mn**

**Rashi Peripherals Ltd. is well-positioned for continued growth, supported by its strategic initiatives, expanding distribution network, and robust financial performance. The company's focus on new product lines, deeper market penetration, and operational efficiency is expected to drive future growth and profitability.**

Arihant Capital Markets Ltd.

Financials
Q4
Consolidated revenue from operations stood at INR 30,022mn(+14%QoQ)/(+33%YoY) with EBITDA of INR 680mn(+6%QoQ)/(+9%YoY) and margin of 2.26%. PAT stood at INR 471mn(+90%QoQ)/(+97%YoY) with margin of 1.57%. 41% YoY increase in PAT growth even without considering exceptional item.
-Working capital days remained stable at around 54 days. The ROCE stood at 13.39% for FY24(vs 14.21% FY23). The ROE was 12.79%, reflecting the impact of equity raise at the end of the financial year.

Distribution Network- Rashi Peripherals has a robust distribution network with 51 branch offices and 63 warehouses, reaching over 700 towns and servicing more than 9,900 channel partners.

New Brands and Products The company added several new brands and also entered the surveillance market through TP Link.

-Co. won a significant order worth INR 15100mn from NMDC Data Center marking India's first and largest AI cloud data center project.

-Embedded Space- Rashi Peripherals is setting up the first-ever embedded laboratory in Bangalore to provide live demos of products and solutions.

Make in India Vertical- The company is focusing on the Make in India initiative by establishing a new vertical to support the manufacturing of PC and related equipment domestically.

-Visual Display Business- Rashi Peripherals is expanding into the visual display market, driven by the increasing demand for larger and sharper screens.

Geographical Expansion- The company plans to penetrate deeper into the country, organizing seminars and training programs in 51 to 100 towns beyond the current 700 towns covered.

Guidance
The management expects to continue delivering double-digit growth, maintaining a long-term CAGR of 20%.

Capex -The management indicated no significant capital expenditure planned for FY25, focusing instead on leasehold developments to accommodate volume increases.

-The enterprise business grew by approximately 70% in the last year, and the embedded business saw a 92% growth YoY basis. Both sectors are expected to continue high growth.

-The company manages forex risk through forward bookings and expects ASP increases driven by the demand for AI-enabled laptops and desktops. The impact of forex fluctuations is offset by the natural hedging and pricing adjustments in their products.

-The management explained that IPO proceeds are utilized primarily for working capital, and the debt levels are managed to optimize growth opportunities. The current debt level is around INR 6000mn, with further capacity for revenue growth.

**Railtel Corporation of India Ltd| Q4FY24 Concall KTAs**
**CMP- INR 394 M.Cap- INR 126610mn**

Financial Highlights
Q4FY24
Company achieved a revenue of INR 8520mn(+26%QoQ)(+21%YoY). Operating revenue of INR 8330mn (+25%QoQ)(+20%YoY).

Telecom segment contributed INR 3360mn and project segment contributed INR 4960mn in operating turnover.

PBT for Q4FY24 at INR 1020mn (+21%QoQ). PAT at INR 780mn (+26%QoQ). EBITDA for Q4FY24 was at 145cr(+16%QoQ).

FY24-
Income of INR 26220mn and PAT of INR 2460mn recording 31% growth in both parameters. Railway project brings in 17% of total revenue.

Important Events
1. Finalised mou with Quadrant future tech ltd for participating in cover standards. Quadrant is under process of approval by RDSO as an OEM. Company is committed to deploy indigenous safety systems like Kavach technology.

2. With help of Indian high commission in south Africa,signed tri-party MoU with innovet and south Africa energy and infrastructure for taking RailTel beyond border to explore opportunities in telecom, railways and other businesses.

Order book
Order book is of INR 47000mn out of which RailTel expects to convert into revenue INR 20000mn this year.

Kavach
Signed MoU with new entrant in this domain who has a history of working in rail sector. This new product is compliant not only with existing specification but also with latest standards of 4g. In next 3-4 years, INR 50,000-70,000mn of orders are expected.

Telecom Business
5g could not continue the momentum with which it was launched and with tariffs under pressure demand is there but growth cannot be seen. RailTel has made new strategies to get double digit(10%) growth.

Margins in project business
Q4 margins affected due to some aggressive calls to enter new businesses. Company aiming to maintain 8-10% of margins.

Data Centres
Onboarded partner and partner has started survey. This year 10-12 data centers should be operational . In 2 years at full blown rate, it can give INR 1000mn of annual revenue, when it matures.

ARPU due to increased competition is slightly lower at INR 510 and 5.75 lakh subscribers.

New GUjarat Order
Recent order from guj order on fixed  subsidy based model. Broadband to 0.1 mn households will be provided in next 1 year. ARPU for this to be on the lower end of INR ~400 since it will cover rural area .There will be a one time expenditure to provide this service. RailTel will be sharing part of revenue with Govt of Gujarat.

Capex Guidance for next year- ~250cr

Guidance for telecom margin is in 20-22% range.

New order inflow Expectation
With the kind of tenders filed along with railways, new orders worth INR 40000mn expected.

OTT App Development
RailTel has received an order from Prasad Bharti for developing an OTT app based on the content provided by Doordarshan. It will be useful in rural and remote area and tier 4 and tier 3 popular because of their taste and are even targeting linguistic area.

FY25 revenue growth guidance
Guidance of 30% kind of growth.

Data center Plan
Railtel is going to have centers at 100 locations, put together complete capacities of 20Megawatt. 0.2megawatt in each location.
Revenue model- Investment will be done by partner while leveraging RailTel's network connectivity and access to Government. EBITDA margin in 10% range pn revenue sharing basis. Revenue potential of complete project should be around 100cr of turnover from these datacenters.

**AGI Greenpac Q4FY24 Concall highlights**
**CMP: INR 770 | Market Cap: INR 49.8 Bn | Promoter: 60.23% | Target: INR 1,785 | Rating: BUY**

**[Arihant Capital]**

**Outlook: Company continues to be optimistic on the acquisition but unsure about the time duration for completion. Current estimates by the company is in the range of 3-4 months for the supreme court case verdict.**

Performance (Consol)
•Revenue came in at INR 6.25 Bn (+0.4% QoQ) (-8.2% YoY)
•EBITDA came in at INR 1.48 Bn (-1.3% QoQ) (-16.2% YoY)
•EBITDA Margins came in at 23.72% (Vs 24.14% QoQ) (Vs 26% YoY)
•PAT came in at INR 645.8 Mn (-3.8% QoQ) (-32.6% YoY)
•PAT Margins came in at 10.2% (Vs 10.7% QoQ) (Vs 13.7% YoY)

Key highlights of the call:
•Furnace shutdown taken for Q1FY25 is the same furnace which was mentioned in Q3FY24 concall (earlier plan was to take shutdown in Q3FY25). This furnace will add another 80tpd capacity. Post this relining, there are no more furnaces up for relining for next few years
•Volume wise, soda ash is 12-13% of input raw materials but much higher value wise. Highest input contribution volume wise is cullet and sand.
•Capex for FY25 is INR 2.5 Bn and debt repayment schedule for FY25 is INR 2.2 Bn
•Exports stood at 8% of revenues
•Industry has a lot of unorganized players who are not opening up their capacities. Current industry capacity stands at 11,000 tonnes per day
•Interest cost should come down in FY25 compared to FY24
•40% of orders are on spot basis which are essentially small sized orders where company can negotiate prices better.

HNG acquisition:
•Next listing date is 13th May. Company continues to remain positive on the acquisition going through and sees supreme court’s verdict out in 3-4 months.
•Lots of questions raised regarding the process of acquisition regarding disclosures and CCI approval but the company remains confident regarding the verdict coming in their favor.
•HNG current utilization is 2300-2500 tpd

Volumes & Realisations:
•for FY24 stood at 524,000 tonnes Vs 532,000 tonnes YoY. Loss of volumes of 1.5% due to relining of a furnace while realisations remained flat for the entire year at 36,400 per tonne. Q4 realisations stood at INR 36,000 per tonne
•Speciality glass furnace volumes for FY24 stood at 33,000 tonnes with realisations of INR 63,500 per tonne

Other Highlights:
•Utilisation for the full year stood beyond 95%. Alcobev contribution in FY24 stood at 77%. Glass containers contribution in FY24 stood at 89%
•Net debt down to INR 2.26 Bn
•Dividend of INR 6 per share declared

**Outlook: Company aims to grow 10% in volume terms for FY25 (excluding acquisition growth). We changed our estimates based on the changes in realisations and volume expectations in HNG and AGI both. We continue to expect the acquisition to complete in FY25. At consolidated level (AGI and HNG), we expect the company to post INR 50.7 Bn of sales in FY26. We continue to maintain our BUY rating with revised price target of INR 1,785 (down from INR 2,112). At CMP, company trades 10.7x FY26 implied EPS.**

**Eco Recycling Ltd – Q4FY24 Concall KTAs**
**CMP: INR 539 | Market Cap: INR 10,414 Mn**
**Outlook**
**The company is optimistic about achieving 50% capacity utilization by FY25 and close to 100% capacity utilization by FY26. The company is exploring opportunities in emerging e-waste markets abroad and evaluating strategic partnerships with multinational corporations and brands. It expects EPR revenue to be substantially higher in the current quarter (Q1FY25) due to the restart of the EPR portal. The company aims to maintain a minimum EBITDA margin of 40% on a sustainable basis. Overall the company seems to have positioned itself well to capture the rising demand for e-waste recycling services.**
**Financial Highlights**
- Consolidated Total revenues stood at INR 76.6 Mn in Q4FY24 up by 60.59% YoY & INR 352.7 Mn in FY24 up by 63.82% YoY.
- Consolidated EBITDA stood at INR 32.9 Mn in Q4FY24 with margins at 42.95% & INR 237 Mn in FY24 up by 208.19% YoY and margins at 67.20%.
- Consolidated PAT was at INR 16.5 Mn in Q4FY24 with margins at 21.54% & INR 182.2 Mn in FY24 up by 194.35% YoY with margins at 51.66%.

**Capacity Utilization and Strategy**
- Company's current capacity utilization is around 4,000 metric tons out of 7,200 metric tons (60%).
- The company aims to reach 75-80% capacity utilization by the end of the current quarter.
- The company's strategy is to prioritize profitability over high capacity utilization with low-margin items and will focus on high-value items like IT devices and communication equipment over low-value items like washing machines and refrigerators.

**Extended Producer Responsibility (EPR) and Certifications**
- The company has started participating in the EPR portal launched by CPCB enabling transfer of credits to producers.
- The company became the first member of TERRA, a network of e-stewards and R2 certified e-scrap and IT service providers in India.
- In Q4FY24, the company booked EPR revenue of INR 15 Mn.

**Collection and Marketing Initiatives**
- The company plans to increase collection boxes in schools, colleges, and other establishments in Mumbai to collect e-waste from individual consumers.
- The company is exploring tie-ups with banks and other frequently visited places for better reach and collection.

**Revenue Streams**
- The company generated revenue of around INR 40 Mn from business with international recyclers during the year, accounting for approximately 1,000 metric tons of e-waste.

**Capacity Addition & Data Destruction Services**
- The company took almost a year and has recently set up a new capacity of 18,000 metric tons per annum for e-waste recycling in Maharashtra. This newly added capacity of 18,000 metric tons per annum is already operational.
- Company's data destruction services contributed around 10-12% to the company's revenue in the previous quarter, and a similar contribution is expected in the current quarter.

**Cosmo First Ltd Q4FY24 Concall highlights**
**CMP INR 597 | Market Cap INR 15.62bn**

**BOPP margins are expected to remain steady in the coming quarters. Focus will be on cost rationalisation in FY25 as well as increasing sales of specialty films. BOPET films market is expected to remain challenging for some time. New verticals will have contribution to EBITDA in FY25 and will be an important part for the packaging business going forward. Specialty Chemicals business continues to witness incremental growth**

**Key highlights:**
-Net sales came in at INR 6.41bn (+3% QoQ), backed by higher volumes.
-EBITDA came in at INR 670mn, margins of 11%. Margin expanded due to domestic BOPP margins improved and higher specialty sales.
-Recommended dividend of INR 3/share.
-Capex of INR 3-3.5bn planned for FY25, largely for BOPP expansion.
-Net Debt stood at INR 5.61bn. Plan to pay off debt of INR 1.8bn in FY25.
-ROCE has been lower as Capex is still in CWIP mode. Once the capex done gets operational, ROCE is expected to see improvement.
**Cost Rationalisation –**
-Rationalisation of renewable power will affect bottomline by INR 250mn annually.
-Shifting of Korean plant to India will rationalise cost by US$ 1mn with improved capacity utilisation.
**BOPP and BOPET –**
-Specialty sales were 66% of total volumes. It has been increasing sequentially. Margins in this segment remained intact. Uneven orders in Q4 were received in Q1FY25. 50% of these sales were specialty while 50% were semi specialty.
-BOPP margins were INR 12/kg v/s INR 9/kg in Dec'23.
-BOPET business, which contributes 8% to topline, continues with negative margins.
-They plan to be selective in terms on BOPET and will focus more on specialty and high -margin films to reach breakeven or even become profitable in coming time.
-Work on BOPP and CPP line capacity expansion going as per plan. Will increase capacity by 50% over 12-15 months. Cost of production will rationalise 3-5% depending on the product. This expansion has revenue potential of INR 10bn.
-Demand for BOPP has been increasing sequentially. No new players are expected to enter this segment for the next 2-3 quarters, which will drive the margins. BOPET films will continue to report loss at gross margins levels.
-Semi specialty and commodity categories remain at lower margins compared to specialty.
-Current capacity utilisation is at 64%; aim to reach 68-70% in FY25.
-BOPET films segment will continue to remain subdued atleast for the next 18 months.
**Specialty Chemicals –**
-EBITDA margins of this segment was 15%. Upwards of 20% EBITDA margins anticipated from hereon.
**New packaging verticals –**
-Metallised capacitor films for electrical industry and rigid packaging films for FMCG were started in Dec'23.

**Hindustan Aeronautics Ltd-Q4 FY24 Concall KTAs**
**CMP: INR 4,530 | Market Cap: INR 30,29,500 Mn**
**Outlook:**
**The current order book and pipeline will keep HAL's manufacturing lines occupied until 2032, propelling the company into the next growth trajectory. The management expects to maintain double-digit revenue growth in the coming years, driven by the strong order book and pipeline. Each year from the current financial year FY25, HAL will be scaling up the deliveries of LCA Mark 1A in line with contractual commitments and commencing deliveries of Light Utility Helicopters. The next financial year, FY26, will see the commencement of deliveries of the HTT-40 basic trainer and civil ALH, while in FY27, HAL will commence deliveries of marine helicopters to the Indian Navy and prototypes of LCA Mark 2 and IMRH.**

Financial Performance

• For Q4 FY24, the revenue stands at INR 1,53,260 Mn, YoY growth of 15.96% and QoQ growth of 135.02%.
• For Q4 FY24, the PAT stands at INR 43,086 Mn, a YoY increase of 52.19% a QoQ growth of 241.55%
• The company’s EBITDA stood at INR 52,580 Mn, an increase of 140% YoY. EBITDA margin was at 35.6% in Q4FY24 vs. 17.5% in Q4FY23.

Operational Highlights

• HAL delivered around 5 LCA aircraft, 6 ALH helicopters, 15 RD-33 engines, and 2 Dornier aircraft to Guyana during FY24.
• The company has taken proactive measures to augment capacity and reduce developmental timelines through advance procurement and manufacturing of platforms like Dornier, LUH, ALH, and RD-33 engines.
• The indigenous content in the LCA Mark 1A aircraft is expected to be around 65% or higher, as HAL plans to integrate Indian Air Systems Radars and the Raksha Kavach electronic warfare suite from the 41st aircraft onwards.

Capacity Expansion and Indigenization

• Established new facilities for capacity augmentation (helicopter factory in Tumkuru, third LCA line in Nasik).
• Planned capex of INR 1,40,000-1,50,000 Mn over the next 5 years for capacity expansion and infrastructure development.
• Focusing on strategic assets for forging, carbon fiber facility, and engine manufacturing to enhance indigenization.
• Investing heavily in R&D, including INR 40,000 Mn for IMRH project and INR 20,000 Mn for Utility Helicopter program.

Order Book

• The outstanding order book as of the end of FY24 stood at INR 9,40,000 Mn, after executing orders worth INR 3,00,000 Mn during the year.
• New orders worth around INR 1,90,000 Mn were concluded in FY24, including RD-33 engines, ALH for the Army and Coast Guard, and Dornier aircraft for the Navy.
• Export orders worth around INR 5,000 Mn were received, including INR 2,000 Mn for Dornier aircraft to Guyana.
• The management expects the order book to reach around INR 12,00,000 Bn by the end of FY25
• The Sukhoi upgrade program has received the Acceptance of Necessity, and HAL will be the lead agency for integrating the program with the Indian industry. The contract is expected to be finalized within the next year.

• Additional orders worth around INR 16,00,000-17,00,000 Mn are in the pipeline, including 97 LCA Mark 1A, 156 LCH, 43 ALH, and 60 utility helicopters for the Indian Navy, expected to materialize in the next 18-36 months.
• The bulk order for the Light Utility Helicopter is expected to materialize in the next 2 years, after the execution of the limited series production of 12 helicopters.
• The Sukhoi 30 engine (AL-31FP) order is in an advanced stage of finalization, and HAL has proactively placed orders with the Russians to commence deliveries in FY25.
• The developmental revenue for FY24 stood at around INR 15,000 Mn, constituting around 5% of the total revenue, while the outstanding developmental orders stood at around INR 9,000 Mn.
• The management expects the MRO orders to contribute an average of around INR 20,000 per annum to the order book.
• The LCA Mark 1A order for 97 aircraft is expected to be concluded by the end of FY25.
• Expected to receive additional orders worth INR 4,70,000 Mn within the next 6-12 months.

Geographical Expansion

• HAL's exports currently contribute only around 1-1.5% of the total revenue.
• The company has started focusing on exports in the last 2-3 years, leveraging its range of indigenous products like helicopters and LCA Tejas.
• HAL is in discussions with various countries, including the Philippines, Argentina, Nigeria, and Egypt, for potential export orders.

Cost Optimization Efforts

• HAL has been focusing on cost optimization to offer affordable platforms and services to customers and improve profitability margins.
• The manpower cost, which used to be around 23% of revenue five years ago, has been consistently rationalized to around 17% in FY24, with a target to further reduce it to 16% of revenue in FY25.
• The overall expenditure to revenue ratio, which stood at around 8% in FY19, has been brought down to 4.66% in FY24, a reduction of nearly 3% over the last three to four years.
• HAL has been consciously optimizing inventory holding levels, reducing it from 359 days in FY18 to 159 days in FY24, which the management considers the optimal level.
• The company has also improved the debtor turnover period from 227 days in FY19 to 55 days in FY24, which is considered the optimal level.

Other Highlights

• HAL has entered into a working arrangement with Airbus for commercial MRO opportunities at its Nasik facility, which is expected to take shape in the coming years.
• The company has signed an MoU with GE for the transfer of technology of around 80% of the GE414 engine, with 40% of the components to be sourced directly from GE. The commercial discussions are ongoing, and the details will be known in the next six months.
• HAL has also signed an MoU with Safran for the joint development of an engine for the IMRH program, with the IPR remaining within the country, enabling potential exports.
• The manufacturing revenue mix is expected to increase from the current 40% to around 60% in the next 2-3 years, as the company executes platform delivery contracts, while the ROH revenue mix will decrease from the current 60% to 40%.
• The management expects to deliver around 16 LCA Mark 1A aircraft in FY25, with the capacity to ramp up to 24 aircraft per year once the third production line in Nasik becomes operational.

**Solar Industries India Ltd Q4FY24 Concall highlights**

**CMP INR 9,003 | Market Cap INR 814.67bn**

**Defence segment is going to drive the significant growth anticipated with the big orders coming in next few quarters. Despite tough international market conditions, the company has done well overall, specially in the domestic market. International market is expected to see revival and see substantial volume growth. They plan to target newer countries and expand their market.**

Guidance –

-Expecting Topline to grow at 30% in FY25 along with substantial improvement in margins.

-Margins in the explosives business to be around 20-22% while defence will generate better margins. Overall margins are expected to be around 23%.

-Capex of INR 8bn planned for FY25, equal split between Defence and Explosive.

Key highlights –

-Revenue came in at INR 16.1bn (-16% YoY)

-EBITDA came in at INR 3.71bn, marginal increase of 1% YoY.

-PAT came in at INR 2.42bn (+10% YoY).

-Better performance in domestic business and increased defence sales during FY24 helped in increasing profits.

-Currency fluctuations led to INR 3bn loss in topline and INR 400mn EBITDA loss.

-Dividend of INR 8/share proposed.

Defence –

-Defence revenue crossed INR 5bn in the year but was below expectations.

-Order book stands at INR 26bn and big orders are expected to come in the coming quarters like Pinaka rockets, ammunitions and export orders.

-Revenue from this segment is expected to see three fold growth in FY25 led by volume and realisations growth.

-Current revenue contribution at 9% which will increase 20% in FY25.

-Anti drone systems and other projects are progressing as per plan.

Explosives –

-Domestic volumes saw 24% increase in the quarter and 20% in the year, driven by growth of mining and infrastructure sectors and recent acquisition of Rajasthan Explosives.

-Domestic order book is at INR 25bn.

-International markets are going through tough phase, thus the demand has been on the lower side. It is expected to pick up in FY25.

-Overall volumes are expected to increase by atleast 15% while international business will be much better.

-Current realisations are sustainable.

-Capex planned will be done at existing plant and plant of recently acquired subsidiary, Rajasthan Explosives. It will be done to expand bulk explosives capacity.

-Targeting new countries in the international market.

Initiating systems –

-Revenue increased by 7% in Q4FY24 and 13% in FY24.

**Antony Waste Handling Cell Ltd Q4FY24 Concall Highlights**
**CMP: INR 449 | Mcap: INR 12.73Bn**

**Company's core operating front (excluding index) only tipping fee and sale of RDF would grow in range of ~20% over the next 2 years by the ongoing contracts.**
**EBITDA margins will be in the range of 22% to 24%. Given the fact that contract revenue is off and those were the margin weighing entities, PAT should improve marginally.**
**Going forward interest and depreciation will still be heavy for first couple of years due to the waste to energy project. So, the PAT margin will be ~10.5-11.25%.**

Revenue expectations from different projects
- Expecting a revenue of INR 45-55cr from waste to energy project.
- Revenue from construction and debris project is expected to be ~INR 30cr per year FY25 which will start from June.
- Bio Mining Project in CIDCO has already started and expect a revenue of INR 35-40cr.
- Panvel project is expected to give a revenue of INR 35-36cr.

Financial Performance
- Total income for quarter grew by 16.01% YoY to INR 195.7 Cr (+1.35% QoQ) and for FY24 revenue stood at INR 896.4 Cr vs INR 875.2 Cr in FY23.
- Revenue from MSW C&T stood at INR 140.2 Cr and MSW Processing at INR 55.5 Cr.
- EBITDA grew by 3.45% YoY to INR 30 Cr and the EBITDA Margin contracted 30bps YoY to 15.33% on an annual basis. EBITDA for quarter stood at INR 30 Cr (+87.5% QoQ, +3.45% YoY).
- PAT stood at INR 100 Cr for FY24 vs INR 130 Cr for FY23 and stood at INR 16 Cr for the quarter vs INR 12 Cr in Q3FY24 and INR 28 Cr for Q4FY23.
- Gross debt stood at INR 414.6cr and net debt is ~INR 343cr with ~INR 70cr cash.
- Company current ratio stood at 1.3X, Net Debt/Equity at 0.5X and Debtors day at 103 days.

Other Key Highlights
- Company emphasizes sustainability with growth, focusing on market leadership, operational excellence, and strong financial performance.
- Company plans to further expand its presence across different cities and projects, maintaining its position as a key player in the industry.
- Company during FY24, inaugurated a 14-MW WTE Plant, won key projects.
- The total current outstanding is ~INR 250cr in books and have made a small provision of ~INR 1.6cr because the matter is still under the ambassador high court issue and are expecting a positive update once vacation gets over and the court starts hearing.
- For the PCMC (VGF funding), company is going to receive some subsidy which is in final stage and expected to get in next few weeks amounting to INR 35cr which will be used for debt repayment.
- Debtors as of March FY24 stood at INR 103cr which how has come down to INR 79cr as of yesterday, Company have realised INR 38cr worth of receivables in 45 days. Also, 15cr of another old receivables which is not included in INR 38cr.
- The decrease in ROE and ROCE is largely due to increased capex, particularly in waste management projects, resulting in a higher equity base.
- However, company anticipates that these metrics would improve over the next few years as revenue from these investments started to materialize.
- Planning for 50-60 vehicle scraping per day and increase it to 100-150 vehicles per day in 5 years with an investment of ~INR 20cr.
- Planning for tire scraping with an investment of ~INR 5-7cr.
- Panvel project has a margin of about 12-13%.

**Garden Reach Shipbuilders & Engineers Ltd Q4FY24 Concall Highlights**
**CMP: INR 1,422 | Mcap: INR 162.86Bn**

**Guidance for the next 2 years is revenue growth of over 20%-25% YoY with sustain current level of margin.**
**Expects to sign a contract for an export order for the government of Bangladesh for a 1,000-meter cubed treasure in June.**
**Expects the RFP for five-in-number next-generation corvette vessels to come out in the last quarter of the current financial year.**
**Company is investing in autonomous platforms and expects the Indian Armed Forces to have a large quantum of autonomous platforms in their inventory in the coming years.**

Financial Performance
* Company reported a growth in revenue, jumping from INR 2,561cr in FY23 to INR 3,593cr in FY24.
* EBITDA saw a 41% increase to INR 533cr, with EBITDA margin of 8.9% (including OI) in FY24.
* PAT for FY24 stood at INR 357.24cr, marking a 57% growth.
* Revenue for Q4 FY24 stood at INR 1,015cr, up 69% YoY, with INR 90cr EBITDA up 84% YoY and EBITDA Margin of 8.9%, (excluding other income) vs 8.2% in Q4 FY23. PAT at INR 71cr, up 102% YoY.

Other Key Highlights
* Order book as of March 31, 2024, stood at INR 22,652.68cr, with various projects in progress including warships, submarine vessels, and patrol boats.
* Company is focusing on diversification into non-defence platforms like research vessels, commercial shipbuilding, and green energy platforms.
* Development of green energy platforms, including electric ferries and bids for larger projects in collaboration with state governments.
* Continued focus on European markets for multipurpose vessels and expansion in the Indian Ocean Region.
* Company is developing autonomous platforms in all 3 domains of operations - surface, subsurface, and aerial. Surface and subsurface prototypes have already been successfully tested, while the aerial product is still in development and is expected to be launched by the end of current CY.
* In the process of negotiations with potential owners, ship owners, for multipurpose vessels.
* Company uses a standard EOI stoke tendering process to identify capable shipyards with fair capacity to offload outside part construction of a few platforms to facilitate concurrent construction.
* The company has ventured into the development of autonomous platforms in response to the growing demand for unmanned systems in the Indian Armed Forces.
* Company has already delivered the first ship of Submarine Vessel Launch project to the Indian Navy and is expected to deliver the second ship by August this year and the fourth ship by the Q1 FY26.
* Company is developing its indigenous capabilities, including the development of propulsion engines, which form the heart of the move component. The company aims to increase its indigenization percentage to an extent that it is being monitored closely by the government of India.

**Borosil Ltd | Q4FY24 Concall KTAs**
**CMP-INR 340M.Cap-INR 38,990mn**

**Borosil has recorded strong performance in this quarter. Co. has setup a new glassware facility which will help drive growth as Borosil aims to make glassware an everyday use item. Capex of INR 1,000mn to be done this year and EBITDA margins are guided to be stable and growing going forward. Co. is aiming for higher capaciity utilisation across segments and is witnessing double digit growth in all of them.**

**Arihant Capital Market Ltd.**

Financials
Q4
Net sales of INR 2289mn(+29.7%YoY) with EBITDA(before exceptional and one-time items) of INR 256mn(+64%YoY) and margins of 11.2%. EBIT (before exceptional and one-time items) stood at INR 96mn(-26.2%YoY) with PBT of INR 67mn(+198.8%YoY) and PAT of INR 51mn(61.4%YoY).

FY24
Net sales of INR 9423mn(+27.1%YoY) with EBITDA(before exceptional and one-time items) of INR 1449mn(+77.6%YoY) and margins of 15.4%. EBIT (before exceptional and one-time items) stood at INR 910mn(+68.4%YoY) with PBT of INR 878mn(+33.1%YoY) and PAT of INR 659mn(+27%YoY). Net debt stood at INR 1594mn. 92.3cr investemnt

-With effect from 2nd Dec'23, Borosil demerged into 2 companies. Borosil scientific awaits listing approval and is expected till June 2024.

-FY24 launched thousand of new SKUs including Borosil's new artisan series, Borosil's Liquid jars and containers, coffee mates, air fryer and gas stoves which have been well accepted by customers.

-Co. seeks to increase digital presence. They have entered into collaboration with chef Harpal Singh . Co. is the hydration partner at Paris Olympic.

-*Co.'s goal to increase brand franchise. They foresee robust growth in industry due to favourable long term trends. They will continue to invest in brand visibility.

-With new glassware manufacturing facility, growth to be substantially higher. Pricing advantages due to own mfg. Goal is to make glassware a everyday use item. Glassware is expected to drive growth this year.

-Half of glassware sales coming from press ware tech, which can be tripled. 60% operational efficiency at press ware facility with optimum level of 75-80% in next 6-8mnths. The overall import is expected to drop below 20-30% in FY'25.

-With the new furnace, co. has 3x the capacity of current levels. To grow sales, co. will be taking some price cuts since it has advantage of lower costs. 60-65% is the breakeven capacity utilisation for this glass furnace and is expected to reach by Q3FY25

. Peak sales from the facility could be INR 3000mn.

Capex of INR 1000mn to be done in solar and de bottlenecking in this year.

-Company has made provision to raise INR 2500mn.

Opalware is at 80% capacity utilisaton and on track to reach 100%. 15-20% CAGR growth guidance.

Co. gives all support to borosil scientific and borosil reneweables that is the reason of increased employee cost and other expense and recovery from them is shown through other income.

EBITDA margin are stable and expected to grow going forward.

Capacity utilization in consumer segment which shall be driving growth.

General trade is the largest, then e commerce is the second largest. Co. is not that strong in large format stores. Difficult to get products listed in defence canteens although company has some glassware products in that category.

**Krystal Integrated Services Ltd – Concall KTAs**
**CMP: 778 | Market Cap: 10880 Mn.**

**Outlook:**
**Company has demonstrated YoY revenue growth while maintaining flat EBITDA margins. Notably, there has been a significant improvement in PAT. The company's strategic plan includes expanding its geographical presence across India, leveraging a robust acquisition strategy, and increasing the number of training facilities through tie-ups. This positions the company for substantial growth in the upcoming quarters, with a focus on maintaining current margin levels. At CMP, company trades at 57.29x FY24 EPS.**

Performance Consol:
•Revenue came in at INR 2921.67 Mn. (+3.21% QoQ) (+51.97% YoY) in Q4FY24.
•EBITDA margins came in at 6.43% (Vs. 6.68% QoQ) (4.95% YoY) in Q4FY24.
•PAT came in at INR 157.44 Mn. (+23.71% QoQ) (+70.29% YoY) in Q4FY24.

Highlights:
•The company achieved robust revenue growth in FY24, driven primarily by the addition of new customers and customer retention rate of nearly 100%.
•The company has expanded its workforce to over 41,000 on-site employees, maintaining a PAN India presence across 2,487 locations as of Q4 FY24.
•The revenue split stands at 70% from the government sector and 30% from the corporate sector. Notably, within the corporate segment, 17% of the customers contribute to 80% of the revenue.
•Key clients such as HDFC Bank, Phoenix Mill, Mumbai Airport, Hinduja Hospital, and Dmart have maintained relationships with the company for the past 18 years and renewed their contracts in FY24.
•The company reports no loss-making businesses related to its acquisition processes as of Q4 FY24.
•Company emphasises on the organized sector, minimizing threats from new entrants in the unorganized sector.
•The company targets 30% growth over the next 2 financial years, driven by re-development projects in railways, new terminal developments at airports, and expanding opportunities in manufacturing, supply chain, and warehousing.
•The company aims to sustain margins in the 7% - 8% range in the coming years.
•Company currently operates one training centre, the company has partnered with ITI at Tukugura MITC for additional training facilities. Expansion of similar models in the West and East is forthcoming, following successful tie-ups in the South and North.
•The company achieved an impressive Attrition Rate of 19.17% in FY24, significantly outperforming the industry average of approximately 60%. This notable retention rate is expected to result in reduced service delivery costs and drive advancements in the coming years.
•There is aggressive expansion in the Northern regions, with expected growth in Delhi, Madhya Pradesh, and Gujarat, enhancing the company's PAN India presence.
•The receivable days from government and corporate clients are 70-75 days for FY24.
•Recommended net dividend of INR 1.5 per share for FY24.

**Kaya Ltd – Concall KTAs**
**CMP: 312 | Market Cap: 4080 Mn.**

**Outlook:**
**Company's consolidated performance in Q4FY24 shows a decline in revenue on QoQ but an increase YoY, with EBITDA margins dropping significantly and PAT reflecting a substantial loss. Company demonstrates strong growth across various segments in India, driven by strategic relocations, technological advancements, and effective marketing automation. The planned exit from the international business is expected to streamline operations and focus on the profitable Indian market.**

Consolidate Performance Consol:
•Revenue came in at INR 955.4 Mn. (-6.68% QoQ) (+3.18% YoY) in Q4FY24.
•EBITDA margins came in at -14.55% (Vs. 10.93% QoQ) (2.48% YoY) in Q4FY24.
•PAT came in at INR (992.2) Mn. (-1080.63% QoQ) (-76.02% YoY) in Q4FY24.

Kaya India:
•Overall clinic business reported a 24% YoY increase in revenue. Product business within clinics saw a 25% YoY growth, driven by strong performance in hair care and skin care segments. Nutraceutical services also observed a 24% YoY increase. The facial body contouring segment experienced significant growth, up 77% YoY, while the hair category grew by 18% YoY.
•The company launched an AI-based doctor application utilizing clinical data specific to Indian skin in Q4FY24.
•Implemented marketing automation strategies through WhatsApp, Bottom, and Automated Nudges in FY24.
•Relocated two clinics in Q4FY24, totalling six relocations for the fiscal year. These six relocated clinics recorded an 81% YoY increase in collections.
•Total customer count increased by 14% YoY.

Kaya Middle East:
•The body business saw an 18% YoY growth, hair care grew by 13% YoY, and skin global solutions increased by 8% YoY. However, the customer count declined by 3% YoY.
•Kaya, along with its wholly owned subsidiary KME Holdings Pvt Ltd, entered into a definitive agreement with Romania GCC Holding Ltd to sell its entire shareholding in Kaya Middle East DMCC and Kaya Middle East FZE. This includes the perpetual rights to the Kaya trademark in the UAE, Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, Egypt, Morocco, and Iraq.

Other Highlights:
•The anti-aging segment in India constitutes approximately 18% of company’s business. The market growth rate is projected at 17%, with Kaya outperforming the market average.
•Total borrowings amount to INR 1,950 million, sourced from both directors and banks.
•All Indian clinics are currently EBITDA positive, with an average EBITDA margin of around 28%. There are no loss-making clinics in India.
•The company plans to exit its international business post-sale, ensuring no impairments post-exit.

**Spectrum Talent Management Ltd – Q4FY24 Concall KTAs**
**CMP: INR 86 | Market Cap: INR 1,981 Mn**

**Outlook**

**The company is guiding for 30-35% top-line growth over the next 3-5 years, targeting 30% growth in the recruitment and manpower business for FY25. Contracts secured so far are expected to contribute around 12-13% to this top-line growth, with significant revenue and margin improvement anticipated in the second half of FY25. The aim is to reach a 4.5-5% margin profile as new businesses start performing, with at least a 3% operating margin expected in FY25 and potential for higher margins in FY26. Internal metrics are in place to ensure agreements are not accepted below a certain margin threshold. The company has incurred a capital expenditure of around INR 150 Mn for procuring new office premises and has invested in technology and infrastructure for the recruitment and IT staffing business over the past year.**

Financial Highlights

•Total Revenue stood at INR 5,874 Mn in H2FY24 up by 36.2% HoH & INR 10,187 Mn in FY24 down by 32.5% YoY.
•EBITDA was at INR 52 Mn in H2FY24 up by 23.7% HoH with margins at 0.9% & INR 94 Mn in FY24 down by 60.2% YoY with margins at 0.9%
•PAT was at INR 76 Mn in H2FY24 up by 87.5% HoH & INR 116 Mn in FY24 down by 58.3% YoY.

Strategic Initiatives

•Focused on growing the RPO (Recruitment Process Outsourcing) and IT staffing business
•Hired Piyush Thakur as the head of sales for RPO and IT staffing business
• Grew the RPO and IT staffing sales team by 10 members

Growth Drivers

•Key sectors contributing to revenue growth were renewable energy, retail, and manufacturing
•70 new logos were added in H2, and the trainee headcount increased by 2,823 in FY24, with 1,051 of these added in H2.

Challenges and Mitigation

•Recruitment and IT staffing business witnessed a slowdown, impacting margins
•Increased employee expenses due to senior-level hires and team expansion
•Plans to wind down the electronic trading business once other businesses gain traction

Business Mix

•General staffing and industrial staffing contributed more to revenue growth than recruitment and IT staffing

•Plan to increase focus on IT and industrial staffing, which have higher margins compared to general staffing

Working Capital Deployment

•Deployed funds in engineering and specialized staffing contracts, primarily in the renewable energy sector
•Results from these contracts will take time to reflect in financials
•IPO funds of around INR 550 Mn still available for deployment in the HR business

Other Highlights

•Recruitment and IT staffing businesses have higher margins compared to general staffing
•Scalability is higher in general staffing compared to IT staffing and recruitment
•Margins higher than general staffing as it's a service charge-based model
•This year, plans to expand global presence as market conditions improve

**Supreme Industries Q4FY24 Concall KTAs**

**CMP: 4402 | Market Cap: 559 Bn | Promoter: 48.85%**

**Overview: Company reported a decent performance in topline but missed out on margins YoY. Large capex announced of INR 10 Bn (excluding overflow capex of INR 5 Bn from FY24). Company targets 20% volume growth for FY25 with margins guidance of 15.5%**

**Operating Metrics (Consol)**

• Revenues came in at INR 30.08 Bn (+22.3% QoQ) (+15.76% YoY)

• EBITDA Margins came in at 16.31% (Vs 15.47% QoQ) (Vs 18.48% YoY)

• Volumes came in at 195,369 tonnes (+26% QoQ) (+32.5% YoY)

**Segmental Volumes:**

• Piping at 158,795 tonnes (Vs 112,293 YoY)

• Industrial products at 16,871 tonnes (Vs 16,508 YoY)

• Packaging products at 15,051 tonnes (Vs13,532 tonnes YoY)

• Consumer products at 4,652 tonnes (Vs 5,081 tonnes YoY)

**Orderbook, Capex & Capacity Highlights:**

• Total capex for FY25 will be INR 15 Bn (including 5 Bn flowing over from FY24). This capex will go towards Industrial valves, Ball valves, uPVC Profiles/Windows & Doors, O-PVC Pipe manufacturing, capacities for cPVC piping products, HDPE DWC pipes, PE pipe manufacturing capacity, bath fitting products, PE-Gas piping system, Industrial piping system, varieties of hoses. All of the above will be commissioned at different stages. 60-70% of capex will fructify in FY25 itself

• With the capex, the overall capacity will grow from 950,000 tonnes to 1,050,000 tonnes (which will come in plastic pipes entirely). This will be operational in FY25 only.

• Company is increasing capacity piping products to supply gas (for household)

• Company has initiated steps for brownfield expansion at existing manufacturing sites and new plants near Patna (Bihar) and Vijayawada (Andhra Pradesh).

- Company has 36 piping systems and plans to add 5 more in FY25

• Not adding any new capacities this year in OPV segment. Current capacity in OPVC is 2,520 tonnes

**Operational & Business Highlights:**

• Industrial Component division did not grow due to sluggish demand from appliances / white goods sector where Company has significant presence. Auto sector continued to look promising. The Company expects medium- and long-term scenarios to remain bullish in Industrial components space

• The Material Handling division grew 11% by volume and 3% value for the year. Sectors like Automobile, Engineering performed very well whereas FMCG, Whitegoods, E Commerce Companies stagnated due to higher inflation and price rise in essentials.

• JNPT facility manufacturing of protective packaging will have its manufacturing starting in FY26.

• Gas distribution business will start in FY25 itself. Currently qualified to supply only in west zone, getting qualifications for east zone as well. Company is putting up facilities to supply in east zone, which will be operational by Nov/December. Opportunity size of 200,000 tonnes annually.

• Company sold 45,000-50,000 tonnes in Nal se Jal program in FY24 (worth INR 4 Bn)

• No order pending from Maharashtra Jal Nigam. The 5 new piping systems have attractive growth proposition

• Volume growth excluding piping segment to be ~10%

• Company is finding more opportunities in protective packaging and performance packaging for exports compared to plastic piping segment

• CPVC prices have been under pressure (4-5 rs down since competition increased)

•There is possibility of anti dumping duty to be levied but the possibility is less. Possibility to be levied by nov/dec

**Other KTAs:**

• Monsoon is expected to be higher than usual this year

• Total VAP sales for FY24 stood at INR 37.37 Bn (+13% YoY)

- Bath fitting SKUs to go from 421 to 1,000 in FY25
- Cash on books stood at INR 11.78 Bn
- Total dividend declared of INR 30 per share
- WC cycle stood at 33 days for FY24

**Outlook: Company has set capex plan of INR 15 Bn (including 5 Bn overflow from previous year) for FY25. Company has also guided for 20% volume growth (on back of 26% growth in FY24) with margins guidance of 15.5%. Full year inventory loss stood at INR 510 Mn. The 5 new piping systems have attractive growth proposition. At CMP, company trades 52.3x FY24 EPS.**

**Huhtamaki India Ltd – Q1 2024 Concall Highlights**

**CMP INR 307 | Market Cap INR 23.22bn**

**Outlook: Huhtamaki India Ltd is facing weak demand scenario due to geopolitical issues and supply chain constraints. FMCG, Agro and Pharma sector are expected see growth in the coming year which will in turn lead to growth of the business. Meanwhile, the company is making progress towards sustainability to reduce costs and improve productivity and efficiency. Focus remains on improving top line growth and expansion into sustainable packaging market. Recently started production of a new range of products, Blueloop, is expected to drive growth of the business and provide them product differentiation advantage.**

**Key highlights:**

Revenue for the quarter was INR 5937mn (-8.1% YoY/+1.4% QoQ)

EBITDA for Q1 stood at INR 493.7mn (-14.2% YoY), margins at 8.3%.

PAT for the period stood at INR 260.3mn (-26.7% YoY), margins at 4.38%

Debt Equity Ratio stood at 0.2,indicating strong liquidity. Debt to EBITDA ratio was 4.2.

EBITDA was majorly impacted by two factors: high costs due to supply chain constraints and a one time credit impairment.

Working towards improving topline along with emphasis on bottomline.

Sales growth was impacted due to lower volumes. The decrease in volumes attributes to geopolitical situation and supply chain constraints.

Depreciation has seen a sharp decline with the change in policy. The management expects this cost to be similar with impact on any new capacity additions.

Recyclable product sales are currently in the range of 25-30%. The company expects this number to reach 60-70% in the next 2-3 years, given the adaptability in the market.

The management refrained from giving guidance for Blueloop but they remain positive on the business and expect it to see significant growth going forward.

**Blueloop:**

The company's new facility at Silvassa for Blueloop, has become operational from Q1 2024.

As blueloop is bringing in monomaterial recyclable solutions, first of a kind in the market, the customers are a bit cautious. The company is in very advance stages of product qualification with many large customers. Commercial production has started but the company still wants to give time to customers to understand the value proposition.

Blueloop capacity is expected to see gradual ramp up in coming quarters.

The company aims to supply these products not only in the domestic market but also have presence worldwide.

The barrier properties are as good as replacement for aluminium.

**Atam Valves Ltd Q4FY24 Concall Highlights**

**CMP: INR 191 | M.Cap: INR 2,010mn**

**Atam Valves Ltd reports Q4FY24 revenue of INR 172.7mn, affected by delayed payments due to MSME norms. Planning a INR 300mn capex for forward integration into stylish bathware, aiming for INR 10,000mn revenue by FY2030, with a focus on exports and becoming API compliant by Q1FY25 which will help the orders to start flowing in.**

**Financial Update**

Q4FY24 - Revenue stood at INR 172.7mn; EBITDA stood at INR 40.1mn with 23.23% margin. PAT stood at INR 26.8mn with margins of 15.55%.

FY24 - Revenue stood at INR 526.2mn(+7%YoY), EBITDA stood at INR 98.2mn with 18.66% margin. PAT stood at INR 58.3mn with margins of 11.08%.

The management mentioned that Q4 has historically been the best quarter among all but the reason for revenue dip in this years' Q4 is because of the MSME norms that mandate payment within 45 days.

**Revenue & Margin guidance**

The company aims to achieve a revenue of INR 10,000mn by FY30 of which 50% shall come from exports.

The company gives EBITDA margin guidance of 20-25% and revenue for Q1FY25 of INR 170 mn. Management aims to achieve a topline of INR 700-750 mn for FY25.

**Revenue mix**

The boilers contribute 30% of the sales, domestic appliance (40%), hydro projects (10%), while the remaining 20% is contributed by the other segments.

Top 15 clients account for 80% of the sales.

**Capex**

The company is planning forward integration by undertaking INR 300mn capex and entering into stylish bathware.

**Exports**

The company have presence in South Africa, US, UK and Indonesia and our looking to expand in Saudi Arabia, Tanzania and Kenya. Currently the exports contribute 3% of the revenue and they target this to reach 25%.

**Dealer Network**

The company have a 750 dealer network with a target to reach 1,000 dealers this year.

**Inventory**

The company is holding an inventory of INR 210 mn out of which INR 100+mn is finished products. By Q1 FY25 company expects to liquidate 70% of this stock.

**API**

The company will become API compliant by Q1FY25 and orders will start flowing in from the moment they become compliant. By August or September they shall become API certified. Company is in talks for orders worth $2mn post API certification.

**Other highlights**

The company is into manufacturing of plumbing valves that can handle conditions ranging from -192C to 550C. They have three specialised foundary shops which can manufacture 96,000 pieces per month and has plant capacity utilisation of 85%.

The company caters to industries like oil and gas, refineries, petrochemical, marine, mining and sugar industries. They have 300 clients with the marquee ones being Thermax, NTPC, BPCL, ADANI.

The company is taking efforts to expand its topline and is participating in a lot of trade exhibition which is now driving 20% of the top line.

**Shakti Pumps (India) Ltd | Q4FY24 Concall KTAs**

**CMP- INR 1887** **M.Cap- INR 37810mn**

**SPIL reported a robust Q4FY24 with a significant revenue growth of 233.6% YoY, reaching INR 6090mn, alongside an EBITDA margin of 21.5%. The company's order book stands strong at INR 24bn, with notable new orders from Haryana and Maharashtra, while it anticipates substantial growth in solar pump demand under PM Kusum Scheme. Additionally, SPIL plans to utilize funds raised through QIP to expand capacities and aims for a 14-15% EBITDA margin on an annual level.**

**Order Book**

The order book stood at INR 24bn as of Q4FY24.

The company has received new orders of INR 2,506mn from Haryana and Maharashtra.

**Execution Timeline**

Maharashtra Govt order of INR 15000mn has execution timeline of 18months. Of this order, INR 1100mn of sales has been booked. Execution for the rest of the order ranges between 90-120 days.

**Solar Pump demand**

Under PM Kusum Scheme, there is an estimated installation demand of 14 lakh off grid and 35 lakh on-grid solar pumps.

Solar pumps subsidy's will absorbs 60%-70% of cost through state and central schemes.

**Margin Guidance**

14-15% EBITDA guidance on annual level. Management is sure of minimum 25-30% topline growth YoY .

**Patent**

Co. received 2 new patent in this FY. SPIL has now received 13 patent out of the 29 filed.

**QIP**

The company has raised INR 2bn through QIP. The funds will be utilized for increase in capacities of pumps, motors, Invertors/VFD and supporting structures in Pritampura, MP. Post the planned capex, there will be 2x capacity increase and INR 50000mn topline capacity.

**Financial Highlights-**

Q4FY24- Revenue growth of 233.6% YoY. at INR 6090mn with EBITDA at 1307mn having margin of 21.5%. SPIL has reaped the benefit of scale and execution. Company recorded PAT of 897mn with margins of 14.7%(vs 1.2% Q4FY23)

FY24- Full year revenue at INR 13707mn with EBITDA of INR 2248mn and margins of 16.4%. Company earned a PAT of INR 1417mn with margins of 10.3%. Interest coverage ratio- 11.5x and ROCE at 24.5% while ROE stood at 18.8%.

**Grid Pumps**

There are ~45mn pump, which are grid connected, and there is an estimated demand of another 45mn grid pumps.

**Eveready Industries India Ltd Q4FY24 Concall KTAs**

**CMP INR 356 | Market Cap INR 25.89bn**

**The company anticipates rural demand revival and industry alignment, driving volume growth in batteries and flashlights. Company expects single-digit growth, accelerating from Q2, alongside resolution of RTM challenges by H2. Improved profitability anticipated, despite potential raw material price hikes.**

**Key Highlights**

* Company expects revenue rural demand to see uptick and expects that value erosion have peaked out and expects H2 to be good.

* Company is targeting high single digit growth with double digit EBITDA margin. Company acknowledges potential commodity price volatility which can affect the margins.

* Company expects all the implementation, learning and the challenges of RTM to be iron out by Q2 and from H2 company can expect good growth.

* Company expects battery segment to grow at 5%, flashlight at 10-12% and lighting to grow at 20%. Also, company plans to add new product or segment into its portfolio which is not calculated in this growth.

**Financial Performance**

* Revenue stood at INR 13142mn, against INR 13277mn in FY23. This stagnant growth was due to weak rural demand, industry-wide price deflation, and challenges from route-to-market improvements, offset partially by growth in alkaline batteries and rechargeable flashlights, as well as expansion in alternative trade channels.

* EBITDA stood at INR 1403mn, up 27%; EBITDA margin expanded to double digit at 10.7%. This EBITDA surged was due to favorable RM prices, cost-saving initiatives, and increased A&P spending to reconnect with consumers.

* PAT increased by 232% to INR 667mn. PAT stood higher in-line with strong operating performance during the quarter and full year FY2024.

**Other Highlights**

* Breakup of Batteries is at 65% (94% Zinc and 6% Alkaline), Flashlight at 12% (60% battery operated and 40% Rechargeable) and lighting at 23% of total revenue.

* Carbon zinc batteries, was trending slightly negative at ~3% and had quite a significant growth in rechargeable alkaline batteries.

* Company expects 6% of alkaline share to 2X and reach 12% of batteries share. Also, expecting 50:50 for battery operated and rechargeable flashlight.

* Company has largest name in the industry with 53% market share overall and 10% MS in alkaline batteries.

* Eveready has announced its collaboration with Neeraj Chopra, the Olympic gold medalist as its new brand ambassador.

* Initiatives were made by company for premiumization, innovation, efficiency enhancement and in large favorable and stable raw material prices helped in driving margin growth.

* As there is concern of unorganized and chines products company expects BIS new standard to be out within a very short period of time but making it mandatory can take time.

* This year FY25 company expects to be breakeven in lighting business with INR 350-400cr revenue.

* Current utilization is at 80% and capacity can be increased if new employees are hired.

* The company is actively investing in brand building through placements of billboards in major towns and by engaging brand ambassadors.

* Guided for INR 1500cr topline a year back but seeing the weak demand company had reaffirmed its guidance.

* EBITDA for battery is 15.5%, 9% for flashlights and slight negative for lighting.

* KKR was acquired by a company Ingrid and subsequently acquired by another company Real Touch. The arbitration panel has set a final hearing date for July regarding matter.

**Symphony Q4FY24 Concall Highlights**

**Symphony | CMP: INR 968 | Mcap: INR 66.65bn**

**Outlook: Air cooler sales witnessing traction due to summer season and some of the models are stock-out and the company is trying to fulfill the demand. The margin improvement is backed by domestic business and operational performance of International subsidiaries. The company is focused on bringing back earlier margin levels of 30% over the next 3 years. CT Australia business is moving to Gas to Electric and Asset light & Cost variable models from Q2FY25E onwards.**

**Margins**

The EBITDA margin is around 15% in FY24. The company is focused on bringing back an earlier margin of 30% over the next 3 years.

The margin improvement backed by the operational performance of subsidiaries.

**Sales**

30% of sales from large format stores, E-commerce, D2C etc. and 30%-40% from GT and the remaining from others.

**Price hike**

The price hike was around 1%-2% in Q4FY24 in portfolio levels.

**A&P expenses**

One-time advertisement and sales promotional expenses in FY23. The expenses towards sales marketing, market research, e-commerce initiatives etc. The advertisement expenses are relatively lower in FY24.

**Receivables**

Receivables days increased from 35days to 53days due to extended credit lines in modern retail and regional chain stores.

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**Channel inventories**

Channel inventory is coming down and H1 is expected to do better.

**CT Australia**

In CT Australia, the company is transitioning from Gas to Electric. The company is reducing reliance on gas ducted heating business and introducing electric products.

In Electric, the company has panel heaters, Strip heaters, oil-filled column heaters etc.

The outsourced products are developed by vendors in China as per specifications given by the company.

In CT Australia, In-house manufacturing will be discontinued from Q2FY25. Portable Air-coolers will be outsourced from India and remaining products from China.

The company is transitioning to asset light and cost variable models through outsourcing.

**GSK China**

GSK China witnessed steady performance and became an EBITDA positive of INR 50mn in Q4FY24. GSK China has self-sufficient operations without support from parents.

**Other highlights**

The demand picked up in southern, Eastern India and Maharashtra due to summer. Intensified heat and climate change will cause strong tailwinds.

The company is following channel strategy and selecting a set of cities for fans.

Stock-out is happening in some select models and the company is trying best to fulfill the demand.

The company is witnessing large inquiries from domestic for Industrial coolers

**IndiaMART InterMESH Ltd-Q4FY24 Concall KTAs**

**CMP INR 2,648 | Market Cap INR 158,836 Mn**

**Outlook: Guidance for net addition per quarter is expected to improve with the reduction in silver customer churn rates, while platinum customers exhibit a churn of ~0.5% monthly or 6-8% annually, gold customers ~1% MoM/ 12-14% YoY and Churn is around 7% in Silver monthly packages.Also, company is looking for opportunities for monetization of unpaid sellers.**

**Financial**

Revenue grew by 17.1% YoY to INR 3147 Mn (BE: INR 3,163 Mn).

EBITDA is up 33.7% YoY to INR 884 Mn (BE: INR 833 Mn), with a margin of 28.1% (BE: 26.3%).

Recommend a final dividend of INR 20/sh.

Unique Business Enquiries grew by 14% to INR 230 Mn

Business Enquiries Delivered grew by 8% to INR 1270 Mn

ARPU grew by 10% to INR 551 Mn

**Concall KTAs**

Silver Monthly is steadily growing; once it starts performing better, it will deliver improved guidance.Silver annual customers show a steady retention rate, with ~50% continuing into the FY25. Gold and platinum customers now make up 49% of the total customer base, up from 47% at the start of the yr.

33K new licenses were sold this year, with a total of 364K licenses sold to date.

Collections are at 16% compared to 17% in FY23; the net customer base has not been growing, putting pressure on ARPU. 6% comes from new customers, while the remaining 10% comes from existing customers.

Customer additions stand at 2700, up from 1800 last year.Expects customer addition to improve to 5-6k per quarter over next few quarters

Traffic to portal decreased slightly to 269 Mn vs 272 Mn in Q3

There's continued focus on Platinum customers to increase ARPU and on converting customers to higher packages.

Wage hikes implemented on the 1st of December instead of the 1st of January.

The company will cut down on the tier 4 and non-profitable segments.

Price reductions: Despite implementing a price reduction from 3000 plus tax to 2500 amid the COVID crisis to bolster business resilience, churn metrics failed to exhibit improvement until March FY23.

Discounts: Suppliers encounter difficulties comprehending and allocating sufficient resources to convert leads, with buyers occasionally demanding disproportionate discounts, necessitating proactive follow-up measures.

Growth in unique business enquiries and number of buyers is sufficient to drive targeted revenue growth.

**IRB InvIT Fund Q4FY24 Concall KTAs**

**CMP 68.5 | Market cap 39.74 Bn**

**In FY25 company intends to pay INR 1.5- 2 per unit in the form of dividend or capital reduction and expects traffic momentum to be good and grow at 9.5-10% in the next financial year**

**Financials**

• Revenue stood at INR 5436.9 mn for quarter (Vs 5279.57 mn in Q4 FY23) and at INR 10620.82 n for FY24.

• EBITDA stood at 2340 mn in Q4FY24 (15.27%YoY) and 8860 mn in FY24 (7%YoY).

• PAT stood at INR 1840 mn for quarter (Vs 1932.23 mn in Q4 FY23) and at INR 3730.926 mn for FY 24

**Operational highlights**

• Trust has declared the Distribution of INR 1.16 bn translating into a payout of INR 2.00 per unit for Q4FY24.

• The per unit distribution for Q4FY24 includes INR 1.70 per unit as an Interest component and INR 0.30 per unit as Dividend.

• The cumulative distribution for FY24 is INR 4.64 Bn, which is INR 8.00 per unit, which includes INR 6.80 per unit as an interest component, INR 0.60 per unit as the return of capital and balance INR 0.60 per unit as the Dividend.

• Since the Trust's IPO in FY17, its cumulative distribution has reached Rs. 38.52 Bn, ~ 65% of the aggregate fund raised.

**Other Highlights**

• The toll collection has increased by 10% YoY reflecting robust traffic growth across the portfolio.

• Company witnessed positive recovery in toll revenue for Talegaon Amravati project from February24 and the trend has persisted even in month of March24.

• The toll rate revision, based on the WPI as of December23, is ~3.35% to 3.5%.

• In FY25 company anticipates increase in the collections which will increase the distribution but haven’t provided any guidance for the same.

• In ham project the company gets annuity from the government twice a year,first annuity in the month of October and second in the month of April.

• Interest cost increase by 0.80 bn in FY24 which amounted to 2.72 bn vs 1.93 bn previous year.

• Currently, the average rate of interest stands at ~8.65% to 8.7%.

• Company aims to reduce its interest cost by refinancing the entire debt with one lender and expects to save 20-30 bps in refinancing.

• Company commits to add asset to the portfolio only when it is not detrimental to the interest of the unitholder.

• The sponsor has three assets which will be available in the next two years, and O&M will be agreed upfront as the asset is constructed by the sponsor.

• Initially Jaipur Devoli project faced challenges due to a mining ban. However, with the government's gradual allocation of mining and the subsequent return of mining traffic, there has been an improvement in toll collection.

**Gravita India Ltd. | Q4FY24 Concall KTAs**

**CMP- INR 933** **M.Cap- INR 64,400mn**

**Gravita India reported strong financials in Q4FY24, with record-high revenue and PAT despite logistical disruptions. Key highlights include expansion of lead production capacity, increase in battery recycling capacity in Tanzania, and plans for aluminum alloy commodity derivative launch on MCX. The company aims to achieve sustainable EBITDA margins of 9-10% while focusing on diversification, logistics optimization, and ESG targets in its revised vision extending to 2028.**

**Business Update**

-Pure lead produced at Gravitas Mundra, Gujarat has been empanelled as an approved lead brand deliverable against MCX net futures contract. This will provide the company with a platform for hedging better inventory management and price transparency in the domestic market.

-Battery recycling capacity increase by 5000 MT p.a. in Tanzania taking the total annual capacity to 12000MT p.a. .Capex of INR 350mn done for this capacity expansion through internal accruals.

**Dividend:** Interim dividend of INR 5.2 declared.

**Capacity Update**

Gravita has expanded its total capacity to 3lakh +MT p.a. in FY'24 which shows an increase of 29% when compared to the previous year capacity. Aim to reach 5lakh MT p.a. by FY'27.

**Sales volume**

Lead and plastic volume increased while aluminium volume decreased by 3200 tonnes. Reason for drop was to avoid high risk of metal price fluctuation during transit period for imports in India.

**Aluminium alloy**

Aluminum alloy has been notified under securities Contract Regulation Act. Aluminium alloy commodity derivative is expected launch on MCX by next quarter. This will the business in managing the risk of price volatility help in scaling aluminium business. 60-70% volume growth expected in aluminium business.

**Financials**

Compnay has registered record high revenue and ebitda and pat despite logistical disruptions.

**FY24**

Revenue for FY24 increased  by 13% to INR 31610 mn. 45% came from value added products, India business contributed 62%. Adjusted EBITDA for financial year '24 increased to INR 3310mn up 16%. PAT showed significant increase of 19% to INR 2390 mn in FY'24. PAT margin increased to 7.6%. ROC for financial year is standing strong at 25%.

**Q4FY24**

Revenue for the quarter increased by 15% to INR 8630mn with adjusted EBITDA of INR 930mn and margin of 11%. Gravita reported a PAT of INR 690mn.

**Audit Qualification**

It was due  to difference in interpretation of accounting standard. Gravita employee Welfare Trust acquired certain shares of the company in the last few years and objective to distribute utilize the gains of the fund for benefits of employees of Gravita. During the year 380500 share were sold. Company contention aided with legal guidance is that gain on such shares should come under other liability while the auditor claims it to be an expense.

**Rolling Vision for 4 years**

Earlier vision 2027 has now been restated as vision 2028 giving a 4 year visibility. Revised vision builds on the existing one and includes other targets like non lead business to contribute more than 30% and landmarks on ESG front.

**Capacity Utilisation**

Capacity utilisation for indian plants was around 37% and for Aluminium India operation, it should touch around 65% to 70% in FY25. They are also planning for capacity addition in Ghana.

**Logistic Issue**

To tackle the logistics issue w.r.t. red sea, company diverted volumes to other geographies without affecting volume growth.

**Working capital increase**

Lot of sales of Q3 happened in q4 and hence the receivables went up. There has been a INR 1000-1200mn reduction right now.

Another reason for this increase was that the company bought overseas scrap which was available at cheaper rates than domestic scrap.

**Tax Exemption in Chittoor**

They have a tax advantage in Chittoor where they get 100% tax exemption. So whatever profit contribution is from Chittoor, that is 100% tax free. Whenever they import goods from Africa to India, that is majorly processed in Chittoor itself.

**Increase In depreciation**

This increases was due to expansion in Mundra, Togo(new facility) and Senegal(Africa).

**Margin Guidance**

Ebitda margins this quarter was 10.76%. Guidance for 9% to 10% EBITDA margins on a sustainable basis going forward.

**Australia**

Company has started sourcing, developing some vendor network in Australia along with sourcing some battery scrap. They may also plan to put up their own yards in Australia.

**EBITDA per kg**

Lead -18-19 per kg and plastic 10-11 per kg.

**Ador Welding Ltd | Q4FY24 Concall KTAs**

**CMP- INR 1403      M.Cap- INR 19000mn**

**Financials**

Revenue for FY'24 stood at INR 884mn of which Flares bought in INR 350mn, Equipment at INR 1720mn and Consumables at INR 6780mn. Margins were INR -82mn (-24%), INR 80mn (5%) and INR 1067mn(16%), respectively. PBT margins were 9.5% and ROCE was 24%. Borrowing stood at INR 430mn and debt to equity ratio of 0.12x. Interim dividend announced.

**Merger**

Merger with Ador Fontech is expected to complete in the first half of FY'25.

-2-3 new geographies to be added. Profitable turnaround for automation division.

-Steel prices have been dipping down from October/November and have been on the rise since

April again. Management claims that volume is in line with market expectation.

**Flare business**

-INR 1500mn order from ONGC is running late. It is expected to start moving from May/June. INR 300-350mn of revenue that should have come last year, has been pushed to the next year.

-Gross margins coming down in flare division since revenue is low and there are high overheads.

Equipment front, margins have been subdued since past couple of quarters mainly due to product mix. In welding and cutting automation, losses went up and focus is on turnaround of that. Lot of scope for improvement.

In Ador Fontech there are 2/3 drivers like product line and maintenance and repair line. Exponential growth can be expected to be seen from services part.

Export mix -70% consumable 30% equipment.

-Q4 volume growth in consumables is 2%. Double digit growth for consumable in domestic market is expected

-Automation should be around 30% of revenue on welding front.

BIS case- There is no movement. Stay at high court remains.

Flares Margin Guidance

Margins high single or low double digits. No exponential jump in bottomline to be expected.

-Expected volume growth in market between 8-10%. Shipbuilding expected to be growth driver and railways as well. Investments flowing in cements as well.

Equipment Margin Guidance

In next 2-3 years, margins can be 60-70% more than the current levels.

3D Printing subsisdiary- Continuous losses can be seen in this subsidiary. A strategic call will be taken in next 6-8 months. Other players in this segment are doing a lot of cash burn.

Dividend outlook is to keep the previous years dividend as the benchmark and no major change.

-Construction contributed around 14%, railway- 9% and Cement- 7-8% in the FY’24 revenue.

**SIS Q4FY24 Concall KTAs**

**CMP: 456 | Market Cap: 65.7 Bn | Promoter: 71.7%**

**Overview: Subpar set of results for the quarter. Company is demerging Cash Logistics JV business, which will mirror current shareholding of SIS (49% ownership in JV)***

**Operating Metrics (Consol)**

• Revenues came in at INR 3.14 bn (+2.1% QoQ) (+4.7% yoy)

• EBITDA margins came in at 4.8% (Vs 4.9% QoQ) (Vs 4.5% YoY)

**Operational and Business Highlights:**

• Company has been focusing on improving margins with focus on growth and SGA costs.

• Higher depre due capex in VProtect business and amortization of capitalized cost in respect of new business application platforms.

• SIS invested ~INR 100 Mn in Agarsha Senior Care, acquiring ~4% through primary and secondary investments in March ’24 (Signed in March ’24 and executed in April ‘24).

• Excluding international business, India business (FM and security) grew 11%. This was mainly volume led growth. Value growth will come with wage hikes by government. The wage hikes take place twice a year (April and October). There was no wage hike in April but company is optimistic that there will be introduction of more labor laws and possibly a living wage. This will assist with the value growth issue faced by the company.

• No acquisitions since 2019

**Security Solutions – India**

• Revenues came in at INR 13.09 Bn (-0.7% QoQ) (+7.8% YoY)

• EBITDA margins at 5.5% (Vs 6.1% QoQ) (Vs 5% YoY)

• Focus on securing profitable contracts and improvement in the profitability for both the manned guarding and the VProtect business led to improvement in the segmental EBITDA Margins.

• New deal wins worth INR 160 Mn monthly revenue from sectors Manufacturing, BFSI, Technology, and Real Estate.

• DSO reduced by 5 days to 79 days QoQ

•VProtect added 2,000 installations in Q4 taking total installations to 23,000 clients

**Security Solutions – International**

• Revenues came in at INR 13.22 Bn (+6.1% QoQ) (+2.4% YoY)

• EBITDA margins at 4.3% (Vs 3.9% QoQ) (Vs 4% YoY)

• New order wins in education, postal services, food services among other across Singapore and Australia.

• Company recognized Impairment loss in Henderson (Singapore entity) of INR 656 Mn. Cost rationalization, shredding of unprofitable contracts and new business growth drove improving profitability.

• Henderson was a $50 Mn company pre covid when SIS entered into share purchase agreement. SIS bouht 60% of the company with staged buyout later. Post covid, the business was not as expected so company prudently took impairment loss. At current stage, Henderson is $30 Mn company with $20 Mn cash reserves.

• Henderson has orderbook worth $3-4 Mn

• DSO increased by 2 days to 55 days QoQ

**Facility Management Solutions**

• Revenues came in at INR 5.2 Bn (-1% QoQ) (+3.3% YoY)

• EBITDA margins came in at 3.9% (Vs 4.3% QoQ) (Vs 4.4% YoY)

• DSO reduced by 5 days to 88 days QoQ

• New deal wins worth INR 70 Mn monthly revenue in the Health, Retail, Technology, Real Estate and Logistics sectors.

• FM margins struggling due to fixed price contracts. Company is currently shedding these contracts which is also affecting topline growth. Large part of this process is completed and margin profile is expected to improve Q1FY25 onwards.

**Adani Enterprises - Q4FY24 Concall KTAs**

**CMP: INR 3,037 | Market Cap: INR 34,62,354 Mn**

**Outlook**

**Adani Enterprises plans a CAPEX of approximately INR 8,00,000 Mn for FY25, channeling funds into areas such as Adani New Industries (ANIL) and the airports business, among others.The company aims to achieve 90% capacity utilization in its solar module manufacturing segment, projecting sales of 3.6-4 GW in modules for the FY25. EBITDA margins are forecasted to remain steady, buoyed by the commissioning of key projects like the copper plant and the 2 GW wafer plant, along with the stabilization of the wind turbine business.**

**Financial Performance**

• Consolidated EBITDA increased by 32% to INR 1,32,370 Mn in FY24 and a decline by 8.25% QoQ in Q4FY24.

• In Q4 FY24, Adani Enterprises' EBITDA from its Australian operations stood at around INR 4,000 Mn and for FY24, the EBITDA from Australian operations was INR 13,000 Mn

• Consolidated income stood at INR 9,82,820 Mn in FY24, a 24% YoY decrease but a 1.09% QoQ increase in Q4FY24

• Consolidated PAT increased to INR 32,400 Mn, marking a YoY increase of 31%.

• ANIL's (Adani New Industries Limited) green hydrogen ecosystem revenue grew by 185% to INR 87,410 Mn, and EBITDA increased by 45% to INR 24,370 Mn.

**Business Diversification and Infrastructure Development**

• Adani New Industries reported a green hydrogen ecosystem revenue YoY surge by 185% to INR 87,410 Mn, with EBITDA rising YoY by 45% to INR 24,370 Mn. Additionally, ANIL commissioned India's first large-sized monocrystalline ingot and wafer unit with a capacity of 2 GW.

• Adani's airports witnessed a 19% YoY increase in passenger movement, with the Lucknow Airport inaugurating its first phase terminal catering to 8 million passengers annually. The Greenfield Navi Mumbai airport project remains on track for completion by February 2025.

• Progress continues in road projects, with 4 out of 10 projects surpassing the 70% completion mark in FY24. The Greenfield Ganga Expressway project is advancing as planned.

• Carmichael mine production surged by 57% to 11.2 million tonnes in FY24, demonstrating robust growth in coal and bauxite mining ventures.

**Aero and Non-Aero Revenue Share**

• Across the entity's  six operational airports (excluding Mumbai), the revenue ratio is currently skewed towards 75% from aero (aviation-related) and 25% from non-aero (non-aviation related) sources.

• For Mumbai airport, the ratio is more balanced at 50:50 between aero and non-aero revenue.

• The company aims to move towards the international standard of 75% non-aero and 25% aero revenue share from a consumer perspective.

• They are focused on increasing the non-aero revenue share through various initiatives and considers the entire ecosystem of around 250 million touchpoints, not just the 90 million passengers.

**Adani One App**

• The Adani One app, primarily focused on the airports business currently, has reached 30 million users.

• As It integrates more customer-facing businesses into the app, the user base is expected to grow further.

**Other Highlights**

•Commenced operations at the copper plant, which aims to ramp up production to half a million tons by FY26 to meet growing demand driven by renewable energy initiatives.

•Expanding data center facilities in Chennai, Noida, Hyderabad, and Pune, with plans to achieve a total billing capacity of 210 megawatts by FY26.

•Expansion plans to increase solar manufacturing capacity to 10 gigawatts, covering the entire module-integrated manufacturing process.

•The company aims to maintain a net debt-to-EBITDA ratio of less than 4 times in FY25.

•The company plans to bring in additional equity if required to keep the ratio below 5 times, as per its guidance.

**GRP Ltd -Q4FY24 Concall KTAs**

**CMP INR 9192 |Market Cap INR 12.26 Bn**

**Company recorded INR 150 Mn from the sale of ERP credits in Q4FY24. The reclaim business volume grew consistently driven by strong order book and new technology for reclaimed rubber has been commissioned which will further drive future growth.**

**Financials**

• Revenue stood at INR 1379 Mn in Q4FY24(44% YoY/26% QoQ).

• EBITDA stood at INR 229 Mn (227%YoY/110% QoQ) in Q4FY24, with EBITDA margins of 17% vs 7% in Q4FY23.

• PAT stood at INR 117 Mn (324 %YoY/171% QoQ) in Q4FY24, with PAT margins of 8% vs 3% in Q4FY23.

**Macro aspect**

• In India, demand for rubbers has increased by 4% in FY23, but the reclaimed rubber demand fell by about 4%.

• Company's export volumes decreased by ~ 11% in aligned with the subdued global market conditions which reflected in a 3.5% decline in overall rubber consumption.

• Price of key polymers, essentially nylon or polyamide was volatile with a deviation of 14%, despite such volatility company grew its volume by 13% in this sector.

**Operational Highlights**

• Company has partially realized sales of EPR credits against its entitlement for the year 2022- 2023.

• Company set up Repurposed Polyolefins business under a wholly owned subsidiary which started its manufacturing operations in Q4FY24 and secured approvals from key players in India's Paint and Lubricant industries.

• Company has successfully commissioned a new technology for manufacturing reclaimed rubber which will help in growth momentum for the reclaimed rubber business in the coming years.

• Company has acquired land adjoining its existing facility in Solapur to set up a crumb rubber plant and venture into downstream recycling over the years.

• Company reduced its working capital days from 98 to 74 days in FY24.

• Reclaimed rubber business volume grew by 6% while volumes in the domestic market grew by 21% YoY.

• In Non-reclaimed rubber business, the engineering plastic business grew by 13% YoY.

**Other Highlights**

• For credit generation, a policy document has a certain number of weightage based on the type of recycling.

• Company is able to generate EPR if they use domestic waste of end of life tyres and is not linked to where its sold and thus generates EPR credit even for the exports.

• Historically, EBITDA margins has been steadily increasing and company expects the trend to continue through improved utilization.

• Company has received approval for right issue from exchanges for expansion and the growth capex with better cash flow position now company will take a call at a suitable time.

• Reclaimed rubber is operating at mid to late eighties in terms of capacity utilization, while for other business company to push past 40-45% utilization level to 65%.

• Total project cost for crumb rubber expansion is expected to INR 350-400 Mn over and above the land acquisition. Capacity is expected to come in 2 phases, 30,000 tons in each phase.

**Updater Services Ltd-Q4FY24 Concall KTAs**

**CMP: INR 305 |Market Cap: INR 20,419 Mn**

**Outlook**

**The IFM segment witnessed a temporary dip in margins due to low-margin contract exits and upfront expenses on new projects, the management expects this to stabilize by Q2FY25. The BSS segment, known for its higher-margin services, is anticipated to drive growth. Management projects a 15-18% increase in both revenue and profit for FY25. The company plans to pursue inorganic growth through acquisitions in the BSS segment to further enhance margins. The company also aims to introduce new technology-enabled offerings, expand into commercial real estate and infrastructure projects, and leverage cross-selling opportunities between IFM and BSS segments to drive growth.**

**Financial Performance**

- Consolidated revenue grew by 16% YoY to INR 24,561 Mn in FY24 and by 10% YoY to INR 6,326 Mn in Q4FY24.

- In FY24, reported EBITDA increased by 41%YoY to INR 1,459 Mn, and adjusted EBITDA grew by 12% to INR 1,666 Mn. For Q4 FY24, reported EBITDA was INR 411 Mn, a 6% YoY increase, while adjusted EBITDA decreased by 23% to INR 383 Mn.

- Reported PAT stood at 663 Mn, up by 91% YoY while the adjusted PAT was up by 9% at INR 925 Mn in FY24. For Q4FY24, reported PAT was up by 150% YoY at INR 242 Mn.

**Segment Performance**

- The BSS segment is expected to grow between 15-18% in FY25, with Denave (a subsidiary) potentially witnessing a flat Q1 due to investments.

- The IFM segment witnessed a temporary dip in margins in Q4FY24 due to low-margin contract exits and upfront expenses on new projects, which is expected to stabilize by Q2 FY25.

- The BSS segment revenue grew by 32.5% YoY to INR 8,022 Mn in FY24, driven by strong growth in sales enablement, digital, and field marketing businesses.

- The IFM segment revenue grew by 9% YoY to INR 16,658 Mn in FY24 and by 8% YoY to INR 4,272 Mn in Q4FY24.

- The company added 78 new customers in the ISM segment and 51 in the BSS segment during FY24.

- The revenue split between IFM and BSS is now 66% for IFM and 34% for BSS, compared to 69% and 31% respectively at the same time last year.

**Subsidiary Performance**

- Denave reported a revenue of INR 4,550 Mn in FY24.

- Athena reported a revenue of INR 1,488 Mn in FY24.

- The company aims to make Denave a fully-owned subsidiary by FY27 and Athena by FY27, which will reduce the impact of fair value expenses going forward.

**Growth Strategy**

- Focusing on inorganic growth in the BSS segment through acquisitions to increase margin accretive businesses.

- The company aims to achieve organic growth in the basic segment at a rate of 18-20% while further enhancing the margins. Additionally, they plan to introduce new technology-driven service offerings within the IFM segment.

- Pursue cross-selling opportunities between IFM and BSS segments.

- They also expanding into commercial real estate, industrial, manufacturing, and infrastructure projects in the IFM segment.

**Ground Handling Business**

- The ground handling business did not break even in Q4FY24 due to certain annual adjustments and rectification expenses.

- The company expects better traction in the ground handling business from Q1FY25 onwards.

**Accounting Changes**

- The company has changed its accounting policy for depreciation from the written-down value method to the straight-line method, aligning with the useful life of assets and principles followed by subsidiaries.

- This change was primarily due to the company's investment in airport ground handling assets with longer useful lives.

**Strategic Initiatives**

- The company has started an aviation training school for captains and other personnel, which is expected to contribute to revenues from the next 2-3 quarters.

- It has picked up ground handling functions and will be operating in 22 airports from Q1FY25, with 16 already operational.

- The company has secured contracts like Ayodhya, Tirupati, and Pune, which are expected to drive growth in the BSS segment.

**Other Highlights**

- The company is a net cash company with a net debt-to-equity ratio of -0.39x as of March 31, 2024.

- As of March 31, 2024, the company had 1,086 customers in the BSS segment and 1,500 customers in the IFM segment.

- The company has a 95% customer retention rate over a 5-year window.

- The total headcount at the end of FY24 was 51,876 for the IFM segment and 13,356 for the BSS segment.

**Team Lease Services Ltd | Q4FY24 Concall KTAs**

**CMP- INR 3.517** **M.Cap- INR 58,960mn**

**Despite some sector-specific challenges, the company is optimistic about overall growth and profitability. The focus remains on increasing productivity and expanding in high-demand sectors like manufacturing and telecom. Significant improvements in profits and EBITDA margins are expected in the second half of FY25 as the impacts of NEEM trainee exits are mitigated and new business initiatives gain traction.**

**Financials**

**Q4**

Total revenue stood at INR 24,410mn(+3%QoQ)/(+13%YoY) with EBITDA(before exceptional) of INR 370mn(+2%QoQ)/(+9%YoY) and margin of 1.5%(-20bpsYoY). PAT stood at INR 280mn(-10%QoQ)/(+15%YoY).

**Headcount Additions**

TeamLease reported 10,000 new additions in Q4 and 37,000 for FY24. General staffing saw a record 43,500 net additions.

-The company achieved an 18% revenue growth for FY24. General staffing contributed significantly with a 23% increase in YoY revenue.

**Profitability Challenges**

The reduction in NEEM (National Employability Enhancement Mission) trainees impacted profitability, with an overall profit depletion of INR 200mn, including a final impact expected in Q1 FY25.

The company anticipates EBITDA margin improvement starting Q2 and more significantly in H2 FY25 as the impact of NEEM trainee exits diminishes.

**Revenue Projections**

With ongoing demand in various sectors, particularly consumer and telecom, the company expects to maintain an 18-20% headcount growth into FY25.

In Telecom sector, despite the major 5G rollout completion, continued formalization and expansion in the consumer and B2B sectors are expected to drive growth. The company is positive about sustaining growth in this sector into Q1 FY25.

Manufacturing Sector- There is strong demand in electronics and mobile manufacturing, particularly in the southern regions. However, sourcing workforce remains a challenge, though there is some pricing power.

In IT sector, the demand for IT services remains sluggish. No immediate recovery is expected in the near term, but the company is focusing on GCCs and non-tech companies to maintain revenue levels.

-Continued investments in digital transformation and process enhancements have improved operational efficiency. The company aims to leverage these investments to support expanded customer bases without proportional headcount increases.

**HRTech and EdTech**

The HRTech vertical, including payroll services, is expected to grow with ongoing technology investments and potential M&A opportunities. The EdTech business, which saw a 30% profit growth in FY24, is projected to maintain this momentum in FY25.

Variable Markup Model -There is a strategic shift towards acquiring new clients on a variable markup model to offset the margin pressures from larger clients on fixed markup models.

**Indegene Ltd. - Q4FY24 Concall Highlights**

**CMP: INR 509 | Market Cap: INR 121,850 mn**

**Outlook: The Company is in the niche category of new Drug's sales and marketing business, which is a high margin business. However, their growth rates are also dependent on the customer business growth and the new drug registrations. We remain watchful on the business growth in the future for the company as the industry consolidation and sluggish new approvals continue in the regulated Pharma markets.**

Guidance:

•The Company gave Pharma Industry growth guidance of 4-5% for FY25 and between 5-8% growth over FY25-28 period.

Key Highlights:

•Q4FY24 Revenue came at INR 6,730 mn (down 0.1 QoQ/ up 6.5% YoY), EBITDA came at INR 1,643 mn (up 1.4% QoQ/ up 48.7% YoY), EBITDA Margins stood at 24.1% in Q4FY24 (against 24.1% in Q3FY24 & 17.5% in Q4FY23), Net Profit stood at INR 949 mn (down 3.9% QoQ/ up 94.6% YoY).

•The Management explained that the company plays role and adds value to the customers once any Pharmaceutical company receives approval for any drug's clinical trials from US FDA or other drug regulatory authorities, Indegene takes up the subsequent processes post the approval.

•The Company has 4 segments: Enterprise Commercial Solutions, Enterprise Medical solutions, Omnichannel activation solutions,and lastly Others.

•The Enterprise Commercial Solutions and Omni Channel Activations segments address the sales & Marketing budgets in Pharmaceutical companies, and combine form 70% of the revenue mix of the company.

•The EMS (Enterprise Medical Solutions) segment is where the company addresses the medical affairs, safety & regulatory functions inside in a Pharma company.

•The Omnichannel activation segment is where the company works with a particular therapeutic area or brand, or a particular country. This segment is still small in their revenue mix, and most of the revenue comes from the US, followed by the Western European countries and then the rest of the world.

•Geography wise split stood at: 65% from US, 32% from Europe and remaining from the rest of the World.

•The Company's 69% of revenues comes from the Top 20 Global Pharma companies. The Management iterates that they have reduced their reliance on these top 20 pharma companies from 78% back in FY21 to 69% in FY24 end.

•The Companies number of active clients increased from 44 in 2020 to 63 in 2024.

•Speaking about the global Life Sciences industry which is of the size USD 1.8 trillion, the company's presence is more in the Sales & Marketing part where they have the highest footprint, contributing 35% of the spend.

•The spends are increasing at a rate of 6-7% annually for the life Sciences industry, while Outsourcing is growing at 9-14%.

•The Top 30 companies spend around 25% of their revenue on SG&A expenses while approximately 15% is spent on R&D.

•The Management says that the company has grown by 31.1% CAGR over the last 10 years, and excluding the 4 Covid years, the previous 6 years also, the Company grew by 24.6% CAGR. The management said that the Covid 4 years were beneficial to their business as the digital adoption of operations got adopted faster during those years.

•The Enterprise Commercial Solutions & Enterprise Medical Solutions constitute 82% of the revenue of the company.

•The Company has acquired 100% interest in the medical writing business in the regulatory affairs space named trilogy, based in Germany. The Company has factored te Assets acquired through the transaction in their Balance Sheet, the company's P&L don't accrue any revenue or margins from the Trilogy business for Q4FY24.

•The Emerging Biotech business declined from 4.1% to 2.7%, but the management says that they remain invested in that business with a long term view.

•The Company has outstanding debt to the tune of USD 47.2 mn, i.e, INR 4,000 mn as of March 2024.

•The Management attributed the muted growth in FY24 for the consolidation phase, where the Top 30 pharma companies saw decline in revenues by 7.1%.

**Cochin Shipyard Ltd | Q4FY24 Concall KTAs**

**CMP-INR 1948 M.Cap-INR 512,390mn**

**Cochin Shipyard has demonstrated robust financial performance and strategic growth through significant new orders and infrastructure investments. The company is well-positioned to capitalize on future opportunities in both domestic and international markets, particularly in the green vessel segment. The management's guidance reflects confidence in continued revenue growth and margin sustainability, supported by strong order execution and innovative capabilities.**

Financials

Q4

Turnover stood at INR 12,254.9mn(+56%YoY) with EBITDA of INR 3655.7mn(+122%YoY) and margin of 30%(+40%YoY). PAT stood at INR 2,646.7mn(+143%YoY) with margins of 22%.

Cochin Shipyard Ltd. (CSL) achieved an all-time high turnover of INR 3,8304.5 mn FY24(+62% YoY). Profit before tax reached INR 10709.4 mn(+156%YoY) and PAT was INR 7832.8 mn(+157% YoY).

Dividend- The Board recommended a final dividend of INR 2.25 per share. The total dividend for FY24 is 32% of PAT.

Debt Status The company redeemed tax-free bonds amounting to INR 1,000mn in December 2023 and is practically debt-free with only INR 230 mn as long-term debt.

Revenue Distribution- CSL derived 72% of its total operating income from shipbuilding activities and 28% from ship repair operations. Ship repair turnover crossed INR 10,000mn for the first time.

New Orders

-Contract with a European client for hybrid service operation vessels (SOV) valued at INR 10,000-10,200mn.

-UCSL secured orders for 70 Ton Bollard Pull Tugs and 240 Ton Bollard Pull ASG tugs, aggregating around INR 2,500-3,000mn.

-Contract with the Indian Navy for median refits of two vessels worth INR 1500 mn.

-Master Ship Repair Agreement (MSRA) with the United States Navy for repairing US naval vessels.

Significant Deliveries

-India's first indigenously built hydrogen fuel cell vessel.

-Hybrid electric hull vessels for the Kochi Water Metro project.

-Tugs for Ocean Sparkle Limited and Polestar Maritime Limited.

Capex and Infrastructure

-The highest CapEx in CSL's history, totaling INR 27690mn for projects including the new drydock and the International Ship Repair Facility (ISRF).

-The new drydock and ISRF are expected to be fully operational by August 2024.

Guidance

Revenue Growth Targeting a 20-25% increase in the top line for FY 2024-25.

Margins EBITDA margins guided to be in the range of 18-19% on a consolidated basis, with ship repair margins expected to be between 20-23%.

*Depreciation*Higher depreciation costs anticipated due to the commissioning of ISRF and the new drydock project, adding approximately INR 1400mn in depreciation.

Order Book Current order book stands at approximately INR 220,000 mn, including INR 12,000 mn in ship repair orders.

Pipeline Projects

-Ship repair orders include projects from the Indian Navy and Lakshadweep administration.

-Significant international interest in green vessels, particularly from Europe.

-Potential future projects include next-generation corvettes and other defense and non-defense vessels.

ISRF Utilization Expected to handle 82 vessels per year once fully operational, with a global operating partner being sought to optimize operations.

Balance Sheet Management- Inventory levels have increased due to incoming materials for new projects, while advances from customers are expected to normalize as project execution progresses.

**Knowledge Marine & Engineering Works Ltd-Q4FY24 Concall KTAs**

**CMP: 1,123 | Market Cap: 12,134 Mn**

**Outlook: Knowledge Marine is poised for growth in FY25, driven by a strong order book of INR 7,330 Mn and expansions into new segments such as sand mining in Bahrain and inland waterways. For FY25, the company expects to achieve revenue between INR 2,700-3,000 Mn, maintaining EBITDA and PAT margins around 30% and 20%, respectively. With planned capital expenditures of up to INR 1,600 Mn for fleet expansion and infrastructure upgrades, along with new international and domestic contracts, the company aims for a 10% market share in the dredging business. The forthcoming listing on the BSE and NSE main boards is expected to further boost visibility and attract new customers.**

Financial Performance

* The company reported revenue of INR 1,635 Mn for FY24, down by 19% YoY. The revenue decline was a one-off event.

* EBITDA stood at INR 498.8 Mn down by 27% YoY, maintaining an EBITDA margin of 30%.

* PAT for FY24 was INR 330 Mn down by 30% YoY, with a PAT margin of 20%.

* Net debt increased due to the acquisition of new vessels.

* A cash balance of approximately INR 500 Mn is maintained for future growth prospects and quick acquisition opportunities.

Revenue recognition delay

* Major reason for the decline in revenue in FY24 was the delay in recognizing around INR 700 Mn of revenue from the maintenance dredging contract at Sittwe Port in Myanmar (to be recognized in FY25).

* The delay was caused due to unrest in the Rakhine state in Jan’24, leading to the Indian government evacuating all personnel from the site.

Order book and new contracts

* The company secured a strong order book of approximately INR 7,330 Mn as of May 2024 with an average tenure of 3-4 years. There is a projected addition of INR 4,000 Mn from upcoming contracts.

* Second international contract from the Myanmar Port Authority for dredging in the Yangon River Channel.

* Repeat contract from Myanmar Port Authority for ongoing Yangon River dredging maintenance work, double the value of the initial contract.

* Entry into the Bahrain sand mining market with an order book of approximately INR 4,500 Mn over the next five years.

* Orders from Mumbai Port Authority for hiring dock tugs (INR 344.9 Mn) and Paradip Port Authority for a patrol boat (INR 52.2 Mn).

* The company has entered the National Waterways segment by winning two contracts, supervised by the World Bank, worth approximately INR 1,720 Mn.

Fleet expansion

* The fleet will soon consist of 24 vessels, with plans to expand to 40 or more crafts in the coming years.

* New additions include three more dredgers and two more cutter suction dredgers, totaling 10 dredgers.

* Supporting vessels for the River Ganga project and other ports are being constructed and deployed.

Capex: Planned capex includes approximately INR 400 Mn in the next 45 days and an additional INR 1,000-1,200 Mn within FY25, focusing on fleet expansion and infrastructure upgrades.

Bahrain Sand Mining Project

* Revenue of approximately INR 150 Mn was realized in FY24 from the Bahrain segment.

* The company plans to upgrade the vessel deployed in Bahrain, resulting in higher revenue of INR 750-800 Mn in FY25.

National Waterways Projects

* Revenue recognition for the first stretch is expected to start from June 15, 2024, and for the second stretch from July 2024.

* Additional orders from the Inland Waterway Authority of India are expected within the next 30-45 days.

Other highlights

* The company is actively exploring opportunities in Saudi Arabia and plans to identify a strong partner to facilitate its entry into the region.

* The management intends to expand into another country within the next two years.

* The management mentioned that the promoters will be buying back some equity next week.

* The company faces limited competition in the dredging market, primarily from Northern Express Infra Private Limited, Dharti Dredging, and Adani.

**Popular Vehicles and Services Ltd – Q4FY24 Concall KTAs**
**CMP: INR 223 | Market Cap: INR 15,867 Mn**

**Outlook**

**The company focuses on high-margin businesses like services and spare parts distribution, along with geographic diversification into new markets. Their integrated business model spanning the automotive retail value chain positions them well to drive customer stickiness and sustainability. The company's strategic acquisitions and network expansion initiatives, along with a diversified product lineup spanning EVs, luxury, and commercial vehicles, offer a strong foundation for growth. However, external factors like vehicle availability and weather disruptions remain key.**

Financial Highlights

- Revenue from operations stood at INR 13,640 Mn in Q4FY24 up by 5% YoY & INR 56,160 Mn in FY24 up by 15% YoY.
- EBITDA stood at INR 710 Mn in Q4FY24 up by 21% YoY with margins at 5.2% & INR 2,860 Mn in FY24 up by 22% YoY and margins at 5.1%.
- PAT was at INR 200 Mn in Q4FY24 up by 40% YoY with margins at 1.5% & INR 760 Mn in FY24 up by 19% YoY with margins at 1.3%.

Business Segments

- Company's new vehicle sales contribute to 60% of the revenue and commercial vehicles contribute to 35% of the revenue.
- Its service/repair business contributes 15% of revenue but over 50% of EBITDA.
- The company plans to further expand spare parts distribution business as it is a high-margin business.

Focus Areas & Strategies

- The company has diversified product offerings across EVs, commercial vehicles, luxury, etc and in focusing to increase geographic presence and enter into new geographic markets to expand brand reach.
- The company is prioritizing integration across the value chain to serve customers better.
- PVSL has expanded its product portfolio to include electric two-wheelers and three-wheelers with Ather and Piaggio, operating under the EcoMark brand.
- The management mentioned that while EV penetration may increase, there will still be a significant demand for ICE and hybrid vehicles, ensuring a continued need for service and repairs.

Network Expansion

- The company has plans to add 31 new touchpoints in FY25 organically (showrooms, service centers, outlets).
- The company has a market share of around 25-26% in the Maruti segment in Kerala, 33% in Honda, and 77% in Tata Motors commercial vehicles.
- It has recently done an inorganic expansion into Maharashtra with Bharat Benz dealership acquisition.

Customer Retention and Stickiness
- PVSL focuses on creating a database of customers through the sale of insurance and financial products, and contacting them regularly for services.
- The company aims to increase customer retention by offering a complete package, including servicing, body shop, insurance claims, renewals, driving schools, and pre-owned car sales.
- It has one of the highest customer retention rates across brands for customers staying for more than 5 years.

Challenges
- External factors like weather and model availability can disrupt the company’s operations.

IPO Utilization
- Company's IPO raised INR 6,010 Mn, of which INR 2,500 Mn was the primary issue.
- The company used INR 1,920 from the primary issue for debt reduction in FY24.

Other Key Highlights
- The company acquired dealerships across states for geographic expansion.
- It had market share gains in certain OEM brands like Maruti and Honda.
- Company’s focus is on increasing the database of customers and ensuring customer stickiness and strong brand recall.
- Company’s working capital was 10-15% of revenue and inventory days were at 40-50 days.
- Its ROCE was at 17.7%, ROE was at 11.6% and interest coverage was at 2x.
- Its Debt/Equity ratio was at 0.6x and Net Debt/EBITDA was at 1.3x.

Arihant Capital Markets Ltd

**TCPL Packaging Ltd- Q4FY24 Concall KTAs**
**CMP: INR2162 | Market Cap: 19.7 Bn**

FINANCIAL SUMMARY
Q4 FY24
- Revenue for Q4FY24 was ₹393.4 crore, a 2.6% increase from ₹383.4 crore in Q4 FY23.
- EBITDA reported for Q4FY24 was ₹70.4 crore, up 10.6% from ₹63.6 crore in Q4 FY23.
- PAT for Q4FY24 was ₹29.0 crore, a 20.4% increase from ₹24.1 crore in Q4 FY23.

FY24
- Total Revenue for FY24 was ₹1,541.4 crore, a 4.5% increase from ₹1,474.9 crore in FY23.
- EBITDA for FY24 was ₹251.4 crore, up 6.5% from ₹236.0 crore in FY23.
- PAT for FY24 was ₹101.4 crore, an 8.2% decrease from ₹110.5 crore in FY23.

Capex
The Capex for the Chennai plant is expected to exceed ₹100 crore, similar to last year. The plant, focusing on cartons and adding one production line, aims to start operations this calendar year, with no revenue impact anticipated for this fiscal year.

Guidance
- Depends on the domestic consumption revival so the company didn't give specific guidance but has an ambition of 5-10% growth
- Volume growth in paper packaging will be in Low single digit both Quarterly and Yearly
- Flexible packaging will see higher growth

Flexible Packaging
- Margins should sustain at 15%+ levels
- The new project for sustainable packaging is seeing traction and has got some brands as customers. Although the overall contribution from the project won’t be very high, the export market is huge for it.

Creative Segment
- The company’s ambition is to turn this business into triple-digit revenue but no specific timeline guidance was given
- The company has cracked a few customers in electronics and consumer products.

Other Highlights:
- Paper raw material prices have come down YoY
- Overall Capacity Utilisation:  75-80%
- 250bps QoQ margin improvement— driven by raw material improvement and product mix improvement

Arihant Capital Markets

**CDSL Q4FY24 Concall Highlights**

**CMP: INR 2,146 | Market Cap: INR 224 Bn | Promoter: 15%**

**Overview: Excellent performance for the quarter, upcoming triggers will be the T+0 settlement (and subsequent implementation of instant settlement). Additional triggers will be the dematerialization of shares of unlisted companies and rematerialisation of insurance policies.**

**Performance (Consol)**

•Revenues came in at INR 2.41 Bn (+12.26% QoQ) (+93% YoY)

•EBITDA came in at INR 1.48 Bn (+12.5% QoQ) (+112.7% YoY)

•EBITDA margins came in at 61.42% (Vs 61.29% QoQ) (Vs 55.7% YoY)

•PAT came in at INR 1.29 Bn (+20.32% QoQ) (+104.83% YoY)

•PAT margins came in at 48.34% (Vs 45.53% QoQ) (Vs 43.88% YoY)

**Other Financial Highlights:**

•Annual Issuer Charges stood at INR 650 Mn (Vs INR 640 Mn QoQ) (Vs INR 470 Mn YoY)

•Transaction Charges stood at INR 760 Mn (Vs INR 590 Mn QoQ) (Vs INR 330 Mn YoY)

•IPO Charges stood at INR 270 Mn (Vs INR 310 Mn QoQ) (Vs INR 70 Mn YoY)

We were expecting transaction charges to be INR 720 Mn in Q4 whereas company has delivered INR 760 Mn. At the same time, we were expecting the IPO charges to fall sequentially due to lower size of total IPOs in Q4 Vs Q3. The same has played out as well.

**Operational & Business Highlights:**

•Company has a separate team looking at repository business. Repository business is still evolving, business likely to have started. Annual maintenance charge of INR 25 and creation charges of INR 20. No charges to policy holder, charges all to the insurance company. Insurance companies cannot have repositories.

• LIC is not tied up with the company for repository business (LIC has the highest market share in insurance)

No hiccups in T+0 settlement technology wise, dependent on SEBI to extend it to other companies.

•Higher KYC income due to higher number of records created and fetched

•Regulatory costs stood at INR 380 Mn for FY24 vs INR 260 Mn for FY23 (5% of operating profit based on a formula)

•Pledge income for Q4 stood at INR 59.5 Mn and 175 Mn for FY24. Unlisted securities dematerializing income stood at INR 18.5 Mn in Q4 and INR 54.5 Mn in FY24

•Impairment cost stood at INR 80 Mn in FY24 (Q4 had reversal of INR 11.1 Mn)

•Cannot differentiate or comment whether technology cost for implementation if T+0 will be sufficient for instant settlement or whether more will be required.

**Other Highlights:**

•eCAS income for Q4 stood at INR 93.7 Mn, eVoting stood at iNR 44.2 Mn

•Headcount stood at 335 vs 279 in FY23 (CDSL only)

•MTM gain on investments stood at INR 370 Mn for FY24

•Company declared INR 22 dividend per share.

•Q4FY24 saw the highest number of account openings ever at 10.9 Mn. Total demat accounts with CDSL stood at 115.6 as on March 2024

•Number of issuers stood at 23,060 (Vs 21,909 QoQ) (Vs 20,323 YoY)

•Number of ISIN stood at 72,367 (Vs 64,021 QoQ) (Vs 56,081 YoY)

•CVL KYC records stood at 65 Mn

•CIRL holding 1.2 Mn policies in 1.3 Mn eIA

**Outlook: CDSL has delivered outstanding performance on the back of excellent market participation. Going ahead, the T+0 settlement (and subsequent implementation of instant settlement) will drive revenues further. Additional triggers will be the dematerialization of shares of unlisted companies and rematerialisation of insurance policies. We continue to remain positive on the company and its prospects. (we had given a tactical BUY call on 4th April 2024 at INR 1,872 for which we recommend booking partial profits on 6th May 2024. Our long term view remains positive only on the company). At CMP, company trades INR 53.5x FY24 EPS**

**Century Textiles & Industries Ltd | Q4FY24 Concall KTAs**

**CMP- INR 1837** **M.Cap- INR 205230mn**

**Century Textiles & Industries Ltd showcases strong Q4FY24 performance, highlighted by a 60% YoY revenue surge and 81% YoY EBITDA growth. The real estate segment excels with INR 6680mn revenue, anticipating significant projects in FY25. Challenges persist in the pulp and paper division, while the textile segment undergoes discontinuation after restructuring efforts.**

**Financial highlights**

**Q4**

- Consolidated revenue of continued operation stood at INR 15420mn (+ 60%YoY) with EBITDA at INR 2820mn (+ 81% YoY) and margin of 18.3%. Profit on continued operation stood at INR 1600mn.

**FY24**

- Turnover of continuing operations stood at INR 45700mn with EBITDA of INR 7180mn and margins of 16.8%. Net profit from continued operations was at INR 3040m.

**Segment Wise**

**Real estate**

- Q4- Indian real estate is growing at healthy rate with Mumbai witnessing highest sales volume, owing to robust economic growth and trend of rising demand of luxury homes. Collections stood at INR 6440mn.
- Q4FY24- INR 6680mn with EBITDA of 1040mn and margins of 30.5%. This growth was driven by revenue recognition from handover of 3 projects at i.e. Phase 1 kalyan, Gurgaon and Bengaluru.
- Flagship project,Birla Niyaara witnessed spectacular response with sale of INR 23910mn within a month from launch and 68 units were sold.
- Land prices are steadily rising, making concluding deals challenging but company is confident in securing favorable outcomes through outright purchases or joint ventures. Century is open to both residential and commercial opportunities and actively raising funds at project level. Plotted developments present attractive opportunities, and they're keenly watching for both commercial and plotted projects
- Target is to do INR 150,000-200,000 mn of project in FY25 while they did INR 160000mn of projects this year.
- 9 launches worth ~INR 120000mn coming up, spread across quarters of FY25, worth INR 80000mn. Management guided to double pre-sales performance number in FY25. INR 39850mn Pre sale for FY24.

- Company is aggressively pursuing deals in 3 NCR regions i.e. Gurgaon, Noida and New Delhi regions. This market has high price and heavy competition. Company plans to to increase projects at NCR and Pune this year.

**Pulp and Paper**

- Q4FY24- prices were on a downward trajectory and realisations were down by 15% YoY. Sales turnover impacted and production volume increased 6% YoY but were down 4%QoQ. Sales turnover recorded 6% decline YoY at INR 8590mn and EBITDA of INR 650mn.
- Company witnessed supply chain disruption due to red canal due to which cost of production was affected. Various cost reduction initiatives are in place. As part of sustainability, 52lakh plantations completed FY24.
- Paper business in Q4 saw a dip in EBIT due to improvement in NSR which the co. was expecting but didn't happen. Lost close to 117cr due to price difference. Difficulty in pulping capacity. Competition on pricing front from china and Indonesia.
- Market outlook- Post election, demand is expected to improve election with government tenders opening in Q1 FY '25,and increase in exports yielding better realisations. However, oversupply in market likely to continue in FY '25 as the market growth is lower than the capacity being added by domestic as well as international mill.
- FY25 outlook- Company in the last year had to face cost constraints. It registered low margins particulary due to procurement of wood and power cost. Capex is planned to overtake these issue. Guidance is for INR 12-13rupees/kg next year.

**Textile**

- Beginning of FY24 management took decision of restructuring operations at Bharuch plant. Under this restructuring, Spinning and weaving were discontinued. To optimise operations, company increased outsource of grey fabric to 1,05,000 meters per day.
- No impairment effect in textile business in next year.
- 22th March'24- Keeping in mind the unsatisfactory performance and continued losses despite revival attempts along with non-availability of viable orders, decision was taken to discontinue operations after completing the orders in hand, except for some minor manufacturing operation.

**Debt**

- Consolidated debt of INR 24800mn, against which co. has liquid mutual fund investment. Net debt is INR 20500mn. Additional cashflow requirement for real estate business is at around INR 30000-4000mn. INR 20000mn additional debt may be required with half of it coming from parent.

## Arihant Research Desk

Email: research@arihantcapital.com
Tel. : 022-42254800

| Head Office | Registered Office |
|---|---|
| #1011, Solitaire Corporate Park | |
| Building No. 10, 1st Floor | Arihant House |
| Andheri Ghatkopar Link Road | E-5 Ratlam Kothi |
| Chakala, Andheri (E) | Indore - 452003, (M.P.) |
| Mumbai – 400093 | Tel: (91-731) 3016100 |
| Tel: (91-22) 42254800 | Fax: (91-731) 3016199 |
| Fax: (91-22) 42254880 | |

| Stock Rating Scale | Absolute Return |
|---|---|
| BUY | >20% |
| ACCUMULATE | 12% to 20% |
| HOLD | 5% to 12% |
| NEUTRAL | -5% to 5% |
| REDUCE | -5% to -12% |
| SELL | <-12% |

| Research Analyst Registration No. | Contact | Website | Email Id |
|---|---|---|---|
| INH000002764 | SMS: 'Arihant' to 56677 | www.arihantcapital.com | research@arihantcapital.com |



Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800Fax. 022-42254880