6 May 2025

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	80,797	0.4	3.4
Nifty-50	24,461	0.5	3.5
Nifty-M 100	54,676	1.8	-4.4
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,650	0.8	-3.9
Nasdaq	17,844	0.8	-7.6
FTSE 100	8,596	1.2	5.2
DAX	23,345	3.8	17.3
Hang Seng	8,231	1.9	12.9
Nikkei 225	36,831	1.0	-7.7
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	61	-0.2	-17.1
Gold ($/OZ)	3,334	2.9	27.0
Cu (US$/MT)	9,386	1.6	8.5
Almn (US$/MT)	2,409	0.6	-4.7
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	84.2	-0.4	-1.6
USD/EUR	1.1	0.2	9.3
USD/JPY	143.7	-0.9	-8.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.3	-0.03	-0.4
10 Yrs AAA Corp	7.0	-0.03	-0.3
Flows (USD b)	**5-May**	**MTD**	**CYTD**
FIIs	0.1	0.39	-11.9
DIIs	0.33	0.72	25.5
Volumes (INRb)	**5-May**	**MTD***	**YTD***
Cash	960	1018	1022
F&O	1,20,862	1,31,605	2,04,582

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Mahindra & Mahindra: FES performance impresses; drives margin beat

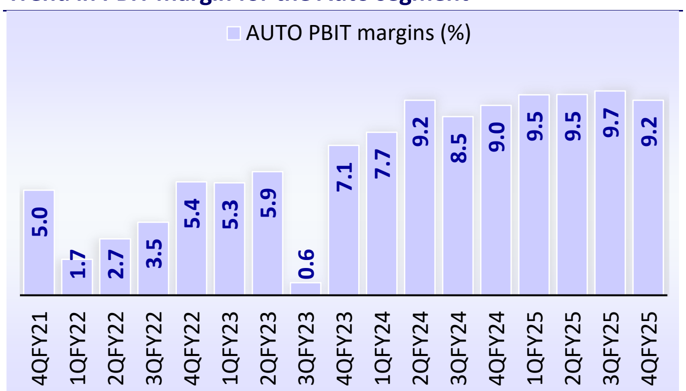
- We believe MM is well-placed to outperform across its core businesses, led by a healthy recovery in rural and new product launches in both UVs and tractors. Given the sustained demand momentum in UVs and tractors, we have raised our earnings estimates by 4%/6% for FY26/FY27E.
- We estimate MM to post a CAGR of ~13%/13%/18% in revenue/EBITDA/PAT over FY25-27E. While MM has outperformed its own targets of earnings growth and RoE of 18% in each of FY24 and FY25, it remains committed to delivering 15-20% EPS growth and 18% ROE, ensuring sustained profitability and shareholder value.
- Any incremental value unlocked in any or all of the growth gems in the coming years is likely to provide additional returns for MM shareholders. Reiterate BUY with a TP of INR3,482 (based on FY27E SOTP).

Research covered

Cos/Sector	Key Highlights
Mahindra & Mahindra	FES performance impresses; drives margin beat
Indian Hotels	Ending FY25 on strong footing; outlook remains positive
Coforge	Deal TCV velocity anchors growth visibility
CDSL	Weak operating performance
The Ramco Cements	Price hikes in the South and debt reduction aid recovery
Gravita India	Growth supported by volume uptick in aluminum and lead
Godrej Agrovet	Operating performance a mixed bag, below our est.
Other Updates	R R Kabel | V-Mart Retail | Sunteck Realty | EcoScope - Global Economy Update – 1QCY25 | CAMS

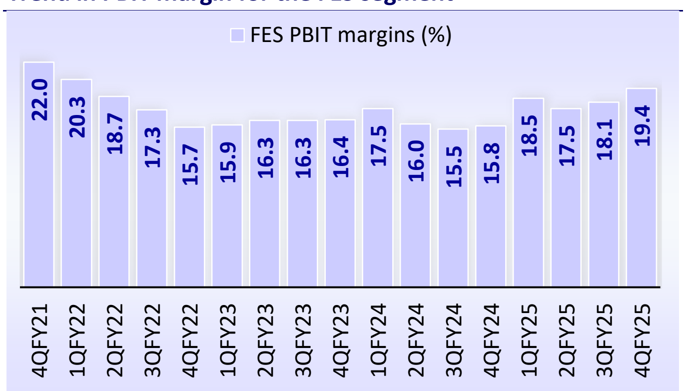
Chart of the Day: Mahindra & Mahindra (FES performance impresses; drives margin beat)

Trend in PBIT margin for the Auto segment



(3QFY23 margins w/o MTBD impairment at 6.6%)Company, MOFSL

Trend in PBIT margin for the FES segment



Source: Company, MOFSL

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MORNING INDIA

In the news today

Kindly click on textbox for the detailed news link

1

Japan's financial powerhouse SMBC moves a step closer to taking control of Yes Bank

Sumitomo Mitsui Banking Corp (SMBC) is in advanced discussions to acquire a significant stake in Yes Bank, potentially triggering an open offer for an additional 26%. SBI, currently holding a 24% stake, seeks a new owner after Yes Bank's turnaround.

2

SP Group likely to raise $3.25 billion at 19.75%

Shapoorji Pallonji Group is set to finalize a $3.25 billion offshore fundraising this week, intending to utilize part of the proceeds to refinance Goswami Infratech's 2023 bond.

3

LG Electronics India will not be pressured to list immediately: Chang-tae Kim

LG Electronics is delaying its planned ₹15,000-crore IPO for its Indian entity due to volatile market conditions and macroeconomic uncertainty.

4

Top 3 q-comm firms see daily orders double in March

Quick commerce orders doubled in March, with Blinkit, Zepto, and Swiggy Instamart leading the surge. Zepto sees fastest growth, while BBNow and Flipkart Minutes expand presence. Learn how top q-comm firms are reshaping rapid delivery in India.

5

Govt reviewing order on Bhushan Power by SC

Govt, lenders review Supreme Court order rejecting JSW Steel's Rs 19,350 crore BPSL resolution plan. SC cites violations of IBC, delays, and CoC lapses.

6

Compensation for oil companies if changes in law shave off $5 mn in earnings a year

The government is set to protect oil and gas explorers. New contracts will compensate them if laws reduce economic benefits.

7

Car & 2-wheeler sales crawl in April, commercial vehicles stall

India's vehicle registrations saw a modest 3% increase in April, reaching 2.29 million units, driven by growth in two-wheeler and passenger vehicle segments.

Mahindra & Mahindra

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MM IN
Equity Shares (m)	1244
M.Cap.(INRb)/(USDb)	3757.3 / 44.6
52-Week Range (INR)	3276 / 2159
1, 6, 12 Rel. Per (%)	10/3/29
12M Avg Val (INR M)	9568

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	1,165	1,325	1,496
EBITDA	171.2	193.8	216.6
Adj. PAT	118.5	145.9	165.5
Adj. EPS (INR)	98.7	121.5	137.8
EPS Gr. (%)	11.3	23.0	13.4
BV/Sh. (INR)	513	608	716
Ratios			
RoE (%)	20.8	21.7	20.8
RoCE (%)	19.9	20.8	20.1
Payout (%)	23.7	21.3	21.7
Valuations			
P/E (x)	30.6	24.9	21.9
P/BV (x)	5.9	5.0	4.2
Div. Yield (%)	0.8	0.9	1.0
FCF Yield (%)	3.3	2.3	4.1

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	18.1	18.1	18.1
DII	29.4	28.8	25.6
FII	42.9	43.6	46.8
Others	9.6	9.5	9.5

FII Includes depository receipts

CMP: INR3,022 TP: INR3,482 (+15%) Buy

FES performance impresses; drives margin beat

Well-placed to outperform in both Auto and FES segments

- MM reported a better-than-expected operating performance in 4QFY25, led by a strong margin beat in the FES segment (at 19.4% vs 17.3% estimated). The QoQ margin improvement was particularly commendable as it came in a seasonally weak quarter. Auto segment margins, adjusted for contract manufacturing at MEAL, came in at 10% (+30bp QoQ).
- Given the sustained demand momentum in UVs and tractors, we have raised our earnings estimates by 4%/6% for FY26/FY27E. Reiterate BUY with a TP of INR3,482 (based on FY27E SOTP).

Strong FES segment performance drives operational beat

- Revenue grew 24.5% YoY to INR313.5b, ahead of our estimate of INR297b. The beat was largely driven by a 5% beat in ASPs across both the Auto and FES segments.
- EBITDA margin expanded 180bp YoY to 14.9%, ahead of our estimate of 14.1%. The beat was driven by improved ASP and better performance in the FES segment.
- While the Auto segment's margins remained largely flat YoY at 9.2% (down 50bp QoQ and slightly below our estimate of 9.5%), the FES segment's margins sharply rose 360bp YoY, driven by last year's low base to 19.4% (ahead of our estimate of 17.3%).
- The Auto segment's EBIT margins were impacted by the ramp-up of EV models. Adjusted for the same, ICE auto EBIT margin stood at 10%.
- The FES segment posted record-high margins in Q4, despite it being a seasonally weak quarter, making the performance particularly commendable. Management indicated that the margin expansion was attributed to the lower-than-usual competitive intensity in the industry but expects this to normalize in the coming quarters.
- However, lower other income and higher interest and depreciation led to an in-line PAT at INR24.4b.
- For FY25, while revenue grew 17% YoY to INR1,165b, adjusted PAT grew 11% YoY to INR118.6b. EBITDA margin expanded 140bp YoY to 14.7%.
- On a consolidated basis, MM posted an adjusted PAT growth of 20% YoY and delivered an RoE of 18%, in line with its guidance.
- The auto segment delivered 45.2% RoCE, while the tractor segment delivered 53.7% RoCE in FY25.

Highlights from the management commentary

- **Auto:** Management remains optimistic about sustaining outperformance to the UV industry in FY26. Incremental growth is expected to be driven by the full-year benefit of launches, including the Thar Roxx and XUV 3XO, along with contributions from recently launched EVs.
- Following recent launches, MM has outlined a product roadmap to launch seven ICE SUVs (two mid-cycle enhancements), five BEVs, and five LCVs (two of which will be EVs) by 2030. For CY26, it targets to launch three ICE SUVs (two mid-cycle enhancements), two BEVs, and two LCVs (one of which will be EV in the <3.5T segment). Management has confirmed that the new SUV expected in CY26 will not be a five-seater.

- **Tractors**: Management has guided for high single-digit growth in the tractor industry for FY26. It also expects to outperform the industry, supported by a favorable market mix (with good demand seen in its strong markets of South and West).

Valuation and view

- We believe MM is well-placed to outperform across its core businesses, led by a healthy recovery in rural areas and new product launches across both the UVs and tractors segments. Given the sustained demand momentum in UVs and tractors, we have raised our earnings estimates by 4%/6% for FY26/FY27E. We estimate MM to post a CAGR of ~13%/13%/18% in revenue/EBITDA/PAT over FY25-27E.
- While MM has outperformed its own targets of earnings growth and RoE of 18% in each of FY24 and FY25, it remains committed to delivering 15-20% EPS growth and 18% ROE, ensuring sustained profitability and shareholder value. Reiterate BUY with a TP of INR3,482 (based on FY27E SOTP).

Quarterly Performance (INR B)

Y/E March	FY24				FY25				FY24	FY25	4QE	Var.
INR b	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				(%)
Total Volumes ('000 units)	**301**	**303**	**292**	**264**	**315**	**301**	**344**	**319**	**1,123**	**1,280**	**319**	**0.0**
Growth YoY (%)	10.7	10.9	3.5	-5.3	4.7	-0.5	17.8	15.3	1.8	14.0	15.3	
Net Realization (INR '000/unit)	**802**	**805**	**870**	**954**	**857**	**914**	**889**	**981**	**882**	**910**	**931**	**5.4**
Growth YoY (%)	10.5	4.7	13.2	17.9	7.0	13.5	2.2	8.0	15.2	3.1	2.4	
Net Op. Income	**241.4**	**243.9**	**253.8**	**251.8**	**270.4**	**275.5**	**305.4**	**313.5**	**991.0**	**1,165**	**297.4**	**5.4**
Growth YoY (%)	22.4	16.1	17.2	11.6	12.0	12.9	20.3	24.5	16.6	17.5	18.1	
RM Cost (% of sales)	75.1	75.3	75.1	73.2	73.7	74.2	74.4	74.1	74.7	74.1	74.2	-10bp
Staff (% of sales)	4.4	4.7	4.5	4.5	4.3	4.2	4.2	4.0	4.5	4.2	4.2	-20bp
Oth. Exp. (% of Sales)	7.0	7.2	7.4	9.2	7.0	7.3	6.7	6.9	7.6	7.0	7.5	-60bp
EBITDA	**32.9**	**31.2**	**33.0**	**33.0**	**40.2**	**39.5**	**44.7**	**46.8**	**131.5**	**171.2**	**41.9**	**11.9**
EBITDA Margins (%)	13.6	12.8	13.0	13.1	14.9	14.3	14.6	14.9	13.3	14.7	14.1	90bp
Other income	9.3	20.6	7.4	3.5	3.5	20.0	6.1	0.5	39.4	30.0	1.7	
Interest	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.8	1.4	2.5	0.6	
Depreciation	8.4	8.3	8.3	9.9	9.1	9.6	10.5	13.1	34.9	42.3	10.5	
PBT after EO	**33.4**	**43.2**	**31.7**	**26.2**	**34.1**	**49.3**	**39.7**	**33.5**	**134.6**	**156.5**	**32.5**	**3.0**
Tax	5.8	9.3	6.8	6.2	7.9	10.9	10.0	9.1	28.2	38.0	8.8	
Effective Tax Rate (%)	17.4	21.5	21.5	23.8	23.3	22.1	25.3	27.1	20.9	24.3	27.0	
Reported PAT	**27.6**	**33.9**	**24.9**	**20.0**	**26.1**	**38.4**	**29.6**	**24.4**	**106.4**	**118.5**	**23.7**	**2.8**
Adj PAT	**21.2**	**33.9**	**24.9**	**20.0**	**26.1**	**38.4**	**29.6**	**24.4**	**106.4**	**118.5**	**23.7**	**2.8**
Change (%)	51.0	45.1	12.4	1.3	23.2	13.2	19.1	21.9	34.2	11.4	18.6	

Y/E March	FY24				FY25				FY24	FY25	4QE
Segmental (M&M + MVML)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**			
Realizations (INR '000/unit)											
Auto	900	870	**983**	1,040	977	1,015	1,010	1,079	990	1,022	1,025
Farm Equipment	648	657	**662**	730	670	696	671	730	670	689	694
Blended	**802**	**805**	**870**	**954**	**857**	**914**	**889**	**981**	**880**	**910**	**931**
Segment PBIT Margins (%)											
Auto	7.7	9.2	**8.5**	9.0	9.5	9.5	9.7	9.2	8.6	9.5	9.5
Farm Equipment	17.5	16.0	**15.5**	15.8	18.5	17.5	18.1	19.4	16.2	18.4	17.3

Key Performance Indicators	FY24				FY25E				FY24	FY25	4QE
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Tractors ('000 units)	115.0	90.1	101.7	71.6	121.5	93.4	121.8	88.0	378.4	424.6	88.0
Change (%)	-3.0	-3.7	-3.9	-20.2	5.6	3.7	19.8	22.9	-7.2	12.2	22.9
Total UV ('000 units)	156.3	177.7	181.7	182.7	177.6	190.6	209.7	227.8	709.5	807.5	227.8
Change (%)	17.2	15.2	21.6	13.7	13.6	7.2	15.4	17.5	18.7	13.8	17.5
Other Autos ('000 units)	29.8	35.1	29.7	26.8	34.0	40.4	35.8	36.2	115.4	133.6	36.2
Change (%)	48.2	38.2	11.6	-6.0	13.9	15.1	20.5	26.2	11.3	15.7	26.2
Cost Break-up											
RM Cost (% of sales)	75.1	75.3	75.1	73.2	73.7	74.2	74.4	74.1	74.7	74.1	74.2
Staff Cost (% of sales)	4.4	4.7	4.5	4.5	4.3	4.2	4.2	4.0	4.5	4.2	4.2
Other Cost (% of sales)	7.0	7.2	7.4	9.2	7.0	7.3	6.7	6.9	7.6	7.0	7.5
Gross Margins (%)	24.9	24.7	24.9	26.8	26.3	25.8	25.6	25.9	25.3	25.9	25.8
EBITDA Margins (%)	13.6	12.8	13.0	13.1	14.9	14.3	14.6	14.9	13.3	14.7	14.1
EBIT Margins (%)	10.1	9.4	9.7	9.2	11.5	10.8	11.2	10.8	9.7	11.1	10.5

E:MOFSL Estimates

5 May 2025

4QFY25 Results Update | Sector: Hotels

Indian Hotels

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	IH IN
Equity Shares (m)	1423
M.Cap.(INRb)/(USDb)	1141.3 / 13.5
52-Week Range (INR)	895 / 506
1, 6, 12 Rel. Per (%)	-6/19/32
12M Avg Val (INR M)	2808
Free float (%)	61.9

Financials & Valuations (INR b)

Y/E Mar	2025	2026E	2027E
Sales	83.3	101.2	111.7
EBITDA	27.7	35.7	41.3
PAT	16.8	20.8	24.8
EBITDA (%)	33.2	35.2	37.0
EPS (INR)	11.8	14.7	17.5
EPS Gr. (%)	33.4	24.0	19.2
BV/Sh. (INR)	78.6	92.4	109.1
Ratios			
Net D/E	(0.3)	(0.4)	(0.5)
RoE (%)	16.3	17.1	17.3
RoCE (%)	15.8	17.7	17.6
Payout (%)	6.0	5.5	4.6
Valuations			
P/E (x)	67.8	54.7	45.9
EV/EBITDA (x)	40.6	31.0	26.2
Div Yield (%)	0.1	0.1	0.1
FCF Yield (%)	0.5	1.9	2.3

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	38.1	38.1	38.1
DII	19.2	18.6	20.8
FII	27.0	27.8	24.5
Others	15.7	15.5	16.6

FII includes depository receipts

CMP: INR802 TP: INR940 (+17%) Buy

Ending FY25 on strong footing; outlook remains positive

Operating performance in line with our estimate

- Indian Hotels (IH) reported strong consolidated revenue growth of 27% YoY in 4QFY25, led by healthy RevPAR growth of 16% (ARR up 14% and OR up 100bp YoY) in its standalone business. Like-for-like consol hotel revenue/ TajSats growth stood at ~13% each YoY. Management contract revenue rose 10% YoY to INR1.6b.
- **IH maintains its double-digit revenue guidance**, supported by strong structural tailwinds in the industry, with demand consistently outpacing supply. Growth is further driven by rising Foreign Tourist Arrivals (FTAs), increased MICE activity, expanding leisure tourism, and IH's robust development pipeline. We expect IH to continue its upward trajectory, with revenue/EBITDA/adj. PAT CAGR of 16%/22%/22% over FY25-27E
- We broadly maintain our FY26/FY27 EBITDA estimates and **reiterate BUY with our SoTP-based TP of INR940.**

New and reimagined business propel operating performance

- 4Q consolidated revenue/EBITDA/adj. PAT grew 27%/30%/26% YoY to INR24.3b/INR8.6b/INR5.2b (all in line with estimates).
- Standalone revenue/EBITDA rose 10%/16% YoY to INR14.8b/INR6.8b, aided by OR growth (up 100bp YoY to 80%) and an increase in ARR (up 14% YoY to INR21,013). RevPar grew 16% YoY to INR16,831.
- For subsidiaries (consol. less standalone; including TajSATS), sales/EBITDA grew 68%/2.4x YoY to INR9.5b/INR1.8b.
- IH's new business verticals, comprising Ginger, Qmin, and amã Stays & Trails, grew 40% YoY to INR6b in FY25, while TajSATs posted 17% YoY growth to INR10.5b. Chambers reported revenue of INR1.5b (+25% YoY).
- FY25 consolidated Revenue/EBITDA/Adj PAT grew 23%/28%/33% to INR83.3b/INR27.7b/INR16.8b. CFO for FY25 was INR21.9b vs INR19.4b in FY24.

Highlights from the management commentary

- **Demand:** The company is well-positioned to sustain **double-digit revenue growth**, led by strong same-store performance, continued momentum in new businesses, and the launch of 30 new hotels. The company is witnessing healthy 17% growth in YTD FY26 evenly spread across cities. Management expects the sector to grow by double digits in 1HFY26 on a low base.
- **Taj Bandstand:** The asset will be housed under a subsidiary. Expected road connectivity between **Taj Lands End** and **Taj Bandstand** to the Sea Link will boost accessibility and enhance the property's value. Regulatory approvals are expected soon, with construction likely to commence in the latter half of FY26.
- **Capex:** IHCL plans to invest over **INR12b** in FY26 toward a comprehensive asset management and upgrade program, greenfield developments, and enhanced digital capabilities, with a key focus on the iconic Taj brand. Of the above capex, ~60-65% may be incurred toward renovation while the remainder may be incurred toward greenfield projects.

Valuation and view

- The outlook continues to remain strong for IH, led by healthy traction in both the core business and as well as the new and reimagined businesses.
- We expect the strong momentum to continue in the medium term, led by: 1) significant potential in FTA growth, 2) over 70 wedding dates spread evenly through the year, 3) a strong room addition pipeline in management hotels (15,900 rooms), 4) large planned renovations in key assets such as Taj Palace (Delhi), Fort Aguarda in Goa, St James in the UK, and Taj Calcutta, and 5) increased domestic travel led by social events.
- We broadly maintain our FY25/FY26/FY27 EBITDA estimates and **reiterate BUY with our SoTP-based TP of INR940.**

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%)
Gross Sales	**14,664**	**14,332**	**19,638**	**19,053**	**15,502**	**18,261**	**25,331**	**24,251**	**67,688**	**83,345**	**24,397**	**-1**
YoY Change (%)	15.8	16.3	16.5	17.2	5.7	27.4	29.0	27.3	16.5	23.1	28.0	
Total Expenditure	10,562	10,784	12,315	12,455	11,006	13,249	15,714	15,684	46,116	55,652	15,832	
EBITDA	**4,102**	**3,548**	**7,324**	**6,598**	**4,496**	**5,013**	**9,617**	**8,568**	**21,571**	**27,693**	**8,564**	**0**
Margins (%)	28.0	24.8	37.3	34.6	29.0	27.5	38.0	35.3	31.9	33.2	35.1	
Depreciation	1,091	1,112	1,143	1,197	1,173	1,249	1,339	1,420	4,543	5,182	1,355	
Interest	565	591	532	515	499	522	524	539	2,202	2,084	500	
Other Income	493	477	398	461	460	641	587	616	1,829	2,305	530	
PBT before EO expense	**2,939**	**2,322**	**6,047**	**5,347**	**3,285**	**3,882**	**8,340**	**7,225**	**16,655**	**22,733**	**7,239**	
Extra-Ord expense	0	0	0	0	0	-3,074	0	26	0	-3,048	0	
PBT	**2,939**	**2,322**	**6,047**	**5,347**	**3,285**	**6,956**	**8,340**	**7,200**	**16,655**	**25,781**	**7,239**	
Tax	833	723	1,667	1,416	943	1,224	2,202	1,800	4,639	6,168	2,171	
Rate (%)	28.4	31.1	27.6	26.5	28.7	17.6	26.4	25.0	27.9	23.9	30.0	
Minority Interest & Profit/Loss of Asso. Cos.	-118	-70	-140	-247	-142	186	315	177	-575	537	-11	
Reported PAT	**2,224**	**1,669**	**4,520**	**4,178**	**2,484**	**5,546**	**5,823**	**5,223**	**12,591**	**19,076**	**5,079**	
Adj PAT	**2,224**	**1,669**	**4,520**	**4,178**	**2,484**	**3,241**	**5,823**	**5,242**	**12,591**	**16,790**	**5,079**	**3**
YoY Change (%)	25.7	48.6	18.1	27.3	11.7	94.1	28.8	25.5	25.6	51.5	21.6	
Margins (%)	15.2	11.6	23.0	21.9	16.0	17.7	23.0	21.6	18.6	20.1	20.8	

Key Performance Indicators

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue Growth (%)										
Standalone	17.0	19.0	20.6	18.6	4.6	15.9	15.1	10.0	18.9	11.6
Subs	14.1	12.0	9.4	14.0	7.5	46.4	55.1	68.3	12.2	44.6
EBITDA Margin (%)										
Standalone	33.0	30.7	43.6	43.7	35.1	33.3	46.3	46.0	38.9	41.3
Subs	20.2	15.0	25.5	13.1	19.8	19.8	26.4	18.8	18.8	21.6
Cost Break-up										
F&B Cost (% of sales)	7.9	7.8	7.8	7.3	7.4	9.5	9.9	9.7	7.7	9.3
Staff Cost (% of sales)	29.2	30.7	23.9	24.5	29.7	28.6	22.9	24.3	26.7	25.8
Other Cost (% of sales)	34.9	36.7	31.0	33.5	33.9	34.4	29.3	30.7	33.8	31.7
Gross Margins (%)	92.1	92.2	92.2	92.7	92.6	90.5	90.1	90.3	92.3	90.7
EBITDA Margins (%)	28.0	24.8	37.3	34.6	29.0	27.5	38.0	35.3	31.9	33.2
EBIT Margins (%)	20.5	17.0	31.5	28.3	21.4	20.6	32.7	29.5	25.2	27.0

Coforge

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	COFORGE IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	501.4 / 6
52-Week Range (INR)	10027 / 4287
1, 6, 12 Rel. Per (%)	7/-2/58
12M Avg Val (INR M)	4313

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	120.5	159.3	191.6
EBIT Margin (%)	13.0	13.5	14.1
PAT	8.4	15.7	19.7
EPS (INR)	126.2	231.6	290.5
Adj. PAT	10.0	15.7	19.7
Adj. EPS (INR)	152.5	231.6	290.5
Adj. EPS Gr. (%)	10.5	53.3	25.4
BV/Sh. (INR)	968.9	1,063.5	1,208.1
Ratios			
RoE (%)	13.9	18.0	20.6
RoCE (%)	16.3	15.7	17.6
Payout (%)	60.2	50.0	50.0
Valuations			
P/E (x)	59.4	32.4	25.8
P/BV (x)	7.7	7.0	6.2
EV/EBITDA (x)	24.2	17.4	13.9
Div Yield (%)	1.0	1.5	1.9

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	0.0	0.0	0.0
DII	49.9	47.9	54.3
FII	40.2	42.6	35.0
Others	9.9	9.6	10.7

FII Includes depository receipts

CMP: INR7,497 TP: INR11,000 (+47%) BUY

Deal TCV velocity anchors growth visibility

Margins set to expand as one-offs subside

- COFORGE reported a strong 4QFY25 revenue growth of 3.4% QoQ in CC terms, above our estimate of 3.0% QoQ CC. Reported revenue (adjusted for disc. operations) stood at USD404m (up 3.3% QoQ/43.6% YoY). The company reported an order intake of USD2.1b in 4Q with five large deals, resulting in a robust 12-month executable order book of USD1.5b (+47% YoY). Adj. EBITDA (pre-RSU) margin came in at 18.7% (est. 18.3%). Adj. PAT stood at INR2.9b (up 25% QoQ/23% YoY).
- The company's revenue/EBIT/adj. PAT grew 33.8%/28.6%/17.0% in FY25. We expect revenue/EBIT/adj. PAT to grow by 55.1%/58.7%/66.6% YoY in 1QFY26. **We reiterate our BUY rating on COFORGE with a TP of INR11,000, implying a 47% potential upside.**

Our view: Stronger organic growth and deal bookings point to a brisk FY26E

- **High revenue growth visibility led by executable order book**: COFORGE's executable order book remains a reliable indicator of short-term revenue growth outlook; it is up 47% YoY in FY25. The underlying business momentum is healthy, driven by consistent deal wins and resilient client spending across key verticals. Management also expects organic growth in FY26 to exceed FY25 (~15% cc YoY), reflecting continued confidence in the core business. Taken together, we believe revenue visibility over the next 12 months remains high.
- **Sabre deal ramp-up on track; management confident of improving margins despite the ramp-up**: According to management, the Sabre ramp-up was on track, and more importantly, it was confident that this ramp-up will not be margin dilutive, aided by steady execution and a favorable offshore delivery mix.
- COFORGE has also proactively de-risked the engagement with credit insurance, and Sabre's ongoing deleveraging further strengthens confidence. In our view, this deal not only validates COFORGE's large-deal execution capabilities but also reinforces its ability to scale without materially impacting profitability.
- **Confident of reaching USD2b by FY27E**: Management reiterated its confidence in achieving the USD2b revenue mark before FY27. Growth in FY26 is expected to exceed FY25 levels (which already saw ~31% YoY growth), fueled by transformation-led demand, cross-sell momentum, and continued traction in large managed services deals.

- **Margin guidance constructive; room for upside as one-offs normalize:** FY25 adjusted EBITDA margin stood at 18%, impacted by one-off M&A costs (Cigniti integration, Rhythmos acquisition, and AdvantageGo divestment). Most of these headwinds are now behind. We expect its EBITDA margin to expand 100-120bp over the next 12–18 months, with management guiding for ~18% EBITDA margin by FY27. COFORGE expects the reported EBIT margin to expand materially in FY26 and reach 14% by FY27. ESOP costs are also expected to decline ~80bp by 2HFY26, creating additional margin headroom.
- As we mentioned in our earlier reports (dated 4th Apr'25: Liberation Day and Indian IT: Breaking point or turning point? and dated 30th Mar'25: Technology 4Q Preview: Tempered expectations), there is earnings risk for Indian IT services across the board, and prefer bottom-up and margin expansion stories in place of top-down discretionary bets. The previous downcycle showed that mid-tier firms can thrive in cost-focused environments.
- Coforge's recent deal with Sabre is a strong indicator that mid-tiers now have both the scale and the solution maturity to win cost-saving deals. Among Tier-II players, our top pick is COFORGE. Its strong offerings in BFS should enable it to participate in a demand recovery, and a strong TCV also indicates a robust near-term growth outlook. We believe COFORGE's organic business is in great shape and Cigniti could prove to be an effective long-term asset.

Valuation and changes to our estimates

- We broadly maintain our estimates. We believe COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We value COFORGE at 38x FY27E EPS to arrive at our TP of INR11,000, **implying a 47% potential upside. We reaffirm COFORGE as our top pick**.

Beat on revenue and margins; deal TCV strong with 5 large deal wins in 4Q

- COFORGE's revenue grew 3.4% QoQ CC (est. 3.0% CC). Reported USD growth (adj. discontinued operations) was 3.3% QoQ. For FY25, the company's revenue stood at USD1.5b, up ~31% YoY (15% CC organic).
- Growth was led by the BFS vertical (+11.6% QoQ), followed by TTH, which was up 5.5% QoQ.
- Order intake was USD2.1b. Five large deals were signed during the quarter. The 12-month executable order book rose 47.4% YoY at USD1.5b. It added 10 new logos during the quarter.
- The EBIT margin for COFORGE was 13.2%, above our estimates of 12.9%. For FY25, its EBIT margin stood at ~13%.
- EBITDA rose 14% QoQ/36% YoY to INR5.7b.
- Utilization improved 70bp QoQ to 82.0%. Net employee addition stood at 403, up ~1% QoQ. Attrition dropped 100bp QoQ at 10.9%.
- Adj. PAT stood at INR2.9b (up 25% QoQ/23% YoY). The Cigniti M&A expenses were INR148m compared to 162m in 3QFY25. The PAT miss was on account of one-off M&A expenses (Cigniti, Rhythmos + AdvantageGo divestment expense).
- The Board declared an interim dividend of INR19/share.

Key highlights from the management commentary

- COFORGE enters FY26 with its highest-ever order intake, and the large deal pipeline remains robust. Growth in FY25 has been broad-based across geographies, service lines, and industry verticals.
- The company is focusing heavily on execution discipline and scaling large-deal solutions to gain wallet share. Industry-led engineering is a key strategic pillar.
- Transformation and legacy modernization initiatives will accelerate growth in the coming fiscal year.
- COFORGE remains confident in reaching its USD2b revenue target by or before FY27. The quality of growth remains high, led by large deals and strong deal momentum. Significant cross-sell and upsell opportunities exist in acquired accounts.
- GCC-driven and GCC-led revenue contributes ~10% of total revenue. Several organizations are turning to COFORGE for offshore execution.
- The FY25 deal TCV reached USD3.5b, with USD2.1b booked in 4Q alone. The company added 10 new logos in 4Q and expects the median size of large deals to remain consistent. The Sabre USD1.5b deal has ramped up strongly and will continue over the next three quarters. It is not expected to dilute margins.
- Reported EBITDA margin is expected to approach 18% by FY27. The 4QFY25 EBIT margin was 13.2%; the company aims to raise this to 14% by FY27, with visible improvements in FY26. Reported EBIT will expand materially in FY26.
- It expects material additions in the coming quarters to support deal ramp-ups.
- Recent acquisitions (Rhythmos and ServiceNow capabilities) have margin profiles comparable to COFORGE's core business.

Valuation and view

- We broadly maintain our estimates. We believe COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We value the stock at 38x FY27E EPS to arrive at our TP of INR11,000, **implying a 47% potential upside**. **We reaffirm COFORGE as our top pick.**

Quarterly Performance (IND-AS) (INR m)

Y/E March	FY24				FY25				FY24	FY25	Est.	Var.
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY25	(%/bp)
Rev. (USD m)	**272**	**278**	**282**	**281**	**291**	**369**	**391**	**404**	**1,099**	**1,445**	**406**	**-0.6**
QoQ (%)	2.8	2.3	1.4	-0.4	3.7	26.8	5.7	3.3	9.7	31.5	2.2	114bp
Revenue (INR m)	**22,210**	**22,762**	**23,233**	**23,184**	**24,008**	**30,623**	**32,581**	**34,099**	**90,089**	**1,20,507**	**35,184**	**-3.1**
YoY (%)	21.4	16.2	13.0	6.8	8.1	34.5	40.2	47.1	12.4	33.8	49.2	-210bp
GPM (%)	**30.7**	**32.5**	**33.1**	**34.7**	**33.0**	**32.4**	**33.4**	**34.1**	**33.2**	**33.6**	**33.6**	**50bp**
SGA (%)	**14.7**	**14.9**	**15.1**	**15.5**	**15.1**	**15.9**	**15.7**	**15.4**	15.2	**15.6**	15.3	10bp
EBITDA (INRm)	**3,329**	**3,473**	**4,012**	**4,229**	**4,099**	**4,840**	**5,072**	**5,761**	**15,170**	**19,960**	**5,805**	**-0.8**
EBITDA Margin (%)	15.0	15.3	17.3	18.2	17.1	15.8	15.6	16.9	16.8	16.6	16.5	39bp
EBIT (INRm)	**2,572**	**2,701**	**3,201**	**3,437**	**3,284**	**3,597**	**3,907**	**4,507**	**12,198**	**15,684**	**4,539**	**-0.7**
EBIT Margin (%)	11.6	11.9	13.8	14.8	13.7	11.7	12.0	13.2	13.5	13.0	12.9	32bp
Other income	-152	-295	-257	-453	-272	-173	-329	-300	-1,153	-1,080	-35	752.7
ETR (%)	21.5	21.9	17.5	20.4	31.8	25.5	25.5	22.2	20.5	25.7	24.5	-9.6
Minority Interest	-104.0	-69.0	-48.0	-55.0	-61.0	-314.0	-404.0	-461.0	-276.0	-1,240.0	-390.2	18.2
Reported PAT	**1,666**	**1,809**	**2,380**	**2,245**	**1,344**	**2,021**	**2,142**	**2,611**	**8,299**	**8,372**	**3,010**	**-13.3**
QoQ (%)	-28.4	8.6	31.6	-5.7	-40.2	50.4	6.0	21.9			39.7	-1779bp
YoY (%)	11.0	-10.3	4.3	-3.5	-19.4	11.7	-10.0	16.3	2.1	0.9	31.2	-1494bp
Extra-ordinary items	165	0	0	96	953	290	162	261	261	1,666	0.0	
Adj. PAT	**1,831**	**1,809**	**2,380**	**2,341**	**2,297**	**2,311**	**2,304**	**2,872**	**8,362**	**9,783**	3,010.0	
EPS (INR)	**29.2**	**29.0**	**38.1**	**38.5**	**20.8**	**30.1**	**31.5**	**38.5**	**131.7**	**126.2**	44.6	-13.8

Note: 3Q/4QFY25, 4QFY24 and FY24&25 numbers have been restated to reflect continuing business.

Key Performance Indicators

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	2.7	2.3	1.8	1.9	1.6	26.3	8.4	3.4		
Margins										
Gross Margin	30.7	32.5	33.1	34.7	33.0	32.4	33.4	34.1	33.2	33.6
EBIT Margin	11.6	11.9	13.8	14.8	13.7	11.7	12.0	13.2	13.5	13.0
Net Margin	7.5	7.9	10.2	9.7	5.6	6.6	6.6	7.7	9.2	6.9
Operating metrics										
Headcount	24,224	24,638	24,607	24,726	26,612	32,483	33,094	33,497	24,726	33,497
Attrition (%)	13.3	13.0	12.1	11.5	11.4	11.7	11.9	10.9	11.5	10.9
Deal Win TCV (USD b)	531	313	354	774	314	516	501	2,126	774	2,126
Key Verticals (YoY USD %)										
BFS	20.0	12.3	16.0	15.5	9.6	23.6	18.3	28.7	15.8	20.3
Insurance	11.4	9.7	11.5	3.4	1.5	12.3	18.3	21.0	8.9	13.3
Travel and Transport	8.6	8.0	3.3	(0.5)	4.9	30.0	40.8	53.4	4.7	32.2
Key Geographies (YoY USD %)										
North America	10.3	8.5	6.1	4.9	7.6	48.2	66.4	62.0	7.4	45.9
Europe	19.1	13.5	11.2	7.6	7.5	15.7	18.4	19.3	12.6	15.4

CDSL

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CDSL IN
Equity Shares (m)	209
M.Cap.(INRb)/(USDb)	274.5 / 3.3
52-Week Range (INR)	1990 / 916
1, 6, 12 Rel. Per (%)	3/-16/17
12M Avg Val (INR M)	5682

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Revenue	10.8	11.4	13.7
EBITDA	6.2	6.3	8.0
EBITDA Margin (%)	57.7	55.8	58.2
PAT	5.2	5.4	6.7
PAT Margin (%)	48.4	47.3	49.1
EPS	25.1	25.7	32.1
EPS Grw. (%)	24.8	2.5	24.9
BVPS	84.2	97.4	113.5
RoE (%)	32.5	28.3	30.4
Div. Payout (%)	49.9	48.7	49.9
Valuations			
P/E (x)	52.4	51.1	40.9
P/BV (x)	15.6	13.5	11.6
Div. Yield (%)	1.0	1.0	1.2

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	15.0	15.0	15.0
DII	15.4	19.1	23.2
FII	11.3	17.1	11.4
Others	58.3	48.7	50.5

FII includes depository receipts

CMP: INR1,314 TP: INR1,150 (-12%) Neutral

Weak operating performance

- **CDSL's operating revenue declined 7% YoY and 19% QoQ to INR2.2b (7% miss), primarily due to a 36%/29% YoY decline in transaction revenue/online data charges. For FY25, the company's revenue grew 33% YoY to INR10.8b.**
- **EBITDA declined 26% YoY and 32% QoQ to INR1.1b (10% miss), resulting in an EBITDA margin of 48.7% (vs. 61.4% in 4QFY24 and 57.8% in 3QFY25). For FY25, its EBITDA grew 28% YoY to INR6.2b. Operating expenses jumped 24% YoY to INR1.2b due to a 14%/28% YoY increase in employee costs/other expenses.**
- **PAT for the quarter declined 22% YoY and 23% QoQ to INR1b (10% beat). For FY25, it grew 25% YoY to INR5.3b. PAT margin came in at 44.8% vs. 53.8% in 4QFY24 and 46.7% in 3QFY25.**
- **As a market infrastructure company, CDSL will continue to invest in four key areas—hardware, infrastructure, application, and security—while keeping technology expenses at a steady proportion of revenue.**
- **We cut our earnings estimates by 15%/13% for FY26/FY27 to factor in slower account openings, a weak cash volume trajectory, a reduction in IPO actions, and continued investments in tech and human resources. We expect CDSL to post a revenue/EBITDA/PAT CAGR of 12%/13%/13% over FY25-27. We reiterate our Neutral rating on the stock with a one-year TP of INR1,150 (premised on a P/E multiple of 35x on FY27E earnings).**

Continued investments in technology and human resources

- On the revenue front, transaction revenue declined 36%/17% YoY/QoQ to INR490m on account of lower cash delivery volumes during the quarter.
- Annual issuer charges increased 34%/7% YoY/QoQ to INR870m, of which INR359.5m came from unlisted companies. The growth was primarily fueled by an increase in the number of issuers (35.9k in 4QFY25 from 23.1k in 4QFY24) contributing to the rise in recurring issuer income.
- IPO/Corporate Action charges declined 7%/57% YoY/QoQ to INR250m on account of a fewer number of IPO listings during the quarter.
- During FY25, the total income of its subsidiary, CVL, rose 35% YoY to INR2.5b, while total expenses grew 42% YoY to INR1.1b. PAT rose 28% YoY to INR1.09b.
- Total expenses jumped 24% YoY to INR1.2b, led by a 14%/67%/11% YoY increase in employee/IT/admin and other expenses.
- Other income was up 18%/57% YoY/QoQ to INR313m, primarily due to mark-to-market gains on debt investments.
- Demat account additions during the quarter reduced sequentially to 6.4m from 10.9m in 4QFY24 and 9.2m in 3QFY25.

Key takeaways from the management commentary

- Management maintained a stable dividend payout ratio, targeting 60% on a standalone basis; for FY25, the actual payout was 61.3%.
- The dip in KYC revenue during 4QFY25 was attributed to subdued growth in market delivery volumes, demat account openings, mutual fund inflows, and IPO activities.

Valuation and view

- Lower market activity and fewer IPO listings led to a reduction in revenue, and continued investments in human resources and technology for future growth could restrict gains from operating leverage, but we still expect EBITDA margins to expand to ~58.2% in FY27E from 57.7% in FY24.
- We cut our earnings estimates by 15%/13% for FY26/FY27 to factor in slower account openings leading to subdued transaction revenue, a weak cash volume trajectory, a reduction in IPO actions, and continued investments in tech and human resources.
- We expect CDSL to post a revenue/EBITDA/PAT CAGR of 12%/13%/13% over FY25-27. **We reiterate our Neutral rating on the stock with a one-year TP of INR1,150 (premised on a P/E multiple of 35x on FY27E earnings).**

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	4Q FY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	1,497	2,073	2,145	2,408	2,574	3,223	2,781	2,244	8,122	10,822	2,405	-6.7	-7%	-19%
Change YoY (%)	6.8	39.2	51.9	93.0	72.0	55.4	29.7	-6.8	46.3	33.2	-0.1			
Employee expenses	226	224	237	276	267	314	323	315	963	1,219	330	-4.5	14%	-3%
Other Expenses	464	555	593	653	762	910	852	836	2265	3,360	868	-3.7	28%	-2%
Total Operating Expenses	690	779	830	929	1,029	1,225	1,175	1,151	3,229	4,580	1,197	-3.9	24%	-2%
Change YoY (%)	7	39	48	68	49	57	41	24	39.3	42	29			
EBITDA	**807**	**1,294**	**1,314**	**1,479**	**1,544**	**1,998**	**1,606**	**1,094**	**4,894**	**6,242**	**1,208**	**-9.5**	**-26%**	**-32%**
Other Income	242	228	215	266	295	362	200	313	950	1,171	182	72.3	18%	57%
Depreciation	58	65	69	80	98	119	130	143	272	490	131	9.2	78%	10%
PBT	**990**	**1,457**	**1,460**	**1,665**	**1,741**	**2,241**	**1,676**	**1,264**	**5,572**	**6,923**	**1,259**	**0.4**	**-24%**	**-25%**
Change YoY (%)	28	33	46	100	76	54	15	-24	50.7	24	-24			
Tax Provisions	242	358	375	390	405	627	386	268	1,365	1,686	355	**-24.5**	-31%	-30%
P&L from associate	-11	-9	-10	20	5	6	7	8	-11	26	6			
Net Profit	**737**	**1,090**	**1,075**	**1,294**	**1,342**	**1,620**	**1,298**	**1,004**	**4,197**	**5,264**	**910**	**10.4**	**-22%**	**-23%**
Change YoY (%)	28	35	44	105	82	49	21	-22	52.0	25	-30			
Key Operating Parameters (%)														
Cost to Operating Income Ratio	46.1	37.6	38.7	38.6	40.0	38.0	42.2	51.3	39.7	42.3	49.8	149 bps	1269bps	903bps
EBITDA Margin	53.9	62.4	61.3	61.4	60.0	62.0	57.8	48.7	60.3	57.7	50.2	-149 bps	-1269bps	-903bps
PBT Margin	66.2	70.3	68.1	69.1	67.7	69.5	60.3	56.3	68.6	64.0	52.3	398 bps	-1281bps	-396bps
Tax Rate	24.4	24.6	25.7	23.4	23.2	28.0	23.0	21.2	24.5	24.3	28.2	-701 bps	-221bps	-180bps
PAT Margin	49.2	52.6	50.1	53.8	52.1	50.3	46.7	44.8	51.7	48.6	37.8	693 bps	-901bps	-192bps

5 May 2025

Update | Sector: Cement

The Ramco Cements

BSE SENSEX	S&P CNX
80,797	24,461

Stock Info

Bloomberg	TRCL IN
Equity Shares (m)	236
M.Cap.(INRb)/(USDb)	223.7 / 2.7
52-Week Range (INR)	1060 / 700
1, 6, 12 Rel. Per (%)	-6/7/14
12M Avg Val (INR M)	708

Financials Snapshot (INR b)

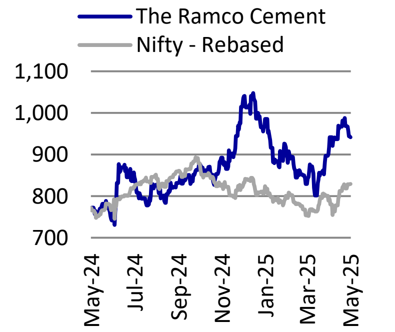
Y/E MARCH	FY25E	FY26E	FY27E
Sales	87.0	97.1	107.2
EBITDA	13.6	18.2	21.2
Adj. PAT	1.9	5.0	7.0
EBITDA Margin (%)	15.6	18.7	19.8
Adj. EPS (INR)	7.9	21.3	29.5
EPS Gr. (%)	-52.8	169.2	38.6
BV/Sh. (INR)	307	324	349
Ratios			
Net D:E	0.7	0.6	0.5
RoE (%)	2.6	6.7	8.8
RoCE (%)	5.1	6.7	8.1
Payout (%)	13.9	18.8	0.0
Valuations			
P/E (x)	120.0	44.6	32.2
P/BV (x)	3.1	2.9	2.7
EV/EBITDA(x)	18.8	14.1	12.1
EV/ton (USD)	126	119	102
Div. Yield (%)	0.3	0.4	0.0
FCF Yield (%)	1.3	4.6	3.8

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	42.6	42.8	42.3
DII	33.5	34.3	35.6
FII	7.3	6.9	7.4
Others	16.6	16.1	14.7

FII Includes depository receipts

Stock performance (one-year)



CMP: INR947 TP: INR1,030 (+9%) Neutral

Price hikes in the South and debt reduction aid recovery

- The Ramco Cements (TRCL) is expected to benefit from the sharp price hikes in the southern region along with a higher pace of consolidation in the region. The average cement price in the South has increased MoM by INR33/bag (~10%) in Apr'25. TRCL has a higher exposure in the southern region, with 78-79% of its total volume being sold in the southern markets.
- The Tamil Nadu (TN) government has imposed an INR160/t mining tax on limestone mining. TRCL is estimated to be the most impacted given its higher clinker capacity in TN (~52% of its total capacity). However, the recent price hikes, improvement in the clinker-to-cement (C:C) ratio, and cost reduction measures are likely to more than offset the additional mineral tax burden.
- Further, management is committed to net debt reduction by monetizing non-core assets worth INR10.0b. The company has monetized assets worth INR4.6b by end-FY25. It also prioritized repayment of high-cost borrowings and is following a disciplined capex approach. This strategic decision will lead to a steady reduction in net debt (net debt is likely to decline to INR37.6b by FY27E from INR46.2b as of Dec'24) and improve the leverage ratio (the net debt-to-EBITDA ratio is likely to be 1.8x vs. 3.5x as of Dec'24 TTM).
- Given the recent price hikes in the company's core markets (South and East) and cost savings initiatives, we raise our EBITDA estimates by ~4%/2% for FY26/FY27. Further, we upgrade our EPS estimates by ~19%/20% for FY26/FY27, aided by lower interest outgo. Over FY25-26, TRCL's revenue/EBITDA/PAT CAGR is estimated at ~11%/25%/93%. **Key risks to our estimate:** 1) reversal of recent price hikes, and 2) lower-than-estimated demand growth.
- The stock is currently trading at 14x/12x FY26E/FY27E EV/EBITDA (vs. its long-term average of 15x) and USD119/USD102 EV/t (vs. long-term average of USD130). We value the stock at 13x (earlier 12x) FY27E EV/EBITDA to arrive at our revised TP of INR1,030 (vs. INR900). **Reiterate Neutral.**

Post-FY25 slump, cement prices in South India rebound strongly

- According to our channel checks, the average cement price in the southern region rose sharply by INR33/bag in Apr'25, marking a robust ~10% MoM rise. This is notably higher than the INR17/bag (~5%) MoM increase in the eastern region and a modest INR3-5/bag MoM (~1%) increase in the northern, central, and western regions. This sharp uptick in the southern region follows a period of underperformance in FY25, during which the average price dipped ~9% YoY.
- TRCL, given its higher exposure in the southern region (sold ~78-79% of its total volume across southern markets), is estimated to benefit the most from increased pricing in the region. Further, increased consolidation in the region and positive commentary by industry players (focusing on balancing out volume growth and profitability at their South India plants) are key positive triggers. This provides a case for upward revision in earnings estimates for the company.

- In the South, we estimate cement capacity additions of 10mtpa/13mtpa in FY26/FY27 by the industry. Of these, ~6.0mtpa (3.0mtpa in FY26/FY27 each) will be added by TRCL. The company is expanding its clinker/grinding capacities at Kurnool, Andhra Pradesh (brownfield expansion), by 3.2mtpa/ 3.8mtpa, to be completed in FY26-27. Apart from that, TRCL is adding a grinding capacity of 2.0mtpa through debottlenecking of existing facilities in the South at a minimal capex. We estimate improving demand/supply equilibrium in the region (incremental demand CAGR at ~8% to surpass the incremental supply of ~6% over FY25-27E) to help sustain the price hikes over the medium-to-longer term.

Limestone tax raises cost pressure, but efficiency steps to offer partial relief

- The TN government has imposed an INR160/t mining tax on limestone mining effective from 4th Apr'25. For TRCL, the tax is estimated to increase its production costs for limestone by INR80/t due to its significant clinker capacity concentration in the state (accounting for ~52% of its total clinker capacity).
- The company's C:C ratio declined to 1.27x during FY22-24, compared to its long-term average of above 1.33x during FY12-21. The company's C:C ratio has improved to 1.4x in 9MFY25, showcasing better operational efficiency. Despite this, there is still room for further reduction in raw material costs by optimizing the use of beneficiation and flotation plants, which helps in enhancing limestone recovery. Moreover, the company can reduce raw material costs by optimizing clinker sourcing strategies for its eastern grinding units.
- Further, TRCL's initiatives towards increasing its 1) green power share to ~40% (from ~37% in 9MFY25) and 2) alternative fuel share to +7% (vs. ~2% in 9MFY25 and ~6% in FY24) are estimated to help in an overall reduction in opex/t. We estimate the company's EBITDA/t to improve to INR900/INR970 in FY26/FY27 from INR720 in FY25E (average at INR820/t over FY23-24).

Debt reduction to support lower leverage going forward

- Following investors' concerns over the continuous rise in net debt, the company has taken effective steps to reduce leverage. It has committed to monetizing non-core assets worth INR10.0b over the 12 months starting Jul'24, as part of its broader strategy to strengthen the balance sheet. The company has monetized assets worth INR4.6b as of end-FY25, and the balance will be monetized in the next few months. We estimate its net debt to decline to INR37.6b by FY27 from INR46.2b as of Dec'24. The net debt-to-EBITDA ratio is likely to decline to 1.8x in FY27 from 3.5x as of Dec'24 (TTM).
- It also prioritized repayment of high-cost borrowing (issuing debentures having a lower coupon rate as compared to term loans from banks) to reduce finance costs. We estimate a 7% YoY reduction in finance costs to INR4.2b in FY26 and a further reduction of ~5% YoY to INR4.0b in FY27.
- Further, it has adopted a disciplined approach to capital expenditure, reducing its capex guidance to INR12.0b p.a. for FY25-26, down from an average of INR18.6b p.a. during FY20-24.

Earnings upgrade due to positive near-term outlook

- Given the recent price hikes in the company's core markets (South and East) and cost savings initiatives, we raise our EBITDA estimates by ~4%/2% for FY26/FY27. Further, we raise our EPS estimates by ~19%/20% for FY26/FY27, aided by lower interest outgo. Over FY25-26, TRCL's revenue/EBITDA/PAT CAGR is estimated at ~11%/25%/93%.
- We estimate the company's cumulative OCF at INR49.1b over FY25-27 vs. INR47.7b over FY22-24. We estimate a cumulative capex of INR27.2b (net of fixed assets sold) over FY25-27 vs. a cumulative capex of INR56.7b over FY22-24. As a result, the company's cumulative FCF stood at INR21.9b over FY25-27E as compared to a cumulative cash outflow of INR9.0b over FY22-24.
- We believe that recent price hikes and ongoing balance sheet deleveraging are key near-term catalysts that could support the stocks' performance. However, we remain watchful on the longer-term turnaround story, where sustained profitability, disciplined capital allocation, and meaningful market share gains will be critical structural drivers for a more durable re-rating.
- The stock is currently trading at 14x/12x FY26E/FY27E EV/EBITDA (vs. its long-term average of 15x) and USD119/USD102 EV/t (vs. long-term average of USD130). We value the stock at 13x (earlier 12x) FY27E EV/EBITDA to arrive at our revised TP of INR1,030 (vs. INR900). **Reiterate Neutral.**

Gravita India

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	GRAV IN
Equity Shares (m)	74
M.Cap.(INRb)/(USDb)	142.9 / 1.7
52-Week Range (INR)	2700 / 884
1, 6, 12 Rel. Per (%)	5/-10/95
12M Avg Val (INR M)	809

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	38.7	50.0	65.3
Adj. EBITDA	4.0	5.0	6.7
Adj. EBITDA Margin (%)	10.4	10.0	10.3
Adj. PAT	3.1	4.1	5.5
Cons. Adj. EPS (INR)	42.3	55.4	74.1
EPS Gr. (%)	22	31	34
BV/Sh. (INR)	280	335	408
Ratios			
Net D:E	-0.3	-0.1	0.0
RoE (%)	18.8	17.1	19.3
RoCE (%)	21.5	18.0	19.9
Valuations			
P/E (x)	45.7	34.9	26.1
EV/EBITDA (x)	42.2	28.3	21.2

Shareholding pattern (%)

As on	Mar-25	Dec-24	Mar-24
Promoter	59.3	59.3	66.5
DII	5.4	5.4	0.4
FII	15.4	15.5	12.5
Others	19.9	19.8	20.6

Note: FII includes depository receipts

CMP: INR1,936 TP: INR2,300 (+19%) Buy

Growth supported by volume uptick in aluminum and lead

Earnings in line with estimates

- In 4QFY25, Gravita India (GRAVITA) recorded a strong 20% YoY revenue growth, underpinned by a 13% YoY rise in overall volumes. The aluminum business led the performance with a sharp 73% YoY growth, followed by a 19% increase in lead revenues, whereas the plastic segment witnessed a 16% YoY decline.
- Adj. EBITDA/kg increased 4% to INR20.3 in 4QFY25 despite a higher share of domestic scrap procurement at 43%, compared to 30% last year, driven by certain arbitrage opportunities.
- GRAVITA remains on track to achieve its ‘Vision 2029’ targets, supported by capacity expansion initiatives across both domestic and overseas markets. Future growth will be driven by planned entry into new geographies within India, a continued focus on increasing the share of value-added products, and rising contribution from non-lead business segments.
- We broadly maintain our FY26E/FY27E EPS and reiterate our BUY rating on the stock with a TP of INR2,300 (31x FY27E EPS).

Flat margins attributed to higher domestic sourcing of scrap

- Consolidated revenue grew 20% YoY to INR10.4b (in line with est.) in 4QFY25. Consolidated sales volume rose 13% YoY to 53KMT.
- Adjusted EBITDA margin contracted 30bp YoY to 10.5% (est. 10.9%), while adjusted EBITDA grew ~17% YoY to INR1b (in line with est.). Adj. PAT grew 38% YoY to INR951m (in line with est.).
- For FY25, consolidated revenue/Adj. EBITDA/Adj. PAT grew 22%/22%/31% YoY to INR38.7b/INR4b/INR3.1b, while consolidated volumes grew 19% YoY to 203KMT.
- **Lead business** revenue grew 19%/23% YoY to INR9.1b/INR34.2b in 4QFY25/FY25, led by volume growth of 12%/21% YoY to 45KMT/173KMT in 4QFY25/FY25. EBITDA/kg in 4QFY25 stood at INR20.5 (up 1% YoY).
- **Aluminum business** revenue grew 73%/34% YoY to INR1b/INR3.4b in 4QFY25/FY25, while volumes jumped 62%/14% YoY to 5.2KMT/17.5KMT. EBITDA/kg rose 30% YoY to INR20.
- **Plastic business** revenue declined 16% YoY to INR191m in 4QFY25, while revenue in FY25 increased 8% YoY to INR845m. Volumes declined 26% YoY to 2.6KMT in 4QFY25, while volumes in FY25 were up 3% YoY to 12KMT. EBITDA/kg stood at INR10 (down 12% YoY).

Highlights from the management commentary

- **Outlook:** GRAVITA is well-placed to realize its ‘Vision 2029’ targets, maintaining its guidance of a ~25%/35% CAGR in sales volume/PAT, with RoIC of more than 25%. Further, the company aims to increase its non-lead business/value-added products mix to 30%/50% over the next three to four years.

- **Rubber:** The company remains optimistic about the rubber segment, both in India and overseas, and plans to commission ~60KMT of additional capacity in FY26. Management is targeting a revenue CAGR of ~70% from this segment over the next two to three years.
- **Domestic scrap procurement:** In FY25, GRAVITA witnessed a 60% increase in domestically sourced scrap, driven by the Battery Waste Management Rules (BWMR), Extended Producers Responsibility (EPR), and stricter GST enforcement.

Valuation and view

- As a leading player in India's rapidly expanding recycling industry, GRAVITA is well-positioned to deliver strong earnings growth over the medium term, supported by: 1) strategic capacity expansion across verticals and geographies, 2) an increased focus on value-added products, 3) higher growth in new segments (rubber), and 4) increased domestic scrap availability, driven by favorable regulatory tailwinds.
- We expect a CAGR of 30%/29%/32% in revenue/Adj. EBITDA/Adj. PAT over FY25-27E. We maintain our FY26E/FY27E EPS estimates. We reiterate our BUY rating on the stock with a TP of INR2,300 (31x FY27E EPS).

Consolidated - Quarterly Earning Model **(INR m)**

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
Sales	**7,034**	**8,362**	**7,578**	**8,634**	**9,079**	**9,274**	**9,964**	**10,371**	**31,608**	**38,688**	**9,930**	**4**
YoY Change (%)	5.6	44.2	11.0	9.4	29.1	10.9	31.5	20.1	12.9	22.4	15.0	
Total Expenditure	6,349	7,563	6,681	7,705	8,166	8,259	8,942	9,286	28,298	34,652	8,843	
Adjusted EBITDA	**685**	**798**	**897**	**929**	**912**	**1,015**	**1,023**	**1,085**	**3,309**	**4,036**	**1,087**	**0**
Margins (%)	9.7	9.5	11.8	10.8	10.1	10.9	10.3	10.5	10.5	10.4	10.9	
Depreciation	79	86	90	125	65	72	76	78	380	291	75	
Interest	127	112	130	124	130	120	128	56	492	434	55	
Other Income	132	69	61	42	33	23	73	194	304	324	110	
PBT before EO expense	**612**	**670**	**738**	**722**	**751**	**847**	**891**	**1,146**	**2,742**	**3,635**	**1,067**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**612**	**670**	**738**	**722**	**751**	**847**	**891**	**1,146**	**2,742**	**3,635**	**1,067**	
Tax	86	82	123	28	71	128	111	197	319	506	139	
Rate (%)	14.1	12.2	16.7	3.9	9.4	15.1	12.4	17.2	11.6	13.9	13.1	
Minority Interest & Profit/Loss of Asso. Cos.	5	10	12	4	7	-1	1	-2	31	5	10	
Reported PAT	**521**	**579**	**603**	**690**	**673**	**720**	**779**	**951**	**2,392**	**3,124**	**918**	
Adj PAT	**521**	**579**	**603**	**690**	**673**	**720**	**779**	**951**	**2,392**	**3,124**	**918**	**4**
YoY Change (%)	26.0	36.1	35.2	37.4	29.3	24.4	29.3	37.9	18.9	30.6	33.0	
Margins (%)	7.4	6.9	8.0	8.0	7.4	7.8	7.8	9.2	7.6	8.1	9.2	

Godrej Agrovet

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	128.4 / 1.5
52-Week Range (INR)	878 / 476
1, 6, 12 Rel. Per (%)	-16/-9/12
12M Avg Val (INR M)	288

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	93.8	109.0	119.4
EBITDA	8.2	10.0	12.1
Adj. PAT	4.3	5.7	7.2
EBITDA Margin (%)	8.7	9.1	10.1
Cons. Adj. EPS (INR)	22.4	29.5	37.6
EPS Gr. (%)	19.5	31.6	27.6
BV/Sh. (INR)	124	95	132
Ratios			
Net D:E	0.6	1.1	0.6
RoE (%)	17.5	27.0	33.2
RoCE (%)	11.7	15.4	18.6
Payout (%)	46.9	35.6	-
Valuations			
P/E (x)	29.8	22.6	17.7
EV/EBITDA (x)	17.6	15.1	11.9
Div. Yield (%)	1.6	1.6	-
FCF Yield (%)	5.9	3.7	4.5

Shareholding pattern (%)

	Mar-25	Dec-24	Mar-24
Promoter	67.6	67.6	74.1
DII	9.2	10.4	12.9
FII	3.8	2.9	1.7
Others	19.5	19.1	11.4

Note: FII includes depository receipts

CMP: INR668 TP: INR840 (+26%) Buy

Operating performance a mixed bag, below our est.

- Godrej Agrovet (GOAGRO) reported a subdued operating performance (EBIT marginally down 2% YoY) in 4QFY25, primarily due to a sharp 68%/ 66% YoY decline in Dairy/Poultry EBIT, while Animal Feed (AF)/Crop Protection (CP) EBIT dipped ~4%/2% YoY. These were partly offset by Palm Oil EBIT, which doubled YoY, fueled by higher realization.
- Revenue remained flat YoY mainly due to a significant decline in AF/ Poultry business revenue (volume-led decline), offset by higher revenue in Palm Oil (realization-led growth).
- Management has guided to achieve a revenue growth of ~16-18% in FY26, led by CP, AF, and Astec. Similar growth in EBITDA is anticipated, largely led by lower losses in the Astec business and improving margins in Palm Oil. However, we factor in lower-than-expected performance in 4QFY25 and reduce our FY26E EBITDA by 8%, while largely maintaining our FY27E EBITDA. **We reiterate our BUY rating on the stock with an SOTP-based TP of INR840.**

Higher input costs hurt margins of the Dairy and Poultry business

- Consolidated revenue remained flat YoY at INR21.3b (est. in-line). EBITDA margins also remained flat at 6.9% (est. 9%), led by flattish gross margins at 25.9%. EBITDA stood at INR1.5b, flat YoY (est. INR2b). Adjusted PAT grew 24% YoY to INR708m (est. of INR1.1b).
- **AF:** Revenue reduced by 4% YoY to INR11.4b, led by a volume growth of ~2% YoY to 370kmt. Margins remained flat, primarily led by a decline in average realization.
- **Palm Oil:** Revenue grew ~30% YoY to INR2.4b, led by higher realizations in crude palm oil (CPO) and palm kernel oil (PKO), as realizations improved ~55% and ~72%, respectively. FFB arrivals rose 10% YoY, resulting in an EBIT margin expansion of 260bp YoY to 7.5% and an EBIT growth of ~2x YoY to INR184m.
- **CP**: Consolidated CP revenue increased 6.4% YoY to ~INR2.7b led by a 28.6% YoY growth in standalone CP revenue. Standalone CP segment results witnessed strong growth in 4Q on account of higher volumes of in-house categories of products. Astec witnessed a 13% YoY dip in revenue to INR1.17b due to lower CDMO business. Consolidated CP EBIT declined 2.4% YoY to INR457m, led by an EBIT loss of INR83m in Astec, offset by a 32% YoY rise in standalone CP EBIT to INR540m.
- The **Dairy** business dipped ~2% YoY to INR3.8b, while EBIT declined ~68% YoY to INR66m, led by an increase in procurement prices. **Poultry and Processed Food** business revenue declined ~17.4% YoY to INR1.8b, primarily due to lower volumes in the live bird business, while EBIT stood at INR41m (down 65.9% YoY) and EBIT margin contracted 323bp YoY to ~2.3%.
- In FY25, GOAGRO reported a revenue decline of 2% to INR93.8b, while EBITDA/Adj. PAT grew 16%/20% to INR8.2b/INR4.3b.

Highlights from the management commentary

- **Crop protection (standalone):** The management is guiding over 30% revenue growth and margins led by the launch of new molecules and a good macro environment. One in-licensing product is slated for launch in FY26. Five molecules and one to two mixtures (sourced from Japan) are currently under development. Most of the launches are planned over the next 8–10 quarters, primarily in FY27.
- **Palm Oil:** Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) prices are moderating, with CPO prices now at INR115,000–118,000/MT, down from INR130,000/MT. In contrast, PKO prices remain strong at INR215,000–230,000/MT, offering competitiveness in coconut oil (positive for margins). Management is expecting a healthy FFB arrival volume growth of ~18% in FY26.
- **Astec:** The management is guiding over 35% revenue CAGR for the next couple of years, largely led by the CDMO business. The CDMO business is recovering and is expected to contribute 70–75% of total Astec revenue by FY26 (vs. ~60% currently). The enterprise business is coming out of the woods, with volume-led improvement expected going forward (largely in old molecules).

Valuation and view

- GOAGRO reported flat revenue growth in FY25, but margins expanded 140bp due to strategic initiatives by the management. Going forward, with an improving outlook for Astec and volume-led growth in CP standalone, AF, and palm oil, we expect the company to see healthy revenue growth in the near term. Margins are anticipated to further expand going forward, fueled by continued strategic interventions across segments and recovery in Astec.
- We expect a revenue/EBITDA/Adj. PAT CAGR of 13%/22%/30% over FY25-27. **We reiterate our BUY rating on the stock with an SOTP-based TP of INR840.**

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Gross Sales	**25,102**	**25,709**	**23,452**	**21,343**	**23,508**	**24,488**	**24,496**	**21,336**	**95,606**	**93,828**	**22,189**	**-4**
YoY Change (%)	0.0	5.1	0.9	1.9	-6.4	-4.8	4.5	0.0	2.0	-1.9	4.0	
Total Expenditure	23,173	23,694	21,861	19,863	21,246	22,254	22,296	19,870	88,591	85,666	20,150	
EBITDA	**1,929**	**2,014**	**1,591**	**1,480**	**2,261**	**2,234**	**2,200**	**1,467**	**7,015**	**8,162**	**2,039**	**-28**
Margins (%)	7.7	7.8	6.8	6.9	9.6	9.1	9.0	6.9	7.3	8.7	9.2	
Depreciation	528	529	530	556	546	583	567	565	2,143	2,261	600	
Interest	295	279	251	254	302	398	345	289	1,079	1,334	320	
Other Income	115	112	84	102	92	126	87	130	413	435	149	
PBT before EO expense	**1,222**	**1,318**	**894**	**772**	**1,506**	**1,379**	**1,376**	**742**	**4,206**	**5,002**	**1,268**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**1,222**	**1,318**	**894**	**772**	**1,506**	**1,379**	**1,376**	**742**	**4,206**	**5,002**	**1,268**	
Tax	353	369	191	220	345	541	414	204	1,133	1,504	319	
Rate (%)	28.9	28.0	21.3	28.5	22.9	39.3	30.1	27.5	26.9	30.1	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	-185	-104	-215	-19	-190	-286	-153	-170	-523	-799	-118	
Reported PAT	**1,053**	**1,053**	**918**	**571**	**1,352**	**1,123**	**1,115**	**708**	**3,596**	**4,297**	**1,067**	
Adj PAT	**1,053**	**1,053**	**918**	**571**	**1,352**	**1,123**	**1,115**	**708**	**3,596**	**4,297**	**1,067**	**-34**
YoY Change (%)	27.3	46.7	43.5	84.2	28.3	6.7	21.4	23.9	44.1	19.5	86.7	
Margins (%)	4.2	4.1	3.9	2.7	5.7	4.6	4.6	3.3	3.8	4.6	4.8	

Key Performance Indicators

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Segment Revenue Gr. (%)										
Animal Feed (AF)	3.1	1.8	1.5	-2.3	-10.1	-3.0	-1.3	-3.6	1.0	(4.5)
Palm Oil	-39.9	10.5	-2.2	28.3	12.4	-1.5	37.6	30.1	(6.0)	17.3
Crop Protection	3.8	2.3	3.1	5.1	-4.6	-21.7	-13.1	6.4	3.5	(9.1)
Dairy	7.9	8.1	5.3	-1.7	1.0	3.2	1.0	-2.0	4.8	0.8
Segment EBIT Margin (%)										
Animal Feed	4.2	4.6	4.0	5.7	6.8	5.9	6.0	5.7	4.6	6.1
Palm Oil	12.1	15.4	19.0	4.9	9.2	16.7	23.7	7.5	14.2	16.2
Crop Protection	20.9	17.1	11.1	18.4	23.8	18.6	6.2	16.9	17.5	17.7
Dairy	-0.6	0.8	2.8	5.2	4.3	2.1	2.5	1.7	2.0	2.7
AF Volumes (000'MT)	**374**	**372**	**390**	**362**	**346**	**362**	**397**	**370**	**945**	**1,013**
AF Realization (INR/kg)	**34.3**	**33.4**	**33.1**	**32.8**	**33.4**	**33.3**	**32.1**	**31.0**	**33.4**	**32.4**
Cost Break-up										
RM Cost (% of sales)	75.8	76.3	76.3	74.5	73.2	74.4	74.4	74.1	75.8	74.0
Staff Cost (% of sales)	5.4	5.5	5.2	6.6	6.0	5.0	5.7	6.1	5.6	5.7
Other Cost (% of sales)	11.1	10.3	11.7	12.0	11.2	11.5	10.9	12.9	11.3	11.6
Gross Margins (%)	24.2	23.7	23.7	25.5	26.8	25.6	25.6	25.9	24.2	26.0
EBITDA Margins (%)	7.7	7.8	6.8	6.9	9.6	9.1	9.0	6.9	7.3	8.7
EBIT Margins (%)	5.6	5.8	4.5	4.3	7.3	6.7	6.7	4.2	5.1	6.3

R R Kabel

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	RRKABEL IN
Equity Shares (m)	113
M.Cap.(INRb)/(USDb)	133 / 1.6
52-Week Range (INR)	1903 / 751
1, 6, 12 Rel. Per (%)	21/-23/-39
12M Avg Val (INR M)	330
Free float (%)	38.2

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	76.2	88.8	102.2
EBITDA	4.9	6.2	7.8
Adj. PAT	3.1	3.9	4.6
EBITDA Margin (%)	6.4	7.0	7.6
Cons. Adj. EPS (INR)	27.6	34.4	40.9
EPS Gr. (%)	4.5	24.7	19.0
BV/Sh. (INR)	190.4	215.7	247.7
Ratios			
Net D:E	(0.0)	0.2	0.2
RoE (%)	15.7	16.9	17.7
RoCE (%)	15.8	15.9	16.2
Payout (%)	25.4	26.2	22.0
Valuations			
P/E (x)	42.5	34.1	28.6
P/BV (x)	6.2	5.4	4.7
EV/EBITDA (x)	27.1	22.1	17.8
Div Yield (%)	0.6	0.8	0.8
FCF Yield (%)	1.0	(3.5)	0.4

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	61.8	61.8	62.8
DII	14.7	14.3	9.4
FII	7.2	7.8	4.2
Others	16.3	16.0	23.7

FII Includes depository receipts

CMP: INR1,176 TP: INR1,230 (+5%) Neutral

Earnings beat led by strong Cables and Wires performance

Targeting ~25% CAGR in cable volume over the next two years

- RRKABEL's 4QFY25 earnings beat our estimate, led by higher-than-estimated revenue/margin in Cables and Wires (C&W). Total revenue increased ~26% YoY to INR22.2b (~7% beat). EBITDA grew 69% YoY to INR1.9b (~28% beat). EBITDA margin surged 2.2pp YoY to 8.8% (est. 7.3%). Adj. PAT rose ~64% YoY to INR1.3b (~33% beat).
- Management indicated strong volume growth of **~14% YoY/24% QoQ** in C&W, reflecting strong demand in domestic and export markets. It is targeting a CAGR of ~25% in cable volume in the next two years, supported by capacity expansion, market share gain and higher exports. RRKABEL expects to improve OPM to double digits (1pp improvement p.a.) by FY28 vs. 6.4% in FY25. It reiterated that **FMEG segment** would achieve **EBITDA break-even by FY26**.
- We raised our FY26 EPS estimate by ~11%, as we increased revenue/margin estimates in C&W. We maintained our FY27 EPS estimate. However, volatility in RM prices and increasing competitive intensity remain key challenges. We value RRKABEL at 30x FY27E EPS to arrive at our revised TP of INR1,230. Maintain Neutral.

Revenue up 26% YoY; OPM expands 2.2pp YoY to 8.8%

- Consol. revenue/EBITDA/PAT stood at INR22.2b/INR1.9b/INR1.3b (up 26%/69%/64% YoY and up 7%/28%/33% vs. our estimates). Gross margin surged 1.2pp YoY to ~20%. Employee cost increased ~2% YoY (stood at 3.6% of revenue vs. 4.4% in 4QFY24). Other expenses rose 24% YoY (stood at 7.2% of revenue vs. 7.4% in 4QFY24).
- Segmental highlights: a) C&W: Revenue grew ~28% YoY to INR19.6b, EBIT rose ~47% YoY to INR1.9b, and EBIT margin surged 1.3pp YoY to ~10%. b) FMEG business: Revenue was up 13% YoY at INR2.6b. The company reported a segment loss of INR91m vs. INR194m/INR44m in 4QFY24/3QFY25.
- In FY25, revenue grew 16% YoY to INR76.2b, led by 15%/20% growth in C&W/FMEG. The C&W segment's EBIT declined ~2% YoY to INR5.0b, and EBIT margin contracted 1.2pp YoY to 7.4%. The FMEG segment reported an EBIT loss of INR459m vs. INR685m in FY24. The company's EBITDA increased 5% YoY to INR4.9b. OPM contracted 60bp YoY to 6.4%. Profit grew 5% YoY to INR3.1b. OCF stood at INR4.9b vs. INR3.4b in FY24. Capex stood at INR3.7b vs. INR1.9b in FY24. FCF stood at INR1.2b vs. INR1.5b in FY24.

Key highlights from the management commentary

- The industry's revenue mix of cables and wires is 65:35, while the company's mix is 70% wires and 30% cables. Its expansion is largely focused on cables. It is confident of achieving a revenue CAGR of ~18% in C&W.
- RRKABLE announced a fresh capex of INR12.0b to be completed in a phased manner by Mar'28. With this capex, it aims to generate revenue of INR45.0b, with an asset turnover of 3.5x.
- Net working capital stood at 56 days vs. 64 days in Mar'24. The company believes normal working capital days should be around 60.

Valuation and view

- RRKABEL surprised positively with a strong beat on both revenue and margin in C&W segment, driven by strong volume growth in cables, positive operating leverage and product mix optimization. Volatility in RM prices is a near-term challenge. While the entry of new players and capacity expansion by existing players could intensify competition in the industry in the long term.
- We estimate RRKABEL's revenue/EBITDA/PAT CAGR of 16%/27%/22% over FY25-27. We estimate the company's C&W segment margin at 7.6%/8.0% in FY26/27 vs. 7.4% in FY25. We estimate the company's net debt to increase to INR8.4b by FY27 vs. INR1.1b by FY25, led by higher capex. The stock is trading fairly at 34x/29x FY26/27E EPS. We value RRKABLE at 30x FY27E EPS to arrive at our revised TP of INR1,230. Maintain Neutral.

Quarterly performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	MOSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales	**15,973**	**16,097**	**16,335**	**17,541**	**18,081**	**18,101**	**17,822**	**22,178**	**65,946**	**76,182**	**20,691**	**7**
YoY Change (%)	29.2	17.7	10.4	15.7	13.2	12.5	9.1	26.4	17.8	13.2	18.0	
EBITDA	**1,129**	**1,209**	**1,126**	**1,153**	**949**	**858**	**1,105**	**1,944**	**4,617**	**4,856**	**1,515**	**28**
YoY Change (%)	182.5	87.7	(4.3)	14.8	(15.9)	(29.1)	(1.8)	68.6	43.2	5.2	31.4	
Adj EBITDA margin (%)	7.1	7.5	6.9	6.6	5.3	4.7	6.2	8.8	7.0	6.4	7.3	144
Depreciation	161	166	165	163	162	175	178	190	655	705	182	5
Interest	144	142	124	128	116	156	162	155	539	589	168	(8)
Other Income	163	148	122	193	185	72	134	119	626	511	140	(15)
PBT	**987**	**1,049**	**959**	**1,055**	**857**	**599**	**900**	**1,718**	**4,050**	**4,074**	**1,305**	**32**
Tax	250	310	250	270	218	101	219	441	1,080	978	341	
Effective Tax Rate (%)	25.4	29.5	26.0	25.6	25.4	16.9	24.3	25.6	26.7	24.0	26.1	
JV share	7	2	0	2	5	(2)	4	14	11	21	3	
Reported PAT	**743**	**741**	**710**	**787**	**644**	**495**	**686**	**1,291**	**2,981**	**3,116**	**967**	**33**
Change (%)	309.8	111.7	(0.7)	20.6	(13.4)	(33.2)	(3.4)	64.0	57.0	4.5	23	
Adj PAT	**743**	**741**	**710**	**787**	**644**	**495**	**686**	**1,291**	**2,981**	**3,116**	**967**	**33**
YoY Change (%)	309.8	111.7	(0.7)	20.6	(13.4)	(33.2)	(3.4)	64.0	57.0	4.5	22.9	
Margins (%)	4.7	4.6	4.3	4.5	3.6	2.7	3.8	5.8	4.5	4.1	4.7	

Segmental performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales												
Cables & Wires	14,231	14,504	14,331	15,231	15,782	16,118	15,425	19,562	58,296	66,888	18,104	8
FMEG	1,851	1,598	2,005	2,310	2,300	1,984	2,396	2,616	7,764	9,296	2,586	1
EBIT												
Cables & Wires	1,246	1,329	1,147	1,320	1,130	818	1,075	1,941	5,043	4,965	1,434	35
FMEG	(170)	(198)	(124)	(194)	(207)	(117)	(44)	(91)	(685)	(459)	(49)	NA
EBIT Margin (%)												
Cables & Wires	8.8	9.2	8.0	8.7	7.2	5.1	7.0	9.9	8.6	7.4	7.9	200
FMEG	(9.2)	(12.4)	(6.2)	(8.4)	(9.0)	(5.9)	(1.8)	(3.5)	(8.8)	(4.9)	(1.9)	(159)

V-Mart Retail

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	VMART IN
Equity Shares (m)	20
M.Cap.(INRb)/(USDb)	62.7 / 0.7
52-Week Range (INR)	4520 / 2054
1, 6, 12 Rel. Per (%)	-6/-25/36
12M Avg Val (INR M)	145

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	32.5	38.7	45.6
EBITDA	3.8	4.9	6.1
NP	0.2	1.3	1.8
EBITDA Margin (%)	11.6	12.6	13.3
Adj. EPS (INR)	10.4	64.4	92.8
EPS Gr. (%)	NM	NM	NM
BV/Sh. (INR)	447.7	518.1	619.5
Ratios			
Net D:E	0.9	0.8	0.6
RoE (%)	2.6	14.6	17.8
RoCE (%)	8.7	13.1	14.6
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	304.1	49.1	34.1
EV/EBITDA (x)	18.6	14.4	11.5
EV/Sales (x)	2.0	1.6	1.3
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	44.3	44.3	44.3
DII	32.9	32.5	34.0
FII	17.5	17.3	15.3
Others	5.3	5.9	6.4

FII Includes depository receipts

CMP: INR3,166 TP: INR3,600 (+14%) Neutral

Good 4Q; profitability improves across formats

- V-Mart Retail's (VMART) revenue grew 17% YoY in 4QFY25, led by 8% SSSG and 12% store additions. EBITDA jumped ~70% YoY (in line) on account of gross margin improvement and lower losses in online segment.
- Management has guided for 17-20% revenue growth in FY26E, driven by mid- to high-single digit SSSG and ~12% store area additions.
- We keep our FY26-27E revenue and EBITDA estimates broadly unchanged, though we significantly raise our PAT estimates, driven by the change in lease accounting. We model a CAGR of 18%/27% in revenue/EBITDA over FY25-27, driven by high-single-digit SSSG, ~65 (~12%) annual store additions and further reduction in LR losses.
- We value VMART at ~13x Mar'27E EV/EBITDA (~25x FY27E pre-IND AS 116 EBITDA) to arrive at our TP of INR3,600. **We maintain Neutral on VMART.**

In-line EBITDA; robust GM expansion offset by ESOP costs

- Revenue grew 17% YoY to INR7.8b, driven by 8% blended SSSG (vs. 15%/10% YoY in 2Q/3Q) and ~12% YoY store addition.
- V-Mart opened 13 new stores (12 V-Mart and one Unlimited) and closed four stores (three V-Mart and one Unlimited) during the quarter, bringing the total store count to 497 (412 V-Mart and 85 Unlimited).
- Gross profit grew 22% YoY to INR2.6b (8% beat), as gross margins expanded 140bp YoY to 33.1% (230bp beat), driven by better full price sale-through.
- Employee expenses grew 45% YoY to INR974m (17% higher vs. our est.), largely led by ESOP expenses in 4Q (INR161m in FY25 vs. Nil in FY24).
- Other expenses declined 12% YoY to INR926m, largely driven by a 20% YoY decline in advertisement expenses, with ad expenses in LR reducing to INR43m from INR119m YoY.
- As a result, EBITDA stood at INR681m (+70% YoY, in line), with margins improving 270bp YoY to 8.7% (20bp beat).
- Pre-Ind AS EBITDA margin expanded YoY to 0.8% (vs. -1.7% in 4QFY24).
- Depreciation and interest declined 11%/51% YoY.
- V-Mart accounted INR242m as a net exceptional gain on account of the reassessment of leases.
- V-Mart reported a PAT of INR185m (vs. our estimate of INR434m loss), led by lower depreciation/finance costs and exceptional gains.

LR losses reduce; margins improve in V-Mart and Unlimited

- **V-Mart (core)** revenue grew ~20% YoY to INR6.6b, with an annualized throughput of ~INR7,950/Sq.ft. SSSG moderated further to 7% (vs. 10%/16% in 2Q/3Q). EBITDA improved 46% YoY to INR623m as margins expanded ~170bp YoY to 9.5%.
- **Unlimited** revenue stood at ~INR1.2b, up 11% YoY, with annualized throughput of ~INR5,820/Sq.ft (+11% SSSG). EBITDA came in at INR126m (+33% YoY) as margins expanded ~170bp YoY to 10.8%.
- **Limeroad** (LR) revenue declined 47% YoY to INR80m. Adjusted for LR, V-Mart revenue (including Unlimited stores) was up ~18% YoY. Operating loss declined 43% YoY to INR68m (vs. INR121m YoY).

Strong FY25 led by SSSG recovery and reduction in LR losses

- FY25 revenue at INR32.5b grew 17% YoY, driven by 12% SSSG (vs. 1% YoY) and ~12% YoY store additions.
- Reported EBITDA grew ~77% YoY as margins expanded ~400bp YoY to 11.6%, largely driven by a sharp ~260bp reduction in ad expenses.
- V-Mart's pre-IND AS 116 EBITDA improved sharply to INR1.4b (from INR96m YoY) as margin expanded ~410bp YoY to 4.4%.
- V-Mart reported a PAT of INR457m (~INR215m excluding exceptional) in FY25, compared to a loss of ~INR0.97b in FY24.
- Inventory days increased slightly to ~111 in FY25 (vs. 107 in FY24), while payable days moderated, leading to YoY stable WC days.
- V-Mart reported an FCF outflow of ~INR0.3b in FY25 (vs. INR0.4b FCF YoY), largely due to adverse working capital changes.

Highlights from the management commentary

- **Demand environment:** Demand trends improved, particularly in tier 2/3 cities, supported by a continued shift from unorganized to organized, while Tier 1 markets also witnessed some upswing. Although macroeconomic signals remain mixed, management does not expect any material impact on consumption in smaller towns. An early tapering of winters, despite delayed onset, impacted sales in the initial part of 4Q, which was offset by early Holi and Eid.
- **Growth guidance:** Management is targeting ~17-20% revenue growth, driven by ~12% store additions and mid- to high-single-digit SSSG.
- **Margin:** Gross margin improvement was largely attributed to better full-price sale-through and better inventory management. EBITDA margin improvement was driven by lower losses in LimeRoad and closure of unprofitable stores. Management expects healthy SSSG with operating leverage to be the key lever for further margin expansions.
- **Store additions:** During FY25, V-Mart added 62 new stores and closed nine stores. For FY26, management is targeting ~65 new stores, with expansion focused on South India (TN, Kerala) and North India (Uttarakhand, GJ, MP and RJ) while strengthening its presence in its core markets of UP and Bihar.

Valuation and view

- The improved productivity of V-Mart/Unlimited stores, the closure of non-performing stores, and lower losses in the online segment have led to improvement in V-Mart's profitability.
- V-Mart continues to be a beneficiary of the shift from unorganized to organized and the massive growth opportunity in the value fashion segment.
- However, with aggressive store expansion by many value retailers, rising competition in value retail remains a key thing to watch out for, given lower profitability and less price elasticity among V-Mart's typical customer base.
- Our FY26-27E revenue and EBITDA remain broadly unchanged, while PAT rises sharply, driven by the change in lease accounting. We model a CAGR of 18%/27% in revenue/EBITDA over FY25-27, driven by high-single-digit SSSG, ~65 (~12%) annual store additions and further reduction in LR losses.
- We value VMART at ~13x Mar'27E EV/EBITDA (~25x FY27E pre-IND AS 116 EBITDA) to arrive at our TP of INR3,600. **We maintain Neutral on VMART.**

Consol. Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Revenue	**6,785**	**5,494**	**8,891**	**6,686**	**7,861**	**6,610**	**10,267**	**7,801**	**27,856**	**32,539**	**7,800**	**0**
YoY Change (%)	15.4	8.5	14.4	12.6	15.9	20.3	15.5	16.7	13.0	16.8	16.7	
Total Expenditure	6,261	5,488	7,694	6,284	6,871	6,224	8,554	7,119	25,725	28,768	7,134	0
EBITDA	**525**	**7**	**1,197**	**402**	**990**	**386**	**1,714**	**681**	**2,131**	**3,771**	**666**	**2**
EBITDA Margin (%)	7.7	0.1	13.5	6.0	12.6	5.8	16.7	8.7	7.6	11.6	8.5	
Depreciation	499	532	583	607	568	592	626	544	2,221	2,330	658	-17
Interest	330	359	376	359	375	391	424	174	1,424	1,365	390	-55
Other Income	15	20	130	44	46	18	34	23	210	121	42	-45
PBT	**-290**	**-864**	**369**	**-520**	**93**	**-580**	**697**	**-13**	**-1,305**	**198**	**-339**	**96**
Tax	**-290**	**-864**	**369**	**-520**	**93**	**-580**	**697**	**229**	**-1,305**	**198**	**-339**	**-167**
Rate (%)	-70	-223	87	-131	-28	-15	-19	44	-337	-18	95	
Reported PAT	24.2	25.8	23.5	25.1	-30.3	2.6	-2.7	19.1	25.9	-9.2	-27.9	
Adj PAT	**-219**	**-641**	**282**	**-389**	**121**	**-565**	**716**	**185**	**-968**	**216**	**-434**	**-143**
YoY Change (%)	**-219**	**-641**	**282**	**-389**	**121**	**-565**	**716**	**-57**	**-968**	**216**	**-434**	**87**

E: MOFSL Estimates

Valuation based on Mar'27E EBITDA

	Methodology	Driver (INR m)	Multiple	Fair Value (INR m)	Value/sh (INR)
EBITDA	Mar'27 EV/EBITDA	6,057	13	78,886	3,984
Less net debt				7,616	385
Total Value				**71,270**	**3,600**
Shares o/s (m)				19.8	
CMP (INR)					3,166
Upside (%)					**13.7**

Source: MOFSL, Company

Quarterly performance

P&L (INR m)	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s est (%)
Revenue	**6,686**	**10,267**	**7,801**	**16.7**	**-24.0**	**7,800**	**0.0**
Raw Material cost	4,567	6,596	5,219	14.3	-20.9	5,398	-3.3
Gross Profit	**2,119**	**3,672**	**2,582**	**21.8**	**-29.7**	**2,402**	**7.5**
Gross Margin (%)	**31.7**	**35.8**	**33.1**	**140bps**	**-267bps**	**30.8**	**229bps**
Employee Costs	670	953	974	45.4	2.2	830	17.4
Other Expenses	1,047	1,005	926	-11.6	-7.8	906	2.1
EBITDA	**402**	**1,714**	**681**	**69.4**	**-60.2**	**666**	**2.3**
EBITDA margin (%)	**6.0**	**16.7**	**8.7**	**272bps**	**NM**	**8.5**	**19bps**
Depreciation and amortization	607	626	544	-10.5	-13.1	658	-17.4
EBIT	-205	1,088	138	-167.2	NM	8	-1533.6
EBIT margin (%)	-3.1	10.6	1.8	483bps	NM	0.1	166bps
Finance Costs	359	424	174	-51.5	-59.0	390	-55.4
Other income	44	34	23	-47.4	-31.1	42	-44.7
Exceptional item	0	0	-242	0.0	0.0	0	NM
Profit before Tax	**-520**	**697**	**229**	**-144.0**	**-67.2**	**-339**	**-167.5**
Tax	-131	-19	44	**-133.5**	**-331.7**	95	
Tax rate (%)	25.1	-2.7	19.1	-600bps	2185bps	-27.9	
Profit after Tax	**-389**	**716**	**185**	**-147.6**	**-74.2**	**-434**	**-142.7**

Source: MOFSL, Company

Sunteck Realty

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	SRIN IN
Equity Shares (m)	146
M.Cap.(INRb)/(USDb)	58.8 / 0.7
52-Week Range (INR)	699 / 347
1, 6, 12 Rel. Per (%)	-3/-29/-16
12M Avg Val (INR M)	314

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	8.5	12.4	21.8
EBITDA	1.9	2.2	4.7
EBITDA (%)	21.8	17.7	21.5
PAT	1.5	1.8	3.8
EPS (INR)	10.3	12.2	26.1
EPS Gr. (%)	111.9	18.4	114.8
BV/Sh. (INR)	222.6	233.2	257.8
Ratios			
Net D/E	0.1	-0.2	0.1
RoE (%)	4.7	5.3	10.6
RoCE (%)	5.1	5.6	10.4
Payout (%)	14.6	12.3	5.7
Valuations			
P/E (x)	39.1	33.0	15.4
P/BV (x)	1.8	1.7	1.6
EV/EBITDA (x)	32.6	23.4	13.3
Div Yield (%)	0.4	0.4	0.4

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	63.3	63.2	63.2
DII	8.2	8.3	9.1
FII	19.3	19.8	18.3
Others	9.2	8.7	9.3

CMP: INR401 **TP: INR540 (+35%)** **Buy**

Presales guidance achieved; FY26 to witness strong launches

The uber-luxury segment drives sales

- Sunteck Realty (SRIN) reported presales of INR8.7b in 4QFY25, up 28% YoY (41% above estimates). Traction in uber-luxury projects increased 36% QoQ, with bookings of INR5.7b, or 66% of total presales. The upper-middle-income segment accounted for 27% of presales (+8% QoQ).
- During FY25, the company achieved presales of INR25.3b (up 32% YoY), fueled by the strong traction in uber-luxury and upper mid-income projects. SRIN surpassed its total presales guidance for FY25 (INR25b).
- Collections grew 5% YoY to INR3.1b in 4QFY25. FY25 collections stood at INR12.6b (+2% YoY). Collection efficiency stood at 50%.
- The company remains debt-free and reported a net cash surplus of INR1.3b as of 4QFY25 end. It intends to utilize the surplus cash to further strengthen its project pipeline.
- **P&L performance:** 4Q revenue fell 52% YoY to INR2.1b (56% below our estimate) as the company only recognized revenue from the Naigaon and BKC projects. SRIN reported EBITDA of INR687m, down 55% YoY (50% below estimate). EBITDA margin came in at 33.3% (up 3.4pp QoQ). Adj. PAT stood at INR504m, down 50% YoY (39% below our estimate).
- For FY25, revenue surged 51% YoY to INR8.5b (23% below estimate). EBITDA came in at INR1.9b, up 58% YoY (27% below estimate). EBITDA margin was 22% (up 1pp YoY). Adj. PAT stood at INR1.5b, up 2.1x YoY (18% below our estimate).

Key concall highlights

- Of the presales of INR8.7b, 66% were driven by the uber-luxury segment (INR5.7b), in which INR1.5b was contributed by BKC and INR4.2b via the Nepean Sea project.
- **Guidance on presales and revenue**: Aided by the strong launch pipeline, management guided for presales growth of 25-30% in FY26. This growth will be driven by the uber-luxury and premium-luxury segments. In FY26, more projects will come up for revenue recognition such as Sunteck City – 4th Avenue, as the project has received occupation certificate.
- **Launch pipeline**: In FY26, SRIN will launch a new phase of ODC (Goregaon West), with a GDV of INR30b (two towers with 0.8-1.0msf area, of which ~0.5msf in one tower to be launched). SRIN will also launch the Beach Residences with a GDV of ~INR2.5-3b along with Sunteck Skypark in Mira Road, with a GDV of ~INR6-7b. The project in Bandra West (having a GDV of INR10b) and the Burj Khalifa Community, Dubai (with a GDV of INR90b), would be launched by the end of FY26 or early FY27.
- **Dubai**: The project will have only two towers with a total area of 1msf. SRIN plans to sell it in 3-4 years following the launch as guided by management.
- **Business development:** No new land acquisition took place in 4QFY25. In 3QFY25, SRIN added the Nepean Sea project-2 with a total GDV of INR24b, which translated into a total GDV of INR54b. This is expected to be launched in FY26. Cumulative GDV as of FY25 stood at ~INR394b.

- SRIN does not intend to compromise on margins for acquisitions, and most acquisitions are expected to be skewed toward the uber-luxury segment, given the strong demand.
- SRIN has started construction of commercial in Avenue 5. Average annual rental income is expected at INR2.5b. The commissioning timeline remains intact, which is by the end of FY27.

Valuation and view

- We expect SRIN to deliver a healthy 24% presales CAGR over FY25-27E, fueled by a ramp-up in launches from both new and existing projects. Further, its sound balance sheet and strong cash flows would spur project additions and drive sustainable growth.
- We value its residential segment based on the NPV of existing pipelines and its commercial segment based on an 8% cap rate on FY26E EBITDA.
- **We reiterate our BUY rating on the stock with a revised TP of INR540 (vs. earlier TP of INR746), implying a 35% upside potential.**

Quarterly performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%)
Net Sales	**706**	**250**	**424**	**4,269**	**3,163**	**1,690**	**1,618**	**2,060**	**5,648**	**8,531**	**4,647**	**-56**
YoY Change (%)	-50.8	-69.1	-52.5	773.4	348.2	577.3	281.1	-51.7			8.8	
Total Expenditure	780	391	573	2,735	2,849	1,317	1,134	1,374	4,476	6,673	3,275	
EBITDA	**-75**	**-141**	**-148**	**1,534**	**314**	**374**	**484**	**687**	**1,173**	**1,858**	**1,372**	**-50**
Margins (%)	-10.6	-56.5	-34.9	35.9	9.9	22.1	29.9	33.3	20.8	21.8	29.5	
Depreciation	18	22	24	31	34	36	31	28	95	129	169	
Interest	173	158	171	182	103	99	87	119	684	409	114	
Other Income	178	113	185	81	117	130	130	118	555	495	188	
PBT before EO expense	**-87**	**-208**	**-158**	**1,402**	**295**	**368**	**495**	**658**	**949**	**1,816**	**1,278**	**-49**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**-87**	**-208**	**-158**	**1,402**	**295**	**368**	**495**	**658**	**949**	**1,816**	**1,278**	**-49**
Tax	-27	-64	-55	386	70	22	69	170	240	331	448	
Rate (%)	31.0	30.5	34.9	27.5	23.9	5.9	13.9	25.9	25.3	18.2	35.1	
Minority Interest & Profit/Loss of Asso. Cos.	7	-6	-6	3	-3	1	1	-17	-1	-18	0	
Reported PAT	**-67**	**-139**	**-97**	**1,013**	**228**	**346**	**425**	**504**	**710**	**1,503**	**830**	**-39**
Adj PAT	**-67**	**-139**	**-97**	**1,013**	**228**	**346**	**425**	**504**	**710**	**1,503**	**830**	**-39**
YoY Change (%)	-127.0	-693.3	-569.3	-463.1	-438.0	-349.6	-537.1	-50.3	NA	111.9	-18.1	
Margins (%)	-9.6	-55.6	-22.9	23.7	7.2	20.5	26.3	24.5	12.6	17.6	17.9	
Operational metrics												
Presales	3,860	3,950	4,550	6,780	5,020	5,240	6,350	8,700	19,140	25,310	6,180	**41**
Collections	2,880	2,140	4,380	2,960	3,420	2,670	3,360	3,100	12,360	12,550	4,428	**-30**

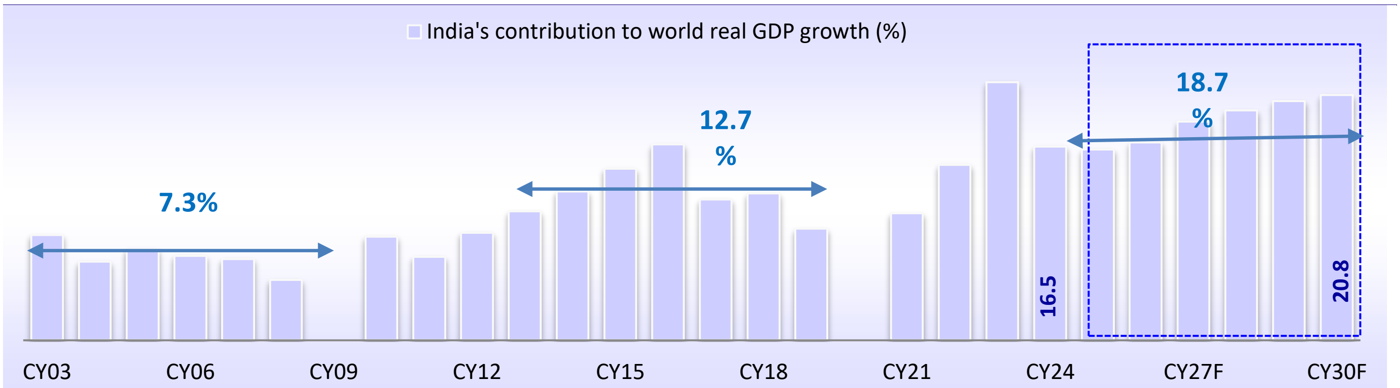
Source: Company, MOFSL

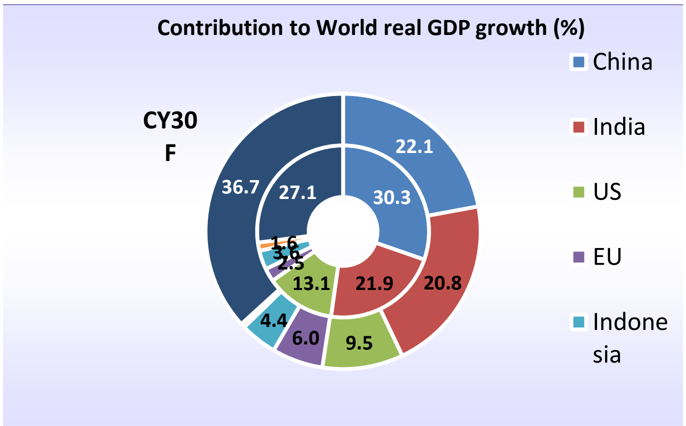
Global Economy - 1QCY25: A one-stop guide to the key macro/financial indicators

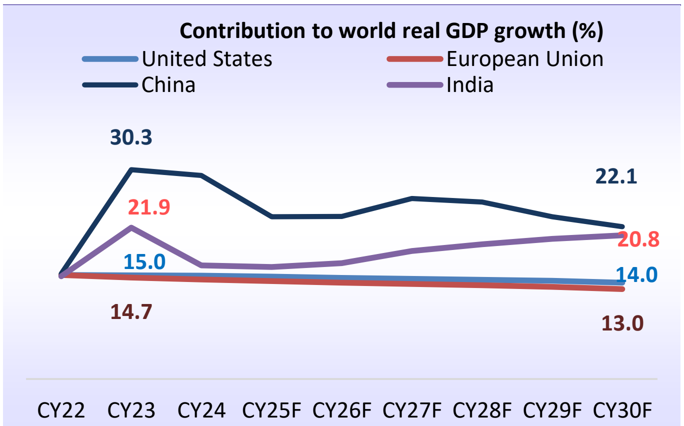
- **Global equity markets saw heavy selloffs in 1QCY25, bond yields softened, and the US dollar (USD) weakened. US President Donald Trump's trade war and China's forceful response to unexpectedly high tariffs led to these movements, which continued in Apr'25 as well.**
- **World real GDP growth was at an 11-quarter high of 3.6% for in 4QCY24. Although India's growth weakened to 6.7% in CY24 from 8.8% in CY23, it was still the world's fastest-growing economy. Retail sales growth went up to a 14-month high of 4% in Feb'25, with 27-month-high growth (of 2.7%) in industrial production during the same month.**
- **Global inflation (excl. TR) eased sharply in Feb'25 to around 1.9% from an average of 2.3% in the previous four months. Even global core inflation (excl. TR) came down to 1.5% in Feb'25 from 1.8% in Jan'25. However, it remained higher than the average of 1.4% in the previous for months.**
- **Monetary stimulus is wearing off globally (shown by shrinking size of central banks' balance sheet); however, the global fiscal deficit likely narrowed to 4.2% of GDP in CY24, the lowest in last five years. Most central banks have already cut interest rates, starting 4QCY24.**
- **Lastly, the US housing and labor markets continue to show resilience, though China's real estate market remains in doldrums.**

India expected to contribute much more to world GDP growth

India's contribution to world real GDP growth rate stood at 21.9% in 2023/FY24, highest since 1980, and is expected to be around 20.8% by 2030/FY31







CAMS

BSE Sensex	S&P CNX
80,797	24,461

CMP: INR3,808 **BUY**

Better-than-expected operating revenue led to beat on PAT

- AAUM grew 23% YoY but declined 2% QoQ to INR45.6t in 4QFY25. Equity AUM rose 28% YoY to INR24.8t.
- CAMS reported operating revenue of INR3.6b in 4QFY25 (7% beat), reflecting 15% YoY growth. For FY25, operating revenue grew 25% YoY to ~INR14.2b.
- Total operating expenses grew 18% YoY to INR1.97b (in-line). Employee expenses/other expenses grew 12%/27% YoY to ~INR1.2b/INR790m.
- EBITDA came in at INR1.6b (17% beat), which grew 11% YoY, reflecting EBITDA margin of 44.7% (vs 46.2% in 4QFY24 and our est. of 40.7%). For FY25, EBITDA grew 29% YoY to INR6.5b.
- Other income at INR134m (19% lower than est.) grew 17% YoY.
- PAT grew 10% YoY to INR1.1b (15% beat) in 4QFY25, driven by strong top-line growth. For FY25, PAT rose 32% YoY to INR4.6b.
- The Board approved final dividend of INR19/equity share.

Valuation and view

- Structural tailwinds in the MF industry are expected to drive absolute growth in MF revenue. With favorable macro triggers and the right investments, the non-MF share of revenues for CAMS is expected to increase in the next three to five years.
- We will update our estimates after the conference call scheduled for 6th May'25.

Conference Call Details

Date: 6th May 2025
Time: 11:00 AM IST
Link for the call

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
AAUM	46.5	54.7	64.4
Revenue	14.2	16.1	18.2
EBITDA	9.5	7.3	8.3
Margin (%)	67.0	45.6	45.4
PAT	7.7	5.3	6.2
PAT Margin (%)	54	33	34
EPS	156.3	108.7	125.9
EPS Grw. (%)	118.2	18.4	15.8
BVPS	228.4	266.9	317.2
RoE (%)	75.3	44.3	43.1
Div. Payout (%)	28.4	60.0	60.0
Valuations			
P/E (x)	24.4	35.4	30.5
P/BV (x)	16.7	14.4	12.1
Div. Yield (%)	1.2	1.7	2.0

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	4QFY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	2,613	2,751	2,897	3,105	3,314	3,652	3,697	3,562	11,365	14,225	3,345	6.5	14.7	(3.7)
Change YoY (%)	10.4	13.5	18.9	24.6	26.8	32.7	27.6	14.7	16.9	25.2	7.7			
Employee expenses	950	977	997	1,048	1,130	1,186	1,197	1,178	3,972	4,691	1,213.5	-2.9	12.4	(1.6)
Total Operating Expenses	1,512	1,530	1,603	1,671	1,816	1,950	1,969	1,968	6,316	7,703	1,985	-0.9	17.8	(0.1)
Change YoY (%)	9.0	12.2	18.4	19.2	20.1	27.5	22.8	17.8	14.7	21.9	18.8			
EBITDA	**1,101**	**1,221**	**1,294**	**1,433**	**1,498**	**1,702**	**1,728**	**1,594**	**5,049**	**6,522**	1,360	17.2	11.2	(7.8)
Other Income	97	96	99	114	117	126	149	134	406	526	165	-18.7	17.4	(10.2)
Depreciation	165	174	185	181	170	184	195	228	705	777	198	15.6	26.2	17.1
Finance Cost	20	20	21	21	21	22	21	20	82	85	21	-1.3	(3.5)	(5.4)
PBT	**1,012**	**1,124**	**1,187**	**1,346**	**1,424**	**1,622**	**1,661**	**1,479**	**4,668**	**6,187**	**1,307**	13.2	9.9	(10.9)
Change YoY (%)	16.4	15.9	21.4	36.6	40.7	44.4	39.9	9.9	22.8	32.5	-2.9			
Tax Provisions	255	286	302	316	354	414	420	351	1,159	1,540	327	7.3	11.2	(16.4)
Net Profit	**757**	**838**	**885**	**1,030**	**1,070**	**1,208**	**1,241**	**1,128**	**3,510**	**4,647**	**980**	15.1	9.5	(9.1)
Change YoY (%)	17.1	16.2	20.3	38.5	41.3	44.2	40.2	9.5	23.3	32.4	-4.8			
Key Operating Parameters (%)														
Cost to Operating Income Ratio	57.9	55.6	55.3	53.8	54.8	53.4	53.3	55.3	55.6	54.1	59.3	-4.1	1.4	2.0
EBITDA Margin	42.1	44.4	44.7	46.2	45.2	46.6	46.7	44.7	44.4	45.9	40.7	4.1	(1.4)	(2.0)
PBT Margin	38.7	40.8	41.0	43.3	43.0	44.4	44.9	41.5	41.1	43.5	39.1	2.5	(1.8)	(3.4)
Tax Rate	25.2	25.4	25.4	23.5	24.9	25.5	25.3	23.7	24.8	24.9	25.0	-1.3	0.3	(1.5)
PAT Margin	29.0	30.5	30.6	33.2	32.3	33.1	33.6	31.7	30.9	32.7	29.3	2.4	(1.5)	(1.9)
Key Parameters														
QAUM (INR t)	30.0	32.5	34.0	37.2	40.3	44.8	46.3	45.6	33.4	46.5	47.2	-3.4	22.6	(1.5)
Share of Equity AUM (%)	46.3	47.7	49.8	51.9	53.3	55.4	55.3	54.4	49.1	53.6			2.5	(0.9)

RR Kabel : Targeting 100 bps Improvement In Cables & Wires Margin In The Current Financial Year; Rajesh Jain, CFO

- Projects 18% growth in its wires and cables business for FY26.
- EBIT margins for wires and cables improved from 7.4% to an anticipated 8-8.5%.
- New capex plan of 1,200 crores aims to expand cable capacity.
- Anticipates a positive revenue growth despite market uncertainties.

Read More

Bajaj Auto:April Has Seen Smart Growth In 2-Wheelers Over March, Marriage Demand Has Driven Sales; Rakesh Sharma, ED

- April sales were slightly below expectations.
- Domestic two-wheeler sales declined by over 10%.
- Marriage season demand showed improvement in April compared to March.
- Exports grew by 4% year-on-year.
- Further export growth is expected in the coming months.
- Bajaj Auto made minor price adjustments due to inflation and competition.
- A steady export growth of 10–15% is anticipated, supporting industry recovery.

Read More

Godrej Properties :Have Surpassed FY25 Guidance On All Fronts; Gaurav Pandey, MD & CEO

- Record FY25 sales of approximately ₹29,444 crore, exceeding its guidance.
- Targets ₹21,000 crore in collections for FY26, down from ₹70,000 crore last year.
- The decline in FY26 delivery guidance reflects a high sales base from 3–5 years ago.
- Business development guidance is set at a conservative yet achievable ₹20,000 crore.
- Focus remains on execution efficiency and strong cash flow management.
- Growth in collections is expected, driven by the quality of recent sales.

Read More

V-Mart Retail: Expect Mid-To-High Single Digit Same-store-sales Growth In FY26; Anand Agarwal, CFO

- V-Mart reported a strong Q4 with revenue up nearly 17% and EBITDA rising 70% year-on-year.
- The company expects mid-to-high single-digit same-store sales growth, in line with recent trends.
- V-Mart is focusing on attracting younger consumers by improving product quality and overall experience.
- Expansion plans include adding 60–65 new stores, with a strong emphasis on southern India.
- Continued investment in the digital business aims to reduce losses and strengthen omni-channel capabilities.

Read More

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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