Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	82,059	-0.3	5.0
Nifty-50	24,945	-0.3	5.5
Nifty-M 100	57,105	0.1	-0.2
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,964	0.1	1.4
Nasdaq	19,215	0.0	-0.5
FTSE 100	8,699	0.2	6.4
DAX	23,935	0.7	20.2
Hang Seng	8,461	-0.1	16.1
Nikkei 225	37,499	-0.7	-6.0
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	65	0.0	-12.2
Gold ($/OZ)	3,240	1.1	23.5
Cu (US$/MT)	9,524	0.5	10.1
Almn (US$/MT)	2,450	-1.5	-3.0
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	85.4	-0.1	-0.2
USD/EUR	1.1	0.9	8.9
USD/JPY	144.8	-0.6	-8.0
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.3	0.01	-0.5
10 Yrs AAA Corp	7.0	0.00	-0.2
Flows (USD b)	**19-May**	**MTD**	**CYTD**
FIIs	-0.1	2.99	-9.2
DIIs	-0.03	2.68	27.8
Volumes (INRb)	**19-May**	**MTD***	**YTD***
Cash	1,247	1169	1041
F&O	99,128	2,08,847	2,06,702

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Zen Technologies: Decent results; Downgrade to Neutral on expensive valuations

❖ Zen Tech posted a strong set of numbers with a beat on revenue and PAT. We expect company to benefit from fast tracking of defense orders in light of current geo-political concerns around the border. We upgrade our estimates by 4%/7% for FY26/27 and revise TP to INR1,750 based on 30x Mar'27 earnings (from INR1,600). Stock is currently trading at 49.7x/33.0x P/E on FY26/27E earnings.

❖ Our estimates bake in revenue/PAT CAGR of 34%/40% over FY25-27 with strong EBITDA margin of 37% over the same period. While we remain positive on the company and its ability to capitalize on upcoming demand for simulators and anti-drones, our estimates and current valuations capture the positives related to upcoming orders.

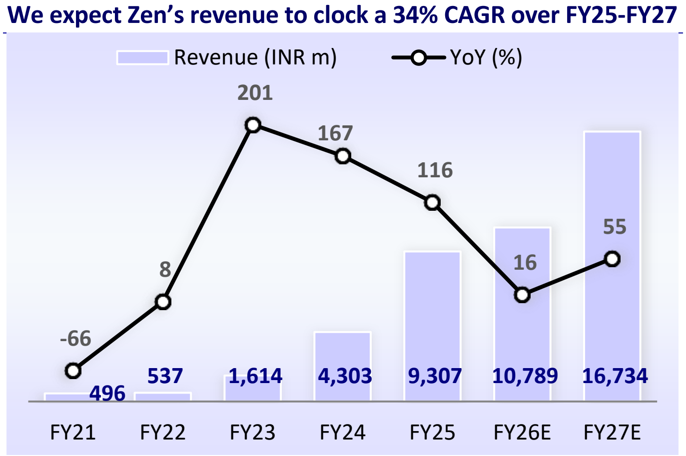
❖ Stock has moved up by 74% since our last update in Feb'25, we thus downgrade the stock to Neutral from BUY and would look for better price points to enter the stock.

Research covered

Cos/Sector	Key Highlights
Zen Technologies	Decent results; Downgrade to Neutral on expensive valuations
Amber Enterprises	Strong quarter for RAC and Electronics
Happy Forgings	Richer mix drives margin expansion despite weak demand
Data Patterns (India)	Strong all-round performance
Other Updates	Eris Lifesciences | Kalpataru Projects | Galaxy Surfactants | Restaurant Brands Asia | Repco Home Finance | Financials - AMC | Power Grid | Bharat Electronics | DLF | PI Industries | Petronet LNG | Gujarat Gas | IRB Infrastructure Developers | ACME Solar Holdings

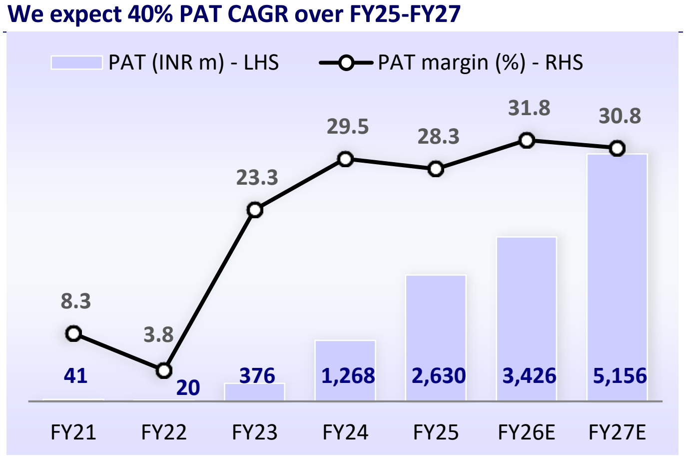
Chart of the Day: Zen Technologies (Decent results; Downgrade to Neutral on expensive valuations)

We expect Zen's revenue to clock a 34% CAGR over FY25-FY27



Source: Company, MOFSL

We expect 40% PAT CAGR over FY25-FY27



Source: Company, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Shiprocket to soon file confidential prospectus for Rs 2,000-2,500 crore IPO

Shiprocket, backed by Zomato, is preparing to file for an IPO with SEBI, aiming to raise Rs 2,000-2,500 crore.

2

Rasna acquires iconic beverage brand 'Jumpin' to foray into ready-to-drink segment

Preparatory drink major Rasna has entered the ready-to-drink (RTD) beverage space with the acquisition of Jumpin from Hershey's India for an undisclosed sum.

3

Myntra launches Myntra Global in Singapore, targets Indian diaspora

Online fashion retailer Myntra has forayed into the international market with the launch of Myntra Global, marking its first direct-to-consumer expansion outside India.

4

SC dismisses telcos' plea for AGR waiver; puts ball in govt court

The Supreme Court dismissed the petitions moved by Vodafone Idea (Vi), Bharti Airtel, and Tata Teleservices seeking a waiver on their long-standing adjusted gross revenue (AGR) dues.

5

Qcom unicorn Zepto appoints Rachit Ranjan as chief public policy officer

Ranjan, whose appointment is effective May 2025, has previously held leadership roles at firms such as Dream11, WhatsApp, JUUL Labs, Uber, among others. In this role, Rachit will build and lead Zepto's policy, regulatory, and government affairs vertical to ensure that Zepto's growth is anchored on principles of trust and transparency with a sustained focus on building socio-economic value for India and Indians.

6

Apple partner Hon Hai injects $1.5 billion into India unit

Hon Hai Precision Industry Co., Apple's primary iPhone manufacturer, is investing $1.5 billion in its Indian unit, signaling a production shift away from China.

7

India plans stricter rules for companies with foreign ownership

India intends to revise foreign investment regulations. The goal is to monitor foreign-owned entities more closely. New rules may affect e-commerce and pharmaceutical companies.

19 May 2025
4QFY25 Results Update | Sector: Capital Goods

Zen Technologies

Estimate change	↑
TP change	↑
Rating change	↓

Bloomberg	ZEN IN
Equity Shares (m)	90
M.Cap.(INRb)/(USDb)	170.2 / 2
52-Week Range (INR)	2628 / 894
1,6,12 Rel. Per (%)	21/0/85
12M Avg Val (INR M)	1067

Financials Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	9.3	10.8	16.7
EBITDA	3.1	4.0	6.2
EBITDA Margin (%)	33.7	37.0	37.0
PAT	2.6	3.4	5.2
EPS (INR)	29.1	37.9	57.1
EPS Growth (%)	107.3	30.3	50.5
BV/Share (INR)	187.1	225.0	282.1
Ratios			
Net D/E	-0.6	-0.6	-0.5
RoE (%)	24.6	18.4	22.5
RoCE (%)	24.6	18.3	22.4
Valuations			
P/E (x)	64.7	49.7	33.0
P/BV (x)	10.1	8.4	6.7
EV/EBITDA (x)	51.7	40.1	25.7

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	49.1	49.1	55.1
DII	9.5	9.0	3.3
FII	6.4	8.8	4.5
Others	35.1	33.2	37.2

FII Includes depository receipts

CMP: INR1,885 TP: INR1,750 (-7%) Downgrade to Neutral

Decent results; Downgrade to Neutral on expensive valuations

Zen Tech posted a strong set of numbers with a beat on revenue and PAT in 4QFY25. The company received order inflows of INR1.5b during the quarter, and the current order book stands at INR6.9b. We expect Zen to benefit from the fast-tracking of defense orders in light of current geopolitical concerns. With acquisitions done during FY25, Zen was able to expand its portfolio of offerings. We upgrade our estimates by 4%/7% for FY26/27 and revise the TP to INR1,750 based on 30x Mar'27E earnings (from INR1,600). The stock is currently trading at 49.7x/33.0x P/E on FY26/27E earnings. Our estimates bake in a CAGR of 34%/40% in revenue/PAT over FY25-27 with strong EBITDA margin of 37%. While we remain positive on the company and its ability to capitalize on upcoming demand for simulators and anti-drones, our estimates and current valuations capture the positives related to upcoming orders and correspondingly a 40% PAT CAGR over FY25-27. The stock has moved up by 74% since our last update in Feb'25. We thus downgrade the stock to Neutral from BUY and would look for better price points to enter the stock.

Beat on revenue and PAT

Zen posted a decent set of numbers with a beat on revenue and PAT. Revenue jumped 116% YoY to INR2.9b, beating our est. by 11%. Absolute EBITDA was largely in line with our estimate, increasing 109% YoY to INR944m. EBITDA margin contracted 100bp YoY to 32.2% vs. our estimate of 36.4% primarily due to a lower-than-expected gross margin of 59% (vs. our est. of 67%). PAT surged 177% YoY to INR849m, beating our estimate by 15% (est. of INR737m) due to a lower-than-expected tax rate and higher other income. PAT margin expanded 630bp YoY to 28.9% vs. our estimate of 27.9%. The company received orders worth INR1.5b in the quarter, leading to an order book of INR6.9b. For FY25, revenue/EBITDA/PAT were in line with our estimates at INR9.3b/INR3.1b/ INR2.6b.

Prospect pipeline strong but prolonged

The company's standalone order book stands at INR6.9b as of Mar'25, with additional INR1b from subsidiaries. Within this, the product order book stands at INR4.2b, which we believe will be executed during 1HFY26. The company has maintained order inflow guidance of ~INR8b in 1HFY26, primarily from simulators. In 4QFY25, Zen was awarded an order from MoD worth INR1.5b for Integrated Air Defense-Combat Simulators (IADCS) for the L70 gun. The order pipeline has grown significantly due to increased government urgency following recent border incidents and geopolitical tensions. However, the finalization of these tenders may happen after 1HFY26. These orders are expected to be related to both anti-drone and simulators. Exports are also a key pipeline focus, especially for simulators and anti-drone solutions, and Zen expects inflows to materialize from the US by FY27.

Update on acquisitions

During the quarter, Zen acquired a 76% stake in ARIPL in Feb'25, with the remaining 24% expected to be acquired in FY26. ARIPL has expertise in marine and naval simulations, and the company sees a strong potential for synergies with this acquisition. With the strategic acquisition of a 51% stake in Vector Technics - one of the few indigenous manufacturers of critical drone components – the company has entered the core of the drone ecosystem. Further, the company has acquired 45.33% in Bhairav Robotics, a company focused on robotics and autonomous weapons systems. These acquisitions mark a significant step forward in the direction of next generation defense technologies and future-ready national security solutions. The company has also invested USD10m (INR868.6m) in its wholly owned subsidiary Zen Technologies USA, Inc. to expand its footprint in North America and leverage new growth opportunities in the region.

Guidance

While FY26 is expected to be a muted year due to order delays and execution timelines, Zen maintains a medium-term guidance of 50% CAGR in revenue. The revised target over FY26-FY28 stands at a cumulative INR60b+ in revenue (from a base of INR9b in FY25) --- INR10b in FY26, INR20b in FY27, and INR30 in FY28. Margin guidance remains strong at 35% on EBITDA level and 25% on PAT level, which the company has reaffirmed for the coming years. Management emphasized that while order inflows may accelerate in 1HFY26, actual revenue recognition may shift to FY27, hence the softer near-term outlook.

Financial outlook

We upgrade our estimates by 4%/7% for FY26/27. We expect a revenue/EBITDA/ PAT CAGR of 34%/40%/40% during FY25-27. This will be led by: 1) revival in order inflows across simulators and anti-drones, 2) EBITDA margin of 37% for FY26 and FY27, and 3) control over working capital due to improved collections.

Valuation and view

The stock currently trades at 49.7x/33.0x P/E on FY26/27E earnings. We raise our estimates to factor in a pickup in order inflows and prospect pipelines across simulators and anti-drones. We **revise TP to INR1,750 based on 30x Mar'27E earnings (from INR1,600 earlier)**. While we remain positive about the company and its ability to capitalize on upcoming demand for simulators and anti-drones, our estimates and current valuations capture the positives related to upcoming orders and correspondingly 40% PAT CAGR over FY25-27. The stock has moved up by 74% since our last update in Feb'25. We thus **downgrade the stock to Neutral** and would look for better price points to enter the stock.

Key risks and concerns

Any slowdown in procurement from the defense industry, especially for simulators, can expose the company to the risk of reduced order inflows and hinder its growth. Zen is also exposed to foreign currency risks for its export revenue. High working capital can also pose risks to cash flows, as historically, its working capital has remained high due to issues related to high debtors and high inventories. This is likely to come down due to improved collections and lower inventory, as per management. However, any delays in the same can affect cash flows for FY26/27.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net Sales	**1,324**	**640**	**981**	**1,357**	**2,540**	**2,417**	**1,415**	**2,935**	**4,303**	**9,307**	**2,639**	**11**
YoY Change (%)	298.5	203.1	197.8	83.0	91.7	277.4	44.3	116.3	166.5	116.3	94.5	
Total Expenditure	663	423	539	906	1,508	1,623	1,048	1,991	2,530	6,169	1,679	19
EBITDA	**662**	**218**	**442**	**451**	**1,032**	**794**	**367**	**944**	**1,772**	**3,137**	**960**	**(2)**
Margins (%)	50.0	34.0	45.1	33.2	40.6	32.9	26.0	32.2	41.2	33.7	36.4	
Depreciation	15	18	19	22	22	23	26	29	73	101	19	59
Interest	4	4	4	6	10	21	27	36	18	94	25	46
Other Income	26	48	42	23	30	84	220	244	139	578	134	82
PBT	**670**	**243**	**461**	**422**	**1,030**	**835**	**534**	**1,122**	**1,796**	**3,520**	**1,051**	**7**
Tax	199	70	144	140	288	182	147	273	552	890	313	(13)
Rate (%)	29.6	28.7	31.2	33.2	28.0	21.8	27.6	24.3	30.7	25.3	29.8	
Reported PAT	**471**	**173**	**317**	**282**	**742**	**652**	**386**	**849**	**1,244**	**2,630**	**737**	**15**
Adj PAT	**471**	**173**	**317**	**306**	**742**	**652**	**386**	**849**	**1,268**	**2,630**	**737**	**15**
YoY Change (%)	474.2	279.1	467.2	77.3	57.4	276.1	21.9	177.3	237.0	107.3	140.8	
Margins (%)	35.6	27.1	32.3	22.6	29.2	27.0	27.3	28.9	29.5	28.3	27.9	

Amber Enterprises

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	AMBER IN
Equity Shares (m)	34
M.Cap.(INRb)/(USDb)	211.6 / 2.5
52-Week Range (INR)	8177 / 3310
1, 6, 12 Rel. Per (%)	-11/-5/47
12M Avg Val (INR M)	3550

Financials Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	99.7	116.9	143.3
EBITDA	7.6	9.6	12.4
EBITDA Margin (%)	7.7	8.2	8.7
PAT	2.4	3.5	5.4
EPS (INR)	72.0	104.4	160.3
EPS Growth (%)	82.6	45.0	53.5
BV/Share (INR)	675.8	780.2	940.5
Ratios			
Net D/E	0.4	0.3	0.1
RoE (%)	11.2	14.3	18.6
RoCE (%)	11.1	12.4	15.1
Valuations			
P/E (x)	86.8	59.9	39.0
P/BV (x)	9.3	8.0	6.6
EV/EBITDA (x)	29.3	23.1	17.6

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	39.7	39.7	40.3
DII	19.4	19.1	15.8
FII	27.1	28.6	26.0
Others	13.8	12.6	17.9

FII Includes depository receipts

CMP: INR6,252 TP: INR7,600 (+22%) Buy

Strong quarter for RAC and Electronics

Amber Enterprises posted better-than-expected revenue and EBITDA in 4QFY25, while the PAT miss was led by higher losses from JV and a higher-than-expected tax rate. Revenue outperformance was driven by strong growth in consumer durables, particularly RAC and electronics divisions. However, the railways segment's performance was impacted by delays in offtake. Despite near-term weakness in RAC demand, Amber remains optimistic about long-term growth for RAC segment, led by its market-leading position as well as increased wallet share from clients. With increased capex and diversification across new segments in electronics, we expect strong growth in electronics segment to continue, which will be further boosted after the company's capacity in JV with Korea Circuit is commissioned. We expect the railway segment's performance to remain subdued in the near term. We cut our estimates by 8% each for FY26/27 to factor in higher losses from JV and a higher tax rate. Retain BUY with a revised TP of INR7,600 (INR7,800 earlier).

Outperformance in revenue and EBITDA; miss on PAT

Consolidated revenue grew 34% YoY to INR37.5b, beating our estimate by 22%, mainly aided by increased demand in the consumer durables and electronics segments. Absolute EBITDA grew 33% YoY to INR1.58b, beating our estimate by 18%. Margins were flat YoY at 7.9% vs. our estimate of 8.1%. The company's PAT at INR1.16b (+23% YoY) missed our estimate by 10% due to a higher-than-expected tax rate of 34.9% vs. our estimate of 27.0%. PAT margins contracted 30bp YoY to 3.1% vs. our estimate of 4.2%. For FY25, revenue/EBITDA/PAT stood at INR99.7b/INR7.6b/INR2.4b, up 48%/55%/83% YoY.

Consumer durables segment's growth driven by strong demand in RAC

Consumer durables segment revenue increased 27% YoY to INR27.9b in 4QFY25 as it benefited from strong AC demand during the quarter, improved wallet share with existing clients, as well as new client additions. With increased share of component business in RAC, the company was able to improve consumer durable segment margins too by 30bp YoY to 8.4% in 4QFY25. The RAC business alone grew 49% YoY, while non-RAC components saw a 31% YoY increase, driven by robust demand, conversion of customers to ODM, and the continued expansion of component manufacturing. During the year, Amber supplied around 28,000 units of washing machines, but at a loss. Management stressed that they are working on this and that the segment should break-even during FY26. Supported by a strong market share of 26-27% in RAC manufacturing, the company's continuous efforts in expanding its component portfolio across segments, and an anticipated increase in washing machine sales (reaching breakeven), we expect the company's consumer durables segment to clock a CAGR of 14% over FY25-27 with margins of around 8% in FY27.

Electronics segment to benefit from the recently announced schemes

Electronics segment revenue increased 74% YoY in 4QFY25 to INR8.4b (up 77% YoY in FY25 vs. guidance of 55%), as it benefited from new segment additions as well as new orders from defense and renewable energy for PCBA. The company benefitted from the imposition of anti-dumping duty on PCBs (up to six layers), enabling in-roads into customers of consumer electronics, IT, auto - EV, aerospace and defense. Amber plans to file an application under the Electronic Component Manufacturing Scheme (ECMS). It has targeted a capex of INR30b over the next five years; however, the net capex will be significantly lower (only 35%) due to combined central and state government incentives through ECSM, which would cover up to 65% of total capex. These investments will be directed toward expanding its existing Ascent Circuits operation, which is in multi-layer and double-layer PCB categories, for its new JV with Korea Circuits for the high-density interface and substrates category. ECMS is expected to not only enhance Amber's technological capabilities and vertical integration but also help it deliver RoCE of 25-30% on net investments, creating a strong foundation for long-term, capital-efficient growth in the electronics division. With the already existing growth opportunities and the newly announced supporting schemes by the government, we expect the electronic segment's revenue/EBITDA to report a CAGR of 35%/59% over FY25-27 with margins of 8.8%/9.5% for FY26/27E.

Railways segment's revival hinges on additional offtake

Railways segment revenue was largely flat during the quarter at INR1.25b due to delays in offtake for metro and Vande Bharat projects. Margin, however, improved to 24.0% (+610bp YoY) during the quarter. The company is in the process of adding pantry doors and gangways, couplers, brakes, and gears to its portfolio through its planned greenfield facility for Sidwal, increasing its share to ~INR150m per coach. Hence, Amber's total TAM in these projects has now expanded by fivefold over the years. This facility is, however, expected to commence operations by 3QFY26 and start revenue contribution beyond FY27-28. We expect the underperformance of the railways segment to persist for the next two years and we estimate a CAGR of 28%/28% in revenue/EBITDA over FY25-27 with margins of 18.5% by FY27.

Financial outlook

We cut our estimates by 8% each for FY26/27 to factor in losses from JV and a higher tax rate. We thus expect a CAGR of 20%/27%/49% in revenue/EBITDA/PAT over FY25-27 for Amber.

Valuation and view

The stock currently trades at 59.9x/39.0x P/E on FY26/27E earnings. We downgrade our estimates and **reiterate our BUY rating** on the stock with a DCF-based TP of INR7,600, implying 47x P/E on a two-year forward EPS (Mar'27E).

Key risk and concerns

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

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Gross Sales	**17,020**	**9,271**	**12,948**	**28,055**	**24,013**	**16,847**	**21,333**	**37,537**	**67,293**	**99,730**	**30,865**	**22**
YoY Change (%)	-6.8	23.5	-4.0	-6.6	41.1	81.7	64.8	33.8	-2.9	48.2	10.0	
Total Expenditure	15,701	8,675	12,163	25,836	22,051	15,710	19,746	34,590	62,374	92,096	28,360	22
EBITDA	**1,319**	**596**	**785**	**2,219**	**1,962**	**1,137**	**1,587**	**2,947**	**4,919**	**7,634**	**2,504**	**18**
Margins (%)	7.8	6.4	6.1	7.9	8.2	6.8	7.4	7.9	7.3	7.7	8.1	
Depreciation	433	452	466	515	549	566	588	580	1,865	2,283	592	-2
Interest	453	366	369	483	518	486	537	546	1,670	2,087	533	2
Other Income	193	127	52	180	207	178	160	191	553	736	182	5
PBT before EO expense	**627**	**-95**	**3**	**1,402**	**1,101**	**263**	**623**	**2,013**	**1,937**	**3,999**	**1,561**	**29**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	NM
PBT	**627**	**-95**	**3**	**1,402**	**1,101**	**263**	**623**	**2,013**	**1,937**	**3,999**	**1,561**	**29**
Tax	161	-38	8	388	298	26	162	702	519	1,188	422	66
Rate (%)	25.7	40.4	274.1	27.7	27.0	10.1	26.1	34.9	26.8	29.7	27.0	
MI & P/L of Asso. Cos.	10	13	0	67	79	44	102	151	89	376	-153	-199
Reported PAT	**456**	**-69**	**-5**	**947**	**724**	**192**	**359**	**1,160**	**1,329**	**2,436**	**1,292**	**-10**
Adj PAT	**456**	**-69**	**-5**	**947**	**724**	**192**	**359**	**1,160**	**1,329**	**2,436**	**1,292**	**-10**
YoY Change (%)	8.5	133.1	-103.4	-8.9	58.6	NM	NM	22.6	-15.5	83.3	36.5	
Margins (%)	2.7	-0.7	0.0	3.4	3.0	1.1	1.7	3.1	2.0	2.4	4.2	

Y/E March	FY24				FY25				FY24	FY25
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Segmental revenue										
Consumer Durables Division	13,320	5,470	9,320	21,973	19,180	10,690	15,550	27,870	50,083	73,290
Electronics Division	2,670	2,480	2,410	4,840	3,880	4,920	4,720	8,420	12,410	21,940
Railway Sub-systems & Mobility division	1,030	1,320	1,220	1,230	950	1,240	1,064	1,250	4,800	4,500
Total Revenues	**17,020**	**9,271**	**12,948**	**28,055**	**24,013**	**16,847**	**21,333**	**37,537**	**67,293**	**99,730**
Operating EBITDA										
Consumer Durables Division	1,060	210	460	1,790	1,500	620	1,160	2,340	3,520	5,620
Margin (%)	8.0	3.8	4.9	8.1	7.8	5.8	7.5	8.4	7.0	7.7
Electronics Division	110	130	120	330	300	370	340	500	690	1,510
Margin (%)	4.1	5.2	5.0	6.8	7.7	7.5	7.2	5.9	5.6	6.9
Railway Sub-systems & Mobility division	210	310	240	220	200	210	120	300	980	830
Margin (%)	20.4	23.5	19.7	17.9	21.1	16.9	11.2	24.0	20.4	18.4
Total EBITDA (Pre ESOP and other exp)	**1,380**	**650**	**820**	**2,340**	**2,000**	**1,200**	**1,619**	**3,140**	**5,190**	**7,960**
Margin (%)	8.1	7.0	6.3	8.3	8.3	7.1	7.6	8.4	7.7	8.0
ESOP/Other op exp	61	54	35	121	38	63	32	193	271	326
Total EBITDA	**1,319**	**596**	**785**	**2,219**	**1,962**	**1,137**	**1,587**	**2,947**	**4,919**	**7,634**
Margin (%)	7.8	6.4	6.1	7.9	8.2	6.8	7.4	7.9	7.3	7.7

Happy Forgings

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	77.1 / 0.9
52-Week Range (INR)	1300 / 716
1, 6, 12 Rel. Per (%)	-2/-30/-32
12M Avg Val (INR M)	70

Consol. Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	14.1	15.9	18.3
EBITDA	4.1	4.6	5.4
Adj. PAT	2.7	3.0	3.6
EPS (INR)	28.4	31.7	37.8
EPS growth %	10.1	11.8	19.3
BV/Sh. (INR)	196	224	257
Ratios			
RoE (%)	15.5	15.1	15.7
RoCE (%)	14.3	13.9	14.6
Payout (%)	10.6	12.6	13.2
Valuations			
P/E (x)	28.9	25.9	21.7
P/BV (x)	4.2	3.7	3.2
EV/EBITDA (x)	18.7	16.5	14.1
Div. Yield (%)	0.4	0.5	0.6

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	78.6	78.6	78.6
DII	17.1	17.1	16.9
FII	2.2	2.3	1.1
Others	2.2	2.1	3.4

CMP: INR818 TP: INR984 (+20%) Buy

Richer mix drives margin expansion despite weak demand

PV and Industrials to be key growth drivers

- Happy Forgings' (HFL) 4QFY25 PAT of INR678m was in line with our estimate. In FY25, HFL generated FCF of INR119m post capex of INR2.8b.
- A recovery in domestic CV demand, healthy tractor outlook and strong order wins in Industrials and PVs should help to offset the weakness in CV and tractor exports in the near term.
- We expect HFL to post a CAGR of 14%/16%/16% in revenue/EBITDA/PAT during FY25-27E. After the recent correction, the stock at 25.9x FY26E and at 21.7x FY27E appears attractively valued. **We reiterate our BUY rating on the stock with a TP of INR984 (based on 26x FY27E EPS)**.

Margins improve in a weak demand environment driven by richer mix

- 4Q PAT of INR 678m was in line with our estimate.
- Revenue grew 2.5% YoY to INR2.5b. Revenue growth was driven by strong momentum in the industrials, off-highway and farm segments, which was offset by weakness in domestic CV demand and exports.
- EBITDA margins improved 80bp YoY to 29.1%, led by an improving mix.
- PAT grew 3% YoY to INR678m.
- FY25 revenue grew 4% YoY to INR14.1b.
- While domestic growth was 6% YoY, direct exports remained flat YoY. As a result, export contribution marginally declined to about 18% of revenue. Of this, CVs contribute about 12% and the balance comes from industrials.
- Led by an improved mix, ASP improved to INR248 per kg in FY25, despite the INR7-8 per kg decline in steel prices.
- For FY25, the machining mix improved to 87% from 85% YoY.
- EBITDA margin expanded 40bp YoY to 28.9%.
- PAT grew 10% YoY to INR2.7b.
- For FY25, cash and cash equivalents stood at INR3.6b, with D/E comfortable at 0.1x.
- HFL generated FCF of INR119m post capex of INR2.8b in FY25.
- The board has recommended a dividend of INR3 per share, which translates into 11% dividend payout.

Highlights from the management interaction

- **Medium-term guidance**: HFL has been growing at the 15-18% rate organically for the last few years, and it aims to sustain this run rate over the medium term on the back of its healthy order backlog.
- **CV business outlook:** While the domestic MHCV industry is expected to post growth in FY26, global CV sales are likely to decline in high single digits in CY25 given weakness in the US Class8 segment. HFL is likely to continue to outperform industry growth on the back of its new order wins from large domestic CV players.

- **Tractor business outlook:** The domestic tractor industry is expected to post high-single-digit growth in volumes in FY26. However, HFL expects tractor exports to start recovering from 3QFY26. Stock liquidation has already happened from dealers; hence, management expects a recovery by 2HCY25.
- **Industrials + PV outlook:** Order wins between PV and industrial stand at INR16b to be executed over the next 5-8 years, with annual peak revenue of INR2.5b. The PV + industrial contribution will then rise to 25% of total revenue.
- **Update on capex:** HFL would invest INR4b in FY26, including INR800m for PVs.

Valuation and view

- HFL is expected to outperform the industry, driven by new client additions, product expansion, and capacity growth. A recovery in domestic CV demand, a healthy tractor outlook and strong order wins in industrials and PVs should help to offset the weakness in CV and tractor export markets in the near term.
- We expect HFL to deliver a CAGR of 14%/16%/16% in standalone revenue/EBITDA/PAT during FY25-27E. HFL's superior financial track record compared to its peers serves as a testament to its inherent operational efficiencies and is likely to be a key competitive advantage going forward. After the recent correction, the stock at 25.9x FY26E and at 21.7x FY27E appears attractively valued. **We reiterate our BUY rating on the stock with a TP of INR984 (based on 26x FY27E EPS).**

Quarterly (Standalone) **(INR Million)**

	FY24				FY25E				FY24	FY25	4QE	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				(%)
Net operating income	**3,298**	**3,431**	**3,420**	**3,433**	**3,415**	**3,611**	**3,543**	**3,520**	**13,582**	**14,089**	**3,653**	**-3.6**
Change (%)			16.2	13.5	3.5	5.3	3.6	2.5	13.5	3.7	2.5	
RM/Sales (%)	43.0	44.7	44.5	43.5	43.5	41.2	42.0	41.3	43.9	42.0	42.0	
Staff Cost (%)	7.5	8.5	9.0	8.6	8.5	8.5	9.3	9.2	8.4	8.9	9.2	
Other Exp. (%)	19.1	19.5	18.7	19.6	19.4	21.2	20.1	20.4	19.1	20.3	20.1	
EBITDA	**1,002**	**938**	**952**	**971**	**976**	**1,054**	**1,015**	**1,023**	**3,875**	**4,067**	**1,049**	**-2.5**
EBITDA Margins (%)	30.4	27.3	27.8	28.3	28.6	29.2	28.6	29.1	28.5	28.9	28.7	
Non-Operating Income	34	7	33	72	77	83	66	101	134	376	69	
Interest	27	44	38	9	14	16	21	24	118	75	20	
Depreciation	155	162	171	160	180	197	191	203	647	771	198	
EO Exp						-48						
PBT after EO items	**855**	**738**	**777**	**875**	**859**	**973**	**868**	**897**	**3,244**	**3,597**	**900**	
Tax	214	185	198	217	220	259	223	219	814	921	229	
Eff. Tax Rate (%)	25.1	25.1	25.5	24.8	25.6	26.6	25.7	24.4	25.1	25.6	25.4	
Rep. PAT	**640**	**553**	**579**	**658**	**639**	**714**	**645**	**678**	**2,430**	**2,676**	**671**	
Change (%)			39.2	29.7	-0.3	29.3	11.4	3.0	18.3	10.1	2.0	
Adj. PAT	**640**	**553**	**579**	**658**	**639**	**666**	**645**	**678**	**2,430**	**2,676**	**671**	**1.0**
Change (%)			39.2	29.7	-0.3	20.6	11.4	3.0	16.4	10.1	2.0	

E: MOFSL Estimates

Data Patterns (India)

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	DATAPATT IN
Equity Shares (m)	56
M.Cap.(INRb)/(USDb)	156.9 / 1.8
52-Week Range (INR)	3655 / 1351
1, 6, 12 Rel. Per (%)	43/16/-26
12M Avg Val (INR M)	1800

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	7.1	8.9	11.1
EBITDA	2.8	3.4	4.3
Adj. PAT	2.2	2.8	3.6
EBITDA Margin (%)	38.8	37.9	38.5
Cons. Adj. EPS (INR)	39.6	49.7	63.9
EPS Gr. (%)	22.1	25.5	28.6
BV/Sh. (INR)	269.3	318.1	381.0
Ratios			
Net D:E	-0.3	-0.3	-0.3
RoE (%)	15.7	16.9	18.3
RoCE (%)	16.3	17.5	18.7
Valuations			
P/E (x)	71	56	44
EV/EBITDA (x)	55	45	35

Shareholding Pattern (%)

As on	Mar-25	Dec-24	Mar-24
Promoter	42.4	42.4	42.4
DII	7.4	8.8	11.6
FII	12.8	14.1	14.6
Others	37.5	34.7	31.4

Note: FII includes depository receipts

CMP: INR2,802 TP: INR2,530 (-10%) Neutral

Strong all-round performance

Earnings above estimates

- Data Patterns (DATAPATT) delivered a strong quarter as revenue surged 2.2x YoY, largely led by revenue growth of 2.7x YoY in the development segment and a 76% YoY jump in production revenue. However, EBITDA margins contracted 1,330bp YoY, led by low-margin strategic contracts taken up by the company.
- The closing order book as of Mar'25 stood at INR7.3b, down 33% YoY, as some orders worth INR10-20b were delayed in FY25 (are expected to materialize in FY26). As a result, the company has retained its revenue growth/EBITDA margin/PAT growth guidance of ~20-25%/35-40%/20% for FY26 despite ending FY25 with strong 36% revenue growth.
- Factoring in better than expected 4Q performance, however adjusting for company's guidance our FY26/FY27 EPS estimates are largely maintained. We reiterate our Neutral rating with a TP of INR2,530 (**We reiterate our Neutral rating with a TP of INR2,530 (premised on 40x FY27E EPS) considering the rich valuation**.

Development revenue surge drives operating profit growth

- Consolidated revenue jumped 2.2x YoY to INR3.9b (est. INR3b) in 4QFY25. Service/development/production revenue stood at INR40m/INR2.3b/INR1.7b, up 9%/2.7x/ 76% YoY.
- In terms of products, Radar/EW accounted for the largest revenue mix at ~60.1%/19.7%. In terms of customers, DRDO played a significant role this quarter, accounting for ~55.3% of the mix.
- Gross margins contracted 23pp YoY to 48.9%, led by low-margin strategic contracts taken up by the company. Employee/other expenses grew 11pp/28pp YoY to 7.5%/3.8% in 4QFY25.
- Accordingly, EBITDA margins contracted 1,330bp YoY to 37.7% (est. 40%). EBITDA jumped 61% YoY to INR1.5b (est. INR1.2b). Adjusted PAT grew 61% YoY to INR1.14b (est. INR946m).
- The order book stood at ~INR7.3b as of Mar'25 vs. INR10.95b/ INR10.8b in Dec'24/Mar'24. Development/Production/Service account for 40%/51%/9% of the total order book.
- In FY25, revenue/EBITDA/adj. PAT jumped 36%/24%/22% to INR7b/INR2.7b/INR2.2b.

Highlights from the management commentary

- **R&D**: Management is strategically deploying funds to accelerate product development, with a substantial portion allocated to the expansion of its R&D capabilities. As the company transitions into a full-fledged system integrator, **development expenses are expected to rise.**
- **Inventory days:** As the business transitions toward production-heavy contracts, **working capital days are expected to reduce**. In defense equipment, inventory levels are expected to remain elevated due to long test cycles and extended lead times. Maintaining high inventory is critical to address urgent customer requirements efficiently.

- **Orders:** Additional contracts under Brahmos are expected to materialize in the near term. Also, the company may be able to finalize a contract for Ashwini LLTR radar within the next three to six months. The company also plans to venture into new product categories, including spoofing technologies, airborne intelligence and electronic jamming.

Valuation and view

- DATAPATT ended FY25 on a strong note, with 56% of its revenue being generated in 4Q. While the order book came down as of Mar'25, the company is optimistic about booking higher orders in FY26.
- We expect the company to see lower growth in FY26 YoY, led by a lower order book and lower margins due to a higher mix of production revenue. However, in the medium to long term, we expect the company to continue its healthy performance. The overall macro scenario amid rising border tensions, along with management's focus on expanding the addressable market and the shift toward complete systems, positions the company well for a positive long-term outlook.
- We estimate a CAGR of 25%/25%/27% in revenue/EBITDA/adj. PAT over FY25-27. **We reiterate our Neutral rating with a TP of INR2,530 (premised on 40x FY27E EPS)**.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
Gross Sales	**897**	**1,083**	**1,395**	**1,823**	**1,041**	**910**	**1,170**	**3,962**	**5,198**	**7,084**	**3,008**	**32**
YoY Change (%)	31.2	22.9	24.8	-1.5	16.0	-16.0	-16.1	117.4	14.6	36.3	65.0	
Total Expenditure	619	676	795	893	669	567	630	2,467	2,982	4,334	1,804	
EBITDA	**278**	**408**	**600**	**930**	**372**	**343**	**540**	**1,495**	**2,217**	**2,750**	**1,204**	**24**
Margins (%)	31.0	37.6	43.0	51.0	35.7	37.7	46.2	37.7	42.6	38.8	40.0	
Depreciation	28	31	33	70	31	35	35	39	162	139	40	
Interest	17	23	23	30	30	28	32	31	93	121	30	
Other Income	116	108	113	123	123	120	114	106	460	463	130	
PBT before EO expense	**349**	**463**	**657**	**953**	**435**	**400**	**588**	**1,531**	**2,422**	**2,953**	**1,264**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**349**	**463**	**657**	**953**	**435**	**400**	**588**	**1,531**	**2,422**	**2,953**	**1,264**	
Tax	91	125	148	242	107	98	141	390	605	735	318	
Rate (%)	25.9	27.0	22.4	25.4	24.5	24.4	24.0	25.5	25.0	24.9	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**258**	**338**	**510**	**711**	**328**	**303**	**447**	**1,141**	**1,817**	**2,218**	**946**	
Adj PAT	**258**	**338**	**510**	**711**	**328**	**303**	**447**	**1,141**	**1,817**	**2,218**	**946**	**21**
YoY Change (%)	81.4	60.5	53.0	28.4	26.9	-10.4	-12.4	60.5	46.6	22.1	29.6	
Margins (%)	28.8	31.2	36.5	39.0	31.5	33.3	38.2	28.8	35.0	31.3	31.4	

Eris Lifesciences

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	ERIS IN
Equity Shares (m)	136
M.Cap.(INRb)/(USDb)	196.6 / 2.3
52-Week Range (INR)	1594 / 816
1, 6, 12 Rel. Per (%)	0/0/51
12M Avg Val (INR M)	285

Financials & valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	28.9	33.0	38.1
EBITDA	10.2	11.9	13.9
Adj. PAT	3.5	5.2	7.3
EBIT Margin (%)	24.3	25.8	27.4
Cons. Adj. EPS (INR)	25.6	37.8	53.1
EPS Gr. (%)	-12.4	47.4	40.8
BV/Sh. (INR)	207.6	239.8	287.5
Ratios			
Net D:E	0.8	0.5	0.2
RoE (%)	12.9	16.9	20.2
RoCE (%)	10.4	12.7	15.9
Payout (%)	21.5	14.6	10.4
Valuations			
P/E (x)	56.0	38.0	27.0
EV/EBITDA (x)	21.6	18.0	14.8
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	4.6	4.1	5.2
EV/Sales (x)	7.6	6.5	5.4

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	54.9	54.9	54.9
DII	18.1	18.1	15.6
FII	8.4	8.4	14.3
Others	18.7	18.7	15.2

FII includes depository receipts

CMP: INR1,444 TP: INR1,350 (-6%) Neutral

Lower-than-est. 4Q due to supply disruption for select products

FY26 targets signal mid-teens to high-teens YoY revenue growth

- Eris Lifesciences (ERIS) posted lower-than-expected 4QFY25 performance. This has been largely due to a marginal slip in the execution, particularly in the insulin revenue.
- Organic base business grew 10% YoY. The acquired (Biocon-2) business exhibited 11% YoY growth on a like-to-like basis.
- The Swiss parenteral business ended FY25 with a revenue/EBITDA margin of INR3.3b/33.5%.
- We cut our earnings estimates by 5%/3% for FY26/FY27, factoring in 1) recombinant human insulin (RHI)-related supply issues, 2) gradual pick-up in utilization of the Bhopal facility, and 3) gradual move to alternate prescriptions because of certain fixed-dose combninations (FDCs) being banned by regulatory authorities. We value ERIS at 25x 12M forward earnings to arrive at our TP of INR1,350.
- During FY24-25, ERIS progressed to secure building blocks in the Diabetes/ Obesity treatment through achieving regulatory milestones, building in-house capacity for manufacturing, and enhancing its marketing reach. Further, it is building capacity and is in the process of getting relevant regulatory approvals for international business in the injectable segment. Considering these factors and the reduction in financial leverage, we estimate a 15%/17%/44% CAGR in sales/EBITDA/PAT over FY25-27. The current valuations (at 38xFY26E/27xFY27E earnings) adequately capture the earnings upside. **Reiterate Neutral.**

Operating performance hurt to some extent by depreciation/interest costs

- ERIS' 4QFY25 revenue grew 28% YoY to INR7.1b (vs. our est: INR7.6).
- Gross margin contracted 270bp YoY to 76% due to a change in business mix.
- However, EBITDA margin expanded 500bp YoY to 36% (our est.36%), owing to better operating leverage (employee expenses/other expenses dipped 140bp/630bp as a % of sales).
- EBITDA jumped 49% YoY to INR2.5b (vs. our estimate of INR2.7).
- Adj. PAT increased 15% YoY to INR938m (vs. our estimate of INR1b).
- Revenue/EBITDA grew 44%/46%, while PAT declined 12.5% YoY to INR29b/ INR10b/INR3.5b in FY25.

Highlights from the management commentary

- ERIS guided for 15% organic YoY growth to reach INR29-INR30b in revenue in FY26. The EBITDA margin in this business is expected to be 37% (+50bp YoY as % of sales).
- ERIS indicated Swiss Parenterals business to the tune of INR3.8-INR3.9b (growth of 15-20% YoY) with an EBITDA margin of 35% for FY26.
- It targeted a net debt of INR18b at the end of FY26 vs. INR22b at the end of FY25.
- The Insulin franchise witnessed 22% YoY growth in revenue to INR3b. This was after facing product shortages throughout the year. The business loss due to product shortage was INR500m for FY25.

ERIS Lifesciences

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	Estimate	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Gross Sales	**4,666**	**5,053**	**4,863**	**5,509**	**7,197**	**7,412**	**7,275**	**7,053**	**20,091**	**28,936**	**7,613**	**-7.4**
YoY Change (%)	17.1	9.7	14.9	36.8	54.2	46.7	49.6	28.0	19.2	44.0	38.2	
Total Expenditure	2,969	3,242	3,108	3,811	4,697	4,767	4,771	4,529	13,129	18,764	4,879	
EBITDA	**1,697**	**1,811**	**1,755**	**1,698**	**2,500**	**2,645**	**2,503**	**2,524**	**6,962**	**10,172**	**2,735**	**-7.7**
Margins (%)	36.4	35.8	36.1	30.8	34.7	35.7	34.4	35.8	34.7	35.2	35.9	
Depreciation	409	421	457	539	759	805	812	773	1,830	3,149	852	
Interest	174	163	181	330	604	595	572	543	848	2,313	579	
Other Income	10	35	42	151	16	46	42	80	238	184	191	
PBT before EO expense	**1,125**	**1,262**	**1,159**	**980**	**1,153**	**1,291**	**1,162**	**1,288**	**4,522**	**4,894**	**1,495**	**-13.9**
Extra-Ord expense	0	0	0	214	0	0	0	-1	214	-1	0	
PBT	**1,125**	**1,262**	**1,159**	**766**	**1,153**	**1,291**	**1,162**	**1,289**	**4,308**	**4,895**	**1,495**	
Tax	188	39	144	-30	259	328	292	265	342	1,144	371	
Rate (%)	16.7	3.1	12.4	-3.9	22.5	25.4	25.2	20.6	7.9	23.4	24.8	
Minority Interest & Profit/Loss of Asso. Cos.	12	11	13	-87	62	48	33	85	-51	228	3.8	
Reported PAT	**948**	**1,234**	**1,027**	**710**	**832**	**916**	**836**	**938**	**3,916**	**3,522**	**1,121**	**-16.3**
Adj PAT	**948**	**1,234**	**1,027**	**815**	**832**	**916**	**836**	**938**	**4,021**	**3,522**	**1,121**	**-16.3**
YoY Change (%)	0.3	2.3	1.2	24.6	-12.3	-25.8	-18.6	15.0	5.2	-12.4	37.4	
Margins (%)	20.3	24.4	21.1	14.8	11.6	12.4	11.5	13.3	20.0	12.2	14.7	

Eris' secondary sales grew 2.9% YoY in Mar'25 vs. a decline of 0.9% YoY in Feb'25. Double-digit decline in Canmab/Zomelis-MET dragged down overall growth in Mar'25. Insugen/Basalog recorded double-digit growth.

ERIS: top 10 drugs

Drug	Therapy	MAT Feb'25 Value (INR m)	MAT Feb'25 Growth (%)	MAT Feb'25 Market share (%)	Growth (%) Last 3M	Growth (%) Feb'25
Total		**30398**	**4.5**	**100.0**	**2.3**	**2.9**
Renerve Plus	Vitamins/Minerals/Nutrients	1425	2.2	10.4	1.9	4.4
Glimisave Mv	Anti-Diabetic	1409	9.8	10.6	8.1	7.4
Basalog	Anti-Diabetic	1041	14.5	8.8	21.4	38.9
Insugen	Anti-Diabetic	1029	15.1	4.1	31.2	57.2
Glimisave-M	Anti-Diabetic	1002	-2.4	2.9	-2.7	-1.5
Eritel Ln	Cardiac	474	7.5	7.8	3.4	7.6
Cyblex Mv	Anti-Diabetic	473	25.4	52.0	23.2	22.1
Remylin D	Vitamins/Minerals/Nutrients	469	3.3	11.3	3.6	-8.6
Zomelis-Met	Anti-Diabetic	447	-8.8	4.9	-16.0	-15.0
Canmab	Antineoplast/Immunomodulator	384	-21.2	8.2	-31.3	-48.5

*Three months: Jan-Mar'25

Source: IQVIA, MOFSL

Except Anti-diabetic/Derma/Cardiac, all other top therapies saw a decline in Feb'25.

Growth was driven by new launches and price hikes on a MAT basis, which was offset by a dip in volumes.

Therapy mix (%)

	Share	MAT growth (%)	3M*	Feb'25
Total	**100.0**	**4.5**	**2.3**	**2.9**
Anti-Diabetic	32.3	8.9	10.4	15.9
Cardiac	15.0	2.9	0.7	2.0
Derma	12.7	15.8	10.5	7.7
Vitamins/Minerals/Nutrients	12.5	5.7	-3.2	-4.2
Antineoplast/Immunomodulator	6.1	-12.2	-21.8	-25.7
Gynaec.	4.7	-6.4	-10.7	-9.9

Source: IQVIA, MOFSL

Kalpataru Projects

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	KPIL IN
Equity Shares (m)	171
M.Cap.(INRb)/(USDb)	190.6 / 2.2
52-Week Range (INR)	1449 / 770
1, 6, 12 Rel. Per (%)	15/-13/-17
12M Avg Val (INR M)	560

Financials Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Sales	188.9	223.9	265.8
EBITDA	15.9	19.9	24.7
PAT	6.7	9.5	12.7
EPS (INR)	39.3	55.4	74.1
GR. (%)	20.3	40.8	33.9
BV/Sh (INR)	420.7	469.4	536.9
Ratios			
ROE (%)	10.4	12.4	14.7
RoCE (%)	9.7	11.1	12.9
Valuations			
P/E (X)	28.4	20.2	15.1
P/BV (X)	2.7	2.4	2.1
EV/EBITDA (X)	13.2	10.2	8.2
Div Yield (%)	0.7	0.6	0.6

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	33.5	33.5	40.6
DII	45.0	45.6	43.6
FII	11.6	12.7	8.2
Others	9.9	8.2	7.6

FII Includes depository receipts

CMP: INR1,116 TP: INR1,300 (+16%) Buy

Strong execution ramp-up in 4Q

Kalpataru Projects (KPIL) reported broadly in-line revenue/EBITDA/PAT in 4QFY25. In FY25 as well, KPIL performed well in terms of balance sheet and cash flows, with debt reduction, improved working capital and strong cash balance. The company continues to benefit from strong traction in T&D and Buildings and factories pipeline, while it maintains a cautious stance on railways and water segments. We increase our estimates by 2% each for FY26/27 to take into account improved order inflows and lower debt. The stock is currently trading at 20.2x/15.1x P/E on FY26/27E earnings. Retain BUY with a revised SoTP-based TP of INR1,300 based on 18x P/E for the core business (INR1,200 earlier).

Healthy performance in 4QFY25

4Q revenue came broadly in line at INR62b (+21% YoY), driven by robust project progress and strong order backlog. T&D/B&F segment revenue grew 19%/21% YoY, and O&G/Urban Infra revenue surged 152%/33% YoY. Water and Railways declined 32% and 8% YoY, respectively. EBITDA margin improved to 8.4% YoY due to a low base in 4QFY24, largely in line with our estimate. EBITDA at INR5.2b grew 31% YoY/30% QoQ, due to lower-than-expected other expenses. Adj. PAT jumped 52% YoY to INR2.66b, beating our estimate of INR2.32b by 15%. This was driven by lower other non-operating expenses (including depreciation) and an exceptional item of INR330m in the quarter. Order inflows at INR52.9b were down 56% YoY on a high base of INR119.6b in 4QFY25. The order book stood at INR645b (+10% YoY). NWC days stood at 94 in 4QFY25 vs. 99 in 4QFY24. Net debt declined YoY and QoQ to INR18.3b in 4QFY25. For FY25, revenue/EBITDA/PAT grew 13%/16%/20% to INR189b/INR16b/INR6.7b, while order inflows stood at INR255b, down 15% YoY. FY25 OCF/FCF stood at INR8.4b/INR2.9b.

Segmental performance driven by T&D, B&F and oil & gas segments

Segmental performance was driven by T&D, B&F and Oil & Gas. Consolidated T&D revenue grew by 28% YoY (including subsidiaries LMG and Fasttel) in FY25. Both LMG and Fasttel grew at a much faster pace at +79% YoY and +35% YoY, respectively. B&F revenue grew by 22% YoY for FY25 on improved project execution and healthy order mix. Going ahead, we expect the growth to be driven more by standalone T&D and B&F segments as inflows have been strong for the company. O&G revenues grew by 114% for FY25, led by execution of the Saudi project. The company plans to start taking in new orders for the O&G segment in FY26. Water/railways segment revenues declined by 35%/29% YoY during FY25 due to slower execution and selective bidding in said segments. We expect water and railways segments to remain for next one year.

T&D and B&F to be key contributors to future growth of the company

Looking ahead to FY26, management expects a strong addressable market in both domestic and international segments for T&D business, with an expectation of surpassing FY25 order inflows. With strong order inflows, the company is confident of improved execution, leading to +20% YoY growth in revenues in FY26. Revenue growth visibility comes from 1) strong domestic tendering from PGCIL, PFC, REC, and 2) high traction in international markets: Latin America, Europe, Middle East, and Africa. The company will focus on HVDC segment, grid expansion and energy transition. Outlook for B&F segment also remains strong, with pipeline visibility coming from 1) high activity in residential real estate across India, 2) continued work with selective, long-term clients, and 3) opportunities in airports, industrial, commercial, and data centers. We expect the T&D/B&F segments to clock a CAGR of 21%/19% over FY25-27, led by order inflow CAGR of 10%/15% over the same period.

Downtrend in water projects expected to continue

Water business of KPIL was impacted by delayed payments from the government for JJM projects during the year. Receivables stood at INR15b, of which the company has recovery visibility for only 60-70% of the receivables. KPIL expects these receivables to start coming in from 2QFY26 onward. We expect water segment revenue growth to remain weak in FY26.

International subsidiary poised for growth

LMG Sweden delivered strong revenue of INR18b (+79% YoY), EBITDA margins of 5.6%, and a record order book of INR28.0b. The company expects 20-25% annual growth in LMG over the next 2-3 years and is exploring fundraising options. In Brazil, Fasttel improved significantly, growing revenue to INR9.4b (+35% YoY) and halving losses from INR700m to INR350m. With a planned capital infusion, management targets to achieve the breakeven in the next two years for Fasttel. The Saudi operations (IBN Omera) closed out its projects and reported losses, but management expects a turnaround in FY26. Other international markets such as Chile, Guyana, and Surinam are performing well, with the company planning to expand into two to three additional countries. Overall, management anticipates enhanced profitability and contribution from its overseas businesses in the coming fiscal year.

Financial outlook

We increase our estimates by 2% each for FY26/27 to take into account improved order inflows and lower debt. We expect KPIL to report a CAGR of 19%/25%/37% in revenue/EBITDA/PAT over FY25-27. This would be driven by: 1) inflows of INR280b/INR312b FY26/FY27 on a strong prospect pipeline, 2) a gradual recovery in EBITDA margin to 8.9%/9.3% in FY26E/FY27E, 3) control over working capital owing to improved customer advances, better debtor collections from water and railways, and claims settlement. Driven by improvement in margins and moderation in working capital, we expect KPIL's RoE and RoCE to improve to 15% and 13% in FY27E, respectively.

Valuation and view

KPIL is currently trading at 20.2x/15.1x FY26E/FY27E EPS. We **maintain BUY**, with a revised SOTP-based TP of INR1,300, based on 18x P/E for the core business.

Key risks and concerns

Slowdown in execution, lower-than-expected order inflows, a steep rise in commodity prices, and an increase in promoter pledge are some of the key concerns that can weigh on financials and valuations of the company.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25E				FY24	FY25	FY25	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net Sales	**36,220**	**38,440**	**41,470**	**51,470**	**37,219**	**41,361**	**48,257**	**62,042**	**1,67,600**	**1,88,879**	**60,294**	**3**
YoY Change (%)	15.4	16.7	18.2	17.1	2.8	7.6	16.4	20.5	16.9	12.7	17.1	
Gross profit	8,300	8,150	9,060	12,110	8,687	8,818	10,791	13,191			14,080	
Total Expenditure	33,080	35,360	38,030	47,470	34,085	37,877	44,239	56,810	1,53,940	1,73,009	55,311	
EBITDA	**3,140**	**3,080**	**3,440**	**4,000**	**3,135**	**3,485**	**4,019**	**5,232**	**13,660**	**15,870**	**4,983**	**5**
Margins (%)	8.7	8.0	8.3	7.8	8.4	8.4	8.3	8.4	8.2	8.4	8.3	
Depreciation	930	880	940	930	929	914	956	949	3,680	3,749	1,175	-19
Interest	750	850	830	940	861	998	1,071	877	3,370	3,807	906	-3
Other Income	290	250	270	320	295	264	185	235	1,130	979	315	-25
PBT before EO expense	**1,750**	**1,600**	**1,940**	**2,450**	**1,640**	**1,836**	**2,177**	**3,641**	**7,740**	**9,294**	**3,217**	**13**
Extra-Ord expense	-	-	-	350	-	-	-	330	350	330	-	
PBT	**1,750**	**1,600**	**1,940**	**2,100**	**1,640**	**1,836**	**2,177**	**3,311**	**7,390**	**8,964**	**3,217**	**3**
Tax	490	470	500	600	474	513	604	894	2,060	2,485	897	
Rate (%)	28.0	29.4	25.8	28.6	28.9	27.9	27.7	27.0	27.9	27.7	27.9	
Reported PAT	**1,260**	**1,130**	**1,440**	**1,500**	**1,166**	**1,323**	**1,574**	**2,416**	**5,330**	**6,479**	**2,320**	**4**
Adj PAT	**1,260**	**1,130**	**1,440**	**1,750**	**1,166**	**1,323**	**1,574**	**2,657**	**5,582**	**6,718**	**2,320**	**15**
YoY Change (%)	-23.2	8.7	29.7	52.6	-7.4	17.1	9.3	51.8	19.1	20.3	32.6	
Margins (%)	3.5	2.9	3.5	3.4	3.1	3.2	3.3	4.3	3.3	3.6	3.8	

Galaxy Surfactants

Estimate changes	↑
TP change	⟷
Rating change	⟷

Bloomberg	GALSURF IN
Equity Shares (m)	35
M.Cap.(INRb)/(USDb)	80.7 / 0.9
52-Week Range (INR)	3370 / 2021
1, 6, 12 Rel. Per (%)	-1/-19/-21
12M Avg Val (INR M)	71

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	42.2	48.0	55.0
EBITDA	4.8	5.2	5.8
PAT	3.0	3.3	3.8
EPS (INR)	86	93	106
EPS Gr. (%)	1.1	8.4	13.8
BV/Sh. (INR)	666	736	815
Ratios			
Net D:E	-0.0	-0.1	-0.1
RoE (%)	13.4	13.3	13.7
RoCE (%)	13.1	13.0	13.5
Payout (%)	25.6	25.6	25.6
Valuations			
P/E (x)	26.7	24.7	21.7
P/BV (x)	3.4	3.1	2.8
EV/EBITDA (x)	16.7	15.2	13.4
Div. Yield (%)	1.0	1.0	1.2
FCF Yield (%)	2.5	2.7	3.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	70.9	70.9	70.9
DII	13.0	13.0	12.7
FII	4.1	4.2	3.8
Others	12.1	11.9	12.6

FII Includes depository receipts

CMP: INR2,277 TP: INR2,650 (+16%) Buy

Margin above est. with strong RoW growth; demand mixed

- Galaxy Surfactants (GALSURF) reported an EBITDA/kg of INR20.4 (est. INR11.5), up 22% YoY, in 4QFY25. Total volume inched up ~2% YoY to 62.2tmt (our est. 59.9tmt), with strong YoY performance in the RoW region. Subsequently, EBITDA stood at INR1.3b (up 25% YoY), while PAT came in at INR759m (down 2% YoY, our est. INR352m).
- The business environment remained dynamic and complex throughout FY25, with persistent supply-side volatility, though it stabilized toward year-end. Fatty alcohol prices remained elevated due to plant shutdowns in Southeast Asia and are expected to remain firm for another quarter, while international freight costs have eased a bit but are still at elevated levels. However, geopolitical uncertainties continue to warrant caution.
- Demand trends were mixed. India and AMET saw flat performance in FY25, with domestic volumes down 1% YoY in 4QFY25 due to the lingering impact of higher fatty alcohol prices. Despite this, the company remains optimistic about a recovery in domestic demand in the coming quarters. Meanwhile, the RoW region posted strong double-digit growth, supported by favorable markets, portfolio expansion, and a 9% YoY volume increase in 4QFY25—demonstrating the company's growing global footprint.
- GALSURF remains resilient, focused on long-term goals despite inflationary headwinds. A significant portion of input cost increases has already been passed on, albeit with a lag. Volume growth guidance for FY26 is at the lower end of the 6–8% range, with long-term volume expectations unchanged. EBITDA/kg, including other income, is guided at INR20.5–21.5 for FY26. The India-Turkey exposure is minimal, posing no immediate risk to GALSURF.
- Given the beat in 4Q, we raise our EBITDA/PAT estimates by 8%/9% for FY26 and by 5% each for FY27. The stock currently trades at ~22x FY27E EPS of INR106 and ~13x FY27E EV/EBITDA. We value the company at 25x FY27E EPS to arrive at our TP of INR2,650. **We reiterate our BUY rating on the stock.**

Beat across the board; margin dips sequentially

- Revenue stood at INR11.4b (+23% YoY) in 4QFY25.
- EBITDA came in at INR1.3b (est. of INR689m, +25% YoY).
  - Gross margin was 29.4% (-320bp YoY), with **EBITDAM at 11.1% (+10bp YoY).**
- GALSURF's PAT came in at INR759m (est. of INR352m, -2% YoY).
- **In FY25**, revenue stood at INR42.7b (+13% YoY), EBITDA was INR5b (+9% YoY), and PAT came in at INR3.2b (+6% YoY).
  - EBITDAM was at INR11.8% (-40bp YoY).
- The Board declared a final dividend of INR4/share for FY25 (with an interim dividend of INR18/share), taking the total dividend to INR22/share.

Valuation and view

- We believe that going forward, volume growth will be driven by the company's steady focus on R&D (with an annual expenditure of INR400-500m), increased wallet share from its existing customers, and acquisition of new customers. Margin is also likely to expand gradually with an increase in the volume of premium specialty products.
- We estimate a volume CAGR of 6% over FY25-27, with volumes picking up in the Specialty Care segment in the developed markets and a recovery in demand, albeit gradual, from the rural and urban markets in India. The stock is currently trading at ~22x FY27E EPS of INR106 and ~13x FY27E EV/EBITDA. We value the company at 25x FY27E EPS to arrive at a TP of INR2,650. **We reiterate our BUY rating on the stock.**

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Gross Sales	**9,418**	**9,831**	**9,405**	**9,290**	**9,741**	**10,630**	**10,417**	**11,449**	**37,944**	**42,237**	**10,050**	**14%**
YoY Change (%)	-18.7	-20.5	-13.3	-5.2	3.4	8.1	10.8	23.2	-14.9	11.3	8.2	
Gross Margin (%)	32.4%	31.5%	31.8%	32.6%	33.6%	33.0%	31.1%	29.4%	32.1%	31.7%	28.1%	1.3%
EBITDA	**1,232**	**1,249**	**1,125**	**1,017**	**1,241**	**1,276**	**1,056**	**1,269**	**4,622**	**4,842**	**689**	**84%**
Margin (%)	13.1	12.7	12.0	10.9	12.7	12.0	10.1	11.1	12.2	11.5	6.9	4.2
Depreciation	238	247	251	262	266	278	277	283	998	1,103	280	
Interest	57	54	59	54	40	41	50	62	224	193	54	
Other Income	25	27	64	239	54	87	40	78	355	258	75	
PBT	**962**	**975**	**878**	**940**	**989**	**1,045**	**769**	**1,001**	**3,755**	**3,804**	**429**	**133%**
Tax	210	201	165	165	192	198	123	243	740	755	77	
Rate (%)	21.8	20.6	18.8	17.5	19.4	18.9	16.0	24.2	19.7	19.8	18.0	
Reported PAT	**752**	**774**	**714**	**775**	**797**	**847**	**646**	**759**	**3,015**	**3,049**	**352**	**116%**
Adj PAT	**752**	**774**	**714**	**775**	**797**	**847**	**646**	**759**	**3,015**	**3,049**	**352**	**116%**
YoY Change (%)	-25.1	-7.7	-32.8	-14.4	6.0	9.4	-9.5	-2.1	-20.9	1.1	-54.6	
Margin (%)	8.0	7.9	7.6	8.3	8.2	8.0	6.2	6.6	7.9	7.2	3.5	3.1
Total Volumes (tmt)	**59.4**	**65.1**	**63.3**	**60.8**	**64.1**	**68.2**	**62.6**	**62.2**	**248.6**	**257.1**	**59.9**	**4%**
Operating Performance (INR/kg)												
Implied realization (INR/kg)	158.6	151.0	148.7	152.7	151.9	155.9	166.3	184.2	152.7	164.3	167.8	10%
Gross margin (INR/kg)	51.4	47.5	47.3	49.8	51.0	51.4	51.7	54.1	48.9	52.0	47.2	15%
EBITDA (INR/kg)	20.8	19.2	17.8	16.7	19.4	18.7	16.9	20.4	18.6	18.8	11.5	78%

Restaurant Brands Asia

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	RBA IN
Equity Shares (m)	582
M.Cap.(INRb)/(USDb)	47.6 / 0.6
52-Week Range (INR)	119 / 59
1, 6, 12 Rel. Per (%)	0/-2/-33
12M Avg Val (INR M)	263

Financials & Valuations (INR b)

Y/E March (INR b)	FY25	FY26E	FY27E
Sales	25.5	29.5	34.4
Sales growth (%)	4.7	15.5	16.6
EBITDA	2.7	4.1	5.7
Margins (%)	10.7	13.8	16.7
Adj. PAT	-2.3	-1.4	-0.2
Adj. EPS (INR)	-4.0	-2.4	-0.4
EPS Growth (%)	N/M	N/M	N/M
BV/Sh.(INR)	15.4	13.0	12.6
Ratios			
RoE (%)	-30.6	-16.7	-3.3
RoCE (%)	-3.0	1.1	5.7
Valuations			
P/E (x)	N/M	N/M	N/M
P/BV (x)	5.3	6.3	6.5
EV/EBITDA (x)	16.5	11.8	8.3
pre Ind-AS EV/EBITDA (x)	121.9	44.5	19.7
EV/Sales (x)	1.8	1.6	1.4

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	11.3	13.2	15.4
DII	40.5	38.9	23.2
FII	20.4	15.3	24.9
Others	27.9	32.7	36.6

FII Includes depository receipts

CMP: INR82 TP: INR135 (+65%) Buy

Best performer in dine-in; cost initiatives drive margins

- Restaurant Brands Asia (RBA) posted a 12% YoY India revenue growth (in-line), led by a 13% YoY increase in store additions. The same-store sales rose 5%, led by dine-in traffic growth and value offerings. The company remained an outperformer among the dine-in players.
- India GM was up 10bp YoY/ flat QoQ to 67.8% (est. 68.2). The RM inflation has been offset through supply chain efficiencies. We model ~68.0-68.5% GM for FY26 and FY27.
- India ROM (pre-Ind-AS) increased 51% YoY to INR516m. Margins were up 270bp YoY to 10.5%. EBITDA margins (Pre-Ind-AS) expanded 300bp YoY to 5.4%. EBITDA was up by 150% to INR266mn. RBA plans to continue enhancing its delivery profitability by optimizing its pricing, improvising its menu, and cutting fixed costs such as utilities.
- RBA's Indonesia revenue declined 10% YoY, hurt by geopolitical crises and store closures (7 BK stores were closed in FY25). Indonesia BK is showing early signs of improvement as SSSG rose 2% YoY and ADS increased 5% YoY. Indonesia ROM (pre-IND AS) posted a loss of INR27m in 4QFY25 (vs. a profit of INR16m in 4QFY24 and a loss of INR70m in 3QFY25).
- RBA's consol. revenue rose 6% YoY to INR6.3b. Consol. EBITDA (Pre-IND-AS) margin expanded 280bp YoY to 2.3%. Reported EBITDA dipped 11% YoY to INR772m and margin contracted 240bp YoY to 12.2%. High depreciation (up 19% YoY) and lower other income (down 17% YoY) led to a consolidated loss of INR604m.
- With a focus on improving store unit economics in India and sustaining store rollouts, the India story looks very promising. The company has outperformed other dine-in peers on all fronts in FY25. Indonesia has seen early positive signs; we need to monitor the near-term trend to predict any recovery. The company is taking several initiatives to control costs in Indonesia to lower its losses. **We reiterate our BUY rating with a TP of INR135. We value the India business at 30x FY27E EV/EBITDA (pre-IND-AS) and Indonesia EV at INR5b (based on ~0.75x EV/sales FY27E).**

India delivers 5% SSSG; Indonesia shows signs of improvement

India business

- **India SSSG up 5%:** The India business revenue rose 12% YoY to INR4.9b (est. INR5.0b), led by a 13% YoY store addition. The same-store sales grew 5.1% (est. of 3.4%), led by dine-in traffic growth and value offerings. The India business ADS was up 3% YoY to INR108k. The company added three stores in 4QFY25 in India, taking the total store count to 513. The BK Café store count reached 464 (90% of the total BK stores).
- **Margin expansion:** India GP was up 12% YoY to INR3.3b (est. INR3.4), and margin inched up 10bp YoY/flat QoQ at 67.8% as inflation was offset by supply chain efficiencies. India ROM (pre-Ind-AS) increased 51% YoY to INR516m. Margin expanded 270bp YoY to 10.5% (est. 10%). EBITDA (Pre Ind AS) jumped 151% YoY to INR266m; margin expanded 300bp YoY to 5.4%. EBITDA (Post-Ind-AS) was up 41% YoY to INR777m (est. of INR723m), and margin expanded 330bp YoY to 15.9% (est. 14.3%).

- Higher depreciation and interest led to a loss in the India business of INR254m in 4QFY25. (estimated loss at INR119m).
- In FY25, the India business delivered 1% SSSG, and revenue grew 12% YoY. EBITDA (Pre-Ind-AS) was up 32% YoY to INR994m.

Indonesia business – Showing signs of improvement

- Indonesia revenue declined by 10% YoY to INR1,428m due to store closures (4% YoY dip in BK store count) and geopolitical headwinds.
  - BK's ADS up 5% YoY at IDR18.5m
  - The same-store sales grew 2% YoY (-4% in 3QFY25).
  - The company closed four BK stores during the quarter (143 BK stores/25 Indonesian Popeyes stores).
- Indonesia GP declined 7% YoY to INR807m, with gross margin expansion of 190bp YoY to 56.5% (57.8% in 3QFY25).
- RBA posted an operating loss (Post-IND-AS) of INR5m in 4QFY25 vs. a loss of INR62m in 3QFY25 and a profit of INR320m in 4QFY24.
- Indonesia ROM (Pre-IND-AS) reported a loss of INR27m in 4QFY25 vs. a loss of INR70m in 3QFY25 and a profit of INR16m in 4QFY24.
- RBA posted an operating loss (Pre-IND-AS) of INR120m vs. a loss of 138m in 4QFY24.
- In FY25, Indonesia reported a revenue decline of 14% due to store rationalization and geopolitical headwinds. BK's same-store sales declined 6% YoY due to geopolitical headwinds.

Consolidated business

- Consol. revenue was up 6% YoY to INR6.3b. Consol GP rose 8% YoY to INR4.1b, and margin expanded 100bp YoY, while it contracted 30bp QoQ to 65.3%.
- Consol. reported EBITDA (Post-IND-AS) was down 11% YoY to INR772m, and the margin contracted 240bp YoY to 12.2%.
- High depreciation (up 19% YoY) and lower other income (down 17% YoY) led to a consolidated loss of INR604m.

Key takeaways from the management commentary

- In FY25, dine-in traffic grew 9% YoY, backed by value offerings. Moreover, RBA clocked 3x growth in dine-in app transactions over FY24.
- The company has rolled out a new initiative called King's Journey. Significant investments in digital sales channels have resulted in 90% of dine-in orders at certain locations being placed through digital platforms, including self-ordering kiosks (SOKs) and the BK App.
- In Indonesia, the company has no plans for store expansion for both Burger King and Popeyes, instead prioritizing profitability by strengthening its dine-in business and optimizing the store portfolio.
- RBA launched an authentic Korean Spicy Fest, capitalizing on the culture and flavor trends – Korean Paneer Burger, Korean Chicken Burger, Korean Boneless Chicken, Korean Chicken Wings, and Korean Fries.

Valuation and view

- There are no material changes to our EBITDA estimates for FY26 and FY27.
- In FY25, the India business reported 1% same-store sales growth (SSSG), driven by a 9% increase in dine-in traffic and strong traction in value offerings. Unlike most QSR peers (barring JUBI), RBA delivered positive SSSG during the year.
- RBA's store addition during the quarter remained slow; however, it plans to open 60-80 new restaurants every year in India and plans to have 800 restaurants by

FY29 (513 stores by FY25), leading to strong store-led growth. BK Café and cost efficiencies are likely to be a key growth and margin driver over the medium term. EBITDA margin should also improve with the improvement in dine-in traffic, better traction/penetration of BK Café, and other cost-saving initiatives.

- As more and more stores mature, improving the contribution of new stores in the network would also support the margin recovery. The Indonesian business should also witness a healthy revenue growth and margin expansion in the medium term, as the company has rationalized its portfolio by closing the non-performing stores.
- **We reiterate our BUY rating with a TP of INR135. We value the India business at 30x FY27E EV/EBITDA (pre-IND-AS) and Indonesia's EV at INR5b (based on ~0.75x EV/sales FY27E).**

Quarterly Standalone Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
SSSG (%)	**3.6%**	**3.5%**	**2.6%**	**1.9%**	**3.1%**	**-3.0%**	**-0.5%**	**5.1%**	**2.9%**	**1.1%**	**3.4%**	
No. of stores	**396**	**404**	**441**	**455**	**456**	**464**	**510**	**513**	**455**	**513**	**510**	
Net Sales	**4,221**	**4,535**	**4,454**	**4,391**	**4,905**	**4,921**	**4,954**	**4,898**	**17,601**	**19,678**	**5,044**	-2.9
YoY change (%)	25.3	23.2	20.5	20.3	16.2	8.5	11.2	11.6	22.3	11.8	14.9	
Gross Profit	**2,806**	**3,031**	**2,990**	**2,971**	**3,318**	**3,322**	**3,361**	**3,322**	**11,798**	**13,322**	**3,440**	-3.4
Margin (%)	66.5	66.8	67.1	67.7	67.6	67.5	67.8	67.8	67.0	67.7	68.2	
EBITDA	**485**	**634**	**708**	**551**	**618**	**700**	**789**	**777**	**2,377**	**2,890**	**723**	7.5
EBITDA growth %	45.9	50.7	47.9	30.3	27.5	10.3	11.5	41.1	128.6	1,058.3	31.3	
Margin (%)	11.5	14.0	15.9	12.5	12.6	14.2	15.9	15.9	13.5	14.7	14.3	
Depreciation	507	494	522	586	633	611	632	670	2,110	2,546	622	
Interest	264	273	281	324	319	326	364	403	1,141	1,411	300	
Other Income	65	40	32	48	64	71	21	42	185	192	79	
PBT	**-222**	**-93**	**-64**	**-310**	**-269**	**-166**	**-186**	**-254**	**-689**	**-876**	**-119**	
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted PAT	**-222**	**-93**	**-64**	**-310**	**-269**	**-166**	**-186**	**-254**	**-689**	**-876**	**-119**	
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

E: MOFSL Estimates

Quarterly Consolidated Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
No. of stores	**575**	**578**	**628**	**630**	**630**	**638**	**682**	**681**	**630**	**681**	**680**	
Net Sales	**6,108**	**6,249**	**6,042**	**5,971**	**6,467**	**6,324**	**6,391**	**6,325**	**24,371**	**25,508**	**6,510**	-2.8
YoY change (%)	24.8	19.1	14.8	16.2	5.9	1.2	5.8	5.9	18.6	4.7	9.0	
Gross Profit	**3,912**	**4,013**	**3,891**	**3,836**	**4,171**	**4,104**	**4,191**	**4,129**	**15,651**	**16,595**	**4,254**	-2.9
Margin (%)	64.0	64.2	64.4	64.2	64.5	64.9	65.6	65.3	64.2	65.1	65.4	
Other expenses	3,429	3,400	3,184	2,964	3,513	3,492	3,465	3,357	12,990	13,858	3,528	
EBITDA	**483**	**612**	**707**	**871**	**658**	**612**	**727**	**772**	**2,661**	**2,737**	**727**	6.2
EBITDA growth %	65.3	143.6	137.8	218.3	36.3	0.0	2.8	-11.4	138.8	2.9	-16.6	
Margin (%)	7.9	9.8	11.7	14.6	10.2	9.7	11.4	12.2	10.9	10.7	11.2	
Depreciation	787	786	801	1,187	916	907	934	958	3,561	3,715	991	
Interest	307	315	317	473	374	380	397	457	1,412	1,609	361	
Other Income	71	33	35	46	145	21	57	38	185	259	73	
PBT	**-541**	**-457**	**-376**	**-742**	**-488**	**-655**	**-547**	**-604**	**-2,128**	**-2,328**	**-552**	
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted PAT	**-541**	**-457**	**-376**	**-742**	**-488**	**-655**	**-547**	**-604**	**-2,128**	**-2,328**	**-552**	
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

E: MOFSL Estimates

Repco Home Finance

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	REPCO IN
Equity Shares (m)	63
M.Cap.(INRb)/(USDb)	26.2 / 0.3
52-Week Range (INR)	595 / 308
1, 6, 12 Rel. Per (%)	0/-13/-28
12M Avg Val (INR M)	107
Free float (%)	REPCO IN

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	6.8	7.3	8.0
PPP	5.5	6.0	6.5
PAT	4.4	4.4	4.7
EPS (INR)	70.2	69.6	74.9
EPS Gr. (%)	11	-1	8
BV/Sh. (INR)	530	595	665
Ratios			
NIM (%)	5.0	4.9	4.9
C/I ratio (%)	27.5	27.9	27.7
RoAA (%)	3.1	2.8	2.8
RoE (%)	14.2	12.4	11.9
Payout (%)	5.7	6.5	6.7
Valuation			
P/E (x)	6.0	6.0	5.6
P/BV (x)	0.8	0.7	0.6
P/ABV (x)	0.8	0.7	0.7
Div. Yield (%)	1.0	1.1	1.2

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	37.1	37.1	37.1
DII	21.1	20.6	19.6
FII	11.2	12.5	14.0
Others	30.5	29.8	29.3

FII Includes depository receipts

CMP: INR418 TP: INR465 (+11%) Neutral

Muted loan growth; reported NIM contracts ~30bp QoQ

PPOP miss; PAT in line, led by provision writebacks; asset quality improves

- Repco Home Finance (Repco)'s 4QFY25 PAT grew 6% YoY to INR1.1b (in line). FY25 PAT rose ~11% YoY to INR4.4b. NII in 4QFY25 grew ~5% YoY to ~INR1.7b (~7% miss). Other income increased 30% YoY to INR184m. Opex rose ~21% YoY to INR584m (~5% higher than MOFSLe).
- PPOP grew ~2% YoY to INR1.3b (~13% miss). Provision writebacks stood at INR233m, translating into annualized credit costs of -65bp during the quarter (PY: -30bp and PQ: 1bp).
- GNPA declined ~60bp QoQ to 3.25%, and NNPA dipped ~20bp QoQ to 1.3%. Repco reduced PCR on S3 loans by ~220bp QoQ to ~60%. It highlighted that asset quality witnessed notable improvement during the year, supported by the execution of four SARFAESI auctions and multiple special OTS schemes. Additionally, the company strengthened its collections infrastructure by onboarding 70+ dedicated recovery personnel.
- Home loans grew ~5% YoY, while other mortgage loans (including top-ups, CRE, and LAP) rose ~14% YoY. Management has guided for disbursements of INR40b in FY26, leading to an expected AUM growth of ~12% YoY. Additionally, the company outlined its long-term target of reaching an AUM of INR250b by FY28, supported by accelerated disbursement momentum and expansion initiatives.
- Repco's valuation at ~0.6x FY27E P/BV is indeed attractive, but we believe that the company will continue to fall short of its loan growth guidance because of 1) its inability to scale up loan growth in core home loans and 2) too much focus on improving asset quality and profitability, which is detrimental to loan growth.
- We broadly retain our FY26/FY27 EPS estimates. We model a loan/PAT CAGR of ~9%/3% over FY25-FY27E. For an RoA/RoE of 2.8%/12% in FY27E, **we reiterate our Neutral rating** on the stock with our revised TP of INR465 (based on 0.7x Mar'27E BVPS).

Loan growth remains subdued; disbursements rise 9% YoY

- Disbursements grew ~9% YoY to INR9.8b in 4QFY25. The loan book grew ~7% YoY to ~INR145b. Run-offs were higher, with repayment rates increasing ~85bp YoY to ~18% (PY: ~17.2%).
- The proportion of non-salaried customers remained broadly stable at ~52%. The proportion of non-mortgage loans rose to ~27% (PY: ~25%).
- Management highlighted that it has undertaken several initiatives to curb prepayments and BT-outs, and expressed confidence in meeting its disbursement and AUM growth targets for FY26. However, we estimate slightly lower loan growth of 9%/10% in FY26/FY27.

Reported NIM dips ~30bp QoQ due to yield compression

- Reported yields declined ~40bp QoQ to ~12.2%, while reported CoF was stable QoQ at ~8.9%, leading to ~40bp QoQ dip in spreads to ~3.3%. Reported NIM contracted ~30bp QoQ to 5.2%.
- The cost-to-income ratio rose ~4pp QoQ to ~31%. (PY: ~27% / PQ: ~27%).

- Management highlighted that it has received a refinance sanction of INR1.5b from NHB, which it plans to avail before Jun'25. We model a NIM of 4.9% each for FY26/FY27 (vs. 5% in FY25), primarily due to a moderation in its yields because of higher competitive intensity in a declining interest rate environment.

Key highlights from the management commentary

- Management shared that over the past three years, the company has disbursed INR90b, which has a GNPA of ~0.7%. It emphasized that the quality of the new book, built over the last three years, remains strong, and no significant incremental GNPAs are expected from this portfolio.
- Repco acknowledged that the E-Khata issue in Karnataka persists; however, the impact has moderated. It also noted an improvement in business performance in Karnataka during 4Q compared to 3QFY25.
- To diversify the funding sources, the company plans to raise INR10-15b via NCDs and CPs, with INR1b of CP and INR1b-INR1.5b of NCD raise targeted for the next quarter.

Valuation and view

- Repco's performance during the quarter was hurt by muted loan growth, despite a marginal uptick in disbursements. However, asset quality continued to improve, reflecting the company's focus on building a high-quality portfolio.
- We will continue to focus on the management's ability to deliver on the guided metrics of loan growth and profitability. Like in the last fiscal year, we expect credit costs to remain benign due to recoveries from NPA and the written-off pool.
- Although the risk-reward appears favorable at the current valuation of ~0.6x FY27E P/BV, we believe that the company will have to start delivering stronger loan growth in its core home loan product to command higher valuations. We reiterate our **Neutral rating with a TP of INR465 (based on 0.7x Mar'27E BVPS).**

Quarterly performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25	4Q	Act v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY25E	est(%)
Interest Income	3,572	3,770	3,787	3,831	4,007	4,051	4,258	4,166	14,960	16,482	4,303	-3
Interest Expenses	2,026	2,075	2,153	2,203	2,330	2,396	2,475	2,458	8,456	9,659	2,472	-1
Net Income	**1,546**	**1,695**	**1,635**	**1,628**	**1,677**	**1,656**	**1,783**	**1,708**	**6,504**	**6,823**	**1,831**	**-7**
YoY Growth (%)	16.5	23.6	17.8	10.5	8.5	-2.3	9.0	4.9	17.0	4.9	12.5	
Other income	93	69	145	141	155	229	196	184	448	764	218	-16
Total Income	**1,639**	**1,765**	**1,779**	**1,769**	**1,833**	**1,884**	**1,978**	**1,892**	**6,952**	**7,587**	**2,050**	**-8**
YoY Growth (%)	15.7	18.9	18.7	11.9	11.8	6.8	11.2	6.9	16.2	9.1	15.8	
Operating Expenses	392	426	410	483	452	517	535	584	1,710	2,088	554	5
YoY Growth (%)	15.7	24.4	2.9	27.6	15.4	21.2	30.5	21.0	17.3	22.1	14.8	
Operating Profits	**1,247**	**1,338**	**1,370**	**1,287**	**1,380**	**1,367**	**1,443**	**1,308**	**5,242**	**5,499**	**1,496**	**-13**
YoY Growth (%)	15.7	17.3	24.5	6.9	10.7	2.2	5.4	1.6	15.9	4.9	16.2	
Provisions	50	16	29	-100	14	-160	3	-233	-5	-376	-37	-
Profit before Tax	**1,198**	**1,322**	**1,341**	**1,387**	**1,366**	**1,528**	**1,440**	**1,541**	**5,247**	**5,875**	**1,532**	**1**
Tax Provisions	307	341	346	306	312	403	375	392	1,300	1,481	378	4
Profit after tax	**891**	**981**	**994**	**1,081**	**1,054**	**1,125**	**1,066**	**1,149**	**3,947**	**4,394**	**1,155**	**0**
YoY Growth (%)	43.5	37.9	23.1	31.6	18.4	14.7	7.2	6.4	33.3	11.3	6.8	
Loan growth (%)	6.7	7.1	8.1	8.5	8.3	8.1	7.4	7.2	9.0	8.2	7.1	
Cost to Income Ratio (%)	23.9	24.2	23.0	27.3	24.7	27.4	27.0	30.9	24.6	27.5	27.0	
Tax Rate (%)	25.6	25.8	25.8	22.1	22.8	26.3	26.0	25.4	24.8	25.2	24.7	
Key Parameters (%)												
Yield on loans (Cal)	11.4	11.8	11.6	11.5	11.8	11.7	12.1	11.6	12.0	12.1		
Cost of funds (Cal)	8.2	8.3	8.4	8.4	8.6	8.6	8.8	8.8	8.2	8.8		
Spreads (Cal)	3.2	3.5	3.2	3.1	3.2	3.1	3.3	2.8	3.8	3.3		
NIM (Reported)	5.1	5.4	5.3	5.1	5.1	5.1	5.5	5.2	5.2	5.0		
Credit Cost	0.16	0.05	0.09	-0.30	0.04	-0.46	0.01	-0.65	0.0	-0.3		
Cost to Income Ratio	23.9	24.2	23.0	27.3	24.7	27.4	27.0	30.9	24.6	27.5		
Tax Rate	25.6	25.8	25.8	22.1	22.8	26.3	26.0	25.4	24.8	25.2		
Balance Sheet												
AUM (INR B)	126.6	129.2	131.9	135.1	137.0	139.6	141.6	144.9	135.1	144.9		
Change YoY (%)	6.7	7.1	8.1	8.5	8.3	8.1	7.4	7.2	8.5	7.2		
AUM Mix (%)												
Non-Salaried	51.8	51.0	51.3	51.4	51.6	51.8	52.1	52.2	51.8	51.0		
Salaried	48.2	49.0	48.7	48.6	48.4	48.2	47.9	47.8	48.2	49.0		
AUM Mix (%)												
Home loans	76.9	76.2	75.6	74.7	74.3	73.8	74.0	73.0	74.7	73.0		
LAP	23.1	23.8	24.4	25.3	25.7	26.2	26.0	27.0	25.3	27.0		
Disbursements (INR B)	6.8	8.0	7.6	8.9	6.8	8.7	7.6	9.8	31.3	32.8		
Change YoY (%)	6.6	6.9	9.0	7.1	-0.6	8.8	0.3	9.0	7.4	4.8		
Borrowings (INR B)	99.1	100.5	103.6	107.0	109.1	114.6	110.8	111.5	107.0	111.4		
Change YoY (%)	6.4	4.3	7.9	7.9	10.2	14.1	6.9	4.2	7.9	4.1		
Loans/Borrowings (%)	127.8	128.6	127.3	126.3	125.5	121.8	127.8	130.0	126.3	130.1		
Borrowings Mix (%)												
Banks	74.1	75.6	77.7	79.2	79.8	81.4	82.2	82.9	74.1	75.6		
NHB	14.9	13.1	12.0	10.8	10.6	9.5	8.5	7.9	14.9	13.1		
Repco Bank	11.0	11.4	10.3	10.0	9.6	9.1	9.3	9.2	11.0	11.4		
NCD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
CP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Asset Quality												
GS 3 (INR B)	6.9	6.4	6.2	5.5	5.8	5.5	5.5	4.7	5.5	4.7		
Gross Stage 3 (% on Assets)	5.5	4.9	4.69	4.1	4.3	3.96	3.86	3.26	4.1	3.3		
NS 3 (INR B)	3.4	2.72	2.47	1.92	2.23	2.17	2.09	1.91	1.9	1.9		
Net Stage 3 (% on Assets)	2.8	2.2	1.95	1.5	1.7	1.61	1.53	1.4	1.5	1.4		
PCR (%)	51.4	57.4	60.1	65.2	61.8	60.7	61.8	59.6	65.2	59.6		
Return Ratios (%)												
ROA (Rep)	2.8	3.1	3.1	3.2	3.1	3.3	3.1	3.3	3.0	3.1		
ROE (Rep)	15.8	16.1	15.8	16.5	16.3	16.0	14.6	15.1	14.6	14.2		

E: MOFSL Estimates

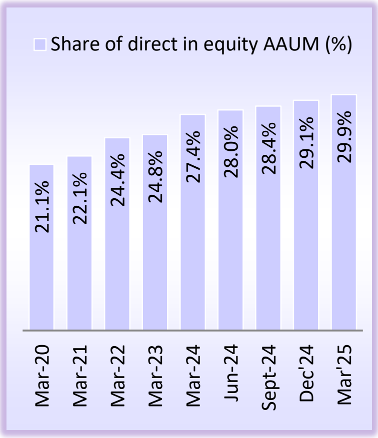
Financials - AMC

Rising share of direct plans; AMCs continue to benefit

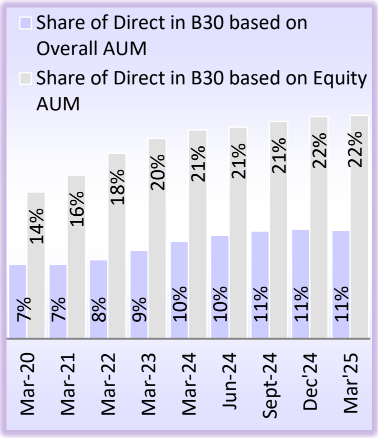
Our top picks: HDFC AMC and Nippon AMC

- **The direct channel in India's mutual fund industry has shown a clear trend of steady growth, marked by increased adoption across investor segments, particularly among corporates, high-net-worth individuals (HNIs), and a growing number of younger investors.**
- **As of Mar'25, assets under management (AUM) via direct plans accounted for 30% of the total industry equity AAUM, up from 21% in Mar'20. This growth signals a shift toward cost-efficient investing, especially among financially savvy investor segments.**
- **Corporates remain the largest contributors to direct AUM, making up 61% of this channel, followed by HNIs and retail investors. In contrast, regular plans continue to be the preferred route for most retail and HNI investors, underscoring their reliance on intermediaries such as distributors and advisors.**
- **While direct plans are gaining traction, they still exhibit shorter holding periods compared to regular plans. As of Mar'24, only ~7.7% of direct plan investments had a holding period of over five years vs. ~21.2% in regular plans. Among SIPs, this gap is evident as well—~23.0% of regular plan SIP AUM had been held for over five years, compared to just ~12.4% for direct SIPs. This suggests that while the direct channel is expanding, long-term investment discipline is still more prevalent among guided investors using regular plans.**
- **Interestingly, the younger age groups (18-34 years) are increasingly opting for direct SIP investments, reflecting growing digital literacy and self-driven financial decision-making. Their share of direct SIP AUM rose to 23.6% in Mar'24 from 20.1% in Mar'19.**
- **Women are increasingly opting for direct mutual fund investments (20.3% in Mar'24 vs. 14.2% in Mar'19), especially younger investors. Their share in direct SIP AUM has grown, driven by rising financial awareness and digital adoption. This marks a shift toward more independent, cost-effective investing.**
- **AMCs are taking measures to maintain a balanced approach that caters to both self-directed investors and those seeking advisory services through regular plans.**
- **For AMCs, the adoption of the direct route has led to strong inflow growth. On the other hand, distributor-led models such as Prudent will face challenges. HDFC AMC and Nippon AMC are our top picks, while we have a Neutral rating on Prudent Corporate.**

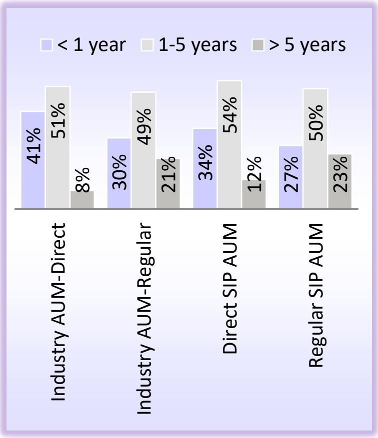
Share of direct in Equity AAUM (%)



Trends in Direct plan route in the B30 cities (%)



Holding period as on Mar'25



Growth catalysts for direct plans

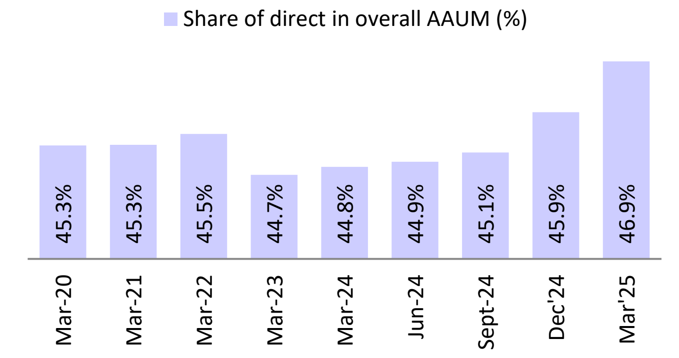
- Platforms like Groww and Zerodha have democratized access to mutual fund investing with easy, commission-free direct plans, attracting a wave of first-time investors.
- Lower expense ratios in direct plans enhance long-term returns by minimizing costs, thereby allowing greater capital compounding over extended investment horizons. For e.g., based on 5-year CAGR returns, 1) the SBI Blue-chip direct plan gave 0.85% higher returns than the regular plan, 2) the HDFC Large Cap Fund direct plan gave 0.69% higher returns than the regular plan.
- The younger generation has led the shift, with SIP AUM growing 2.6x over five years, reflecting growing confidence in self-managed investing, supported by fintech platforms and financial awareness.

- Passive investment products (index funds and ETFs) are increasingly being purchased via direct plans (~73.1% of index fund AUM as of Mar'24).
- Corporate entities continue to be the largest contributors to direct plan AUM, holding a **61% share.** For corporates, direct plans are a cost-effective way to manage treasury investments without the need for intermediaries.
- **As of Mar'24, ~90% of mutual fund transactions were conducted digitally vs. ~79% in FY19. E-KYC, user-friendly apps, and seamless online onboarding have made investing through direct plans easier and more accessible than ever before.**

Share of direct plan on an uptick

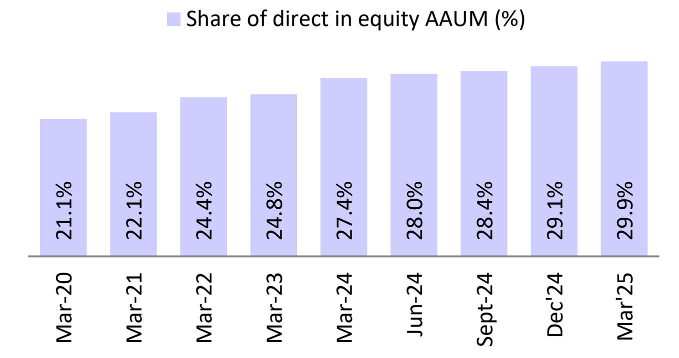
- The SEBI's mandate in Sep'12, directing mutual fund houses to offer direct plans alongside distributor-led options, marked a pivotal shift in the industry, serving as the foundation for the subsequent growth of direct investing, which began with the launch of direct plans in Jan'13.
- The share of direct plans in the total equity AAUM of the mutual fund industry increased to 30% in Mar'25 from 21% in Mar'20, with the contribution from B-30 locations rising to 22% in Mar'25 from 14% in Mar'20.

Share of direct in Overall AAUM (%)



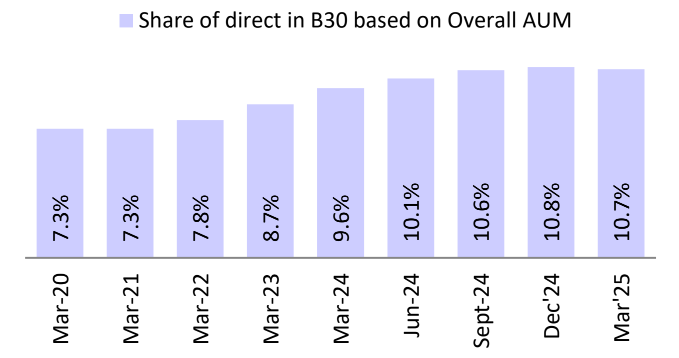
Source: AMFI, MOFSL

Share of direct in Equity AAUM (%)



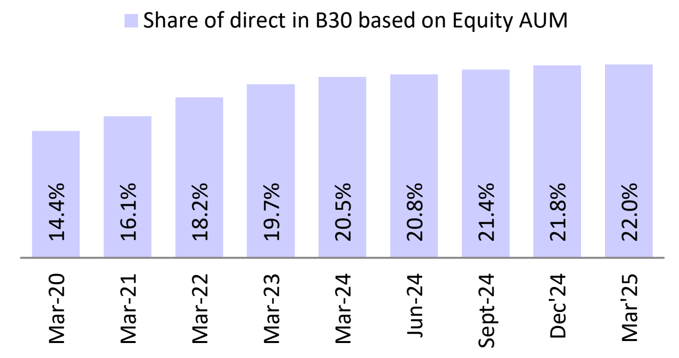
Source: AMFI, MOFSL

Share of direct in B30 based on Overall AAUM



Source: AMFI, MOFSL

Share of direct in B30 based on Equity AAUM



Source: AMFI, MOFSL

Power Grid

BSE SENSEX	S&P CNX
82,059	24,945

Conference Call Details

Date: 21 May 2025
Time: 11:00 HRS IST

CMP: INR304 **Buy**

4Q numbers in line

- **Standalone (SA) Performance:**
  - In 4QFY25, PWGR reported SA revenue of INR110b (-1% YoY) and EBITDA of INR92.2b (+1% YoY), in line with our estimates.
  - Adj. SA PAT was in line with our est. at INR42.9b. Higher-than-expected interest expenses were offset by lower depreciation and tax expenses and higher-than-expected other income (incl. profit of INR2.4b from 26% stake sale in SPVs transferred to PGInvIT, which was classified as 'assets held for sale' as of 3QFY25 end).
  - The net movement in regulatory deferral account balances was positive at INR0.5b during the quarter.
- FY25 SA revenue/EBITDA/APAT were flat YoY at INR414b/INR352b/INR151b.
- **Consolidated Performance:**
  - Reported PAT came in at INR41.4b (flat YoY), while EBITDA rose ~4% YoY to INR102.7b.
  - The transmission segment remained the primary revenue driver, contributing 96.95% of consolidated EBIT (INR70.2b). The telecom segment contributed 1.96%, with EBIT of INR1.4b.
  - In 4QFY25, its JVs reported a loss of INR0.29b, taking the total loss to INR1.1b for FY25 (vs. loss of 0.19b in FY24).
- **Key Announcements:**
  - The board recommended a final dividend of INR1.25/share for FY25.

Standalone Quarterly Performance **(INR b)**

Y/E March	FY24				FY25E				FY24	FY25	FY25E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%	%	%
Sales	**102.4**	**97.4**	**106.8**	**110.5**	**100.7**	**102.6**	**101.2**	**109.8**	**418.3**	**414.3**	*108*	*1%*	*-1%*	*9%*
YoY Change (%)	-2.7	-6.6	-0.6	-2.2	-1.7	5.3	-5.2	-0.6	-2.5	-0.9	*-1.8*			
EBITDA	**90.0**	**85.3**	**94.0**	**91.4**	**87.4**	**87.9**	**85.2**	**92.2**	**361.9**	**352.8**	*91*	*1%*	*1%*	*8%*
YoY Change (%)	1.4	-3.5	0.2	-9.0	-2.9	3.0	-9.3	0.9	-2.8	-2.5	*-0.4*			
As of % Sales	87.9	87.6	88.0	82.7	86.8	85.6	84.2	84.0	86.5	85.1	*83.9*			
Depreciation	31.4	31.4	31.6	31.2	30.7	31.6	30.7	30.4	125.6	123.5	*32*	*-6%*	*-2%*	*-1%*
Interest	21.2	23.9	25.2	20.2	21.6	26.0	21.3	25.9	90.5	94.8	*20*	*32%*	*28%*	*22%*
Other Income	6.4	7.9	7.9	12.0	7.8	11.2	14.9	15.0	34.2	48.9	*13*	*12%*	*25%*	*1%*
Extraordinary Inc / (Exp)	-2.9	5.6	1.1	-1.7	-0.6	2.5	0.4	0.5	2.1	2.8	*0*			
PBT	**41.0**	**43.4**	**46.3**	**50.3**	**42.3**	**43.9**	**48.5**	**51.4**	**182.2**	**186.2**	*52*	*-2%*	*2%*	*6%*
Tax	5.6	5.1	6.6	9.1	8.2	6.8	9.6	8.1	26.3	32.7	*9*	*-12%*	*-11%*	*-16%*
Effective Tax Rate (%)	13.6	11.7	14.2	18.0	19.4	15.5	19.8	15.7	14.4	17.5	*17.5*			
Reported PAT	**35.4**	**38.3**	**39.7**	**41.3**	**34.1**	**37.1**	**38.9**	**43.4**	**154.7**	**153.5**	*43*	*0%*	*5%*	*11%*
YoY Change (%)	-5.9	6.5	14.5	-0.9	-3.7	-3.2	-1.9	5.0	2.3	-0.8	*4.8*			
Adjusted PAT	**37.9**	**33.4**	**38.7**	**42.7**	**34.6**	**35.0**	**38.6**	**42.9**	**152.8**	**151.2**	*43*	*-1%*	*1%*	*11%*
YoY Change (%)	0.6	-7.1	11.7	2.5	-8.7	4.8	-0.4	0.5	1.0	-1.1	*1.3*			

Bharat Electronics

BSE SENSEX	S&P CNX
82,059	24,945

Conference Call Details

Date: 20th May 2025
Time: 10:00pm IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	236.6	274.9	325.3
Sales Gr. (%)	17.3	17.4	18.3
EBITDA	67.7	69.0	81.7
EBITDA Margin (%)	28.6	25.1	25.1
Adj. PAT	52.9	57.0	69.0
Adj. EPS (INR)	7.2	7.8	9.4
EPS Gr. (%)	31.5	16.5	21.0
BV/Sh.(INR)	27.0	34.5	42.5
Ratios			
RoE (%)	26.8	22.6	22.2
RoCE (%)	29.5	25.1	24.5
Payout (%)	12.4	14.5	14.5
Valuations			
P/E (x)	50.3	46.6	38.5
P/BV (x)	13.5	10.5	8.5
EV/EBITDA (x)	37.9	35.9	29.6
Div. Yield (%)	0.2	0.3	0.4

CMP: INR364 — Buy

Better-than-expected performance

- BEL's results came in ahead of our estimates on EBITDA and PAT levels.
- Its 4QFY25 revenue grew 7% YoY and was broadly in line with our estimate at INR91.2b vs. our estimate of INR88.8b.
- Revenue growth was driven by a strong order book of INR716.5b and an inflow of ~INR194b during FY25 vs. its target of INR250b.
- EBITDA grew 22% YoY to INR27.9b, beating our estimate by 35%, while EBITDA margin expanded 390bp YoY to 30.6% vs. our estimate of 23.3%, mainly due to lower-than-expected other expenses.
- Gross margin contracted 60bp YoY to 47.8% in 4QFY25 vs. our estimate of 45.5%. Margin performance is dependent upon the project mix during the quarter.
- Strong margin performance resulted in a 27%/23% beat to our PBT/PAT estimates.
- PAT stood at INR21.0b, up 18.0% YoY vs. our estimate of INR17.1b.
- For FY25, revenue/EBITDA/PAT grew 17%/35%/32% to INR237b/ INR68b/INR53b.
- OCF for the year stood at INR4.8b, a significant decline vs. the previous year. This was due to a significant increase in net working capital led by higher inventory and receivables and lower other liabilities. Lower OCF and higher capex led to a negative FCF of INR5.2b for the year.
- An interim dividend of IRN1.5 per share was paid for FY25 in Mar'25. A final dividend of INR0.90 per share has been recommended by the Board for FY25.

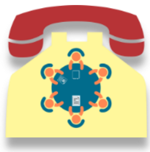
Standalone Quarterly Performance (INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net Sales	**35.1**	**39.9**	**41.4**	**85.3**	**42.0**	**45.8**	**57.6**	**91.2**	**201.7**	**236.6**	**88.8**	**3**
Change (%)	12.8	1.2	0.1	32.1	19.6	14.8	39.1	6.9	14.3	17.3	4.1	
EBITDA	**6.6**	**10.0**	**10.5**	**22.8**	**9.4**	**13.9**	**16.5**	**27.9**	**50.0**	**67.7**	**20.7**	**35**
Change (%)	29.4	17.4	23.0	24.9	41.0	38.2	57.5	22.3	23.5	35.4	(9.4)	
As of % Sales	18.9	25.2	25.4	26.7	22.3	30.3	28.7	30.6	24.8	28.6	23.3	
Depreciation	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.3	4.1	4.4	1.2	5
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	81
Other Income	1.4	1.7	2.2	2.2	2.0	1.7	2.1	1.9	7.6	7.7	3.1	(38)
PBT	**7.0**	**10.7**	**11.7**	**23.9**	**10.4**	**14.5**	**17.5**	**28.5**	**53.3**	**70.9**	**22.5**	**27**
Tax	1.7	2.6	2.8	6.0	2.6	3.6	4.4	7.4	13.1	18.0	5.4	
Effective Tax Rate (%)	24.6	24.3	23.8	25.2	25.2	24.8	25.0	26.1	24.6	25.4	24.0	
Reported PAT	**5.3**	**8.1**	**8.9**	**17.8**	**7.8**	**10.9**	**13.2**	**21.0**	**40.2**	**52.9**	**17.1**	**23**
Change (%)	23.0	32.9	49.2	30.6	46.2	34.3	47.3	18.0	33.7	31.5	(4.2)	
Adj PAT	**5.3**	**8.1**	**8.9**	**17.8**	**7.8**	**10.9**	**13.2**	**21.0**	**40.2**	**52.9**	**17.1**	**23**
Change (%)	**23.0**	**32.9**	**49.2**	**30.6**	**46.2**	**34.3**	**47.3**	**18.0**	33.7	31.5	(4.2)	

DLF

BSE SENSEX	S&P CNX
82,059	24,945

Conference Call Details



Date: 20th May 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	FY25	FY26E	FY27E
Sales	79.9	74.8	57.0
EBITDA	21.1	26.3	12.3
EBITDA Margin (%)	26.4	35.2	21.6
PAT	43.7	44.1	33.2
EPS (INR)	17.6	17.8	13.4
EPS Gr. (%)	60.3	1.0	-24.8
BV/Sh. (INR)	238.5	259.1	273.5
Ratios			
RoE (%)	10.7	9.9	7.0
RoCE (%)	9.5	4.6	2.1
Payout (%)	30.0	16.8	22.4
Valuations			
P/E (x)	41.8	41.4	55.1
P/BV (x)	3.1	2.8	2.7
EV/EBITDA (x)	86.5	67.0	140.3
Div yld (%)	0.8	0.4	0.4

CMP: INR738 | **Buy**

Stellar performance of 'The Dahlias' drives a beat

Strong collections; robust pipeline

Residential performance

- In 4QFY25, DLF reported bookings of INR20b, up 39% YoY (25% below our estimate).
- This impressive performance was fueled by healthy sales from the super-luxury project 'The Dahlias', launched in 3QFY25, which contributed a total of INR137b in FY25 (~65% of total pre-sales in FY25 of INR212b). Thus, FY25 exceeded the full-year pre-sales guidance.
- DLF also witnessed a strong uptick in collections, which increased 51%/7% YoY/QoQ to INR33b. Consequently, OCF jumped 127%/36% YoY/ QoQ to INR25b in 4QFY25. The net cash position was INR68b vs. INR45b in 3QFY25.
- The medium-term launch pipeline increased by INR35b and now stands at INR739b. The company guided >INR172b (15% of INR1.15tn) worth of launches in FY26.

Rental performance (DCCDL)

- The overall occupancy in DCCDL's office portfolio was up 1% YoY and stood at 94% (Non-SEZ: 98% /SEZ: 88%).
- Rental income rose 10% YoY to INR48b, fueled by steady growth across the portfolio.
- Net debt increased 5% to INR175b from INR167b in 3QFY25, with the net debt-to-GAV ratio at 0.21x. The cost of debt stood at 8.06%.

P&L highlights

- In 4QFY25, DLF's revenue came in at INR31.3b, up 47% YoY/2x QoQ (59% above our estimate). EBITDA jumped 30% YoY/2.5x QoQ to INR9.8b (2x above), while its margin stood at 31% (down 4pp YoY and up 5pp QoQ; 6pp above). PAT was INR12.9b, up 41% YoY and down 21% QoQ (5x above, including reversal of deferred tax liabilities (DTL)), while normalized PAT (ex-DTL) was at INR12.8b, up 39%/21% YoY/QoQ (5x above our estimate).
- In FY25, revenue came in at INR80b, up 24% YoY. EBITDA was flat YoY at INR21b, striking a lower margin of 26% (7pp below FY24). PAT was INR49.6b, up 82% YoY (including reversal of DTL), while normalized PAT (ex-DTL) was INR43.7b, up 60% YoY.

Quarterly performance

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%/bp)
Gross Sales	**14,232**	**13,477**	**15,213**	**21,348**	**13,624**	**19,750**	**15,287**	**31,276**	**64,270**	**79,937**	**19,625**	**59**
YoY Change (%)	-1.3	3.5	1.8	46.6	-4.3	46.5	0.5	46.5	12.9	24.4	-8.1	
Total Expenditure	10,271	8,853	10,103	13,807	11,337	14,730	11,287	21,496	43,034	58,850	14,750	
EBITDA	**3,962**	**4,624**	**5,110**	**7,541**	**2,286**	**5,020**	**4,000**	**9,780**	**21,236**	**21,086**	**4,876**	**101**
Margins (%)	27.8	34.3	33.6	35.3	16.8	25.4	26.2	31.3	33.0	26.4	24.8	643bps
Depreciation	364	370	380	367	373	377	387	369	1,480	1,507	556	
Interest	849	902	837	977	1,012	935	939	1,086	3,565	3,972	1,142	
Other Income	985	1,287	1,223	1,819	3,675	2,058	2,088	2,202	5,313	10,022	2,422	
PBT before EO expense	**3,734**	**4,639**	**5,115**	**8,016**	**4,576**	**5,766**	**4,761**	**10,527**	**21,505**	**25,630**	**5,600**	**88**
Extra-Ord expense	0	0	0	0	0	0	3,024	0	0	3,024	5,976	
PBT	**3,734**	**4,639**	**5,115**	**8,016**	**4,576**	**5,766**	**1,737**	**10,527**	**21,505**	**22,606**	**-377**	**-2,895**
Tax	1,014	1,122	1,350	1,715	1,183	-4,668	-8,396	1,666	5,201	-10,214	2,279	
Rate (%)	27.2	24.2	26.4	21.4	25.9	-81.0	-483.3	15.8	24.2	-45.2	-605.1	
Minority Interest & Profit/Loss of Asso. Cos.	2,541	2,701	2,792	2,897	3,054	3,378	6,183	4,108	10,931	16,723	5,281	
Reported PAT	**5,261**	**6,219**	**6,557**	**9,198**	**6,447**	**13,812**	**16,316**	**12,969**	**27,235**	**49,544**	**2,626**	**394**
Adj PAT	**5,261**	**6,219**	**6,557**	**9,198**	**6,447**	**13,812**	**10,587**	**12,822**	**27,235**	**43,668**	**2,626**	**388**
YoY Change (%)	12.1	30.3	26.4	61.5	22.5	122.1	61.5	39.4	33.9	60.3	-71.5	
Margins (%)	37.0	46.1	43.1	43.1	47.3	69.9	69.3	41.0	42.4	54.6	13.4	2762bps
Operational Metrics												
Residential (INRb)												
Pre-sales	20	22	90	15	64	7	121	20	148	212	27	**-25**
Collections	16	24	25	22	30	24	31	33	87	118	26	**29**
Net Debt	1	-1	-12	-15	-29	-28	-45	-68	-15	-68	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

RESULTS FLASH

19 May 2025

4QFY25 Results Flash | Sector: Agri

PI Industries

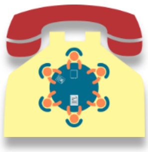
BSE SENSEX	S&P CNX
82,059	24,945

CMP: INR3,768 — Buy

Earnings above estimates, driven by higher gross margin

- Revenue stood at INR17.9b (est. in line), up 2.6% YoY
- EBITDA stood at INR4.6b (est. INR4.3b) up 3% YoY.
- EBITDA margins expanded 10bp YoY to 25.5% (est. 24.4%); gross margin was 55.1% (up 120bp YoY); employee expenses rose 80bp YoY to 11%; other expenses increased 30bp YoY to 18.5% of sales.
- Adj. PAT was down 11% YoY to INR3.3b (est. INR3.1b).
- For FY25, revenue/EBITDA grew 4%/8% to INR79.8b/INR21.8b, while adj. PAT declined 1% YoY to INR16.6b.

Conference Call Details



Date: 20th May 2025

Time: 3:00pm IST

Dial-in details:

Click Here

Quarterly Earning Model (INRm)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%)
Net Sales	19,104	21,169	18,975	17,410	20,689	22,210	19,008	17,871	76,658	79,778	17,698	1
YoY Change (%)	23.8	19.6	17.6	11.2	8.3	4.9	0.2	2.6	18.1	4.1	1.7	
Total Expenditure	14,426	15,655	13,439	12,992	14,857	15,928	13,888	13,315	56,512	57,988	13,383	
EBITDA	4,678	5,514	5,536	4,418	5,832	6,282	5,120	4,556	20,146	21,790	4,315	6
Margins (%)	24.5	26.0	29.2	25.4	28.2	28.3	26.9	25.5	26.3	27.3	24.4	
Depreciation	697	803	783	799	834	798	991	902	3,082	3,525	1,000	
Interest	43	78	70	109	83	85	83	79	300	330	75	
Other Income	469	469	561	579	727	1,222	759	734	2,078	3,442	770	
PBT before EO expense	4,407	5,102	5,244	4,089	5,642	6,621	4,805	4,309	18,842	21,377	4,010	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	4,407	5,102	5,244	4,089	5,642	6,621	4,805	4,309	18,842	21,377	4,010	
Tax	625	317	772	418	1,175	1,546	1,080	1,017	2,132	4,818	922	
Rate (%)	14.2	6.2	14.7	10.2	20.8	23.3	22.5	23.6	11.3	22.5	23.0	
Minority Interest & Profit/Loss of Asso. Cos.	-47	-20	-14	-24	-21	-7	-2	-13	-105	-43	-5	
Reported PAT	3,829	4,805	4,486	3,695	4,488	5,082	3,727	3,305	16,815	16,602	3,093	
Adj PAT	3,829	4,805	4,486	3,695	4,488	5,082	3,727	3,305	16,815	16,602	3,093	7
YoY Change (%)	45.9	43.5	27.5	31.7	17.2	5.8	-16.9	-10.6	36.8	-1.3	-16	
Margins (%)	20.0	22.7	23.6	21.2	21.7	22.9	19.6	18.5	21.9	20.8	17.5	

Petronet LNG

BSE SENSEX	S&P CNX
82,059	24,945

Conference Call Details

Date: 20th May'25
Time: 1100 hours IST
Dial In details:
+91 22 6280 1304
+91 22 7115 8205

CMP: INR321 **Neutral**

Weak operating performance; beat on EBITDA led by the UoP reversal

- **Petronet LNG's 4QFY25 EBITDA came in 21% above our estimates, as the UoP provision of INR2.3b was reversed during the quarter. EBITDA adjusted for UoP provision reversal stood in line with our estimates. Total volumes came in 8% below our estimates, primarily due to lower third-party cargos. Dahej utilization was 9% below estimates, while Kochi utilization stood 6% above est. During the quarter, PLNG received INR3.6b w.r.t the CY21 UoP dues. Additionally, some customers brought LNG quantities up to 31 Mar'25, for which revenue was recognized at the prevailing regasification rate. We note that while spot LNG prices were high, averaging USD14/mmbtu in 4Q (similar QoQ), the current spot LNG prices are at ~USD11.5/mmbtu.**
- In 4QFY25, revenue came in 9% below our estimate, as total volumes were 8% below our estimate.
  - We note that spot LNG prices were high in 4Q, averaging USD14/mmbtu (similar QoQ).
- However, EBITDA was 21% above our estimates at INR15.1b (+37% YoY), as UoP provision amounting to INR2.3b was reversed. EBITDA adjusted for UoP provision reversal stood in line with our estimates.
  - During the quarter, PLNG received INR3.6b w.r.t the CY21 UoP dues. Additionally, some customers brought LNG quantities up to 31 Mar'25, for which revenue was recognized at the prevailing regasification rate. The company has not waived off any UoP dues during the quarter.
- Reported PAT also stood 26% above our est. at INR10.7b (+45% YoY), with other income and tax coming in above our estimate.
- **Operational performance:**
  - Total volumes came in 8% below our estimates, primarily due to lower third-party cargos.
  - Dahej utilization was 9% below estimates, while Kochi utilization stood 6% above our estimate.
- **In FY25,** while net sales were similar YoY at INR510b, EBITDA/PAT were 6%/11% up YoY at INR55b/ INR39b. In FY25, PLNG has waived off UoP charges of INR1.8b (nil in 4Q).
- **As of Mar'25,** provisions on UoP dues stood at INR4.7b.
  - UoP dues of INR14.2b (net provision INR9.5b) were included in trade receivables as of Mar'25. The company has obtained bank guarantees from customers to recover UoP charges. While some customers have not given balance confirmations for these dues, the management is confident of recovering such charges.
- The Board recommended a final dividend of INR3/sh (FV: INR10/sh).

Standalone - Quarterly Earning Model (INR b)

Y/E March	FY24				FY25					Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE	(%)	(%)	(%)
Net Sales	**116.6**	**125.3**	**147.5**	**137.9**	**134.2**	**130.2**	**122.3**	**123.2**	**134.7**	**-9%**	**-11%**	**1%**
YoY Change (%)	*-18.3*	*-21.6*	*-6.5*	*-0.6*	*15.1*	*3.9*	*-17.1*	*-10.7*	*-2.3*			
Total Expenditure	104.7	113.2	130.4	126.9	118.5	118.2	109.8	108.0	122.2	**-12%**	**-15%**	**-2%**
EBITDA	**11.8**	**12.1**	**17.1**	**11.0**	**15.6**	**12.0**	**12.5**	**15.1**	**12.5**	**21%**	**37%**	**21%**
Margin (%)	*10.1*	*9.7*	*11.6*	*8.0*	*11.7*	*9.2*	*10.2*	*12.3*	*9.3*			
Depreciation	1.9	1.9	2.0	1.9	1.9	2.0	2.1	2.1	2.1			
Interest	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7			
Other Income	1.5	1.6	1.6	1.6	2.2	2.0	2.0	2.0	1.7			
PBT	**10.6**	**11.0**	**16.0**	**10.0**	**15.2**	**11.4**	**11.7**	**14.5**	**11.5**	**26%**	**45%**	**24%**
Tax	2.7	2.8	4.1	2.6	3.8	2.9	3.0	3.8	2.8			
Rate (%)	*25.6*	*25.8*	*25.5*	*25.9*	*24.9*	*25.7*	*25.8*	*26.0*	*24.6*			
Reported PAT	**7.9**	**8.2**	**11.9**	**7.4**	**11.4**	**8.5**	**8.7**	**10.7**	**8.6**			
Adj PAT	**7.9**	**8.2**	**11.9**	**7.4**	**11.4**	**8.5**	**8.7**	**10.7**	**8.6**	**24%**	**45%**	**23%**
YoY Change (%)	*12.7*	*9.9*	*0.9*	*20.1*	*44.5*	*3.6*	*-27.2*	*45.1*	*17.0*			
Margin (%)	*6.8*	*6.5*	*8.1*	*5.3*	*8.5*	*6.5*	*7.1*	*8.7*	*6.4*			
Key Assumptions												
Regas volume (Tbtu)	123	102	110	108	144	123	114	89	104	-15%	-18%	-22%
Sales volume (Tbtu)	107	121	122	126	118	116	114	116	118	-2%	-8%	2%
Total Volumes (Tbtu)	230.0	223.0	232.0	234.0	262.0	239.0	228.0	205.0	222.6	-8%	-12%	-10%
Operational details												
Dahej throughput (Tbtu)	**217**	**210**	**218**	**219**	**248**	**225**	**213**	**189**	**207**	**-9%**	**-14%**	**-11%**
Long-term	90	102	104	107	97	96	96	99	98	1%	-7%	3%
Thrid-party	123	102	110	108	144	123	114	89	104	-15%	-18%	-22%
Short-term/spot	4	6	4	4	7	6	3	1	5	-82%	-75%	-67%
Kochi throughput (Tbtu)	**13**	**13**	**14**	**15**	**14**	**14**	**15**	**16**	**15**	**6%**	**7%**	**7%**
Dahej utilization (%)	*98.1%*	*95.0%*	*98.6%*	*99.0%*	*112.1%*	*101.7%*	*96.3%*	*85.5%*	*93.8%*	*-8.9%*	*-13.7%*	-11%
Kochi utilization (%)	*20.6%*	*20.6%*	*22.2%*	*23.7%*	*22.2%*	*22.2%*	*23.7%*	*25.3%*	*23.9%*	*5.7%*	*6.7%*	7%

Gujarat Gas

BSE SENSEX	S&P CNX
82,059	24,945

Conference Call Details

Date: 21st May 2025
Time: 1500 hrs IST
Dial-in details:
+91 22 6280 1354
+91 22 7115 8233

CMP: INR467 **Buy**

Beat driven by higher-than-estimated EBITDA/scm margin

- **GUJGA's adj. EBITDA margin was above our est. at INR5.4/scm (our est. INR5/scm). Volumes came in line at 9.3mmscmd (our est. 9.25mmscmd). While GUJGA's realization improved ~INR1.3/scm QoQ, gas costs decreased INR0.4/scm QoQ and opex increased 0.8/scm QoQ, leading to ~INR1/scm QoQ increase in EBITDA/scm margin. Resultant EBITDA came in 8% above our est. at INR4.5b. Due to higher-than-estimated other income, PAT was 24% above our est. at INR2.9b.**
- **We note that spot LNG prices were elevated, averaging USD14/mmbtu in 4Q (similar QoQ). However, spot LNG prices have corrected in 1QFY26'td, with current prices at ~USD11.5/mmbtu.**
- **Recently, GUJGA's domestic gas allocations had been reduced by ~20%, effective from 16 Apr'25. This adjustment decreases their share of domestic gas in the CNG segment from 51% to 41%. However, the recent APM reduction has been compensated by a 20% costlier New Well Gas.**
- Total volumes were in line with our estimate at 9.3mmscmd (our est.: 9.25mmscmd) (-4% YoY).
  - While I/C-PNG volumes were marginally below estimates, D-PNG volumes came in 16% above estimates.
- EBITDA/scm came in 8% above our est. at INR5.4.
  - Realization increased ~INR1.3/scm QoQ, gas cost decreased by INR0.4/scm QoQ, and opex increased by 0.8 per scm QoQ, leading to ~INR1/scm QoQ increase in EBITDA/scm margin.
  - Resulting EBITDA stood 8% above our estimate at INR4.5b (-24% YoY).
- GUJGA's PAT came in 24% above our est. at INR2.9b (-9% YoY), driven by higher-than-estimated other income.
- **In FY25,** GUJGA's net sales/EBITDA/APAT stood flat YoY at INR165b/ INR18.8b/INR11.5b.
- The Board recommended a final dividend of INR5.82/sh (FV: INR2/sh).

Standalone - Quarterly Earnings Model (INR m)

Y/E March	FY24				FY25					Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE	(%)	(%)	(%)
Net Sales	**37,815**	**38,454**	**39,291**	**41,342**	**44,503**	**37,818**	**41,529**	**41,020**	**39,565**	**4%**	**-1%**	**-1%**
YoY Change (%)	*-26.9*	*-3.3*	*6.6*	*5.2*	*17.7*	*-1.7*	*5.7*	*-0.8*	*-4.3*			
EBITDA	**3,880**	**4,966**	**4,007**	**5,911**	**5,356**	**5,142**	**3,805**	**4,495**	**4,152**	**8%**	**-24%**	**18%**
Margin (%)	*10.3*	*12.9*	*10.2*	*14.3*	*12.0*	*13.6*	*9.2*	*11.0*	*10.5*			
Depreciation	1,151	1,179	1,201	1,212	1,231	1,295	1,294	1,286	1,274			
Interest	74	78	72	69	78	80	93	74	82			
Other Income	239	298	230	311	386	386	585	744	331			
PBT before EO expense	**2,894**	**4,007**	**2,964**	**4,940**	**4,433**	**4,152**	**3,002**	**3,878**	**3,127**	**24%**	**-21%**	**29%**
Extra-Ord expense	0	0	0	-557	0	0	0	0	0			
PBT	**2,894**	**4,007**	**2,964**	**5,497**	**4,433**	**4,152**	**3,002**	**3,878**	**3,127**	**24%**	**-29%**	**29%**
Tax	743	1,029	761	1,402	1,135	1,083	786	1,007	814			
Rate (%)	*25.7*	*25.7*	*25.7*	*25.5*	*25.6*	*26.1*	*26.2*	*26.0*	*26.0*			
Reported PAT	**2,151**	**2,978**	**2,203**	**4,095**	**3,298**	**3,069**	**2,216**	**2,872**	**2,313**	**24%**	**-30%**	**30%**
Adj. PAT	**2,151**	**2,978**	**2,203**	**3,681**	**3,298**	**3,069**	**2,216**	**2,872**	**2,313**	**24%**	**-22%**	**30%**
YoY Change (%)	*-43.6*	*-26.3*	*-40.7*	*10.9*	*53.3*	*3.1*	*0.6*	*-29.9*	*-43.5*			
Margin (%)	*5.7*	*7.7*	*5.6*	*9.9*	*7.4*	*8.1*	*5.3*	*7.0*	*5.8*			
Total volume (mmscmd)	**9.2**	**9.3**	**9.2**	**9.7**	**11.0**	**8.8**	**9.5**	**9.3**	**9.2**	**1%**	**-4%**	**-2%**
CNG	2.6	2.6	2.8	2.9	3.0	2.9	3.1	3.2	3.2	0%	11%	3%
PNG - Industrials/commercial	6.0	6.0	5.7	6.0	7.4	5.1	5.6	5.2	5.3	-1%	-13%	-7%
PNG - Households	0.6	0.7	0.7	0.9	0.6	0.8	0.7	0.9	0.8	16%	5%	20%
EBITDA (INR/scm)	**4.6**	**5.8**	**4.8**	**6.7**	**5.4**	**6.4**	**4.4**	**5.4**	**5.0**	**8%**	**-20%**	**23%**

IRB Infrastructure Developers

BSE SENSEX	S&P CNX
82,059	24,945

CMP: INR51 — Neutral

Conference Call Details

Date: 20th May 2025
Time: 11:00 AM IST
Dial-in details:
Link

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	76.1	98.1	114.3
EBITDA	36.1	45.8	54.0
Adj. PAT	6.8	14.3	16.8
EBITDA Margin (%)	47.4	46.6	47.2
Adj. EPS (INR)	1.1	2.4	2.8
EPS Gr. (%)	11.7	111.8	17.2
BV/Sh. (INR)	33.1	35.1	37.6
Ratios			
Net D:E	0.5	0.5	0.4
RoE (%)	4.0	7.0	7.7
RoCE (%)	6.7	7.7	8.0
Payout (%)	3.4	15.2	13.0
Valuations			
P/E (x)	41.1	19.4	16.5
P/BV (x)	1.4	1.3	1.2
EV/EBITDA(x)	10.4	8.3	6.6
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	34.1	6.5	15.1

Performance marginally above estimates

Earnings snapshot – 4QFY25

- Revenue grew 4% YoY to INR21.5b in 4Q FY25. Revenue included: 1) gain on InvITs & related assets as per fair value measurement and 2) dividend / Interest income from InvITs & related assets. This income would be recurring going forward.
- EBITDA margin came in at 46.4% (our estimate was 47.2%) in 4QFY25 (+230bp YoY and -220bp QoQ). EBITDA grew 12% YoY to ~INR10b.
- APAT grew 14% YoY to INR2.1b (vs. our estimate of INR2b).
- Construction revenue was INR12b (-17% YoY); BOT revenue stood at INR6.4b (+4% YoY); and InvIT & related assets revenue came in at INR3.1b (-23% YoY).
- The order book stood at ~INR300b (excl. GST) at the end of Mar'25.
- In FY25, revenue was INR76.1b (+3% YoY), EBITDA was INR36b (+8% YoY), EBITDA margin came in at 47.4%, and APAT was INR 6.8b (+12% YoY).

Quarterly performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
Net Sales	**16,342**	**17,450**	**19,685**	**20,612**	**18,529**	**15,858**	**20,254**	**21,492**	**74,090**	**76,135**	**19,323**	**11**
YoY Change (%)	(15.1)	29.9	30.0	27.2	13.4	(9.1)	2.9	4.3	15.7	2.8	(6.3)	
EBITDA	**7,778**	**7,946**	**8,695**	**8,899**	**8,570**	**7,667**	**9,842**	**9,979**	**33,318**	**36,059**	**9,118**	**9**
Margins (%)	47.6	45.5	44.2	43.2	46.3	48.3	48.6	46.4	45.0	47.4	47.2	
Depreciation	2,367	2,327	2,513	2,742	2,550	2,312	2,651	2,863	9,949	10,376	2,650	
Interest	3,815	4,346	4,327	6,145	4,387	4,342	4,614	4,576	18,633	17,919	4,639	
Other Income	1,112	1,295	1,088	4,433	1,187	1,658	649	686	7,928	4,181	721	
PBT before EO expense	**2,709**	**2,569**	**2,942**	**4,443**	**2,820**	**2,671**	**3,227**	**3,225**	**12,663**	**11,944**	**2,549**	
Extra-Ord expense	-	-	-	-	-	-	58,041	-	-	58,041	-	
PBT	**2,709**	**2,569**	**2,942**	**4,443**	**2,820**	**2,671**	**61,268**	**3,225**	**12,663**	**69,985**	**2,549**	
Tax	836	858	561	1,201	887	835	1,008	1,078	3,456	3,807	552	
Rate (%)	30.9	33.4	19.1	27.0	31.4	31.3	1.6	33.4	27.3	5.4	21.7	
Share of profit in Associates	(535)	(753)	(507)	(1,353)	(534)	(837)	-	-	(3,148)	(1,371)	0	
Reported PAT	**1,338**	**958**	**1,874**	**1,889**	**1,400**	**999**	**60,261**	**2,147**	**6,058**	**64,807**	**1,997**	
Adj PAT	**1,338**	**958**	**1,874**	**1,889**	**1,400**	**999**	**2,219**	**2,147**	**6,058**	**6,766**	**1,997**	**8**
YoY Change (%)	(63.2)	12.2	32.6	45.0	4.6	4.3	18.4	13.7	(15.9)	11.7	5.7	
Margins (%)	8.2	5.5	9.5	9.2	7.6	6.3	11.0	10.0	8.2	8.9	10.3	

ACME Solar Holdings

BSE SENSEX	S&P CNX
82,059	24,945

Conference Call Details

Date: 20 May 2025
Time: 10:30 HRS IST

CMP: INR247 **Buy**

Robust 4Q as new capacity starts to contribute

- In 4QFY25, ACME's consol. revenue was 5% above our est. at INR4.9b attributable to higher than estimated generation numbers and higher CUFs.
- EBITDA came in at INR4.4b (+117% YoY, +42% QoQ) beating our est. by 10%, with an EBITDA margin of 89% supported by favourable operating leverage and operational efficiency.
- Adj PAT was INR1.3b (vs. a loss of INR1.6b in 4QFY24). An exceptional loss of INR141m (vs INR6,962m gain in 4QFY24m from the sale of 369MW assets and associated tax) included ancillary cost of INR180.4m incurred on prepayment of borrowings by subsidiaries, and contingent consideration received related to investments disposed of in the earlier year, amounting to INR39.6m.
- FY25 revenue came in at INR14b (+6.5% YoY), driven by a 1,200MW capacity addition in 4QFY25, but was partially offset by the divestment of 369MW of assets. EBITDA reported was INR12.3/3.6b (+13% YoY). However, adjusted for 369MW monetized assets, revenue increased 32.3% YoY, and EBITDA was up 43% YoY).
- Net debt stood at INR75b. The net debt-to-net worth ratio reduced to 1.7x from 2.6x in FY24.

Operational Highlights:

- Generation stood at 4,013MUs in FY25 (+55% YoY).
- Operational capacity reached 2,705MW, reflecting a 102% rise over FY24.
- The company recorded a CUF of 25.6% (23.6% in FY24).
- Commissioned 1,200MW of solar projects during the year. Another 450MW of projects are in advanced stages of construction (Total UC portfolio of 4,265MW).
- The company is targeting 10GW of contracted capacity by FY30.
- It secured 1,900MW of new projects during the year (1,000MW FDRE, 600MW Solar, and 300MW Hybrid), taking the total portfolio to 6,970MW. Signed PPAs for 1,890MW during the year.
- Refinanced INR77b of debt during the year at an average rate of 8.8% p.a., resulting in a 75bps reduction in borrowing costs. Debt arrangements secured for 1,700MW of UC projects, totaling INR165b.

Consolidated performance **(INR m)**

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%	(%)	(%)
Net Sales	**3,691**	**3,233**	**3,316**	**2,952**	**3,096**	**2,596**	**3,490**	**4,869**	**13,193**	**14,051**	4,626	5%	65%	40%
YoY Change (%)					*-16%*	*-20%*	*5%*	*65%*	*2%*	*7%*	*57%*			
EBITDA	**3,217**	**2,896**	**2,772**	**2,007**	**2,717**	**2,208**	**3,072**	**4,357**	**10,891**	**12,354**	3,971	10%	117%	42%
Margin (%)	*87%*	*90%*	*84%*	*68%*	*88%*	*85%*	*88%*	*89%*	*83%*	*88%*	*86%*			
Depreciation	766	856	847	612	556	599	697	1,022	3,081	2,873	1,266	-19%	67%	47%
Interest	1,878	1,997	2,024	1,773	1,963	1,783	1,791	2,055	7,673	7,592	1,895	8%	16%	15%
Other Income	574	336	330	229	304	356	518	524	1,470	1,701	449	17%	128%	1%
PBT before EO expense	**1,147**	**379**	**231**	**-150**	**503**	**181**	**1,103**	**1,803**	**1,607**	**3,590**	1,259		*LP*	64%
Extra-Ord income/(exp.)	74	395	55	6,962	0	0	-69	-141	7,487	-210	69			
PBT	**1,222**	**774**	**286**	**6,812**	**503**	**181**	**1,034**	**1,663**	**9,094**	**3,380**	1,328	25%	-76%	61%
Tax	398	387	-158	1,489	489	28	-87	442	2,116	872	636	-31%		
Tax rate	*33%*	*50%*	*-55%*	*22%*	*97%*	*16%*	*-8%*	*27%*	*23%*	*26%*	*48%*			
Minority Interest	*0.0*	*0.0*	*0.0*	*-0.2*	*0.0*	*0.0*	*0.0*	*-12.9*	*-0.2*	*-12.9*	-			
Reported PAT	**823**	**386**	**444**	**5,324**	**14**	**153**	**1,121**	**1,234**	**6,978**	**2,521**	693	78%	-77%	10%
Adj PAT	**749**	**-9**	**389**	**-1,638**	**14**	**153**	**1,190**	**1,374**	**-509**	**2,731**	657	109%	*LP*	16%
YoY Change (%)					*-98%*	*LP*	*206%*	*LP*	*Loss*	*LP*	*LP*			
Margin (%)	*20%*	*0%*	*12%*	*-56%*	*0%*	*6%*	*34%*	*28%*	*-4%*	*19%*	*14%*			

Kaynes Technology: See 50 bps expansion in margin in FY26, uptick in exports is also expected; Jairam Sampath, Whole-Time Director & CFO

- We expect revenue of Rs 4525 Crs in FY26, see 50 bps expansion in margin
- Funds raised in last QIP will help in managing capex in PCB, OSAT
- OSAT, PCB together will by Rs 1000-1500 Crs business in FY27
- OSAT, PCB margins will be in the range of 20s higher than current consolidated margins
- Uptick in ind, aerospace, railways, IT is pushing margin profile higher

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Emami: Evaluating inorganic opportunities in personal care & healthcare segment; NH Bhansali, CEO – Fin, Strategy, Biz Dvpt

- Saw some good moderation in April, Expect good volume growth going forward
- April and May offtakes have been slightly lower
- Hair Oil category has seen moderation
- Undertaking strategic initiatives to revive Kesh King
- Evaluating inorganic opportunities in the personal care & healthcare segments

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KRBL: Branded exports are performing well, with volume picking up in key markets; Ashish Jain, CFO

- Branded exports are performing well with volumes picking up in key markets
- The positive export trend is expected to continue in FY26
- Regaining previous levels of market share in Saudi remains difficult to predict
- Have recorded market share gains across the domestic market
- We are targeting revenue of over Rs 6000 Cr in FY26, with exports contributing Rs 1700-1800 Crs

Read More

Vinati Organics: One of the two new production lines is set to be commissioned in Q1FY26; Vinati Saraf Mutreja, MD

- Significant portion of this year's growth was driven by ATBS, with improved demand
- Volume growth of 20-30% was seen in ATBS in FY25
- Currently operating at full capacity
- Adding two new lines of ATBS with first one to commission in Q1FY26
- Demand remains positive and strong with lot of it coming from domestic market

Read More

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

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