



***Demand revival, Liquidity fuels markets***

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August 23, 2024

## Top Picks

### Large Cap

Ambuja Cement  
Bharti Airtel  
HDFC Asset Management Company  
ICICI Bank  
IndusInd Bank  
InterGlobe Aviation  
Larsen & Toubro  
Lupin  
Mahindra & Mahindra  
Max Healthcare Institute  
Reliance Industries  
Siemens  
Titan Company

### Mid / Small Caps

Apar Industries  
BEML  
Lemon Tree Hotels  
Praj Industries  
R R Kabel

## Exhibit 1: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	151.2%	130.1%	21.1%
Since Last Report	-0.2%	1.8%	-2.0%
Since Apr'23	47.7%	39.9%	7.8%

Source: PL

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## Demand revival, Liquidity fuels markets

**NIFTY gave positive 1.6% returns since our last report despite rising volatility amidst deteriorating geopolitical situation as Indian markets were supported by 1) Normal monsoons raising hopes of demand revival in festival season. 2) Inflation at 3.54% came below RBI hurdle rate improving prospects of a 2H25 rate cut if FED bites the bullet and cuts rates 3) benign crude and commodity prices and 4) sustained capex led investments in economy despite maintaining fiscal prudence.**

**Liquidity remains strong, as domestic inflows have far exceeded FII flows, providing cushion to markets. We believe expectations of strong festival season demand; rural revival and interest rate cuts will provide support to markets. We believe US elections are most important factor to watch out for given rising geo political tensions globally (including SE Asia). We expect some tilt towards defensives like consumer, Durables, Building material, IT services, Pharma and Telecom, given rich valuations in some growth sectors. We believe Capital Goods, Infra, Logistics/ Ports, EMS, Hospitals, Tourism, Auto, New Energy, E-com etc. are great themes, but investors needs to be cognizant of valuations. We increase our base case NIFTY target to 26820 (26398 earlier). We expect market consolidation and recommend selective buying on dips, but quality focus needs to be key criteria.**

- 1Q results show Sales, EBIDTA, PAT growth of 4.8%, -2.1%, and -5.2%. The results show a variation of 0.1%/0.9%/-0.4% over our estimates. Auto, Pharma, Hospitals, Durables and Capital Goods reported more than 20% EBIDTA growth. Cement, Travel, Metals, O&G had YoY decline in EBIDTA.
- 1Q25 showed the impact of Lok Sabha elections and severe heat wave in many parts of India. Elections reduced ordering for various Govt jobs and contracts. Rural demand has started showing signs of sequential recovery with 1QFMCG growth ahead of urban growth after a gap of several quarters.
- Consumer remained tepid in QSR, Apparel, and Jewellery. Staples demand grew faster in Rural India than urban, for second quarter in a row. Durables led by AC and Fans reported robust demand while building materials, Travel companies had a mixed quarter with lower growth given heat wave and election impact, outlook remains better with improved bookings.
- PV demand continues to shift towards UV's; overall PV volumes peaked out in near term with slow demand. 2W continued positive traction on a low base while CV demand was slow. Tractors have seen pickup in demand.
- Banks reported stable performance with peaked out NIM while asset quality deteriorated a bit. Private Banks led by HDFC and ICICI did better than PSU.
- Capital goods reported strong growth due to sustained growth in Power T&D (power demand led), Industrial demand (Infra capex), Core Capacity additions (Cement, Steel, Oil and Gas), Data centers and railways. Ordering slowed down as elections affected fresh ordering.

- Pharma has done well on the back of benign inputs, stable US prices and positive domestic demand. Hospitals reported strong growth and margin expansion led by higher ARPOB, even in a lean season.
- There were 16 rating upgrades and 13 rating downgrades. Capital Goods sector had eight rating upgrades while Consumer and Logistics had three downgrades each.
- **Major Rating Upgrade:** Bajaj Auto, Bharat Forge, BEML, BEL, Cummins, Triveni Turbine, Voltamp, Britannia, Lupin and Jindal Stainless.
- **Major Rating Downgrade:** CERA, CUMI, Avenue Supermarts, HUL, Marico, PVR, Delhivery, Indian Oil and Torrent Pharma.
- **Major Estimates Upgrade:** Lupin Lab, Voltas, GE T&D, ABB, Bharti Airtel, Ashok Leyland, TVS, Jubilant Ingrevia.
- **Estimate Downgrade:** Axis Bank, Green Panel, Astral, SRF, Thermax, Max Healthcare, TCI Express, PVR, JSL, SAIL, JSPL, Canfin.
- NIFTY EEPS has seen a cut of 0.3/0.4% for FY25/26 with 17.8% CAGR over FY24-26 and EPS of Rs1247/1411. Our EPS estimates are in line with consensus for FY25 while they are lower by 2% for FY26. NIFTY is currently trading at 18.9x 1-year forward EPS, which is nearly at par with 15-year average of 19x.
- **Base Case:** we value NIFTY at 15-year average PE (19x) with March 26 EPS of 1411 and arrive at 12-month target of 26820 (26398 earlier). **Bull Case:** we value NIFTY at PE of 20.2x and arrive at bull case target of 28564 (28575 earlier). **Bear Case:** Nifty can trade at 10% discount to LPA with a target of 24407 (24493 earlier).
- **Model Portfolio:** We are cutting weights on ICICI, KMB, Maruti, ABB, L&T, HDFC AMC and ITC. We are increasing weights on M&M, Ambuja Cement, Ultratech, Interglobe Aviation, Britannia Inds and LTI Mindtree. We are adding Indusind Bank in model portfolio while we remove Apollo Hospitals. We are increasing weights in Consumer, Cement, IT and Banks while cut weights in Capital Goods, Healthcare and AMC.

**High Conviction Picks:** We are removing HDFC Bank, ITC, Maruti Suzuki, Eris Lifesciences and TCI Express from conviction picks. We are adding Bharti Airtel, Indusind Bank, Interglobe Aviation, Lupin, M&M, BEML and Lemon Tree Hotels in conviction picks

**Exhibit 2: Demand outlook, Infra push positives – Watch for Political stability**

Headwinds	Tailwinds
India not under single party majority rule after a decade	India remains fastest growing economy, GDP growth likely at 7.2% in FY25
Growing populism across states	Expected pickup in rural demand, given normal monsoons
Geopolitical uncertainties in Middle East, Ukraine and SE Asia	Strong fiscal situation given robust Govt finances and tight control on expenses
	Capex push on Infra, PLI, Energy transition and Digitization

Source: PL

## Rural demand set to improve

Rural demand has been tepid since second wave of Covid-19 due to cautious stance of rural consumers, high inflation, deficient monsoons in 2023 and shift in consumer spending basket. However, the worst seems over as we are witnessing green shoots in rural demand from past couple of quarters.

Normal monsoons (4% above normal until 20<sup>th</sup>), 2.1% increase in Kharif sowing area, 5-12% increase in MSP (Minimum Support prices) and stable agri input costs in Diesel and fertilizers will increase agri income in coming season.

Non agri income and employment is improving in rural India led by higher availability of Jobs in services sector, Infra/ Construction etc, thereby also boosting rural incomes. We expect higher Agri incomes and sustained growth in non-Agri incomes to boost rural demand for consumer goods, Consumer Durables, services, Building materials and Automobiles etc., more so in festive season.

## Agri incomes to get a boost from normal monsoons

The progress of monsoons has been satisfactory, as the country has received 4% above normal rains so far. Central and south India has above normal rains while Northeast and east have seen deficient rainfall. The quantum of surplus has declined over the past couple of weeks, as the onset of La Nina has been slow. The number of subdivisions with deficient rainfall has declined from 9 to 5 since July.

**Exhibit 3: Rainfall currently +4.0% above LPA, Central India and South Peninsula Lead Gains**

Period ending (Base: June1, 2024)	Cumulative % Deviation from Normal				
	Country as a whole	Northwest India	Central India	South Peninsula	Northeast & East India
11-Jun-24	(1.0)	(49.0)	(1.0)	69.0	(31.0)
19-Jun-24	(18.0)	(70.0)	(32.0)	15.0	(8.0)
26-Jun-24	(19.0)	(51.0)	(24.0)	13.0	(19.0)
03-Jul-24	(4.0)	(21.0)	(7.0)	12.0	(3.0)
10-Jul-24	(0.4)	5.3	(5.4)	10.2	(3.8)
17-Jul-24	(2.6)	(11.3)	(3.4)	17.3	(7.8)
24-Jul-24	1.0	(16.0)	12.0	24.0	(14.0)
31-Jul-24	2.0	(18.0)	17.0	27.0	(19.0)
07-Aug-24	7.0	(6.0)	19.0	25.0	(12.0)
20-Aug-24	<b>4.0</b>	-	9.0	21.0	(12.0)

Source: IMD, PL

**Exhibit 4: 86% of Subdivisions Account for Above Normal Rainfall, Deficiency Almost Eliminated (~14%) In August 20**

CATEGORY	No. of Subdivisions									
	Upto 19th June	Upto 26th June	Upto 3rd July	Upto 10th July	Upto 17th July	Upto 24th July	Upto 31st July	Upto 8th Aug	Upto 20th Aug	
Large Excess	4	3	3	3	2	2	0	2	2	
Excess	4	3	7	5	5	11	13	12	8	
Normal	3	9	13	18	20	14	14	15	21	
Deficient	10	13	13	10	9	9	9	7	5	
Large Deficient	15	8	0	0	0	0	0	0	0	
No Rain	0	0	0	0	0	0	0	0	0	

Source: IMD, PL

Cumulative Rainfall since June 1, 2024 has been mainly deficient in Punjab, Himachal Pradesh, J&K parts of Bihar and West Bengal.

Southern peninsula (+21%) and Central region (+9%) continue to record excess rainfall, while East & North East (-12%) regions still report deficient rainfall.

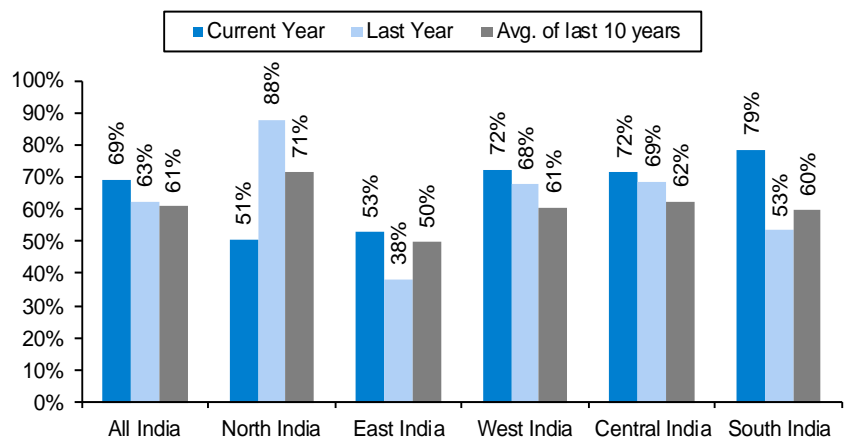
**Exhibit 5: India at +4% Rainfall, Deficit Persists in Northwest and Northeast**



Source: IMD, PL

Current reservoir levels are higher than last year and 10-year average, except in North India where they are significantly lower

**Exhibit 6: Reservoir Levels Improve Across India**



Source: Agrifwelfare, PL \*as on 15<sup>th</sup> Aug, 2024

In terms of storage, the reservoir level as a % of total capacity stands at 69% as on 15<sup>th</sup> Aug 2024 (63% last year). Across regions, current reservoir levels are higher than last year and 10-year average, except in North India where they are significantly lower. Amongst regions, Southern region has the highest reservoir level (79%), followed by Central (72%) and Western (72%) regions.

## Higher sowing and MSP hikes favorable for Agri

The agricultural sector in India is poised for a significant boost as key indicators suggest a favorable outlook for the current season. Sowing area for major Kharif crops have improved by 2.1% YoY, driven by substantial gains in rice (5.6%) and pulses (5.7%).

### Exhibit 7: Sowing Area Up 2.1% YoY, Rice and Pulses Lead Surge

Crops (Lac Ha)	Till 16th August		YoY %
	In 2024	In 2023	
Rice	369.1	349.5	5.6%
Pulses	120.2	113.7	5.7%
Coarse Cereals	181.1	176.4	2.7%
Oilseeds	186.8	185.1	0.9%
Sugarcane	57.7	57.1	1.0%
Jute & Mesta	5.7	6.6	-13.1%
Cotton	111.1	122.2	-9.1%
<b>Total</b>	<b>1031.6</b>	<b>1010.5</b>	<b>2.1%</b>

Source: GoI, PL

Historically, post-El Niño years have seen rebound in crop production. All years after an El Niño year have seen mid to high single growth in agricultural production as had happened in 2004, 2008, 2011, and 2017. With 2024-25 expected to experience a 2% rainfall above normal, both Rabi and Kharif outputs are likely to rise, which will increase farm incomes.

### Exhibit 8: Post-El Niño years see a rise in Rabi and Kharif crop production

El Niño Years	Rainfall (% deviation from normal)	Rabi crop production (YoY %)	Kharif crop production (YoY %)
2002-03	-21.4	-13.1	-22.0
2003-04	1.3	9.9	34.1
2004-05	-4.5	-1.2	-11.7
2005-06	0.4	3.9	6.3
2006-07	0.5	8.0	0.7
2007-08	2.7	2.9	9.4
2009-10	-15.9	-1.9	-12.0
2010-11	0.9	8.3	16.3
Oct'14-Apr'16*	-14.8	-9.0	-2.3
2016-17	-7.2	8.2	10.6
2023-24E	-6.0	-1.0	0.6
2024-25E	2.0		

Source: IMD, PL

GOI has announced MSP increase between 5-12.7% for various crops. The MSP increase has been 5.4% for Paddy and 7.9% for Tur (Arhar), 6.4% for groundnut, 7.1-7.6% for cotton and 7.3-7.7% other oilseeds. Higher MSP will benefit farmers for crops across segments and regions. We note that the number of crops covered under MSP are increasing, which will be particularly beneficial for coarse cereals and pulses, which usually see more fluctuations in prices.

**Exhibit 9: Kharif MSPs See 5-12% Hikes, likely to Boost Farmers' Incomes**

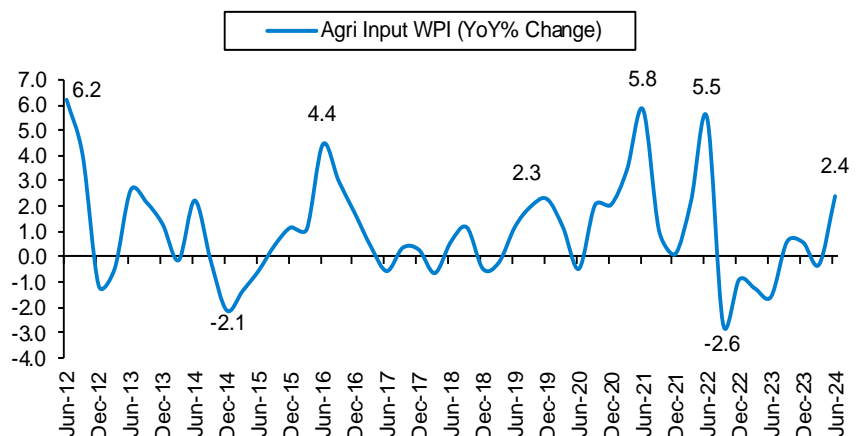
Kharif Crops (Rs/Quintal)	2023-24	2024-25	% change
Paddy (Common Grade)	2,183	2,300	5.4
Paddy (Grade A)	2,203	2,320	5.3
Jowar (Hybrid)	3,180	3,371	6
Jowar (Maldandi)	3,225	3,421	6.1
Bajra	2,500	2,625	5
Ragi	3,846	4,290	11.5
Maize	2,090	2,225	6.5
Tur (Arhar)	7,000	7,550	7.9
Moong	8,558	8,682	1.4
Urad	6,950	7,400	6.5
Groundnut	6,377	6,783	6.4
Sunflower Seed	6,760	7,280	7.7
Soyabean (Yellow)	4,600	4,892	6.3
Sesame	8,635	9,267	7.3
Nigerseed	7734	8,717	12.7
Cotton (Medium Staple)	6,620	7,121	7.6
Cotton (Long Staple)	7,020	7,521	7.1

Source: GOI, PL

**Moderate Agri Input Inflation will boost net incomes**

Wholesale Price Index (WPI) for agricultural inputs reflects a controlled inflationary environment, with a modest increase of 2.4% YoY. This follows a period of deflation, signalling that inflation pressures have returned but remain moderate. Key inputs like high-speed diesel and fertilizers continue to register either negative or minimal price changes, with diesel prices down by 1.65% YoY.

**Exhibit 10: Agri Input Inflation under control, but upside risks remain**



Source: GoI, PL

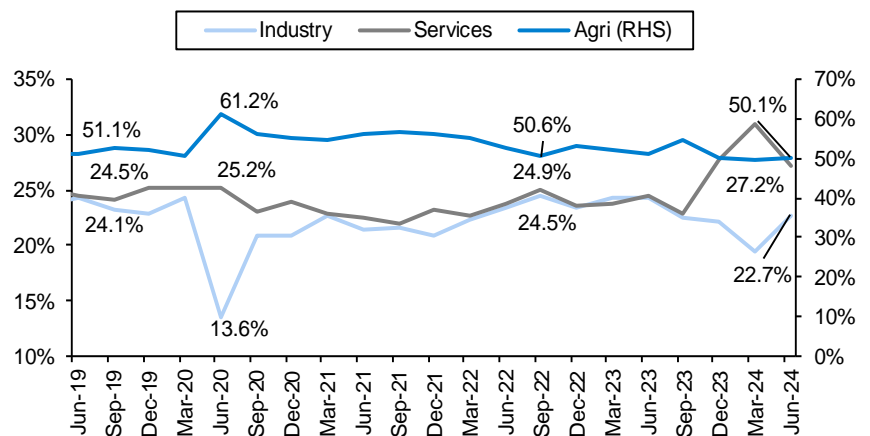
MSP hikes, a favourable monsoon, and increased sowing activity will boost farm incomes in an environment of benign agri input inflation. Agriculture is facing inflation in farm wages and agrochemicals while subsidized rates in seeds, fertilizers and electricity will keep overall costs under check.



## Non-Agriculture rural income at 75%, wage growth tepid

- Non-Agriculture share of rural income Climbs to 75%:** Non-agricultural income in rural areas has steadily increased, making up 75% of total rural income in FY24, up from 72% in FY21, while agriculture's contribution has dropped from 28% to 25%. This structural shift reflects the increasing diversification of rural economy. Non-farm activities such as services and manufacturing are playing a larger role in sustaining rural livelihoods and driving income growth.

Exhibit 11: Rural Employment Gradually Diversifying Beyond Agriculture



Source: Gol, PL

- Rural Employment shows very limited change:** Rural employment trends indicate no major shift as the current population employed in agriculture has declined by only 100bps in last 5 years; however, the same has seen reduction from more than 60% over the last 3 decades. Covid impact on rural employment has faded away as the industry share at 22.7% is quite close to pre covid levels. Services have gained 270bps share during past 5 years.

## Wage rate growth picks up as employment catches up

While rural employment has normalized from post Covid Jolts, wage rate growth has failed to keep pace with inflation. This shows impact of stress on SME and MSME segment post Covid, induced by lockdown restrictions and collapse in demand. Job growth without wage rate growth has curtailed rural purchasing power and demand growth.

- Rural wage growth at 5% CAGR, improves in past few quarters** - In both agricultural and non-agricultural sectors, rural wage growth has been moderate. Average wage growth for agricultural labor stands at 6.1%, while non-agricultural wages have grown a tad lower at 4.7%. However, in the last five quarters, agricultural wages have shown a stronger growth of 6.9%, compared to 5.8% for non-agricultural wages. We believe higher wage rural inflation is being reflected in green shoots in rural demand from past 2 quarters.

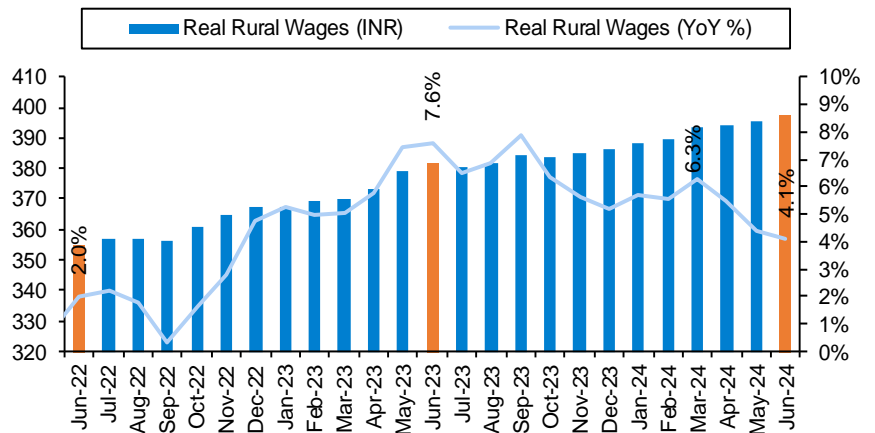
**Exhibit 12: Unemployment falls by 290bps in rural, 240bps in Urban**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Unemployment Rate</b>						
All India	6.1	5.8	4.8	4.2	4.1	3.2
Urban	7.8	7.7	7.0	6.7	6.3	5.4
Rural	5.3	5.0	4.0	3.3	3.3	2.4
<b>Labor Force Participation Rate</b>						
All India	36.9	37.5	40.1	41.6	41.3	42.4
Urban	36.8	36.9	38.6	38.9	39.0	39.8
Rural	37.0	37.7	40.8	42.7	42.2	43.4

Source: Gol, PL

- Wage growth picks up with rising employment:** Rural unemployment rate has shown improvement, declining to 2.4% in 2022-23 from 5.3% in 2017-18. Labor Force Participation Rate (LFPR) in rural areas have improved by 640bps to 43.4% since 2018. We note that rising employment and labor force participation has increased the rural wage inflation in past few quarters.
- However, rising inflation has resulted in decline in real rural wage growth from 7.6% in June23 to 4.1% in June24. With inflation moderating to 3.6% in July, the real wage growth is expected to pick up with a lag.

**Exhibit 13: Real Wages Stagnation Signals Challenges Ahead**



Source: Gol, PL

## Rural demand set to bounce back

The rural economy is witnessing a significant transformation, with non-agricultural income now comprising 75% of total earnings. Even in agriculture a normal monsoons, stable input cost scenario, higher output and MSP will ensure higher income levels. With rising infra, construction activity and factory output, the rural employment is rising which has pushed up wage rate growth from 5% to 6-7% range. As inflation moderates, this should alleviate pressure on rural households, enabling stronger consumption and bolstering overall rural demand.

**Exhibit 14: Rural Food Consumption Still Dominant but Declining, Remains Significantly Higher Than Urban**

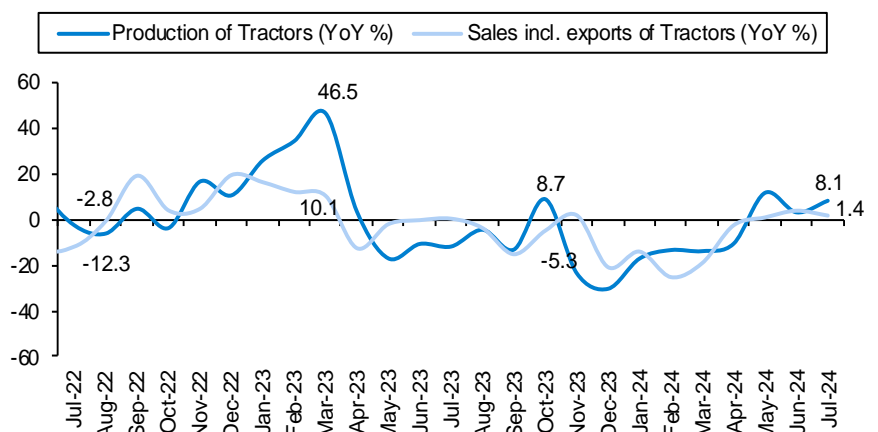
Period	Rural Consumption		Urban Consumption	
	% Share of Non-Food Consumption	% Share of Food Consumption	% Share of Non-Food Consumption	% Share of Food Consumption
1999-00	40.6	59.4	51.9	48.1
2004-05	46.9	53.1	59.5	40.5
2009-10	43.0	57.0	55.6	44.4
2011-12	47.1	52.9	57.4	42.6
2022-23	53.6	46.4	60.8	39.2

Source: Gol, PL

- Rural Foods spends share declining, but more susceptible to Food inflation shocks:** share of rural household spend on food has dropped significantly by 650bps since 2012 reflecting increased spending on non-food items. However, Rural food spends share is higher than urban India by 720 bps, which suggests that Rural India is more susceptible to food price shocks and supply chain disruptions than urban India.

The outlook for rural demand and key sectors is positive, driven by favorable monsoon expectations and improving consumer sentiment. The green shoots in rural demand are visible from past 2-3 quarters across 2W, FMCG and Tractors etc. Corporate commentaries suggest further pick up in rural demand including PV, Durables, FMCG, discretionary consumption as inflation cools off, and benefits of normal monsoons are reflected fully.

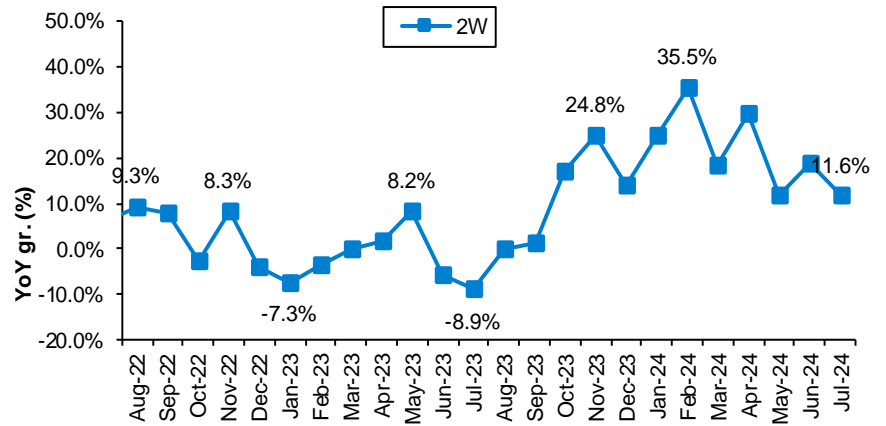
**Exhibit 15: Tractor sales growth back in positive territory**



Source: Gol, PL

Tractors have seen pickup in demand as monsoon is expected to be above normal this year; however, given the rainfall distribution so far and Navratri in H2FY25, growth could be higher than 5%

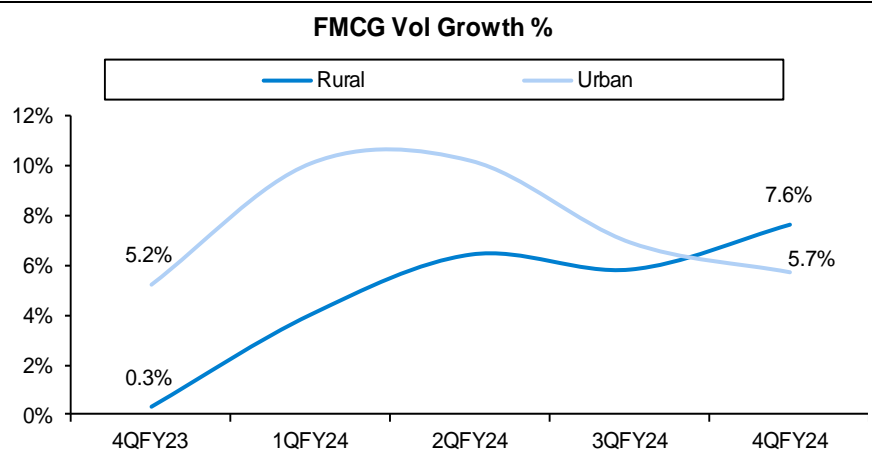
**Exhibit 16: 2W - double digit growth from last 10 months**



Source: CMIE, PL

Two wheeler demand has been growing in double digits since Oct 23 led by increase in both rural and urban demand. We have seen strong double-digit growth in rural centric players like Hero Motocorp. May and July have, seen lower growth rates due to elections and heat wave in May and extremely heavy rains in July. Despite the sequential downtrend, annualised data for July 2024 shows a robust 11.6% increase in two-wheeler sales. We believe these trends are transitory and expect pickup in growth rates with onset of festival season.

**Exhibit 17: Rural FMCG Growth Outpaces Urban after several quarters**



Source: NIQ, Britannia, PL

Rural FMCG demand has started showing signs of sequential recovery with 1QFMCG growth ahead of urban growth after a gap of several quarters. FMCG majors like Dabur and Emami, which have rural sales share exceeding 45% have reported higher growth in rural than urban and strong volume growths. Rural growth trends have also been higher for HUL, Britannia and host of others as well. Decline in inflation and normal monsoons should further boost demand in coming quarters.

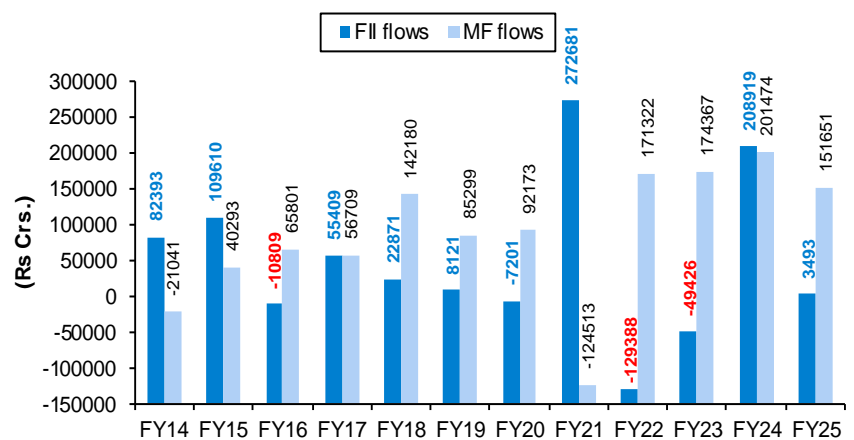


## Strong domestic flows sustaining markets

Indian markets are currently among the best performing globally, bolstered by India's status as the fastest-growing large democratic economy. Indian markets have seen considerable FII outflows in FY23/23, however strong domestic flows more than neutralized the impact of FII flows. FY24 saw strong inflows from FII's but domestic flows also matched the FII flows.

- The MF inflow trends suggest that there has been sustained pick up in flows post Covid and the quantum of inflows have been rising with each passing year. While in FY20 inflows were Rs921bn, the same in FY24 was Rs2014bn and YTD FY25 is Rs1516bn.

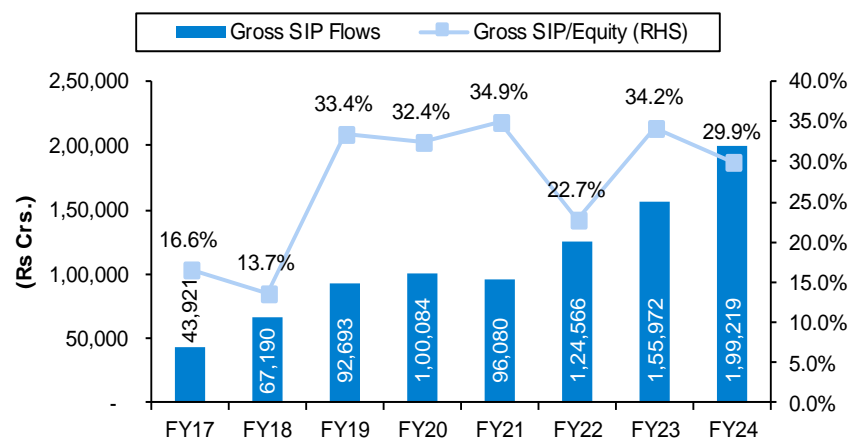
**Exhibit 18: Net MF Inflows have seen a steady build up over past 4 years**



Source: PL

- In addition to NFO's SIP, inflows have been a big driver of MF inflows. Gross SIP inflows from FY20 to FY24 have doubled from Rs1000bn to Rs1992bn and the July24 inflows were Rs240bn.

**Exhibit 19: Gross SIP inflows doubled over FY20-24**



Source: PL

- FII ownership of India market peaked at 25.4% in FY15 and has declined by 740bps since then.
- FII Ownership is down by 330bps from 23.3% in FY21 to current levels of 18%

**Exhibit 20: FII flows reversal happens at geometrical progression**

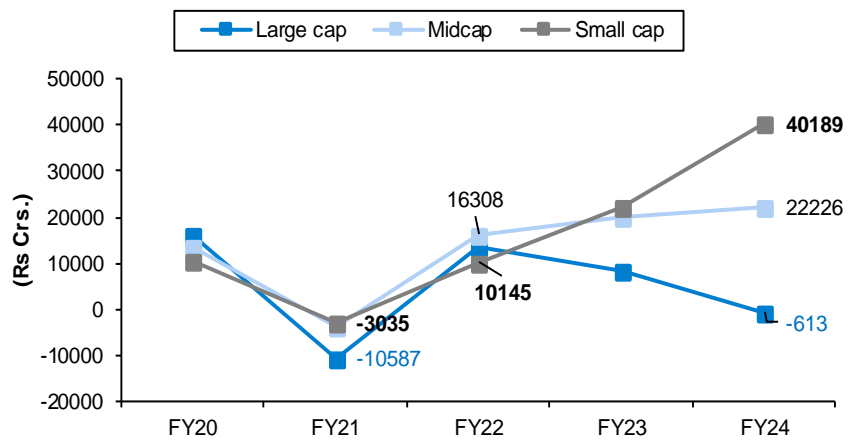
Year	FII Ownership (%)	FII Inflows (USD mn)
FY2008	18.7	13,433
FY2009	16.6	-10,712
FY2010	18.3	23,353
FY2011	19.5	24,295
FY2012	20.2	9,012
FY2013	23.1	25,832
FY2014	24.5	13,689
FY2015	25.4	18,076
FY2016	24.0	-1,512
FY2017	23.6	8,325
FY2018	22.6	3,381
FY2019	22.3	1,543
FY2020	21.8	-595
FY2021	23.3	37,302
FY2022	20.3	-17,093
FY2023	20.6	-5,971
FY2024	17.8	25,267
FY25YTD	18.0	435

Source: ACE Equity, Company, PL

- India experienced Foreign Institutional Investor (FII) outflows in four of the last fifteen years since the Lehman crisis. The largest outflow occurred in FY22 and FY23, totaling USD 23 billion. However, FY24 saw FII inflows surpassing the combined outflows of the previous two years.

Between FY21 and FY24, net Foreign Institutional Investor (FII) inflows totaled ₹2,003 billion. In comparison, Mutual Fund (MF) inflows during the same period were ₹54,716 billion, approximately 2.85 times higher than FII inflows. Additionally, gross Systematic Investment Plan (SIP) inflows amounted to ₹47,975 billion, reflecting a steady increase over the past three years.

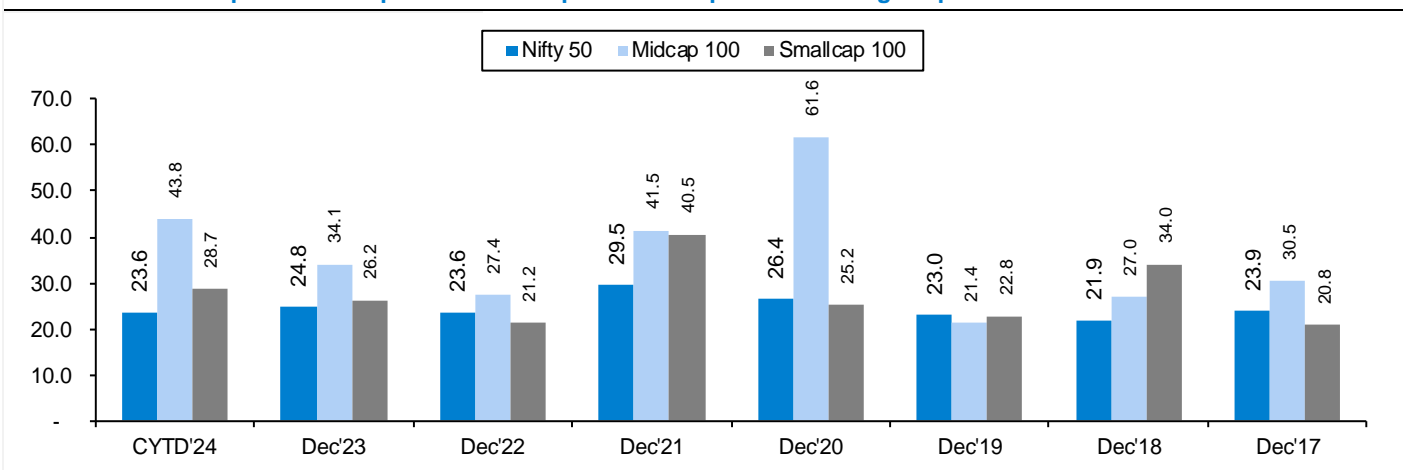
**Exhibit 21: Small cap funds have seen huge inflows in last 2 years**



Source: PL

- Mid cap, funds have seen very limited increase in inflows since last 3 years from Rs16308bn to Rs22226bn. Large cap funds have seen an outflow of Rs613bn while small caps have seen an increase in inflow from Rs10145bn to Rs40189bn. This has resulted in strong returns in mid and small caps barring some brief periods when large caps have outperformed mid and small caps.
- In 2018, small caps were trading at a premium to large caps, but the rout of small caps resulted in PE multiples converging for all three segments in 2019.
- In post covid scenario, we have seen Nifty PE multiples range bound at 23.6-24.8 levels. Mid-caps have seen PE expansion from Pre covid inflows while mid-caps have seen a steady expansion from 27.4x to 43.8x.
- Small caps have seen an expansion from 21.2x in 2021 to current levels of 28.7x, which has been in a more calibrated manner. Major activity seems to be centered around mid- caps which are perceived to be having reasonably large size and superior growth.

**Exhibit 22: PE Multiples – Mid caps and Small caps trade at a premium to large caps**



Source: PL

- We believe that Nifty PE bands shows no signs of a major froth and risk to markets. Major build up seems to be in Mid-caps, which have seen major PE rerating and can see some correction in case of growth disappointment.

## Nifty Valuation

	Weight-age (%)	FY23	FY24	FY25E	FY26E
<b>Banking &amp; Fin.</b>	<b>32.7</b>				
PER (x)		23.2	19.0	17.6	15.9
PAT Growth (%)		48.0	22.2	7.7	10.9
<b>Technology</b>	<b>14.1</b>				
PER (x)		34.1	32.9	30.1	26.8
PAT Growth (%)		6.6	3.7	9.3	12.5
<b>Oil &amp; Gas</b>	<b>11.1</b>				
PER (x)		27.1	17.0	19.9	18.7
PAT Growth (%)		(21.3)	59.9	(14.5)	6.1
<b>Consumer</b>	<b>11.4</b>				
PER (x)		57.5	49.0	49.5	44.6
PAT Growth (%)		22.8	17.4	(1.0)	10.9
<b>Auto</b>	<b>7.9</b>				
PER (x)		58.0	22.8	21.0	17.7
PAT Growth (%)		293.9	154.2	8.7	18.4
<b>Eng. &amp; Power</b>	<b>7.0</b>				
PER (x)		28.2	24.4	22.0	19.2
PAT Growth (%)		1.3	15.7	10.8	14.7
<b>Pharma</b>	<b>4.5</b>				
PER (x)		48.7	41.2	36.4	31.2
PAT Growth (%)		52.0	18.1	13.3	16.6
<b>Metals</b>	<b>4.0</b>				
PER (x)		16.6	15.3	11.2	9.2
PAT Growth (%)		(41.6)	8.6	36.8	22.1

	Weight-age (%)	FY23	FY24	FY25E	FY26E
<b>Telecom</b>	<b>3.6</b>				
PER (x)		104.8	77.5	39.4	38.9
PAT Growth (%)		219.6	35.2	96.8	1.2
<b>Cement</b>	<b>1.2</b>				
PER (x)		63.9	46.2	39.3	30.0
PAT Growth (%)		(31.0)	38.3	17.6	30.9
<b>Others</b>	<b>0.9</b>				
PER (x)		26.5	32.1	25.8	21.5
PAT Growth (%)		(9.6)	(17.6)	24.4	19.9
<b>Ports &amp; Logistics</b>	<b>1.0</b>				
PER (x)		61.2	40.0	30.3	26.2
PAT Growth (%)		8.7	52.8	32.4	15.6

<b>Nifty as on Aug 21</b>	<b>24,770</b>				
EPS (Rs) - Free Float - PL		865.4	1,018.4	1,247.1	1,411.6
Growth (%)		13.4	17.7	22.5	13.2
PER (x)		28.6	24.3	19.9	17.5
<b>EPS (Rs) - Free Float - Nifty Cons.</b>		<b>865.4</b>	<b>1,018.4</b>	<b>1,246.7</b>	<b>1,440.4</b>
<b>Var. (PLe v/s Cons.) (%)</b>		<b>-</b>	<b>-</b>	<b>0.0</b>	<b>(2.0)</b>
<b>Sensex as on Aug 21</b>	<b>80,905</b>				
EPS (Rs) - Free Float - PL		2,744.0	3,012.3	3,855.2	4,374.9
Growth (%)		14.8	9.8	28.0	13.5
PER (x)		29.5	26.9	21.0	18.5
<b>EPS (Rs) - Free Float - Sensex Cons.</b>		<b>2,744.0</b>	<b>3,012.3</b>	<b>3,866.5</b>	<b>4,486.6</b>
<b>Var. (PLe v/s Cons.) (%)</b>		<b>-</b>	<b>-</b>	<b>(0.3)</b>	<b>(2.5)</b>

Source: Company Data, PL

Note: Sector Weightages updated as on August 21, 2024

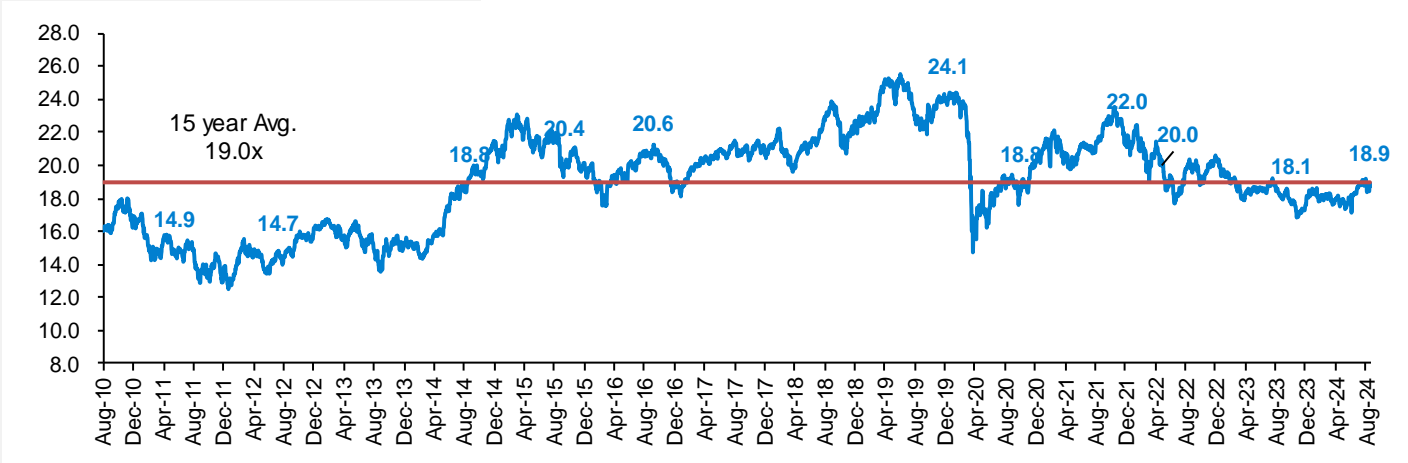
### Exhibit 23: FY25 NIFTY EPS to be driven by CG, Metals, Cement, IT and telecom; Oil and Gas profits to decline

	NIFY Sectoral EPS - PLe (Rs)				% Gr.				% Contribution to total EPS			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
Auto	37.9	88.0	108.2	128.4	268.3%	132.5%	22.9%	18.7%	4.4%	8.6%	8.7%	9.1%
BFSI	378.9	429.4	521.6	578.8	43.4%	13.3%	21.5%	11.0%	43.8%	42.2%	41.8%	41.0%
Cement	4.9	6.4	8.4	11.0	-30.0%	29.9%	32.4%	30.9%	0.6%	0.6%	0.7%	0.8%
Consumer	57.7	62.1	71.0	78.5	25.6%	7.7%	14.3%	10.6%	6.7%	6.1%	5.7%	5.6%
Eng. & Power	59.6	65.6	83.1	97.6	5.4%	10.0%	26.7%	17.5%	6.9%	6.4%	6.7%	6.9%
Healthcare	25.1	28.3	36.0	41.6	51.2%	12.7%	27.2%	15.6%	2.9%	2.8%	2.9%	2.9%
Metals	61.6	58.2	98.2	123.1	-48.6%	-5.5%	68.6%	25.4%	7.1%	5.7%	7.9%	8.7%
Oil & Gas	103.2	146.3	139.7	149.9	-15.3%	41.8%	-4.5%	7.3%	11.9%	14.4%	11.2%	10.6%
Others	10.6	8.9	13.6	16.9	1.2%	-16.7%	53.3%	24.6%	1.2%	0.9%	1.1%	1.2%
Ports & Logistics	4.4	6.3	9.3	10.8	10.3%	43.5%	49.1%	15.6%	0.5%	0.6%	0.7%	0.8%
Technology	112.1	106.9	131.3	147.7	8.4%	-4.6%	22.8%	12.5%	13.0%	10.5%	10.5%	10.5%
Telecom	9.5	12.1	26.7	27.1	224.5%	27.0%	121.7%	1.2%	1.1%	1.2%	2.1%	1.9%
<b>Nifty</b>	<b>865.4</b>	<b>1,018.4</b>	<b>1,247.1</b>	<b>1,411.6</b>	<b>13.4%</b>	<b>17.7%</b>	<b>22.5%</b>	<b>13.2%</b>				

Source: PL



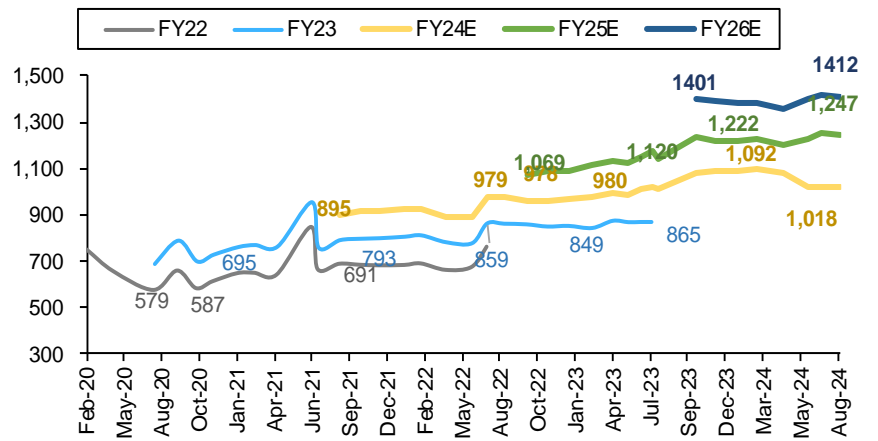
Exhibit 24: Nifty trading close to 15- year average 1-year forward PE



Source: PL

NIFTY FY25/26 EPS has seen a small cut of 0.3/0.4% during 1Q results season

Exhibit 25: NIFTY EPS trend – FY24-26 CAGR at 17.8%



Source: PL

**Exhibit 26: Model Portfolio v/s Nifty**

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	151.2%	130.1%	21.1%
Since Last Report	-0.2%	1.8%	-2.0%
Since Apr'23	47.7%	39.9%	7.8%

Source: PL

## Model Portfolio

Sectors	Mcap (Rs bn)	Nifty Weightage (%)	PL Weightage (%)	Weights
<b>Automobiles</b>		<b>7.9</b>	<b>9.0</b>	<b>Overweight</b>
Hero Motorcorp	1,057	0.6	1.5	
Mahindra & Mahindra	3,444	2.5	3.5	
Maruti Suzuki	3,842	1.5	2.5	
Tata Motors	3,988	1.7	1.5	
<b>Banks</b>		<b>27.9</b>	<b>29.2</b>	<b>Overweight</b>
Axis Bank	3,631	3.0	3.0	
HDFC Bank	12,385	11.2	10.0	
ICICI Bank	8,272	7.6	8.5	
IndusInd Bank	1,078	0.8	2.0	
Kotak Mahindra Bank	3,604	2.4	2.8	
State Bank Of India	7,278	2.9	2.9	
<b>Cement</b>		<b>1.2</b>	<b>2.5</b>	<b>Overweight</b>
Ambuja Cement	1,550		1.3	
UltraTech Cement	3,234	1.2	1.3	
<b>Construction &amp; Engineering</b>		<b>7.0</b>	<b>11.5</b>	<b>Overweight</b>
ABB	1,679		2.5	
Carborandum Universal	299		1.0	
Larsen & Toubro	4,945	3.8	4.0	
Siemens	2,522		4.0	
<b>Consumer</b>		<b>11.4</b>	<b>13.1</b>	<b>Overweight</b>
Astral	508		1.0	
Britannia Industries	1,406	0.6	2.0	
Avenue Supermarts	3,318		1.0	
Hindustan Unilever	6,558	2.3	1.8	
Interglobe Aviation	1,661		2.3	
ITC	6,320	4.3	2.0	
Nestle India	2,460	0.8	1.0	
Titan Company	3,161	1.4	2.0	
<b>Healthcare</b>		<b>4.5</b>	<b>6.0</b>	<b>Overweight</b>
Cipla	1,288	0.8	1.0	
Max Healthcare	843.15		3.0	
Sun Pharmaceutical Industries	4,234	1.7	2.0	
<b>IT</b>		<b>14.1</b>	<b>11.2</b>	<b>Underweight</b>
Infosys	7,776	6.2	4.0	
LTI Mindtree	1,692.17	0.7	2.0	
L&T Technology	574		1.0	
Tata Consultancy Services	16,468	4.2	4.2	
<b>Metals</b>		<b>4.0</b>	<b>1.0</b>	<b>Underweight</b>
Hindalco Industries	1,541	0.9	1.0	
<b>Diversified Financials</b>		<b>4.8</b>	<b>2.0</b>	<b>Underweight</b>
HDFC AMC	938		2.0	
<b>Oil &amp; Gas</b>		<b>11.1</b>	<b>10.1</b>	<b>Healthcare</b>
Reliance Industries	20,281	9.3	10.1	
<b>Telecom</b>		<b>3.6</b>	<b>4.5</b>	<b>Overweight</b>
Bharti Airtel	8,750	3.6	4.5	
<b>Others</b>		<b>2.7</b>	<b>-</b>	<b>Underweight</b>
<b>Cash</b>				<b>-</b>

**PL Model Portfolio has outperformed NIFTY by 21.1% since Nov 2018, 7.8% since April 23 and underperformed 2% since last report.**

- **Automobiles: overweight:** We remain overweight given expected pickup in demand in festival season, despite some slackness in PV sales in past two months. We are increasing weight behind M&M by 50bps given strong reception to new launches and double-digit volume growth visibility in PV segment and revival in tractor demand in FY25. Hero Motocorp remains a compelling play on recovery in rural demand as valuations remain favourable relative to competition.
- **Banks: Overweight:** We expect near term issues like slow deposit growth, likely cut in repo rate and tepid growth, however structurally Indian Banks remain in a good spot. We slightly trim weight in ICICI, KMB and SBI and introduce Indusind Bank in model portfolio. IIB is now available at 1.35x FY26 P/BV with 19% PAT CAGR which factors in all uncertainties.
- **Capital Goods – Over weight:** We cut overweight from 520bp to 450bps as we cut weights on ABB and L&T by 50 and 30bps. Structural story remains intact even as we believe that margins at current level are near peak for many players. We retain strong overweight behind Siemens as a play on power, railways and automation with significant value unlocking from demerger of energy business. In addition, L&T remains a structural play due to strong outlook on O&G capex, power, Infra and lower losses in Hyderabad Metro.
- **Consumer: overweight:** We increase our weight on broader consumer universe by 80bps. We expect consumer demand to revive post monsoons across staples and discretionary segments. We increase weight behind Britannia by 50bps as relatively benign pricing environment and strong volume outlook will provide out performance over next 12-15 months. We also increase weight on Interglobe Aviation by 80bps given strong high teens EBIDTAR growth, dominating market share strong balance sheet.
- **Healthcare: Over weight:** We expect pharma names to do well given benign API prices and little pressure on pricing in US. We remain structurally positive on Hospitals led by Max healthcare with huge overweight given expected gains from brownfield expansion in Mumbai and NCR.
- **IT services: underweight:** IT services is showing initial signs of recovery in BFSI, retail, telecom and manufacturing. Segments like EDS, Data Analytics, Digital, Artificial intelligence and supply chain etc. will drive growth in next cycle. We increase weight on Infy, TCS and LTI Mindtree.
- **Oil and Gas:** Underweight; we remain underweight but remain overweight on RIL. We believe sustained growth in retail and expected forays in new energy segments will drive next leg of growth in the company, even as earlier initiatives might see demerger on lines of Jio finance unlocking value for shareholders.
- **Telecom:** we retain overweight on Bharti Airtel as a structural play on rising data usage in telecom. Recent hike of 15-20% in various post-paid plans will further boost profitability after hike in pre-paid plans a couple of months back.
- **Cement – Overweight:** We remain positive on cement demand and industry consolidation and increase weight behind both Ultratech and Ambuja cement.

## Conviction Picks Changes

**High Conviction Picks:** We are removing HDFC Bank (recent rally and slow growth to bring down LDR), ITC (Some pause post-recent rally), Maruti Suzuki, Eris Lifesciences and TCI Express from conviction picks. We are adding Bharti Airtel, Indusind Bank, Interglobe Aviation, Lupin, M&M, BEML and Lemon Tree Hotels in conviction picks

**Bharti Airtel:** Bharti Airtel has subscriber base of 355mn and ARPU of Rs211 with 25mn subs in the postpaid category. Bharti continues to focus on quality customers, prepaid to post-paid conversion, rural expansion and growth from B2B segments. Bharti will gain from tariff hikes in the pre-paid category effected in 1Q25. However, we are currently witnessing 15-20% hike in various postpaid plans, which will provide tailwind to numbers in 2H25. We estimate FY25/26E net subscriber adds at 13/19 mn each with an ARPU of Rs230/268.

**Indusind Bank:** Loan growth over FY24-26E of 16-17% is likely to outpace the system while NIM could remain one of the best in class at 4.3-4.4%. Despite baking in elevated provisions, better loan growth and margins would flow through to profitability leading to healthy core earnings CAGR of ~19% over FY24-26E. While lower liability growth and buffer provisions are concerns, they seem to be factored in, given attractive valuation of 1.35x on FY26E ABV.

**Interglobe Aviation:** Indigo's strategy includes deepening international reach with Airbus A350-900 orders and premiumisation through a new business class. Key factors to monitor include fuel prices, competitive intensity, and P&W engine issues. We maintain our EBITDAR estimates for Indigo over the next two years, adjusting for higher fuel CASK due to VAT increases and the introduction of less fuel-efficient CEO aircraft via damp lease, and expect a 16% revenue CAGR over FY24-26.

**Lupin:** Lupin saw remarkable turnaround in profitability with ~2x jump in EBITDA over FY23-24 aided by better product mix, continued niche launches in the US, clearance from USFDA for facilities, domestic formulations regaining momentum and cost optimization measures. We expect margins to sustain given strong pipeline in the US. Any competition in gSpiriva and delay in new launches in the US will be key risks to our estimates.

**Mahindra & Mahindra:** We expect the UV segment to continue its growth trajectory, driven by evolving consumer preferences. M&M seems well positioned to capitalize on this trend, backed by positive response to its new UV models and planned capacity expansions. As a result, we project an overall automotive volume growth of 12.6% CAGR from FY24-26E. Additionally, the IMD's forecast of an above-average monsoon, coupled with robust sales momentum, supports a mid to high single-digit growth expectation for tractor volumes. Factoring healthy growth outlook, we expect its PAT to grow at a CAGR of 22.1% over FY24-26E and assign a target price of Rs3330 based on a SoTP, valuing core business at 25x FY26E core EPS, Rs229 for its EV business and Rs385 for its listed subsidiaries.



**BEML:** BEML is well positioned for sustained long-term growth on the back of 1) huge tender pipeline in metro & Vande Bharat worth ~Rs580bn in FY25 (Rail ~Rs440bn & Metro ~Rs140bn) and Rs320bn in FY26. 2) Healthy defence opportunities driven by modernization of armored vehicles & engines where BEML has order pipeline of ~Rs400bn over next 4-5 years. 3) significant capex of ~Rs5.0bn in FY25 for capacity expansions across portfolio leading to better execution and margins, 4) reorganization of company into 11 SBUs & 2 micro-SBUs to streamline decision making, improve execution & accelerate R&D. We expect the company to report revenue/Adj. PAT CAGR of 18.8%/37.6% over FY24-26E.

**Lemon Tree Hotels:** Lemon Tree Hotels' decision to exit the low-yield airline business signals confidence in stronger retail demand and better pricing in 2HFY25. Renovations, typically a 1H event, should boost occupancy in 2HFY25. We believe challenges faced by Lemon Tree were self-induced in anticipation of better recovery in future. We maintain our sales/EBITDA CAGR at 17/22% for FY24-FY26E and see the recent stock drop as a buying opportunity.

**High Conviction Picks**

	CMP (Rs.)	TP (Rs)	Upside	Mcap (Rs bn)	Mcap (US\$ m)	Revenue Gr. (%)		Earnings Gr. (%)		RoE (%)		RoCE (%)*		PER (x)		P/BV (x)*	
						2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
<b>Large Cap</b>																	
Ambuja Cement	629	701	11.5%	1,549.8	18,499	14.7	14.4	5.3	39.6	8.2	9.8	13.8	15.2	39.9	28.6	2.9	2.7
Bharti Airtel	1,467	1,593	8.6%	8,329.4	99,420	13.8	16.4	96.8	1.2	20.2	17.3	14.0	14.2	37.5	37.0	7.0	5.9
HDFC Asset Management Cor	4,390	4,700	7.1%	887.0													
ICICI Bank	1,175	1,520	29.4%	8,267.7	98,684	11.6	12.4	9.2	9.8	17.4	16.4	2.2	2.1	18.5	16.8	3.0	2.6
IndusInd Bank	1,384	1,750	26.4%	1,078.1	12,869	12.3	15.4	11.2	17.9	14.8	15.2	1.8	1.8	10.8	9.2	1.5	1.4
InterGlobe Aviation	4,300	4,958	15.3%	1,659.7	19,810	13.9	18.2	7.4	4.1	137.5	59.6	132.6	67.3	18.9	18.2	15.4	8.3
Larsen & Toubro	3,594	4,130	14.9%	4,940.9	58,974	14.8	13.0	21.3	30.5	16.8	18.6	11.4	13.4	31.4	24.1	4.9	4.1
Lupin	2,118	2,300	8.6%	964.9	11,518	12.3	11.6	55.8	26.8	19.0	20.2	21.1	23.0	32.6	25.7	5.7	4.7
Mahindra & Mahindra	2,769	3,330	20.2%	3,321.2	39,642	14.6	14.9	24.9	19.4	23.1	23.1	21.5	22.1	25.0	20.9	5.3	4.4
Max Healthcare Institute	868	975	12.4%	843.1	10,064	16.0	28.5	16.1	35.2	14.9	17.5	16.9	20.4	56.8	42.1	8.0	6.9
Reliance Industries	2,997	3,002	0.2%	20,280.1	2,42,063	8.5	7.6	(5.3)	13.2	8.0	8.4	9.3	9.8	30.8	27.2	2.4	2.2
Siemens	7,100	7,362	3.7%	2,527.6	30,169	15.5	19.6	27.0	26.0	17.3	18.8	19.3	20.8	102.4	81.3	16.4	14.3
Titan Company	3,560	3,958	11.2%	3,168.8	37,822	16.4	19.0	4.6	34.4	23.6	26.7	21.3	23.5	86.7	64.5	19.2	15.6
<b>Mid / Small Caps</b>																	
Apar Industries	8,318	10,399	25.0%	334.1	3,988	20.3	17.6	9.7	24.0	21.6	22.9	33.9	34.9	36.9	29.8	7.4	6.3
BEML	3,844	4,484	16.6%	160.1	1,911	19.0	18.5	39.5	35.8	13.9	16.8	13.5	15.7	40.7	30.0	5.4	4.7
Lemon Tree Hotels	131	159	21.3%	104.0	1,241	21.6	12.3	52.0	33.3	21.0	22.9	18.8	22.9	46.1	34.6	8.8	7.2
Praj Industries	789	804	1.9%	145.0	1,731	15.0	24.6	14.2	34.3	23.3	26.2	23.8	27.6	44.8	33.4	9.6	8.0
R R Kabel	1,645	2,066	25.6%	185.6	2,215	18.0	26.1	30.0	50.3	19.2	23.2	24.6	30.4	47.9	31.9	8.4	6.6

\* For Banks P/BV = P/ABV & RoCE = RoAA

**Added:** Bharti Airtel, Indusind Bank, Interglobe Aviation, Lupin, Mahindra & Mahindra, BEML and Lemon Tree Hotels

**Removed:** HDFC Bank, ITC, Maruti Suzuki, Eris Lifesciences and TCI Express

**Exhibit 27: Current Valuations in ~36% (44% earlier) Nifty50 companies are lower than 2016-20 avg. levels**

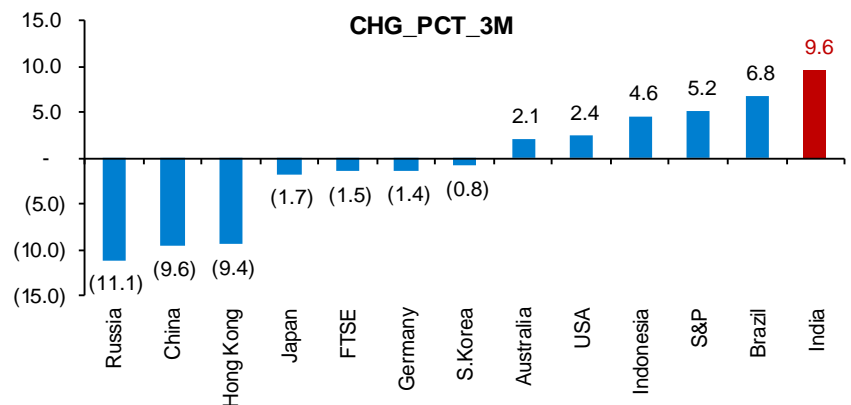
12 Month Forward Average PE	2009-11	2011-13	2013-16	2016-20	2022	2023	2024	Current Valuations*
<b>Nifty Index</b>	<b>16.3</b>	<b>14.7</b>	<b>18.8</b>	<b>22.0</b>	<b>20.4</b>	<b>18.4</b>	<b>17.6</b>	<b>18.9</b>
Adani Enterprises	3.0	2.8	4.2	13.4	114.0	112.1	64.7	53.2
Adani Ports & Special Economic Zone Ltd	28.8	18.5	18.3	18.1	31.2	25.4	20.4	28.5
Apollo Hospital Enterprises	24.5	29.9	58.6	81.2	66.5	71.8	64.7	58.3
Asian Paints Ltd	21.5	30.1	39.9	51.7	82.7	61.8	57.0	57.2
Axis Bank Ltd	13.1	9.9	14.0	72.8	20.2	15.0	11.9	12.8
Bajaj Auto Ltd	9.7	15.1	17.5	17.7	17.4	15.6	19.2	28.9
Bajaj Finance Ltd	10.2	10.8	15.5	11.4	10.5	7.2	8.8	12.7
Bajaj Finserv Ltd	5.5	6.6	9.9	26.9	43.2	32.4	27.5	24.9
Bharat Petroleum Corp Ltd	15.6	13.7	8.6	11.0	15.3	7.5	4.5	9.6
Bharti Airtel Ltd	20.9	45.4	29.3	72.6	57.3	54.2	42.0	36.3
Britannia Industries Ltd	28.8	23.3	28.3	47.3	46.9	44.5	51.2	55.5
Cipla Ltd/India	23.5	19.3	34.3	29.8	28.3	24.1	21.6	26.3
Coal India Ltd	2.9	13.7	15.8	14.2	4.0	3.8	5.3	9.3
Divi's Laboratories	19.3	18.8	26.5	25.7	51.4	55.1	52.2	57.4
Dr Reddy's Laboratories Ltd	27.6	16.8	26.8	30.2	24.3	14.3	16.1	20.0
Eicher Motors Ltd	7.0	12.0	NA	34.7	31.9	24.8	23.1	28.7
Grasim Industries Ltd	6.0	8.2	19.1	20.0	14.5	17.1	20.5	24.9
HCL Technologies Ltd	13.3	9.0	NA	12.9	21.3	18.4	21.5	25.7
HDFC Bank Ltd	20.7	18.5	18.0	21.5	19.9	17.3	17.2	16.3
HDFC Life Insurance Co. Ltd.	NA	NA	-	42.8	103.0	80.4	76.4	76.8
Hero MotoCorp Ltd	16.0	17.5	17.4	18.0	20.4	15.4	15.6	21.4
Hindalco Industries Ltd	9.9	9.0	17.2	9.9	8.6	9.4	9.2	11.3
Hindustan Unilever Ltd	24.3	25.2	37.1	50.1	60.2	58.1	56.4	57.2
ICICI Bank Ltd	19.5	13.6	15.0	30.5	17.7	16.0	15.9	17.4
IndusInd Bank Ltd	12.3	14.4	17.6	26.4	13.0	10.1	11.7	10.3
Infosys Ltd	20.5	16.0	16.5	16.4	29.9	25.2	22.6	27.7
ITC Ltd	20.5	24.2	32.3	25.6	17.1	20.1	25.8	27.6
JSW Steel Ltd	16.2	25.2	-38.4	10.2	15.7	26.1	18.3	16.5
Kotak Mahindra Bank Ltd	17.6	18.6	25.9	29.1	27.1	21.8	20.1	19.9
Larsen & Toubro Ltd	20.9	18.0	26.2	19.8	24.7	22.6	27.8	28.8
LTIMindtree	NA	NA	NA	14.0	38.5	30.4	32.4	31.8
Mahindra & Mahindra Ltd	12.0	13.5	22.6	34.4	17.5	16.5	16.2	26.0
Maruti Suzuki India Ltd	17.2	15.9	17.5	31.9	38.1	24.5	22.1	24.1
Nestle India Ltd	27.6	38.0	61.6	47.9	NA	NA	67.9	67.9
NTPC Ltd	17.9	11.9	10.8	10.7	7.2	8.3	10.9	16.8
Oil & Natural Gas Corp Ltd	10.8	9.2	17.1	10.4	4.3	4.3	5.0	8.2
Power Grid Corp of India Ltd	17.6	12.5	11.5	10.5	8.1	10.0	12.5	19.3
Reliance Industries Ltd	13.5	10.5	9.4	13.4	21.9	22.8	22.6	24.1
SBI Life Insurance Co.	NA	NA	-	32.4	68.3	66.2	63.5	70.1
State Bank of India	11.9	8.9	25.1	200.4	8.9	7.8	7.9	9.8
Sun Pharmaceutical Industries Ltd	18.1	20.6	37.2	42.0	32.8	25.1	27.4	35.7
Tata Consultancy Services Ltd	16.3	16.9	20.1	20.7	32.0	27.5	26.5	30.8
Tata Consumer Products	19.9	18.1	3.7	32.6	65.2	60.5	63.6	65.6
Tata Motors Ltd	5.3	6.5	11.6	-0.8	-13.5	14.7	9.4	15.2
Tata Steel Ltd	-6.7	-1,397.8	-13.6	7.5	7.2	-1.0	58.1	14.1
Tech Mahindra Ltd	12.9	7.2	15.6	13.4	23.0	27.7	33.0	29.7
Titan Co Ltd	21.2	29.4	38.8	56.5	67.8	64.1	76.3	71.0
UltraTech Cement Ltd	13.7	16.1	28.4	35.4	33.5	31.7	33.1	35.3
UPL Ltd	5.9	6.7	13.3	33.9	48.6	34.7	29.6	22.4
Wipro Ltd	15.6	13.2	15.1	14.8	27.7	20.3	19.3	22.0

Source: PL \* as of August 21, 2024

## Global cues, monsoons paint a positive outlook

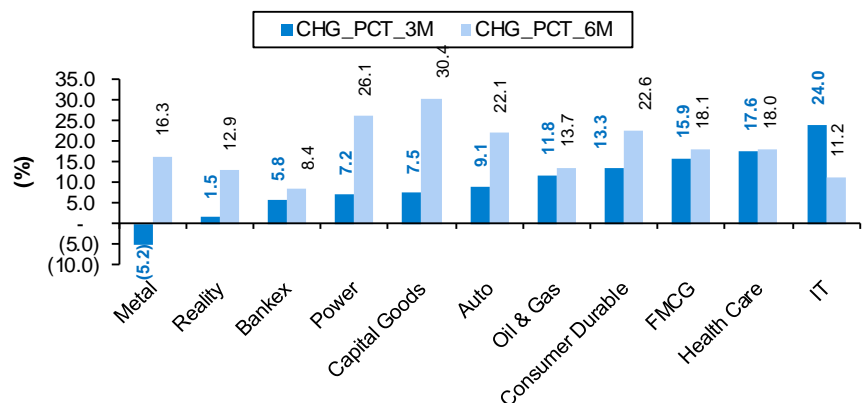
- NIFTY has shown 1.6% up move in past 6 weeks, which have seen extreme market volatility led by Japanese carry trade and geopolitical uncertainty. Strong DII inflows continue to power the markets, even as FII selling has now abated. Demand conditions remain mixed with high hopes of festival demand revival led by monsoons, strong Infra spending push by GOI and private capex revival. Rising probability of interest rate cut by FED and overall inflation declining to sub 4% levels raise hopes of repo rate cut in second half of FY25.
- Market tide is shifting in favor of defensives as valuations in many cyclicals have become quite expensive even after factoring in sustained growth. With growth outlook improving and rising chances of FED rate cut FMCG, IT Services, Pharma and consumer durables have seen strong bounce back.
- Return variation between large to mid-cap indices has converged considerably in past 3 months. Return variation with small cap indices remains around 6% as they continue to outperform large caps. We expect return differential between large caps and Mid-caps to remain low.
- FII outflows have abated with 33bn inflows in last 6 weeks while DII inflows at Rs608bn continue to remain strong and support markets.

**Exhibit 28: India up 9.6% YTD, remains best performing market YTD**



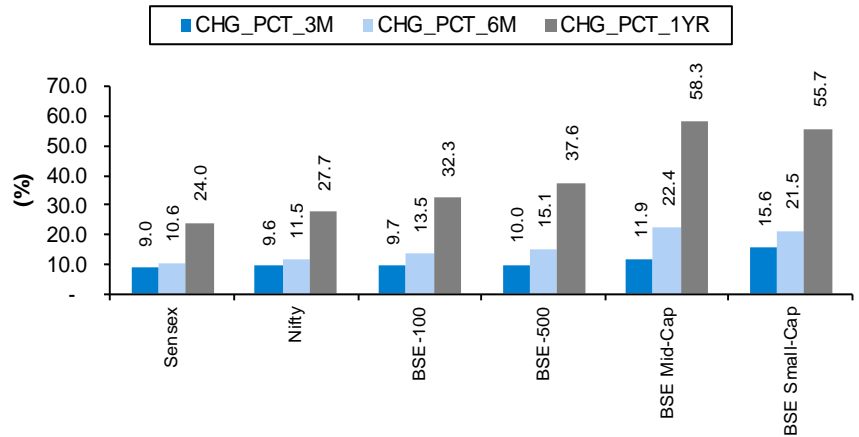
Source: PL

**Exhibit 29: Defensives led by FMCG, IT, Healthcare back in reckoning**



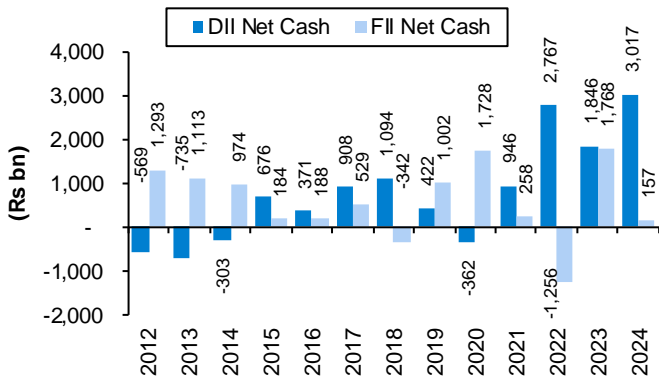
Source: PL

Exhibit 30: Large cap and mid/small cap returns are showing convergence



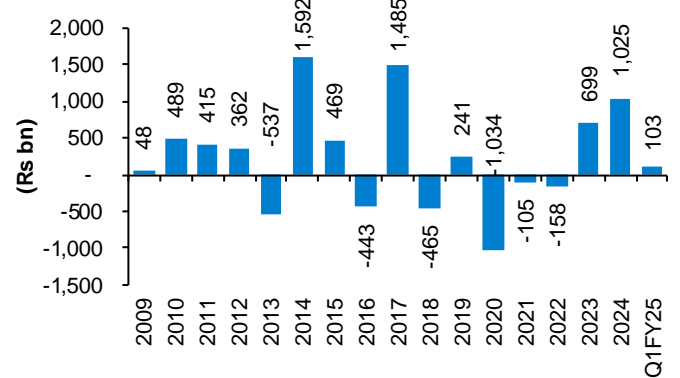
Source: PL

Exhibit 31: DII flows holding strong, FII flows tepid



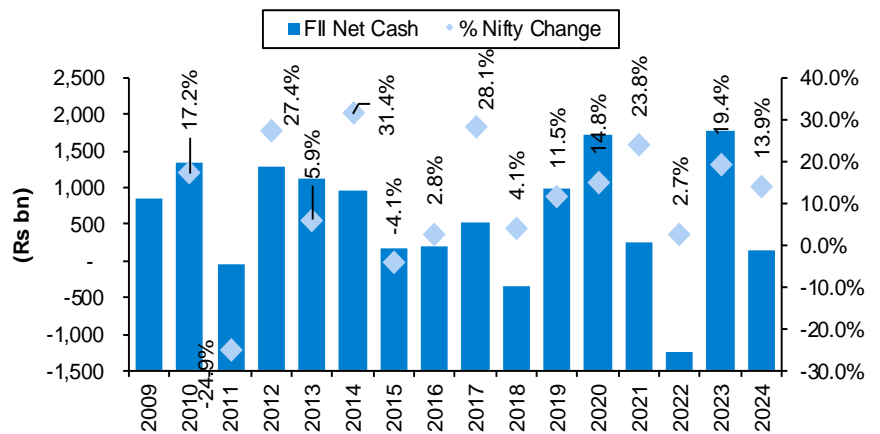
Source: PL

Exhibit 32: YTD FII Debt inflows remain static



Source: PL

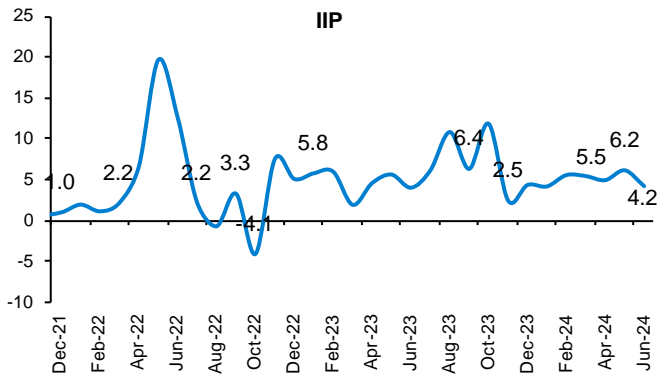
Exhibit 33: NIFTY positive YTD, FII flows remain tepid



Source: PL

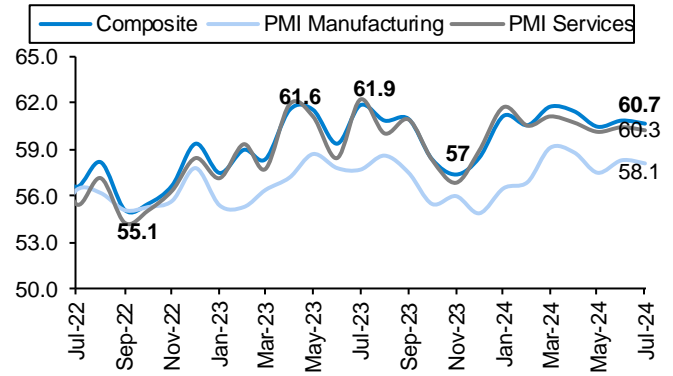
## High Frequency indicators remain resilient

Exhibit 34: IIP moderates to 7-month low of 4.2% in June'24



Source: Ministry of commerce, PL

Exhibit 35: Serv. PMI logs 36-month consecutive expansion



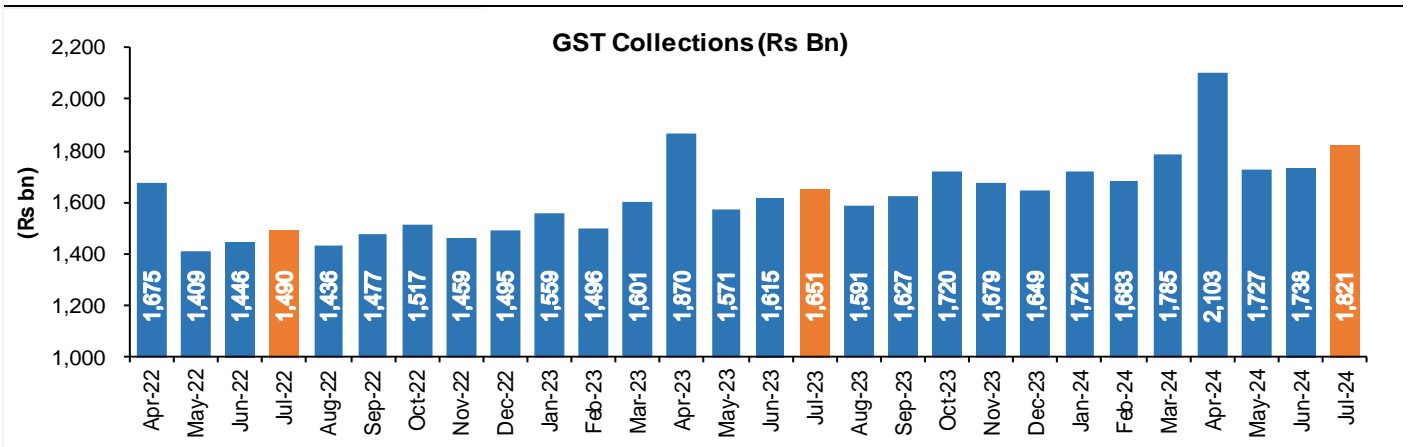
Source: Ministry of commerce, PL

Exhibit 36: IIP decelerated in Jun-24, due to slowdown in Manufacturing & Electricity segments

	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
<b>General</b>	4.0	6.2	10.9	6.4	11.9	2.5	4.4	4.2	5.6	5.5	5.0	6.2	4.2
Mining	7.6	10.7	12.3	11.5	13.1	7.0	5.2	6.0	8.1	1.3	6.8	6.6	10.3
Manufacturing	3.5	5.3	10.0	5.1	10.6	1.3	4.6	3.6	4.9	5.9	3.9	5.0	2.6
Electricity	4.2	8.0	15.3	9.9	20.4	5.8	1.2	5.6	7.6	8.6	10.2	13.7	8.6
<b>Use-Based</b>													
Basic goods	5.3	7.7	12.4	8.0	11.4	8.4	4.8	2.9	5.9	3.0	7.0	7.3	6.3
Intermediate goods	5.2	3.2	7.4	6.1	9.5	3.4	3.7	5.3	8.6	6.1	3.2	3.9	3.1
Capital goods	2.9	5.1	13.1	8.4	21.7	-1.1	3.7	3.2	1.7	7.0	2.7	2.9	2.4
Infra/Construction Goods	13.3	12.6	15.7	10.1	12.6	1.5	5.5	5.5	8.3	7.4	8.0	6.3	4.4
Consumer Durables	-6.8	-3.6	6.0	1.0	15.9	-4.8	5.2	11.6	12.6	9.5	10.0	12.6	8.6
Consumer Non-durables	0.5	8.3	9.9	2.7	9.3	-3.4	3.0	0.3	-3.2	5.2	-2.5	2.5	-1.4

Source: MOSPI, PL

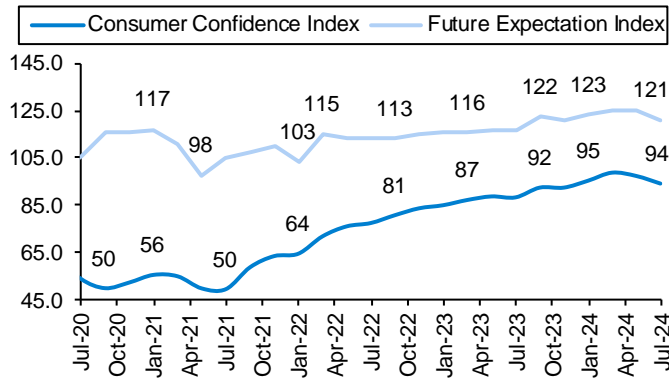
Exhibit 37: July GST collections up 10.3% YoY (4.8% MoM)



Source: GOI, PL

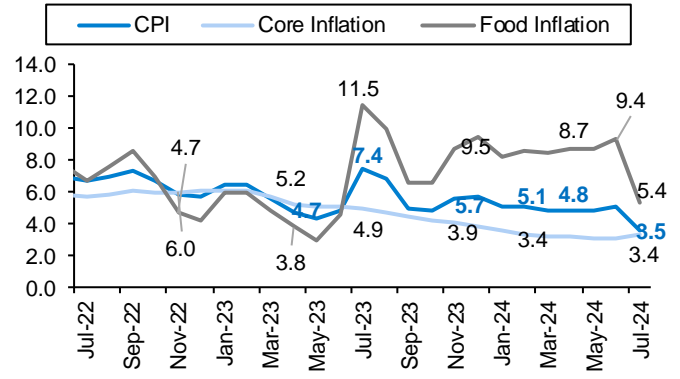


**Exhibit 38: FEI-CEI gap remain sticky in Jul'24**



Source: CMIE, PL

**Exhibit 39: CPI eases to 3.5%, Food Inflation drops sharply**



Source: MOSPI, PL

**Exhibit 40: Food inflation moderates to 5.4% YoY, headline inflation eases to 5-year low due to base effect**

Consumer Price Index (CPI)	Weight	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
		7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1	4.9	4.83	4.80	5.08	3.54
Food, Beverages and Tobacco	45.9	10.6	9.2	6.3	6.3	8.0	8.7	7.6	7.8	7.7	7.9	7.9	8.4	5.1
Pan Tobacco and Intoxicants	2.4	3.9	4.1	3.9	3.9	3.8	3.6	3.3	3.1	3.1	3.0	3.0	3.1	3.0
Clothing and Footwear	6.5	5.6	5.2	4.6	4.3	3.9	3.6	3.4	3.1	3.0	2.9	2.7	2.7	2.7
Housing	10.1	4.5	4.4	4.0	3.8	3.6	3.6	3.2	2.9	2.7	2.7	2.6	2.7	2.7
Fuel and Light	6.8	3.7	4.3	-0.1	-0.4	-0.8	-1.0	-0.6	-0.8	-3.4	-4.0	-3.7	-3.6	-5.5
Miscellaneous	28.3	5.0	4.9	4.8	4.5	4.4	4.1	3.8	3.6	3.5	3.5	3.4	3.4	3.8
<b>Consumer Food Price Index</b>	<b>39.1</b>	<b>11.5</b>	<b>9.9</b>	<b>6.6</b>	<b>6.6</b>	<b>8.7</b>	<b>9.5</b>	<b>8.3</b>	<b>8.7</b>	<b>8.5</b>	<b>8.7</b>	<b>8.7</b>	<b>9.4</b>	<b>5.4</b>

Source: MOSPI, PL

**Exhibit 41: Exports fall 1% in July, trade deficit widens to 9-month high of \$23.5 billion (up 27% YoY)**

Merchandise Trade (USD bn)	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
<b>Exports</b>	<b>34.5</b>	<b>34.5</b>	<b>34.4</b>	<b>33.5</b>	<b>33.8</b>	<b>38.4</b>	<b>36.9</b>	<b>41.4</b>	<b>41.7</b>	<b>35.3</b>	<b>39.6</b>	<b>35.2</b>	<b>34.0</b>
YoY %	-10%	-7%	-3%	6%	-3%	1%	3%	12%	-1%	2%	13%	3%	-1%
<b>Imports</b>	<b>53.0</b>	<b>58.6</b>	<b>53.8</b>	<b>63.5</b>	<b>54.5</b>	<b>58.3</b>	<b>53.4</b>	<b>60.1</b>	<b>57.3</b>	<b>54.3</b>	<b>61.8</b>	<b>56.2</b>	<b>57.5</b>
YoY %	-17%	-5%	-15%	10%	-4%	-5%	1%	12%	-6%	9%	7%	6%	9%
- Oil	11.8	13.2	14.0	16.2	14.9	14.9	15.5	16.9	17.2	16.5	19.9	15.1	13.9
YoY %	-37%	-24%	-20%	-1%	-8%	-23%	-2%	0%	-4%	9%	28%	20%	18%
- Gold	3.5	4.9	4.1	8.5	3.9	3.0	1.9	6.1	1.5	3.1	3.3	3.1	3.1
YoY %	49%	39%	7%	131%	16%	156%	174%	134%	-54%	178%	-10%	-39%	-11%
- Non Oil Non Gold	37.6	40.5	35.7	38.8	35.6	40.3	35.9	37.1	38.5	34.7	38.5	38.1	40.5
YoY %	-12%	-1%	-15%	3%	-4%	-1%	-1%	9%	-3%	3%	1%	7%	8%
<b>Trade Deficit</b>	<b>(18.5)</b>	<b>(24.2)</b>	<b>(19.4)</b>	<b>(30.0)</b>	<b>(20.7)</b>	<b>(19.9)</b>	<b>(16.5)</b>	<b>(18.7)</b>	<b>(15.6)</b>	<b>(19.0)</b>	<b>(22.1)</b>	<b>(21.0)</b>	<b>(23.5)</b>
YoY %	-27%	-3%	-31%	15%	-6%	-14%	-3%	13%	-18%	25%	-2%	12%	27%

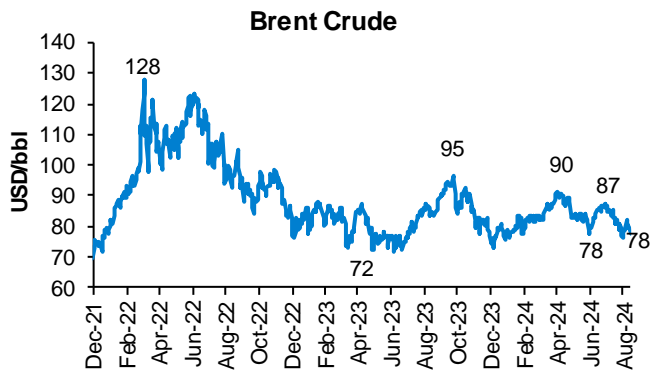
Source: Ministry of Commerce, PL

**Exhibit 42: Service Trade surplus at USD13.9bn (up 11% YoY); overall deficit in July at USD9.6bn versus USD8bn in June24**

Services	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
<b>Exports (Receipts)</b>	<b>26.2</b>	<b>26.4</b>	<b>29.4</b>	<b>28.7</b>	<b>28.7</b>	<b>27.9</b>	<b>32.8</b>	<b>32.2</b>	<b>28.5</b>	<b>29.6</b>	<b>30.2</b>	<b>30.3</b>	<b>28.4</b>
YoY %	8%	0%	1%	13%	9%	-11%	2%	17%	-6%	15%	12%	9%	8%
<b>Imports (Payments)</b>	<b>13.7</b>	<b>13.9</b>	<b>14.9</b>	<b>14.3</b>	<b>13.4</b>	<b>13.3</b>	<b>16.1</b>	<b>15.4</b>	<b>15.8</b>	<b>17.0</b>	<b>17.3</b>	<b>17.3</b>	<b>14.6</b>
YoY %	-2%	-9%	-8%	6%	0%	-16%	2%	3%	-7%	22%	9%	11%	6%
<b>Services balance</b>	<b>12.5</b>	<b>12.5</b>	<b>14.5</b>	<b>14.4</b>	<b>15.3</b>	<b>14.6</b>	<b>16.8</b>	<b>16.8</b>	<b>12.7</b>	<b>12.6</b>	<b>12.9</b>	<b>13.0</b>	<b>13.9</b>
YoY %	22%	11%	12%	22%	20%	-5%	2%	35%	-6%	7%	16%	7%	11%

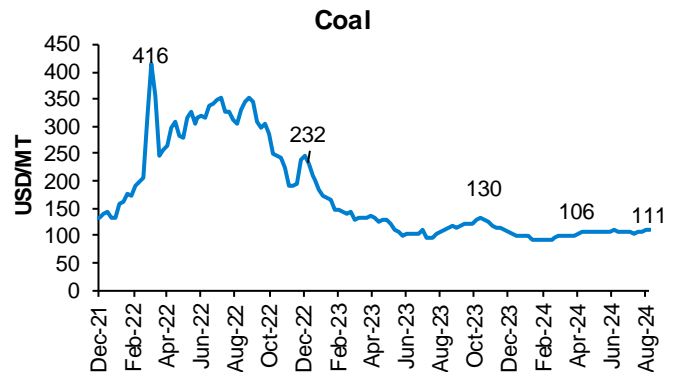
Source: Ministry of Commerce, PL

**Exhibit 43: Crude eases to 78 after a recent high of 87**



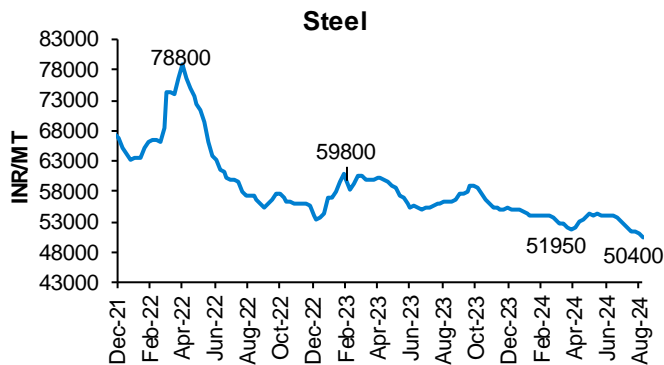
Source: PL

**Exhibit 44: Coal prices rises marginally to 111USD/MT**



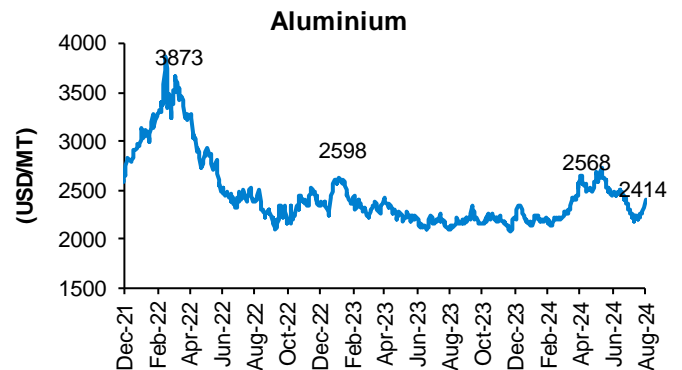
Source: Bigmint, PL

**Exhibit 45: Steel prices continue downward trend**



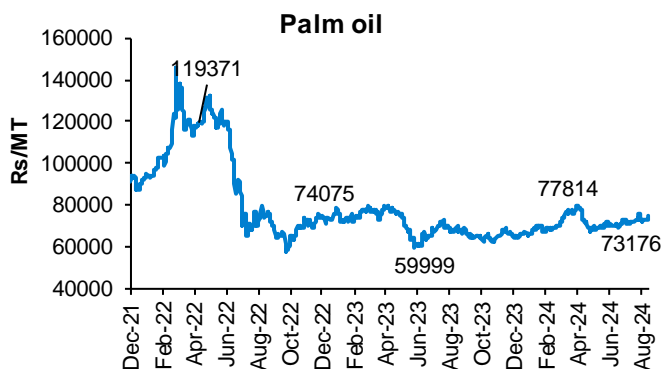
Source: Bigmint, PL

**Exhibit 46: Aluminium price rise to 2414 USD/MT**



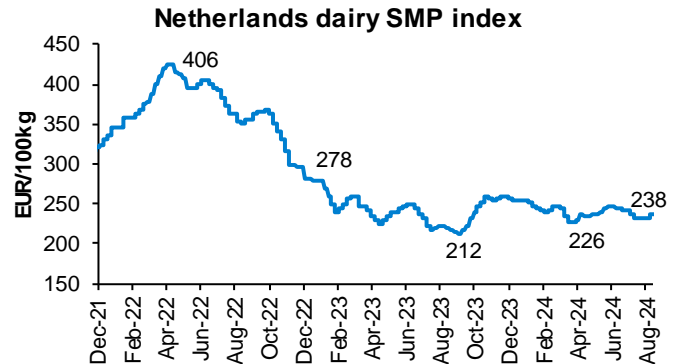
Source: PL

**Exhibit 47: Palm oil prices up 11% from April lows**



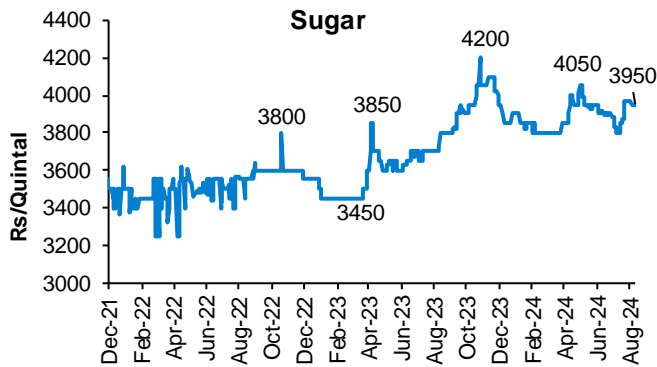
Source: PL

**Exhibit 48: SMP prices remain range bound**



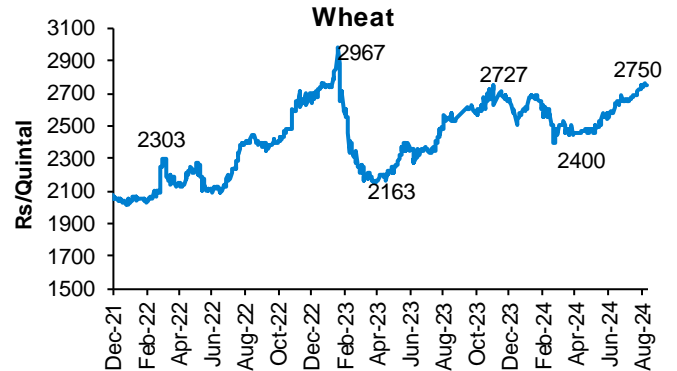
Source: PL

**Exhibit 49: Sugar prices corrected 2.5% from 4050 to 3950**



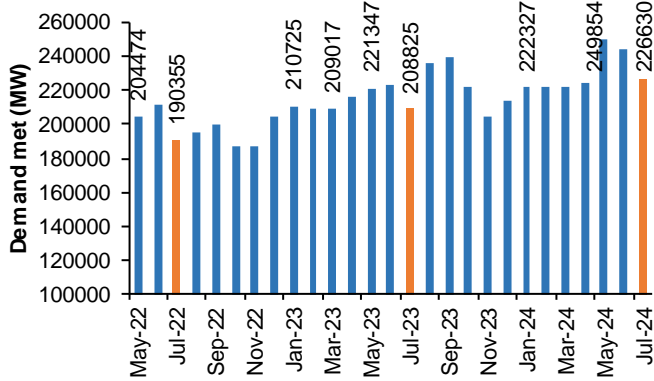
Source: PL

**Exhibit 50: July Wheat prices scale back to Nov 23 highs**



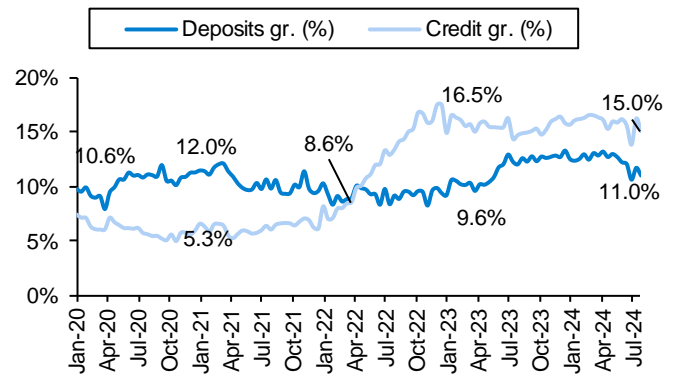
Source: PL

**Exhibit 51: Power – Jul-24 demand moderates to 226GW**



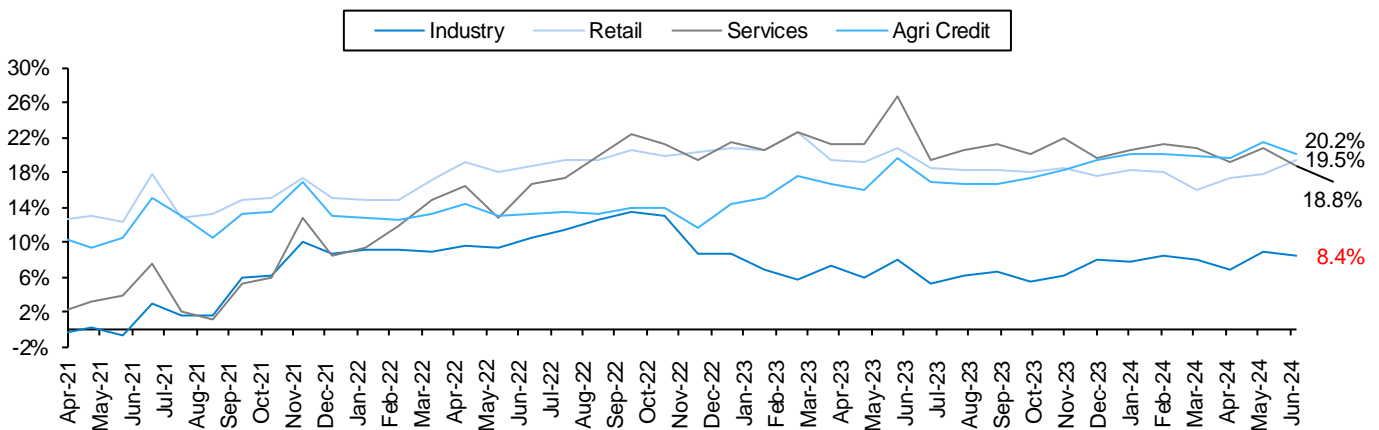
Source: CEA, PL Research

**Exhibit 52: C-D gr. gap widens to 446bps, deposit gr. slips**



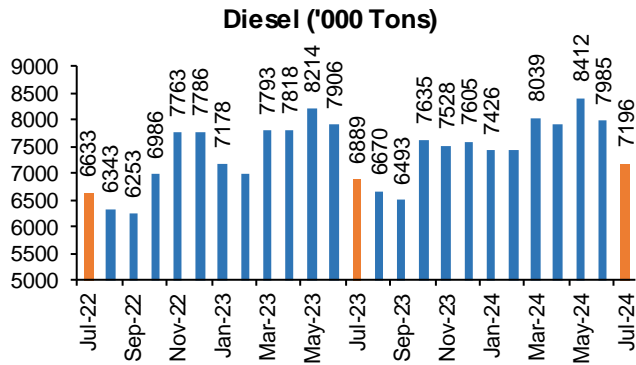
Source: RBI, PL

**Exhibit 53: July-24 Service and Agri credit growth above 20%, Industry credit growth up 130bps MoM but languishes at 8.4%**



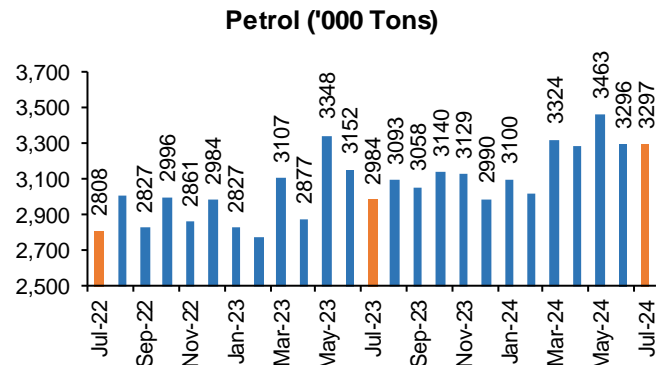
Source: RBI, PL

**Exhibit 54: Diesel usage drops mom to 7mn ton**



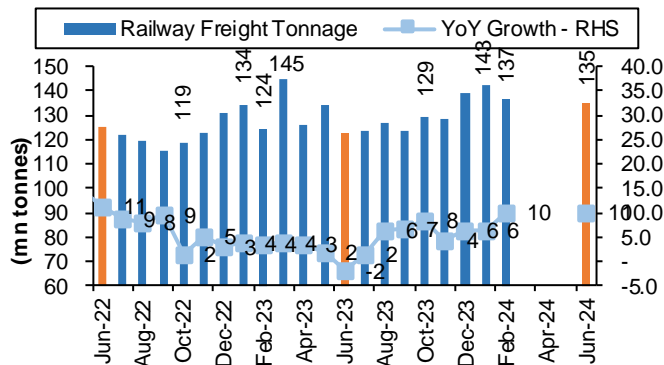
Source: PPAC, PL

**Exhibit 55: July 24- Sequential Petrol usage remains flattish**



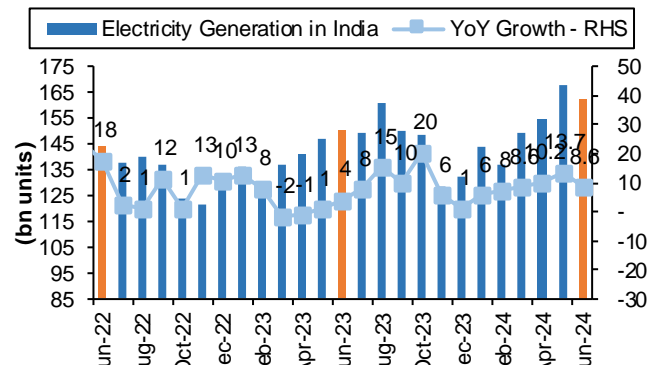
Source: PPAC, PL

**Exhibit 56: Railway haulage up by 10% YoY in June'24**



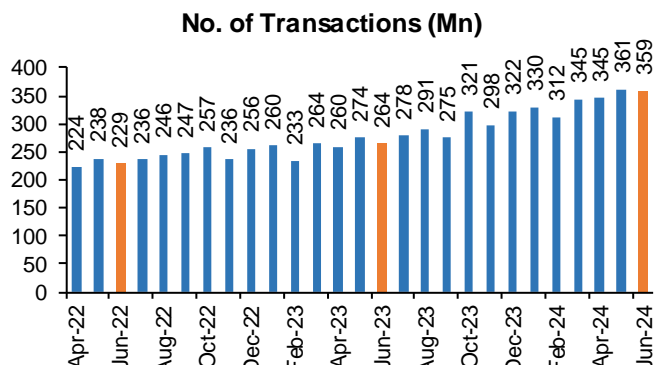
Source: Indian Railway, PL

**Exhibit 57: Energy generation moderates to 8.6% in Jun'24**



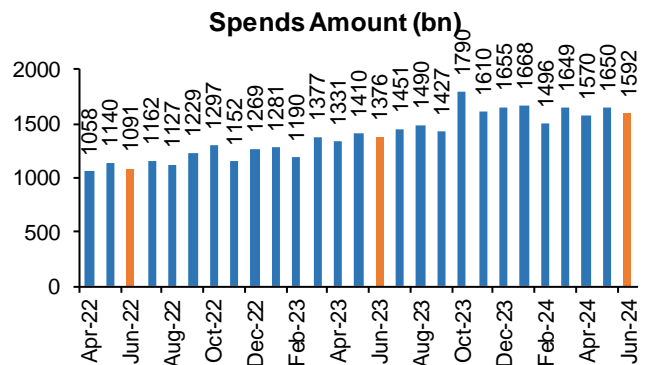
Source: CEA, PL

**Exhibit 58: June 24 Credit Card transaction up 36.1%**



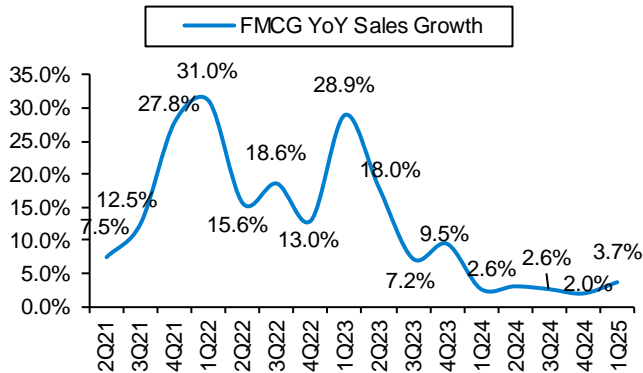
Source: RBI, PL

**Exhibit 59: CC Spending up 15.7% YoY**



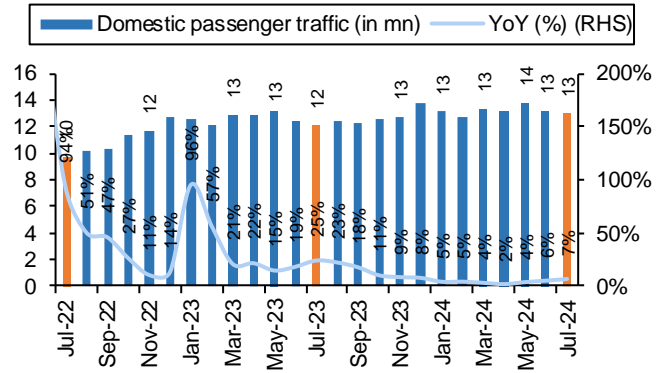
Source: RBI, PL

**Exhibit 60: 1Q25 FMCG growth recovers to 3.7% YoY**



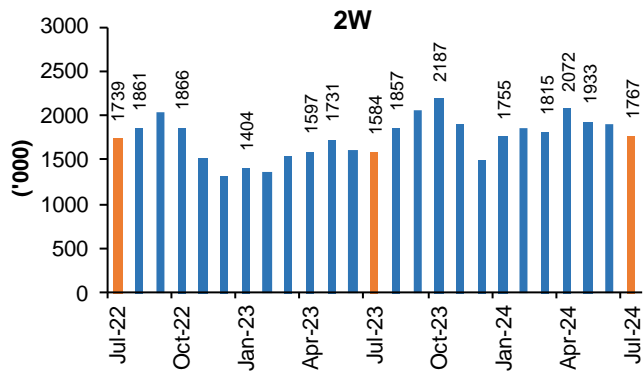
Source: Company, PL

**Exhibit 61: July Air traffic rises by 7% around 13mn**



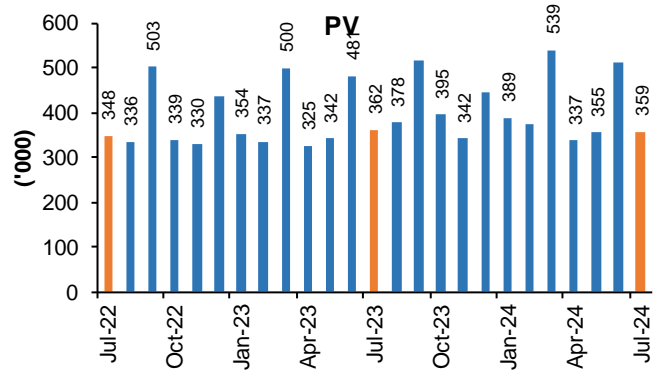
Source: DGCA, PL

**Exhibit 62: Jul'24 2W Sales Growth Eases to 11.6% YoY**



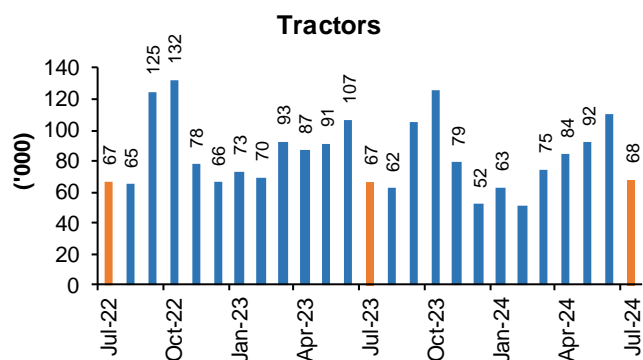
Source: SIAM, PL

**Exhibit 63: .... While PV sales contract by 1.0%**



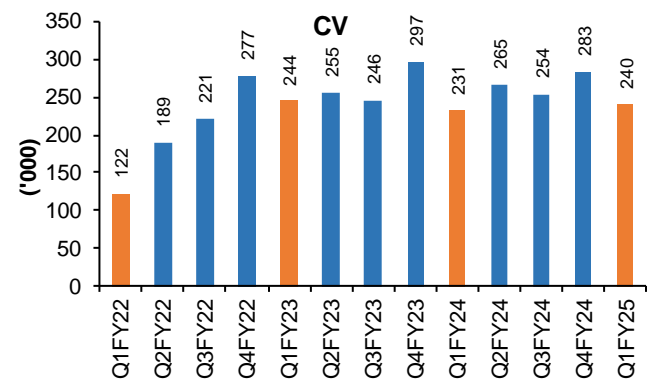
Source: SIAM, PL (\*TATA motors only gives Quarterly numbers)

**Exhibit 64: Tractor volumes flattish, up 1.4% YoY**



Source: SIAM, PL

**Exhibit 65: 1QFY25 CV volumes up by 3.8% YoY**



Source: SIAM, PL

## 1Q25 largely in line, Oil and Gas a drag

- PL universe posted in line sales with EBIDTA and PBT variation being -1.1% and 2.4% respectively. Ex-Oil & Gas EBIDTA and PBT were higher than estimates by 1.2% and 1.8%.
- Travel and consumer Durables had maximum beat in sales at 7% and 5% while building material, metals and HFC had major misses in sales. Building material, cement and chemicals had max miss in EBIDTA while Pharma, Durables and Media had max beat. Bld material, chemicals and Oil and Gas had max miss on PBT while durables, travel ad Pharma has max beat.
- There were 16 rating upgrades and 13 rating downgrades. Capital Goods had 8 upgrades while Consumer and Logistics had 3 downgrades each.
- Major Rating Upgrade:** Bajaj Auto, Bharat Forge, BEML, BEL, Cummins, Triveni Turbine, Voltamp, Britannia, Lupin and Jindal Stainless.
- Major Rating Downgrade:** CERA, CUMI, Avenue Supermarts, HUL, Marico, PVR, Delhivery, Indian Oil and Torrent Pharma.
- Major Estimates Upgrade** – Lupin Lab, Voltas, GE T&D, ABB, Bharti Airtel, Ashok Leyland, TVS, Jubilant Ingrevia.
- Estimate Downgrade** – Axis Bank, Green Panel, Astral, SRF, Thermax, Max Healthcare, TCI Express, PVR, JSL, SAIL, JSPL, Canfin.

### Exhibit 66: Banks, CG, Cement shine; Building Material, Telecom, consumer a miss on EBIDTA

	Revenue (Rs mn)			EBITDA (Rs mn)			PBT (Rs mn)			PAT (Rs mn)		
	Estimate	Actual	% Var.	Estimate	Actual	% Var.	Estimate	Actual	% Var.	Estimate	Actual	% Var.
Automobiles	23,05,870	22,85,486	-0.9%	3,33,221	3,29,460	-1.1%	2,43,727	2,49,555	2.4%	1,91,573	1,79,703	-6.2%
Banks	13,08,816	13,11,475	0.2%	9,19,341	9,48,861	3.2%				6,02,226	6,18,354	2.7%
Building Materials	85,193	80,452	-5.6%	13,634	11,807	-13.4%	11,776	9,979	-15.3%	11,679	7,519	-35.6%
Capital Goods	9,87,009	9,99,715	1.3%	1,10,006	1,09,990	0.0%	1,01,761	1,01,991	0.2%	68,819	69,831	1.5%
Cement	3,82,472	3,82,953	0.1%	67,666	62,348	-7.9%	42,778	40,540	-5.2%	31,777	31,378	-1.3%
Chemicals	1,27,809	1,25,574	-1.7%	23,361	21,443	-8.2%	16,609	14,756	-11.2%	12,785	11,129	-13.0%
Consumer Durables	2,11,247	2,25,865	6.9%	20,362	21,967	7.9%	19,197	20,934	9.0%	14,143	15,334	8.4%
Consumer Staples	9,51,054	9,36,533	-1.5%	2,07,102	1,94,540	-6.1%	1,96,650	1,83,646	-6.6%	1,46,813	1,36,872	-6.8%
Education	9,601	9,085	-5.4%	2,512	2,283	-9.1%	2,185	2,046	-6.4%	1,679	831	-50.5%
HFCs	28,471	25,551	-10.3%	24,763	22,206	-10.3%				16,167	16,259	0.6%
Hospitals	1,24,748	1,27,233	2.0%	23,198	23,241	0.2%	15,663	16,153	3.1%	11,787	11,849	0.5%
Information Technology	17,31,421	17,40,969	0.6%	3,41,294	3,47,749	1.9%	3,66,822	3,78,541	3.2%	2,71,793	2,78,379	2.4%
Logistics	38,493	38,853	0.9%	1,255	1,969	56.8%	-652	873	-233.9%	-685	734	-207.2%
Media	37,341	37,519	0.5%	5,840	6,552	12.2%	208	963	362.2%	84	684	714.8%
Metals	21,53,832	21,00,431	-2.5%	2,88,614	2,92,520	1.4%	1,51,870	1,57,076	3.4%	1,07,196	1,02,297	-4.6%
Oil & Gas	76,04,748	76,62,207	0.8%	8,50,784	8,47,749	-0.4%	5,70,224	5,20,316	-8.8%	4,08,544	3,94,315	-3.5%
Pharmaceuticals	5,46,526	5,56,195	1.8%	1,39,783	1,50,086	7.4%	1,17,611	1,31,177	11.5%	91,732	99,100	8.0%
Telecom	3,81,638	3,85,064	0.9%	1,96,543	1,97,076	0.3%	47,477	43,786	-7.8%	36,473	36,131	-0.9%
Travel & Tourism	2,13,360	2,24,088	5.0%	56,905	65,287	14.7%	27,407	33,817	23.4%	25,727	31,632	23.0%
<b>PL Universe</b>	<b>1,92,29,650</b>	<b>1,92,55,246</b>	<b>0.1%</b>	<b>36,26,184</b>	<b>36,57,134</b>	<b>0.9%</b>	<b>19,31,314</b>	<b>19,06,149</b>	<b>-1.3%</b>	<b>20,50,314</b>	<b>20,42,332</b>	<b>-0.4%</b>
<b>PL Universe (ex-BFSI)</b>	<b>1,78,92,364</b>	<b>1,79,18,221</b>	<b>0.1%</b>	<b>26,82,081</b>	<b>26,86,067</b>	<b>0.1%</b>	<b>19,31,314</b>	<b>19,06,149</b>	<b>-1.3%</b>	<b>14,31,921</b>	<b>14,07,719</b>	<b>-1.7%</b>
<b>PL Universe (ex-O&amp;G)</b>	<b>1,16,24,902</b>	<b>1,15,93,039</b>	<b>-0.3%</b>	<b>27,75,400</b>	<b>28,09,385</b>	<b>1.2%</b>	<b>13,61,090</b>	<b>13,85,833</b>	<b>1.8%</b>	<b>16,41,770</b>	<b>16,48,017</b>	<b>0.4%</b>

Source: Company, PL



## 1Q25 led by Auto, Capital Goods and Healthcare

- 1Q results show Sales, EBIDTA, PAT growth of 4.8%, -2.1%, and -5.2%. The results show a variation of 0.1%/0.9%/-0.4% over our estimates.
- Auto, Pharma, Hospitals, Durables and Capital Goods reported more than 20% EBIDTA growth. Cement, Travel, Metals, O&G had YoY decline in EBIDTA. Metals, Media and travel reported double-digit growth in EBIDTA. Building materials, consumer and IT services reported single digit EBIDTA growth.

**Exhibit 67: Auto, Capital Goods, Pharma, Durables gave more than 20% EBIDTA growth**

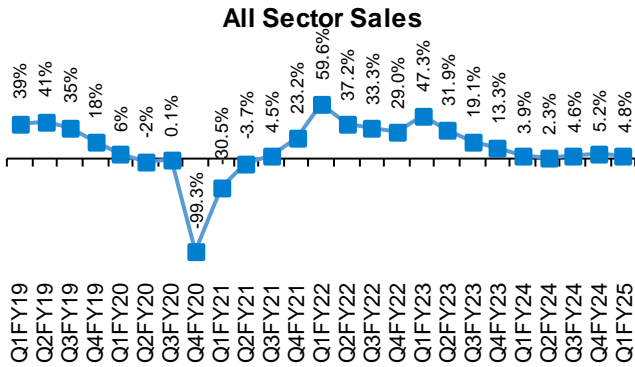
	Revenue Growth (%)		EBIDTA Growth (%)		EBIDTA Margin (bps)		PBT (%)		PAT (%)	
	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Automobiles	8.5%	-5.6%	20.4%	-3.5%	142	31	32.9%	-1.6%	25.1%	-39.5%
Banks	6.7%	0.7%	5.6%	-7.8%	-79	-665	0.0%	0.0%	6.2%	-8.7%
Building Materials	5.8%	-11.7%	6.0%	-19.0%	2	-132	4.2%	-22.3%	1.8%	-25.6%
Capital Goods	12.0%	-26.1%	20.4%	-45.9%	77	-403	20.5%	-46.5%	25.1%	-49.7%
Cement	-0.8%	-9.5%	-5.0%	-23.3%	-72	-293	-13.8%	-30.0%	-11.4%	-34.2%
Chemicals	8.2%	-1.3%	0.3%	-3.9%	-135	-45	-8.4%	-8.2%	-7.3%	-14.0%
Consumer Durables	22.4%	0.6%	30.6%	-0.1%	61	-7	29.0%	1.5%	30.7%	0.6%
Consumer Staples	6.4%	5.7%	1.0%	5.4%	-110	-5	-0.3%	5.2%	-0.6%	2.5%
Education	0.7%	4.1%	2.6%	-16.3%	48	-615	5.1%	-12.8%	-54.2%	-53.1%
HFCs	-6.1%	-8.8%	-7.6%	-5.8%	-144	278	0.0%	0.0%	0.6%	12.7%
Hospitals	14.7%	4.3%	22.6%	1.5%	116	-51	30.1%	4.9%	25.4%	1.9%
Information Technology	3.4%	1.4%	8.1%	1.2%	86	-4	9.4%	2.4%	9.0%	1.8%
Logistics	10.1%	1.1%	96.9%	33.6%	223	123	-258.3%	-390.7%	-211.8%	-306.8%
Media	3.0%	0.1%	10.9%	22.4%	125	319	289.9%	-1119.4%	105.3%	-196.6%
Metals	-0.2%	-4.7%	12.6%	4.0%	157	117	7.9%	10.6%	1.9%	0.7%
Oil & Gas	3.2%	-1.8%	-26.2%	-11.3%	-441	-119	-40.1%	-22.9%	-37.5%	-18.0%
Pharmaceuticals	12.2%	6.5%	20.4%	17.1%	184	245	25.5%	18.6%	23.3%	10.5%
Telecom	2.8%	2.4%	0.6%	1.8%	-117	-32	-6.4%	-0.6%	-4.5%	-0.6%
Travel & Tourism	16.2%	8.7%	10.9%	26.3%	-139	404	-7.2%	43.5%	-10.3%	35.2%
<b>PL Universe</b>	<b>4.8%</b>	<b>-3.2%</b>	<b>-2.1%</b>	<b>-6.4%</b>	<b>-134</b>	<b>-66</b>	<b>-9.6%</b>	<b>-9.6%</b>	<b>-5.2%</b>	<b>-13.6%</b>
<b>PL Universe (Ex-BFSI)</b>	<b>4.7%</b>	<b>-3.5%</b>	<b>-4.4%</b>	<b>-6.0%</b>	<b>-144</b>	<b>-40</b>	<b>-9.6%</b>	<b>-9.6%</b>	<b>-9.5%</b>	<b>-15.9%</b>
<b>PL Universe (Ex-Oil &amp; Gas)</b>	<b>6.0%</b>	<b>-4.1%</b>	<b>8.7%</b>	<b>-4.8%</b>	<b>61</b>	<b>-19</b>	<b>11.8%</b>	<b>-3.3%</b>	<b>8.2%</b>	<b>-12.5%</b>

Source: Company, PL

- Ex BFSI sales, EBIDTA and PBT grew 4.7%, -4.4% and -9.6%. Ex Oil and Gas sales, EBIDTA and PBT grew 6%, 8.7% and 11.8%.
- Auto, Capital Goods, Pharma, Hospitals, Travel, Telecom, FMCG and AMC have positive outlook. Building Materials, QSR, Jewellery, Banks, Cement have near term pressures, which should ease off by 2H25.
- Major Target Price increase** – BEL, Tata Motors, Triveni, Voltamp, Deepak Nitrite, JUBi Ingrevia, Voltas, HPCL, ONGC, Lupin, Cipla, ARBP, Suntek, Divis, Oil India, GAIL, Infosys
- Major Target price Cuts** – VIP, SAIL, NMDC, PVR, TCI, Delhivery, Shree Cement, Astral, Divgi

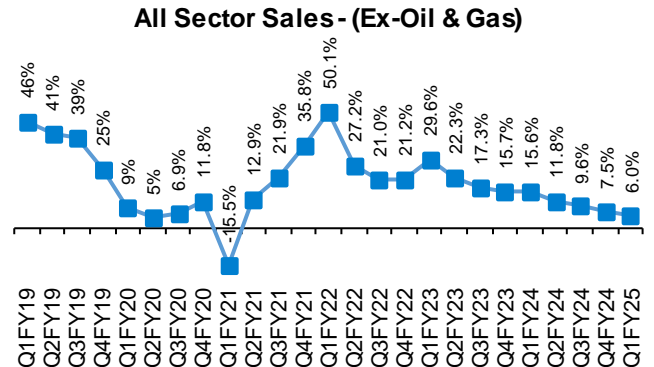
Mixed demand, margins expand due to lower input costs

Exhibit 68: Cement and Metals drag sales



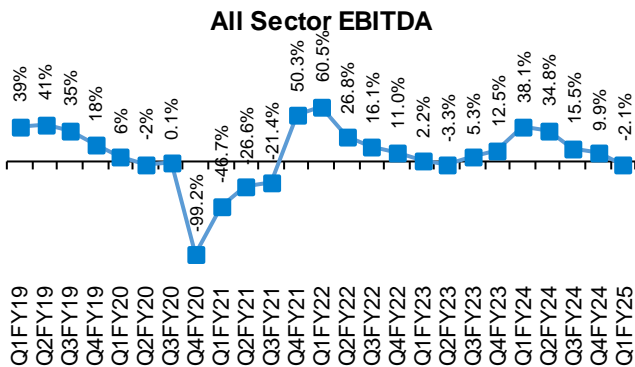
Source: Company, PL

Exhibit 69: CG, Durables, Hospitals and Travel lead



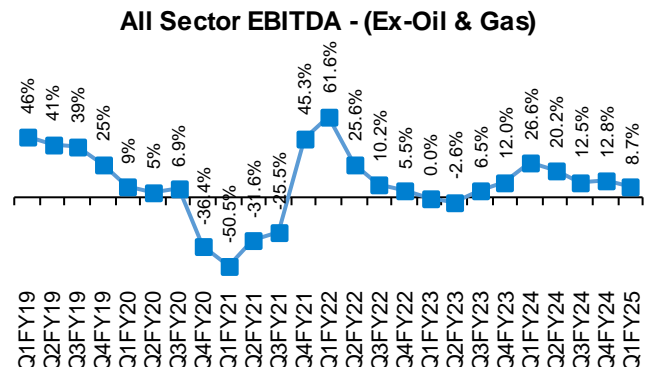
Source: Company, PL

Exhibit 70: Oil and Gas, Consumer and chemicals drag



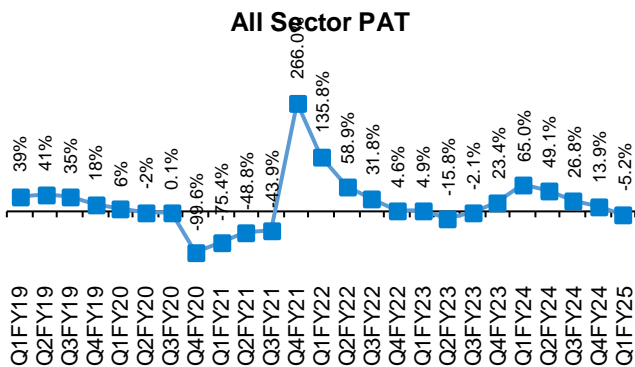
Source: Company, PL

Exhibit 71: CG, Durables, Hospitals, Auto and Pharma lead



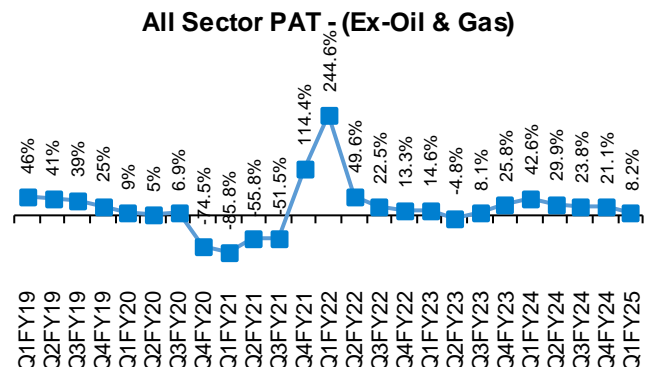
Source: Company, PL

Exhibit 72: Oil and Gas, Telecom and Cement drag growth

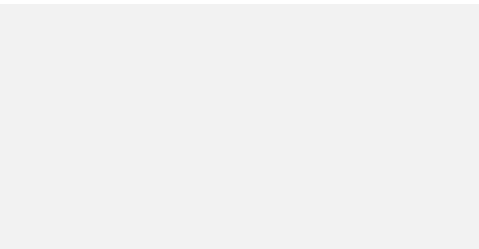


Source: Company, PL

Exhibit 73: Auto, Durables, Pharma, CG lead growth



Source: Company, PL



**Exhibit 74: 1QFY25 Result Snapshot**

	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Automobiles</b>															
Ashok Leyland	85,985	81,893	5.0	1,12,667	-23.7	9,109	8,207	11.0	15,921	-42.8	5,256	4,503	16.7	9,452	-44.4
Bajaj Auto	1,19,280	1,03,098	15.7	1,14,847	3.9	24,153	19,539	23.6	23,063	4.7	19,883	16,648	19.4	19,360	2.7
Bharat Forge	41,061	38,773	5.9	41,642	-1.4	7,410	6,175	20.0	6,532	13.4	2,314	2,372	-2.4	2,486	-6.9
CEAT	31,928	29,352	8.8	29,919	6.7	3,829	3,871	-1.1	3,915	-2.2	1,487	1,446	2.8	1,475	0.8
Divgi Torqtransfer Systems	542	566	-4.1	651	-16.7	87	127	-31.3	131	-33.5	60	104	-42.9	92	-35.3
Eicher Motors	43,931	39,864	10.2	42,560	3.2	11,654	10,208	14.2	11,286	3.3	11,015	9,183	19.9	10,705	2.9
Endurance Technologies	28,255	24,500	15.3	26,848	5.2	3,741	3,213	16.4	3,894	-3.9	2,039	1,635	24.7	2,102	-3.0
Exide Industries	43,128	40,726	5.9	40,094	7.6	4,943	4,322	14.4	5,162	-4.2	2,796	2,419	15.6	2,838	-1.5
Hero Motocorp	1,01,437	87,673	15.7	95,193	6.6	14,598	12,063	21.0	13,592	7.4	11,226	9,454	18.7	10,161	10.5
Mahindra & Mahindra	2,70,388	2,41,372	12.0	2,51,828	7.4	40,222	32,855	22.4	31,770	26.6	26,126	27,594	-5.3	20,001	30.6
Maruti Suzuki	3,55,314	3,23,269	9.9	3,82,349	-7.1	45,023	29,830	50.9	46,850	-3.9	36,499	24,851	46.9	38,778	-5.9
Tata Motors	10,80,480	10,22,361	5.7	11,99,863	-9.9	1,55,090	1,35,595	14.4	1,69,933	-8.7	55,230	38,798	42.4	1,74,953	-68.4
TVS Motors	83,756	72,179	16.0	81,688	2.5	9,602	7,638	25.7	9,262	3.7	5,773	4,677	23.4	4,854	18.9
<b>Total</b>	<b>22,85,486</b>	<b>21,05,624</b>	<b>8.5</b>	<b>24,20,149</b>	<b>-5.6</b>	<b>3,29,460</b>	<b>2,73,643</b>	<b>20.4</b>	<b>3,41,311</b>	<b>-3.5</b>	<b>1,79,703</b>	<b>1,43,685</b>	<b>25.1</b>	<b>2,97,255</b>	<b>-39.5</b>
<b>Banks</b>															
Axis Bank	1,34,482	1,19,588	12.5	1,30,890	2.7	1,01,062	88,144	14.7	1,05,357	-4.1	60,346	57,971	4.1	71,297	-15.4
Bank of Baroda	1,16,001	1,09,967	5.5	1,17,928	-1.6	71,613	78,243	-8.5	81,061	-11.7	44,582	40,701	9.5	48,865	-8.8
City Union Bank	5,452	5,225	4.3	5,466	-0.3	3,735	4,143	-9.8	3,518	6.2	2,645	2,273	16.4	2,548	3.8
DCB Bank	4,966	4,707	5.5	5,075	-2.1	2,054	2,087	-1.6	2,338	-12.1	1,314	1,269	3.5	1,557	-15.6
Federal Bank	22,920	19,186	19.5	21,951	4.4	15,009	13,024	15.2	11,104	35.2	10,095	8,537	18.2	9,063	11.4
HDFC Bank	2,98,371	2,87,794	3.7	2,90,768	2.6	2,38,846	2,31,009	3.4	2,92,742	-18.4	1,61,748	1,50,639	7.4	1,65,119	-2.0
ICICI Bank	1,95,529	1,82,265	7.3	1,90,928	2.4	1,60,248	1,41,391	13.3	1,50,388	6.6	1,10,591	96,482	14.6	1,07,075	3.3
IndusInd bank	54,076	48,671	11.1	53,764	0.6	39,267	38,301	2.5	40,271	-2.5	21,522	21,236	1.3	23,468	-8.3
Kotak Mahindra Bank	68,424	62,337	9.8	69,094	-1.0	52,541	49,496	6.2	54,616	-3.8	35,161	34,523	1.8	41,333	-14.9
State Bank of India	4,11,255	3,89,050	5.7	4,16,552	-1.3	2,64,486	2,52,969	4.6	2,87,476	-8.0	1,70,352	1,68,843	0.9	2,06,984	-17.7
<b>Total</b>	<b>13,11,475</b>	<b>12,28,789</b>	<b>6.7</b>	<b>13,02,416</b>	<b>0.7</b>	<b>9,48,861</b>	<b>8,98,805</b>	<b>5.6</b>	<b>10,28,869</b>	<b>-7.8</b>	<b>6,18,354</b>	<b>5,82,474</b>	<b>6.2</b>	<b>6,77,308</b>	<b>-8.7</b>



	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Building Materials</b>															
Astral Ltd.	13,836	12,831	7.8	16,251	-14.9	2,144	2,016	6.3	2,915	-26.4	1,195	1,194	0.1	1,813	-34.1
Century Plyboard (I)	10,054	8,910	12.8	10,607	-5.2	1,112	1,332	-16.5	1,483	-25.1	341	869	-60.8	1,005	-66.1
Cera Sanitaryware	4,007	4,289	-6.6	5,488	-27.0	581	704	-17.5	950	-38.9	475	567	-16.3	757	-37.3
Finolex Industries	11,405	11,792	-3.3	12,354	-7.7	2,067	1,525	35.5	2,089	-1.1	1,671	1,153	44.9	1,649	1.4
Greenpanel Industries	3,650	3,862	-5.5	3,966	-8.0	360	658	-45.2	513	-29.7	157	373	-57.9	298	-47.3
Kajaria Ceramics	11,137	10,642	4.6	12,408	-10.2	1,671	1,692	-1.3	1,720	-2.9	946	1,075	-12.0	1,031	-8.3
Supreme Industries	26,364	23,686	11.3	30,079	-12.4	3,873	3,216	20.4	4,907	-21.1	2,734	2,155	26.8	3,548	-23.0
<b>Total</b>	<b>80,452</b>	<b>76,012</b>	<b>5.8</b>	<b>91,153</b>	<b>-11.7</b>	<b>11,807</b>	<b>11,143</b>	<b>6.0</b>	<b>14,577</b>	<b>-19.0</b>	<b>7,519</b>	<b>7,387</b>	<b>1.8</b>	<b>10,102</b>	<b>-25.6</b>
<b>Capital Goods</b>															
ABB	28,309	25,086	12.8	30,804	-8.1	5,425	3,487	55.6	5,652	-4.0	4,426	2,958	49.6	4,596	-3.7
Apar Inds Ltd	40,105	37,671	6.5	44,551	-10.0	3,756	3,462	8.5	4,267	-12.0	2,025	1,974	2.6	2,362	-14.3
BEML	6,341	5,769	9.9	15,137	-58.1	-501	-505	NA	3,704	NA	-705	-750	NA	2,568	NA
Bharat Electronics	41,988	35,108	19.6	85,285	-50.8	9,367	6,644	41.0	22,800	-58.9	7,761	5,308	46.2	17,835	-56.5
BHEL	54,849	50,034	9.6	82,603	-33.6	-1,694	-1,781	NA	7,279	NA	-2,125	-2,125	NA	4,844	NA
Carborandum Universal	11,975	12,032	-0.5	12,012	-0.3	1,936	1,694	14.3	2,094	-7.6	1,130	1,132	-0.2	1,348	-16.2
Engineers India	6,238	8,183	-23.8	8,051	-22.5	510	710	-28.2	775	-34.1	916	833	9.9	1,155	-20.7
GE T&D India	9,583	7,176	33.6	9,136	4.9	1,822	508	258.5	1,110	64.2	1,345	282	376.4	663	103.0
Grindwell Norton	7,056	6,684	5.6	6,911	2.1	1,331	1,352	-1.5	1,250	6.5	932	970	-3.9	926	0.6
Harsha Engineering	3,432	3,480	-1.4	3,804	-9.8	552	418	31.9	545	1.2	361	246	46.7	368	-2.0
Hindustan Aeronautics	43,475	39,154	11.0	1,42,198	-69.4	9,907	8,768	13.0	53,523	-81.5	10,898	8,142	33.8	39,009	-72.1
KEC International	45,119	42,436	6.3	61,648	-26.8	2,704	2,443	10.7	3,880	-30.3	636	423	50.3	1,518	-58.1
Cummins India	23,042	22,087	4.3	23,162	-0.5	4,673	3,406	37.2	5,443	-14.1	4,198	3,157	33.0	5,615	-25.2
Kalpataru Power Transmission	37,220	36,220	2.8	51,470	-27.7	3,140	3,140	-0.0	4,000	-21.5	1,170	1,260	-7.2	1,750	-33.2
Larsen & Toubro	5,51,198	4,78,824	15.1	6,70,787	-17.8	56,153	48,686	15.3	72,340	-22.4	27,857	24,930	11.7	43,232	-35.6
Praj Industries	6,991	7,367	-5.1	10,186	-31.4	868	713	21.7	1,262	-31.2	560	587	-4.5	919	-39.1
Siemens	52,035	48,732	6.8	57,499	-9.5	6,915	5,666	22.0	8,782	-21.3	5,756	4,419	30.2	6,606	-12.9
Thermax	21,844	19,330	13.0	27,637	-21.0	1,412	1,322	6.8	2,732	-48.3	1,094	974	12.3	1,876	-41.7
Triveni Turbine	4,633	3,764	23.1	4,581	1.1	956	709	34.8	898	6.4	800	608	31.7	760	5.3
Voltamp Transformers	4,282	3,222	32.9	5,042	-15.1	758	480	57.9	1,007	-24.8	794	508	56.5	935	-15.1
<b>Total</b>	<b>9,99,715</b>	<b>8,92,358</b>	<b>12.0</b>	<b>13,52,501</b>	<b>-26.1</b>	<b>1,09,990</b>	<b>91,324</b>	<b>20.4</b>	<b>2,03,342</b>	<b>-45.9</b>	<b>69,831</b>	<b>55,837</b>	<b>25.1</b>	<b>1,38,884</b>	<b>-49.7</b>



	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Cement</b>															
ACC	51,549	52,011	-0.9	54,087	-4.7	6,791	7,709	-11.9	8,368	-18.8	3,614	4,661	-22.5	7,730	-53.3
Ambuja Cement	45,158	47,297	-4.5	47,803	-5.5	6,460	9,486	-31.9	7,978	-19.0	5,804	6,449	-10.0	5,442	6.6
Dalmia Bharat	36,210	36,240	-0.1	43,070	-15.9	6,690	6,100	9.7	6,540	2.3	2,255	1,300	73.4	3,150	-28.4
Nuvoco Vistas Corporation	26,365	28,055	-6.0	29,334	-10.1	3,434	3,925	-12.5	4,908	-30.0	28	145	-80.4	1,004	-97.2
Shree Cement	48,347	49,991	-3.3	50,727	-4.7	9,164	9,326	-1.7	13,272	-31.0	3,177	5,811	-45.3	6,618	-52.0
Ultratech Cement	1,75,324	1,72,452	1.7	1,98,059	-11.5	29,810	29,086	2.5	40,202	-25.8	16,501	17,055	-3.3	23,764	-30.6
<b>Total</b>	<b>3,82,953</b>	<b>3,86,046</b>	<b>-0.8</b>	<b>4,23,081</b>	<b>-9.5</b>	<b>62,348</b>	<b>65,632</b>	<b>-5.0</b>	<b>81,268</b>	<b>-23.3</b>	<b>31,378</b>	<b>35,421</b>	<b>-11.4</b>	<b>47,708</b>	<b>-34.2</b>
<b>Chemicals</b>															
Aarti Industries	18,550	14,140	31.2	17,730	4.6	3,060	2,020	51.5	2,830	8.1	1,380	710	94.4	1,320	4.5
Clean Science and Technology	2,240	1,881	19.1	2,275	-1.5	947	761	24.3	945	0.2	659	589	11.8	703	-6.2
Deepak Nitrite	21,668	17,683	22.5	21,262	1.9	3,092	2,098	47.4	3,011	2.7	2,025	1,499	35.1	1,741	16.4
Fine Organic Industries	5,083	5,472	-7.1	5,215	-2.5	1,218	1,412	-13.8	1,322	-7.9	990	998	-0.8	1,049	-5.6
Gujarat Fluorochemicals	11,760	12,093	-2.8	11,330	3.8	2,620	3,479	-24.7	2,376	10.3	1,080	2,011	-46.3	1,010	7.0
Jubilant Ingrevia	10,243	10,750	-4.7	10,744	-4.7	1,095	1,167	-6.1	912	20.0	487	575	-15.2	293	66.6
Laxmi Organic Industries	7,182	7,336	-2.1	7,921	-9.3	712	773	-7.9	900	-20.9	344	384	-10.5	443	-22.4
Navin Fluorine International	5,237	4,912	6.6	6,020	-13.0	1,004	1,142	-12.1	1,101	-8.8	512	615	-16.8	704	-27.3
NOCIL	3,722	3,967	-6.2	3,565	4.4	411	555	-26.0	446	-8.0	271	343	-21.1	415	-34.9
SRF	34,641	33,384	3.8	35,697	-3.0	6,034	6,962	-13.3	6,958	-13.3	2,522	3,593	-29.8	4,222	-40.3
Vinati Organics	5,247	4,387	19.6	5,503	-4.7	1,251	1,004	24.6	1,502	-16.7	859	694	23.8	1,045	-17.8
<b>Total</b>	<b>1,25,574</b>	<b>1,16,004</b>	<b>8.2</b>	<b>1,27,263</b>	<b>-1.3</b>	<b>21,443</b>	<b>21,374</b>	<b>0.3</b>	<b>22,303</b>	<b>-3.9</b>	<b>11,129</b>	<b>12,012</b>	<b>-7.3</b>	<b>12,943</b>	<b>-14.0</b>
<b>Consumer Durables</b>															
Bajaj Electricals	11,549	11,120	3.9	11,881	-2.8	754	693	8.8	497	51.6	281	430	-34.7	293	-4.1
Crompton Greaves Consumer Electricals	21,377	18,769	13.9	19,610	9.0	2,324	1,858	25.1	2,036	14.1	1,530	1,184	29.3	1,384	10.6
Havells India	58,062	48,338	20.1	54,420	6.7	5,722	4,020	42.4	6,346	-9.8	4,075	2,871	41.9	4,467	-8.8
KEI Inds	20,605	17,826	15.6	23,193	-11.2	2,146	1,783	20.4	2,446	-12.3	1,502	1,214	23.8	1,688	-11.0
Polycab India	46,980	38,894	20.8	55,919	-16.0	5,834	5,486	6.3	7,615	-23.4	3,960	3,996	-0.9	5,460	-27.5
R R Kabel	18,081	15,973	13.2	17,541	3.1	949	1,129	-15.9	1,153	-17.7	644	743	-13.4	787	-18.2
Voltas	49,210	33,599	46.5	42,029	17.1	4,238	1,854	128.6	1,906	122.4	3,342	1,293	158.5	1,164	187.0
<b>Total</b>	<b>2,25,865</b>	<b>1,84,518</b>	<b>22.4</b>	<b>2,24,592</b>	<b>0.6</b>	<b>21,967</b>	<b>16,822</b>	<b>30.6</b>	<b>21,999</b>	<b>-0.1</b>	<b>15,334</b>	<b>11,731</b>	<b>30.7</b>	<b>15,243</b>	<b>0.6</b>



	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Consumer Staples</b>															
Asian Paints	89,697	91,823	-2.3	87,308	2.7	16,938	21,213	-20.2	16,914	0.1	11,713	15,514	-24.5	12,665	-7.5
Britannia Industries	42,503	40,107	6.0	40,694	4.4	7,537	6,889	9.4	7,875	-4.3	5,295	4,555	16.3	5,366	-1.3
Colgate Palmolive	14,967	13,237	13.1	14,900	0.4	5,083	4,181	21.6	5,322	-4.5	3,640	2,932	24.1	3,798	-4.2
Dabur India	33,491	31,305	7.0	28,146	19.0	6,550	6,047	8.3	4,668	40.3	4,944	4,566	8.3	3,412	44.9
Avenue Supermarts	1,40,691	1,18,654	18.6	1,27,266	10.5	12,213	10,353	18.0	9,436	29.4	7,737	6,588	17.5	5,632	37.4
Emami	9,061	8,257	9.7	8,912	1.7	2,165	1,900	13.9	2,109	2.7	1,527	1,377	10.8	1,489	2.5
Hindustan Unilever	1,53,390	1,51,480	1.3	1,48,570	3.2	36,060	35,210	2.4	34,350	5.0	25,720	25,000	2.9	23,960	7.3
ITC	1,70,001	1,58,282	7.4	1,65,793	2.5	62,955	62,501	0.7	61,626	2.2	49,205	49,027	0.4	50,223	-2.0
Jubilant FoodWorks	14,396	13,097	9.9	13,313	8.1	2,782	2,764	0.6	2,543	9.4	515	752	-31.5	376	36.9
Kansai Nerolac Paints	20,504	20,712	-1.0	16,617	23.4	3,344	3,339	0.2	1,791	86.7	2,411	2,269	6.3	1,205	100.0
Metro Brands Asia	5,761	5,825	-1.1	5,830	-1.2	1,804	1,866	-3.3	1,586	13.7	917	928	-1.2	1,552	-40.9
Marico	26,430	24,770	6.7	22,780	16.0	6,260	5,740	9.1	4,420	41.6	4,740	4,360	8.7	3,200	48.1
Mold Tech Packaging	1,967	1,859	5.8	1,769	11.2	357	350	1.9	355	0.6	165	187	-11.8	180	-8.0
Nestle India	48,140	46,585	3.3	52,677	-8.6	8,813	10,588	-16.8	13,386	-34.2	5,136	7,017	-26.8	9,139	-43.8
Pidilite Industries	33,954	32,751	3.7	29,019	17.0	8,127	7,070	15.0	5,769	40.9	5,713	4,737	20.6	3,759	52.0
Restaurant Brands Asia	4,906	4,221	16.2	4,392	11.7	674	485	39.2	552	22.2	-220	-222	NA	-309	NA
Titan Company	1,20,530	1,11,450	8.1	1,12,570	7.1	12,110	11,030	9.8	11,090	9.2	7,700	7,770	-0.9	7,860	-2.0
Westlife Development	6,145	6,145	-	5,623	9.3	768	1,042	-26.2	749	2.5	15	288	-94.9	8	92.3
<b>Total</b>	<b>9,36,533</b>	<b>8,80,560</b>	<b>6.4</b>	<b>8,86,176</b>	<b>5.7</b>	<b>1,94,540</b>	<b>1,92,567</b>	<b>1.0</b>	<b>1,84,542</b>	<b>5.4</b>	<b>1,36,872</b>	<b>1,37,646</b>	<b>-0.6</b>	<b>1,33,514</b>	<b>2.5</b>
<b>Education</b>															
Navneet Education	7,978	7,915	0.8	4,353	83.3	2,199	2,089	5.3	865	154.1	851	1,790	-52.4	479	77.7
S Chand & Co	1,107	1,111	-0.4	4,372	-74.7	84	135	-38.1	1,863	-95.5	-21	26	NA	1,292	NA
<b>Total</b>	<b>9,085</b>	<b>9,025</b>	<b>0.7</b>	<b>8,724</b>	<b>4.1</b>	<b>2,283</b>	<b>2,224</b>	<b>2.6</b>	<b>2,728</b>	<b>-16.3</b>	<b>831</b>	<b>1,816</b>	<b>-54.2</b>	<b>1,771</b>	<b>-53.1</b>





	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Healthcare</b>															
Apollo Hospitals Enterprise	50,856	44,178	15.1	49,439	2.9	6,751	5,090	32.6	6,405	5.4	3,052	1,666	83.2	2,538	20.3
Aster DM Healthcare	10,019	8,412	19.1	9,736	2.9	1,695	1,239	36.8	1,583	7.1	740	430	72.1	878	-15.7
Fortis Healthcare	18,588	16,574	12.2	17,859	4.1	3,424	2,725	25.7	3,810	-10.1	1,659	1,118	48.4	1,787	-7.2
HealthCare Global Enterprises	5,256	4,607	14.1	4,946	6.3	909	743	22.3	920	-1.2	121	76	58.7	213	-43.2
Jupiter Life Line Hospitals	2,871	2,432	18.1	2,905	-1.2	639	530	20.5	623	2.5	446	540	-17.4	453	-1.5
Krishna Institute of Medical Sciences	6,884	6,060	13.6	6,338	8.6	1,794	1,571	14.2	1,590	12.9	866	808	7.2	655	32.3
Max Healthcare Institute	19,350	16,290	18.8	18,000	7.5	4,990	4,360	14.4	5,030	-0.8	2,950	2,970	-0.7	3,200	-7.8
Narayana Hrudayalaya	13,410	12,334	8.7	12,794	4.8	3,039	2,707	12.3	2,946	3.2	2,016	1,841	9.5	1,909	5.6
<b>Total</b>	<b>1,27,233</b>	<b>1,10,888</b>	<b>14.7</b>	<b>1,22,017</b>	<b>4.3</b>	<b>23,241</b>	<b>18,964</b>	<b>22.6</b>	<b>22,907</b>	<b>1.5</b>	<b>11,849</b>	<b>9,449</b>	<b>25.4</b>	<b>11,631</b>	<b>1.9</b>
<b>Housing Finance</b>															
Aavas Financiers	2,446	2,262	8.1	2,371	3.2	1,695	1,464	15.8	1,818	-6.8	1,261	1,097	14.9	1,426	-11.6
Can Fin Homes	3,214	2,851	12.7	3,278	-1.9	2,796	2,476	12.9	2,717	2.9	1,996	1,835	8.8	2,090	-4.5
LIC Housing Finance	19,891	22,094	-10.0	22,376	-11.1	17,715	20,098	-11.9	19,041	-7.0	13,002	13,237	-1.8	10,908	19.2
<b>Total</b>	<b>25,551</b>	<b>27,207</b>	<b>-6.1</b>	<b>28,025</b>	<b>-8.8</b>	<b>22,206</b>	<b>24,038</b>	<b>-7.6</b>	<b>23,576</b>	<b>-5.8</b>	<b>16,259</b>	<b>16,168</b>	<b>0.6</b>	<b>14,425</b>	<b>12.7</b>
<b>Information Technology</b>															
HCL Technologies	281	263	6.7	285	-1.6	48	45	7.5	50	-4.4	43	35	20.5	40	6.8
Infosys	393	379	3.6	379	3.7	83	79	5.0	76	8.8	64	59	7.3	60	6.2
LTIMIndtree	91	87	5.1	89	2.8	14	15	-5.5	13	4.8	11	12	-1.4	11	3.2
Tata Consultancy Services	626	594	5.4	612	2.2	156	138	13.5	159	-1.9	122	111	10.2	124	-1.8
Tech Mahindra	130	132	-1.2	129	1.0	11	12	-4.5	9	16.5	9	10	-10.9	10	-12.2
Wipro	220	228	-3.8	222	-1.1	36	35	4.5	35	2.0	30	29	4.6	28	5.9
<b>Total</b>	<b>1,741</b>	<b>1,683</b>	<b>3.4</b>	<b>1,716</b>	<b>1.4</b>	<b>348</b>	<b>322</b>	<b>8.1</b>	<b>343</b>	<b>1.2</b>	<b>278</b>	<b>255</b>	<b>9.0</b>	<b>273</b>	<b>1.8</b>
<b>Logistics</b>															
Delhivery	21,723	19,298	12.6	20,755	4.7	971	-130	NA	459	111.6	596	-895	NA	-542	NA
Mahindra Logistics	14,200	12,932	9.8	14,508	-2.1	663	666	-0.5	566	17.1	-93	-86	NA	-128	NA
TCI Express	2,930	3,049	-3.9	3,171	-7.6	335	464	-27.7	448	-25.2	231	323	-28.5	316	-26.8
<b>Total</b>	<b>38,853</b>	<b>35,279</b>	<b>10.1</b>	<b>38,434</b>	<b>1.1</b>	<b>1,969</b>	<b>1,000</b>	<b>96.9</b>	<b>1,473</b>	<b>33.6</b>	<b>734</b>	<b>-657</b>	<b>NA</b>	<b>-355</b>	<b>NA</b>



	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Media</b>															
Imagicaaworld Entertainment	1,806	1,003	80.0	566	219.0	1,071	500	114.2	172	521.2	691	247	179.4	103	568.0
Nazara Technologies	2,501	2,544	-1.7	2,662	-6.1	249	331	-24.7	292	-14.7	226	195	16.1	86	164.7
PVR Inox	11,907	13,049	-8.8	12,564	-5.2	2,515	3,525	-28.7	2,784	-9.7	-1,787	-816	NA	-1,295	NA
Zee Entertainment	21,305	19,838	7.4	21,699	-1.8	2,717	1,549	75.3	2,103	29.2	1,554	707	119.8	398	290.2
<b>Total</b>	<b>37,519</b>	<b>36,435</b>	<b>3.0</b>	<b>37,492</b>	<b>0.1</b>	<b>6,552</b>	<b>5,905</b>	<b>10.9</b>	<b>5,351</b>	<b>22.4</b>	<b>684</b>	<b>333</b>	<b>105.3</b>	<b>-708</b>	<b>NA</b>
<b>Metals &amp; Mining</b>															
Hindalco Industries	570	530	7.6	560	1.8	75	57	31.3	67	12.3	37	25	50.7	32	17.5
Jindal Stainless	94	102	-7.4	95	-0.3	12	12	1.6	10	17.1	6	7	-13.1	5	29.4
Jindal Steel & Power	136	126	8.2	135	1.0	28	26	8.0	24	16.2	13	17	-20.6	9	43.3
JSW Steel	429	422	1.7	463	-7.2	55	70	-21.8	61	-10.0	8	23	-63.9	13	-34.9
National Aluminium Co.	29	32	-10.1	36	-20.2	9	6	57.2	11	-15.6	6	3	72.1	10	-40.8
NMDC	54	54	0.4	65	-16.6	23	20	17.4	21	11.3	20	17	18.2	14	36.9
Steel Authority of India	240	244	-1.5	265	-9.5	22	16	34.7	20	8.8	0	1	-92.9	10	-98.9
Tata Steel	548	595	-7.9	587	-6.7	67	52	29.4	66	1.4	11	6	73.2	8	38.7
<b>Total</b>	<b>2,100</b>	<b>2,104</b>	<b>-0.2</b>	<b>2,205</b>	<b>-4.7</b>	<b>293</b>	<b>260</b>	<b>12.6</b>	<b>281</b>	<b>4.0</b>	<b>102</b>	<b>100</b>	<b>1.9</b>	<b>102</b>	<b>0.7</b>
<b>Travel &amp; Tourism</b>															
Chalet Hotels	3,610	3,108	16.2	4,183	-13.7	1,402	1,098	27.7	1,829	-23.3	607	467	30.0	824	-26.4
InterGlobe Aviation	1,95,707	1,66,831	17.3	1,78,253	9.8	57,833	51,690	11.9	43,795	32.1	27,288	30,906	-11.7	18,948	44.0
Indian Railway Catering and Tourism Corporation	11,202	10,018	11.8	11,548	-3.0	3,749	3,430	9.3	3,627	3.4	3,055	2,841	7.5	2,765	10.5
Lemon Tree Hotels	2,680	2,223	20.6	3,273	-18.1	1,151	1,045	10.1	1,715	-32.9	198	235	-15.6	670	-70.4
Safari Industries (India)	4,500	4,267	5.5	3,654	23.2	659	790	-16.6	669	-1.5	444	499	-11.1	432	2.8
V.I.P. Industries	6,389	6,361	0.4	5,163	23.7	493	806	-38.8	78	529.8	40	320	-87.4	-239	NA
<b>Total</b>	<b>2,24,088</b>	<b>1,92,807</b>	<b>16.2</b>	<b>2,06,074</b>	<b>8.7</b>	<b>65,287</b>	<b>58,859</b>	<b>10.9</b>	<b>51,712</b>	<b>26.3</b>	<b>31,632</b>	<b>35,268</b>	<b>-10.3</b>	<b>23,400</b>	<b>35.2</b>



	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Oil &amp; Gas</b>															
Bharat Petroleum Corporation	1,131.0	1,129.8	0.1	1,165.6	-3.0	56.5	158.1	-64.3	92.1	-38.7	30.1	105.5	-71.4	42.2	-28.6
GAIL (India)	336.9	322.3	4.5	323.3	4.2	45.3	24.3	86.1	35.6	27.3	27.2	14.1	92.9	21.8	25.1
Gujarat Gas	44.5	37.8	17.7	41.3	7.6	5.4	3.9	38.1	5.9	-9.4	3.3	2.2	53.3	3.7	-10.4
Gujarat State Petronet	3.4	3.9	-14.8	4.5	-26.2	3.0	3.4	-10.5	3.8	-20.4	2.1	2.3	-7.5	2.6	-18.8
Hindustan Petroleum Corporation	1,067.5	1,119.6	-4.7	1,075.8	-0.8	21.1	95.2	-77.9	48.0	-56.1	3.6	62.0	-94.3	28.4	-87.5
Indraprastha Gas	35.2	34.1	3.3	36.0	-2.1	5.8	6.4	-9.4	5.2	11.4	4.0	4.4	-8.4	3.8	4.9
Indian Oil Corporation	1,932.4	1,975.3	-2.2	1,979.8	-2.4	86.3	221.6	-61.0	104.4	-17.3	26.4	137.5	-80.8	48.4	-45.4
Mahanagar Gas	15.9	15.4	3.4	15.7	1.4	4.2	5.2	-19.8	3.9	6.2	2.8	3.7	-22.8	2.6	7.3
Manglore Refinery Petrochemicals	232.5	211.7	9.8	253.3	-8.2	6.1	20.6	-70.6	23.4	-74.1	0.7	10.1	-93.5	11.4	-94.2
Oil India	58.4	46.4	25.7	57.6	1.4	24.7	23.3	5.9	23.4	5.6	14.7	16.1	-9.1	20.3	-27.7
Oil & Natural Gas Corporation	352.7	338.1	4.3	346.4	1.8	186.2	194.5	-4.3	174.1	7.0	89.4	105.3	-15.1	98.7	-9.4
Petronet LNG	134.2	116.6	15.1	137.9	-2.7	15.6	11.8	32.3	11.0	41.6	11.4	7.9	44.5	7.4	54.8
Reliance Industries	2,317.8	2,075.6	11.7	2,365.3	-2.0	387.7	380.9	1.8	425.2	-8.8	178.5	160.1	11.5	189.5	-5.8
<b>Total</b>	<b>7,662.2</b>	<b>7,426.6</b>	<b>3.2</b>	<b>7,802.5</b>	<b>-1.8</b>	<b>847.7</b>	<b>1,149.4</b>	<b>-26.2</b>	<b>956.0</b>	<b>-11.3</b>	<b>394.3</b>	<b>631.2</b>	<b>-37.5</b>	<b>480.8</b>	<b>-18.0</b>
<b>Pharma</b>															
Aurobindo Pharma	75,670	68,505	10.5	75,802	-0.2	16,196	11,514	40.7	16,871	-4.0	9,182	5,697	61.2	11,516	-20.3
Cipla	66,939	63,289	5.8	61,632	8.6	17,158	14,939	14.9	13,159	30.4	11,776	9,957	18.3	9,390	25.4
Divis Lab	21,180	17,780	19.1	23,030	-8.0	6,230	5,040	23.6	7,330	-15.0	4,300	3,560	20.8	5,380	-20.1
Dr. Reddy's Laboratories	76,727	67,384	13.9	70,830	8.3	21,270	20,450	4.0	17,842	19.2	13,920	14,025	-0.7	13,070	6.5
Eris Lifesciences	7,197	4,666	54.2	5,509	30.6	2,500	1,698	47.2	1,484	68.4	832	949	-12.4	710	17.2
Indoco Remedies	4,315	4,265	1.2	4,496	-4.0	478	612	-21.9	489	-2.3	10	240	-95.8	16	-38.0
IPCA Labs	20,926	15,876	31.8	20,330	2.9	3,875	2,941	31.7	3,046	27.2	1,921	1,649	16.5	1,963	-2.2
JB Chem & Pharma	10,044	8,962	12.1	8,617	16.6	2,804	2,321	20.8	1,981	41.5	1,768	1,423	24.2	1,262	40.2
Lupin	56,003	48,141	16.3	49,608	12.9	12,864	8,565	50.2	9,968	29.1	8,013	4,523	77.2	3,594	122.9
Sun Pharmaceutical Industries	1,26,528	1,19,408	6.0	1,19,829	5.6	36,581	33,297	9.9	30,915	18.3	28,356	23,434	21.0	26,546	6.8
Torrent Pharma	28,590	25,910	10.3	27,450	4.2	9,040	7,910	14.3	8,830	2.4	4,570	3,780	20.9	4,490	1.8
Zydus Lifesciences	62,075	51,396	20.8	55,338	12.2	21,092	15,324	37.6	16,252	29.8	14,451	11,150	29.6	11,738	23.1
<b>Total</b>	<b>5,56,195</b>	<b>4,95,582</b>	<b>12.2</b>	<b>5,22,472</b>	<b>6.5</b>	<b>1,50,086</b>	<b>1,24,611</b>	<b>20.4</b>	<b>1,28,167</b>	<b>17.1</b>	<b>99,100</b>	<b>80,387</b>	<b>23.3</b>	<b>89,675</b>	<b>10.5</b>



	Revenue					EBITDA					PAT				
	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
<b>Telecom</b>															
Bharti Airtel	3,85,064	3,74,400	2.8	3,75,991	2.4	1,97,076	1,95,985	0.6	1,93,648	1.8	36,131	37,853	-4.5	36,333	-0.6
<b>Total</b>	<b>3,85,064</b>	<b>3,74,400</b>	<b>2.8</b>	<b>3,75,991</b>	<b>2.4</b>	<b>1,97,076</b>	<b>1,95,985</b>	<b>0.6</b>	<b>1,93,648</b>	<b>1.8</b>	<b>36,131</b>	<b>37,853</b>	<b>-4.5</b>	<b>36,333</b>	<b>-0.6</b>
<b>Total (Rs bn)</b>	<b>19,216</b>	<b>18,330</b>	<b>4.8</b>	<b>19,852</b>	<b>-3.2</b>	<b>3,655</b>	<b>3,733</b>	<b>-2.1</b>	<b>3,907</b>	<b>-6.4</b>	<b>2,042</b>	<b>2,154</b>	<b>-5.2</b>	<b>2,365</b>	<b>-13.7</b>

Source: Company, PL

**Exhibit 75: Change in Estimates - Pre-Quarterly to Current**

Sector / Company Name	Rating	Current	Rating	Price (Rs)	Target	Target	Change %	Upside (%)	M/Cap (Rs bn)	Shares O/s (m)	PS (Rs) - Pre Quarter		EPS (Rs) - Current		% Change			
	Pre-Quarterly	Rating	Change		Pre Quarterly	(Rs)					FY25E	FY26E	FY25E	FY26E	FY25E	FY26E		
<b>Automobiles</b>																		
Ashok Leyland	Accumulate	Accumulate	Maintained	260	249	261	4.7	0.4	764.2	2,936	11.9	13.3	12.3	14.1	▲	3.8%	▲	6.0%
Bajaj Auto	HOLD	Accumulate	Upgrade	9,852	9,984	10326	3.4	4.8	2,750.5	279	320.0	364.6	328.8	382.4	▲	2.7%	▲	4.9%
Eicher Motors	BUY	BUY	Maintained	4,914	5,335	5335	0.0	8.6	1,345.3	274	182.8	212.0	178.8	206.3	▼	-2.2%	▼	-2.7%
Hero Motocorp	Accumulate	Accumulate	Maintained	5,285	5,914	5911	0.0	11.9	1,056.1	200	253.0	284.7	248.8	284.6	▼	-1.7%	▼	0.0%
Mahindra & Mahindra	BUY	BUY	Maintained	2,769	3,250	3330	2.5	20.2	3,321.2	1,199	110.9	129.1	110.8	132.3	▼	0.0%	▲	2.5%
Maruti Suzuki	BUY	BUY	Maintained	12,218	14,432	15145	4.9	24.0	3,841.4	314	500.7	555.1	509.0	582.5	▲	1.7%	▲	4.9%
Tata Motors	Accumulate	Accumulate	Maintained	1,085	1,089	1254	15.2	15.6	4,159.0	3,833	75.2	88.5	77.9	95.0	▲	3.5%	▲	7.3%
TVS Motor Company	HOLD	HOLD	Maintained	2,629	2,300	2484	8.0	(5.5)	1,249.0	475	55.1	67.6	57.1	73.2	▲	3.8%	▲	8.3%
<b>Auto Ancillary</b>																		
Bharat Forge	HOLD	Accumulate	Upgrade	1,600	1,615	1701	5.3	6.3	745.0	466	40.3	53.0	40.4	51.6	▲	0.3%	▼	-2.7%
CEAT	Accumulate	Accumulate	Maintained	2,826	3,017	2992	-0.8	5.9	114.3	40	185.1	215.5	164.3	213.7	▼	-11.2%	▼	-0.8%
Divgi Torqtransfer Systems	Accumulate	Accumulate	Maintained	630	831	734	-11.7	16.5	19.3	31	16.9	23.7	13.5	21.0	▼	-19.9%	▼	-11.7%
Endurance Technologies	Accumulate	Accumulate	Maintained	2,530	2,664	2696	1.2	6.6	355.9	141	68.4	91.8	67.8	93.0	▼	-0.9%	▲	1.2%
Exide Industries	HOLD	HOLD	Maintained	508	559	559	0.0	10.0	431.8	850	16.1	20.6	16.1	20.6	▬	0.0%	▬	0.0%
<b>Banks</b>																		
Axis Bank	BUY	BUY	Maintained	1,174	1,450	1425	-1.7	21.3	3,624.8	3,087	90.3	104.8	86.3	99.0	▼	-4.3%	▼	-5.6%
Bank of Baroda	BUY	BUY	Maintained	253	290	300	3.4	18.4	1,311.5	5,178	34.7	35.4	35.0	35.4	▲	0.9%	▼	-0.1%
City Union Bank	Accumulate	Accumulate	Maintained	170	170	185	8.8	8.8	125.9	741	14.4	15.2	14.0	14.9	▼	-2.5%	▼	-2.1%
DCB Bank	BUY	BUY	Maintained	123	180	180	0.0	46.5	38.9	316	21.7	26.0	21.7	26.0	▬	0.0%	▬	0.0%
Federal Bank	BUY	BUY	Maintained	203	195	210	7.7	3.3	495.0	2,435	16.4	20.0	16.7	19.8	▲	1.9%	▼	-0.9%
HDFC Bank	BUY	BUY	Maintained	1,626	2,000	2000	0.0	23.0	12,351.0	7,597	89.2	101.4	90.0	98.9	▲	0.9%	▼	-2.5%
ICICI Bank	BUY	BUY	Maintained	1,175	1,450	1520	4.8	29.4	8,251.4	7,023	63.3	71.3	63.6	69.8	▲	0.4%	▼	-2.1%
IndusInd Bank	BUY	BUY	Maintained	1,384	1,800	1750	-2.8	26.4	1,077.2	778	127.2	149.8	127.9	150.8	▲	0.5%	▲	0.6%
Kotak Mahindra Bank	BUY	BUY	Maintained	1,814	2,100	2125	1.2	17.1	3,606.1	1,988	70.9	78.3	70.7	77.5	▼	-0.4%	▼	-1.1%
State Bank of India	BUY	BUY	Maintained	816	910	960	5.5	17.7	7,278.5	8,925	72.3	74.5	73.0	75.5	▲	0.9%	▲	1.4%
<b>Housing Finance</b>																		
AAVAS Financiers	HOLD	Accumulate	Upgrade	1,700	1,720	1875	9.0	10.3	201.7	119	71.9	88.3	74.8	91.6	▲	4.1%	▲	3.8%
Can Fin Homes	BUY	BUY	Maintained	847	950	930	-2.1	9.8	112.8	133	62.4	71.4	62.4	67.9	▼	-0.1%	▼	-4.9%
LIC Housing Finance	HOLD	HOLD	Maintained	680	660	660	0.0	(2.9)	561.4	826	88.7	91.3	86.6	89.4	▼	-2.3%	▼	-2.0%



Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs	Shares O/s	PS (Rs) - Pre Quarter		EPS (Rs) - Current		% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)	bn)	(m)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	
<b>Building Materials</b>																	
Astral Ltd.	HOLD	HOLD	Maintained	1,890	2,330	2225	-4.5	17.7	508.5	269	27.3	36.7	25.2	34.2	▼	-7.7% ▼	-6.8%
Century Plyboard (I)	HOLD	HOLD	Maintained	725	757	714	-5.7	(1.6)	161.3	223	16.4	19.9	15.2	18.8	▼	-7.4% ▼	-5.7%
Cera Sanitaryware	Accumulate	HOLD	Downgrade	9,759	9,650	9872	2.3	1.2	126.9	13	202.7	241.2	191.5	226.9	▼	-5.5% ▼	-5.9%
Finolex Industries	HOLD	HOLD	Maintained	295	312	321	2.7	8.6	182.6	618	9.9	11.7	9.5	11.7	▼	-4.1% ▬	0.0%
Greenpanel Industries	Accumulate	Accumulate	Maintained	365	359	390	8.5	6.8	44.8	123	12.3	17.8	11.3	16.6	▼	-7.8% ▼	-6.7%
Kajaria Ceramics	HOLD	HOLD	Maintained	1,369	1,488	1488	0.0	8.7	218.1	159	31.5	37.2	31.5	37.2	▬	0.0% ▬	0.0%
Supreme Industries	HOLD	HOLD	Maintained	5,590	6,211	6069	-2.3	8.6	710.2	127	105.0	124.2	102.7	121.3	▼	-2.1% ▼	-2.3%
<b>Capital Goods</b>																	
ABB India	Accumulate	Accumulate	Maintained	7,922	8,400	8833	5.2	11.5	1,678.6	212	80.2	99.6	89.1	106.1	▲	11.1% ▲	6.6%
Apar Industries	Accumulate	Accumulate	Maintained	8,318	8,872	10399		25.0	334.1	40	212.5	268.3	225.4	279.4	▲	6.1% ▲	4.1%
BEML	HOLD	Accumulate	Upgrade	3,844	4,520	4484		16.6	160.1	42	95.2	129.1	94.4	128.1	▼	-0.9% ▼	-0.8%
Bharat Electronics	HOLD	Accumulate	Upgrade	305	290	341	17.3	11.5	2,232.4	7,310	6.1	7.3	6.3	7.6	▲	3.5% ▲	4.3%
BHEL	Reduce	Reduce	Maintained	297	264	264	0.0	(11.0)	1,033.0	3,482	3.5	10.6	3.5	10.6	▬	0.0% ▬	0.0%
Carborundum Universal	Accumulate	HOLD	Downgrade	1,574	1,631	1650	1.2	4.8	299.5	190	29.4	36.1	29.6	36.4	▲	0.7% ▲	0.6%
Grindwell Norton	Accumulate	Accumulate	Maintained	2,470	2,737	2749	0.4	11.3	273.5	111	40.8	49.8	40.8	50.0	▬	0.0% ▲	0.4%
Cummins India	HOLD	Accumulate	Upgrade	3,833	3,719	4081	9.7	6.4	1,062.6	277	63.5	74.4	66.8	77.0	▲	5.1% ▲	3.5%
Engineers India	HOLD	Accumulate	Upgrade	219	264	250	-5.5	14.0	123.0	562	8.7	10.9	7.5	10.3	▼	-14.0% ▼	-5.7%
GE T&D India	Reduce	HOLD	Upgrade	1,718	1,100	1601	45.6	(6.8)	439.8	256	13.7	22.0	18.9	29.1	▲	38.0% ▲	32.4%
Harsha Engineers Internation	HOLD	HOLD	Maintained	545	436	565	29.5	3.7	49.6	91	15.3	19.8	17.7	21.7	▲	15.4% ▲	9.5%
Hindustan Aeronautics	HOLD	HOLD	Maintained	4,731	4,515	4515	0.0	(4.6)	3,164.1	669	100.3	112.9	97.5	112.9	▼	-2.7% ▬	0.0%
KEC International	HOLD	HOLD	Maintained	847	754	880	16.7	3.9	217.6	257	30.8	50.3	30.6	51.8	▼	-0.6% ▲	3.0%
Kalpataru Projects Internatio	HOLD	Accumulate	Upgrade	1,237	1,211	1413	16.7	14.2	200.9	162	46.2	71.9	46.1	74.6	▼	-0.3% ▲	3.7%
Larsen & Toubro	BUY	BUY	Maintained	3,594	4,047	4130	2.1	14.9	4,940.9	1,375	115.1	150.4	114.4	149.2	▼	-0.6% ▼	-0.8%
Praj Industries	BUY	BUY	Maintained	789	815	804	-1.4	1.9	145.0	184	18.7	24.0	17.6	23.6	▼	-5.8% ▼	-1.4%
Siemens	Accumulate	Accumulate	Maintained	7,100	7,030	7362	4.7	3.7	2,527.6	356	70.9	87.3	69.3	87.3	▼	-2.2% ▬	0.1%
Thermax	Reduce	Reduce	Maintained	4,494	3,923	4237	8.0	(5.7)	535.5	119	64.0	75.8	60.4	70.7	▼	-5.6% ▼	-6.6%
Triveni Turbine	HOLD	BUY	Upgrade	760	653	719	10.2	(5.4)	241.6	318	11.7	15.5	12.0	16.0	▲	3.1% ▲	2.9%
Voltamp Transformers	HOLD	Accumulate	Upgrade	14,230	10,041	14922	48.6	4.9	144.0	10	289.9	334.7	316.4	373.1	▲	9.2% ▲	11.5%





Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs	Shares O/s	PS (Rs) - Pre Quarter		EPS (Rs) - Current		% Change	
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)	bn)	(m)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Cement</b>																
ACC	BUY	BUY	Maintained	2,325	3,707	3707	0.0	59.4	437.1	188	123.6	149.8	123.6	149.8	0.0%	0.0%
Ambuja Cement	Accumulate	Accumulate	Maintained	629	701	701	0.0	11.5	1,382.8	2,198	15.8	22.0	15.8	22.0	0.0%	0.0%
Dalmia Bharat	Accumulate	Accumulate	Maintained	1,755	2,045	2067	1.1	17.7	329.2	188	50.9	70.7	52.1	72.1	2.3%	2.0%
Nuvoco Vistas Corporation	Accumulate	Accumulate	Maintained	340	388	374	-3.5	10.1	121.4	357	7.2	13.1	6.5	13.4	-8.7%	2.7%
Shree Cement	Accumulate	Accumulate	Maintained	24,808	29,225	27524	-5.8	10.9	895.1	36	785.1	867.4	697.3	833.6	-11.2%	-3.9%
Ultratech Cement	Accumulate	Accumulate	Maintained	11,220	12,135	11848	-2.4	5.6	3,239.1	289	321.8	410.1	298.5	396.6	-7.2%	-3.3%
<b>Chemicals</b>																
Aarti Industries	Reduce	Reduce	Maintained	622	634	635	0.1	2.1	225.1	362	14.0	19.8	13.6	19.2	-3.1%	-2.9%
Clean Science and Technolo	HOLD	HOLD	Maintained	1,568	1,489	1516	1.8	(3.3)	166.6	106	31.6	37.2	29.3	33.7	-7.3%	-9.5%
Deepak Nitrite	Reduce	Reduce	Maintained	2,970	2,268	2780	22.6	(6.4)	405.1	136	64.5	68.7	59.1	63.2	-8.4%	-8.0%
Fine Organic Industries	Accumulate	Accumulate	Maintained	5,482	5,685	6172	8.6	12.6	168.1	31	139.9	167.2	135.9	162.4	-2.9%	-2.9%
Gujarat Fluorochemicals	Reduce	Reduce	Maintained	3,200	2,775	2907	4.8	(9.1)	351.5	110	40.9	66.1	40.9	66.1	0.0%	0.0%
Jubilant Ingrevia	HOLD	HOLD	Maintained	641	445	592	32.9	(7.7)	101.3	158	12.4	15.1	16.5	21.6	33.8%	43.2%
Laxmi Organic Industries	SELL	SELL	Maintained	275	206	206	0.0	(24.8)	75.7	276	6.1	7.3	6.1	7.3	0.0%	-0.4%
Navin Fluorine International	Accumulate	Accumulate	Maintained	3,303	3,883	4144	6.7	25.5	163.6	50	54.3	74.7	53.6	71.5	-1.3%	-4.3%
NOCIL	Reduce	Reduce	Maintained	292	268	262	-2.2	(10.5)	48.7	167	7.4	10.7	7.2	9.0	-3.6%	-15.7%
SRF	Reduce	Reduce	Maintained	2,484	2,062	2048	-0.7	(17.6)	736.3	296	46.4	63.1	44.1	58.2	-4.9%	-7.9%
Vinati Organics	Accumulate	Accumulate	Maintained	1,973	2,048	2237	9.2	13.4	204.5	104	37.2	44.5	36.1	43.9	-3.0%	-1.5%
<b>Consumer Durables</b>																
Bajaj Electricals	HOLD	HOLD	Maintained	977	941	941	0.0	(3.7)	112.6	115	19.0	25.1	19.0	25.1	0.0%	0.0%
Crompton Greaves Consume	Accumulate	Accumulate	Maintained	468	462	476	3.1	1.7	301.0	643	9.5	11.5	9.5	11.5	0.0%	0.0%
Havells India	Accumulate	Accumulate	Maintained	1,925	1,976	1976	0.0	2.7	1,206.2	627	25.4	32.6	26.0	32.9	2.2%	1.0%
KEI Industries	HOLD	HOLD	Maintained	4,695	4,688	4688	0.0	(0.1)	423.4	90	80.5	93.8	79.7	93.8	-1.0%	0.1%
Polycab India	BUY	BUY	Maintained	6,770	7,788	7788	0.0	15.0	1,017.3	150	136.7	161.5	135.6	162.8	-0.7%	0.8%
R R Kabel	BUY	BUY	Maintained	1,645	2,173	2066	-5.0	25.6	185.6	113	39.7	54.3	34.4	51.6	-13.6%	-5.0%
Voltas	Reduce	HOLD	Upgrade	1,672	1,293	1598	23.5	(4.4)	553.0	331	21.5	27.3	25.4	32.0	18.4%	16.9%



Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs	Shares O/s	PS (Rs) - Pre Quarter		EPS (Rs) - Current		% Change			
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)	bn)	(m)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E		
<b>Consumer Staples</b>																		
Asian Paints	Reduce	Reduce	Maintained	3,152	2,672	2605	-2.5	(17.3)	3,023.0	959	59.1	60.2	52.9	55.1	▼	-10.4%	▼	-8.5%
Avenue Supermarts	BUY	Accumulate	Downgrade	5,099	5,106	5104	0.0	0.1	3,318.4	651	49.3	61.0	49.3	61.0	▬	0.0%	▬	0.0%
Britannia Industries	HOLD	Accumulate	Upgrade	5,838	5,315	6080	14.4	4.2	1,406.4	241	99.7	110.7	102.4	113.7	▲	2.7%	▲	2.6%
Restaurant Brands Asia	Accumulate	Accumulate	Maintained	109	134	134	0.0	22.4	54.3	496	-0.8	0.0	-0.8	0.0	▬	0.0%	▬	0.0%
Colgate Palmolive	Reduce	Reduce	Maintained	3,575	2,414	2743	13.6	(23.3)	972.2	272	53.2	57.7	56.1	60.0	▲	5.5%	▲	4.0%
Dabur India	Under Review	HOLD	#N/A	634		621	NA	(2.1)	1,123.9	1,772	11.8	13.2	11.8	13.2	▬	0.0%	▬	0.0%
Emami	Under Review	HOLD	#N/A	813		831	NA	2.2	354.9	437	21.3	24.1	20.9	23.4	▼	-2.3%	▼	-2.9%
Hindustan Unilever	Accumulate	HOLD	Downgrade	2,791	2,543	2698	6.1	(3.4)	6,559.3	2,350	46.4	50.7	46.4	50.9	▼	0.0%	▲	0.6%
ITC	Accumulate	Accumulate	Maintained	505	491	519	5.6	2.6	6,309.8	12,485	17.6	18.8	17.3	18.7	▼	-1.8%	▼	-0.7%
Jubilant FoodWorks	Under Review	HOLD	#N/A	647		612	NA	(5.4)	426.8	660	4.9	7.0	4.9	7.0	▬	0.0%	▬	0.0%
Kansai Nerolac Paints	Reduce	Reduce	Maintained	297	266	284	6.6	(4.4)	240.0	808	9.7	10.2	9.3	10.0	▼	-4.1%	▼	-2.6%
Marico	Accumulate	HOLD	Downgrade	680	621	681	9.6	0.2	876.6	1,290	12.8	14.1	12.8	14.1	▬	0.0%	▬	0.0%
Metro Brands	HOLD	Under Review	#N/A	1,378	1,190	NA	NA	NA	374.7	272	14.6	17.8	13.3	16.0	▼	-9.2%	▼	-10.2%
Mold-tek Packaging	Accumulate	Accumulate	Maintained	777	843	853	1.2	9.8	25.8	33	26.2	31.2	22.0	28.8	▼	-16.0%	▼	-7.8%
Nestle India	Accumulate	Accumulate	Maintained	2,550	2,695	2746	1.9	7.7	2,458.6	964	34.9	39.0	34.6	37.9	▼	-0.9%	▼	-2.8%
Pidilite Industries	Accumulate	Accumulate	Maintained	3,064	3,141	3383	7.7	10.4	1,557.4	508	43.7	50.2	43.7	50.2	▬	0.0%	▬	0.0%
Titan Company	Accumulate	Accumulate	Maintained	3,560	3,545	3958	11.7	11.2	3,168.8	890	41.3	55.5	41.1	55.2	▼	-0.6%	▼	-0.4%
Westlife Foodworld	HOLD	HOLD	Maintained	818	815	791	-3.0	(3.3)	127.6	156	5.9	8.9	3.8	6.3	▼	-36.1%	▼	-29.8%
<b>Education</b>																		
Navneet Education	Accumulate	HOLD	Downgrade	157	167	161	-3.5	2.3	35.6	226	9.3	10.6	8.3	9.8	▼	-11.2%	▼	-6.9%
S Chand and Company	BUY	BUY	Maintained	230	307	312	1.7	35.7	8.1	35	19.6	25.4	19.7	25.9	▲	0.6%	▲	1.7%
<b>HealthCare</b>																		
Apollo Hospitals Enterprise	BUY	BUY	Maintained	6,752	7,050	7150	1.4	5.9	971.0	144	106.3	143.9	105.6	142.7	▼	-0.7%	▼	-0.8%
Aster DM Healthcare	BUY	BUY	Maintained	401	400	400	0.0	(0.1)	200.3	500	10.9	13.3	11.0	13.3	▲	0.7%	▬	0.0%
Fortis Healthcare	BUY	BUY	Maintained	526	515	515	0.0	(2.2)	397.4	755	10.8	13.8	10.4	13.6	▼	-4.0%	▼	-1.1%
HealthCare Global Enterprise	BUY	BUY	Maintained	363	420	420	0.0	15.7	50.6	139	6.6	10.0	5.5	9.4	▼	-16.4%	▼	-6.0%
Jupiter Life Line Hospitals	BUY	BUY	Maintained	1,345	1,360	1475	8.5	9.7	88.2	66	33.8	42.1	33.8	42.1	▬	0.0%	▬	0.0%
Krishna Institute of Medical S	BUY	BUY	Maintained	2,435	2,200	2400	9.1	(1.4)	194.9	80	42.4	50.5	42.9	50.8	▲	1.2%	▲	0.5%
Max Healthcare Institute	BUY	BUY	Maintained	868	925	975	5.4	12.4	843.1	972	16.1	21.6	15.3	20.6	▼	-5.1%	▼	-4.5%
Narayana Hrudayalaya	BUY	BUY	Maintained	1,261	1,335	1350	1.1	7.1	257.7	204	39.0	46.5	40.2	47.9	▲	3.0%	▲	2.9%



Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs	Shares O/s	PS (Rs) - Pre Quarter		EPS (Rs) - Current		% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)	bn)	(m)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	
<b>Information Technology</b>																	
HCL Technologies	BUY	BUY	Maintained	1,677	1,680	1790	6.5	6.7	4.5	3	61.3	69.8	62.7	70.3	▲	2.2% ▲	0.7%
Infosys	HOLD	HOLD	Maintained	1,873	1,510	1680	11.3	(10.3)	7.8	4	62.5	68.8	63.6	70.2	▲	1.8% ▲	2.1%
LTIMindtree	Accumulate	Accumulate	Maintained	5,713	5,910	6040	2.2	5.7	1.7	0	170.6	197.0	172.6	201.2	▲	1.2% ▲	2.1%
Tata Consultancy Services	Accumulate	Accumulate	Maintained	4,552	4,360	4370	0.2	(4.0)	16.6	4	140.7	158.8	143.3	160.5	▲	1.8% ▲	1.1%
Tech Mahindra	Reduce	Reduce	Maintained	1,608	1,230	1340	8.9	(16.7)	1.4	1	42.0	58.6	44.3	60.8	▲	5.4% ▲	3.8%
Wipro	HOLD	HOLD	Maintained	526	490	530	8.2	0.7	2.8	5	22.0	23.5	21.7	23.8	▼	-1.2% ▲	1.1%
<b>Logistics</b>																	
Delhivery	BUY	Accumulate	Dow ngrade	430	530	450	-15.1	4.5	317.1	737	-1.5	0.3	1.6	3.1	▼	-205.7% ▲	1001.1%
Mahindra Logistics	Accumulate	HOLD	Dow ngrade	497	508	500	-1.7	0.5	35.8	72	4.2	12.3	4.1	12.2	▼	-2.5% ▼	-1.0%
TCI Express	BUY	Accumulate	Dow ngrade	1,077	1,410	1250	-11.3	16.1	41.3	38	39.9	48.6	31.3	41.5	▼	-21.6% ▼	-14.7%
<b>Media</b>																	
Nazara Technologies	HOLD	HOLD	Maintained	965	878	923	5.1	(4.4)	73.9	77	15.4	19.8	18.9	23.8	▲	22.8% ▲	20.3%
PVR Inox	BUY	HOLD	Dow ngrade	1,514	1,983	1474	-25.7	(2.6)	148.2	98	43.9	62.2	16.6	39.2	▼	-62.1% ▼	-36.9%
Zee Entertainment Enterprise	HOLD	HOLD	Maintained	139	160	157	-1.9	12.5	133.8	961	10.0	13.3	9.8	13.1	▼	-1.7% ▼	-1.9%
<b>Metals &amp; Mining</b>																	
Hindalco Industries	BUY	BUY	Maintained	686	796	749	-5.9	9.2	1,522.0	2	70.4	79.1	66.4	73.4	▼	-5.7% ▼	-7.2%
Jindal Stainless	Reduce	Accumulate	Upgrade	741	712	836	17.4	12.8	610.2	1	45.4	64.0	44.3	57.7	▼	-2.4% ▼	-9.8%
Jindal Steel & Power	Accumulate	HOLD	Dow ngrade	956	1,006	978	-2.7	2.3	958.3	1	74.7	99.4	69.1	94.6	▼	-7.5% ▼	-4.9%
JSW Steel	Accumulate	Accumulate	Maintained	926	1,026	1022	-0.4	10.4	2,237.9	2	66.5	79.0	61.7	77.1	▼	-7.1% ▼	-2.4%
National Aluminium Co.	Sell	Sell	Maintained	171	142	142	0.0	(16.9)	313.3	2	16.1	16.6	16.1	16.6	▬	0.0% ▬	0.0%
NMDC	Accumulate	Accumulate	Maintained	223	276	253	-8.3	13.7	652.6	3	22.9	29.5	22.5	26.9	▼	-1.9% ▼	-8.9%
Steel Authority of India	Sell	Sell	Maintained	135	134	112	-16.5	(17.0)	557.8	4	12.3	14.5	10.2	12.1	▼	-17.0% ▼	-16.0%
Tata Steel	Accumulate	Accumulate	Maintained	152	186	175	-5.9	15.5	1,895.1	12	12.5	20.3	11.6	18.9	▼	-7.8% ▼	-6.8%



Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs	Shares O/s	PS (Rs) - Pre Quarter		EPS (Rs) - Current		% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)	bn)	(m)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	
<b>Oil &amp; Gas</b>																	
Bharat Petroleum Corporati	Reduce	Reduce	Maintained	351	269	269	0.2	(23.4)	1,523.7	4	25.2	23.9	25.6	24.0	▲	1.7% ▲	0.4%
Gujarat Gas	Accumulate	Accumulate	Maintained	597	623	666	6.9	11.5	411.2	1	19.2	20.8	18.6	22.2	▼	-3.2% ▲	6.9%
GAIL (India)	SELL	Reduce	Upgrade	236	170	211	24.0	(10.8)	1,552.7	7	13.1	12.8	14.4	14.6	▲	10.0% ▲	13.9%
Gujarat State Petronet	BUY	BUY	Maintained	332	409	417	2.2	25.7	187.1	1	14.8	15.1	14.6	15.4	▼	-1.2% ▲	1.6%
Hindustan Petroleum Corpora	SELL	SELL	Maintained	408	280	340	21.8	(16.5)	867.1	2	43.6	40.4	36.4	40.2	▼	-16.6% ▼	-0.7%
Indian Oil Corporation	Reduce	SELL	Downgrade	174	151	151	0.0	(13.0)	2,394.7	14	14.4	14.4	14.6	14.3	▲	1.5% ▼	-0.6%
Indraprastha Gas	SELL	SELL	Maintained	551	374	374	0.0	(32.1)	385.7	1	22.6	24.1	22.8	24.1	▲	1.0% ▬	0.0%
Mahanagar Gas	SELL	SELL	Maintained	1,854	1,303	1492	14.5	(19.5)	183.1	0	89.6	93.0	95.0	93.2	▲	6.0% ▲	0.2%
Mangalore Refinery & Petroc	SELL	SELL	Maintained	212	135	130	-3.7	(38.4)	371.3	2	11.6	13.1	10.9	12.8	▼	-5.6% ▼	-2.7%
Oil & Natural Gas Corporati	HOLD	HOLD	Maintained	328	256	322	26.1	(1.6)	4,205.6	13	40.9	41.2	41.7	41.6	▲	1.9% ▲	0.9%
Oil India	BUY	BUY	Maintained	671	566	766	35.3	14.1	1,091.9	2	41.0	55.8	43.7	56.3	▲	6.6% ▲	0.9%
Petronet LNG	Sell	Sell	Maintained	377	258	266	3.2	(29.4)	565.5	2	24.9	26.9	26.6	26.6	▲	6.6% ▼	-1.1%
Reliance Industries	HOLD	HOLD	Maintained	2,997	3,018	3002	-0.5	0.2	20,280.1	7	101.1	111.7	97.5	110.3	▼	-3.6% ▼	-1.2%
<b>Pharma</b>																	
Aurobindo Pharma	Accumulate	Accumulate	Maintained	1,512	1,300	1525	17.3	0.9	885.6	586	67.7	76.1	67.7	76.2	▲	0.1% ▲	0.1%
Zydus Lifesciences	Accumulate	Accumulate	Maintained	1,206	1,130	1305	15.5	8.2	1,212.9	1,006	43.8	45.1	51.9	52.2	▲	18.4% ▲	15.7%
Cipla	Accumulate	Accumulate	Maintained	1,595	1,405	1680	19.6	5.4	1,287.4	807	57.8	65.0	58.5	64.4	▲	1.3% ▼	-1.0%
Dr. Reddy's Laboratories	Reduce	Reduce	Maintained	7,062	5,700	6000	5.3	(15.0)	1,178.0	167	329.2	333.3	336.6	359.8	▲	2.3% ▲	8.0%
Divi's Laboratories	Accumulate	Accumulate	Maintained	4,901	4,350	5000	14.9	2.0	1,298.7	265	79.6	96.5	78.9	97.6	▼	-0.8% ▲	1.1%
Eris Lifesciences	BUY	BUY	Maintained	1,217	1,100	1250	13.6	2.7	165.5	136	30.3	39.3	27.9	39.8	▼	-7.6% ▲	1.1%
Indoco Remedies	Accumulate	Accumulate	Maintained	352	335	320	-4.5	(9.1)	32.4	92	14.1	18.2	8.6	15.5	▼	-38.7% ▼	-15.0%
Ipca Laboratories	Reduce	Reduce	Maintained	1,406	1,150	1250	8.7	(11.1)	356.8	254	32.0	41.4	32.7	42.1	▲	2.1% ▲	1.7%
J.B. Chemicals & Pharmaceu	BUY	BUY	Maintained	1,923	1,920	2100	9.4	9.2	298.5	155	44.9	55.5	45.0	56.0	▲	0.1% ▲	1.0%
Lupin	HOLD	BUY	Upgrade	2,118	1,675	2300	37.3	8.6	964.9	456	54.0	66.9	64.9	82.4	▲	20.3% ▲	23.1%
Sun Pharmaceutical Industrie	BUY	BUY	Maintained	1,765	1,710	1885	10.2	6.8	4,233.9	2,399	44.0	52.9	44.7	53.8	▲	1.5% ▲	1.7%
Torrent Pharmaceuticals	BUY	Accumulate	Downgrade	3,350	2,900	3300	13.8	(1.5)	1,132.3	338	60.3	77.4	59.1	77.5	▼	-2.0% ▲	0.1%
<b>Real Estate</b>																	
Sunteck Realty	BUY	BUY	Maintained	628	600	700	16.7	11.5	92.0	146	23.9	33.6	23.9	33.6	▬	0.0% ▬	0.0%



Sector / Company Name	Rating Pre-Quarterly	Current Rating	Rating Change	Price (Rs)	Target Pre Quarterly	Target (Rs)	Change %	Upside (%)	M/Cap (Rs bn)	Shares O/s (m)	PS (Rs) - Pre Quarter		EPS (Rs) - Current		% Change			
											FY25E	FY26E	FY25E	FY26E	FY25E	FY26E		
<b>Travel &amp; Tourism</b>																		
Chalet Hotels	Accumulate	Accumulate	Maintained	774	902	887	-1.7	14.6	159.1	205	16.5	21.0	16.4	21.3	▼	-0.6%	▲	1.7%
Imagicaaworld Entertainment	BUY	BUY	Maintained	100	112	116	3.6	16.4	48.0	482	1.0	1.3	1.6	1.7	▲	51.9%	▲	30.7%
InterGlobe Aviation	Accumulate	Accumulate	Maintained	4,300	4,667	4958	6.2	15.3	1,659.7	386	219.0	217.6	227.5	236.9	▲	3.9%	▲	8.8%
Indian Railway Catering and	Reduce	Reduce	Maintained	935	811	822	1.4	(12.1)	748.0	800	16.2	17.1	16.2	17.3	▼	-0.2%	▲	1.4%
Lemon Tree Hotels	BUY	BUY	Maintained	131	162	159	-1.9	21.3	104.0	792	3.0	3.9	2.9	3.8	▼	-4.0%	▼	-2.3%
Safari Industries (India)	BUY	BUY	Maintained	2,390	2,364	2476	4.7	3.6	116.5	49	42.5	55.6	40.1	55.0	▼	-5.7%	▼	-1.1%
V.I.P. Industries	HOLD	HOLD	Maintained	462	529	454	-14.1	(1.7)	65.6	142	10.9	16.0	6.2	15.1		-43.2%		-5.5%
<b>Telecom</b>																		
Bharti Airtel	Accumulate	Accumulate	Maintained	1,467	1,618	1593	-1.5	8.6	8,329.4	5,679	41.4	36.6	39.1	39.6	▼	-5.6%	▲	8.3%

Source: Company, PL



**1Q Sectoral  
Snapshot**

**Conviction Picks:**

HDFC AMC

**AMCs**

- Coverage AMCs saw a good quarter; core PAT at Rs8.1bn was 4.2% above PLe due to higher revenue and better cost management. QAAuM growth was in-line, while yields were stable.
- QAAuM growth for coverage AMCs was 9.9% QoQ (in-line). NAM/HDFCAMC (+12.2%/+9.6% QoQ) both outpaced industry growth of 8.9% QoQ.
- Equity + bal QAAuM for the industry grew by healthy 11.0% QoQ to Rs31.9trn. HDFCAMC/NAM/UTIAM grew by 11.5%/13.4%/4.8% QoQ.
- Revenue yield was a beat at 44.1bps (PLe 43.7bps) led by HDFCAMC and UTIAM; yields for NAM were impacted due to telescopic pricing.
- Opex was a tad lower than PLe mainly due to NAM and UTIAM. HDFCAMC saw higher opex (staff cost/other opex) and employee cost was more due to employee addition and engagement expenses. Core income was more at Rs10.3bn (PLe Rs10.1bn) mainly led by better yields and lower opex.
- Other income was higher at Rs5bn (PLe Rs3.5bn) led by MTM gains.
- We are positive on the AMC space as equity + bal QAAuM growth for HDFCAMC and NAM is likely to outpace the industry, led by better performance and further market share gains in net flows.

**Exhibit 76: Q1FY25 Result Snapshot**

(Rs mn)	Revenue			Opex			Core PAT			AAuM		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1Y25	YoY gr.	QoQ gr.
<a href="#">HDFCAMC IN</a>	7,752	34.9%	11.5%	1,959	21.5%	14.0%	4,650	34.6%	11.5%	6,716,253	38.3%	9.6%
<a href="#">NAM IN</a>	5,050	42.6%	7.8%	1,970	22.3%	5.7%	2,331	-0.9%	-32.0%	4,838,329	54.3%	12.2%
UTIAM IN	3,368	19.1%	6.0%	1,924	6.8%	-4.9%	1,160	39.1%	20.8%	3,117,546	25.7%	7.2%

Source: Company, PL      \*Hyperlink on Bloomberg Code

**Exhibit 77: Conviction Picks Commentary**

Name	Commentary
HDFC AMC	We expect core income to grow at a CAGR of 22% driven by upgrade in closing equity AuM as equity performance has been best-in-class in 1-yr and 3-yr buckets leading to increased market share in net flows. We maintain our 'BUY' rating with a TP of Rs4,700.

Source: PL



## Automobiles

### Conviction Picks:

Maruti Suzuki

Mahindra & Mahindra

Eicher Motors

- Q1FY25 performance was a mixed bag against PLe and consensus expectations. The aggregate revenue for our coverage universe grew by 8.6% YoY. On OEM basis, revenue grew by 8.6% YoY while realizations barring a few OEMs, increased ranging from 1-8% YoY.
- Operating leverage, improved product mix led to flattish gross margin for our coverage OEMs at 32.9%. Aggregate EBITDA margin increased by 155bps YoY to 14.5%, led by cost cutting initiatives. For Ancs, aggregate EBITDA margin expanded marginally by 58bps YoY to 13.8%.
- With inventory levels higher than average levels, OEMs expect Q2FY25 to be a moderate quarter. However, new launches, revival in rural demand and sales during the festive period, shall lift the overall sentiments and bring the inventory level down to normal levels. PV OEMs retained the growth expectation at mid-single digit for FY25 which will be fueled by strong demand for UVs. CV OEMs expect the Q2FY25 to be a subdued quarter, mainly due to seasonality and rainfall impacting the infrastructure activities. CV OEMs remain optimistic on long-term growth prospects on the back of anticipated replacement demand cycle, industrial capex and infrastructure development projects.
- 2W OEMs remain optimistic on low to mid double digit growth in FY25, which will be led by new launches in the premium (125cc+) segment, festive period and revival in rural demand in the midst of a healthy monsoon. Multiple OEMs have indicated new launches in the respective categories they operate while the theme of premiumization is expected to aid in realization growth.
- We expect double digit growth from 2W industry for FY25 while PVs shall grow at a moderate pace of 5-7% for FY25. IMD's forecast of above normal level monsoon and sales momentum so far have been largely positive for Tractors sales. CVs shall witness decent demand from Q3FY25 on the back of replacement demand and implementation of infrastructure projects. Additionally, range bound commodity prices, cost cutting initiative and price hikes should support margin improvement and sustain it going forward.

### Exhibit 78: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">AL IN</a>	1,12,667	-3.1%	21.5%	15,921	24.8%	42.9%	14,711	37.7%	62.8%	9,452	32.4%	62.8%
<a href="#">BHFC IN</a>	41,642	14.7%	7.7%	6,532	36.6%	-2.9%	3,854	49.6%	4.6%	2,486	28.3%	0.0%
<a href="#">BJAUT IN</a>	1,14,847	29.0%	-5.2%	23,063	34.4%	-5.1%	25,416	34.7%	-5.0%	19,360	35.1%	-5.2%
<a href="#">CEAT IN</a>	29,919	4.1%	1.0%	3,915	6.4%	-6.2%	1,969	10.4%	-13.5%	1,475	5.4%	-18.7%
<a href="#">DIVGIIT IN</a>	651	-11.3%	3.2%	131	-31.8%	1.9%	124	-31.8%	-2.3%	92	-31.5%	-1.8%
<a href="#">EIM IN</a>	42,560	11.9%	1.8%	11,286	20.9%	3.5%	12,532	27.5%	5.8%	10,705	18.2%	7.5%
<a href="#">ENDU IN</a>	26,848	20.2%	4.8%	3,894	36.4%	30.2%	2,748	55.5%	37.0%	2,102	54.0%	38.0%
<a href="#">EXID IN</a>	40,094	13.2%	4.4%	5,162	40.6%	17.3%	3,819	36.0%	19.0%	2,838	36.5%	18.1%
<a href="#">HMCL IN</a>	95,193	14.6%	-2.1%	13,592	25.5%	-0.2%	13,496	17.7%	-4.8%	10,161	18.3%	-5.3%
<a href="#">MM IN</a>	2,51,090	11.2%	-0.7%	31,188	11.9%	-3.6%	26,505	19.2%	-15.1%	20,382	-1.1%	-16.9%
<a href="#">MSIL IN</a>	3,82,349	19.3%	14.8%	46,850	39.8%	19.9%	49,978	53.6%	23.3%	38,778	47.8%	23.9%
<a href="#">TTMT IN</a>	11,99,863	13.3%	8.5%	1,69,933	32.8%	10.8%	92,109	84.2%	21.5%	1,74,953	211.1%	145.9%
<a href="#">TVSL IN</a>	81,688	23.7%	-0.9%	9,262	36.3%	0.2%	6,716	22.9%	-13.3%	4,854	18.3%	-18.2%

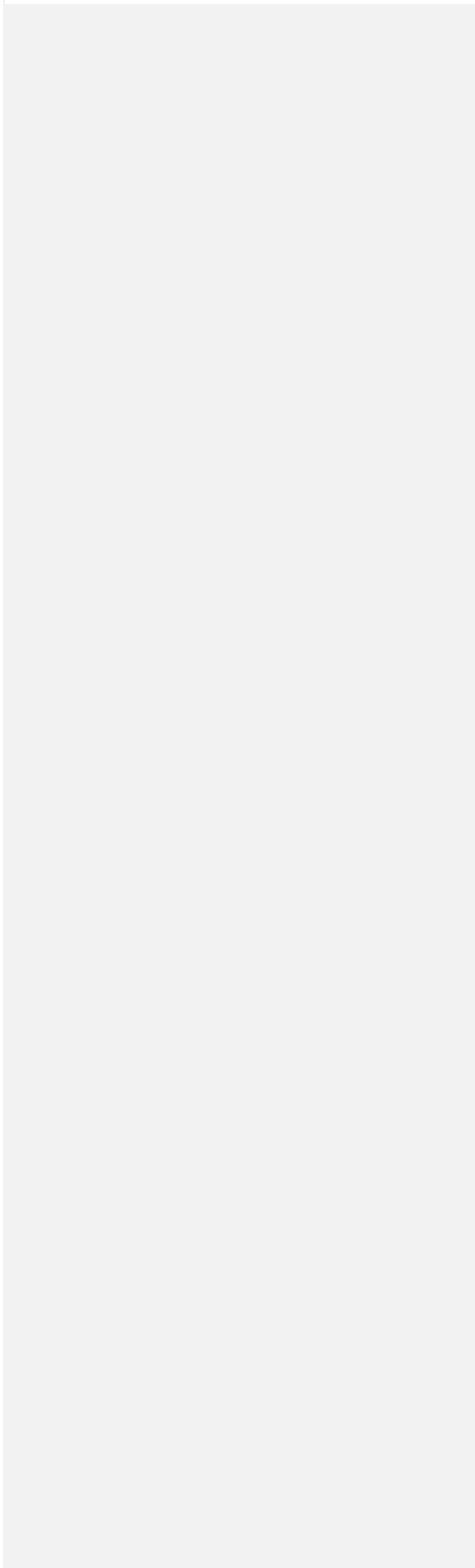
Source: Company, PL

\*Hyperlink on Bloomberg Code

## Exhibit 79: Conviction Picks Commentary

Name	Commentary
Maruti Suzuki	Increased participation of UVs in the portfolio, mix improvement in export, higher exposure to Hybrid and CNG models in the portfolio shall continue to drive revenue/ASP growth.
Ashok Leyland	New launches, replacement demand and channel expansion shall aid in volume expansion while discipline on discounts as well as cost cutting initiatives shall aid in ASP and margin expansion.
Eicher Motors	The company has made multiple new launches in Indian and International market, which have received encouraging response from customers, which could aid in incremental volume. Additionally, mix improvement in domestic and international market shall drive its ASP and margin profile. Change in tax rate in its JV will further lift its overall profitability.

Source: PL



**Conviction Picks:**
*ICICI Bank*
*HDFC Bank*

## Banks

- Coverage banks saw a mixed quarter as core PPop and core PAT were broadly in-line, however, PSU banks outperformed private banks on core PAT.
- Core PAT for our coverage banks came in as expected at Rs546bn; while NII was in-line, miss on fees was offset by lower opex. Although, NIM was better.
- Core PPop was 1% higher than PLe, at Rs852bn. We evaluate earnings quality basis core PAT and SBI, BoB, HDFCB & CUB were outliers.
- Loans grew by 13.9% YoY in tandem with the system. Among large banks, SBI, BoB, HDFCB and FB saw higher retail growth QoQ while ICICIB, AXSB, KMB, IIB witnessed superior corporate growth.
- System deposits grew by 10.6% YoY (12.9% in Q4FY24). Deposit accretion for covered banks was 11.5% YoY (PLe 12.4%), largely driven by TD (+16.3% YoY). CASA ratio was 38.3% (vs 39.3% in Q4FY24). LDR for saw an uptick of 74bps QoQ to 85.5%.
- NIM for coverage banks, adjusted for one-offs (in Q4FY24), increased by 5bps QoQ to 3.62% (3bps higher than PLe) mainly led by SBI, HDFCB & BOB. Drivers for NIM accretion within large banks were (1) utilization of excess liquidity (except BoB, FB) and (2) increase in LDR (except HDFCB, BoB, FB).
- Fees for coverage banks were a miss by 4.2% at Rs336bn that was offset by lower opex at Rs799bn (2.5% beat) due to softer staff cost and other opex.
- Asset quality worsened for coverage banks due to higher slippages and write-offs leading to more provisions. While GNPA at 2.0% was flat QoQ, slippages increased to 1.3% (+13bps QoQ) led by (1) stress in agri due to seasonality and (2) stress in unsecured loans. Provisions were 49bps (+14bps QoQ).

**Exhibit 80: Q1FY25 Result Snapshot**

(Rs mn)	NII			Operating Profit			Adj. PAT		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">AXSB IN</a>	1,34,482	12.5%	2.7%	1,01,062	14.7%	-4.1%	60,346	4.1%	-15.4%
<a href="#">BOB IN</a>	1,16,001	5.5%	-1.6%	71,613	-8.5%	-11.7%	44,582	9.5%	-8.8%
<a href="#">CUBK IN</a>	5,452	4.3%	-0.3%	3,735	-9.8%	6.2%	2,645	16.4%	3.8%
<a href="#">DCBB IN</a>	4,966	5.5%	-2.1%	2,054	-1.6%	-12.1%	1,314	3.5%	-15.6%
<a href="#">FB IN</a>	22,920	19.5%	4.4%	15,009	15.2%	35.2%	10,095	18.2%	11.4%
<a href="#">HDFCB IN</a>	2,98,371	3.7%	2.6%	2,38,846	3.4%	-18.4%	1,61,748	7.4%	-2.0%
<a href="#">ICICIB IN</a>	1,95,529	7.3%	2.4%	1,60,248	13.3%	6.6%	1,10,591	14.6%	3.3%
<a href="#">IIB IN</a>	54,076	11.1%	0.6%	39,267	2.5%	-2.5%	21,522	1.3%	-8.3%
<a href="#">KMB IN</a>	68,424	9.8%	-1.0%	52,541	6.2%	-3.8%	35,161	1.8%	-14.9%
<a href="#">SBIN IN</a>	4,11,255	5.7%	-1.3%	2,64,486	4.6%	-8.0%	1,70,352	0.9%	-17.7%

*Source: Company, PL*
*\*Hyperlink on Bloomberg Code*
**Exhibit 81: Conviction Picks Commentary**

Name	Commentary
ICICI Bank	Core PPop could see upgrade due to NIM and opex; well poised to sustainably deliver core RoA of 2.1%
HDFC Bank	Replacement of HDFCL's liabilities over FY25-26E and superior loan mix could lead to improved margins

*Source: PL*

## Building Materials

- EBITDA margin below estimates, healthy pickup in volume:** In Q1FY25, aggregate revenue/EBITDA/PAT grew by 5.8%/6.0%/47.1% YoY in our coverage universe (PLe: +12.1%/22.4/62.3%), with the woodpanel & tiles segment underperforming and plastic pipe continuing to post healthy performance. Plastic pipe companies in volume growth, up 11.3% YoY, CPBI Plywood /MDF volume grew by 13.4%/47.3% compared to single-digit growth by Kajaria and Greenpanel. EBITDA margin of our coverage universe remain flat at 14.7% on account of higher RM prices in the woodpanel segment and volatility in PVC prices in the plastic pipe segment.
- Plastic pipe – healthy volume growth:** Our plastic pipe universe sales volume grew 11.3% YoY (PLe:+18.5% YoY), demand was strong for plumbing, agri & infra. However finolex agri segment got impacted due to pre-monsoon rains in central India and increased competitive intensity. The plastic pipe companies reported revenue growth of 6.8% YoY led by decent volume growth. EBITDA margins expanded by ~170bps YoY to 15.7% (PLe:16.6%), mainly because of operational efficiency, controlled discounting and volatility in PVC prices. Supreme Ind. has outperformed the sector with a robust volume growth of 19.5% YoY.
- Tiles & bathware – soft performance:** Cera Sanitaryware (CRS) revenue decline 6.6% YoY due to a soft demand, heat wave and general elections. EBITDA/PAT was down by 17.5%/16.3%, due to lower fixed cost absorption caused by decreased sales and higher discounts offered. KJC reported vol. growth of 7.8% in Q1FY25 due to continued slowdown in demand. The tiles & bathware segment is anticipated to see a gradual increase in volumes in FY25, driven by growing real estate demand.
- Woodpanel – moderate performance, maintained guidance:** CPBI has outperformed in the segment, with better performance in Plywood (revenue/volume +14.2%/13.4% YoY) and MDF (revenue/volume +25.5%/47.3% YoY). EBITDA margin contracted by ~390bps due to increase in raw material prices and correction in realizations. Greenpanel delivered weak performance (rev. -5.5% YoY & PAT -57.9 % YoY), impacted by rising domestic competition, impacting MDF realization, exports were impacted by lower availability of containers and increase in freight cost.

### Exhibit 82: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">ASTRA IN</a>	13,836	7.8%	-14.9%	2,144	6.3%	-26.4%	1,631	0.9%	-32.4%	1,195	0.1%	-34.1%
<a href="#">CPBI IN</a>	10,054	12.8%	-5.2%	1,112	-16.5%	-25.1%	710	-38.9%	-41.1%	341	-60.8%	-66.1%
<a href="#">CRS IN</a>	4,007	-6.6%	-27.0%	581	-17.5%	-38.9%	637	-16.2%	-35.9%	475	-16.3%	-37.3%
<a href="#">FNXP IN</a>	11,405	-3.3%	-7.7%	2,067	35.5%	-1.1%	2,288	53.2%	4.6%	1,671	44.9%	1.4%
<a href="#">GREENP IN</a>	3,650	-5.5%	-8.0%	360	-45.2%	-29.7%	214	-57.3%	-46.9%	157	-57.9%	-47.3%
<a href="#">KJC IN</a>	11,137	4.6%	-10.2%	1,671	-1.3%	-2.9%	1,304	-8.6%	-7.1%	946	-12.0%	-8.3%
<a href="#">SI IN</a>	26,364	11.3%	-12.4%	3,873	20.4%	-21.1%	3,194	21.9%	-24.6%	2,734	26.8%	-23.0%

Source: Company, PL

\*Hyperlink on Bloomberg Code

## Capital Goods

### Conviction Picks:

ABB India

Apar Industries

Voltamp Transformers

Bharat Electronics

Praj Industries

- **Healthy quarterly performance** in our coverage universe with revenue growth of 12.7% YoY to Rs1.0tn (10.0% YoY ex. L&T) and EBITDA/Adj. PAT growth of 20.4%/25.2% YoY to Rs110bn/Rs70bn. Order inflow fell slightly by 1.2% YoY to ~Rs1.15trn, impacted by slow order finalization during general elections. Orders primarily came from thermal power, data centers, power T&D, oil & gas, renewable energy, and transportation.
- **Product/consumables companies** reported decent cumulative revenue growth (+11.6% YoY) led by healthy domestic demand, while exports were strong in certain segments such as T&D, engineering, and turbines. EBITDA margin improvement in most companies was aided by better product mix, operating leverage, and softer commodity costs. Order inflows were driven by sectors like data centers, T&D, and energy transition.
- **Project companies** reported healthy cumulative revenue growth of 13.0% YoY (8.4% YoY ex. L&T). L&T's 15.1% YoY growth was primarily driven by strong execution in international markets. Meanwhile, labour shortages during the election period impacted domestic execution. EBITDA margins for project companies largely improved during the quarter owing to benefits of operating leverage and better revenue mix.
- **Order enquiries/tendering pipeline** continue to remain healthy across areas such as defence, data centers, green energy, biofuels, power T&D, infrastructure, thermal power, oil & gas, petrochemicals, rail & metro, metals & steel, cement, and water in India as well as Middle East, Africa and South East Asia.

### Exhibit 83: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">ABB IN</a>	28,309	12.8%	-8.1%	5,425	55.6%	-4.0%	5,938	51.0%	-3.8%	4,426	49.6%	-3.7%
<a href="#">APR IN</a>	40,105	6.5%	-10.0%	3,756	8.5%	-12.0%	2,704	2.7%	-15.9%	2,025	2.6%	-14.3%
<a href="#">BHE IN</a>	41,988	19.6%	-50.8%	9,367	41.0%	-58.9%	10,373	47.4%	-56.5%	7,761	46.2%	-56.5%
<a href="#">BEML IN</a>	6,341	9.9%	-58.1%	-501	-0.8%	-113.5%	-754	0.5%	-121.7%	-705	-6.1%	-127.4%
<a href="#">BHEL IN</a>	54,849	9.6%	-33.6%	-1,694	-4.9%	-123.3%	-2,801	-1.3%	-144.4%	-2,125	0.0%	-143.9%
<a href="#">CU IN</a>	11,975	-0.5%	-0.3%	1,936	14.3%	-7.6%	1,459	-2.4%	-12.9%	1,130	-0.2%	-16.2%
<a href="#">ENGR IN</a>	6,238	-23.8%	-22.5%	510	-28.2%	-34.1%	793	-21.1%	-32.3%	916	9.9%	-20.7%
<a href="#">GETD IN</a>	9,583	33.6%	4.9%	1,822	258.5%	64.2%	1,799	365.7%	77.8%	1,345	376.4%	103.0%
<a href="#">GWN IN</a>	7,056	5.6%	2.1%	1,331	-1.5%	6.5%	1,250	-4.5%	3.5%	932	-3.9%	0.6%
<a href="#">HARSHA IN</a>	3,432	-1.4%	-9.8%	552	31.9%	1.2%	503	49.5%	1.7%	361	46.7%	-2.0%
<a href="#">HNAL IN</a>	43,475	11.0%	-69.4%	9,907	13.0%	-81.5%	13,887	28.0%	-73.5%	10,898	33.8%	-72.1%
<a href="#">KECI IN</a>	45,119	6.3%	-26.8%	2,704	10.7%	-30.3%	880	88.6%	-54.5%	636	50.3%	-58.1%
<a href="#">KKC IN</a>	23,042	4.3%	-0.5%	4,673	37.2%	-14.1%	5,509	32.9%	-21.4%	4,198	33.0%	-25.2%
<a href="#">KPIL IN</a>	37,220	2.8%	-27.7%	3,140	0.0%	-21.5%	1,640	-6.3%	-33.1%	1,170	-7.2%	-33.2%
<a href="#">LT IN</a>	5,51,198	15.1%	-17.8%	56,153	15.3%	-22.4%	46,767	7.9%	-26.1%	27,857	11.7%	-35.6%
<a href="#">PRJ IN</a>	6,991	-5.1%	-31.4%	868	21.7%	-31.2%	789	1.5%	-35.9%	560	-4.5%	-39.1%
<a href="#">SIEM IN</a>	52,035	6.8%	-9.5%	6,915	22.0%	-21.3%	7,547	28.1%	-15.7%	5,756	30.2%	-12.9%
<a href="#">TMX IN</a>	21,844	13.0%	-21.0%	1,412	6.8%	-48.3%	1,617	13.5%	-35.5%	1,094	12.3%	-41.7%
<a href="#">TRIV IN</a>	4,633	23.1%	1.1%	956	34.8%	6.4%	1,078	37.1%	6.8%	800	31.7%	5.3%
<a href="#">VAMP IN</a>	4,282	32.9%	-15.1%	758	57.9%	-24.8%	1,013	47.9%	-15.2%	794	56.5%	-15.1%

Source: Company, PL

\*Hyperlink on Bloomberg Code

**Exhibit 84: Conviction Picks Commentary**

Name	Commentary
ABB India	We remain positive on ABB given 1) the increasing traction for energy efficient and premium quality products, 2) its resilient business model, 3) its focus on high-growth areas such as data centers, rail & metro, renewables, and electronics, and 4) the strong domestic order pipeline.
Apar Industries	We are positive on APR owing to of 1) robust T&D capex driving demand across segments, 2) focus on premium conductors in domestic market, 3) healthy traction in elastomeric cables used in renewables, defence and railways, and 4) market leadership in the growing T-oils business.
Voltamp Transformers	We remain positive on VAMP considering its 1) strong market position in industrial transformers, 2) healthy demand momentum, 3) debt-free balance sheet, 4) consistent free cash flow generation, and 5) growing high-margin service business.
Bharat Electronics	We remain positive on BEL's long-term growth story given 1) robust order backlog & pipeline driven by government's push on indigenization in defense, 2) diversification into non-defense verticals like metros, civil aviation, IT infra, etc. 3) strong balance sheet, cash flow generation, & return ratios, and 4) healthy margin improvement.
Praj Industries	We remain positive on PRJ in the long run given 1) its leadership in domestic ethanol (50-55% market share), 2) large domestic CBG pipeline, 3) healthy export outlook in Engineering driven by ETCA, 4) focus on new technologies such as 2G ethanol, SAF, biomanufacturing, and multi-feedstock plants, and 5) improving margins owing to growing share of exports & services

Source: PL

**Exhibit 85: Cumulative order inflow in our coverage universe fell 1.2% YoY in Q1FY25, partly impacted by general elections**

Order Inflow (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY gr.	QoQ gr.
ABB	30,440	30,040	31,470	36,070	34,350	12.8%	-4.8%
Bharat Electronics	81,127	72,901	1,16,091	80,520	48,761	-39.9%	-39.4%
BHEL	1,56,000	1,78,790	25,690	4,18,590	94,880	-39.2%	-77.3%
Engineers India	12,652	11,442	6,371	3,597	23,791	88.0%	561.4%
KEC International	45,000	45,000	38,500	52,520	76,640	70.3%	45.9%
Kalpataru Power Transmission	51,200	54,960	74,490	1,19,570	31,820	-37.9%	-73.4%
Larsen & Toubro	6,55,200	8,91,530	7,59,900	7,21,500	7,09,360	8.3%	-1.7%
Siemens	52,880	44,980	59,710	51,840	62,450	18.1%	20.5%
Thermax	25,670	19,730	25,060	23,090	25,690	0.1%	11.3%
Voltamp Transformers	6,135	2,825	4,890	4,740	6,390	4.2%	34.8%
GE T&D India	10,066	10,816	23,681	13,349	10,290	2.2%	-22.9%
Triveni Turbine	4,532	4,587	5,313	4,351	6,363	40.4%	46.2%
Praj Industries	11,010	10,630	10,370	9,240	8,880	-19.3%	-3.9%
BEML	17,920	38,530	5,280	11,260	6,130	-65.8%	-45.6%
<b>Total</b>	<b>11,59,832</b>	<b>14,16,761</b>	<b>11,86,816</b>	<b>15,50,237</b>	<b>11,45,795</b>	<b>-1.2%</b>	<b>-26.1%</b>

Source: Company, PL

**Conviction Picks:**

ACC

Ultratech Cement

**Cement**

- Cement coverage universe was under pressure in Q1FY25 amidst muted demand due to the general elections and falling cement prices. The universe revenue declined 1% YoY as cement prices kept falling during the quarter. Volumes grew 5.6% YoY due to muted demand across geographies owing to Lok Sabha elections spanning over 40+ days and the harvesting season, which impacted labor availability. Heat waves across the country and water shortages in a few regions also played a spoilsport for construction activities. Our recent channel checks indicate muted demand in Jul'24 due to the monsoon season, labor issues and persisting heat waves in some Central regions.
- Average realization declined 2.4% QoQ as cement pricing came under pressure in Q1FY25. Price hikes could not be sustained due to tepid demand and increasing aggressiveness of industry leaders to gain market share. Prices declined much below Feb'24 levels. The most affected was SRCM (-5.8% QoQ) due to stiff competition in the core North market and diversion of volumes in the low-yielding East region.
- Power and fuel costs continued to remain soft, but increased on per ton basis, affecting profitability.
- Freight costs/t remained muted due to reduction in the lead distance. SRCM was the only company whose lead distance increased (+21% QoQ) due to change in geo-mix.
- EBITDA/t declined sequentially for the universe affected by lower NSR. Average EBITDA/t declined by Rs164 QoQ to Rs816/t. EBITDA for the coverage universe declined sharply 23% QoQ to Rs62.3bn (-5% YoY).
- Capex plans for the universe companies remained intact with industry leaders employing aggressive strategies to capture market share. Our universe added 11.6mtpa (7.2mtpa alone coming from UTCEM) during 1QFY25 vs addition of 14.5mtpa in the listed space.
- We expect demand to remain muted in Q2FY25 as well, due to monsoon-led slowdown in construction activities. We expect realization to improve post monsoon in H2FY25, once demand picks up significantly.
- We remain positive on industry leaders (UTCEM and ACC/ACEM) due to their aggressiveness in adding capacities, gaining market share and cost optimization initiatives. DALBHARA, UTCEM and ACEM managements highlighted their focus on cost optimization and efficiency improvement across all units, which can drive savings of Rs150-200/t, ~Rs300/t and ~Rs500/t, respectively, by FY28E. UTCEM is an industry leader with adequate capacity additions across regions, and is focused on increasing green power share to reduce costs.



**Exhibit 86: Q1FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">ACC IN</a>	51,549	-0.9%	-4.7%	6,791	-11.9%	-18.8%	4,853	-22.1%	-25.9%	3,614	-22.5%	-53.3%
<a href="#">ACEM IN</a>	45,158	-4.5%	-5.5%	6,460	-31.9%	-19.0%	7,804	-9.9%	12.0%	5,804	-10.0%	6.6%
<a href="#">DALBHARA IN</a>	36,210	-0.1%	-15.9%	6,690	9.7%	2.3%	3,070	65.9%	-12.8%	2,255	73.4%	-28.4%
<a href="#">NUVOCO IN</a>	26,365	-6.0%	-10.1%	3,434	-12.5%	-30.0%	51	-78.5%	-96.7%	28	-80.4%	-97.2%
<a href="#">SRCM IN</a>	48,347	-3.3%	-4.7%	9,164	-1.7%	-31.0%	3,508	-50.6%	-54.6%	3,177	-45.3%	-52.0%
<a href="#">UTCEM IN</a>	1,75,324	1.7%	-11.5%	29,810	2.5%	-25.8%	21,253	-7.3%	-32.8%	16,501	-3.3%	-30.6%

Source: Company, PL      \*Hyperlink on Bloomberg Code

**Exhibit 87: Conviction Picks Commentary**

Name	Commentary
ACC	ACC is expected to benefit significantly from the synergies of Adani group companies in renewable energy and logistics space. Investment in improving efficiencies of older ACC plants will be a bonus as the mgmt. is targeting Rs400-500/t structural EBITDA improvement from existing cement operations.
UltraTech	UTCEM is well placed to capitalize on strong volume growth given the ongoing expansion projects to increase the capacity to ~200mt by FY27, focus on green energy and well-established presence in the domestic markets.

Source: PL

**Conviction Picks:***Vinati Organics**Navin Fluorine International***Chemicals**

- **Muted quarter for our coverage universe:** Indian chemical companies continue to underperform, with most companies under our coverage showing either a sequential decline or only a modest improvement in performance. While destocking has largely been phased out, pricing pressures persist due to low-price dumping from China continues. Additionally, the Red Sea crisis has contributed to higher freight costs and shipment delays. For Q1FY25, the chemical companies under our coverage reported an aggregate sale of Rs125bn, reflecting a 1% decline QoQ but an 8% increase YoY. The aggregate EBITDA stood at Rs21bn, down 4% QoQ and flat YoY. The aggregate EBITDAM came in at 19.2%, marking a decline of 40bps QoQ and 140 bps YoY. Among the companies, Laxmi Organics reported the lowest EBITDAM at 9.9%, while Clean Science recorded the highest margins at 42.3%.
- **Volume growth visible across the sector:** Management across most companies indicated that despite ongoing pricing pressures, they have seen an improvement in volumes and expect growth momentum to continue moving forward. Agrochemical-focused companies remain uncertain about demand revival and anticipate poor sector performance at least until H2FY25.
- **Competition from China to continue:** Companies like NOCIL, Laxmi Organics, SRF, Aarti Industries, Deepak Nitrate and Jubilant Ingrevia continue to face threat from Chinese competition, impacting both prices & volumes.
- **Disappointing Performance, unclear demand, yet trading at premium valuation:** Chemical companies under our coverage are trading at an aggregate FY26 P/E of 41x and 60x trailing P/E. Lack of clarity on demand revival and margin pressure expected to continue at least until H2FY25, we believe that at current valuation, most of the companies within the sector don't justify the premium at which they are trading.
- **CAPEX Update:** Aarti Industries is expected to spend Rs15-18bn in FY25, Q1FY25 capex was Rs2.7bn. Clean Science announced two new projects for the Performance Chemical segment, with a total investment of Rs3bn. The pharma intermediate plant is on track and is expected to be commercialized in Q3FY25. Deepak Nitrate to spend Rs10-12bn in FY25, another leg of capex worth Rs140bn is for specialty products, phenol, BPA, polycarbonate resins and compounds, and MMA to be launched; with targeted completion by Dec'27. Fine Organic's 30acre land is confirmed, they are awaiting approval from JNPA to execute lease deed. Gujrat Fluorochemicals to spend Rs7bn on battery chemicals vertical focused on Electrolyte Salt, Cathode and Cathode Binder plant. Laxmi Organics capex of Rs7.1bn at Dahej is on track. total capex for FY25-28 to be Rs11bn. SRF, aims a capex of Rs15-19bn in FY25. Expansion of ATBS capacity to 60,000mtpa is on track for Vinati Organics.

**Exhibit 88: Q1FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">ARTO IN</a>	18,550	31.2%	4.6%	3,060	51.5%	8.1%	1,460	100.0%	15.9%	1,380	94.4%	4.5%
<a href="#">CLEAN IN</a>	2,240	19.1%	-1.5%	947	24.3%	0.2%	887	12.7%	-6.9%	659	11.8%	-6.2%
<a href="#">DN IN</a>	21,668	22.5%	1.9%	3,092	47.4%	2.7%	2,748	36.2%	2.0%	2,025	35.1%	16.4%
<a href="#">FINEORG IN</a>	5,083	-7.1%	-2.5%	1,218	-13.8%	-7.9%	1,338	-6.6%	-3.8%	990	-0.8%	-5.6%
<a href="#">FLUOROCH IN</a>	11,760	-2.8%	3.8%	2,620	-24.7%	10.3%	1,490	-44.6%	5.7%	1,080	-46.3%	7.0%
<a href="#">JUBLINGR IN</a>	10,243	-4.7%	-4.7%	1,095	-6.1%	20.0%	660	-19.0%	28.3%	487	-15.2%	66.6%
<a href="#">LXCHEM IN</a>	7,182	-2.1%	-9.3%	712	-7.9%	-20.9%	540	-3.2%	-20.6%	344	-10.5%	-22.4%
<a href="#">NFIL IN</a>	5,237	6.6%	-13.0%	1,004	-12.1%	-8.8%	683	-16.5%	-14.0%	512	-16.8%	-27.3%
<a href="#">NOCIL IN</a>	3,722	-6.2%	4.4%	411	-26.0%	-8.0%	368	-22.1%	-33.9%	271	-21.1%	-34.9%
<a href="#">SRF IN</a>	34,641	3.8%	-3.0%	6,034	-13.3%	-13.3%	3,440	-29.2%	-22.4%	2,522	-29.8%	-40.3%
<a href="#">VO IN</a>	5,247	19.6%	-4.7%	1,251	24.6%	-16.7%	1,143	23.5%	-18.1%	859	23.8%	-17.8%

Source: Company, PL \*Hyperlink on Bloomberg Code

**Exhibit 89: Conviction Picks Commentary**

Name	Commentary
Navin Fluorine International	Management has guidance of 20% revenue growth in FY25. ATBS which is the key products for the company (30-35% of the total revenue) is expected to rise as Oil and gas companies are focusing more on Enhanced Oil Recovery (EOR) rather than drilling in new fields and it also finds application in water treatment. The company is expanding its ATBS capacity from 40,000mtpa to 60,000mtpa which is expected to commission by Dec'24. This is in line with its major client SNF who uses it as a Co polymer to manufacture polyacrylamides. SNF is undergoing significant expansion. Additionally, it is expected that antioxidant segment will drive growth and double its revenue from 130cr to 250cr in FY25 with launch of new products based on import substitution.
Vinati Organics	Navin's HFO plant is stable and is expected to achieve 1.3x volume growth at its current utilization level. Domestic demand for R-32 remains strong, with the expansion of R-32 capacity on track for commissioning in Feb' 25. The company has also signed a supply agreement for a patented agrochemical product targeting the Japanese market, with a revenue potential of Rs200-300mn starting from CY25. While the agrochemical segment has been sluggish, it is expected to revive in H2FY25, with significant growth anticipated in FY26. Navin's CDMO vertical, which underperformed in FY24 due to deferred sales of key molecules, has shown sequential improvement and has the potential to double its revenue in FY25.
Fine Organic Industries	Fine Organics, the only established oleo chemical manufacturer in India and among the top 5-6 globally, holds a significant competitive advantage with its unique product portfolio. Currently, its export volumes are nearly 18% below their peak, but with improving demand in the U.S., there is substantial growth potential. Additionally, domestic demand remains strong. As petrochemical margins have bottomed out, the company's realizations are expected to improve, leading to higher margins.

Source: PL

## Consumer

**Conviction Picks:**
*Nestle India*
*ITC*
*Titan Company*
*Avenue Supermarts*

- FMCG universe reported mid-single digit\* top-line growth led by severe heatwave & general elections. Most companies witnessed pick-up in rural demand & expect gradual recovery going forward. Gross Margins have begun to consolidate given mild rise in RM prices. Positive consumer sentiment is driven by rural market growth, better monsoon conditions, and an anticipated strong festive season.
- Paints companies reported mid-single digit decorative volume growth amid tough demand environment on account of national elections & restricted supply chains due to heatwaves. Industrial business witnessed mixed growth with good demand for Automotive coatings while Projects/Performance business witnessed subdued demand. Companies have started hiking prices and more hikes likely subject to RM inflation. Competitive intensity post Grasim's entry in Mar'24 continues to remain a key monitorable.
- **QSR's** reported mixed SSG numbers with negative demand sentiments for most players amidst heightened competition and impact of geopolitical issues. Demand is stabilizing & improving sequentially. We expect sharper recovery 2H25 onwards.
- **Retail** companies reported poor sales growth amid tepid demand environment and lower wedding days across Jewellery, Apparel and footwear. The pressure in demand was visible across price segments. Jewellery companies reported negative demand trend amid lower wedding days & national elections.

**Exhibit 90: Q1FY25 Result Snapshot**

(Rs mn)	Vol. Gr. (%)		Sales		EBITDA			PBT			Adj. Pat		
	Q1FY25	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">APNT IN</a>	7.0	89,697	-2.3%	2.7%	16,938	-20.2%	0.1%	15,669	-24.5%	-2.0%	11,713	-24.5%	-7.5%
<a href="#">BRIT IN</a>	8.0	42,503	6.0%	4.4%	7,537	9.4%	-4.3%	7,064	14.1%	-4.3%	5,295	16.3%	-1.3%
<a href="#">CLGT IN</a>	8.0	14,967	13.1%	0.4%	5,083	21.6%	-4.5%	4,893	26.0%	-4.3%	3,640	24.1%	-4.2%
<a href="#">DABUR IN</a>	5.2	33,491	7.0%	19.0%	6,550	8.3%	40.3%	6,427	8.3%	41.8%	4,944	8.3%	44.9%
<a href="#">DMART IN</a>		1,40,691	18.6%	10.5%	12,213	18.0%	29.4%	10,541	17.5%	38.1%	7,737	17.5%	37.4%
<a href="#">HMN IN</a>	8.7	9,061	9.7%	1.7%	2,165	13.9%	2.7%	1,805	20.2%	5.7%	1,527	10.8%	2.5%
<a href="#">HUVR IN</a>	4.0	1,53,390	1.3%	3.2%	36,060	2.4%	5.0%	34,800	2.3%	6.6%	25,720	2.9%	7.3%
<a href="#">ITC IN</a>	2.5	1,70,001	7.4%	2.5%	62,955	0.7%	2.2%	65,547	0.1%	0.3%	49,205	0.4%	-2.0%
<a href="#">JUBI IN</a>	3.0	14,396	9.9%	8.1%	2,782	0.6%	9.4%	683	-32.6%	34.5%	515	-31.5%	36.9%
<a href="#">METROBRA IN</a>		5,761	-1.1%	-1.2%	1,804	-3.3%	13.7%	1,230	-4.1%	18.7%	917	-1.2%	-40.9%
<a href="#">KNPL IN</a>	5.1	20,504	-1.0%	23.4%	3,344	0.2%	86.7%	3,234	6.2%	99.3%	2,411	6.3%	100.0%
<a href="#">MRCO IN</a>	4.0	26,430	6.7%	16.0%	6,260	9.1%	41.6%	6,050	6.7%	51.6%	4,740	8.7%	48.1%
<a href="#">MTEP IN</a>	7.5	1,967	5.8%	11.2%	357	1.9%	0.6%	222	-10.4%	-6.0%	165	-11.8%	-8.0%
<a href="#">NEST IN</a>	0.9	48,140	3.3%	-8.6%	8,813	-16.8%	-34.2%	7,761	-17.7%	-36.9%	5,136	-26.8%	-43.8%
<a href="#">PIDL IN</a>	9.6	33,954	3.7%	17.0%	8,127	15.0%	40.9%	7,704	19.4%	54.1%	5,713	20.6%	52.0%
<a href="#">RBA IN</a>	3.1	4,906	16.2%	11.7%	674	39.2%	22.2%	-220	-0.6%	-28.9%	-220	-0.6%	-28.9%
<a href="#">TTAN IN</a>	-5.0	1,20,530	8.1%	7.1%	12,110	9.8%	9.2%	10,210	-0.3%	4.5%	7,700	-0.9%	-2.0%
<a href="#">WESTLIFE IN</a>	-6.7	6,145	0.0%	9.3%	768	-26.2%	2.5%	27	-93.3%	39.7%	15	-94.9%	92.3%

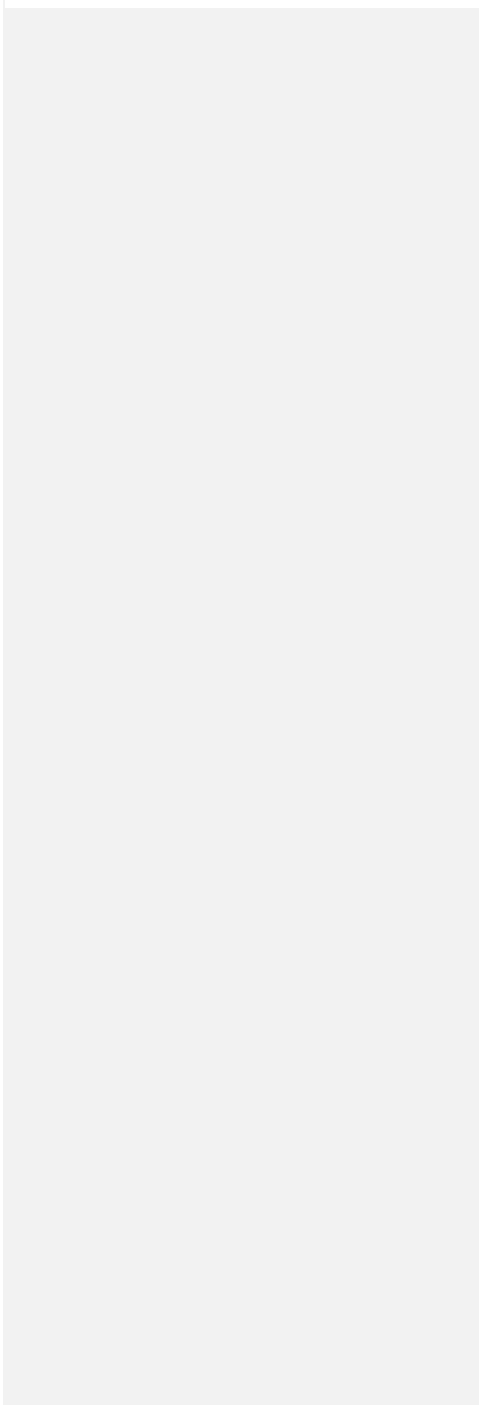
Source: Company, PL

\*Hyperlink on Bloomberg Code

## Exhibit 91: Conviction Picks Commentary

Name	Commentary
Nestle India	NEST's long term drivers remain intact led by sustained expansion in rural reach, healthy innovation pipeline, huge scope of growth in coffee, RTD & Chocolates along with strong traction in Pet care segment. NEST share prices have been consolidating over the past 6 months, we expect back ended returns given near term pressures & peaked out margins.
ITC	ITC's demand scenario remains positive given 1) relative stability in taxes enables continued volume recovery from illicit trade for Cigarette 2) FMCG continues to grow strong amid muted demand environment with continued focus on premiumisation 3) Worst seems over for paper segment as we expect recovery from 3Q25 and 4) Agri business margins will expand in 2H25 only as higher leaf tobacco gets absorbed in the product prices. We expect ~7% EPS growth over FY24-26 with 31%/41.2% ROE/ROCE for FY26.
Titan Company	Margins near bottom across segments, We expect mild recovery in demand in 2Q amidst cut in custom duty taxes & expect sharper recovery from 2H25, led by wedding & festive season. We expect TTAN's expansion strategy in Tier2/3 cities will help gain market share from unorganized segment. We estimate 19.5% EPS CAGR over FY24-26
Avenue Supermarts	We believe the worst is over for D'Mart is over as 1) D'Mart is confident of adding 40-45 stores for FY25 and 50-60 stores thereafter 2) Share of General Merchandise and Apparel (GMA - 22.4% of sales in FY24) has stabilized at 22-23% with sequential improvement in 1Q25 and 3) D'Mart is more confident of growth in D'Mart Ready with its ability to contain losses. We estimate 25.1% EPS CAGR over FY24-26

Source: PL



## Consumer Durables

### Conviction Picks:

RR Kabel

- Revenue better than estimates, margins expands:** Aggregate sales / EBITDA / Adj. PAT in our coverage universe grew 22.4% /30.1% /30.8% YoY (PLe: 14.5%/21.0%/20.6% YoY), led by healthy growth in revenue, largely from the UCP and FMEG segments, which grew by 49.8% and 15.6% YoY, respectively. Meanwhile, the C&W segment continued to underperform with ~10.2% YoY growth due sharp commodity price movements. Bajaj Electricals was the major underperformer in our coverage universe, reporting EBITDA/PAT decline of 2.1%/25.9% YoY. Significant improvement in profitability was achieved by Voltas/Havells, up 158.5%/42.0% YoY. Voltas outperformed in revenue/Adj PAT (up 46.5%/158.5% YoY).
- C&W continues to grow:** Polycab/Havells/KEI/RR Kabel reported 10.6% /2.4% /15.6%/10.9% YoY growth in W&C segment with EBIT margin change of -217bps/flat/+220bps/-160bps. The C&W segment reported modest revenue growth, impacted by RM fluctuations and a slowdown in demand due to the general election and heat wave. However, strong demand is expected to continue from the real estate and infrastructure sectors, as well as from export opportunities.
- FMEG growth driven by fan segment:** Havells/Crompton/Polycab/RR Kabel/Bajaj reported revenue growth of 18.9%/18.2%/22.6%/24.2%/3.8 YoY. Overall coverage segment reported a 15.6% YoY growth, driven by: 1) strong performance in the fan segment, with a high proportion of premium fans and increased air cooler volumes due to the heat wave, 2) new product launches across various segments, and 3) higher distribution and advertising expenses.
- RAC delivers strong growth in a seasonally strong quarter:** Voltas has outperformed the segment and sustained its market share in the RAC segment (YTD 21.2%), buoyed by a strong summer season, which led to robust volume growth (+67% YoY in Q1FY25). Havells' Lloyd reported revenue growth of +47.1% YoY in Q1FY25.

### Exhibit 92: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">BJE IN</a>	11,549	3.9%	-2.8%	754	8.8%	51.6%	383	-34.9%	56.6%	281	-34.7%	-4.1%
<a href="#">CROMPTON IN</a>	21,377	13.9%	9.0%	2,324	25.1%	14.1%	2,035	30.6%	20.4%	1,530	29.3%	10.6%
<a href="#">HAVL IN</a>	58,062	20.1%	6.7%	5,722	42.4%	-9.8%	5,490	43.7%	-8.4%	4,075	41.9%	-8.8%
<a href="#">KEI IN</a>	20,605	15.6%	-11.2%	2,146	20.4%	-12.3%	2,027	24.4%	-10.9%	1,502	23.8%	-11.0%
<a href="#">POLYCAB IN</a>	46,980	20.8%	-16.0%	5,834	6.3%	-23.4%	5,334	0.5%	-26.5%	3,960	-0.9%	-27.5%
<a href="#">RRKABEL IN</a>	18,081	13.2%	3.1%	949	-15.9%	-17.7%	857	-13.2%	-18.8%	644	-13.4%	-18.2%
<a href="#">VOLT IN</a>	49,210	46.5%	17.1%	4,238	128.6%	122.4%	4,809	105.5%	126.4%	3,342	158.5%	187.0%

Source: Company, PL

\*Hyperlink on Bloomberg Code

### Exhibit 93: Conviction Picks Commentary

Name	Commentary
RR Kabel	RR Kabel is one of the fastest growing W&C company, reported revenue CAGR of 34.3% over FY21-24. The company reported ~19.3% vol. growth in FY24 and expects healthy growth (20%+) in coming years, driven by demand from infrastructure and emerging sectors. We continue our positive view on RR Kabel on account of 1) strong brand with diverse product portfolio 2) capacity expansion plans, 3) focus of increasing sales per dealers and 4) healthy growth in FMEG segment. We expect Revenue/EBITDA/PAT CAGR of 22.0%/35.1%/39.8%.

Source: PL

**Conviction Picks:**

S Chand &amp; Company

**Education**

- While Navneet Education (NELI) reported weak set of numbers, S CHAND's performance was broadly in-line with our estimates. **Key highlights:** NELI's PAT was aided by a one off gain of Rs6,605mn from partial exit in K-12 business while S Chand's GM increased to 72.5% aided by content syndication deal.
- Navneet Education:** NELI reported weak set of numbers with revenue miss of 6% as publishing and domestic stationary business suffered due to fall in realizations. However, PAT was aided by an exceptional gain of Rs6,605mn arising from partial exit in K-12 business. The publishing business is facing near term growth challenges due to increase in usage of 2<sup>nd</sup> hand books while rising competitive intensity is hurting the prospects of domestic stationary segment. The stock is trading at 19x/16x our FY25E/FY26E EPS estimates respectively and given weak operating environment, we expect sales/PAT CAGR of 9%/10% over FY24-FY26E.
- S Chand:** In a non-seasonal quarter, GM improved to 72.5% aided by content licensing partnership. Adoption rate for new books has been low as NCERT has announced new syllabus only for grades 3 & 6 till now. We expect further announcements for additional grades during the year, which is likely to result in higher adoption rate of new books. For FY25E, management is guiding for a double digit growth in top-line with EBITDA margin of 17-19%. S Chand trades at attractive valuation of 12x our FY26E EPS estimates with sales/EBITDA CAGR of 15%/22% over FY24-FY26E.
- Despite delay in NEP implementation, we expect strong growth for S Chand over next 2 years as adoption rate of new syllabus books is likely to rise. However, for Navneet, near-term prospects appear challenging given growth headwinds in both publishing and stationary division.

**Exhibit 94: Q1FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">NELI IN</a>	7,978	0.8%	83.3%	2,199	5.3%	NA	2,062	7.4%	NA	851	NA	NA
<a href="#">SCHAND IN</a>	1,107	-0.4%	-74.7%	84	-38.1%	NA	-16	-161.5%	NA	-21	-178.9%	NA

Source: Company, PL \*Hyperlink on Bloomberg Code

**Exhibit 95: Conviction Picks Commentary**

Name	Commentary
S Chand & Company	Implementation of NEP will result in strong growth for next 2-3 years. Further, core business is now on a path of sustained profitability with sharp improvement in BS and NWC metrics. We expect sales/EBITDA CAGR of 15%/22% over FY24-FY26E and maintain 'BUY' on the stock with a revised TP of Rs312.

Source: PL



**Conviction Picks:***HCL Technologies**LTIMindtree**Tata Consultancy Services***Information Technology**

- FY25 started on a decent note with early signs of recovery in the key verticals of BFSI & Retail. Although the macro environment remains unchanged with weakness in the discretionary spending continuing but the outlook turns positive for the sector as the companies indicated some green shoots with resumption of critical transformation projects.
- In Q1FY25 Tier-1 companies outperformed Tier-2 peers after 5 quarters. Tier-1 companies reported a median CC growth of 1.5% QoQ while Tier-2 companies grew by 0.8% QoQ. Overall the IT sector reported a median revenue growth of 1.2% QoQ in CC terms. Among Tier-1 companies Infosys led the growth with 3.6% QoQ CC growth while in Tier-2 companies Persistent reported a strong CC growth of 5.6% QoQ.
- The key sectors of BFSI & Retail are witnessing early signs of recovery with BFSI reporting sequential revenue growth for second successive quarter. BFSI & Retail reported median revenue growth of 1% & 0.6% QoQ respectively. Green shoots are also witnessed in Communications as it reported QoQ growth for second successive quarter while Manufacturing sector reported 1.9% QoQ median growth after declining by 1.6% in Q4FY24.
- Tier-1 companies outperformed Tier-2 companies in margin performance also with Tier-1 companies (excl. TCS & HCL Tech) reported operating margin improvement by ~10-120 bps. TCS operating margins declined by ~130 bps largely due to wage hike roll out while HCL Tech margins declined by ~50 bps respectively largely due to project run offs. Tier-2 companies operating margins declined by 50 bps QoQ due to project ramp costs & missing operating leverage.
- The deal TCV (Tier-1+Tier-2) normalized in Q1 at ~USD21bn (down 23% QoQ). The deal wins are still driven by cost optimization projects. While AI-related projects are gaining significant interest, deal sizes remain relatively small as these initiatives are predominantly in POC phase
- Net Headcount continue to decline but the rate of decline has slowed significantly. In Q1FY25, net headcount declined by 1.8k. Utilization has peaked for most of the companies, with the median utilization increasing by 100 bps QoQ to 83.9% while median attrition has increased marginally but remaining largely stable at 12.7%.
- FY25 Outlook: Q1FY25 has started on a positive note for the sector, leading most companies (excluding Infosys) to maintain their guidance or positive outlook for FY25. Infosys, buoyed by a strong Q1 and the completion of the In-Tech acquisition, increased its guidance from 1-3% CC revenue growth (organic) to 3-4% CC revenue growth (organic + inorganic) for FY25. Meanwhile, Tier-2 companies (excluding CYL, BSOFT) remain confident in delivering industry-leading growth backed by a robust deal pipeline and the continued strengthening of certain verticals. Given the growth uptick in Q1 along with some green shoots of demand recovery beyond critical line of business (if not discretionary), we expect the constructive recovery to continue in the coming quarters.

**Exhibit 96: Q1FY25 Result Snapshot**

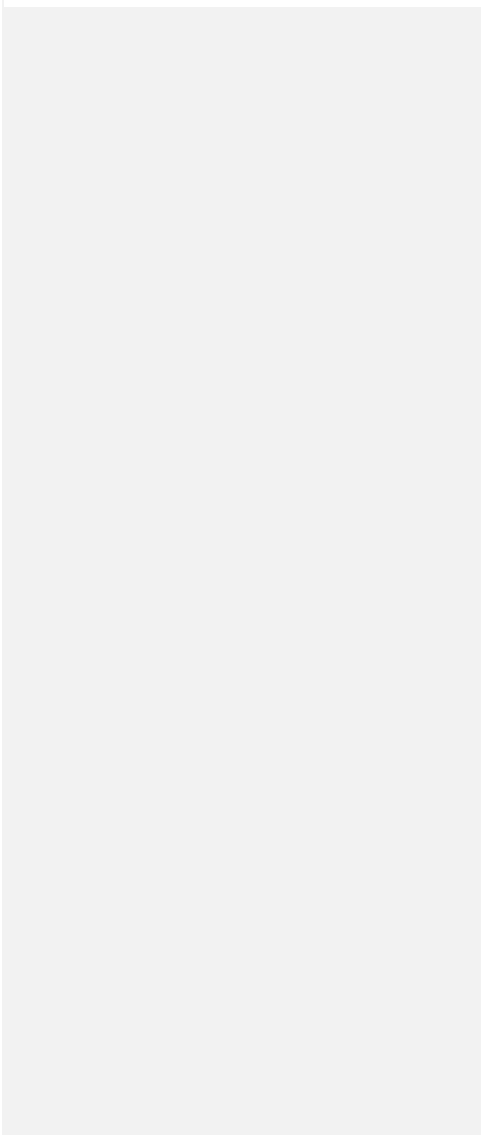
(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">HCLT IN</a>	281	6.7%	-1.6%	48	7.5%	-4.4%	57	21.6%	8.3%	43	20.5%	6.8%
<a href="#">INFO IN</a>	393	3.6%	3.7%	83	5.0%	8.8%	90	7.9%	9.1%	64	7.3%	6.2%
<a href="#">LTIM IN</a>	91	5.1%	2.8%	14	-5.5%	4.8%	15	-0.7%	5.3%	11	-1.4%	3.2%
<a href="#">TCS IN</a>	626	5.4%	2.2%	156	13.5%	-1.9%	164	9.4%	-2.7%	122	10.2%	-1.8%
<a href="#">TECHM IN</a>	130	-1.2%	1.0%	11	-4.5%	16.5%	12	-3.9%	-6.6%	9	-10.9%	-12.2%
<a href="#">WPRO IN</a>	220	-3.8%	-1.1%	36	4.5%	2.0%	40	5.9%	4.1%	30	4.6%	5.9%

Source: Company, PL      \*Hyperlink on Bloomberg Code

**Exhibit 97: Conviction Picks Commentary**

Name	Commentary
HCL Technologies	HCL Tech has a diversified business mix which will aid in its resilient growth trajectory despite the challenging macro headwinds in the industry.
LTIMindtree	Steady deal wins, early signs of resumption of critical transformation projects & ramp up in large deals will help in revenue growth in FY25 which will in turn will lead to margin expansion as the merger benefits starts to kick in.
Tata Consultancy Services	TCS is well positioned in the current challenging macro environment to be a beneficiary of vendor consolidation & cost optimization deals. The deal wins remain steady at US\$ 8.3 Bn in Q1FY25 with green shoots in the key segments of BFSI & Retail providing foundation for steady growth. Steady executions is key to revenue growth.

Source: PL



## Hospitals

### Conviction Picks:

Max Healthcare Institute

Krishna Institute of Medical Sciences

Aster DM Healthcare

- Seasonally Q1 is a steady quarter for hospital companies. However, occupancy for our coverage companies was a mixed bag with some companies reporting an improvement QoQ. While KIMS and JLHL occupancies were impacted due to seasonality in Q1.
- Hospital companies under PL coverage witnessed EBITDA growth of 23% YoY and 2% QoQ. Further, adjusted for 24x7 losses in APHS; EBITDA growth was 18% YoY and 1% QoQ.
- Revenue growth was healthy at 15% YoY and 4% QoQ; aided by strong ARPOB and payor mix. International revenues continue to improve on account of increasing medical tourism.
- ARPOB continues to further increase across companies in the range of 2-12% YoY growth, driven by improved case and payor mix. However, KIMS ARPOB witnessed strong +21% YoY growth aided by lower ALOS and improved case mix. Management have guided for flat to moderate ARPOB increase in FY25 vs last 2 years. Price increase in insurance segment was already reflected in FY23/24 as a result this segment to remain flat in FY25.
- Expansion and capex plan for companies like MAXHEALT, APHS, ASTERDM, FORH, KIMS and NARH is largely on track with a slight delay in few companies with a quarter or two. Given a strong cash flow generation; companies will continue to explore inorganic and greenfield expansion. We remain structurally positive on hospitals space over medium term and expect momentum to continue with improvement in occupancy, better case - payor mix and new capacity additions.

### Exhibit 98: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">APHS IN</a>	50,856	15.1%	2.9%	6,751	32.6%	5.4%	4,185	58.5%	16.4%	3,052	83.2%	20.3%
<a href="#">ASTERDM IN</a>	10,019	19.1%	2.9%	1,695	36.8%	7.1%	1,287	129.6%	73.5%	740	72.1%	-15.7%
<a href="#">FORH IN</a>	18,588	12.2%	4.1%	3,424	25.7%	-10.1%	2,292	34.9%	-13.2%	1,659	48.4%	-7.2%
<a href="#">HCG IN</a>	5,256	14.1%	6.3%	909	22.3%	-1.2%	190	86.8%	-21.7%	121	58.7%	-43.2%
<a href="#">JLHL IN</a>	2,871	18.1%	-1.2%	639	20.5%	2.5%	601	71.2%	0.4%	446	-17.4%	-1.5%
<a href="#">KIMS IN</a>	6,884	13.6%	8.6%	1,794	14.2%	12.9%	1,271	7.2%	26.9%	866	7.2%	32.3%
<a href="#">MAXHEALT IN</a>	19,350	18.8%	7.5%	4,990	14.4%	-0.8%	4,010	5.0%	-7.2%	2,950	-0.7%	-7.8%
<a href="#">NARH IN</a>	13,410	8.7%	4.8%	3,039	12.3%	3.2%	2,317	12.5%	2.7%	2,016	9.5%	5.6%

Source: Company, PL

\*Hyperlink on Bloomberg Code

### Exhibit 99: Conviction Picks Commentary

Name	Commentary
Max Healthcare Institute	Healthy quarter aided by ramp up in new units. Occupancy was steady QoQ and ARPOB growth was in lower single digit YoY. Expansion plan is largely on track where +3000 beds will be operational by end of FY27E. Growth will be aided from expansion and ramping up of newly operationalized Dwarka, Lucknow and Nagpur units.
Krishna Institute of Medical Sciences	Reported double digit EBITDA growth of 14% YoY after 2 quarters of subdued performance. 21% YoY ARBOB growth was strong in Q1 (Rs38,458/day) aided by lower ALOS and improved case mix. Gross debt stands at Rs11.5bn and is guided to reach Rs16-17bn by end-FY25 post commissioning 3 new facilities.
Aster DM Healthcare	Strong quarter led by higher ARPOB growth, improved margins and healthy performance at Karnataka cluster. Mgmt guided 100 bps improvement in GM and reiterated consolidated margin target of 20% at consol level for the next 3 years. Guided ARPOB growth of 7-9% YoY. Reiterated expansion plan of 1,700 beds with capex requirement of Rs 12bn.

Source: PL

## HFCs

- Our coverage HFCs saw a mixed quarter. While AuM growth was largely in-line with PLe, NII/NIM was below PLe (due to LICHF), leading to a miss on PPop. However, PAT was higher as provisions were lower (led by LICHF). Overall AuM growth for the sector could witness a boost due to re-introduction of CLSS scheme in the recent budget.
- AuM growth was largely in-line at 5.7% YoY. However, disbursals were softer at Rs159.7bn (PLe Rs165.9bn) which was off-set by lower repayments at Rs130.8bn (PLe Rs140.3bn).
- Margins were a miss at 3.07% (PLe 3.42%) mainly driven by LICHF on account of lower interest on recoveries due to softer collection efficiency led by seasonality, and repricing pressure, especially on higher priced loans, because of competitive intensity.
- Other income was largely in-line at Rs1.14bn. Opex was lower at Rs4.5bn (PLe Rs4.8bn) due to softer other opex for LICHF and CANFIN.
- Lower provisions at Rs1.76bn (PLe Rs 4.53bn) were mainly due to LICHF; provision cost was lower at 21bps (PLe 54bps). While overall PAT was largely in-line, it was a beat for LICHF but a miss for Aavas and CanFin.
- Stage-3 was better at 2.92% (PLe 3.04%) due to lower Stage-3 for LICHF; Aavas/CanFin saw increase in stage-3 by 10/7bps QoQ.

### Exhibit 100: Q1FY25 Result Snapshot

(Rs mn)	NII			Operating Profit			PAT		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">AAVAS IN</a>	2,446	8.1%	3.2%	1,695	15.8%	-6.8%	1,261	14.9%	-11.6%
<a href="#">CANF IN</a>	3,214	12.7%	-1.9%	2,796	12.9%	2.9%	1,996	8.8%	-4.5%
<a href="#">LICHF IN</a>	19,891	-10.0%	-11.1%	17,715	-11.9%	-7.0%	13,002	-1.8%	19.2%

Source: Company, PL

\*Hyperlink on Bloomberg Code

## Logistics

- Logistics coverage universe registered healthy revenue growth of 10% YoY aided by better B2C and B2B realization on service level basis (up 6% to Rs69.7/parcel and 8% to Rs10,902/ton, respectively). On individual company basis, Delhivery posted 25.4% revenue growth, and MLL standalone revenue was up 10% YoY.
- On the operational front, EBITDA margins remained flattish at 5.1% for our coverage universe, as faster-than-expected recovery in Delhivery PTL segment margins and strong performance by MLL's 3PL business, was negated by a substantial contraction in the EBITDA margins of TCI Express (down 380bps, driven by 150bps decline in fleet utilization to 82%). In value terms, EBITDA nearly doubled YoY to Rs1,969mn (Delhivery had EBITDA of Rs971mn vs loss of Rs130mn on YoY basis). PAT level profitability stood at Rs682mn against loss of Rs657mn YoY, in line with PAT level positivity of Delhivery.
- Capex plans for most of the companies remain intact with major focus on branch expansion, automation and truck acquisition.
- Going forward, B2B volumes are expected to increase with green shoots anticipated in pharma, auto, home furnishing and solar in the medium term. B2C volumes are likely to recover with 15-20% growth anticipated in e-commerce sector in FY25E.
- Based on the management commentary of our coverage universe, we expect improvement in EBITDA margins in FY25E led by likely improvement in B2B and B2C volumes on the back of pre-festive related inventory stocking.

### Exhibit 101: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">DELHIVER IN</a>	21,723	12.6%	4.7%	971	-846.1%	111.6%	593	-160.2%	-195.2%	596	-166.6%	-209.9%
<a href="#">MAHLOG IN</a>	14,200	9.8%	-2.1%	663	-0.5%	17.1%	-25	-538.6%	-72.9%	-93	9.0%	-27.5%
<a href="#">TCIEXP IN</a>	2,930	-3.9%	-7.6%	335	-27.7%	-25.2%	305	-28.9%	-26.6%	231	-28.5%	-26.8%

Source: Company, PL

\*Hyperlink on Bloomberg Code

## Media & Entertainment

### Conviction Picks:

*Imagicaaworld Entertainment*

- **Media:** Within our media universe, PVR-Inox reported weak performance in 1QFY25 with pre-IND AS EBITDA loss of Rs381mn as footfalls declined by 10% YoY at 30.4mn in 1QFY25. However, ZEEL reported decent performance as EBITDA margin improved 500bps YoY to 12.8% as recalibration measures to reset the cost base has started yielding results.
- **Entertainment:** In our entertainment universe, Nazara reported a muted performance amid rising growth challenges within Early Learning, Real Money Gaming and Ad-Tech segments. While a new leg of inorganic growth journey has begun with acquisition of Freaks 4U Gaming and Fuse-Box Games we would await execution before turning constructive on the stock. Imagicaaworld Entertainment Ltd (IEL) reported strong performance with EBITDA margin of 59.3%. Launch of magic pass, addition of another banquet at a hotel in Khopoli and introduction of retail products at Wet'nJoy parks are possible triggers that can result in earnings upgrade. We maintain our positive view on the stock.
- **PVR-Inox:** PVR-Inox reported weak performance in 1QFY25 with pre-IND AS EBITDA loss of Rs381mn led by 1) lower number of releases amid general elections, 2) absence of blockbuster content, barring Kalki 2898 AD, and 3) strike in Hollywood. As the movie calendar is considerably better in 2HFY25E with movies like Pushpa-2, Singham Again, Sitare Zameen Par, and Bhool Bhulaiya-3 scheduled to hit the big screen post Oct'24, we expect sharp recovery in BO fortunes in the second half. Retain HOLD with a TP of Rs1,474 (12x FY26E EBITDA).
- **ZEEL:** Domestic ad-revenue declined 3.6% YoY amid diversion of spends from GEC due to elections and T20 WC. Yet, ZEEL reported better than expected performance with EBITDA beat of 10% aided by narrowing losses in digital business and employee cost rationalization. Likely improvement in ad-environment from 2HFY25E and accrual of benefits from NTO 3.0 is likely to result in sales CAGR of 8% over FY24-FY26E. Deployment of FCCB funds worth US\$239mn will be keenly eyed in near term and can act as re-rating trigger. Retain HOLD with a TP of Rs157 (12x FY26 EPS).
- **Nazara Technologies:** The organic growth of Nazara has come under scanner since last 2-3 quarters amid ongoing challenges in Ad-Tech (loss of a large client), Kiddopia (3.3% QoQ fall in subscriber base), and Real Money Gaming (GST levy of 28% on full bet value). However, a new leg of inorganic growth journey has started with the acquisition of Freaks 4U Gaming, Fuse-Box Games, and full buy-out of Paper Boat. We expect sales/EBITDA to grow at the CAGR of 27%/48% over FY24-FY26E & retain "HOLD" with a DCF based TP of Rs923.
- **Imagicaaworld Entertainment Limited:** Imagicaaworld Entertainment Ltd (IEL) reported strong operational performance with EBITDA margin of 59.3%, while bottom-line was aided by a change in depreciation policy. Consolidation of parks at Lonavala & Shirdi not only acts as a growth kicker but is also expected to lend significant synergy benefits arising from F&B vendor consolidation and employee cost rationalization. We expect sales/EBITDA CAGR of 32%/43% over FY24-FY27E & retain BUY with a TP of Rs116.

**Exhibit 102: Q1FY25 Result Snapshot**

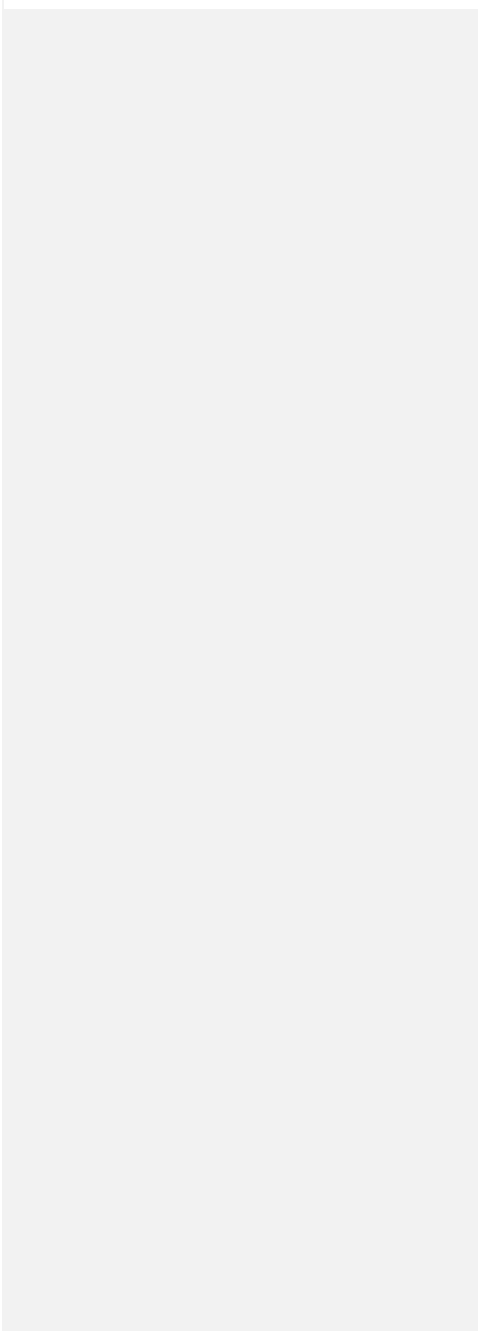
(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">NAZARA IN</a>	1,806	80.0%	219.0%	1,071	114.2%	521.2%	913	176.4%	1630.3%	691	179.4%	568.0%
<a href="#">IMAGICAA IN</a>	2,501	-1.7%	-6.1%	249	-24.7%	-14.7%	347	22.7%	83.2%	226	16.1%	164.7%
<a href="#">PVRINOX IN</a>	11,907	-8.8%	-5.2%	2,515	-28.7%	-9.7%	-2,381	120.7%	35.9%	-1,787	119.0%	38.0%
<a href="#">Z IN</a>	21,305	7.4%	-1.8%	2,717	75.3%	29.2%	2,084	192.3%	47.2%	1,554	119.8%	290.2%

Source: Company, PL      \*Hyperlink on Bloomberg Code

**Exhibit 103: Conviction Picks Commentary**

Name	Commentary
Imagicaaworld Entertainment	We believe IEL is a classic turnaround candidate post BS restructuring and takeover by the Malpani Group. IEL is on a strong growth path led by the consolidation of 5 parks at Lonavala, Shirdi and Indore from 1QFY25E. Beyond the inorganic growth catalyst, plans to raise Rs6bn signals a strong growth trajectory ahead. We expect sales/EBITDA CAGR of 32%/43% over FY24-FY27E and retain BUY on the stock with an SOTP-based TP of Rs116.

Source: PL





**Conviction Picks:***Jindal Steel & Power**Hindalco Industries***Metals & Mining**

- Metals coverage universe reported ~5% QoQ decline in revenue largely due to weak volume growth during the quarter on account of the general elections. Domestic demand remained muted and is expected to improve post monsoon. Steel imports remained elevated but declined 5% QoQ to 1.93mt in Q1FY25.
- Steel companies' realizations were supported by higher long steel product prices in the quarter. Flat steel prices declined ~0.5% to ~Rs53.5k/t, while long steel prices increased sharply by 8-9% to ~Rs57k/t. Steel majors took price hikes, but with long product prices again declining sharply post Jun'24, Q2FY25 pricing is expected to remain weak QoQ. Long product prices have declined sharply from end-Jun'24 to Rs50k/t today, and flats have also declined to ~Rs50k/t, which shall affect NSR in Q2FY25.
- For steel companies under coverage, EBITDA/t improved QoQ (except TATA) due to better realizations and lower coking coal prices. As coking coal prices declined >12% QoQ to USD206/t FOB Australia, margins are expected to weather the impact of falling steel prices and weak demand in Q2.
- Higher iron ore prices aided NMDC to report 3% QoQ increase in NSR, while volumes remained muted at 10mt due to employee strike. Volume growth is expected to improve once steel demand improves in H2 as NMDC has received clearance for 1.5mtpa capacity extension at Kumaraswamy mines.
- Jindal Stainless reported strong margins at Rs17.3k/t aided by its focus on high-margin grades of stainless steel and higher volume growth. Domestic volumes grew 14%+, while exports market continued to remain soft. We expect JDSL EBITDA to improve gradually to guided range of Rs18-20k/t.
- EBITDA for our metals coverage universe grew 4% QoQ to Rs293bn. PAT was flat QoQ at Rs102bn. EBITDA margins improved 117bps QoQ to 13.9% largely led by higher realizations, while lower coal prices provided some relief.
- Ongoing project commissioning is on track with no major delays. Timely commissioning would aid volume ramp-up from 2HFY25.
- Chinese steel demand remained muted, which led to further decline in global steel pricing. China prices declined 12% QoQ to USD480/t followed by Europe (11%), while Indian prices are holding up (-7%) as domestic demand remains strong. We expect China to cut production going forward as it is uneconomical to produce steel at these prices.
- The managements have guided for weak NSR due to falling steel prices in the recent past, while demand is expected to remain stable in the monsoon quarter. We believe near-term margins will remain soft, while margin recovery should start from Q3FY25 as domestic volume growth improves.

**Exhibit 104: Q1FY25 Result Snapshot**

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">HNDL IN</a>	570.1	7.6%	1.8%	75.0	31.3%	12.3%	51.8	55.6%	25.1%	37.3	50.7%	17.5%
<a href="#">JDSL IN</a>	94.3	-7.4%	-0.3%	12.1	1.6%	17.1%	8.9	-6.4%	26.1%	6.5	-13.1%	29.4%
<a href="#">JSP IN</a>	136.2	8.2%	1.0%	28.4	8.0%	16.2%	18.6	5.2%	59.8%	13.4	-20.6%	43.3%
<a href="#">JSTL IN</a>	429.4	1.7%	-7.2%	55.1	-21.8%	-10.0%	13.9	-60.4%	-34.0%	8.5	-63.9%	-34.9%
<a href="#">NACL IN</a>	28.6	-10.1%	-20.2%	9.3	57.2%	-15.6%	8.2	73.5%	-13.3%	6.0	72.1%	-40.8%
<a href="#">NMDC IN</a>	54.1	0.4%	-16.6%	23.4	17.4%	11.3%	26.1	17.9%	9.2%	19.6	18.2%	36.9%
<a href="#">SAIL IN</a>	240.0	-1.5%	-9.5%	22.2	34.7%	8.8%	3.3	61.3%	-17.4%	0.1	-92.9%	-98.9%
<a href="#">TATA IN</a>	547.7	-7.9%	-6.7%	66.9	29.4%	1.4%	26.4	25.0%	11.7%	10.9	73.2%	38.7%

Source: Company, PL      \*Hyperlink on Bloomberg Code

**Exhibit 105: Conviction Picks Commentary**

Name	Commentary
Jindal Stainless	Key beneficiary of evolving stainless steel demand in India, Jindal Stainless is ramping up its newly acquired capacities to deliver 15%+ volume growth over the next 2 years. With NPI and Chromeni assets getting commissioned in 2HFY25, JDSL is set to deliver the best volume growth in the metals space.
Hindalco Industries	Novelis is expected to deliver stable EBITDA/t over the next few quarters given the resilient developed economies and gradual improvement in consumer demand from China. India operations are expected to benefit from higher LME, alumina prices and lower coal costs.

Source: PL

**Conviction Picks:**

Oil India

Gujarat Gas

## Oil & Gas

- In Q1FY25, oil and gas sector reported an EBITDA/PAT of Rs847.7bn (down 11.3% QoQ)/Rs367.2bn (down 23.7% QoQ) primarily dragged by the weak performance of OMCs.
- RIL's standalone segment** reported an EBITDA of Rs143.2bn, down 28.5% QoQ on account of lower refining margins. Retail EBITDA fell 2% QoQ with a margin of 8.2%. Jio EBITDA grew 2% QoQ with a 7.9mn QoQ addition in subscribers and flat ARPU at Rs181.7/month.
- On the upstream front**, ONGC's EBITDA grew 7% QoQ (aided by decline in other expenses), oil production fell 2.3% QoQ while gas production fell 1.8%. OINL's operating profit improved 5.6% QoQ with oil and gas production growing 2.7% and 1.6% QoQ, respectively.
- OMCs' operating profit at Rs163.9bn was down 33% QoQ** on account of weak refining performance amid decline in product cracks, and weak marketing margins with under recoveries on LPG sales.
- CGDs reported mixed set of numbers-** CGD players' operating profit came in at Rs15.4bn, up 2% QoQ with MGL and IGL's operating profit improving 6/11% QoQ while Gujarat Gas' EBITDA declining 9.4% QoQ. On the volume front, while IGL's volume grew by 5% YoY, MGL and Gujarat Gas' sales grew remarkably by 13/19% YoY.
- Going forward**, we expect OMCs' refining margins to remain low owing to weak product cracks and gross marketing margins to come in moderate. Oil India has guided for a strong volume growth by FY26 and we factor in 8%/16% CAGR oil/gas volume growth over FY24-26E. For CGD companies, any price hike/cuts undertaken by them would remain a key monitorable.

**Exhibit 106: Q1FY25 Result Snapshot**

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">BPCL IN</a>	1,131.0	0.1%	-3.0%	56.5	-64.3%	-38.7%	40.3	-71.2%	-45.8%	30.1	-71.4%	-28.6%
<a href="#">GAIL IN</a>	336.9	4.5%	4.2%	45.3	86.1%	27.3%	36.4	92.8%	28.1%	27.2	92.9%	25.1%
<a href="#">GUJGA IN</a>	44.5	17.7%	7.6%	5.4	38.1%	-9.4%	4.4	53.2%	-10.3%	3.3	53.3%	-10.4%
<a href="#">GUJS IN</a>	3.4	-14.8%	-26.2%	3.0	-10.5%	-20.4%	2.8	-7.5%	-20.6%	2.1	-7.5%	-18.8%
<a href="#">HPCL IN</a>	1,067.5	-4.7%	-0.8%	21.1	-77.9%	-56.1%	4.7	-94.3%	-85.8%	3.6	-94.3%	-87.5%
<a href="#">IGL IN</a>	35.2	3.3%	-2.1%	5.8	-9.4%	11.4%	5.4	-8.3%	3.7%	4.0	-8.4%	4.9%
<a href="#">IOCL IN</a>	1,932.4	-2.2%	-2.4%	86.3	-61.0%	-17.3%	34.5	-80.9%	-45.5%	26.4	-80.8%	-45.4%
<a href="#">MAHGL IN</a>	15.9	3.4%	1.4%	4.2	-19.8%	6.2%	3.8	-22.6%	7.4%	2.8	-22.8%	7.3%
<a href="#">MRPL IN</a>	232.5	9.8%	-8.2%	6.1	-70.6%	-74.1%	1.0	-93.5%	-94.3%	0.7	-93.5%	-94.2%
<a href="#">OINL IN</a>	58.4	25.7%	1.4%	24.7	5.9%	5.6%	19.7	-5.9%	-21.8%	14.7	-9.1%	-27.7%
<a href="#">ONGC IN</a>	352.7	4.3%	1.8%	186.2	-4.3%	7.0%	119.6	-14.9%	-7.0%	89.4	-15.1%	-9.4%
<a href="#">PLNG IN</a>	134.2	15.1%	-2.7%	15.6	32.3%	41.6%	15.2	43.1%	52.7%	11.4	44.5%	54.8%
<a href="#">RELIANCE IN</a>	2,317.8	11.7%	-2.0%	387.7	1.8%	-8.8%	232.3	-4.4%	-16.2%	178.5	11.5%	-5.8%

 Source: Company, PL \*Hyperlink on Bloomberg Code
**Exhibit 107: Conviction Picks Commentary**

Name	Commentary
Oil India	Significant volume CAGR of 8%/16% in oil/gas expected over FY24-26E
Gujarat Gas	Q2 volume is expected to be affected with Morbi sales being impacted amid the Red Sea conflict, monsoon and festive season. Volume is expected to recovery Q3 onwards

Source: PL

## Pharma

### Conviction Picks:

Sun Pharmaceutical Industries

Lupin

J.B. Chemicals & Pharmaceuticals

Eris Lifesciences

- Pharmaceutical coverage universe registered healthy revenue growth of 12.2% YoY aided by strong show from complex generics in US complemented by domestic formulations growth. During 1Q, the acute portfolio witnessed recovery complementing chronic portfolio of selected companies.
- The US business performed well both in terms of core business and constant currency terms. It delivered 13.2% growth YoY on overall basis and 11.6% YoY on constant currency terms. Higher volumes supported API business.
- On operational front, EBITDA margins increased 184 bps YoY to 27.5% for our coverage universe. Factors played out 1) Improved product mix 2) Stabilising of price erosion in US and 3) Softening of input costs as well as freight costs. In value terms, it grew 20.4% YoY to Rs150bn. PAT grew 22.8% YoY to Rs 99.4bn, due to debt repayment and benefit from tax implications.
- There was an increase in employee expenses on YoY and QoQ basis across our coverage universe. Capex plans for most of the companies remain intact.
- US business is likely to pick up meaningfully with receipt of new ANDA approvals and launches. Domestic formulation business to maintain its growth trend in coming quarters.
- Most corporates guided for further margin expansion for our coverage universe on the back of cost savings from input prices and healthy price realizations.

### Exhibit 108: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">ARBP IN</a>	75,670	10.5%	-0.2%	16,196	40.7%	-4.0%	13,253	49.8%	-4.9%	9,182	61.2%	-20.3%
<a href="#">CIPLA IN</a>	66,939	5.8%	8.6%	17,158	14.9%	30.4%	16,114	17.2%	28.0%	11,776	18.3%	25.4%
<a href="#">DIVI IN</a>	21,180	19.1%	-8.0%	6,230	23.6%	-15.0%	6,040	22.8%	-15.3%	4,300	20.8%	-20.1%
<a href="#">DRRD IN</a>	76,727	13.9%	8.3%	21,270	4.0%	19.2%	18,767	1.8%	18.7%	13,920	-0.7%	6.5%
<a href="#">ERIS IN</a>	7,197	54.2%	30.6%	2,500	47.2%	68.4%	1,153	2.5%	50.5%	832	-12.4%	17.2%
<a href="#">INDR IN</a>	4,315	1.2%	-4.0%	478	-21.9%	-2.3%	70	-79.4%	-47.4%	10	-95.8%	-38.0%
<a href="#">IPCA IN</a>	20,926	31.8%	2.9%	3,875	31.7%	27.2%	2,904	15.3%	36.1%	1,921	16.5%	-2.2%
<a href="#">JBCP IN</a>	10,044	12.1%	16.6%	2,804	20.8%	41.5%	2,398	23.4%	45.7%	1,768	24.2%	40.2%
<a href="#">LPC IN</a>	56,003	16.3%	12.9%	12,864	50.2%	29.1%	9,930	77.7%	99.5%	8,013	77.2%	122.9%
<a href="#">SUNP IN</a>	1,26,528	6.0%	5.6%	36,581	9.9%	18.3%	34,740	24.0%	16.8%	28,356	21.0%	6.8%
<a href="#">TRP IN</a>	28,590	10.3%	4.2%	9,040	14.3%	2.4%	6,560	23.5%	4.0%	4,570	20.9%	1.8%
<a href="#">ZYDUSLIF IN</a>	62,075	20.8%	12.2%	21,092	37.6%	29.8%	19,249	40.5%	24.9%	14,451	29.6%	23.1%

Source: Company, PL

\*Hyperlink on Bloomberg Code

### Exhibit 109: Conviction Picks Commentary

Name	Commentary
Sun Pharma Industries	Growth trajectory to continue on the back of specialty portfolio with 6 products under clinical trials with competitive profile. Strong growth visibility remains in ROW and Domestic business.
Lupin	Strong US visibility with continued niche launches followed by regaining of momentum from domestic formulations business to aid growth.
J.B. Chemicals & Pharmaceuticals	Scale up in the acquired portfolio and its well positioning in the domestic market will continue to drive its growth momentum.
Eris Lifesciences	Ramp up of its existing franchise with opportunities from patent expiry products, Acquired portfolio and Oaknets performance to augment profitability

Source: PL

## Telecom

- In Q1FY25, Bharti Airtel reported an EBITDA/PAT of Rs197bn (up 1.8%QoQ) and Rs36.1bn (flat QoQ)
- Subscribers stood at 354.5mn, with a net subscriber addition of 2.3mn QoQ. ARPU stood at Rs 211, up 1% QoQ
- India mobile Q1 Revenue/ EBITDA were Rs290.5bn (+2%QoQ) and Rs152bn (+2.1%QoQ). 4G net customer addition was an impressive 6.7mn. Average ARPU of Rs211 (+5.4%YoY). For comparison, Jio's ARPU came in at Rs181.7, flat QoQ while net subscribers grew by 7.9mn QoQ.
- Enterprise segment's revenue came in flat QoQ at Rs54.7bn while EBITDA declined 4.7% QoQ to Rs19.9bn with a 188bps decline in margins to 36.3%. DTH revenue came in flat QoQ at Rs7.7bn, similarly EBITDA at Rs4.4bn was flat QoQ too. Home services revenue grew steadily by 3.9% QoQ to Rs13.7bn with an EBITDA of Rs6.8bn (+4.6% QoQ) and margin of 50.2%.
- Africa mobile revenue grew 3.7% QoQ to Rs96.4bn with an ARPU of USD2.2 and subscriber additions of 2.7mn
- Airtel enterprise remains a leader in B-B space, by gaining revenue market share. Company sees lots of opportunities in IOT, CPaaS and cyber security.

### Exhibit 110: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">BHARTI.IN</a>	3,85,064	2.8%	2.4%	1,97,076	0.6%	1.8%	43,786	-6.4%	-0.6%	36,131	-4.5%	-0.6%

Source: Company, PL      \*Hyperlink on Bloomberg Code

## Travel & Tourism

### Conviction Picks:

Lemon Tree Hotels

- Luggage:** Although VIP gained 2% market share in this quarter, GM is likely to remain under pressure due to heavy discounting. The slow-moving SL inventory of ~Rs2.2bn will take ~1-2 quarters for full liquidation leading to elevated warehousing, freight & interest cost in the interim. Given rising competitive pressure, Safari's topline growth also slowed down to mid-single digit in 1QFY25. While pricing pressure might prevail in near term we believe Safari will be in a better position to counter this challenge once greenfield plant at Jaipur begins operations in 3QFY25E. New plant will bring in cost competitiveness by optimizing freight & power cost enabling Safari to compete better at mass end of the curve that is most price sensitive.
- Hotels:** Chalet's same store RevPAR registered a growth of 4%, in comparison to Lemon Tree which reported a growth of 7%. Chalet has ventured into leisure market in Goa with plans to construct a 5-star luxury hotel having ~170 rooms. In addition, 90% of commercial portfolio is expected to be leased out by end of the year leading to a good traction in annuity income. In case of Lemon Tree, we expect 2HFY25 to be considerably better as Aurika, Mumbai will operate at better ARR given rising share of retail customers and benefits that would come from the ongoing renovation exercise.
- Aviation:** Indigo reported strong performance in 1QFY25 with an adjusted EBITDAR margin of 29.8%. Despite a strong performance, our EBITDAR estimates are broadly intact for the next 2 years as revise our fuel CASK assumptions due to rise in VAT rates in few states and induction of less fuel efficient CEO aircrafts via damp lease. IndiGo has charted a growth strategy to deepen international penetration by placing a firm order of Airbus A350-900 sometime back and is taking steps towards premiumisation with the launch of business class. Trend in fuel prices, competitive intensity and gravity of P&W engine problems are key factors to monitor in near term. We expect revenue CAGR of 16% over next 2 years and retain ACCUMULATE on the stock.
- IRCTC:** We believe growth in internet ticketing division has plateaued with e-booking penetration at ~83% and expectation of a mid-single digit growth in volumes over FY24-FY26E. In addition, rising share of low yielding UPI transactions (45% share in 1QFY25) will limit the scope for margin expansion. Overall, we believe scope for earnings surprise is limited given growth in high margin internet ticketing division has plateaued. We expect sales/PAT CAGR of 11%/12% over FY24-FY26E and retain REDUCE on the stock with a TP of Rs822.

### Exhibit 111: Q1FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.	Q1FY25	YoY gr.	QoQ gr.
<a href="#">CHALET IN</a>	3,610	16.2%	-13.7%	1,402	27.7%	-23.3%	777	108.9%	-21.5%	607	30.0%	-26.4%
<a href="#">INDIGO IN</a>	1,95,707	17.3%	9.8%	57,833	11.9%	32.1%	28,040	-9.3%	58.3%	27,288	-11.7%	44.0%
<a href="#">IRCTC IN</a>	11,202	11.8%	-3.0%	3,749	9.3%	3.4%	4,096	12.4%	9.4%	3,055	7.5%	10.5%
<a href="#">LEMON TRE IN</a>	2,680	20.6%	-18.1%	1,151	10.1%	-32.9%	291	-19.0%	-67.4%	198	-15.6%	-70.4%
<a href="#">SII IN</a>	4,500	5.5%	23.2%	659	-16.6%	-1.5%	575	-12.5%	2.8%	444	-11.1%	2.8%
<a href="#">VIP IN</a>	6,389	0.4%	23.7%	493	-38.8%	529.8%	37	-92.8%	-111.2%	40	-87.4%	-116.9%

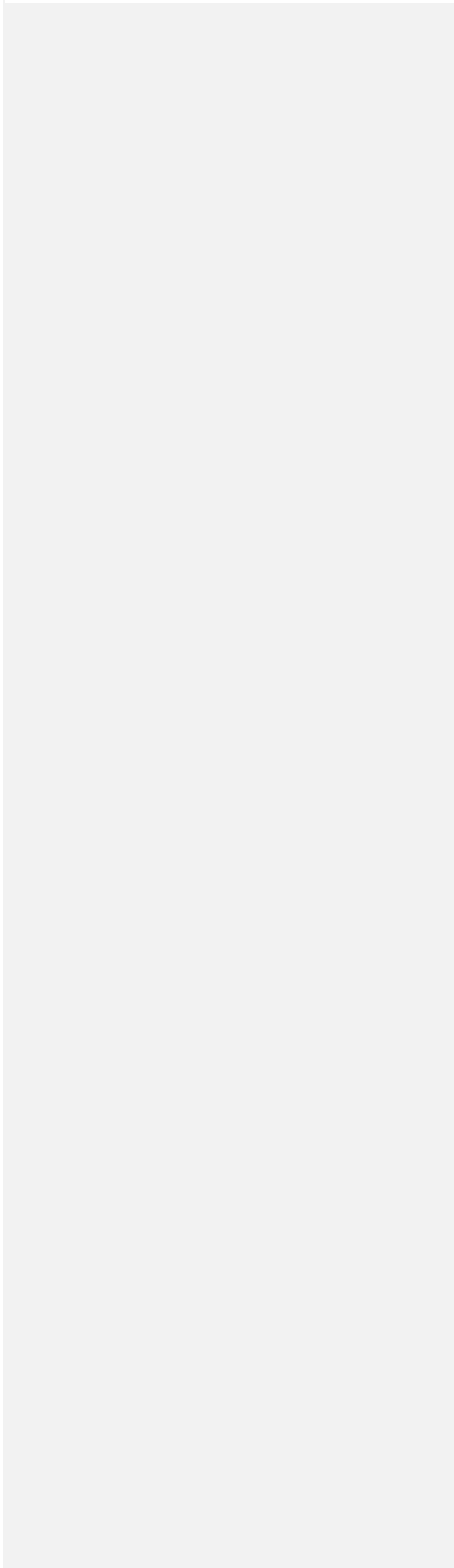
Source: Company, PL

\*Hyperlink on Bloomberg Code

## Exhibit 112: Conviction Picks Commentary

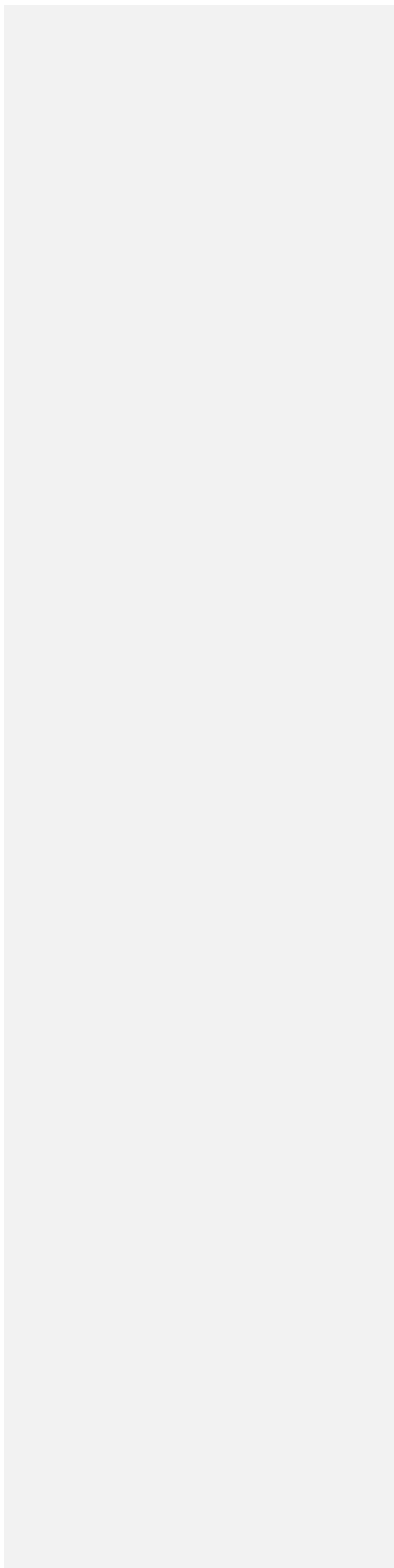
Name	Commentary
Lemon Tree Hotels	Lemon Tree's 1QFY25 performance was subdued due to higher renovation cost and under-absorption of fixed overheads amid weak occupancy in Aurika, Mumbai. Occupancy in Aurika stood at 46% as Lemon Tree decided not to lock itself with a low ARR crew business. We believe foregoing the low yielding crew business reflects confidence of strong retail demand in 2HFY25. We anticipate a strong recovery in 2 <sup>nd</sup> half and believe CMP provides a good entry point. Retain BUY with a TP of Rs159 (24x FY26E EBITDA).

Source: PL

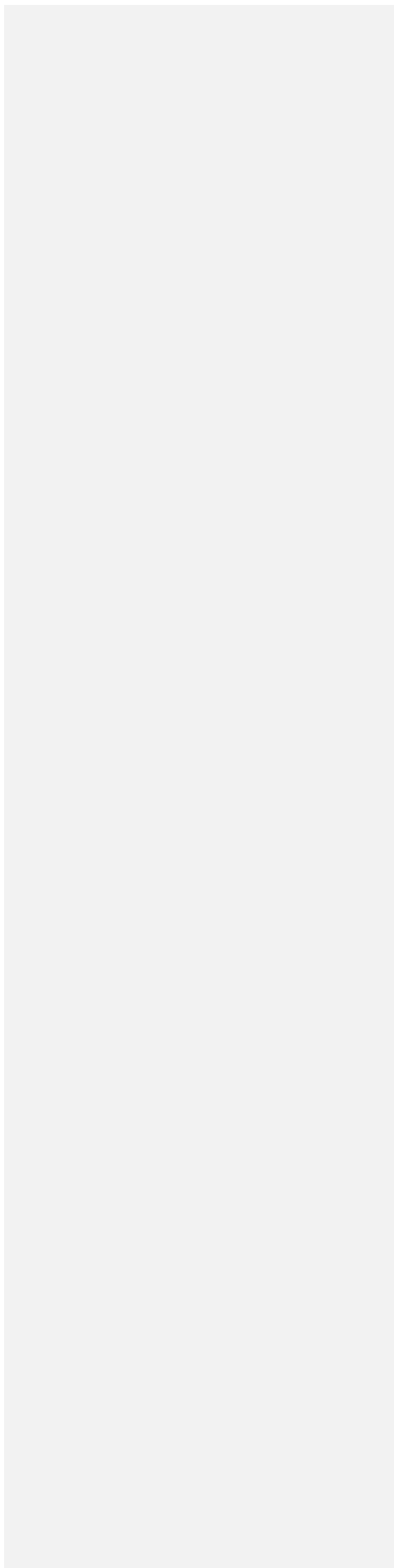




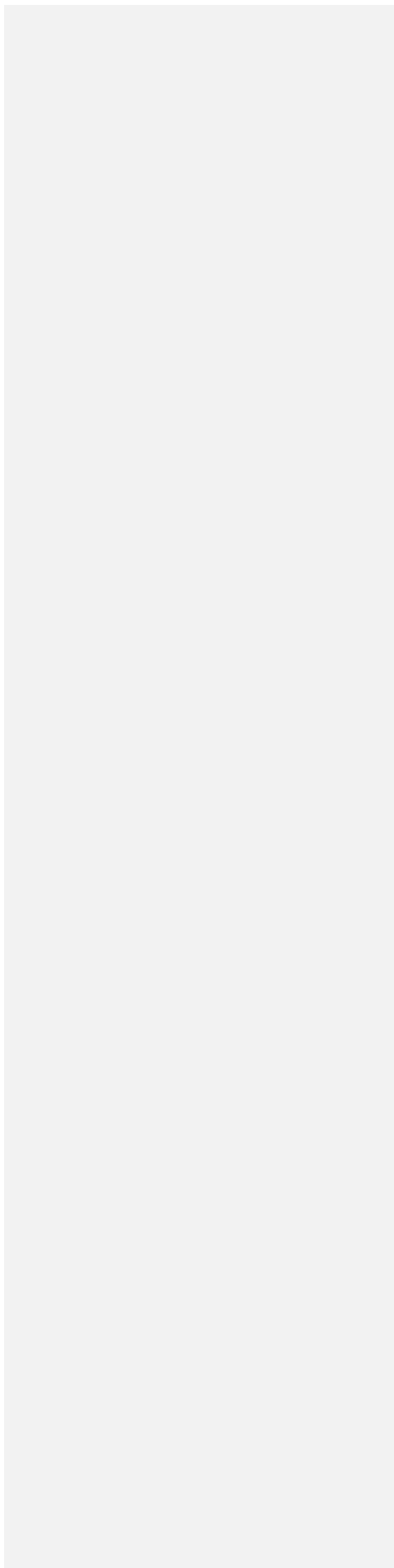
Notes



Notes



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## PL's Recommendation Nomenclature

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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