7 May 2025

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	80,641	-0.2	3.2
Nifty-50	24,380	-0.3	3.1
Nifty-M 100	53,436	-2.3	-6.6
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,607	0.0	-4.7
Nasdaq	17,690	-0.1	-8.4
FTSE 100	8,597	1.2	5.2
DAX	23,250	3.3	16.8
Hang Seng	8,262	2.3	13.3
Nikkei 225	36,831	1.0	-7.7
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	63	1.9	-15.4
Gold ($/OZ)	3,432	5.9	30.8
Cu (US$/MT)	9,560	3.5	10.5
Almn (US$/MT)	2,401	0.3	-5.0
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	84.4	0.2	-1.4
USD/EUR	1.1	0.5	9.8
USD/JPY	142.5	-0.9	-9.4
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.4	0.03	-0.4
10 Yrs AAA Corp	7.0	0.03	-0.3
Flows (USD b)	**6-May**	**MTD**	**CYTD**
FIIs	0.4	1.00	-11.7
DIIs	-0.17	0.39	25.7
Volumes (INRb)	**6-May**	**MTD***	**YTD***
Cash	963	1000	1021
F&O	1,09,523	1,24,244	2,03,450

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

BSE: Strong revenue growth and SGF reversal boost PAT

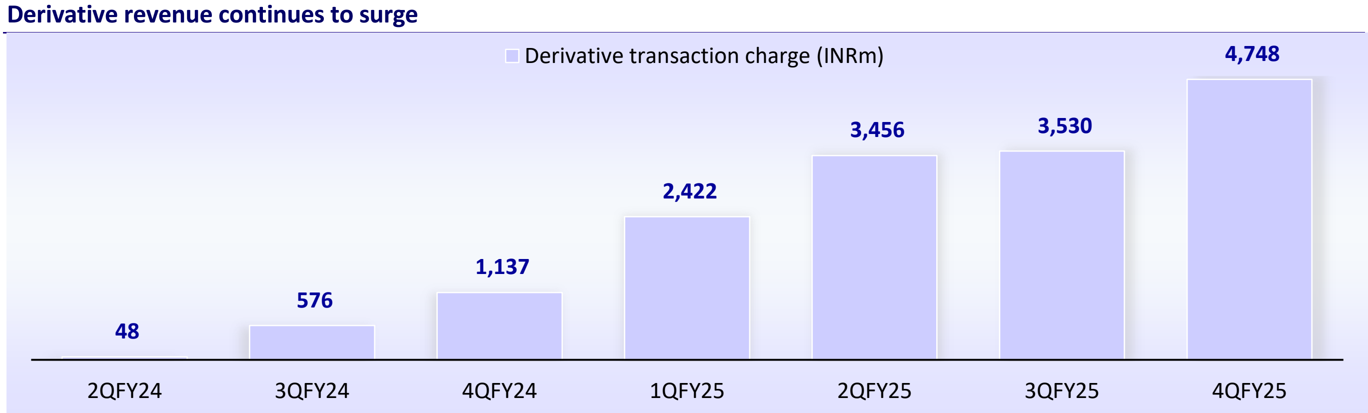
- BSE reported 4QFY25 operating revenue of ~INR8.5b, up 75% YoY, driven by 113%/22%/81% YoY growth in transaction charges/ service to corporate/other operating income. EBITDA margin expanded to 57.2% vs. 19.8% in 4QFY24. Along with strong revenue growth, SGF reversal of INR1.1b resulted in PAT at INR4.9b (+366% YoY). For FY25, reported PAT grew 73% YoY.
- BSE aims to add 200 colocation racks before the end of FY26, taking the total count to 500 racks. While the company has introduced a per-order rate on a pilot basis, the aim is to develop a flexible revenue model for different customer cohorts.
- We have revised our premium ADTO estimates to INR157b/INR190b for FY26/27, with further headroom for increase as premium ADTO for Apr'25 was at INR155b. We raise our earnings estimates by 9%/13% for FY26/FY27. We reiterate our BUY rating on the stock with a TP of INR7,600 (premised on 45x FY27E EPS).

Research covered

Cos/Sector	Key Highlights
BSE	Strong revenue growth and SGF reversal boost PAT
India Strategy	Interim earnings review 4QFY25: Marginally ahead; Forward estimates stable
	May'25 | The Eagle Eye | Trump's tariff truce lifts global markets
One 97 Communications	GMV in line; path to EBITDA positive by FY27 on track
Other Updates	Exide | Piramal Enterprises | CAMS | Alembic Pharma | Kajaria Ceramics | Godrej Consumer Products | Bank of Baroda | HPCL | Polycab India | KEI Industries | Vedant Fashions | Mahanagar Gas | Avalon Technologies

Chart of the Day: BSE (Strong revenue growth and SGF reversal boost PAT)

Derivative revenue continues to surge



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Fino Payments prepares for life as SFB, to focus on secured loans

Fino Payments Bank is gearing up to transform into a small finance bank, anticipating approval from the RBI.

2

Not as simple as ABC, but miss IBC deadlines and liquidation looms

The Supreme Court's decision in the JSW Steel-Bhushan Power & Steel case brings attention to the delayed insolvency resolutions.

3

Swiggy hands over food brands to Kouzina, exits private label space

Swiggy has exited the private label business by granting exclusive licensing rights of its in-house food brands like The Bowl Company, Homely, Soul Rasa, and Istah to Kouzina, a food service company.

4

No overseas investment if old lapses not fixed: RBI

The RBI is cracking down on corporates with unresolved ODI violations, setting an August 25, 2025 deadline.

5

D2M broadcast moving closer to launch in India

India is nearing the commercial launch of Direct-to-Mobile (D2M) technology, pending final regulatory approvals.

6

Grid India issues advisory to regional power load centres for mock drill

Grid Controller of India Ltd has alerted regional power centers for a civil defence drill.

7

Trump's prescription: Indian drug units may face stricter check-ups

Following President Trump's executive order, the Indian pharmaceutical industry anticipates a surge in unannounced inspections by the US FDA, causing concerns about compliance and potential trade barriers.

BSE

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BSE IN
Equity Shares (m)	135
M.Cap.(INRb)/(USDb)	845.4 / 10
52-Week Range (INR)	6808 / 2115
1, 6, 12 Rel. Per (%)	7/34/111
12M Avg Val (INR M)	11464

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Net Sales	29.6	41.2	48.6
EBITDA	15.9	24.2	28.5
PAT	13.2	19.6	22.9
EPS (INR)	97.3	144.6	169.3
EPS Gr (%)	213.5	48.6	17.1
BV / Sh (INR)	327	370	421
Ratios (%)			
RoE	29.8	39.1	40.2
Payout ratio	23.6	70.0	70.0
Valuations			
P/E (x)	64.2	43.2	36.9
P / BV (x)	19.1	16.9	14.8

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	0.0	0.0	0.0
DII	12.3	12.1	12.7
FII	38.9	37.9	35.4
Others	48.8	50.0	51.9

FII includes depository receipts

CMP: INR6,245 TP: INR7,600 (+22%) Buy

Strong revenue growth and SGF reversal boost PAT

- BSE reported 4QFY25 operating revenue of ~INR8.5b (12% beat), up 75% YoY, driven by 113%/22%/81% YoY growth in transaction charges/ service to corporate/other operating income. FY25 revenue jumped 115% YoY.
- Operating expenses came in line with our estimate at INR3.6b, down 7% YoY, affected by 47%/24%/32% YoY growth in employee expenses/ technology expenses/clearing house expenses and offset by 45% YoY decline in regulatory costs.
- EBITDA margin expanded to 57.2% vs. our expectation of 52.6% and 19.8% in 4QFY24. Along with revenue beat, SGF reversal of INR1.1b resulted in a 40% beat in PAT at INR4.9b (+366% YoY). For FY25, reported PAT grew 73% YoY.
- BSE aims to add 200 colocation racks before the end of FY26, taking the total count to 500 racks. While the company has introduced a per-order rate on a pilot basis, the aim is to develop a flexible revenue model for different customer cohorts.
- We have revised our premium ADTO estimates to INR157b/INR190b for FY26/27, with further headroom for increase as premium ADTO for Apr’25 was at INR155b. We raise our earnings estimates by 9%/13% for FY26/FY27. We reiterate our BUY rating on the stock with a TP of INR7,600 (premised on 45x FY27E EPS).

Transaction revenue surges as non-expiry day volume scales up

- Transaction charges jumped 113% YoY to INR6.1b, due to 318%/44% growth in charges from derivatives/Star MF. These were offset by 43% YoY decline in cash segment charges.
- Cash ADTO declined 44% YoY to INR55b amid the challenging market environment, while premium ADTO continued to scale a new peak of INR118b in 4Q with rise in activity during non-expiry days. Star MF maintained its strong momentum, with 179m orders in 4Q (+47% YoY).
- Revenue from services to corporates grew 22% YoY to INR1.3b, driven by 20%/17% YoY growth in listing fees/book building fees.
- Other operating income at INR654m grew 81% YoY, largely driven by strong expansion in the colocation facility.
- Investment income grew 34% YoY to INR797m (22% beat).
- SGF reversal of INR1.1b was reported due to excess SGF in currency segment, which is being utilized for the derivatives segment.

Key takeaways from the management commentary

- Future trajectory for contribution to NCL is difficult to predict as the SGF contribution is a complex calculation and does not have a linear correlation with volumes.
- BSE started with 100 colocation racks a few years back, which have now reached 300. 200 racks were allocated over the past few years and are optimally utilized. The utilization of recently added 100 racks will improve over the next couple of months. With a mix of 15Kva and 6KVa racks, the capacity will be equivalent to 650 racks of 6KVa by FY26.
- A common contract note will ensure level playing field and protect customer interests by ensuring best price execution. Some institutions have asked for further time for testing, and hence the implementation has been pushed to 1st Jul'25.

Valuation and view: Reiterate BUY

- F&O regulations have been beneficial for BSE with respect to a rise in non-expiry trading activity, leading to improvement in premium turnover. Decline in notional turnover boosted the profitability with lower regulatory costs. Increased member participation, colocation monetization, and sustained momentum in premium turnover will be key growth drivers for BSE.
- We have revised our premium ADTO estimates to INR157b/INR190b for FY26/27 with further headroom for increase as premium ADTO for Apr'25 was at INR155b. We raise our earnings estimates by 9%/13% for FY26/FY27. We reiterate our BUY rating on the stock with a TP of INR7,600 (premised on 45x FY27E EPS).

Consolidated Quarterly Performance (INR m)

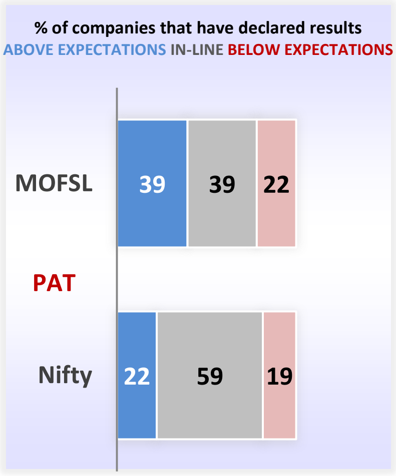
Y/E March	FY24				FY25				FY24	FY25	Est.	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%/bp)		
Revenue from operations	**2,156**	**3,145**	**3,692**	**4,885**	**6,077**	**7,463**	**7,736**	**8,467**	**13,834**	**29,688**	**7,547**	**12.2**	**75%**	**10%**
YoY Change (%)	15.4	59.1	81.0	115.2	181.9	137.3	109.5	74.9	69.6	114.6	54	2042bp		
Total Expenditure	1,455	1,814	1,879	3,923	3,239	3,573	3,378	3,624	9,031	13,770	3,578	1.3	-7%	9%
EBITDA	**701**	**1,331**	**1,813**	**962**	**2,838**	**3,890**	**4,358**	**4,843**	**4,803**	**15,918**	**3,968**	**22.0**	**405%**	**11%**
Margins (%)	32.5	42.3	49.1	19.7	46.7	52.1	56.3	57.2	34.7	53.6	52.6	461bp	3740bp	60bp
Depreciation	214	227	249	265	240	291	303	298	953	1,131	313	-4.7	13%	-1%
Interest	65	0	0	0	0	0	0	0	65	0	0			
Investment income	556	525	598	600	666	727	619	797	2,272	2,803	656	21.5	34%	30%
PBT before EO expense	**977**	**1,629**	**2,163**	**1,297**	**3,265**	**4,325**	**4,674**	**5,342**	**6,057**	**17,590**	**4,311**	**23.9**	**315%**	**15%**
SGF	0	0	917	0	0	0	1,992	-1,094	917	898				
Exceptional items	3,657	0	-16	-17	0	-2	0	0	3,624	-2	0			
PBT	**4,634**	**1,629**	**1,230**	**1,280**	**3,265**	**4,323**	**2,682**	**6,435**	**8,764**	**16,690**	**4,311**	**49.3**	**406%**	**141%**
Tax	371	636	371	470	851	1,109	694	1,661	1,847	4,315	992	67.4	254%	139%
Rate (%)	8	39	30	37	26	26	26	26	21	26	23			
P/L of Asso. Cos.	119	190	165	244	227	244	199	156	719	826	192	-18.7	-36%	-21%
Reported PAT	**4,382**	**1,184**	**1,024**	**1,054**	**2,642**	**3,458**	**2,187**	**4,931**	**7,636**	**13,201**	**3,512**	**40.4**	**371%**	**127%**
Adj PAT	**1,018**	**1,184**	**1,675**	**1,064**	**2,642**	**3,459**	**3,663**	**4,931**	**4,294**	**13,201**	**3,512**	**40.4**	**366%**	**127%**
YoY Change (%)	995	303	367	19	-40	192	114	371	193	73	233			
Margins (%)	47.2	37.6	45.4	21.8	43.5	46.3	47.3	58.2	55.2	44.5	47	1170bp	3640bp	2998bp

E: MOFSL Estimates

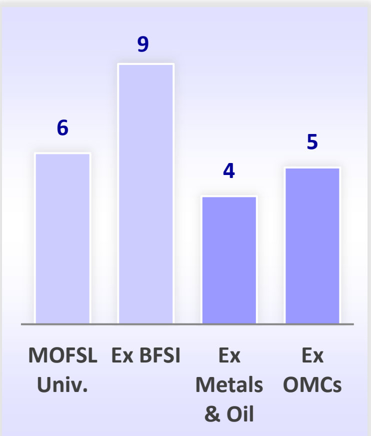
BSE Sensex: 80,641 | **Nifty-50: 24,380**

Refer to our Quarter Preview

4QFY25: Expectations vs. delivery



4QFY25: PAT growth YoY (%)



Interim review: Marginally ahead; Forward estimates stable

Nifty EPS estimates remain stable | Long-term intact amid near-term headwinds

- **In this report, we present our interim review of the 4QFY25 earnings season.**
- **As of 5th May'25, 109/27 companies within the MOFSL Universe/Nifty announced their 4QFY25 results.** These companies constituted i) 54% and 65% of the estimated PAT for the MOFSL and Nifty Universe, respectively; ii) 40% of India's market capitalization; and iii) 69% weightage in the Nifty.
- The earnings of the aforementioned 109 MOFSL Universe companies grew 6% YoY (est. -2% YoY decline) in 4QFY25. The better-than-expected earnings growth was fueled by Metals (profit surged 67% YoY on a low 4QFY24 base), Technology (7% YoY), BFSI (2% YoY), and Oil & Gas (OMC's profit grew 14% YoY vs. our est. of a 63% decline). In contrast, earnings growth was hit by Real Estate (-10% YoY), PSU Banks (-6% YoY), and NBFC – Non Lending (-7%).
- **Excluding financials**, the earnings for MOFSL Universe grew 9% YoY (est. -4% YoY decline); whereas, barring global commodities (i.e., Metals and O&G), the MOFSL Universe reported a 4% YoY earnings growth for the quarter.
- **Earnings of the 27 Nifty companies** that have declared results so far have grown 4% YoY (outperforming our est. of +2% YoY), fueled by ICICI Bank, HDFC Bank, Adani Ports, Wipro, Infosys, Bajaj Finance, and Reliance Industries. These seven companies contributed 121% to the incremental YoY accretion in earnings. Conversely, SBI, Kotak Mahindra Bank, TCS, Maruti, and Eternal contributed adversely to Nifty earnings. Five companies within the Nifty reported lower-than-expected profits, while six recorded a beat and 16 registered in-line results.
- **Downgrades 1.6x of upgrades:** Until now, 21/33 companies within the MOFSL Coverage Universe have reported an upgrade/downgrade of more than 3% each, leading to an adverse upgrade-to-downgrade ratio for FY26E. Further, the EBITDA margin of the MOFSL Universe (ex-Financials) expanded marginally by 20bp YoY to 16%, primarily aided by the Healthcare, and Metals sectors but dragged down by the Real Estate, Consumer, Automobiles, and Oil & Gas sectors.
- **Nifty EPS stable for FY26E/FY27E:** The Nifty EPS for FY26E was broadly unchanged to INR1,155. The FY27E EPS was raised by 0.3% to INR1,332 (from INR1,328) due to upgrades in HDFC Bank, ICICI Bank, M&M, and Kotak Mahindra Bank.
- **Summary of the 4QFY25 performance thus far: 1) Banks:** While a few large private banks posted strong earnings, SMID banks showed moderate improvement. Margins for large private banks improved, whereas PSU banks saw a minor NIM contraction. Asset quality trends varied — smaller banks continued to face pressure, while larger private and PSU banks maintained stable asset quality. Most banks expect earnings growth to bottom out in 1HFY26, with credit costs likely to improve as stress in unsecured lending subsides. **2) NBFCs – Lending:** Vehicle financiers did not witness any meaningful improvement in asset quality, resulting in higher net slippages and elevated credit costs. Mortgage lenders (LICHF has yet to report its results) delivered healthy disbursement and loan growth, driven by an improvement in the operating environment across Karnataka and Telangana. Asset quality remained broadly stable across most HFCs, with a minor improvement bias. **3) IT:** The IT services companies (within the MOFSL Universe) presented a mixed picture,

with the median revenue declining 0.8% QoQ CC in 4QFY25 (1.8%/2.0%/1.2% in 3QFY25/2QFY25/ 1QFY25). The backdrop remains challenging, as macro uncertainty continues to weigh on IT demand—marking a softer exit to FY25. The Tier-1 players posted a median revenue dip of 1.0% QoQ CC, while Tier-2 companies recorded a robust growth of 2.5% QoQ CC. **4) Automobile:** The 4QFY25 results so far have been a mixed bag, with revenue and earnings aligning largely with our expectations. Commodity prices remained largely supportive (excluding rubber) and are expected to rise in the coming quarters. Management commentary on demand for FY26 for PVs remains at a low single digit. **5) Consumer:** Staples companies had a muted quarter due to sluggish urban demand, high food inflation, and steep inflation in agri-commodities, while rural demand continued its gradual recovery. Companies are implementing price hikes in a staggered manner to offset the RM inflation. The macroeconomic environment is anticipated to improve in the near to medium term. Further, declining food inflation and potential tax reliefs are likely to drive better rural and urban consumption. **6) Metal** companies within our coverage universe have delivered a decent performance, with JSPL reporting robust volumes leading to a revenue beat, whereas the operating margins remained in line during 4QFY25. VEDL and HZ reported a steady performance too, aided by favorable pricing. The rising volatility in non-ferrous prices due to global trade tension would be a key monitorable for the non-ferrous business performance going forward. **7) Oil & Gas:** Results for the oil and gas companies we cover have been positive. **OMCs: BPCL** and **IOCL** significantly surpassed estimates due to stronger-than-anticipated GRMs and marketing margins. **RIL's** O2C EBITDA experienced a 10% YoY dip in 4QFY25 due to weak fuel cracks and polyester margins, though higher domestic sales and favorable exchange rates provided a partial offset. *Refer to page 7 for the detailed 4QFY25 sectoral trends*.

Key result highlights: 4QFY25

- As of 5th May'25, **27 Nifty stocks** reported a sales/EBITDA/PBT/PAT growth of 9%/6%/10%/4% YoY (vs. est. of +6%/4%/10%/2%). Of these, 6/5 companies surpassed/missed our PAT estimates each. On the EBITDA front, 6/4 companies exceeded/missed our estimates during the quarter thus far.
- For the **109 companies within our MOFSL Universe**, sales/EBITDA/PBT/PAT were +7%/7%/8%/6% YoY (vs. est. of +4%/+1%/+2%/-2%). Excluding Metals and O&G, the MOFSL Universe companies recorded a sales/EBITDA/PBT/PAT growth of 9%/7%/8%/4% YoY (vs. est. of +9%/5%/7%/3%) in 4QFY25 so far.
- **View:** The 4QFY25 earnings fare better than expected so far, but forward earnings revisions continue to show weakness, with downgrades outstripping upgrades. The Nifty-50 is likely to clock a muted ~2% EPS growth in FY25E (following a 20%+ CAGR during FY20-24). The market has rebounded notably over the last two months, completely reversing its YTD decline. The Nifty is trading 3.5% higher in CY25YTD. With the current rally, Nifty trades at 21x FY26E earnings, near its LPA of 20.6x. While near-term challenges such as global macros, trade wars, and a weak 4QFY25 will keep the market volatile and jittery, we believe that the medium- to long-term growth narrative for India remains intact. Our model portfolio stance remains unchanged, with a distinct bias towards largecaps and domestic plays, given the current volatile backdrop. We are OW on BFSI, Consumer Discretionary, Industrials, Healthcare, IT and Telecom, while we are UW on Oil & Gas, Cement, Automobiles, Real Estate, and Metals.

Performance better than estimated, anchored by Metals

- **Aggregate performance of the MOFSL Universe:** sales/EBITDA/PBT/PAT were +7%/7%/8%/6% YoY (vs. est. of +4%/+1%/+2%/-2%). Excluding Metals and O&G, the MOFSL Universe companies recorded a sales/EBITDA/PBT/PAT growth of 9%/7%/8%/4% YoY (vs. est. of +9%/5%/7%/3%) in 4QFY25 so far.
- **Nifty-50 companies that surpassed/missed our estimates:** ICICI Bank, Wipro, Reliance Industries, Tech Mahindra, Trent, and Maruti Suzuki exceeded our profit estimates. Conversely, Kotak Mahindra Bank, Eternal, SBI Life Insurance, and HDFC Life Insurance missed our profit estimates for 4QFY25.
- **Top FY26E upgrades:** SBI Life Insurance (9.7%), M&M (4.4%), HDFC Bank (3.4%), Kotak Mahindra Bank (2.5%), Nestle (1.4%), Adani Ports (1.2%), and ICICI Bank (1%).
- **Top FY26E downgrades**: Eternal (-53.9%), Wipro (-4.7%), Tata Consumer (-4.1%), TCS (-4.1%), SBI (-4%), and Infosys (-2.4%).

Sector wise 4QFY25 performance of the MOFSL Universe companies (INR b)

Sector (no of companies)	Sales				EBITDA				PBT				PAT			
	Mar-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Mar-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Mar-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Mar-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %
Automobiles (7)	921	4.4	12.5	3.3	115	1.6	11	2.2	101	-2.1	7.7	4.9	76	-2.7	5.5	4.5
Cement (5)	442	24.2	9.9	1.0	81	76.6	9.9	8.3	54	150	-1.8	9.2	37	108.1	5.3	9.8
Chemicals (1)	15	2.5	19.8	2.6	2	-0.5	51	22.7	2	19.4	131.8	71.2	1	11.1	121.3	55.8
Consumer (5)	341	8.1	9.9	0.1	74	13.5	6	1.5	66	18.5	6.9	1.9	48	16.0	3.7	-0.2
Cons. Durables (2)	88	31.3	21.8	5.7	10	77.2	26.9	19.0	9	87	23.8	18.6	6	86.5	23.0	18.0
EMS (1)	4	-3.6	18.3	-7.6	1	58.9	51	5.4	0	81.1	35.7	-3.9	0	84.4	36.5	-4.4
Financials (40)	2,424	6.3	8.1	-1.2	1,296	9.0	6.1	4.0	1,049	6	9.0	0.7	798	6.1	2.4	1.0
Banks-Private (11)	894	2.9	9.2	1.6	680	3.5	1	1.5	571	6.9	18.3	1.5	434	6.7	5.1	2.2
Banks-PSU (2)	492	2.7	3.1	-0.2	363	28.3	9.8	12.3	291	10	-3.7	2.2	216	9.4	-5.9	0.9
Insurance (5)	736	16.4	7.3	-4.7	33	7.4	5	7.8	25	-5.7	1.8	-7.0	22	-2.0	6.2	-15.4
NBFC - Lending (12)	254	2.4	16.8	-1.8	193	2.8	17.5	-1.1	136	-1	7.5	-4.2	106	3.0	11.6	-0.3
NBFC-Non Lend(10)	47	-5.5	11.3	0.6	25	-11.6	7	0.0	27	-11.1	-2.7	2.9	21	-10.8	-7.0	2.8
Healthcare (2)	29	12.9	15.9	9.8	7	18.4	38.1	11.1	5	23	41.1	10.9	4	30.6	54.2	20.6
Logistics (3)	113	5.6	20.1	-0.2	57	4.8	22	-5.8	39	9.1	24.2	-8.7	35	12.8	32.0	0.3
Metals (3)	627	5.5	10.9	5.4	188	5.5	26.3	7.3	120	5	48.0	9.6	76	5.7	67.0	9.6
Oil & Gas (6)	5,975	4.1	2.8	5.7	671	7.5	2	18.0	453	16.7	2.7	33.3	322	22.6	3.4	42.7
Ex OMCs (4)	2,914	9.1	9.2	8.7	458	0.1	0.2	1.5	305	2	0.5	5.8	204	4.9	-1.6	8.9
Real Estate (7)	93	11.6	3.6	13.2	27	-8.1	-4	-5.2	30	7.5	-4.6	13.6	23	6.9	-10.5	20.6
Retail (4)	208	-9.0	18.2	0.0	18	-25.0	13.8	-2.8	12	-33	10.3	1.7	9	-31.5	15.8	9.4
Staffing (1)	34	1.9	9.3	-1.0	2	5.1	96	-1.9	1	-2.0	853.9	-17.3	1	-19.2	LP	-33.4
Technology (12)	1,979	0.6	6.7	-1.2	442	-1.2	5.3	-1.1	416	-1	6.3	-0.1	311	0.6	6.7	0.9
Telecom (2)	137	3.0	6.5	1.2	54	-32.9	6	-5.7	27	-51.6	-1.8	-9.4	21	5.6	6.0	11.6
Utilities (1)	1	7.6	16.5	-7.0	1	8.1	16.3	-6.1	1	9	15.7	-2.6	1	8.6	17.8	0.2
Others (7)	184	-9.1	30.4	-0.2	37	-10.5	16	-2.8	24	-8.2	11.4	-3.0	17	-5.4	6.4	-5.1
MOFSL Univ. (109)	**13,616**	**4.5**	**6.5**	**2.7**	**3,083**	**5.9**	**6.9**	**5.6**	**2,409**	**6.2**	**8.4**	**6.2**	**1,787**	**8.5**	**6.0**	**7.7**
Ex Financials	**11,192**	**4.1**	**6.2**	**3.5**	**1,787**	**3.8**	**7.5**	**6.7**	**1,360**	**6.5**	**8.0**	**10.8**	**988**	**10.6**	**9.1**	**13.8**
Ex Metals & Oil	**7,014**	**4.7**	**9.5**	**0.0**	**2,223**	**5.5**	**7.0**	**2.2**	**1,836**	**4.0**	**8.0**	**0.9**	**1,389**	**5.9**	**4.5**	**1.8**
Ex OMCs	**10,554**	**5.9**	**9.5**	**2.6**	**2,869**	**4.6**	**6.9**	**2.4**	**2,261**	**3.7**	**8.5**	**2.0**	**1,669**	**5.7**	**5.5**	**2.9**
Nifty (27)	**8,099**	**6.6**	**8.5**	**2.4**	**2,280**	**6.4**	**6.3**	**1.9**	**1,876**	**7.1**	**10.5**	**0.9**	**1,346**	**6.5**	**4.1**	**2.0**
Sensex (19)	**6,982**	**6.1**	**9.7**	**3.6**	**2,106**	**6.4**	**5.6**	**1.9**	**1,721**	**4.4**	**7.6**	**0.7**	**1,257**	**5.8**	**3.3**	**1.9**

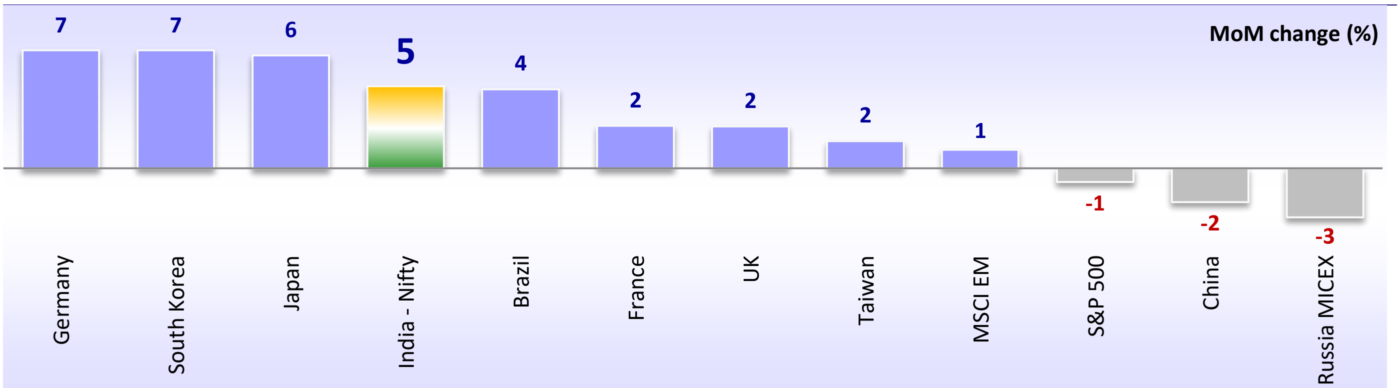
Note: LP: Loss to Profit; PL: Profit to Loss

India Strategy – May'25 (The Eagle Eye): Trump's tariff truce lifts global markets

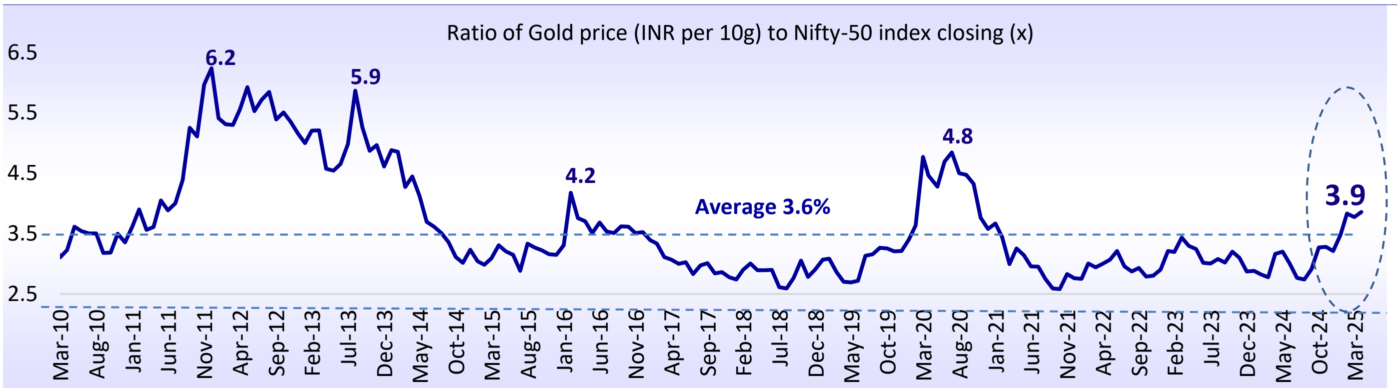
The key highlights of the 'The Eagle Eye' are as follows:

- a) Global markets recovered MoM, with Russia, China and the US remain in the red; b) Nifty seems poised to outperform Gold; c) India's market cap rebounds from the March lows to reach USD5t; d) DXY weakens, INR, Yuan, and Yen recover from their lows; e) The tides of change: DIIs overtake FIIs in Nifty-500 ownership; f) FII flows gather steam; DII inflows slow down; g) Broader markets take a tumble, then stage a sharp recovery; h) About 68% of BSE-200 constituents end higher in Apr'25; i) Hiring slowdown: Top service employers put on the brakes; j) Valuations retreat from the FY25 peak; Pvt. Bank multiples expand.
- Notable Published reports in Apr'25: a) Initiating Coverage on – (i) Hindustan Aeronautics, (ii) Niva Bupa Health Insurance; (iii) Blue Jet Healthcare; b) Financials| The Changing Face of BFSI.

Global markets recover MoM, in USD terms(%)



Nifty seems poised to outperform Gold



One 97 Communications

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	PAYTM IN
Equity Shares (m)	638
M.Cap.(INRb)/(USDb)	519.7 / 6.2
52-Week Range (INR)	1063 / 310
1, 6, 12 Rel. Per (%)	-7/3/123
12M Avg Val (INR M)	6077

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Revenue from Op	70.9	91.4	113.5
Contribution Profit	37.9	51.5	65.0
Adjusted EBITDA	(6.1)	5.8	12.4
EBITDA	(15.6)	(0.6)	9.1
PAT	(2.3)	1.9	10.7
EPS (INR)	(3.6)	2.9	15.7
EPS Gr. (%)	NM	NM	435.7
Ratios			
Contribution Margin (%)	53.5	56.4	57.3
EBITDA Margin (%)	(22.0)	(0.6)	8.1
Adj. EBITDA Margin (%)	(8.7)	6.3	10.9
RoE (%)	(1.7)	1.5	7.9
RoA (%)	(1.2)	0.9	4.4
Valuations			
P/E(X)	NA	278.5	52.0
P/BV (X)	4.0	4.1	4.0
P/Sales (X)	7.5	5.9	4.9

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	0.0	0.0	0.0
DII	14.0	11.9	6.9
FII	55.4	56.2	60.4
Others	30.6	31.9	32.7

FII Includes depository receipts

CMP: INR815 **TP: INR870 (+7%)** **NEUTRAL**

GMV in line; path to EBITDA positive by FY27 on track

Revenue misses estimates; contribution margin in line

- One 97 Communications (PAYTM) reported a net loss of INR5.45b (vs our estimated loss of INR1.1b), driven by higher charges toward accelerated ESOP expenses. Revenue from payments increased 4% QoQ to INR10.5b, while revenue from financial services increased 9% QoQ to INR5.5b, driven by improved take rates from DLG loans.
- As a result, total revenue increased 5% QoQ (down 16% YoY) to INR19.1b (9% miss on MOFSLe), while GMV stood in line at INR5.1t (9% YoY/1% QoQ). Payment devices grew 6% QoQ, which should have led to better subscription revenue. Merchant loan disbursements saw a 13% QoQ increase, while PL disbursements declined 19% QoQ. As a result, total disbursements were up 3% QoQ/flat YoY.
- Net payment margin expanded 18% QoQ (down 32% YoY) to INR5.8b/ 11bp of GMV vs 11bp in 3QFY25, while contribution margin expanded to 56.1% (54.4%, excluding UPI incentive), driven by lower payment processing charges.
- We maintain our contribution profit estimates and anticipate PAYTM to turn EBITDA positive by FY27. **We value PAYTM at INR870 based on 18x FY30E EBITDA discounted to FY26E, which corresponds to 5.2x FY26E sales. We reiterate our NEUTRAL rating on the stock.**

Merchant expansion on track; DLG loans to lead to better take rates

- PAYTM reported a net loss of INR5.45b (vs our estimated loss of INR1.1b), driven by higher charges toward accelerated ESOP expenses. GMV stood broadly in line at INR5.1t, while PL disbursements declined 19% QoQ, leading to a slower 3% QoQ growth in overall disbursements in 4QFY25.
- For FY26E, we expect EBITDA loss to reduce to INR~570m and PAT to stand at INR1.9b. Additionally, we expect EBITDA to turn positive by FY27.
- Total revenue increased 5% QoQ (down 16% YoY) to INR19.1b (9% miss on MOFSLe) due to slower growth from payments revenue, while financial services revenue was broadly in line (up 9% QoQ). As a result, payment and financial services revenue grew 6% QoQ (down 14% YoY).
- Revenue from marketing services (erstwhile commerce and cloud) stood flat QoQ at INR2.7b, while the number of credit cards grew 3% QoQ to 1.43m, as issuers adopted a cautious stance on the credit cycle.
- Payment processing margin (ex UPI incentive) was over 3bp (in line with guidance). Net payment margin expanded 18% QoQ to INR5.8b/11bp of GMV, (INR5.1b, ex UPI incentive/10bp of GMV). As the DLG model continues to gain traction, driving healthy disbursement growth, overall take rates are expected to further improve.
- Direct expenses declined 14% YoY and 3% QoQ due to a reduction in payment processing charges. Contribution profit increased to INR10.7b, with contribution margin at 56.1% (54.4% contribution margin, ex UPI). Adjusted EBITDA profit stood at INR0.8b. An exceptional charge of INR5.2b toward accelerated ESOP expenses led to a net loss at INR5.4b (vs our estimated net loss of INR1.1b).

Highlights from the management commentary

- Payment processing charges declined QoQ, as Q3 included the festive season. Better cost terms with partners also contributed to the reduction. The company remains focused on further improving payment processing margins.
- Discussions around MDR on UPI are gaining momentum and are expected to materialize within the current financial year. This should enable monetization on both the QR and consumer fronts. PAYTM is likely to capture around 7-8 bp of the total MDR implemented.
- The financial services customer base has declined, mainly due to adjustments in PL loan and reduced activity on PAYTM Money, driven by regulatory changes. A recovery is expected, with stronger prospects on the ML side.

Valuation and view: Reiterate NEUTRAL with a TP of INR870

- PAYTM reported a year of recovery in business metrics during FY25. Disbursement recovery is well on track, led by healthy disbursements in merchant loans. GMV also demonstrated steady state recovery.
- Most business metrics continue to improve as recovery progresses. We expect a steady business recovery, leading to a 29% revenue CAGR over FY25-27.
- Contribution margin expanded to 56.1% (54.4% excluding UPI incentives) due to cost control. The company's exploration of global markets, though with limited capital commitment, and its strong cash position further provide comfort.
- The potential introduction of MDR on UPI is expected to significantly boost PAYTM's revenue and incentivize the company to drive market share gains in consumer payments.
- We estimate a 29% CAGR in disbursements over FY25-27, with healthy take rates expected as the company forays into DLG arrangements.
- We maintain our contribution profit estimates and project PAYTM to turn EBITDA positive by FY27. **We value PAYTM at INR870 based on 18x FY30E EBITDA discounted to FY26E, which corresponds to 5.2x FY26E sales. We reiterate our NEUTRAL rating on the stock.**

Quarterly Performance

(INR b)

	FY24				FY25				FY26E	FY25E	V/s our
	1Q	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**		**4QE**	**Est**
Payment Services to Consumers	5.5	5.8	6.0	4.4	0.8	0.9	0.9	1.0	8.5	2.2	-56%
Payment Services to Merchants	8.4	9.2	10.8	11.2	8.0	8.6	9.1	9.5	44.0	10.1	-6%
Financial Services and Others	5.2	5.7	6.1	3.0	2.8	3.8	5.0	5.5	23.8	5.5	-1%
Payment and Financial Services	**19.2**	**20.7**	**22.9**	**18.6**	**11.6**	**13.2**	**15.1**	**15.9**	**76.2**	**17.8**	**-11%**
% Change (Y-o-Y)	42.4	36.1	43.0	-3.0	-39.3	-36.2	-34.2	-14.4	32.1	-4.1	2.5
Commerce and Cloud Services	**4.1**	**4.2**	**5.1**	**4.0**	**3.2**	**3.0**	**2.7**	**2.7**	**13.5**	**2.9**	**-6%**
% Change (Y-o-Y)	22.0	12.5	22.4	0.5	-20.7	-28.8	-48.1	-32.4	15.0	-27.8	0.2
Revenue from Operations	**23.4**	**25.2**	**28.5**	**22.7**	**15.0**	**16.6**	**18.3**	**19.1**	**91.4**	**21.0**	**-9%**
% Change (Y-o-Y)	39.3	31.6	38.2	-2.9	-35.9	-34.1	-35.9	-15.7	29.0	-7.5	1.1
Direct Expenses	10.4	10.9	13.3	9.8	7.5	7.7	8.7	8.4	39.9	9.2	-8%
Contribution Profit	**13.0**	**14.3**	**15.2**	**12.9**	**7.5**	**8.9**	**9.6**	**10.7**	**51.5**	**11.8**	**-9%**
% Change (Y-o-Y)	79.3	69.2	45.1	0.4	-42.1	-37.3	-36.9	-16.7	36.0	-8.3	1.0
Indirect Expenses	12.2	12.7	13.0	11.9	13.0	10.8	10.0	9.9	45.7	10.2	-3%
Adjusted EBITDA	**0.8**	**1.5**	**2.2**	**1.0**	**-5.5**	**-1.9**	**-0.4**	**0.8**	**5.8**	**1.6**	**-49%**
EBITDA	**-2.9**	**-2.3**	**-1.6**	**-2.2**	**-7.9**	**-4.0**	**-2.2**	**-0.9**	**-0.6**	**-1.4**	
PAT	**-3.6**	**-2.9**	**-2.2**	**-5.5**	**-8.4**	**-4.2**	**-2.1**	**-0.2**	**1.9**	**-1.1**	
% Change (Y-o-Y)	-44.5	-49.9	-43.9	227.1	134.7	45.5	-5.5	-96.1	-183.7	-79.6	0.2
Adj. PAT	**-3.6**	**-2.9**	**-2.2**	**-3.2**	**-8.4**	**9.3**	**-2.1**	**-5.4**		**-1.1**	
Operating Parameters											
GMV (INRt)	4.1	4.5	5.1	4.7	4.3	4.5	5.0	5.1	23.6	5.1	0%
Disbursements (INR b)	148.5	162.1	155.4	58.0	50.1	52.8	55.8	57.4	308.7	77.0	-25%
GMV Growth (%)	36.8	41.5	47.4	29.6	5.2	-0.7	-1.2	8.7	25.0	8.3	
Disbursements Growth (%)	167.3	121.7	56.0	-53.8	-66.3	-67.4	-64.1	-1.1	31.0	32.8	
Profitability											-
Contribution Margin (%)	55.7	56.6	53.3	56.8	50.3	53.9	52.5	56.1	56.4	56.3	
Adjusted EBITDA Margin (%)	3.6	6.1	7.7	4.5	-36.4	-11.2	-2.2	4.2	6.3	7.5	
EBITDA Margin (%)	-12.5	-9.2	-5.5	-9.9	-52.8	-24.3	-12.2	-4.6	-0.6	-6.7	

Exide

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	EXID IN
Equity Shares (m)	850
M.Cap.(INRb)/(USDb)	314.7 / 3.7
52-Week Range (INR)	620 / 328
1, 6, 12 Rel. Per (%)	-5/-18/-28
12M Avg Val (INR M)	2057

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Sales	165.9	178.0	194.6
EBITDA	18.9	21.4	23.3
Adj. PAT	10.8	12.2	13.2
Adj. EPS (INR)	12.7	14.3	15.6
EPS Gr. (%)	2.3	13.1	8.7
BV/Sh. (INR)	169.9	181.2	193.6
Ratio			
RoE (%)	7.5	7.9	8.0
RoCE (%)	7.8	8.2	8.4
Payout (%)	15.8	20.9	20.9
Valuations			
P/E (x)	29.2	25.8	23.7
P/BV (x)	2.2	2.0	1.9
Div Yield (%)	0.5	0.8	0.9
FCF Yield (%)	2.8	3.5	3.8

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	46.0	46.0	46.0
DII	17.2	17.6	18.6
FII	11.6	11.7	13.6
Others	25.3	24.6	21.9

FII Includes depository receipts

CMP: INR370 TP: INR368 (-1%) Neutral

Rising input costs drive margin pressure

Lithium-ion trial production to start in CY25; all eyes on firm order wins

- Exide's 4QFY25 performance was in line with our estimates, with PAT declining 10% YoY to INR2.5b. Margin contracted 170bp YoY to 11.2% due to the rise in input costs and write-offs taken in the quarter. Exide has implemented price hikes to offset the recent cost increase.
- We have maintained our estimates. Given the significant imminent risk to its core business, Exide has forayed into the manufacturing of lithium-ion cells in partnership with S-Volt, with a total investment of INR60b across two phases. While the market appears to be upbeat on Exide's lithium-ion foray, we remain cautious of the returns from the same. **Hence, we reiterate our Neutral rating on the stock with a revised TP of INR368 (based on 20x FY27E EPS).**

Margin impacted by higher input costs and write-offs

- Exide's Q4FY25 revenue grew 4% YoY to INR41.6b, in line with our estimate.
- Nearly 75% of its business—comprising the mobility aftermarket segment, solar, and I-UPS—posted double-digit growth. However, the remaining 25%—including auto OEMs (especially PVs), telecom, and home inverters—saw a decline.
- EBITDA margin contracted 170bp YoY to 11.2%. Q4 margins were impacted by: 1) a sharp rise in input costs (impact of INR500m) and 2) write-off taken on certain non-moving assets in the quarter (INR250m).
- As a result, EBITDA declined 10% YoY to INR4.7b, in line with our estimates.
- Overall, PAT declined 10% YoY to INR2.5b and was in line with our estimates.
- For FY25, revenue grew 4% YoY to INR166b. About 75% of its business posted more than 10% growth. However, the remaining 30% witnessed a 9% decline in FY25.
- Margins contracted 30bp YoY to 11.4% due to the rise in input costs and an adverse mix.
- Overall, PAT grew 2% YoY to INR10.8b in FY25.
- FCF for FY25 stood at INR8.7b following a capex of INR4.2b.

Highlights from the management commentary

- For Q4, management indicated that almost 75% of its business—comprising the mobility aftermarket segment, solar, and I-UPS—posted double-digit growth. However, the remaining 25%—including auto OEMs (especially PVs), telecom, and home inverters—saw a decline. Additionally, exports demand remained weak, primarily due to weakness in Industrial demand in Europe, led by ongoing slowdown in the region.
- Exide implemented three price hikes over the past four months to pass on the rising cost impact.

- The shift to punch grid batteries in motorcycles, along with investments in the continuous casting process, is expected to reduce costs and improve product quality.
- Exide has so far invested INR36b in the first phase of setting up a 6 GWh plant for its lithium-ion business. It is likely to be the first player to commence trial production of this plant in India in CY25. The company continues to be in advanced discussions for potential orders with several OEMs across segments. While the company is not concerned about plant utilization given the significant growth potential, it has refrained from setting specific targets for the project, with its immediate priority being to stabilize operations as quickly as possible.

Valuation and view

- We have maintained our estimates. Given the significant imminent risk to its core business, Exide has forayed into the manufacturing of lithium-ion cells in partnership with S-Volt, with a total investment of INR60b across two phases. While the market appears to be upbeat on Exide's lithium-ion foray, we remain cautious of the returns from the same. Besides, the stock at ~25.8x/23.7x FY26/27E EPS appears fairly-valued. **Hence, we reiterate our Neutral rating on the stock with a revised TP of INR368 (based on 20x FY27E EPS).**

S/A Quarterly Performance (INR M)

Y/E March	FY24				FY25E				FY24	FY25E	4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	**40,726**	**41,067**	**38,405**	**40,094**	**43,128**	**42,673**	**38,486**	**41,594**	**1,60,292**	**1,65,881**	**39,871**	**4.3**
Growth YoY (%)	4.4	10.4	12.6	13.2	5.9	3.9	0.2	3.7	9.8	3.5	-0.6	
RM cost (%)	71.7	68.9	68.5	67.0	69.3	68.5	68.0	68.8	69.1	68.7	68.1	
Employee cost (%)	5.8	6.2	6.4	6.1	6.1	6.3	6.8	6.3	6.1	6.4	6.7	
Other Exp(%)	11.8	13.1	13.6	14.1	13.1	13.9	13.5	13.7	13.1	13.6	13.3	
EBITDA	**4,322**	**4,831**	**4,399**	**5,162**	**4,943**	**4,836**	**4,486**	**4,667**	**18,714**	**18,931**	**4,753**	**-1.8**
EBITDA Margin(%)	10.6	11.8	11.5	12.9	11.5	11.3	11.7	11.2	11.7	11.4	11.9	
Change (%)	11.8	17.1	9.7	40.6	14.4	0.1	2.0	-9.6	19.3	1.2	-8	
Non-Operating Income	192	392	227	34	142	528	132	161	845	962	153	
Interest	98	115	145	128	87	103	120	130	486	439	121	
Depreciation	1,194	1,259	1,274	1,248	1,257	1,270	1,244	1,268	4,975	5,039	1,248	
PBT after EO Exp	**3,222**	**3,849**	**3,208**	**3,819**	**3,741**	**3,991**	**3,253**	**3,430**	**14,099**	**14,415**	**3,537**	**-3.0**
Effective Tax Rate (%)	24.9	25.4	25.1	25.7	25.3	25.4	24.7	25.8	25.3	25.3	24.6	
Adj. PAT	**2,419**	**2,870**	**2,403**	**2,838**	**2,796**	**2,978**	**2,450**	**2,546**	**10,530**	**10,769**	**2,668**	**-4.6**
Change (%)	6.9	16.6	7.7	36.5	15.6	3.8	2.0	-10.3	16.5	2.3	-6.0	

Key performance indicators

Cost Break-up												
RM(%)	71.7	68.9	68.5	67.0	69.3	68.5	68.0	68.8	69.1	68.7	68.1	60bp
Employee cost (%)	5.8	6.2	6.4	6.1	6.1	6.3	6.8	6.3	6.1	6.4	6.7	-40bp
Other Exp(%)	11.8	13.1	13.6	14.1	13.1	13.9	13.5	13.7	13.1	13.6	13.3	50bp
Gross Margin (%)	28.3	31.1	31.5	33.0	30.7	31.5	32.0	31.2	30.9	31.3	31.9	-60bp
EBITDA Margin(%)	10.6	11.8	11.5	12.9	11.5	11.3	11.7	11.2	11.7	11.4	11.9	-70bp
EBIT Margin(%)	7.7	8.7	8.1	9.8	8.5	8.4	8.4	8.2	8.6	8.4	8.8	-60bp

Piramal Enterprises

Bloomberg	PIEL IN
Equity Shares (m)	225
M.Cap.(INRb)/(USDb)	217.1 / 2.6
52-Week Range (INR)	1275 / 737
1, 6, 12 Rel. Per (%)	-6/-12/-7
12M Avg Val (INR M)	1133

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
PPOP	15.8	20.0	28.5
PAT	4.8	13.2	15.4
PAT (ex-exceptional)	4.8	3.2	13.4
EPS	22	59	68
EPS Gr. (%)	-	173	16
BV/Sh. (INR)	1,202	1,250	1,303
RoA (%)	0.5	1.3	1.2
RoE (%)	1.8	4.8	5.3
Valuation			
P/E (x)	44.9	16.4	14.1
P/BV (x)	0.8	0.8	0.7
Dividend yield (%)	1.1	1.5	1.8

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	46.4	46.3	46.2
DII	14.3	13.8	13.2
FII	16.5	16.8	17.5
Others	22.8	23.1	23.2

FII includes depository receipts

CMP: INR963 TP: INR1,085 (+13%) Neutral

Accelerated rundown in legacy AUM; growth businesses improve

Retail opex ratio continues to improve; AIF recoveries remain on track

- Piramal Enterprises (PIEL) reported a 4QFY25 net profit of ~INR1b (PQ: ~INR386m). This included an exceptional gain of ~INR3.7b from recoveries in the AIF portfolio. For FY25, the total gain from the AIF portfolio stood at INR9.2b. FY25 net profit stood at INR4.85b (vs. a loss of INR16.8b in FY24).
- NII rose 28% YoY to ~INR8.5b. PPOP stood at ~INR8.3b (PQ: INR7.1b).
- Total AUM grew 17% YoY and 3% QoQ to INR807b. Wholesale 2.0 AUM rose ~44% YoY and 2% QoQ to INR91.2b, while Wholesale 1.0 AUM declined ~33% YoY/53% QoQ to INR69b.
- Management has guided ~25% YoY growth in total AUM in FY26, primarily driven by a strong ~30% YoY growth in the retail loan segment. The company expects a greater contribution from unsecured products compared to FY25 and intends to scale down its legacy AUM to INR30-35b by FY26.
- PIEL highlighted that asset quality within the growth portfolio remained largely stable. It believes that credit costs for the non-MFI portfolio peaked in 3QFY25, while MFI-related credit costs have likely peaked in 4QFY25. Barring MFI, delinquency trends across other segments remain benign.
- We estimate a total AUM CAGR of ~24% and a Retail AUM CAGR of ~27% over FY24-FY27. While its growth business (excluding one-off gains and exceptional items) is showing signs of improvement, it will still take a few more quarters for the company to mitigate the earnings and credit cost impact of the accelerated decline in the legacy AUM.
- Pockets of opportunity, which we earlier thought would be utilized for inorganic acquisitions in retail businesses or for strengthening the balance sheet, are being directed toward running down the stressed legacy AUM. In the near term, we still do not see catalysts for any meaningful improvement in the core earnings trajectory of the company. **We reiterate our Neutral rating with a revised TP of INR1,085 (based on Mar'27E SoTP).**

Highlights from the management commentary

- Unsecured disbursements moderated and were down 1% YoY during the quarter vs. secured products, which rose ~22% YoY. The company is going slow in terms of disbursements in business and digital loans.
- The company aims to increase the share of unsecured business by ~4-4.5% in total AUM over the next two years. This shift is expected to be NIM-accretive, contributing positively to margins.
- The company has a tax shield of INR145b, which will ensure that the PAT is equal to PBT for the next few years. Further, the company expects to receive deferred consideration of USD120m in FY26 from the sale of the Piramal imaging business.

- PCHFL, a subsidiary of PEL, was renamed Piramal Finance Limited (PFL) and transitioned from an HFC to an NBFC. PFL is now an Upper Layer NBFC and one of the top 10 private sector NBFCs in India. The company has received the RBI approval for the merger of PEL with PFL and has initiated the NCLT process for approvals, which is expected to conclude around Sep'25.

Retail loans surge ~35% YoY; retail mix improves to ~80%

- Retail AUM grew ~35% YoY to INR647b, with its share in the loan book increasing to ~80% (PQ: 75%). Management shared that the company is going slow in terms of disbursements in business and digital loans.
- Retail disbursements grew ~9% YoY and ~17% QoQ to INR98b. Except for the unsecured business loans, all other product segments exhibited sequential growth in disbursements.

Retail asset quality steady; credit costs broadly stable in growth businesses

- GS3 was stable QoQ at ~2.8%, while NS3 rose ~40bp QoQ to 1.9%. Stage 3 PCR declined ~14pp QoQ to ~35.7%. As per the policy, the company released a provision of INR1.4b created on the wholesale portfolio during the quarter. Retail 90+ DPD was stable QoQ at ~0.8%.
- Growth business (Retail and Wholesale 2.0) gross credit costs rose ~10bp QoQ to 1.8% (PQ: 1.7%). Total ECL/EAD declined ~150bp QoQ to ~2.8% of the AUM.

Valuation and view

- PIEL delivered a steady quarter, driven by robust growth in the retail loan portfolio, even as the legacy AUM continued to decline. However, this was largely offset by healthy recoveries from the AIF book. Asset quality remained largely stable across segments, while the retail opex ratio continued to show improvement.
- Our earnings estimates for FY26 and FY27 factor in gains from the AIF exposures, deferred consideration of USD120m from the sale of Piramal Imaging, and zero tax outgo in the foreseeable future. Because of the uncertainty and unpredictability around the timing of the monetization of the stake in Shriram Life and General Insurance, we have not factored it into our estimates yet. It will, however, provide one-off gains, which can help offset the credit costs required to dispose of the stressed legacy AUM.
- We expect PIEL to deliver ~1.2% RoA and ~5% RoE in FY27E. We value the lending business at 0.7x Mar'27E P/BV and **reiterate our Neutral rating on the stock with a revised TP of INR1,085 (premised on Mar'27E SOTP).**

SoTP valuation – Mar'27E

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	200	2.4	889	82	❖ 0.7x Mar'27E PBV
Shriram Group	34	0.4	151	14	❖ Based on its stake in Shriram Life/General Insurance Businesses
Life Insurance	5	0.1	21	2	
Alternatives	5	0.1	23	2	
Target Value	**244**	**2.9**	**1,085**	**100**	

Source: MOFSL, Company

Piramal: Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	17,251	17,783	19,307	19,009	19,285	20,804	21,888	22,636	74,230	89,090
Interest Expenses	10,439	10,500	11,178	11,887	12,047	13,050	13,640	14,167	44,004	53,174
Net Interest Income	**6,812**	**7,283**	**8,129**	**7,121**	**7,238**	**7,754**	**8,248**	**8,469**	**30,226**	**35,916**
YoY Growth (%)	-31.0	-12.3	-21.3	-22.3	6.3	6.5	1.5	18.9		
Other operating income	11,739	4,150	5,450	5,724	1,943	2,075	6,358	5,900	7,899	6,417
Other Income	208	119	706	549	226	870	536	1,791	1,581	3,623
Total Income	**18,759**	**11,552**	**14,284**	**13,394**	**9,407**	**10,700**	**15,142**	**16,159**	**39,706**	**45,956**
YoY Growth (%)	75.4	22.5	-38.3	53.9	-49.9	-7.4	6.0	20.6		
Operating Expenses	9,061	6,641	6,970	14,451	7,034	7,534	8,002	7,843	27,740	30,143
Operating Profit	**9,698**	**4,911**	**7,314**	**-1,057**	**2,373**	**3,166**	**7,140**	**8,317**	**11,966**	**15,814**
YoY Growth (%)	54.5	22.1	-58.3	-153.7	-75.5	-35.5	-2.4	-887.2		
Provisions & Loan Losses	3,090	4,385	5,995	20,852	1,007	2,376	6,278	8,058	45,638	10,740
Profit before Tax	**6,609**	**526**	**1,319**	**-21,909**	**1,366**	**790**	**862**	**258**	**-33,692**	**5,074**
Tax Provisions	1,732	107	-9,575	-8,212	664	272	521	136	-15,949	1,594
PAT (before associate income)	**4,877**	**419**	**10,894**	**-13,696**	**702**	**518**	**340**	**122**	**-17,744**	**3,479**
Associate Income	211	707	728	-108	76	343	45	903	1,540	1,370
PAT (before exceptional)	**5,088**	**1,125**	**11,622**	**-13,805**	**778**	**860**	**386**	**1,024**	**-16,204**	**4,849**
Exceptional items	0	-643	-35,398	15,176	1,037	769	0	0	-640	0
Profit from Discontinued operations									-	-
PAT (after exceptional)	**5,088**	**482**	**-23,776**	**1,371**	**1,815**	**1,630**	**386**	**1,024**	**-16,844**	**4,849**

CAMS

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CAMS IN
Equity Shares (m)	49
M.Cap.(INRb)/(USDb)	178.3 / 2.1
52-Week Range (INR)	5368 / 3023
1, 6, 12 Rel. Per (%)	-8/-22/1
12M Avg Val (INR M)	1884

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
AAUM (INR t)	44.1	50.1	59.0
Revenue	14.2	15.8	17.8
EBITDA	6.5	7.1	8.0
Margin (%)	45.9	44.9	44.9
PAT	4.6	5.1	5.9
PAT Margin (%)	33	32	33
EPS	94.8	103.5	120.2
EPS Grw. (%)	32.4	9.2	16.1
BVPS	228.4	269.7	317.8
Roe (%)	45.7	41.6	40.9
Div. Pay-out (%)	46.8	60.0	60.0
Valuations			
P/E (x)	38.1	34.9	30.0
P/BV (x)	15.8	13.4	11.4
Div. Yield (%)	1.2	1.7	2.0

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	0.0	0.0	0.0
DII	16.7	17.3	19.9
FII	55.0	57.6	53.8
Others	28.3	25.0	26.3

FII includes depository receipts

CMP: INR3,608 TP: INR4,300 (+19%) Buy

Yield pressures likely; non-MF growth to remain strong

- **CAMS reported operating revenue of INR3.6b in 4QFY25 (7% beat), up 15% YoY. For FY25, operating revenue grew 25% YoY to ~INR14.2b.**
- **Total operating expenses grew 18% YoY to INR1.97b. Employee expenses/other expenses rose 12%/27% YoY to ~INR1.2b/INR790m. EBITDA increased 11% YoY to INR1.6b, reflecting EBITDA margin of 44.7% (vs. 46.2% in 4QFY24 and our est. of 40.7%). For FY25, EBITDA grew 29% YoY to INR6.5b.**
- **PAT grew 10% YoY to INR1.1b (15% beat) in 4QFY25, driven by strong topline growth. For FY25, PAT rose 32% YoY to INR4.6b.**
- **The non-MF business recorded a revenue run rate of ~INR2b in FY25, with management projecting 25% growth in FY26, driven mainly by CAMSPay, AIF, and KRA, which would add around INR500m. EBITDA margins for Non MF were around 10-15% in FY25 and are expected to rise to ~20% in FY26.**
- **We have cut our earnings estimates by 5% each for FY26/FY27 to factor in: 1) lower assumption in AUM growth, given market sentiment, and 2) the decline in yields as guided by the management. We expect revenue/PAT to post a CAGR of 12%/13% over FY25-27E. We reiterate a BUY rating on the stock with a one-year TP of INR4,300, premised at a P/E multiple of 35x on FY27E earnings.**

CAMSPay, CAMS Alternatives, and CAMSKRA driving non-MF growth

- QAUM grew 23% YoY but declined 2% QoQ to INR45.6t in 4QFY25. The share of Equity AUM grew to 54.4% in 4QFY25 from 51.9% in 4QFY24 but declined from 55.3% in 3QFY25. Equity AUM rose 28% YoY to INR24.8t.
- Transaction volumes increased 36% YoY to 238m, with SIP transactions up 42% YoY to 197.4m. Live folios grew 30% YoY to 94.2m.
- **MF segment's revenue** grew 14% YoY to INR3.1b, contributing ~86.3% to total revenue. MF asset-based contributions accounted for ~72.6% of total MF revenue, while non-asset contributions made up ~13.7%.
- **CAMS alternatives** continued to scale up thanks to strong signings (56 new mandates in 4Q), bringing the total to more than 200. GIFT City saw good traction, with CAMS serving more than 30 clients with assets nearing USD1.2b.
- **CAMSPay** registered stellar revenue growth of 85% YoY, driven by a surge in digital payments and growing traction from new segments. Currently 55% of revenue comes from MF segment. With a stronger growth in non-MF segment, the share of MF segment is expected to reduce to 40% in FY26.
- **CAMS KRA** revenue grew 31% YoY despite a decline in new account openings. Recently, the company signed three leading brokerage clients and over 20 new FIs and fintechs.
- **CAMSRep** witnessed strong momentum in policy additions, with the annual run rate doubling from 1-1.5m per year. Integration with LIC is expected to further boost the momentum. It holds ~40% of market share servicing more than 11m e-policies.
- Other income came in at INR134m vs. INR149m in 4QFY24.

- Total expenses came in at INR2b vs. INR1.7b in 4QFY25. 4Q CIR stood at 55.3% vs. 53.8% in 4QFY24 and 53.3% in 3QFY25.
- Employee costs/other expenses rose 12%/27% YoY (in line) to INR1.2b/INR790m. Management guided for employee costs to remain at ~33% of total revenue (due to slowdown in the hirings and some rationalization of manpower in the core business) and other operating expenses to remain stable.

Key takeaways from the management commentary

- For FY26, management expects EBITDA margins to decline to ~44%, driven by a muted AUM growth outlook of ~11-12%, translating into ~8-9% revenue growth. However, they do not foresee a further drop in margins, citing a stable MF segment, controlled costs, and continued contributions from the non-MF side.
- AUM contraction and a lower share of equity assets in the mix sequentially led to yield compression. Management has guided for yields to drop to 2.14bp by 4QFY26.
- Regarding capex spends, for FY26, management plans to spend ~INR1b on platform re-architecture and an additional INR700m on other capex items.

Valuation and view

- Empirically, CAMS has traded at a premium to listed AMCs in terms of one-year forward P/E. This premium is well deserved, given: 1) the duopoly nature of the industry and high entry barriers, 2) the relatively low risk of market share loss, and 3) higher customer ownership compared to AMCs.
- Despite weak market sentiment in 4QFY25, SIP flows for the industry have been healthy. With a recovery in markets, the momentum should improve. Non-MF businesses continue to gain strong traction for CAMS, which will offset the relatively weak performance of core business.
- We have cut our earnings estimates by 5% each for FY26/FY27 to factor in: 1) lower assumption in AUM growth, given market sentiment, and 2) the decline in yields as guided by management. We expect revenue/PAT to post a CAGR of 12%/13% over FY25-27E. We reiterate a BUY rating on the stock with a one-year TP of INR4,300, premised at a P/E multiple of 35x on FY27E earnings.

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	4QFY25E	Act v/s Est. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	2,613	2,751	2,897	3,105	3,314	3,652	3,697	3,562	11,365	14,225	3,345	6.5	14.7	(3.7)
Change YoY (%)	10.4	13.5	18.9	24.6	26.8	32.7	27.6	14.7	16.9	25.2	7.7			
Employee expenses	950	977	997	1,048	1,130	1,186	1,197	1,178	3,972	4,691	1,213.5	-2.9	12.4	(1.6)
Total Operating Expenses	1,512	1,530	1,603	1,671	1,816	1,950	1,969	1,968	6,316	7,703	1,985	-0.9	17.8	(0.1)
Change YoY (%)	9.0	12.2	18.4	19.2	20.1	27.5	22.8	17.8	14.7	21.9	18.8			
EBITDA	**1,101**	**1,221**	**1,294**	**1,433**	**1,498**	**1,702**	**1,728**	**1,594**	**5,049**	**6,522**	1,360	17.2	11.2	(7.8)
Other Income	97	96	99	114	117	126	149	134	406	526	165	-18.7	17.4	(10.2)
Depreciation	165	174	185	181	170	184	195	228	705	777	198	15.6	26.2	17.1
Finance Cost	20	20	21	21	21	22	21	20	82	85	21	-1.3	(3.5)	(5.4)
PBT	**1,012**	**1,124**	**1,187**	**1,346**	**1,424**	**1,622**	**1,661**	**1,479**	**4,668**	**6,187**	**1,307**	13.2	9.9	(10.9)
Change YoY (%)	16.4	15.9	21.4	36.6	40.7	44.4	39.9	9.9	22.8	32.5	-2.9			
Tax Provisions	255	286	302	316	354	414	420	351	1,159	1,540	327	7.3	11.2	(16.4)
Net Profit	**757**	**838**	**885**	**1,030**	**1,070**	**1,208**	**1,241**	**1,128**	**3,510**	**4,647**	**980**	15.1	9.5	(9.1)
Change YoY (%)	17.1	16.2	20.3	38.5	41.3	44.2	40.2	9.5	23.3	32.4	-4.8			
Key Operating Parameters (%)														
Cost to Operating Income Ratio	57.9	55.6	55.3	53.8	54.8	53.4	53.3	55.3	55.6	54.1	59.3	-4.1	1.4	2.0
EBITDA Margin	42.1	44.4	44.7	46.2	45.2	46.6	46.7	44.7	44.4	45.9	40.7	4.1	(1.4)	(2.0)
PBT Margin	38.7	40.8	41.0	43.3	43.0	44.4	44.9	41.5	41.1	43.5	39.1	2.5	(1.8)	(3.4)
Tax Rate	25.2	25.4	25.4	23.5	24.9	25.5	25.3	23.7	24.8	24.9	25.0	-1.3	0.3	(1.5)
PAT Margin	29.0	30.5	30.6	33.2	32.3	33.1	33.6	31.7	30.9	32.7	29.3	2.4	(1.5)	(1.9)
Key Parameters														
QAUM (INR t)	30.0	32.5	34.0	37.2	40.3	44.8	46.3	45.6	33.4	44.1	47.2	-3.4	22.6	(1.5)

Alembic Pharma

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ALPM IN
Equity Shares (m)	197
M.Cap.(INRb)/(USDb)	174.3 / 2.1
52-Week Range (INR)	1304 / 725
1, 6, 12 Rel. Per (%)	-6/-22/-22
12M Avg Val (INR M)	283

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	66.7	71.3	78.6
EBITDA	10.1	12.3	14.3
Adj. PAT	5.7	7.2	8.6
EBIT Margin (%)	11.0	13.2	14.0
Cons. Adj. EPS (INR)	29.2	36.5	44.0
EPS Gr. (%)	-7.4	25.1	20.5
BV/Sh. (INR)	264.1	294.9	333.2
Ratios			
Net D:E	0.2	0.2	0.1
RoE (%)	11.5	12.9	13.9
RoCE (%)	10.9	11.9	12.8
Payout (%)	20.3	16.5	13.7
Valuations			
P/E (x)	30.2	24.1	20.0
EV/EBITDA (x)	19.9	16.4	13.8
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	1.5	2.8	3.3
EV/Sales (x)	3.0	2.8	2.5

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	69.7	69.6	69.6
DII	16.4	16.1	15.4
FII	3.9	4.2	4.5
Others	10.0	10.2	10.5

FII Includes depository receipts

CMP: INR887 TP: INR930 (+5%) Neutral

Exports outshine; API witnesses gradual recovery

Building peptides category of products for regulated markets

- Alembic Pharma (ALPM) delivered a better-than-expected performance in 4QFY25. A strong performance in export markets was offset partly by a muted show in domestic formulation (DF) segment. API business also witnessed healthy recovery during the quarter.
- ALPM plans to build a product pipeline in the peptide space for regulated markets and scale up its injectables and ophthalmics product offerings.
- We largely maintain our estimates for FY26/FY27. We value ALPM at 21x 12M forward earnings to arrive at a TP of INR930.
- ALPM ended FY25 with a modest 7%/8% YoY growth in revenue/EBITDA and an earnings decline of 7% YoY. A weak performance in DF and API segment, coupled with financial leverage, impacted its FY25 performance.
- Having said this, ALPM is enhancing its product offerings in the US market and implementing efforts to improve growth in the DF market. Accordingly, we estimate a 23% earnings CAGR over FY25-27. We maintain Neutral rating due to limited upside from current levels.

Segmental mix/geography mix dent margins YoY

- ALPM sales grew 16.7% YoY to INR17.6b (our est: INR16.4b). US generics sales rose 20% YoY to INR5b (USD61m; 29% of sales). Ex-US generic export sales grew 43% YoY to INR3.8b (21% of sales). DF sales increased 4% YoY to INR5.5b (31% of sales). API sales grew 4% YoY to INR3.4b (19% of sales).
- Gross margin contracted 500bp YoY to 70% due to an inferior product mix.
- EBITDA margin contracted at a lower pace of 180bp YoY to 15.4% (our est: 14.1%), as lower gross margin was offset by better operating leverage (employee costs down 420bp as % of sales). R&D expenses rose 100bp YoY as % of sales to 9% for the quarter.
- Consequently, EBITDA grew 4.6% YoY to INR2.7b (our est: INR2.3b).
- Adj. PAT declined 12.3% YoY to INR1.6b (our est: INR1.1b) owing to higher tax burden (18.3% in 4QFY25 vs. 2.5% in 4QFY24).
- FY25 revenue/EBITDA grew 7%/8% to INR66.7b/INR10b, while PAT declined 7% YoY to INR5.7b.

Key highlights from the management commentary

- For FY26, ALPM expects mid-teens YoY growth in US revenue and 10% YoY growth in DF.
- Out of INR5.5b-INR6.5b spent on R&D, 30-35% was spent on complex products like peptides/ophthalmics.
- About 45% of new filings would be for injectables and the remaining for ophthalmics/oral solids dosage form in FY26.
- ALPM expects better operating leverage and lower R&D spending to drive profitability in the coming years.

Quarterly perf. (Consol.) **(INR m)**

Y/E March	FY24				FY25E				FY24	FY25	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q			4QE
Net Sales	**14,862**	**15,949**	**16,309**	**15,170**	**15,617**	**16,480**	**16,927**	**17,696**	**62,290**	**66,721**	**16,368**
YoY Change (%)	17.7	8.1	8.1	7.9	5.1	3.3	3.8	16.7	10.2	7.1	7.9
Total Expenditure	12,874	13,867	13,642	12,569	13,249	14,087	14,325	14,977	52,953	56,639	14,055
EBITDA	**1,987**	**2,083**	**2,667**	**2,601**	**2,368**	**2,393**	**2,602**	**2,719**	**9,337**	**10,082**	**2,313**
YoY Change (%)	73.3	-10.5	7.2	16.5	19.2	14.9	-2.4	4.6	14.0	8.0	-11.1
Margins (%)	13.4	13.1	16.4	17.1	15.2	14.5	15.4	15.4	15.0	15.1	14.1
Depreciation	662	676	695	695	690	705	700	690	2,727	2,786	714
EBIT	**1,325**	**1,407**	**1,973**	**1,906**	**1,678**	**1,688**	**1,902**	**2,029**	**6,611**	**7,297**	**1,599**
YoY Change (%)	111.9	-22.3	8.9	-2.4	26.6	19.9	-3.6	6.5	12.4	10.4	-16.1
Interest	144	157	152	109	132	188	223	245	562	788	223
Other Income	117	102	29	36	21	167	95	142	283	425	57
PBT before EO expense	**1,298**	**1,352**	**1,850**	**1,832**	**1,567**	**1,667**	**1,774**	**1,926**	**6,332**	**6,934**	**1,432**
Extra-Ord expense	0	0	0	0	0	-129	0	0	0	129	0
PBT	**1,298**	**1,352**	**1,850**	**1,832**	**1,567**	**1,796**	**1,774**	**1,926**	**6,332**	**7,063**	**1,432**
Tax	92	-19	41	46	225	273	401	353	160	1,252	197
Rate (%)	7.0	-1.4	2.2	2.5	14.4	15.2	22.6	18.3	2.5	17.7	13.7
MI & P/L of Asso. Cos.	0	-5	-1	-4	-5	-11	-11	4	-10	-23	96
Reported PAT	**1,207**	**1,376**	**1,809**	**1,790**	**1,347**	**1,534**	**1,384**	**1,569**	**6,182**	**5,834**	**1,140**
Adj PAT	**1,207**	**1,376**	**1,809**	**1,790**	**1,347**	**1,425**	**1,384**	**1,569**	**6,182**	**5,725**	**1,140**
YoY Change (%)	160.9	-6.7	36.6	73.1	11.6	3.6	-23.5	-12.3	43.9	-7.4	-36.3
Margins (%)	8.1	8.6	11.1	11.8	8.6	8.6	8.2	8.9	9.9	8.6	7.0
EPS	**6.1**	**7.0**	**9.2**	**9.1**	**6.9**	**7.2**	**7.0**	**8.0**	**31.5**	**29.2**	**5.8**

Key performance Indicators (Consolidated) **(INR m)**

Y/E March	FY24				FY25E				FY24	FY25	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q			4QE	vs Est
India	**5,240**	**5,770**	**5,960**	**5,030**	**5,720**	**6,090**	**6,140**	**5,450**	**22,000**	**23,400**	**5220**	**4%**
YoY Change (%)	9.2	5.1	9.4	2.9	9.2	5.5	3.0	8.3	6.6	6.4	3.8	
Exports	6,570	6,960	7,460	6,850	7,320	7,650	8,200	8,830	27,820	32,000	8,496	4%
YoY Change (%)	19.7	10.0	16.9	13.4	11.4	9.9	9.9	28.9	14.8	15.0	24.0	
APIs	3,050	3,220	2,890	3,300	2,590	2,740	2,590	3,420	12,460	11,340	2,639	30%
YoY Change (%)	30.9	9.5	(11.3)	5.4	(15.1)	(14.9)	(10.4)	3.6	6.9	(9.0)	(20.0)	
Cost Break-up												
RM Cost (% of Sales)	27.8	28.9	28.3	25.0	25.2	26.0	26.0	30.0	27.5	26.9	25.5	
Staff Cost (% of Sales)	23.4	21.8	21.4	26.5	24.3	23.8	23.5	22.2	23.2	23.4	24.1	
R&D Expenses (% of Sales)	8.0	7.6	7.0	8.0	7.0	8.0	7.0	9.1	7.6	7.8	8.0	
Other Cost (% of Sales)	27.4	28.7	27.0	23.4	28.3	27.7	28.2	23.3	26.6	26.8	28.3	
Gross Margins(%)	72.2	71.1	71.7	75.0	74.8	74.0	74.0	70.0	72.5	73.1	74.5	
EBITDA Margins(%)	13.4	13.1	16.4	17.1	15.2	14.5	15.4	15.4	15.0	15.1	14.1	
EBIT Margins(%)	8.9	8.8	12.1	12.6	10.7	10.2	11.2	11.5	10.6	10.9	9.8	

Kajaria Ceramics

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	KJC IN
Equity Shares (m)	159
M.Cap.(INRb)/(USDb)	127.4 / 1.5
52-Week Range (INR)	1579 / 745
1, 6, 12 Rel. Per (%)	-7/-35/-40
12M Avg Val (INR M)	333
Free float (%)	52.5

Financial Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	46.4	49.6	54.4
EBITDA	6.3	6.8	7.8
Adj. PAT	3.4	3.7	4.3
EBITDA Margin (%)	13.5	13.7	14.3
Cons. Adj. EPS (INR)	21.8	23.4	27.4
EPS Gr. (%)	-21.9	7.4	16.8
BV/Sh. (INR)	172	183	198
Ratios			
Net D:E	(0.6)	(0.8)	(0.9)
RoE (%)	12.8	13.0	14.1
RoCE (%)	15.4	15.7	17.2
Payout (%)	41.2	51.2	43.8
Valuations			
P/E (x)	36.6	34.1	29.2
P/BV (x)	4.6	4.4	4.0
EV/EBITDA(x)	19.6	17.8	15.4
EV/Sales (x)	2.6	2.4	2.2

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	47.5	47.5	47.5
DII	27.7	27.9	24.9
FII	15.8	16.0	19.2
Others	9.1	8.6	8.4

FII Includes depository receipts

CMP: INR800 TP: INR950 (+19%) Buy

Weak earnings; demand outlook cautiously optimistic

Eyeing demand recovery in real estate and exports in FY26

- Kajaria Ceramics' (KJC) 4QFY25 EBITDA was below our estimate due to lower-than-estimated realization and higher-than-estimated other expenses. EBITDA (including discontinued operation) declined ~28% YoY to INR1.7b (~28% miss) and OPM contracted 3.8pp YoY to ~10% (est. ~13%). PAT (incl. discontinued operations) declined ~39% YoY to INR943m (33% miss).
- Management highlighted that demand was soft in both domestic and exports in 4QFY25. Margin contraction was due to another muted quarter for the Bathware division and a write-off in UK operations (INR70m). It refrained from giving any guidance for FY26 and indicated that it would wait for one more quarter to see a recovery in demand. Further, it is exploring certain measures, including cost optimization, brand strengthening, and reach enhancement, to become more competitive and improve margins.
- We cut our EPS estimates by ~11%/10% for FY26/FY27 to factor in persistently weak domestic demand and increased competition from Morbi players due to weak exports (down ~20% YoY in FY25). This also led to margin pressure. We value KJC at 35x FY27E EPS to arrive at our revised TP of INR950 (earlier INR1,020). Maintain BUY.

Volume up 2% YoY; tiles realization declined ~2% YoY

- Consol. revenue/EBITDA/PAT (excluding discontinued operation) stood at INR12.2b/INR1.4b/INR733m (+1%/-20%/-30% YoY). Tile volume inched up ~2% YoY to 30.1msm, while realization declined ~2% YoY to INR361/sqm. Sanitaryware/adhesives revenue increased ~8%/51% YoY.
- Gross margin remained flat YoY at ~37%. Employee costs increased 14% YoY (11.7% of revenue vs. 10.4% in 4QFY24). Other expenses rose 15% YoY (13.6% of revenue vs. 12.0% in 4QFY24). OPM contracted 3.0pp YoY to ~11%.
- In FY25 (excluding discontinued operation), revenue grew ~4% YoY, while EBITDA/PAT declined ~11%/22% YoY. OPM contracted 2.3pp YoY to ~14%. Tile sales volume grew ~6% YoY, while realization declined ~4%. OCF dipped ~16% YoY to INR5.0b. Capex stood at INR2.2b vs. INR3.0b in FY24.

Highlights from the management commentary

- Plywood business was set up in 2017, and with the implementation of GST, it was anticipated that there would be a shift from unorganized to organized players. However, this did not work and KJC decided to close this business.
- Nepal plant with 5.1msm capacity was commissioned in Sep'24. It operated at ~50% utilization in 4QFY25.
- The company is exiting its loss-making ventures, including UK retail business, though it will continue to export. However, it remains confident about its investment in the UAE, which it views as a strategic, long-term opportunity.

View and valuation

- KJC's reported performance was below our estimates, affected by muted domestic demand and weak exports, which led to higher competitive intensity and margin pressure. However, new project launches in the real estate sector should drive demand revival. Management is hopeful for a pick-up in export demand, supported by lower freight costs (currently at lowest). It is undertaking several cost-saving measures and strengthening its distribution network to gain market share.
- We estimate KJC to post a CAGR of 8%/11%/12% in revenue/EBITDA/PAT over FY25-27. We estimate an ~8% CAGR in tile volume over FY25-27. We factor in lower margins of 13.7%/14.3% for FY26/27E (vs. last 10-year average of ~16%) considering that higher competitive intensity could put pressure on realization. Valuation at 34x/29x FY26/27E EPS appears reasonable; and we believe demand recovery would be the key trigger for stock price performance. We **maintain our BUY rating** with a revised TP of INR950 (earlier INR1,020), based on 35x FY27E EPS.

Quarterly performance (comparison on like-to-like basis and vs. actual)

	4QFY24	3QFY23	4QFY25	4QFY25E	Var (%)	YoY (%)	QoQ (%)
Net Sales	12,408	11,639	12,269	12,774	(4.0)	(1.1)	5.4
Total Expenditure	10,705	10,165	11,048	11,078	(0.3)	3.2	8.7
EBITDA	1,703	1,475	1,221	1,696	(28.0)	(28.3)	(17.2)
Margins (%)	13.7	12.7	10.0	13.3	(333bp)	(378bp)	(272bp)
PBT after EO Expense	1,403	1,107	851	1,320	(35.5)	(39.4)	(23.1)
PAT (after MI)	1,024	785	627	943	(33.5)	(38.7)	(20.1)

Consolidated quarterly performance (excluding discontinued operations) **(INR m)**

	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net sales	**10,642**	**11,216**	**11,518**	**12,082**	**11,137**	**11,793**	**11,556**	**12,219**	**44,740**	**46,351**
YoY change (%)	5.6	4.1	5.6	0.3	4.6	5.1	0.3	1.1	2.1	3.6
Total expenditure	8,950	9,419	9,730	10,352	9,466	10,204	10,023	10,835	37,672	40,089
EBITDA	**1,692**	**1,797**	**1,788**	**1,730**	**1,671**	**1,589**	**1,533**	**1,384**	**7,068**	**6,262**
Margin (%)	15.9	16.0	15.5	14.3	15.0	13.5	13.3	11.3	15.8	13.5
Depreciation	305	361	389	421	421	406	397	434	1,476	1,654
Interest	53	43	50	53	47	47	74	60	173	200
Other income	93	83	113	174	102	99	103	125	462	427
PBT before EO expense	**1,427**	**1,477**	**1,462**	**1,430**	**1,304**	**1,235**	**1,166**	**1,014**	**5,882**	**4,835**
Extra-ord expenses	0	0	0	27	0	0	59	308	0	-483
PBT after EO Expense	**1,427**	**1,477**	**1,462**	**1,403**	**1,304**	**1,235**	**1,107**	**706**	**5,882**	**5,318**
Tax	336	366	379	354	327	341	300	311	1,435	1,360
Rate (%)	23.5	24.8	25.9	24.7	25.0	27.6	25.7	30.7	24.4	28.1
Reported PAT	**1,075**	**1,080**	**1,042**	**1,024**	**898**	**843**	**777**	**425**	**4,221**	**2,944**
Minority interest	16	31	41	25	48	42	22	-63	113	49
Adj. PAT	**1,075**	**1,080**	**1,042**	**1,051**	**898**	**843**	**836**	**733**	**4,335**	**3,426**
YoY change (%)	16.5	60.8	40.2	0.3	-16.4	-21.9	-19.7	-30.3	28.0	-21.0
Margin (%)	10.1	9.6	9.0	8.7	8.1	7.1	7.2	6.0	9.7	7.4

Note: Sum of four quarters and full year number does not match due to restatement of full year numbers, giving effect of exclusion of discontinued operations

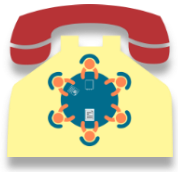
Quarterly summary

	FY24				FY25E				YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales Volumes-mn sqm:										
Own Manufacturing	13.8	14.8	15.3	16.1	14.9	15.6	15.4	15.8	(2)	2
JVs	4.8	4.8	5.3	6.1	5.5	5.4	5.9	6.5	6	10
Trading	6.4	6.9	6.5	7.4	6.6	7.6	7.6	7.9	6	3
Total sales volumes	**25.0**	**26.5**	**27.1**	**29.6**	**27.0**	**28.7**	**28.9**	**30.1**	**2**	**4**
Revenue Mix (INR m)										
Own Manufacturing	5,393	5,705	5,791	6,062	5,585	5,873	5,688	5,855	(3)	3
JVs	1,340	1,825	1,995	2,255	1,999	1,945	2,067	2,273	1	10
Trading	2,833	2,469	2,343	2,599	2,312	2,717	2,651	2,755	6	4
Sanitaryware / faucets	837	853	922	1,023	910	901	945	1,105	8	17
Plywood	143	235	340	327	179	175	81	47	(86)	(42)
Adhesives	96	130	128	143	152	182	205	230	61	12
Total	**10,642**	**11,216**	**11,518**	**12,408**	**11,137**	**11,793**	**11,637**	**12,266**	**(1)**	**5**
Realization/sqm (INR)										
Own Manufacturing	391	386	380	377	375	376	368	371	(2)	1
JVs	279	379	375	369	362	358	352	352	(5)	(0)
Trading	442	360	360	352	352	356	349	351	(0)	0
Blended Realization	**382**	**378**	**374**	**369**	**367**	**367**	**360**	**361**	**(2)**	**0**
Growth (% YoY)	-2.7%	-4.4%	-4.1%	-5.6%	-4.1%	-2.8%	-3.7%	-2.1%		
Growth (% QoQ)	-2.2%	-1.2%	-1.0%	-1.3%	-0.7%	0.1%	-1.9%	0.4%		

Godrej Consumer Products

BSE SENSEX	S&P CNX
80,641	24,380

Analyst meet Details



Date: 7th May 2025
Time: 10:00 AM
Mode: Physical

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	143.6	163.0	179.7
Sales Gr. (%)	1.9	13.5	10.2
EBITDA	30.0	34.5	38.7
EBITDA mrg. (%)	20.9	21.2	21.5
Adj. PAT	18.9	24.9	28.9
Adj. EPS (INR)	18.5	24.3	28.2
EPS Gr. (%)	-4.2	31.3	16.1
BV/Sh.(INR)	127.9	136.6	143.6
Ratios			
RoE (%)	14.7	18.4	20.2
RoCE (%)	14.2	17.8	19.9
Payout (%)	108.0	90.4	85.0
Valuation			
P/E (x)	67.5	51.4	44.3
P/BV (x)	9.8	9.2	8.7
EV/EBITDA (x)	42.7	37.0	33.0
Div. Yield (%)	1.6	1.8	1.9

CMP: INR1,251

Healthy HI growth, margin pressure sustains

- Godrej Consumer (GCPL) reported consol. net sales growth of 6.3% YoY to INR35.9b (est. INR36.3b). Organic sales rose 7% YoY in INR terms (adjusted to sell of a part of the Africa business).
- Consolidated organic volumes for 4QFY25 grew 6% YoY, led by the 4% YoY volume growth in the India business and a 5% YoY volume growth in the Indonesia business. This led to a full-year organic volume growth of 4% YoY for GCPL's consolidated business, 5% for the India business, and 6% for the Indonesia business.
- EBITDA remained flat YoY and QoQ at INR7.6b, which was better than the expectation of INR7.3b.
- PBT stood at INR6.7b (est. INR6.6b), down 4% YoY.
- Higher taxes (35% ETR) hurt adj. PAT (reported exceptional loss last year), which declined 25% YoY to INR4.3b (est. INR5.1b).
- Gross margin contracted 360bp YoY to 52.5% (est. 54.5%).
- EBITDA margin contracted 140bp YoY to 21.1% (est. 20.2%) as employee expenses declined 19% YoY, while ad spends rose 1% YoY and other expenses grew 9% YoY.
- In FY25, net sales, EBITDA, and APAT were up 2%, down 2%, and down 4% YoY, respectively.

India business

- Net sales (including OOI) grew 7% YoY to INR21.8b in 4QFY25.
- The India business reported underlying volume growth of 4% YoY.
- GCPL stated that demand conditions in India have continued to be impacted by headwinds in urban consumption. A surge in palm oil prices by more than 50% is adversely impacting its EBITDA margin.
- The home care business registered 14% revenue growth (4% in 3QFY25), while personal care recorded revenue growth of 4% (2% in 3QFY25).
- Gross margin contracted 590bp YoY to 51.9%. GP was down by 4%. EBITDA margin dipped 400bp YoY to 22.6% (est. 23.3%).
- EBITDA declined 9% YoY to INR4.9b (in line).

Category wise highlights

- The home care business registered 14% revenue growth (4% in 3QFY25) buoyed by a good season. GCPL recorded a strong volume performance in Household Insecticides (HI), which grew in double digits.
- In HI, Goodknight Agarbatti has seen a strong outperformance and has become the clear market leader in this category. Premium formats have grown strong double digits, with RNF LV being received well by the consumers. GCPL has gained a notable share among premium formats.

- Air Fresheners continues to perform well, delivering high-single-digit volume growth and continuing to enjoy market leadership. Launched Mini Aer Pocket in a few states in South India at INR 30.
- Fabric Care delivered strong double-digit volume growth. Godrej Fab has been scaled up nationally and continues to gain market share.
- The personal care recorded revenue growth of 4% (2% in 3QFY25). Personal Wash volumes declined by mid-high single digits during the quarter as a result of volume-price rebalancing. This was compensated by high single-digit price growth. GCPL continues to witness significant cost pressures due to inflation in palm derivatives and is taking significant price hikes across the portfolio.
- In personal care, Hair Colour volumes grew in mid-single digits. Godrej Expert Rich Crème access packs continue to perform well and grow at double-digit rates. Shampoo Hair Colour volumes continue to grow at a strong double-digit rate.

International business

- Indonesia's revenue rose 1% YoY in both INR and CC terms with volume growth of 5%.
- In Indonesia, Hair Colour recorded a strong double-digit volume growth, led by Shampoo Hair Colour. Household Insecticides delivered teens volume growth on a 2-year CAGR.
- EBITDA margin for the Indonesian business continued to improve, led by gross margin expansion of ~210bp YoY. EBIT rose 10% YoY.
- GAUM's organic revenue grew 23% YoY.
- GAUM's EBITDA margin at 16.9% improved ~250bp YoY, led by gross margin expansion, mix improvement, and reduction in controllable costs. Absolute EBITDA at INR 1160m grew 37% YoY.

Quarterly Performance (Consolidated) (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Domestic volume Growth (%)	**10**	**4**	**5**	**9**	**8**	**7**	**0**	**4**	**7**	**5**	**4**	
Net Sales (including OOI)	**34,489**	**36,020**	**36,596**	**33,856**	**33,316**	**36,663**	**37,684**	**35,980**	**1,40,961**	**1,43,643**	**36,301**	-0.9
YoY change (%)	10.4	6.2	1.7	5.8	-3.4	1.8	3.0	6.3	5.9	1.9	7.2	
Gross Profit	**18,534**	**19,771**	**20,454**	**18,999**	**18,608**	**20,381**	**20,402**	**18,890**	**77,758**	**78,282**	**19,796**	-4.6
Margin (%)	53.7	54.9	55.9	56.1	55.9	55.6	54.1	52.5	55.2	54.5	54.5	
Other Operating Exp.	11,716	12,537	11,407	11,396	11,346	12,764	12,843	11,298	47,055	48,251	12,456	
EBITDA	6,818	7,234	9,048	7,604	7,262	7,617	7,559	7,592	30,704	30,031	7,341	3.4
Margins (%)	19.8	20.1	24.7	22.5	21.8	20.8	20.1	21.1	21.8	20.9	20.2	
YoY growth (%)	28.0	26.0	17.9	14.4	6.5	5.3	-16.4	-0.2	20.9	-2.2	-3.5	
Depreciation	763	609	539	499	495	501	619	726	2,410	2,340	610	
Interest	740	773	666	785	878	831	897	896	2,964	3,501	895	
Other Income	691	659	701	638	751	843	831	737	2,690	3,161	767	
PBT	**5,617**	**6,319**	**7,904**	**6,912**	**6,623**	**7,107**	**6,874**	**6,708**	**26,751**	**27,312**	**6,603**	1.6
Tax	1,611	1,866	2,024	2,087	1,933	2,154	1,834	2,275	7,588	8,196	1,484	
Rate (%)	28.7	29.5	25.6	30.2	29.2	30.3	26.7	33.9	28.4	30.0	22.5	
Adj PAT	**3,761**	**4,415**	**5,862**	**5,749**	**4,649**	**4,953**	**5,025**	**4,321**	**19,787**	**18,948**	**5,119**	-15.6
YoY change (%)	8.5	17.2	6.0	22.6	23.6	12.2	-14.3	-24.8	13.4	-4.2	-11.0	
Reported PAT	**3,188**	**4,328**	**5,811**	**-18,932**	**4,507**	**4,913**	**4,983**	**4,119**	**-5,605**	**18,522**	**5,119**	-19.5

E: MOFSL Estimate

Segment revenue (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
India	18,494	19,850	20,098	18,229	20,055	21,682	22,041	20,336	21,629	23,007	22,617	21,849
Indonesia	3,765	4,087	4,333	4,345	4,507	4,730	4,665	4,983	4,651	5,138	5,079	5,043
Africa (including SON)	7,789	8,587	10,071	7,701	8,486	8,158	9,233	5,937	5,446	6,446	7,724	6,903
Others	1,541	1,744	1,828	2,036	1,808	1,826	993	2,900	1,953	2,476	2,636	2,572
Less: Inter-segment eliminations	-338.7	-348.3	-340.1	-309.7	-366.2	-376.2	-335.7	-300.4	-363.9	-402.7	-371	-388.3
Net Sales from operations	**31,250**	**33,919**	**35,989**	**32,002**	**34,489**	**36,020**	**36,596**	**33,856**	**33,316**	**36,663**	**37,684**	**35,980**
Segment revenue growth (%)												
India	11.4	8.0	10.6	11.5	8.4	9.2	9.7	11.6	7.9	6.1	2.6	7.4
Indonesia	-8.5	-8.2	-3.1	8.2	19.7	15.7	7.7	14.7	3.2	8.6	8.9	1.2
Africa (including SON)	12.2	14.7	13.9	6.5	8.9	-5.0	-8.3	-22.9	-35.8	-21.0	-16.3	16.3
Others	-3.5	0.4	-8.7	-3.8	17.4	4.7	-45.7	42.5	8.0	35.6	165.4	-11.3
Less: Inter-segment eliminations	7.1	-16.4	-26.8	-44.1	8.1	8.0	-1.3	-3.0	-0.6	7.0	10.5	29.3
Net Sales from operations	**8.0**	**7.2**	**9.0**	**9.8**	**10.4**	**6.2**	**1.7**	**5.8**	**-3.4**	**1.8**	**3.0**	**6.3**
Segment EBIT (INR m)												
India	4,101	4,340	5,604	4,961	6,336	6,826	6,762	5,797	5,705	6,068	5,382	5,040
Indonesia	576	737	948	1,047	995	1,013	1,166	1,332	1,172	1,092	1,187	1,472
Africa (including SON)	245.8	204.8	621	297.1	440.1	499.4	825	665.1	625.4	769.4	1014.4	998.5
Others	25	80.2	129.3	185.6	79.4	34.9	24.7	74.2	146.2	146.3	300.3	210.2
Less: Inter-segment eliminations	-35.2	-75.2	-177.6	-188.9	-1493.5	-1281	-208.7	-171.1	-128	-120.2	-111.9	-117.2
Net EBIT from operations	**4,913**	**5,287**	**7,124**	**6,302**	**6,357**	**7,092**	**8,569**	**7,697**	**7,521**	**7,955**	**7,772**	**7,603**
Segment EBIT growth (%)												
India	-4.0	-3.2	23.4	29.8	54.5	57.3	20.7	16.8	-10.0	-11.1	-20.4	-13.0
Indonesia	-38.1	-35.8	3.2	22.6	72.7	37.5	23.1	27.2	17.9	7.7	1.8	10.5
Africa (including SON)	-24.1	-55.7	-15.2	-164.4	79.0	143.8	32.9	123.9	42.1	54.1	23.0	50.1
Others	-88.3	-71.0	-38.4	-2.6	217.6	-56.5	-80.9	-60.0	84.1	319.2	1115.8	183.3
Net EBIT from operations	**-13.8**	**-16.3**	**12.0**	**44.1**	**29.4**	**34.2**	**20.3**	**22.1**	**18.3**	**12.2**	**-9.3**	**-1.2**
Segment EBIT mix (%)												
India	83	82	79	79	100	96	79	75	76	76	69	66
Indonesia	12	14	13	17	16	14	14	17	16	14	15	19
Africa (including SON)	5	4	9	5	7	7	10	9	8	10	13	13
Others	1	2	2	3	1	0	0	1	2	2	4	3
Less: Inter-segment eliminations	-1	-1	-2	-3	-23	-18	-2	-2	-2	-2	-1	-2
Net EBIT from operations	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Segment EBIT margin (%)												
India	22.2	21.9	27.9	27.2	31.6	31.5	30.7	28.5	26.4	26.4	23.8	23.1
Indonesia	15.3	18.0	21.9	24.1	22.1	21.4	25.0	26.7	25.2	21.2	23.4	29.2
Africa (including SON)	3.2	2.4	6.2	3.9	5.2	6.1	8.9	11.2	11.5	11.9	13.1	14.5
Others	1.6	4.6	7.1	9.1	4.4	1.9	2.5	2.6	7.5	5.9	11.4	8.2
Net EBIT margin from operations	**15.7**	**15.6**	**19.8**	**19.7**	**18.4**	**19.7**	**23.4**	**22.7**	**22.6**	**21.7**	**20.6**	**21.1**
Segment EBIT margin change (%)												
India	-3.5	-2.5	2.9	3.8	9.4	9.6	2.8	1.3	-5.2	-5.1	-6.9	-5.4
Indonesia	-7.3	-7.8	1.3	2.8	6.8	3.4	3.1	2.6	3.1	-0.2	-1.6	2.5
Africa (including SON)	-1.5	-3.8	-2.1	10.2	2.0	3.7	2.8	7.3	6.3	5.8	4.2	3.3
Others	-11.8	-11.3	-3.4	0.1	2.8	-2.7	-4.6	-6.6	3.1	4.0	8.9	5.6
Overall EBIT change	**-4.0**	**-4.4**	**0.5**	**4.7**	**2.7**	**4.1**	**3.6**	**3.0**	**4.1**	**2.0**	**-2.8**	**-1.6**

Source: GCPL

Bank of Baroda

BSE SENSEX	S&P CNX
80,641	24,380

Analyst Meet Webinar

Date: 7th May 2025 (Link)

Time: 10:30am IST

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	456.6	484.6	534.6
OP	324.3	348.0	389.0
NP	195.8	204.2	225.6
NIM (%)	2.8	2.7	2.7
EPS (INR)	37.8	39.4	43.6
EPS Gr. (%)	10.1	4.3	10.5
BV/Sh. (INR)	259	272	305
ABV/Sh. (INR)	243	254	285
Ratios			
RoA (%)	1.2	1.1	1.1
RoE (%)	16.4	15.1	15.4
Valuations			
P/E(X)	6.0	5.7	5.2
P/BV (X)	0.9	0.8	0.7
P/ABV (X)	0.9	0.9	0.8

CMP: INR224 — Neutral

NII misses estimate | Other income aids earnings | Slippages increase QoQ

- BoB reported 4QFY25 PAT at INR50.5b (3% YoY growth, in line), though NII missed estimates and provisioning run-rate remained elevated.
- NII declined 6.6% YoY/ 3.5% QoQ to INR110.2b (5.5% miss). Domestic NIMs contracted 9bp QoQ to 3.02%, while global NIMs contracted 8bp QoQ to 2.86%.
- Other income stood better, up 24% YoY/38% QoQ to INR52.1b, led by healthy fee income and better treasury income, as well as higher recovery from written-off accounts. Thus, total revenues grew 1.5% YoY/ 6.9% QoQ to INR162.3b (in line).
- Opex grew 2.8% YoY/ 7.7% QoQ to INR80.97b (in line). PPoP, thus, stood flat YoY and 6.1% QoQ (3% miss to MOFSLe).
- On the business front, advances grew 5.1% QoQ (13.5% YoY), led by broad-based growth across all segments. Among the segments, retail loan grew 19.4% YoY/ 5.5% QoQ, while corporate book grew 8.6% YoY/ 6.4% QoQ. MSME loan grew 14.2% YoY/ 3.5% QoQ. Within Retail, Home/Auto grew 5.7% QoQ/3.7% QoQ, while PL grew faster at 21.3% YoY/5.2% QoQ.
- Deposits grew 10.9% YoY/ 5.7% QoQ, driven by faster growth in CASA deposits, which rose 6.4% YoY/ 7.3% QoQ. Within CASA, CA deposits saw robust growth at 14.9% YoY/ 19.3% QoQ, contributing to a 64bp QoQ increase in domestic CASA deposits, which rose to 39.97%.
- On the asset quality front, fresh slippages increased marginally to INR31.6b/1.1% of loans vs 0.9% in 3QFY25. However, healthy recoveries and accelerated write-offs led to improvement in asset quality ratios. The GNPA/NNPA ratio improved 17bp/1bp QoQ to 2.26%/0.58%, respectively. PCR declined to ~75% vs 76% in 3QFY25. SMA1 and 2 declined to 0.33% (vs 0.49% in 3QFY25). Collection efficiency (ex-Agri) stood at 98.5% as of Mar'25.
- **Valuation and view:** We have downgraded the stock following the 3QFY25 results, based on limited earnings levers, elevated CD ratio, and increasing reliance on bulk deposits, which are placing pressure on margins and growth under check. We will review our estimates and TP after the analysts' webinar/meet scheduled on 7th May'25 at 10:30 AM. The stock currently trades at 0.8x FY27E ABV. **We maintain a Neutral rating on the stock with a TP of INR250 (0.9x FY27E ABV).**

Quarterly performance **(INR m)**

	FY24				FY25				FY25	FY26E	FY25E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Est
Net Interest Income	**110.0**	**108.3**	**111.0**	**117.9**	**116.0**	**116.2**	**114.2**	**110.2**	**456.6**	**484.6**	**116.6**	**-5%**
% Change (YoY)	24.4	6.4	2.6	2.3	5.5	7.3	2.8	-6.6	2.1	6.1	-1.1	
Other Income	33.2	41.7	28.1	41.9	24.9	51.8	37.7	52.1	166.5	186.5	45.7	14%
Total Income	**143.2**	**150.0**	**139.1**	**159.8**	**140.9**	**168.0**	**151.9**	**162.3**	**623.1**	**671.0**	**162.2**	**0%**
Operating Expenses	64.9	69.8	69.0	78.8	69.3	73.3	75.2	81.0	298.7	323.0	78.3	3%
Operating Profit	**78.2**	**80.2**	**70.2**	**81.1**	**71.6**	**94.8**	**76.6**	**81.3**	**324.3**	**348.0**	**83.9**	**-3%**
% Change (YoY)	72.8	33.0	-14.8	0.4	-8.5	18.2	9.3	0.3	4.7	7.3	3.5	
Provisions	19.5	21.6	6.7	13.0	10.1	23.4	10.8	15.5	59.8	73.6	15.0	4%
Profit before Tax	**58.8**	**58.6**	**63.5**	**68.0**	**61.5**	**71.4**	**65.8**	**65.8**	**264.5**	**274.4**	**68.9**	**-5%**
Tax	18.1	16.1	17.7	19.2	16.9	19.0	17.4	15.3	68.7	70.3	19.9	-23%
Net Profit	**40.7**	**42.5**	**45.8**	**48.9**	**44.6**	**52.4**	**48.4**	**50.5**	**195.8**	**204.2**	**49.0**	**3%**
% Change (YoY)	87.7	28.4	18.9	2.3	9.5	23.2	5.6	3.3	10.1	4.3	0.2	
Operating Parameters												
Deposit (INR b)	11,999	12,496	12,453	13,270	13,070	13,635	13,925	14,720	14,720	16,457	14,570	1%
Loan (INR b)	9,635	9,980	10,241	10,658	10,479	11,212	11,513	12,096	12,096	13,595	11,947	1%
Deposit Growth (%)	16.2	14.6	8.3	10.2	8.9	9.1	11.8	10.9	10.9	11.8	9.8	
Loan Growth (%)	20.5	19.3	15.0	13.3	8.8	12.3	12.4	13.5	13.5	12.4	12.1	
Asset Quality												
Gross NPA (%)	3.5	3.3	3.1	2.9	2.9	2.5	2.4	2.3	2.3	2.0	2.3	
Net NPA (%)	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.5	
PCR (%)	78.5	77.6	77.7	77.3	76.6	76.3	76.0	74.9	74.9	74.2	76.9	

HPCL

BSE SENSEX	S&P CNX
80,641	24,380

Conference Call Details

Date: 7 May'25
Time: 11:00am IST
Dial-in details:
+91 22 6280 1342
+91 22 7115 8243

CMP: INR397 **Buy**

Beat fueled by robust refining performance

- **HPCL's 4QFY25 EBITDA was 61% above our est., fueled by higher-than-estimated GRM (USD8.5/bbl). Marketing margin, though weaker than BP/IOC, stood in line with our estimates at INR4.5/lit. Resultant PAT stood 114% above our est. at INR33.5b.**
- **In 4QFY25, LPG under-recovery amounted to INR33b (similar QoQ). With effect from 8th Apr'25, the price of LPG cylinders has been hiked by INR50 for both subsidised and non-subsidised users. The government also increased Excise Duty on both Petrol (MS) and Diesel (HSD) by INR2/lit from the same day.**
- **Singapore GRM averaged USD3.7/bbl in Apr'25 (vs. USD3.2/bbl in 4QFY25). We have a bearish stance on refining over FY26-1HFY28 amid strong ~2.5-3mb/d net refinery capacity additions globally over CY24-26 and demand worries due to rising trade tensions and possibilities of global macro-economic slowdown. Even after excise duty hikes, current MS/HSD marketing margins continue to average above INR10/lit.**
- **HPCL currently trades at 1.4x 1yr. fwd. P/B, slightly above its 10Y average P/B. We have a Buy rating on HPCL.**

Financial performance – 4QFY25

- HPCL's EBITDA stood at INR57.6b in 4QFY25 (61% beat).
  - The beat was driven by higher-than-estimated GRM, which was 55% above our estimate at USD8.5/bbl.
- Refining throughput was in line with our estimate at 6.7mmt. Marketing volumes stood at 12.7mmt (est. 12.5mmt).
- Marketing margin (including inv.) stood at ~INR4.5/lit (est. INR4.6/lit).
  - LPG under-recovery stood at INR33b (similar QoQ), which we believe could be reversed in due course as LPG remains a controlled product.
- PAT came in 114% above our est. at INR33.5b. Other income and finance costs were below our estimates.
  - In 4Q, HPCL had a forex gain of INR468m.
  - **In FY25,** HPCL's SA net sales were flat YoY at INR4.3t, while EBITDA/RPAT declined 32%/50% to INR171b/73.7b.
- **As of Mar'25,** HPCL had a cumulative negative net buffer of INR109b, due to the under-recovery on LPG cylinders (INR76b as of Dec'24).
- As of Mar'25, gross debt stood at INR633.2b (up INR93b QoQ).
- The Board recommended a final dividend of INR10.5/sh (FV: INR10/sh).

Standalone - Quarterly Earnings Model (INR b)

Y/E March	FY24				FY25E				FY24	FY25	FY25	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**1,120**	**957**	**1,113**	**1,146**	**1,138**	**999**	**1,105**	**1,095**	**4,335**	**4,337**	**940**	**17%**
YoY Change (%)	-2.2	-11.7	1.6	6.1	1.6	4.4	-0.7	-4.4	-1.6	0.0	-18.0	
Total Expenditure	1,024	871	1,092	1,097	1,117	972	1,041	1,037	4,084	4,167	904	**15%**
EBITDA	**95**	**86**	**21**	**49**	**21**	**28**	**65**	**58**	**251**	**171**	**36**	**61%**
Margins (%)	8.5	9.0	1.9	4.2	1.8	2.8	5.8	5.3	5.8	3.9	3.8	
Depreciation	14	12	13	16	15	15	15	16	56	61	15.5	
Forex loss	-1	4	0	1	0	0	5	0	3	4	0.0	
Interest	6	6	6	7	7	9	9	7	25	33	8.4	
Other Income	6	3	6	9	6	6	5	8	24	24	9.1	
PBT	**83**	**67**	**8**	**33**	**5**	**8**	**40**	**43**	**192**	**96**	**20.9**	**106%**
Tax rate (%)	25.5	24.1	31.1	14.2	24.5	24.4	24.6	22.1	23.3	23.5	25.2	
Reported PAT	**62**	**51**	**5**	**28**	**4**	**6**	**30**	**34**	**147**	**74**	**15.7**	**114%**
YoY Change (%)	LP	LP	206.8	-11.8	-94.3	-87.7	471.4	18.0	LP	-49.9	-44.9	
Key Assumptions												
Refining throughput (mmt)	5.4	5.8	5.3	5.8	5.8	6.3	6.5	6.7	22.3	25.3	6.6	2%
Reported GRM (USD/bbl)	7.4	8.3	14.0	6.9	5.0	3.1	6.0	8.5	9.2	5.7	5.5	55%
Marketing sales volume incl exports (mmt)	11.9	10.7	11.9	12.3	12.6	11.6	12.9	12.7	46.8	49.8	12.5	2%
Marketing GM incl inv (INR/liter)	8.4	7.3	1.4	4.8	3.0	4.2	5.7	4.5	5.5	4.4	4.6	-1%

Polycab India

BSE SENSEX	S&P CNX
80,641	24,380

Conference Call Details

Date: 07th May 2025
Time: 12:00 IST
Dial-in details:
+ 91 22 6280 1443
+ 91 22 7115 8338
Link for the call

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	224.1	255.8	295.1
EBITDA	29.6	33.6	40.0
Adj. PAT	20.2	22.1	26.1
EBITDA Margin (%)	13.2	13.1	13.5
Adj. EPS (INR)	134.3	146.9	173.8
EPS Gr. (%)	13.1	13.9	18.3
BV/Sh. (INR)	653.1	755.8	879.6
Ratios			
Net D:E	(0.1)	(0.1)	(0.1)
RoE (%)	20.6	19.4	19.8
RoCE (%)	21.5	20.8	21.1
Payout (%)	22.3	23.8	28.8
Valuations			
P/E (x)	44.0	40.2	34.0
P/BV (x)	9.0	7.8	6.7
EV/EBITDA(x)	29.8	26.3	22.0
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	0.9	0.9	1.3

CMP: INR5,908 **Buy**

EBITDA above estimate, FMEG achieves breakeven in 4Q

- POLYCAB's 4QFY25 revenue grew 25% YoY to INR69.9b (in line). EBITDA rose ~35% YoY to INR10.3b (+7% vs. est.) and OPM surged 1.1pp YoY to 14.7% (+50bp vs. est.). PAT grew ~33% YoY to INR7.3b (+13% vs. our est., led by lower interest costs and higher other income than our estimate).
- The company's market share in the cables & wires (C&W) segment improved to 26-27% in FY25 from 25-26% in FY24. In C&W, the domestic business grew by 27% YoY, with cables growth being higher than wires. The international business declined 24% YoY due to the rollover of a large order into the next quarter. For FY25, exports contributed 6.0% to consolidated revenue. A strong rebound is expected in FY26 in exports, supported by a robust order book and a favorable demand environment across key markets.

C&W revenue up 24% YoY and EBIT margin flat YoY at ~15%

- C&W revenue grew ~24% YoY to INR60.2b (in line), EBIT rose ~23% YoY to INR9.1b (~11% beat), and EBIT margin was flat YoY at 15.1% (est. 14.0%).
- ECD revenue increased ~33% YoY. It reported a segment profit of INR19m (vs. estimated loss of INR86m) vs. a loss of INR459m in 4QFY24.
- EPC business revenue increased ~33% YoY (15% beat) to INR4.9b. EBIT rose 52% YoY (down ~10% QoQ) to INR404m. EBIT margin expanded 1.0pp YoY to 8.2%.
- Overall gross margin stood at 25.5% vs. 25.3%/25.7% in 4QFY24/3QFY25. Ad spending was 0.4% of revenue vs. 0.7% in 4QFY24/3QFY25 (each). Depreciation and interest expenses increased 22%/33% YoY, while other income declined 11% YoY.
- In FY25, revenue/EBITDA/PAT grew 24%/19%/13% YoY. EBITDA margin dipped 60bp YoY to 13.2%. C&W revenue/EBIT grew 18%/ 7% YoY, while EBIT margin contracted 1.4pp YoY to 13.5%. FMEG revenue grew 30% YoY, while the segment's losses stood at INR389m vs. INR942m in FY24. OCF stood at INR18.1b vs. INR13b in FY24. Capex stood at INR9.7b vs. INR8.6b in FY24. FCF stood at INR8.4b vs. INR4.4b in FY24.

Highlights from the management commentary

- C&W margins improved ~140bp QoQ to 15.1%, driven by operating leverage and a favourable product-mix, although this partially offset by the lower contribution from the international business.
- Distribution split in domestic market -- East: 20%, North: 32%, South: 27% and West: 21%. International business has spread to 84 countries from 79 in FY24.
- In the FMEG segment, all product categories recorded growth. Solar products' revenues grew 2.5x YoY and became the third-largest category within the FMEG portfolio. The segment achieved break-even in 4Q – its first profitable quarter after 10 successive quarters of strategic investments in talent, product innovation and brand building.

Valuation and view

- POLYCAB's 4Q operating performance was above our estimates, with higher revenue growth and margins in C&W segment and break-even in FMEG vs. an estimated segment loss.
- **We have a BUY rating on the stock.** However, we will review our estimates after the concall on 07th May'25 (Concall Link).

Quarterly performance INR m

Y/E March	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	MOSL 4QE	Var.	YoY (%)	QoQ (%)
Sales	**38,894**	**42,177**	**43,405**	**55,919**	**46,980**	**54,984**	**52,261**	**69,858**	**67,513**	**3.5%**	**24.9%**	**33.7%**
Change (%)	42.1	26.6	16.8	29.3	20.8	30.4	20.4	24.9	20.7			
EBITDA	**5,486**	**6,089**	**5,695**	**7,615**	**5,834**	**6,316**	**7,199**	**10,254**	**9,611**	**6.7%**	**34.6%**	**42.4%**
Change (%)	76.3	42.4	13.0	24.9	6.3	3.7	26.4	34.6	26.2			
EBITDA margin (%)	14.1	14.4	13.1	13.6	12.4	11.5	13.8	14.7	14.2	44	106	90
Depreciation	571	603	619	657	671	721	786	804	808	-0.6%	22.3%	2.3%
Interest	249	268	322	244	413	453	498	325	537	-39.5%	33.3%	-34.6%
Other Income	640	353	710	538	584	762	250	481	354	35.7%	-10.7%	92.2%
Share of JV's loss	-	-	-	-	-	-	-	-	-			
PBT	**5,305**	**5,572**	**5,464**	**7,253**	**5,334**	**5,903**	**6,166**	**9,606**	**8,619**	**11.4%**	**32.4%**	**55.8%**
Tax	1,273	1,274	1,299	1,718	1,317	1,451	1,522	2,262	2,162			
Effective Tax Rate (%)	24.0	22.9	23.8	23.7	24.7	24.6	24.7	23.5	25.1			
MI	35	42	37	75	57	54	68	77	10			
Exceptional	-	-	-	-	-	-	-	-	-			
Reported PAT	**3,996**	**4,256**	**4,129**	**5,460**	**3,960**	**4,398**	**4,576**	**7,267**	**6,447**	**12.7%**	**33.1%**	**58.8%**
Change (%)	81.8	58.9	15.4	28.6	-0.9	3.3	10.8	33.1	18.1			
Adj. PAT	**3,996**	**4,256**	**4,129**	**5,460**	**3,960**	**4,398**	**4,576**	**7,267**	**6,447**	**12.7%**	**33.1%**	**58.8%**
Change (%)	81.8	58.9	15.4	28.6	-0.9	3.3	10.8	33.1	18.1			

Segmental Performance INR m

Y/E March	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	MOSL 4QE	Var.	YoY (%)	QoQ (%)
Sales												
Cable and wires	35,338	38,047	39,041	48,647	39,421	47,200	43,846	60,191	58,793	2.4%	23.7%	37.3%
ECDs	3,145	3,300	2,962	3,581	3,855	3,975	4,232	4,760	4,433	7.4%	32.9%	12.5%
Others (incl. EPC)	411	830	1,402	3,691	3,704	3,809	4,183	4,907	4,287	14.5%	33.0%	17.3%
EBIT												
Cable and wires	5,223	5,547	5,474	7,363	4,967	5,793	5,904	9,090	8,224	10.5%	23.5%	54.0%
ECDs	(57)	(60)	(366)	(459)	(28)	(252)	(128)	19	(86)	-122.2%	-104.2%	-115.0%
Others (incl. EPC)	85	110	340	265	425	507	447	404	475	-15.1%	52.3%	-9.6%
EBIT Margin (%)												
Cable and wires	14.8	14.6	14.0	15.1	12.6	12.3	13.5	15.1	14.0	111	(3)	164
ECDs	(1.8)	(1.8)	(12.4)	(12.8)	(0.7)	(6.4)	(3.0)	0.4	(1.9)	235	1,322	342
Others (incl. EPC)	20.6	13.3	24.3	7.2	11.5	13.3	10.7	8.2	11.1	(286)	104	(246)

KEI Industries

BSE SENSEX	S&P CNX
80,641	24,380

Conference Call Details

Date: 07 May 2025
Time: 14:00 IST
Dial-in details:
+91 22 6280 1123
+ 91 22 7115 8024
Link for the call

Consol. Financials Snapshot (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	97.4	108.9	125.8
EBITDA	9.9	11.0	13.4
PAT	7.0	7.5	8.8
EBITDA Margin (%)	10.2	10.1	10.6
Adj. EPS (INR)	73.3	78.9	92.4
EPS Gr. (%)	13.8	14.4	17.2
BV/Sh. (INR)	610	679	765
Ratios			
Net D:E	(0.3)	(0.3)	(0.3)
RoE (%)	15.6	12.3	12.8
RoCE (%)	15.9	12.7	13.3
Payout (%)	6.5	7.6	6.5
Valuations			
P/E (x)	43.6	40.5	34.5
P/BV (x)	5.2	4.7	4.2
EV/EBITDA(x)	28.7	25.9	21.3
Div. Yield (%)	0.1	0.2	0.2
FCF Yield (%)	(2.3)	(0.2)	0.3

CMP: INR3,193 **Neutral**

Performance above estimates; robust growth in C&W

- KEII's 4QFY25 revenue increased by ~26% YoY to INR29.1b (~10% beat), due to higher-than-estimated revenue in C&W. EBITDA grew ~23% YoY to INR3.0b (~12% beat). OPM contracted 20bp YoY to 10.3% (+20bp vs. our estimate). PAT grew ~34% YoY to INR2.3b (~22% beat).
- Gross margin was down 60bp YoY (up 15bp QoQ) at ~23%. C&W sales through dealers rose 42% YoY during the quarter (~53% of total revenue in 4QFY25/FY25 vs. ~51% in 4QFY24/FY24). EHV sales declined 94% YoY/83% QoQ to INR145m. LT/HT cable revenue grew 39%/66% YoY, whereas HW/WW revenue grew ~38%. SSW revenue declined ~18% YoY. The order book stood at INR38.4b vs. INR38.8b as of Dec'24.

C&W revenue grew ~35% YoY, EBIT margin was flat YoY at ~11%

- KEII's revenue/EBITDA/Adj. PAT stood at INR29.1b/INR3.0b/INR2.3b (+26%/+23%/+34% YoY and +10%/+12%/+22% vs. our est.) in 4QFY25. OPM declined 20bp YoY to 10.3%. Depreciation rose 23% YoY, whereas interest costs declined ~16% YoY. Other income increased ~145% YoY.
- Segmental highlights: a) **C&W** revenue was up ~35% YoY at INR28b, EBIT rose ~36% YoY to INR3.1b, and EBIT margin remained flat YoY to 11%. b) **EPC business** revenue declined ~34% YoY to INR2.2b, EBIT declined 60% YoY to INR170m, and EBIT margin contracted 4.8pp YoY to 7.6%. c) **Stainless steel wires (SSW)** revenue declined 19% YoY to INR462m, EBIT increased 91% YoY to INR25m, and EBIT margin was up 3.1pp YoY at 5.4%.
- In FY25, revenue/EBITDA/PAT grew 20%/18%/20% YoY. EBITDA margin was flat YoY at ~10%. C&W revenue/EBIT grew 25%/29% YoY and EBIT margin increased 30bp YoY to 10.6%.
- The company's gross debt stood at INR1.8b vs. INR1.3b as of Mar'24. Its cash & bank balance (including unutilized QIP proceeds of INR13.9b and acceptances) stood at INR19.15b vs. INR700m as of Mar'24. Net cash balance stood at INR14.9b vs. net debt of INR600m as of Mar'24. Operating cash outflow stood at INR322m v/s operating cash inflow INR6.1b in FY24 due to increase in working capital of INR8.23b in FY25. Capex stood at INR7.0b vs. INR4.0b in FY24 (including land purchase).

Valuation and view

- KEII's 4QFY25 EBITDA was above our estimates. It reported robust revenue growth in the C&W segment, aided by capacity expansion during the year. Further, its active working dealer count increased to 2,082 vs. 1,990/2,060 in 4QFY24/3QFY25. The company has also seen steady improvement in its sales through dealers/distribution and export business.
- **We have a Neutral rating on the stock.** However, we will review our assumptions after the concall on 07th May'25 (Concall Link).

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	MOSL	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Sales	**17,826**	**19,466**	**20,594**	**23,193**	**20,605**	**22,796**	**24,673**	**29,148**	**81,041**	**97,359**	**26,478**	**10**
Change (%)	13.9	21.1	15.4	18.8	15.6	17.1	19.8	25.7	17.3	20.1	**14**	
Adj EBITDA	**1,783**	**2,039**	**2,146**	**2,446**	**2,146**	**2,206**	**2,408**	**3,013**	**8,375**	**9,910**	**2,681**	**12**
Change (%)	11.7	27.0	17.8	20.9	20.4	8.2	12.3	23.2	19.3	18.3	**11**	
Adj EBITDA margin (%)	10.0	10.5	10.4	10.5	10.4	9.7	9.8	10.3	10.3	10.2	**10.1**	21
Depreciation	147	156	154	158	155	163	190	193	614	701	**207**	(7)
Interest	89	75	109	165	142	133	143	139	439	556	**144**	(3)
Other Income	83	77	142	152	178	169	136	371	490	718	**159**	133
Extra-ordinary Items	-	-	-	(2)	-	-	-	-	(2)	-	**-**	
PBT	**1,630**	**1,884**	**2,024**	**2,274**	**2,027**	**2,079**	**2,212**	**3,052**	**7,813**	**9,370**	**2,489**	**23**
Tax	416	482	518	587	525	531	564	786	2,002	2,406	**638**	
Effective Tax Rate (%)	25.5	25.6	25.6	25.8	25.9	25.5	25.5	25.8	25.6	25.7	**25.6**	
Reported PAT	**1,214**	**1,402**	**1,507**	**1,686**	**1,502**	**1,548**	**1,648**	**2,265**	**5,808**	**6,964**	**1,852**	**22**
Change (%)	17.0	31.2	17.2	22.1	23.8	10.4	9.4	34.4	22.2	19.9	**9.8**	
Adj PAT	**1,214**	**1,402**	**1,507**	**1,688**	**1,502**	**1,548**	**1,648**	**2,265**	**5,811**	**6,964**	**1,852**	**22**
Change (%)	17.0	31.2	17.2	22.2	23.8	10.4	9.4	34.2	22.3	19.9	**9.7**	

Segmental Performance (INR m)

Y/E March	FY24				FY25				4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales										
Cables (Power + Housing wires)	16,119	17,755	18,671	20,691	18,757	21,402	23,517	27,968	25,166	11
Stainless steel wires	590	591	461	572	538	598	551	462	602	(23)
EPC Business	1,847	3,131	3,769	3,405	2,261	1,309	759	2,234	1,383	62
Growth (% YoY)										
Cables (Power + Housing wires)	13.5	22.9	14.3	17.9	16.4	20.5	26.0	35.2	21.6	
Stainless steel wires	(3.2)	(19.6)	(17.3)	(11.2)	(8.9)	1.3	19.4	(19.3)	5.3	
EPC Business	20.2	195.8	68.7	52.6	22.4	(58.2)	(79.9)	(34.4)	(59.4)	
EBIT										
Cables (Power + Housing wires)	1,415	1,919	1,979	2,258	2,067	2,241	2,372	3,069	2,666	15
Stainless steel wires	31	36	36	13	10	29	30	25	34	(26)
EPC Business	256	314	439	422	298	121	19	170	105	62
EBIT Margin (%)										
Cables (Power + Housing wires)	8.8	10.8	10.6	10.9	11.0	10.5	10.1	11.0	10.6	38
Stainless steel wires	5.3	6.1	7.8	2.3	1.9	4.8	5.5	5.4	5.6	(16)
EPC Business	13.9	10.0	11.6	12.4	13.2	9.2	2.5	7.6	7.6	3

Vedant Fashions

BSE SENSEX	S&P CNX
80,641	24,380

Conference Call Details

Date: 7th May 2025
Time: 4pm IST

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	13.9	15.4	17.0
EBITDA	6.4	7.3	8.2
Adj. PAT	3.9	4.6	5.2
EBITDA Margin (%)	46.3	47.5	48.0
Adj. EPS (INR)	16.0	19.0	21.4
EPS Gr. (%)	(6.2)	15.0	12.4
BV/Sh. (INR)	71.3	81.2	91.5
Ratios			
Net D:E	(0.3)	(0.6)	(0.6)
RoE (%)	22.9	22.7	22.6
RoCE (%)	19.9	22.0	22.0
Payout (%)	50.0	50.0	-
Valuations			
P/E (x)	47.8	40.2	35.8
EV/EBITDA (x)	29.6	25.2	22.2
EV/Sales (X)	13.7	11.9	10.6

CMP: INR736 **Neutral**

Subdued FY25 ends with another weak quarter

9-11% miss on EBITDA and PAT

- Customer sales grew ~2% YoY to INR5.2b in 4QFY25, as ~5% increase in area was offset by a 4.5% decline in same stores sales.
- Consolidated revenue inched up ~1% YoY to INR3.7b (4% below) as demand remained subdued.
- Vedant Fashions (VFL) added 12 stores (six SIS and six EBOs) in 4Q, bringing the total store count to 678, with a store area of ~1.79m sq. ft. (up ~5% YoY).
- Gross profit increased 3% YoY to INR2.7b, as gross margin expanded 110bp YoY to 73.6% (100bp beat).
- Employee cost increased 15% YoY (6% higher), while other expenses rose ~20% YoY (7% higher).
- EBITDA declined ~5% YoY to INR1.7b (9% miss), driven by weaker revenue growth and higher other expenses.
  - EBITDA margins contracted ~310bp YoY to 45.1% (~210bp miss).
- Depreciation/finance cost rose 3%/4% YoY, while other income declined ~9% YoY.
- As a result, reported PAT declined ~13% YoY to INR1b (11% miss).

Subdued performance continued in FY25

- Customer sales grew ~2% YoY to INR18.9b, as ~5% increase in area was offset by a 4.2% decline in same stores sales. Management indicated that LTL sales grew 2.9% YoY during July'24-Mar'25.
- Reported revenue grew modest 1% YoY to INR13.9b (1% CAGR over FY23-25).
- In FY25, VFL added 85k net retail area and two net stores (SIS count increased by 13, while EBO count reduced by 11), as the company exited 11 domestic and one international cities in FY25.
- EBITDA at INR 6.5b declined 2% YoY, marking the second consecutive year of a YoY decline.
- PAT declined 6% YoY to INR3.9b (~10% below FY23 PAT).
- FCF moderated to INR2.1b in FY25 (vs. ~INR3.3b YoY) on adverse WC changes.
  - Inventory days rose to 53 in FY25 (from ~37 YoY), while receivable increased to ~187 days (from ~151 YoY).
  - Overall WC capital days increased to 213 days (vs. 164 days YoY).

Quarterly Earnings (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Revenue	3,116	2,183	4,745	3,632	2,398	2,679	5,113	3,674	13,675	13,865	3,844	-4.4
YoY Change (%)	-4.1	-11.6	7.5	6.3	-23.0	22.7	7.8	1.2	0.9	1.4	5.9	
Total Expenditure	1,635	1,255	2,324	1,881	1,271	1,460	2,691	2,017	7,094	7,439	2,031	-0.7
EBITDA	1,482	928	2,420	1,751	1,127	1,220	2,422	1,657	6,581	6,426	1,813	-8.6
EBITDA margins (%)	47.5	42.5	51.0	48.2	47.0	45.5	47.4	45.1	48.1	46.3	47.2	
Change YoY (%)	-9.1	-19.6	7.8	4.3	-23.9	31.4	0.1	-5.3	96.0	63.2	3.6	
Depreciation	299	325	344	381	372	373	391	395	1,349	1,531	380	3.7
Interest	94	107	112	132	139	137	139	136	445	552	133	2.3
Other Income	150	151	155	241	215	192	224	221	697	852	219	0.7
PBT before EO expense	1,238	648	2,119	1,479	831	902	2,115	1,347	5,484	5,195	1,519	-11.3
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
Tax	319	161	542	321	206	233	535	336	1,342	1,310	384	-12.4
Rate (%)	25.7	24.8	25.6	21.7	24.8	25.8	25.3	24.9	24.5	25.2	25.3	-1.2
Reported PAT	919	487	1,577	1,158	625	669	1,580	1,011	4,142	3,885	1,135	-10.9
Adj PAT	919	487	1,577	1,158	625	669	1,580	1,011	4,142	3,885	1,135	-10.9
YoY Change (%)	-9	-29	5	6	-32	37	0	-13	-3	-6	-2	

Consol P&L (INR m)

	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s Est (%)
Total Revenue	3,632	5,113	3,674	1	-28	3,844	-4
Raw Material cost	1,000	1,433	970	-3	-32	1,055	-8
Gross Profit	2,632	3,680	2,704	3	-27	2,789	-3
Gross margin (%)	72.5	72.0	73.6	112.5	161.4	72.6	102.3
Employee Costs	134	154	153	15	0	145	6
Other expenses	747	1,104	893	20	-19	831	7
EBITDA	1,751	2,422	1,657	-5	-32	1,813	-9
EBITDA margin (%)	48.2	47.4	45.1	-310.7	-226.5	47.2	-207.0
Depreciation and amortization	381	391	395	4	1	380	4
EBIT	1,370	2,031	1,263	-8	-38	1,433	-12
EBIT margin (%)	37.7	39.7	34.4	NM	NM	37.3	-291.5
Finance Costs	132	139	136	3	-2	133	2
Other income	241	224	221	-9	-2	219	1
Exceptional item	0	0	0	NM	NM	0	NM
Profit before Tax	1,479	2,115	1,347	-9	-36	1,519	-11
Tax	321	535	336	5	-37	384	-12
Tax rate (%)	21.7	25.3	24.9	14.9	-1.5	25.3	-1.2
Profit after Tax	1,158	1,580	1,011	-13	-36	1,135	-11
Adj Profit after Tax	1,158	1,580	1,011	-13	-36	1,135	-11

	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s Est (%)
Total stores	676	666	678	0	2	675	0
Net store adds	3	16	12	NM	NM	9	

Mahanagar Gas

BSE SENSEX	S&P CNX
80,641	24,380

CMP: INR1,373 **Buy**

Conference Call Details

Date: 07 May'25
Time: 1600 hours IST
Dial-in details:
+91 22 6280 1304
+91 22 7115 8205

Adj. EBITDA margin disappoints estimates

- **MAHGL's adj. EBITDA margin stood below our est. at INR8.35/scm (our est. INR10/scm, reported EBITDA: INR10/scm). CNG volumes came in marginally below our est. at 2.9mmscmd (our est. 3mmscmd). While MAHGL's realization increased sharply ~INR3/scm QoQ, primarily on account of an INR633.5m provision reversal, gas cost/opex increased 0.3/1 per scm QoQ, leading to ~INR1.7/scm QoQ increase in EBITDA/scm margin. However, EBITDA margin, adjusted for provision reversal amounting to INR633.5m, stood at INR8.35/scm (our est. INR10/scm).**
- **We note that Spot LNG prices were elevated, averaging USD14/mmbtu in 4Q (similar QoQ). However, Spot LNG prices have corrected in 1QFY26'TD, with current prices at ~USD11.3/mmbtu. On 8th Apr'25, MAHGL had taken CNG price hikes of ~INR1.5 per kg and D-PNG price hike of INR1/scm.**
- **In a recent press release, MAHGL stated that, as communicated by GAIL, its domestic gas allocations have been reduced by ~18%, effective from 16th Apr'25. This adjustment decreases its share of domestic gas in the CNG segment from 51% to 41%. However, the recent APM reduction has been compensated by 20% costlier New Well Gas.**
- **MAHGL currently trades at 12.5x FY26E SA P/E, while its one-year forward LTA is 13.6x P/E. We have a Buy rating on the stock.**

4Q financial performance

- Total volumes were in line with our estimate at 4.2mmscmd (+11% YoY).
  - Both CNG and D-PNG volumes came in line with estimates. I/C PNG volumes stood 12% above est.
- EBITDA/scm came in above our est. at INR10. However, adjusted EBITDA/scm came in at INR8.35 (our est. INR10).
  - Realization increased ~INR3/scm QoQ, while gas cost/opex increased 0.3/1 per scm QoQ. Other expenses stood above est. at INR428m.
  - The increase in realization (~INR1.7scm) was on account of the reversal of provision amounting to INR633.5m, based on negotiations with OMCs w.r.t trade margins.
- Resulting EBITDA stood in line with our est. at INR3.8b (-4% YoY).
- MAHGL's PAT also came in line with our est. at INR2.5b (-5% YoY).
  - Depreciation and interest cost stood above est., while other income came in below est.
- **In FY25**, MAHGL's net sales grew 11% to INR69b, while EBITDA/PAT declined 18%/19% YoY to 15.1b/10.5b.
- The Board has recommended a final dividend of INR18/sh (FV: INR10/sh; dividend for the entire year: INR30/sh).

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**15,378**	**15,709**	**15,688**	**15,671**	**15,896**	**17,116**	**17,576**	**18,649**	**62,445**	**68,873**	**18,285**	**2%**
YoY Change (%)	5.7	0.5	-6.1	-2.7	3.4	9.0	12.0	19.0	-0.9	10.3	16.7	
EBITDA	**5,213**	**4,789**	**4,487**	**3,938**	**4,185**	**3,985**	**3,144**	**3,784**	**18,426**	**15,066**	**3,754**	**1%**
EBITDA/SCM	16.8	14.6	13.3	11.5	11.9	10.7	8.3	10.0	13.9	10.2	10.0	0%
Margins (%)	33.9	30.5	28.6	25.1	26.3	23.3	17.9	20.3	29.5	21.9	20.5	
Depreciation	620	658	683	775	719	735	791	818	2,736	3,019	775	
Interest	25	25	27	38	31	31	34	39	115	124	29	
Other Income	390	437	481	446	402	512	463	464	1,753	1,866	490	
PBT	**4,957**	**4,543**	**4,258**	**3,570**	**3,837**	**3,731**	**2,782**	**3,391**	**17,328**	**13,789**	**3,440**	**-1%**
Tax	1,273	1,158	1,086	920	992	903	529	869	4,437	3,282	859	
Rate (%)	25.7	25.5	25.5	25.8	25.8	24.2	19.0	25.6	25.6	23.8	25.0	
Reported PAT	**3,684**	**3,385**	**3,172**	**2,650**	**2,845**	**2,828**	**2,254**	**2,522**	**12,891**	**10,507**	**2,582**	**-2%**
YoY Change (%)	98.9	106.4	84.3	-1.4	-22.8	-16.5	-28.9	-4.8	63.2	-18.5	-2.6	
Margins (%)	24.0	21.5	20.2	16.9	17.9	16.5	12.8	13.5	20.6	15.3	14.1	
Sales Volumes (mmscmd)												
CNG	2.5	2.6	2.6	2.7	2.8	2.9	2.9	2.9	2.6	2.9	3.0	-1%
PNG - Domestic	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.6	0.5	0.6	0.6	-4%
PNG - Industrial/ Commercial	0.4	0.5	0.5	0.6	0.5	0.6	0.6	0.7	0.5	0.6	0.6	12%
PNG - Total	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.3	1.0	1.2	1.2	4%
Total Volumes	**3.4**	**3.6**	**3.7**	**3.8**	**3.9**	**4.0**	**4.1**	**4.2**	**3.6**	**4.0**	**4.2**	**1%**

Avalon Technologies

BSE SENSEX	S&P CNX
80,641	24,380

Conference Call Details

Date: 7th May, 2025
Time: 3:30pm IST
Dial-in details:
Click Here

CMP: INR850 — Buy

Operating performance in line, PAT miss due to lower other income

- 4QFY25 consolidated revenue grew 58% YoY to INR3.4b (est.INR3b), aided by 73% YoY growth in India business (to INR1.6b).
- Mobility segment grew by 91% YoY, followed by 88%/47%/26%/22% growth in Clean Energy/Industrial/Communication/ Medical.
- EBITDA margin expanded by 410bp to 12.1% (est. 13.1%), largely led by operating leverage (employee costs as % of sales stood at 16.6% vs. 20.8% in 4QFY24, while other expenses stood at 6% vs. 9%). Gross margin contracted by 250bp to 35.1%.
- EBITDA jumped 2.4x YoY to INR414m (est. in line).
- Adj. PAT surged 3.4x YoY to INR243m, but came in below our est. of INR256m due to lower other income.
- FY25 revenue/EBITDA/Adj. PAT grew 27%/77%/2.3x YoY to ~INR11b/INR1.1b/ INR634m
- As of 31st Mar'25, the order book stood at INR17.6b (up 29% YoY).

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
Gross Sales	**2,351**	**2,010**	**2,143**	**2,168**	**1,995**	**2,750**	**2,809**	**3,428**	**8,672**	**10,981**	**3,079**	**11**
YoY Change (%)	19.9	-17.9	-7.9	-20.2	-15.2	36.8	31.1	58.1	-8.2	26.6	42.0	
Total Expenditure	2,189	1,884	1,977	1,996	1,951	2,449	2,462	3,014	8,046	9,876	2,675	
EBITDA	**162**	**126**	**165**	**172**	**44**	**301**	**346**	**414**	**626**	**1,105**	**403**	**3**
Margins (%)	6.9	6.3	7.7	7.9	2.2	11.0	12.3	12.1	7.2	10.1	13.1	
Depreciation	53	55	60	61	66	69	74	77	229	286	78	
Interest	56	32	36	39	42	37	45	42	164	167	35	
Other Income	51	47	22	28	44	39	100	32	148	215	63	
PBT before EO expense	**105**	**86**	**91**	**99**	**-20**	**234**	**327**	**326**	**381**	**867**	**353**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**105**	**86**	**91**	**99**	**-20**	**234**	**327**	**326**	**381**	**867**	**353**	
Tax	34	13	25	29	3	60	87	83	101	233	97	
Rate (%)	32.4	15.2	27.5	29.0	-14.5	25.4	26.7	25.5	26.5	26.8	27.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**71**	**73**	**66**	**71**	**-23**	**175**	**240**	**243**	**280**	**634**	**256**	
Adj PAT	**71**	**73**	**66**	**71**	**-23**	**175**	**240**	**243**	**280**	**634**	**256**	**-5**
YoY Change (%)	-23.9	-50.7	14.7	-68.9	NA	140.1	264.7	243.8	-46.7	126.7	262.6	
Margins (%)	3.0	3.6	3.1	3.3	-1.2	6.4	8.5	7.1	3.2	5.8	8.3	

IHCL:Expect 35–40% Growth From Newer Brand Properties; Puneet Chhatwal, MD & CEO

- The company aims to open over 30 new hotels, focusing on revenue per available room and the MICE segment.
- Expected topline growth for FY26 is between 12-15%, primarily driven by the Taj brand and new ventures.
- Anticipated contributions of 35-40% from new businesses, including Ginger and The Tree of Life.
- The management fee income is projected to grow at around 20%, bolstered by ongoing hotel openings and renovation of current properties.
- Positive outlook driven by increased wedding events, higher foreign delegation interest, and stable occupancy in major Indian markets

Read More

Coforge: Our Sales Focus Is Large Deal Driven Growth; We Are Looking For Wallet Share Increase; Sudhir Singh, CEO

- FY25 saw 32% constant currency growth; FY26 expected to build further.
- Order book up 47.7% YoY; pipeline remains strong.
- Focus on large, AI-led deals driving growth.
- Margins to expand by 140 bps by $2B revenue.
- No near-term M&A; open to strategic fits.
- AI integration, execution rigor, and industry-led engineering are core differentiators.

Read More

Kalyani Steels: Auto Exposure Is 80%, Tariffs From US Will Have Indirect Impact On Auto Ancillaries; RK Goyal,MD

- Kalyani Steels has an 80% auto exposure in its business.
- US tariffs are expected to indirectly affect auto ancillaries.
- Tariff implications could alter pricing dynamics in the automotive sector.
- Kalyani Steels is focusing on managing risks associated with external factors.

Read More

Ather Energy: Expect FY26 Volume Growth To Be Better Than What Was Seen In 9MFY25; Tarun Mehta, ED & CEO

- FY25 volume up 45%, driven by mass-premium Rista scooter.
- Market share surged, notably 20%+ in Gujarat.
- Plans rapid expansion from 265 to ~800+ experience centers.
- Cash flow, profitability closely tied to rising volumes.

Read More

OneSource Specialty Pharma:New Customer Acquisition Has Helped Us Drive Revenue Growth; Neeraj Sharma, MD & CEO

- Q4 margins rose to 40%+ due to new MSAs and product mix.
- FY27 semaglutide launches to drive 40% margin, $400M revenue target.
- CDMO partner for 20+ global generic leaders.
- Demand-supply gap sustains sema opportunity.
- $100M capex targets 3x asset turnover.

Read More

NOTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Singapore
In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .
In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.
Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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

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

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

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

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