## Market snapshot

| Equities - India | Close | Chg .% | CY24.% |
|---|---|---|---|
| Sensex | 76,619 | -0.5 | 8.2 |
| Nifty-50 | 23,203 | -0.5 | 8.8 |
| Nifty-M 100 | 54,608 | 0.2 | 23.9 |
| **Equities-Global** | **Close** | **Chg .%** | **CY24.%** |
| S&P 500 | 5,997 | 1.0 | 23.3 |
| Nasdaq | 19,630 | 1.5 | 28.6 |
| FTSE 100 | 8,505 | 1.4 | 5.7 |
| DAX | 20,903 | 1.2 | 18.8 |
| Hang Seng | 7,109 | 0.1 | 26.4 |
| Nikkei 225 | 38,451 | -0.3 | 19.2 |
| **Commodities** | **Close** | **Chg .%** | **CY24.%** |
| Brent (US$/Bbl) | 82 | 0.1 | -4.5 |
| Gold ($/OZ) | 2,703 | -0.4 | 27.2 |
| Cu (US$/MT) | 9,082 | -0.5 | 2.2 |
| Almn (US$/MT) | 2,674 | 1.8 | 7.7 |
| **Currency** | **Close** | **Chg .%** | **CY24.%** |
| USD/INR | 86.6 | 0.1 | 2.9 |
| USD/EUR | 1.0 | -0.3 | -6.2 |
| USD/JPY | 156.3 | 0.7 | 11.5 |
| **YIELD (%)** | **Close** | **1MChg** | **CY24 chg** |
| 10 Yrs G-Sec | 6.8 | 0.02 | -0.4 |
| 10 Yrs AAA Corp | 7.2 | 0.00 | -0.5 |
| **Flows (USD b)** | **17-Jan** | **MTD** | **CYTD** |
| FIIs | -0.4 | 0.94 | -0.8 |
| DIIs | 0.30 | 4.31 | 62.9 |
| **Volumes (INRb)** | **17-Jan** | **MTD*** | **YTD*** |
| Cash | 911 | 1005 | 1005 |
| F&O | 1,07,468 | 1,95,798 | 1,95,798 |

Note: Flows, MTD includes provisional numbers.
*Average

## Today's top research idea

### Kotak Mahindra Bank: Steady performance amid challenging macro; RoA outlook healthy - Upgrade to Buy

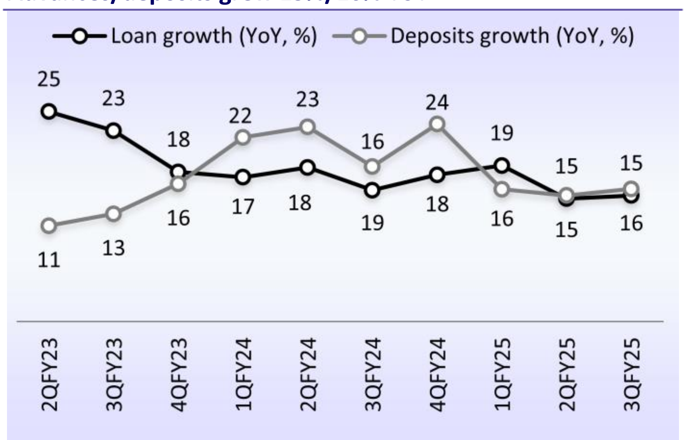
- KMB delivered healthy results in 3QFY25, with standalone PAT growing 10% YoY to INR33b, supported by a 15% YoY growth in advances and healthy deposit growth of 16% YoY.
- NIM improved by 2bps QoQ to 4.93% due to lower SA rates, while TD too grew at a faster rate. Asset quality remained robust, with GNPA at 1.5% and PCR improving to 73.2%.
- Subsidiaries like Kotak Securities posted strong 46% YoY PAT growth. The anticipated card issuance ban reversal and digital onboarding initiatives are expected to boost growth. We have upgraded our rating to Buy, with a TP of INR2,100 based on FY26E RoA/RoE of 2.2%/13.5%, driven by strong operating performance amidst macroeconomic challenges.

## Research covered

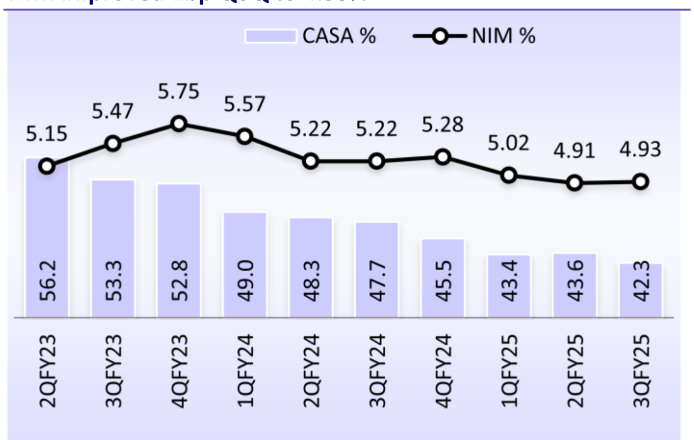
| Cos/Sector | Key Highlights |
|---|---|
| Kotak Mahindra Bank | Steady performance amid challenging macro; RoA outlook healthy - Upgrade to Buy |
| Automobiles | Auto Expo 2025: OEMs focus on clean fuels |
| Wipro | Steady with little surprises |
| Tech Mahindra | Another step in the right direction |
| SBI Life Insurance | VNB margins in-line with estimates; guidance maintained |
| Other Updates | Indian Hotels \| Havells India \| ICICI Lombard \| Metro Brands \| RBL Bank \| NBFC: Power Finance \| EMS \| EcoScope \| Jio Financial Services \| Can Fin Homes |

## Chart of the Day: Kotak Mahindra Bank (Steady performance amid challenging macro)

Advances/deposits grew 15%/16% YoY




NIM improved 2bp QoQ to 4.93%




Research Team (Gautam.Duggad@MotilalOswal.com)

# In the news today

Kindly click on textbox for the detailed news link

1

### ArcelorMittal Nippon Steel's two new output lines to boost auto biz

With the coming on stream of these two new production lines by AM/NS at Hazira, the company hopes to substantially bring down import dependency of steel products.

2

### Budget 2025: Textiles allocation for FY26 may rise 15% to Rs 5,080 crore

The textiles ministry in New Delhi is expected to receive a 15% increase in allocation for FY26, reaching around ₹5,080 crore, with a significant rise in budgetary funds for the Production Linked Incentive (PLI) scheme.

3

### Phase 1 of Dharavi revamp to kick off

The $3 billion Dharavi redevelopment project in Mumbai, led by Adani Group, is set to begin with the first phase on a 6.4-acre railway land parcel in Matunga west. The project, spanning 600 acres, aims to rehabilitate over a million residents and includes commercial development. Completion is expected in seven years.

4

### Pepsi, Tatas look to spice up snacks market

PepsiCo and Tata Consumer Products have teamed up to develop and sell packaged snacks, integrating PepsiCo's Kurkure brand with Tata's Ching's Secret. This collaboration aims to compete in the fiercely growing Indian snacks market, which is projected to reach ₹95,521.8 crore by 2032.

5

### JSW steel arm to raise ₹2.6k cr for Thyssenkrupp unit buyout

JSW Steel's entity plans to raise ₹2,600 crore via a three-year zero-coupon bond to finance its ₹3,900-crore acquisition of Thyssenkrupp Electrical Steel India. The bond issuance will have an implied yield of 9.45%, with both JSW and JFE Steel infusing ₹1,300 crore in equity to support the acquisition.

6

### With no revival plan in place, NCLT orders liquidation of Tulip Hotels

The National Company Law Tribunal (NCLT) has ordered the liquidation of Tulip Hotels after failing to receive a viable resolution plan. The order follows Tulip Hotels' inability to address a default of Rs 900 crore.

7

### Delhi-NCR sees highest 30 pc increase in housing prices during 2024 among top 7 cities: Anarock

Housing prices in Delhi-NCR surged by 30% in the past year, despite higher supply and a slight drop in sales. Driven by increased input costs, Delhi-NCR topped price rises among seven major cities tracked by Anarock.

# Kotak Mahindra Bank

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↑ |
| Rating change | ↑ |

| | |
|---|---|
| Bloomberg | KMB IN |
| Equity Shares (m) | 1988 |
| M.Cap.(INRb)/(USDb) | 3496.4 / 40.4 |
| 52-Week Range (INR) | 1953 / 1544 |
| 1, 6, 12 Rel. Per (%) | 3/3/-9 |
| 12M Avg Val (INR M) | 10350 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY24 | FY25E | FY26E |
|---|---|---|---|
| NII | 259.9 | 284.1 | 321.9 |
| OP | 195.9 | 215.4 | 243.3 |
| NP | 137.8 | 142.9 | 159.7 |
| Cons. NP | 182.1 | 190.9 | 218.2 |
| NIM (%) | 5.2 | 4.9 | 4.8 |
| EPS (INR) | 69.4 | 71.9 | 80.3 |
| EPS Gr. (%) | 25.9 | 3.7 | 11.7 |
| ABV. (INR) | 462 | 528 | 602 |
| Cons. BV. (INR) | 654 | 748 | 856 |
| **Ratios** | | | |
| RoA (%) | 2.5 | 2.2 | 2.2 |
| RoE (%) | 15.3 | 13.8 | 13.5 |
| Cons. RoE (%) | 14.0 | 12.8 | 12.8 |
| **Valuations** | | | |
| P/BV (X) (Cons.) | 2.7 | 2.4 | 2.1 |
| P/ABV (X) (Adj) | 2.3 | 2.1 | 1.8 |
| P/E(X) (Adj) | 15.6 | 15.1 | 13.5 |

**Shareholding pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 25.9 | 25.9 | 25.9 |
| DII | 29.6 | 29.4 | 20.0 |
| FII | 31.8 | 31.5 | 41.0 |
| Others | 12.8 | 13.2 | 13.1 |

FII Includes depository receipts

**CMP: INR1,759 TP: INR2,100 (19%) Upgrade to Buy**

## Steady performance amid challenging macro; RoA outlook healthy

### Asset quality holding up well, with slippages declining QoQ

- Kotak Mahindra Bank (KMB) reported a standalone PAT of ~INR33b (in line; 10% YoY growth). Consol. PAT stood at INR47b (10% YoY growth) in 3QFY25.
- NII grew 10% YoY to INR71.9b (in line). NIM surprised with a 2bp QoQ improvement to 4.93% (vs. our est. of 4.83%), benefitting from a reduction in SA rate. Consequently, total revenue grew 11% YoY to INR98.2b (in line).
- Advances growth was healthy at 15.1% YoY/ 3.6% QoQ to ~INR4.14t, while deposits rose 15.9% YoY/ 2.6% QoQ. CASA mix declined 130bp QoQ to 42.3%.
- Fresh slippages moderated to INR16.6b (from INR18.7b in 2QFY25). GNPA ratio was flat at 1.5%, while NNPA ratio declined 2bp QoQ to 0.41%. PCR improved 175bp QoQ to 73.2%.
- **KMB delivered a healthy operating performance amid challenging macro conditions, thus showcasing its resilience and strategic foresight. The anticipated reversal of the ban on card issuance and the revival of customer onboarding via its advanced online and mobile banking channels are set to act as powerful near-term catalysts. These developments will not only aid business growth but also be pivotal to maintaining healthy margins and revenue growth led by the recovery in synergistic cross-selling avenues.**
- **We marginally raise our earnings and estimate KMB to deliver FY26E RoA/ RoE of 2.2%/13.5%. After being Neutral on the stock for almost four and a half years when we downgraded KMB at ~INR1,900 (LINK), we are now upgrading our rating to BUY with a TP of INR2,100 (premised on 2.2x Sep'26E).**

### Business growth healthy; NIM surprises and improves 2bp QoQ

- KMB reported a standalone PAT of ~INR33b (in line; 10% YoY growth) amid better NII, contained opex partly offset by lower other income and higher LLP. Consol. PAT stood at INR47b (10% YoY), we estimate 4QFY25 earnings to be flat YoY/ up 25% QoQ to INR41.2b.
- NII grew 9.8% YoY to INR71.9b (in line). NIM improved 2bp QoQ to 4.93%. Other income grew 14% YoY to INR26.2b (6% miss). Treasury gains stood muted at INR0.3b vs INR0.9b in 2QFY25.
- Opex inched up at 8% YoY/0.7% QoQ to INR46b. C/I ratio declined 22bp QoQ to 47.2%. PPoP grew 13.5% YoY at INR51.8b (in line).
- The loan book grew 15.1% YoY/ 3.6% QoQ. Growth was healthy across the business segments, but for CC, which declined 2% QoQ. Deposit grew 16% YoY/2.6% QoQ, due to faster growth in TD at 5% QoQ. CASA declined 0.4% QoQ, while CA book grew faster at 5% QoQ, supported by IPO flows. In contrast, cuts in SA rates in Oct'24 adversely affected SA growth.

- Fresh slippages declined 11.6% QoQ to INR16.6b with MFI contributing the highest. GNPA ratio was flat at 1.5%, while NNPA declined by 2bp QoQ to 0.41%. PCR increased 1.75% QoQ to 73.2%. SMA-2 advances stood at INR2.1b (5bp of loans). CAR stood at 22.8%, while CET-1 stood at 21.7%.
- **Performance of subsidiaries:** Kotak Prime's net earnings declined 9% YoY, while Kotak Securities reported a strong PAT growth of 46% YoY.

## Highlights from the management commentary

- **Slippages**: The MFI segment has contributed significantly to slippages, whereas the secured business is showing a positive trajectory.
- NIMs have stabilized, supported by favorable yields and cost of funds. As the share of unsecured loans increases, yields are expected to improve. On the cost side, CA deposits will help manage and contain expenses.
- The bank aims to achieve a RoA of over 2%, which will depend on when the embargo is lifted and the bank can resume growth efforts.
- KMPL operates in the two-wheeler financing business, whereas the bank does not engage in this segment. As a result, the delinquency patterns differ between the two.

## Valuation and view: Upgrade to BUY

KMB delivered strong earnings, driven by higher NII and lower operating expenses, partially offset by a decline in other income and increased credit costs. NIMs improved slightly by 2bp QoQ to 4.93%, supported by robust growth in CA deposits. Although NIMs have faced pressure due to rising funding costs and a decline post the embargo, we anticipate the bank can maintain its margins during a rate-cut cycle, supported by stronger and faster growth in high-yielding assets. Asset quality improved with a decline in slippages. Deposit growth was healthy, fueled by accelerated growth in CA and TDs, while the CD ratio remained at 87.4%. KMB has delivered a healthy operating performance amid challenging macro conditions, showcasing its resilience and strategic foresight. The anticipated reversal of the ban on card issuance and the reinvigoration of customer onboarding via its advanced online and mobile banking channels are set to act as powerful near-term catalysts. These developments not only will support business growth but will also be pivotal to maintaining healthy margins and revenue growth led by the recovery in synergistic cross-selling avenues. **We marginally raise our earnings and estimate KMB to deliver FY26E RoA/RoE of 2.2%/13.5%. After being Neutral on the stock for almost four and a half years when we downgraded KMB at ~INR1,900, we are now upgrading our rating to BUY with a TP of INR2,100 (premised on 2.2x Sep'26E, including subsidiaries at INR675).**

**Quarterly performance** **(INR b)**

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E | V/s |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QE | Our Est |
| **Net Interest Income** | **62.3** | **63.0** | **65.5** | **69.1** | **68.4** | **70.2** | **72.0** | **73.6** | **259.9** | **284.1** | **71.4** | **1%** |
| % Change (Y-o-Y) | 32.7 | 23.5 | 15.9 | 13.2 | 9.8 | 11.5 | 9.8 | 6.5 | 20.6 | 9.3 | 8.9 | |
| Other Income | 26.8 | 23.1 | 23.0 | 29.8 | 29.3 | 26.8 | 26.2 | 34.1 | 102.7 | 116.5 | 28.0 | -6% |
| **Total Income** | **89.2** | **86.1** | **88.5** | **98.9** | **97.7** | **97.0** | **98.2** | **107.7** | **362.7** | **400.6** | **99.4** | **-1%** |
| Operating Expenses | 39.7 | 40.0 | 42.8 | 44.3 | 45.2 | 46.0 | 46.4 | 47.6 | 166.8 | 185.2 | 47.1 | -1% |
| **Operating Profit** | **49.5** | **46.1** | **45.7** | **54.6** | **52.5** | **51.0** | **51.8** | **60.1** | **195.9** | **215.4** | **52.3** | **-1%** |
| % Change (Y-o-Y) | 77.8 | 29.2 | 18.6 | 17.5 | 6.2 | 10.6 | 13.5 | 10.0 | 31.9 | 10.0 | 14.6 | |
| Provisions | 3.6 | 3.7 | 5.8 | 2.6 | 5.8 | 6.6 | 7.9 | 6.6 | 15.7 | 26.9 | 7.5 | 6% |
| **Profit before Tax** | **45.9** | **42.4** | **39.9** | **52.0** | **46.8** | **44.4** | **43.9** | **53.5** | **180.1** | **188.5** | **44.8** | **-2%** |
| Tax | 11.3 | 10.5 | 9.8 | 10.6 | 11.6 | 11.0 | 10.8 | 12.3 | 42.3 | 45.6 | 11.0 | -2% |
| **Net Profit** | **34.5** | **31.9** | **30.1** | **41.3** | **35.2** | **33.4** | **33.0** | **41.2** | **137.8** | **142.9** | **33.8** | **-2%** |
| % Change (Y-o-Y) | 66.7 | 23.6 | 7.6 | 18.2 | 2.0 | 4.8 | 10.0 | -0.2 | 26.0 | 3.7 | 12.4 | |
| Exceptional item | | | | | 27.3 | | | | | 27.3 | | |
| **PAT including exceptionals** | **34.5** | **31.9** | **30.1** | **41.3** | **62.5** | **33.4** | **33.0** | **41.2** | **137.8** | **170.2** | **34** | |
| % Change (Y-o-Y) | 66.7 | 23.6 | 7.6 | 18.2 | 2.0 | 4.8 | 10.0 | -0.2 | 26.0 | 23.5 | 12.4 | |
| Deposits (INRb) | 3,863 | 4,010 | 4,086 | 4,490 | 4,474 | 4,615 | 4,735 | 5,042 | 4,490 | 5,042 | 4,835 | |
| Loans (INRb) | 3,286 | 3,483 | 3,596 | 3,761 | 3,900 | 3,995 | 4,138 | 4,306 | 3,761 | 4,306 | 4,124 | |
| Deposit growth (%) | 22.0 | 23.3 | 18.6 | 23.6 | 15.8 | 15.1 | 15.9 | 12.3 | 23.6 | 12.3 | 18.3 | |
| Loan growth (%) | 17.3 | 18.5 | 15.7 | 17.6 | 18.7 | 14.7 | 15.1 | 14.5 | 17.6 | 14.5 | 14.7 | |
| **Asset Quality** | | | | | | | | | | | | |
| Gross NPA (%) | 1.77 | 1.72 | 1.73 | 1.39 | 1.39 | 1.49 | 1.50 | 1.57 | 1.39 | 1.57 | 1.56 | |
| Net NPA (%) | 0.40 | 0.37 | 0.34 | 0.34 | 0.35 | 0.43 | 0.41 | 0.45 | 0.34 | 0.45 | 0.46 | |
| PCR (%) | 78.0 | 79.1 | 80.6 | 75.9 | 74.9 | 71.4 | 73.2 | 71.5 | 75.9 | 71.5 | 71.2 | |

E: MOFSL Estimates

# Automobiles

## Auto Expo 2025: OEMs focus on clean fuels

- **At the Bharat Mobility Show, we observed a significant focus on EVs and clean fuels among OEMs, both in the 2W and PV segments, as manufacturers work to meet the upcoming CAFÉ regulations. We anticipate a boost in the EV transition for PVs and 2Ws in the coming years, with large OEMs, such as MSIL and Hyundai in the PV segment and HMSI and Suzuki in the 2W segment, launching their own EVs. Suzuki's move to make India its global hub for EVs, coupled with Toyota's partnership with Suzuki to source the same model from MSIL for global markets, is expected to help MSIL scale up its EV production and build a long-term, sustainable EV business model. On the back of this, MSIL targets to become the largest EV OEM in India, in production terms, within the first year of the launch. While Hyundai's positioning of Creta EV has been aggressive and is expected to boost its EV contribution in the overall mix, we believe there is a risk of cannibalization with the diesel variant. Further, in India, the EV segment in PVs is poised for increased competition, with the likes of BYD and Vinfast targeting to gain a foothold in the market. In the 2W segment, apart from EV launches from HMSI and Suzuki, other key attractions were from HMCL (launched four new products in the premium segment) and TVSL (showcased upcoming models from Norton and India's first CNG scooter).**
- **Passenger vehicles:** At the Bharat Mobility Show 2025, many PV OEMs were focused on launching EVs, with only a few launches in the ICE segment. Prominent PV launches included MSIL's first EV (the eVX) and Hyundai's Creta EV. eVX's pricing is expected to be announced by April this year after gathering customer feedback on the model, while the Creta EV has been launched at an introductory pricing of INR1.8m. TTMT showcased the Harrier EV and the Sierra SUV (ICE) models, both likely to be launched later in FY26, along with the Avinya concept. Kia showcased its recently unveiled Syros, which is expected to be positioned between Seltos and Sonet. Other attractions included BYD's Sealion and e Max7, as well as Vinfast's VF6 and VF7.
- **Two wheelers:** Hero MotoCorp made several new launches, largely in the premium segment, including Xoom 125 and Xoom 160cc, X-Pulse 210, and Xtreme250R. It also displayed the prototype of its two-in-one vehicle, Surge. Both Japanese companies, Suzuki and HMSI, showcased their first 2W EVs at the Expo. HMSI introduced two EV options (e-Activa – a swappable solution and QC1 – equipped with a fixed battery), while Suzuki showcased its electric Access, equipped with a 3.01 kWh battery. TVS also showcased an interesting lineup featuring upcoming Norton products, set to launch in the next 12 months, as well as India's first CNG-based scooter. Ola presented its Roadster series motorcycles alongside scooter variants, S1Z and Gig.
- **Our view**: At the Bharat Mobility Show, there was a strong focus on EVs and clean fuels among OEMs, both in the 2W and PV segments, as manufacturers work toward meeting the upcoming CAFÉ regulations. We expect the EV transition in PVs to gain momentum in the coming years, particularly with two large PV OEMs, MSIL and Hyundai, launching their own sub-INR2m EVs. This segment is likely to experience strong competition from BYD and Vinfast, as both global EV giants aim to establish presence in the fast-growing Indian EV market. Similarly, in the 2W sector, the launch of EV scooters in India by Japanese peers, HMSI and Suzuki, will further help boost the EV transition in 2Ws. Among auto OEMs, our top picks are MSIL, Hyundai, and M&M, while we like Endurance, SAMIL, and Happy Forgings in auto ancillaries.

# Wipro

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | WPRO IN |
| Equity Shares (m) | 10469 |
| M.Cap.(INRb)/(USDb) | 2952 / 34.1 |
| 52-Week Range (INR) | 320 / 208 |
| 1, 6, 12 Rel. Per (%) | -4/6/9 |
| 12M Avg Val (INR M) | 4169 |

**Financials & Valuations (INR b)**

| Y/E Mar | FY25E | FY26E | FY27E |
|---|---|---|---|
| Sales | 890 | 930 | 985 |
| EBIT Margin (%) | 17.0 | 16.7 | 16.8 |
| PAT | 127 | 129 | 137 |
| EPS (INR) | 12.0 | 12.3 | 13.0 |
| EPS Gr. (%) | 18.0 | 2.3 | 6.0 |
| BV/Sh. (INR) | 70.2 | 71.5 | 72.9 |
| **Ratios** | | | |
| RoE (%) | 17.1 | 17.4 | 18.1 |
| RoCE (%) | 13.0 | 13.6 | 14.2 |
| Payout (%) | 90.0 | 70.0 | 70.0 |
| **Valuations** | | | |
| P/E (x) | 23.4 | 22.9 | 21.6 |
| P/BV (x) | 4.0 | 3.9 | 3.9 |
| EV/EBITDA (x) | 14.4 | 13.9 | 14.6 |
| Div Yield (%) | 3.8 | 3.1 | 3.2 |

**Shareholding pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 72.8 | 72.8 | 72.9 |
| DII | 8.7 | 8.3 | 8.0 |
| FII | 9.7 | 9.6 | 9.0 |
| Others | 8.8 | 9.4 | 10.0 |

FII Includes depository receipts

**CMP: INR282 TP: INR290 (+3%) Neutral**

## Steady with little surprises

### Strong margin execution, but 4Q guidance unexciting

- Wipro (WPRO) reported 3QFY25 IT Services revenue of USD2.6b (0.1% QoQ) in constant currency (CC), above our estimate of a 1.0% QoQ decline. It posted an order intake of USD3.5b (down 1.3% QoQ), with a large deal TCV of USD0.96b (down 35% QoQ). EBIT margin of IT Services was 17.5% (est. 16.4%). EBITDA rose 4.0% QoQ/12.5% YoY to INR47b (est. INR45b). PAT stood at INR33.6b (+4.7% QoQ/+24.7% YoY), above our est. of INR30b. For 9MFY25, revenue declined 1.4%, whereas EBIT/PAT grew 11.4%/16.7% vs. 9MFY24. We expect revenues/EBIT/PAT to grow by 1.0%/11.1%/11.2% YoY in 4QFY25. We reiterate our Neutral rating as we view the current valuation as fair. Our TP of INR290 implies 22x FY27E EPS.

### Our view: Robust quarter; no major overhang on 4Q margin

- **WPRO delivered a steady performance in 3QFY25, driven by a strategic focus on key client segments (7 out of top 10 clients grew YoY CC) and growth in the Healthcare vertical.** TCV reached USD3.5b in 3Q, with large deals contributing USD0.96b. A notable uptick in smaller- and medium-sized deals in 3Q aligns with peers' commentary, highlighting the growing momentum of short-cycle deals and signaling a recovery in discretionary spending.
- Growth was particularly strong in the US BFSI and Healthcare verticals, driven by a gradual recovery in discretionary spending. The company's focus on client mining and expanding its consulting business has further strengthened its deal pipeline, especially in the Americas.
- **However, challenges remain in certain verticals and geographies.** Its 4Q guidance is muted (-1.0% to 1.0% in CC), reflecting regional softness, particularly in Europe and APMEA. Manufacturing and E&U verticals continue to face client-specific headwinds, with no immediate signs of recovery expected.
- **Guidance:** Revenue from the IT Services segment is expected to grow in the range of -1.0% to 1.0% QoQ in CC terms.
- **Margins:** EBIT margins improved by 70bp to 17.5% in 3QFY25, driven by higher offshoring, increased utilization, and growth in fixed-price contracts. WPRO expects margins to remain stable in the range of 17-17.5% in 4Q with no major headwinds anticipated.

### Beat on revenue and margins

- IT Services revenue at USD2.6b grew 0.1% QoQ in CC (reported USD revenue was down 1.2% QoQ), beating our estimate of a 1.0% QoQ decline.
- 4QFY25 revenue guidance is -1.0% to 1.0% in CC terms.
- Growth was driven by Healthcare (+6.7% QoQ CC), while BFSI/Consumer declined 1.9%/0.9% QoQ CC.
- IT Services EBIT margin was 17.5% (up 70bp QoQ), above our estimate of 16.4%.

- Americas 1 grew 3.9% QoQ CC, while Europe and APMEA declined by 2.7%/2.1% QoQ CC.
- 3Q TCV of USD3.5b was down 1.3% QoQ/7.3% YoY, while large TCV of USD0.96b was down 35% QoQ/up 6% YoY.
- Net utilization (excl. trainees) declined to 83.5% (vs. 86.4% in 2Q). Attrition (LTM) was up 80bp QoQ at 15.3%.
- Net profit rose 4.7% QoQ/24.7% YoY to INR33.6b (est. INR30b).

## Key highlights from the management commentary

- While cost optimization remains a priority, the company is witnessing growing investments in AI. Demand is steadily increasing in the Americas.
- The consulting business is expanding, with improving demand environments in BFSI and Healthcare.
- Discretionary spending in BFSI and Capco has seen good traction in smaller deals.
- The top 25 clients, particularly in BFSI and Healthcare, are showing growth. The company plans to mine these accounts further through enhanced account management and delivery.
- 4Q guidance: -1% to 1% in CC.
- 3Q TCV was USD3.5b, including large deals worth USD0.96b, with strong traction across geographies. There has been an improvement in small- and medium-sized deals this quarter, with ACV conversion. The deal tenure has shortened.
- Europe performance remained soft. The company has established a new leadership team for deal conversions.
- Healthcare maintained growth momentum and is seeing expansion in client budgets, albeit slower than last year.
- The company plans to ramp up hiring in the coming quarters.
- WPRO has revised its capital allocation strategy, committing to returning over 70% of net income to shareholders over a three-year block, starting in FY26.

## Valuations and view

- We expect the company to deliver FY24-27E IT Services revenue CAGR of ~3.1%. We expect WPRO to clock ~17% operating margin in FY25, which should translate into a 7.5% CAGR in INR PAT over FY24-27E.
- We have raised our FY25E EPS by ~5% to factor in the margin beat and kept FY26E/FY27E EPS broadly unchanged after its 3Q print. We reiterate our Neutral rating as we view the current valuation as fair. Our TP of INR290 implies 22x FY27E EPS.

**Quarterly Performance (IFRS)** (INR b)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | Est. | VAS. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QFY25E | (% / bp) |
| **IT Services Revenue (USD m)** | **2,779** | **2,713** | **2,656** | **2,657** | **2,626** | **2,660** | **2,629** | **2,627** | **10,805** | **10,542** | **2,620** | **0.3** |
| QoQ (%) | -2.1 | -2.3 | -2.1 | 0.0 | -1.2 | 1.3 | -1.2 | -0.1 | -3.8 | -2.4 | -1.5 | 34bp |
| **Overall Revenue (INR b)** | **228** | **225** | **222** | **222** | **220** | **223** | **223** | **224** | **896** | **890** | **222** | **0.7** |
| QoQ (%) | -1.5 | -1.4 | -1.4 | 0.0 | -1.1 | 1.5 | 0.1 | 0.4 | | | -0.7 | 74bp |
| YoY (%) | 6.0 | -0.1 | -4.4 | -4.2 | -3.8 | -1.0 | 0.5 | 0.9 | -0.9 | -0.7 | -0.2 | 75bp |
| **GPM (%)** | **29.4** | **29.3** | **30.7** | **29.2** | **30.2** | **30.5** | **31.0** | **30.6** | **29.6** | **30.6** | **29.9** | **113bp** |
| SGA (%) | 14.2 | 14.6 | 16.0 | 13.2 | 13.7 | 13.6 | 13.8 | 13.0 | 14.5 | 13.5 | 13.4 | 36bp |
| **EBITDA** | **42** | **42** | **42** | **44** | **44** | **46** | **47** | **48** | **170** | **185** | **45** | **6.5** |
| **EBITDA Margin (%)** | **18.4** | **18.8** | **19.0** | **19.7** | **20.2** | **20.5** | **21.3** | **21.3** | **19.0** | **20.8** | **20.1** | **114bp** |
| **IT Serv. EBIT (%)** | **16.0** | **16.1** | **16.0** | **16.4** | **16.5** | **16.8** | **16.0** | **17.6** | **16.4** | **17.1** | **16.4** | **-40bp** |
| **EBIT Margin (%)** | **15.1** | **14.8** | **14.8** | **15.9** | **16.4** | **16.7** | **17.5** | **17.5** | **15.2** | **17.0** | **16.3** | **114bp** |
| Other income | 3 | 2 | 3 | 3 | 4 | 6 | 6 | 3 | 11 | 18 | 3 | 88.6 |
| ETR (%) | 24.0 | 24.0 | 24.0 | 26.0 | 24.5 | 24.6 | 24.4 | 25.0 | 24.5 | 24.6 | 24.0 | 40bp |
| **PAT** | **29** | **26** | **27** | **28** | **30** | **32** | **34** | **32** | **110** | **127** | **30** | **13.5** |
| QoQ (%) | -6.6 | -7.8 | 1.8 | 5.2 | 5.9 | 6.8 | 4.5 | -6.0 | | | -7.9 | 1243bp |
| YoY (%) | 12.0 | -0.5 | -11.7 | -7.8 | 4.6 | 21.3 | 24.5 | 11.2 | -2.9 | 15.4 | 9.7 | 1480bp |
| EPS (INR) | 2.6 | 2.5 | 2.6 | 2.7 | 5.7 | 3.1 | 3.2 | 3.0 | 10.2 | 12.0 | 2.8 | 13.5 |

**Key performance indicators**

| Y/E March | FY24 | | | | FY25 | | | FY24 |
|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | |
| Revenue (QoQ CC %) | -2.8 | -2.0 | -1.7 | -0.3 | -1.0 | 0.6 | 0.1 | |
| **Margins** | | | | | | | | |
| Gross Margin | 29.4 | 29.3 | 30.7 | 29.2 | 30.2 | 30.5 | 31.0 | 29.6 |
| EBIT Margin | 15.1 | 14.8 | 14.8 | 15.9 | 16.4 | 16.7 | 17.5 | 15.2 |
| Net Margin | 12.6 | 11.8 | 12.1 | 12.8 | 13.7 | 14.4 | 15.0 | 12.3 |
| **Operating metrics** | | | | | | | | |
| Headcount (k) | 250 | 245 | 240 | 233 | 233 | 234 | 233 | 233 |
| Attrition (%) | 17.3 | 15.5 | 14.2 | 14.2 | 14.1 | 14.5 | 15.3 | 14.2 |
| Utilization | 83.7 | 84.5 | 84 | 86.9 | 87.7 | 86.4 | 83.5 | 84.8 |
| **Key Verticals (QoQ CC %)** | | | | | | | | |
| BFSI | -4.3 | -3.0 | -4.3 | 2.1 | 0.5 | 2.7 | -1.9 | -8.9 |
| Retail | -3.5 | -2.3 | -1 | -0.6 | 1.6 | 0.3 | -0.9 | -5.3 |

# Tech Mahindra

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | TECHM IN |
| Equity Shares (m) | 978 |
| M.Cap.(INRb)/(USDb) | 1625.1 / 18.8 |
| 52-Week Range (INR) | 1808 / 1163 |
| 1, 6, 12 Rel. Per (%) | -2/15/18 |
| 12M Avg Val (INR M) | 3283 |

**Financials & Valuations (INR b)**

| Y/E Mar | FY25E | FY26E | FY27E |
|---|---|---|---|
| Sales | 531 | 561 | 603 |
| EBIT Margin (%) | 9.4 | 12.4 | 13.6 |
| Adj. PAT | 40.1 | 56.1 | 65.6 |
| Adj. EPS (INR) | 45.2 | 63.2 | 74.0 |
| PAT | 40.1 | 56.1 | 65.6 |
| EPS (INR) | 45.2 | 63.2 | 74.0 |
| EPS Gr. (%) | 68.8 | 39.8 | 17.1 |
| BV/Sh. (INR) | 308.1 | 317.4 | 328.3 |
| **Ratios** | | | |
| RoE (%) | 14.9 | 20.2 | 22.9 |
| RoCE (%) | 16.1 | 21.8 | 24.9 |
| Payout (%) | 85.0 | 85.0 | 85.0 |
| **Valuations** | | | |
| P/E (x) | 36.7 | 26.2 | 22.4 |
| P/BV (x) | 5.4 | 5.2 | 5.1 |
| EV/EBITDA (x) | 21.1 | 16.6 | 14.2 |
| Div Yield (%) | 2.3 | 3.2 | 3.8 |

**Shareholding pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 35.0 | 35.0 | 35.1 |
| DII | 31.2 | 30.9 | 27.3 |
| FII | 23.7 | 23.3 | 26.2 |
| Others | 10.1 | 10.8 | 11.3 |

FII Includes depository receipts

**CMP: INR1,660 TP: INR1,850 (+11%) Neutral**

## Another step in the right direction

### Execution continues to be on track despite growth challenges

- Tech Mahindra (TECHM) reported 3QFY25 revenue of USD1.5b, up 1.2% QoQ in constant currency (CC) vs. our estimate of flat CC growth. Healthcare/BFSI led the growth (+4.5%/2.7% QoQ CC), while Communications and Technology were muted on CC basis. EBIT margin was up 60bp QoQ at 10.2%, beating our estimate of 9.7%. Adj. PAT stood at INR9.8b (down 21.4% QoQ but up 36.8% YoY), in line with our estimate of INR10b. For 9MFY25, revenue/EBIT/PAT grew 1.2%/24.2%/16.3% vs. 9MFY24. We expect revenue/EBIT to grow by 5.2%/35.9%, but PAT to decline by 4.7% YoY in 4QFY25. Net new deal TCV was USD745m, up 23% QoQ/95% YoY. We value TECHM at 25x FY27E EPS with a TP of INR1,850 (11% upside). We reiterate our Neutral rating on the stock.

### Our view: Disciplined execution continues

- **FY27 EBIT margin dreams looks more and more real:** We believe TECHM's Phase 1 transformation is progressing well, with EBIT margins likely to grow to 12.5% by FY26E. The period from FY26 to FY27 may bring renewed margin pressures across the industry, including rising attrition rates, high costs associated with backfilling roles, and increasing demand for specialized talent. While this implies some risk to management guidance for FY27, the market could continue to reward TECHM for staying on course and directionally progressing well.
- **We await further signs of recovery in Communications and Automotive:** Client spending recovery remains slightly muted in TECHM's two biggest verticals, Telecom and Automotive/Manufacturing (~50% of revenues). The margin expansion trajectory now looks quite reassuring, and we would turn constructive on the stock if we see improved spending patterns in Automotive and Communications.
- **Market's faith in the new management being vindicated:** We believe that despite the challenges, the new management has repaid the initial faith in its ability to engineer a turnaround. TECHM could be valued at a higher multiple to its historical average. Our target multiple of 25x FY27E EPS is at a 10% discount to Infosys, as we pencil in superior execution in an improving demand environment.

### Valuation and change in estimates

- We adjusted our FY25 estimates to account for the impact of wage hikes in 4Q and raised our FY27 projections, reflecting steady directional progress. We expect FY25/FY26/FY27 EBIT margins at 9.4%/12.4%/13.6%, which will result in a 22% CAGR in INR PAT over FY24-27.

### Beat on revenue and margins; Healthcare led growth; deal TCV up 23% QoQ

- Revenue stood at USD1.5b, up 1.2% CC (down 1.3% in USD terms), beating our estimates of flat CC growth.
- IT service /BPO declined 1.0%/3.3% QoQ.

- Healthcare/BFSI led the growth (+4.5%/2.7% QoQ CC), while Communications and Technology were muted on CC basis. Manufacturing fell 2.5% QoQ CC.
- EBIT margin was up 60bp QoQ at 10.2%, beating our estimate of 9.7%.
- Net employee addition: 3,785 (down 2.5% QoQ). Utilization (excl. trainees) was down by 70bp at 85.6%. LTM attrition was up by 60bp at 11.2%.
- Net new deal TCV was USD745m, up 23% QoQ/95% YoY.
- Adj. PAT stood at INR9.8b (down 21.4% QoQ but up 36.8% YoY), in line with our estimate of INR10b.
- FCF conversion to PAT stood at 172% vs. 106% in 2Q.

## Key highlights from the management commentary

- TECHM is focused on enhancing its capabilities and optimizing its revenue mix to achieve better pricing outcomes.
- The company anticipates that CY25 will show better performance than CY24.
- There is substantial headroom for growth within the partner ecosystem, with much of the growth expected to come from partnerships with hyperscalers and independent software vendors (ISVs).
- The net new TCV was USD745m in 3Q, up 23% QoQ and 95% YoY. Many deals originate from prioritized verticals and regional markets, with a focus on securing qualitative, large-scale agreements.
- EBIT margins improved to 10.2%, up 60bp QoQ, driven by operational leverage and cost optimization under Project Fortius.
- Wage hikes planned for 4QFY25 could impact margins by 100-150bp.
- Despite adding freshers, the overall headcount decreased due to its focus on optimizing costs through fixed-price contracts.

## Valuation and view

- We remain positive about the restructuring at TECHM under the new leadership and believe this quarter was another step in the right direction. But we expect the impact from these steps to be visible gradually. Further, TECHM's presence in the Communications segment, which remains under notable duress, makes the new management's job much harder. We remain on the sidelines, as we believe the current valuation fairly factors in the uncertainties around growth and margin. **We value TECHM at 25x FY27E EPS with a TP of INR1,850 (11% upside). We reiterate our Neutral rating on the stock.**

**Quarterly Performance** (INR b)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | Est. | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QFY25 | (% / bp) |
| **Revenue (USD m)** | **1,601** | **1,555** | **1,573** | **1,548** | **1,559** | **1,589** | **1,567** | **1,574** | **6,277** | **6,289** | **1,565** | **0.1** |
| QoQ (%) | -4.0 | -2.8 | 1.1 | -1.6 | 0.7 | 1.9 | -1.4 | 0.5 | -5.0 | 0.2 | -1.5 | 13bp |
| **Revenue (INR b)** | **132** | **129** | **131** | **129** | **130** | **133** | **133** | **135** | **520** | **531** | **132** | **0.7** |
| YoY (%) | 3.5 | -2.0 | -4.6 | -6.2 | -1.2 | 3.5 | 1.4 | 5.2 | -2.4 | 2.2 | 0.7 | 69bp |
| **GPM (%)** | **25.7** | **22.5** | **23.9** | **27.0** | **26.5** | **27.9** | **28.8** | **27.8** | **24.8** | **27.8** | **27.0** | **183bp** |
| SGA (%) | **13.5** | **11.5** | **13.6** | **16.1** | **14.5** | **14.8** | **15.2** | **15.0** | 13.7 | 14.9 | **14.0** | 121bp |
| **EBITDA** | **16** | **14** | **14** | **14** | **16** | **18** | **18** | **17** | **58** | **69** | **17** | **5.5** |
| **EBITDA Margin (%)** | **12.2** | **10.9** | **10.3** | **10.9** | **12.0** | **13.1** | **13.6** | **12.8** | **11.1** | **12.9** | **13.0** | **62bp** |
| **EBIT** | **12** | **9** | **9** | **9** | **11** | **13** | **14** | **13** | **40** | **50** | **13** | **5.5** |
| **EBIT Margin (%)** | **8.8** | **7.3** | **7.0** | **7.4** | **8.5** | **9.6** | **10.2** | **9.5** | **7.6** | **9.4** | **9.7** | **46bp** |
| Other income | 1 | 2 | 0 | 3 | 1 | 4 | -1 | -1 | 5 | 4 | 1 | -145.0 |
| ETR (%) | 21.8 | 9.9 | 17.6 | 23.4 | 26.7 | 26.6 | 23.9 | 25.0 | 18.5 | 25.6 | 26.6 | -272bp |
| **Adj. PAT** | **10** | **10** | **7** | **10** | **9** | **13** | **10** | **9** | **36** | **40** | **10** | **-4.4** |
| QoQ (%) | -28.2 | 2.3 | -26.5 | 34.9 | -12.2 | 46.8 | -21.4 | -6.0 | | | -17.7 | -361bp |
| YoY (%) | -15.5 | -25.3 | -44.6 | -27.1 | -10.9 | 27.8 | 36.8 | -4.7 | -28.5 | 10.7 | 43.1 | -628bp |
| **Extra Ordinary Item** | -2.6 | -4.8 | -2.1 | -3.1 | 0.0 | 0.0 | 0.0 | 0.0 | -12.6 | 0.0 | 0.0 | |
| **Reported PAT** | **7** | **5** | **5** | **7** | **9** | **13** | **10** | **9** | **24** | **40** | **10** | **-4.4** |
| **EPS (INR)** | **10.8** | **11.0** | **8.1** | **11.0** | **9.6** | **14.1** | **11.1** | **10.4** | **41.1** | **45.2** | **11.6** | -4.5 |

**Key Performance Indicators**

| Y/E March | FY24 | | | | FY25 | | | FY24 |
|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | |
| Revenue (QoQ CC %) | -4.2 | -2.4 | 1.1 | -0.8 | 0.7 | 0.7 | 1.2 | |
| **Margins (%)** | | | | | | | | |
| Gross Margin | 25.7 | 22.5 | 23.9 | 27.0 | 26.5 | 27.9 | 28.8 | 24.8 |
| EBITDA margin | 12.2 | 10.9 | 10.3 | 10.9 | 12.0 | 13.1 | 13.6 | 11.1 |
| EBIT Margin | 8.8 | 7.3 | 7.0 | 7.4 | 8.5 | 9.6 | 10.2 | 7.6 |
| Net Margin | 7.3 | 7.6 | 5.5 | 7.5 | 6.5 | 9.4 | 7.4 | 7.0 |
| **Operating Metrics** | | | | | | | | |
| Headcount (k) | 148 | 151 | 146 | 145 | 148 | 154 | 150 | 145 |
| Util excl. trainees (%) | 87.2 | 86.0 | 88.0 | 86.0 | 86.0 | 86.0 | 86.0 | 86.8 |
| Attrition (%) | 12.8 | 11.4 | 10.0 | 10.0 | 10.0 | 10.6 | 11.2 | 10.0 |
| Deal TCV (USD m) | 359 | 640 | 381 | 500 | 534 | 603 | 745 | 1,880 |
| **Key Verticals (QoQ %)** | | | | | | | | |
| Communication | -14.3 | -5.8 | 6.4 | -8.3 | -2.0 | 2.8 | -4.0 | -16.2 |
| Enterprise | 2.9 | -1.0 | -1.8 | 2.3 | 2.1 | 1.4 | 0.0 | 2.6 |
| **Key Geographies (QoQ%)** | | | | | | | | |
| North America | -0.5 | 0.7 | -1.5 | -3.7 | 3.9 | -0.6 | -1.9 | -1.3 |
| Europe | -6.7 | -6.8 | 2.0 | 0.1 | -2.6 | 4.5 | -3.0 | -8.3 |

# SBI Life Insurance

| | |
|---|---|
| Estimate change | ↔ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | SBILIFE IN |
| Equity Shares (m) | 1002 |
| M.Cap.(INRb)/(USDb) | 1516.8 / 17.5 |
| 52-Week Range (INR) | 1936 / 1307 |
| 1, 6, 12 Rel. Per (%) | 12/-1/2 |
| 12M Avg Val (INR M) | 2408 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY25E | FY26E | FY27E |
|---|---|---|---|
| Net Premiums | 889.1 | 1,034.7 | 1,204.9 |
| Surplus / Deficit | 33.6 | 40.7 | 47.2 |
| Sh.PAT | 21.2 | 24.4 | 27.4 |
| NBP gr- APE (%) | 9.7 | 17.1 | 17.2 |
| Premium gr (%) | 10.3 | 16.4 | 16.4 |
| VNB margin (%) | 27.2 | 27.5 | 27.8 |
| RoE (%) | 13.4 | 13.8 | 13.9 |
| RoIC (%) | 13.7 | 14.0 | 14.0 |
| RoEV (%) | 21.2 | 19.6 | 18.8 |
| Total AUMs (INRt) | 4.6 | 5.4 | 6.4 |
| VNB | 58.8 | 69.7 | 82.5 |
| EV per share | 706 | 844 | 1,003 |
| **Valuations** | | | |
| P/EV (x) | 2.2 | 1.8 | 1.5 |
| P/EVOP (x) | 13.7 | 11.5 | 9.8 |

*VNB, VNB margins based on ETR

**Shareholding Pattern (%)**

| As On | Dec-24 | Sep-24 | Dec-23 |
|---|---|---|---|
| Promoter | 55.4 | 55.4 | 55.4 |
| DII | 17.9 | 15.3 | 14.6 |
| FII | 22.5 | 25.2 | 25.9 |
| Others | 4.2 | 4.1 | 4.0 |

FII includes depository receipts

**CMP: INR1,541 TP: INR1,900 (+23%) BUY**

## VNB margins in-line with estimates; guidance maintained

### Beat on APE and absolute VNB

- SBI Life Insurance (SBILIFE) reported strong performance in 3QFY25. APE grew 13% YoY to INR69.4b (5% beat). For 9MFY25, it grew 11% YoY to INR159.7b.
- Absolute VNB grew 11% YoY to INR18.7b (5% beat). For 9MFY25, it grew 6% YoY to INR42.9b. VNB margins came in at 26.9% vs. 27.4% in 3QFY24 and 26.9% in 2QFY25 (est. 27%). The 46bp YoY margin contraction was mainly due to the shift of the product mix toward ULIPs.
- In 3QFY25, shareholder PAT grew 71% YoY to INR5.5b (10% beat on estimates). For 9MFY25, it grew 48% YoY to INR16b. This strong growth was supported by higher investment income from the non-par segment and healthy growth of 15% YoY in the renewal book.
- Management has guided for individual APE/total APE to be in the range of 14-17%/10-11% for FY25 (in-line with 9M). Absolute VNB growth is expected to be in the range of 8-10%. Long-term VNB margins are likely to be in the range of 27-29%.
- We expect SBILIFE to deliver 15%/14% CAGR in APE and VNB over FY24-27, while RoEV is likely to remain at ~19% over FY27. We have largely maintained our VNB estimates as higher VNB margins have been offset by slower APE growth. **We reiterate our BUY rating on the stock with a TP of INR1,900 (premised on 2.1x Sept'26E EV).**

### ULIP share in individual APE increases to 64% in 3QFY25

- SBILIFE reported 8% YoY growth in NBP to INR105b. For 9MFY25, it remained flat YoY at INR262.6b.
- Gross premium grew 11% YoY to INR250b (in-line) on account of 14% YoY growth in the renewal premium at INR144.7b (in-line). The first-year premium grew 14% YoY to INR64.5b and the single-year premium remained flat YoY at INR40.8b.
- The total cost ratio was 10.2% vs. 10.6% in 3QFY24. The commission ratio was 4.8% vs. 5% in 3QFY24. The operating expense ratio was 5.4% vs. 5.6% in 3QFY24. Costs remained high due to an increase in agent count, branch expansions, and enhancing digital initiatives.
- On the product front, ULIP grew 25% YoY, contributing 64% to the individual APE, supported by a positive movement in equity markets and consumer preferences. The group business has faced headwinds, leading to a decline in NBP contribution to INR64b in 9MFY25 from INR82.4b in 9MFY24. The pure protection segment witnessed a pickup, with its share increasing to 37% in 3QFY25.
- It recently launched a new product in the non-par segment (Smart Patina Supreme), which has received a good initial response. APE collections have reached INR2.5b in 20 days, and the momentum is expected to continue, subject to interest rate risks.

- On the distribution front, SBILIFE will continue to invest in expanding its agency channel, recording 30%+ growth, while the banca channel is expected to grow 10%+. With the launch of Agency 2.0, the productivity of agents has improved 19% YoY and the growth contribution in the non-par segment has been in the higher double digits. The digital channel at SBIN has attracted over 50K customers in the protection segment. It has also led to 52% growth in online selling.
- Credit Life APE grew 17% YoY to INR1.7b in 3QFY25 and management guides the growth momentum to sustain.
- Strong growth has been observed in the 13th month and 61st month persistency (based on premium) in 9MFY25, increasing 83bp and 521bp, respectively. This is attributed to the continuous focus on improving the quality of business and customer retention.
- AUM grew 19% YoY to INR4.4t (in-line with our estimates).

## Highlights from the management commentary

- The company has added 46 new branches in the last 12 months, and management guides to add additional 40 branches in the coming year to expand its presence to tier 3 and 4 cities.
- There has been no change in the commission structure due to a minimal impact of new surrender guidelines, as the product mix is skewed toward ULIP.
- The company will continue to focus on expanding the agency and banca channels with growth guidance at 29-30%/10%, respectively, for FY25.

## Valuation and view

SBILIFE reported a strong performance during the quarter, with APE and VNB reporting 5% each above our estimates. VNB margin contracted 46bp YoY to 26.9% in 3QFY25 due to a shift toward ULIP. Continued investments in the agency channel and digital enhancements will boost overall growth. Further, the impact of surrender charges is likely to be minimal. We expect SBILIFE to clock 15%/14% CAGR in APE and VNB over FY24-27, while RoEV is likely to remain at ~19% over FY27. We have largely maintained our VNB estimates as higher VNB margins have been offset by slower APE growth. We reiterate our BUY rating on the stock with a TP of INR1,900 (premised on 2.1x Sept'26E EV).

**Quarterly Performance** — in INR b

| Policy holder's A/c (INRb) | FY24 | | | | FY25 | | | | FY24 | FY25E | FY25E | V/s est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QE | |
| First year premium | 26.4 | 46.3 | 56.8 | 45.3 | 31.5 | 49.2 | 64.5 | 51.7 | 174.8 | 193.5 | 64.6 | (0.2) |
| Growth (%) | 3% | 33% | 12% | 11% | 19% | 6% | 14% | 14% | 15% | 11% | 14% | |
| Renewal premium | 73.5 | 101.2 | 127.2 | 130.0 | 85.4 | 117.2 | 144.7 | 151.9 | 431.9 | 494.4 | 143.4 | 0.9 |
| Growth (%) | 28% | 11% | 17% | 9% | 16% | 16% | 14% | 17% | 14% | 14% | 13% | |
| Single premium | 35.7 | 54.2 | 40.6 | 77.1 | 38.9 | 37.8 | 40.8 | 70.3 | 207.6 | 209.9 | 51.0 | (20.0) |
| Growth (%) | 18% | 35% | 21% | 93% | 9% | -30% | 0% | -9% | 44% | 1% | 26% | |
| **Gross premium income** | **135.6** | **201.8** | **224.6** | **252.4** | **155.7** | **204.1** | **250.0** | **273.9** | **814.3** | **897.8** | 259.0 | (3.5) |
| Growth (%) | 19% | 21% | 16% | 26% | 15% | 1% | 11% | 9% | 21% | 10% | 15% | |
| **PAT** | **3.8** | **3.8** | **3.2** | **8.1** | **5.2** | **5.3** | **5.5** | **7.3** | **18.9** | **21.2** | 5.0 | 9.7 |
| Growth (%) | 45% | 1% | 6% | 4% | 36% | 39% | 71% | -10% | 10% | 12% | 56% | |
| **Key metrics (INRb)** | | | | | | | | | | | | |
| New Business APE | 30.3 | 52.3 | 61.3 | 53.3 | 36.4 | 53.9 | 69.4 | 58.8 | 197.5 | 216.3 | 66.3 | 4.8 |
| Growth (%) | 4% | 33% | 13% | 17% | 20% | 3% | 13% | 10% | 17% | 10% | 8% | |
| VNB | 8.7 | 14.9 | 16.8 | 15.1 | 9.7 | 14.5 | 18.7 | 15.9 | 55.5 | 58.8 | 17.9 | 4.5 |
| Growth (%) | -1% | 20% | 11% | 5% | 11% | -3% | 11% | 6% | 9% | 6% | 6% | |
| AUM | 3,283 | 3,452 | 3,714 | 3,889 | 4,148 | 4,390 | 4,417 | 4,603 | 3,889 | 4,603 | 4,565 | (3.2) |
| Growth (%) | 25% | 22% | 24% | 27% | 26% | 27% | 19% | 18% | 27% | 18% | 23% | |
| **Key Ratios (%)** | | | | | | | | | | | | |
| VNB margins (%) | 28.8 | 28.5 | 27.4 | 28.3 | 26.8 | 26.9 | 26.9 | 27.1 | 28.1 | 27.2 | 27.0 | (5) |

# Indian Hotels

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | IH IN |
| Equity Shares (m) | 1423 |
| M.Cap.(INRb)/(USDb) | 1157.7 / 13.4 |
| 52-Week Range (INR) | 895 / 451 |
| 1, 6, 12 Rel. Per (%) | -3/44/69 |
| 12M Avg Val (INR M) | 2597 |
| Free float (%) | 61.9 |

**Financials & Valuations (INR b)**

| Y/E Mar | 2025E | 2026E | 2027E |
|---|---|---|---|
| Sales | 84.1 | 102.5 | 113.1 |
| EBITDA | 28.0 | 36.3 | 42.1 |
| PAT | 16.8 | 21.7 | 25.7 |
| EBITDA (%) | 33.3 | 35.4 | 37.2 |
| EPS (INR) | 11.8 | 15.3 | 18.1 |
| EPS Gr. (%) | 33.7 | 29.0 | 18.6 |
| BV/Sh. (INR) | 79.2 | 93.7 | 111.0 |
| **Ratios** | | | |
| Net D/E | (0.3) | (0.4) | (0.5) |
| RoE (%) | 16.2 | 17.7 | 17.7 |
| RoCE (%) | 15.8 | 18.0 | 17.8 |
| Payout (%) | 6.0 | 5.2 | 4.4 |
| **Valuations** | | | |
| P/E (x) | 68.7 | 53.3 | 44.9 |
| EV/EBITDA (x) | 40.4 | 30.6 | 25.8 |
| Div Yield (%) | 0.1 | 0.1 | 0.1 |
| FCF Yield (%) | 1.4 | 1.9 | 2.2 |

**Shareholding Pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 38.1 | 38.1 | 38.2 |
| DII | 18.8 | 18.4 | 23.3 |
| FII | 27.4 | 27.2 | 22.2 |
| Others | 15.6 | 16.3 | 16.4 |

FII includes depository receipts

**CMP: INR813 TP: INR960 (+18%) Buy**

## Healthy RevPAR growth boosts revenue

### Operating performance in line with our estimate

- Indian Hotels (IH) reported strong consolidated revenue growth of 29% YoY in 3QFY25, led by healthy RevPAR growth of 15% (ARR up 13% and OR up 120bp YoY) in its standalone business. Like-for-like hotel revenue growth stood at ~15% YoY, while TajSats grew by 18% YoY. The new and reimagined business reported 40% YoY growth. Management contract revenue rose 32% YoY to INR1.8b (including INR100m in brand and technical fees).
- **IH upholds its double-digit revenue guidance,** as healthy demand across key cities should help IH sustain higher OR and increase ARR. We expect IH to replicate a similar performance in 4QFY25, with revenue/EBITDA/adj. PAT likely to grow 31%/34%/26% YoY, aided by a strong wedding season (higher dates in 4Q YoY), an increase in FTA, and healthy traction in the MICE segment led by convention centers and favorable demand-supply dynamics.
- We broadly maintain our FY25/FY26 EBITDA estimates and **reiterate BUY with our SoTP-based TP of INR960.**

### New and Reimagined business propel operating performance

- 3Q consolidated revenue/EBITDA/adj. PAT grew 29%/31%/29% YoY to INR25.3b/INR9.6b/INR5.8bb (all in line with estimates).
- Standalone revenue/EBITDA rose 15%/22% YoY to INR14.7b/INR6.8b, aided by OR growth (up 120bp YoY to 78%) and increase in ARR (up 13% YoY to INR20,440). RevPar grew 15% YoY to INR15,943.
- For subsidiaries (consol. less standalone; including TajSATS), sales/EBITDA grew 55%/61% YoY to INR10.6b/INR2.8b.
- IH's new business verticals, comprising Ginger, Qmin, and amã Stays & Trails, grew 38% YoY to INR1.6b, while TajSATs posted 18% YoY growth to INR2.7b. Chambers reported YTD revenue of INR1b (+18% YoY).
- Revenue from key subsidiaries, UOH Inc./St. James/PIEM/Roots/Oriental /Benares, grew 20%/2%/15%/29%/15%/18% YoY to INR2.6b/INR1.3b/ INR1.9b/ INR1.3b/INR1.2b/INR400m in 3QFY25.

### Highlights from the management commentary

- **Demand:** IH is on track to achieve double-digit revenue growth in FY25, driven by strong demand from large-scale events, domestic tourism, an extended wedding season, increased travel to spiritual destinations, and favorable weather for foreign tourist arrivals, with key sporting and business events further boosting traction.
- **Sea Rock:** IH received the intimation of disapproval (most important before starting a construction) for its Sea Rock hotel. It expects construction to commence in 2HCY25.
- **International business:** The international consolidated portfolio achieved 78% occupancy (+400bp YoY) with 9% RevPAR growth, driven by a 25% increase at The Pierre, New York. The US market is poised for a strong 4QFY25 due to the swearing in of the new President.

## Valuation and view

- The outlook remains strong for IH, led by healthy traction in the core business and an accelerated growth trajectory in the new and reimagined businesses.
- We expect the strong momentum to continue in the medium term, led by: 1) an increase in ARR due to healthy demand, asset management strategy (upgrades in hotels), and corporate rate hikes; 2) higher occupancy levels amid favorable demand-supply dynamics; 3) strong room addition pipeline until FY28 in both owned/leased (3,564 rooms) and management hotels (14,100); 4) higher income from management contracts; and 5) value unlocking by scaling up reimagined and new brands.
- We broadly maintain our FY25/FY26/FY27 EBITDA estimates and **reiterate BUY with our SoTP-based TP of INR960.**

**Consolidated - Quarterly Earning Model** (INRm)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3Q | (%) |
| **Gross Sales** | 14,664 | 14,332 | 19,638 | 19,053 | 15,502 | 18,261 | 25,331 | 25,002 | 67,688 | 84,096 | 25,088 | 1 |
| YoY Change (%) | 15.8 | 16.3 | 16.5 | 17.2 | 5.7 | 27.4 | 29.0 | 31.2 | 16.5 | 24.2 | 27.7 | |
| Total Expenditure | 10,562 | 10,784 | 12,315 | 12,455 | 11,006 | 13,249 | 15,714 | 16,151 | 46,116 | 56,119 | 15,134 | |
| **EBITDA** | 4,102 | 3,548 | 7,324 | 6,598 | 4,496 | 5,013 | 9,617 | 8,851 | 21,571 | 27,977 | 9,954 | -3 |
| Margins (%) | 28.0 | 24.8 | 37.3 | 34.6 | 29.0 | 27.5 | 38.0 | 35.4 | 31.9 | 33.3 | 39.7 | |
| Depreciation | 1,091 | 1,112 | 1,143 | 1,197 | 1,173 | 1,249 | 1,339 | 1,355 | 4,543 | 5,117 | 1,250 | |
| Interest | 565 | 591 | 532 | 515 | 499 | 522 | 524 | 500 | 2,202 | 2,045 | 531 | |
| Other Income | 493 | 477 | 398 | 461 | 460 | 641 | 587 | 530 | 1,829 | 2,218 | 480 | |
| **PBT before EO expense** | 2,939 | 2,322 | 6,047 | 5,347 | 3,285 | 3,882 | 8,340 | 7,526 | 16,655 | 23,033 | 8,652 | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | -3,074 | 0 | 0 | 0 | -3,074 | 0 | |
| **PBT** | 2,939 | 2,322 | 6,047 | 5,347 | 3,285 | 6,956 | 8,340 | 7,526 | 16,655 | 26,107 | 8,652 | |
| Tax | 833 | 723 | 1,667 | 1,416 | 943 | 1,224 | 2,202 | 2,257 | 4,639 | 6,626 | 2,596 | |
| Rate (%) | 28.4 | 31.1 | 27.6 | 26.5 | 28.7 | 17.6 | 26.4 | 30.0 | 27.9 | 25.4 | 30.0 | |
| MI & Profit/Loss of Asso. Cos. | -118 | -70 | -140 | -247 | -142 | 186 | 315 | -11 | -575 | 348 | 89 | |
| **Reported PAT** | 2,224 | 1,669 | 4,520 | 4,178 | 2,484 | 5,546 | 5,823 | 5,280 | 12,591 | 19,133 | 5,967 | |
| **Adj PAT** | 2,224 | 1,669 | 4,520 | 4,178 | 2,484 | 3,241 | 5,823 | 5,280 | 12,591 | 16,828 | 5,967 | -2 |
| YoY Change (%) | 25.7 | 48.6 | 18.1 | 27.3 | 11.7 | 94.1 | 28.8 | 26.4 | 25.6 | 52.0 | 32.0 | |
| Margins (%) | 15.2 | 11.6 | 23.0 | 21.9 | 16.0 | 17.7 | 23.0 | 21.1 | 18.6 | 20.0 | 23.8 | |

**Key Performance Indicators**

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| Revenue Growth (%) | | | | | | | | | | |
| Standalone | 17.0 | 19.0 | 20.6 | 18.6 | 4.6 | 15.9 | 15.1 | 9.1 | 18.9 | 11.3 |
| Subs | 14.1 | 12.0 | 9.4 | 14.0 | 7.5 | 46.4 | 55.1 | 83.8 | 12.2 | 48.3 |
| EBITDA Margin (%) | | | | | | | | | | |
| Standalone | 33.0 | 30.7 | 43.6 | 43.7 | 35.1 | 33.3 | 46.3 | 45.0 | 38.9 | 41.0 |
| Subs | 20.2 | 15.0 | 25.5 | 13.1 | 19.8 | 19.8 | 26.4 | 21.9 | 18.8 | 22.4 |
| **Cost Break-up** | | | | | | | | | | |
| F&B Cost (% of sales) | 7.9 | 7.8 | 7.8 | 7.3 | 7.4 | 9.5 | 9.9 | 10.0 | **7.7** | **9.4** |
| Staff Cost (% of sales) | 29.2 | 30.7 | 23.9 | 24.5 | 29.7 | 28.6 | 22.9 | 23.4 | **26.7** | **25.5** |
| Other Cost (% of sales) | 34.9 | 36.7 | 31.0 | 33.5 | 33.9 | 34.4 | 29.3 | 31.2 | **33.8** | **31.8** |
| Gross Margins (%) | 92.1 | 92.2 | 92.2 | 92.7 | 92.6 | 90.5 | 90.1 | 90.0 | **92.3** | **90.6** |
| EBITDA Margins (%) | 28.0 | 24.8 | 37.3 | 34.6 | 29.0 | 27.5 | 38.0 | 35.4 | **31.9** | **33.3** |
| EBIT Margins (%) | 20.5 | 17.0 | 31.5 | 28.3 | 21.4 | 20.6 | 32.7 | 30.0 | **25.2** | **27.2** |

# Havells India

| | |
|---|---|
| Estimate change | ↓ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | HAVL IN |
| Equity Shares (m) | 627 |
| M.Cap.(INRb)/(USDb) | 986.9 / 11.4 |
| 52-Week Range (INR) | 2106 / 1280 |
| 1, 6, 12 Rel. Per (%) | -4/-10/2 |
| 12M Avg Val (INR M) | 1943 |
| Free float (%) | 40.6 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY25E | FY26E | FY27E |
|---|---|---|---|
| Sales | 211.9 | 240.5 | 276.7 |
| EBITDA | 19.9 | 24.3 | 29.3 |
| Adj. PAT | 13.8 | 16.9 | 20.7 |
| EBITDA Margin (%) | 9.4 | 10.1 | 10.6 |
| Cons. Adj. EPS (INR) | 22.0 | 26.9 | 33.1 |
| EPS Gr. (%) | 8.7 | 22.1 | 23.0 |
| BV/Sh. (INR) | 133.1 | 150.6 | 172.1 |
| **Ratios** | | | |
| Net D:E | (0.4) | (0.4) | (0.5) |
| RoE (%) | 16.5 | 17.9 | 19.2 |
| RoCE (%) | 16.2 | 17.5 | 18.9 |
| Payout (%) | 35.0 | 35.0 | 35.0 |
| **Valuations** | | | |
| P/E (x) | 71.7 | 58.7 | 47.8 |
| P/BV (x) | 11.9 | 10.5 | 9.2 |
| EV/EBITDA (x) | 48.0 | 39.1 | 32.1 |
| Div Yield (%) | 0.5 | 0.6 | 0.7 |
| FCF Yield (%) | 0.5 | 1.0 | 1.3 |

**Shareholding pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 59.4 | 59.4 | 59.4 |
| DII | 10.2 | 9.6 | 9.5 |
| FII | 24.8 | 25.4 | 24.2 |
| Others | 5.6 | 5.7 | 6.9 |

FII Includes depository receipts

**CMP: INR1,574 TP: INR1,740 (+11%) Neutral**

## Healthy revenue growth; margin a bit lower

### C&W margin improves QoQ, Switchgear profitability disappoint

- Havells India (HAVL)'s 3QFY25 revenue grew 11% YoY to INR49b (in line) as better-than-expected growth in the ECD/Switchgear segments was offset by lower revenue from the C&W segment. Lower margin in switchgear and higher-than-expected loss in Lloyd resulted in ~1% YoY decline in EBITDA (7% miss). OPM stood at 8.7% vs. an estimated 9.3% for the quarter. PAT declined ~3% YoY to INR2.8b (13% miss) in 3QFY25.
- The Switchgear segment's margin was lower on account of a change in channel mix (higher sales in the project business) and factory under-absorption due to plant relocation. However, management expects the margins to improve in the Switchgear, ECD, and Lloyd segments in the coming quarters. Further, after destocking in the wires due to lower copper prices, restocking is anticipated in 4QFY25.
- We trim our margin estimates by 100-200bp in the Switchgear/Lloyd segments and by 20-50bp in the Lighting/ECD segments. Consequently, we cut our EPS estimates by 5-8% for FY25-27. HAVL's valuations at 59x/48x FY26/ FY27E EPS remain expensive. **Hence, we reiterate our Neutral rating with a revised TP of INR1,740 (premised on 55x Dec'26 EPS).**

### Switchgear/ECD's EBIT margins dip 5.7/2.4pp YoY to ~18%/9%

- HAVL's consolidated revenue/EBITDA/PAT stood at INR48.9b/INR4.3b/INR2.8b (+11%/-1%/-3% YoY and -1%/-7%/-13% vs. our estimates). Gross margin stood at ~34% (+1.2pp YoY). OPM dipped 1.1pp YoY to 8.7%. Ad spending was at 3.7% of revenue vs. 4.0%/2.9% in 3QFY24/2QFY25.
- Segmental highlights: 1) HAVL revenue (excl. Lloyd) increased ~10% YoY to INR41.5b. The **C&W** revenue grew ~7% YoY to INR16.9b, and EBIT margin improved 75bp YoY to ~11%. The **Switchgear** revenue rose ~11% YoY to INR5.8b, while EBIT margin contracted 5.7pp YoY to ~18%. The **Lighting** revenue grew 3% YoY to INR4.5b, and EBIT margin expanded 60bp to ~15%. The **ECD** revenue rose 15% YoY to INR11.0b, while EBIT margin dipped 2.4pp YoY to 8.6%. 2) **Lloyd's** revenue grew ~13% YoY to INR7.4b. It reported a loss of INR361m vs. INR654m in 3QFY24 (our estimated loss was INR259m).
- In 9MFY25, HAVL's revenue/EBITDA/PAT grew 16%/14%/16% YoY. OPM margin contracted 20bp YoY to ~9%. Among segments, Lloyd/ECD/C&W's revenue rose 32%/17%/11% YoY, while Switchgear/Lighting's revenue grew 7%/2%. The company's 4QFY25 revenue is estimated to rise ~9%, while its EBITDA and PAT are anticipated to decline ~2% and 4%, respectively. We estimate OPM at 10.4% (down 1.2pp YoY).

### Key highlights from the management commentary

- The consumer sentiment is a bit weak but has started improving by 3Q-end. The company has gained market share in all consumer-facing categories. Management targets an EBIT margin (ex-Lloyd) of 12-13% in FY26.
- The company remains focused on channel and product category expansion. The additional investments in other segments are in the emerging channels for sustainable growth in the business. Incremental investments will continue, but there should not be any additional cash burn.
- In the Lighting segment, volume growth was 13-14% YoY, but price erosion adversely impacted growth. Currently, price erosion is bottoming out, and growth should start improving.

## Valuation and view

- HAVL posted healthy revenue growth in 3Q, led by an improvement in consumer demand at the end of the quarter. However, the lower margin in Switchgear and higher losses in Lloyd resulted in a miss on EBITDA. We cut our FY25-27E EPS by ~5-8%, mainly assuming lower margins in Switchgear, ECD, and Lloyd.
- We expect HAVL to report a revenue/EBITDA/PAT CAGR of 14%/21%/23% over FY25-27. We estimate OPM to reach 10.6% in FY27 vs. 9.4% in FY25E. RoIC of the company is expected to improve to 29% by FY27 from 22% in FY25E, and RoE is likely to be 19% in FY27 vs. 17% in FY25.
- The stock trades at rich valuations of 59x/48x FY26/27E EPS, and hence, **we reiterate our Neutral rating** with a revised TP of INR1,740 (premised on 55x Dec'26 EPS). Key monitorables will be the performance of Lloyd in the upcoming summer season and the margin trajectory of the Switchgear segment**.**

**Quarterly performance** (INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | MOFSL | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QE | |
| **Sales** | **48,338** | **39,003** | **44,139** | **54,420** | **58,062** | **45,393** | **48,890** | **59,562** | **1,85,900** | **2,11,907** | **49,329** | **-1%** |
| Change (%) | 13.9 | 6.3 | 7.1 | 12.0 | 20.1 | 16.4 | 10.8 | 9.4 | 10.1 | 14.0 | **12** | |
| **Adj. EBITDA** | **4,020** | **3,734** | **4,327** | **6,346** | **5,722** | **3,751** | **4,265** | **6,211** | **18,426** | **19,949** | **4,563** | **-7%** |
| Change (%) | 11.2 | 30.1 | 2.1 | 20.4 | 42.4 | 0.5 | -1.4 | -2.1 | 15.2 | 8.3 | **5** | |
| Adj. EBITDA margin (%) | 8.3 | 9.6 | 9.8 | 11.7 | 9.9 | 8.3 | 8.7 | 10.4 | 9.9 | 9.4 | **9.3** | (53) |
| Depreciation | 763 | 812 | 877 | 934 | 920 | 946 | 1,041 | 1,054 | 3,385 | 3,961 | **966** | **8%** |
| Interest | 85 | 93 | 102 | 177 | 86 | 101 | 94 | 140 | 457 | 420 | **100** | **-6%** |
| Other Income | 648 | 525 | 559 | 758 | 773 | 929 | 643 | 723 | 2,490 | 3,069 | **820** | **-22%** |
| Extra-ordinary items | - | - | - | - | - | - | - | - | - | - | **0** | |
| **PBT** | **3,821** | **3,353** | **3,907** | **5,993** | **5,490** | **3,633** | **3,773** | **5,740** | **17,074** | **18,636** | **4,317** | **-13%** |
| Tax | 950 | 862 | 1,028 | 1,526 | 1,415 | 955 | 994 | 1,463 | 4,366 | 4,827 | **1,135** | |
| Effective Tax Rate (%) | 24.9 | 25.7 | 26.3 | 25.5 | 25.8 | 26.3 | 26.3 | 25.5 | 25.6 | 25.9 | **26** | |
| **Reported PAT** | **2,871** | **2,491** | **2,879** | **4,467** | **4,075** | **2,678** | **2,780** | **4,277** | **12,708** | **13,810** | **3,182** | **-13%** |
| Change (%) | 18.1 | 33.3 | 1.4 | 24.8 | 42.0 | 7.5 | (3.5) | (4.2) | 18.5 | 8.7 | **11** | |
| **Adj. PAT** | **2,871** | **2,491** | **2,879** | **4,467** | **4,075** | **2,678** | **2,780** | **4,277** | **12,708** | **13,810** | **3,182** | **-13%** |
| Change (%) | 18.1 | 33.3 | 1.4 | 24.8 | 42.0 | 7.5 | (3.5) | (4.2) | 18.5 | 8.7 | **11** | |

**Segmental performance (INR m)**

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | FY25 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QE | |
| **Sales** | | | | | | | | | | | | |
| Switchgear | 5,409 | 5,336 | 5,206 | 6,513 | 5,768 | 5,513 | 5,769 | 6,986 | 22,463 | 24,036 | 5,466 | 6% |
| Cables & Wires | 14,852 | 14,702 | 15,727 | 17,896 | 15,212 | 18,052 | 16,879 | 19,982 | 63,176 | 70,125 | 18,086 | -7% |
| ECD | 8,775 | 7,331 | 9,615 | 9,104 | 10,554 | 8,564 | 11,048 | 9,883 | 34,825 | 40,049 | 10,481 | 5% |
| Lighting & Fixtures | 3,710 | 3,999 | 4,335 | 4,353 | 3,876 | 3,951 | 4,464 | 4,599 | 16,398 | 16,889 | 4,595 | -3% |
| Lloyd | 13,109 | 4,974 | 6,561 | 13,459 | 19,287 | 5,896 | 7,422 | 14,642 | 38,103 | 47,248 | 7,414 | 0% |
| **EBIT** | | | | | | | | | | | | |
| Switchgear | 1,499 | 1,409 | 1,244 | 1,836 | 1,422 | 1,150 | 1,048 | 1,668 | 5,988 | 5,288 | 1,230 | -15% |
| Cables & Wires | 1,691 | 1,707 | 1,625 | 2,154 | 1,711 | 1,548 | 1,870 | 2,375 | 7,175 | 7,503 | 1,809 | 3% |
| ECD | 957 | 848 | 1,062 | 1,025 | 1,147 | 643 | 953 | 982 | 3,892 | 3,725 | 943 | 1% |
| Lighting & Fixtures | 532 | 570 | 607 | 785 | 630 | 501 | 651 | 769 | 2,493 | 2,550 | 666 | -2% |
| Lloyd | (616) | (745) | (654) | 360 | 636 | (243) | (361) | 299 | (1,655) | 331 | (259) | 39% |
| **EBIT Margin (%)** | | | | | | | | | | | | |
| Switchgear | 27.7 | 26.4 | 23.9 | 28.2 | 24.6 | 20.9 | 18.2 | 23.9 | 26.7 | 22.0 | 22.5 | (433) |
| Cables & Wires | 11.4 | 11.6 | 10.3 | 12.0 | 11.2 | 8.6 | 11.1 | 11.9 | 11.4 | 10.7 | 10.0 | 108 |
| ECD | 10.9 | 11.6 | 11.0 | 11.3 | 10.9 | 7.5 | 8.6 | 9.9 | 11.2 | 9.3 | 9.0 | (37) |
| Lighting & Fixtures | 14.3 | 14.3 | 14.0 | 18.0 | 16.2 | 12.7 | 14.6 | 16.7 | 15.2 | 15.1 | 14.5 | 9 |
| Lloyd | (4.7) | (15.0) | (10.0) | 2.7 | 3.3 | (4.1) | (4.9) | 2.0 | (4.3) | 0.7 | (3.5) | (137) |

# ICICI Lombard

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | ICICIGI IN |
| Equity Shares (m) | 495 |
| M.Cap.(INRb)/(USDb) | 965.1 / 11.1 |
| 52-Week Range (INR) | 2302 / 1381 |
| 1, 6, 12 Rel. Per (%) | 6/10/26 |
| 12M Avg Val (INR M) | 1605 |

**Financials & Valuations (INR b)**

| Y/E March | 2025E | 2026E | 2027E |
|---|---|---|---|
| NEP | 193.4 | 209.3 | 240.5 |
| U/W Profit | -9.1 | -8.6 | -8.0 |
| PBT | 35.1 | 39.9 | 45.9 |
| PAT | 26.3 | 30.0 | 34.4 |
| EPS (INR/share) | 53.5 | 60.8 | 69.9 |
| EPS Growth (%) | 37.3 | 13.7 | 14.9 |
| BVPS (INR/share) | 279.9 | 324.4 | 378.0 |
| **Ratios (%)** | | | |
| Claims | 70.4 | 69.6 | 69.3 |
| Commission | 18.3 | 18.6 | 18.3 |
| Expense | 14.4 | 14.4 | 14.2 |
| Combined | 103.2 | 102.6 | 101.8 |
| RoE | 20.5 | 20.1 | 19.9 |
| **Valuations** | | | |
| P/E (x) | 36.5 | 32.1 | 27.9 |
| P/BV (x) | 7.0 | 6.0 | 5.2 |

**Shareholding pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 51.7 | 51.8 | 48.0 |
| DII | 16.7 | 17.3 | 18.6 |
| FII | 24.8 | 23.9 | 22.4 |
| Others | 6.9 | 7.0 | 11.1 |

FII includes depository receipts

**CMP: INR1,949 TP:INR2,300 (+18%) Buy**

## Strong beat in profitability, premium growth in line

- ICICIGI's **gross domestic premium income (GDPI)** was flat YoY in 3QFY25 at INR65b (in line), impacted by 1/n regulation implementation for long-term products. Sans the impact of the regulation, GDPI would have grown 4.8% YoY. **NEP** grew 17% YoY to INR51b (in line). For 9MFY25, NEP grew 17% YoY to INR146b.
- The **claims ratio** was significantly lower than our estimate at 65.8% (vs. 70% in 3QFY24). On a sequential basis, the **commission ratio** increased ~540bp to 22.9% (our est. 17%). The **expense ratio** declined to 14% from 15.6% in 2QFY25 (est. 16%).
- A lower-than-expected loss ratio led to a beat in the **combined ratio** at 102.7% (est. 104.7%) compared to 103.6% in 3QFY24.
- **PAT** grew 68% YoY to INR7.2b (14% beat). For 9MFY25, PAT grew 43% YoY to INR20b.
- While growth in the commercial and auto segments remained weak on the back of a weak economic backdrop, the health segment continued to do well for ICICIGI. Even in the motor segment, the company continued to gain market share.
- We have raised our FY25/FY26 earnings estimates by 7% each on the back of better-than-expected performance in 3QFY25. **Reiterate BUY with a TP of INR2,300 (based on 35x Sep'26E EPS).**

## Lower-than-expected loss ratio in motor TP drives profit growth

- **GDP** income was flat YoY at INR65b in 3Q. For 9MFY25, GDP came in at INR214b (+10% YoY).The growth was impacted by the implementation of 1/n regulation for long-term policies. Sans the impact, GDPI growth would have been 4.8%/11.9% for 3QFY25/9MFY25.
- **NEP** growth of 17% YoY was driven by 17% YoY growth in motor segment (including PA) and healthy growth of 21%/27% in fire/marine segments. Health segment growth was at 14.6% YoY.
- **Underwriting losses** stood at INR1.5b vs. losses of INR2.8b in 3QFY24 (vs. est. loss of INR2.6b). Total investment income rose 23% YoY to INR11b, a tad lower than our estimate.
- **Claims ratio** came in at 65.8% vs. 71.4% in 2QFY25 (our est. 70%). The loss ratio for the Motor OD segment declined to 62% from 64.9% in 3QFY24, and for the Motor TP segment, it fell to 51.3% from 61.6% in 3QFY24. The Health segment's loss ratio was 81.3% vs. 79.2% in 3QFY24.
- **Combined ratio** stood at 102.7% vs 103.6% in 3QFY24. For 9MFY25, it was at 102.9% vs. 103.7% for 9MFY24. Excluding the NATCAT impact of INR0.94b in 9MFY25 and INR1.37b in 9MFY24, the combined ratio stood at 102.3% and 102.6%, respectively.
- In 9MFY25, NEP/PAT stood at INR146b/INR20b, up 17%/43% YoY.
- **Solvency ratio** was 2.36 vs. 2.65 in 2QFY25. The decline was led by revised calculations implemented by IRDAI.

## Highlights from the management commentary

- ICICIGI will continue to evaluate a price hike in the health segment but is comfortable with the retail indemnity loss ratio of 65-70%.

- Company continues to follow a calibrated approach with respect to the employer employee segment given the pricing pressure. It expect the pricing to improve in the fire segment as companies adjust to new reality of higher catastrophic events
- ICICIGI continues to operate within the EOM regulations, and management alluded that it will choose to let go of the business rather than breaching EOM limits. Given the pressure on certain players, ICICIGI expects pricing correction in due course.

## Valuation and view

The general insurance industry's growth rate is currently on a slow trajectory, due to 1) weak infrastructure investments, 2) slow credit growth, and 3) weak trends in motor sales growth. In the motor segment, ICICIGI has been able to gain market share through its strategy of picking profitable businesses and thanks to easing competitive intensity. Profitability has been strong due to conservative reserving in the past, which will bode well in future as well. ICICIGI's retail health segment saw strong growth due to new product launches, while its group segment posted weak growth due to lower credit growth and walking away from the employer-employee business due to rising competitive intensity. Overall, we expect a growth recovery in FY26 and stable improvement in profitability, with combined ratio improving to 101.8% by FY27. PAT is likely to grow ~15% in FY26 and FY27. We have raised FY25/FY26 earnings estimates by 7% to factor in strong performance in the combined ratio. We cut our FY27 estimate by 6% as we lower our investment yield forecast. We maintain BUY with a one-year TP of INR2,300 (35x Sep'26E EPS).

**Quarterly Performance** (INR b)

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | 3QFY25E | Act v/s Est. (%) | YoY | QoQ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | | | | |
| Gross premium | 66.2 | 62.7 | 64.4 | 62.6 | 79.3 | 69.5 | 64.7 | 60.8 | 255.9 | 274.4 | 66.3 | -2.3 | 1% | -7% |
| Net written premium | 44.7 | 42.4 | 46.9 | 47.7 | 53.6 | 48.4 | 50.8 | 49.7 | 181.7 | 202.5 | 49.7 | 2.2 | 8% | 5% |
| Net earned premium | 38.9 | 43.1 | 43.0 | 43.7 | 45.0 | 50.3 | 50.5 | 47.6 | 168.7 | 193.4 | 48.7 | 3.5 | 17% | 0% |
| Investment Income + Trf from SH A/C | 6.5 | 7.4 | 7.0 | 7.9 | 8.5 | 8.3 | 8.4 | 9.0 | 28.9 | 34.1 | 8.9 | -5.6 | 20% | 2% |
| **Total Income** | **45.4** | **50.5** | **50.0** | **51.6** | **53.5** | **58.5** | **58.8** | **56.6** | **197.5** | **227.5** | **57.6** | **2.1** | 18% | 1% |
| Change YoY (%) | 14.1 | 12.2 | 14.7 | -1.8 | 17.9 | 15.9 | 17.6 | 9.7 | 9.2 | 15.2 | 15.1 | | | |
| Incurred claims | 28.8 | 30.5 | 30.1 | 30.0 | 33.3 | 35.9 | 33.2 | 33.7 | 119.4 | 136.1 | 34.1 | -2.6 | 10% | -7% |
| Net commission | 5.6 | 7.4 | 8.5 | 9.5 | 8.0 | 8.4 | 11.6 | 9.0 | 30.9 | 37.1 | 9.3 | 25.0 | 37% | 38% |
| Opex | 7.7 | 6.7 | 7.3 | 6.5 | 7.1 | 7.5 | 7.1 | 7.4 | 28.2 | 29.2 | 8.0 | -10.4 | -2% | -6% |
| Total Operating Expenses | 42.1 | 44.5 | 45.9 | 46.0 | 48.5 | 51.9 | 52.0 | 50.1 | 178.5 | 202.5 | 51.4 | 1.2 | 13% | 0% |
| Change YoY (%) | 14.9 | 11.6 | 12.3 | 15.7 | 15.3 | 16.5 | 13.3 | 9.0 | 13.6 | 13.5 | 12.0 | | | |
| **Underwriting profit** | -3.2 | -1.5 | -2.8 | -2.3 | -3.5 | -1.6 | -1.5 | -2.5 | -9.8 | -9.1 | -2.6 | -42.2 | N.A | N.A |
| Operating profit | 3.3 | 6.0 | 4.2 | 5.6 | 5.0 | 6.6 | 6.9 | 6.5 | 19.1 | 25.0 | 6.2 | 9.9 | 65% | 3% |
| **Shareholder's P/L** | | | | | | | | | | | | | | |
| Transfer from Policyholder's | 3.3 | 6.0 | 4.2 | 5.6 | 5.0 | 6.6 | 6.9 | 6.5 | 19.1 | 25.0 | 6.2 | 9.9 | 65% | 3% |
| Investment income | 1.9 | 2.2 | 2.1 | 2.3 | 2.5 | 2.8 | 2.8 | 2.7 | 8.5 | 10.8 | 2.8 | -0.4 | 32% | 0% |
| **Total Income** | 5.2 | 8.2 | 6.2 | 8.0 | 7.5 | 9.4 | 9.6 | 9.2 | 27.6 | 35.8 | 9.0 | 6.7 | 54% | 2% |
| **Total Expenses** | -0.0 | 0.6 | 0.5 | 1.0 | -0.2 | 0.2 | 0.0 | 0.7 | 2.0 | 0.7 | 0.6 | -97.5 | -97% | NA |
| **PBT** | **5.2** | **7.6** | **5.7** | **7.0** | **7.7** | **9.2** | **9.6** | **8.6** | **25.6** | **35.1** | **8.5** | 13.5 | 67% | 4% |
| Change YoY (%) | 11.8 | 25.3 | 23.3 | 21.9 | 48.8 | 20.3 | 67.3 | 23.1 | 21.0 | 37.4 | 47.4 | | | |
| Tax Provisions | 1.3 | 1.9 | 1.4 | 1.8 | 1.9 | 2.3 | 2.4 | 2.2 | 6.4 | 8.8 | 2.1 | 11.5 | 66% | 5% |
| **Adj Net Profit** | **3.9** | **5.8** | **4.3** | **5.2** | **5.8** | **6.9** | **7.2** | **6.4** | **19.2** | **26.3** | **6.3** | 14.2 | 68% | 4% |
| Change YoY (%) | 11.8 | -2.2 | 22.4 | 18.9 | 48.7 | 20.2 | 67.9 | 22.3 | 11.0 | 37.3 | 47.0 | | | |
| **Rep Net Profit** | **3.9** | **5.8** | **4.3** | **5.2** | **5.8** | **6.9** | **7.2** | **6.4** | **20.5** | **26.3** | **6.3** | 14.2 | 68% | 4% |
| **Key Parameters (%)** | | | | | | | | | | | | | | |
| Claims ratio | 74.1 | 70.7 | 70.0 | 68.6 | 74.0 | 71.4 | 65.8 | 70.7 | 70.8 | 70.4 | 70.0 | -415bp | -4.2 | -5.5 |
| Commission ratio | 12.5 | 17.4 | 18.0 | 19.9 | 15.0 | 17.5 | 22.9 | 18.1 | 17.0 | 18.3 | 18.7 | 416bp | 4.8 | 5.4 |
| Expense ratio | 17.2 | 15.8 | 15.5 | 13.7 | 13.3 | 15.6 | 14.0 | 14.9 | 15.5 | 14.4 | 16.0 | -198bp | -1.5 | -1.6 |
| Combined ratio | 103.8 | 103.9 | 103.6 | 102.2 | 102.3 | 104.5 | 102.7 | 103.8 | 103.3 | 103.2 | 104.7 | -197bp | -0.8 | -1.7 |
| Solvency | 2.53 | 2.59 | 2.57 | 2.62 | 2.56 | 2.65 | 2.36 | | 2.9 | 2.9 | | | | |

# Metro Brands

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↑ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | METROBRA IN |
| Equity Shares (m) | 272 |
| M.Cap.(INRb)/(USDb) | 326.3 / 3.8 |
| 52-Week Range (INR) | 1430 / 990 |
| 1, 6, 12 Rel. Per (%) | -1/-5/-10 |
| 12M Avg Val (INR M) | 237 |

**Financials & Valuations (INR b)**

| Y/E March | FY24 | FY25E | FY26E |
|---|---|---|---|
| Sales | 23.6 | 25.1 | 29.1 |
| EBITDA | 7.0 | 7.4 | 9.1 |
| Adj. PAT | 4.1 | 3.4 | 4.7 |
| EBITDA Margin (%) | 29.7 | 29.6 | 31.3 |
| Adj. EPS (INR) | 12.7 | 13.7 | 17.1 |
| EPS Gr. (%) | (5.2) | 7.2 | 25.5 |
| BV/Sh. (INR) | 70.2 | 80.7 | 95.2 |
| **Ratios** | | | |
| Net D:E | 0.1 | (0.0) | (0.1) |
| RoE (%) | 20.3 | 18.5 | 19.9 |
| RoCE (%) | 17.7 | 13.1 | 15.5 |
| Payout (%) | 14.8 | 19.0 | 17.6 |
| **Valuations** | | | |
| P/E (x) | 94.1 | 87.8 | 69.9 |
| EV/EBITDA (x) | 48.0 | 44.8 | 36.4 |
| EV/Sales (X) | 14.2 | 13.3 | 11.4 |
| Div. Yield (%) | 0.2 | 0.2 | 0.3 |

**Shareholding Pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 72.0 | 74.2 | 74.2 |
| DII | 7.0 | 5.6 | 6.1 |
| FII | 3.4 | 3.1 | 2.3 |
| Others | 17.7 | 17.2 | 17.4 |

FII includes depository receipts

**CMP: INR1,199 TP: INR1,525 (+27%) Buy**

## In-line results; pace of store additions to pick up in FY26

- Metro Brands (MBL) reported in-line 3Q results, with revenue growth recovering to ~11% YoY (vs. 5% YoY in 2Q), driven by a 43% YoY growth in E-commerce sales. In-store sales grew ~8% YoY (vs. 5% YoY in 2Q), led by ~9% YoY area additions.
- Gross profit grew 8% YoY (in-line) as margin contracted ~125bp YoY due to higher e-commerce sales and the residual impact of the FILA inventory liquidation (~50bp impact).
- EBITDA was up ~13% YoY (in-line), as better cost controls offsets tad weaker gross margin, while adjusted PAT grew 22% YoY (in-line).
- Despite weaker store additions in 9MFY25, management maintained its guidance of opening 225 stores over FY25-26, with 140-145 store additions targeted for FY26.
- We lower our FY26-27E EBITDA by a marginal 1-2% on account of slightly weaker productivity assumptions (primarily due to a change in the format mix).
- Given the strong runway for growth in Metro, Mochi, and Walkway formats, along with significant growth opportunities in FILA/Foot Locker, we build in revenue/EBITDA/PAT CAGR of 13%/17%/20% over FY24-27E.
- We **reiterate our BUY rating on MBL with a revised TP of INR1,525 (earlier INR1,460)** based on 70x Mar'27 EPS (earlier Dec'26).

## In-line results; revenue growth picks up

- Consolidated revenue stood at INR7b (in-line), up 11% YoY (vs. 5% YoY in 2Q), as E-commerce sales grew 43% YoY.
- MBL's in-store sales grew ~8% YoY (vs. 5% YoY in 2Q), led by 9% YoY area additions and a 1% YoY decline in revenue per sqft to INR5,150.
- Gross profit grew 8% YoY to INR4.1b (in-line) and margins contracted 125bp YoY to 58.6% (~85bp miss), due to higher growth in E-commerce sales, along with some impact from the liquidation of the residual FILA inventory.
- EBITDA grew 13% YoY to INR2.3b (in-line) as better cost control offsets gross margin contraction.
- EBITDA margin expanded 70bp YoY to 32% (40bp beat).
- Depreciation/finance costs rose 12%/15% YoY, while other income grew 45% YoY.
- Resultantly, PAT (adjusting prior period taxes of INR257m, primarily related to FILA) grew 22% YoY to INR1.2b (in-line).
- 9MFY25 revenue/EBITDA/PAT grew 5%/4%/9% YoY. Based on our estimates, the implied 4Q revenue/EBITDA/PAT growth is 11%/18%. However, we believe MBL is likely to fall short of its ~10-12% YoY revenue growth target.

## Store additions likely to be lower in FY25, but pick up in FY26

- The company added 24 stores (expanding into five new cities) and closed 2 stores, bringing the total count to 895.
- Format-wise, the company added 6 Metro stores, 4 Mochi stores, 4 Crocs stores, 3 Walkaway stores, 1 FitFlop store, and 3 New Era EBOs, and also launched its first Foot Locker store during 3Q.
- **Annual store addition guidance likely to be missed:** MBL opened 56 net new stores in 9MFY25 and as a result, net new store openings for FY25 are expected to fall short of the guidance of 100 stores.
- **225 store addition target for FY25-26 maintained:** The company remains committed to its overall target of 225 store openings over FY25-26, with 140-145 store additions expected in FY26.

## Key takeaways from the management commentary

- **Demand environment:** Diwali was two weeks earlier this year, driving strong growth in Oct'24. While growth continued in November, it began to slow slightly in December due to the early onset of EOSS by several retailers. Management expects demand to remain reasonably strong in 4Q, supported by a more weddings.
- **Guidance:** The management expects to clock ~15-18% revenue CAGR over the long term, with gross margins in the ~55% plus range and EBITDA in the ~30% plus range.
- **Store additions:** Management indicated that its target of 100 store additions for FY25 will likely be missed. However, it reiterated the guidance of opening ~225 stores over FY25-26, with ~140-145 store additions expected in FY26 (ex-FILA).
- **BIS:** There is no impact from the BIS implementation on MBL's core businesses (Metro/Mochi). Further, management expects BIS-related challenges to resolve in the medium term, as several factories in Southeast Asian countries (Vietnam and Indonesia) have started receiving BIS certifications.

## Valuation and view

- We lower our FY26-27E EBITDA by a marginal 1-2% on account of slightly weaker productivity assumptions (primarily due to a change in the format mix).
- MBL's FILA and Foot Locker ramp-up has been impacted due to challenges posed by BIS implementation. However, we believe these are short-term bumps and remain positive on MBL's long-term outlook, given a) its superior store economics, with industry-leading store productivity and strong cost controls, and b) a long runway for growth, largely funded through internal accruals, backed by a strong balance sheet and a healthy RoIC of ~30%+.
- Given the strong runway for growth in Metro, Mochi, and Walkway formats, along with significant growth opportunities in FILA/Foot Locker, we build in revenue/EBITDA/PAT CAGR of 13%/17%/20% over FY24-27E.
- We value MBL at 70x Mar'27 P/E to arrive at a valuation of INR1,550 per share. We have not factored in any significant contributions from FILA and Foot Locker in our estimates till FY27, and a faster ramp-up could provide a further upside potential. We **reiterate our BUY rating on MBL**.

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

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 3QE | Var (%) |
| **Revenue** | **5,825** | **5,557** | **6,355** | **5,830** | **5,761** | **5,855** | **7,031** | **6,481** | **23,567** | **25,127** | **7,103** | **-1.0** |
| YoY Change (%) | 14.7 | 16.7 | 6.1 | 7.1 | -1.1 | 5.4 | 10.6 | 11.2 | 10.8 | 6.6 | 11.8 | |
| Total Expenditure | 3,959 | 4,003 | 4,365 | 4,244 | 3,957 | 4,306 | 4,781 | 4,652 | 16,571 | 17,696 | 4,859 | -1.6 |
| **EBITDA** | **1,866** | **1,554** | **1,990** | **1,586** | **1,804** | **1,548** | **2,250** | **1,829** | **6,996** | **7,431** | **2,244** | **0.3** |
| EBITDA Margin (%) | 32.0 | 28.0 | 31.3 | 27.2 | 31.3 | 26.4 | 32.0 | 28.2 | 29.7 | 29.6 | 31.6 | 1.3 |
| Depreciation | 543 | 572 | 586 | 591 | 600 | 624 | 655 | 658 | 2,291 | 2,537 | 634 | 3.3 |
| Interest | 185 | 197 | 204 | 203 | 208 | 218 | 235 | 243 | 789 | 904 | 232 | 1.0 |
| Other Income | 144 | 162 | 160 | 244 | 234 | 234 | 232 | 236 | 708 | 935 | 234 | -0.7 |
| **PBT** | **1,282** | **946** | **1,359** | **1,036** | **1,230** | **939** | **1,593** | **1,164** | **4,624** | **4,926** | **1,611** | **-1.1** |
| Tax | 353 | 275 | 379 | -508 | 309 | 225 | 649 | 293 | 499 | 1,475 | 406 | 59.8 |
| Rate (%) | 27.5 | 29.1 | 27.9 | -49.0 | 25.1 | 23.9 | 40.7 | 25.2 | 10.8 | 30.0 | 25.2 | |
| MI & Profit/Loss of Asso. Cos. | 6 | 5 | 7 | 12 | 2 | 3 | 7 | 0 | 1 | 12 | 0 | |
| **PAT before MI** | **929** | **671** | **981** | **1,544** | **921** | **715** | **944** | **871** | **4,124** | **3,450** | **1,205** | **-21.7** |
| **Adj PAT post MI** | **935** | **676** | **988** | **866** | **923** | **718** | **1,201** | **871** | **3,465** | **3,712** | **1,205** | **-0.3** |
| YoY Change (%) | -12 | -13 | -13 | 26 | -1 | 6 | 22 | 1 | -5.2 | 7.2 | 22 | |

E: MOFSL Estimates

# RBL Bank

| | |
|---|---|
| Estimate change | ↓ |
| TP change | ↔ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | RBK IN |
| Equity Shares (m) | 608 |
| M.Cap.(INRb)/(USDb) | 94.3 / 1.1 |
| 52-Week Range (INR) | 292 / 147 |
| 1, 6, 12 Rel. Per (%) | -2/-31/-53 |
| 12M Avg Val (INR M) | 2041 |

**Financials & Valuations (INR b)**

| Y/E March | FY24 | FY25E | FY26E |
|---|---|---|---|
| NII | 60.4 | 65.1 | 73.8 |
| OP | 30.3 | 36.3 | 41.5 |
| NP | 11.7 | 7.2 | 12.4 |
| NIM (%) | 5.1 | 4.9 | 5.0 |
| EPS (INR) | 19.3 | 11.8 | 20.5 |
| EPS Gr. (%) | 31.1 | -38.7 | 73.4 |
| BV/Sh. (INR) | 245 | 253 | 266 |
| ABV/Sh. (INR) | 235 | 247 | 258 |
| **Ratios** | | | |
| RoA (%) | 0.9 | 0.5 | 0.8 |
| RoE (%) | 8.2 | 4.8 | 7.9 |
| **Valuations** | | | |
| P/E(X) | 8.0 | 13.1 | 7.6 |
| P/BV (X) | 0.6 | 0.6 | 0.6 |
| P/ABV (X) | 0.7 | 0.6 | 0.6 |

**Shareholding pattern (%)**

| As On | Sep-24 | Jun-24 | Sep-23 |
|---|---|---|---|
| Promoter | 0.0 | 0.0 | 0.0 |
| DII | 27.0 | 20.7 | 19.5 |
| FII | 14.6 | 28.5 | 30.0 |
| Others | 58.3 | 50.8 | 50.5 |

**CMP: INR155 TP: INR170 (+10%) Neutral**

## Weak quarter; fresh slippages remain elevated

### NIM contracts 14bp QoQ to 4.90%

- RBL Bank (RBK) reported a 3QFY25 PAT of INR326m (53% miss, 86% YoY decline) amid higher-than-expected provisions. The bank prudently made additional provisions of INR4.14b on its JLG loans to take PCR on this portfolio to 85%.
- NII grew 2.5% YoY (down 1.9% QoQ) to INR15.8b (in line) as NIM moderated 14bp QoQ to 4.90% during the quarter.
- Advances grew 13.1% YoY/2.9% QoQ, while deposits declined 1.1% QoQ (up 15.1% YoY). CASA mix moderated to 32.8%. The C/D ratio stood at 84.7%.
- Fresh slippages increased to INR13.1b, mainly due to the JLG book, which was expected given the high SMA in Sep'24. GNPA rose 4bp QoQ to 2.92%, while NNPA improved 26bp QoQ to 0.53%. PCR increased to 82.2%.
- **We cut our EPS estimates by 8.6%/10.0% for FY26/FY27 as the asset quality will likely remain suppressed given the stress in the MFI sector. This will also keep margins and credit costs under pressure over the near term. We thus estimate FY26 RoA/RoE at 0.8%/7.9%. Reiterate Neutral with a TP of INR170 (premised on 0.6x Sep'26E ABV).**

### Business growth muted; asset quality deteriorates

- RBK reported a PAT of INR326m (53% miss, -86% YoY) amid higher-than-expected provisions. In 9MFY25, earnings declined 23% YoY to INR6.3b, and we estimate 4QFY25 earnings to decline 75% YoY to INR893m.
- NII grew 2.5% YoY (down 1.9% QoQ) to INR15.8b (in line) as NIM moderated 14bp QoQ to 4.90%.
- Other income grew 38% YoY/15.7% QoQ to INR10.7b (broadly in line). Treasury gains stood at INR2b vs. INR1b in 2QFY25. Opex grew 6.6% YoY to INR16.6b (in line). The C/I ratio, thus, improved 170bp QoQ to 62.5%. PPoP increased 30.2% YoY/9.5% QoQ to INR9.97b (in line).
- Provisions accelerated sharply, up 92.3% QoQ (29% higher than MOFSLe at INR11.9b) due to additional provisions of INR4.14b in the JLG book.
- Advances grew 13% YoY (up 2.9% QoQ) to INR904b. Retail books grew 19% YoY (1% QoQ), and wholesale grew 5% YoY (6.2% QoQ). Housing loans rose 5.9% QoQ, and business loans were up 11.6% QoQ. Personal loans declined 5% QoQ, and credit cards dipped 1% QoQ, with the mix of cards standing at 19.1% of loans.
- Deposits inched up 15.1% YoY (down 1.1% QoQ). The CASA ratio moderated 75bp QoQ to 32.8%. Outflows have reduced over the last two quarters; the bank has also been preparing for the new LCR guidelines implementation, which led to a sharp jump in LCR to 143% from 129% in 2QFY25.
- Fresh slippages mounted to INR13.1b, mainly due to the JLG book. GNPA increased 4bp QoQ to 2.92%, while NNPA improved 26bp QoQ to 0.53%. PCR increased to 82.2%. The restructured book declined to 0.32% (from 0.38% in 2QFY25).
- Credit costs were elevated at 139bp due to ~49bp additional provision on the JLG loans.

## Highlights from the management commentary

- Lower disbursal in JLG business and interest reversal on slippages have led to a lower NIM.
- Credit cost for FY25 would be higher as the aim is to have negligible NNPA in the unsecured book.
- Collection efficiency in Dec'24 was 98.4% vs. 97.5% in Sep'24; however, Oct and Nov'24 were similar to Sep'24. Expect slippages to be higher even in 4QFY25, although recovery to be better. The improving trend in Dec'24 should be sustained, and the bank will see a material reduction in slippages from 1QFY26.
- In JLG, slippages were elevated; gross slippage was INR5.36b vs. INR2.4b in 2QFY25. This was expected given high SMA 1 &2 balances as of Sep'24. The situation on the ground has been in flux; however, Dec'24 has seen an improvement in collections and recovery of old NPAs.

## Valuation and view

RBK reported a large miss in 3Q earnings due to higher-than-expected provisions and a 14bp QoQ moderation in margins. Asset quality ratios deteriorated during the quarter as slippages were high, mainly in the microfinance segment. Deposits too saw a modest growth, with the CASA ratio moderating sequentially and leading to a C/D ratio of 84.7%. Advances grew 3% QoQ, and the comfortable CD ratio will further support credit growth. The credit cost was also high during the quarter due to the JLG book, and the management expects 4Q slippages and credit costs to remain higher. **We cut our EPS estimates by 8.6%/10.0% for FY26/FY27 as the asset quality will likely remain suppressed given the stress in the MFI sector. This will also keep margins and credit costs under pressure over the near term. We thus estimate FY26 RoA/RoE at 0.8%/7.9%. Reiterate Neutral with a TP of INR170 (premised on 0.6x Sep'26E ABV).**

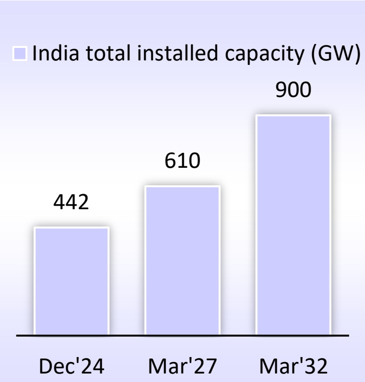
### Quarterly performance

| | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E | V/s our |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QE | Est |
| **Net Interest Income** | 14.2 | 14.7 | 15.5 | 16.0 | 17.0 | 16.1 | 15.9 | 16.1 | 60.4 | 65.1 | 15.5 | 2% |
| % Change (Y-o-Y) | 19.6 | 25.6 | 21.1 | 17.9 | 19.5 | 9.5 | 2.5 | 0.4 | 20.9 | 7.7 | 0.6 | |
| Other Income | 6.9 | 7.0 | 7.8 | 8.8 | 8.1 | 9.3 | 10.7 | 9.7 | 30.4 | 37.7 | 11 | -3% |
| **Total Income** | **21.1** | **21.8** | **23.2** | **24.8** | **25.1** | **25.4** | **26.6** | **25.7** | **90.9** | **102.8** | **27** | **0%** |
| Operating Expenses | 14.6 | 14.5 | 15.6 | 15.9 | 16.5 | 16.3 | 16.6 | 17.1 | 60.6 | 66.5 | 17 | 0% |
| **Operating Profit** | **6.5** | **7.3** | **7.7** | **8.9** | **8.6** | **9.1** | **10.0** | **8.6** | **30.3** | **36.3** | **10** | **0%** |
| % Change (Y-o-Y) | 22.4 | 42.7 | 34.9 | 49.4 | 32.7 | 24.5 | 30.2 | -2.8 | 37.6 | 19.7 | 29.9 | |
| Provisions | 2.7 | 6.4 | 4.6 | 4.1 | 3.7 | 6.2 | 11.9 | 7.5 | 17.7 | 29.2 | 9 | 29% |
| **Profit before Tax** | **3.8** | **0.9** | **3.1** | **4.7** | **4.9** | **2.9** | **-1.9** | **1.2** | **12.6** | **7.1** | **1** | **-361%** |
| Tax | 0.9 | -2.0 | 0.7 | 1.2 | 1.2 | 0.7 | -2.2 | 0.3 | 0.9 | -0.1 | 0 | -6193% |
| **Net Profit** | **2.9** | **2.9** | **2.3** | **3.5** | **3.7** | **2.2** | **0.3** | **0.9** | **11.7** | **7.2** | **1** | **-53%** |
| % Change (Y-o-Y) | 43.2 | 45.9 | 11.5 | 30.1 | 29.0 | -24.3 | -86.0 | -74.7 | 32.3 | -38.7 | -70.0 | |
| **Operating Parameters** | | | | | | | | | | | | |
| Deposit | 856.4 | 897.8 | 927.5 | 1,034.9 | 1,013.5 | 1,079.6 | 1,067.5 | 1,109.5 | 1,034.9 | 1,109.5 | 1,104.9 | |
| Loan | 730.9 | 763.2 | 799.5 | 839.9 | 867.0 | 878.8 | 904.1 | 939.0 | 839.9 | 939.0 | 900.8 | |
| Deposit Growth (%) | 8.1 | 13.1 | 13.5 | 21.9 | 18.4 | 20.2 | 15.1 | 7.2 | 21.9 | 7.2 | 19.1 | |
| Loan Growth (%) | 21.3 | 21.3 | 19.9 | 19.6 | 18.6 | 15.1 | 13.1 | 11.8 | 19.6 | 11.8 | 12.7 | |
| **Asset Quality** | | | | | | | | | | | | |
| Gross NPA (%) | 3.2 | 3.1 | 3.1 | 2.7 | 2.7 | 2.9 | 2.9 | 3.0 | 2.7 | 3.0 | 3.2 | |
| Net NPA (%) | 1.0 | 0.8 | 0.8 | 0.7 | 0.7 | 0.8 | 0.5 | 0.6 | 0.7 | 0.6 | 0.9 | |
| PCR (%) | 69.6 | 75.6 | 75.1 | 72.7 | 73.1 | 73.0 | 82.2 | 81.6 | 72.7 | 81.6 | 72.1 | |

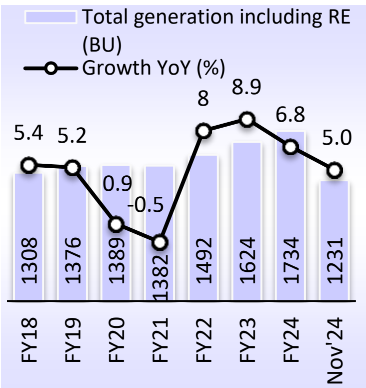
E: MOFSL Estimates

# NBFC: Power Finance

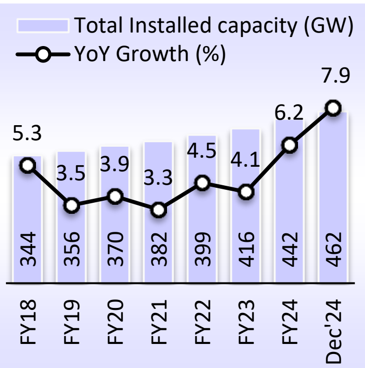
**Total installed capacity to reach 900GW by FY32**




**Total energy demand grew ~5% YoY as of Nov'24**




**Total installed capacity grew ~8% YoY as of Dec'24**




## Structural opportunity in power finance intact

**Minor weakness in loan growth in the near term**

- Power financiers, PFC and REC, have a structural opportunity to finance India's ambitious energy transition goals, which necessitate a projected capex of ~INR42t over the next decade to expand generation infrastructure.
- Renewable energy (RE) will dominate the growth trajectory, with installed capacity expected to reach 596GW by FY32, comprising ~66% of total capacity. Transmission infrastructure, essential to support RE integration, will require investments of INR9.2t by FY32.
- PFC and REC collectively command ~44% market share in infrastructure (including power) financing and have filled the gap left by traditional banks, which have reduced their exposure to the power sector due to concerns over asset quality. Having said that, RE financing still remains highly competitive, with PFC/REC having to compete aggressively on pricing with banks.
- Government policies, such as the revamped distribution sector scheme (RDSS) and UDAY, are aimed at strengthening DISCOMs by improving operational efficiency and financial sustainability. The power sector will benefit from macroeconomic tailwinds, including rising energy demand (India's power demand to grow 8-9% over FY24-27E) and almost doubling of installed capacity to ~900GW over the next decade. The inclusion of infrastructure and logistics financing in PFC and REC's mandates has opened up avenues for diversification, reducing dependence solely on the power sector.
- Asset quality metrics of power financiers are improving, with GNPA ratios of PFC/REC declining to 2.7%/2.5% as of Sep'24, which reflects a lower risk profile. In the current power demand uptrend, many distressed power plants have been acquired by larger players, resulting in the resolution of multiple stressed projects. This trend is expected to continue, leading to further recoveries for lenders like PFC and REC. We do not see risks of incremental additions to the stress pool over the next 12-18 months, and this should keep credit costs benign at <5bp in FY26E as well.

## Our view on loan growth and asset quality in the near term

**Loan growth**

- REC delivered loan growth of ~15% YoY as of Sep'24. With this, generation grew ~19% YoY, transmission remained flat YoY, and distribution rose ~5% YoY. Over the last two years, distribution in the loan mix has remained largely flat at ~40%, RE loans have clocked a ~37% CAGR, and RE in the loan mix now forms ~9%.
- PFC delivered loan growth of ~10% YoY as of Sep'24. With this, generation grew ~2% YoY, transmission grew 14% YoY, and distribution rose ~12% YoY. Over the last two years, distribution in the loan mix has improved from 35% to 41%, RE loans have seen a CAGR of ~30%, and RE in the loan mix now forms ~13%.

In the near term, we expect some weakness in sanctions because of a slowdown in the overall economic activity, resulting in slower investments in power and infrastructure projects.

- In the near term, we expect some weakness in sanctions because of a slowdown in the overall economic activity, resulting in slower investments in power and infrastructure projects. Moreover, in distribution, a large part of loan growth seen over the last two years came from schemes like the late payment surge (LPS) and the liquidity infusion scheme (LIS). Currently, PFC and REC are disbursing to distribution companies, predominantly under the two schemes, RBPF and RDSS. RBPF is a revolving facility and acts more like working capital loans for the distribution companies. RDSS is linked to improvements exhibited by state-owned distribution companies in their AT&C losses and the ACS-ARR gap.
- In FY25, we expect PFC and REC to report loan book growth of ~13% and ~17%, respectively. We estimate Loan CAGR of ~15% and ~18% for PFC and REC over FY25E-27E.

**Asset Quality**

- On 9th Jan'25, the Indian Renewable Energy Development Agency (IREDA) in 3QFY25 results reported a ~30bp QoQ deterioration in its gross NPA, which suggested that one RE exposure of ~INR4b slipped during the quarter. This naturally brought up the question of whether this had any implications for PFC/REC's RE loan book and whether we are already beginning to see new NPA formation in RE projects.
- Our discussions with few experts in the power ecosystem suggested that the RE space still continues to do well and there is nothing that suggests any structural deterioration brewing in the RE segment. They did, however, highlight that there could always be project-specific nuances in the RE power projects, which could lead to one-off slippages in the segment.

Our discussions with experts in the power ecosystem suggests that RE continues to do well and there is no structural deterioration in the RE segment.

- Asset quality will continue to see improvement, aided by resolutions of stressed exposures. Both PFC and REC have shared a list of stressed projects with total exposures of ~INR50b and ~INR53.5b, respectively, which are in advanced stages in resolution. Lanco Amarkantak Power received NCLT approval for acquisition by Adani Power in Aug'24 and was resolved in Sep'24.
- Recently, JSW Energy announced that its resolution plan submitted for KSK Mahanadi has received a letter of intent (LoI) from the resolution professional. This will be followed by the approval of the CoC, NCLT and CCI. While NCLT approval will take its own course, we believe that KSK Mahanadi could be resolved in the next 3-4 months. Both PFC and REC will benefit from this as they have ~INR34b and ~INR27b outstanding to KSK Mahanadi. PFC and REC have made provisions of ~55% and ~50%, respectively, on this account. **Our estimates suggest that the resolution of KSK Mahanadi could translate into write-backs of ~INR8.2b for PFC and ~INR5.2b for REC.** Refer Exhibits 16, 17 and 18 for the detailed workings.

Our estimates suggest that the resolution of KSK Mahanadi could translate into write-backs of ~INR8.2b for PFC and ~INR5.2b for REC.

## Structural opportunity intact; still in the early part of the RE uptrend

- PFC and REC are pivotal players in India's energy transition journey, together commanding ~44% market share in infrastructure (including power) financing. With a combined loan disbursement of ~INR9t over FY20-24, both these government-backed NBFCs are driving growth in RE and infrastructure projects. PFC, with the largest RE loan book of INR643b (~30% CAGR in the last two years), and REC, with a robust portfolio of INR5.4t, are key enablers of India's ambitious INR42t power capex requirements.

PFC and REC will be beneficiaries of the revival in power sector capex. We do not see risks of incremental additions to the stress pool of PFC/REC over the next 12-18 months.

- Both PFC and REC have strong financial health, with GNPA ratios below 3%, high provisioning coverage, and impressive RoE of ~18% and ~21%, respectively. Backed by government initiatives like RDSS and expansion into logistics and infrastructure, PFC and REC are strategically positioned to capitalize on India's growing energy demand while maintaining sustainable growth and profitability.
- PFC and REC will be beneficiaries of the revival in power sector capex. We do not see risks of incremental additions to the stress pool over the next 12-18 months, and this should keep credit costs benign at <5bp over FY26E as well. For RoA 2.9%/2.6%, RoE of ~18%/21%, and dividend yields of ~4.3%/4.9% in FY27E, we believe current valuations of 0.9x and 1.2x FY27E P/ABV for PFC (standalone) and REC, respectively, are attractive.

**Exhibit 1: Valuation matrix for NBFCs in our coverage**

| Val summary | Rating | CMP (INR) | TP (INR) | EPS (INR) | | BV (INR) | | RoA (%) | | RoE (%) | | P/E (x) | | P/BV (x) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| **Power Financiers** | | | | | | | | | | | | | | | |
| **PFC** | **Buy** | **433** | **560** | **55.9** | **63.3** | **314** | **358** | **3.0** | **2.9** | **19.0** | **18.8** | **7.8** | **6.8** | **1.4** | **1.2** |
| **REC** | **Buy** | **483** | **630** | **69.3** | **80.6** | **358** | **418** | **2.6** | **2.6** | **20.9** | **20.8** | **7.0** | **6.0** | **1.3** | **1.2** |
| **Housing Finance** | | | | | | | | | | | | | | | |
| LIC HF | Buy | 563 | 760 | 96.1 | 103.6 | 721 | 803 | 1.6 | 1.6 | 14.1 | 13.6 | 5.9 | 5.4 | 0.8 | 0.7 |
| PNB HF | Buy | 905 | 1,160 | 89.4 | 108.5 | 726 | 820 | 2.5 | 2.6 | 13.0 | 14.0 | 10.1 | 8.3 | 1.2 | 1.1 |
| Aavas | Neutral | 1,637 | 1,800 | 89.6 | 109.6 | 639 | 749 | 3.3 | 3.4 | 15.1 | 15.8 | 18.3 | 14.9 | 2.6 | 2.2 |
| HomeFirst | Buy | 1,032 | 1,280 | 52.4 | 63.3 | 325 | 384 | 3.4 | 3.3 | 17.4 | 17.8 | 19.7 | 16.3 | 3.2 | 2.7 |
| CanFin | Neutral | 692 | 800 | 70.6 | 81.6 | 449 | 524 | 2.2 | 2.2 | 16.9 | 16.8 | 9.8 | 8.5 | 1.5 | 1.3 |
| Repco | Neutral | 409 | 480 | 69.9 | 77.9 | 596 | 670 | 2.8 | 2.8 | 12.4 | 12.3 | 5.8 | 5.2 | 0.7 | 0.6 |
| **Vehicle Finance** | | | | | | | | | | | | | | | |
| Cholamandalam | Buy | 1,258 | 1,470 | 68.4 | 90.0 | 366 | 452 | 2.6 | 2.8 | 21.3 | 22.0 | 18.4 | 14.0 | 3.4 | 2.8 |
| MMFS | Buy | 269 | 335 | 25.1 | 31.6 | 187 | 210 | 2.1 | 2.4 | 14.1 | 15.9 | 10.7 | 8.5 | 1.4 | 1.3 |
| Shriram Finance | Buy | 526 | 700 | 53.2 | 64.1 | 357 | 419 | 3.3 | 3.3 | 16.0 | 16.5 | 9.9 | 8.2 | 1.5 | 1.3 |
| Indostar | Buy | 279 | 300 | 16.4 | 24.8 | 260 | 285 | 1.5 | 1.9 | 6.7 | 9.1 | 17.1 | 11.3 | 1.1 | 1.0 |
| **Gold Finance** | | | | | | | | | | | | | | | |
| Muthoot | Neutral | 2,150 | 2,060 | 152.4 | 171.0 | 826 | 963 | 5.3 | 5.2 | 19.9 | 19.1 | 14.1 | 12.6 | 2.6 | 2.2 |
| Manappuram | Neutral | 194 | 205 | 28.8 | 35.9 | 182 | 213 | 4.3 | 4.6 | 16.9 | 18.1 | 6.7 | 5.4 | 1.1 | 0.9 |
| **Diversified** | | | | | | | | | | | | | | | |
| BAF | Neutral | 7,181 | 7,660 | 342.9 | 440.0 | 1,878 | 2,263 | 4.0 | 4.1 | 19.8 | 21.2 | 20.9 | 16.3 | 3.8 | 3.2 |
| Poonawalla | Buy | 314 | 390 | 14.2 | 22.6 | 120 | 140 | 2.9 | 3.5 | 12.5 | 17.4 | 22.1 | 13.9 | 2.6 | 2.2 |
| ABCL | Buy | 177 | 250 | 16.8 | 20.3 | 131 | 150 | 0.0 | 0.0 | 13.6 | 14.5 | 10.5 | 8.7 | 1.4 | 1.2 |
| LTFH | Buy | 143 | 180 | 13.6 | 18.5 | 113 | 128 | 2.5 | 2.7 | 12.7 | 15.3 | 10.5 | 7.7 | 1.3 | 1.1 |
| PIEL | Neutral | 1,031 | 1,090 | 57.4 | 75.3 | 1,253 | 1,314 | 1.3 | 1.5 | 4.7 | 5.9 | 18.0 | 13.7 | 0.8 | 0.8 |
| MAS Financial | Buy | 243 | 340 | 21.4 | 26.3 | 157 | 181 | 3.1 | 3.2 | 14.5 | 15.6 | 11.4 | 9.3 | 1.5 | 1.3 |
| IIFL Finance | Buy | 399 | 510 | 46.7 | 58.4 | 331 | 384 | 3.2 | 3.3 | 15.1 | 16.3 | 8.6 | 6.8 | 1.2 | 1.0 |
| **Microfinance** | | | | | | | | | | | | | | | |
| CreditAccess | Buy | 910 | 1,085 | 101.0 | 127.3 | 562 | 690 | 4.9 | 5.1 | 19.7 | 20.3 | 9.0 | 7.2 | 1.6 | 1.3 |
| Fusion Finance | Neutral | 187 | 165 | 30.7 | 51.7 | 248 | 300 | 2.8 | 4.0 | 13.2 | 18.8 | 6.1 | 3.6 | 0.8 | 0.6 |
| Spandana Sphoorty | Buy | 354 | 385 | 48.4 | 81.5 | 466 | 548 | 3.1 | 4.3 | 10.9 | 16.1 | 7.3 | 4.3 | 0.8 | 0.6 |

Source: MOFSL, Company

# EMS

## From strength to strength: Emerging as a global powerhouse!

**India's Electronics Manufacturing Services (EMS) industry is experiencing a robust growth trajectory, driven by a surge in global orders and blossoming export prospects. Key catalysts of this momentum include a growing influx of orders in railways and aerospace, along with a reinforced global positioning. The sector is poised to benefit from integration into high-value global supply chains, establishing Indian EMS companies as pivotal contenders on the international stage. In this report, we delve into the promising revenue growth potential within the sector, fueled by export-driven opportunities and a healthy order pipeline. Our coverage universe consists of Kaynes Technology (KAYNES), Avalon Technologies (AVALON), Syrma SGS Technology (SYRMA), Cyient DLM (CYIENTDL), Data Patterns (DATAPATT), Dixon Technologies (DIXON), and Amber Enterprises (AMBER).**

- **EMS companies are seeing increased orders from railways and aerospace, driven by the government's focus on infrastructure. These long-term contracts, which offer higher margins, ensure sustainable growth and revenue visibility for these sectors. The industry's aggregate order book jumped 24% YoY to INR147b in 2QFY25 (excluding DIXON and AMBER), with notable order inflows in the railways and aerospace sectors.**
- **Indian EMS companies are rapidly expanding export opportunities, driven by global investments and partnerships. With swift project execution, strategic acquisitions, and growing order books position, these companies are well-positioned to increase their global market share, reinforcing India's emergence as a leading EMS export hub.**
- **Accordingly, we believe that the earnings growth momentum for the EMS industry will accelerate, driven by expanding global opportunities for EMS companies and a robust growing order book. We expect our EMS coverage companies to achieve a revenue/ EBITDA/adj. PAT CAGR of 42%/46%/51% over FY24-27.**

**Aggregate revenue performance**

| % | CAGR FY21-24 | CAGR FY24-27E |
|---|---|---|
| Kaynes | 62% | 60% |
| Avalon | 8% | 29% |
| Cyient DLM | 24% | 33% |
| Syrma SGS | 53% | 35% |
| Data Patterns | 32% | 27% |
| Dixon | 40% | 48% |
| Amber | 30% | 26% |
| **Aggregate** | **37%** | **42%** |
| **Aggregate (ex Dixon & Amber)** | **38%** | **40%** |

**EBITDA performance**

| Growth % | CAGR FY21-24 | CAGR FY24-27E |
|---|---|---|
| Kaynes | 84% | 67% |
| Avalon | -2% | 56% |
| Cyient DLM | 34% | 45% |
| Syrma SGS | 25% | 44% |
| Data Patterns | 34% | 27% |
| Dixon | 35% | 49% |
| Amber | 31% | 34% |
| **Aggregate** | **34%** | **46%** |
| **Aggregate (ex Dixon & Amber)** | **35%** | **49%** |

## Promising demand in Railways and Aerospace fuels the sector momentum

- EMS companies are experiencing increasing order flows from the railways and aerospace sectors. The railways segment, driven by the Indian government's focus on infrastructure, witnessed an allocation of INR2.4t in the Union Budget 2024-25, reflecting an 11% CAGR over the last five years. This was much higher than the 6% CAGR for defense and 10% CAGR for the overall Union Budget. The sector is likely to gain momentum in 2HFY25, post-election, boosting order inflows for EMS companies involved in interlocking, braking systems, and cables.
- Similarly, aerospace and critical industrial production, including railways, are benefiting from higher work content, leading to improved margins and growth potential.
- The longevity of contracts in railways (five to seven years) and aerospace (up to 15 years) ensures sustainable growth and long-term revenue visibility for EMS companies, creating a stable growth trajectory.
- The growth rate of order inflows slowed to 12% YoY in 2QFY25, compared to 38% YoY in 1QFY25, while the aggregate order book grew 24% YoY in 2QFY25, a deceleration from the 28% YoY growth in 1QFY25. **Despite this slowdown, the strong momentum in the railways and aerospace segments continues to provide healthy growth drivers for the sector.**
- **KAYNES** received a major aerospace order from a US OEM, backed by the new Chyamaraj Nagar facility (set to begin serial production by 4QFY25 and ramp up in FY26), with this client expected to be the largest FY26 revenue contributor, fueling

A&D growth. Further, the company collaborates with ISRO for third-party satellite launches (revenue expected from FY27) and leverages its design and ODM expertise for Kavach rail signaling and high-margin projects across aerospace, railway, and defense sectors. This ensures long-term, diversified growth.

- **AVALON** secured new business in the railway vertical from a global leader, further strengthening its position in the sector.
- **CYIENT** reported strong growth in 2QFY25, with defense revenue up 82% YoY and aerospace up 20% YoY, driven by rising demand for high-value electronics manufacturing. Additionally, Thales guaranteed USD10m of business as part of a facility transfer to CYIENT. Meanwhile, **SYRMA** achieved 79% YoY growth in the IT and railway segments.
- **DATAPATT** leveraged high-margin contracts in the aerospace and defense electronics sectors, expanding its EBITDA margin to 37.7% in 2QFY25. The company's growth drivers include radars, electronic warfare, avionics, and export demand, alongside deferred government orders worth INR275m.
- Companies such as **AMBER** are diversifying into high-growth railway subsystems, along with their core AC business.

## Accelerating export-led growth across EMS companies

- Export opportunities for domestic EMS companies are gaining traction, fueled by global companies investing in India, thereby establishing strong relationships with them.
- Companies such as CYIENTDL (51% export mix in 1HFY25) and AVALON (59% export mix in 1HFY25) are already well-positioned in global markets with an established presence, while SYRMA and KAYNES are actively capitalizing on the growing export opportunities. Of the entire EMS pack, only AVALON has a manufacturing presence in the international market, while other players are gradually establishing their presence through inorganic routes.
- For instance, KAYNES recently acquired a 54% stake in Austria-based Sensonic to enhance its railway safety and infrastructure management capabilities. KAYNES' order book jumped 57% YoY to INR54.2b, indicating strong growth visibility, with exports likely to pick up notably from 4QFY25/FY26. This is likely to contribute ~20% of revenue by FY26 and one-third of revenue in the next 2-3 years.
- SYRMA also acquired PerfectID in Sep'21, which strengthened its RFID exports to the US. In exports, the company primarily services the industrial and healthcare sectors. The acquisition of Johari Digital in Sep'23 enhanced SYRMA's MedTech capabilities, driving demand in these segments across global markets. SYRMA expects USD1.2b in exports for FY25, with strong growth anticipated in the second half, particularly in the healthcare segment, which will enhance its ODM and RFID capabilities. Exports contributed 19% of sales in 1HFY25 (as compared to 27% in 1HFY24). The company expects exports to contribute 22-24% of FY25 revenue (INR10-11b), supported by accelerated order execution and ongoing capital expenditure at the Pune and Hosur facilities.
- CYIENTDL, with the Altek acquisition in Oct'23, is set to enhance its presence in high-value international markets from 3QFY25, **with its current order book mix of 60% exports and 40% domestic expected to drive a future revenue mix of ~70% exports and ~30% domestic.**

- AVALON achieved a 37% YoY revenue growth in 2QFY25, driven by 57% YoY growth in US operations. The company's strong order book of INR25.85b highlights significant short- and long-term export opportunities. AVALON is focusing on clean energy storage EMS growth in the US, leveraging cost advantages from shifting operations to India. **Additionally, a new plant for exports has commenced operations**, further boosting its export capabilities.
- DATAPATT is reducing dependence on Indian government contracts by onboarding global private clients, targeting aerospace and defense electronics exports to markets such as Europe, South Korea, and the UK.
- DIXON is poised for strong export growth across mobile, lighting, washing machine, and telecom products. Mobile exports, driven by Motorola, are expected to rise to ~2m in FY25 from ~1.5m units in FY24, with 28-30% catering to the US market. In lighting and washing machines, new clients from the UAE, US, Germany, and Japan (Sharp) are boosting opportunities. Telecom and North American lighting orders further signal sustained export momentum.
- **Propelled by swift project execution and a growing focus on exports, EMS companies are on track to significantly boost their global market share, reinforcing India's position as an emerging hub for EMS exports.**

## Healthy half-yearly growth despite mixed margin trends

- The aggregate order book for the sector grew 24% YoY to INR147b in 1HFY25 (excluding Dixon and Amber), reflecting robust demand across key players. KAYNES led with 57% YoY growth, followed by SYRMA at +26%, while CYIENT experienced a 13% YoY decline, with order inflows likely to improve once repeat client orders are secured.
- Aggregate revenue surged 90% YoY to INR266b in 1HFY25 (sans Dixon and Amber, up 41% YoY). Dixon led with 2x YoY growth (driven by its mobile segment), followed by Kaynes at 64% YoY growth (its Industrials up 2.2x in 1Q, including EV). Meanwhile, DATAPATT was the only company to report flat revenue in 1H, with ~97% decline in development revenue due to order deferment.
- Sector EBITDA grew 68% YoY to INR14b in 1HFY25, with margins contracting 70bp YoY to 5.3% due to a shift in the business mix. DATAPATT ranked last in EBITDA growth but reported a 200bp margin expansion, followed by KAYNES with a 70bp expansion. In contrast, SYRMA (-70bp), CYIENT (-60bp), and DIXON (-30bp) faced margin contraction.
- AVALON reported a strong quarter, with revenue growing 37% YoY in 2QFY25 (up 9% YoY in 1HFY25), driven by a healthy recovery in the US operations (up 57% YoY) and consistent performance in the Indian business (up 16% YoY). Operating profitability improved 470bp primarily due to a shift (of ~45-50%) of the US manufacturing operations to India along with favorable operating leverage.
- The sector demonstrated significant improvements in working capital efficiency during 1HFY25, with several companies optimizing their operational cycles through better inventory and receivables management.
- AMBER achieved the most substantial improvement, reducing its working capital days to 27 in 1HFY25 from 52, followed by SYRMA with a lean cycle of

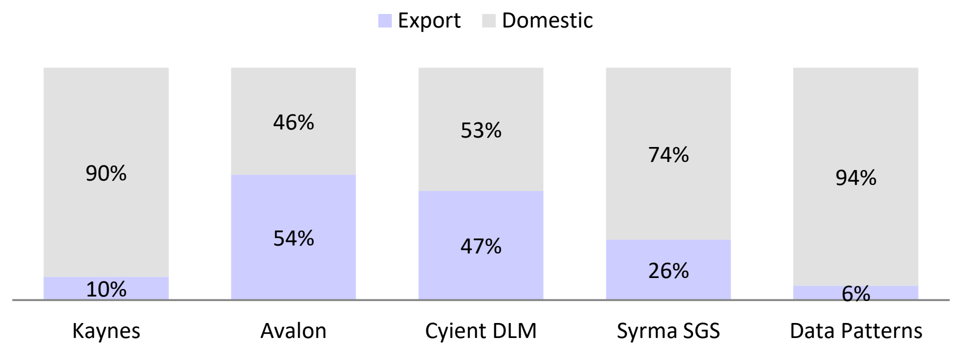
under 60 days. CYIENT cut its cycle to 127 days from 171, reflecting a strong operational focus.

- While DIXON maintained its negative working capital of three days, AVALON improved its working capital to 134 days from 161 days in FY24. KAYNES maintained its working capital at 108 days, in line with the previous year's corresponding period.

## Valuation and view: EMS industry experiencing an uptrend

- Our aggregate revenue for the EMS coverage basket is poised to post a 42% CAGR over FY24-27. This growth will be aided by order flows from new as well as existing segments, both in domestic and international markets, in areas such as high computing servers, railways, A&D, medical and healthcare, clean energies, EVs, automotive, and industrials.
- Consequently, combined EBITDA margin is likely to expand ~50bp over FY24-27E, fueled by favorable operating leverage. Accordingly, EBITDA is expected to clock ~46% CAGR over FY24-27.
- We reiterate our **BUY** rating on **KAYNES/AVALON/CYIENTDL/SYRMA/DIXON/ AMBER** and our **Neutral stance** on **DATAPATT.**

**Exports as % of sales in FY24**




Source: MOFSL

**Comparative valuation**

| Peers | CMP (INR) | TP (INR) | Mcap INRb | EPS | | | | P/E | | | | RoE (%) | | | | RoCE (%) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | FY24 | FY25E | FY26E | FY27E | FY24 | FY25E | FY26E | FY27E | FY24 | FY25E | FY26E | FY27E | FY24 | FY25E | FY26E | FY27E |
| Kaynes | 6,578 | 9,100 | 420 | 29 | 54 | 92 | 151 | 229 | 123 | 71 | 44 | 10.65 | 12.87 | 18.92 | 24.68 | 11.6 | 13.9 | 18.4 | 22.9 |
| Avalon | 818 | 1140 | 53 | 4 | 9 | 16 | 26 | 192 | 93 | 52 | 32 | 5.2 | 10.0 | 15.9 | 19.8 | 5.2 | 9.4 | 14.6 | 19.7 |
| Cyient DLM | 534 | 900 | 47 | 8 | 11 | 22 | 30 | 69 | 47 | 25 | 18 | 11.1 | 9.4 | 15.9 | 18.6 | 11.2 | 10.8 | 16.4 | 19.2 |
| Syrma SGS | 538 | 760 | 97 | 6 | 9 | 15 | 22 | 88 | 57 | 37 | 24 | 6.9 | 10.0 | 14.0 | 18.0 | 7.5 | 10.2 | 13.7 | 17.6 |
| Data Pattern | 2283 | 2,300 | 121 | 32 | 39 | 51 | 65 | 70 | 59 | 45 | 35 | 14.6 | 15.2 | 17.1 | 18.2 | 15.1 | 15.8 | 17.5 | 18.6 |
| Dixon | 17,232 | 18,100 | 1010 | 61 | 143 | 182 | 235 | 280 | 121 | 95 | 73 | 24.7 | 40.4 | 35.5 | 32.7 | 25.4 | 43.6 | 38.7 | 35.6 |
| Amber | 6,769 | 7,900 | 236 | 39 | 78 | 113 | 172 | 172 | 87 | 60 | 39 | 6.7 | 12.0 | 15.1 | 19.4 | 7.8 | 11.3 | 13.1 | 16.2 |

Source: MOFSL

**Order book jumped 29% YoY in FY24**

| (INR m) | FY21 | FY22 | FY23 | FY24 | Change YoY |
|---|---|---|---|---|---|
| Kaynes | 6,705 | 15,166 | 26,482 | 41,152 | 55% |
| Avalon | 6,346 | 8,579 | 12,310 | 13,660 | 11% |
| Cyient DLM | 9,061 | 12,029 | 24,325 | 21,705 | -11% |
| Syrma SGS | 20,000 | 25,000 | 30,000 | 45,000 | 50% |
| Data Patterns | 4,980 | 4,760 | 9,241 | 10,831 | 17% |
| **Aggregate** | **47,092** | **65,534** | **1,02,358** | **1,32,348** | **29%** |

Source: MOFSL

# Budget Preview: Spending growth likely to remain subdued in FY26

## Expect fiscal deficit target at 4.5% of GDP in FY26

- **The Government of India (GoI) will present its Budget 2025-26 on Saturday, 1st Feb'25. The first full-year Budget of the new government comes against the backdrop of slower domestic economic growth, a weakening currency, and a highly uncertain global geopolitical situation (especially the Trump-led US administration). Not surprisingly then, the expectations are running high. In this note, we present our five key expectations from the Union Budget 2025-26 and also discuss the fiscal math.**

## Five key expectations from the Union Budget 2025-26:

1. **Make interest-free capex loans to states conditional:** One of the most worrying trends in public finances for the past 2-3 years has been the increasing number of welfare schemes. The Union Government announced the PM-KISAN scheme in the interim Budget 2019, which was followed up with free food grains to about 813.5m citizens in Dec'22 for one year and was extended to five years in Nov'23. Notwithstanding the prospering India, several states have announced unconditional monthly stipends to various groups (women, students, unemployed, etc.) without any economic criteria or statistical reasoning, which is a bit confusing. If states have the resources to announce cash transfers or other welfare schemes, then the need for interest-free loans for capex to states by the central government must be reviewed. It would be useful to link such capex loans with some conditions, such as a) the achievement of capex by each state vs. its budget estimate, and b) the ratio of welfare schemes/cash transfer/current expenditure to capital expenditure of each state. The higher the former and the lower the latter, the more the state deserves capex support from the central government. Such conditions would help bring some fiscal discipline.
2. **Lower/simplify indirect taxes and change dividend income tax policy:** There is no doubt that personal income tax rates are high, but the burden of indirect taxes is more widespread and concerning. Based on the central government's gross taxes data, direct taxes (personal and corporate income taxes) account for ~57% of total taxes now, the highest share in 15 years. Nevertheless, if we include states' taxes, the indirect taxes still account for ~60% of all tax receipts in the country, the same as it was a decade ago *(Exhibit 1)*. We recommend that: a) double taxation on dividend income be abolished by either making it tax deductible for companies or by reverting to the old system of including it only in the corporate income taxes, and b) the government needs to articulate its intention of making GST simpler by reducing tax slabs and interventions and lowering the burden of indirect taxes.
3. **Focus on boosting household income, not consumption:** It is widely believed that urban consumption growth has slowed down, while the rural economy has improved in FY25. There is, thus, a lot of expectation from the government to boost consumption. This, we believe, is unwarranted. The government needs to focus on improving household income growth rather than consumption. Apart from simplifying and lowering indirect taxes, any support to the construction sector (the second-highest employer industry in India) would be highly effective. Further, while the formalization of the economy is beneficial, it is not advisable to completely overlook the huge informal sector (e.g., MSMEs). Therefore, any non-inflationary support to the micro and small enterprises would be welcome.
4. **Remain on the path of fiscal consolidation and focus on capex:** It is very likely now that the government will miss its FY25 capex target by about INR1t. Further, the first batch of supplementary demands for grants for FY25 included proposals involving a net cash outgo of INR441b. Total spending, thus, is anticipated to be lower than the targets this year, even though total receipts could meet the budget estimates (slightly better tax receipts, offset by lower non-debt capital receipts). Therefore, the central government will probably overachieve its fiscal deficit target this year. We recommend that the government continue on the path of consolidation and target a deficit of 4.5% of GDP next year, with a clear preference for capex. We expect 10-15% growth in capex in FY26, following +/-5% change this year (FY25). At the same time, if the government chooses to target the debt-to-GDP ratio from the subsequent years, it needs to clearly outline its target range (or point target) over a longer period.

5. **The government should accept its limitations in incentivizing corporate investments: Finally, the government needs to recognize its limitations in pushing private corporate investments higher. During the past five years (FY20-FY24E), government capex has recorded a CAGR of 16%, household investments have risen by 12%, and corporate investments have experienced a CAGR of only 6%. Excluding CPSEs (whose capex declined), private corporate capex grew 8% during the past five years. This is despite a steep reduction in the corporate income tax rate in Sep'19. Although it may be appealing to attribute the lack of increased spending to companies, we must acknowledge that their spending decisions are primarily driven by project viability and available profitable opportunities. The government needs to accept that the rising prominence of equity markets, globalization, and independent management have diminished the policymakers' ability to influence corporate investments. It is worth analyzing if India's corporate investments can rise from the current levels without compromising sustainability, rather than announcing further incentives to push corporate investments.**

## Budget 2025-26 in numbers:

- **The Center's fiscal deficit stood at INR8.5t or 52.5% of budget estimates (BEs) in the first eight months of FY25 (Apr-Nov'24), compared to 50.7% of BEs in the corresponding period last year. One of the reasons for the higher fiscal deficit in FY25TYD is that the Center has devolved two advance installments of taxes to state governments (INR699b in Jun'24 and INR891b in Oct'24). The GoI released an additional amount of INR839b in early Jan'25 as well. Therefore, the GoI had devolved almost two-thirds of the budgeted tax devolution to states as of Nov'24, compared to 53%/58% in the corresponding periods in FY23/FY24 (which increased to 86% as of Jan'25 vs. 70%/73% in the previous two years).**
- **Although the GoI has devolved more taxes to states, gross tax collections have also amounted to 59% of BEs as of Nov'24, lower than 61% in the corresponding period last year *(Exhibit 2)*. It means gross taxes have increased 10.7% YoY during Apr-Nov'24, similar to the budgeted growth of 10.8% in FY25. Although GST receipts have posted slower growth in recent months, total indirect taxes have been 64.2% of BEs as of Nov'24 (better than 62.5% last year), and direct taxes have been only 54.9% (vs. 59.3% in FY24). Going forward, we expect the GoI to meet its indirect tax collection target and overachieve its personal income tax target but likely fall short in terms of corporate tax receipts. Overall, we expect the GoI to overachieve its tax target in FY25.**
- **At the same time, total expenditure was at a two-decade low of 56.9% of BEs as of Nov'24, compared to 58.9% in FY24. This was largely led by a decline of 12% YoY in capital spending, due to which it was at a 15-year low of 46.2% of BEs as of Nov'24 (vs. 8.5% in FY24). Revenue spending, on the other hand, was 60.1% of BEs as of Nov'24, better than 59% achieved in the corresponding period last year *(Exhibit 3)*.**
- **We hope that the contraction in capex is only temporary and will pick up in the remaining months of FY25. Assuming 40% YoY growth during Dec'24-Mar'25, total capital spending will still fall short by about INR1t this year, standing at around INR10t compared to the BE of INR11.1t *(Exhibit 4)*. Including the first batch of supplementary grants, revenue spending could be higher than BEs by INR440b, which means that the aggregate fiscal deficit could be around INR15.5t or INR600b lower than the BEs in FY25. Considering nominal GDP growth of 9.2% (vs. the NSO's estimate of 9.7%), it would mean a deficit of 4.8% of GDP, lower than the 4.9% budgeted in FY25.**
- **For FY26, we expect a 10.6% growth in gross taxes, which would convert into an 8.3% growth in total receipts as the RBI dividend will likely be significantly lower than it was last year. If so, assuming 10.8% nominal GDP growth in FY26, total spending could grow 7.1% YoY next year, the same as in FY25 *(Exhibit 5)*. Nevertheless, we believe that capital spending will grow by 10-15% next year, which means a growth of 5.5-6% in revenue spending.**
- **All in all, with the Center's total spending expected to come down to a six-year low of 14.3% of GDP from 14.8% of GDP in FY25 *(Exhibit 6)*, the fiscal drag on economic growth will continue. We do not expect any serious improvement in private spending and fear further slowdown. Accordingly, we keep our real GDP forecast at 6.3% in FY26, similar to 5.8% in FY25.**
- **Detailed fiscal math for FY25E (based on provisional data up to Nov'24) and FY26BE (forecast) is provided in *Exhibit 7*.**

# Jio Financial Services

| BSE SENSEX | S&P CNX |
|---|---|
| 76,619 | 23,203 |

**CMP: INR279** **Not Rated**

## PAT flat YoY; focusing on both expansion and execution

- Jio Financial's (JFSL) 3QFY25 NII declined ~22% YoY to INR2.1b (PY: ~INR2.7b). Other income grew ~64% YoY to INR2.4b, which included investment income of ~INR1.9b (PY: INR1b).
- Opex rose ~20% YoY to INR1.2b (PY: ~INR1b). Employee expenses declined ~20% QoQ to INR540m. Operating expenses in 2QFY25 was higher because of CSR expenses and new business incorporation expenses.
- PPoP grew ~5% YoY to INR3.3b. Credit costs in 3QFY25 stood at INR123m (NIL in 3QFY24). The share of profits from JVs and associates declined ~11% YoY to ~INR590m (PY: ~INR660m).
- 3QFY25 and 9MFY25 PAT was flat YoY at ~INR2.95b and ~INR13b, respectively.

## Strong AUM growth in lending and leasing business

- Lending AUM stood at ~INR42b as of Dec'24 (vs. ~INR12b as of Sep'24). The company is driving loan-book growth by leveraging both internal synergies and external partnerships.
- The company introduced Smart Gold plans wherein customers can purchase digital gold on the Jio Finance app either through lump-sum payment or an SIP.

## Enhancements in Jio Finance App

- Jio Finance app is its unified universal storefront for all its offerings. The company has accelerated its targeted marketing products by offering tailored products to customers. JFSL now has the marketing tie-up in place to leverage MyJio for customer acquisitions.
- The company has ~7.4m monthly active users (MAU) across all the digital properties of JFSL. It has also applied for a Third-party application provider (TPAP) license for its Jio Finance App.

## Progress in other businesses

- **Investment:** Jio BlackRock Asset Management has submitted an application to SEBI for final approval. The product roadmap and the go-to-market strategy are in place, with the senior leadership and core business teams in advanced stages of buildout. It incorporated Jio BlackRock Investment Advisor to offer wealth management services in Sep'24.
- **Jio Payments Bank:** The payment bank saw ~25% QoQ increase in CASA customers to ~1.89mn. Payments business correspondent network was expanded to ~7,300 outlets.
- **Jio Payment Solutions:** JSPL received online payment aggregator license in Dec'24. JSPL saw significant tech enhancement during the quarter.
- **Jio Insurance Broking:** Jio Insurance launched long-term life insurance through the D2C channel during the quarter. The company added 39 new corporate clients and experienced strong sales momentum in the institutional channel, driven by its diverse product offerings. The company doubled its insurance plans QoQ to ~54 plans across five product categories: Auto, 2W, Health, Life - Term and Non-term.

CONFERENCE CALL

## Highlights from the management commentary

### Business update

- With a diversified product suite, JFSL is in expansion mode, with a strong focus on operational execution.
- The company aims to enable customers to complete their entire digital process in under five minutes.
- JFSL is working on enhancing and expanding its distribution channels across business verticals.
- Payments business correspondent network is expanded to ~7,300 outlets. Payment solutions embedded in JioBharat for merchant on boarding at scale.
- Entered into a marketing tie-up to leverage the MyJio app for customer acquisitions.
- 1.89m CASA customers; all the digital properties of JFSL saw monthly average users (MAU) of 7.4m
- Jio Payments Bank received online payment aggregator license.
- Jio BlackRock Asset Management has submitted an application to SEBI for final approval. Consolidated PAT stood at INR2.95b in 3QFY25.
- Jio Finance app is its unified universal storefront for all its offering.
- JFSL has product offerings now across borrow, transact, protect and invest.
- Accelerated its targeted marketing products by offering tailored products to customers.

### Lending and leasing

- NBFC AUM grew to ~INR42b from ~INR12b in 2QFY25.
- Driving loan book growth through internal synergies and external partnerships.
- Home loans are being distributed through the group ecosystem as well as partnerships with digital partners and developer tie-ups.
- The company introduced smart gold plans. Customers can purchase gold on the Jio Finance app either through a lump sum payment or an SIP.

### Payments

- Jio Payments Bank and Jio Payments Solutions are driving high customer engagement.
- Small merchants can be on-boarded in less than five minutes.
- JPSL saw significant tech enhancement during the quarter.

### Jio Insurance Broking

- Launched long-term life insurance through the D2C channel.
- Plans doubled QoQ to 54 plans across five product categories - Auto, 2W, Health, Life - Term and Non-term.
- The company added 39 new corporate clients and experienced strong sales momentum in the institutional channel, driven by its diverse product offerings.

## Investments - JV with BlackRock

### Asset Management

- Simplify the investment landscape in India while enabling operating excellence and efficiency
- Product Roadmap and GTM in place; Senior leadership and core business teams buildout in advanced stages

### Wealth Management

- Entity was incorporated in Sep'24
- Recruitment of senior leadership in Wealth management in progress

### Financial performance

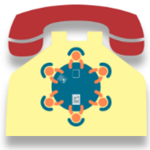
- Total income declined QoQ as 2QFY25 included dividend income of ~INR2.41b received on the shares of Reliance Industries.
- Net gain on fair value changes included income from money market investments and liquid mutual funds of INR1.9b.
- Total operating expenses in 3QFY25 declined QoQ because of CSR expenses and new business incorporation expenses in 2QFY25.
- It will continue to focus on its cost levers and aim to maintain the best-in-class cost-income ratio, driving value creation for all its stakeholders.
- Aspires to become a significant financial services provider - both in terms of meaningful market share and return ratios.

| JFSL - P&L Statement (INR m) | 3QFY25 | 2QFY25 | QoQ (%) | 3QFY24 | YoY (%) |
|---|---|---|---|---|---|
| Interest Income | 2,101 | 2,050 | 2 | 2,691 | -22 |
| Interest Expenses | - | - | - | - | - |
| **Net Interest Income** | **2,101** | 2,050 | 2 | 2,691 | -22 |
| Other Income | 2,388 | 4,889 | -51 | 1,453 | 64 |
| **Total Income** | **4,489** | 6,939 | -35 | 4,143 | 8 |
| Operating Expenses | 1,184 | 1,423 | -17 | 987 | 20 |
| **Operating Profit** | **3,305** | 5,515 | -40 | 3,156 | 5 |
| Provisions & Loan Losses | 123 | 38 | 228 | 2 | 5,042 |
| Share of profit of JV & Associate | 591 | 2,257 | -74 | 661 | -11 |
| **Profit before Tax** | **3,772** | 7,735 | -51 | 3,815 | -1 |
| Tax Provisions | 824 | 844 | -2 | 877 | -6 |
| **Net Profit** | **2,948** | 6,891 | -57 | 2,938 | 0 |

# Can Fin Homes

| BSE Sensex | S&P CNX |
|---|---|
| 76,619 | 23,203 |

## Conference Call Details



**Date:** 20th Jan 2025

**Time:** 15:00 IST

**Dial-in details:**

Link for the call

**Financials & Valuations (INR b)**

| Y/E March | FY25E | FY26E | FY27E |
|---|---|---|---|
| NII | 13.6 | 14.9 | 17.2 |
| PPP | 11.7 | 12.7 | 14.8 |
| PAT | 8.7 | 9.5 | 11.0 |
| EPS (INR) | 65.2 | 71.2 | 82.6 |
| EPS Growth (%) | 16 | 9 | 16 |
| BVPS (INR) | 385 | 450 | 526 |
| **Ratios (%)** | | | |
| NIM | 3.8 | 3.7 | 3.7 |
| C/I ratio | 16.5 | 17.0 | 16.5 |
| RoAA | 2.3 | 2.2 | 2.2 |
| RoE | 18.3 | 17.0 | 16.9 |
| Payout | 9.2 | 9.1 | 7.9 |
| **Valuation** | | | |
| P/E (x) | 10.6 | 9.7 | 8.4 |
| P/BV (x) | 1.8 | 1.5 | 1.3 |
| Div. Yield (%) | 0.9 | 0.9 | 0.9 |

**CMP: INR692** **Neutral**

## Disbursements weak; earnings in line

**Minor deterioration in asset quality; NIM stable sequentially**

- CANF's PAT for 3QFY25 grew ~6% YoY to ~INR2.1b (in line). NII grew 5% YoY to ~INR3.4b (inline). Other income was ~INR58m (PQ: INR74m) because of lower disbursements in the quarter, translating into lower fee income.
- Opex grew ~20% YoY to INR593m (in line). The company's cost-to-income ratio stood at ~16.9% (PQ: 17.1%, PY: 14.7%). Its 3QFY25 RoA/RoE was ~2.25%/~17.6%.

### Disbursements weak due to the Karnataka E-Khata

- CANF's 3QFY25 disbursements were flat YoY and declined 21% QoQ to INR18.8b. The impact was mainly on account of issues pertaining to registration in Karnataka following the introduction of E-Khata.
- Advances grew ~9% YoY to ~INR372b. Annualized run-off in advances stood at ~14% (PQ: 15% and PY: ~14%).

### Margin broadly steady QoQ; borrowing mix stable

- NIM (reported) was broadly stable QoQ at ~3.73%. Reported spreads expanded ~10bp QoQ from both an improvement in yields and a decline in the CoB.
- There was no change in the borrowing mix during the quarter.

### Minor deterioration in asset quality; GS3 rises ~5bp QoQ

- Asset quality exhibited minor deterioration with GS3 rising ~5bp QoQ to ~0.92% and NS3 rising ~3bp QoQ to ~0.5%. PCR on stage 3 loans declined ~80bp QoQ to ~45.2%.
- Provisions stood at INR221m (vs. MOSLe of INR121m) resulting in annualized credit costs of ~25bp [PQ: ~15bp and PY: ~35bp].

### DSA sourcing mix declined to ~76%

- The average ticket size (ATS) of incremental housing loans stood at INR2.3m (PQ: INR2.5m).
- DSA channel in the sourcing mix declined to 76% (PQ: 80%).

### Valuation and view

- CANF's loan growth and disbursements were weak during the current quarter because of issues pertaining to registrations in Karnataka following the introduction of E-Khata.
- Asset quality exhibited minor deterioration while NIMs were largely stable. CANF might look to use its margin levers to deliver healthy loan growth in FY25 and FY26. We may revise our estimates and TP following the earnings call on 20th Jan'25.

**Quarterly performance** INR m

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | 3QFY25E | Act vs est. (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | | |
| Interest Income | 8,181 | 8,652 | 8,948 | 9,117 | 9,242 | 9,553 | 9,803 | 9,896 | 34,899 | 38,493 | 9,772 | 0 |
| Interest Expenses | 5,330 | 5,484 | 5,660 | 5,839 | 6,027 | 6,155 | 6,356 | 6,338 | 22,314 | 24,876 | 6,315 | 1 |
| **Net Interest Income** | **2,851** | **3,168** | **3,288** | **3,278** | **3,214** | **3,398** | **3,447** | **3,558** | **12,585** | **13,617** | **3,457** | 0 |
| YoY Growth (%) | 13.9 | 26.1 | 30.6 | 25.5 | 12.7 | 7.3 | 4.8 | 8.5 | 24.0 | 8.2 | 5.1 | |
| Other income | 60 | 58 | 71 | 159 | 70 | 74 | 58 | 166 | 348 | 368 | 73 | -20 |
| **Total Income** | **2,911** | **3,226** | **3,359** | **3,437** | **3,284** | **3,472** | **3,506** | **3,723** | **12,933** | **13,985** | **3,530** | -1 |
| YoY Growth (%) | 13.9 | 25.7 | 30.8 | 25.7 | 12.8 | 7.6 | 4.4 | 8.3 | 24.1 | 8.1 | 5.1 | |
| Operating Expenses | 435 | 524 | 494 | 720 | 488 | 594 | 593 | 638 | 2,173 | 2,313 | 592 | 0 |
| YoY Growth (%) | 7.4 | 29.5 | 12.7 | 39.3 | 12.3 | 13.3 | 20.0 | -11.3 | 23.1 | 6.5 | 19.8 | |
| **Operating Profits** | **2,476** | **2,702** | **2,865** | **2,717** | **2,796** | **2,878** | **2,913** | **3,085** | **10,760** | **11,672** | **2,938** | **-1** |
| YoY Growth (%) | 15.2 | 25.0 | 34.6 | 22.5 | 12.9 | 6.5 | 1.7 | 13.5 | 24.3 | 8.5 | 2.6 | |
| Provisions | 137 | 722 | 308 | 18 | 245 | 137 | 221 | -61 | 1,185 | 543 | 100 | 121 |
| **Profit before Tax** | **2,339** | **1,980** | **2,557** | **2,700** | **2,551** | **2,741** | **2,691** | **3,146** | **9,575** | **11,129** | **2,838** | -5 |
| Tax Provisions | 504 | 399 | 556 | 609 | 555 | 626 | 570 | 698 | 2,068 | 2,448 | 624 | -9 |
| **Profit after tax** | **1,835** | **1,581** | **2,001** | **2,090** | **1,996** | **2,115** | **2,121** | **2,448** | **7,507** | **8,681** | **2,214** | -4 |
| YoY Growth (%) | 13.1 | 11.5 | 32.1 | 26.1 | 8.8 | 33.8 | 6.0 | 17.1 | 20.8 | 15.6 | 10.6 | |
| **Key Parameters (%)** | | | | | | | | | | | | |
| Yield on loans | 10.2 | 10.5 | 10.6 | 10.6 | 10.5 | 10.6 | 10.6 | 10.5 | | | | |
| Cost of funds | 7.3 | 7.3 | 7.3 | 7.4 | 7.5 | 7.4 | 7.6 | 7.4 | | | | |
| Spread | 3.0 | 3.2 | 3.3 | 3.2 | 3.0 | 3.2 | 3.1 | 3.1 | | | | |
| NIM | 3.6 | 3.8 | 3.9 | 3.8 | 3.6 | 3.8 | 3.7 | 3.8 | | | | |
| Credit cost | 0.17 | 0.88 | 0.37 | 0.0 | 0.28 | 0.15 | 0.24 | -0.1 | | | | |
| Cost to Income Ratio (%) | 14.9 | 16.2 | 14.7 | 20.9 | 14.9 | 17.1 | 16.9 | 17.1 | | | | |
| Tax Rate (%) | 21.6 | 20.2 | 21.7 | 22.6 | 21.7 | 22.8 | 21.2 | 22.2 | | | | |
| **Balance Sheet Parameters** | | | | | | | | | | | | |
| **Loans (INR B)** | **325.1** | **333.6** | **340.5** | **350.0** | **355.6** | **365.9** | **371.6** | **382.7** | | | | |
| Growth (%) | 18.0 | 15.7 | 13.1 | 10.9 | 9.4 | 9.7 | 9.1 | 9.4 | | | | |
| **AUM mix (%)** | | | | | | | | | | | | |
| Home loans | 89.1 | 89.1 | 89.1 | 88.9 | 88.9 | 88.5 | 88.3 | | | | | |
| Non-housing loans | 10.9 | 10.9 | 10.9 | 11.1 | 11.1 | 11.5 | 11.7 | | | | | |
| Salaried customers | 72.7 | 72.4 | 72.1 | 71.9 | 71.7 | 70.9 | 70.9 | | | | | |
| Self-employed customers | 27.2 | 27.5 | 27.8 | 28.0 | 28.3 | 29.1 | 29.0 | | | | | |
| **Disbursements (INR B)** | **19.7** | **20.2** | **18.8** | **23.1** | **18.5** | **23.8** | **18.8** | **24.5** | | | | |
| Change YoY (%) | 14.2 | -10.1 | -23.1 | -8.8 | -5.7 | 17.9 | 0.0 | 5.7 | | | | |
| **Borrowing mix (%)** | | | | | | | | | | | | |
| Banks | 54.0 | 57.0 | 60.0 | 59.0 | 56.0 | 60.0 | 60.0 | | | | | |
| NHB | 22.0 | 19.0 | 19.0 | 16.0 | 16.0 | 14.0 | 14.0 | | | | | |
| Market borrowings | 23.0 | 23.0 | 20.0 | 24.0 | 27.0 | 25.0 | 25.0 | | | | | |
| Deposits | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | | | | | |
| **Asset Quality** | | | | | | | | | | | | |
| GNPL (INR m) | 2,052 | 2,540 | 3,088 | 2,860 | 3,250 | 3,200 | 3,410 | | | | | |
| NNPL (INR m) | 1,096 | 1,420 | 1,674 | 1,470 | 1,740 | 1,720 | 1,870 | | | | | |
| GNPL ratio % | 0.63 | 0.76 | 0.91 | 0.82 | 0.91 | 0.88 | 0.92 | | | | | |
| NNPL ratio % | 0.34 | 0.43 | 0.49 | 0.42 | 0.49 | 0.47 | 0.50 | | | | | |
| PCR % | 46.6 | 44.1 | 45.8 | 48.6 | 47.0 | 46.0 | 45.2 | | | | | |
| **Return Ratios (%)** | | | | | | | | | | | | |
| ROA (Rep) | 2.2 | 1.9 | 2.3 | 2.5 | 2.2 | 2.3 | 2.3 | | | | | |
| ROE (Rep) | 19.2 | 16.0 | 19.4 | 19.3 | 17.6 | 18.0 | 17.6 | | | | | |

E: MOFSL Estimates

## LTIMindtree: Wage hikes impacted margin by 220 bps; Debashis Chatterjee, MD & CEO

- BFSI is showing signs of recovery, which could benefit co.
- Co is focusing on AI to enhance productivity and win significant client contracts
- 29% improvement in order intake quarter-on-quarter, indicating a positive future outlook
- Management is committed to improving margins through operational efficiencies over the next few quarters

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## Havells India : Ex-Lloyd, margin will come back to 12-13% by FY25 end; Anil Rai Gupta, MD

- Underground cables recorded a remarkable growth of over 25%
- Lloyd brand is projected to become profitable by FY26
- Switchgear margins are expected to return to normal levels in the coming quarters
- Co plans a capital expenditure of around ₹800-2000 crores for the upcoming fiscal year
- Co is on the lookout for acquisitions

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## Delhivery: 2-Hour delivery service will enable D2C & eComm players to grow faster; Ajith Pai, COO

- Rapid Commerce, offering sub-2-hour deliveries, is gaining traction in Bengaluru with over 300 orders daily.
- Plans to scale Rapid Commerce to all metropolitan areas in the coming months
- Approximately 55-60% of Delivery's revenues currently stem from e-commerce logistics
- Delivery's target margins for Rapid Commerce are aligned with existing e-commerce logistics operations

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## Mastek: Aim to enhance margin by 200 bps to 19% over the next two years; Umang Nahata, CEO

- Co. expects better growth in the fourth quarter, countering the challenges faced in Q3.
- Co has approximately 500 crores in cash, indicating potential for future investments or acquisitions
- US segment shows promising growth and improved profitability, with aspirations for double-digit margins
- Nahata indicates that it may take at least two quarters to stabilize the business, especially in the US market

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| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) FY25E | EPS (INR) FY26E | EPS (INR) FY27E | EPS Gr. YoY (%) FY24 | EPS Gr. YoY (%) FY25E | EPS Gr. YoY (%) FY26E | P/E (x) FY25E | P/E (x) FY26E | P/B (x) FY25E | P/B (x) FY26E | ROE (%) FY25E | ROE (%) FY26E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Automobiles** | | | | | | | | | | | | | | | | |
| Amara Raja Ener. | Neutral | 1078 | 1305 | 21 | 54.6 | 59.6 | 67.0 | 10.3 | 9.1 | 12.5 | 19.7 | 18.1 | 2.6 | 2.3 | 13.9 | 13.5 |
| Apollo Tyres | Buy | 453 | 600 | 33 | 21.5 | 30.3 | 37.1 | -26.5 | 40.9 | 22.1 | 21.0 | 14.9 | 1.5 | 1.4 | 9.5 | 12.3 |
| Ashok Ley. | Buy | 207 | 257 | 24 | 9.3 | 11.3 | 13.5 | 1.7 | 21.5 | 19.5 | 22.2 | 18.3 | 6.0 | 5.2 | 28.9 | 30.6 |
| Bajaj Auto | Neutral | 8583 | 9015 | 5 | 292.3 | 337.1 | 388.5 | 5.9 | 15.3 | 15.3 | 29.4 | 25.5 | 8.7 | 7.8 | 31.1 | 32.2 |
| Balkrishna Inds | Neutral | 2704 | 2975 | 10 | 85.0 | 108.7 | 129.1 | 11.1 | 27.9 | 18.8 | 31.8 | 24.9 | 5.2 | 4.4 | 17.3 | 19.2 |
| Bharat Forge | Neutral | 1207 | 1386 | 15 | 28.0 | 39.5 | 48.4 | 41.7 | 41.2 | 22.7 | 43.2 | 30.6 | 7.1 | 6.3 | 17.3 | 21.8 |
| Bosch | Neutral | 31398 | 33721 | 7 | 722.3 | 855.8 | 999.3 | 16.4 | 18.5 | 16.8 | 43.5 | 36.7 | 7.1 | 6.4 | 16.9 | 18.3 |
| CEAT | Buy | 3021 | 3515 | 16 | 119.5 | 170.3 | 218.9 | -29.5 | 42.4 | 28.6 | 25.3 | 17.7 | 2.8 | 2.5 | 11.4 | 14.7 |
| Craftsman Auto | Neutral | 4740 | 5435 | 15 | 120.1 | 193.3 | 279.2 | -16.7 | 60.9 | 44.4 | 39.5 | 24.5 | 3.6 | 3.2 | 12.0 | 13.9 |
| Eicher Mot. | Sell | 5013 | 4139 | -17 | 160.2 | 175.8 | 195.1 | 9.5 | 9.7 | 11.0 | 31.3 | 28.5 | 6.6 | 5.7 | 22.5 | 21.5 |
| Endurance Tech. | Buy | 2103 | 2825 | 34 | 60.2 | 75.4 | 90.6 | 27.2 | 25.4 | 20.1 | 34.9 | 27.9 | 5.2 | 4.5 | 15.9 | 17.4 |
| Escorts Kubota | Neutral | 3599 | 3560 | -1 | 102.0 | 113.8 | 140.6 | 7.4 | 11.6 | 23.6 | 35.3 | 31.6 | 4.3 | 3.9 | 12.9 | 13.0 |
| Exide Ind | Neutral | 390 | 440 | 13 | 13.9 | 16.3 | 17.9 | 12.1 | 17.5 | 9.3 | 28.1 | 23.9 | 2.3 | 2.2 | 8.4 | 9.1 |
| Happy Forgings | Buy | 991 | 1195 | 21 | 28.7 | 36.4 | 44.6 | 11.4 | 26.7 | 22.6 | 34.5 | 27.2 | 5.1 | 4.4 | 15.7 | 17.3 |
| Hero Moto | Buy | 4097 | 4895 | 19 | 227.6 | 240.3 | 260.3 | 11.3 | 5.6 | 8.3 | 18.0 | 17.1 | 4.3 | 4.0 | 24.5 | 24.2 |
| Hyundai Motor | Buy | 1793 | 2170 | 21 | 67.3 | 75.6 | 85.2 | -9.8 | 12.4 | 12.6 | 26.7 | 23.7 | 10.4 | 8.3 | 44.4 | 38.9 |
| M&M | Buy | 2918 | 3515 | 20 | 101.3 | 120.6 | 141.2 | 14.1 | 19.2 | 17.0 | 28.8 | 24.2 | 5.7 | 4.8 | 21.3 | 21.5 |
| CIE Automotive | Buy | 475 | 587 | 24 | 22.0 | 24.3 | 28.0 | 4.1 | 10.5 | 15.1 | 21.6 | 19.6 | 2.7 | 2.5 | 13.2 | 13.2 |
| Maruti Suzuki | Buy | 12113 | 14500 | 20 | 461.1 | 512.4 | 573.4 | 9.7 | 11.1 | 11.9 | 26.3 | 23.6 | 4.1 | 3.6 | 14.8 | 15.3 |
| MRF | Sell | 113866 | 107385 | -6 | 4,423.8 | 5,040.9 | 5,855.6 | -11.3 | 13.9 | 16.2 | 25.7 | 22.6 | 2.6 | 2.4 | 10.7 | 11.1 |
| Samvardh. Motherson | Buy | 151 | 195 | 29 | 5.1 | 7.0 | 8.6 | 36.9 | 37.0 | 23.1 | 29.8 | 21.7 | 3.1 | 2.8 | 11.8 | 13.4 |
| Motherson Wiring | Buy | 57 | 70 | 24 | 1.4 | 1.7 | 2.1 | 0.3 | 20.0 | 19.7 | 39.0 | 32.5 | 12.7 | 10.5 | 35.2 | 35.4 |
| Sona BLW Precis. | Neutral | 574 | 590 | 3 | 9.8 | 11.3 | 13.3 | 9.9 | 14.9 | 17.5 | 58.3 | 50.8 | 10.6 | 9.4 | 19.3 | 19.7 |
| Tata Motors | Neutral | 779 | 810 | 4 | 65.6 | 59.5 | 64.7 | 11.7 | -9.3 | 8.7 | 11.9 | 13.1 | 2.7 | 2.2 | 25.1 | 18.6 |
| TVS Motor | Neutral | 2301 | 2631 | 14 | 53.5 | 66.1 | 79.0 | 22.1 | 23.5 | 19.5 | 43.0 | 34.8 | 11.1 | 8.8 | 28.9 | 28.2 |
| Tube Investments | Buy | 3406 | 4136 | 21 | 46.0 | 64.2 | 78.2 | 33.7 | 39.7 | 21.7 | 74.1 | 53.0 | 11.1 | 9.3 | 16.1 | 19.1 |
| **Aggregate** | | | | | | | | **8.3** | **10.9** | **14.4** | **25.2** | **22.7** | **4.7** | **4.1** | **18.7** | **18.1** |
| **Banks - Private** | | | | | | | | | | | | | | | | |
| AU Small Finance | Buy | 598 | 730 | 22 | 29.9 | 37.3 | 48.3 | 30.1 | 25 | 29.7 | 20.0 | 16.0 | 2.7 | 2.3 | 14.6 | 15.6 |
| Axis Bank | Neutral | 991 | 1175 | 19 | 84.6 | 89.8 | 104.2 | 4.8 | 6.2 | 16.1 | 11.7 | 11.0 | 1.7 | 1.5 | 16.0 | 14.6 |
| Bandhan Bank | Neutral | 151 | 180 | 19 | 22.7 | 23.9 | 27.7 | 64.2 | 5 | 15.9 | 6.7 | 6.3 | 1.0 | 0.9 | 16.0 | 15.0 |
| DCB Bank | Buy | 117 | 160 | 37 | 18.6 | 23.7 | 30.2 | 8.4 | 27.7 | 27.2 | 6.3 | 4.9 | 0.7 | 0.6 | 11.5 | 13.2 |
| Equitas Small Fin. | Buy | 73 | 80 | 10 | 2.6 | 6.4 | 9.8 | -63.2 | 144.0 | 53.5 | 27.8 | 11.4 | 1.4 | 1.2 | 4.9 | 11.4 |
| Federal Bank | Buy | 192 | 230 | 20 | 16.8 | 19.7 | 24.3 | 3.0 | 17.2 | 23.1 | 11.4 | 9.7 | 1.4 | 1.3 | 13.3 | 13.7 |
| HDFC Bank | Buy | 1637 | 2050 | 25 | 87.9 | 98.8 | 112.5 | 9.8 | 12.4 | 13.9 | 18.6 | 16.6 | 2.5 | 2.3 | 14.3 | 14.4 |
| ICICI Bank | Buy | 1226 | 1550 | 26 | 65.6 | 72.4 | 82.4 | 12.4 | 10.4 | 13.8 | 18.7 | 16.9 | 3.1 | 2.7 | 18.1 | 17.2 |
| IDFC First Bk | Neutral | 63 | 73 | 17 | 3.0 | 5.1 | 7.0 | -30.3 | 67.9 | 37.9 | 20.8 | 12.4 | 1.3 | 1.2 | 6.4 | 10.0 |
| IndusInd | Buy | 971 | 1250 | 29 | 84.5 | 112.3 | 142.1 | -26.9 | 33.0 | 26.5 | 11.5 | 8.6 | 1.1 | 1.0 | 10.0 | 12.2 |
| Kotak Mah. Bk | Buy | 1759 | 2100 | 19 | 96.0 | 109.8 | 131.4 | 4.8 | 14.3 | 19.7 | 18.3 | 16.0 | 2.4 | 2.1 | 13.8 | 13.5 |
| RBL Bank | Neutral | 155 | 170 | 10 | 11.8 | 20.5 | 32.1 | -38.7 | 73.4 | 56.7 | 13.1 | 7.6 | 0.6 | 0.6 | 4.8 | 7.9 |
| **Aggregate** | | | | | | | | **6.9** | **13.3** | **16.7** | **17.0** | **15.0** | **2.4** | **2.1** | **14.2** | **14.1** |
| **Banks - PSU** | | | | | | | | | | | | | | | | |
| BOB | Buy | 228 | 290 | 27 | 36.1 | 38.2 | 42.1 | 4.9 | 5.8 | 10.4 | 6.3 | 6.0 | 1.0 | 0.8 | 16.3 | 15.3 |
| Canara Bank | Buy | 98 | 125 | 28 | 17.8 | 18.8 | 21.1 | 11.1 | 5.5 | 12.1 | 5.5 | 5.2 | 0.9 | 0.8 | 19.2 | 17.7 |
| Indian Bank | Buy | 524 | 670 | 28 | 76.7 | 83.1 | 91.2 | 23.3 | 8.4 | 9.7 | 6.8 | 6.3 | 1.1 | 1.0 | 18.3 | 17.2 |
| Punjab Natl.Bank | Neutral | 100 | 120 | 20 | 13.9 | 15.1 | 17.1 | 85.6 | 9.0 | 12.8 | 7.2 | 6.6 | 0.9 | 0.8 | 14.4 | 13.9 |
| SBI | Buy | 764 | 950 | 24 | 89.1 | 98.7 | 115.9 | 18.5 | 11 | 17.4 | 8.6 | 7.7 | 1.5 | 1.2 | 18.8 | 17.4 |
| Union Bank (I) | Buy | 109 | 140 | 29 | 20.7 | 21.5 | 23.5 | 9.9 | 4 | 9.3 | 5.2 | 5.0 | 0.8 | 0.7 | 16.2 | 14.9 |
| **Aggregate** | | | | | | | | **20.7** | **9** | **14** | **7** | **6.8** | **1.2** | **1.1** | **16.2** | **15.6** |
| **NBFCs** | | | | | | | | | | | | | | | | |
| AAVAS Financiers | Neutral | 1637 | 1800 | 10 | 72.5 | 89.6 | 109.6 | 16.9 | 23.6 | 22.4 | 22.6 | 18.3 | 3.0 | 2.6 | 14.1 | 15.1 |
| Aditya Birla Cap | Buy | 177 | 250 | 41 | 14.5 | 16.8 | 20.3 | 42.9 | 16.3 | 21.0 | 12.2 | 10.5 | 1.5 | 1.4 | 13.2 | 13.6 |
| Angel One | Buy | 2454 | 3200 | 30 | 148.5 | 160.7 | 214.6 | 9.3 | 8.2 | 33.5 | 16.5 | 15.3 | 3.7 | 3.2 | 28.6 | 22.2 |

| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) FY25E | FY26E | FY27E | EPS Gr. YoY (%) FY24 | FY25E | FY26E | P/E (x) FY25E | FY26E | P/B (x) FY25E | FY26E | ROE (%) FY25E | FY26E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bajaj Fin. | Neutral | 7181 | 7660 | 7 | 264.5 | 342.9 | 440.0 | 13.2 | 29.6 | 28.3 | 27.2 | 20.9 | 4.5 | 3.8 | 18.8 | 19.8 |
| BSE | Buy | 5999 | 6500 | 8 | 98.9 | 129.0 | 158.2 | 73.5 | 30.4 | 22.7 | 60.6 | 46.5 | 21.9 | 19.2 | 36.2 | 41.3 |
| Cams Services | Buy | 4415 | 6000 | 36 | 99.2 | 119.5 | 144.0 | 38.5 | 20.4 | 20.5 | 44.5 | 36.9 | 19.9 | 16.8 | 48.6 | 49.3 |
| Can Fin Homes | Neutral | 692 | 800 | 16 | 65.0 | 70.6 | 81.6 | 15.4 | 8.5 | 15.5 | 10.6 | 9.8 | 1.8 | 1.5 | 18.3 | 16.9 |
| Cholaman.Inv.&Fn | Buy | 1258 | 1470 | 17 | 51.6 | 68.4 | 90.0 | 26.7 | 32.6 | 31.6 | 24.4 | 18.4 | 4.5 | 3.4 | 20.0 | 21.3 |
| CreditAccess | Buy | 910 | 1085 | 19 | 59.1 | 101.0 | 127.3 | -34.8 | 70.9 | 26.0 | 15.4 | 9.0 | 2.0 | 1.6 | 13.5 | 19.7 |
| Fusion Finance | Neutral | 187 | 165 | -12 | -65.4 | 30.7 | 51.7 | -230.2 | LP | 68.5 | NM | 6.1 | 0.9 | 0.8 | -26.1 | 13.2 |
| 360 ONE WAM | Buy | 1184 | 1450 | 22 | 25.3 | 34.1 | 40.3 | 12.7 | 35.0 | 18.3 | 46.9 | 34.7 | 7.3 | 6.7 | 20.1 | 20.2 |
| Five-Star Business | Buy | 665 | 970 | 46 | 36.7 | 41.5 | 47.9 | 28.3 | 13.2 | 15.5 | 18.1 | 16.0 | 3.1 | 2.6 | 18.7 | 17.7 |
| HDFC Life Insur. | Buy | 642 | 800 | 25 | 7.5 | 9.7 | 11.1 | 3.2 | 29.2 | 14.6 | 85.3 | 66.0 | 2.5 | 2.1 | 16.8 | 16.5 |
| Home First Fin. | Buy | 1032 | 1280 | 24 | 42.4 | 52.4 | 63.3 | 22.8 | 23.6 | 20.7 | 24.3 | 19.7 | 3.7 | 3.2 | 16.4 | 17.4 |
| ICICI Pru Life | Buy | 646 | 840 | 30 | 7.1 | 8.3 | 11.6 | 19.3 | 17.5 | 39.5 | 91.5 | 77.9 | 1.9 | 1.5 | 19.0 | 20.2 |
| ICICI Lombard | Buy | 1947 | 2300 | 18 | 53.5 | 60.8 | 69.9 | 37.3 | 13.7 | 14.9 | 36.4 | 32.0 | 7.0 | 6.0 | 20.5 | 20.1 |
| IIFL Finance | Buy | 399 | 510 | 28 | 13.3 | 46.7 | 58.4 | -71.3 | 252.0 | 25.1 | 30.1 | 8.6 | 1.4 | 1.2 | 4.9 | 15.1 |
| IndoStar | Buy | 279 | 300 | 7 | 10.7 | 16.4 | 24.8 | 26.2 | 52.4 | 51.4 | 26.0 | 17.1 | 1.1 | 1.1 | 4.4 | 6.7 |
| L&T Finance | Buy | 143 | 180 | 26 | 10.4 | 13.6 | 18.5 | 11.6 | 31.0 | 35.9 | 13.7 | 10.5 | 1.4 | 1.3 | 10.6 | 12.7 |
| Life Insurance Corp. | Buy | 855 | 1200 | 40 | 67.2 | 71.4 | 77.1 | 4.4 | 6.3 | 8.1 | 12.7 | 12.0 | 0.6 | 0.6 | 15.5 | 11.1 |
| LIC Hsg Fin | Buy | 563 | 760 | 35 | 93.1 | 96.1 | 103.6 | 7.5 | 3.2 | 7.9 | 6.0 | 5.9 | 0.9 | 0.8 | 15.3 | 14.1 |
| MCX | Neutral | 6033 | 7200 | 19 | 119.0 | 166.6 | 198.8 | 630.1 | 40.0 | 19.3 | 50.7 | 36.2 | 20.5 | 18.4 | 42.2 | 53.6 |
| Manappuram Fin. | Neutral | 194 | 205 | 6 | 25.6 | 28.8 | 35.9 | -1.4 | 12.5 | 24.7 | 7.6 | 6.7 | 1.2 | 1.1 | 17.4 | 16.9 |
| MAS Financial | Buy | 243 | 340 | 40 | 17.1 | 21.4 | 26.3 | 13.0 | 25.3 | 22.9 | 14.3 | 11.4 | 1.8 | 1.5 | 14.7 | 14.5 |
| Max Financial | Neutral | 1087 | 1200 | 10 | 14.6 | 16.9 | 22.8 | 92.9 | 16.0 | 34.8 | 74.6 | 64.3 | 2.0 | 1.7 | 19.0 | 19.4 |
| M&M Fin. | Buy | 269 | 335 | 25 | 19.5 | 25.1 | 31.6 | 37.0 | 28.6 | 25.7 | 13.7 | 10.7 | 1.6 | 1.4 | 12.1 | 14.1 |
| Muthoot Fin | Neutral | 2150 | 2060 | -4 | 127.6 | 152.4 | 171.0 | 26.5 | 19.5 | 12.2 | 16.9 | 14.1 | 3.0 | 2.6 | 19.5 | 19.9 |
| Piramal Enterp. | Neutral | 1031 | 1090 | 6 | 39.2 | 57.4 | 75.3 | -152.2 | 46.4 | 31.3 | 26.3 | 18.0 | 0.9 | 0.8 | 3.3 | 4.7 |
| PNB Housing | Buy | 905 | 1160 | 28 | 72.6 | 89.4 | 108.5 | 25.1 | 23.1 | 21.4 | 12.5 | 10.1 | 1.4 | 1.2 | 11.9 | 13.0 |
| Poonawalla Fincorp | Buy | 314 | 390 | 24 | 2.4 | 14.2 | 22.6 | -81.8 | 481.0 | 59.4 | 128.6 | 22.1 | 2.9 | 2.6 | 2.3 | 12.5 |
| PFC | Buy | 433 | 590 | 36 | 49.7 | 55.9 | 63.3 | 14.2 | 12.4 | 13.3 | 8.7 | 7.8 | 1.6 | 1.4 | 19.3 | 19.0 |
| REC | Buy | 483 | 630 | 31 | 61.1 | 69.3 | 80.6 | 14.8 | 13.4 | 16.2 | 7.9 | 7.0 | 1.6 | 1.3 | 21.5 | 20.9 |
| Repco Home Fin | Neutral | 409 | 480 | 17 | 70.3 | 69.9 | 77.9 | 11.4 | -0.6 | 11.5 | 5.8 | 5.8 | 0.8 | 0.7 | 14.2 | 12.4 |
| Spandana Sphoorty | Buy | 354 | 385 | 9 | -93.2 | 48.4 | 81.5 | -232.7 | LP | 68.4 | NM | 7.3 | 0.8 | 0.8 | -20.1 | 10.9 |
| Shriram Finance | Buy | 526 | 700 | 33 | 44.5 | 53.2 | 64.1 | 16.3 | 19.5 | 20.6 | 11.8 | 9.9 | 1.7 | 1.5 | 15.8 | 16.0 |
| SBI Life Insurance | Buy | 1541 | 1900 | 23 | 21.2 | 24.4 | 27.4 | 12.0 | 15.0 | 12.5 | 72.7 | 63.2 | 2.2 | 1.8 | 21.2 | 19.6 |
| Star Health Insu | Buy | 463 | 560 | 21 | 13.9 | 18.4 | 25.0 | -3.4 | 32.2 | 35.4 | 33.2 | 25.1 | 3.6 | 3.2 | 11.6 | 13.5 |
| Anand Rathi Wealth | Neutral | 3975 | 4200 | 6 | 73.0 | 95.2 | 114.8 | 35.0 | 30.3 | 20.6 | 54.4 | 41.8 | 23.5 | 16.6 | 44.8 | 46.3 |
| Aditya Birla AMC | Buy | 758 | 1100 | 45 | 32.0 | 37.3 | 42.8 | 18.3 | 16.5 | 14.8 | 23.7 | 20.3 | 6.2 | 5.5 | 27.6 | 28.8 |
| CDSL | Neutral | 1598 | 1900 | 19 | 30.1 | 37.2 | 46.3 | 50.0 | 23.5 | 24.5 | 53.1 | 43.0 | 18.3 | 15.6 | 38.3 | 39.3 |
| HDFC AMC | Buy | 4028 | 5200 | 29 | 117.0 | 139.4 | 158.7 | 28.6 | 19.2 | 13.8 | 34.4 | 28.9 | 11.2 | 10.2 | 33.8 | 36.9 |
| KFin Technologies | Neutral | 1204 | 1400 | 16 | 20.9 | 26.8 | 33.8 | 43.5 | 28.5 | 25.8 | 57.7 | 44.9 | 16.8 | 13.9 | 31.5 | 33.9 |
| Nippon Life AMC | Buy | 688 | 900 | 31 | 21.6 | 26.6 | 31.2 | 23.0 | 23.0 | 17.3 | 31.8 | 25.9 | 10.7 | 10.5 | 33.9 | 40.9 |
| Nuvama Wealth | Buy | 6082 | 8800 | 45 | 272.7 | 314.9 | 363.2 | 62.0 | 15.5 | 15.3 | 22.3 | 19.3 | 6.5 | 5.7 | 31.3 | 31.8 |
| Prudent Corp. | Neutral | 2773 | 3200 | 15 | 49.4 | 67.1 | 87.5 | 47.5 | 35.8 | 30.4 | 56.1 | 41.3 | 86.0 | 62.1 | 35.6 | 34.9 |
| UTI AMC | Buy | 1216 | 1600 | 32 | 69.1 | 76.8 | 87.2 | 9.7 | 11.2 | 13.5 | 17.6 | 15.8 | 3.0 | 2.8 | 17.2 | 18.2 |
| **Aggregate** | | | | | | | | **13.4** | **24.2** | **21.1** | **16.9** | **13.6** | **2.6** | **2.3** | **15.4** | **16.6** |
| **Chemicals** | | | | | | | | | | | | | | | | |
| Alkyl Amines | Neutral | 1749 | 1760 | 1 | 32.0 | 46.9 | 62.5 | 10.0 | 46.7 | 33.1 | 54.7 | 37.3 | 6.5 | 5.8 | 12.4 | 16.5 |
| Atul | Buy | 6695 | 8395 | 25 | 153.2 | 202.1 | 252.4 | 39.2 | 31.9 | 24.9 | 43.7 | 33.1 | 3.6 | 3.3 | 8.5 | 10.4 |
| Clean Science | Neutral | 1425 | 1515 | 6 | 23.7 | 36.0 | 45.6 | 3.3 | 51.8 | 26.6 | 60.1 | 39.6 | 10.6 | 8.6 | 19.2 | 24.1 |
| Deepak Nitrite | Neutral | 2359 | 2555 | 8 | 61.5 | 78.0 | 87.5 | 11.5 | 26.9 | 12.2 | 38.4 | 30.2 | 5.8 | 5.0 | 16.2 | 17.7 |
| Fine Organic | Sell | 4354 | 3630 | -17 | 145.3 | 121.8 | 120.8 | 21.1 | -16.2 | -0.8 | 30.0 | 35.7 | 5.9 | 5.1 | 21.6 | 15.3 |
| Galaxy Surfact. | Buy | 2431 | 3350 | 38 | 95.6 | 118.3 | 139.3 | 12.4 | 23.7 | 17.8 | 25.4 | 20.6 | 3.5 | 3.1 | 14.7 | 16.2 |
| Navin Fluorine | Neutral | 3754 | 3435 | -8 | 57.7 | 82.3 | 103.4 | 25.2 | 42.6 | 25.6 | 65.0 | 45.6 | 7.2 | 6.4 | 11.5 | 14.9 |

| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) FY25E | FY26E | FY27E | EPS Gr. YoY (%) FY24 | FY25E | FY26E | P/E (x) FY25E | FY26E | P/B (x) FY25E | FY26E | ROE (%) FY25E | FY26E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NOCIL | Neutral | 233 | 235 | 1 | 7.8 | 8.7 | 12.9 | -1.1 | 11.1 | 48.7 | 29.9 | 26.9 | 2.2 | 2.1 | 7.5 | 8.0 |
| PI Inds. | Buy | 3553 | 4650 | 31 | 114.4 | 126.5 | 144.8 | 3.4 | 10.6 | 14.4 | 31.1 | 28.1 | 5.2 | 4.5 | 18.3 | 17.2 |
| SRF | Neutral | 2605 | 2340 | -10 | 39.6 | 66.5 | 87.9 | -16.7 | 68.0 | 32.2 | 65.8 | 39.2 | 6.4 | 5.7 | 10.0 | 15.3 |
| Tata Chemicals | Neutral | 975 | 1100 | 13 | 28.0 | 49.6 | 62.2 | -22.6 | 77.4 | 25.3 | 34.9 | 19.6 | 1.1 | 1.1 | 3.2 | 5.5 |
| Vinati Organics | Buy | 1720 | 2655 | 54 | 42.3 | 51.9 | 61.3 | 35.7 | 22.6 | 18.0 | 40.6 | 33.1 | 6.4 | 5.5 | 16.7 | 17.9 |
| **Aggregate** | | | | | | | | **16.3** | **24.8** | **19.5** | **41.5** | **33.2** | **5.3** | **4.7** | **12.7** | **14.1** |
| **Capital Goods** | | | | | | | | | | | | | | | | |
| ABB India | Buy | 6533 | 8500 | 30 | 88.7 | 102.5 | 119.3 | 50.5 | 15.6 | 16.3 | 73.7 | 63.7 | 18.0 | 14.3 | 27.6 | 25.1 |
| Bharat Electronics | Buy | 282 | 360 | 28 | 6.6 | 7.9 | 9.5 | 19.9 | 19.6 | 20.8 | 42.8 | 35.8 | 10.2 | 8.2 | 23.8 | 22.9 |
| Cummins India | Buy | 2932 | 4250 | 45 | 71.1 | 86.2 | 101.5 | 18.6 | 21.2 | 17.7 | 41.2 | 34.0 | 11.7 | 10.3 | 30.1 | 32.3 |
| Hitachi Energy | Neutral | 12911 | 13800 | 7 | 75.2 | 155.5 | 232.3 | 94.6 | 106.9 | 49.3 | 171.8 | 83.0 | 32.6 | 23.4 | 19.0 | 28.2 |
| Kalpataru Proj. | Buy | 1179 | 1500 | 27 | 44.3 | 61.6 | 81.5 | 41.8 | 39.2 | 32.2 | 26.6 | 19.1 | 2.7 | 2.4 | 11.5 | 13.4 |
| KEC International | Neutral | 966 | 1050 | 9 | 23.7 | 39.6 | 48.8 | 81.7 | 67.3 | 23.2 | 40.8 | 24.4 | 4.8 | 4.2 | 13.3 | 18.3 |
| Kirloskar Oil | Buy | 938 | 1540 | 64 | 32.7 | 42.9 | 55.9 | 30.7 | 31.4 | 30.3 | 28.7 | 21.9 | 4.6 | 4.0 | 16.9 | 19.4 |
| Larsen & Toubro | Buy | 3569 | 4300 | 20 | 111.1 | 137.2 | 160.3 | 17.6 | 23.4 | 16.9 | 32.1 | 26.0 | 5.0 | 4.3 | 16.5 | 17.9 |
| Siemens | Buy | 6177 | 8000 | 30 | 76.3 | 84.6 | 107.0 | 38.5 | 10.8 | 26.6 | 80.9 | 73.1 | 14.3 | 12.5 | 19.1 | 18.3 |
| Thermax | Neutral | 3955 | 4400 | 11 | 63.1 | 81.4 | 97.9 | 20.9 | 29.1 | 20.3 | 62.7 | 48.6 | 8.9 | 7.8 | 15.1 | 17.1 |
| Triveni Turbine | Buy | 682 | 880 | 29 | 11.5 | 14.3 | 19.4 | 36.2 | 24.2 | 35.7 | 59.2 | 47.7 | 17.7 | 14.0 | 33.6 | 32.8 |
| Zen Technologies | Buy | 2190 | 2750 | 26 | 31.7 | 49.0 | 68.1 | 125.7 | 54.6 | 39.0 | 69.1 | 44.7 | 11.4 | 9.1 | 26.1 | 22.6 |
| **Aggregate** | | | | | | | | **24.5** | **23.8** | **20.3** | **44.2** | **35.7** | **7.7** | **6.6** | **17.4** | **18.4** |
| **Cement** | | | | | | | | | | | | | | | | |
| Ambuja Cem. | Buy | 536 | 750 | 40 | 9.2 | 13.6 | 17.2 | -33.5 | 47.6 | 26.1 | 58.0 | 39.3 | 2.4 | 2.3 | 4.8 | 6.1 |
| ACC | Buy | 2013 | 2680 | 33 | 81.2 | 110.1 | 143.4 | -18.2 | 35.6 | 30.2 | 24.8 | 18.3 | 2.2 | 2.0 | 9.1 | 11.3 |
| Birla Corp. | Buy | 1187 | 1580 | 33 | 25.4 | 58.8 | 79.8 | -53.0 | 131.9 | 35.7 | 46.8 | 20.2 | 1.3 | 1.3 | 2.9 | 6.5 |
| Dalmia Bhar. | Buy | 1723 | 2250 | 31 | 44.3 | 62.1 | 79.3 | 8.6 | 40.4 | 27.6 | 38.9 | 27.7 | 1.9 | 1.8 | 5.0 | 6.7 |
| Grasim Inds. | Buy | 2376 | 3210 | 35 | 79.5 | 100.6 | 119.3 | -16.9 | 26.6 | 18.5 | 29.9 | 23.6 | 2.9 | 2.8 | -1.5 | 1.9 |
| India Cem | Sell | 379 | 320 | -16 | -20.3 | -0.7 | 6.2 | 168.3 | Loss | LP | NM | NM | 2.4 | 2.4 | -12.2 | -0.4 |
| J K Cements | Buy | 4541 | 5300 | 17 | 83.9 | 126.0 | 179.2 | -18.3 | 50.1 | 42.3 | 54.1 | 36.1 | 6.0 | 5.3 | 11.0 | 15.6 |
| JK Lakshmi Ce | Buy | 789 | 970 | 23 | 22.1 | 39.5 | 39.2 | -44.2 | 78.9 | -0.8 | 35.7 | 20.0 | 2.8 | 2.5 | 7.9 | 13.0 |
| Ramco Cem | Neutral | 883 | 950 | 8 | 12.2 | 22.4 | 31.4 | -27.2 | 84.2 | 40.1 | 72.6 | 39.4 | 2.7 | 2.6 | 3.9 | 6.7 |
| Shree Cem | Neutral | 25297 | 25000 | -1 | 292.8 | 319.3 | 421.8 | -57.2 | 9.1 | 32.1 | 86.4 | 79.2 | 4.3 | 4.2 | 5.1 | 5.4 |
| Ultratech | Buy | 10586 | 13800 | 30 | 214.9 | 311.8 | 390.8 | -12.1 | 45.1 | 25.3 | 49.3 | 33.9 | 4.7 | 4.0 | 9.9 | 12.8 |
| **Aggregate** | | | | | | | | **-23.4** | **45.1** | **26.0** | **46.3** | **31.9** | **3.2** | **2.9** | **7.0** | **9.2** |
| **Consumer** | | | | | | | | | | | | | | | | |
| Asian Paints | Neutral | 2260 | 2550 | 13 | 46.2 | 52.5 | 59.5 | -20.2 | 13.6 | 13.3 | 48.9 | 43.0 | 11.3 | 10.7 | 23.4 | 25.6 |
| Britannia | Neutral | 4856 | 5200 | 7 | 91.3 | 105.0 | 118.3 | 2.9 | 15.0 | 12.7 | 53.2 | 46.3 | 27.1 | 23.6 | 53.3 | 54.5 |
| Colgate | Neutral | 2684 | 3000 | 12 | 54.7 | 60.3 | 65.8 | 11.2 | 10.1 | 9.2 | 49.0 | 44.5 | 34.1 | 30.2 | 74.2 | 71.9 |
| Dabur | Buy | 526 | 675 | 28 | 10.5 | 12.0 | 13.7 | -0.9 | 14.4 | 14.2 | 50.1 | 43.8 | 8.8 | 8.2 | 18.2 | 19.4 |
| Emami | Buy | 565 | 800 | 42 | 20.3 | 22.2 | 24.0 | 12.5 | 9.1 | 8.4 | 27.8 | 25.5 | 8.9 | 7.9 | 34.0 | 32.8 |
| Godrej Cons. | Buy | 1189 | 1400 | 18 | 20.1 | 24.9 | 28.7 | 4.1 | 23.5 | 15.4 | 59.0 | 47.8 | 9.0 | 8.2 | 15.7 | 17.9 |
| HUL | Buy | 2354 | 3100 | 32 | 44.8 | 51.0 | 56.2 | 2.6 | 13.8 | 10.1 | 52.5 | 46.1 | 10.7 | 10.5 | 20.5 | 23.0 |
| ITC | Buy | 440 | 575 | 31 | 16.7 | 18.2 | 19.8 | 2.0 | 8.9 | 8.6 | 26.3 | 24.2 | 7.1 | 6.8 | 27.5 | 28.7 |
| Indigo Paints | Buy | 1230 | 1650 | 34 | 29.8 | 35.4 | 41.6 | -3.7 | 18.7 | 17.5 | 41.2 | 34.7 | 5.8 | 5.1 | 14.8 | 15.5 |
| Jyothy Lab | Neutral | 398 | 450 | 13 | 10.6 | 11.7 | 12.9 | 7.6 | 10.5 | 10.3 | 37.6 | 34.1 | 7.7 | 7.0 | 20.9 | 21.5 |
| L T Foods | Buy | 396 | 520 | 31 | 18.1 | 24.0 | 28.4 | 6.1 | 32.5 | 18.4 | 21.8 | 16.5 | 3.5 | 3.0 | 17.3 | 19.6 |
| Marico | Buy | 665 | 750 | 13 | 12.9 | 14.4 | 15.5 | 12.8 | 11.6 | 7.5 | 51.5 | 46.1 | 21.4 | 20.2 | 42.6 | 45.1 |
| Nestle | Neutral | 2219 | 2400 | 8 | 33.8 | 38.3 | 43.1 | -17.6 | 13.2 | 12.6 | 65.6 | 58.0 | 51.7 | 43.9 | 87.2 | 81.9 |
| Page Inds | Buy | 46119 | 57000 | 24 | 603.3 | 720.5 | 865.8 | 18.2 | 19.4 | 20.2 | 76.4 | 64.0 | 29.4 | 25.2 | 38.4 | 39.4 |
| Pidilite Ind. | Neutral | 2814 | 3200 | 14 | 42.4 | 49.0 | 56.0 | 18.4 | 15.5 | 14.1 | 66.3 | 57.4 | 15.0 | 13.5 | 24.0 | 24.7 |
| P&G Hygiene | Neutral | 14750 | 15500 | 5 | 251.7 | 281.5 | 317.2 | 14.3 | 11.9 | 12.7 | 58.6 | 52.4 | 51.0 | 42.7 | 95.5 | 88.8 |
| Tata Consumer | Buy | 954 | 1150 | 21 | 14.8 | 19.0 | 20.9 | 2.9 | 28.5 | 10.1 | 64.7 | 50.3 | 4.1 | 3.6 | 7.4 | 7.9 |
| United Brew | Neutral | 1952 | 2200 | 13 | 21.5 | 31.4 | 38.9 | 38.2 | 46.0 | 24.2 | 90.9 | 62.2 | 11.5 | 10.5 | 13.1 | 17.6 |
| United Spirits | Neutral | 1426 | 1650 | 16 | 19.1 | 21.6 | 23.9 | 5.6 | 12.8 | 10.8 | 74.6 | 66.1 | 12.4 | 10.4 | 16.6 | 15.8 |
| Varun Beverages | Buy | 557 | 750 | 35 | 7.7 | 10.4 | 12.5 | 27.3 | 34.0 | 20.7 | 72.0 | 53.7 | 11.5 | 9.6 | 22.5 | 19.5 |
| **Aggregate** | | | | | | | | **1.6** | **14.0** | **11.4** | **46.0** | **40.3** | **10.6** | **9.9** | **23.0** | **24.5** |

| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) FY25E | FY26E | FY27E | EPS Gr. YoY (%) FY24 | FY25E | FY26E | P/E (x) FY25E | FY26E | P/B (x) FY25E | FY26E | ROE (%) FY25E | FY26E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Consumer Durables** | | | | | | | | | | | | | | | | |
| Havells India | Neutral | 1575 | 1740 | 10 | 22.0 | 26.9 | 33.1 | 8.7 | 22.1 | 23.0 | 71.5 | 58.6 | 11.8 | 10.5 | 16.5 | 17.9 |
| KEI Industries | Buy | 4103 | 5150 | 26 | 72.2 | 88.4 | 107.9 | 12.1 | 22.4 | 22.0 | 56.8 | 46.4 | 6.7 | 5.9 | 15.4 | 13.6 |
| Polycab India | Buy | 6781 | 8810 | 30 | 128.6 | 152.6 | 183.7 | 8.3 | 18.7 | 20.4 | 52.8 | 44.4 | 10.5 | 8.9 | 20.0 | 20.0 |
| R R Kabel | Buy | 1292 | 1900 | 47 | 21.6 | 36.6 | 51.4 | -18.4 | 69.9 | 40.4 | 60.0 | 35.3 | 7.3 | 6.3 | 12.7 | 19.2 |
| Voltas | Buy | 1596 | 2070 | 30 | 27.2 | 35.1 | 44.4 | 275.5 | 29.3 | 26.3 | 58.7 | 45.4 | 7.9 | 7.0 | 13.5 | 15.3 |
| **Aggregate** | | | | | | | | **23.2** | **24.4** | **23.7** | **59.3** | **47.7** | **9.4** | **8.2** | **15.8** | **17.1** |
| **EMS** | | | | | | | | | | | | | | | | |
| Amber Enterp. | Buy | 6758 | 7900 | 17 | 78.0 | 113.0 | 172.3 | 97.7 | 44.9 | 52.5 | 86.7 | 59.8 | 9.8 | 8.4 | 12.0 | 15.1 |
| Avalon Tech | Buy | 824 | 1140 | 38 | 8.8 | 15.9 | 25.5 | 105.7 | 81.3 | 60.8 | 94.0 | 51.9 | 8.9 | 7.6 | 10.0 | 15.9 |
| Cyient DLM | Buy | 599 | 900 | 50 | 11.3 | 21.7 | 30.2 | 45.9 | 92.6 | 39.2 | 53.2 | 27.6 | 4.8 | 4.1 | 9.4 | 15.9 |
| Data Pattern | Neutral | 2283 | 2300 | 1 | 38.9 | 51.0 | 65.0 | 19.8 | 31.3 | 27.3 | 58.7 | 44.7 | 8.3 | 7.0 | 15.2 | 17.1 |
| Dixon Tech. | Buy | 17232 | 18100 | 5 | 142.6 | 182.1 | 234.6 | 131.9 | 27.7 | 28.8 | 120.8 | 94.6 | 40.7 | 28.6 | 40.4 | 35.5 |
| Kaynes Tech | Buy | 6578 | 9100 | 38 | 53.5 | 92.5 | 150.6 | 86.5 | 72.8 | 62.9 | 122.9 | 71.1 | 14.9 | 12.3 | 12.9 | 18.9 |
| Syrma SGS Tech. | Buy | 533 | 760 | 43 | 9.5 | 14.7 | 22.0 | 54.7 | 55.4 | 49.4 | 56.2 | 36.2 | 5.4 | 4.8 | 10.0 | 14.0 |
| **Aggregate** | | | | | | | | **87.1** | **44.9** | **42.3** | **100.6** | **69.4** | **15.9** | **13.0** | **15.8** | **18.7** |
| **Healthcare** | | | | | | | | | | | | | | | | |
| Alembic Phar | Neutral | 1053 | 1110 | 5 | 31.7 | 37.9 | 47.5 | 0.7 | 19.6 | 25.4 | 33.3 | 27.8 | 3.9 | 3.5 | 12.1 | 13.1 |
| Alkem Lab | Neutral | 5251 | 5630 | 7 | 183.8 | 204.8 | 231.2 | 15.1 | 11.4 | 12.9 | 28.6 | 25.6 | 5.2 | 4.5 | 19.7 | 18.9 |
| Ajanta Pharma | Buy | 2860 | 3470 | 21 | 72.4 | 82.4 | 97.0 | 16.2 | 13.9 | 17.6 | 39.5 | 34.7 | 8.6 | 7.2 | 23.5 | 22.6 |
| Apollo Hospitals | Buy | 6827 | 8660 | 27 | 97.4 | 126.3 | 164.5 | 56.0 | 29.7 | 30.2 | 70.1 | 54.1 | 11.5 | 9.5 | 18.4 | 19.9 |
| Aurobindo | Neutral | 1178 | 1360 | 15 | 61.7 | 70.8 | 81.1 | 10.0 | 14.8 | 14.5 | 19.1 | 16.6 | 2.1 | 1.9 | 11.5 | 11.8 |
| Biocon | Buy | 393 | 430 | 9 | 2.0 | 4.7 | 9.6 | 8.3 | 140.0 | 105.6 | 201.0 | 83.8 | 2.3 | 2.3 | 1.2 | 2.7 |
| Cipla | Neutral | 1442 | 1550 | 7 | 57.1 | 62.6 | 66.0 | 8.8 | 9.6 | 5.5 | 25.3 | 23.0 | 3.8 | 3.3 | 15.0 | 14.3 |
| Divis Lab | Neutral | 5914 | 5870 | -1 | 74.8 | 97.1 | 119.6 | 24.7 | 29.8 | 23.2 | 79.0 | 60.9 | 10.5 | 9.4 | 13.9 | 16.3 |
| Dr Reddy’s | Neutral | 1310 | 1370 | 5 | 63.7 | 78.3 | 68.8 | 0.5 | 22.9 | -12.1 | 20.6 | 16.7 | 3.3 | 2.8 | 17.4 | 18.2 |
| ERIS Lifescience | Neutral | 1291 | 1230 | -5 | 28.6 | 40.1 | 54.2 | -2.2 | 40.4 | 35.1 | 45.2 | 32.2 | 6.1 | 5.3 | 14.3 | 17.6 |
| Gland Pharma | Buy | 1679 | 2080 | 24 | 46.2 | 58.7 | 70.0 | -2.8 | 26.9 | 19.4 | 36.3 | 28.6 | 2.9 | 2.6 | 8.4 | 9.7 |
| Glenmark | Buy | 1468 | 1900 | 29 | 47.3 | 60.7 | 70.6 | 1,805.6 | 28.2 | 16.3 | 31.0 | 24.2 | 4.5 | 3.8 | 15.7 | 17.0 |
| GSK Pharma | Neutral | 2062 | 2420 | 17 | 50.2 | 56.2 | 64.6 | 15.9 | 12.1 | 14.9 | 41.1 | 36.7 | 16.1 | 13.2 | 39.3 | 36.0 |
| Global Health | Buy | 1020 | 1360 | 33 | 19.1 | 24.0 | 30.2 | 7.2 | 25.6 | 25.8 | 53.4 | 42.6 | 8.2 | 7.1 | 16.4 | 17.9 |
| Granules India | Buy | 579 | 690 | 19 | 21.3 | 28.3 | 35.6 | 22.6 | 32.9 | 25.9 | 27.2 | 20.5 | 3.8 | 3.2 | 14.9 | 17.0 |
| IPCA Labs | Buy | 1544 | 1970 | 28 | 33.1 | 44.3 | 55.5 | 59.4 | 33.8 | 25.1 | 46.6 | 34.8 | 5.6 | 4.9 | 12.6 | 14.9 |
| Laurus Labs | Buy | 568 | 710 | 25 | 31.8 | 25.0 | 14.5 | 27.1 | -21.3 | -42.0 | 17.9 | 22.7 | 4.5 | NA | 28.0 | 12.4 |
| Lupin | Neutral | 2112 | 2290 | 8 | 68.9 | 75.7 | 83.9 | 66.0 | 9.8 | 10.9 | 30.6 | 27.9 | 5.6 | 4.7 | 19.8 | 18.2 |
| Mankind Pharma | Buy | 2600 | 3480 | 34 | 57.1 | 60.1 | 76.6 | 19.6 | 5.3 | 27.4 | 45.5 | 43.3 | 9.4 | 8.1 | 22.4 | 20.1 |
| Max Healthcare | Buy | 1030 | 1380 | 34 | 15.1 | 19.9 | 24.0 | 9.6 | 32.0 | 20.8 | 68.4 | 51.8 | 9.3 | 7.9 | 14.6 | 16.5 |
| Piramal Pharma | Buy | 231 | 320 | 39 | 2.0 | 4.7 | 7.1 | 375.3 | 132.9 | 52.1 | 114.7 | 49.2 | 3.4 | 3.1 | 3.3 | 7.3 |
| Sun Pharma | Buy | 1786 | 2230 | 25 | 49.3 | 59.3 | 67.4 | 19.0 | 20.2 | 13.7 | 36.2 | 30.1 | 5.8 | 5.0 | 17.2 | 17.8 |
| Torrent Pharma | Neutral | 3178 | 3530 | 11 | 58.4 | 77.9 | 97.8 | 24.0 | 33.3 | 25.5 | 54.4 | 40.8 | 6.6 | 5.5 | 26.4 | 29.5 |
| Zydus Lifesciences | Neutral | 994 | 1010 | 2 | 44.6 | 49.4 | 43.6 | 18.4 | 10.8 | -11.7 | 22.3 | 20.1 | 3.9 | 3.4 | 19.8 | 18.1 |
| **Aggregate** | | | | | | | | **20.7** | **16.0** | **12.5** | **36.0** | **31.0** | **5.3** | **4.7** | **14.7** | **15.1** |
| **Infrastructure** | | | | | | | | | | | | | | | | |
| G R Infraproject | Buy | 1331 | 1780 | 34 | 73.6 | 91.3 | 111.5 | 0.8 | 24.1 | 22.2 | 18.1 | 14.6 | 1.6 | 1.5 | 9.4 | 10.6 |
| IRB Infra | Neutral | 55 | 60 | 9 | 1.3 | 2.1 | 2.5 | 30.8 | 62.3 | 16.4 | 41.8 | 25.8 | 2.3 | 2.2 | 5.6 | 8.7 |
| KNR Constructions | Buy | 320 | 400 | 25 | 14.9 | 17.1 | 21.8 | -2.5 | 15.0 | 27.7 | 21.5 | 18.7 | 2.3 | 2.1 | 11.8 | 11.7 |
| **Aggregate** | | | | | | | | | | | **28.6** | **20.8** | **2.1** | **1.9** | **7.4** | **9.3** |
| **Logistics** | | | | | | | | | | | | | | | | |
| Adani Ports | Buy | 1163 | 1500 | 29 | 49.1 | 59.2 | 70.8 | 18.9 | 20.8 | 19.4 | 23.7 | 19.6 | 4.0 | 3.4 | 18.4 | 18.9 |
| Blue Dart Express | Buy | 6429 | 8640 | 34 | 114.2 | 208.5 | 259.8 | -6.1 | 82.5 | 24.6 | 56.3 | 30.8 | 9.7 | 7.9 | 18.0 | 28.4 |
| Concor | Buy | 773 | 1050 | 36 | 22.8 | 29.7 | 35.7 | 13.7 | 29.9 | 20.4 | 33.8 | 26.1 | 3.7 | 3.5 | 11.4 | 13.8 |
| JSW Infra | Buy | 298 | 375 | 26 | 6.1 | 7.5 | 9.5 | 4.8 | 24.1 | 25.4 | 49.1 | 39.6 | 6.9 | 6.1 | 14.9 | 16.4 |
| Mahindra Logistics | Neutral | 365 | 360 | -1 | 2.3 | 17.0 | 28.9 | -128.7 | 625.5 | 69.9 | 155.4 | 21.4 | 5.3 | 4.4 | 3.3 | 21.9 |
| Transport Corp. | Buy | 1085 | 1370 | 26 | 53.0 | 63.0 | 73.7 | 15.8 | 18.8 | 17.0 | 20.5 | 17.2 | 3.5 | 2.9 | 18.4 | 18.3 |

| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) FY25E | FY26E | FY27E | EPS Gr. YoY (%) FY24 | FY25E | FY26E | P/E (x) FY25E | FY26E | P/B (x) FY25E | FY26E | ROE (%) FY25E | FY26E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TCI Express | Neutral | 834 | 910 | 9 | 26.6 | 38.4 | 44.7 | -22.5 | 44.1 | 16.5 | 31.3 | 21.7 | 4.1 | 3.6 | 13.8 | 17.6 |
| VRL Logistics | Buy | 474 | 670 | 41 | 16.0 | 21.4 | 26.3 | 58.1 | 33.6 | 23.0 | 29.6 | 22.1 | 4.2 | 3.8 | 14.4 | 18.0 |
| **Aggregate** | | | | | | | | | | | **27.8** | **22.4** | **4.4** | **3.8** | **15.7** | **16.9** |
| **Media** | | | | | | | | | | | | | | | | |
| PVR Inox | Neutral | 1102 | 1500 | 36 | -17.9 | 20.4 | 43.9 | -253.1 | LP | 114.5 | NM | 53.9 | 1.5 | 1.5 | -2.4 | 2.8 |
| Sun TV | Neutral | 649 | 625 | -4 | 46.1 | 48.9 | 52.8 | -3.1 | 6.0 | 8.2 | 14.1 | 13.3 | 2.2 | 2.1 | 16.0 | 15.5 |
| Zee Ent. | Neutral | 121 | 130 | 7 | 7.2 | 9.6 | 10.9 | 58.7 | 33.6 | 13.7 | 16.9 | 12.6 | 1.0 | 1.0 | 6.2 | 7.8 |
| **Aggregate** | | | | | | | | **-3.8** | **30.7** | **16.9** | **20.6** | **15.8** | **1.6** | **1.5** | **7.8** | **9.5** |
| **Metals** | | | | | | | | | | | | | | | | |
| Coal India | Buy | 388 | 480 | 24 | 56.7 | 67.4 | 70.5 | -6.5 | 18.8 | 4.7 | 6.8 | 5.8 | 2.4 | 2.0 | 35.1 | 34.6 |
| Hindalco | Buy | 617 | 780 | 26 | 68.9 | 63.1 | 74.0 | 51.0 | -8.4 | 17.3 | 9.0 | 9.8 | 1.5 | 1.3 | 17.6 | 14.0 |
| Hind. Zinc | Neutral | 457 | 460 | 1 | 22.3 | 31.0 | 31.9 | 21.3 | 39.4 | 2.7 | 20.5 | 14.7 | 16.2 | 9.7 | 69.4 | 82.2 |
| JSPL | Buy | 924 | 1200 | 30 | 46.7 | 95.4 | 110.0 | -20.1 | 104.4 | 15.2 | 19.8 | 9.7 | 1.9 | 1.6 | 10.1 | 18.1 |
| JSW Steel | Buy | 908 | 1100 | 21 | 19.8 | 68.2 | 85.7 | -46.3 | 244.7 | 25.7 | 45.9 | 13.3 | 2.7 | 2.3 | 6.1 | 18.6 |
| Nalco | Neutral | 205 | 225 | 10 | 18.6 | 13.9 | 16.2 | 104.6 | -25.1 | 16.5 | 11.0 | 14.7 | 2.2 | 2.0 | 21.7 | 14.1 |
| NMDC | Buy | 67 | 85 | 28 | 8.2 | 9.1 | 9.8 | 24.5 | 10.7 | 8.4 | 8.1 | 7.3 | 1.9 | 1.6 | 25.3 | 23.5 |
| SAIL | Neutral | 109 | 120 | 10 | 0.8 | 10.4 | 14.8 | -70.6 | 1,250 | 43.0 | 141.7 | 10.5 | 0.8 | 0.7 | 0.5 | 7.2 |
| Tata Steel | Neutral | 130 | 150 | 15 | 3.8 | 11.9 | 17.8 | 41.1 | 211 | 49.8 | 34.1 | 11.0 | 1.9 | 1.8 | 5.6 | 16.8 |
| Vedanta | Neutral | 454 | 490 | 8 | 36.9 | 44.7 | 50.6 | 178.3 | 21 | 13.3 | 12.3 | 10.2 | 5.2 | 4.1 | 43.5 | 45.3 |
| **Aggregate** | | | | | | | | **13.3** | **43.1** | **16.3** | **13.7** | **9.6** | **2.3** | **2.0** | **16.7** | **20.7** |
| **Oil & Gas** | | | | | | | | | | | | | | | | |
| Aegis Logistics | Neutral | 802 | 795 | -1 | 16.8 | 21.0 | 23.3 | 3.4 | 25.0 | 11.3 | 47.8 | 38.3 | 6.6 | 5.9 | 14.4 | 16.3 |
| BPCL | Neutral | 274 | 340 | 24 | 28.2 | 26.1 | 26.8 | -55.5 | -7.5 | 2.8 | 9.7 | 10.5 | 1.4 | 1.3 | 15.3 | 13.2 |
| Castrol India | Buy | 185 | 260 | 41 | 8.9 | 9.2 | 10.0 | 2.1 | 2.9 | 9.1 | 20.7 | 20.1 | 8.1 | 7.7 | 40.4 | 39.3 |
| GAIL | Buy | 181 | 255 | 41 | 15.5 | 18.0 | 20.5 | 13.2 | 15.7 | 14.2 | 11.7 | 10.1 | 1.6 | 1.5 | 15.2 | 16.0 |
| Gujarat Gas | Buy | 500 | 580 | 16 | 14.9 | 17.8 | 19.3 | -6.9 | 19.4 | 8.8 | 33.6 | 28.1 | 4.1 | 3.8 | 12.8 | 14.0 |
| Gujarat St. Pet. | Neutral | 364 | 388 | 7 | 15.5 | 11.0 | 11.0 | -31.8 | -29.2 | -0.1 | 23.4 | 33.1 | 1.9 | 1.8 | 8.3 | 5.6 |
| HPCL | Buy | 359 | 480 | 34 | 22.1 | 38.1 | 40.9 | -70.6 | 72.0 | 7.4 | 16.2 | 9.4 | 1.5 | 1.4 | 9.7 | 15.2 |
| IOC | Buy | 128 | 185 | 44 | 7.3 | 9.0 | 9.1 | -75.1 | 22.0 | 1.0 | 17.4 | 14.3 | 0.9 | 0.9 | 5.4 | 6.3 |
| IGL | Sell | 405 | 360 | -11 | 17.5 | 21.2 | 24.9 | -30.1 | 21.4 | 17.6 | 23.2 | 19.1 | 3.0 | 2.7 | 13.6 | 14.9 |
| Mahanagar Gas | Buy | 1321 | 1730 | 31 | 101.1 | 104.6 | 109.2 | -23.6 | 3.5 | 4.3 | 13.1 | 12.6 | 2.3 | 2.1 | 18.3 | 17.1 |
| MRPL | Sell | 141 | 127 | -10 | -0.9 | 11.0 | 12.8 | -104.5 | LP | 16.0 | NM | 12.8 | 1.9 | 1.7 | -1.2 | 13.9 |
| Oil India | Buy | 475 | 600 | 26 | 38.3 | 47.6 | 51.3 | -21.3 | 24.2 | 7.9 | 12.4 | 10.0 | 1.6 | 1.4 | 13.5 | 15.1 |
| ONGC | Buy | 267 | 305 | 14 | 38.7 | 46.5 | 47.4 | -16.4 | 20.0 | 2.1 | 6.9 | 5.7 | 0.9 | 0.8 | 13.8 | 14.9 |
| PLNG | Neutral | 325 | 370 | 14 | 25.5 | 29.3 | 31.4 | 8.0 | 15.0 | 7.2 | 12.7 | 11.1 | 2.6 | 2.3 | 21.2 | 21.8 |
| Reliance Ind. | Buy | 1301 | 1600 | 23 | 51.6 | 61.1 | 68.6 | 0.2 | 18.4 | 12.3 | 25.2 | 21.3 | 2.1 | 1.9 | 8.5 | 9.3 |
| **Aggregate** | | | | | | | | **-29.6** | **19.7** | **7.8** | **16.8** | **14.1** | **1.6** | **1.5** | **9.8** | **10.8** |
| **Real Estate** | | | | | | | | | | | | | | | | |
| Anant Raj | Buy | 899 | 1100 | 22 | 17.4 | 21.9 | 24.8 | 123.9 | 25.6 | 13.5 | 51.7 | 41.1 | 7.3 | 6.2 | 14.1 | 15.1 |
| Brigade Enterpr. | Buy | 1138 | 1540 | 35 | 37.8 | 44.1 | 63.1 | 71.0 | 16.6 | 43.1 | 30.1 | 25.8 | 4.0 | 3.5 | 16.2 | 14.3 |
| DLF | Buy | 750 | 959 | 28 | 10.4 | 18.1 | 13.0 | -5.2 | 73.6 | -27.9 | 71.9 | 41.4 | 3.2 | 2.9 | 6.3 | 10.2 |
| Godrej Propert. | Buy | 2406 | 3725 | 55 | 51.3 | 32.0 | 26.9 | 90.9 | -37.6 | -15.9 | 46.9 | 75.2 | 5.9 | 5.4 | 13.3 | 7.5 |
| Kolte Patil Dev. | Buy | 319 | 525 | 65 | 15.1 | 44.0 | 39.5 | -265.1 | 190.9 | -10.0 | 21.1 | 7.3 | 3.0 | 2.2 | 14.8 | 34.4 |
| Oberoi Realty | Neutral | 1988 | 2056 | 3 | 66.7 | 82.8 | 96.6 | 26.0 | 24.0 | 16.7 | 29.8 | 24.0 | 4.5 | 3.9 | 16.3 | 17.4 |
| Macrotech Devel. | Buy | 1178 | 1586 | 35 | 22.6 | 34.1 | 36.8 | 33.5 | 50.9 | 8.0 | 52.2 | 34.6 | 5.8 | 5.0 | 11.7 | 15.5 |
| Mahindra Lifespace | Neutral | 414 | 530 | 28 | 5.5 | 6.0 | 21.4 | -13.5 | 9.9 | 257.2 | 75.7 | 68.9 | 3.3 | 3.2 | 4.5 | 4.8 |
| SignatureGlobal | Buy | 1128 | 2000 | 77 | 19.1 | 58.6 | 120.5 | 1,522.4 | 207.1 | 105.7 | 59.2 | 19.3 | 17.7 | 9.2 | 35.2 | 63.0 |
| Sunteck Realty | Buy | 490 | 745 | 52 | 11.7 | 31.3 | 10.1 | 142.2 | 166.6 | -67.6 | 41.7 | 15.7 | 2.2 | 1.9 | 5.4 | 13.1 |
| Sobha | Buy | 1298 | 2213 | 70 | 30.3 | 67.2 | 83.2 | 485.9 | 121.4 | 23.9 | 42.8 | 19.3 | 3.5 | 3.0 | 9.7 | 16.5 |
| Prestige Estates | Buy | 1471 | 2130 | 45 | 21.7 | 22.2 | 26.5 | 14.4 | 2.4 | 19.5 | 67.9 | 66.3 | 3.2 | 3.1 | 5.7 | 4.8 |
| Phoenix Mills | Neutral | 1644 | 1650 | 0 | 29.8 | 41.3 | 55.7 | -3.3 | 38.7 | 34.9 | 55.2 | 39.8 | 5.6 | 5.0 | 10.7 | 13.3 |
| **Aggregate** | | | | | | | | **31.7** | **40.7** | **8.1** | **52.2** | **37.1** | **4.9** | **4.3** | **9.3** | **11.7** |
| **Retail** | | | | | | | | | | | | | | | | |
| Avenue | Buy | 3620 | 4450 | 23 | 42.1 | 50.1 | 59.8 | 8.0 | 19.0 | 19.5 | 86.0 | 72.3 | 11.0 | 9.5 | 13.6 | 14.1 |

| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) FY25E | EPS (INR) FY26E | EPS (INR) FY27E | EPS Gr. YoY (%) FY24 | EPS Gr. YoY (%) FY25E | EPS Gr. YoY (%) FY26E | P/E (x) FY25E | P/E (x) FY26E | P/B (x) FY25E | P/B (x) FY26E | ROE (%) FY25E | ROE (%) FY26E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Supermarts | | | | | | | | | | | | | | | | |
| Aditya Birla Fashion | Neutral | 274 | 300 | 9 | -7.3 | -6.2 | -5.9 | 3.9 | Loss | Loss | NM | NM | 7.0 | 8.3 | -17.8 | -18.0 |
| Bata India | Neutral | 1311 | 1260 | -4 | 22.6 | 26.0 | 30.9 | -0.8 | 15.1 | 18.9 | 58.0 | 50.4 | 9.6 | 8.7 | 17.7 | 18.1 |
| Barbeque-Nation | Neutral | 397 | 500 | 26 | -1.6 | 1.9 | 4.9 | -43.7 | LP | 155.0 | NM | 208.7 | 4.0 | 3.9 | -1.6 | 1.9 |
| Campus Activewe. | Buy | 280 | 380 | 36 | 4.1 | 5.5 | 7.5 | 42.1 | 33.2 | 35.1 | 67.4 | 50.6 | 11.0 | 9.0 | 16.3 | 17.9 |
| Devyani Intl. | Buy | 185 | 215 | 16 | 0.4 | 1.7 | 2.2 | -41.8 | 270.4 | 30.9 | 413.2 | 111.6 | 33.6 | 37.6 | 6.3 | 31.8 |
| Jubilant Food. | Neutral | 692 | 800 | 16 | 5.5 | 8.1 | 10.4 | 38.2 | 47.9 | 28.7 | 127.0 | 85.8 | 20.4 | 19.5 | 16.0 | 22.7 |
| Kalyan Jewellers | Buy | 502 | 875 | 74 | 8.1 | 10.9 | 13.7 | 38.9 | 35.5 | 25.6 | 62.3 | 46.0 | 11.1 | 9.5 | 18.7 | 22.2 |
| Metro Brands | Buy | 1198 | 1525 | 27 | 13.7 | 17.1 | 21.8 | 7.2 | 25.5 | 27.2 | 87.8 | 69.9 | 14.8 | 12.6 | 18.5 | 19.9 |
| P N Gadgil Jewellers | Buy | 638 | 950 | 49 | 17.1 | 23.2 | 29.4 | 30.6 | 35.9 | 26.8 | 37.4 | 27.5 | 5.4 | 4.5 | 21.6 | 17.8 |
| Raymond Lifestyle | Buy | 1904 | 2725 | 43 | 46.6 | 77.0 | 94.0 | -42.0 | 65.5 | 22.0 | 40.9 | 24.7 | 1.2 | 1.1 | 6.2 | 9.5 |
| Relaxo Footwear | Neutral | 579 | 610 | 5 | 7.6 | 9.5 | 11.7 | -6.2 | 25.5 | 23.7 | 76.7 | 61.1 | 6.7 | 6.2 | 9.1 | 10.6 |
| Restaurant Brands | Buy | 79 | 135 | 70 | -3.6 | -1.1 | 1.1 | -24.6 | Loss | LP | NM | NM | 8.8 | 10.0 | -33.2 | -12.9 |
| Sapphire Foods | Buy | 318 | 415 | 31 | 1.3 | 3.4 | 4.9 | -20.1 | 161.2 | 43.8 | 243.8 | 93.3 | 7.4 | 6.8 | 3.1 | 7.6 |
| Shoppers Stop | Neutral | 631 | 700 | 11 | 0.8 | 0.6 | 4.7 | -85.6 | -21.5 | 660.8 | 796.1 | 1,014.0 | 15.8 | 15.5 | 2.7 | 2.0 |
| Senco Gold | Buy | 1027 | 1450 | 41 | 32.5 | 39.1 | 45.4 | 39.5 | 20.4 | 16.1 | 31.6 | 26.2 | 5.1 | 4.3 | 17.3 | 17.9 |
| Titan Company | Buy | 3358 | 3850 | 15 | 42.6 | 53.4 | 63.7 | 8.5 | 25.3 | 19.3 | 78.8 | 62.9 | 24.8 | 19.4 | 35.4 | 34.7 |
| Trent | Buy | 6214 | 8310 | 34 | 47.0 | 65.0 | 90.5 | 60.7 | 38.4 | 39.4 | 132.4 | 95.7 | 36.0 | 25.7 | 34.0 | 33.5 |
| V-Mart Retail | Neutral | 3228 | 4290 | 33 | -12.6 | 5.0 | 23.7 | -74.2 | LP | 377.9 | NM | 651.4 | 8.1 | 8.0 | NM | 1.3 |
| Vedant Fashions | Neutral | 1197 | 1430 | 20 | 17.9 | 22.0 | 27.3 | 4.6 | 23.0 | 24.6 | 67.0 | 54.5 | 16.5 | 14.4 | 25.3 | 25.6 |
| Westlife Foodworld | Neutral | 720 | 850 | 18 | 1.1 | 6.0 | 9.7 | -75.2 | 442.3 | 63.5 | 655.5 | 120.9 | 15.1 | 15.4 | 2.6 | 12.6 |
| **Aggregate** | | | | | | | | **23.9** | **35.6** | **27.4** | **98.5** | **74.0** | **13.8** | **12.2** | **14.0** | **16.5** |
| **Technology** | | | | | | | | | | | | | | | | |
| Cyient | Buy | 1756 | 2100 | 20 | 63.7 | 84.8 | 96.9 | -4.7 | 33.0 | 14.4 | 27.5 | 20.7 | 4.3 | 3.9 | 15.1 | 18.7 |
| HCL Tech. | Buy | 1790 | 2400 | 34 | 63.8 | 72.7 | 80.7 | 10.2 | 14.0 | 11.0 | 28.1 | 24.6 | 7.2 | 7.3 | 25.6 | 29.6 |
| Infosys | Buy | 1815 | 2200 | 21 | 63.4 | 70.0 | 77.5 | 0.1 | 10.4 | 10.8 | 28.6 | 25.9 | 8.5 | 8.5 | 29.8 | 32.8 |
| LTI Mindtree | Buy | 5891 | 7700 | 31 | 158.8 | 187.0 | 217.7 | 2.6 | 17.8 | 16.4 | 37.1 | 31.5 | 7.7 | 6.7 | 22.0 | 22.7 |
| L&T Technology | Buy | 5373 | 5500 | 2 | 125.4 | 150.0 | 174.4 | 1.9 | 19.7 | 16.2 | 42.8 | 35.8 | 9.5 | 8.1 | 23.5 | 24.1 |
| Mphasis | Neutral | 2815 | 3200 | 14 | 90.7 | 104.3 | 115.1 | 11.0 | 14.9 | 10.3 | 31.0 | 27.0 | 5.6 | 5.2 | 18.9 | 20.1 |
| Coforge | Buy | 8637 | 11500 | 33 | 145.7 | 229.2 | 282.3 | 9.4 | 57.3 | 23.2 | 59.3 | 37.7 | 13.5 | 11.6 | 24.0 | 32.7 |
| Persistent Sys | Buy | 5962 | 7500 | 26 | 88.5 | 116.5 | 136.1 | 17.8 | 31.7 | 16.8 | 67.4 | 51.2 | 15.8 | 13.4 | 25.3 | 28.3 |
| TCS | Buy | 4126 | 5000 | 21 | 138.0 | 152.0 | 166.2 | 9.3 | 10.1 | 9.3 | 29.9 | 27.1 | 15.7 | 14.7 | 53.7 | 55.8 |
| Tech Mah | Neutral | 1659 | 1850 | 12 | 45.2 | 63.2 | 74.0 | 10.0 | 39.8 | 17.1 | 36.7 | 26.3 | 5.4 | 5.2 | 14.9 | 20.2 |
| Wipro | Neutral | 282 | 290 | 3 | 12.0 | 12.3 | 13.0 | 18.0 | 2.3 | 6.0 | 23.4 | 22.9 | 4.0 | 3.9 | 17.1 | 17.4 |
| Zensar Tech | Neutral | 751 | 800 | 6 | 26.9 | 30.9 | 35.1 | -7.5 | 14.7 | 13.8 | 27.9 | 24.3 | 4.2 | 3.8 | 16.3 | 16.6 |
| **Aggregate** | | | | | | | | **9.2** | **12.1** | **10.5** | **30.0** | **26.8** | **9.0** | **8.6** | **29.9** | **32.2** |
| **Telecom** | | | | | | | | | | | | | | | | |
| Bharti Airtel | Buy | 1627 | 1890 | 16 | 34.8 | 41.1 | 57.2 | 76.9 | 18.2 | 39.2 | 46.8 | 39.6 | 10.0 | 7.8 | 23.1 | 23.9 |
| Indus Towers | Neutral | 363 | 390 | 7 | 21.9 | 24.1 | 26.5 | -2.2 | 9.9 | 10.1 | 16.6 | 15.1 | 2.9 | 2.6 | 18.9 | 17.8 |
| Vodafone Idea | Neutral | 9 | 8 | -12 | -9.7 | -9.6 | -8.8 | -12.7 | Loss | Loss | NM | NM | -0.3 | -0.2 | NM | NM |
| Tata Comm | Neutral | 1698 | 1755 | 3 | 36.6 | 56.0 | 73.2 | -13.4 | 53.0 | 30.7 | 46.4 | 30.3 | 19.6 | 13.3 | 49.0 | 52 |
| **Aggregate** | | | | | | | | **Loss** | **LP** | **243.6** | **-1,077** | **223** | **67.9** | **36.8** | **-6.3** | **16.5** |
| **Utilities** | | | | | | | | | | | | | | | | |
| Indian Energy Exchange | Neutral | 173 | 205 | 19 | 4.4 | 5.4 | 6.3 | 16.0 | 20.4 | 17.2 | 38.8 | 32.2 | 13.4 | 11.1 | 37.8 | 37.7 |
| JSW Energy | Buy | 568 | 790 | 39 | 14.4 | 17.7 | 18.7 | 36.9 | 23.1 | 5.5 | 39.5 | 32.1 | 4.3 | 3.9 | 11.5 | 12.8 |
| NTPC | Neutral | 326 | 379 | 16 | 20.6 | 25.8 | 28.0 | -3.8 | 25.0 | 8.3 | 15.8 | 12.6 | 1.8 | 1.7 | 12.0 | 13.9 |
| Power Grid Corpn | Buy | 303 | 428 | 41 | 18.5 | 19.1 | 20.1 | 10.4 | 3.3 | 5.3 | 16.4 | 15.8 | 3.1 | 3.0 | 19.3 | 19.1 |
| Tata Power Co. | Buy | 374 | 508 | 36 | 12.3 | 16.4 | 17.3 | 12.5 | 33.2 | 5.2 | 30.3 | 22.7 | 3.3 | 2.9 | 11.5 | 13 |
| **Aggregate** | | | | | | | | **5.0** | **17.1** | **6.9** | **19** | **16** | **2.6** | **2.4** | **13.6** | **14.7** |
| **Others** | | | | | | | | | | | | | | | | |
| APL Apollo Tubes | Buy | 1568 | 1900 | 21 | 25.3 | 42.1 | 54.7 | -4.4 | 66.8 | 29.9 | 62.1 | 37.2 | 10.5 | 8.5 | 18.1 | 25.2 |
| Cello World | Buy | 673 | 930 | 38 | 16.8 | 21.7 | 26.7 | 8.0 | 28.6 | 23.5 | 40.0 | 31.1 | 9.6 | 7.4 | 24.0 | 23.8 |

| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | FY25E | FY26E | FY27E | FY24 | FY25E | FY26E | FY25E | FY26E | FY25E | FY26E | FY25E | FY26E |
| Coromandel Intl | Buy | 1879 | 2220 | 18 | 56.6 | 73.8 | 87.1 | 1.5 | 30.4 | 18.0 | 33.2 | 25.5 | 5.2 | 4.4 | 16.6 | 18.8 |
| Dreamfolks Services | Buy | 364 | 450 | 24 | 13.0 | 18.8 | 22.4 | 4.0 | 44.6 | 18.8 | 27.9 | 19.3 | 6.3 | 4.7 | 26.2 | 28.7 |
| EPL | Buy | 229 | 320 | 40 | 10.9 | 14.7 | 17.3 | 34.3 | 34.9 | 17.9 | 21.0 | 15.6 | 3.2 | 2.8 | 15.9 | 19.2 |
| Gravita India | Buy | 2130 | 2800 | 31 | 42.2 | 59.8 | 79.0 | 21.9 | 41.6 | 32.2 | 50.4 | 35.6 | 7.3 | 6.1 | 20.9 | 18.7 |
| Godrej Agrovet | Buy | 736 | 960 | 31 | 26.4 | 34.9 | 41.7 | 40.8 | 32.3 | 19.7 | 27.9 | 21.1 | 5.0 | 4.3 | 19.0 | 21.9 |
| Indian Hotels | Buy | 814 | 960 | 18 | 11.8 | 15.3 | 18.1 | 33.7 | 29.0 | 18.6 | 68.7 | 53.3 | 10.3 | 8.7 | 16.2 | 17.7 |
| Indiamart Inter. | Buy | 2283 | 2800 | 23 | 72.8 | 77.9 | 97.2 | 31.8 | 7.0 | 24.8 | 31.4 | 29.3 | 6.5 | 5.6 | 22.8 | 20.7 |
| Info Edge | Neutral | 7743 | 7900 | 2 | 64.0 | 91.1 | 110.6 | -0.5 | 42.4 | 21.4 | 121.0 | 85.0 | 3.8 | 3.7 | 2.8 | 4.4 |
| Interglobe | Neutral | 4090 | 5055 | 24 | 187.1 | 265.9 | 247.7 | -11.7 | 42 | -7 | 21.9 | 15 | 17.2 | 8.1 | 130.3 | 71.9 |
| Kajaria Ceramics | Buy | 1055 | 1450 | 37 | 26.8 | 32.0 | 39.1 | -1.5 | 19.3 | 22.2 | 39.4 | 33.0 | 6.0 | 5.5 | 15.2 | 16.9 |
| Lemon Tree Hotel | Buy | 140 | 190 | 36 | 2.3 | 3.8 | 4.5 | 22.9 | 62.5 | 18.4 | 59.8 | 36.8 | 9.5 | 7.5 | 17.3 | 22.9 |
| MTAR Tech | Buy | 1690 | 2100 | 24 | 26.1 | 45.3 | 70.2 | 43.1 | 73.5 | 55.0 | 64.7 | 37.3 | 6.9 | 5.8 | 11.2 | 16.9 |
| One 97 | Neutral | 900 | 950 | 6 | -43.9 | -3.4 | 13.0 | 97.7 | Loss | LP | NM | NM | 4.4 | 4.5 | -21.4 | -1.7 |
| Quess Corp | Neutral | 657 | 760 | 16 | 26.7 | 33.1 | 39.4 | 30.7 | 24.1 | 18.8 | 24.6 | 19.8 | 2.5 | 2.3 | 13.9 | 16.1 |
| SBI Cards | Neutral | 741 | 750 | 1 | 22.1 | 31.4 | 39.1 | -12.7 | 41.6 | 24.7 | 33.4 | 23.6 | 5.0 | 4.2 | 16.2 | 19.4 |
| SIS | Buy | 336 | 470 | 40 | 25.0 | 33.0 | 39.5 | 92.8 | 32.1 | 19.5 | 13.4 | 10.2 | 0.8 | 0.7 | 14.0 | 15.9 |
| Swiggy | Neutral | 473 | 520 | 10 | -10.9 | -5.1 | 1.3 | 1.6 | Loss | LP | NM | NM | 11.3 | 12.8 | -28.8 | -12.8 |
| Team Lease Serv. | Buy | 2704 | 3700 | 37 | 76.3 | 124.6 | 143.1 | 17.7 | 63.4 | 14.8 | 35.5 | 21.7 | 4.9 | 4.0 | 14.6 | 20.2 |
| UPL | Neutral | 552 | 550 | 0 | 25.2 | 48.0 | 66.5 | 589.6 | 90.0 | 38.8 | 21.9 | 11.5 | 1.1 | 1.0 | 7.7 | 13.9 |
| Updater Services | Buy | 347 | 460 | 32 | 16.5 | 21.4 | 28.1 | 45.3 | 29.6 | 31.5 | 21.0 | 16.2 | 2.4 | 2.1 | 12.1 | 13.7 |
| Zomato | Buy | 249 | 330 | 33 | 1.2 | 3.5 | 7.5 | 188.1 | 196.0 | 115.6 | 211.7 | 71.5 | 10.0 | 8.8 | 4.8 | 13.1 |

# Index and MOFSL Universe stock performance

| Index | 1 Day (%) | 1M (%) | 12M (%) |
|---|---|---|---|
| **Sensex** | **-0.5** | **-5.0** | **7.2** |
| **Nifty-50** | **-0.5** | **-4.7** | **7.6** |
| **Nifty Next 50** | **0.8** | **-9.9** | **20.0** |
| **Nifty 100** | **-0.2** | **-5.5** | **9.6** |
| **Nifty 200** | **-0.2** | **-5.9** | **10.5** |
| **Company** | **1 Day (%)** | **1M (%)** | **12M (%)** |
| **Automobiles** | **-0.3** | **-2.7** | **23.5** |
| Amara Raja Ener. | 0.6 | -14.5 | 35.2 |
| Apollo Tyres | -0.6 | -15.0 | -4.0 |
| Ashok Leyland | -0.6 | -10.5 | 20.5 |
| Bajaj Auto | 0.0 | -3.5 | 19.8 |
| Balkrishna Inds | -0.7 | -3.7 | 5.9 |
| Bharat Forge | 0.2 | -9.9 | 0.1 |
| Bosch | 0.1 | -12.3 | 36.9 |
| CEAT | -0.6 | -2.5 | 24.8 |
| Craftsman Auto | -2.4 | -7.2 | -1.9 |
| Eicher Motors | -0.5 | 5.9 | 33.9 |
| Endurance Tech. | 1.3 | -6.9 | 2.8 |
| Escorts Kubota | 1.3 | 7.7 | 24.1 |
| Exide Inds. | 0.4 | -13.6 | 22.0 |
| Happy Forgings | -0.3 | -2.1 | 2.6 |
| Hero Motocorp | 0.6 | -7.2 | -6.2 |
| Hyundai Motor | -1.5 | -1.9 | |
| M & M | -2.1 | -4.1 | 82.6 |
| CIE Automotive | -0.3 | -2.3 | -3.6 |
| Maruti Suzuki | 0.4 | 9.3 | 20.7 |
| MRF | -0.4 | -13.0 | -15.5 |
| Sona BLW Precis. | -1.4 | -7.5 | -0.4 |
| Motherson Sumi | 1.4 | -8.1 | 39.8 |
| Motherson Wiring | -0.4 | -9.3 | -8.7 |
| Tata Motors | 0.7 | 0.0 | -3.2 |
| TVS Motor Co. | 1.0 | -6.2 | 14.1 |
| Tube Investments | 2.6 | -8.0 | -10.9 |
| **Banks-Private** | **-2.2** | **-7.5** | **-0.5** |
| AU Small Fin. Bank | -1.0 | 6.1 | -21.1 |
| Axis Bank | -4.5 | -12.8 | -8.4 |
| Bandhan Bank | 0.0 | -7.7 | -33.8 |
| DCB Bank | 1.1 | -8.0 | -22.2 |
| Equitas Sma. Fin | -0.8 | -15.4 | 37.8 |
| Federal Bank | -2.0 | -8.9 | 31.3 |
| HDFC Bank | -0.9 | -10.7 | 6.5 |
| ICICI Bank | -1.9 | -8.1 | 24.8 |
| IDFC First Bank | -0.2 | -1.7 | -26.6 |
| IndusInd Bank | -0.5 | -0.5 | -40.9 |
| Kotak Mah. Bank | -2.6 | -1.4 | -1.2 |
| RBL Bank | -2.1 | -7.1 | -45.1 |
| SBI Cards | -1.6 | 3.6 | -1.5 |
| **Banks-PSU** | **-0.2** | **-9.2** | **8.0** |
| BOB | -0.4 | -10.9 | 1.1 |
| Canara Bank | 0.6 | -6.9 | 7.1 |
| Indian Bank | -0.5 | -7.3 | 18.8 |
| Punjab Natl.Bank | -0.1 | -5.5 | 3.0 |
| St Bk of India | -0.3 | -10.2 | 22.1 |

| Index | 1 Day (%) | 1M (%) | 12M (%) |
|---|---|---|---|
| **Nifty 500** | **-0.2** | **-6.1** | **11.3** |
| **Nifty Midcap 100** | **0.2** | **-7.6** | **15.8** |
| **Nifty Smallcap 100** | **0.2** | **-8.9** | **15.1** |
| **Nifty Midcap 150** | **0.1** | **-7.2** | **16.0** |
| **Nifty Smallcap 250** | **0.0** | **-8.5** | **16.0** |
| Union Bank (I) | -1.1 | -13.1 | -17.6 |
| **NBFCs** | **-1.5** | **-7.7** | **10.1** |
| Aditya Birla Capital Ltd | -0.3 | -7.8 | 1.2 |
| Angel One | -1.2 | -22.2 | -26.4 |
| Bajaj Fin. | -1.1 | 0.4 | -2.4 |
| BSE | 0.1 | 4.7 | 162.3 |
| Cholaman.Inv.&Fn | -1.9 | 0.9 | -2.4 |
| Can Fin Homes | 0.6 | -11.5 | -9.5 |
| Cams Services | -0.6 | -14.0 | 56.4 |
| CreditAcc. Gram. | 0.5 | 4.3 | -45.0 |
| Fusion Microfin. | 7.7 | 3.3 | -70.5 |
| 360 One | -1.3 | -5.4 | 83.1 |
| Five-Star Bus.Fi | -1.5 | -10.5 | -9.0 |
| Home First Finan | -1.7 | -0.8 | 6.8 |
| Indostar Capital | 2.5 | -13.4 | 38.8 |
| IIFL Finance | 0.0 | -4.1 | -36.8 |
| L&T Finance | 0.5 | 0.8 | -15.7 |
| LIC Housing Fin. | -0.5 | -7.0 | -2.2 |
| MCX | -1.1 | -10.6 | 91.7 |
| M & M Fin. Serv. | -0.5 | -0.4 | -3.9 |
| Muthoot Finance | -1.4 | 2.1 | 51.7 |
| Manappuram Fin. | 5.8 | 6.8 | 11.9 |
| MAS Financial Serv. | -1.7 | -10.1 | -25.0 |
| PNB Housing | 0.9 | 1.6 | 9.2 |
| Power Fin.Corpn. | -0.4 | -13.0 | 10.4 |
| REC Ltd | -0.6 | -12.4 | 13.1 |
| Repco Home Fin | -1.2 | -8.8 | 1.1 |
| Shriram Finance | -3.7 | -11.6 | 15.1 |
| Spandana Sphoort | -4.4 | -2.8 | -69.1 |
| HDFC AMC | -1.5 | -8.7 | 20.9 |
| Nippon Life Ind. | 0.3 | -9.8 | 41.4 |
| Aditya AMC | -1.2 | -8.5 | 57.2 |
| UTI AMC | -2.1 | -11.1 | 42.9 |
| Nuvama Wealth | -0.3 | -12.1 | 76.2 |
| Prudent Corp. | -1.1 | -6.8 | 124.1 |
| Anand Rathi Wea. | 0.1 | -5.8 | 46.9 |
| C D S L | -0.3 | -18.6 | 73.0 |
| **Insurance** | | | |
| HDFC Life Insur. | 0.1 | 2.5 | 5.9 |
| ICICI Pru Life | -0.9 | -3.7 | 25.4 |
| ICICI Lombard | 2.1 | 1.6 | 34.0 |
| Life Insurance | 1.2 | -7.1 | -3.7 |
| Max Financial | 2.4 | -5.0 | 17.3 |
| SBI Life Insuran | 1.8 | 9.3 | 8.4 |
| Star Health Insu | -0.9 | -3.5 | -17.1 |
| **Chemicals** | | | |
| Alkyl Amines | 0.4 | -9.8 | -27.0 |
| Atul | -0.9 | -8.7 | 1.0 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|---|---|---|---|
| Clean Science | 2.2 | 0.3 | -3.3 |
| Deepak Nitrite | -0.3 | -11.4 | 1.4 |
| Fine Organic | -0.5 | -10.8 | -5.1 |
| Galaxy Surfact. | -2.4 | -12.7 | -9.7 |
| Navin Fluo.Intl. | -0.3 | 8.3 | 9.0 |
| NOCIL | 0.1 | -13.3 | -13.3 |
| P I Inds. | 2.0 | -8.8 | 3.8 |
| SRF | 0.7 | 14.2 | 12.7 |
| Tata Chemicals | 0.3 | -9.1 | -10.0 |
| Vinati Organics | 0.9 | -3.9 | 0.4 |
| **Capital Goods** | **3.5** | **-15.9** | **-40.7** |
| A B B | 3.5 | -16.5 | 36.8 |
| Bharat Electron | 2.2 | -9.2 | 52.0 |
| Cummins India | 0.4 | -17.2 | 46.0 |
| Hitachi Energy | -1.1 | -2.1 | 120.0 |
| K E C Intl. | -2.2 | -16.9 | 57.3 |
| Kalpataru Proj. | -2.1 | -12.0 | 60.0 |
| Kirloskar Oil | -0.8 | -15.4 | 37.8 |
| Larsen & Toubro | 1.7 | -6.3 | -0.1 |
| Siemens | 2.9 | -20.6 | 50.6 |
| Thermax | -2.0 | -17.4 | 28.3 |
| Triveni Turbine | -2.6 | -17.6 | 68.4 |
| Zen Technologies | -2.1 | -8.8 | 185.4 |
| **Cement** | | | |
| Ambuja Cem. | -0.7 | -6.1 | 3.0 |
| ACC | 1.4 | -8.4 | -10.5 |
| Birla Corp. | 0.4 | -6.2 | -14.9 |
| Dalmia Bhar. | -1.4 | -11.2 | -21.7 |
| Grasim Inds. | 1.1 | -8.6 | 14.9 |
| India Cem | 0.3 | 13.8 | 50.2 |
| J K Cements | 0.0 | -2.7 | 12.6 |
| JK Lakshmi Cem. | -1.3 | -9.2 | -7.3 |
| The Ramco Cement | -0.4 | -14.6 | -7.1 |
| Shree Cement | -0.4 | -10.7 | -3.1 |
| UltraTech Cem. | -0.5 | -10.1 | 7.4 |
| **Consumer** | **1.0** | **-1.2** | **-0.8** |
| Asian Paints | 2.0 | -4.0 | -30.3 |
| Britannia Inds. | 0.2 | 1.6 | -4.1 |
| Colgate-Palm. | 1.2 | -3.3 | 7.4 |
| Dabur India | 0.7 | 4.1 | -4.3 |
| Emami | 0.0 | -4.2 | 9.7 |
| Godrej Consumer | 3.3 | 9.0 | 7.9 |
| Hind. Unilever | 0.4 | -0.4 | -8.2 |
| ITC | 1.7 | -0.9 | -0.3 |
| Indigo Paints | -1.7 | -16.0 | -17.1 |
| Jyothy Lab. | 1.3 | 1.2 | -21.1 |
| L T Foods | -1.3 | -8.0 | 97.6 |
| Marico | 1.8 | 4.9 | 25.9 |
| Nestle India | 2.2 | 0.6 | -12.8 |
| Page Industries | 0.3 | -6.3 | 22.3 |
| Pidilite Inds. | 1.0 | -8.7 | 2.0 |
| P & G Hygiene | 0.3 | -5.9 | -14.4 |
| Tata Consumer | 1.8 | 5.5 | -15.1 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|---|---|---|---|
| United Breweries | 1.1 | -3.1 | 6.8 |
| United Spirits | 0.9 | -8.7 | 30.3 |
| Varun Beverages | -3.2 | -14.1 | 11.4 |
| **Consumer Durables** | **0.3** | **-8.6** | **16.9** |
| Polycab India | 1.7 | -9.4 | 52.7 |
| R R Kabel | -1.6 | -9.0 | -11.4 |
| Havells | 1.0 | -9.1 | 10.0 |
| Voltas | 0.6 | -9.8 | 51.7 |
| KEI Industries | -0.1 | -6.5 | 30.3 |
| **EMS** | | | |
| Amber Enterp. | -0.9 | 12.5 | 81.8 |
| Avalon Tech | 2.1 | -8.4 | 51.6 |
| Cyient DLM | -0.4 | -10.2 | -11.8 |
| Data Pattern | 4.0 | -12.5 | 15.4 |
| Dixon Technolog. | 1.7 | -9.1 | 170.5 |
| Kaynes Tech | 0.1 | -9.2 | 140.4 |
| Syrma SGS Tech. | -1.4 | -12.1 | -12.0 |
| **Healthcare** | **0.7** | **-0.1** | **28.6** |
| Alembic Pharma | 5.3 | 1.7 | 13.0 |
| Alkem Lab | 1.4 | -2.5 | 3.9 |
| Apollo Hospitals | 0.6 | -5.4 | 15.2 |
| Ajanta Pharma | -0.6 | -0.8 | 26.6 |
| Aurobindo | 1.9 | -2.9 | 8.2 |
| Biocon | 0.1 | 12.2 | 40.8 |
| Zydus Lifesci. | 0.7 | 2.6 | 40.2 |
| Cipla | -0.1 | -0.6 | 11.5 |
| Divis Lab | 0.0 | 1.2 | 58.7 |
| Dr Reddy's | 0.5 | 4.9 | 15.9 |
| ERIS Lifescience | -0.6 | -8.5 | 43.0 |
| Gland Pharma | 0.2 | -3.9 | -14.1 |
| Glenmark | 0.4 | -3.0 | 68.3 |
| Global Health | -0.6 | -7.9 | -0.9 |
| Granules | 0.0 | -1.8 | 37.7 |
| GSK Pharma | 0.3 | -9.0 | -9.3 |
| IPCA Labs | -0.5 | -1.0 | 37.4 |
| Laurus Labs | 1.8 | -0.8 | 37.9 |
| Lupin | 0.7 | 3.2 | 51.0 |
| Mankind Pharma | 2.2 | -2.3 | 18.2 |
| Max Healthcare | -2.2 | -15.1 | 40.3 |
| Piramal Pharma | -1.6 | -11.5 | 67.4 |
| Sun Pharma | 1.3 | -0.1 | 37.5 |
| Torrent Pharma | -0.1 | -6.0 | 28.4 |
| **Infrastructure** | **1.2** | **-4.2** | **11.4** |
| G R Infraproject | 0.6 | -14.0 | 15.9 |
| IRB Infra.Devl. | 4.5 | -5.3 | 20.6 |
| KNR Construct. | -0.2 | -7.5 | 24.7 |
| **Logistics** | | | |
| Adani Ports | 1.1 | -5.6 | -0.3 |
| Blue Dart Exp. | 0.6 | -16.6 | -8.2 |
| Container Corpn. | -0.5 | -4.2 | -9.1 |
| JSW Infrast | -0.4 | -6.2 | 43.2 |
| Mahindra Logis. | 0.2 | -5.1 | -16.6 |
| Transport Corp. | 0.0 | -5.4 | 28.3 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|---|---|---|---|
| TCI Express | 1.2 | -2.5 | -38.7 |
| VRL Logistics | -0.1 | -13.8 | -33.9 |
| **Media** | **0.2** | **-14.1** | **-29.2** |
| PVR INOX | 1.8 | -26.3 | -27.0 |
| Sun TV | -0.5 | -11.5 | -2.5 |
| Zee Ent. | -1.1 | -10.6 | -50.6 |
| **Metals** | **1.2** | **-7.3** | **10.8** |
| Hindalco | 2.4 | -3.5 | 10.1 |
| Hind. Zinc | 0.3 | -6.9 | 44.6 |
| JSPL | 0.7 | -2.8 | 28.1 |
| JSW Steel | 0.2 | -6.0 | 11.8 |
| Nalco | 3.5 | -9.3 | 53.8 |
| NMDC | 1.4 | -12.1 | -3.2 |
| SAIL | 1.2 | -10.1 | -3.8 |
| Tata Steel | 1.9 | -10.6 | -1.0 |
| Vedanta | 0.9 | -9.8 | 71.4 |
| **Oil & Gas** | **1.2** | **-1.3** | **6.0** |
| Aegis Logistics | -3.6 | 1.6 | 116.2 |
| BPCL | 2.5 | -6.6 | 16.0 |
| Castrol India | 0.5 | -10.6 | 10.1 |
| GAIL | 0.2 | -9.3 | 10.3 |
| Gujarat Gas | 2.2 | -1.5 | -9.9 |
| Gujarat St. Pet. | 3.7 | -2.2 | 14.8 |
| HPCL | 0.2 | -11.8 | 19.9 |
| IOCL | 0.8 | -8.7 | -11.1 |
| IGL | 1.9 | 6.2 | -6.4 |
| Mahanagar Gas | 2.1 | 6.6 | 5.2 |
| MRPL | 1.4 | -4.1 | -17.9 |
| Oil India | 0.8 | 6.7 | 86.8 |
| ONGC | 1.3 | 7.7 | 14.9 |
| PLNG | -1.3 | -4.6 | 39.5 |
| Reliance Ind. | 2.8 | 4.6 | -4.4 |
| **Real Estate** | **1.3** | **-16.0** | **9.7** |
| Anant Raj | 1.4 | 11.6 | 184.4 |
| Brigade Enterpr. | -0.4 | -12.8 | 15.9 |
| DLF | 1.1 | -14.1 | -3.4 |
| Godrej Propert. | 1.9 | -19.6 | 3.8 |
| Kolte Patil Dev. | 3.5 | -15.9 | -40.7 |
| Mahindra Life. | 0.3 | -15.1 | -27.4 |
| Macrotech Devel. | 4.3 | -21.0 | 4.2 |
| Oberoi Realty Ltd | 1.2 | -14.1 | 29.9 |
| SignatureGlobal | -0.5 | -12.8 | 0.3 |
| Sobha | 0.5 | -19.9 | 0.5 |
| Sunteck Realty | 7.2 | -2.7 | 9.1 |
| Phoenix Mills | -0.9 | -7.2 | 35.9 |
| Prestige Estates | 1.5 | -20.6 | 14.2 |
| **Retail** | | | |
| Aditya Bir. Fas. | -0.6 | -6.9 | 22.8 |
| Avenue Super. | 0.5 | 2.2 | -4.4 |
| Bata India | 0.2 | -7.2 | -15.1 |
| Campus Activewe. | -0.3 | -4.8 | -1.4 |
| Barbeque-Nation | -0.5 | -20.3 | -35.8 |
| Devyani Intl. | 0.4 | 8.3 | -0.8 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|---|---|---|---|
| Jubilant Food | 0.4 | 1.4 | 31.3 |
| Kalyan Jewellers | -7.0 | -33.7 | 38.5 |
| Metro Brands | -1.8 | -5.6 | -2.3 |
| P N Gadgil Jewe. | 0.7 | -11.6 | |
| Raymond Lifestyl | 1.0 | -7.7 | |
| Relaxo Footwear | 0.4 | -9.6 | -34.6 |
| Restaurant Brand | 1.7 | -3.3 | -34.9 |
| Sapphire Foods | -1.7 | 1.2 | 12.4 |
| Senco Gold | -1.8 | -11.1 | 36.0 |
| Shoppers St. | -0.2 | 0.4 | -8.6 |
| Titan Co. | 1.2 | -1.4 | -12.3 |
| Trent | 0.0 | -10.5 | 97.4 |
| V-Mart Retail | -2.0 | -14.0 | 54.1 |
| Vedant Fashions | 0.3 | -11.1 | 3.0 |
| Westlife Food | -2.3 | -11.7 | -16.1 |
| **Technology** | **-2.7** | **-7.4** | **13.7** |
| Cyient | -0.6 | -14.9 | -22.8 |
| HCL Tech. | -0.2 | -8.3 | 13.5 |
| Infosys | -5.9 | -8.2 | 10.7 |
| LTIMindtree | -1.5 | -12.0 | -6.1 |
| L&T Technology | 2.5 | 2.7 | -3.0 |
| Mphasis | 0.0 | -11.3 | 7.4 |
| Coforge | -1.0 | -8.1 | 30.4 |
| Persistent Sys | -1.8 | -9.0 | 54.6 |
| TCS | -1.9 | -4.7 | 6.2 |
| Tech Mah | -1.6 | -6.2 | 25.1 |
| Wipro | -2.1 | -8.7 | 16.9 |
| Zensar Tech | -1.1 | -6.0 | 30.6 |
| **Telecom** | **0.3** | **-3.5** | **23.3** |
| Bharti Airtel | -0.2 | 0.8 | 50.0 |
| Indus Towers | 2.3 | 4.9 | 71.7 |
| Idea Cellular | 2.0 | 16.6 | -39.7 |
| Tata Comm | -0.5 | -6.4 | 0.0 |
| **Utiltites** | **1.0** | **-10.8** | **12.3** |
| Coal India | 2.3 | -3.8 | 2.1 |
| NTPC | 0.2 | -6.6 | 5.4 |
| Power Grid Corpn | 1.7 | -8.2 | 26.5 |
| Tata Power Co. | 1.3 | -11.2 | 7.1 |
| JSW Energy | -0.4 | -17.1 | 20.3 |
| Indian Energy Ex | 1.0 | -7.0 | 17.3 |

| Others | | | |
|---|---|---|---|
| APL Apollo Tubes | 1.4 | -1.4 | 3.9 |
| Cello World | -0.3 | -16.5 | -23.1 |
| Coromandel Intl | 0.1 | 3.3 | 61.5 |
| Dreamfolks Servi | -1.2 | -8.8 | 1.1 |
| EPL Ltd | -3.0 | -18.7 | 16.0 |
| Gravita India | -2.6 | -5.5 | 107.2 |
| Godrej Agrovet | 0.0 | -3.3 | 35.0 |
| Havells | 1.0 | -9.1 | 10.0 |
| Indian Hotels | 0.2 | -7.6 | 76.1 |
| Indiamart Inter. | 2.1 | 1.6 | 34.0 |
| Info Edge | 1.2 | -7.1 | -3.7 |
| Interglobe | -0.5 | -6.8 | 33.7 |
| Kajaria Ceramics | -0.7 | -7.4 | -24.4 |
| Lemon Tree Hotel | -0.4 | -8.4 | 4.4 |
| MTAR Technologie | 2.7 | 6.6 | -23.1 |
| One 97 | 0.6 | -11.3 | 22.3 |
| Piramal Enterp. | 0.6 | -15.8 | 14.2 |
| Quess Corp | 1.6 | -8.7 | 29.0 |
| SIS | 0.1 | -10.5 | -27.5 |
| Swiggy | -2.0 | -19.3 | |
| Team Lease Serv. | -0.1 | -7.0 | -14.5 |
| UPL | 1.0 | 2.5 | 4.4 |
| Updater Services | -0.1 | -12.9 | 4.0 |
| Voltas | 0.6 | -9.8 | 51.7 |
| Zomato Ltd | 2.8 | -16.2 | 95.3 |

# 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.

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