

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	81,333	1.6	12.6
Nifty-50	24,835	1.8	14.3
Nifty-M 100	57,768	1.8	25.1
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,459	1.1	14.5
Nasdaq	17,358	1.0	15.6
FTSE 100	8,286	1.2	7.1
DAX	18,418	0.6	9.9
Hang Seng	6,011	-0.1	4.2
Nikkei 225	37,667	-0.5	12.6
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	81	-1.7	4.8
Gold (\$/OZ)	2,387	1.0	15.7
Cu (US\$/MT)	8,995	-0.1	6.3
Almn (US\$/MT)	2,234	0.9	-4.8
Currency	Close	Chg .%	CYTD.%
USD/INR	83.7	0.0	0.6
USD/EUR	1.1	0.1	-1.7
USD/JPY	153.8	-0.1	9.0
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.9	-0.01	-0.2
10 Yrs AAA Corp	7.5	-0.01	-0.3
Flows (USD b)	26-Jul	MTD	CYTD
FII	0.3	4.15	4.2
DII	0.33	1.39	29.5
Volumes (INRb)	26-Jul	MTD*	YTD*
Cash	1,490	1496	1289
F&O	1,38,373	3,66,987	3,77,088

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

ICICI Bank: Steady quarter; robust other income drives earnings beat

- ❖ ICICIBC reported a steady quarter, with 15% YoY growth in net earnings (4% beat). NII was in line, while other income was strong, led by healthy treasury gains and dividends. NIMs inched down 4bp QoQ to 4.36%.
- ❖ Credit growth was healthy at 15.7% YoY/3.3% QoQ, led by healthy traction in SME and BB, and relatively slower but decent growth in retail.
- ❖ Deposit growth was slower at 15.1% YoY/0.9% QoQ, similar to peers. On the asset quality side, slippages were slightly higher at INR59.16b/2.2% owing to seasonal KCC slippages.
- ❖ GNPA/NNPA ratios stood broadly flat at 2.15%/0.43%, while contingency buffer remained unchanged at INR131b (1.1% of loans).
- ❖ We fine-tune our EPS estimates for FY25/FY26, projecting RoA/RoE of 2.19%/17.3% by FY26. Reiterate BUY with SoTP-based TP of INR1,400



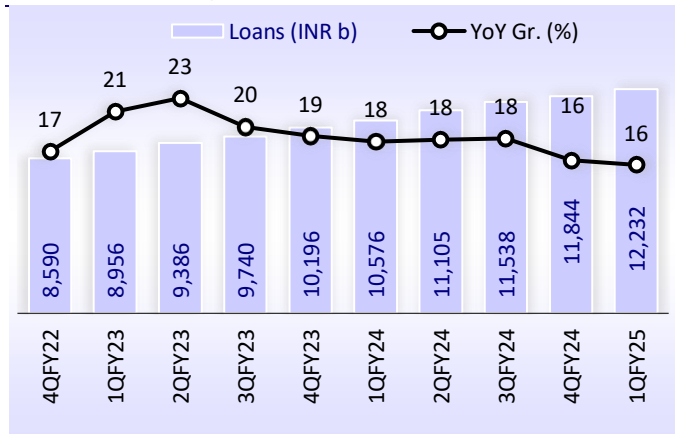
Research covered

Cos/Sector	Key Highlights
ICICI Bank	Steady quarter; robust other income drives earnings beat
Atul	Rising like a Phoenix!; Upgrade to Buy
Maruti Suzuki	Suzuki's tech strategy to minimize energy consumption
UltraTech Cement	Expands footprint in south India with ICEM deal
Other Updates	DLF InterGlobe Aviation Punjab National Bank Cipla Dr Reddy's Labs IndusInd Bank Shriram Finance SBI Cards Ashok Leyland Thermax Mphasis United Breweries IDFC First Bank Indraprastha Gas Bandhan Bank Kaynes Technologies Piramal Pharma Mahanagar Gas Equitas Small Finance Home First Finance Spandana Spohoorty Cholamandalam Inv. & Finance KEC International MCX Zen Technologies Transport Corporation of India Oil & Gas



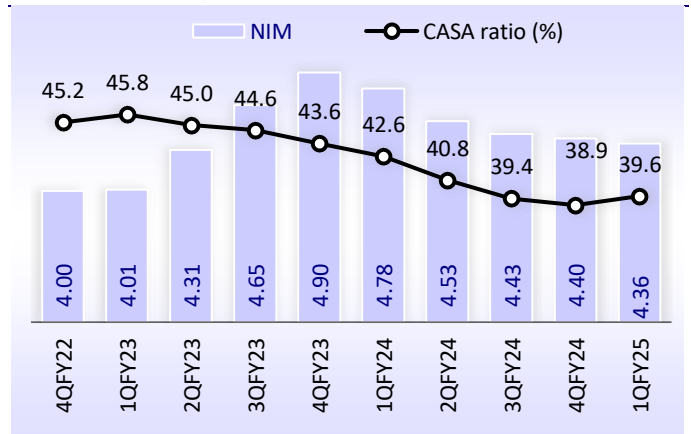
Chart of the Day: ICICI Bank (Steady quarter; robust other income drives earnings beat)

Overall loan book grew 15.7% YoY (~3.3% QoQ)



Source: MOFSL, Company

NIMs declined 4bp QoQ to 4.36%



Source: MOFSL, Company

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

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



Kindly click on textbox for the detailed news link

1

UltraTech acquires India Cements to tighten South hold

The company is also planning to launch the world's first CNG bike, which will halve the commuting expenses

2

Tata Motors in legal battle with EPFO over pension fund transfer

Tata Motors is in a legal conflict with the EPFO over transferring its employee provident fund. Tata Motors seeks to surrender its exempted status, but EPFO requires detailed documentation.

3

Mahindra Holidays & Resorts sees 85% occupancy

The company, which witnessed 90% resort occupancy on an expanded inventory base in the first quarter of this fiscal, expects it to be softer in the second quarter. "Q1 is a peak quarter. Q2 will dip, Q3 will climb again. So it's a bit seasonal, but overall for the year, we expect around 85% kind of occupancy," MD and CEO Manoj Bhat said.

4

Vizag Steel Plant misses payment, lenders look for cover

Government-owned Rashtriya Ispat Nigam Ltd (RINL) missed a payment to lenders due to financial stress, raising alarms among stakeholders. With Rs 14,000 crore in term loans and Rs 15,000 crore in fund-based limits, the company defaulted on a Rs 410 crore payment on June 30.

5

Relaxing FDI from China: Govt to tread with caution

In areas like mobile phone manufacturing where India has already built a considerable manufacturing base the ministry is not very keen on Chinese FDI.

6

Rural green shoots visible, but FMCG firms watchful

As the government increased allocations to agriculture and allied sectors in the Union Budget for FY25 presented last week, apart from giving a fillip to spending in urban areas, FMCG companies hope consumption growth in rural areas, which stood at 1.1% over 20 years, will gather pace.

7

EU-approved medical devices' imports may be eased

The Indian government is considering exempting medical devices approved in the European Union from clinical investigation requirements, similar to devices approved in the US, UK, Australia, Canada, and Japan.



ICICI Bank

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	ICICBC IN
Equity Shares (m)	7036
M.Cap.(INRb)/(USDb)	8496.7 / 101.5
52-Week Range (INR)	1258 / 899
1, 6, 12 Rel. Per (%)	-5/3/-4
12M Avg Val (INR M)	17083

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	743	830	952
OP	581	655	768
NP	409	450	514
NIM (%)	4.7	4.5	4.4
EPS (INR)	58.4	64.1	73.2
EPS Gr (%)	27.5	9.8	14.2
ABV/Sh (INR)	320	374	438
Cons. BV/Sh (INR)	363	433	503

Ratios

RoE (%)	18.9	17.7	17.3
RoA (%)	2.4	2.2	2.2

Valuations

P/BV (x) (Cons)	3.3	2.8	2.4
P/ABV (x)	3.1	2.6	2.2
P/E (x)	20.7	18.8	16.5
Adj P/E (x)*	16.8	15.3	13.4

*Adjusted for Investment in subsidiaries

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	0.0	0.0	0.0
DII	36.2	36.7	36.7
FII	56.1	55.6	55.3
Others	7.7	7.7	8.0

FII Includes depository receipts

CMP: INR1,207 TP: INR1,400 (+16%) Buy

Steady quarter; robust other income drives earnings beat

NIM moderates 4bp QoQ

- ICICIBC reported a steady quarter, with 15% YoY growth in net earnings (4% beat).
- NII was in line, while other income was strong, led by healthy treasury gains and dividends. NIMs inched down 4bp QoQ to 4.36%.
- Credit growth was healthy at 15.7% YoY/3.3% QoQ, led by healthy traction in SME and BB, and relatively slower but decent growth in retail. Deposit growth was slower at 15.1% YoY/0.9% QoQ, similar to peers.
- On the asset quality side, slippages were slightly higher at INR59.16b/ 2.2% owing to seasonal KCC slippages. GNPA/NNPA ratios stood broadly flat at 2.15%/0.43%, while contingency buffer remained unchanged at INR131b (1.1% of loans).
- We fine-tune our EPS estimates for FY25/FY26, projecting RoA/RoE of 2.19%/17.3% by FY26. **Reiterate BUY with SoTP-based TP of INR1,400.**

Asset quality stable; well poised to sustain growth leadership

- ICICIBC's 1QFY25 PAT grew 15% YoY to INR110.6b (in line), led by steady NII and robust other income even as provisions and opex were slightly higher than expected. The bank reported annualized RoA of 2.36% and RoE of 18%.
- NII grew 7% YoY/2.4% QoQ (in line), as the bank reported healthy credit growth at 15.7% YoY/3.3% QoQ. NIMs declined 4bp QoQ to 4.36%. Other income surprised positively (15% beat), driven by healthy treasury gains and dividends from subs.
- Opex rose 11% YoY (largely in line), as 1Q factored in seasonality of employee increments. PPOP thus grew 13% YoY at INR160b (5% beat). Core PPOP grew 11% YoY/ 0.6% QoQ.
- On the business front, advances grew 15.7% YoY/3.3% QoQ, led by BB/SME loans and relatively slower growth in retail. Within retail, housing and rural grew at a healthy pace, while unsecured credit (PL/CC) continued to grow at a healthy pace. Unsecured loan mix stood at 14% of total loans. SME book increased by 24% YoY, while BB grew 37% YoY.
- On the liability front, deposits grew 15.1% YoY/0.9% QoQ, led by faster growth in TDs, whereas CA book declined after seasonal flows in 4Q leading to a decline in the CASA ratio to 40.9% (down 125bp QoQ).
- Fresh slippages inched up to INR59.2b/2.2% amid KCC slippages of INR7.2b. GNPA/NNPA ratios stood broadly flat at 2.15%/0.43%. PCR stood at ~80% in 1QFY25 (down 56bp QoQ).

Highlights from the management commentary

- Yields slightly decreased despite an increase in the share of high-yielding products.
- There were good gains in the SR portfolio due to redemptions. MTM on FVTPL, now recognized in P&L, led to healthy treasury income.

- The new investment guidelines have increased the AFS reserve by INR32b.
- LDR is in the low to mid-80s and is expected to stay around these levels.
- The pace of recoveries in retail will vary, and a slowdown is expected. Credit cost is below 50bp but might gradually increase.

Valuation and view: Maintain Buy with a revised TP of INR1,400

ICICIB reported a steady quarter, unlike many of its large peers. NII growth has been consistent, and the pace of NIM compression has slowed, while opex has been well under control, even after adjusting for employee increments in 1Q. The bank's substantial investment in technology offers some cushion against opex costs. A stable mix of a high-yielding portfolio (Retail/Business Banking) and ongoing growth in Business Banking, SME, and secured retail segments are driving broad-based growth, helping the bank maintain healthy business diversification. Asset quality has remained stable, with no signs of stress, leading to stable GNPA/NNPA ratios. The additional contingency provisioning buffer of INR131b (1.1% of loans) provides further comfort in case of any future cyclical stress. We cut our EPS estimates slightly by 2.3%/2.0 for FY25/FY26 and estimate RoA/RoE of 2.19%/17.3% in FY26. We expect the bank to sustain a ~12% CAGR in PAT over FY24-26E. **Reiterate BUY with an revised SoTP-based TP of INR1,400 (2.7x FY26E ABV + INR227 for subs) (previous TP of INR1,350).**

Quarterly performance (INR b)

	FY24				FY25				FY24	FY25E	FY25	v/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	Est	
Net Interest Income	182.3	183.1	186.8	190.9	195.5	201.8	210.9	222.1	743.1	830.3	195.3	0%
% Change (YoY)	38.0	23.8	13.4	8.1	7.3	10.2	12.9	16.3	19.6	11.7	7.1	
Other Income	54.4	57.8	61.0	56.5	70.0	64.8	66.5	67.7	229.6	269.1	61.1	15%
Total Income	236.6	240.8	247.8	247.4	265.5	266.6	277.4	289.8	972.6	1,099.4	256.4	4%
Operating Expenses	95.2	98.6	100.5	97.0	105.3	108.9	113.8	116.5	391.3	444.4	103.3	2%
Operating Profit	141.4	142.3	147.2	150.4	160.2	157.7	163.6	173.4	581.3	654.9	153.1	5%
% Change (YoY)	37.2	21.8	10.9	8.8	13.3	10.8	11.1	15.3	18.4	12.7	8.3	
Provisions	12.9	5.8	10.5	7.2	13.3	13.1	15.7	14.2	36.4	56.4	11.9	12%
Profit before Tax	128.5	136.5	136.7	143.2	146.9	144.6	147.8	159.2	544.9	598.5	141.2	4%
Tax	32.0	33.9	34.0	36.1	36.3	35.7	36.5	39.9	136.0	148.4	34.9	4%
Net Profit	96.5	102.6	102.7	107.1	110.6	108.9	111.3	119.3	408.9	450.0	106.3	4%
% Change (YoY)	39.7	35.8	23.6	17.4	14.6	6.1	8.4	11.4	28.2	10.1	10.2	
Operating Parameters												
Deposit	12,387	12,947	13,323	14,128	14,261	15,021	15,691	16,361	14,128	16,361	14,594	-2%
Loan	10,576	11,105	11,538	11,844	12,232	12,750	13,354	13,858	11,844	13,858	12,259	0%
Deposit Growth (%)	17.9	18.8	18.7	19.6	15.1	16.0	17.8	15.8	19.6	15.8	17.8	
Loan Growth (%)	18.1	18.3	18.5	16.2	15.7	14.8	15.7	17.0	16.2	17.0	15.9	
Asset Quality												
Gross NPA (%)	2.8	2.5	2.3	2.2	2.2	2.3	2.2	2.2	2.3	2.2	2.3	
Net NPA (%)	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	
PCR (%)	83.1	83.1	81.3	80.8	80.2	79.8	79.5	79.4	80.8	79.4	80.5	

Source: MOFSL estimate, Company



Atul

BSE SENSEX
81,333

S&P CNX
24,835

CMP: INR7,551 TP: INR9,100 (+21%) Upgrade to Buy



Stock Info

Bloomberg	ATLP IN
Equity Shares (m)	29
M.Cap.(INRb)/(USDb)	222.3 / 2.7
52-Week Range (INR)	7598 / 5175
1, 6, 12 Rel. Per (%)	14/3/-10
12M Avg Val (INR M)	390
Free float (%)	54.8

Financials Snapshot (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	53.7	61.0	68.2
EBITDA	9.1	11.1	13.3
PAT	4.7	6.3	7.9
EPS (INR)	160.8	214.4	269.8
EPS Gr. (%)	55.5	33.3	25.8
BV/Sh (INR)	1,873.0	2,053.8	2,279.9

Ratios

Net D:E	0.1	0.0	-0.0
RoE (%)	8.9	10.9	12.5
RoCE (%)	8.4	10.2	11.8
Payout (%)	18.2	18.2	18.2

Valuations

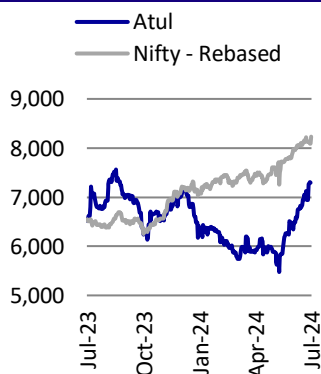
P/E (x)	47.0	35.2	28.0
P/BV (x)	4.0	3.7	3.3
EV/EBITDA (x)	24.8	20.1	16.6
Div. Yield %	0.4	0.5	0.7
FCF Yield %	-0.1	1.4	2.1

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	45.2	45.2	45.1
DII	25.8	25.7	26.2
FII	8.6	8.5	7.6
Others	20.4	20.7	21.2

FII Includes depository receipts

Stock performance (one-year)



Rising like a Phoenix!

- *“They will rise from the ashes, but the burning comes first. For this part, they must be brave.”* ATLP has burned for three long years (FY22-24) and it is a classic case of valuations perched higher despite a significant decline in earnings. During FY22/FY23/FY24, EBITDA declined 1%/15%/18% YoY and earnings declined 9%/15%/39% YoY. Margin contracted sharply by 11.1pp from the high of 24.6% in FY21. Weak demand in end-user markets and significant pricing pressure amid Chinese supplies were the main reasons for this downfall during FY22-24. Accordingly, the stock price tanked ~48% (in absolute terms, as of May’24) from its peak in Oct’21.
- During this time, the management has been berated on multiple occasions by the investor community on capital misallocation for setting up commodity chemical capacities instead of specialty ones after it generated a record amount of FCF (INR9b) during FY20-21. However, the management has reiterated several times that these are sound investments and will be beneficial for the overall business.
- That said, with the capex cycle (INR19.7b during FY22-24) almost over and teething problems in some capacities put to rest, we believe that ATLP is ready to make a comeback in the next 2-3 years, glimpses of which we have seen in 1QFY25 earnings. Investments are set to be supported by a gradual recovery in the sub segments that ATLP operates in and the management’s efforts to expand its capacities for key products and for debottlenecking the existing ones. We upgrade our rating to BUY.

Getting better with cyclical recovery kicking in

- The **Life Science Chemicals segment** was affected (negative CAGR of 13% during FY22-24) by a double whammy of demand weakness and price erosion due to a glut from Chinese supplies leading to pricing pressure. It is recovering gradually, with crop protection segment (domestic business is 53% out of which 56% is retail business, *see exhibit 9*) supporting the sequential uptick as seen in the 1QFY25 earnings. During Jun-Jul’24 to date, the country has seen a rainfall surplus of ~2%, which bodes well for the domestic agrochem industry. The Indian pharma market (IPM) recorded decent growth YoY in the previous three months, while the aromatics segment is being supported by the Personal and Fragrance industry.
- In the **Performance & Other Chemicals segment**, bulk chemicals, colors and polymers witnessed a negative CAGR of 10%, 17% and 4%, respectively, during FY22-24 as global capacities resumed and supply chain constraints eased across the world in the post-Covid recovery. There was a downturn in commodity prices as well after the peak prices seen during the supply chain disruption. Currently, we are seeing a good demand recovery on the discretionary side of the portfolio and the commodity cycle is turning positive with prices largely bottoming out for most players in the industry. Backward integration into Caustic Soda would help ATLP become a fully integrated player in the sub-segments of bulk chemicals and intermediates.

- The capex cycle is almost over for the company and the unrealized sales potential currently stands at INR17.1b from existing capacities. Incremental sales of INR8b could be contributed by various projects at different stages of commissioning currently. Total revenue potential stands at INR72.4b currently (FY24 revenue at INR47.3b).

Sub-segments offer opportunity for rapid growth

- During Jun-Jul'24 to date, the country has seen a rainfall surplus of ~2% (24% for South Peninsula and 12% for Central India). North West India and East & North East India has accounted for 16%/14% deficit of rainfall in the country during the same period. This bodes well for domestic agrochem companies and should result in a strong recovery in the sector this year. UPL, in its 4QFY24 concall, indicated that demand was gradually improving and could normalize in 2HFY25. Sharda Cropchem in its 1QFY25 call noted that prices in the agrochemicals segment would improve gradually.
- IPM grew 6.7% YoY in Jun'24 (vs. 9.8% in May'24 and 5.3% in Jun'23). For the 12 months ending in Jun'24, IPM grew 7.6% YoY. Growth was led by pricing/new launches, which contributed 4.2% YoY/2.9% YoY to overall growth. This comes on the back of strong growth in May'24 and Jun'24. Dapsone (50% market share of ATLP) is used to treat various medical issues, primarily leprosy, a persistent bacterial infection of the skin and nerves.
- India produced a higher number of cars in 4QFY24 and ATLP management is confident that all the products sold to the tyre industry have a bright outlook. As per Grasim, international average caustic soda prices remained range-bound in 4QFY24 at USD451/mt and they appear to have bottomed as the rates have gradually improved during the latter part of FY24. As per a [recent news article](#), caustic soda prices have surged in Jul'24 as Hurricane Beryl disrupts supply chains.
- Destocking position has come to an end and a gradual recovery is visible. Prices have bottomed out completely in the dyestuff industry. Recently, [Heubach GmbH also filed for insolvency](#), which could prove beneficial for ATLP. The polymer market expanded 8-10% YoY in 1QFY25 and is expected to grow more than 10% YoY in 2QFY25. Reliance Industries has also indicated that demand for Polymer and Polyester remains strong amid robust economic activities. Polymer deltas have been improving due to better realization amid stable demand.

Faster-than-anticipated recovery led to strong 1QFY25

- ATLP reported higher revenue than our estimate in 1QFY25, with a 21% QoQ growth in the life science chemicals segment and a 7% rise in the performance & other chemicals segment. **Gross margin came in at 50%, while EBITDAM expanded 150bp YoY to 16.9%.**
- **The Life Science Chemicals segment's contribution to EBIT expanded to 44% in 1QFY25 (from 37% in 1QFY24)**, whereas the contribution of Performance & Other Chemicals declined to 53% in 1QFY25 (from 62% in 1QFY24). Life Science EBIT margin expanded 180bp YoY to 16.8%, while that of Performance and Other Chemicals declined 110bp YoY to 9.1% in 1QFY25.

- The management highlighted that all the capex programs completed in the previous few years have an unrealized sales potential of INR11b for the standalone business and INR6.1b for subsidiaries. The peak revenue potential from the new capex programs that are at various stages of implementation is INR8b. The total revenue potential for ATLP (consolidated) stands at INR72.4b in the next 2-3 years (*see exhibit 2*).
- **Due to the outperformance in 1QFY25 and a sustained recovery in sight, we raise our EBITDA/EPS estimates by 22%/37% for FY25 and 29%/32% for FY26.** We also introduce FY27 estimates in our model and estimate a CAGR of 13%/28%/38% in revenue/ EBITDA/PAT during FY24-27.

Valuation and view

- End-user market demand has picked up and we believe that overall demand will also pick up in 2HFY25. The company is undertaking various projects and initiatives aimed at improving plant efficiencies, expanding its capacities for key products, debottlenecking its existing capacities, capturing a higher market share and expanding its international presence.
- ATLP is set to commission its liquid Epoxy resins plant of 50ktpa capacity in FY25 (revenue potential of INR8b). Its Caustic Soda plant (300tpd) also faced teething issues in Dec'23, which were largely resolved in 1QFY25. Anaven (Monochloro Acetic acid) is also expected to ramp up its plant for optimum utilization due to better offtake in FY25.
- The stock is trading at 35x FY26E EPS of INR214 and 20x FY26E EV/EBITDA. We value the stock at 40x Jun'26E EPS (discount of 11% to five-year average of 45x) to arrive at our TP of INR9,100. We upgrade our rating to BUY on ATLP. The upside risk could be a faster-than-expected ramp-up of new projects and products. Downside risks include weaker-than-expected revenue growth and margin compression amid further delays in the commissioning of new projects.



Maruti Suzuki

BSE SENSEX 55,320 S&P CNX 16,478

CMP: INR12,664 TP: INR14,440 (+14%) Buy



Stock Info

Bloomberg	MSIL IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	3981.5 / 47.6
52-Week Range (INR)	13300 / 9254
1, 6, 12 Rel. Per (%)	0/12/4
12M Avg Val (INR M)	6335
Free float (%)	41.8

Financials Snapshot (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	1,409	1,541	1,714
EBITDA	164	189	214
Adj. PAT	132	151	169
Adj. EPS (INR)*	429	486	543
EPS Gr. (%)	56.8	13.2	11.8
BV/Sh. (INR)	2,671	3,027	3,420

Ratios

RoE (%)	15.7	15.9	15.7
RoCE (%)	20.5	20.7	20.4
Payout (%)	29.1	29.8	30.4

Valuations

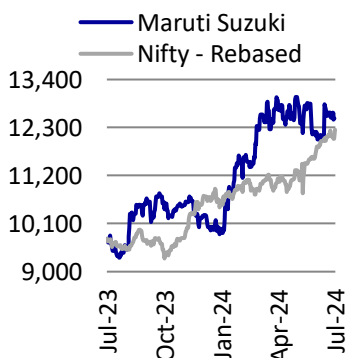
P/E (x)	29.6	26.1	23.4
P/BV (x)	4.7	4.2	3.7
EV/EBITDA (x)	20.1	17.1	14.7
Div. Yield (%)	1.0	1.1	1.3

*Cons. Adj.

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	58.2	58.2	56.5
DII	19.5	19.0	18.2
FII	19.0	19.7	21.9
Others	3.3	3.2	3.4

Stock Performance (1-year)



Suzuki's tech strategy to minimize energy consumption

Suzuki's manufacturing principle: smaller, fewer, lighter, shorter, beauty

Suzuki, the parent company of Maruti Suzuki India (MSIL), has unveiled its next 10-year technology strategy aimed at achieving minimal energy consumption throughout the lifecycle of its products. This goal will be pursued through the principles of Sho-Sho-Kei-Tan-Bi, a Japanese abbreviation for "smaller, fewer, lighter, shorter and beauty." The strategy encompasses five strategic approaches: 1) the development of a "light-weight yet safe vehicle" as the core foundation, 2) the design of "lean-battery EV and HEV" with optimized materials to meet consumer needs, 3) the integration of "high-efficiency ICE with CNF," 4) the implementation of "SDV right" for value creation through cost-effective systems, and 5) the promotion of "easy recyclability and disassembly design" to support a circular economy. Some of the focus areas are: 1) further working on weight reduction of 100kg for the next 10 years; 2) in EVs and hybrids, using minimum necessary batteries without excess in order to ensure energy efficiency; and 3) working toward a circular economy. Suzuki believes hybrid cars are the best choice until non-fossil based electric energy usage becomes fully widespread. Accordingly, MSIL has embraced a multi-tech approach (working on CNG, flex fuels, hybrids, and EVs) to achieve its emission targets. It is probably the only company in India to be working on diverse technologies to suit Indian consumer needs. MSIL continues to be our top pick in Auto OEMs with a TP of INR14,440 (premised on 26x June-FY26E EPS).

We outline below the detailed five-pronged strategy that Suzuki plans to follow to achieve its desired goals:

1. Light-weighting body structure without compromising on safety

- Suzuki's technology focuses on creating lightweight automobile bodies without compromising safety. It plans to enhance the current 'HEARTECT' platform to achieve this. Suzuki believes that reducing vehicle weight will indirectly lower energy consumption during use and manufacturing.
- For example, ALTO's body weight had increased from 545kg (1st generation) to 740kg (7th generation) due to regulatory changes and customer demands. However, in the 8th generation, Suzuki has reduced the car's weight by 120kg to 620kg while maintaining safety standards. The company now aims to reduce the weight by a further 100kg in the next 10 years.

2. Lean battery for BEVs and HEVs

- Suzuki plans to launch battery electric vehicles (BEVs) starting next year, focusing on energy minimization and lightweight platforms. It will continue to develop efficient E-axes, small battery packs for suitable driving range, and durable, safe, fast-charging electric technologies.
- Suzuki aims to create lean-battery electric technologies that use the minimum necessary batteries, ensuring energy efficiency and sustainability in vehicles.

- Until non-fossil based energy usage becomes fully widespread, Suzuki considers hybrid electric vehicles (HEVs) as the best solution.
- Suzuki is developing a lean-battery Super Ene-Charge with 48V while enhancing motor output. As per the company, 48V is well suited for Suzuki's small and lightweight cars.
- Suzuki is committed to delivering the most energy-efficient EVs tailored to specific countries, regions, and customer usage through optimized battery capacity and minimized battery consumption.

3. Focusing on software defined vehicle (SDV)

- Suzuki is creating an affordable system called "SDV right," which exemplifies energy minimization through the principles of "Sho-Sho-Kei-Tan-Bi," aimed at adding value to its cars.
- Here, the software updates will be provided in an optimal blend of wired and wireless (OTA) methods, ensuring they are user-friendly and not excessive.
- The company believes it is essential to develop advanced driver assistance systems (ADAS) that are tailored to the specific road and driving conditions of each country to effectively support safe driving.
- In India, a major market for Suzuki, the distinctive traffic conditions and congestion, make it challenging to directly implement Japanese solutions. Drawing on Suzuki's 40 years of experience in India, the company plans to create and offer ADAS that functions effectively even in the crowded streets of Indian cities.

4. High-efficiency ICE/CNG technology

- In 2023, Suzuki launched the Z12E engine, designed for optimal combustion, and integrated it with the new Swift. This engine reached a thermal efficiency of 40%, a key goal for its engineering team.
- Going forward, it plans to enhance this high-efficiency engine technology and explore the effective combustion of carbon-neutral fuels such as biogas and bioethanol. Its aim is to achieve high efficiency through fast combustion and reduced emissions. Additionally, it will focus on developing engines that are compatible with the "Super Ene-Charge" electrification technology.

5. Focus on minimizing energy consumption and achieving circular economy

- While refining technologies to minimize energy consumption, Suzuki is also working on a circular economy that considers the entire lifecycle.
- It will further expand its current initiatives for reuse of batteries, including a structure of collection systems, recycling of resin, easy disassembly design, promoting the use of recycled materials, and use for streetlights.
- In India, Suzuki is working on collection system and has started dismantling and re-materializing. It endeavors to realize a circular economy.

Automobile EV sales ratio forecast for the industry across geographies

- Regional EV transition forecasts differ due to variations in energy conditions and infrastructure.

- For Japan, the national strategy targets to transition to 100% EV sales (including hybrids) by 2035. Within EVs, it is anticipated that HEVs will account for 70% of total sales.
- In India, the market is projected to have one-third each for internal combustion engine (ICE) vehicles (including CNG and biofuels), HEVs and EVs.
- In Europe, the contribution from EVs is estimated to be much higher.

Valuation and view

- MSIL has been one of our top picks in OEMs ([link for our thematic note](#)) given: i) its continued outperformance in both cars and UVs, ii) a multi-tech approach that suits Indian needs, and iii) attractive valuations relative to peers.
- MSIL is probably the only PV player in India that has embraced a multi-tech approach (working on CNG, flex fuels, hybrids, and EVs) to achieve its emission targets. We believe this is an appropriate strategy for the Indian market.
- While the domestic PV industry is likely to see some slowdown in FY25, we anticipate MSIL to continue to outperform in both cars and UV segments. Overall, we expect MSIL to post a 13% earnings CAGR over FY24-26. Besides, any government incentives for hybrid or CNG or flex fuels are likely to lead to a re-rating of MSIL in the future. The stock trades at 26x/23x FY25E/FY26E consolidated EPS. We reiterate our BUY rating on MSIL with a TP of INR14,440 (premised on 26x June-FY26E EPS).

MSIL- upcoming launches in the non-ICE categories

Model	Powertrain	Price Range	Launch date
Swift Hybrid	Hybrid	INR1m	Sep'24
eVX	Electric	INR2.2-2.5m	Dec'24
WagonR Electric	Electric	INR0.85m	Jan'26
Fronx EV	Electric	INR1.2m	Mar'27

Source: Cardekho, MOFSL



UltraTech Cement

BSE SENSEX
81,333

S&P CNX
24,835

CMP: INR11,673 TP: INR13,000 (+11%) Buy



Bloomberg	UTCEM IN
Equity Shares (m)	289
M.Cap.(INRb)/(USDb)	3370 / 40.2
52-Week Range (INR)	12078 / 7941
1, 6, 12 Rel. Per (%)	1/1/14
12M Avg Val (INR M)	3596

Financial Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	733	884	994
EBITDA	137	177	209
Adj. PAT	75	99	120
EBITDA Margin (%)	19	20	21
Adj. EPS (INR)	261	337	409
EPS Gr. (%)	7	29	21
BV/Sh. (INR)	2,303	2,737	3,145

Ratios

Net D:E	(0.0)	(0.0)	(0.1)
RoE (%)	11.9	13.5	14.1
RoCE (%)	11.3	12.8	13.4
Payout (%)	17.2	16.3	6.7

Valuations

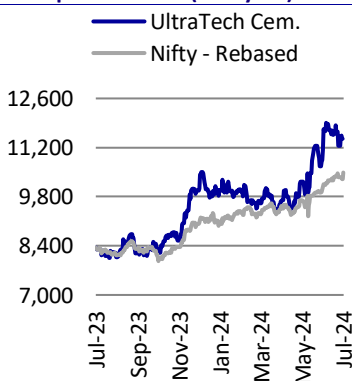
P/E (x)	44.7	34.7	28.6
P/BV (x)	5.1	4.3	3.7
EV/EBITDA(x)	24.2	18.9	15.6
EV/ton (USD)	244	217	196
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	1.1	2.0	2.7

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	60.0	60.0	60.0
DII	14.0	14.3	16.1
FII	18.8	18.4	16.5
Others	7.2	7.3	7.5

FII Includes depository receipts

Stock's performance (one-year)



Expands footprint in south India with ICEM deal

Purchasing promoters' stake in India Cements

- UltraTech Cement (UTCEM) has announced the purchase of a 32.72% stake of the promoters and promoters' group in India Cements (ICEM) at a price of INR390 per share (cash outflow of INR39.54b). The acquisition cost works out to be USD115/t, which we believe is an attractive valuation and higher than the cost of previous deals in the south region (USD90/t).
- Earlier, UTCEM had made a financial investment in ICEM by purchasing a 22.77% stake. This transaction will increase UTCEM's aggregate holding in ICEM to 55.49% and will trigger a mandatory open offer to acquire an additional 26% stake at a price of INR390 per share. The transaction is subject to statutory and regulatory approvals, including CCI approval. The deal is expected to be completed within six months.
- ICEM has clinker/grinding capacity of 11.1mtpa/14.5mtpa spread across the South and Rajasthan. ICEM's capacity utilization stood at 62%/60% during FY23/FY24. It reported an operating loss in FY23 due to significant cost inflation and weak EBITDA/t of INR115 in FY24, due to pricing pressure in its key market (South). ICEM's debt stood at INR26.0 as of Mar'24.
- In our recent report "[Journey of growth, scale and leadership,](#)" we noted that UTCEM is balancing out its pan-India presence through organic and inorganic expansions. We believe this acquisition will strengthen the company's presence in southern India. We have a BUY rating on UTCEM with a TP of INR13,000, valuing at 20x Jun'26E EV/EBITDA.

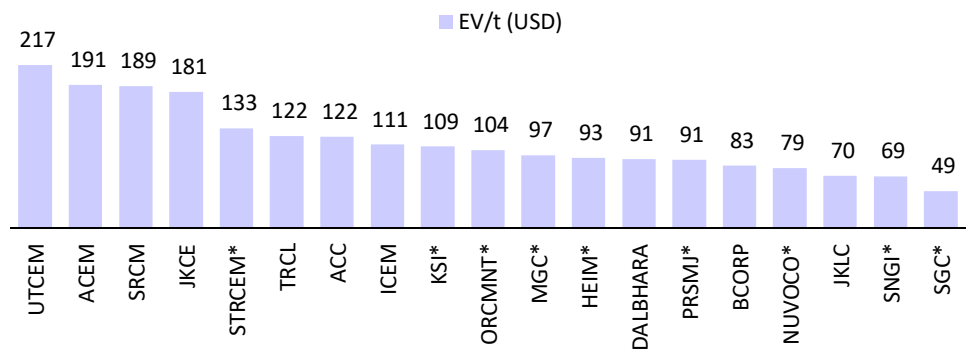
Rerating possible for small/mid-size companies

- This deal may further elevate expectations of getting better valuations for acquisition targets. We believe that UTCEM will have to incur additional capex for the modernization of ICEM's plants in addition to providing exit to the promoters at an attractive valuation.
- Hence, companies with a presence in better regions (North, Central, Gujarat) or higher capacities will demand higher valuations, and we may see further rerating in valuation multiples (on replacement cost basis) of small/mid-sized companies.
- We continue to believe that valuation multiples of UTCEM and ACEM will continue to rerate even when there are concerns related to lower cement prices for the last few months. The industry is directionally moving toward higher consolidation, which, in the long term, should improve cement prices.
- In our recent [thematic note](#), we highlighted cost benefits of increasing usage of green power for different companies, where Adani group, UTCEM and JKCE stand out from many other players. The increase in the network of manufacturing capacities can also help to reduce lead distance (higher benefits for UTCEM and Adani group) and hence, higher reduction in cost metrics compared to other players in the industry.

Valuation and view

- UTCEM is maintaining its leadership position in the Indian cement industry, with its long-term expansion strategy in key markets. Over the years, the company has balanced out its pan-India presence with all-round capacity expansions. Earlier (in FY19), UTCEM had higher concentration in the West, Central and North regions. However, the company’s consistent organic capacity expansions and recent strategic acquisitions are balancing its overall market presence.
- The company is targeting cost savings of INR300/t over the next three years. Cost savings would be achieved through an increase in green power and alternative fuel share, a reduction in clinker factor, savings in logistics costs through utilizing larger scale of operation, and operating leverage with higher volume.
- We continue to believe in the company’s ability to gain market share, driven by its extensive operations, nationwide presence, and robust brand equity. We are not changing our estimates as of now. The stock currently trades at 19x FY26E EV/EBITDA. We value the stock at 20x Jun’26E EV/EBITDA to arrive at a TP of INR13,000. Reiterate BUY.

Cement companies current valuation



Source: Company, MOFSL, Note:1) *companies not under coverage, 2) for coverage companies valuation is based on one-year forward (FY26E) while, non-coverage companies EV calculated as of FY24-end



Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR830 TP: INR850 (+2%) Neutral

Strong operating performance; launch pipeline expands

Successful launch of Privana West drives strong sales

Bloomberg	DLFU IN
Equity Shares (m)	2475
M.Cap.(INRb)/(USDb)	2053.8 / 24.5
52-Week Range (INR)	968 / 462
1, 6, 12 Rel. Per (%)	-4/-7/45
12M Avg Val (INR M)	3388

- DLF reported a more than three-fold jump in pre-sales as it clocked bookings of INR64b, largely driven by the successful launch of the second phase of Privana West, Gurugram. The company continues to sustain momentum at its ultra-luxury project, The Camellias, in DLF 5, with bookings of INR2.5b.
- With the balance inventory of INR30b, launches will thus be the key to driving its pre-sales growth. DLF aims to launch INR420b worth of projects across its core markets (up INR60b vs. 4QFY24), which will lead to 22% YoY pre-sales growth in FY25. Beyond FY25, the company has set a project pipeline worth INR625b to be launched over 2-3 years.
- **Cash flow performance:** Collections also spiked in 1QFY25 and almost doubled YoY to INR30b. As a result, OCF surged 130% YoY to INR18b, which led to a surplus of INR13b, post-INR4b of land payment. The balance sheet further strengthened as it ended with a net cash position of INR29b.
- **P&L performance:** Revenue came in a bit soft at INR13.6b, down 4% YoY. While gross margin remained steady YoY at 51%, EBITDA margin contracted 19pp due to 85% YoY jump in other expenses on account of the big launch. PAT, including INR3b of JV income, increased 23% YoY to INR6.4b.

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	64.3	73.8	79.6
EBITDA	21.2	26.7	30.5
EBITDA (%)	33.0	36.2	38.3
PAT	27.2	41.0	42.0
EPS (INR)	11.0	16.6	17.0
EPS Gr. (%)	-3.5	50.5	2.4
BV/Sh. (INR)	221.0	239.8	259.2

Ratios

Net D/E	0.0	-0.1	-0.1
RoE (%)	7.1	10.0	9.4
RoCE (%)	4.5	5.4	5.1
Payout (%)	27.3	18.1	17.7

Valuations

P/E (x)	75.4	53.1	48.9
P/BV (x)	3.8	3.5	3.2
EV/EBITDA (x)	97.0	75.4	65.4
Div Yield (%)	0.4	0.4	0.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	74.1	74.1	75.0
DII	4.8	4.8	4.9
FII	16.2	16.5	15.3
Others	5.0	4.6	4.9

DCCDL: Rental run rate to ramp up to INR60b by FY26-end

- Rental income in DCCDL's commercial portfolio increased 10% YoY to INR11.5b, led by the completion of the 1.3msf Downtown Chennai asset and 40bp rise in occupancy, which led to a 10% YoY increase in office rental income. The retail portfolio also continued its momentum and reported 12% growth in rental income. The total revenue stood at INR15b, flat QoQ.
- Occupancy across non-SEZ/SEZ portfolio remained flat QoQ at 97%/86%. The retail portfolio was almost fully leased with 99% occupancy.
- Further, 3.1msf is under construction across existing assets in Gurugram and Chennai and is 85% pre-leased including the hard option. Once delivered by 1HCY25, exit rentals are likely to rise to INR60b.

Key takeaways from the management interaction

- **Launches:** DLF is targeting to launch INR420b worth of projects in FY25 across all segments. The luxury project in Goa will be launched in 2Q; Luxe 5 and the Mumbai project will be launched in 3Q, and the subsequent phases of Privana in 4QFY25.
- **Guidance:** Management maintained the earlier guidance of INR170-180b of bookings in FY25. However, it indicated that except for the ultra-luxury project in DLF 5, all the new projects are likely to follow the previous trend of monetizing significant (80-90%) inventory during launch.
- **Cash flow:** The current run-rate of collections is expected to sustain, but the construction outflow will rise. DLF has INR210b of pending receivables against which the construction cost is anticipated at INR100-110b.
- **Annuity income:** By the end of FY25, the annuity income is projected to scale up to INR50b and will further grow to INR58-60b in FY26, aided by the flow of rent from new assets at Gurugram and Chennai.

Valuation and view: Growth trajectory intact but already priced in

- DLF continued to enhance its growth visibility as it replenishes its launches with its existing vast land reserves. However, our assumption of a 12-13-year monetization timeline for its remaining 160msf of land bank (including TOD potential) adequately incorporates this growth.
- We estimate an 8-10% CAGR in prices across its key markets of Gurugram, New Gurugram, Delhi, and Chandigarh. Based on the above assumptions, we value the land at INR1,109b. The current valuation already implies INR1,060b of value for its land, indicating limited upside potential. **Reiterate Neutral with a TP of INR850.**

Quarterly performance

Y/E March	FY24				FY25E				FY24		FY25E		Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY24	FY25E	FY25E 1Q		
Gross Sales	14,232	13,477	15,213	21,348	13,624	14,016	16,229	29,899	64,270	73,767	14,753	-8	
YoY Change (%)	-1.3	3.5	1.8	46.6	-4.3	4.0	6.7	40.1	12.9	14.8	3.7		
Total Expenditure	10,271	8,853	10,103	13,807	11,337	8,891	10,218	16,600	43,034	47,046	9,489		
EBITDA	3,962	4,624	5,110	7,541	2,286	5,125	6,010	13,299	21,236	26,720	5,264	-57	
Margins (%)	27.8	34.3	33.6	35.3	16.8	36.6	37.0	44.5	33.0	36.2	35.7	1890bps	
Depreciation	364	370	380	367	373	391	411	548	1,480	1,724	385		
Interest	849	902	837	977	1,012	1,032	1,053	931	3,565	4,028	928		
Other Income	985	1,287	1,223	1,819	3,675	1,223	1,785	1,431	5,313	8,114	1,182		
PBT before EO expense	3,734	4,639	5,115	8,016	4,576	4,924	6,332	13,251	21,505	29,083	5,133	-11	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0		
PBT	3,734	4,639	5,115	8,016	4,576	4,924	6,332	13,251	21,505	29,083	5,133	-11	
Tax	1,014	1,122	1,350	1,715	1,183	1,239	1,593	3,302	5,201	7,317	1,291		
Rate (%)	27.2	24.2	26.4	21.4	25.9	25.2	25.2	24.9	24.2	25.2	25.2		
Minority Interest & Profit/Loss of Asso. Cos.	2,541	2,701	2,792	2,897	3,054	3,655	4,232	8,295	10,931	19,236	3,847		
Reported PAT	5,261	6,219	6,557	9,198	6,447	7,340	8,971	18,244	27,235	41,001	7,688	-16	
Adj PAT	5,261	6,219	6,557	9,198	6,447	7,340	8,971	18,244	27,235	41,001	7,688		
YoY Change (%)	12.1	30.3	26.4	61.5	22.5	18.0	36.8	98.3	33.9	50.5	46.1		
Margins (%)	37.0	46.1	43.1	43.1	47.3	52.4	55.3	61.0	42.4	55.6	52.1	-479bps	
Operational Metrics													
Residential													
Pre-sales	20	22	90	15	64	40	40	36	148	307	60	7	
Collections	16	24	25	22	30	23	24	24	87	171	22	35	
Net Debt	1	-1	-12	-15	-29	0	0	0	-15	0	0		

Source: Company, MOFSL



InterGlobe Aviation

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR4,493 **TP: INR4,420 (-2%)** **Neutral**

Capacity guidance and outlook remains intact

Bloomberg	INDIGO IN
Equity Shares (m)	386
M.Cap.(INRb)/(USDb)	1735.2 / 20.7
52-Week Range (INR)	4610 / 2333
1, 6, 12 Rel. Per (%)	2/41/51
12M Avg Val (INR M)	4217
Free float (%)	44.7

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	689.0	770.0	814.7
EBITDAR	173.7	189.7	212.4
NP	81.7	77.3	78.7
EPS (INR)	211.8	200.3	204.0
Growth (%)	LP	-5.5	1.9
BV/Sh (INR)	50.3	251.4	456.2

Ratios

Net D:E	11.9	2.4	1.2
RoE (%)	-373.7	133.3	57.9
RoCE (%)	35.5	29.2	26.9
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	21.2	22.4	22.0
P/BV (x)	89.2	17.8	9.8
Adj.EV/EBITDAR(x)	11.3	10.8	9.4
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	11.5	0.7	2.6

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	55.3	57.3	67.8
DII	15.4	15.1	10.5
FII	24.4	23.7	19.8
Others	4.8	4.0	2.0

FII Includes depository receipts

- InterGlobe Aviation (INDIGO) reported an EBITDA growth of 4% YoY to INR51.5b in 1QFY25, while PAT declined 12% YoY to INR27.3b (vs. our est. of INR15.7b). Revenue passenger kilometers (RPK) was 31.5b. The passenger load factor (PLF) was 86.8% with available seat kilometers (ASK) at 36.3b (est. of 35.5b) and yield at INR5.24 (vs. est. of INR4.72, +1% YoY) in 1QFY25.
- Currently, INDIGO's ~70+ aircraft are grounded due to P&W engine issues, and the management believes this number would be range-bound. INDIGO added incremental 17 destinations (10 domestic and 7 international) YoY in 1QFY25 while highlighting the fact that the Indian market is still underpenetrated both in terms of domestic and international travel.
- According to **our airfare tracker**, the 30-day domestic forward prices for INDIGO are down 6% QoQ at INR5,609 and the 15-day prices are down by 19% QoQ to INR5,072 in 2QFY25 to date. Management highlighted that 2QFY25 capacity in terms of ASKs is expected to increase by high single digits vs. 2QFY24. Stable revenue (RASK) is likely in 2QFY25 compared to 2QFY24.
- For Jul'24, INDIGO is witnessing healthy demand; hence, capacity guidance and outlook do not change as of now. Its long-term guidance of doubling the capacity remains intact, despite short-term headwinds in terms of supply and inflationary trends in costs, as per the management. Maintenance and airport charges are seeing inflationary trends.
- Due to the outperformance in 1QFY25, we raise our EPS estimates for FY25/26 by 7%/12%. The stock is trading at ~22x FY26E EPS of INR200 and FY26E EV/ EBITDAR of ~11x. **We reiterate our Neutral rating on the stock with a TP of INR4,420, based on 9x FY26E EV/EBITDAR.**

Beat led by higher revenue, yield, and lower supplementary rentals

- INDIGO's yield was INR5.24 vs. our estimate of INR4.72 (up 1% YoY). RPK was at 31.5b (our est. of 30.9b, +9% YoY), with PLF at 86.8%. ASK was 36.3b (our est. of 35.5b, +11% YoY)
- Thus, revenue stood at INR195.7b (+13% est., +17% YoY) – this included a compensation from International Aero Engines, LLC (IAE) for Aircraft on Ground (AOG) situation due to unavailability of engines.
- EBITDAR stood at INR57.7b (est. of INR38.7b, +12% YoY) with EBITDA at INR51.5b (our est. of INR36.7b, +4% YoY). The company has paid an IGST of INR802m in 1QFY25 on re-import of repaired aircraft, which is under dispute right now.
- INDIGO's PAT stood at INR27.3b (est. of INR15.7b, -12% YoY).

Other highlights

- Free cash stood at INR221b in 1QFY25 vs. INR157b in 1QFY24. Capitalized operating lease liability was INR450b with a total debt of INR525b in 1Q.
- As of Jun'24, INDIGO had a fleet of 382 aircraft including 38 A320 CEOs, 196 A320 NEOs, 98 A321 NEOs, 45 ATRs, 3 A321 freighters, and 2 B777 (damp lease) – there was a net increase of 15 passenger aircraft in 1QFY25; eight from the original order book and seven from the secondary market to mitigate AOG.

Valuation and view

- INDIGO is striving to improve its international presence through strategic partnerships and loyalty programs. It served 106.7m customers in FY24, with a net increase of nine passenger aircraft. The company has eight strategic partners with a 27% international share in terms of ASKs in FY24.
- Management has also been taking several preemptive measures to increase its global brand awareness, as it expects to capture a bigger share of growth from its international market in the coming years. INDIGO is further enhancing its international travel and working relentlessly to adjust schedules to reassure customers.
- The stock is trading at ~22x FY26E EPS of INR200 and FY26E EV/EBITDAR of ~11x. **We reiterate our Neutral rating on the stock with a TP of INR4,420, based on 9x FY26E EV/EBITDAR.**

Standalone Quarterly performance

Y/E March	FY24				FY25				FY24	FY25E	FY25	(INR b)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var. (%)
Net Sales	166.8	149.4	194.5	178.3	195.7	175.8	220.0	178.5	689.0	770.0	173.3	13
YoY Change (%)	29.8	19.6	30.3	25.9	17.3	17.7	13.1	0.1	26.6	11.8	3.9	
EBITDAR	51.6	23.9	54.4	43.7	57.7	27.8	73.9	30.4	173.7	189.7	38.7	49
Margin (%)	30.9	16.0	28.0	24.5	29.5	15.8	33.6	17.0	25.2	24.6	22.3	
Net Rentals	1.9	2.0	3.0	3.9	6.2	2.0	2.0	2.0	10.8	12.3	2.0	2.2
EBITDA	49.7	22.0	51.4	39.8	51.5	25.8	71.8	28.4	162.9	177.4	36.7	40
Margin (%)	29.8	14.7	26.4	22.4	26.3	14.7	32.7	15.9	23.6	23.0	21.2	
Depreciation	14.0	15.5	16.6	18.0	18.7	18.8	18.9	10.9	64.1	67.2	16.8	
Interest	9.5	10.2	11.0	11.0	11.6	11.6	11.7	7.4	41.7	42.3	10.6	
Other Income	4.8	5.6	6.1	6.8	6.8	6.8	6.9	6.4	23.3	26.9	6.4	
PBT	30.9	1.9	30.0	17.7	28.0	2.2	48.2	16.5	80.4	94.9	15.7	78
Reported PAT	30.9	1.9	30.0	18.9	27.3	1.7	36.0	12.3	81.7	77.3	15.7	74
EPS	80.0	4.9	77.7	49.1	70.6	4.3	93.4	32.0	211.6	200.3	40.7	74
YoY Change (%)	LP	LP	111.4	106.8	-11.7	-11.9	20.2	-34.9	LP	-5.4	-49.1	
Operational Data												
ASK (b)	32.7	35.3	36.5	34.8	36.3	38.1	39.4	40.8	139.3	154.7	35.5	2
YoY Change (%)	19%	27%	27%	14%	11%	8%	8%	17%	22%	11%	9%	0
Load factor (%)	88.7	83.3	85.8	86.2	86.8	84.6	89.4	94.7	85.9	89.0	87.0	0
RPK (b)	29.0	29.4	31.3	30.0	31.5	32.2	35.3	38.7	119.7	137.7	30.9	2
YoY Change (%)	32%	34%	28%	17%	9%	10%	13%	29%	27%	15%	6%	0
Yield (INR/RPK)	5.18	4.44	5.48	5.19	5.24	4.59	5.24	3.74	5.07	4.70	4.72	11
RASK	5.10	4.23	5.33	5.12	5.39	4.61	5.58	4.37	4.95	4.98	4.88	10
CASK	4.16	4.18	4.51	4.61	4.62	4.56	4.36	3.97	4.37	4.36	4.44	4
RASK less CASK	0.94	0.05	0.82	0.51	0.77	0.06	1.22	0.40	0.58	0.61	0.44	74
CASK ex-Fuel	2.54	2.50	2.61	2.87	2.83	2.67	2.70	2.31	2.63	2.62	2.61	9
Fuel Cost	1.62	1.68	1.90	1.74	1.79	1.89	1.66	1.66	1.74	1.75	1.83	-2



Punjab National Bank

Estimate change

TP change

Rating change

Bloomberg	PNB IN
Equity Shares (m)	11011
M.Cap.(INRb)/(USDb)	1320.8 / 15.8
52-Week Range (INR)	143 / 59
1, 6, 12 Rel. Per (%)	-8/-2/64
12M Avg Val (INR M)	6147

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	400.8	432.8	467.1
OP	249.3	283.1	310.2
NP	82.4	140.9	169.1
NIM (%)	2.8	2.8	2.8
EPS (INR)	7.5	12.8	15.4
EPS Gr. (%)	228.8	71.0	20.0
BV/Sh. (INR)	93	103	115
ABV/Sh. (INR)	84	95	106

Ratios

RoE (%)	8.7	13.6	14.5
RoA (%)	0.5	0.9	1.0

Valuations

P/E(X)	16.3	9.5	7.9
P/BV (X)	1.3	1.2	1.1
P/ABV (X)	1.5	1.3	1.1

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	73.2	73.2	73.2
DII	10.8	12.4	13.5
FII	5.5	4.8	1.8
Others	10.6	9.7	11.6

FII Includes depository receipts

CMP: INR122

TP: INR135 (+11%)

Neutral

Strong quarter; asset quality surprises positively

FY25 credit cost and GNPA guidance cut sharply

- Punjab National Bank (PNB) reported a 1QFY25 PAT of INR32.5b (8% beat), led by sharply lower provisions (67% YoY decline).
- NII grew 10.2% YoY to INR104.8b (in line), while NIM contracted slightly by 3bp QoQ to 3.07% (3.21% domestic).
- Opex declined 8.4% QoQ; however; was still higher than our estimate due to the PSLC charges. PPop thus stood at INR65.8b (5% miss).
- Loan book grew 14% YoY (5.3% QoQ) to INR9.8t, led by a healthy traction in retail loans (5.4% QoQ growth). The C/D ratio inched up to 70%, which still remains lower than most peers. CASA mix moderated 136bp QoQ to 40.1%.
- Slippages increased marginally to INR17.6b (0.9% annualized), while healthy recovery and upgrades along with accelerated w-off enabled a sharp decline in GNPA/NNPA ratios by 75bp/13bp to 4.98%/0.6%. PCR improved 50bp QoQ to 88.4% in 1QFY25.
- We raise our EPS estimates by 5.6%/0.8% for FY25/FY26, factoring in lower provisions, healthy NII, and steady margins. We estimate an RoA/RoE of 1.0%/14.5% in FY26. **Reiterate Neutral with a revised TP of INR135 (vs. INR130), premised on 1.1x FY26E BV.**

C/D ratio comfortable at ~70%, PCR improves further to 88%

- PNB reported a PAT of INR32.5b (+159% YoY, 8% beat) amid a sharp decline in provisions (67% YoY decline, 43% lower than MOFSLe).
- NII grew 10% YoY (1% QoQ), while NIM contracted marginally by 3bp QoQ to 3.07%. Other income declined 15% QoQ to INR36.1b (in line), supported by both healthy fee income and treasury gains of INR5.8b in 1QFY25.
- Opex increased 8% YoY (declined 8.4% QoQ as the bank provided for AS-15 wage provision in 4QFY24), though it stood 7% higher than MOFSLe as PNB purchased PSLC worth INR5.58b in 1QFY25. As a result, the C/I ratio stood elevated at 53% (vs. 56% in 4Q). PPop thus grew 10% YoY to INR65.8b (5% miss vs. MOFSLe).
- Loan book grew at a healthy 13.9% YoY (5.3% QoQ) to INR9.8t, amid continued traction in Retail, Agri, MSME, as well as the corporate segments. Retail growth was strong at 5.4% QoQ. PNB guided a healthy traction in credit growth at 11-12%, led by RAM segment.
- Deposits grew 8.5% YoY (2.8% QoQ) to INR14.1t, led by healthy traction in TDs/international deposits at 24% YoY/5.5% QoQ. CASA ratio thus moderated to 40.1% from 41.4% in 4QFY24.
- On the asset quality front, slippages moderated 20% QoQ to INR17.5b (0.9% annualized). GNPA/NNPA stood at 4.98%/0.6%. PCR rose to 88.4%.
- SMA-2 (above INR50m) inched up 12% QoQ to INR16.04b and stood at 16bp of domestic loans.

Highlights from the management commentary

- NIM (domestic) stood at 3.21%, NIM (global) was 3.07% in 1QFY25. NIM guidance is 2.9-3.0%. The bank will aim for NII improvement in every quarter.
- Management expects GNPA/NNPA ratio to be below 4.0%/0.5% by FY25.
- About INR5.58b was spent for the purchase of PSLC, and therefore, opex rose. However, this is a non-recurring expense.
- About INR30b+ recovery from NCLT is expected for FY25, which is normally corporate in nature.

Valuation and view: Reiterate Neutral with a revised TP of INR135

PNB reported a healthy quarter characterized by a sharp decline in provisions. NII broadly stood in line, while NIM contracted marginally in 1QFY25. PPop witnessed a slight miss amid higher opex in 1Q on account of PSLC costs. Advances growth was robust, and management aims to improve its share in the RAM portfolio, which will support margins. Asset quality continues to witness a sharp improvement as recoveries and w-off continued to stay at higher levels. PCR thus improved further to 88%, while asset quality ratios also improved. SMA overdue (with loans over INR50m) remained under control at 0.16% of domestic loans, while the bank continues to guide robust recoveries at 2x of slippages. Thus, it guided GNPA ratio to decline to ~4% (earlier guidance of 5%), while credit cost is guided at 0.5% (earlier guidance at 1%). We raise our EPS estimates by 5.6%/0.8% for FY25/FY26, factoring in lower provisions, healthy NII, and steady margins. We estimate an RoA/RoE of 1.0%/14.5% in FY26. **Reiterate Neutral with a revised TP of INR135 (vs. INR130), based on 1.1x FY26E BV.**

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E	FY24	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Est
Net Interest Income	95.0	99.2	102.9	103.6	104.8	107.3	109.1	111.6	400.8	432.8	103.5	1%
% Change (YoY)	26.0	20.0	12.1	9.1	10.2	8.2	6.0	7.7	16.2	8.0	8.9	
Other Income	34.3	30.3	26.7	42.5	36.1	36.0	37.8	40.1	133.8	149.9	36.0	0%
Total Income	129.4	129.5	129.7	146.1	140.9	143.3	146.8	151.7	534.7	582.7	139.5	1%
Operating Expenses	69.7	67.3	66.4	82.0	75.0	72.2	74.6	77.7	285.4	299.6	70.4	7%
Operating Profit	59.7	62.2	63.3	64.2	65.8	71.1	72.2	73.9	249.3	283.1	69.1	-5%
% Change (YoY)	10.9	11.7	10.8	9.4	10.3	14.4	14.1	15.3	10.7	13.6	15.9	
Provisions	39.7	34.4	27.4	15.9	13.1	14.5	15.0	16.7	117.4	59.4	22.9	-43%
Profit before Tax	20.0	27.7	35.9	48.3	52.7	56.6	57.3	57.2	131.9	223.7	46.3	14%
Tax	7.5	10.2	13.7	18.2	20.2	20.9	21.2	20.5	49.5	82.8	16.2	25%
Net Profit	12.6	17.6	22.2	30.1	32.5	35.6	36.1	36.7	82.4	140.9	30.1	8%
% Change (YoY)	307.0	327.0	253.5	159.8	159.0	102.9	62.3	22.0	228.8	71.0	139.7	
Operating Parameters												
Deposits	12,979	13,099	13,235	13,697	14,082	14,221	14,594	14,861	13,697	14,861	14,083	
Loans	8,637	8,899	9,164	9,344	9,840	9,836	10,186	10,438	9,344	10,438	9,862	
Deposit Growth (%)	14.2	9.8	9.3	6.9	8.5	8.6	10.3	8.5	6.9	8.5	8.5	
Loan Growth (%)	16.3	15.1	14.5	12.5	13.9	10.5	11.1	11.7	12.5	11.7	14.2	
Asset Quality												
Gross NPA (%)	7.7	7.0	6.2	5.7	5.0	4.7	4.2	4.0	5.7	4.0	5.2	
Net NPA (%)	2.0	1.5	1.0	0.7	0.6	0.6	0.5	0.5	0.7	0.5	0.6	
PCR (%)	75.8	80.0	85.4	87.9	88.4	88.5	88.3	88.7	87.9	88.7	88.1	



Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,575 TP: INR1,830 (+16%) BUY

The US and emerging markets drive earnings

Work in progress to address the issues highlighted in Goa 483

Bloomberg	CIPLA IN
Equity Shares (m)	808
M.Cap.(INRb)/(USD\$b)	1271.8 / 15.2
52-Week Range (INR)	1600 / 1042
1, 6, 12 Rel. Per (%)	2/-1/22
12M Avg Val (INR m)	2554

- Cipla delivered in-line 1QFY25 performance. It continued to track well in the US generics segment, with sales scaling an all-time quarterly high of USD250m. However, the benefit was partly offset by a temporary disruption in the trade generics segment. Cipla continues to outperform the industry in chronic therapies within the branded prescription segment.
- We maintain our earnings estimates for FY25/FY26. We value Cipla at 25x 12M forward earnings to arrive at our TP of INR1,830.
- Cipla is building a niche product pipeline in the peptides/inhaler space within the US generics segment. With a change in its distribution model, the trade generics business is also back on the growth path. The EBITDA trend continues to be better in the consumer health segment. Accordingly, we estimate 12% earnings CAGR over FY24-26. **Reiterate BUY.**

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	257.7	277.1	303.8
EBITDA	62.9	69.5	77.8
Adj. PAT	42.4	47.4	52.9
EBIT Margin (%)	20.5	21.3	21.9
Cons. Adj. EPS (INR)	52.5	58.7	65.6
EPS Gr. (%)	39.0	11.9	11.7
BV/Sh. (INR)	330.9	381.8	441.3

Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	15.9	15.4	14.9
RoCE (%)	17.0	16.5	15.9
Payout (%)	9.4	10.2	9.2

Valuations

P/E (x)	30.2	27.0	24.2
EV/EBITDA (x)	20.2	17.7	15.4
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	0.3	3.5	3.0
EV/Sales (x)	4.9	4.4	3.9

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	30.9	33.4	33.4
DII	24.9	24.4	24.3
FII	27.9	26.0	25.6
Others	16.3	16.3	16.7

FII Includes depository receipts

Product mix/lower R&D expenses support margin uptick YoY/QoQ

- Cipla's 1QFY25 revenue grew 5.8% YoY to INR66.9b (our est. INR67.6b). DF sales (43% of sales) grew 4.5% YoY to INR29b. The US sales (31% of sales) grew 14.5% YoY to INR20.9b (USD250m, up 12.6% in CC terms). The EM sales (13% of sales) grew 9% YoY to INR8.5b.
- API sales (1% of sales) declined 28% YoY to INR980m. SAGA sales (10% of sales) declined 7.1% YoY to INR7b.
- Gross margin expanded 260bp YoY to 67.2% (our est. 66.4%) fueled by lower raw material costs.
- EBITDA margin expanded 200bp YoY to 25.6% (our est. 25.7%), due to better gross profit. Employee costs mounted 100bp, while R&D expenses/Other costs decreased 24bp/19bp YoY as a % of sales.
- EBITDA increased 14.9% YoY to INR17.2b (our est. INR17.4b) in 1QFY25.
- PAT grew 18.3% to INR11.8b (our est. INR11.3b).

Highlights from the management commentary

- Cipla maintained its guidance of 24.5%-25.5% EBITDA margin for FY25.
- Management reiterated the US generics quarterly sales run-rate at USD230-245m for the remainder of FY25.
- The company would be filing g-Advair from the Invagen plant before the end of CY24. Management expects 4QFY25 to be a potential approval/launch timeline for this product.
- G-Revlimid traction has been higher on a QoQ basis.
- Cipla indicated that price erosion would be 10% YoY/5% QoQ in the US generics segment.
- It has a surplus cash of INR85b at the end of 1QFY25.

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	Est. 1QE	% Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Revenues	63.3	66.8	66.0	61.6	66.9	70.3	71.1	68.8	257.7	277.1	67.6	-0.9
YoY Change (%)	17.7	14.6	13.7	7.4	5.8	5.2	7.6	11.7	13.3	7.5	6.8	
Total Expenditure	48.3	49.4	48.6	48.5	49.8	51.7	52.9	53.1	194.8	207.5	50.2	
EBITDA	14.9	17.3	17.5	13.2	17.2	18.5	18.1	15.7	62.9	69.5	17.4	-1.2
YoY Change (%)	30.7	24.8	24.2	12.1	14.9	7.0	3.7	19.5	23.0	10.6	16.2	
Margins (%)	23.6	26.0	26.5	21.4	25.6	26.4	25.5	22.8	24.4	25.1	25.7	
Depreciation	2.4	2.5	2.3	2.9	2.5	2.7	2.7	2.7	10.1	10.5	2.7	
EBIT	12.5	14.9	15.1	10.3	14.7	15.9	15.4	13.0	52.8	59.0	14.7	
YoY Change (%)	41.1	36.4	33.3	24.2	17.1	6.7	1.8	26.8	34.0	11.7	17.3	
Margins (%)	19.8	22.3	22.9	16.7	21.9	22.6	21.7	18.9	20.5	21.3	21.8	
Interest	0.2	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.9	0.4	0.1	
Other Income	1.4	1.8	1.3	1.8	1.6	1.4	1.5	1.4	6.2	5.9	1.1	
Profit before Tax	13.7	16.4	16.1	11.9	16.1	17.2	16.8	14.4	58.2	64.5	15.8	
One-time (expense)/income	0.0	-0.4	-1.4	0.7	0.0	0.0	0.0	0.0	-1.1	0.0	0.0	
PBT after EO expense	13.7	15.9	14.7	12.6	16.1	17.2	16.8	14.4	57.0	64.5	15.8	2.2
Tax	3.8	4.4	4.1	3.2	4.4	4.9	4.8	3.4	15.5	17.4	4.5	
Rate (%)	27.5	26.8	25.1	27.3	27.0	28.5	28.5	23.5	26.6	27.0	28.5	
Minority Interest	0.0	0.2	0.1	0.0	0.0	0.0	0.0	-0.3	0.3	-0.3	-0.1	
Reported PAT	10.0	11.3	10.6	9.4	11.8	12.3	12.0	11.3	41.2	47.4	11.3	3.8
Adj PAT	10.0	11.7	12.0	8.7	11.8	12.3	12.0	11.3	42.4	47.4	11.3	3.8
YoY Change (%)	45.1	37.7	49.4	22.7	18.3	4.8	0.5	29.9	39.0	11.9	13.9	

E: MOFSL Estimates;

Key performance indicators

Y/E March	FY24				FY25E				FY24	FY25E	Est. 1QE
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
INR b											
Domestic formulation	27.7	28.2	28.6	24.2	29.0	31.6	32.4	27.7	108.7	120.6	29.7
YoY Change (%)	11.6	9.8	11.5	7.0	4.5	12.0	13.2	14.6	10.1	11.0	7.0
North America	18.2	18.9	19.2	18.8	20.9	19.8	19.9	20.3	75.0	80.8	19.1
YoY Change (%)	52.0	29.5	19.8	11.8	14.5	4.7	4.0	8.2	26.9	7.8	4.8
South Africa	7.5	9.9	8.2	7.6	7.0	7.4	7.3	7.6	30.6	29.4	7.0
YoY Change (%)	-5.1	13.6	19.9	-8.5	-7.1	-25.0	-10.0	0.2	-3.4	-4.0	-7.0
Emerging market	7.8	7.3	7.5	8.3	8.5	8.7	8.6	9.1	30.9	34.8	8.7
YoY Change (%)	8.2	-3.1	-2.1	5.5	9.0	18.1	15.5	9.7	1.9	12.9	12.0
API	1.4	1.5	1.1	1.9	1.0	1.2	1.2	1.4	5.8	4.8	1.4
YoY Change (%)	0.7	-15.9	-26.5	41.0	-27.9	-20.0	15.0	-27.7	2.3	-18.0	5.0
Cost Break-up											
RM Cost (% of Sales)	35.3	34.6	33.6	33.3	32.8	33.1	33.4	34.3	39.6	38.4	33.6
Staff Cost (% of Sales)	16.9	16.3	16.2	17.6	17.8	16.3	16.3	16.8	17.7	17.0	16.9
R&D Expenses(% of Sales)	5.5	5.7	6.1	7.2	5.3	6.0	6.3	7.6	6.0	4.5	5.8
Other Cost (% of Sales)	18.7	17.4	17.7	20.6	18.5	18.2	18.5	18.4	19.5	17.6	18.0
Gross Margin (%)	64.7	65.4	66.4	66.7	67.2	66.9	66.6	65.7	60.4	61.6	66.4
EBITDA Margin (%)	23.6	26.0	26.5	21.4	25.6	26.4	25.5	22.8	24.4	25.1	25.7
EBIT Margin (%)	19.8	22.3	22.9	16.7	21.9	22.6	21.7	18.9	20.5	21.3	21.8

Source: MOFSL, Company



Dr Reddy's Labs

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR6,879 TP: INR7,100 (+3%) Neutral

Strong US business offset by muted Russia/CIS

Efforts underway to scale-up JVs/integrated acquisition

Bloomberg	DRRD IN
Equity Shares (m)	167
M.Cap.(INRb)/(USDb)	1147.5 / 13.7
52-Week Range (INR)	6966 / 5206
1, 6, 12 Rel. Per (%)	9/1/0
12M Avg Val (INR M)	2770

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	279.2	324.4	377.4
EBITDA	78.4	89.5	103.8
Adj. PAT	52.8	58.9	64.8
EBITDA Margin (%)	28.1	27.6	27.5
Adj. EPS (INR)	317.1	353.8	389.0
EPS Gr. (%)	29.6	11.6	9.9
BV/Sh. (INR)	1,684	2,013	2,376

Ratios

Net D:E	-0.3	-0.5	-0.6
RoE (%)	20.7	19.1	17.7
RoCE (%)	18.4	18.0	17.3
Payout (%)	7.5	7.1	6.4

Valuations

P/E (x)	21.9	19.7	17.9
EV/EBITDA (x)	13.9	11.7	9.8
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	1.4	4.1	4.8
EV/Sales (x)	3.9	3.2	2.7

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	26.7	26.7	26.7
DII	20.7	18.3	22.0
FII	42.4	44.7	39.8
Others	10.2	10.4	11.6

FII Includes depository receipts

- Dr. Reddy's Lab (DRRD) delivered better-than-expected 1QFY25 earnings, led by increased traction in the US generics segment. DRRD witnessed price erosion in the US generics, EU, and ROW markets, while it experienced an increase in prices in the Russia/CIS markets. Certain investments in newer businesses and higher freight costs hit profitability to some extent.

- We raise our earnings estimate by 7%/8% for FY25/FY26 factoring in: a) market share gains/higher volume off-take in the US generics portfolio, b) improved prospects in the PSAI segment, and c) better operating leverage. We value DRRD at 22x 12M forward base earnings and add INR80 (NPV related to g-Revlimid) to arrive at our TP of INR7,100.

- DRRD continues to build a complex ANDA pipeline in the US market and implement efforts towards enhancing branded prescription business in the Indian market. Further, the overall earnings growth is also supported by inorganic opportunities (Heleon's Nicotine replacement therapy portfolio), JVs (DRRD-Sanofi JV to distribute Sanofi's vaccine products). Accordingly, we estimate 11% earnings CAGR over FY24-26. **We reiterate our Neutral rating on limited upside from current levels.**

Product mix benefit offset by reduced operating leverage

- DRRD's 1QFY25 revenues grew 14% YoY at INR76.7b (vs. est. of INR73.9b). Sequentially, sales grew 8.3%.

- The US sales rose 20.3% YoY to INR38.4b (~USD463m; 50% of sales). Europe sales grew 3.8% YoY to INR5.3b (7% of sales). India sales rose 15.4% YoY at INR13.3b (17% of sales). Adj. for Sanofi portfolio, the base business grew mid-single digit YoY. Emerging market sales grew 3% YoY to INR11.9b (15% of sales). PSAI segment revenue rose 14% YoY to INR7.7b (11% of sales).

- Gross margin (GM) expanded 170bp YoY to 60.4% due to YoY expansion in margins of GG and PSAI segments (up 80bp/810bp YoY).

- EBITDA margin contracted 260bp YoY to 27.7% (our est: 26.7%) led higher SG&A/R&D expenses (+370bp/+70 YoY as % of sales).

- EBITDA grew 4% YoY to INR21.3b (vs. est. of INR19.7b).

- DRRD reported a PAT of INR13.9b (our est: INR12.7b), up 2% YoY.

Highlights from the management commentary

- Management guides SG&A expenses to be ~25-27% of revenue for FY25.

- DRRD expects the R&D expense to be in the range of 8.5-9.0% of revenue for FY25. About 20% of the spending was towards biosimilars.

- Management guides ETR to be 24-25% for FY25.

- DRRD indicated SG&A to be 27.5%-28.0% of sales, and this will be a sustainable run rate over the medium term.

- It expects Abatacept launch in Dec'26.

- FCF is lower for the quarter due to fluctuations in factoring. DRRD has rolled back factoring, resulting in lower FCF.

Quarterly Performance - IFRS

(INRb)

Y/E March	FY24				FY25E				FY24	FY25E	Estimates	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	% Var
Sales	67.4	68.8	72.1	70.8	76.7	78.1	80.7	88.8	279.2	324.4	74.0	3.7
YoY Change (%)	35.2	9.1	6.6	17.4	13.9	13.6	11.9	25.4	15.9	16.2	9.8	
Total Expenditure	46.9	48.8	51.9	53.2	55.5	56.4	58.5	64.5	200.8	234.9	54.2	
EBITDA	20.5	20.0	20.3	17.7	21.3	21.7	22.2	24.3	78.4	89.5	19.7	7.7
YoY Change (%)	97.8	10.7	-1.3	34.0	4.0	8.8	9.4	37.8	26.2	14.2	-3.4	
Margins (%)	30.3	29.0	28.1	24.9	27.7	27.8	27.5	27.4	28.1	27.6	26.7	
Amortization	3.6	3.8	3.9	3.5	3.8	3.8	3.8	3.9	14.8	15.3	3.6	
EBIT	16.9	16.1	16.4	14.1	17.5	18.0	18.4	20.4	63.5	74.3	16.1	
YoY Change (%)	131.5	8.3	-5.1	41.3	3.5	11.5	12.1	44.6	28.5	16.9	-4.3	
Margins (%)	25.0	23.4	22.7	19.9	22.8	23.0	22.8	23.0	22.8	22.9	21.8	
Other Income	1.1	1.6	2.0	1.7	1.4	0.7	0.8	0.2	6.4	3.1	0.7	
PBT before EO expenses	18.0	17.7	18.4	15.8	18.8	18.7	19.2	20.7	69.9	77.4	16.8	11.9
One-off income/(expense)	0.5	1.4	-0.1	0.2	0.0	0.0	0.0	0.0	2.0	0.0	0.0	
Profit before Tax	18.5	19.1	18.3	16.0	18.8	18.7	19.2	20.7	71.9	77.4	16.8	11.9
PBT after EO Expenses	18.5	19.1	18.3	16.0	18.8	18.7	19.2	20.7	71.9	77.4	16.8	
Tax	4.4	4.3	4.5	2.9	4.9	4.4	4.6	4.5	16.2	18.4	4.0	
Rate (%)	24.0	22.7	24.5	18.4	26.0	23.7	23.9	21.8	22.5	23.8	23.5	
Reported Profit	14.0	14.8	13.8	13.1	13.9	14.2	14.6	16.2	55.7	59.0	12.9	8.2
Adjusted PAT	13.7	13.3	13.8	12.1	13.9	14.2	14.6	16.2	52.8	58.9	12.9	8.2
YoY Change (%)	66.6	16.5	5.1	50.1	2.0	7.2	6.1	33.4	29.6	11.6	-5.8	
Margins (%)	20.3	19.3	19.1	17.1	18.1	18.2	18.1	18.2	18.9	18.2	17.4	

E: MOFSL Estimates

Key performance Indicators (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
INRm											
North America	32.0	31.7	33.5	32.6	38.5	36.5	39.0	39.9	129.9	153.9	34.0
YoY Change (%)	79.5	13.2	9.6	28.8	20.3	15.2	16.5	22.4	27.7	18.5	6.4
Europe	5.1	5.3	5.0	5.2	5.3	6.1	5.7	5.9	20.5	23.0	5.8
YoY Change (%)	22.5	25.9	15.5	5.0	3.8	15.0	15.0	13.6	16.5	12.0	15.0
India	11.5	11.9	11.8	11.3	13.3	13.6	13.7	13.0	46.4	53.6	12.7
YoY Change (%)	3.9	3.1	4.7	10.5	15.4	15.0	16.0	15.6	5.4	15.5	10.5
Russia & Others CIS	7.6	8.0	8.2	7.2	7.4	7.7	7.9	8.2	30.9	31.2	7.7
YoY Change (%)	49.8	-1.2	-9.9	-4.0	-2.6	-4.0	-4.0	14.0	3.8	0.9	1.6
Others	4.0	4.2	4.6	4.9	3.7	4.9	4.9	11.9	17.7	25.4	4.8
YoY Change (%)	-0.1	2.2	15.9	34.3	-5.3	15.0	6.0	142.2	12.8	43.0	22.0
PSAI	6.7	7.0	7.8	8.2	7.7	8.3	8.4	8.7	29.8	33.1	7.9
YoY Change (%)	-5.4	9.3	1.0	5.5	14.1	18.0	7.0	6.0	2.5	10.9	18.0
Cost Break-up											
COGS (% of Sales)	41.3	41.3	41.5	41.4	39.6	40.3	40.7	40.9	41.4	40.4	41.7
SG&A (% of Sales)	21.0	21.7	22.7	23.9	24.6	24.0	23.8	23.7	22.3	24.0	23.4
R&D Expenses(% of Sales)	7.4	7.9	7.7	9.7	8.1	7.9	8.0	8.0	8.2	8.0	8.2
Gross Margin (%)	58.7	58.7	58.5	58.6	60.4	59.7	59.3	59.1	58.6	59.6	58.3
EBITDA Margin (%)	30.3	29.0	28.1	24.9	27.7	27.8	27.5	27.4	28.1	27.6	26.7
EBIT Margin (%)	25.0	23.4	22.7	19.9	22.8	23.0	22.8	23.0	22.8	22.9	21.8



IndusInd Bank

Estimate change



TP change



Rating change

CMP: INR1,404

TP: INR1,700 (+21%)

Buy

Modest quarter; guides a robust growth outlook

Asset quality deteriorates slightly

- IndusInd Bank (IIB) posted a 1QFY25 PAT of ~INR21.7b (7% miss) due to modest revenue growth. NII grew 11% YoY to INR54.1b (3% miss) and other income rose 10.5% YoY to INR24.4b (5% miss). NIM was broadly stable at 4.25%.
- Loan book grew 15% YoY (1.3% QoQ), led by corporate book. Deposits grew 15% YoY (4% QoQ), led by term deposits. CASA ratio moderated 121bp QoQ to 36.7%. Growth in the card business was muted.
- Fresh slippages increased 7.6% QoQ to INR15.4b, primarily due to a rise in slippages in the consumer finance book to INR14.9b. GNPA/NNPA ratios increased 10bp/3bp QoQ to 2.02%/0.6%. The bank did not utilize any contingent provisions and held INR10b of contingency buffer as of Jun'24.
- We cut our earnings estimates by 7.7%/8.0% for FY25/26, leading to an RoA/RoE of 1.83%/15.4% by FY26E. **We reiterate our BUY rating on the stock with a TP of INR1,700 (premised on 1.7x FY26E ABV).**

NIM stable at 4.25%; card business to remain subdued

- IIB reported 1QFY25 PAT of ~INR21.7b (7% miss) due to lower other income and NII.
- NII grew 11% YoY to INR54.1b (3% miss). Other income rose 10.5% YoY (5% miss) as treasury income stood at INR930m (vs. INR2.2b in 4QFY24). Total revenue grew 11% YoY to INR78.5b. NIM was broadly stable at 4.25%. Management expects to maintain NIM within range of 4.2-4.3%.
- Opex grew 20% YoY to INR39b (in line). C/I ratio increased 150bp QoQ to 49.2%. PPop inched up 3% YoY to ~INR39.5b (6% miss).
- On the business front, loans grew 15% YoY (1.3% QoQ), led by corporate book (3% QoQ growth). In consumer business, credit cards posted a modest growth, while microfinance declined 5.5% QoQ. Card fees dipped due to the loss of over-limit fees driven by regulatory directions. Further, the inter-change on rentals was eliminated and the new card acquisition rate was lower.
- Deposits grew 15% YoY (4% QoQ), led by term deposits. CASA ratio moderated 121bp QoQ to 36.7%. Retail deposit mix as per LCR stood at 44%. The CD ratio stood at 87.3% in 1QFY25.
- Fresh slippages increased 7.6% QoQ to INR15.4b, primarily due to a rise in slippages in the consumer finance book to INR14.9b. GNPA/NNPA ratios increased 10bp/3bp QoQ to 2.02%/0.6%. The bank did not utilize any contingent provisions and held INR10b of contingency buffer as of Jun'24. The restructured book declined 6bp QoQ to 0.3%.

	IIB IN
Bloomberg Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	1093.3 / 13.1
52-Week Range (INR)	1695 / 1354
1, 6, 12 Rel. Per (%)	-10/-23/-27
12M Avg Val (INR M)	5365

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	206.2	230.1	272.5
OP	158.6	173.6	207.4
NP	89.8	95.2	117.6
NIM (%)	4.2	4.1	4.2
EPS (INR)	115.5	122.4	151.1
EPS Gr. (%)	20.3	5.9	23.5
BV/Sh. (INR)	810	916	1,050
ABV/Sh. (INR)	792	896	1,028

Ratios

RoE (%)	15.3	14.2	15.4
RoA (%)	1.8	1.7	1.8

Valuations

P/E (X)	12.2	11.5	9.3
P/BV (X)	1.7	1.5	1.3
P/ABV (X)	1.8	1.6	1.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	15.1	15.1	15.1
DII	27.8	26.3	24.2
FII	43.2	45.0	47.4
Others	13.9	13.6	13.3

FII Includes depository receipts

Highlights from the management commentary

- The card fees dropped in 1QFY25 as: 1) the Regulator has come up with a directive that over-limit fees cannot be charged, and this led to a INR240m drop in card fees; 2) the new card acquisition rate was lower, and 3) the interchange on rentals was eliminated, which resulted in a slight fee income loss (INR100m) for the bank.
- CD stood ratio at 87.3% and IIB expects this to remain ~88-90% going forward.
- The management guided ~18-22% growth for FY25.
- Slippages breakup: INR6.6b for vehicle finance, INR3.38b for Bharat Financial, INR480m for corporates, INR4.9b for other retail.

Valuation and view

IIB reported a mixed quarter, as lower income growth and NII dragged down earnings. However, deposit growth was healthy, led by term deposits. The NIM trajectory remained stable, and management guided stable trends going forward. The asset quality ratios deteriorated marginally as fresh slippages increased primarily in the consumer finance book. IIB guided a loan growth of 18-22% for FY25 as it looks to operate at a CD ratio of 88-90%. The bank indicated a credit cost of 110-130bp over FY25E, while it does not plan to use contingent provisions (INR10b). While MF and Card businesses may continue to report some stress in the near term, the overall slippages are likely to remain in control and will help maintain broadly stable asset quality. We cut our earnings estimates by 7.7%/8.0% for FY25/26, leading to an RoA/RoE of 1.83%/15.4% by FY26. **We reiterate our BUY rating on the stock with a TP of INR1,700 (premised on 1.7x FY26E ABV).**

Quarterly performance

	FY24				FY25E				FY24	FY25E	FY25E	V/S our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	48.7	50.8	53.0	53.8	54.1	55.0	57.7	63.3	206.2	230.1	55.8	-3%
% Change (YoY)	18.0	18.0	17.8	15.1	11.1	8.3	8.9	17.8	17.2	11.6	14.7	
Other Income	22.1	22.8	24.0	25.1	24.4	25.7	27.3	29.3	94.0	106.7	25.6	-5%
Total Income	70.8	73.6	76.9	78.8	78.5	80.7	85.0	92.6	300.1	336.8	81.4	-4%
Operating Expenses	32.5	34.5	36.5	38.0	39.0	40.3	41.3	42.6	141.5	163.2	39.5	-1%
Operating Profit	38.3	39.1	40.4	40.8	39.5	40.4	43.7	50.0	158.6	173.6	41.9	-6%
% Change (YoY)	11.7	10.3	9.7	8.6	3.1	3.4	8.1	22.4	10.0	9.4	9.4	
Provisions	9.9	9.7	9.7	9.5	10.5	10.3	11.6	14.1	38.8	46.4	10.7	-1%
Profit before Tax	28.4	29.3	30.7	31.3	29.0	30.1	32.1	35.9	119.8	127.2	31.3	-7%
Tax	7.2	7.3	7.7	7.8	7.3	7.6	8.1	8.9	30.0	31.9	7.9	-7%
Net Profit	21.2	22.0	23.0	23.5	21.7	22.5	24.0	27.0	89.8	95.2	23.4	-7%
% Change (YoY)	30.3	22.0	17.2	15.0	2.2	2.4	4.3	14.8	20.6	6.1	10.1	

Operating Parameters

Deposit (INR b)	3,470	3,595	3,688	3,846	3,985	4,125	4,309	4,480	3,846	4,480	3,986
Loan (INR b)	3,013	3,155	3,271	3,433	3,479	3,690	3,859	4,017	3,433	4,017	3,481
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.8	14.7	16.8	16.5	14.4	16.5	14.9
Loan Growth (%)	21.5	21.3	19.9	18.4	15.5	17.0	18.0	17.0	18.4	17.0	15.5

Asset Quality

Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	1.9	1.9	2.0	1.9	2.0	2.0
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.8	71.0	71.5	70.6	71.5	70.2

E: MOFSL Estimates



Shriram Finance

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,925 TP: INR3,400 (+16%) Buy

Strong AUM growth despite elections; earnings in line

Asset quality improved; continues to build higher PCR on standard loans

- SHFL's 1QFY25 PAT grew ~18% YoY to ~INR19.8b (in line) and PPOP grew ~23% YoY to ~INR38.5b (in line).
- NII grew ~25% YOY to INR52.3b (in line). Reported NIM declined ~23bp QoQ to ~8.8% despite a ~5bp decline in CoB. Credit costs at ~INR11.9b translated into annualized credit costs of ~2.1% (PY: 1.9%).
- The management guided for minor NIM expansion, driven by stable CoB and a change in the product mix through focus on shorter-tenor high-yield loans like Gold, PL and 2W. We model NIMs of 9.1%/9.3% in FY25/FY26.
- Higher cross-selling opportunities for non-vehicle products from improved distribution should translate into a CAGR of ~19%/~21% in AUM/PAT over FY24-26E. This will result in RoA/RoE of ~3.3%/~17.6% in FY26E.
- As a merged entity, SHFL is well positioned to capitalize on the diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. The monetization of its stake in Shriram Housing will further help the company improve its capital adequacy, and help it engage constructively with credit rating agencies. **Reiterate BUY with a TP of INR3,400 (premised on 2x FY26E BVPS).**

AUM up 21% YoY; Non-CV products continue to grow faster than CV

- In 1Q, disbursements grew ~24% YoY to ~INR377b and AUM rose ~21% YoY to INR2.33t. AUM growth of ~4% QoQ was driven by healthy growth across non-CV segments, like MSME (+10% QoQ), farm equipment (+7% QoQ), and PV (+6% QoQ).
- Personal loans remained muted due to calibrated growth and tighter credit rules, which increased rejection rates. However, the management expressed that this quarter could potentially be the last quarter of decline in personal loans. Gold loans decelerated as the regulator mandated enhanced physical security and infrastructure in new gold loan branches to align with legacy gold loan branches.
- Non-CV products, such as MSME and gold, will gradually be introduced to more branches, and with the resumption of growth in PL and gold loans, we anticipate the momentum to remain intact in disbursement and AUM. We model an AUM CAGR of ~19% over FY24-26E.

Asset quality continues to improve with higher PCR on standard loans

- GS3 declined ~5bp QoQ to ~5.4% while NS3 was stable QoQ at 2.7%. PCR on Stage 3 declined ~80bp QoQ to ~51%.
- SHFL has again increased the PCR on S1 loans by ~15bp QoQ and on S2 loans by ~20bp QoQ. Write-offs stood at INR5b, translating into ~100bp of write-offs as % of TTM AUM (vs. ~90bp in 1QFY24).
- The management guided for credit costs at ~2.0-2.2%, while our credit cost estimates are marginally higher at ~2.1%/2.3% for FY25/FY26E.

Bloomberg	SHFL IN
Equity Shares (m)	376
M.Cap.(INRb)/(USDb)	1099.6 / 13.1
52-Week Range (INR)	3059 / 1759
1, 6, 12 Rel. Per (%)	-6/10/35
12M Avg Val (INR M)	3339

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Total Income	202	239	289
PPOP	142	170	212
PAT	71.9	85.1	104.9
EPS (INR)	191	226	279
EPS Gr. (%)	20	18	23
Standalone BV (INR)	1,292	1,474	1,698

Valuations

NIM on AUM (%)	9.2	9.1	9.3
C/I ratio (%)	29.7	29.0	26.8
RoAA (%)	3.3	3.3	3.3
RoE (%)	15.7	16.4	17.6
Div. Payout (%)	23.5	22.3	21.8

Valuations

P/E (x)	15.3	12.9	10.5
P/BV (x)	2.3	2.0	1.7
Div. Yield (%)	1.5	1.7	2.1

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	25.4	25.4	25.5
DII	15.2	15.7	14.7
FII	54.3	53.9	55.4
Others	5.1	5.0	4.5

FII Includes depository receipts

Highlights from the management commentary

- Elections did not have any significant impact on the overall business momentum since they were spread out across two months. Good monsoons will help to sustain the business momentum.
- SHFL will focus more on short-tenor products (like Gold, PL and 2W) since it is more focused on growing the profit rather than revenue.

Valuation and View

- SHFL reported an operationally healthy quarter with healthy AUM growth, whereas NIM declined because of decline in higher-yielding products like gold loans and personal loans. It is yet to fully utilize its distribution network for non-vehicle products. AUM growth in MSME, gold loans and PL will remain stronger than compared to other segments.
- SHFL is effectively leveraging cross-selling opportunities to reach new customers and introduce new products, leading to improved operating metrics and a solid foundation for sustainable growth. The current valuation of ~1.7x FY26E BVPS is attractive for a ~21% PAT CAGR over FY24-26E and RoA/RoE of ~3.3%/17.6% in FY26E. **Reiterate BUY with a TP of INR3,400 (based on 2x FY26E BVPS).**

Quarterly Performance

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E	1QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	76,880	82,166	86,179	90,773	93,628	98,122	1,03,421	1,08,726	3,35,997	4,03,897	94,313	-1
Interest Expenses	34,875	36,219	37,069	39,898	41,289	43,354	45,911	48,609	1,48,061	1,79,163	41,893	-1
Net Interest Income	42,004	45,947	49,110	50,874	52,339	54,768	57,509	60,117	1,87,935	2,24,734	52,420	0
YoY Growth (%)	20.0	21.6	17.1	21.7	24.6	19.2	17.1	18.2	17.0	19.6	29.9	
Other Income	3,167	3,479	3,094	4,206	2,343	3,827	3,465	5,078	13,980	14,712	3,857	-39
Total Income	45,171	49,426	52,204	55,080	54,682	58,595	60,974	65,195	2,01,915	2,39,446	56,277	-3
YoY Growth (%)	22.0	17.9	16.2	21.7	21.1	18.6	16.8	18.4	17.0	18.6	28.9	
Operating Expenses	13,908	14,618	15,311	16,024	16,140	16,956	17,761	18,503	59,895	69,360	15,925	1
Operating Profit	31,262	34,808	36,893	39,056	38,541	41,639	43,213	46,692	1,42,020	1,70,085	40,352	-4
YoY Growth (%)	17.3	16.3	11.7	26.8	23.3	19.6	17.1	19.6	15.1	19.8	33.6	
Provisions & Loan Losses	8,786	11,286	12,497	12,615	11,876	13,731	14,405	15,824	45,183	55,836	13,178	-10
Profit before Tax	22,476	23,523	24,396	26,441	26,666	27,908	28,808	30,867	96,836	1,14,249	27,173	-2
Tax Provisions	5,722	6,014	6,213	6,983	6,860	7,256	7,634	7,383	24,932	29,133	7,065	-3
Net Profit	16,754	17,508	18,183	19,459	19,806	20,652	21,174	23,484	71,905	85,116	20,108	-2
YoY Growth (%)	30.8	12.6	2.3	48.7	18.2	18.0	16.4	20.7	20.3	18.4	23.8	
Key Parameters (Calc., %)												
Yield on loans	16.2	16.6	16.5	16.5	16.3							
Cost of funds	8.7	8.9	8.7	8.8	8.7							
Spread	7.5	7.8	7.9	7.8	7.6							
NIM	8.9	9.3	9.4	9.3	9.1							
C/I ratio	30.8	29.6	29.3	29.1	29.5							
Credit cost	1.9	2.3	2.4	2.3	2.1							
Tax rate	25.5	25.6	25.5	26.4	25.7							
Balance Sheet Parameters												
Disbursements (INR b)	305	346	378	393	377							
Growth (%)	23.8	34.2	29.2	26.6	23.8							
AUM (INR b)	1,932	2,026	2,142	2,249	2,334							
Growth (%)	18.6	19.7	20.7	21.1	20.8							
Borrowings (INR b)	1,619	1,653	1,775	1,858	1,917							
Growth (%)	6.4	4.5	15.7	17.7	18.4							
Asset Quality Parameters												
GS 3 (INR B)	115.1	115.6	119.5	120.8	124.1							
GS 3 (%)	6.0	5.8	5.7	5.5	5.4							
NS 3 (INR B)	54.6	54.2	55.7	58.2	60.6							
NS 3 (%)	3.1	2.9	2.8	2.8	2.8							
PCR (%)	52.5	53.1	53.4	51.8	51.1							

E: MOFSL estimates



SBI Cards

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SBICARD IN
Equity Shares (m)	951
M.Cap.(INRb)/(USDb)	686.4 / 8.2
52-Week Range (INR)	893 / 648
1, 6, 12 Rel. Per (%)	-5/-21/-43
12M Avg Val (INR M)	1237

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	51.5	61.9	75.1
OP	65.2	78.9	98.0
NP	24.1	26.7	35.8
NIM (%)	11.2	11.1	11.3
EPS (INR)	25.4	28.0	37.7
EPS Gr. (%)	6.2	10.5	34.4
BV/Sh. (INR)	127	152	187
ABV/Sh. (INR)	123	147	181

Ratios

RoE (%)	22.0	20.1	22.2
RoA (%)	4.6	4.2	4.7

Valuations

P/E(X)	28.4	25.7	19.1
P/BV (X)	5.7	4.7	3.9
P/ABV (X)	5.8	4.9	4.0

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	68.6	68.6	69.0
DII	16.5	16.7	17.2
FII	8.7	8.6	9.5
Others	6.1	6.1	4.4

FII Includes depository receipts

CMP: INR722

TP: INR770 (+7%)

Neutral

Asset quality woes continue; credit cost rises further

NIM stable at 10.9%

- SBI Cards (SBICARD)'s PAT was 8% below estimate at INR5.9b due to lower revenue from operations and higher provisions. NII inched up 4.4% QoQ.
- Margin was broadly stable at 10.9%. The share of revolver mix was stable at 24%, while EMI mix inched up to 38% (vs. 37% in 4QFY24).
- Spending growth decelerated 3% QoQ amid a sharp 49.8% QoQ decline in corporate spending. Retail spending, however, grew 23% YoY/3.9% QoQ.
- Asset quality remained under pressure with GNPA/NNPA ratios increasing 30bp/12bp QoQ to 3.06%/1.11%. The drop in corporate spending led to a decline in overall opex, and as a result, RoA/RoE stood at 4.1%/19.1%.
- We further cut our FY25E/FY26E EPS by 8.3%/9.5%, factoring in an elevated credit cost and subdued margins and revenue growth. **Reiterate Neutral with a TP of INR770 (premised on 20x FY26E EPS).**

Corporate spending dips sharply; credit cost continues to disappoint

- SBICARD reported an 8% miss on PAT at INR5.95b (down 10% QoQ), as NII came in line, while other income was lower and provisions stood elevated. Gross credit cost/ECL came in high at 8.5%/3.6% in 1QFY25.
- NII rose 19.7% YoY/4.4% QoQ to INR14.8b (in line). Margin stood broadly stable at 10.9%, owing to an improvement in yields but offset by the rise in costs. Revolver mix stood broadly stable at 24%, while EMI mix improved to 38%. CoF stood elevated, and it is likely to remain at elevated levels for some time. CoF should start declining once the rate reversal cycle begins to play out, keeping NIM under check.
- Fee income as a proportion of total income declined for another quarter to 52%. Opex too declined amid a decline in corporate spending. Thus, PPOP rose 4% QoQ to INR18.9b (in line). C/I ratio declined to 49% vs. 51% in 4Q.
- Cards-in-force rose 11% YoY/1.6% QoQ to 19.2m. New card sourcing declined 12% QoQ to ~0.9m (-18% YoY), with the open market channel contributing 58% to total sourcing (59% on an outstanding basis).
- Spending growth moderated to 4% YoY as corporate spending slumped 50% QoQ. This was because the company continued to focus on profitability. Retail spending growth was healthy at 23% YoY. Receivables grew at a healthy pace of 4% QoQ (+22% YoY).
- GNPA/NNPA ratios increased 30bp/12bp QoQ to 3.06%/1.11%. PCR was broadly stable QoQ at 64.4% in 1Q, supported by a 90bp QoQ rise in credit cost to 8.5%. Provisioning expenses thus increased 53% YoY to INR11b.

Highlights from the management commentary

- **Guidance:** Credit cost will be in the range of 7-8% for FY25. Credit cost has increased due to over-leveraging by customers, affecting repayment capacity.
- About 0.5m customers have had their limits reduced by up to 25%; the average limit stood at INR0.1m.
- Delinquency began in the previous fiscal year and is spread across both lower ticket sizes as well as higher ticket sizes of INR0.2-0.4m.

Valuation and view: Reiterate Neutral with a revised TP of INR770

SBICARD reported another weak quarter characterized by an earnings miss and increased stress in the system, affecting margins and asset quality. However, opex was lower due to reduced corporate spending, but higher credit cost dented earnings. Spending growth moderated due to a sharp decline in corporate spending, but management expects a near-term recovery. The mix of revolvers remained stable, while management focused on expanding the EMI mix. Margin was stable as funding cost remained elevated, and we estimate a mild recovery from 2HFY25. Credit cost inched up further to 8.5% with management guiding a credit cost of 7-8% for FY25. The reversal in the rate cycle and improvement in the revolver mix are the key triggers, though they appear to be a few quarters away. We further cut our FY25E/FY26E EPS sharply by 8.3%/9.5%, factoring in elevated credit cost and subdued margin and revenue growth. **Reiterate Neutral with a TP of INR770 (premised on 20x FY26E EPS).**

Quarterly performance

	(INR b)											
	FY24				FY25E				FY24	FY25E	FY25E V/s our	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	12.3	13.0	13.9	14.1	14.8	15.3	16.0	15.9	51.5	61.9	14.0	5%
% Change (YoY)	14.3	16.1	21.2	21.4	19.7	17.9	15.1	12.2	17.0	20.2	13.8	
Other Income	22.4	23.2	26.6	23.4	22.4	24.6	27.8	26.8	97.4	101.5	26.2	-15%
Total Income	34.8	36.2	40.5	37.5	37.2	39.9	43.8	42.6	148.9	163.4	40.3	-8%
Operating Expenses	19.6	20.7	24.3	19.2	18.2	19.4	24.4	22.5	83.7	84.5	21.9	-17%
Operating Profit	15.2	15.5	16.2	18.3	19.0	20.5	19.4	20.1	65.2	78.9	18.3	4%
% Change (YoY)	17.3	23.9	33.1	28.2	25.4	32.0	19.4	9.8	25.6	21.1	20.9	
Provisions	7.2	7.4	8.8	9.4	11.0	11.9	10.2	10.0	32.9	43.1	9.9	11%
Profit before Tax	8.0	8.1	7.4	8.9	8.0	8.5	9.1	10.2	32.3	35.8	8.4	-5%
Tax	2.0	2.1	1.9	2.3	2.0	2.2	2.3	2.6	8.2	9.1	2.1	-5%
Net Profit	5.9	6.0	5.5	6.6	5.9	6.4	6.8	7.6	24.1	26.7	6.3	-5%
% Change (YoY)	-5.4	14.7	7.8	11.0	0.2	5.5	23.7	14.4	6.6	10.8	5.6	
Operating Parameters												
Loan (INRb)	418.1	435.6	471.6	490.8	508.1	531.8	559.8	584.0	490.8	584.0	512.4	
Loan Growth (%)	30.3	19.3	26.3	24.7	21.5	22.1	18.7	19.0	24.7	19.0	22.5	
Borrowings (INRb)	329.6	340.8	380.1	398.9	408.7	433.6	457.3	477.8	398.9	477.8	416.3	
Borrowing Growth (%)	32.9	20.9	29.3	28.2	24.0	27.2	20.3	19.8	28.2	19.8	26	
Asset Quality												
Gross NPA (%)	2.4	2.4	2.6	2.8	3.1	3.5	3.5	3.6	2.8	3.6	2.8	
Net NPA (%)	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.2	1.0	1.2	1.0	
PCR (%)	63.8	64.1	64.1	64.9	64.4	64.7	65.8	66.7	64.9	66.7	65.0	



Ashok Leyland

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR246 TP: INR285 (+16%) Buy

Margins miss estimates; demand drivers remain intact

Reiterated its target to achieve mid-teen EBITDA margin

- Ashok Leyland's (AL) 1QFY25 result was a miss as EBITDA margin at 10.6% (up 60bp YoY) came in lower than our est. of 12.4% largely due to one-time expenses for the battery pack software. Management has reiterated its target of achieving mid-teen margins as it focuses on profitable growth.
 - We expect a recovery in CV demand from 2HFY25 onwards as structural demand drivers remain intact. AL is the best investment choice in the CV growth cycle, as it has positioned itself to expand revenue/profit pools.
- Reiterate our BUY rating with a TP of INR285 (based on 11x Jun'26E EV/EBITDA + ~INR19/sh for the NBFC).**

Bloomberg	AL IN
Equity Shares (m)	2936
M.Cap.(INRb)/(USDb)	723.5 / 8.6
52-Week Range (INR)	249 / 158
1, 6, 12 Rel. Per (%)	-1/29/10
12M Avg Val (INR M)	3031

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	383.7	423.3	479.0
EBITDA	46.1	53.1	63.3
Adj. PAT	26.8	34.7	42.8
Adj. EPS (INR)	9.1	11.8	14.6
EPS Gr. (%)	102.5	29.5	23.3
BV/Sh. (INR)	30.0	35.8	43.4

Ratios

RoE (%)	31.1	35.9	36.8
ROCE (%)	24.0	29.4	31.7
Payout (%)	54.2	50.7	48.0

Valuations

P/E (x)	27.0	20.8	16.9
P/BV (x)	8.2	6.9	5.7
EV/EBITDA (x)	15.4	13.4	10.8
Div. Yield (%)	2.0	2.4	2.8

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	51.1	51.1	51.1
DII	14.1	12.2	20.7
FII	22.7	22.1	17.3
Others	12.2	14.6	10.9

FII Includes depository receipts

Margin miss estimates due to one-offs

- AL's 1QFY25 revenue/EBITDA grew ~5%/11% YoY to INR86b/INR9.1b (est.INR87b/INR10.6b). PAT declined 9% YoY to INR5.25b (est.INR5.8b).
- Net realizations declined 1% YoY to INR1.96m (est. INR1.98m). Volumes grew 6% YoY. No price hikes have been taken in 1Q and Jul'24.
- Gross margins expanded 160bp YoY (-30bp QoQ) to 27.8% (est. 28%). Management expects RM costs to remain stable for the next two quarters.
- Higher other expenses (+120bp YoY as % of sales) led to a margin miss. This was due to one-time expenses related to the battery pack software development for the truck division and is unlikely to recur in coming quarters.
- EBITDA margins expanded 60bp YoY (-350bp QoQ) to 10.6% (est. 12.2%). The company has maintained its guidance for achieving mid-teen EBITDA margin in the near term.
- The net debt-to-equity ratio stood at 0.1x at the end of 1QFY25.

Highlights from the management commentary

- **FY25 outlook:** Stable macro, normal monsoons and budget focus on infrastructure would drive growth in FY25. Management remained upbeat on MHCV demand recovery in FY25.
- **Age of fleet of CVs in the market:** Fleet age is at its peak currently at 10-11 years (vs. avg-7-8 years). It is expected to unlock replacement demand in the next 2-3 years.
- **New product launches:** AL plans to launch four new LCV products in the next few quarters. A new product in the sub-2 ton segment is a medium term plan. AL plans to focus on the ICV bus segment, where it has a market share of less than 20%.
- **EVs:** The order book for Switch buses is 560/300/100 for Delhi/Bengaluru/UP for FY25. There is another order of 400 buses for Delhi. It is also participating in various other tenders. AL is also setting up a center of excellence in three areas: battery packs and modules, electric drive unit, and software-defined vehicles.
- **Defense and spares:** Defense vertical sold 1,000 vehicles in 1Q (vs. 250 vehicles last year). The order pipeline also remains strong. It is planning to double the revenues in the next 2-2.5 years. Spare parts revenues increased by 12-12.5% YoY.

Valuation and view

- We expect a recovery in CV demand from 2HFY25 onward as structural demand drivers remain intact. AL is the best investment choice in the CV growth cycle, as it has positioned itself to expand revenue/profit pools. Moreover, its focus on profitable growth driven by lower discounts, a better mix, and cost-control measures should bode well for EBITDA margin expansion over FY24-26E.
- We have marginally tweaked our FY25E/FY26E EPS. Reiterate our BUY rating with a TP of INR285 (based on 11x Mar'26E EV/EBITDA + ~INR19/sh for the NBFC).

Quarterly Performance (S/A)

(INR Million)

	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Total Volumes (nos)	41,329	49,846	47,241	56,267	43,893	50,843	51,965	62,098	1,94,683	2,08,799	43,893
Growth %	4.2	10.0	-0.7	-5.7	6.2	2.0	10.0	10.4	1.3	7.3	6.2
Realizations (INR '000)	1,981	1,934	1,963	2,002	1,959	1,979	1,998	2,139	1,971	2,027	1,982
Change (%)	8.8	6.0	3.4	2.8	-1.1	2.3	1.8	6.8	4.8	2.9	0.0
Net operating revenues	81,893	96,380	92,730	1,12,667	85,985	1,00,596	1,03,844	1,32,858	3,83,670	4,23,284	87,011
Change (%)	13.4	16.6	2.7	-3.1	5.0	4.4	12.0	17.9	6.2	10.3	6.2
RM/sales %	73.7	73.5	72.2	71.8	72.2	72.5	72.5	72.7	72.7	72.5	72.0
Staff/sales %	6.6	5.9	6.1	4.9	6.4	5.9	5.8	4.6	5.8	5.5	6.3
Other exp/sales %	9.7	9.3	9.6	9.1	10.9	9.3	9.3	8.6	9.4	9.4	9.5
EBITDA	8,208	10,798	11,139	15,921	9,109	12,408	12,920	18,711	46,066	53,149	10,587
EBITDA Margins(%)	10.0	11.2	12.0	14.1	10.6	12.3	12.4	14.1	12.0	12.6	12.2
Interest	699	587	616	592	591	500	340	301	2,494	1,732	550
Other Income	512	475	300	1,179	223	475	475	797	2,466	1,970	500
Depreciation	1,794	1,803	1,785	1,797	1,727	1,750	1,800	1,807	7,178	7,084	1,800
PBT before EO Item	6,227	8,883	9,039	14,711	7,014	10,633	11,255	17,400	38,859	46,303	8,737
EO Exp/(Inc)	6	229	6	697	0	0	0	0	937	0	0
PBT after EO	6,221	8,654	9,033	14,014	7,014	10,633	11,255	17,400	37,922	46,303	8,737
Effective Tax Rate (%)	7.3	35.2	35.8	35.8	25.1	25.0	25.0	25.0	31.0	25.0	25.2
Adj PAT	5,768	5,768	5,804	9,485	5,256	7,975	8,442	13,055	26,826	34,727	6,535
Change (%)	868.8	197.4	62.7	32.7	-8.9	38.3	45.4	37.6	102.5	29.5	13.3

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
M&HCV	26,165	32,086	29,485	37,147	27,885	27,841	30,790	40,491	1,24,883	2,23,601	27885
Dom. M&HCV Mkt sh (%)	31.2	31.9	29.8	31.5	30.7				31.1		
LCV	15,164	17,760	17,756	19,120	16,008	17,454	16,772	19,206	69,800	1,24,436	16008
Dom. LCV Mkt sh (%)	10.7	11.0	11.7	11.3	11.1				11.2		
Total Volumes (nos)	41,329	49,846	47,241	56,267	43,893	45,295	47,562	59,697	1,94,683	3,48,037	43893
AL's CV Market Sh (%)	17.9	18.8	18.6	19.8	18.3						13
Realizations (INR '000)	1,981	1,934	1,963	2,002	1,959	1,979	1,998	2,139	1,971	2,027	1982
Growth %	8.8	6.0	3.4	2.8	-1.1	2.3	1.8	6.8	33.9	45.4	0
Cost Break-up											
RM Cost (% of sales)	73.7	73.5	72.2	71.8	72.2	72.5	72.5	72.7	72.7	72.5	72.0
Staff Cost (% of sales)	6.6	5.9	6.1	4.9	6.4	5.9	5.8	4.6	5.8	5.5	6.3
Other Cost (% of sales)	9.7	9.3	9.6	9.1	10.9	9.3	9.3	8.6	9.4	9.4	9.5
Gross Margin (%)	26.3	26.5	27.8	28.2	27.8	27.5	27.5	27.3	27.3	27.5	28.0
EBITDA Margins (%)	10.0	11.2	12.0	14.1	10.6	12.3	12.4	14.1	12.0	12.6	12.2
EBIT Margins (%)	7.8	9.3	10.1	12.5	8.6	10.6	10.7	12.7	10.1	10.9	10.1

E:MOFSL Estimates



Thermax

BSE SENSEX
81,333

S&P CNX
24,835

CMP: INR5,069

TP: INR4,710 (-7%)

Neutral



Large dependence on private capex

Thermax (TMX) in its annual report outlined its strategy to innovate for energy transition, strengthen its solutions business, scale up sustainability and urbanization-oriented businesses, and drive digital transformation. The company is in the midst of reorienting its exposure across the green energy spectrum spanning solar, wind, biomass, waste to energy, et al., to facilitate energy transition in a diverse base of end-user industries and may also evaluate thermal power opportunities. While its newer initiatives may potentially bear fruit in the medium-to-long term, the near-term performance continues to be dependent upon key industries in the private sector where finalization of large-sized orders is still weak. Our estimates already factor in order inflow and revenue CAGR of 24%/16% over FY24-26E. We thus maintain our estimates and NEUTRAL rating on the stock.

Bloomberg	TMX IN
Equity Shares (m)	119
M.Cap.(INRb)/(USD\$b)	604 / 7.2
52-Week Range (INR)	5840 / 2440
1, 6, 12 Rel. Per (%)	-6/46/76
12M Avg Val (INR M)	736

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Sales	93.2	110.5	129.4
EBITDA	8.0	10.7	13.4
PAT	5.7	7.6	9.4
EPS (INR)	52.2	67.1	83.1
GR. (%)	30.3	28.6	23.9
BV/Sh (INR)	394.3	447.4	515.5

Ratios

ROE (%)	14.1	15.9	17.3
RoCE (%)	12.6	13.8	14.7

Valuations

P/E (X)	100.4	75.5	60.9
P/BV (X)	12.8	11.3	9.8
EV/EBITDA (X)	69.6	51.8	41.2
Div Yield (%)	0.2	0.3	0.3

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	62.0	62.0	62.0
DII	12.9	15.8	15.5
FII	20.6	17.7	17.8
Others	4.5	4.5	4.7

FII Includes depository receipts

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	62.0	62.0	62.0
DII	12.9	15.8	15.5
FII	20.6	17.7	17.8
Others	4.5	4.5	4.7

FII Includes depository receipts

Order inflows contingent on private capex recovery

Over the years, TMX has reduced its dependence on traditional thermal power projects by increasing the share of green projects. The company is now building capabilities and expanding across biomass, waste to energy, solar, chemicals, etc. However, order inflows grew by just 7% in FY24, mainly led by base orders, while large orders are yet to see a recovery. We believe that the long-term prospects for the company's offerings remain positive given the ongoing shift towards clean energy. TMX is also evaluating opportunities in thermal power projects and is continuously working on the hydrogen- and electrolyser-related opportunities. It is continuously developing new products, which will start to be reflected in inflows and revenue in a few years.

Select segments witnessing margin recovery

TMX has been witnessing margin improvement in Industrial Product and Chemicals segment. We expect these segments to remain high-margin segments for TMX. We believe that future margin improvement in its key segments depends upon: 1) pricing power in existing product offerings, 2) an improved share of new products in the overall offerings, which are priced higher than traditional products, 3) improved share of exports, and 4) commodity prices. We believe that certain segments for TMX are growing much faster, such as water, and industrial cooling, where operating leverage benefits can lead to margin improvement. However, traditional segments such as cement, metals, sugar, distilleries, refineries, petrochemicals, et al. are dependent on growth in the base industries, which are still at high single-digit to mid-teens levels.

To have a selective approach towards thermal opportunities

Given its past experience with large-scale thermal EPC projects in terms of competitive intensity, profitability, and working capital structure, TMX has adopted a selective approach for upcoming projects. However, owing to a widening power deficit, there has been a renewed interest in setting up thermal projects (both utility and captive), which has resulted in a sharp improvement in

the thermal prospect pipeline. According to media reports, the government is aiming to add ~80GW of thermal capacity to address the growing demand for power until renewable energy reaches a critical mass. As of FY24, India has a total thermal installed capacity of 243 GW, of which 211 GW is the installed capacity of coal and the rest is of Lignite, Diesel, and Gas. Accordingly, the company would be open to participating in thermal opportunities, as long as it makes financial and operational sense for TMX.

TOESL and FEPL – scaling up underway; will require further investment

The two subsidiaries operating under the BOO model for green energy, TOESL and FEPL, reported a healthy revenue growth in FY24. However, order inflows came in below the company's expectations. TOESL saw a robust 225% growth in EBIT, led by improved operational performance. Similarly, FEPL clocked in a 372% growth in revenue, albeit on a low base. At an EBIT level, it swung back into profit from a loss in FY23. However, interest cost was up substantially, which led to a loss of INR330m. We expect these losses to continue in FY25 as well, after which a breakeven is envisaged. Going forward, for TOESL, the company intends to diversify the portfolio by focusing on bio-CNG, biomass, gasification, and wastewater treatment solutions under the BOO model. TMX is working closely with farmer produce organizations (FPOs) for procuring biomass briquettes as part of its backward-integration efforts. Accordingly, it has set up 10 facilities with a cumulative capacity of 200 TPD, which will ensure a steady supply of feedstock. For FEPL, the focus will continue to be on B2B industrial customers and catering to their renewable energy requirements.

International subsidiaries' performance a mixed bag

- **Danstoker, Denmark** – Its revenue grew by 39% while the order inflows grew by 2%. After posting negative growth for a prolonged period, the entity has turned around its performance. This is primarily driven by improvement in the biomass segment, as the availability of fossil fuels has been impacted due to geopolitical circumstances, resulting in an increased demand for biomass-fired boilers. The thrust in Europe towards waste-to-energy, coupled with the intent to reduce dependence on Russian gas supply, augurs well for the subsidiary.
- **PT Thermax International, Indonesia** – It continues to incur losses ever since its inception, while revenue too declined 29%. To turn the situation around, TMX intends to bring about changes in management and operations. This will be achieved by streamlining local manufacturing facilities, increasing capacity utilization, strengthening the services portfolio, and adopting cost measures.
- **Thermax Europe** – In FY24, revenue growth was flattish while geopolitical tensions created by the Russia-Ukraine conflict took a toll on order inflows, which declined 9%, resulting in the project uncertainties and diminished orders. Additionally, with electrification getting cheaper, the demand for both steam and gas-fired chillers has reduced considerably.
- **Thermax Inc. USA** – During the year, order inflow for absorption cooling and heating products was down 14%. The absorption cooling and heating products revenue also saw a decline of 32%, owing to fiscal policies and geopolitical instability.

New products launched during the year

In FY24, the company launched several products, in keeping with its strategy to innovate for energy transition. New products include an electric heater, a reciprocating grate biomass-fired boiler, an enhanced multi-fuel fired solution, a hybrid heat pump, a solid fuel-fired thermic fluid heater, an upgraded oil & gas-fired steam boiler, a multi-fuel flexible steam boiler, an ultrafiltration membrane system, a mechanical vapour recompression-based ZLD, as well as a gas purification and upgradation technology. These products offer a reduced footprint, lower operating costs, and improved efficiency.

Valuation and view

The stock is currently trading at 75x/61x FY25E/FY26E EPS. We value the company at Mar'26E and maintain our TP of INR4,710, based on 55x Mar'26E EPS and add value of investments in Green Solutions at 1.5x P/BV. **Reiterate Neutral.**

Key risks

Slowdown in order inflows, a sharp rise in commodity prices, slower-than-expected revival in private sector capex, and increased competition are the key risks to our estimates.



Estimate change	
TP change	
Rating change	

CMP: INR3,030 TP: INR2,800 (-7%) Neutral

Improvement fully priced in

The BFSI and US recoveries on track, but valuations full

Bloomberg	MPHL IN
Equity Shares (m)	189
M.Cap.(INRb)/(USDb)	572.9 / 6.8
52-Week Range (INR)	3081 / 2068
1, 6, 12 Rel. Per (%)	21/4/9
12M Avg Val (INR M)	1847

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	132.8	141.4	155.4
EBIT Margin	15.1	15.4	15.8
PAT	15.5	17.4	19.7
EPS (INR)	81.8	91.2	103.4
EPS Gr. (%)	(6.0)	11.5	13.4
BV/Sh. (INR)	466.1	502.0	543.7

Ratios

RoE (%)	18.6	19.0	19.9
RoCE (%)	16.1	16.0	16.8
Payout (%)	60.5	60.4	60.4

Valuations

P/E (x)	36.9	33.1	29.2
P/BV (x)	6.5	6.0	5.5
EV/EBITDA (x)	22.7	22.0	19.6
Div Yield (%)	1.6	1.8	2.1

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	55.6	55.6	55.7
DII	21.2	21.0	18.2
FII	17.2	17.7	20.5
Others	6.1	5.7	5.6

FII Includes depository receipts

- Mphasis (MPHL)'s 1QFY25 revenue was flat QoQ in constant currency (CC), which was weaker than our estimate (+1.2% QoQ CC). Direct business grew 0.3%/4.1% QoQ/YoY in CC, aided by Insurance and BFS. The TCV jumped 80% QoQ to USD319m due to the low base of 4QFY24 at USD177m. EBIT margin stood at 15%, missing our estimate by 30bp QoQ. PAT came in at INR4.0b (up 3% QoQ) vs. our estimate of INR4.2b, led by higher SG&A and cost of delivery.
- In line with the commentary from peers, MPHL indicated that the BFS clients saw a mild recovery in discretionary spending in 1Q, and their focus is now shifting away, albeit only slightly, from the cost takeout deals to transformation and modernization projects. Deal wins in BFS improved as well, indicating a sequentially better outlook for the vertical going forward.
- That said, we believe our CQGR assumptions of 2.3% for FY25 and 2.5% for FY26 already bake in a recovery, and we believe the upside risk to current estimates is limited.
- On the margin front, MPHL is targeting a sustainable operating (EBIT) margin within the stated band of 14.6%-16.0%, and focusing on maintaining the margin in a narrow range while investing for growth. We believe the margin will be rangebound in the near term, and meaningful improvement will be dependent on revenue growth.
- We believe the stock has fully priced in a tailwind from the US BFS clients and a rate cut cycle, and it trades at an expensive valuation of 30x 12M forward earnings. While we raise our target multiple to 27x FY26E EPS (10% premium to the five-year average), we believe there is a limited upside from hereon.
- We cut our revenue growth estimates for FY25/FY26 by 190/90bp. Over FY24-26, we expect a USD revenue CAGR of ~7.6% and an INR PAT CAGR of ~12.5%. Our TP of INR2,800 implies 7% downside. **We reiterate our Neutral rating on the stock.**

Deal wins improve, revenues below estimates

- MPHL's revenue of USD410m, remained flat QoQ CC/up 3.8% YoY CC, below our estimate of 1.2% QoQ CC growth.
- Direct revenue was up 0.3% QoQ CC and 4.1% YoY CC.
- Insurance led the growth pack with 2.7% QoQ rise; BFS (~48% of revenue) grew 1.4% QoQ, while Hi-Tech was flat QoQ.
- EBIT margin stood at 15%, missing our estimate by 30bp QoQ. PAT was INR4.0b (up 3% QoQ) vs. our estimate of INR4.2b due to higher SG&A and cost of delivery.
- New TCV stood at USD319m (up 80% QoQ/down 55% YoY) vs. USD177m in 4QFY24. About 84% of the deal wins were in Gen. Services.
- Offshore utilization (excl. trainees) improved 100bp QoQ to 76%. Net headcount declined by 1,019 (-3.1% QoQ) in 1QFY25.

Key highlights from the management commentary

- Spending increased among customers despite a difficult environment. Investment is slowing inching up especially for transformation initiatives. There has been a gradual pick up in the client's engagement in terms of discretionary spending, and it is seeing some green shoots.
- Direct business: MPHL expects the deal conversion to pick up, especially the transformative deals. Further, a gradual recovery in discretionary spending is likely.
- There was a broad-based growth of 27% YoY across all chosen verticals within the US pipeline. The pipeline remained strong, even with healthy TCV wins. One-third of the pipeline is AI-led.
- Proactive pipeline is strong. More than 90% of wins are proactive deals. There was a pickup in TCV closures. Broad-based TCV wins across verticals and client pyramid as well as conversion from TCV to revenue continued to improve. Three large deals were won, with one US100m deal in the BFS segment.
- The company is seeing early sign of recovery in its mortgage business.

Valuation and view – Reiterate Neutral

- MPHL indicated that the BFS clients saw a mild recovery in discretionary spending in 1Q, and their focus is now shifting away, albeit only slightly, from the cost takeout deals to transformation and modernization projects. We believe the stock has fully priced in a tailwind from the US BFS clients and a rate cut cycle, and it trades at an expensive valuation of 30x 12M forward earnings. Over FY24-26, we expect a USD revenue CAGR of ~7.6% and an INR PAT CAGR of ~12.5%. While we raise our target multiple to 27x FY26E EPS (10% premium to the five-year average), we believe there is a limited upside from hereon. Our TP of INR2,800 implies 7% downside. **We reiterate our Neutral rating on the stock.**

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E	Est. 1QFY25	Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	398	398	402	411	410	417	427	439	1,609	1,694	416	-1.4
QoQ (%)	-3.4	0.1	1.0	2.1	-0.2	1.8	2.3	2.8	-6.3	5.3	1.2	-141bp
Revenue (INR m)	32,520	32,765	33,380	34,120	34,225	34,847	35,659	36,669	1,32,785	1,41,400	34,653	-1.2
YoY (%)	-4.7	-6.9	-4.8	1.5	5.2	6.4	6.8	7.5	-3.8	6.5	6.6	-131bp
GPM (%)	29.1	28.9	31.3	31.2	30.8	30.0	29.6	29.3	30.1	29.9	30	50bp
SGA (%)	11.1	10.7	13.3	12.5	12.7	12.2	12.0	11.6	11.9	12.1	12.5	22bp
EBITDA	5,869	5,956	6,007	6,388	6,185	6,203	6,276	6,490	24,220	25,154	6,168	0.3
EBITDA Margin (%)	18.0	18.2	18.0	18.7	18.1	17.8	17.6	17.7	18.2	17.8	17.8	27bp
EBIT	4,995	5,067	4,972	5,080	5,135	5,436	5,456	5,720	20,114	21,747	5,302	-3.1
EBIT Margin (%)	15.4	15.5	14.9	14.9	15.0	15.6	15.3	15.6	15.1	15.4	15.3	-30bp
Other income	263	150	14	143	238	348	357	367	570	1,310	347	-31.3
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.7	24.7	24.8	24.7	24.7	0bp
PAT	3,961	3,920	3,736	3,932	4,045	4,355	4,376	4,583	15,549	17,358	4,252	-4.9
QoQ (%)	-2.3	-1.0	-4.7	5.2	2.9	7.7	0.5	4.7			8	-64.7
YoY (%)	-1.5	-6.3	-9.4	-3.0	2.1	11.1	17.1	16.5	-5.1	11.6	7.4	-71.2
EPS (INR)	20.9	20.6	19.6	20.7	21.3	22.9	23.0	24.1	81.8	91.2	22.4	-5.0

E: MOFSL estimates



United Breweries

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	UBBL IN
Equity Shares (m)	264
M.Cap.(INRb)/(USD\$b)	538.6 / 6.4
52-Week Range (INR)	2182 / 1475
1, 6, 12 Rel. Per (%)	0/-6/10
12M Avg Val (INR M)	518

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Net Sales	81.2	92.2	104.5
Sales Gr. (%)	8.3	13.5	13.3
EBITDA	7.0	10.5	13.6
Margin (%)	8.6	11.4	13.1
Adj. PAT	4.1	6.8	9.0
Adj. EPS (INR)	15.5	25.7	34.2
EPS Gr. (%)	24.7	65.3	33.2
BV/Sh. (INR)	158.0	171.8	190.1

Ratios

RoE (%)	10.1	15.6	18.9
RoCE (%)	10.2	15.8	19.1

Valuations

P/E (x)	131.3	79.5	59.7
P/BV (x)	12.9	11.9	10.7
EV/EBITDA (x)	77.2	49.9	39.5

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	56.7	56.7	56.7
DII	14.0	12.3	12.7
FII	15.1	16.7	15.9
Others	14.2	14.4	14.8

FII Includes depository receipts

CMP: INR2,037 TP: INR1,800 (-12%) Sell

Weak volume growth; all eyes on margin recovery

- United Breweries (UBBL) delivered a revenue growth of 9% YoY (est. 15%). Volume growth was slow at 5% YoY (est. 11%) despite season benefits. It was partially hit by election-related restrictions and the lack of approvals for inter-state transfers (11% in 4QFY24 due to pre-election channel filling). However, the premium portfolio clocked 44% YoY volume growth, with market share gains.
- North, West, and South regions reported 7%, 6%, and 6% volume growth, respectively. However, the East region was muted at +2% YoY.
- GM improved 250bp YoY and 130bp QoQ to 43% (est 43.5%) led by state, brand, and product mix. EBITDA margin inched up 170bp YoY to 11.5%. UBBL's local production initiatives and product mix are supporting margin improvement. We model 11.4%/13.1% EBITDA margin for FY25/FY26.
- Despite modeling healthy growth and margin recovery, the stock trades at ~60x FY26E EPS. Due to expensive valuations and uncertain margin recovery pace, **we reiterate our Sell rating with a TP of INR1,800 (based on 50x Jun'26E EPS).**

Weak volume growth; miss on all fronts

- **Overall volume growth subdued; premium portfolio continues to shine:** UBBL's standalone net sales grew 9% YoY to INR24.7b (est. INR26.2b) despite the harsh summer season. Volume grew 5% YoY (+2% in FY24), with premium segment volume rising 44% YoY (~+17% in FY24). The company has been able to sustain superior volume growth for its premium portfolio.
- **Similar growth trend in most of the regions:** North, West, and South reported 7%, 6%, and 6% YoY volume growth, respectively, while East was muted at +2% YoY. The northern region's volume recovery was more on a favorable base (-15% in 1QFY24). Karnataka, AP, UP, Maharashtra, Haryana, and West Bengal reported volume growth, partially offset by a decline in Telangana and Delhi. The company could see price hikes in Rajasthan, Karnataka, AP, Maharashtra, and Tamil Nadu.
- **Margin improvement:** Gross margin improved 250bp/130bp YoY/QoQ to 43.0% (est. 43.5%). Favorable mix and price hike expanded gross margin. As a % of sales, employee expenses rose 90bp YoY to 7.4%, while other expenses dipped 15bp YoY to 24.1%. EBITDA margin expanded 170bp YoY to 11.5% (est. 11.8%). It will be interesting to see if margin recovers in the coming quarters.
- **Miss on earnings:** EBITDA/PBT/APAT grew 28%/29%/21% to INR2.9b/INR2.3b/INR1.7b (est. INR3.1b/INR2.7b/INR2.0b) during the quarter.

Highlights from the management commentary

- The volume growth was limited to 5% due to election-related restrictions and the lack of approval for inter-state transfers. Management believes that without these impacts, the volume growth would have been 8-9% in 1QFY25.
- The company expects high single-digit volume growth in the category and double-digit revenue growth over the long term.

- The company is increasing its footprint of local production, which has led to growth in the premium segment, particularly in states where they have started producing locally, such as Odisha.
- The company plans to triple their investment in capex over the next 12-18 months for building their own brewery and brownfield expansion.

Valuation and view

- We maintain our EPS estimates for FY25 and FY26.
- There are numerous challenges for the company, including stiff competition from both local and international brands in India, along with regulatory issues in the industry.
- UBBL posted 5% volume growth in 1QFY25 (+2% in FY24). Though the company's premium portfolio has been growing strongly, the pace of growth was slower than that of the other premium brands for majority of FY24. We model a revenue/EBITDA/ adj. PAT CAGR of 13%/40%/48% over FY24-26.
- Despite modeling a healthy growth and margin recovery, the stock trades at ~60x FY26E EPS. We model an EBITDA margin recovery in FY25 and FY26; any delay in margin recovery can potentially lead into an earnings cut. . Due to expensive valuations and uncertain margin recovery pace, **we reiterate our Sell rating with a TP of INR1,800 (based on 50x Jun'26E EPS).**

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25Variance	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				1QE
Volume growth (%)	-12	7	8	11	5	9	7	9	2	8	11	
Net Sales	22,732	18,880	18,227	21,315	24,730	21,354	20,432	25,694	81,227	92,209	26,187	-5.6%
YoY Change (%)	-6.7	12.4	13.1	20.8	8.8	13.1	12.1	20.5	8.3	13.5	15.2	
Gross Profit	9,221	8,408	8,018	8,894	10,642	9,481	9,174	11,736	34,703	41,033	11,391	-6.6%
Margin (%)	40.6	44.5	44.0	41.7	43.0	44.4	44.9	45.7	42.7	44.5	43.5	
EBITDA	2,228	1,846	1,456	1,420	2,847	2,287	1,986	3,407	6,962	10,528	3,087	-7.8%
YoY Change (%)	-15.9	-15.8	89.9	165.6	27.8	23.9	36.5	140.0	13.0	51.2	38.6	
Margins (%)	9.8	9.8	8.0	6.7	11.5	10.7	9.7	13.3	8.6	11.4	11.8	
Depreciation	513	508	518	577	577	521	523	474	2,119	2,095	518	
Interest	17	14	21	18	16	25	25	40	69	105	28	
Other Income	103	122	241	263	73	190	217	347	737	826	188	
PBT	1,801	1,446	1,158	1,088	2,327	1,931	1,655	3,240	5,511	9,154	2,729	-14.7%
Tax	440	369	310	280	595	498	427	751	1,403	2,362	704	
Rate (%)	24.5	25.5	26.7	25.7	25.5	25.8	25.8	23.2	25.5	25.8	25.8	
Adj PAT	1,361	1,076	849	808	1,733	1,433	1,228	2,489	4,109	6,792	2,025	-14.4%
YoY Change (%)	-15.8	-19.8	274.9	730.8	27.3	33.1	44.8	207.9	24.7	65.3	48.8	
Margins (%)	6.0	5.7	4.7	3.8	7.0	6.7	6.0	9.7	5.1	7.4	7.7	

E: MOFSL Estimates



IDFC First Bank

Estimate change

TP change

Rating change

Bloomberg	IDFCFB IN
Equity Shares (m)	7478
M.Cap.(INRb)/(USDb)	557 / 6.7
52-Week Range (INR)	101 / 71
1, 6, 12 Rel. Per (%)	-14/-23/-38
12M Avg Val (INR M)	3773

Financial and Valuation (INR b)

Y/E March	FY24	FY25E	FY26E
NII	164.5	201.6	241.9
OP	62.4	81.4	105.0
NP	29.6	31.7	45.2
NIM (%)	6.1	6.1	6.1
EPS (INR)	4.3	4.5	6.4
BV/Sh. (INR)	45	50	57
ABV/Sh. (INR)	43	48	54

Ratios

RoE (%)	10.2	9.4	12.0
RoA (%)	1.1	1.0	1.1

Valuations

P/E(X)	17.2	16.6	11.6
P/BV (X)	1.6	1.5	1.3
P/ABV (X)	1.7	1.6	1.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	37.4	37.4	39.9
DII	11.7	10.5	11.7
FII	21.0	23.7	20.9
Others	30.0	28.4	27.5

CMP: INR74

TP: INR83 (+11%)

Neutral

Elevated credit cost drags down earnings

Cost-to-income ratio eases marginally

- IDFC First Bank (IDFCFB) reported a 1QFY25 PAT of INR6.8b (-11% YoY, in line) dragged down by elevated provisions.
- NII grew 25% YoY to INR46.9b (in line), while margin contracted 13bp QoQ to 6.22%.
- Opex grew 21% YoY to INR44.3b (5% better than MOFSLe). C/I ratio thus eased to 70.2%.
- Net advances rose 21% YoY/4.1% QoQ. Deposit growth was also healthy at 36% YoY/4.5% QoQ, with CASA mix moderating 60bp QoQ to 46.6%.
- **We cut our earnings by 11%/5% for FY25E/26E, and estimate an FY26 RoA/RoE of 1.1%/12.0%. Reiterate Neutral with a revised TP of INR83 (premised on 1.5x FY26E ABV).**

NIM contracts 13bp QoQ; near-term asset quality stress to persist

- IDFCFB reported a 1QFY25 PAT of INR6.8b (-11% YoY, in line) dragged down by elevated provisions.
- NII grew 25% YoY to INR46.9b (in line), while margin contracted 13bp QoQ to 6.22% Provisions jumped 109% YoY to INR9.9bb (20% above MOFSLe).
- Other income grew 15% YoY to INR16.2b (4% miss). Opex grew 21% YoY to INR44.3b (5% better than MOSLe). C/I ratio thus eased to 70.2%. PPOp grew 25% YoY to INR18.8b (8% beat). Management expects a C/I ratio of ~65% by FY27.
- On the business front, gross advances grew 22% YoY/4.2% QoQ, led by 29% YoY growth in retail finance. Rural book rose 2.7% QoQ (+18.2% YoY). Within retail, growth was led by housing (+10.5% QoQ) and cards (+7.1% QoQ). The share of consumer & rural finance was ~72% as of 1QFY25.
- Deposit growth remained healthy at 36% YoY/4.5% QoQ, with CASA mix contracting 60bp QoQ to 46.6%. CD ratio moderated 40bp QoQ to 96.6%.
- GNPA ratio increased 2bp QoQ to 1.9%, while NNPA ratio improved 1bp QoQ to 0.59%. PCR ratio increased 59bp QoQ to 69.4%. SMA book increased to 1.01% led by elevated stress in the JLG portfolio. Restructured book declined to 0.26% of funded assets.
- Credit cost increased to ~2.2% in 1QFY25, affected by high delinquencies in the JLG portfolio due to the Chennai floods. Management expects the impact of the JLG portfolio to be rangebound, as the portfolio forms ~6% of total loans. At the overall bank level, IDFCFB expects an additional credit cost impact of ~18-20bp for FY25, and thus it raised the credit cost guidance to ~1.85% from 1.65% earlier.

Highlights from the management commentary

- Including profits for 1QFY25 and taking into account the fresh equity capital of INR32b raised in the first week of Jul'24, total CRAR stood at 17.21%, with CET-1 ratio at 14.67%. The bank further benefitted by ~14bp in CET-1 due to the new investment guidelines.

- Credit cost is expected at ~1.85% (including JLG book), and without JLG, it is expected to be ~1.65% going forward.
- The C/I ratio of ~65% is expected in three years, as going forward, the pace of increase in branches will moderate.

Valuation and view: Reiterate Neutral with revised TP of INR83

IDFCFB reported a weak quarter (though in line), with elevated provisioning, while NIM contracted 13bp QoQ. Opex was lower than expected and this led to a slight improvement in the C/I ratio. On the business front, deposit traction continued to remain robust, while CASA mix moderated slightly and advances growth too remained healthy. We estimate the C/I ratio to moderate gradually to 67.7% by FY26E, while it may remain elevated in the near term, primarily due to the need to mobilize deposits at a healthy run rate. Credit cost increased sequentially due to elevated stress in the JLG portfolio. However, improvement in operating leverage, coupled with healthy loan growth and further replacement of high-cost borrowings will aid an improvement in underlying profitability. **We cut our earnings by 11%/5% for FY25E/26E, and estimate an FY26 RoA/RoE of 1.1%/12.0%. Reiterate Neutral with a revised TP of INR83 (premised on 1.5x FY26E ABV).**

Quarterly performance

	(INRb)											
	FY24E				FY25E				FY24	FY25E	FY25E	V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	Est	
Net Interest Income	37.5	39.5	42.9	44.7	46.9	49.0	51.6	54.0	164.5	201.6	47.0	0%
% Change (Y-o-Y)	36.1	31.6	30.5	24.2	25.4	24.0	20.4	20.9	30.2	22.5	25.4	
Other Income	14.1	14.3	15.2	16.4	16.2	16.9	17.8	19.3	60.0	70.2	16.9	-4%
Total Income	51.6	53.8	58.0	61.1	63.1	65.8	69.4	73.4	224.5	271.8	63.9	-1%
Operating Expenses	36.6	38.7	42.4	44.5	44.3	46.7	48.6	50.9	162.2	190.4	46.5	-5%
Operating Profit	15.0	15.1	15.6	16.6	18.8	19.2	20.9	22.5	62.4	81.4	17.4	8%
% Change (Y-o-Y)	59.0	29.2	23.9	6.8	25.5	27.0	33.6	35.1	26.5	30.4	16.1	
Provisions	4.8	5.3	6.5	7.2	9.9	10.3	9.5	9.2	23.8	39.0	8.3	20%
Profit before Tax	10.2	9.8	9.1	9.4	8.9	8.9	11.3	13.3	38.6	42.4	9.1	-3%
Tax	2.6	2.3	1.9	2.2	2.1	2.3	2.9	3.4	9.0	10.6	2.3	-11%
Net Profit	7.7	7.5	7.2	7.2	6.8	6.6	8.5	9.9	29.6	31.7	6.8	0%
% Change (Y-o-Y)	61.3	35.2	18.4	-9.8	-11.0	-11.7	18.1	36.0	21.3	7.4	-11.0	
Operating Parameters												
Deposit (INR b)	1,544	1,712	1,825	2,006	2,097	2,230	2,399	2,567	2,006	2,567	2,120	-1%
Deposit Growth (%)	36.2	38.7	37.2	38.7	35.8	30.3	31.4	28.0	38.7	28.0	37.3	
Loan (INR b)	1,674	1,781	1,855	1,946	2,026	2,136	2,249	2,399	1,946	2,355	2,034	0%
Loan Growth (%)	26.3	27.0	27.3	24.4	21.0	19.9	21.2	23.3	28.2	21.0	21.5	
Asset Quality												
Gross NPA (%)	2.2	2.1	2.0	1.9	1.9	2.0	2.0	1.9	1.9	2.0	1.9	
Net NPA (%)	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
PCR (%)	68.1	68.2	66.9	68.8	69.4	69.6	69.9	70.6	68.8	70.6	68.2	

Source: MOFSL, Company



Indraprastha Gas

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR541 **TP: INR475 (-12%)** **Sell**

Bloomberg	IGL IN
Equity Shares (m)	700
M.Cap.(INRb)/(USDb)	378.4 / 4.5
52-Week Range (INR)	554 / 376
1, 6, 12 Rel. Per (%)	10/17/-10
12M Avg Val (INR M)	1282

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	140.0	137.2	142.8
EBITDA	23.7	23.8	30.9
Adj. PAT	17.5	16.4	21.5
Adj. EPS (INR)	25.0	23.4	30.8
EPS Gr. (%)	21.0	-6.5	31.7
BV/Sh.(INR)	122.2	138.5	160.1

Ratios

Net D:E	-0.3	-0.2	-0.3
RoE (%)	22.4	17.9	20.6
RoCE (%)	21.5	17.3	20.0
Payout (%)	30.0	30.0	30.0

Valuation

P/E (x)	21.6	23.1	17.6
P/BV (x)	4.4	3.9	3.4
EV/EBITDA (x)	15.1	15.0	11.4
Div. Yield (%)	1.4	1.3	1.7
FCF Yield (%)	0.9	1.5	3.3

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	45.0	45.0	45.0
DII	30.1	29.2	25.2
FII	16.2	16.8	22.1
Others	8.7	9.0	7.7

FII Includes depository receipts

Margin strength masks volume weakness

- IGL's EBITDA came in above our est. at INR5.8b in 1QFY25 due to higher-than-expected EBITDA/scm of INR7.4 (est. INR6.7). Volumes increased by 5% YoY to 8.6mmscmd.
- Key takeaways from the conference call: 1) EBITDA margin was strong despite APM allocation for the quarter at only ~62%; 2) Delhi now accounts for only 70% of total volumes with sub-1% volume growth; other GAS growing in double digits but from a low base; 3) The management guided for a robust 8-10% YoY CNG volume trajectory with EBITDA/scm breaching INR8 in 2Q; 4) DTC volumes may continue to decline for the next few years; buses still account for ~20% of overall volumes.
- We are already building in INR8.7/scm EBITDA margin in FY26 and overall 10% YoY volume growth in FY26 (FY25: 8.9mmscmd; FY26: 9.7mmscmd); these assumptions already take into account bullish management commentary on margins/volumes. This should lead to an EPS CAGR of ~11% in the FY24-26 period.
- We believe the management's previously guided target of 9.5mmscmd in FY25 is unlikely to be achieved now after soft volume growth in 1Q. Also, we see some risk of lower petrol prices in Delhi-NCR in the run-up to Delhi assembly elections in Feb'25. We value the stock at 14x FY26E adj. EPS and add value of JV at 25% holding company discount to arrive at our TP of INR475. We reiterate our Sell rating.

EBITDA/PAT beat amid strong margin performance

- Total volumes were in line with our estimate at 8.63mmscmd (+5% YoY).
- **CNG volumes stood at 6.45mmscmd (+5% YoY)** and PNG volumes stood at 2.18mmscmd (+7% YoY).
- **EBITDA/scm came in 11% above our est. at INR7.4** (est. INR6.7).
- Gross margin came in at INR13.2/scm (vs. INR14.4/scm in 1QFY24).
- Opex was INR5.8/scm (vs. INR8.6 in 1QFY24).
- Resulting EBITDA stood at INR5.8b (our est. of INR5.4b, -9% YoY), primarily due to lower opex.
- PAT came in above our estimate at INR4b (est. of INR3.7b, -8% YoY).
- In 1Q, IGL invested INR88m in IGL Genesis Technologies, its 51% subsidiary.

Valuation and view

- In late Jun'24, IGL raised CNG price by INR1 ([link](#)), which should support gross margin in 2Q and help to offset shortfall in APM gas allocation. While IGL's volumes saw a 9.8% CAGR in FY16-24, we estimate a 7% CAGR in FY24-26.
- We value the stock at 14x FY26E adj. EPS and add value of JV at 25% holding company discount to arrive at our TP of INR475. **We reiterate our Sell rating on the stock.**

Standalone Quarterly performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25 1QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	34,070	34,585	35,504	35,968	35,206	34,217	34,217	33,558	1,40,000	1,37,198	34,217	3%
Change (%)	6.7	-2.7	-4.3	-2.3	3.3	-1.1	-3.6	-6.7	-1.0	-2.0	0.4	
EBITDA	6,424	6,569	5,582	5,225	5,819	5,870	5,870	6,202	23,669	23,760	5,391	8%
EBITDA (INR/scm)	8.6	8.6	7.2	6.6	7.4	7.3	7.3	7.5	7.7	7.4	6.7	11%
Change (%)	4.0	24.5	30.3	13.4	-9.4	-10.6	5.2	18.7	16.3	0.4	-16.1	
Depreciation	989	1,022	1,018	1,108	1,143	1,163	1,163	1,183	4,138	4,651	1,163	-2%
Interest	24	25	18	26	22	21	21	19	92	82	21	
Other Income	457	1,340	610	1,094	727	709	709	691	3,632	2,836	706	3%
PBT before EO	5,867	6,862	5,155	5,187	5,380	5,395	5,395	5,692	23,072	21,863	4,914	9%
Tax	1,483	1,514	1,235	1,359	1,366	1,358	1,358	1,582	5,591	5,509	1,237	10%
Rate (%)	25.3	22.1	23.9	26.2	25.4	25.2	25.2	27.8	24.2	25.2	25.2	
PAT	4,384	5,348	3,921	3,828	4,015	4,037	4,037	4,110	17,481	16,353	3,677	9%
PAT (INR/scm)	5.9	7.0	5.0	4.8	5.1	5.0	5.0	5.0	5.7	4.5	4.6	12%
Change (%)	4.2	28.5	40.9	16.1	-8.4	-24.5	3.0	7.4	21.0	-6.5	-16.1	
Gas volumes (mmscmd)												
CNG	6.17	6.25	6.33	6.37	6.45	6.62	6.54	6.86	6.28	6.62	6.54	-1%
PNG	2.03	2.06	2.15	2.35	2.18	2.25	2.23	2.35	2.15	2.25	2.23	-2%
Total	8.20	8.30	8.48	8.73	8.63	8.87	8.77	9.21	8.43	8.87	8.77	-2%



Bandhan Bank

Estimate change



TP change



Rating change



Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	310.1 / 3.7
52-Week Range (INR)	263 / 169
1, 6, 12 Rel. Per (%)	-10/-29/-38
12M Avg Val (INR M)	2838

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	103.3	123.9	142.2
OP	66.4	81.2	91.6
NP	22.3	42.3	48.8
NIM (%)	6.9	7.3	7.2
EPS (INR)	13.8	26.3	30.3
EPS Gr. (%)	1.6	89.9	15.2
BV/Sh. (INR)	134	149	172
ABV/Sh. (INR)	128	142	164

Ratios

RoE (%)	10.8	18.6	18.9
RoA (%)	1.3	2.2	2.2

Valuations

P/E(X)	13.9	7.3	6.4
P/BV (X)	1.4	1.3	1.1
P/ABV (X)	1.5	1.4	1.2

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	40.0	40.0	40.0
DII	15.1	12.5	12.5
FII	28.3	31.2	33.5
Others	16.6	16.3	14.0

FII Includes depository receipts

CMP: INR193

TP: INR220 (+14%)

Neutral

Business gaining normalcy; lower provisions drive earnings beat

CRAR lower at 15.7% due to prudential increase in risk weights

- Bandhan Bank (BANDHAN) reported a healthy beat on PAT at INR10.6b (+47.5% YoY) fueled by controlled opex and provisions.
- NII grew 20.7% YoY to INR30.1b (in line). Margin was stable QoQ at 7.6%. Opex grew 21% YoY/dipped 8% QoQ to INR15.9b (8% lower than MOFSLe). C/I ratio thus moderated 331bp QoQ to 45.1% in 1QFY25.
- Advances grew at 23.8% YoY/0.4% QoQ, whereas deposit growth was modest at 22.8% YoY/down 1.5% QoQ. CASA ratio, thus, moderated 372bp QoQ to 33.4% during the quarter.
- GNPA/NNPA ratios deteriorated 39bp/4bp QoQ to 4.2%/1.15%; however, slippages improved to INR8.9b vs INR10.2b in 4QFY24. SMA book increased 30bp QoQ to 2.3%. CE was steady at 99%.
- We raise our earnings estimates for FY25/26 by 10%/11% and expect an FY26E RoA/RoE of 2.2%/18.9%. Reiterate Neutral with a revised TP of INR220 (premised on 1.3x FY26E ABV).**

Fresh slippages moderate; margins stable

- BANDHAN reported a 31% beat on PAT at INR10.6b led by controlled opex and provisions. NII grew 20.7% YoY to INR30.1b (inline). Margins stood stable QoQ at 7.6%.
- Other income grew 37% YoY to INR5.3b (in line) resulting in a 22.8% YoY growth in total revenue (in line). PPOP grew 24.2% YoY/ 5.6% QoQ to INR19.4b (14% beat) as opex rose 21% YoY/ down 8% QoQ to INR15.9b (8% lower than MOFSLe). The bank did not add branches in 1QFY25 and it expects the pace of branch additions to be moderate.
- Advances grew at 23.8% YoY/0.4% QoQ. EEB book grew 20.7% YoY (down 0.5% QoQ), whereas non-micro credit book rose 22.8% YoY (2% QoQ). The bank guided 18-20% credit growth for the next 2-3 years.
- Deposit growth was modest at 22.8% YoY/down 1.5% QoQ. CASA ratio, thus, moderated 372bp QoQ to 33.4%.
- GNPA/NNPA ratios deteriorated 39bp/4bp QoQ to 4.2%/1.15%; however, slippages improved to INR8.9b from INR10.2b in 4QFY24. The SMA book increased 30bp QoQ to 2.3%. PCR increased to 73.7%.
- CRAR declined sharply due to the impact of an increase in risk weights in EEB book from 75% to 125%. Tier-1 thus declined to 14.1%, while CAR stood at 15.7% (including profits, it declined 260bp QoQ).

Highlights from the management commentary

- The yield on advances (YoA) stood at 16%. The shift towards a higher mix of secured assets led to a pressure on YoA, but this will be offset by lower slippages. YoA is expected to be ~15-16% going forward.
- BANDHAN guided 18-20% credit growth over the next 2-3 years, and it is aiming at a faster deposit growth compared to the advances growth.
- In the EEB segment, SMA 1 is currently at INR4.2b/0.7% of loans, and SMA-2 forms INR4.36b/ 0.7% of loans. Overall, the reductions have been healthy. SMA-0 was INR5.8b, an increase of 30bp due to lower collections, heat waves, and general elections.
- INR0.6-0.7b of ARC recovery is expected in every quarter, and this includes the provision release.

Valuation and view

BANDHAN reported a steady quarter with earnings beat propelled by controlled opex and provisions. NII growth was healthy, aided by stable margins. Deposit growth was modest; however, management guided deposits to grow faster than advances. Asset quality deteriorated slightly; however, slippages moderated, while CE remained steady at 99%. Moreover, the bank, on a conservative basis, has increased the risk weights in the EEB book. Management expects a positive outcome from the ongoing CGFMU audit, which is to be completed shortly. **We raise our earnings estimates for FY25/26 by 10%/11% and expect an FY26E RoA/RoE of 2.2%/18.9%. Reiterate Neutral with a revised TP of INR220 (premised on 1.3x FY26E ABV).**

Quarterly performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	V/S our Est
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		1QE		
Net Interest Income	24.9	24.4	25.3	28.7	30.1	30.5	31.2	32.1	103.3	123.9	29.2	3%
% Change (YoY)	-0.9	11.4	21.4	16.0	20.7	24.7	23.6	12.1	11.5	20.0	17.3	
Other Income	3.9	5.4	5.5	6.9	5.3	5.7	6.4	7.9	21.6	25.2	5.1	3%
Total Income	28.8	29.8	30.7	35.6	35.3	36.2	37.6	40.1	124.9	149.1	34.3	3%
Operating Expenses	13.1	14.0	14.2	17.2	15.9	16.5	16.8	18.7	58.5	67.9	17.3	-8%
Operating Profit	15.6	15.8	16.6	18.4	19.4	19.7	20.8	21.4	66.4	81.2	17.1	14%
% Change (YoY)	-14.2	2.0	-13.9	2.4	24.2	24.1	25.7	16.2	-6.4	22.3	9.2	
Provisions	6.0	6.4	6.8	17.7	5.2	5.6	6.9	7.4	37.0	25.2	6.2	-15%
Profit Before Tax	9.6	9.5	9.7	0.6	14.2	14.0	13.9	14.0	29.4	56.1	10.9	30%
Tax	2.4	2.3	2.4	0.1	3.5	3.5	3.5	3.2	7.1	13.7	2.7	29%
Net Profit	7.2	7.2	7.3	0.5	10.6	10.5	10.4	10.8	22.3	42.3	8.1	31%
% Change (YoY)	-18.7	244.6	152.2	-93.2	47.5	45.4	41.8	1,880.7	1.6	89.9	12.9	
Operating Parameters												
Deposits (INR b)	1,085	1,121	1,174	1,352	1,332	1,401	1,498	1,595	1,352	1,595	1,332	0%
Loans (INR b)	982	1,020	1,102	1,211	1,216	1,251	1,331	1,410	1,211	1,410	1,221	0%
Deposit Growth (%)	16.6	12.8	14.8	25.1	22.8	25.0	27.6	18.0	25.1	18.0	22.8	
Loan Growth (%)	8.0	13.1	19.6	15.6	23.8	22.6	20.8	16.4	15.6	16.4	24.4	
Asset Quality												
Gross NPA (%)	6.8	7.3	7.0	3.8	4.2	4.3	4.2	4.1	3.8	4.1	3.8	
Net NPA (%)	2.2	2.3	2.2	1.1	1.2	1.2	1.1	1.1	1.1	1.1	1.1	
PCR (%)	69.2	70.0	70.0	71.8	73.7	73.9	74.2	74.8	71.8	74.8	72.7	

E: MOFSL Estimates



Kaynes Technologies

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR4,250 TP: INR5,000 (+18%) Buy

An all-round performance

Earnings beat on all fronts

- KAYNES's revenue jumped 70% YoY in 1QFY25, led by strong traction in the Industrials (up 2.7x YoY; includes EV) and Automotive (up 56% YoY) verticals. The order book as of Jun'24 witnessed strong growth of 68% YoY to ~INR50.4b.
- Margins remained mostly stable during the quarter (EBITDA margins down ~20bp YoY), due to an unfavorable business mix.
- Factoring in the strong 1Q performance and robust order inflows, we increase our EPS estimates for FY25/FY26 by ~8%/10%. We retain our BUY rating on the stock with a TP of INR5,000 (55x FY26E EPS).

Robust order inflows reaffirm strong growth visibility

- Consolidated revenue jumped 70% YoY to INR5b (est. INR4.8b) in 1QFY25, while EBITDA grew ~66% YoY to INR669m (est. INR627m).
- EBITDA margins contracted 20bp YoY to 13.3% as gross margins declined 350bp YoY due to an unfavorable business mix; however, favorable operating leverage majorly offset the margin contraction. Employee/other expenses as a percentage of sales declined 130bp/190bp YoY to 6.6%/7.4%.
- Adjusted PAT surged 2.1x YoY to INR508m, led by higher other income.
- The order book increased to INR50.4b as of Jun'24 vs. INR41.2b/INR30b in Mar'24/Jun'23, led by large orders from Industrials & EVs, Defense & Outerspace and Medical verticals. Order inflows in 1Q grew ~2.2x YoY to INR14.3b.
- Net working capital days stood at 121 in 1QFY25, flat YoY. Net debt stood at ~INR5.7b as of 1QFY25 vs. INR972m as of 1QFY24.

Highlights from the management commentary

- **Guidance:** The company expects revenue to surpass INR30b in FY25 and exceed previous guidance of 60% YoY growth. KAYNES expects strong EBITDA margins of ~15% in FY25. Export mix should increase to 20% by FY26.
- **Order book:** KAYNES secured three major long-term orders in Aerospace & Outerspace, Industrial & EVs, and Medical sectors, ensuring growth for FY25. It also received a significant two-year Industrial order to be executed in FY26/FY27. Moreover, a leading medical equipment provider qualified KAYNES to supply in the US and EU, which is expected to bring substantial revenue for the company.
- **Smart Meter:** The company's Telangana facility for the manufacturing of smart meters will start soon. KAYNES expects to garner a good market share in this segment (~240m meters opportunity; INR480-600b) as two of the best global companies are customers of KAYNES.

Bloomberg	KAYNES IN
Equity Shares (m)	64
M.Cap.(INRb)/(USDb)	271.6 / 3.2
52-Week Range (INR)	4574 / 1685
1, 6, 12 Rel. Per (%)	2/31/104
12M Avg Val (INR M)	647

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	18.0	30.5	47.3
EBITDA	2.5	4.6	7.5
Adj. PAT	1.8	3.5	5.8
EBITDA Margin (%)	14.1	15.2	15.8
Cons. Adj. EPS (INR)	28.7	54.3	90.6
EPS Gr. (%)	75.3	89.1	67.0
BV/Sh. (INR)	389.1	443.3	534.0

Ratios

Net D:E	-0.5	-0.4	-0.4
RoE (%)	10.6	13.0	18.5
RoCE (%)	11.6	13.6	18.2

Valuations

P/E (x)	148	78	47
EV/EBITDA (x)	102	56	35

Shareholding pattern (%)

As on	Jun-24	Mar-24	Jun-23
Promoter	57.8	57.8	63.6
DII	17.9	18.4	13.1
FII	14.3	14.2	8.0
Others	10.0	9.6	15.3

Note: FII includes depository receipts

Valuation and view

- KAYNES is a prominent end-to-end and IoT-enabled integrated electronics manufacturer, with strong order book growth (85% CAGR over FY20-24) and a higher share of Box Build (~42% in FY24) and PCBA (~55%).
- We estimate a CAGR of 62%/71%/78% in revenue/EBITDA/Adj. PAT over FY24-FY26, driven by a healthy order book growth trajectory and a better margin profile (increasing mix of high value order).
- Factoring in the strong 1Q performance and robust order inflows, we increase our EPS estimates for FY25/FY26 by ~8%/10%. We retain our BUY rating on the stock with a TP of INR5,000 (55x FY26E EPS).

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25E	FY25E	(INR m)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	Var. %	
Gross Sales	2,972	3,608	5,093	6,373	5,040	6,026	8,607	10,834	18,046	30,507	4,814	5
YoY Change (%)	49.1	32.1	76.2	74.8	69.6	67.0	69.0	70.0	60.3	69.1	62.0	
Total Expenditure	2,569	3,121	4,394	5,421	4,371	5,136	7,288	9,089	15,505	25,884	4,187	
EBITDA	403	488	699	952	669	890	1,319	1,745	2,542	4,623	627	7
Margins (%)	13.5	13.5	13.7	14.9	13.3	14.8	15.3	16.1	14.1	15.2	13.0	
Depreciation	53	65	60	74	84	97	113	124	251	417	85	
Interest	113	118	148	153	227	140	135	166	533	668	105	
Other Income	81	90	94	294	283	234	160	150	559	827	120	
PBT before EO expense	319	394	585	1,019	641	887	1,231	1,606	2,317	4,365	557	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	319	394	585	1,019	641	887	1,231	1,606	2,317	4,365	557	
Tax	72	71	133	207	133	182	252	329	483	897	114	
Rate (%)	22.6	18.0	22.7	20.3	20.8	20.5	20.5	20.5	20.8	20.5	20.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	246	323	452	813	508	706	978	1,276	1,834	3,468	443	
Adj PAT	246	323	452	813	508	706	978	1,276	1,834	3,468	443	15
YoY Change (%)	149.0	52.8	97.7	97.3	106.0	118.4	116.5	57.1	92.9	89.1	79.7	
Margins (%)	8.3	9.0	8.9	12.8	10.1	11.7	11.4	11.8	10.2	11.4	9.2	



Piramal Pharma

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR167

TP: INR195 (+17%)

Buy

Beat at operational level; CDMO/ICP drive earnings

Outlook on improvement path

- Piramal Pharma (PIRPHARM) delivered better-than-expected EBITDA in 1QFY25, aided by improved execution in CDMO segment and India consumer product (ICP) segment. The reduction in debt after the rights issue lowered the interest outgo.
- PIRPHARMA is expected to see an improved performance across segments on the back of a) the addition of differentiated offerings and a favorable demand scenario in CDMO, b) new launches and expansion of reach in complex hospital generics (CHG), c) steady growth in power brands in ICP, and d) gradual reduction in financial leverage. As a result, we expect strong growth in PAT to INR6.8b in FY26 (from INR560m PAT in FY24).
- We maintain our earnings estimates for FY25/FY26. We value PIRPHARM at INR195, based on SOTP (17x EV/EBITDA for CDMO business, 13x EV/EBITDA for Complex hospital generics business, 13x EV/EBITDA for ICP segment). Maintain BUY.

Bloomberg	PIRPHARM IN
Equity Shares (m)	1326
M.Cap.(INRb)/(USD\$b)	220.8 / 2.6
52-Week Range (INR)	172 / 88
1, 6, 12 Rel. Per (%)	2/0/38
12M Avg Val (INR M)	817
Free float (%)	65.1

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	81.7	93.1	105.2
EBITDA	12.0	15.0	19.5
Adj. PAT	0.6	3.3	6.8
EBIT Margin (%)	5.6	8.0	11.0
Cons. Adj. EPS (INR)	0.4	2.5	5.1
EPS Gr. (%)	NA	497.6	102.9
BV/Sh. (INR)	66.3	69.1	74.8

Ratios

Net D:E	0.5	0.5	0.4
RoE (%)	0.8	4.1	7.9
RoCE (%)	0.5	4.0	6.4
Payout (%)	57.0	17.6	17.6

Valuations

P/E (x)	392.1	65.6	32.3
EV/EBITDA (x)	21.9	17.6	13.3
Div. Yield (%)	0.0	0.2	0.5
FCF Yield (%)	0.0	0.0	0.0
EV/Sales (x)	3.2	2.8	2.5

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	35.0	35.0	34.8
DII	13.0	12.1	5.5
FII/FI/FII	31.9	31.0	35.4
Others	20.2	21.9	24.3

FII Includes depository receipts

Controlled opex drives better profitability YoY

- PIRPHARM's revenue grew 12% YoY to INR19.5b (our est: INR19.6b). CDMO segment (54% of total sales) revenue grew 18% YoY to INR10.6b. ICP segment (14% of total sales) revenue grew 10% YoY to INR2.6b. CHG segment (32% of total sales) revenue grew 2% YoY to INR6.3b.
- Gross margin expanded 130bp YoY to 65.4% due to a change in the product mix.
- However, EBITDA margin expanded 290bp YoY to 10.5% (our est: 8.2%), largely due to a decrease in other expenses (down by 300bp as % of sales), offset by an increase in employee costs (up 140bp as % of sales).
- As a result, EBITDA grew 54.5% YoY to INR2b (our est: INR1.6b).
- Interest costs declined by 9.8% YoY to INR1.1b.
- Net loss narrowed to INR888m in 1QFY25 from INR986m in 1QFY24 (our est. loss of INR664m).

Highlights from the management commentary

- PIRPHARMA reiterated its guidance of revenue growth in early teens YoY for FY25.
- The management is witnessing early signs of recovery in biotech funding on the back of increased customer visits/inquiries. The generic API business also saw pick-up in demand.
- Favorable regulatory changes and supply-chain diversification should provide medium- to long-term growth opportunities in CDMO segment.
- PIRPHARMA is on track to set up new manufacturing lines for Sevoflurane at its Digwal facility.

PPL Income statement

(INR m)

PPL Income statement	FY24				FY25E				FY24	FY25E	FY25E 1QE	% var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Revenues	17,489	19,114	19,586	25,524	19,511	22,119	22,639	28,843	81,712	93,111	19,610	-1%
<i>growth YoY(%)</i>	18.0	11.1	14.1	18.0	11.6	15.7	15.6	13.0	15.4	14.0	12.1	
Expenses	16,165	16,457	16,902	20,224	17,467	19,519	19,041	22,113	69,749	78,140	18,002	
CDMO	8,980	10,680	11,340	16,490	10,570	12,816	13,268	18,435	47,490	55,088	10,327	2%
CHG	6,170	5,890	5,760	6,770	6,310	6,538	6,624	7,823	24,590	27,295	6,725	-6%
ICP	2,390	2,560	2,520	2,380	2,640	2,765	2,747	2,585	9,850	10,737	2,557	3%
EBITDA*	1,323	2,657	2,684	5,299	2,044	2,600	3,598	6,730	11,963	14,971	1,608	27%
<i>margin (%)</i>	7.6	13.9	13.7	20.8	10.5	11.8	15.9	23.3	14.6	16.1	8.2	
<i>growth YoY(%)</i>	55.5	54.0	124.1	50.9	54.5	-2.1	34.1	27.0	64.2	25.2	21.5	
Depreciation	1,736	1,845	1,863	1,961	1,846	1,850	1,900	1,958	7,406	7,554	1,800	
EBIT	-413	812	821	3,338	198	750	1,698	4,771	4,557	7,417	-192	-203%
Other income	383	492	615	264	195	430	520	655	1,754	1,800	400	
Interest expense	1,185	1,099	1,059	1,142	1,070	962	925	805	4,485	3,761	1,028	
Share from Asso. Co	144	191	140	120	224	162	135	104	595	625	156	
PBT	-1,071	396	516	2,580	-452	380	1,428	4,725	2,421	6,081	-664	NA
EO Expenses/(gain)	-	-	323	310	-	-	-	-	633	-	-	
Taxes	-85	345	93	1,262	436	125	471	1,704	1,615	2,736	0	
<i>Tax Rate (%)</i>	8.0	87.3	47.8	55.6	-96.4	33.0	33.0	36.1	90.3	45.0	0.0	
Reported PAT	-986	50	101	1,008	-888	255	957	3,021	173	3,345	-664	NA
Adj. PAT	-986	50	350	1,146	-888	255	957	3,021	560	3,345	-664	NA
<i>Change (%)</i>	NA	LP	LP	128.6	NA	405.0	173.3	163.7	NA	497.1	NA	

E: MOFSL Estimates



Mahanagar Gas

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR1,846 TP: INR2,200 (+19%) Buy

Volume/margin surpass guidance

Bloomberg	MAHGL IN
Equity Shares (m)	99
M.Cap.(INRb)/(USD\$b)	182.4 / 2.2
52-Week Range (INR)	1859 / 971
1, 6, 12 Rel. Per (%)	19/18/44
12M Avg Val (INR M)	886

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	62.4	59.7	64.5
EBITDA	18.4	18.7	20.1
Adj. PAT	13.1	12.8	13.5
Adj. EPS (INR)	132.3	129.4	136.9
EPS Gr. (%)	65.4	-2.2	5.9
BV/Sh.(INR)	520.6	598.2	680.4

Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	28.2	23.1	21.4
RoCE (%)	28.2	23.2	21.5
Payout (%)	40.0	40.0	40.0

Valuation

P/E (x)	14.0	14.3	13.5
P/BV (x)	3.6	3.1	2.7
EV/EBITDA (x)	9.7	9.5	8.8
Div. Yield (%)	2.9	2.8	3.0
FCF Yield (%)	4.3	2.3	3.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	32.5	32.5	32.5
DII	26.7	27.4	25.2
FII	31.5	30.6	32.4
Others	9.3	9.6	10.0

FII Includes depository receipts

- Mahanagar Gas Ltd.'s (MAHGL) EBITDA decreased 20% YoY to INR4.2b in 1QFY25, mainly driven by a 29% YoY dip in EBITDA/scm to INR11.9 (MOSL est: INR 10.9). Volumes grew 13% YoY to 3.9mmscmd driven by CNG and I/C-PNG.
- **Key highlights from the conference call:** 1) EBITDA/scm came in strong despite APM gas allocation below 70% in 1QFY25, 2) management guidance on both margin and volume growth remains conservative at 7% volume growth (ex-UEPL) and INR10-12 EBITDA/scm, 3) volume growth at UEPL is in mid-teens and can sustain for the next 6-7 years, 4) MAHGL is looking to add 75 stations in FY25 on a base of ~400 stations (incl. UEPL), 5) MAHGL guided an improved volume outlook in 2Q/3QFY25, besides margin support from CNG price hikes taken in early Jul'24.
- Following the strong 1QFY25 financial performance, we raise our FY25-26 EPS by 16%/17%. Overall, we believe MAHGL's guidance was conservative, while actual volume growth/margin delivery surpassed expectations.
- The stock trades at 13.5x FY26E EPS of INR136.9. We value it at 16x FY26E EPS to arrive at our TP of INR2,200. **Reiterate BUY.** We continue to prefer MAHGL over IGL owing to its 30% cheaper valuation (on FY26E standalone P/E basis), a higher volume growth profile in the medium term, relatively lower EV risk, and superior margin trajectory.

Beat driven by higher-than-estimated margin

Standalone

- Total volumes were in line with est. at 3.9mmscmd (+13% YoY)
- CNG volumes were at 2.8mmscmd (+12% YoY).
- PNG total volumes stood at 1.1mmscmd (+17% YoY)
- EBITDA/scm came 9% above our estimate at INR11.9 (-29% YoY).
- Other expenses and employee costs were INR150m below our estimates.
- The resultant standalone EBITDA was 8% above our estimate at INR4.2b (-20% YoY; our est. INR3.9b).
- PAT was also above our estimate at INR2.8b (our est. INR2.6b, -23% YoY).

Consolidated figures, including Unison Enviro Private Limited (UEPL)

- In 1QFY25, net sales stood at INR16.7b (+8% YoY, +3% QoQ).
- EBITDA stood at INR4.4b (-16% YoY, +11% QoQ) led by a sharp decline in margins YoY.
- Resultant PAT stood at INR2.9b (-22% YoY, +14% QoQ) in 1QFY25.

Valuation and view

- During the quarter, MAHGL connected 35,554 domestic households and added 104 PNG-I/C customers. For Raigad GA, 80,854 households were connected, and eight pipelines were laid.
- We expect a 7% CAGR in volume over FY24-26, driven by multiple initiatives implemented by the company, such as partnering with OEMs to drive conversions of commercial CNG vehicles and providing guaranteed price discounts to new I/C-PNG customers.
- The stock trades at 13.5x FY26E EPS of INR136.9. We value it at 16x FY26E EPS to arrive at our TP of INR2,200. **Reiterate BUY.**

Standalone - Quarterly Earnings

(INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	15,378	15,709	15,688	15,671	15,896	13,953	14,340	15,480	62,445	59,669	15,059	6%
YoY Change (%)	5.7	0.5	-6.1	-2.7	3.4	-11.2	-8.6	-1.2	-0.9	-4.4	-2.1	
EBITDA	5,213	4,789	4,487	3,938	4,185	4,375	4,496	5,652	18,426	18,707	3,876	8%
EBITDA/SCM	16.8	14.6	13.3	11.5	11.9	12.5	12.5	13.0	13.9	12.5	10.9	9%
Margins (%)	33.9	30.5	28.6	25.1	26.3	31.4	31.4	36.5	29.5	31.4	25.7	
Depreciation	620	658	683	775	719	742	742	765	2,736	2,966	742	
Interest	25	25	27	38	31	26	26	21	115	104	26	
Other Income	390	437	481	446	402	360	360	317	1,753	1,438	355	
PBT	4,957	4,543	4,258	3,570	3,837	3,967	4,088	5,184	17,328	17,075	3,462	11%
Tax	1,273	1,158	1,086	920	992	998	1,029	1,279	4,437	4,298	872	
Rate (%)	25.7	25.5	25.5	25.8	25.8	25.2	25.2	24.7	25.6	25.2	25.2	
Reported PAT	3,684	3,385	3,172	2,650	2,845	2,968	3,059	3,905	12,891	12,777	2,591	10%
YoY Change (%)	98.9	106.4	84.3	-1.4	-22.8	-12.3	-3.6	47.4	63.2	-0.9	-29.7	
Margins (%)	24.0	21.5	20.2	16.9	17.9	21.3	21.3	25.2	20.6	21.4	17.2	
Sales Volumes (mmcmd)												
CNG	2.5	2.6	2.6	2.7	2.8	2.7	2.8	3.7	2.6	3.0	2.9	-3%
PNG - Domestic	0.5	0.5	0.5	0.6	0.5	0.6	0.6	0.7	0.5	0.6	0.6	-6%
PNG - Industrial/ Commercial	0.4	0.5	0.5	0.6	0.5	0.5	0.5	0.4	0.5	0.5	0.5	18%
PNG - Total	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.1	1.0	5%
Total Volumes	3.4	3.6	3.7	3.8	3.9	3.8	3.9	4.8	3.6	4.1	3.9	-1%

Operational Highlights

	FY22				FY23				FY24				1Q	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
CNG (mmcmd)	1.6	2.2	2.4	2.3	2.5	2.5	2.5	2.4	2.5	2.6	2.6	2.7	2.8	4%
Growth YoY (%)	223%	75%	27%	13%	64%	14%	3%	6%	-2%	2%	6%	11%	12%	
PNG (mmcmd)	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	1.0	1.0	1.1	1.1	-2%
Growth YoY (%)	34%	12%	3%	3%	7%	3%	3%	8%	2%	8%	11%	16%	17%	
Total Volumes (mmcmd)	2.4	3.1	3.3	3.2	3.4	3.5	3.4	3.4	3.4	3.6	3.7	3.8	3.9	2%
Growth YoY (%)	115%	51%	19%	10%	44%	11%	3%	6%	-1%	3%	8%	12%	13%	
EBITDA/SCM (INR)	13.9	10.5	3.4	7.6	9.1	7.9	8.2	12.8	16.8	14.6	13.3	11.5	11.9	4%
Growth YoY (%)	76%	-9%	-73%	-38%	-35%	-24%	140%	70%	84%	83%	63%	-11%	-29%	



Equitas Small Finance

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR87 TP: INR110 (+26%) Buy

PPoP in line; earnings miss due to higher floating provisions

Growth outlook steady; MFI delinquencies to be monitored

Bloomberg	EQUITASB IN
Equity Shares (m)	1136
M.Cap.(INRb)/(USDb)	98.8 / 1.2
52-Week Range (INR)	117 / 82
1, 6, 12 Rel. Per (%)	-20/-35/-36
12M Avg Val (INR M)	483

- Equitas SFB (EQUITASB) reported a 1QFY25 PAT of ~INR0.3b (-87% YoY), 85% lower than MOFSL amid higher floating provisions, as the bank reduced its NNPA to <1% and raised PCR to >70%. These were done to gain eligibility for a universal banking license. PPoP otherwise stood in line.
- Advances grew 16% YoY/3.1% QoQ to INR319b, led by SBL and Housing, partly offset by a decline in MFI book as the bank took a conservative approach.
- Deposit growth was healthy at 35% YoY/4% QoQ, led by growth in TDs and relatively slower growth in CASA. The CASA mix moderated to 31%, while the CoF rose 2bp to 7.46%. NIM contracted 20bp QoQ to 7.97%.
- Slippages were elevated, with fresh slippages increasing to INR3.8b/5.2% as the management indicated elevated stress in the MFI business. GNPA ratio thus increased 12bp to 2.7%, while prudential provisioning restricted NNPA at 0.8%. PCR thus increased sharply to ~70%.
- We cut our FY25E/FY26E EPS by 22.3%/ 9.1% and estimate an FY26 RoA/RoE of 1.9%/16.3%. **Reiterate BUY with a TP of INR110 (1.7x FY26E ABV).**

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	30.8	34.7	42.4
OP	13.8	15.5	20.3
NP	8.0	7.1	11.4
NIM (%)	8.5	7.7	7.5
EPS (INR)	7.1	6.3	10.0
BV/Sh. (INR)	53	57	66
ABV/Sh. (INR)	50	55	64

Ratios

RoE (%)	14.4	11.4	16.3
RoA (%)	2.0	1.4	1.9

Valuations

P/E(X)	12.2	13.9	8.7
P/BV (X)	1.7	1.5	1.3
P/ABV (X)	1.7	1.6	1.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	0.0	0.0	0.0
DII	45.4	45.2	43.0
FII	19.7	19.5	21.5
Others	34.9	35.3	35.6

FII Includes depository receipts

PPoP in line; builds PCR at 70% to gain eligibility for a univ. bank license

- EQUITASB reported a PAT of INR0.3b (down 87% YoY) dragged by higher floating provisions as it aimed to bring NNPA <1% and PCR>70% to make it eligible for a universal banking license.
- NII grew 8% YoY to INR8.01b (in line). Other income grew 22% YoY/ dipped 13% QoQ, while treasury income was largely flat.
- Opex grew 11% YoY/2.8% QoQ to INR6.7b, leading to an elevated C/I ratio of 66.3%. PPoP, thus, grew 9% YoY/dipped 9% QoQ to INR3.4b (in line).
- Total AUM jumped 17% YoY (up 3% QoQ) to INR346b, led by healthy traction across segments, barring MFI, as management took a cautious step amid rising stress in the segment.
- Disbursements stood at INR39.6b in 1QFY25, down 22.2% QoQ from the peak of 4Q. The small business/vehicle finance loans declined 20%/15% QoQ, while microfinance declined sharply by 29.4% QoQ. Housing finance disbursements too dipped 32.6% QoQ. The share of MFI AUM decreased sharply to 17.3% from 18.6% in 4QFY24. Management envisages a period of elongated stress in the MFI portfolio and will keep its share lower if the situation worsens.
- Deposits jumped 35% YoY to ~INR375b, led by 5% QoQ growth in term deposits. CASA mix moderated 73bp QoQ to 31.2% down from its peak of 52% in 4QFY22. CD ratio moderated to ~85% in 1QFY25.
- On the asset quality front, slippages were elevated at INR3.8b (5.2% annualized) amid higher stress in MFI. The GNPA ratio increased 12bp QoQ to 2.73%, while NNPA decreased 34bp to 0.83%. PCR spiked to 70.3% due to higher provisions in 1QFY25.

Highlights from the management commentary

- Disbursements stood lower, resulting in slower loan growth. The non-MFI loans grew 27% YoY, with Jul'24 looking promising and expected to see further improvements.
- MFI slippages are not showing any signs of improvement. If current practices continue, industry-wide challenges are expected, and greater discipline across the board is essential.
- Yields on advances: Micro LAP yields are similar to those of the MFI book. A 5% decrease in MFI disbursements could lead to a 1.5% drop in yields. However, the bank plans to offset this by focusing on other high-yielding businesses.

Valuation and view: Reiterate BUY with a TP of INR110

EQUITASB reported an in-line quarter, except for the elevated provisions, as it created floating provisions to gain eligibility for a universal banking license. While business growth was steady, NIM contracted amid a change in portfolio mix as well as a decline in disbursement yields. Deposit growth remained healthy, led by strong growth in retail term deposits, although the CASA mix deteriorated sharply over the past year. Asset quality deteriorated further due to higher slippages and lower recoveries. The bank stated that the system has been witnessing higher stress amid the overleveraging of the MFI customers; discipline among the lenders remains a key to avoid this stress. The bank had previously guided a credit cost of ~1.25% in FY25 and will re-evaluate it further after the next quarter. We cut our FY25E/FY26E EPS by 22.3%/ 9.1% amid higher provisions and a slight decline in the NII. We estimate an FY26 RoA/RoE of 1.9%/16.3%. **Reiterate BUY with a TP of INR110 (premised on 1.7x FY26E ABV).**

Quarterly performance

Y/E March	(INR m)								v/s Est
	FY24				FY25E				
	1Q	2Q	3Q	4Q	1QE	FY24	FY25E	FY25E 1QE	
Interest Income	12.5	13.6	14.3	14.4	15.0	54.9	66.5	15	2%
Interest Expense	5.1	5.9	6.4	6.6	7.0	24.1	31.9	7	3%
Net Interest Income	7.4	7.7	7.9	7.9	8.0	30.8	34.7	8	-1%
% Change (YoY)	28.0	25.6	21.3	11.2	7.9	21.0	12.6	8.9	
Other Income	1.7	1.8	2.1	2.4	2.1	8.0	9.5	2	-4%
Total Income	9.1	9.5	9.9	10.3	10.1	38.8	44.2	10	-2%
Operating Expenses	6.0	6.2	6.3	6.5	6.7	25.0	28.7	7	-3%
Operating Profit	3.1	3.3	3.6	3.7	3.4	13.8	15.5	3	1%
% Change (YoY)	16.4	36.3	29.1	-3.0	9.1	17.1	12.4	7.5	
Provisions	0.6	0.6	0.8	1.1	3.0	3.1	6.0	1	198%
Profit before Tax	2.5	2.7	2.8	2.7	0.4	10.6	9.5	2	-85%
Tax	0.6	0.7	0.7	0.6	0.1	2.6	2.4	1	-83%
Net Profit	1.9	2.0	2.0	2.1	0.3	8.0	7.1	2	-85%
% Change (YoY)	97.1	70.2	18.7	9.3	-86.5	39.3	-11.0	-8.7	
Operating Parameters									
AUM	296	312	328	337	346	337	415	346	0%
Deposits	277	308	324	361	375	361	444	375	0%
Loans	275	288	292	310	319	310	381	344	-7%
AUM Growth (%)	36	37	32	21	17	21	23	17	
Deposit Growth (%)	36	42	38	42	35	42	23	35	
Loan Growth (%)	34	32	25	20	16	20	23	25	
Asset Quality									
Gross NPA (%)	2.8	2.3	2.5	2.6	2.7	2.6	3.0	2.5	
Net NPA (%)	1.2	1.0	1.1	1.2	0.8	1.2	0.9	1.1	
PCR (%)	57.8	57.7	56.0	56.1	70.3	56.1	71.3	57.4	

E: MOFSL Estimates



Home First Finance

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR1062 **TP: INR1215 (+14%)** **Buy**

Execution better than peers; earnings in line, NIM steady

Strong AUM growth of ~35% YoY; asset quality stable

- 1QFY25 PAT grew 27% YoY to INR878m (in line). NII grew 18% YoY to INR1.46b (in line). Other income grew 34% YoY to INR382m, aided by higher assignment income from better yields on assignments.
- Opex grew 18% YoY (in line) to INR655m. PPOp rose ~22% YoY to INR1.2b (in line). Annualized credit cost stood at ~20bp (PY: ~40bp).
- The management shared that it will increase its PLR by 35bp, effective Aug'24. This, adjusted for some repricing in the existing portfolio, could help HomeFirst improve its yield by ~10-15bp, which will help mitigate the compression in spreads and any residual increase in borrowing costs.
- HomeFirst's execution has been consistently better than its peers and it is well positioned to capture the significant opportunity in the affordable housing segment. We estimate a CAGR of ~31%/~27% in AUM/PAT over FY24-FY26E. Asset quality should strengthen, and credit costs are likely to remain benign over FY25-FY26E. **Reiterate BUY with a TP of INR1,215 (based on 3.7x FY26E BV).**

Business momentum healthy with improvement in BT-out rates

- Disbursements grew ~30% YoY to ~INR11.6b and AUM rose ~35% YoY to ~INR104.8b. The management sees no signs of slowdown and expects the strong disbursement momentum to continue through deeper market penetration and an improving proportion of LAP in the mix.
- BT-out rate (annualized) in 1QFY25 declined to ~6.3% (PQ: ~8.3% and PY ~6.5%) because the impact of the last interest rate increase in Apr'23 has diminished. HomeFirst has also implemented new protocols to manage BT-outs, which resulted in positive outcomes.

Yields declined ~10bp QoQ, while CoB and NIM were stable

- Reported yield declined ~10bp QoQ to 13.4% and CoB was stable QoQ at 8.3%. Reported spreads contracted ~10bp QoQ to 5.1%.
- Reported NIM was stable QoQ at 5.3%. Incremental CoF and origination yield in 1QFY25 stood at ~8.6% and ~13.4%, respectively.
- The cost of borrowing (CoB) has stabilized, with a potential ~10bp residual increase in the next one-two quarters. With a ~35bp increase in PLR and broadly stable CoF, the management expects to maintain spreads of ~5.2% in the near term. We model NIM of 5.8%/5.7% in FY25/FY26.

Asset quality remains stable; bounce rate recovered in Jul'24

- Despite seasonality of 1Q, GS3 and NS3 remained broadly stable QoQ at 1.7% and 1.3%, respectively. PCR declined ~220bp QoQ to ~27.5%.
- 1+dpd increased ~30bp QoQ to 4.5%. Bounce rate increased to ~15.3% in 1QFY25 (vs. ~14.7% in 4QFY24). However, it declined to 14.5% in Jul'24. Capital adequacy (CRAR) stood at 36.2% (Tier 1: 35.8%).

Bloomberg	HOMEFIRS IN
Equity Shares (m)	89
M.Cap.(INRb)/(USDb)	94.4 / 1.1
52-Week Range (INR)	1195 / 777
1, 6, 12 Rel. Per (%)	-3/-6/1
12M Avg Val (INR M)	277

Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	5.3	6.5	8.4
PPoP	4.3	5.2	6.7
PAT	3.1	3.8	4.9
EPS (INR)	34.5	43.0	55.1
EPS Gr. (%)	33.2	24.5	28.1
BV/Sh. (INR)	240	278	329
ABV/Sh. (INR)	231	269	318

Ratios

NIM (%)	6.2	5.8	5.7
C/I ratio (%)	35.2	36.3	35.2
RoAA (%)	3.8	3.5	3.6
RoAE (%)	15.5	16.6	18.2

Valuations

P/E (x)	30.6	24.6	19.2
P/BV (x)	4.4	3.8	3.2
P/ABV (x)	4.6	3.9	3.3
Div. yield (%)	0.3	0.4	0.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	23.5	23.6	30.2
DII	12.0	11.9	10.0
FII	24.7	25.1	17.6
Others	39.9	39.5	42.2

FII Includes depository receipts

Highlights from the management commentary

- The management shared that there are no signs of slowdown and it continues to see strong demand momentum. It guided for the business momentum to continue through a) deeper penetration in central and northern parts of the country, as well as in existing markets; and b) improvement in proportion of LAP.
- Guided for an opex-to-average assets ratio of 2.8-2.9% in the near term and it aims to bring it down to ~2.5% over the medium to longer term.

Valuation and view

- HomeFirst has invested in building a franchise, which positions the company well to capitalize on the strong growth opportunity in affordable housing finance. The company continues to expand its distribution network in a contiguous manner, covering Tier I and II cities within its existing states.
- We estimate HomeFirst to deliver a ~31% AUM CAGR over FY24-FY26, along with NIM (as a % of average AUM) of 5.8%/5.7% in FY25/FY26.
- HomeFirst's asset quality is likely to strengthen and credit costs are expected to remain benign over FY25-FY26, as the company prioritizes early bucket collections, thus driving improvement in asset quality. **We reiterate our BUY rating on the stock with a TP of INR1,215 (premised on 3.7x Mar'26E BVPS).**
- **Key downside risks:** a) a sharp contraction in spreads and margins in order to sustain the business momentum, and b) higher BT-outs leading to lower AUM growth.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	1QFY25E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	2,313	2,491	2,646	2,827	3,032	3,264	3,486	3,710	10,277	13,492	3,026	0
Interest expenses	1,068	1,170	1,302	1,459	1,568	1,681	1,790	1,911	4,999	6,949	1,567	0
Net Interest Income	1,246	1,321	1,344	1,368	1,464	1,583	1,696	1,799	5,278	6,543	1,460	0
YoY Growth (%)	32.6	30.1	21.4	22.4	17.5	19.9	26.3	31.5	26.3	24.0	17.2	
Other Income	285	289	364	351	382	376	411	441	1,289	1,609	333	15
Net Income	1,530	1,610	1,708	1,719	1,846	1,959	2,107	2,240	6,567	8,152	1,793	3
YoY Growth (%)	40.9	36.1	35.7	24.2	20.6	21.7	23.4	30.3	33.7	24.1	17.1	
Operating Expenses	553	565	611	584	655	690	749	869	2,313	2,963	643	2
Operating Profit	977	1,044	1,097	1,135	1,191	1,269	1,359	1,371	4,254	5,189	1,149	4
YoY Growth (%)	39.8	40.9	34.5	24.8	21.9	21.5	23.8	20.8	34.3	22.0	17.6	
Provisions and Cont.	77	80	70	27	56	65	85	42	254	248	40	39
Profit before Tax	900	964	1,027	1,107	1,135	1,204	1,274	1,329	4,000	4,941	1,109	2
Tax Provisions	209	221	239	273	258	271	293	300	942	1,122	250	3
Net Profit	691	743	788	835	878	933	981	1,028	3,057	3,820	860	2
YoY Growth (%)	34.9	36.9	34.5	30.4	27.0	25.6	24.4	23.2	33.9	24.9	24.4	
Key Operating Parameters (%)												
Other income to Net Income Ratio	18.6	17.9	21.3	20.4	20.7				19.6	19.7		
Credit Cost	0.41	0.40	0.32	0.12	0.22				1.4	1.1		
Cost to Income Ratio	36.1	35.1	35.7	34.0	35.5				35.2	36.3		
Tax Rate	23.2	23.0	23.3	24.6	22.7				23.6	22.7		
Balance Sheet Parameters												
AUM (INR m)	77,760	83,654	90,137	96,978	1,04,781				96,978	1,28,137		
Change YoY (%)	33.3	33.3	33.5	34.7	34.7				34.7	32.1		
Loans (INR m)	65,194	70,253	75,479	81,434	87,940				81,434	1,06,807		
Change YoY (%)	38.1	36.5	34.9	35.8	34.9				35.8	31.2		
Borrowings (INR m)	68,215	72,792	82,514	87,954	95,120				73,021	94,418		
Change YoY (%)	41.0	39.2	42.2	47.7	39.4				51.7	29.3		
Loans/Borrowings (%)	95.6	96.5	91.5	92.6	92.5				112	113		
Asset Quality Parameters (%)												
GS 3 (INR m)	1,077	1,233	1,295	1,393	1,540				1,393	1,609		
Gross Stage 3 (% on Assets)	1.6	1.7	1.7	1.7	1.7				1.70	1.49		
NS 3 (INR m)	743	859	908	979	424				979	1,110		
Net Stage 3 (% on Assets)	1.13	1.21	1.19	1.19	1.26				1.19	1.03		
PCR (%)	31.0	30.3	29.9	29.7	27.5				29.7	31.0		
ECL (%)	0.94	0.91	0.89	0.86	0.83				0.94	0.91		
Return Ratios (%)												
ROAA (Rep)	3.9	3.8	3.7	3.6	3.6				3.8	3.5		
ROAE (Rep)	15.0	15.6	15.8	16.1	16.3				15.5	16.6		

E: MOFSL Estimates



Spandana Sphoorty

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR702 **TP: INR830 (+18%)** **Buy**

Sharp deterioration in asset quality; credit costs elevated

Asset quality stress attributed to elections, heatwaves and employee attrition

Bloomberg	SPANDANA IN
Equity Shares (m)	71
M.Cap.(INRb)/(USDb)	50 / 0.6
52-Week Range (INR)	1243 / 678
1, 6, 12 Rel. Per (%)	-6/-49/-40
12M Avg Val (INR M)	207

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	13.1	17.7	21.2
Total Income	16.1	21.1	24.8
PPoP	9.5	12.2	14.2
PAT	5.0	5.6	7.4
EPS (INR)	70	79	104
EPS Gr. (%)	N.A.	13	32
BV (INR)	511	590	694

Ratios (%)

NIM	14.0	15.0	14.5
C/I ratio	40.7	42.0	42.6
Credit cost	3.0	3.9	2.9
RoA	4.4	3.9	4.3
RoE	14.8	14.4	16.2

Valuations

P/E (x)	10.0	8.9	6.7
P/BV (x)	1.4	1.2	1.0

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	56.9	59.8	62.4
DII	9.0	10.5	8.4
FII/FI/FIL	22.8	21.8	21.3
Others	11.4	7.9	7.9

FII Includes depository receipts

- Spandana's 1QFY25 PAT of ~INR557m (33% miss) declined ~53% YoY, driven by elevated credit costs. NII grew 48% YoY to ~INR4.3b (5% beat). PPOP grew ~52% YoY to INR2.9b. It added ~200k customers (260k in 1QFY24). The total borrower count rose ~41% YoY to 3.4m.
- Elevated credit costs were attributed to 1) election-rated disruptions in operations in Spandana's top five states and 2) low attendance at center meetings due to heatwaves. High branch-manager attrition in MP, MH, RJ, TG, and GJ further led to deterioration in portfolio quality.
- To improve portfolio quality, the company has 1) stopped acquisition of new-to-credit (NTC) customers, 2) paused new member acquisitions at ~14% of its branches, 3) restricted new center additions at ~39% of its branches, and 4) provided tech-enabled monitoring tools to its supervisors to track the status of the loan.
- To address high attrition, which is unique to Spandana, it has given support to the branch manager through the addition of credit resources in one-fifth of its branches and will be extended to ~50% of the branches by Sep'24-end.
- The management is confident that the business and the portfolio quality will return to normalcy in 2HFY25. The company expects to scale up AUM to ~INR140b by Mar'25 (vs. ~INR150b earlier). Spandana increased its credit cost guidance to ~3.75% (vs. ~2.5% earlier). Since the portfolio quality is still an evolving situation, the company might revisit its guidance later in the year. We model credit costs of ~3.9%/2.9% for FY25/26. We cut our PAT estimates for FY25/FY26 by ~6% each to factor in lower AUM growth and higher credit costs.
- Spandana trades at 1.0x Mar'26E P/BV, with RoA/RoE of 4.3%/16% in FY26E. There is still no clarity on whether the asset quality stress in the MFI sector is transitory and will course-correct over the next three-six months or whether this is another credit cycle in the works. However, risk-reward is attractive at the current valuation even though there could be a few more tough quarters ahead. **Maintain BUY with a TP of INR830 (based on 1.2x FY26E BV).**

AUM grew 32% YoY; customer additions weaken in 1QFY25

- AUM grew ~32% YoY and declined 2% QoQ to ~INR117b. Disbursement grew ~37% YoY to INR22.8b. Spandana has ~435 branches on the weekly repayment model, which contributed ~24% of its 1QFY25 disbursements.
- Spandana offers LAP and nano enterprise loans, in select geographies through its subsidiary, Criss Financial. Total AUM of these products stood at INR880m, at yields of ~23.75% and collection efficiency of ~100%. The management targets to grow this non-MFI book to ~INR5b by FY25.
- The management shared that it does not see weakening demand in the MFI space. However, Spandana has deliberately toned down its disbursements to restore the portfolio quality. We model AUM CAGR of ~23% over FY24-26.

Reported NIM rose ~60bp on sequential basis

- Reported yields rose ~20bp QoQ to ~24.4%, while CoF declined ~15bp QoQ to ~11.6%, resulting in a ~30bp QoQ improvement in spreads to 12.8%.
- Reported NIM rose ~60bp QoQ to ~15.2%, largely driven by a decline in borrowing cost due to a few PTC transactions undertaken by the company.
- The management expects NIM of 13.5%-14% under steady state. We estimate NIM of 15%/14.5% in FY25/FY26 (vs. FY24: ~14%).

Addressing attrition and enhancing support in key states

- Spandana experienced significantly higher attrition in MP, Maharashtra, Rajasthan, Telangana, and Gujarat, primarily due to increased workload on branch managers. The strong performance in these states also led to some poaching from competitors.
- To address the high attrition, credit resources have been allocated to ~20% of branches, with plans to extend support to ~50% by Sep'24. Additionally, bench strength has been increased by 20% in about ~60% of branches.

Asset quality deteriorated due to elections and heatwaves

- GNPA/NNPA rose by ~110bp/25bp QoQ to ~2.5%/0.55%. S3 PCR was stable QoQ at ~80%. Stage 2 almost doubled QoQ to 3.2%.
- Gross collection efficiency (including arrears) declined to 97.5% (99.3% in 4Q) and net collection efficiency declined to 94% (96.5% in 4Q).
- ~48% of the total portfolio is under the Parivartan program and contributes ~65% of the GNPA.
- There could be incremental flows in 2Q, which could stabilize from thereon. There has been a reduction in overall business, which will have a denominator effect and lead to higher GNPA. The management said that from 3Q/4Q onward, Spandana should revert to business as usual (BAU) and that 2H will have lower credit costs. We model credit costs of 3.9%/2.9% for FY25/FY26.

Highlights from the management commentary

- The management noted that Jul'24 collection efficiency was better and it will keep improving in the next few quarters. There is no further stress building up, and Spandana is in a reasonable position as far as customer indebtedness is concerned.
- Spandana acknowledged that there are challenges (at the industry level) in Rajasthan, Gujarat, Maharashtra and MP.

Valuation and view

- The senior management team of Spandana has its task cut out for the next couple of quarters. However, it has a capable senior management team, which has seen multiple such periods of asset quality stress in the past. While there will be transitory pain, we believe Spandana will navigate these challenges and come out stronger.
- We estimate Spandana to deliver FY26 RoA/RoE of 4.3%/16%. **Maintain BUY with a TP of INR 830 (based on 1.2x FY26E BV).** **Key downside risks:** 1) Poor execution on asset quality could increase the credit cost; and 2) Inability to retain talent in the senior/middle management teams.

Quarterly Earnings (INR m)

Y/E March	FY24				FY25				FY24	FY25E	1QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,929	5,436	5,663	6,352	6,935	7,005	7,215	7,617	22,381	28,772	6,848	1
Interest Expenses	1,995	2,277	2,502	2,493	2,594	2,646	2,804	2,992	9,268	11,035	2,717	-5
Net Interest Income	2,934	3,159	3,161	3,859	4,342	4,359	4,410	4,625	13,113	17,736	4,130	5
YoY Growth (%)	99.3	70.6	45.7	42.8	48.0	38.0	39.5	19.8	60.0	35.3	40.8	
Other Income	344	966	905	744	435	1,014	951	916	2,959	3,315	478	-9
Total Income	3,277	4,125	4,067	4,603	4,776	5,373	5,361	5,541	16,072	21,052	4,609	4
YoY Growth (%)	102.2	88.5	59.9	19.9	45.7	30.3	31.8	20.4	57.7	31.0	40.6	
Operating Expenses	1,386	1,549	1,662	1,943	1,908	2,078	2,260	2,586	6,540	8,832	1,979	-4
Operating Profit	1,891	2,576	2,405	2,660	2,869	3,295	3,101	2,955	9,532	12,220	2,630	9
YoY Growth (%)	273.5	134.1	71.0	2.0	51.7	27.9	29.0	11.1	69.6	28.2	39.1	
Provisions & Loan Losses	286	901	701	938	2,118	1,483	741	291	2,826	4,632	1,515	40
Profit before Tax	1,605	1,675	1,703	1,722	751	1,813	2,360	2,664	6,706	7,588	1,115	-33
Tax Provisions	411	423	429	435	193	462	602	693	1,699	1,950	284	-32
Net Profit	1,195	1,252	1,274	1,287	557	1,351	1,758	1,972	5,007	5,638	831	-33
YoY Growth (%)	-154.4	126.9	78.5	21.9	-53.4	7.9	38.0	53.3	3,940.0	12.6	-30.4	
Key Parameters (%)												
Yield on loans	24.7	25.5	24.8	24.9	25.4							
Cost of funds	12.8	12.9	12.7	11.5	11.4							
Spread	11.9	12.6	12.0	13.4	14.1							
NIM	14.7	14.8	13.8	15.1	15.9							
Credit cost	1.4	4.2	3.1	3.7	7.8							
Cost to Income Ratio (%)	42.3	37.6	40.9	42.2	39.9							
Tax Rate (%)	25.6	25.3	25.2	25.3	25.8							
Performance ratios (%)												
AUM/Branch (INR m)	68	70	66	73	70							
AUM/Loan Officer (INR m)	10.8	11.5	12.4	12.4	11.9							
Borrowers/Branch	1,850	1,798	1,906	2,022	2,048							
Borrowers/Loan Officer	226	213	231	233	219							
Balance Sheet Parameters												
AUM (INR B)	88.5	97.8	104.0	119.7	117.2	119.6	123.2	140.3				
Change YoY (%)	60.5	69.2	51.8	40.7	32.5	22.2	18.4	17.1				
Disbursements (INR B)	16.6	25.1	25.4	39.7	22.8	28.1	30.5	46.8				
Change YoY (%)	25.5	80.7	7.7	30.0	37.2	12.0	20.0	17.9				
Debt/Equity (x)	2.0	2.3	2.3	2.6	2.4	2.5	2.4	2.5				
Asset Quality (%)												
GS 3 (INR M)	1,370	1,270	1,550	1,690	2,920							
G3 %	1.6	1.4	1.6	1.5	2.6							
NS 3 (INR M)	410	380	460	340	590							
NS3 %	0.5	0.4	0.5	0.3	0.5							
PCR (%)	70.1	70.1	70.3	79.9	79.8							
ECL (%)	2.5	2.4	2.6	2.8	4.4							
Return Ratios - YTD (%)												
ROA (Rep)	5.0	4.8	4.5	4.1	1.7	4.2	5.3	5.4				
ROE (Rep)	15.1	15.2	14.9	14.4	6.1	14.3	17.9	19.2				

E: MOFSL Estimates

Cholamandalam Inv. & Finance

BSE SENSEX
81,333S&P CNX
24,835

CMP: INR1,411

Buy

Conference Call Details

Date: 29th July 2024

Time: 10:00 AM IST

Dial-in details:

[Link for the call](#)

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Total Income	99.9	134.4	172.4
PPP	59.0	77.5	104.3
PAT	34.2	44.5	59.9
EPS (INR)	40.7	52.9	69.9
EPS Gr. (%)	26	30	32
BV (INR)	233	284	369
Ratios			
NIM (%)	6.7	6.9	7.0
C/I ratio (%)	40.9	42.3	39.5
RoAA (%)	2.5	2.5	2.7
RoE (%)	20.2	20.5	21.6
Payout (%)	4.9	3.8	3.6
Valuations			
P/E (x)	34.6	26.7	20.2
P/BV (x)	6.1	5.0	3.8
Div. Yield (%)	0.1	0.1	0.2

Operating beat but PAT in line due to high credit costs

Strong AUM growth of ~35% YoY; NIM expanded ~10bp QoQ

- CIFIC's 1QFY25 PAT grew ~30% YoY to INR9.4b (in line). NII grew ~40% YoY to ~INR25.7b (in line). Other income grew ~62% YoY to ~INR4.6b (6% beat).
- Opex rose ~50% YoY to ~INR11.8b and the cost-income ratio rose ~2pp YoY to ~39% (vs. ~37% in 1QFY24). This was primarily driven by ~110% YoY growth in employee expenses. PPOp grew ~38% YoY to INR18.5b (8% beat).
- Yields (calc.) improved ~30bp QoQ to ~14.6%, while CoF (calc.) declined ~15bp QoQ to ~7.9%. NIM expanded ~10bp QoQ to ~6.85%.
- GS3/NS3 increased ~15bp/10bp QoQ to 2.6%/1.4%, while PCR on S3 declined ~1pp QoQ to ~45.5%. ECL/EAD increased to 1.77% (~1.72% in 4Q). This translated into annualized credit costs of ~1.5% (1.3% in 1QFY24).
- CIFIC is the best play among asset financiers. It has delivered healthy growth in disbursements and AUM by strategically going underweight/overweight across its diversified product segments. It has also managed to rein in asset quality stress earlier seen in its CSEL business. CIFIC would continue to deliver strong loan growth with benign credit costs. **We have a positive outlook on the stock.**

Strong disbursements led to AUM growth of 35% YoY

- Business AUM grew ~35% YoY/7% QoQ, with newer businesses now forming ~13% of the AUM mix. Within vehicle finance, MUV/Cars/3W registered sequential growth of 9%/6%/13%.
- Disbursements were strong at ~INR243b (in line), up ~22% YoY. New lines of businesses contributed ~24% to the disbursement mix (23% in 4Q).

Seasonal deterioration in asset quality

- GS3 deteriorated across vehicle finance, HL and newer businesses and slightly improved in the LAP business segment. GS3 in newer businesses increased ~15bp QoQ to ~1.3% (1.1% in 4Q) and S3 PCR on new businesses declined ~150bp QoQ to ~44.5% (46% in 4Q).
- Stage 2 + Stage 3 [30+ dpd] increased ~45bp QoQ to ~5.1%.
- In 1QFY25, write-offs stood at ~INR3.2b, translating into ~1.1% of trailing twelve months (TTM) AUM (~1% in 1QFY24 and 1.4% in 4Q).
- CRAR stood at ~18% (Tier 1: ~14.8%) as on Jun'24.

Valuation and view

The key monitorables are: 1) demand outlook for the vehicle finance segment, 2) growth outlook for personal loans (CSEL) and expectations on asset quality in this segment, and 3) the margin trajectory. We will revisit our estimates after the earnings call on 29th Jul'24.

Quarterly Performance

(INR M)

Y/E March	FY24				FY25E				FY24	FY25	1QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	38,492	42,205	46,099	49,341	53,695	57,722	61,936	66,270	1,76,137	2,39,622	53,634	0
Interest Expenses	20,071	22,052	24,390	25,793	27,957	30,109	32,277	34,747	92,306	1,25,090	28,115	-1
Net Interest Income	18,421	20,153	21,709	23,548	25,738	27,613	29,659	31,523	83,831	1,14,533	25,519	1
YoY Growth (%)	24.3	35.4	35.8	33.4	39.7	37.0	36.6	33.9	32.4	36.6	38.5	
Other Income	2,845	3,514	4,088	5,580	4,595	6,213	5,684	3,963	16,026	20,455	4,331	6
Total Income	21,265	23,667	25,797	29,127	30,333	33,826	35,343	35,486	99,857	1,34,988	29,849	2
YoY Growth (%)	29.7	39.4	40.8	41.4	42.6	42.9	37.0	21.8	38.1	35.2	40.4	
Operating Expenses	7,867	9,461	10,640	12,850	11,834	13,435	14,364	17,258	40,818	56,891	12,665	-7
Operating Profit	13,399	14,206	15,157	16,278	18,499	20,391	20,979	18,228	59,039	78,097	17,184	8
YoY Growth (%)	26.4	37.1	40.4	27.9	38.1	43.5	38.4	12.0	32.7	32.3	28.3	
Provisions & Loan Losses	3,723	3,998	3,588	1,908	5,814	5,300	4,600	1,942	13,218	17,657	4,800	21
Profit before Tax	9,675	10,208	11,569	14,369	12,685	15,091	16,379	16,286	45,821	60,440	12,384	2
Tax Provisions	2,415	2,583	2,807	3,788	3,263	3,803	4,095	4,373	11,593	15,533	3,121	5
Net Profit	7,260	7,625	8,762	10,581	9,422	11,288	12,284	11,913	34,228	44,907	9,263	2
YoY Growth (%)	28.3	35.3	28.0	24.1	29.8	48.0	40.2	12.6	28.4	31.2	27.6	
Key Parameters (Calc., %)												
Yield on loans	14.1	14.3	14.4	14.3	14.6				14.1	14.5		
Cost of funds	7.8	7.8	8.0	8.0	7.9				8.0	8.0		
Spread	6.3	6.6	6.4	6.2	6.7				6.1	6.5		
NIM	6.7	6.7	6.7	6.7	6.8				6.7	6.9		
C/I ratio	37.0	40.0	41.2	44.1	39.0				40.9	42.1		
Credit cost	1.3	1.3	1.1	0.5	1.5				1.0	1.1		
Tax rate	25.0	25.3	24.3	26.4	25.2				25.3	25.7		
Balance Sheet Parameters												
Disbursements (INR b)	200	215	224	248	243				887	1,082		
Growth (%)	50.2	47.3	27.5	17.9	21.6				33.4	22.0		
AUM (INR b)	1,148	1,242	1,338	1,456	1,554				1,456	1,876		
Growth (%)	40.1	41.7	40.1	36.7	35.4				36.7	28.9		
AUM mix (%)												
Vehicle finance	61.9	60.7	59.5	58.0	57.0				58.0	54.3		
Home Equity	19.9	19.9	20.1	20.5	20.7				20.5	21.5		
Home loans & Others	18.2	19.4	20.4	21.4	22.3				12.2	13.9		
Borrowings (INR b)	1,081	1,195	1,231	1,345	1,499				1,345	1,783		
Growth (%)	46.3	50.6	37.8	38.1	38.6				38.1	32.6		
Asset Quality Parameters												
GS 3 (INR B)	35.5	37.2	38.1	36.5	41.2				36.5	40.8		
GS 3 (%)	3.1	3.0	2.8	2.5	2.6				2.5	2.2		
NS 3 (INR B)	19.4	19.6	20.9	19.5	22.5				19.5	21.6		
NS 3 (%)	1.7	1.6	1.6	1.4	1.5				1.4	1.2		
PCR (%)	45.4	47.3	45.1	46.4	45.5				46.4	47.0		
Vehicle finance AUM mix (%)												
LCV	20.8	20.7	19.9	19.7	19.8				19.7	19.8		
Cars & MUV	20.7	21.2	21.8	22.3	22.8				22.3	22.8		
3W & SCV	4.0	3.9	3.9	3.7	3.6				3.7	3.6		
Used CV	26.7	26.9	27.0	27.3	27.4				27.3	27.4		
Tractor	8.1	7.8	7.5	6.9	6.5				6.9	6.5		
HCV	6.9	6.7	6.6	6.7	6.7				6.7	6.7		
CE	6.6	6.5	6.5	6.6	6.5				6.6	6.5		
Two wheeler	6.1	6.4	6.8	6.7	6.8				6.7	6.8		

E: MOFSL estimates

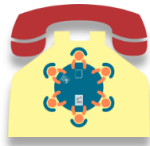
KEC International

BSE SENSEX 81,333
S&P CNX 24,835

CMP: INR880

Neutral

Conference Call Details



Date: 29th July 2024

Time: 10:00am IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	199.1	225.2	251.0
EBITDA	12.1	16.4	21.4
Adj. PAT	3.5	6.3	10.1
Adj. EPS (INR)	13.5	24.5	39.2
EPS Gr. (%)	97.0	81.8	60.0
BV/Sh.(INR)	159.3	176.6	204.2
Ratios			
RoE (%)	8.8	14.6	20.6
RoCE (%)	11.8	13.6	17.1
Payout (%)	0.1	0.1	0.1
Valuations			
P/E (x)	65.2	35.9	22.4
P/BV (x)	5.5	5.0	4.3
EV/EBITDA (x)	19.9	14.6	11.1
Div. Yield (%)	-	-	-

Results largely in line

- KEC International's 1QFY25 results were largely in line with our expectations. Revenue grew 6% YoY to INR45.1b, driven by a healthy order book of INR327.1b (+9% YoY). T&D/non-T&D mix in the order book stood at 51%/49%.
- Gross margin came in at 23.8%, down ~90bp YoY but up ~430bp QoQ. Staff costs stood at 8.2% of sales, flat YoY. Other expenditure as % of sales saw a ~100bp YoY drop to 9.6%.
- EBITDA margin stood at 6.0%, up ~20bp YoY but down ~30bp QoQ. The management has been guiding for a sequential improvement so we await further clarity on margin performance.
- Interest expenses as % of sales eased to 3.4% vs. 3.7% in 1QFY24.
- PAT jumped 107% YoY, supported by higher other income of INR431m (vs. INR28m in 1QFY24).
- Order inflows surged 70% YoY to INR76.6b on the back of healthy T&D ordering. The order book stood at INR327.1b, while the order book + L1 position stood at INR420b.
- The board has approved the issuance of equity shares worth INR45b through a qualified institutional placement (QIP) and raising of debt (via NCDs) to the tune of INR15b.

Y/E March - INR m	FY24				FY25E				FY24	FY25E	FY25E	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	42,436	44,990	50,067	61,648	45,119	51,807	60,817	67,575	1,99,141	2,25,249	45,050	0
YoY Change (%)	27.9	10.7	14.4	11.6	6.3	15.2	21.5	9.6	15.2	13.1	6.2	
Total Expenditure	39,992	42,247	46,988	57,768	42,415	48,284	56,438	62,048	1,86,996	2,08,847	42,077	
EBITDA	2,444	2,743	3,079	3,880	2,704	3,523	4,379	5,527	12,146	16,402	2,973	(9)
Margins (%)	5.8	6.1	6.1	6.3	6.0	6.8	7.2	8.2	6.1	7.3	6.6	
Depreciation	418	465	488	483	465	491	491	491	1,853	1,965	491	(5)
Interest	1,587	1,778	1,644	1,543	1,550	1,553	1,592	1,742	6,551	6,368	1,481	5
Other Income	28	158	260	78	431	101	101	101	524	405	101	326
PBT before EO expense	467	658	1,207	1,933	1,120	1,580	2,397	3,395	4,265	8,474	1,102	2
PBT	467	658	1,207	1,933	1,120	1,580	2,397	3,395	4,265	8,474	1,102	2
Tax	44	100	239	415	245	404	614	869	798	2,169	282	
Rate (%)	9.4	15.2	19.8	21.5	21.8	25.6	25.6	25.6	18.7	25.6	25.6	
Reported PAT	423	558	969	1,517	876	1,175	1,783	2,526	3,467	6,305	820	7
Adj PAT	423	558	969	1,517	876	1,175	1,783	2,526	3,467	6,305	820	7
YoY Change (%)	36.8	1.0	449.5	110.2	106.9	110.6	84.1	66.5	96.9	81.8	93.7	
Margins (%)	1.0	1.2	1.9	2.5	1.9	2.3	2.9	3.7	1.7	2.8	1.8	

BSE SENSEX
81,333
24,835

S&P CNX

CMP: INR4,140

BUY

Conference Call Details



Date: 29th July 2024
Time: 04:00pm IST
Dial In : +91 22 7115 8184

Year End	2024	2025E	2026E
Sales	6.8	10.2	11.4
EBIT margin (%)	4.2	58.5	58.5
PAT	0.8	5.5	6.0
EPS (INR)	16.3	106.9	118.5
EPS Gr. (%)	-44.2	555.8	10.9
BV/Sh. (INR)	270.3	291.7	315.4
Ratio			
RoE (%)	5.8	38.0	39.0
Valuations			
P/E (x)	254.0	38.7	34.9
P/BV (x)	15.3	14.2	13.1
Div Yld (%)	0.0	0.8	0.8

Higher operating costs led to 5% PAT miss; sales broadly in line

- MCX's overall volumes surged 116.8% YoY and 35.8% QoQ to INR112.3t. Total revenue came in at INR2.3b, up 60.8% YoY and 29.4% QoQ (in line with our estimates).
- Futures volumes jumped 27% YoY and 53% QoQ to INR16.9t, while option volumes saw strong growth of 148% YoY and 33% QoQ to INR95.4t.
- Staff cost increased by 27% YoY to INR 321m (~10.4% above our estimates). Other expenses stood at INR697m, down 36.5% YoY but up 44% QoQ (21% above our estimates).
- Overall EBIT came in at INR1,191m vs. our estimate of INR1,242m.
- Other income declined 8% YoY to INR188m. (in line).
- The company reported PAT of INR1.1b vs. our expectation of INR1.2b (~5% miss).

Quarterly Performance

	FY24				FY25				FY24	FY25E	Est.	Var.	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY25	(%/bp)		
Sales	1,458	1,651	1,915	1,811	2,344	2,259	2,455	2,578	6,835	9,636	2,248	4.2	60.8	29.4
Yo-Y Gr. (%)	34.0	29.6	33.4	35.4	60.8	36.8	28.2	42.4	33.1	41.0	54.2			
Staff Costs	253	274	290	307	321	315	333	323	1,123	1,292	291	10.4	27.0	4.5
Other expenses	1,098	1,664	1,822	484	697	596	625	471	5,069	2,388	576	21.0	(36.5)	44.0
EBITDA	107	-287	-197	1,020	1,326	1,349	1,497	1,784	643	5,955	1,382	(4.1)	1,140.0	30.0
Depreciation	43	66	113	138	134	134	134	157	359	560	140	(4.1)	210.2	(2.5)
EBIT	64	-353	-310	882	1,191	1,215	1,362	1,627	283	5,395	1,242	(4.0)	1,773.1	35.1
Margins (%)	4.4	-21.4	-16.2	48.7	50.8	53.8	55.5	63.1	4.1	56.0	55.2			
Interest Costs	1	1	1	1	1	1	1	1	3	3	1		-50.0	(16.7)
Other Income	204	189	177	183	188	198	207	227	754	821	192	(2.1)	(7.9)	2.8
PBT bef. Exceptional items	267	-164	-133	1,065	1,379	1,412	1,569	1,854	1,035	6,213	1,433	(4)	416.5	29.5
Tax	58	16	-91	205	273	282	314	488	189	1,358	287	(4.7)	372.8	33.2
Rate (%)	21.6	-9.9	68.3	19.3	19.8	20.0	20.0	26.3	18.2	21.9	20.0			
Profit from associate	-13	-10	-11	19	4	0	0	0	-15	4	19.0			
PAT	197	-191	-54	878	1,109	1,129	1,255	1,365	831	4,859	1,166	(5)	464.2	26.3
Y-o-Y Gr. (%)	-53	-130	-114	1,512	464	-692	-2,446	55	-44	485	493			
EPS (INR)	3.9	-3.7	-1.1	17.3	21.8	22.2	24.7	26.8	16.3	95.3	22.9	(5)	464.2	26.3
Total volumes (INR t)	51.8	67.0	73.6	82.7	112.3	122.4	134.0	143.7	275.0	512.3	112.3	-	116.8	35.8
Q-o-Q Gr. (%)	23.4	29.3	9.9	12.4	35.8	9.0	9.5	7.2			35.8			
Y-o-Y Gr. (%)	80.7	86.3	80.6	97.1	116.8	82.7	82.1	73.8	86.7	86.3	116.8			

E: MOFSL Estimates

Zen Technologies

BSE SENSEX
81,333

S&P CNX
24,835

CMP: INR1,532

Buy

Conference Call Details



Date: 29th July 2024

Time: 05:00pm IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Net sales	9.1	13.2	18.6
EBITDA	3.4	4.8	6.8
Adj. PAT	2.4	3.4	4.8
Adj. EPS (INR)	28.1	40.1	57.1
EPS Gr. (%)	85.9	42.9	42.4
BV/Sh.(INR)	82.0	122.1	179.1
Ratios			
RoE (%)	41.3	39.3	37.9
RoCE (%)	41.6	39.5	38.1
Valuations			
P/E (x)	54.6	38.2	26.8
P/BV (x)	18.7	12.5	8.5
EV/EBITDA (x)	37.7	26.1	18.2
Div. Yield (%)	-	-	-

Decent set of numbers

- Revenue grew 92% YoY/87% QoQ to INR2.5b, led by robust execution of the opening order book of INR14b.
- EBITDA came in at INR1b, up 56% YoY/129% QoQ. Margin contracted ~960bp to 40%; however, it was only 60bp down vs. FY24 levels and well within the management's guidance.
- PAT grew 57% YoY to INR742m, with margin at 29.2%.
- The order book stood at INR11.6b (+113% YoY).

Zen Technologies

Quarterly Earning Model - Standalone

Y/E March	FY23				FY24				FY25E	FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
Net Sales	332	211	329	741	1,324	640	981	1,357	2,540	4,303	9,094
YoY Change (%)	263.9	30.0	166.5	364.4	298.5	203.1	197.8	83.0	91.7	166.5	111.4
Total Expenditure	220	157	246	478	663	423	539	906	1,508	2,530	5,730
EBITDA	112	54	84	263	662	218	442	451	1,032	1,772	3,365
Margins (%)	33.8	25.5	25.4	35.5	50.0	34.0	45.1	33.2	40.6	41.2	37.0
Depreciation	9	10	11	14	15	18	19	22	22	73	90
Interest	6	6	5	3	4	4	4	6	10	18	28
Other Income	21	28	19	2	26	48	42	23	30	139	137
PBT before EO expense	119	66	87	248	670	243	461	446	1,030	1,820	3,384
Extra-Ord expense	0	0	20	0	0	0	0	24	0	24	0
PBT	119	66	67	248	670	243	461	422	1,030	1,796	3,384
Tax	37	20	31	75	199	70	144	140	288	552	1,026
Rate (%)	30.8	30.4	46.5	30.3	29.6	28.7	31.2	33.2	28.0	30.7	30.3
Reported PAT	82	46	36	173	471	173	317	282	742	1,244	2,358
Adj PAT	82	46	56	173	471	173	317	306	742	1,268	2,358
YoY Change (%)	-2,501.7	440.1	4,614.9	928.2	474.2	279.1	467.2	77.3	57.4	237.0	85.9
Margins (%)	24.7	21.7	17.0	23.3	35.6	27.1	32.3	22.6	29.2	29.5	25.9

Transport Corporation of India

BSE SENSEX
81,333S&P CNX
24,835

CMP: INR985

Buy

Conference Call Details



Date: 29 July 2024

Time: 4:00 PM IST

Dial-in details:

[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	40.2	45.1	52.6
EBITDA	4.1	4.9	5.9
Adj. PAT	3.5	4.1	5.0
EBITDA Margin (%)	10.2	10.8	11.3
Adj. EPS (INR)	45.8	52.6	64.5
EPS Gr. (%)	10.1	14.8	22.6
BV/Sh. (INR)	259.9	309.0	370.0
Ratios			
Net D:E	0.0	0.0	-0.1
RoE (%)	18.7	18.2	18.8
RoCE (%)	18.0	17.4	18.0
Payout (%)	15.4	6.7	5.4
Valuations			
P/E (x)	21.5	18.7	15.3
P/BV (x)	3.8	3.2	2.7
EV/EBITDA(x)	17.3	14.3	11.4
Div. Yield (%)	0.7	0.4	0.4
FCF Yield (%)	0.8	0.9	1.6

In-line performance

1QFY25 earnings snapshot

- Revenue grew 10% YoY to ~INR10.5b (in line).
- EBITDA margin came in at 9.9% (-70bp YoY and -20bp QoQ) against our estimate of 10.3%.
- EBITDA increased by 3% YoY to INR1b, while APAT grew 11% YoY to ~INR910m (our estimate was INR880m).
- Supply chain revenue grew 12.9% YoY, while freight/seaways revenues rose 8%/13% YoY.
- EBIT margin for Freight/Supply chain/Seaways contracted 30bp/30bp/60bp to 3%/6%/28.6%.
- TRPC has entered into an agreement with Taizhou Sanfu Ship Engineering Co, a Chinese shipbuilding company, to build, equip and commission two cellular container vessels with dead weight capacity of ~7300mt each. The vessels will be delivered to the company before 26th Dec'26. The total purchase price of both vessels is ~USD38.8m. Currently, TRPC has six domestic ships with a capacity of 77,957mt.

Quarterly snapshot

(INR m)

Y/E March (INR m)	FY24				FY25	FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q			1QE	vs Est
Net Sales	9,498	9,935	10,020	10,789	10,451	40,242	45,082	10,331	1
YoY Change (%)	5.2	6.6	3.7	10.2	10.0	6.4	12.0	8.8	
EBITDA	1,008	1,004	999	1,094	1,038	4,105	4,870	1,068	(3)
Margins (%)	10.6	10.1	10.0	10.1	9.9	10.2	10.8	10.3	
YoY Change (%)	-3.1	4.6	-12.7	1.2	3.0	-3.2	18.6	6.0	
Depreciation	308	311	331	334	290	1,284	1,372	340	
Interest	23	34	35	41	42	133	140	40	
Other Income	85	113	95	165	109	458	504	120	
PBT before EO expense	762	772	728	884	815	3,146	3,862	808	1
Extra-Ord expense	0	0	0	24	0	24	0	0	
PBT	762	772	728	860	815	3,122	3,862	808	1
Tax	104	96	108	28	110	336	541	109	
Rate (%)	13.6	12.4	14.8	3.3	13.5	10.8	14.0	13.5	
Minority Interest	-9.0	-8.0	-8.0	-12.0	-6.0	-37.0	-30.0	-9.0	
Profit/Loss of Asso. Cos	174	202	182	201	211	759	764	190	
Reported PAT	823	870	794	1,021	910	3,508	4,055	880	3
Adj PAT	823	870	794	1,045	910	3,532	4,055	880	3
YoY Change (%)	5.8	20.3	-7.4	23.2	10.6	10.1	14.8	6.9	
Margins (%)	8.7	8.8	7.9	9.7	8.7	8.8	9.0	8.5	

Segmental performance

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Segment Revenue (INR m)								
Freight	4,693	4,826	5,046	4,754	4,818	4,856	5,553	5,136
Supply chain	3,584	3,335	3,462	3,630	3,907	3,882	3,928	4,097
Seaways	1,242	1,702	1,521	1,254	1,354	1,426	1,492	1,415
Energy	19	15	11	16	21	7	11	13
Net segment Revenue	9,537	9,879	10,040	9,654	10,100	10,171	10,984	10,661
Growth YoY (%)								
Freight	13.7	11.6	5.2	2.6	2.7	0.6	10.1	8.0
Supply chain	26.0	19.6	26.1	20.1	9.0	16.4	13.4	12.9
Seaways	-7.5	15.1	-5.3	-17.7	9.0	-16.2	-1.9	12.8
Energy	-9.6	176.4	-7.8	1.3	11.7	-53.9	3.8	-18.8
Net segment Revenue	14.4	14.9	9.6	5.0	5.9	3.0	9.4	10.4
Revenue Share (%)								
Freight	49	49	50	49	48	48	51	48
Supply chain	38	34	34	38	39	38	36	38
Seaways	13	17	15	13	13	14	14	13
Energy	0	0	0	0	0	0	0	0
Total Revenue Share	100	100	100	100	100	100	100	100
Segment Results (EBIT) - (INR m)								
Freight	191	273	214	156	163	149	176	156
Supply chain	226	200	226	229	262	253	250	245
Seaways	304	458	422	366	310	315	394	404
Energy	10	9	3	8	12	0	4	6
Total Segment Results	731	940	865	759	747	717	824	811
Segmental EBIT Margin (%)								
Freight	4.1	5.7	4.2	3.3	3.4	3.1	3.2	3.0
Supply chain	6.3	6.0	6.5	6.3	6.7	6.5	6.4	6.0
Seaways	24.5	26.9	27.7	29.2	22.9	22.1	26.4	28.6
Energy	50.5	55.9	32.1	50	57.1	0.0	36.4	46.2
Total	7.7	9.5	8.6	7.9	7.4	7.0	7.5	7.6

Oil & Gas

Marginal benefit to GAIL from new PPPL tariff regulations

- Recently, the Petroleum and Natural Gas Regulatory Board (PNGRB) has announced new regulations for setting tariffs for petroleum product pipelines (PPPL). These below-mentioned regulations will be effective from 1st Aug'24.
- For non-bid pipelines commissioned before 20th Dec'10, the transportation tariff for petroleum products (excluding LPG) will be set at 75% of the basic railway freight, while for LPG, it will be 100% of the basic railway freight. A one-time escalation of 17% will apply from the effective date of these regulations until 31st Mar'25. From FY26, an annual escalation of 3.4% will also be applied. Additionally, these pipelines have the option to have their tariffs determined using the DCF method if they undertake capital expenditures.
- For non-bid pipelines commissioned after 20th Dec'10, the transportation tariff will be determined using the DCF methodology, incorporating a 12% post-tax return on capital employed over the pipeline's economic life.
- For bid-out pipelines authorized before 20th Dec'10, where pipelines were approved based on bidding parameters for the first 10 years of operation, the tariff will be decided using DCF methodology with a 12% return over the remaining economic life of the pipeline from the 11th year, based on the net fixed asset (NFA) value at the beginning of the 11th year of operation. Post the 2023 amendment, bidders must quote tariffs for the entire 25-year pipeline life.
- Should GAIL's LPG transmission segment revenue rise by 17% (effective from 1st Aug'24), we estimate a 1% PAT benefit in FY25.
- OMCs: IOCL/HPCL/BPCL have a pipeline network of more than 19,500km/2,600km/5130km. While they have significant pipeline capacities, in our understanding, most of these are for internal consumption. As such, we think the overall impact at the consolidated level for OMCs is likely to be marginal.



SANSTAR : Aims to double Exports as were doubling our capacities; Shreyans Gautam Chowdhary, Joint MD

- Paying 100 Cr debt long term and short term both from IPO Proceeds
- Ketchup, sauces on food side and personal care segments are doing very well, seeing good demand globally
- New regions into western markets will be focus going ahead for exports
- Expecting the margins expansion from here onwards

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MPHASIS : New client additions continue to be robust ; Nitin Rakesh & Manish Dugar

- Top 10 accounts grew 1.2% QoQ in Q1
- Pipeline up 17% QoQ, Biggest jump in pipeline in recent times
- Non BFS Pipeline up 25%, broad based recovery in pipeline
- Gradual uptick in Mortgage business

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JSW Steel : Plan to expand our capacity to 50 MTPA in India by FY31; Sajjan Jindal, Chairman and Managing Director

- Weak Global steel demand leading to rising imports into India, Indian steel industry is engaged with the govt to ensure a level playing field
- Board recently approved a 5 MTPA Expansion at dolvi, increasing our India Capacity to 42 MTPA and total capacity to 43.5 MTPA by sept 2027
- Plan to establish a green steel manufacturing facility, initially at 2 MTPA and expandable to MTPA
- Plan to expand our capacity to 50 MTPA in India by FY31

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ITC: Revenue grew 10.8% CAGR over last 4 years; Sanjiv Puri, Chairman

- Premiumisation led to continue margin expansion growth
- Cigarette business revenue grew 13.5% over last 2 years
- Hotel segment ROCE up by 111Bps vs Pre Covid levels
- Near term challenges remain a concern for FMCG Industry

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Automobiles																
Amara Raja Ener.	Neutral	1682	1475	-12	49.5	59.0	66.5	10.4	19.1	12.7	28.5	25.3	4.0	3.5	14.9	14.8
Apollo Tyres	Buy	550	620	13	29.0	29.8	35.8	79.0	2.9	20.0	18.4	15.4	1.8	1.6	12.9	14.0
Ashok Ley.	Buy	246	285	16	9.1	11.8	14.6	102.5	29.2	23.7	20.8	16.9	6.9	5.7	35.9	36.8
Bajaj Auto	Neutral	9494	8695	-8	276.1	316.4	380.9	28.9	14.6	20.4	30.0	24.9	9.5	8.9	33.5	36.9
Balkrishna Inds	Neutral	3281	2825	-14	76.5	87.8	113.4	39.6	14.7	29.2	37.4	28.9	6.4	5.6	18.1	20.6
Bharat Forge	Neutral	1688	1525	-10	20.6	36.0	48.5	69.0	74.8	34.6	46.9	34.8	9.5	7.9	21.7	24.7
Bosch	Neutral	34887	31290	-10	620.5	802.2	938.9	28.5	29.3	17.0	43.5	37.2	7.7	6.9	18.7	19.7
CEAT	Buy	2608	3090	18	169.4	153.0	192.6	226.6	-9.7	25.9	17.0	13.5	2.3	2.0	14.4	16.0
Craftsman Auto	Buy	5326	5965	12	144.2	142.2	218.5	22.6	-1.4	53.7	37.5	24.4	4.0	3.5	14.1	15.4
Eicher Mot.	Sell	5011	4045	-19	146.3	164.3	178.2	37.3	12.3	8.4	30.5	28.1	6.5	5.7	23.0	21.6
Endurance Tech.	Buy	2536	3100	22	47.3	65.5	85.6	36.5	38.6	30.7	38.7	29.6	6.2	5.3	17.2	19.3
Escorts Kubota	Neutral	4146	3700	-11	94.9	102.6	123.9	85.0	8.0	20.8	40.4	33.5	5.0	4.4	13.0	14.0
Exide Ind	Neutral	554	505	-9	12.4	16.4	19.6	16.5	32.5	19.4	33.7	28.3	3.3	3.0	9.8	10.7
Happy Forgings	Buy	1226	1420	16	25.8	34.7	45.2	10.6	34.7	30.1	35.3	27.1	6.1	5.2	18.7	20.7
Hero Moto	Buy	5475	6375	16	204.6	255.4	304.2	40.5	24.9	19.1	21.4	18.0	5.6	5.1	27.3	29.6
M&M	Buy	2887	3300	14	89.4	108.2	128.9	35.0	21.1	19.2	26.7	22.4	5.5	4.6	22.6	22.5
CIE Automotive	Buy	590	675	14	21.1	23.7	28.9	16.8	12.5	21.9	24.9	20.4	3.3	3.0	14.2	15.5
Maruti Suzuki	Buy	12678	14440	14	429.0	485.8	542.9	56.8	13.2	11.8	26.1	23.4	4.2	3.7	15.9	15.7
MRF	Sell	138855	99700	-28	4,990.2	4,582.8	5,113.5	175.2	-8.2	11.6	30.3	27.2	3.2	2.9	11.1	11.2
Samvardh. Motherson	Buy	196	230	17	3.7	6.5	8.5	63.6	74.7	31.7	30.3	23.0	4.6	4.0	15.8	18.5
Motherson Wiring	Buy	75	84	12	1.4	1.8	2.1	31.1	21.5	17.8	42.8	36.4	15.8	13.0	41.1	39.3
Sona BLW Precis.	Neutral	690	620	-10	8.9	10.6	13.3	31.6	18.7	25.3	65.0	51.9	12.6	10.9	20.7	22.5
Tata Motors	Neutral	1118	960	-14	58.7	58.1	67.2	2,628.0	-1.0	15.6	19.2	16.6	3.9	3.2	22.5	21.2
TVS Motor	Neutral	2507	2095	-16	43.8	55.3	65.4	44.4	26.1	18.3	45.4	38.3	11.9	9.4	29.7	27.5
Tube Investments	Buy	4161	4830	16	34.4	63.4	79.2	-15.1	84.1	25.0	65.7	52.5	12.9	10.5	21.6	22.0
Aggregate								94.8	14.0	18.1	30.6	26.9	5.9	5.1	19.4	19.1
Banks - Private																
AU Small Finance	Buy	651	735	13	23.0	30.8	38.9	4.3	34	26.1	21.1	16.7	2.8	2.4	14.6	15.5
Axis Bank	Neutral	1178	1175	0	80.7	85.6	98.3	14.9	6.1	14.8	13.8	12.0	2.1	1.8	16.3	16.2
Bandhan Bank	Neutral	192	220	14	13.8	26.3	30.3	1.6	89.9	15.2	7.3	6.4	1.3	1.1	18.6	18.9
DCB Bank	Buy	125	175	40	17.1	19.5	24.0	14.6	13.5	23.3	6.4	5.2	0.7	0.6	12.1	13.3
Equitas Small Fin.	Buy	87	110	27	7.1	6.3	10.0	46.6	-11.5	58.7	13.9	8.7	1.5	1.3	11.4	16.3
Federal Bank	Buy	198	230	16	16.3	17.4	20.7	14.5	6.7	18.9	11.4	9.6	1.5	1.3	13.7	14.5
HDFC Bank	Buy	1618	1850	14	80.0	90.7	104.5	1.0	13.3	15.2	17.8	15.5	2.5	2.2	14.7	15.1
ICICI Bank	Buy	1208	1400	16	58.4	64.1	73.2	27.5	9.8	14.2	18.8	16.5	2.8	2.4	17.7	17.3
IDFC First Bk	Neutral	75	83	11	4.3	4.5	6.4	13.8	4.2	42.2	16.6	11.6	1.5	1.3	9.4	12.0
IndusInd	Buy	1403	1700	21	115.5	122.4	151.1	20.3	6.0	23.4	11.5	9.3	1.5	1.3	14.2	15.4
Kotak Mah. Bk	Neutral	1814	1800	-1	91.6	97.4	113.5	21.9	6.3	16.6	18.6	16.0	2.4	2.1	14.2	14.3
RBL Bank	Neutral	236	270	14	19.3	23.6	31.3	31.1	22.2	32.5	10.0	7.5	0.9	0.8	9.3	11.5
SBI Cards	Neutral	721	770	7	25.4	28.0	37.7	6.2	10.3	34.6	25.7	19.1	4.7	3.9	20.1	22.2
Aggregate								27.0	12.8	16.6	18.7	16.6	2.8	2.5	15.1	14.9
Banks - PSU																
BOB	Buy	250	300	20	34.4	38.2	44.1	26.1	11.2	15.4	6.5	5.7	1.0	0.9	17.2	17.3
Canara Bank	Buy	114	133	17	16.0	18.2	20.8	37.3	13.4	14.6	6.3	5.5	1.1	1.0	19.5	19.3
Indian Bank	Buy	581	625	8	62.2	72.5	86.2	46.7	16.6	18.9	8.0	6.7	1.2	1.1	17.4	17.9
Punjab Natl.Bank	Neutral	120	135	13	7.5	12.8	15.4	228.8	70.9	20.3	9.5	7.9	1.2	1.1	13.6	14.5
SBI	Buy	863	1015	18	75.2	88.5	104.1	20.6	18	17.6	9.8	8.3	1.7	1.4	18.6	18.4
Union Bank (I)	Buy	133	165	24	18.9	20.7	23.4	52.9	10	13.1	6.4	5.7	1.0	0.8	16.2	16.1
Aggregate								34.0	19	17	10	8.3	1.5	1.3	15.4	16.1
NBFCs																
AAVAS Financiers	Neutral	1745	1800	3	62.0	74.4	94.1	14.0	20.1	26.4	23.4	18.5	3.2	2.7	14.5	15.7
Aditya Birla Cap	Buy	224	260	16	10.1	13.2	17.3	19.0	30.6	30.7	16.9	12.9	1.9	1.7	12.1	14.0
Angel One	Buy	2130	3300	55	135.9	179.9	205.8	26.4	32.4	14.4	11.8	10.4	2.9	2.5	32.9	26.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Bajaj Fin.	Neutral	6789	7500	10	233.7	275.5	359.2	22.8	17.9	30.4	24.6	18.9	4.6	3.8	20.2	21.8
BSE	Neutral	2448	3000	23	57.0	86.3	112.5	275.5	51.4	30.3	28.4	21.8	9.1	8.1	32.0	37.0
Cams Services	Buy	4032	4310	7	71.6	88.9	106.6	23.3	24.1	19.9	45.4	37.8	18.5	15.8	43.9	45.1
Can Fin Homes	Neutral	857	890	4	56.4	64.8	72.9	20.8	14.9	12.5	13.2	11.8	2.2	1.9	18.2	17.4
Cholaman.Inv.&Fn	Buy	1411	-		40.7	52.9	69.9	25.6	29.9	32.1	26.7	20.2	5.0	3.8	20.5	21.6
CreditAccess	Buy	1311	1520	16	90.7	104.5	124.0	74.5	15.2	18.7	12.5	10.6	2.6	2.1	22.7	21.8
Fusion Micro	Buy	438	550	26	50.2	63.4	78.0	30.2	26.3	23.0	6.9	5.6	1.3	1.0	20.1	20.2
Five-Star Business	Buy	757	950	25	28.6	35.5	43.1	38.0	24.3	21.3	21.3	17.6	3.6	3.0	18.2	18.4
HDFC Life Insur.	Buy	703	750	7	7.3	7.7	9.6	15.4	6.0	24.6	90.9	72.9	2.7	2.3	16.7	16.5
Home First Fin.	Buy	1057	1215	15	34.5	43.0	55.1	33.2	24.5	28.1	24.6	19.2	3.8	3.2	16.6	18.2
ICICI Pru Life	Buy	725	740	2	5.9	6.5	7.6	5.0	10.3	16.6	111.1	95.3	2.1	1.7	19.8	20.1
ICICI Lombard	Buy	1964	2200	12	38.9	51.1	64.5	11.0	31.2	26.3	38.4	30.4	7.1	6.0	19.6	21.4
IIFL Finance	Buy	451	605	34	46.2	37.4	55.8	17.2	-19.1	49.3	12.1	8.1	1.4	1.2	13.3	16.5
360 ONE WAM	Buy	996	1150	15	22.4	26.7	32.4	21.3	19.3	21.2	37.3	30.7	9.8	9.2	27.1	31.0
IndoStar	Buy	248	280	13	8.5	13.2	21.1	-48.5	54.6	60.2	18.9	11.8	1.0	0.9	5.4	8.1
L&T Finance	Buy	181	230	27	9.3	11.7	15.2	42.4	26.0	29.2	15.4	11.9	1.7	1.6	11.9	13.9
Life Insurance Corp.	Buy	1180	1270	8	64.3	68.3	73.6	11.8	6.2	7.7	17.3	16.0	0.9	0.8	11.6	11.4
LIC Hsg Fin	Buy	791	930	18	86.6	90.5	93.0	64.8	4.5	2.8	8.7	8.5	1.2	1.1	14.9	13.7
MCX	Buy	4141	-		16.3	106.9	118.5	-44.2	555.8	10.9	38.7	34.9	14.2	13.1	38.0	39.0
Manappuram Fin.	Buy	213	245	15	26.0	30.0	35.3	46.5	15.4	17.8	7.1	6.0	1.3	1.1	20.1	19.8
MAS Financial	Buy	290	360	24	15.1	17.2	22.2	23.3	14.0	28.7	16.8	13.1	2.1	1.8	14.8	15.0
Max Financial	Neutral	1108	1030	-7	17.2	24.2	30.1	87.1	40.8	24.1	45.7	36.8	2.1	1.7	19.5	19.2
M&M Fin.	Buy	294	350	19	14.3	22.6	28.1	-11.4	58.5	24.4	13.0	10.4	1.7	1.5	13.9	15.5
Muthoot Fin	Neutral	1786	1630	-9	100.9	124.8	141.0	16.6	23.7	13.0	14.3	12.7	2.5	2.2	19.1	18.6
Piramal Enterp.	Neutral	992	925	-7	-75.0	30.9	65.8	-200.1	LP	112.7	32.1	15.1	0.8	0.8	2.6	5.3
PNB Housing	Buy	793	1015	28	58.1	69.8	88.8	-6.3	20.3	27.1	11.4	8.9	1.2	1.1	11.4	13.0
Poonawalla Fincorp	Buy	376	465	24	13.4	17.2	22.2	73.3	28.2	29.0	21.9	16.9	3.1	2.7	15.1	17.0
Repco Home Fin	Neutral	541	595	10	63.1	66.0	72.0	33.3	4.5	9.2	8.2	7.5	1.0	0.9	13.4	12.9
Spandana Sphoorty	Buy	702	830	18	70.2	79.0	104.0	3,922.1	12.5	31.6	8.9	6.7	1.2	1.0	14.4	16.2
Shriram Finance	Buy	2925	3400	16	191.3	226.0	279.0	19.8	18.1	23.5	12.9	10.5	2.0	1.7	16.4	17.6
SBI Life Insurance	Buy	1751	1900	9	18.9	19.9	23.2	10.0	5.3	16.5	88.0	75.5	2.5	2.0	21.9	20.5
Star Health Insu	Buy	613	730	19	14.4	18.4	24.4	35.8	27.2	33.0	33.4	25.1	4.7	3.9	15.0	17.0
Aggregate								-2.0	23.6	25.4	21.3	17.2	3.0	2.6	14.0	14.9
Chemicals																
Alkyl Amines	Neutral	2050	1955	-5	29.1	41.5	55.8	-34.9	42.7	34.5	49.4	36.7	7.5	6.6	15.9	19.0
Atul	Buy	7543	9100	21	103.4	160.8	214.4	-38.8	55.5	33.3	47.0	35.2	4.0	3.7	8.9	10.9
Clean Science	Neutral	1529	1375	-10	23.0	30.4	34.4	-17.3	32.3	13.1	50.3	44.5	11.0	9.0	24.0	22.2
Deepak Nitrite	Neutral	2920	2705	-7	55.1	69.2	77.3	-11.7	25.5	11.7	42.2	37.8	7.1	6.1	18.1	17.3
Fine Organic	Sell	5196	4095	-21	120.0	119.2	116.9	-37.7	-0.7	-1.9	43.6	44.4	7.3	6.3	18.0	15.2
Galaxy Surfact.	Buy	2860	3450	21	85.0	97.7	115.0	-20.9	14.9	17.7	29.3	24.9	4.2	3.7	15.0	15.8
Navin Fluorine	Neutral	3531	3555	1	46.1	61.6	88.9	-39.1	33.6	44.3	57.3	39.7	6.7	6.0	12.2	15.9
NOCIL	Neutral	310	260	-16	7.9	10.2	13.0	-11.7	29.5	27.4	30.4	23.9	2.9	2.7	9.8	11.7
PI Inds.	Buy	4205	4400	5	110.6	111.9	131.9	36.8	1.2	17.8	37.6	31.9	6.2	5.3	17.9	17.9
SRF	Neutral	2457	2130	-13	47.5	52.6	74.0	-37.7	10.7	40.7	46.7	33.2	5.8	5.1	13.0	16.4
Tata Chemicals	Neutral	1071	1000	-7	36.1	33.5	51.3	-60.5	-7.3	53.1	32.0	20.9	1.2	1.2	3.8	5.6
Vinati Organics	Buy	2156	2340	9	31.2	42.7	52.0	-22.8	36.8	21.8	50.5	41.5	8.0	6.9	16.8	17.9
Aggregate								-26.4	21.5	19.7	55.3	45.5	6.7	6.0	12.1	13.1
Capital Goods																
ABB India	Buy	7845	9500	21	58.9	90.5	111.9	81.9	53.7	23.5	86.6	70.1	21.6	16.8	28.1	26.9
Bharat Electronics	Buy	310	360	16	5.5	6.7	8.2	33.7	21.0	22.7	46.6	38.0	11.2	8.9	24.0	23.5
Cummins India	Buy	3711	4300	16	60.0	74.2	89.0	33.4	23.7	19.9	50.0	41.7	14.8	13.0	31.3	33.1
Hitachi Energy	Neutral	11550	12000	4	38.6	75.4	149.9	74.4	95.3	98.7	153.1	77.0	29.2	21.2	19.0	27.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Kalpataru Proj.	Buy	1362	1385	2	32.6	54.7	75.1	8.3	67.8	37.2	24.9	18.1	3.4	2.9	14.6	17.3
KEC International	Neutral	880	-		13.5	24.5	39.2	97.0	81.8	60.0	35.9	22.4	5.0	4.3	14.6	20.6
Kirloskar Oil	Buy	1217	1500	23	25.0	34.4	44.1	33.8	37.9	28.1	35.3	27.6	5.9	5.1	17.8	19.8
Larsen & Toubro	Buy	3673	4150	13	94.5	105.8	136.0	24.5	12.0	28.5	34.7	27.0	5.2	4.5	15.8	17.8
Siemens	Buy	6921	8700	26	55.1	81.0	97.0	55.5	47.1	19.7	85.4	71.3	16.2	13.9	20.4	20.9
Thermax	Neutral	5063	4710	-7	52.2	67.1	83.1	30.3	28.6	23.9	75.5	60.9	11.3	9.8	15.9	17.3
Triveni Turbine	Buy	608	720	18	8.5	11.0	14.8	39.8	29.8	35.1	55.3	41.0	16.0	12.5	32.2	34.2
Zen Technologies	Buy	1531	-		15.1	28.1	40.1	218.8	85.9	42.9	54.6	38.2	18.7	12.5	41.3	39.3
Aggregate								32.3	23.4	27.6	58.6	47.5	9.6	8.3	16.5	17.6
Cement																
Ambuja Cem.	Buy	686	800	17	15.6	14.3	18.0	9.4	-8.1	25.6	48.0	38.2	3.0	2.8	7.3	7.7
ACC	Buy	2614	3300	26	99.3	123.8	135.7	88.7	24.6	9.6	21.1	19.3	2.7	2.4	13.6	13.2
Birla Corp.	Buy	1540	1970	28	54.0	66.8	87.2	1,052.2	23.7	30.5	23.0	17.7	1.7	1.5	7.5	9.1
Dalmia Bhar.	Buy	1812	2300	27	40.8	52.4	69.7	11.5	28.6	32.9	34.6	26.0	2.0	1.9	5.9	7.4
Grasim Inds.	Buy	2844	3150	11	95.6	97.2	108.9	-2.9	1.7	12.0	29.3	26.1	3.5	3.3	1.7	2.5
India Cem	Sell	375	180	-52	-7.6	-1.8	6.0	-49.9	Loss	LP	NM	62.9	2.2	2.1	-1.0	3.4
J K Cements	Buy	4389	5150	17	102.7	112.0	150.1	86.2	9.0	34.0	39.2	29.2	5.6	4.9	15.2	17.8
JK Lakshmi Ce	Buy	857	1100	28	39.6	41.9	47.0	29.9	5.8	12.2	20.5	18.2	2.8	2.5	14.5	14.4
Ramco Cem	Neutral	828	890	7	16.7	18.4	28.2	15.0	10.0	53.4	45.1	29.4	2.6	2.4	5.9	8.6
Shree Cem	Neutral	27605	30300	10	684.2	626.4	624.3	110.3	-8.4	-0.3	44.1	44.2	4.5	4.2	10.6	9.8
Ultratech	Buy	11679	13000	11	244.5	261.3	336.6	39.4	6.9	28.8	44.7	34.7	5.1	4.3	11.9	13.5
Aggregate								32.4	6.7	22.0	39.2	36.8	4.0	3.5	10.2	9.6
Consumer																
Asian Paints	Neutral	2950	3150	7	57.9	58.0	65.7	30.9	0.1	13.3	50.9	44.9	14.0	12.6	28.5	29.5
Britannia	Neutral	5872	5400	-8	88.7	102.6	115.0	10.1	15.6	12.1	57.3	51.1	30.9	25.9	58.0	55.2
Colgate	Neutral	3164	2700	-15	49.2	54.1	58.4	26.8	10.0	7.9	58.4	54.2	38.6	32.1	71.7	64.7
Dabur	Buy	633	700	11	10.6	12.1	13.3	9.2	14.2	9.7	52.4	47.7	10.5	9.7	20.8	21.1
Emami	Buy	799	850	6	18.0	21.1	23.2	17.0	16.7	10.3	37.9	34.4	12.4	10.9	35.0	33.9
Godrej Cons.	Buy	1467	1600	9	19.3	22.5	26.7	13.2	16.4	18.6	65.2	55.0	10.6	9.5	17.2	18.2
HUL	Buy	2712	3250	20	43.7	47.9	53.6	0.7	9.6	11.9	56.6	50.5	12.2	11.8	21.8	23.7
ITC	Buy	503	500	-1	16.4	17.4	18.9	9.0	6.3	8.5	28.9	26.6	8.0	7.6	28.4	29.2
Indigo Paints	Buy	1492	1650	11	31.3	34.8	38.0	28.8	11.3	9.0	42.8	39.3	6.8	6.0	17.1	16.3
Jyothy Lab	Neutral	550	565	3	9.8	11.1	12.4	54.8	12.8	12.3	49.7	44.2	10.5	9.5	21.8	22.6
Marico	Buy	680	700	3	11.5	12.7	14.1	13.7	11.0	10.6	53.3	48.2	22.0	20.9	42.0	44.4
Nestle	Neutral	2479	2500	1	41.0	36.8	40.8	62.5	-10.2	10.7	67.3	60.8	59.4	49.9	96.4	89.3
Page Inds	Neutral	41425	37500	-9	510.3	597.6	722.8	-0.4	17.1	20.9	69.3	57.3	24.8	21.1	35.7	36.8
Pidilite Ind.	Neutral	3138	2850	-9	35.9	42.5	48.6	42.2	18.6	14.2	73.8	64.6	16.7	15.1	24.1	24.5
P&G Hygiene	Neutral	17317	17000	-2	250.6	284.7	314.7	31.0	13.6	10.5	60.8	55.0	47.6	40.6	85.0	79.7
Tata Consumer	Buy	1213	1350	11	14.6	17.7	20.1	28.7	20.7	13.5	68.6	60.4	5.4	5.1	9.6	9.4
United Brew	Sell	2037	1800	-12	15.5	25.7	34.2	24.7	65.3	33.1	79.5	59.7	11.9	10.7	15.6	18.9
United Spirits	Neutral	1415	1400	-1	18.1	19.3	22.0	42.7	6.3	14.1	73.5	64.4	12.3	10.3	16.7	16.0
Varun Beverages	Buy	1676	1900	13	15.8	21.7	26.6	37.3	37.2	22.4	77.2	63.1	23.1	17.3	34.5	31.4
Aggregate								15.3	8.0	11.3	51.7	47.9	13.1	12.1	25.4	25.2
Consumer Durables																
Havells India	Neutral	1838	1820	-1	20.3	25.8	31.4	18.5	27.4	21.4	71.1	58.6	13.6	11.8	19.0	20.1
KEI Industries	Buy	4355	5230	20	64.4	79.9	99.1	21.7	24.0	24.1	54.5	44.0	10.3	8.4	18.8	19.2
Polycab India	Buy	6557	8200	25	118.8	130.1	156.6	40.0	9.6	20.4	50.4	41.9	10.2	8.6	20.2	20.4
R R Kabel	Buy	1756	2210	26	26.4	38.6	52.4	57.0	46.0	35.9	45.5	33.5	9.1	7.4	21.7	24.3
Voltas	Buy	1491	1670	12	7.2	21.0	31.8	-36.8	190.6	51.3	70.9	46.9	7.7	6.7	10.8	14.4
Aggregate								23.2	30.0	26.4	76.0	58.4	12.0	10.3	15.8	17.7
EMS																
Avalon Tech	Buy	522	640	23	4.3	9.3	15.9	-53.0	118.3	71.0	56.2	32.9	5.6	4.8	10.6	15.8
Cyient DLM	Buy	776	880	13	7.7	14.5	21.9	92.9	88.0	51.1	53.5	35.4	6.0	5.1	11.9	15.6
Data Pattern	Neutral	3301	2720	-18	32.4	39.7	54.0	46.6	22.3	36.2	83.2	61.1	12.0	10.1	15.5	17.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Kaynes Tech	Buy	4249	5000	18	28.7	54.3	90.6	75.3	89.2	66.9	78.0	47.0	9.6	8.0	13.0	18.5
Syrma SGS Tech.	Buy	476	565	19	6.1	9.7	15.3	-9.3	58.9	56.8	48.9	31.2	4.8	4.2	10.2	14.4
Aggregate								33.2	58.5	54.5	108.5	68.5	8.9	7.9	8.2	11.5
Healthcare																
Alembic Phar	Neutral	1218	930	-24	31.5	37.9	42.1	43.9	20.6	11.0	32.1	28.9	4.4	3.9	14.4	14.1
Alkem Lab	Neutral	5296	5430	3	159.7	169.1	195.2	50.6	5.9	15.4	31.3	27.1	5.3	4.6	18.2	18.3
Ajanta Pharma	Buy	2401	2700	12	62.3	70.3	83.9	26.6	12.9	19.4	34.1	28.6	7.2	6.0	22.8	22.9
Apollo Hospitals	Buy	6665	7070	6	62.4	88.5	125.9	29.6	41.8	42.3	75.3	52.9	11.4	9.4	16.9	20.1
Aurobindo	Neutral	1386	1320	-5	56.0	67.0	75.7	46.1	19.6	13.0	20.7	18.3	2.4	2.2	12.4	12.5
Biocon	Neutral	369	340	-8	2.2	6.2	12.1	-65.1	183.8	96.7	59.7	30.3	2.2	2.1	3.7	7.0
Cipla	Buy	1578	1830	16	52.5	58.7	65.6	39.0	11.9	11.8	27.0	24.2	4.2	3.6	15.4	14.9
Divis Lab	Neutral	4792	4300	-10	60.0	79.3	96.5	-7.5	32.2	21.6	60.4	49.7	8.5	7.6	14.7	16.1
Dr Reddy's	Neutral	6892	7100	3	317.1	353.8	389.0	29.6	11.6	9.9	19.7	17.9	3.5	2.9	19.1	17.7
ERIS Lifescience	Neutral	1073	980	-9	29.2	30.9	42.5	5.2	5.6	37.6	34.7	25.2	5.0	4.3	15.4	18.3
Gland Pharma	Buy	2020	2110	4	47.6	59.4	69.4	-5.6	24.7	16.9	34.0	29.1	3.4	3.1	10.6	11.1
Glenmark	Neutral	1435	1200	-16	2.5	42.7	50.5	-88.0	1,619.7	18.3	33.6	28.4	4.5	3.9	14.4	14.8
GSK Pharma	Neutral	2709	2380	-12	43.3	45.8	50.8	20.5	5.7	10.9	59.2	53.4	22.0	18.5	37.2	34.7
Global Health	Buy	1202	1490	24	17.8	19.6	25.2	46.7	9.9	28.9	61.4	47.6	9.7	8.3	16.8	18.7
Granules India	Buy	563	570	1	17.4	23.5	31.8	-19.5	35.6	35.1	23.9	17.7	3.6	3.0	16.3	18.6
IPCA Labs	Neutral	1285	1150	-10	20.8	30.5	40.6	0.0	46.5	33.3	42.2	31.6	4.7	4.1	11.6	13.9
Laurus Labs	Buy	449	505	13	3.0	7.2	12.9	-79.6	139.9	78.2	62.0	34.8	5.4	4.8	9.1	14.7
Lupin	Neutral	1840	1590	-14	41.5	50.7	59.6	382.6	22.0	17.6	36.3	30.9	5.1	4.4	15.0	15.3
Mankind Pharma	Buy	2055	2650	29	47.8	54.1	62.4	38.5	13.3	15.4	38.0	32.9	7.5	6.4	21.3	20.9
Max Healthcare	Buy	948	1060	12	13.7	16.2	19.9	18.6	18.0	22.8	58.5	47.6	8.5	7.2	15.6	16.3
Piramal Pharma	Buy	167	195	17	0.4	2.5	5.1	-170.2	497.6	102.9	65.6	32.3	2.4	2.2	4.1	7.9
Sun Pharma	Buy	1714	1810	6	41.4	48.1	57.6	15.8	16.0	19.7	35.6	29.8	5.6	4.8	16.9	17.4
Torrent Pharma	Neutral	3191	3340	5	47.1	63.4	82.0	26.7	34.6	29.3	50.3	38.9	6.6	5.4	28.5	30.5
Zydus Lifesciences	Neutral	1206	1030	-15	37.6	39.0	41.4	68.0	3.6	6.1	30.9	29.1	4.9	4.3	17.6	15.7
Aggregate								24.9	20.1	19.3	42.4	35.3	5.8	5.1	13.8	14.4
Infrastructure																
G R Infraproject	Buy	1711	1980	16	73.0	78.7	101.3	-17.2	7.9	28.7	21.7	16.9	2.1	1.9	10.0	11.6
IRB Infra	Neutral	67	61	-9	1.0	1.6	2.1	-15.9	61.2	27.6	41.4	32.4	2.8	2.6	6.9	8.3
KNR Constructions	Buy	367	400	9	15.2	15.3	20.1	3.3	0.2	31.5	24.1	18.3	2.8	2.5	12.5	14.4
Aggregate											38.4	30.8	2.8	2.6	7.2	8.3
Logistics																
Adani Ports	Buy	1541	1750	14	41.3	49.1	58.5	16.5	19.1	19.1	31.4	26.3	5.4	4.6	18.5	18.8
Blue Dart Express	Buy	7890	9500	20	121.6	137.1	223.5	-21.2	12.7	63.0	57.5	35.3	11.5	9.3	21.3	29.2
Concor	Buy	1040	1220	17	20.3	25.8	33.9	5.8	27.0	31.3	40.3	30.7	5.0	4.6	12.8	15.6
JSW Infra	Buy	343	390	14	5.8	6.5	9.3	6.8	11.4	43.9	53.2	36.9	8.0	6.9	15.9	20.0
Mahindra Logistics	Neutral	536	510	-5	-8.2	6.6	19.2	-322.8	LP	190.3	80.9	27.9	7.3	6.0	9.1	23.2
Transport Corp.	Buy	986	-		45.8	50.9	62.9	10.1	11.2	23.4	19.4	15.7	3.2	2.7	17.7	18.4
TCI Express	Buy	1197	1450	21	34.4	38.3	44.6	-5.4	11.5	16.5	31.2	26.8	5.6	4.8	19.3	19.2
VRL Logistics	Buy	568	670	18	10.1	15.4	23.1	-46.1	51.7	50.4	37.0	24.6	5.0	4.6	13.9	19.4
Aggregate											40.7	33.8	6.3	5.5	15.5	16.2
Media																
PVR Inox	Neutral	1493	1400	-6	11.7	2.2	27.1	-152.3	-81.3	1,141.8	684.1	55.1	2.0	1.9	0.3	3.6
Sun TV	Buy	830	900	8	47.6	51.3	52.5	12.0	7.7	2.4	16.2	15.8	2.9	2.7	17.9	16.9
Zee Ent.	Neutral	143	155	9	4.5	7.3	10.7	-4.9	61.5	47.1	19.5	13.3	1.2	1.1	6.3	8.7
Aggregate								16.7	13.2	22.7	24.9	22.0	2.1	2.0	8.5	9.1
Metals																
Coal India	Buy	509	550	8	60.7	55.9	66.0	17.8	-7.9	18.1	9.1	7.7	3.2	2.6	34.6	34.1
Hindalco	Buy	668	800	20	45.6	61.2	63.6	0.8	34.1	3.9	10.9	10.5	1.6	1.4	15.8	14.3
Hind. Zinc	Neutral	604	610	1	18.4	23.0	29.9	-26.2	25.5	29.9	26.2	20.2	12.8	9.3	55.6	53.5
JSPL	Buy	972	1200	23	58.4	63.6	95.7	60.4	8.9	50.4	15.3	10.2	1.9	1.7	13.5	17.6
JSW Steel	Buy	900	1030	14	36.7	55.9	78.0	149.9	52.3	39.5	16.1	11.5	2.5	2.1	16.3	19.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Nalco	Neutral	190	185	-2	9.1	12.3	14.1	16.3	35.1	15.0	15.5	13.4	2.2	1.9	14.8	15.3
NMDC	Buy	239	300	26	19.7	25.5	28.5	18.0	29.4	11.5	9.3	8.4	2.3	1.9	26.5	24.7
SAIL	Neutral	147	160	9	2.6	9.8	12.7	-43.8	277	29.1	15.0	11.6	1.0	1.0	7.0	8.6
Tata Steel	Neutral	163	170	5	2.7	9.5	13.3	-61.8	252	39.6	17.0	12.2	2.2	2.0	13.4	17.3
Vedanta	Neutral	445	520	17	13.3	33.9	44.7	-53.1	155	32.1	13.1	9.9	4.8	3.8	38.4	42.6
Aggregate								0.1	33.5	25.4	17.6	13.2	2.8	2.5	15.9	18.9
Oil & Gas																
Aegis Logistics	Neutral	893	770	-14	16.2	18.0	22.0	10.8	11.2	22.3	49.6	40.5	7.3	6.5	15.4	17.0
BPCL	Neutral	329	320	-3	63.3	29.0	35.4	1,271.9	-54.2	22.1	11.3	9.3	1.7	1.6	15.7	17.7
Castrol India	Buy	266	250	-6	8.7	9.6	10.5	6.0	10.0	9.3	27.7	25.3	11.7	11.0	43.4	44.6
GAIL	Buy	231	260	13	13.7	13.2	16.1	70.1	-3.6	21.4	17.4	14.4	2.1	1.9	13.0	14.6
Gujarat Gas	Buy	648	755	16	16.0	21.0	23.6	-27.8	31.3	12.2	30.9	27.5	5.2	4.6	17.7	17.7
Gujarat St. Pet.	Buy	332	405	22	22.8	11.6	12.1	35.9	-48.9	4.1	28.5	27.4	1.7	1.7	6.3	6.2
HPCL	Buy	376	390	4	75.2	41.3	45.3	-329.4	-45.1	9.7	9.1	8.3	1.5	1.3	17.5	17.0
IOC	Buy	177	195	10	29.5	11.7	13.6	344.7	-60.2	15.6	15.1	13.0	1.3	1.2	8.6	9.4
IGL	Sell	540	475	-12	25.0	23.4	30.8	21.0	-6.3	31.6	23.1	17.6	3.9	3.4	17.9	20.6
Mahanagar Gas	Buy	1847	2200	19	132.3	129.4	136.9	65.4	-2.2	5.8	14.3	13.5	3.1	2.7	23.1	21.4
MRPL	Sell	215	170	-21	20.5	9.4	15.4	36.6	-54.2	63.1	22.8	14.0	2.6	2.3	11.9	17.2
Oil India	Buy	561	560	0	48.7	46.8	51.7	16.2	-3.9	10.5	12.0	10.8	1.8	1.7	16.3	16.1
ONGC	Buy	331	330	0	46.3	50.3	56.0	44.9	8.6	11.3	6.6	5.9	1.1	1.0	17.6	17.2
PLNG	Neutral	373	380	2	23.6	30.9	31.3	9.1	30.9	1.5	12.1	11.9	2.9	2.5	25.4	22.7
Reliance Ind.	Buy	3018	3435	14	102.9	113.9	144.8	4.4	10.7	27.1	26.5	20.8	2.2	2.0	9.3	10.7
Aggregate								80.0	-14.9	18.9	14.1	16.6	2.1	1.9	15.0	11.6
Real Estate																
Brigade Enterpr.	Buy	1250	1525	22	22.1	37.1	42.0	82.6	67.9	13.2	33.7	29.7	5.8	4.9	18.9	18.0
DLF	Neutral	830	850	2	11.0	16.6	17.0	-3.5	50.9	2.4	53.1	48.9	3.5	3.2	10.0	9.4
Godrej Propert.	Buy	3127	3725	19	26.9	34.2	37.8	20.3	27.2	10.6	91.4	82.7	7.9	7.2	9.1	9.2
Kolte Patil Dev.	Buy	409	700	71	-9.2	13.3	42.7	-167.7	LP	221.3	30.8	9.6	3.9	2.8	13.1	34.0
Oberoi Realty	Neutral	1784	1560	-13	53.0	50.5	70.8	1.2	-4.6	40.0	35.3	25.2	4.2	3.7	12.6	15.6
Macrotech Devel.	Buy	1402	1770	26	16.9	23.7	35.4	6.0	40.3	49.1	59.0	39.6	6.8	5.9	12.2	16.0
Mahindra Lifespace	Neutral	609	600	-2	6.3	6.3	5.7	111.6	0.5	-9.8	96.1	106.6	4.9	4.8	5.2	4.5
Sunteck Realty	Buy	594	640	8	4.8	16.2	23.2	4,699.7	234.8	43.1	36.6	25.6	2.6	2.4	7.4	9.7
Sobha	Buy	1792	2250	26	5.1	35.2	74.2	-52.9	591.2	110.5	50.9	24.2	6.1	4.9	12.7	22.6
Prestige Estates	Buy	1834	2100	15	19.0	19.9	26.2	-1.5	5.0	31.9	92.2	69.9	5.7	5.3	6.4	7.9
Phoenix Mills	Neutral	3534	3220	-9	61.6	60.8	83.0	50.6	-1.3	36.5	58.1	42.6	6.0	5.3	10.9	13.2
Aggregate								17.2	30.5	30.2	73.3	56.2	6.1	5.6	8.3	9.9
Retail																
Avenue Supermarts	Buy	5069	5500	8	39.0	49.8	66.4	6.2	27.9	33.2	101.7	76.3	15.0	12.6	16.0	17.9
Aditya Birla Fashion	Neutral	330	335	2	-7.4	-7.1	-6.4	955.4	Loss	Loss	NM	NM	8.4	10.0	-16.4	-17.7
Bata India	Neutral	1608	1400	-13	22.8	29.2	40.1	-9.2	27.9	37.3	55.1	40.1	10.9	8.5	21.9	23.8
Barbeque-Nation	Neutral	547	600	10	-2.9	-0.5	2.3	-172.8	Loss	LP	NM	238.1	5.5	5.3	-0.5	2.2
Campus Activewe.	Buy	311	335	8	2.9	4.2	5.6	-23.6	42.3	33.8	74.8	55.9	12.2	10.0	16.3	17.9
Devyani Intl.	Buy	177	200	13	0.8	1.2	2.1	-66.5	55.5	74.0	147.6	84.8	27.9	28.4	15.9	33.2
Jubilant Food.	Neutral	581	525	-10	3.9	5.5	8.2	-32.9	39.5	48.3	105.7	71.3	16.7	15.8	15.8	22.1
Kalyan Jewellers	Buy	568	570	0	5.8	8.5	11.5	29.9	46.8	35.6	66.7	49.2	12.1	10.3	19.4	22.6
Metro Brands	Buy	1315	1420	8	12.7	15.3	19.0	-5.2	20.2	23.9	85.8	69.2	15.8	13.3	20.5	21.3
Raymond	Buy	2052	3755	83	104.1	119.2	151.6	10.2	14.5	27.2	17.2	13.5	2.5	2.1	15.9	17.2
Relaxo Footwear	Neutral	864	795	-8	8.1	10.4	13.3	29.8	29.5	27.1	82.9	65.2	9.8	8.8	12.4	14.2
Restaurant Brands	Buy	109	140	29	-4.8	-2.1	0.3	-2.5	Loss	LP	NM	368.9	10.3	10.0	-18.1	2.7
Sapphire Foods	Buy	1557	1800	16	8.2	14.0	24.4	-52.5	71.9	73.8	111.0	63.9	6.9	6.3	6.5	10.3
Shoppers Stop	Neutral	770	780	1	5.5	6.9	10.0	-50.2	24.8	45.5	112.1	77.1	16.1	12.6	20.9	24.2
Senco Gold	Buy	953	1350	42	23.3	30.3	37.1	1.6	30.0	22.6	31.5	25.7	4.7	4.0	15.9	16.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Titan Company	Buy	3495	4000	14	39.3	47.1	57.9	6.8	19.9	22.8	74.2	60.4	25.2	19.5	38.6	36.4
Trent	Buy	5395	6080	13	29.2	49.4	62.7	162.5	69.0	27.0	109.3	86.0	30.8	22.3	35.5	32.1
V-Mart Retail	Neutral	3391	2880	-15	-53.5	-23.3	15.1	1,132.9	Loss	LP	NM	224.4	8.7	8.4	NM	3.8
Vedant Fashions	Neutral	1082	1010	-7	17.1	19.3	23.8	-3.5	13.2	23.3	56.0	45.5	14.4	12.2	26.9	25.9
Westlife Foodworld	Neutral	833	775	-7	4.4	6.2	10.5	-38.0	40.5	69.2	133.5	78.9	15.6	14.8	13.7	19.3
Aggregate								-0.7	35.6	33.7	124.2	91.5	18.7	16.0	15.1	17.5
Technology																
Cyient	Buy	1789	2070	16	66.9	71.4	89.7	27.7	6.8	25.6	25.0	19.9	4.3	4.0	16.8	19.6
HCL Tech.	Buy	1634	1850	13	57.9	62.5	68.5	5.6	7.9	9.7	26.2	23.9	6.7	6.8	25.4	28.2
Infosys	Buy	1879	2000	6	63.3	65.4	78.1	10.0	3.3	19.4	28.7	24.1	8.8	8.8	30.8	36.6
LTI Mindtree	Buy	5789	7000	21	154.8	166.8	198.8	2.0	7.7	19.2	34.7	29.1	7.5	6.5	23.0	23.9
L&T Technology	Buy	5226	5950	14	123.0	129.2	156.1	11.3	5.1	20.8	40.4	33.5	9.2	8.0	24.2	25.7
Mphasis	Neutral	3029	2800	-8	81.8	91.2	103.4	-6.0	11.5	13.4	33.1	29.2	6.0	5.5	19.0	19.9
Coforge	Neutral	6344	6100	-4	133.2	150.3	202.8	2.0	12.8	34.9	42.2	31.3	9.9	8.5	24.3	28.8
Persistent Sys	Buy	4770	5700	19	75.1	88.9	114.0	20.1	18.4	28.3	53.7	41.8	12.9	11.2	25.8	28.9
TCS	Buy	4388	4660	6	126.3	143.5	155.4	9.5	13.7	8.3	30.6	28.2	18.3	18.8	58.3	64.9
Tech Mah	Neutral	1541	1470	-5	41.1	44.5	63.6	-28.2	8.3	42.9	34.6	24.2	5.0	4.8	14.6	20.3
Wipro	Neutral	525	500	-5	20.4	22.0	24.5	-1.5	7.9	11.5	23.9	21.4	3.7	3.7	15.7	17.3
Zensar Tech	Neutral	809	750	-7	29.1	28.2	32.8	102.7	-3.3	16.3	28.7	24.7	4.6	4.0	17.0	17.4
Aggregate								3.8	10.5	13.5	32.9	29.7	9.2	9.2	28.0	30.8
Telecom																
Bharti Airtel	Buy	1515	1654	9	19.7	35.3	52.6	36.7	79.6	49.1	42.9	28.8	6.9	5.5	19.8	21.9
Indus Towers	Neutral	445	337	-24	22.4	25.1	27.8	151.1	12.0	11.0	17.7	16.0	3.5	2.9	22.2	20.0
Vodafone Idea		16			-11.1	-10.9	-10.4	9.3	Loss	Loss	NM	NM	-0.4	-0.4	NM	NM
Tata Comm	Neutral	1886	1950	3	42.3	44.3	77.5	-30.0	4.9	74.8	42.5	24.3	19.8	11.7	56.1	60
Aggregate								Loss	Loss	LP	-74	-321	149.9	22.7	-201.4	-7.1
Others																
APL Apollo Tubes	Buy	1480	1850	25	26.4	37.9	55.7	14.1	43.7	46.7	39.0	26.6	9.1	7.0	26.0	29.8
Cello World	Buy	966	1090	13	15.6	19.0	24.0	24.4	22.1	26.0	50.7	40.3	13.3	10.1	26.3	25.1
Coromandel Intl	Buy	1625	1810	11	55.8	63.0	71.3	-18.5	12.9	13.3	25.8	22.8	4.4	3.8	18.3	17.9
EPL	Buy	222	260	17	8.2	10.1	14.1	13.5	23.7	39.5	22.0	15.7	3.1	2.8	14.7	18.6
Godrej Agrovvet	Neutral	832	830	0	18.7	24.5	31.3	44.1	30.8	27.6	34.0	26.6	5.7	5.0	17.7	20.1
Indian Hotels	Buy	647	665	3	8.9	10.5	12.9	25.9	18.5	22.6	61.6	50.3	8.5	7.3	14.7	15.6
Interglobe	Neutral	4491	4420	-2	211.8	200.3	204.0	LP	-5	2	22.4	22	17.8	9.8	133.3	57.9
Kajaria Ceramics	Buy	1434	1670	16	27.2	30.7	38.0	27.2	13.0	23.6	46.6	37.8	8.0	7.1	17.4	19.5
Lemon Tree Hotel	Buy	147	175	19	1.9	2.7	4.0	25.7	42.8	48.9	54.0	36.2	9.7	7.7	19.8	23.6
MTAR Tech	Buy	1914	2310	21	18.2	32.1	57.2	-45.7	75.8	78.2	59.7	33.5	7.6	6.2	13.6	20.4
One 97	Neutral	509	500	-2	-22.4	-33.2	-13.8	-20.2	Loss	Loss	NM	NM	2.7	2.9	-16.8	-7.6
Qess Corp	Neutral	711	-		22.5	30.3	37.0	96.4	34.5	22.3	23.5	19.2	2.8	2.5	16.2	18.1
SIS	Buy	419	540	29	13.0	29.2	38.4	-44.2	125.4	31.4	14.3	10.9	1.0	0.8	16.7	18.2
Team Lease Serv.	Buy	3404	-		64.8	90.9	129.2	-0.5	40.3	42.2	37.4	26.3	5.4	4.5	15.0	18.1
UPL	Neutral	544	540	-1	3.7	27.3	45.9	-93.7	646.4	68.0	19.9	11.9	1.1	1.0	8.3	13.0
Updater Services	Buy	319	-		11.4	17.9	23.6	67.8	57.7	31.6	17.8	13.5	2.2	1.9	11.5	13.4
Zomato	Buy	225	220	-2	0.4	1.2	3.3	-134.2	189.4	175.7	190.3	69.0	9.3	8.2	5.0	12.6



Index	1 Day (%)	1M (%)	12M (%)
Sensex	1.6	3.4	21.9
Nifty-50	1.8	4.0	25.6
Nifty Next 50	1.6	3.0	64.7
Nifty 100	1.7	3.9	31.4
Nifty 200	1.7	4.0	34.8
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	2.4	4.9	66.5
Amara Raja Ener.	7.3	0.7	165.5
Apollo Tyres	2.5	6.3	29.3
Ashok Leyland	6.0	2.6	36.0
Bajaj Auto	2.3	0.2	94.9
Balkrishna Inds	3.8	3.3	31.1
Bharat Forge	5.8	0.3	92.2
Bosch	0.5	2.2	82.4
CEAT	0.4	3.6	4.6
Craftsman Auto	2.2	-3.0	14.5
Eicher Motors	2.3	5.8	49.5
Endurance Tech.	-0.8	-3.8	53.1
Escorts Kubota	2.2	-2.5	70.6
Exide Inds.	2.6	-2.5	119.7
Happy Forgings	-0.6	0.3	
Hero Motocorp	1.4	0.5	74.2
M & M	2.7	1.3	86.9
CIE Automotive	0.9	2.3	23.3
Maruti Suzuki	1.2	3.8	29.8
MRF	0.9	10.3	35.9
Sona BLW Precis.	-1.1	7.8	15.6
Motherson Sumi	2.6	1.4	98.2
Motherson Wiring	1.4	-0.3	21.0
Tata Motors	2.5	17.5	74.4
TVS Motor Co.	2.4	5.5	82.8
Tube Investments	3.3	-1.6	33.6
Banks-Private	0.6	-3.2	8.0
AU Small Fin. Bank	3.0	-6.1	-11.1
Axis Bank	0.1	-8.4	20.5
Bandhan Bank	3.6	-6.4	-12.8
DCB Bank	-1.5	-10.6	-0.5
Equitas Sma. Fin	3.1	14.4	126.2
Federal Bank	-3.3	11.8	47.9
HDFC Bank	0.1	-4.9	-4.3
ICICI Bank	0.8	-0.9	21.2
IDFC First Bank	-0.2	-10.0	-12.0
IndusInd Bank	1.8	-6.3	-1.7
Kotak Mah. Bank	2.2	0.9	-4.3
RBL Bank	2.5	-8.5	-1.4
SBI Cards	-1.2	-1.4	-17.2
Banks-PSU	1.7	-1.3	59.1
BOB	1.8	-11.1	26.3
Canara Bank	1.8	-4.1	68.8
Indian Bank	2.4	7.5	77.1
Punjab Natl.Bank	1.9	-3.5	89.9
St Bk of India	1.6	2.0	40.2
Union Bank (I)	0.6	-5.4	46.0

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	1.6	3.8	37.2
Nifty Midcap 100	1.8	4.6	55.9
Nifty Smallcap 100	1.0	3.1	62.8
Nifty Midcap 150	1.7	3.7	54.6
Nifty Smallcap 250	0.9	3.2	57.9
NBFCS	1.2	-1.2	13.5
Aditya Birla Capital Ltd	2.7	-6.0	16.6
Angel One	0.0	-18.0	33.7
Bajaj Fin.	2.1	-5.1	-8.7
BSE	-0.8	-3.7	218.3
Cholaman.Inv.&Fn	3.5	-1.3	23.6
Can Fin Homes	3.5	-4.9	11.1
Cams Services	-0.1	10.5	73.1
CreditAcc. Gram.	3.2	-3.5	-7.5
Fusion Microfin.	-0.1	-3.5	-32.7
Five-Star Bus.Fi	4.7	-5.8	5.1
Home First Finan	3.0	1.4	26.3
Indostar Capital	-0.3	-0.2	42.8
IIFL Finance	-0.4	-8.6	-19.8
L&T Finance	3.9	-0.7	39.0
LIC Housing Fin.	3.2	1.6	99.9
MCX	-1.0	8.8	148.4
M & M Fin. Serv.	1.3	-4.7	-8.2
Muthoot Finance	2.4	0.5	36.3
Manappuram Fin.	4.1	8.5	57.7
MAS Financial Serv.	-0.3	-3.5	13.1
360 One	-0.2	12.1	94.3
PNB Housing	1.6	0.3	21.4
Repco Home Fin	1.7	2.6	70.6
Shriram Finance	9.2	-2.1	60.8
Spandana Sphoort	0.6	-2.3	-14.1
Insurance			
HDFC Life Insur.	3.0	19.4	6.8
ICICI Pru Life	3.3	21.5	25.7
ICICI Lombard	0.3	10.1	43.7
Life Insurance	2.0	18.3	88.6
Max Financial	1.0	14.1	35.4
SBI Life Insuran	3.3	20.7	35.5
Star Health Insu	0.0	16.7	-3.9
Chemicals			
Alkyl Amines	1.8	-1.5	-15.3
Atul	3.4	18.0	15.2
Clean Science	0.7	6.9	18.2
Deepak Nitrite	-1.1	16.6	45.6
Fine Organic	-0.8	6.2	10.1
Galaxy Surfact.	-0.1	3.7	7.9
Navin Fluo.Intl.	0.5	-1.7	-18.0
NOCIL	1.9	9.8	45.4
P I Inds.	5.0	11.4	17.1
SRF	2.3	2.4	14.5
Tata Chemicals	2.2	-2.0	7.3
Vinati Organics	4.6	9.5	19.0



Company	1 Day (%)	1M (%)	12M (%)
Capital Goods	0.7	-1.5	24.2
A B B	3.0	-6.4	78.5
Bharat Electron	2.8	1.0	146.0
Cummins India	3.0	-7.0	94.0
Hitachi Energy	-1.7	-8.6	183.9
K E C Intl.	-0.4	1.9	30.5
Kalpataru Proj.	3.1	14.4	126.2
Kirloskar Oil	0.5	-12.6	193.1
Larsen & Toubro	1.7	2.1	39.1
Siemens	1.2	-8.9	83.8
Thermax	2.6	-1.5	101.4
Triveni Turbine	0.2	-1.7	50.1
Zen Technologies	5.0	28.4	144.8
Cement			
Ambuja Cem.	1.6	4.5	54.8
ACC	1.3	0.9	35.9
Birla Corp.	2.7	-2.3	26.1
Dalmia Bhar.	2.3	-0.4	-7.3
Grasim Inds.	1.6	11.4	55.2
India Cem	3.5	42.4	76.8
J K Cements	-0.3	-0.3	36.4
JK Lakshmi Cem.	1.9	-1.1	28.2
The Ramco Cement	3.4	-4.3	-7.1
Shree Cement	0.3	0.2	13.6
UltraTech Cem.	2.0	4.8	39.8
Consumer	0.9	11.1	18.7
Asian Paints	1.7	3.0	-12.5
Britannia Inds.	0.7	8.3	17.8
Colgate-Palm.	0.4	13.0	68.0
Dabur India	0.2	5.1	10.0
Emami	-1.1	13.1	83.4
Godrej Consumer	-0.9	3.8	41.3
Hind. Unilever	0.1	10.9	4.9
ITC	2.5	18.5	6.3
Indigo Paints	1.0	8.6	-1.4
Jyothy Lab.	0.1	30.1	74.7
Marico	0.7	10.9	27.6
Nestle India	-0.2	-2.3	8.6
Page Industries	0.1	4.5	9.8
Pidilite Inds.	0.8	-1.2	19.8
P & G Hygiene	0.5	8.4	11.8
Tata Consumer	0.4	13.0	40.6
United Breweries	-3.4	3.7	35.8
United Spirits	-2.0	10.9	43.9
Varun Beverages	1.5	4.3	107.8
Consumer Durables	1.8	2.4	41.8
Polycab India	1.9	-8.8	40.1
R R Kabel	1.3	-0.1	
Havells	0.6	-4.2	41.4
Voltas	2.0	-0.3	94.8
KEI Industries	2.9	-1.4	75.8
EMS			
Kaynes Tech	1.8	5.9	129.9

Company	1 Day (%)	1M (%)	12M (%)
Avalon Tech	0.8	-6.7	-11.1
Syrma SGS Tech.	1.2	-5.3	1.1
Cyient DLM	0.6	4.8	56.6
Data Pattern	-2.9	10.5	64.4
Healthcare	2.4	10.5	49.2
Alembic Pharma	1.3	35.1	71.8
Alkem Lab	2.1	6.4	32.1
Apollo Hospitals	4.4	8.6	29.3
Ajanta Pharma	0.1	3.7	59.5
Aurobindo	1.7	15.7	75.6
Biocon	1.8	4.6	47.7
Zydus Lifesci.	0.0	13.2	93.7
Cipla	5.0	6.5	47.4
Divis Lab	5.4	5.4	30.2
Dr Reddy's	0.4	13.3	25.6
ERIS Lifescience	0.3	2.9	41.7
Gland Pharma	0.6	13.0	68.8
Glenmark	1.0	17.3	78.4
Global Health	-0.1	-7.8	68.3
Granules	2.2	12.1	82.8
GSK Pharma	1.1	4.1	93.2
IPCA Labs	2.1	16.1	61.6
Laurus Labs	3.5	5.1	31.6
Lupin	2.2	16.2	95.5
Mankind Pharma	-4.1	-3.9	12.5
Max Healthcare	2.4	7.9	56.1
Piramal Pharma	0.1	6.1	63.3
Sun Pharma	2.9	12.7	54.2
Torrent Pharma	3.6	14.5	62.1
Infrastructure	2.0	4.0	55.9
G R Infraproject	0.7	-7.1	31.9
IRB Infra.Devl.	1.0	1.9	163.5
KNR Construct.	-1.2	5.0	50.9
Logistics			
Adani Ports	3.7	5.1	105.0
Blue Dart Exp.	1.5	1.3	8.3
Container Corpn.	2.5	-0.7	53.2
JSW Infracor	-1.3	5.4	
Mahindra Logis.	3.9	11.2	41.6
Transport Corp.	2.5	6.8	30.4
TCL Express	-0.2	-2.4	-22.2
VRL Logistics	-0.1	0.7	-23.6
Media	1.7	2.6	2.3
PVR INOX	-0.2	2.9	-2.4
Sun TV	1.7	8.9	53.6
Zee Ent.	1.9	-8.3	-39.7
Metals	3.0	-3.0	42.7
Hindalco	3.3	-1.1	48.7
Hind. Zinc	-1.3	-7.2	88.7
JSPL	3.7	-7.1	47.9
JSW Steel	3.0	-2.0	11.8
Nalco	2.9	1.4	99.7
NMDC	3.8	-4.3	112.2



Company	1 Day (%)	1M (%)	12M (%)
SAIL	3.4	2.4	59.9
Tata Steel	3.3	-5.8	35.5
Vedanta	3.2	0.5	59.3
Oil & Gas	0.2	10.6	63.6
Aegis Logistics	1.0	8.1	140.4
BPCL	0.8	10.2	69.8
Castrol India	-1.8	29.5	83.5
GAIL	1.0	8.1	98.7
Gujarat Gas	-0.2	4.4	37.3
Gujarat St. Pet.	1.2	11.7	16.3
HPCL	0.7	12.9	87.2
IOCL	-0.2	7.5	77.3
IGL	1.0	13.8	15.1
Mahanagar Gas	5.3	23.1	69.9
MRPL	-0.8	-1.7	160.9
Oil India	-1.1	20.0	211.4
ONGC	-1.3	23.8	91.7
PLNG	1.9	18.3	65.5
Reliance Ind.	1.1	-0.3	19.5
Real Estate	1.2	-2.0	99.1
Brigade Enterpr.	2.7	-7.9	119.4
DLF	2.2	0.5	70.1
Godrej Propert.	1.0	2.0	87.2
Kolte Patil Dev.	0.0	-7.9	7.7
Mahindra Life.	0.7	-1.5	24.2
Macrotech Devel.	0.6	-2.2	92.9
Oberoi Realty Ltd	3.4	-0.4	64.6
Sobha	-3.4	-12.1	190.0
Sunteck Realty	1.1	2.0	68.1
Phoenix Mills	1.0	-3.2	113.8
Prestige Estates	-0.9	-4.9	230.3
Retail			
Aditya Bir. Fas.	1.3	2.9	52.7
Avenue Super.	-1.9	5.6	36.6
Bata India	0.7	11.3	-5.8
Campus Activewe.	0.6	6.8	3.0
Barbeque-Nation	2.2	0.4	-19.2
Devyani Intl.	-1.3	6.5	-9.3
Jubilant Food	0.5	4.6	24.2
Kalyan Jewellers			
Metro Brands	1.4	7.0	20.0
Raymond	-1.6	10.9	84.3
Relaxo Footwear	-0.3	4.5	-8.7
Restaurant Brand	1.6	3.4	-2.9
Sapphire Foods	-1.5	0.2	12.4
Senco Gold	1.6	-14.4	148.6
Shoppers St.	1.2	2.9	-2.2
Titan Co.	2.6	3.6	16.1
Trent	1.6	0.6	216.0
V-Mart Retail	0.8	15.8	52.8
Vedant Fashions	1.2	0.4	-12.0
Westlife Food	0.1	-2.0	-5.8

Company	1 Day (%)	1M (%)	12M (%)
Technology	2.3	15.7	37.5
Cyient	-5.5	-2.3	22.4
HCL Tech.	3.0	13.3	46.7
Infosys	3.0	22.0	39.3
LTIMindtree	3.4	11.8	19.1
L&T Technology	0.3	7.6	32.6
Mphasis	6.5	25.2	34.4
Coforge	0.3	19.1	34.5
Persistent Sys	1.2	20.8	104.7
TCS	1.5	13.8	29.5
Tech Mah	0.7	9.1	34.8
Wipro	3.5	6.0	30.3
Zensar Tech	4.6	7.7	67.1
Telecom	3.4	5.3	73.3
Bharti Airtel	4.5	3.8	70.3
Indus Towers	4.7	24.9	146.2
Idea Cellular	5.3	-11.3	82.6
Tata Comm	3.0	2.4	13.1
Utilities	1.7	4.0	94.3
Coal India	3.2	8.8	121.2
NTPC	1.1	8.6	96.6
Power Grid Corpn	1.4	5.4	82.8
Others			
APL Apollo Tubes	1.6	-6.9	-0.7
Cello World	-0.1	8.6	
Coromandel Intl	-0.1	4.2	63.6
EPL Ltd	-1.1	14.6	-2.8
Godrej Agrovet	-1.8	22.8	70.0
Havells	0.6	-4.2	41.4
Indian Hotels	3.8	-0.5	65.8
Interglobe	1.4	6.3	76.9
Kajaria Ceramics	-0.4	1.4	3.2
Lemon Tree Hotel	-0.2	-1.3	61.4
MTAR Technologie	0.5	3.9	-8.2
One 97	10.0	24.4	-35.4
Piramal Enterpr.	5.7	9.3	-8.5
Quess Corp	-0.1	18.1	63.6
SIS	-1.2	-6.2	-5.4
Team Lease Serv.	3.6	15.7	43.5
UPL	2.8	-4.6	-13.9
Updater Services	1.3	11.9	
Voltas	2.0	-0.3	94.8
Zomato Ltd	2.4	13.9	169.5

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

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