

**Market snapshot**



Equities - India	Close	Chg .%	CY24.%
Sensex	76,190	-0.4	8.2
Nifty-50	23,092	-0.5	8.8
Nifty-M 100	53,263	-1.5	23.9
Equities-Global	Close	Chg .%	CY24.%
S&P 500	6,101	-0.3	23.3
Nasdaq	19,954	-0.5	28.6
FTSE 100	8,502	-0.7	5.7
DAX	21,395	-0.1	18.8
Hang Seng	7,312	2.1	26.4
Nikkei 225	39,932	-0.1	19.2
Commodities	Close	Chg .%	CY24.%
Brent (US\$/Bbl)	79	-0.1	-4.5
Gold (\$/OZ)	2,771	0.6	27.2
Cu (US\$/MT)	9,156	0.4	2.2
Almn (US\$/MT)	2,634	0.7	7.7
Currency	Close	Chg .%	CY24.%
USD/INR	86.2	-0.3	2.9
USD/EUR	1.0	0.8	-6.2
USD/JPY	156.0	0.0	11.5
YIELD (%)	Close	1MChg	CY24 chg
10 Yrs G-Sec	6.7	-0.01	-0.4
10 Yrs AAA Corp	7.2	-0.01	-0.5
Flows (USD b)	24-Jan	MTD	CYTD
FII	-0.3	1.00	-0.8
DII	0.28	4.29	62.9
Volumes (INRb)	24-Jan	MTD*	YTD*
Cash	924	1002	1002
F&O	1,16,129	1,94,291	1,94,291

Note: Flows, MTD includes provisional numbers.

\*Average



**Today's top research idea**

**ICICI Bank: Another steady quarter; asset quality ratios stable**

- ❖ ICICIBC once again reported a healthy performance even in the current challenging environment characterized by controlled provisions, impressive cost control, healthy other income, and stable asset quality (ex-agri).
- ❖ NII growth was in line, while NIM contracted 2bp QoQ. The bank's substantial investment in technology offers some cushion while continued productivity gains have helped maintain a tight leash on cost ratios.
- ❖ A steady mix of high-yielding portfolio and broad-based growth across product lines are enabling profitable growth while maintaining healthy business diversification. Secured asset quality remained stable (ex-agri) with no signs of stress, leading to improvement in the GNPA ratio.
- ❖ The contingency provisioning buffer of INR131b (1.0% of loans) provides further comfort in case of any future cyclical stress. We tweak our earnings estimates and project RoA/RoE of 2.2%/16.8% in FY27.
- ❖ Reiterate BUY with a revised TP of INR1,550 (based on 2.5x FY27E ABV).



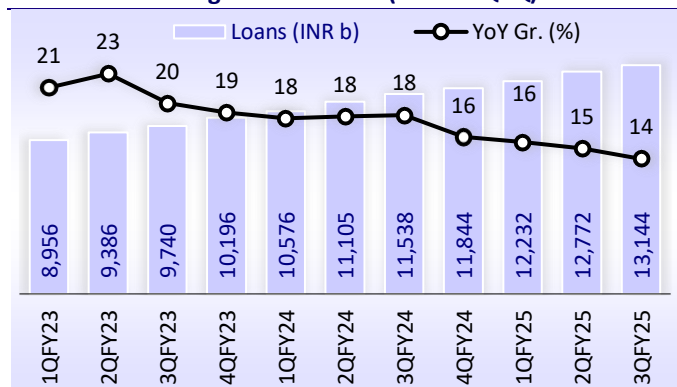
**Research covered**

Cos/Sector	Key Highlights
ICICI Bank	Another steady quarter; asset quality ratios stable
Reliance Industries – Top Idea 2025	Multiple re-rating triggers in CY25; risk-reward compelling
Other Updates	NTPC   JSW Steel   InterGlobe Aviation   Godrej Consumer   Torrent Pharma   United Spirits   Mankind Pharma   Shriram Finance   Indus Towers   HPCL   Mphasis   IDFC First Bank   AU Small Finance Bank   Laurus Labs   Amber Enterprises   Atul   KFin Technologies   CreditAccess Grameen   Indian Energy Exchange   Granules India   DCB Bank   CDSL   DLF   Macrotech Developers   Balkrishna Industries   JK Cement   Transport Corporation of India   Aviation

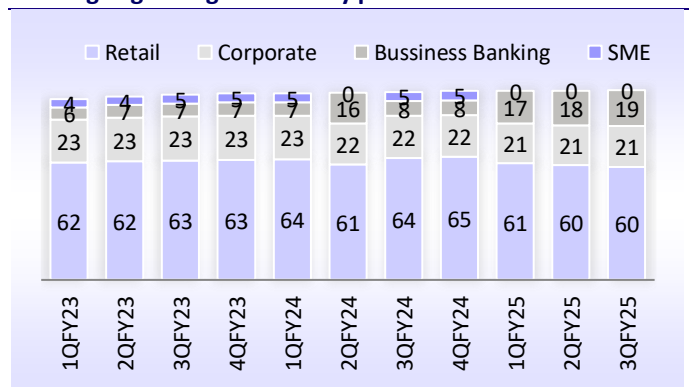


**Chart of the Day: ICICI Bank (Another steady quarter; asset quality ratios stable)**

Overall loan book grew 13.9% YoY (~+2.9% QoQ)



Retail loans stood at 60% of overall loans while the business banking in growing at a healthy pace



Research Team (Gautam.Duggad@MotilalOswal.com)

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

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



Kindly click on textbox for the detailed news link

1

### **Robust demand drives auto exports up 19%**

Automobile exports from India increased by 19% in 2024, driven by strong demand for two-wheelers, passenger vehicles, and commercial vehicles. Overall shipments reached nearly 51 lakh units, with a notable rise in demand from Latin America and Africa. Passenger vehicle exports saw a 10% growth

2

### **Paint companies of all hues line up for Akzo Nobel India**

Major paint companies like Pidilite, JSW Paints, Berger, and Indigo Paints have submitted bids for acquiring Akzo Nobel India. The acquisition is valued at approximately ₹13,107 crore, following Akzo Nobel NV's strategic decision to sell its Indian operations.

3

### **NTPC Green Energy arm bags 300 MW solar project from NHPC**

NTPC Green Energy Limited's subsidiary, NTPC Renewable Energy Limited, has secured a 300 MW solar project from NHPC through a competitive bidding process. The project involves setting up inter-state transmission system connected solar power projects and includes an energy storage system of 150 MW/300 MWh.

4

### **Hospitality sector awaits infrastructure status, seeks GST relief in Budget**

India's hospitality industry anticipates infrastructure status to lower financing costs, rationalisation of goods and service tax (GST) rates to stay competitive with global peers, a digital single-window clearance system for hotel licences and approvals, and measures for increasing the skilled workforce.

5

### **JSW expects lower leverage amid improving earnings: CEO Jayant Acharya**

JSW Steel's CEO Jayant Acharya is optimistic about reduced leverage due to improved earnings and cash flows this quarter. The company's focus remains on key financial ratios. Government infrastructure spending and trade measures to protect domestic players will boost earnings.

6

### **Liquidity tightness in India's banking system: Rethinking RBI's policy tools**

The RBI faces challenges providing liquidity amidst India's banking system issues, as traditional OMOs have limited impact due to regulatory and structural constraints. Reforms in CRR and LCR requirements could inject direct liquidity,

7

### **Soft drinks, ice creams, AC makers scaling up production to match early season demand spike**

As an unusually early summer approaches, manufacturers of seasonal products like air-conditioners, soft drinks, ice creams, and beer are ramping up production. Companies such as Voltas, Varun Beverages, and Amul are increasing capacity



# ICICI Bank

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	ICICIBC IN
Equity Shares (m)	7059
M.Cap.(INRb)/(USDb)	8537.7 / 99
52-Week Range (INR)	1362 / 985
1, 6, 12 Rel. Per (%)	-4/4/13
12M Avg Val (INR M)	17881

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	743	807	886
OP	581	666	742
NP	409	466	504
NIM (%)	4.7	4.5	4.3
EPS (INR)	58.4	66.3	71.7
EPS Gr (%)	27.5	13.6	8.2
ABV/Sh (INR)	315	371	433
Cons. BV/Sh (INR)	363	433	513

### Ratios

RoA (%)	2.4	2.4	2.2
RoE (%)	18.9	18.3	17.0

### Valuations

P/BV (x) (Cons)	3.3	2.8	2.4
P/ABV (x)*	3.0	2.5	2.2
P/E (x)	20.8	18.3	16.9
Adj P/E (x)*	16.2	14.2	13.2

\*Adjusted for investment in subsidiaries

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	36.8	35.9	37.4
FII	55.8	56.6	54.7
Others	7.4	7.5	7.9

FII includes depository receipts

**CMP: INR1,209 TP: INR1,550 (+28%) Buy**

## Another steady quarter; asset quality ratios stable

### Controlled opex and credit costs aid earnings

- ICICI Bank (ICICIBC) delivered another steady quarter in a highly uncertain environment as credit costs stood at just 37bp, the 3Q slippage rate came in lower than 1Q, and the reported RoA was 2.36% (2.37% for 9MFY25). The bank delivered 11% growth in advances during 9MFY25 and remains on track to beat peers and the industry. The bank's performance amid the current challenging environment has reminded us of the famous proverb, **"When the going gets tough, the tough get going!"**.
- ICICIBC's 3QFY25 PAT of INR117.9b (3% beat) grew 15% YoY fueled by lower-than-expected provisions.
- NII grew 9.1% YoY to INR203.7b (in line). NIM moderated 2bp QoQ to 4.25%. Fee income grew 16.3% YoY to INR61.8b, while treasury gains stood at INR3.71b vs. INR1.23b in 3QFY24.
- Net advances rose 13.9% YoY/2.9% QoQ, while domestic net advances increased 15.1% YoY/3.2% QoQ. Deposit growth was modest at 14.1% YoY/1.5% QoQ. However, the average CASA mix was stable at 39%.
- On the asset quality front, fresh slippages stood at INR60.85b (INR50.73b in 2QFY25). GNPA ratio declined 1bp QoQ to 1.96% while the Net NPA ratio was stable at 0.42%. PCR moderated 29bp QoQ to 78.7%, while the contingency buffer stood unchanged at INR131b (1.0% of loans).
- We broadly retain our earnings estimate and project an RoA/RoE of 2.2%/16.8% in FY27. **Reiterate BUY with a revised TP of INR1,550 (premised on 2.5x FY27E ABV).**

### Deposit growth modest; NIM moderates 2bp QoQ

- ICICIBC's 3QFY25 PAT grew 15% YoY to INR117.9b (3% beat), led by higher-than-expected other income and controlled provisions and opex. The bank reported an annualized RoA of 2.36%.
- The bank reported 9MFY25 PAT at INR346b (up 14.6% YoY), and we expect 4QFY25 PAT to be at INR119.8b (up 12% YoY).
- NII grew 9.1% YoY to INR203.7b (in line). NIM moderated 2bp QoQ to 4.25%. Other income grew 16% YoY to INR70.7b (4% beat). Total revenue thus increased 11% YoY to INR274.4b (in line).
- Opex grew 5% YoY/was flat QoQ at INR105.5b (2% lower than MOFSLe). C/I ratio thus declined to 38.5%. As a result, PPop grew 15% YoY to INR168.9b (in line).
- On the business front, advances grew 13.9% YoY/2.9% QoQ, led by a healthy 6.4% QoQ growth in Business banking. Retail and rural grew 1.4% QoQ. Within retail, credit cards continued to grow at a healthy pace, whereas personal loans declined 1.3% sequentially. The unsecured loan mix stood at ~13.5% of the total loans. Corporate book growth was steady at 4.3% QoQ.

- On the liability front, deposits grew at a modest 14.1% YoY/1.5% QoQ. However, the average CASA ratio improved 10bp sequentially to 39%.
- Fresh slippages stood at INR60.85b (barring agri at INR53.7b). GNPA ratio declined 1bp QoQ to 1.96% while the Net NPA ratio was stable at 0.42%. PCR moderated 29bp QoQ to 78.7%.

#### Highlights from the management commentary

- Of the total domestic loan book, 31% has a fixed interest rate, 52% has an interest rate linked to the repo rate, 1% is linked to other external benchmarks, and 16% has an interest rate linked to MCLR and other older benchmarks.
- Credit costs stood at 37bp in 3QFY25, and management expects to continue the target of ~50bp going forward.
- The deposit growth was modest due to funding requirements and the CRR cut in the middle of Dec'24. The RIDF portfolio has also seen some reduction.
- On the retail front, secured books witnessed very low slippages. Within unsecured loans, delinquencies have increased over the past few quarters, and ICICIBC has taken corrective actions to arrest the overall slippages.

#### Valuation and view: Reiterate BUY with a revised TP of INR1,550

ICICIBC once again reported a healthy performance even in the current challenging environment characterized by controlled provisions, impressive cost control, healthy other income, and stable asset quality (ex-agri). NII growth was in line, while NIM contracted 2bp QoQ. The bank's substantial investment in technology offers some cushion while continued productivity gains have helped maintain a tight leash on cost ratios. A steady mix of high-yielding portfolio and broad-based growth across product lines are enabling profitable growth while maintaining healthy business diversification. Secured asset quality remained stable (ex-agri) with no signs of stress, leading to improvement in the GNPA ratio. The contingency provisioning buffer of INR131b (1.0% of loans) provides further comfort in case of any future cyclical stress. We tweak our earnings estimates and project RoA/RoE of 2.2%/16.8% in FY27. **Reiterate BUY with a revised TP of INR1,550 (based on 2.5x FY27E ABV).**

#### Quarterly performance (INR b)

	FY24				FY25				FY24	FY25E	FY25	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Net Interest Income</b>	<b>182.3</b>	<b>183.1</b>	<b>186.8</b>	<b>190.9</b>	<b>195.5</b>	<b>200.5</b>	<b>203.7</b>	<b>207.4</b>	<b>743.1</b>	<b>807.1</b>	<b>207.1</b>	<b>-2%</b>
% Change (YoY)	38.0	23.8	13.4	8.1	7.3	9.5	9.1	8.6	19.6	8.6	10.9	
Other Income	54.4	57.8	61.0	56.5	70.0	71.8	70.7	70.8	229.6	283.3	67.9	4%
<b>Total Income</b>	<b>236.6</b>	<b>240.8</b>	<b>247.8</b>	<b>247.4</b>	<b>265.5</b>	<b>272.2</b>	<b>274.4</b>	<b>278.2</b>	<b>972.6</b>	<b>1,090.3</b>	<b>275.0</b>	<b>0%</b>
Operating Expenses	95.2	98.6	100.5	97.0	105.3	105.0	105.5	108.2	391.3	424.0	107.9	-2%
<b>Operating Profit</b>	<b>141.4</b>	<b>142.3</b>	<b>147.2</b>	<b>150.4</b>	<b>160.2</b>	<b>167.2</b>	<b>168.9</b>	<b>170.0</b>	<b>581.3</b>	<b>666.4</b>	<b>167.1</b>	<b>1%</b>
% Change (YoY)	37.2	21.8	10.9	8.8	13.3	17.5	14.7	13.0	18.4	14.6	13.5	
Provisions	12.9	5.8	10.5	7.2	13.3	12.3	12.3	9.1	36.4	47.0	15.4	-21%
<b>Profit before Tax</b>	<b>128.5</b>	<b>136.5</b>	<b>136.7</b>	<b>143.2</b>	<b>146.9</b>	<b>154.9</b>	<b>156.6</b>	<b>160.9</b>	<b>544.9</b>	<b>619.4</b>	<b>151.7</b>	<b>3%</b>
Tax	32.0	33.9	34.0	36.1	36.3	37.4	38.7	41.2	136.0	153.6	37.5	3%
<b>Net Profit</b>	<b>96.5</b>	<b>102.6</b>	<b>102.7</b>	<b>107.1</b>	<b>110.6</b>	<b>117.5</b>	<b>117.9</b>	<b>119.8</b>	<b>408.9</b>	<b>465.8</b>	<b>114.2</b>	<b>3%</b>
% Change (YoY)	39.7	35.8	23.6	17.4	14.6	14.5	14.8	11.9	28.2	13.9	11.2	
<b>Operating Parameters</b>												
Deposit	12,387	12,947	13,323	14,128	14,261	14,978	15,203	15,711	14,128	15,711	15,651	-3%
Loan	10,576	11,105	11,538	11,844	12,232	12,772	13,144	13,597	11,844	13,597	13,274	-1%
Deposit Growth (%)	17.9	18.8	18.7	19.6	15.1	15.7	14.1	11.2	19.6	11.2	17.5	
Loan Growth (%)	18.1	18.3	18.5	16.2	15.7	15.0	13.9	14.8	16.2	14.8	15.1	
<b>Asset Quality</b>												
Gross NPA (%)	2.8	2.5	2.3	2.2	2.2	2.0	2.0	2.0	2.3	2.0	2.0	
Net NPA (%)	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	
PCR (%)	83.1	83.1	81.3	80.8	80.2	79.0	78.7	78.6	80.3	78.6	78.7	

Source: MOFSL estimate, Company



# Reliance Industries

BSE SENSEX  
78,248

S&P CNX  
23,645

**CMP: INR1,244**

**TP: INR1,605 (+29%)**

**Buy**



### Stock Info

Bloomberg	RELIANCE IN
Equity Shares (m)	13532
M.Cap.(INRb)/(USD\$b)	16865.9 / 195.6
52-Week Range (INR)	1609 / 1202
1, 6, 12 Rel. Per (%)	5/-11/-15
12M Avg Val (INR M)	19747

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	9,011	9,404	9,755
EBITDA	1,622	1,652	1,915
Adj. PAT	696	685	825
Adj. EPS (INR)	51.4	50.6	61.0
EPS Gr. (%)	4.4	-1.6	20.5
BV/Sh. (INR)	586	631	686

### Ratios

RoE (%)	8.6	8.3	9.3
RoCE (%)	7.6	7.7	8.7

### Valuations

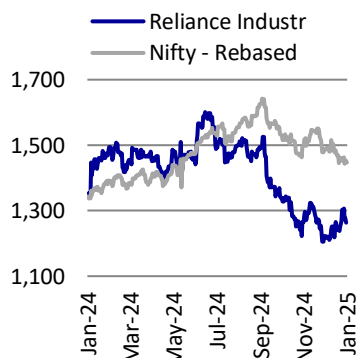
P/E (x)	24.2	24.6	20.4
EV/EBITDA (x)	12.6	12.4	10.5
P/BV (X)	2.3	2.2	2.1

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	49.1	49.1	49.1
DII	18.8	17.4	16.4
FII	20.8	23.1	24.0
Others	11.3	10.4	10.5

FII includes depository receipts

### Stock Performance (1-year)



## Multiple re-rating triggers in CY25; risk-reward compelling

Reliance Industries (RIL) has underperformed the broader benchmark equity indices over the past few years and delivered negative returns in CY24, a first in the past 10 years. We believe RIL's recent underperformance has been driven by continued earnings downgrades due to growth moderation in Reliance Retail (RR) and weak refining and petchem cracks. After the steep correction (RIL: -17% in past six months), we believe the risk-reward is compelling as RIL now trades at our bear case valuation – Reliance Jio (RJio) at 10% discount to Bharti's current valuation, high-single-digit growth in core retail revenue/EBITDA and no improvement in O2C earnings over FY24-27E. Further, we believe a moderation in capex intensity, ~INR900b FCF generation over FY24-27E, and deleveraging are currently underappreciated. The start of giga-factories in New Energy (FY25 end), the potential listing of RJio (likely 2HCY25) and growth recovery in RR (FY26) are the key medium-term triggers for RIL. Reiterate BUY with a TP of INR1,605 (bear: INR1,215; bull: INR1,930).

- RJio, with a ~20% EBITDA CAGR over FY24-27E, is likely to be the biggest earnings growth driver for RIL over the medium term, driven by more frequent tariff hikes, market share gains, and FWA ramp-up.
- With streamlining of operations coming to an end, we believe RR will get back to low-teen revenue/EBITDA growth from FY26 onward, driven by footprint addition and ramp-up of new categories/formats.
- After two quarters of weakness, GRM improved in 3Q, though petchem cracks are likely to remain subdued in the medium term.
- We believe RIL's capex likely peaked in FY24 with the completion of 5G rollouts. Capex could increase in New Energy but will likely be funded by robust cash flow generation by RIL standalone (INR600-700b annually).
- We expect RIL to generate cumulative FCF of ~INR900b over FY24-27, led by standalone and RJio, which should lead to further deleveraging.

## Reliance Jio: 5G monetization through FWA, tariff hike key triggers

- The flow-through of the Jul'24 tariff hike has been decent, with ARPU up ~12% over the last two quarters and full benefits likely to accrue by Mar'25.
- Further, we believe the subscriber churn for RJio was largely restricted to its inactive subscriber base as reflected in improvement in RJio's VLR (peak-active) proportion to an all-time high of 97%.
- Given the consolidated market structure in the Indian telecom industry, higher data consumption, lower ARPU, and inadequate returns generated by telcos, we expect tariff hikes to be more frequent. We continue to build in a ~15% tariff hike (or INR50/month increase in base pack) in Dec'25.
- Despite Vi's large capex plans, we believe RJio (and Bharti) will likely continue to gain market share at Vi's expense.
- With the ramp-up of FWA (AirFiber) offerings, the pace of subscriber additions in Home Broadband accelerated to ~2m in 3QFY25.
- We expect RJio's fixed broadband connections to reach ~35m by FY27 and the contribution from the Broadband business is likely to increase to ~12% by FY27 (vs. ~7% currently).

- With an estimated CAGR of ~17%/20% in revenue/EBITDA over FY24-27, RJio is likely to be the biggest growth driver for RIL in the medium term.

### Reliance Retail: Growth recovery vital for re-rating

- Over the past few quarters, Reliance Retail (RR) has been streamlining its operations by closing unprofitable stores and adopting a more calibrated approach to the B2B business.
- RR's slower footprint additions, combined with weaker discretionary spends in key categories, have resulted in moderation in revenue growth.
- Despite the boost from the tariff hike in connectivity and some recovery in 3Q on festive demand, RR posted modest ~3% YoY growth in net revenue in 9MFY25.
- However, driven by streamlining of operations, operating EBITDA margin has improved in 9M, despite rising share of low-margin connectivity business.
- With streamlining of operations nearing end, we expect RR to get back to mid-teen revenue/EBITDA growth from FY26 onward, driven by store footprint additions and ramp-up of new categories/formats.
- RR is the biggest contributor (~38%) to our SoTP valuations for RIL and a recovery in its growth is likely to be the biggest trigger for the stock.
- In our base case, we estimate a modest CAGR of 8.5%/12% in RR's core retail/overall gross revenue over FY24-27 (significantly below 17-18% CAGR over FY20-24), with broadly stable EBITDA margin of 8.3% by FY27 (similar to 3QFY25).
- A quicker recovery in discretionary spends, a faster ramp-up in RIL's consumer foray, and new category/format launches could be upside risks.

### O2C: Refining margins likely bottomed in 2Q; petchem to remain soft

- IEA estimates the global refining capacity additions to be modest at 3.3mb/d over CY24-30, with downside risks from refinery closures. Further, beyond CY26, the net refinery capacity additions are expected to be sparse.
- While negligible refining capacity addition after CY26 (~0.5mb/d annually on average) would be beneficial for refining margins, global oil demand is also likely to be weak (modest 0.4mb/d increase over CY27-30 as per IEA) and would likely cap SG complex margins at USD6-6.5/bbl in the near term.
- We estimate RIL's standalone GRM of USD8.9/9 per bbl in FY26/FY27. For every USD1/bbl change in GRM, RIL's EBITDA changes by ~INR42b (~2% of FY26/27 consol EBITDA).
- Petchem cracks have remained weak and we do not expect a sharp recovery in the next few quarters as global capacity additions remain aggressive for products such as PE and PP, based on the commentary from South East Asian petchem players.
- After a subdued 1HFY25, RIL reported modest recovery in **consolidated** O2C EBITDA in 3QFY25. However, we note that our FY27 consol O2C EBITDA is largely similar to FY24 levels and could have upside risks from recovery in the petchem cycle and a higher contribution from petro retail marketing JV.

**New Energy: Earnings to ramp up FY28 onward; ascribe INR75/sh value**

- RIL's New Energy business is reaching a transformative milestone, marked by the start of phase I of solar module manufacturing capacity in 4QFY25. This will be followed by the commencement of operations in cell manufacturing and phase II of module manufacturing in the next two quarters.
- RIL has invested USD3-4b so far in New Energy. We believe as the integrated solar PV and battery ventures commence, the balance USD6-7b will be invested over the next 2-3 years.
- Further, given its plan to set up 100GW of RE generation, the initially guided capex of USD10b is likely to be exceeded.
- We estimate total capex of INR1t for RIL's two major verticals (Solar PVs and battery manufacturing) in its New Energy business.
- With operating cash flow generation of ~INR600-700b in the consol O2C+E&P business and low capex (INR150-200b), we believe robust O2C cash flows can continue to fund New Energy capex.
- We believe RIL's Solar PV factory can generate EBITDA of INR72b at full utilization in FY29E. We estimate RoE/RoCE of 16%/9%, at full utilization.
- As such, we do not build in any contribution from New Energy until FY27, though we believe that with scale and cost/technology superiority, New Energy could be the key profit growth driver for RIL in the longer term.

**Valuation and view**

- We estimate a CAGR of ~10% in consolidated EBITDA and PAT each over FY24-27, driven by a double-digit EBITDA CAGR in RJio (wireless tariff hikes and FWA ramp-up) and mid-teen growth in RR over FY26-27. After a subdued FY25, we expect earnings to recover for the O2C segment, driven by improvement in refining margins. However, our FY27E consolidated EBITDA for O2C and E&P is broadly similar to FY24 levels, which could have upside risks.
- We model an annual consolidated capex of INR1.25-1.3t for RIL as the moderation in RJio capex is likely to be offset by higher capex in New Energy forays. However, we believe the peak of capex is behind, which should lead to FCF generation (~INR900b over FY24-27) and a decline in consol. net debt.
- For **RR**, we ascribe a blended EV/EBITDA multiple of 32.5x (35x for core retail and 6.5x for connectivity), based on average valuations for retail peers (DMart, Trent, Metro Brands and Vedant Fashions) to arrive at an EV of ~INR10.1t (~USD120b) for RRVL and an attributable value of INR610/share for RIL's stake in RRVL.
- We value **RJio** on DCF implied ~12.5x FY27E EV/EBITDA to arrive at our enterprise valuation of INR12.1t (USD134b) and assign ~USD10b valuation to other offerings under JPL. Factoring in net debt and 33.5% minority stake, the attributable value for RIL comes to INR515/share.
- Using the SoTP method, we value the O2C/E&P segments at 7.5x/6x Mar'27E EV/EBITDA to arrive at an enterprise value of INR444/sh for the standalone business. We ascribe an equity valuation of INR515/sh and INR610/sh to RIL's stake in JPL and RRVL, respectively. We assign INR75/sh (~INR1t equity value) to the New Energy business and INR26/sh to RIL's stake in Disney JV (based on transaction value). **Reiterate BUY with a TP of INR1,605.**



Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR324      TP: INR366 (+13%)      Neutral**

**Valuations inexpensive but execution to watch out for**

Bloomberg	NTPC IN
Equity Shares (m)	9697
M.Cap.(INRb)/(USDb)	3138.3 / 36.4
52-Week Range (INR)	448 / 297
1, 6, 12 Rel. Per (%)	-1/-12/-3
12M Avg Val (INR M)	6548

**Financials & Valuations (INR b)**

Y/E March	FY25E	FY26E	FY27E
Sales	1,869	2,024	2,126
EBITDA	540	645	699
Adj. PAT	198	247	267
Adj. EPS (INR)	20	25	28
EPS Gr. (%)	-5	25	8
BV/Sh. (INR)	178	193	210

**Ratios**

Net D:E	1.3	1.2	1.2
RoE (%)	11.9	13.7	13.7
RoCE (%)	7.5	8.4	8.4
Payout (%)	42.3	40.6	38.7

**Valuations**

P/E (x)	15.8	12.7	11.7
P/BV (x)	1.8	1.7	1.5
EV/EBITDA (x)	10.1	8.5	8.0
Div. Yield (%)	2.7	3.2	3.3
FCF Yield (%)	6.6	5.5	4.3

**Shareholding pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	51.1	51.1	51.1
DII	26.9	26.6	28.8
FII	18.2	18.6	17.1
Others	3.8	3.7	3.1

FII Includes depository receipts

- NTPC (standalone)'s reported 3QFY25 EBITDA came in 2% above our estimates, though adjusted PAT was below due to a higher-than-expected tax rate and previous year-related adjustments. Profitability at the PAT level was also hit by adverse movement in regulatory deferral account balances of INR3.6b. Gross generation was up 2% YoY in 3QFY25 while plant availability across both coal and gas plants improved on a YoY basis. Under-recovery in the coal-based plants stood at INR4.7b in 9MFY25 and is likely to decline to INR3b by the end of FY25.
- We believe that overall execution has remained slow. Also, the conventional capacity (thermal + hydro) commissioning targets have been downgraded to 2.1/2.2GW in FY25/FY26 (from the 2.7/4.0GW guidance given in the 9MFY24 earnings call).
- At the NGEL level, only 0.5GW capacity has been commissioned in 9MFY25 vs. the FY25/26 guidance of 3/5GW. Lastly, we also note that subsidiary NGEL is already trading at the higher end of the 10-15x FY27 EV/EBITDA for RE generation players, and execution slippages could potentially lead to a de-rating. We currently value NTPC Green at INR65/share, at a 25% discount to its current market price.
- We reiterate our Neutral rating on NTPC with a TP of INR366.

**EBITDA in line; PAT marginally below due to a higher tax rate**

- NTPC reported a standalone revenue of INR413.5b in 3QFY25, 4% above our estimate of INR397b (+5% YoY). EBITDA came in at INR119.6b (+20% YoY) for 3QFY25, which was 2% above our estimate.
- Adjusted standalone PAT was 4% below our estimate at INR46b (+6% YoY), mainly due to a higher-than-expected tax rate and previous year adjustments.
- The average tariff was INR4.68/unit in 3QFY25 vs. INR4.57 in 3QFY24.
- Operational highlights:
  - The company's gross power generation was 91BU, 2% higher than 89BU in 3QFY24. Plant availability for coal plants was 89.5% (3QFY24: 86%).
  - Coal plant PLF was ~76% in 3QFY25, in line with 3QFY24.
  - PLF for hydro plants improved to 22% (3QFY24: 21%) while it fell for gas plants to 3.4% (3QFY24: 7.7%).
  - Coal production from captive mines for commercial use rose 36% YoY to 10.9MMT (3QFY24: 8.09MMT).
- The Board declared a second interim dividend of INR2.50 per share for FY25 (Record date: 31<sup>st</sup> Jan'25).

**Highlights of the 3QFY25 performance:**

**Operational highlights:**

- The NTPC Group generated 327BU in 9MFY25, up 4% from 315BU in 9MFY24. Standalone generation also grew 4% to 278BU in 9MFY25 compared to 268BU in 9MFY24.
- PLF of four NTPC stations was 76.20% (9MFY25), significantly higher than the national average of 67.20% for other stations.
- Overall, 7 NTPC stations ranked among the top 15 stations in India.



**Financial highlights:**

- Standalone basis: 9MFY25 total income was INR1,286b, up 6% YoY; PAT stood at INR138.7b, up 11% YoY.
- Consolidated basis: 9MFY25 total income was INR1,397b, up 6% YoY; PAT was INR160b, up 8% YoY.
- Standalone regulated equity (as of 31<sup>st</sup> Dec'24) was INR902.8b (+7% YoY) and consolidated regulated equity (as of 31<sup>st</sup> Dec'24) was INR1,058b (+5%YoY).
- A second interim dividend of INR2.50 per share was declared for FY25.

**Other highlights:**

- Management is actively considering the awarding of 7.2GW of thermal capacity by FY27 (all of this would be under JVs).
- The target is 60GW of renewable energy by 2032.
- Reported under-recovery of INR4.68b from its coal-based plants during 9MFY25 and anticipates a reduction in UR to below INR3b in 4QFY25.
- BHEL-related challenges are being resolved, with the Urja I project commissioned and Patratu Unit 1 and North Karanpura Unit 3 expected by 4Q.

**Valuation and view**

Our TP of INR366 for NTPC is based on:

- Value of INR226 for the standalone business at Dec'26E P/B of 2.2x.
- Value of INR19 for other subsidiaries and INR51 for JV/associates at Dec'26E P/B of 2.0x.
- The stake in NGEL is valued at a 25% discount to the current market price.

**Standalone performance**

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25E 3QE	Var. %	YoY %	QoQ %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
<b>Net Sales</b>	<b>391.2</b>	<b>408.8</b>	<b>394.6</b>	<b>425.3</b>	<b>444.2</b>	<b>403.3</b>	<b>413.5</b>	<b>415.9</b>	<b>1,619.9</b>	<b>1,676.9</b>	<b>397.2</b>	<b>4%</b>	<b>5%</b>	<b>3%</b>
YoY Change (%)	2	-0.3	-4.7	2.9	13.5	-1.3	4.8	-2.2	-1.1	3.5	1			
<b>EBITDA</b>	<b>113.7</b>	<b>105.4</b>	<b>99.4</b>	<b>113.3</b>	<b>124.5</b>	<b>96.8</b>	<b>119.6</b>	<b>116.7</b>	<b>431.0</b>	<b>457.5</b>	<b>117</b>	<b>2%</b>	<b>20%</b>	<b>24%</b>
Margin (%)	29.1	25.8	25.2	26.6	28	24	28.9	28.1	26.6	27.3	29			
Depreciation	32.6	34.6	34.9	37.3	36.5	36.5	37.2	37.5	139.4	147.7	36.5	<b>2%</b>	<b>7%</b>	<b>2%</b>
Interest	25.1	24.6	27.8	24.9	26.5	31.1	22.0	26.1	101.7	105.7	26.4	<b>-17%</b>	<b>-21%</b>	<b>-29%</b>
Other Income	5.6	6.4	8.3	16.9	6.3	9.2	9.5	12.1	37.2	37.1	7.9	<b>20%</b>	<b>14%</b>	<b>4%</b>
<b>PBT before EO items</b>	<b>57.2</b>	<b>53.3</b>	<b>59.7</b>	<b>68.3</b>	<b>61.7</b>	<b>60.5</b>	<b>66.3</b>	<b>65.1</b>	<b>238.4</b>	<b>253.6</b>	<b>62.2</b>			
Extra-Ord inc/(exp)	0	0	0	8.3	0	0	0	0	8.3	0	-			
<b>PBT</b>	<b>57.2</b>	<b>53.3</b>	<b>59.7</b>	<b>76.7</b>	<b>61.7</b>	<b>60.5</b>	<b>66.3</b>	<b>65.1</b>	<b>246.8</b>	<b>253.6</b>	<b>62.2</b>	<b>7%</b>	<b>11%</b>	<b>10%</b>
Tax	16.5	14.4	13.9	21.1	16.6	14.0	19.1	12.3	66.0	62.1	14.3	<b>34%</b>	<b>37%</b>	<b>37%</b>
Rate (%)	28.9	27.1	23.4	27.5	26.9	23.2	28.9	24.5	26.7	24.5	23			
<b>Reported PAT</b>	<b>40.7</b>	<b>38.9</b>	<b>45.7</b>	<b>55.6</b>	<b>45.1</b>	<b>46.5</b>	<b>47.1</b>	<b>52.8</b>	<b>180.8</b>	<b>191.5</b>	<b>47.9</b>	<b>-2%</b>	<b>3%</b>	<b>1%</b>
<b>Adj PAT</b>	<b>36.8</b>	<b>32.6</b>	<b>43.6</b>	<b>51.1</b>	<b>42.0</b>	<b>42.0</b>	<b>46.2</b>	<b>52.8</b>	<b>164.1</b>	<b>182.9</b>	<b>47.9</b>	<b>-4%</b>	<b>6%</b>	<b>10%</b>
YoY Change (%)	9.6	-9.3	-1.5	4.3	13.9	28.9	6	3.3	2.3	11.5	10			
Margin (%)	9.4	8	11	12	9.4	10.4	11.2	12.7	10.1	10.9	12			



**Estimate changes**

TP change

Rating change



Bloomberg	JSTL IN
Equity Shares (m)	2445
M.Cap.(INRb)/(USD\$b)	2280.3 / 26.5
52-Week Range (INR)	1063 / 762
1, 6, 12 Rel. Per (%)	4/11/7
12M Avg Val (INR M)	2226

**Financials Snapshot (INR b)**

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	1,694	2,142	2,389
EBITDA	230	378	455
Adj.PAT	41	151	202
EPS (Gr %)	-53.8	263.2	34.1
BV/Sh (INR)	331	389	468

**Ratios**

ROE (%)	5.2	17.2	19.3
RoCE (%)	5.5	11.5	13.2

**Valuations**

P/E (X)	58.8	15.1	11.3
P/BV (X)	2.8	2.4	2.0
EV/EBITDA (X)	13.3	8.0	6.4
Div Yield (%)	0.4	0.4	0.4

**Shareholding pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	44.9	44.8	44.8
DII	11.1	11.0	10.0
FII	25.8	25.9	26.7
Others	18.2	18.2	18.5

FII Includes depository receipts

**CMP: INR932**

**TP: INR1,100 (+18%)**

**Buy**

## Revenue in line; lower-than-expected costs drive earnings beat

- JSTL reported consolidated revenue of INR414b (-1% YoY and +4% QoQ) in 3QFY25, largely in line with our estimate of INR421b. ASP declined 12% YoY and 5% QoQ to INR61,666/t, which was offset by strong volume growth of 12% YoY and 10% QoQ to 6.71mt.
- EBITDA came in at INR56b (-22% YoY and +3% QoQ), beating our estimate of INR51b, aided by lower-than-expected costs. EBITDA on QoQ basis was impacted by weak realization, which was largely offset by better volumes and lower cost of coking coal. EBITDA/t stood at INR8,314/t (-31% YoY and -6% QoQ) vs. our est. of INR7,583/t.
- APAT stood at INR7.8b (-66% YoY and +21% QoQ) against our estimate of INR8.2b. For the quarter, JSTL incurred an exceptional expense of INR1b related to forfeiture of performance guarantee due to the surrender of Banai and Bhalumuda coal blocks.
- Consolidated crude steel production was at 7.03mt (+2% YoY and +4% QoQ), led by a ramp-up of new capacities at BPSL and Vijayanagar. The capacity utilization of India operation was at 91% in 3QFY25.
- During 9MFY25, volumes grew by 5% YoY, while ASP declined by 8% YoY, resulting in a 4% drop in revenue, 25% decline in EBITDA and 71% slump in adj. PAT.
- The net debt-to-EBITDA ratio stood at 3.57 x as of 3QFY25 vs. 3.41x as of 2Q-end.

## Highlights from the management commentary

- Coking coal costs declined by USD34/t QoQ (guided USD20-25/t) in 3QFY25 and may further decline by USD10-15/t sequentially in 4QFY25, as per management.
- Iron ore prices will also decline in 4QFY25 as NMDC has announced price cuts (INR350/t in Jan'25). Management has also hinted that iron ore prices may moderate in the long run and that the current high pricing is attributed to strong demand and slow supply-side expansions.
- Management expects to achieve ~98% of the earlier guided sales volume of 27mt since there was a delay in starting the JVNL blast furnace.
- It expects consolidated capex of ~INR160b in FY25 and has incurred INR110b as of 9MFY25 (INR30.87b in 3QFY25).
- Management expects a pick-up in government capex, which will revive domestic demand in 4QFY25. This should support volume growth for JSTL.

**Valuation and view**

- JSTL’s 3QFY25 performance was muted due to weak realization, which was partly offset by the deflated costs. We believe JSTL is well placed with new capacities coming on-stream, an expected pickup in domestic demand, and a rising share of value-added proportion in the sales mix. Its focus on increasing the captive share of iron ore and improving coal linkages will support earnings.
- Going forward, we expect strong revenue/EBITDA/APAT performance, driven by healthy volume, improving realization and muted costs. This will generate CFO of +INR600b over FY26-27E, which will help JSTL fund its proposed capex of INR650b over FY25-27E.
- **At CMP, JSTL trades at 6.4x FY27E EV/EBITDA. We reduce our near-term estimates to factor in a weak short-term demand environment and we largely maintain our FY27 estimates. We reiterate our BUY rating on the stock with a TP of INR1,100 (premised on 7.5x EV/EBITDA on FY27 estimate).**

**Consolidated financial performance (INR b)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E 3QE	Vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Sales (kt)</b>	<b>5,710</b>	<b>6,340</b>	<b>6,000</b>	<b>6,730</b>	<b>6,120</b>	<b>6,130</b>	<b>6,710</b>	<b>7,187</b>	<b>24,780</b>	<b>26,147</b>	<b>6,680</b>	<b>0%</b>
Change (YoY %)	27.2	10.5	6.6	3.1	7.2	(3.3)	11.8	6.8	10.7	5.5		
Change (QoQ %)	(12.6)	11.0	(5.4)	12.2	(9.1)	0.2	9.5	7.1	-	-		
<b>Net Realization/t</b>	<b>73,928</b>	<b>70,322</b>	<b>69,900</b>	<b>68,750</b>	<b>70,168</b>	<b>64,737</b>	<b>61,666</b>	<b>63,199</b>	<b>70,624</b>	<b>64,798</b>	<b>63,067</b>	<b>-2%</b>
<b>Net Sales</b>	<b>422.1</b>	<b>445.8</b>	<b>419.4</b>	<b>462.7</b>	<b>429.4</b>	<b>396.8</b>	<b>413.8</b>	<b>454.2</b>	<b>1,750.1</b>	<b>1,694.3</b>	<b>421</b>	<b>-2%</b>
Change (YoY %)	10.8	6.7	7.2	(1.5)	1.7	(11.0)	(1.3)	(1.8)	5.5	(3.2)		
Change (QoQ %)	(10.1)	5.6	(5.9)	10.3	(7.2)	(7.6)	4.3	9.8				
<b>EBITDA</b>	<b>70.5</b>	<b>78.9</b>	<b>71.8</b>	<b>61.2</b>	<b>55.1</b>	<b>54.4</b>	<b>55.8</b>	<b>65.0</b>	<b>282.4</b>	<b>230.3</b>	<b>51</b>	<b>10%</b>
Change (YoY %)	63.5	350.1	57.9	(22.9)	(21.8)	(31.1)	(22.3)	6.2	52.2	(18.4)		
Change (QoQ %)	(11.2)	11.9	(9.0)	(14.7)	(10.0)	(1.3)	2.6	16.6				
<b>EBITDA (INR per ton)</b>	<b>12,340</b>	<b>12,438</b>	<b>11,967</b>	<b>9,100</b>	<b>9,003</b>	<b>8,869</b>	<b>8,314</b>	<b>9,050</b>	<b>11,395</b>	<b>8,808</b>	<b>7,583</b>	<b>10%</b>
Interest	19.6	20.8	20.0	20.6	20.7	21.3	21.2	20.4	81.1	83.6		
Depreciation	19.0	20.2	20.6	21.9	22.1	22.7	23.4	21.1	81.7	89.2		
Other Income	3.3	2.4	1.9	2.4	1.6	1.5	1.5	2.5	10.0	7.1		
<b>PBT (before EO Item)</b>	<b>35.1</b>	<b>40.2</b>	<b>33.2</b>	<b>21.1</b>	<b>13.9</b>	<b>11.9</b>	<b>12.8</b>	<b>26.1</b>	<b>129.6</b>	<b>64.7</b>	<b>11</b>	<b>12%</b>
Share of P/(L) of Ass.	(0.3)	(0.2)	(0.2)	(1.0)	(0.1)	(0.6)	0.1	-	(1.7)	(0.7)		
EO Items	-	(5.9)	-	-	-	3.4	1.0	-	(5.9)	4.5		
<b>PBT (after EO Item)</b>	<b>34.8</b>	<b>45.9</b>	<b>33.0</b>	<b>20.1</b>	<b>13.8</b>	<b>7.9</b>	<b>11.8</b>	<b>26.1</b>	<b>133.8</b>	<b>59.5</b>		
Total Tax	10.5	18.1	8.5	6.9	5.1	3.9	4.6	7.3	44.1	20.8		
% Tax	30.2	39.5	25.8	34.3	37.2	48.8	39.0	27.9	32.9	35.0		
<b>PAT before MI and Asso.</b>	<b>24.3</b>	<b>27.7</b>	<b>24.5</b>	<b>13.2</b>	<b>8.7</b>	<b>4.0</b>	<b>7.2</b>	<b>18.8</b>	<b>89.7</b>	<b>38.7</b>		
MI (Profit)/Loss	0.9	0.1	0.4	0.2	0.2	(0.4)	0.0	-	1.6	(0.1)		
<b>Reported PAT after MI/Asso.</b>	<b>23.4</b>	<b>27.6</b>	<b>24.2</b>	<b>13.0</b>	<b>8.5</b>	<b>4.4</b>	<b>7.2</b>	<b>18.8</b>	<b>88.1</b>	<b>38.8</b>		
<b>Adj. PAT after MI and Asso.</b>	<b>23.4</b>	<b>30.7</b>	<b>22.8</b>	<b>13.0</b>	<b>8.5</b>	<b>6.4</b>	<b>7.8</b>	<b>18.8</b>	<b>89.8</b>	<b>41.5</b>	<b>8.2</b>	<b>-5%</b>
Change (YoY %)	179.0	NA	365.3	(64.5)	(63.9)	(79.0)	(65.8)	44.7	152.8	(53.8)		
Change (QoQ %)	(36.2)	31.1	(25.6)	(43.0)	(34.9)	(23.8)	20.9	141.3				

Source: MOFSL, Company



# InterGlobe Aviation

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR4,162      TP: INR4,535 (+9%)      Neutral**

## Strong quarter led by robust air travel demand

Bloomberg	INDIGO IN
Equity Shares (m)	386
M.Cap.(INRb)/(USDb)	1608.2 / 18.7
52-Week Range (INR)	5035 / 2844
1, 6, 12 Rel. Per (%)	-7/1/35
12M Avg Val (INR M)	5798
Free float (%)	50.7

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY26E
Sales	790.3	815.2	887.1
EBITDA	166.4	213.2	236.6
NP	61.9	96.1	92.2
EPS (INR)	160.3	248.9	238.8
Growth (%)	-24.3	55.2	-4.1
BV/Sh (INR)	211.2	461.1	700.8

### Ratios

Net D:E	2.8	1.0	0.4
RoE (%)	123.1	74.3	41.3
RoCE (%)	25.0	28.9	28.0
Payout (%)	0.0	0.0	0.0

### Valuations

P/E (x)	26.0	16.7	17.4
P/BV (x)	19.7	9.0	5.9
Adj.EV/EBITDAR(x)	10.4	8.3	7.3
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	1.5	3.8	5.2

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	49.3	49.3	63.1
DII	21.2	20.7	14.7
FII	24.8	25.4	18.7
Others	4.7	4.7	3.5

FII Includes depository receipts

- INDIGO reported flat YoY EBITDA at INR51.6b and PAT of INR24.4b (est. INR36.9b) in 3QFY25. Excl. forex loss/gain, EBITDA was 5% above our estimate. Revenue passenger kilometers (RPK) stood at 35.5b. Passenger load factor (PLF) was 87%, with available seat kilometers (ASK) of 40.8b (est. 40.9b) and yield of INR5.43 (est. INR5.37, down 1% YoY) in 3Q.
- Management highlighted that the quarter saw robust air travel by customers thanks to the festive season, year-end holidays and a general rise in consumer demand. This was markedly offset by a forex loss of INR14.6b as INR continued to depreciate during the quarter, which continued in Jan'25. Management remains confident that as its international operations expand, it would serve as a natural hedge.
- Currently, over 60 aircraft are grounded due to P&W engine issues, and management believes this number would be in the 40s by FY26. INDIGO added four new international destinations in 3Q and would add two more in CY25, taking the total to 40. It also added two new domestic destinations and a total of 50 routes in 3QFY25. INDIGO remains extremely positive about the prospects of the Indian aviation sector.
- According to **our airfare tracker**, the 30-day domestic forward prices for INDIGO are down 18% QoQ at INR5,576 and the 15-day prices are down 2% QoQ at INR6,531 in 4QFY25'td. Management noted that 4QFY25 capacity in terms of ASK is expected to increase by ~20% vs. 4QFY24. Ancillary revenue continues to grow as cargo business gains pace for INDIGO.
- Management continues to work on its key promises with the customer-first approach. We cut our EPS estimates by 14%/6% for FY25/FY26. The stock is trading at ~17x FY26E EPS of INR248.9 and ~8x FY26E EV/EBITDAR. We reiterate our Neutral rating on the stock with a TP of INR4,535, based on 8x Dec'26E EV/EBITDAR.

### EBITDA (excl. forex loss) in line; yield flat YoY

- Yield stood at INR5.43 vs. our estimate of INR5.37 (down 1% YoY). RPK was at 35.5b (our est. of 35.1b, +13% YoY), with PLF at 87%. ASK was at 40.8b (our est. of 40.9b, +12% YoY)
- Thus, revenue stood at INR221.1b (+1% est., +14% YoY), including compensation from International Aero Engines LLC (IAE) for the aircraft on ground (AOG) situation due to the unavailability of engines. Certain reimbursements have also been netted off against expenditure for the quarter.
- EBITDAR stood at INR59.2b (est. of INR70b, +9% YoY), with EBITDA at INR51.6b (our est. of INR63.1b, flat YoY). **Excl. forex loss/gain, EBITDA stood at INR66.2b (+5% our est.)**. The company has paid IGST of INR811m in 3QFY25 on the re-import of repaired aircraft, which is under dispute right now. PAT stood at INR24.4b (est. of INR36.9b, -19% YoY).
- For 9MFY25**, revenue was at INR586.5b (+15% YoY), EBITDA came in at INR119b (-3% YoY), and PAT stood at INR41.8b (-3% YoY).

### Valuation and view

- INDIGO is striving to improve its international presence through strategic partnerships and loyalty programs. It served 106.7m customers in FY24, with a net increase of 63 aircraft. The company had eight strategic partners with a 27% international share in terms of ASK in FY24.
- Management has also taken several preemptive measures to increase its global brand awareness as it expects to capture a bigger share of growth in the international market over the coming years. INDIGO is further enhancing its international travel and working relentlessly to adjust schedules to reassure customers.
- The stock is trading at ~17x FY26E EPS of INR248.9 and ~8x FY26E EV/EBITDAR. We reiterate our Neutral rating on the stock with a TP of INR4,535, based on 8x Dec'26E EV/EBITDAR.

### Standalone Quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>166.8</b>	<b>149.4</b>	<b>194.5</b>	<b>178.3</b>	<b>195.7</b>	<b>169.7</b>	<b>221.1</b>	<b>203.7</b>	<b>689.0</b>	<b>790.3</b>	<b>219.4</b>	<b>1%</b>
<i>YoY Change (%)</i>	29.8	19.6	30.3	25.9	17.3	13.6	13.7	14.3	26.6	14.7	12.8	
<b>EBITDAR</b>	<b>51.6</b>	<b>23.9</b>	<b>54.4</b>	<b>43.7</b>	<b>57.7</b>	<b>23.8</b>	<b>59.2</b>	<b>54.3</b>	<b>173.7</b>	<b>195.0</b>	<b>70.0</b>	<b>-16%</b>
<i>Margin (%)</i>	30.9	16.0	28.0	24.5	29.5	14.0	26.8	26.6	25.2	24.7	31.9	
Net Rentals	1.9	2.0	3.0	3.9	6.2	7.6	7.6	7.1	10.8	28.6	6.9	0.1
<b>EBITDA</b>	<b>49.7</b>	<b>22.0</b>	<b>51.4</b>	<b>39.8</b>	<b>51.5</b>	<b>16.2</b>	<b>51.6</b>	<b>47.2</b>	<b>162.9</b>	<b>166.4</b>	<b>63.1</b>	<b>-18%</b>
<i>Margin (%)</i>	29.8	14.7	26.4	22.4	26.3	9.5	23.3	23.2	23.6	21.1	28.8	
Depreciation	14.0	15.5	16.6	18.0	18.7	20.8	22.2	22.4	64.1	84.0	20.9	
Interest	9.5	10.2	11.0	11.0	11.6	12.4	13.1	13.5	41.7	50.5	12.5	
Other Income	4.8	5.6	6.1	6.8	6.8	7.9	8.8	9.5	23.3	33.1	7.9	
<b>PBT</b>	<b>30.9</b>	<b>1.9</b>	<b>30.0</b>	<b>17.7</b>	<b>28.0</b>	<b>-9.1</b>	<b>25.2</b>	<b>20.8</b>	<b>80.4</b>	<b>65.0</b>	<b>37.7</b>	<b>-33%</b>
Tax	0.0	0.0	0.0	-1.2	0.8	0.8	0.8	0.8	-1.2	3.1	0.8	
<i>Rate (%)</i>	0.0	0.0	0.0	-7.0	2.7	-8.7	3.1	3.7	-1.5	4.8	2.0	
<b>Reported PAT</b>	<b>30.9</b>	<b>1.9</b>	<b>30.0</b>	<b>18.9</b>	<b>27.3</b>	<b>-9.9</b>	<b>24.4</b>	<b>20.1</b>	<b>81.7</b>	<b>61.9</b>	<b>36.9</b>	<b>-34%</b>
<b>EPS</b>	<b>80.0</b>	<b>4.9</b>	<b>77.7</b>	<b>49.1</b>	<b>70.6</b>	<b>-25.6</b>	<b>63.3</b>	<b>52.0</b>	<b>211.6</b>	<b>160.3</b>	<b>95.7</b>	<b>-34%</b>
<i>YoY Change (%)</i>	LP	LP	111.4	106.8	-11.7	PL	-18.6	6.0	LP	-24.2	23.2	
<b>Operational Data</b>												
ASK (b)	32.7	35.3	36.5	34.8	36.3	38.2	40.8	41.8	139.3	157.1	40.9	0%
<i>YoY Change (%)</i>	19%	27%	27%	14%	11%	8%	12%	20%	22%	13%	12%	0%
Load factor (%)	88.7	83.3	85.8	86.2	86.8	82.7	87.0	91.1	85.9	87.0	85.9	1%
RPK (b)	29.0	29.4	31.3	30.0	31.5	31.6	35.5	38.0	119.7	136.6	35.1	1%
<i>YoY Change (%)</i>	32%	34%	28%	17%	9%	7%	13%	27%	27%	14%	12%	0%



# Godrej Consumer

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR1,130 TP: INR1,400 (+24%) Buy**

## Near-term demand pressure sustains

- Godrej Consumer (GCPL) reported a 3% YoY increase in consolidated net revenue to INR37.7b (est. INR37.5b). Constant currency organic revenue growth was at 2% YoY. Consolidated EBITDA declined 16% YoY (est. -13%).
- India's revenue growth was at 3% YoY with a flat volume growth. Home Care delivered 4% revenue growth, impacted by the weak seasonal demand for HI, coupled with a slowdown pressure in urban. Air Fresheners and Fabric Care delivered strong double-digit volume growth.
- Personal Care portfolio posted a 2% YoY revenue growth. Personal Wash volume declined to a mid to high single digit, impacted by price hike/grammage reduction due to high PFAD prices. Hair Color volume grew in the mid-single digit. Deodorants and Sexual Wellness delivered double-digit volume growth.
- International revenue was up 4%. Indonesia continuously delivered a healthy performance with revenue growth of 9% YoY (8% in CC) and UVG of 6%. GUAM organic revenue declined 8% YoY (+1% in CC).
- India's EBIT declined by a sharp 20% YoY due to the steep palm oil inflation and calibrated price hike. International EBIT was up 24% YoY due to strong profitability improvement in GUAM and LATAM.
- Given the high inflationary impact on revenue and margin, operating print is expected to be weak in the near term. The company is on the track to expand its TAM and strengthen its core portfolio. Under project Vistaara 2.0, the company plans to double its outlet coverage and triple its village coverage. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,400 (based on 50x Dec'26E EPS).**

Bloomberg	GCPL IN
Equity Shares (m)	1023
M.Cap.(INRb)/(USDb)	1156.4 / 13.4
52-Week Range (INR)	1542 / 1055
1, 6, 12 Rel. Per (%)	8/-17/-10
12M Avg Val (INR M)	1769

### Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	145.2	161.6	178.1
Sales Gr. (%)	3.0	11.2	10.2
EBITDA	29.8	34.0	38.1
EBITDA mrg. (%)	20.5	21.0	21.4
Adj. PAT	19.8	24.5	28.4
Adj. EPS (INR)	19.3	23.9	27.8
EPS Gr. (%)	-0.1	23.9	15.9
BV/Sh.(INR)	131.7	143.2	152.8

### Ratios

RoE (%)	15.1	17.4	18.7
RoCE (%)	14.5	17.0	18.6
Payout (%)	88.0	79.4	75.7

### Valuations

P/E (x)	58.5	47.2	40.7
P/BV (x)	8.6	7.9	7.4
EV/EBITDA (x)	38.8	33.8	30.1
Div. Yield (%)	1.5	1.7	1.9

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	53.0	63.0	63.2
DII	11.0	9.6	8.4
FII	20.7	22.0	23.0
Others	15.2	5.4	5.5

FII includes depository receipts

## Domestic weaker than expected; Indonesia recovery sustains

### Consolidated performance

- **Flat volume growth in 3Q:** Consol. net sales grew 3% YoY to INR37.7b (est. INR37.6b). Organic sales were up 6% YoY (adjusted for the sale of part of the Africa business). Consolidated constant currency sales grew 2% YoY (4% organic). Consolidated organic volume growth was flat YoY and India volume growth was also flat YoY.
- **Pressure on margins:** Consolidated gross margins contracted 180bp YoY to 54.1% (est. 54.9%). Employee expenses were up 7% YoY, Ad spends were up 6% YoY, and other expenses were up 20% YoY. EBITDA margin contracted 470bp YoY to 20.1% (est. 20.9%).
- **Miss on profitability:** EBITDA declined 16% YoY to INR7.6b (est. INR7.8). PBT declined 13% YoY to INR6.9b (est. INR7.3b), and Adj. PAT contracted 14% YoY to INR5.0b (est. INR5.5b).
- **International performance:** Indonesia's revenue grew 9% (8% in CC terms), driven by a 6% volume growth. The EBITDA margin for the Indonesia business expanded 60bp YoY to 21.5%, with EBITDA growth of 12%. GAUM organic revenue declined 8% (grew 1% in CC terms). GAUM EBITDA margin expanded 340bp YoY to 14.8%. Absolute EBITDA grew 9% to INR 1140m. LATAM reported 165% YoY growth (28% cc terms). EBITDA margin was up 1460bp to 11.4%.

■ **Standalone performance:** Net sales (including OOI) grew 3% YoY to INR22.6b in 3QFY25. The Indian business reported flat volume growth. Home Care business registered 4% revenue growth (12% in 2QFY25) and Personal Care 2% (3% in 2QFY25). Gross margin contracted 440bp YoY to 54.7%. GP was down 5%. EBITDA margin contracted 680bp YoY to 22.7%. EBITDA declined 21% YoY to INR5.1b.

**Highlights from the management commentary**

- There is a slowdown in urban consumption, particularly in the modern trade and premium product segments. However, rural demand has outpaced urban demand, driven by the success of GCPL's Van Program, which has significantly enhanced rural penetration and growth.
- The company implemented a mid-single-digit price hike in 3Q, with further price increases expected in 4QFY25 to offset the RM inflation.
- Palm oil prices have corrected ~20% from their peak, but PFAD (a key derivative) has only declined 7-8%, delaying the expected input cost relief.
- EBITDA margins in the Raymond business remain steady in the mid-teens and will expand further going forward.

**Valuation and view**

- We cut our EPS estimates by 4% each for FY25/FY26 on account of margin pressure and slow urban demand.
- GCPL faced demand headwinds in its India business during the quarter due to the urban slowdown and a surge in RM prices, which impacted margins. However, the company's disruptive innovations, introduction of access packs, expansion into new growth categories, and increased advertising expenditure are anticipated to contribute to the growth trajectory. Additionally, pricing actions are helping restore domestic margins.
- Besides, there has been a consistent effort to fix the gaps in profitability/growth for its international business. **We reiterate our BUY rating with a TP of INR1,400 (based on 50x Dec'26E EPS).**

**Quarterly Performance (Consolidated)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	(%)
Domestic volume Growth (%)	10	4	5	9	8	7	0	3	7	5	1	
Net Sales (including OOI)	34,489	36,020	36,596	33,856	33,316	36,663	37,684	36,284	1,40,961	1,45,242	37,550	0.4
YoY change (%)	10.4	6.2	1.7	5.8	-3.4	1.8	3.0	7.2	5.9	3.0	2.6	
Gross Profit	18,534	19,771	20,454	18,999	18,608	20,381	20,402	19,643	77,758	79,035	20,626	-1.1
Margin (%)	53.7	54.9	55.9	56.1	55.9	55.6	54.1	54.1	55.2	54.4	54.9	
Other Operating Exp.	11,716	12,537	11,407	11,396	11,346	12,764	12,843	12,294	47,055	49,247	12,780	
EBITDA	6,818	7,234	9,048	7,604	7,262	7,617	7,559	7,349	30,704	29,788	7,846	-3.7
Margins (%)	19.8	20.1	24.7	22.5	21.8	20.8	20.1	20.3	21.8	20.5	20.9	
YoY growth (%)	28.0	26.0	17.9	14.4	6.5	5.3	-16.4	-3.3	20.9	-3.0	-13.3	
Depreciation	763	609	539	499	495	501	619	610	2,410	2,224	550	
Interest	740	773	666	785	878	831	897	895	2,964	3,500	825	
Other Income	691	659	701	638	771	860	831	767	2,690	3,229	875	
PBT	5,617	6,319	7,904	6,912	6,643	7,124	6,874	6,612	26,751	27,254	7,346	-6.4
Tax	1,611	1,866	2,024	2,087	1,933	2,154	1,834	1,574	7,588	7,495	1,837	
Rate (%)	28.7	29.5	25.6	30.2	29.1	30.2	26.7	23.8	28.4	27.5	25.0	
Adj PAT	3,761	4,415	5,862	5,749	4,649	4,953	5,025	5,038	19,787	19,759	5,510	-8.8
YoY change (%)	8.5	17.2	6.0	22.6	23.6	12.2	-14.3	-12.4	13.4	-0.1	-6.0	
Reported PAT	3,188	4,328	5,811	-18,932	4,507	4,913	4,983	5,038	-5,605	19,759	5,510	-9.6

E: MOFSL Estimate



# Torrent Pharma

Estimate change	↓
TP change	↑
Rating change	↔

**CMP: INR3,249      TP: INR3,410 (+5%)      Neutral**

## DF, lower interest/tax drive earnings

### MR addition/increasing reach to improve outlook of India business

Bloomberg	TRP IN
Equity Shares (m)	338
M.Cap.(INRb)/(USDb)	1099.4 / 12.8
52-Week Range (INR)	3591 / 2414
1, 6, 12 Rel. Per (%)	-2/9/22
12M Avg Val (INR M)	1069

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	115.5	132.3	151.9
EBITDA	37.6	44.7	52.1
Adjusted PAT	19.4	25.5	31.9
EBIT Margin (%)	25.7	27.5	28.7
Cons. Adj EPS (INR)	57.3	75.3	94.3
EPS Gr. (%)	21.6	31.4	25.3
BV/Sh. (INR)	477.5	573.8	694.3

### Ratios

Net D-E	0.4	0.3	0.2
RoE (%)	26.0	28.7	29.8
RoCE (%)	19.2	22.7	25.1
Payout (%)	36.4	36.1	36.1

### Valuation

P/E (x)	56.7	43.1	34.4
EV/EBITDA (x)	29.8	24.5	20.6
Div. Yield (%)	0.5	0.7	0.9
FCF Yield (%)	1.6	3.3	2.9
EV/Sales (x)	9.7	8.3	7.1

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	68.3	71.3	71.3
DII	8.4	7.1	7.2
FII	16.2	14.5	14.1
Others	7.2	7.2	7.5

FII includes depository receipts

- Torrent Pharma (TRP) delivered largely in line earnings in 3QFY25. The superior performance in domestic formulation (DF) was offset by currency headwinds in Brazil and zero insulin CMO sales. TRP continues to strengthen its presence in DF market through the addition of MRs and enhancing its reach in the consumer health segment. The US business is yet to witness interesting approvals despite having regulatory compliance in place.
- We trim our EPS estimates by 4%/5%/5% for FY25/FY26/FY27, factoring in currency challenges in Brazil business and a subdued outlook for the US market. We value TRP at 38x 12M forward earnings to arrive at a TP of INR3,410.
- TRP continues to focus on profitable growth by outperforming the industry in the branded generics segment of DF/Brazil. Further, the free cash flow is expected to either reduce the financial leverage or provide cushion for inorganic opportunities. Accordingly, we estimate a CAGR of 15%/18%/28% in revenue/EBITDA/PAT over FY25-27. This earnings upside is priced in at the current valuation. Maintain Neutral.

### Segmental mix partly offset by higher opex on YoY basis

- Sales grew 2.8% YoY to INR28b (vs our est: INR29b). DF revenue grew 11.7% YoY to INR15.8b (56% of sales). Germany sales grew by 4.4% YoY to INR2.8b (10% of sales). US generics were stable YoY to INR2.7b (USD32m; 10% of sales). LATAM business declined by 6.7% YoY to INR2.9b (10% of sales) as the BRL depreciated by 17%. ROW+CDMO sales declined 16.7% YoY to INR3.8b (14% of sales) due to no insulin CMO sales during the quarter.
- Gross margin expanded 160bp YoY to 76% due to a better product mix.
- EBITDA margin expanded by 70bp to 32.5% YoY due to lower other expenses (down 60bp as % of sales), offset by an increase in employee expenses (up 140bp as % of sales).
- Accordingly, EBITDA grew 5.2% YoY to INR9.1b (vs our est: INR9.6).
- Adj. PAT grew 32% YoY to INR5b (in line).
- In 9MFY25, revenue/EBITDA/PAT grew 7.2%/11.8%/24.6% YoY to INR85.6b/INR27.8b/INR14.3b.

### Highlights from the management commentary

- TRP would commence the dispatches of insulin CMO sales in Jan'25. 4QFY25 would witness additional business due to the spillover from the earlier quarter.
- TRP aims to maintain 32.5% EBITDA margin in 4QFY25.
- It has about 20 products under ANVISA review for the Brazil market.
- The company expects high-single-digit YoY growth in Germany revenue in FY25, led by incremental tender wins.



**Quarterly performance (Consolidated)**

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	Est. 3QE	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Revenues</b>	<b>25.9</b>	<b>26.6</b>	<b>27.3</b>	<b>27.5</b>	<b>28.6</b>	<b>28.9</b>	<b>28.1</b>	<b>29.9</b>	<b>107.3</b>	<b>115.5</b>	<b>30.0</b>	<b>-4.2</b>
YoY Change (%)	12.2	16.1	9.7	10.2	10.3	8.6	2.8	9.0	12.0	7.6	12.9	
<b>EBITDA</b>	<b>7.9</b>	<b>8.3</b>	<b>8.7</b>	<b>8.8</b>	<b>9.2</b>	<b>9.4</b>	<b>9.1</b>	<b>9.9</b>	<b>33.7</b>	<b>37.6</b>	<b>9.8</b>	<b>-4.9</b>
YoY Change (%)	17.4	21.5	17.6	19.8	16.8	13.8	5.2	11.9	19.1	11.8	19.4	
Margins (%)	30.5	31.0	31.8	32.2	32.3	32.5	32.5	33.0	31.4	32.6	32.8	
Depreciation	1.9	2.0	2.1	2.0	2.0	2.0	2.0	2.1	8.1	8.0	2.1	
<b>EBIT</b>	<b>6.0</b>	<b>6.2</b>	<b>6.6</b>	<b>6.8</b>	<b>7.3</b>	<b>7.4</b>	<b>7.2</b>	<b>7.8</b>	<b>25.6</b>	<b>29.7</b>	<b>7.7</b>	<b>-5.4</b>
YoY Change (%)	15.6	20.9	20.2	25.7	21.2	18.8	9.0	15.0	20.7	15.8	24.2	
Margins (%)	23.2	23.5	24.0	24.8	25.4	25.6	25.5	26.1	23.9	25.7	25.8	
Interest	1.0	0.9	0.8	0.8	0.8	0.6	0.6	0.6	3.5	2.5	0.7	
Other Income	0.3	0.3	-0.3	0.3	0.2	-0.2	0.3	0.2	0.6	0.7	0.2	
<b>PBT before EO Expense</b>	<b>5.3</b>	<b>5.6</b>	<b>5.4</b>	<b>6.3</b>	<b>6.8</b>	<b>6.6</b>	<b>6.9</b>	<b>7.5</b>	<b>22.6</b>	<b>27.8</b>	<b>7.2</b>	<b>-3.3</b>
One-off expenses	0.0	0.0	-0.9	0.0	0.2	0.0	0.0	0.0	-0.9	0.2	0.0	
<b>PBT after EO Expense</b>	<b>5.3</b>	<b>5.6</b>	<b>6.3</b>	<b>6.3</b>	<b>6.6</b>	<b>6.6</b>	<b>6.9</b>	<b>7.5</b>	<b>23.5</b>	<b>27.6</b>	<b>7.2</b>	
Tax	1.5	1.7	1.9	1.8	2.0	2.1	1.9	2.4	7.0	8.3	2.1	
Rate (%)	28.8	30.9	34.6	28.8	29.4	31.5	27.2	31.8	30.7	30.0	29.5	
<b>Reported PAT</b>	<b>3.8</b>	<b>3.9</b>	<b>4.4</b>	<b>4.5</b>	<b>4.6</b>	<b>4.5</b>	<b>5.0</b>	<b>5.1</b>	<b>16.6</b>	<b>19.3</b>	<b>5.1</b>	
<b>Adj PAT</b>	<b>3.8</b>	<b>3.9</b>	<b>3.8</b>	<b>4.5</b>	<b>4.7</b>	<b>4.5</b>	<b>5.0</b>	<b>5.1</b>	<b>15.9</b>	<b>19.4</b>	<b>5.1</b>	<b>0.1</b>
YoY Change (%)	15.0	23.7	19.1	51.0	24.6	17.4	31.9	14.1	26.7	21.6	32.2	
Margins (%)	14.6	14.5	14.0	16.4	16.5	15.7	17.9	17.1	14.9	16.8	17.0	

E: MOFSL Estimates

**Key performance Indicators (Consolidated)**

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	Est. 3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
India formulations	14.3	14.4	14.2	13.8	16.4	16.3	15.8	15.5	56.7	64.0	16.0
YoY Change (%)	14.5	18.0	12.4	9.8	14.7	13.0	11.7	12.7	13.7	13.0	13.0
US generics	2.9	2.5	2.7	2.6	2.6	2.7	2.7	2.8	10.8	10.8	2.6
YoY Change (%)	12.3	-15.1	-5.8	-6.4	-11.6	8.1	-1.1	6.0	-7.2	-0.2	-6.1
Latin America	1.9	2.5	3.1	3.7	2.0	2.6	2.9	3.3	11.3	10.8	3.1
YoY Change (%)	3.3	36.2	25.8	17.0	3.2	4.4	-6.7	-12.2	20.4	-4.4	0.0
Europe	2.6	2.7	2.7	2.8	2.8	2.9	2.8	2.7	10.7	11.3	3.0
YoY Change (%)	20.6	20.9	12.0	10.7	10.1	8.3	4.4	-2.8	15.7	4.9	12.0
Others (ROW+CDMO)	4.2	4.5	4.6	4.5	4.9	4.4	3.8	5.6	17.8	18.7	4.6
YoY Change (%)	19.2	21.6	2.2	17.4	14.4	-2.7	-16.7	24.2	14.3	4.7	0.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	25.1	24.8	25.5	24.7	24.3	23.5	24.0	25.1	25.0	24.2	23.7
Staff Cost (% of Sales)	19.3	18.9	18.2	17.7	19.2	18.8	19.5	18.1	18.5	18.9	18.4
R&D Expenses(% of Sales)	5.0	5.3	5.1	5.1	4.7	5.0	5.4	5.3	5.1	5.1	4.2
Other Cost (% of Sales)	25.1	25.3	24.5	25.4	24.2	25.2	24.0	23.8	25.1	24.3	25.1
Gross Margins (%)	74.9	75.2	74.5	75.3	75.7	76.5	76.0	74.9	75.0	75.8	76.3
EBITDA Margins (%)	30.5	31.0	31.8	32.2	32.3	32.5	32.5	33.0	31.4	32.6	32.8
EBIT Margins (%)	23.2	23.5	24.0	24.8	25.4	25.6	25.5	26.1	23.9	25.7	25.8

E: MOFSL Estimates



# United Spirits

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USDb)	1069 / 12.4
52-Week Range (INR)	1700 / 1055
1, 6, 12 Rel. Per (%)	-3/12/25
12M Avg Val (INR M)	1291

### Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	116.5	127.7	139.6
Sales Gr. (%)	9.0	9.6	9.3
EBITDA	19.9	22.2	24.6
Margin (%)	17.1	17.4	17.6
PAT	13.9	15.7	17.5
EPS (INR)	19.2	21.6	24.1
EPS Gr. (%)	5.9	12.9	11.2
BV/Sh.(INR)	115.8	138.1	162.9

### Ratios

RoE (%)	16.6	15.7	14.8
RoCE (%)	23.7	22.3	20.9
Payout (%)	46.9	55.4	62.3

### Valuations

P/E (x)	76.6	67.9	61.1
P/BV (x)	12.7	10.6	9.0
EV/EBITDA (x)	52.4	46.3	41.4

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	56.7	56.7	56.7
DII	13.6	13.2	12.5
FII	15.9	16.1	16.2
Others	13.8	14.1	14.6

FII includes depository receipts

**CMP: INR1,470      TP: INR1,650 (+12%)      Neutral**

### Festive- & AP-led volume surge; in line margin

- United Spirits (UNSP) reported revenue growth of 15% YoY (est. 13%) in 3QFY25, along with total volume growth of 10% (est. 8%). The Prestige & Above (P&A) segment clocked volume and value growth of 11% and 16%. The Popular segment posted 6%/10% YoY volume/value growth. Andhra Pradesh (AP) saw a quick ramp-up after the policy change and contributed 6% to the overall revenue in 3Q.
- Positive consumer sentiment during the festive period, along with higher wedding counts, sustained healthy demand for liquor throughout the quarter. However, the benefits from AP channel filling will narrow down from 4Q onwards. As a result, we will need to track the underlying demand trend, which appears weaker for many categories in the near term (particularly in urban).
- The company remains committed to achieving double-digit P&A growth, including AP in FY25 (9% in 9MFY25). We model a 10% P&A growth in FY25.
- Gross margin expanded 130bp YoY to 44.7% (est. 44.6%), driven by pricing and soft glass prices. EBITDA margins expanded 70bp YoY to 17.1% (est. 17.0%), partially offset by the increasing expenses in AP. We estimate a 17% EBITDA margin in FY25 (16% in FY24).
- We value UNSP at 60x Dec'26E standalone EPS and include INR250/share for its RCB+ non-core assets to arrive at a **TP of INR1,650** and maintain our Neutral rating on the stock.

### Strong volume-led performance; in-line margin

- **Double-digit volume growth:** Standalone net sales grew 15% YoY to INR34.3b (est. INR33.7b) in 3QFY25. P&A revenue (90% revenue mix) was up 16% YoY and Popular revenue grew 10% YoY. Sales growth was driven by resilient consumer demand in the peak festive season and a fast scale-up in AP. Total volume rose 10%, with P&A volume up 11% YoY to 14.9m cases (est. 14.6mn cases) and Popular volume up 6% YoY to 3.2m cases (est. 3.2m cases). AP contributed 6.1% to the overall revenue growth in 3QFY25 and 2.4% on a YTD basis. The price mix for the quarter stood at 4.6%, and 5.2% excluding AP.
- **GM expansion continues:** Gross margin expanded 130bp YoY to 44.7% (est. 44.6%) on the back of sustained revenue growth and improved productivity. A&P spend was up 16% YoY, employee costs rose 23% YoY, and other expenses grew 17% YoY. EBITDA margin expanded 70bp YoY to 17.1% (est. 17.0%).
- **Double-digit profit growth:** EBITDA grew 20% YoY to INR5.9b (est. INR5.7b). PBT rose 24% YoY to INR5.7b (est. INR5.2b) and APAT grew 21% YoY to INR4.2b (est. INR3.9b).
- There is an exceptional charge of INR650m related to severance costs for a closed unit.

### Highlights from the management commentary

- The demand environment for the company shows sequential improvement. Management anticipates a stable demand situation, with P&A showing a positive trend (slight weakness at the premium end).
- This quarter marked the transition of AP alcobev retail operations from government control to private retailers, leading to a retail pipeline filling and a significant scale-up. AP contributed 6.1% to overall revenue in 3QFY25 and 2.4% on a YTD basis.
- Inventory levels are at ~60 days, with retailers holding 30-35 days of inventory and corporation deposits holding 20-25 days of inventory.
- ENA prices continue to face inflationary pressures, and this trend is expected to persist for the next couple of quarters. However, glass cost has been stabilized.
- The company has expanded its portfolio with X Series, a new non-whiskey offering under McDowell's brand, now launched in five key markets: Maharashtra, Goa, Uttar Pradesh, Rajasthan, and Madhya Pradesh.

### Valuation and view

- There are no changes in our EPS estimates for FY25 and FY26.
- UNSP sold a large part of its Popular portfolio to focus on its global strategy for the premium portfolio. The liquor industry is currently experiencing an upgrading trend, which aligns well with UNSP's renewed emphasis on P&A, supporting the long-term liquor upgrading narrative in India.
- Liquor policies in many states are becoming more favorable, driving consumer upgrades and increased frequency. UNSP is well-positioned to capitalize on this large opportunity. Operating margins remain healthy and EBITDA margin is expected to sustain in the 17%-17.5% range.
- We value UNSP at a 60x Dec'26E standalone EPS and include INR250/share for its RCB + non-core assets to arrive at a **TP of INR1,650**. With the limited upside, we maintain our Neutral rating on the stock.

### Quarterly Performance

Y/E March (Standalone)	FY24				FY25E				FY24	FY25E	FY25 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Volume growth %	5.8	1.0	-1.8	3.7	3.5	-4.4	10.2	7.5	1.9	4.2	7.9	
Total revenues	21,719	28,647	29,893	26,660	23,520	28,430	34,320	30,248	1,06,920	1,16,518	33,671	1.9%
YoY change (%)	-1.0	-1.4	7.5	6.9	8.3	-0.8	14.8	13.5	3.1	9.0	12.6	
Gross Profit	9,474	12,437	12,979	11,550	10,460	12,850	15,350	13,423	46,440	52,083	15,017	2.2%
Margin (%)	43.6	43.4	43.4	43.3	44.5	45.2	44.7	44.4	43.4	44.7	44.6	
Total Exp	17,868	23,946	24,979	23,040	18,940	23,360	28,440	25,911	89,840	96,651	27,943	
EBITDA	3,851	4,701	4,914	3,620	4,580	5,070	5,880	4,336	17,080	19,866	5,729	2.6%
Margins (%)	17.7	16.4	16.4	13.6	19.5	17.8	17.1	14.3	16.0	17.1	17.0	
EBITDA growth (%)	42.4	6.3	33.6	7.1	18.9	7.8	19.7	19.8	20.4	16.3	16.6	
Depreciation	650	653	628	710	650	690	720	725	2,640	2,785	690	
Interest	193	262	164	290	220	250	200	230	910	900	250	
Other income	209	388	461	500	320	340	720	1,017	1,560	2,397	400	
PBT	3,217	4,174	4,583	3,120	4,030	4,470	5,680	4,398	15,090	18,578	5,189	9.5%
Tax	814	1,068	1,102	760	1,040	1,120	1,480	1,107	3,740	4,645	1,306	
Rate (%)	25.3	25.6	24.0	24.4	25.8	25.1	26.1	25.2	24.8	25.0	25.2	
Adj. PAT	2,397	3,183	3,481	2,340	2,990	3,350	4,203	3,291	11,400	13,934	3,883	8.3%
YoY change (%)	8.1	20.7	61.0	10.2	24.8	5.3	20.7	40.6	29.4	22.2	11.5	
Extraordinary inc/(Exp)	-21	307	0	1,480	0	0	530	0	1,766	530	3,883	
Reported PAT	2,382	3,413	3,481	3,840	2,990	3,350	4,730	3,291	13,116	14,464	11.5	

E: MOFSL Estimate



# Mankind Pharma

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR2,507      TP: INR3,050 (+22%)      Buy**

## Operationally in-line; outshines industry in chronic category Course correction impact/BSV integration – Medium-term monitorables

Bloomberg	MANKIND IN
Equity Shares (m)	413
M.Cap.(INRb)/(USDb)	1034.3 / 12
52-Week Range (INR)	3055 / 1901
1, 6, 12 Rel. Per (%)	-11/25/14
12M Avg Val (INR M)	1599

### Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	123.9	149.7	169.9
EBITDA	33.5	41.3	47.9
Adj. PAT	20.7	22.7	29.8
EBIT Margin (%)	27.0	27.6	28.2
Cons. Adj. EPS (INR)	50.1	55.0	72.1
EPS Gr. (%)	8.0	9.9	31.1
BV/Sh. (INR)	336.4	378.5	433.7

### Ratios

Net D:E	0.4	0.2	0.0
RoE (%)	17.8	15.4	17.8
RoCE (%)	15.9	12.9	16.1
Payout (%)	19.2	20.0	20.0

### Valuations

P/E (x)	49.9	45.4	34.7
EV/EBITDA (x)	30.5	26.4	22.3
Div. Yield (%)	0.4	0.4	0.6
FCF Yield (%)	-5.6	4.8	5.6
EV/Sales (x)	8.2	7.3	6.3

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	72.7	74.9	76.5
DII	11.1	9.9	9.8
FII	13.3	12.4	6.7
Others	2.9	2.9	7.0

FII Includes depository receipts

- Mankind Pharma (Mankind) delivered in-line operational performance for 3QFY25. The earnings were below estimates due to higher interest outgo on debt raised to fund the BSV acquisition. While Mankind continues to deliver industry-beating growth in chronic therapies, regulatory headwinds in certain products and course corrections across the prescription (Rx) business affected the DF segment. Interestingly, the strategic reset has driven a healthy 30% YoY growth in the consumer health segment.
- We reduce the earnings estimate by 10%/6%/3% for FY25/FY26/FY27, factoring in: a) higher interest outgo, b) course correction to gradually revive growth prospects, and c) industry-level challenges in acute therapies. We value Mankind at 45x 12M forward earnings to arrive at a TP of INR3,050.
- Mankind's focus on a differentiated portfolio, comprising: a) prescription products (including the recently acquired BSV), b) consumer wellness, and c) exports, positions the company for robust growth over the next 4-5 years. Consistent marketing efforts to support niche offerings, along with capital allocation to add unique growth levers, are expected to drive 20% earnings CAGR over FY25-27. Additionally, it is subject to lesser earnings volatility compared to companies focusing on US generics. **Reiterate BUY.**

### Ex-BSV, DF revenue up 7% YoY/organic EBITDA up 32% YoY for 3QFY25

- Sales grew 23.9% YoY to INR32.3b for the quarter (vs est. of INR33.6b), while the Domestic business (86% of sales) grew 15.5% YoY to INR27.7b. The Prescription business (Rx) (93% of domestic sales) grew 14.6% YoY to INR25.8b, partly led by the BSV addition. The Consumer business (7% of domestic sales) grew 30% YoY to INR1.9b. Export (14% of sales) grew 121% YoY to INR4.6b, aided by new launches and BSV addition.
- Gross margin expanded 280bp to 71% due to a change in the product mix and a decline in RM prices.
- Adjusted for a one-time M&A spend, the EBITDA margin expanded 430bp YoY to 27.7%, led by higher gross margins/lower other expenses (-180bp YoY).
- Consequently, EBITDA grew 47.5% YoY to INR8.9b (vs est. INR9.2b). Excluding BSV, organic EBITDA grew 32% YoY for the quarter.
- However, Adj. PAT declined 5.2% YoY to INR4.3b (vs est. INR5.7b) due to the higher interest outgo for the quarter.
- Revenue/EBITDA/PAT in 9MFY25 grew 17%/27%/14.7% to INR92b/INR24.7b/INR16.5b.

### Highlights from the management commentary

- Mankind has implemented measures such as optimizing doctor coverage and making leadership changes at the divisional level to improve prospects in the Rx business.
- The organic growth in Rx/exports was 7.4%/43% YoY for 3QFY25.
- Regulatory tailwinds related to emergency contraceptives and an anti-infective drug impacted acute therapy growth by ~0.5% YoY for 3QFY25.

**Consolidated - Quarterly Earning Model**

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	Estimate	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Gross Sales</b>	<b>25,786</b>	<b>27,081</b>	<b>26,070</b>	<b>24,411</b>	<b>28,934</b>	<b>30,765</b>	<b>32,300</b>	<b>31,906</b>	<b>1,03,348</b>	<b>1,23,905</b>	<b>33,579</b>	-3.8
YoY Change (%)	18.3	11.6	24.7	18.9	12.2	13.6	23.9	30.7	18.1	19.9	28.8	
Total Expenditure	19,238	20,254	20,004	18,500	21,697	22,265	23,356	23,134	77,996	90,452	24,378	
<b>EBITDA</b>	<b>6,548</b>	<b>6,827</b>	<b>6,065</b>	<b>5,911</b>	<b>7,238</b>	<b>8,500</b>	<b>8,944</b>	<b>8,772</b>	<b>25,351</b>	<b>33,454</b>	<b>9,201</b>	-2.8
YoY growth %	34.5	9.9	29.7	30.7	10.5	24.5	47.5	48.4	24.9	32.0	51.7	
Margins (%)	25.4	25.2	23.3	24.2	25.0	27.6	27.7	27.5	24.5	27.0	27.4	
Depreciation	874	965	1,097	1,047	1,077	1,056	1,923	2,156	3,983	6,213	1,985	
Interest	63	86	92	94	109	71	2,209	1,796	335	4,185	970	
Other Income	586	600	701	921	1,006	1,094	773	351	2,809	3,224	800	
<b>PBT before EO expense</b>	<b>6,197</b>	<b>6,375</b>	<b>5,577</b>	<b>5,692</b>	<b>7,057</b>	<b>8,468</b>	<b>5,585</b>	<b>5,170</b>	<b>23,842</b>	<b>26,280</b>	<b>7,046</b>	-20.7
Extra-Ord expense	0	0	0	0	420	0	646	0	0	1,066	0	
<b>PBT</b>	<b>6,197</b>	<b>6,375</b>	<b>5,577</b>	<b>5,692</b>	<b>6,637</b>	<b>8,468</b>	<b>4,939</b>	<b>5,170</b>	<b>23,842</b>	<b>25,214</b>	<b>7,046</b>	
Tax	1,303	1,298	1,025	950	1,246	1,904	1,128	997	4,576	5,275	1,353	
Rate (%)	21.0	20.4	18.4	16.7	18.8	22.5	22.8	19.3	19.2	20.9	19.2	
Minority Interest & P/L of Asso. Cos.	25.9	66.8	14.5	29.5	26.7	28.4	8.5	73.0	136.6	136.6	30.0	
<b>Reported PAT</b>	<b>4,869</b>	<b>5,010</b>	<b>4,538</b>	<b>4,712</b>	<b>5,365</b>	<b>6,535</b>	<b>3,802</b>	<b>4,100</b>	<b>19,129</b>	<b>19,802</b>	<b>5,663</b>	-32.9
<b>Adj PAT</b>	<b>4,869</b>	<b>5,010</b>	<b>4,538</b>	<b>4,712</b>	<b>5,706</b>	<b>6,535</b>	<b>4,301</b>	<b>4,100</b>	<b>19,129</b>	<b>20,652</b>	<b>5,663</b>	-24.1
YoY Change (%)	53.9	12.8	47.3	50.5	17.2	30.4	-5.2	-13.0	38.4	8.0	24.8	
Margins (%)	18.9	18.5	17.4	19.3	19.7	21.2	13.3	12.9	18.5	16.7	16.9	
<b>EPS</b>	<b>12.2</b>	<b>12.5</b>	<b>11.3</b>	<b>11.8</b>	<b>14.2</b>	<b>16.3</b>	<b>10.7</b>	<b>10.2</b>	<b>47.8</b>	<b>50.1</b>	<b>14.1</b>	

E: MOFSL Estimates



# Shriram Finance

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR524 TP: INR700 (+33%) Buy**

## Healthy quarter despite minor asset quality deterioration

### Earnings in line; NIM contracts due to negative carry from excess liquidity

- Shriram Finance (SHFL)'s PAT in 3QFY25 rose ~14% YoY to ~INR20.8b. Post-tax gain on the sale of Shriram Housing was ~INR14.9b. Reported PAT (including exceptional gain) stood at INR35.7b.
- PPOP grew 11% YoY to ~INR40.8b (in line). NII in 3QFY25 grew ~14% YoY to INR55.9b (in line). Credit costs of ~INR13.3b translated into annualized credit costs of ~2.1% (PQ: 2.1% and PY: 2.4%).
- Yields (calc.) rose ~15bp QoQ while CoB rose ~10bp QoQ to 8.8%, resulting in spreads rising ~5bp QoQ to ~7.8%. Reported NIM declined ~25bp QoQ to ~8.5%, primarily because of negative carry from excess liquidity on the balance sheet. NIM will exhibit improvement once the excess liquidity normalizes within two quarters.
- Management continued to guide for mid-teen AUM growth and a cost-to-income ratio of ~28% in FY26.
- SHFL has positioned itself to capitalize on its diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. The company has yet to fully utilize its distribution network for non-vehicle products. SHFL is our [Top Idea \(refer to the report\)](#) in the NBFC Sector for CY25, given that we find its valuations of 1.3x FY27E P/BV attractive for a strong franchise that can deliver a ~18%/~19% AUM/ PAT CAGR over FY24-27 and a RoA/RoE of ~3.2%/~16% in FY26. **Reiterate BUY with a TP of INR700 (premised on 1.7x FY27E BVPS).**

Bloomberg	SHFL IN
Equity Shares (m)	1879
M.Cap.(INRb)/(USDb)	991.8 / 11.5
52-Week Range (INR)	730 / 439
1, 6, 12 Rel. Per (%)	-6/2/7
12M Avg Val (INR M)	4159

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Total Income	234	278	331
PPOP	163	195	235
PAT	83.0	98.8	119.6
EPS (INR)	44	53	64
EPS Gr. (%)	15	19	21
Standalone BV (INR)	307	357	418

### Valuations

NIM on AUM (%)	9.0	9.1	9.3
C/I ratio (%)	30.6	30.1	29.0
RoAA (%)	3.2	3.2	3.3
RoE (%)	15.6	15.8	16.4
Div. Payout (%)	23.3	23.0	23.0

### Valuations

P/E (x)	11.9	10.0	8.2
P/BV (x)	1.7	1.5	1.3
Div. Yield (%)	2.0	2.3	2.8

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	25.4	25.4	25.4
DII	16.0	16.2	15.8
FII	53.1	53.3	54.0
Others	5.6	5.1	4.8

FII Includes depository receipts

### Minor deterioration in asset quality; higher PCR on standard loans

- GS3/NS3 deteriorated ~5bp each QoQ to ~5.4%/2.7%. PCR on Stage 3 was largely stable QoQ at ~52%. Asset quality exhibited minor deterioration in CE, CV, and MSME while it improved in PV and tractors.
- SHFL again increased the PCR on S1/S2 loans by ~5bp each QoQ. Write-offs stood at INR4.4b, translating into ~0.8% of write-offs as % of TTM AUM (PQ: ~1% and PY: ~1.2%).
- Management guided credit costs of less than ~2%, while our credit cost estimates are marginally higher at ~2.3%/2.4% for FY26/FY27.

### AUM rises 19% YoY; disbursement growth healthy at ~16% YoY

- Disbursements in 3QFY25 grew ~16% YoY to ~INR438b, and AUM rose ~19% YoY to INR2.54t. AUM growth of ~5% QoQ was driven by healthy growth across 2W (+18% QoQ), farm equipment (+7% QoQ), MSME (+7% QoQ), and PV (+6% QoQ).
- Gold Loan AUM has declined for two consecutive quarters. However, the company expects Gold AUM to grow in 4QFY25, followed by double-digit growth in gold loans going ahead.
- Management shared that CV utilization levels are good and the freight rates are also stable. We model an AUM CAGR of ~18% over FY24-27E.

### NIM to benefit from product mix improvement and expected cut in repo rates

- A shift in the product mix to high-yielding non-CV products will be marginally accretive to the blended yields. A large proportion of this improvement in yields is expected to be driven by a higher proportion of gold loans and MSME loans in the AUM mix.
- With repo rate cuts expected in 1H CY25, SHFL is well-equipped to reap the benefits of a declining interest rate environment. We model NIMs of 9.1%/9.3% in FY26/FY27 (FY25E: ~9%).

### Highlights from the management commentary

- The growth in used vehicle financing has primarily been driven by an increase in average ticket size, as the market supply of used vehicles remains constrained. However, over the next 3-5 years, SHFL is well-positioned to capitalize on this segment, as the supply of used vehicles in the market is expected to improve, creating new opportunities for financing.
- Liquidity on the balance sheet increased to ~INR270b from ~INR170b; which is equal to the next six months of liability repayments. This liquidity will moderate over the next two quarters, and it will go back to keeping liquidity equivalent to three months of liability repayments.

### Valuation and View

- SHFL reported an operationally healthy quarter with strong AUM and disbursement growth. Minor deterioration in asset quality was likely because of a slowdown in economic activity, but the management was confident of seeing some positive momentum in asset quality in the seasonally stronger 4Q of this fiscal year.
- SHFL is effectively leveraging cross-selling opportunities to reach new customers and introduce new products, leading to improved operating metrics and a solid foundation for sustainable growth. The current valuation of ~1.3x FY27E BVPS is attractive for a ~19% PAT CAGR over FY24-27E and RoA/RoE of ~3.3%/16% in FY27E. **Reiterate BUY with a TP of INR700 (based on 1.7x FY27E BVPS).**

**Quarterly Performance**

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	3QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	76,880	82,166	86,179	90,773	93,628	98,145	1,03,408	1,07,962	3,35,997	4,03,143	1,02,365	1
Interest Expenses	34,875	36,219	37,069	39,898	41,289	43,504	47,513	49,580	1,48,061	1,81,886	45,810	4
<b>Net Interest Income</b>	<b>42,004</b>	<b>45,947</b>	<b>49,110</b>	<b>50,874</b>	<b>52,339</b>	<b>54,641</b>	<b>55,896</b>	<b>58,382</b>	<b>1,87,935</b>	<b>2,21,258</b>	<b>56,555</b>	-1
YoY Growth (%)	20.0	21.6	17.1	21.7	24.6	18.9	13.8	14.8	17.0	17.7	15.2	
Other Income	3,167	3,479	3,094	4,206	2,343	2,805	3,646	4,264	13,980	13,058	3,046	20
<b>Total Income</b>	<b>45,171</b>	<b>49,426</b>	<b>52,204</b>	<b>55,080</b>	<b>54,682</b>	<b>57,446</b>	<b>59,542</b>	<b>62,646</b>	<b>2,01,915</b>	<b>2,34,316</b>	<b>59,601</b>	0
YoY Growth (%)	22.0	17.9	16.2	21.7	21.1	16.2	14.1	13.7	17.0	16.0	14.2	
Operating Expenses	13,908	14,618	15,311	16,024	16,140	17,597	18,692	19,309	59,895	71,739	18,373	2
<b>Operating Profit</b>	<b>31,262</b>	<b>34,808</b>	<b>36,893</b>	<b>39,056</b>	<b>38,541</b>	<b>39,848</b>	<b>40,850</b>	<b>43,337</b>	<b>1,42,020</b>	<b>1,62,577</b>	<b>41,228</b>	-1
YoY Growth (%)	17.3	16.3	11.7	26.8	23.3	14.5	10.7	11.0	15.1	14.5	11.7	
Provisions & Loan Losses	8,786	11,286	12,497	12,615	11,876	12,350	13,258	13,619	45,183	51,103	13,156	1
<b>Profit before Tax</b>	<b>22,476</b>	<b>23,523</b>	<b>24,396</b>	<b>26,441</b>	<b>26,666</b>	<b>27,498</b>	<b>27,592</b>	<b>29,718</b>	<b>96,836</b>	<b>1,11,474</b>	<b>28,072</b>	-2
Tax Provisions	5,722	6,014	6,213	6,983	6,860	6,803	6,788	7,975	24,932	28,426	7,018	-3
<b>Net Profit</b>	<b>16,754</b>	<b>17,508</b>	<b>18,183</b>	<b>19,459</b>	<b>19,806</b>	<b>20,696</b>	<b>20,804</b>	<b>21,743</b>	<b>71,905</b>	<b>83,048</b>	<b>21,054</b>	-1
YoY Growth (%)	30.8	12.6	2.3	48.7	18.2	18.2	14.4	11.7	20.3	15.5	15.8	
Exceptional gain (Post tax)							14,894				13,100	14
<b>PAT (incl. excep. gains/loss)</b>							<b>35,698</b>				<b>34,154</b>	5
<b>Key Parameters (Calc., %)</b>												
Yield on loans	16.2	16.6	16.5	16.5	16.3	16.5	16.6	16.6				
Cost of funds	8.7	8.9	8.7	8.8	8.7	8.7	8.8	8.8				
Spread	7.5	7.8	7.9	7.8	7.6	7.8	7.8	7.8				
NIM	8.9	9.3	9.4	9.3	9.1	9.2	9.0	9.0				
C/l ratio	30.8	29.6	29.3	29.1	29.5	30.6	31.4	30.8				
Credit cost	1.9	2.3	2.4	2.3	2.1	2.1	2.1	2.1				
Tax rate	25.5	25.6	25.5	26.4	25.7	24.7	24.6	26.8				
<b>Balance Sheet Parameters</b>												
<b>Disbursements (INR b)</b>	<b>305</b>	<b>346</b>	<b>378</b>	<b>393</b>	<b>377</b>	<b>400</b>	<b>438</b>	<b>455</b>				
Growth (%)	23.8	34.2	29.2	26.6	23.8	15.5	15.8	15.7				
<b>AUM (INR b)</b>	<b>1,932</b>	<b>2,026</b>	<b>2,142</b>	<b>2,249</b>	<b>2,334</b>	<b>2,430</b>	<b>2,545</b>	<b>2,662</b>				
Growth (%)	18.6	19.7	20.7	21.1	20.8	19.9	18.8	18.4				
<b>Borrowings (INR b)</b>	<b>1,619</b>	<b>1,653</b>	<b>1,775</b>	<b>1,858</b>	<b>1,917</b>	<b>2,078</b>	<b>2,235</b>	<b>2,292</b>				
Growth (%)	6.4	4.5	15.7	17.7	18.4	25.7	25.9	23.3				
<b>Asset Quality Parameters</b>												
GS 3 (INR B)	115.1	115.6	119.5	120.8	124.1	127.6	135.2	0.0				
GS 3 (%)	6.0	5.8	5.7	5.5	5.4	5.3	5.4	0.0				
NS 3 (INR B)	54.6	54.2	55.7	58.2	60.6	61.7	65.4	0.0				
PCR (%)	52.5	53.1	53.4	51.8	51.1	51.7	51.6	0.0				

E: MOFSL estimates





# Indus Towers

Estimate changes	↔
TP change	↑
Rating change	↔

**CMP: INR369      TP: INR400 (+9%)      Neutral**

Bloomberg	INDUSTOW IN
Equity Shares (m)	2638
M.Cap.(INRb)/(USDb)	970.7 / 11.3
52-Week Range (INR)	461 / 206
1, 6, 12 Rel. Per (%)	13/-8/52
12M Avg Val (INR M)	6857

### Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Net Sales	286.0	300.4	320.8
EBITDA	145.6	208.7	169.4
Adj. PAT	60.4	60.3	63.7
EBITDA Margin (%)	50.9%	69.5%	52.8%
Adj. EPS (INR)	22.4	22.8	24.1
EPS Gr. (%)	151.1	2.0	5.6
BV/Sh. (INR)	100.3	127.9	131.9

### Ratios

Net D:E	0.2	0.0	-0.1
RoE (%)	25.1	19.6	18.2
RoCE (%)	23.0	26.0	20.8

### Valuations

EV/EBITDA (x)	7.1	4.6	5.6
P/E (x)	16.4	16.1	15.2
P/BV (x)	3.7	2.9	2.8
Div. Yield (%)	0.0	5.4	5.4

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	50.0	53.0	69.0
DII	17.8	17.0	7.1
FII	26.2	24.2	20.8
Others	6.0	5.8	3.2

FII includes depository receipts

## Core performance in line; FCF generation picks up

- Indus Towers' (Indus) 3QFY25 reported financials were ahead of our estimates, largely due to the higher-than-estimated reversal of prior-period bad debt provisions (INR30.2b vs. our estimate of INR12.5b).
- Operationally, the core performance was in line, with Indus' recurring EBITDA rising 4% QoQ to INR39.3b (+8% YoY) as tower/tenancy additions picked up, while ARPT remained stable QoQ.
- Given significant prior-period collections and moderation in capex, Indus' 9M FCF was robust at ~INR60b (of which INR27.5b was used for buyback).
- Further, with the clearance of pending bad debt provisions in 4Q, we expect Indus' FCF to sustain at elevated levels, which should enable the company to declare INR20+/share as dividend for FY25.
- According to media reports, the Gol is considering a partial waiver of telcos' AGR dues. If the waiver is approved, we expect Vi's debt raise to close, which should be positive for Indus as well, as it: 1) helps sustain 100% collections, and 2) improves comfort on incremental business from Vi's network expansions with minimal capex.
- Our FY25-26 estimates are broadly unchanged. We continue to assume ~INR20b bad debt provisions from FY27.
- We maintain a **Neutral rating on Indus** with a **revised DCF-based TP of INR400 (bull: INR480, bear: INR340)**.

## In-line core operational performance

- Consolidated reported revenue was up ~1% QoQ to INR75.5b (+5% YoY, ~2% miss).
- Service revenue at INR48b (+2% QoQ, +8% YoY) was in line with our estimate.
- Energy reimbursements at INR27.3b (-1% QoQ, flat YoY) were ~6% below our estimate on lower power and fuel expenses.
- Consolidated reported EBITDA was up 43% QoQ to INR69.6b (1.94x YoY) and was 34% ahead of our estimate, largely on higher prior-period reversals.
- Adjusted service EBITDA at INR40b (+3% QoQ, +8% YoY) was broadly in line with our estimate.
- Energy spreads further recovered QoQ to negative INR944m (vs. INR1.35b loss QoQ), but was marginally higher than our estimate of loss of INR750m.
- Indus reversed a bad debt provision of INR30.2b in 3QFY25 (vs. bad debt provision reversals of INR10.8b QoQ and provisions of INR640m YoY), which was higher than our estimate of INR12.5b. This was driven by the company recognizing ~INR19b in 3Q (though the payment was received after Dec'24).
- Adjusted for bad-debt provision reversals, recurring EBITDA at INR39.3b (+4% QoQ, +8% YoY) was in line with our estimate.
- Reported PAT at INR40b (+80% QoQ, 2.6x YoY) was 66% above our estimate, largely due to higher provision reversal.

- Recurring PAT at INR17.4b (+23% QoQ, +10% YoY) was ~18% above our estimate, driven by higher other income (largely on payment of INR1.8b interest receivables by Vi), lower depreciation, and lower tax rate on tax reversals pertaining to favorable court judgments.

#### Net tower adds improve QoQ; ARPT broadly stable QoQ

- Net macro tower adds improved to 4,985 QoQ (though lower than our estimate of 5,500; vs. 3,748 net adds in 2Q).
- Indus also added 132 net leaner towers QoQ (vs. 182 QoQ).
- For the third successive quarter, net macro tenancy additions were higher than tower adds at 7,583 (though lower than our estimate of 9,500; vs. 4,308 net adds in 2Q).
- The end-period tenancy ratio was stable QoQ at 1.65X as the incremental tenancy ratio improved to ~1.52X (vs. ~1.1X QoQ).
- Reported sharing revenue per macro tenant (ARPT) at INR41.4k (+0.7% QoQ, flat YoY) was broadly in line with our estimate.

#### Receivables temporarily rise QoQ; net debt (ex-leases) moderates

- Receivables increased sharply by ~INR16.9b QoQ to INR73.2b, likely due to the company accounting for the INR19.1b payment made by Vi in Jan'25.
- The company reversed ~INR30.2 in bad debt provisions, implying a net surplus collection of ~INR13.3b during 3QFY25 (vs. ~INR27b in 1H).
- Over the past few quarters, Indus has recovered INR52.5b toward past dues from Vi, with prior period bad debt provisions now at modest ~INR5.3b (vs. INR35.5b/INR53.9b at Sep'24/Mar'24).
- In addition, Vi has also paid INR1.8b toward interest on overdues in 3QFY25 (INR2.05b in 9MFY25).
- Reported capex further moderated ~19% QoQ to INR12.3b (vs. INR15.2b QoQ) on account of INR6.6b write-back pertaining to Input Tax Credit.
- Net debt including lease liabilities declined ~11% QoQ to INR189b (vs. ~INR210b QoQ); net debt excluding lease liabilities declined to modest ~INR10b (vs. ~INR37b QoQ).
- Indus' reported 3Q FCF improved to INR26.6b (from INR33.1b in 1H). Its 9MFY25 FCF stood at ~INR60b due to the collection of prior-period dues and a moderation in capex.

#### Highlights from the management commentary

- **Tower/tenancy additions:** Tower and tenancy additions improved due to a pick-up in rollouts by Bharti and Vi. The order book is likely to remain healthy for the next 3-4 quarters and management expects to maintain a dominant share in Vi's network rollouts.
- **Prior-period due collections and receivables:** Indus reversed bad debt provision of INR30b during 3Q, while receivables temporarily increased and has subsequently normalized on receipt of payments from Vi. Outstanding bad debt provisions stood at modest ~INR5b.

- **Dividends:** Management reiterated that its dividend policy remains linked to FCF generation and it will take a call on reinstating dividends at FY25-end, based on FY25 FCF generation.
- **EV charging:** Management indicated that Indus will opt for a measured approach in its EV foray and would look to leverage its expertise in providing space, power, and O&M solutions in the EV charging space.

#### Valuation and view

- According to media reports, Gol is considering a partial waiver of telcos' AGR dues. If the waiver is approved, we expect Vi's debt raise to close, which should be positive for Indus as well, as it: 1) helps sustain 100% collections, and 2) improves comfort on incremental business from Vi's network expansions at minimal capex.
- An AGR waiver would be a near-term positive for Vi as well as Indus. However, we remain concerned about long-term risks from the shortfall in Vi's payments, given its large cash shortfall (INR200b+ annually over FY27-31E).
- We build in modest bad debt provisions of ~INR20b (25% of Vi's annual service rentals) over FY27-31 (NPV impact of ~INR27/share) in our base case.
- Our FY25-27 estimates are broadly unchanged. We value Indus on a DCF-based TP of INR400 (implies ~8x FY27E EBITDA). We **maintain our Neutral rating on the stock.**

#### Quarterly Performance

Y/E March (Consolidated)	FY24				FY25E				FY24	FY25E	FY25E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE		
<b>Revenue from operations</b>	71	71	72	72	74	75	75	76	286	300	77	-2.3
YoY Change (%)	2.6	-10.5	6.4	6.5	4.3	4.7	4.8	6.2	0.8	5.0	7.4	
Total Expenditure	36	37	36	31	29	26	6	31	140	92	25	-76.9
Provisions / (reversals)	1	1	1	-4	-8	-11	-30	-5	-1	-54	-13	
Recurring EBITDA	<b>36</b>	<b>36</b>	<b>36</b>	<b>37</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>40</b>	<b>145</b>	<b>155</b>	<b>39</b>	<b>0.0</b>
<b>EBITDA</b>	<b>35</b>	<b>34</b>	<b>36</b>	<b>41</b>	<b>45</b>	<b>49</b>	<b>70</b>	<b>45</b>	<b>146</b>	<b>209</b>	<b>52</b>	<b>34.3</b>
YoY Change (%)	53.8	21.7	208.3	18.6	29.4	42.2	94.1	11.6	50.6	43.4	44.6	
Depreciation	14	15	16	16	16	16	16	17	61	64	16.3	-3.7
Interest	4	2	0	1	4	4	3	4	7	15	4	-40.0
Other Income	1	1	1	1	1	1	1	1	4	3	1	-16.2
<b>PBT before EO expense</b>	<b>18</b>	<b>17</b>	<b>21</b>	<b>25</b>	<b>26</b>	<b>30</b>	<b>52</b>	<b>25</b>	<b>81</b>	<b>133</b>	<b>32</b>	<b>61.6</b>
Extra-Ord expense	0	0	0	0	-8	-11	-30	-5	0	-54	-13	
<b>PBT</b>	<b>18</b>	<b>17</b>	<b>21</b>	<b>25</b>	<b>18</b>	<b>19</b>	<b>22</b>	<b>20</b>	<b>81</b>	<b>80</b>	<b>20</b>	<b>10.9</b>
Tax	5	5	5	6	7	8	12	6	21	33	8	
Rate (%)	25.5	25.9	25.8	25.5	25.7	25.4	23.3	25.2	25.7	24.6	25.2	
<b>Reported PAT</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>19</b>	<b>19</b>	<b>22</b>	<b>40</b>	<b>19</b>	<b>60</b>	<b>101</b>	<b>24</b>	<b>65.7</b>
<b>Adj PAT</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>19</b>	<b>14</b>	<b>14</b>	<b>17</b>	<b>15</b>	<b>60</b>	<b>60</b>	<b>15</b>	<b>17.5</b>
YoY Change (%)	182.4	48.5	-550.9	32.4	0.7	9.5	13.0	-18.4	151.1	-0.1	-3.9	

E: MOFSL Estimates



Estimate change	↑
TP change	↔
Rating change	↔

**CMP: INR353      TP: INR490 (+39%)      BUY**

**Strong earning momentum to continue**

Bloomberg	HPCL IN
Equity Shares (m)	2128
M.Cap.(INRb)/(USDb)	750.8 / 8.7
52-Week Range (INR)	457 / 278
1, 6, 12 Rel. Per (%)	-12/5/9
12M Avg Val (INR M)	3826

**Financials & Valuations (INR b)**

Y/E March	FY25E	FY26E	FY27E
Sales	4,150	3,584	3,675
EBITDA	147	188	202
Adj. PAT	66	96	99
Adj. EPS (INR)	31	45	46
EPS Gr. (%)	-59	46	3
BV/Sh.(INR)	244	278	313

**Ratios**

Net D:E	1.2	1.1	0.9
RoE (%)	13.3	17.3	15.7
RoCE (%)	6.5	8.2	8.2
Payout (%)	25.0	23.9	25.2

**Valuations**

P/E (x)	11.4	7.8	7.6
P/BV (x)	1.4	1.3	1.1
EV/EBITDA (x)	9.5	7.3	6.8
Div. Yield (%)	2.2	3.0	3.3
FCF Yield (%)	2.5	9.3	7.5

**Shareholding pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	54.9	54.9	54.9
DII	21.8	21.7	21.3
FII	14.4	14.1	14.3
Others	8.8	9.3	9.6

FII Includes depository receipts

- HPCL’s reported 3QFY25 financial performance was significantly above our estimates, as weaker-than-expected marketing margin performance was overpowered by robust refining margins and marketing sale volumes. We estimate up to a USD1/bbl refining GRM impact should the Russian crude proportion in the crude oil mix decline to zero (not our base case). On a sequential basis, LPG prices have remained stable, and under-recoveries should start tapering off from 1QFY26 onwards. Further, marketing margins at ~INR9/INR5 per liter for MS/HSD remain robust and above our assumption (of INR3.3 per liter).
- LPG under-recovery compensation, the start of the bottom upgrade unit, and the commissioning of the Rajasthan refinery are key catalysts for the stock. Further, should oil prices weaken post-4QFY25 (leading to higher marketing margins), we believe there remains a strong possibility of upward earnings revision to our and street estimates.
- HPCL’s capex cycle is tapering off with major projects slated to commission in CY25 and ND/E improving to 1.1x in FY26 (vs. 2.1x in FY23). HPCL is currently trading at 1.3x FY26E P/B, slightly above its one-year forward LTA of 1.2x P/B. With FY26 RoE at ~17.4%, current valuations appear attractive. Hence, we reiterate our Buy rating on the stock with a SoTP-based TP of INR490.

**Lower Russian crude proportion to weigh on GRM; LPG losses to be flat QoQ**

- HPCL’s Russian crude utilization has been within the range of 35-40%. While all 4QFY25 cargoes have been tied up, there might be shortages in 1HFY26. If the Russian crude utilization becomes nil, the company shall encounter a USD1/bbl GRM impact, as the USD3-USD3.5 per bbl discount shall not be available elsewhere. However, management believes that the situation is transient and not a disruption. Further, RUF at Visakhapatnam Refinery (Visakh) shall help to expand their crude basket.
- In 3QFY25, LPG under-recoveries came in ~50% higher QoQ. With propane prices averaging USD635/ton in Jan’25 (similar to 3QFY25 prices), LPG under-recovery is expected to be in the similar range of ~INR10b per month. We continue to believe that the government will provide compensation to OMCs against LPG under-recovery ([media article](#)).

**Projects approaching commissioning; ND/E to strengthen further**

- While the 5mmtpa Chhara LNG Terminal was commissioned in Jan’24, RUF at Visakh, the 9mmtpa refinery, and the petchem complex (HRRL) entailing a capex of INR729b are slated for commissioning in 4QFY25/CY25. Additionally, an equity contribution of INR140b (out of INR180b) has already been made by HPCL in HRRL. The management expects RUF commissioning to add USD2-3/bbl to Visakh’s GRM, further strengthening HPCL’s operating cash flow. Also, HRRL is expected to be fully functional in FY27.
- In 3Q, HPCL’s debt dipped INR116b, and the resulting ND stood at INR540b. With the capex cycle tapering off and major projects being commissioned in CY25, we estimate HPCL’s ND/E to improve from a high of 2.1x in FY23 to 1.1x/0.9x in FY26/FY27.

**Other key takeaways from the conference call**

- INR130b-140b p.a. capex shall be incurred going forward (INR40b/ INR60b/ INR40b on Refining/Marketing/Equity contribution in JVs).
- HPCL expects the mid-cycle SG GRM to be ~USD5-6/bbl, and its GRMs to be at some premium to SG GRM + USD2-3/bbl post-RUF unit commissioning at Visakh.
- A polymer margin of USD150-USD170 per ton shall enable HMEL to break even, while the current margin is USD70-USD80 per ton.
- Going forward, INR5-6b/INR6b interest/depreciation increase might be seen.

**EBITDA/PAT beat led by robust GRM and strong marketing volumes**

- HPCL's EBITDA stood at INR59.7b in 3QFY25 (30% beat, up 181% YoY/116% QoQ).
- The beat was led by a higher-than-estimated GRM, which was 10% above our estimate at USD6/bbl (-57% YoY).
- LPG under-recovery stood at INR31b, which we believe could be reversed in due course as LPG remains a controlled product.
- Refining throughput was in line with our estimate at 6.5mmt (+21% YoY).
- Marketing volumes stood at 12.9mmt (est. 12.2mmt), up 8% YoY.
- Marketing margin (incl. inv.) stood at ~INR5.7/lit (est. INR6.1/lit), up 310% YoY.
- PAT came in 29% above our estimate at INR30.2b (5.7x YoY, 4.8x QoQ). Depreciation & other income were below our estimates, while finance costs were above our estimate. In 3Q, forex losses stood at INR4.8b vs. INR0.4b in 1HFY25.
- **In 9MFY25**, net sales grew 2% to INR3.2t, while EBITDA/PAT declined 47%/66% to INR108.2b/40.1b. **In 4QFY25**, we estimate a 31%/51% YoY decline in HPCL's EBITDA/PAT.
- **As of Dec'24**, HPCL had a cumulative negative net buffer of INR76b due to the under-recovery on LPG cylinders (INR45b as of Sep'24).

**Highlights of the 3QFY25 performance:****Operational performance:**

- HPCL recorded its highest-ever crude throughput of 18.5mmt in 9MFY25 (6.5mmt in 3Q).
- The company reported the highest-ever quarterly sales volume of 12.9mmt and gained a market share of 0.4% during the quarter.
- Sales volumes of motor fuels/LPG/industrial products rose 6.3%/4.9%/ 25.5% YoY. Aviation/lubricants posted volume growth of 26%/11.5% YoY.
- In 3QFY25, HPCL recorded its highest-ever pipeline throughput of 6.9mmt.
- HPCL expanded its retail network with 452 new outlets in 3Q, taking the total to 22,953. Additionally, six new LPG distributorships were commissioned, increasing the total count to 6,370. It commissioned 50 retail outlets in CNG and 1,062 EV charging facilities, taking the total number to 1,851 and 5,104, respectively.
- HPCL initiated CNG sales in Darjeeling, Jalpaiguri, and Uttar Dinajpur, and commercial PNG sales in Shahjahanpur Badaun, expanding its presence in eastern India.
- The company achieved the highest-ever Ethanol blending of 16.2% during the quarter.

**Update on the ongoing projects:**

- The company's 3Q capex stood at INR28.9b (INR94.8b in 9MFY25).

- HPCL successfully commissioned its 5mmtpa LNG regasification terminal.
- HPCL has started its 'Lube Modernization' project at the Mumbai Refinery for an estimated cost of INR46.8bm with a Mar'28 completion target. The project will improve LOBS and Bitumen capacity and will improve the refinery's distillate yield by 4%.
- Mumbai Refinery has commissioned VGO hydro-treating in its DHT Unit, becoming the first in India to process VGO and diesel simultaneously in parallel reactors within a single unit and is expected to boost motor spirit (MS) yields by ~100tmt p.a.

**HRRL:**

- The construction of the project is in full swing, and the refinery and petrochemical complex is expected to be commissioned in CY25.
- As of Dec'24, total commitments stood at INR718.1b and capex was INR528.7b.

**Other highlights**

- The 3.55mmtpa residue upgradation facility at its Visakh Refinery is completed, with the commissioning expected in 4QFY25.
- The company signed MoUs with the Rajasthan and Bihar governments to develop solar and wind hybrid projects in Rajasthan and invest INR5b in seven CBG plants in Bihar.

**Valuation and view**

- **HPCL** remains our preferred pick among the three OMCs. We model a marketing margin of INR3.3/lit for both MS and HSD in FY26/27, while the current MS and HSD marketing margins are INR4.7/lit and INR9.6/lit, respectively. We view the following as key catalysts for the stock: 1) the de-merger and potential listing of the lubricant business, 2) the commissioning of its bottom upgrade unit in 4QFY25, 3) the start of its Rajasthan refinery in CY25, and 4) LPG under-recovery compensation.
- HPCL currently trades at 1.3x FY26E P/B, which we believe offers a reasonable margin of safety as we estimate FY26E RoE of 17.3%.
- Our SoTP-based TP includes:
  - The standalone refining and marketing business at 6.5x Dec'26E EBITDA.
  - INR38/sh as potential value unlocking from the de-merger of the lubricant business.
  - HMEL at 8x P/E based on its FY24 PAT (HPCL's share), deriving a value of INR35/share.
  - Chhara Terminal at 1x P/B, and HPCL's HRRL stake at 0.5x of HPCL's equity investment in the project to date. MRPL's stake is valued at MOFSL's TP.
  - All these lead to a revised TP of INR490. **Reiterate BUY.**

**Standalone - Quarterly Earnings Model**

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>1,119.6</b>	<b>957.0</b>	<b>1,113.1</b>	<b>1,145.6</b>	<b>1,138.0</b>	<b>999.3</b>	<b>1,105.1</b>	<b>904.4</b>	<b>4,335.2</b>	<b>4,146.7</b>	<b>931.1</b>	<b>19%</b>
YoY Change (%)	-2.2	-11.7	1.6	6.1	1.6	4.4	-0.7	-21.1	-1.6	-4.3	-16.3	
<b>EBITDA</b>	<b>95.2</b>	<b>85.8</b>	<b>21.3</b>	<b>48.7</b>	<b>20.8</b>	<b>27.7</b>	<b>64.5</b>	<b>33.6</b>	<b>251.0</b>	<b>146.6</b>	<b>49.5</b>	<b>30%</b>
Margins (%)	8.5	9.0	1.9	4.2	1.8	2.8	5.8	3.7	5.8	3.5	5.3	
Depreciation	13.6	12.4	13.4	16.1	14.8	15.2	15.1	15.5	55.5	60.6	16.8	
Forex loss	-1.3	3.6	-0.4	0.6	-0.3	0.4	4.8	0.0	2.6	5.0	0.0	
Interest	5.9	5.8	6.1	7.3	7.3	9.4	9.3	8.4	25.2	34.4	7.7	
Other Income	6.3	3.4	5.6	8.5	5.7	5.7	4.8	9.1	23.8	25.3	6.3	
<b>PBT</b>	<b>83.3</b>	<b>67.4</b>	<b>7.7</b>	<b>33.1</b>	<b>4.7</b>	<b>8.4</b>	<b>40.1</b>	<b>18.7</b>	<b>191.5</b>	<b>71.9</b>	<b>31.3</b>	<b>28%</b>
Rate (%)	25.5	24.1	31.1	14.2	24.5	24.4	24.6	25.2	23.3	24.7	25.2	
<b>Reported PAT</b>	<b>62.0</b>	<b>51.2</b>	<b>5.3</b>	<b>28.4</b>	<b>3.6</b>	<b>6.3</b>	<b>30.2</b>	<b>14.0</b>	<b>146.9</b>	<b>54.1</b>	<b>23.4</b>	<b>37%</b>
YoY Change (%)	LP	LP	206.8	-11.8	-94.3	-87.7	471.4	-50.7	LP	-63.2	343.1	
<b>Key Assumptions</b>												
Refining throughput (mmt)	5.4	5.8	5.3	5.8	5.8	6.3	6.5	6.5	22.3	25.0	6.3	2%
Reported GRM (USD/bbl)	7.4	8.3	14.0	6.9	5.0	3.1	6.0	5.4	9.2	4.9	5.5	10%
Marketing sales volume incl exports (mmt)	11.9	10.7	11.9	12.3	12.6	11.6	12.9	12.5	46.8	49.6	12.2	6%

**Key assumptions for HPCL**

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Exchange Rate (INR/USD)	70.0	70.9	74.3	74.5	80.4	82.8	84.2	86.0	86.2
Brent Crude (USD/bbl)	70.1	61.2	44.4	80.5	96.1	83.0	78.4	70.0	70.0
Market Sales (MMT)	38.7	39.6	36.6	39.1	43.5	46.8	49.6	51.6	53.7
YoY (%)	5	2	(8)	7	11	8	6	4	4
<b>GRM (USD/bbl)</b>	<b>5.0</b>	<b>1.0</b>	<b>3.9</b>	<b>7.2</b>	<b>12.1</b>	<b>9.1</b>	<b>4.9</b>	<b>6.1</b>	<b>6.3</b>
Singapore GRM (USD/bbl)	4.9	3.2	0.5	5.0	10.7	6.6	4.4	5.5	5.5
Prem/(disc) (USD/bbl)	0	(2)	3	2	1	2	0.5	0.6	0.8
Total Refinery throughput (MMT)	18.4	17.2	16.4	14.0	19.1	22.3	25.0	25.9	25.9
YoY (%)	1%	-7%	-4%	-15%	37%	17%	12%	4%	0%
<b>Refining capacity utilization (%)</b>	<b>117%</b>	<b>109%</b>	<b>104%</b>	<b>88%</b>	<b>85%</b>	<b>91%</b>	<b>102%</b>	<b>106%</b>	<b>106%</b>
<b>Blended marketing margin incl inventory (INR/lit)</b>	<b>4.3</b>	<b>4.0</b>	<b>6.3</b>	<b>4.3</b>	<b>(0.8)</b>	<b>5.5</b>	<b>4.2</b>	<b>4.5</b>	<b>4.5</b>
<b>Consolidated EPS</b>	<b>31.4</b>	<b>17.1</b>	<b>50.1</b>	<b>34.3</b>	<b>-32.8</b>	<b>75.2</b>	<b>31.0</b>	<b>45.1</b>	<b>46.4</b>

**SoTP valuation**

Particulars	Earning metric	Val metric	Multiple	Amount (INR m)
HPCL standalone	Dec'26E EBITDA	EV/EBITDA	6.5	1,281,723
(-) Standalone Dec'26E Net Debt				580,558
<b>Standalone Market Cap</b>				<b>701,164</b>
+ Lubricant business- value unlocking	FY24 EBITDA	EV/EBITDA	8.0	80,000
+ MRPL	MOFSL TP			35,650
+ HMEL	FY24 PAT	P/E	8.0	74,480
+ Chhara terminal	Book Value	P/B	1.0	12,232
+ HRRL	Equity invested till date	P/B	0.5	140,000
<b>SoTP</b>				<b>1,043,526</b>
<b>(/) shares outstanding</b>				<b>2,128</b>
<b>TP (INR/share)</b>				<b>490</b>



Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR3,009      TP: INR3,200 (+6%)      Neutral**

## Strong quarter and improving outlook

### US BFSI recovery on track

■ Mphasis (MPHL)'s 3QFY25 revenue was 0.1% QoQ in Constant Currency (CC), in-line with our estimate of 0.2% QoQ CC. Direct business grew 0.2%/5.1% QoQ/YoY in CC, aided by Insurance and TMT. TCV was up 70% QoQ to USD351m. EBIT margin stood at 15.3%, in-line with our estimate of 15.2%. PAT came in at INR4.2b (up 1.1%/14.5% QoQ/YoY) vs. our estimates of INR4.3b. For 9MFY25, net revenue/EBIT/PAT grew 6.6%/6.7%/8.1% compared to 9MFY24. We expect revenue/EBIT/PAT to grow 8.9%/15.9%/17.6% on 4QFY25 YoY. MPHL targets a sustainable operating (EBIT) margin within the stated band of 14.6%-16%. **We reiterate our Neutral rating on the stock.**

### Our view: Strong TCV win in 3Q; Revenue conversion to pace up

- **Broad-based QoQ growth in key verticals:** BFS grew 1.6% sequentially, driven by wallet share gains and strong execution in new account wins. TMT grew 2.9% QoQ, backed by deal conversions and proactive client engagement. The insurance vertical also saw robust 4.4% sequential growth, reflecting successful client mining and deal momentum.
- **Strong TCV closures a key positive:** MPHL reported USD351m in TCV closures in Q3 FY25, the highest in six quarters, with five large deals during the quarter. This was the most encouraging takeaway. We have remained on the sidelines for MPHL, as we believed a recovery in US mortgage applications was unlikely in the near term, and weak direct deal wins were a key sour point. We will turn constructive on the stock with sustained deal momentum and clarity on the logistics vertical.
- **Weakness in logistics to be monitored:** The logistics and transportation vertical faced notable headwinds due to macroeconomic pressures and client-specific issues. We await further clarity on the vertical despite management's indication that the challenges here are manageable.
- **Stable margins despite seasonality:** The EBIT margin remained steady at 15.3%, within the targeted range of 14.6%–16%. Operating profit grew 9.7% YoY, highlighting operational discipline amid investments in AI platforms, GTM capabilities, and large deal transitions.
- **Good FY25E exit bodes well for FY26E:** Management expects Q4FY25 to be the best sequential growth quarter in the last three years, driven by improving TCV-to-revenue conversion, increased pipeline visibility, and broad-based deal activity. We expect 4Q revenues to grow 3.5% QoQ in CC terms; this sets up a good exit for FY25, and we believe if H1FY26 momentum sustains, MPHL could post a double-digit growth in FY26E.

### Valuation and change in estimates

- MPHL indicated that BFS continues to see a recovery in discretionary spending, and its focus is now shifting away, albeit only slightly, from cost takeout deals to transformation and modernization projects. However, we await clarity on the abovementioned risks before revisiting our position. Our estimates are largely unchanged. Over FY24-FY27, we expect a USD revenue CAGR of ~7.9% and an INR PAT CAGR of ~11.5%. We value the stock at 28x FY27E EPS with a TP of INR3,200. **We reiterate our Neutral rating on the stock.**

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	570.7 / 6.6
52-Week Range (INR)	3240 / 2180
1, 6, 12 Rel. Per (%)	5/10/10
12M Avg Val (INR M)	2247

### Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	142.5	158.3	174.1
EBIT Margin	15.4	15.6	15.8
PAT	17.2	19.4	21.6
EPS (INR)	90.1	101.8	113.1
EPS Gr. (%)	10.2	13.1	11.1
BV/Sh. (INR)	500.8	541.1	586.7

### Ratios

RoE (%)	18.8	19.7	20.2
RoCE (%)	16.1	16.9	17.5
Payout (%)	60.5	60.4	60.4

### Valuations

P/E (x)	33.4	29.5	26.6
P/BV (x)	6.0	5.6	5.1
EV/EBITDA (x)	20.7	18.7	16.7
Div Yield (%)	1.8	2.0	2.3

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	40.2	40.3	55.5
DII	34.6	37.0	23.8
FII	20.8	18.3	15.7
Others	4.4	4.4	5.0

FII includes depository receipts



**In-line results but logistics declines 7% QoQ; deal TCV up 70% QoQ**

- MPHL's revenue of USD419m grew 0.1% QoQ CC, up 4.6% YoY CC, in line with our estimate of 0.2% QoQ CC growth.
- Direct revenue was up 0.8% QoQ CC and 6.6% YoY CC.
- Insurance led the growth with a 4.4% QoQ increase, followed by TMT (up 2.9% QoQ), while logistics and others declined 7.0%/5.9% QoQ.
- EBIT margin stood at 15.3% vs our estimate of 15.2% QoQ. PAT was at INR4.2b (up 1.1% QoQ) against our estimates of INR4.3b.
- TCV stood at USD351m (up 70% QoQ/46% YoY) vs. USD207m in 2QFY25. About 48% of the deal wins were in NextGen Services.
- Offshore utilization (excl. trainees) remained stable at 75% QoQ. Net headcount declined 407 (1.2% QoQ) in 3QFY25.
- Sustainable EBIT margin target range is 14.6%-16%.

**Key highlights from the management commentary**

- A continued recovery in discretionary spending has been observed.
- Vendor consolidation opportunities are emerging using the service-led transformation approach.
- The outcome of elections has brought clarity, enabling companies to plan budgets confidently, as tax cuts are likely to be extended, reducing uncertainty.
- For 4Q, the company expects continued execution as demand moves in the right direction, projecting it to be the best quarter on a sequential basis in the last three years.
- The company expects the pace of revenue growth to remain strong, driven by themes like cost savings and debt transformation.
- The company's portfolio diversification strategy, particularly reducing dependency on BFSI, has proven beneficial, especially in the TMT segment.
- Revenue acceleration in managed services has improved due to reduced transition timelines, enabled by a combination of right-shoring and effort elimination.
- TCV for the quarter was USD351m, marking the highest in the past six quarters, and included five large deals.
- The workforce pyramid is being reshaped, with plans to infuse talent at the lower levels.

**Valuation and view**

- MPHL indicated that BFS continues to see a recovery in discretionary spending, and its focus is now shifting away, albeit only slightly, from cost takeout deals to transformation and modernization projects. However, we await clarity on the abovementioned risks before revisiting our position. Our estimates are largely unchanged. Over FY24-FY27, we expect a USD revenue CAGR of ~7.9% and an INR PAT CAGR of ~11.5%. We value the stock at 28x FY27E EPS with a TP of INR3,200. **We reiterate our Neutral rating on the stock.**

**Quarterly Performance**

Y/E March	FY24				FY25E				FY24	FY25E	Est. 3QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	398	398	402	411	410	421	419	433	1,609	1,683	421	-0.5
QoQ (%)	-3.4	0.1	1.0	2.1	-0.2	2.7	-0.5	3.2	-6.3	4.5	(0.0)	-47bp
Revenue (INR m)	32,520	32,765	33,380	34,120	34,225	35,362	35,613	37,251	1,32,785	1,42,451	35,576	0.1
YoY (%)	-4.7	-6.9	-4.8	1.5	5.2	7.9	6.7	9.2	-3.8	7.3	6.6	11bp
GPM (%)	29.1	28.9	31.3	31.2	30.8	31.3	31.7	31.5	30.1	31.3	30	224bp
SGA (%)	11.1	10.7	13.3	12.5	12.7	12.9	12.7	12.7	11.9	12.8	12.0	70bp
EBITDA	5,869	5,956	6,007	6,388	6,185	6,480	6,781	7,003	24,220	26,449	6,226	8.9
EBITDA Margin (%)	18.0	18.2	18.0	18.7	18.1	18.3	19.0	18.8	18.2	18.6	17.5	154bp
EBIT	4,995	5,067	4,972	5,080	5,135	5,444	5,458	5,886	20,114	21,923	5,408	0.9
EBIT Margin (%)	15.4	15.5	14.9	14.9	15.0	15.4	15.3	15.8	15.1	15.4	15.2	13bp
Other income	263	150	14	143	238	182	235	261	570	916	356	-33.9
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.8	24.8	24.8	24.8	24.7	10bp
PAT	3,961	3,920	3,736	3,932	4,045	4,234	4,279	4,625	15,549	17,183	4,337	-1.3
QoQ (%)	-2.3	-1.0	-4.7	5.2	2.9	4.7	1.1	8.1			2	-56.5
YoY (%)	-1.5	-6.3	-9.4	-3.0	2.1	8.0	14.5	17.6	-5.1	10.5	16.1	-9.7
EPS (INR)	20.9	20.6	19.6	20.7	21.3	22.2	22.4	24.2	81.8	90.1	22.7	-1.4

**Key Performance Indicators**

Y/E March	FY24				FY25			FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
<b>Margins</b>								
Gross Margin	29.1	28.9	31.3	31.2	30.8	31.3	31.7	30.1
EBIT Margin	15.4	15.5	14.9	14.9	15.0	15.4	15.3	15.1
Net Margin	12.2	12.0	11.2	11.5	11.8	12.0	12.0	11.7
<b>Operating metrics</b>								
Headcount	33,961	33,771	33,992	32,664	31,645	31,601	31,194	32,664
Deal Win TCV (USD m)	707	255	241	177	319	207	351	1380
<b>Key Verticals (YoY%)</b>								
BFS	-14.8	-21.3	-18.3	-10.1	-0.4	7.3	8.4	-16.3
Insurance	-7.2	16.9	29.0	12.0	10.8	10.4	7.0	11.5
IT, Comm, Ent	-3.9	21.0	12.7	13.6	9.8	0.7	13.5	10.5
<b>Key Geographies (YoY%)</b>								
North America	-10.1	-12.7	-8.2	-0.1	2.8	7.7	5.9	-7.9
Europe	-2.4	10.0	7.3	3.0	9.7	-2.9	-8.6	4.5



# IDFC First Bank

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR62      TP: INR70 (+12%)      Neutral**

## Elevated provisioning/opex drive earnings miss

### Deposit growth progressing well; CD ratio eases to ~94%

Bloomberg	IDFCFB IN
Equity Shares (m)	7320
M.Cap.(INRb)/(USDb)	455.8 / 5.3
52-Week Range (INR)	86 / 59
1, 6, 12 Rel. Per (%)	3/-12/-29
12M Avg Val (INR M)	2900

- IDFC First Bank (IDFCFB) reported a 3QFY25 PAT of INR3.4b (53% YoY decline, 32% miss to MOFSLe) due to an increase in opex (5% vs. our est) and elevated provisions.
- NII grew 14% YoY to INR49b (in line), while NIM moderated 14bp QoQ to 6.04%, amid a decline in MFI business, an increase in the composition of wholesale business, and an increase in CoF.
- Opex grew 16% YoY/8% QoQ to INR49.2b, while the C/I ratio increased to 73.7% from 69.9% in 2QFY25.
- Net advances grew 20.3% YoY/3.7% QoQ, while deposits rose 29.8% YoY/5.9% QoQ.
- GNPA ratio increased 2bp QoQ to 1.94%, while NNPA rose 4bp QoQ to 0.52%. Credit costs were elevated at 2.6% amid continued stress in MFI.
- **We reduce our earnings by 26%/10% for FY25E/FY26E amid higher opex and estimate FY26 RoA/RoE at 0.8%/8.1%. Reiterate Neutral with a revised TP of INR70 (premised on 1.2x Sep'26E ABV).**

### Financial and Valuation (INR b)

Y/E March	FY24	FY25E	FY26E
NII	164.5	194.5	233.4
OP	62.4	73.2	95.7
NP	29.6	15.8	32.2
NIM (%)	6.1	6.0	6.0
EPS (INR)	4.3	2.2	4.4
BV/Sh. (INR)	45	52	57
ABV/Sh. (INR)	44	50	54

### Ratios

RoA (%)	1.1	0.5	0.8
RoE (%)	10.2	4.5	8.1

### Valuations

P/E(X)	14.4	28.2	14.1
P/BV (X)	1.4	1.2	1.1
P/ABV (X)	1.4	1.2	1.1

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	35.4	37.5
DII	25.3	15.3	10.4
FII	27.1	19.6	24.3
Others	47.6	29.8	27.9

### Deposit growth steady; margin moderates 14bp QoQ

- IDFCFB reported a 3QFY25 PAT of INR3.4b (53% YoY decline, 32% miss) due to elevated opex. In 9MFY25, earnings dipped 45% YoY to INR12.2b, and we estimate 4QFY25 earnings to decline 50% YoY to INR3.6b.
- NII grew 14% YoY to INR49b (in line), while the margin moderated 14bp QoQ to 6.04%. Provisions increased 104% YoY to INR13.4b (in line).
- Other income grew 17% YoY to INR17.8b (in line). Opex grew 16.1% YoY to INR49.2b (5% higher). C/I ratio, thus increased to 73.7%, highest amongst the past 10 quarters. PPOp grew 13% YoY to INR17.6b (13% miss). The management expects a C/I ratio of ~65% by FY27.
- On the business front, net advances grew 20.3% YoY/3.7% QoQ, led by 21% YoY growth in retail finance and 34% growth in SME & Corporate Finance. Within retail, growth was led by housing (3.1% QoQ), VF (6.6% QoQ), and consumer & education (4% QoQ). The share of consumer & rural finance was ~68.5% as of 3QFY25.
- Deposit growth remained robust at 29.8% YoY/5.9% QoQ, with the CASA mix declining 120bp QoQ to 47.7%. CD ratio dipped 199bp QoQ to 94.2%.
- GNPA ratio increased 2bp QoQ to 1.94%, while the NNPA ratio increased 4bp QoQ to 0.52%. PCR ratio declined 168bp QoQ to 73.6%. SMA book stood at 1.03% vs. 0.97% in 2QFY25.
- Opex continues to remain elevated with a growth rate of 16% YoY, resulting in a very high C/I ratio of 73.7%. Bank expects the opex growth to moderate helping ease C/I ratio to ~65% by FY27.

### Highlights from the management commentary

- Income growth is expected to slow, but opex growth will moderate due to the reduced pace of the MFI business. The bank is targeting a C/I ratio of 65% by FY27E.

- Management anticipates opex growth to decline to 13% YoY, compared to the current run rate of 16-17% YoY.
- IDFCFB projects loan growth of 20-21% and deposit growth of 24-25% for FY26.
- MFI credit costs would peak in 4QFY25 and remain elevated. However, with improved collection trends observed in Dec'24, stress levels are likely to decline.

**Valuation and view: Reiterate Neutral with a revised TP of INR70**

IDFCFB reported a weak quarter amid elevated opex, resulting in a higher C/I ratio, while NIM moderated 14bp QoQ to 6.04%. Provisions continue to remain elevated amid higher stress in MFI and management suggested credit cost to peak in 4Q25. On the business front, deposit traction continued to remain robust, while the CASA mix moderated to 47.7%. Advances growth also remained healthy, led by steady traction across Retail, SME, and Corporate Finance. We estimate the C/I ratio to remain elevated at 70% by FY26 and at 67% by FY27, primarily as the bank will continue to mobilize deposits at a healthy run rate to further bring down the CD ratio. **We reduce our earnings by 26%/10% for FY25E/26E amid higher opex and estimate FY26E RoA/RoE of 0.8%/8.1%. Reiterate Neutral with a revised TP of INR70 (premised on 1.2x Spe'26E ABV).**

**Quarterly performance**

	(INRb)											
	FY24				FY25E				FY24	FY25E	FY25E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
<b>Net Interest Income</b>	37.5	39.5	42.9	44.7	46.9	47.9	49.0	50.6	164.5	194.5	49.6	-3%
% Change (Y-o-Y)	36.1	31.6	30.5	24.2	25.4	21.2	14.4	13.3	30.2	18.2	15.7	
Other Income	14.1	14.3	15.2	16.4	16.2	17.3	17.8	17.5	60.0	68.7	17.5	-1%
<b>Total Income</b>	<b>51.6</b>	<b>53.8</b>	<b>58.0</b>	<b>61.1</b>	<b>63.1</b>	<b>65.2</b>	<b>66.8</b>	<b>68.1</b>	<b>224.5</b>	<b>263.2</b>	<b>67.1</b>	<b>-3%</b>
Operating Expenses	36.6	38.7	42.4	44.5	44.3	45.5	49.2	50.9	162.2	190.0	46.8	-3%
<b>Operating Profit</b>	<b>15.0</b>	<b>15.1</b>	<b>15.6</b>	<b>16.6</b>	<b>18.8</b>	<b>19.6</b>	<b>17.6</b>	<b>17.1</b>	<b>62.4</b>	<b>73.2</b>	<b>20.3</b>	<b>-3%</b>
% Change (Y-o-Y)	59.0	29.2	23.9	6.8	25.5	29.9	12.6	3.1	26.5	17.3	29.8	
Provisions	4.8	5.3	6.5	7.2	9.9	17.3	13.4	12.4	23.8	53.1	13.6	27%
<b>Profit before Tax</b>	<b>10.2</b>	<b>9.8</b>	<b>9.1</b>	<b>9.4</b>	<b>8.9</b>	<b>2.3</b>	<b>4.2</b>	<b>4.7</b>	<b>38.6</b>	<b>20.1</b>	<b>6.6</b>	<b>-65%</b>
Tax	2.6	2.3	1.9	2.2	2.1	0.3	0.8	1.1	9.0	4.3	1.6	-82%
<b>Net Profit</b>	<b>7.7</b>	<b>7.5</b>	<b>7.2</b>	<b>7.2</b>	<b>6.8</b>	<b>2.0</b>	<b>3.4</b>	<b>3.6</b>	<b>29.6</b>	<b>15.8</b>	<b>5.0</b>	<b>-60%</b>
% Change (Y-o-Y)	61.3	35.2	18.4	-9.8	-11.0	-73.3	-52.6	-49.9	21.3	-46.4	-30.1	
<b>Operating Parameters</b>												
Deposit (INR b)	1,544	1,712	1,825	2,006	2,097	2,236	2,369	2,495	2,006	2,495	2,343	-5%
Deposit Growth (%)	36.2	38.7	37.2	38.7	35.8	30.6	29.8	24.4	38.7	24.4	28.4	
Loan (INR b)	1,674	1,781	1,855	1,946	2,026	2,151	2,231	2,355	1,946	2,355	2,258	-5%
Loan Growth (%)	26.3	27.0	27.3	24.4	21.0	20.7	20.3	21.0	28.2	21.0	21.7	
<b>Asset Quality</b>												
Gross NPA (%)	2.2	2.1	2.0	1.9	1.9	1.9	1.9	2.0	1.9	2.0	2.1	
Net NPA (%)	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.6	0.5	0.6	
PCR (%)	68.1	68.2	66.9	68.8	69.4	75.3	73.6	74.2	68.8	74.2	74.1	

Source: MOFSL, Company



# AU Small Finance Bank

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR588 TP: INR730 (+23%) Buy**

## Cost control drives earnings beat; asset quality deteriorates slightly

### RoA outlook steady

- AU Small Finance Bank (AUBANK) reported 3QFY25 PAT of INR5.3b (8% beat), led by controlled opex, though provisioning expenses were high.
- NII grew 2.4% QoQ to INR20.2b (in line), while NIMs declined by 23bp QoQ on higher proportion of investments book, adverse loan mix and higher CoF.
- PPOp grew 6.5% QoQ to INR12.1b (8% beat) as opex was 8% lower vs. our estimate. The C/I ratio declined to 54.4% (56.7% in 2Q), though it is expected to increase in 4Q amid healthy business growth.
- Business growth was healthy as advances grew 5% QoQ to INR995.6b and deposits growth was slightly lower at 2.3% QoQ to INR1.12t. The CD ratio jumped to 88.7% from 86.7% in 2QFY25.
- Slippages were elevated at INR9.6b vs. INR7.4 in 2Q and INR5.4b in 1Q. GNPA/NNPA ratios inched up 33bp/16bp QoQ to 2.21%/ 0.91%. PCR declined to 61.2%. Credit cost as % of total assets rose to 0.36% (1.4% annualized).
- We tweak our estimates slightly and expect the bank to deliver RoA/RoE of 1.74%/17.3% by FY27E. **Reiterate BUY with a TP of INR730 (based on 2.6x Sep'26E BV).**

Bloomberg	AUBANK IN
Equity Shares (m)	744
M.Cap.(INRb)/(USDb)	442.6 / 5.1
52-Week Range (INR)	755 / 534
1, 6, 12 Rel. Per (%)	10/-4/-27
12M Avg Val (INR M)	2154

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	51.6	80.2	100.1
PPoP	24.4	44.7	56.1
PAT	15.3	21.0	27.9
NIM (%)	5.2	6.2	6.0
EPS (INR)	23.0	29.7	37.4
EPS Gr. (%)	4.3	29.3	26.0
BV/Sh. (INR)	187	221	257
ABV/Sh. (INR)	183	213	248

### Ratios

RoA (%)	1.5	1.6	1.7
RoE (%)	13.1	14.5	15.7

### Valuations

P/E(X)	25.9	20.0	15.9
P/BV (X)	3.2	2.7	2.3
P/ABV (X)	3.2	2.8	2.4

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	22.9	22.9	25.5
DII	21.8	20.1	20.8
FII	39.4	40.7	41.1
Others	16.0	16.2	12.6

FII Includes depository receipts

### Healthy growth in advances; secured loan business performing well

- AUBANK reported 3QFY25 PAT of INR5.3b (8% beat), led by strong cost control, while provisions were higher. In 9MFY25, earnings grew 38% YoY to INR16b. We estimate 4QFY25 earnings to grow 34% YoY to INR4.96b.
- NII grew 2.4% QoQ to INR20.2b (in line). Margins declined 23bp QoQ to 5.9%. Management has guided for steady margin, as it expects controlled CoF. Provisions were high at INR5b (8% higher than MOFSLe, +34.5% QoQ).
- Other income declined 3% QoQ to INR6.2b (5% miss), due to a decline in fee income and treasury income. Opex fell 3% QoQ to INR14.4b (8% below est.). The C/I ratio thus declined to 54.4% from 56.7% in 2QFY25.
- Advances grew 5% QoQ, with commercial assets up 6.4% QoQ and retail up 4.8% QoQ. Deposits increased by 2.3% QoQ to INR1.12t. The CD ratio thus jumped to 88.7%. However, the CASA mix moderated to 31%. The cost of funds was under control at 7.04%.
- Slippages were high at INR9.6b. GNPA/NNPA ratios thus increased 33bp/16bp QoQ to 2.21%/0.91%. PCR declined to 61.2%.
- Credit cost as % of total assets increased to 0.36% (1.4% annualized), driven mainly by the ongoing stress in the unsecured (MFI and Credit Cards). The bank expects credit costs to remain elevated in 4QFY25; however, stress has started easing in Dec'24.

### Highlights from the management commentary

- The bank increased its rate by 10bp in peak TDs. Despite this, the CoF guidance is maintained at 7.10-7.15%.
- C/I for the entire year would be ~58% as 4Q will have more opex on seasonally strong business growth. The bank aims to maintain C/I of 55% for the next two years.
- Although credit cost will be high, RoA would be maintained at ~1.6% in FY25. GLP growth is expected at 20% (25% guidance earlier), affected by a decline in unsecured business, while the secured portfolio will grow faster at 23-24%.
- December was better than November in terms of disbursements and collection efficiency in standard advances.

### Valuation and view

AUBANK reported a decent quarter. Although the credit cost was high, the bank has well utilized its opex lever to deliver decent earnings. Margins for the merged entity declined by 23bp QoQ. Management expects margin to remain healthy amid controlled CoF, stable asset yields and healthy traction across business segments. On the business front, loans grew at a faster rate vs. deposits. As a result, the C/D ratio increased to 88.7%. Asset quality deteriorated, resulting in higher-than-estimated provisions. Management expects the credit cost to remain elevated and guides for a full-year credit cost of around 1.5-1.6%. The conversion to a universal bank will further enable healthy growth and strengthen the bank's market positioning. We tweak our estimates slightly and expect the bank to deliver RoA/RoE of 1.74%/17.3% by FY27E. **Reiterate BUY with a TP of INR730 (based on 2.6x Sep'26E BV).**

### Quarterly performance

									(INR b)			
	FY24				FY25E				FY24	FY25E	FY25E v/s Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
<b>Net Interest Income</b>	<b>12.5</b>	<b>12.5</b>	<b>13.2</b>	<b>13.4</b>	<b>19.2</b>	<b>19.7</b>	<b>20.2</b>	<b>21.1</b>	<b>51.6</b>	<b>80.2</b>	<b>20</b>	<b>-0.1</b>
% Change (Y-o-Y)	27.7	15.3	14.9	10.2	54.1	58.1	52.7	57.6	16.5	55.6	52.9	
Other Income	3.2	4.1	4.5	5.6	5.1	6.4	6.2	7.0	17.5	24.6	7	-4.9
<b>Total Income</b>	<b>15.6</b>	<b>16.6</b>	<b>17.7</b>	<b>18.9</b>	<b>24.3</b>	<b>26.1</b>	<b>26.4</b>	<b>28.0</b>	<b>69.0</b>	<b>104.9</b>	<b>27</b>	<b>-1.3</b>
Operating Expenses	10.2	10.3	11.2	12.3	14.8	14.8	14.4	16.2	44.6	60.1	16	-8.2
<b>Operating Profit</b>	<b>5.5</b>	<b>6.3</b>	<b>6.6</b>	<b>6.6</b>	<b>9.5</b>	<b>11.3</b>	<b>12.0</b>	<b>11.8</b>	<b>24.4</b>	<b>44.7</b>	<b>11</b>	<b>8.5</b>
% Change (Y-o-Y)	38.6	26.0	18.2	16.3	74.3	80.0	83.4	78.4	20.7	83.5	69.1	
Provisions	0.3	1.0	1.6	1.3	2.8	3.7	5.0	5.3	4.4	16.8	5	8.0
Exceptional item	-	-	-	0.8	-	-	-	-	-	-	0	
<b>Profit before Tax</b>	<b>5.1</b>	<b>5.3</b>	<b>5.0</b>	<b>4.5</b>	<b>6.7</b>	<b>7.6</b>	<b>7.0</b>	<b>6.6</b>	<b>20.0</b>	<b>27.9</b>	<b>6</b>	<b>8.8</b>
Tax	1.3	1.3	1.2	0.8	1.7	1.9	1.7	1.6	4.6	6.9	2	10.8
<b>Net Profit</b>	<b>3.9</b>	<b>4.0</b>	<b>3.8</b>	<b>3.7</b>	<b>5.0</b>	<b>5.7</b>	<b>5.3</b>	<b>5.0</b>	<b>15.3</b>	<b>21.0</b>	<b>5</b>	<b>8.1</b>
% Change (Y-o-Y)	44.4	17.3	(4.5)	(12.7)	29.9	42.1	40.8	33.8	7.5	36.7	30.2	
<b>Operating Parameters</b>												
Deposit (INR b)	693.2	757.4	801.2	871.8	972.9	1,096.9	1,122.6	1,180.2	871.8	1,180.2	1,122.6	
Loan (INR b)	628.6	641.7	667.4	731.6	896.5	948.4	995.6	1,064.5	731.6	1,064.5	996.1	
Deposit Growth (%)	26.9	29.8	31.1	25.7	40.4	44.8	40.1	35.4	25.7	35.4	40.1	
Loan Growth (%)	29.2	24.0	20.0	25.2	42.6	47.8	49.2	45.5	25.2	45.5	49.2	
<b>Asset Quality</b>												
GNPA (%)	1.8	1.9	2.0	1.7	1.8	2.0	2.3	2.5	1.7	2.5	2.2	
NNPA (%)	0.6	0.6	0.7	0.6	0.6	0.8	0.9	0.9	0.5	0.9	0.8	
PCR (%)	69.0	69.1	66.0	67.6	65.1	62.8	61.2	61.4	64.3	61.4	63.1	

E: MOFSL Estimates



# Laurus Labs

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR611 TP: INR720 (+18%) Buy**

## Beat on earnings; green shoots visible

### 4Q to witness further improvement in financial performance

- Laurus Lab (LAURUS) significantly beat our earnings estimates in 3QFY25, led by a scale-up in the CDMO segment. Commercial supplies (including launch quantities) led to strong 89% YoY growth in CDMO sales for the quarter. Apart from chemical synthesis-based CDMO, LAURUS is enhancing its capacities/capabilities in bio-based CDMO activities through a JV with Eight Roads (investment of INR1.6b to start with).
- We raise our earnings estimates by 4%/3%/3% for FY25/FY26/FY27 to factor in a) improved visibility for execution of CDMO contracts, b) a gradual uptick in ARV formulation sales, and c) better operating leverage. We value LAURUS at 40x 12M forward earnings to arrive at a TP of INR720.
- After six quarters of earnings decline, LAURUS has seen strong improvement in its financial performance. Over the past 2-3 years, LAURUS has invested considerably in the CDMO segment to build capacities to cater to customers' manufacturing requirements. In fact, it has certain contracts in hand to be executed over the medium term. It continues to invest in fermentation capacities to enhance its CDMO offerings. We estimate a strong 71% earnings CAGR over FY25-27. Reiterate BUY.

Bloomberg	LAURUS IN
Equity Shares (m)	539
M.Cap.(INRb)/(USDb)	324.9 / 3.8
52-Week Range (INR)	620 / 359
1, 6, 12 Rel. Per (%)	9/44/43
12M Avg Val (INR M)	1140

### Financials & valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	53.5	63.9	72.9
EBITDA	10.1	13.9	16.8
Adj. PAT	2.7	5.8	8.0
EBIT Margin (%)	10.8	15.0	17.0
Cons. Adj. EPS (INR)	5.1	10.7	14.9
EPS Gr. (%)	68.7	110.2	39.5
BV/Sh. (INR)	80.7	89.7	102.3

### Ratios

Net D:E	0.5	0.5	0.4
RoE (%)	6.5	12.5	15.5
RoCE (%)	6.3	9.9	11.9
Payout (%)	15.6	15.6	15.6

### Valuations

P/E (x)	120.1	57.1	41.0
EV/EBITDA (x)	35.2	25.5	21.1
Div. Yield (%)	0.1	0.2	0.3
FCF Yield (%)	0.7	0.7	1.5
EV/Sales (x)	6.6	5.6	4.9

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	27.6	27.2	27.2
DII	12.7	13.1	11.1
FII	25.6	26.1	25.4
Others	34.1	33.7	36.3

FII includes depository receipts

### Improved segmental mix, operating leverage drive margins YoY

- 3QFY25 revenues grew 18.4% YoY to INR14b (our est. INR13.3b). Synthesis business (28% of sales) was up 89% YoY at INR4b, led by advancing clinical project. FDF sales grew 19% YoY to INR4.4b (31% of sales). API sales (38% of sales) fell 7% YoY to INR5.6b. ARV API sales declined 11% YoY to INR3.1b due to capacity constraints. Other API segment sales grew 27% YoY to INR1.7b. Onco API sales declined 51% YoY to INR425m. Bio division sales (3% of sales) grew 14% YoY to INR480m.
- Gross margin (GM) expanded by 250bp YoY to 56.9%, due to a change in the segmental mix.
- EBITDA margin expanded by ~500bp YoY to 20.2% (our est: 17.3%) due to better operating leverage (other expenses down 280bp YoY as % of sales), offset by an increase in employee costs (up 40bp as % of sales).
- EBITDA grew 57.2% YoY to INR2.9b (est. INR2.3b).
- PAT jumped 3x YoY to INR923m (est. INR628m).
- In 9MFY25, revenue/EBITDA/PAT grew 6%/18%/44% to INR38.3b/6.3b/1.2b.

### Highlights from the management commentary

- Management has reiterated 20% EBITDA margin guidance for FY25.
- It expects 4QFY25 to witness further scale-up in business compared to 3Q.
- In CDMO business, the majority of growth came from human health CDMO for the quarter.

**Consolidated- Quarterly Earning**

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
<b>Net Sales</b>	<b>11,818</b>	<b>12,245</b>	<b>11,949</b>	<b>14,397</b>	<b>11,949</b>	<b>12,237</b>	<b>14,151</b>	<b>15,179</b>	<b>50,408</b>	<b>53,516</b>	<b>13,340</b>	<b>6.1</b>
YoY Change (%)	-23.2	-22.3	-22.6	4.3	1.1	-0.1	18.4	5.4	-16.6	6.2	11.6	
<b>EBITDA</b>	<b>1,667</b>	<b>1,879</b>	<b>1,814</b>	<b>2,415</b>	<b>1,712</b>	<b>1,783</b>	<b>2,852</b>	<b>3,714</b>	<b>7,775</b>	<b>10,061</b>	<b>2,308</b>	<b>23.6</b>
YoY Change (%)	-63.3	-58.1	-55.0	-15.4	2.7	-5.1	57.2	53.8	-51.2	29.4	27.2	
Margins (%)	14.1	15.3	15.2	16.8	14.3	14.6	20.2	24.5	15.4	18.8	17.3	-2.85
Depreciation	906	934	984	1,023	1,061	1,075	1,061	1,109	3,846	4,306	1,040	
<b>EBIT</b>	<b>762</b>	<b>945</b>	<b>830</b>	<b>1,392</b>	<b>651</b>	<b>708</b>	<b>1,791</b>	<b>2,605</b>	<b>3,929</b>	<b>5,755</b>	<b>1,268</b>	<b>41.2</b>
YoY Change (%)	-80.1	-74.3	-74.0	-29.9	-14.5	-25.1	115.7	87.1	-69.0	46.5	52.7	
Margins (%)	6.4	7.7	6.9	9.7	5.5	5.8	12.7	17.2	7.8	10.8	9.5	
Interest	392	424	508	505	492	526	578	540	1,829	2,136	512	
Other Income	36	18	24	185	25	46	94	102	263	268	90	
<b>PBT before EO expense</b>	<b>406</b>	<b>539</b>	<b>346</b>	<b>1,073</b>	<b>185</b>	<b>228</b>	<b>1,307</b>	<b>2,168</b>	<b>2,364</b>	<b>3,887</b>	<b>846</b>	<b>54.5</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>406</b>	<b>539</b>	<b>346</b>	<b>1,073</b>	<b>185</b>	<b>228</b>	<b>1,307</b>	<b>2,168</b>	<b>2,364</b>	<b>3,887</b>	<b>846</b>	<b>54.5</b>
Tax	122	146	95	320	63	51	401	576	682	1,090	203	
Rate (%)	30.0	27.0	27.3	29.8	33.9	22.3	30.7	26.6	28.8	28.1	24.0	
MI & Profit/Loss of Asso. Cos.	16	24	20	-3	-5	-21	-17	101	57	58	15	
<b>Reported PAT</b>	<b>268</b>	<b>370</b>	<b>231</b>	<b>756</b>	<b>127</b>	<b>198</b>	<b>923</b>	<b>1,493</b>	<b>1,625</b>	<b>2,741</b>	<b>628</b>	<b>47.0</b>
<b>Adj PAT</b>	<b>268</b>	<b>370</b>	<b>231</b>	<b>756</b>	<b>127</b>	<b>198</b>	<b>923</b>	<b>1,493</b>	<b>1,625</b>	<b>2,741</b>	<b>628</b>	<b>47.0</b>
YoY Change (%)	-89.4	-84.2	-88.6	-28.1	-52.7	-46.3	298.9	97.4	-79.6	68.7	171.3	
Margins (%)	2.3	3.0	1.9	5.3	1.1	1.6	6.5	9.8	3.2	5.1	4.7	

E: MOSL Estimates

**Key performance Indicators (Consolidated)**

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	
<b>API</b>	6.0	6.3	5.7	7.5	6.6	5.6	5.3	4.7	25.5	22.2	6.1
YoY Change (%)	2.4	(7.5)	(9.2)	4.3	11.2	(11.4)	(7.5)	(36.6)	(2.5)	(12.6)	6.6
<b>Custom Synthesis</b>	2.5	2.2	2.1	2.4	2.1	3.0	4.0	6.1	9.2	15.2	3.4
YoY Change (%)	(56.7)	(68.9)	(67.0)	3.5	(14.4)	33.5	88.7	157.8	(57.5)	65.0	62.0
<b>Formulation</b>	2.9	3.3	3.7	4.3	2.7	3.3	4.4	3.8	14.1	14.1	3.3
YoY Change (%)	(18.3)	122.8	47.4	9.4	(3.9)	(1.2)	18.8	(12.6)	24.0	0.0	(10.0)
<b>Cost Break-up</b>											
RM Cost (% of Sales)	49.4	47.5	45.6	50.2	44.9	44.8	43.1	41.7	48.3	43.5	44.2
Staff Cost (% of Sales)	13.5	13.4	13.0	11.2	14.6	14.6	13.4	12.3	12.7	13.6	13.5
R&D Expenses(% of Sales)	4.1	4.7	3.6	4.5	5.4	5.5	4.2	4.3	3.4	3.2	3.2
Other Cost (% of Sales)	22.9	23.8	26.2	21.9	26.2	26.0	23.4	21.6	23.6	24.1	25.0
Gross Margins (%)	50.6	52.5	54.4	49.8	55.1	55.2	56.9	58.3	51.7	56.5	55.8
EBITDA Margins (%)	14.1	15.3	15.2	16.8	14.3	14.6	20.2	24.5	15.4	18.8	17.3
EBIT Margins (%)	6.4	7.7	6.9	9.7	5.5	5.8	12.7	17.2	7.8	10.8	9.5

E: MOFSL Estimates





# Amber Enterprises

Estimate changes	↓
TP change	↓
Rating change	↔

**CMP: INR6,974      TP: INR7,800 (+12%)      Buy**

## Two steps forward, one step backward

Amber Enterprises (Amber) reported better-than-expected revenue and EBITDA in 3QFY25; however, PAT came in line with our estimate due to losses from subsidiaries. Revenue/EBITDA improved 65%/102% YoY, led by the consumer durables and electronics segments, while railways continued to decline. Consumer durables, particularly the RAC segment, witnessed strong growth, driven by overall healthy RAC demand and client additions. The electronics segment's performance too remained strong, aided by a strategic focus on increasing diversification and the client base. However, the railways segment's performance was impacted by delays in offtake and design changes from IR. We expect Amber to continue to benefit from growth in the RAC segment and faster growth in the electronics segment, driven by new client additions, JV with Korea Circuit, and capacity expansion across Ascent Circuit. The company is also planning to participate in the upcoming component PLI scheme via its JV with Korea Circuit, with a focus on tapping a much bigger EMS market. We cut our EPS estimates by 9%/3%/2% for FY25/FY26/FY27 to bake in slower growth in the railways segment. Maintain BUY with a revised DCF-based TP of INR7,800 (from INR7,900 earlier).

Bloomberg	AMBER IN
Equity Shares (m)	34
M.Cap.(INRb)/(USDb)	235.9 / 2.7
52-Week Range (INR)	8177 / 2991
1, 6, 12 Rel. Per (%)	-1/67/75
12M Avg Val (INR M)	2588

### Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	90.3	109.8	135.2
EBITDA	6.9	8.9	11.7
EBITDA Margin (%)	7.7	8.1	8.7
PAT	2.4	3.7	5.7
EPS (INR)	70.8	109.5	168.7
EPS Growth (%)	79.6	54.7	54.0
BV/Share (INR)	683.5	793.0	961.8

### Ratios

Net D/E	0.4	0.3	0.1
RoE (%)	10.9	14.8	19.2
RoCE (%)	10.8	12.8	15.9

### Valuations

P/E (x)	98.5	63.7	41.4
P/BV (x)	10.2	8.8	7.3
EV/EBITDA (x)	35.4	27.3	20.5

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	39.7	39.8	40.3
DII	19.1	17.8	14.7
FII	28.6	26.4	28.3
Others	12.6	16.0	16.7

FII Includes depository receipts

## Strong revenue growth with in-line PAT in line

Amber posted relatively stronger numbers in 3QFY25, with EBITDA margin expanding 130bp YoY and PAT margin turning positive at 1.7%. Consolidated revenue grew 65% YoY to INR21.3b, beating our estimate by 16%, mainly due to higher demand in the consumer durables and electronics segments. Absolute EBITDA jumped 102% YoY to INR1.58b, beating our estimate by 22%, while the margin expanded 130bp YoY to 7.4% vs. our estimate of 7.1%. PAT stood at INR359m, 1% above our estimate of INR354m. PAT margin was 1.7% vs. our estimate of 1.9%. Despite a beat on revenue and EBITDA, PAT came largely in line due to a higher share of losses in joint ventures.

## Consumer durables growth driven by anticipation of good summer

The consumer durables segment's revenue grew strongly by 67% YoY in 3Q to INR15.6b, EBITDA jumped 150% YoY to INR1.16b, and margin expanded 250bp YoY to 7.5% (vs. 5.0% last year). This growth was led largely by channel inventory filling in the underlying RAC industry in anticipation of a good summer season. The order book grew stronger for commercial ACs, aided by an increased customer base and the strengthening of few customer relations to full ODM solutions. Revenue from RAC and RAC components surged 71% YoY, while revenue from non-RAC grew 43% YoY. Management also stated that its JV with Resojet for the manufacturing of washing machines is set to begin mass production by 1HFY26. Furthermore, Amber is constantly incurring capex to expand its product portfolio and ramp up the component segment. We believe all these steps will drive a CAGR of 22%/27% in revenue/EBITDA over FY24-27.

### Electronic segment performance to further improve once capex gets over

The electronic segment's revenue grew 96% YoY, driven by stable demand momentum across key focus areas, such as automobile, IT and telecom, industrial, defense and aerospace from Ascent Circuit, and traditional consumer durables. The company also bagged new orders for defense and renewable energy for PCBA. Electronic segment growth in future would be driven by both PCBA and PCB manufacturing; hence, the company is also planning incremental capex of INR6.5b for adding up to 840,000 SqM annual capacity through its subsidiary, Ascent Circuit, at Hosur, Chennai. Along with this, the company's subsidiary IL JIN's JV with Korea Circuit is planning to apply for the government's upcoming component policy (ISM2.0) for capex for HDI, Flex and semi-conductor substrate manufacturing. The company expects to infuse nearly INR10b, subject to support from the central and state governments, and it is targeting an asset turnover of 1-1.25x from the facility. Once all approvals are received, we expect this facility to contribute nearly INR10-12b of incremental revenues for the electronics division. With this, the company expects benefits of backward integration for the electronics segment and expects margins to reach double digits over time. We expect the electronics segment's revenue/EBITDA to report a CAGR of 45%/73% over FY24-27.

### Railways segment's delayed revival expectation

The railway segment's revenue was weak at INR1.1b, down 13% YoY, while EBITDA decreased 51% YoY to INR0.12b, with margins contracting to 11.2% (vs. 19.7% last quarter). This was mainly due to the deferral in the offtake of products for projects, such as Metro and Vande Bharat. However, the government has now given clearance for Vande Bharat coaches and the Mumbai Metro project is back on track as well. Thus, the management expects a revival in the segment in 2HFY26, bringing the margins back to the range of 18-22%, supported by 1) the existing order book, 2) the execution of orders for Vande Bharat and Mumbai Metro projects, 3) the commencement of Sidwal's greenfield facility by 2QFY26, and 4) the set-up of the Yujin JV production facility, which is expected to be completed by 1QFY26 with product trials to begin from 2Q/3QFY26. We expect the railways segment's underperformance to continue in FY26 and expect it to start growing after FY26. We expect the segment's revenue/EBITDA to clock a CAGR of 15%/12% over FY24-27.

### Financial outlook

We cut our EPS estimates by 9%/3%/2% for FY25/FY26/FY27 to bake in weak performance of railways on both execution as well as margins in FY25 and FY26. We thus expect a CAGR of 26%/33%/62% in revenue/EBITDA/PAT over FY24-27 for Amber.

### Valuation and view

The stock currently trades at 63.7x/41.4x P/E on FY26E/FY27E earnings. We downgrade our estimates and **reiterate our BUY rating** on the stock with a DCF-based TP of INR7,800, implying 46x P/E on a two-year forward EPS (Mar'27E).

### Key risks and concerns

Key risks and concerns include lower-than-expected demand growth in the RAC industry; change in BEE norms making products costlier; and increased competition across the RAC, mobility, and electronics segments.

Consolidated - Quarterly Earnings Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	Var. (%)	
<b>Gross Sales</b>	<b>17,020</b>	<b>9,271</b>	<b>12,948</b>	<b>28,055</b>	<b>24,013</b>	<b>16,847</b>	<b>21,333</b>	<b>28,117</b>	<b>67,293</b>	<b>90,310</b>	<b>18,408</b>	<b>16</b>
YoY Change (%)	-6.8	23.5	-4.0	-6.6	41.1	81.7	64.8	0.2	-2.9	34.2	42.2	
Gross Profit	2,973	2,065	2,560	4,695	4,266	3,390	3,993	4,848	12,293	16,498	3,442.3	16
Total Expenditure	15,701	8,675	12,163	25,836	22,051	15,710	19,746	25,855	62,374	83,362	17,104	15
<b>EBITDA</b>	<b>1,319</b>	<b>596</b>	<b>785</b>	<b>2,219</b>	<b>1,962</b>	<b>1,137</b>	<b>1,587</b>	<b>2,261</b>	<b>4,919</b>	<b>6,948</b>	<b>1,304</b>	<b>22</b>
Margins (%)	7.8	6.4	6.1	7.9	8.2	6.8	7.4	8.0	7.3	7.7	7.1	
Depreciation	433	452	466	515	549	566	588	592	1,865	2,296	540	9
Interest	453	366	369	483	518	486	537	533	1,670	2,075	434	24
Other Income	193	127	52	180	207	178	160	182	553	727	171	-7
<b>PBT</b>	<b>627</b>	<b>-95</b>	<b>3</b>	<b>1,402</b>	<b>1,101</b>	<b>263</b>	<b>623</b>	<b>1,318</b>	<b>1,937</b>	<b>3,305</b>	<b>500</b>	<b>24</b>
Tax	161	-38	8	388	298	26	162	360	519	846	130	25
Rate (%)	25.7	40.4	274.1	27.7	27.0	10.1	26.1	27.3	26.8	25.6	26.0	
MI & P/L of Asso. Cos.	10	13	0	67	79	44	102	-153	89	72	16	541
<b>Reported PAT</b>	<b>456</b>	<b>-69</b>	<b>-5</b>	<b>947</b>	<b>724</b>	<b>192</b>	<b>359</b>	<b>1,111</b>	<b>1,329</b>	<b>2,386</b>	<b>354</b>	<b>1</b>
<b>Adj PAT</b>	<b>456</b>	<b>-69</b>	<b>-5</b>	<b>947</b>	<b>724</b>	<b>192</b>	<b>359</b>	<b>1,111</b>	<b>1,329</b>	<b>2,386</b>	<b>354</b>	<b>1</b>
YoY Change (%)	8.5	133.1	-103.4	-8.9	58.6	NM	NM	17.4	-15.5	79.6	NM	
Margins (%)	2.7	-0.7	0.0	3.4	3.0	1.1	1.7	4.0	2.0	2.6	1.9	

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Segmental revenue</b>										
Consumer Durables Division	13,320	5,470	9,320	21,973	19,180	10,690	15,550	20,663	50,083	66,083
Electronics Division	2,670	2,480	2,410	4,840	3,880	4,920	4,720	6,336	12,410	19,856
Railway Sub-systems & Mobility division	1,030	1,320	1,220	1,230	950	1,240	1,064	1,117	4,800	4,371
<b>Total Revenues</b>	<b>17,020</b>	<b>9,271</b>	<b>12,948</b>	<b>28,055</b>	<b>24,013</b>	<b>16,847</b>	<b>21,333</b>	<b>28,117</b>	<b>67,293</b>	<b>90,310</b>
<b>Operating EBITDA</b>										
Consumer Durables Division	1,060	210	460	1,790	1,500	620	1,160	1,695	3,520	4,975
Margin (%)	8.0	3.8	4.9	8.1	7.8	5.8	7.5	8.2	7.0	7.5
Electronics Division	110	130	120	330	300	370	340	578	690	1,588
Margin (%)	4.1	5.2	5.0	6.8	7.7	7.5	7.2	9.1	5.6	8.0
Railway Sub-systems & Mobility division	210	310	240	220	200	210	120	126	980	656
Margin (%)	20.4	23.5	19.7	17.9	21.1	16.9	11.2	11.3	20.4	15.0
<b>Total Operating EBITDA</b>	<b>1,380</b>	<b>650</b>	<b>820</b>	<b>2,340</b>	<b>2,000</b>	<b>1,200</b>	<b>1,619</b>	<b>2,400</b>	<b>5,190</b>	<b>7,219</b>
Margin (%)	8.1	7.0	6.3	8.3	8.3	7.1	7.6	8.5	7.7	8.0
ESOP/Other op exp	61	54	35	121	38	63	32	138	271	271
<b>Total EBITDA</b>	<b>1,319</b>	<b>596</b>	<b>785</b>	<b>2,219</b>	<b>1,962</b>	<b>1,137</b>	<b>1,587</b>	<b>2,261</b>	<b>4,919</b>	<b>6,948</b>
Margin (%)	7.8	6.4	6.1	7.9	8.2	6.8	7.4	8.0	7.3	7.7



Estimate change	↑
TP change	↔
Rating change	↔

**CMP: INR6,547      TP: INR8,455 (+29%)      Buy**

Bloomberg	ATLP IN
Equity Shares (m)	29
M.Cap.(INRb)/(USD\$b)	192.8 / 2.2
52-Week Range (INR)	8180 / 5175
1, 6, 12 Rel. Per (%)	-5/-5/-6
12M Avg Val (INR M)	456
Free float (%)	54.8

**Financials and Valuations (INR b)**

Y/E March	FY25E	FY26E	FY27E
Sales	55.2	61.8	68.6
EBITDA	9.1	10.8	12.5
PAT	4.8	6.2	7.4
EPS (INR)	164.2	210.6	251.8
EPS Gr. (%)	49.2	28.3	19.6
BV/Sh. (INR)	1,870	2,043	2,249

**Ratios**

Net D:E	0.1	0.0	-0.0
RoE (%)	9.1	10.8	11.7
RoCE (%)	8.3	9.8	11.0
Payout (%)	18.2	18.2	18.2

**Valuations**

P/E (x)	40.0	31.1	26.1
P/BV (x)	3.5	3.2	2.9
EV/EBITDA (x)	21.5	18.0	15.3
Div. Yield (%)	0.5	0.6	0.7
FCF Yield (%)	-0.3	1.6	2.2

**Shareholding pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	45.2	45.2	45.1
DII	22.8	24.5	26.1
FII	11.2	9.7	8.1
Others	20.8	20.6	20.8

FII Includes depository receipts

**The Life Science segment continues its stellar performance**

- Atul (ATLP) reported revenue 7% above our expectation in 3QFY25. Revenue in the Life Science Chemicals segment increased 23% YoY, while it rose 24% YoY in the Performance & Other Chemicals segment. **Gross margin came in at 50.5% (+340bp YoY), while EBITDAM expanded 250bp YoY to 15.8%**. EBITDA increased 48% YoY to INR2.2b, and PAT jumped 63% YoY to INR1.2b.
- The Life Science segment continued its stellar run both in terms of revenue and margin for the fourth consecutive quarter. EBIT margin for the segment improved 10.4pp YoY, while the same improved 250bp QoQ. The Performance segment continued to do well in terms of revenue, but its margin was a bit subdued in 3Q both YoY and QoQ. We remain bullish on both segments.
- The Life Science Chemicals' contribution to EBIT increased to 55% (from 39% in 3QFY24), whereas the contribution of Performance & Other Chemicals to overall EBIT declined to 43% (from 61% in 3QFY24). Amal Ltd. (part of the Atul group) reported stellar earnings last week, and we believe that the performance of the other subsidiaries/associates will also keep on improving in the future.
- We broadly maintain our estimates for FY26/FY27 as of now, while we raise our FY25 EBITDA/PAT estimates by 5%/7%. We estimate a revenue/EBITDA/PAT CAGR of 13%/25%/32% during FY24-27. EBITDAM is estimated to improve 480bp in FY27 vs. FY24 level. We believe that ATLP is ready to make a comeback in the next 2-3 years, and 9MFY25 earnings support our view.
- Investments are set to be supported by a gradual recovery in ATLP's sub-segments and management's efforts to expand its capacities for key products and for debottlenecking the existing ones. The stock is trading at ~31x FY26E EPS of INR210.6 and ~18x FY26E EV/EBITDA. We value the stock at 35x Dec'26E EPS to arrive at our TP of INR8,455. **We reiterate our BUY rating on the stock.**

**EBITDA in line; margin expands YoY**

- Revenue came in at INR14.2b (+25% YoY). Life Science Chemicals' revenue was INR4.2b (+23% YoY). Performance Chemicals revenue was INR10.4b (+24% YoY).
- The gross margin was 50.5% (+340bp YoY), while the EBITDA margin was 15.8% (+250bp YoY). EBIT margin expanded for Life Science Chemicals but contracted for the Performance Chemicals on a YoY basis. Life Science Chemicals' margin was 23% (+10.4pp YoY), while EBIT stood at INR956m. Performance Chemicals' margin came in at 7.2% (-60bp YoY); EBIT stood at IN752m.

- **EBITDA came in at INR2.2b (est. of INR2.2b, +48% YoY). Adj. EBITDA stood at INR2.4b (+58% YoY)** as other expenses include INR160m incurred towards application fees, cess, premium, conversion charges, customary penal charges, non-agricultural assessment charges, differential stamp duty, etc. for converting part of the agricultural land to industrial use.
- PAT stood at INR1.8b (est. of INR1.8b, +63% YoY), **resulting in EPS of INR39.7. Contribution from the subsidiaries/JVs was positive** (profit at INR244m in 3QFY25, vs. PAT of INR108m in 2QFY25, and net loss of INR377m in 3QFY24).
- **For 9MFY25**, revenue was at INR41.3b (+18% YoY), EBITDA was at INR6.9b (+41% YoY), with PAT at INR3.7b (+39% YoY). EBITDAM for 9MFY25 stood at 16.7% (+280bp YoY).

#### Valuation and view

- The end-user market demand has picked up in 9MFY25, and we believe that overall demand will also accelerate going forward. The company is undertaking various projects and initiatives aimed at improving plant efficiencies, expanding its capacities for key products, debottlenecking its existing capacities, capturing a higher market share, and expanding its international presence.
- ATLP has already commissioned its liquid epoxy resins plant of 50ktpa capacity in Oct'24 (revenue potential of INR8b). Its caustic soda plant (300tpd) also faced teething issues in Dec'23, which were largely resolved in 1HFY25. Anaven (monochloroacetic acid) is also likely to ramp up its plant for optimum utilization due to better offtake in FY25.
- The stock is trading at ~31x FY26E EPS of INR210.6 and ~18x FY26E EV/EBITDA. We value the stock at 35x Dec'26E EPS to arrive at our TP of INR8,455. **We reiterate our BUY rating.** The upside risk could be a faster-than-expected ramp-up of new projects and products. Downside risks include weaker-than-expected revenue growth and margin compression amid further delays in the commissioning of new projects.

**Consolidated - Quarterly Snapshot**

(INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
<b>Gross Sales</b>	<b>11,820</b>	<b>11,937</b>	<b>11,378</b>	<b>12,122</b>	<b>13,221</b>	<b>13,928</b>	<b>14,168</b>	<b>13,898</b>	<b>47,257</b>	<b>55,215</b>	<b>13,233</b>	<b>7%</b>
YoY Change (%)	-20.0	-19.7	-10.3	1.4	11.8	16.7	24.5	14.7	-12.9	16.8	16.3	
Gross Margin (%)	46.5%	44.1%	47.1%	49.7%	50.0%	53.1%	50.5%	48.3%	46.9%	50.5%	53.4%	-2.9%
<b>EBITDA</b>	<b>1,823</b>	<b>1,552</b>	<b>1,517</b>	<b>1,476</b>	<b>2,232</b>	<b>2,427</b>	<b>2,241</b>	<b>2,241</b>	<b>6,367</b>	<b>9,141</b>	<b>2,221</b>	<b>1%</b>
Margin (%)	15.4	13.0	13.3	12.2	16.9	17.4	15.8	16.1	13.5	16.6	16.8	-1.0
Depreciation	519	540	612	758	766	775	810	837	2,429	3,188	789	
Interest	20	19	21	51	54	89	43	75	111	261	91	
Other Income	82	221	150	129	130	315	158	170	582	773	204	
<b>PBT before EO expense</b>	<b>1,365</b>	<b>1,215</b>	<b>1,034</b>	<b>796</b>	<b>1,543</b>	<b>1,878</b>	<b>1,546</b>	<b>1,499</b>	<b>4,409</b>	<b>6,466</b>	<b>1,544</b>	<b>0%</b>
<b>PBT</b>	<b>1,365</b>	<b>1,215</b>	<b>1,034</b>	<b>796</b>	<b>1,543</b>	<b>1,878</b>	<b>1,546</b>	<b>1,499</b>	<b>4,409</b>	<b>6,466</b>	<b>1,544</b>	<b>0%</b>
Tax	364	325	334	242	455	514	407	378	1,265	1,755	390	
Rate (%)	26.7	26.7	32.3	30.4	29.5	27.4	26.4	25.2	28.7	27.2	25.3	
Minority Interest and Profit/Loss of Asso. Cos.	20	22	21	34	33	31	33	29	97	126	24	
<b>Reported PAT</b>	<b>1,021</b>	<b>912</b>	<b>721</b>	<b>588</b>	<b>1,121</b>	<b>1,395</b>	<b>1,171</b>	<b>1,149</b>	<b>3,241</b>	<b>4,836</b>	<b>1,178</b>	<b>-1%</b>
<b>Adj PAT</b>	<b>1,021</b>	<b>912</b>	<b>721</b>	<b>588</b>	<b>1,121</b>	<b>1,395</b>	<b>1,171</b>	<b>1,149</b>	<b>3,241</b>	<b>4,836</b>	<b>1,178</b>	<b>-1%</b>
YoY change (%)	-37.6	-38.4	-30.0	-36.2	9.8	52.9	62.5	95.5	-36.0	49.2	63.5	
Margin (%)	8.6	7.6	6.3	4.9	8.5	10.0	8.3	8.3	6.9	8.8	8.9	-0.6
<b>Segmental Revenue (INR mn)</b>												
Life Science Chemicals	3,502	3,620	3,378	3,767	4,236	4,078	4,164	4,580	14,267	15,001	4,581	-9%
Performance & Other chemicals	8,745	8,684	8,406	8,696	9,386	10,237	10,412	9,695	34,531	35,173	9,209	13%
Others	117	165	109	241	194	186	187	160	633	710	157	19%
<b>Segmental EBIT (INR mn)</b>												
Life Science Chemicals	522	417	424	667	710	836			2,031	2,218		
Performance & Other chemicals	890	722	657	129	852	990			2,398	2,359		
Others	18	41	-3	0	50	27			57	89		
<b>Segmental EBIT Margin (%)</b>												
Life Science Chemicals	14.9%	11.5%	12.6%	17.7%	16.8%	20.5%			14.2%	14.8%		
Performance & Other chemicals	10.2%	8.3%	7.8%	1.5%	9.1%	9.7%			6.9%	6.7%		
Others	15.5%	25.0%	-2.6%	0.0%	25.9%	14.3%			9.0%	12.5%		



# KFin Technologies

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR1,165      TP: INR1,300 (+12%)      Neutral**

## Revenue in-line; elevated tech costs impact EBITDA

Bloomberg	KFINTECH IN
Equity Shares (m)	172
M.Cap.(INRb)/(USDb)	200.2 / 2.3
52-Week Range (INR)	1641 / 539
1, 6, 12 Rel. Per (%)	-18/63/106
12M Avg Val (INR M)	1117

### Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Revenue	11.0	13.0	15.3
EBITDA	4.9	6.1	7.6
PAT	3.4	4.4	5.5
EPS	20.1	25.6	32.4
EPS Grw. (%)	38.0	27.6	26.2
BVPS	70.9	84.5	102.9
RoE (%)	30.4	33.0	34.5
Div. Payout (%)	45.0	60.0	60.0

### Valuations

P/E (x)	59.6	46.7	37.0
P/BV (x)	16.9	14.2	11.6
Div. Yield (%)	0.8	1.3	1.6

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	33.0	33.0	39.1
DII	19.4	20.6	24.6
FII	25.4	24.6	12.1
Others	22.2	21.7	24.2

FII includes depository receipts

- KFin Technologies (KFINTECH) reported 33% YoY growth in operating revenue to INR2.9b in 3QFY25 (in-line), driven by 37%/17%/52% YoY growth in domestic MF solutions/issuer solutions/international solutions. For 9MFY25, revenue grew 33% YoY to ~INR8.1b.
- Total operating expenses grew 32% YoY to INR1.6b (in-line), resulting in 33% YoY growth in EBITDA to INR1.3b (in-line). While employee costs were in-line, elevated tech costs resulted in a 4% miss on other expenses. EBITDA margin expanded to 45% in 3QFY25 vs. 44.8% in 3QFY24 (our est. of 45.9%).
- KFINTECH reported a net profit of INR902m, up 35% YoY (6% miss) in 3QFY25. Apart from higher-than-expected other expenses, the miss was also due to a 14% miss on other income. For 9MFY25, PAT rose 44% YoY to INR2.5b.
- Recent trends indicate that MF investors have been cautious due to weak market sentiment, which is likely to impact industry flows. This, along with the MTM hit, could reduce KFINTECH's revenues by 4-5%.
- We have cut our earnings estimates by 4%/5% for FY25/FY26 to factor in the slowdown in net flows and MTM correction. We expect revenue/PAT to post a CAGR of 22%/31% over FY24-27 and maintain a Neutral rating on the stock with a one-year TP of INR1,300, premised at a P/E multiple of 45x on Sept'26E earnings.

## Strong performance across business segments

- Equity MF AAUM serviced during the quarter grew 50% YoY to INR13.3t, reflecting a market share of 33.4% (33.5% in 3QFY24) and contribution of 59% to overall AAUM.
- Strong net flows and a healthy yield of 3.7bp (in-line) in 3QFY25 resulted in a 37% YoY growth in revenue from the domestic MF business, reaching INR2.1b (in-line). This segment contributed 72% to the overall revenue.
- In the issuer services business, KFINTECH's market share (in terms of issue size) doubled YoY to 66.4% in 3QFY25, as the company managed 14 main board IPOs during the quarter (6 in 3QFY24). This led to a 17% YoY growth in revenue from issuer solutions to INR439b (in-line) in 3QFY25.
- In the international investor solutions business, the number of clients reached 70, bringing the total AUM serviced to INR823b. Revenue from this segment grew 52% YoY to INR329m (in-line). A further rise in deal size, from INR30-35m, is expected to boost revenue from this segment.
- In the alternates and wealth business, market share stood at 36.7% with an AUM of INR1.4t. The NPS market share continued to rise, reaching 9.4% in 3QFY25 (7.8% in 3QFY24), with an AUM of INR500b. Revenue from global business services declined 38% YoY to INR50m (40% miss). Revenue from this segment will remain lumpy but is expected to contribute to the overall topline starting next quarter.
- Employee expenses grew 25% YoY to INR1,040m (in-line) and other expenses grew 47% YoY to INR555m (4% higher than est.). The cost-to-income ratio at 55% (55.2% in 3QFY24) was slightly above our expectations (54.1%).
- Other income grew 41% YoY (down 14% QoQ) to INR91m (14% miss), resulting in a 6% miss in PAT, which was reported at INR902m (+35% YoY).

### Key takeaways from the management commentary

- A sequential MTM correction of 4% in 3QFY25 offset the higher inflows in the domestic MF business. In Jan'25, there was an additional 4% correction, and net flows have slowed down as well.
- For the overseas MF business, KFINTECH is focusing on Malaysia, Philippines, and Thailand due to strong MF opportunities in these markets. Meanwhile, Singapore and Hong Kong present greater opportunities for alternates.
- KFINTECH handled the top five IPOs (in terms of issue size) during the quarter, and this trend is expected to continue, with IPOs of IGI India and LG Electronics in the pipeline.

### Valuation and view

- Structural tailwinds in the MF industry will drive absolute growth in MF revenue. With its unique 'platform-as-a-service' business model offering comprehensive end-to-end solutions enabled by proprietary technology solutions, KFINTECH is well positioned to benefit from strong growth in large markets both in India and globally. The increasing traction for non-market-linked revenue streams will further boost revenues, particularly during a volatile market environment.
- We have cut our earnings estimates by 4%/5% for FY25/FY26 to factor in the slowdown in net flows and MTM correction. We expect revenue/PAT to post a CAGR of 22%/31% over FY24-27 and maintain a Neutral rating on the stock with a one-year TP of INR1,300, premised at a P/E multiple of 45x on Sept'26E earnings.

### Quarterly Performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25E	3QFY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Revenue from Operations	1,815	2,090	2,187	2,283	2,376	2,805	2,900	2,965	8,375	11,045	2,945	-1.5	33%	3%
Change YoY (%)	7.6	16.0	16.3	24.7	30.9	34.2	32.6	29.8	16.3	31.9	34.7			
Employee expenses	756	760	831	850	958	1,018	1,040	1,076	3,197	4,092	1,060	-1.9	25%	2%
<b>Operating expenses</b>														
Other Expenses	355	393	377	387	421	522	555	560	1,513	2,057	533	4.0	47%	6%
Total Operating Expenses	1,111	1,153	1,208	1,237	1,379	1,539	1,595	1,636	4,709	6,149	1,593	0.1	32%	4%
Change YoY (%)	4.6	5.7	4.8	2.4	11.4	11.6	3.6	2.6			3.5			
<b>EBITDA</b>	<b>704</b>	<b>937</b>	<b>979</b>	<b>1,046</b>	<b>997</b>	<b>1,265</b>	<b>1,306</b>	<b>1,329</b>	<b>3,666</b>	<b>4,896</b>	<b>1,352</b>	-3.4	33%	3%
Other Income	53	63	64	66	81	105	91	105	247	382	105	-13.8	41%	-14%
Depreciation	124	126	134	146	148	165	164	170	530	647	169	-3.2	22%	-1%
Finance Cost	29	32	12	11	12	11	11	12	84	46	11	6.4	-2%	6%
<b>PBT</b>	<b>604</b>	<b>842</b>	<b>898</b>	<b>955</b>	<b>918</b>	<b>1,195</b>	<b>1,221</b>	<b>1,252</b>	<b>3,298</b>	<b>4,585</b>	<b>1,277</b>	-4.4	36%	2%
Change YoY (%)	18.0	41.5	6.6	6.4	-3.8	30.1	2.2	2.5	27.7	39.0	6.9			
Tax Provisions	165	223	226	199	237	301	319	298	813	1,155	319	0.0	41%	6%
<b>Net Profit</b>	<b>434</b>	<b>614</b>	<b>668</b>	<b>745</b>	<b>681</b>	<b>893</b>	<b>902</b>	<b>954</b>	<b>2,461</b>	<b>3,430</b>	<b>958</b>	-5.8	35%	1%
Change YoY (%)	15.9	28.1	25.2	30.6	56.9	45.5	34.9	28.1	25.7	39.4	43.3			
<b>Key Operating Parameters (%)</b>														
Revenue / AUM (bps)	5.4	5.6	5.6	5.3	5.0	5.2	5.2	5.3	5.5	5.2	5.2	1bp	-40bp	-4bp
Opex / AUM (bps)	3.3	3.1	3.1	2.9	2.9	2.9	2.9	2.9	3.1	2.9	2.8	5bp	-23bp	-2bp
PBT / AUM (bps)	1.8	2.3	2.3	2.2	1.9	2.2	2.2	2.2	2.2	2.2	2.2	-6bp	-11bp	-4bp
PAT / AUM (bps)	1.3	1.7	1.7	1.7	1.4	1.7	1.6	1.7	1.6	1.6	1.7	-7bp	-9bp	-5bp
Cost to Operating Income Ratio	61.2	55.2	55.2	54.2	58.0	54.9	55.0	55.2	56.2	55.7	54.1	89bp	-25bp	10bp
EBITDA Margin	38.8	44.8	44.8	45.8	42.0	45.1	45.0	44.8	43.8	44.3	45.9	-89bp	25bp	-10bp
PBT Margin	33.3	40.3	41.0	41.8	38.6	42.6	42.1	42.2	39.4	41.5	43.4	-126bp	106bp	-50bp
Tax Rate	27.3	26.5	25.2	20.8	25.9	25.2	26.1	23.8	24.7	25.2	25.0	114bp	94bp	91bp
PAT Margin	23.9	29.4	30.6	32.6	28.7	31.8	31.1	32.2	29.4	31.1	32.5	-143bp	54bp	-75bp
<b>Opex Mix (%)</b>														
Employee expenses	68.0	65.9	68.8	68.7	69.5	66.1	65.2	65.8	67.9	66.5	66.5	-132bp	-355bp	-87bp
Other Expenses	32.0	34.1	31.2	31.3	30.5	33.9	34.8	34.2	32.1	33.5	33.5	132bp	355bp	87bp





# CreditAccess Grameen

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR914      TP: INR1,070 (+17%)      Buy**

## Delinquencies moderating but normalization still some time away

### Credit costs elevated due to forward flows and accelerated write-offs

Bloomberg	CRE DAG IN
Equity Shares (m)	160
M.Cap.(INRb)/(USDb)	146.3 / 1.7
52-Week Range (INR)	1660 / 810
1, 6, 12 Rel. Per (%)	14/-24/-49
12M Avg Val (INR M)	622

- CreditAccess Grameen (CRE DAG)'s 3QFY25 loss stood at INR995m (vs. MOFSL PAT of INR1.3b). NII grew ~7% YoY to ~INR8.6b (~6% miss) and PPOP rose 4% YoY to ~INR6.2b (~6% miss). Cost-income ratio was stable at ~31% (PY: ~30% and PQ: ~31%).
- Reported yields declined ~90bp QoQ to ~20.2%, while CoF was stable QoQ at 9.8%. Reported NIM contracted ~100bp QoQ to ~12.5%, primarily because of interest income reversal of INR750m. We model NIMs of 14.0%/14.1% for FY26/FY27 (FY25E: ~14%)
- Disbursements dipped ~5% YoY; however, they grew ~15% QoQ to ~INR51b. AUM grew ~6% YoY but declined ~1% QoQ to ~INR248b (PY: ~INR234b). The borrower base declined ~3% QoQ to ~4.8m (PY: ~4.7m); CRE DAG added 28 branches during the quarter to reach 2,059 branches.
- GNPA/NNPA rose ~155bp/55bp QoQ to ~4.0%/~1.3%. PCR declined ~80bp QoQ to ~68.7%. Annualized credit costs rose to ~12.3% (PQ: ~6.7% and PY: ~2.2%). Management raised its credit cost guidance to ~6.7%-6.9% (vs. ~4.5%-5.0%) for FY25, given there was a delay in delinquency trend reversals by 3-4 weeks and accelerated write-offs in 2HFY25.
- We cut our FY25/FY26E PAT estimates by ~38%/11% to factor in higher credit costs. We estimate a ~17%/13% CAGR in AUM/PAT over FY24-27, leading to an RoA/RoE of ~4.4%/19% in FY26. Management shared that peak delinquencies occurred in Oct'24/Nov'24, and there was a marked improvement in new delinquency rates in Dec'24 and Jan'25. As per the management, asset quality is expected to normalize by 1QFY26 with profitability projected to return to normal levels by 2QFY26.
- We believe that sectoral pain in microfinance will continue for 2-3 more quarters, given that the stress on the balance sheet has to be provided for and subsequently written off for some semblance of 'normalization'. While the improvement in collections gives a glimmer of hope, we need to monitor the trends over the next 3-4 months before exuding confidence that this is indeed a trend reversal. Developments in Karnataka, while not overly concerning at this point, will need to be closely monitored, given that it is one of the core markets for CRE DAG. **Reiterate BUY with a revised TP of INR1,070 (based on 1.8x Sep'26E P/BV).**

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	36.2	41.0	49.7
Total Income	38.4	43.5	52.5
PPoP	26.6	30.0	36.8
PAT	5.9	14.4	20.6
EPS (INR)	37	90	130
EPS Gr. (%)	-59	145	44
BV (INR)	439	529	659

### Ratios (%)

NIM	14.0	14.0	14.1
C/I ratio	30.7	31.0	30.0
Credit cost	6.9	3.5	2.5
RoA	2.0	4.4	5.3
RoE	8.7	18.6	21.8

### Valuations

P/E (x)	24.8	10.1	7.1
P/BV (x)	2.1	1.7	1.4

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	66.5	66.5	66.7
DII	14.2	14.9	15.8
FII	9.8	10.8	12.0
Others	9.6	7.8	5.6

FII Includes depository receipts

### Highlights from the management commentary

- The company highlighted that ~84% of customers have been consistently repaying on time and are expected to deleverage in a disciplined manner. Internal assessments suggest that ~80% of customers can be retained after implementing MFIN Guardrails 2.0.
- The company has not breached any covenants, and it is comfortably below the various thresholds of GNPA/GS3 (at 90dpd).
- The collection efficiency in Karnataka was slightly higher than the national average, despite recent disruptions in a few districts of Karnataka.

**Asset quality deteriorates; credit costs to remain elevated in 4QFY25**

- GNPA/NNPA deteriorated ~155bp/55bp QoQ to ~4%/~1.3%. PCR declined ~80bp QoQ to ~68.7%. The company has taken accelerated write-offs of INR2.8b, which led to additional credit costs of INR730m. The accelerated write-offs pertained to customers who were over 180 days past due (dpd) and had not repaid in the last 90 days.
- Collection efficiency in the X-bucket stood at 99.2% (vs. ~98.8% in Nov'24 and ~98.7% in Oct'24).
- Management shared that delinquency trends show clear signs of reduction, with new delinquency additions expected to normalize by 4QFY25 or 1QFY26. We model credit costs of ~6.9%/3.5%/2.5% (as % of loan assets) in FY25/FY26/FY27.

**Valuation and view**

- CREDAG, in our view, could likely continue to have a slightly bumpy ride in the near term because of the calibration in loan growth and continuing forward flows, which will keep the credit costs elevated over the next two quarters as well. However, management indicated that delinquency trends are showing a clear improvement, with new delinquencies expected to normalize by 1QFY26.
- With a strong capital position (Tier-1 of ~25%), it is well-equipped to navigate the near-term disruption in the MFI sector and will embark on a healthy loan growth trajectory once there is higher confidence in the reversal of this delinquency trend. **Reiterate BUY with a revised TP of INR1,070 (based on 1.8x Sep'26E P/BV).**

**Quarterly Performance**

(INR m)

Y/E March	FY24				FY25				FY24	FY25E	3QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	11,052	11,874	12,444	13,632	14,372	14,177	13,376	14,159	49,001	56,084	13,983	-4
Interest Expenses	3,849	4,239	4,415	4,822	5,103	4,846	4,749	5,167	17,324	19,864	4,764	0
<b>Net Interest Income</b>	<b>7,203</b>	<b>7,635</b>	<b>8,029</b>	<b>8,810</b>	<b>9,268</b>	<b>9,331</b>	<b>8,628</b>	<b>8,992</b>	<b>31,677</b>	<b>36,219</b>	<b>9,219</b>	<b>-6</b>
YoY Growth (%)	57.8	53.3	48.5	42.3	28.7	22.2	7.5	2.1	49.8	14.3	14.8	
Other Income	656	602	509	959	754	362	443	592	2,725	2,152	407	9
<b>Total Income</b>	<b>7,858</b>	<b>8,237</b>	<b>8,537</b>	<b>9,770</b>	<b>10,023</b>	<b>9,693</b>	<b>9,071</b>	<b>9,585</b>	<b>34,402</b>	<b>38,371</b>	<b>9,626</b>	<b>-6</b>
YoY Growth (%)	63.8	52.1	43.6	35.6	27.5	17.7	6.2	-1.9	47.1	11.5	12.8	
Operating Expenses	2,420	2,611	2,520	2,942	2,929	2,972	2,841	3,052	10,493	11,785	3,028	-6
<b>Operating Profit</b>	<b>5,438</b>	<b>5,626</b>	<b>6,018</b>	<b>6,828</b>	<b>7,093</b>	<b>6,721</b>	<b>6,229</b>	<b>6,532</b>	<b>23,910</b>	<b>26,586</b>	<b>6,598</b>	<b>-6</b>
YoY Growth (%)	88	68	59	36	30	19	4	-4	59	11	10	
Provisions & Loan Losses	764	959	1,262	1,533	1,746	4,202	7,519	5,197	4,518	18,663	4,832	56
<b>Profit before Tax</b>	<b>4,674</b>	<b>4,668</b>	<b>4,756</b>	<b>5,295</b>	<b>5,347</b>	<b>2,520</b>	<b>-1,289</b>	<b>1,335</b>	<b>19,392</b>	<b>7,923</b>	<b>1,766</b>	<b>-173</b>
Tax Provisions	1,189	1,197	1,222	1,324	1,371	659	-294	308	4,933	2,044	456	-165
<b>Net Profit</b>	<b>3,485</b>	<b>3,470</b>	<b>3,533</b>	<b>3,971</b>	<b>3,977</b>	<b>1,861</b>	<b>-995.2</b>	<b>1,027</b>	<b>14,459</b>	<b>5,879</b>	<b>1,311</b>	<b>-176</b>
YoY Growth (%)	151.3	96.6	63.7	33.9	14.1	-46.4	-128.2	-74.1	75.0	-59.3	-62.9	
AUM Growth (%)	39.7	36.0	31.5	27.0	20.6	11.8	6.1	6.0	31.8	6.4	8.5	
NIM (%)	13.4	13.8	14.0	14.1	14.0	14.5	13.8	13.5	14.4	14.0	14.6	
Cost to Income Ratio (%)	30.8	31.7	29.5	30.1	29.2	30.7	31.3	31.8	30.5	30.7	31.5	
Tax Rate (%)	25.4	25.7	25.7	25.0	25.6	26.2	22.8	23.1	25.4	25.8	25.8	
<b>Key Parameters (%)</b>												
Yield on loans	20.7	21.1	21.0	21.0	21.0	21.1	20.2	0.0				
Cost of funds	9.6	9.8	9.8	9.8	9.8	9.8	9.8	0.0				
Spread	11.1	11.3	11.2	11.2	11.2	11.3	10.4	0.0				
NIM	13.0	13.1	13.1	13.1	13.0	13.5	12.5	0.0				
Credit cost	1.4	1.7	2.2	2.4	2.6	6.7	12.3	7.9				
Cost to Income Ratio (%)	30.8	31.7	29.5	30.1	29.2	30.7	31.3	31.8				
Tax Rate (%)	25.4	25.7	25.7	25.0	25.6	26.2	22.8	23.1				
<b>Performance ratios (%)</b>												
GLP/Branch (INR m)	119	120	123	136	133	124	120	0				
GLP/Loan Officer (INR m)	18.1	16.9	17.9	20.3	19.6	18.8	19.3	0.0				
Borrowers/Branch	2,422	2,452	2,478	2,500	2,522	2,429	2,334	0				
Borrowers/Loan Officer	367	345	360	373	372	369	374	0				
<b>Balance Sheet Parameters</b>												
<b>Gross loan portfolio (INR B)</b>	<b>218.1</b>	<b>224.9</b>	<b>233.8</b>	<b>267.1</b>	<b>263.0</b>	<b>251.3</b>	<b>248.1</b>	<b>283.2</b>				
Change YoY (%)	39.7	36.0	31.5	27.0	20.6	11.8	6.1	6.0				
<b>Disbursements (INR B)</b>	<b>47.7</b>	<b>49.7</b>	<b>53.4</b>	<b>80.5</b>	<b>44.8</b>	<b>44.0</b>	<b>50.9</b>	<b>84.7</b>				
Change YoY (%)	97.5	13.5	10.3	12.3	-6.2	-11.3	-4.8	5.2				
<b>Borrowings (INR B)</b>	<b>168.2</b>	<b>177.6</b>	<b>190.7</b>	<b>219.5</b>	<b>203.9</b>	<b>192.7</b>	<b>202.3</b>	<b>226.5</b>				
Change YoY (%)	41.6	44.3	40.5	33.7	21.2	8.6	6.0	3.2				
Borrowings/Loans (%)	84.9	85.0	86.3	87.4	82.7	81.9	87.7	83.3				
Debt/Equity (x)	3.1	3.1	3.1	3.3	2.9	2.8	2.9	3.2				
<b>Asset Quality (%)</b>												
<b>GS 3 (INR M)</b>	<b>1,817</b>	<b>1,657</b>	<b>2,197</b>	<b>3,037</b>	<b>3,710</b>	<b>6,002</b>	<b>9,780</b>	<b>0</b>				
G3 %	0.9	0.8	1.0	1.2	1.5	2.4	4.0	0.0				
NS 3 (INR M)	552	509	650	888	1,144	1,832	3,061	0				
NS3 %	0.3	0.2	0.3	0.4	0.5	0.8	1.3	0.0				
<b>PCR (%)</b>	<b>69.6</b>	<b>69.3</b>	<b>70.4</b>	<b>70.8</b>	<b>69.2</b>	<b>69.5</b>	<b>68.7</b>	<b>0.0</b>				
ECL (%)	1.6	1.6	1.8	2.0	2.3	3.5	5.1	0.0				
<b>Return Ratios - YTD (%)</b>												
ROA (Rep)	5.8	5.6	5.5	5.7	5.4	2.7	-1.4	0.0				
ROE (Rep)	26.4	24.7	23.6	24.9	23.5	10.7	-5.7	0.0				

E: MOFSL Estimates



# Indian Energy Exchange

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR169      TP: INR193 (+14%)      Neutral**

## Strong 3Q; slower volume growth and high base to be key challenges in FY26

Bloomberg	IEX IN
Equity Shares (m)	892
M.Cap.(INRb)/(USDb)	151 / 1.8
52-Week Range (INR)	244 / 129
1, 6, 12 Rel. Per (%)	-2/2/16
12M Avg Val (INR M)	2321

- Indian Energy Exchange (IEX) reported standalone revenue for 3QFY25 at INR1,313m (+14% YoY), surpassing our estimate by 7%. Reported standalone PAT was 16% above our est. at INR1,031m (+28% YoY), primarily due to a 15.9% YoY rise in electricity volumes and other income.
- IEX's overall volumes rose ~17% YoY in 3QFY25, with electricity volumes rising 15.9% YoY and renewable (RE) volumes surging 31% YoY.
- IEX holds a dominant market position, with a combined market share of 85% in 9MFY25. Pending approvals for an 11-month contract and the Green RTM market are expected to enhance volume growth opportunities.
- We believe FY26 volume growth could fall short of expectations, given the high base in 9MFY25 and the recent deceleration in power demand growth. Clarity on long-dated contracts, a key catalyst, has been pending for some time. While concerns around market coupling have subsided somewhat, it remains a risk. We reiterate our Neutral rating on the stock with a TP of INR193.

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	5.4	6.3	7.3
EBITDA	4.5	5.5	6.4
Adj. PAT	4.0	4.8	5.6
EPS (INR)	4.4	5.4	6.3
EPS Gr. %	16.0	20.4	17.2
BV/Sh. (INR)	12.9	15.5	17.4

### Ratios

	(0.3)	(0.5)	(0.5)
Net D:E			
RoE (%)	37.8	37.7	38.0
RoCE (%)	37.0	37.0	37.5
Payout (%)	50.0	50.0	70.0

### Valuation

P/E (x)	38.1	31.7	27.0
P/B (x)	13.2	10.9	9.7
EV/EBITDA (x)	32.5	26.5	22.3
Div. yield (%)	1.3	1.6	2.6

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	32.8	31.5	26.3
FII	16.5	15.9	13.7
Others	50.7	52.6	60.0

FII includes depository receipts

## Robust 3Q; outperforming expectations

- IEX reported standalone revenue for 3QFY25 at INR1,313m (+14% YoY), surpassing our estimate by 7%.
- Reported standalone PAT was 16% above our est. at INR1,031m (+16% YoY), driven by higher revenue from increased electricity volumes and other income.
- For 9MFY25, India's electricity demand stood at 1,279 BUs, a 5% increase YoY.
- **Operational performance:**
  - In 3QFY25, electricity volumes were up 15.9% at 30.5 BUs. This was supported by robust coal availability, with inventories standing at 19 days.
  - Within the electricity volume segment, Day Ahead Market (DAM) was up 14% YoY. DAM prices declined 26% YoY to INR3.71/unit, offering Distribution Companies (Discoms) and Commercial & Industrial (C&I) consumers a cost-effective alternative to meet demand and replace more expensive power sources.
  - Term Ahead Market (TAM) volumes were down 49% YoY in 3QFY25.
  - Renewable Energy Certificates (RECs) traded in 3QFY25 stood at 2.65m (+31% YoY).
  - Within the Green Market segment, G-DAM delivered a strong performance, with volumes up 319%.
- In the Gas market, the Indian Gas Exchange (IGX) witnessed a 93% increase in traded volumes in 3QFY25, reaching 16.2m MMBtu. Reported PAT for 3QFY25 grew 13% YoY INR83m.
- The board declared an interim dividend of INR1.50/share for FY25 (record date: 31st Jan'25).

### Highlights of 3QFY25 performance

#### Performance highlights and market developments

- Standalone profit increased 15.5% YoY to INR1,030m; consolidated profit grew 17% to INR1,070m.
- Electricity volumes grew 16% YoY in 3QFY25; 9MFY25 volumes rose 19% to 89BUs. RECs traded grew 31% YoY in 3QFY25 to 2.65m; RTM volumes rose 30% YoY to 9.3BUs.
- IGX trading volumes almost doubled YoY to 16.2m MMBTU in 3QFY25; cumulative 9MFY25 volumes reached 39.8m MMBTU (+24%).

#### Other highlights:

- IEX holds an 83-84% market share in the electricity segment and 60-65% in RECs.
- Market share for TAM and DAM is 40%, whereas for RTM and the collective market, it is nearly 100%.
- India's first coal exchange is expected to launch by 2025 under a regulatory framework.
- CERC is finalizing orders on long-duration contracts and has sought public feedback for Green RTM.

#### Valuation and view

- Our TP of INR193 for IEX is based on the following:
- We value the business at Dec-26E EPS of 6.0 with a PE multiple of 32x. This compares with the mean one-year forward P/E of 28x.
- We have not assumed any value for IGX stake in our valuation.

#### Standalone Quarterly Performance

Y/E March	(INR m)													
	FY24				FY25				FY24	FY25E	FY25E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%	%	%
<b>Net Sales</b>	<b>1,040</b>	<b>1,085</b>	<b>1,153</b>	<b>1,213</b>	<b>1,236</b>	<b>1,392</b>	<b>1,313</b>	<b>1,417</b>	<b>4,492</b>	<b>5,358</b>	1,230	7%	13.9	-5.7
YoY Change (%)	5.8	14.0	15.0	13.3	18.8	28.3	13.9	16.8	12.0	19.3	6.7			
<b>EBITDA</b>	<b>816</b>	<b>922</b>	<b>999</b>	<b>1,049</b>	<b>1,000</b>	<b>1,203</b>	<b>1,128</b>	<b>1,198</b>	<b>3,785</b>	<b>4,529</b>	1,034	9%	13.0	-6.2
Margin (%)	78.4	84.9	86.6	86.5	81.0	86.4	85.9	84.5	84.3	84.5	84.1			
Depreciation	50	51	52	52	52	53	54	49	204	208	51	5%	4.3	1.4
Interest	7	7	7	7	7	7	7	8	28	28	8	-11%	-6.0	1.7
Other Income	232	244	258	282	308	286	285	122	1,016	1,002	204	40%	10.5	-0.2
<b>PBT before EO items</b>	<b>991</b>	<b>1,108</b>	<b>1,198</b>	<b>1,271</b>	<b>1,249</b>	<b>1,429</b>	<b>1,353</b>	<b>1,263</b>	<b>4,568</b>	<b>5,294</b>	1,179			
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0	0			
<b>PBT</b>	<b>991</b>	<b>1,108</b>	<b>1,198</b>	<b>1,271</b>	<b>1,249</b>	<b>1,429</b>	<b>1,353</b>	<b>1,263</b>	<b>4,568</b>	<b>5,294</b>	1,179	15%	12.9	-5.3
Tax	250	279	305	320	315	368	322	329	1,154	1,334	293	10%	5.4	-12.7
Rate (%)	25.2	25.2	25.5	25.2	25.2	25.8	23.8	26.1	25.3	25.2	24.9			
JV and Associates	0	0	0	0	0	0	0	0	0	0	0			
<b>Reported PAT</b>	<b>741</b>	<b>829</b>	<b>893</b>	<b>951</b>	<b>934</b>	<b>1,061</b>	<b>1,031</b>	<b>933</b>	<b>3,414</b>	<b>3,960</b>	886	16%	15.5	-2.8
<b>Adj PAT</b>	<b>741</b>	<b>829</b>	<b>893</b>	<b>951</b>	<b>934</b>	<b>1,061</b>	<b>1,031</b>	<b>933</b>	<b>3,414</b>	<b>3,960</b>	886	16%	15.5	-2.8
YoY Change (%)	8.1	18.3	25.5	14.8	26.0	28.0	15.5	-1.8	16.7	16.0	-0.9			
Margin (%)	71.3	76.4	77.5	78.4	75.6	76.2	78.6	65.9	76.0	73.9	72.0			



# Granules India

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR582 TP: INR665 (+14%) Buy**

## Finished dosages remain the key earnings driver

### CAPA at Gagillapur to be completed by Mar'25E

Bloomberg	GRAN IN
Equity Shares (m)	242
M.Cap.(INRb)/(USDb)	141.1 / 1.6
52-Week Range (INR)	725 / 382
1, 6, 12 Rel. Per (%)	0/14/32
12M Avg Val (INR M)	1364

### Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	44.2	50.5	58.6
EBITDA	9.5	11.3	13.5
Adj. PAT	4.7	6.4	8.1
EBIT Margin (%)	16.4	17.8	18.9
Cons. Adj. EPS (INR)	19.5	26.5	33.4
EPS Gr. (%)	12.5	35.7	26.0
BV/Sh. (INR)	151.4	176.8	209.0

### Ratios

Net D:E	0.3	0.3	0.2
RoE (%)	13.7	16.2	17.3
RoCE (%)	11.6	13.5	14.9
Payout (%)	6.0	4.4	3.5

### Valuations

P/E (x)	29.7	21.9	17.4
EV/EBITDA (x)	18.3	15.4	12.6
Div. Yield (%)	0.2	0.2	0.2
FCF Yield (%)	2.0	0.5	2.1
EV/Sales (x)	3.9	3.4	2.9

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	38.8	38.9	42.0
DII	19.6	14.9	10.2
FII	15.9	19.5	18.8
Others	25.7	26.8	29.1

FII includes depository receipts

■ Granules India (GRAN) delivered better-than-expected revenue, while EBITDA/PAT stood in line for the quarter. The traction in finished dosage (FDF) remained robust for six quarters now. However, reduced off-take of intermediates (PFI)/API impacted the overall growth for 3QFY25. GRAN has taken comprehensive initiatives to address issues highlighted by the USFDA at its Gagillapur site. Further, it continues to develop products in CNS/ADHD and oncology segments.

■ We cut our earnings estimates by 8%/6%/6% for FY25/26/27 factoring in: 1) ongoing remediation measures that resulted in calibrated production from the Gagillapur site, 2) marginal addition in costs related to the failure to supply and higher air freight, and 3) additional opex related to the Genome Valley. We value GRAN at 19x 12M forward earnings to arrive at our TP of INR665.

■ While regulatory issues at Gagillapur have lowered the growth prospects over the near term, GRAN continues to build a product pipeline to not only enhance diversification but also increase the product offering in the developed market. Further, it is also building the manufacturing capacity to meet future requirements. **Reiterate BUY.**

### Product mix benefits more than offset by lower operating leverage

■ GRAN's sales declined 1.5% YoY to INR11.4b (our est. of INR10.4b) due to a voluntary pause at the Gagillapur facility led by the USFDA inspection. FDF sales grew 13.7% YoY to INR8.7b (76% of sales). PFI sales dipped 24% YoY to INR1.3b (12% of sales). API sales declined 36.6% YoY to INR1.4b (12% of sales).

■ Gross margin (GM) expanded 470bp to 62% due to a change in segmental mix and lower RM cost.

■ However, the EBITDA margin dipped 140bp YoY to 20.2% (our est: 22.5%), due to higher employee/other expenses (up 120bp/500bp as a % of sales).

■ EBITDA declined 8.1% YoY to INR2.3b (our est INR2.4b) for the quarter.

■ Adjusted PAT declined 6.4% YoY to INR1.2b (our estimate: INR1.2b).

■ In 9MFY25, GRAN's revenue declined 1.4% to INR32.8b, while EBITDA/PAT grew 11.5%/20.1% YoY to INR6.9b/INR3.5b.

### Highlights from the management commentary

■ GRAN indicated complete implementation of CAPAs at the Gagillapur site by Mar'25. GRAN is applying systemic changes from a regulatory perspective.

■ The production at Gagillapur has started in a staggered manner from Oct'24.

■ The near-term growth would be driven by new launches from the GPI site, which includes products under the CNS/ADHD segment.

■ The company is working on 7-8 products under the oncology segment.

**Quarterly Performance**

(INR m)

Y/E March (Consolidated)	FY24				FY25				FY24	FY25E	FY25E 3QE	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>9,855</b>	<b>11,895</b>	<b>11,556</b>	<b>11,758</b>	<b>11,799</b>	<b>9,666</b>	<b>11,377</b>	<b>11,322</b>	<b>45,063</b>	<b>44,163</b>	<b>10,445</b>	8.9
YoY Change (%)	-3.3	3.4	0.8	-1.6	19.7	-18.7	-1.5	-3.7	-0.1	-2.0	-9.6	
Total Expenditure	8,276	9,765	9,051	9,201	9,206	7,633	9,074	8,799	36,293	34,712	8,095	
<b>EBITDA</b>	<b>1,579</b>	<b>2,130</b>	<b>2,505</b>	<b>2,557</b>	<b>2,593</b>	<b>2,033</b>	<b>2,303</b>	<b>2,523</b>	<b>8,770</b>	<b>9,451</b>	<b>2,350</b>	-2.0
YoY Change (%)	-25.4	-12.3	8.3	8.3	64.2	-4.5	-8.1	-1.3	-4.9	7.8	-6.2	
Margins (%)	16.0	17.9	21.7	21.7	22.0	21.0	20.2	22.3	19.5	21.4	22.5	
Depreciation	492	525	524	532	529	525	566	567	2,073	2,187	535	
<b>EBIT</b>	<b>1,086</b>	<b>1,605</b>	<b>1,981</b>	<b>2,025</b>	<b>2,064</b>	<b>1,508</b>	<b>1,737</b>	<b>1,956</b>	<b>6,697</b>	<b>7,264</b>	<b>1,815</b>	-4.3
YoY Change (%)	-35.4	-19.3	8.3	8.1	90.0	-6.0	-12.3	-3.4	-9.2	8.5	-8.4	
Margins (%)	11.0	13.5	17.1	17.2	17.5	15.6	15.3	17.3	14.9	16.4	17.4	
Interest	225	260	286	288	270	257	266	228	1,058	1,020	260	
Other Income	3	15	7	19	21	32	57	1	44	110	25	
<b>PBT before EO expense</b>	<b>865</b>	<b>1,360</b>	<b>1,701</b>	<b>1,756</b>	<b>1,814</b>	<b>1,284</b>	<b>1,528</b>	<b>1,729</b>	<b>5,683</b>	<b>6,354</b>	<b>1,580</b>	-3.3
Extra-Ord expense	211	0	0	0	0	0	0	0	211	0	0	
<b>PBT</b>	<b>654</b>	<b>1,360</b>	<b>1,701</b>	<b>1,756</b>	<b>1,814</b>	<b>1,284</b>	<b>1,528</b>	<b>1,729</b>	<b>5,472</b>	<b>6,354</b>	<b>1,580</b>	
Tax	176	339	444	460	468	311	352	489	1,419	1,620	356	
Rate (%)	26.9	24.9	26.1	26.2	25.8	24.3	23.0	28.3	25.9	25.5	22.5	
<b>Reported PAT</b>	<b>479</b>	<b>1,021</b>	<b>1,257</b>	<b>1,296</b>	<b>1,346</b>	<b>972</b>	<b>1,176</b>	<b>1,240</b>	<b>4,052</b>	<b>4,734</b>	<b>1,225</b>	-4.0
<b>Adjusted PAT</b>	<b>633</b>	<b>1,021</b>	<b>1,257</b>	<b>1,296</b>	<b>1,346</b>	<b>972</b>	<b>1,176</b>	<b>1,240</b>	<b>4,207</b>	<b>4,734</b>	<b>1,225</b>	-4.0
YoY Change (%)	-50.4	-29.6	1.1	3.4	112.7	-4.8	-6.4	-4.4	-19.5	12.5	-2.5	
Margins (%)	6.4	8.6	10.9	11.0	11.4	10.1	10.3	11.0	9.3	10.7	11.7	
<b>EPS</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>17</b>	<b>20</b>	<b>5</b>	-4.0

E: MOFSL Estimates

**Key performance Indicators (Consolidated)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E 3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
<b>FD</b>	<b>5,420</b>	<b>7,375</b>	<b>7,627</b>	<b>8,642</b>	<b>8,912</b>	<b>7,490</b>	<b>8,674</b>	<b>8,678</b>	<b>29,090</b>	<b>33,754</b>	<b>7,932</b>
YoY Change (%)	-1.2	25.9	45.9	41.3	64.4	1.6	13.7	0.4	28.2	16.0	4.0
<b>PFI</b>	<b>1,478</b>	<b>1,427</b>	<b>1,733</b>	<b>1,482</b>	<b>997</b>	<b>756</b>	<b>1,309</b>	<b>1,213</b>	<b>6,107</b>	<b>4,275</b>	<b>867</b>
YoY Change (%)	-37.6	-39.2	-18.7	-31.8	-32.6	-47.0	-24.5	-18.2	-32.3	-30.0	-50.0
<b>API</b>	<b>2,957</b>	<b>2,974</b>	<b>2,196</b>	<b>1,633</b>	<b>1,890</b>	<b>1,420</b>	<b>1,393</b>	<b>1,431</b>	<b>9,823</b>	<b>6,134</b>	<b>1,647</b>
YoY Change (%)	26.3	-10.0	-46.5	-55.5	-36.1	-52.2	-36.6	-12.4	-26.8	-37.6	-25.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	48.6	48.3	43.0	39.9	41.1	38.0	38.3	38.4	55.1	61.0	38.4
Staff Cost (% of Sales)	14.2	12.5	13.6	12.9	13.9	16.5	14.7	14.4	13.3	14.8	15.4
Other Cost (% of Sales)	21.1	21.2	21.7	25.4	23.1	24.5	26.7	24.9	22.4	24.8	23.7
Gross Margin (%)	51.4	51.7	57.0	60.1	58.9	62.0	61.7	61.6	44.9	39.0	61.6
EBITDA Margin (%)	16.0	17.9	21.7	21.7	22.0	21.0	20.2	22.3	19.5	21.4	22.5
EBIT Margin (%)	11.0	13.5	17.1	17.2	17.5	15.6	15.3	17.3	14.9	16.4	17.4

E: MOFSL Estimates



Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR114      TP: INR160 (+42%)      Buy**

## Revenue growth steady; net NPA remains stable

### NIM expands 3bp QoQ to 3.3%

- DCB Bank (DCBB) reported 19.6% YoY growth in PAT to INR1.5b (9% beat) in 3QFY25, led by higher NII and healthy other income.
- NII grew 14.5% YoY to INR5.4b (in line, up 6.6% QoQ). NIMs expanded 3bp QoQ to 3.3%. Other income grew 49% YoY to INR1.8b (7% beat).
- Business growth was healthy as advances grew 22.7% YoY/7.5% QoQ to INR477.8b and deposits increased by 20% YoY/3.9% QoQ to INR566.8b. The CASA mix moderated 51bp QoQ to 25.1%.
- Fresh slippages stood at INR3.95b (vs. INR3.89b in 2QFY25). The GNPA ratio improved 18bp QoQ to 3.11%, while the NNPA ratio inched up 1bp QoQ to 1.18%. PCR declined to 62.9%.
- We fine-tune our earnings estimates and expect FY26 RoA/RoE at 0.96%/13.4%. **Reiterate BUY with a TP of INR160 (based on 0.8x Sep'26E ABV).**

Bloomberg	DCBB IN
Equity Shares (m)	314
M.Cap.(INRb)/(USD)	35.6 / 0.4
52-Week Range (INR)	146 / 108
1, 6, 12 Rel. Per (%)	-5/-9/-29
12M Avg Val (INR M)	267

### Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	19.3	21.2	26.1
OP	8.6	10.1	13.1
NP	5.4	6.0	7.5
NIM (%)	3.7	3.4	3.4
EPS (INR)	17.1	19.1	24.1
EPS Gr. (%)	14.6	11.7	25.9
BV/Sh. (INR)	157	174	195
ABV/Sh. (INR)	147	161	181

### Ratios

RoA (%)	0.9	0.9	0.9
RoE (%)	11.8	11.9	13.4

### Valuations

P/E (x)	6.6	5.9	4.7
P/BV (x)	0.7	0.6	0.6
P/ABV (x)	0.8	0.7	0.6

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	14.7	14.7	14.8
DII	27.9	26.7	34.2
FII	10.9	11.1	13.0
Others	46.5	47.6	38.0

FII Includes depository receipts

### Business growth healthy; GNPA ratio improves 18bp QoQ

- DCBB reported 19.6% YoY growth in PAT to INR1.5b (9% beat), aided by higher NII and healthy other income. In 9MFY25, earnings grew 15.2% YoY to INR4.4b. We estimate 4QFY25 earnings to grow 3.2% YoY to INR1.6b.
- NII grew 14.5% YoY to INR5.4b (in line, up 6.6% QoQ). NIMs expanded 3bp QoQ to 3.3%. Other income grew 49% YoY to INR1.8b (7% beat), resulting in 21.6% YoY growth in total revenue (in line). Management guides for NIM to be ~3.5-3.65%.
- Opex grew 18% YoY to INR4.6b (in line). The C/I ratio moderated 155bp QoQ to 62.7%, aided by steady revenue growth and reduction in employee count. PPop grew 28.2% YoY to INR2.7b (15% beat). Provisions stood at INR672m (64% YoY, 37% higher than est.).
- Advances grew 22.7% YoY, supported by healthy growth in the co-lending book (up 51.8% QoQ). Mortgages grew 5.6% QoQ, while gold loans grew 4.4% QoQ.
- Deposits rose 20% YoY/3.9% QoQ to INR566.8b, driven by term deposits. The CASA mix thus moderated 51bp QoQ to 25.1%. Consequently, the CD ratio increased to 84.3%.
- Fresh slippages stood at INR3.95b (vs. INR3.89b in 2QFY25). The GNPA ratio improved 18bp QoQ to 3.11%, while the NNPA ratio was broadly stable at 1.18%. PCR declined to 62.9%. Restructured book declined to INR8.6b (1.8% of loans).



### Highlights from the management commentary

- The bank targets a cost-to-avg asset ratio of 2.5-2.6% and a cost-to-income ratio of 60% or below in the near term.
- A majority of the growth has come from co-lending. Excluding co-lending, growth has been as good as it was in the previous quarter. The biggest partner has started originating business in co-lending. Home loans, unsecured business loans, gold loans, SME, and CV are various types of co-lending products that the bank is offering with ~7-8 partners.
- DCBB continues to guide for a credit cost of ~45-55bp on average assets.

### Valuation and view

DCBB reported healthy earnings in 3QFY25, driven mainly by steady NII and other income, though provisions were higher than expected. Margins improved 3bp QoQ due to improvement in yield on advances. Management expects NIMs to improve in the coming quarters as the asset mix improves in favor of high-yielding business loans. Improvement in fee intensity will also support revenue growth. Loan growth was steady, led by healthy growth in co-lending, while deposits too grew strongly. Fresh slippages stood broadly stable, while the GNPA ratio improved 18bp QoQ. Restructured book was under control at 1.8% of loans. We fine-tune our earnings estimates and expect FY26E RoA/RoE at 0.96%/13.4%. **Reiterate BUY with a TP of INR160 (based on 0.8x Sep'26E ABV).**

### Quarterly Performance

	FY24				FY25E				FY24	FY25E	FY25E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4QE		3QE	V/s our	Est
<b>Net Interest Income</b>	<b>4.71</b>	<b>4.76</b>	<b>4.74</b>	<b>5.07</b>	<b>4.97</b>	<b>5.09</b>	<b>5.43</b>	<b>5.71</b>	<b>19.28</b>	<b>21.20</b>	<b>5.34</b>	<b>2%</b>
% Change (Y-o-Y)	25.9	15.7	6.3	4.4	5.5	7.0	14.5	12.6	12.3	10.0	12.6	
Other Income	1.07	1.07	1.24	1.36	1.43	2.05	1.84	1.94	4.74	7.26	1.72	7%
<b>Total Income</b>	<b>5.78</b>	<b>5.83</b>	<b>5.98</b>	<b>6.44</b>	<b>6.40</b>	<b>7.14</b>	<b>7.27</b>	<b>7.65</b>	<b>24.02</b>	<b>28.46</b>	<b>7.06</b>	<b>3%</b>
Operating Expenses	3.69	3.73	3.86	4.10	4.34	4.59	4.56	4.84	15.38	18.33	4.70	-3%
<b>Operating Profit</b>	<b>2.09</b>	<b>2.11</b>	<b>2.12</b>	<b>2.34</b>	<b>2.05</b>	<b>2.55</b>	<b>2.71</b>	<b>2.81</b>	<b>8.64</b>	<b>10.13</b>	<b>2.35</b>	<b>15%</b>
% Change (Y-o-Y)	25.6	15.3	9.0	(4.2)	(1.6)	21.2	28.2	20.3	9.9	17.2	11.2	
Provisions	0.38	0.40	0.41	0.24	0.28	0.46	0.67	0.65	1.42	2.06	0.49	38%
<b>Profit before Tax</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>	<b>2.10</b>	<b>1.77</b>	<b>2.10</b>	<b>2.04</b>	<b>2.17</b>	<b>7.22</b>	<b>8.07</b>	<b>1.86</b>	<b>9%</b>
Tax	0.44	0.44	0.44	0.54	0.46	0.54	0.52	0.56	1.86	2.08	0.48	9%
<b>Net Profit</b>	<b>1.27</b>	<b>1.27</b>	<b>1.27</b>	<b>1.56</b>	<b>1.31</b>	<b>1.55</b>	<b>1.51</b>	<b>1.61</b>	<b>5.36</b>	<b>5.99</b>	<b>1.38</b>	<b>9%</b>
% Change (Y-o-Y)	30.7	12.9	11.2	9.5	3.5	22.6	19.6	3.2	15.1	11.7	9.3	
<b>Operating Parameters</b>												
Deposit (INR b)	430.1	455.0	471.2	493.5	516.9	545.3	566.8	595.7	493.5	595.7	565.7	0%
Loan (INR b)	354.7	372.8	389.5	409.2	421.8	444.7	477.8	502.6	409.2	502.6	463.7	3%
Deposit Growth (%)	22.6	23.1	19.3	19.7	20.2	19.9	20.3	20.7	19.7	20.7	20.1	
Loan Growth (%)	19.0	19.1	18.2	19.0	18.9	19.3	22.7	22.8	19.0	22.8	19.0	
<b>Asset Quality</b>												
Gross NPA (%)	3.26	3.36	3.43	3.23	3.33	3.29	3.11	3.01	3.25	3.01	3.24	
Net NPA (%)	1.19	1.28	1.22	1.11	1.18	1.17	1.18	1.18	1.11	1.18	1.15	
PCR (%)	64.1	62.8	65.1	66.4	65.2	65.2	62.9	61.6	66.4	61.6	65.3	

E: MOFSL Estimates

**BSE SENSEX** 76,190  
**S&P CNX** 23,092

**CMP: INR695**

**Neutral**

**Conference Call Details**



**Date:** 27<sup>th</sup> January 2025  
**Time:** 16:00 IST  
**Dial in details:** +91 22 6280 1241 / +91 22 7115 8142  
[Webcast link](#)

**Miss on PAT due to lower-than-expected revenue growth**

- CDSL’s operating revenue grew 30% YoY to INR2.8b (10% miss) in 3QFY25, driven by 27%/87% YoY growth in annual issuer charges/IPO charges. For 9MFY25, it grew 50% YoY to INR8.6b.
- EBITDA grew 22% YoY to INR1.6b (15% miss), resulting in EBITDA margin of 57.8% (vs. 61.3% in 3QFY24 and 62% in 2QFY25). For 9MFY25, it grew 51% YoY to INR5.1b.
- Operating expenses grew 41% YoY to INR1.2b, due to a 44%/36% YoY increase in other expenses/employee costs.
- Other income declined 7% YoY to INR200m (47% miss). For 9MFY25, it grew 25% YoY to INR858m.
- 3Q PAT grew 21% YoY to INR1.3b (20% miss). For 9MFY25, it grew 47% YoY to INR4.3b. PAT margins came in at 46.7% vs. 50.1% in 3QFY24 and 50.3% in 2QFY25.

**Financials & Valuations (INR b)**

Y/E March	2025E	2026E	2027E
Revenue	12.3	14.9	18.0
EBITDA	7.5	9.4	11.7
EBITDA Margin (%)	61.2	63.1	65.0
PAT	6.3	7.8	9.7
PAT Margin (%)	51.3	52.2	53.6
EPS	30.1	37.2	46.3
EPS Grw. (%)	50.0	23.5	24.5
BVPS	87.1	102.3	121.6
RoE (%)	38.3	39.3	41.4
Div. Payout (%)	59.8	59.2	58.3

**Valuations**

P/E (x)	60.1	48.6	39.1
P/BV (x)	20.8	17.7	14.9
Div. Yield (%)	1.0	1.2	1.5

**Valuation and view**

- Continued investments in human resources and technology for future growth could restrict gains from operating leverage, but we still expect EBITDA margins to expand to ~65% in FY27E from 60.3% in FY24. An asset-light business model and a healthy dividend payout ratio of 58% in FY27E will translate into RoE of ~41% in FY27E as compared to 31% in FY24.
- We estimate a CAGR of 31%/34%/32% in revenue/EBITDA/PAT for CDSL over FY24-27E. We maintain our Neutral rating on CDSL with a one-year TP of INR1,900 (P/E multiple of 46x Sep’26E).

Quarterly Performance

(INR m)

Y/E March	FY24				FY25				FY24		FY25E	3QFY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE							
Revenue from Operations	1,497	2,073	2,145	2,408	2,574	3,223	2,781	3,675	8,122	12,253	3,086	-9.9	30%	-14%	
Change YoY (%)	6.8	39.2	51.9	93.0	72.0	55.4	29.7	52.6	46.3	50.9	43.9				
Employee expenses	226	224	237	276	267	314	323	310	963	1,215	314	2.7	36%	3	
Other Expenses	464	555	593	653	762	910	852	1,017	2,265	3,541	886	-3.8	44%	-	
Total Operating Expenses	690	779	830	929	1,029	1,225	1,175	1,328	3,229	4,756	1,200	-2.1	41%	-	
Change YoY (%)	7	39	48	68	49	57	41	43	39.3	47	45		4%		
<b>EBITDA</b>	<b>807</b>	<b>1,294</b>	<b>1,314</b>	<b>1,479</b>	<b>1,544</b>	<b>1,998</b>	<b>1,606</b>	<b>2,348</b>	<b>4,894</b>	<b>7,497</b>	<b>1,886</b>	<b>-14.8</b>	22%	-20%	
Other Income	242	228	215	266	295	362	200	494	950	1,352	380	-47.4	-7%	-45%	
Depreciation	58	65	69	80	98	119	130	115	272	462	122	6.3	88%	9	
<b>PBT</b>	<b>990</b>	<b>1,457</b>	<b>1,460</b>	<b>1,665</b>	<b>1,741</b>	<b>2,241</b>	<b>1,677</b>	<b>2,727</b>	<b>5,572</b>	<b>8,386</b>	<b>2,144</b>	<b>-21.8</b>	15%	-25%	
Change YoY (%)	28	33	46	100	76	54	15	64	50.7	50	47				
Tax Provisions	242	358	375	390	405	627	386	723	1,365	2,140	536	-28.0	3%	-39%	
P&L from associate	-11	-9	-10	20	5	6	7	6	-11	24	6				
<b>Net Profit</b>	<b>737</b>	<b>1,090</b>	<b>1,075</b>	<b>1,294</b>	<b>1,342</b>	<b>1,620</b>	<b>1,298</b>	<b>2,010</b>	<b>4,197</b>	<b>6,269</b>	<b>1,614</b>	<b>-19.6</b>	21%	-20%	
Change YoY (%)	28	35	44	105	82	49	21	55	52.0	49	50				
<b>Key Operating Parameters (%)</b>															
C/I Income Ratio	46.1	37.6	38.7	38.6	40.0	38.0	42.2	36.1	39.7	38.8	38.9	336 bp	353bp	424bp	
EBITDA Margin	53.9	62.4	61.3	61.4	60.0	62.0	57.8	63.9	60.3	61.2	61.1	-336 bp	-353bp	-424bp	
PBT Margin	66.2	70.3	68.1	69.1	67.7	69.5	60.3	74.2	68.6	68.4	69.5	-919 bp	-780bp	-926bp	
Tax Rate	24.4	24.6	25.7	23.4	23.2	28.0	23.0	26.5	24.5	25.5	25.0	-199 bp	-269bp	-499bp	
PAT Margin	49.2	52.6	50.1	53.8	52.1	50.3	46.7	54.7	51.7	51.2	52.3	-562 bp	-344bp	-358bp	
Total Income Breakup (INR m)															
Transaction revenue	410	500	590	760	750	830	590	1,039	2,260	2,600	789	-25.2	0%	-29%	
IPO / Corporate action charges	100	260	310	270	270	520	580	463	940	1,110	510	13.8	87%	12%	
Annual Issuer charges	630	630	640	650	760	810	810	859	2,550	2,680	824	-1.7	27%	0%	
Online data charges	240	410	430	520	530	660	510	732	1,600	1,890	594	-14.1	19%	-23%	
Others	360	500	390	470	560	770	490	1,077	1,720	1,920	750	-34.7	26%	-36%	
Net A/c opened (In m)	5.2	8.0	8.5	10.9	9.9	11.8	9.2								
Total BO account (In m)	88.2	96.2	104.7	115.6	125.5	137.3	146.5								
Demat A/c (In t)	45.0	51.0	58.0	64.0	74.0	78.0	75.0								
No of Issuers	20,759	21,236	21,909	23,060	24,858	28,331	31,557								
No of ISINs	57,335	58,578	64,021	72,367	78,794	85,396	91,593								

BSE SENSEX  
76,190S&P CNX  
23,092**Conference Call Details****Date:** 27<sup>th</sup> January 2025**Time:** 16:00 IST**Dial in details:** +91 22 6280  
1241 / +91 22 7115 8142[Webcast link](#)**Financials & Valuations (INR b)**

Y/E Mar	FY25E	FY26E	FY27E
Sales	68.3	74.8	57.0
EBITDA	14.2	28.3	12.3
EBITDA Margin (%)	20.8	37.9	21.6
PAT	25.8	44.8	32.3
EPS (INR)	10.4	18.1	13.0
EPS Gr. (%)	-5.2	73.6	-27.9
BV/Sh. (INR)	234.7	255.7	269.6
<b>Ratios</b>			
RoE (%)	6.3	10.2	6.9
RoCE (%)	3.7	4.8	2.0
Payout (%)	23.3	16.6	23.0
<b>Valuations</b>			
P/E (x)	66.7	38.4	53.3
P/BV (x)	3.0	2.7	2.6
EV/EBITDA (x)	117.6	58.6	131.8
Div yld (%)	0.4	0.4	0.4

**CMP: INR695****Buy****A stellar performance by 'The Dahlias' steals the show****Reasonable collections; strong pipeline****Residential performance**

- DLF reported bookings of INR121b, up 34%/17x YoY/QoQ (2.4x above our estimate).
- This impressive performance was fueled by healthy sales from the super-luxury project 'The Dahlias', which stood at INR118b (98%) of pre-sales. Thus, 9MFY25 exceeds the full-year pre-sales guidance.
- The company also witnessed a strong uptick in collections, which increased 23%/31% YoY/QoQ to INR31b. Consequently, OCF rose 67%/53% YoY/QoQ to INR19b. The net cash position was INR45b vs. INR28b in 2QFY25.
- The launch pipeline for FY25 has further increased by INR31b and now stands at INR441b. It is now INR146b higher than the initial guidance of INR295b unveiled in 3QFY24.
- The pipeline beyond FY25 now stands at INR704b vs. INR635b in 2QFY25.

**Rental performance (DCCDL)**

- The overall occupancy in DCCDL's office portfolio was flat QoQ and stood at 93% (98% - non-SEZ/87% - SEZ).
- Rental income increased 10% YoY to INR11.9b driven by steady growth across portfolio.
- Net debt declined 3% to INR167b from INR172b in 2QFY25, with net debt to GAV of 0.22x.

**P&L highlights**

- In 3QFY25, DLF's revenue came in at INR15.3b; flat YoY/-23% QoQ (10% below estimate). EBITDA dipped 22% YoY/20% QoQ to INR4.0b (13% above estimate), while the margin stood at 26% (flat QoQ; 5pp above estimate). PAT was INR16.3b, 149%/18% YoY/QoQ (103% above estimate, including reversal of deferred tax liabilities (DTL)) while normalized PAT (ex-DTL) was at INR10.6b, 61%/37% YoY/QoQ (32% above estimate).
- In 9MFY25, revenue came in at INR48.7b, up 13% YoY. EBITDA decreased 17% YoY to INR11.3b, striking a lower margin of 23% (9pp below 9MFY24). PAT was INR36.6b, up 103% YoY (including reversal of DTL), while normalized PAT (ex-DTL) was INR24.8b, up 37% YoY.

**Quarterly performance**

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3Q		
<b>Gross Sales</b>	<b>14,232</b>	<b>13,477</b>	<b>15,213</b>	<b>21,348</b>	<b>13,624</b>	<b>19,750</b>	<b>15,287</b>	<b>19,625</b>	<b>64,270</b>	<b>68,286</b>	<b>17,071</b>	<b>-10</b>
YoY Change (%)	-1.3	3.5	1.8	46.6	-4.3	46.5	0.5	-8.1	12.9	6.2	12.2	
Total Expenditure	10,271	8,853	10,103	13,807	11,337	14,730	11,287	16,750	43,034	54,104	13,526	
<b>EBITDA</b>	<b>3,962</b>	<b>4,624</b>	<b>5,110</b>	<b>7,541</b>	<b>2,286</b>	<b>5,020</b>	<b>4,000</b>	<b>2,876</b>	<b>21,236</b>	<b>14,182</b>	<b>3,546</b>	<b>13</b>
Margins (%)	27.8	34.3	33.6	35.3	16.8	25.4	26.2	14.7	33.0	20.8	20.8	540bps
Depreciation	364	370	380	367	373	377	387	586	1,480	1,724	396	
Interest	849	902	837	977	1,012	935	939	1,142	3,565	4,028	954	
Other Income	985	1,287	1,223	1,819	3,675	2,058	2,088	2,422	5,313	10,243	2,561	
<b>PBT before EO expense</b>	<b>3,734</b>	<b>4,639</b>	<b>5,115</b>	<b>8,016</b>	<b>4,576</b>	<b>5,766</b>	<b>4,761</b>	<b>3,570</b>	<b>21,505</b>	<b>18,673</b>	<b>4,756</b>	<b>0</b>
Extra-Ord expense	0	0	0	0	0	0	3,024	0	0	0	0	
<b>PBT</b>	<b>3,734</b>	<b>4,639</b>	<b>5,115</b>	<b>8,016</b>	<b>4,576</b>	<b>5,766</b>	<b>1,737</b>	<b>3,570</b>	<b>21,505</b>	<b>18,673</b>	<b>4,756</b>	<b>-63</b>
Tax	1,014	1,122	1,350	1,715	1,183	-4,668	-8,396	16,579	5,201	4,698	1,197	
Rate (%)	27.2	24.2	26.4	21.4	25.9	-81.0	-483.3	464.4	24.2	25.2	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	2,541	2,701	2,792	2,897	3,054	3,378	6,183	5,281	10,931	17,897	4,474	
<b>Reported PAT</b>	<b>5,261</b>	<b>6,219</b>	<b>6,557</b>	<b>9,198</b>	<b>6,447</b>	<b>13,812</b>	<b>16,316</b>	<b>-7,728</b>	<b>27,235</b>	<b>31,872</b>	<b>8,034</b>	<b>103</b>
<b>Adj PAT</b>	<b>5,261</b>	<b>6,219</b>	<b>6,557</b>	<b>9,198</b>	<b>6,447</b>	<b>7,754</b>	<b>10,587</b>	<b>-7,728</b>	<b>27,235</b>	<b>25,814</b>	<b>8,034</b>	<b>32</b>
YoY Change (%)	12.1	30.3	26.4	61.5	22.5	24.7	61.5	-184.0	33.9	-5.2	22.5	
Margins (%)	37.0	46.1	43.1	43.1	47.3	39.3	69.3	-39.4	42.4	37.8	47.1	2220bps
<b>Operational Metrics</b>												
<b>Residential (INRb)</b>												
Pre-sales	20	22	90	15	64	7	121	-11	148	181	50	<b>142</b>
Collections	16	24	25	22	30	24	31	17	87	102	24	<b>30</b>
Net Debt	1	-1	-12	-15	-29	-28	-45	0	-15	0	0	

Source: Company, MOFSL

We currently have a 'BUY' rating for DLF. However, estimates are under review and we will revise them after the earnings call

## Macrotech Developers

BSE SENSEX  
76,190S&P CNX  
23,092

CMP: INR1,100

Buy

## Conference Call Details



Date: 27 January 2025

Time: 13:00 IST

Dial-in details:

+91-22 6280 1197

## Financials &amp; Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	138.3	181.1	189.3
EBITDA	36.7	51.6	53.9
EBITDA Margin (%)	26.5	28.5	28.5
PAT	21.8	32.8	35.5
EPS (INR)	22.6	34.1	36.8
EPS Gr. (%)	33.5	50.9	8.0
BV/Sh. (INR)	203.7	235.5	270.0
<b>Ratios</b>			
RoE (%)	11.7	15.5	14.6
RoCE (%)	9.9	12.9	12.7
Payout (%)	10.3	6.8	6.3
<b>Valuations</b>			
P/E (x)	48.7	32.3	29.9
P/BV (x)	5.4	4.7	4.1
EV/EBITDA (x)	30.4	21.4	19.7
Div yld (%)	0.2	0.2	0.2

## Highest quarterly bookings; achieves 93% of the guided BD

## Operational performance

- LODHA achieved 3QFY25 bookings of INR45b (2% lower than the estimate), up 32% YoY.
- Among key markets, South & Central, Extended Eastern Suburbs, and Western Suburbs outperformed with ~2x YoY growth in pre-sales.
- It launched 2.7msf of projects in 3Q across MMR and Pune worth INR42b.
- Another large land deal was executed in Palava at INR210m/acre (achieved more than the guided data center deals at INR200m/acre in Q2FY25).

## Cash flow performance

- Collections increased 66% YoY to INR43b. LODHA also reported a 135% YoY growth in OCF to INR24.2b, aided by healthy collections from completed projects with higher margins.
- Additionally, LODHA added one new project in Bengaluru worth INR28b. With this, it added a total of eight new projects in 9MFY25, achieving ~93% of FY25 business development guidance of 210b. The company added projects worth INR195b across MMR, Pune, and Bangalore in 9MFY25.
- The company has acquired 33 acres of land in NCR for warehousing.
- However, it reported a decline in net debt to INR43.2b (vs. 49.2b in 2QFY25), with a net D/E of 0.22x.

## Financial performance

- LODHA reported revenue of INR41b, up 39% YoY (5% above estimate).
- EBITDA (excl. other income) rose 48% YoY to INR13b, 27% above our estimate. Reported EBITDA margin expanded 186bp YoY to 32%. According to the management, the embedded EBITDA margin for pre-sales stood at ~35%/~34% for Q3FY25/9MFY25. Adjusted EBITDA (excluding interest charge-off and capitalized interest) stood at INR16b, with a margin of 40%.
- Adjusted PAT came in at INR9.4b, up 65% YoY, with a margin of 23%.

**Quarterly Performance**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E 3QE	Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>16,174</b>	<b>17,496</b>	<b>29,306</b>	<b>40,185</b>	<b>28,465</b>	<b>26,257</b>	<b>40,830</b>	<b>42,775</b>	<b>1,03,161</b>	<b>1,38,327</b>	<b>38,732</b>	<b>5</b>
YoY Change (%)	-40	-1	65	23	76	50	39	6	8.9	34.1	32.2	
Total Expenditure	12,874	13,335	20,479	29,716	20,897	19,211	27,771	33,791	76,404	1,01,670	28,468	
<b>EBITDA</b>	<b>3,300</b>	<b>4,161</b>	<b>8,827</b>	<b>10,469</b>	<b>7,568</b>	<b>7,046</b>	<b>13,059</b>	<b>8,984</b>	<b>26,757</b>	<b>36,657</b>	<b>10,264</b>	<b>27</b>
Margins (%)	20.4	23.8	30.1	26.1	26.6	26.8	32.0	21.0	25.9	26.5	26.5	
<b>Adj. EBITDA (as per co.)</b>	<b>4,600</b>	<b>5,500</b>	<b>10,800</b>	<b>13,400</b>	<b>9,600</b>	<b>7,046</b>	<b>15,900</b>	<b>8,984</b>	<b>75,830</b>	<b>41,530</b>	<b>10,264</b>	<b>55</b>
Margins (%)	28.4	31.4	36.9	33.3	33.7	26.8	38.9	21.0	73.5	30.0	26.5	
Depreciation	240	293	333	1,173	604	665	672	465	2,039	2,406	674	
Interest	1,241	1,231	1,168	1,158	1,172	1,365	1,441	1,060	4,798	5,038	1,411	<b>2</b>
Other Income	544	55	281	654	718	589	636	184	1,534	2,127	400	<b>59</b>
<b>PBT before EO expense</b>	<b>2,363</b>	<b>2,692</b>	<b>7,607</b>	<b>8,792</b>	<b>6,510</b>	<b>5,605</b>	<b>11,582</b>	<b>7,642</b>	<b>21,454</b>	<b>31,339</b>	<b>8,579</b>	<b>35</b>
Extra-Ord expense	0	0	1,049	0	0	0	0	0	-1,049	0	0	
<b>PBT</b>	<b>2,363</b>	<b>2,692</b>	<b>6,558</b>	<b>8,792</b>	<b>6,510</b>	<b>5,605</b>	<b>11,582</b>	<b>7,642</b>	<b>20,405</b>	<b>31,339</b>	<b>8,579</b>	<b>35</b>
Tax	556	624	1,439	2,115	1,747	1,368	2,137	4,150	4,734	9,402	2,574	
Rate (%)	23.5	23.2	21.9	24.1	26.8	24.4	18.5	54.3	0.2	0.3	30.0	
Minority Interest & Profit/Loss of Asso. Cos.	15	40	67	7	4	6	-3	173	180	180	50	
<b>Reported PAT</b>	<b>1,792</b>	<b>2,028</b>	<b>5,052</b>	<b>6,670</b>	<b>4,759</b>	<b>4,231</b>	<b>9,448</b>	<b>3,319</b>	<b>15,491</b>	<b>21,757</b>	<b>5,955</b>	<b>59</b>
<b>Adj PAT (as per co.)</b>	<b>1,700</b>	<b>2,100</b>	<b>5,700</b>	<b>6,670</b>	<b>4,800</b>	<b>4,231</b>	<b>9,400</b>	<b>3,319</b>	<b>16,170</b>	<b>21,750</b>	<b>5,955</b>	<b>58</b>
YoY Change (%)	42	-43	90	-11	182	101	65	-50	5.2	34.5	4.5	
Margins (%)	10.5	12.0	19.4	16.6	16.9	16.1	23.0	7.8	15.7	15.7	15.4	765bp

Source: Company, MOFSL

**Quarterly Performance**

Key metrics	FY24				FY25E				FY24	FY25E	FY25E 3QE	Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sale Volume (msf)	2.8	2.6	2.6	3.3	2.4	3.2	3.3	3.5	10.9	12.4	3	<b>-2</b>
Sale Value (INRb)	33.5	35.3	34.1	42.3	40.3	42.9	45.1	49.5ss	144.5	165.2	46	<b>-2</b>
Collections (INRb)	24.0	27.5	25.9	35.1	26.9	30.7	42.9	36.9	106.8	137.4	35	<b>23</b>
Realization (INR/sft)	11,429	13,308	12,192	12,394	14,708	13,500	13,500	14,172	13,223	13,311	13,500	<b>0</b>

Source: Company, MOFSL

# Balkrishna Industries

BSE SENSEX 76,190  
S&P CNX 23,092

**CMP: INR2652**

**Neutral**

## Conference Call Details



**Date:** 27<sup>th</sup> Jan 2025

**Time:** 11 AM IST

**Dial-in details:** [\[Link\]](#)

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	105.0	121.4	137.7
EBITDA	26.9	32.7	37.7
Adj. PAT	16.4	21.0	25.0
EPS (INR)	85.0	108.7	129.1
EPS Growth (%)	11.1	27.9	18.8
BV/Share (Rs)	523.0	607.8	706.9

### Ratios

RoE (%)	17.3	19.2	19.6
RoCE (%)	14.0	15.7	16.5
Payout (%)	23.5	22.1	23.2

### Valuations

P/E (x)	31.2	24.4	20.5
P/BV (x)	5.1	4.4	3.8
Div. yield (%)	0.8	0.9	1.1
FCF yield (%)	2.3	2.6	3.3

## Operationally in-line 3Q; PAT beat driven by forex gains

- BKT's 3QFY25 revenue grew ~11% YoY to INR25.7b (in line).
- Volume during the quarter grew ~5% YoY to 76.3k tons, while realizations improved 6% YoY to INR336.8k per ton.
- Gross margin expanded 40bp YoY while it contracted marginally by 10bp QoQ to 52.4% (est. 52.2%).
- Freight costs increased 200bp YoY/decreased 70bp QoQ to 6.1% of sales. As a result, the EBITDA margin contracted 40bp YoY/20bp QoQ to 24.9% (in line).
- EBITDA grew ~9% YoY at INR6.4b (in line).
- The company reported forex gains of INR1.1b (INR0.5b in 2QFY25). Adj. PAT for the quarter grew 43% YoY at INR4.4b (est. INR3.8b).
- **Valuation view:** The stock trades at 24.4x/20.5x FY26E/FY27E EPS.

### Quarterly Earning Model (Standalone)

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
<b>Volumes (Ton)</b>	<b>67,209</b>	<b>70,585</b>	<b>72,749</b>	<b>82,085</b>	<b>83,570</b>	<b>73,298</b>	<b>76,343</b>	<b>77,288</b>	<b>2,92,628</b>	<b>3,10,499</b>	<b>74,204</b>
YoY Change (%)	-19.2	-10.5	9.4	12.9	24.3	3.8	4.9	-5.8	-2.8	6.1	2.0
<b>Realizations (INR '000/ton)</b>	<b>314.7</b>	<b>318.3</b>	<b>318.3</b>	<b>328.6</b>	<b>328.1</b>	<b>336.3</b>	<b>336.8</b>	<b>343.5</b>	<b>320.4</b>	<b>336.0</b>	<b>339.6</b>
YoY Change (%)	-4.0	-10.5	-4.5	2.7	4.2	5.6	5.8	4.6	-4.2	4.9	6.7
<b>Net Revenues</b>	<b>21,150</b>	<b>22,468</b>	<b>23,158</b>	<b>26,971</b>	<b>27,415</b>	<b>24,648</b>	<b>25,716</b>	<b>26,552</b>	<b>93,760</b>	<b>1,04,331</b>	<b>25,202</b>
YoY Change (%)	-22.4	-19.9	4.5	16.0	29.6	9.7	11.0	-1.6	-6.9	11.3	8.8
<b>EBITDA</b>	<b>4,863</b>	<b>5,480</b>	<b>5,868</b>	<b>7,098</b>	<b>7,137</b>	<b>6,185</b>	<b>6,391</b>	<b>6,750</b>	<b>23,322</b>	<b>26,463</b>	<b>6,275</b>
Margins (%)	23.0	24.4	25.3	26.3	26.0	25.1	24.9	25.4	24.9	25.4	24.9
Depreciation	1,537	1,586	1,591	1,724	1,617	1,647	1,708	1,724	6,438	6,695	1,700
Interest	208	229	354	299	143	404	150	375	1,089	1,072	300
Forex loss/(gain)	-330	-250	530	-490	-60	530	-1,120	0	-550	500	0
Other Income	660	520	710	870	830	1,048	240	945	2,750	3,063	750
<b>PBT before EI</b>	<b>4,108</b>	<b>4,435</b>	<b>4,104</b>	<b>6,436</b>	<b>6,267</b>	<b>4,653</b>	<b>5,894</b>	<b>5,596</b>	<b>19,095</b>	<b>21,259</b>	<b>5,025</b>
Extra-Ord expense	0	0	0	98	0	0	0	0	98	0	0
<b>PBT</b>	<b>4,108</b>	<b>4,435</b>	<b>4,104</b>	<b>6,337</b>	<b>6,267</b>	<b>4,653</b>	<b>5,894</b>	<b>5,596</b>	<b>18,997</b>	<b>21,259</b>	<b>5,025</b>
Rate (%)	23.9	24.5	24.8	24.1	23.8	24.9	25.4	18.1	24.3	24.3	23.7
<b>Adj PAT</b>	<b>3,125</b>	<b>3,350</b>	<b>3,084</b>	<b>4,884</b>	<b>4,773</b>	<b>3,496</b>	<b>4,398</b>	<b>4,583</b>	<b>14,456</b>	<b>16,100</b>	<b>3,834</b>
YoY Change (%)	-2.3	-17.1	209.9	89.6	52.7	4.3	42.6	-6.2	34.0	11.4	24.3

E: MOFSL Estimates



## JK Cement

BSE Sensex  
76,190S&P CNX  
23,092

CMP: INR4,756

Buy

## Conference Call Details



Date: 27th Jan 2025

Time: 16:00 IST

Dial-in details:

+ 91 22 6280 1143

+ 91 22 7115 8044

## Financials &amp; Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	115.5	130.3	148.8
EBITDA	18.8	25.0	31.1
Adj. PAT	6.4	9.9	14.1
EBITDA Margin (%)	16.3	19.2	20.9
Adj. EPS (INR)	86.2	128.4	181.8
EPS Gr. (%)	(16.0)	48.9	41.6
BV/Sh. (INR)	763	862	1,014

## Ratios

Net D:E	0.8	0.8	0.6
RoE (%)	11.3	15.8	19.4
RoCE (%)	9.0	11.2	13.6
Payout (%)	26.3	23.4	16.5

## Valuations

P/E (x)	55.2	37.0	26.2
P/BV (x)	6.2	5.5	4.7
EV/EBITDA(x)	21.4	16.1	12.7
EV/ton (USD)	174	142	140
Div. Yield (%)	0.5	0.6	0.6
FCF Yield (%)	0.0	1.5	3.3

## Higher other op. income helps to beat estimates

- JK Cement (JKCE)'s 3QFY25 result was above our estimates primarily due to higher other operating income, which increased by INR71/t QoQ. This led to a 2% beat in consolidated realization and, in turn, better operating performance. EBITDA was at INR4.9b (-21% YoY; +7% vs. estimate) and EBITDA/t was at INR1,010 (-24% YoY; +7% vs. estimate). Better operating performance and lower interest expenses (-8% QoQ; -8% vs. estimate) led to a 21% beat in profits at INR1.9b (-33% YoY).
- The company announced the acquisition of Saifco Cements Private Limited, which has a clinker/cement capacity of 0.26/0.42mtpa in Srinagar and reported a turnover of INR863m in FY24. JKCE will acquire a 60% stake at INR1.74b (EV/t of ~USD80). Its 6mtpa capacity expansion plan is on track (commissioning by Dec'25), which includes 3,3mtpa clinker capacity at Panna, 1mtpa grinding capacity each at Panna, Hamirpur and Prayagraj, and 3mtpa grinding unit in Bihar.
- We have a BUY rating on the stock.** We will review our assumptions after the conference call.

## Sales volumes up 4% YoY; grey cement realization up 1% QoQ

- JKCE's consolidated revenue/EBITDA/adj. PAT stood at INR29.3b/INR4.9b/INR1.9b (flat/-21%/-33% YoY and up 2%/7%/21% vs. our est.). Combined sales volume was up 4% YoY (in line) as grey cement volume was up 4% YoY (-1% vs. estimate), while white cement volume was up 6% YoY (+6% vs. estimate). Grey cement realization was down 4.6% YoY but up 1% QoQ. White cement realization was up 1% YoY/2% QoQ. Other op. income/t stood at INR277 vs. INR195/INR206 in 3QFY24 /2QFY25.
- Opex/t increased 2% YoY (+1% vs. estimate), led by 11%/8%/3% increase in employee costs/other expenses/freight costs. Variable cost/t declined 4% YoY/3% QoQ. Fuel consumption cost/kcal was at INR1.5 vs. INR1.82/INR1.65 in 3QFY24/2QFY25. Lead distance was at 422km vs. 427km/419km in 3QFY24/2QFY25. EBITDA/t was at INR1,010 vs. INR1,332/INR655 in 3QFY24/2QFY25. Other income was up 16% YoY, while depreciation increased 4% YoY. Interest expense was down 2% YoY.
- In 9MFY25, revenue/EBITDA/adj. PAT declined 2%/16%/30% YoY. Sales volume was up 4% YoY, while realization declined 6% YoY. EBITDA/t dipped 19% YoY to INR875. Standalone net debt was at INR31.1b vs. INR25.8b/INR30.4b in 3QFY24/2QFY25.

## Highlights from investors' presentation

- Cement/clinker capacity utilization was at 73%/85%. Blended cement sales stood at 67% vs. 70% in 2QFY25. Trade sales came in at 66% vs. 65% in 2QFY25. Premium product sales stood at 16% (highest ever).
- Green energy contributed 50% of JKCE's energy requirements in 9MFY25 vs. 51% in FY24 and it targets to increase the contribution to 75% by FY30. The thermal substitution rate was 11% in 9MFY25 vs. 16.3% in FY24 and the target is to increase it to 35% by FY30.

**Valuation and view**

- JKCE’s 3QFY25 performance was above our estimates, led by a reduction in operating costs (2QFY25 had one-time impact of ~INR125/t), improvement in realization, signals of demand recovery, and higher other operating income. The company’s capacity expansion plans are progressing as per the schedule and its grey cement capacity will reach to ~30mtpa by FY26 vs. 24mtpa currently.
- We have a **BUY** rating on the stock and will review our assumptions after the concall on 27<sup>th</sup> Jan’25 at 4:00 pm ([Link](#)).

**Quarterly Performance (Consolidated)**

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var	YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE					
<b>Net Sales</b>	<b>27.6</b>	<b>27.5</b>	<b>29.3</b>	<b>31.1</b>	<b>28.1</b>	<b>25.6</b>	<b>29.3</b>	<b>32.5</b>	<b>115.6</b>	<b>115.5</b>	<b>28.7</b>	2	0
YoY Change (%)	21.7	23.1	20.5	11.8	1.6	-7	-0.2	4.6	18.9	-0.1	-2.2		
Total Expenditure	23.5	22.9	23.1	25.5	23.2	22.8	24.4	26.3	95	96.7	24.1	1	6
<b>EBITDA</b>	<b>4.1</b>	<b>4.7</b>	<b>6.3</b>	<b>5.6</b>	<b>4.9</b>	<b>2.8</b>	<b>4.9</b>	<b>6.2</b>	<b>20.6</b>	<b>18.8</b>	<b>4.6</b>	7	-21
Margins (%)	1	48.8	152.7	60.2	19.2	-39.2	-21.3	10.1	56.7	-8.8	-1.5	77	-451
Depreciation	14.8	17	21.3	18	17.3	11.1	16.8	19	17.8	16.3	16	-1	4
Interest	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.4	5.7	5.8	1.5	-8	-2
Other Income	1.1	1.2	1.1	1.1	1.1	1.2	1.1	1.3	4.5	4.8	1.2	-1	16
<b>PBT before EO expense</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>1.5</b>	<b>1.8</b>	<b>0.5</b>	18	-32
Extra-Ord expense	<b>2</b>	<b>2.4</b>	<b>4.1</b>	<b>3.4</b>	<b>2.7</b>	<b>0.5</b>	<b>2.8</b>	<b>3.9</b>	<b>11.9</b>	<b>9.9</b>	<b>2.4</b>		
<b>PBT</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-0.1</b>	<b>-</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-1</b>	<b>-</b>	18	-32
Tax	<b>1.8</b>	<b>2.4</b>	<b>4.1</b>	<b>3.5</b>	<b>2.7</b>	<b>1.6</b>	<b>2.8</b>	<b>3.9</b>	<b>11.8</b>	<b>10.9</b>	<b>2.4</b>		
Rate (%)	0.7	0.7	1.3	1.3	0.9	0.2	0.9	1.6	3.9	3.6	0.8		
<b>Reported PAT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0.1</b>	<b>-</b>	21	-33
<b>Adj PAT</b>	<b>37.2</b>	<b>26.9</b>	<b>30.6</b>	<b>36.7</b>	<b>32.3</b>	<b>12.2</b>	<b>32.1</b>	<b>41.6</b>	<b>32.4</b>	<b>32.7</b>	<b>33.6</b>	21	-33
YoY Change (%)	<b>1.1</b>	<b>1.8</b>	<b>2.8</b>	<b>2.2</b>	<b>1.9</b>	<b>1.3</b>	<b>1.9</b>	<b>2.3</b>	<b>8</b>	<b>7.3</b>	<b>1.6</b>		
<b>Sales volume (mt)</b>													
Grey Cement	4.1	3.9	4.2	4.7	4.3	3.8	4.3	5.2	16.9	17.6	4.3	-1	4
Growth (%)	29.4	22.1	13.6	13	5.6	-3.3	3.5	11	18.9	4.5	4.4		
% of total Vols	88.7	86.7	88.5	89.9	89.5	87.7	88.2	91.4	88.5	89.3	88.9		
White Cement	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.5	2.2	2.1	0.5	6	6
Growth (%)	1.2	19.2	10.6	-1.9	-3.6	-11.8	5.9	-6.1	7.1	-4.1	-2.3		
% of total Vols	11.3	13.3	11.5	10.1	10.5	12.3	11.8	8.6	11.5	10.7	11.1		
<b>Per ton analysis (INR/t)</b>													
<b>Net realization</b>	<b>5,968</b>	<b>6,068</b>	<b>6,254</b>	<b>5,974</b>	<b>5,801</b>	<b>5,907</b>	<b>6,015</b>	<b>5,716</b>	<b>6,064</b>	<b>5,853</b>	<b>5,888</b>	2	-4
RM Cost	1,003	1,010	820	1,014	990	1,042	980	857	963	960	950	3	19
Employee Expenses	397	403	424	420	452	518	470	413	411	460	465	1	11
Power, Oil & Fuel	1,493	1,396	1,386	1,184	1,177	1,137	1,135	1,180	1,359	1,159	1,180	-4	-18
Freight & handling	1,262	1,182	1,310	1,310	1,280	1,328	1,356	1,238	1,268	1,297	1,300	4	3
Other Expenses	932	1,048	981	970	898	1,227	1,064	944	982	1,025	1,050	1	8
<b>Total Expense</b>	<b>5,087</b>	<b>5,039</b>	<b>4,922</b>	<b>4,897</b>	<b>4,797</b>	<b>5,251</b>	<b>5,005</b>	<b>4,631</b>	<b>4,983</b>	<b>4,900</b>	<b>4,945</b>	1	2
<b>EBITDA</b>	<b>881</b>	<b>1,029</b>	<b>1,332</b>	<b>1,077</b>	<b>1,005</b>	<b>655</b>	<b>1,010</b>	<b>1,085</b>	<b>1,081</b>	<b>952</b>	<b>943</b>	7	-24

# Transport Corporation of India

**BSE SENSEX**  
76,190

**S&P CNX**  
23,092

**CMP: INR1,015**

**Buy**

## Conference Call Details



**Date:** 27 Jan 2025

**Time:** 4:00 PM IST

**Dial-in details:**

[Link](#)

## Financials & Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	44.6	52.1	59.9
EBITDA	4.7	5.8	6.8
Adj. PAT	4.1	4.9	5.7
EBITDA Margin (%)	10.6	11.2	11.4
Adj. EPS (INR)	53.0	63.0	73.7
EPS Gr. (%)	15.8	18.8	17.0
BV/Sh. (INR)	309.4	368.9	439.1
<b>Ratios</b>			
Net D:E	0.0	-0.1	-0.2
RoE (%)	18.4	18.3	18.1
RoCE (%)	17.6	17.6	17.5
Payout (%)	6.6	5.6	4.7
<b>Valuations</b>			
P/E (x)	19.1	16.1	13.8
P/BV (x)	3.3	2.8	2.3
EV/EBITDA(x)	15.2	12.0	9.8
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	0.7	1.5	2.6

## In-line performance

### 3QFY25 earnings snapshot

- Revenue grew 14.5% YoY to ~INR11.5b in 3QFY25 (in-line). The growth in revenue was driven by a surge in demand for warehousing and 3PL green multimodal solutions from sectors such as FMCG & retail, agriculture, automotive, engineering equipment, and EPR.
- EBITDA margin came in at 10.3% in 3QFY25 (+40bp YoY and -10bp QoQ) against our estimate of 10.8%.
- EBITDA grew 19% YoY at INR1.2b, while APAT grew 27% YoY to ~INR1b (in-line).
- Supply chain revenues grew 14.8% YoY, while freight and seaways divisions reported ~19%/9% YoY growth, respectively.
- EBIT margin for the freight/supply chain/seaways divisions stood at 2.4%/6.1%/32.7%, respectively, in 3QFY25. EBIT margin for the freight and supply chain businesses contracted 70bp and 40bp, respectively, on a YoY basis, while EBIT margin for the seaways business expanded ~1,100bp on a YoY basis.
- The board of directors has declared a second interim dividend of INR4.5 per equity share for FY25.
- During 9MFY25, revenue was INR33.1b (+12.5% YoY), EBITDA was INR3.4b (+12.7% YoY), EBITDA margins stood at 10.2% (flat YoY), and APAT was ~INR3b (+20% YoY).

## Quarterly snapshot

Y/E March (INR m)	FY24				FY25			FY24	FY25E	FY25 3QE	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
<b>Net Sales</b>	<b>9,498</b>	<b>9,935</b>	<b>10,020</b>	<b>10,789</b>	<b>10,451</b>	<b>11,208</b>	<b>11,471</b>	<b>40,242</b>	<b>44,646</b>	<b>11,376</b>	<b>1</b>
YoY Change (%)	5.2	6.6	3.7	10.2	10.0	12.8	14.5	6.4	10.9		
<b>EBITDA</b>	<b>1,008</b>	<b>1,004</b>	<b>999</b>	<b>1,094</b>	<b>1,038</b>	<b>1,171</b>	<b>1,185</b>	<b>4,105</b>	<b>4,721</b>	<b>1,223</b>	<b>(3)</b>
Margins (%)	10.6	10.1	10.0	10.1	9.9	10.4	10.3	10.2	10.6		
YoY Change (%)	-3.1	4.6	-12.7	1.2	3.0	16.6	18.6	-3.2	15.0		
Depreciation	308	311	331	334	290	291	305	1,284	1,219		
Interest	23	34	35	41	42	46	59	133	163		
Other Income	85	113	95	165	109	106	68	458	492		
<b>PBT before EO expense</b>	<b>762</b>	<b>772</b>	<b>728</b>	<b>884</b>	<b>815</b>	<b>940</b>	<b>889</b>	<b>3,146</b>	<b>3,831</b>		
Extra-Ord expense	0	0	0	24	0	0	0	24	0		
<b>PBT</b>	<b>762</b>	<b>772</b>	<b>728</b>	<b>860</b>	<b>815</b>	<b>940</b>	<b>889</b>	<b>3,122</b>	<b>3,831</b>		
Tax	104	96	108	28	110	109	93	336	536		
Rate (%)	13.6	12.4	14.8	3.3	13.5	11.6	10.5	10.8	14.0		
Minority Interest	-9.0	-8.0	-8.0	-12.0	-6.0	-9.0	-12.0	-37.0	-30.0		
Profit/Loss of Asso. Cos	174	202	182	201	211	242	225	759	824		
<b>Reported PAT</b>	<b>823</b>	<b>870</b>	<b>794</b>	<b>1,021</b>	<b>910</b>	<b>1,064</b>	<b>1,009</b>	<b>3,508</b>	<b>4,089</b>		
<b>Adj PAT</b>	<b>823</b>	<b>870</b>	<b>794</b>	<b>1,045</b>	<b>910</b>	<b>1,064</b>	<b>1,009</b>	<b>3,532</b>	<b>4,089</b>	<b>1,036</b>	<b>(3)</b>
YoY Change (%)	5.8	20.3	-7.4	23.2	10.6	22.3	27.1	10.1	15.8		
Margins (%)	8.7	8.8	7.9	9.7	8.7	9.5	8.8	8.8	9.2		

**Segmental performance**

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
<b>Segment Revenue (INR m)</b>									
Freight	4,826	5,046	4,754	4,818	4,856	5,553	5,136	5,442	5,799
Supply chain	3,335	3,462	3,630	3,907	3,882	3,928	4,097	4,418	4,455
Seaways	1,702	1,521	1,254	1,354	1,426	1,492	1,415	1,633	1,554
Energy	15	11	16	21	7	11	13	20	4
<b>Net segment Revenue</b>	<b>9,879</b>	<b>10,040</b>	<b>9,654</b>	<b>10,100</b>	<b>10,171</b>	<b>10,984</b>	<b>10,661</b>	<b>11,513</b>	<b>11,812</b>
<b>Growth YoY(%)</b>									
Freight	11.6	5.2	2.6	2.7	0.6	10.1	8.0	13.0	19.4
Supply chain	19.6	26.1	20.1	9.0	16.4	13.4	12.9	13.1	14.8
Seaways	15.1	-5.3	-17.7	9.0	-16.2	-1.9	12.8	20.6	9.0
Energy	176.4	-7.8	1.3	11.7	-53.9	3.8	-18.8	-4.8	-42.9
<b>Net segment Revenue</b>	<b>14.9</b>	<b>9.6</b>	<b>5.0</b>	<b>5.9</b>	<b>3.0</b>	<b>9.4</b>	<b>10.4</b>	<b>14.0</b>	<b>16.1</b>
<b>Revenue Share</b>									
Freight	49	50	49	48	48	51	48	47	49
Supply chain	34	34	38	39	38	36	38	38	38
Seaways	17	15	13	13	14	14	13	14	13
Energy	0	0	0	0	0	0	0	0	0
<b>Total Revenue Share</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Segmental EBIT Margin(%)</b>									
Freight	5.7	4.2	3.3	3.4	3.1	3.2	3.0	2.7	2.4
Supply chain	6.0	6.5	6.3	6.7	6.5	6.4	6.0	5.9	6.1
Seaways	26.9	27.7	29.2	22.9	22.1	26.4	28.6	31.2	32.7
Energy	55.9	32.1	50.0	57.1	0.0	36.4	46.2	70.0	-75.0
<b>Total</b>	<b>9.5</b>	<b>8.6</b>	<b>7.9</b>	<b>7.4</b>	<b>7.0</b>	<b>7.5</b>	<b>7.6</b>	<b>8.1</b>	<b>7.8</b>

# Aviation

\* AIX Connect merged with Air India Express.

\*\* Air India data includes Air India Express.

\*\*\* Vistara data is only up to 11<sup>th</sup> Dec'24. Effective 12<sup>th</sup> Nov, Vistara merged with Air India.

## PAX increases on robust demand; IndiGo share at ~64%

- Domestic air passenger (PAX) traffic grew ~8% YoY in Dec'24 to 14.9m (up ~5% MoM). It was above pre-Covid levels. Passenger growth increased for all airlines with a double-digit MoM growth seen for Air India and SpiceJet.
- The average domestic Passenger Load Factor (PLF) declined 50bp MoM in Dec'24. PLF rose MoM for IndiGo and Akasa while it declined for Air India and SpiceJet. The On-Time Performance (OTP) declined 260bp MoM for airlines; the domestic average was 64.2% in Dec'24. The cancellation rate declined 20bp to 1% in Dec'24.
- IndiGo's market share improved following the collapse of GoFirst, which ceased operations in May'23. It has maintained a 60%+ share since then. IndiGo's market share has been increasing steadily during the past six months.

## India's domestic air PAX and market share

- India's domestic air PAX increased ~8% YoY (increased ~5% MoM) to 14.9m in Dec'24. Domestic PAX stood at 9.6m for IndiGo (up 13% YoY), 4m for AI group (up 5% YoY), 0.7m for Akasa (up 14% YoY), and 0.5m for SpiceJet (down 37% YoY).
- Domestic market share stood at 64.4% for IndiGo (up 260bp YoY), 27.1% for the AI group (down 80bp YoY), 4.6% for Akasa (up 20bp YoY), and 3.3% for SpiceJet (down 230bp YoY).

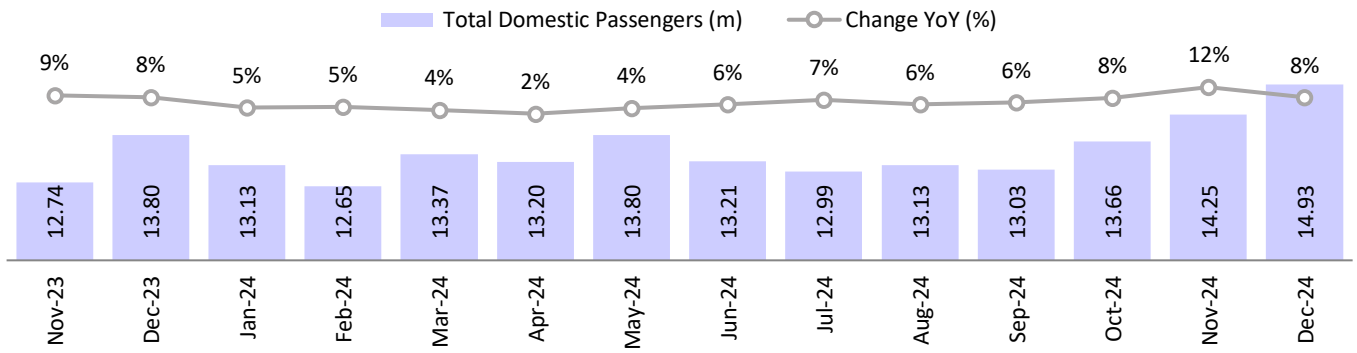
## Domestic industry's PLF and OTP

- Domestic PLF stood at 78.1% in Dec'24 (78.6% in Nov'24 and 83.3% Dec'23). PLF stood at 90.6% for IndiGo (down 10bp YoY), 84.7% for the AI group (down 550bp YoY), 93.3% for Akasa (down 60bp YoY), and 87.4% for SpiceJet (down 610bp YoY).
- The average OTP for domestic airlines at the top four airports was at 64.2% (up 420bp YoY/down 260bp MoM). OTP stood at 73.4% for IndiGo (up 540bp YoY), 67.6% for Air India group (up 460bp YoY), 62.7% for Akasa (down ~10pp YoY), and 61.5% for SpiceJet (up ~32pp YoY).

## Other highlights

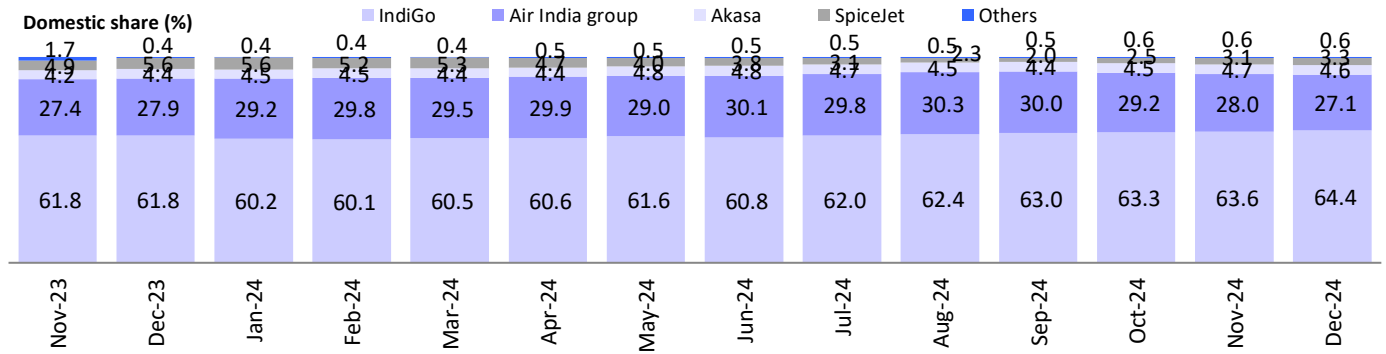
- The Air Turbine Fuel (ATF) price for Jan'25'td is at INR90,455/klit (down 11% YoY/down 2% MoM). For 3QFY25, the ATF price stood at INR89,998/klit (down 6% QoQ and down 20% YoY), while for 2QFY25, it stood at INR95,868/klit (down 3% QoQ). Currently, Brent crude stands at USD79.4/bbl (average of USD79.6/bbl in Jan'24'td and USD74.6/bbl in 3QFY25).

**Domestic PAX grew 8% YoY and 5% MoM**



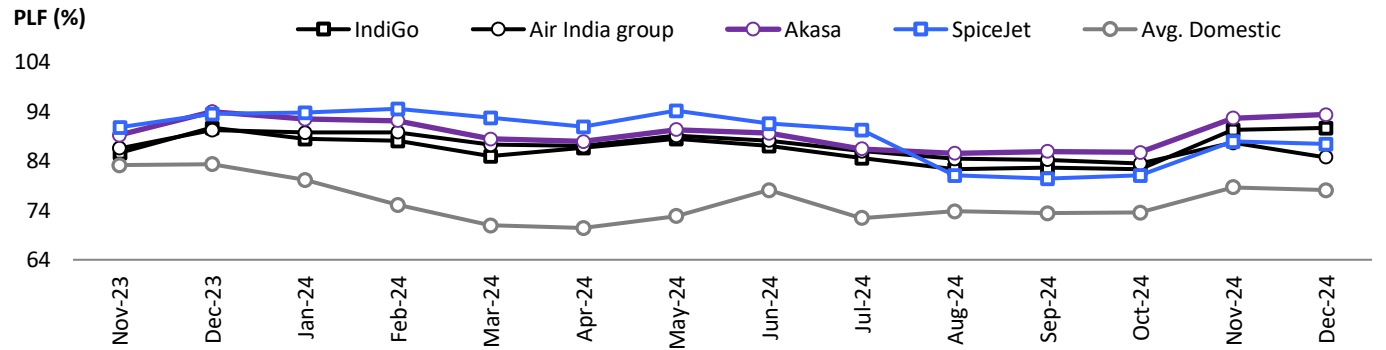
Source: DGCA, MOFSL

**IndiGo's domestic market share was 64.4% in Dec'24, while it was ~27.1% for the AI group**



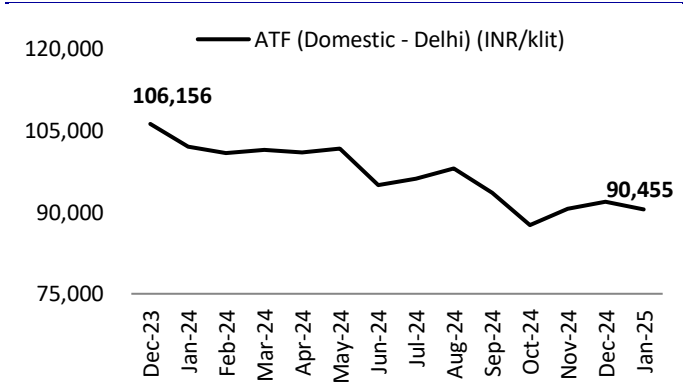
Source: DGCA, MOFSL

**Average domestic PLF was 78.1%; highest for Akasa Air at 93.3%**



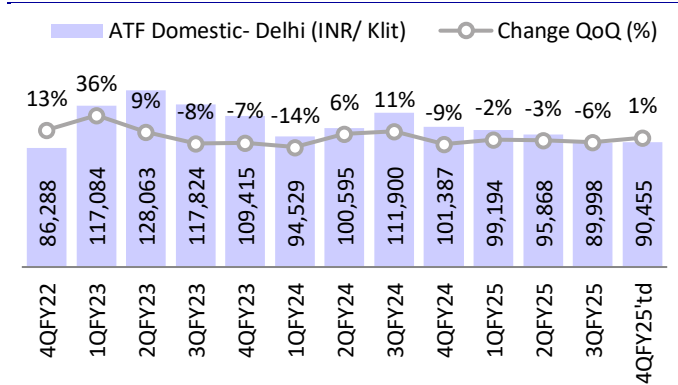
Source: DGCA, MOFSL

**Decline in ATF prices MoM in Jan'25 to date....**



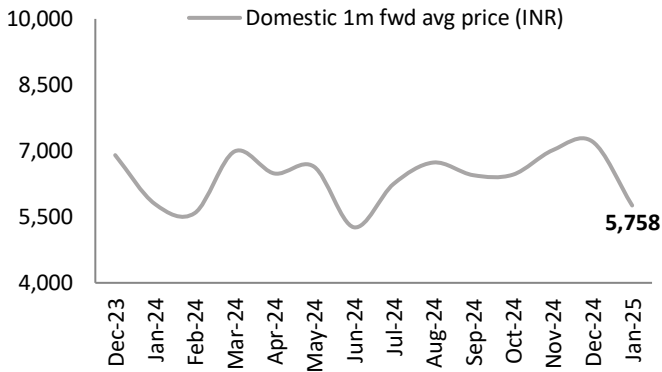
Source: HPCL, IOCL, MOFSL

**...with the same increasing 1% QoQ in 4QFY25'TD**



Source: HPCL, IOCL, MOFSL

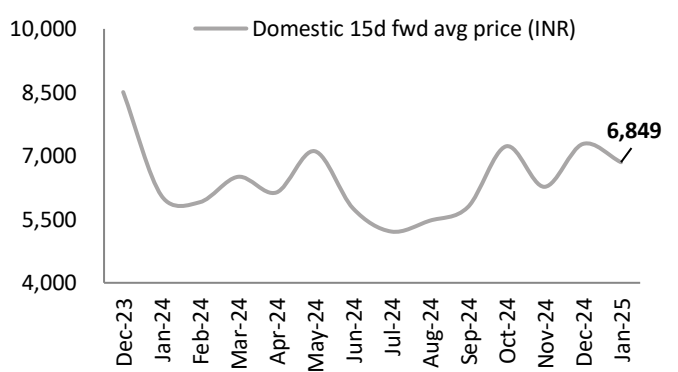
**Domestic fares on a one-month forward basis**



\*Jan'25 to date

Source: MakeMyTrip, MOFSL

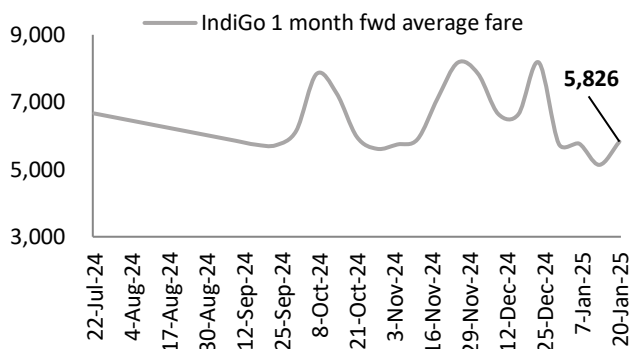
**Domestic fares on a 15-day forward basis**



\*Jan'25 to date

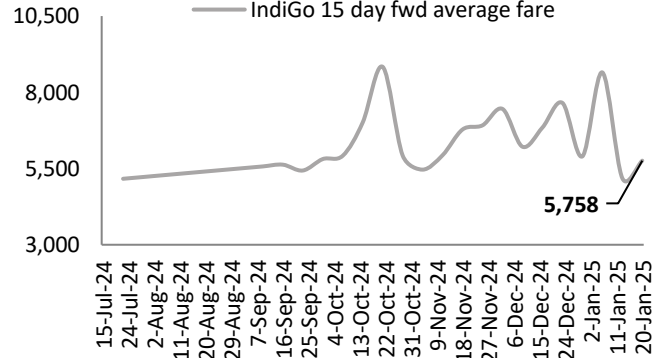
Source: MakeMyTrip, MOFSL

**IndiGo's fares on a one-month forward basis**



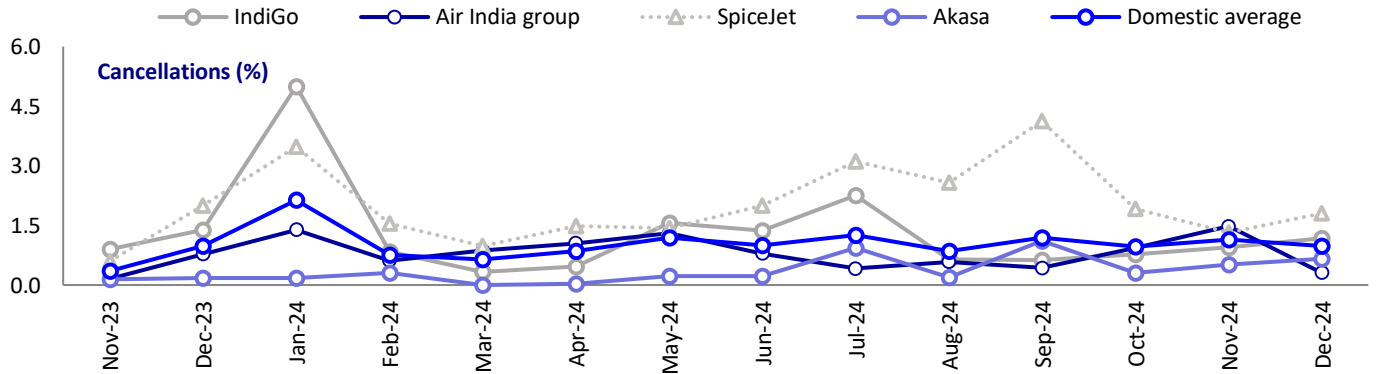
Source: MakeMyTrip, MOFSL

**IndiGo's fares on a 15-day forward basis**



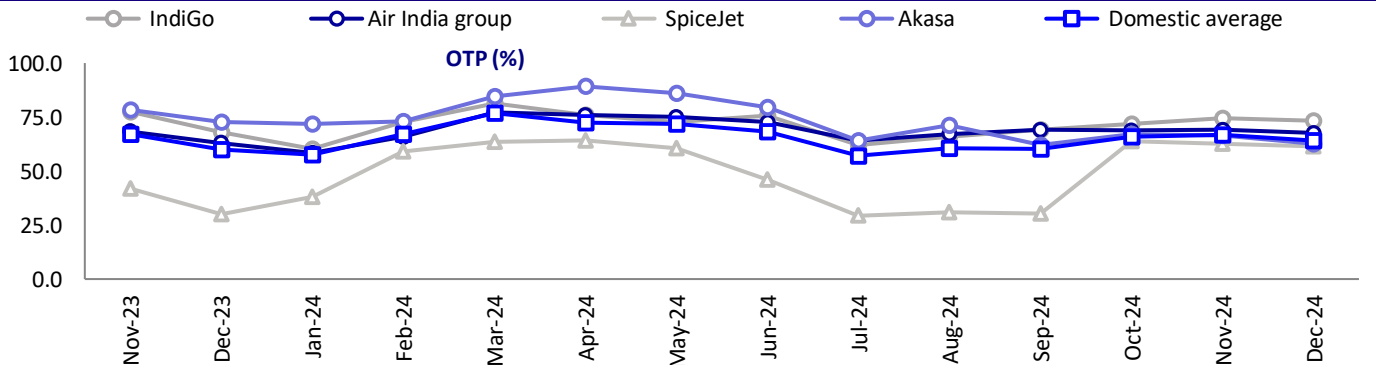
Source: MakeMyTrip, MOFSL

**% cancellations were flat YoY on an average for airlines in Dec'24**



Source: DGCA, MOFSL

**OTP increased for all airlines except for Akasa in Dec'24; domestic average up 420bp YoY in Dec'24**



Source: DGCA, MOFSL

**Mphasis: We are in a phase of recovering growth after a tough CY23- 24; Nitin Rakesh, CEO**

- Deals wins @6 quarter high, pipeline up to 50% YoY at a record high
- Recovery led by banking and tech telecom media
- Expect growth in 4Q
- Industry average growth in FY25 will be sub 5%

[➔ Read More](#)**Dr. Reddy's: Facing competition in certain products but will continue to launch 15-20 products/year; Erez Israeli, CEO**

- We are facing competition in certain products
- There is increase competition in generic Suboxone & generic Vascepa
- We did lose market share in gSuboxone & gVascepa sometime back
- Comfortable with margin at 25% can differ because of the mix

[➔ Read More](#)**Syngene: Q1 & Q2 saw negative growth due to the biotech funding issue; Jonathan Hunt, MD & CEO**

- There is stabilization in Biotech funding in Q3
- Will see growth momentum continue in Q4
- Operating leverage has supported the company's margins
- Saw good margin uptick in Q3

[➔ Read More](#)**Sona BLW: Aim to complete the acquisition of Rail biz from Escorts Kubota before Sep; Vivek Vikram Singh, MD**

- Changing all our functions using AI
- Hope to double the revenue next 3 years
- India should be the beneficiary of recent US tariff commentary
- Aim to complete the acquisition of Rail biz from Escorts Kubota before Sep

[➔ Read More](#)**MPS: Set to exceed FY25 guidance of 30% revenue growth ; Rahul Arora, Chairman**

- On track to achieve rev of INR1,500 Cr. by FY28, as part of vision 2027
- Revenue from corporate accounts for less than 15%
- We are focused on acquisitions in the education vertical
- Set to exceed FY25 guidance 25% margin

[➔ Read More](#)





Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Automobiles</b>																
Amara Raja Ener.	Neutral	1059	1305	23	54.6	59.6	67.0	10.3	9.1	12.5	19.4	17.8	2.5	2.3	13.9	13.5
Apollo Tyres	Buy	423	600	42	21.5	30.3	37.1	-26.5	40.9	22.1	19.7	14.0	1.4	1.3	9.5	12.3
Ashok Ley.	Buy	205	257	26	9.3	11.3	13.5	1.7	21.5	19.5	22.0	18.1	6.0	5.2	28.9	30.6
Bajaj Auto	Neutral	8404	9015	7	292.3	337.1	388.5	5.9	15.3	15.3	28.8	24.9	8.5	7.6	31.1	32.2
Balkrishna Inds	Neutral	2652	-		85.0	108.7	129.1	11.1	27.9	18.8	31.2	24.4	5.1	4.4	17.3	19.2
Bharat Forge	Neutral	1215	1386	14	28.0	39.5	48.4	41.7	41.2	22.7	43.5	30.8	7.2	6.3	17.3	21.8
Bosch	Neutral	30367	33721	11	722.3	855.8	999.3	16.4	18.5	16.8	42.0	35.5	6.8	6.2	16.9	18.3
CEAT	Buy	2950	3515	19	119.5	170.3	218.9	-29.5	42.4	28.6	24.7	17.3	2.7	2.4	11.4	14.7
Craftsman Auto	Neutral	4557	5435	19	120.1	193.3	279.2	-16.7	60.9	44.4	37.9	23.6	3.5	3.1	12.0	13.9
Eicher Mot.	Sell	5208	4139	-21	160.2	175.8	195.1	9.5	9.7	11.0	32.5	29.6	6.8	6.0	22.5	21.5
Endurance Tech.	Buy	2097	2825	35	60.2	75.4	90.6	27.2	25.4	20.1	34.8	27.8	5.2	4.5	15.9	17.4
Escorts Kubota	Neutral	3465	3560	3	102.0	113.8	140.6	7.4	11.6	23.6	34.0	30.4	4.2	3.7	12.9	13.0
Exide Ind	Neutral	369	440	19	13.9	16.3	17.9	12.1	17.5	9.3	26.6	22.6	2.2	2.1	8.4	9.1
Happy Forgings	Buy	1009	1195	18	28.7	36.4	44.6	11.4	26.7	22.6	35.1	27.7	5.2	4.5	15.7	17.3
Hero Moto	Buy	4051	4895	21	227.6	240.3	260.3	11.3	5.6	8.3	17.8	16.9	4.2	3.9	24.5	24.2
Hyundai Motor	Buy	1705	2170	27	67.3	75.6	85.2	-9.8	12.4	12.6	25.3	22.5	9.9	7.9	44.4	38.9
M&M	Buy	2801	3515	25	101.3	120.6	141.2	14.1	19.2	17.0	27.7	23.2	5.5	4.6	21.3	21.5
CIE Automotive	Buy	456	587	29	22.0	24.3	28.0	4.1	10.5	15.1	20.8	18.8	2.6	2.4	13.2	13.2
Maruti Suzuki	Buy	11973	14500	21	461.1	512.4	573.4	9.7	11.1	11.9	26.0	23.4	4.0	3.6	14.8	15.3
MRF	Sell	111468	107385	-4	4,423.8	5,040.9	5,855.6	-11.3	13.9	16.2	25.2	22.1	2.6	2.3	10.7	11.1
Samvardh. Motherson	Buy	143	195	36	5.1	7.0	8.6	36.9	37.0	23.1	28.2	20.6	2.9	2.6	11.8	13.4
Motherson Wiring	Buy	55	70	27	1.4	1.7	2.1	0.3	20.0	19.7	38.0	31.7	12.4	10.2	35.2	35.4
Sona BLW Precis.	Neutral	525	580	11	9.7	10.7	12.5	8.0	10.8	17.0	54.4	49.1	5.9	5.5	14.3	11.5
Tata Motors	Neutral	734	810	10	65.6	59.5	64.7	11.7	-9.3	8.7	11.2	12.3	2.5	2.1	25.1	18.6
TVS Motor	Neutral	2271	2631	16	53.5	66.1	79.0	22.1	23.5	19.5	42.4	34.3	11.0	8.7	28.9	28.2
Tube Investments	Buy	3229	4136	28	46.0	64.2	78.2	33.7	39.7	21.7	70.2	50.3	10.6	8.8	16.1	19.1
<b>Aggregate</b>								<b>8.3</b>	<b>10.9</b>	<b>14.4</b>	<b>24.9</b>	<b>22.4</b>	<b>4.6</b>	<b>4.0</b>	<b>18.6</b>	<b>18.0</b>
<b>Banks - Private</b>																
AU Small Finance	Buy	594	730	23	29.7	37.4	48.5	29.3	26	29.7	20.0	15.9	2.7	2.3	14.5	15.7
Axis Bank	Neutral	948	1175	24	84.6	89.8	104.2	4.8	6.2	16.1	11.2	10.6	1.7	1.4	16.0	14.6
Bandhan Bank	Neutral	149	180	21	22.7	23.9	27.7	64.2	5	15.9	6.5	6.2	1.0	0.9	16.0	15.0
DCB Bank	Buy	114	160	41	19.1	24.1	30.6	11.5	26.2	27.0	5.9	4.7	0.7	0.6	11.9	13.4
Equitas Small Fin.	Buy	68	80	18	2.6	6.4	9.8	-63.2	144.0	53.5	25.9	10.6	1.3	1.2	4.9	11.4
Federal Bank	Buy	188	230	22	16.8	19.7	24.3	3.0	17.2	23.1	11.2	9.5	1.4	1.2	13.3	13.7
HDFC Bank	Buy	1650	2050	24	88.7	95.4	109.4	10.7	7.6	14.7	18.6	17.3	2.5	2.3	14.4	13.9
ICICI Bank	Buy	1209	1550	28	66.3	71.7	82.0	13.6	8.1	14.4	18.3	16.9	2.8	2.4	18.3	17.0
IDFC First Bk	Neutral	62	70	12	2.2	4.4	6.7	-49.1	100.0	52.3	28.2	14.1	1.2	1.1	4.5	8.1
IndusInd	Buy	950	1250	32	84.5	112.3	142.1	-26.9	33.0	26.5	11.2	8.5	1.1	1.0	10.0	12.2
Kotak Mah. Bk	Buy	1886	2100	11	96.0	109.8	131.4	4.8	14.3	19.7	19.6	17.2	2.5	2.2	13.8	13.5
RBL Bank	Neutral	156	170	9	11.8	20.5	32.1	-38.7	73.4	56.7	13.2	7.6	0.6	0.6	4.8	7.9
<b>Aggregate</b>								<b>7.3</b>	<b>11.5</b>	<b>17.0</b>	<b>17.0</b>	<b>15.3</b>	<b>2.4</b>	<b>2.1</b>	<b>14.2</b>	<b>14.0</b>
<b>Banks - PSU</b>																
BOB	Buy	225	290	29	36.1	38.2	42.1	4.9	5.8	10.4	6.2	5.9	0.9	0.8	16.3	15.3
Canara Bank	Buy	97	125	29	17.8	18.8	21.1	11.1	5.5	12.1	5.4	5.1	0.9	0.8	19.2	17.7
Indian Bank	Buy	501	670	34	76.7	83.1	91.2	23.3	8.4	9.7	6.5	6.0	1.1	0.9	18.3	17.2
Punjab Natl.Bank	Neutral	98	120	23	13.9	15.1	17.1	85.6	9.0	12.8	7.0	6.4	0.9	0.8	14.4	13.9
SBI	Buy	744	950	28	89.1	98.7	115.9	18.5	11	17.4	8.4	7.5	1.4	1.2	18.8	17.4
Union Bank (I)	Buy	107	140	31	20.7	21.5	23.5	9.9	4	9.3	5.2	5.0	0.8	0.7	16.2	14.9
<b>Aggregate</b>								<b>20.7</b>	<b>9</b>	<b>14</b>	<b>7</b>	<b>6.7</b>	<b>1.2</b>	<b>1.0</b>	<b>16.2</b>	<b>15.6</b>
<b>NBFCs</b>																
AAVAS Financiers	Neutral	1724	1800	4	72.5	89.6	109.6	16.9	23.6	22.4	23.8	19.2	3.1	2.7	14.1	15.1
Aditya Birla Cap	Buy	171	250	47	14.5	16.8	20.3	42.9	16.3	21.0	11.8	10.1	1.5	1.3	13.2	13.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Bajaj Fin.	Neutral	7439	7660	3	264.5	342.9	440.0	13.2	29.6	28.3	28.1	21.7	4.7	4.0	18.8	19.8
Can Fin Homes	Neutral	682	775	14	64.0	68.8	78.9	13.6	7.4	14.8	10.7	9.9	1.8	1.5	18.0	16.6
Cholaman.Inv.&Fn	Buy	1223	1470	20	51.6	68.4	90.0	26.7	32.6	31.6	23.7	17.9	4.3	3.3	20.0	21.3
CreditAccess	Buy	914	1070	17	36.9	90.2	129.5	-59.3	144.4	43.6	24.8	10.1	2.1	1.7	8.7	18.6
Fusion Finance	Neutral	171	165	-3	-65.4	30.7	51.7	-230.2	LP	68.5	NM	5.6	0.8	0.7	-26.1	13.2
Five-Star Business	Buy	706	970	37	36.7	41.5	47.9	28.3	13.2	15.5	19.3	17.0	3.3	2.8	18.7	17.7
Home First Fin.	Buy	993	1280	29	42.4	52.4	63.3	22.8	23.6	20.7	23.4	18.9	3.6	3.1	16.4	17.4
IIFL Finance	Buy	376	510	36	13.3	46.7	58.4	-71.3	252.0	25.1	28.3	8.1	1.3	1.1	4.9	15.1
IndoStar	Buy	256	325	27	5.9	9.3	18.6	-30.8	58.2	99.9	43.4	27.5	1.1	1.0	2.4	3.9
L&T Finance	Buy	140	180	29	10.7	13.0	17.9	14.5	21.6	37.8	13.1	10.8	1.4	1.2	10.9	12.1
LIC Hsg Fin	Buy	573	760	33	93.1	96.1	103.6	7.5	3.2	7.9	6.2	6.0	0.9	0.8	15.3	14.1
Manappuram Fin.	Neutral	197	205	4	25.6	28.8	35.9	-1.4	12.5	24.7	7.7	6.8	1.2	1.1	17.4	16.9
MAS Financial	Buy	243	340	40	17.1	21.4	26.3	13.0	25.3	22.9	14.2	11.3	1.8	1.5	14.7	14.5
M&M Fin.	Buy	268	335	25	19.5	25.1	31.6	37.0	28.6	25.7	13.7	10.7	1.6	1.4	12.1	14.1
Muthoot Fin	Neutral	2172	2060	-5	127.6	152.4	171.0	26.5	19.5	12.2	17.0	14.3	3.1	2.6	19.5	19.9
Piramal Enterp.	Neutral	991	1090	10	39.2	57.4	75.3	-152.2	46.4	31.3	25.3	17.3	0.8	0.8	3.3	4.7
PNB Housing	Buy	864	1160	34	72.7	88.9	107.6	25.3	22.2	21.0	11.9	9.7	1.3	1.2	11.9	12.9
Poonawalla Fincorp	Buy	317	390	23	2.4	14.2	22.6	-81.8	481.0	59.4	129.8	22.3	3.0	2.6	2.3	12.5
PFC	Buy	408	560	37	49.7	56.6	62.0	14.2	13.8	9.5	8.2	7.2	1.5	1.3	19.3	19.2
REC	Buy	446	630	41	61.0	69.8	79.4	14.6	14.5	13.7	7.3	6.4	1.5	1.2	21.5	21.0
Repco Home Fin	Neutral	388	480	24	70.3	69.9	77.9	11.4	-0.6	11.5	5.5	5.5	0.7	0.7	14.2	12.4
Spandana Sphoorty	Buy	325	395	22	-130.8	11.9	47.0	-286.3	LP	296.3	NM	27.4	0.9	0.8	-29.4	3.1
Shriram Finance	Buy	527	700	33	44.0	53.0	64.0	15.0	20.5	20.8	11.9	10.0	1.7	1.5	15.6	15.8
<b>Aggregate</b>								<b>13.6</b>	<b>23.6</b>	<b>20.1</b>	<b>15.1</b>	<b>12.2</b>	<b>2.2</b>	<b>1.9</b>	<b>14.9</b>	<b>15.9</b>
<b>NBFC-Non Lending</b>																
360 ONE WAM	Buy	1125	1450	29	25.3	34.1	40.3	12.7	35.0	18.3	44.6	33.0	6.9	6.4	20.1	20.2
Aditya Birla AMC	Buy	707	1100	56	32.0	37.3	42.8	18.3	16.5	14.8	22.1	18.9	5.8	5.1	27.6	28.8
Anand Rathi Wealth	Neutral	3651	4200	15	73.0	95.2	114.8	35.0	30.3	20.6	50.0	38.4	21.6	15.2	44.8	46.3
Angel One	Buy	2334	3200	37	148.5	160.7	214.6	9.3	8.2	33.5	15.7	14.5	3.5	3.0	28.6	22.2
BSE	Buy	5836	6500	11	98.9	129.0	158.2	73.5	30.4	22.7	59.0	45.2	21.3	18.7	36.2	41.3
Cams Services	Buy	4100	6000	46	99.2	119.5	144.0	38.5	20.4	20.5	41.3	34.3	18.5	15.6	48.6	49.3
CDSL	Neutral	1500	-		30.1	37.2	46.3	50.0	23.5	24.5	49.8	40.3	17.2	14.7	38.3	39.3
HDFC AMC	Buy	3875	5200	34	117.0	139.4	158.7	28.6	19.2	13.8	33.1	27.8	10.7	9.8	33.8	36.9
KFin Technologies	Neutral	1165	1300	12	20.1	25.6	32.4	38.1	27.4	26.6	59.6	46.7	16.9	14.2	30.4	33.0
MCX	Neutral	5736	6100	6	114.5	143.7	177.6	602.6	25.5	23.6	50.1	39.9	19.6	17.8	40.6	46.7
Nippon Life AMC	Buy	620	850	37	20.7	25.6	30.1	17.7	23.6	17.9	30.0	24.3	9.7	9.5	32.4	39.4
Nuvama Wealth	Buy	5594	8800	57	272.7	314.9	363.2	62.0	15.5	15.3	20.5	17.8	6.0	5.3	31.3	31.8
Prudent Corp.	Neutral	2650	3200	21	49.4	67.1	87.5	47.5	35.8	30.4	53.6	39.5	82.2	59.3	35.6	34.9
UTI AMC	Buy	1173	1600	36	69.1	76.8	87.2	9.7	11.2	13.5	17.0	15.3	2.9	2.7	17.2	18.2
<b>Aggregate</b>								<b>36.0</b>	<b>19.2</b>	<b>19.6</b>	<b>35.7</b>	<b>29.9</b>	<b>9.8</b>	<b>8.8</b>	<b>27.6</b>	<b>29.4</b>
<b>Insurance</b>																
HDFC Life Insur.	Buy	621	800	29	7.5	9.7	11.1	3.2	29.2	14.6	82.4	63.8	2.4	2.1	16.8	16.5
ICICI Lombard	Buy	1816	2300	27	53.5	60.8	69.9	37.3	13.7	14.9	34.0	29.9	6.5	5.6	20.5	20.1
ICICI Pru Life	Buy	591	780	32	8.1	10.2	13.4	36.4	25.8	32.3	73.2	58.2	1.7	1.4	19.1	19.5
Life Insurance Corp.	Buy	821	1200	46	67.2	71.4	77.1	4.4	6.3	8.1	12.2	11.5	0.6	0.6	15.5	11.1
Max Financial	Neutral	1041	1200	15	14.6	16.9	22.8	92.9	16.0	34.8	71.4	61.6	1.9	1.6	19.0	19.4
SBI Life Insurance	Buy	1441	1900	32	21.2	24.4	27.4	12.0	15.0	12.5	68.0	59.1	2.0	1.7	21.2	19.6
Star Health Insu	Buy	456	560	23	13.9	18.4	25.0	-3.4	32.2	35.4	32.7	24.7	3.6	3.1	11.6	13.5
<b>Chemicals</b>																
Alkyl Amines	Neutral	1741	1900	9	36.2	51.4	67.3	24.4	42.0	30.9	48.2	33.9	6.4	5.7	13.9	17.8
Atul	Buy	6546	8455	29	164.2	210.6	251.8	49.2	28.3	19.6	40.0	31.1	3.5	3.2	9.1	10.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Clean Science	Neutral	1389	1515	9	23.7	36.0	45.6	3.3	51.8	26.6	58.5	38.5	10.4	8.4	19.2	24.1
Deepak Nitrite	Neutral	2292	2555	11	61.5	78.0	87.5	11.5	26.9	12.2	37.3	29.4	5.7	4.8	16.2	17.7
Fine Organic	Sell	4362	3630	-17	145.3	121.8	120.8	21.1	-16.2	-0.8	30.0	35.8	5.9	5.1	21.6	15.3
Galaxy Surfact.	Buy	2344	3350	43	95.6	118.3	139.3	12.4	23.7	17.8	24.5	19.8	3.4	3.0	14.7	16.2
Navin Fluorine	Neutral	3706	3435	-7	57.7	82.3	103.4	25.2	42.6	25.6	64.2	45.0	7.1	6.4	11.5	14.9
NOCIL	Neutral	227	235	3	7.8	8.7	12.9	-1.1	11.1	48.7	29.2	26.3	2.1	2.0	7.5	8.0
PI Inds.	Buy	3504	4650	33	114.4	126.5	144.8	3.4	10.6	14.4	30.6	27.7	5.2	4.4	18.3	17.2
SRF	Neutral	2583	2340	-9	39.6	66.5	87.9	-16.7	68.0	32.2	65.3	38.8	6.3	5.6	10.0	15.3
Tata Chemicals	Neutral	957	1100	15	28.0	49.6	62.2	-22.6	77.4	25.3	34.2	19.3	1.1	1.0	3.2	5.5
Vinati Organics	Buy	1690	2655	57	42.3	51.9	61.3	35.7	22.6	18.0	39.9	32.6	6.2	5.4	16.7	17.9
<b>Aggregate</b>								<b>16.3</b>	<b>24.8</b>	<b>19.5</b>	<b>41.7</b>	<b>33.4</b>	<b>5.3</b>	<b>4.7</b>	<b>12.7</b>	<b>14.1</b>
<b>Capital Goods</b>																
ABB India	Buy	6169	8500	38	88.7	102.5	119.3	50.5	15.6	16.3	69.6	60.2	17.0	13.5	27.6	25.1
Bharat Electronics	Buy	270	360	33	6.6	7.9	9.5	19.9	19.6	20.8	41.0	34.2	9.7	7.8	23.8	22.9
Cummins India	Buy	2804	4250	52	71.1	86.2	101.5	18.6	21.2	17.7	39.4	32.5	11.2	9.9	30.1	32.3
Hitachi Energy	Neutral	11426	13800	21	75.2	155.5	232.3	94.6	106.9	49.3	152.0	73.5	28.9	20.7	19.0	28.2
Kalpataru Proj.	Buy	1056	1500	42	44.3	61.6	81.5	41.8	39.2	32.2	23.9	17.1	2.4	2.2	11.5	13.4
KEC International	Neutral	834	1050	26	23.7	39.6	48.8	81.7	67.3	23.2	35.2	21.1	4.1	3.6	13.3	18.3
Kirloskar Oil	Buy	888	1540	73	32.7	42.9	55.9	30.7	31.4	30.3	27.2	20.7	4.3	3.8	16.9	19.4
Larsen & Toubro	Buy	3458	4300	24	111.1	137.2	160.3	17.6	23.4	16.9	31.1	25.2	4.8	4.2	16.5	17.9
Siemens	Buy	5883	7500	27	76.3	82.2	102.6	38.5	7.8	24.8	77.1	71.5	13.6	12.0	19.1	17.8
Thermax	Neutral	3723	4400	18	63.1	81.4	97.9	20.9	29.1	20.3	59.0	45.7	8.4	7.3	15.1	17.1
Triveni Turbine	Buy	650	880	35	11.5	14.3	19.4	36.2	24.2	35.7	56.4	45.4	16.9	13.3	33.6	32.8
Zen Technologies	Buy	1849	2750	49	31.7	49.0	68.1	125.7	54.6	39.0	58.3	37.7	9.6	7.6	26.1	22.6
<b>Aggregate</b>								<b>24.5</b>	<b>23.5</b>	<b>20.1</b>	<b>43.0</b>	<b>34.8</b>	<b>7.5</b>	<b>6.4</b>	<b>17.4</b>	<b>18.4</b>
<b>Cement</b>																
Ambuja Cem.	Buy	552	750	36	9.2	13.6	17.2	-33.5	47.6	26.1	59.7	40.5	2.5	2.4	4.8	6.1
ACC	Buy	2058	2680	30	81.2	110.1	143.4	-18.2	35.6	30.2	25.3	18.7	2.2	2.0	9.1	11.3
Birla Corp.	Buy	1170	1580	35	25.4	58.8	79.8	-53.0	131.9	35.7	46.2	19.9	1.3	1.3	2.9	6.5
Dalmia Bhar.	Buy	1798	2100	17	34.9	51.0	65.8	-14.3	46.0	29.1	51.5	35.3	2.0	1.9	4.0	5.6
Grasim Inds.	Buy	2487	3210	29	79.5	100.6	119.3	-16.9	26.6	18.5	31.3	24.7	3.1	3.0	-1.5	1.9
India Cem	Sell	295	310	5	-23.8	-3.5	4.1	214.7	Loss	LP	NM	NM	2.0	2.0	-14.7	-2.4
J K Cements	Buy	4755	-		83.9	126.0	179.2	-18.3	50.1	42.3	56.7	37.7	6.2	5.5	11.0	15.6
JK Lakshmi Ce	Buy	818	970	19	22.1	39.5	39.2	-44.2	78.9	-0.8	37.0	20.7	2.9	2.6	7.9	13.0
Ramco Cem	Neutral	889	950	7	12.2	22.4	31.4	-27.2	84.2	40.1	73.1	39.7	2.8	2.6	3.9	6.7
Shree Cem	Neutral	25805	25000	-3	292.8	319.3	421.8	-57.2	9.1	32.1	88.1	80.8	4.4	4.3	5.1	5.4
Ultratech	Buy	11288	13800	22	222.0	298.6	380.3	-9.2	34.5	27.3	50.8	37.8	5.0	4.3	10.2	12.3
<b>Aggregate</b>								<b>-23.7</b>	<b>41.9</b>	<b>26.9</b>	<b>48.6</b>	<b>34.3</b>	<b>3.4</b>	<b>3.1</b>	<b>6.9</b>	<b>9.0</b>
<b>Consumer</b>																
Asian Paints	Neutral	2262	2550	13	46.2	52.5	59.5	-20.2	13.6	13.3	48.9	43.1	11.3	10.8	23.4	25.6
Britannia	Neutral	5099	5200	2	91.3	105.0	118.3	2.9	15.0	12.7	55.8	48.6	28.5	24.8	53.3	54.5
Colgate	Neutral	2750	3000	9	54.7	60.3	65.8	11.2	10.1	9.2	50.3	45.6	35.0	30.9	74.2	71.9
Dabur	Buy	522	675	29	10.5	12.0	13.7	-0.9	14.4	14.2	49.7	43.5	8.7	8.2	18.2	19.4
Emami	Buy	552	800	45	20.3	22.2	24.0	12.5	9.1	8.4	27.2	24.9	8.7	7.7	34.0	32.8
Godrej Cons.	Buy	1130	1400	24	19.3	23.9	27.8	-0.2	23.8	16.3	58.5	47.2	8.6	7.9	15.1	17.4
HUL	Buy	2369	2850	20	44.1	49.3	54.1	0.8	11.9	9.8	53.8	48.1	10.8	10.7	20.2	22.4
ITC	Buy	442	575	30	16.7	18.2	19.8	2.0	8.9	8.6	26.4	24.3	7.1	6.8	27.5	28.7
Indigo Paints	Buy	1227	1650	34	29.8	35.4	41.6	-3.7	18.7	17.5	41.1	34.7	5.7	5.1	14.8	15.5
Jyothy Lab	Neutral	369	450	22	10.6	11.7	12.9	7.6	10.5	10.3	34.9	31.6	7.1	6.5	20.9	21.5
L T Foods	Buy	399	520	30	18.1	24.0	28.4	6.1	32.5	18.4	22.0	16.6	3.5	3.0	17.3	19.6
Marico	Buy	666	750	13	12.9	14.4	15.5	12.8	11.6	7.5	51.6	46.3	21.5	20.2	42.6	45.1
Nestle	Neutral	2209	2400	9	33.8	38.3	43.1	-17.6	13.2	12.6	65.3	57.7	51.5	43.7	87.2	81.9
Page Inds	Buy	46365	57000	23	603.3	720.5	865.8	18.2	19.4	20.2	76.9	64.3	29.5	25.3	38.4	39.4
Pidilite Ind.	Neutral	2854	3200	12	42.1	48.9	55.7	17.4	16.3	13.8	67.8	58.3	15.2	13.7	23.9	24.7
P&G Hygiene	Neutral	14598	15500	6	251.7	281.5	317.2	14.3	11.9	12.7	58.0	51.9	50.5	42.3	95.5	88.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Tata Consumer	Buy	992	1150	16	14.8	19.0	20.9	2.9	28.5	10.1	67.2	52.3	4.2	3.7	7.4	7.9
United Brew	Neutral	2065	2200	7	21.5	31.4	38.9	38.2	46.0	24.2	96.2	65.9	12.2	11.1	13.1	17.6
United Spirits	Neutral	1470	1650	12	19.2	12.6	24.1	6.0	-34.4	91.3	76.6	67.9	12.7	10.6	16.6	15.7
Varun Beverages	Buy	542	750	38	7.7	10.4	12.5	27.3	34.0	20.7	70.0	52.2	11.2	9.4	22.5	19.5
<b>Aggregate</b>								<b>1.3</b>	<b>13.7</b>	<b>11.4</b>	<b>46.2</b>	<b>40.6</b>	<b>10.6</b>	<b>9.9</b>	<b>23.0</b>	<b>24.4</b>
<b>Consumer Durables</b>																
Havells India	Neutral	1524	1740	14	22.0	26.9	33.1	8.7	22.1	23.0	69.2	56.7	11.4	10.1	16.5	17.9
KEI Industries	Buy	4249	4780	12	68.2	82.4	100.7	6.0	20.7	22.3	62.3	51.6	7.0	6.2	14.6	12.8
Polycab India	Buy	5918	8380	42	125.0	148.0	174.3	5.3	18.4	17.7	47.3	40.0	9.2	7.9	19.5	19.7
R R Kabel	Buy	1248	1900	52	21.6	36.6	51.4	-18.4	69.9	40.4	57.9	34.1	7.1	6.1	12.7	19.2
Voltas	Buy	1457	2070	42	27.2	35.1	44.4	275.5	29.3	26.3	53.6	41.5	7.2	6.4	13.5	15.3
<b>Aggregate</b>								<b>21.0</b>	<b>24.1</b>	<b>22.8</b>	<b>59.5</b>	<b>48.0</b>	<b>9.3</b>	<b>8.1</b>	<b>15.6</b>	<b>16.9</b>
<b>EMS</b>																
Amber Enterp.	Buy	6973	7800	12	70.8	109.5	168.7	79.5	54.7	54.1	98.5	63.7	10.2	8.8	10.9	14.8
Avalon Tech	Buy	693	1140	65	8.8	15.9	25.5	105.7	81.3	60.8	79.1	43.6	7.5	6.4	10.0	15.9
Cyient DLM	Buy	498	700	41	9.6	16.3	22.4	25.0	69.3	37.0	51.6	30.5	4.0	3.6	8.1	12.4
Data Pattern	Neutral	2107	2300	9	38.9	51.0	65.0	19.8	31.3	27.3	54.2	41.3	7.7	6.5	15.2	17.1
Dixon Tech.	Buy	15587	20500	32	130.8	174.2	250.6	112.8	33.1	43.9	119.1	89.5	37.9	26.8	37.7	35.1
Kaynes Tech	Buy	5616	9100	62	53.5	92.5	150.6	86.5	72.8	62.9	104.9	60.7	12.7	10.5	12.9	18.9
Syrma SGS Tech.	Buy	461	760	65	9.5	14.7	22.0	54.7	55.4	49.4	48.6	31.3	4.7	4.1	10.0	14.0
<b>Aggregate</b>								<b>79.3</b>	<b>46.5</b>	<b>48.1</b>	<b>94.7</b>	<b>64.6</b>	<b>14.5</b>	<b>11.9</b>	<b>15.3</b>	<b>18.3</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	950	1110	17	31.7	37.9	47.5	0.7	19.6	25.4	30.0	25.1	3.5	3.1	12.1	13.1
Alkem Lab	Neutral	5027	5630	12	183.8	204.8	231.2	15.1	11.4	12.9	27.3	24.6	5.0	4.3	19.7	18.9
Ajanta Pharma	Buy	2800	3470	24	72.4	82.4	97.0	16.2	13.9	17.6	38.7	34.0	8.4	7.1	23.5	22.6
Apollo Hospitals	Buy	6744	8660	28	97.4	126.3	164.5	56.0	29.7	30.2	69.3	53.4	11.4	9.4	18.4	19.9
Aurobindo	Neutral	1212	1360	12	61.7	70.8	81.1	10.0	14.8	14.5	19.6	17.1	2.1	1.9	11.5	11.8
Biocon	Buy	388	430	11	2.0	4.7	9.6	8.3	140.0	105.6	198.9	82.9	2.3	2.2	1.2	2.7
Cipla	Neutral	1412	1550	10	57.1	62.6	66.0	8.8	9.6	5.5	24.7	22.6	3.7	3.2	15.0	14.3
Divis Lab	Neutral	5766	5870	2	74.8	97.1	119.6	24.7	29.8	23.2	77.1	59.4	10.2	9.1	13.9	16.3
Dr Reddy's	Neutral	1225	1330	9	64.7	74.4	68.2	2.0	15.0	-8.3	18.9	16.5	3.1	2.6	17.6	17.3
ERIS Lifescience	Neutral	1206	1230	2	28.6	40.1	54.2	-2.2	40.4	35.1	42.2	30.0	5.7	4.9	14.3	17.6
Gland Pharma	Buy	1557	2080	34	46.2	58.7	70.0	-2.8	26.9	19.4	33.7	26.5	2.7	2.5	8.4	9.7
Glenmark	Buy	1447	1900	31	47.3	60.7	70.6	1,805.6	28.2	16.3	30.6	23.8	4.4	3.7	15.7	17.0
GSK Pharma	Neutral	2094	2420	16	50.2	56.2	64.6	15.9	12.1	14.9	41.7	37.2	16.4	13.4	39.3	36.0
Global Health	Buy	1047	1360	30	19.1	24.0	30.2	7.2	25.6	25.8	54.8	43.7	8.4	7.3	16.4	17.9
Granules India	Buy	582	665	14	19.5	26.5	33.4	12.3	35.9	26.0	29.7	21.9	3.9	3.4	13.7	16.2
IPCA Labs	Buy	1516	1970	30	33.1	44.3	55.5	59.4	33.8	25.1	45.7	34.2	5.5	4.8	12.6	14.9
Laurus Labs	Buy	601	720	20	5.1	10.7	14.9	69.1	109.8	39.3	120.1	57.1	7.6	6.8	6.5	12.5
Lupin	Neutral	2134	2290	7	68.9	75.7	83.9	66.0	9.8	10.9	31.0	28.2	5.6	4.7	19.8	18.2
Mankind Pharma	Buy	2506	3050	22	50.1	55.0	72.1	4.9	9.8	31.1	49.9	45.4	8.2	7.3	17.8	15.4
Max Healthcare	Buy	1054	1380	31	15.1	19.9	24.0	9.6	32.0	20.8	70.0	53.0	9.5	8.1	14.6	16.5
Piramal Pharma	Buy	233	320	37	2.0	4.7	7.1	375.3	132.9	52.1	115.8	49.7	3.4	3.2	3.3	7.3
Sun Pharma	Buy	1822	2230	22	49.3	59.3	67.4	19.0	20.2	13.7	36.9	30.7	5.9	5.1	17.2	17.8
Torrent Pharma	Neutral	3248	3410	5	57.3	75.3	94.3	21.6	31.4	25.2	56.7	43.1	6.8	5.7	26.0	28.7
Zydus Lifesciences	Neutral	957	1010	6	44.6	49.4	43.6	18.4	10.8	-11.7	21.5	19.4	3.8	3.3	19.8	18.1
<b>Aggregate</b>								<b>20.9</b>	<b>19.5</b>	<b>13.3</b>	<b>37.5</b>	<b>31.3</b>	<b>5.4</b>	<b>4.7</b>	<b>14.5</b>	<b>15.0</b>
<b>Infrastructure</b>																
G R Infraproject	Buy	1272	1780	40	73.6	91.3	111.5	0.8	24.1	22.2	17.3	13.9	1.6	1.4	9.4	10.6
IRB Infra	Neutral	52	60	16	1.3	2.1	2.5	30.8	62.3	16.4	39.5	24.3	2.2	2.0	5.6	8.7
KNR Constructions	Buy	295	400	36	14.9	17.1	21.8	-2.5	15.0	27.7	19.8	17.3	2.1	1.9	11.8	11.7
<b>Aggregate</b>											<b>27.5</b>	<b>19.9</b>	<b>2.0</b>	<b>1.9</b>	<b>7.4</b>	<b>9.3</b>
<b>Logistics</b>																
Adani Ports	Buy	1094	1500	37	49.1	59.2	70.8	18.9	20.8	19.4	22.3	18.5	3.8	3.2	18.4	18.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Blue Dart Express	Buy	6458	8640	34	114.2	208.5	259.8	-6.1	82.5	24.6	56.5	31.0	9.8	8.0	18.0	28.4
Concor	Buy	755	1050	39	22.8	29.7	35.7	13.7	29.9	20.4	33.1	25.5	3.7	3.4	11.4	13.8
JSW Infra	Buy	273	375	37	6.1	7.5	9.5	4.8	24.1	25.4	45.0	36.3	6.3	5.6	14.9	16.4
Mahindra Logistics	Neutral	359	360	0	2.3	17.0	28.9	-128.7	625.5	69.9	152.9	21.1	5.2	4.3	3.3	21.9
Transport Corp.	Buy	1015	-		53.0	63.0	73.7	15.8	18.8	17.0	19.1	16.1	3.3	2.8	18.4	18.3
TCL Express	Neutral	784	910	16	26.6	38.4	44.7	-22.5	44.1	16.5	29.4	20.4	3.9	3.4	13.8	17.6
VRL Logistics	Buy	464	670	45	16.0	21.4	26.3	58.1	33.6	23.0	28.9	21.7	4.1	3.8	14.4	18.0
<b>Aggregate</b>											<b>26.6</b>	<b>21.4</b>	<b>4.2</b>	<b>3.6</b>	<b>15.7</b>	<b>16.9</b>
<b>Media</b>																
PVR Inox	Neutral	1064	1500	41	-17.9	20.4	43.9	-253.1	LP	114.5	NM	52.0	1.5	1.4	-2.4	2.8
Sun TV	Neutral	640	625	-2	46.1	48.9	52.8	-3.1	6.0	8.2	13.9	13.1	2.2	2.0	16.0	15.5
Zee Ent.	Neutral	116	130	12	8.1	9.6	10.8	78.8	18.4	13.1	14.4	12.1	1.0	0.9	7.0	7.8
<b>Aggregate</b>								<b>-0.2</b>	<b>26.0</b>	<b>16.7</b>	<b>19.9</b>	<b>15.8</b>	<b>1.6</b>	<b>1.5</b>	<b>8.1</b>	<b>9.5</b>
<b>Metals</b>																
Coal India	Buy	383	480	25	56.7	67.4	70.5	-6.5	18.8	4.7	6.8	5.7	2.4	2.0	35.1	34.6
Hindalco	Buy	607	780	29	68.9	63.1	74.0	51.0	-8.4	17.3	8.8	9.6	1.4	1.3	17.6	14.0
Hind. Zinc	Neutral	466	460	-1	22.3	31.0	31.9	21.3	39.4	2.7	20.9	15.0	16.5	9.9	69.4	82.2
JSPL	Buy	883	1200	36	46.7	95.4	110.0	-20.1	104.4	15.2	18.9	9.2	1.8	1.5	10.1	18.1
JSW Steel	Buy	932	1100	18	17.0	61.7	82.8	-53.8	262.9	34.2	58.8	15.1	2.8	2.4	5.2	17.2
Nalco	Neutral	203	225	11	18.6	13.9	16.2	104.6	-25.1	16.5	10.9	14.6	2.2	2.0	21.7	14.1
NMDC	Buy	67	85	27	8.2	9.1	9.8	24.5	10.7	8.4	8.1	7.4	1.9	1.6	25.3	23.5
SAIL	Neutral	108	120	11	0.8	10.4	14.8	-70.6	1,250	43.0	140.9	10.4	0.8	0.7	0.5	7.2
Tata Steel	Neutral	130	150	15	3.8	11.9	17.8	41.1	211	49.8	34.0	11.0	1.9	1.8	5.6	16.8
Vedanta	Neutral	442	490	11	36.9	44.7	50.6	178.3	21	13.3	12.0	9.9	5.1	4.0	43.5	45.3
<b>Aggregate</b>								<b>13.3</b>	<b>43.1</b>	<b>16.3</b>	<b>13.8</b>	<b>9.6</b>	<b>2.3</b>	<b>2.0</b>	<b>16.7</b>	<b>20.7</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Neutral	676	795	18	16.8	21.0	23.3	3.4	25.0	11.3	40.3	32.2	5.5	5.0	14.4	16.3
BPCL	Neutral	264	310	18	26.9	26.3	26.6	-57.6	-2.0	1.1	9.8	10.0	1.4	1.3	14.6	13.4
Castrol India	Buy	175	260	49	8.9	9.2	10.0	2.1	2.9	9.1	19.6	19.1	7.7	7.3	40.4	39.3
GAIL	Buy	176	255	45	15.5	18.0	20.5	13.2	15.7	14.2	11.3	9.8	1.6	1.4	15.2	16.0
Gujarat Gas	Buy	495	580	17	14.9	17.8	19.3	-6.9	19.4	8.8	33.2	27.8	4.1	3.7	12.8	14.0
Gujarat St. Pet.	Neutral	352	388	10	15.5	11.0	11.0	-31.8	-29.2	-0.1	22.6	32.0	1.8	1.8	8.3	5.6
HPCL	Buy	353	490	39	31.0	45.1	46.4	-58.8	45.5	2.9	11.4	7.8	1.4	1.3	13.3	17.3
IOC	Buy	128	185	44	7.3	9.0	9.1	-75.1	22.0	1.0	17.5	14.3	0.9	0.9	5.4	6.3
IGL	Sell	383	360	-6	17.5	21.2	24.9	-30.1	21.4	17.6	22.0	18.1	2.9	2.6	13.6	14.9
Mahanagar Gas	Buy	1278	1730	35	101.1	104.6	109.2	-23.6	3.5	4.3	12.6	12.2	2.2	2.0	18.3	17.1
MRPL	Sell	134	120	-10	-0.8	10.4	12.1	-103.9	LP	17.1	NM	12.9	1.8	1.6	-1.1	13.1
Oil India	Buy	425	600	41	38.3	47.6	51.3	-21.3	24.2	7.9	11.1	8.9	1.4	1.3	13.5	15.1
ONGC	Buy	256	305	19	38.7	46.5	47.4	-16.4	20.0	2.1	6.6	5.5	0.9	0.8	13.8	14.9
PLNG	Neutral	323	370	15	25.5	29.3	31.4	8.0	15.0	7.2	12.7	11.0	2.5	2.3	21.2	21.8
Reliance Ind.	Buy	1246	1605	29	50.6	61.0	67.9	-1.7	20.6	11.3	24.6	20.4	2.0	1.8	8.3	9.3
<b>Aggregate</b>								<b>-29.6</b>	<b>19.8</b>	<b>7.7</b>	<b>16.5</b>	<b>13.8</b>	<b>1.6</b>	<b>1.5</b>	<b>9.8</b>	<b>10.8</b>
<b>Real Estate</b>																
Anant Raj	Buy	810	1100	36	17.4	21.9	24.8	123.9	25.6	13.5	46.5	37.0	6.5	5.6	14.1	15.1
Brigade Enterpr.	Buy	1034	1540	49	37.8	44.1	63.1	71.0	16.6	43.1	27.4	23.5	3.6	3.1	16.2	14.3
DLF	Buy	695	-		10.4	18.1	13.0	-5.2	73.6	-27.9	66.6	38.4	3.0	2.7	6.3	10.2
Godrej Propert.	Buy	2154	3725	73	51.3	32.0	26.9	90.9	-37.6	-15.9	42.0	67.3	5.2	4.9	13.3	7.5
Kolte Patil Dev.	Buy	303	525	73	15.1	44.0	39.5	-265.1	190.9	-10.0	20.1	6.9	2.8	2.0	14.8	34.4
Oberoi Realty	Neutral	1758	2056	17	66.7	82.8	96.6	26.0	24.0	16.7	26.3	21.2	4.0	3.4	16.3	17.4
Macrotech Devel.	Buy	1099	-		22.6	34.1	36.8	33.5	50.9	8.0	48.6	32.2	5.4	4.7	11.7	15.5
Mahindra Lifespace	Neutral	395	530	34	5.5	6.0	21.4	-13.5	9.9	257.2	72.4	65.9	3.2	3.1	4.5	4.8
SignatureGlobal	Buy	1114	2000	80	19.1	58.6	120.5	1,522.4	207.1	105.7	58.4	19.0	17.5	9.1	35.2	63.0
Sunteck Realty	Buy	473	745	58	11.7	31.3	10.1	142.2	166.6	-67.6	40.3	15.1	2.1	1.9	5.4	13.1
Sobha	Buy	1138	2213	95	30.3	67.2	83.2	485.9	121.4	23.9	37.5	16.9	3.0	2.6	9.7	16.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Prestige Estates	Buy	1256	2130	70	21.7	22.2	26.5	14.4	2.4	19.5	57.9	56.6	2.8	2.6	5.7	4.8
Phoenix Mills	Neutral	1518	1650	9	29.8	41.3	55.7	-3.3	38.7	34.9	51.0	36.7	5.2	4.6	10.7	13.3
<b>Aggregate</b>								<b>31.7</b>	<b>40.7</b>	<b>8.1</b>	<b>48.7</b>	<b>34.6</b>	<b>4.5</b>	<b>4.1</b>	<b>9.3</b>	<b>11.7</b>
<b>Retail</b>																
Avenue Supermarts	Buy	3583	4450	24	42.1	50.1	59.8	8.0	19.0	19.5	85.1	71.5	10.9	9.4	13.6	14.1
Aditya Birla Fashion	Neutral	272	300	10	-7.3	-6.2	-5.9	3.9	Loss	Loss	NM	NM	6.9	8.3	-17.8	-18.0
Bata India	Neutral	1281	1260	-2	22.6	26.0	30.9	-0.8	15.1	18.9	56.7	49.3	9.4	8.5	17.7	18.1
Barbeque-Nation	Neutral	363	500	38	-1.6	1.9	4.9	-43.7	LP	155.0	NM	190.5	3.7	3.6	-1.6	1.9
Campus Activewe.	Buy	270	380	41	4.1	5.5	7.5	42.1	33.2	35.1	65.1	48.9	10.6	8.7	16.3	17.9
Devyani Intl.	Buy	171	215	26	0.4	1.7	2.2	-41.8	270.4	30.9	381.9	103.1	31.1	34.7	6.3	31.8
Jubilant Food.	Neutral	671	800	19	5.5	8.1	10.4	38.2	47.9	28.7	123.1	83.2	19.7	18.9	16.0	22.7
Kalyan Jewellers	Buy	459	875	91	8.1	10.9	13.7	38.9	35.5	25.6	56.9	42.0	10.1	8.6	18.7	22.2
Metro Brands	Buy	1223	1525	25	13.7	17.1	21.8	7.2	25.5	27.2	89.6	71.4	15.2	12.9	18.5	19.9
P N Gadgil Jewellers	Buy	567	950	68	17.1	23.2	29.4	30.6	35.9	26.8	33.2	24.4	4.8	4.0	21.6	17.8
Raymond Lifestyle	Buy	1759	2725	55	46.6	77.0	94.0	-42.0	65.5	22.0	37.8	22.8	1.1	1.0	6.2	9.5
Relaxo Footwear	Neutral	558	610	9	7.6	9.5	11.7	-6.2	25.5	23.7	73.8	58.8	6.5	6.0	9.1	10.6
Restaurant Brands	Buy	75	135	81	-3.6	-1.1	1.1	-24.6	Loss	LP	NM	NM	8.2	9.4	-33.2	-12.9
Sapphire Foods	Buy	305	415	36	1.3	3.4	4.9	-20.1	161.2	43.8	234.3	89.7	7.1	6.6	3.1	7.6
Shoppers Stop	Neutral	596	700	18	0.8	0.6	4.7	-85.6	-21.5	660.8	752.0	957.8	15.0	14.7	2.7	2.0
Senco Gold	Buy	906	1450	60	32.5	39.1	45.4	39.5	20.4	16.1	27.9	23.2	4.5	3.8	17.3	17.9
Titan Company	Buy	3399	3850	13	42.6	53.4	63.7	8.5	25.3	19.3	79.8	63.7	25.1	19.7	35.4	34.7
Trent	Buy	5490	8310	51	47.0	65.0	90.5	60.7	38.4	39.4	116.9	84.5	31.8	22.7	34.0	33.5
V-Mart Retail	Neutral	2972	4290	44	-12.6	5.0	23.7	-74.2	LP	377.9	NM	599.6	7.4	7.3	NM	1.3
Vedant Fashions	Neutral	1134	1430	26	17.9	22.0	27.3	4.6	23.0	24.6	63.5	51.7	15.6	13.6	25.3	25.6
Westlife Foodworld	Neutral	746	850	14	1.1	6.0	9.7	-75.2	442.3	63.5	678.5	125.1	15.6	15.9	2.6	12.6
<b>Aggregate</b>								<b>23.9</b>	<b>35.6</b>	<b>27.4</b>	<b>96.7</b>	<b>72.6</b>	<b>13.5</b>	<b>12.0</b>	<b>14.0</b>	<b>16.5</b>
<b>Technology</b>																
Cyient	Sell	1345	1350	0	58.4	79.7	90.2	-12.7	36.5	13.1	23.0	16.9	3.4	3.2	14.1	18.5
HCL Tech.	Buy	1794	2400	34	63.8	72.7	80.7	10.2	14.0	11.0	28.1	24.7	7.2	7.3	25.6	29.6
Infosys	Buy	1875	2200	17	63.4	70.0	77.5	0.1	10.4	10.8	29.6	26.8	8.8	8.8	29.8	32.8
LTI Mindtree	Buy	5991	7700	29	158.8	187.0	217.7	2.6	17.8	16.4	37.7	32.0	7.8	6.8	22.0	22.7
L&T Technology	Buy	5430	5500	1	125.4	150.0	174.4	1.9	19.7	16.2	43.3	36.2	9.6	8.2	23.5	24.1
Mphasis	Neutral	3010	3200	6	90.1	101.8	113.1	10.2	13.0	11.1	33.4	29.5	6.0	5.6	18.8	19.7
Coforge	Buy	9235	12000	30	133.9	227.1	282.3	4.1	69.7	24.3	69.0	40.7	14.5	12.4	22.2	32.8
Persistent Sys	Buy	6364	7600	19	90.7	113.5	138.0	20.8	25.2	21.5	70.2	56.1	16.9	14.3	25.9	27.6
TCS	Buy	4151	5000	20	138.0	152.0	166.2	9.3	10.1	9.3	30.1	27.3	15.8	14.8	53.7	55.8
Tech Mah	Neutral	1722	1850	7	45.2	63.2	74.0	10.0	39.8	17.1	38.1	27.3	5.6	5.4	14.9	20.2
Wipro	Neutral	320	290	-9	12.0	12.3	13.0	18.0	2.3	6.0	26.6	26.0	4.6	4.5	17.1	17.4
Zensar Tech	Neutral	831	850	2	28.4	32.4	36.6	-2.5	14.3	12.7	29.3	25.6	4.7	4.1	17.1	17.3
<b>Aggregate</b>								<b>9.3</b>	<b>12.0</b>	<b>10.5</b>	<b>30.7</b>	<b>27.5</b>	<b>9.2</b>	<b>8.9</b>	<b>29.9</b>	<b>32.2</b>
<b>Telecom</b>																
Bharti Airtel	Buy	1644	1890	15	34.8	41.1	57.2	76.9	18.2	39.2	47.3	40.0	10.1	7.9	23.1	23.9
Indus Towers	Neutral	368	400	9	22.8	24.1	26.1	1.8	5.7	8.3	16.1	15.2	2.9	2.8	19.6	18.2
Vodafone Idea	Neutral	9	8	-16	-9.7	-9.6	-8.8	-12.7	Loss	Loss	NM	NM	-0.3	-0.2	NM	NM
Tata Comm	Neutral	1631	1850	13	35.3	54.8	73.7	-16.5	55.4	34.4	46.2	29.8	19.4	13.1	48.0	53
<b>Aggregate</b>								<b>Loss</b>	<b>LP</b>	<b>246.7</b>	<b>-1,121</b>	<b>226</b>	<b>67.8</b>	<b>37.1</b>	<b>-6.0</b>	<b>16.4</b>
<b>Utilities</b>																
Indian Energy Exchange	Neutral	169	193	14	4.4	5.4	6.3	16.0	20.4	17.2	38.1	31.7	13.2	10.9	37.8	37.7
JSW Energy	Buy	544	790	45	14.4	17.7	18.7	36.9	23.1	5.5	37.8	30.7	4.2	3.7	11.5	12.8
NTPC	Neutral	324	366	13	20.4	25.4	27.6	-5.0	24.5	8.7	15.8	12.7	1.8	1.7	11.9	13.7
Power Grid Corpn	Buy	296	428	45	18.5	19.1	20.1	10.4	3.3	5.3	16.0	15.5	3.0	2.9	19.3	19.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Tata Power Co.	Buy	363	508	40	12.3	16.4	17.3	12.5	33.2	5.2	29.4	22.1	3.2	2.8	11.5	13
<b>Aggregate</b>								<b>5.0</b>	<b>17.1</b>	<b>6.9</b>	<b>18</b>	<b>16</b>	<b>2.5</b>	<b>2.3</b>	<b>13.6</b>	<b>14.7</b>
<b>Others</b>																
APL Apollo Tubes	Buy	1561	1920	23	25.4	42.5	55.3	-3.7	67.2	30.0	61.3	36.7	10.4	8.4	18.2	25.4
Cello World	Buy	644	930	44	16.8	21.7	26.7	8.0	28.6	23.5	38.3	29.8	9.2	7.1	24.0	23.8
Coromandel Intl	Buy	1815	2220	22	56.6	73.8	87.1	1.5	30.4	18.0	32.1	24.6	5.0	4.3	16.6	18.8
Dreamfolks Services	Buy	355	450	27	13.0	18.8	22.4	4.0	44.6	18.8	27.2	18.8	6.1	4.6	26.2	28.7
EPL	Buy	215	320	49	10.9	14.7	17.3	34.3	34.9	17.9	19.8	14.6	3.0	2.6	15.9	19.2
Gravita India	Buy	2074	2800	35	42.8	59.8	79.1	23.4	39.9	32.2	48.5	34.7	7.1	5.9	21.2	18.7
Godrej Agrovet	Buy	707	960	36	26.4	34.9	41.7	40.8	32.3	19.7	26.8	20.3	4.8	4.1	19.0	21.9
Indian Hotels	Buy	782	960	23	11.8	15.3	18.1	33.7	29.0	18.6	66.0	51.2	9.9	8.3	16.2	17.7
Indiamart Inter.	Buy	2083	2600	25	77.5	79.3	92.5	40.4	2.4	16.6	26.9	26.3	5.9	5.1	24.1	20.8
Info Edge	Neutral	7447	7900	6	64.0	91.1	110.6	-0.5	42.4	21.4	116.4	81.7	3.7	3.5	2.8	4.4
Interglobe	Neutral	4163	4535	9	160.3	248.9	238.8	-24.3	55	-4	26.0	17	19.7	9.0	123.3	74.3
Kajaria Ceramics	Buy	1040	1450	39	26.8	32.0	39.1	-1.5	19.3	22.2	38.8	32.5	5.9	5.4	15.2	16.9
Lemon Tree Hotel	Buy	135	190	40	2.3	3.8	4.5	22.9	62.5	18.4	58.0	35.7	9.2	7.3	17.3	22.9
MTAR Tech	Buy	1600	2100	31	26.1	45.3	70.2	43.1	73.5	55.0	61.3	35.3	6.5	5.5	11.2	16.9
One 97	Neutral	808	950	18	-2.4	-3.4	13.0	-89.4	Loss	LP	NM	NM	4.0	4.1	-1.1	-1.7
Qness Corp	Neutral	606	760	25	26.7	33.1	39.4	30.7	24.1	18.8	22.7	18.3	2.3	2.1	13.9	16.1
SBI Cards	Neutral	758	750	-1	22.1	31.4	39.1	-12.7	41.6	24.7	34.2	24.2	5.2	4.3	16.2	19.4
SIS	Buy	329	470	43	25.0	33.0	39.5	92.8	32.1	19.5	13.2	10.0	0.8	0.7	14.0	15.9
Swiggy	Neutral	449	520	16	-10.9	-5.1	1.3	1.6	Loss	LP	NM	NM	10.7	12.2	-28.8	-12.8
Team Lease Serv.	Buy	2637	3700	40	76.3	124.6	143.1	17.7	63.4	14.8	34.6	21.2	4.8	3.9	14.6	20.2
UPL	Neutral	552	550	0	25.2	48.0	66.5	589.6	90.0	38.8	21.9	11.5	1.1	1.0	7.7	13.9
Updater Services	Buy	328	460	40	16.5	21.4	28.1	45.3	29.6	31.5	19.8	15.3	2.2	2.0	12.1	13.7
Zomato	Buy	216	270	25	0.8	2.6	5.5	101.0	221.6	108.7	263.3	81.9	8.8	7.9	3.4	10.2



Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	-0.4	-2.9	7.2
<b>Nifty-50</b>	-0.5	-2.7	7.6
<b>Nifty Next 50</b>	-1.6	-9.2	15.3
<b>Nifty 100</b>	-0.7	-3.7	8.8
<b>Nifty 200</b>	-0.8	-4.2	9.3
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	<b>-1.5</b>	<b>-2.3</b>	<b>19.2</b>
Amara Raja Ener.	-1.9	-11.4	32.3
Apollo Tyres	-3.5	-20.8	-19.5
Ashok Leyland	-1.7	-7.1	19.8
Bajaj Auto	0.0	-4.3	16.5
Balkrishna Inds	-2.8	-5.6	-2.3
Bharat Forge	-0.9	-8.2	0.1
Bosch	-1.9	-11.7	35.4
CEAT	-0.7	-3.8	2.6
Craftsman Auto	-0.5	-11.8	-3.8
Eicher Motors	1.8	8.6	43.2
Endurance Tech.	-0.2	-3.8	5.2
Escorts Kubota	-3.4	9.8	19.3
Exide Inds.	-3.8	-11.7	17.0
Happy Forgings	-1.7	1.2	6.2
Hero Motocorp	-1.2	-4.9	-8.6
Hyundai Motor	0.0	-3.4	
M & M	-2.9	-4.3	72.1
CIE Automotive	-0.6	-5.1	-6.2
Maruti Suzuki	-0.6	11.5	19.8
MRF	-0.2	-14.5	-20.2
Sona BLW Precis.	-3.2	-11.7	-10.4
Motherson Sumi	-1.4	-9.0	30.0
Motherson Wiring	-1.9	-6.2	-10.8
Tata Motors	-2.4	-0.3	-9.5
TVS Motor Co.	-1.3	-6.4	13.5
Tube Investments	-3.9	-9.7	-19.3
<b>Banks-Private</b>	<b>-0.5</b>	<b>-4.4</b>	<b>2.8</b>
AU Small Fin. Bank	2.1	6.9	-19.3
Axis Bank	-0.3	-12.1	-10.4
Bandhan Bank	-1.5	-10.6	-33.7
DCB Bank	-1.6	-7.3	-21.1
Equitas Sma. Fin	-3.8	-12.6	31.2
Federal Bank	-1.4	-4.4	32.3
HDFC Bank	-0.9	-8.2	13.3
ICICI Bank	0.6	-6.8	21.0
IDFC First Bank	-1.3	0.0	-21.8
Indusind Bank	-2.1	1.7	-36.2
Kotak Mah. Bank	-0.5	7.8	5.5
RBL Bank	-0.2	-4.6	-40.1
SBI Cards	-0.2	9.0	1.5
<b>Banks-PSU</b>	<b>-1.4</b>	<b>-6.9</b>	<b>3.9</b>
BOB	-1.7	-8.1	-1.5
Canara Bank	-1.4	-3.8	6.5
Indian Bank	-3.0	-7.4	13.5
Punjab Natl.Bank	-1.8	-4.0	-4.5
St Bk of India	-0.2	-8.4	20.4

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	<b>-1.0</b>	<b>-4.8</b>	<b>9.6</b>
<b>Nifty Midcap 100</b>	<b>-1.5</b>	<b>-6.7</b>	<b>12.3</b>
<b>Nifty Smallcap 100</b>	<b>-2.4</b>	<b>-9.5</b>	<b>10.6</b>
<b>Nifty Midcap 150</b>	<b>-1.7</b>	<b>-6.5</b>	<b>12.7</b>
<b>Nifty Smallcap 250</b>	<b>-2.1</b>	<b>-9.5</b>	<b>10.6</b>
Union Bank (I)	-2.2	-9.2	-24.9
<b>NBFCs</b>	<b>-0.5</b>	<b>-5.2</b>	<b>11.4</b>
Aditya Birla Capital Ltd	-1.2	-6.0	-8.4
Bajaj Fin.	-5.6	10.9	-41.0
Cholaman.Inv.&Fn	0.2	-0.8	-0.2
Can Fin Homes	-6.7	-1.5	-73.1
CreditAcc. Gram.	-2.7	-9.3	-36.8
Fusion Microfin.	-2.5	-15.3	16.9
Five-Star Bus.Fi	-0.2	0.7	-13.4
Home First Finan	-1.1	-2.0	-0.7
Indostar Capital	-0.1	5.7	12.7
IIFL Finance	-2.7	1.5	-1.7
L&T Finance	-0.9	-10.5	-25.3
LIC Housing Fin.	-1.0	6.8	54.8
MCX	-1.4	-4.6	-24.4
M & M Fin. Serv.	-2.3	2.0	0.4
Muthoot Finance	-3.8	-12.1	-4.5
Manappuram Fin.	-4.7	-1.5	-33.7
MAS Financial Serv.	-3.1	-9.5	-3.2
PNB Housing	-2.3	-6.5	-3.9
Power Fin.Corp.	-5.0	4.2	-69.8
REC Ltd	-1.2	-8.8	82.8
Repco Home Fin	-1.3	-11.7	51.2
Shriram Finance	-4.1	-8.1	23.8
Spandana Sphoort	-4.0	-19.5	-20.5
Nippon Life Ind.	-1.0	-17.4	70.3
UTI AMC	-3.1	-8.0	12.9
Nuvama Wealth	5.5	-21.1	113.8
Prudent Corp.	-2.1	-9.5	81.4
<b>NBFC-Non Lending</b>			
360 One	-2.2	-8.5	2.8
Aditya AMC	-1.4	-16.8	50.1
Anand Rathi Wea.	-5.1	-17.4	24.9
Angel One	-1.8	3.2	-1.8
BSE	-1.4	1.9	-7.3
C D S L	-1.1	-18.2	65.6
Cams Services	4.3	-8.3	-4.6
HDFC AMC	-1.3	7.1	176.3
KFin Technolog.	-0.1	9.3	5.4
MCX	-1.4	-4.6	-24.4
Nippon Life Ind.	-1.0	-17.4	70.3
Nuvama Wealth	5.5	-21.1	113.8
Prudent Corp.	-2.1	-9.5	81.4
UTI AMC	-3.1	-8.0	12.9
<b>Insurance</b>			
HDFC Life Insur.	0.0	-0.2	6.8
ICICI Pru Life	-0.7	-10.7	20.9
ICICI Lombard	-1.0	-2.9	20.4





Company	1 Day (%)	1M (%)	12M (%)
Life Insurance	-1.9	-7.8	-9.5
Max Financial	-1.5	-5.8	16.5
SBI Life Insuran	-0.7	3.9	2.1
Star Health Insu	-1.4	-5.8	-18.3
<b>Chemicals</b>			
Alkyl Amines	-1.3	-7.0	-23.3
Atul	-3.0	-7.7	1.9
Clean Science	-3.2	-3.1	-3.9
Deepak Nitrite	-3.2	-11.9	0.4
Fine Organic	-2.4	-6.7	-3.1
Galaxy Surfact.	-1.2	-8.6	-13.8
Navin Fluo.Intl.	-1.7	9.8	8.5
NOCIL	-1.3	-7.0	-14.4
P I Inds.	-0.7	-7.6	6.7
SRF	-0.5	13.4	13.1
Tata Chemicals	-1.9	-10.4	-6.0
Vinati Organics	-1.0	0.5	-0.1
<b>Capital Goods</b>	<b>-4.0</b>	<b>-14.1</b>	<b>-41.3</b>
A B B	-2.4	-10.2	30.6
Bharat Electron	-1.4	-7.6	42.7
Cummins India	-2.9	-17.0	29.2
Hitachi Energy	-3.5	-18.7	101.1
K E C Intl.	-4.6	-29.4	33.6
Kalpataru Proj.	-3.7	-15.5	44.5
Kirloskar Oil	-3.8	-12.6	31.2
Larsen & Toubro	-1.3	-5.0	-3.6
Siemens	-3.1	-11.6	40.0
Thermax	-2.1	-16.2	22.9
Triveni Turbine	-1.5	-12.1	64.6
Zen Technologies	-3.0	-27.9	161.9
<b>Cement</b>			
Ambuja Cem.	0.5	1.6	4.6
ACC	0.7	-1.0	-8.1
Birla Corp.	-0.9	-6.1	-16.6
Dalmia Bhar.	-1.4	5.0	-16.3
Grasim Inds.	1.2	-0.4	20.3
India Cem	-5.3	-20.8	22.0
J K Cements	-0.7	4.2	14.9
JK Lakshmi Cem.	0.3	-1.4	-6.7
The Ramco Cement	-2.2	-10.4	-7.7
Shree Cement	-0.7	-3.6	-6.8
UltraTech Cem.	-1.2	-0.9	13.0
<b>Consumer</b>	<b>0.5</b>	<b>-0.7</b>	<b>0.4</b>
Asian Paints	-0.6	-0.9	-24.6
Britannia Inds.	1.8	7.5	-0.8
Colgate-Palm.	0.5	0.7	9.3
Dabur India	-0.6	2.3	-2.8
Emami	-2.0	-7.9	10.9
Godrej Consumer	-1.3	4.9	-2.8
Hind. Unilever	2.0	1.4	-3.0
ITC	0.3	-2.4	0.7
Indigo Paints	-2.6	-9.8	-14.3
Jyothy Lab.	-0.3	-2.2	-31.2

Company	1 Day (%)	1M (%)	12M (%)
L T Foods	-0.3	-1.1	95.3
Marico	-0.3	5.2	25.8
Nestle India	0.4	1.9	-12.2
Page Industries	-1.0	-5.2	26.7
Pidilite Inds.	-1.9	-3.9	10.1
P & G Hygiene	0.8	-1.0	-15.4
Tata Consumer	0.9	9.4	-13.3
United Breweries	-0.4	0.6	10.0
United Spirits	-2.1	-6.1	32.1
Varun Beverages	0.2	-13.6	6.9
<b>Consumer Durables</b>	<b>-1.6</b>	<b>-9.3</b>	<b>15.3</b>
Polycab India	-4.5	-9.0	16.7
R R Kabel	-5.1	1.8	28.3
Havells	-5.4	-16.6	35.6
Voltas	-2.9	-9.0	-13.8
KEI Industries	-2.7	-13.0	41.2
<b>EMS</b>			
Amber Enterp.	3.0	-3.8	82.7
Avalon Tech	-3.3	-29.1	30.9
Cyient DLM	-2.6	-25.8	-24.1
Data Pattern	-3.6	-15.3	12.8
Dixon Technolog.	0.8	-12.9	163.3
Kaynes Tech	0.6	-22.2	97.4
Syrma SGS Tech.	-1.8	-23.1	-22.6
<b>Healthcare</b>	<b>-2.1</b>	<b>-3.0</b>	<b>23.1</b>
Alembic Pharma	-2.9	-8.3	-3.2
Alkem Lab	-3.1	-7.1	0.5
Apollo Hospitals	-2.5	-6.8	8.6
Ajanta Pharma	-3.5	-0.3	27.3
Aurobindo	-2.6	-4.0	4.5
Biocon	-2.3	12.7	46.8
Zydus Lifesci.	-3.2	-0.7	27.3
Cipla	-2.7	-4.4	-0.4
Divis Lab	-1.5	-0.3	58.2
Dr Reddy's	-5.0	-9.4	3.7
ERIS Lifescience	-3.5	-10.4	34.1
Gland Pharma	-4.0	-12.4	-19.6
Glenmark	-2.2	-4.5	-6.9
Global Health	-2.9	-2.5	39.6
Granules	0.6	-7.3	-4.4
GSK Pharma	-4.0	-5.6	62.9
IPCA Labs	-4.3	-4.2	38.0
Laurus Labs	3.0	6.3	50.3
Lupin	-0.8	-1.6	47.3
Mankind Pharma	-2.5	-7.3	43.2
Max Healthcare	-4.9	-13.9	21.7
Piramal Pharma	-2.8	-8.6	62.2
Sun Pharma	-0.6	0.2	31.8
Torrent Pharma	-0.5	-4.4	29.6
<b>Infrastructure</b>	<b>-0.9</b>	<b>-3.1</b>	<b>7.8</b>
G R Infraproject	-0.7	-14.1	8.7
IRB Infra.Devl.	-1.9	-4.9	5.7
KNR Construct.	-2.5	-7.3	12.3

Company	1 Day (%)	1M (%)	12M (%)
<b>Logistics</b>			
Adani Ports	-0.9	-7.4	-2.4
Blue Dart Exp.	-1.4	-8.3	-5.8
Container Corpn.	-2.3	-2.8	-10.3
JSW Infrast	-3.1	-12.5	31.6
Mahindra Logis.	-1.6	-3.6	-16.9
Transport Corp.	-2.3	-9.0	17.2
TCL Express	-1.8	-5.6	-41.3
VRL Logistics	0.9	-8.7	-35.5
<b>Media</b>			
PVR INOX	-2.6	-22.5	-26.7
Sun TV	-1.9	-7.4	-0.5
Zee Ent.	-3.7	-7.8	-30.1
<b>Metals</b>			
Hindalco	-0.2	-3.3	7.4
Hind. Zinc	-1.6	0.7	49.9
JSPL	-1.1	-6.4	25.0
JSW Steel	0.3	1.1	14.8
Nalco	-1.3	-4.8	49.9
NMDC	-1.9	-5.7	-5.4
SAIL	-0.9	-9.1	-6.0
Tata Steel	-0.5	-7.6	-4.0
Vedanta	-1.0	-4.3	68.3
<b>Oil &amp; Gas</b>			
Aegis Logistics	-2.3	-11.1	118.2
BPCL	-3.4	-4.7	36.7
Castrol India	-4.5	-17.0	75.0
GAIL	-2.7	-9.7	10.6
Gujarat Gas	-2.1	-11.2	6.9
Gujarat St. Pet.	-2.4	-11.8	-0.9
HPCL	-1.7	-2.2	-13.1
IOCL	-2.3	-3.8	-3.6
IGL	-2.6	-14.5	17.0
Mahanagar Gas	-1.2	-7.2	-10.6
MRPL	-2.1	-3.5	-11.9
Oil India	-2.5	-10.2	-22.2
ONGC	-2.6	2.4	-5.0
PLNG	-5.9	-0.3	58.5
Reliance Ind.	-2.5	7.3	9.5
<b>Real Estate</b>			
Anant Raj	-4.6	-1.4	157.4
Brigade Enterpr.	-2.5	-18.5	8.5
DLF	-2.8	-17.4	-7.0
Godrej Propert.	-3.2	-24.8	-4.9
Kolte Patil Dev.	-4.0	-14.1	-41.3
Mahindra Life.	0.1	-15.8	-29.2
Macrotech Devel.	1.6	-21.6	3.6
Oberoi Realty Ltd	-3.6	-23.3	34.7
SignatureGlobal	0.6	-13.7	1.6
Sobha	-7.0	-29.1	-16.4
Sunteck Realty	0.5	-7.0	10.1
Phoenix Mills	-0.7	-10.6	28.2
Prestige Estates	-6.5	-28.3	4.9

Company	1 Day (%)	1M (%)	12M (%)
<b>Retail</b>			
Aditya Bir. Fas.	-3.8	-3.9	15.6
Avenue Super.	-0.5	3.5	-4.0
Bata India	-1.5	-5.9	-12.6
Campus Activewe.	-2.8	-8.2	0.6
Barbeque-Nation	-2.8	-22.4	-40.2
Devyani Intl.	-4.0	-4.7	-2.9
Jubilant Food	-2.4	-4.7	27.7
Kalyan Jewellers	-4.1	-36.3	26.9
Metro Brands	-0.6	-0.2	14.8
P N Gadgil Jewe.	-3.4	-18.6	
Raymond Lifestyl	-2.3	-12.6	
Relaxo Footwear	0.2	-10.2	-34.2
Restaurant Brand	-3.9	-4.4	-38.2
Sapphire Foods	1.8	-4.3	8.0
Senco Gold	-3.2	-15.0	18.2
Shoppers St.	-1.1	-2.1	-16.4
Titan Co.	0.1	1.5	-9.7
Trent	-4.2	-21.6	70.4
V-Mart Retail	-0.8	-24.2	42.8
Vedant Fashions	-3.8	-10.2	5.6
Westlife Food	-0.7	-9.0	-10.5
<b>Technology</b>			
Cyient	-23.4	-29.3	-34.2
HCL Tech.	-0.8	-5.5	13.7
Infosys	0.5	-1.8	11.9
LTIMindtree	-0.1	4.8	6.7
L&T Technology	-0.4	14.8	-1.3
Mphasis	3.1	2.7	17.3
Coforge	0.4	-1.7	45.0
Persistent Sys	1.2	0.2	50.1
TCS	0.2	-0.6	8.1
Tech Mah	0.6	1.1	22.4
Wipro	0.8	4.8	33.9
Zensar Tech	-0.6	13.0	45.9
<b>Telecom</b>			
Bharti Airtel	0.5	3.8	38.2
Indus Towers	0.4	10.3	60.0
Idea Cellular	-0.5	26.8	-36.5
Tata Comm	-1.0	-5.4	-5.7
<b>Utilites</b>			
Coal India	-0.7	-0.4	0.1
NTPC	0.0	-3.5	4.8
Power Grid Corpn	0.5	-4.6	20.2
Tata Power Co.	0.2	-9.0	1.8
JSW Energy	-1.4	-16.0	11.3
Indian Energy Ex	1.1	-4.4	23.8



<b>Others</b>			
APL Apollo Tubes	-2.4	-5.3	24.0
Cello World	-1.4	3.0	4.0
Coromandel Intl	-1.8	4.3	0.9
Dreamfolks Servi	-1.3	-11.7	51.2
EPL Ltd	-1.3	-18.3	8.5
Gravita India	-2.4	-3.0	33.2
Godrej Agrovet	-2.8	-19.5	7.7
Havells	-5.4	-16.6	35.6
Indian Hotels	-0.2	-7.2	-14.9
Indiamart Inter.	-1.0	-17.4	70.3
Info Edge	5.5	-21.1	113.8
Interglobe	-1.2	-14.1	48.3
Kajaria Ceramics	0.7	-9.8	43.0
Lemon Tree Hotel	-5.0	-16.5	189.0
MTAR Technologie	-1.5	-10.5	-2.0
One 97	-4.9	-17.8	7.1
Piramal Enterp.	-1.6	-9.2	14.2
Qess Corp	-0.3	-7.9	28.0
SIS	-0.2	-11.4	-35.1
Swiggy	-2.6	-21.0	
Team Lease Serv.	-1.7	-9.3	-11.9
UPL	-1.0	9.4	5.4
Updater Services	-3.2	-13.9	-2.7
Voltas	-2.9	-9.0	-13.8
Zomato Ltd	-2.9	-21.6	58.3

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

## NOTES

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

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

**Disclosures:**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

**Terms & Conditions:**

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	Companies where there is interest
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

**Regional Disclosures (outside India)**

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

**For Hong Kong:**

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

**For U.S.**

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under

applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

**For Singapore**

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

**Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; [www.motilaloswal.com](http://www.motilaloswal.com).

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to [query@motilaloswal.com](mailto:query@motilaloswal.com). In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com), for DP to [dpgrievances@motilaloswal.com](mailto:dpgrievances@motilaloswal.com).