Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	80,288	0.1	2.8
Nifty-50	24,336	0.0	2.9
Nifty-M 100	54,588	0.3	-4.6
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,561	0.6	-5.5
Nasdaq	17,461	0.5	-9.6
FTSE 100	8,463	0.5	3.6
DAX	22,426	0.7	12.6
Hang Seng	8,068	-0.2	10.7
Nikkei 225	35,840	0.0	-10.2
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	66	0.0	-11.1
Gold ($/OZ)	3,314	-0.9	26.3
Cu (US$/MT)	9,440	0.4	9.1
Almn (US$/MT)	2,466	2.7	-2.4
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	85.3	0.3	-0.4
USD/EUR	1.1	-0.3	9.9
USD/JPY	142.7	0.5	-9.3
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.3	-0.05	-0.4
10 Yrs AAA Corp	7.1	0.00	-0.1
Flows (USD b)	**29-Apr**	**MTD**	**CYTD**
FIIs	0.3	1.25	-12.6
DIIs	0.16	4.49	24.9
Volumes (INRb)	**29-Apr**	**MTD***	**YTD***
Cash	1,103	1057	1020
F&O	1,44,968	2,18,829	2,03,668

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

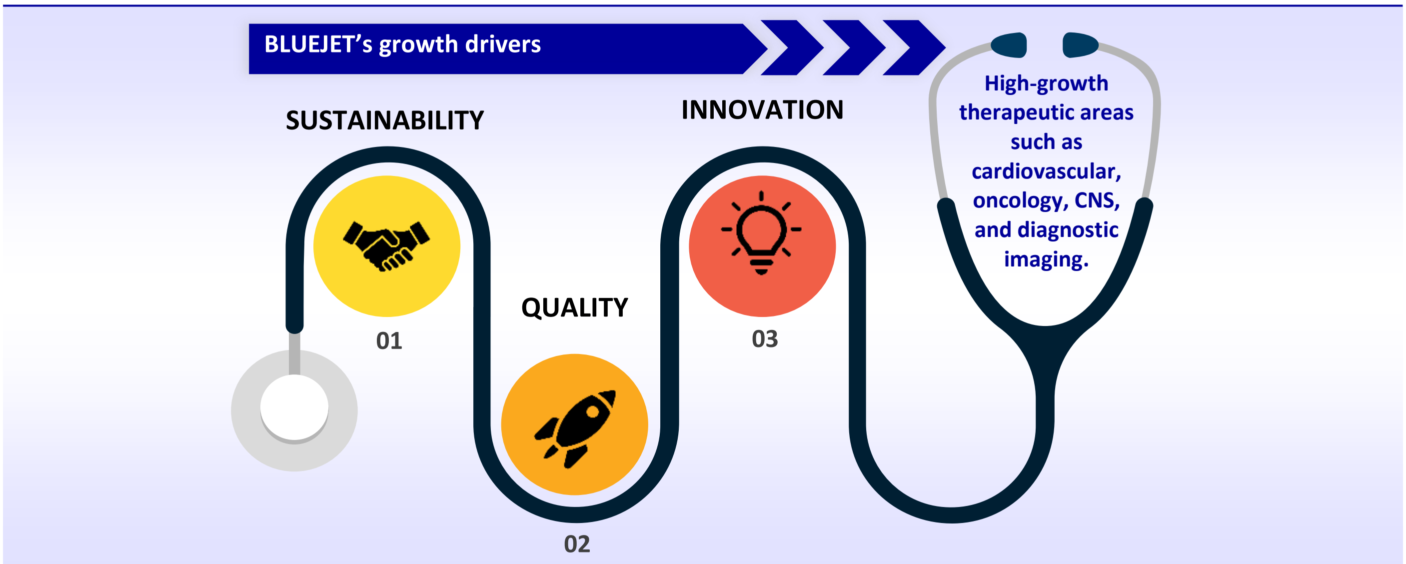
Blue Jet Healthcare - Initiating Coverage: Ascending the value chain

- Blue Jet Healthcare (BLUEJET), known for its niche presence in contrast media and pharma intermediaries, is leveraging its advanced R&D, backward integration, and complex chemistries to scale up in regulated and emerging markets.
- Despite muted growth in FY20–24 due to a lack of new launches, BLUEJET is poised for a sharp turnaround. With product ramp-ups and new launches, revenue/EBITDA/PAT are expected to grow at a CAGR of 27%/24%/19% over FY25–27E. We expect an average EBITDAM of 35.1%, with expected FCF of INR3.6b and capex of INR5b during the same period. At 28x FY27E P/E, valuations remain attractive.
- We initiate coverage with a BUY rating and a TP of INR865, based on 35x FY27E EPS.

Research covered

Cos/Sector	Key Highlights
Blue Jet Healthcare	Initiating Coverage: Ascending the value chain
Bajaj Finance	Healthy quarter; strong visibility on earnings ahead
Trent	SSSG moderates further; lower costs drive 11% EBITDA beat
Ambuja Cements	Performance above estimates; long-term outlook intact
Oberoi Realty	Subpar operational performance; valuation capped
ACC	Earnings beat; group-level synergy yet to materialize
KFin Technologies	Performance in line across parameters
Other Updates	Castrol (India) | IndiaMART | BPCL | Star Health | Five Star Business Finance | UTI AMC | CEAT | Shoppers Stop | Indostar Capital Finance | Vishal Mega Mart

Chart of the Day: Blue Jet Healthcare - Initiating Coverage (Ascending the value chain)



Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

JSW MG Motors sets in motion upto $350 fund raise from PE investors

JSW MG Motor India plans to secure $300-350 million for expansion. The funds will support new models and increased capacity.

2

Microfin in major crisis with near-2x NPA surge; Joint-liability lending model on shaky ground

India's microfinance sector is facing a severe crisis as delinquency rates have surged, with gross NPAs reaching 16% in FY25.

3

Cooler April cools sales: ACs, fridges see sharp drop as summer falters in south, east

Summer product companies face challenges as April sales decline. Air conditioner and refrigerator sales dropped significantly in some regions.

4

Optiemus partners with ASRock to manufacture PC motherboards in India

Optiemus Electronics has partnered with ASRock to manufacture enterprise and gaming PC motherboards for the Indian market, commencing production in April and availability in May.

5

One billion dollars Zudio revenue in FY25

Tata's Trent announced that its Zudio brand surpassed $1 billion in revenue in FY25, doubling its store count in two years.

6

Adani Green aims 5 GW of clean energy addition in FY26 at $3.6 billion capex

Total income rose 15% from a year earlier to Rs 3,278 crore in the fourth quarter and 18% to Rs 12,422 crore in the fiscal year.

7

Trade tensions to hit India oil consumption: World Bank

The World Bank forecasts that India's oil consumption will be negatively affected by escalating trade tensions.

Blue Jet Healthcare

BSE Sensex	S&P CNX
80,288	24,336

Bloomberg	BLUEJET IN
Equity Shares (m)	173
M.Cap.(INRb)/(USDb)	118.9 / 1.4
52-Week Range (INR)	969 / 347
1, 6, 12 Rel. Per (%)	-26/40/68
12M Avg Val (INR M)	212

Financial Snapshot (INR m)

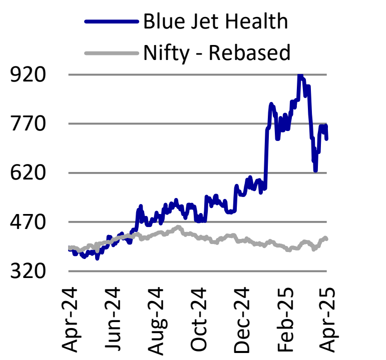
Y/E March	FY25E	FY26E	FY27E
Sales	10.3	13.5	16.6
EBITDA	3.7	4.7	5.7
PAT	3.0	3.6	4.3
EPS (INR)	17.4	20.6	24.7
EPS Gr. (%)	76.0	18.5	20.3
BV/Sh.(INR)	64.2	82.6	104.7
Ratios			
Net D:E	-0.0	-0.1	-0.2
RoE (%)	30.7	28.0	26.4
RoCE (%)	28.8	25.0	23.8
Payout (%)	10.6	10.6	10.6
Valuations			
P/E (x)	39.6	33.4	27.8
P/BV (x)	10.7	8.3	6.6
EV/EBITDA (x)	31.9	25.1	20.4
Div. Yield (%)	0.3	0.3	0.4
FCF Yield (%)	0.0	0.8	2.3

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	86.0	86.0	86.0
DII	1.3	2.0	3.0
FII	2.3	1.1	2.0
Others	10.4	10.9	9.0

FII includes depository receipts

Stock's performance (one-year)



CMP: INR687 TP: INR865 (+26%) Buy

Ascending the value chain

- *Greek philosopher Aristotle once said, "The secret to business is to know something that nobody else knows."* Blue Jet Healthcare (BLUEJET) is on the path to building a legacy business in line with this philosophy. With its niche product offerings in Contrast Media and Pharmaceutical Intermediaries & API, BLUEJET has been changing the way the healthcare industry caters to the therapeutic needs of patients around the globe. The company has established itself as a reliable supplier to its customers for the past three decades and is now working toward moving up the value chain by significantly increasing its investment in R&D.
- Known for its advanced R&D capabilities, backward integration, and focus on complex chemistries, BLUEJET is at the forefront of delivering high-value solutions in regulated and emerging markets. The company's focus on innovation, quality, and sustainability has positioned it as a key enabler in high-growth therapeutic areas such as cardiovascular, oncology, Central Nervous System (CNS), and diagnostic imaging.
- BLUEJET delivered a muted CAGR of 7%/2%/4% in revenue/EBITDA/PAT during FY20-24, as it did not launch new products during this period. Now, with existing products ramping up and new product launches in sight, we expect BLUEJET to post a CAGR of ~27%/24%/19% in revenues/ EBITDA/ PAT over FY25-27E, with a sharp uptick to be seen in the pharma Intermediaries segment. We expect an average EBITDAM of 35.1% during FY25-27E.
- We expect FCF generation of INR3.6b during FY25-27E, with cumulative capex of INR5b. The stock is trading at a P/E of ~28x on FY27E EPS of INR24.7 and FY27E EV/ EBITDA of ~20x. We initiate coverage with a BUY rating on the stock with a target price of INR865, valuing the company at a P/E of 35x on FY27E EPS of INR24.7.

Contrast media intermediates

- The global contrast-media formulations market was valued at USD5.9b (INR443b) in MAT Jul'23, growing at 7-8% CAGR. The market was dominated by iodinated agents with a 74% share, followed by gadolinium-based agents at 24% and microbubble agents at 2%. The top four players, mainly multinational companies (MNCs), controlled 75% of the market in CY24, with the leader holding 27%.
- Global population growth, aging demographics, and rising lifestyle diseases will boost healthcare demand, supported by diagnostic advancements and wellness focus. BLUEJET, with over 20 years of experience, dominates India's 5-amino-N, N'-bis (2, 3-dihydroxypropyl) isophthalamide hydrochloride (ABA HCL) exports and supplies key intermediates for iodinated contrast media.
- BLUEJET is expanding its margin and reducing supply chain risks by backward integrating to produce 3-Amino-1,2-propanediol (APD). With strong ties to GE Healthcare and a growing footprint in gadolinium contrast media, the company aims for sustainable growth, projecting a 36% contribution from the segment by FY27.

Pharma intermediaries and API

- BLUEJET partners with pharma companies to supply intermediates for APIs in chronic therapeutic areas, focusing on high-margin new chemical entities (NCE) projects. It targets the USD6-7b formulation and USD2-3b API markets across regulated and emerging markets.
- India is becoming a key outsourcing hub for global innovators, with initiatives like production-linked incentives and bulk drug parks reducing reliance on China. BLUEJET serves over 40 customers in India and 16 globally, leveraging its focus on quality, research, and chemistry expertise, along with strong relationships with innovators to secure contracts.
- BLUEJET is focusing on advanced intermediates for NCEs in USFDA trials, specializing in oncology, Cardiovascular System (CVS), and CNS. Its pharma intermediaries segment posted a 31% CAGR during FY21-24 and is expected to continue expanding at a 41% CAGR through FY25-27E.

High intensity sweeteners

- BLUEJET manufactures saccharin and its salts for the high-intensity sweetener market, valued at USD2.9b-3b in CY23, with a global demand of ~37-40ktpa and a capacity of 3.7ktpa. The market is projected to grow at 6-7% CAGR, with BLUEJET supplying over 300 global customers across industries like oral care, beverages, and pharmaceuticals.
- Stringent food and beverage regulations drive demand for stable, long-term suppliers, with BLUEJET supplying high-quality sweeteners to firms like Colgate and Unilever. Growth in this market is driven by rising cases of diabetes, increasing obesity rates, and growing demand for low-calorie and processed foods.
- Saccharin production is largely concentrated in Asia, with China holding most capacity, and competition has increased, leading to a 27% YoY revenue decline for BLUEJET in FY24. Despite this, the segment saw a 9% CAGR during FY21-24. BLUEJET aims to post 12% growth by scaling up Calcium Saccharin sales and expanding its capacity to meet customer demand.

Valuation and view – initiate with BUY

- BLUEJET'S revenue growth will be driven by new products in iodinated and gadolinium contrast media, NCE intermediates, and a high-intensity sweetener variant. The PI/API segment is also set for strong growth, with ramp up in supplies for Esperion's Bempedoic acid in coming quarters.
- The company also recently commissioned Plant 6 at Unit 2 (Ambernath) with an investment of INR900m, adding 120KL capacity for PI and contrast media. It also started a cardiovascular PI production in mid-Sep'24, expanded R&D into advanced platforms, and bolstered talent for CDMO growth.
- We expect a CAGR of 27%/24%/19% in revenue/EBITDA/PAT during FY25-27E, with an expected average EBITDAM of 35.1% during FY25-27E. We expect average RoE/RoCE of ~28%/26% during FY25-27E with an average fixed asset turnover of 3.1x.

- We expect FCF generation of INR3.6b during FY25-27E with cumulative capex of INR5b. The stock is trading at a P/E of ~28x on FY27E EPS of INR24.7 and FY27E EV/EBITDA of ~20x. We initiate coverage on BLUEJET with a BUY rating and a TP of INR865, valuing the company at a P/E of 35x on FY27E EPS of INR24.7.
- Downside risks include high product and customer concentration, delays in new product ramp-up, and lower margin. Upside risks include a faster ramp-up of high-margin products and increased long-term contracts that could boost growth and valuations.

Peer at glance

Company	MCap (INR b)	Reco	EPS (INR)			P/E (x)			P/BV (x)			EV/EBITDA (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Chemicals																	
Blue Jet Healthcare	**119**	**Buy**	**17.4**	**20.6**	**24.7**	**39.6**	**33.4**	**27.8**	**10.7**	**8.3**	**6.6**	**31.9**	**25.1**	**20.4**	**30.7**	**28.0**	**26.4**
Alkyl Amines	156	Neutral	37.6	46.0	53.7	47.1	38.5	33.0	6.5	5.9	5.2	29.7	24.7	20.8	14.5	16.0	16.8
Atul	109	**Buy**	153.5	198.8	240.5	44.0	34.0	28.1	3.6	3.3	3.0	22.5	18.8	16.0	8.5	10.2	11.3
Clean Science	89	Neutral	24.8	35.1	43.0	48.1	34.0	27.7	8.8	7.2	5.9	32.3	24.8	20.1	20.0	23.4	23.4
Navin Fluorine	95	Neutral	60.0	83.5	96.0	75.2	54.1	47.0	8.6	7.7	6.9	43.8	33.3	29.2	11.9	15.1	15.5
Vinati Organics	50	**Buy**	39.8	50.6	60.8	41.5	32.6	27.2	6.1	5.4	4.6	30.1	23.6	19.9	15.7	17.6	18.3
Aarti Industries	156	NA	39.8	50.6	60.8	41.5	32.6	27.2	6.1	5.4	4.6	30.1	23.6	19.9	15.7	17.6	18.3
Aether Industri.	109	NA	12.6	16.8	21.1	65.2	49.0	39.0	4.9	4.5	4.0	45.8	31.4	23.6	7.0	8.5	10.9
Ami Organics	89	NA	18.4	25.3	32.6	59.4	43.1	33.5	6.7	5.8	5.0	41.5	28.2	19.8	13.7	14.6	16.5
Anupam Rasayan	95	NA	11.4	15.2	25.3	75.7	56.5	34.0	3.2	3.0	2.8	22.0	16.7	14.0	4.4	6.8	9.5
Laxmi Organic	50	NA	4.8	6.6	8.4	37.9	27.3	21.5	2.6	2.4	2.2	18.4	14.4	11.8	7.0	9.1	10.5
Healthcare																	
Sun Pharma.Inds.	4,332	**Buy**	49.2	59.5	66.6	36.7	30.3	27.1	5.9	5.0	4.3	29.3	25.0	21.8	17.2	17.9	17.1
Divi's Lab.	1,621	Neutral	76.3	96.0	118.0	80.1	63.7	51.8	10.8	9.7	8.6	54.8	44.5	36.7	14.2	16.1	17.6
Cipla	1,245	Neutral	62.2	61.2	68.2	24.8	25.2	22.6	4.0	3.5	3.0	16.3	15.9	13.9	16.0	13.8	13.5
Dr. Reddy's Labs	981	Neutral	63.0	69.1	65.6	18.7	17.0	17.9	3.0	2.6	2.3	10.2	9.4	9.0	17.2	16.2	13.4
Lupin	944	Neutral	71.9	79.1	85.6	28.8	26.1	24.2	5.4	4.5	3.8	18.1	16.3	14.5	20.7	18.9	17.2
Zydus Lifesciences	894	Neutral	44.3	48.7	43.0	20.0	18.2	20.6	3.5	3.0	2.7	12.8	10.9	11.6	19.7	17.8	13.8
Aurobindo Pharma	703	Neutral	61.8	68.9	79.1	19.6	17.6	15.3	2.1	1.9	1.7	10.4	9.4	7.9	11.5	11.5	11.8
Laurus Labs	333	**Buy**	5.8	10.5	14.3	106.4	58.9	43.3	7.2	6.6	5.8	34.2	25.7	21.8	7.2	11.7	14.2

*Bloomberg estimates for non-coverage stocks — Source: MOFSL

Bajaj Finance

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	BAF IN
Equity Shares (m)	619
M.Cap.(INRb)/(USDb)	5650.7 / 66.3
52-Week Range (INR)	9710 / 6376
1, 6, 12 Rel. Per (%)	-2/30/26
12M Avg Val (INR M)	9281

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Net Income	450	552	683
PPP	300	371	461
PAT	168	210	264
EPS (INR)	270	339	425
EPS Gr. (%)	16	25	25
BV/Sh. (INR)	1,557	1,842	2,203
Ratios			
NIM (%)	9.9	9.9	9.9
C/I ratio (%)	33.2	32.8	32.4
RoA (%)	4.0	4.0	4.1
RoE (%)	19.3	19.9	21.0
Payout (%)	20.7	16.0	15.1
Valuations			
P/E (x)	33.7	26.9	21.4
P/BV (x)	5.8	4.9	4.1
Div. Yield (%)	0.6	0.6	0.7

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	54.7	54.7	54.7
DII	14.9	15.2	14.4
FII	21.6	20.8	20.7
Others	8.8	9.3	10.2

FII includes depository receipts

CMP: INR9,093 TP: INR10,000 (+10%) Neutral

Healthy quarter; strong visibility on earnings ahead

Higher credit costs from ECL refresh offset by tax provision reversals

- Bajaj Finance (BAF)'s PAT grew 19% YoY to ~INR45.5b in 4QFY25 (in line). Adjusted PAT, after excluding the one-offs in credit costs and tax provisions, grew ~17% YoY. BAF's FY25 PAT increased 16% YoY to INR167.6b.
- The company's 4QFY25 NII grew 23% YoY to ~INR98.1b (in line). Non-interest income stood at ~INR21.1b (up 24% YoY), driven by an improvement in fee income and income from the sale of services.
- BAF's 4QFY25 NIM contracted ~10bp QoQ to ~9.65%. Management guided that margins will remain stable in FY26, supported by an expected 10-15bp decline in the cost of borrowings (CoB). However, a steeper decline in CoB could lead to a minor NIM expansion as well. We estimate NIMs to remain largely stable at ~9.9% in each of FY26/FY27.
- BAF did its annual ECL model refresh, and in light of the elevated flow-forward rates and higher credit costs over the previous three quarters, it made an additional ECL provision of INR3.6b, primarily against Stage 1 assets.
- Management indicated that it was witnessing improving asset quality trends in early vintages across the portfolio. BAF guided credit costs of ~1.85-1.95% for FY26. We model credit costs (as a % of loans) of 1.9%/1.85% in FY26/FY27E.
- For FY26, BAF guided an **AUM growth of ~24-25%, aided by new business launches in the last 2-3 years. NIM to remain stable YoY with a 40-50bp decline in the cost-to-income ratio.** Management targets an RoA/RoE of ~4.4-4.6%/~19-20% in FY26.
- Our FY26/FY27 PAT estimates are broadly unchanged, and we believe that the credit costs have now peaked and will remain below the upper end of the guided range. We estimate a CAGR of ~25% each for AUM/PAT over FY25-FY27 and expect BAF to deliver an RoA/RoE of ~4.1%/21.0% in FY27.
- The stock trades at 4.1x FY27E. Despite a healthy PAT CAGR of ~25% over FY25-FY27E and an RoA/RoE of 4.1%/21% in FY27E, we see limited upside catalysts given the rich valuations and lack of near-term re-rating triggers. Consequently, we reiterate **our Neutral rating on the stock with a TP of INR10,000 (premised on 4.5x Mar'27E BVPS).**

AUM rises ~26% YoY; healthy new customer acquisitions

- BAF's total customer franchise rose to 101.8m (up 22% YOY/5% QoQ). New customer acquisitions stood at ~4.7m (vs. ~3.2m YoY and ~5.03m QoQ). New loans booked rose ~23% YoY to ~10.7m (vs. ~8.7m in 4QFY24).
- Total AUM grew 26% YoY and ~5% QoQ to INR4.17t. The sequential AUM growth was driven by Urban B2C (+5%), Rural B2C (+7%), SME (+7%), and Commercial (incl. LAS) (+10%). However, the Auto finance business continues to unwind and declined ~9% QoQ, given that the company has stopped doing Bajaj 2W/3W financing.

Improvement in asset quality; GNPA declines ~15bp QoQ

- BAF's asset quality improved, with GNPA declining ~15bp QoQ to ~0.96% and NS3 declining ~5bp QoQ to ~0.44%. PCR dipped ~350bp to ~53.7%.
- Credit costs stood at ~INR23.3b (vs. MOFSLe of INR21b). Annualized credit costs stood at ~2.3% (PQ: ~2.1% and PY: ~1.6%). This included an additional ECL provision of INR3.6b because of the ECL model refresh. Excluding this, credit costs stood at INR19.7b (~1.97%).

Highlights from the management commentary

- Auto Finance majorly consists of the captive 2W/3W portfolio, which is currently being wound down. This segment is expected to run off and decline to ~INR45b by Mar'26. Run-down of this portfolio will be accretive to the credit costs.
- For nearly a year, the company has been holding surplus liquidity from its equity capital raise and the subsequent stake sale in Bajaj Housing. Over the next two years, it is required to reduce its shareholding in BHFL to 75%, which will further generate additional excess capital.

Valuation and view

- BAF delivered a healthy performance during the quarter, supported by robust AUM growth. Despite a sequential rise in credit costs due to the ECL model refresh, asset quality showed notable improvement. BAF will look to accelerate its growth in the unsecured segments in FY26, as the stress in its B2C segments gradually dissipates.
- The stock trades at 4.1x FY27E. Despite a healthy PAT CAGR of ~25% over FY25-FY27E and RoA/RoE of 4.1%/21% in FY27E, we see limited upside catalysts given the rich valuations and lack of near-term re-rating triggers. Consequently, we reiterate **our Neutral rating on the stock with a TP of INR10,000 (premised on 4.5x 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	1,08,211	1,17,340	1,25,233	1,32,301	1,40,492	1,49,870	1,57,682	1,63,591	4,83,066	6,11,636	1,65,773	-1
Interest expenses	41,025	45,371	48,680	52,171	56,839	61,493	63,856	65,520	1,87,247	2,47,708	67,418	-3
Net Interest Income	**67,186**	**71,970**	**76,553**	**80,130**	**83,653**	**88,377**	**93,826**	**98,072**	**2,95,819**	**3,63,928**	**98,355**	0
YoY Growth (%)	27.4	30.0	29.3	28.1	24.5	22.8	22.6	22.4	28.7	23.0	22.7	
Other Operating Income	16,795	16,477	16,436	17,019	20,531	21,084	22,901	21,096	66,759	85,612	23,944	-12
Net Income	**83,980**	**88,447**	**92,989**	**97,149**	**1,04,185**	**1,09,461**	**1,16,727**	**1,19,168**	**3,62,578**	**4,49,540**	**1,22,299**	**-3**
YoY Growth (%)	33.3	26.3	25.1	25.0	24.1	23.8	25.5	22.7	25.7	24.0	25.9	
Operating Expenses	28,544	30,100	31,567	33,028	34,709	36,390	38,670	39,493	1,23,252	1,49,261	40,744	-3
Operating Profit	**55,437**	**58,347**	**61,422**	**64,121**	**69,475**	**73,071**	**78,057**	**79,675**	**2,39,326**	**3,00,279**	**81,554**	-2
YoY Growth (%)	37.0	30.0	26.6	25.3	25.3	25.2	27.1	24.3	27.9	25.5	27.2	
Provisions and Cont.	9,953	10,771	12,484	13,100	16,847	19,091	20,433	23,289	46,307	79,660	20,997	11
Profit before Tax	**45,512**	**47,578**	**48,955**	**51,051**	**52,654**	**54,015**	**57,624**	**56,474**	**1,93,096**	**2,20,796**	**60,557**	-7
Tax Provisions	11,143	12,070	12,566	12,806	13,534	13,877	14,572	11,018	48,584	53,002	15,357	-28
Net Profit	**34,369**	**35,508**	**36,390**	**38,245**	**39,120**	**40,137**	**43,052**	**45,456**	**1,44,512**	**1,67,795**	**45,201**	1
YoY Growth (%)	36.8	27.7	22.4	21.1	13.8	13.0	18.3	18.9	25.5	16.0	18.2	
Key Operating Parameters (%)												
Fees to Net Income Ratio	20.0	18.6	17.7	17.5	19.7	19.3	19.6	17.7	18.4	19.0		
Credit Cost	1.57	1.56	1.69	1.66	1.99	2.12	2.14	2.08	1.6	2.2		
Cost to Income Ratio	34.0	34.0	33.9	34.0	33.3	33.2	33.1	33.1	34.0	33.2		
Tax Rate	24.5	25.4	25.7	25.1	25.7	25.7	25.3	19.5	25.2	24.0		
Balance Sheet Parameters												
AUM (INR B)	2,701	2,903	3,110	3,306	3,542	3,739	3,980	4,167	3,306	3,542		
Change YoY (%)	42.3	32.9	34.7	33.6	38.4	28.8	28.0	26.0	33.6	38.4		
Loans (INR B)	2,653	2,857	3,064	3,263	3,497	3,692	3,930	4,129	3,263	3,497		
Change YoY (%)	44.1	34.3	35.9	34.7	39.2	29.2	28.3	26.6	34.7	39.2		
Borrowings (INR B)	2,352	2,544	2,639	2,895	3,048	3,192	3,349	3,612	2,895	3,048		
Change YoY (%)	47.8	38.8	31.1	34.4	35.7	25.5	26.9	24.8	34.4	35.7		
Loans/Borrowings (%)	112.8	112.3	116.1	112.7	114.7	115.7	117.3	114.2	112.7	114.7		
Asset Quality Parameters (%)												
GS 3 (INR B)	23.5	26.5	29.6	28.2	30.5	39.5	44.6	39.7	27.4	39.7		
Gross Stage 3 (% on Assets)	0.87	0.91	0.95	0.85	0.86	1.06	1.12	0.96	0.83	0.96		
NS 3 (INR B)	8.3	9.0	11.4	12.1	13.4	17.0	19.1	18.4	11.8	18.4		
Net Stage 3 (% on Assets)	0.31	0.31	0.37	0.37	0.38	0.46	0.48	0.44	0.36	0.44		
PCR (%)	77.4	66.0	61.7	57.0	85.5	57.1	57.2	53.7	56.8	53.7		
Return Ratios (%)												
ROAA (Rep)	5.42	5.16	4.92	4.84	4.63	4.48	4.5	4.6	4.4	4.0		
ROAE (Rep)	24.47	24.1	21.95	20.48	19.86	19.08	19.08	19.1	22.0	19.3		

E: MOFSL Estimates

Trent

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1916.6 / 22.5
52-Week Range (INR)	8346 / 4052
1, 6, 12 Rel. Per (%)	-2/-27/17
12M Avg Val (INR M)	6650

Financials & Valuations Consol (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	171.3	219.4	265.0
EBITDA	27.5	35.6	43.0
NP	15.3	19.7	23.7
EBITDA Margin (%)	16.0	16.2	16.2
Adj. EPS (INR)	43.2	55.5	66.5
EPS Gr. (%)	47.7	28.5	20.0
BV/Sh. (INR)	164.4	223.7	294.9
Ratios			
Net D:E	0.1	0.1	-0.1
RoE (%)	32.2	30.6	27.5
RoCE (%)	22.9	21.7	19.4
Payout (%)	11.6	0.0	0.0
Valuations			
P/E (x)	129.0	100.4	83.7
EV/EBITDA (x)	72.1	55.7	45.9
EV/Sales (x)	11.7	9.1	7.5
Div. Yield (%)	0.1	0.0	0.0

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	37.0	37.0	37.0
DII	17.2	15.3	13.9
FII	19.7	21.7	26.8
Others	26.1	26.0	22.3

FII includes depository receipts

CMP: INR5,392 TP: INR6,900 (+28%) Buy

SSSG moderates further; lower costs drive 11% EBITDA beat

- Trent's 4QFY25 revenue growth moderated to ~29% YoY (vs. 37% YoY in 3Q), as SSSG came down to a mid-single digit in 4Q (vs. high-single digit in 3Q and double digits in 2Q).
- However, store additions remained robust, with net store additions of 13/130 in WestSide/Zudio (up ~29% YoY).
- Gross margin contracted ~265bp YoY, likely due to higher discounts and rising salience of Zudio in the revenue mix.
- Despite weaker gross margin, Trent delivered ~11% EBITDA beat, driven by superior cost controls (employee/occupancy costs up 3%/7% YoY).
- Star growth also moderated with a modest ~2% LFL.
- Our FY26-27 estimates are broadly unchanged. We build in FY25-27E CAGR of ~25-26% in standalone revenue/EBITDA/PAT, driven by continuation of robust area additions in Zudio.
- We assign 55x Mar'27E EV/EBITDA to the standalone business (Westside and Zudio; a premium over our Retail Universe, given TRENT's superlative growth), 2.5x FY27E EV/sales to Star JV, and ~7x EV/EBITDA to Zara JV to arrive at our **TP of INR6,900.** Adjusting the value of Star and Zara, the stock is trading at 73x FY27E PE for the standalone business (vs. ~90x LT average 1-year forward PE). **We reiterate our BUY rating.**

Standalone EBITDA beat driven by lower employee/rental costs

- Standalone revenue at INR41b grew 29% YoY, driven largely by ~29% YoY net store additions and mid-single digit LFL (vs. high-single digit in 3Q).
- Gross profit grew 21% YoY to INR17.5b, 6% below our est. as gross margin contracted ~265bp YoY to 42.6%, possibly on higher discounts.
- Employee costs inched up ~3% YoY (13% below), possibly on account of lower incentive provisions (which are linked to stock price performance).
- SG&A and other costs increased ~18% YoY (13% below), with occupancy cost rising ~7% YoY, despite robust store additions.
- EBITDA grew 38% YoY to INR6.6b (11% beat) as lower gross margin was offset by superior cost control.
- Reported EBITDA margins expanded 100bp YoY to 16% (~150bp ahead),
- As per Trent, standalone Pre-Ind AS EBIT margin stood at 9.3% (up 100bp YoY).
- Adjusted PAT grew 41% YoY to INR3.5b (31% beat), driven by higher EBITDA, other income (+58% YoY) and a lower tax rate.
- In FY25, Trent's revenue/EBITDA/adj. PAT grew 40%/43%/54% YoY, driven by 29% YoY net store additions and double digits SSSG.
- WC days declined to 37 in FY25 from ~40 in FY24 as inventory days came down to 44 (from 48 YoY).
- OCF (after interest and leases) increased 29% YoY to INR10b, led by ~43% YoY growth in EBITDA. However, Trent had FCF outflow of ~INR2.2b in FY25 (vs. INR600m FCF generation in FY25), due to higher capex of ~INR12.2b (vs. INR7.2b YoY).
- Trent's net cash stood at ~INR3.4b in FY25 (vs. ~INR4.1b in FY24).

Strong store additions continue in Zudio; should aid growth in FY26

- Trent added 136 net stores QoQ across its fashion concepts, though the bulk of the store additions were back-ended.
- Trent added 13 Westside stores and consolidated three stores, taking the total count to 248 stores (up ~7% YoY). We note that Trent has been opening bigger Westside stores in the past few quarters.
- Trent added 130 (open 132; consolidated two) Zudio stores, taking the total count to 765 stores (up 40% YoY), including two in the UAE.
- Trent also consolidated four other format stores, taking their store count to 30 stores.
- In FY25, Trent added 16/220 Westside/Zudio stores on net basis to cross 1k stores across its fashion formats (+29% YoY).

Star: Growth moderates in 4Q; LFL declines to 2% from 10% in 3Q

- Star's 4Q revenue grew 17% YoY (vs. 25% YoY in 3Q) as LFL growth moderated to ~2% (from ~10% in 3Q).
- The company opened net four stores in 4Q, taking the count to 78 stores (12 net store additions in FY25).
- Calculated annualized revenue per sqft declined ~7% YoY to INR27.4k (vs. likely +3% YoY for DMart at INR35k) and annualized revenue per store was up only ~2% YoY to INR451m (vs. +3% YoY for DMart at INR1.44b).
- The share of own-brand offerings now contributes 72%+ to Star's revenue (vs. 69% YoY).

Valuation and view

- TRENT's growth rate continues to moderate, though still robust, amid a weak discretionary demand environment.
- Back-ended strong store additions in Zudio should aid growth in FY26. However, recovery in SSSG across fashion and Star formats would be a key near-term monitorable.
- We continue to like Trent for its robust footprint additions, strong double-digit growth, long runway for growth in Star (presence in just 10 cities) and potential scale-up of new categories (Beauty, and Lab-grown diamonds).
- Our FY26-27 estimates are broadly unchanged. We build in FY25-27E CAGR of ~25-26% in standalone revenue/EBITDA/PAT CAGR, driven by continuation of robust area additions in Zudio.
- We assign 55x Mar'27E EV/EBITDA to the standalone business (Westside and Zudio; a premium over our Retail Universe, given TRENT's superlative growth), 2.5x FY27E EV/sales to Star JV, and ~7x EV/EBITDA to Zara JV to arrive at our **TP of INR6,900.** Adjusting the value of Star and Zara, the stock is trading at 73x FY27E PE for the standalone business (vs. ~90x LT average 1-year forward PE). **We reiterate our BUY rating.**

Standalone - Quarterly Earnings summary **(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est. Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	(%)
Revenue	**25,364**	**28,907**	**33,125**	**31,869**	**39,917**	**40,356**	**45,347**	**41,061**	**119,266**	**166,681**	**40,863**	**0**
YoY Change (%)	53.5	59.4	52.5	53.4	57.4	39.6	36.9	28.8	54.6	39.8	28.2	
Total Expenditure	21,708	24,299	26,893	27,097	33,812	33,949	36,971	34,497	99,996	139,229	34,947	-1
EBITDA	**3,657**	**4,609**	**6,232**	**4,773**	**6,106**	**6,407**	**8,376**	**6,564**	**19,269**	**27,452**	**5,916**	**11**
EBITDA Margin (%)	14.4	15.9	18.8	15.0	15.3	15.9	18.5	16.0	16.2	16.5	14.5	-151
Depreciation	1,335	1,448	1,575	2,027	1,759	1,915	2,393	2,631	6,385	8,699	2,481	6
Interest	891	923	957	322	312	324	363	371	3,094	1,369	471	-21
Other Income	498	1,511	768	733	461	1,387	564	970	3,509	3,381	614	58
PBT before EO expense	**1,928**	**3,748**	**4,467**	**3,157**	**4,496**	**5,554**	**6,184**	**4,532**	**13,300**	**20,766**	**3,577**	**27**
Extra-Ord expense	0	0	0	5,434	0	0	0	0	5,434	0	0	
PBT	**1,928**	**3,748**	**4,467**	**8,591**	**4,496**	**5,554**	**6,184**	**4,532**	**18,733**	**20,766**	**3,577**	**27**
Tax	445	851	1,031	2,048	1,074	1,320	1,490	1,033	4,375	4,918	900	**15**
Reported PAT	**1,483**	**2,897**	**3,436**	**6,543**	**3,422**	**4,234**	**4,693**	**3,499**	**14,358**	**15,848**	**2,677**	**31**
Adj PAT	**1,483**	**2,897**	**3,436**	**2,477**	**3,422**	**4,234**	**4,693**	**3,499**	**10,292**	**15,848**	**2,677**	**31**
YoY Change (%)	44.5	55.9	113.5	135.6	130.8	46.2	36.6	41.3	85.6	54.0	8.1	

E: MOFSL Estimates

Ambuja Cements

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ACEM IN
Equity Shares (m)	2463
M.Cap.(INRb)/(USDb)	1315.2 / 15.4
52-Week Range (INR)	707 / 453
1, 6, 12 Rel. Per (%)	-4/-7/-23
12M Avg Val (INR M)	1953
Free float (%)	32.5

Consol. Financial Snapshot (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	340.8	414.3	468.5
EBITDA	50.1	67.9	90.9
Adj. PAT	19.6	26.2	36.9
EBITDA Margin (%)	14.7	16.4	19.4
Adj. EPS (INR)	8.0	10.6	15.0
EPS Gr. (%)	-42.6	33.3	40.9
BV/Sh. (INR)	217	223	232
Ratios			
Net D:E	-0.2	-0.0	-0.0
RoE (%)	4.1	4.8	6.6
RoCE (%)	4.7	5.3	7.6
Payout (%)	11.8	47.0	40.1
Valuations			
P/E (x)	57.9	43.4	30.8
P/BV (x)	2.1	2.1	2.0
EV/EBITDA(x)	25.3	20.6	15.5
EV/ton (USD)	163	142	139
Div. Yield (%)	0.4	0.9	1.1
FCF Yield (%)	-4.8	-2.6	1.5

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	67.5	67.5	66.7
DII	17.3	16.6	14.5
FII	8.7	9.2	11.2
Others	6.5	6.7	7.7

FII includes depository receipts

CMP: INR534 TP: INR620 (+16%) Buy

Performance above estimates; long-term outlook intact

Reaches 100mtpa+ cement capacity mainly led by inorganic growth

- Ambuja Cements (ACEM) delivered better-than-estimated 4QFY25 results on lower cost (2% below estimate) and higher realization (3% above estimate). Consol. EBITDA increased 10% YoY to INR18.7b (vs. estimated INR14.4b), and EBITDA/t stood at INR1,001 vs. estimated INR752. Adjusted profit after MI was down ~16% YoY to INR4.5b (vs. estimated INR3.8b).
- The management reiterated that cost reduction guidance of INR500/t (incl. INR150-170/t achieved till now) by FY28E and aims to achieve EBITDA/t of INR1,500 by FY28E. ACEM's capacity expansion plans remain on track, and it will have a cement capacity of 140mtpa by FY28E. Most of the capacity expansion in FY26 will be through organic routes, though management is not averse to inorganic plans.
- We incorporated Orient Cement into our financials from FY26. We believe that increasing the scale of operations along with cost-saving initiatives (lead distance reduction, higher green energy, etc.) will help profitability improvement. We would monitor ACEM's earnings trajectory, as in the last few quarters, its EBITDA/t has been more volatile than its peers. The stock trades at 21x/16x FY26E/FY27E EV/EBITDA. **We reiterate our BUY rating with a TP of INR620 (valuing the stock at 18x FY27E EV/EBITDA).**

Consolidated volume up 13% YoY; opex/t down 1% YoY

- Consol. revenue/EBITDA/adj. PAT stood at INR98.9b/INR18.7b/INR4.5b (up 11%/up 10%/down 16% YoY, and in line/up 30%/18% vs. our estimate) in 4QFY25. Consol. sales volume rose ~13% YoY to 18.7mt (in line).
- Realization/t declined 1% YoY (up 3% QoQ). Opex/t was down ~1% YoY, led by ~2% decline each in variable costs/freight expenses. However, other expenses/t increased ~6% YoY. EBITDA/t declined ~2% YoY to INR1,001, and OPM was flat YoY at ~19% (est. ~15%).
- In FY25, revenue was up ~3% YoY, while adj. EBITDA/PAT declined 22%/36% YoY. Volume grew ~10% YoY to 65.2mt. EBITDA/t was down ~29% YoY to INR768. OPM dipped 4.6pp YoY to ~15%. OCF stood at INR22.4b vs INR56.5b in FY24. Capex stood at INR85.9b in FY25 vs. INR39.6b in FY24. Free cash outflow stood at INR63.5b vs. an FCF of INR16.9 in FY24.

Highlights from the management commentary

- Cement demand is estimated to grow between 6.5% and 7.0% in 4QFY25 (~4-5% YoY in FY25) and should improve ~8% YoY in FY26. Industry supply should clock ~6% CAGR, whereas demand should post 7.0-7.5% CAGR over the next few years.
- Cement prices improved between INR7 and INR10/bag in 4QFY25. The current price increase on average is better than in 4Q.
- Penna Cement is operating at 75-80% clinker capacity utilization, though grinding utilization is lower (60-75%). The exit-capacity utilization for Sanghi Industries was ~40-45%. Sanghi Industries' acquired assets have not yet achieved the desired profitability, but it will be a clinker hub for the group with one of the best cost structures and clinker production costs.

Valuation and view

- ACEM reiterated its capacity target of 140mtpa and EBITDA/t target of INR1,500 by FY28. Until now, capacity growth was largely driven by the inorganic route. However, the expansion will be largely organic in FY26, with multiple projects progressing across various locations. The company is also expected to prioritize the integration of acquired assets. Profitability improvement will be driven by ongoing cost-saving measures and a rising share of premium products.
- We incorporated Orient Cement into our financials from FY26. We estimate the company's consol. revenue/EBITDA/PAT CAGR at ~17%/35%/36% over FY25-27. We estimate EBITDA/t to increase to INR900/INR1100 in FY26/FY27 vs. INR770 in FY25. ACEM (consol.) trades at 21x/16x FY26/FY27E EV/EBITDA. We reiterate our **BUY rating** with a TP of INR620 (valuing the stock at 18x FY27E EV/EBITDA).

Consolidated quarterly performance (INR b)

	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**87.1**	**74.2**	**81.3**	**88.9**	**83.1**	**73.8**	**85.0**	**98.9**	**331.6**	**340.8**	**98.3**	3
YoY Change (%)	8.5	4.1	2.8	11.6	-4.6	-0.6	4.6	11.2	6.5	2.8	10.5	
EBITDA	**16.7**	**13.0**	**17.3**	**17.0**	**12.8**	**9.7**	**8.9**	**18.7**	**64.0**	**50.1**	**14.3**	30
YoY Change (%)	50.0	298.4	69.6	37.1	-23.2	-25.2	-48.9	9.9	73.0	-21.8	10.2	
Margins (%)	19.1	17.5	21.3	19.1	15.4	13.2	10.4	18.9	19.3	14.7	14.6	429
Depreciation	3.7	3.8	4.2	4.5	4.7	5.5	6.6	7.9	16.2	24.7	7.3	8
Interest	0.5	0.6	0.7	0.9	0.7	0.7	0.7	0.1	2.8	2.2	0.6	(77)
Other Income	2.6	4.8	1.9	2.3	3.5	3.7	2.4	2.7	11.7	12.4	3.9	(31)
PBT before EO Item	**15.1**	**13.4**	**14.4**	**13.9**	**11.0**	**7.3**	**4.0**	**13.4**	**56.7**	**35.6**	**10.3**	29
Share of profit of JVs	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	-
Extraordinary Inc/(Exp)	0.0	0.0	0.0	2.1	0.0	-0.2	19.4	4.4	2.1	23.5	0.0	
PBT after EO Exp/(Inc)	**15.1**	**13.4**	**14.5**	**16.0**	**11.0**	**7.1**	**23.4**	**17.8**	**59.0**	**59.3**	**10.5**	70
Tax	3.8	3.5	3.6	0.8	3.1	2.4	5.2	4.6	11.6	15.4	2.6	
Prior period tax adj and reversal	0.0	0.0	0.0	2.6	0.0	0.1	-8.1	0.4	2.6	-7.6	0.0	
Rate (%)	24.9	26.3	24.8	20.8	28.4	34.5	-12.2	27.9	19.7	13.0	25.0	
Reported Profit	**11.4**	**9.9**	**10.9**	**15.3**	**7.9**	**4.7**	**26.2**	**12.8**	**47.4**	**51.6**	**7.9**	63
Minority Interest	2.3	1.9	2.7	4.7	1.4	0.2	5.0	3.3	11.6	9.9	4.1	-
Adj PAT	**9.1**	**7.9**	**8.2**	**5.3**	**6.5**	**4.6**	**4.1**	**4.5**	**30.5**	**19.6**	**3.8**	18
YoY Change (%)	20.4	579.6	52.6	(29.4)	(28.6)	(42.4)	(49.7)	(16.1)	8.2	(35.7)	(28.8)	

Per ton analysis

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Volume	15.4	13.1	14.1	16.6	15.8	14.2	16.5	18.7	59.2	65.2	19.1	(2)
Change (YoY %)	9	2	3	18	3	9	17	13	7	10	15	
Blended Realization	**5,658**	**5,667**	**5,765**	**5,368**	**5,260**	**5,181**	**5,153**	**5,299**	**5,604**	**5,227**	**5,153**	3
Change (YoY %)	-0.7	1.7	-0.1	-5.0	-7.0	-8.6	-10.6	-1.3	-0.5	-6.7	-4.0	
Raw Material	825	789	844	1,045	998	997	1,082	979	883	1,014	1,061	(8)
Staff Cost	245	260	227	190	201	245	232	190	229	215	162	17
Power and fuel	1,501	1,423	1,359	1,218	1,308	1,276	1,262	1,232	1,371	1,268	1,280	(4)
Freight	1,436	1,374	1,326	1,279	1,327	1,282	1,239	1,252	1,352	1,273	1,282	(2)
Other expenditure	567	828	782	611	617	697	802	645	688	689	615	5
Total cost	**4,575**	**4,673**	**4,537**	**4,342**	**4,450**	**4,498**	**4,616**	**4,298**	**4,523**	**4,459**	**4,401**	(2)
EBITDA	**1,082**	**994**	**1,228**	**1,025**	**810**	**684**	**537**	**1,001**	**1,082**	**768**	**752**	33
Change (YoY %)	37	289	65	17	(25)	(31)	(56)	(2)	46	(29)	(27)	

Oberoi Realty

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	OBER IN
Equity Shares (m)	364
M.Cap.(INRb)/(USDb)	589.2 / 6.9
52-Week Range (INR)	2350 / 1440
1, 6, 12 Rel. Per (%)	-5/-18/2
12M Avg Val (INR M)	1906

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	52.9	68.5	89.5
EBITDA	31.0	40.8	48.2
EBITDA (%)	58.7	59.5	53.9
Net profit	22.3	28.8	35.2
EPS (INR)	61.2	79.2	96.7
EPS Growth (%)	15.5	29.5	22.1
BV/Share (INR)	431.9	503.2	591.9
Ratios			
Net D/E	0.1	0.0	(0.2)
RoE (%)	15.1	16.9	17.7
RoCE (%)	13.7	15.4	16.4
Payout (%)	13.1	10.1	8.3
Valuations			
P/E (x)	26.7	20.6	16.9
P/BV (x)	3.8	3.2	2.8
EV/EBITDA (x)	19.9	14.6	11.5
Div Yield (%)	0.5	0.5	0.5

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	67.7	67.7	67.7
DII	10.2	10.1	12.8
FII	20.0	20.2	17.0
Others	2.1	2.0	2.5

CMP: INR1,621 TP: INR1,726 (+6%) Neutral

Subpar operational performance; valuation capped

Operational highlights

- Oberoi Realty's (OBER) presales were down 52% YoY to INR8.5b (49% lower than estimate) in 4QFY25, due to no new residential launches in the quarter. 360-West contributed up to ~62% of sales, while Jardin, which was launched in 3QFY25, contributed barely 6%.
- SkyCity and Elysian presales plunged 88-90% and accounted for 16% of total presales. Other projects also performed poorly.
- Collections declined 29% YoY to INR7.6b, which was 54% below our estimates. OBER generated OCF (post WC) of INR2.85b. The net debt-to-equity ratio stood at 0.01x vs. 0.09x in 4QFY24 (flat QoQ).
- **P&L performance:** In 4QFY25, revenue declined 13% YoY to INR11.5b (6% above estimates), EBITDA fell 22% YoY to INR6.1b (9% beat), and the margin contracted by 6.2% YoY to 54%. Consequently, PAT declined 45% YoY to INR4.3b, in line with our estimate. The company declared its fourth interim dividend of INR2/share for FY24-25.
- In FY25, revenue rose 18% YoY to INR52.8b, EBITDA grew 29% YoY to INR31.0b, and the margin expanded by 5% YoY to 59%. Consequently, PAT was up 16% YoY at INR22.3b. Reported FY25 revenue, operating profit and PAT were all in line with our estimates.

Commerz III's incremental occupancy boosts rentals; mall revenue up; hospitality rates increase

- Following the Commerz III augmentation in 1QFY25, occupancy rose to 81% in 4QFY25 from 77% in 3QFY25, resulting in revenue growth of 10% QoQ to INR1.2b. Occupancy at Commerz II declined 1% to 96%, while Commerz I is close to being fully leased with 96% occupancy. OBER reported total office revenue of INR1.7b (+7% QoQ), with an EBITDA margin of 82%.
- Oberoi Mall continued to deliver good performance with a 13% YoY increase in revenue. On a blended basis, the commercial segment generated EBITDA of INR1.9b (134% up YoY), indicating a 6% QoQ decline in margin to 85%.
- **Hospitality:** Occupancy at Westin Goregaon was stable at 79%. ARR rose 19% YoY to ~INR17,610. Hence, revenue was up 10% YoY to INR533m. EBITDA margin expanded to 44% (up 126bp YoY and ~202bp QoQ), leading to EBITDA of INR235m.

Key concall highlights

- **Launches:** 4QFY25 did not see new launches after the phenomenal response to recent mixed-use Jardin Project in Thane, which was launched in 3QFY25. One tower in Elysian will be launched in 1QFY26. In FY26, OBER expects to launch one tower in Borivali, one tower in Goregaon, and two towers in Forestville Thane. Additionally, it will also launch projects in Gurugram, Adarsh Nagar, Worli, and Tardeo in FY26. Alibaug is currently in the design phase and may be pushed to FY27.

- **Annuity portfolio:** The company is witnessing strong leasing traction across all three office assets. Commerz I and Commerz II are nearly fully leased out following an increase in occupancy in Commerz III to 81% in 4QFY25. Accordingly, all three office assets are expected to be fully leased out by the end of FY25.
- OBER recently commenced the soft launch of Sky City Mall in Borivali East.
- I-Ven Realty entered into an agreement for a private equity investment of ~INR12.5b for a 21.74% equity stake.
- OBER is appointed as developer for a redevelopment project at Bandra Reclamation, with a free sale potential of 0.32msf of RERA carpet area.

Valuation and view

- While OBER's current valuation doesn't suggest significant near-term gains, we foresee a strong 46% CAGR in its presales over FY25-27. The key to a future re-rating lies in the company's ability to reinvest the substantial cash flow derived from its completed and near-completion projects.
- OBER's residential segment is presently valued at INR285b. This valuation accounts for recent business development activities and incorporates a future outlay of INR30b towards prospective land acquisitions. **Reiterate Neutral** with a revised NAV of INR627b or INR1,726 per share (earlier INR748b or INR2,056 per share).

Quarterly performance (INRm)

Y/E March	FY24				FY25E				FY24	FY25	FY25E	4QE Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q Est.	(%/bp)
Net Sales	**9,100**	**12,174**	**10,536**	**13,148**	**14,052**	**13,199**	**14,111**	**11,501**	**44,958**	**52,863**	**10,807**	**6%**
YoY Change (%)	-0.3	76.8	-35.3	36.8	54.4	8.4	33.9	-12.5	7.2	17.6	-17.8	
Total Expenditure	4,362	5,792	5,443	5,262	5,901	5,061	5,549	5,321	20,859	21,832	5,127	
EBITDA	**4,737**	**6,382**	**5,094**	**7,886**	**8,151**	**8,138**	**8,561**	**6,181**	**24,099**	**31,030**	**5,680**	**9%**
Margins (%)	52.1	52.4	48.3	60.0	58.0	61.7	60.7	53.7	53.6	58.7	52.6	118bp
Depreciation	113	113	114	135	202	208	233	242	475	885	395	
Interest	615	565	501	504	589	517	745	801	2,184	2,652	368	
Other Income	236	264	292	2,438	368	387	492	632	3,230	1,879	57	
PBT before EO expense	**4,245**	**5,968**	**4,771**	**9,685**	**7,728**	**7,800**	**8,076**	**5,769**	**24,669**	**29,373**	**4,974**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**4,245**	**5,968**	**4,771**	**9,685**	**7,728**	**7,800**	**8,076**	**5,769**	**24,669**	**29,373**	**4,974**	**16%**
Tax	1,046	1,421	1,192	1,833	1,905	1,930	1,919	1,439	5,491	7,194	607	
Rate (%)	24.6	23.8	25.0	18.9	24.7	24.7	23.8	24.9	22.3	24.5	12.2	
Minority Interest & Profit/Loss of Asso. Cos.	17	21	22	28	23	25	27	2	89	76	-52	
Reported PAT	**3,216**	**4,568**	**3,602**	**7,880**	**5,845**	**5,894**	**6,184**	**4,332**	**19,266**	**22,255**	**4,316**	**0%**
Adj PAT	**3,216**	**4,568**	**3,602**	**7,880**	**5,845**	**5,894**	**6,184**	**4,332**	**19,266**	**22,255**	**4,316**	**0%**
YoY Change (%)	-20.2	43.4	-48.7	64.1	81.7	29.0	71.7	-45.0	1.2	15.5	-45.2	
Margins (%)	35.3	37.5	34.2	59.9	41.6	44.7	43.8	37.7	42.9	42.1	39.9	
Operational metrics												
Residential												
Sale Volume (msf)	0.15	0.22	0.26	0.45	0.21	0.28	0.66	0.14	1.1	1.3	0.58	-76%
Sale Value (INRm)	4,760	9,650	7,868	17,907	10,519	14,425	19,183	8,533	40,186	52,658	16,587	-49%
Collections (INRm)	11,091	11,013	8,915	10,821	10,114	12,112	13,950	7,653	41,840	43,829	16,736	-54%
Realization (INR/sft)	32,630	43,700	30,575	40,017	49,903	52,305	29,081	62,135	37,503	41,027	28,572	117%

ACC

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	355.3 / 4.2
52-Week Range (INR)	2844 / 1778
1, 6, 12 Rel. Per (%)	-6/-18/-33
12M Avg Val (INR M)	950

Financials & Valuations (INR b)

Y/E Dec	FY25	FY26E	FY27E
Sales	210.3	235.2	263.6
EBITDA	23.8	30.1	38.6
Adj. PAT	13.4	16.8	22.7
EBITDA Margin (%)	11.3	12.8	14.7
Adj. EPS (INR)	71.2	89.1	120.9
EPS Gr. (%)	-28.3	25.2	35.6
BV/Sh. (INR)	972	1,054	1,167
Ratios			
Net D:E	-0.2	-0.2	-0.2
RoE (%)	7.8	8.8	10.9
RoCE (%)	8.0	9.1	11.1
Payout (%)	5.8	8.4	8.3
Valuations			
P/E (x)	26.6	21.2	15.7
P/BV (x)	1.9	1.8	1.6
EV/EBITDA(x)	13.0	10.2	7.5
EV/ton (USD)	91	82	78
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	-1.2	1.6	5.1

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	56.7	56.7	56.7
DII	25.1	24.8	24.8
FII	4.8	5.1	6.2
Others	13.4	13.4	12.3

FII includes depository receipts

CMP: INR1,892 TP: INR2,400 (+27%) BUY

Earnings beat; group-level synergy yet to materialize

Land acquired in the western region for strategic growth

- ACC's 4QFY25 EBITDA declined 4% YoY to INR8.0b (15% beat), led by higher-than-estimated volume and realization. EBITDA/t declined ~16% YoY to INR673 (est. INR608). OPM contracted 2.2pp YoY to ~13% (est. ~12%). Adj. PAT increased ~4% YoY to INR5.1b (26% beat).
- ACC acquired land parcels in the western part of India. Management plans to set up grinding units as well as acquire coal mines. This land is near to its Chanda plant in Maharashtra. The investment may be made by either ACC or ACEM, but the benefits are shared through the MSA. Further, ACC invested ~INR7.5b in GCFC wagons and ~INR5.0b in grinding units, apart from the WHRS units at Chanda and Wadi-2 line.
- We broadly retain our FY26/FY27 earnings estimates. ACC trades at 10x/8x FY26E/FY27E EV/EBITDA and USD82/USD78 EV/t. We value the stock at 10x FY27E EV/EBITDA to arrive at our TP of INR2,400. **Reiterate BUY**.

Sales volume above estimate; EBITDA/t at INR673 (-16% YoY)

- Revenue/EBITDA/PAT stood at INR60.1b/INR8.0b/INR5.1b (+11%/-4%/+4% YoY and +6%/+15%/+26% vs. our estimates) in 4QFY25. Sales volumes were up 14% YoY at 11.9mt (+4% vs. our estimate). Cement realization was down 3% YoY (up 2% QoQ/+2% vs. estimate) at INR4,696/t.
- Variable cost/t increased ~5% YoY (-1% QoQ; +2% vs. est.), while freight cost/other expenses per ton declined ~8%/6% YoY. Overall opex/t remained flat YoY (+1% vs. estimate). OPM contracted 2.2pp YoY at ~13%, and EBITDA/t declined 16% YoY to INR673.
- In FY25, revenue/EBITDA/Adj. PAT stood at INR210.3b/INR23.8b/ INR13.4b (up 5%/down 22%/28% YoY). Sales volume rose ~14% YoY, while realization declined 8% YoY. EBITDA/t was down 32% YoY at INR565. OCF declined ~43% YoY to INR17.1b in FY25 due to an increase in WC. Capex stood at INR21.3b in FY25 vs INR13.6b in FY24. Free cash outflow stood at INR4.2b in FY25 vs free cash inflow of INR16.2b in FY24.

Key highlights from the management commentary

- Operations at a few old clinker units (Bargarh, Chaibasa, and Wadi-1) have been unfeasible, and hence, impairment has been provided. Further, these units are not being used for clinker production. Clinker capacity was 1mtpa each at Wadi-1 and Bargarh and 0.6mpta at Chaibasa. The Bargarh unit is now being used for grinding. It is in the process of dismantling the Wadi-1 clinker unit. These assets can still be operated based on the coal pricing scenario.
- The brownfield expansion at Sindri, Jharkhand (GU) of 1.6mtpa has been at an advanced stage and is likely to be commissioned in 1QFY26. Further, a greenfield expansion at Salai Banwa, Uttar Pradesh (GU) is likely to be commissioned in2QFY26.
- Fuel consumption cost stood at INR1.47/kcal vs. INR1.91/INR1.68 in 4QFY24/3QFY25. The WHRS share stood at 13.5% vs. 8.2%/10.0% YoY/QoQ. Overall green power share increased to 22.5% vs. 18.7% in 3QFY25. The AFR share increased to 11.0% vs. 9.6% in 3QFY25.

Valuation and view

- ACC reported higher-than-estimated operating performance. While it continued to post higher volume growth, aided by higher MSA volumes, lower realization vs. historical average weighed on margins. Synergies between the cement business and the group are yet to be played out. Further, we are closely monitoring the EBITDA/t trend of the company, as over the last few quarters reported earnings were more volatile vs. peers.
- We estimate a CAGR of 27%/30% for EBITDA/PAT over FY25-27, albeit on a low base. We estimate a volume CAGR of ~10% over FY25-27. Additionally, EBITDA/t is estimated to improve to INR650/INR760 in FY26/FY27 vs. INR565 in FY25. ACC trades inexpensively at 10x/8x FY26E/FY27E EV/EBITDA. We value the stock at 10x FY27E EV/EBITDA to arrive at our revised TP of INR2,400. **Reiterate BUY.**

Standalone quarterly performance (INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Cement Sales (mt)	9.40	8.10	8.88	10.44	10.20	9.30	10.70	11.90	36.9	42.1	11.47	4
Change (YoY %)	23.8	18.2	15.3	24.0	8.5	14.8	20.5	14.0	19.5	14.2	9.9	
Net Sales	**52.0**	**44.3**	**49.2**	**54.0**	**51.6**	**46.1**	**52.6**	**60.1**	**199.5**	**210.3**	**56.7**	6
Change (YoY %)	16.4	11.2	8.4	12.7	(0.9)	3.9	6.9	11.3	(10.2)	5.4	5.1	
EBITDA	**7.7**	**5.5**	**9.0**	**8.4**	**6.8**	**4.3**	**4.7**	**8.0**	**30.6**	**23.8**	**7.0**	15
Margin (%)	14.8	12.4	18.4	15.5	13.1	9.3	9.0	13.3	15.3	11.3	12.3	102
Change (YoY %)	80.8	3,456.3	138.7	79.5	(11.9)	(21.7)	(47.7)	(4.4)	140.5	(22.2)	(16.6)	
Depreciation	2.0	2.1	2.3	2.3	2.2	2.3	2.5	2.5	8.8	9.6	2.6	(1)
Interest	0.3	0.3	0.3	0.7	0.3	0.3	0.3	0.1	1.5	1.1	0.3	(55)
Other Income	0.8	2.1	0.8	1.2	0.7	1.5	1.1	0.6	4.9	4.0	1.0	(36)
PBT before EO Item	**6.2**	**5.2**	**7.2**	**6.6**	**4.9**	**3.2**	**3.1**	**6.0**	**25.2**	**17.2**	**5.1**	17
EO Income/(Expense)	0.0	0.0	0.0	0.0	0.0	0.0	11.7	2.6	0.0	14.3	0.0	
PBT after EO Item	**6.2**	**5.2**	**7.2**	**6.6**	**4.9**	**3.2**	**14.8**	**8.6**	**25.2**	**31.5**	**5.1**	68
Tax	1.6	1.3	1.9	-0.9	1.3	0.8	3.9	1.2	3.9	7.2	1.0	
Rate (%)	25.5	25.5	26.6	(13.2)	25.6	26.5	26.2	14.4	15.7	22.9	20.0	
Reported PAT	**4.6**	**3.8**	**5.3**	**7.5**	**3.7**	**2.3**	**10.9**	**7.4**	**21.2**	**24.2**	**4.1**	80
Adjusted PAT	**4.6**	**3.8**	**5.3**	**4.9**	**3.7**	**2.3**	**2.3**	**5.1**	**18.7**	**13.4**	**4.1**	26
Margin (%)	8.9	8.7	10.7	9.1	7.1	5.1	4.3	8.5	9.4	6.4	7.2	
Change (YoY %)	108.8	NM	212.1	72.0	(21.1)	(39.1)	(57.3)	4.5	88.7	(28.3)	(16.9)	

Source: MOFSL, Company

Per ton analysis, including RMC (INR/t)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Blended Realization	**5,533**	**5,475**	**5,538**	**5,171**	**5,054**	**4,955**	**4,915**	**5,049**	**5,410**	**4,996**	**4,945**	2
Change (YoY %)	(6.0)	(5.9)	(6.0)	(9.1)	(8.7)	(9.5)	(11.2)	(2.3)	(6.0)	(7.7)	(4.4)	
Raw Material	1,596	1,598	1,512	1,746	1,730	1,942	2,043	2,095	1,579	1,960	1,947	8
Staff Cost	210	240	201	157	157	192	182	145	199	168	161	(10)
Power and fuel	1,196	1,093	1,141	931	970	830	786	720	1,083	822	801	(10)
Freight	1,245	1,177	1,084	1,058	1,075	1,020	971	970	1,136	1,007	985	(1)
Other expenditure	469	689	583	477	458	508	491	447	584	474	444	1
Total Expenditure	**4,715**	**4,798**	**4,521**	**4,369**	**4,391**	**4,493**	**4,474**	**4,377**	**4,581**	**4,430**	**4,337**	1
EBITDA	**818**	**677**	**1,017**	**802**	**664**	**462**	**442**	**673**	**829**	**565**	**608**	11

Source: MOSFL, Company

KFin Technologies

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	KFINTECH IN
Equity Shares (m)	172
M.Cap.(INRb)/(USDb)	218.5 / 2.6
52-Week Range (INR)	1641 / 610
1, 6, 12 Rel. Per (%)	20/32/72
12M Avg Val (INR M)	1454

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Revenue	10.9	12.5	15.1
EBITDA	4.8	5.4	6.7
PAT	3.3	3.9	4.9
EPS	19.5	22.6	28.5
EPS Grw. (%)	33.9	15.8	26.2
BVPS	76.7	84.9	99.4
RoE (%)	28.3	27.9	30.9
Div. Pay out (%)	45.0	60.0	60.0
Valuations			
P/E (x)	65.1	56.2	44.6
P/BV (x)	16.6	14.9	12.8
Div. Yield (%)	0.7	1.1	1.3

Shareholding Pattern (%)

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

FII includes depository receipts

CMP: INR1,269 TP: INR1,150 (-9%) Neutral

Performance in line across parameters

- **KFin Technologies (KFINTECH) reported a 24% YoY growth in operating revenue to INR2.8b in 4QFY25 (in line), driven by 23%/35%/16% YoY growth in domestic MF solutions/issuer solutions/international solutions. For FY25, revenue grew 30% YoY to ~INR10.9b.**
- **Total operating expenses grew 30% YoY to INR1.6b (in line), resulting in 17% YoY growth in EBITDA to INR1.2b (in line), with EBITDA margin at 43.2% (45.8% in 4QFY24). For FY25, EBITDA grew 31% YoY to INR4.8b, reflecting EBITDA margin of 43.9% (43.8% in FY24).**
- **KFINTECH reported a net profit of INR851m, up 14% YoY (in line) in 4QFY25. For FY25, PAT rose 35% YoY to INR3.3b. PAT margins for 4QFY25 stood at 30.1% in 4QFY25 vs 32.6% in 4QFY24.**
- **EBITDA margins are expected to decline in FY26 due to Ascent's lower margin profile compared to KFINTECH. However, in absolute terms, management does not anticipate significant dilution.**
- **We have cut our earnings estimates for FY26/FY27 by 3%/5% due to lower AUM growth expected this year. We expect revenue/PAT to post a CAGR of 18%/21% over FY25-27. We maintain a Neutral rating on the stock with a one-year TP of INR1,150, premised at a P/E multiple of 40x on FY27E earnings.**

Equity AAUM constitutes 58% of overall AAUM

- Total MF AAUM grew 26% YoY to INR21.9t in 4QFY25. Equity MF AAUM contributed 58% to overall AAUM, up 26% YoY to INR12.7t, reflecting a market share of 33.1% (33.4% in 4QFY24).
- Strong net flows and a healthy yield of 3.6bp in 4QFY25 resulted in a 23% YoY growth in revenue from the domestic MF business, reaching INR2b (in line). This segment contributed 70% to the overall revenue in 4QFY25.
- In the issuer services business, KFINTECH's market share in mainboard IPOs (in terms of issue size) grew 1.74x YoY to 72.9% in 4QFY25, driven by its role in managing several top IPOs, with the upcoming pipeline of large IPOs also largely managed by the company. This led to a 35% YoY growth in revenue from issuer solutions to INR424m (7% miss) in 4QFY25. The revenue mix (%) comprised ~45% from folio maintenance, ~35% from corporate actions, and the balance from other corporate events like conducting AGMs, e-votings, etc.
- In the international investor solutions business, KFINTECH has crossed over 100 contracts, with the client count reaching 76 (including 12 yet to go live), bringing the total AUM serviced to INR813b. Revenue from this segment grew 51% YoY to INR412m. Following the Ascent acquisition, management expects the international business to contribute 13-15% to overall revenues, up from the current levels of 5-6%.
- In the alternates and wealth business, market share stood at 36.8%, with an AUM of INR1.5t. KFINTECH recently won two deals in the wealth segment, and the pipeline remains robust. The NPS market share continued to rise, reaching 9.8% in 4QFY25 (8.3% in 4QFY24), with an AUM of INR542b.

- Employee expenses grew 20% YoY to INR1b (in line) and other expenses grew 52% YoY to INR588m (in line). The cost-to-income ratio stood at 57% (54.2% in 4QFY24 and MOFSLe of 57.7%).
- Other income grew 52% YoY/10% QoQ to INR100m (5% miss).

Key takeaways from the management commentary

- Revenue growth in FY25 was primarily driven by new mandate wins, despite a decline in AUM, due to mark-to-market losses amid market volatility. Management remains optimistic about strong revenue growth going forward, supported by both continued mandate wins and AUM expansion.
- It expects the recent acquisition of Ascent Fund Services to become value-accretive from FY27 onwards, while FY26 is anticipated to be broadly neutral in terms of its impact.
- For the KRA business, in-principle approval has been received from SEBI, and the company is now awaiting final approval. The platform is already built, and operations will commence immediately upon receiving the final go-ahead.

Valuation and view

- Structural tailwinds in the MF industry are expected to drive absolute growth in KFINTECH's MF revenue. With its differentiated 'platform-as-a-service' model offering comprehensive, end-to-end solutions powered by proprietary technology, the company is well-positioned to capitalize on strong growth opportunities in both Indian and global markets.
- The recent strategic investment in Ascent Fund Services marks a significant milestone, positioning KFINTECH as the first global fund administrator based in India. This acquisition provides access to a diversified client base across multiple geographies, a seasoned leadership team, and robust growth potential.
- By leveraging Ascent's client acquisition strengths, along with KFINTECH's technological capabilities and strategic partnership with BlackRock's Aladdin Provider Network, the company is well-positioned to drive sustained growth and expand market share across segments.
- We have cut our earnings estimates for FY26/FY27 by 3%/5% due to lower AUM growth expected this year. We expect revenue/PAT to post a CAGR of 18%/21% over FY25-27. We maintain a Neutral rating on the stock with a one-year TP of INR1,150, premised at a P/E multiple of 40x on FY27E earnings.

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	4QFY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	1,815	2,090	2,187	2,283	2,376	2,805	2,900	2,827	8,375	10,908	2,781	1.6	24%	-3%
Change YoY (%)	7.6	16.0	16.3	24.7	30.9	34.2	32.6	23.8	16.3	30.2	21.8			
Employee expenses	756	760	831	850	958	1,018	1,040	1,017	3,197	4,033	1,044	-2.6	20%	-2%
Operating expenses														
Other Expenses	355	393	377	387	421	522	555	588	1,513	2,085	560	4.9	52%	6%
Total Operating Expenses	1,111	1,153	1,208	1,237	1,379	1,539	1,595	1,604	4,709	6,118	1,604	0.0	30%	1%
Change YoY (%)	4.6	5.7	12.5	24.6	24.1	33.5	32.0	29.7			29.6			
EBITDA	**704**	**937**	**979**	**1,046**	**997**	**1,265**	**1,306**	**1,223**	**3,666**	**4,790**	**1,177**	3.8	17%	-6%
Other Income	53	63	64	66	81	105	91	100	247	377	105	-4.6	52%	10%
Depreciation	124	126	134	146	148	165	164	167	530	645	170	-1.4	15%	2%
Finance Cost	29	32	12	11	12	11	11	13	84	47	12	3.7	16%	12%
PBT	**604**	**842**	**898**	**955**	**918**	**1,195**	**1,221**	**1,142**	**3,298**	**4,476**	**1,100**	3.8	20%	-6%
Change YoY (%)	18.0	41.5	25.5	25.5	52.1	41.9	36.0	19.6	27.7	35.7	15.2			
Tax Provisions	165	223	226	199	237	301	319	292	813	1,150	259	12.5	47%	-9%
Net Profit	**434**	**614**	**668**	**745**	**681**	**893**	**902**	**851**	**2,461**	**3,326**	**841**	1.2	14%	-6%
Change YoY (%)	15.9	28.1	25.2	30.6	56.9	45.5	34.9	14.2	25.7	35.2	12.9			
Key Operating Parameters (%)														
Revenue / AUM (bps)	5.4	5.6	5.6	5.3	5.0	5.2	5.2	5.2	5.5	5.2	5.6	-41bp	-9bp	-2bp
Opex / AUM (bps)	3.3	3.1	3.1	2.9	2.9	2.9	2.9	2.9	3.1	2.9	3.2	-28bp	8bp	8bp
PBT / AUM (bps)	1.8	2.3	2.3	2.2	1.9	2.2	2.2	2.1	2.2	2.1	2.2	-12bp	-11bp	-9bp
PAT / AUM (bps)	1.3	1.7	1.7	1.7	1.4	1.7	1.6	1.6	1.6	1.6	1.7	-13bp	-16bp	-6bp
Cost to Operating Income Ratio	61.2	55.2	55.2	54.2	58.0	54.9	55.0	56.8	56.2	56.1	57.7	-91bp	256bp	177bp
EBITDA Margin	38.8	44.8	44.8	45.8	42.0	45.1	45.0	43.2	43.8	43.9	42.3	91bp	-256bp	-177bp
PBT Margin	33.3	40.3	41.0	41.8	38.6	42.6	42.1	40.4	39.4	41.0	39.6	85bp	-141bp	-169bp
Tax Rate	27.3	26.5	25.2	20.8	25.9	25.2	26.1	25.5	24.7	25.7	23.6	196bp	469bp	-60bp
PAT Margin	23.9	29.4	30.6	32.6	28.7	31.8	31.1	30.1	29.4	30.5	30.2	-14bp	-253bp	-101bp
Opex Mix (%)														
Employee expenses	68.0	65.9	68.8	68.7	69.5	66.1	65.2	63.4	67.9	65.9	65.1	-169bp	-534bp	-184bp
Other Expenses	32.0	34.1	31.2	31.3	30.5	33.9	34.8	36.6	32.1	34.1	34.9	169bp	534bp	184bp

Castrol (India)

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CSTRL IN
Equity Shares (m)	989
M.Cap.(INRb)/(USDb)	201 / 2.4
52-Week Range (INR)	279 / 159
1, 6, 12 Rel. Per (%)	-3/-1/-10
12M Avg Val (INR M)	1592

Financials & Valuations (INR b)

Y/E Dec	CY24	CY25E	CY26E
Sales	53.6	55.8	58.0
EBITDA	12.8	12.8	13.4
PAT	9.3	9.4	9.9
EPS (INR)	9.4	9.5	10.0
EPS Gr. (%)	7.3	1.7	4.8
BV/Sh.(INR)	23.0	24.9	26.9
Ratios			
Net D:E	-0.6	-0.6	-0.6
RoE (%)	42.1	39.8	38.5
RoCE (%)	42.5	40.1	38.8
Payout (%)	138.7	80.0	80.0
Valuations			
P/E (x)	21.8	21.4	20.4
P/BV (x)	8.9	8.2	7.6
EV/EBITDA (x)	14.7	14.6	13.8
Div. Yield (%)	6.4	3.7	3.9
FCF Yield (%)	4.7	4.6	4.8

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	51.0	51.0	51.0
DII	14.6	14.5	16.4
FII	10.6	9.5	9.5
Others	23.8	25.0	23.1

FII Includes depository receipts

CMP: INR203 TP: INR250 (+23%) Buy

Volume growth outlook remains stable

- Castrol (CSTRL) 1QCY25 results were in line with our estimates. EBITDA margin contracted 55bp YoY/615bp QoQ due to a rise in other expenses. 1Q volumes stood in line with our estimate at 62m liters.
- Management highlighted that it remains focused on brand building, widening the distribution network, and launching new products, all of which we believe will drive volume growth and market share expansion.
- Management maintains a bullish outlook on India as a market and expects robust demand for lubricants to remain stable until late CY30s and early CY40s, largely attributed to low penetration of cars in the country. While the threat from electric vehicles (EVs) is real, the EV adoption is expected to be gradual.
- **Key takeaways from the 1QCY25 earnings call:**
  - CSTRL maintained its guidance of growing higher than the industry's average growth rate of 4-5% and guided for 22-25% EBITDA margin for CY25. We estimate ~23% EBITDA margin in both CY25 and CY26.
  - Net landed prices for base oil would be range-bound for the next 2-3 quarters. Management does not foresee any major benefits of soft crude oil prices. However, forex fluctuation headwinds prevail.
  - All parts of automotive segment grew strongly in 1Q. CVs/PVs in double digits and 2W in high-single digits. Industrial segment volume grew in single digits.
  - Auto care is already an INR20b+ market in India. These products are margin-accretive.
- CSTRL has always enjoyed a strong brand legacy, and we are confident in its ability to maintain profitability through an improved product mix, stringent cost-control measures, and the launch of advanced products that command better realization. **We reiterate our BUY rating with a TP of INR250.**

Earnings in line; EBITDA margin contracts QoQ

- 1QCY25 revenue came in at ~INR14.2b, in line with our est.
- EBITDA was also in line with our est. at INR3b (up 5% YoY).
  - EBITDA margin contracted 55bp YoY/615bp QoQ due to a rise in other expenses.
  - Gross margin dipped 423bp QoQ but remained flat YoY.
- PAT was in line at INR2.3b.
- **Other key highlights:**
  - The relaunch of Castrol Activ, supported by a high-visibility campaign featuring Shah Rukh Khan, boosted volume growth. Additionally, the new range of rust-prevention products (Rustilo DW 800, 806, 809, 812) is gaining traction in the tube industry.
  - The company secured a supply agreement with Triumph for their fully synthetic Castrol POWER1 two-wheeler engine oil.
  - CSTRL has expanded its network nationwide to ~148,000 outlets.
  - Industrial product visibility improved along with a rise in new customer acquisitions; CMS services added a major gearbox manufacturer in 1Q, and IMTEX 2025 generated business leads.

Valuation and view

- Our EBITDA margin assumptions are already within the company's guided range of 22-25%.
- We value the stock at 25x P/E (average: 21.9x and mean + 1 S.D.: 28.6x) and arrive at our TP of INR250. **We reiterate our BUY rating.**

Quarterly Performance **(INR m)**

Y/E December	CY24				CY25				CY24	CY25E	CY25	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Volume (m liters)	**58.0**	**61.0**	**55.0**	**59.0**	**62.0**	**64.7**	**58.3**	**62.0**	**233.0**	**247.0**	**60.9**	**2%**
Realization	**228**	**229**	**234**	**229**	**229**	**226**	**226**	**222**	230	226	**223**	**3%**
Net Sales	**13,252**	**13,975**	**12,882**	**13,539**	**14,220**	**14,606**	**13,169**	**13,794**	**53,649**	**55,788**	**13,578**	**5%**
YoY Change (%)	2.4	4.8	8.9	7.1	7.3	4.5	2.2	1.9	5.7	4.0	2.5	
EBITDA	**2,937**	**3,224**	**2,861**	**3,759**	**3,074**	**3,395**	**2,980**	**3,370**	**12,782**	**12,819**	**3,151**	**-2%**
YoY Change (%)	-0.4	4.1	6.5	14.2	4.6	5.3	4.2	-10.3	6.3	0.3	7.3	
Margin (%)	22.2	23.1	22.2	27.8	21.6	23.2	22.6	24.4	23.8	23.0	23.2	**-7%**
Depreciation	237	261	245	254	246	267	251	260	998	1,020	242	
Interest	21	26	20	27	23	27	21	28	94	98	22	
Other Income	241	204	209	232	322	209	214	238	886	909	248	
PBT before EO expense	**2,921**	**3,142**	**2,805**	**3,709**	**3,127**	**3,311**	**2,922**	**3,320**	**12,576**	**12,610**	**3,134**	**0%**
PBT	**2,921**	**3,142**	**2,805**	**3,709**	**3,127**	**3,311**	**2,922**	**3,320**	**12,576**	**12,610**	**3,134**	**0%**
Tax	758	820	730	995	793	834	736	814	3,304	3,178	790	
Rate (%)	26.0	26.1	26.0	26.8	25.3	25.2	25.2	24.5	26.3	25.2	25.2	
PAT	**2,162**	**2,322**	**2,074**	**2,714**	**2,335**	**2,476**	**2,186**	**2,506**	**9,272**	**9,432**	**2,344**	**0%**
YoY Change (%)	6.8	3.1	6.7	12.2	8.0	6.7	5.4	-7.7	7.3	1.7	8.4	
Operational Details (INR/lit)												
Volume (m liters)	58.0	61.0	55.0	59.0	62.0	64.7	58.3	62.0	233.0	247.0	60.9	2%
Realization	228.5	229.1	234.2	229.5	229.4	225.9	225.9	222.4	230.3	225.9	223.0	3%
Gross margin	109.4	111.3	111.9	120.0	110.2	109.3	109.3	108.4	113.2	109.3	106.5	3%
EBITDA	50.6	52.9	52.0	63.7	49.6	52.5	51.1	54.3	54.9	51.9	51.7	-4%
PAT	37.3	38.1	37.7	46.0	37.7	38.3	37.5	40.4	39.8	38.2	38.5	-2%

IndiaMART

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	INMART IN
Equity Shares (m)	60
M.Cap.(INRb)/(USDb)	139.9 / 1.6
52-Week Range (INR)	3199 / 1850
1, 6, 12 Rel. Per (%)	9/-8/-19
12M Avg Val (INR M)	762

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	13.9	15.0	17.3
EBITDA	5.2	5.3	6.0
Adj. PAT	5.5	4.9	5.7
Adj. EPS (INR)	91.7	81.7	94.6
Adj. EPS Gr. (%)	65%	-11%	16%
BV/Sh. (INR)	364.2	434.4	498.1
Ratios			
RoE (%)	28.1	20.5	20.3
RoCE (%)	30.9	23.3	22.7
Payout (%)	54.5	15.0	33.0
Valuations			
P/E (x)	25.4	28.5	24.6
P/BV (x)	6.4	5.4	4.7

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	49.2	49.2	49.2
DII	15.5	13.9	10.6
FII	19.0	21.2	23.1
Others	16.3	15.8	17.1

FII Includes depository receipts

CMP: INR2,331 TP: INR2,650 (+14%) Buy

ARPU anchors growth amid subdued collections

Churn in silver accounts continues to haunt; reiterate BUY

- IndiaMART (INMART) reported 4QFY25 revenue growth of 13% YoY, vs our estimate of 15.8% YoY growth. Deferred revenue rose 17% YoY to INR16.7b. EBITDA margin was down ~240bp QoQ to 36.7%, below our estimates of 38.5%, due to increased manpower expense and outsourced sales cost. PAT stood at INR1,802m, up 49% QoQ/81% YoY, beating our estimate of INR1,056m due to higher other income. For FY25, revenue/EBITDA/PAT grew 16%/57%/64% YoY. We expect revenue/EBITDA/PAT to grow 6.4%/6.9%/2.5% YoY in 1QFY26. **We reiterate our BUY rating on the stock, citing undemanding valuations, with a TP of INR2,650.**

Our view: Gold and platinum accounts remain sticky

- **Monitoring collections closely as ARPU holds steady:** INMART's growth continues to be driven by a resilient premium customer base and steady ARPU gains. However, gross customer additions remained muted, and churn in the silver segment continues to be a sticking point—particularly among first-year users, where retention challenges persist. Collections growth was also muted at 9% in the quarter. We anticipate that this trend could persist a little longer before stabilizing.
- ARPU rose 11% YoY, driven largely by the top 10% of customers (ARPU up 17%). However, growth remains heavily reliant on existing users, with limited contribution from new customer cohorts.
- **Gold and platinum segments doing the heavy lifting**: Premium segments—now contributing ~75% of revenue—continue to anchor growth with ~1% churn and steady ARPU expansion. These customers offer predictability and pricing power, helping offset volatility elsewhere.
- **Supplier base rationalized; quality-first strategy in play**: INMART continued its strategic pivot toward high-quality supplier onboarding, even if it meant a slowdown in gross additions. Platform enhancements—like reducing buyer introductions per supplier and aligning inquiries with geography—are aimed at boosting conversion and retention, particularly in the silver segment.
- **Improvements in RFP quality and matchmaking are yielding anecdotal gains in engagement.** While supplier consolidation may weigh on headline metrics in the near term, it should support longer-term retention. That said, execution will be key, and we remain in the wait-and-watch mode over the next couple of quarters to see whether churn metrics—especially in the silver bucket—show sustained improvement.
- **Margins:** With low customer acquisition spending, margins remained high at 38-40%. However, as INMART gears up to accelerate supplier additions and advertising pilots, we expect these margins to step down toward a more sustainable 33-34% over time.

Valuation and changes in estimates

- We continue to view INMART as a key beneficiary of the growing technology adoption by India's MSME universe and the ongoing shift toward a formalized ecosystem. We keep our estimates largely unchanged. We expect INMART to deliver a 12% revenue CAGR over FY25-27. We estimate EBITDA margin of 35.3%/34.4% for FY26/FY27.
- Currently, INMART is trading at an undemanding valuation, in our view, as the valuations reflect uncertainties surrounding the churn rate, product-market fit, and subscriber growth. We value INMART on a DCF basis to arrive at our TP of INR2,650, assuming 11.5% WACC and 6% terminal growth. **Reiterate BUY**.

Revenue in line and margins miss; paying subscribers up 1.4% QoQ

- INMART reported 4QFY25 revenue of INR3.5b, growing 13% YoY vs. our estimate of 15.8%. For FY25, revenues grew 16% to INR 13.8b.
- Consolidated collections stood at INR5.4b (+12% YoY). Deferred revenue rose 17% YoY to INR16.7b.
- The company added 2.1k paying subscribers QoQ. ARPU grew 11% YoY to INR62k.
- EBITDA margin was 37%, down 240bp QoQ and below our estimate of 38.5%, due to increased manpower expense and outsourced sales cost. For FY25, EBITDA margins stood at 38%.
- PAT was INR1,802m, up 49% QoQ/81% YoY, beating our estimate of INR1,056m due to higher other income.
- Traffic was flat YoY at 272m. Total suppliers on the platform stood at 8.4m, up 6% YoY.
- Total cash and investments stood at INR28.9b.

Highlights from the management commentary

- Collections grew to INR5.41b for the quarter, up 12% YoY. For FY25, collections reached INR16.2b, reflecting 10% YoY growth on a consolidated basis.
- Unique business inquiries grew 10% QoQ. The company continues to address churn within the silver bucket and focuses on acquiring higher-quality customers.
- Pilot projects on advertising are underway to increase traffic and engagement. These experiments will continue over the next two quarters. If scaled, they could have a significant impact on margins.
- The company estimates that 66% of churn-related issues have been identified and aims to shift to an 80:20 ratio over the next 3-4 quarters.
- 50% of the customer base and 75% of revenue come from the gold and platinum segments, which exhibit low churn and strong ARPU growth.
- Gold and platinum revenue contribution is steadily increasing QoQ as the customer base grows.
- 20% of deferred revenue is expected to be recognized within the next year.
- Margins remain elevated in the 38-40% range due to low customer acquisition costs. As acquisition investments normalize, margins are expected to settle at around 33-34%. A strategic pause in gross additions supports sustainable margin performance.

Valuation and view

- We are confident of strong fundamental growth in operations, propelled by: 1) higher growth in digitization among SMEs, 2) the need for out-of-the-circle buyers, 3) a strong network effect, 4) over 70% market share in the underlying industry, 5) the ability to improve ARPU on low price sensitivity, and 6) higher operating leverage.
- We value INMART on a DCF basis to arrive at our TP of INR2,650, assuming 11.5% WACC and 6% terminal growth. **We reiterate our BUY rating on the stock.**

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	Est	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY25E	(% / bp)
Gross Sales	**2,821**	**2,947**	**3,053**	**3,147**	**3,313**	**3,477**	**3,543**	**3,551**	**11,968**	**13,884**	**3,645**	**-2.6**
YoY Change (%)	25.6	22.5	21.4	17.1	17.4	18.0	16.0	12.8	21.5	16.0	15.8	-300bp
Total Expenditure	2,048	2,150	2,200	2,260	2,120	2,130	2,160	2,250	8,658	8,660	2,243	0.3
EBITDA	**773**	**797**	**853**	**887**	**1,193**	**1,347**	**1,383**	**1,301**	**3,310**	**5,224**	**1,402**	**-7.2**
Margins (%)	27.4	27.0	27.9	28.2	36.0	38.7	39.0	36.6	27.7	37.6	38.5	-180bp
Depreciation	74	80	84	127	81	82	83	83	365	329	90	-8
Interest	22	23	22	22	20	19	18	17	89	74	25	-32
Other Income	571	346	417	772	532	655	449	1,090	2,106	2,726	302	261
PBT before EO expense	**1,248**	**1,040**	**1,164**	**1,510**	**1,624**	**1,901**	**1,731**	**2,291**	**4,962**	**7,547**	**1,589**	**44.2**
Extra-Ord expense	18	0	0	0	0	0	0	0	18	0	0	
PBT	**1,230**	**1,040**	**1,164**	**1,510**	**1,624**	**1,901**	**1,731**	**2,291**	**4,944**	**7,547**	**1,589**	**44.2**
Tax	293	239	277	395	374	422	380	380	1,204	1,556	373	2
Rate (%)	23.8	23.0	23.8	26.2	23.0	22.2	22.0	16.6	24.4	20.6	23.5	-690bp
Minority Interest & Profit/Loss of Asso. Cos.	106	110	72	116	112	127	141	111	404	491	160	
Reported PAT	**831**	**691**	**815**	**999**	**1,138**	**1,352**	**1,210**	**1,800**	**3,336**	**5,500**	**1,056**	**70.5**
Adj PAT	**849**	**691**	**815**	**999**	**1,138**	**1,352**	**1,210**	**1,800**	**3,354**	**5,500**	**1,056**	**70.5**
YoY Change (%)	81.8	1.0	33.1	79.0	34.0	95.7	48.5	80.2	44.5	64.0	5.7	7450bp
Margins (%)	30.1	23.4	26.7	31.7	34.3	38.9	34.2	50.7	28.0	39.6	29.0	2170bp

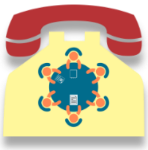
Key Performance Indicators

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue Indicators										
Paid Suppliers ('000)	208.0	210.0	212.0	214.0	216.0	218.0	214.0	217.0	214.0	217.0
ARPU ('000)	51.5	53.5	55.1	55.9	58.4	60.8	62.9	62.0	53.4	61.0
Cost Indicators										
Employees	4,821	5,066	5,186	5,384	5,729	5,923	5,973	6,102	5,384	6,102
Other Expenses (INR M)	488	460	460	491	460	440	470	498	1,899	1,868

BPCL

BSE SENSEX	S&P CNX
80,288	24,336

Conference Call Details



Date: 29 Apr'25
Time: 1100 hours IST
Dial-in details:
+91 22 6280 1342
+91 22 7115 8243

CMP: INR312 Neutral

Beat driven by robust refining & marketing performance

- **BPCL delivered a 46% beat on EBITDA, driven by higher-than-estimated GRM (USD9.2/bbl) as well as marketing margins (INR5.9/lit; INR 0.3/lit due to inventory gain). While BPCL booked an exceptional loss of INR17.7b due to the impairment of investment in BPRL, adj. PAT stood 71% above our est. at INR45.5b.**
- **In 4QFY25, LPG under-recovery amounted to INR32.2b (similar QoQ). The price of LPG cylinders has been hiked by INR50 for both subsidized and non-subsidized users w.e.f. 8th Apr'25. The government also increased excise duty on both Petrol (MS) and Diesel (HSD) by INR2/lit.**
- **Singapore GRM has weakened further in Apr'25TD, averaging USD3/bbl (vs. USD3.2/bbl in 4QFY25). We have a bearish stance on refining over FY26-1HFY28 amid strong ~2.5-3.0mb/d net refinery capacity additions globally during CY24-26 and demand worries due to rising trade tensions and possibilities of global macroeconomic slowdown. Even after excise duty hikes, current MS/HSD marketing margins continue to average above INR10/lit.**
- **BPCL currently trades at 1.5x 1-yr. fwd. P/B vs 10-yr. average of 1.8x. We have a Neutral rating on the stock.**
- BPCL's reported GRM came in above our est. at ~USD9.2/bbl (our est. USD6.5/bbl).
- Refining throughput stood in line with our est. at 10.6mmt (+3% YoY).
- Marketing volumes, excluding exports, were also in line with our est. at 13.4mmt (-2% YoY).
  - Marketing margin (including inv.) was 22% above our est. at INR5.9/lit.
- EBITDA stood at INR78.1b (our est. INR53.5b), with marketing inventory gain and forex loss amounting to INR5.2b/INR450m in 4QFY25, respectively.
  - LPG under-recovery amounted to INR32.2b (similar QoQ).
- In 4Q, BPCL booked an exceptional loss of INR17.7b, on account of impairment of its investment in Bharat PetroResources (BPRL).
- While reported PAT stood 21% above our est. at INR32.1b, adj. PAT came in 71% above est. at INR45.5b.
  - Other income came in above our estimates.
- **In FY25,** net sales were similar YoY at INR4.4t, while EBITDA/Adj. PAT declined 42%/48% to INR255b/INR146b.
- **As of Mar'25**, BPCL had a cumulative negative net buffer of INR104.5b due to the under-recovery on LPG cylinders (INR72.3b as of Dec'24).
- The Board recommended a final dividend of INR5/share (FV: INR10/share).

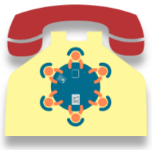
Standalone - Quarterly Earning Model (INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**1,129.8**	**1,029.9**	**1,154.9**	**1,165.6**	**1,131.0**	**1,027.6**	**1,131.4**	**1,111.8**	**4,480.1**	**4,401.7**	**957.3**	**16%**
YoY Change (%)	-6.7	-10.3	-3.1	-1.3	0.1	-0.2	-2.0	-4.6	-5.3	-1.8	-17.9	
EBITDA	**158.1**	**130.1**	**62.8**	**92.7**	**56.5**	**45.1**	**75.8**	**78.1**	**443.7**	**255.6**	**53.5**	**46%**
Margins (%)	14.0	12.6	5.4	7.9	5.0	4.4	6.7	7.0	9.9	5.8	5.6	
Forex loss	-0.2	1.0	0.5	0.5	-0.2	0.4	2.7	0.5	1.8	3.3	0.0	
Depreciation	16.1	16.0	18.2	17.2	16.8	17.7	18.0	19.7	67.5	72.3	18.7	
Interest	6.8	7.7	5.0	5.2	4.4	4.7	4.3	5.5	24.7	18.9	4.6	
Other Income	4.7	7.7	6.8	4.7	4.8	9.6	11.0	7.9	23.9	33.4	5.4	
PBT before EO expense	**140.1**	**113.1**	**45.8**	**74.4**	**40.3**	**31.9**	**61.8**	**60.4**	**373.5**	**194.4**	**35.5**	**70%**
Extra-Ord expense	0.0	0.0	0.0	18.0	0.0	0.0	0.0	17.7	18.0	17.7	0.0	
PBT	**140.1**	**113.1**	**45.8**	**56.4**	**40.3**	**31.9**	**61.8**	**42.6**	**355.5**	**176.6**	**35.5**	**20%**
Tax Rate (%)	24.7	24.8	25.8	25.1	25.2	24.9	24.7	24.6	25.0	24.8	25.2	
Reported PAT	**105.5**	**85.0**	**34.0**	**42.2**	**30.1**	**24.0**	**46.5**	**32.1**	**266.7**	**132.8**	**26.5**	**21%**
Adj PAT	**105.5**	**85.0**	**34.0**	**55.7**	**30.1**	**24.0**	**46.5**	**45.5**	**280.2**	**146.1**	**26.5**	**71%**
YoY Change (%)	LP	LP	73.4	-26.4	-71.4	-71.8	36.9	-18.3	848.1	-47.8	-52.3	
Margins (%)	9.3	8.3	2.9	4.8	2.7	2.3	4.1	4.1	6.3	3.3	2.8	
Key Assumptions												
Refining throughput (mmt)	10.4	9.4	9.9	10.4	10.1	10.3	9.5	10.6	39.9	40.5	10.3	3%
Reported GRM (USD/bbl)	12.6	18.5	13.4	12.5	7.9	4.4	5.6	9.2	14.1	6.8	6.5	42%
Marketing sales volume excld exports (mmt)	12.8	12.2	12.9	13.2	13.2	12.4	13.4	13.4	51.0	52.4	13.7	-2%
Marketing GM incld inv (INR/litre)	9.3	5.9	3.5	5.7	4.8	5.8	7.4	5.9	3.2	6.0	4.8	23%

Star Health

BSE SENSEX	S&P CNX
80,288	24,336

Conference Call Details



Date: 30th April 2025
Time: 08:30am IST
Link for the call

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
NEP	148.2	165.6	184.5
U/W Profit	-3.8	-2.3	-1.4
PBT	8.6	12.4	14.7
PAT	6.5	9.3	11.0
Ratios (%)			
Claims	70.3	69.5	69.0
Commission	14.4	13.9	13.9
Expense	16.4	16.4	16.1
Combined	101.1	99.8	99.0
RoE	9.5	11.8	12.4
EPS (INR)	11.0	15.8	18.8
Valuations			
P/E (x)	36.2	25.0	21.0
P/BV (x)	3.3	2.8	2.5

CMP: INR398 Buy

Elevated claims and commission ratio impact profitability

- **Gross written premium** at INR51.4b grew 35% YoY (in line), driven by a 37% YoY growth in retail health premium and a 6% YoY decline in group health premium.
- **Net earned premium** grew 12% YoY to INR38b (in line). For FY25, net earned premium grew 15% YoY to INR148b.
- **Claims ratio at 69.2%** (vs our est. of 68.1%) grew 510bp YoY, driven by a 21% YoY increase in net claims incurred, which amounted to INR26.3b (in line).
- **Commission ratio at 15.8%** (vs our est. of 14%) grew 150bp YoY, while net commission grew 17% YoY to INR7.6b (11% above est.)
- **Expense ratio at 14.2%** (vs our est. of 15.2%) declined 20bp YoY on account of a 3% YoY decline in employee expenses, while other expenses grew 22% YoY.
- The rise in claims and commission ratio led to a **combined ratio of 99.2%** (vs our est. of 97.3%), up 640bp YoY.
- **Total investment income** stood at INR2.9b (24% below est.), flattish YoY.
- The rise in claims and commission resulted in a **PAT of INR5.2m**. For FY25, PAT declined 24% YoY to INR6.5b.
- The solvency ratio for 4QFY25 stood flat at 2.21x on a YoY basis.

Valuation and view

Regulatory changes in the accounting of long-term health policies impacted the expense and combined ratio during 4QFY25. We remain optimistic about the overall prospects for Star Health, backed by: a) consistent growth in retail health, given its under-penetration, b) a strong push from the Banca channel, and c) sustained growth in specialized products and deepening presence. We believe that Star Health can deliver long-term growth with the investments made in profitable channels and products. We may review our estimates and TP after the concall on 30th Apr'25.

Quarterly Performance **(INR b)**

Y/E March	FY24				FY25				FY24	FY25	4Q FY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Net earned premium	30.4	32.1	32.9	34.0	35.2	37.0	38.0	38.0	129.4	148.2	38.2	-0.5	12%	0%
Investment Income	1.5	1.5	1.6	1.8	1.7	2.1	2.0	1.9	6.4	7.7	2.3	-16.7	4%	-7%
Total Income	**31.9**	**33.6**	**34.6**	**35.8**	**36.9**	**39.1**	**40.0**	**39.9**	**135.8**	**155.9**	**40.4**	**-1.4**	11%	0%
Change YoY (%)	13.6	15.0	15.9	17.1	15.7	16.6	15.8	11.5	15.4	14.8	13.1			
Incurred claims	19.9	22.0	22.3	21.8	23.8	27.0	27.1	26.3	86.0	104.2	26.0	1.1	21%	-3%
Net commission	3.7	4.9	3.5	6.5	4.3	5.5	5.0	7.6	18.5	22.4	6.9	10.7	17%	51%
Employee expense	3.6	4.0	3.9	4.7	3.7	4.5	4.1	4.6	16.1	16.9	5.1	-9.5	-3%	12%
Other expenses	1.8	2.0	2.1	1.8	2.0	2.0	2.2	2.3	7.8	8.5	2.4	-4.2	22%	2%
Total Operating Expenses	29.0	32.8	31.8	34.9	33.8	39.0	38.5	40.7	128.5	152.0	40.3	1.1	17%	6%
Change YoY (%)	14.5	17.0	16.0	17.1	16.6	18.7	21.1	16.8	-97.9	18.3	15.5			
Underwriting profit	1.5	-0.8	1.1	-0.9	1.4	-1.9	-0.5	-2.8	0.9	-3.8	-2.1		202%	462%
Operating profit	2.9	0.7	2.8	0.9	3.1	0.2	1.5	-0.9	7.3	3.9	0.2	NA	-197%	-157%
Shareholder's P/L														
Transfer from Policyholder's	2.9	0.7	2.8	0.9	3.1	0.2	1.5	-0.9	7.3	3.9	0.2	NA	-197%	-157%
Investment income	1.0	1.1	1.2	1.1	1.3	1.5	1.5	1.0	4.5	5.2	1.6	-36.4	-12%	-31%
Total Income	4.0	1.8	4.0	2.0	4.4	1.6	3.0	0.1	11.8	9.1	1.8		-93%	-95%
Provisions other than taxation	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	-			
Other expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	0.5	0.1	10.1	15%	22%
Total Expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5	0.5	0.1	13.4	1%	26%
PBT	**3.8**	**1.7**	**3.9**	**1.9**	**4.3**	**1.5**	**2.9**	**-0.0**	**11.3**	**8.6**	**1.6**	**NA**	-100%	-100%
Change YoY (%)	33.5	38.5	37.6	39.5	10.9	-11.0	-26.0	.	-100.1	-23.7	.			
Tax Provisions	1.0	0.4	1.0	0.5	1.1	0.4	0.7	-0.0	2.8	2.2	0.4	NA	-103%	-102%
Net Profit	**2.9**	**1.3**	**2.9**	**1.4**	**3.2**	**1.1**	**2.2**	**0.0**	**8.5**	**6.5**	**1.2**	**-99.6**	-100%	-100%
Change YoY (%)	35.0	34.6	37.6	39.8	10.8	-11.2	-25.7	-99.6		-24%	-13.6			
Key Parameters (%)														
Claims ratio	65.4	68.7	67.7	64.1	67.6	72.8	71.4	69.2	66.5	70.3	68.1	114bp	512bp	-220bp
Commission ratio	13.1	13.7	11.1	14.3	13.5	13.8	14.1	15.8	13.2	14.4	14.0	172bp	151bp	163bp
Expense ratio	19.3	16.8	19.0	14.4	18.1	16.4	17.7	14.2	17.0	16.4	15.2	-100bp	-20bp	-354bp
Combined ratio	97.8	99.2	97.8	92.8	99.2	103.0	103.3	99.2	96.7	101.1	97.3	186bp	642bp	-410bp
Solvency	2.2	2.1	2.2	2.2	2.3	2.2	2.2	2.2	2.2	2.1	-			

Five Star Business Finance

BSE SENSEX	S&P CNX
80,288	24,336

Conference Call Details

Date: 30th April 2025
Time: 10:00 AM IST
Dial-in details:
+91 22 6280 1149
+91 22 7115 8050
Link for the call

Financials & Valuation (INR b)

Y/E March	FY25	FY26E	FY27E
NII	21.0	24.4	28.9
PPoP	15.2	17.3	20.4
PAT	10.7	12.2	14.2
EPS (INR)	36	42	49
EPS Growth (%)	27	14	17
BVPS (INR)	214	255	302
Ratios (%)			
NIM	19.6	18.4	17.1
C/I ratio	30.9	32.3	32.8
Credit Costs	0.8	0.8	0.8
RoAA	8.2	7.6	7.1
RoAE	18.7	17.7	17.4
Dividend Payout	5.5	2.4	3.1
Valuation			
P/E (x)	20.6	18.1	15.5
P/BV (x)	3.5	3.0	2.5
Div. Yield (%)	0.3	0.1	0.2

CMP: INR752 **Buy**

AUM grows ~23% YoY; minor deterioration in asset quality

Earnings in line; NIMs (calc.) contracted ~15bp QoQ

- FIVESTAR's 4QFY25 PAT grew 18% YoY to INR2.8b (in line). FY25 PAT grew ~28% YoY to INR10.7b. NII in 4QFY25 grew ~21% YoY to INR5.6b (in line), while PPoP rose ~19% YoY to INR4b (in line). Other income grew 26% YoY to INR250m, primarily due to higher fee income. Opex grew 26% YoY to INR1.9b (in line).
- Credit costs stood at INR254m (~9% lower than MOFSLe). Annualized credit costs were largely stable QoQ at ~73bp (PY: ~85bp and PQ: ~71bp).
- The Board of Directors declared a dividend of INR2/share.

Reported spreads driven by moderation in yields

- Reported yield declined ~30bp QoQ to 23.7%, while CoB was stable QoQ at 9.6%. Reported spreads declined ~30bp QoQ to 14.1%. Reported NIM expanded ~30bp QoQ to ~16.85%.
- Incremental CoF declined ~25bp QoQ to ~9.3%.

Deterioration in asset quality; cash component in collections declines

- GS3/NS3 rose ~15bp/5bp QoQ to ~1.8% and 0.9%, respectively. PCR rose ~1pp QoQ to ~51.3%.
- The current portfolio declined to 84.3% (PQ: 84.9%). Stage 2 rose ~30bp QoQ to ~7.9%. 30+ dpd rose ~50bp QoQ to 9.65% and 1+dpd increased ~65bp QoQ to 15.7% Cash proportion in collections declined to ~20% (PQ: ~24% and PY: ~53%) due to strong efforts made by the company to reduce cash collections.
- Overall Collection Efficiency (CE) stood at 97.7% (PQ: 98%). Unique loan collections (due one, collect one) stood at 96.2% (PQ: 96.7%).

Disbursements grow ~9% YoY; AUM growth moderates to 23%

- Disbursements rose ~9% YoY to ~INR14.6b; AUM grew 23% YoY/6% QoQ to ~INR119b.
- 4QFY25 RoA/RoE stood at 8%/18.4%, respectively. Capital adequacy stood at ~50% as of Mar'25.

Valuation and view

- FIVESTAR delivered a subdued performance in 4QFY25. While there was an improvement in disbursements, AUM growth was slightly below the management guidance of ~25%. Asset quality continues to exhibit deterioration, leading to a sequential rise in GS2 and GS3, but credit costs remained broadly stable on a sequential basis.
- The stock currently trades at 2.5x FY27E P/BV. Even though the company is navigating a relatively tough phase, we believe that FIVESTAR's premium valuations will sustain, given its niche market position, strong growth potential, superior underwriting practices, and high return metrics. We will review our estimates after the earnings call on 30th Apr'25.

FIVESTAR Business: Quarterly Performance (INR M)

Y/E March	FY24				FY25				FY24	FY25	4QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,637	5,041	5,495	5,992	6,411	6,793	7,112	7,347	21,166	27,663	7,285	1
Interest Expenses	962	1,059	1,287	1,377	1,582	1,631	1,714	1,753	4,685	6,680	1,802	-3
Net Interest Income	**3,676**	**3,982**	**4,208**	**4,615**	**4,829**	**5,161**	**5,399**	**5,594**	**16,481**	**20,983**	**5,483**	**2**
YoY Growth (%)	*35.9*	*34.3*	*31.6*	*33.4*	*31.4*	*29.6*	*28.3*	*21.2*	*33.7*	*27.3*	*18.8*	
Other Income	198	183	205	199	283	266	198	250	785	997	285	-12
Total Income	**3,874**	**4,165**	**4,413**	**4,814**	**5,112**	**5,427**	**5,597**	**5,844**	**17,266**	**21,980**	**5,769**	**1**
YoY Growth (%)	*41.3*	*38.4*	*35.5*	*33.0*	*32.0*	*30.3*	*26.8*	*21.4*	*36.7*	*27.3*	*19.8*	
Operating Expenses	1,263	1,389	1,412	1,488	1,565	1,627	1,713	1,880	5,553	6,785	1,822	3
Operating Profit	**2,611**	**2,775**	**3,001**	**3,326**	**3,547**	**3,800**	**3,884**	**3,964**	**11,713**	**15,196**	**3,947**	**0**
YoY Growth (%)	*40.5*	*37.9*	*45.5*	*43.6*	*35.9*	*36.9*	*29.4*	*19.2*	*42.0*	*29.7*	*18.7*	**3**
Provisions & Loan Losses	152	106	102	194	185	218	233	254	554	890	280	-9
Profit before Tax	**2,459**	**2,670**	**2,899**	**3,132**	**3,362**	**3,582**	**3,651**	**3,711**	**11,160**	**14,306**	**3,667**	**1**
Tax Provisions	622	676	731	771	846	903	913	919	2,800	3,581	904	2
Net Profit	**1,837**	**1,994**	**2,168**	**2,361**	**2,516**	**2,679**	**2,739**	**2,791**	**8,359**	**10,725**	**2,763**	**1**
YoY Growth (%)	32	38	44	40	37	34	26	18	*38.5*	*28.3*	*17.0*	
Key Parameters (%)												
Yield on loans	25.6	25.4	25.6	25.8	25.7	25.5	25.7	25.5				
Cost of funds	9.0	9.3	9.7	9.1	9.7	9.6	9.6	9.2				
Spread	16.6	16.2	15.9	16.7	16.0	16.0	16.1	16.3				
NIM	20.3	20.1	19.6	19.9	19.3	19.4	19.5	19.4				
Credit cost	0.9	0.5	0.48	0.84	0.7	0.69	0.71	0.73				
Cost to Income Ratio (%)	32.6	33.4	32.0	30.9	30.6	30.0	30.6	32.2				
Tax Rate (%)	25.3	25.3	25.2	24.6	25.2	25.2	25.0	24.8				
Performance ratios (%)												
AUM/Branch (INR m)	196.5	181.2	186.1	185	189.1	165.6	153.3	159				
Balance Sheet Parameters												
AUM (INR B)	75.8	82.6	89.3	96.4	103.4	109.3	111.8	118.8				
Change YoY (%)	43.2	44.2	43.1	39.4	36.4	32.2	25.2	23.2				
Disbursements (INR B)	**11.3**	**12.0**	**12.1**	**13.4**	**13.2**	**12.5**	**9.4**	**14.6**				
Change YoY (%)	99.1	50.0	32.8	20.4	16.5	3.9	-22.2	9.2				
Borrowings (INR B)	43.2	48.2	57.9	63.2	67.2	68.8	73.6	79.2				
Change YoY (%)	71.3	91.0	82.2	48.7	55.8	42.8	27.1	25.4				
Borrowings/Loans (%)	56.9	58.3	64.8	65.5	65.0	63.0	65.9	66.7				
Debt/Equity (x)	1.0	1.0	1.2	1.2	1.1	1.1	1.1	1.1				
Asset Quality (%)												
GS 3 (INR M)	**1,072**	**1,118**	**1,251**	**1,328**	**1,454**	**1,604**	**1,808**	**2,123**				
G3 %	**1.4**	**1.4**	**1.4**	**1.38**	**1.4**	**1.5**	**1.6**	**1.79**				
NS 3 (INR M)	**598**	**557**	**572**	**607**	**697**	**773**	**901**	**1,034**				
NS3 %	**0.8**	**0.7**	**0.7**	**0.6**	**0.7**	**0.7**	**0.8**	**0.9**				
PCR (%)	**44.2**	**50.2**	**54.3**	**54.3**	**52.1**	**51.8**	**50.2**	**51.3**				
ECL (%)	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.7**	**1.6**				
Return Ratios (%)												
ROA (Rep)	8.4	8.5	8.3	8.4	8.2	8.4	8.1	8.0				
ROE (Rep)	16.6	17.1	17.7	18.65	19.0	19.0	18.5	18.36				

E: MOFSL Estimates

UTI AMC

BSE Sensex	S&P CNX
80,288	24,336

Conference Call Details

Date: **30th** April 2025
Time: 4:00 AM IST
Link for the call

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
AAUM (INRb)	3,363	3,866	4,525
MF Yield (bps)	34.2	32.6	31.6
Rev from Ops	14.5	16.1	18.3
Core PAT	4.9	5.7	6.9
PAT	8.1	9.6	11.0
PAT (bp/AAUM)	24	25	24
Core EPS	39	45	54
EPS	64	75	86
EPS Grw. (%)	1	13	14
BVPS	405	433	459
RoE (%)	16	18	19
Div. Payout (%)	74	70	70
Valuations			
Mcap/AUM	4.0	3.5	3.0
P/E (x)	16.8	14.2	12.4
P/BV (x)	2.6	2.5	2.3
Div. Yield (%)	4.5	4.9	5.7

CMP: INR1,075 **BUY**

Lower-than-expected other income and higher operating costs lead to a miss on PAT

- Overall MF QAAUM rose 17% YoY/declined 4% QoQ to INR3.4t. Equity/ ETFs/Index/Debt funds grew 7%/17%/43%/14% YoY.
- Revenue from operations stood at INR3.6b (in line), resulting in a 13% YoY growth/a 4% QoQ decline. For FY25, revenue rose 22% YoY to INR14.5b.
- Yield on management fees came in at 42.4bp in 4QFY25 vs 43.7bp in 4QFY24 (42.6bp in 3QFY25).
- Total opex came in at INR2.1b registering a growth of 10% YoY. As bp of QAAUM, the cost decreased YoY to 24.3bp in 4QFY25 from 25.8bp in 4QFY24 (vs. 21bp in 3QFY25).
- EBITDA stood at INR1.5b (10% miss) in 4QFY25 (+18% YoY and down 20% QoQ) and EBITDA margins stood at 42.6% in 4QFY25 v/s 41% in 4QFY24 and 50.8% in 3QFY25.
- Other income came in at INR 158m (15% miss) resulting in a decline of 85% YoY and 65% QoQ.
- PAT stood at INR1b in 4QFY25 (24% miss), down 44% YoY and 41% QoQ. For FY25, it remained flat YoY to INR8.1b
- The Board has approved a final dividend of INR26/share and an additional special dividend of INR22/share, totaling INR48/share.

Valuation and view

- Improving fund performance and scaling up non-MF business will improve profitability over the medium term. We expect UTIAMC to report a CAGR of 16%/13%/18% in AUM/revenue/core PAT over FY25-27. Assuming a 74% dividend payout ratio, we expect the company to generate a cumulative operating cash flow of INR31.2b during the same period.
- **We reiterate our BUY rating with a TP of INR1,250, based on 23x FY27E core EPS.**

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	4Q FY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	2,828	2,916	2,900	3,177	3,368	3,730	3,754	3,602	11,821	14,453	3,596	0	13.4	-4.1
Change YoY (%)	-1.6	0.3	2.2	17.9	19.1	27.9	29.4	13.4	4.5	22.3	13.2			
Fees & Commission	5	3	5	6	6	6	7	8	19	26	6	28	19.0	13.6
Employee Expenses	1,063	1,112	1,053	1,165	1,137	1,153	1,128	1,162	4,393	4,580	1,151	1	-0.3	3.0
Other expenses	612	611	704	704	638	742	714	899	2,631	2,992	740	21	27.6	25.9
Total Operating Expenses	1,680	1,725	1,762	1,876	1,781	1,901	1,848	2,068	7,043	7,598	1,898	9	10.2	11.9
Change YoY (%)	11.9	4.6	-0.9	5.0	6.0	10.2	4.9	10.2	4.9	7.9	1.2			
EBITDA	**1,148**	**1,191**	**1,138**	**1,301**	**1,587**	**1,829**	**1,906**	**1,534**	**4,778**	**6,856**	**1,698**	**-10**	17.9	-19.5
EBITDA margin (%)	40.6	40.8	39.2	41.0	47.1	49.0	50.8	42.6	40.4	47.4	47	-464 bp	163 bp	-819 bp
Other Income	1,858	1,140	1,602	1,026	1,970	1,671	451	158	5,626	4,249	186	-15.3	-84.6	-65.0
Depreciation	96	104	104	118	112	112	113	118	423	455	123	-4.2	0.4	4.5
Finance Cost	25	28	29	30	32	31	32	33	113	127	34	-2.7	9.6	3.1
PBT	**2,884**	**2,198**	**2,607**	**2,180**	**3,413**	**3,357**	**2,212**	**1,540**	**9,869**	**10,522**	**1,727**	**-11**	-29.3	-30.4
Tax Provisions	540	370	573	365	670	726	476	520	1,848	2,392	382	36	42.4	9.3
Net Profit	**2,344**	**1,828**	**2,034**	**1,815**	**2,743**	**2,631**	**1,736**	**1,020**	**8,020**	**8,130**	**1,345**	**-24**	-43.8	-41.2
Change YoY (%)	148.3	-9.9	236.5	111.7	17.0	43.9	-14.6	-43.8	80.9	1.4	-25.9			
Core PAT	**834**	**880**	**784**	**960**	**1,160**	**1,321**	**1,382**	**916**	**3,458**	**4,779**	**1,200**	**-24**	-4.6	-33.8
Change YoY (%)	-25.0	0.4	43.3	68.2	39.1	50.1	76.3	-4.6	12.1	38.2	25.0			
Key Operating Parameters (%)														
Revenue / AUM (bps)	45.6	43.6	42.5	43.7	43.4	43.6	42.6	42.4	43.8	46.5	42	12 bp	-128 bp	-21 bp
Opex / AUM (bps)	27.1	25.8	25.8	25.8	22.9	22.2	21.0	24.3	26.1	24.5	22	203 bp	-145 bp	337 bp
PAT / AUM (bps)	37.8	27.3	29.8	25.0	35.3	30.7	19.7	12.0	29.7	26.2	16	-381 bp	-1294 bp	-769 bp
Cost to Operating Income Ratio	59.4	59.2	60.8	59.0	52.9	51.0	49.2	57.4	59.6	52.6	52.8	464 bp	-163 bp	819 bp
EBITDA Margin	40.6	40.8	39.2	41.0	47.1	49.0	50.8	42.6	40.4	47.4	47.2	-464 bp	163 bp	-819 bp
Tax Rate	18.7	16.8	22.0	16.8	19.6	21.6	21.5	33.8	18.7	22.7	22.1	1165 bp	1702 bp	1225 bp
PAT Margin	82.9	62.7	70.1	57.1	81.4	70.5	46.2	28.3	67.9	56.2	37.4	-908 bp	-2880 bp	-1792 bp
Core PAT Margin	29.5	30.2	27.0	30.2	34.4	35.4	36.8	25.4	29.3	33.1	33.4	-795 bp	-480 bp	-1139 bp
Opex Mix (%)														
Fees & Commission	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	5 bp	3 bp	1 bp
Employee Expenses	63.3	64.4	59.8	62.1	63.8	60.7	61.0	56.2	62.4	60.3	60.7	-449 bp	-592 bp	-484 bp
Others	36.4	35.4	40.0	37.6	35.8	39.0	38.6	43.4	37.4	39.4	39.0	444 bp	590 bp	484 bp
Key Parameters														
QAUM (INR b)	2,481	2,678	2,729	2,909	3,106	3,425	3,524	3,397	2,699	3,106	3,402	-0.1	16.8	-3.6

CEAT

BSE SENSEX	S&P CNX
80,288	24,336

Conference Call Details

Date: 30th Apr 2025
Time: 4pm IST
Dial-in details: [Diamond pass]

Financials & Valuations (INR b)

INR Billion	FY25	FY26E	FY27E
Sales	131.6	140.9	150.9
EBITDA	14.4	16.5	18.3
EBIDTA Margin (%)	10.9	11.7	12.1
Adj. PAT	4.7	6.5	7.9
EPS (Rs)	116.5	161.6	196.3
EPS Growth (%)	-31.2	32.3	20.4
BV/Share (INR)	1,090	1,216	1,368
Ratios			
RoE (%)	11.2	14.0	15.2
RoCE (%)	10.7	12.4	13.5
Payout (%)	21.7	21.7	22.9
Valuations			
P/E (x)	24.7	17.8	14.6
P/BV (x)	2.6	2.4	2.1
Div. Yield (%)	0.9	1.2	1.6
FCF Yield (%)	1.6	3.6	4.7

CMP: INR3,061 — Buy

Operationally in line; higher interest and tax lead to PAT miss

- Net sales grew 14.3% YoY (+3.7% QoQ) to INR34.2b (in line), primarily due to healthy YoY volume growth in the OEM and replacement segments.
- On a QoQ basis, the OEM segment was the key growth driver, while replacement and exports remained flat.
- However, international business was hurt both on a YoY and QoQ basis due to the adverse global macro environment.
- Realization improved both on a QoQ and YoY basis.
- Segment mix: Truck/bus 30%, 2/3Ws 27%, PV 21%, OHT 15%, Others 7%
- Market mix: Replacement 53%, OEM: 28%, Exports 19%
- Gross margin improved 60bp QoQ (Vs estimate of flat GM QoQ) due to flat RM basket and price hikes taken in the quarter.
- As a result of this and operating leverage benefits, EBITDA margin improved 100bp QoQ to 11.3%.
- Adjusted for VRS expenses, PAT declined 16% YoY (+31% QoQ) to INR 1.26b – ahead of our estimate of INR 1.1b.
- Working capital increased on a QoQ basis, which led to around INR950m increase in debt sequentially to INR19.3b. The D/E ratio stood at 0.44x, while the debt/EBITDA ratio came in at 1.29x.
- Capex for the quarter was INR2.4b, funded through internal accruals. The company has announced investments of INR4b toward capacity addition in Nagpur, which will increase the capacity by 30% by the end of FY28.
- For FY25, revenue grew 11% YoY to INR 132b. EBITDA margin dipped 270bp YoY to 11.3%, primarily due to a rise in input costs. PAT declined 26% YoY to INR4.7b.
- The Board has recommended a dividend of INR30/share for FY25 (flat YoY).
- **Valuation & view:** The stock trades at 17.8x/14.6x FY26E/FY27E EPS.

Consolidated - Quarterly Earning Model (INR M)

Y/E March	FY24				FY25E				FY24	FY25	4QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				%
Net Sales	**29,352**	**30,533**	**29,631**	**29,919**	**31,928**	**33,045**	**32,999**	**34,206**	**1,19,435**	**1,32,179**	**33,582**	**1.9**
YoY Change (%)	4.1	5.5	8.7	4.1	8.8	8.2	11.4	14.3	5.6	10.7	12.2	210bps
RM cost (%)	58.9	56.7	58.7	57.7	60.8	62.6	63.2	62.5	58.0	62.3	63.1	-60bps
Employee cost (%)	6.7	7.1	7.3	7.2	6.1	6.6	6.5	6.6	7.1	6.5	6.5	10bps
Other expenses (%)	21.2	21.3	19.9	22.0	21.1	19.8	20.0	19.5	21.1	20.1	19.9	-40bps
EBITDA	**3,871**	**4,561**	**4,175**	**3,915**	**3,829**	**3,623**	**3,409**	**3,881**	**16,522**	**14,741**	**3,531**	**10**
Margins (%)	13.2	14.9	14.1	13.1	12.0	11.0	10.3	11.3	13.8	11.2	10.5	80bps
Depreciation	1,209	1,245	1,273	1,361	1,318	1,371	1,415	1,523	5,088	5,627	1,442	6
Interest	701	717	656	617	619	665	751	744	2,691	2,778	748	0
Other Income	33	105	29	31	62	35	34	45	197	176	50	-9
PBT before EO expense	**1,993**	**2,704**	**2,276**	**1,969**	**1,954**	**1,622**	**1,278**	**1,659**	**8,941**	**6,512**	**1,392**	**19**
Exceptional item	0	0	0	582	-75	0	0	370	582	-296	0	
PBT	**1,993**	**2,704**	**2,276**	**1,387**	**2,029**	**1,621**	**1,278**	**1,288**	**8,359**	**6,808**	**1,392**	**-7**
Tax Rate (%)	26.5	25.3	23.9	33.0	26.6	28.6	28.3	27.6	26.5	25.3	27.0	
Minority Int. & Profit of Asso. Cos.	18	-59	-84	-157	-53	-61	-55	-63	-282	-231	-62	
Reported PAT	**1,446**	**2,080**	**1,815**	**1,086**	**1,542**	**1,219**	**971**	**995**	**6,427**	**5,319**	**1,078**	**-8**
Adj PAT	**1,446**	**2,080**	**1,815**	**1,513**	**1,486**	**1,219**	**971**	**1,267**	**6,854**	**5,101**	**1,078**	**18**
YoY Change (%)	1,383	745	408	8	3	-41	-46	-16	227	-26	-28.8	

Shoppers Stop

BSE SENSEX	S&P CNX
80,288	24,336

Conference Call Details

Date: 30th Apr 2025

Time: 11am IST

Financials & Valuations (INR b)

INRb	FY25	FY26E	FY27E
Sales	44.4	48.8	54.1
EBITDA	7.0	7.9	9.1
Adj. PAT	0.1	-0.2	-0.4
EBITDA Margin (%)	15.7	16.1	16.7
Adj. EPS (INR)	0.6	-2.0	-3.8
EPS Gr. (%)	-88.9	NA	NA
BV/Sh. (INR)	30.9	35.6	30.7
Ratios			
Net D:E	9.3	11.3	17.9
RoE (%)	2.0	-7.2	-14.9
RoCE (%)	5.9	5.7	5.3
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	-	-	-
EV/EBITDA (x)	13.2	12.0	11.8
EV/Sales (x)	2.1	1.9	2.0

CMP: INR548 — Neutral

Muted growth; store additions ramp up

- Shoppers Stop's (SHOP) standalone revenue inched up 2% YoY to INR10.2b (in line, 8% YoY in 3Q), driven by 3% LFL growth and 15 net store additions.
  - Private Brands revenue was flat at INR1.5b, while Beauty segment revenue stood at INR2.1b (down 6% YoY excl. distribution, but up 3% YoY incl. distribution).
  - In-tune revenue stood at INR540m (vs. INR630m QoQ, INR160m YoY), with presence expanding to 71 stores (vs. 59 QoQ) in 30 cities. The company plans to open 12 stores in 1QFY26.
- SHOP added five departmental stores (closed two), one Beauty store (closed one) and 15 In-tune stores (closed three). Respective store count stood at 112, 85 and 71 stores, taking the total to 299 (net addition of 15 stores QoQ).
- Gross profit was up 12% YoY at INR4.5b (6% beat) as gross margins expanded sharply by ~380bp YoY to 44.3% (350bp ahead), likely due to higher intake margins in private brands, lower write-offs and optimized markdowns.
- Employee cost increased 12% QoQ/21% YoY, while other expenses jumped ~21% YoY (18% higher).
- As a result, EBITDA inched up 3% YoY to INR1.7b (in line) as margins expanded ~15bp YoY to 16.6%. GM expansion was largely offset by higher costs and operating deleverage.
  - **Pre-Ind-AS EBITDA for the quarter was flat YoY at INR380m,** with pre-Ind-AS margin **at 3.3%**.
- Depreciation and interest costs were up 11% QoQ/22% YoY.
- Reported PAT came in at INR25m (vs. estimated loss of INR86m), driven primarily by higher other income (29% ahead of est.).
- CFO (interest + leases) declined to INR247m (vs. INR1.1b in FY24), impacted by higher WC requirements and increase in lease payments. FY25 capex stood at INR1.7b, resulting in FCF outflow of INR1.4b (vs. INR0.6b outflow YoY).

Management commentary:

- Despite continued softness in demand and challenging macros, SHOP achieved 4% revenue growth with 3% LFL growth, marking the second consecutive quarter of LFL growth.
- The strategy of premiumization continues to yield strong results, with premium brands contributing 65% of total sales, growing 7% YoY.
- Despite a gradual demand recovery, management remains optimistic due to structural changes like premiumization, customer engagement campaigns, and India's rising affluence and evolving consumer aspirations.

Standalone P&L (INR m)	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s Est (%)
Total Revenue	**9,997**	**13,115**	**10,224**	**2**	**-22**	**10,447**	**-2**
Raw Material cost	5,946	7,783	5,690	-4	-27	6,179	-8
Gross Profit	**4,051**	**5,332**	**4,533**	**12**	**-15**	**4,268**	**6**
Gross margin (%)	**40.5**	**40.7**	**44.3**	**382**	**368**	**40.9**	**349**
Employee Costs	913	1,064	1,022	12	-4	1,045	-2
SGA Expenses	1,497	1,869	1,818	21	-3	1,534	18
EBITDA	**1,641**	**2,399**	**1,694**	**3**	**-29**	**1,689**	**0**
EBITDA margin (%)	**16.4**	**18.3**	**16.6**	**15**	**-173**	**16.2**	**40**
Depreciation and amortization	1,118	1,293	1,243	11	-4	1,303	-5
EBIT	523	1,106	451	-14	-59	385	17
EBIT margin (%)	5.2	8.4	4.4	-81.9	-402.1	3.7	73
Finance Costs	568	647	691	22	7	635	9
Other income	346	223	174	-50	-22	135	29
Exceptional item	-16	0	21	NM	NM	0	NM
Profit before Tax	**285**	**682**	**-45**	**NM**	**NM**	**-115**	**61**
Tax	69	195	-70	NM	NM	-29	-142
Tax rate (%)	24.2	28.5	NM	0.0	0.0	25.2	0
Profit after Tax	**216**	**488**	**25**	**-89**	**-95**	**-86**	**NM**
Adj Profit after Tax	**48**	**488**	**45**	**-6**	**-91**	**-86**	**NM**

Shoppers Stop performance

	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s Est (%)
SSSG (%)	**-1.5%**	**4.0%**	**3.0%**			**4.8%**	
Shoppers stop stores	**112**	**109**	**112**	0	3	**113**	**-1**
Net SS stores added	7	-3	3	NM	NM	4	-25
Intune stores	**22**	**59**	**71**	NA	20	**73**	**-3**
Net Intune stores added	12	9	12	NM	NM	14	-14

Indostar Capital Finance

BSE SENSEX	S&P CNX
80,288	24,336

Concall details :

Date : 30th April 2025

Link for the call

Time: 12:00 pm IST

Dial in : +91 22 6280 1550/ +91 22 7115 8378

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	4.6	6.1	8.5
PPP	1.9	3.1	5.2
PAT	0.5	1.4	2.7
EPS (INR)	3.9	9.3	18.6
EPS Gr. (%)	-25	58	100
BV (INR)	267	249	267
Ratios			
NIM (%)	6.1	6.6	6.8
C/I ratio (%)	71.6	65.4	56.3
RoA (%)	0.4	1.1	1.7
RoE (%)	1.5	3.9	7.2
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	75.5	31.2	15.6
P/BV (x)	1.1	1.2	1.1
Div. Yield (%)	0.0	0.0	0.0

CMP: INR291 Buy

Disbursements weak in vehicle finance; credit costs stable QoQ

PAT grew ~3% YoY; asset quality improved, supported by the ARC transaction

- IndoStar's 4QFY25 PAT at INR362m increased ~3% YoY (PY: INR353m). FY25 PAT grew ~4% YoY to INR1.2b. Credit costs were broadly stable QoQ at ~INR494m (PQ: ~INR479m), translating into annualized credit costs of 1.8%.
- On 29th Mar'25, IndoStar sold a pool of assets from its Commercial Vehicle business—comprising outstanding dues of INR906m—to Assets Care & Reconstruction Enterprise Ltd.

Niwas Housing Finance (earlier IndoStar Home Finance)

- As of Mar'25, AUM stood at ~INR30.1b, growing 36% YoY and ~12% QoQ.
- GS3 improved ~30bp QoQ to 1.35%, while NS3 declined ~40bp QoQ to 0.9%.
- Niwas Housing Finance delivered a PAT of INR240m in 4QFY25 (vs. INR160m in 3QFY25).
- CRAR stood at ~49.8% and the debt-equity ratio stood at 3.4x.

IndoStar Capital Finance Limited (ICFL)

- ICFL delivered a PAT of INR120m in 4QFY25, marking a decline of ~36% QoQ.
- Standalone total AUM stood at ~INR79.6b and grew ~23% YoY. Of this, retail vehicle finance AUM stood at ~INR74b, which grew ~32% YoY.
- VF disbursements in 4QFY25 stood at ~INR10.5b, which declined ~24% YoY.
- GS3 improved ~40bp to ~4.5%, whereas NS3 declined ~20bp QoQ to 2.45%.
- CRAR was healthy at ~28.5% and the debt-equity ratio stood at 2x.

Valuation and view

- IndoStar has a strong focus on expanding its retail business, specifically in the Commercial Vehicle (CV) lending segment. The company plans to target the lucrative used CV market, with an increasing emphasis on light commercial vehicles in tier II and III towns.
- IndoStar aims to boost its disbursement capabilities by expanding its distribution presence. It trades at 1.1x FY27E P/BV and is transitioning into a significant used-CV and MSME lender. We might make changes to our estimates after the earnings call on 30th Apr'25.

Quarterly Performance (INR M)

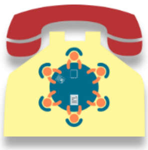
Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	2,723	2,175	2,262	2,485	2,703	2,956	3,125	3,184	9,135	11,968
Interest Expenses	1,544	1,408	1,453	1,619	1,668	1,878	1,930	1,933	5,797	7,408
Net Interest Income	**1,179**	**767**	**808**	**865**	**1,035**	**1,078**	**1,196**	**1,251**	**3,338**	**4,560**
YoY Growth (%)	*-8.6*	*-33.0*	*-36.5*	*-19.5*	*-12.2*	*40.5*	*47.9*	*44.6*	*-30.2*	*36.6*
Other Income	271	169	127	1,456	387	565	611	566	1,936	2,129
Total Income	**1,450**	**936**	**936**	**2,321**	**1,422**	**1,643**	**1,806**	**1,817**	**5,274**	**6,688**
YoY Growth (%)	*-12.7*	*-36.9*	*-36.1*	*67.2*	*-1.9*	*75.6*	*93.1*	*-21.7*	*-12.0*	*26.8*
Operating Expenses	1,153	850	884	1,105	1,106	1,272	1,212	1,198	3,741	4,788
Operating Profit	**297**	**86**	**52**	**1,216**	**317**	**371**	**594**	**619**	**1,533**	**1,901**
YoY Growth (%)	*-53.6*	*-76.3*	*-79.6*	*67.5*	*6.4*	*333.5*	*1,044.5*	*-49.1*	*-22.7*	*24.0*
Provisions & Loan Losses	-119	-11	-52	1,022	210	193	479	494	831	1,375
Profit before Tax	**416**	**297**	**191**	**392**	**297**	**363**	**331**	**442**	**1,297**	**1,434**
Tax Provisions	27	49	22	40	48	46	54	80	138	229
Net Profit	**389**	**248**	**169**	**353**	**249**	**317**	**277**	**362**	**1,158**	**1,205**
YoY Growth (%)	*-36.1*	*-52.0*	*-54.0*	*-53.6*	*-36.0*	*27.9*	*64.3*	*2.6*	*-48.5*	*4.0*
Key Operating Parameters (%)										
Yield on loans (Cal)	16.3	14.3	13.3	13.4	17.0	17.1	17.6	17.8		
Cost of funds (Cal)	10.7	11.9	9.4	9.1	10.9	11.2	10.9	11.2		
Spreads (Cal)	5.6	2.4	3.8	4.3	6.1	5.9	6.7	6.6		
NIMs (Cal)	5.9	3.9	4.1	4.1	4.5	4.4	4.6	4.6		
Credit Cost (Cal)	-0.6	-0.1	-0.3	4.9	0.9	0.8	1.8	1.8		
Cost to Income Ratio	79.5	90.8	94.5	47.6	77.7	77.4	67.1	65.9		
Tax Rate	6.5	0.0	0.4	0.0	0.1	0.1	0.1	0.2		
Balance Sheet Parameters										
AUM (INR B)	80.6	77.3	80.4	87.6	95.7	101.1	106.3	110.5		
Change YoY (%)	-2.2	-2.3	4.8	12.2	18.6	30.9	32.2	26.1		
AUM Mix (%)										
Vehicle	48.7	56.7	60.3	63.8	66.1	68.9	68.7	67.0		
Housing	21.6	24.5	25.5	25.9	25.0	25.3	25.9	28.0		
SME & Others	14.6	13.7	9.1	5.5	4.7	4.0	3.6	3.2		
Corporate	14.8	4.7	4.7	4.4	3.9	1.7	1.6	1.4		
Disbursements (INR B)	11.2	12.7	13.5	17.7	16.3	17.2	15.7	15.4		
Change YoY (%)	224.4	279.9	157.7	96.8	45.8	35.9	16.9	-13.1		
Asset Quality Parameters (%)										
GS 3 (INR B)	4.9	4.7	3.9	3.1	3.5	3.7	3.6	3.4		
Gross Stage 3 (% on Assets)	6.6	6.7	5.3	4.1	4.2	5.0	4.9	0.0		
Net Stage 3 (% on Assets)	3.1	3.3	2.4	1.8	2.1	2.5	2.7	0.0		
PCR (%)	53.6	51.5	56.9	59.1	53.7	51.0	46.2	46.6		

E: MOFSL estimates

Vishal Mega Mart

BSE SENSEX	S&P CNX
80,288	24,336

Conference Call Details



Date: 30th April 2025

Time: 02:00pm IST

CMP: INR108 | **Not Rated**

Revenue/EBITDA up ~23%/43% YoY on healthy double-digit SSSG

- Consolidated revenue at INR25.5b grew **23% YoY, driven by ~13.7% SSSG** (improvement vs. 10.5% in 3Q).
  - Growth was aided by the preponement of Eid and Ugadi festivals.
  - VMM added **28 net new stores** in 4Q, taking the total store count to 696 stores across 458 cities (26 cities added in 4Q) with total retail areas of ~12.2m sqft.
- Gross profit at INR7.2b grew ~32% YoY as gross margin expanded ~180bp YoY to 28.3%, likely driven by a higher share of apparel (41% in 4QFY25 vs. 40% YoY).
- Employee and other expenses increased 33% and 15% YoY, respectively.
- Reported EBITDA at INR3.6b was up ~**43% YoY** as the reported EBITDA margin expanded ~190bp YoY to 14%.
- Pre-IND-AS-116 EBITDA (pre-ESOP charges) rose ~74% YoY to INR2.1b, with EBITDA margin at 8.2% (up ~240bp YoY).
- Adjusted PAT (pre-ESOP charges) came in at INR1.3b (up 2.1x YoY) with margin expanding 210bp YoY to 5%.
- Reported PAT at INR1.15b was up sharply by ~88% YoY, driven by higher EBITDA and other income.

FY25 results: Healthy 20% revenue growth

- Consolidated revenue at INR107b grew 20% YoY, driven by **~12.3% SSSG** and **~11% store area additions.**
  - VMM added 85 net new stores (90 on a gross basis) in FY25
- Gross profit at INR30.5b grew ~24% YoY as gross margin expanded ~60bp YoY to 28.3%.
  - The share of apparel in VMM's mix remained stable at 44% in FY25, while General Merchandise and FMCG stood at 28% each (broadly unchanged YoY).
  - Revenue contribution from own brands increased ~130bp YoY to ~73%.
- Reported EBITDA at INR15.3b was up ~23% YoY as reported EBITDA margin expanded ~25bp YoY to 14.3%.
- Pre-INDAS 116 EBITDA (pre-ESOP charges) grew ~39% YoY to INR10.3b, with EBITDA margin at 9.6%, up ~120bp YoY.
- Adjusted PAT (pre-ESOP charges) came in at INR6.8b (up ~46% YoY) with margins expanding ~110bp YoY to 6.3%.

Consol P&L (INR m)	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	FY24	FY25	YoY
Total Revenue	**20,689**	**31,359**	**25,479**	**23.2%**	**-18.8%**	**89,119**	**1,07,163**	**20%**
Raw Material cost	15,219	22,237	18,277	20.1%	-17.8%	64,461	76,636	19%
Gross Profit	**5,470**	**9,123**	**7,201**	**31.6%**	**-21.1%**	**24,659**	**30,527**	**24%**
Gross margin (%)	***26.4%***	***29.1%***	***28.3%***	***182***	***-83***	***27.7%***	***28.5%***	***82***
Employee Costs	1,257	1,709	1,673	33.1%	-2.1%	5,047	6,406	27%
Other expenses	1,708	2,364	1,957	14.6%	-17.2%	7,126	8,820	*24%*
EBITDA	**2,505**	**5,050**	**3,571**	**42.5%**	**-29.3%**	**12,486**	**15,302**	**23%**
EBITDA margin (%)	***12.1%***	***16.1%***	***14.0%***	***191***	***-209***	***14.0%***	***14.3%***	***27***
Depreciation and amortization	1,362	1,407	1,707	25.4%	21.4%	5,173	5,902	14%
EBIT	1,144	3,644	1,864	63.0%	-48.8%	7,313	9,399	29%
EBIT margin (%)	*5.5%*	*11.6%*	*7.3%*	*179*	*-430*	*8.2%*	*8.8%*	*57*
Finance Costs	363	315	493	35.8%	56.7%	1,435	1,492	4%
Other income	70	190	186	165.8%	-2.1%	332	586	76%
Profit before Tax	**851**	**3,519**	**1,557**	**83.1%**	**-55.7%**	**6,210**	**8,493**	**37%**
Tax	239	892	406	70.3%	-54.5%	1,590	2,173	37%
Tax rate (%)	*28.0%*	*25.3%*	*26.1%*			*25.6%*	*25.6%*	
Profit after Tax	**612**	**2,627**	**1151**	**88.0%**	**-56.2%**	**4,619**	**6320**	**37%**
Adj Profit after Tax	**612**	**2,627**	**1151**	**88.0%**	**-56.2%**	**4,619**	**6320**	**37%**

	4QFY24	3QFY25	4QFY25	YoY%	QoQ
SSSG (%)		10.8	13.7		
Store Count	611	668	696	**13.9%**	**4.2%**
Retail Space (mn sq ft)	11	11.8	12.2	10.9%	3.4%

KFIN Tech : Expect Margin To Hover Around 40-45%; Vivek Mathur, CFO

- SIP Market share is healthy at 39%
- MTM Gains aided numbers in FY25
- Domestic MF Biz should grow at 14-15%
- 64% of the business comes from Domestic MF

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- Expected to go BIG Scale up once uncertainty settles
- Started work on some of the larger engagements
- Medium term revenue growth can be approx. 20% Ex global disruption
- H1 is expected to be softer due to uncertainty
- China is a strategic bet for our Biz, it’s the largest & the most innovative auto Market

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