

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	80,065	0.0	10.8
Nifty-50	24,399	-0.1	12.3
Nifty-M 100	56,350	-0.3	22.0
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,810	0.2	21.8
Nasdaq	18,415	0.8	22.7
FTSE 100	8,269	0.1	6.9
DAX	19,443	0.3	16.1
Hang Seng	7,359	-1.6	27.6
Nikkei 225	38,143	0.1	14.0
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	75	-0.3	-3.9
Gold (\$/OZ)	2,736	0.8	32.6
Cu (US\$/MT)	9,367	-0.1	10.7
Almn (US\$/MT)	2,615	-1.0	11.5
Currency	Close	Chg .%	CYTD.%
USD/INR	84.1	0.0	1.0
USD/EUR	1.1	0.4	-1.9
USD/JPY	151.8	-0.6	7.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.8	0.00	-0.4
10 Yrs AAA Corp	7.3	0.02	-0.4
Flows (USD b)	24-Oct	MTD	CYTD
FII	-0.6	-9.48	2.2
DII	0.43	11.49	51.9
Volumes (INRb)	24-Oct	MTD*	YTD*
Cash	1,016	1149	1289
F&O	3,87,439	4,09,198	3,82,863

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Dixon Technology: Mobile and EMS continue to drive outperformance

- ❖ Dixon reported better-than-expected results driven by strong performance of the mobile and EMS segment as well as Ismartu integration from mid-Aug. The company's revenue/EBITDA jumped 133%/114% YoY for 2QFY25.
- ❖ Company is benefitting from strong volumes in existing mobile customers and is in active discussion for adding another global brand. We expect Dixon to continue to benefit from its market leading position across segments, addition of new segments, backward integration and ODM mix improvement.
- ❖ Its tie up with HKC Corp for display manufacturing will help in addressing a larger share of bill of material of mobile and LED TV and company is also exploring tie up with global players for getting into open cell manufacturing. We revise our estimates by 13%/5%/5% for FY25/FY26/FY27 and increase TP to INR17,500. Maintain BUY.



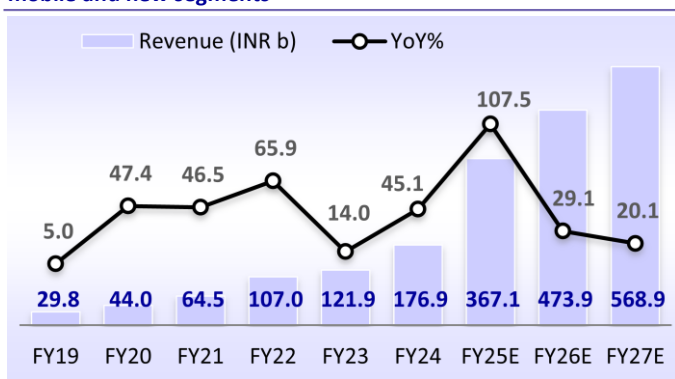
Research covered

Cos/Sector	Key Highlights
Dixon Technology	Mobile and EMS continue to drive outperformance
ITC	Resilient print despite challenges
Pidilite Industries	Healthy volume growth; rich valuations
Godrej Consumer	Growth delivery sustains; near-term margin pressure
Other Updates	JSW Energy United Spirits IndusInd Bank Colgate Petronet LNG ACC Piramal Pharma Metro Brands PNB Housing Laurus Labs Cyient IIFL Finance Craftsman Automation Westlife Foodworld Birla Corporation MAS Financial Services DCB Bank NTPC United Breweries Coromandel International Castrol India CIE India Automotive R R Kabel IEX Mahanagar Gas HomeFirst Finance Transport Corporation of India Expert Speak - Retail EcoScope - Global Economy



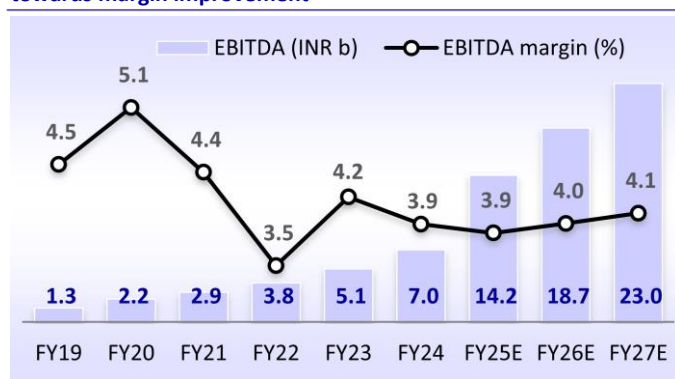
Chart of the Day: Dixon Technology (Mobile and EMS continue to drive outperformance)

We expect revenue to report a CAGR of 48% over FY24-27 led by mobile and new segments



Source: Company, MOFSL

We expect EBITDA CAGR of 49% over FY24-27 due to Dixon's focus towards margin improvement



Source: Company, MOFSL

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

Vistara planes to replace Air India's on metro-to-metro routes after merger

Vistara will be merged into Air India on November 11. However, the duty rosters of cabin crew members of Air India and Vistara will continue to remain different for some time.

2

Nvidia, Reliance Industries join forces to build AI computing infra

American chip behemoth Nvidia Corp and India's retail-to-refining giant Reliance Industries on Thursday announced a partnership to build a formidable AI computing infrastructure in the country.

3

Kalyani Developers plans to invest Rs 5,300 cr on housing, hotel projects

The overall investment for these projects would be around Rs 4,500 crore over the next two years.

4

Airbus plans to have 5,000 direct employees in India: MD Maillard

Currently, the aircraft maker employs around 3,500 people directly in India and sources services and components worth 1 billion euros from the country

5

Power Grid raises Rs 10K cr at 7.08%; Indian Bank's Rs 5K cr bond at 7.12%

Infrastructure bonds have a tenor of at least seven years and the proceeds are utilised by banks to fund long-term infrastructure projects

6

India's aviation sector poised for expansion: Airlines may need 4,000 more planes, govt to develop additional 200 airports, says Naidu

Civil Aviation Minister K. Rammohan Naidu on Thursday (October 24) said that the country may require an additional 4,000 aircraft over the next two decades

7

Kansai Nerolac finalises sale of Lower Parel land parcel for ₹726 crore to Aethon Developers

Paint maker Kansai Nerolac Paints Ltd on Thursday (October 24) said it has successfully completed the sale of its land parcel at Lower Parel, Mumbai, along with the building situated on it, for a total consideration of ₹726 crore.



Dixon Technology

Estimate change	↑
TP change	↑
Rating change	

CMP: INR15,055 TP: INR17,500 (+16%) Buy

Mobile and EMS continue to drive outperformance

Dixon Technology (Dixon) reported better-than-expected results driven by strong performance of the mobile and EMS segment, as well as Ismartu integration from mid-Aug'24. The company's revenue/EBITDA jumped 133%/114% YoY for 2QFY25. Dixon is benefitting from strong volumes of existing mobile customers, and it is in active discussion for adding another global brand. We expect Dixon to continue gaining from its market leading position across segments, addition of new segments, backward integration, and improvement in the ODM mix. Dixon's partnership with HKC Corp. for display manufacturing will help it address a larger share of the bill of material of mobile and LED TV. The company is also exploring collaboration opportunities with global players for getting into open cell manufacturing. We raise our estimates by 13%/5%/5% for FY25/FY26/FY27 and increase our TP to INR17,500. Reiterate BUY.

Revenue and EBITDA far ahead of our and consensus estimates

Dixon's revenue, EBITDA, and PAT were far ahead of our estimates, fueled by a sharper-than-expected ramp up in the mobile segment. EBITDA outperformed driven by a spike in revenue despite a lower-than-expected EBITDA margin of 3.7% (vs. our estimate of 3.9%) for the quarter. Higher interest and depreciation expenses and negative other income due to notional forex loss resulted in PBT coming largely in line with our estimates. PAT includes one-time exceptional gain of INR2.1b, which was the fair value gains recognized during the quarter on the SSPA transaction of Dixon with Aditya Infotech Limited for sale of 9.5m fully paid-up equity shares of AIL Dixon Technologies Private Limited. Adjusted for this, PAT came in at INR2.14b, in line with our estimates. For 1HFY25, revenue/EBITDA/PAT grew 120%/104%/197% YoY, and we expect 2HFY25 revenue/EBITDA/PAT to jump 96%/102%/137% YoY.

Mobile and EMS continue to dominate revenue

Dixon is continuously benefitting from improved volumes across its key clients in the mobile segment. Feature phone volumes stood at 9.1m for 2QFY25 (and 15.7m for 1HFY25). We expect these volumes to remain strong due to its key clients. Smart phone volumes stood at 8.1m for 2QFY25 including Ismartu's volumes for 47 days during the quarter. Within smartphones, Motorola and Xiaomi are witnessing a healthy ramp up, while Compal's production is expected from Nov'24 onwards. We expect IT hardware revenue to start witnessing improvement in the coming quarters, and Dixon has already tied up with four of the top-5 brands in India. The company is also planning to expand its capacity in the telecom segment due to increased volumes. We believe that Dixon has already created a pull factor for itself in the mobile and EMS segments, with its large scale of operations, healthy wallet share with key clients, and improving backward integration. It is in discussion to add another global brand in the mobile segment. The consumer electronic division had seen lower volumes for LED TV and Dixon is focusing on improving ODM share via backward integration. Lighting segment realizations appear to have bottomed out, and demand will recover gradually. In home appliances, Dixon is ramping up volumes for the fully-automatic washing machine.

Bloomberg	DIXON IN
Equity Shares (m)	60
M.Cap.(INRb)/(USDb)	900.9 / 10.7
52-Week Range (INR)	15600 / 5076
1,6,12 Rel. Per (%)	11/76/151
12M Avg Val (INR M)	4674

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	367.1	473.9	568.9
EBITDA	14.2	18.7	23.0
EBITDA Margin (%)	3.9	4.0	4.1
PAT	7.7	10.6	13.9
EPS (INR)	128.4	177.1	231.9
EPS Growth (%)	108.8	37.9	30.9
BV/Share (INR)	408.8	583.0	811.9

Ratios

Net D/E	-0.3	-0.5	-0.6
RoE (%)	37.1	35.7	33.3
RoCE (%)	42.2	38.9	36.2
Payout (%)	2.3	1.7	1.3

Valuations

P/E (x)	117.2	85.0	64.9
P/BV (x)	36.8	25.8	18.5
EV/EBITDA (x)	63.1	47.2	37.8
Div Yield (%)	0.0	0.0	0.0

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	32.9	33.2	33.8
DII	23.1	26.1	27.4
FII	22.7	19.3	15.7
Others	21.3	21.4	23.1

FII includes depository receipts

Backward integration efforts to be visible in 2-3 quarters

In Phase 1 of the JV with HKC, Dixon will incur a capex of INR2.5b in setting up a display manufacturing plant in Greater Noida. Once set up, management expects to manufacture 2m units per month of mobile displays in the first year, generating revenue of INR25b. From second year onwards, the target is to double the display units to 4m per month. Dixon, through this JV, plans to expand its product portfolio to auto displays and TV panels in the future. These additional steps will guide Dixon to move the margins up from current levels of 3.8%-4.0%. Precision components, camera modules, and mechanicals are future focus areas for Dixon for entering into component manufacturing. Through the JV with HKC, Dixon is able to capture 8-10% of BoM in the non-semiconductor ecosystem, and, with the company targeting to get into camera modules, precision, and mechanical components, it is set to achieve up to 27% of BoM.

Upcoming areas targeted by the company

Dixon is exploring opportunities in the EV sector, mainly focusing on manufacturing components such as electronic modules and PCB assembly. Further, the company is exploring opportunities to enter the industrial EMS sector and is in advanced discussions with major semiconductor brands to serve their requirements for PCB assembly.

Financial outlook

We raise our estimates to bake in improved performance for the mobile, telecom, and refrigeration segments and expect a CAGR of 48%/49%/56% in revenue/EBITDA/PAT over FY24-FY27. The revenue growth would be mainly driven by EMS (including mobile and IT hardware), consumer electronics, and new emerging segments such as refrigerators, wearables and hearables, and telecom networking products. We expect an EBITDA margin of 3.9%/4.0%/4.1% for FY25-FY27, led by an increased backward integration and the improving share of high-margin segments. This will result in a PAT CAGR of 56% over FY24-FY27.

Valuation and recommendation

The stock is currently trading at 85.0x/64.9x P/E on FY26E/27E earnings. We raise our estimates by 13/5%/5% for FY25/FY26/FY27 and revise our TP to INR17,500.

Reiterate BUY.

Key risks and concerns

The key risks to our estimates and recommendation would come from the lower-than-expected growth in the market opportunity, loss of relationship with key clients, increased competition, and limited bargaining power with clients.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	Var (%)	
Gross Sales	32,715	49,432	48,183	46,580	65,798	1,15,341	89,292	96,640	1,76,909	3,67,070	95,362	21
YoY Change (%)	14.6	27.8	100.4	52.0	101.1	133.3	85.3	107.5	45.1	107.5	92.9	
Gross Profit	3,158	4,741	4,265	4,356	5,629	8,736	8,338	11,574	16,519.5	34,276.5	8,904.8	-2
Total Expenditure	31,396	47,443	46,339	44,755	63,319	1,11,077	85,775	92,732	1,69,933	3,52,904	91,607	21
EBITDA	1,319	1,989	1,844	1,825	2,479	4,264	3,516	3,908	6,976	14,166	3,755	14
Margins (%)	4.0	4.0	3.8	3.9	3.8	3.7	3.9	4.0	3.9	3.9	3.9	
Depreciation	337	364	407	510	545	660	527	553	1,619	2,285	570	16
Interest	140	171	222	214	293	379	225	225	747	1,123	151	151
Other Income	29	7	23	167	82	-57	172	172	226	368	76	NM
PBT before EO expense	870	1,461	1,238	1,267	1,723	3,167	2,936	3,301	4,836	11,127	3,110	
Extra-Ord expense	0	0	0	0	0	2,096	0	0	0	2,096	0	
PBT	870	1,461	1,238	1,267	1,723	5,263	2,936	3,301	4,836	13,223	3,110	69
Tax	229	352	287	322	400	1,172	760	421	1,189	2,753	733	60
Rate (%)	26.3	24.1	23.2	25.4	23.2	22.3	25.9	12.8	24.6	20.8	23.6	
MI & P/L of Asso. Cos.	-47	36	-13	-7	-14	193	147	369	-31	694	254	-24
Reported PAT	688	1,073	964	952	1,337	3,899	2,029	2,511	3,677	9,776	2,123	84
Adj PAT	688	1,073	964	952	1,337	1,802	2,029	2,511	3,677	7,680	2,123	-15
YoY Change (%)	50.6	38.9	85.8	18.0	94.3	263.3	110.4	163.9	43.9	165.8	97.8	
Margins (%)	2.1	2.2	2.0	2.0	2.0	3.4	2.3	2.6	2.1	2.7	2.2	

Y/E March	FY24				FY25E				FY24	FY25
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Segmental revenue										
Consumer Electronics	8,820	14,400	9,290	8,970	8,550	14,130	12,697	14,923	41,480	50,300
Lighting Products	2,220	1,810	1,870	1,970	2,270	2,330	2,431	2,201	7,870	9,232
Home Appliances	2,590	3,640	2,880	2,940	3,050	4,440	3,456	3,922	12,050	14,868
Mobile Phones	17,950	28,190	32,140	30,910	51,920	94,440	70,708	75,603	1,09,190	2,92,671
Security Systems	1,140	1,400	2,000	1,790	8	-	-	-8	6,330	-
Total Revenues	32,715	49,432	48,183	46,580	65,798	1,15,339	89,292	96,642	1,76,909	3,67,070
Segmental EBITDA										
Consumer Electronics	300	490	320	300	290	520	522	400	1,410	1,620
Margin (%)	3.4	3.4	3.4	3.3	3.4	3.7	4.1	2.7	3.4	3.2
Lighting Products	190	130	130	142	150	170	171	158	592	648
Margin (%)	8.6	7.2	7.0	7.2	6.6	7.3	7.0	7.2	7.5	7.0
Home Appliances	280	420	300	301	320	490	380	445	1,301	1,635
Margin (%)	10.8	11.5	10.4	10.2	10.5	11.0	11.0	11.3	10.8	11.0
Mobile Phones	530	930	1,040	1,050	1,710	3,080	2,370	2,648	3,550	9,808
Margin (%)	3.0	3.3	3.2	3.4	3.3	3.3	3.4	3.5	3.3	3.4
Security Systems	15	20	50	34	9	-	-	-9	119	-
Margin (%)	1.3	1.4	2.5	1.9	113.7	NM	NM	113.7	1.9	NM
Total EBITDA	1,319	1,989	1,844	1,825	2,479	4,264	3,516	3,908	6,976	14,166
Margin (%)	4.0	4.0	3.8	3.9	3.8	3.7	3.9	4.0	3.9	3.9

Note: Refrigerator revenue and EBITDA are part of Consumer Electronics Segment



Estimate change

TP change

Rating change

Bloomberg	ITC IN
Equity Shares (m)	12508
M.Cap.(INRb)/(USDb)	5899.8 / 70.2
52-Week Range (INR)	529 / 399
1, 6, 12 Rel. Per (%)	-3/1/-18
12M Avg Val (INR M)	7664

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	708.8	777.2	841.8
Sales Gr. (%)	-0.1	9.6	8.3
EBITDA	262.5	275.1	300.8
EBITDA Mrg. %	37.0	35.4	35.7
Adj. PAT	204.6	208.8	227.9
Adj. EPS (INR)	16.4	16.7	18.3
EPS Gr. (%)	9.0	2.0	9.2
BV/Sh.(INR)	59.7	62.2	65.2
Ratios			
RoE (%)	28.5	27.5	28.7
RoCE (%)	28.2	27.2	28.4
Payout (%)	83.9	80.0	80.0
Valuations			
P/E (x)	28.8	28.2	25.9
P/BV (x)	7.9	7.6	7.2
EV/EBITDA (x)	18.4	17.3	15.7
Div. Yield (%)	2.9	3.1	3.3

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	0.0	0.0	0.0
DII	44.6	69.5	71.0
FII	40.6	15.0	14.4
Others	14.8	15.5	14.7

FII Includes depository receipts

CMP: INR472

TP: INR575 (+22%)

Buy

Resilient print despite challenges

- ITC delivered consolidated revenue growth of 17% YoY (beat) in 2QFY25, due to high growth in agri business. Core business performance was largely in line with estimates despite several challenges.
- Gross cigarette revenue grew by 7%, driven by volume growth of ~3.5% YoY (in line), pricing growth of 1-2% and better mix. Premium cigarette segment continued to outperform. EBIT growth was 5% YoY (in line).
- FMCG segment delivered 5% revenue growth (7% growth excl. notebook business) in a challenging environment. The company witnessed healthy demand from both urban and rural markets. Excessive rains in parts of the country also impacted a part of the portfolio. Notebooks impacted by a high base effect and local competition on a sharp drop in paper prices. Margins were impacted slightly by rising competitive pressure (local, regional players), increased commodity prices and weak demand. EBIT margin was at 8.0%. (est. 8.2%).
- Paper business continued to face challenges from soft demand, increased competition (low-cost Chinese imports), declining pulp prices, and rising input costs. Revenue growth was 2% and EBIT margin contracted 400bp to 11.1% (all-time low). Recovery is expected to be delayed to FY26 following the arrival of new crops.
- Agri business saw strong growth of 47%, led by leaf tobacco and value-added agri products. EBIT margins impacted by a rise in green leaf tobacco costs. Hotels maintained healthy revenue growth, up 17% YoY.
- We retain our **BUY** rating on ITC with our SOTP-based **TP of INR575 (implied 30x Sep'26E P/E)**.

Beat on sales; core business remains healthy

- **Consolidated performance:** ITC's 2QFY25 net revenue grew by 17% YoY to INR207.6b (est. INR187.6b), mainly led by agri business and hotels.
- Consolidated gross margin contracted by ~430bp YoY to 55.9% (est. 61%), impacted by high food inflation, unfavorable mix (high agri growth) and escalation in certain input costs (leaf, wood, etc.).
- **EBITDA grew by 5% YoY** to INR67.6b (est. INR67.1). PBT/adj. PAT grew by 3%/2% YoY to INR68.4b (est. INR69.3b)/INR49.9b (est. INR51.2b).
- **Cigarette volumes up ~3.5% YoY:** Gross cigarette sales grew 7% YoY to INR88.8b (est. INR88.3). Cigarette volume growth is expected to be ~3.5% (in line). EBIT grew by 5% YoY to INR52.4b (in line). Cigarette EBIT margin contracted 100bp YoY to 59.0%.
- **FMCG-Others** sales grew 5% YoY to INR55.8b (est. INR55.7b). EBIT was flat YoY at INR4.4b. EBIT margin contracted by 40bp to 8.0% (est. 8.2%).
- **Hotel business** sales grew by 17% YoY to INR7.9b, EBIT declined 12% YoY to INR1.2b, and EBIT margin contracted by 490bp YoY to 14.8% (10-quarter low).
- **Agri business saw strong growth** as sales jumped 47% YoY to INR58.4b. EBIT grew by 25% YoY to INR4.5b and EBIT margin contracted 140bp YoY to 7.6%.

- **Paperboards** business remained soft and grew 2% YoY to INR21.1b. EBIT declined 25% YoY to INR2.3b and EBIT margin contracted 410bp YoY to 11.1% (all-time low).
- In 1HFY25, net sales/EBITDA/APAT grew 12%/3%/1%. In 2HFY25, we model net sales/EBITDA/APAT growth of 7%/6%/3%.

Key takeaways

- In cigarette, premium and differentiated offerings, such as Classic Connect and Gold Flake Social, continued to perform well.
- Sharp cost escalation in leaf tobacco was partly mitigated through an improved product mix, calibrated pricing actions, and strategic cost control.
- FMCG showed resilience despite challenges like subdued demand, high inflation, and unseasonal rains.
- Intense competition, especially from local players, was noted in categories like noodles, snacks, biscuits, and popular soaps. ITC's focus remained on product differentiation and premium offerings to counter this competition.
- The paperboards, paper, and packaging segment faced challenges due to low-priced Chinese imports affecting global markets (including India), soft domestic demand, surge in domestic wood costs, and subdued realizations due to increased competition and costs.
- Strong agri performance was led by leaf tobacco and value-added agri products like coffee, fruits & vegetables, and spices.
- In hotels, over the last 24 months, 30 properties have been added to ITC's portfolio, with plans to add 28 more in the next 24 months.
- The National Company Law Tribunal (NCLT) sanctioned the **demerger of ITC Hotels** from ITC Limited, with the scheme expected to become effective upon filing the NCLT's order.

Valuation and view

- There are no material changes to our EPS estimates for FY25 and FY26.
- ITC's core businesses of cigarette and FMCG are seeing steady growth. FMCG continues to enjoy industry-leading growth over peers due to ITC's category presence (large unorganized mix, under-penetrated, etc.).
- After the demerger of its asset-heavy hotel business, ITC's return profile will also improve.
- Capital efficiency will further improve operating cash flow, leading to a healthy sustainable dividend yield (3-4%).
- With the stable tax on cigarettes, we anticipate sustainable growth in business and value it at 20x Sep'26E EV/EBITDA. Reiterate our BUY rating with our SOTP-based TP of INR575 (implied 30x Sep'26E EPS).

Consol. Quarterly Performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Est. cigarette vol. gr. (%)	8.0	5.0	-1.0	2.0	3.0	3.5	4.0	3.5	3.0	3.5	3.5	
Net Sales	171.6	177.7	180.2	179.2	184.6	207.4	190.7	194.6	708.8	777.2	187.6	10.5%
YoY change (%)	-7.2	3.9	1.8	1.6	7.5	16.7	5.8	8.6	-0.1	9.6	5.5	
Gross Profit	106.1	107.1	109.8	113.4	111.7	115.9	118.2	134.4	436.3	480.3	114.4	
Margin (%)	61.8	60.2	60.9	63.2	60.5	55.9	62.0	69.1	61.6	61.8	61.0	
EBITDA	66.7	64.5	65.0	66.3	67.5	67.6	68.6	71.4	262.5	275.1	67.2	0.7%
Growth (%)	9.8	3.1	-3.0	0.0	1.2	4.8	5.5	7.7	2.3	4.8	4.1	
Margins (%)	38.9	36.3	36.1	37.0	36.6	32.6	36.0	36.7	37.0	35.4	35.8	
Depreciation	4.4	4.5	4.6	4.6	5.0	5.2	5.2	5.3	18.2	20.7	5.0	
Interest	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.5	0.5	0.1	
Other Income	7.2	6.6	6.6	6.8	6.9	6.2	7.4	8.7	27.3	29.2	7.2	
PBT	69.4	66.6	66.9	68.4	69.3	68.4	70.7	74.7	271.2	283.1	69.3	-1.3%
Tax	17.6	17.0	12.8	16.5	17.6	17.9	17.7	18.0	63.9	71.3	17.3	
Rate (%)	25.4	25.5	19.2	24.1	25.4	26.2	25.0	24.2	23.6	25.2	25.0	
Adj PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.2	55.9	204.6	208.8	51.2	-2.5%
YoY change (%)	16.3	6.0	6.7	0.0	-0.2	2.0	-2.2	9.1	6.9	2.0	4.5	
Reported PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.2	55.9	204.6	208.8	51.2	-2.5%

E: MOFSL estimate;



Pidilite Industries

Estimate changes

TP change

Rating change

Bloomberg	PIDI IN
Equity Shares (m)	509
M.Cap.(INRb)/(USD\$b)	1587.7 / 18.9
52-Week Range (INR)	3415 / 2293
1, 6, 12 Rel. Per (%)	2/-3/6
12M Avg Val (INR M)	1344

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	123.8	132.6	150.2
Sales Gr. (%)	4.9	7.1	13.3
EBITDA	27.1	30.6	35.0
EBITDA Margin (%)	21.9	23.1	23.3
Adj. PAT	18.2	21.6	24.9
Adj. EPS (INR)	35.9	42.5	49.0
EPS Gr. (%)	42.2	18.4	15.4
BV/Sh.(INR)	165.4	187.8	208.6
Ratios			
RoE (%)	23.3	24.0	24.7
RoCE (%)	21.2	22.1	22.9
Payout (%)	45.2	47.1	46.9
Valuations			
P/E (x)	87.0	73.5	63.7
P/BV (x)	18.9	16.6	15.0
EV/EBITDA (x)	57.7	50.8	44.1
Div. Yield (%)	0.5	0.6	0.7

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	69.6	69.8	69.9
DII	8.9	9.0	8.0
FII	12.0	11.6	11.4
Others	9.5	9.7	10.7

FII includes depository receipts

CMP: INR3,122

TP: INR3,200 (+3%)

Neutral

Healthy volume growth; rich valuations

- Pidilite Industries (PIDI) delivered 5% YoY (organic 7%) revenue growth in 2QFY25, affected by extended monsoons. Underlying Volume Growth (UVG) was healthy at 8% (>15% volume growth in tonnage). Consumer business witnessed volume growth of 6% and B2B business reported 21% volume growth. Price cuts continued to hurt value growth. The growth in rural markets continued to outpace the urban market growth, growing 2x during the quarter.
- GM expanded 300bp YoY/50bp QoQ to 54.4% (15-quarter high), owing to benign raw material prices. VAM dipped to ~USD980/t in 2QFY25 from USD1,000/t in 2QFY24. PIDI remains committed to stepping up investments in brand and customer engagement. EBITDA grew 13% (in line). EBITDA margin expanded 170bp YoY to 23.8%. The company has deferred ad-spends to 2HFY25. Therefore, margins are expected to moderate. We model ~23% margins for FY25 and FY26.
- PIDI continues to expand distribution, reaching ~15,000 stores under the 'Pidilite ki Duniya' program and a total of 0.6m outlets. The management maintains double-digit UVG guidance for FY25 and anticipates the gap between volume and value growth to narrow down in 2HFY25. We model 9% volume growth in FY25E and ~7%/13% revenue growth in FY25E/FY26E.
- Given rich valuations, we reiterate our **Neutral** rating on the stock with a **TP of INR3,200 (60x Sep'26E EPS)**.

In-line performance; volume growth at 8%

- **Subdued sales growth:** Consol. sales grew at a slow pace of 5% YoY (4% in 1QFY25) to INR32.4b (est. INR32.9b), partially impacted by extended monsoon. Revenue on LFL basis (excluding Pidilite USA and Pulvitec Brazil in the previous year) grew 7%. The Underlying Volume Growth (UVG) remained strong at 8% growth (9.6% in 1QFY25). UVG was 6% for the C&B businesses and 21% for B2B businesses, led by the industrial and project verticals.
- **Segmental performance:** The Consumer & Bazaar (C&B) segment revenues rose 3% YoY to INR25.8b (est. INR26.1b), EBIT grew 11% YoY to INR7.7b (est. INR7.6b), and EBIT margins expanded 220bp YoY to 29.9%. B2B segment revenues grew 14% YoY to INR7.0b (est. INR6.5b), EBIT rose 52% to INR1.0b (est. INR0.7b), and EBIT margins expanded 370bp YoY to 14.8%.
- **Margin expansion:** Gross margins expanded ~300bp YoY to 54.4% (est. 53.3%) on benign RM prices. As a percentage of sales, employee expenses increased 170bp YoY to 13.5% and other expenses declined 30bp YoY to 17.1%. EBITDA margin expanded 170bp YoY to 23.8% (est. 23.2%).
- **EBITDA up 13% YoY:** With GM expansion, EBITDA grew 13% YoY to INR7.7b (est. INR7.6b). PBT grew 16% YoY to INR7.3b (est. INR7.2b). Adj. PAT increased 18% YoY to INR5.4b (est. INR5.3b).

- 1HFY25 sales/EBITDA/APAT grew 4%/14%/19% to INR 66.3b/INR15.8b/ INR11b. We model sales/EBITDA/APAT growth of 10%/12%/18% for 2HFY25.

Subsidiary companies

- International subsidiaries (excluding Pidilite USA and Pulvitec Brazil) for the quarter grew in double digits despite uncertain global economic conditions and political instability in some countries. EBITDA (excluding Pidilite USA and Pulvitec Brazil) also grew in double digits.
- Domestic B2B subsidiaries reported modest sales growth; sales of C&B subsidiaries were muted (down 9% YoY) due to demand headwinds. B2B sales up 7% YoY.

Highlights from the management commentary

- Industry demand was subdued, largely impacted by extended monsoon in several regions of the country. Management remains optimistic about demand recovery in 2HFY25, supported by increased government spending and rising construction activity, while keeping a cautious eye on geopolitical risks.
- The rural market continues to outperform the urban market, with rural growth clocking in at 2x the urban rate, driven by significant untapped penetration potential.
- VAM's consumption costs stood at USD980/t in 2QFY25 vs. USD1,000/t in 2QFY24. Currently, it is USD800-900/t.
- The company may implement further price reductions if raw material prices decline.
- EBITDA margins for 1HFY25 were ~24% as the company deferred advertising and promotional spending to 2HFY25. Consequently, margins are expected to moderate in 2HFY25.

Valuations and view

- We broadly maintain our EPS estimates for FY25 and FY26.
- PIDI's core categories still enjoy GDP multiplier; the advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already at an elevated level (22% in FY24). We do not model much expansion as growth drivers (consumer acquisition, distribution expansion, and brand investments) will require high opex. We build in a CAGR of 14%/17% in EBITDA/PAT during FY24-26E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR3,200 (premised on 60x Sep'26E EPS)**.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Volume growth (%)	7.9	8.2	10.4	15.2	9.6	8.0	9.0	10.0	10.4	9.2	11.0	
Net Sales	32,751	30,760	31,300	29,019	33,954	32,349	33,804	32,457	1,23,830	1,32,563	32,914	-1.7
YoY change (%)	5.6	2.2	4.4	7.9	3.7	5.2	8.0	11.8	4.9	7.1	7.0	
Gross Profit	16,054	15,783	16,551	15,503	18,268	17,583	18,423	17,452	63,890	71,726	17,543	0.2
Margin (%)	49.0	51.3	52.9	53.4	53.8	54.4	54.5	53.8	51.6	54.1	53.3	
EBITDA	7,070	6,797	7,425	5,769	8,127	7,688	8,215	6,573	27,073	30,604	7,623	0.9
YoY change (%)	33.5	36.0	49.7	25.6	15.0	13.1	10.6	13.9	36.4	13.0	12.1	
Margins (%)	21.6	22.1	23.7	19.9	23.9	23.8	24.3	20.3	21.9	23.1	23.2	
Depreciation	734	752	795	1,125	844	879	850	841	3,407	3,414	850	
Interest	119	131	128	134	118	117	121	109	512	466	118	
Other Income	234	316	370	489	539	571	500	437	1,397	2,047	500	
PBT	6,451	6,230	6,872	4,999	7,704	7,263	7,744	6,060	24,551	28,771	7,155	1.5
Tax	1,704	1,631	1,765	1,219	1,984	1,848	1,936	1,425	6,319	7,193	1,803	
Rate (%)	26.4	26.2	25.7	24.4	25.7	25.4	25.0	23.5	26.5	25.0	25.2	
Reported PAT	4,737	4,585	5,109	3,043	5,713	5,403	5,810	4,615	17,425	21,489	5,338	1.2
Adj PAT	4,746	4,599	5,107	3,779	5,721	5,415	5,808	4,635	18,231	21,578	5,352	1.2
YoY change (%)	34.0	37.4	66.8	31.5	20.5	17.8	13.7	22.6	42.2	18.4	16.4	
Margins (%)	14.5	15.0	16.3	13.0	16.8	16.7	17.2	14.3	14.7	16.3	16.3	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY24				FY25	
	1Q	2Q	3Q	4Q	1Q	2Q
2Y CAGR (%)						
Sales	30.0	8.2	4.8	7.6	4.6	2.1
EBITDA	42.6	11.2	16.3	19.9	23.9	20.5
PAT	48.5	10.8	19.9	23.2	27.1	23.7
% of Sales						
COGS	51.0	48.7	47.1	46.6	46.2	45.6
Operating Expenses	27.4	29.2	29.2	33.5	29.9	30.6
Depreciation	2.2	2.4	2.5	3.9	2.5	2.7
YoY change (%)						
COGS	-7.6	-15.7	-15.4	-5.6	-6.1	-11.6
Operating Expenses	17.7	22.4	20.4	21.8	12.9	10.1
Other Income	119.4	187.7	620.9	114.2	130.2	143.8
EBIT	35.3	38.6	55.2	21.3	15.0	7.5

E: MOFSL Estimates

Consolidated segmental performance

Segmental (INRm)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Consumer and Bazaar										
Sales (INRm)	24,358	24,315	24,216	21,128	26,609	25,083	25,413	22,472	27,408	25,805
Sales Growth (%)	63.9	14.1	6.9	10.4	9.2	3.2	4.9	6.4	3.0	2.9
EBIT (INRm)	5,352	5,265	5,372	4,560	7,078	6,935	7,704	5,448	8,039	7,710
% Contribution	87.5	91.5	92.6	86.5	88.5	90.8	91.0	86.7	87.8	88.1
EBIT Growth %	44.5	-9.6	-4.6	9.2	32.3	31.7	43.4	19.5	13.6	11.2
EBIT margin %	22.0	21.7	22.2	21.6	26.6	27.6	30.3	24.2	29.3	29.9
Business to Business										
Sales (INRm)	7,220	6,237	5,999	6,340	6,780	6,153	6,373	7,079	7,256	7,036
Sales Growth (%)	49.8	17.2	-3.0	-1.8	-6.1	-1.3	6.2	11.7	7.0	14.3
EBIT (INRm)	748	495	391	707	917	685	757	835	1,103	1,040
% Contribution	12.2	8.6	6.7	13.4	11.5	9.0	8.9	13.3	12.0	11.9
EBIT Growth %	78.1	88.4	-2.2	59.3	22.5	38.3	93.4	18.1	20.3	51.9
EBIT margin %	10.4	7.9	6.5	11.2	13.5	11.1	11.9	11.8	15.2	14.8



Godrej Consumer

Estimate changes

TP change

Rating change

Bloomberg	GCPL IN
Equity Shares (m)	1023
M.Cap.(INRb)/(USD\$b)	1283.9 / 15.3
52-Week Range (INR)	1542 / 960
1, 6, 12 Rel. Per (%)	-7/-5/1
12M Avg Val (INR M)	1611

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	147.1	163.6	180.3
Sales Gr. (%)	4.4	11.2	10.2
EBITDA	31.9	36.3	40.6
EBITDA mrg. (%)	21.7	22.2	22.5
Adj. PAT	21.6	26.3	30.4
Adj. EPS (INR)	21.1	25.7	29.7
EPS Gr. (%)	9.1	22.0	15.3
BV/Sh.(INR)	133.5	146.9	158.5

Ratios

RoE (%)	16.4	18.4	19.4
RoCE (%)	15.5	17.8	19.2
Payout (%)	80.5	73.8	70.7

Valuations

P/E (x)	59.4	48.7	42.3
P/BV (x)	9.4	8.5	7.9
EV/EBITDA (x)	40.2	35.1	31.2
Div. Yield (%)	1.4	1.5	1.7

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	63.0	63.0	63.2
DII	9.6	9.3	7.7
FII	22.0	22.4	23.5
Others	5.4	5.3	5.6

FII Includes depository receipts

CMP: INR1,255 TP: INR1,550 (+23%)

Buy

Growth delivery sustains; near-term margin pressure

- Godrej Consumer (GCPL) reported a 2% YoY increase in consolidated net revenue to INR36.7b (est. INR36.9b). Organic revenue growth in constant currency (CC) was 14% YoY. Consolidated EBITDA was up 5% (in line).
- India revenue grew 6% YoY with healthy 7% volume growth. Home Care clocked 12% growth. HI category was stable and saw mid-single-digit volume growth. Air Fresheners and Fabric Care delivered strong double-digit volume growth.
- Personal Care portfolio remained muted and registered 3% YoY growth. Personal-wash saw flat volume growth with market share gains. Hair Color volume grew in double digits. Deodorants and Sexual Wellness delivered strong double-digit volume growth.
- International performance was hit by unfavorable currency. Indonesia revenue was up 11% YoY (9% in CC) with healthy UVG of 7%. GUAM revenue was flat YoY (-10% in CC) due to currency volatility.
- GCPL remained volume growth outlier among its FMCG peers. The company posted strong volume growth in FY24 and aims to achieve high single-digit growth in FY25. The company keeps expanding its TAM and looks to gain share in rural markets and all channels. Under project Vistaara 2.0, the company plans to double its outlet coverage and triple its village coverage. Growth outlook remains positive, but the near-term margin outlook is cautious as sharp RM inflation impacts India margin. Price hike is expected in personal wash, but near-term gross margin is expected to be weak. However, given its focus on growth, we remain constructive on GCPL. **We reiterate our BUY with a TP of INR1,550 (based on 55x Sep'26E EPS).**

India sustains volume growth; currency impacts on International

Consolidated performance

- **India volume up 7%:** GCPL posted consol. sales growth of 2% YoY to INR36.7b (est. INR36.9b). Organic sales rose 5% YoY (adjusted to divested part of Africa business). Consolidated sales in CC rose 10% YoY (14% organic). Consolidated organic volume growth was 5%, while India volume grew 7% YoY.
- **Improving operating margin:** Gross margins expanded 70bp YoY to 55.6% (est. 54.1%). As a percentage of sales, ad spends decreased by 25bp YoY to 9.9%, while other expenses increased by 15bp YoY to 16.4%. EBITDA margin expanded by 70bp YoY to 20.8% (est. 20.3%). India EBIT was down by 11% while International EBIT up by 8% YoY.
- **Double-digit PAT growth:** EBITDA grew 5% YoY to INR7.6b (est. INR7.5), PBT grew 10%YoY to INR7.1b (est. INR6.9b), and Adj. PAT grew 12% YoY to INR4.9b (est. INR4.8b).

- **International Performance:** Indonesia revenue grew 9% (11% in CC) with volume growth of 7%. Indonesia business EBITDA margin expanded by 140bp YoY to 19.4%. EBITDA grew 17%. GAUM organic revenue declined 10% (flat in CC). Volume declined 8%. GAUM EBITDA margin expanded 590bp YoY to 14.4%, led by gross margin expansion and better mix. Absolute EBITDA grew 33% to INR930m. LATAM saw 36% YoY growth (145% cc). EBITDA margin rose 660bp to 5.7%.
- **Standalone performance:** Net sales (including OOI) grew 6% YoY to INR23.0b in 2QFY25. India business reported volume growth of 7%. Home care business registered strong 12% growth (8% in 1Q) and personal care 3%. Gross margin contracted by 210bp YoY to 56.0%. GP was up by 2%. EBITDA margin fell 145bp YoY to 24.3%. EBITDA was flat YoY at INR5.6b.
- **In 1HFY25,** revenue fell 1% YoY, whereas EBITDA/APAT grew 6%/18% YoY. For 2HFY25, the implied revenue/ EBITDA/APAT growth is 8%/2%/3%.

Highlights from the management commentary

- Standalone India business delivered 7% volume growth, despite tough consumer demand during the quarter.
- GCPL expects to maintain volume growth of 6% to 8% and significant price growth in 2H, potentially bordering on double digits.
- Consol. EBITDA margins are expected to be significantly lower in 3Q compared to the previous quarter due to seasonal factors, particularly in GAUM.
- RCCL's EBITDA target set by the company is INR1.4b to INR1.5b, but it is expected to fall slightly short of this target.
- Indonesia showed steady performance with 7% volume growth, 9% revenue growth, and 17% EBITDA growth.
- GAUM reported a weak quarter in terms of revenue (organic volumes down 8% and value down 10%), but on the profitability side, it was an exceptional quarter as reported EBITDA jumped 33%, resulting in margins of 14.4%.

Valuation and view

- We cut our EPS estimates by 2-3% for FY25/FY26 due to margin pressure and slow urban demand.
- GCPL has seen improved sales growth in its India business in recent quarters. The implementation of disruptive innovations, the introduction of access packs, expansion into new growth categories and increased advertising expenditure are anticipated to contribute to a consistently robust growth trajectory in this high-margin and high-ROCE domestic business.
- The company is consistently working toward expanding TAM for the India business, along with product innovation to drive frequency. Besides, there has been a consistent effort to fix the gaps in profitability/growth for its international business. **We reiterate our BUY rating with a TP of INR1,550 (based on 55x Sep'26E EPS).**

Quarterly Performance (Consolidated)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Domestic volume Growth (%)	10	4	5	9	8	7	7	7	7	7	7	
Net Sales (including OOI)	34,489	36,020	36,596	33,856	33,316	36,663	39,202	37,186	1,40,961	1,47,137	36,901	-0.6
YoY change (%)	10.4	6.2	1.7	5.8	-3.4	1.8	7.1	9.8	5.9	4.4	2.4	
Gross Profit	18,534	19,771	20,454	18,999	18,608	20,381	21,323	20,335	77,758	80,648	19,972	2.0
Margin (%)	53.7	54.9	55.9	56.1	55.9	55.6	54.4	54.7	55.2	54.8	54.1	
Other Operating Exp.	11,716	12,537	11,407	11,396	11,346	12,764	12,746	11,906	47,055	48,762	12,495	
EBITDA	6,818	7,234	9,048	7,604	7,262	7,617	8,577	8,429	30,704	31,885	7,477	1.9
Margins (%)	19.8	20.1	24.7	22.5	21.8	20.8	21.9	22.7	21.8	21.7	20.3	
YoY growth (%)	28.0	26.0	17.9	14.4	6.5	5.3	-5.2	10.9	20.9	3.8	3.4	
Depreciation	763	609	539	499	495	501	550	559	2,410	2,104	550	
Interest	740	773	666	785	878	831	825	817	2,964	3,350	850	
Other Income	691	659	701	638	771	860	875	886	2,690	3,392	800	
PBT	5,617	6,319	7,904	6,912	6,643	7,124	8,077	7,940	26,751	29,785	6,877	3.6
Tax	1,611	1,866	2,024	2,087	1,933	2,154	2,019	2,085	7,588	8,191	2,063	
Rate (%)	28.7	29.5	25.6	30.2	29.1	30.2	25.0	26.3	28.4	27.5	30.0	
Adj PAT	3,761	4,415	5,862	5,749	4,649	4,953	6,058	5,856	19,787	21,594	4,814	2.9
YoY change (%)	8.5	17.2	6.0	22.6	23.6	12.2	3.3	1.9	13.4	9.1	9.0	
Reported PAT	3,188	4,328	5,811	-18,932	4,507	4,913	6,058	5,856	-5,605	21,594	4,814	2.1

E: MOFSL Estimate

Key Performance Indicators

Y/E March	FY24				FY25	
	1Q	2Q	3Q	4Q	1Q	2Q
2Y average growth %						
Sales	9.2	6.7	5.3	7.8	3.5	6.1
EBITDA	7.6	5.3	13.8	23.3	17.3	16.7
PAT	-4.4	-2.2	8.4	22.6	16.1	9.9
% sales						
COGS	46.3	45.1	44.1	43.9	44.1	44.4
Other expenditure	34.0	34.8	31.2	33.7	34.1	34.8
Depreciation	2.2	1.7	1.5	1.5	1.5	1.4
YoY change %						
COGS	-4.4	-8.1	-8.2	-1.4	-7.8	2.1
Other expenditure	26.9	19.4	6.3	10.9	-3.2	8.9
Other income	151.1	65.4	62.4	10.2	11.6	24.4
EBIT	27.3	27.2	19.8	19.2	11.8	17.5



JSW Energy

Estimate change	↑
TP change	
Rating change	

CMP: INR671 TP: INR900 (+34%) BUY

EBITDA miss but capacity ramp-up plans on track

Bloomberg	JSW IN
Equity Shares (m)	1748
M.Cap.(INRb)/(USDb)	1172.8 / 13.9
52-Week Range (INR)	805 / 348
1, 6, 12 Rel. Per (%)	-9/3/52
12M Avg Val (INR M)	2316

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	114.9	151.9	170.7
EBITDA	53.8	79.6	95.2
Adj. PAT	17.2	31.0	37.4
Adj. EPS (INR)	10.5	18.9	22.8
EPS Gr. (%)	24.2	80.0	20.6
BV/Sh.(INR)	127.0	143.0	162.6

Ratios

Net D:E	1.2	1.4	1.5
RoE (%)	8.7	14.0	14.9
RoCE (%)	7.7	9.6	9.9
Payout (%)	19.0	14.3	13.2

Valuations

P/E (x)	50.4	35.4	29.4
P/BV (x)	4.2	4.7	4.1
EV/EBITDA (x)	21.0	18.0	15.7
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	-4.2	-6.5	-5.0

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	69.3	69.3	73.4
DII	9.8	9.2	9.9
FII	15.1	15.6	8.6
Others	5.8	5.9	8.1

FII Includes depository receipts

- JSW Energy (JSWE) reported 2QFY25 EBITDA of INR16.8b, below our estimate of INR19.3b. While net generation was up 14% YoY, EBITDA was negatively affected by lower merchant spreads and a one-time tariff impact from the hydro business. Adjusted 2Q PAT was 20% above our estimate at INR8.5b (est. INR7b, +19% YoY), mainly due to higher other income and a lower tax rate.
- The management maintained its full-year capex guidance of INR150b and highlighted that locked-in capacity stands at 19.2GW and only 3.5GW capacity is awaiting PPA. JSWE also highlighted that transmission and land-related visibility has been achieved for 80% of the pipeline, which has secured PPAs. JSWE remains confident of achieving timely completion of the RE project pipeline.
- Considering its strong operational performance and market position, **we reiterate our BUY rating on the stock with a TP of INR900**, valuing JSWE's core business at 15x Dec'26E EBITDA.

EBITDA miss amid lower merchant spreads, one-time costs

- **Consolidated:**
 - JSWE reported consolidated 2Q revenue at INR32b (+5% YoY), which was 8% below our estimate of INR35b.
 - Adjusted 2Q PAT was 20% above our estimate at INR8.5b (est. INR7b, +19% YoY) mainly due to higher other income and a lower tax rate.
 - Consolidated EBITDA margin stood at 52% with EBITDA of INR16.8b, which was 13% lower than our est. of INR19.3b (-1% YoY).
 - Receivables on DSO basis improved to 70 days.
 - The company's project pipeline (entirely RE) stands at 5.8GW, with PPA yet to be signed for 3.5GW.
- **Standalone:**
 - JSWE reported standalone 2Q PAT of INR2.8b (+50% YoY, 13%QoQ).
 - Revenue dipped 15% YoY/8% QoQ to INR9.6b.
 - EBITDA margin stood at 25% with EBITDA of INR2.4b (- 37% YoY and 33% QoQ).
- **Operational:**
 - The company reported a 14% YoY increase in net generation to 9.8BUs. This growth was primarily driven by enhanced hydro generation, the addition of new wind capacity, and an increase in thermal generation.
 - RE generation increased by 14% YoY to 5Bus, largely aided by wind and hydro generation, which rose 37% and 5%, respectively.
 - Additionally, long-term PPA generation increased by 9% YoY.
 - The company commissioned 204MW of wind capacity, further expanding its RE portfolio.

Key highlights from the management commentary

- JSWE now boasts a locked-in capacity of 19.2GW after winning RE bids of 3.7GW in 2QFY25.
- New PPAs of 3.8GW capacity were signed in 2Q, representing two-thirds of project wins in CY24.
- Construction of its 1GWh battery project remains on track for completion by Jun'25.
- Net generation in 2Q was up 14% YoY, with long-term PPA generation rising 9% YoY.
- Underlying EBITDA was up 4% YoY despite lower short-term sales.
- Sustainable net debt-to-EBITDA ratio (excluding CWIP) stood at 2.2x as of Sep'24 end.
- The target to reach 10GW in operational capacity was revised to FY25 end (from end CY24 earlier).
- 3.5GW of capacity, which is in the pipeline, is awaiting PPA; of this, ~ 1.3GW is awaiting PPA from JSW group entities, which are likely to be awarded by FY25 end.
- 350MW Utkal plant has stabilized now and generated 467m units in 2QFY25.
- EBITDA (excluding other income) was down 12% YoY, impacted by lower merchant spreads as peak power demand waned amid seasonality.

Valuation and view

- We value JSWE's core business at 15x Dec'26E EBITDA, reflecting its strong operational performance and market position (FY27 EBITDA discounted for three months at 9%).
- The stake in JSW Steel is valued at a 25% discount to the current market price, acknowledging the strategic significance of this holding while incorporating a conservative valuation approach.
- By aggregating the values from these different components, the total equity value of JSWE was determined, leading to a TP of INR900/share.

Consolidated performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE	2QE		
Net Sales	29,279	30,894	25,428	27,559	28,795	32,377	43,080	47,615	1,13,159	1,51,867	35,162	-8%
YoY Change (%)	-3.3	29.4	13.1	3.2	-1.7	4.8	69.4	72.8	9.5	34.2	13.8	
EBITDA	12,221	17,104	11,108	11,685	14,177	16,849	21,878	26,740	52,118	79,644	19,306	-13%
Margin (%)	41.7	55.4	43.7	42.4	49.2	52.0	50.8	56.2	46.1	52.4	54.9	
Depreciation	3,979	4,087	4,001	4,267	3,755	3,918	5,790	7,077	16,334	20,539	5,562	-30%
Interest	4,857	5,137	5,208	5,332	5,111	5,183	6,644	6,916	20,534	23,854	5,608	-8%
Other Income	854	1,279	1,186	1,235	1,632	2,217	1,253	1,253	4,554	6,355	1,006	120%
PBT before EO expense	4,238	9,159	3,086	3,321	6,944	9,965	10,696	14,000	19,804	41,606	9,143	
Extra-Ord income/(exp.)	0	1,700	0	0	0	0	0	0	1,700	0	0	
PBT	4,238	10,859	3,086	3,321	6,944	9,965	10,696	14,000	21,504	41,606	9,143	9%
Tax	1,356	2,351	779	-64	1,641	1,282	2,825	4,238	4,423	9,985	2,078	-38%
Rate (%)	32.0	21.6	25.3	-1.9	23.6	12.9	26.4	30.3	20.6	24.0	22.7	
Minority Interest	5	66	9	-61	124	235	245	245	19	850	4.9	
Share of JV & associates	21	59	16	69	38	84	66	66	165	255	41	
Reported PAT	2,904	8,568	2,322	3,453	5,342	8,768	7,937	9,829	17,247	31,875	7,106	23%
Adj PAT	2,899	7,170	2,313	3,513	5,218	8,533	7,692	9,583	15,896	31,025	7,106	20%
YoY Change (%)	-25.3	57.0	23.9	24.6	80.0	19.0	232.5	172.8	21.0	95.2	-1.8	
Margin (%)	9.9	23.2	9.1	12.7	18.1	26.4	17.9	20.1	14.0	20.4	20.2	



United Spirits

Estimate change	
TP change	↑
Rating change	

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USD\$)	1061.7 / 12.6
52-Week Range (INR)	1648 / 994
1, 6, 12 Rel. Per (%)	-5/14/18
12M Avg Val (INR M)	1251

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	114.5	125.0	136.1
Sales Gr. (%)	7.1	9.1	8.9
EBITDA	19.5	21.8	24.0
Margin (%)	17.1	17.5	17.7
PAT	13.7	15.4	17.0
EPS (INR)	18.8	21.2	23.4
EPS Gr. (%)	4.0	12.5	10.4
BV/Sh.(INR)	114.7	135.9	159.3

Ratios

RoE (%)	16.4	15.6	14.7
RoCE (%)	23.6	22.2	20.8
Payout (%)	47.8	56.6	0.0

Valuations

P/E (x)	58.7	52.2	47.3
P/BV (x)	9.6	8.1	6.9
EV/EBITDA (x)	39.8	35.1	31.4

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	56.7	56.7	56.7
DII	13.2	14.0	12.3
FII	16.1	15.1	16.5
Others	14.1	14.2	14.5

FII includes depository receipts

CMP: INR1,460 TP: INR1,550 (+6%) Neutral

Weak volume growth; commentary remains positive for 2HFY25

- United Spirits (UNSP) reported a flat revenue growth on YoY (est. 3%) in 2QFY25. The Prestige & Above (P&A) segment clocked flattish revenue growth with a volume decline of 4% YoY. The Popular segment posted a 7%/8% YoY decline in value/volume.
- Premiumization trends in the liquor category continued to drive the P&A portfolio. Pricing strategies also played a role in achieving better value growth. The proposed excise policy reform in Karnataka, which includes a duty reduction, will enhance demand trends and foster premiumization in the market. The company remains committed to achieving double-digit P&A growth in FY25, backed by better growth in 2HFY25 (4% in 1HFY25, implied 15% for 2HFY25). We believe this to be a difficult task to attain despite a favorable base and pricing, we model 11% P&A growth in 2HFY25.
- Gross margin expanded 180bp YoY to 45.2% (est. 43.6%), driven by pricing and soft glass prices. The company benefited from a 100bp reduction in overheads, which resulted in EBITDA margin expansion of 140bp YoY to 17.8% (est. 16.6%). We estimate 17% EBITDA margin in FY25 (16% in FY24), factoring in expectations of stable raw material inflation, steady product mix, and effective cost control.
- We value UNSP at 60x Sep'26E standalone EPS and include INR200/share for its RCB+ non-core assets to arrive at a **TP of INR1,550**. Management commentary remains promising for 2HFY25 unlike others but with limited upside. We maintain our Neutral rating on the stock.

Weak volume performance; beat on margin

- Volume decline in low single digit:** Standalone net sales remained flat YoY at INR28.4b (est. INR29.4b) in 2QFY25. Sales growth was impacted by a slight advancement of volumes in 1QFY25, a high base from last year's festive inventory build-up, and an overall subdued demand environment. P&A revenue was flat (91% revenue mix); Popular revenue declined 7% YoY. Total volume declined 4.4% with P&A volume down 3.7% to 12.9m cases (est. 13.7m cases) and Popular volume down 7.9% to 2.5m cases (est. 2.6m cases).
- Operating leverage-led margin expansion:** Gross margin witnessed a beat and was up 180bp YoY at 45.2% (est. 43.6%). Gross margin expansion was driven by headline pricing and cost efficiencies. As a percentage of sales, advertising costs rose 70bp YoY to 9%, staff costs increased 70bp at 6%, and other expenses were down 100bp YoY at 13%. EBITDA margin expanded 140bp YoY at 17.8% (est. 16.6%).
- High single-digit EBITDA growth:** EBITDA grew 8% YoY to INR5.1b (est. INR4.9b). PBT and APAT growth stood at 7% and 5% to INR4.5b and INR3.4b, respectively (est. INR4.5b/INR3.4b).
- 1HFY25 Sales/EBITDA/PAT** grew 3%/13%/14% to INR51.9b/9.6b/6.3b, respectively. 2HFY25 implied growth of 11%/16%.

Highlights from the management commentary

- Demand has softened, particularly in the mass segment, due to inflationary pressures, with recent moderation also observed in the premium and luxury segments.
- The company remains dedicated to achieving double-digit growth in the P&A segment for FY25.
- Its long-term goal is to achieve a sustained high-teen margin over the next 2-3 years, in line with the guidance provided over the past 5-7 years.
- ENA price continues to face inflationary pressures, and this trend is expected to persist for the next couple of quarters. However, the rest of the commodity basket remains relatively stable.
- The company expects full-year margin expansion to be in the range of 70-100bp.
- Despite a reduction in portfolio prices in Karnataka, they remain higher than in many key markets across India.

Valuation and view

- With consistent improvements in gross and EBITDA margin, we increase our FY25/FY26 EPS estimates by 2%. We model EBITDA margin of 17%/17.5% for FY25E/FY26E (vs. 16% in FY24).
- UNSP sold a large part of its popular portfolio to concentrate on its global strategy for the premium portfolio. The liquor industry is currently experiencing an upgrading trend, aligning well with UNSP's renewed emphasis on P&A, which fits into the long-term liquor upgrading narrative in India.
- We value UNSP at 60x Sep'26E standalone EPS and include INR200 per share for its RCB + non-core assets to arrive at a **TP of INR1,550**. With the limited upside, we maintain our Neutral rating on the stock.

Quarterly Performance

Y/E March (Standalone)	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Volume growth %	5.8	1.0	-1.8	3.7	3.5	-4.4	4.9	7.1	1.9	2.7	1.0	
Total revenues	21,719	28,647	29,893	26,660	23,520	28,430	32,692	29,890	1,06,920	1,14,532	29,411	-3.3%
YoY change (%)	-1.0	-1.4	7.5	6.9	8.3	-0.8	9.4	12.1	3.1	7.1	2.7	
Gross Profit	9,474	12,437	12,979	11,550	10,460	12,850	14,646	13,240	46,440	51,196	12,823	0.2%
Margin (%)	43.6	43.4	43.4	43.3	44.5	45.2	44.8	44.3	43.4	44.7	43.6	
Total Exp	17,868	23,946	24,979	23,040	18,940	23,360	27,104	25,600	89,840	95,004	24,524	
EBITDA	3,851	4,701	4,914	3,620	4,580	5,070	5,588	4,290	17,080	19,528	4,887	3.7%
Margins (%)	17.7	16.4	16.4	13.6	19.5	17.8	17.1	14.4	16.0	17.1	16.6	
EBITDA growth (%)	42.4	6.3	33.6	7.1	18.9	7.8	13.7	18.5	20.4	14.3	4.0	
Depreciation	650	653	628	710	650	690	690	695	2,640	2,725	676	
Interest	193	262	164	290	220	250	250	230	910	950	225	
Other income	209	388	461	2,290	320	340	400	1,337	3,350	2,397	500	
PBT	3,217	4,174	4,583	4,910	4,030	4,470	5,048	4,702	16,880	18,250	4,486	-0.4%
Tax	814	1,068	1,102	760	1,040	1,120	1,270	1,184	3,740	4,562	1,129	
Rate (%)	25.3	25.6	24.0	15.5	25.8	25.1	25.2	25.2	22.2	25.0	25.2	
Adj. PAT	2,397	3,183	3,481	4,073	2,990	3,350	3,777	3,519	13,140	13,687	3,357	-0.2%
YoY change (%)	8.1	20.7	61.0	91.7	24.8	5.3	8.5	-13.6	49.2	4.2	5.5	

E: MOFSL Estimate



IndusInd Bank

Estimate change	↓
TP change	↓
Rating change	

CMP: INR1,280 TP: INR1,500 (+17%) Buy

Weak quarter; steering through near-term challenges

Other income muted; asset quality remains under watch

- IndusInd Bank (IIB)'s PAT declined 40% YoY/ 39% QoQ at ~INR13.3b (17% miss adjusted for contingent provision of INR5.25b).
- NII grew 5% YoY to INR53.5b (in-line), while other income declined 10.5% QoQ to INR21.85b (14% miss). NIM contracted sharply by 17bp QoQ to 4.08%.
- Loan book grew 13% YoY (2.7% QoQ), led by corporate and commercial books. Deposits grew 15% YoY (3.5% QoQ), led by faster growth in term deposits. Growth of MFIs declined sharply by 12% QoQ.
- Fresh slippages increased 17% QoQ to INR17.9b, primarily due to a rise in slippages in the consumer finance book to INR16.8b. GNPA/NNPA ratios increased 9bp/4bp QoQ to 2.11%/0.64%. IIB holds a total contingency buffer of INR15.25b as of Sep'24.
- We cut our earnings estimates by 16.7%/8.7% for FY25/26, leading to an RoA/RoE of 1.6%/13.6% by FY26. **Reiterate BUY with a TP of INR1,500 (premised on 1.5x FY26E ABV).** Progression on asset quality (MFI business) and RBI's approval for a fresh term for the MD and CEO remain key near-term events to monitor.

NIM contracts sharply to 4.08%; MFI mix declines 149bp to 9.2% of loans

- IIB reported 2QFY25 PAT of ~INR13.3b amid the higher-than-expected provisions as the bank made a contingency provision of INR5.25b in 2Q.
- 1HFY25 PAT stood at INR35b (down 19% YoY), while 2HFY25 PAT is expected to be at INR38.8b (down 17% YoY).
- NII grew 5% YoY (down 1% QoQ) to INR53.5b (in-line). Other income declined 4.2% YoY (14% miss) amid the decline in the core fee income, while treasury income stood at INR1.62b (vs. INR930m in 1QFY25). The total revenue increased 2.4% YoY to INR75.3b. NIM contracted sharply by 17bp QoQ to 4.08% as the bank experienced slow growth in its high-yielding business.
- Opex grew 14% YoY to INR39b (in-line). C/I ratio increased sharply by 255bp QoQ to 52.2%. PPop declined 8% YoY to ~INR35.9b (10% miss).
- On the business front, loans grew 13% YoY (2.7% QoQ) amid the pickup in corporate book (7% QoQ growth). In the consumer business, MFI book witnessed a decline of 12% QoQ, cards experienced a modest growth, while VF book also experienced a slower growth.
- Deposits grew 15% YoY (3.5% QoQ), led by healthy growth in term deposits. CASA ratio moderated 80bp QoQ to 35.9%. Retail deposit mix as per LCR stood at 44%. CD ratio stood at 86.6% in 2QFY25, down 69bp QoQ.
- Fresh slippages increased 17.1% QoQ to INR17.98b, primarily due to a rise in slippages in the consumer finance book to INR16.8b. GNPA/NNPA ratios increased 9bp/4bp QoQ to 2.11%/0.64%. The bank created an extra contingent provision of INR5.25b and holds INR15.25b of contingency buffer as of Sep'24. The restructured book declined 5bp QoQ to 0.3%.

Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USD\$b)	997.2 / 11.9
52-Week Range (INR)	1695 / 1258
1, 6, 12 Rel. Per (%)	-6/-22/-37
12M Avg Val (INR M)	5652

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	206.2	219.5	260.1
OP	158.6	155.4	189.2
NP	89.8	73.8	99.8
NIM (%)	4.2	4.0	4.2
EPS (INR)	115.5	94.9	128.2
EPS Gr. (%)	20.3	-17.9	35.1
BV/Sh. (INR)	810	889	1,000
ABV/Sh. (INR)	792	867	975

Ratios

RoA (%)	1.8	1.4	1.6
RoE (%)	15.3	11.2	13.6

Valuations

P/E (X)	11.1	13.5	10.0
P/BV (X)	1.6	1.4	1.3
P/ABV (X)	1.6	1.5	1.3

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	15.1	15.1	15.1
DII	32.4	27.8	26.3
FII	39.2	43.2	46.3
Others	13.3	13.9	12.3

FII includes depository receipts

Highlights from the management commentary

- **Gross Slippage Breakup:** VF stood at INR6.92b, MFI at INR3.98b, Corporate at INR1.18b, and Other Retail at INR5.9b
- The bank is cautiously optimistic about the loan growth and its own portfolio and will accelerate growth as the credit environment improves.
- Movement in NIMs will depend on the high-yielding and unsecured part of the book. On the other hand, deposits grew at a faster rate and, hence, led to a reduction in the CD ratio.

Valuation and view

IIB reported a weak quarter, characterized by higher provisions (amid the creation of a contingency buffer of INR5.25b), lower other income, and slower growth in higher-yielding loan growth. However, deposit growth was healthy, led by term deposits. NIM contracted sharply amid the rising cost and slower growth in higher-yielding assets. Asset quality ratios deteriorated marginally as fresh slippages continued to be elevated, primarily from the consumer finance book. IIB had previously guided for loan growth of 18-22% for FY25. However, with the bank's cautious view on unsecured growth, we estimate loan growth at 13%. The bank has indicated a credit cost of 110-130bp over 2HFY25, though it does not plan to use its contingent provision (INR15b). While the MF and Card businesses may continue to report some stress in the near term, overall slippages are likely to remain in control and help maintain broadly stable asset quality. We cut our earnings estimates by 16.7%/8.7% for FY25/26, leading to an RoA/RoE of 1.6%/13.6% by FY26. **Reiterate BUY with a TP of INR1,500 (premised on 1.5x FY26E ABV). Progression on asset quality (MFI business) and RBI approval for a fresh term to MD & CEO remain key near-term events to watch for.**

Quarterly performance

	(INR b)											
	FY24				FY25E				FY24	FY25E	FY25E	V/S our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	Est
Net Interest Income	48.7	50.8	53.0	53.8	54.1	53.5	54.8	57.2	206.2	219.5	54.5	-2%
% Change (YoY)	18.0	18.0	17.8	15.1	11.1	5.3	3.5	6.3	17.2	6.5	7.4	
Other Income	22.1	22.8	24.0	25.1	24.4	21.8	24.6	25.9	94.0	96.8	25.3	-14%
Total Income	70.8	73.6	76.9	78.8	78.5	75.3	79.4	83.1	300.1	316.3	79.9	-6%
Operating Expenses	32.5	34.5	36.5	38.0	39.0	39.3	40.7	41.9	141.5	160.9	39.7	-1%
Operating Profit	38.3	39.1	40.4	40.8	39.5	36.0	38.7	41.2	158.6	155.4	40.1	-10%
% Change (YoY)	11.7	10.3	9.7	8.6	3.1	-7.9	-4.3	0.9	10.0	-2.0	2.7	
Provisions	9.9	9.7	9.7	9.5	10.5	18.2	14.9	13.2	38.8	56.8	12.5	45%
Profit before Tax	28.4	29.3	30.7	31.3	29.0	17.8	23.7	28.0	119.8	98.6	27.6	-36%
Tax	7.2	7.3	7.7	7.8	7.3	4.5	6.0	7.0	30.0	24.7	7.0	-36%
Net Profit	21.2	22.0	23.0	23.5	21.7	13.3	17.8	21.1	89.8	73.8	20.7	-36%
% Change (YoY)	30.3	22.0	17.2	15.0	2.2	-39.5	-22.8	-10.3	20.6	-17.7	-6.2	
Operating Parameters												
Deposit (INR b)	3,470	3,595	3,688	3,846	3,985	4,124	4,250	4,407	3,846	4,407	4,127	
Loan (INR b)	3,013	3,155	3,271	3,433	3,479	3,572	3,695	3,869	3,433	3,869	3,570	
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.8	14.7	15.2	14.6	14.4	14.6	14.8	
Loan Growth (%)	21.5	21.3	19.9	18.4	15.5	13.2	13.0	12.7	18.4	12.7	13.2	
Asset Quality												
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	2.1	2.2	2.2	1.9	2.2	2.1	
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.1	70.5	71.0	69.5	71.0	70.8	



Estimate change	
TP change	↓
Rating change	

Bloomberg	CLGT IN
Equity Shares (m)	272
M.Cap.(INRb)/(USDb)	873.8 / 10.4
52-Week Range (INR)	3893 / 1996
1, 6, 12 Rel. Per (%)	-7/8/28
12M Avg Val (INR M)	1240

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	62.7	68.3	74.0
Sales Gr. (%)	10.4	8.9	8.3
EBITDA	21.0	23.3	25.3
EBITDA Margin (%)	33.6	34.1	34.3
Adj. PAT	15.1	16.6	18.2
Adj. EPS (INR)	55.6	61.2	66.8
EPS Gr. (%)	13.0	10.1	9.2
BV/Sh.(INR)	79.5	90.7	102.5

Ratios

RoE (%)	74.9	71.9	69.2
RoCE (%)	73.6	71.6	68.9
Payout (%)	81.0	81.7	82.3

Valuation

P/E (x)	58.2	52.8	48.4
P/BV (x)	40.7	35.6	31.5
EV/EBITDA (x)	41.2	37.1	33.9
Div. Yield (%)	1.4	1.5	1.7

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	51.0	51.0	51.0
DII	5.8	6.0	5.9
FII	24.9	24.4	24.1
Others	18.2	18.6	19.0

FII includes depository receipts

CMP: INR3,213 TP: INR3,250 (+1%) Neutral

Sustains volume trajectory; miss on margin

- Colgate (CLGT) delivered a 10% YoY revenue growth to INR16.1b (est. INR16.6b), sustaining strong growth in 1HFY25 (13% in 1Q). Volume growth reached a high single digit (in-line), reflecting strong performance in 1HFY25 vs. muted in FY24 (flattish). HUL clocked a high single-digit value growth in Q2. The Toothbrush division delivered double-digit growth, driven by premiumization. CLGT has witnessed healthy growth across markets, with Ecomm/QC demonstrating sustained outperformance.
- Gross margin contracted 25bp YoY and 200bp QoQ to 68.5% (est. 69.8%), led by higher promotion and incentives. A&P spending was high at 18% YoY (up 100bp), leading to EBITDA growth of only 3% YoY to INR5.0b (est. INR 5.6). EBITDA margin contracted 200bp YoY to 31%. In 1HFY25, CLGT delivered double-digit growth across Sales, EBITDA, and APAT, achieving 12%, 12%, and 15% growth, respectively.
- Product innovations and marketing efforts have enabled CLGT to achieve volume acceleration in 1HFY25. While price hikes have contributed to overall growth in FY24, the positive volume trend indicates better execution in recent performance. In the urban slowdown, it will be noteworthy to track the premiumization trend.
- CLGT was laggard on the volume front in FY24/FY23, which the company has addressed through various initiatives in the last 6-9 months. We model sustaining healthy revenue growth for FY25/FY26. EBITDA margin is already at an elevated level; however, sustaining it may be challenging, especially with increased marketing spending. The current valuations at 58x/53x P/E on FY25E/ FY26E capture most of the near-term triggers. **We reiterate our Neutral rating on the stock with a TP of INR3,250 (based on 50x Sep'26E EPS).**

Healthy but in-line volume growth; high adv spends impact margin

- Volumes grew at a high single digit:** CLGT's sales grew 10% YoY to INR16.2b (est. INR16.6b), with the last four quarters clocking 10% YoY average growth. The Toothpaste division delivered a high single-digit volume growth (est. 8%), with the last four quarters clocking around 2% YoY volume growth. The Toothbrush portfolio experienced a double-digit growth due to accelerated premiumization.
- Miss on EBITDA margin:** Gross margins contracted 25bp YoY and 200bp QoQ to 68.5% (est. 69.8%). Gross profit was up 10%. Higher adv spend (up 18% YoY) impacted the EBITDA performance. EBITDA margin contracted ~200bp YoY to 30.7%.
- Low single-digit growth:** EBITDA grew only 3% YoY to INR5.0b (est. INR5.6), a sharp deceleration compared to the 22% average growth in the previous four quarters. Other income was up +250% YoY to INR760m, which includes INR565m of income tax refunds for earlier years. PBT grew 4% YoY to INR4.7b (est. INR5.4b). APAT grew 5% YoY to INR3.6b (est. INR4.0b).

- **1HFY25** Sales/EBITDA/PAT grew 12%/12%/15% to INR31.1b/10.0b/7.2b, respectively. In 2HFY25, we expect net revenue/EBITDA/APAT to grow 9%/10%/12%.
- **The board** has declared an interim dividend of INR24 per share.

Valuation and view

- We broadly retain our FY25/FY26 EPS estimates.
- 2HFY25 will be a testing period for CLGT in terms of margin trajectory and sustaining volume expansion. Historically, CLGT's volume growth has been weaker than that of its peers. Hence, tracking the volume trajectory will be critical in the upcoming quarters given the weak urban demand. The stock has witnessed a sharp re-rating during the last 12-15 months. Similar to the margin miss in 2Q, there is a risk associated with maintaining a high operating margin in the coming quarters.
- The current valuations at 58x/53x P/E on FY25E/ FY26E capture most of the near-term triggers. **We reiterate our Neutral rating on the stock with a TP of INR3,250 (based on 50x Sep'26E EPS).**

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
Volume Gr %	3.0	-1.0	-1.0	1.0	7.0	8.0	7.0	7.0	0.5	7.3	8.0	
Net Sales (inclgd. OOI)	13,237	14,711	13,957	14,900	14,967	16,191	15,214	16,319	56,804	62,691	16,621	-2.6%
YoY change (%)	10.6	6.0	8.1	10.3	13.1	10.1	9.0	9.5	8.7	10.4	13.0	
Gross Profit	9,058	10,117	10,073	10,327	10,574	11,098	10,847	11,427	39,574	43,946	11,601	-4.3%
Gross margin (%)	68.4	68.8	72.2	69.3	70.6	68.5	71.3	70.0	69.7	70.1	69.8	
EBITDA	4,181	4,821	4,684	5,322	5,083	4,974	5,029	5,946	19,008	21,033	5,635	-11.7%
Margins (%)	31.6	32.8	33.6	35.7	34.0	30.7	33.1	36.4	33.5	33.6	33.9	
YoY growth (%)	28.4	18.2	29.6	17.8	21.6	3.2	7.4	11.7	22.9	10.7	16.9	
Depreciation	438	443	414	421	415	417	435	450	1,715	1,717	435	
Interest	11	11	15	14	10	12	14	20	50	55	14	
Financial other Income	150	210	179	227	234	195	240	239	765	908	225	
PBT	3,883	4,578	4,434	5,114	4,893	4,740	4,820	5,715	18,008	20,168	5,411	-12.4%
Tax	951	1,178	1,133	1,315	1,253	1,354	1,205	1,407	4,577	5,218	1,358	
Rate (%)	24.5	25.7	25.6	25.7	25.6	28.6	25.0	24.6	25.4	25.9	25.1	
Adj PAT	2,883	3,401	3,301	3,798	3,640	3,555	3,615	4,309	13,383	15,119	4,053	-12.3%
YoY change (%)	33.1	22.3	35.7	19.6	26.2	4.6	9.5	13.4	26.8	13.0	19.2	
Reported PAT	2,737	3,401	3,301	3,798	3,640	3,951	3,615	4,309	13,237	15,514	4,053	

E: MOSL Estimates

Key Performance Indicators

Y/E March	FY24				FY25	
	1Q	2Q	3Q	4Q	1Q	2Q
Realization Gr %	7.6	7.0	9.1	9.3	6.1	2.1
2Y average growth %						
Volumes	-0.5	-1.8	-1.8	-1.8	5.0	3.5
Sales	3.9	7.1	9.4	5.1	11.8	8.0
EBITDA	8.1	7.5	15.7	15.3	25.0	10.7
PAT	10.2	5.3	20.0	18.8	29.7	13.4
% sales						
COGS	31.6	31.2	27.8	30.7	29.4	31.5
Others	36.8	36.0	38.6	33.6	36.7	37.8
Depreciation	3.3	3.0	3.0	2.8	2.8	2.6
YoY change %						
COGS	3.7	-8.6	-11.9	2.2	5.1	10.9
Other income	29.7	86.3	71.9	11.3	56.3	-7.1
EBIT	33.0	20.2	34.4	19.9	24.7	4.1

E: MOFSL Estimates



Petronet LNG

Estimate change

TP change

Rating change

Bloomberg	PLNG IN
Equity Shares (m)	1500
M.Cap.(INRb)/(USD\$b)	507.8 / 6
52-Week Range (INR)	385 / 187
1, 6, 12 Rel. Per (%)	9/4/27
12M Avg Val (INR M)	1801

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	543.7	583.1	610.7
EBITDA	56.8	67.7	73.7
Adj. PAT	38.5	46.4	50.9
Adj. EPS (INR)	25.7	30.9	34.0
EPS Gr. (%)	8.9	20.4	9.9
BV/Sh.(INR)	126.9	143.5	161.7

Ratios

Net D:E	-0.5	-0.5	-0.5
RoE (%)	21.4	22.9	22.3
RoCE (%)	22.4	23.9	23.2
Payout (%)	46.3	46.3	46.3

Valuation

P/E (x)	13.2	10.9	10.0
P/BV (x)	2.7	2.4	2.1
EV/EBITDA (x)	7.3	5.9	5.1
Div. Yield (%)	3.5	4.2	4.6

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	50.0	50.0	50.0
DII	11.8	12.9	5.9
FII	27.3	25.6	33.3
Others	10.9	11.6	10.8

FII Includes depository receipts

CMP: INR339

TP: INR385 (+14%)

Neutral

Dahej expansion, Kochi connectivity medium-term catalysts

- Petronet LNG (PLNG) 2QFY25 EBITDA came in 9% below our estimates at INR12b. Dahej utilization was down 9pp QoQ at 102%, while Kochi utilization stood at 22% (flat QoQ). Reported PAT at INR8.5b was in line with our estimate. In 2Q, the company booked additional provisions worth INR1.1b related to use-or-pay (UoP) charges.
- The Dahej terminal expansion from 17.5mmt to 22.5mmt is expected to be completed by Mar'25, after which it will be available for use. Management guided for a minimum throughput of 20mmtpa from Dahej terminal in FY26. However, until now, there has not been any material progress on signing anchor customers for the expanded capacity. In 2HFY25, the management expects capacity utilization at Dahej to remain ~95%-100%. Recently, two tanks were commissioned at Dahej (taking total number of tanks to 8), which will be beneficial for storing and processing more cargo.
- PAT came in line with our estimate. In 2HFY25, utilization trends may be sensitive to spot gas prices, which remain somewhat high currently (Asia JKM averaging USD13.2/mmbtu in Oct'24TD). Going forward, the key catalysts will be 1) the commissioning of the expanded Dahej capacity, and 2) pipeline connectivity for the Kochi terminal. While the PDH-PP project and Gopalpur FSRU can support the future volume trajectory, we believe that economics of these projects are yet to be established and that they are longer-dated projects. As such, we maintain our **Neutral rating with a TP of INR385**.

PAT in line; capacity utilization remains robust

- 2Q revenue came in 7% below our estimate at INR130.2b (+4% YoY).
- EBITDA was 9% below our estimates at INR12b (-1% YoY).
- In 2Q, inventory gains stood at INR700b and trading gains stood at INR390m.
- Other income was INR2b (est. INR1.5b, INR1.6b in 2QFY24). As a result, reported PAT was INR8.5b (est. INR8.9b).
- **Operational performance:**
- Total volumes stood at 239Tbtu (est. of 232.5Tbtu, +7% YoY).
- Dahej utilization stood at 101.7% (+7.7pp YoY), 4pp above our estimate. Kochi utilization at 22.2% (+7.7pp YoY) came in line with our estimate.
- In 2Q, PLNG provisioned INR1.1b for UoP dues. Additionally, PLNG has waived off UoP charges of INR706m.
- **As of Sep'24**, provisions on UoP dues stood at INR6b.
- UoP dues of INR17.2b (net provision INR11.2b) were included in trade receivables as of Sep'24. The company has obtained bank guarantees from customers to recover UoP charges for FY22 and FY23. The customers have not given balance confirmations toward these dues. However, the management is confident of recovering such charges.
- The board has declared an interim dividend of INR7/sh (FV of INR10).

Valuation and view

- PLNG’s volume utilization improved substantially in 1HFY25 amid moderate spot LNG prices and robust demand. While we remain positive about volume growth, we believe ongoing uncertainty around UoP provisioning and rising competition will prevent further re-rating.
- We value PLNG at 12x Dec’26E EPS to arrive at a TP of INR385. **We reiterate our Neutral rating on the stock.**

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	116.6	125.3	147.5	137.9	134.2	130.2	129.5	149.6	527.3	543.5	140.2	-7%
YoY Change (%)	-18.3	-21.6	-6.5	-0.6	15.1	3.9	-12.2	8.5	-12.0	3.1	11.9	
EBITDA	11.8	12.1	17.1	11.0	15.6	12.0	12.4	16.4	52.1	56.5	13.1	-9%
Margin (%)	10.1	9.7	11.6	8.0	11.7	9.2	9.6	11.0	9.9	10.4	9.4	
Depreciation	1.9	1.9	2.0	1.9	1.9	2.0	2.1	2.4	7.8	8.5	2.1	
Interest	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	2.9	2.5	0.6	
Other Income	1.5	1.6	1.6	1.6	2.2	2.0	1.5	0.3	6.2	6.0	1.5	
PBT	10.6	11.0	16.0	10.0	15.2	11.4	11.2	13.7	47.6	51.5	11.9	-4%
Tax	2.7	2.8	4.1	2.6	3.8	2.9	2.8	3.0	12.2	13.3	3.0	
Rate (%)	25.6	25.8	25.5	25.9	24.9	25.7	25.2	21.7	25.7	25.8	25.2	
Reported PAT	7.9	8.2	11.9	7.4	11.4	8.5	8.4	10.8	35.4	38.2	8.9	-5%
Adj PAT	7.9	8.2	11.9	7.4	11.4	8.5	8.4	10.8	35.4	38.2	8.9	-5%
YoY Change (%)	12.7	9.9	0.9	20.1	44.5	3.6	-29.6	45.9	9.1	8.2	8.6	
Margin (%)	6.8	6.5	8.1	5.3	8.5	6.5	6.5	7.2	6.7	7.0	6.3	
Key Assumptions												
Total Volumes (TBtu)	230.0	223.0	232.0	234.0	262.0	239.0	230.3	216.5	919.0	947.8	232.5	3%
Dahej utilization (%)	98%	95%	99%	99%	112%	102%	97%	89%	98%	100%	98%	4%
Kochi utilization (%)	21%	21%	22%	24%	22%	22%	25%	31%	22%	25%	25%	-11%



Estimate change	↓
TP change	
Rating change	

Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	426.3 / 5.1
52-Week Range (INR)	2844 / 1803
1, 6, 12 Rel. Per (%)	-2/-20/-7
12M Avg Val (INR M)	1201

Financials & Valuations (INR b)

Y/E Dec	FY25E	FY26E	FY27E
Sales	209.2	229.2	253.4
EBITDA	26.9	35.3	44.3
Adj. PAT	15.3	20.5	26.8
EBITDA Margin (%)	12.8	15.4	17.5
Adj. EPS (INR)	81.1	108.9	142.4
EPS Gr. (%)	-18.3	34.3	30.7
BV/Sh. (INR)	926	1,021	1,149

Ratios

Net D:E	-0.2	-0.3	-0.3
RoE (%)	9.1	11.2	13.1
RoCE (%)	9.5	11.5	13.4
Payout (%)	17.3	12.9	10.5

Valuations

P/E (x)	27.9	20.8	15.9
P/BV (x)	2.4	2.2	2.0
EV/EBITDA(x)	13.7	10.0	7.4
EV/ton (USD)	108	98	85
Div. Yield (%)	0.6	0.6	0.7
FCF Yield (%)	-2.1	4.3	6.5

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	56.7	56.7	56.7
DII	24.6	25.0	23.0
FII	5.5	5.6	7.1
Others	13.2	12.7	13.3

FII Includes depository receipts

CMP: INR2,270 TP: INR3,000 (+32%) BUY

In-line EBITDA, higher volume growth led by MSA

Expects cement demand growth of 4-5% YoY in FY25

- ACC's 2QFY25 EBITDA declined 22% YoY to INR4.3b (in line) and EBITDA/t declined 32% YoY to INR462 (est. INR506). OPM contracted 3pp YoY to ~9% (est. ~10%). PAT declined 39% YoY to INR2.3b (est. INR2.0b), led by higher-than-estimated other income and lower-than-estimated finance costs.
- The management expects demand improvement in 2HFY25, aided by a post-monsoon pickup in construction and housing activities, government-led infra projects (roads, highways, railways, and metro), additional sanction of houses under PMAY (rural and urban) and industrial and commercial capex. ACC focuses on cost reduction and efficient improvements.
- We cut our EBITDA estimates by 8% for FY25 and 5% for FY26/FY27 each, due to steep margin contraction. ACC trades at 10x/7x FY25E/FY26E EV/EBITDA and USD98/USD85 EV/t. We value the stock at 12x Sep'26E EV/EBITDA to arrive at our revised TP of INR3,000 (earlier INR3,170).

Realization down 9% YoY; Opex/t declines 6% YoY

- 2Q revenue/EBITDA/adj. PAT stood at INR46.1b/INR4.3b/INR2.3b (up 4%/down 22%/39% YoY; and up 7%/in line/up 18% vs. our estimate). Cement volume grew ~15% YoY to 9.3mt (9% beat). Realization/t declined 9% YoY to INR4,955 (2% miss).
- Opex/t dipped ~6% YoY (up 2% QoQ), led by 13%/26% YoY decline in freight costs/other expenses per ton. Variable cost/t rose ~4% YoY. EBITDA/t fell 32% YoY to INR462. Interest cost/depreciation grew 15%/9% YoY, whereas 'other income' declined 26% YoY in 2Q.
- In 1HFY25, revenue grew ~1% YoY, while EBITDA/PAT declined 16%/29% YoY. EBITDA/t declined 25% YoY to INR567 and OPM dipped 2pp YoY to 11%. In 2HFY25, we estimate revenue to grow 8% YoY, while EBITDA/PAT to decline 9% YoY (each). Estimate OPM to contract 2.7pp YoY to ~14% and EBITDA/t at INR740 vs. INR900/INR570 in 2HFY24/1HFY25.
- ACC reported operating cash outflow of INR6.1b in 1HFY25 vs. OCF of INR10.9b in 1HFY24 due to lower profitability and increase in working capital. Capex stood at INR7.1b vs. INR6.0b in 1HFY24.

Highlights from the management commentary

- Kiln fuel costs fell 15% YoY/9% QoQ to INR1.57/Kcal. The WHRS share in total power consumption stood at ~10% (up 1.2pp YoY/flat QoQ. Green power share stood at ~14% and thermal substitution rate at ~10%. Kiln heat consumption declined to 735 Kcal from 768/739 Kcal YoY/QoQ.
- Cash & cash equivalent stood at INR29.2b vs. INR27.5b as of Jun'24.

Valuation and view

- ACC posted 2Q EBITDA in line with our estimate as higher volume and lower opex/t offset the impact of weak realization. Higher volume growth was led by growth in MSA volumes. We estimate margin recovery would be gradual due to muted pricing and slower-than-expected demand recovery.
- We estimate a CAGR of 13% in EBITDA/PAT each over FY24-27. ACC trades at 10x/7x FY26E/FY27E EV/EBITDA. We value ACC at 12x Sep'26E EV/EBITDA to arrive at our revised TP of INR3,000 (earlier INR3,100). **Reiterate BUY.**

Standalone quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Cement Sales (mt)	9.40	8.10	8.88	10.44	10.20	9.30	9.95	11.49	36.9	40.94	8.51	9
Change (YoY %)	23.8	18.2	15.3	24.0	8.5	14.8	12.0	10.1	19.5	11.0	5.0	
Net Sales	52.0	44.3	49.2	54.0	51.6	46.1	51.8	59.8	199.5	209.2	43.1	7
Change (YoY %)	16.4	11.2	8.4	12.7	(0.9)	3.9	5.3	10.8	(10.2)	4.9	(2.8)	
EBITDA	7.7	5.5	9.0	8.4	6.8	4.3	6.7	9.1	30.6	26.9	4.3	(0)
Margin (%)	14.8	12.4	18.4	15.5	13.1	9.3	12.9	15.3	15.3	12.8	10.0	(66bp)
Depreciation	2.0	2.1	2.3	2.3	2.2	2.3	2.3	2.3	8.8	9.1	2.3	3
Interest	0.3	0.3	0.3	0.7	0.3	0.3	0.4	0.4	1.5	1.4	0.4	(12)
Other Income	0.8	2.1	0.8	1.2	0.7	1.5	0.8	1.0	4.9	4.0	1.0	57
PBT before EO Item	6.2	5.2	7.2	6.6	4.9	3.2	4.8	7.4	25.2	20.3	2.6	20
EO Income/(Expense)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PBT after EO Item	6.2	5.2	7.2	6.6	4.9	3.2	4.8	7.4	25.2	20.3	2.6	20
Tax	1.6	1.3	1.9	-0.9	1.3	0.8	1.2	1.8	3.9	5.1	0.7	
Rate (%)	25.5	25.5	26.6	(13.2)	25.6	26.5	25.0	23.9	15.7	25.0	25.0	
Reported PAT	4.6	3.8	5.3	7.5	3.7	2.3	3.6	5.6	21.2	15.3	2.0	18
Adjusted PAT	4.6	3.8	5.3	4.9	3.7	2.3	3.6	5.6	18.7	15.3	2.0	18
Margin (%)	8.9	8.7	10.7	9.1	7.1	5.1	7.0	9.4	9.4	7.3	4.6	
Change (YoY %)	108.8	NM	212.1	72.0	(21.1)	(39.1)	(31.5)	14.7	88.7	(18.3)	(48.5)	

Source: MOSFL, Company

Per ton analysis, including RMC (INR/t)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Blended Realization	5,533	5,475	5,538	5,171	5,054	4,955	5,204	5,205	5,410	5,111	5,070	(2)
Change (YoY %)	(6.0)	(5.9)	(6.0)	(9.1)	(8.7)	(9.5)	(6.0)	0.7	(6.0)	(5.5)	(7.4)	
Raw Material	1,596	1,598	1,512	1,746	1,730	1,942	1,840	1,804	1,570	1,813	1,640	18
Staff Cost	210	240	201	157	157	192	184	165	199	174	184	4
Power and fuel	1,196	1,093	1,141	931	970	830	950	926	1,083	921	1,050	(21)
Freight	1,245	1,177	1,084	1,058	1,075	1,020	1,070	1,059	1,136	1,057	1,070	(5)
Other expenditure	469	689	583	477	458	508	490	458	584	477	620	(18)
Total Expenditure	4,715	4,798	4,521	4,369	4,391	4,493	4,534	4,411	4,572	4,441	4,564	(2)
EBITDA	818	677	1,017	802	664	462	671	794	838	669	506	(9)

Source: MOSFL, Company



Piramal Pharma

Estimate change	↓
TP change	↑
Rating change	

CMP: INR256 TP: INR310 (+21%) Buy

Operating performance above est.; FY25 guidance intact

Bloomberg	PIRPHARM IN
Equity Shares (m)	1326
M.Cap.(INRb)/(USD\$b)	339.2 / 4
52-Week Range (INR)	260 / 88
1, 6, 12 Rel. Per (%)	23/75/146
12M Avg Val (INR M)	1179
Free float (%)	65.1

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	91.9	106.5	123.9
EBITDA	14.3	19.0	23.5
Adj. PAT	3.2	6.9	10.0
EBIT Margin (%)	7.3	10.4	12.2
Cons. Adj. EPS (INR)	2.4	5.2	7.5
EPS Gr. (%)	471.2	114.7	45.2
BV/Sh. (INR)	69.0	74.7	83.1

Ratios

Net D:E	0.5	0.4	0.4
RoE (%)	4.0	8.0	10.6
RoCE (%)	3.8	6.4	8.0
Payout (%)	17.6	17.6	17.6

Valuations

P/E (x)	105.9	49.3	33.9
EV/EBITDA (x)	26.7	20.0	16.2
Div. Yield (%)	0.1	0.3	0.4
FCF Yield (%)	0.0	0.0	0.0
EV/Sales (x)	4.2	3.6	3.1

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	35.0	35.0	35.0
DII	13.8	31.0	26.1
FII	32.2	13.9	14.7
Others	19.1	20.2	24.2

FII Includes depository receipts

- Piramal Pharma (PIRPHARM) delivered better-than-expected operational performance in 2QFY25 fueled by superior traction in the CDMO segment (59% of sales). Following earnings deterioration in FY23/FY24, PIRPHARM is exhibiting healthy recovery in 1HFY25. Considering the advancement in clinical development of certain CDMO projects, the company is investing USD80m to double its sterile fill-finish capacities at the Lexington site.
- We trim our FY25/FY26/FY27 estimates by 6%/3%/4% to factor in: 1) higher financial leverage, and 2) ongoing supply-chain issues in the injectable pain management segment. Compared to 15%/37% YoY revenue/EBITDA growth for 1HFY25, we expect 11%/15% YoY growth in revenue/EBITDA to INR50b/INR9b in 2HFY25.
- We value PIRPHARM on an SOTP basis (20x EV/EBITDA for the CDMO business, 12x EV/EBITDA for the complex hospital generics (CHG) business, and 13x EV/EBITDA for the India consumer products (ICP) business) to arrive at our TP of INR310. With enhanced inquiries on the CDMO front at industry level in India, we believe PIRPHARM is well poised to benefit from its differentiated capabilities and capacities. Further, it is increasing its offerings in the CHG segment through an established global network. Accordingly, we expect its PAT to scale up to INR7b by FY26 from INR560m in FY24. **Reiterate BUY.**

Segmental mix impact more than offset by higher operating leverage

- PIRPHARM's revenue rose 17% YoY to INR22.4b (our est.: INR22.1b) for the quarter. The CDMO segment's (59% of total sales) revenue rose 24% YoY to INR13.2b. The CHG (29% of total sales) revenue rose 9% YoY to INR6.4b. The ICP (12% of total sales) revenue grew 8% YoY to INR2.8b.
- Gross margin contracted 220bp YoY to 64.5% due to product mix change.
- However, EBITDA margin expanded 130bp YoY to 15.2% (our est: 11.8%), due to lower staff costs/other expenses (down 200/150bp as a % of sales).
- EBITDA grew 28.6% YoY to INR3.4b (our est.: INR2.6b) for the quarter.
- Adj profit came in at 4.5x YoY to INR226m (our est: INR255m) for the quarter, fueled by improved EBITDA and higher other income.
- For 1HFY25, its revenue/EBITDA grew 15%/37% YoY to INR42b/INR5.5b, while adj. loss for 1HFY25 declined 29% YoY to INR662m.

Highlights from the management commentary

- The company has reiterated its full-year guidance of early-teen growth in revenue and EBITDA.
- The company expects 2H to be better than 1H. Having said this, 3QFY25 margins could get hit due to a one-off opex in CHG business.
- PIRPHARM is seeing a rise in order inquiries and site visits, driven by the Biosecure Act and supply chain diversification efforts. This is expected to help the company gradually secure more business over the medium term.

Quarterly performance

(INR m)

	FY24				FY25E				FY24	FY25E	FY25E	% var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Revenues	17,489	19,114	19,586	25,524	19,511	22,418	21,956	27,950	81,712	91,835	22,119	1%
growth YoY(%)	18.0	11.1	14.1	18.0	11.6	17.3	12.1	9.5	15.4	12.4	15.7	
Expenses	16,165	16,457	16,902	20,224	17,467	19,001	19,137	21,954	69,749	77,558	19,519	
CDMO	8,980	10,680	11,340	16,490	10,570	13,240	12,701	17,865	47,490	54,376	12,816	3%
CHG	6,170	5,890	5,760	6,770	6,310	6,430	6,509	7,308	24,590	26,557	6,538	-2%
ICP	2,390	2,560	2,520	2,380	2,640	2,770	2,747	2,777	9,850	10,934	2,765	0%
EBITDA*	1,323	2,657	2,684	5,299	2,044	3,416	2,820	5,997	11,963	14,276	2,600	31%
margin (%)	7.6	13.9	13.7	20.8	10.5	15.2	12.8	21.5	14.6	15.5	11.8	
growth YoY(%)	55.5	54.0	124.1	50.9	54.5	28.6	5.1	13.2	64.2	19.3	-2.1	
Depreciation	1,736	1,845	1,863	1,961	1,846	1,922	1,900	1,886	7,406	7,554	1,850	
EBIT	-413	812	821	3,338	198	1,494	920	4,110	4,557	6,722	750	99%
Other income	383	492	615	264	195	611	700	694	1,754	2,200	430	
Interest expense	1,185	1,099	1,059	1,142	1,070	1,076	980	794	4,485	3,920	962	
Share from Asso. Co	144	191	140	120	224	173	210	193	595	800	162	
PBT	-1,071	396	516	2,580	-452	1,201	850	4,203	2,421	5,802	380	216%
EO Expenses/(gain)	-	-	323	310	-	-	-	-	633	-	-	
Taxes	-85	345	93	1,262	436	975	280	920	1,615	2,611	125	
Tax Rate (%)	8.0	87.3	47.8	55.6	-96.4	81.2	33.0	21.9	90.3	45.0	33.0	
Reported PAT	-986	50	101	1,008	-888	226	569	3,284	173	3,191	255	-11%
Adj. PAT	-986	50	350	1,146	-888	226	569	3,284	560	3,191	255	-11%
Change (%)	NA	LP	LP	128.6	NA	348.2	62.7	186.6	NA	469.7	405.0	

E: MOFSL Estimates



Metro Brands

Estimate change

TP change

Rating change



Bloomberg	METROBRA IN
Equity Shares (m)	272
M.Cap.(INRb)/(USD\$)	316.1 / 3.8
52-Week Range (INR)	1441 / 990
1, 6, 12 Rel. Per (%)	0/-2/-30
12M Avg Val (INR M)	243

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	23.6	25.4	30.0
EBITDA	7.0	7.6	9.3
Adj. PAT	4.1	3.8	4.8
EBITDA Margin (%)	29.7	29.8	31.0
Adj. EPS (INR)	12.7	14.1	17.5
EPS Gr. (%)	(5.2)	10.4	24.5
BV/Sh. (INR)	70.2	82.1	96.8

Ratios

Net D:E	0.1	0.0	(0.1)
RoE (%)	20.3	18.9	20.1
RoCE (%)	17.7	14.3	15.4
Payout (%)	14.9	17.6	17.6

Valuations

P/E (x)	91.5	82.9	66.5
EV/EBITDA (x)	46.7	42.9	34.6
EV/Sales (X)	13.9	12.8	10.7
Div. Yield (%)	0.2	0.2	0.3

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	72.0	74.2	74.2
DII	7.0	5.6	6.1
FII	3.4	3.1	2.3
Others	17.7	17.2	17.4

FII includes depository receipts

CMP: INR1,162

TP: INR1,465 (+26%)

Buy

Weak gross margin led to 2Q miss; growth to pick up in 2H

- Metro Brands (MBL)'s revenue grew 5% YoY (in line, -1% YoY in 1Q), driven by ~9% YoY area additions. Gross profit grew 2% YoY (3% miss) due to ~100bp impact of FILA inventory liquidation at higher discounts.
- EBITDA was flat YoY (5% miss) on account of lower gross margin, while PAT grew 6% YoY (7% miss).
- 1H revenue (2% YoY) and EBITDA (-2% YoY) were muted. However, management expects pick-up in 2H to drive 10-15% YoY revenue growth and EBITDA margins to expand to ~30% for FY25 (vs. ~29% in 1H).
- We lower our FY25/26 revenue/EBITDA by 1-4% and PAT by 3-5% on account of weaker 1H.
- However, given the pick-up in store additions; a long runway for growth in Metro, Mochi, and Walkway formats; and significant growth opportunity in FILA/Foot Locker, we build in revenue/EBITDA/PAT CAGR of 14%/18%/20% over FY24-27E.
- We reiterate our BUY rating on MBL with a TP of INR1,465 based on 70x Dec'26 EPS (implying 26% upside).

Revenue in line, 7% PAT miss due to weak gross margin

- Consol. revenue grew 5% YoY to INR5.9b (in line), led by ~9% YoY area additions, which was offset by a ~3% YoY decline in the quarterly sales psf to INR4.3k.
 - MBL added 23 stores (in 3 new cities) and closed 3 stores, to reach a total of 873 stores (including 2 FILA). MBL added 8 stores for Metro, 9 for Mochi, 2 for Crocs, and 1 for FitFloP.
- Gross profit inched up 2% YoY to INR3.2b (3% miss) as margins contracted 180bp YoY to 55% (-445bp QoQ, 210bp miss), with ~100bp impact due to the liquidation of old FILA inventory at higher discounts.
- MBL's EBITDA stood at INR1.5b (flat YoY; 5% miss) on account of a lower gross margin.
 - EBITDA margin contracted 150bp YoY to 26.4% (-490bp QoQ) and was ~175bp below our estimate.
- Depreciation/finance costs rose 9%/11% YoY. Other income grew 45% YoY.
- Resultantly, PAT grew 6% YoY to INR718m (7% miss).
- 1HFY25 revenue was up 2% YoY, while EBITDA declined 2% YoY.
- For 2H, the implied revenue/EBITDA/PAT growth rate is 13%/18%/18%.

Balance sheet and cash flow analysis

- Working capital days declined to 79 days (vs. 82 in FY24 and 87 in 1HFY24), with inventory days at 110, receivables at 17, and payables at 48 days.
- OCF increased 39% YoY to INR1.7b, led by the release of WC, while EBITDA declined 2% YoY.
- Capex stood at INR475m for 35 store additions in 1HFY25. FCF (post interest and leases) came in at INR1.2b, which led to an increase in the company's net cash position to INR10.6b (+INR1.5b increase in 1H).

Key takeaways from the management commentary

- **Demand:** Business witnessed a sequential improvement in 2Q. The Crocs portfolio performed well during monsoon, while Walkway witnessed a momentum build-up. Footfalls and conversions in October are panning out in line with the management’s expectations.
- **Guidance:** The management has maintained its store opening guidance of net 100 store additions for FY25 (despite a slower pace with 35 store openings in 1H). Further, the management has guided for a broad range of 10-15% revenue growth for FY25 (vs. 2% YoY in 1H), driven by a pick-up in demand in 2H.
- **BIS:** The impact of BIS on core brands, such as Metro, Mochi, and Walkway is minimal and ~15% on an overall basis for MBL. The industry is witnessing additional challenges in the S&A category due to BIS. The stabilization of the initial BIS impact has led to a decline in the net working capital days for MBL.

Valuation and view

- 1H was impacted by weaker discretionary demand, lower wedding dates, slower pace of store openings, and FILA inventory liquidation. However, we expect growth to accelerate in 2H with a pick-up in discretionary spending fueled by the onset of the festive season, higher number of weddings, and an acceleration in store openings. We build in ~13% revenue and ~18% EBITDA growth in 2H.
- We lower our FY25/26 revenue/EBITDA by 1-4% and PAT by 3-5% on account of weaker 1H. However, given the pick-up in store additions; a long runway for growth in Metro, Mochi, and Walkway formats; and significant growth opportunity in FILA/Foot Locker, we build in revenue/EBITDA/PAT CAGR of 14%/18%/20% over FY24-27E.
- We reiterate our **BUY** rating on MBL with a **TP of INR1,465** based on 70x Dec’26 EPS (implying 26% upside).

Consolidated - Quarterly Earning

Y/E March	(INR m)											
	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		2QE	Var (%)	
Revenue	5,825	5,557	6,355	5,830	5,761	5,855	7,162	6,645	23,567	25,422	5,797	1.0
YoY Change (%)	14.7	16.7	6.1	7.1	-1.1	5.4	12.7	14.0	10.8	7.9	4.3	
Total Expenditure	3,959	4,003	4,365	4,244	3,957	4,306	4,821	4,758	16,571	17,842	4,162	3.5
EBITDA	1,866	1,554	1,990	1,586	1,804	1,548	2,341	1,887	6,996	7,580	1,635	-5.3
EBITDA Margin (%)	32.0	28.0	31.3	27.2	31.3	26.4	32.7	28.4	29.7	29.8	28.2	-6.2
Depreciation	543	572	586	591	600	624	634	659	2,291	2,517	615	1.5
Interest	185	197	204	203	208	218	232	237	789	895	221	-1.4
Other Income	144	162	160	244	234	234	234	234	708	935	234	0.0
PBT	1,282	946	1,359	1,036	1,230	939	1,708	1,226	4,624	5,103	1,032	-9.0
Tax	353	275	379	-508	309	225	430	309	499	1,273	260	-13.6
Rate (%)	27.5	29.1	27.9	-49.0	25.1	23.9	25.2	25.2	10.8	24.9	25.2	
MI & Profit/Loss of Asso. Cos.	6	5	7	12	2	3	0	0	30	5	0	
PAT before MI	929	671	981	1,544	921	715	1,278	917	4,124	3,830	772	-7.4
Adj PAT post MI	935	676	988	866	923	718	1,278	917	3,465	3,835	772	-7.0
YoY Change (%)	-12	-13	-13	26	-1	6	29	6	-5.2	10.7	14	

E: MOFSL Estimates



PNB Housing

Estimate changes

TP change

Rating change

Bloomberg	PNBHOUSI IN
Equity Shares (m)	260
M.Cap.(INRb)/(USDb)	242.8 / 2.9
52-Week Range (INR)	1202 / 600
1, 6, 12 Rel. Per (%)	0/11/4
12M Avg Val (INR M)	1670

Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY25E
NII	24.8	26.7	35.2
PPP	21.3	22.8	31.5
PAT	15.1	18.8	23.1
EPS (INR)	58	72	89
EPS Gr. (%)	-6	25	23
BV/Share	577	649	726
Ratios			
NIM (%)	4.1	3.8	4.2
C/I ratio (%)	24.0	26.5	23.0
RoA (%)	2.2	2.4	2.5
RoE (%)	11.6	11.8	12.9
Valuations			
P/E (x)	16.1	12.9	10.5
P/BV (x)	1.6	1.4	1.3

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	28.1	28.1	28.1
DII	22.2	10.9	7.7
FII	20.4	17.9	24.8
Others	29.3	43.0	39.3

FII Includes depository receipts

CMP: INR934

TP: INR1,235 (+32%)

Buy

Execution in line; moving forward with strength

Earnings beat aided by provision write-backs; disbursement yields improve

- PNBHF's 2QFY25 PAT grew 23% YoY/9% QoQ to ~INR4.7b (6% beat). NII rose ~3% YOY to ~INR6.6b (in line). 1HFY25 PAT grew 24% YoY to INR9b, and we expect 2HFY25 PAT to grow by ~25% YoY.
- Opex rose ~19% YoY to ~INR2b (+5% QoQ). PPOP grew ~1% YoY to INR5.6b. Credit costs net of recoveries from the written-off pool resulted in a write-back of INR456m. This translated into net credit costs of -24bp (PQ: -7bp).
- PNBHF maintained its NIM guidance of ~3.5% for FY25 and expects that NIM should start improving from FY26 onwards. A higher proportion of emerging and affordable segments in the loan mix will give a fillip to yields and drive an expansion in NIM. Borrowing costs declined ~8bp QoQ, supported by a credit rating upgrade that enabled PNBHF to raise debt in the debt capital markets at a lower cost. We model NIMs of 3.8%/4.2% for FY25/FY26.
- GNPA/NNPA stood at ~1.25%/0.84% (as a % of loan assets) and improved ~10bp/8bp QoQ. Retail GNPA improved ~12bp QoQ to 1.27% in 2QFY25.
- We reiterate our thesis of a transformation at PNBHF and the management's ability to deliver RoA improvement predicated on: 1) healthy retail loan CAGR of 17%+; 2) NIM improvement from FY26; and 3) benign credit costs from asset quality improvement and recoveries from written-off pool.
- We expect PNBHF to deliver a CAGR of 17%/23% in AUM/PAT over FY24-FY27 and ~2.6%/14% RoA/RoE in FY27. **Reiterate BUY** with an unchanged TP of INR1,235 (based on 1.6x Sep'26E BVPS).

Highlights from the management commentary

- The company targets to expand to 500 branches by Mar'27, with ~75-80% of these new branches focused on the affordable segment.
- In the affordable segment, incremental yields improved to ~12% (v/s ~11.4% YoY and 11.6% QoQ) by focusing on higher yielding segments. With branches getting opened in T3/T4 locations, yields will continue to improve.
- The company has maintained control over NPAs and enhanced recoveries from the written-off pool by rigorously applying SARFAESI measures.

Valuation and view

- PNBHF's execution in 1HFY25 has been in line with its guided playbook, and we believe that it will continue to move forward with strength to deliver on its articulated guidance on loan growth, asset quality, credit costs, and improvement in NIM.
- The stock trades at 1.3x FY26E P/BV, and the risk-reward is favorable for a re-rating in the valuation multiple as investors gain higher confidence in the company's sustained execution in retail (across prime, emerging, and affordable segments). **Reiterate BUY** with a TP of INR1,235 (based on 1.6x Sep'26E BVPS). Key risks: a) inability to drive NIM expansion amid aggressive competition in mortgages, and b) subsequent seasoning in the affordable loan book leading to asset quality deterioration.

Quarterly performance

(INR M)

	FY24				FY25E				FY24	FY25E	2Q FY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	16,669	17,029	16,795	16,929	17,391	17,803	18,480	19,277	67,422	72,950	17,912	-1
Interest Expenses	10,475	10,573	10,866	10,697	10,969	11,185	11,677	12,417	42,611	46,248	11,255	-1
Net Interest Income	6,194	6,456	5,929	6,232	6,421	6,618	6,802	6,860	24,811	26,702	6,658	-1
YoY Growth (%)	68.1	1.9	-17.3	7.2	3.7	2.5	14.7	10.1	7.8	7.6	3.1	
Other income	408	765	765	1,211	930	994	1,058	1,304	3,149	4,285	977	2
Total Income	6,602	7,221	6,694	7,443	7,352	7,612	7,861	8,164	27,960	30,988	7,635	0
YoY Growth (%)	37.3	0.2	-16.3	18.2	11.3	5.4	17.4	9.7	6.3	10.8	5.7	
Operating Expenses	1,530	1,702	1,700	1,778	1,929	2,020	2,091	2,176	6,710	8,217	1,987	2
YoY Growth (%)	26.0	24.4	34.7	21.1	26.1	18.7	23.0	22.4	26.3	22.5	16.8	
Operating Profits	5,072	5,519	4,994	5,665	5,422	5,591	5,770	5,988	21,250	22,771	5,647	-1
YoY Growth (%)	41.1	-5.4	-25.9	17.3	6.9	1.3	15.5	5.7	1.2	7.2	2.3	
Provisions	606	448	591	66	-120	-456	-400	-423	1,711	-1,399	-100	356
Profit before Tax	4,467	5,071	4,403	5,598	5,542	6,047	6,170	6,411	19,539	24,170	5,747	5
Tax Provisions	994	1,241	1,019	1,206	1,214	1,351	1,388	1,438	4,459	5,390	1,322	2
Profit after tax	3,473	3,830	3,384	4,393	4,328	4,697	4,781	4,974	15,080	18,780	4,425	6
YoY Growth (%)	47.8	45.8	25.8	57.3	24.6	22.6	41.3	13.2	44.2	24.5	15.5	
Key Operating Parameters (%)												
Rep. Yield on loans	10.59	10.58	10.19	10.08	10.03	10.05	0.00	0.00				
Rep. Cost of funds	7.97	7.99	8.07	7.98	7.92	7.84	0.00	0.00				
Spreads	2.62	2.59	2.12	2.10	2.11	2.21	0.00	0.00				
Net Interest Margins	3.86	3.95	3.49	3.65	3.65	3.68	0.00	0.00				
Cost to Income Ratio	23.2	23.6	25.4	23.9	26.2	26.5	26.6	26.7				
Credit Cost	0.40	0.30	0.38	0.04	-0.07	-0.27	-0.23	-0.23				
Tax Rate	22.2	24.5	23.1	21.5	21.9	22.3	22.5	22.4				
Balance Sheet Parameters												
Loans (INR B)	604	609	623	654	670	695	726	758				
Change YoY (%)	6.2	5.2	7.4	10.3	15.1	14.2	16.5	16.0				
AUM (INR B)	673	674	685	712	725	747	778	811				
Change YoY (%)	4.0	2.6	4.3	6.9	11.0	10.8	13.5	13.8				
Borrowings (ex-Assgn.) (INR b)	527	536	531	551	557	570	610	654				
Change YoY (%)	3.3	2.3	1.2	2.6	8.2	6.5	14.8	18.8				
Loans/Borrowings (%)	114.6	113.6	117.4	118.7	120.2	121.9	119.0	115.9				
Off BS loans/AUM (%)	10.4	9.7	9.1	8.3	10.7	7.0	6.7	6.5				
Debt/Equity (x)	3.8	3.8	3.7	3.7	3.6	3.6	0.0	0.0				
Asset Quality Parameters (%)												
GS 3 (INR m)	22,700	10,860	10,790	9,840	9,060	8,650						
Gross Stage 3 (% on loans)	3.76	1.78	1.73	1.51	1.35	1.24						
NS 3 (INR m)	15,430	7,170	7,080	6,160	6,120	5,820						
Net Stage 3 (% on loans)	2.59	1.19	1.14	0.95	0.92	0.84						
PCR (%)	32.0	33.98	34.4	37.4	32.5	32.72						

E: MOFSL Estimates



Laurus Labs

Estimate change	↓
TP change	↑
Rating change	

CMP: INR447 TP: INR530 (+18%) Buy

In-line quarter; CDMO traction to pick up in 2HFY25

Bloomberg	LAURUS IN
Equity Shares (m)	539
M.Cap.(INRb)/(USDb)	241.2 / 2.9
52-Week Range (INR)	518 / 349
1, 6, 12 Rel. Per (%)	1/-6/-3
12M Avg Val (INR M)	970

Financials & valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	53.8	63.4	72.1
EBITDA	10.6	13.8	16.8
Adj. PAT	3.4	5.9	8.2
EBIT Margin (%)	11.9	14.9	17.1
Cons. Adj. EPS (INR)	6.3	11.0	15.2
EPS Gr. (%)	108.1	75.0	38.4
BV/Sh. (INR)	81.7	91.0	103.8

Ratios

Net D:E	0.5	0.5	0.4
RoE (%)	7.9	12.7	15.6
RoCE (%)	7.1	10.0	12.1
Payout (%)	15.6	15.6	15.6

Valuations

P/E (x)	71.8	41.0	29.7
EV/EBITDA (x)	25.3	19.5	15.9
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	0.8	0.6	1.8
EV/Sales (x)	5.0	4.2	3.7

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	27.2	27.2	27.2
DII	13.1	13.6	11.0
FII	26.1	25.7	24.0
Others	33.7	33.6	37.8

FII includes depository receipts

- Laurus Lab (LAURUS) delivered largely in-line operational performance for 2QFY25. It witnessed an improving traction in the CDMO business, with a 33%/44% YoY/QoQ jump in sales for 2QFY25. However, this was offset by weak API segment. The commercialization of CDMO contracts is expected to pick up in 2HFY25, driving sales as well as operating leverage.
- We cut our FY25/FY26/FY27 estimates by 6%/8%/5% to factor in: 1) a reduced off-take of ARV formulations; b) a gradual pick-up in ANDA-led FDF business; and c) a delay in onco-API sales. Compared to a stable 1HFY25 performance on the revenue/EBITDA front, we expect 13%/68% YoY growth in revenue/EBITDA to INR30b/INR7b for 2HFY25.
- The scale-up in sales from the CDMO segment and strong operating leverage are expected to drive strong performance for 2HFY25. Given the improving demand tailwind and increasing contribution expected from the CDMO segment over the next 3-4 years, we value LAURUS at 35x 12M forward earnings to arrive at our TP of INR530. **Reiterate BUY.**

Improved product mix outweighed by higher opex

- LAURUS' 2QFY25 revenue was broadly flat YoY to INR12.2b (our est. INR12.8b). Synthesis business (24% of sales) was up 33% YoY to INR3b. FDF sales remained stable YoY to INR3.3b (27% of sales). API sales (46% of sales) dipped 11% YoY to INR5.6b. Onco API sales declined 58% YoY to INR501m. ARV API sales remained flat YoY to INR3.7b, while other API segment sales grew 1% YoY to INR1.4b. Bio division sales (3% of sales) grew 3% YoY to INR400m during the quarter.
- Gross margin (GM) expanded 470bp YoY to 55.2%, due to a change in the segmental mix.
- However, EBITDA margin contracted ~80bp YoY to 14.6% (our est.: 13.9%) due to lower operating leverage (other expenses/employee costs up 120bp/220p YoY as % of sales). This was due to lower asset utilization and upfront costs in growth projects.
- EBITDA declined 5.1% YoY to INR1.8b (our est. INR1.8b).
- PAT declined at a higher rate of 46.3% YoY to INR198m (our est.: INR170m) on account of higher depreciation/interest expenses.
- For 1HFY25, revenue/EBITDA remained flat YoY at INR24.2b/INR3.5b. PAT declined 49% YoY to INR325m.

Highlights from the management commentary

- Management maintained its guidance of stable sales in FY25 vs. that in FY24. It also guided an EBITDA margin of 20% for FY25. Considering 1HFY25 EBITDA margin of 14.5%, the ask rate would be ~25% for 2HFY25.
- The CDMO business experienced improvement in 2QFY25 and likely to scale up in the coming quarters given the contracts at hand.

Consolidated- Quarterly Earnings Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E vs. Est	2QE (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	11,818	12,245	11,949	14,397	11,949	12,237	14,161	15,481	50,408	53,828	12,791	-4.3
YoY Change (%)	-23.2	-22.3	-22.6	4.3	1.1	-0.1	18.5	7.5	-16.6	6.8	4.5	
EBITDA	1,667	1,879	1,814	2,415	1,712	1,783	2,875	4,234	7,775	10,604	1,778	0.3
YoY Change (%)	-63.3	-58.1	-55.0	-15.4	2.7	-5.1	58.5	75.3	-51.2	36.4	-5.4	
Margins (%)	14.1	15.3	15.2	16.8	14.3	14.6	20.3	27.4	15.4	19.7	13.9	-0.67
Depreciation	906	934	984	1,023	1,061	1,075	1,040	1,014	3,846	4,189	1,065	
EBIT	762	945	830	1,392	651	708	1,835	3,221	3,929	6,415	713	-0.7
YoY Change (%)	-80.1	-74.3	-74.0	-29.9	-14.5	-25.1	121.0	131.3	-69.0	63.3	-24.6	
Margins (%)	6.4	7.7	6.9	9.7	5.5	5.8	13.0	20.8	7.8	11.9	5.6	
Interest	392	424	508	505	492	526	512	474	1,829	2,004	510	
Other Income	36	18	24	185	25	46	90	108	263	269	80	
PBT before EO expense	406	539	346	1,073	185	228	1,413	2,855	2,364	4,680	283	-19.4
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	406	539	346	1,073	185	228	1,413	2,855	2,364	4,680	283	-19.4
Tax	122	146	95	320	63	51	367	762	682	1,242	96	
Rate (%)	30.0	27.0	27.3	29.8	33.9	22.3	26.0	26.7	28.8	26.5	34.0	
Minority Interest & Profit/Loss of Asso. Cos.	16	24	20	-3	-5	-21	15	69	57	58	17	
Reported PAT	268	370	231	756	127	198	1,030	2,026	1,625	3,382	170	16.9
Adj PAT	268	370	231	756	127	198	1,030	2,026	1,625	3,382	170	16.9
YoY Change (%)	-89.4	-84.2	-88.6	-28.1	-52.7	-46.3	345.3	168.0	-79.6	108.1	-54.1	
Margins (%)	2.3	3.0	1.9	5.3	1.1	1.6	7.3	13.1	3.2	6.3	1.3	

E: MOFSL Estimates

Key performance Indicators (Consolidated)

(INRb)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	2QE
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
API	6.0	6.3	5.7	7.5	6.6	5.6	6.5	6.9	25.5	25.6	7.0	
YoY Change (%)	2.4	(7.5)	(9.2)	4.3	11.2	(11.4)	12.6	(7.1)	(2.5)	0.6	11.3	
Custom Synthesis	2.5	2.2	2.1	2.4	2.1	3.0	3.4	3.6	9.2	12.2	2.4	
YoY Change (%)	(56.7)	(68.9)	(67.0)	3.5	(14.4)	33.5	62.0	52.8	(57.5)	32.0	5.0	
Formulation	2.9	3.3	3.7	4.3	2.7	3.3	3.8	4.3	14.1	14.1	3.0	
YoY Change (%)	(18.3)	122.8	47.4	9.4	(3.9)	(1.2)	3.0	0.9	24.0	0.0	(10.0)	
Cost Break-up												
RM Cost (% of Sales)	49.4	47.5	45.6	50.2	44.9	44.8	44.2	40.7	48.3	43.5	48.0	
Staff Cost (% of Sales)	13.5	13.4	13.0	11.2	14.6	14.6	12.5	11.0	12.7	13.0	14.0	
R&D Expenses(% of Sales)	4.1	4.7	3.6	4.5	5.4	5.5	3.0	4.2	3.4	3.2	4.5	
Other Cost (% of Sales)	22.9	23.8	26.2	21.9	26.2	26.0	23.0	20.9	23.6	23.8	24.1	
Gross Margin (%)	50.6	52.5	54.4	49.8	55.1	55.2	55.8	59.3	51.7	56.5	52.0	
EBITDA Margin (%)	14.1	15.3	15.2	16.8	14.3	14.6	20.3	27.4	15.4	19.7	13.9	
EBIT Margin (%)	6.4	7.7	6.9	9.7	5.5	5.8	13.0	20.8	7.8	11.9	5.6	

E: MOFSL Estimates



Estimate change	↓
TP change	↓
Rating change	

Bloomberg	CYL IN
Equity Shares (m)	111
M.Cap.(INRb)/(USDb)	197.2 / 2.3
52-Week Range (INR)	2459 / 1542
1, 6, 12 Rel. Per (%)	-5/-15/-16
12M Avg Val (INR M)	919

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	74.1	82.7	93.2
EBIT Margin (%)	13.9	15.4	15.5
PAT	7.7	9.6	10.9
EPS (INR)	69.1	86.2	97.8
EPS Gr. (%)	3.3	24.8	13.4
BV/Sh. (INR)	414.2	449.0	488.4
Ratios			
RoE (%)	16.3	19.0	19.9
RoCE (%)	13.8	16.0	16.8
Payout (%)	60.0	60.0	60.0
Valuations			
P/E (x)	25.7	20.6	18.2
P/BV (x)	4.3	4.0	3.6
EV/EBITDA (x)	14.3	11.6	10.1
Div Yield (%)	2.3	2.9	3.3

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	23.2	23.2	23.2
DII	29.7	27.1	21.6
FII	29.2	30.3	36.6
Others	17.9	19.4	18.6

FII Includes depository receipts

CMP: INR1778 TP: INR2100 (+18%) Buy

Decent quarter, but uncertainties remain

2H execution is pivotal for guided FY25 exit

- DET business reported 2QFY25 revenues of USD173m, up 1.3% QoQ in CC vs. our estimate of 1.0% growth. Cyient reported broad-based growth in revenues across verticals, except Sustainability (down 6.45 QoQ cc). EBIT margin of the DET business was up 75bp QoQ/down 232bp YoY at 14.2%, above our estimates of 12.7%. Service order intake was muted at USD156.8m, down 14.7% YoY. DET PAT grew 24.9% QoQ/2.2% YoY to INR1,768m (est. INR1,427m). For 1HFY25, DET revenue/EBIT/PAT declined 2.3%/17.0%/7.3% vs. 1HFY24. In 2HFY25, we expect DET revenue/PAT to grow by 2.8%/4.9% and EBIT to decline 2.3% YoY. Our SOTP-based TP of INR2,100 implies an upside of 18%.

Our view: Worst is behind for FY25

- **2H to be better than 1H but our base case assumes guidance miss:** Cyient anticipates improved performance in 3Q, driven by the completion of some project-based work and reversal of furloughs in sustainability. The management has re-iterated its guidance of flat revenue growth for FY25.
- That said, industry-wide aerospace weakness, seasonal furloughs and soft order intake put the guidance at risk, and at 4.5% QoQ cc CQGR, it looks like a tall ask. Nonetheless, we believe, with its alignment to the right verticals and exposure to high-growth sectors (such as sem-con, sustainability, defense), Cyient has the potential to return to a double-digit growth rate over the medium term.
- **Sem-con investment encouraging:** Its investments in new growth areas (such as healthcare, autos) should ideally have led to a much smoother revenue runway. We find the strategic focus on the sem-con business as encouraging. The company established a subsidiary to handle turnkey semiconductor projects, positioning it as the next growth engine. However, it is too early to call out its material impact on overall business.
- **Margins:** We expect Cyient to gradually ramp up its margins from current levels, and we build 15.6% EBIT margin by 4QFY25. The company is targeting a 16% margin by 4Q, driven by growth leverage, and operational efficiency. However, we believe that order intake/revenue growth, and execution in 2H will be crucial factors to watch for Cyient to meet its yearly guidance.

Valuation and change in estimates

- Based on SOTP, we value the company's stake in DLM at a market valuation with a holding company discount of 20%. In our P/E-based valuation, we value the DET business at 25x Sep'26E EPS (27x earlier). We cut our target multiple largely on account of industry-wide uncertainties for key growth areas such as aerospace and sustainability, despite communication recovering. We largely maintained our estimates for FY25/FY26/FY27.
- We maintain our BUY rating on the stock, mainly owing to undemanding valuations and exposure to structurally strong verticals such as aerospace and sustainability. Our SOTP-based TP of INR2,100 implies an 18% upside.

Beat on revenues and margins, muted order intake

- DET revenue stood at USD173m, up 1.3% QoQ CC vs. our estimate of 1.0% growth. Consolidated revenue came in at USD214m, up +2.8% YoY CC.
- Connectivity revenue was up 3.9% QoQ in CC terms. Transportation and new growth areas were also up 3.4%/9.7% QoQ CC, while Sustainability revenue declined 6.4% QoQ CC.
- DET margins came in at 14.2% (est. 12.7%), up 75bp QoQ/down 232bp YoY.
- The order intake came in at USD156.8mn, down 14.7% YoY.
- DET PAT was up 24.9% QoQ/2.2% YoY at INR1768m (est. INR1427m).
- Declared interim dividend of INR12 per share.

Key highlights from the management commentary

- The Semiconductor business is crucial and is at an inflection point. Cyient is making strong and continued progress toward unlocking the potential of this business. A subsidiary has been established for the Semcon business to implement turnkey projects, which will serve as the next growth engine.
- Significant proceeds from the DLM divestment will be allocated to the Semcon business. Design and supply of chips involve different cost structures. The business is now operated independently, and the management expects to deliver good results in Semcon.
- Outlook: Cyient maintained its outlook for FY25 and expects 4Q-exit EBIT margins of 16%. Revenue growth for FY25 is expected to be flat YoY.
- Order intake declined QoQ. Due to macroeconomic factors, deals are being constructed for short durations. Cyient expects a stronger intake in 2H.
- The company is focused on sustainability in the energy sector. A dedicated entity has been established in the UAE to cater to the Middle East region, the world's largest energy market.

Valuation and view

Based on SOTP, we value the company's stake in DLM at a market valuation with a holding company discount of 20%. In our P/E-based valuation, we value the DET business at 25x Sep'26E EPS (27x earlier). We cut our target multiple largely on account of industry-wide uncertainties for key growth areas such as aerospace and sustainability, despite communication recovering. We largely maintained our estimates for FY25/FY26/FY27. We maintain our BUY rating on the stock, mainly owing to undemanding valuations and exposure to structurally strong verticals such as aerospace and sustainability. Our SOTP-based TP of INR2,100 implies an upside of 18%.

Consolidated Quarterly Performance

(INR M)

Y/E March	FY24				FY25				FY24	FY25E	Est. 2QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	205	214	219	224	205	221	224	239	862	889	204	8.4
QoQ (%)	-3.6	4.4	2.1	2.4	-8.3	7.5	1.4	6.8	15.5	3.0	-0.8	831bp
Revenue (INR m)	16,865	17,785	18,215	18,607	16,757	18,491	18,794	20,067	71,472	74,109	17,061	8.4
YoY (%)	34.9	27.4	12.6	6.2	-0.6	4.0	3.2	7.8	18.8	3.7	-4.1	804bp
GPM (%)	36.6	35.7	35.4	35.2	35.7	34.2	37.5	38.0	35.7	36.4	37.0	-283bp
SGA (%)	17.9	17.4	17.5	17.2	19.9	18.1	18.4	18.4	17.5	18.7	18.4	-26bp
EBITDA	3,156	3,258	3,261	3,353	2,651	2,965	3,590	3,933	13,028	13,139	3,173	-6.6
EBITDA Margin (%)	18.7	18.3	17.9	18.0	15.8	16.0	19.1	19.6	18.2	17.6	18.6	-257bp
EBIT	2,480	2,600	2,600	2,682	1,993	2,305	2,838	3,130	10,362	10,266	2,491	-7.5
EBIT Margin (%)	14.7	14.6	14.3	14.4	11.9	12.5	15.1	15.6	14.5	13.8	14.6	-213bp
Other income	-176	-134	-100	-89	-46	237	38	40	-499	269	34	594.6
ETR (%)	22.9	23.6	23.3	24.0	24.2	26.6	26.6	26.6	23.4	26.0	22.9	
Adj. PAT	1,777	1,884	1,918	1,970	1,476	1,866	2,111	2,328	7,549	7,780	1,948	-4.2
QoQ (%)	0.9	6.0	1.8	2.7	-25.1	26.4	13.1	10.3			32.0	-553bp
YoY (%)	53.1	54.7	17.8	11.8	-16.9	-1.0	10.1	18.1	30.9	3.1	3.4	-433bp
EPS (INR)	16	17	17	17	13	16	19	21	67	70	17.6	-7.5

DET Quarterly Performance

(INR M)

Y/E March	FY24				FY25				FY24	FY25E	Est. 2QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	177	178	179	179	170	173	179	186	714	708	173	0.2
QoQ (%)	0.5	0.7	0.4	0.1	-5.4	2.0	3.7	3.5	12.9	-0.9	1.8	24bp
Revenue (INR m)	14,546	14,762	14,914	14,892	14,144	14,496	15,063	15,590	59,114	59,293	14,460	0.2
YoY (%)	37.2	22.5	8.1	2.8	-2.8	-1.8	1.0	4.7	16.1	0.3	-2.0	20bp
GPM (%)	39.8	40.2	40.0	39.8	39.5	39.7	39.5	38.8	39.9	39.4	37.6	208bp
SGA (%)	19.5	19.7	20.0	19.7	21.9	21.5	20.8	19.3	19.7	20.9	21.0	45bp
EBITDA	2,956	3,036	2,981	2,987	2,487	2,642	2,817	3,040	11,960	10,986	2,400	10.1
EBITDA Margin (%)	20.3	20.6	20.0	20.1	17.6	18.2	18.7	19.5	20.2	18.5	16.6	163bp
EBIT	2,336	2,439	2,385	2,385	1,903	2,058	2,229	2,432	9,545	8,622	1,836	12.1
EBIT Margin (%)	16.1	16.5	16.0	16.0	13.5	14.2	14.8	15.6	16.1	14.5	12.7	150bp
Other income	-122	-180	-139	-107	-54	282	75	78	-548	381	29	872.4
ETR (%)	23.1	23.5	23.1	23.8	23.5	24.5	24.5	24.5	23.4	24.3	23.5	
Adj. PAT	1,703	1,728	1,727	1,735	1,414	1,766	1,739	1,894	6,893	6,813	1,427	23.8
QoQ (%)	6.1	1.5	-0.1	0.5	-18.5	24.9	-1.5	8.9			0.9	2399bp
YoY (%)	56.4	60.4	17.3	8.1	-17.0	2.2	0.7	9.2	31.5	-1.2	-17.4	1960bp
EPS (INR)	15	16	16	16	13	16	16	17	63	62	12.9	24.6

Key Performance Indicators (Consol)

Y/E March	FY24				FY25		FY24
	1Q	2Q	3Q	4Q	1Q	2Q	
Margins (%)							
Gross Margin	36.6	35.7	35.4	35.2	35.7	34.2	35.7
EBIT Margin	14.7	14.6	14.3	14.4	11.9	12.5	14.5
Net Margin	10.5	10.3	10.2	10.2	8.6	9.7	10.3
Operating metrics							
Headcount	15,306	15,438	15,678	15,461	15,083	14,799	15,461
Attrition (%)	23.0	20.4	18.4	17.1	23.0	15.0	17.1
Key Geographies (YoY %)							
North America	5.3%	0.1%	-2.6%	-3.3%	4.2%	8.9%	-0.3%
Europe	104%	41%	14%	7%	-9%	-13%	32%



IIFL Finance

Estimate changes	↓
TP change	↓
Rating change	

Bloomberg	IIFL IN
Equity Shares (m)	424
M.Cap.(INRb)/(USD\$b)	172.8 / 2.1
52-Week Range (INR)	654 / 304
1, 6, 12 Rel. Per (%)	-15/-10/-58
12M Avg Val (INR M)	1227

Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	59.6	53.8	65.6
Total Income	62.9	60.7	77.7
PPoP	34.8	30.8	44.9
PAT (pre-NCI)	19.7	9.7	24.7
PAT (post-NCI)	17.6	7.0	21.5
EPS (INR)	46.2	16.4	50.7
EPS Gr. (%)	17	-64	209
BV (INR)	279	292	338

Ratios (%)

NIM	8.3	6.9	7.5
C/I ratio	44.6	49.2	42.2
Credit cost	2.0	2.5	2.1
RoA	3.4	1.5	3.4
RoE	18.0	6.0	16.1

Valuations

P/E (x)	8.8	24.8	8.0
P/BV (x)	1.5	1.4	1.2

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	24.9	24.9	24.8
DII	6.3	7.4	7.3
FII	29.6	30.3	28.3
Others	39.2	37.4	39.6

FII Includes depository receipts

CMP: INR407 TP: INR530 (+30%) Buy

Earnings miss due to one-off provisions on AIF investments

- **Minor deterioration in asset quality; credit costs high**
- IIFL Finance's (IIFL) 2QFY25 NII declined 6% YoY and ~7% QoQ to ~INR13.4b (in line). Other income stood at ~INR2.5b (PY: INR1.9b), significantly higher than our estimate because of higher treasury and assignment income.
- Opex grew 8% YoY to INR7.3b (in line) with the cost-income ratio at 46% (PQ: 52% and PY: 42%). PPoP stood at INR8.5b, down ~9% YoY (35% beat). Credit costs rose to ~3.6% (PQ: 2.1 and PY: ~2.4%) primarily due to high credit costs in its microfinance and MSME/digital loans segments.
- PBT, before exceptional items, declined 35% YoY to INR4.5b. Loss during the quarter stood at ~INR1.6b due to one-off provisions of ~INR5.9b on AIF investments. For 1HFY25, PAT declined ~86% YoY and we expect 2HFY25 PAT to decline by ~35% YoY.

Lower AUM growth due to ban on gold loans/calibration in MFI

- Consol. AUM declined 8% YoY and ~4% QoQ to INR670b. On-book loans were flat YoY. Off-book formed ~34% of the AUM mix, including co-lending forming ~13% of the AUM mix.
- Sequential decline in AUM was driven by gold loans (-27%), wholesale CRE book (-2%) and microfinance (-6%). Home loans rose ~4% QoQ and digital loans grew ~18% QoQ.
- Gold loan AUM stood at ~INR108b as of Sep'24 and scaled up to ~INR120b as of 3QTD. Disbursements (core products) declined ~54% YoY to ~INR73b, mainly driven by a ban on gold loans and sharp deceleration in microfinance and LAP disbursements. However, IIFL resumed disbursing gold loans after the RBI lifted restrictions, with gold loan disbursements of ~INR13b in 2Q.
- IIFL will focus more on secured loans like Gold loans and LAP. It will look to lend from its own balance sheet rather than under co-lending.
- Microfinance business is going through challenging times amid concerns about over-leveraging. IIFL expects this stress to persist in the current and next quarter, but anticipates a rebound thereafter.
- We estimate consolidated AUM to decline ~1% YoY in FY25 and grow ~23% YoY in FY26, resulting in consol. AUM CAGR of ~13% over FY24-27E.

NIMs expand ~10bp QoQ due to ~25bp QoQ increase in yields

- Consolidated yields and CoB increased ~25bp each QoQ to ~13.6% and ~9.7%, respectively. Calculated NIMs expanded ~10bp QoQ.
- After the lifting of RBI ban, IIFL has applied to banks for sanctions and it expects liquidity to improve, which will allow it to grow the gold loan book at a healthy pace.

Minor deterioration in asset quality; credit costs elevated due to MFI

- GS3 rose ~15bp QoQ to ~2.4%, while NS3 declined ~5bp QoQ to ~1.1%, due to a ~4pp increase in S3 PCR to 55%. The company reported a deterioration in its MFI asset quality, with MFI GS3 increasing to 3.4% (PQ: 2.3%).
- Consolidated credit costs rose to ~3.6% (PQ: 2.1% and PY: ~2.4%) primarily because of microfinance and MSME/digital loans segments.
- IIFL Samasta guided for MFI credit costs of ~3.75%-4.0%. In the first two quarters, IIFL has incurred credit costs of ~INR3b, (~INR2b in write-offs and ~INR1b in provisions). For the full year, MFI credit costs are projected to be between INR4.5b-5b. We expect consolidated credit costs to increase to ~2.5% in FY25 and then gradually decline to ~2.1% in FY26.

Highlights from the management commentary

- Expects that by Mar'25 end, the momentum in gold business will be back to where it was prior to the RBI ban. MFI loan book will likely continue to consolidate. In the HFC, the company has guided for an AUM growth of 17-18% in FY25, with ~20% growth in home loans and 16-18% growth in other segments.
- For its MFI business, 2Q was the worst quarter, but the flows have not completely stopped. It is seeing early signs of stabilization in forward flows. CE has slightly improved in Oct'24 relative to Sep'24
- Industry stress in unsecured loans is in the personal and consumer loans. However, the focus of IIFL in its digital loans is on unsecured business loans, which are protected by insurance schemes such as CGTMSE.
- Initial investment in the AIF was INR9-10b and the outstanding SRs after the ARC sale were INR5.9b. AIF investment was made in Jun'21 and it was expected to be liquidated in Jun'24. IIFL made one-time exceptional non-cash provisions of INR5.9b and it expects recoveries to happen over the next 2-3 years.

Valuation and view

- IIFL management shared that with the embargo on the gold lending business now lifted, the company is well-positioned for the next phase of high-quality growth in secured products like gold loans and LAP.
- The stock trades at 1.2x FY26E P/BV and ~8x P/E for a PAT CAGR of ~16% over FY24-FY27E. We estimate RoA/RoE to decline to 1.5%/6% in FY25 (impact of gold loan ban and one-off AIF provisions) but recover to 3.4%/16% in FY26. We have a BUY rating on the stock and a TP of INR530 (based on SOTP valuation; refer table below).

IIFL Finance: SOTP - Sep'26E

Particulars	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	99	1.2	233	44	1.3	PBV
IIFL Home Finance (HFC)	80	102	1.2	242	46	1.7	PBV
IIFL Samasta Finance (MFI)	100	23	0.3	55	10	0.9	PBV
Target Value		224	2.7	530	100		
Current market cap.		173	2.1	407			
Upside (%)		30	30	30			

IIFL Finance (Consolidated): Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	2QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	21,989	23,576	25,630	27,200	24,721	23,181	23,645	22,872	98,386	94,419	22,249	4
Interest Expenses	8,878	9,321	9,885	10,744	10,340	9,788	9,984	10,487	38,829	40,598	9,409	4
Net Interest Income	13,111	14,255	15,745	16,456	14,381	13,394	13,661	12,385	59,557	53,821	12,840	4
YoY Growth (%)	48.9	44.7	44.7	38.9	9.7	-6.0	-13.2	-24.7	43.6	-9.6	-9.9	
Other Income	1,306	1,878	1,120	-873	-43	2,467	1,993	2,455	3,342	6,872	640	286
Total Income	14,417	16,134	16,865	15,584	14,338	15,861	15,655	14,840	62,899	60,693	13,479	18
YoY Growth (%)	20	26	26	10	-1	-2	-7	-5	20.4	-3.5	-16.5	
Operating Expenses	6,332	6,772	7,272	7,691	7,461	7,329	7,520	7,551	28,067	29,861	7,161	2
Operating Profit	8,085	9,361	9,593	7,893	6,877	8,532	8,135	7,288	34,832	30,832	6,318	35
YoY Growth (%)	18.4	29.0	24.9	-1.6	-14.9	-8.9	-15.2	-7.7	16.9	-11.5	-32.5	
Provisions & Loan Losses	1,901	2,526	2,430	2,356	2,516	4,063	3,251	2,758	9,113	12,587	2,465	65
Profit before Tax	6,184	6,835	7,163	5,537	4,362	4,468	4,885	4,531	25,719	12,380	3,853	16
Exceptional items		0				-5,865						
Tax Provisions	1,455	1,580	1,711	1,231	980	-466	982	1,226	5,977	2,721	935	-150
PAT (Pre NCI)	4,729	5,255	5,452	4,306	3,382	-931	3,903	3,305	19,742	9,659	2,918	-132
NCI	475	513	548	572	501	646	711	842	2,107	2,700	491	31.6
PAT (Post NCI)	4,254	4,743	4,904	3,734	2,881	-1,577	3,192	2,463	17,635	6,959	2,427	-165.0
YoY Growth (%)	29	25	30	-10	-32	-133	-35	-34	18	-61	-49	
Key Parameters (%)	8,996.8		8,638.3		1,303.8	-155	5,654.9	-34.5				
Yield on AUM	13.2	13.35	13.6	13.9	13.31	13.58	13.6	12.2				
Cost of funds	9.1	9.46	9.5	9.7	9.46	9.72	9.6	9.3				
Spread	4.1	3.9	4.1	4.3	3.8	3.9	4.0	2.8				
NIM (on AUM)	7.9	8.1	8.4	8.4	7.7	7.8	7.5	6.9				
Credit cost	1.9	2.4	2.1	1.9	2.1	3.6	2.8	2.2				
Cost to Income Ratio (%)	43.9	42.0	43.1	49.4	52.0	46.2	50.0	48.9				
Tax Rate (%)	23.5	23.1	23.9	22.2	22.5	-10.4	23.0	23.8				
Balance Sheet Parameters				2.0	-11.8	-3.8						
Consol. AUM (INR B)	682	731	774	790	696	670	724	781				
Change YoY (%)	29	32	34	22	2	-8	-7	-1				
Disbursements - Core (INR B)	150	159	166	163	43	73	151	171				
Change YoY (%)	30	32	27	-15	-71	-54	-9	5				
Borrowings (INR B)	385	404	430	460	414	391	441	459				
Change YoY (%)	11	16	19	16	8	-3	3	0				
Borrowings/AUM (%)	56.4	55.3	55.5	58.2	59.5	58.4	61.0	58.7				
Debt/Equity (x)	4.1	4.1	4.1	4.4	3.4	3.3	3.1	3.3				
Asset Quality (%)												
GS 3 (INR M)	7,639	7,931	8,026	11,692	10,231	10,687						
G3 %	1.8	1.80	1.7	2.30	2.25	2.40						
NS 3 (INR M)	4,400	4,402	4,045	5,951	4,982	4,756						
NS3 %	1.1	1.01	0.9	1.18	1.11	1.08						
PCR (%)	42.4	44.5	49.6	49.1	51.3	55.5						
ECL (%)	2.9	2.9	2.6	2.4	2.9	3.2						
Return Ratios - YTD (%)												
ROA (Rep)	3.6	3.9	3.8	3.4	2.3	0.8						
ROE (Rep)	19.1	20.1	19.7	18.4	10.3	2.3						

E: MOFSL Estimates



Craftsman Automation

Estimate changes	↓ ↓ ↓
TP change	
Rating change	

CMP: INR5,305 TP: INR5,435 (+2%) Downgrade to Neutral

Yet another quarter of disappointing performance

Big leap forward, to hurt returns till all new projects stabilise

Bloomberg	CRAFTSMA IN
Equity Shares (m)	24
M.Cap.(INRb)/(USDb)	126.5 / 1.5
52-Week Range (INR)	7121 / 3782
1, 6, 12 Rel. Per (%)	-12/6/-9
12M Avg Val (INR M)	360

- Craftsman Automation (CRAFTSMA) reported a weak quarter, as PAT of INR617m came in significantly below our est. of INR785m. This was largely due to the impact of start-up costs of new plants that have commenced production and also led by a weak performance in the Storage segment.
- Management is executing multiple projects simultaneously, which include: 1) the ramp-up of two new greenfield plants, and 2) two acquisitions having sub-par financials. While these strategic initiatives appear to be in the right direction for the long run, they are likely to hurt the company's financial performance for at least the next 12-15 months.
- Based on the limited disclosures, we have now factored in the two new acquisitions into our financials. This has led to a 17%/13% cut in our earnings for FY25/FY26E. **Given the absence of any near-term earnings trigger and the execution risk of multiple new projects, we downgrade the stock to Neutral (from BUY) with a TP of INR5,435 (valued at 23x Sep'26E EPS).**

Consol. Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Sales	44.5	59.4	75.3
EBITDA	8.8	8.5	10.6
Adj. PAT	3.0	2.9	4.6
EPS (INR)	144.2	120.1	193.3
EPS Gr. (%)	22.6	-16.7	60.9
BV/Sh. (INR)	785	1,301	1,472

Ratios

RoE (%)	20.1	12.0	13.9
RoCE (%)	15.2	11.0	12.2
Payout (%)	7.8	15.0	11.4

Valuations

P/E (x)	36.8	44.2	27.5
P/BV (x)	6.8	4.1	3.6
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	-1.0	-3.4	0.1

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	48.7	48.7	55.0
DII	21.5	21.5	17.3
FII	16.6	15.8	12.7
Others	13.2	14.1	15.1

FII Includes depository receipts

Adj. for acquisition impact, EBITDA declines 8-10% vs. ~19% reported

- Results for the quarter also include financials of the newly acquired subsidiaries: Craftsman Germany GmbH and Craftsman Fronberg Guss GmbH, Germany (w.e.f. 22nd Jul'24).
- Its 2Q consol. revenue grew ~3% YoY to INR12.1b (in line), while EBITDA/PAT declined 19%/35% YoY to INR1.93b/0.6b (est. INR2.2b/0.79b). 1HFY25 revenue grew 7% YoY while EBITDA/adj PAT declined 14%/32% YoY.
- Consol. gross margin contracted 240bp YoY/ (+70bp QoQ) to 44.4%. However, this was offset by higher other expenses as well as employee costs, resulting in an EBITDA miss at INR1.9b (-19% YoY), vs. est. INR2.2b.
- Margins were impacted due to start-up costs of the new plants that became operational. Adjusted for this, EBITDA decline would be 8-10% YoY at both standalone and consolidated level.
- Weak operating performance resulted in ~35% YoY decline in Adj. PAT at INR0.62b (est. INR0.79b).
- CFO/FCF declined to negative INR3.64b/INR8.3b in 1HFY25, down from INR1.7b/-INR1.08b. Driven by the acquisitions and capex, the management has guided for debt of INR16b at the end of FY25.

Standalone

- Revenue for the quarter grew ~10% YoY at INR9.1b (est. INR8.8b). EBITDA/Adj. PAT for the quarter declined ~24%/ 54% YoY to INR1.3b/INR0.3b (est. INR1.5b/0.42b). 1HFY25 revenue grew 12% YoY while EBITDA/adj.PAT declined 17%/48% YoY. 2HFY25 revenue/EBITDA/adj.PAT is estimated to grow 23%/10%/35% YoY.
- Auto powertrain/Alu products/industrial segments grew 9.5%/17%/2% YoY.
- PBIT margin for powertrain/aluminium divisions contracted 490bp YoY/ 330bp YoY to 14.7%/11.8%, while the margin for industrials division contracted to 0.2% (from 10.3% in 2QFY24).

Highlights from the management interaction

- **Sunbeam:** CRAFTSMA acquired the entire company, contrary to its earlier plan of acquiring only three plants. Hence, the deal size increased from INR4b to INR7b. This entity will be consolidated in CRAFTSMA from Q3 onwards. The FY24 revenue was INR12b (60% of revenue in aluminum), while the EBITDA has been negative for 3-4 years. Expect flattish revenue for FY26. The company is targeting high single-digit or low double-digit EBITDA. Also, it expects marginal positive EBITDA for 4Q.
- **Kothavadi:** The combined casting and machining revenue is projected between INR5-6b at 70-80% utilization, with potential to reach INR6-7b with further debottlenecking.
- **Bhivadi:** Production has started with currently 25% capacity and should reach 50-70% utilization capacity by 4Q. This year, it is expected to generate INR1b in revenue. It has completed INR1.5b in capex as of now, excluding land costs.
- **Financial outlook:** In FY25, it expects to end with INR16b in debt, decreasing to INR12b post the Gurgaon land sale expected by FY26E. It aims to maintain a Debt/EBITDA ratio between 1.0x and 1.5x. **Margin guidance post normalisation:** Craftsman will sustain high teens of 17-18%. It expects low single digit EBITDA for global subs and 8-10% EBITDA for Sunbeam.

Valuation and view

- Management is now executing multiple projects simultaneously, which include: 1) the ramp-up of two new greenfield plants; 2) the acquisition of Sunbeam, which has been loss-making, and the company would need to turn around the same; and 3) the acquisition of Fronberg. This is happening at a time when its core segment CVs and tractors are seeing a weak demand trend. While these strategic initiatives appear to be in the right direction for the long run, it is likely to hurt returns for at least the next 12-15 months, by which time we hope to expect: 1) turnaround at Sunbeam, 2) stabilization of the greenfields, and 3) ramp-up of orders in the large engine segments. If any of these timelines are not met, it will lead to further downside risk to our earnings.
- Based on the limited disclosures, we have now factored in the two new acquisitions into our financials. This has led to a 17%/13% cut in our earnings for FY25/FY26E. Following the earnings cut, the stock appears fairly valued at ~44x/27.5x FY25E/FY26E consolidated EPS. **However, given the absence of any near-term earnings trigger and the execution risk of multiple projects, we downgrade the stock to Neutral (from BUY) with a TP of INR5,435 (valued at 23x Sep'26E EPS).**

Quarterly (Consol)

(INR Million)

	FY24				FY25E				FY24	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	
Net operating income	10,376	11,791	11,297	11,053	11,512	12,140	16,992	18,736	44,517	59,379	12,162
Change (%)	53.5	52.9	50.8	12.7	10.9	3.0	50.4	69.5	39.9	33.4	3.1
RM/Sales (%)	52.5	53.2	53.2	54.1	56.3	55.6	57.0	57.3	53.3	56.7	56.3
Staff Cost (% of Sales)	6.5	6.1	6.8	6.6	6.4	6.9	9.5	8.2	6.5	7.9	6.2
Other Exp. (% of Sales)	20.4	20.6	20.6	20.5	20.1	21.6	22.0	20.7	20.5	21.1	19.8
EBITDA	2,142	2,375	2,202	2,069	1,973	1,928	1,954	2,598	8,788	8,453	2,159
EBITDA Margins (%)	20.6	20.1	19.5	18.7	17.1	15.9	11.5	13.9	19.7	14.2	17.8
Non-Operating Income	37	47	35	53	48	64	120	109	172	342	52
Interest	424	416	442	464	492	413	480	503	1745	1888	435
Depreciation	683	668	703	723	725	762	1050	1124	2777	3661	745
Minority Int/Share of Profit	62	97	82	79	61	-4	0	0	320	57	0
PBT after EO items	1,011	1,241	1,010	856	744	821	544	1,079	4,118	3,189	1,031
Eff. Tax Rate (%)	26.3	23.8	27.6	27.2	28.5	24.9	-9.2	-3.9	26.1	10.2	23.9
Rep. PAT	745	945	731	623	532	617	594	1,121	3,045	2,864	785
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-18.8	79.9	22.6	-5.9	-17.0
Adj. PAT	745	945	731	623	532	617	594	1,121	3,045	2,864	785
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-18.8	79.9	22.6	-5.9	-17.0

E: MOFSL Estimates



Westlife Foodworld

Estimate change	↓
TP change	↓
Rating change	

CMP: INR802 TP: INR800 Neutral

Sluggish performance; earnings risk continues

- Westlife Foodworld (WLDL) reported flat YoY sales of INR6.2b with same-store sales of 6.5% YoY decline (in-line). The off-premise business grew 5% YoY, led by delivery and drive-thru stores, while the on-premise business dropped 2% YoY. Demand challenges and fast store additions by the industry over the last three years continued to hurt the growth metrics.
- WLDL added net five new stores (+10% YoY) in 2Q. Its store expansion spree will continue as the management guided 45-50 new store additions in FY25 with a focus on South India, smaller towns, and drive-thru stores.
- GM contracted marginally by 40bp YoY/90bp QoQ to 69.7% (est. 70.8%). EBITDA margin contracted 350bp YoY/20bp QoQ to 12.7%. (miss). Restaurant Operating Margin (ROM; pre-IND-AS) contracted 430bp/80bp YoY/QoQ to 13.5% (est. 15.2%) due to operating deleverage and royalty expenses.
- PBT continued to show weakness and dipped 98% YoY in 2QFY25 (margin at <1%). We continue to see earnings risk due to slow demand recovery, competitive pressure, and weak unit economics. **We reiterate our Neutral rating with a TP of INR800, based on 35x Sep'26E EV/EBITDA (pre-IND-AS).**

Bloomberg	WESTLIFE IN
Equity Shares (m)	156
M.Cap.(INRb)/(USDb)	125.1 / 1.5
52-Week Range (INR)	960 / 701
1, 6, 12 Rel. Per (%)	-4/-11/-39
12M Avg Val (INR M)	160

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	23.9	25.0	28.4
Sales growth (%)	5.0	4.6	13.4
EBITDA	3.8	3.3	4.4
Margins (%)	15.8	13.2	15.4
Adj. PAT	0.7	0.2	0.9
Adj. EPS (INR)	4.4	1.1	5.7
EPS Growth (%)	-38.0	-75.3	418.0
BV/Sh.(INR)	37.7	47.7	46.5

Ratios

RoE (%)	12.0	2.6	12.1
RoCE (%)	8.0	5.5	8.7

Valuations

P/E (x)	180.7	731.0	141.1
P/BV (x)	21.3	16.8	17.2
EV/EBITDA (x)	36.3	41.4	31.6
EV/Sales (x)	5.7	5.5	4.9

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	56.3	56.3	56.2
DII	21.3	21.0	23.7
FII	14.1	14.2	10.8
Others	8.4	8.6	9.4

FII Includes depository receipts

Weak SSSG continues to dent operating performance

- Muted sales growth:** WLDL sales were flattish YoY at INR6.2b (est. INR6.3b) led by store addition of 10% YoY. Same store sales declined 6.5% YoY in 2QFY25 (est. -6.5%). WLDL opened net six stores, taking the total count to 408 stores in 66 cities. The on-premise business continued to experience weakness and posted 2% YoY decline, while the off-premise business grew 5% YoY. Average sales per store dipped 10% YoY to INR60m (annual).
- Weakness in margin:** GM contracted marginally by 40bp YoY/ 90bp QoQ to 69.7% (est.70.8%) due to temporary increase in RM prices. EBITDA margin contracted 350bp YoY/20bp QoQ to 12.7%. (est. 13.5%). ROM pre IND AS was down 430bp/80bp YoY/QoQ to 13.5% (est. 15.2%).
- Decline in EBITDA/PBT/APAT:** EBITDA declined 21% YoY to INR786m (est. INR863m) due to unfavorable operating leverage and higher royalty cost. PBT dipped 98% YoY to INR7m (est. INR118m). PAT declined 98% YoY to INR4m (est. INR89m).
- In 1HFY25, net sales were flat YoY, while EBITDA and PAT declined 23%/93% YoY, respectively. We model 9% growth in sales, flat EBITDA, and 25% YoY decline in APAT in 2HFY25.

Key takeaways from the management commentary

- The demand environment across the mass consumption categories and retail sectors remained subdued, further impacted by extended rainfall.
- Market share is steadily increasing in the West, reinforcing the company's market leadership. Market share in the South is approaching a strong position this quarter. Month-on-month market share gains reflect the company's focus on strong execution and brand building.
- Gross margin at 69.7% was lower sequentially on account of a temporary spike in fresh produce prices. The company expects gross margin to revive to +70% levels in the 2HFY25. System level pricing remained stable in 2Q.
- McDonald's India launched several strategic and high-impact initiatives during the quarter. It partnered with CSIR-Central Food Technological Research Institute (CFTRI) to introduce the Multi Millet Bun, enhancing the nutritional value of its offerings under the 'Real Food Real Good' platform.
- WLDL plans to open 45-50 new stores in FY25, with a target of expanding its network to 580-630 restaurants by 2027.

Valuation and view

- We cut our EBITDA estimates by 7%/4% for FY25 and FY26.
- WLDL has been aggressive on store additions, which was not the case historically. The current demand environment is not conducive to aggressive expansion. Therefore, the benefits of the same will be back-ended.
- The QSR industry has been witnessing weakness in growth metrics, leading to a sharp deceleration in the margin profile (a typical trend in QSR during the down cycle). We do not see any near-term respite in demand and operating margin.
- **We reiterate our Neutral rating with a TP of INR800, based on 35x Sep'26E EV/EBITDA (pre-IND-AS).**

Consolidated quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
SSSG %	7.0	1.0	(9.0)	(5.0)	(6.7)	(6.5)	2.0	3.2	-1.5	-2.0	-6.5	
No. of McDonald's restaurants	361	370	380	397	403	408	421	441	398	441	413	
Net Sales	6,145	6,147	6,003	5,623	6,163	6,180	6,518	6,162	23,918	25,023	6,284	-1.6
YoY Change (%)	14.2	7.4	-1.8	1.1	0.3	0.5	8.6	9.6	5.0	4.6	2.2	
Gross profit	4,337	4,310	4,219	3,945	4,351	4,306	4,595	4,314	16,811	17,566	4,449	-3.2
Margin (%)	70.6	70.1	70.3	70.2	70.6	69.7	70.5	70.0	70.3	70.2	70.8	
EBITDA	1,053	997	960	771	799	786	874	848	3,780	3,308	851	-7.6
YoY Change (%)	14.3	0.9	-12.9	-16.1	-24.1	-21.1	-12.3	-11.6	-3.8	-12.5	-19.2	
Margins (%)	17.1	16.2	16.0	13.7	13.0	12.7	13.4	13.8	15.8	13.2	13.5	
Depreciation	439	453	491	503	506	528	520	515	1,886	2,070	508	
Interest	260	274	282	283	298	316	315	322	1,099	1,250	279	
Other Income	52	32	44	35	51	65	60	65	162	241	55	
PBT	406	302	231	20	45	7	99	77	958	228	118	-93.9
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT after EO expense	406	302	231	20	45	7	99	77	958	228	118	
Tax	118	78	59	12	13	3	25	16	266	57	30	
Rate (%)	29.0	26.0	25.3	60.6	27.9	48.1	25.0	21.1	27.8	25.0	25.0	
Reported PAT	288	224	172	8	33	4	74	61	692	171	89	
Adj PAT	288	224	172	8	33	4	74	61	692	171	89	-95.8
YoY Change (%)	22.0	-29.2	-52.6	-96.1	-88.7	-98.3	-57.0	682.7	L/P	L/P	-60.3	
Margins (%)	4.7	3.6	2.9	0.1	0.5	0.1	1.1	1.0	2.9	0.7	1.4	

E: MOFSL Estimates



Birla Corporation

Estimate change
 TP change
 Rating change

CMP: INR1,152 TP: INR1,500 (+30%) Buy

In-line performance; near-term headwinds hurt margins

Estimate volume growth at ~4% YoY in FY25

- BCORP's 2QFY25 EBITDA declined 39% YoY to INR1.8b (in line) and EBITDA/t fell 35% YoY to INR446 (est. INR436). OPM dipped 3.6pp YoY to 9%. The company reported a net loss of INR252m vs. PAT of INR586m in 2QFY24.
- The management is not much optimistic about the near-term outlook as the festive season and upcoming state elections could delay the expected recovery until Nov'24-end. It estimates volume growth at ~4% YoY in FY25, implying ~7-8% growth in 2HFY25. It estimates EBITDA/t improvement of up to INR150-170/t in 2H, out of which INR70/t would be from projects Unnati and Shikhar (combined), and the balance will be from better realization, positive operating leverage, and other cost savings.
- We cut our EBITDA estimates by ~8%/7%/5% for FY25/FY26/FY27 due to a slower-than-expected recovery in demand and prices. We value the stock at 9x Sep'26E EV/EBITDA to arrive at our revised TP of INR1,500 (earlier 1,650). **Reiterate BUY.**

Cement realization/t declines 9% YoY; opex/t down 6% YoY

- Consol. revenue/EBITDA stood at INR19.5b/INR1.8b (down 15%/39% YoY and +1%/+5% vs. our estimates) in 2QFY25. Sales volumes declined 5% YoY to 4.0mt. Cement realization declined 9% YoY to INR4,722. Opex/t declined ~6% YoY, led by a 17% decline in variable costs. Employee costs/other expenses/freight costs per ton rose ~4%/3%/1% YoY.
- OPM dipped 3.6pp YoY to ~9% and EBITDA/t fell 35% YoY to INR446. Interest costs declined 11% YoY and 'other income' fell 37% YoY. BCORP reported a net loss of INR252m vs. PAT of INR586m in 2QFY24.
- In 1HFY25, consol. revenue/EBITDA/PAT declined 12%/26%/94% YoY. OPM was down 2pp YoY at ~11% and EBITDA/t fell ~24% YoY to INR520. In 2HFY25, we estimate implied revenue/EBITDA/PAT to decline ~5%/26%/39% YoY and OPM to fall 4pp YoY to ~13% (up 2pp QoQ). We estimate EBITDA/t at INR685 vs. INR940/INR520 in 2HFY24/1HFY25.

Highlights from the management commentary

- Overall capacity utilization stood at ~80%, with ~90% utilization in core markets. It aims to again scale up the capacity utilization at its central India plant to ~100% and Mukutban plant to ~60%.
- In central and north regions, there has been a major shift toward the non-trade segment, which saw a sharp price correction during 1HFY25.
- SGST incentive accrued at INR170m in 2QFY25 from the Mukutban plant. It maintains its full-year incentive guidance of INR1.0b in FY25.

Valuation and View

- BCORP's reported performance was in line with our estimates. We expect a gradual recovery in profitability due to near-term challenges. We estimate a CAGR of 2%/5%/14% in consol. revenue/EBITDA/PAT over FY24-27.
- BCORP trades inexpensively at 7x/6x FY26E/FY27E EV/EBITDA, a lower valuation than its similar-sized peers. We reiterate our BUY rating with a revised TP of INR1,500 (earlier INR1,650), based on 9x Sep'26E EV/EBITDA.

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USD\$)	88.7 / 1.1
52-Week Range (INR)	1802 / 1100
1, 6, 12 Rel. Per (%)	-5/-31/-31
12M Avg Val (INR M)	247

Financial Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	88.8	96.5	103.8
EBITDA	10.7	14.3	16.5
Adj. PAT	1.9	4.6	6.2
EBITDA Margin (%)	12.0	14.8	15.9
Adj. EPS (INR)	24.7	60.2	80.1
EPS Gr. (%)	-54.2	143.4	33.2
BV/Sh. (INR)	879	927	996

Ratios

Net D:E	0.5	0.4	0.4
RoE (%)	2.8	6.7	8.3
RoCE (%)	3.8	6.0	7.0
Payout (%)	49	20	15

Valuations

P/E (x)	46.6	19.2	14.4
P/BV (x)	1.3	1.2	1.2
EV/EBITDA(x)	10.1	7.3	6.2
EV/ton (USD)	64	58	54
Div. Yield (%)	1.0	1.0	1.0

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	62.9	62.9	62.9
DII	16.2	16.3	16.0
FII	5.5	6.0	6.6
Others	15.4	14.9	14.5

FII Includes depository receipts

Consolidated performance (INR b)												
Y/E March	FY24				FY25				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Cement Sales (MT)	4.4	4.2	4.2	4.9	4.4	4.0	4.4	4.9	17.7	17.6	3.9	2
YoY Change (%)	12.2	14.8	12.9	9.2	(0.7)	(5.0)	4.0	0.7	12.2	(0.3)	(7.0)	
Cement Realization	5,229	5,211	5,316	5,218	4,843	4,722	4,842	4,911	5,239	4,834	4,743	(0)
YoY Change (%)	(2.2)	1.2	2.7	(1.2)	(7.4)	(9.4)	(8.9)	(5.9)	(0.0)	(7.7)	(9.0)	
QoQ Change (%)	(0.9)	(0.3)	2.0	(1.8)	(7.2)	(2.5)	2.5	1.4			(2.1)	
Net Sales	24.1	22.9	23.1	26.6	21.9	19.5	22.2	25.2	96.6	88.8	19.4	1
YoY Change (%)	9.3	14.3	14.7	7.9	(9.1)	(14.6)	(3.9)	(5.3)	11.3	(8.1)	(15.1)	
Total Expenditure	21.1	20.0	19.3	21.8	19.3	17.8	19.6	21.5	82.3	78.1	17.7	0
EBITDA	3.0	2.9	3.8	4.7	2.6	1.8	2.6	3.7	14.4	10.7	1.7	5
Margin (%)	12.4	12.6	16.4	17.8	11.8	9.1	11.9	14.7	14.9	12.0	8.7	34
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.4	5.8	5.8	1.5	(1)
Interest	1.0	1.0	1.0	0.8	0.9	0.9	0.8	0.8	3.7	3.3	0.9	(2)
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.4	0.9	1.0	0.2	(20)
Profit before Tax	0.8	0.8	1.5	2.7	0.4	-0.4	0.6	1.9	5.7	2.6	-0.4	NA
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-	-	
Profit before Tax after EO	0.8	0.8	1.5	2.7	0.4	-0.4	0.6	1.9	5.8	2.6	-0.4	NA
Tax	0.2	0.2	0.4	0.8	0.1	-0.1	0.2	0.5	1.6	0.7	-0.1	
Rate (%)	21.7	24.3	28.9	29.2	25.9	29.4	29.4	24.9	27.5	25.5	25.9	
Reported PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.4	1.4	4.2	1.9	-0.3	NA
Adj. PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.4	1.4	4.2	1.9	-0.3	NA
Margin (%)	2.5	2.6	4.7	7.1	1.5	-1.3	1.9	5.6	4.3	2.1	-1.6	
YoY Change (%)	(16.2)	NM	NM	164.6	(45.4)	NM	(60.5)	(25.8)	1,052.2	(54.2)	(154.5)	

Per tonne analysis (INR)

Blended Realization	5,461	5,468	5,505	5,477	5,001	4,918	5,087	5,155	5,475	5,046	4,992	(1)
YoY Change (%)	(2.6)	(0.5)	1.6	(1.2)	(8.4)	(10.1)	(7.6)	(5.9)	(0.8)	(7.8)	(8.7)	
Raw Material	958	917	782	921	666	719	769	762	896	730	716	0
Staff Cost	317	341	336	274	337	354	338	304	315	332	390	(9)
Power and Fuel	1,153	1,183	1,094	1,000	1,004	1,025	1,015	1,017	1,103	1,015	1,020	0
Transport and Forwarding	1,321	1,240	1,325	1,284	1,322	1,249	1,310	1,307	1,292	1,298	1,295	(4)
Other Exp.	1,038	1,096	1,066	1,024	1,082	1,126	1,050	1,009	1,061	1,064	1,135	(1)
Total Expenditure	4,786	4,777	4,604	4,503	4,411	4,472	4,481	4,399	4,660	4,439	4,556	(2)
EBITDA	675	691	901	974	590	446	606	756	815	607	436	2

Source: Company, MOFSL Estimates



MAS Financial Services

Estimate change
 TP change
 Rating change

CMP: INR288 TP: INR360 (+25%) Buy

Bloomberg	MASFIN IN
Equity Shares (m)	181
M.Cap.(INRb)/(USDb)	52.2 / 0.6
52-Week Range (INR)	388 / 266
1, 6, 12 Rel. Per (%)	2/-12/-30
12M Avg Val (INR M)	90

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Total income	6.1	7.8	10.1
PPP	4.2	5.3	7.0
PAT	2.5	3.2	4.0
EPS (INR)	15.1	17.4	22.2
EPS Gr. (%)	23.3	15.0	27.5
BVPS (INR)	105	138	158

Ratios (%)

NIM	6.2	6.2	6.5
C/I ratio	31.0	31.8	30.5
RoA	3.0	3.0	3.1
RoE	15.6	14.9	15.0
Payout	10.0	10.2	9.8

Valuations

P/E (x)	19	16	13
P/BV (x)	2.7	2.1	1.8
Div. yield (%)	0.5	0.6	0.8

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	66.6	66.6	73.7
DII	20.2	20.4	8.6
FII	2.7	3.6	2.0
Others	10.4	9.4	15.7

FII Includes depository receipts

Earnings in line and asset quality broadly stable

AUM growth ~22% YoY; NIM expanded ~35bp QoQ

- MAS Financial Services (MASFIN)'s 2QFY25 PAT grew ~28% YoY to INR766m (in line). Net total income was up 26% YoY at INR1.9b (in line), while opex at INR632m grew 30% YoY (~5% above MOFSLe). PPOP stood at INR1.3b (in line) and grew 24% YoY. 1HFY25 PAT grew 25% YoY to INR1.5b and we expect 2HFY25 PAT to grow ~29% as compared to 2HFY24.
- Opex rose ~30% YoY to INR632m, while the C/I ratio was broadly stable at ~33% and Opex-to-AUM increased ~15bp QoQ to ~2.2%. Provisions stood at INR263m (~6% below MOFSLe), translating into annualized credit costs of 1% (PQ: 0.9% and PY: 1.1%).
- The company is confident of navigating the current situation, given its strong fundamentals and right approach to asset creation. The company has reiterated its medium to long-term loan growth guidance of ~20-25%; however, if the macro environment deteriorates in the near term, it will not shy away from taking actions that could potentially make loan growth appear muted.
- We estimate a ~26% PAT CAGR over FY24-27, with RoA/RoE of ~3%/16% in FY27. **Reiterate BUY with a TP of INR360 (based on 2.1x Sep'26E BV).**

AUM rises 22% YoY; branch expansion continues

- Standalone AUM stood at ~INR110.2b and rose ~22% YoY. Within this, AUM of micro-enterprise/SME/2W/commercial vehicle loans rose 11%/23%/14%/62% YoY. Salaried personal loans grew ~84% YoY to ~INR6.8b. ~34% of the underlying assets in the standalone AUM came through partner NBFCs.
- MASF's thrust on distribution and branch expansion continued and the company expects to scale up to 215-220 branches (vs. 198 branches currently) by the end of the fiscal year.

Sequential expansion in spreads and NIMs

- Yields (calc.) declined ~10bp to ~14.7%, while CoF (calc.) declined ~25bp QoQ to 9.4%. This resulted in ~15bp QoQ expansion in spreads to ~5.3%.
- NIM (calc.) expanded ~35bp QoQ to ~7.2%. Reported CoF increased ~3bp QoQ to ~9.85%.

Increase in 1+dpd; asset quality broadly stable

- The 1+dpd increased ~10bp QoQ to 6.5% in 2QFY25.
- GNPA/NNPA (basis AUM) increased ~5bp each QoQ to 2.4%/1.6%. PCR on Stage 3 assets was stable at ~39%.

Other highlights

- The avg. ticket size of micro-enterprise loans declined to ~INR54k (PQ: ~INR70k).
- RoTA increased ~2bp QoQ to ~3% in 2QFY25.

HFC subsidiary:

- MAS Housing reported AUM of ~INR6.6b, up ~33% YoY.
- GS3 increased ~5bp QoQ to ~0.9%.

Key highlights from the management commentary

- MASFIN has ~12% of capital market borrowings in its liability mix. It will progressively increase its exposure to debt capital markets. Over the next 3 years, it expects capital market borrowings to increase to ~20% of the liability mix.
- The company has significantly reduced its exposure to MFIs, which now make up less than 5% of the AUM mix.

Valuation and view

- We model a standalone AUM/PAT CAGR of 21%/26% over FY24-FY27E with an RoA/RoE of 3.1%/15.0% in FY26E. The company has maintained a high earnings quality, backed by healthy AUM growth. With improvement in economic activity and thrust on MSME, we expect its earnings growth to be stronger in the future.
- MASF has developed niche expertise to serve the MSME market and continues to demonstrate healthy loan growth momentum, while its asset quality is perhaps the best among MFI and SME lending peers.
- **Reiterate BUY with a TP of INR360 (premised on 2.1x Sep'26E BV).** Key risk: Slowdown in the economic environment leading to sluggish loan growth and deterioration in asset quality.

Quarterly Performance

Y/E March	(INR M)											
	FY24				FY25E				FY24	FY25E	2QFY25E	Act. v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue from Operations	2,801	2,982	3,206	3,295	3,465	3,670	3,989	4,253	12,246	15,377	3,706	-1
Interest Income	2,362	2,490	2,651	2,757	2,952	3,078	3,315	3,453	10,223	12,799	3,099	-1
Gain on assignments	242	272	319	336	304	375	412	465	1,170	1,556	340	10
Other operating Income	196	219	236	202	210	217	261	335	853	1,023	266	-19
Interest expenses	1,428	1,461	1,638	1,615	1,714	1,754	1,947	2,143	6,142	7,559	1,834	-4
Total income	1,373	1,520	1,569	1,680	1,751	1,916	2,042	2,110	6,104	7,818	1,871	2
Growth Y-o-Y (%)	30	28	27	33	27	26	30	26	29	28	23	
Operating Expenses	427	484	467	555	567	632	663	622	1,894	2,484	601	5
Operating Profits	946	1,036	1,102	1,125	1,183	1,284	1,379	1,488	4,210	5,334	1,270	1
Growth Y-o-Y (%)	34	34	35	27	25	24	25	32	33	27	23	
Provisions	188	236	257	214	239	263	290	325	896	1,117	280	-6
Profit before tax	758	800	845	911	944	1,021	1,089	1,163	3,314	4,216	990	3
Growth Y-o-Y (%)	22	22	25	29	25	28	29	28	25	27	24	
Tax Provisions	186	200	221	230	240	255	272	296	837	1,063	247	3
Net Profit	573	600	624	681	704	766	817	867	2,478	3,154	742	3
Growth Y-o-Y (%)	23	22	24	23	23	28	31	27	23	27	24	
Key Operating Parameters (%)												
Yield on loans (Cal)	14.3	14.5	14.5	14.3	14.8	14.7	14.9	14.8				
Cost of funds (Cal)	9.6	9.21	9.7	9.31	9.61	9.37	9.5	9.6				
Spreads (Cal)	4.7	5.3	4.8	5.0	5.1	5.3	5.4	5.2				
NIM on AUM (Cal)	6.7	7.0	6.7	6.8	6.8	7.2	7.2	7.1				
Credit Cost (%)	0.9	1.1	1.1	0.9	0.9	1.0	1.0	1.1				
Cost to Income Ratio	31.1	31.9	29.7	33.0	32.4	33.0	32.5	29.5				
Tax Rate	24.5	25.0	26.1	25.3	25.4	25.0	25.0	25.0				



Estimate change	↔
TP change	↓
Rating change	↔

CMP: INR110 TP: INR160 (+45%) Buy

Healthy performance; other income gaining traction

Margins nearing bottom; guides an FY26E RoA of 1%

Bloomberg	DCBB IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	34.5 / 0.4
52-Week Range (INR)	163 / 109
1, 6, 12 Rel. Per (%)	-5/-28/-32
12M Avg Val (INR M)	372

- DCB Bank (DCBB) reported 22.6% YoY growth in PAT to INR1.55b (15% beat) due to higher other income.
- NII grew 7% YoY to INR5.1b (in line, up 2.5% QoQ). NIM moderated 12bp QoQ to 3.27%, adversely affected by extension of some of the one-offs that occurred in 1QFY25 (including replacement of penal interest with penal charges).
- Advances grew 19.3% YoY/5.4% QoQ, supported by healthy growth in gold loans, agri banking, and mortgages. Deposits rose 20% YoY/5.5% QoQ, led by growth in CASA deposits. CASA mix, thus increased 20bp QoQ to 25.6%.
- Fresh slippages inched up to INR3.89b (vs. INR3.73b in 1QFY25). GNPA/NNPA ratios moderated 4bp/1bp QoQ to 3.29%/1.17% in 2QFY25. PCR stood stable at 65.2%.
- We fine-tune our earnings and estimate FY26 RoA/RoE at 0.96%/13.7%. **Reiterate BUY with a TP of INR160 (based on 0.9x FY26E ABV).**

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	19.3	21.1	26.7
OP	8.6	9.7	13.6
NP	5.4	5.9	7.7
NIM (%)	3.7	3.4	3.6
EPS (INR)	17.1	18.8	24.7
EPS Gr. (%)	14.6	9.8	31.3
BV/Sh. (INR)	157	174	196
ABV/Sh. (INR)	147	162	183

Ratios

RoA (%)	0.9	0.9	1.0
RoE (%)	11.8	11.7	13.7

Valuations

P/E (x)	6.4	5.9	4.5
P/BV (x)	0.7	0.6	0.6
P/ABV (X)	0.8	0.7	0.6

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	14.7	14.8	14.8
DII	26.7	27.6	39.0
FII	11.1	14.7	12.7
Others	47.6	43.0	33.5

FII Includes depository receipts

Business growth healthy; GNPA ratio improves 4bp QoQ

- DCBB reported 22.6% YoY growth in PAT at INR1.55b (15% beat), led by strong other income. In 1HFY25, earnings grew 13% YoY to INR2.9b. We estimate 2HFY25 earnings to also grow at ~13% YoY to INR3.2b.
- NII grew 7% YoY to INR5.1b (inline, up 2.5% QoQ). NIM moderated 12bp QoQ to 3.27%. Other income grew 91% YoY to INR2b (42% beat), resulting in 22.4% YoY growth in total revenues (7% beat). The management guides for an unchanged NIM outlook at 3.65-3.75%.
- Opex increased 23% YoY to INR4.6b (4% higher than MOFSLe) as the bank continued to invest in the business and increased the employee count. C/I ratio moderated 360bp QoQ to 64.3%, and the bank expects cost-to-average asset to improve ~10-15bp in a couple of quarters. PPoP grew 21% YoY to INR2.5b (14% beat). Provisions stood at INR456m (14.9% YoY, 9% higher than MOFSLe).
- Advances grew 19% YoY, supported by healthy growth in agri banking (AIB) and gold loans. Business loan as a % of mortgage is 50% currently, but the bank is expecting to improve it going further.
- Deposits rose 20% YoY/5.5% QoQ, led by growth in CASA deposits. CASA mix, thus increased marginally by 20bp QoQ to 25.6%. Consequently, CD ratio stood at 81.5%.
- Fresh slippages increased to INR3.89b (vs. INR3.73b in 1QFY25) due to higher slippages in mortgages. GNPA/NNPA ratios moderated 4bp/1bp QoQ to 3.29%/1.17% in 2QFY25. PCR stood stable at 65.2%. The restructured book stood at INR9.2b (2.1% of loans).

Highlights from the management commentary

- The management guided a full-year RoA of 1% for FY25-26
- NIM compression was a result of the following components: 1) extension of some of the one-offs that came in 1QFY25, which included replacement of penal interest with penal charges; 2) weakening of the MFI industry and therefore the bank has gone slow on it; and 3) some opportunistic co-lending, which comes at lower yields and lower costs.
- The driver for NIM expansion going forward will be the rejigging of the mortgage book, which would lead to higher quantum of business loans with better yields than home loans.

Valuation and view

DCBB reported healthy earnings driven mainly by higher other income, though provisions stood higher than expected and margin moderated 12bp QoQ. However, the management expects NIM to improve in the coming quarters as the asset mix improves in favor of high-yielding business loans and the bank focuses on SME overdrafts rather than smaller-tenor SME loans. Loan growth was steady, led by healthy growth in AIB and gold loans, while deposits too grew strongly, fueled by CASA deposits. Fresh slippages inched up, while asset quality ratios witnessed marginal improvement. The restructured book was under control at 2.1% of loans. We fine-tune our earnings and estimate FY26 RoA/RoE at 0.96%/13.7%. **Reiterate BUY with a TP of INR160 (based on 0.9x FY26E ABV).**

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E	FY25E	V/s our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	Est
Net Interest Income	4.71	4.76	4.74	5.07	4.97	5.09	5.39	5.69	19.28	21.14	5.20	-2%
% Change (Y-o-Y)	25.88	15.72	6.27	4.43	5.49	7.03	13.73	12.15	12.28	9.65	9.37	
Other Income	1.07	1.07	1.24	1.36	1.43	2.05	1.67	1.82	4.74	6.97	1.44	42%
Total Income	5.78	5.83	5.98	6.44	6.40	7.14	7.06	7.51	24.02	28.11	6.64	7%
Operating Expenses	3.69	3.73	3.86	4.10	4.34	4.59	4.69	4.76	15.38	18.37	4.41	4%
Operating Profit	2.09	2.11	2.12	2.34	2.05	2.55	2.38	2.75	8.64	9.74	2.24	14%
% Change (Y-o-Y)	25.61	15.32	8.96	(4.19)	(1.58)	21.19	12.46	17.84	9.88	12.65	6.29	
Provisions	0.38	0.40	0.41	0.24	0.28	0.46	0.49	0.58	1.42	1.81	0.42	9%
Profit before Tax	1.71	1.71	1.71	2.10	1.77	2.10	1.89	2.17	7.22	7.93	1.82	15%
Tax	0.44	0.44	0.44	0.54	0.46	0.54	0.49	0.56	1.86	2.05	0.47	15%
Net Profit	1.27	1.27	1.27	1.56	1.31	1.55	1.40	1.61	5.36	5.88	1.35	15%
% Change (Y-o-Y)	30.7	12.9	11.2	9.5	3.5	22.6	10.8	3.6	15.1	9.78	6.53	
Operating Parameters												
Deposit (INR b)	430.1	455.0	471.2	493.5	516.9	545.3	562.0	584.8	493.5	584.8	540.4	1%
Loan (INR b)	354.7	372.8	389.5	409.2	421.8	444.7	467.6	487.0	409.2	487.0	448.1	-1%
Deposit Growth (%)	22.6	23.1	19.3	19.7	20.2	19.9	19.3	18.5	19.7	18.5	18.8	
Loan Growth (%)	19.0	19.1	18.2	19.0	18.9	19.3	20.0	19.0	19.0	19.0	20.2	
Asset Quality												
Gross NPA (%)	3.26	3.36	3.43	3.23	3.33	3.29	3.21	3.15	3.25	3.15	3.31	
Net NPA (%)	1.19	1.28	1.22	1.11	1.18	1.17	1.18	1.10	1.11	1.10	1.19	
PCR (%)	64.1	62.8	65.1	66.4	65.2	65.2	64.0	65.8	66.4	65.8	64.7	

E: MOFSL Estimates

BSE SENSEX 80,065 S&P CNX 24,399

CMP: INR412

Neutral

Conference Call Details



Date: 25 October 2024
Time: 13:00 HRS IST
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PAT in line; EBITDA miss amid sharp rise in other opex

- NTPC reported a standalone revenue for 2QFY25 at INR403b 3% below estimate (our est. of INR417b, -1% YoY).
- EBITDA came in at INR96.7b (-8% YoY) for 2QFY25, which was 19% below our est. of INR119b. Sharp rise in other opex (INR 55bn vs INR 34bn in 2QFY24) led to the miss at the EBITDA level.
- Adjusted standalone PAT was 1% above our est. at INR46b (+43% YoY), primarily due to higher other income. Also note that 2QFY24 financial performance was negatively impacted by one-off adjustments of INR6b relating to previous-year sales.
- Operational highlights:
 - Company's gross power generation was at 88BUs, 2% lower than 90BUs in 2QFY24. Plant availability for coal plants was down to 85% in 2QFY25 (2QFY24: 90%).
 - Coal plant PLF was 72% in 2QFY25 down 5% on a y-y basis.
 - PLF for hydro plants improved to 97% (2QFY24: 93%) while it fell for gas plants to 6.7% (2QFY24: 18.25%).
 - Coal production from captive mines for commercial use rose by 62% YoY to 9MMT (2QFY24: 5.59MMT)
 - NTPC has a consolidated installed capacity of more than 76GW.
- Average tariff was INR4.67/unit in 1HFY25 as compared to INR4.61 in 1HFY24.
- The board declared first interim dividend of INR2.5/share for FY25 and the date of payment shall be 18th Nov,2024.

Standalone performance

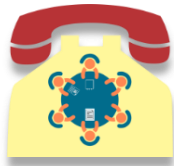
(INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE						
Net Sales	3,91,223	4,08,753	3,94,553	4,25,322	4,44,192	4,03,276	4,18,042	4,62,207	16,19,850	17,41,375	4,16,934	-3%	-1.3	-9.2
YoY Change (%)	2.0	-0.3	-4.7	2.9	13.5	-1.3	6.0	8.7	-1.1	7.5	2			
EBITDA	1,13,694	1,05,375	99,411	1,13,344	1,24,466	96,763	1,27,027	1,28,381	4,31,824	4,99,377	1,19,503	-19%	-8	-22
Margin (%)	29.1	25.8	25.2	26.6	28.0	24.0	30.4	27.8	26.7	28.7	29			
Depreciation	32,603	34,642	34,907	37,279	36,545	36,470	38,049	39,745	1,39,432	1,52,387	38,049	-4%	5.3	-0.2
Interest	25,149	24,647	27,831	24,880	26,490	31,079	22,618	16,806	1,02,508	91,532	25,618	21%	26	17
Other Income	5,584	6,426	8,325	16,887	6,338	9,173	8,620	14,741	37,222	36,834	7,135	29%	43	45
PBT before EO expense	57,202	53,265	59,662	68,321	67,770	60,505	74,979	86,571	2,38,449	2,92,292	62,971			
Extra-Ord expense	0	0	0	8,346	0	0	0	0	8,346	0	-			
PBT	57,202	53,265	59,662	76,666	61,739	60,505	74,979	86,571	2,46,794	2,86,260	62,971	-4%	14	-2
Tax	16,541	14,415	13,943	21,102	16,629	14,017	20,052	23,034	66,000	76,555	16,840	-17%	-3	-16
Rate (%)	29	27	23	28	27	23	27	27	27	27	27			
Reported PAT	40,660	38,850	45,719	55,564	45,110	46,489	54,927	63,538	1,80,794	2,09,706	46,131	1%	20	3
Adj PAT	36,820	32,610	43,559	51,074	48,622	46,489	54,927	63,538	1,64,054	2,13,576	46,131	1%	42.6	-4.4
YoY Change (%)	9.6	-9.3	-1.5	4.3	32.1	42.6	26.1	24.4	2.3	30.2	41			
Margin (%)	9.4	8.0	11.0	12.0	10.9	11.5	13.1	13.7	10.1	12.3	11			

United Breweries

BSE SENSEX 80,065 S&P CNX 24,399

Conference Call Details



Date: 25 Oct 2024

Time: 12:00 PM

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[Diamond Pass](#)

Financials & Valuations (INR b)

Y/E MAR	FY24	FY25E	FY26E
Net Sales	81.2	89.9	101.9
Sales Gr. (%)	8.3	10.7	13.3
EBITDA	7.0	9.4	12.9
Margin (%)	8.6	10.5	12.7
Adj. PAT	4.1	6.0	8.5
Adj. EPS (INR)	15.5	22.8	32.2
EPS Gr. (%)	24.7	46.4	41.7
BV/Sh. (INR)	158.0	170.2	187.5
Ratios			
RoE (%)	10.1	13.9	18.0
RoCE (%)	10.2	14.0	18.2
Valuations			
P/E (x)	127.3	86.9	61.4
P/BV (x)	12.5	11.6	10.5
EV/EBITDA (x)	74.8	54.4	40.3

CMP: INR1,978

Improved growth print; beat on margins

- UBBL's standalone net sales grew 12% YoY to INR21.1b (est. INR20.8b).
- Volume growth was at 5% YoY (est. 7%), with premium segment volume growing 27% YoY.
- The North, West, and South regions reported 12%, 12%, and 1% volume growth, respectively, while the East region declined 6%.
- Gross margin contracted 70bp YoY but expanded 100bp QoQ to 43.8% (est. 44.3%).
- Employee expenses grew 6% YoY and other expenses up 7% YoY during the quarter.
- EBITDA margin expanded 100bp YoY to 10.7% (est. 10.1%).
- EBITDA/PBT/APAT grew 23%, each to INR2.3b/INR1.8b/1.3b (est. INR2.1b/INR1.6b/INR1.2b).
- In 1HFY25, net sales, EBITDA, and APAT grew 10%, 26%, and 25%.

Other key highlights

- Net sales are driven by volume growth, price increase, and positive mix.
- Volume growth driven by UP, Rajasthan, Maharashtra, Telangana, Karnataka, and Andhra Pradesh was partially offset by a decline in Delhi, Goa, Tamil Nadu, and West Bengal.
- Positive Price Mix is driven by price increases in key states such as Rajasthan, Karnataka, and Tamil Nadu.
- Positive mix from premiumization and state mix partially offset by the growth of the economy segment.

Standalone Quarterly Performance

Y/E March	(INRm)											
	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2	7	7	
Volume Growth (%)	-12	7	8	11	5	5	7	9	2	7	7	
Net Sales	22,732	18,880	18,227	21,315	24,730	21,147	20,432	23,630	81,227	89,938	20,768	1.8%
YoY Change (%)	-6.7	12.4	13.1	20.8	8.8	12.0	12.1	10.9	8.3	10.7	10.0	
Gross Profit	9,221	8,408	8,018	8,894	10,642	9,272	9,092	10,566	34,703	39,573	9,200	0.8%
Margin (%)	40.6	44.5	44.0	41.7	43.0	43.8	44.5	44.7	42.7	44.0	44.3	
EBITDA	2,228	1,846	1,456	1,420	2,847	2,268	1,905	2,426	6,962	9,446	2,097	8.2%
YoY Change (%)	-15.9	-15.8	89.9	165.6	27.8	22.9	30.8	70.9	13.0	35.7	13.6	
Margins (%)	9.8	9.8	8.0	6.7	11.5	10.7	9.3	10.3	8.6	10.5	10.1	
Depreciation	513	508	518	577	577	571	523	425	2,119	2,095	550	
Interest	17	14	21	18	16	22	20	12	69	70	20	
Other Income	103	122	241	263	73	105	217	432	737	826	100	
PBT	1,801	1,446	1,158	1,088	2,327	1,781	1,578	2,421	5,511	8,108	1,627	9.5%
Tax	440	369	310	280	595	458	407	569	1,403	2,092	420	
Rate (%)	24.5	25.5	26.7	25.7	25.5	25.7	25.8	23.5	25.5	25.8	25.8	
Reported PAT	1,361	1,076	849	808	1,733	1,322	1,171	1,852	4,109	6,016	1,207	9.6%
Adj PAT	1,361	1,076	849	808	1,733	1,322	1,171	1,852	4,109	6,016	1,207	9.6%
YoY Change (%)	-15.8	-19.8	274.9	730.8	27.3	22.9	38.0	129.1	24.7	46.4	12.1	
Margins (%)	6.0	5.7	4.7	3.8	7.0	6.3	5.7	7.8	5.1	6.7	5.8	

E: MOFSL Estimates

Coromandel International

BSE SENSEX
80,065

S&P CNX
24,399

CMP: INR1,641

Buy

Conference Call Details



Date: 25th Oct, 2024

Time: 02:30pm IST

Concall link:

[Click here](#)

Operating performance above our estimates

- CRIN reported overall revenue of INR74.3b (est. INR69.9b) in 2QFY25, up 6% YoY. Nutrient & other allied business revenue grew 7% YoY to INR67.5b, while crop protection business revenue grew 3% YoY to INR7.5b.
- EBITDA margin contracted 210bp YoY to 13.1% (est. 13.2%); RM cost as a % of sales stood at 74.9% in 2QFY25 v/s 73.2% in 2QFY24; employee costs stood at 2.5% (flat), freight costs came in at 5% v/s 4.3%, and other expenses were 4.5% v/s 4.7%. EBITDA declined 8% YoY to INR9.75b (est. INR9.2b).
- EBIT margin for Nutrient & other allied business contracted 310bp YoY to 12.6%, while for crop protection business expanded 250bp YoY to 14.4%.
- Adjusted PAT stood at INR6.6b (est. INR6.5b), down 12% YoY.
- **Capex:** The Board approved a capex of INR5.1b for 750KTPA granulation train at Kakinada and INR1.6b for 600 TPA fungicide plant at Ankleshwar.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%
Net Sales	56,934	69,881	54,642	39,127	47,288	74,328	60,590	41,682	2,20,584	2,23,889	69,903	6
YoY Change (%)	-0.6	-30.9	-34.2	-28.5	-16.9	6.4	10.9	6.5	-25.5	1.5	0.0	
Total Expenditure	49,842	59,294	51,063	36,397	42,231	64,581	54,523	38,311	1,96,596	1,99,645	60,677	
EBITDA	7,092	10,587	3,578	2,730	5,058	9,748	6,067	3,371	23,988	24,243	9,226	6
Margins (%)	12.5	15.2	6.5	7.0	10.7	13.1	10.0	8.1	10.9	10.8	13.2	
Depreciation	481	540	635	630	653	690	657	660	2,286	2,659	655	
Interest	405	462	381	617	574	661	400	375	1,866	2,010	450	
Other Income	445	448	585	835	541	650	702	1,002	2,314	2,896	537	
PBT before EO expense	6,651	10,033	3,147	2,319	4,372	9,047	5,712	3,338	22,150	22,470	8,659	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	6,651	10,033	3,147	2,319	4,372	9,047	5,712	3,338	22,150	22,470	8,659	
Tax	1,674	2,450	776	578	1,125	2,328	1,438	840	5,478	5,731	2,179	
Rate (%)	25.2	24.4	24.7	24.9	25.7	25.7	25.2	25.2	24.7	25.5	25.2	
Minority Interest & P/L of Asso. Cos.	36	15	61	138	137	79	64	144	250	425	16	
Reported PAT	4,940	7,569	2,310	1,603	3,110	6,641	4,210	2,354	16,422	16,314	6,464	
Adj PAT	4,940	7,569	2,310	1,603	3,110	6,641	4,210	2,354	16,422	16,314	6,464	3
YoY Change (%)	-1.0	2.2	-56.2	-34.9	-37.1	-12.3	82.3	46.8	-18.4	(0.7)	(14.6)	
Margins (%)	8.7	10.8	4.2	4.1	6.6	8.9	6.9	5.6	7.4	7.3	9.2	

Castrol India

BSE SENSEX 80,065 S&P CNX 24,399

CMP: INR208

Buy

Conference Call Details To be decided

Miss on EBITDA due to lower-than-estimated margin

- Castrol’s 3QCY24 revenue stood at ~INR12.9b (+9% YoY/-8% QoQ), in line with our est. of INR13b.
- However, EBITDA was 6% below our est. at INR2.9b (+7% YoY, -11% QoQ).
- EBITDA margin stood at 22% (vs. 23% in 2QCY24).
- On a QoQ basis, gross margin contracted ~1% while employee expenses rose 5%.
- PAT was 7% below our est. at INR2.1b (+7%YoY, -11%QoQ).
- Higher-than-estimated depreciation was offset by lower-than- estimated finance costs.
- **Other key highlights**
- Castrol introduced four new rust-prevention products: Castrol Rustilo DW 800, 806, 809, and 81.
- During 3Q, the company trained and empowered over 8,000 truck drivers and more than 4,000 mechanics.

Further details awaited.

Quarterly Performance

Y/E December	CY23				CY24					(INR m)		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	Var. (%)	YoY (%)	QoQ (%)
Net Sales	12,939	13,338	11,829	12,640	13,252	13,975	12,882	13,528	12,962	-1%	9%	-8%
YoY Change (%)	4.7	7.4	5.5	7.5	2.4	4.8	8.9	7.0	9.6			
EBITDA	2,950	3,098	2,686	3,291	2,937	3,224	2,861	3,633	3,033	-6%	7%	-11%
YoY Change (%)	-7.0	8.3	4.4	31.3	-0.4	4.1	6.5	10.4	12.9			
Margin (%)	22.8	23.2	22.7	26.0	22.2	23.1	22.2	26.9	23.4	-0.1	-0.0	-4%
Depreciation	227	218	229	250	237	261	245	261	238			
Interest	17	15	24	20	21	26	20	21	25			
Other Income	176	186	202	223	241	204	209	224	204			
PBT	2,883	3,050	2,635	3,243	2,921	3,142	2,805	3,576	2,973	-6%	6%	-11%
Tax	858	797	691	824	758	820	730	818	749			
Rate (%)	29.8	26.1	26.2	25.4	26.0	26.1	26.0	22.9	25.2			
Adj. PAT	2,025	2,253	1,944	2,419	2,162	2,322	2,074	2,758	2,224	-7%	7%	-11%
YoY Change (%)	-11.3	9.2	3.9	25.2	6.8	3.1	6.7	14.0	14.4			

CIE India Automotive

BSE SENSEX
80,065S&P CNX
24,399

CMP: INR503

Buy

Conference Call Details

Date: 25th Oct 2024

Time: 12.30PM IST

Concall registration:

[\[Diamond pass link\]](#)

Financials & Valuations (INR b)

INR b	CY23	CY24E	CY25E
Sales	92.8	90.7	103.5
EBITDA (%)	15.3	15.1	15.7
Adj. PAT	8.0	8.2	10.1
EPS (INR)	21.1	21.7	26.8
EPS Growth (%)	16.8	2.7	23.6
BV/Share (Rs)	158	175	195
Ratio			
RoE (%)	14.4	13.0	14.5
RoCE (%)	13.0	12.0	13.7
Payout (%)	23.8	20.0	20.0
Valuations			
P/E (x)	23.8	23.2	18.8
P/BV (x)	3.2	2.9	2.6
Div. Yield (%)	1.0	0.9	1.1
FCF Yield (%)	4.6	2.1	3.7

In-line performance; EU business disappoints

Margin remains steady despite revenue decline

- 3QCY24 consol. revenues declined ~6% YoY to INR21.35b (est. INR22b) due to weak growth in EU business (down 18% YoY; our est. of 8% YoY decline).
- EBITDA stood at ~INR3.3b (in line), down 4% YoY. EBITDA margins stood at 15.5% (est. 15%).
- Adj. PAT was INR1.95b (in line), up 4% YoY.
- 9MFY25 revenue/EBITDA declined 3%/4% YoY, but adj. PAT grew 4% YoY.
- **India business performance:** Revenue declined 1% YoY to ~INR15.3b (in line). India EBITDA margin stood at 15.6% (est. 15%). India business performance was in line with underlying market growth. Margin expansion mainly on the back of operational efficiency. Pickup of growth in the domestic market is expected.
- **EU business performance:** Revenues declined 18% YoY to ~INR6.1b (est. ~INR6.8b). EBITDA margins stood at 15.2% (est. 15%). Sales reduction due to low PV/CV market performance and Metalcastello's drop due to US off-road market situation. The company is conducting restructuring activities to maintain margins. EU is expected to remain weak for the next few quarters.

Key highlights from the presentation:

- **India light vehicle forecast:** IHS Global forecasts production growth of 3.8% during CY23-24 and 4% CAGR over CY24-29.
- **India MHCVs forecast:** IHS Global forecasts a production decline of 1.2% during CY23-24 and 4% CAGR over CY24-29.
- **India tractor forecast:** CRISIL forecasts 2-4% decline in the domestic tractor industry in FY25 and 4-6% CAGR over FY24-29.
- **India 2W forecast:** CRISIL forecasts 13-15% growth in the domestic 2W industry in FY25 and 7-9% CAGR over FY24-29.
- **EU (w/o Russia) light vehicles forecast** – IHS Global forecasts PV production to decline in CY24 by 6.5% and grow at a CAGR of 1.5% during CY24 to CY29.
- Based on our current estimates, the stock trades at 23x/19x CY24E/CY25E consolidated EPS.

Quarterly performance (Consol.)

(INR m)	CY23				CY24E				CY23	CY24E	3QE
Y/E December	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Net Sales	24,402	23,203	22,794	22,404	24,268	22,927	21,346	22,137	92,803	90,678	22,045
YoY Change (%)	18.4	4.7	2.2	-0.3	-0.5	-1.2	-6.4	-1.2	6.0	-2.3	-3.3
EBITDA	3,806	3,704	3,454	3,274	3,606	3,600	3,306	3,168	14,239	13,679	3,307
Margins (%)	15.6	16.0	15.2	14.6	14.9	15.7	15.5	14.3	15.3	15.1	15.0
Depreciation	825	833	783	781	863	836	798	923	3,222	3,421	854
Interest	240	221	310	303	220	211	169	214	1,074	814	200
Other Income	160	195	200	265	513	306	243	365	820	1,427	320
Share of profit from associates	3	-3	-2	-3	4	6	19	-14	-5	15	5
PBT before EO expense	2,901	2,846	2,561	2,455	3,035	2,859	2,581	2,395	10,763	10,871	2,573
EO Exp/(Inc)	0	0	0	0	0	0	0	0	0	0	0
PBT after EO exp	2,901	2,846	2,561	2,455	3,035	2,859	2,581	2,395	10,763	10,871	2,573
Tax Rate (%)	24.2	24.9	27.0	27.8	24.3	24.5	25.3	25.3	25.8	24.8	24.5
Adj. PAT	2,203	2,136	1,867	1,770	2,302	2,164	1,947	1,776	7,976	8,189	1,946
YoY Change (%)	34.1	15.7	11.4	6.4	4.5	1.3	4.3	0.3	16.8	2.7	4.2
Revenues											
India	14,449	14,348	15,354	14,833	15,066	15,047	15,270	14,561	58,985	59,944	15,200
Growth (%)	13	4	0	6	4	5	-1	-2	6	2	-1.0
EU	9,954	8,855	7,440	7,570	9,202	7,879	6,077	7,576	33,819	30,734	6,845
Growth (%)	28	6	5	-11	-8	-11	-18	0	7	-9	-8.0
EBITDA Margins											
India	15.0	14.8	15.1	14.7	14.7	15.5	15.6	14.1	14.9	15.0	15.0
EU	16.4	17.8	15.3	14.5	15.1	16.1	15.2	14.7	16.1	15.3	15.0

E: MOSL Estimates; AEL merged w.e.f 2QCY19

BSE SENSEX
80,065S&P CNX
24,399

CMP: INR1,606

Buy

Conference Call Details

Date: 25th October 2024

Time: 16:00 IST

Dial-in details:

+ 91 22 6280 1550

+ 91 22 7115 8378

[Link for the call](#)

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	75.7	90.4	108.3
EBITDA	5.5	7.7	10.1
PAT	3.6	5.1	6.9
EBITDA Margin (%)	7.3	8.5	9.3
Adj. EPS (INR)	32.0	45.5	61.0
EPS Gr. (%)	21.2	42.1	33.9
BV/Sh. (INR)	187.1	223.6	275.6

Ratios

Net D:E	(0.0)	(0.0)	(0.1)
RoE (%)	18.3	22.2	24.4
RoCE (%)	17.9	21.6	24.3
Payout (%)	21.9	19.8	14.8

Valuations

P/E (x)	50.2	35.3	26.3
P/BV (x)	8.6	7.2	5.8
EV/EBITDA(x)	32.9	23.5	17.6
Div. Yield (%)	0.4	0.6	0.6
FCF Yield (%)	0.2	0.9	1.7

Weak performance; margins contracts

- RRKABEL reported weak 2QFY25 results, led by lower-than-estimated margin in the Cables and Wires (C&W) segment. EBITDA declined 29% YoY at INR858m (~36% miss). OPM fell 2.8pp YoY to ~5% (est. ~7%). PAT was down ~33% YoY at INR495m (~44% below our estimate).
- C&W volume grew ~4% YoY in 2QFY25. However, contribution margin declined sharply due to high volatility in metal prices. Revenue contribution from the domestic market was 73% in 2QFY25 vs. 71%/76% in 2QFY24/1QFY25. Net working capital days stood at 63 as of Sept'24 vs. 64 as of Mar'24. FMEG segment loss declined due to an increase in contribution margin on account of product mix and volume growth.
- **We have a BUY rating on the stock.** We may review our assumptions after the concall on 25th Oct'24.

Revenue up 12% YoY; EBITDA declines 29% YoY

- Revenue/EBITDA/PAT stood at INR18.1b/INR858m/INR495m (up 12%/down 29%/33% YoY and in line/down 36%/44% vs. our estimates). Gross margin was down 4.0pp YoY at ~16%. Employee costs increased 11% YoY (4.9% of revenue vs. 5.0% in 2QFY24). Other expenses declined 5% YoY (6.2% of revenue vs. 7.4% in 2QFY24)
- Segmental highlights: a) **C&W** revenue grew 11% YoY to INR16.1b, EBIT declined 39% YoY to INR818m, and EBIT margin dipped 4pp YoY to ~5% (est. ~8%). b) **FMEG** revenue increased 24% YoY to INR2.0b and loss narrowed to INR117m (vs. our estimated loss of INR125m) from INR198m in 2QFY24 and INR207m 1QFY25.
- In 1HFY25, revenue grew 13% YoY, whereas EBITDA/PAT declined 23% YoY each. OPM contracted 2.3pp YoY to ~5%. **C&W** revenue grew 11% YoY, EBIT declined 24% YoY, and EBIT margin contracted 3pp YoY to ~6%. **FMEG** revenue grew 24% YoY to INR4.3m and loss reduced to INR324m vs. INR368m in 1HFY24. Despite significantly weak profitability in 1HFY25, OCF grew ~1% YoY, led by an increase in trade payables and other liabilities. Its capex stood at INR1.6b vs. INR644m in 1HFY24.

Management highlights

- C&W business achieved strong double-digit volume growth in the domestic market. It expects margin improvement in 2HFY25. The expansion plan is progressing as per schedule and is expected to be completed by FY25-end.
- FEMG segment recorded strong revenue growth, led by robust volume growth in fans, appliances and switches.

Valuation and view

- RRKABEL's operating performance was significantly below our estimates due to lower margins in the C&W segment amid high volatility in RM prices. C&W volume growth was healthy.
- **We have a BUY rating on the stock.** We may review our assumptions after the concall on 25th Oct'24 ([Concall Link](#)).

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	MOSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales	15,973	16,097	16,335	17,541	18,081	18,101	18,600	20,883	65,946	75,665	18,361	(1)
EBITDA	1,129	1,209	1,126	1,153	949	858	1,392	2,303	4,617	5,502	1,334	(36)
Adj EBITDA margin (%)	7.1	7.5	6.9	6.6	5.3	4.7	7.5	11.0	7.0	7.3	7.3	(253)
Depreciation	161	166	165	163	162	175	183	214	655	734	170	3
Interest	144	142	124	128	116	156	110	156	539	539	115	36
Other Income	163	148	122	193	185	72	162	219	626	639	140	(48)
PBT	987	1,049	959	1,055	857	599	1,261	2,152	4,050	4,869	1,189	(50)
Tax	250	310	250	270	218	101	323	624	1,080	1,266	309	
Effective Tax Rate (%)	25.4	29.5	26.0	25.6	25.4	16.9	25.6	29.0	26.7	26.0	26	
JV share	7	2	0	2	5	(2)	1	6	11	10	3	(174)
Reported PAT	743	741	710	787	644	495	939	1,535	2,981	3,613	883	(44)
Adj PAT	743	741	710	787	644	495	939	1,535	2,981	3,613	883	(44)

Segmental Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales												
Cables & Wires	14,231	14,504	14,331	15,231	15,782	16,118	16,279	18,973	58,296	67,152	16,571	(2.7)
FMEG	1,851	1,598	2,005	2,310	2,300	1,984	2,321	1,989	7,764	8,593	1,790	10.8
EBIT												
Cables & Wires	1,246	1,329	1,147	1,320	1,130	818	1,433	2,255	5,043	5,636	1,359	(39.8)
FMEG	(170)	(198)	(124)	(194)	(207)	(117)	(150)	(85)	(685)	(559)	(125)	(6.4)
EBIT Margin (%)												
Cables & Wires	8.8	9.2	8.0	8.7	7.2	5.1	8.8	11.9	8.6	8.4	8.2	(312)
FMEG	(9.2)	(12.4)	(6.2)	(8.4)	(9.0)	(5.9)	(6.5)	(4.3)	(8.8)	(6.5)	(7.0)	108

BSE SENSEX 80,065 S&P CNX 24,399

CMP: INR185

Neutral

Conference Call Details



Date: 25 October 2024
Time: 14:30 HRS IST
Dial in:
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Robust 2Q, in line with expectations

- Indian Energy Exchange (IEX) reported standalone revenue for 2QFY25 at INR1,392m (+28% YoY), in line with our estimate.
- Reported standalone PAT was 3% above our est. at INR1,061m (our est. of INR1,025m, +28% YoY), primarily due to higher other income.
- EBITDA came in at INR1,203m (+30% YoY) for 2QFY25, which was 2% below our est. of INR1,224m.
- Operational performance:
 - In 2QFY25, overall volumes rose 38% YoY, with electricity volumes rising 15% YoY and renewable (RE) volumes surging 277% YoY.
 - Within the electricity volume segment, Day Ahead Market (DAM) was up 27%, while the Term Ahead Market (TAM) volumes were down 41% YoY in 2QFY25.
 - Within the green market segment, G-DAM had a strong performance, with volumes up 204%, whereas G-TAM volumes dipped 86% YoY.

Standalone quarterly performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Net Sales	1,040	1,085	1,153	1,213	1,236	1,392	1,377	1,361	4,492	5,366	1,397	0%	28.3	12.7
YoY Change (%)	5.8	14.0	15.0	13.3	18.8	28.3	19.4	12.2	12.0	19.5	28.8			
EBITDA	816	922	999	1,049	1,000	1,203	1,204	1,205	3,785	4,612	1,224	-2%	30.5	20.3
Margin (%)	78.4	84.9	86.6	86.5	81.0	86.4	87.4	88.5	84.3	85.9	87.6			
Depreciation	50	51	52	52	52	53	47	41	204	193	47	13%	5.1	1.7
Interest	7	7	7	7	7	7	7	8	28	28	7	-8%	-6.1	-1.9
Other Income	232	244	258	282	308	286	163	40	1,016	797	163	76%	17.5	-7.1
PBT before EO items	991	1,108	1,198	1,271	1,249	1,429	1,313	1,196	4,568	5,187	1,333			
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0	0			
PBT	991	1,108	1,198	1,271	1,249	1,429	1,313	1,196	4,568	5,187	1,333	7%	29.0	14.4
Tax	250	279	305	320	315	368	331	293	1,154	1,307	308	20%	31.9	17.0
Rate (%)	25.2	25.2	25.5	25.2	25.2	25.8	25.2	24.5	25.3	25.2	23.1			
JV and Associates	0	0	0	0	0	0	0	0	0	0	0			
Reported PAT	741	829	893	951	934	1,061	982	903	3,414	3,880	1,025	3%	28.0	13.6
Adj PAT	741	829	893	951	934	1,061	982	903	3,414	3,880	1,025	3%	28.0	13.6
YoY Change (%)	8.1	18.3	25.5	14.8	26.0	28.0	9.9	-5.1	16.7	13.6	23.7			
Margin (%)	71.3	76.4	77.5	78.4	75.6	76.2	71.3	66.3	76.0	72.3	73.4			

Mahanagar Gas

BSE SENSEX
80,065

S&P CNX
24,399

CMP: INR1,544

Buy

Conference Call Details



Date: 25 Oct 2024

Time: 1600 hours IST

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Beat driven by higher-than-estimated margin

Standalone

- Total volumes were in line with est. at 4mmscmd (+13% YoY).
- CNG volumes were at 2.9mmscmd (+12% YoY).
- PNG total volumes stood at 1.2mmscmd (+17% YoY).
- EBITDA/scm came 7% below our estimate at INR10.7 (-26% YoY), mainly due to higher gas costs QoQ and a rise in employee and other expenses.
- The resultant standalone EBITDA was 7% below our estimate at INR4b (-17% YoY; our est. INR4.3b).
- Other income was INR150m above our estimates.
- Hence, PAT came in line with our estimate at INR2.8b (our est. INR2.9b, -16% YoY).

Consolidated figures including Unison Enviro Private Limited (UEPL)

- In 2QFY25, net sales stood at INR17.9b (+7% QoQ).
- EBITDA stood at INR4.1b (-5% QoQ) led by a decline in margins QoQ.
- On a QoQ basis, EBITDA at UEPL seems to have declined sharply (-18% QoQ) in 2QFY25, leading to lower consolidated sequential EBITDA.

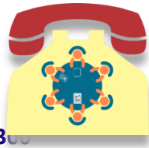
Standalone - Quarterly Earning Model

Y/E March	FY24				FY25				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE	Var. (%)	YoY (%)	QoQ (%)
Net Sales	15,378	15,709	15,688	15,671	15,896	17,116	15,726	12,607	15,309	12%	9%	8%
<i>YoY Change (%)</i>	5.7	0.5	-6.1	-2.7	3.4	9.0	0.2	-19.5	-2.5			
EBITDA	5,213	4,789	4,487	3,938	4,185	3,985	4,795	5,741	4,297	-7%	-17%	-5%
<i>EBITDA/SCM</i>	16.8	14.6	13.3	11.5	11.9	10.7	12.5	14.7	11.5	-7%	-26%	-10%
<i>Margin (%)</i>	33.9	30.5	28.6	25.1	26.3	23.3	30.5	45.5	28.1	-0.2	-0.2	-0.1
Depreciation	620	658	683	775	719	735	742	771	742			
Interest	25	25	27	38	31	31	26	16	26			
Other Income	390	437	481	446	402	512	362	172	362			
PBT before EO expense	4,957	4,543	4,258	3,570	3,837	3,731	4,390	5,126	3,891	-4%	-18%	-3%
PBT	4,957	4,543	4,258	3,570	3,837	3,731	4,390	5,126	3,891	-4%	-18%	-3%
Tax	1,273	1,158	1,086	920	992	903	1,105	1,300	979			
<i>Rate (%)</i>	25.7	25.5	25.5	25.8	25.8	24.2	25.2	25.4	25.2			
Reported PAT	3,684	3,385	3,172	2,650	2,845	2,828	3,285	3,826	2,912	-3%	-16%	-1%
<i>YoY Change (%)</i>	98.9	106.4	84.3	-1.4	-22.8	-16.5	3.6	44.4	-14.0			
<i>Margin (%)</i>	24.0	21.5	20.2	16.9	17.9	16.5	20.9	30.3	19.0	-0.1	-0.2	-0.1
Sales Volumes (mmscmd)												
CNG	2.5	2.6	2.6	2.7	2.8	2.9	3.0	3.3	3.0	-3%	12%	4%
PNG - Domestic	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.7	0.6	-8%	8%	-4%
PNG - Industrial/ Commercial	0.4	0.5	0.5	0.6	0.5	0.6	0.5	0.3	0.5	22%	25%	17%
PNG - Total	0.9	1.0	1.0	1.1	1.1	1.2	1.1	1.1	1.1	6%	17%	6%
Total Volumes	3.4	3.6	3.7	3.8	3.9	4.0	4.2	4.3	4.1	0%	13%	5%

HomeFirst Finance

BSE SENSEX 80,065 S&P CNX 24,399

Concall details:
Date: 25/10/2024
[Link for the call](#)
Time: 04:00 pm IST
Dial in: + 91 22 7115 8300



Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	5.3	6.5	8.2
PPoP	4.3	5.2	6.4
PAT	3.1	3.8	4.7
EPS (INR)	34.5	42.4	52.6
EPS Gr. (%)	33.2	22.8	24.1
BV/Sh. (INR)	240	278	326
ABV/Sh.(INR)	231	269	315
Ratios			
NIM (%)	6.2	5.8	5.6
C/I ratio (%)	35.2	36.7	36.8
RoAA (%)	3.8	3.5	3.4
RoAE (%)	15.5	16.4	17.5
Valuations			
P/E (x)	32.7	26.6	21.4
P/BV (x)	4.7	4.1	3.5
P/ABV (x)	4.9	4.2	3.6
Div. yield (%)	0.3	0.4	0.4

CMP: INR1,128

Buy

Earnings in line; AUM growth healthy with stable spreads

Asset quality stable and credit costs benign

- 2QFY25 PAT grew 24% YoY to INR922m (in line). NII grew 19% YoY to INR1.57b (in line). Other income grew 46% YoY to INR421m (12% above MOSLe). This was aided by higher fee income during the quarter.
- Opex grew 28% YoY to INR726m (7% above MOFSLe). PPoP rose ~21% YoY to INR1.3b (in line). Credit costs of INR57m translated into annualized credit costs of ~20bp (PQ: ~22bp and PY: ~40bp).

Business momentum healthy; BT-out rates inch up slightly

- Disbursements grew 23% YoY to ~INR11.8b and this led to an AUM growth of 34% YoY to ~INR112b.
- BT-OUT rates (annualized) in 2QFY25 increased to ~6.7% (PQ: ~6.3% and PY ~8.6%).

Yields and CoB rise ~10bp QoQ; reported spreads steady

- Reported yield and CoB rose ~10bp QoQ each to 13.5% & 8.4%, respectively. Reported spreads were stable sequentially at 5.1%.
- Reported NIM contracted ~10bp QoQ to 5.2%. Incremental CoF and origination yield in 2QFY25 stood at 8.6% and 13.4%, respectively.

Asset quality steady; bounce rate largely stable

- GS3 and NS3 remained stable QoQ at 1.7% and 1.3%, respectively. PCR declined ~80bp QoQ to ~26.7%.
- 1+dpd remained stable QoQ at 4.5%. Bounce rates were largely stable at ~15.2% in 2QFY25 (v/s ~15.3% in 1QFY25). However, it increased to 15.6% in Oct'24.
- Capital adequacy stood at 36.4% (Tier 1: 36%).

Valuation and view

HomeFirst has made strategic investments in establishing a franchise, positioning the company effectively to capitalize on the strong growth potential of affordable housing finance. The company continues to expand its distribution network in a contiguous manner across Tier I, II, and III cities within its existing states. We estimate HomeFirst to deliver ~30% AUM CAGR over FY24-FY27, along with a NIM of 5.6%/5.4% in FY25 & FY26. We expect cost efficiencies to kick in and drive a sustained improvement in its operating cost ratios over the medium term. HomeFirst's asset quality is expected to strengthen, and credit costs are likely to remain benign over FY25-FY26 as the company prioritizes early bucket collections, thereby driving improvement in asset quality. We might revise our estimates after the earnings call on 25th Oct'24.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	2QFY25E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Interest Income	2,313	2,491	2,646	2,827	3,032	3,322	3,532	3,607	10,277	13,492	3,245	2
Interest expenses	1,068	1,170	1,302	1,459	1,568	1,756	1,870	1,763	4,999	6,956	1,687	4
Net Interest Income	1,246	1,321	1,344	1,368	1,464	1,566	1,662	1,843	5,278	6,535	1,558	1
YoY Growth (%)	32.6	30.1	21.4	22.4	17.5	18.6	23.7	34.7	26.3	23.8	17.9	
Other Income	285	289	364	351	382	421	411	396	1,289	1,609	376	12
Net Income	1,530	1,610	1,708	1,719	1,846	1,987	2,073	2,240	6,567	8,145	1,934	3
YoY Growth (%)	40.9	36.1	35.7	24.2	20.6	23.4	21.4	30.3	33.7	24.0	20.1	
Operating Expenses	553	565	611	584	655	726	749	858	2,313	2,988	680	7
Operating Profit	977	1,044	1,097	1,135	1,191	1,261	1,324	1,381	4,254	5,157	1,254	1
YoY Growth (%)	39.8	40.9	34.5	24.8	21.9	20.7	20.6	21.7	34.3	21.2	20.1	
Provisions and Cont.	77	80	70	27	56	57	80	92	254	285	75	-24
Profit before Tax	900	964	1,027	1,107	1,135	1,204	1,244	1,289	4,000	4,872	1,179	2
Tax Provisions	209	221	239	273	258	281	286	281	942	1,106	265	6
Net Profit	691	743	788	835	878	922	958	1,008	3,057	3,766	914	1
YoY Growth (%)	34.9	36.9	34.5	30.4	27.0	24.1	21.5	20.8	33.9	23.2	22.9	
Key Operating Parameters (%)												
Other income to Net Income Ratio	18.6	17.9	21.3	20.4	20.7	21.2	19.8	17.7	19.6	19.8		
Credit Cost	0.41	0.40	0.32	0.12	0.22	0.21	0.28	0.30	1.4	1.2		
Cost to Income Ratio	36.1	35.1	35.7	34.0	35.5	36.5	36.1	38.3	35.2	36.7		
Tax Rate	23.2	23.0	23.3	24.6	22.7	23.4	23.0	21.8	23.6	22.7		
Balance Sheet Parameters												
AUM (INR m)	77,760	83,654	90,137	96,978	1,04,781	1,12,294	1,20,140	1,28,137	96,978	1,28,137		
Change YoY (%)	33.3	33.3	33.5	34.7	34.7	34.2	33.3	32.1	34.7	32.1		
Loans (INR m)	65,194	70,253	75,479	81,434	87,940	94,465	1,00,009	1,06,666	81,434	1,06,770		
Change YoY (%)	38.1	36.5	34.9	35.8	34.9	34.5	32.5	31.0	35.8	31.1		
Borrowings (INR m)	68,215	72,792	82,514	87,954	95,120	1,05,869	92,939	94,598	73,021	94,598		
Change YoY (%)	41.0	39.2	42.2	47.7	39.4	45.4	12.6	7.6	51.7	29.5		
Loans/Borrowings (%)	95.6	96.5	91.5	92.6	92.5	89.2	107.6	112.8	112	113		
Asset Quality Parameters (%)												
GS 3 (INR m)	1,077	1,233	1,295	1,393	1,540	1,640	0	0	1,393	1,609		
Gross Stage 3 (% on Assets)	1.6	1.7	1.7	1.7	1.7	1.7	0.0	0.0	1.70	1.49		
NS 3 (INR m)	743	859	908	979	1,116	1,202	0	0	979	1,094		
Net Stage 3 (% on Assets)	1.13	1.21	1.19	1.19	1.26	1.26	0.00	0.00	1.19	1.02		
PCR (%)	31.0	30.3	29.9	29.7	27.5	26.7	0.0	0.0	29.7	32.0		
ECL (%)	0.94	0.91	0.89	0.86	0.83	0.80	0.00	0.00	0.94	0.91		
Return Ratios (%)												
ROAA (Rep)	3.9	3.8	3.7	3.6	3.6	3.4	0.0	0.0	3.8	3.5		
ROAE (Rep)	15.0	15.6	15.8	16.1	16.3	16.5	0.0	0.0	15.5	16.4		

E: MOFSL Estimates

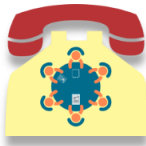
Transport Corporation of India

BSE SENSEX 80,065
S&P CNX 24,399

CMP: INR1,027

Buy

Conference Call Details



Date: 25 Oct 2024
Time: 4:00 PM IST
Dial-in details:
[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	45.1	52.6	60.5
EBITDA	4.9	5.9	6.9
Adj. PAT	4.1	5.0	5.8
EBITDA Margin (%)	10.8	11.3	11.5
Adj. EPS (INR)	52.6	64.5	75.4
EPS Gr. (%)	14.8	22.6	16.9
BV/Sh. (INR)	309.0	370.0	441.8
Ratios			
Net D:E	0.0	-0.1	-0.2
RoE (%)	18.2	18.8	18.4
RoCE (%)	17.4	18.0	17.8
Payout (%)	6.7	5.4	4.6
Valuations			
P/E (x)	19.5	15.9	13.6
P/BV (x)	3.3	2.8	2.3
EV/EBITDA(x)	15.0	11.9	9.7
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	0.8	1.6	2.7

In-line performance

2QFY25 earnings snapshot

- Revenue grew 13% YoY at ~INR11.2b in 2QFY25 (in-line).
- EBITDA margin came in at 10.4% in 2QFY25 (+40 bp YoY and +50bp QoQ) against our estimate of 10.6%.
- EBITDA increased 16.6% YoY to INR1.2b (in-line).
- APAT grew 22% YoY to ~INR1.1b (our estimate was INR1b).
- Supply chain revenues rose 13.1% YoY while the freight division and seaways division reported 13%/21% YoY growth, respectively.
- EBIT margin for the freight division/supply chain/seaways division stood at 2.7%/5.9%/31.2%, respectively, in 2QFY25. EBIT margin witnessed an expansion in the seaways business on both YoY and QoQ basis, while the freight and supply chain business reported ~70bp decline in margins on a YoY basis.
- During 1HFY25, revenue stood at INR21.6b (+11.5% YoY), EBITDA at INR2.2b (+9.8% YoY), and APAT at INR2b (+16.6% YoY). CFO for 1HFY25 stood at INR 1.7b while gross debt was INR1.7b.
- The Board has declared an interim dividend of INR3.5 per equity share for FY25.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25		FY24	FY25	(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q			FY25 2QE	Var. vs Est
Net Sales	9,498	9,935	10,020	10,789	10,451	11,208	40,242	45,082	11,117	1
YoY Change (%)	5.2	6.6	3.7	10.2	10.0	12.8	6.4	12.0	11.9	
EBITDA	1,008	1,004	999	1,094	1,038	1,171	4,105	4,870	1,178	(1)
Margins (%)	10.6	10.1	10.0	10.1	9.9	10.4	10.2	10.8	10.6	
YoY Change (%)	-3.1	4.6	-12.7	1.2	3.0	16.6	-3.2	18.6	17.4	
Depreciation	308	311	331	334	290	291	1,284	1,372	340	
Interest	23	34	35	41	42	46	133	140	33	
Other Income	85	113	95	165	109	106	458	504	130	
PBT before EO Expense	762	772	728	884	815	940	3,146	3,862	935	0
Extra-Ord Expense	0	0	0	24	0	0	24	0	0	
PBT	762	772	728	860	815	940	3,122	3,862	935	0
Tax	104	96	108	28	110	109	336	541	131	
Rate (%)	13.6	12.4	14.8	3.3	13.5	11.6	10.8	14.0	14.0	
Minority Interest	-9.0	-8.0	-8.0	-12.0	-6.0	-9.0	-37.0	-30.0	-5.0	
Profit/Loss of Asso. Cos	174	202	182	201	211	242	759	764	200	
Reported PAT	823	870	794	1,021	910	1,064	3,508	4,055	999	6
Adj PAT	823	870	794	1,045	910	1,064	3,532	4,055	999	6
YoY Change (%)	5.8	20.3	-7.4	23.2	10.6	22.3	10.1	14.8	14.9	
Margins (%)	8.7	8.8	7.9	9.7	8.7	9.5	8.8	9.0	9.0	

Segmental performance

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Segment Revenue (INR m)									
Freight	4,693	4,826	5,046	4,754	4,818	4,856	5,553	5,136	5,442
Supply chain	3,584	3,335	3,462	3,630	3,907	3,882	3,928	4,097	4,418
Seaways	1,242	1,702	1,521	1,254	1,354	1,426	1,492	1,415	1,633
Energy	19	15	11	16	21	7	11	13	20
Net segment Revenue	9,537	9,879	10,040	9,654	10,100	10,171	10,984	10,661	11,513
Growth YoY(%)									
Freight	13.7	11.6	5.2	2.6	2.7	0.6	10.1	8.0	13.0
Supply chain	26.0	19.6	26.1	20.1	9.0	16.4	13.4	12.9	13.1
Seaways	-7.5	15.1	-5.3	-17.7	9.0	-16.2	-1.9	12.8	20.6
Energy	-9.6	176.4	-7.8	1.3	11.7	-53.9	3.8	-18.8	-4.8
Net segment Revenue	14.4	14.9	9.6	5.0	5.9	3.0	9.4	10.4	14.0
Revenue Share									
Freight	49	49	50	49	48	48	51	48	47
Supply chain	38	34	34	38	39	38	36	38	38
Seaways	13	17	15	13	13	14	14	13	14
Energy	0	0	0	0	0	0	0	0	0
Total Revenue Share	100	100	100	100	100	100	100	100	100
Segmental EBIT Margin(%)									
Freight	4.1	5.7	4.2	3.3	3.4	3.1	3.2	3.0	2.7
Supply chain	6.3	6.0	6.5	6.3	6.7	6.5	6.4	6.0	5.9
Seaways	24.5	26.9	27.7	29.2	22.9	22.1	26.4	28.6	31.2
Energy	50.5	55.9	32.1	50.0	57.1	0.0	36.4	46.2	70.0
Total	7.7	9.5	8.6	7.9	7.4	7.0	7.5	7.6	8.1

Expert Speak

Growth rate further accelerated in the current festive period

We hosted Mr. Dhiresb Bansal, CFO at Meesho to understand the outlook on Festive Demand Trends for Online Retailers. We gathered key insights about the company's growth trajectory, business model, category wise growth, and broader industry trends. Following are the key takeaways:

Company overview

- Meesho is an Indian social commerce platform, which allows individuals, particularly homemakers and small entrepreneurs, to start their own online businesses by reselling products through social media channels like WhatsApp, Facebook, and Instagram.
- Meesho offers a wide range of products, including clothing, accessories, and home goods, and provides tools for inventory management, payment processing, and logistics.
- The platform operates on a zero-inventory model. Resellers don't need to hold stock; they can list products directly from suppliers.
- Meesho has ~175m annual transacting users and ~178m monthly active users on its platform. Further, it has a network of 430k+ annual transacting sellers, 4000+ logistics partners and +120m total listings.
- Meesho's average order value stands at ~INR300, GMV stood at USD6b and NMV at USD4b in FY24. In terms of GMV, it is ranked 7th in quarterly sales among Indian consumer brands/platforms (refer to exhibit 3).



Mr. Dhiresb Bansal
CFO, Meesho Pvt Ltd

Prior to joining Meesho, he worked with JP Morgan (Investment Banking) & ChrysCapital. He holds an engineering degree from IIT- Bombay and completed MBA from IIM-Ahmedabad.

Festive cheers – witnessing strong growth in both rural and urban

- Meesho's Gross merchandise value (GMV) grew ~35% YoY on like-for-like basis in the current festive period (vs. ~20% YoY in FY24).
- The growth was broad-based across Metro and Rural. However, contrary to popular perception, Meesho witnessed higher ~55% YoY growth from Metro and T1 cities and 32-33% YoY growth in T2-T4 cities.
- Category wise, Home and Kitchen grew 2x YoY, Beauty and personal care grew ~50% YoY during the festive, while Apparels, accessories and Kids category grew lesser than 35% mark.
- **Average order per user grew by 11% YoY indicating no weakness in broader consumption demand across urban and rural.**

Meesho growing ahead of Industry driven by its value focused approach

- **As per management's estimate, E-commerce industry likely grew 10-12% YoY while Meesho's growth was 2x higher than the industry.**
- Meesho management believes that their value focused approach could be a key driver of industry leading growth.
- In addition, Meesho concept has removed the distribution barrier for the customer and hence shift is happening from traditional FMCG channels to platforms like Meesho.

Behemoth growth continues

- The company Net Merchandise Value (NMV) grew at +20% YoY in FY23 and +35% YoY in FY24 to USD4b (GMV – USD6b).
- Major proportion (**85% of GMV**) is contributed from Tier 2-4 and 15% of the GMV from Metro and Tier 1. This festive season the growth rate was faster in Metro and Tier 1 vs Tier 2-4.
- Meesho's efforts towards improvement in description quality, higher product assortment, marketing products by launching short videos, YouTube shorts, Instagram reels are driving accelerated growth.
- Meesho has witnessed higher impact from recommendation based search at (~79%) vs. search based (~21%).

- Meesho’s focus on value and affordable products remains the key differentiator. However, the launch of Premium apparel (Meesho Gold) is driving higher ASP.

Apparel leads with 45% share, Home and Kitchen fastest growing category

- Apparel contributes ~45% of Meesho’s GMV, followed by accessories (watches, spectacles etc) at 15%, Home and Kitchen (10-15%), kids wear (~10%), Beauty and Personal care (8% with Beauty at ~3%, Personal care at ~5%).
- Home and kitchen is the fast growing category on Meesho, while electronics and grocery remain less lucrative categories.

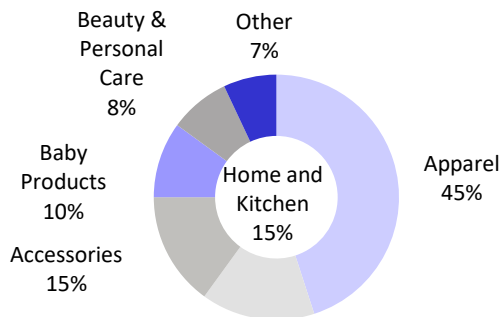
Buyer characteristics – predominantly women driven

- Meesho users (buyers) fall under income bracket of INR300k-1m, with ~73% below 35 years of age.
- Around 40% users are new to e-commerce and ~65% users are women.
- Average customer return rate stands at 7-9% over the last 2-3 years.

Diversifying the logistics ecosystem through Valmo

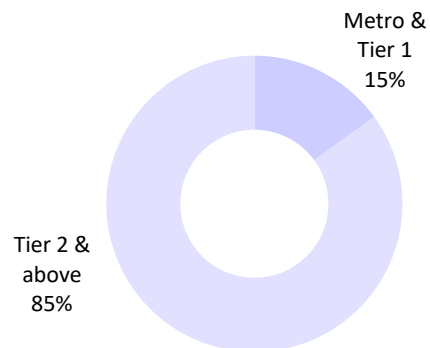
- Meesho’s reach is spreader equally across India and all the regions are seeing similar traction.
- ~30% of the orders were prepaid as compared to ~20% in 2023, as charges are lower than the COD orders.
- Meesho launched its own logistics arm, Valmo to increase ecosystem visibility, penetrating new and deeper into India and also benefit from cost efficiency (cost 5-7% lower vs. 3PLs).
- Meesho will continue to tie-up with 3PLs and is not targeting any particular mix between outsourced logistics and Valmo.

GMV mix



Source: MOFSL, Company

Tier 2 and above contribute 85% of GMV



Source: MOFSL, Company

Meesho amongst the leading player in Indian consumption space



One of the leading players in India consumption sector

Deep penetration into Tier 2 and beyond

Quarterly Gross Sales⁽¹⁾ ('000 Crs)



Largest E-commerce platform in terms of order volumes



Note: (1) GMV/GOV for platforms, Sales for others. (2) Reliance excludes connectivity revenue

Meesho's customer profile

Deep penetration into Tier 2 and beyond

175 MM
Annual Transacting Users⁽¹⁾

178 M
Monthly Active Users⁽¹⁾

52 MM
Monthly Transacting Users⁽²⁾

<\$12,000
Annual income of majority users

>85%
Users from Tier 2 & beyond

~65%
Users are women

29
Average Age of users

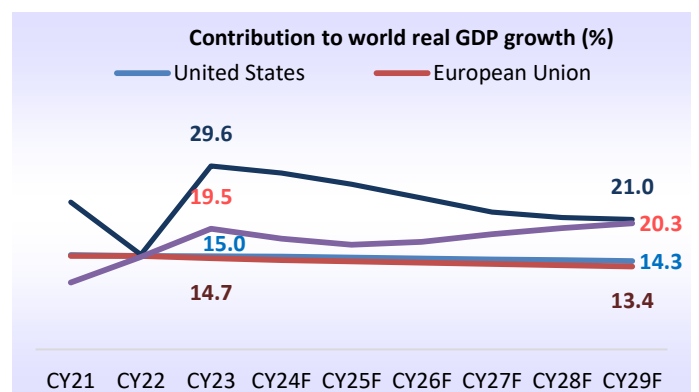
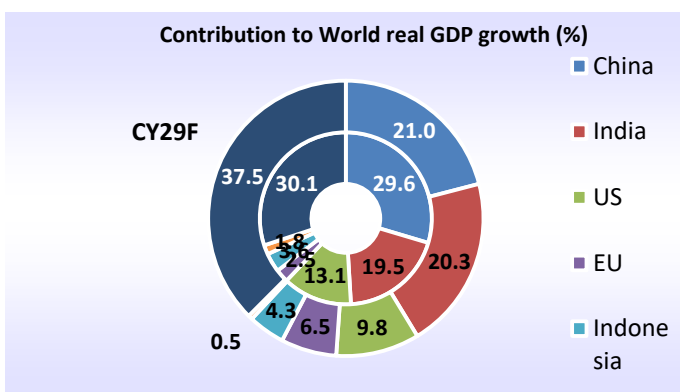
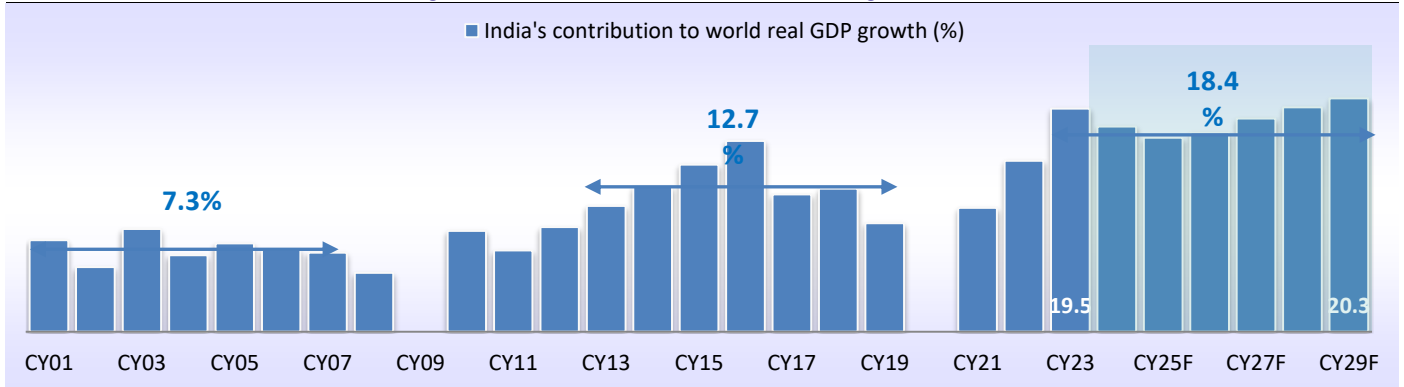
\$4
Average order value

2/3rd
Unique SKUs

GLOBAL ECONOMY - 3QCY24: A one-stop guide to the key macro/financial indicators

- To offer investors a unique advantage, we present a comprehensive overview of the global economy, covering as many as 40 nations that collectively accounted for over 85% of the global GDP in CY23. This is the 14th update in the series with data up to 3QCY24.
- Our intent to work on this comprehensive and extremely detailed data-oriented presentation is to provide a one-stop shop to all our readers. Through this presentation, we hope to provide a broad perspective on the evolution of the global economy.
- We have attempted to cover the most important macroeconomic indicators to offer our readers an idea of various themes, such as a) consumption vs. investments, b) linkages between monetary variables and inflation, c) key trends in global debt, d) government finances, e) monetary economics, f) international trade developments, g) the global housing market condition, and h) the labor market situation in developed nations.
- This presentation is usually released toward the end of the first month of every quarter, covering all published data as of the recently concluded quarter.

India's contribution to the world real GDP growth rate stood at 19.5% in 2023/FY24, highest since 1980





Pidilite Industries: Will see festive growth in paint business around Pongal; Bharat Puri, MD

- H1 Was Impacted By A Lot Of External Factors Like Elections & Rainfall
- Early To Call Out Weakness In Consumer Sentiment
- Will Be Better Placed In January To Comment On Consumer Sentiment
- Festive Quarter Important For Co
- B2B Will Continue Growing In Strong Double Digits
- Objective Is To Grow Consumer Business In Double Digits
- Expect Raw Material Prices To Sustain At Current Levels
- Will See Festive Growth In Paint Business Around Pongal

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Dr Lal Pathlabs: Will be looking at some inorganic growth opportunities in the southern market; Shankha Banerjee, CEO

- Maintain The Guidance For FY25, It Will Be Better Than FY24
- Sample And Volume Growth With Realisation Improvement To Drive Growth
- Better Product Mix And Geography Mix Will Aid The Growth
- Will Sustain Double-digit Growth In Sub-urban Going Forward
- Focus Is On Revenue Growth In Sub-urban And West Regions
- Expect EBITDA Margin To Be Nearly 27% For FY25
- Company Is Not Looking At Taking Price Hikes In FY25
- Competitive Intensity Still High Though Irrational Pricing Has Reduced
- Seeing Rising Competition From Captive Labs Of Hospitals
- Will Look At Inorganic Opportunity In The Southern Market

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AU Small Finance: Never compromised asset quality for growth; Sanjay Agarwal, MD & CEO

- Cost Of Funds Was Managed Despite Deposit Growth Of More Than 12% QoQ
- If We Take Out Money & Loans Given Against Money From SIDBI, NABARD, CD Ratio Is Below 80%
- H1 Slippages Are Seasonal, 90% Of The Book Is Secured
- Not Growing Microfinance Business Due To The Challenges
- AU Has Never Compromised Asset Quality For Growth
- Expect RoA Of 1.6% In FY25 & 1.7% In FY26

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Godrej Properties: Reasonable possibility that they will beat their FY25 bookings guidance; Gaurav Pandey, MD & CEO

- We Have Historically Seen More Launches In Q4, But We Have Now Spread It Across The Year
- 'Shraadh' In Q2 Impacted Sales For 15 Days
- Historically, H1 Is 31% Of The Full Year Bookings
- Reasonable Possibility That We Will Beat Our FY25 Bookings Guidance
- Operating Cash Flow Management Is Better In Buy-out Projects Vs JV/JD Models
- Buy Out Projects Give You Better Upside Financially
- Not In Favour Of JV Models/ Projects In This Market Scenario

[➔ Read More](#)**Metro Brands: Continue to guide for 12-15% revenue growth for FY25; expect good recovery in H2; Nissan Joseph, CEO**

- Growth Rates Seem To Have Now Normalized After COVID Volatility
- Q3 Has Had A Good Start So Far
- Wedding Season Will Be A Good Driver This Year
- Consumer Demand Is Stable, Don't See Many Headwinds Coming Our Way
- Continue To Guide For 12-15% Revenue Growth For FY25
- Expect Good Recovery In H2
- Still Targetting 15% CAGR Over The Long Term
- FY25 Will See Relaunch Of FILA, Growth Will Be Visible In FY26

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Automobiles																
Amara Raja Ener.	Neutral	1264	1415	12	54.5	61.7	70.2	10.1	13.2	13.7	23.2	20.5	3.0	2.7	13.9	14.0
Apollo Tyres	Buy	488	630	29	25.4	33.2	40.8	-11.6	30.7	22.9	19.2	14.7	1.6	1.5	11.1	13.3
Ashok Ley.	Buy	217	275	27	10.9	13.2	15.8	19.5	21.3	19.4	19.9	16.4	6.2	5.3	33.6	34.8
Bajaj Auto	Neutral	10300	11450	11	302.1	387.9	492.8	9.4	28.4	27.0	34.1	26.6	10.3	9.5	32.0	37.2
Balkrishna Inds	Neutral	2937	2840	-3	82.0	108.8	127.7	7.2	32.7	17.4	35.8	27.0	5.7	4.9	16.8	19.5
Bharat Forge	Neutral	1429	1465	2	33.4	44.3	53.5	69.1	32.7	20.8	42.8	32.3	8.2	7.0	20.4	23.4
Bosch	Neutral	36013	34275	-5	731.6	877.2	1,081.4	17.9	19.9	23.3	49.2	41.1	8.1	7.3	17.1	18.7
CEAT	Buy	2802	3450	23	131.9	176.3	229.5	-22.2	33.6	30.2	21.2	15.9	2.5	2.2	12.5	15.0
Craftsman Auto	Neutral	5306	5435	2	120.1	193.3	279.2	-16.7	60.9	44.4	44.2	27.5	4.1	3.6	12.0	13.9
Eicher Mot.	Sell	4670	4095	-12	161.1	175.7	199.2	10.1	9.0	13.4	29.0	26.6	6.1	5.3	22.6	21.4
Endurance Tech.	Buy	2393	2760	15	61.9	74.3	88.1	30.9	20.0	18.6	38.6	32.2	5.9	5.1	16.3	17.1
Escorts Kubota	Neutral	3494	4085	17	99.9	127.4	164.6	5.3	27.5	29.2	35.0	27.4	4.2	3.7	12.7	14.4
Exide Ind	Neutral	467	470	1	13.7	16.8	19.8	10.4	22.8	18.1	34.1	27.8	2.8	2.6	8.3	9.4
Happy Forgings	Buy	1098	1375	25	30.5	42.7	55.4	18.4	39.9	29.7	36.0	25.7	5.6	4.7	16.6	19.9
Hero Moto	Buy	5115	6625	30	230.3	280.1	331.6	12.6	21.6	18.4	22.2	18.3	5.3	4.9	24.8	28.0
Hyundai Motor	Buy	1871	2345	25	68.7	79.8	93.9	-7.9	16.2	17.7	27.2	23.5	10.8	8.5	45.2	40.6
M&M	Buy	2828	3610	28	103.0	122.7	146.4	16.0	19.2	19.3	27.5	23.0	5.5	4.6	21.6	21.8
CIE Automotive	Buy	503	-		21.7	26.8	32.5	2.7	23.6	21.4	23.2	18.8	2.9	2.6	13.0	14.5
Maruti Suzuki	Buy	11762	15235	30	475.1	550.4	621.6	10.7	15.9	12.9	24.8	21.4	3.9	3.4	15.6	16.0
MRF	Sell	124158	107790	-13	4,745.7	5,546.8	6,070.9	-4.9	16.9	9.4	26.2	22.4	2.8	2.6	11.4	12.0
Samvardh. Motherson	Buy	193	240	25	6.3	8.4	10.2	71.3	32.3	22.0	30.4	23.0	4.5	3.9	15.5	18.3
Motherson Wiring	Buy	63	83	32	1.6	2.1	2.5	12.1	27.6	22.1	38.9	30.5	13.7	11.0	38.5	40.0
Sona BLW Precis.	Neutral	729	685	-6	10.7	13.5	16.2	19.4	26.4	20.1	68.3	54.0	13.3	11.4	20.8	22.8
Tata Motors	Neutral	880	990	13	57.1	69.5	80.3	-2.7	21.7	15.6	15.4	12.7	3.1	2.5	22.2	22.0
TVS Motor	Neutral	2482	2610	5	53.6	67.9	82.2	22.3	26.7	21.1	46.3	36.6	12.0	9.4	29.0	28.8
Tube Investments	Buy	4726	5040	7	60.6	74.4	89.5	76.3	22.8	20.2	78.0	63.5	14.8	12.1	20.8	21.0
Aggregate								8.3	21.4	18.3	27.0	22.3	5.1	4.4	19.0	19.8
Banks - Private																
AU Small Finance	Buy	646	830	29	31.8	39.3	51.8	38.3	24	31.9	20.3	16.4	2.9	2.5	15.4	16.2
Axis Bank	Neutral	1168	1225	5	85.1	98.2	115.5	5.4	15.5	17.6	13.7	11.9	2.1	1.8	16.1	15.9
Bandhan Bank	Neutral	181	220	22	24.4	28.6	33.7	76.3	17	17.9	7.4	6.3	1.2	1.0	17.1	17.5
DCB Bank	Buy	110	160	45	18.8	24.7	31.0	9.7	31.4	25.5	5.9	4.5	0.6	0.6	11.7	13.7
Equitas Small Fin.	Buy	71	100	42	5.6	8.9	13.2	-20.8	58.7	47.4	12.5	7.9	1.2	1.1	10.3	14.8
Federal Bank	Buy	189	230	22	16.9	20.5	24.8	3.5	20.9	21.1	11.1	9.2	1.4	1.2	13.4	14.3
HDFC Bank	Buy	1750	2050	17	88.2	100.1	115.6	10.2	13.5	15.4	19.8	17.5	2.7	2.4	14.4	14.6
ICICI Bank	Buy	1253	1400	12	63.6	72.0	85.4	9.0	13.1	18.6	19.7	17.4	3.2	2.8	17.6	17.2
IDFC First Bk	Neutral	68	83	22	4.2	6.0	8.1	-2.1	41.0	36.3	16.1	11.4	1.4	1.2	8.9	11.4
IndusInd	Buy	1279	1500	17	94.9	128.2	163.1	-17.8	35.1	27.2	13.5	10.0	1.5	1.3	11.2	13.6
Kotak Mah. Bk	Neutral	1763	1950	11	95.5	108.5	130.5	4.3	13.6	20.3	18.5	16.2	2.4	2.1	13.9	13.6
RBL Bank	Neutral	166	220	33	16.9	28.4	42.2	-12.5	68.2	48.5	9.8	5.8	0.6	0.6	6.7	10.7
SBI Cards	Neutral	712	850	19	27.6	37.2	49.4	8.6	34.8	33.1	25.8	19.2	4.7	3.8	19.8	22.1
Aggregate								8.8	15.9	19.0	17.8	15.3	2.6	2.2	14.4	14.6
Banks - PSU																
BOB	Buy	245	290	18	37.6	41.3	45.6	9.4	9.9	10.3	6.5	5.9	1.0	0.9	16.9	16.3
Canara Bank	Buy	98	133	36	17.8	19.4	21.5	10.9	8.9	10.8	5.5	5.1	0.9	0.8	19.2	18.2
Indian Bank	Buy	501	670	34	75.9	83.3	93.9	22.0	9.8	12.7	6.6	6.0	1.1	0.9	18.1	17.3
Punjab Natl. Bank	Neutral	99	135	37	13.0	15.3	17.9	74.2	17.3	17.1	7.6	6.4	1.0	0.9	13.8	14.4
SBI	Buy	795	1015	28	87.7	100.9	118.8	16.6	15	17.7	9.1	7.9	1.5	1.3	18.5	17.9
Union Bank (I)	Buy	110	135	22	20.4	22.4	24.8	8.0	10	10.9	5.4	4.9	0.8	0.7	15.9	15.4
Aggregate								19.0	13	15	8	6.7	1.2	1.1	16.1	16.1
NBFCs																
AAVAS Financiers	Neutral	1668	2070	24	74.4	90.4	113.6	20.0	21.4	25.7	22.4	18.5	3.0	2.6	14.5	15.2
Aditya Birla Cap	Buy	212	270	27	13.2	17.1	21.6	30.9	29.2	26.1	16.0	12.4	1.8	1.6	12.1	13.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Angel One	Buy	2870	4100	43	169.0	189.7	264.1	24.4	12.3	39.2	17.0	15.1	4.0	3.5	31.2	24.5
Bajaj Fin.	Neutral	7041	7320	4	266.7	343.8	441.2	14.1	28.9	28.3	26.4	20.5	4.5	3.7	18.9	19.9
BSE	Neutral	4325	4000	-8	85.2	96.2	107.0	49.4	13.0	11.2	50.8	44.9	16.0	14.5	31.6	32.2
Cams Services	Buy	4498	5300	18	94.5	114.0	137.1	31.9	20.7	20.2	47.6	39.5	20.5	17.3	46.5	47.6
Can Fin Homes	Neutral	846	960	13	65.1	72.6	83.2	15.5	11.5	14.7	13.0	11.7	2.2	1.9	18.3	17.4
Cholaman.Inv.&Fn	Buy	1387	1850	33	53.4	73.1	96.9	31.0	36.9	32.7	26.0	19.0	4.9	3.7	20.6	22.5
CreditAccess	Buy	985	1260	28	81.2	97.9	127.6	-10.5	20.6	30.3	12.1	10.1	2.0	1.7	18.1	18.4
Fusion Finance	Neutral	201	240	20	-1.7	54.0	69.7	-103.4	LP	29.0	NM	3.7	0.7	0.6	-0.6	17.5
Five-Star Business	Buy	885	1000	13	36.7	44.3	53.9	28.6	20.5	21.7	24.1	20.0	4.1	3.4	18.7	18.8
HDFC Life Insur.	Buy	715	900	26	8.3	9.5	10.6	13.2	14.8	11.5	86.6	75.4	2.8	2.4	16.8	16.3
Home First Fin.	Buy	1114	-		42.4	52.6	65.8	22.8	24.1	25.0	26.3	21.2	4.0	3.4	16.4	17.5
ICICI Pru Life	Buy	768	900	17	6.4	7.9	10.6	8.5	23.2	33.6	119.7	97.1	2.2	1.8	19.3	19.8
ICICI Lombard	Buy	1955	2400	23	48.8	58.2	73.4	25.2	19.4	26.2	40.1	33.6	7.1	6.2	18.8	19.6
IIFL Finance	Buy	407	530	30	16.0	51.0	64.0	-65.4	218.8	25.5	24.8	8.0	1.4	1.2	6.0	16.1
360 ONE WAM	Buy	1035	1300	26	30.9	36.9	40.0	38.0	19.4	8.5	33.5	28.0	10.3	9.6	31.6	35.3
IndoStar	Buy	265	315	19	10.7	16.4	24.8	26.2	52.4	51.4	24.7	16.2	1.1	1.0	4.4	6.7
L&T Finance	Buy	145	200	38	11.2	13.9	18.5	20.3	24.3	33.1	12.9	10.4	1.4	1.3	11.4	12.8
Life Insurance Corp.	Buy	912	1300	43	70.2	76.2	85.7	9.1	8.5	12.6	13.0	12.0	0.7	0.6	11.5	11.3
LIC Hsg Fin	Buy	600	830	38	89.2	93.3	99.7	3.0	4.6	6.8	6.7	6.4	0.9	0.8	14.7	13.8
MCX	Buy	6647	7600	14	120.3	158.5	188.9	638.3	31.7	19.2	55.2	42.0	22.6	20.4	42.6	51.1
Manappuram Fin.	Neutral	148	160	8	25.1	27.8	35.2	-3.4	10.7	26.7	5.9	5.3	0.9	0.8	17.0	16.3
MAS Financial	Buy	286	360	26	17.4	22.2	27.2	15.2	27.6	22.5	16.0	13.0	2.1	1.9	14.9	15.0
Max Financial	Neutral	1289	1300	1	14.6	16.9	22.8	92.9	16.0	34.8	88.4	76.2	2.4	2.0	19.0	19.4
M&M Fin.	Buy	269	335	25	19.6	24.8	31.1	37.7	26.3	25.3	13.7	10.8	1.6	1.4	12.1	14.0
Muthoot Fin	Neutral	1929	1800	-7	126.7	145.3	165.6	25.6	14.7	14.0	15.2	13.3	2.7	2.4	19.3	19.1
Piramal Enterp.	Neutral	1052	1015	-4	39.2	57.4	75.3	-152.2	46.4	31.3	26.9	18.3	0.9	0.8	3.3	4.7
PNB Housing	Buy	933	1235	32	72.3	88.8	108.4	24.5	22.8	22.1	12.9	10.5	1.4	1.3	11.8	12.9
Poonawalla Fincorp	Buy	358	460	28	16.8	21.3	29.2	25.5	26.8	37.0	21.3	16.8	3.0	2.6	14.8	16.4
PFC	Buy	453	560	24	49.9	55.0	62.1	14.6	10.3	12.8	9.1	8.2	1.6	1.4	19.4	18.7
REC	Buy	521	630	21	60.5	69.3	80.1	13.6	14.7	15.6	8.6	7.5	1.7	1.5	21.3	20.9
Repco Home Fin	Neutral	500	580	16	68.9	74.3	82.5	9.2	7.9	11.1	7.3	6.7	0.9	0.8	13.9	13.2
Spandana Sphoorty	Buy	467	580	24	12.7	73.0	101.1	-81.9	474.7	38.4	36.8	6.4	0.9	0.8	2.5	13.0
Shriram Finance	Buy	3241	4100	26	224.9	272.7	331.2	17.5	21.3	21.5	14.4	11.9	2.2	1.9	16.3	17.2
SBI Life Insurance	Buy	1634	2100	29	23.9	24.8	27.7	26.1	3.8	11.7	68.4	65.9	2.3	1.9	21.3	20.0
Star Health Insu	Buy	545	720	32	18.4	24.3	32.1	27.3	32.3	32.2	29.7	22.4	4.1	3.5	15.0	16.9
Aggregate								16.5	21.5	21.6	15.4	12.7	2.4	2.0	15.3	16.2
Chemicals																
Alkyl Amines	Neutral	2081	2305	11	41.5	56.9	74.8	42.7	37.2	31.4	50.1	36.5	7.6	6.7	15.9	19.4
Atul	Buy	7647	9955	30	172.6	222.4	275.4	66.8	28.9	23.8	44.3	34.4	4.1	3.7	9.5	11.3
Clean Science	Neutral	1518	1580	4	26.6	36.0	43.1	15.7	35.3	19.8	57.1	42.2	11.1	9.1	21.3	23.7
Deepak Nitrite	Neutral	2716	3005	11	73.8	80.6	91.1	33.9	9.1	13.0	36.8	33.7	6.5	5.6	19.2	17.9
Fine Organic	Sell	4741	4250	-10	118.8	119.0	123.7	-1.0	0.2	4.0	39.9	39.8	6.6	5.7	18.0	15.4
Galaxy Surfact.	Buy	2894	3750	30	97.7	115.0	135.1	14.9	17.7	17.4	29.6	25.2	4.2	3.7	15.0	15.8
Navin Fluorine	Neutral	3409	3240	-5	57.6	82.1	103.1	25.0	42.5	25.6	59.1	41.5	6.5	5.9	11.5	14.9
NOCIL	Neutral	275	315	15	9.4	11.7	13.5	19.2	24.9	14.9	29.2	23.4	2.6	2.4	9.0	10.6
PI Inds.	Buy	4317	5470	27	112.5	136.9	160.3	1.7	21.7	17.1	38.4	31.5	6.4	5.4	18.0	18.5
SRF	Neutral	2256	2080	-8	40.5	67.4	88.9	-14.7	66.4	32.0	55.7	33.5	5.5	4.9	10.2	15.5
Tata Chemicals	Neutral	1107	1070	-3	30.7	49.0	61.6	-14.9	59.4	25.6	36.0	22.6	1.2	1.2	3.5	5.4
Vinati Organics	Buy	1937	2500	29	42.7	50.9	60.2	36.8	19.2	18.4	45.4	38.1	7.2	6.2	16.8	17.5
Aggregate								27.6	20.2	18.0	42.0	34.9	5.8	5.1	13.7	14.5
Capital Goods																
ABB India	Buy	7645	9500	24	97.0	114.2	133.4	64.7	17.8	16.8	78.8	66.9	20.6	16.1	29.8	27.0



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Bharat Electronics	Buy	271	360	33	6.7	8.2	9.9	21.0	22.7	20.9	40.8	33.2	9.8	7.8	24.0	23.5
Cummins India	Buy	3398	4300	27	74.2	89.0	105.5	23.7	19.9	18.5	45.8	38.2	13.5	11.9	31.3	33.1
Hitachi Energy	Neutral	13783	12800	-7	75.4	149.9	213.5	95.3	98.7	42.4	182.7	91.9	34.8	25.2	19.0	27.5
Kalpataru Proj.	Buy	1216	1500	23	49.3	69.6	89.1	51.3	41.1	28.0	24.7	17.5	3.1	2.7	13.2	16.4
KEC International	Neutral	918	950	3	25.7	42.5	50.7	90.3	65.5	19.3	35.8	21.6	4.3	3.8	13.9	18.8
Kirloskar Oil	Buy	1074	1540	43	36.1	46.2	58.6	44.4	28.2	26.7	29.8	23.2	5.2	4.4	18.6	20.6
Larsen & Toubro	Buy	3443	4250	23	108.0	135.7	158.1	14.3	25.7	16.5	31.9	25.4	4.8	4.2	16.1	17.8
Siemens	Buy	6852	8400	23	73.4	87.5	108.7	33.3	19.2	24.1	93.3	78.3	16.2	14.1	18.6	19.3
Thermax	Neutral	5178	4950	-4	66.0	83.6	103.1	26.5	26.7	23.3	78.5	61.9	11.6	10.1	15.7	17.4
Triveni Turbine	Buy	706	830	18	11.0	14.3	19.4	30.5	29.4	35.8	63.9	49.4	18.5	14.6	32.3	33.0
Zen Technologies	Buy	1751	1900	8	28.8	41.8	59.5	90.9	45.0	42.5	60.8	41.9	21.2	14.1	42.2	40.3
Aggregate								23.9	26.1	19.6	46.1	36.6	8.1	6.9	17.5	18.9
Cement																
Ambuja Cem.	Buy	559	750	34	9.5	15.2	18.9	-31.8	59.9	24.8	58.9	36.9	2.5	2.4	4.9	6.7
ACC	Buy	2266	3000	32	81.1	108.9	142.4	-18.3	34.3	30.8	27.9	20.8	2.4	2.2	9.1	11.2
Birla Corp.	Buy	1152	1500	30	24.7	60.2	80.1	-54.3	143.7	33.1	46.6	19.2	1.3	1.2	2.8	6.7
Dalmia Bhar.	Buy	1811	2250	24	45.9	65.0	83.6	12.8	41.5	28.5	39.4	27.9	2.0	1.9	5.2	7.0
Grasim Inds.	Buy	2668	3270	23	89.4	104.9	122.9	-6.5	17.2	17.2	29.8	25.4	3.3	3.1	0.8	2.5
India Cem	Sell	359	310	-14	-12.4	-1.3	5.2	64.1	Loss	LP	NM	NM	2.1	2.2	-7.3	-0.8
J K Cements	Buy	4200	5270	25	96.3	136.3	180.9	-6.3	41.6	32.8	43.6	30.8	5.5	4.8	13.2	16.6
JK Lakshmi Ce	Buy	780	970	24	26.8	37.2	40.9	-32.2	38.8	9.9	29.1	20.9	2.7	2.4	9.5	12.1
Ramco Cem	Neutral	843	860	2	11.9	22.2	31.8	-28.8	86.8	42.9	70.9	37.9	2.7	2.6	3.9	6.9
Shree Cem	Neutral	25078	26580	6	449.3	510.4	589.9	-34.3	13.6	15.6	55.8	49.1	4.2	4.0	7.7	8.3
Ultratech	Buy	11040	13000	18	211.9	313.6	392.7	-13.3	48.0	25.2	52.1	35.2	4.9	4.1	9.8	12.9
Aggregate								-15.7	40.3	24.2	43.3	30.8	3.3	3.0	7.6	9.7
Consumer																
Asian Paints	Neutral	2971	3150	6	55.3	61.8	69.8	-4.6	11.8	13.0	53.8	48.1	14.2	13.0	27.4	28.3
Britannia	Neutral	5614	6100	9	101.2	113.9	127.3	14.1	12.5	11.8	55.5	49.3	29.7	24.9	57.4	54.9
Colgate	Neutral	3216	3250	1	55.6	61.2	66.8	13.0	10.1	9.2	58.2	52.8	40.7	35.6	74.9	71.9
Dabur	Buy	541	700	29	10.8	12.5	14.2	2.2	15.4	14.1	50.0	43.4	8.9	8.3	18.6	19.8
Emami	Buy	639	950	49	20.4	23.1	25.0	13.3	13.1	8.3	31.2	27.6	10.0	8.8	34.1	33.9
Godrej Cons.	Buy	1255	1550	24	21.6	26.3	30.4	11.8	21.8	15.6	59.4	48.7	9.4	8.5	16.4	18.4
HUL	Buy	2503	3200	28	45.3	51.0	56.2	3.7	12.5	10.1	55.2	49.1	11.4	11.2	20.7	23.0
ITC	Buy	472	575	22	16.7	18.3	19.8	1.9	9.6	8.2	28.2	25.9	7.6	7.2	27.5	28.7
Indigo Paints	Buy	1662	1750	5	30.6	37.3	46.4	-1.2	21.9	24.3	54.3	44.5	7.7	6.8	15.2	16.3
Jyothy Lab	Neutral	503	575	14	11.1	12.4	13.7	12.8	12.3	10.6	45.4	40.5	9.6	8.7	21.8	22.6
Marico	Buy	634	780	23	12.6	13.9	15.2	9.5	10.8	8.9	50.5	45.6	20.6	19.7	41.6	44.2
Nestle	Neutral	2260	2400	6	34.0	38.6	43.6	-17.1	13.5	12.8	66.4	58.5	52.6	44.6	87.7	82.5
Page Inds	Neutral	43518	40000	-8	573.3	701.4	838.3	12.3	22.3	19.5	75.9	62.0	27.8	24.0	36.7	38.6
Pidilite Ind.	Neutral	3121	3200	3	42.5	49.0	55.9	18.5	15.3	14.1	73.5	63.7	16.6	15.0	24.0	24.7
P&G Hygiene	Neutral	16207	17000	5	260.2	296.4	338.3	18.2	13.9	14.1	62.3	54.7	55.7	46.3	98.4	92.6
Tata Consumer	Buy	996	1320	32	16.0	19.5	21.5	11.3	22.3	10.0	62.4	51.0	4.2	3.7	8.0	8.1
United Brew	Sell	1977	-		22.8	32.2	37.2	46.4	41.7	15.4	86.9	61.3	11.6	10.5	13.9	18.0
United Spirits	Neutral	1461	1550	6	18.8	21.2	23.4	3.8	12.8	10.4	58.7	52.2	9.6	8.1	16.4	15.6
Varun Beverages	Buy	609	730	20	7.9	10.2	12.6	29.4	29.3	24.0	77.4	59.9	22.3	10.4	32.9	23.6
Aggregate								4.0	12.6	10.7	48.4	43.0	11.7	10.9	24.2	25.4
Consumer Durables																
Havells India	Neutral	1724	1830	6	23.9	29.6	36.8	17.8	24.0	24.3	72.2	58.2	12.8	11.2	17.8	19.3
KEI Industries	Buy	3961	5100	29	75.6	91.1	112.1	17.4	20.6	23.0	52.4	43.5	9.4	7.8	18.0	18.1
Polycab India	Buy	6501	8340	28	124.9	151.4	182.2	5.2	21.2	20.4	52.1	43.0	10.2	8.6	19.5	20.0
R R Kabel	Buy	1606	-		32.0	45.5	61.0	21.2	42.1	33.9	50.2	35.3	8.6	7.2	18.3	22.2
Voltas	Buy	1791	2100	17	27.1	34.8	44.3	274.0	28.7	27.1	66.2	51.4	8.9	7.8	13.5	15.2
Aggregate								27.3	24.6	24.0	61.0	48.9	10.6	9.1	17.4	18.6
EMS																



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Amber Enterp.	Buy	6250	7350	18	78.0	113.0	172.3	97.7	44.9	52.5	80.1	55.3	9.0	7.8	12.0	15.1
Avalon Tech	Buy	599	690	15	6.7	15.1	23.9	58.3	123.3	58.7	88.9	39.8	6.7	5.7	7.8	15.4
Cyient DLM	Buy	637	870	37	13.1	24.7	34.3	70.3	87.9	38.9	48.4	25.8	5.0	4.2	10.8	17.6
Data Pattern	Neutral	2259	2400	6	40.0	53.1	67.8	23.2	32.8	27.7	56.5	42.5	8.2	6.9	15.6	17.6
Dixon Tech.	Buy	15064	17500	16	128.4	177.1	231.9	108.8	37.9	30.9	117.2	85.0	36.8	25.8	37.1	35.7
Kaynes Tech	Buy	5515	6400	16	53.4	94.2	143.7	86.2	76.3	52.6	103.2	58.5	12.5	10.3	12.8	19.2
Syрма SGS Tech.	Buy	393	530	35	9.0	15.0	22.5	46.3	67.7	49.5	43.8	26.1	4.0	3.5	9.5	14.3
Aggregate								70.9	56.7	41.4	95.2	60.7	13.9	11.4	14.6	18.7
Healthcare																
Alembic Phar	Neutral	1067	1150	8	37.4	41.2	50.2	18.8	10.3	21.7	28.5	25.9	3.9	3.4	14.2	13.9
Alkem Lab	Neutral	5955	6072	2	187.8	204.3	210.6	17.6	8.8	3.1	31.7	29.2	5.9	5.1	20.1	18.8
Ajanta Pharma	Buy	2972	3790	28	75.8	87.8	103.7	21.7	15.7	18.2	39.2	33.9	8.8	7.4	24.5	23.7
Apollo Hospitals	Buy	6959	8330	20	94.4	125.5	145.8	51.2	33.0	16.1	73.7	55.4	11.8	9.8	17.9	19.9
Aurobindo	Neutral	1442	1480	3	66.3	73.8	85.2	18.3	11.3	15.4	21.7	19.5	2.5	2.2	12.3	12.2
Biocon	Neutral	322	340	6	4.4	9.2	13.1	144.4	109.8	41.6	73.1	34.8	1.9	1.8	2.6	5.3
Cipla	Buy	1492	1940	30	58.7	65.6	68.3	11.9	11.7	4.1	25.4	22.8	3.9	3.4	15.4	14.9
Divis Lab	Neutral	5734	5300	-8	77.7	95.1	116.3	29.6	22.4	22.2	73.8	60.3	10.1	9.1	14.4	15.9
Dr Reddy's	Neutral	6583	6930	5	353.8	389.0	355.9	11.6	9.9	-8.5	18.6	16.9	3.3	2.8	19.1	17.7
ERIS Lifescience	Neutral	1282	1220	-5	30.4	42.0	54.5	4.0	38.0	29.9	42.1	30.5	6.0	5.1	15.2	18.2
Gland Pharma	Buy	1641	2170	32	53.4	67.0	76.5	12.1	25.6	14.2	30.7	24.5	2.8	2.5	9.6	10.9
Glenmark	Buy	1673	1930	15	47.5	59.2	68.5	1,811.9	24.6	15.7	35.2	28.3	5.2	4.4	15.8	16.8
GSK Pharma	Neutral	2619	2720	4	48.1	53.4	61.6	11.1	11.1	15.2	54.4	49.0	20.9	17.3	38.3	35.3
Global Health	Buy	1066	1263	18	19.3	24.8	29.2	8.2	29.0	17.4	55.4	42.9	8.6	7.4	16.6	18.5
Granules India	Buy	556	645	16	22.2	29.4	37.1	27.7	32.8	25.9	25.1	18.9	3.6	3.1	15.4	17.5
IPCA Labs	Buy	1581	1950	23	33.4	42.8	55.9	60.8	28.1	30.5	47.3	36.9	5.7	5.0	12.7	14.5
Laurus Labs	Buy	446	530	19	6.3	11.0	15.2	108.8	74.6	38.2	71.8	41.0	5.5	5.0	12.7	15.6
Lupin	Neutral	2130	2060	-3	59.2	69.8	77.6	42.5	17.8	11.2	36.0	30.5	5.8	4.9	17.3	17.4
Mankind Pharma	Buy	2507	3000	20	54.5	62.4	74.3	14.1	14.6	18.9	46.0	40.1	9.1	7.8	21.4	20.9
Max Healthcare	Buy	906	1238	37	15.6	19.1	23.9	13.9	22.4	24.9	57.9	47.3	8.1	6.9	15.1	15.8
Piramal Pharma	Buy	256	310	21	2.4	5.2	7.5	466.8	116.7	44.2	105.9	49.3	3.7	3.4	4.0	8.0
Sun Pharma	Buy	1849	2220	20	49.2	57.9	66.3	18.6	17.8	14.5	37.6	31.9	6.0	5.2	17.2	17.4
Torrent Pharma	Neutral	3317	3430	3	63.4	82.0	98.7	34.6	29.3	20.4	52.3	40.5	6.8	5.6	28.5	30.5
Zyduѕ Lifesciences	Neutral	1005	1140	13	43.9	47.3	43.6	16.5	7.9	-7.8	22.9	21.2	4.0	3.5	19.6	17.4
Aggregate								24.0	18.3	11.9	36.4	30.8	5.4	4.7	14.8	15.2
Infrastructure																
G R Infraproject	Buy	1560	2050	31	79.2	99.9	111.1	8.5	26.2	11.2	19.7	15.6	1.9	1.7	10.1	11.5
IRB Infra	Neutral	53	62	18	1.6	2.1	2.4	58.6	30.8	17.2	33.0	25.2	2.2	2.0	6.8	8.4
KNR Constructions	Buy	289	410	42	14.6	18.9	21.1	-4.4	29.7	11.9	19.8	15.3	2.2	1.9	11.9	13.5
Aggregate											25.9	20.1	2.1	1.9	8.2	9.6
Logistics																
Adani Ports	Buy	1354	1880	39	51.2	61.1	72.9	24.2	19.2	19.3	26.4	22.2	4.7	4.0	19.1	19.3
Blue Dart Express	Buy	7804	9900	27	137.1	223.5	271.8	12.7	63.0	21.6	56.9	34.9	11.4	9.2	21.3	29.2
Concor	Buy	814	1150	41	22.3	32.6	35.4	9.9	46.1	8.6	36.5	25.0	3.9	3.6	11.2	15.2
JSW Infra	Buy	290	410	42	6.5	9.3	11.0	11.7	44.3	17.7	44.7	31.0	6.7	5.8	15.9	20.0
Mahindra Logistics	Neutral	426	440	3	3.6	17.3	29.2	-143.7	384.6	68.6	118.9	24.5	6.1	5.0	5.0	22.0
Transport Corp.	Buy	1039	-		52.6	64.5	75.4	14.8	22.6	16.9	19.8	16.1	3.4	2.8	18.2	18.8
TCI Express	Buy	999	1370	37	32.8	43.5	48.9	-4.5	32.6	12.2	30.4	22.9	4.8	4.1	16.7	19.2
VRL Logistics	Buy	541	670	24	12.7	23.4	25.8	25.7	83.6	10.4	42.5	23.2	4.9	4.4	11.6	20.1
Aggregate											29.6	23.5	4.8	4.1	16.3	17.7
Media																
PVR Inox	Neutral	1509	1750	16	7.4	26.7	48.6	-36.8	262.9	81.8	204.8	56.4	2.0	1.9	1.0	3.5
Sun TV	Neutral	740	860	16	47.1	50.2	53.4	-1.0	6.5	6.4	15.7	14.8	2.6	2.4	16.8	16.5
Zee Ent.	Neutral	124	145	17	7.2	9.6	10.6	58.7	33.3	11.2	17.3	13.0	1.0	1.0	6.2	7.8
Aggregate								8.0	20.6	14.0	21.4	17.7	1.9	1.8	8.8	10.0
Metals																



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Coal India	Buy	477	590	24	61.2	67.4	70.5	0.9	10.1	4.6	7.8	7.1	2.9	2.4	37.3	34.2
Hindalco	Buy	690	880	27	63.0	63.1	74.6	38.0	0.1	18.3	11.0	10.9	1.7	1.5	16.2	14.2
Hind. Zinc	Neutral	539	570	6	23.0	30.6	31.4	25.1	33.3	2.7	23.5	17.6	18.6	11.3	70.8	80.1
JSPL	Buy	924	1200	30	54.8	95.5	110.1	-6.2	74.3	15.2	16.9	9.7	1.9	1.6	11.7	17.9
JSW Steel	Buy	958	1200	25	32.6	67.8	85.5	-11.5	108.1	26.2	29.4	14.1	2.8	2.3	9.8	17.9
Nalco	Neutral	226	220	-3	12.9	13.9	16.2	42.2	7.8	16.5	17.5	16.3	2.6	2.3	15.6	15.0
NMDC	Buy	216	290	34	24.8	27.1	30.3	25.8	9.2	11.7	8.7	8.0	2.1	1.8	25.8	23.8
SAIL	Neutral	117	140	19	4.1	10.4	14.8	58.5	151	43.0	28.3	11.3	0.8	0.8	3.0	7.2
Tata Steel	Neutral	149	180	21	5.9	12.4	18.0	118.7	109	45.4	25.2	12.1	2.1	2.0	8.5	17.0
Vedanta	Neutral	469	550	17	36.6	43.6	50.7	175.9	19	16.2	12.8	10.7	5.6	4.5	44.2	46.4
Aggregate								23.2	31.6	16.6	14.1	10.7	2.5	2.2	18.0	20.6
Oil & Gas																
Aegis Logistics	Neutral	748	810	8	17.5	21.7	23.6	7.9	24.2	8.8	42.7	34.4	6.1	5.5	15.0	16.8
BPCL	Neutral	321	340	6	32.6	35.5	36.1	-48.5	8.9	1.7	9.9	9.1	1.7	1.5	17.6	17.6
Castrol India	Buy	208	-		9.4	9.6	10.6	7.4	2.7	10.5	22.1	21.5	9.1	8.6	42.4	41.1
GAIL	Buy	211	290	38	15.3	17.3	19.8	11.5	13.2	14.1	13.8	12.2	1.9	1.7	15.0	15.5
Gujarat Gas	Buy	536	730	36	19.0	22.7	24.9	19.0	19.2	9.9	28.1	23.6	4.3	3.8	16.1	17.2
Gujarat St. Pet.	Neutral	392	472	20	13.1	12.1	11.6	-42.4	-7.7	-4.3	29.9	32.3	2.0	2.0	7.0	6.2
HPCL	Buy	405	510	26	30.2	47.1	47.1	-59.9	56.2	0.0	13.4	8.6	1.7	1.5	13.0	18.2
IOC	Buy	153	225	47	10.5	13.7	14.4	-64.4	30.9	5.1	14.6	11.2	1.1	1.1	7.7	9.5
IGL	Sell	428	466	9	23.3	26.2	28.8	-6.6	12.5	9.7	18.4	16.3	3.1	2.7	17.9	17.8
Mahanagar Gas	Buy	1544	-		129.4	137.0	144.9	-2.2	5.9	5.8	11.9	11.3	2.6	2.3	23.1	21.4
MRPL	Sell	155	131	-16	2.2	9.9	11.4	-89.4	356.0	14.9	71.4	15.7	2.0	1.8	2.8	12.2
Oil India	Buy	510	720	41	46.2	51.3	55.7	-5.0	11.0	8.5	11.0	9.9	1.7	1.5	16.1	16.0
ONGC	Buy	269	365	36	45.0	52.8	55.6	-2.8	17.2	5.4	6.0	5.1	0.9	0.8	15.9	16.5
PLNG	Neutral	338	385	14	25.7	30.9	34.0	9.0	20.2	10.0	13.2	10.9	2.7	2.4	21.4	22.9
Reliance Ind.	Buy	2680	3255	21	96.7	129.7	147.1	-6.0	34.1	13.4	27.7	20.7	2.0	1.8	7.9	9.8
Aggregate								-23.8	25.1	8.7	16.5	13.2	1.7	1.6	10.5	12.0
Real Estate																
Brigade Enterpr.	Buy	1187	1630	37	37.1	42.0	59.6	67.9	13.2	41.8	32.0	28.2	5.6	4.7	18.9	18.0
DLF	Neutral	801	850	6	16.6	17.0	10.6	50.5	2.4	-37.6	48.4	47.2	3.3	3.1	10.0	9.4
Godrej Propert.	Buy	2925	3725	27	52.0	32.8	27.8	93.4	-36.9	-15.1	56.3	89.2	7.1	6.6	13.5	7.7
Kolte Patil Dev.	Buy	371	620	67	13.3	42.1	37.7	-245.1	217.1	-10.5	27.9	8.8	3.5	2.6	13.1	33.6
Oberoi Realty	Neutral	1981	2056	4	66.7	82.8	96.6	26.0	24.0	16.7	29.7	23.9	4.5	3.9	16.3	17.4
Macrotech Devel.	Buy	1065	1770	66	23.4	35.3	38.3	38.3	51.0	8.3	45.5	30.1	5.2	4.5	12.1	16.0
Mahindra Lifespace	Neutral	505	600	19	6.3	6.9	22.4	0.5	8.9	223.9	79.7	73.1	4.0	3.9	5.2	5.4
SignatureGlobal	Buy	1405	2000	42	47.4	69.2	3.8	3,931.0	46.1	-94.4	29.6	20.3	15.3	8.7	69.4	54.7
Sunteck Realty	Buy	552	745	35	16.2	23.2	10.4	234.8	43.1	-55.3	34.0	23.8	2.4	2.2	7.4	9.7
Sobha	Buy	1615	2250	39	35.2	74.2	91.4	591.2	110.5	23.2	45.8	21.8	5.5	4.4	12.7	22.6
Prestige Estates	Buy	1691	2150	27	19.9	26.2	38.9	5.0	31.9	48.4	85.0	64.5	5.3	4.9	6.4	7.9
Phoenix Mills	Neutral	1524	1650	8	30.3	41.6	55.6	-1.4	36.9	33.7	50.2	36.7	5.2	4.6	10.9	13.3
Aggregate								50.8	21.4	-1.9	46.9	38.6	5.3	4.7	11.2	12.1
Retail																
Avenue Supermarts	Buy	4059	5300	31	44.3	55.2	67.1	13.8	24.5	21.6	91.6	73.5	12.2	10.5	14.3	15.4
Aditya Birla Fashion	Neutral	308	380	23	-6.6	-6.2	-3.6	-11.0	Loss	Loss	NM	NM	7.7	9.1	-15.2	-16.8
Bata India	Neutral	1386	1520	10	26.4	33.6	42.4	16.1	27.0	26.4	52.4	41.3	10.0	8.9	20.5	22.8
Barbeque-Nation	Neutral	552	700	27	-2.4	1.2	4.4	-17.2	LP	254.5	NM	442.5	5.6	5.5	-2.4	1.3
Campus Activewe.	Buy	286	390	36	4.3	5.6	7.0	46.8	30.8	24.6	66.8	51.1	11.2	9.2	16.8	18.0
Devyani Intl.	Buy	166	220	32	0.8	1.9	2.4	-2.3	148.8	27.5	220.7	88.7	28.6	30.2	10.3	33.1
Jubilant Food.	Neutral	600	625	4	5.3	8.0	10.3	34.8	50.4	28.9	112.9	75.1	17.1	16.1	15.2	21.4
Kalyan Jewellers	Buy	696	850	22	8.4	11.4	13.7	44.9	35.4	20.1	82.8	61.1	14.8	12.6	19.2	22.3
Metro Brands	Buy	1163	1465	26	14.1	17.5	22.0	10.7	24.1	25.7	82.5	66.4	14.2	12.0	19.0	20.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Raymond Lifestyle	Buy	2279	3200	40	81.6	96.1	115.9	3.7	17.7	20.6	27.9	23.7	1.4	1.3	10.5	11.1
Relaxo Footwear	Neutral	759	850	12	9.4	11.8	14.0	16.7	25.4	19.2	80.8	64.4	8.7	7.9	11.2	12.8
Restaurant Brands	Buy	97	140	45	-3.2	-0.8	1.1	-33.4	Loss	LP	NM	NM	10.2	11.1	-28.7	-8.2
Sapphire Foods	Buy	330	415	26	1.4	3.4	4.9	-15.8	147.9	43.8	240.0	96.8	7.6	7.0	3.2	7.5
Shoppers Stop	Neutral	691	750	9	3.3	3.7	8.7	-40.4	12.5	135.2	210.5	187.1	16.0	14.4	10.5	10.7
Senco Gold	Buy	1252	1700	36	31.3	37.4	44.1	34.4	19.5	17.8	40.0	33.5	6.1	5.2	16.4	16.8
Titan Company	Buy	3332	4300	29	45.5	56.4	66.8	15.9	23.9	18.4	73.2	59.1	24.3	18.8	37.5	35.9
Trent	Buy	7496	8760	17	54.3	73.2	95.8	86.0	34.7	31.0	137.9	102.4	41.5	29.0	38.4	35.6
V-Mart Retail	Neutral	4305	4670	8	-3.0	35.7	67.0	-94.4	LP	87.5	NM	120.5	10.5	9.7	NM	8.4
Vedant Fashions	Neutral	1265	1400	11	18.5	22.7	28.5	8.6	22.7	25.5	68.2	55.6	17.3	15.1	26.2	26.3
Westlife Foodworld	Neutral	802	800	0	1.1	5.7	8.6	-75.2	418.2	50.9	731.0	141.1	16.8	17.2	2.6	12.1
Aggregate								36.1	32.9	26.8	98.7	75.1	15.2	13.2	15.4	17.6
Technology																
Cyient	Buy	1776	2100	18	69.1	86.2	97.8	3.3	24.7	13.5	25.7	20.6	4.3	4.0	16.3	19.0
HCL Tech.	Buy	1845	2300	25	63.7	71.9	80.3	10.1	12.9	11.6	28.9	25.6	7.5	7.5	25.6	29.3
Infosys	Buy	1864	2200	18	63.4	71.1	79.6	0.2	12.0	12.1	29.4	26.2	8.7	8.7	29.8	33.4
LTI Mindtree	Buy	5974	7400	24	164.6	191.8	233.7	6.3	16.5	21.8	36.3	31.1	7.7	6.8	22.7	23.2
L&T Technology	Buy	5281	6400	21	126.3	149.4	170.9	2.7	18.3	14.4	41.8	35.3	9.3	7.9	24.0	24.5
Mphasis	Neutral	3098	3400	10	91.4	104.7	117.2	11.8	14.5	12.0	33.9	29.6	6.2	5.7	19.1	20.2
Coforge	Buy	7699	10000	30	147.1	239.2	291.0	10.4	62.6	21.7	52.3	32.2	12.4	10.5	24.6	34.9
Persistent Sys	Buy	5691	6300	11	89.5	115.0	133.8	19.3	28.4	16.4	63.6	49.5	15.1	12.8	25.6	27.9
TCS	Buy	4048	5400	33	141.0	156.8	172.0	11.7	11.2	9.7	28.7	25.8	15.4	14.4	54.8	57.4
Tech Mah	Neutral	1735	1700	-2	47.9	63.7	71.1	16.5	33.1	11.5	36.2	27.2	5.6	5.4	15.7	20.3
Wipro	Neutral	547	550	1	22.6	24.5	25.9	11.0	8.1	5.9	24.2	22.4	3.9	3.8	16.1	17.3
Zensar Tech	Neutral	686	750	9	28.2	31.7	36.1	-3.1	12.4	13.7	24.3	21.6	3.9	3.4	17.0	16.9
Aggregate								10.0	13.0	11.0	29.9	26.5	9.0	8.7	30.0	32.7
Telecom																
Bharti Airtel	Buy	1680	2000	19	30.8	46.7	61.1	56.9	51.3	31.0	54.5	36.0	10.4	8.0	20.6	27.1
Indus Towers	Neutral	350	385	10	22.1	24.2	26.6	-1.3	9.7	9.9	15.8	14.4	2.8	2.5	19.3	18.0
Vodafone Idea	Neutral	8	10	23	-9.8	-9.3	-8.7	-11.6	Loss	Loss	NM	NM	-0.2	-0.2	NM	NM
Tata Comm	Neutral	1785	1790	0	37.6	58.1	76.3	-11.1	54.7	31.3	47.5	30.7	20.6	13.8	50.4	54
Aggregate								Loss	LP	118.6	-323	122	70.2	32.3	-21.8	26.5
Utilities																
Indian Energy Exchange	Neutral	184	-		4.1	4.9	5.8	7.6	19.2	17.7	44.7	37.5	14.5	12.1	35.3	35.3
JSW Energy	Buy	671	900	34	18.9	22.8	20.2	79.7	20.6	-11.4	35.4	29.4	4.7	4.1	14.0	14.9
NTPC	Neutral	412	-		23.6	26.4	28.7	7.2	12.1	8.7	17.5	15.6	2.3	2.1	13.7	14.2
Power Grid Corpn	Buy	319	425	33	18.4	19.2	20.2	9.6	4.7	4.9	17.4	16.6	3.2	3.1	19.1	19.1
Tata Power Co.	Buy	438	551	26	15.7	18.6	19.1	22.4	18.8	2.5	27.9	23.5	3.8	3.4	14.5	15
Aggregate								12.1	10.5	6.1	20	18	2.9	2.7	14.8	15.1
Others																
APL Apollo Tubes	Buy	1492	1860	25	28.4	45.7	59.3	7.5	61.0	29.7	52.6	32.7	9.8	7.8	20.1	26.5
Cello World	Buy	822	1150	40	18.3	23.0	28.5	17.4	25.8	23.7	44.9	35.7	11.5	8.7	25.5	24.5
Coromandel Intl	Buy	1640	-		54.8	72.1	84.2	-1.7	31.5	16.9	29.9	22.8	4.5	3.9	16.1	18.5
Dreamfolks Services	Buy	437	720	65	16.6	22.1	25.7	32.5	33.0	16.3	26.3	19.8	7.1	5.2	32.2	31.1
EPL	Buy	259	310	20	10.4	14.4	16.9	27.7	38.0	17.6	24.7	17.9	3.6	3.2	15.2	18.9
Gravita India	Buy	2057	2800	36	43.0	59.9	80.3	24.0	39.4	34.1	47.9	34.3	12.6	9.3	30.2	31.1
Godrej Agrovet	Buy	743	940	26	26.3	34.5	41.0	40.3	31.3	18.9	28.3	21.6	5.1	4.4	18.9	21.7
Indian Hotels	Buy	667	770	15	11.2	14.4	16.2	26.8	28.0	12.9	59.3	46.4	8.7	7.4	15.7	17.2
Indiamart Inter.	Buy	2493	3500	40	72.2	80.0	100.8	30.7	10.9	25.9	34.6	31.2	7.2	6.1	22.6	21.2
Info Edge	Neutral	7715	7400	-4	76.6	93.4	116.4	19.1	22.0	24.6	100.7	82.6	3.8	3.6	3.8	4.5
Interglobe	Neutral	4519	4655	3	193.8	209.1	248.2	-8.5	8	19	23.3	22	18.5	9.9	131.9	60.0
Kajaria Ceramics	Buy	1216	1500	23	27.0	33.1	40.9	-0.7	22.6	23.4	45.0	36.7	6.9	6.3	15.3	17.4
Lemon Tree Hotel	Buy	116	165	42	2.4	3.8	4.5	26.5	59.1	18.7	48.3	30.4	7.9	6.2	17.7	22.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
MTAR Tech	Buy	1535	2100	37	29.7	52.1	75.8	62.7	75.4	45.7	51.7	29.5	6.2	5.1	12.6	18.9
One 97	Neutral	764	700	-8	-26.2	-10.5	3.1	17.0	Loss	LP	NM	NM	4.0	4.2	-13.2	-5.7
Qess Corp	Neutral	713	770	8	28.4	35.1	41.6	38.9	23.9	18.4	25.1	20.3	2.7	2.5	14.8	17.0
SIS	Buy	383	530	38	29.1	36.4	41.7	124.7	24.9	14.6	13.1	10.5	0.9	0.8	16.7	17.3
Team Lease Serv.	Buy	2847	4000	41	83.0	127.1	147.4	28.1	53.1	16.0	34.3	22.4	5.2	4.3	14.8	19.1
UPL	Neutral	535	650	22	26.3	45.1	63.3	618.2	71.8	40.2	20.3	11.8	1.1	1.0	8.0	12.9
Updater Services	Buy	367	490	33	16.0	22.4	30.3	41.2	39.7	35.3	22.9	16.4	2.5	2.2	11.8	14.3
Zomato	Buy	254	330	30	1.1	3.4	7.4	172.7	205.2	116.8	228.7	74.9	10.2	9.0	4.6	12.8



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.0	-5.7	24.0
Nifty-50	-0.1	-5.9	26.5
Nifty Next 50	-0.1	-7.8	62.1
Nifty 100	-0.2	-6.5	31.7
Nifty 200	-0.2	-6.6	33.7
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-0.5	-9.6	49.4
Amara Raja Ener.	-0.8	-7.4	104.7
Apollo Tyres	-1.3	-7.8	30.0
Ashok Leyland	1.5	-8.4	27.4
Bajaj Auto	-2.7	-17.2	90.6
Balkrishna Inds	-0.2	-5.8	14.5
Bharat Forge	1.8	-9.1	35.3
Bosch	-0.6	-1.8	81.8
CEAT	-0.9	-6.5	34.6
Craftsman Auto	-5.2	-18.4	17.5
Eicher Motors	-0.2	-4.3	35.5
Endurance Tech.	0.5	-1.5	47.6
Escorts Kubota	-5.6	-19.7	11.5
Exide Inds.	-0.6	-2.1	85.6
Happy Forgings	0.1	-10.1	
Hero Motocorp	-0.6	-16.5	62.3
Hyundai Motor	-1.4		
M & M	1.2	-8.1	80.6
CIE Automotive	-2.2	-14.1	11.9
Maruti Suzuki	-1.6	-7.7	11.5
MRF	-1.1	-9.9	13.9
Sona BLW Precis.	13.3	-0.9	43.3
Motherson Sumi	-2.6	-6.7	107.4
Motherson Wiring	-1.5	-11.1	2.5
Tata Motors	0.3	-10.0	35.9
TVS Motor Co.	-3.1	-13.5	56.6
Tube Investments	1.8	11.2	62.2
Banks-Private	0.4	-5.8	13.3
AU Small Fin. Bank	-1.0	-12.3	-7.2
Axis Bank	0.6	-5.8	21.1
Bandhan Bank	-0.9	-13.1	-18.4
DCB Bank	-1.5	-10.6	-5.6
Equitas Sma. Fin	-5.1	-11.0	101.2
Federal Bank	0.1	-1.0	31.7
HDFC Bank	0.8	-1.0	16.2
ICICI Bank	0.1	-5.0	34.7
IDFC First Bank	2.2	-7.6	-21.3
IndusInd Bank	0.5	-11.6	-10.8
Kotak Mah. Bank	-0.3	-8.0	1.2
RBL Bank	0.0	-21.4	-28.0
SBI Cards	0.9	-8.7	-8.1
Banks-PSU	1.2	-5.4	35.0
BOB	2.9	0.5	25.4
Canara Bank	0.5	-10.2	38.1
Indian Bank	0.0	-5.3	21.6
Punjab Natl. Bank	2.1	-8.4	41.8
St Bk of India	1.1	-0.5	43.7

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	-0.2	-6.6	34.9
Nifty Midcap 100	-0.3	-7.4	45.2
Nifty Smallcap 100	-0.2	-6.1	46.4
Nifty Midcap 150	-0.3	-6.9	43.8
Nifty Smallcap 250	-0.6	-6.6	45.4
Union Bank (I)	0.8	-13.4	16.1
NBFCs	0.4	-4.1	22.9
Aditya Birla Capital Ltd	0.7	-8.7	23.1
Angel One	-3.1	10.4	28.4
Bajaj Fin.	0.6	-6.8	-9.7
BSE	1.2	8.7	153.3
Cholaman.Inv.&Fn	-1.5	-14.1	18.8
Can Fin Homes	-3.0	-1.9	14.8
Cams Services	-1.3	-0.6	86.4
CreditAcc. Gram.	-0.9	-19.0	-34.7
Fusion Microfin.	-0.3	-20.0	-66.1
Five-Star Bus.Fi	2.4	14.6	20.8
Home First Finan	0.8	-16.2	23.0
Indostar Capital	-0.8	-14.6	56.5
IIFL Finance	-3.1	-20.8	-31.6
L&T Finance	-3.7	-21.3	9.2
LIC Housing Fin.	-0.1	-12.5	32.8
MCX	-0.5	13.1	200.5
M & M Fin. Serv.	0.5	-18.2	-1.4
Muthoot Finance	0.3	-3.1	50.8
Manappuram Fin.	1.1	-27.6	9.9
MAS Financial Serv.	-2.1	-4.1	-3.8
360 One	2.8	-4.0	94.4
PNB Housing	-1.4	-6.2	30.7
Power Fin.Corp.	3.4	-7.5	85.6
REC Ltd	3.1	-4.9	87.3
Repco Home Fin	0.0	-7.0	27.3
Shriram Finance	1.5	-7.7	72.6
Spandana Sphoort	-0.4	-21.5	-41.7
Insurance			
HDFC Life Insur.	-1.2	-0.8	14.3
ICICI Pru Life	2.9	-1.0	47.4
ICICI Lombard	-0.2	-12.1	39.8
Life Insurance	0.3	-11.3	47.8
Max Financial	1.3	9.3	44.7
SBI Life Insuran	-4.7	-12.3	22.2
Star Health Insu	0.0	-9.7	-7.0
Chemicals			
Alkyl Amines	-0.4	-12.6	-5.1
Atul	0.7	1.1	19.6
Clean Science	-0.4	-0.3	13.9
Deepak Nitrite	-0.7	-5.1	34.6
Fine Organic	-2.0	-10.3	1.7
Galaxy Surfact.	-0.4	-7.2	8.1
Navin Fluo.Intl.	3.1	0.8	-3.4
NOCIL	-1.3	1.5	25.2
P I Inds.	-0.7	-6.4	26.9
SRF	0.4	-7.2	3.9



Company	1 Day (%)	1M (%)	12M (%)
Tata Chemicals	-1.6	5.5	13.2
Vinati Organics	-1.5	-2.5	8.7
Capital Goods	-0.9	-7.4	1.4
A B B	-0.7	-5.3	94.0
Bharat Electron	1.0	-7.0	104.5
Cummins India	-0.7	-11.8	100.0
Hitachi Energy	0.2	7.6	219.1
K E C Intl.	-1.5	-6.6	46.1
Kalpataru Proj.	-1.1	-6.9	73.3
Kirloskar Oil	-5.1	-11.0	101.2
Larsen & Toubro	-0.4	-9.2	16.4
Siemens	-0.3	-3.5	100.5
Thermax	2.8	-2.2	77.1
Triveni Turbine	-5.2	-3.3	104.0
Zen Technologies	-1.2	2.5	158.4
Cement			
Ambuja Cem.	0.5	-9.6	34.4
ACC	0.6	-8.0	19.7
Birla Corp.	1.4	-10.7	-4.9
Dalmia Bhar.	3.0	-6.1	-12.6
Grasim Inds.	1.3	1.8	40.7
India Cem	-0.3	-1.5	71.1
J K Cements	-0.8	-11.7	32.1
JK Lakshmi Cem.	1.2	1.3	18.0
The Ramco Cement	0.7	-0.7	-13.4
Shree Cement	1.4	-3.3	-2.5
UltraTech Cem.	2.7	-6.1	32.7
Consumer	-2.8	-11.2	13.6
Asian Paints	-0.6	-8.5	-3.3
Britannia Inds.	-2.4	-9.5	23.9
Colgate-Palm.	-3.6	-12.7	54.8
Dabur India	-3.2	-17.5	3.8
Emami	-4.2	-16.1	28.5
Godrej Consumer	-2.9	-13.2	28.0
Hind. Unilever	-5.8	-15.1	0.9
ITC	-1.8	-8.5	8.2
Indigo Paints	0.9	13.2	16.1
Jyothy Lab.	0.1	-6.6	42.7
Marico	-3.4	-10.0	18.1
Nestle India	-2.9	-16.2	-6.7
Page Industries	0.5	3.4	15.8
Pidilite Inds.	1.0	-4.4	32.8
P & G Hygiene	-0.3	-1.7	-3.9
Tata Consumer	-1.8	-17.8	14.2
United Breweries	-0.6	-8.2	21.4
United Spirits	-0.5	-10.8	44.2
Varun Beverages	-3.1	-5.8	65.1
Consumer Durables	-0.1	-8.3	40.5
Polycab India	-2.4	-2.3	26.2
R R Kabel	-0.7	-5.6	18.5
Havells	-1.5	-16.7	34.1
Voltas	0.0	-6.2	118.6
KEI Industries	-2.2	-8.0	55.6

Company	1 Day (%)	1M (%)	12M (%)
EMS			
Amber Enterp.	-2.4	32.4	123.9
Avalon Tech	4.9	-4.7	19.3
Cyient DLM	-0.5	-6.7	-3.9
Data Pattern	1.0	-9.7	15.9
Dixon Technolog.	-1.5	5.0	177.9
Kaynes Tech	0.8	-2.1	135.5
Syrma SGS Tech.	0.0	-10.7	-35.8
Healthcare	0.4	-2.7	51.4
Alembic Pharma	-2.0	-8.4	41.2
Alkem Lab	1.5	-1.7	68.1
Apollo Hospitals	0.7	-2.4	39.9
Ajanta Pharma	0.8	-7.8	72.2
Aurobindo	0.6	-3.9	64.9
Biocon	-0.8	-14.2	42.6
Zydus Lifesci.	0.5	-4.4	76.3
Cipla	0.5	-8.9	26.1
Divis Lab	0.2	6.7	63.9
Dr Reddy's	-0.4	-1.0	18.6
ERIS Lifescience	0.5	-1.8	55.4
Gland Pharma	2.2	-11.5	8.1
Glenmark	-0.7	-1.4	120.4
Global Health	2.0	-2.5	42.1
Granules	-1.5	-1.1	67.5
GSK Pharma	-0.5	-3.6	78.9
IPCA Labs	1.0	6.8	58.3
Laurus Labs	-0.5	-4.9	23.4
Lupin	2.7	-3.8	82.5
Mankind Pharma	-1.0	-8.4	43.1
Max Healthcare	-0.9	-12.1	56.8
Piramal Pharma	17.4	17.5	172.8
Sun Pharma	0.5	-1.0	64.7
Torrent Pharma	0.1	-4.3	76.9
Infrastructure	0.1	-7.4	45.3
G R Infraproject	0.9	-7.7	37.8
IRB Infra.Devl.	-0.8	-15.6	64.0
KNR Construct.	-2.7	-15.8	10.5
Logistics			
Adani Ports	1.0	-7.0	75.6
Blue Dart Exp.	-2.6	-4.6	17.8
Container Corpn.	-0.7	-8.9	16.1
JSW Infrast	-0.7	-17.1	72.9
Mahindra Logis.	-4.1	-14.7	15.5
Transport Corp.	1.8	-7.4	29.9
TCI Express	-0.1	-8.2	-24.2
VRL Logistics	0.5	-6.8	-17.9
Media	-0.2	-6.8	-11.5
PVR INOX	-1.4	-11.5	-6.7
Sun TV	-0.3	-11.0	16.9
Zee Ent.	0.5	-2.4	-50.2
Metals	-0.2	-4.7	42.8
Hindalco	-3.7	-3.8	51.2
Hind. Zinc	3.0	6.3	77.8



Company	1 Day (%)	1M (%)	12M (%)
JSPL	1.0	-11.3	44.4
JSW Steel	0.4	-3.2	27.9
Nalco	1.0	18.2	152.3
NMDC	-1.1	-3.6	42.8
SAIL	-0.8	-12.5	40.5
Tata Steel	0.1	-7.2	24.2
Vedanta	1.3	-0.2	118.1
Oil & Gas	0.1	-8.4	55.6
Aegis Logistics	1.2	-0.8	147.0
BPCL	-0.5	-5.2	87.5
Castrol India	-1.8	-17.0	50.4
GAIL	-0.5	-5.5	74.2
Gujarat Gas	-1.1	-12.4	31.8
Gujarat St. Pet.	0.3	-2.9	44.1
HPCL	1.7	-3.0	143.6
IOCL	0.2	-9.8	74.3
IGL	-1.1	-22.1	9.2
Mahanagar Gas	-2.3	-20.0	51.5
MRPL	0.5	-14.3	62.1
Oil India	1.0	-13.9	149.0
ONGC	-0.6	-10.1	45.6
PLNG	-1.9	2.7	54.0
Reliance Ind.	0.1	-10.0	18.4
Real Estate	-1.1	-12.2	68.7
Brigade Enterpr.	-1.1	-10.4	97.4
DLF	-0.5	-12.6	50.4
Godrej Propert.	-1.3	-8.7	79.4
Kolte Patil Dev.	-3.4	-12.1	-16.1
Mahindra Life.	-0.9	-7.4	1.4
Macrotech Devel.	-2.1	-23.3	35.9
Oberoi Realty Ltd	1.4	4.5	83.0
SignatureGlobal	-1.8	-10.7	165.6
Sobha	-2.7	-19.2	130.0
Sunteck Realty	-2.7	-4.1	26.5
Phoenix Mills	-2.7	-16.3	69.1
Prestige Estates	-1.6	-9.5	126.7
Retail			
Aditya Bir. Fas.	-1.5	-11.5	43.8
Avenue Super.	-2.3	-24.7	10.7
Bata India	-0.8	-3.1	-12.0
Campus Activewe.	-0.7	-19.5	2.3
Barbeque-Nation	-5.5	-14.7	-17.6
Devyani Intl.	-2.0	-23.6	-12.3
Jubilant Food	-1.0	-15.2	14.5
Kalyan Jewellers	0.2	-9.8	142.2
Metro Brands	-1.5	-6.2	-3.5
Raymond Lifestyl	0.6	-6.2	
Relaxo Footwear	-0.1	-7.1	-14.9
Restaurant Brand	0.2	-13.8	-15.6
Sapphire Foods	-0.5	-12.3	22.9
Senco Gold	-1.0	-9.1	97.5
Shoppers St.	-2.0	-19.7	6.0
Titan Co.	1.3	-12.0	3.5

Company	1 Day (%)	1M (%)	12M (%)
Trent	-0.3	-1.7	275.9
V-Mart Retail	-0.7	7.4	129.8
Vedant Fashions	0.0	-2.6	-0.6
Westlife Food	-2.8	-10.4	-12.9
Technology	-0.2	-0.2	36.6
Cyient	3.2	-10.8	10.2
HCL Tech.	0.0	3.9	49.2
Infosys	-0.5	-1.9	32.3
LTIMindtree	0.6	-5.9	14.8
L&T Technology	-0.6	-3.9	25.4
Mphasis	-0.7	0.9	46.1
Coforge	1.9	10.0	56.6
Persistent Sys	-0.5	5.6	96.0
TCS	-0.5	-5.2	18.7
Tech Mah	0.0	6.0	50.2
Wipro	-0.1	1.4	42.7
Zensar Tech	-0.8	-3.4	42.9
Telecom	-1.0	-8.6	46.9
Bharti Airtel	-0.2	-4.2	79.2
Indus Towers	-1.9	-12.7	97.0
Idea Cellular	-1.5	-23.8	-25.8
Tata Comm	0.4	-11.7	10.6
Utilities	0.4	-9.1	81.7
Coal India	0.7	-5.4	55.9
NTPC	0.9	-3.8	74.1
Power Grid Corpn	0.7	-8.8	59.8
Tata Power Co.	0.1	-6.6	83.8
JSW Energy	-2.4	-15.0	78.3
Indian Energy Ex	0.9	-12.8	46.0
Others			
APL Apollo Tubes	0.3	1.1	-9.0
Cello World	-2.2	-7.3	
Coromandel Intl	2.3	-1.4	47.7
Dreamfolks Servi	0.0	-7.0	27.3
EPL Ltd	-1.1	5.1	39.7
Gravita India	-4.0	-17.7	113.0
Godrej Agrovet	-0.2	-4.5	59.6
Havells	-1.5	-16.7	34.1
Indian Hotels	1.3	-6.3	68.5
Indiamart Inter.	-0.2	-12.1	39.8
Info Edge	0.3	-11.3	47.8
Interglobe	0.0	-6.4	89.0
Kajaria Ceramics	-3.7	-21.5	-0.6
Lemon Tree Hotel	0.6	-6.1	3.9
MTAR Technologie	-2.2	-12.0	-42.0
One 97	2.6	12.3	-17.2
Piramal Enterpr.	0.8	-0.8	8.3
Quess Corp	0.4	-14.0	69.9
SIS	-2.1	-9.5	-12.1
Team Lease Serv.	-2.0	-8.0	9.8
UPL	0.6	-11.4	-8.8
Updater Services	2.5	-2.7	31.5
Voltas	0.0	-6.2	118.6
Zomato Ltd	-3.7	-12.8	133.5

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NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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