

Result Preview



Valuation summary

Consumer	CMP	TP	Rating
Britannia Inds.	4,793	5,200	Neutral
Colgate-Palm.	2,702	3,000	Neutral
Dabur India	511	675	Buy
Emami	605	800	Buy
Godrej Consumer	1,079	1,400	Buy
Hind. Unilever	2,323	3,100	Buy
ITC	484	575	Buy
Jyothy Labs	401	450	Neutral
L T Foods	432	520	Buy
Marico	643	750	Buy
Nestle India	2,170	2,400	Neutral
P & G Hygiene	14651	15500	Neutral
Tata Consumer	920	1,150	Buy
Varun beverages	651	750	Buy
Paints			
Asian Paints	2,305	2,550	Neutral
Indigo Paints	1,383	1,650	Buy
Pidilite Inds.	2,862	3,200	Neutral
Liquor			
United Breweries	2,091	2,200	Neutral
United Spirits	1,657	1,650	Neutral
Innerwear			
Page Industries	47,771	57,000	Buy
QSR			
Barbeque Nation	444	500	Neutral
Devyani Intl.	183	215	Buy
Jubilant Food.	739	800	Neutral
Restaurant Brands	85	135	Buy
Sapphire Foods	345	415	Buy
Westlife Foodworld	788	850	Neutral
Jewelry			
Kalyan Jewellers	774	875	Buy
P N Gadgil Jewellers	666	950	Buy
Senco Gold	1127	1,450	Buy
Titan	3,254	3,850	BUY

Mixed trends; jewelry and liquor to outperform

In our consumer coverage universe, all segments, except paint, are expected to deliver revenue/EBITDA growth YoY in 3QFY25 – staples +5%/+4%, liquor +12%/+19%, innerwear +10%/+16%, QSR +18%/+14%, and jewelry +31%/+21%. The paint segment is expected to post a decline of 1%/12% in revenue/EBITDA.

- Consumption trends were mixed in 3Q. Staple companies are likely to witness a muted quarter amid sluggish urban demand, weak uptake for the winter portfolio, and high palm oil prices impacting the personal-wash portfolio (grammage reduction). Paint companies are impacted by a delayed monsoon and an early festive season. Demand has remained soft after the festive season and 3Q is expected to remain weak across companies. Value growth will continue to lag volume growth (price cut impact will be in the base after 4Q). Liquor companies are expected to clock strong growth, led by a new liquor policy in Andhra Pradesh, positive demand for P&A, and a higher number of weddings in 2HFY25. Innerwear companies saw positive demand trends in the festive season. Traditional channels remained sluggish, while emerging channels continued to drive growth and improve the sales mix. As high trade inventory pressure has eased, primary growth is expected to rise in 2HFY25. QSR companies saw minor improvement in demand in 3Q, particularly at the quarter end, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and beyond. The revenue gap between dine-in and delivery is expected to narrow down, with improvement in dine-in footfall. Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver flat SSSG QoQ. Store expansion will further boost revenue growth.
- With high commodity prices (particularly in agri basket) and insufficient price hikes, gross margin is expected to see pressure for most categories/companies. Staple companies are expected to limit A&P spends to maintain EBITDA margin. While QSR and paint companies may see EBITDA margin contraction, liquor and innerwear companies are expected to see EBITDA margin expansion (softening RM and improving mix). Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studied mix will be critical for underlying margin.
- Among our coverage companies, MRCO, UNSP, JUBI, Kalyan Jewelers, and PN Gadgil are expected to be outliers in 3QFY25, whereas Asian Paints, Indigo Paint, GCPL, HUL and Dabur will likely be the underperformers.
- We continue to like HUL, GCPL, Dabur (despite near-term soft earnings) as we do not see much downside risk and expect a better operating print in the coming quarters. We like PAGE and PN Gadgil on earnings improvement expectation. For JUBI and UNSP, we are constructive on business improvement, but we remain Neutral on rich valuations.

Segment-wise performance

- Staples:** Demand trends in 3Q were quite similar to 2Q, but we may see growth diversion in 3Q at the category/company level. Winter demand was muted, which would affect the performance of healthcare, skincare, OTC, HI, etc. High palm oil prices will affect multiple products, especially the personal wash portfolio, where pricing action is insufficient to offset inflation. Grammage reduction will also impact volume performance. Some companies have witnessed a higher share of LUPs, which will impact the product mix too. For

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most companies, YoY volume growth is expected to decline in 3Q vs. 2Q. Price cut pressure on value growth will see a reversal in 3Q, and we expect positive pricing for most companies. Gross margin for most companies may see weakness in 3Q (high RM inflation, mix and weak winter portfolio). Cost control and rationalization on marketing spends should help to sustain EBITDA margins. We expect sales/EBITDA/PAT growth of 5%/4%/2% for staples companies under our coverage in 3QFY25.

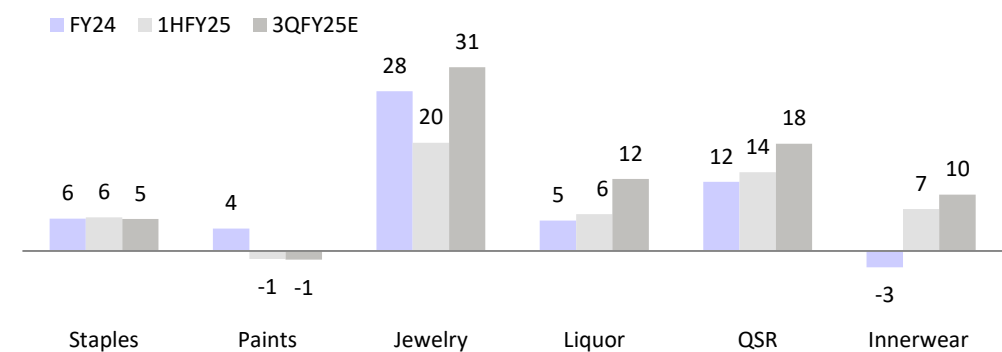
- **Paint:** Demand trends remained weak for paint companies as extended monsoons and early Diwali dampened festive demand. Nov'24 saw a slight improvement, but overall trends were subdued. The impact of rising competition was less, and the large impact was due to weak industry demand. The product mix can be slightly better as the economy segment has seen more pressure. 3QFY25 is expected to witness similar growth pressure that was seen in 2QFY25. In 3QFY24, paint companies cut prices by ~2% and by 4-5% in 4QFY24. Thereby, after 4QFY25, price cuts will be in the base. Moreover, prices were increased by ~2% in 2QFY25. Hence, value growth can be marginally higher than volume growth from 4QFY25 onward. EBITDA margin is expected to be subdued due to higher marketing spend and insufficient pricing. We expect sales/EBITDA/PAT to decline by 1%/12%/11% for paint companies under our coverage in 3QFY25.
- **Liquor:** The P&A portfolio continues to benefit from a demand uptrend, a new liquor policy in Andhra Pradesh, and a higher number of weddings, leading to healthy volume growth in 3Q for liquor companies. Gross margin is expected to see some improvement, aided by cost efficiencies, price hikes in earlier quarters and stable RM prices. ENA inflation is in low single digits, while glass prices are declining, leading to a softness in raw material prices. With improvement in volume, we expect EBITDA margin expansion YoY. We expect sales/EBITDA/PAT growth of 12%/19%/16% for our coverage companies in 3QFY25.
- **Innerwear:** Demand trends in 3Q were similar to 2Q. The festive season was healthy, although some benefits have preponed to 2Q due to early Diwali. Traditional channels remained sluggish, while emerging channels continued to drive growth and improve sales mix. Trade inventory is normalizing, which is expected to drive a better performance at the primary level (which was in opposite trend in the last a few quarters). We expect sales/EBITDA/PAT growth of 10%/16%/20% for our coverage innerwear companies in 3QFY25.
- **QSR:** QSR companies saw marginal improvement in demand trends in 3Q, particularly at the end of the quarter, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and thereafter. The revenue gap between dine-in and delivery is expected to narrow down with improvement in dine-in footfall. Weak underlying growth will continue to impact operating margin performance, leading to pressure on restaurant margins and EBITDA margins for most brands. Improving menu and activation drives for dine-in are driving improvement in footfall/orders. Delivery channels remain strong, while dine-in is showing marginal improvement in the second half of the quarter. We expect sales/EBITDA/PAT growth of 18%/14%/34% for our coverage QSR companies in 3QFY25.
- **Jewelry:** Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver similar SSSG as seen in 2Q. Store

expansion will further boost revenue growth. Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studded mix will be critical for underlying margin. The reduction in customs duty is expected to result in an inventory loss of INR2-2.5b for Titan, ~INR0.5-0.6b for Kalyan, and INR0.2b for Senco in 3Q. We do not factor in this one-time impact of inventory loss on operating performance to compare margin on a like-to-like basis. We expect sales/EBITDA/PAT growth of 31%/21%/18% for our coverage jewelry companies in 3QFY25.

Agri commodity prices remain high; non-agri prices stable

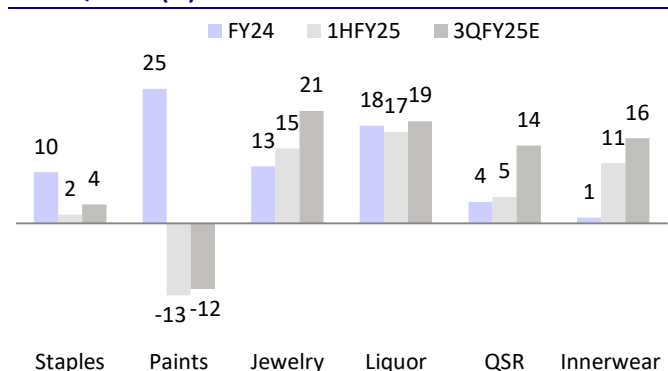
- Agricultural commodities have witnessed YoY inflation for the third consecutive quarter, impacting FMCG companies like Dabur, HUL, Nestlé, Britannia, Marico, and Tata Consumer. Conversely, non-agricultural commodities, including crude oil and its derivatives, along with VAM prices, have stabilized. Oil commodity basket has faced inflationary pressures due to higher import duties, affecting margins for companies in the soaps and detergents category.
- **Agricultural commodities:** Wheat prices rose by 12% YoY and 7% QoQ, while barley prices surged 13% YoY and 8% QoQ, likely impacting companies like UBBL and Nestlé. Sugar prices declined by 3% YoY but remained flat QoQ. Coffee prices increased 11% YoY and were stable QoQ, posing challenges for companies like Nestlé and HUL. Copra prices have soared 42% YoY and 21% QoQ, while palm oil prices jumped 32% YoY and 21% QoQ, driven by higher import duties.
- **Non-agricultural commodities:** Crude oil prices declined by 11% YoY and 7% QoQ, currently trading at ~USD74/barrel. Other commodities like TiO2 and TiO2 (China) are showing a downward trend. VAM (China) prices fell by 11% YoY and remained stable QoQ, benefiting companies like Pidilite. On the other hand, gold prices jumped by 26% YoY and 7% QoQ, putting pressure on the margins of jewelry companies.

Exhibit 1: Coverage universe revenue growth in FY24, 1HFY25 and 3QFY25E (%)



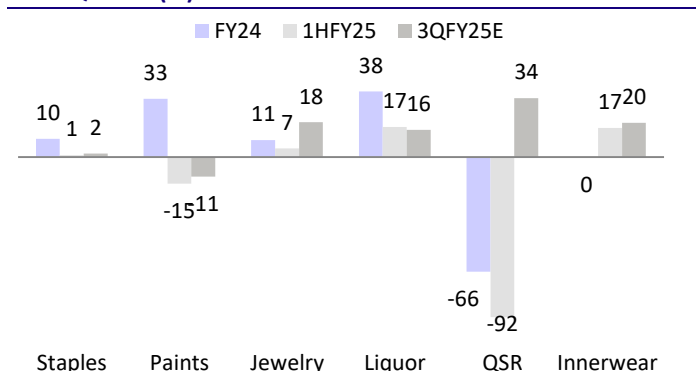
Source: Company, MOFSL

Exhibit 2: Coverage universe EBITDA growth in FY24, 1HFY25 and 3QFY25E (%)



Source: Company, MOFSL

Exhibit 3: Coverage universe APAT growth in FY24, 1HFY25 and 3QFY25E (%)



Source: Company, MOFSL

Exhibit 4: Summary of 3QFY25 earnings estimates

Sector	CMP (INR)	Reco	Sales (INR M)		Growth (%)		EBIDTA (INR M)			PAT (INR M)			Growth (%)	
			Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	Dec-24	YoY	QoQ
Staples														
Britannia	4793	Neutral	45,543	7.0	-2.4	8,061	-1.8	2.9	5,588	0.0	5.1			
Colgate	2702	Neutral	14,934	7.0	-7.8	4,893	4.5	-1.6	3,515	6.5	-1.1			
Dabur	511	Buy	33,414	2.7	10.3	6,756	1.2	22.3	5,246	0.4	21.1			
Emami	605	Buy	10,530	5.7	18.2	3,357	6.6	34.0	3,046	7.7	30.6			
Godrej Consumer	1079	Buy	37,550	2.6	2.4	7,846	-13.3	3.0	5,510	-6.0	11.2			
Hind. Unilever	2323	Buy	1,60,544	3.1	0.8	38,374	4.7	1.2	27,059	6.9	4.0			
ITC	484	Buy	1,92,184	6.7	-7.3	68,185	4.8	0.8	52,942	-0.9	6.0			
Jyothy Labs	401	Neutral	7,142	5.4	-2.7	1,255	5.8	-9.4	953	4.8	-9.3			
L T Foods	432	Buy	22,067	13.6	4.7	2,432	1.9	6.1	1,538	1.8	3.7			
Marico	643	Buy	27,930	15.3	4.8	5,802	13.1	11.1	4,326	12.9	4.7			
Nestle	2170	Neutral	48,483	5.4	-5.0	11,684	3.5	-1.7	7,904	1.2	5.3			
P&G Hygiene	14651	Neutral	12,354	9.0	8.8	3,430	10.7	18.1	2,562	11.9	20.9			
Pidilite Inds.	2862	Neutral	33,804	8.0	4.5	8,313	12.0	8.1	5,899	15.5	8.9			
Tata Consumer	920	Buy	44,122	16.0	4.7	5,517	-3.6	-11.9	3,360	-3.3	-12.7			
Varun Beverages	651	Buy	36,014	35.0	-25.0	5,869	40.3	-49.0	2,069	57.1	-66.6			
Paints														
Asian Paints	2305	Neutral	86,479	-5.0	7.7	16,215	-21.1	30.8	11,697	-20.7	33.9			
Indigo Paints	1383	Buy	3,715	5.0	24.0	595	-4.4	43.3	366	-1.8	61.6			
Liquor														
United Breweries	2091	Neutral	20,414	12.0	-3.5	1,851	27.1	-18.4	1,124	32.5	-15.0			
United Spirits	1657	Neutral	33,671	12.6	18.4	5,729	16.6	13.0	3,883	11.5	15.9			
Innerwear														
Page Industries	47771	Buy	13,479	9.7	8.2	2,660	15.8	-5.5	1,822	19.6	-6.7			
QSR														
Barbeque Nation	444	Neutral	3,423	3.5	12.0	654	-1.4	43.4	55	13.9	LP			
Devyani Intl.	183	Buy	12,738	51.1	4.2	2,134	45.9	7.4	132	160.1	LP			
Jubilant Foodworks	739	Neutral	15,583	15.0	6.2	3,226	14.1	13.5	737	20.9	41.6			
Restaurant Brands	85	Buy	4,868	9.3	-1.1	740	4.6	5.8	-120	Loss	Loss			
Sapphire Foods	345	Buy	7,506	12.8	7.9	1,290	6.0	15.2	178	80.8	243.1			
Westlife Foodworld	788	Neutral	6,566	9.4	6.3	946	-1.5	20.3	126	-27.1	3,263			
Jewelry														
Kalyan Jewellers	774	Buy	72,280	38.4	19.2	4,911	32.8	23.9	2,643	46.3	45.2			
P N Gadgil Jewellers	666	Buy	23,358	18.5	16.7	1,199	32.5	66.4	768	38.9	45.2			
Senco Gold	1127	Buy	20,653	25.0	37.6	2,129	17.5	160.4	1,304	19.3	278.0			
Titan Company	3254	Buy	1,83,997	29.9	26.6	18,542	18.5	21.5	12,164	15.5	30.7			

Exhibit 5: Volume growth expectation in 3QFY25

Volume growth (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E
Asian Paints	37.0	10.0	0.0	16.0	10.0	6.0	12.0	10.0	7.0	-0.5	-1.0
Britannia	-2.0	5.0	3.0	3.0	0.0	0.0	5.5	6.0	8.0	8.0	5.0
Colgate	-2.5	-2.5	-4.5	0.5	3.0	-1.0	-1.0	1.0	7.0	8.0	5.0
Dabur	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0	5.2	-7.0	1.0
Emami	9.6	-1.0	-3.9	2.0	3.0	2.0	-1.0	6.4	8.7	1.7	5.0
Godrej Consumer	-6.0	-5.0	3.0	13.0	10.0	4.0	5.0	9.0	8.0	7.0	1.0
HUL	6.0	4.0	5.0	4.0	3.0	2.0	2.0	2.0	4.0	3.0	1.0
ITC	26.0	20.0	15.0	11.5	8.0	5.0	-1.0	2	3.0	3.5	4.0
Jyothy labs	3.0	1.4	2.1	3.3	9.0	9.0	11.0	10.0	10.8	3.0	4.0
Marico	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	3.0	4.0	5.0	5.7
Page Industries	150.0	1.0	-11.0	-15.0	-11.5	-8.8	4.6	6.1	2.6	6.7	6.5
UBBL	121.0	23.0	4.0	3.1	-12.4	7.0	8.0	10.9	5.0	5.0	6.0
United spirits	17.9	8.3	-25.0	-27.3	5.8	1.0	-1.8	3.7	3.5	-4.4	7.9

Source: Company, MOFSL

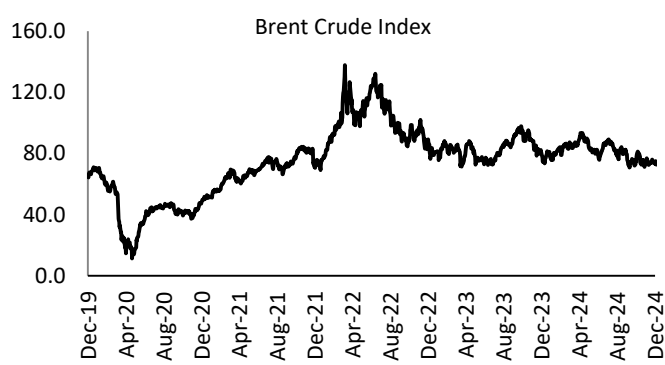
Exhibit 6: Gross and EBITDA margins expansion in 3QFY25E (%)

Companies	Gross Margin	YoY (bp)	QoQ (bp)	EBITDA Margin	YoY (bp)	QoQ (bp)
Staples						
Britannia	42.0	-187	48	17.7	-159	92
Colgate	71.0	-117	246	32.8	-80	205
Dabur	49.1	49	-24	20.2	-30	197
Emami	69.5	74	-119	31.9	27	375
Godrej Consumer	54.9	-96	-66	20.9	-383	12
HUL	51.2	-76	-39	23.9	35	9
ITC	62.0	108	610	35.5	-61	287
Jyothy	49.7	-6	-49	17.6	6	-130
LT Foods	31.8	82	-61	11.0	-127	14
Marico	50.3	-98	-49	20.8	-41	118
Nestle	57.8	-80	118	24.1	-44	81
P&G Hygiene	63.0	279	11	27.8	44	218
Tata consumer	41.4	-243	-224	12.5	-254	-236
Varun Beverages	55.7	-93	16	16.3	62	-766
Paints						
Asian Paints	41.5	-211	73	18.8	-384	331
Indigo Paints	46.3	-188	260	16.0	-158	216
Pidilite	54.3	142	-5	24.6	87	83
Liquor						
United Breweries	43.8	-19	-5	9.1	108	-166
United Spirits	44.6	118	-60	17.0	57	-82
Innerwear						
Page Industries	54.0	92	-249	19.7	104	-285
QSR						
Barbeque Nation	67.8	-6	-26	19.1	-94	419
Devyani intl.	69.2	-141	-14	16.8	-59	50
Jubilant Food.	76.2	-45	14	20.7	-16	133
Restaurant Brands	67.8	70	30	15.2	-70	100
Sapphire Foods	68.8	-4	3	17.2	-110	109
Westlife Foodworld	70.3	2	62	14.4	-159	168
Jewelry						
Kalyan	14.2	-35	48	6.8	-29	26
PN Gadgil	10.3	185	265	5.1	54	153
Senco	17.7	-96	346	10.3	-65	486
Titan	23.0	-26	28	10.1	-97	-42

Exhibit 7: Trend in commodity prices

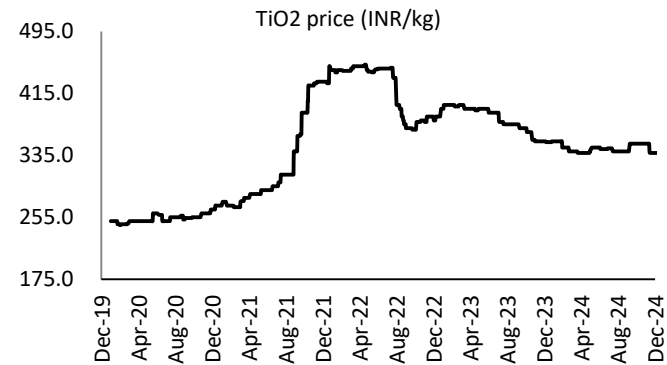
Commodity	Unit	Companies	CMP (INR)	Average prices of commodities					Change in prices (%)	
				3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY	QoQ
Non- Agri Commodity										
Brent Crude	\$/barell	Paints, PIDI,	74	84	83	85	80	75	-11%	-7%
Titanium Dioxide	INR/kg	GCPL, JYL	340	356	345	342	343	344	-3%	0%
Titanium Dioxide China	CNY/MT	Paints	14,960	17,038	16,730	16,742	15,771	15,206	-11%	-4%
VAM China	USD/MT	Paints	788	880	994	813	778	784	-11%	1%
Soda Ash	INR/50kg	PIDI, Paints	1,825	1,828	1,788	1,813	1,832	1,803	-1%	-2%
Glass	India WPI Index	HUL, GCPL,	173	175	176	175	174	173	-1%	-1%
Gold	MCX Gold (INR/10gm)	UNSP, UBBL	75,874	60,591	63,177	71,749	71,543	76,411	26%	7%
HDPE	INR/10kg	Jewelry	940	1,010	1,045	1,035	1,026	966	-4%	-6%
Agri Commodity										
Wheat	INR/quintel	ITC, NESTLE,	3,013	2,631	2,559	2,525	2,743	2,948	12%	7%
Sugar	INR/quintel	HUL, ITC, NESTLE, DABUR, BRIT	3,820	3,978	3,831	3,933	3,901	3,874	-3%	-1%
Mentha	INR/KG	HMN, HUL, CLGT, DABUR	1,015	1,021	1,020	1,006	1,012	1,002	-2%	-1%
Cashew	India WPI Index	BRIT	171	148	146	154	164	170	15%	4%
Maize	INR/quintel	HUL, CLGT, DABUR	2,455	2,136	2,233	2,201	2,527	2,437	14%	-4%
Molasses	India WPI Index	UNSP	159	150	155	157	157	159	6%	1%
Barley	INR/quintel	UBBL, NESTLE	2,425	2,115	2,027	2,064	2,221	2,396	13%	8%
Tea	India WPI Tea	HUL	208	162	139	187	208	219	35%	5%
Cocoa beans	USD/MT	NESTLE	11,507	3,979	6,128	9,467	8,555	8,661	118%	1%
Coffee	India WPI Coffee	NESTLE, HUL	232	209	216	221	232	233	11%	0%
Tabacoo	India WPI Tabacoo	ITC	114	114	114	114	114	114	0%	0%
Milk	India WPI Milk	NESTLE, BRIT	185	181	183	185	186	185	2%	0%
SMP	US\$/CWT	NESTLE, BRIT		138	131	127	129	137	0%	6%
Copra	Copra WPI Index	MRCO, DABUR	214	149	156	155	175	212	42%	21%
Yarn	NNS Cotton Yarn Hosiery Yarn Carded 40 price INR/kg India	PAGE	255	252	263	262	258	255	1%	-1%
Oil Commodities										
Palm Fatty acid	USD/MT	HUL, GCPL, JYL	1,004	747	745	810	844	960	29%	14%
Malaysia Palm oil	MYR/MT	HUL, GCPL, JYL	4,999	3,678	4,006	4,037	4,000	4,839	32%	21%
Coconut Oil	INR/quintel	MRCO, DABUR	18,000	12,172	11,187	12,796	13,617	18,794	54%	38%
Rice Bran oil	Rice Bran oil Index	MRCO	182	141	137	147	155	177	26%	15%
Sunflower oil	INR/MT	MRCO	1,27,000	85,386	86,900	89,133	96,071	1,28,419	50%	34%

Exhibit 8: Crude oil prices down 11% YoY/7% QoQ in Dec'24



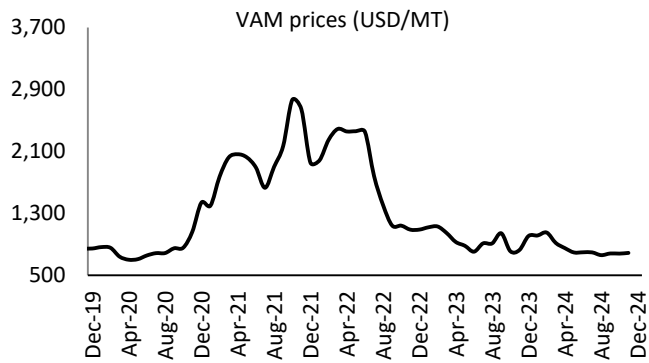
Source: Bloomberg, MOFSL

Exhibit 9: TiO2 prices down 3% YoY/flat QoQ in Dec'24



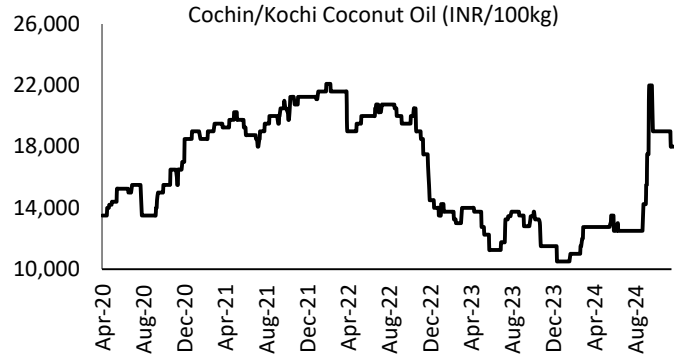
Source: Bloomberg, MOFSL

Exhibit 10: VAM prices fell 11% YoY and flat QoQ in Dec'24



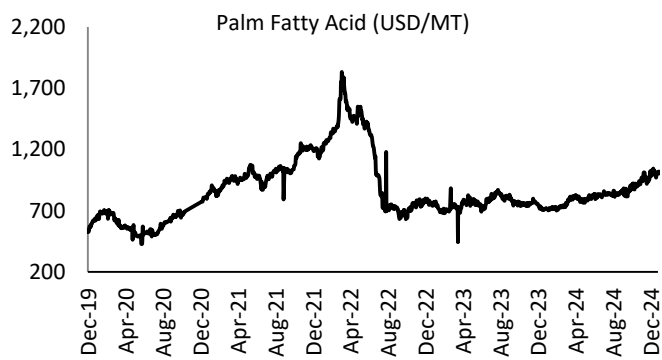
Source: Bloomberg, MOFSL

Exhibit 11: Coconut oil prices up 54% YoY/38% QoQ in Dec'24



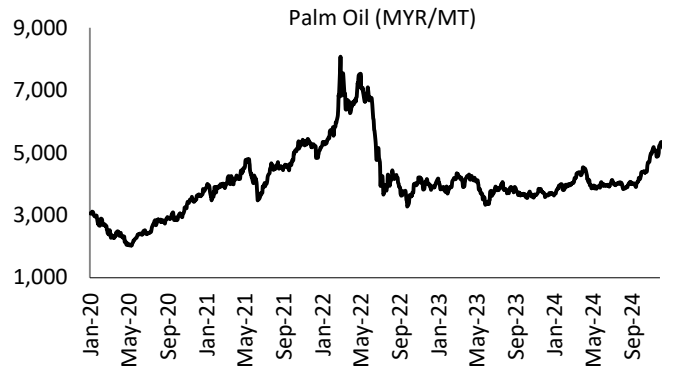
Source: Company, MOFSL

Exhibit 12: PFAD prices up by 29% YoY and 14% QoQ in Dec'24



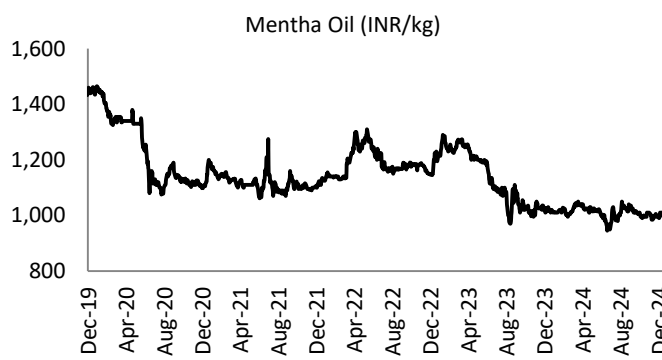
Source: Bloomberg, MOFSL

Exhibit 13: Malaysian palm oil prices rose 32% YoY and 21% QoQ in Dec'24



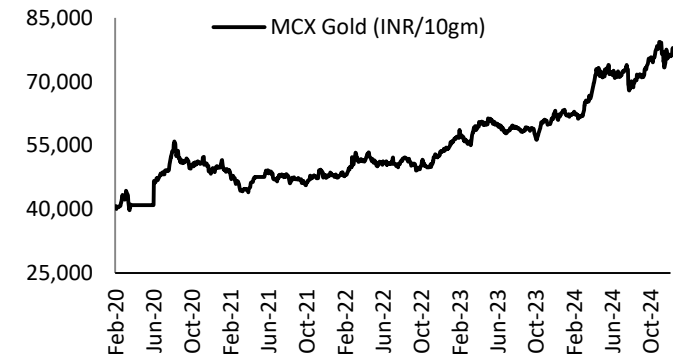
Source: Bloomberg, MOFSL

Exhibit 14: Mentha oil prices fell 2% YoY while flat QoQ in Dec'24



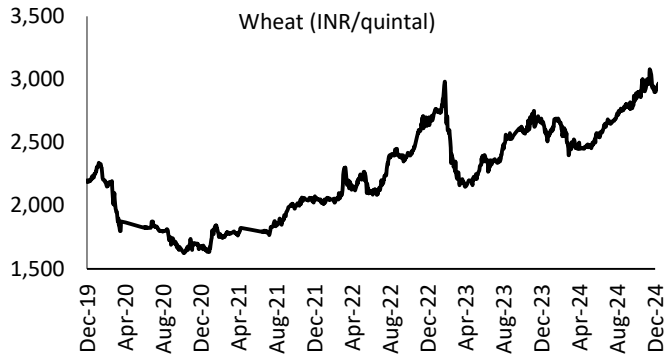
Source: Bloomberg, MOFSL

Exhibit 15: Average Gold prices rose 26% YoY and 7% QoQ in Dec'24



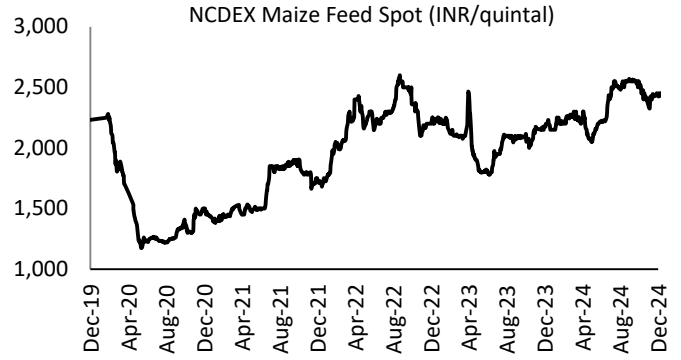
Source: Bloomberg, MOFSL

Exhibit 16: Wheat prices rose 12% YoY/7% QoQ in Dec'24



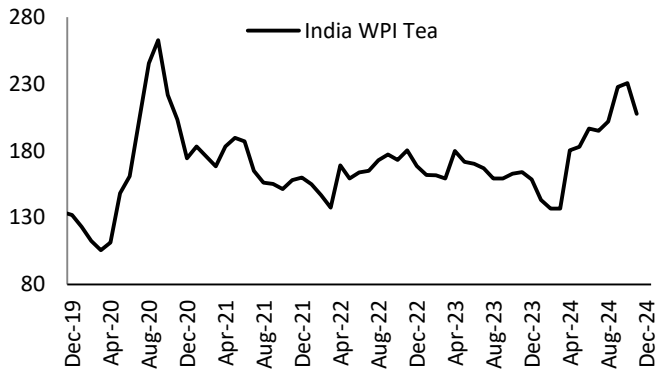
Source: Bloomberg, MOFSL

Exhibit 17: Maize prices rose 14% YoY while down 4% QoQ in Dec'24



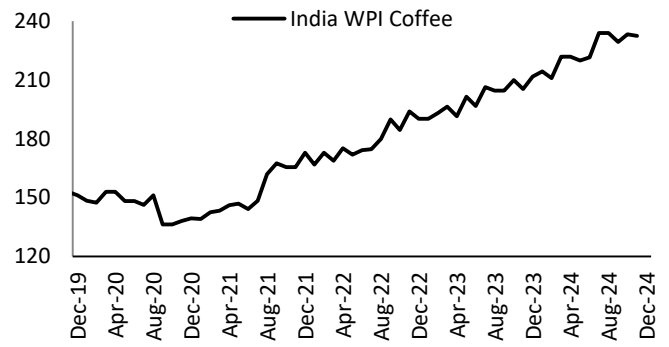
Source: Bloomberg, MOFSL

Exhibit 18: India WPI Tea prices up 35% YoY and 5% QoQ in Dec'24



Source: Bloomberg, MOFSL

Exhibit 19: India coffee prices up 11% YoY and flat QoQ in Dec'24

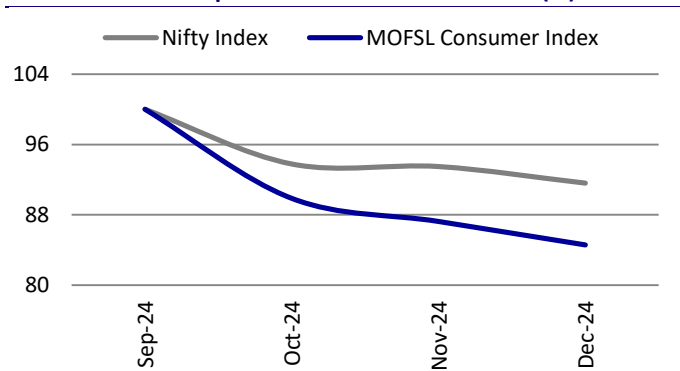


Source: Bloomberg, MOFSL

Exhibit 20: Comparative valuation

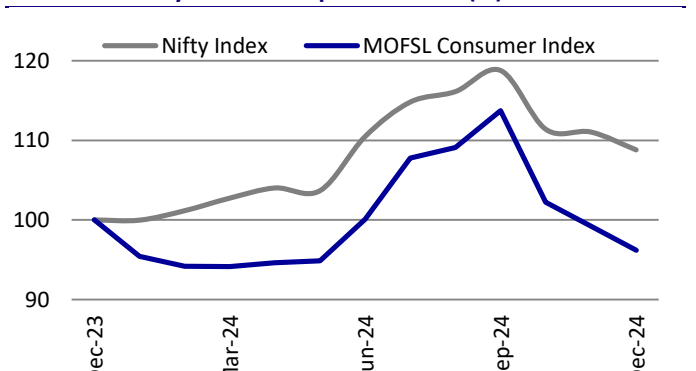
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Staples														
Britannia	4,793	Neutral	91.3	105.0	118.3	52.5	45.7	40.5	26.8	23.3	19.6	53.3	54.5	52.5
Colgate	2,702	Neutral	54.7	60.3	65.8	49.4	44.8	41.0	34.4	30.4	27.1	74.2	71.9	69.8
Dabur	511	Buy	10.5	12.0	13.7	48.7	42.6	37.3	8.5	8.0	7.5	18.2	19.4	20.7
Emami	605	Buy	20.3	22.2	24.0	29.8	27.3	25.2	9.5	8.5	7.6	34.0	32.8	31.7
Godrej Consumer	1,079	Buy	20.1	24.9	28.7	53.6	43.4	37.6	8.1	7.4	6.9	15.7	17.9	19.1
Hind. Unilever	2,323	Buy	44.8	51.0	56.2	51.8	45.5	41.3	10.6	10.4	10.1	20.5	23.0	24.7
ITC	484	Buy	16.7	18.2	19.8	29.0	26.6	24.5	7.8	7.4	7.1	27.5	28.7	29.6
Jyothy Labs	401	Neutral	10.6	11.7	12.9	38.0	34.4	31.1	7.8	7.1	6.4	20.9	21.5	21.5
L T Foods	432	Buy	18.1	24.0	28.4	23.8	18.0	15.2	3.8	3.3	2.8	17.3	19.6	19.8
Marico	643	Buy	12.9	14.4	15.5	49.8	44.7	41.5	20.7	19.5	18.4	42.6	45.1	45.7
Nestle	2,170	Neutral	33.8	38.3	43.1	64.1	56.7	50.3	50.6	42.9	36.6	87.2	81.9	78.5
P&G Hygiene	14,651	Neutral	251.7	281.5	317.2	58.2	52.0	46.2	50.7	42.4	35.8	95.5	88.8	84.2
Pidilite Inds.	2,862	Neutral	42.4	49.0	56.0	67.5	58.4	51.2	15.2	13.7	11.1	24.0	24.7	24.0
Tata Consumer	920	Buy	14.8	19.0	20.9	62.4	48.6	44.1	3.9	3.5	3.3	7.4	7.9	8.2
Varun Beverages	651	Buy	7.7	10.4	12.5	84.1	62.7	52.0	13.4	11.3	9.4	22.5	19.5	19.7
Paints														
Asian Paints	2,305	Neutral	46.2	52.5	59.5	49.8	43.9	38.7	11.5	11.0	10.1	23.4	25.6	27.2
Indigo Paints	1,383	Buy	29.8	35.4	41.6	46.4	39.1	33.3	6.5	5.7	4.9	14.8	15.5	15.8
Liquor														
United Breweries	2,091	Neutral	21.5	31.4	38.9	97	67	53.7	12.3	11.2	10.1	13.1	17.6	19.8
United Spirits	1,657	Neutral	19.1	21.6	23.9	87	77	69.3	14.4	12.1	10.3	16.6	15.8	14.9
Innerwear														
Page Industries	47,771	Buy	603.3	720.5	865.8	79.2	66.3	55.2	30.4	26.1	22.3	38.4	39.4	40.4
QSR														
Barbeque Nation	444	Neutral	-1.6	1.9	4.9	-276	233	91.5	4.5	4.4	4.2	-1.6	1.9	4.6
Devyani Intl.	183	Buy	0.4	1.7	2.2	408.5	110.3	84.3	33.3	37.2	39.7	6.3	31.8	45.5
Jubilant Foodworks	739	Neutral	5.5	8.1	10.4	135.6	91.7	71.2	21.8	20.8	19.2	16.0	22.7	26.9
Restaurant Brands	85	Buy	-3.6	-1.1	1.1	-23.6	-77.4	79.8	9.4	10.6	9.4	-33.2	-12.9	12.5
Sapphire Foods	345	Buy	1.3	3.4	4.9	264.5	101.2	70.4	8.0	7.4	6.7	3.1	7.6	10.0
Westlife Foodworld	788	Neutral	1.1	6.0	9.7	716.7	132.2	80.8	16.5	16.8	13.9	2.6	12.6	18.8
Jewelry														
Kalyan Jewellers	774	Buy	8.1	10.9	13.7	96.1	70.9	56.5	17.1	14.6	12.4	18.7	22.2	23.7
P N Gadgil Jewellers	666	Buy	17.1	23.2	29.4	39.0	28.7	22.6	5.6	4.7	3.9	21.6	17.8	18.7
Senco Gold	1,127	Buy	32.5	39.1	45.4	34.7	28.8	24.8	5.6	4.8	4.0	17.3	17.9	17.6
Titan Company	3,254	Buy	42.6	53.4	63.7	76.4	61.0	51.1	24.0	18.8	15.0	35.4	34.7	32.7

Exhibit 2: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 3: One-year relative performance (%)



Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Asian Paints Neutral

CMP: INR2,305 | TP: INR2,550 (+11%)

EPS CHANGE (%): FY25 | FY26: -2.6 | -4.8

- Demand was weak in 3Q due to a weak festive season and early Diwali. We expect a 5% decline in revenue growth with marginal volume decline in domestic decorative paint.
- We expect gross margin to decline 210bp YoY but rise 70bp QoQ, partially aided by the price hike by the company.
- EBITDA margin expected to decline 380bp YoY due to negative operating leverage and high operating cost.
- Key monitorable: competition with new players.

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Est. Dom. Deco. Vol. growth (%)	10.0	6.0	12.0	10.0	7.0	-0.5	-1.0	6.5	9.5	3.0
Net Sales	91,823	84,786	91,031	87,308	89,697	80,275	86,479	91,931	3,54,947	3,48,383
Change (%)	6.7	0.2	5.4	-0.6	-2.3	-5.3	-5.0	5.3	2.9	-1.8
Gross Profit	39,419	36,771	39,695	38,160	38,152	32,732	35,889	38,165	1,54,045	1,44,938
Gross Margin (%)	42.9	43.4	43.6	43.7	42.5	40.8	41.5	41.5	43.4	41.6
EBITDA	21,213	17,162	20,561	16,914	16,938	12,395	16,215	17,501	75,850	63,049
Margin (%)	23.1	20.2	22.6	19.4	18.9	15.4	18.8	19.0	21.4	18.1
Change (%)	36.3	39.8	27.6	-9.3	-20.2	-27.8	-21.1	3.5	21.2	-16.9
Interest	458	509	544	541	554	630	590	591	2,052	2,364
Depreciation	1,983	2,087	2,204	2,256	2,277	2,420	2,400	2,446	8,530	9,543
Other Income	1,971	1,652	1,386	1,871	1,562	1,736	1,850	1,870	6,880	7,017
PBT	20,743	16,218	19,199	15,988	15,669	11,081	15,075	16,334	72,148	58,159
Tax	5,301	4,186	4,926	3,488	4,168	2,654	3,618	4,100	17,901	14,540
Effective Tax Rate (%)	25.6	25.8	25.7	21.8	26.6	23.9	24.0	25.1	24.8	25.0
Adjusted PAT	15,749	12,324	14,752	12,753	11,868	8,738	11,697	12,060	55,577	44,363
Change (%)	48.5	53.3	34.5	-0.6	-24.6	-29.1	-20.7	-5.4	30.9	-20.2

E: MOFSL Estimates

Britannia Industries Neutral

CMP: INR4,793 | TP: INR 5,200 (+8%)

EPS CHANGE (%): FY25 | FY26: -2.4 | -1.9

- We expect 7% revenue growth YoY, primarily led by volume growth of 5% in 3QFY25.
- BRIT has taken 2-3% price hike in some of its products during the quarter to offset commodity price inflation.
- GP margin expected to decline 190bp YoY to 42% and EBITDA margin expected to decline 160bp YoY to 17.7% due to rise in agri commodity prices.
- BRIT focuses on innovation and distribution channel to gain market share.

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Base business volume growth (%)	0.0	0.0	5.5	6.0	8.0	8.0	5.0	5.5	2.9	6.6
Total Revenue	40,107	44,329	42,563	40,694	42,503	46,676	45,543	44,236	1,67,693	1,78,958
YoY change (%)	8.4	1.2	1.4	1.1	6.0	5.3	7.0	8.7	2.9	6.7
Gross Profit	16,820	19,011	18,673	18,269	18,449	19,381	19,128	19,099	72,772	76,057
Margins (%)	41.9	42.9	43.9	44.9	43.4	41.5	42.0	43.2	43.4	42.5
EBITDA	6,889	8,724	8,211	7,874	7,537	7,834	8,061	8,102	31,698	31,533
Margins (%)	17.2	19.7	19.3	19.4	17.7	16.8	17.7	18.3	18.9	17.6
YoY growth (%)	37.6	22.6	0.4	-1.7	9.4	-10.2	-1.8	2.9	12.0	-0.5
Depreciation	708	717	781	799	739	761	765	785	3,005	3,050
Interest	531	534	311	264	290	346	325	310	1,640	1,271
Other Income	539	524	506	573	556	460	575	720	2,142	2,311
PBT	6,190	7,997	7,625	7,384	7,064	7,187	7,546	7,726	29,196	29,523
Tax	1,665	2,121	2,026	1,980	1,762	1,836	1,924	2,006	7,793	7,528
Rate (%)	26.9	26.5	26.6	26.8	24.9	25.5	25.5	26.0	26.7	25.5
Adjusted PAT	4,555	5,865	5,586	5,366	5,295	5,317	5,588	5,686	21,371	21,886
YoY change (%)	35.7	19.5	0.3	-3.8	16.3	-9.3	0.0	6.0	10.1	2.4

E: MOFSL Estimates

Colgate

Neutral

CMP: INR2,702 | TP: INR3,000 (+11%)

EPS CHANGE (%): FY25 | FY26: -1.5 | -1.5

- Demand was subdued QoQ for oral care. We expect 7% revenue growth, led by mid-single-digit volume growth in toothpaste in 3QFY25.
- GP margin expected to contract by 120bp YoY to 71% and EBITDA margin 80bp YoY to 32.8%.
- Focuses on expanding distribution reach and improving product penetration in rural market through LUPs.
- Continues to focus on innovation and new launches. It has launched new sensorial range of MaxFresh in Dec'24 in premium segment in MT, e-commerce and quick commerce.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume Gr %	3.0	-1.0	-1.0	1.0	7.0	8.0	5.0	5.0	0.5	6.3
Net Sales (inclgd. OOI)	13,237	14,711	13,957	14,900	14,967	16,191	14,934	15,918	56,804	62,010
YoY change (%)	10.6	6.0	8.1	10.3	13.1	10.1	7.0	6.8	8.7	9.2
Gross Profit	9,058	10,117	10,073	10,327	10,574	11,098	10,603	11,070	39,574	43,345
Gross margin (%)	68.4	68.8	72.2	69.3	70.6	68.5	71.0	69.5	69.7	69.9
EBITDA	4,181	4,821	4,684	5,322	5,083	4,974	4,893	5,731	19,008	20,680
Margins (%)	31.6	32.8	33.6	35.7	34.0	30.7	32.8	36.0	33.5	33.4
YoY growth (%)	28.4	18.2	29.6	17.8	21.6	3.2	4.5	7.7	22.9	8.8
Depreciation	438	443	414	421	415	417	420	422	1,715	1,674
Interest	11	11	15	14	10	12	16	18	50	55
Financial other Income	150	210	179	227	234	195	230	249	765	908
PBT	3,883	4,578	4,434	5,114	4,893	4,740	4,687	5,540	18,008	19,859
Tax	951	1,178	1,133	1,315	1,253	1,354	1,172	1,362	4,577	5,141
Rate (%)	24.5	25.7	25.6	25.7	25.6	28.6	25.0	24.6	25.4	25.9
Adj PAT	2,883	3,401	3,301	3,798	3,640	3,555	3,515	4,177	13,383	14,888
YoY change (%)	33.1	22.3	35.7	19.6	26.2	4.6	6.5	10.0	26.8	11.2
Reported PAT	2,737	3,401	3,301	3,798	3,640	3,951	3,515	4,177	13,237	15,283

Dabur

Buy

CMP: INR511 | TP: INR675 (+32%)

EPS CHANGE (%): FY25 | FY26: - | -

- We expect 3% revenue growth, impacted by weak performance of winter portfolio (30-35% revenue contribution in 3Q). Primary growth expected to normalize in 3Q as one-time GT inventory correction largely concluded in 2Q.
- Rural demand is gradually recovering, while urban demand remains subdued, affected by persistent food inflation.
- GP margin expected to expand 50bp YoY to 49.1% due to price hike by the company and EBITDA margin expected to contract by 30bp YoY to 20.2%.
- Badshah Masala continued to witness healthy momentum and saw double-digit growth. International business is expected to deliver double-digit growth in CC terms.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic FMCG vol. growth (%)	3.0	3.0	4.0	3.0	5.2	-7.0	1.0	4.5	3.3	1.0
Net sales	31,305	32,038	32,551	28,146	33,491	30,286	33,414	29,571	1,24,040	1,26,763
YoY change (%)	10.9	7.3	6.7	5.1	7.0	-5.5	2.7	5.1	7.5	2.2
Gross profit	14,588	15,482	15,823	13,679	16,005	14,943	16,406	14,253	59,571	61,607
Margin (%)	46.6	48.3	48.6	48.6	47.8	49.3	49.1	48.2	48.0	48.6
EBITDA	6,047	6,609	6,678	4,668	6,550	5,526	6,756	5,063	24,002	23,895
Margins (%)	19.3	20.6	20.5	16.6	19.6	18.2	20.2	17.1	19.4	18.9
YoY growth (%)	11.2	10.0	8.1	13.9	8.3	-16.4	1.2	8.5	10.5	-0.4
Depreciation	966	983	969	1,074	1,091	1,110	1,110	1,138	3,992	4,449
Interest	243	281	365	352	327	474	400	400	1,242	1,600
Other income	1,098	1,164	1,274	1,289	1,294	1,515	1,450	1,467	4,824	5,726
PBT	5,936	6,508	6,618	4,531	6,427	5,457	6,696	4,992	23,593	23,572
Tax	1,368	1,443	1,550	1,114	1,481	1,284	1,607	1,214	5,474	5,587
Rate (%)	23.0	22.2	23.4	24.6	23.0	23.5	24.0	24.3	23.2	23.7
Adjusted PAT	4,721	5,233	5,225	3,578	5,084	4,333	5,246	3,935	18,757	18,597
YoY change (%)	7.2	6.7	7.8	10.8	7.7	-17.2	0.4	10.0	9.3	-0.9

E: MOFSL Estimates

Emami**Buy****CMP: INR605 | TP: INR800 (+32%)****EPS CHANGE (%): FY25 | FY26: -1.2 | -2.4**

- Demand was good in 3Q as its winter portfolio performed well compared to peer companies. We model 6% revenue growth, led by 5% domestic volume growth.
- GM to remain steady (+70bp YoY) despite food inflation. EBITDA to stay flat YoY (+30bp YoY) on rising A&P spends.
- Emami is taking initiatives to drive growth of Kesh King.
- D2C brands like The Man Company and Brillare are performing well.

Quarterly Performance (Consol.)**(INR m)**

Y/E MARCH	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	-1.0	6.4	8.7	1.7	5.0	6.0	2.6	5.5
Net Sales	8,257	8,649	9,963	8,912	9,061	8,906	10,530	9,505	35,781	38,001
YoY change (%)	6.8	6.3	1.4	6.6	9.7	3.0	5.7	6.7	5.1	6.2
Gross Profit	5,401	6,061	6,851	5,863	6,131	6,296	7,318	6,362	24,176	26,107
Gross margin (%)	65.4	70.1	68.8	65.8	67.7	70.7	69.5	66.9	67.6	68.7
EBITDA	1,900	2,337	3,149	2,110	2,165	2,505	3,357	2,294	9,495	10,320
Margins (%)	23.0	27.0	31.6	23.7	23.9	28.1	31.9	24.1	26.5	27.2
YoY change	9.6	19.6	7.0	5.6	13.9	7.2	6.6	8.7	10.1	8.7
Depreciation	460	461	458	480	444	447	463	469	1,859	1,823
Interest	21	23	27	29	21	23	25	31	100	100
Other Income	83	111	167	107	105	216	150	153	468	624
PBT	1,502	1,964	2,831	1,708	1,805	2,251	3,019	1,947	8,005	9,021
Tax	129	158	155	225	278	94	181	349	667	902
Rate (%)	8.6	8.1	5.5	13.2	15.4	4.2	6.0	17.9	8.3	10.0
Adj. PAT	1,413	1,967	2,828	1,669	1,702	2,333	3,046	1,774	7,876	8,864
YoY change (%)	36.9	12.5	11.0	13.0	20.5	18.6	7.7	6.3	15.7	12.5
Reported PAT	1,368	1,800	2,607	1,468	1,506	2,110	2,827	1,583	7,241	8,026
YoY change (%)	88.1	-0.1	11.9	3.6	10.1	17.2	8.5	7.8	15.4	10.8

Godrej Consumer**Buy****CMP: INR1,079 | TP: INR1,400 (+30%)****EPS CHANGE (%): FY25 | FY26: -4.6 | -3.4**

- Domestic revenue is impacted by weakness in the soaps and HI segments. We model 3% standalone revenue growth and 1% volume growth. The rest of the portfolio performed well.
- High inflation is putting pressure on margins. We model 100bp YoY decline in GP margin and 380bp YoY decline in EBITDA margins due to negative operating leverage.
- GCPL highlighted in mid pre-quarter update that soaps category (one-third revenue contribution) impacted by increase in palm oil and other derivatives prices. To mitigate that, it has taken a price hike, reduced grammage and scaled back various trade schemes.
- HI (one-third revenue contribution) affected by unfavorable weather conditions, including a delayed winter in North India and cyclones in South India.

Quarterly Performance (Consolidated)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume Growth (%)	10	4	5	9	8	7	1	3	7	5
Net Sales (including OOI)	34,489	36,020	36,596	33,856	33,316	36,663	37,550	36,285	1,40,961	1,44,586
YoY change (%)	10.4	6.2	1.7	5.8	-3.4	1.8	2.6	7.2	5.9	2.6
Gross Profit	18,534	19,771	20,454	18,999	18,608	20,381	20,626	19,880	77,758	79,495
Margin (%)	53.7	54.9	55.9	56.1	55.9	55.6	54.9	54.8	55.2	55.0
EBITDA	6,818	7,234	9,048	7,604	7,262	7,617	7,846	7,794	30,704	30,519
Margins (%)	19.8	20.1	24.7	22.5	21.8	20.8	20.9	21.5	21.8	21.1
YoY growth (%)	28.0	26.0	17.9	14.4	6.5	5.3	-13.3	2.5	20.9	-0.6
Depreciation	763	609	539	499	495	501	550	559	2,410	2,104
Interest	740	773	666	785	878	831	825	817	2,964	3,350
Other Income	691	659	701	638	771	860	875	886	2,690	3,392
PBT	5,617	6,319	7,904	6,912	6,643	7,124	7,346	7,305	26,751	28,419
Tax	1,611	1,866	2,024	2,087	1,933	2,154	1,837	1,892	7,588	7,815
Rate (%)	28.7	29.5	25.6	30.2	29.1	30.2	25.0	25.9	28.4	27.5
Adj PAT	3,761	4,415	5,862	5,749	4,649	4,953	5,510	5,413	19,787	20,604
YoY change (%)	8.5	17.2	6.0	22.6	23.6	12.2	-6.0	-5.8	13.4	4.1
Reported PAT	3,188	4,328	5,811	-18,932	4,507	4,913	5,510	5,413	-5,605	20,604

E: MOFSL Estimate

Hindustan Unilever**Buy****CMP: INR2,323 | TP: INR3,100 (+33%)****EPS CHANGE (%): FY25 | FY26: -1.1 | -**

- Demand trends remain consistent QoQ, showing muted growth with rural outperforming urban. We expect 3% revenue growth in 3QFY25.
- We model 1% volume growth, impacted by the price increase in soaps and tea. The company has taken low single-digit price hike at the portfolio level.
- HUL's growth has been impacted by multiple factors, including adverse mix dynamics, input cost inflation, and subdued seasonal demand, collectively moderating the overall growth trajectory.
- There would be some pressure on GP margins (-80bp YoY) due to rise in palm oil and other agri commodity prices. However, EBITDA margins (+40bp YoY) expected to be stable due to cost initiatives taken by the company.

Quarterly performance (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	2.0	2.0	4.0	3.0	1.0	4.0	2.3	3.1
Revenue	155.0	156.2	155.7	152.1	157.1	159.3	160.5	164.8	619.0	641.7
YoY change (%)	6.0	3.2	-0.2	0.0	1.4	1.9	3.1	8.4	2.2	3.7
COGS	76.8	73.5	74.8	72.6	75.5	77.1	78.3	80.3	298	311
Gross Profit	78.2	82.8	80.9	79.5	81.6	82.2	82.2	84.5	321.4	330.5
Margin %	50.4	53.0	52.0	52.3	52.0	51.6	51.2	51.3	51.9	51.5
EBITDA	36.7	38.0	36.7	35.4	37.4	37.9	38.4	37.8	146.6	151.6
YoY change (%)	7.7	9.1	-0.8	-1.1	2.2	-0.1	4.7	7.0	3.6	3.4
Margins (%)	23.7	24.3	23.5	23.2	23.8	23.8	23.9	22.9	23.7	23.6
Depreciation	2.9	3.0	3.1	3.2	3.3	3.4	3.3	3.3	12.2	13.3
Interest	0.5	0.9	0.9	1.1	0.9	1.1	1.1	1.0	3.3	4.2
Other income	1.8	1.8	2.1	2.3	2.6	2.2	2.4	2.6	8.1	9.7
PBT	35.1	36.0	34.8	33.4	35.8	35.6	36.4	36.0	139.2	143.8
Tax	9.2	9.3	9.4	8.6	9.2	9.5	9.3	9.3	36.4	37.2
Rate (%)	26.1	25.9	27.0	25.7	25.6	26.6	25.5	25.9	26.2	25.9
PAT bei	25.8	26.6	25.3	25.0	26.5	26.0	27.1	26.7	102.7	105.3
YoY change (%)	8.0	-1.1	-2.0	-1.6	2.5	-2.1	6.9	6.6	0.7	2.6
Reported Profit	25.5	26.6	25.1	25.6	26.1	25.9	27.1	26.7	102.8	105.8

Indigo Paints**Buy****CMP: INR1,383 | TP: INR1,650 (+19%)****EPS CHANGE (%): FY25 | FY26: -4.8 | -4.0**

- Demand remained subdued and we expect ~5% YoY sales growth in 3QFY25.
- The company has taken discounting amid rising competition, which has impacted the margins. We expect 190bp YoY decline in GP margin and 160bp in EBITDA margins.
- Watch out for commentaries on demand trends of the waterproofing business and expansion to larger cities.
- Expect strong competition and pressure on profits in the near future, as new competitors enter the market.

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	2,884	2,790	3,538	3,849	3,110	2,995	3,715	4,195	13,061	14,014
Change (%)	28.8	15.0	25.8	18.3	7.8	7.4	5.0	9.0	21.7	7.3
Raw Material/PM	1,519	1,519	1,833	1,968	1,661	1,686	1,995	2,212	6,839	7,554
Gross Profit	1,365	1,271	1,705	1,881	1,449	1,309	1,720	1,983	6,222	6,461
Gross Margin (%)	47.3	45.6	48.2	48.9	46.6	43.7	46.3	47.3	47.6	46.1
EBITDA	491	421	622	846	474	415	595	884	2,381	2,368
Margin (%)	17.0	15.1	17.6	22.0	15.2	13.9	16.0	21.1	18.2	16.9
Change (%)	39.2	24.8	53.5	17.9	-3.5	-1.5	-4.4	4.5	31.1	-0.5
Interest	5	6	6	5	6	7	6	4	21	23
Depreciation	101	113	146	156	152	154	155	156	516	617
Other Income	38	32	31	42	42	51	50	42	142	185
PBT	423	335	501	727	357	306	484	767	1,986	1,913
Tax	108	81	125	183	90	83	121	185	497	479
Effective Tax Rate (%)	25.6	24.3	25.0	25.1	25.3	27.2	25.0	24.1	25.0	25.0
Adjusted PAT	310	253	373	537	262	226	366	565	1,474	1,419
Change (%)	55.9	22.1	41.9	10.3	-15.6	-10.6	-1.8	5.2	27.4	-3.7

E: MOFSL Estimates

ITC

Buy

CMP: INR484 | TP: INR575 (+19%)

EPS CHANGE (%): FY25|FY26: +0.1|-0.2

- Cigarette business expected to show stable volumes and pricing, with the portfolio continuing to grow, aided by improvements in product mix. We model ~4% volume growth in the business in 3QFY25.
- We expect 7% YoY sales growth in cigarette business and 5% YoY sales growth in FMCG business.
- We expect 6% YoY growth in cigarette EBIT with 70bp decline in margins due to rise in leaf tobacco prices. In the FMCG business, we expect 3% de-growth in EBIT with 60bp decline in margins as price hike lags RM inflation.
- The paper segment remained weak, while the agriculture segment and hotel business performed well during the quarter.

Consol. Quarterly Performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	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
Net Sales	171.6	177.7	180.2	179.2	184.6	207.4	192.2	192.2	708.8	776.3
YoY change (%)	-7.2	3.9	1.8	1.6	7.5	16.7	6.7	7.3	-0.1	9.5
Gross Profit	106.1	107.1	109.8	113.4	111.7	115.9	119.2	133.0	436.3	479.8
Margin (%)	61.8	60.2	60.9	63.2	60.5	55.9	62.0	69.2	61.6	61.8
EBITDA	66.7	64.5	65.0	66.3	67.5	67.6	68.2	72.2	262.5	275.5
Growth (%)	9.8	3.1	-3.0	0.0	1.2	4.8	4.8	8.9	2.3	4.9
Margins (%)	38.9	36.3	36.1	37.0	36.6	32.6	35.5	37.6	37.0	35.5
Depreciation	4.4	4.5	4.6	4.6	5.0	5.2	5.2	5.3	18.2	20.7
Interest	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.5	0.5
Other Income	7.2	6.6	6.6	6.8	6.9	6.2	7.4	8.7	27.3	29.2
PBT	69.4	66.6	66.9	68.4	69.3	68.4	70.2	75.5	271.2	283.5
Tax	17.6	17.0	12.8	16.5	17.6	17.9	16.5	19.3	63.9	71.4
Rate (%)	25.4	25.5	19.2	24.1	25.4	26.2	23.5	25.6	23.6	25.2
Adj PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.9	55.4	204.6	209.0
YoY change (%)	16.3	6.0	6.7	0.0	-0.2	2.0	-0.9	8.2	6.9	2.2
Reported PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.9	55.4	204.6	209.0

E: MOFSL estimate

Jyothy Labs.

Neutral

CMP: INR401 | TP: INR450 (+12%)

EPS CHANGE (%): FY25|FY26: -2.0|-0.5

- We expect consolidated net sales to grow 5% YoY, led by volume growth of 4% in 3QFY25.
- We expect gross margin to remain flat YoY at 49.7% but decline 50bp QoQ on rising palm oil prices.
- EBITDA margin expected to stay flat YoY at 17.6% in 3QFY25.
- It focuses on rural distribution, innovation, and introduction of SKUs to cater to specific consumer segments.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth (%)	9%	9%	11%	10%	11%	3%	4%	6%	9%	9%
Net Sales	6,871	7,323	6,775	6,600	7,418	7,338	7,142	7,083	27,569	28,981
YoY change (%)	15.1	11.1	10.6	7.0	8.0	0.2	5.4	7.3	10.9	5.1
Gross Profit	3,289	3,604	3,371	3,267	3,805	3,683	3,550	3,511	13,531	14,549
Margins (%)	47.9	49.2	49.8	49.5	51.3	50.2	49.7	49.6	49.1	50.2
EBITDA	1,174	1,354	1,186	1,084	1,335	1,385	1,255	1,140	4,798	5,142
EBITDA growth %	96.2	68.3	40.6	18.7	13.7	2.3	5.8	5.2	51.9	7.2
Margins (%)	17.1	18.5	17.5	16.4	18.0	18.9	17.6	16.1	17.4	17.7
Depreciation	120	123	128	129	134	139	136	126	500	535
Interest	11	12	12	13	14	14	13	11	47	52
Other Income	79	132	106	130	137	125	125	128	447	515
PBT	1,123	1,351	1,152	1,072	1,324	1,357	1,231	1,130	4,698	5,070
Tax	250	311	243	291	307	307	278	300	1,095	1,191
Rate (%)	22.3	23.0	21.1	27.1	23.2	22.6	22.6	26.5	23.3	23.5
Adjusted PAT	873	1,040	909	781	1,017	1,050	953	831	3,603	3,879
YoY change (%)	124.1	78.2	34.9	31.9	16.6	1.0	4.8	6.3	54.8	7.6

E: MOFSL Estimates

LT Foods

Buy

CMP: INR432 | TP: INR520 (+20%)

EPS CHANGE (%): FY25 | FY26: -|-

- We expect consolidated sales to grow 10% YoY.
- We anticipate the Basmati rice segment to witness strong traction in both domestic and international markets.
- EBITDA margin expected to contract by 130bp YoY to 11%.
- We expect the organic segment to report revenue growth of ~45% YoY in 3Q, driven by sales in the Netherlands and the opening of new warehouses in the US and EU.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	17,781	19,778	19,417	20,748	20,705	21,078	22,067	23,536	77,724	87,386
YoY Change (%)	10.4	14.7	9.2	13.9	16.4	6.6	13.6	13.4	12.1	12.4
Total Expenditure	15,644	17,373	17,031	18,297	18,296	18,785	19,635	20,845	68,345	77,561
EBITDA	2,137	2,405	2,386	2,451	2,409	2,293	2,432	2,691	9,379	9,825
Margins (%)	12.0	12.2	12.3	11.8	11.6	10.9	11.0	11.4	12.1	11.2
Depreciation	356	360	361	453	420	448	435	430	1,529	1,733
Interest	220	191	185	235	187	196	145	120	830	648
Other Income	107	140	80	169	175	263	150	120	496	708
PBT before EO expense	1,669	1,995	1,920	1,933	1,977	1,911	2,002	2,260	7,517	8,151
PBT	1,669	1,995	1,920	1,933	1,977	1,911	2,002	2,260	7,517	8,151
Tax	438	539	510	542	530	494	504	569	2,029	2,096
Rate (%)	26.2	27.0	26.6	28.1	26.8	25.8	25.2	25.2	27.0	25.7
MI & Profit/Loss of Asso. Cos.	-143	-143	-102	-97	-84	-66	-40	-49	-486	-239
Reported PAT	1,374	1,599	1,512	1,488	1,532	1,484	1,538	1,740	5,973	6,294
Adj PAT	1,374	1,599	1,512	1,488	1,532	1,484	1,538	1,740	5,973	6,294
YoY Change (%)	53.2	78.7	58.7	15.9	11.4	-7.2	1.8	17.0	48.3	5.4
Margins (%)	7.7	8.1	7.8	7.2	7.4	7.0	7.0	7.4	7.7	7.2

Marico

Buy

CMP: INR643 | TP: INR750 (+17%)

EPS CHANGE (%): FY25 | FY26: +1.7 | +2.2

- Domestic business saw QoQ improvement. We expect 15% consol. revenue growth and ~6% domestic volume growth.
- Gross margins may be impacted (-100bp YoY) by a rise in RM prices. Operating margins to contract (-40bp YoY), offset by cost initiatives taken by company.
- Parachute oil expected to deliver low-teen growth, Saffola oil expected to deliver high-teen revenue growth, and VAHO revenue to decline marginally.
- International business expected to deliver mid-teens revenue growth, with positive contributions from all markets.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	3.0	3.0	2.0	3.0	4.0	5.0	5.7	6.5	2.8	5.5
Net Sales	24,770	24,760	24,220	22,780	26,430	26,640	27,930	25,888	96,530	1,06,888
YoY Change (%)	-3.2	-0.8	-1.9	1.7	6.7	7.6	15.3	13.6	-1.1	10.7
Gross Profit	12,380	12,500	12,420	11,750	13,810	13,530	14,049	13,124	49,050	54,513
Gross margin (%)	50.0	50.5	51.3	51.6	52.3	50.8	50.3	50.7	50.8	51.0
EBITDA	5,740	4,970	5,130	4,420	6,260	5,220	5,802	4,935	20,260	22,217
Margins (%)	23.2	20.1	21.2	19.4	23.7	19.6	20.8	19.1	21.0	20.8
YoY Change (%)	8.7	14.8	12.5	12.5	9.1	5.0	13.1	11.7	11.9	9.7
Depreciation	360	390	420	410	410	410	420	433	1,580	1,673
Interest	170	200	190	170	170	110	150	155	730	585
Other Income	460	380	430	150	370	400	425	355	1,420	1,550
PBT	5,670	4,760	4,950	3,990	6,050	5,100	5,657	4,702	19,370	21,509
Tax	1,310	1,160	1,090	790	1,310	1,190	1,301	1,133	4,350	4,934
Rate (%)	23.1	24.4	22.0	19.8	21.7	23.3	23.0	24.1	22.5	22.9
Adjusted PAT	4,270	3,530	3,830	3,180	4,640	4,132	4,326	3,610	14,810	16,708
YoY Change (%)	15.1	17.3	16.8	5.3	8.7	17.1	12.9	13.5	13.7	12.8
Reported PAT	4,270	3,530	3,830	3,180	4,640	4,230	4,326	3,610	14,810	16,806

E: MOFSL Estimates

Nestlé India

Neutral

CMP: INR2,170 | TP: INR2,400 (+11%)

EPS CHANGE (%): FY25 | FY26: -0.6 | -0.8

- Expect sales growth of 5% YoY; expect demand to improve.
- We anticipate that the company has implemented a price hike in response to rising commodity prices.
- We model moderation in GP and EBITDA margins due to a rise in RM prices.
- Nestle focuses on expanding its distribution reach.

Quarterly performance

(INR m)

Y/E December	FY24				FY25E				FY24*	FY25E	
	1Q	2Q	3Q	4Q	5Q	1Q	2Q	3QE	4QE		
Net Sales	48,305	46,585	50,368	46,004	52,676	48,140	51,040	48,483	56,834	2,43,939	2,04,496
YoY Change (%)	21.0	15.1	9.5	8.1	9.0	3.3	1.3	5.4	7.9	15.5	-16.2
COGS	22,315	19,775	21,916	19,046	22,759	20,388	22,139	20,460	24,946	1,07,086	87,933
Gross Profit	25,990	26,811	28,452	26,959	29,917	27,751	28,901	28,023	31,888	1,36,853	1,16,563
Margin (%)	53.8	57.6	56.5	58.6	56.8	57.6	56.6	57.8	56.1	56.1	57.0
Operating Exp	14,748	14,872	15,984	15,670	16,491	16,543	17,013	16,339	17,621	77,765	67,515
EBITDA	11,242	11,939	12,468	11,289	13,426	11,209	11,888	11,684	14,267	59,088	49,047
Margins (%)	23.3	25.6	24.8	24.5	25.5	23.3	23.3	24.1	25.1	24.2	24.0
YoY Growth (%)	19.8	39.4	21.6	13.5	19.4	-6.1	-4.7	3.5	6.3	23.9	-17.0
Depreciation	1,017	1,074	1,112	1,087	1,089	1,127	1,216	1,225	1,232	5,378	4,800
Interest	370	328	314	230	262	317	322	285	276	1,455	1,200
Other income	337	240	333	303	268	391	69	325	334	1,480	1,119
PBT	10,192	10,777	11,375	10,275	12,343	10,156	10,418	10,499	13,093	53,735	44,166
Tax	2,538	2,410	3,139	2,309	3,164	2,625	3,252	2,493	3,049	13,560	11,419
Rate (%)	24.9	22.4	27.6	22.5	25.6	25.8	31.2	23.7	23.3	25.2	25.9
Adjusted PAT	7,511	8,292	8,055	7,808	9,138	7,377	7,503	7,904	9,830	39,577	32,613
YoY Change (%)	25.8	53.6	20.7	23.5	21.7	-11.0	-6.9	1.2	7.6	30.0	-17.6

E: MOFSL Estimates y *Note: FY24 is 15-month period as the company changed its accounting year-end from December to March

Page Industries

Buy

CMP: INR47,771 | TP: INR57,000 (+19%)

EPS CHANGE (%): FY25 | FY26: 0.0 | -0.6

- We expect ~10% YoY revenue growth and 7% volume growth on the back of seasonality and base effect.
- Gross margin expected to expand 90bp YoY to 54% and EBITDA margin expected to expand by 100bp YoY to 19.7%.
- Inventory days at the distributor level have normalized for the innerwear and athleisure.
- Watch out for commentaries on the recovery of demand in rural areas.

Quarterly Statement

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth (%)	-11.5	-8.8	4.6	6.1	2.6	6.7	6.5	8.4	-3.5	5.5
Net Sales	12,291	11,251	12,288	9,925	12,775	12,463	13,479	11,136	45,817	49,853
YoY change (%)	-8.4	-8.4	2.4	2.9	3.9	10.8	9.7	12.2	-2.8	8.8
Gross Profit	6,544	6,262	6,522	5,562	6,918	7,040	7,279	6,283	24,971	27,519
Gross margin (%)	53.2	55.7	53.1	56.0	54.1	56.5	54.0	56.4	54.5	55.2
Other Expenditure	4,159	3,927	4,226	3,918	4,484	4,225	4,619	4,322	16,248	17,650
% to sales	33.8	34.9	34.4	39.5	35.1	33.9	34.3	38.8	35.5	35.4
EBITDA	2,385	2,335	2,297	1,643	2,433	2,815	2,660	1,961	8,723	9,869
Margins (%)	19.4	20.8	18.7	16.6	19.0	22.6	19.7	17.6	19.0	19.8
YoY change	-19.9	-1.8	19.1	22.3	2.0	20.5	15.8	19.3	1.1	13.1
Depreciation	210	246	226	226	221	226	250	284	908	981
Interest	127	112	105	105	117	109	115	124	449	465
Other Income	52	17	55	137	129	146	135	140	200	550
PBT	2,100	1,994	2,021	1,450	2,225	2,625	2,430	1,693	7,565	8,972
Tax	517	491	497	368	572	672	607	391	1,873	2,243
Rate (%)	24.6	24.6	24.6	25.4	25.7	25.6	25.0	23.1	24.8	25.0
PAT	1,584	1,503	1,524	1,082	1,652	1,953	1,822	1,302	5,692	6,729
YoY change (%)	-23.5	-7.3	23.1	38.1	4.3	29.9	19.6	20.4	-0.4	18.2

E: MOFSL Estimates

P&G Hygiene**Neutral****CMP: INR14,651 | TP: INR15,500 (+6%)****EPS CHANGE (%): FY24|25: -0.9|-1.8**

- Sales expected to grow ~9% YoY in 2QFY25 (June qtr. year ending).
- Gross margin expected to increase by 280bp YoY to 63.0%.
- EBITDA margin expected to improve marginally by 40bp YoY to 27.8%.
- A&P spending and demand outlook are key monitorables.

Standalone - Quarterly Earnings**(INR m)**

Y/E June	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	11,384	11,334	10,022	9,318	11,352	12,354	11,074	10,342	42,057	45,122
YoY Change (%)	9.2	-0.3	13.5	9.7	-0.3	9.0	10.5	11.0	7.5	7.3
Gross profit	6,932	6,825	6,644	5,514	7,139	7,783	7,065	5,898	25,915	27,886
Margin (%)	60.9	60.2	66.3	59.2	62.9	63.0	63.8	57.0	61.6	61.8
EBITDA	2,849	3,097	2,573	1,313	2,905	3,430	2,833	1,887	9,833	11,055
Growth	33.1	6.6	72.4	-37.9	2.0	10.7	10.1	43.7	13.2	12.4
Margins (%)	25.0	27.3	25.7	14.1	25.6	27.8	25.6	18.2	23.4	24.5
Depreciation	143	143	145	134	117	135	145	150	565	547
Interest	19	26	224	-1	19	29	40	27	268	115
Other Income	158	156	136	73	85	150	140	167	523	542
PBT	2,845	3,085	2,339	1,253	2,854	3,417	2,788	1,877	9,522	10,935
PBT after EO expense	2,845	3,085	2,029	1,123	2,854	3,417	2,788	1,877	9,082	10,935
Tax	738	796	796	345	735	854	669	498	2,674	2,756
Rate (%)	25.9	25.8	39.2	30.7	25.7	25.0	24.0	26.5	29.4	25.2
Adj PAT	2,107	2,289	1,854	908	2,119	2,562	2,119	1,379	7,159	8,179
YoY Change (%)	36.4	10.1	72.5	-38.5	0.6	11.9	14.2	51.8	15.3	14.3
Margins (%)	18.5	20.2	18.5	9.7	18.7	20.7	19.1	13.3	17.0	18.1

E: MOFSL Estimates

Pidilite Industries**Neutral****CMP: INR2,862 | TP: INR3,200 (+12%)****EPS CHANGE (%): FY25|FY26: 0.0|+0.1**

- We expect consolidated revenue to grow 8% YoY.
- We expect 9% volume growth during the quarter.
- We expect gross margin to expand 140bp YoY to 54.3% and remain flat QoQ on stable VAM prices.
- Outlook on domestic and international demand is a key monitorable.

Quarterly Performance (Consol.)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	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
Net Sales	32,751	30,760	31,300	29,019	33,954	32,349	33,804	32,457	1,23,830	1,32,563
YoY change (%)	5.6	2.2	4.4	7.9	3.7	5.2	8.0	11.8	4.9	7.1
Gross Profit	16,054	15,783	16,551	15,503	18,268	17,583	18,356	17,520	63,890	71,726
Margin (%)	49.0	51.3	52.9	53.4	53.8	54.4	54.3	54.0	51.6	54.1
EBITDA	7,070	6,797	7,425	5,769	8,127	7,688	8,313	6,475	27,073	30,604
YoY change (%)	33.5	36.0	49.7	25.6	15.0	13.1	12.0	12.2	36.4	13.0
Margins (%)	21.6	22.1	23.7	19.9	23.9	23.8	24.6	19.9	21.9	23.1
Depreciation	734	752	795	1,125	844	879	880	912	3,407	3,515
Interest	119	131	128	134	118	117	117	113	512	466
Other Income	234	316	370	489	539	571	550	487	1,397	2,147
PBT	6,451	6,230	6,872	4,999	7,704	7,263	7,866	5,936	24,551	28,770
Tax	1,704	1,631	1,765	1,219	1,984	1,848	1,966	1,394	6,319	7,193
Rate (%)	26.4	26.2	25.7	24.4	25.7	25.4	25.0	23.5	26.5	25.0
Reported PAT	4,737	4,585	5,109	3,043	5,713	5,403	5,902	4,522	17,425	21,488
Adj PAT	4,746	4,599	5,107	3,779	5,721	5,415	5,899	4,542	18,231	21,578
YoY change (%)	34.0	37.4	66.8	31.5	20.5	17.8	15.5	20.2	42.2	18.4
Margins (%)	14.5	15.0	16.3	13.0	16.8	16.7	17.5	14.0	14.7	16.3

E: MOFSL Estimates

Tata Consumer Products

Buy

CMP: INR920 | TP: INR1,150 (+25%)

EPS CHANGE (%): FY25|FY26: -8|-3

- We expect revenue to grow ~16% YoY, led by higher growth from the domestic businesses.
- EBITDA margin is likely to contract to ~12.5% in 3QFY25 vs. 15% in 3QFY24.
- Continued higher tea costs are expected to hurt the Indian tea business.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	37,412	37,338	38,039	39,269	43,521	42,145	44,122	46,334	152,059	176,122
YoY Change (%)	12.5	11.0	9.5	8.5	16.3	12.9	16.0	18.0	10.3	15.8
Total Expenditure	31,962	31,967	32,315	32,974	36,847	35,882	38,605	40,020	129,218	151,354
EBITDA	5,450	5,371	5,724	6,296	6,674	6,263	5,517	6,314	22,841	24,768
Margins (%)	14.6	14.4	15.0	16.0	15.3	14.9	12.5	13.6	15.0	14.1
Depreciation	820	939	855	1,158	1,480	1,493	1,500	1,510	3,772	5,983
Interest	262	276	332	428	936	987	176	50	1,298	2,149
Other Income	578	898	596	385	392	460	1,100	750	2,456	2,702
PBT before EO expense	4,946	5,054	5,133	5,095	4,650	4,242	4,941	5,504	20,228	19,337
Extra-Ord expense	-52	-146	-915	-2,158	-171	-272	0	0	-3,270	-443
PBT	4,894	4,909	4,217	2,937	4,479	3,971	4,941	5,504	16,957	18,894
Tax	1,309	1,317	1,062	260	1,337	377	1,334	1,486	3,947	4,534
Rate (%)	26.7	26.8	25.2	8.8	29.9	9.5	27.0	27.0	23.3	24.0
Minority Interest	211	257	226	-44	-11	28	67	70	651	155
Profit/Loss of Asso. Cos.	-209	47	-140	-555	-249	79	-180	-326	-856	-677
Reported PAT	3,166	3,382	2,789	2,166	2,903	3,644	3,360	3,621	11,503	13,529
Adj PAT	3,205	3,492	3,475	3,785	3,031	3,848	3,360	3,621	13,956	13,861
YoY Change (%)	17.2	42.8	18.7	38.4	-5.4	10.2	-3.3	-4.3	28.7	-0.7
Margins (%)	8.6	9.4	9.1	9.6	7.0	9.1	7.6	7.8	9.2	7.9

United Breweries

Neutral

CMP: INR2,091 | TP: INR2,200 (+5%)

EPS CHANGE (%): FY25|FY26: -0.9|+0.8

- We expect 12% revenue growth and volume growth of 6% YoY in 3QFY25. Realization growth is expected to be 5-6% led by better product mix and price hikes.
- We expect GM to decline marginally by 20bp YoY to 43.8%, considering a slight increase in barley prices.
- We expect EBITDA margin expansion of 110bp YoY to 9.1%, led by strategic cost initiatives taken by the company.
- Outlook on state mix and realization growth is a monitorable.

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth (%)	-12	7	8	11	5	5	6	8	2	6
Net Sales	22,732	18,880	18,227	21,315	24,730	21,147	20,414	23,677	81,227	89,967
YoY Change (%)	-6.7	12.4	13.1	20.8	8.8	12.0	12.0	11.1	8.3	10.8
Gross Profit	9,221	8,408	8,018	8,894	10,642	9,272	8,941	10,100	34,703	38,956
Margin (%)	40.6	44.5	44.0	41.7	43.0	43.8	43.8	42.7	42.7	43.3
EBITDA	2,228	1,846	1,456	1,420	2,847	2,268	1,851	2,335	6,962	9,302
YoY Change (%)	-15.9	-15.8	89.9	165.6	27.8	22.9	27.1	64.5	13.0	33.6
Margins (%)	9.8	9.8	8.0	6.7	11.5	10.7	9.1	9.9	8.6	10.3
Depreciation	513	508	518	577	577	571	575	587	2,119	2,310
Interest	17	14	21	18	16	22	22	25	69	85
Other Income	103	122	241	263	73	105	235	332	737	745
PBT	1,801	1,446	1,158	1,088	2,327	1,781	1,489	2,054	5,511	7,651
Tax	440	369	310	280	595	458	365	494	1,403	1,974
Rate (%)	24.5	25.5	26.7	25.7	25.5	25.7	24.5	24.0	25.5	25.8
Reported PAT	1,361	1,076	849	808	1,733	1,322	1,124	1,561	4,109	5,677
Adj PAT	1,361	1,076	849	808	1,733	1,322	1,124	1,561	4,109	5,677
YoY Change (%)	-15.8	-19.8	274.9	730.8	27.3	22.9	32.5	93.0	24.7	38.2
Margins (%)	6.0	5.7	4.7	3.8	7.0	6.3	5.5	6.6	5.1	6.3

E: MOFSL Estimates

United Spirits

Neutral

CMP: INR1,657 | TP: INR1,650 (0%)

EPS CHANGE (%): FY25|FY26: +1.5|+1.8

- Demand trends improved in 3Q, led by the wedding season. We model 13% YoY revenue growth in P&A and 5% in popular, leading to overall 13% revenue growth.
- We model 8% YoY volume growth in 3Q, with 9% in P&A and 3% in popular segment.
- Gross margins are expected to improve, supported by cost efficiencies and pricing in previous quarters. We expect 120bp expansion in GM and 60bp in EBITDA margin.
- Andhra Pradesh policy for privatized retail shops and Karnataka policy of MRP cut should also boost growth.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth %	5.8	1.0	-1.8	3.7	3.5	-4.4	7.9	8.7	1.9	3.9
Total revenues	21,719	28,647	29,893	26,660	23,520	28,430	33,671	30,110	1,06,920	1,15,731
YoY change (%)	-1.0	-1.4	7.5	6.9	8.3	-0.8	12.6	12.9	3.1	8.2
Gross Profit	9,474	12,437	12,979	11,550	10,460	12,850	15,017	13,404	46,440	51,732
Margin (%)	43.6	43.4	43.4	43.3	44.5	45.2	44.6	44.5	43.4	44.7
Total Exp	17,868	23,946	24,979	23,040	18,940	23,360	27,943	25,872	89,840	96,115
EBITDA	3,851	4,701	4,914	3,620	4,580	5,070	5,729	4,238	17,080	19,616
Margins (%)	17.7	16.4	16.4	13.6	19.5	17.8	17.0	14.1	16.0	17.0
EBITDA growth (%)	42.4	6.3	33.6	7.1	18.9	7.8	16.6	17.1	20.4	14.9
Depreciation	650	653	628	710	650	690	690	695	2,640	2,725
Interest	193	262	164	290	220	250	250	230	910	950
Other income	209	388	461	2,290	320	340	400	1,525	3,350	2,585
PBT	3,217	4,174	4,583	4,910	4,030	4,470	5,189	4,838	16,880	18,526
Tax	814	1,068	1,102	760	1,040	1,120	1,306	1,218	3,740	4,632
Rate (%)	25.3	25.6	24.0	15.5	25.8	25.1	25.2	25.2	22.2	25.0
Adj. PAT	2,397	3,183	3,481	4,073	2,990	3,350	3,883	3,620	13,140	13,895
YoY change (%)	8.1	20.7	61.0	91.7	24.8	5.3	11.5	-11.1	49.2	5.7

E: MOFSL Estimate

Varun Beverages

Buy

CMP: INR651 | TP: INR750 (+15%)

EPS CHANGE (%): CY24|25: 1|-3

- We expect overall sales volume to grow 35% YoY in 4QCY24.
- Integration and ramp-up of BevCo to remain a focus area.
- We expect EBITDA margin to expand 16.3% in 4QCY24.
- Scale-up in international geographies and further capex update are the key monitorables.

Quarterly Performance (Consol.)

(INRm)

Y/E December	CY23				CY24				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	38,930	56,114	38,705	26,677	43,173	71,969	48,047	36,014	160,425	199,202
YoY Change (%)	37.7	13.3	21.8	20.5	10.9	28.3	24.1	35.0	21.8	24.2
Total Expenditure	30,949	41,004	29,884	22,494	33,286	52,056	36,536	30,145	124,331	152,022
EBITDA	7,980	15,110	8,821	4,183	9,888	19,912	11,511	5,869	36,095	47,180
Margins (%)	20.5	26.9	22.8	15.7	22.9	27.7	24.0	16.3	22.5	23.7
Depreciation	1,722	1,719	1,708	1,660	1,875	2,425	2,566	2,575	6,809	9,441
Interest	626	694	625	737	937	1,292	1,185	800	2,681	4,214
Other Income	101	416	185	91	84	440	243	300	794	1,066
PBT before EO expense	5,734	13,113	6,673	1,878	7,159	16,636	8,002	2,794	27,398	34,592
PBT	5,734	13,113	6,673	1,878	7,159	16,636	8,002	2,794	27,398	34,592
Tax	1,348	3,057	1,529	442	1,678	4,012	1,713	615	6,375	8,018
Rate (%)	23.5	23.3	22.9	23.5	23.4	24.1	21.4	22.0	23.3	23.2
MI & Profit/Loss of Asso. Cos.	95	118	130	118	107	98	92	110	461	407
Reported PAT	4,291	9,938	5,015	1,318	5,374	12,526	6,197	2,069	20,561	26,167
Adj PAT	4,291	9,938	5,015	1,318	5,374	12,526	6,197	2,069	20,561	26,167
YoY Change (%)	68.8	26.2	31.6	76.3	25.2	26.0	23.6	57.1	37.3	27.3
Margins (%)	11.0	17.7	13.0	4.9	12.4	17.4	12.9	5.7	12.8	13.1

Company

Barbeque Nation
 Devyani Intl.
 Jubilant Foodworks
 Restaurant Brands
 Sapphire Foods
 Westlife Foodworld

QSR: Marginal demand improvement; narrowing delivery/dine-in gap

- QSR companies saw a marginal improvement in demand in 3Q, particularly at the end of the quarter, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and thereafter. The dine-in and delivery gap is expected to narrow down, with improvement in dine-in footfall. Weak underlying growth will continue to impact operating margin performance, leading to pressure on restaurant margins and EBITDA margins for most brands. Improving menu and activation drives for dine-in are improving footfall/orders counts. Delivery channels remained strong, while dine-in saw a marginal improvement in the second half of the quarter.
- Jubilant FoodWorks appears to be an outlier among QSR companies in the near term (driven by delivery moat), but its valuations are rich. Though dine-in companies are struggling, their operating growth metrics are likely to improve significantly once a recovery begins.

Outliers: Jubilant Foodworks

Underperformers: Devyani, Sapphire, RBA, BBQ

Exhibit 4: QSR quarterly trends

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E
Revenue Growth (%)											
Barbeque Nation	209	41	14	12	3	-3	1	6	-6	1	3
Devyani	100	45	27	28	20	10	7	39	44	49	51
-KFC	109	47	27	26	22	15	14	11	7	7	10
-Pizza hut	71	36	18	16	11	2	-2	-4	-1	0	10
Jubilant (Standalone)	41	17	10	8	6	5	3	6	10	9	15
Sapphire	80	36	17	13	20	14	12	13	10	8	13
-KFC	98	36	26	24	21	19	16	16	11	9	12
-Pizza hut	85	60	20	18	12	-6	-4	-3	3	3	9
Restaurant Brands (Consol)	64	47	21	29	25	19	15	16	6	1	4
Restaurant Brands (Standalone)	125	50	32	36	25	23	20	20	16	9	9
Westlife	108	49	28	22	14	7	-2	1	0	1	9
SSSG (%)											
Barbeque Nation	182	23	-1	-3	-8	-11	-5	1	-7	-3	-2
Devyani - KFC	64	13	3	2	-1	-4	-5	-7	-7	-7	-3
Devyani - PH	32	3	-6	-3	-5	-10	-13	-14	-9	-6	4
Jubilant (LFL)	28	8	0	-1	-1	-1	-3	0	3	3	9
Sapphire - KFC	65	15	3	2	0	0	-2	-3	-6	-8	-4
Sapphire - PH	47	23	-4	-4	-9	-20	-19	-15	-7	-3	4
Restaurant Brands	66	27	9	8	4	4	3	2	3	-3	0
Westlife	97	40	20	14	7	1	-9	-5	-7	-7	4
Gross profit margin (%)											
Barbeque Nation	66.8	66.1	66.7	65.8	64.0	65.9	67.9	68.9	68.1	68.1	67.8
Devyani	71.1	70.2	69.3	69.6	70.8	70.8	70.6	69.2	69.2	69.3	69.2
-KFC	69.0	67.9	67.6	68.6	69.7	69.0	69.4	69.9	69.5	69.0	69.5
-Pizza hut	76.2	74.5	73.6	73.2	74.9	75.7	75.8	77.3	76.8	76.7	76.7
Jubilant (Standalone)	76.7	76.2	75.5	75.3	76.0	76.4	76.7	76.6	76.1	76.1	76.2
Sapphire	67.9	66.4	67.1	67.9	68.5	68.7	68.9	68.9	68.6	68.8	68.8
-KFC	67.3	65.6	66.5	66.8	68.1	67.9	68.4	68.3	68.2	68.3	68.7
-Pizza hut	75.3	74.7	74.4	74.3	75.1	76.1	75.7	75.5	76.1	76.5	76.0
Restaurant Brands (Consol)	64.3	64.6	63.6	64.1	64.0	64.2	64.4	64.2	64.5	64.9	65.3
Restaurant Brands (Standalone)	66.4	66.4	66.4	66.4	66.5	66.8	67.1	67.7	67.6	67.5	67.8
Westlife	68.0	69.3	70.2	71.9	70.6	70.1	70.3	70.2	70.6	69.7	70.3

EBITDA Pre-Ind AS margins (%)											
Barbeque Nation	13.7	10.0	10.3	3.8	5.5	4.5	11.0	8.0	6.9	5.4	10.0
Devyani	16.1	15.1	14.8	12.1	13.2	11.5	9.3	9.2	11.6	9.4	10.5
Jubilant	17.4	17.2	14.7	12.3	13.4	13.3	12.9	10.9	11.6	11.7	12.7
Sapphire	13.2	11.1	12.4	10.0	11.8	10.6	10.8	8.6	9.8	8.5	9.6
Restaurant Brands (Consol)	-2.2	-2.9	-2.4	-3.8	-0.4	1.5	2.8	-0.5	1.3	0.6	2.3
Westlife	13.0	13.4	14.3	12.0	12.9	11.9	11.4	8.7	8.1	7.7	9.8
ADS ('000')											
Barbeque Nation	179	168	172	144	170	158	175	153	155	153	166
Devyani											
-KFC	127	121	116	106	117	109	104	93	104	96	95
-Pizza hut	44	45	43	39	40	39	37	32	36	35	36
Jubilant (Standalone)	85	84	84	78	79	78	78	75	79	78	81
Sapphire											
-KFC	144	134	136	127	138	125	125	114	122	111	114
-Pizza hut	61	64	58	50	52	48	45	41	48	47	47
Restaurant Brands	115	121	113	108	120	126	119	105	119	118	111
Westlife	181	189	199	173	189	185	176	157	170	168	173
Store (India)											
Barbeque Nation	195	205	212	216	212	212	210	217	219	222	229
Devyani	961	1,047	1,120	1,184	1,230	1,298	1,387	1,429	1,473	1,557	1,616
-KFC	391	423	461	490	510	540	590	596	617	645	673
-Pizza hut	436	466	483	506	521	535	565	567	570	593	608
Jubilant	1,676	1,753	1,814	1,863	1,891	1,949	2,007	2,096	2,148	2,199	2,127
Sapphire	516	550	599	627	660	692	725	748	762	784	820
-KFC	281	301	325	341	358	381	406	429	442	461	483
-Pizza hut	235	249	274	286	302	311	319	319	320	323	337
Restaurant Brands	328	334	379	391	396	404	441	455	456	464	510
Westlife	331	337	341	357	361	370	380	397	403	408	421
PBT (INR M)											
Barbeque Nation	208	69	67	(125)	(55)	(151)	75	(9)	(55)	(100)	74
Devyani	771	700	736	412	603	330	97	44	381	(9)	165
Jubilant (Standalone)	1,642	1,619	1,194	930	1,014	963	819	508	683	698	985
Sapphire	356	269	336	123	336	214	140	8	118	53	238
Restaurant Brands (Consol)	(509)	(551)	(559)	(800)	(541)	(507)	(399)	(921)	(522)	(655)	(451)
Westlife	318	420	480	277	406	302	231	20	45	7	168
PBT Margins (%)											
Barbeque Nation	6.6	2.2	2.0	-4.5	-1.7	-5.0	2.3	-0.3	-1.8	-3.3	2.2
Devyani	10.9	9.4	9.3	5.5	7.1	4.0	1.1	0.4	3.1	-0.1	1.3
Jubilant (Standalone)	13.2	12.6	9.1	7.4	7.7	7.2	6.0	3.8	4.7	4.8	6.3
Sapphire	6.5	4.8	5.6	2.2	5.1	3.3	2.1	0.1	1.6	0.8	3.2
Restaurant Brands (Consol)	-10.4	-10.5	-10.6	-15.6	-8.8	-8.1	-6.6	-15.4	-8.1	-10.3	-7.2
Westlife	5.9	7.4	7.9	5.1	6.6	4.9	3.9	0.4	0.7	0.1	2.6

Barbeque Nation Hospitality**Neutral**

CMP: INR444 | TP: INR500 (+13%)

EBITDA CHANGE (%): FY25 | FY26: NA | -2.6

- Demand remains subdued. We model 4% revenue growth.
- Expect to add 7 stores in 3QFY25; same-store sales to decline marginally by 2%.
- Gross margins are expected to remain stable YoY at 67.8%.
- EBITDA margin expected to decline by 90bp YoY to 19.1% due to subdued demand and negative operating leverage.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
SSSG (%)	-7.7	-10.7	-4.9	1.4	-7.4	-2.5	-2.0	1.9	-6.5	-2.5
No. of stores	212	212	210	217	219	222	229	240	217	240
Net Sales	3,239	3,017	3,309	2,981	3,057	3,057	3,423	3,200	12,545	12,737
YoY change (%)	2.9	-2.8	0.8	6.4	-5.6	1.3	3.5	7.4	1.7	1.5
Gross Profit	2,073	1,990	2,245	2,053	2,081	2,081	2,321	2,205	8,361	8,687
Margin (%)	64.0	65.9	67.9	68.9	68.1	68.1	67.8	68.9	66.6	68.2
EBITDA	468	444	663	547	509	456	654	585	2,122	2,204
EBITDA growth %	-33.6	-23.9	7.0	37.3	8.8	2.7	-1.4	6.9	-8.0	3.9
Margin (%)	14.4	14.7	20.0	18.4	16.6	14.9	19.1	18.3	16.9	17.3
Depreciation	375	443	414	447	405	409	415	421	1,679	1,650
Interest	187	195	190	186	186	189	198	205	759	778
Other Income	40	43	16	77	27	43	33	38	176	140
PBT	-55	-151	75	-9	-55	-100	74	-3	-140	-84
Tax	-14	-32	27	-9	-11	-28	19	-1	-28	-21
Rate (%)	26.1	21.3	35.5	95.9	20.9	28.4	25.2	25.2	20.3	25.2
Adjusted PAT	-41	-119	48	0	-43	-71	55	-2	-112	-63
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M

E: MOFSL Estimates

Devyani International**Buy**

CMP: INR183 | TP: INR215 (+17%)

EBITDA CHANGE (%): FY25 | FY26: -0.8 | -1.9

- Consolidated revenue expected to grow 51% on acquisition of Thailand business. Organic revenue to grow ~11%.
- PH SSSG to grow 3.5% due to a favorable base. We model 15 store addition (8% YoY) in PH, resulting in 10% YoY revenue growth.
- KFC revenue is expected to grow by 10% YoY, led by store addition. We model 14% store addition; same-store sales to decline 3%.
- Margin pressure will persist due to lower demand and negative operating leverage.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
KFC - No. of stores	510	540	590	596	617	645	673	696	596	696
PH - No. of stores	521	535	565	567	570	593	608	622	567	622
KFC - SSSG (%)	-0.9	-3.9	-4.7	-7.1	-7.0	-7.0	-3.0	3.0	-4.6	-3.5
PH - SSSG (%)	-5.3	-10.4	-12.6	-14.0	-8.6	-5.7	3.5	4.8	-10.9	-1.5
Net Sales	8,466	8,195	8,431	10,471	12,219	12,222	12,738	11,720	35,563	48,899
YoY change (%)	20.1	9.6	6.6	38.7	44.3	49.1	51.1	11.9	18.6	37.5
Gross Profit	5,998	5,802	5,954	7,244	8,450	8,474	8,815	8,005	24,997	33,744
Margin (%)	70.8	70.8	70.6	69.2	69.2	69.3	69.2	68.3	70.3	69.0
EBITDA	1,734	1,588	1,463	1,739	2,234	1,987	2,134	2,129	6,524	8,484
EBITDA growth %	5.6	-4.1	-15.9	14.9	28.8	25.2	45.9	22.4	-0.4	30.1
Margin (%)	20.5	19.4	17.4	16.6	18.3	16.3	16.8	18.2	18.3	17.4
Depreciation	796	907	930	1,275	1,322	1,391	1,391	1,377	3,907	5,481
Interest	404	417	482	567	630	653	653	658	1,869	2,594
Other Income	68	66	46	146	99	48	75	78	326	300
PBT	603	330	97	44	381	-9	165	172	1,074	709
Tax	146	-168	46	110	81	10	33	18	133	142
Rate (%)	24.1	-50.9	47.6	249.9	21.2	-113.1	20.0	10.3	12.4	20.0
Adjusted PAT	339	506	51	33	281	-27	132	154	929	541
Margin (%)	4.0	6.2	0.6	0.3	2.3	-0.2	1.0	1.3	2.6	1.1
YoY change (%)	-54.4	-21.4	-93.5	-94.6	-17.2	NM	160.1	369.2	-66.5	-41.8

E: MOFSL Estimates

Jubilant FoodWorks**Neutral**

CMP: INR739 | TP: INR800 (+8%)

EBITDA CHANGE (%): FY25|FY26: +6.4|+4.4

- The demand trajectory has been showing an upward trend. We expect 15% revenue growth with ~9% LFL (10 quarter high) growth during the quarter.
- Company continues to focus on store additions. We model 48 store addition during the quarter.
- Gross margins expected to decline marginally by 50bp YoY to 76.2% on rising edible oil prices. EBITDA (pre-Ind AS) expected to decline 20bp YoY to 12.7%.
- The focus has been on value-driven innovations, emphasizing new product developments. It has not taken price hikes for the last nine quarters.

Quarterly Standalone Perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
No of stores (Dominos)	1,838	1,888	1,928	1,995	2,029	2,079	2,127	2,175	1,995	2,175
LFL growth (%)	-1.3	-1.3	-2.9	0.1	3.0	2.8	8.5	9.0	-1.4	5.8
Net Sales	13,097	13,448	13,551	13,313	14,396	14,669	15,583	15,344	53,409	59,991
YoY change (%)	5.6	4.5	2.9	6.3	9.9	9.1	15.0	15.3	4.8	12.3
Gross Profit	9,956	10,275	10,387	10,200	10,955	11,157	11,874	11,727	40,817	45,713
Gross margin (%)	76.0	76.4	76.7	76.6	76.1	76.1	76.2	76.4	76.4	76.2
EBITDA	2,764	2,807	2,827	2,543	2,782	2,842	3,226	2,967	10,941	11,817
EBITDA growth %	-9.2	-10.2	-2.5	0.8	0.6	1.3	14.1	16.7	-5.6	8.0
Margins (%)	21.1	20.9	20.9	19.1	19.3	19.4	20.7	19.3	20.5	19.7
Depreciation	1,328	1,379	1,465	1,511	1,552	1,654	1,716	1,731	5,684	6,653
Interest	513	534	583	609	619	640	650	675	2,239	2,584
Other Income	91	69	40	86	73	150	125	102	285	450
PBT	1,014	963	819	508	683	698	985	664	3,303	3,030
YoY Change (%)	-38.2	-40.5	-31.4	-45.3	-32.6	-27.5	20.3	30.6	-38.6	-8.3
Tax	262	241	209	132	168	177	248	164	844	757
Rate (%)	25.8	25.1	25.6	26.0	24.6	25.4	25.2	24.7	25.6	25.0
Adjusted PAT	752	721	610	345	515	521	737	500	2,428	2,272
YoY change (%)	-38.2	-39.5	-31.2	-44.38	-31.5	-27.8	20.9	44.76	-38.0	-6.4

E: MOFSL Estimates

Restaurants Brand Asia**Buy**

CMP: INR85 | TP: INR135 (+59%)

EBITDA CHANGE (%): FY25|FY26: NA|NA

- The demand environment remained subdued. We model 9% revenue growth and flat same-store sales in 3QFY25.
- We expect 46 store addition during the quarter. ADS is expected to decline 7% YoY to ~INR111k.
- Gross profit margin is expected to improve marginally by 70bp YoY to 67.8%.
- EBITDA margin to decline 70bp YoY to 15.2% due to subdued demand and negative operating leverage.

Quarterly Standalone Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
SSSG (%)	3.6	3.5	2.6	1.9	3.1	-3.0	0.0	-0.1	2.9	0.0
No. of stores	396	404	441	455	456	464	510	515	455	515
Net Sales	4,221	4,535	4,454	4,391	4,905	4,921	4,868	5,258	17,601	19,952
YoY change (%)	25.3	23.2	20.5	20.3	16.2	8.5	9.3	19.8	22.3	13.4
Gross Profit	2,806	3,031	2,990	2,971	3,318	3,322	3,301	3,547	11,798	13,488
Margin (%)	66.5	66.8	67.1	67.7	67.6	67.5	67.8	67.5	67.0	67.6
EBITDA	485	634	708	551	618	700	740	730	2,377	2,788
EBITDA growth %	45.9	50.7	47.9	30.3	27.5	10.3	4.6	32.5	128.6	1,017.3
Margin (%)	11.5	14.0	15.9	12.5	12.6	14.2	15.2	13.9	13.5	14.0
Depreciation	507	494	522	586	633	611	615	1,086	2,110	2,945
Interest	264	273	281	324	319	326	320	335	1,141	1,299
Other Income	65	40	32	48	64	71	75	75	185	285
PBT	-222	-93	-64	-310	-269	-166	-120	-616	-689	-1,171
Tax	0	0	0	0	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	-222	-93	-64	-310	-269	-166	-120	-616	-689	-1,171
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

E: MOFSL Estimates

Sapphire Foods

Buy

CMP: INR345 | TP: INR415 (+20%)

EBITDA CHANGE (%): FY25|FY26: +1.5|+1.7

- Revenue expected to grow by 13% YoY, mainly led by store addition.
- PH SSSG expected to be 4% due to the favorable base. We model 14 store addition (6% YoY) in PH during the quarter, resulting in 9% YoY revenue growth.
- KFC revenue is expected to grow by 12% YoY, led by store addition. We model 19% store addition and same-store sales decline of 3.5%.
- Margin pressure will persist due to lower demand and negative operating leverage.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
KFC - No. of stores	358	381	406	429	442	461	483	504	429	504
PH - No. of stores	302	311	319	319	320	323	337	339	319	339
KFC - SSSG (%)	0.0	0.0	-2.0	-3.0	-6.0	-8.0	-3.5	1.5	-1.0	-4.0
PH - SSSG (%)	-9.0	-20.0	-19.0	-15.0	-7.0	-3.0	4.0	4.0	-16.0	-0.5
Net Sales	6,544	6,426	6,656	6,317	7,183	6,957	7,506	7,290	25,943	28,936
YoY change (%)	19.8	14.2	11.6	12.7	9.8	8.3	12.8	15.4	14.5	11.5
Gross Profit	4,483	4,417	4,583	4,351	4,927	4,786	5,166	4,970	17,834	19,859
Margin (%)	68.5	68.7	68.9	68.9	68.6	68.8	68.8	68.2	68.7	68.6
EBITDA	1,214	1,151	1,217	1,029	1,242	1,120	1,290	1,196	4,613	4,848
EBITDA growth %	10.0	11.6	4.3	4.9	2.3	-2.7	6.0	16.2	7.7	5.1
Margin (%)	18.6	17.9	18.3	16.3	17.3	16.1	17.2	16.4	17.8	16.8
Depreciation	727	768	874	870	904	881	881	893	3,239	3,559
Interest	226	245	263	275	273	271	272	281	1,009	1,096
Other Income	75	75	60	124	53	85	100	124	334	361
PBT	336	214	140	8	118	53	238	146	699	554
Tax	88	62	42	-12	36	1	60	42	180	140
Rate (%)	26.0	28.9	30.0	-143.0	30.8	2.2	25.2	28.9	25.7	25.2
Adjusted PAT	249	152	98	20	82	52	178	103	520	415
YoY change (%)	-34.8	-43.4	-69.9	-82.2	-67.1	-65.9	80.8	407.1	-52.4	-20.1

Westlife Development

Neutral

CMP: INR788 | TP: INR850 (+8%)

EBITDA CHANGE (%): FY25|FY26: +0.1|+4.8

- There is improvement in consumer footfall, led by value portfolio. We model 9% revenue growth, led by 4% SSSG and 11% store growth.
- We expect ADS of INR173k in 3Q, flat YoY and up 3% QoQ.
- Gross margin to largely remain stable YoY at 70.3%. There would be pressure on operating margin due to weakness in demand and negative operating leverage.
- We model 190bp YoY contraction in EBITDA Pre-Ind AS margins to 16% in 3Q.

Consolidated quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
SSSG %	7.0	1.0	(9.0)	(5.0)	(6.7)	(6.5)	4.0	5.2	-1.5	-1.0
No. of McDonald's restaurants	361	370	380	397	403	408	421	441	398	441
Net Sales	6,145	6,147	6,003	5,623	6,163	6,180	6,566	6,350	23,918	25,259
YoY Change (%)	14.2	7.4	-1.8	1.1	0.3	0.5	9.4	12.9	5.0	5.6
Gross profit	4,337	4,310	4,219	3,945	4,351	4,306	4,616	4,459	16,811	17,732
Margin (%)	70.6	70.1	70.3	70.2	70.6	69.7	70.3	70.2	70.3	70.2
EBITDA	1,053	997	960	771	799	786	946	835	3,780	3,366
YoY Change (%)	14.3	0.9	-12.9	-16.1	-24.1	-21.1	-5.1	-13.1	-3.8	-11.0
Margins (%)	17.1	16.2	16.0	13.7	13.0	12.7	14.4	13.1	15.8	13.3
Depreciation	439	453	491	503	506	528	520	515	1,886	2,070
Interest	260	274	282	283	298	316	318	319	1,099	1,250
Other Income	52	32	44	35	51	65	60	65	162	241
PBT	406	302	231	20	45	7	168	66	958	286
PBT after EO expense	406	302	231	20	45	7	168	66	958	286
Tax	118	78	59	12	13	3	42	57	266	115
Rate (%)	29.0	26.0	25.3	60.6	27.9	48.1	25.0	85.9	27.8	40.2
Reported PAT	288	224	172	8	33	4	126	9	692	171
Adj PAT	288	224	172	8	33	4	126	9	692	171
YoY Change (%)	22.0	-29.2	-52.6	-96.1	-88.7	-98.3	-27.1	20.4	L/P	L/P
Margins (%)	4.7	3.6	2.9	0.1	0.5	0.1	1.9	0.1	2.9	0.7

E: MOFSL Estimates

Company

Kalyan

PN Gadgil

Senco Gold

Titan

Jewelry: Strong demand momentum continues

- Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver flat SSSG QoQ. Store expansion will further boost revenue growth. We model revenue growth of 24% for Titan (standalone jewelry excl. bullion), 38% for Kalyan, 25% for Senco, and 19% for PN Gadgil. The pace of store addition will continue for Titan, Kalyan, Senco and PN Gadgil; they are expected to add 36/36/4/9 stores during the quarter, taking the total count to 1,045/339/170/48 stores, respectively.
- Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studded mix will be critical for underlying margin. The reduction in customs duty is expected to result in an inventory loss of INR2-2.5b for Titan, ~INR0.5-0.6b for Kalyan, and INR0.2b for Senco in 3Q. We do not factor in this one-time impact of inventory loss on operating performance to compare margin on a like-to-like basis.
- A higher revenue mix from franchise stores will weigh on quarterly reported margin. We remain optimistic about the jewelry category and expect continued rapid shifts in consumer purchasing behavior from unorganized/local to organized channels.

Outliers: Kalyan Jewelers, PN Gadgil

Kalyan Jewelers

Buy

CMP: INR 774 | TP: INR875 (+13%)

EPS CHANGE (%): FY25 | 26: 0.0 | +1.0

- We model 41% revenue growth in India business. SSSG is expected to be 21%.
- We expect 25 store additions for India Kalyan, 8 for Candere and 3 store addition in the Middle East, taking the total count to 339 stores.
- We expect inventory loss of INR0.5-0.6b in 3Q due to customs duty reduction. We have not considered the impact in operating performance numbers.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Stores	192	206	228	253	277	303	339	378	253	378
Net Sales	43,757	44,145	52,231	45,349	55,355	60,655	72,280	62,809	1,85,483	2,51,099
Change (%)	31.3	27.1	34.5	34.1	26.5	37.4	38.4	38.5	31.8	35.4
Raw Material/PM	37,153	37,840	44,616	38,737	47,419	52,313	61,992	53,876	1,58,346	2,15,600
Gross Profit	6,604	6,306	7,615	6,612	7,935	8,342	10,288	8,934	27,137	35,498
Gross Margin (%)	15.1	14.3	14.6	14.6	14.3	13.8	14.2	14.2	14.6	14.1
Operating Expenses	3,375	3,169	3,916	3,550	4,175	4,379	5,376	4,847	14,010	18,778
% of Sales	7.7	7.2	7.5	7.8	7.5	7.2	7.4	7.7	7.6	7.5
EBITDA	3,229	3,137	3,698	3,062	3,760	3,962	4,911	4,086	13,127	16,720
Margin (%)	7.4	7.1	7.1	6.8	6.8	6.5	6.8	6.5	7.1	6.7
Change (%)	22.2	17.9	13.1	19.3	16.4	26.3	32.8	33.4	17.8	27.4
Interest	821	817	817	778	852	903	896	857	3,232	3,508
Depreciation	641	669	697	736	755	850	865	891	2,743	3,360
Other Income	116	131	201	288	222	260	327	376	737	1,185
PBT	1,885	1,781	2,386	1,837	2,375	2,469	3,478	2,715	7,888	11,037
Tax	449	433	582	462	599	649	835	655	1,925	2,737
Effective Tax Rate (%)	23.8	24.3	24.4	25.1	25.2	26.3	24.0	24.1	24.4	24.8
Adjusted PAT	1,439	1,352	1,806	1,376	1,776	1,821	2,643	2,060	5,973	8,300
Change (%)	33.3	27.1	21.5	96.3	23.4	34.6	46.3	49.7	28.1	38.9
Reported PAT	1,439	1,352	1,806	1,376	1,776	1,303	2,268	2,060	5,973	7,407

E: MOFSL Estimates

PN Gadgil**Buy****CMP: INR666 | TP: INR950 (+43%)****EPS CHANGE (%): FY25 | 26: +4.0 | +1.0**

- We expect revenue growth of ~19% YoY in 3QFY25.
- GP margin is expected to expand by 190bp YoY to 10.3% with the improvement in product mix.
- EBITDA margin is expected to expand by 50bp YoY to 5.1% in 3QFY25.
- Expect to add nine stores, taking the total store count to 48 stores.

Quarterly Performance (Consol.)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1QFY24	2QFY24	3QFY24*	4QFY24	1QFY25	2QFY25	3QFY25E	4QFY25E		
Net Sales	12,568	13,715	19,706	15,120	16,682	20,013	23,358	17,652	61,109	77,705
YoY change (%)	N/A	N/A	N/A	N/A	32.7	45.9	18.5	16.7	35.6	27.2
Gross Profit	919	966	1,666	1,578	1,386	1,531	2,406	2,102	5,128	7,425
Margins (%)	7.3	7.0	8.5	10.4	8.3	7.6	10.3	11.9	8.4	9.6
EBITDA	446	452	905	890	643	721	1,199	1,063	2,693	3,627
Margins (%)	3.5	3.3	4.6	5.9	3.9	3.6	5.1	6.0	4.4	4.7
YoY growth (%)	N/A	N/A	N/A	N/A	44.2	59.4	32.5	19.5	119.4	34.7
Depreciation	56	61	60	55	63	72	80	85	232	299
Finance Cost	97	109	129	123	123	129	110	107	459	469
Other Income	10	23	27	22	19	118	15	18	82	170
PBT	303	304	743	734	477	638	1,024	889	2,084	3,029
YoY growth (%)	N/A	N/A	N/A	N/A	57.3	110.2	37.9	21.2	76.5	45.4
PAT	222	219	553	549	353	529	768	667	1,543	2,317
Margins (%)	1.8	1.6	2.8	3.6	2.1	2.6	3.3	3.8	2.5	3.0
YoY change (%)	N/A	N/A	N/A	N/A	59.5	141.1	38.9	21.4	64.7	50.2

E: MOFSL estimates

Senco Gold**Buy****CMP: INR1,127 | TP: INR1,450 (+29%)****EPS CHANGE (%): FY25 | 26: +1% | +2%**

- We expect revenue growth of ~25% YoY and SSSG of 18% in 3QFY25.
- Operating margins expected to decline by 70bp YoY due to product mix and rise in gold prices.
- Expect to add four stores, taking the total store count to 170.
- We expect inventory loss of INR0.2b in 3Q due to customs duty reduction. We have not considered the impact in operating performance numbers.

Quarterly Performance (Consol.)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Stores	142	145	155	159	165	166	170	172	159	177
Net Sales	13,054	11,466	16,522	11,373	14,039	15,005	20,653	13,407	52,414	63,104
Change (%)	29.6	25.8	23.3	39.7	7.5	30.9	25.0	17.9	28.5	20.4
Gross Profit	1,632	1,354	3,083	1,944	2,428	2,137	3,655	2,197	8,014	10,417
Gross Margin (%)	12.5	11.8	18.7	17.1	17.3	14.2	17.7	16.4	15.3	16.5
EBITDA	672	395	1,811	877	1,087	818	2,129	956	3,755	4,990
Margin (%)	5.1	3.4	11.0	7.7	7.7	5.4	10.3	7.1	7.2	7.9
Change (%)	22.1	21.2	11.3	31.5	61.8	107.1	17.5	9.0	18.6	32.9
Interest	266	234	283	298	322	326	325	365	1,081	1,338
Depreciation	126	133	158	184	181	178	185	203	601	748
Other Income	94	110	89	128	123	149	122	113	422	507
PBT	375	139	1,459	524	708	462	1,741	501	2,495	3,412
Tax	98	20	366	202	195	117	437	138	685	887
Effective Tax Rate (%)	26.1	14.1	25.1	38.6	27.6	25.3	25.1	27.5	27.5	26.0
Adjusted PAT	277	119	1,093	322	513	345	1,304	363	1,810	2,525
Change (%)	24.2	37.3	6.0	24.7	85.3	188.7	19.3	12.9	14.2	39.5
PAT	277	119	1,093	322	513	121	1,116	363	1,810	2,114

E: MOFSL Estimates

Titan Company**Buy**

CMP: INR3,254 | TP: INR3,850 (+18%)

EPS CHANGE (%): FY25|26: -1.0|-0.5

- We model 24% standalone revenue growth (excl. bullion) and Tanishq LTL growth of 15% in 3QFY25.
- Standalone Jewelry EBIT (ex-bullion) margin expected to decline 110bp YoY to 11.1% due to reduction in the studded share.
- We expect healthy double-digit growth in watches, eyewear and other business.
- We expect inventory loss of INR2-2.5b in 3Q due to customs duty reduction. We have not considered the impact in operating performance numbers.

Quarterly Performance (Consol.)

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Stores (Jewelry)	792	844	898	937	974	1,009	1,045	1,079	937	1,079
Net Sales	119.0	125.3	141.6	124.9	132.7	145.3	184.0	146.5	510.8	608.5
YoY change (%)	26.0	36.7	22.0	20.6	11.5	16.0	29.9	17.3	25.9	19.1
Gross Profit	26.4	29.3	32.9	27.9	29.3	33.0	42.3	32.9	116.5	137.5
Margin (%)	22.2	23.4	23.3	22.3	22.1	22.7	23.0	22.4	22.8	22.6
EBITDA	11.3	14.1	15.7	11.9	12.5	15.3	18.5	13.6	52.9	59.9
EBITDA growth %	-5.9	13.2	16.2	9.4	10.8	8.2	18.5	14.6	8.5	13.2
Margin (%)	9.5	11.3	11.0	9.5	9.4	10.5	10.1	9.3	10.4	9.8
Depreciation	1.3	1.4	1.5	1.6	1.6	1.7	1.7	1.7	5.8	6.8
Interest	1.1	1.4	1.7	2.0	2.3	2.4	2.2	1.8	6.2	8.7
Other Income	1.1	1.2	1.4	1.6	1.2	1.2	1.5	1.6	5.3	5.4
PBT	10.0	12.5	13.8	9.9	9.7	12.4	16.1	11.7	46.2	49.9
Tax	2.5	3.4	3.3	2.2	2.6	3.1	3.9	2.4	11.3	12.0
Rate (%)	24.6	26.9	23.6	22.2	26.5	24.8	24.3	20.7	24.4	24.0
Adjusted PAT	7.6	9.2	10.5	7.7	7.2	9.3	12.2	9.3	35.0	37.9
YoY change (%)	-4.3	9.6	15.5	4.8	-5.4	1.7	15.5	20.3	6.8	8.5
Extraordinary	0.0	0.0	0.0	0.0	0.0	2.3	1.6	0.0	0.0	3.9
Reported PAT	7.6	9.2	10.5	7.7	7.2	7.0	10.6	9.3	35.0	34.1

E: MOFSL Estimates

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