6 February 2025

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CY24.%
Sensex	78,271	-0.4	8.2
Nifty-50	23,696	-0.2	8.8
Nifty-M 100	54,181	0.7	23.9
Equities-Global	**Close**	**Chg .%**	**CY24.%**
S&P 500	6,061	0.4	23.3
Nasdaq	19,692	0.2	28.6
FTSE 100	8,623	0.6	5.7
DAX	21,586	0.4	18.8
Hang Seng	7,566	-1.0	26.4
Nikkei 225	38,831	0.1	19.2
Commodities	**Close**	**Chg .%**	**CY24.%**
Brent (US$/Bbl)	75	-2.2	-4.5
Gold ($/OZ)	2,867	0.9	27.2
Cu (US$/MT)	9,115	1.0	2.2
Almn (US$/MT)	2,619	-1.1	7.7
Currency	**Close**	**Chg .%**	**CY24.%**
USD/INR	87.5	0.4	2.9
USD/EUR	1.0	0.2	-6.2
USD/JPY	152.6	-1.1	11.5
YIELD (%)	**Close**	**1MChg**	**CY24 chg**
10 Yrs G-Sec	6.7	-0.01	-0.4
10 Yrs AAA Corp	7.3	0.00	-0.5
Flows (USD b)	**5-Feb**	**MTD**	**CYTD**
FIIs	-0.2	1.13	-0.8
DIIs	0.11	4.13	62.9
Volumes (INRb)	**5-Feb**	**MTD***	**YTD***
Cash	998	1072	1027
F&O	1,56,147	1,34,615	1,83,493

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Titan Company: Steady performance; EBIT margin guidance intact

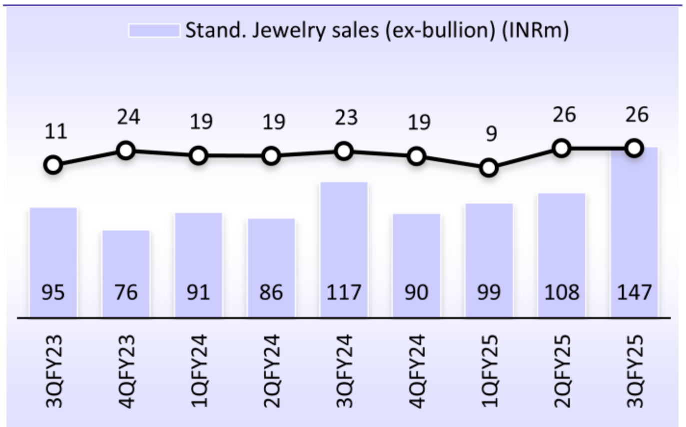
- Titan Company (TTAN) posted consolidated sales growth of 25% YoY in 3QFY25 (in line). Standalone jewelry sales (excl. bullion) rose 26% YoY, driven by strong festive demand, higher gold prices, and a 29% surge in wedding purchases. Studded jewelry grew 21% YoY, though its mix declined by 100bp YoY to 23%.
- Standalone jewelry EBIT margin (excl. bullion, adjusted for customs duty) contracted 100bp YoY to 11.2% (est. 11.1%) due to a higher gold mix amid rising gold prices. However, CaratLane's margin expanded 250bp YoY to 11.7%. Management reiterated its standalone EBIT margin guidance of 11-11.5%.
- With the jewelry industry seeing faster formalization, we continue to believe TTAN will keep leveraging the same, driven by store additions, multi-format presence, better designs and customer understanding, and a strong recall of trust. **We reiterate our BUY rating with a TP of INR4,000.**

Research covered

Cos/Sector	Key Highlights
Titan Company	Steady performance; EBIT margin guidance intact
Power Grid Corporation of India	Rising capex needs weigh on dividend
Swiggy	Competition and expansion plans to drag QC profits
Info Edge	Momentum gaining strength
Zydus LifeSciences	US, emerging markets drive earnings
Page Industries	Moderate volume growth; beat on margins
Other Updates	MAX Financial Services | Global Health | Anant Raj | Fine Organic Industries | Birla Corporation | V-Mart Retail | EcoScope - EAI | Cummins India | Gujarat Gas | Angel One | Data Pattern (India) | Avalon Technologies | VRL Logistics

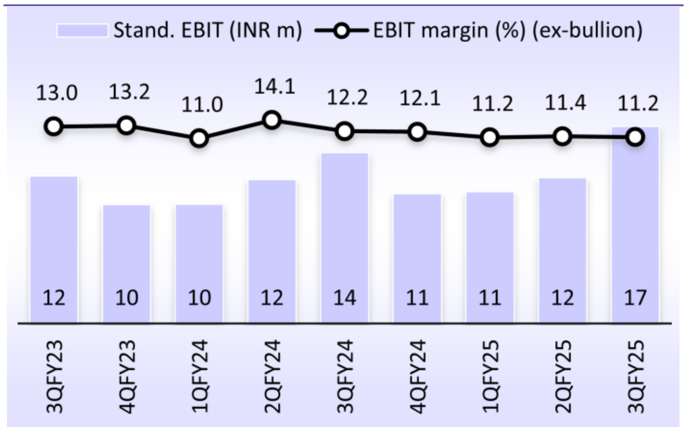
Chart of the Day: Titan Company (Steady performance; EBIT margin guidance intact)

Stand. Jewelry sales (ex-bullion) rose 26% YoY to INR147b in 3QFY25



Sources: Company reports, MOFSL

Stand. EBIT margin (ex-bullion) contracted by 100bp YoY to 11.2% in 3QFY25



Sources: Company reports, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Manasi Tata of Toyota Kirloskar Motor urges auto cos to strike a balance between automation and job generation

Manasi Tata of Toyota Kirloskar Motor emphasised the need to balance technology upgrades and job creation in India's evolving economy. Investing in local automotive ecosystems, clean technologies, and workforce…

2

RBI orders NBFCs to reveal max rates of all loan products

The Reserve Bank of India (RBI) has directed large non-banking finance companies (NBFCs) to disclose the maximum rates charged on each loan product, including interest and other fees.

3

Consumer electronics manufacturers expand horizons, leverage govt incentives

Consumer electronics cos are entering the automotive component sector, spurred by government incentives. Companies like Dixon, Amber, and Epack Durables are tapping into products such as automotive displays and PCBAs, while auto component makers are investing in LED light parts under the PLI…

4

Himachal CM Sukhvinder Singh Sukhu lays foundation stone of north India's first 1-MW green hydrogen project

Chief Minister Sukhvinder Singh Sukhu laid the foundation stone for north India's first 1-MW green hydrogen plant in Solan district, Himachal Pradesh. Set to cost Rs 9.04 crore, the plant will produce 423 kilograms of green hydrogen daily, using renewable energy.

5

27 new foreign retail brands enter India in 2024 amid rising consumer demand for luxury items

In 2024, 27 new international retail brands entered India, driven by growing luxury demand, nearly doubling from 2023. Key categories included beauty, fashion, and accessories. Delhi-NCR emerged as a top destination, with high-end brands leasing significant space.

6

Plan to raise Rs 16,000 cr from sale of MTNL, BSNL assets in last lap

The finance ministry plans to raise ₹16,000 crore by selling assets of MTNL and BSNL. Approved by NLMC and the Department of Public Enterprises, the sale removed key bottlenecks, including fee waivers. Proceeds will strengthen the telecom companies.

7

Birla announces new beauty and cosmetics venture

Ananya Birla, daughter of billionaire Kumar Mangalam Birla, is entering the beauty and cosmetics industry with a new venture. Targeting the growing Indian market, the venture will launch various beauty and personal care brands by 2025.

Titan Company

Estimate changes	↔
TP change	↑
Rating change	↔

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	3099.2 / 35.4
52-Week Range (INR)	3867 / 3056
1, 6, 12 Rel. Per (%)	2/5/-11
12M Avg Val (INR M)	4466

Financials &Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	601.8	703.2	820.1
Sales Gr. (%)	17.8	16.8	16.6
EBITDA	60.7	73.5	85.8
EBITDA Margin (%)	10.1	10.4	10.5
Adj. PAT	38.1	47.5	56.8
Adj. EPS (INR)	42.8	53.4	63.8
EPS Gr. (%)	9.0	24.7	19.5
BV/Sh.(INR)	135.5	172.9	217.6
Ratios			
RoE (%)	35.5	34.6	32.7
RoCE (%)	16.8	17.4	18.1
Payout (%)	30.0	30.0	30.0
Valuation			
P/E (x)	81.5	65.4	54.7
P/BV (x)	25.8	20.2	16.0
EV/EBITDA (x)	51.6	42.5	36.2
Div. Yield (%)	0.4	0.5	0.5

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	52.9	52.9	52.9
DII	11.6	11.5	10.5
FII	18.2	18.3	18.9
Others	17.4	17.3	17.8

FII Includes depository receipts

CMP: INR3,491 TP: INR4,000 (+15%) Buy

Steady performance; EBIT margin guidance intact

- Titan Company (TTAN) posted consolidated sales growth of 25% YoY in 3QFY25 (in line). Standalone jewelry sales (excl. bullion) rose 26% YoY, driven by strong festive demand, higher gold prices, and a 29% surge in wedding purchases. Studded jewelry grew 21% YoY, though its mix declined by 100bp YoY to 23%. The non-solitaire segment saw healthy double-digit growth, while solitaire sales remained subdued. Net jewelry store additions stood at 46 in 3Q, bringing the total count to 1,055. Standalone Jewelry LFL growth was 22%, and CaratLane posted a robust 25% YoY growth.
- Standalone jewelry EBIT margin (excl. bullion, adjusted for customs duty) contracted 100bp YoY to 11.2% (est. 11.1%) due to a higher gold mix amid rising gold prices. However, CaratLane’s margin expanded 250bp YoY to 11.7%. Management reiterated its standalone EBIT margin guidance of 11-11.5%.
- **Watches segment grew 14% YoY.** Analog watches saw strong traction, with Fastrack, Titan, and Helios growing 27%, 31%, and 47% YoY, respectively. However, wearables revenue declined 20% due to an 8% drop in ASP and a 7% dip in volume.
- With the jewelry industry seeing faster formalization, we continue to believe TTAN will keep leveraging the same, driven by store additions, multi-format presence, better designs and customer understanding, and a strong recall of trust. **We reiterate our BUY rating with a TP of INR4,000.**

Robust growth with in-line Jewelry EBIT margin

- **Healthy revenue growth:** TTAN’s consolidated revenue grew 25% YoY to INR177.4b (est. INR184b). Consolidated jewelry sales grew 27% YoY to INR161.3b (est. INR167.0b) (excl. bullion, sales grew 27% to INR160b). Standalone sales (excl. bullion) grew 26% to INR147.0b (est. INR145.1) and CaratLane’s sales grew 25% YoY. The number of jewelry stores grew 17% YoY to 1,055. Watches/Eyewear clocked revenue growth of 15%/17% YoY, while Others remained flat YoY.
- **Margin contraction in line with expectations:** After adjusting the customs duty effect of INR2.53b, consol. gross margin contracted 120bp YoY to 22% (est. 23%). EBITDA margin contracted 20bp YoY to 10.9% (est. 10.1%). Standalone jewelry EBIT margin (excl. bullion) contracted 100bp YoY to 11.2% (est. 11.1%). CaratLane’s EBIT margin expanded 250bp to 11.7%. Watches’ margin expanded 380bp to 9.5% and eye care margin rose 250bp YoY to 10.2%.
- **Double-digit growth in profitability**: After adjusting the customs duty effect, EBITDA grew 23% YoY to INR19.3b (INR18.5b). PBT was up 20% YoY at INR16.5b (est. INR16.1b), and Adj. PAT rose 18% YoY to INR12.5b (est. INR12.2b).
- In 9MFY25, net sales grew 18%, EBITDA (adjusted) rose 15%, and APAT grew 6%.

Highlights from the management commentary

- 4Q demand started strong in early January, but the company remains cautious due to record-high gold prices and global volatility.
- Gold lease rates are rising due to US tariff-related changes, leading banks to increase lease costs. The company is monitoring this closely.
- New vs. repeat customer mix in 3Q stood at 48:52. Festive periods typically attract a higher number of new buyers. Growth was driven by both an increasing buyer base and higher ticket sizes.
- GC (gross contribution) margin dilution in studded jewelry was due to a shift in the gold-to-diamond ratio within diamond jewelry amid rising gold prices and stable diamond prices. The company plans to offset this through better material sourcing and cost efficiencies.

Valuation and view

- We maintain our EPS estimates for FY25/FY26.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. The brand recall and business moat are not easily replicable; therefore, Tanishq’s competitive edge will remain strong in the category. The store count reached 3,240 as of Dec’24, and the expansion story remains intact.
- EBITDA margin has been contracting in FY25 owing to a lower studded mix. It will be critical to monitor the margin outlook amid intensifying competition. The non-jewelry business is also scaling up well and will contribute to growth in the medium term.
- We model a CAGR of 17%/19%/22% in revenue/EBITDA/PAT during FY25-27E. TTAN’s valuation is rich, but it offers a long runway for growth with a superior execution track record. **Reiterate BUY with a TP of INR4,000.**

Consolidated Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Stores (Jewelry)	**792**	**844**	**898**	**937**	**974**	**1,009**	**1,055**	**1,079**	**937**	**1,079**		
Net Sales	**119.0**	**125.3**	**141.6**	**124.9**	**132.7**	**145.3**	**177.4**	**146.4**	**510.8**	**601.8**	**184.0**	-3.6
YoY change (%)	26.0	36.7	22.0	20.6	11.5	16.0	25.2	17.2	25.9	17.8	29.9	
Gross Profit	**26.4**	**29.3**	**32.9**	**27.9**	**29.3**	**33.0**	**39.1**	**34.6**	**116.5**	**136.0**	**42.3**	
Margin (%)	22.2	23.4	23.3	22.3	22.1	22.7	22.0	23.6	22.8	22.6	23.0	
EBITDA	**11.3**	**14.1**	**15.7**	**11.9**	**12.5**	**15.3**	**19.3**	**13.8**	**52.9**	**60.7**	**18.5**	3.9
EBITDA growth %	-5.9	13.2	16.2	9.4	10.8	8.2	23.1	15.8	8.5	14.7	18.5	
Margin (%)	9.5	11.3	11.0	9.5	9.4	10.5	10.9	9.4	10.4	10.1	10.1	
Depreciation	1.3	1.4	1.5	1.6	1.6	1.7	1.8	1.7	5.8	6.8	1.7	
Interest	1.1	1.4	1.7	2.0	2.3	2.4	2.3	2.2	6.2	9.2	2.2	
Other Income	1.1	1.2	1.4	1.6	1.2	1.2	1.3	1.6	5.3	5.3	1.5	
PBT	**10.0**	**12.5**	**13.8**	**9.9**	**9.7**	**12.4**	**16.5**	**11.5**	**46.2**	**50.0**	**16.1**	2.7
Tax	2.5	3.4	3.3	2.2	2.6	3.1	4.0	2.2	11.3	11.9	3.9	
Rate (%)	24.6	26.9	23.6	22.2	26.5	24.8	24.5	19.3	24.4	23.8	24.3	
Adjusted PAT	**7.6**	**9.2**	**10.5**	**7.7**	**7.2**	**9.3**	**12.5**	**9.3**	**35.0**	**38.1**	**12.2**	2.4
YoY change (%)	-4.3	9.6	15.5	4.8	-5.4	1.7	18.3	20.2	6.8	9.0	15.5	
Extraordinary	0.0	0.0	0.0	0.0	0.0	2.3	2.0	0.0	0.0	4.3	1.6	0.0
Reported PAT	**7.6**	**9.2**	**10.5**	**7.7**	**7.2**	**7.0**	**10.5**	**9.3**	**35.0**	**33.8**	**10.6**	-1.1

E: MOFSL Estimates

**2QFY25 is adjusted with customs duty impact of INR2.9bn and 3Q with INR2.53b*

Power Grid Corporation of India

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	PWGR IN
Equity Shares (m)	9301
M.Cap.(INRb)/(USDb)	2652.5 / 30.3
52-Week Range (INR)	366 / 258
1, 6, 12 Rel. Per (%)	-8/-15/-8
12M Avg Val (INR M)	5341

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	469.9	504.3	534.0
EBITDA	400.2	424.8	443.5
Adj. PAT	166.4	175.8	185.4
Adj. EPS (INR)	17.9	18.9	19.9
EPS Gr. (%)	6.8	5.7	5.5
BV/Sh.(INR)	101.1	108.3	113.0
Ratios			
Net D:E	1.2	1.1	1.0
RoE (%)	18.4	18.1	18.0
RoCE (%)	10.1	10.4	10.7
Payout (%)	50.3	52.9	67.7
Valuations			
P/E (x)	15.9	15.1	14.3
P/BV (x)	2.8	2.6	2.5
EV/EBITDA (x)	9.0	8.1	7.6
Div. Yield (%)	3.2	3.5	4.7
FCF Yield (%)	14.2	11.9	10.6

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	51.3	51.3	51.3
DII	17.0	16.9	14.8
FII	28.1	28.3	30.5
Others	3.5	3.5	3.4

FII Includes depository receipts

CMP: INR285 TP: INR375 (+31%) Buy

Rising capex needs weigh on dividend

- Power Grid (PWGR)'s 3QFY25 reported standalone (SA) PAT was in line at INR38.9b (-2% YoY). On a consolidated basis, reported PAT was down 4% YoY at INR38.6b. In the earnings call: 1) FY25 capex guidance was raised to INR230b (from INR200b), 2) capex and capitalization for FY26 was guided at INR280-300b, while the same for FY27 was guided at INR350b, 3) management guided that the dividend payout may see some moderation given mounting capex. Of the current order book of INR1.43t, ~33% is attributable to RTM projects, where the company earns a healthy 15% ROE.
- Following the 3QFY25 results, we moderate our DPS estimates to INR9/ INR10/ INR13.5 for FY25/FY26/FY27. PWGR has declared a second interim dividend of INR3.25 per share for FY25. We **reiterate our BUY rating** on the stock with a TP of INR375 based on 3.4x Dec-26 BVPS.

Soft quarter amid higher-than-expected opex

Standalone performance:

- PWGR reported SA revenue of INR101b (-5% YoY) in 3QFY25, 11% below our estimate of INR114b. EBITDA came in at INR85b (-9% YoY), ~14% below our est. of INR99b, hit by a sharp rise in other expenses. The EBITDA miss vs. our estimate was largely attributable to higher other expenses.
- The reported SA PAT was in line with our est. and stood at INR39b, aided by higher other income (partly attributable to the gain on the monetization of the remaining stake in some InvIT assets). Adjusted SA PAT of INR38.5b was flat on a YoY basis, and 3% below our est. of INR39.6b.
- The net movement in regulatory deferral account balances was positive at INR0.4b during the quarter.

Consolidated performance:

- On a consolidated basis, reported PAT came in at INR38.6b (-4% YoY), while EBITDA declined 7% YoY to INR95.8b.
- The transmission segment remained the primary revenue driver, contributing 97.45% of consolidated EBIT at INR65.4b, while the telecom segment contributed 2%, with EBIT of INR1.2b, marking a 101% YoY growth.
- In 3QFY25, its JVs reported a loss of INR51m, significantly improving from INR1,046m loss in 2QFY25.

Key announcements:

- The Board declared a second interim dividend of INR3.25/share for FY25 (Record date: 7th Feb'25).
- Additionally, the Board approved an investment of INR3.7b for the 400kV Vindhyachal PS – Sasan D/C Line at Hindalco Switchyard, scheduled for commissioning by Dec'26.

Highlights of the 3QFY25 performance:

Operational performance and financials

- The company added 1,399ckm of transmission lines and 9,185MVA of transformation capacity.
- The transmission system had an availability rate of 99.8% in 9MFY25, reflecting high operational efficiency.
- For 9MFY25, the reliability rate was 0.24 trippings per line.
- On a standalone basis, the average borrowing cost was 7.54%.
- The telecom division successfully added 12 new customers during the quarter and reported an income of INR2.3b.

Project wins and capex outlook

- PWGR emerged as the L1 bidder in 7 ISTS TBCB projects (levelized tariff of INR20.7b) in 3QFY25.
- On a consol. basis, capex was INR76.4b, and capitalization was INR34b in 3Q.
- The company capitalized INR16.8b on a consolidated basis and INR8.2b on a standalone basis.
- For FY25, management guided capex of INR 230b (RTM: INR 39b, TBCB: INR 142b, Others: INR 48.7b) with capitalization ~INR 180b. For FY26, capex is projected at INR 280-300b and capitalization at INR 250b, with both reaching INR 350b in FY27. Work in hand: INR 1.43t.

Future growth and dividend outlook

- Dividend Outlook: The dividend for FY25 is expected to be INR9/share, lower than the previous period due to the need to allocate funds for capital expenditure.
- Currently, ~INR520b worth of projects are under bidding. Assuming a project win rate of ~50%, ~INR250-270b worth of projects are likely to be won by PWGR, in addition to the current work in hand of INR1.43t. This would take the total value of projects to INR1.7t.

Valuation and view

We derive our TP of INR375 for PWGR based on Dec'26E BVPS and a P/B multiple of 3.4x, which we believe is reasonable given that capex and capitalization are on a multi-year uptrend with the order book at an elevated level.

Standalone Quarterly Performance (INRb)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%	%	%
Sales	**102.4**	**97.4**	**106.8**	**110.5**	**100.7**	**102.6**	**101.2**	**108.2**	**418.3**	**412.7**	*114.3*	*-11%*	*-5%*	*-1%*
YoY Change (%)	-2.7	-6.6	-0.6	-2.2	-1.7	5.3	-5.2	-2.1	-2.5	-1.3	*7.1*			
EBITDA	**90.0**	**85.3**	**94.0**	**91.4**	**87.4**	**87.9**	**85.2**	**90.7**	**361.9**	**351.3**	*99.0*	*-14%*	*-9%*	*-3%*
YoY Change (%)	1.4	-3.5	0.2	-9.0	-2.9	3.0	-9.3	-0.7	-2.8	-2.9	*5.3*			
As of % Sales	87.9	87.6	88.0	82.7	86.8	85.6	84.2	83.9	86.5	85.1	*86.5*			
Depreciation	31.4	31.4	31.6	31.2	30.7	31.6	30.7	32.4	125.6	125.5	*36.7*	*-16%*	*-3%*	*-3%*
Interest	21.2	23.9	25.2	20.2	21.6	26.0	21.3	14.8	90.5	83.7	*23.5*	*-9%*	*-15%*	*-18%*
Other Income	6.4	7.9	7.9	12.0	7.8	11.2	14.9	8.4	34.2	42.4	*9.2*	*62%*	*88%*	*33%*
Extraordinary Inc/ (Exp)	-2.9	5.6	1.1	-1.7	-0.6	2.5	0.4	0.0	2.1	2.3	*0.0*			
PBT	**41.0**	**43.4**	**46.3**	**50.3**	**42.3**	**43.9**	**48.5**	**52.0**	**182.2**	**186.8**	*48.0*	*1%*	*5%*	*11%*
Tax	5.6	5.1	6.6	9.1	8.2	6.8	9.6	9.1	26.3	33.7	*8.3*	*15%*	*46%*	*41%*
Effective Tax Rate (%)	13.6	11.7	14.2	18.0	19.4	15.5	19.8	17.5	14.4	18.0	*17.4*			
Reported PAT	**35.4**	**38.3**	**39.7**	**41.3**	**34.1**	**37.1**	**38.9**	**42.9**	**154.7**	**153.1**	*39.6*	*-2%*	*-2%*	*5%*
YoY Change (%)	-5.9	6.5	14.5	-0.9	-3.7	-3.2	-1.9	3.9	2.3	-1.1	*-0.2*			
Adjusted PAT	**37.9**	**33.4**	**38.7**	**42.7**	**34.6**	**35.0**	**38.6**	**42.9**	**152.8**	**151.1**	*39.6*	*-3%*	*0%*	*10%*
YoY Change (%)	0.6	-7.1	11.7	2.5	-8.7	4.8	-0.4	0.5	1.0	-1.1	*2.3*			

Swiggy

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SWIGGY IN
Equity Shares (m)	2238
M.Cap.(INRb)/(USDb)	935.8 / 10.7
52-Week Range (INR)	617 / 389
1, 6, 12 Rel. Per (%)	-22/-/-
12M Avg Val (INR M)	8906

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
GOV	289.1	346.2	424.4
Net Sales	150.9	213.0	283.2
Change (%)	34.2	41.2	33.0
EBITDA	-26.8	-21.3	-10.4
EBITDA margin (%)	-17.7	-10.0	-3.7
Adj. PAT	-29.4	-24.3	-15.2
PAT margin (%)	-19.5	-11.4	-5.4
RoE (%)	-34.29	-29.91	-24.61
RoCE (%)	-35.14	-32.78	-27.85
EPS	-12.63	-10.46	-6.52
EV/ Sales	6.3	4.6	3.5
Price/ Book	10.4	14.1	18.0

Shareholding Pattern (%)

As On	Dec-24
Promoter	0.0
DII	7.8
FII	6.2
Others	86.1

FII includes depository receipts

CMP: INR418 TP: INR460 (+10%) Neutral

Competition and expansion plans to drag QC profits

Slight market share gain in food delivery encouraging; reiterate Neutral

- Swiggy delivered a revenue of INR39.9b in 3QFY25 (up 11% QoQ) vs. our estimate of INR38.9b. The food delivery (FD) business's GOV grew 19.2% YoY, whereas the contribution margin was 7.4%, recording 80bp QoQ expansion. FD's adjusted EBITDA as a % of GOV margin rose 90bp QoQ to 2.5%.
- Instamart's GOV was INR39.0b (+88.1% YoY), which missed our estimate. The contribution margin dipped 270bp QoQ to -4.6%. Adjusted EBITDA as a % of GOV was -14.8% (-10.6% in 2Q), missing our estimate of -10.0%.
- Overall, Swiggy reported a net loss of INR8b, marking a 39% YoY increase.
- For 4QFY25, we expect revenue/adj. EBITDA loss to increase 7.0%/14.5% QoQ. **Our DCF-based valuation of INR460 (INR520 earlier) suggests a 10% potential upside. We reiterate our Neutral rating on the stock.**

Market share gain in FD encouraging

- Market share gain in food delivery is encouraging; however, challenging macros continue to weigh on the FD business, and management believes growth could slow down for the industry as a whole despite the recent consumption push.
- We do not foresee a meaningful acceleration in the FD business in the near term at the GOV level, as we believe Bolt and 10-minute food delivery could lead to lower Average order value (AOV) growth too.
- That said, we believe Swiggy's 10-minute food delivery rollout has been quite impressive, and it reignites competition in the FD space.
- The stable duopoly is largely priced into the stock prices of both peers, and quick commerce (QC) will continue to determine the winners.

Instamart: GOV growth lags, margin expectations rebased

- QC overall was a miss on both GOV and margins.
- GOV growth of 15.5% QoQ was below our estimate of +23.3%; further, most of this growth came from higher AOV, and order growth was much slower at 7%.
- While a part of this may be attributed to dark stores being opened near the fag end of the quarter, leading to lower ramp-up time, we await meaningful acceleration in orders.
- We have argued in our IC ("Quick" commerce, delayed gratification, page 27) that AOV and take rates remain the biggest levers to contribution margin improvement for Instamart. AOVs in 1Q were 22% below Blinkit, and take rates were ~500bp lower. Better SKU optimization (non-grocery contribution – Exhibit 6) has certainly helped here. We are encouraged by the progress on AOVs since then; AOV for 3Q was up 10% vs. 1Q. Take rates, however, have remained flattish.
- Akin to its rival, Swiggy has guided for an aggressive dark store expansion plan, leading to steeper losses in its QC business.
- It has maintained its contribution margin guidance of breakeven by Dec '26; however, we believe CMs over the next four quarters could continue to be negative. Adjusted EBITDA margins could be lower for longer, as fixed costs for marketing continue to drag profitability.

Valuation and view

- We believe FD remains a stable duopoly; however, increased competition and aggressive dark store expansion have rebased profitability expectations for the QC sector in the near term. **Despite this, our implied EV/GMV FY27e multiple for QC is at 0.7x, which we do not consider to be overly demanding, especially after the recent correction (the stock is down 30% from its peak). An acceleration in AOV and take rates, and a possible stock correction after these results could prompt us to turn constructive on the stock.**
- We expect food delivery orders to grow at 12.2% annually with an AOV growth of 1.4%, leading to a GOV growth of 13.8% over FY24-37 (20.0% GOV CAGR over FY24-29). QC is likely to grow faster, with orders increasing at 25.4% annually, AOV growth at 3.0%, and GOV growth at 29.2% (64% GOV CAGR over FY24-29).
- Swiggy is likely to report a PAT margin of -19.5%/-11.4%/-5.4% in FY25/FY26/FY27. Our profitability estimates for FY25/FY26/FY27 have been hit by aggressive dark store expansion. Our DCF-based valuation of INR460 suggests a 10% potential upside from CMP. **We reiterate our Neutral rating on the stock.**

FD GOV in line; Instamart GOV misses estimates

- Swiggy reported 3QFY25 revenue of INR39.9b (+11.0%/31.0% QoQ /YoY) vs. our estimate of INR 38.9b.
- Food delivery GOV stood at INR74.3b (up 3.4%/19.2% QoQ/YoY) vs. our estimate of 4.3%/20.2% QoQ/YoY growth.
- Instamart GOV came in at INR39.0b (up 88.1% YoY) vs. our estimate of 23%/100% YoY growth. Dark store rollouts with 96 new active Dark stores in 3Q (nearly double of 2Q).
- For FD, adjusted EBITDA as a % of GOV margin was up 90bp QoQ at 2.5% vs. our estimate of 1.8% adjusted EBITDA margin.
- Instamart adjusted EBITDA as a % of GOV was -14.8% (-10.6% in Q2) vs. our estimate of -10.0%.
- Consol. EBITDA came in at negative INR7.2b.
- Instamart reported a contribution margin of -4.6% (-1.9% in 2Q) vs. our estimate of -2.2% as the company ramped up user activation and dark store expansion across geographies.
- Swiggy reported a net loss of INR8b (est. INR7.0b), an increase of 39% YoY.

Key highlights from the management commentary

- **FD:** AOVs are expanding**.** Delivery costs are becoming more efficient**. Bolt** continues to drive faster growth, with its share of total food delivery orders increasing to **9%** within the quarter. Geographic expansion within existing cities remains a key focus, especially in metros with increasing peripheries (e.g., NCR, Bangalore). New use cases such as daily corporate meal subscriptions are being explored to boost demand. Future innovation is expected from Bolt, which will drive advancements in the restaurant ecosystem**.**
- **Instamart:** The company is focusing on store additions to drive category growth in the medium term. It is prioritizing wallet size and spending based on higher retention ratios. Structural P&L continues to improve, driven by higher AOV and an expanded take rate. Stores typically take six to nine months to break even.

Shorter last-mile delivery distances (under 2 km) and fast preparation menus contribute to improved efficiency.

- Swiggy reaffirms its adjusted EBITDA breakeven target for 3QFY26 at the corporate level.
- Food Delivery segment EBITDA margin remains on track to reach 5% in the medium term, supported by operational efficiencies and increased order values.

Valuation and view

- We expect food delivery orders to grow at 12.2% annually with an AOV growth of 1.4%, leading to a GOV growth of 13.8% over FY24-37 (20.0% GOV CAGR over FY24-29). Q-commerce is expected to grow faster, with orders increasing at 25.4% annually, AOV growth at 3.0%, and GOV growth at 29.2% (64% GOV CAGR over FY24-29). Swiggy is likely to report a PAT margin of -19.5%/-11.4%/-5.4% in FY25/FY26/ FY27. Our profitability estimates for FY25/FY26/FY27 have been hit by aggressive dark store expansion. Our DCF-based valuation of INR460 suggests a 10% potential upside from CMP. **We reiterate our Neutral rating on the stock.**

Consolidated - Quarterly Earnings Model **(INR m)**

Y/E march	FY24			FY25				FY24	FY25	Estimate	Var.
	1Q	2Q	3Q	1Q	2Q	3Q	4QE			3QFY25	(% / bp)
Revenue (net of delivery)	**23,898**	**27,633**	**30,487**	**32,249**	**36,015**	**39,931**	**42,662**	**1,12,474**	**1,50,908**	**38,910**	**2.6**
YoY Change (%)	NA	NA	NA	34.9	30.3	31.0	19.8	36.1	34.2	18.3	1260bp
Inventory of traded goods	9,100	11,446	13,332	11,954	13,874	15,650	17,354	46,042	58,831	14,927	4.8
Employee Expenses	4,858	5,367	4,367	5,892	6,073	6,568	7,180	20,122	25,713	7,000	-6.2
Delivery expenses	7,490	8,263	8,647	10,460	10,949	11,269	14,491	33,511	47,170	14,496	-22.3
Gross Profit	**2,450**	**2,558**	**4,140**	**3,943**	**5,119**	**6,444**	**3,637**	**12,800**	**19,144**	**2,486**	**159.2**
Margins (%)	10.3	9.3	13.6	12.2	14.2	16.1	8.5	11.4	12.7	6	970bp
Advertisement and sales promotion	4,871	4,939	4,545	4,454	5,371	7,515	7,066	18,508	24,406	5,178	45.1
Others	3,319	3,851	4,848	4,905	5,290	6,185	5,190	16,372	21,570	3,950	56.6
EBITDA	**-5,740**	**-6,232**	**-5,254**	**-5,415**	**-5,542**	**-7,257**	**-8,619**	**-22,080**	**-26,781**	**-6,641**	**NA**
Margins (%)	-24.0	-22.6	-17.2	-16.8	-15.4	-18.2	-20.2	-19.6	-17.7	-17.1	-110bp
Depreciation	913	1,046	1,081	1,217	1,309	1,540	1,493	4,206	5,559	1,362	13.1
Interest	174	155	181	198	231	256	200	714	884	200	27.8
Other Income	1,198	872	822	879	848	1,028	1,200	3,870	3,955	1,200	-14.4
PBT before EO expense	**-5,629**	**-6,561**	**-5,693**	**-5,951**	**-6,233**	**-8,024**	**-9,112**	**-23,130**	**-29,269**	**-7,003**	**NA**
Tax	0	0	0	0	0	0	0	0	0	0	NA
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	NA	0.0	0bp
Adj PAT	**-5,629**	**-6,561**	**-5,693**	**-5,951**	**-6,233**	**-8,024**	**-9,112**	**-23,130**	**-29,269**	**-7,003**	**NA**
Extra-Ord expense	-7	-3	-46	-132	-21	35	0	-306	-118	0	
Minority Interest & Profit/Loss of Asso. Cos.	5	6	5	1	1	1	0	66	3	0	
Reported PAT	**-5,641**	**-6,570**	**-5,744**	**-6,084**	**-6,255**	**-7,991**	**-9,112**	**-23,502**	**-29,391**	**-7,003**	**14.1**
YoY Change (%)	NA	NA	NA	8%	-5%	39%	NA	-44%	25%	NA	NA
Margins (%)	-23.6	-23.8	-18.8	-18.9	-17.4	-20.0	-21.4	-20.9	-19.5	-18.0	NA

Info Edge

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	INFOE IN
Equity Shares (m)	130
M.Cap.(INRb)/(USDb)	1029 / 11.8
52-Week Range (INR)	9195 / 4967
1, 6, 12 Rel. Per (%)	-11/15/44
12M Avg Val (INR M)	2096

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	26.6	30.7	38.4
EBITDA	11.1	13.2	16.0
Adj. PAT	7.9	11.8	14.4
Reported PAT	7.4	11.8	14.4
Adj. EPS	60.8	91.3	111.0
EPS (INR)	60.8	91.3	111.0
EPS Gr. (%)	(5.5)	50.1	21.6
BV/Sh. (INR)	2,033	2,094	2,155
Ratios			
RoCE (%)	2.6	4.1	4.9
Payout (%)	50	50	50
Valuations			
P/E (x)	130.6	87.0	71.6
P/BV (x)	3.9	3.8	3.7

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	37.6	37.7	37.9
DII	19.2	19.6	20.0
FII	32.8	32.5	30.7
Others	10.3	10.3	11.4

FII includes depository receipts

CMP: INR7,941 TP: INR7,100 (-11%) Neutral

Momentum gaining strength

IT hiring possibly turning around; reiterate Neutral on valuations

- Info Edge (INFOE) delivered in-line revenue growth in 3QFY25, with standalone revenue rising 12.8% YoY/2.4% QoQ. EBITDA margin came in at 43.1% (up 130bp QoQ/270bp YoY), beating our estimate of 40.6%. Overall billings were up 15.8% YoY and stood at INR6.7b. Reported PAT was down 6.3% YoY to INR2.0b (below our est. of 2.5b). The company's revenue/EBITDA grew 10.9%/14.8% YoY while PAT declined 16.7% YoY in 9MFY25 compared to 9MFY24. We expect revenue/EBITDA/PAT to grow 14.7%/20.6%/28.0% YoY in 4QFY25. We reiterate our NEUTRAL rating on INFOE with a TP of INR7,100, implying a 10% downside.

Our view: Broad-based growth across businesses

- In 3QFY25, INFOE posted a decent performance across both its recruitment and non-recruitment businesses. Recruitment billings grew 15% YoY, with IT and non-IT segments achieving 16% and 17% growth, respectively. What is particularly interesting is that non-IT now accounts for over half of Naukri's revenue.
- This shows that while IT remains a key driver, the company's diversification is starting to pay off. We expect non-IT to sustain its strong trajectory, positioning Naukri for continued double-digit growth. That said, we believe IT services still account for the lion's share of hiring and are critical to a sustained turnaround.
- On the real estate front, 99acres also demonstrated solid growth, with billings up 16% YoY. The increase in customer numbers and average billing per customer shows that the platform is continuing to build traction. That said, the company is facing some headwinds in the new home segment, which it is actively addressing. However, with the right adjustments, 99acres seems poised to break even by FY25. For Jeevansathi, the company is focusing on improving monetization through new paywalls while maintaining growth momentum and cost control, positioning the platform to achieve breakeven as well, in our view.
- INFOE has achieved a notable margin expansion over the last few quarters, driven by reduced dependency on advertising and operating leverage. However, there is limited room for further margin expansion in the near term. We expect FY25/FY26/FY27 EBITDA margin at 41.7%/42.8%/41.7%.

Valuations and change to our estimates

- We forecast standalone revenue/PAT to clock a 17%/20% CAGR over FY24-27. Our estimates are largely unchanged. We continue to see a healthy long-term growth opportunity in its operating entities. However, the stock has rallied over the past year, and current valuations fairly price in its growth outlook.
- We value the company's operating entities using DCF valuation. Our SoTP-based valuation indicates a TP of INR7,100. **Reiterate Neutral**.

In-line revenues and beat on margins; billings grew 16% YoY

- Standalone revenue stood at INR6.7b, up 12.8% YoY/2.4% QoQ, in line with our estimate.
- Overall billings rose 15.8% YoY and were INR6.7b. Billings for recruitment/ 99acres came in at INR5.0b/INR1.0b vs. INR4.2b/INR0.9b in 3QFY24.
- The recruitment business continued the uptick in 3Q, whereas non-recruitment businesses also continued to grow with reduced operating losses.
- EBITDA margin came in at 43.1% (up 130bp QoQ/270bp YoY), beating our estimate of 40.6%. The margin expansion was due to lower advertisement expenses (9.9% of revenue vs. 11.5% in 2QFY25).
- Naukri's PBT margin was up 120bp QoQ at 58.9%, while 99acres' PBT loss percentage decreased 930bp QoQ to 5.4%.
- Reported PAT was down 6.3% YoY to INR2.0b (below our est. of 2.5b) owing to extraordinary items of INR593m.
- The company announced the stock split in the ratio of 1:5, tentatively to be completed in two months.

Highlights from the management commentary

- **Recruitment:** In 3QFY25, overall billings grew by 15% YoY. Billing growth was broad-based, with the IT segment growing by 16%, the non-IT segment by 17%, and the recruitment consultant segment by 9%. Approximately 50-52% of Naukri's revenue comes from the non-IT segment. Although there are more customers in this segment, the ARPUs are lower. The company expects around 20% growth through new customer additions and pricing improvements. Key non-IT sectors, such as BFSI, healthcare, infrastructure, and manufacturing, saw robust double-digit growth. The GCC segment has performed well, with GCCs increasingly using hiring platforms as they scale up operations. IT hiring has shown some signs of recovery.
- **Real Estate:** Billings grew by 16% YoY in 3QFY25, driven by improvements in both the number of billed customers and the average billing per customer. The platform will continue to focus on increasing its user base. The company expressed dissatisfaction with the performance of the new home segment in real estate and is working on internal improvements. If the market and competition intensity remain reasonable, 99acres is expected to break even on a cash basis.

Valuations and view

- While we expect a gradual recovery in IT services demand in CY25, near-term recruitment growth is likely to remain range-bound as companies rely on their current bench to meet demand, resulting in overall muted growth for INFOE.
- With the management investing prudently, some of its current investments should scale up over the medium-to-long term, thereby contributing to the group's valuation.
- We value the company's operating entities using DCF valuation. Our SoTP-based valuation indicates a TP of INR7,100. **Reiterate Neutral.**

Standalone Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25	Est.	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY25E	
Revenues	**5,843**	**5,930**	**5,954**	**6,083**	**6,389**	**6,561**	**6,715**	**6,977**	**23,811**	**26,643**	**6,841**	**-1.8**
YoY (%)	15.1	11.5	7.2	7.9	9.3	10.6	12.8	14.7	10.3	11.9	14.9	-210bp
Salary costs	2,464	2,435	2,422	2,500	2,587	2,624	2,681	2,784	9,821	10,676	2,810	-4.6
Ad and Promotion costs	680	686	686	692	856	755	667	733	2,744	3,011	787	-15.2
Other Expenses	432	398	439	422	452	437	470	481	1,692	1,841	465	1.1
EBITDA	**2,266**	**2,411**	**2,407**	**2,469**	**2,495**	**2,744**	**2,897**	**2,979**	**9,554**	**11,115**	**2,779**	**4.3**
EBITDA Margin (%)	38.8	40.7	40.4	40.6	39.0	41.8	43.1	42.7	40.1	41.7	40.6	250bp
Depreciation	153	176	174	174	175	186	217	209	677	787	171	26.9
EBIT Margin (%)	36.2	37.7	37.5	37.7	36.3	39.0	39.9	39.7	37.3	38.8	38.1	180bp
Other Income	578	636	650	728	770	803	781	809	2,592	3,163	718	8.7
PBT bef. Extra-ordinary	**2,667**	**2,824**	**2,837**	**2,976**	**3,043**	**3,315**	**3,415**	**3,530**	**11,306**	**13,303**	**3,278**	**4.2**
Provision for Tax	668	687	701	745	720	3,537	820	830	2,802	5,906	770	6.4
ETR (%)	25.0	24.3	24.7	25.0	23.7	106.7	24.0	23.5	24.8	44.4	23.5	50bp
Adj. PAT	**1,999**	**2,137**	**2,136**	**2,231**	**2,323**	**-222**	**2,595**	**2,701**	**8,332**	**7,884**	**2,508**	**3.5**
EOI	0	-50	0	-121	0	1,080	593	0	-171	488	0.0	
Reported PAT	**1,999**	**2,187**	**2,136**	**2,352**	**2,323**	**859**	**2,002**	**2,701**	**8,504**	**7,397**	**2,508**	**-20.2**
QoQ (%)	-7.6	9.4	-2.3	10.1	-1.3	-63.0	133.1	34.9			29.3	
YoY (%)	34.7	30.1	-54.3	8.7	16.2	-60.7	-6.3	14.8	20.5	-13.0	17.4	
EPS (INR)	**15.5**	**16.9**	**16.5**	**18.2**	**18.0**	**6.7**	**15.5**	**20.9**	**64.3**	**60.8**	**19.4**	**-20.3**

Key performance indicators

Y/E March	FY24				FY25			FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Operating metrics								
Headcount	5,568	5,594	5,602	5,750	5,817	5,820	5,883	5,750
Naukri – Revenue per unique customer	56279	58,465	58,826	57,067	57,639	60,185	59,957	1,36,775
99acres – Listings (k)	1,163	1,134	1,007	1,081	1,103	1,162	1,183	4,384
Revenue (YoY %)								
Recruitment	15%	9%	3%	3%	6%	9%	12%	7%
99acres	25%	25%	22%	23%	20%	17%	17%	23%

Motilal Oswal | MORNING INDIA

5 February 2025

3QFY25 Results Update | Sector: Healthcare

Zydus LifeSciences

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	ZYDUSLIF IN
Equity Shares (m)	1006
M.Cap.(INRb)/(USDb)	983.1 / 11.2
52-Week Range (INR)	1324 / 754
1, 6, 12 Rel. Per (%)	1/-19/20
12M Avg Val (INR M)	0

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	228.5	250.6	258.2
EBITDA	66.7	73.1	65.1
Adj. PAT	44.8	49.2	43.4
EBIT Margin (%)	25.2	25.4	21.4
Cons. Adj. EPS (INR)	44.5	48.9	43.1
EPS Gr. (%)	18.3	9.8	-11.8
BV/Sh. (INR)	252.6	294.4	330.4
Ratios			
Net D:E	-0.1	-0.3	-0.4
RoE (%)	19.8	17.9	13.8
RoCE (%)	18.6	16.7	13.0
Payout (%)	13.0	11.9	13.5
Valuations			
P/E (x)	22.0	20.1	22.7
EV/EBITDA (x)	14.2	12.4	13.4
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	3.2	4.7	4.6
EV/Sales (x)	4.1	3.6	3.4

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	75.0	75.0	75.0
DII	10.7	10.7	13.0
FII	7.5	7.5	5.0
Others	6.8	6.9	7.0

FII Includes depository receipts

CMP: INR981 **TP: INR1,000 (+2%)** **Neutral**

US, emerging markets drive earnings

Confident to deliver high-single-digit YoY growth in US sales in FY26

- Zyduslife Sciences (ZYDUSLIF) delivered a slight miss on operational performance for 3QFY25. While sales were largely in line with expectations, lower sales of higher-margin products led to lower-than-expected profitability for the quarter. Healthy growth momentum in US sales and superior performance in the consumer segment amid muted industry-level growth were offset partly by moderate growth in the domestic formulation (DF) segment. ZYDUSLIF has enhanced its offerings in the consumer wellness segment by foraying into the consumer snacking space.
- We largely maintain our estimates for FY25/FY26/FY27. We value ZYDUSLIF at 22x 12M forward earnings to arrive at a TP of INR1,000.
- ZYDUSLIF is implementing efforts toward: a) building an innovative pipeline in NCE, biotech, 505b2 space; b) enhancing its generics pipeline for growth beyond g-Revlimid; c) increasing its presence in chronic therapy in DF business; and d) recovery in consumer wellness segment. However, we believe that the current valuation provides limited upside, hence we maintain Neutral on the stock.

Product mix benefit more than offset by higher R&D spend on YoY basis

- Sales grew 17% YoY to INR52.7b (our est. INR53.5b). US sales grew 30.8% YoY (+29% YoY in CC terms) to INR24.1b (USD285m; 47% of sales). India sales (38% of sales), comprising of DF and consumer businesses, grew 6.7% YoY to INR19.5b. Within DF, branded formulations grew 5% YoY to INR15b. Consumer wellness grew by 12.9% YoY to INR4.5b. EM/EU sales grew 15.5% YoY to INR5.7b (11% of sales). API sales rose 19% YoY to INR1.7b (3% of sales).
- Gross margin expanded 250bp YoY to 69.9%, due to a better product mix.
- Adj. for one-time operational expenses, EBITDA margin expanded 60bp YoY to 24.7% (our est. 26.1%), led by higher R&D (up 260bp YoY as % of sales) and other expenses (up 30bp as % of sales), offset by lower employee expenses (down 90bp as % of sales).
- EBITDA grew 20.2% YoY to INR13b (our est. INR14b).
- Adjusting for forex gain, PAT grew 26.3% YoY to INR9.5b (our est.: INR9.1b).
- In 9MFY25, revenue/EBITDA/PAT grew 19.3%/31.2%/25.1% YoY to INR167b/INR48b/INR32.7b.

Highlights from the management commentary

- ZYDUSLIF aims to maintain momentum in g-Revlimid sales in FY26. It expects high-single-digit growth in US business over the next 12-15 months.
- A one-time cost related to legal/professional expenses (for acquisition), GST loss on account of inventory destruction, and other one-time expenses stood at INR950m for the quarter.
- GM was lower due to the product mix, lower off-take of g-Revlimid, and competition in g-Asacol.

Quarterly Performance (Consolidated) (INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Chg.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Revenues	**51.4**	**43.7**	**45.1**	**55.3**	**62.1**	**52.4**	**52.7**	**61.4**	**195.5**	**228.5**	**53.5**	**-1.6**
YoY Change (%)	29.6	9.1	5.8	10.4	20.8	19.9	17.0	10.9	13.4	16.9	18.8	
Total Expenditure	36.1	33.0	34.2	39.1	41.0	38.2	39.7	42.9	142.4	161.8	39.6	
EBITDA	**15.3**	**10.6**	**10.8**	**16.3**	**21.1**	**14.2**	**13.0**	**18.5**	**53.0**	**66.7**	**14.0**	**-7.0**
YoY Change (%)	111.5	32.6	20.3	23.7	37.6	33.1	20.2	13.6	41.8	25.8	29.2	
Margins (%)	29.8	24.4	24.0	29.4	34.0	27.0	24.7	30.1	27.1	29.2	26.1	
Depreciation	1.8	1.8	1.9	2.1	2.2	2.3	2.3	2.4	7.6	9.2	2.4	
EBIT	**13.5**	**8.8**	**8.9**	**14.2**	**18.9**	**11.8**	**10.7**	**16.0**	**45.4**	**57.5**	**11.6**	
YoY Change (%)	148.6	41.8	23.6	25.0	40.0	34.4	20.7	12.9	50.4	26.7	30.7	
Margins (%)	26.3	20.1	19.7	25.7	30.5	22.6	20.3	26.1	23.2	25.2	21.7	
Interest	0.2	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.8	1.2	0.2	
Other Income	0.4	0.5	0.4	1.6	0.6	0.7	0.6	0.6	2.8	2.5	0.7	
PBT before EO Income	**13.7**	**9.3**	**9.0**	**15.4**	**19.2**	**12.3**	**11.0**	**16.3**	**47.4**	**58.8**	**12.0**	**-8.8**
EO Exp/(Inc)	0.4	-0.8	-0.2	-0.1	0.3	-0.5	-0.9	0.0	-0.7	-1.1	0.0	
PBT after EO Income	**13.3**	**10.1**	**9.3**	**15.5**	**19.0**	**12.7**	**11.8**	**16.3**	**48.1**	**59.8**	**12.0**	**-1.5**
Tax	2.2	2.3	2.1	3.2	4.4	3.7	1.8	4.2	9.8	14.1	3.0	
Rate (%)	16.3	22.5	23.1	20.8	23.0	29.4	15.2	25.6	20.3	23.5	25.0	
Min. Int/Adj on Consol	-0.3	0.2	0.6	-0.5	-0.4	0.1	0.2	0.0	0.1	-0.1	0.1	
Reported PAT	**10.9**	**8.0**	**7.7**	**11.8**	**14.2**	**9.1**	**10.2**	**12.1**	**38.4**	**45.7**	**9.1**	**12.9**
Adj PAT	**11.2**	**7.4**	**7.5**	**11.7**	**14.4**	**8.8**	**9.5**	**12.1**	**37.9**	**44.8**	**9.1**	**4.7**
YoY Change (%)	155.4	45.7	29.6	52.1	28.2	19.1	26.3	3.2	65.0	18.3	20.6	
Margins (%)	21.8	16.9	16.7	21.2	23.2	16.8	18.0	19.8	19.4	19.6	16.9	
EPS (INR/sh)	**7.6**	**7.3**	**7.5**	**9.0**	**14.4**	**8.6**	**9.3**	**12.1**	**37.6**	**44.5**		

E: MOFSL Estimates

Key performance Indicators (Consolidated) (INR b)

Y/E March	FY24E				FY25E				FY24	FY25E	FY25E
INRb	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
Domestic formulations	12.3	13.3	14.3	13.8	13.8	14.6	15.0	15.8	53.7	59.1	15.9
YoY Change (%)	9.1	5.5	15.9	7.1	12.1	9.2	5.0	14.1	9.3	10.0	11.5
US sales	24.5	18.6	18.4	25.2	30.9	24.2	24.1	28.8	86.9	108.0	24.0
YoY Change (%)	57.4	9.2	-4.3	12.0	26.0	29.6	30.8	14.0	16.7	24.3	30.2
Consumer healthcare	6.9	4.4	4.0	7.8	8.4	4.9	4.5	7.8	23.0	25.5	4.5
YoY Change (%)	0.3	3.0	-3.5	9.6	20.6	12.0	12.9	0.8	3.0	11.0	13.0
Emerging markets	4.2	3.9	4.2	3.9	4.4	4.8	4.9	4.8	16.3	18.9	4.9
YoY Change (%)	34.7	19.0	17.0	7.4	3.0	21.3	16.8	23.9	23.6	16.0	16.0
API	1.4	1.3	1.4	1.4	1.4	1.2	1.7	1.5	5.7	5.8	1.4
YoY Change (%)	13.5	14.4	-23.9	14.8	1.9	-6.5	19.0	6.7	3.4	3.3	-2.0
Cost Break-up											
RM Cost (% of Sales)	32.6	33.7	32.6	29.1	25.6	28.1	30.1	24.9	31.9	27.0	28.5
Staff Cost (% of Sales)	14.2	17.2	18.1	15.1	14.2	16.8	17.2	16.8	16.1	16.2	16.9
R&D Expenses(% of Sales)	6.3	7.4	7.0	6.4	6.3	9.2	9.5	5.9	6.7	7.6	8.0
Other Cost (% of Sales)	17.1	17.3	18.3	20.0	19.9	18.9	18.5	22.3	18.3	20.0	20.5
Gross Margins (%)	67.4	66.3	67.4	70.9	74.4	71.9	69.9	75.1	68.1	73.0	71.5
EBITDA Margins (%)	29.8	24.4	24.0	29.4	34.0	27.0	24.7	30.1	27.1	29.2	26.1
EBIT Margins (%)	26.3	20.1	19.7	25.7	30.5	22.6	20.3	26.1	23.2	25.2	21.0

E: MOFSL Estimates

Page Industries

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	PAG IN
Equity Shares (m)	11
M.Cap.(INRb)/(USDb)	510.8 / 5.8
52-Week Range (INR)	49933 / 33070
1, 6, 12 Rel. Per (%)	-3/12/16
12M Avg Val (INR M)	1185

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	49.1	55.5	63.7
Sales Gr. (%)	7.2	13.0	14.9
EBITDA	10.1	11.5	13.4
EBITDA Margin (%)	20.5	20.7	21.1
Adj. PAT	6.8	7.9	9.4
Adj. EPS (INR)	613.6	709.4	841.0
EPS Gr. (%)	20.2	15.6	18.5
BV/Sh.INR	1573.3	1828.0	2129.9
Ratios			
RoE (%)	39.0	38.8	39.5
RoCE (%)	38.5	39.1	39.7
Payout (%)	90.0	75.0	75.0
Valuations			
P/E (x)	74.6	64.6	54.5
P/BV (x)	29.1	25.1	21.5
EV/EBITDA (x)	50.2	44.0	37.3
Div. Yield (%)	1.0	1.0	1.2

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	42.9	44.3	45.1
DII	29.4	29.5	24.6
FII	22.7	20.8	21.8
Others	5.0	5.4	8.5

FII includes depository receipts

CMP: INR45,798 TP: INR57,500 (+26%) Buy

Moderate volume growth; beat on margins

- Page Industries (PAGE) reported 7% YoY sales growth in 3QFY25 (est. 10%; 11% in 2QFY25), with 5% volume growth (est. 6%; 7% in 2QFY25) to 58m units. The festive demand in October provided an uplift, but November and December remained subdued due to overall growth weakness. Product realization was maintained at INR227/piece (similar in 2Q) and up by 2% YoY. The premium innerwear category saw strong consumer acceptance, driven by enhanced quality and product innovation. Trade inventory was reduced by 5 days to 38 days at the distributor level. Primary sales marginally lagged secondary sales in 3QFY25 but are expected to align from 4QFY25 onwards.
- GM expanded 340bp YoY to 56.3% (beat), supported by stable input costs. Improved operational efficiency drove a 460bp YoY expansion in EBITDA margin to 23% (11-quarter high). The company did not take any price hikes in 3Q, and none are expected in 4Q. It expects to increase IT costs for digitalization and marketing expenses. As such, management has maintained its EBITDA margin guidance of 19%-21% for FY25 despite achieving 21.6% in 9MFY25. We model an EBITDA margin of 20.5%-21% for FY25-FY27.
- The **Odisha plant is set to be operational by March,** along with an additional **sewing facility in KR Pete, near Mysore, Karnataka,** which will enhance capacity to meet rising demand and improve efficiency.
- Factors such as inventory optimization through the ARS system, new product launches, capacity expansion, and digitalization initiatives all support growth. Benign input costs and cost efficiencies are likely to offset higher marketing/digital spending to sustain margin going forward. We believe the valuation will remain rich but have comfort in both growth acceleration and margin expansion in FY26. **We reiterate our BUY rating on the stock with a TP of INR57,500, premised on 65x Dec'26E EPS.**

In-line sales; margin expansion leads to beat on profitability

- **Volume growth at 5%:** Sales grew 7% YoY to INR13.1b (est. INR13.5b) in 3QFY25. The festive demand provided an initial boost but lacked sustained momentum throughout the quarter. Sales volume was up 4.7% YoY (est. 6.5%, 6.7% in 2QFY25) to 57.8m pieces. Growth was broad-based across categories.
- **Strong margin expansion**: Gross margin expanded ~330bp YoY to 56.3% (est. 54%) and EBITDA margin expanded to 430bp YoY at 23% (est. 19.7%). The margin expansion was primarily due to stable input costs and improved operating efficiency. Employee expenses were up 6% YoY and other expenses were up 2% YoY.
- **Beat on profitability:** EBITDA grew 32% YoY to INR3.0b (est. INR2.7b). PBT grew 36% YoY to INR2.7b (est. INR2.4b). Adj. PAT was up 34% YoY to INR2.0b (est. INR1.8b).
- In 9MFY25, net sales, EBITDA, and APAT grew 7%/18%/23%, respectively.

Highlights from the management commentary

- The operating environment in 3Q remained challenging due to subdued demand conditions. The festive demand provided an initial uplift but lacked sustained momentum throughout the quarter.
- The Odisha plant is set to be operational by March, along with an additional sewing facility in KR Pete, Karnataka. Together, the two plants will house 2,000 sewing machines, with the Odisha plant capable of running two shifts to meet future demand.
- The premium innerwear category saw strong consumer acceptance, driven by enhanced quality and product innovation.
- Inventory at the distributor level has been reduced by five days, with ~17.7-18m pieces of inventory in the system. Working capital days have improved to 65 days from 75 days at the end of FY24.
- The FY26 EBITDA margin guidance remains broadly unchanged at 19-21%

Valuation and view

- We largely maintain our EPS estimates for FY25 and FY26.
- We estimate a CAGR of 14%/15%/17% in sales/EBITDA/PAT over FY25-27E. Factors such as inventory optimization through the ARS system, new product launches, capacity expansion, and digitalization initiatives all support growth. Benign input costs and cost efficiencies are likely to lead to a better margin print. We believe the valuation will remain rich but have comfort in both growth and margin in the near term. **We reiterate our BUY rating on the stock with a TP of INR57,500, premised on 65x Dec'26E EPS.**

Quarterly Statement (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Volume growth (%)	**-11.5**	**-8.8**	**4.6**	**6.1**	**2.6**	**6.7**	**4.7**	**6.1**	**-3.5**	**4.5**	**6.5**	
Net Sales	**12,291**	**11,251**	**12,288**	**9,925**	**12,775**	**12,463**	**13,131**	**10,749**	**45,817**	**49,118**	**13,479**	-2.6%
YoY change (%)	-8.4	-8.4	2.4	2.9	3.9	10.8	6.9	8.3	-2.8	7.2	9.7	
Gross Profit	**6,544**	**6,262**	**6,522**	**5,562**	**6,918**	**7,040**	**7,399**	**6,052**	**24,971**	**27,408**	**7,279**	1.6%
Gross margin (%)	53.2	55.7	53.1	56.0	54.1	56.5	56.3	56.3	54.5	55.8	54.0	
Other Expenditure	4,159	3,927	4,226	3,918	4,484	4,225	4,374	4,241	16,248	17,323	4,619	
% to sales	33.8	34.9	34.4	39.5	35.1	33.9	33.3	39.5	35.5	35.3	34.3	
EBITDA	**2,385**	**2,335**	**2,297**	**1,643**	**2,433**	**2,815**	**3,025**	**1,811**	**8,723**	**10,084**	**2,660**	13.7%
Margins (%)	19.4	20.8	18.7	16.6	19.0	22.6	23.0	16.8	19.0	20.5	19.7	
YoY change	-19.9	-1.8	19.1	22.3	2.0	20.5	31.7	10.2	1.1	15.6	15.8	
Depreciation	210	246	226	226	221	226	297	300	908	1,044	250	
Interest	127	112	105	105	117	109	119	120	449	465	115	
Other Income	52	17	55	137	129	146	140	135	200	550	135	
PBT	**2,100**	**1,994**	**2,021**	**1,450**	**2,225**	**2,625**	**2,750**	**1,526**	**7,565**	**9,125**	**2,430**	13.2%
Tax	517	491	497	368	572	672	703	334	1,873	2,281	607	
Rate (%)	24.6	24.6	24.6	25.4	25.7	25.6	25.6	21.9	24.8	25.0	25.0	
PAT	**1,584**	**1,503**	**1,524**	**1,082**	**1,652**	**1,953**	**2,047**	**1,193**	**5,692**	**6,844**	**1,822**	12.3%
YoY change (%)	-23.5	-7.3	23.1	38.1	4.3	29.9	34.3	10.2	-0.4	20.2	19.6	

E: MOFSL Estimates

MAX Financial Services

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	MAXF IN
Equity Shares (m)	345
M.Cap.(INRb)/(USDb)	386 / 4.4
52-Week Range (INR)	1311 / 862
1, 6, 12 Rel. Per (%)	2/6/20
12M Avg Val (INR M)	1210

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Gross Premiums	344.2	395.9	455.0
Sh. PAT	5.1	7.3	9.8
NBP gr - APE (%)	23.2	16.7	16.1
Premium gr (%)	16.5	15.0	14.9
VNB margin (%)	23.0	24.5	25.0
Op. RoEV (%)	19.0	19.5	19.4
Total AUMs (INRb)	1,693	1,904	2,147
VNB (INRb)	20.7	25.7	30.5
EV Per Share	538	642	767
Valuations			
P/EV (x)	2.6	2.2	1.8
P/EVOP (x)	16.2	13.3	11.2

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	3.3	3.3	6.5
DII	42.7	44.0	36.9
FII	47.5	46.2	50.9
Others	6.5	6.4	5.7

FII includes depository receipts

CMP: INR1,119 TP: INR1,180 (+5%) Neutral

Strong APE growth driven by 19% growth in NOP

- MAX Financial Services (MAXF) reported a steady performance in 3QFY25. The new business APE rose 17.4% YoY (in line) to INR21.1b. For 9MFY25, it came in at INR57.3b, up 26% YoY.
- MAXF reported a flat VNB growth on a YoY basis (in line) at INR 4.9b. VNB margin contracted ~400bp YoY to 23.2% (MOFSLe: 23.5%), mainly due to the shift in product mix towards ULIP and the impact of surrender charges.
- Shareholders PAT for the quarter declined 54% YoY to INR0.7b (56% miss). For 9MFY25, it reported a PAT of INR3.7b, down 11% YoY.
- For FY25, management has guided for 20% growth in overall sales and higher single-digit growth in absolute VNB. The margin is likely to be at ~25%.
- The higher share of ULIP has led to margin contraction. However, management has guided to reduce the share of ULIP to 35-40% from 44% currently. We broadly maintain our estimates. **Reiterate Neutral** with a TP of INR1,180, premised on 2.1x Sept'26E EV and a holding company discount of 20%.

Higher ULIP share and surrender charges lead to a dip in VNB margin

- Gross premium income grew 12.7% YoY to INR82.2b (in line). For 9MFY25, it came in at INR213.6b, up 14% YoY. Renewal premium grew 13.3% YoY to INR52.2b (in line).
- The increase in rider penetration and selling variants with higher margins led to a lower-end impact of the surrender charges. However, the margin contracted 400bp YoY due to the ~100bp impact of surrender charges regulation and ~300bp impact of product mix shift towards ULIP and lower sales in the Par and Non-par segments.
- The policyholder expense to GWP rose 13bp YoY to 14.9% in 9MFY25.
- Persistency on the NOP basis improved across the cohorts, particularly in the 25th-month persistency, at 72% (up 250bp). Management expects the 25th-month persistency ratio to further increase.
- On the product front, ULIPs reported an exponential growth of 70%/49% YoY (9M/3Q basis), fueled by the newly launched Sustainable Wealth 50 Index Fund tailored for e-commerce customers. MAXF recently launched Smart Term Plan Plus to further fortify the protection & health segment.
- On the distribution side, Banca/Proprietary channels grew 14%/41% YoY (on a 9M basis). The surge in proprietary business was aided by: 1) > 100% YoY growth in the online channel, 2) 26% YoY growth in direct selling, and 3) 21% YoY growth in the agency channel. The slow growth in the banca channel was due to slower growth from the Axis Bank channel vs. other banks. However, management expects this to pick up in the coming quarters.
- AUM grew 20.4% YoY to INR1.72t.

Highlights from the management commentary

- The strategies for product mix rebalancing as stated are: 1) customer centricity, 2) improving the market share, and 3) focusing on profitability. Management guided product mix rebalancing by reducing the share of the ULIP segment in the mix by ~5-7 % and increasing the share of the non-par segment.
- The merger with the Axis Group will further lead to improved penetration in the tier 2 and tier 3 cities. This will lead to a 1.5x surge in the number of policies.
- All actions regarding pricing as well as negotiations with the distributors have been done. Management guides no further near-term repricing actions to be taken.

Valuation and view

- MAXF reported a steady performance in 3QFY25 with APE/VNB being in line. The company posted strong growth in the proprietary channel driven by secular growth within online sales, agency, and direct selling. On the product front, ULIP reported a robust growth of 49% in 3QFY25 and the share in the product mix improved to 44%.
- Actions such as an increase in rider penetration and selling variants with higher margins led to a lower-end impact of the surrender charges. However, the margin contracted 400bp YoY due to the product mix shift towards ULIP and surrender charges regulation. **Reiterate Neutral** rating with a TP of INR 1,180, premised on 2.1x Sept'26E EV and a holding company discount of 20%.

Quarterly Snapshot

Policyholder's A/c	FY24				FY25				FY24	FY25E	FY25E	A v/s E
(INR b)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
First-year premium	9.9	15.3	17.6	25.4	12.6	20.5	20.4	30.9	68.9	85.3	21.3	-4%
Growth (%)	*8.0%*	*37.7%*	*20.7%*	*5.3%*	*27.1%*	*33.6%*	*16.1%*	*21.9%*	*16.8%*	*23.9%*	*21.2%*	
Renewal premium	30.1	42.0	46.1	66.8	33.2	47.2	52.2	75.4	185.1	212.9	53.2	-2%
Growth (%)	*15.1%*	*7.5%*	*14.6%*	*14.6%*	*10.3%*	*12.4%*	*13.3%*	*12.8%*	*13.0%*	*15.0%*	*15.5%*	
Single premium	8.7	8.9	9.3	15.2	8.2	9.7	9.6	16.6	41.3	45.9	10.1	-5%
Growth (%)	*52.8%*	*14.2%*	*15.5%*	*66.5%*	*-5.7%*	*8.4%*	*3.0%*	*9.8%*	*35.1%*	*11.0%*	*8.7%*	
Gross premium income	**48.7**	**66.3**	**73.0**	**107.4**	**54.0**	**77.4**	**82.2**	**122.9**	295.3	344.2	**84.7**	**-3%**
Growth (%)	*18.7%*	*14.2%*	*16.1%*	*17.3%*	*10.8%*	*16.8%*	*12.7%*	*14.5%*	*16.5%*	*16.5%*	*16.0%*	
PAT	**1.0**	**1.6**	**1.5**	**-0.5**	**1.6**	**1.4**	**0.7**	**0.9**	3.6	5.1	**1.6**	**-56%**
Growth (%)	*13.2%*	*196.2%*	*-34.9%*	*-186.4%*	*51.4%*	*-11.2%*	*-53.8%*	*-276.6%*	*-17.8%*	*42.8%*	4.1%	
Key metrics (INRb)												
New Business APE	11.1	16.5	18.0	28.7	14.5	21.7	21.1	33.1	73.0	89.9	20.7	2%
Growth (%)	*10.3%*	*38.8%*	*18.9%*	*13.2%*	*30.5%*	*31.3%*	*17.4%*	*15.4%*	*17.7%*	*23.2%*	0.2	
VNB	2.5	4.2	4.9	8.2	2.5	5.1	4.9	8.1	19.7	20.7	4.9	1%
Growth (%)	*16.0%*	*11.5%*	*-17.5%*	*6.6%*	*2.8%*	*23.1%*	*0.0%*	*-0.9%*	*1.2%*	*4.8%*	0.0	
AUM	1,291.3	1,341.6	1,426.2	1,508.4	1,611.5	1,701.4	1,717.1	1,692.7	1,508.4	1,692.7	1,769	-3%
Growth (%)	*20.5%*	*18.4%*	*20.5%*	*22.8%*	*24.8%*	*26.8%*	*20.4%*	*12.2%*	*22.8%*	*12.2%*	0.2	
Key Ratios (%)												
VNB Margins (%)	22.2	25.2	27.2	28.6	17.5	23.6	23.2	24.6	41.2	23.0	23.5	

Global Health

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MEDANTA IN
Equity Shares (m)	269
M.Cap.(INRb)/(USDb)	309.7 / 3.5
52-Week Range (INR)	1514 / 936
1, 6, 12 Rel. Per (%)	7/2/-14
12M Avg Val (INR M)	609

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	36.7	43.1	50.0
EBITDA	8.9	10.9	13.1
Adj. PAT	5.3	6.7	8.3
EBIT Margin (%)	18.9	19.8	21.0
Cons. Adj. EPS (INR)	19.6	24.9	30.9
EPS Gr. (%)	10.0	27.3	23.9
BV/Sh. (INR)	124.3	144.9	170.3
Ratios			
Net D:E	0.1	0.0	(0.1)
RoE (%)	16.8	18.5	19.6
RoCE (%)	15.0	16.6	17.6
Payout (%)	17.6	17.6	17.6
Valuations			
P/E (x)	58.9	46.2	37.3
EV/EBITDA (x)	35.2	28.6	23.3
EV/Sales (x)	8.5	7.2	6.1
Div. Yield (%)	0.3	0.3	0.4
FCF Yield (%)	0.6	1.0	1.5
EV/Sales (x)	8.5	7.2	6.1

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	33.0	33.0	33.1
DII	10.5	11.1	11.2
FII	12.5	12.2	11.4
Others	44.0	43.7	44.4

FII Includes depository receipts

CMP: INR1,153 TP: INR1,410 (+22%) Buy

Better-than-est. 3Q; developing hospitals boost earnings

Expanding presence in Ranchi by leasing the newly-built hospital

- Global Health (Medanta) delivered better-than-expected 3QFY25 results. The strong improvement in developing hospitals and a steady show at the matured hospitals led to healthy earnings growth for the quarter.
- We raise our earnings estimate by 3%/4%/3% for FY25/FY26/FY27 factoring in: 1) faster scale-up at Patna Hospital backed by demand tailwind, 2) enhanced effort at Lucknow, driving recovery in operational performance, and 3) improved visibility for volume growth aided by the addition of institutional empanelment. We value Medanta at 30x 12M forward EV/EBITDA to arrive at our TP of INR1,410.
- Medanta remains on track to a) add clinical talent at existing centers (~100+ doctors added in 9MFY25), b) improve case mix through the addition of beds in oncology/ICU, and c) expand at newer locations (Ranchi/Noida/Delhi). Interestingly, a major portion of the revenue/EBITDA growth is driven by volume, partly supported by patient realization. Overall, we expect 22%/25% CAGR in EBITDA/PAT over FY25-27. **Reiterate BUY.**

Quarterly EBITDA surpasses the previous high; scope to improve further

- In 3QFY25, sales grew 12.8% YoY to INR9.4b (vs. our est: INR8.8). Mature hospitals' revenue (69% of total revenue) grew 10.1% YoY to INR6.5b. Developing hospitals' revenue (31% of total revenue) rose 9.5% YoY to INR3b.
- EBITDA margin contracted 90bp YoY to 25.6%, primarily due to a higher share of RM costs (+150bp YoY), offset by a lower share of employee expenses (-40bp YoY) and a reduced share of other expenses (-20bp YoY).
- Medanta's EBITDA grew 8.9% YoY to INR2.4b (vs. our est: INR2.2b). Mature hospitals' EBITDA increased 9% YoY to INR1.6b, and developing hospitals grew 4.8% YoY to INR1b for 3QFY25.
- PAT grew 18.4% YoY to INR1.5b (vs. our est: INR1.3b) owing to a marginally lower interest and tax burden.
- Medanta's revenue/EBITDA/PAT grew 13%/7%/11% to INR27.6b/ INR6.7b/INR3.9b in 9MFY25.

Highlights from the management commentary

- Medanta would lease a 110-bed newly-built hospital in Ranchi. Medanta will invest about INR500m in medical equipment at this site and commence operations from 1QFY26.
- The barricading of the land has been completed, and architectural drawings are currently being prepared at Oshiwara, Mumbai.
- Medanta onboarded 49/100+ doctors in 3QFY25/9MFY25. Lucknow and Patna have witnessed maximum doctor addition in 3QFY25.
- Noida Hospital would commence in the next 1Q/2QFY26. On an overall basis, about 1000 beds would be added by Medanta across sites over the next two years.

Consolidated – Quarterly Earnings Model (INRm)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	(%)
Gross Sales	**7,730**	**8,439**	**8,365**	**8,086**	**8,611**	**9,566**	**9,434**	**9,091**	**32,751**	**36,702**	**8,789**	**7.3%**
YoY Change (%)	25.2	24.3	20.5	14.4	11.4	13.3	12.8	12.4	21.6	12.1	5.1	
Total Expenditure	5,887	6,255	6,150	6,175	6,699	7,222	7,023	6,877	24,467	27,820	6,636	
EBITDA	**1,843**	**2,185**	**2,215**	**1,911**	**1,912**	**2,344**	**2,412**	**2,214**	**8,284**	**8,882**	**2,153**	**12.0%**
YoY Change (%)	38.7	38.3	36.1	12.7	3.7	7.3	8.9	15.9	33.7	7.2	-2.8	
Margins (%)	23.8	25.9	26.5	23.6	22.2	24.5	25.6	24.4	25.3	24.2	24.5	
Depreciation	468	485	495	572	515	494	484	461	2,020	1,954	485	
Interest	179	201	177	182	180	160	163	145	739	647	155	
Other Income	215	208	181	274	219	182	160	172	747	734	190	
PBT before EO expense	**1,410**	**1,707**	**1,724**	**1,431**	**1,437**	**1,872**	**1,925**	**1,781**	**6,271**	**7,014**	**1,703**	**13.0%**
Extra-Ord expense/(Income)	0	0	0	0	0	0	0	0	0	0	0	
PBT	**1,410**	**1,707**	**1,724**	**1,431**	**1,437**	**1,872**	**1,925**	**1,781**	**6,271**	**7,014**	**1,703**	**13.0%**
Tax	390	455	488	157	374	503	462	415	1,490	1,754	409	
Rate (%)	27.7	26.6	28.3	11.0	26.0	26.9	24.0	23.3	23.8	25.0	24.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**1,020**	**1,252**	**1,235**	**1,273**	**1,063**	**1,369**	**1,463**	**1,366**	**4,781**	**5,261**	**1,294**	**13.0%**
Adj PAT	**1,020**	**1,252**	**1,235**	**1,273**	**1,063**	**1,369**	**1,463**	**1,366**	**4,781**	**5,261**	**1,294**	**13.0%**
YoY Change (%)	73.8	46.1	53.3	26.0	4.2	9.4	18.4	7.3	46.6	10.0	4.8	
Margins (%)	13.2	14.8	14.8	15.7	12.3	14.3	15.5	15.0	14.6	14.3	14.7	

E: MOFSL Estimates

Anant Raj

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ARCP IN
Equity Shares (m)	342
M.Cap.(INRb)/(USDb)	199.8 / 2.3
52-Week Range (INR)	948 / 281
1, 6, 12 Rel. Per (%)	-32/18/70
12M Avg Val (INR M)	1089

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	19.7	23.1	30.8
EBITDA	5.7	9.2	12.8
EBITDA (%)	29.1	39.8	41.4
Adj PAT	4.5	6.0	6.4
Cons. EPS (INR)	13.1	17.5	18.6
EPS Growth (%)	68.5	33.4	6.3
BV/Share (INR)	119.5	136.5	154.6
Ratios			
Net D/E	(0.0)	0.1	0.6
RoE (%)	11.0	12.8	12.0
RoCE (%)	11.6	14.3	11.3
Payout (%)	3.8	2.9	2.7
Valuations			
P/E (x)	44.6	33.4	31.4
P/BV (x)	4.9	4.3	3.8
EV/EBITDA (x)	34.7	22.2	17.9
Div Yield (%)	0.1	0.1	0.1

Shareholding Pattern (%)

As On	Dec-24	Mar-24	Dec-23
Promoter	60.0	60.0	63.3
DII	6.7	3.6	1.6
FII	13.1	11.5	9.0
Others	20.2	24.8	26.1

CMP: INR584 TP: INR1,085 (+86%) Buy

Navya-4 and Floors to launch in 4Q

Data Center's 22MW IT load on track to be commissioned by FY25-end

- **P&L performance –** In 3QFY25, revenue came in at INR5.3b, up 36%/4% YoY/QoQ (50% above the estimate).
- EBITDA was at INR1.3b, up 48%/18% YoY/QoQ (50% below the estimate), driven by higher total expenditure of INR4b vs estimated INR1b. EBITDA margin stood at 25%, up 2% YoY but ~50% below the estimate.
- Adj PAT was at INR1.1b, up 54%/5% YoY/QoQ (31% below the estimate). PAT margin was at 21%, up 2% YoY but ~24% below the estimate.
- In 9MFY25, Revenue came in at INR15.2b, up 46% YoY.
- EBITDA was at INR3.5b, up 52% YoY. EBITDA margin was at 23%, up 1% YoY.
- Adj PAT was at INR3.1b, up 68% YoY. PAT margin was at 20%, up 2% YoY.

Key highlights from the result presentation

- ARCP continues to make significant progress in reducing its debt. Its net debt ending Q3FY25 stood at INR540m vs INR960m in Q2FY25.
- Data Center Expansion – The 6MW IT load data center at Manesar is now operational, with an additional 15MW at Manesar and 7MW at Panchkula on track. This will bring the total capacity under development to 22MW IT load capacity by the end of FY25.
- ARCP successfully launched Ashok Cloud, Bharat's own sovereign cloud platform, with a 0.5MW IT load in collaboration with Orange Business. The platform initially offers Infrastructure as a Service (IaaS). With plans to expand cloud infrastructure, including IaaS and colocation services, the company remains well-positioned to capitalize on the growing demand for data centers, data localization, and India's under-penetrated data infrastructure market.
- Construction of The Estate Residences (Group Housing 1) and Aashray 2 in Tirupati has already commenced and is progressing rapidly, remaining on track for timely delivery.
- Construction of Birla Navya Phase 1 has been completed, while building plans for Birla Navya Phase 4 have been approved. The RERA application has been submitted, and the project is expected to be launched in Q4FY25.
- The new version of Independent Floors, branded as The Estate Apartments, is in the advanced stages of launch in Q4FY25. The sample apartment is ready, and soft discussions are already underway in the market.
- The approval process for the recently acquired 11.35 acres is in its advanced stage, with the Letter of Intent for land conversion already received.

Valuation and view

- ARCP's residential segment is expected to deliver 14msf over FY25-30, generating a cumulative NOPAT of INR75.3b.
- The residential business cash flow, discounted at an 11.6% WACC with a 5% terminal growth rate, accounts for INR2.5b in annual business development expenses, yielding a GAV of INR130b, or INR380/share.
- The annuity business cash flow is discounted at a capitalization rate of 8.5%, valuing it at INR13b or INR38/share.
- We expect ARCP's DC revenue to grow materially, with capacity increasing from 6 MW in FY24 to 307 MW by FY32, along with a shift towards cloud services, which will expand from 0.5 MW to 77 MW over the same period.
- We model the free cash flows for the data center business till FY32, using a discount rate of 11.6%, a rental escalation of 3%, and a terminal growth rate of 3%, resulting in an EV of INR200b or INR585/share.
- We reiterate our **BUY** rating with the revised TP of INR1,085 based on our SOTP-based valuation.

Financial Highlights

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q	(%)
Net Sales	**3,162**	**3,323**	**3,923**	**4,426**	**4,718**	**5,129**	**5,346**	**4,462**	**14,833**	**19,655**	**3,568**	50%
YoY Change (%)	98.4	32.1	47.6	58.0	49.2	54.3	36.3	0.8	55.0	32.5	-9.0	
Total Expenditure	2,566	2,524	3,022	3,382	3,689	4,001	4,011	2,235	11,495	13,935	909	
EBITDA	**595**	**799**	**901**	**1,044**	**1,030**	**1,128**	**1,336**	**2,227**	**3,338**	**5,720**	**2,659**	-50%
Margins (%)	18.8	24.0	23.0	23.6	21.8	22.0	25.0	49.9	22.5	29.1	74.5	-4953bp
Depreciation	42	42	48	48	55	81	82	377	181	594	184	
Interest	75	80	77	114	36	15	29	100	346	180	262	
Other Income	96	86	88	105	98	109	93	149	374	450	97	
PBT before EO expense	**575**	**762**	**863**	**987**	**1,037**	**1,141**	**1,318**	**1,899**	**3,186**	**5,395**	**2,311**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**575**	**762**	**863**	**987**	**1,037**	**1,141**	**1,318**	**1,899**	**3,186**	**5,395**	**2,311**	-43%
Tax	92	174	165	109	142	97	223	453	540	915	705	
Rate (%)	16.0	22.9	19.1	11.0	13.7	8.5	16.9	23.9	17.0	17.0	30.5	
Minority Interest & Profit/Loss of Asso. Cos.	24	14	21	-44	15	11	10	-36	14	0	-10	
Reported PAT	**483**	**587**	**698**	**878**	**895**	**1,044**	**1,094**	**1,446**	**2,645**	**4,480**	1,605	
Adj PAT	**507**	**601**	**718**	**858**	**910**	**1,056**	**1,104**	**1,410**	**2,659**	**4,480**	**1,595**	-31%
YoY Change (%)	105.4	79.2	57.4	73.8	79.7	75.7	53.7	64.2	76.0	68.5	122.0	
Margins (%)	16.0	18.1	18.3	19.4	19.3	20.6	20.7	31.6	17.9	22.8	44.7	-2404bp

Fine Organic Industries

Estimate changes	↓
TP change	⟷
Rating change	⟷

Bloomberg	FINEORG IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	133.4 / 1.5
52-Week Range (INR)	5959 / 4005
1, 6, 12 Rel. Per (%)	-3/-15/-12
12M Avg Val (INR M)	176

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	22.4	23.0	24.1
EBITDA	4.9	4.6	4.7
PAT	4.1	3.6	3.7
EPS (INR)	132.6	118.1	119.3
EPS Gr. (%)	10.5	-10.9	1.1
BV/Sh.(INR)	728.6	836.9	946.2
Ratios			
Net D:E	-0.5	-0.4	-0.4
RoE (%)	19.9	15.1	13.4
RoCE (%)	19.9	15.1	13.4
Payout (%)	8.3	8.3	8.3
Valuations			
P/E (x)	32.8	36.8	36.4
P/BV (x)	6.0	5.2	4.6
EV/EBITDA (x)	24.6	27.0	25.9
Div. Yield (%)	0.3	0.2	0.2
FCF Yield (%)	1.8	(0.7)	1.4

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	75.0	75.0	75.0
DII	11.5	11.6	11.8
FII	5.2	4.9	3.6
Others	8.3	8.6	9.6

FII Includes depository receipts

CMP: INR4,350 TP: INR3,570 (-18%) Sell

Margin decline continues; outlook remains uncertain

- Fine Organic Industries (FINEORG) reported revenue of INR5.2b in 3QFY25, 19% below our estimate. EBITDA stood at INR1b (34% miss; up 13% YoY). EBITDAM contracted 170bp YoY to 20%, while gross margin contracted 360bp YoY to 38.2%. PAT increased 28% YoY to INR890m (our est. INR1.2b). There was a slight QoQ dip in demand from export markets. Exports contributed 56% of revenue, while domestic sales accounted for 44% of total revenue.
- In 2QFY25, certain vegetable oil prices increased notably in the domestic market, impacting input costs, and the trend continued in 3QFY25. Freight costs declined as rates stabilized, leading to normalized operational expenses in 3Q. The company's Badlapur manufacturing unit also resumed operations in 3Q after being disrupted since Jan'24 due to a fire incident at a neighboring plant.
- All plants are currently running at optimal capacity, except for Patalganga-II, where there is still some headroom available for capacity ramp-up. FINEORG has signed a lease deed with the Jawaharlal Nehru Port Authority (JNPA) to set up a manufacturing unit for the next 60 years situated at the SEZ (land parcel of ~29.2 acres). This would primarily cater to export markets. Management announced a capex of INR7.5b in 2QFY25 and plans to start commercial production by FY27, with no further guidance on capacity/revenue/asset turn.
- FINEORG has already applied for environment clearance (EC), which is currently in progress. That said, it would take 18-24 months to set up new capacities. Although the greenfield capacity is expected to take care of growth for the next 10 years, we do not expect growth to commence until FY28. Exports account for more than 50% of the total revenue for FINEORG.
- Considering the underperformance in 3Q, we cut our revenue/EBITDA/PAT estimates by 6%/12%/9% for FY25. FINEORG is currently trading at ~37x FY26E EPS and ~27x FY26E EV/EBITDA. Valuations appear expensive for a company with no earnings growth during FY24-27. **We reiterate our Sell rating on the stock with a TP of INR3,570.**

Miss on operating performance; margin contracts YoY and QoQ

- Revenue stood at INR5.2b (19% below our est., +22% YoY). **Gross margin contracted 360bp YoY to 38.2%, with EBITDAM at 20% (-170bp YoY).**
- EBITDA stood at INR1b (est. INR1.6b, +13% YoY). PAT stood at INR890m (est. INR1.2b, +28% YoY).
- **For 9MFY25**, revenue was at INR16.3b (+14% YoY) and EBITDA was at INR3.7b (+6% YoY). PAT was at INR3b (+14% YoY). EBITDAM was at 22.7% (-170bp YoY).

Valuation and view

- The long-term prospects for FINEORG remain robust, as the company operates within the oleochemicals industry and has consistently driven growth through R&D innovations over the years. However, we anticipate that its performance may be adversely affected in the near-to-medium term by the following factors: 1) longer-than-expected delays in the commissioning of new capacities for expansion; 2) existing plants operating at optimum utilization with no potential of debottlenecking; and 3) further delays in the commencement of commercial supplies from the Thailand JV.
- We estimate a CAGR of 11%/-1%/0% in revenue/EBITDA/PAT over FY24-27, with margin in the range of 19-20%. FINEORG is currently trading at ~37x FY26E EPS and ~27x FY26E EV/EBITDA. Valuations appear expensive for a company with no earnings growth during FY24-27. **We reiterate our Sell rating on the stock with a TP of INR3,570.**

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Gross Sales	**5,321**	**4,717**	**4,258**	**5,215**	**5,083**	**5,955**	**5,215**	**6,185**	**19,511**	**22,438**	**6,424**	**-19%**
YoY Change (%)	*-29.3*	*-43.0*	*-43.2*	*-25.3*	*-4.5*	*26.2*	*22.5*	*18.6*	*-35.6*	*15.0*	*50.9*	
Gross Margin (%)	*42.9%*	*41.9%*	*41.8%*	*43.6%*	*42.2%*	*40.5%*	*38.2%*	*38.3%*	*42.6%*	*39.8%*	*40.3%*	*-2.1%*
EBITDA	**1,519**	**1,044**	**924**	**1,322**	**1,218**	**1,429**	**1,042**	**1,258**	**4,809**	**4,948**	**1,583**	**-34%**
Margin (%)	*28.5*	*22.1*	*21.7*	*25.4*	*24.0*	*24.0*	*20.0*	*20.3*	*24.6*	*22.1*	*24.6*	*-4.7*
Depreciation	117	144	147	153	117	124	130	139	561	510	130	
Interest	6	7	5	5	4	4	4	4	23	16	6	
Other Income	145	172	174	226	241	217	288	296	717	1,043	219	
PBT before EO expense	**1,540**	**1,064**	**946**	**1,391**	**1,338**	**1,518**	**1,197**	**1,411**	**4,941**	**5,465**	**1,666**	**-28%**
Extra-Ord expense	0	0	0	6	0	0	0	0	6	0	0	
PBT	**1,540**	**1,064**	**946**	**1,385**	**1,338**	**1,518**	**1,197**	**1,411**	**4,935**	**5,465**	**1,666**	**-28%**
Tax	397	270	249	342	348	387	307	357	1,259	1,399	420	
Rate (%)	*25.8*	*25.4*	*26.4*	*24.7*	*26.0*	*25.5*	*25.6*	*25.3*	*25.5*	*25.6*	*25.2*	
Reported PAT	**1,142**	**794**	**697**	**1,043**	**990**	**1,131**	**890**	**1,055**	**3,676**	**4,066**	**1,246**	**-29%**
Adj PAT	**1,142**	**794**	**697**	**1,047**	**990**	**1,131**	**890**	**1,055**	**3,680**	**4,066**	**1,246**	**-29%**
YoY Change (%)	*-27.4*	*-51.6*	*-46.9*	*-24.2*	*-13.3*	*42.5*	*27.8*	*0.7*	*-37.7*	*10.5*	*78.9*	
Margin (%)	*21.5*	*16.8*	*16.4*	*20.1*	*19.5*	*19.0*	*17.1*	*17.1*	*18.9*	*18.1*	*19.4*	*-2.3*

5 February 2025

3QFY25 Results Update | Sector: Cement

Birla Corporation

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	89.4 / 1
52-Week Range (INR)	1802 / 1073
1, 6, 12 Rel. Per (%)	-4/-19/-31
12M Avg Val (INR M)	219

Financial Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	89.2	96.4	103.9
EBITDA	10.3	13.3	15.6
Adj. PAT	1.4	3.9	5.7
EBITDA Margin (%)	11.5	13.8	15.0
Adj. EPS (INR)	18.2	51.3	73.8
EPS Gr. (%)	-66.3	181.6	44.0
BV/Sh. (INR)	873	912	974
Ratios			
Net D:E	0.5	0.4	0.4
RoE (%)	2.1	5.7	7.8
RoCE (%)	3.4	5.3	6.6
Payout (%)	66	23	16
Valuations			
P/E (x)	63.8	22.7	15.7
P/BV (x)	1.3	1.3	1.2
EV/EBITDA(x)	10.5	8.1	6.6
EV/ton (USD)	62	58	56
Div. Yield (%)	1.0	1.0	1.0

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	62.9	62.9	62.9
DII	16.3	16.2	16.2
FII	5.6	5.5	6.4
Others	15.3	15.4	14.5

FII includes depository receipts

CMP: INR1,161 TP: INR1,470 (+27%) Buy

Strong volume growth, but earnings under pressure

Mukutban-powered volume growth, but lower realization

- BCORP's 3QFY25 EBITDA declined 34% YoY to INR2.5b (7% miss, led by lower realization and higher variable cost/t vs. our estimate). Volume grew 7% YoY to 4.5mt (+4% vs. estimate). EBITDA/t declined 39% YoY to INR551 (-10% vs. estimate) and OPM contracted 5.4pp YoY to 11% (estimate ~12%). PAT declined 71% YoY (30% miss due to lower-than-estimated other income).
- Management highlighted that the lower realization was due to a change in the geographic mix as volume share from the Mukutban plant increased, where the cement price is lower than in the Northern and Central regions. Within regions, the North has outperformed, driven by better pricing, volume growth, and the advantages of its Chanderia plant in Rajasthan. However, it faced challenges in Central India, its core market, where intense competition led to pricing pressure.
- We cut our EBITDA estimates by 5% for FY25-27 (each) due to lower realization estimates. The EPS cut is higher, at 28%/13%/8% for FY25/FY26/ FY27, driven by lower EBITDA and other income. We value the stock at 9x Dec'26E EV/EBITDA to arrive at our revised TP of INR1,470 (earlier 1,580). **Reiterate BUY.**

Cement realization/t declines 10% YoY; opex/t down 3% YoY

- Consol. revenue/EBITDA/Adj. PAT stood at INR22.6b/INR2.5b/INR312m (-2% /-34%/-71% YoY and +3%/-7%/-30% vs. our estimates) in 3QFY25. Volume grew ~7% YoY to 4.5mt. Cement realization declined 10% YoY (-1% vs. est.).
- Opex/t declined 3% YoY (+1% vs. estimate), led by a 6%/1% decline in variable costs/other expenses. Freight cost/t was flat YoY. OPM contracted 5.4pp YoY to ~11% and EBITDA/t decreased 39% YoY to INR551. Interest costs declined 14% YoY, and other income declined 5%.
- In 9MFY25, consol. revenue/EBITDA/PAT declined 9%/29%/83% YoY. Volume was flat YoY and realization fell ~9% YoY. OPM contracted 3pp YoY to ~11% and EBITDA/t declined 30% YoY to INR532. We estimate revenue/EBITDA/ PAT to decline ~5%/28%/46% YoY in 4QFY25. Further, we estimate EBITDA/t at INR691 vs. INR974/INR551 in 4QFY24/3QFY25.

Highlights from the management commentary

- Management reiterated volume growth guidance of ~4% in FY25E and 7-8% in 2HFY25E and EBITDA/t improvement of INR150/t in 2H vs. 1HFY25.
- The Mukutban plant's capacity utilization stood at +60% and is expected to increase further. This plant's performance is improving QoQ and has started contributing positively to the company's overall performance.
- It has started accruing incentives for the Mukutan plant and is expecting a total incentive accrual of INR1.0b in FY25 (with INR600m accrued in 9MFY25).

Valuation and view

- BCORP posted strong volume growth, benefiting from its favorable regional presence and steady growth at the Mukutban plant. However, due to a limited expansion plan and peak capacity utilization (at +90%), modest volume growth is expected in the medium term (~6% CAGR over FY25-27).
- BCORP trades inexpensively at 8x/7x FY26E/FY27E EV/EBITDA and USD58/ USD56 EV/T. We reiterate our BUY rating with a revised TP of INR1,470 (earlier INR1,580), based on 9x Dec'26E EV/EBITDA.

Consolidated performance (INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Cement Sales (MT)	4.4	4.2	4.2	4.9	4.4	4.0	4.5	5.0	17.7	17.8	4.3	4
YoY Change (%)	12.2	14.8	12.9	9.2	(0.7)	(5.0)	7.1	2.1	12.2	0.8	3.0	
Cement Realization	5,229	5,211	5,316	5,218	4,843	4,722	4,790	4,885	5,239	4,814	4,842	(1)
YoY Change (%)	(2.2)	1.2	2.7	(1.2)	(7.4)	(9.4)	(9.9)	(6.4)	(0.0)	(8.1)	(8.9)	
QoQ Change (%)	(0.9)	(0.3)	2.0	(1.8)	(7.2)	(2.5)	1.4	2.0			2.5	
Net Sales	**24.1**	**22.9**	**23.1**	**26.6**	**21.9**	**19.5**	**22.6**	**25.2**	**96.6**	**89.2**	**21.8**	**3**
YoY Change (%)	9.3	14.3	14.7	7.9	(9.1)	(14.6)	(2.4)	(5.3)	11.3	(7.7)	(5.6)	
Total Expenditure	21.1	20.0	19.3	21.8	19.3	17.8	20.1	21.7	82.3	78.9	19.2	5
EBITDA	**3.0**	**2.9**	**3.8**	**4.7**	**2.6**	**1.8**	**2.5**	**3.4**	**14.4**	**10.3**	**2.7**	**(7)**
Margin (%)	12.4	12.6	16.4	17.8	11.8	9.1	11.0	13.6	14.9	11.5	12.2	(118)
YoY Change (%)	14.9	207.4	162.1	72.2	-13.3	-38.7	-34.5	-27.6	86.2	-28.7		
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.4	5.8	5.7	1.4	(3)
Interest	1.0	1.0	1.0	0.8	0.9	0.9	0.8	0.8	3.7	3.3	0.8	(0)
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.9	0.7	0.2	(34)
Profit before Tax	**0.8**	**0.8**	**1.5**	**2.7**	**0.4**	**-0.4**	**0.4**	**1.4**	**5.7**	**1.9**	**0.6**	**(34)**
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-	-	
Profit before Tax after EO	**0.8**	**0.8**	**1.5**	**2.7**	**0.4**	**-0.4**	**0.4**	**1.4**	**5.8**	**1.9**	**0.6**	**(34)**
Tax	0.2	0.2	0.4	0.8	0.1	-0.1	0.1	0.4	1.6	0.5	0.2	
Rate (%)	21.7	24.3	28.9	29.2	25.9	29.4	24.6	26.7	27.5	25.5	29.4	
Reported PAT	**0.6**	**0.6**	**1.1**	**1.9**	**0.3**	**-0.3**	**0.3**	**1.0**	**4.2**	**1.4**	**0.4**	**(30)**
Adj. PAT	**0.6**	**0.6**	**1.1**	**1.9**	**0.3**	**-0.3**	**0.3**	**1.0**	**4.2**	**1.4**	**0.4**	**(30)**
Margin (%)	2.5	2.6	4.7	7.1	1.5	-1.3	1.4	4.0	4.3	1.6	2.0	
YoY Change (%)	(16.2)	NM	NM	164.6	(45.4)	NM	(71.4)	(46.1)	1,052.2	(66.3)	(59.3)	

Per tonne analysis (INR)

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY24	FY25E	FY25 3QE	Var. (%)
Blended Realization	**5,461**	**5,468**	**5,505**	**5,477**	**5,001**	**4,918**	**5,015**	**5,084**	**5,475**	**5,009**	**5,043**	**(1)**
YoY Change (%)	(2.6)	(0.5)	1.6	(1.2)	(8.4)	(10.1)	(8.9)	(7.2)	(0.8)	(8.5)	(8.4)	
Raw Material	958	917	782	921	666	719	749	746	896	721	699	7
Staff Cost	317	341	336	274	337	354	320	296	315	325	341	(6)
Power and Fuel	1,153	1,183	1,094	1,000	1,004	1,025	1,025	1,008	1,103	1,015	1,020	0
Transport and Forwarding	1,321	1,240	1,325	1,284	1,322	1,249	1,319	1,322	1,292	1,305	1,310	1
Other Exp.	1,038	1,096	1,066	1,024	1,082	1,126	1,051	1,021	1,061	1,067	1,060	(1)
Total Expenditure	**4,786**	**4,777**	**4,604**	**4,503**	**4,411**	**4,472**	**4,464**	**4,393**	**4,660**	**4,433**	**4,430**	**1**
EBITDA	**675**	**691**	**901**	**974**	**590**	**446**	**551**	**691**	**815**	**576**	**614**	**(10)**

Source: Company, MOFSL Estimates

5 February 2025

3QFY25 Results Update | Sector: Retail

V-Mart Retail

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	VMART IN
Equity Shares (m)	20
M.Cap.(INRb)/(USDb)	69.6 / 0.8
52-Week Range (INR)	4520 / 1814
1, 6, 12 Rel. Per (%)	-5/9/60
12M Avg Val (INR M)	132

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	27.9	32.7	38.2
EBITDA	2.1	3.9	4.9
NP	-1.0	0.0	0.5
EBITDA Margin (%)	7.6	11.9	12.7
Adj. EPS (INR)	-48.9	1.2	26.8
EPS Gr. (%)	NM	NM	NM
BV/Sh. (INR)	377.6	414.1	443.4
Ratios			
Net D:E	1.8	2.2	2.1
RoE (%)	NM	0.3	6.8
RoCE (%)	0.4	5.2	7.1
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	n/m	2,828.6	131.1
EV/EBITDA (x)	39.1	22.2	17.8
EV/Sales (x)	2.5	2.2	1.9
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	44.3	44.3	44.3
DII	32.5	32.8	34.0
FII	17.3	16.0	14.3
Others	5.9	6.9	7.4

FII Includes depository receipts

CMP: INR3,518 TP: INR3,850 (+9%) Neutral

Good 3Q; focus remains on volume growth over margin

- V-Mart Retail's (VMART) revenue grew 16% YoY in 3QFY25, led by strong SSSG (10%) and store additions. EBITDA beat our estimate by 12%, aided by improvement in gross margin for offline format, lower losses in LimeRoad (LR), and benefits from unprofitable store closures in Unlimited.
- VMART management indicated that it is focusing on volume-led growth and would even look to reduce prices of certain products to drive growth amid rising competition in value retail.
- Our FY25-26E revenue is broadly unchanged, while we raise our EBITDA estimates by 7-10% on account of improved profitability in Unlimited and a reduction in LR losses. We expect a CAGR of 17%/42% in revenue/EBITDA over FY24-27, driven by high-single-digit SSSG and lower losses in LR.
- We value VMART at 15x Mar'27E EV/EBITDA (implies ~25x FY27E pre-IND AS 116 EBITDA) to arrive at our TP of INR3,850. **We maintain our Neutral rating on VMART.**

Strong performance; 12% EBITDA beat on lower LR losses

- Overall revenue grew 16% YoY to INR10.3b (in line), driven by 10% blended SSSG and 7.5% YoY store addition.
  - V-Mart (core) delivered ~10% SSSG, while Unlimited reported higher ~11% SSSG, with quarterly throughput rising to INR1,900/sqft.
  - LR revenue declined 38% YoY to INR105m. Adjusted for this, VMART revenue (including Unlimited stores) was up ~17% YoY.
- VMART opened 21 new stores (19 in V-Mart and 2 in Unlimited) during the quarter, taking the total store count to 488 (V-Mart: 403, Unlimited: 85).
- Gross profit grew 16% YoY to INR3.7b (largely in line), as gross margins expanded 25bp YoY to 35.8% (75bp beat).
- Other expenses declined 16% YoY to INR1b, mainly due to lower losses in the online segment (LR) and lower other expenses in Unlimited.
- **Reported EBITDA grew 43% YoY to INR1.7b (12% beat), with margins at 16.7% (180bp beat).**
  - Pre-Ind AS EBITDA margin improved 320bp YoY to 10.8%.
- Profit before tax stood at INR697m (30% beat vs. our estimate of INR535m).
- For 9MFY25, revenue/EBITDA grew 17%/79% YoY, while PAT remained modest at ~INR273m.

Highlights from the management commentary

- **Demand environment:** VMART witnessed a healthy performance during the festive season; however, it was not at par with management's expectations. Demand trends picked up after the festive season, driven by weddings and the onset of winter. A delayed winter affected sales, but winterwear demand picked up in December. The sentiment in semi-urban and rural markets has been promising, and management expects a further improvement going ahead as disposable incomes are expected to grow after the recent tax cuts.

- **Geographical:** East region saw muted growth due to a shift in Pujo days to 2Q. North India saw good growth on a low base. UP has now started showing good growth. South India, especially Tamil Nadu, is showing good growth. Telangana is not doing well as per the expectation of the management.
- **Store expansion:** VMART opened 21 stores in 3Q and 49 so far in FY25. Management expects to end the year with 50+ net store addition, with some closures in 4Q. A one-time correction on stores was done last year, and going ahead, management expects only 1-2% closure annually.
- **Margin:** Gross margin improved by 30bp despite 38% YoY lower revenue from LR (flows directly in margins). EBITDA improvement was led by the closure of unprofitable stores and lower Unlimited losses.
- **Volume over margin:** Management highlighted that going ahead it will **take price corrections on certain products and focus more on volume growth rather than margin improvement.** Further, it indicated that margins are unlikely to improve to pre-Covid levels, as earlier the competition was low and VMART had a monopoly in certain markets.

Valuation and view

- The improved performance of V-Mart/Unlimited stores, the closure of non-performing stores, and lower losses in the online segment have partly addressed the near-term profitability concerns.
- The massive growth opportunity in the value fashion segment and VMART's strong execution capability, along with new store additions, can help VMART sustain double-digit revenue growth for the long term.
- We believe the shift from unorganized to organized will continue. However, with aggressive store expansion by many retailers, rising competition in value retail remains a key thing to watch out for, given VMART’s low profitability.
- Our FY25-26E revenue is broadly unchanged, while we raise our EBITDA estimates by 7-10% on account of improved profitability in Unlimited and a reduction in LR losses. We expect a CAGR of 17%/42% in revenue/EBITDA over FY24-27, driven by high-single-digit SSSG and lower losses in LR.
- We value VMART at 15x Mar’27E EV/EBITDA (~25x FY27E pre-IND AS 116 EBITDA) to arrive at our TP of INR3,850. **We maintain Neutral on VMART.**

Consol. Quarterly Earning Model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Revenue	**6,785**	**5,494**	**8,891**	**6,686**	**7,861**	**6,610**	**10,267**	**7,942**	**27,856**	**32,680**	**10,270**	**0**
YoY Change (%)	15.4	8.5	14.4	12.6	15.9	20.3	15.5	18.8	13.0	17.3	15.5	
Total Expenditure	6,261	5,488	7,694	6,284	6,871	6,224	8,554	7,151	25,725	28,799	8,740	-2
EBITDA	**525**	**7**	**1,197**	**402**	**990**	**386**	**1,714**	**791**	**2,131**	**3,881**	**1,530**	**12**
EBITDA Margin (%)	7.7	0.1	13.5	6.0	12.6	5.8	16.7	10.0	7.6	11.9	14.9	
Depreciation	499	532	583	607	568	592	626	644	2,221	2,431	628	0
Interest	330	359	376	359	375	391	424	367	1,424	1,557	411	3
Other Income	15	20	130	44	46	18	34	42	210	140	44	-24
PBT	**-290**	**-864**	**369**	**-520**	**93**	**-580**	**697**	**-178**	**-1,305**	**33**	**535**	**30**
Tax	-70	-223	87	-131	-28	-15	-19	70	-337	8	134	
Rate (%)	24.2	25.8	23.5	25.1	-30.3	2.6	-2.7	-39.4	25.9	25.0	25.0	
Reported PAT	**-219**	**-641**	**282**	**-389**	**121**	**-565**	**716**	**-248**	**-968**	**25**	**401**	**78**
Adj PAT	**-219**	**-641**	**282**	**-389**	**121**	**-565**	**716**	**-248**	**-968**	**25**	**401**	**78**
YoY Change (%)	-207.3	466.8	41.3	5.3	-155.3	-11.9	153.7	-36.3	1,132.9	-102.5	42.2	

E: MOFSL Estimates

EAI – Monthly Dashboard: Slowdown in economic activity in Dec'24

Expect real GDP growth at 5.7-6.0% in 3QFY25

- **Preliminary estimates indicate that India's EAI-GVA growth decelerated to a three-month low of 5.5% YoY in Dec'24 vs. 6.4% each in Nov'24/Dec'23. The deceleration was primarily due to three-month slowest growth in the services sector. Conversely, agriculture and industrial sector growth remained robust. In 3QFY25, EAI-GVA grew 5.9%, higher than 5.3% in 2QFY25, but lower than 7.7% in the same quarter last year.**
- **EAI-GDP growth picked up to 5.0% YoY in Dec'24 vs. a growth of 0.8% YoY each in Nov'24/ Dec'23. Acceleration was primarily led by higher consumption growth (7.0% in Dec'24 vs. 4.6% in Nov'24). In contrast, investment growth decelerated to 4.7% in Dec'24 from 5.7% in Nov'24). Additionally, external trade subtracted 1.3pp from EAI-GDP growth. Excluding fiscal spending, EAI-GDP grew 4.6% YoY in Dec'24 vs. a growth of 0.6% in Nov'24. In 3QFY25, EAI-GDP grew 5.3% (highest in 5 quarters) vs. 2.3% each in 2QFY25/3QFY24, mainly led by consumption, which picked up to a 5-quarter highest pace of 6.6%.**
- **Selected HFIs portray an improvement in economic activity for Jan'25. Toll collections surged at a 16-month high pace of 14.8% in Jan'25; PV sales rose in double digits though lower than the last month; while CV sales grew at a 9-month high and growth in Vaahan registrations was better than last month, PMIs remained resilient. On the other hand, power generation grew at a three-month slow pace.**
- **After surprising in each of the four quarters of FY24, real GDP growth dipped shockingly to a seven-quarter low of 5.4% in 2QFY25. Our in-house models suggest that economic growth improved to 5.9% in 3QFY25. Meanwhile, HFIs portray an improvement in economic activity for Jan'25. Accordingly, we believe that India's real GDP growth could improve to 5.7%-6.0% YoY in 3QFY25 vs. 5.4% in 2QFY25, much lower than the RBI's forecast of 6.8%.**

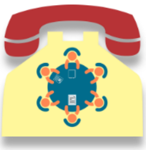
Preliminary estimates indicate that India's EAI-GVA grew 5.5% YoY in Dec'24, the lowest in three months

- **EAI-GVA growth at a three-month low in Dec'24:** Preliminary estimates indicate that India's EAI-GVA growth decelerated to a three-month low of 5.5% YoY in Dec'24 vs. 6.4% each in Nov'24/Dec'23. The deceleration was primarily due to the three-month slowest growth in the services sector. Conversely, agriculture and industrial sector growth remained robust. In 3QFY25, EAI-GVA grew 5.9%, higher than 5.3% in 2QFY25, but lower than 7.7% in the same quarter last year *(Exhibits 1 and 2)*
- **EAI-GDP growth accelerated to 5.0% in Dec'24:** EAI-GDP growth picked up to 5.0% YoY in Dec'24 vs. a growth of 0.8% YoY each in Nov'24/ Dec'23. Acceleration was primarily led by higher consumption growth (7.0% in Dec'24 vs. 4.6% in Nov'24). In contrast, investment growth decelerated to 4.7% in Dec'24 from 5.7% in Nov'24). Additionally, external trade subtracted 1.3pp from EAI-GDP growth. Excluding fiscal spending, EAI-GDP grew 4.6% YoY in Dec'24 vs. a growth of 0.6% in Nov'24. In 3QFY25, EAI-GDP grew 5.3% (highest in 5 quarters) vs. 2.3% each in 2QFY25/3QFY24, mainly led by consumption, which picked up to a 5-quarter highest pace of 6.6% *(Exhibits 3 and 4)*

Cummins India

BSE SENSEX	S&P CNX
78,271	23,696

Conference Call Details



Date: 7th February 2025
Time: 10:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	103.1	122.1	142.7
EBITDA	20.6	25.0	29.2
Adj. PAT	19.7	23.9	28.1
Adj. EPS (INR)	71.1	86.2	101.5
EPS Gr. (%)	18.6	21.2	17.7
BV/Sh.(INR)	249.8	283.6	323.5
Ratios			
RoE (%)	30.1	32.3	33.4
RoCE (%)	28.3	30.5	31.6
Valuations			
P/E (x)	41.0	33.9	28.8
P/BV (x)	11.7	10.3	9.0
EV/EBITDA (x)	38.4	31.5	26.8
Div. Yield (%)	1.4	1.6	1.9

CMP: INR2,919 — Buy

Healthy performance on all fronts

- Cummins India reported a strong result with a beat on all parameters. Revenue came in at INR30.9b, up 22% YoY/24% QoQ (our est. INR26.9b). The company delivered healthy YoY growth even on a high base of last year, which had a one-off element of data center project delivery. We expected a 6% YoY growth in revenue for 3QFY25.
- Domestic revenue at INR25.8b grew 18% YoY, while exports at INR4.6b rose 43% YoY. Exports have been continuously moving up since 4QFY24.
- The gross margin at 34.8% saw a 220bp YoY/100bp QoQ contraction, while the EBITDA margin for 3QFY25 stood at 19.4% vs. our estimate of 19.5%. EBITDA margin is down YoY mainly due to the one-off impact of a large project delivery in 3QFY24. These margins are in line with management's outlook of 19.0-19.5% margins for the full year.
- PAT came in at INR5.1b, 9% ahead of our estimates, driven by better-than-expected revenue growth and a slightly lower tax rate (YoY).
- For 9MFY25, the company delivered revenue/EBITDA/PAT growth of 19%/27%/26%.

Cummins India

Standalone - Quarterly Earnings Model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**22,087**	**18,997**	**25,341**	**23,162**	**23,042**	**24,923**	**30,860**	**24,252**	**89,586**	**1,03,077**	**26,881**	**15**
YoY Change (%)	31.0	-2.6	16.2	20.3	4.3	31.2	21.8	4.7	15.7	15.1	6.1	
Total Expenditure	18,681	15,611	19,961	17,719	18,369	20,113	24,860	19,109	71,972	82,450	21,639	
EBITDA	**3,406**	**3,386**	**5,379**	**5,443**	**4,673**	**4,810**	**6,000**	**5,143**	**17,614**	**20,627**	**5,242**	**14**
Margins (%)	15.4	17.8	21.2	23.5	20.3	19.3	19.4	21.2	19.7	20.0	19.5	
Depreciation	358	379	419	420	439	452	481	341	1,576	1,713	418	15
Interest	77	67	63	62	48	26	27	195	268	295	72	(63)
Other Income	1,175	1,322	1,136	2,045	1,322	1,611	1,209	1,714	5,678	5,856	1,428	(15)
PBT before EO expense	**4,146**	**4,263**	**6,034**	**7,006**	**5,509**	**5,944**	**6,702**	**6,322**	**21,448**	**24,476**	**6,181**	**8**
Extra-Ord expense			17						17	0		
PBT	**4,146**	**4,263**	**6,017**	**7,006**	**5,509**	**5,944**	**6,702**	**6,322**	**21,431**	**24,476**	**6,181**	**8**
Tax	989	978	1,467	1,390	1,311	1,438	1,562	1,576	4,824	5,886	1,486	
Rate (%)	23.9	22.9	24.4	19.8	23.8	24.2	23.3	24.9	22.5	24.0	24.0	
Reported PAT	**3,157**	**3,285**	**4,549**	**5,615**	**4,198**	**4,506**	**5,140**	**4,746**	**16,606**	**18,590**	**4,694**	**9**
Adj PAT	**3,157**	**3,285**	**4,562**	**5,615**	**4,198**	**4,506**	**5,140**	**4,746**	**16,619**	**18,590**	**4,694**	**9**
YoY Change (%)	50.6	30.2	26.7	76.3	33.0	37.2	12.7	-15.5	45.7	11.9	2.9	
Margins (%)	14.3	17.3	18.0	24.2	18.2	18.1	16.7	19.6	18.6	18.0	17.5	

Gujarat Gas

BSE SENSEX	S&P CNX
78,271	23,696

Conference Call Details

Date: 7th Feb 2025
Time: 1300 hrs IST
Dial-in details:
+91 22 6280 1354
+91 22 7115 8233

CMP: INR478 — Buy

EBITDA in line; volumes rise QoQ

- **In 3QFY25, GUJGA's EBITDA stood at INR3.8b, in line with our estimates (-5% YoY). Both overall volumes and EBITDA/scm came in line with our est. at 9.5mmscmd and INR4.4, respectively. 3QFY25 showed a QoQ recovery in volume, driven by an 11% growth in the PNG I/C segment. The impact of the APM twin de-allocation was clearly visible as margins contracted INR2.1/scm QoQ. We note that Spot LNG prices were high, averaging USD13.9/mmbtu in 3Q (up 7% QoQ), and continue to remain elevated in 4QFY25'td, averaging USD14.1/mmbtu.**
- Revenue stood at INR41.5b (est. of INR41.2b, up 6% YoY).
  - Overall volumes in 3QFY25 came at 9.5mmscmd, in line with our estimates.
- EBITDA also came in line with our estimates, at INR3.8b. EBITDA/scm stood at INR4.4 (vs. our est. of INR4.3, down 32% QoQ).
- PAT stood at INR2.2b (est. of INR1.9b, up 1% YoY).
  - The variance at the PAT level was driven by other income surpassing our estimates.
- The company has added ~38.2k new domestic customers and five new CNG stations.
- The commissioning of new industrial customers has resulted in an increase in volume of ~172,000scmd.
- The company added 771kms of gas pipelines during the quarter, bringing the total to ~42,000kms.
- In **9mFY25**, Revenue/EBITDA/PAT grew 7%/11%/17% YoY.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				3QE	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		(%)	(%)	(%)
Net Sales	**37,815**	**38,454**	**39,291**	**41,342**	**44,503**	**37,818**	**41,529**	**43,540**	**41,169**	**1%**	**6%**	**10%**
YoY Change (%)	*-26.9*	*-3.3*	*6.6*	*5.2*	*17.7*	*-1.7*	*5.7*	*5.3*	*4.8*			
EBITDA	**3,880**	**4,966**	**4,007**	**5,911**	**5,356**	**5,142**	**3,805**	**3,948**	**3,792**	**0%**	**-5%**	**-26%**
Margin (%)	*10.3*	*12.9*	*10.2*	*14.3*	*12.0*	*13.6*	*9.2*	*9.1*	*9.2*			
Depreciation	1,151	1,179	1,201	1,212	1,231	1,295	1,294	1,371	1,371			
Interest	74	78	72	69	78	80	93	65	74			
Other Income	239	298	230	311	386	386	585	127	127			
PBT before EO expense	**2,894**	**4,007**	**2,964**	**4,940**	**4,433**	**4,152**	**3,002**	**2,639**	**2,474**	**21%**	**1%**	**-28%**
Extra-Ord expense	0	0	0	-557	0	0	0	0	0			
PBT	**2,894**	**4,007**	**2,964**	**5,497**	**4,433**	**4,152**	**3,002**	**2,639**	**2,474**	**21%**	**1%**	**-28%**
Tax	743	1,029	761	1,402	1,135	1,083	786	606	623			
Rate (%)	*25.7*	*25.7*	*25.7*	*25.5*	*25.6*	*26.1*	*26.2*	*23.0*	*25.2*			
Reported PAT	**2,151**	**2,978**	**2,203**	**4,095**	**3,298**	**3,069**	**2,216**	**2,033**	**1,850**	**20%**	**1%**	**-28%**
Adj. PAT	**2,151**	**2,978**	**2,203**	**3,681**	**3,298**	**3,069**	**2,216**	**2,033**	**1,850**	**20%**	**1%**	**-28%**
YoY Change (%)	*-43.6*	*-26.3*	*-40.7*	*10.9*	*53.3*	*3.1*	*0.6*	*-50.4*	*-16.0*			
Margin (%)	*5.7*	*7.7*	*5.6*	*9.9*	*7.4*	*8.1*	*5.3*	*4.7*	*4.5*			
Total volume (mmscmd)	**9.2**	**9.3**	**9.2**	**9.7**	**11.0**	**8.8**	**9.5**	**10.3**	**9.7**	**-2%**	**3%**	**8%**
CNG	2.6	2.6	2.8	2.9	3.0	2.9	3.1	3.1	3.0	3%	12%	6%
PNG - Industrials/commercial	6.0	6.0	5.7	6.0	7.4	5.1	5.6	6.4	5.9	-4%	-1%	11%
PNG - Households	0.6	0.7	0.7	0.9	0.6	0.8	0.7	0.8	0.8	-6%	4%	-3%
EBITDA (INR/scm)	**4.6**	**5.8**	**4.8**	**6.7**	**5.4**	**6.4**	**4.4**	**4.3**	**4.3**	**3%**	**-8%**	**-32%**

Angel One

BSE SENSEX	S&P CNX
78,271	23,696

Bloomberg	ANGELONE IN
Equity Shares (m)	90
M.Cap.(INRb)/(USDb)	257.8 / 3
52-Week Range (INR)	3900 / 2025
1, 6, 12 Rel. Per (%)	-5/23/-29
12M Avg Val (INR M)	3474
Free float (%)	64.4

CMP: INR2,497

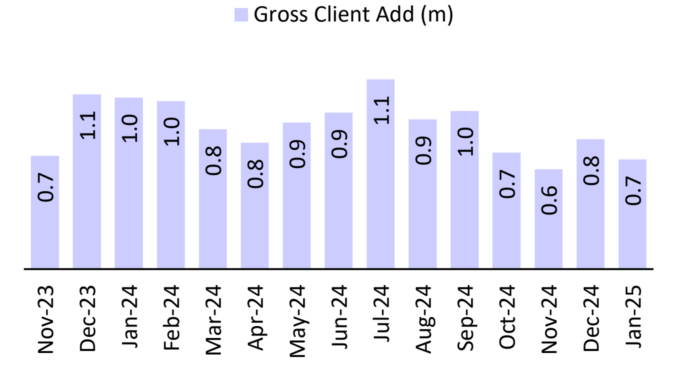
Minimal impact of an increase in lot size on order run-rate

Angel One (ANGELONE) released its key business numbers for Jan'25. Here are the key takeaways:

- ANGELONE's gross client acquisition declined 15% MoM to ~0.7m in Jan'25 (-36% YoY), taking the total client base to 30.1m (+2%MoM/+48% YoY).
- The average MTF book grew 3% MoM to ~INR42b (+87% YoY).
- The number of orders grew 5% MoM to 126m for Jan'25 (down 24% YoY), reflecting a 4% MoM decline in the number of orders per day to 5.5m. Jan'25 witnessed the impact of the increase in lot size, and we believe that the decline in order run rate was lower than our expectations. With the impact of regulations behind us, we expect the growth trajectory to recover from the current base.
- The overall ADTO was up 6% MoM, driven by 6% MoM growth in the F&O segment's ADTO and 3% MoM growth in the commodity segment, while the cash segment declined 12% MoM. The overall premium ADTO grew 2% MoM, driven by 2% growth in F&O premium ADTO.
- Based on the option premium turnover, the overall market share grew 30bp MoM, while the F&O market share was up by 20bp MoM to 19.7%/ 21.8%. Market share for the cash segment was up 10bp MoM to 16.6%, and for the commodity segment, it was up 130bp MoM to 61.2%.
- The number of registered unique MF SIPs declined 12% MoM to ~0.77m in Jan'25 (+58% YoY).

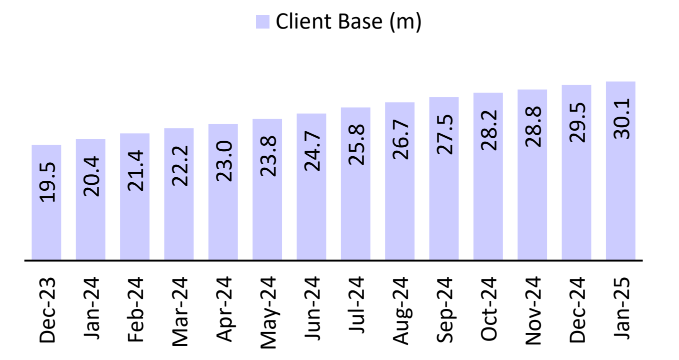
Key Metrics	Jan-24	Mar-24	Jun-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	% YoY	% MoM
No of Days	22	18	19	21	22	18	21	23		
Client Base (m)	20.4	22.2	24.7	27.5	28.2	28.8	29.5	30.1	47.5	2.1
Gross Client Add (m)	1.03	0.84	0.94	0.95	0.70	0.60	0.78	0.66	-35.9	-15.4
Avg MTF book (INR b)	22.5	18.0	30.4	40.9	41.2	39.7	40.7	42.0	86.7	3.1
Orders (m)	166.4	132.3	168.0	156.7	171.3	131.0	119.5	126.0	-24.3	5.4
Per day orders (m)	7.6	7.4	8.8	7.5	7.8	7.3	5.7	5.5	-27.5	-3.7
Unique MF SIPs registered (In m)	0.49	0.43	0.58	0.81	0.74	0.65	0.87	0.77	57.7	-12.2
Angel's ADTO (INR b)										
Overall	43,879	44,000	45,742	47,930	48,469	42,645	29,017	30,824	-29.8	6.2
F&O	43,364	43,463	45,112	47,173	47,835	41,850	28,310	30,104	-30.6	6.3
Cash	81	63	106	91	74	71	74	65	-19.8	-12.2
Commodity	360	406	524	666	555	724	634	655	81.9	3.3
Angel's Premium T/O (INR b)										
Overall	662	684	823	904	786	943	836	850	28.4	1.7
F&O	147	147	193	147	157	148	128	130	-11.6	1.6
Retail T/o Market Share									bps YoY	bps MoM
Overall Equity - based on option premium T/O	17.8	18.3	18.9	19.4	20.0	19.8	19.4	19.7	190	30
F&O - based on option premium T/O	19.3	20.0	20.7	20.7	21.9	21.9	21.6	21.8	250	20
Cash	15.6	15.3	16.4	17.5	16.7	16.4	16.5	16.6	100	10
Commodity	59.7	58.8	59.1	61.8	61.3	59.7	59.9	61.2	150	130

Client addition run rate declined



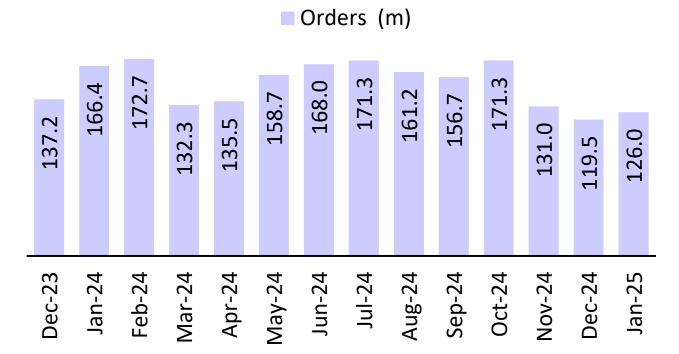
Source: MOFSL, Company

Total client base surpassed 30m in Jan'25



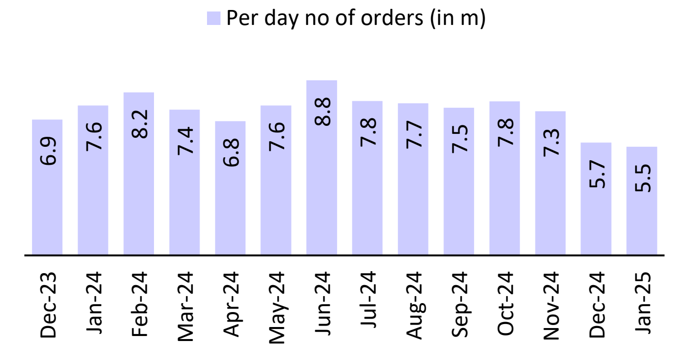
Source: MOFSL, Company

No. of orders inched up in Jan'25



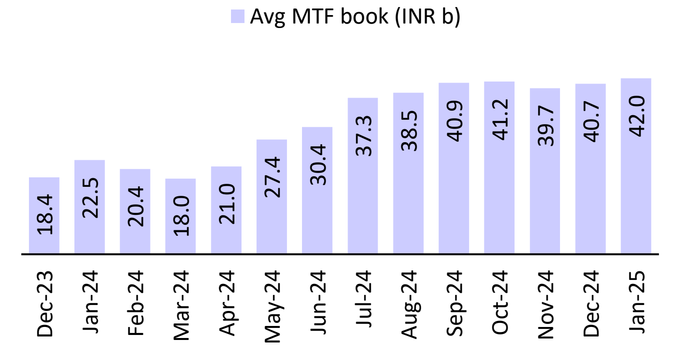
Source: MOFSL, Company

Lot size impact on order run rate minimal in Jan'25



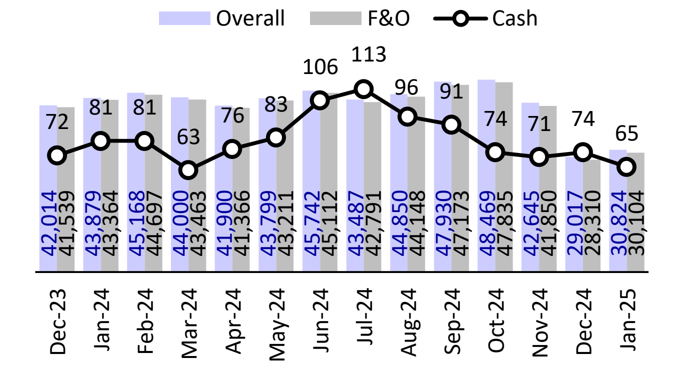
Source: MOFSL, Company

Client funding book inched up MoM



Source: MOFSL, Company

ADTO trend (INR b)

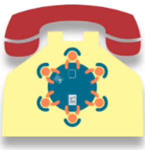


Source: MOFSL, Company

Data Pattern (India)

BSE SENSEX	S&P CNX
78,271	23,696

Conference Call Details



Date: 6th Feb 2025
Time: 10 am IST
Dial-in details:
[Click Here](#)

CMP: INR2,027 — **Neutral**

Earnings below estimates

- 3QFY25 consolidated revenue declined 16% YoY to INR1.2b (est. INR1.9b), affected by the deferment of the delivery schedule of completed products by the customer.
- Gross margin improved 12.6pp YoY to 80.3%.
- EBITDA declined 10% YoY to INR540m (est. INR813m).
- EBITDA margin expanded 310bp YoY to 46.2% (est. 42.3%).
- Adj. PAT declined 12.4% YoY to INR447m (est. of INR661m).
- The order book grew 14% YoY to INR11b.

Consolidated - Quarterly performance (INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	%
Gross Sales	**897**	**1,083**	**1,395**	**1,823**	**1,041**	**910**	**1,170**	**2,461**	**5,198**	**5,582**	**1,925**	**-39**
YoY Change (%)	31.2	22.9	24.8	-1.5	16.0	-16.0	-16.1	35.0	14.6	7.4	38.0	
Total Expenditure	619	676	795	893	669	567	630	1,346	2,982	3,212	1,111	
EBITDA	**278**	**408**	**600**	**930**	**372**	**343**	**540**	**1,115**	**2,217**	**2,370**	**815**	**-34**
Margins (%)	31.0	37.6	43.0	51.0	35.7	37.7	46.2	45.3	42.6	42.5	42.3	
Depreciation	28	31	33	70	31	35	35	50	162	150	42	
Interest	17	23	23	30	30	28	32	22	93	112	25	
Other Income	116	108	113	123	123	120	114	140	460	497	135	
PBT before EO expense	**349**	**463**	**657**	**953**	**435**	**400**	**588**	**1,183**	**2,422**	**2,605**	**883**	
PBT	**349**	**463**	**657**	**953**	**435**	**400**	**588**	**1,183**	**2,422**	**2,605**	**883**	
Tax	91	125	148	242	107	98	141	298	605	643	222	
Rate (%)	25.9	27.0	22.4	25.4	24.5	24.4	24.0	25.2	25.0	24.7	25.2	
Reported PAT	**258**	**338**	**510**	**711**	**328**	**303**	**447**	**885**	**1,817**	**1,962**	**661**	
Adj PAT	**258**	**338**	**510**	**711**	**328**	**303**	**447**	**885**	**1,817**	**1,962**	**661**	**-32**
YoY Change (%)	81.4	60.5	53.0	28.4	26.9	-10.4	-12.4	24.5	46.6	8.0	29.6	
Margins (%)	28.8	31.2	36.5	39.0	31.5	33.3	38.2	36.0	35.0	35.2	34.3	

Avalon Technologies

BSE SENSEX	S&P CNX
78,271	23,696

CMP: INR694 — Buy

Conference Call Details

Date: 6th Feb, 2025
Time: 3:30pm IST
Dial-in details:
Click Here

Operating performance above estimates

- 3QFY25 consolidated revenue grew 31% YoY to INR2.8b (in line), aided by 39% YoY growth in US business (to INR1.6b).
- Industrial segment grew by 4.1x YoY, followed by 32%/29% growth in Mobility/Clean Energy segments. Communication/Medical segments were down 63%/15% YoY.
- EBITDA margin expanded by 460bp to 12.3% (est. 11.5%), largely led by lower employee costs as a percentage of sales (down 370bp to 17.6% vs. 21.3% in 3QFY24). Gross margin expanded by 30bp YoY to 37.3%.
- EBITDA jumped 2.1x YoY to INR346m (est. INR322m).
- Adj. PAT surged 3.6x YoY to INR240m (est. INR202m).
- The order book grew 25% YoY to INR16b.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Gross Sales	**2,351**	**2,010**	**2,143**	**2,168**	**1,995**	**2,750**	**2,809**	**2,876**	**8,672**	**10,429**	**2,786**	**1**
YoY Change (%)	19.9	-17.9	-7.9	-20.2	-15.2	36.8	31.1	32.6	-8.2	20.3	30.0	
Total Expenditure	2,189	1,884	1,977	1,996	1,951	2,449	2,462	2,535	8,046	9,397	2,464	
EBITDA	**162**	**126**	**165**	**172**	**44**	**301**	**346**	**341**	**626**	**1,032**	**322**	**8**
Margins (%)	6.9	6.3	7.7	7.9	2.2	11.0	12.3	11.9	7.2	9.9	11.5	
Depreciation	53	55	60	61	66	69	74	73	229	281	70	
Interest	56	32	36	39	42	37	45	25	164	150	28	
Other Income	51	47	22	28	44	39	100	63	148	246	55	
PBT before EO expense	**105**	**86**	**91**	**99**	**-20**	**234**	**327**	**306**	**381**	**847**	**279**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**105**	**86**	**91**	**99**	**-20**	**234**	**327**	**306**	**381**	**847**	**279**	
Tax	34	13	25	29	3	60	87	84	101	234	77	
Rate (%)	32.4	15.2	27.5	29.0	-14.5	25.4	26.7	27.5	26.5	27.6	27.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**71**	**73**	**66**	**71**	**-23**	**175**	**240**	**222**	**280**	**613**	**202**	
Adj PAT	**71**	**73**	**66**	**71**	**-23**	**175**	**240**	**222**	**280**	**613**	**202**	**19**
YoY Change (%)	-23.9	-50.7	14.7	-68.9	NA	140.1	264.7	214.2	-46.7	119.2	207.2	
Margins (%)	3.0	3.6	3.1	3.3	-1.2	6.4	8.5	7.7	3.2	5.9	7.3	

VRL Logistics

BSE SENSEX	S&P CNX
78,271	23,696

CMP: INR467 — Buy

Revenue in line; lower fuel costs drive EBITDA beat

Conference Call Details

Date: 06th Feb 2025
Time: 10:30 AM IST
Dial-in details:
Link

Earnings snapshot – 3QFY25

- Revenue grew 12% YoY to ~INR8.3b (+3% QoQ), in line with our estimate. Volumes rose 1% YoY to 1.1m tonnes, while realizations improved 11% YoY.
- EBITDA margin stood at 20.2% vs. our estimate of 16.2%. The margins were supported by the price hikes implemented at the end of 1QFY25. Further, the fuel costs as a % of revenue declined as the company procured more from refineries (from 22% in 3QFY24 to 40% in 3QFY25). Further, the lorry hire charges as a % of revenue declined due to an improvement in km run by the VRL-owned vehicles.
- EBITDA jumped 76% YoY to INR1.7b in 3QFY25 (26% above our estimate).
- Strong operating performance led to an increase in APAT to INR594m in 3QFY25 from INR 137m in 3QFY24 (our estimate was INR419m).
- Capex incurred in 3QFY25 stood at INR2.8b including the Bangalore Hub. Net debt rose to INR4.65b at the end of Dec'24 (INR2.6b at FY24 end).
- Owned vehicles stood at 6,101, while the total number of branches at the end of Dec'24 was 1,248.

Financials & Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	32.2	36.4	41.1
EBITDA	4.9	5.5	6.2
Adj. PAT	1.4	1.9	2.3
EBITDA Margin (%)	15.3	15.1	15.0
Adj. EPS (INR)	16.0	21.4	26.3
EPS Gr. (%)	58.1	33.6	23.0
BV/Sh. (INR)	114.1	123.6	135.9
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	14.4	18.0	20.3
RoCE (%)	15.7	18.7	21.3
Payout (%)	62.4	56.1	53.2
Valuations			
P/E (x)	29.2	21.8	17.7
P/BV (x)	4.1	3.8	3.4
EV/EBITDA(x)	8.6	7.5	6.8
Div. Yield (%)	2.1	2.6	3.0
FCF Yield (%)	5.5	5.0	4.0

Quarterly performance — INR m

Y/E March (INR m)	FY24				FY25			FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3QE	vs Est
Net Sales	6,742	7,093	7,367	7,684	7,272	7,995	8,252	28,886	32,208	8,182	1
YoY Change (%)	9.7	8.4	8.1	10.1	7.9	12.7	12.0	9.1	11.5	11.1	
EBITDA	1,019	918	944	1,053	869	1,331	1,664	3,935	4,921	1,325	26
Margins (%)	15.1	12.9	12.8	13.7	11.9	16.6	20.2	13.6	15.3	16.2	
YoY Change (%)	11.7	-1.3	-8.6	-7.7	-14.7	44.9	76.3	-2.0	25.1	40.4	
Depreciation	489	522	568	583	615	638	646	2,162	2,539	640	
Interest	163	185	213	218	226	224	241	779	851	205	
Other Income	89	60	24	38	148	25	57	211	337	80	
PBT before EO expense	456	271	187	291	176	493	835	1,205	1,868	560	
Extra-Ord expense	0	-3	0	0	0	0	0	-3	0	0	
PBT	456	274	187	291	176	493	835	1,208	1,868	560	
Tax	117	77	50	76	42	135	240	319	467	141	
Rate (%)	25.6	28.0	26.9	26.0	23.6	27.3	28.8	26.4	25.0	25.2	
Reported PAT	339	197	137	215	134	358	594	889	1,401	419	
Adj PAT	339	194	137	215	134	358	594	886	1,401	419	42
YoY Change (%)	-7.5	-36.7	-63.7	-64.7	-60.4	84.4	333.9	-46.7	58.1	205.8	
Margins (%)	5.0	2.7	1.9	2.8	1.8	4.5	7.2	3.1	4.4	5.1	

Happiest Minds : Q2 & Q3 had consistent revenue growth of 27-28%; Venkatraman Narayanan, MD & CFO

- Gave a Forecast of 30-35% growth for FY25, assuming full consolidation of Acqns
- We are trying to meet 30% revenue growth guidance for FY25
- Hope to Hit 30% rev for FY25 Given west asia consolidation & organic growth
- Q2 & Q3 had consistent revenue growth of 27-28%

Read More

Titan : Lot of action, brands & visibility surrounding lab grown diamonds; CK Venkataraman, MD

- Targets 20% annual revenue growth rate in Jewellery Business
- Studded growth in Q3 was good for co, ratio is lower due to higher growth in gold coins
- Opportunity for titan in jewelley industry is very strong
- Lot of action, brands & visibility surrounding lab grown diamonds

Read More

Niva Bhupa : 9M so far has been best than last year ; Krishnan Ramachandran, MD & CEO

- Markets will grow at CAGR Of 15%, we will grow 8-10% faster
- Our expense ratio has improved, we are on track to meet glide path
- Lowering of GST with Input tax credit will be beneficial for the consumer
- 9M so far has been best than last year

Read More

Lemon Tree : Q4FY25 Will Be Strong & The Momentum Will Continue In FY26 As Well; Patanjali G Keswani, CMD

- Closed Q3FY25 With occupancy at 74% with aurika occupancy at 71%
- Margin will hold around 50%
- Aurika will be at par in FY26 which will result in FY26 Being Very strong
- Q4FY25 Will Be Strong & The Momentum Will Continue In FY26 As Well

Read More

VMART Retail : Targets double digit same store sales growth; Anand Agarwal, CFO

- Margin of unlimited at par with Vmart now
- Seeing strong revival in Tier 2 & 3
- Performance of co is led by revival in demand & co's own internal strategies
- Targets double digit same store sales growth

Read More

NOTES

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

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

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

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

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

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

In the past 12 months, MOFSL or any of its associates may have:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

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

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:
a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
(b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.
To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

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

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

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

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

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

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

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

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com