

## Market snapshot

Equities - India	Close	Chg .%	CY24.%
Sensex	76,760	0.3	8.2
Nifty-50	23,250	0.4	8.8
Nifty-M 100	52,714	0.0	23.9
Equities-Global	Close	Chg .%	CY24.%
S&P 500	6,071	0.5	23.3
Nasdaq	19,682	0.3	28.6
FTSE 100	8,647	1.0	5.7
DAX	21,727	0.4	18.8
Hang Seng	7,382	0.0	26.4
Nikkei 225	39,514	0.3	19.2
Commodities	Close	Chg .%	CY24.%
Brent (US\$/Bbl)	78	-0.2	-4.5
Gold (\$/OZ)	2,795	1.3	27.2
Cu (US\$/MT)	9,009	0.7	2.2
Almn (US\$/MT)	2,625	0.4	7.7
Currency	Close	Chg .%	CY24.%
USD/INR	86.6	0.1	2.9
USD/EUR	1.0	-0.3	-6.2
USD/JPY	154.3	-0.6	11.5
YIELD (%)	Close	1MChg	CY24 chg
10 Yrs G-Sec	6.7	0.00	-0.4
10 Yrs AAA Corp	7.2	0.00	-0.5
Flows (USD b)	30-Jan	MTD	CYTD
FII	-0.5	0.79	-0.8
DII	0.25	4.26	62.9
Volumes (INRb)	30-Jan	MTD*	YTD*
Cash	1,092	1015	1015
F&O	4,44,047	1,97,966	1,97,966

Note: Flows, MTD includes provisional numbers.

\*Average



## Today's top research theme

### India Strategy: FY26 Union Budget: A precursor to long-term policy intent?

- ❖ The upcoming FY26 Union Budget holds potential despite the current weak equity sentiment. Based on a detailed analysis of NDA's past two terms, it can be inferred that the government has utilized the first full-year budgets as a platform for signaling structural/strategic policy intent and laying down a blueprint of its journey ahead, rather than only attempting to balance tactical fiscal trade-offs.
- ❖ **Capex Growth Concerns Amid Fiscal Constraints :** a) Government capex dipped ~12% YoY from April-November 2024, raising concerns over infrastructure momentum.; b) Markets expect capex allocation above INR 11 trillion, which could boost investor sentiment.
- ❖ **Muted Consumption, Household Income Support Needed:** a) Recent corporate commentaries highlight weakening urban demand. b) Tax slab adjustments and indirect tax relief on essential goods could help revive spending.
- ❖ **Fiscal Flexibility Despite Deficit Commitment:** a) The FY25 fiscal deficit is expected to be ~4.8% vs. 4.9% target, creating slight leeway. b) The government may opt for a countercyclical fiscal push to support near-term growth.



## Research covered

Cos/Sector	Key Highlights
<b>India Strategy</b>	<b>FY26 Union Budget: A precursor to long-term policy intent?</b>  Larsen & Toubro   Adani Ports & SEZ   Bharat Electronics   Bank of Baroda   GAIL   Shree Cement   Tata Consumer Products   Dabur   Jindal Steel & Power   SRF   Voltas   Kalyan Jewellers   Hitachi Energy   Ajanta Pharma   Navin Fluorine International   CAMS
<b>Other Updates</b>	Clean Science & Technology   AAVAS Financiers   Craftsman Automation   Qess Corp   MAS Financial Services   Airtel Africa   Max Healthcare   Prestige Estates Projects   The Phoenix Mills   Coromandel International   Biocon   Vedant Fashions   Raymond Lifestyle   Container Corporation of India



## Chart of the Day: India Strategy (FY26 Union Budget: A precursor to long-term policy intent?)

Listed universe market cap and PAT triple in a decade; BFSI, auto, and capital goods benefit from policy tailwinds; sectoral gainers (market cap and profit CAGR)

Sectors	MCAp (INR t)			CAGR Gr. Jul'14 to Jan'25	Adj PAT (INR t)			CAGR Gr. FY14 to FY24	Trailing P/E		
	Jul-14	Jul-19	Jan-25		FY14	FY19	FY24		Jul-14	Jul-19	Jan-25
Technology	10.7	16.2	36.6	12.0	0.5	0.8	1.1	8.0	21.0	21.5	32.7
Banks - Private	6.4	15.5	31.7	16.0	0.4	0.3	1.8	17.0	17.6	47.4	17.6
Oil & Gas	9.3	13.2	26.6	10.0	0.7	1.1	2.4	13.0	13.8	11.7	11.3
Consumer	8.0	15.2	25.7	12.0	0.2	0.3	0.6	14.0	48.9	43.9	43.7
Automobiles	6.3	7.3	23.6	13.0	0.3	0.3	1.0	11.0	18.3	21.2	23.8
Capital Goods	4.5	5.2	18.9	15.0	0.1	0.2	0.3	12.0	44.4	22.7	59.3
NBFCs	2.7	6.5	18.5	20.0	0.2	0.5	1.0	15.0	11.0	13.0	18.1
Healthcare	5.4	6.1	18.1	12.0	0.2	0.2	0.4	7.0	27.1	26.2	44.9
Metals	6.9	5.2	15.2	8.0	0.4	0.7	0.9	7.0	15.5	7.9	16.6
Banks - Public	3.4	4.7	14.6	15.0	0.3	-0.3	1.6	17.0	10.5	Loss	9.2
<b>Listed Universe</b>	<b>80.0</b>	<b>118.0</b>	<b>302.0</b>	<b>13.0</b>	<b>3.9</b>	<b>4.9</b>	<b>12.5</b>	<b>12.0</b>	<b>20.6</b>	<b>24.0</b>	<b>24.1</b>

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

**Confident of achieving an order inflow of Rs 25,000 crore by end of financial year: BEL's Manoj Jain**

Many projects are in the pipeline and many we are hopeful to get in next two months, strong confidence in achieving an order inflow of Rs 25,000 crore by the end of the current financial year from the current Rs 11,000 crore on the back of a robust project...

2

**Value vs convenience: Can DMart hold its ground against the quick commerce surge?**

The rise of quick commerce is reshaping consumer behaviour, with many willing to pay for services like home delivery. DMart is facing challenges brought on by this shift.

3

**Licious dishes out IPO plans, but 10-min deliveries are adding to the pressure**

Licious is not new to challenges. Selling meat online was never an easy task, but Abhay Hanjura and Vivek Gupta decided to take on the task back in 2015. Almost 10 years in, the company is on its pre-IPO journey. Valued at USD1.46 billion as of September 2023, the online meat seller is doubling down on its efforts to chase profitability...

4

**Whirlpool Corporation plans to reduce holding in Indian arm to 20% by mid to late 2025**

Whirlpool Corporation plans to reduce its stake in Whirlpool of India from 51% to around 20% by mid-to-late 2025 through market sales. The company aims to grant more autonomy to its Indian arm while maintaining brand and technology agreements.

5

**Hyperlocal: Global to engaging local, why brands are adopting this shift in marketing**

The growing dominance of proximity-driven searches indicates a larger market share for hyperlocal. "Consumers today are not just searching—they're willing to go the extra mile to find what they need. This makes it essential for stores to position themselves as critical touchpoints," said Sandeep Singh, COO at SingleInterface

6

**Gold trade slumps ahead of Budget and Trump tariffs**

Gold sales in Zaveri Bazaar, India's largest gold market, have plummeted due to fears of increased import duty in the upcoming budget and potential tariffs from the US. Concerns over widening trade deficit and rising gold prices, which hit ₹81,000 per 10 gm, have boosted old gold sales...

7

**Tata Steel doesn't want growth at cost of debt: CFO Koushik Chatterjee**

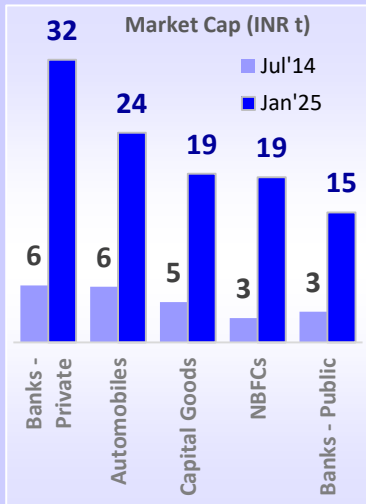
Tata Steel plans to balance growth with internal accruals and deleveraging, aiming to reduce its net debt-to-EBITDA ratio from 3.3 to below 3.0.



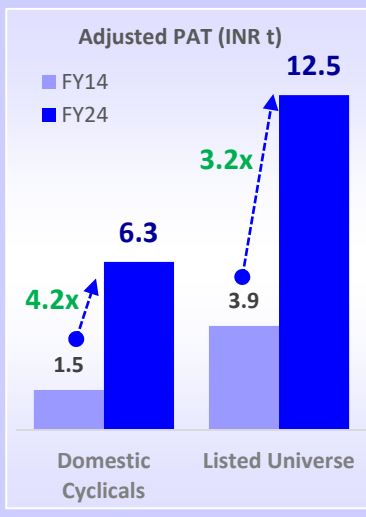
BSE Sensex: 76,760

Nifty-50: 23,250

**Policy shifts drove domestic cyclicals' outperformance**



**...matching them, domestic cyclicals' 4x PAT growth outpaced market's 3x rise**



**FY26 Union Budget: A precursor to long-term policy intent?**

- Some promise, some hope:** The upcoming FY26 Union Budget holds potential in the currently downbeat equity sentiments, even though the budget's scope of influence has shrunk over the years – due to extra-budgetary policy overdrive by the ruling NDA government. Given the current backdrop of worried equity markets, weakening consumption impulse, and sluggish government capex, the FY26 Union Budget can potentially be more than a regular annual exercise.
- The first full-year budget of a new term is more than an annual budget:** The FY26 budget has higher significance than an annual budget, as it will be the first full-year budget of NDA's new term. Based on a detailed analysis of NDA's past two terms, it can be inferred that the government has utilized the first full-year budgets as a platform for signaling structural/strategic policy intent and laying down a blueprint of its journey ahead, rather than only attempting to balance tactical fiscal trade-offs.
- Measures of the first full-year budget can have a prolonged impact:** In this note, we revisit key budgetary announcements from the past decade to assess their impact and explore how the current macroeconomic backdrop can offer alpha-generating investment opportunities over the medium to long term. According to our detailed analysis, historical trends suggest that while immediate market reactions to budgets are rife, the value unlocking from structural reforms seeded in budgets often unfolds over time.
- Market expectations are not too high:** Our discussions with several investors suggest a prevalent sense of despondency on government capex, after about a 12% YoY dip between Apr'24 and Nov'24 and limited visibility of on-the-ground pickup in recent months as well. Hence, we believe that any allocation above INR11t for capex, backed by convincing commentary, could positively surprise the market. Also, after a series of promises for freebies across multiple state elections, market participants are concerned that FM may tilt more towards easy handouts.
- Measures to improve HH income growth:** Given the weakening consumption trends and soft corporate commentary on the same, the market expects some relief measures for consumption growth (especially urban). We believe that the government will focus more on improving household income growth through slab adjustments. Further, indirect taxes on items deemed non-essential consumption may be raised to fund forbearance on items of middle-class consumption. Unlike the past few years, the budget could go easy on LTCG/STCG from equity markets.
- FM may use some leeway on fiscal, given the weak macro backdrop:** Over the past few years, the government has mostly stuck to fiscal rectitude and a glide path on fiscal deficit – with the economy witnessing a strong phase. However, given the current tactical economic weakness, it will not be too surprising if the FM considers a modest countercyclical fiscal overstretch. FY25 fiscal deficit is likely to be lower at 4.8% vs. the budgeted 4.9%. This slack may also help to provide some headroom for the FY26 Union Budget.

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The previous government's consumption push gave way to supply-side reforms, focussing on India's long-term economic resilience

“

Infrastructure spending surged ~6x for roads and ~8x for railways, fuelling economic expansion

“

India's listed universe added ₹222T in market cap, growing at a 15% CAGR (Jul'14–Jan'25). Domestic cyclicals saw exponential PAT growth, rising 4x from FY14 to FY24

“

PSU banks transformed, posting ₹3.8T profits (FY21–FY24) after ₹1.5T losses (FY16–FY20)

### Ten-year holistic view: Balancing prudence, growth, and populism

- The budgetary measures of FY15 and FY19 highlight the long-lasting impact on India's economy. Early budgets emphasized fiscal consolidation, GST implementation, and infrastructure development, laying the foundation for growth. Later budgets focused on manufacturing, Aatma-Nirbhar Bharat, corporate tax cuts, and green energy initiatives, driving robust market cap and PAT growth in domestic cyclicals, capital goods, and private banks. PSU banks rebounded strongly through recapitalization.
- **A long-term-focused approach:** The NDA government over the past decade has pivoted from the low-hanging fruit of a 'consumption push' to embracing a supply-side reform strategy. It orchestrated landmark reforms, which included GST, digitization, financial inclusion, affordable housing, and sweeping social reform.
- **Economic reforms driving market cap and PAT growth.** The government's emphasis on infrastructure-led investments has set a strong foundation for economic resilience and growth. Nominal GDP posted a 10% CAGR (FY14–FY24), while inflation moderated, creating a stable macroeconomic environment. These reforms translated into tangible market outcomes, as the market cap of the listed universe surged at a 15% CAGR to INR302t by Jan'25 from INR80t in Jul'14. Aggregate PAT followed suit, expanding at a 12% CAGR (FY14–FY24), to INR12.5t from INR3.9t.
- **Infrastructure push – seeds sown in early budgets.** The FY15 budget emphasized expenditure on road and railway infrastructure. Between FY14 and FY24, capex on roads/railways surged ~6x/8x to INR2.6t/INR2.4t. These efforts were amplified by the National Infrastructure Pipeline announced in 2019-20, targeting INR102t worth of projects in the next five years. Cement and Capital Goods sectors benefited, both recording 15% market cap CAGRs (Jul'14 to Jan'25).
- **Domestic cyclicals thrive on sustained reform momentum,** GST, affordable housing initiatives, PLI scheme, and capex focus propelled domestic cyclical sectors. These sectors achieved a 30% PAT CAGR between FY19–FY24, while their market cap reported a robust 20% CAGR (Jul'19–Jan'25).
- **PSU Banks turnaround – a beneficiary of constructive government actions:** The 2014 and 2015 budgets focused on banking reforms, allocating initial funds for PSU bank recapitalization. Over time, the government infused INR3.1t, driving business recovery. Cumulatively, between FY16 and FY20, PSU banks posted a total loss of INR1.5t. However, between FY21 and FY24, the combined profits reached INR3.8t. GNPA's for PSBs fell to 3.1% as of Sep'24 from 14.6% in FY18. Overall, PSU banks' market cap recorded a 23% CAGR (Jul'19–Jan'25).
- **Trailing P/E for the listed universe has re-rated from 20.6x (Jul'14) to 24.1x currently.** Private companies' P/E increased from 22.8x (Jul'14) to 31.1x (Jan'25). While MNCs continue to get higher multiples, they saw a slight moderation from 48.3x in Jul'14 to 44.1x in Jan'25. PSUs experienced de-rating, with P/E falling from 12.8x (Jul'14) to 9.6x (Jan'25), where the earnings growth has outpaced the market cap growth.
- Our economics team's [Budget preview](#) highlights expectations of capex focus, household income boost, indirect tax simplification & fiscal prudence.
- **MOFSL Top Ideas Largecaps –** ICICI Bank, SBI, L&T, HCL Tech, M&M, Trent, Bharti Airtel, Titan Company, Sun Pharma, and Dixon Tech. **Midcaps and Smallcaps –** Indian Hotels, Cummins India, BSE, Godrej Properties, Coforge, Metro Brands, IPCA Labs, Angel One, Vinati Organics, and JSW Infrastructure.



# Larsen & Toubro

Estimate changes



TP change



Rating change



Bloomberg	LT IN
Equity Shares (m)	1375
M.Cap.(INRb)/(USDb)	4704.3 / 54.3
52-Week Range (INR)	3964 / 3175
1, 6, 12 Rel. Per (%)	-3/-3/-14
12M Avg Val (INR M)	9500

## Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	2,616.2	2,952.3	3,283.9
EBITDA	267.9	313.8	349.2
PAT	146.0	186.1	215.1
EPS (INR)	106.2	135.4	156.5
GR. (%)	12.2	28.3	15.6
BV/Sh (INR)	709.5	813.9	934.5

## Ratios

ROE (%)	15.8	17.8	18.0
RoCE (%)	9.3	10.2	10.3

## Valuations

P/E (X)	32.3	25.2	21.8
P/BV (X)	4.8	4.2	3.7
EV/EBITDA (X)	17.6	15.0	13.5
Div Yield (%)	0.7	0.9	1.1

## Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	41.5	40.3	37.2
FII	21.8	22.7	26.5
Others	36.8	37.0	36.3

FII Includes depository receipts

**CMP: INR3,421**

**TP: INR4,300 (+26%)**

**Buy**

## Strong beat on inflows; margins flat YoY

Larsen and Toubro (LT) surpassed the street's estimates on core E&C order inflow (up 64% YoY) and execution (up 20% YoY) in 3QFY25. Order inflow was driven by a healthy mix of domestic and international orders, thereby allaying concerns about weaker domestic inflows so far. Core E&C margin was flat YoY at 7.6%. Further support for execution growth and margins will come from improved execution in the coming quarters. Based on strong 9MFY25 performance, LT has raised its guidance for order inflow and revenue growth and expects a fairly comfortable NWC. Strong inflows of INR987b for the quarter and a healthy order prospect pipeline at INR5.5t have enhanced revenue visibility for LT. We maintain our positive stance on LT and expect it to further benefit from new initiatives across electrolyzers, semiconductors, data centers, and real estate in the coming years. We trim our estimates to bake in slightly lower margins for core E&C and maintain BUY with an unchanged TP of INR4,300 on roll-forward to Mar'27E earnings, valuing core business at 30x two-year forward earnings and 25% holding company discount to subsidiaries.

## Consolidated results were lower than our estimates on lower margins

LT reported consolidated revenue/EBITDA/PAT of INR647b/INR63b/INR34b, which grew 17%/9%/14%. Consolidated revenue/PAT came in 3%/11% below our estimates, mainly due to lower-than-expected margins. For the core E&C business, order inflows came in much above estimates at INR963b, up 64% YoY. In an encouraging development, domestic orders at INR459b jumped 126% YoY, while international orders grew 26% YoY to INR504b, buoyed by the receipt of major orders in Renewable and Power T&D business. This resulted in core E&C order book of INR5.6t, up 19% YoY. Core E&C revenue came in at INR473b (up 20% YoY), slightly below our estimate of INR485b as domestic execution was flat YoY, while international execution improved by 56% YoY. EBITDA margin at 7.6% for the core business was largely flat YoY. Margin came in below our estimates of 8.1%, led by margin contraction in Energy Projects and flat infra segment margins.

## Prospect pipeline down 12% YoY; domestic orders poised for an uptick

LT's prospect pipeline for 4QFY25 at INR5.5t is down 12% YoY, due to a fall in hydrocarbon and carbon lite prospects. Major part of domestic prospect pipeline is expected from public health infrastructure, energy, urban infra, water, B&F etc. Domestic orders during 3QFY25 also jumped 126% YoY, with key wins from thermal power, renewable, power transmission, precision engineering, minerals & metals, water, commercial buildings and hydrocarbon onshore. The company is well-placed in 4-5 large orders and has a strong visibility of INR500b in inflows for 4QFY25. In some water-related orders, LT had to slow down the execution in line with delayed payments, which have now started improving.

### Guidance upgraded for inflows and revenues

Based on strong 9MFY25 performance, LT expects to exceed its initial order inflow growth guidance of 10% YoY. It has raised its revenue growth guidance to over 15% for the full year. NWC is also comfortable at 12.7% of sales and the company expects to maintain it at the similar levels for the full year versus 15% guided earlier. We had expected LT to outperform its initial guidance. However, margin improvement has fallen short of our expectations and we expect it to improve as certain large projects in the Middle East reach the revenue and margin recognition stage. Further, capital allocation toward new-age ventures like green energy, data centers and semiconductor design will be unveiled in the new FY27-31 Lakshya plan.

### Valuations and view

We trim our estimates by 4%/1%/2% for FY25/26/27 to bake lower margins in core E&C segment. We roll forward our TP and maintain our BUY rating with an unchanged SOTP-based TP of INR4,300, valuing the core business at 30x P/E on a two-year forward basis. Our multiple takes into account a strong prospect pipeline and improvements in NWC and RoE, despite margins being still far off from the earlier highs.

### Key risks and concerns

A slowdown in order inflows, delays in the completion of mega and ultra-mega projects, a sharp rise in commodity prices, an increase in working capital, and increased competition are a few downside risks to our estimates.

#### Consolidated - Quarterly Earning Model

(InR b)

Y/E March - INR b	FY24				FY25E				FY24	FY25E	FY25E	Est Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>479</b>	<b>510</b>	<b>551</b>	<b>671</b>	<b>551</b>	<b>616</b>	<b>647</b>	<b>803</b>	<b>2,211</b>	<b>2,616</b>	<b>664</b>	<b>(3)</b>
YoY Change (%)	33.6	19.3	18.8	15.0	15.1	20.6	17.3	19.7	20.6	18.3	20.4	
Total Expenditure	430	454	494	598	495	552	584	717	1,976	2,348	594	
<b>EBITDA</b>	<b>49</b>	<b>56</b>	<b>58</b>	<b>72</b>	<b>56</b>	<b>64</b>	<b>63</b>	<b>86</b>	<b>235</b>	<b>268</b>	<b>69</b>	<b>(10)</b>
Margins (%)	10.2	11.0	10.4	10.8	10.2	10.3	9.7	10.7	10.6	10.2	10.4	
Depreciation	8	9	9	10	10	10	10	12	37	42	10	2
Interest	9	9	9	9	9	9	8	8	35	34	8	4
Other Income	11	11	8	10	9	11	10	9	42	39	9	6
<b>PBT before EO expense</b>	<b>43</b>	<b>50</b>	<b>48</b>	<b>63</b>	<b>47</b>	<b>56</b>	<b>53</b>	<b>75</b>	<b>204</b>	<b>231</b>	<b>60</b>	<b>(11)</b>
Extra-Ord expense	0	0	0	-1	0	0	0	0	-1	0	0	
<b>PBT</b>	<b>43</b>	<b>50</b>	<b>48</b>	<b>64</b>	<b>47</b>	<b>56</b>	<b>53</b>	<b>75</b>	<b>205</b>	<b>231</b>	<b>60</b>	<b>(11)</b>
Tax	12	11	12	14	12	14	13	18	49	58	16	
Rate (%)	28.1	22.8	24.7	22.1	26.4	26.0	25.0	23.8	24.1	25.1	26.2	
Minority Interest & P/L of Asso. Cos.	6	6	6	6	7	7	6	7	25	27	6	
<b>Reported PAT</b>	<b>25</b>	<b>32</b>	<b>29</b>	<b>44</b>	<b>28</b>	<b>34</b>	<b>34</b>	<b>50</b>	<b>131</b>	<b>145</b>	<b>38</b>	<b>(11)</b>
<b>Adj PAT</b>	<b>25</b>	<b>32</b>	<b>29</b>	<b>43</b>	<b>28</b>	<b>34</b>	<b>34</b>	<b>50</b>	<b>130</b>	<b>145</b>	<b>38</b>	<b>(11)</b>
YoY Change (%)	46.5	44.6	20.0	8.4	11.7	5.4	14.0	15.8	49.8	12.0	28.7	
Margins (%)	5.2	6.3	5.3	6.4	5.1	5.5	5.2	6.2	5.9	5.6	5.7	



# Adani Ports & SEZ

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR1,077      TP: INR1,400 (+30%)      Buy**

## Performance broadly in line; FY25 EBITDA guidance raised

Bloomberg	ADSEZ IN
Equity Shares (m)	2160
M.Cap.(INRb)/(USDb)	2326.6 / 26.9
52-Week Range (INR)	1621 / 994
1, 6, 12 Rel. Per (%)	-10/-24/-17
12M Avg Val (INR M)	5875

### Financial Snapshot (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	298.2	341.9	396.2
EBITDA	181.0	209.7	242.0
Adj. PAT	102.9	126.3	151.3
EBITDA Margin (%)	60.7	61.3	61.1
Adj. EPS (INR)	47.7	58.5	70.0
EPS Gr. (%)	15.5	22.7	19.8
BV/Sh. (INR)	286.8	336.5	396.0

### Ratios

Net D:E	0.6	0.5	0.4
RoE (%)	17.9	18.8	19.1
RoCE (%)	11.8	12.8	13.6
Payout (%)	15.4	12.6	10.5

### Valuations

P/E (x)	22.1	18.0	15.0
P/BV (x)	3.7	3.1	2.7
EV/EBITDA(x)	14.6	12.5	10.7
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	2.8	3.6	4.7

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	65.9	65.9	65.9
DII	14.2	13.3	12.0
FII	13.9	15.2	14.7
Others	6.0	5.6	7.4

FII Includes depository receipts

- Adani Ports & SEZ (APSEZ) reported a revenue growth of 15% YoY to INR79.6b in 3QFY25 (our estimate was INR75b). Cargo volumes grew 4% YoY to 113mmt. The growth was primarily led by containers. In 9MFY25, APSEZ managed ~27.2% of the country's total cargo and ~45% of container cargo.
- EBITDA margin came in at 60.3% in 3QFY25 vs. our estimate of 58.6% (-20bp YoY, -150bp QoQ). EBITDA grew 15% YoY to INR48b (9% above our estimate), while APAT increased 14% YoY to INR26.7b (in line).
- During 3Q FY25, Port revenues grew 8% YoY to INR59.9b. Port EBITDA margins stood at 73% in 3Q FY25 (+200bp YoY). Logistics revenues grew 31% YoY to INR6.9b. EBITDA margins in the Logistics business stood at 23% in 3Q FY25 (28% in 3QFY24).
- During 9MFY25, Revenue was INR 220b (+11% YoY), EBITDA was INR 134b (+13% YoY), EBITDA margin came in at 61%, and APAT was INR 78b (+17% YoY).
- Management has raised its FY25 EBITDA guidance to INR188-189b (vs. previous guidance of INR170-180b). It has reiterated its FY25 cargo volume guidance of 460-480 MMT.
- APSEZ's 3QFY25 performance was in line and the company is projected to grow at 1.5-2.0x India's cargo volume, driven by market share gains and capacity expansion. Additionally, its logistics business will enhance last-mile connectivity, adding value to domestic port operations. We largely retain our estimates for FY26/FY27. We expect APSEZ to report 10% growth in cargo volumes over FY24-27. This would drive a CAGR of 14%/15%/19% in revenue/EBITDA/PAT over FY24-27. **We reiterate our BUY rating with a revised TP of INR1,400 (premised on 15x on Sep-26 EV/EBITDA).**

## In-line performance led by strong growth in container cargo; new ports to add to volume growth in 4Q

- During the quarter, APSEZ clocked a cargo volume of 113mmt (up 4% YoY) and 332mmt in 9MFY25 (+7% YoY), driven by growth in containers (+19% YoY), liquids and gas (+8% YoY), and dry bulk cargo, partially offset by a decline in imported non-coking coal.
- APSEZ strengthened its presence along the Eastern coast with a 95% stake acquisition in Gopalpur Port and expanded into the global marine services market with an 80% stake in Astro Offshore.
- APSEZ remains on track to commission the Colombo Port by 2026, with trial volumes expected in 4QFY25. Growth will be further driven by new volumes from Vizhinjam, Gopalpur, and Tanzania ports, with Vizhinjam now commercially operational and the other two expected to handle ~1 MMT monthly from Jan'25.

### Last-mile connectivity to bolster growth in the Logistics business

- In 3QFY25, Adani Logistics (ALL) posted ~31% YoY growth in revenue and an EBITDA margin of 23% (28% in 3QFY24).
- The rake count has risen to 132 (with 68 for Containers, 54 for GPWIS, 7 for Agri, and 3 for AFTO) from 127 at the end of FY24.
- APSEZ launched Trucking Management Solution (TMS), a tech-driven platform to streamline supply chains through marketplace and fulfillment services. EBITDA margin for the Trucking business will be ~10%.
- ALL expanded its services to cover container train operations, container handling in logistic parks, and warehouses offering storage and trucking solutions. With 12 multi-modal logistics parks, 132 trains, 3.1m sq. ft. of warehousing space, and 1.2mmt of grain silos, ALL aims to establish a nationwide presence by further developing logistic parks and warehouses.

### Highlights from the management commentary

- The proportion of non-Mundra domestic ports in the overall cargo distribution stood at 53% in 9MFY25, from 56% in 9MFY24.
- APSEZ remains on track to commission the Colombo port by 2026 and expects trial volumes in 4Q.
- New volumes from Vizhinjam, Gopalpur, and Tanzania ports will further boost growth. Vizhinjam port commenced commercial operations post-extensive trials. Tanzania and Gopalpur ports are expected to handle ~1 MMT of monthly volumes from January 2025
- During FY25, cargo volumes are expected to range from 460mmt to 480mmt, with revenue projected to be between INR290b and INR310b. The company has raised its EBITDA guidance for FY25 to INR188-189b (earlier guidance was INR170-180b) with a net debt-to-EBITDA ratio of 2.2-2.5x.

### Valuation and view

- APSEZ is anticipated to outpace India's overall growth, driven by a balanced port mix along India's western and eastern coastlines and a diversified cargo mix. The company continues to invest heavily in the ports and logistics business to drive growth. The commencement of operations at Gopalpur and Vizhinjam Ports will enable the company to further boost volumes.
- **We broadly maintain our estimates for FY26/27 and expect APSEZ to report 10% growth in cargo volumes over FY24-27. This would drive a CAGR of 14%/15%/19% in revenue/EBITDA/PAT over FY24-27. We reiterate our BUY rating with a revised TP of INR1,400 (premised on 15x Sep-26 EV/EBITDA).**



**Quarterly Snapshot – Consolidated (INR b)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>62</b>	<b>66</b>	<b>69</b>	<b>69</b>	<b>70</b>	<b>71</b>	<b>80</b>	<b>78</b>	<b>267</b>	<b>298</b>	<b>75</b>	<b>6</b>
YoY Change (%)	23.5	27.6	44.6	19.0	11.3	6.3	15.1	13.5	28.1	11.6	8.3	
<b>EBITDA</b>	<b>38</b>	<b>39</b>	<b>42</b>	<b>40</b>	<b>42</b>	<b>44</b>	<b>48</b>	<b>47</b>	<b>159</b>	<b>181</b>	<b>44</b>	<b>9</b>
Margins (%)	60.1	58.4	60.5	58.6	61.0	61.8	60.3	59.8	59.4	60.7	58.6	
Depreciation	9	10	10	10	10	11	11	12	39	43	11	
Interest	7	7	7	7	7	7	8	7	28	29	7	
Other Income	4	3	5	3	5	3	2	3	15	13	5	
<b>PBT before EO expense</b>	<b>25</b>	<b>25</b>	<b>30</b>	<b>27</b>	<b>31</b>	<b>29</b>	<b>32</b>	<b>31</b>	<b>107</b>	<b>122</b>	<b>32</b>	<b>0</b>
Extra-Ord expense	-1	0	2	3	-6	0	2	0	4	-4	0	
<b>PBT</b>	<b>26</b>	<b>25</b>	<b>28</b>	<b>24</b>	<b>37</b>	<b>29</b>	<b>30</b>	<b>31</b>	<b>103</b>	<b>126</b>	<b>32</b>	
Tax	4	8	5	3	5	5	5	6	20	20	5	
Rate (%)	14.5	30.7	18.8	13.7	13.2	16.4	16.9	18.1	19.4	16.0	17.3	
MI and Associates	1	0	1	0	1	0	-1	0	2	0	0	
<b>Reported PAT</b>	<b>21</b>	<b>17</b>	<b>22</b>	<b>20</b>	<b>31</b>	<b>24</b>	<b>25</b>	<b>25</b>	<b>81</b>	<b>106</b>	<b>26</b>	
<b>Adj PAT</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>23</b>	<b>26</b>	<b>25</b>	<b>27</b>	<b>25</b>	<b>89</b>	<b>103</b>	<b>26</b>	<b>2</b>
YoY Change (%)	-2.6	15.2	51.0	11.0	28.7	10.9	13.6	10.0	16.5	15.5	11.8	



# Bharat Electronics

Estimate change	
TP change	
Rating change	

**CMP: INR279    TP: INR360 (+29%)    Buy**

## Strong performance and upbeat outlook

Bharat Electronics (BHE)'s 3QFY25 results came ahead of our estimates on all parameters. Revenue growth was led by a strong order book, which stood at INR771b. Order inflows stood at INR110b during 9MFY25. As highlighted in our top pick note ([Link](#)), we expect BHE to remain a key beneficiary of defense electronics opportunities of large platform orders across the army, navy, and air force. The company expects large order inflows from QRSAM, MRSAM, next-generation corvettes, the defense electronics portion from P75 and P75I, and even Kavach-related orders to materialize in the coming years starting from FY26. We expect the company's revenue to post a 19% CAGR over FY24-27 driven by improved market share on account of enhanced wallet share as well as improved indigenized offerings. We trim our estimates to bake in lower other income and continue to value the company at 35x two-year forward earnings. We reiterate our BUY rating with an unchanged TP of INR360.

## Robust growth with healthy margins and earnings beat

BHE's results came ahead of our estimates on revenue, EBITDA, and PAT fronts. The 3QFY25 revenue surged 39% YoY to INR57.6b vs. our estimate of INR49.7b, indicating a 16% outperformance. This was driven by a strong order book of INR711b and an inflow of around INR110b during 9MFY25. EBITDA grew 58% YoY to INR16.5b, beating our estimate by 33%. EBITDA margin expanded YoY to 28.7% vs. our estimate of 25%. Gross margin contracted 30bp YoY to 48.0% in 3QFY25 vs. our estimate of 49.0%. Margin performance is dependent upon the project mix during the quarter. Strong margin performance resulted in a 28% beat in PBT and PAT vs. our estimates. PAT stood at INR13.2b, up 47.3% YoY vs. our estimate of INR10.3b. The company has maintained its guidance of more than 15% revenue growth, 23-25% EBITDA margin, and an inflow of INR250b for FY25.

## To benefit from the upcoming opportunities across different platforms

BHE, as a leading PSU in defense electronics, is well-positioned to secure a significant share of orders for radar systems, TR modules, EW systems, and other critical subsystems. The company is constantly eyeing opportunities in all three platforms, i.e., the Indian Air Force, Indian Army, and Indian Navy. BHE is now evolving from the development of the EW sub-system to the development of the whole EW-suites. On the aircraft front, BHE already has orders for the development of EW sub-systems for the LCA MK-1a and has future opportunities from other projects such as MIG-29, LCH, LUH, ALH next, Jaguar aircraft, and MI-17, et. al. On the Army front, the company is expecting orders for QRSAM worth INR250b to flow in by the end of FY26. On the Navy front, management expects orders amounting to INR150b to come in for MRSAM and Next-Gen Corvettes by the end of FY26. We expect order inflows of INR250b/INR360b/INR414b for FY25/FY26/FY27, and expect revenue CAGR of 17% for the same period.

Bloomberg	BHE IN
Equity Shares (m)	7310
M.Cap.(INRb)/(USDb)	2037.6 / 23.5
52-Week Range (INR)	341 / 172
1, 6, 12 Rel. Per (%)	0/-6/40
12M Avg Val (INR M)	8578

### Financials Snapshot (INR b)

Y/E March	2025E	2026E	2027E
Sales	234.2	274.9	325.3
Sales Gr. (%)	16.1	17.4	18.3
EBITDA	60.4	69.0	81.7
EBITDA Margin	25.8	25.1	25.1
Adj. PAT	48.9	57.0	69.0
Adj. EPS (INR)	6.7	7.8	9.4
EPS Gr. (%)	21.7	16.5	21.0
BV/Sh. (INR)	27.8	34.5	42.5

### Ratios

RoE (%)	24.1	22.6	22.2
RoCE (%)	26.9	25.1	24.5
Payout (%)	14.5	14.5	14.5

### Valuations

P/E (x)	41.6	35.7	29.5
P/BV (x)	10.0	8.1	6.6
EV/EBITDA (x)	31.5	26.9	22.0
Div. Yield (%)	0.3	0.4	0.5

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	51.1	51.1	51.1
DII	20.9	20.2	23.4
FII	17.4	17.3	17.8
Others	10.6	11.4	7.7

FII Includes depository receipts

### Key order inflows announced so far

During 9MFY25, BHE received key orders such as INR42b for LRSAM, and INR11.5b worth of orders, including AMC of Akash Missile System, Combat Management System for Ships, Missile Fire Control System for ships, Laser Range Finders, Communication Network Centre, etc. It received INR31.72b of orders from AVNL for the supply and installation of an advanced, indigenously designed and developed Sighting and Fire Control System (FCS) for the upgrade of BMP 2/2K Tanks of the Indian Army, orders worth INR8.5b from Cochin Shipyard for the supply of indigenous multi-function radar in X-Band, INR9.7b worth of order including platform screen doors for metro rail, radars, communication equipment, jammers, etc. BHE also received multiple orders amounting to INRINR21.9b spread across maintenance of Akash Missile Systems, communication equipment, radars, seekers, jammers, test equipment, thermal imagers, fire control systems, navigational systems for ships, communication equipment, spares, services, etc., bringing the total accumulated orders to INR108.93b.

### Financial outlook

We factor in large-sized order inflows from QRSAM and next-generation corvettes to materialize between FY26 and FY27 and raise our order inflow estimates. We also bake in the longer gestation period of these orders and expect a sales/EBITDA/ PAT CAGR of 17%/18%/20% over FY24-27. We expect OCF/FCF to remain strong over FY25-27, led by control over working capital. Further, the company had a cash surplus of INR110b (as of FY24), providing scope for further capacity expansion.

### Key risks and concerns

A slowdown in order inflows from the defense and non-defense segments, intensified competition, further delays in the finalization of large tenders, a spike in commodity prices, and delays in payments from the MoD can adversely impact our estimates on revenue, margins, and cash flows.

### Valuation and view

BHE is currently trading at 35.7x/29.5x on FY26E/FY27E EPS. We tweak our estimates to account for higher margin estimates and lower other income and maintain our fair value of INR360 on 35x Mar'27E. **We reiterate our BUY rating on the stock with an unchanged TP of INR360.**

### Standalone Quarterly Performance

Y/E March (INR b)	FY24				FY25E				FY24	FY25E	FY25E 3QE	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>35.1</b>	<b>39.9</b>	<b>41.4</b>	<b>85.3</b>	<b>42.0</b>	<b>45.8</b>	<b>57.6</b>	<b>88.8</b>	<b>201.7</b>	<b>234.2</b>	<b>49.7</b>	<b>16</b>
Change (%)	12.8	1.2	0.1	32.1	19.6	14.8	39.1	4.1	14.3	16.1	20.1	
<b>EBITDA</b>	<b>6.6</b>	<b>10.0</b>	<b>10.5</b>	<b>22.8</b>	<b>9.4</b>	<b>13.9</b>	<b>16.5</b>	<b>20.7</b>	<b>50.0</b>	<b>60.4</b>	<b>12.4</b>	<b>33</b>
Change (%)	29.4	17.4	23.0	24.9	41.0	38.2	57.5	(9.4)	23.5	20.9	18.3	
As of % Sales	18.9	25.2	25.4	26.7	22.3	30.3	28.7	23.3	24.8	25.8	25.0	
Depreciation	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.2	4.1	4.3	1.1	(7)
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	(25)
Other Income	1.4	1.7	2.2	2.2	2.0	1.7	2.1	3.1	7.6	8.9	2.4	(14)
<b>PBT</b>	<b>7.0</b>	<b>10.7</b>	<b>11.7</b>	<b>23.9</b>	<b>10.4</b>	<b>14.5</b>	<b>17.5</b>	<b>22.5</b>	<b>53.3</b>	<b>64.9</b>	<b>13.7</b>	<b>28</b>
Tax	1.7	2.6	2.8	6.0	2.6	3.6	4.4	5.4	13.1	16.0	3.4	
Effective Tax Rate (%)	24.6	24.3	23.8	25.2	25.2	24.8	25.0	24.0	24.6	24.6	24.6	
<b>Reported PAT</b>	<b>5.3</b>	<b>8.1</b>	<b>8.9</b>	<b>17.8</b>	<b>7.8</b>	<b>10.9</b>	<b>13.2</b>	<b>17.1</b>	<b>40.2</b>	<b>48.9</b>	<b>10.3</b>	<b>28</b>
Change (%)	23.0	32.9	49.2	30.6	46.2	34.3	47.3	(4.2)	33.7	21.7	15.4	
<b>Adj PAT</b>	<b>5.3</b>	<b>8.1</b>	<b>8.9</b>	<b>17.8</b>	<b>7.8</b>	<b>10.9</b>	<b>13.2</b>	<b>17.1</b>	<b>40.2</b>	<b>48.9</b>	<b>10.3</b>	<b>28</b>
Change (%)	<b>23.0</b>	<b>32.9</b>	<b>49.2</b>	<b>30.6</b>	<b>46.2</b>	<b>34.3</b>	<b>47.3</b>	<b>(4.2)</b>	33.7	21.7	15.4	



# Bank of Baroda

Estimate change	↓
TP change	↓
Rating change	↓

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1150.1 / 13.3
52-Week Range (INR)	300 / 216
1, 6, 12 Rel. Per (%)	-6/-7/-14
12M Avg Val (INR M)	4426

## Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	447.2	466.0	505.9
OP	309.7	325.8	354.5
NP	177.9	191.9	195.1
NIM (%)	3.1	2.9	2.8
EPS (INR)	34.4	37.1	37.7
EPS Gr. (%)	26.1	7.9	1.6
BV/Sh. (INR)	211	241	269
ABV/Sh. (INR)	194	224	252

## Ratios

RoA (%)	1.2	1.1	1.1
RoE (%)	17.8	16.7	15.0

## Valuations

P/E(X)	6.5	6.0	5.9
P/BV (X)	1.1	0.9	0.8
P/ABV (X)	1.1	1.0	0.9

## Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	64.0	64.0	64.0
DII	18.1	16.6	16.0
FII	8.9	9.9	12.3
Others	9.0	9.6	7.8

**CMP: INR222 TP: INR250 (+12%) Downgrade to Neutral**

## NII misses estimate; downgrade to Neutral on limited earnings, growth levers

### Asset quality remains healthy

- Bank of Baroda (BOB) reported 3QFY25 PAT at INR48.4b (10% beat), aided by lower-than-expected provisions. NIMs contracted sharply by 16bp QoQ to 2.94%, partly due to a one-off NII gain of INR3.5b in the prior quarter.
- NII declined 1.8% QoQ to INR114b (5% miss), while other income grew 34% YoY to INR37.7b (14% beat), aided by better fee and treasury income.
- Provisions came in lower at INR10.8b (45% lower than MOFSLe), down 54% QoQ. Business growth was steady at 12% YoY, with advances growth of 12% YoY/2.7% QoQ and deposit growth of 11.8% YoY/2.1% QoQ. As a result, the CD ratio increased to 82.7% (up 45bp QoQ).
- Slippages stood at 0.9%. GNPA declined 7bp QoQ to 2.43%, while NNPA inched down 1bp QoQ to 0.59%. PCR was broadly stable at 76%.
- We tweak our FY25/FY26 EPS estimates by +2.8%/-1.3% and expect FY26E RoA/RoE at 1.05%/15%. **We remain watchful on business growth owing to a high CD ratio (82.7%) and increasing reliance on bulk deposits. We estimate margins to remain under check, as deposit competition is likely to remain elevated. We downgrade our rating to Neutral and revise our TP to INR250 (0.9x Sep'26E ABV).**

### Business growth steady; credit cost guidance maintained at 0.75%

- PAT grew 5.6% YoY (down 7.6% QoQ) to INR48.4b (10% beat), led by lower-than-expected provisions. NII declined by 1.8% QoQ (5% miss). NIMs declined by a sharp 16bp QoQ to 2.94%. 9MFY25 PAT stood at INR145.3b (up 12.6% YoY), and we estimate 4QFY25 PAT at INR46.6b (down 4.6% YoY).
- Other income grew 34% YoY to INR37.7b (14% beat), aided by better core fee and treasury income. Opex grew 9% YoY/2.7% QoQ to INR75.2b (in line). As a result, PPOp grew INR76.6b (up 9.3% YoY).
- Provisions came in lower at INR10.8b (down 54% QoQ, 45% below MOFSLe). PCR was broadly stable at 76% as slippages were under control. BOB expects the annualized credit cost to remain below 0.75%.
- Advances grew at a healthy 12% YoY (up 2.7% QoQ). Among segments, retail book grew faster at 4.8% QoQ, while corporate book declined by 0.4% QoQ. In Retail, home loans rose 4% QoQ, auto loans grew 6.6% QoQ, and personal loans grew faster at 7.1% QoQ.
- Deposits grew 11.8% YoY/2.1% QoQ, led by faster growth in bulk deposits. Domestic CASA mix thus declined marginally to 39.7% (down 16bp QoQ).
- On the asset quality front, slippages moderated to 0.9%. However, recovery and accelerated w-offs led to a 7bp QoQ decline in the GNPA ratio to 2.4%, while the NNPA ratio declined 1bp QoQ to 0.6%. SMA 1/2 remained high at 49bp.
- RoA declined to 1.15% in 3Q, while RoE came in at 17%.

### Highlights from the management commentary

- NIM guidance is 3.1% (+/- 5bp). There can be an upside bias in NIMs despite the expected rate cuts.
- PL book slippage was INR1b, while the normalized slippage run rate is INR25b, with the total PL book at INR340b. The bank is comfortable in maintaining 25% YoY growth in this segment.
- Domestic yields have declined, despite slower growth in the corporate segment.
- The bank focuses on enhancing the quality of its advances portfolio with strong underwriting standards. It is also maintaining a balance between income growth from advances and overall loan book expansion.

### Valuation and view: Downgrade to Neutral with a TP of INR250

BOB reported a weak quarter, characterized by the NII miss, while the earnings beat was led by lower provisions. The bank has lowered its NIM guidance by 5bp amid pressure on yields, while the costs remain elevated. Business growth was slightly lower than our estimates, while yields remained under pressure despite the bank moving away from corporate loan and growing faster in personal loan. Slippages were under control and BOB expects the credit cost to remain at 0.75%. **We tweak our FY25/FY26 EPS estimates by +2.8%/-1.3% and expect FY26E RoA/RoE at 1.05%/15%. We remain watchful on business growth owing to a high CD ratio (82.7%) and increasing reliance on bulk deposits. We estimate margins to remain under check, as deposit competition is likely to remain elevated. We downgrade our rating to Neutral and revise our TP to INR250 (0.9x Sep'26E ABV).**

### Quarterly performance

									(INR b)			
	FY24				FY25				FY24	FY25E	FY25E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	Est	
<b>Net Interest Income</b>	<b>110.0</b>	<b>108.3</b>	<b>111.0</b>	<b>117.9</b>	<b>116.0</b>	<b>116.2</b>	<b>114.2</b>	<b>119.6</b>	<b>447.2</b>	<b>466.0</b>	<b>120.3</b>	<b>-5%</b>
% Change (YoY)	24.4	6.4	2.6	2.3	5.5	7.3	2.8	1.4	8.1	4.2	8.3	
Other Income	33.2	41.7	28.1	41.9	24.9	51.8	37.7	43.6	145.0	158.0	33.0	14%
<b>Total Income</b>	<b>143.2</b>	<b>150.0</b>	<b>139.1</b>	<b>159.8</b>	<b>140.9</b>	<b>168.0</b>	<b>151.9</b>	<b>163.2</b>	<b>592.2</b>	<b>624.0</b>	<b>153.3</b>	<b>-1%</b>
Operating Expenses	64.9	69.8	69.0	78.8	69.3	73.3	75.2	80.5	282.5	298.2	74.6	1%
<b>Operating Profit</b>	<b>78.2</b>	<b>80.2</b>	<b>70.2</b>	<b>81.1</b>	<b>71.6</b>	<b>94.8</b>	<b>76.6</b>	<b>82.7</b>	<b>309.7</b>	<b>325.8</b>	<b>78.7</b>	<b>-3%</b>
% Change (YoY)	72.8	33.0	-14.8	0.4	-8.5	18.2	9.3	2.1	15.3	5.2	12.1	
Provisions	19.5	21.6	6.7	13.0	10.1	23.4	10.8	17.1	60.8	61.4	19.8	-45%
<b>Profit before Tax</b>	<b>58.8</b>	<b>58.6</b>	<b>63.5</b>	<b>68.0</b>	<b>61.5</b>	<b>71.4</b>	<b>65.8</b>	<b>65.7</b>	<b>248.9</b>	<b>264.4</b>	<b>58.8</b>	<b>12%</b>
Tax	18.1	16.1	17.7	19.2	16.9	19.0	17.4	19.0	71.0	72.4	14.8	18%
<b>Net Profit</b>	<b>40.7</b>	<b>42.5</b>	<b>45.8</b>	<b>48.9</b>	<b>44.6</b>	<b>52.4</b>	<b>48.4</b>	<b>46.6</b>	<b>177.9</b>	<b>191.9</b>	<b>44.0</b>	<b>10%</b>
% Change (YoY)	87.7	28.4	18.9	2.3	9.5	23.2	5.6	-4.6	26.1	7.9	-3.9	
<b>Operating Parameters</b>												
Deposit (INR b)	11,999	12,496	12,453	13,270	13,070	13,635	13,925	14,676	13,270	14,676	14,198	-2%
Loan (INR b)	9,635	9,980	10,241	10,658	10,479	11,212	11,513	11,915	10,658	11,915	11,502	0%
Deposit Growth (%)	16.2	14.6	8.3	10.2	8.9	9.1	11.8	10.6	10.2	10.6	14.0	
Loan Growth (%)	20.5	19.3	15.0	13.3	8.8	12.3	12.4	11.8	13.3	11.8	12.3	
<b>Asset Quality</b>												
Gross NPA (%)	3.5	3.3	3.1	2.9	2.9	2.5	2.4	2.3	2.9	2.3	2.4	
Net NPA (%)	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.6	0.6	
PCR (%)	78.5	77.6	77.7	77.3	76.6	76.3	76.0	76.2	76.2	76.2	76.5	



Estimate change	↓
TP change	↔
Rating change	↔

**CMP: INR167**

**TP: INR255 (+53%)**

**Buy**

**Weak trading mars 3Q**

Bloomberg	GAIL IN
Equity Shares (m)	6575
M.Cap.(INRb)/(USDb)	1098.8 / 12.7
52-Week Range (INR)	246 / 163
1, 6, 12 Rel. Per (%)	-10/-22/-11
12M Avg Val (INR M)	4159

**Financials & Valuations (INR b)**

Y/E March	FY25E	FY26E	FY27E
Sales	1,337.4	1,488.3	1,599.4
EBITDA	141.5	169.8	184.3
Adj. PAT	89.1	119.2	129.7
Adj. EPS (INR)	13.6	18.1	19.7
EPS Gr. (%)	-1.2	33.8	8.8
BV/Sh.(INR)	113.6	124.4	136.3

**Ratios**

Net D:E	0.2	0.1	0.1
RoE (%)	9.5	15.8	15.6
RoCE (%)	9.4	12.3	12.2
Payout (%)	31.5	40.1	40.1

**Valuations**

P/E (x)	12.3	9.2	8.5
P/BV (x)	1.5	1.3	1.2
EV/EBITDA (x)	6.4	5.2	4.6
Div. Yield (%)	3.2	4.4	4.7
FCF Yield (%)	5.3	7.3	8.4

**Shareholding pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	51.5	51.5	51.5
DII	25.0	24.3	27.1
FII	16.7	17.4	14.9
Others	6.8	6.7	6.5

FII Includes depository receipts

GAIL's 3QFY25 performance was significantly below our estimates, primarily due to weak gas marketing segment performance. While APAT came in 43% below our estimate, reported PAT was lifted by an exceptional income of INR24.4b booked during the quarter relating to the arbitration settlement with SEFE. Transmission volumes were weaker QoQ due to a decline in power sector demand in 3Q, while adverse spread movement on some of the gas contracts led to lower profitability on some of the marketing contracts. Overall, management expects transmission volumes to grow by ~10mmscmd in FY26 and remains hopeful of tariff hike approval for the transmission business in 1QFY26.

**Key takeaways from the earnings call:**

- In 3Q, marketing margin declined by INR8-9b due to the following factors:
  - Amid falling crude prices in early 3Q, a loss of INR2b was booked on a few contracts as per pricing terms. As per management, this loss will naturally reverse over a period of one year.
  - Higher Henry Hub (HH) prices led to margin contractions, resulting in a loss of INR1.5b.
  - GAIL had marketed ~2mmscmd of volumes in excess of volumes actually sourced, which were then covered via sourcing costly Spot LNG. This led to losses of INR4.5b.
  - Transmission volumes are expected to be in the range of 129-130mmscmd in FY25 and grow by 10mmscmd p.a. going forward.
  - 4QFY25 LPG production could drop by 75tmt due to APM de-allocation.
  - A tariff hike is expected by Jun'25 (Mar'25 guided earlier).

**We reiterate BUY on GAIL with our SoTP-based TP of INR255, valuing:**

- gas transmission business at 9x FY27E EBITDA of INR95b,
- LPG transmission business at 8x FY27E EBITDA of INR5b,
- gas trading business at 6x FY27E EBITDA of INR55b,
- petrochemical business at 7x FY27E EBITDA of INR28b, and
- LPG business at 6x FY27E EBITDA of INR19b.
- Adding the value of listed and unlisted investments of INR267b and adjusting FY27E ND of INR132b, we arrive at our revised TP of INR255.

**Miss on estimates due to weak NG marketing performance**

- In 3Q, EBITDA came in 25% below our est. at INR28.4b (down 26% YoY).
- The EBITDA miss was due to weak marketing margins in 3Q, as:
  - Amid falling crude prices in early 3Q, a loss of INR2b was booked on a few contracts as per pricing terms. As per management, this loss will naturally reverse over a period of one year.
  - Higher Henry Hub (HH) prices led to margin contractions, resulting in a loss of INR1.5b.
  - GAIL had marketed ~2mmscmd of volumes in excess of volumes actually sourced, which were then covered via sourcing costly Spot LNG. This led to losses of INR4.5b.

- While reported PAT came in at INR38.7b, an exceptional income of INR24.4b was booked in 3Q related to a settlement amount received for a pending arbitration proceeding against SEFE Marketing & Trading Singapore Pte Ltd. While other income also came in significantly above our estimate, the tax rate was lower than our estimate.
- Hence, adjusted PAT was down 50% YoY at INR14.3b (43% below our est.).
- Natural gas transmission volume was in line with our est. at 125.9mmcmd (up 4% QoQ).
- Petchem sales were also in line with our est. at 221tmt (flat YoY), while petchem segment reported EBIT of INR47m.
- While EBIT of the LPG transmission, LPG and LHC segments beat our estimates, EBIT of the gas transmission, adjusted NG marketing and petrochemical segments came in below our estimates.
- In 9MFY25, net sales/EBITDA grew 3%/12% to INR1015b/INR111b, whereas APAT was flat at INR68b.
- The board has declared an interim dividend of INR6.5/share (FV: INR10/share).

#### Valuation and view

- We **reiterate our BUY rating** on GAIL with a TP of INR255. During FY24-27, we estimate a 15% CAGR in PAT driven by:
  - an increase in natural gas transmission volumes to 154mmcmd in FY27 from 120mmcmd in FY24;
  - substantial improvement in petchem segment's profitability over 2HFY25- FY27 as the new petchem capacity will be operational and spreads are bottoming out;
  - healthy trading segment profitability with guided EBIT of at least INR45b.
- We expect RoE to improve to ~16% in FY26 from 9.5% in FY23, with a healthy FCF generation of INR81b in FY26 (vs. -INR45.3b in FY23), which we believe can support its valuations.
- Our SoTP-based TP includes:
  - gas transmission business at 9x FY27E EBITDA of INR95b,
  - LPG transmission business at 8x FY27E EBITDA of INR5b,
  - gas trading business at 6x FY27E EBITDA of INR55b,
  - petrochemical business at 7x FY27E EBITDA of INR28b, and
  - LPG business at 6x FY27E EBITDA of INR19b.
- Adding the value of listed and unlisted investments of INR267b and adjusting FY27E ND of INR132b, we arrive at our revised TP of INR255.

**Standalone quarterly performance**

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
<b>Net Sales</b>	<b>324.1</b>	<b>318</b>	<b>343</b>	<b>323.3</b>	<b>336.7</b>	<b>329</b>	<b>349</b>	<b>322.2</b>	<b>1,308.2</b>	<b>1,337.4</b>	<b>342.4</b>	<b>7%</b>
Change (%)	-13.7	-17.3	-3.2	-1.6	3.9	3.4	2.0	-0.4	-9.3	2.2	0.0	
<b>EBITDA</b>	<b>26.1</b>	<b>35</b>	<b>38</b>	<b>35.6</b>	<b>45.3</b>	<b>37</b>	<b>28</b>	<b>30.4</b>	<b>134.8</b>	<b>141.5</b>	<b>38.8</b>	<b>-25%</b>
% of Net Sales	8.1	11.0	11.2	11.0	13.4	11.4	8.1	9.4	10.3	10.6	11.3	
Depreciation	6.4	8	8	11.6	10.5	8	8	9.0	33.3	36.0	8.2	
Interest	1.8	2	2	1.9	2.1	2	2	2.0	7.0	7.7	1.4	
Other Income	2.7	6	8	6.4	3.7	7	7	7.9	22.8	26.2	5.5	
Extraordinary item	0.0	0	0	0.0	0.0	0	24	0.0	0.0	24.4	0.0	
<b>PBT</b>	<b>20.7</b>	<b>31</b>	<b>37</b>	<b>28.4</b>	<b>36.4</b>	<b>35</b>	<b>50</b>	<b>27.2</b>	<b>117.3</b>	<b>148.4</b>	<b>34.7</b>	<b>48%</b>
Rate (%)	23.0	23.2	23.0	23.4	25.2	22.6	23.1	23.1	23.2	23.5	25.6	
<b>PAT</b>	<b>15.9</b>	<b>24</b>	<b>28</b>	<b>21.8</b>	<b>27.2</b>	<b>27</b>	<b>39</b>	<b>20.9</b>	<b>90.2</b>	<b>113.5</b>	<b>25.8</b>	
Change (%)	-45.4	56.5	1,056.8	260.7	71.1	11.1	36.0	-4.0	70.1	25.9	-9.2	
Extraord.: Tax Prov. Write Back	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0.0	0.0	
<b>Adj PAT</b>	<b>15.9</b>	<b>24</b>	<b>28</b>	<b>21.8</b>	<b>27.2</b>	<b>27</b>	<b>14</b>	<b>20.9</b>	<b>90.2</b>	<b>89.1</b>	<b>25.8</b>	<b>-43%</b>
Change (%)	-45.4	56.5	1,056.8	260.7	71.1	11.1	-49.8	-4.0	70.1	-1.2	-9.2	
<b>Key Assumptions</b>												
Gas Trans. volume (mmscmd)	116.3	120.3	121.5	123.7	131.8	130.6	125.9	127.7	120.5	129.0	129.7	-3%
Petchem sales ('000MT)	162.0	168.0	215.0	242.0	169.0	226.0	221.0	222.4	787.0	209.6	212.6	4%





# Shree Cement

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	SRCM IN
Equity Shares (m)	36
M.Cap.(INRb)/(USDb)	968.1 / 11.2
52-Week Range (INR)	30738 / 23500
1, 6, 12 Rel. Per (%)	6/5/-12
12M Avg Val (INR M)	1076

### Financial Snapshot (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	177.7	198.3	219.7
EBITDA	36.7	43.4	51.3
Adj. PAT	10.4	10.9	14.0
EBITDA Margin (%)	20.6	21.9	23.3
Cons. Adj. EPS (INR)	289	301	389
EPS Gr. (%)	-57.8	4.2	29.2
BV/Sh. (INR)	5,838	6,029	6,298

### Ratios

Net D:E	-0.3	-0.2	-0.2
RoE (%)	5.0	5.1	6.3
RoCE (%)	5.5	5.5	6.6
Payout (%)	34.6	36.5	30.9

### Valuations

P/E (x)	92.9	89.1	69.0
P/BV (x)	4.6	4.4	4.3
EV/EBITDA(x)	24.4	20.9	17.9
EV/ton (USD)	188	164	145
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	-0.9	-0.6	0.2

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	62.6	62.6	62.6
DII	15.0	14.5	12.6
FII	9.9	10.4	12.3
Others	12.5	12.6	12.6

FII includes depository receipts

**CMP: INR26,831 TP: INR26,640 (-1%) Neutral**

## Better cost savings drive higher-than-estimated EBITDA/t

### Capacity utilization stands at ~58% for 3QFY25 vs. 68% for 3QFY24

- Shree Cement (SRCM)'s 3QFY25 EBITDA declined ~23% YoY to INR9.5b (~5% above our estimates, led by better cost control). EBITDA/t declined 22% YoY to INR1,079 (+8% vs. our estimate). OPM contracted 2.8pp YoY to ~22% (est. ~20%). PAT declined ~69% YoY to INR2.3b (in line).
  - Management indicated that cement demand is expected to improve, led by anticipated growth in rural consumption, sustained healthy demand for urban housing, and an expected increase in government spending on infrastructure projects. The company's 15.4mtpa cement capacity expansion projects are nearing completion, with all projects likely to be commissioned in 1QFY26. Its green power capacity has been increased to 522MW vs. 480MW at the beginning of FY25.
  - We have largely maintained our EBITDA estimates for FY25-27. However, our EPS estimates for FY26/27 have been reduced by ~6-8% due to higher depreciation from new capacities, which are likely to be commissioned in 1QFY26. The stock trades fairly at 21x/18x FY26E/FY27E EV/EBITDA.
- Reiterate Neutral rating with a TP of INR26,640.**

### Volumes decline 1% YoY; opex/t down 9% YoY

- Standalone revenue/EBITDA/PAT stood at INR42.4b/INR9.5b/INR2.3b (down 14%/23%/69% YoY and down 8%/up 5%/down 3% vs. our estimates) in 3QFY25. Sales volumes declined 1% YoY to 8.77mt. Blended realization declined 12% YoY (-2% QoQ) to INR4,830/t (5% below our estimate), while cement realization improved 3% QoQ to INR4,580/t.
- Opex/t declined 9% YoY (8% below our estimate), led by a 12%/21% YoY decline in variable cost/other expenses, while freight cost per ton was up ~3%. OPM contracted 2.8pp YoY to ~22% and EBITDA/t declined 22% YoY to INR1,079. Depreciation was up 116% YoY, while interest/other income declined 6%/15%.
- In 9MFY25, revenue/EBITDA/PAT stood at INR128b/INR24.6b/INR6.4b (down 11%/19%/65% YoY). Volumes were flat YoY, while blended realization declined ~11% YoY. EBITDA/t declined 19% YoY to INR944. We expect revenue/EBITDA/PAT to decline 2%/9%/39% YoY in 4QFY25. We estimate 6% YoY volume growth in 4QFY25 and EBITDA/t of INR1,204 vs. INR1,392/INR1,079 in 4QFY25/3QFY25.

### Highlights from the management commentary

- Avg. fuel cost declined to INR1.55/Kcal vs. INR1.71/kcal in 2QFY25. The fuel consumption cost is currently at the same level. The share of green power in the total electricity consumption stood at 55.1% vs. 54.8% in 2QFY25. Further, improved cost control was driven by a reduction in other expenses.
- The company has started operations of its state-of-the-art, end-to-end solid waste feeding system for municipal solid waste consumption at one of its locations, and this system is being replicated at other plants too. This initiative will help increase the share of alternative fuel and improve the TSR level.
- Capex is pegged at INR38-40b for FY25; it stood at INR32b in 9MFY25. The full-year FY25 depreciation is estimated at INR28b.

**Valuation and view**

- SRCM’s reported EBITDA/t in 3QFY25 was higher than estimates, led by better cost control (reduction in other expenses and lower fuel consumption cost). The company’s strategy of prioritizing premium, high-value products, coupled with a sharp focus on brand enhancement, strengthening the dealer network, and optimizing the geo-mix, has enabled it to improve sale volumes QoQ. Additionally, its premium product share stood at 15% (+10bp QoQ). SRCM continues to be one of the least cost producers in the industry.
- We believe the company’s capacity expansions at existing locations/markets (North, East, and part of South) will keep capacity utilization at the lower end (~66-69%). We estimate a revenue/EBITDA/PAT CAGR of 11%/18%/16% over FY25-27. The stock trades fairly at 21x/18x FY26E/FY27E EV/EBITDA. **Reiterate Neutral rating with a TP of INR26,640.**

**Standalone quarterly performance**

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>49.7</b>	<b>45.6</b>	<b>49.0</b>	<b>50.7</b>	<b>48.3</b>	<b>37.3</b>	<b>42.4</b>	<b>49.7</b>	<b>195.0</b>	<b>177.7</b>	<b>46.1</b>	<b>-8</b>
YoY Change (%)	18.3	20.6	20.4	6.0	-2.7	-18.3	-13.6	-2.0	15.8	-8.9	-6.0	
Total Expenditure	40.4	36.9	36.7	37.5	39.2	31.3	32.9	37.6	151.4	141.0	37.1	<b>-11</b>
<b>EBITDA</b>	<b>9.3</b>	<b>8.7</b>	<b>12.3</b>	<b>13.3</b>	<b>9.2</b>	<b>5.9</b>	<b>9.5</b>	<b>12.1</b>	<b>43.6</b>	<b>36.7</b>	<b>9.0</b>	<b>5</b>
YoY Change (%)	13.9	66.3	74.3	48.7	-1.7	-31.9	-23.3	-8.7	48.3	-16.0		
Margin (%)	18.8	19.1	25.2	26.2	19.0	15.9	22.3	24.4	22.4	20.6	19.6	
Depreciation	3.1	3.3	3.5	6.3	6.4	6.7	7.5	7.8	16.1	28.4	6.7	12
Interest	0.8	0.7	0.6	0.6	0.6	0.6	0.5	0.6	2.6	2.2	0.6	<b>-8</b>
Other Income	1.6	1.3	1.4	1.4	1.3	1.8	1.1	1.3	5.6	5.6	1.4	<b>-18</b>
<b>PBT before EO Exp.</b>	<b>7.1</b>	<b>6.0</b>	<b>9.7</b>	<b>7.7</b>	<b>3.5</b>	<b>0.4</b>	<b>2.6</b>	<b>5.0</b>	<b>30.5</b>	<b>11.6</b>	<b>3.2</b>	<b>-18</b>
Extra-Ord. Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>PBT</b>	<b>7.1</b>	<b>6.0</b>	<b>9.7</b>	<b>7.7</b>	<b>3.5</b>	<b>0.4</b>	<b>2.6</b>	<b>5.0</b>	<b>30.5</b>	<b>11.6</b>	<b>3.2</b>	<b>-18</b>
Tax	1.3	1.1	2.3	1.1	0.3	-0.5	0.3	1.0	5.8	1.2	0.8	
Rate (%)	18.2	17.6	24.0	14.3	9.4	-108.1	11.4	20.2	19.0	10.0	25.0	
<b>Reported PAT</b>	<b>5.8</b>	<b>4.9</b>	<b>7.3</b>	<b>6.6</b>	<b>3.2</b>	<b>0.9</b>	<b>2.3</b>	<b>4.0</b>	<b>24.7</b>	<b>10.4</b>	<b>2.4</b>	<b>-3</b>
Tax adjustment prior period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Adj. PAT</b>	<b>5.8</b>	<b>4.9</b>	<b>7.3</b>	<b>6.6</b>	<b>3.2</b>	<b>0.9</b>	<b>2.3</b>	<b>4.0</b>	<b>24.7</b>	<b>10.4</b>	<b>2.4</b>	<b>-3</b>
YoY Change (%)	84.2	159.1	165.3	68.8	-45.3	-81.0	-68.8	-39.3	110.3	-57.8	-67.8	

**Quarterly performance**

<b>Sales Dispat. (mt)</b>	<b>8.92</b>	<b>8.20</b>	<b>8.89</b>	<b>9.54</b>	<b>9.64</b>	<b>7.60</b>	<b>8.77</b>	<b>10.06</b>	<b>35.54</b>	<b>36.07</b>	<b>9.08</b>	<b>-3</b>
YoY Change (%)	18.8	9.9	10.7	8.0	8.1	-7.3	-1.4	5.5	11.7	1.5	2.1	
<b>Realization</b>	<b>5,575</b>	<b>5,564</b>	<b>5,510</b>	<b>5,320</b>	<b>5,015</b>	<b>4,904</b>	<b>4,830</b>	<b>4,939</b>	<b>5,488</b>	<b>4,925</b>	<b>5,075</b>	<b>-5</b>
YoY Change (%)	-0.5	9.7	8.8	-1.9	-10.0	-11.9	-12.4	-7.2	3.7	-10.3	-7.9	
<b>Expenditure</b>												
RM Cost	638	671	494	371	530	539	616	488	538	541	500	23
Staff Cost	263	285	264	247	254	328	270	245	264	271	280	<b>-4</b>
Power and Fuel	1,700	1,673	1,392	1,497	1,458	1,317	1,042	1,192	1,562	1,253	1,325	<b>-21</b>
Freight	1,192	1,160	1,094	1,096	1,157	1,173	1,131	1,152	1,135	1,153	1,160	<b>-3</b>
Other Expenses	735	714	879	717	667	766	691	657	762	691	815	<b>-15</b>
<b>Total Op. cost</b>	<b>4,529</b>	<b>4,503</b>	<b>4,123</b>	<b>3,928</b>	<b>4,065</b>	<b>4,124</b>	<b>3,750</b>	<b>3,735</b>	<b>4,260</b>	<b>3,909</b>	<b>4,080</b>	<b>-8</b>
<b>EBITDA</b>	<b>1,046</b>	<b>1,062</b>	<b>1,387</b>	<b>1,392</b>	<b>951</b>	<b>780</b>	<b>1,079</b>	<b>1,204</b>	<b>1,228</b>	<b>1,017</b>	<b>995</b>	<b>8</b>

Source: Company, MOFSL Estimates



# Tata Consumer Products

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR967      TP: INR1,130 (+17%)      Buy**

## Higher input costs hurt margins

### Operating performance in line with estimates

Bloomberg	TATACONS IN
Equity Shares (m)	989
M.Cap.(INRb)/(USDb)	956.5 / 11
52-Week Range (INR)	1254 / 883
1, 6, 12 Rel. Per (%)	9/-13/-21
12M Avg Val (INR M)	2038
Free float (%)	66.2

- Tata Consumer Products (TATACONS) reported a weak performance in 3QFY25, with EBIT declining 15% YoY due to higher input costs (tea cost inflation) in Indian branded business which declined 43% YoY. This was partially offset by the international branded beverage segment (EBIT up 53% YoY) and non-branded business (EBIT up 89% YoY).
- Going forward, Indian business margins are likely to recover as the company has increased prices of salt and tea (staggered price hikes to mitigate cost inflation). However, higher input costs will continue to weigh on margins in the near term.
- We largely maintain our FY25/FY26/FY27 EBITDA estimates and **reiterate BUY with an SoTP-based TP of INR1,130.**

### Financials & valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	176.1	189.0	205.1
EBITDA	24.8	26.2	29.2
Adj. PAT	14.4	17.5	19.9
EBITDA Margin (%)	14.1	13.9	14.3
Cons. Adj. EPS (INR)	14.5	17.7	20.1
EPS Gr. (%)	1.2	22.0	13.3
BV/Sh. (INR)	234.6	263.2	277.3

### Ratios

Net D:E	-0.2	-0.2	-0.2
RoE (%)	7.3	7.4	8.0
RoCE (%)	8.8	9.1	9.9
Payout (%)	46.4	36.7	32.4

### Valuations

P/E (x)	66.6	54.6	48.2
EV/EBITDA (x)	34.3	32.1	28.4
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	2.1	1.5	1.7

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	33.8	33.8	34.4
DII	19.5	18.8	17.1
FII	23.2	24.4	25.6
Others	23.5	23.0	22.9

Note: FII includes depository receipts

### International beverage and non-branded businesses drive operating profitability

- 3Q revenue grew 17% YoY to ~INR44.4b (in line). EBITDA margin contracted YoY by 230bp to 12.7% (est. 12.5%), led by lower gross margins (down 270bp YoY). EBITDA declined 1% YoY to INR5.6b (est. in line).
- The Indian branded business grew 19% YoY to INR28.3b, led by revenue growth of 16%/24% YoY in the Indian branded beverage/Indian food businesses to INR15b/INR13.1b. EBIT declined 43% YoY to INR2.1b.
- Volumes in the Indian packaged beverage business increased 7% YoY, while volumes in the foods business grew 1% YoY (excluding Capital Foods). Salt segment's revenue grew 7% YoY, with modest volume growth. The Tata Sampann portfolio grew 23% YoY.
- RTD segment's (NourishCo) revenue declined ~2% YoY to ~INR1.58b due to the recalibration of trade pricing. However, the Premium business grew 12% in 3QFY25, contributing ~15% to the total RTD business. Tata Starbucks revenue grew 8% YoY, driven by improving demand trends.
- International branded beverages revenue grew 16% YoY to ~INR12b, with EBIT growth of 53% YoY to INR1.7b. EBIT margins stood at 14%, up 340bp YoY. The Non-branded business revenue increased 9% YoY to INR4.6b, while EBIT jumped 89% YoY to INR930m.
- Adj. PAT declined 18% YoY to INR2.8b (est. INR3.4b). During the quarter, the company incurred exceptional expenses of INR62m, related to legal and professional fees for business acquisitions (integration and restructuring).

### Highlights from the management commentary

- **Pricing:** The company maintains competitive pricing without extra discounting, implementing calibrated price hikes covering 40% of cost increases (tea prices up 25-30% YoY). The company prioritizes long-term competitiveness in the Indian tea market, balancing volume and value growth. It remains strategic in pricing, leading where possible while aligning with competitors.

- **International Business:** A significant portion of margin expansion in the International business came from the UK and Canada, where the company has implemented structural changes. The US has also seen improvement.
- **Distribution Channel:** The Ecommerce channel grew 59% and Modern Trade recorded 14% YoY growth in the quarter (excluding Capital Foods and Organic India). Ecommerce now accounts for ~15% of revenue, which is slightly above Modern Trade. The rollout of new channels in Food Services and Pharmacies, aimed at fueling growth, is progressing as planned.

#### Valuation and view

- We expect margin pressure to continue in the Indian beverage business in the near term due to higher input costs, while the International business is expected to continue delivering healthy operating performance. The RTD segment is gaining traction with strategic price calibration. Indian food business margins are expected to improve, driven by the synergy benefits from the integration of Capital Foods and Organic India, as well as a price increase in salt.
- We expect TATACONS to clock a CAGR of 10%/9%/13% in revenue/EBITDA/ PAT during FY24-27. **Reiterate BUY with an SoTP-based TP of INR1,130.**

#### Consolidated - Quarterly Earning Model

(INRb)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>37.4</b>	<b>37.3</b>	<b>38.0</b>	<b>39.3</b>	<b>43.5</b>	<b>42.1</b>	<b>44.4</b>	<b>46.0</b>	<b>152.1</b>	<b>176.1</b>	<b>44.1</b>	<b>1</b>
YoY Change (%)	12.5	11.0	9.5	8.5	16.3	12.9	16.8	17.1	10.3	15.8	16.0	
Total Expenditure	32.0	32.0	32.3	33.0	36.8	35.9	38.8	39.8	129.2	151.3	38.6	
<b>EBITDA</b>	<b>5.5</b>	<b>5.4</b>	<b>5.7</b>	<b>6.3</b>	<b>6.7</b>	<b>6.3</b>	<b>5.6</b>	<b>6.2</b>	<b>22.8</b>	<b>24.8</b>	<b>5.5</b>	<b>2</b>
Margins (%)	14.6	14.4	15.0	16.0	15.3	14.9	12.7	13.5	15.0	14.1	12.5	
Depreciation	0.8	0.9	0.9	1.2	1.5	1.5	1.5	1.5	3.8	6.0	1.5	
Interest	0.3	0.3	0.3	0.4	0.9	1.0	0.6	-0.4	1.3	2.1	0.2	
Other Income	0.6	0.9	0.6	0.4	0.4	0.5	0.5	0.6	2.5	2.0	1.1	
<b>PBT before EO expense</b>	<b>4.9</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>4.6</b>	<b>4.2</b>	<b>4.1</b>	<b>5.7</b>	<b>20.2</b>	<b>18.6</b>	<b>4.9</b>	
Extra-Ord expense	-0.1	-0.1	-0.9	-2.2	-0.2	-0.3	-0.1	0.0	-3.3	-0.5	0.0	
<b>PBT</b>	<b>4.9</b>	<b>4.9</b>	<b>4.2</b>	<b>2.9</b>	<b>4.5</b>	<b>4.0</b>	<b>4.0</b>	<b>5.7</b>	<b>17.0</b>	<b>18.1</b>	<b>4.9</b>	
Tax	1.3	1.3	1.1	0.3	1.3	0.4	1.0	1.5	3.9	4.3	1.3	
Rate (%)	26.7	26.8	25.2	8.8	29.9	9.5	25.4	27.0	23.3	23.5	27.0	
Minority Interest	0.2	0.3	0.2	0.0	0.0	0.0	0.0	0.1	0.7	0.1	0.1	
Profit/Loss of Asso. Cos.	-0.2	0.0	-0.1	-0.6	-0.2	0.1	-0.2	-0.3	-0.9	-0.7	-0.2	
<b>Reported PAT</b>	<b>3.2</b>	<b>3.4</b>	<b>2.8</b>	<b>2.2</b>	<b>2.9</b>	<b>3.6</b>	<b>2.8</b>	<b>3.7</b>	<b>11.5</b>	<b>13.1</b>	<b>3.4</b>	
<b>Adj PAT</b>	<b>3.2</b>	<b>3.5</b>	<b>3.5</b>	<b>3.8</b>	<b>3.0</b>	<b>3.8</b>	<b>2.8</b>	<b>3.7</b>	<b>14.0</b>	<b>13.4</b>	<b>3.4</b>	<b>-16</b>
YoY Change (%)	17.2	42.8	18.7	38.4	-5.4	10.2	-18.4	-1.4	28.7	-3.6	-3.3	
Margins (%)	8.6	9.4	9.1	9.6	7.0	9.1	6.4	8.1	9.2	7.6	7.6	



Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR534      TP: INR650 (+22%)      Buy**

**In-line quarter; HPC performs well**

Bloomberg	DABUR IN
Equity Shares (m)	1772
M.Cap.(INRb)/(USDb)	945.9 / 10.9
52-Week Range (INR)	672 / 489
1, 6, 12 Rel. Per (%)	7/-9/-8
12M Avg Val (INR M)	1700

**Financials & Valuations (INR b)**

Y/E March	2025E	2026E	2027E
Sales	126.9	139.0	151.9
Sales Gr. (%)	2.3	9.5	9.3
EBITDA	23.9	27.2	30.5
EBITDA mrg. (%)	18.9	19.6	20.1
Adj. PAT	18.6	21.0	23.9
Adj. EPS (INR)	10.5	11.9	13.5
EPS Gr. (%)	-0.8	12.9	13.5
BV/Sh.(INR)	59.8	63.8	67.9

**Ratios**

RoE (%)	18.2	19.2	20.4
RoCE (%)	16.3	16.9	18.0
Payout (%)	66.7	71.7	74.3

**Valuation**

P/E (x)	51.2	45.4	40.0
P/BV (x)	9.0	8.4	7.9
EV/EBITDA (x)	36.6	32.0	28.1
Div. Yield (%)	1.3	1.6	1.9

**Shareholding pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	66.3	66.3	66.3
DII	14.9	13.7	11.8
FII	13.3	15.0	16.5
Others	5.5	5.0	5.5

FII Includes depository receipts

- Dabur’s 3QFY25 performance was largely in line with our estimate. Consolidated revenue increased 3% YoY (in line), while constant currency (cc) growth was 6%. The India volume/value growth stood at 1.2%/1.7% YoY. Dabur took a 3% price hike to offset the inflation but was neutralized by trade schemes and promotions. Rural demand outpaced urban for the fourth consecutive quarter by 140bp.
- Home & Personal Care revenue was up 6% with growth across categories. Oral care grew 9% YoY (higher than Colgate and HUL). Healthcare revenue declined 1% YoY due to the delayed winter. Foods posted a strong 30% growth. Beverages declined 10% YoY due to muted festive demand and higher competitive intensity. Badshah continued its strong trajectory with 16% YoY growth. The international business grew 19% YoY in cc terms and 9% in INR terms.
- GM contracted 60bp YoY to 48.1% (est. 49.1%), while the EBITDA margin contracted marginally by 20bp YoY to 20.3% (in line). EBITDA rose 2% YoY.
- Dabur’s growth trajectory is trending below its potential and historical delivery. Most of its initiatives are delivering limited outcomes, which are marred by seasonality and weak consumption. HPC sustained a high single-digit growth, reflecting the true picture of efforts and consumption trends. Seasonal products will behave depending on the seasonality. However, Juices need some extra efforts to stabilize and recover; the upcoming season will be critical to track. Operating margin will remain accretive with pricing and mix favorable going ahead. **We reiterate our BUY rating on the stock with a TP of INR650 (premised on 50x Dec’26E EPS).**

**In-line performance; domestic volume grows 1%**

- **Stable performance:** Dabur’s 3QFY25 consolidated sales grew 3% YoY (in line) to INR33.6b (est. INR33.4b) and 6% in CC terms. The India revenue grew 2% with volume growth of 1.2% (est. 1%). EBITDA and adj. PAT increased 2% YoY each to INR6.8b and INR5.3b (est. INR6.8 and INR5.2), respectively.
- **HPC business delivered 6% YoY sales growth:** Oral care clocked 9% growth led by Dabur Red and Miswak. Dabur Red Toothpaste continued to gain market share. Miswak grew 16% YoY. Hair care, Home Care, and Skin Care posted 3%, 5%, and 6% YoY growth, respectively.
- **Healthcare portfolio sales declined 1% YoY:** Health supplements declined 3% YoY due to delayed winter, while Digestive was up 4% YoY and OTC & Ethicals were flat YoY.
- **F&B sales dipped 6% YoY:** The foods business delivered 30% growth, while beverages posted a 10% YoY revenue decline, hit by the muted festive season demand and price-driven competitive intensity. Badshah’s revenue was up 16% YoY.

- **Flat operating margin:** Gross margin contracted 60bp YoY to 48.1% (est. 49.1%). As a percentage of sales, ad spending declined 80bp YoY to 6.8%, other expenses were flat YoY at 11%, while staff costs rose 50bp YoY to 10%. EBITDA margin contracted marginally by 20bp to 20.3% (est. 20.2%).
- International growth was at 19% in CC terms and 9% in INR terms, led by Egypt, MENA, the US, and Bangladesh.
- **In 9MFY25,** revenue grew 2% YoY, while EBITDA/APAT declined 2%/3%.

### Highlights from the management commentary

- Urban demand moderated during the quarter, affected by persistent food inflation, while the rural market exhibited strong performance.
- The company anticipates sequential improvement in demand and mid-single-digit value growth in 4QFY25, driven by both pricing and volume growth.
- According to Nielsen data, rural growth outpaced urban growth by 490 basis points during the quarter. Overall, the FMCG sector grew by 7%, with urban areas growing by 5% and rural areas growing by 10%.
- The company remains focused on premiumization and product mix optimization to drive margin expansion.

### Valuation and view

- There are no material changes to our FY25E/FY26E EPS estimates.
- Dabur mitigated the impact of inflationary pressures through disciplined cost control, operational efficiencies, and judicious price increases. With a broader distribution reach (to ~0.13m villages and ~7.9m outlets), increased direct penetration (~1.4m outlets), and extensive presence/categorical leadership in the rural market, DABUR is better positioned to capitalize on the rural consumption trend compared to its peers.
- The operating margin, which has been hovering around the 20% band over the last 8-9 years (unlike its peers that have experienced expansions), also has room for expansion in the medium term.
- With external drivers remaining consistent, we view the recent stock price correction as an opportunity to be constructive on the stock. **We reiterate our BUY rating on the stock with a TP of INR650 (premised on 50x P/E on Dec'26).**

### Quarterly Performance (Consolidated)

Y/E March	(INR m)											
	FY24				FY25E				FY24	FY25E	FY25E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
<b>Domestic FMCG vol. growth (%)</b>	<b>3.0</b>	<b>3.0</b>	<b>4.0</b>	<b>3.0</b>	<b>5.2</b>	<b>-7.0</b>	<b>1.2</b>	<b>3.0</b>	<b>3.3</b>	<b>2.3</b>	<b>1.0</b>	
<b>Net sales</b>	<b>31,305</b>	<b>32,038</b>	<b>32,551</b>	<b>28,146</b>	<b>33,491</b>	<b>30,286</b>	<b>33,553</b>	<b>29,618</b>	<b>1,24,040</b>	<b>1,26,947</b>	<b>33,414</b>	0.4%
YoY change (%)	10.9	7.3	6.7	5.1	7.0	-5.5	3.1	5.2	7.5	2.3	2.7	
<b>Gross profit</b>	<b>14,588</b>	<b>15,482</b>	<b>15,823</b>	<b>13,679</b>	<b>16,005</b>	<b>14,943</b>	<b>16,124</b>	<b>14,625</b>	<b>59,571</b>	<b>61,696</b>	<b>16,406</b>	-1.7%
Margin (%)	46.6	48.3	48.6	48.6	47.8	49.3	48.1	49.4	48.0	48.6	49.1	
<b>EBITDA</b>	<b>6,047</b>	<b>6,609</b>	<b>6,678</b>	<b>4,668</b>	<b>6,550</b>	<b>5,526</b>	<b>6,819</b>	<b>5,035</b>	<b>24,002</b>	<b>23,930</b>	<b>6,756</b>	0.9%
Margins (%)	19.3	20.6	20.5	16.6	19.6	18.2	20.3	17.0	19.4	18.9	20.2	
YoY growth (%)	11.2	10.0	8.1	13.9	8.3	-16.4	2.1	7.9	10.5	-0.3	1.2	
Depreciation	966	983	969	1,074	1,091	1,110	1,086	1,162	3,992	4,449	1,110	
Interest	243	281	365	352	327	474	442	358	1,242	1,600	400	
Other income	1,098	1,164	1,274	1,289	1,294	1,515	1,280	1,637	4,824	5,726	1,450	
<b>PBT</b>	<b>5,936</b>	<b>6,508</b>	<b>6,618</b>	<b>4,531</b>	<b>6,427</b>	<b>5,457</b>	<b>6,571</b>	<b>5,152</b>	<b>23,593</b>	<b>23,606</b>	<b>6,696</b>	-1.9%
Tax	1,368	1,443	1,550	1,114	1,481	1,284	1,418	1,412	5,474	5,595	1,607	
Rate (%)	23.0	22.2	23.4	24.6	23.0	23.5	21.6	27.4	23.2	23.7	24.0	
<b>Adjusted PAT</b>	<b>4,721</b>	<b>5,233</b>	<b>5,225</b>	<b>3,578</b>	<b>5,084</b>	<b>4,333</b>	<b>5,306</b>	<b>3,888</b>	<b>18,757</b>	<b>18,611</b>	<b>5,246</b>	1.1%
YoY change (%)	7.2	6.7	7.8	10.8	7.7	-17.2	1.6	8.7	9.3	-0.8	0.4	

E: MOFSL Estimates



# Jindal Steel & Power

Estimate change

TP change

Rating change



**CMP: INR840**

**TP: INR960 (+14%)**

**Buy**

Bloomberg	JSP IN
Equity Shares (m)	1020
M.Cap.(INRb)/(USDb)	856.9 / 9.9
52-Week Range (INR)	1097 / 709
1, 6, 12 Rel. Per (%)	-7/-8/5
12M Avg Val (INR M)	2085
Free float (%)	38.8

## Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	497	660	783
EBITDA	101	150	183
APAT	45	78	99
Adj. EPS (INR)	44	76	98
EPS Gr. (%)	-23.9	71.8	27.7
BV/Sh. (INR)	482	551	638

## Ratios

Net D:E	0.2	0.2	0.1
RoE (%)	9.6	14.8	16.4
RoCE (%)	10.9	16.4	18.6
Payout (%)	10.0	10.0	10.0

## Valuations

P/E (x)	18.7	10.9	8.5
P/BV (x)	1.7	1.5	1.3
EV/EBITDA(x)	9.5	6.3	5.0
Div. Yield (%)	0.5	0.9	1.2
FCF Yield (%)	1.3	4.4	7.8

## Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	61.2	61.2	61.2
DII	17.3	16.1	15.3
FII	11.8	13.0	13.5
Others	9.8	9.8	10.0

FII includes depository receipts

## 3Q result hit by weak volumes; new capex plans announced

- 3QFY25 revenue stood at INR118b (flat YoY/+5% QoQ), below our estimate of INR134b, due to lower-than-expected sales volumes. Sales volume came in at 1.9mt (+5% YoY/+3% QoQ) vs. our est. of 2.18mt. Production volume was at 1.99mt (+3% YoY/+1% QoQ). Owing to better long steel prices, ASP came in line at INR61,846/t (-4% YoY and +2% QoQ) during the quarter.
- EBITDA stood at INR22b (-23% YoY/flat QoQ) vs. our est. of INR27b, resulting in EBITDA/t of INR11,494/t (-27% YoY/-3% QoQ) vs. our est. of INR12,254/t. The QoQ per-ton decline was caused by cost escalation due to lower iron ore production from Tensa mine, which was partly offset by lower coking coal cost by USD39/t in 3Q.
- 3Q APAT stood at INR10b (-51% YoY/+10% QoQ) vs. our est. of INR11b.
- For 9MFY25, revenue was flat YoY at INR366b, whereas EBITDA declined by 7% YoY to INR72b and APAT fell 37% YoY to INR31b.
- Net debt increased to INR136b as on 3QFY25 vs. INR124b as of 2QFY25, leading to a net debt-to-EBITDA ratio of 1.4x (vs. 1.21x in 2QFY25), which management targets to keep below 1.5x.
- The company announced a new capex outlay of INR160b over the next three years aimed at efficiency improvement and cost reduction.

## Highlights from the management commentary

- Coking coal costs declined by USD39/t in 3QFY25 and Management expects a further moderation of USD10/t in 4QFY25. Earnings are expected to be better in 4QFY25, driven by healthy volumes and lower costs.
- Management indicated that NSR will remain flat QoQ in 4QFY25. In 3Q, the sales split between Flat and Long was at 41% and 59%, respectively.
- In 3Q, the company's iron ore cost increased by INR96/t and the company expects it to moderate by INR100-200/t in 4Q.
- Management guided that BFS-BOF is in the last leg of commissioning and will reach its optimum utilization level by FY26 end.
- The new capex is not for any major capacity enhancement but for cost-saving initiatives.

## Valuation and view

- JSPL's 3Q performance was below our estimates due to weak volumes and subdued realizations. Earnings should improve ahead, aided by volume ramp-up and cost reductions.
  - With the completion of its ongoing Angul expansion, JSPL's crude steel capacity will increase by 65% to 15.9mtpa and finish steel capacity by 90% to 13.8mtpa, providing significant headroom for earning growth.
  - The company has reduced its debt significantly, with a net debt-to-EBITDA ratio of 1.2x as of 3Q end. JSPL aims to keep the debt level in check ahead.
  - We cut our EBITDA estimates by 6%/17%/10% for FY25/FY26/FY27 to factor in a weaker-than-expected volume growth outlook. We also await further clarity on the new capex plans to assess its specific implications on earnings.
- We maintain our BUY rating with a revised TP of INR960, based on 5.5x FY27E EV/EBITDA. The stock is currently trading at 5x on EV/EBITDA and 1.2x on P/B FY27 estimates.**

Consolidated quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25 3QE	Vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Sales (kt)</b>	<b>1,840</b>	<b>2,010</b>	<b>1,810</b>	<b>2,010</b>	<b>2,090</b>	<b>1,850</b>	<b>1,900</b>	<b>2,075</b>	<b>7,670</b>	<b>7,915</b>	<b>2,180</b>	<b>(12.8)</b>
Change (YoY %)	5.7	-	(4.7)	(1.0)	13.6	(8.0)	5.0	3.2	(0.1)	3.2		
ASP	<b>68,415</b>	<b>60,946</b>	<b>64,648</b>	<b>67,099</b>	<b>65,157</b>	<b>60,612</b>	<b>61,846</b>	<b>63,372</b>	<b>65,224</b>	<b>62,832</b>	<b>61,612</b>	<b>0.4</b>
<b>Net Sales</b>	<b>125.9</b>	<b>122.5</b>	<b>117.0</b>	<b>134.9</b>	<b>136.2</b>	<b>112.1</b>	<b>117.5</b>	<b>131.5</b>	<b>500.3</b>	<b>497.3</b>	<b>134.3</b>	<b>(12.5)</b>
Change (YoY %)	(3.5)	(9.4)	(6.0)	(1.5)	8.2	(8.5)	0.4	(2.5)	(5.1)	(0.6)		
Change (QoQ %)	(8.1)	(2.7)	(4.5)	15.3	1.0	(17.7)	4.8	11.9				
Total Expenditure	99.6	99.6	88.6	110.4	107.8	90.1	95.7	102.8	398.2	396.4	107.6	
<b>EBITDA</b>	<b>26.3</b>	<b>22.9</b>	<b>28.4</b>	<b>24.4</b>	<b>28.4</b>	<b>22.0</b>	<b>21.8</b>	<b>28.7</b>	<b>102.1</b>	<b>100.9</b>	<b>26.7</b>	<b>(18.2)</b>
Change (YoY %)	(23.6)	18.3	19.6	11.8	8.0	(3.7)	(23.2)	17.4	2.7	(1.1)		
Change (QoQ %)	20.2	(13.0)	24.4	(14.0)	16.2	(22.5)	(0.7)	31.4				
<b>EBITDA/t</b>	<b>14,283</b>	<b>11,372</b>	<b>15,705</b>	<b>12,162</b>	<b>13,585</b>	<b>11,893</b>	<b>11,494</b>	<b>13,829</b>	<b>13,306</b>	<b>12,752</b>	<b>12,254</b>	<b>(6.2)</b>
Interest	3.3	3.3	3.2	3.2	3.3	3.3	3.1	4.0	12.9	13.7		
Depreciation	5.9	6.0	6.4	9.9	6.8	7.0	7.0	7.1	28.2	27.8		
Other Income	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.4	1.6	1.3		
<b>PBT (before EO item)</b>	<b>17.7</b>	<b>13.8</b>	<b>19.3</b>	<b>11.6</b>	<b>18.6</b>	<b>12.1</b>	<b>12.0</b>	<b>18.0</b>	<b>62.5</b>	<b>60.7</b>		
Extra-ordinary Income	-	-	-	-	-	-	-	-	-	-	-	
<b>PBT (after EO item)</b>	<b>17.7</b>	<b>13.8</b>	<b>19.3</b>	<b>11.6</b>	<b>18.6</b>	<b>12.1</b>	<b>12.0</b>	<b>18.0</b>	<b>62.5</b>	<b>60.7</b>	<b>14.8</b>	<b>(19.2)</b>
Total Tax	0.7	(0.1)	(0.0)	2.3	5.2	3.5	2.5	4.3	3.0	15.5		
% Tax	4.2	(0.4)	(0.1)	19.8	28.0	29.1	20.7	23.7	4.8	25.5		
<b>PAT (before MI/Sh. Asso.)</b>	<b>16.9</b>	<b>13.9</b>	<b>19.3</b>	<b>9.3</b>	<b>13.4</b>	<b>8.6</b>	<b>9.5</b>	<b>13.7</b>	<b>59.5</b>	<b>45.2</b>		
MI - Loss/(Profit)	0.0	0.0	(0.0)	(0.0)	-	(0.0)	-	-	0.0	-		
Associate	(0.0)	(0.0)	0.0	0.0	-	-	-	-	(0.0)	-		
<b>PAT (after MI and Sh. of Asso.)</b>	<b>16.9</b>	<b>13.9</b>	<b>19.3</b>	<b>9.4</b>	<b>13.4</b>	<b>8.6</b>	<b>9.5</b>	<b>13.7</b>	<b>59.4</b>	<b>45.2</b>		
<b>Adjusted PAT</b>	<b>16.9</b>	<b>13.9</b>	<b>19.3</b>	<b>9.4</b>	<b>13.4</b>	<b>8.6</b>	<b>9.5</b>	<b>13.7</b>	<b>59.4</b>	<b>45.2</b>	<b>11.1</b>	<b>(14.4)</b>
Change (YoY %)	15.3	102.2	114.9	51.8	(20.7)	(38.0)	(50.7)	46.9	62.3	(23.9)		
Change (QoQ %)	173.8	(17.7)	38.9	(51.5)	43.0	(35.7)	10.4	44.5				





Estimate change	↑
TP change	↑
Rating change	↑

**CMP: INR2,831      TP: INR3,540 (+25%)      Upgrade to Buy**

**Outlook improves for the Chemicals business**

**Operating performance above our estimates**

Bloomberg	SRF IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	839.2 / 9.7
52-Week Range (INR)	2849 / 2089
1, 6, 12 Rel. Per (%)	27/17/19
12M Avg Val (INR M)	1492

**Financials & Valuations (INR b)**

Y/E Mar	2025E	2026E	2027E
Sales	145.5	176.6	209.0
EBITDA	27.3	38.7	50.7
PAT	12.7	21.4	29.9
EBITDA (%)	18.8	21.9	24.2
EPS (INR)	42.7	72.0	100.4
EPS Gr. (%)	(10.1)	68.5	39.5
BV/Sh. (INR)	411	466	549
<b>Ratios</b>			
Net D/E	0.4	0.4	0.3
RoE (%)	10.7	16.4	19.8
RoCE (%)	9.0	12.8	15.4
Payout (%)	37.3	23.6	16.9
<b>Valuations</b>			
P/E (x)	66.3	39.3	28.2
EV/EBITDA (x)	32.5	23.0	17.6
Div Yield (%)	0.5	0.6	0.6
FCF Yield (%)	0.7	0.3	1.1

**Shareholding Pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	50.3	50.3	50.5
DII	17.8	17.8	14.6
FII	18.4	18.3	19.6
Others	13.6	13.7	15.4

Note: FII includes depository receipts

- SRF posted a decent overall performance in 3QFY25. However, the Chemicals business and the Packaging Films business displayed material improvement during the quarter. Margins for the Chemicals business improved 120bp/620bp YoY/QoQ, while the same for the Packaging Films business improved 240bp/70bp YoY/QoQ.
- The overall macro scenario is showing some signs of revival for the Chemicals business (67% EBIT mix in FY25E), coupled with management’s expectation of strong sequential growth in 4QFY25 with further improvement from FY26. This will be led by a healthy launch pipeline and demand recovery in specialty chemicals, a ramp-up of exports/domestic volumes in the Fluorochemicals business and pricing improvement in the overall chemicals business.
- Factoring in the improving macro scenario and healthy near-term outlook in the Chemicals business, we raise our FY25/FY26/FY27E EBITDA by 4%/5%/ 10%.
- We earlier downgraded the stock following its 4QFY21 results, anticipating a slowdown in overall business momentum. SRF has underperformed the overall indices during the last three years (SRF’s share price CAGR has been 3.6% vs. Nifty/Sensex CAGRs of ~10.2%/10.6%). However, considering the healthy business outlook across segments, we **upgrade SRF to BUY** (from Neutral) valuing the stock on an SoTP basis to arrive at our TP of INR3,540.

**Margin improvements in Chemicals and Packaging drive performance**

- SRF reported an overall revenue of INR34.9b (in line) in 3QFY25, up ~14% YoY. EBITDA margins contracted 40bp YoY to 18.7% (est. of 17.1%). EBITDA stood at INR6.5b (est. of INR6.1b), down 12% YoY. Adj. PAT grew 12% YoY to INR3.1b (est. of INR2.6b), adjusted for a forex loss of INR342m in 3QFY25.
- **Chemicals'** revenue (43%/69% of total sales/EBIT in 3QFY25) grew 7% YoY to INR15b, while EBIT grew YoY to INR3.6b. EBIT margin expanded 120bp YoY to 24.3%. The Specialty Chemicals business saw a gradual increase in demand, and the Fluorochemicals business gained strong OEM support for refrigerants domestically, while the Chloromethanes segment remained stable.
- **Packaging Film's** revenue (40%/17% of total sales/EBIT in 3QFY25) grew 27% YoY to INR13.8b, while EBIT grew 2x YoY to INR904m. Margin expanded 240bp YoY to 6.5%. The Packaging Films business reported healthy growth, with SRF maintaining a strong industry position. However, Aluminum Foil margins faced pressure due to lower-cost imports from China and Thailand.
- **Technical Textiles'** revenue (15%/11% of total sales/EBIT in 3QFY25) grew 11% YoY to INR5b. EBIT declined 14% YoY to INR589m. EBIT margin contracted 350bp YoY to 11.6%. The Technical Textiles business underperformed due to weak demand and margins in Belting Fabrics, while the Polyester Industrial Yarn segment achieved full capacity utilization.

### Highlights from the management commentary

- The **Chemicals business** is witnessing a revival with further recovery in 4QFY25. The company is expecting strong growth in Specialty chemicals led by healthy launch pipelines of Active Ingredients (AIs). Further, the PTFE segment is likely to see positive traction from FY26. In HFCs, SRF is seeing price improvements both in domestic and global markets that are likely to improve further.
- **The Packaging business** faces a demand-supply imbalance in BOPET (which is softening now), while BOPP margins may decline. Hungary is expected to benefit from increased sales and lower energy costs. The aluminum foil is likely to contribute positively in FY26E.
- **Capex:** For FY25 the company has plans to incur a capex of ~INR15b, and going forward on future projects, the capex will be in the range of ~INR15b-20b.

### Valuation and view

- The Chemicals business (Fluorochemicals and Specialty Chemicals) has started witnessing recovery and is expected to further improve (CAGR ~29% over FY25-27E). The Specialty Chemicals segment is seeing demand recovery, pricing improvement, and a better product pipeline (3-4 AIs were registered), while the Fluorochemicals business is showing strong traction in the domestic market, with ramp-up of export volumes and growth in PTFE.
- Improving the business scenario of the Chemicals business is also expected to drive up the margins led by operating leverage, a higher mix of VAP, and improving realization. EBIT margin is expected to recover to ~27%/28.5% by FY26/FY27 from 23% in FY25.
- The packaging business has also shown improvement (Demand-supply imbalance to continue in BOPET, albeit softening), while the Technical Textiles business is likely to continue the current growth momentum. We expect packaging/technical textile business revenue CAGR to be ~14%/8% over FY25-27E. Packaging margins are expected to improve to 9%/12% in FY26E/FY27E vs. 6.5% in FY25E led by a higher VAP mix, while Technical textile margins too will see some improvement to 16%/17% vs. ~13% in FY25E respectively.
- We earlier downgraded the stock following its 4QFY21 results, anticipating a slowdown in overall business momentum. SRF has underperformed the overall indices during the last three years (SRF's share price CAGR has been 3.6% vs. Nifty/Sensex CAGRs of ~10.2%/10.6%). However, considering the healthy business outlook across segments, we build in revenue/EBITDA/Adj. PAT CAGR of 20%/36%/53% over FY25-27E.
- We **upgrade SRF to BUY** from Neutral, valuing the stock on an SoTP basis to arrive at our TP of INR3,540.

**Consolidated - Quarterly Earnings Model**

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>33,384</b>	<b>31,774</b>	<b>30,530</b>	<b>35,697</b>	<b>34,641</b>	<b>34,243</b>	<b>34,913</b>	<b>41,678</b>	<b>1,31,385</b>	<b>1,45,476</b>	<b>35,422</b>	<b>-1</b>
YoY Change (%)	-14.3	-14.8	-12.0	-5.5	3.8	7.8	14.4	16.8	-11.6	10.7	16.0	
Total Expenditure	26,184	25,320	24,691	28,581	28,435	28,637	28,375	32,745	1,04,777	1,18,191	29,356	
<b>EBITDA</b>	<b>7,200</b>	<b>6,453</b>	<b>5,839</b>	<b>7,116</b>	<b>6,207</b>	<b>5,606</b>	<b>6,538</b>	<b>8,934</b>	<b>26,608</b>	<b>27,284</b>	<b>6,066</b>	<b>8</b>
Margins (%)	21.6	20.3	19.1	19.9	17.9	16.4	18.7	21.4	20.3	18.8	17.1	
Depreciation	1,566	1,612	1,689	1,859	1,882	1,939	1,943	2,100	6,726	7,864	1,950	
Interest	656	793	674	900	965	938	963	940	3,023	3,806	920	
Other Income	118	291	188	234	253	333	396	350	830	1,332	300	
<b>PBT before EO expense</b>	<b>5,095</b>	<b>4,339</b>	<b>3,664</b>	<b>4,591</b>	<b>3,612</b>	<b>3,063</b>	<b>4,029</b>	<b>6,244</b>	<b>17,689</b>	<b>16,948</b>	<b>3,496</b>	
Extra-Ord expense & DO	237	191	181	158	172	226	342	0	767	741	0	
<b>PBT</b>	<b>4,858</b>	<b>4,148</b>	<b>3,483</b>	<b>4,433</b>	<b>3,440</b>	<b>2,837</b>	<b>3,687</b>	<b>6,244</b>	<b>16,922</b>	<b>16,207</b>	<b>3,496</b>	
Tax	1,265	1,140	949	211	918	822	976	1,530	3,565	4,247	856	
Rate (%)	24.8	26.3	25.9	4.6	25.4	26.9	24.2	24.5	20.2	25.1	24.5	
<b>Reported PAT</b>	<b>3,593</b>	<b>3,008</b>	<b>2,534</b>	<b>4,222</b>	<b>2,522</b>	<b>2,014</b>	<b>2,711</b>	<b>4,713</b>	<b>13,357</b>	<b>11,961</b>	<b>2,639</b>	
<b>Adj PAT</b>	<b>3,830</b>	<b>3,199</b>	<b>2,715</b>	<b>4,380</b>	<b>2,695</b>	<b>2,240</b>	<b>3,053</b>	<b>4,713</b>	<b>14,124</b>	<b>12,701</b>	<b>2,639</b>	<b>16</b>
YoY Change (%)	-39.5	-38.1	-48.4	-25.8	-29.6	-30.0	12.4	7.6	-37.7	-10.1	-3	
Margins (%)	11.5	10.1	8.9	12.3	7.8	6.5	8.7	11.3	10.8	8.7	7.5	

**Key Performance Indicators**

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Consolidated</b>										
Segment Revenue (INRm)										
Technical Textile	4,647	5,062	4,584	4,689	5,253	5,355	5,098	5,298	<b>18,980</b>	<b>21,004</b>
Chemicals	16,605	14,263	13,941	18,161	14,820	13,578	14,957	20,885	<b>62,970</b>	<b>64,239</b>
Packaging Film	10,948	11,215	10,907	11,824	13,363	14,206	13,848	14,307	<b>44,893</b>	<b>55,723</b>
Others	1,187	1,269	1,136	1,062	1,262	1,128	1,011	1,189	<b>4,653</b>	<b>4,590</b>
Segment Revenue Growth (%)										
Technical Textile	-18.6	8.6	7.6	8.9	13.1	5.8	11.2	13.0	<b>0.2</b>	<b>10.7</b>
Chemicals	-3.6	-22.1	-20.6	-13.6	-10.8	-4.8	7.3	15.0	<b>-15.0</b>	<b>2.0</b>
Packaging Film	-26.8	-15.7	-9.3	2.5	22.1	26.7	27.0	21.0	<b>-13.4</b>	<b>24.1</b>
Other	12.4	26.4	23.0	12.6	6.3	-11.1	-10.9	12.0	<b>18.5</b>	<b>-1.4</b>
Segment Results (INRm)										
Technical Textile	607	750	688	698	677	713	589	795	<b>2,742</b>	<b>2,774</b>
Chemicals	4,601	3,478	3,219	4,977	3,064	2,461	3,638	5,639	<b>16,274</b>	<b>14,802</b>
Packaging Film	513	773	449	331	868	828	904	1,001	<b>2,065</b>	<b>3,601</b>
Others	232	331	212	156	236	172	157	190	<b>930</b>	<b>755</b>
Segment EBIT Margins (%)										
Technical Textile	13.1	14.8	15.0	14.9	12.9	13.3	11.6	15.0	<b>14.4</b>	<b>13.2</b>
Chemicals	27.7	24.4	23.1	27.4	20.7	18.1	24.3	27.0	<b>25.8</b>	<b>23.0</b>
Packaging Film	4.7	6.9	4.1	2.8	6.5	5.8	6.5	7.0	<b>4.6</b>	<b>6.5</b>
Others	19.5	26.1	18.7	14.7	18.7	15.2	15.5	16.0	<b>20.0</b>	<b>16.4</b>
<b>Cost Break-up</b>										
RM Cost (% of sales)	50.9	51.0	50.9	51.4	52.7	53.6	51.7	51.3	<b>51.1</b>	<b>52.3</b>
Staff Cost (% of sales)	6.5	7.1	8.0	6.9	7.3	7.4	7.5	6.3	<b>7.1</b>	<b>7.1</b>
Power and Fuel Cost (% of sales)	10.6	10.8	10.5	9.2	9.9	10.1	9.5	9.5	<b>10.2</b>	<b>9.7</b>
Other Cost (% of sales)	10.4	10.7	11.5	12.6	12.2	12.6	12.6	11.5	<b>11.3</b>	<b>12.2</b>
Gross Margins (%)	49.1	49.0	49.1	48.6	47.3	46.4	48.3	48.7	<b>48.9</b>	<b>47.7</b>
EBITDA Margins (%)	21.6	20.3	19.1	19.9	17.9	16.4	18.7	21.4	<b>20.3</b>	<b>18.8</b>
EBIT Margins (%)	16.9	15.2	13.6	14.7	12.5	10.7	13.2	16.4	<b>15.1</b>	<b>13.3</b>



Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR1,269      TP: INR1,640 (+29%)      BUY**

**Margin pressure in UCP dampens robust revenue growth  
RAC's market share dips 50bp QoQ to 20.5% as of Dec'24**

Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USDb)	420 / 4.8
52-Week Range (INR)	1946 / 989
1, 6, 12 Rel. Per (%)	-27/-11/17
12M Avg Val (INR M)	2714
Free float (%)	69.7

- Voltas (VOLT)'s 3QFY25 EBITDA was largely in line with our estimate as higher-than-estimated revenue was offset by lower-than-estimated margin in UCP (5.9% v/s estimated 7.8%). Revenue grew 18% YoY to INR31.1b (10% beat), while EBITDA surged 6.7x YoY to INR2.0b, albeit on a low base (in line). OPM jumped 5.3pp YoY to 6.4% (-30bp vs. our estimate). It reported a profit of INR1.3b (-14% vs. est. due to lower other income) vs. a loss of INR304m in 3Q.
- Management indicated that the pressure on UCP's margins is due to its focus on gaining market share, which involved significant spending on advertising, promotions, and in-store demonstrations. It aims to retain the UCP segment's margin in the high single digit in 4QFY25. With the upcoming summer season, management remains optimistic about strong demand across product categories, aided by positive consumer sentiment.
- We cut our EPS estimates by 8% for FY25 and 14% for FY26/FY27 each, considering lower margin in the UCP segment (reduced segment margin by 70bp through FY25-27) and higher loss in Voltbek until FY27 as focus on network expansion/branding will continue. We **reiterate our BUY** rating on the stock with a revised SoTP-based TP of INR1,640 with 50x Dec'26E EPS (earlier 55x) for the UCP segment, 25x Dec'26E EPS for the PES and EMPS segments, and INR22/sh for Voltbek (earlier INR38/sh).

**Financials & Valuations (INR b)**

Y/E MARCH	FY25E	FY26E	FY27E
Sales	148.3	164.2	184.4
EBITDA	10.9	13.0	15.6
Adj. PAT	8.3	10.0	12.6
EBITA Margin (%)	7.3	7.9	8.5
Cons. Adj. EPS (INR)	25.1	30.4	38.0
EPS Gr. (%)	247.1	20.9	25.1
BV/Sh. (INR)	198.9	223.0	253.4

**Ratios**

Net D:E	(0.1)	(0.1)	(0.2)
RoE (%)	12.6	13.6	15.0
RoCE (%)	13.6	14.3	15.0
Payout (%)	25.0	25.0	25.0

**Valuations**

P/E (x)	66.5	55.0	44.0
P/BV (x)	8.4	7.5	6.6
EV/EBITDA (x)	50.3	41.8	34.4
Div Yield (%)	0.4	0.5	0.6
FCF Yield (%)	0.7	1.6	1.9

**Shareholding pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	30.3	30.3	30.3
DII	34.6	37.5	37.2
FII	21.3	18.1	17.2
Others	13.8	14.2	15.3

FII Includes depository receipts

**UCP's margin contracts 2.4pp YoY and 1.5pp QoQ to 5.9% (est. 7.8%)**

- VOLT's consol. revenue/EBITDA stood at INR31.1b/INR2.0b (up 18%/7x YoY and up 10%/4% vs. our estimate) in 3QFY25. Adj. PAT stood at INR1.3b vs. a loss of INR304m in 3QFY24 (-14% vs. our estimate). Gross margin improved 1.8pp YoY (down 2.5pp QoQ) to ~23%.
- Segmental highlights: a) **UCP** – Revenue was up 19% YoY at INR17.7b, while EBIT declined 15% YoY to INR1.0b. EBIT margin contracted 2.4pp YoY to 5.9%; b) **EMPS** – Revenue rose 21% YoY to INR11.9b. It reported an EBIT of INR567m compared to the loss of INR1.2b in 3QFY25; c) **PES** – Revenue declined 16% YoY to INR1.3b, and EBIT declined 26% YoY to INR368m. EBIT margin contracted 3.8pp YoY at ~28.4%.
- In 9MFY25, VOLT's revenue/EBITDA/Adj. PAT stood at INR106.5b/INR7.8b/INR6.9b (up 29%/176%/191% YoY). OPM improved 3.9pp YoY to 7.4%. In 4Q, we estimate revenue will decline 1% YoY, while EBITDA/PAT will rise 61%/122%, albeit on a low base due to higher losses in the EMPS segment in 4QFY24.

**Highlights from the management commentary**

- The revenue mix in the UCP segment was 61% from RAC, followed by 19% from commercial airconditioning, 15% from commercial refrigerator, and the remaining 5% from air cooler & water heater.
- VOLT did not implement any price hikes in 3Q, as it is a lean period for ACs, and the focus remained on increasing sales volume. If commodity prices and forex pressures persist, the company may explore value engineering to offset costs while considering the need for potential price adjustments.

**Valuation and view**

- VOLT’s operating performance was in line; however, margin contraction and a dip in market share in the UCP segment disappointed. We expect VOLT’s revenue/EBITDA/adj. PAT to report a CAGR of 12%/20%/23% over FY25-27. We estimate OPM to be at 7.3%/7.9%/8.5% in FY25/FY26/FY27.
- We estimate UCP’s margin at 7.6%/8.0%/8.5% for FY25E/26E/27E vs. the previous estimate of 8.3%/8.7%/9.2%. We **reiterate our BUY rating** on the stock with a revised TP of INR1,640 (earlier INR2,190) based on SoTP with 50x Dec’26E EPS (earlier 55x) for the UCP segment, 25x Dec’26E EPS for the PES and EMPS segments, and INR22/share for Voltbek (earlier INR38/share).

**Quarterly performance**

Y/E March	FY24				FY25				FY24	FY25E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Sales</b>	<b>33,599</b>	<b>22,928</b>	<b>26,257</b>	<b>42,029</b>	<b>49,210</b>	<b>26,191</b>	<b>31,051</b>	<b>41,802</b>	<b>1,24,812</b>	<b>1,48,254</b>	28,336	<b>10</b>
Change (%)	21.4	29.7	30.9	42.1	46.5	14.2	18.3	-0.5	31.4	18.8	7.9	
<b>Adj. EBITDA</b>	<b>1,854</b>	<b>703</b>	<b>284</b>	<b>1,906</b>	<b>4,238</b>	<b>1,622</b>	<b>1,974</b>	<b>3,061</b>	<b>4,746</b>	<b>10,895</b>	1,890	<b>4</b>
Change (%)	4.7	-30.3	(62.8)	(12.6)	128.6	130.8	594.5	60.6	(17.1)	129.6	565.2	
Adj. EBITDA margin (%)	5.5	3.1	1.1	4.5	8.6	6.2	6.4	7.3	3.8	7.3	6.7	(31)
Depreciation	113	117	128	118	134	164	179	183	476	660	174	3
Interest	101	115	135	208	98	136	155	162	559	550	145	7
Other Income	700	710	579	544	803	1,055	591	684	2,533	3,132	850	(31)
Extra-ordinary items	0	0	-	-	0	0	-	0	0	0	0	
<b>PBT</b>	<b>2,339</b>	<b>1,181</b>	<b>599</b>	<b>2,124</b>	<b>4,809</b>	<b>2,377</b>	<b>2,231</b>	<b>3,401</b>	<b>6,244</b>	<b>12,817</b>	2,421	<b>(8)</b>
Tax	735	493	515	634	1,165	726	599	793	2,377	3,294	649	<b>(8)</b>
Effective Tax Rate (%)	31.4	41.7	85.9	29.9	24.2	30.5	26.8	23.3	38.1	25.7	26.8	
Share of profit of associates/JV's	(312)	(321)	(389)	(325)	(294)	(323)	(324)	(314)	(1,347)	(1,254)	-220	
<b>Reported PAT</b>	<b>1,293</b>	<b>367</b>	<b>(304)</b>	<b>1,164</b>	<b>3,350</b>	<b>1,328</b>	<b>1,308</b>	<b>2,293</b>	<b>2,520</b>	<b>8,269</b>	1,552	<b>(16)</b>
Change (%)	18.7	NM	NM	(19.1)	159.1	262.1	NA	97.0	86.7	228.1	NA	
Minority Interest	1	(10)	28	(58)	8	(12)	(14)	(21)	(39)	(39)	20	
<b>Adj. PAT</b>	<b>1,293</b>	<b>367</b>	<b>-304</b>	<b>1,038</b>	<b>3,342</b>	<b>1,340</b>	<b>1,321</b>	<b>2,315</b>	<b>2,394</b>	<b>8,308</b>	1,532	<b>(14)</b>
Change (%)	18.7	-62.9	NM	(27.9)	158.5	265.3	NM	123.0	-36.8	247.1	NM	

Note: 4QFY24 and FY24 Adj. PAT is after adjusting tax related to earlier period



# Kalyan Jewellers

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR441      TP: INR625 (+42%)      Buy**

## Robust growth continues, positive store rollouts

Bloomberg	KALYANKJ IN
Equity Shares (m)	1031
M.Cap.(INRb)/(USDb)	454.5 / 5.2
52-Week Range (INR)	795 / 322
1, 6, 12 Rel. Per (%)	-39/-17/12
12M Avg Val (INR M)	3842

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	251.1	315.1	385.0
EBITDA	16.7	20.1	23.9
Margins (%)	6.7	6.4	6.2
Adj. PAT	8.2	10.7	13.3
Adj. EPS (INR)	8.0	10.4	12.9
EPS Growth (%)	38.0	30.3	23.4
BV/Sh.(INR)	45.6	52.8	61.5

### Ratios

RoE (%)	18.6	21.2	22.5
RoIC (%)	13.0	13.9	15.0

### Valuations

P/E (x)	55.1	42.3	34.3
P/BV (x)	9.7	8.4	7.2
EV/Sales (x)	1.8	1.4	1.2
EV/EBITDA(x)	27.6	22.5	19.0

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	62.9	62.9	60.6
DII	13.6	13.7	5.5
FII	16.4	15.8	26.2
Others	7.2	7.6	7.8

FII includes depository receipts

- Kalyan Jewellers (KALYANKJ)'s consolidated revenue grew 40% YoY to INR72.9b (in line). The Indian business delivered 42% YoY revenue growth, driven by store additions (added net 22 Kalyan India stores and 23 Candere stores) and 24% SSSG (23% in south, 25% in non-south). Growth was driven by good traction during the festive and wedding season. The momentum was resilient in Jan'25 as well, despite volatility in gold prices.
- Growth was also supported by the company's focus on new customer acquisition (33% share of new customers in 3QFY25). Revenue growth in studded (+54%) outpaced gold revenue growth (+37%), leading to an increase in studded share to 30% (27% in 3QFY24).
- Gross margin for the Indian business contracted 170bp YoY to 12.8% after adjusting the inventory loss of INR548m. The margin contraction was likely due to the rising mix from franchised stores (40% revenue mix).
- Ad spends rose just 9% YoY as higher spends in 2QFY25 (+89% YoY) were due to early Diwali. EBITDA margin contracted 30bp YoY to 6.7% (due to a higher mix of franchise stores). PBT margin improved 40bp YoY to 5.4% due to lower interest costs on debt repayments.
- The Middle East delivered 23% revenue growth with SSSG of 16%. Studded share stood at 19%. There was no store addition during the quarter. Kalyan opened its first store in the US.
- With the successful scale-up of its new franchise businesses (~40 revenue contribution) and stable success in non-southern markets, the company has established itself as a leading brand in the industry. However, with a slowdown in urban markets, there is a possibility of pressure on discretionary consumption/categories in FY26. Thereby, we normalize our target multiple to 50x P/E on Dec'26 EPS and reiterate our BUY rating with a TP of INR625.

## Operationally in line; rapid store expansion

### India business

- **Healthy revenue growth with double-digit SSSG:** India revenue grew 42% YoY to INR63.9b and same-store sales increased by 24% YoY. SSSG was 23% in south regions and 25% in non-south regions. Non-south markets showed promising growth, with revenue contribution increasing to 56% from 54% YoY. New customer additions remained healthy; share of new customers at over 33%. Studded share improved to 29.5% in 3QFY25 from 27.2% in 3QFY24.
- **Strong growth in profitability:** After adjusting the inventory loss, EBITDA grew 36% YoY to INR4.3b. PBT grew by 53% YoY to INR3.5b and APAT grew by 54% YoY to 2.6b. Reported profit rose 30% YoY to INR2.2b.
- In 9MFY25, net sales, EBITDA, and APAT grew 37%, 27%, and 42%, respectively.

- **Rapid store expansion:** The company added net 22 My Kalyan stores in India, reaching a total of 253 stores. Candere added 23 stores, reaching a total of 59 stores. Total stores in India stood at 253. 'My Kalyan' grassroots stores reached 1,027 in 3QFY25, contributing ~13% to revenue from operations in India and over 33% to enrolment in advance purchase schemes in India.

#### The Middle East

- Sales grew 23% YoY to INR8.4b. SSSG was 16%.
- There was no store addition during the quarter.
- Studded share stood at 19%.
- Gross margin contracted by 20bp YoY to 14.8% and EBITDA margin was flat YoY at 7.7%.
- EBITDA grew 22% YoY to INR644m.
- APAT grew only 11% YoY to INR153m, impacted by the recent implementation of corporate tax in the UAE.

#### Consolidated performance

- Consolidated revenue grew 40% YoY to INR72.9b (est. INR72.3).
- Gross margin contracted 150bp YoY to 13.1% (est. 14.2%) after adjusting the inventory loss of INR548m.
- EBITDA margin contracted 30bp YoY to 6.8%. (est. 6.8%).
- After adjusting the inventory loss, EBITDA grew 34% YoY to INR4.9b. PBT grew by 46% YoY to INR3.5b and APAT grew by 44% YoY to INR2.6b.
- Reported profit rose 21% YoY to INR2.2b.
- In 9MFY25, net sales, EBITDA, and APAT grew 35%, 26%, and 35%, respectively.

#### Key takeaways from the management commentary

- The strong revenue growth was driven by robust festive and wedding demand across both gold and studded jewelry categories. In January, both wedding and non-wedding demand remained stable despite gold price fluctuations.
- While the solitaire category plays a significant role in LGD sales, Kalyan does not focus on solitaires, ensuring that LGD sales do not hurt overall business performance.
- The company expects PBT growth in FY26 to exceed revenue growth, driven by continued operational efficiencies and reduced interest costs following debt repayments.
- In FY26, Kalyan plans to launch 170 showrooms across Kalyan and Candere formats - 75 Kalyan showrooms (all FOCO) in non-south India, 15 Kalyan showrooms (all FOCO) across south India and international markets, and 80 Candere showrooms in India.
- The company has already started signing LOIs for FOCO showrooms planned for FY26 in India and international markets.

#### Valuation and view

- We cut our EPS estimates by 1% for FY25 and 4% for FY26.
- With the successful scale-up of its new franchise businesses (~40 revenue contribution) and sustained success in non-southern markets, the company has established itself as a leading brand in the industry. Its non-south expansion has improved the studded jewelry mix, while asset-light expansion supports cash flow generation for debt repayment and enhances profitability by lowering interest costs. It is also gaining momentum in the Middle East and the US.
- However, with a slowdown in urban markets, there is a possibility of pressure on discretionary consumption/categories in FY26. Thereby, we normalize our target multiple to 50x P/E on Dec'26 EPS and reiterate our BUY rating with a TP of INR625.

**Consolidated Quarterly Performance**

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Stores</b>	<b>192</b>	<b>206</b>	<b>228</b>	<b>253</b>	<b>277</b>	<b>303</b>	<b>349</b>	<b>388</b>	<b>253</b>	<b>388</b>	<b>339</b>	
<b>Net Sales</b>	<b>43,757</b>	<b>44,145</b>	<b>52,231</b>	<b>45,349</b>	<b>55,355</b>	<b>60,655</b>	<b>72,869</b>	<b>62,186</b>	<b>1,85,483</b>	<b>2,51,064</b>	<b>72,280</b>	0.8%
Change (%)	31.3	27.1	34.5	34.1	26.5	37.4	39.5	37.1	31.8	35.4	38.4	
Raw Material/PM	37,153	37,840	44,616	38,737	47,419	52,313	63,323	53,793	1,58,346	2,16,849	61,992	
<b>Gross Profit</b>	<b>6,604</b>	<b>6,306</b>	<b>7,615</b>	<b>6,612</b>	<b>7,935</b>	<b>8,342</b>	<b>9,546</b>	<b>8,392</b>	<b>27,137</b>	<b>34,215</b>	<b>10,288</b>	-7.2%
Gross Margin (%)	15.1	14.3	14.6	14.6	14.3	13.8	13.1	13.5	14.6	13.6	14.2	
Operating Expenses	3,375	3,169	3,916	3,550	4,175	4,379	4,609	4,315	14,010	17,479	5,376	
% of Sales	7.7	7.2	7.5	7.8	7.5	7.2	6.3	6.9	7.6	7.0	7.4	
<b>EBITDA</b>	<b>3,229</b>	<b>3,137</b>	<b>3,698</b>	<b>3,062</b>	<b>3,760</b>	<b>3,962</b>	<b>4,936</b>	<b>4,077</b>	<b>13,127</b>	<b>16,736</b>	<b>4,911</b>	0.5%
Margin (%)	7.4	7.1	7.1	6.8	6.8	6.5	6.8	6.6	7.1	6.7	6.8	
Change (%)	22.2	17.9	13.1	19.3	16.4	26.3	33.5	33.1	17.8	27.5	32.8	
Interest	821	817	817	778	852	903	876	937	3,232	3,568	896	
Depreciation	641	669	697	736	755	850	890	866	2,743	3,360	865	
Other Income	116	131	201	288	222	260	313	390	737	1,185	327	
<b>PBT</b>	<b>1,885</b>	<b>1,781</b>	<b>2,386</b>	<b>1,837</b>	<b>2,375</b>	<b>2,469</b>	<b>3,484</b>	<b>2,664</b>	<b>7,888</b>	<b>10,992</b>	<b>3,478</b>	0.2%
Tax	449	433	582	462	599	649	886	614	1,925	2,748	835	
Effective Tax Rate (%)	23.8	24.3	24.4	25.1	25.2	26.3	25.4	23.1	24.4	25.0	24.0	
<b>Adjusted PAT</b>	<b>1,439</b>	<b>1,352</b>	<b>1,806</b>	<b>1,376</b>	<b>1,776</b>	<b>1,821</b>	<b>2,598</b>	<b>2,050</b>	<b>5,973</b>	<b>8,244</b>	<b>2,643</b>	-1.7%
Change (%)	33.3	27.1	21.5	96.3	23.4	34.6	43.8	49.0	28.1	38.0	25.6	
<b>Reported PAT</b>	<b>1,439</b>	<b>1,352</b>	<b>1,806</b>	<b>1,376</b>	<b>1,776</b>	<b>1,303</b>	<b>2,187</b>	<b>2,050</b>	<b>5,973</b>	<b>7,316</b>	<b>2,268</b>	

E: MOFSL Estimates

**India Quarterly Performance (Standalone)**

(INR m)

Y/E March	FY24				FY25		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Stores</b>	<b>161</b>	<b>175</b>	<b>201</b>	<b>217</b>	<b>241</b>	<b>267</b>	<b>312</b>
<b>SSSG (%)</b>	<b>15</b>	<b>10</b>	<b>11</b>	<b>17</b>	<b>12</b>	<b>23</b>	<b>24</b>
<b>Studded ratio (%)</b>	<b>29.0</b>	<b>28.5</b>	<b>27.2</b>	<b>29.1</b>	<b>30.4</b>	<b>29.7</b>	<b>29.5</b>
<b>Net Sales</b>	36,409	37,543	45,117	38,756	46,875	52,268	63,925
Change (%)	33.9	32.2	40.2	38.1	28.7	39.2	41.7
Raw Material/PM	30,921	32,220	38,595	33,179	40,226	45,205	55,767
<b>Gross Profit</b>	<b>5,488</b>	<b>5,323</b>	<b>6,522</b>	<b>5,577</b>	<b>6,648</b>	<b>7,062</b>	<b>8,158</b>
Gross Margin (%)	15.1	14.2	14.5	14.4	14.2	13.5	12.8
Operating Expenses	2,797	2,651	3,360	2,946	3,499	3,741	3,845
% of Sales	7.7	7.1	7.4	7.6	7.5	7.2	6.0
<b>EBITDA</b>	<b>2,690</b>	<b>2,672</b>	<b>3,162</b>	<b>2,631</b>	<b>3,150</b>	<b>3,322</b>	<b>4,313</b>
Margin (%)	7.4	7.1	7.0	6.8	6.7	6.4	6.7
Change (%)	23.4	20.2	14.8	21.0	17.1	24.3	36.4
Interest	612	627	599	579	601	626	585
Depreciation	480	507	530	547	560	612	610
Other Income	138	143	226	258	250	277	349
<b>PBT</b>	<b>1,737</b>	<b>1,681</b>	<b>2,259</b>	<b>1,763</b>	<b>2,239</b>	<b>2,361</b>	<b>3,467</b>
Tax	448	426	576	450	588	641	876
Effective Tax Rate (%)	25.8	25.4	25.5	25.5	26.3	27.1	25.3
<b>Adjusted PAT</b>	<b>1,289</b>	<b>1,255</b>	<b>1,682</b>	<b>1,313</b>	<b>1,651</b>	<b>1,720</b>	<b>2,591</b>
Change (%)	35.1	31.9	26.4	32.1	28.1	37.1	54.0
<b>Reported PAT</b>	<b>1,289</b>	<b>1,255</b>	<b>1,682</b>	<b>1,313</b>	<b>1,651</b>	<b>1,203</b>	<b>2,180</b>





# Hitachi Energy

Estimate changes



TP change



Rating change



**CMP: INR12,278**

**TP: INR13,300 (+8%)**

**Neutral**

## Result broadly in line; margin above our estimate

Hitachi Energy's 3QFY25 result came largely in line with our estimates. The company reported a 27% YoY growth in revenue while EBITDA came in ahead of our estimates owing to lower RM expenses. Order inflow was boosted by the large HVDC win from PGCIL. We believe Hitachi Energy will continue to be a key beneficiary of green energy initiatives across domestic and international markets. We cut our FY26/27 earnings estimates by 8%/6% to factor in the longer execution cycle of HVDC projects and higher capex as outlined by the company recently. Our estimates currently bake in nearly 1 HVDC win for the company every year and consistent improvement in margins. We reiterate our Neutral rating on the stock with a revised two-year forward TP of INR13,300 (vs. INR13,800 earlier) based on DCF, as the current valuations factor in most of the positives related to inflow and margin improvement.

## Margin beat offset by a slight miss on revenue

Hitachi Energy reported a largely in-line performance in 3QFY25, with a beat on EBITDA offset by a marginal miss on revenue and PAT. Revenue grew 27% YoY to INR16.2b (MOFSL est. of INR17b), led by execution mix and improved operational efficiencies. EBITDA margin came in at 10.3%, higher than our expectation of 9.2%, driven by lower RM expenses. EBITDA at INR1.7b (MOFSL est. of INR1.6b) grew 145% YoY on a low base. There was a notional forex gain of INR519m; excluding this, PAT came in at INR855m (+272% YoY), a tad below our estimate of INR887m. Order inflow surged to INR115.9b as the company bagged the Khavda-Nagpur HVDC project in consortium with BHEL. Apart from this, it also won orders in the transmission, power quality, substations, transportation, and data center segments. Excluding the large HVDC order, the share of exports improved to 40%, with orders from Australia, Indonesia, Canada, Croatia, Azerbaijan, etc. The share of services stood at 11%. The order book stood at INR190b, up 152% YoY.

## Order inflows boosted by a large HVDC win

The company, in consortium with BHEL, was awarded the Khavda-Nagpur HVDC order by PGCIL. The ±800 kV, 6,000 MW bi-pole, and bi-directional HVDC link will transfer power from Khavda (Gujarat) to Nagpur. The project will operate on LCC technology, which Siemens has refrained from participating in. The combined entity's scope involves supplying converter transformers, AC/DC control and protection, gas-insulated high-voltage switchgear, thyristor valves, 765kV/400kV substation, and auxiliary systems ([link](#)). This order win underscores Hitachi Energy's prowess in the domestic HVDC market, having already been involved in 7 out of 15 projects in the past. Given that a series of HVDC projects is lined up under the revised NEP, the company has a decent opportunity pipeline to capitalize on.

Bloomberg	POWERIND IN
Equity Shares (m)	42
M.Cap.(INRb)/(USDb)	520.3 / 6
52-Week Range (INR)	16550 / 5590
1, 6, 12 Rel. Per (%)	-13/10/111
12M Avg Val (INR M)	918

### Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	68.4	91.0	121.1
EBITDA	5.8	10.1	14.8
PAT	3.2	6.1	9.2
EPS (INR)	75.5	143.3	218.1
GR. (%)	95.4	89.9	52.2
BV/Sh (INR)	408.4	551.8	769.9
<b>Ratios</b>			
ROE (%)	18.5	26.0	28.3
RoCE (%)	18.3	25.6	27.9
<b>Valuations</b>			
P/E (X)	161.1	84.8	55.7
P/BV (X)	29.8	22.0	15.8
EV/EBITDA (X)	88.0	50.7	34.5
Div Yield (%)	-	-	-

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	75.0	75.0	75.0
DII	9.2	9.0	8.5
FII	4.5	5.1	4.1
Others	11.3	10.9	12.4

FII Includes depository receipts

### Services to be set up as a separate business unit from FY26 onwards

The company has announced that Services will be established as a separate business unit from 1<sup>st</sup> Apr'25 onwards to capitalize on the aging installed base in the country, which is pegged at INR820b. The company sees an annual opportunity size of INR20b, which will be catered to by combining the services expertise from various business units under one unified service umbrella. During the quarter, ~11% of the order inflow (ex-HVDC) was accounted for by Service orders.

### Export trajectory holding up well

Excluding the large HVDC order, the share of exports jumped to 40%, which bodes well for Hitachi's margins going forward, as exports have a much better margin profile. During the quarter, notable order wins included a) 330 kV Circuit Breaker for Central West Orana Project of ACJV, b) 70 kV, 170 kV & 500 kV AIS Equipment, PLN Indonesia, c) 800 kV Current Transformers for Hydro Quebec, Canada, d) 420 kV Circuit Breaker for HOPS, Croatia, and e) 245 kV & 145 kV AIS Equipment for Sangachal, Azerbaijan.

### Addressable market remains strong

Hitachi Energy is poised to benefit from its presence in high-growth segments such as renewable energy, transmission, data centers, e-mobility, railways, battery storage, etc. The recently-unveiled National Electricity Plan envisages investments worth INR9.16t till FY2032, where Hitachi can participate through its offerings such as HVDC, STATCOM, GIS, transformers, HV products, grid management solutions, etc. Similarly, there is robust traction in data centers, with capacity slated to reach 2 GW by 2027. Railways capex also offers Hitachi Energy a strong opportunity potential, with investments lined up for expansion of the rail network, Vande Bharat trains, HSR, station upgradation, etc.

### QIP to strengthen the balance sheet

The company has announced a fundraise of INR42b by way of a QIP. It also recently announced a capex outlay of INR20b towards expanding its power transformers factory and traction transformers facility. We believe this QIP will help fund this investment and strengthen the balance sheet to execute the HVDC projects (Mumbai-Kudus and Khavda-Nagpur) in the order book by taking care of short-term and long-term funding requirements.

### Financial outlook

We cut our estimates for FY26/27 to factor in a longer gestation period of HVDC wins while maintaining margin estimates at 8.5%/11.1%/12.2% for FY25/26/27.

### Valuation and view

The stock is currently trading at 84.8x/55.7x P/E on FY26E/27E earnings. **We reiterate our Neutral rating** with a revised two-year forward TP of INR13,300 (vs. INR13,800 earlier) based on DCF, as current valuations factor in most of the positives related to inflow and margin improvement.

Quarterly performance (Standalone)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
<b>Net Sales</b>	<b>10,401</b>	<b>12,280</b>	<b>12,742</b>	<b>16,953</b>	<b>13,272</b>	<b>15,537</b>	<b>16,203</b>	<b>23,377</b>	<b>52,375</b>	<b>68,390</b>	<b>17,047</b>	<b>-5</b>
Change (%)	5.5	10.2	23.2	27.1	27.6	26.5	27.2	37.9	17.2	30.6	33.8	
<b>EBITDA</b>	<b>337</b>	<b>653</b>	<b>680</b>	<b>1,820</b>	<b>479</b>	<b>1,097</b>	<b>1,669</b>	<b>2,592</b>	<b>3,490</b>	<b>5,837</b>	<b>1,568</b>	<b>6</b>
Change (%)	31.3	-13.7	72.4	91.4	42.3	68.0	145.5	42.4	47.9	67.3	130.6	
As of % Sales	3.2	5.3	5.3	10.7	3.6	7.1	10.3	11.1	6.7	8.5	9.2	
Depreciation	223	225	227	225	221	228	230	299	900	978	238	-4
Interest	110	107	137	112	109	164	120	170	466	563	145	-17
Other Income	29	2	22	39	1	1	2	30	93	34	16	-88
<b>PBT</b>	<b>34</b>	<b>324</b>	<b>338</b>	<b>1,522</b>	<b>150</b>	<b>706</b>	<b>1,322</b>	<b>2,153</b>	<b>2,217</b>	<b>4,331</b>	<b>1,201</b>	<b>10</b>
Tax	10	76	108	385	46	183	467	435	579	1,132	314	
Effective Tax Rate (%)	28.7	23.6	32.0	25.3	30.8	25.9	35.3	20.2	26.1	26.1	26.1	
Extra-ordinary Items							519			519		
<b>Reported PAT</b>	<b>24</b>	<b>247</b>	<b>230</b>	<b>1,137</b>	<b>104</b>	<b>523</b>	<b>1,374</b>	<b>1,718</b>	<b>1,638</b>	<b>3,719</b>	<b>887</b>	<b>55</b>
Change (%)	79.9	-33.3	401.5	123.7	332.4	111.4	498.1	51.2	74.4	95.4	286.3	
<b>Adj PAT</b>	<b>24</b>	<b>247</b>	<b>230</b>	<b>1,137</b>	<b>104</b>	<b>523</b>	<b>855</b>	<b>1,718</b>	<b>1,638</b>	<b>3,200</b>	<b>887</b>	<b>-4</b>
Change (%)	79.9	-33.3	401.5	123.7	332.4	111.4	272.1	51.2	74.4	95.4	286.3	



# Ajanta Pharma

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR2,674      TP: INR3,220 (+20%)      Buy**

## India/Asia drive earnings

### Adding growth levers through newer therapies in the Branded Generics market

Bloomberg	AJP IN
Equity Shares (m)	125
M.Cap.(INRb)/(USD\$b)	334.1 / 3.9
52-Week Range (INR)	3486 / 1998
1, 6, 12 Rel. Per (%)	-8/12/19
12M Avg Val (INR M)	430

### Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	45.6	51.5	58.1
EBITDA	12.9	14.8	17.1
Adj. PAT	9.0	10.2	12.1
EBIT Margin (%)	25.3	26.0	26.8
Cons. Adj. EPS (INR)	71.4	80.8	95.8
EPS Gr. (%)	14.6	13.2	18.6
BV/Sh. (INR)	333.9	394.0	465.4

### Ratios

Net D:E	-0.2	-0.3	-0.4
RoE (%)	23.2	22.2	22.3
RoCE (%)	23.6	22.5	22.6
Payout (%)	25.5	25.5	25.5

### Valuations

P/E (x)	37.5	33.1	27.9
EV/EBITDA (x)	25.8	22.1	18.8
Div. Yield (%)	0.7	0.8	0.9
FCF Yield (%)	2.3	2.5	3.1
EV/Sales (x)	7.3	6.3	5.5

### Shareholding Pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	66.2	66.2	66.1
DII	16.7	15.6	15.8
FII	9.1	10.0	10.1
Others	8.0	7.8	8.0

FII includes depository receipts

- Ajanta Pharma (AJP) delivered a marginally better-than-expected performance in 3QFY25. It has continued to outperform in the Domestic Formulation (DF) market during this quarter. The US generics business remains on a moderate growth trajectory, which impacted 3QFY25 performance to some extent. AJP has ventured into two new therapies in the DF market and plans to introduce additional therapies in the international market as well.
- We largely maintain our estimates for FY25/FY26/FY27. We value AJP at 35x 12M forward earnings to arrive at a TP of INR3,220.
- In addition to gaining market share in existing therapies, AJP is working to add newer therapies and expand its field force to support marketing activities. The company also has sufficient momentum from new launches in the international branded generics market, positioning it for sustained mid-teens growth over the next three years. Accordingly, almost 70% of the business is derived from the branded generics segment. AJP continues to build a healthy product pipeline for the US market as well. We build a 16% earnings CAGR over FY25-27, driven largely by its diversified portfolio and multiple geographies. Reiterate BUY.

### Segment mix benefit substantially offset by higher opex

- AJP 3QFY25 revenues grew 3.7% to INR11.5b (our est: INR11.1b), led by growth across all key businesses. DF sale was up 12% YoY to INR3.5b (30% of sales). US generic sales grew 4.4% YoY to INR2.6b (23% of sales). Asia branded generics sales were up 8.2% YoY to INR3.2b (28% of sales). Africa branded generics and institutional sales declined 14.5% YoY to INR2b (18% of sales).
- Gross margin expanded 410bp YoY to 77.5% due to a reduction in raw material costs.
- EBITDA margin contracted ~110bp YoY to 28% (our est. 27.5%) as higher gross margins were offset by an increase in employee costs/other expenses (up 220bp/300bp YoY as % of sales).
- Consequently, EBITDA was flat YoY at INR3.2b (our est. INR3b).
- Adjusting for the Forex gain impact of INR176m, Adj. PAT grew 3.3% YoY to INR2.2b (our est. INR2b).
- During 9MFY25, revenue/EBITDA/PAT grew 10%/14%/20% YoY to INR34.8b/INR10.2b/INR7.2b.

### Highlights from the management commentary

- AJP has forayed into new therapies, Gynaecology and Nephrology.
- The company has added 200 MRs in the Gynae and Nephrology segments during the quarter.
- Moreover, it has launched 12 new products in the Gynae and Nephrology segments during the quarter.
- The company launched 26 new products during the 9MFY25, of which eight were first-time launches in India.

**Consol. - Quarterly Perf.**

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>10,210</b>	<b>10,284</b>	<b>11,052</b>	<b>10,541</b>	<b>11,449</b>	<b>11,866</b>	<b>11,461</b>	<b>10,794</b>	<b>42,087</b>	<b>45,571</b>	<b>11,109</b>	<b>3.2</b>
YoY Change (%)	7.4	9.6	13.7	19.5	12.1	15.4	3.7	2.4	12.5	8.3	0.5	
Total Expenditure	7,397	7,378	7,835	7,758	7,846	8,498	8,253	8,078	30,368	32,674	8,054	
<b>EBITDA</b>	<b>2,813</b>	<b>2,907</b>	<b>3,217</b>	<b>2,783</b>	<b>3,604</b>	<b>3,368</b>	<b>3,208</b>	<b>2,717</b>	<b>11,719</b>	<b>12,897</b>	<b>3,055</b>	<b>5.0</b>
YoY Change (%)	11.7	40.9	48.7	62.7	28.1	15.9	-0.3	-2.4	38.6	10.0	-5.0	
Margins (%)	27.6	28.3	29.1	26.4	31.5	28.4	28.0	25.2	27.8	28.3	27.5	
Depreciation	332	337	343	343	340	344	360	339	1,354	1,383	347	
<b>EBIT</b>	<b>2,482</b>	<b>2,570</b>	<b>2,874</b>	<b>2,441</b>	<b>3,264</b>	<b>3,024</b>	<b>2,849</b>	<b>2,377</b>	<b>10,365</b>	<b>11,514</b>	<b>2,708</b>	<b>5.2</b>
YoY Change (%)	12.8	48.0	57.1	76.7	31.5	17.7	-0.9	-2.6	45.0	11.1	-5.8	
Margins (%)	24.3	25.0	26.0	23.2	28.5	25.5	24.9	22.0	24.6	25.3	24.4	2.0
Interest	9	23	25	15	7	60	79	62	72	209	44	
Other Income	121	85	95	158	182	195	129	133	459	638	110	
<b>PBT before EO expense</b>	<b>2,594</b>	<b>2,631</b>	<b>2,944</b>	<b>2,584</b>	<b>3,439</b>	<b>3,159</b>	<b>2,898</b>	<b>2,448</b>	<b>10,752</b>	<b>11,943</b>	<b>2,774</b>	<b>4.5</b>
Extra-Ord expense	97	128	-35	197	-217	-257	176	0	387	-298	0	
<b>PBT</b>	<b>2,691</b>	<b>2,759</b>	<b>2,909</b>	<b>2,780</b>	<b>3,221</b>	<b>2,902</b>	<b>3,074</b>	<b>2,448</b>	<b>11,139</b>	<b>11,645</b>	<b>2,774</b>	<b>10.8</b>
Tax	609	806	809	753	764	738	745	595	2,978	2,841	716	
Effective Rate (%)	22.6	29.2	27.8	27.1	23.7	25.4	24.2	24.3	26.7	24.4	25.8	
MI & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>2,082</b>	<b>1,953</b>	<b>2,100</b>	<b>2,027</b>	<b>2,458</b>	<b>2,165</b>	<b>2,329</b>	<b>1,852</b>	<b>8,162</b>	<b>8,804</b>	<b>2,058</b>	<b>13.1</b>
<b>Adj PAT</b>	<b>2,007</b>	<b>1,862</b>	<b>2,125</b>	<b>1,884</b>	<b>2,624</b>	<b>2,356</b>	<b>2,196</b>	<b>1,852</b>	<b>7,878</b>	<b>9,028</b>	<b>2,058</b>	<b>6.7</b>
YoY Change (%)	13.9	13.9	30.4	57.1	30.8	26.5	3.3	-1.7	26.5	14.6	-3.2	
Margins (%)	19.4	18.0	19.1	17.6	22.6	19.5	18.9	17.0	18.5	19.5	18.3	

E: MOFSL Estimates

**Key Performance Indicators (Consolidated)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
<b>INRm</b>											
Domestic formulations	3,190	3,550	3,080	3,260	3,530	3,860	3,450	3,656	13,079	14,496	3,440
YoY Change (%)	14.3	13.1	4.8	13.6	10.7	8.7	12.0	12.2	11.4	10.8	11.7
Asia	2,540	2,300	2,920	2,810	2,770	2,960	3,160	2,843	10,570	11,733	3,008
YoY Change (%)	5.8	(8.4)	28.1	18.1	9.1	28.7	8.2	1.2	10.4	11.0	3.0
Africa (branded + Insti)	2,240	1,947	2,410	1,740	2,720	2,560	2,060	2,013	8,347	9,353	2,117
YoY Change (%)	(8.6)	8.8	36.9	16.8	21.4	31.5	(14.5)	15.7	11.4	12.1	(12.2)
US	2,130	2,370	2,520	2,610	2,280	2,320	2,630	2,294	9,640	9,524	2,394
YoY Change (%)	19.0	28.1	(5.3)	31.8	7.0	(2.1)	4.4	(12.1)	16.4	(1.2)	(5.0)
<b>Cost Break-up</b>											
RM Cost (% of Sales)	24.7	24.9	26.6	25.1	23.4	22.1	22.5	22.9	25.3	22.7	22.3
Staff Cost (% of Sales)	20.9	21.6	20.9	22.2	22.2	22.0	23.1	23.2	21.4	22.6	22.7
R&D Expenses (% of Sales)	5.4	4.9	4.7	4.7	4.5	4.8	4.6	0.0	4.9	5.0	0.0
Other Cost (% of Sales)	26.9	25.2	23.3	26.4	23.0	27.6	26.4	28.8	25.4	26.4	27.5
Gross Margins(%)	75.3	75.1	73.4	74.9	76.6	77.9	77.5	77.1	74.7	77.3	77.7
EBITDA Margins(%)	27.6	28.3	29.1	26.4	31.5	28.4	28.0	25.2	27.8	28.3	27.5
EBIT Margins(%)	24.3	25.0	26.0	23.2	28.5	25.5	24.9	22.0	24.6	25.3	24.4
PBT Margins(%)	25.1	25.4	26.4	24.1	29.6	26.2	25.0	22.4	25.3	25.8	24.7
PAT Margins(%)	19.4	18.0	19.1	17.6	22.6	19.5	18.9	17.0	18.5	19.5	18.3



# Navin Fluorine International

Estimate change	↓
TP change	↑
Rating change	↔

**CMP: INR3,908**

**TP: INR3,715 (-5%)**

**Neutral**

Bloomberg	NFIL IN
Equity Shares (m)	50
M.Cap.(INRb)/(USDb)	193.8 / 2.2
52-Week Range (INR)	4017 / 2876
1, 6, 12 Rel. Per (%)	23/10/10
12M Avg Val (INR M)	834

## Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	23.7	28.9	32.7
EBITDA	5.3	6.9	7.7
PAT	2.9	4.0	4.6
EPS (INR)	59.4	81.0	92.9
EPS Gr. (%)	28.8	36.4	14.7
BV/Sh.(INR)	524.0	582.7	650.2

## Ratios

Net D:E	0.6	0.5	0.4
RoE (%)	11.8	14.6	15.1
RoCE (%)	8.7	10.5	11.6
Payout (%)	27.4	27.4	27.4

## Valuations

P/E (x)	65.8	48.3	42.1
P/BV (x)	7.5	6.7	6.0
EV/EBITDA (x)	39.2	30.2	26.5
Div. Yield (%)	0.4	0.6	0.7
FCF Yield (%)	-0.5	1.9	2.4

## Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	28.4	28.4	28.8
DII	28.5	28.2	28.9
FII	18.6	18.2	15.9
Others	24.6	25.2	26.4

FII includes depository receipts

## HPP and Specialty Chemicals lift performance YoY

- Navin Fluorine International (NFIL)'s EBITDA/ PAT in 3QFY25 came in at 6%/12% higher than our estimates due to the strong YoY performance in HPP and Specialty Chemicals segments. Gross margin stood at 56.6%, while EBITDA margin expanded 920bp YoY to 24.3%. Earnings expanded 131% YoY to INR836m in 3QFY25. Management continues to drive operational efficiency in the company while indicating that it could exit FY25 with an EBITDAM at ~25%.
- HPP saw better realization as the product mix was optimized, with volume growth seen across inorganic salts, R32, R22, and HFO. The additional R32 capacity, with a capex of INR840m, is progressing on schedule for commissioning by Feb'25, with an asset turnover of 2-2.5x. The AHF capex of INR4.5b remains on track for early FY26 commissioning, with captive consumption expected at 25-27ktpa and external sales at 6-7ktpa.
- Spec Chem's ramp-up at Dahej and Surat will drive higher contributions in upcoming quarters. Dahej's capacity utilization was at 80-85% in 3QFY25 from 40-45% in 2QFY25. Surat assets' supply has started, with an expected asset turnover of 1.2x on a capex of INR300m. The Dahej Fluorospecialty (Project Nektar) capex of INR5.4b is expected to generate INR5.2b in revenue over two years, with 40-50% contribution in FY26 and nearing peak levels by FY27.
- The Fermion contract is set to contribute ~30% of the USD100m target, with the registration process in an advanced stage and expected approval by Apr-May'25. Direct dispatches have begun, and the CY25 order book is secured, with a new molecule supply expected in CY25. The cGMP-4 asset turnover is projected at 2x, while total revenue from cGMP-1/2/3 could reach USD50-60m.
- Despite the robust earnings in 3Q, we rationalize our earnings to some extent by cutting our FY25/26/27 revenue by 6%/6%/10% and FY27 EBITDA/PAT by 7%/10%. The stock is trading at ~48x FY26E EPS of INR81 and ~30x FY26E EV/EBITDA. We value the company at 40x FY27E EPS to arrive at our TP of INR3,715. Valuations remain extremely expensive, thus **we maintain our Neutral rating.**

## Beat on EBITDA led by lower-than-expected opex and employee exp.

- NFIL reported revenue at INR6.1b (est. INR6.5b, +21% YoY) and GM at 56.6% (+250bp YoY). EBITDAM came in at 24.3% (+920bp YoY), with EBITDA at INR1.5b (est. of INR1.4b, +95% YoY). **Adjusted PAT stood at INR836m (est. of INR745m, +131% YoY).** NFIL declared an interim dividend of INR5/share (FV of INR2 each).
- For 9MFY25**, revenue stood at INR116.5b (+13% YoY), EBITDA at INR3.6b (+23% YoY), and adjusted PAT at INR1.9b (+22% YoY). EBITDAM was at 21.5% in 9MFY25 (+180bp YoY).
- The **HPP business** posted a revenue of INR3.1b (+22% YoY); higher volumes were seen for HFO and R32 with improved realization across products. The **Specialty Chemicals business** posted a revenue of INR2.2b (+26% YoY), with strong order visibility in 4QFY25 and FY26. The **CDMO business** reported a revenue of INR790m (+8% YoY); the order book remains strong for 4QFY25 with orders in hand for CY25 w.r.t. European CDMO MSA.

- The revenue mix in 3QFY25 stood at 50% for the HPP business (flat YoY), 13% for the CDMO business (15% in 3QFY24), and 36% for the Specialty Chemicals business (35%). Domestic sales accounted for 54% of total revenues in 3Q, while exports accounted for 46% (68% in 3QFY24). Further, domestic sales from the HPP business were 46% and from the Specialty Chemicals business 75%. Meanwhile, domestic sales for the CDMO business were 25%.

#### Valuation and view

- The CDMO business is expected to drive robust growth (clocking a 33% CAGR over FY24-27) due to the increasing use of fluorine in the Pharma and Agro space, battery chemicals, and performance materials (Solar grid HF, Semiconductor grade HF, etc). The company has already identified various opportunities, such as: 1) a capability capex in Specialty Chemicals with INR360m in peak revenue (first dispatch in 4QFY25); 2) Fermion contract with a value of USD30m over three years (starting from end-CY24); and 3) an additional R32 capacity to be commissioned by Feb'25, among others.
- We expect a revenue/EBITDA/adj. PAT CAGR of 17%/25%/26% over FY24-27. The stock is trading at ~48x FY26E EPS of INR81 and ~30x FY26E EV/EBITDA. We value the company at 40x FY27E EPS to arrive at our TP of INR3,715. Valuations remain extremely expensive, thus **we maintain our Neutral rating**.

#### Consolidated - Quarterly Snapshot

Y/E March	(INR m)											
	FY24				FY25				FY24	FY25E	FY25	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
<b>Gross Sales</b>	<b>4,912</b>	<b>4,718</b>	<b>5,001</b>	<b>6,020</b>	<b>5,237</b>	<b>5,186</b>	<b>6,062</b>	<b>7,240</b>	<b>20,650</b>	<b>23,724</b>	<b>6,525</b>	<b>-7%</b>
YoY Change (%)	23.6	12.5	-11.3	-13.6	6.6	9.9	21.2	20.3	-0.6	14.9	30.5	
<b>Gross Margin (%)</b>	<b>58.7%</b>	<b>57.2%</b>	<b>54.1%</b>	<b>50.0%</b>	<b>56.0%</b>	<b>56.8%</b>	<b>56.6%</b>	<b>56.6%</b>	<b>54.7%</b>	<b>56.5%</b>	<b>59.2%</b>	<b>-2.6%</b>
<b>EBITDA</b>	<b>1,142</b>	<b>983</b>	<b>757</b>	<b>1,101</b>	<b>1,004</b>	<b>1,074</b>	<b>1,473</b>	<b>1,797</b>	<b>3,983</b>	<b>5,347</b>	<b>1,387</b>	<b>6%</b>
Margin (%)	23.3	20.8	15.1	18.3	19.2	20.7	24.3	24.8	19.3	22.5	21.3	3.0
Depreciation	213	243	249	257	267	279	296	317	962	1,158	284	
Interest	194	200	177	174	156	139	202	247	746	744	245	
Other Income	83	231	119	125	103	112	105	114	559	433	138	
<b>PBT before EO expense</b>	<b>818</b>	<b>772</b>	<b>450</b>	<b>794</b>	<b>683</b>	<b>768</b>	<b>1,080</b>	<b>1,347</b>	<b>2,834</b>	<b>3,878</b>	<b>997</b>	<b>8%</b>
Extra-Ord. expense	0	0	521	0	0	0	0	0	521	0	0	
<b>PBT</b>	<b>818</b>	<b>772</b>	<b>972</b>	<b>794</b>	<b>683</b>	<b>768</b>	<b>1,080</b>	<b>1,347</b>	<b>3,355</b>	<b>3,878</b>	<b>997</b>	<b>8%</b>
Tax	202	166	191	90	171	179	244	340	650	935	251	
Rate (%)	24.8	21.5	19.7	11.4	25.0	23.4	22.6	25.2	19.4	24.1	25.2	
<b>Reported PAT</b>	<b>615</b>	<b>606</b>	<b>780</b>	<b>704</b>	<b>512</b>	<b>588</b>	<b>836</b>	<b>1,007</b>	<b>2,705</b>	<b>2,943</b>	<b>745</b>	<b>12%</b>
<b>Adj. PAT</b>	<b>615</b>	<b>606</b>	<b>362</b>	<b>704</b>	<b>512</b>	<b>588</b>	<b>836</b>	<b>1,007</b>	<b>2,285</b>	<b>2,943</b>	<b>745</b>	<b>12%</b>
YoY Change (%)	-17.4	4.8	-66.1	-48.4	-16.8	-2.9	131.2	43.1	-39.1	28.8	106.1	
Margin (%)	12.5	12.8	7.2	11.7	9.8	11.3	13.8	13.9	11.1	12.4	11.4	2.4
<b>Segmental Revenue (INR m)</b>												
High Performance Products (HPP)	1,690	2,381	2,510	2,970	2,810	2,930	3,060	3,339	9,551	12,139	3,256	-6%
Specialty Chemicals	2,300	1,855	1,750	2,570	1,620	1,580	2,210	2,963	8,475	8,373	2,214	0%
CDMO	920	482	730	480	810	680	790	933	2,612	3,213	1,056	-25%



Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR3,637      TP: INR4,600 (+26%)      Buy**

**Yield pressures likely; non-MF growth to remain strong**

Bloomberg	CAMS IN
Equity Shares (m)	49
M.Cap.(INRb)/(USDb)	179.6 / 2.1
52-Week Range (INR)	5368 / 2701
1, 6, 12 Rel. Per (%)	-27/-16/23
12M Avg Val (INR M)	1668

**Financials & Valuations (INR b)**

Y/E March	2025E	2026E	2027E
AAUM (INR t)	42.3	48.8	56.3
Revenue	14.4	16.2	18.6
EBITDA	6.7	7.4	8.7
Margin (%)	46.4	46.0	47.0
PAT	4.8	5.4	6.5
PAT Margin (%)	33	34	35
EPS	97.9	110.6	131.7
EPS Grw. (%)	36.7	12.9	19.1
BVPS	220.9	259.6	305.8
Roe (%)	48.0	46.0	46.6
Div. Pay-out (%)	65.0	65.0	65.0

**Valuations**

P/E (x)	37.2	32.9	27.6
P/BV (x)	16.5	14.0	11.9
Div. Yield (%)	1.7	2.0	2.4

**Shareholding Pattern (%)**

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	17.3	18.7	23.1
FII	57.6	56.5	47.7
Others	25.0	24.8	29.2

FII includes depository receipts

- CAMS reported operating revenue of INR3.7b in 3QFY25, up 28% YoY (in-line). For 9MFY25, operating revenue was up 29% YoY to ~INR10.7b.
- Strong revenue growth resulted in EBITDA of INR1.7b (in-line), up 34% YoY, with EBITDA margin at 46.7% (vs 44.7% in 3QFY24 and our est. at 46.8%). Management guided for EBITDA margins at ~15% for the Non-MF segment. For 9MFY25, EBITDA rose 36% YoY to INR4.9b.
- CAMS reported a net profit of INR1.2b, up 40% YoY (in-line) in 3QFY25, driven by strong top-line growth across segments and better cost control. For 9MFY25, PAT rose 42% YoY to INR3.5b.
- Non-MF businesses rose 22.3% YoY, led by strong growth in the CAMSPay, KRA, and AIF segments. Management guided for growth rate to increase to 30%+. The share of the Non-MF segment in overall revenue came in at ~12.3%, and the company guided for the contribution to increase to 20%+ over the next 2-3 years.
- We have cut our earnings estimates by 1%/7%/9% for FY25/FY26/FY27 to factor in: 1) lower AUM growth, given market sentiments, and 2) the decline in yields as guided by the management. We expect revenue/PAT to post a CAGR of 18%/23% over FY24-27E and reiterate a BUY rating on the stock with a one-year TP of INR4,600, premised at a P/E multiple of 38x on Sept'26E earnings.

**Increasing focus on non-MF businesses**

- AAUM grew 36.4% YoY and 3.3% QoQ to INR 46.3t in 3QFY25. The share of Equity AUM grew to 55.3% in 3QFY25 from 49.8% in 3QFY24. Equity AUM rose 51% YoY to INR25.6t.
- Transaction volumes increased 56% YoY to 240m, with SIP transactions up 57% YoY to 195.4m. Live folios grew 35% YoY to 90.9m.
- **MF segment's revenue** grew 28% YoY to INR3.2b, contributing ~87.7% to the overall revenue, with yields remaining stable. MF asset-based contributions accounted for ~73.9% of total MF revenue, while non-asset contributions make up ~13.8%.
- **CAMS alternatives** continue to scale up due to strong signings (53 new mandates in 3Q) and the adoption of CAMS WealthServ and Fintuple offerings. Management guided for 20% YoY growth in revenue, with 30-35% growth in AIF AUM.
- **CAMSPay** registered stellar revenue growth of 53% YoY, driven by a surge in digital payments (150% YoY growth). During the quarter, it added 24 new logos and empaneled LIC for Authentication and Payment Gateway Services, which is expected to further boost transaction growth.
- **CAMS KRA** revenue grew 27% YoY despite a slowdown in new account openings during the quarter. Recently, the company signed one of the top five brokerages in the industry and expects 20-25% volume growth.
- **CAMSRep** witnessed strong momentum in policy additions, with the base crossing 10m and an expectation of adding another 10m policies over the next 12-18 months. The investor base at Bima Central has exceeded 0.4m, with transaction volumes up 40% QoQ.



- Other income came in at INR149m vs INR99m in 3QFY25.
- Overall expenses came in at INR1.2b vs INR997m in 3QFY25. The CIR for 3QFY25 stood at 53.3% vs 55.3% in 3QFY24 and 53.4% in 2QFY25.
- Employee costs/other expenses increased 20%/28% YoY (in-line) to INR1.2b/INR772m. Management guided for employee costs/operating expenses to remain at ~32-33%/8-8.5% of the overall revenue, with a minor increase of ~2% in 1QFY26 to factor in the impact of increments.

#### Key takeaways from the management commentary

- Management guided that if AUM grows 15%, it expects a decline of 100-200bp in MF revenue due to yield compression.
- Additionally, it has guided for an unusual decline in yields in FY26, attributed to backdated adjustments for 1-2 clients. Yield compression is expected to be higher than ~3.5%, though the impact on the margins will not be significant.
- On the MF front, it won 2<sup>nd</sup> MF-RTA migration mandate from the competitor. The reasons for migration include the quality of the platform, in-house integration of KRA and payment services, and better handling of client/investor concerns. CAMS is charging a premium for the transfer.

#### 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.
- Structural tailwinds in the MF industry are expected to drive absolute growth in MF revenue. With favorable macro triggers and the right investments, revenue contribution from Non-MF businesses for CAMS is expected to increase to 20%+ over the next 2-3 years, as guided by management.
- We have cut our earnings estimates by 1%/7%/9% for FY25/FY26/FY27 to factor in the decline in yields and slow growth in the Non-MF segments. We expect revenue/PAT to post a CAGR of 18%/23% over FY24-27E and reiterate a BUY rating on the stock with a one-year TP of INR4,600, premised at a P/E multiple of 38x on Sept'26E earnings.

**Quarterly Performance**

(INR m)

Y/E March	FY24				FY25				FY24	FY25E	3QFY25E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Revenue from Operations	2,613	2,751	2,897	3,105	3,314	3,652	3,697	3,766	11,365	14,429	3,725	-0.7	27.6	1.3
Change YoY (%)	10.4	13.5	18.9	24.6	26.8	32.7	27.6	21.3	16.9	27.0	28.6			
Employee expenses	950	977	997	1,048	1,130	1,186	1,197	1,214	3,972	4,726	1,209.4	-1.0	20.0	1.0
Total Operating Expenses	1,512	1,530	1,603	1,671	1,816	1,950	1,969	1,993	6,316	7,727	1,981	-0.6	22.8	1.0
Change YoY (%)	9.0	12.2	18.4	19.2	20.1	27.5	22.8	19.2	14.7	22.3	23.6			
<b>EBITDA</b>	<b>1,101</b>	<b>1,221</b>	<b>1,294</b>	<b>1,433</b>	<b>1,498</b>	<b>1,702</b>	<b>1,728</b>	<b>1,773</b>	<b>5,049</b>	<b>6,701</b>	1,744	-0.9	33.6	1.5
Other Income	97	96	99	114	117	126	149	153	406	545	135	10.7	50.7	18.8
Depreciation	165	174	185	181	170	184	195	198	705	746	184	6.2	5.8	6.2
Finance Cost	20	20	21	21	21	22	21	21	82	85	22	-0.6	1.5	(0.6)
<b>PBT</b>	<b>1,012</b>	<b>1,124</b>	<b>1,187</b>	<b>1,346</b>	<b>1,424</b>	<b>1,622</b>	<b>1,661</b>	<b>1,708</b>	<b>4,668</b>	<b>6,416</b>	<b>1,673</b>	-0.7	39.9	2.4
Change YoY (%)	16.4	15.9	21.4	36.6	40.7	44.4	39.9	26.9	22.8	37.4	41.0			
Tax Provisions	255	286	302	316	354	414	420	428	1,159	1,617	418	0.4	39.1	1.4
<b>Net Profit</b>	<b>757</b>	<b>838</b>	<b>885</b>	<b>1,030</b>	<b>1,070</b>	<b>1,208</b>	<b>1,241</b>	<b>1,280</b>	<b>3,510</b>	<b>4,799</b>	<b>1,255</b>	-1.1	40.2	2.7
Change YoY (%)	17.1	16.2	20.3	38.5	41.3	44.2	40.2	24.3	23.3	36.7	41.8			
<b>Key Operating Parameters (%)</b>														
Cost to Operating Income Ratio	57.9	55.6	55.3	53.8	54.8	53.4	53.3	52.9	55.6	53.6	53.2	0.1	(2.1)	(0.1)
EBITDA Margin	42.1	44.4	44.7	46.2	45.2	46.6	46.7	47.1	44.4	46.4	46.8	-0.1	2.1	0.1
PBT Margin	38.7	40.8	41.0	43.3	43.0	44.4	44.9	45.4	41.1	44.5	44.9	0.0	3.9	0.5
Tax Rate	25.2	25.4	25.4	23.5	24.9	25.5	25.3	25.1	24.8	25.2	25.0	0.3	(0.1)	(0.2)
PAT Margin	29.0	30.5	30.6	33.2	32.3	33.1	33.6	34.0	30.9	33.3	33.7	-0.1	3.0	0.5
<b>Key Parameters</b>														
QAUM (INR t)	30.0	32.5	34.0	37.2	40.3	44.8	46.3	47.2	33.4	42.3	45.7	1.3	36.4	3.3



# Clean Science & Technology

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR1,385      TP: INR1,450 (+5% )      Neutral**

## Volume-led growth; capacity ramp-up remains key

Bloomberg	CLEAN IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	147.2 / 1.7
52-Week Range (INR)	1690 / 1243
1, 6, 12 Rel. Per (%)	1/-6/-9
12M Avg Val (INR M)	272

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	9.5	12.7	15.8
EBITDA	3.8	5.0	6.1
PAT	2.5	3.7	4.6
EPS (INR)	24.0	35.1	43.6
EPS Gr. (%)	4.3	46.4	24.3
BV/Sh. (INR)	134.1	164.6	202.5

### Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	19.4	23.5	23.8
RoCE (%)	19.0	23.1	23.4
Payout (%)	13.1	13.1	13.1

### Valuations

P/E (x)	57.8	39.5	31.8
P/BV (x)	10.3	8.4	6.8
EV/EBITDA (x)	38.4	29.0	23.5
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	0.7	1.1	1.8

### Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	75.0	75.0	75.0
DII	5.5	4.8	5.1
FII	6.0	5.8	5.9
Others	13.6	14.4	14.0

FII Includes depository receipts

- Clean Science (CLEAN)'s reported EBITDA in 3QFY25 was above our estimate at INR985m (+14% YoY), with a gross margin of 63.5% (vs. 66.8% in 3QFY24). EBITDAM contracted to 40.9% from 44.5% in 3QFY24. Revenue contribution of Performance Chemicals increased 2% YoY in 3QFY25, while that of Pharma & Agro Intermediates declined 1% and 2% YoY, respectively. PAT increased 5% YoY to INR656m during the quarter.
- A strong YoY growth was observed across various segments, fueled by higher volumes, with the markets in India, China, and RoW seeing 20%+ growth in their absolute revenue YoY. The mix fairly remained similar to the year-ago period. The utilization level for the Performance segment stood at 65-70%, while the same for the Pharma segment was 65% and that of the FMCG segment was 80%. New products in HALS and Pharma led to robust revenue in 3QFY25.
- HALS' volumes in 3QFY25 reached 190t, exiting Dec'24 at 200t with a USD4.5/kg realization in 3Q. Sales grew from 125t in 1QFY25 to 570t in 3QFY25, with 4QFY25 expected at 600-650t, driven by HALS 701, 770, 622, 944, 119, and 783. FY26 volumes are expected at 3-4ktpa with a USD5.5-6/kg realization. HALS 119 (USD8-9/kg) serves agricultural films, and HALS 944 (USD7-8/kg) is used in polyolefin films, with customers across multiple regions.
- CLEAN commercialized DHDT for Lamivudine, enabling import substitution and DCC cross-selling, with samples sent in 3QFY25 but no revenue yet. It also launched BHT, expanding its antioxidant portfolio, targeting 2-3ktpa volumes at USD3/kg, with peak revenue of INR600-800m, approvals in six months, and 1.5 years to reach 70-80% utilization. It is also setting up a Barbituric Acid plant used to make Yellow Pigment with a customer already approving its pilot plant.
- We broadly retain our estimates for FY25-27 despite the beat in 3QFY25 as we rationalize our HALS assumptions for the same period. We have also accounted for the commissioning of all new capex during FY25-27 announced in the previous quarter as well as this quarter (except for Barbituric Acid). The stock currently trades at ~40x FY26E EPS of INR35.1 and ~29x FY26E EV/EBITDA. We value the stock at 35x Dec'26E EPS to arrive at our TP of INR1,450. **Reiterate Neutral.**

## Beat led by lower-than-expected opex; margin expands YoY

- The company reported revenue of INR2.4b (+24% YoY). **Gross margin stood at 63.5% (+110bp YoY).** EBITDA margin was at 40.9% (+320bp YoY). Margin expansion on a sequential basis was because of a favorable product mix.
- EBITDA was at INR985m (our est. of INR863m, +14% YoY) with PAT at INR656m (our est. of INR603m, +5% YoY).
- The Board approved an interim dividend of INR2/share.
- **For 9MFY25**, revenue was at INR7b (+25% YoY), EBITDA at INR2.8b (+19% YoY), and PAT at INR1.9b (+10% YoY). EBITDAM was at 40.2% (-190bp YoY).

### Other highlights

- Volumes grew YoY in 3QFY25. CLEAN incurred a total capex of INR50m in 3QFY25, primarily in its subsidiary, Clean Fino Chem.
- It commercialized DHDT and BHT products in the quarter. HALS volume scale-up and product diversification have gathered momentum. Contributions from newly launched products have been improving.
- Revenue from **Performance Chemicals** stood at INR1.7b (+27% YoY). Revenue from **Pharma Chemicals** was INR433m (+17% YoY), while the revenue from **FMCG Chemicals** was INR267m (+5% YoY), led by increased volumes.
- Revenue from the **domestic** business stood at 31%, while the rest was exports.

### Valuation and view

- CLEAN is actively pursuing R&D activities and has entered the HALS series, which has an estimated global market size of USD1b. While the commercial production from CFCL has commenced, management expects HALS to ramp up in the next three years.
- The company is expected to generate INR5.4b in FCF during FY25-27, with a planned capex of INR5.9b over the same period. The stock is currently trading at ~40x FY26E EPS of INR35.1 and ~29x FY26E EV/EBITDA. We value the stock at 35x Dec'26E EPS to arrive at our TP of INR1,450. **Reiterate Neutral.**

### Consolidated - Quarterly Snapshot

(InR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	(%)	
<b>Gross Sales</b>	<b>1,881</b>	<b>1,811</b>	<b>1,947</b>	<b>2,275</b>	<b>2,240</b>	<b>2,381</b>	<b>2,408</b>	<b>2,460</b>	<b>7,915</b>	<b>9,490</b>	<b>2,361</b>	<b>2%</b>
YoY Change (%)	-19.6	-26.8	-18.0	4.9	19.1	31.5	23.7	8.1	-15.4	19.9	21.2	
Gross Margin (%)	61.4%	65.9%	66.8%	65.7%	65.4%	62.4%	63.5%	64.4%	65.0%	63.9%	61.6%	1.9%
<b>EBITDA</b>	<b>761</b>	<b>748</b>	<b>866</b>	<b>945</b>	<b>947</b>	<b>897</b>	<b>985</b>	<b>982</b>	<b>3,321</b>	<b>3,810</b>	<b>863</b>	<b>14%</b>
Margin (%)	40.5	41.3	44.5	41.5	42.3	37.7	40.9	39.9	42.0	40.2	36.6	4.3
Depreciation	108	111	113	127	158	175	183	190	459	706	180	
Interest	1	3	1	6	1	0	1	2	9	5	1	
Other Income	134	60	78	141	99	111	52	70	413	332	124	
<b>PBT</b>	<b>787</b>	<b>695</b>	<b>830</b>	<b>953</b>	<b>887</b>	<b>832</b>	<b>853</b>	<b>860</b>	<b>3,265</b>	<b>3,432</b>	<b>806</b>	<b>6%</b>
Tax	198	173	204	250	228	245	196	217	825	885	203	
Rate (%)	25.1	24.9	24.6	26.3	25.7	29.4	23.0	25.2	25.3	25.8	25.2	
<b>Adj. PAT</b>	<b>589</b>	<b>522</b>	<b>626</b>	<b>703</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>643</b>	<b>2,440</b>	<b>2,546</b>	<b>603</b>	<b>9%</b>
YoY Change (%)	-6.3	-23.2	-25.3	-12.7	11.9	12.6	4.8	-8.5	-17.3	4.3	-3.7	
Margin (%)	31.3	28.8	32.2	30.9	29.4	24.7	27.3	26.1	30.8	26.8	25.5	1.7
<b>Segment-wise Revenue (INR m)</b>												
Performance Chemicals	1,260	1,213	1,305	1,604	1,546	1,643	1,662	1,662	5,382	5,382	1,669	0%
Pharma & Agro Intermediates	357	344	370	432	403	429	433	475	1,504	1,504	384	13%
FMCG Chemicals	245	272	253	259	291	356	267	324	1,029	1,029	308	-13%
Others	19	-19	19	-19	0	-46	46	-0	0	0	-0	LP



# AAVAS Financiers

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,704      TP: INR1,800 (+6%)      Neutral**

## Reasonably good quarter but slightly weak business volumes Earnings in line even as spreads rose ~5bp QoQ; minor uptick in GS3/NS3

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USD\$)	134.8 / 1.6
52-Week Range (INR)	1979 / 1307
1, 6, 12 Rel. Per (%)	4/6/6
12M Avg Val (INR M)	556

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	10.0	11.8	14.2
PPP	7.6	9.3	11.4
PAT	5.8	7.0	8.6
EPS (INR)	73	89	109
EPS Gr. (%)	18	21	22
BV/Sh. (INR)	550	639	748

### Ratios (%)

NIM	5.3	5.2	5.2
C/I ratio	42.9	41.3	39.6
Credit cost	0.15	0.19	0.19
RoA	3.3	3.3	3.4
RoE	14.3	14.9	15.7

### Valuation

P/E (x)	23.2	19.2	15.7
P/BV (x)	3.1	2.7	2.3

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	26.5	26.5	39.1
DII	25.7	25.6	15.3
FII	34.0	35.5	32.3
Others	13.9	12.5	13.3

FII includes depository receipts

- AAVAS Financiers (AAVAS)'s 3QFY25 PAT grew 26% YoY to ~INR1.46b (in line). NII in 3QFY25 grew 15% YoY to ~INR2.5b (in line). Other income grew 19% YoY, aided by a higher assignment income of ~INR532m (PY: INR448m) and fee income of ~INR262m (PY: ~INR206m).
- 3QFY25 core NIM (calc.) expanded ~12bp QoQ to ~6.7%. Reported spreads rose ~5bp QoQ to 4.95% (v/s ~4.9% as of Sep'24).
- AAVAS will continue to focus on <INR1m ticket size loans, where it can command better risk-adjusted yields. It aims to increase the share of such loans in the disbursement mix to ~45% (up from 30-35%, currently).
- The company continued to exhibit operational efficiency with opex rising only ~7% YoY to INR1.4b (in line). Opex to avg. AUM stood at ~3.1% (PY: 3.4% and PQ: ~3%). We estimate opex-to-avg. AUM to decline to ~2.7% by FY27 (v/s ~3% in FY25E).
- We estimate ~20%/21% CAGR in AUM and PAT over FY24-27, with an RoA/RoE of 3.4%/16% by FY27E. AAVAS trades at 2.3x FY27E P/BV. Throughput over the next two quarters (4QFY25 and 1QFY26) will reveal if AAVAS can effectively leverage its new technology stack to accelerate disbursements and deliver strong AUM growth. Valuations factor in the company's readiness to demonstrate operating efficiencies, now that all major technology transformations have been completed. **Maintain Neutral with a TP of INR1,800 (based on 2.6x Sep'26E BVPS).**

## AUM rises ~20% YoY; share of HL in disbursements stands at ~64%

- AUM grew 20% YOY to ~INR192b. Disbursements rose ~17% YoY and ~23% QoQ to ~INR15.9b. Share of Home Loans (HL) in 9MFY25 disbursements stood at ~65%. The Annualized run-off in the loan book stood at ~16.4% (PY: ~15.7% and PQ: ~16.6%).
- Management shared that disbursements grew ~15-20% YoY in Jan'25. The sustained disbursement momentum in **3QFY25 and Jan'25** has strengthened the company's confidence to **achieve its guided AUM growth of ~20%-25% in FY25 and beyond.**
- Securitization during the quarter amounted to ~INR4b (PY: ~INR3.2b) and securitization margins contracted ~30bp QoQ to 13.2%.

## Highlights from the management commentary

- Management shared that it has seen an improvement in demand in T3 to T5 cities. The self-construction segment continues to see healthy demand.
- AAVAS has implemented its Loan Origination System (LoS), providing clear visibility into risk metrics and enabling the company to command better risk-adjusted yields.

**Valuation and view**

- AAVAS reported RoA/RoE of ~3.4%/~14.2% in 3QFY25. The company's continuous efforts to improve its technological edge and relentless focus on asset quality have positioned it as a standout player among its peers. Notably, its 1+DPD remains well below the guided levels, driven by its prudent underwriting process and efficient collection efforts.
- Now that the company has completed all major tech transformations, we expect no disruptions to business activities in the future. Moreover, the improvement in TAT (down to 7 days from 11 days earlier) should translate into a stronger disbursement growth trajectory in the subsequent quarters.
- The stock trades at 2.3x FY27E P/BV and any re-rating in valuation multiples will depend on stronger AUM growth and delivery of operating efficiencies to further improve the RoA profile. **Maintain Neutral with a TP of INR1,800 (based on 2.6x Sep'26E BVPS).**

Quarterly												INR m	
Y/E March	FY24				FY25E				FY24	FY25E	3Q FY25E	v/s Est.	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Interest Income	4,128	4,259	4,373	4,586	4,797	4,906	5,121	5,397	17,347	20,221	5,107	0	
Interest Expenses	1,866	2,036	2,166	2,216	2,352	2,489	2,587	2,764	8,284	10,192	2,556	1	
<b>Net Income</b>	<b>2,262</b>	<b>2,223</b>	<b>2,208</b>	<b>2,371</b>	<b>2,446</b>	<b>2,418</b>	<b>2,533</b>	<b>2,633</b>	<b>9,063</b>	<b>10,029</b>	<b>2,552</b>	<b>-1</b>	
YoY Growth (%)	26	18	6	7	8	9	15	11	14	11	16		
Other income	540	716	719	882	628	898	859	952	2,856	3,337	848	1	
<b>Total Income</b>	<b>2,802</b>	<b>2,938</b>	<b>2,926</b>	<b>3,252</b>	<b>3,074</b>	<b>3,316</b>	<b>3,392</b>	<b>3,584</b>	<b>11,919</b>	<b>13,366</b>	<b>3,399</b>	<b>0</b>	
YoY Growth (%)	28	16	12	14	10	13	16	10	17	12	16		
Operating Expenses	1,339	1,308	1,349	1,434	1,379	1,368	1,447	1,537	5,430	5,731	1,507	-4	
YoY Growth (%)	30	14	12	19	3	5	7	7	19	6	12		
<b>Operating Profits</b>	<b>1,464</b>	<b>1,631</b>	<b>1,577</b>	<b>1,818</b>	<b>1,695</b>	<b>1,948</b>	<b>1,945</b>	<b>2,047</b>	<b>6,489</b>	<b>7,635</b>	<b>1,893</b>	<b>3</b>	
YoY Growth (%)	27	17	11	10	16	19	23	13	15.6	17.7	20.0		
Provisions	57	65	80	43	86	48	61	41	245	236	58	5	
<b>Profit before Tax</b>	<b>1,407</b>	<b>1,565</b>	<b>1,497</b>	<b>1,775</b>	<b>1,609</b>	<b>1,900</b>	<b>1,884</b>	<b>2,006</b>	<b>6,244</b>	<b>7,400</b>	<b>1,835</b>	<b>3</b>	
Tax Provisions	310	348	331	349	348	421	420	396	1,338	1,585	407	3	
<b>Profit after tax</b>	<b>1,097</b>	<b>1,217</b>	<b>1,166</b>	<b>1,426</b>	<b>1,261</b>	<b>1,479</b>	<b>1,464</b>	<b>1,610</b>	<b>4,907</b>	<b>5,815</b>	<b>1,428</b>	<b>3</b>	
YoY Growth (%)	23	14	9	13	15	22	26	13	14.1		22.4		
<b>Key Parameters (%)</b>	2,314				2,740								
Yield on loans	13.3	13.2	13.1	13.1	13.1	13.0	13.2	0.0	13.6	13.2			
Cost of funds	7.7	7.9	8.0	8.1	8.1	8.2	8.2	0.0	7.5	7.6			
Spread	5.6	5.3	5.1	5.1	5.0	4.89	4.94	0.0	6.1	5.6			
NIM - YTD	8.0	8.0	7.9	7.9	7.3	7.6	7.5	0.0	5.8	5.3			
Credit cost	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.2	0.2			
Cost to Income Ratio	47.8	44.5	46.1	44.1	44.8	41.2	42.7	42.9	45.6	42.9			
Tax Rate (%)	22.0	22.2	22.1	19.7	21.7	22.2	22.3	19.7	21.4	21.4			
<b>Balance Sheet</b>													
<b>AUM (INR B)</b>	<b>146.5</b>	<b>153.2</b>	<b>160.8</b>	<b>173.1</b>	<b>178.4</b>	<b>184.0</b>	<b>192.4</b>	<b>206.6</b>	<b>173.1</b>	<b>206.6</b>			
Change YoY (%)	23.2	22.1	22.9	22.2	21.8	20.1	19.6	19.3	22.2	19			
<b>AUM mix (%)</b>													
Home loans	69.8	69.7	69.3	69.3	69.0	69.0	69.0	0.0	69.3	68.4			
Mortgage loans	30.2	30.3	30.7	30.7	14.0	13.0	13.0	0.0	30.7	31.6			
<b>Loans (INR B)</b>	<b>119.1</b>	<b>124.0</b>	<b>129.9</b>	<b>140.0</b>	<b>144.4</b>	<b>147.1</b>	<b>153.2</b>	<b>165.3</b>	<b>140.0</b>	<b>165.3</b>			
% of AUM	81.3	81.0	80.8	80.9	81.0	80.0	79.6	80.0	22.0	18.0			
<b>Disbursements (INR B)</b>	<b>10.7</b>	<b>12.6</b>	<b>13.6</b>	<b>18.9</b>	<b>12.1</b>	<b>12.9</b>	<b>15.9</b>	<b>22.1</b>	<b>55.8</b>	<b>63.1</b>			
Change YoY (%)	-2.3	9.7	13.3	19.7	13.4	2.8	17.0	16.7	11.1	13			
<b>Borrowings (INR B)</b>	<b>106.8</b>	<b>111.4</b>	<b>114.7</b>	<b>124.0</b>	<b>126.0</b>	<b>124.8</b>	<b>133.8</b>	<b>144.0</b>	<b>123.4</b>	<b>144.0</b>			
Change YoY (%)		30.0	25.2	25.4		12.0	16.6	16.1	25.4	17			
Borrowings/Loans (%)	89.6	89.9	88.3	88.5	87.2	84.8	87.4	87.1	88.1	87.1			
Debt/Equity (x)	3.2	3.2	3.2	3.3	3.2	3.1	3.2	3.3	3.3	3.3			
<b>Asset Quality (%)</b>													
<b>GS 3 (INR M)</b>	<b>1,193.4</b>	<b>1,294.7</b>	<b>1,425.0</b>	<b>1,319</b>	<b>1,466.1</b>	<b>1,601.0</b>	<b>1,757.0</b>	<b>0.0</b>	<b>1,193</b>	<b>1,295</b>			
G3 %	1.0	1.0	1.1	0.94	1.0	1.1	1.1	0.0	1.00	1.04			
<b>NS 3 (INR M)</b>	<b>871.8</b>	<b>938.7</b>	<b>1,032.8</b>	<b>939</b>	<b>1,043.4</b>	<b>1,142.0</b>	<b>1,233.0</b>	<b>0.0</b>	<b>872</b>	<b>939</b>			
NS3 %	0.73	0.76	0.79	0.67	0.72	0.78	0.80	0.00	0.73	0.76			
<b>PCR (%)</b>	<b>26.9</b>	<b>27.5</b>	<b>27.5</b>	<b>28.8</b>	<b>28.8</b>	<b>28.7</b>	<b>29.8</b>	<b>0.0</b>	<b>26.9</b>	<b>27.5</b>			
ECL (%)	0.6	0.6	0.6	0.60	0.6	0.6	0.7	0.0	0.64	0.64			
<b>Return Ratios - YTD</b>													
ROA (Rep)	3.2	3.3	3.2	3.3	3.0	3.3	3.3	0.0	3.3	3.3			
ROE (Rep)	13.2	13.6	13.5	13.9	13.1	14.0	14.1	0.0	13.9	14.3			

E: MOFSL Estimates



# Craftsman Automation

Estimate changes	↓
TP change	↓
Rating change	↔

**CMP: INR4,062      TP: INR4,275 (+2%)      Neutral**

Bloomberg	CRAFTSMA IN
Equity Shares (m)	24
M.Cap.(INRb)/(USDb)	96.9 / 1.1
52-Week Range (INR)	7121 / 3782
1, 6, 12 Rel. Per (%)	-23/-20/-18
12M Avg Val (INR M)	376

## Consol. Financials & Valuations (INR b)

INR b	FY25E	FY26E	FY27E
Sales	56.7	71.0	82.1
EBITDA	8.2	10.9	13.0
Adj. PAT	1.9	3.7	5.2
EPS (INR)	81.5	153.8	220.1
EPS Gr. (%)	-43.5	88.8	43.1
BV/Sh. (INR)	1,262	1,394	1,592

## Ratios

RoE (%)	8.3	11.6	14.7
RoCE (%)	8.3	10.7	12.9
Payout (%)	22.1	14.3	10.0

## Valuations

P/E (x)	50.0	26.5	18.5
P/BV (x)	3.2	2.9	2.6
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	-4.3	0.2	2.7

## Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	48.7	48.7	55.0
DII	21.0	21.5	17.2
FII	17.0	16.6	12.5
Others	13.3	13.2	15.3

FII Includes depository receipts

## Weak performance marred by start-up costs

### Expect consolidated net debt to decline by INR5b to INR14b in FY26

- Craftsman Automation (CRAFTSMA) reported a weak performance in 3Q, primarily due to start-up costs for new plants and integration impact of the new acquisitions. This led to a significant PAT miss at INR241m (down 67% YoY, est. INR594m).
- On the back of significant start-up costs seen in 3Q, which are likely to prevail in the near term, we have sharply lowered our FY25/FY26 earnings estimates by 32%/20%. The key monitorables from hereon include: 1) a turnaround at Sunbeam, and 2) stabilization of the greenfields. While these strategic initiatives appear to be in the right direction for the long run, they are likely to hurt returns for at least the next 12-15 months. **Given the absence of any near-term earnings trigger and the execution risk of multiple projects, we maintain Neutral with a revised TP of INR4,275 (valued at 21x Dec'26E EPS).**

### EBITDA declined due to impact of startup cost and weak demand

- 3QFY25 consol. revenue grew 40% YoY to INR15.8b (est. INR16.99b), while EBITDA/PAT declined 10%/67% YoY to INR1.99b/INR0.24b (est. INR1.95b/INR0.6b). 9MFY25 revenue grew 18% YoY, while EBITDA/PAT declined 12%/43% YoY. Revenue growth was largely driven by its inorganic expansion.
- EBITDA margin contracted 690bp YoY/330bp QoQ to 12.6% (est. 11.5%). The significant increase in other expenses and employee cost was due to – i) start-up costs for two greenfield facilities, ii) Sunbeam-related costs, iii) inflationary pressure, and iv) weak demand.
- Further, higher interest costs and lower other income led to a sharp miss in adj. PAT at INR241m (down 67% YoY, est. INR594m).
- Revenue for standalone business grew 15% YoY. Within the standalone business: revenue for auto powertrain/aluminum/industrials grew ~3%/37%/16% YoY.
- PBIT margin for standalone business: Powertrain 11.2% (-7pp YoY. Est. 15%); Aluminium products 6.4% (-7pp, est. 12.5%), Industrials 1.6% (-4.6pp, est. 2%).
- Exceptional items of INR147.6m during the quarter represent expenses incurred by SLSPL in relation to relocation of its Gurgoon facility and transfer of control to the company.

### Growth Guidance

- Revenue: It expects consolidated revenue to rise from INR55b to INR70b next year. For FY26, Craftsman expects significant contributions from Kothavadi (INR1-1.5b), Bhiwadi (INR3b), and Hosur (INR1.5b).
- EBITDA is projected to grow 29% to over INR11b, and EBIT is forecast to increase 40% to INR7b. These figures reflect the impact of recent acquisitions.



- The consolidated net debt for this FY is projected to be INR19b, with a debt-to-EBITDA ratio of 2.24x. If the Gurgaon land sale had happened, the debt would have been INR16b, bringing the ratio down to 1.88x. Hopeful to sell the land in FY26. Expects the consolidated debt to decline to INR14b next year.
- The capex has been at INR8.5b for the current year, which is expected to decline by at least half that amount next year.

#### Highlights from the management interaction

- **Sunbeam:** The Gurgaon plant relocation has begun and is expected to be completed by 1QFY26, after which the land sale will be considered. About 50% of employees opted for VRS and were relieved in Nov'24, with the remaining to be settled by April-May. It is expected to turn EBIT neutral by 2QFY26 and will be EBIT positive for the full FY26.
- **Kothavadi-** Several samples have been supplied to customers, and production is expected to begin in 4QFY25 upon approval. For the stationary engines and machining capacity (including the Arasur plant), the expected revenue in FY28-29 is around INR8.5b.
- **Hosur:** The plant will be operational by 2Q FY26 and will reach its full capacity by 4Q. The combined peak capacity for the Hosur and Bhiwadi alloy wheel plants is expected to be around INR8b by FY27.
- **Industrials:** The order book for automated storage is full for the next year, positioning the company to benefit from increased profitability in this area.

#### Valuation and view

- The start-up costs were significantly high in 3Q and are likely to prevail in some segments for a while given the long gestation for execution. As a result, we have sharply lowered our FY25/FY26 earnings estimates by 32%/20%.
- Management is currently in the midst of integrating multiple projects simultaneously: 1) integration and restructuring of Sunbeam, 2) ramp-up of new plants in Bhiwadi, Kothavadi and Hosur, 3) integration of Fornburg.
- This is happening at a time when its core segments, CVs and PVs, are seeing a weak demand trend. While these strategic initiatives appear to be in the right direction for the long run, they are likely to hurt returns for at least the next 12-15 months, by which time we hope to expect: 1) a turnaround in Sunbeam, and 2) stabilization of the greenfields. If any of these timelines are not met, it will lead to further downside risk to our earnings. **Given the absence of any near-term earnings trigger and the execution risk of multiple projects, we maintain Neutral with a revised TP of INR4,275 (valued at 21x Dec'26E EPS).**

Quarterly (Consol)

(INR Million)

	FY24				FY25E				FY24	FY25E	Variance	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
<b>Net operating income</b>	<b>10,376</b>	<b>11,791</b>	<b>11,297</b>	<b>11,053</b>	<b>11,512</b>	<b>12,140</b>	<b>15,761</b>	<b>17,284</b>	<b>44,517</b>	<b>56,696</b>	<b>16,992</b>	<b>-7.2</b>
Change (%)	53.5	52.9	50.8	12.7	10.9	3.0	39.5	56.4	39.9	27.4	50.4	
RM/Sales (%)	52.5	53.2	53.2	54.1	56.3	55.6	52.7	55.5	53.3	54.9	57.0	-430bp
Staff Cost (% of Sales)	6.5	6.1	6.8	6.6	6.4	6.9	8.5	8.0	6.5	7.6	9.5	-100bp
Other Exp. (% of Sales)	20.4	20.6	20.6	20.5	20.1	21.6	26.2	23.1	20.5	23.0	22.0	420bp
<b>EBITDA</b>	<b>2,142</b>	<b>2,375</b>	<b>2,202</b>	<b>2,069</b>	<b>1,973</b>	<b>1,928</b>	<b>1,990</b>	<b>2,321</b>	<b>8,788</b>	<b>8,212</b>	<b>1,954</b>	<b>1.8</b>
EBITDA Margins (%)	20.6	20.1	19.5	18.7	17.1	15.9	12.6	13.4	19.7	14.5	11.5	110bp
Non-Operating Income	37	47	35	53	48	64	86	75	172	273	120	
Interest	424	416	442	464	492	413	583	581	1745	2068	480	
Depreciation	683	668	703	723	725	762	1035	1058	2777	3579	1050	
Minority Int/Share of Profit	62	97	82	79	61	-4	-2	2	320	57	0	
<b>PBT after EO items</b>	<b>1,011</b>	<b>1,241</b>	<b>1,010</b>	<b>856</b>	<b>744</b>	<b>821</b>	<b>313</b>	<b>755</b>	<b>4,118</b>	<b>2,781</b>	<b>544</b>	<b>-42.5</b>
Eff. Tax Rate (%)	26.3	23.8	27.6	27.2	28.5	24.9	58.6	31.4	26.1	30.1	-9.2	
<b>Rep. PAT</b>	<b>745</b>	<b>945</b>	<b>731</b>	<b>623</b>	<b>532</b>	<b>617</b>	<b>129</b>	<b>518</b>	<b>3,045</b>	<b>1,944</b>	<b>594</b>	<b>-78.2</b>
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-82.3	-16.9	22.6	-36.2	-18.8	
<b>Adj. PAT</b>	<b>745</b>	<b>945</b>	<b>731</b>	<b>623</b>	<b>532</b>	<b>617</b>	<b>241</b>	<b>518</b>	<b>3,045</b>	<b>1,944</b>	<b>594</b>	<b>-59.4</b>
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-67.0	-16.9	22.6	-36.2	-18.8	

E: MOFSL Estimates



# Quess Corp

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR586**      **TP: INR670 (+14%)**      **Neutral**

## Navigating through headwinds

### BFSI expected to remain soft in the near term

■ Quess Corp (QUESS) delivered 7% QoQ/14% YoY growth in revenue in 3QFY25, in line with our estimate. The headcount addition was muted at ~7.5k net. EBITDA margin stood at 3.6% (down 20bp QoQ) vs our estimate of 3.8%. Adj. PAT increased 22% YoY to INR1,026m, in-line with our estimate of INR1,026m. For 9MFY25, revenue/EBITDA/PAT grew 10.6%/15.5%/50.7% YoY. We expect revenue/EBITDA/PAT to grow by 8.5%/3.4%/10.5% YoY in 4QFY25. **We reiterate our Neutral rating** with a TP of INR670, implying 18x Dec'26E P/E.

### Our view: GCC pie doing well

- 3QFY25 saw steady growth, led by general staffing, while Manufacturing and Retail continued to experience healthy demand with 14,000 open mandates. Despite furloughs and delayed onboarding, IT staffing remained stable, with GCCs accounting for an increasing share of IT staffing revenue. We think that the ongoing shift toward GCCs and niche, high-margin roles has helped cushion the impact of a softer IT/ITeS market, and we expect IT hiring to show signs of recovery in 4QFY25, supported by a healthy pipeline of 1,600 open mandates.
- On the international business front, challenges persisted, particularly in Singapore, where macroeconomic uncertainty, wage inflation, and regulatory constraints affected hiring. Additionally, visa-related issues in the region further intensified the pressure, creating hurdles for near-term growth. However, demand in the Middle East remained strong, providing some relief to the overall international business, in our opinion.
- Margins were impacted by seasonal factors, investments in sales and leadership, and festive payouts, resulting in an EBITDA margin of 3.6%. While IT hiring remains sluggish, the company's strategic push toward high-margin GCCs and specialized roles is expected to drive gradual margin expansion, with EBITDA likely to rebound to 2.4%-2.5% in the coming quarters for the Workforce Management (WFM) business. The company continues to invest in its GTS platform, leadership, and digital capabilities, ensuring sustainable long-term growth post-demerger.
- We believe that near-term pressures in Singapore and softness in BFSI may weigh on margins, but ongoing efficiency improvements and a strong domestic pipeline should support steady margin recovery into 4QFY25 and FY26.

### Valuation and change in estimates

- We have kept our estimates largely unchanged. We expect EBITDA margin to gradually improve to 3.7%/4.0%/4.1% for FY25/FY26/FY27. Accordingly, we expect a PAT CAGR of 28% over FY24-27E.
- Though QUESS should benefit from medium-term tailwinds of formalization and labor reforms, the growth has already been factored into the valuations. **We reiterate our Neutral rating** with a TP of INR670, implying 18x Dec'26E P/E.

Bloomberg	QUESS IN
Equity Shares (m)	149
M.Cap.(INRb)/(USDb)	87.1 / 1
52-Week Range (INR)	875 / 460
1, 6, 12 Rel. Per (%)	-10/-12/11
12M Avg Val (INR M)	382

### Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	210.3	236.6	266.8
EBITDA Margin (%)	3.7	4.0	4.1
Adj. PAT	3.9	4.9	5.8
Adj. EPS (INR)	26.2	32.7	38.8
EPS Gr. (%)	28.1	25.1	18.4
BV/Sh. (INR)	259.8	281.3	312.5

### Ratios

RoE (%)	13.6	16.0	17.2
RoCE (%)	15.2	17.5	18.9
Payout (%)	61.8	48.9	41.3
Dividend Yield (%)	2.7	2.7	2.7

### Valuations

P/E (x)	22.4	17.9	15.1
P/BV (x)	2.3	2.1	1.9
EV/EBITDA (x)	11.4	9.2	7.7
EV/Sales (x)	0.4	0.4	0.3

### Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	56.6	56.6	56.7
DII	10.5	11.0	10.7
FII	15.2	15.8	16.3
Others	17.7	16.6	16.4

FII includes depository receipts

**Beat on revenues and in-line margins; 87 new contracts secured in GS**

- Revenue was up 7% QoQ/14% YoY in 3QFY25, above our expectation of flat QoQ/7.0% YoY.
- WFM grew 18% YoY; Operating Asset Management (OAM) grew 15% YoY; Global Technology Solutions (GTS) grew 10% YoY; while Product-led business (excluding Qdigi) dipped 29% YoY.
- EBITDA margin was stable at 3.6% vs est 3.8%. For WFM/OAM/GTS, EBITDA margin was stable at 2.3%/4.7%/17.1% in 3Q.
- Adj. PAT was up 22% YoY to INR1,026m, in-line with our estimate of INR1,026m. QUESS added a total of ~7.5k employees in 3Q (up ~1% QoQ) and 4.5k employees in WFM.
- Moreover, 124 new contracts were added in WFM, with an ACV of INR1.5b (87 contracts added in GS).

**Key highlights from the management commentary**

- The company's growth was driven by Telecom and Retail, while Logistics, E-commerce, and Manufacturing & Infrastructure (M&I) remained subdued.
- Strong GCC contribution was observed in IT staffing. A focus on niche skills and higher realization roles has improved margins in domestic IT.
- IT staffing remains stable, despite furloughs and delayed onboarding, with a shift towards high-margin roles.
- GS headcount addition was 5,000 during the quarter, with YTD net HC addition at 46,000.
- GS headcount growth in BFSI remains flat due to softness in unsecured lending; a near-term slowdown is expected in BFSI.
- IT staffing benefited from GCC contributions, though overall IT hiring was modest; margins improved due to better mandate quality.
- Significant investments were made in sales, leadership, and product development within the GTS platform to drive post-demerger growth.
- EBITDA margin stood at 3.6%, impacted by investments in sales and leadership, festive payouts to associates, and one-time demerger-related costs.

**Valuation and view**

- Though QUESS should benefit from the medium-term tailwinds of formalization and labor reforms, the growth has already been factored into the valuations.
- We expect a gradual recovery in margins over FY25-27, which should support earnings. **We reiterate our Neutral** with a TP of INR670 implies 18x Dec'26E P/E.

**Consolidated - Quarterly**

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	Est. 3QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>46,002</b>	<b>47,483</b>	<b>48,418</b>	<b>49,098</b>	<b>50,031</b>	<b>51,794</b>	<b>55,191</b>	<b>53,279</b>	<b>1,91,001</b>	<b>2,10,295</b>	<b>51,802</b>	<b>6.5</b>
YoY Change (%)	15.6	11.1	8.4	10.6	8.8	9.1	14.0	8.5	11.3	10.1	7.0	700
Total Expenditure	44,463	45,800	46,608	47,146	48,147	49,838	53,218	51,261	1,84,017	2,02,464	49,818	6.8
<b>EBITDA</b>	<b>1,539</b>	<b>1,683</b>	<b>1,810</b>	<b>1,952</b>	<b>1,884</b>	<b>1,956</b>	<b>1,973</b>	<b>2,018</b>	<b>6,984</b>	<b>7,830</b>	<b>1,983</b>	<b>-0.5</b>
Margins (%)	3.3	3.5	3.7	4.0	3.8	3.8	3.6	3.8	3.7	3.7	3.8	-25.4
Depreciation	686	697	718	731	690	697	689	868	2,832	2,944	762	-9.7
<b>EBIT</b>	<b>853</b>	<b>987</b>	<b>1,092</b>	<b>1,220</b>	<b>1,194</b>	<b>1,259</b>	<b>1,284</b>	<b>1,149</b>	<b>4,152</b>	<b>4,886</b>	<b>1,221</b>	<b>5.2</b>
Margins (%)	1.9	2.1	2.3	2.5	2.4	2.4	2.3	2.2	2.2	2.3	2.4	-3
Interest	272	330	354	266	282	284	266	178	1,222	1,009	216	23.0
Other Income	41	151	52	50	102	44	89	186	295	421	135	
<b>PBT before EO expense</b>	<b>621</b>	<b>809</b>	<b>790</b>	<b>1,005</b>	<b>1,014</b>	<b>1,018</b>	<b>1,107</b>	<b>1,158</b>	<b>3,225</b>	<b>4,297</b>	<b>1,140</b>	<b>-2.9</b>
Recurring Tax	140	83	-45	-30	69	85	34	116	148	304	114	-69.8
Rate (%)	22.6	10.3	-5.7	-3.0	6.8	8.4	3.1	10.0	4.6	7.1	10.0	
MI & P/L of Asso. Cos.	3.1	-9.8	-2	35	78.7	12.4	47	0	25.5	137.5	0	
<b>Adjusted PAT</b>	<b>478</b>	<b>735</b>	<b>838</b>	<b>1,000</b>	<b>867</b>	<b>921</b>	<b>1,026</b>	<b>1,042</b>	<b>3,052</b>	<b>3,856</b>	<b>1,026</b>	<b>0.0</b>
Extraordinary items	0	16	199	57	-171	-3	221	0	272	47	0	
<b>Reported PAT</b>	<b>478</b>	<b>719</b>	<b>639</b>	<b>943</b>	<b>1,038</b>	<b>924</b>	<b>805</b>	<b>1,042</b>	<b>2,780</b>	<b>3,809</b>	<b>1,026</b>	<b>-21.5</b>
YoY Change (%)	-22.0	71.0	-27.4	184.8	117.1	28.5	25.9	10.5	23.8	37.0	60.5	-3,459
Margins (%)	1.0	1.5	1.3	1.9	2.1	1.8	1.5	2.0	1.5	1.8	2.0	-52

**Key Performance Indicators**

Y/E March	FY24				FY25			FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
<b>Headcount (k)</b>	<b>525</b>	<b>547</b>	<b>557</b>	<b>567</b>	<b>597</b>	<b>609</b>	<b>617</b>	<b>567</b>
<b>Segment Revenue (INR m)</b>								
Workforce Management	32,206	33,153	34,302	34,760	36,219	37,473	40,467	1,34,420
Operating Asset Management	6,899	7,055	6,950	7,100	7,325	7,680	8,003	28,004
Global Technology Solutions	5,633	5,843	5,880	6,040	6,101	6,247	6,463	23,395
Product Led Business	1,264	1,433	1,287	1,190	386	393	257	5,174
<b>EBITDA Margin (%)</b>								
Workforce Management	2.6	2.6	2.6	2.6	2.4	2.4	2.3	2.6
Operating Asset Management	4.5	5.0	5.2	5.4	4.8	4.8	4.7	5.0
Global Technology Solutions	17.8	17.8	18.3	18.8	17.5	17.5	17.1	18.2
Product Led Business	(20.3)	(14.1)	(7.8)	(5.9)	(21.8)	(19.2)	(33.6)	(12.1)



# MAS Financial Services

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR257      TP: INR330 (+28%)      Buy**

## Prioritizing asset quality over loan growth in a tough macro

### AUM grew ~21% YoY; minor deterioration in asset quality

- MAS Financial Services (MASFIN)'s 3QFY25 PAT grew ~25% YoY to INR781m (in line). Net total income was up 31% YoY at INR2.1b (in line), while opex grew ~44% YoY to INR673m (in line). PPOp grew 25% YoY to INR1.4b (in line).
- Credit costs stood at INR332m, translating into annualized credit costs of 1.2% (PQ: 1.0% and PY: 1.1%).
- The Board has approved an investment of up to INR150m in its subsidiary, MAS Rural Housing & Mortgage Ltd.
- MASFIN reiterated its medium to long-term AUM growth guidance of ~20-25% with a continued focus on maintaining healthy asset quality. Its **SME segment** is expanding at a faster pace than micro-enterprise loans (MEL), aligning with the company's strategic objective. The company targets to reach an AUM of ~INR200b within the next three years.
- We estimate a ~25% PAT CAGR over FY24-27, with RoA/RoE of ~2.9%/16% in FY27. **Reiterate BUY with a TP of INR330 (based on 2x Sep'26E BV).**

Bloomberg	MASFIN IN
Equity Shares (m)	181
M.Cap.(INRb)/(USD b)	46.6 / 0.5
52-Week Range (INR)	388 / 229
1, 6, 12 Rel. Per (%)	-3/-5/-31
12M Avg Val (INR M)	75

### Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Total income	7.9	10.0	12.2
PPP	5.3	6.8	8.4
PAT	3.1	3.9	4.8
EPS (INR)	17.0	21.7	26.4
EPS Gr. (%)	12.8	27.2	21.9
BVPS (INR)	138	158	182

### Ratios (%)

NIM	6.5	6.7	6.7
C/I ratio	32.9	31.8	31.4
RoA	3.0	3.0	2.9
RoE	14.6	14.7	15.6
Payout	10.0	9.2	9.1

### Valuations

P/E (x)	15	12	9.7
P/BV (x)	1.9	1.6	1.4
Div. yield (%)	0.7	0.8	0.9

### Shareholding pattern (%)

As on	Dec-24	Sep-24	Dec-23
Promoter (%)	66.6	66.6	73.7
DII (%)	20.0	20.2	8.4
FII (%)	3.0	2.7	1.6
Others (%)	10.3	10.4	16.2

FII Includes depository receipts

### AUM rises 21% YoY; strong growth in personal loans on a small base

- Standalone AUM rose ~21% YoY to ~INR117b. AUM of micro-enterprise/SME/2W/commercial vehicle loans grew ~8%/24%/21%/47% YoY. Salaried personal loans grew ~69% YoY to ~INR9.2b. ~35% of underlying assets in the standalone AUM were through partner NBFCs. The MSME segment contributed 60% to incremental YoY AUM growth.
- The company has provided guidance for an AUM mix of ~60% from SME, ~25-30% from Wheels, and ~10% from both secured and unsecured personal loans. We model AUM CAGR of ~22% over FY24-27.

### Sequential expansion in spreads and NIMs

- Yields (calc.) rose ~10bp to ~14.8%, while CoF (calc.) declined ~5bp QoQ to 9.3%. This resulted in ~15bp QoQ expansion in spreads to ~5.5%.
- NIM (calc.) expanded ~10bp QoQ to ~7.25%. Reported CoF was stable QoQ at ~9.85%. We model NIMs of ~6.7% each in FY26/FY27 (vs. ~6.5% in FY25E).

### Increase in 1+dpd; minor deterioration in asset quality

- The 1+dpd increased ~10bp QoQ to 6.7% in 3QFY25.
- GNPA/NNPA ratios (basis AUM) rose ~5bp each QoQ to 2.4%/1.6%. PCR on Stage 3 assets declined ~120bp QoQ to ~38%. The company has seen a minor uptick in GS3 due to the weak macroeconomic environment.

### Other highlights

- Avg. ticket size of micro-enterprise loans increased sequentially to ~INR59k (PQ: ~INR54k).
- RoTA declined ~10bp QoQ to ~2.9% in 3QFY25.

### HFC subsidiary:

- MAS Housing reported AUM of ~INR7b, up ~29% YoY.
- GS3 rose ~3bp QoQ to ~0.95%.
- The company continues to pursue the same fundamentals and expects HFC to grow between ~25-30% in the medium term.

### Key highlights from the management commentary

- MEL, where customers are over-leveraged and vulnerable, is exhibiting weakness.
- At the industry level, PL has 90dpd ranging between ~4%-8% and loan losses ranging between ~3%-7%. MASFIN has implemented sufficient guardrails to protect itself from such risks.
- A significant portion of the company's liabilities is MCLR-linked, which will result in a lag in the transmission of interest rate cuts to its cost of borrowing.

### Valuation and view

- We model a standalone AUM/PAT CAGR of 22%/25% over FY24-FY27E with an RoA/RoE of 2.9%/16% in FY27E. The company has maintained a high earnings quality, backed by healthy AUM growth.
- MASF has developed niche expertise to serve the MSME market and continues to demonstrate reasonably healthy loan growth momentum, while its asset quality is perhaps the best among SME lending peers.
- **Reiterate BUY with a TP of INR330 (premised on 2x Sep'26E BV).** Key risk: Slowdown in the economic environment leading to sluggish loan growth and deterioration in asset quality.

Quarterly Performance												(INR M)
Y/E March	FY24				FY25E				FY24	FY25E	3QFY25E	Act. v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue from Operations</b>	<b>2,801</b>	<b>2,982</b>	<b>3,206</b>	<b>3,295</b>	<b>3,465</b>	<b>3,670</b>	<b>3,901</b>	<b>4,161</b>	<b>12,246</b>	<b>15,197</b>	<b>3,952</b>	<b>-1</b>
Interest Income	2,362	2,490	2,651	2,757	2,952	3,078	3,332	3,519	10,223	12,881	3,278	2
Gain on assignments	242	272	319	336	304	375	356	381	1,170	1,415	412	-14
Other operating Income	196	219	236	202	210	217	213	262	853	901	261	-19
Interest expenses	1,428	1,461	1,638	1,615	1,714	1,754	1,845	2,010	6,142	7,324	1,929	-4
<b>Total income</b>	<b>1,373</b>	<b>1,520</b>	<b>1,569</b>	<b>1,680</b>	<b>1,751</b>	<b>1,916</b>	<b>2,056</b>	<b>2,151</b>	<b>6,104</b>	<b>7,872</b>	<b>2,022</b>	<b>2</b>
Growth Y-o-Y (%)	30	28	27	33	27	26	31	28	29	29	29	
Operating Expenses	427	484	467	555	567	632	673	715	1,894	2,587	663	1
<b>Operating Profits</b>	<b>946</b>	<b>1,036</b>	<b>1,102</b>	<b>1,125</b>	<b>1,183</b>	<b>1,284</b>	<b>1,383</b>	<b>1,436</b>	<b>4,210</b>	<b>5,286</b>	<b>1,359</b>	<b>2</b>
Growth Y-o-Y (%)	34	34	35	27	25	24	25	28	33	26	23	
Provisions	188	236	257	214	239	263	332	312	896	1,146	300	11
<b>Profit before tax</b>	<b>758</b>	<b>800</b>	<b>845</b>	<b>911</b>	<b>944</b>	<b>1,021</b>	<b>1,051</b>	<b>1,124</b>	<b>3,314</b>	<b>4,140</b>	<b>1,059</b>	<b>-1</b>
Growth Y-o-Y (%)	22	22	25	29	25	28	24	23	25	25	25	
Tax Provisions	186	200	221	230	240	255	270	283	837	1,047	265	2
<b>Net Profit</b>	<b>573</b>	<b>600</b>	<b>624</b>	<b>681</b>	<b>704</b>	<b>766</b>	<b>781</b>	<b>841</b>	<b>2,478</b>	<b>3,092</b>	<b>795</b>	<b>-2</b>
Growth Y-o-Y (%)	23	22	24	23	23	28	25	24	23	25	27	
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	14.3	14.5	14.5	14.3	14.8	14.7	14.8	14.9				
Cost of funds (Cal)	9.6	9.21	9.70	9.31	9.61	9.37	9.31	9.3				
Spreads (Cal)	4.7	5.3	4.8	5.0	5.1	5.3	5.5	5.6				
NIM on AUM (Cal)	6.7	7.0	6.7	6.8	6.8	7.2	7.25	7.2				
Credit Cost (%)	0.9	1.1	1.1	0.9	0.9	1.0	1.2	1.0				
Cost to Income Ratio	31.1	31.9	29.7	33.0	32.4	33.0	32.7	33.3				
Tax Rate	24.5	25.0	26.1	25.3	25.4	25.0	25.0	25.2				
<b>Balance Sheet Parameters</b>												
<b>Standalone AUM (INR B)</b>	<b>84.2</b>	<b>90.5</b>	<b>96.7</b>	<b>101.3</b>	<b>103.8</b>	<b>110.2</b>	<b>116.8</b>	<b>123.4</b>				
Change YoY (%)	25.9	26.7	27.2	25.1	23.4	21.8	20.7	21.9				
<b>Disbursements (INR B)</b>	<b>22.8</b>	<b>25.0</b>	<b>26.6</b>	<b>27.9</b>	<b>27.3</b>	<b>30.2</b>	<b>31.6</b>	<b>32.7</b>				
Change YoY (%)	5.8	10.5	19.8	11.9	19.5	21.0	18.6	17.1				
<b>Borrowings (INR B)</b>	<b>59.9</b>	<b>67.1</b>	<b>68.0</b>	<b>70.8</b>	<b>71.9</b>	<b>77.9</b>	<b>80.6</b>	<b>92.5</b>				
Change YoY (%)	18.5	15.0	14.5	19.9	20.1	16.1	18.6	30.6				
Debt/Equity (x)	3.8	4.1	4.0	4.0								
<b>Asset liability Mix</b>												
<b>AUM Mix (%)</b>												
Micro Enterprises	47.8	47.1	44.9	43.3	43.6	43.1	40.3					
SME loans	36.5	35.7	35.7	36.9	36.4	36.1	36.6					
2W loans	6.8	6.9	6.9	6.6	6.4	6.5	6.9					
CV loans	5.3	6.2	6.8	7.4	7.9	8.2	8.3					
<b>Borrowings Mix (%)</b>												
Direct Assignment	23.0	23.3	23.9	24.0	24.4	22.9	22.1					
Cash Credit	17.0	16.0	16.0	11.9	11.3	14.6	13.2					
Term Loan	48.0	50.6	51.9	54.0	52.9	50.6	50.4					
NCD	8.0	7.1	4.6	6.8	8.1	8.9	11.3					
Sub Debt	4.0	3.0	3.5	3.3	3.3	3.1	3.0					
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	1,355	1,555	1,747	1,906	2,043	2,235	2,423					
GS 3 (%)	2.13	2.17	2.23	2.25	2.29	2.36	2.41					
NS 3 (INR m)	795	916	1,023	1,164	1,243	1,361	1,505					
NS 3 (%)	1.47	1.47	1.48	1.51	1.52	1.57	1.62					
PCR (%)	41.3	41.1	41.4	38.9	39.1	39.1	37.9					
<b>Return Ratios (%)</b>												
ROA	3.0	2.9	2.9	3.0	3.0	3.0	2.9					
Tier I ratio	21.1	21.2	20.6	20.3	25.4	23.8	23.1					

E: MOFSL estimates





# Airtel Africa

BSE SENSEX  
76,760S&P CNX  
23,250

## Good 3Q driven by stronger performance in East Africa

### Revenue and EBITDA beat est. by 4% as CC growth accelerates

- Airtel Africa (AAF) continued to report healthy double-digit revenue growth in constant currency (cc) as 3QFY25 revenue at USD1.33b grew 21% YoY (+6% QoQ), driven by growth acceleration in data (+31% YoY) and Mobile Money (+31% YoY) revenue growth and stronger cc growth in East Africa (+23% YoY).
- Reported revenue came in at USD1.27b (+4% QoQ), **4% above** our estimate of USD1.2b.
- EBITDA increased by 19% YoY in CC to USD626m (vs. 16% YoY in 2QFY25). Reported EBITDA at USD589m (+5% QoQ) came in **~4% above** our estimate of USD565m.
- Reported EBITDA margin improved further to 46.5% (+30bp QoQ) and was 10bp above our estimate.
- With capex declining ~23% YoY to USD140m, 3Q cc operating FCF rose 41% YoY to USD486m. 9MFY25 operating FCF stood at USD1.29b (+26% YoY).
- Net debt increased further to USD5.27b (vs. USD5.16b at end-Sep'24) largely on account of a further increase in lease liabilities. Leverage inched up to 2.4x (vs. 2.3x QoQ). Excluding leases, the net debt-to-EBITDA stood at ~1.1x (vs. 1x QoQ).
- With a strong ~4% beat on revenue and EBITDA in AAF and a significant beat in Indus Towers (driven by higher-than-estimated provision reversals), we believe there would be **upside to our 3Q estimates for Bharti Airtel**.

### Robust double-digit cc YoY growth led by strong growth in data and Mobile Money

- Mobile services revenue at USD1.06b (+4% QoQ) continued to report double-digit cc YoY growth (+20% YoY, vs. 19% YoY in 2Q), with robust growth across both voice (+10% YoY) and data (+31% YoY).
- Mobile services EBITDA at USD486m (+4% QoQ) was up 15% YoY in cc (vs. 12% YoY in 2Q), with margins stable QoQ at 45.7%.
- Mobile Money revenue at USD265m (+9% QoQ) jumped 31% cc YoY, driven by 18% YoY subscriber growth and 14% YoY constant currency ARPU increase.
- Mobile Money EBITDA at USD140m (+10% QoQ) grew +32% cc YoY, with EBITDA margin expanding 30bp QoQ to 52.9%.

### Geographical performance: Growth accelerates in East Africa, further recovery in Francophone Africa

- **Nigeria:** Nigeria cc revenue grew strongly by 34% YoY (vs. 38% YoY in 2Q), driven by robust growth in data (+44% YoY) and voice (+20% YoY) revenue. Reported revenue fell 31% YoY due to the impact of currency devaluation. EBITDA was up ~18% YoY in cc as margin declined 50bp QoQ to 48.6%.

- **East Africa:** East Africa cc revenue growth remained robust at 23% YoY (vs. 21% YoY in 2Q) on strong 29% YoY growth in data and 34% YoY growth in Mobile Money. EBITDA was up ~25% YoY in cc as margin expanded further 60bp QoQ to 53.4%.
- **Francophone Africa:** Growth recovered further in Francophone Africa with cc revenue up 10% YoY (vs. 9% YoY in 2Q). EBITDA was up by a modest ~3% YoY (vs. +1% YoY in 2Q) in cc terms as margins declined 50bp QoQ to 43.3%.

### Robust operating performance underpinned by strong net adds, data consumption and ARPU growth

- Subs base grew 6.5m QoQ (vs. 1.2m net adds in 2Q) to 163.1m (+8% YoY), driven by ~7% QoQ growth in the subscriber base in Nigeria.
- Data subs increased by 5.4m QoQ (vs. 1.6m net adds in 2Q) to 71.4m (+14% YoY, 43.8% of subs now opting for data). Mobile Money subs rose 2.8m QoQ (vs. 2m in 2Q) to 44.3m (18% YoY).
- Blended ARPU was up 1% QoQ at USD2.2 (+12% YoY cc growth), driven by robust ~18% YoY cc growth in data ARPU and ~14% YoY cc growth in Mobile Money ARPU.
- Data usage per sub increased ~4% QoQ to 7.6GB/month (vs. 5.6GB/month YoY). Voice usage per customer increased ~4% QoQ to 310min/month (vs. 288 min YoY).

### Highlights from the management commentary

- **Robust growth:** Over the last few years, there was volatility in the macroeconomic environment; however, there are some signs of stabilization now. Demand for mobile services remains strong, given low penetration in the Airtel Africa footprint.
- **Price hikes in Nigeria:** AAF has received approval for a price hike of up to 50% in Nigeria (applicable for 75% of revenue). The company has submitted a proposal to the regulator and would implement the hikes post the approval.
- **Airtel Money IPO:** AAF continues to stick to the original guidance of four years (i.e. Jul'25) from the first strategic investor coming into Airtel Money and would look to provide more updates on listing plans by FY25 end.
- **Capex:** AAF maintains its FY25 capex guidance of USD725-750m. However, management expects capex to be near the lower end of the guidance.

### Consistent growth and long runway for growth warrants a re-rating

- AAF continues to deliver double-digit cc revenue and EBITDA growth for the past several years. Despite solid growth, AAF trades at ~3.9x Mar'27E EV/EBITDA. We ascribe a modest ~INR33/share valuation to Bharti's stake in Airtel Africa in our TP of INR1,890. We believe that with continued strong growth and long runway for growth, there is a case for re-rating of AAF, which in turn would benefit Bharti Airtel shareholders.

## Other takeaways

- **Shareholder returns:** After the completion of its first buyback of USD100m, AAF has announced the second round of buyback for another USD100m.
- **Francophone Africa:** The growth in Francophone Africa recovered to double digit cc growth. Slight impact on margins was on account of higher marketing spends.
- **Impact of Starlink:** The fixed-broadband market has a massive opportunity, which should enable high growth rates to sustain. Further, management indicated that Starlink had to stop customer acquisition due to capacity constraints.

## Quarterly performance summary

	3QFY24	2QFY25	3QFY25	YoY	QoQ
<b>Revenue</b>	<b>1,238</b>	<b>1,214</b>	<b>1,268</b>	<b>2.4</b>	<b>4.4</b>
Network operating expenses	-225	-232	-245	8.9	5.6
Access charges	-72	-61	-58	(19.4)	(4.9)
License fee / spectrum usage charges	-59	-65	-66	11.9	1.5
Employee benefits expense	-77	-77	-79	2.6	2.6
Sales and marketing expenses	-65	-161	-171	163.1	6.2
Impairment loss/(reversal)	-1	-1	-2		
Other operating expenses	-135	-57	-58	(57.0)	1.8
<b>EBITDA</b>	<b>604</b>	<b>560</b>	<b>589</b>	<b>(2.5)</b>	<b>5.2</b>
<b>EBITDA margin (%)</b>	<b>48.8</b>	<b>46.1</b>	<b>46.5</b>	<b>-230 bps</b>	<b>30 bps</b>
Other income	2	4	5		
Finance cost	-365	-267	-59	(83.8)	(77.9)
Depreciation and amortization	-198	-193	-219	10.6	13.5
<b>Profit before taxes</b>	<b>43</b>	<b>104</b>	<b>316</b>	<b>634.9</b>	<b>203.8</b>
Extraordinary items	13	71	-94		
Taxes	-28	-56	-147		
Share of profit of associates	0	0	0		
<b>Adjusted net income</b>	<b>28</b>	<b>119</b>	<b>75</b>	<b>167.9</b>	<b>(37.0)</b>
<b>Reported net income</b>	<b>15</b>	<b>48</b>	<b>169</b>	<b>1,026.7</b>	<b>252.1</b>
<b>In CC terms</b>					
<b>Revenue</b>	<b>1,099</b>	<b>1,263</b>	<b>1,334</b>	<b>21.4</b>	<b>5.6</b>
Implied costs	-571	-675	-708	24.0	4.9
<b>EBITDA</b>	<b>528</b>	<b>588</b>	<b>626</b>	<b>18.6</b>	<b>6.5</b>
EBITDA margin (%)	48.0	46.6	46.9	-110 bps	40 bps
Capex	182	169	140	(23.1)	(17.2)

## Segmental performance summary

	3QFY24	2QFY25	3QFY25	YoY	YoY in cc	QoQ
<b>Mobile services (USD m)</b>						
<b>Revenue</b>	<b>1,071</b>	<b>1,026</b>	<b>1,063</b>	<b>-1</b>	<b>20</b>	<b>4</b>
Voice	538	484	496	-8	10	3
Data	428	435	461	8	31	6
Others	105	107	106	0	19	-1
<b>Underlying EBITDA</b>	<b>523</b>	<b>469</b>	<b>486</b>	<b>-7</b>	<b>14.5</b>	<b>3.6</b>
Underlying EBITDA margin	48.8	45.7	45.7	-310 bp	(205) bps	0 bp
Operating profit	298	254	249	-16	6	-2
Capex	172	159	128	-25	-25	-19
Operating cash flow	351	310	358	2	39	15
<b>Mobile money (USD m)</b>						
Revenue	215	244	265	23	31	9
<b>Underlying EBITDA</b>	<b>113</b>	<b>128</b>	<b>140</b>	<b>24</b>	<b>32.0</b>	<b>9.5</b>
Underlying EBITDA margin	52.7	52.6	52.9	25 bp	35 bps	30 bp
Operating profit	105	119	131	24	32	10
Capex	6	6	5	-23	-23	-16
Operating cash flow	107	122	135	27	35	11

## Max Healthcare

BSE SENSEX  
76,760S&P CNX  
23,250

CMP: INR1,025

## Conference Call Details

Date: 31<sup>st</sup> Jan 2025

Time: 11:00 pm IST

Dial-in details:

Zoom [Link](#)

## Financials &amp; Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	84.2	103.5	117.9
EBITDA	22.1	27.5	32.1
Adj. PAT	14.6	19.3	23.3
EBIT Margin (%)	21.6	22.2	23.3
Cons. Adj. EPS (INR)	15.1	19.9	24.0
EPS Gr. (%)	9.6	32.0	20.8
BV/Sh. (INR)	110.6	130.4	154.4
<b>Ratios</b>			
Net D:E	(0.0)	(0.2)	(0.3)
RoE (%)	14.6	16.5	16.8
RoCE (%)	13.2	15.6	16.5
Payout (%)	0.0	0.0	0.0
<b>Valuations</b>			
P/E (x)	68.1	51.6	42.7
EV/EBITDA (x)	44.9	35.3	29.6
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.3	1.9	2.2
EV/Sales (x)	11.8	9.4	8.0

## Operationally better than estimates

- In 3QFY25, Max network revenue (including trust business) grew 34.9% YoY to INR22.7b (our est. INR21.2b).
- EBITDA margin contracted 45bp YoY to 27.2% (our est. 26.0%) owing to higher other expenses (+390bp YoY as % of revenue), offset by lower employee expenses (-470bp YoY as % of revenue).
- EBITDA grew 32.7% YoY to INR6.2b (our est. INR 5.5b) primarily driven by higher revenue.
- Adjusted PAT grew 16.5% YoY to INR4b (our est. INR3.7b), led by other income, offset by higher interest and depreciation expenses.
- EBITDA per bed (annualized) stood at INR7.3m (-4% YoY and -2% QoQ).
- Lucknow hospital revenue/EBITDA margin came in at INR930m/33%. Nagpur hospital revenue/EBITDA margin came in at INR540m/20% for the quarter.
- Max Dwarka, a 303-bed greenfield hospital launched in Jul'24, reported EBITDA breakeven in Dec'24.
- For 9MFY25, revenue/EBITDA/PAT grew 26%/22%/8% to INR63.2b/INR16.8/INR10.8b.
- In 3QFY25, revenue/EBITDA/PAT beat Bloomberg consensus estimates by 4%/8%/10%.

## Other highlights

- For hospitals business, ARPOB stood at INR75.9k in 3QFY25 (+1% YoY).
- Occupancy came in at 75% in 3QFY25 (vs. 73% in 3QFY24) and 81% in 2QFY25.
- Payor mix changed as...
  - Cash segment revenue share increased 7bp YoY to 33.4%.
  - Institutional revenue share increased 160bp to 19.9% YoY.
  - International revenue share declined 40bp YoY to ~9.0% of revenue.
  - TPA and Corporate segment revenue share declined 130bp YoY to 37.7%.
- Max Lab gross revenue was INR420m (+24% YoY/-9% QoQ).
- Max@Home gross revenue was INR550m (+25% YoY, +3.8% QoQ).
- The board has approved an agreement to lease a "built-to-suit" 500-bed hospital in Thane, Maharashtra.
- It has approved the expansion of bed capacity in its upcoming "built-to-suit" hospital in Zirakpur (Mohali) to 400 beds from previous planned capacity of 250 beds.
- Net debt stood at INR16b at the end of 3QFY25 vs. net cash of INR3b in 2QFY25.

**Max Healthcare Institute**

**Consolidated - Quarterly Earning Model**

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	% var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Gross Sales</b>	<b>16,220</b>	<b>17,190</b>	<b>16,820</b>	<b>17,910</b>	<b>19,310</b>	<b>21,190</b>	<b>22,690</b>	<b>20,971</b>	<b>68,150</b>	<b>84,161</b>	<b>21,193</b>	<b>7.1</b>
YoY Change (%)	16.7	16.8	14.9	15.6	19.1	23.3	34.9	17.1	16.0	23.5	26.0	
Total Expenditure	11,930	12,350	12,170	12,970	14,370	15,520	16,520	15,701	49,420	62,111	15,683	
<b>EBITDA</b>	<b>4,290</b>	<b>4,840</b>	<b>4,650</b>	<b>4,940</b>	<b>4,940</b>	<b>5,670</b>	<b>6,170</b>	<b>5,270</b>	<b>18,730</b>	<b>22,050</b>	<b>5,510</b>	<b>12.0</b>
Margins (%)	26.4	28.2	27.6	27.6	25.6	26.8	27.2	25.1	27.5	26.2	26.0	
Depreciation	640	660	700	840	900	970	1,060	978	2,840	3,908	980	
Interest	-30	-170	-140	-40	80	50	350	-301	-380	179	30	
Other Income	70	130	60	90	40	60	110	85	350	295	80	
<b>PBT before EO expense</b>	<b>3,750</b>	<b>4,480</b>	<b>4,150</b>	<b>4,230</b>	<b>4,000</b>	<b>4,710</b>	<b>4,870</b>	<b>4,678</b>	<b>16,620</b>	<b>18,258</b>	<b>4,580</b>	
Extra-Ord expense	190	190	40	250	190	270	1,000	-1,000	670	460	0	
<b>PBT</b>	<b>3,560</b>	<b>4,290</b>	<b>4,110</b>	<b>3,980</b>	<b>3,810</b>	<b>4,440</b>	<b>3,870</b>	<b>5,678</b>	<b>15,950</b>	<b>17,798</b>	<b>4,580</b>	
Tax	660	910	730	870	870	950	710	1,030	3,160	3,560	870	
Rate (%)	18.5	21.2	17.8	21.9	22.8	21.4	18.3	18.1	19.8	20.0	19.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>2,900</b>	<b>3,380</b>	<b>3,380</b>	<b>3,110</b>	<b>2,940</b>	<b>3,490</b>	<b>3,160</b>	<b>4,648</b>	<b>12,790</b>	<b>14,238</b>	<b>3,710</b>	
<b>Adj PAT</b>	<b>3,055</b>	<b>3,530</b>	<b>3,413</b>	<b>3,319</b>	<b>3,087</b>	<b>3,702</b>	<b>3,977</b>	<b>3,830</b>	<b>13,316</b>	<b>14,597</b>	<b>3,710</b>	<b>7.2</b>
YoY Change (%)	28.3	24.5	20.3	4.6	1.0	4.9	16.5	15.4	18.6	9.6	8.7	
Margins (%)	18.8	20.5	20.3	18.5	16.0	17.5	17.5	18.3	19.5	17.3	17.5	
<b>EPS</b>	<b>3.2</b>	<b>3.6</b>	<b>3.5</b>	<b>3.4</b>	<b>3.2</b>	<b>3.8</b>	<b>4.1</b>	<b>4.0</b>	<b>13.7</b>	<b>15.1</b>	<b>3.8</b>	

E: MOFSL Estimates

**Case mix snapshot**

Case mix (INRm)	% revenue	3QFY25	3QFY24	YoY growth (%)	2QFY24	QoQ growth (%)
Oncology	26	4,906	3,578	37.1	4,575	7.2
Cardiac sciences	11	1,981	1,540	28.7	1,806	9.7
Neuro sciences	10	1,793	1,332	34.6	1,595	12.4
Orthopedics	10	1,812	1,332	36.0	1,771	2.3
Renal sciences	9	1,755	1,207	45.4	1,648	6.5
Liver and biliary sciences	3	623	485	28.3	543	14.6
Internal medicine	8	1,491	1,179	26.4	1,455	2.5
OBGY and pediatrics	6	1,094	749	46.1	1,017	7.6
MAS and general surgery	5	925	694	33.3	877	5.5
Pulmonology	4	717	541	32.6	561	27.8
Others	9	1,698	1,234	37.6	1,683	0.9
<b>Total IP revenue</b>	<b>100</b>	<b>18,795</b>	<b>13,870</b>	<b>35.5</b>	<b>17,530</b>	<b>7.2</b>

**Payor mix snapshot**

(INRm)	% revenue	3QFY25	3QFY24	YoY growth (%)	2QFY24	QoQ growth (%)
Self Pay	40	7,578	5,606	35.2	7,480	1.3
TPA and Corporates	46	8,554	6,560	30.4	7,883	8.5
International	11	2,042	1,581	29.2	1,886	8.3
Institutional	24	4,515	3,078	46.7	3,920	15.2

# Prestige Estates Projects

BSE SENSEX  
76,760

S&P CNX  
23,250

**CMP: INR1,335**

**Buy**

## Conference Call Details



**Date:** 31 Jan 2025

**Time:** 15:30 IST

**Dial-in details:**

+91-22 6280 1145

### Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	104.2	114.3	140.7
EBITDA	27.9	30.6	33.5
EBITDA Margin (%)	26.8	26.8	23.8
PAT	8.1	8.3	9.9
EPS (INR)	21.7	22.2	26.5
EPS Gr. (%)	55.3	86.3	118.4
BV/Sh. (INR)	454.3	474.8	499.6
<b>Ratios</b>			
RoE (%)	5.7	4.8	5.4
RoCE (%)	8.4	6.8	7.2
Payout (%)	8.0	7.8	6.5
<b>Valuations</b>			
P/E (x)	61.6	60.2	50.3
P/BV (x)	2.9	2.8	2.7
EV/EBITDA (x)	20.2	18.6	17.8
Div yld (%)	0.1	0.1	0.1

## Zero launch for residential segment dents performance

Significant guidance miss possible due to lack of launch visibility

### Operational performance

- PEPL reported a 43% YoY decline in pre-sales to INR30.1b (54% below our estimates) due to the absence of launches in 3QFY25. For 9MFY25, pre-sales declined 38% YoY to INR100.6b.
- Bengaluru contributed 58%, Mumbai 22%, and Hyderabad 17% to pre-sales in 3QFY25.
- Post 3QFY25, PEPL has ongoing inventory of INR137b across Hyderabad, Bengaluru and Mumbai.
- The company launched one project each for retail, office and hospitality with total area of 2.15msf. For 9MFY25, the company launched 12.25msf, of which 10.05msf was residential projects.
- PEPL delivered two residential projects in Bengaluru with total potential area of 3.03msf in 9MFY25.

### Ongoing and future pipeline

- GDV of upcoming launches has increased from INR521b to INR568b.
- For under-construction and upcoming office capex pending is INR95b, while retail pending capex is INR33b.
- For Hospitality, PEPL added the new Aloft Hyderabad Prestige City asset under the upcoming projects with 200 keys (38% PEPL share), which takes total Keys to 2146 under the upcoming projects.

### Cash flow

- PEPL's collections grew 6% YoY to INR31b (19% below our estimates) for 3QFY25 and 7% YoY to INR83b for 9MFY25.
- The company has net debt of INR59.6b with a debt-to-equity ratio of 0.37x as of Dec'24. The average borrowing cost is 10.65%

### Financial performance

- PEPL reported an 8% YoY decline in revenue to INR16.5b (41% below our estimate) for 3QFY25, while revenue was up 2% YoY at INR58b for 9MFY25.
- In 3Q, about 59% of revenue was contributed by the residential segment, followed by hospitality 16%, office 11%, retail 7%, and the remaining by others.
- EBITDA came in at INR5.9b up 7% YoY (22% below our estimates) with EBITDA margin of 35.7%, up 496bp YoY. For 9MFY25, PEPL reported EBITDA of INR20.2b, up 21% YoY, with margin of 34.7%, up 542bp YoY.
- PEPL reported adjusted PAT of INR177m, down 85% YoY, with margin of 1%. For 9MFY25, the company reported adj. PAT of INR4.4b, down 22% YoY.

**Quarterly performance**

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>16,809</b>	<b>22,364</b>	<b>17,958</b>	<b>21,640</b>	<b>18,621</b>	<b>23,044</b>	<b>16,545</b>	<b>45,968</b>	<b>78,771</b>	<b>1,04,178</b>	<b>28,128</b>	<b>-41</b>
YoY Change (%)	-13.3	56.6	-22.5	-17.8	10.8	3.0	-7.9	112.4	-5.3	32.3	56.6	
Total Expenditure	11,542	16,439	12,443	13,363	10,658	16,731	10,644	38,225	53,787	76,258	20,590	
<b>EBITDA</b>	<b>5,267</b>	<b>5,925</b>	<b>5,515</b>	<b>8,277</b>	<b>7,963</b>	<b>6,313</b>	<b>5,901</b>	<b>7,743</b>	<b>24,984</b>	<b>27,920</b>	<b>7,538</b>	<b>-22</b>
Margins (%)	31.3	26.5	30.7	38.2	42.8	27.4	35.7	16.8	31.7	26.8	26.8	886.6
Depreciation	1,655	1,741	1,797	1,972	1,905	2,004	2,047	2,103	7,165	8,059	2,064	
Interest	2,382	2,639	2,932	4,238	3,461	3,565	3,451	2,407	12,191	12,884	3,387	
Other Income	2,854	1,684	1,747	685	1,624	1,194	434	2,478	6,970	5,730	1,125	
<b>PBT before EO expense</b>	<b>4,084</b>	<b>3,229</b>	<b>2,533</b>	<b>2,752</b>	<b>4,221</b>	<b>1,938</b>	<b>837</b>	<b>5,711</b>	<b>12,598</b>	<b>12,707</b>	<b>3,213</b>	<b>-74</b>
Extra-Ord expense	0	8,512	0	0	0	0	0	0	8,512	0	0	
<b>PBT</b>	<b>4,084</b>	<b>11,741</b>	<b>2,533</b>	<b>2,752</b>	<b>4,221</b>	<b>1,938</b>	<b>837</b>	<b>5,711</b>	<b>21,110</b>	<b>12,707</b>	<b>3,213</b>	<b>-74</b>
Tax	863	2,564	723	786	1,023	-519	445	957	4,936	1,906	482	
Rate (%)	21.1	21.8	28.5	28.6	24.2	-26.8	53.2	16.8	23.4	15.0	15.0	
Minority Interest & Profit/Loss of Asso. Cos.	552	668	647	566	872	535	215	1,051	2,433	2,673	722	
<b>Reported PAT</b>	<b>2,669</b>	<b>8,509</b>	<b>1,163</b>	<b>1,400</b>	<b>2,326</b>	<b>1,922</b>	<b>177</b>	<b>3,703</b>	<b>13,741</b>	<b>8,128</b>	<b>2,009</b>	
<b>Adj PAT</b>	<b>2,669</b>	<b>1,856</b>	<b>1,163</b>	<b>1,400</b>	<b>2,326</b>	<b>1,922</b>	<b>177</b>	<b>3,703</b>	<b>7,088</b>	<b>8,128</b>	<b>2,009</b>	<b>-91</b>
YoY Change (%)	174.0	397.2	-9.0	-69.5	-12.9	3.6	-84.8	164.5	-1.7	14.7	72.7	
Margins (%)	15.9	8.3	6.5	6.5	12.5	8.3	1.1	8.1	9.0	7.8	7.1	
<b>Key metrics</b>												
Sale Volume (msf)	3.8	6.8	5.5	4.1	2.9	3.0	2.2	16.1	20.2	24.1	6	<b>-64</b>
Sale Value (INRb)	39.1	70.9	53.3	47.1	30.3	40.2	30.1	159.1	210.4	259.8	65	<b>-54</b>
Collections - PEPL share (INRb)	25	24	29	33	27	26	31	53	110.5	136.4	38	<b>-19</b>
Realization (INR/sft)	10,221	10,369	9,755	11,452	10,593	13,409	13,513	9,908	10,395	10,757	10,500	<b>29</b>

Source: MOFSL, Company Note: We will revisit our estimates after the concall

## The Phoenix Mills

BSE Sensex  
76,760S&P CNX  
23,250

CMP: INR1599

Neutral

## Conference Call Details



Date: 31 January 2025

Time: 11:00 IST

Dial-in details:

+91-22 6280 1341

## Financials &amp; Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	40.1	46.7	52.1
EBITDA	23.7	29.0	35.2
EBITDA (%)	59.2	62.1	67.5
PAT	10.8	14.8	19.9
EPS (INR)	30.1	41.3	55.7
EPS Gr. (%)	-2.2	37.2	34.9
BV/Sh. (INR)	292.7	331.0	386.7
<b>Ratios</b>			
Net D/E	0.3	0.1	-0.1
RoE (%)	10.8	13.3	15.5
RoCE (%)	11.4	13.7	15.6
Payout (%)	10.0	7.3	0.0
<b>Valuations</b>			
P/E (x)	53.1	38.7	28.7
P/BV (x)	5.5	4.8	4.1
EV/EBITDA (x)	25.3	20.1	16.0
Div Yield (%)	0.2	0.2	0.0

## Subpar performance of residential segment drags overall performance

## Targets completion of Pune and Chennai offices in 2025

## Financial Performance

- The company reported revenue of INR9.8b, -1%/6% YoY/QoQ (6% below estimate), and EBITDA came in at INR5.5b, flat/7% YoY/QoQ (10% below estimate). The margin stood at 56.7%, up 73bp/30bp YoY/QoQ (246bp below our estimate).
- In 3QFY25, Phoenix Logistics and Industrial Parks Private Limited (PLIPPL), a subsidiary of Phoenix, divested its entire shareholding in Janus Logistics and Industrial Parks Private Limited (100% subsidiary) for a consideration of IRO.5b. PAT of INR0.2b recognized by PLIPPL in this transaction is treated as an exceptional item for Phoenix Mills.
- Adj. PAT was -5%/21% YoY/QoQ at INR2.6b (6% below estimate). The margin was 27.2%, -117bp/339bp YoY/QoQ (17bp above estimate).
- In 9MFY25, revenue was up 5% at INR28b. EBITDA was up 3% at INR16b. The margin was down 76bp YoY at 57.3%. Adjusted PAT stood at INR7b, down 7% YoY. PAT margin was at 25.6%, down 332bp YoY.

## Retail Business

- Total consumption in 3QFY25 stood at ~INR40b up 21% YoY. In 9MFY25, it was at INR105b, up 23% YoY, and on a like-to-like basis, it grew 7% YoY.
- Gross retail collections at INR8.4b were up 21% YoY and the company reported rental income of INR5.1b up 12% YoY. In 9MFY25, retail collections and rental income stood at INR24.8b and INR14.7b, up 27% and 21%, respectively.
- Retail EBITDA at INR5.1b, was up 15% YoY in 3QFY25.
- Weighted average trading occupancy stood at 91% (v/s 87% in 4QFY24).
- Palladium Ahmedabad, Mall of Millennium, Pune, and Mall of Asia – Bengaluru witnessed a push in trading occupancy to 97%/91%/81% (v/s 86%/76%/57% in 4QFY24).

## Office Portfolio

- Occupancy in the office portfolio declined by 1% to 70%.
- Gross leasing in 3QFY25 was ~0.17msf and ~4msf area was under development.
- Income from commercial offices in Q3FY25 increased 7% YoY to INR530m and EBITDA came in at INR330m, up 17% YoY.
- Gross rent in the portfolio stood at INR112 psfpm (flat v/s INR112 psfpm in 4QFY24).



### Hospitality

- Occupancy was at 85% for St. Regis in 3QFY25 (v/s 83% in 3QFY24) whereas Marriott Agra was 83% occupied. In 3QFY25, St. Regis/Marriott reported an ARR of INR22,343/INR7,468 up 11%/21% YoY.
- Total Income in 3QFY25 for St.Regis and Marriott Agra was INR1,480m/INR200m up 9%/16% YoY. EBITDA stood at INR720m/INR73m up 16%/22% YoY with a margin of 49% at St. Regis and 37% at Marriott, Agra.

### Residential Segment

- In 3QFY25, the company achieved gross sales of INR580m and collections were INR380m. In 9MFY25, gross sales were INR1.4b and collections were INR1.7b.

### Debt and Cash flow

- Operating free cash flow (after interest and taxes) was INR4.1b, and excluding the residential business, it stood at INR3.8b, up 12% YoY.
- Consolidated net debt stood at INR23.2b, (v/s INR24.1b in 2QFY25)

### Financial Performance

Y/E March	FY24				FY25E				FY24	FY25E	FY25E 3Q	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>8,106</b>	<b>8,750</b>	<b>9,861</b>	<b>13,059</b>	<b>9,041</b>	<b>9,180</b>	<b>9,751</b>	<b>12,084</b>	<b>39,777</b>	<b>40,057</b>	<b>10,415</b>	-6%
YoY Change (%)	41.1	34.4	44.2	79.1	11.5	4.9	-1.1	-7.5	50.8	0.7	5.6	
Total Expenditure	3,183	3,691	4,343	6,792	3,731	4,003	4,223	4,405	18,009	16,362	4,254	
<b>EBITDA</b>	<b>4,923</b>	<b>5,060</b>	<b>5,518</b>	<b>6,267</b>	<b>5,310</b>	<b>5,177</b>	<b>5,528</b>	<b>7,680</b>	<b>21,768</b>	<b>23,695</b>	<b>6,161</b>	-10%
Margins (%)	60.7	57.8	56.0	48.0	58.7	56.4	56.7	63.5	54.7	59.2	59.2	-246bp
Depreciation	630	659	656	757	775	775	813	1,330	2,702	3,692	960	
Interest	957	965	1,042	995	1,031	1,031	1,029	1,048	3,959	4,139	1,021	
Other Income	290	316	343	372	383	371	304	474	1,322	1,532	399	
<b>PBT before EO expense</b>	<b>3,627</b>	<b>3,752</b>	<b>4,163</b>	<b>4,886</b>	<b>3,887</b>	<b>3,741</b>	<b>3,991</b>	<b>5,776</b>	<b>16,429</b>	<b>17,395</b>	<b>4,579</b>	
Extra-Ord expense	0	0	0	0	-5	0	160	0	0	155	0	
<b>PBT</b>	<b>3,627</b>	<b>3,752</b>	<b>4,163</b>	<b>4,886</b>	<b>3,882</b>	<b>3,741</b>	<b>4,151</b>	<b>5,776</b>	<b>16,429</b>	<b>17,550</b>	<b>4,579</b>	-9%
Tax	730	714	724	998	747	835	641	2,185	3,166	4,409	1,150	
Rate (%)	20.1	19.0	17.4	20.4	19.3	22.3	15.4	37.8	19.3	25.1	25.1	
MI & P/L of Asso. Cos.	492	512	646	621	809	725	862	-18	2,270	2,378	618	39%
<b>Reported PAT</b>	<b>2,405</b>	<b>2,526</b>	<b>2,793</b>	<b>3,267</b>	<b>2,326</b>	<b>2,181</b>	<b>2,648</b>	<b>3,610</b>	<b>10,993</b>	<b>10,764</b>	<b>2,810</b>	-6%
<b>Adj PAT</b>	<b>2,405</b>	<b>2,526</b>	<b>2,793</b>	<b>3,267</b>	<b>2,326</b>	<b>2,181</b>	<b>2,648</b>	<b>3,610</b>	<b>10,993</b>	<b>10,764</b>	<b>2,810</b>	-6%
YoY Change (%)	48.5	35.9	58.3	58.9	-3.3	-13.7	-5.2	10.5	50.6	-2.1	0.6	
Margins (%)	29.7	28.9	28.3	25.0	25.7	23.8	27.2	29.9	27.6	26.9	27.0	17bp

Source: Company, MOFSL

# Coromandel International

MBSE SENSEX 76,760 S&P CNX 23,250

**CMP: INR1,823**

**Buy**

## Conference Call Details



**Date:** 31<sup>st</sup> Jan, 2025

**Time:** 02:30 pm IST

**Concall link:**

[Click here](#)

## Operating performance above our estimates

- CRIN reported overall revenue of INR69.4b (est. INR64.4b) in 3QFY25, up 27% YoY. Nutrient & other allied business revenue grew 30% YoY to INR63.7b, while crop protection business revenue increased 3% YoY to INR6.3b.
- EBITDA margin expanded 390bp YoY to 10.4% (est. 10.3%); RM cost as a % of sales stood at 76.4% in 3QFY25 v/s 79.1% in 3QFY24; employee costs were 3% vs. 3.4%, freight costs came in at 5.4% vs. 5.6%, and other expenses stood at 4.9% vs. 5.3%. EBITDA surged 2x YoY to INR7.2b (est. INR6.6b).
- EBIT margin for Nutrient & other allied businesses expanded 470bp YoY to 9.8%, while for crop protection business, the margin expanded 60bp YoY to 14.3%.
- Adjusted PAT stood at INR5.1b (est. INR4.5b), up 2.2x YoY.
- Total manufacturing volumes (NPK+DAP) grew 4% YoY to 0.9 MMT, while total phosphate fertilizer manufacturing volumes (including SSP) grew 8% YoY to 1.1 MMT.

## Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
<b>Net Sales</b>	<b>56,934</b>	<b>69,881</b>	<b>54,642</b>	<b>39,127</b>	<b>47,288</b>	<b>74,328</b>	<b>69,352</b>	<b>42,973</b>	<b>2,20,584</b>	<b>2,33,941</b>	<b>64,419</b>	<b>8</b>
YoY Change (%)	-0.6	-30.9	-34.2	-28.5	-16.9	6.4	26.9	9.8	-25.5	6.1	17.9	
Total Expenditure	49,842	59,294	51,063	36,397	42,231	64,581	62,134	39,466	1,96,596	2,08,412	57,782	
<b>EBITDA</b>	<b>7,092</b>	<b>10,587</b>	<b>3,578</b>	<b>2,730</b>	<b>5,058</b>	<b>9,748</b>	<b>7,218</b>	<b>3,506</b>	<b>23,988</b>	<b>25,530</b>	<b>6,637</b>	<b>9</b>
Margins (%)	12.5	15.2	6.5	7.0	10.7	13.1	10.4	8.2	10.9	10.9	10.3	
Depreciation	481	540	635	630	653	690	708	660	2,286	2,710	680	
Interest	405	462	381	617	574	661	731	450	1,866	2,416	640	
Other Income	445	448	585	835	541	650	1,137	1,002	2,314	3,330	800	
<b>PBT before EO expense</b>	<b>6,651</b>	<b>10,033</b>	<b>3,147</b>	<b>2,319</b>	<b>4,372</b>	<b>9,047</b>	<b>6,916</b>	<b>3,399</b>	<b>22,150</b>	<b>23,734</b>	<b>6,117</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>6,651</b>	<b>10,033</b>	<b>3,147</b>	<b>2,319</b>	<b>4,372</b>	<b>9,047</b>	<b>6,916</b>	<b>3,399</b>	<b>22,150</b>	<b>23,734</b>	<b>6,117</b>	
Tax	1,674	2,450	776	578	1,125	2,328	1,752	855	5,478	6,060	1,540	
Rate (%)	25.2	24.4	24.7	24.9	25.7	25.7	25.3	25.2	24.7	25.5	25.2	
Minority Interest & P/L of Asso. Cos.	36	15	61	138	137	79	46	144	250	407	64	
<b>Reported PAT</b>	<b>4,940</b>	<b>7,569</b>	<b>2,310</b>	<b>1,603</b>	<b>3,110</b>	<b>6,641</b>	<b>5,118</b>	<b>2,399</b>	<b>16,422</b>	<b>17,267</b>	<b>4,513</b>	
<b>Adj PAT</b>	<b>4,940</b>	<b>7,569</b>	<b>2,310</b>	<b>1,603</b>	<b>3,110</b>	<b>6,641</b>	<b>5,118</b>	<b>2,399</b>	<b>16,422</b>	<b>17,267</b>	<b>4,513</b>	<b>13</b>
YoY Change (%)	-1.0	2.2	-56.2	-34.9	-37.1	-12.3	121.6	49.6	-18.4	5.1	95.4	
Margins (%)	8.7	10.8	4.2	4.1	6.6	8.9	7.4	5.6	7.4	7.4	7.0	

BSE SENSEX  
76,760S&P CNX  
23,250

## Conference Call Details

Date: 31<sup>st</sup> January 2025

Time: 9:00 am IST

Dial-in details:

Zoom [Link](#)

## Financials &amp; Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	148.1	167.2	195.3
EBITDA	29.8	35.5	44.0
Adj. PAT	2.4	5.6	11.6
EBIT Margin (%)	9.0	10.7	13.2
Cons. Adj. EPS (INR)	2.0	4.7	9.6
EPS Gr. (%)	10.2	135.8	105.6
BV/Sh. (INR)	170.9	174.2	181.0

## Ratios

Net D:E	0.8	0.7	0.7
RoE (%)	1.2	2.7	5.4
RoCE (%)	2.6	3.5	4.8
Payout (%)	29.3	29.3	29.3

## Valuations

P/E (x)	179.6	76.2	37.0
EV/EBITDA (x)	18.3	15.3	12.4
Div. Yield (%)	0.6	0.3	0.7
FCF Yield (%)	3.8	5.6	7.9
EV/Sales (x)	3.7	3.2	2.8

## CMP: INR357

## Operationally in-line, higher tax outgo leads to miss on earnings

- BIOS 3QFY25 revenues grew 6% YoY to INR38.2b (est. INR37.1b).
- Revenue growth was led by:
  - Research services (24% of sales) grew 11% YoY to INR9.4b.
  - Biosimilars (58% of sales) declined 8% YoY to INR2.3b.
  - Generics sales declined 2% YoY to INR6.9b (18% of sales).
- Gross Margin (GM) contracted 140bp YoY to 62%.
- EBITDA margin expanded 370bp YoY to 19.7% (est: 19.5%), as lower R&D/other expenses (-390bp/-490bp YoY as a % of sales) were offset by higher employee costs (+370bp YoY as % of sales).
- The EBITDA margin for Biocon Biologics stood at 21.3% for 3QFY25 (down 1220bp YoY/20bp QoQ).
- Meanwhile, the EBITDA margin for Syngene was 30.1% for the quarter (up 290bp YoY/150bp QoQ basis).
- The Generic business registered a negative EBITDA margin of 2.8% during the quarter, improved on a YoY basis and sequentially from -52.4%/-5.9%.
- EBITDA grew 30.3% YoY to INR7.5b (est: INR7.2b) for the quarter.
- After adjusting a one-off gain of INR180m, the company reported an Adj. profit of INR160m vs a loss of INR1.7b in 3QFY24 (est. PAT: INR715m).
- During 9MFY25, Revenue/EBITDA grew 3%/1% YoY to INR108b/INR20.6b. The company reported an Adj. loss of INR1b vs profit of INR742m last year.
- Revenue/EBITDA/PAT missed BBG estimates by 3%/11%/87%.

## Key highlights

- Biosimilars recorded a marginal profit of INR7m vs a loss of INR1.5b in 3QFY24.
- Generics business recorded a loss before taxes of INR135m in 3QFY25 vs a profit of INR495m in 3QFY24.
- Research services' PBT margin stood at 19.2% (up 250bp YoY/up 380bp QoQ) for 3QFY25.
- During the quarter, the company and its partner, Zentiva, obtained an EU Decentralized Procedure (DCP) approval for Liraglutide (Saxenda® and Victoza®).
- The company received a USFDA approval for YESINTEK™ (Ustekinumab-kfce) and is preparing for a Feb'25 launch.
- During the third quarter, 14 launches of key commercialized products were accomplished across EMs.

Quarterly performance (Consolidated)

(INRb)

Y/E March	FY24				FY25				FY24	FY25E	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
<b>Net Sales</b>	<b>34.2</b>	<b>34.6</b>	<b>36.0</b>	<b>39.2</b>	<b>34.3</b>	<b>35.9</b>	<b>38.2</b>	<b>39.6</b>	<b>144.1</b>	<b>148.1</b>	<b>37.2</b>	<b>2.8%</b>
YoY Change (%)	57.9	49.2	22.5	7.4	0.3	3.7	6.0	1.2	30.0	2.8	3.1	
Total Expenditure	27.1	27.2	30.3	30.0	28.1	29.0	30.7	30.4	114.6	118.3	29.9	
<b>EBITDA</b>	<b>7.1</b>	<b>7.4</b>	<b>5.8</b>	<b>9.2</b>	<b>6.2</b>	<b>6.9</b>	<b>7.5</b>	<b>9.2</b>	<b>29.5</b>	<b>29.8</b>	<b>7.2</b>	<b>3.7%</b>
YoY Change (%)	53.5	57.4	-16.3	5.1	-12.9	-7.4	30.3	0.7	18.1	1.2	25.7	
Margins (%)	20.8	21.4	16.0	23.4	18.1	19.1	19.7	23.3	20.5	20.1	19.5	
Depreciation	3.6	3.9	4.2	4.1	4.1	4.2	4.3	4.1	15.7	16.6	4.2	
<b>EBIT</b>	<b>3.6</b>	<b>3.5</b>	<b>1.6</b>	<b>5.1</b>	<b>2.2</b>	<b>2.7</b>	<b>3.3</b>	<b>5.2</b>	<b>13.8</b>	<b>13.3</b>	<b>3.1</b>	
Interest	2.3	2.5	2.7	2.3	2.4	2.3	2.2	1.9	9.8	8.7	2.1	
Other Income	0.9	1.6	1.1	0.5	0.8	0.3	0.4	0.7	4.1	2.1	0.6	
Extraordinary Income	0.0	-0.2	8.3	-0.1	10.9	0.3	0.2	0.0	7.9	11.3	0.0	
Share of Profit/Loss from Associates	-0.3	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	
<b>PBT</b>	<b>1.8</b>	<b>2.1</b>	<b>8.1</b>	<b>3.2</b>	<b>11.5</b>	<b>1.0</b>	<b>1.6</b>	<b>3.9</b>	<b>15.2</b>	<b>17.9</b>	<b>1.5</b>	<b>3.0%</b>
Tax	0.4	0.4	0.6	1.0	2.8	0.7	0.8	0.2	2.3	4.5	0.3	
Rate (%)	19.1	19.6	6.8	30.1	24.8	71.4	48.0	4.8	15.0	25.0	20.0	
Minority Interest	0.5	0.5	0.9	0.9	2.0	0.4	0.6	0.3	2.8	3.3	0.5	
<b>PAT</b>	<b>1.0</b>	<b>1.3</b>	<b>6.6</b>	<b>1.4</b>	<b>6.6</b>	<b>-0.1</b>	<b>0.3</b>	<b>3.5</b>	<b>10.2</b>	<b>10.2</b>	<b>0.7</b>	<b>-64.5%</b>
<b>Adj PAT</b>	<b>1.0</b>	<b>1.4</b>	<b>-1.7</b>	<b>1.4</b>	<b>-1.6</b>	<b>0.4</b>	<b>0.2</b>	<b>3.5</b>	<b>2.2</b>	<b>2.4</b>	<b>0.7</b>	<b>-77.6%</b>
YoY Change (%)	-51.1	-16.2	-176.5	-5.0	NA	-74.7	NA	143.6	-71.1	10.2	-141.9	
Margins (%)	2.9	3.6	18.3	3.5	19.2	-0.4	0.7	8.7	7.1	6.9	1.9	

E: MOFSL Estimates; Note: Quarterly nos will not add up to full-year nos due to restatements

# Vedant Fashions

BSE SENSEX 76,760  
S&P CNX 23,250

**CMP: INR1,028**

**Neutral**

## Conference Call Details



Date: 31<sup>st</sup> Jan 2025  
Time: 4pm IST

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	13.7	14.5	17.0
EBITDA	6.6	7.2	8.6
Adj. PAT	4.1	4.3	5.3
EBITDA Margin (%)	48.1	49.5	50.5
Adj. EPS (INR)	17.1	17.9	22.0
EPS Gr. (%)	(3.5)	4.6	23.0
BV/Sh. (INR)	64.0	72.6	83.2
<b>Ratios</b>			
Net D:E	(0.4)	(0.5)	(0.5)
RoE (%)	27.6	25.3	25.6
RoCE (%)	23.9	21.9	23.7
Payout (%)	49.8	50.0	50.0
<b>Valuations</b>			
P/E (x)	60.3	57.6	46.8
EV/EBITDA (x)	38.6	35.1	29.0
EV/Sales (X)	18.6	17.4	14.6

## Weak results on higher other expenses

### 11-12% miss on EBITDA and PAT

- Customer sales grew ~9% YoY to INR7.1b, driven by a modest 2.6% SSSG.
- Consolidated revenues grew 8% YoY to INR5.1b (2% miss), driven by: 1) muted demand in the second half of 3QFY25, and 2) weak ~3% SSS growth in customer sales.
- Vedant Fashions (Manyavar) added 16 stores in 3Q (incl. 12 Shop-in-Shops). The total store count stood at 666, with a store area of ~1.75m sq. ft. (up ~7% YoY).
- Gross profit increased 8% YoY to INR3.7b (4% miss) as gross margin expanded 30bp YoY to 72% (but 150bp miss on our estimates).
- Employee cost increased 12% YoY, while other expenses grew by sharper 31% YoY (14% ahead). The increase in other expenses could be due to higher advertisement expenses and the launch of new brand 'Divas by Manyavar'.
- EBITDA was flat YoY at INR2.4b (11% miss), driven by weaker revenue growth and higher other expenses.**
- EBITDA margins contracted ~365bp YoY to 47.4% (460bp miss).
- Depreciation/finance costs grew 14%/25% YoY, and other income increased 45% YoY during the quarter.
- Consequently, PAT was stable YoY at INR1.58m (12% miss).**
- For 9MFY25, Manyavar's revenue grew by a modest ~1% YoY, while EBITDA/PAT declined 1%/4% YoY.

### Quarterly Earning

Y/E March	FY24				FY25				FY24	FY25E	FY25	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Revenue</b>	<b>3,116</b>	<b>2,183</b>	<b>4,745</b>	<b>3,632</b>	<b>2,398</b>	<b>2,679</b>	<b>5,113</b>	<b>4,286</b>	<b>13,675</b>	<b>14,477</b>	<b>5,234</b>	<b>-2.3</b>
YoY Change (%)	-4.1	-11.6	7.5	6.3	-23.0	22.7	7.8	18.0	0.9	5.9	10.3	
Total Expenditure	1,635	1,255	2,324	1,881	1,271	1,460	2,691	1,889	7,094	7,311	2,512	7.1
<b>EBITDA</b>	<b>1,482</b>	<b>928</b>	<b>2,420</b>	<b>1,751</b>	<b>1,127</b>	<b>1,220</b>	<b>2,422</b>	<b>2,397</b>	<b>6,581</b>	<b>7,166</b>	<b>2,722</b>	<b>-11.0</b>
<b>EBITDA margins (%)</b>	<b>47.5</b>	<b>42.5</b>	<b>51.0</b>	<b>48.2</b>	<b>47.0</b>	<b>45.5</b>	<b>47.4</b>	<b>55.9</b>	<b>48.1</b>	<b>49.5</b>	<b>52.0</b>	
Change YoY (%)	-9.1	-19.6	7.8	4.3	-23.9	31.4	0.1	36.9	96.0	82.0	12.5	
Depreciation	299	325	344	381	372	373	391	482	1,349	1,618	384	1.9
Interest	94	107	112	132	139	137	139	140	445	556	139	0.4
Other Income	150	151	155	241	215	192	224	170	697	801	200	11.8
<b>PBT before EO expense</b>	<b>1,238</b>	<b>648</b>	<b>2,119</b>	<b>1,479</b>	<b>831</b>	<b>902</b>	<b>2,115</b>	<b>1,946</b>	<b>5,484</b>	<b>5,794</b>	<b>2,399</b>	<b>-11.8</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
Tax	319	161	542	321	206	233	535	486	1,342	1,460	604	-11.3
Rate (%)	25.7	24.8	25.6	21.7	24.8	25.8	25.3	25.0	24.5	25.2	25.2	0.6
<b>Reported PAT</b>	<b>919</b>	<b>487</b>	<b>1,577</b>	<b>1,158</b>	<b>625</b>	<b>669</b>	<b>1,580</b>	<b>1,460</b>	<b>4,142</b>	<b>4,334</b>	<b>1,795</b>	<b>-12.0</b>
<b>Adj PAT</b>	<b>919</b>	<b>487</b>	<b>1,577</b>	<b>1,158</b>	<b>625</b>	<b>669</b>	<b>1,580</b>	<b>1,460</b>	<b>4,142</b>	<b>4,334</b>	<b>1,795</b>	<b>-12.0</b>
YoY Change (%)	-9	-29	5	6	-32	37	0	26	-3	5	14	

**Consol P&L (INR m)**

	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
<b>Total Revenue</b>	<b>4,745</b>	<b>2,679</b>	<b>5,113</b>	<b>8</b>	<b>91</b>	<b>5,234</b>	<b>-2</b>
Raw Material cost	1,344	659	1,433	7	118	1,387	3
<b>Gross Profit</b>	<b>3,400</b>	<b>2,021</b>	<b>3,680</b>	<b>8</b>	<b>82</b>	<b>3,847</b>	<b>-4</b>
<b>Gross margin (%)</b>	<b>71.7</b>	<b>75.4</b>	<b>72.0</b>	<b>31.2</b>	<b>-344.2</b>	<b>73.5</b>	<b>-152.5</b>
Employee Costs	138	145	154	12	6	157	-2
Other expenses	842	656	1,104	31	68	968	14
<b>EBITDA</b>	<b>2,420</b>	<b>1,220</b>	<b>2,422</b>	<b>0</b>	<b>99</b>	<b>2,722</b>	<b>-11</b>
<b>EBITDA margin (%)</b>	<b>51.0</b>	<b>45.5</b>	<b>47.4</b>	<b>-364.6</b>	<b>184.2</b>	<b>52.0</b>	<b>-463.1</b>
Depreciation and amortization	344	373	391	14	5	384	2
EBIT	2,076	847	2,031	-2	140	2,338	-13
<b>EBIT margin (%)</b>	<b>43.8</b>	<b>31.6</b>	<b>39.7</b>	<b>NM</b>	<b>NM</b>	<b>44.7</b>	<b>-494.5</b>
Finance Costs	112	137	139	25	2	139	0
Other income	155	192	224	45	16	200	12
Exceptional item	0	0	0	NM	NM	0	NM
<b>Profit before Tax</b>	<b>2,119</b>	<b>902</b>	<b>2,115</b>	<b>0</b>	<b>134</b>	<b>2,399</b>	<b>-12</b>
Tax	542	233	535	-1	130	604	-11
<b>Tax rate (%)</b>	<b>25.6</b>	<b>25.8</b>	<b>25.3</b>	<b>-1.0</b>	<b>-2.1</b>	<b>25.2</b>	<b>0.6</b>
<b>Profit after Tax</b>	<b>1,577</b>	<b>669</b>	<b>1,580</b>	<b>0</b>	<b>136</b>	<b>1,795</b>	<b>-12</b>
<b>Adj Profit after Tax</b>	<b>1,577</b>	<b>669</b>	<b>1,580</b>	<b>0</b>	<b>136</b>	<b>1,795</b>	<b>-12</b>

	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
<b>Total stores</b>	<b>673</b>	<b>650</b>	<b>666</b>	<b>-1</b>	<b>2</b>	<b>675</b>	<b>-1</b>
<b>Net store adds</b>	<b>4</b>	<b>-12</b>	<b>16</b>	<b>NM</b>	<b>NM</b>	<b>25</b>	<b>-36</b>

## Raymond Lifestyle

BSE SENSEX  
76,760S&P CNX  
23,250

CMP: INR1,512

BUY

## Conference Call Details

Date: 31<sup>st</sup> Jan 2025

Time: 16:00 IST

Y/E MARCH	FY24	FY25E	FY26E
Net Sales	65,354	64,835	72,065
EBITDA	9,366	7,728	10,334
NP	4,887	2,836	4,692
EPS (INR)	80.2	46.6	77.0
EPS Gr (%)	-	-42.0%	65.5%
BV/Share (INR)	1,599	1,636	1,713
P/E (x)	18.8	32.5	19.6
P/BV (x)	0.9	0.9	0.9
RoE (%)	10.9	6.2	9.5
RoCE (%)	15.1	9.6	12.7

## Below our conservative estimates due to weak margins

- Raymond Lifestyle's (RLL) consolidated revenue was up by a modest 2% YoY at INR17.5b (2% miss) in 3QFY25.
- RLL opened 61 new stores (incl. 14 Ethnix by Raymond stores) in 3Q, taking its total retail store network to 1,653 stores (up 9% YoY).
- Gross profit declined 5% YoY to INR7.5b (10% miss) as gross margin declined 290bp YoY to 42.5% (350bp miss).
- EBITDA declined 37% YoY to INR1.8b (-16% QoQ, 26% miss) due to higher employee (+4% YoY) and other (+21% YoY) expenses.
- EBITDA margin contracted 620bp YoY to 10.2% (~325bp miss).
- Depreciation and amortization rose 34% YoY, while finance cost jumped 24% YoY.
- Reported PAT declined 60% YoY on lower EBITDA, higher D&A and a high tax rate.
- RLL noted that it has once again become net debt free with net cash of INR0.61b (vs. INR5.7b net debt in 2Q). This is likely driven by better secondary sales and thereby improved collections in 3QFY25.
- Further, RLL's net working capital improved to 89 days (vs. 97 days in 2Q).

## Segmental performance:

- Branded Textile:** Revenue at INR8.6b (2% miss) declined ~6% YoY (vs. -8% YoY in 2Q) on account of continued weakness in customer demand. EBITDA declined 22% YoY to INR1.5b (14% miss) as margin contracted 360bp YoY to 18% (250bp miss) on account of operating leverage.
- Branded Apparel:** Revenue at INR4.6b (6% miss) inched up 5% YoY as 9% YoY store addition was offset by a likely decline in SSSG as market conditions remained challenging amid muted consumer demand. However, EBITDA at INR440m (30% miss) declined 28% YoY as margin declined 430bp YoY to 9.6% (340bp miss) due to upfront investments in retail store expansions.
- Garmenting:** Revenue at INR3.1b (5% beat) grew 10% YoY. However, EBITDA declined 21% YoY to INR240m (16% miss) as margin declined 300bp YoY to 7.8% (195bp miss) on account of an adverse sales mix, higher freight costs and additional costs for the new lines.
- High-Value Cotton Shirting (HVCS):** Revenue at INR2b (in line) declined ~6% YoY. EBITDA declined 11% YoY to INR207m (26% miss) as margin contracted 60bp YoY to 10.3% (70bp miss) on account of operating leverage.

## Management commentary:

- 3Q was a challenging quarter amid weak consumer demand and subdued sentiment.
- RLL expanded into the innerwear category by launching Park Avenue Innerwear, which has received positive feedback from the trade channel.
- After two quarters, RLL has once again turned net debt free in 3QFY25.

Consol P&L (INR m)	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
<b>Total Revenue</b>	<b>17,263</b>	<b>17,083</b>	<b>17,542</b>	<b>2</b>	<b>3</b>	<b>17,968</b>	<b>-2</b>
Raw Material cost	9,426	9,443	10,090	7	7	9,703	4
<b>Gross Profit</b>	<b>7,837</b>	<b>7,639</b>	<b>7,453</b>	<b>-5</b>	<b>-2</b>	<b>8,265</b>	<b>-10</b>
<b>Gross margin (%)</b>	<b>45.4%</b>	<b>44.7%</b>	<b>42.5%</b>	<b>-291</b>	<b>-224</b>	<b>46.0%</b>	<b>-352</b>
Employee Costs	2,341	2,422	2,437	4	1	2,336	4
Other expenses	2,662	3,070	3,219	21	5	3,502	-8
<b>EBITDA</b>	<b>2,834</b>	<b>2,148</b>	<b>1,797</b>	<b>-37</b>	<b>-16</b>	<b>2,428</b>	<b>-26</b>
<b>EBITDA margin (%)</b>	<b>16.4%</b>	<b>12.6%</b>	<b>10.2%</b>	<b>-617</b>	<b>-233</b>	<b>13.5%</b>	<b>-327</b>
Depreciation and amortization	595	763	794	34	4	773	3
EBIT	2,239	1,385	1,003	-55	-28	1,655	-39
<b>EBIT margin (%)</b>	<b>0.1</b>	<b>8.1%</b>	<b>5.7%</b>	<b>NM</b>	<b>NM</b>	<b>9.2%</b>	<b>-3.5</b>
Finance Costs	438	532	544	24	2	559	-3
Other income	329	270	413	26	53	270	53
Exceptional item	0	-594	-4	NM	NM	0	NM
<b>Profit before Tax</b>	<b>2,129</b>	<b>1,717</b>	<b>867</b>	<b>-59</b>	<b>-49</b>	<b>1,366</b>	<b>-36</b>
Tax	505	106	226	-55	112	344	-34
<b>Tax rate (%)</b>	<b>23.7%</b>	<b>6.2%</b>	<b>26.0%</b>	<b>9.7</b>	<b>320.0</b>	<b>25%</b>	<b>3.4</b>
<b>Profit after Tax</b>	<b>1,624</b>	<b>1,611</b>	<b>642</b>	<b>-60</b>	<b>-60</b>	<b>1,022</b>	<b>-37</b>
<b>Adj Profit after Tax</b>	<b>1,624</b>	<b>2,205</b>	<b>645</b>	<b>-60</b>	<b>-71</b>		

Segment Revenue	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
Branded Textile	9,090	8,535	8,563	-6%	0%	8,726	-2%
Branded Apparel	4,370	4,410	4,580	5%	4%	4,851	-6%
Garmenting	2,810	2,596	3,088	10%	19%	2,951	5%
HVCS	2,140	2,284	2,010	-6%	-12%	2,183	-8%
<b>Consolidated Revenue</b>	<b>17,263</b>	<b>17,083</b>	<b>17,542</b>	<b>2%</b>	<b>3%</b>	<b>17,968</b>	<b>-2%</b>
Elimination	1,147	742	698			742	

Segment EBITDA	3QFY24	2QFY25	3QFY25	YoY%	QoQ%	3QFY25E	v/s Est (%)
Branded Textile	1,963	1,610	1,541	-22%	-4%	1,789	-14%
Branded Apparel	607	570	440	-28%	-23%	631	-30%
Garmenting	303	250	241	-21%	-4%	288	-16%
HVCS	233	220	207	-11%	-6%	240	-14%
<b>Consolidated EBITDA</b>	<b>2,834</b>	<b>2,148</b>	<b>1,797</b>	<b>-37%</b>	<b>-16%</b>	<b>2,428</b>	<b>-26%</b>
Elimination	274	502	632			520	



## Container Corporation of India

BSE SENSEX  
76,760S&P CNX  
23,250

CMP: INR757

Buy

## Conference Call Details

Date: 31<sup>st</sup> January 2025

Time: 11:30 AM IST

Dial-in details:

+91 22 6280 1384

## Financials &amp; Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	94.7	115.0	145.8
EBITDA	21.9	27.1	32.3
Adj. PAT	13.9	18.1	21.7
EBITDA Margin (%)	23.2	23.5	22.2
Adj. EPS (INR)	22.8	29.7	35.7
EPS Gr. (%)	13.7	29.9	20.4
BV/Sh. (INR)	206.6	223.0	242.8

## Ratios

Net D:E	(0.3)	(0.4)	(0.5)
RoE (%)	11.4	13.8	15.3
RoCE (%)	11.8	14.1	15.6
Payout (%)	45.6	44.6	44.6

## Valuations

P/E (x)	33.2	25.5	21.2
P/BV (x)	3.7	3.4	3.1
EV/EBITDA(x)	18.5	14.6	11.7
Div. Yield (%)	1.4	1.7	2.1
FCF Yield (%)	2.6	3.7	5.0

## Weak EXIM realization hurts earnings; lower depreciation supports APAT

- Revenues were flat YoY at INR22b during 3Q FY25 (10% below our estimate). Total volumes grew 12% YoY to 1.3m TEUs with EXIM/Domestic volumes at 0.97m/0.3m TEUs, respectively (+8%/+25% YoY). Blended realization declined ~11% YoY to INR17,138/TEU. EXIM/Domestic realization stood at INR14,245/INR26,254 per TEU, respectively (-10%/-15% YoY).
- EBITDA margins came in at 20.8% (vs our estimate of 23.2%). EBITDA declined ~10% YoY and was 20% below our estimate.
- Lower depreciation offset the miss in operational performance, which led to an APAT of INR 3.4b (in-line with our estimate). During 3QFY25, the company reassessed the useful life of its wagons based on railway standards, technical advice, experience, and manufacturer certification, extending it from 15 to 30 years. As a result, depreciation for the quarter and nine-month period was INR125m and INR367m, respectively, reflecting a reduction of INR258m and INR792m. This change increased PBT by the same amount.
- During 9MFY25, revenue was INR65.8b (+4% YoY), EBITDA was INR14.7b (+2% YoY), EBITDA margin came in at 22.3%, and APAT was INR9.9b (+6% YoY).

## Other insights

- The land license fee for 9MFY25 stood at INR2.6b (1.7b in 1HFY25).
- The Board has declared 3<sup>rd</sup> Interim dividend of INR4.25/equity share, amounting to INR2.6b.

## Standalone quarterly snapshot

Y/E March									(INR m)		Var.
	FY24				FY25				FY24	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3QE	
<b>Net Sales</b>	<b>19,193</b>	<b>21,904</b>	<b>22,051</b>	<b>23,176</b>	<b>20,971</b>	<b>22,830</b>	<b>22,019</b>	<b>86,325</b>	<b>94,652</b>	<b>24,581</b>	<b>(10)</b>
YoY Change (%)	-3.0	11.1	10.9	7.0	9.3	4.2	-0.1	6.5	9.6	11.5	
<b>EBITDA</b>	<b>3,916</b>	<b>5,373</b>	<b>5,117</b>	<b>4,890</b>	<b>4,319</b>	<b>5,750</b>	<b>4,583</b>	<b>19,296</b>	<b>21,933</b>	<b>5,711</b>	<b>(20)</b>
Margins (%)	20.4	24.5	23.2	21.1	20.6	25.2	20.8	22.4	23.2	23.2	
YoY Change (%)	-17.1	7.7	20.0	10.0	10.3	7.0	-10.4	4.8	13.7	11.6	
Depreciation	1,378	1,486	1,543	1,603	1,649	1,617	810	6,009	6,395	1,620	
Interest	141	147	175	190	181	177	171	653	700	170	
Other Income	815	1,025	1,007	937	924	1,301	995	3,783	3,983	900	
<b>PBT before EO expense</b>	<b>3,212</b>	<b>4,764</b>	<b>4,406</b>	<b>4,034</b>	<b>3,413</b>	<b>5,257</b>	<b>4,596</b>	<b>16,416</b>	<b>18,821</b>	<b>4,821</b>	
Extra-Ord expense	0	0	0	71	0	333	0	-71	-333	0	
<b>PBT</b>	<b>3,212</b>	<b>4,764</b>	<b>4,406</b>	<b>3,963</b>	<b>3,413</b>	<b>4,923</b>	<b>4,596</b>	<b>16,345</b>	<b>18,488</b>	<b>4,821</b>	
Tax	771	1,187	1,062	1,017	859	1,213	1,162	4,037	4,829	1,302	
Rate (%)	24.0	24.9	24.1	25.7	25.2	24.6	25.3	24.7	26.1	27.0	
<b>Reported PAT</b>	<b>2,441</b>	<b>3,577</b>	<b>3,344</b>	<b>2,945</b>	<b>2,554</b>	<b>3,711</b>	<b>3,434</b>	<b>12,308</b>	<b>13,659</b>	<b>3,519</b>	<b>(2)</b>
<b>Adj PAT</b>	<b>2,441</b>	<b>3,577</b>	<b>3,344</b>	<b>2,945</b>	<b>2,554</b>	<b>3,960</b>	<b>3,434</b>	<b>12,237</b>	<b>13,909</b>	<b>3,519</b>	<b>(2)</b>
YoY Change (%)	-16.2	18.1	12.8	5.8	4.6	10.7	2.7	4.6	13.7	5.2	
Margins (%)	12.7	16.3	15.2	12.7	12.2	17.3	15.6	14.2	14.7	14.3	

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY (%)	QoQ (%)
<b>Revenue (INRm)</b>							
EXIM	14,365	14,418	13,214	15,320	13,892	-3%	-9%
Domestic	7,687	8,758	7,757	7,510	8,127	6%	8%
<b>Total Segment Revenue</b>	<b>22,051</b>	<b>23,176</b>	<b>20,971</b>	<b>22,830</b>	<b>22,019</b>	<b>0%</b>	<b>-4%</b>
<b>Segmental EBIT</b>							
EXIM	3,197	3,261	2,667	3,995	3,506	10%	-12%
Domestic	737	786	461	681	856	16%	26%
<b>Total</b>	<b>3,934</b>	<b>4,048</b>	<b>3,127</b>	<b>4,676</b>	<b>4,363</b>	<b>11%</b>	<b>-7%</b>
<b>EBIT Margin (%)</b>							
EXIM	22.3%	22.6%	20.2%	26.1%	25.2%		
Domestic	9.6%	9.0%	5.9%	9.1%	10.5%		
<b>Total</b>	<b>17.8%</b>	<b>17.5%</b>	<b>14.9%</b>	<b>20.5%</b>	<b>19.8%</b>		
<b>Volumes (TEU)</b>							
EXIM	9,02,582	9,34,058	8,69,464	10,05,755	9,75,243	8%	-3%
Domestic	2,48,226	3,10,740	2,89,787	2,97,647	3,09,551	25%	4%
<b>Total</b>	<b>11,50,808</b>	<b>12,44,798</b>	<b>11,59,251</b>	<b>13,03,402</b>	<b>12,84,794</b>	<b>12%</b>	<b>-1%</b>
<b>Realizations (INR / TEU)</b>							
EXIM	15,915	15,436	15,197	15,232	14,245	-10%	-6%
Domestic	30,966	28,184	26,768	25,231	26,254	-15%	4%
<b>Total</b>	<b>19,161</b>	<b>18,619</b>	<b>18,090</b>	<b>17,516</b>	<b>17,138</b>	<b>-11%</b>	<b>-2%</b>
<b>EBIT (INR/TEU)</b>							
EXIM	3,542	3,492	3,067	3,972	3,595	2%	-9%
Domestic	2,969	2,530	1,589	2,287	2,767	-7%	21%
<b>Total</b>	<b>3,418</b>	<b>3,252</b>	<b>2,698</b>	<b>3,588</b>	<b>3,396</b>	<b>-1%</b>	<b>-5%</b>

**KPIT Tech : Deal wins are great and profitability has been higher in Q3; Kishor Patil, CEO**

- Europe and US leading deal wins, Pipeline has gone up significantly
- Change in Revenue Mix has helped the co to increase per person revenue
- EV is a significant part of Business, And we are optimistic about its growth across all markets
- Deal wins are great and profitability has been higher in Q3

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- 2 projects worth Rs3,500 – 4,000 cr could be launched in FY26
- Auto ancillary business will see some pressure in Q3
- 30-35% Booking Already done for new tower in the address by GS2.0
- Expects Rs 27,000 -28,000cr from the thane land over the next 7-8 Years

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- UCP Segment margin improved due to volumes and economic of scale
- RAC Market share touched 14% in Q3, Target 15% market
- Continue to see growth of 20-25%
- QTR was Good for AC Industry

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- The future Numbers will depend on new Launches, Expected in Q1
- There are no Concerns regarding the cash flow situation
- Looking to launch in Bgllore, Chennai, Hyderabad, & Mysore
- Overall Pricing has increased 40% YoY For the Company

[→ Read More](#)**Quess Corp: Delivered Good QTR Despite headwinds in BFSI; Guruprasad Srinivasan, CEO**

- Margin Decline was due to Invest in leadership, Slowdown in Singapore, & Slower in IT Svcs Hiring
- Q4 is expected to be slighted Muted
- Aim to end the year will Double – Digit Rev and EBITDA Growth
- Delivered Good QTR Despite headwinds in BFSI

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Automobiles</b>																
Amara Raja Ener.	Neutral	1027	1305	27	54.6	59.6	67.0	10.3	9.1	12.5	18.8	17.2	2.5	2.2	13.9	13.5
Apollo Tyres	Buy	433	600	39	21.5	30.3	37.1	-26.5	40.9	22.1	20.1	14.3	1.5	1.3	9.5	12.3
Ashok Ley.	Buy	210	257	22	9.3	11.3	13.5	1.7	21.5	19.5	22.6	18.6	6.1	5.3	28.9	30.6
Bajaj Auto	Neutral	8756	8770	0	287.3	329.0	377.6	4.0	14.5	14.8	30.5	26.6	8.9	8.0	30.7	31.7
Balkrishna Inds	Neutral	2765	2630	-5	88.4	102.8	125.0	15.5	16.3	21.7	31.3	26.9	5.3	4.6	18.0	18.2
Bharat Forge	Neutral	1185	1386	17	28.0	39.5	48.4	41.7	41.2	22.7	42.4	30.0	7.0	6.2	17.3	21.8
Bosch	Neutral	28597	30810	8	694.6	784.7	912.1	11.9	13.0	16.2	41.2	36.4	6.4	5.8	16.2	16.8
CEAT	Buy	2903	3515	21	119.5	170.3	218.9	-29.5	42.4	28.6	24.3	17.1	2.7	2.4	11.4	14.7
Craftsman Auto	Neutral	4057	4275	5	81.5	153.8	220.1	-43.5	88.7	43.1	50.0	26.5	3.2	2.9	8.3	11.6
Eicher Mot.	Sell	5166	4139	-20	160.2	175.8	195.1	9.5	9.7	11.0	32.2	29.4	6.8	5.9	22.5	21.5
Endurance Tech.	Buy	1981	2825	43	60.2	75.4	90.6	27.2	25.4	20.1	32.9	26.3	4.9	4.3	15.9	17.4
Escorts Kubota	Neutral	3587	3560	-1	102.0	113.8	140.6	7.4	11.6	23.6	35.2	31.5	4.3	3.9	12.9	13.0
Exide Ind	Neutral	360	360	0	13.1	14.2	15.5	6.2	7.9	9.2	27.4	25.4	2.2	2.0	8.0	8.0
Happy Forgings	Buy	1036	1195	15	28.7	36.4	44.6	11.4	26.7	22.6	36.1	28.5	5.3	4.6	15.7	17.3
Hero Moto	Buy	4180	4895	17	227.6	240.3	260.3	11.3	5.6	8.3	18.4	17.4	4.3	4.1	24.5	24.2
Hyundai Motor	Buy	1623	1975	22	65.3	68.9	78.4	-12.4	5.4	13.8	24.8	23.6	9.0	7.1	41.9	33.7
M&M	Buy	2970	3515	18	101.3	120.6	141.2	14.1	19.2	17.0	29.3	24.6	5.8	4.9	21.3	21.5
CIE Automotive	Buy	466	587	26	22.0	24.3	28.0	4.1	10.5	15.1	21.2	19.2	2.7	2.4	13.2	13.2
Maruti Suzuki	Buy	11997	14500	21	462.3	512.4	573.4	10.0	10.9	11.9	26.0	23.4	4.0	3.6	14.8	15.3
MRF	Sell	112571	107385	-5	4,423.8	5,040.9	5,855.6	-11.3	13.9	16.2	25.4	22.3	2.6	2.4	10.7	11.1
Samvardh. Motherson	Buy	139	195	40	5.1	7.0	8.6	36.9	37.0	23.1	27.4	20.0	2.8	2.6	11.8	13.4
Motherson Wiring	Buy	55	70	28	1.4	1.7	2.1	0.3	20.0	19.7	37.8	31.5	12.3	10.2	35.2	35.4
Sona BLW Precis.	Neutral	504	580	15	9.7	10.7	12.5	8.0	10.8	17.0	52.2	47.1	5.6	5.3	14.3	11.5
Tata Motors	Neutral	697	755	8	65.6	61.9	60.4	11.7	-5.5	-2.5	10.6	11.3	2.4	2.0	25.1	19.3
TVS Motor	Neutral	2457	2570	5	52.5	64.4	77.0	19.8	22.7	19.5	46.8	38.1	11.9	9.5	28.5	27.7
Tube Investments	Buy	3295	4136	26	46.0	64.2	78.2	33.7	39.7	21.7	71.7	51.3	10.8	9.0	16.1	19.1
<b>Aggregate</b>								<b>7.9</b>	<b>10.9</b>	<b>12.1</b>	<b>24.8</b>	<b>22.4</b>	<b>4.6</b>	<b>4.0</b>	<b>18.5</b>	<b>17.9</b>
<b>Banks - Private</b>																
AU Small Finance	Buy	597	730	22	29.7	37.4	48.5	29.3	26	29.5	20.1	15.9	2.7	2.3	14.5	15.7
Axis Bank	Neutral	985	1175	19	84.6	89.8	104.2	4.8	6.2	16.1	11.6	11.0	1.7	1.5	16.0	14.6
Bandhan Bank	Neutral	148	180	21	22.7	23.9	27.7	64.2	5	15.9	6.5	6.2	1.0	0.9	16.0	15.0
DCB Bank	Buy	118	160	36	19.1	24.1	30.6	11.7	25.9	26.9	6.1	4.9	0.7	0.6	11.9	13.4
Equitas Small Fin.	Buy	66	80	20	2.6	6.4	9.8	-63.2	144.0	53.5	25.4	10.4	1.2	1.1	4.9	11.4
Federal Bank	Buy	185	225	22	16.7	19.0	23.7	2.0	14.1	24.2	11.1	9.7	1.4	1.2	13.1	13.3
HDFC Bank	Buy	1692	2050	21	88.7	95.4	109.4	10.7	7.6	14.7	19.1	17.7	2.6	2.3	14.4	13.9
ICICI Bank	Buy	1254	1550	24	66.3	71.7	82.0	13.6	8.2	14.4	18.9	17.5	3.2	2.8	18.3	17.0
IDFC First Bk	Neutral	61	70	14	2.2	4.4	6.7	-49.0	99.8	52.3	27.8	13.9	1.2	1.1	4.5	8.1
IndusInd	Buy	957	1250	31	84.5	112.3	142.1	-26.9	33.0	26.5	11.3	8.5	1.1	1.0	10.0	12.2
Kotak Mah. Bk	Buy	1901	2100	10	96.0	109.8	131.4	4.8	14.3	19.7	19.8	17.3	2.5	2.2	13.8	13.5
RBL Bank	Neutral	163	170	5	11.8	20.5	32.1	-38.7	73.4	56.7	13.7	7.9	0.6	0.6	4.8	7.9
<b>Aggregate</b>								<b>7.2</b>	<b>11.0</b>	<b>17.4</b>	<b>17.4</b>	<b>15.7</b>	<b>2.5</b>	<b>2.2</b>	<b>14.1</b>	<b>13.9</b>
<b>Banks - PSU</b>																
BOB	Neutral	222	250	12	37.1	37.7	42.2	8.0	1.6	11.9	6.0	5.9	0.9	0.8	16.7	15.0
Canara Bank	Buy	91	115	27	17.7	18.8	20.7	10.2	6.4	9.9	5.1	4.8	0.9	0.8	19.0	17.7
Indian Bank	Buy	545	670	23	79.3	84.0	92.3	27.4	6.0	9.9	6.9	6.5	1.2	1.0	18.8	17.3
Punjab Natl. Bank	Neutral	97	120	24	13.9	15.1	17.1	85.6	9.0	12.8	6.9	6.4	0.9	0.8	14.4	13.9
SBI	Buy	762	950	25	89.1	98.7	115.9	18.5	11	17.4	8.6	7.7	1.5	1.2	18.8	17.4
Union Bank (I)	Buy	111	135	22	22.4	22.8	24.4	18.7	2	6.9	5.0	4.9	0.8	0.7	17.4	15.5
<b>Aggregate</b>								<b>21.8</b>	<b>9</b>	<b>14</b>	<b>7</b>	<b>6.7</b>	<b>1.2</b>	<b>1.1</b>	<b>16.3</b>	<b>15.7</b>
<b>NBFCs</b>																
AAVAS Financiers	Neutral	1704	1800	6	73.5	88.9	108.8	18.5	21.0	22.4	23.2	19.2	3.1	2.7	14.3	14.9
Aditya Birla Cap	Buy	177	250	41	14.5	16.8	20.3	42.9	16.3	21.0	12.2	10.5	1.5	1.4	13.2	13.6
Bajaj Fin.	Neutral	7899	8300	5	270.9	343.7	435.6	15.9	26.9	26.7	29.2	23.0	5.0	4.2	19.2	19.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Can Fin Homes	Neutral	654	775	19	64.0	68.8	78.9	13.6	7.4	14.8	10.2	9.5	1.7	1.5	18.0	16.6
Cholaman.Inv.&Fn	Buy	1279	1470	15	51.6	68.4	90.0	26.7	32.6	31.6	24.8	18.7	4.5	3.5	20.0	21.3
CreditAccess	Buy	1068	1070	0	36.9	90.2	129.5	-59.3	144.7	43.5	29.0	11.8	2.4	2.0	8.7	18.6
Fusion Finance	Neutral	170	165	-3	-65.4	30.7	51.7	-230.2	LP	68.5	NM	5.5	0.8	0.7	-26.1	13.2
Five-Star Business	Buy	751	970	29	36.7	41.5	47.9	28.3	13.2	15.5	20.5	18.1	3.5	2.9	18.7	17.7
Home First Fin.	Buy	946	1280	35	43.0	52.5	64.0	24.4	22.2	21.9	22.0	18.0	3.4	2.9	16.6	17.4
IIFL Finance	Buy	354	510	44	13.3	46.7	58.4	-71.3	252.0	25.1	26.7	7.6	1.2	1.1	4.9	15.1
IndoStar	Buy	249	325	30	5.9	9.3	18.6	-30.8	58.2	99.9	42.3	26.7	1.0	1.0	2.4	3.9
L&T Finance	Buy	144	180	25	10.7	13.0	17.9	14.5	21.6	37.8	13.5	11.1	1.4	1.3	10.9	12.1
LIC Hsg Fin	Buy	585	760	30	93.1	96.1	103.6	7.5	3.2	7.9	6.3	6.1	0.9	0.8	15.3	14.1
Manappuram Fin.	Neutral	199	205	3	25.6	28.8	35.9	-1.4	12.5	24.7	7.8	6.9	1.3	1.1	17.4	16.9
MAS Financial	Buy	256	330	29	17.0	21.7	26.4	12.5	27.6	21.7	15.0	12.0	1.9	1.6	14.6	14.7
M&M Fin.	Buy	276	335	21	19.9	24.5	30.8	39.7	23.0	25.8	13.9	11.3	1.6	1.5	12.3	13.9
Muthoot Fin	Neutral	2205	2060	-7	127.6	152.4	171.0	26.5	19.5	12.2	17.3	14.5	3.1	2.7	19.5	19.9
Piramal Enterp.	Neutral	977	1025	5	22.7	49.5	66.0	-130.3	117.6	33.5	43.0	19.7	0.8	0.8	1.9	4.1
PNB Housing	Buy	861	1160	35	72.7	88.9	107.6	25.3	22.2	21.0	11.8	9.7	1.3	1.2	11.9	12.9
Poonawalla Fincorp	Buy	309	390	26	2.4	14.2	22.6	-81.8	481.0	59.4	126.4	21.8	2.9	2.6	2.3	12.5
PFC	Buy	414	560	35	49.7	56.6	62.0	14.2	13.8	9.5	8.3	7.3	1.5	1.3	19.3	19.2
REC	Buy	440	630	43	61.0	69.8	79.4	14.6	14.5	13.7	7.2	6.3	1.4	1.2	21.5	21.0
Repco Home Fin	Neutral	394	480	22	70.3	69.9	77.9	11.4	-0.6	11.5	5.6	5.6	0.7	0.7	14.2	12.4
Spandana Sphoorty	Buy	315	395	25	-130.8	11.9	47.0	-286.3	LP	296.3	NM	26.6	0.8	0.8	-29.4	3.1
Shriram Finance	Buy	538	700	30	44.2	52.6	63.6	15.5	19.0	21.0	12.2	10.2	1.8	1.5	15.6	15.8
<b>Aggregate</b>								<b>11.2</b>	<b>24.9</b>	<b>20.3</b>	<b>15.4</b>	<b>12.3</b>	<b>2.2</b>	<b>1.9</b>	<b>14.5</b>	<b>15.7</b>
<b>NBFC-Non Lending</b>																
360 ONE WAM	Buy	1007	1350	34	26.4	32.9	39.0	18.0	24.3	18.7	38.1	30.6	6.2	5.7	21.0	19.4
Aditya Birla AMC	Buy	654	850	30	32.7	37.1	42.0	20.7	13.3	13.3	20.0	17.7	5.3	4.7	28.1	28.5
Anand Rathi Wealth	Neutral	3640	4200	15	73.0	95.2	114.8	35.0	30.3	20.6	49.8	38.2	21.5	15.2	44.8	46.3
Angel One	Buy	2277	3200	41	148.5	160.7	214.6	9.3	8.2	33.5	15.3	14.2	3.4	2.9	28.6	22.2
BSE	Buy	5239	6500	24	98.9	129.0	158.2	73.5	30.4	22.7	53.0	40.6	19.1	16.8	36.2	41.3
Cams Services	Buy	3636	4600	27	97.9	110.6	131.7	36.7	13.0	19.1	37.2	32.9	16.5	14.0	48.0	46.0
CDSL	Neutral	1271	1500	18	27.0	34.2	42.4	34.6	26.7	24.0	47.0	37.1	15.1	13.2	35.1	38.0
HDFC AMC	Buy	3767	5200	38	117.0	139.4	158.7	28.6	19.2	13.8	32.2	27.0	10.4	9.5	33.8	36.9
KFin Technologies	Neutral	1084	1300	20	20.1	25.6	32.4	38.0	27.6	26.2	54.0	42.3	15.3	12.8	30.4	33.0
MCX	Neutral	5600	6100	9	114.5	143.7	177.6	602.6	25.5	23.6	48.9	39.0	19.1	17.4	40.6	46.7
Nippon Life AMC	Buy	573	850	48	20.7	25.6	30.1	17.7	23.6	17.9	27.7	22.4	8.9	8.7	32.4	39.4
Nuvama Wealth	Buy	5352	8800	64	272.7	314.9	363.2	62.0	15.5	15.3	19.6	17.0	5.7	5.0	31.3	31.8
Prudent Corp.	Neutral	1988	2200	11	47.0	60.4	76.2	40.3	28.5	26.2	42.3	32.9	62.6	46.6	34.2	32.5
UTI AMC	Buy	1010	1300	29	70.9	78.7	89.3	12.5	11.1	13.4	14.3	12.8	2.5	2.3	17.7	18.6
<b>Aggregate</b>								<b>36.0</b>	<b>18.1</b>	<b>19.4</b>	<b>32.8</b>	<b>27.7</b>	<b>9.0</b>	<b>8.1</b>	<b>27.6</b>	<b>29.3</b>
<b>Insurance</b>																
HDFC Life Insur.	Buy	634	800	26	7.5	9.7	11.1	3.2	29.2	14.6	84.2	65.2	2.5	2.1	16.8	16.5
ICICI Lombard	Buy	1846	2300	25	53.5	60.8	69.9	37.3	13.7	14.9	34.5	30.4	6.6	5.7	20.5	20.1
ICICI Pru Life	Buy	611	780	28	8.1	10.2	13.4	36.4	25.8	32.3	75.7	60.2	1.8	1.5	19.1	19.5
Life Insurance Corp.	Buy	825	1200	45	67.2	71.4	77.1	4.4	6.3	8.1	12.3	11.6	0.6	0.6	15.5	11.1
Max Financial	Neutral	1082	1200	11	14.6	16.9	22.8	92.9	16.0	34.8	74.2	63.9	2.0	1.7	19.0	19.4
SBI Life Insurance	Buy	1474	1900	29	21.2	24.4	27.4	12.0	15.0	12.5	69.5	60.4	2.1	1.7	21.2	19.6
Star Health Insu	Buy	435	560	29	13.1	18.4	25.4	-9.0	40.0	38.3	33.1	23.7	3.4	3.0	11.0	13.6
<b>Chemicals</b>																
Alkyl Amines	Neutral	1700	1900	12	36.2	51.4	67.3	24.3	42.1	31.0	47.0	33.1	6.3	5.6	13.9	17.8
Atul	Buy	6328	8455	34	164.2	210.6	251.8	49.2	28.3	19.6	38.5	30.0	3.4	3.1	9.1	10.8
Clean Science	Neutral	1366	1450	6	24.0	35.1	43.6	4.5	46.3	24.2	57.8	39.5	10.3	8.4	19.4	23.5
Deepak Nitrite	Neutral	2274	2555	12	61.5	78.0	87.5	11.5	26.9	12.2	37.0	29.2	5.6	4.8	16.2	17.7



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Fine Organic	Sell	4478	3630	-19	145.3	121.8	120.8	21.1	-16.2	-0.8	30.8	36.8	6.0	5.3	16.6	15.3
Galaxy Surfact.	Buy	2376	3350	41	95.6	118.3	139.3	12.4	23.7	17.8	24.9	20.1	3.5	3.1	14.7	16.2
Navin Fluorine	Neutral	3906	3715	-5	59.4	81.0	92.9	28.8	36.4	14.7	65.8	48.3	7.5	6.7	11.8	14.6
NOCIL	Neutral	227	235	4	7.8	8.7	12.9	-1.1	11.1	48.7	29.1	26.2	2.1	2.0	7.5	8.0
PI Inds.	Buy	3457	4650	35	114.4	126.5	144.8	3.4	10.6	14.4	30.2	27.3	5.1	4.4	18.3	17.2
SRF	Buy	2830	3540	25	42.7	72.0	100.4	-10.1	68.6	39.4	66.0	39.0	7.0	6.0	10.7	16.4
Tata Chemicals	Neutral	968	1100	14	28.0	49.6	62.2	-22.6	77.4	25.3	34.6	19.5	1.1	1.1	3.2	5.5
Vinati Organics	Buy	1643	2655	62	42.3	51.9	61.3	35.7	22.6	18.0	38.8	31.6	6.1	5.3	16.7	17.9
<b>Aggregate</b>								<b>18.5</b>	<b>24.2</b>	<b>18.5</b>	<b>39.4</b>	<b>31.7</b>	<b>5.1</b>	<b>4.5</b>	<b>12.9</b>	<b>14.2</b>
<b>Capital Goods</b>																
ABB India	Buy	5720	8500	49	88.7	102.5	119.3	50.5	15.6	16.3	64.5	55.8	15.8	12.5	27.6	25.1
Bharat Electronics	Buy	279	360	29	6.7	7.8	9.4	21.8	16.4	20.5	41.6	35.7	10.0	8.1	24.1	22.6
Cummins India	Buy	2853	4250	49	71.1	86.2	101.5	18.6	21.2	17.7	41.6	35.7	10.0	8.1	24.1	22.6
Hitachi Energy	Neutral	12158	13300	9	87.7	143.3	218.1	127.0	63.4	52.2	161.1	84.8	29.8	22.0	18.5	26.0
Kalpataru Proj.	Buy	1026	1500	46	44.3	61.6	81.5	41.8	39.2	32.2	23.2	16.7	2.4	2.1	11.5	13.4
KEC International	Neutral	812	1050	29	23.7	39.6	48.8	81.7	67.3	23.2	34.3	20.5	4.0	3.5	13.3	18.3
Kirloskar Oil	Buy	882	1540	75	32.7	42.9	55.9	30.7	31.4	30.3	27.0	20.5	4.3	3.7	16.9	19.4
Larsen & Toubro	Buy	3420	4300	26	105.8	135.8	157.0	12.2	28.4	15.6	32.3	25.2	4.8	4.2	15.8	17.8
Siemens	Buy	5874	7500	28	76.3	82.2	102.6	38.5	7.8	24.8	77.0	71.4	13.6	11.9	19.1	17.8
Thermax	Neutral	3680	4400	20	63.1	81.4	97.9	20.9	29.1	20.3	58.4	45.2	8.3	7.2	15.1	17.1
Triveni Turbine	Buy	635	880	39	11.5	14.3	19.4	36.2	24.2	35.7	55.1	44.4	16.5	13.0	33.6	32.8
Zen Technologies	Buy	1683	2750	63	31.7	49.0	68.1	125.7	54.6	39.0	53.1	34.3	8.7	7.0	26.1	22.6
<b>Aggregate</b>								<b>24.5</b>	<b>23.5</b>	<b>19.9</b>	<b>41.6</b>	<b>33.7</b>	<b>7.2</b>	<b>6.2</b>	<b>17.4</b>	<b>18.4</b>
<b>Cement</b>																
Ambuja Cem.	Buy	509	600	18	7.9	10.6	15.2	-43.0	33.4	44.0	64.3	48.2	2.2	2.2	4.0	4.6
ACC	Buy	1994	2400	20	62.2	91.6	123.4	-37.4	47.3	34.7	32.1	21.8	2.1	1.9	6.9	9.2
Birla Corp.	Buy	1159	1580	36	25.4	58.8	79.8	-53.0	131.9	35.7	45.7	19.7	1.3	1.3	2.9	6.5
Dalmia Bhar.	Buy	1851	2100	13	34.9	51.0	65.8	-14.3	46.0	29.1	53.0	36.3	2.1	2.0	4.0	5.6
Grasim Inds.	Buy	2494	3210	29	79.5	100.6	119.3	-16.9	26.6	18.5	31.4	24.8	3.1	3.0	-1.5	1.9
India Cem	Sell	269	310	15	-23.8	-3.5	4.1	214.7	Loss	LP	NM	NM	1.8	1.8	-14.7	-2.4
J K Cements	Buy	4800	5630	17	90.4	128.1	169.6	-12.0	41.7	32.4	53.1	37.5	6.2	5.5	11.6	15.7
JK Lakshmi Ce	Buy	799	970	21	22.1	39.5	39.2	-44.2	78.9	-0.8	36.2	20.2	2.8	2.5	7.9	13.0
Ramco Cem	Neutral	926	950	3	12.2	22.4	31.4	-27.2	84.2	40.1	76.1	41.3	2.9	2.7	3.9	6.7
Shree Cem	Neutral	26809	26640	-1	289.0	301.0	389.0	-57.8	4.2	29.2	92.9	89.1	4.6	4.4	5.0	5.1
Ultratech	Buy	11487	13800	20	222.0	298.6	380.3	-9.2	34.5	27.3	51.7	38.5	5.1	4.3	10.2	12.3
<b>Aggregate</b>								<b>-26.4</b>	<b>40.8</b>	<b>28.7</b>	<b>50.4</b>	<b>35.8</b>	<b>3.3</b>	<b>3.1</b>	<b>6.6</b>	<b>8.6</b>
<b>Consumer</b>																
Asian Paints	Neutral	2251	2550	13	46.2	52.5	59.5	-20.2	13.6	13.3	48.7	42.9	11.3	10.7	23.4	25.6
Britannia	Neutral	5080	5200	2	91.3	105.0	118.3	2.9	15.0	12.7	55.6	48.4	28.4	24.7	53.3	54.5
Colgate	Neutral	2771	2850	3	53.1	58.4	63.6	7.8	10.2	8.8	52.2	47.4	36.0	32.4	72.7	72.0
Dabur	Buy	534	650	22	10.5	11.9	13.5	-0.9	13.4	13.4	51.2	45.4	9.0	8.4	18.2	19.2
Emami	Buy	572	750	31	20.2	22.0	23.9	12.0	9.1	8.4	28.3	25.9	9.0	8.0	33.9	32.8
Godrej Cons.	Buy	1119	1400	25	19.3	23.9	27.8	-0.1	23.9	15.9	57.9	46.7	8.5	7.8	15.1	17.4
HUL	Buy	2412	2850	18	44.1	49.3	54.1	0.8	11.9	9.8	54.7	48.9	11.0	10.9	20.2	22.4
ITC	Buy	437	575	32	16.7	18.2	19.8	2.0	8.9	8.6	26.1	24.0	7.0	6.7	27.5	28.7
Indigo Paints	Buy	1256	1650	31	29.8	35.4	41.6	-3.7	18.7	17.5	42.1	35.5	5.9	5.2	14.8	15.5
Jyothy Lab	Neutral	396	450	14	10.6	11.7	12.9	7.6	10.5	10.3	37.5	33.9	7.7	7.0	20.9	21.5
L T Foods	Buy	369	460	25	17.5	23.8	28.5	2.7	35.9	19.7	21.0	15.5	3.3	2.8	16.8	19.6
Marico	Buy	672	750	12	12.9	14.4	15.5	12.8	11.6	7.5	52.1	46.7	21.7	20.4	42.6	45.1
Nestle	Neutral	2219	2400	8	33.8	38.3	43.1	-17.6	13.2	12.6	65.6	58.0	51.7	43.8	87.2	81.9
Page Inds	Buy	44309	57000	29	603.3	720.5	865.8	18.2	19.4	20.2	73.4	61.5	28.2	24.2	38.4	39.4
Pidilite Ind.	Neutral	2888	3200	11	42.1	48.9	55.7	17.4	16.3	13.8	68.7	59.0	15.4	13.9	23.9	24.7
P&G Hygiene	Neutral	14441	15500	7	251.7	281.5	317.2	14.3	11.9	12.7	57.4	51.3	50.0	41.8	95.5	88.8
Tata Consumer	Buy	968	1130	17	14.5	17.7	20.1	1.1	22.1	13.6	66.6	54.6	4.1	3.7	7.3	7.4
United Brew	Neutral	2125	2200	4	21.5	31.4	38.9	38.2	46.0	24.2	99.0	67.8	12.5	11.4	13.1	17.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
United Spirits	Neutral	1425	1650	16	19.2	21.6	24.1	22.0	12.9	11.2	74.3	65.8	12.3	10.3	16.6	15.7
Varun Beverages	Buy	541	750	39	7.7	10.4	12.5	27.3	34.0	20.7	69.9	52.2	11.2	9.4	22.5	19.5
<b>Aggregate</b>								<b>1.3</b>	<b>13.7</b>	<b>11.4</b>	<b>46.0</b>	<b>40.5</b>	<b>10.5</b>	<b>9.9</b>	<b>22.9</b>	<b>24.3</b>
<b>Consumer Durables</b>																
Havells India	Neutral	1545	1740	13	22.0	26.9	33.1	8.7	22.1	23.0	70.1	57.4	11.6	10.3	16.5	17.9
KEI Industries	Buy	3969	4780	20	68.2	82.4	100.7	6.0	20.7	22.3	58.2	48.2	6.6	5.8	14.6	12.8
Polycab India	Buy	5789	8380	45	125.0	148.0	174.3	5.3	18.4	17.7	46.3	39.1	9.0	7.7	19.5	19.7
R R Kabel	Buy	1225	1600	31	22.3	33.2	44.3	-15.8	49.2	33.5	55.1	36.9	6.9	6.1	13.1	17.5
Voltas	Buy	1268	1640	29	25.1	30.4	38.0	246.9	21.1	25.0	66.5	55.0	8.4	7.5	12.6	13.6
<b>Aggregate</b>								<b>21.2</b>	<b>23.2</b>	<b>22.3</b>	<b>56.3</b>	<b>45.7</b>	<b>8.8</b>	<b>7.7</b>	<b>15.6</b>	<b>16.8</b>
<b>EMS</b>																
Amber Enterp.	Buy	6331	7800	23	70.8	109.5	168.7	79.6	54.7	54.0	89.4	57.8	9.3	8.0	10.9	14.8
Avalon Tech	Buy	630	1140	81	8.8	15.9	25.2	105.7	81.3	59.0	71.9	39.6	6.8	5.8	10.0	15.9
Cyient DLM	Buy	495	700	41	9.6	16.3	22.4	25.0	69.3	37.0	51.3	30.3	4.0	3.5	8.1	12.4
Data Pattern	Neutral	2123	2300	8	38.9	51.0	65.0	19.8	31.3	27.3	54.6	41.6	7.7	6.5	15.2	17.1
Dixon Tech.	Buy	14632	20500	40	130.8	174.2	250.6	112.8	33.1	43.9	111.8	84.0	35.6	25.1	37.7	35.1
Kaynes Tech	Buy	4720	6500	38	47.4	85.4	136.1	65.2	80.2	59.3	99.6	55.3	10.8	9.0	11.5	17.8
Syrma SGS Tech.	Buy	536	650	21	9.6	15.3	21.4	56.6	59.4	39.9	55.8	35.0	5.4	4.8	10.1	14.5
<b>Aggregate</b>								<b>73.6</b>	<b>48.8</b>	<b>46.5</b>	<b>92.0</b>	<b>61.8</b>	<b>13.7</b>	<b>11.2</b>	<b>14.9</b>	<b>18.2</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	912	1110	22	31.7	37.9	47.5	0.7	19.6	25.4	28.8	24.1	3.4	3.0	12.1	13.1
Alkem Lab	Neutral	5060	5630	11	183.8	204.8	231.2	15.1	11.4	12.9	27.5	24.7	5.0	4.3	19.7	18.9
Ajanta Pharma	Buy	2676	3220	20	71.4	80.8	95.8	14.6	13.2	18.6	37.5	33.1	8.0	6.8	23.2	22.2
Apollo Hospitals	Buy	6828	8660	27	97.4	126.3	164.5	56.0	29.7	30.2	70.1	54.1	11.5	9.5	18.4	19.9
Aurobindo	Neutral	1182	1360	15	61.7	70.8	81.1	10.0	14.8	14.5	19.2	16.7	2.1	1.9	11.5	11.8
Biocon	Buy	357	-		2.0	4.7	9.6	8.3	140.0	105.6	182.8	76.2	2.1	2.1	1.2	2.7
Cipla	Neutral	1458	1530	5	61.7	61.2	68.2	17.5	-0.8	11.4	23.6	23.8	3.8	3.3	15.9	13.8
Divis Lab	Neutral	5734	5870	2	74.8	97.1	119.6	24.7	29.8	23.2	76.6	59.1	10.2	9.1	13.9	16.3
Dr Reddy's	Neutral	1195	1330	11	64.7	74.4	68.2	2.0	15.0	-8.3	18.5	16.1	3.0	2.6	17.6	17.3
ERIS Lifescience	Neutral	1189	1230	3	28.6	40.1	54.2	-2.2	40.4	35.1	41.6	29.6	5.6	4.8	14.3	17.6
Gland Pharma	Buy	1500	2080	39	46.2	58.7	70.0	-2.8	26.9	19.4	32.4	25.6	2.6	2.4	8.4	9.7
Glenmark	Buy	1449	1900	31	47.3	60.7	70.6	1,805.6	28.2	16.3	30.6	23.9	4.4	3.7	15.7	17.0
GSK Pharma	Neutral	1981	2420	22	50.2	56.2	64.6	15.9	12.1	14.9	39.5	35.2	15.5	12.7	39.3	36.0
Global Health	Buy	1048	1360	30	19.1	24.0	30.2	7.2	25.6	25.8	54.9	43.7	8.5	7.3	16.4	17.9
Granules India	Buy	564	665	18	19.5	26.5	33.4	12.5	35.7	26.0	28.9	21.3	3.7	3.2	13.7	16.2
IPCA Labs	Buy	1456	1970	35	33.1	44.3	55.5	59.4	33.8	25.1	43.9	32.8	5.2	4.6	12.6	14.9
Laurus Labs	Buy	588	720	22	5.1	10.7	14.9	68.7	110.2	39.5	115.6	55.0	7.3	6.6	6.5	12.5
Lupin	Neutral	2065	2290	11	68.9	75.7	83.9	66.0	9.8	10.9	30.0	27.3	5.4	4.6	19.8	18.2
Mankind Pharma	Buy	2488	3050	23	50.1	55.0	72.1	4.8	9.9	31.1	49.7	45.2	7.4	6.6	17.8	15.4
Max Healthcare	Buy	1043	-		15.1	19.9	24.0	9.6	32.0	20.8	69.2	52.5	9.4	8.0	14.6	16.5
Piramal Pharma	Buy	231	300	30	0.8	2.2	4.0	80.8	189.7	81.7	301.8	104.2	3.4	3.3	1.3	3.6
Sun Pharma	Buy	1745	2230	28	49.3	59.3	67.4	19.0	20.2	13.7	35.4	29.4	5.7	4.8	17.2	17.8
Torrent Pharma	Neutral	3357	3410	2	57.3	75.3	94.3	21.6	31.4	25.3	58.6	44.6	7.0	5.9	26.0	28.7
Zydus Lifesciences	Neutral	953	1010	6	44.6	49.4	43.6	18.4	10.8	-11.7	21.4	19.3	3.8	3.2	19.8	18.1
<b>Aggregate</b>								<b>20.7</b>	<b>18.4</b>	<b>13.8</b>	<b>35.8</b>	<b>30.2</b>	<b>5.1</b>	<b>4.5</b>	<b>14.3</b>	<b>14.8</b>
<b>Infrastructure</b>																
G R Infraproject	Buy	1251	1780	42	73.6	91.3	111.5	0.8	24.1	22.2	17.0	13.7	1.5	1.4	9.4	10.6
IRB Infra	Neutral	54	60	12	1.3	2.1	2.5	30.8	62.3	16.4	40.8	25.1	2.3	2.1	5.6	8.7
KNR Constructions	Buy	290	400	38	14.9	17.1	21.8	-2.5	15.0	27.7	19.5	17.0	2.1	1.9	11.8	11.7
<b>Aggregate</b>											<b>27.0</b>	<b>19.6</b>	<b>2.0</b>	<b>1.8</b>	<b>7.4</b>	<b>9.3</b>
<b>Logistics</b>																
Adani Ports	Buy	1077	1400	30	47.7	58.5	70.0	15.6	22.6	19.7	22.1	18.0	3.7	3.1	17.9	18.8
Blue Dart Express	Buy	6428	8640	34	114.2	208.5	259.8	-6.1	82.5	24.6	56.3	30.8	9.7	7.9	18.0	28.4
Concor	Buy	756	-		22.8	29.7	35.7	13.7	29.9	20.4	33.1	25.5	3.7	3.4	11.4	13.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
JSW Infra	Buy	270	350	30	6.7	7.7	9.8	15.3	15.5	26.5	40.4	34.9	6.2	5.5	16.4	16.7
Mahindra Logistics	Neutral	355	330	-7	-3.7	14.8	26.8	-55.4	LP	81.7	NM	24.1	5.7	4.7	-5.4	21.0
Transport Corp.	Buy	1035	1370	32	53.0	63.1	73.9	15.7	19.0	17.1	19.5	16.4	3.3	2.8	18.3	18.4
TCI Express	Neutral	770	910	18	26.6	38.4	44.7	-22.5	44.1	16.5	28.9	20.1	3.8	3.3	13.8	17.6
VRL Logistics	Buy	466	670	44	16.0	21.4	26.3	58.1	33.6	23.0	29.1	21.7	4.1	3.8	14.4	18.0
<b>Aggregate</b>											<b>26.1</b>	<b>21.2</b>	<b>4.1</b>	<b>3.6</b>	<b>15.8</b>	<b>16.9</b>
<b>Media</b>																
PVR Inox	Neutral	1068	1500	40	-17.9	20.4	43.9	-253.1	LP	114.5	NM	52.3	1.5	1.4	-2.4	2.8
Sun TV	Neutral	636	625	-2	46.1	48.9	52.8	-3.1	6.0	8.2	13.8	13.0	2.2	2.0	16.0	15.5
Zee Ent.	Neutral	105	130	24	8.1	9.6	10.8	78.8	18.4	13.1	12.9	10.9	0.9	0.8	7.0	7.8
<b>Aggregate</b>								<b>-0.2</b>	<b>26.0</b>	<b>16.7</b>	<b>19.0</b>	<b>15.1</b>	<b>1.5</b>	<b>1.4</b>	<b>8.1</b>	<b>9.5</b>
<b>Metals</b>																
Coal India	Buy	385	480	25	56.8	67.4	70.5	-6.4	18.6	4.7	6.8	5.7	2.4	2.0	35.1	34.6
Hindalco	Buy	588	780	33	68.9	63.1	74.0	51.0	-8.4	17.3	8.5	9.3	1.4	1.2	17.6	14.0
Hind. Zinc	Neutral	441	460	4	24.0	31.2	32.0	30.7	29.9	2.8	18.4	14.1	14.7	9.0	72.8	78.8
JSPL	Buy	840	960	14	44.5	76.4	97.6	-23.8	71.7	27.7	18.7	10.9	1.7	1.5	9.6	14.8
JSW Steel	Buy	951	1100	16	17.0	61.7	82.8	-53.8	263.2	34.1	56.0	15.4	2.9	2.4	5.2	17.2
Nalco	Neutral	193	225	16	18.6	13.9	16.2	104.6	-25.1	16.5	10.4	13.9	2.1	1.9	21.7	14.1
NMDC	Buy	65	85	31	8.2	9.1	9.8	24.5	10.7	8.4	7.9	7.2	1.8	1.6	25.3	23.5
SAIL	Neutral	105	120	14	0.8	10.4	14.8	-70.6	1,250	43.0	137.3	10.2	0.7	0.7	0.5	7.2
Tata Steel	Neutral	131	140	7	3.4	11.2	16.0	24.3	232	43.6	39.0	11.7	2.0	1.8	4.9	16.1
Vedanta	Neutral	432	490	13	38.1	44.7	50.7	187.8	17	13.4	11.3	9.7	4.9	3.9	44.6	44.8
<b>Aggregate</b>								<b>13.3</b>	<b>40.8</b>	<b>16.3</b>	<b>13.4</b>	<b>9.5</b>	<b>2.2</b>	<b>2.0</b>	<b>16.7</b>	<b>20.5</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Neutral	694	795	15	16.8	21.0	23.3	3.4	25.0	11.3	41.4	33.1	5.7	5.1	14.4	16.3
BPCL	Neutral	257	310	21	26.9	26.3	26.6	-57.6	-2.0	1.1	9.6	9.8	1.4	1.3	14.6	13.4
Castrol India	Buy	175	260	49	8.9	9.2	10.0	2.1	2.9	9.1	19.6	19.1	7.7	7.3	40.4	39.3
GAIL	Buy	167	255	53	13.6	18.1	19.7	-0.8	33.1	8.8	12.3	9.2	1.5	1.3	16.7	15.8
Gujarat Gas	Buy	479	580	21	14.9	17.8	19.3	-6.9	19.4	8.8	32.2	27.0	3.9	3.6	12.8	14.0
Gujarat St. Pet.	Neutral	344	388	13	15.5	11.0	11.0	-31.8	-29.2	-0.1	22.1	31.2	1.8	1.7	8.3	5.6
HPCL	Buy	351	490	39	31.0	45.1	46.4	-58.9	45.6	3.0	11.3	7.8	1.4	1.3	13.3	17.3
IOC	Buy	127	145	14	6.0	10.4	9.0	-79.5	71.7	-13.6	21.1	12.3	0.9	0.9	4.4	7.3
IGL	Neutral	396	435	10	20.1	23.3	25.8	-19.4	15.9	10.7	19.7	17.0	2.9	2.6	15.6	16.2
Mahanagar Gas	Buy	1303	1850	42	104.7	110.3	117.6	-20.9	5.4	6.6	12.4	11.8	2.2	2.0	19.0	17.9
MRPL	Sell	126	120	-5	-0.8	10.4	12.1	-103.9	LP	17.1	NM	12.2	1.7	1.5	-1.1	13.1
Oil India	Buy	418	600	44	38.3	47.6	51.3	-21.3	24.2	7.9	10.9	8.8	1.4	1.3	13.5	15.1
ONGC	Buy	257	305	19	38.7	46.5	47.4	-16.4	20.0	2.1	6.6	5.5	0.9	0.8	13.8	14.9
PLNG	Neutral	301	330	10	24.3	29.2	31.3	3.1	20.3	7.0	12.4	10.3	2.4	2.1	20.3	21.8
Reliance Ind.	Buy	1254	1605	28	50.6	61.0	67.9	-1.6	20.5	11.4	24.8	20.6	2.0	1.8	8.3	9.3
<b>Aggregate</b>								<b>-30.3</b>	<b>23.0</b>	<b>6.0</b>	<b>16.1</b>	<b>13.1</b>	<b>1.6</b>	<b>1.4</b>	<b>9.7</b>	<b>10.9</b>
<b>Real Estate</b>																
Anant Raj	Buy	563	1100	95	17.4	21.9	24.8	123.9	25.6	13.5	32.3	25.7	4.5	3.9	14.1	15.1
Brigade Enterpr.	Buy	1113	1540	38	37.8	44.1	63.1	71.0	16.6	43.1	29.4	25.2	3.9	3.4	16.2	14.3
DLF	Buy	750	954	27	6.0	17.5	13.0	-45.5	191.7	-25.4	125.1	42.9	3.2	3.0	3.7	10.0
Godrej Propert.	Buy	2283	3725	63	51.3	32.0	26.9	90.9	-37.6	-15.9	44.5	71.3	5.6	5.2	13.3	7.5
Kolte Patil Dev.	Buy	283	525	85	15.1	44.0	39.5	-265.1	190.9	-10.0	18.8	6.4	2.6	1.9	14.8	34.4
Oberoi Realty	Neutral	1759	2056	17	66.7	82.8	96.6	26.0	24.0	16.7	26.4	21.3	4.0	3.4	16.3	17.4
Macrotech Devel.	Buy	1162	1568	35	22.6	34.1	36.8	33.5	50.9	8.0	51.4	34.1	5.7	4.9	11.7	15.5
Mahindra Lifespace	Neutral	412	530	29	5.5	6.0	21.4	-13.5	9.9	257.2	75.4	68.6	3.3	3.2	4.5	4.8
SignatureGlobal	Buy	1188	2000	68	19.1	58.6	120.5	1,522.4	207.1	105.7	62.3	20.3	18.7	9.7	35.2	63.0
Sunteck Realty	Buy	470	746	59	11.7	31.3	10.1	142.2	166.6	-67.6	40.1	15.0	2.1	1.9	5.4	13.1
Sobha	Buy	1295	2213	71	30.3	67.2	83.2	485.9	121.4	23.9	42.7	19.3	3.5	3.0	9.7	16.5
Prestige Estates	Buy	1342	-	-	21.7	22.2	26.5	14.4	2.4	19.5	61.9	60.5	3.0	2.8	5.7	4.8
Phoenix Mills	Neutral	1592	-	-	29.8	41.3	55.7	-3.3	38.7	34.9	53.4	38.5	5.4	4.8	10.7	13.3





Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Aggregate</b>								<b>20.4</b>	<b>52.6</b>	<b>9.1</b>	<b>53.5</b>	<b>35.1</b>	<b>4.6</b>	<b>4.1</b>	<b>8.6</b>	<b>11.7</b>
<b>Retail</b>																
Avenue Supermarts	Buy	3573	4450	25	42.1	50.1	59.8	8.0	19.0	19.5	84.9	71.3	10.8	9.4	13.6	14.1
Aditya Birla Fashion	Neutral	266	300	13	-7.3	-6.2	-5.9	3.9	Loss	Loss	NM	NM	6.7	8.1	-17.8	-18.0
Bata India	Neutral	1267	1260	-1	22.6	26.0	30.9	-0.8	15.1	18.9	56.1	48.7	9.2	8.4	17.7	18.1
Barbeque-Nation	Neutral	323	500	55	-1.6	1.9	4.9	-43.7	LP	155.0	NM	169.8	3.3	3.2	-1.6	1.9
Campus Activewe.	Buy	272	380	39	4.1	5.5	7.5	42.1	33.2	35.1	65.7	49.3	10.7	8.8	16.3	17.9
Devyani Intl.	Buy	166	215	30	0.4	1.7	2.2	-41.8	270.4	30.9	369.7	99.8	30.1	33.6	6.3	31.8
Jubilant Food.	Neutral	689	800	16	5.5	8.1	10.4	38.2	47.9	28.7	126.4	85.4	20.3	19.4	16.0	22.7
Kalyan Jewellers	Buy	440	625	42	8.0	10.4	12.9	38.0	30.0	24.0	55.1	42.3	9.7	8.4	18.6	21.2
Metro Brands	Buy	1198	1525	27	13.7	17.1	21.8	7.2	25.5	27.2	87.8	69.9	14.8	12.6	18.5	19.9
P N Gadgil Jewellers	Buy	538	950	77	17.1	23.2	29.4	30.6	35.9	26.8	31.5	23.2	4.5	3.8	21.6	17.8
Raymond Lifestyle	Buy	1530	-	-	46.6	77.0	94.0	-42.0	65.5	22.0	32.9	19.9	0.9	0.9	6.2	9.5
Relaxo Footwear	Neutral	545	610	12	7.6	9.5	11.7	-6.2	25.5	23.7	72.1	57.5	6.3	5.9	9.1	10.6
Restaurant Brands	Buy	71	135	89	-4.2	-2.5	-0.3	-2.8	Loss	Loss	NM	NM	4.3	5.1	-29.8	-16.3
Sapphire Foods	Buy	290	415	43	1.3	3.4	4.9	-20.1	161.2	43.8	222.7	85.3	6.7	6.3	3.1	7.6
Shoppers Stop	Neutral	577	700	21	0.8	0.6	4.7	-85.6	-21.5	660.8	728.8	928.3	14.5	14.2	2.7	2.0
Senco Gold	Buy	904	1450	60	32.5	39.1	45.4	39.5	20.4	16.1	27.8	23.1	4.5	3.8	17.3	17.9
Titan Company	Buy	3369	3850	14	42.6	53.4	63.7	8.5	25.3	19.3	79.1	63.1	24.9	19.5	35.4	34.7
Trent	Buy	5513	8310	51	47.0	65.0	90.5	60.7	38.4	39.4	117.4	84.9	31.9	22.8	34.0	33.5
V-Mart Retail	Neutral	3087	4290	39	-12.6	5.0	23.7	-74.2	LP	377.9	NM	622.9	7.7	7.6	NM	1.3
Vedant Fashions	Neutral	1028	-	-	17.9	22.0	27.3	4.6	23.0	24.6	57.6	46.8	14.2	12.3	25.3	25.6
Westlife Foodworld	Neutral	719	800	11	0.7	5.3	9.2	-83.9	641.1	73.6	1,005.8	135.7	15.2	15.7	1.7	11.4
<b>Aggregate</b>								<b>23.0</b>	<b>35.5</b>	<b>27.7</b>	<b>95.3</b>	<b>71.6</b>	<b>13.2</b>	<b>11.7</b>	<b>13.8</b>	<b>16.3</b>
<b>Technology</b>																
Cyient	Sell	1363	1350	-1	58.4	79.7	90.2	-12.7	36.5	13.1	23.3	17.1	3.4	3.2	14.1	18.5
HCL Tech.	Buy	1714	2400	40	63.8	72.7	80.7	10.2	14.0	11.0	26.9	23.6	6.9	7.0	25.6	29.6
Infosys	Buy	1860	2200	18	63.4	70.0	77.5	0.1	10.4	10.8	29.3	26.6	8.7	8.7	29.8	32.8
LTI Mindtree	Buy	5844	7700	32	158.8	187.0	217.7	2.6	17.8	16.4	36.8	31.2	7.6	6.7	22.0	22.7
L&T Technology	Buy	5412	5500	2	125.4	150.0	174.4	1.9	19.7	16.2	43.2	36.1	9.5	8.2	23.5	24.1
Mphasis	Neutral	2871	3200	11	90.1	101.8	113.1	10.2	13.1	11.1	31.9	28.2	5.7	5.3	18.8	19.7
Coforge	Buy	8326	12000	44	133.9	227.1	282.3	4.1	69.7	24.3	62.2	36.7	13.1	11.2	22.2	32.8
Persistent Sys	Buy	6061	7600	25	90.7	113.5	138.0	20.8	25.2	21.5	66.8	53.4	16.1	13.6	25.9	27.6
TCS	Buy	4102	5000	22	138.0	152.0	166.2	9.3	10.1	9.3	29.7	27.0	15.6	14.6	53.7	55.8
Tech Mah	Neutral	1670	1850	11	45.2	63.2	74.0	10.0	39.8	17.1	37.0	26.4	5.4	5.3	14.9	20.2
Wipro	Neutral	309	290	-6	12.0	12.3	13.0	18.0	2.3	6.0	25.7	25.1	4.4	4.3	17.1	17.4
Zensar Tech	Neutral	860	850	-1	28.4	32.4	36.6	-2.5	14.3	12.7	30.3	26.5	4.8	4.3	17.1	17.3
<b>Aggregate</b>								<b>9.3</b>	<b>11.9</b>	<b>10.6</b>	<b>30.3</b>	<b>27.1</b>	<b>9.1</b>	<b>8.7</b>	<b>29.9</b>	<b>32.2</b>
<b>Telecom</b>																
Bharti Airtel	Buy	1640	1890	15	34.8	41.1	57.2	76.9	18.2	39.2	47.2	39.9	10.1	7.9	23.1	23.9
Indus Towers	Neutral	346	400	16	22.8	24.1	26.1	2.0	5.6	8.2	15.1	14.3	2.7	2.6	19.6	18.2
Vodafone Idea	Neutral	9	8	-11	-9.7	-9.6	-8.8	-12.7	Loss	Loss	NM	NM	-0.3	-0.2	NM	NM
Tata Comm	Neutral	1587	1850	17	35.3	54.8	73.7	-16.5	55.4	34.4	45.0	28.9	18.8	12.8	48.0	53
<b>Aggregate</b>								<b>Loss</b>	<b>LP</b>	<b>243.1</b>	<b>-1,300</b>	<b>218</b>	<b>65.2</b>	<b>38.3</b>	<b>-5.0</b>	<b>17.5</b>
<b>Utilities</b>																
Indian Energy Exchange	Neutral	175	193	10	4.4	5.4	6.3	16.0	20.4	17.2	39.4	32.7	13.6	11.3	37.8	37.7
JSW Energy	Buy	484	770	59	13.7	17.2	18.2	30.3	26.0	5.7	35.3	28.0	3.7	3.3	11.0	12.5
NTPC	Neutral	323	366	13	20.4	25.4	27.6	-4.9	24.5	8.5	15.8	12.7	1.8	1.7	11.9	13.7
Power Grid Corpn	Buy	295	428	45	18.5	19.1	20.1	10.4	3.3	5.3	16.0	15.5	3.0	2.9	19.3	19.1
Tata Power Co.	Buy	352	508	44	12.3	16.4	17.3	12.5	33.2	5.2	28.5	21.4	3.1	2.7	11.5	13
<b>Aggregate</b>								<b>4.2</b>	<b>17.0</b>	<b>7.0</b>	<b>18</b>	<b>15</b>	<b>2.4</b>	<b>2.3</b>	<b>13.5</b>	<b>14.6</b>



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Others</b>																
APL Apollo Tubes	Buy	1476	1920	30	25.4	42.5	55.3	-3.7	67.2	30.0	58.0	34.7	9.9	7.9	18.2	25.4
Cello World	Buy	641	930	45	16.8	21.7	26.7	8.0	28.6	23.5	38.0	29.6	9.1	7.0	24.0	23.8
Coromandel Intl	Buy	1825	-		56.6	73.8	87.1	1.5	30.4	18.0	32.3	24.7	5.0	4.3	16.6	18.8
Dreamfolks Services	Buy	356	450	26	13.0	18.8	22.4	4.0	44.6	18.8	27.3	18.9	6.1	4.6	26.2	28.7
EPL	Buy	216	320	48	10.9	14.7	17.3	34.3	34.9	17.9	19.8	14.7	3.0	2.7	15.9	19.2
Gravita India	Buy	1971	2800	42	42.8	59.8	79.1	23.4	39.9	32.2	46.1	32.9	6.8	5.6	21.2	18.7
Godrej Agrovet	Buy	716	960	34	26.4	34.9	41.7	40.8	32.3	19.7	27.1	20.5	4.9	4.2	19.0	21.9
Indian Hotels	Buy	762	960	26	11.8	15.3	18.1	33.7	29.0	18.6	64.3	49.9	9.6	8.1	16.2	17.7
Indiamart Inter.	Buy	2076	2600	25	77.5	79.3	92.5	40.4	2.4	16.6	26.8	26.2	5.9	5.1	24.1	20.8
Info Edge	Neutral	7626	7900	4	64.0	91.1	110.6	-0.5	42.4	21.4	119.2	83.7	3.7	3.6	2.8	4.4
Interglobe	Neutral	4228	4535	7	160.3	248.9	238.8	-24.3	55	-4	26.4	17	20.0	9.2	123.1	74.3
Kajaria Ceramics	Buy	993	1450	46	26.8	32.0	39.1	-1.5	19.3	22.2	37.1	31.1	5.6	5.2	15.2	16.9
Lemon Tree Hotel	Buy	135	190	41	2.3	3.8	4.5	22.9	62.5	18.4	57.8	35.5	9.2	7.3	17.3	22.9
MTAR Tech	Buy	1530	2100	37	26.1	45.3	70.2	43.1	73.5	55.0	58.6	33.8	6.2	5.3	11.2	16.9
One 97	Neutral	772	950	23	-2.4	-3.4	13.0	-89.4	Loss	LP	NM	NM	3.8	3.9	-1.1	-1.7
Qness Corp	Neutral	586	670	14	26.2	32.7	38.8	28.3	24.8	18.7	22.4	17.9	2.3	2.1	13.6	16.0
SBI Cards	Neutral	775	800	3	20.7	30.1	39.7	-18.6	45.9	31.8	37.5	25.7	5.3	4.5	15.2	18.9
SIS	Buy	332	420	26	24.8	31.8	38.3	91.2	28.2	20.5	13.4	10.4	0.8	0.7	13.9	15.4
Swiggy	Neutral	405	520	28	-10.9	-5.1	1.3	1.6	Loss	LP	NM	NM	9.6	11.0	-28.8	-12.8
Team Lease Serv.	Buy	2431	3200	32	66.6	118.8	136.5	2.8	78.4	14.9	36.5	20.5	4.5	3.7	12.7	19.5
UPL	Neutral	568	550	-3	25.2	48.0	66.5	589.6	90.0	38.8	22.5	11.8	1.1	1.0	7.7	13.9
Updater Services	Buy	336	460	37	16.7	20.9	27.2	47.2	25.0	30.4	20.1	16.1	2.3	2.0	12.3	13.4
Zomato	Buy	219	270	23	0.8	2.6	5.5	101.0	221.6	108.7	267.0	83.0	8.9	8.1	3.4	10.2



Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	<b>0.3</b>	<b>-1.9</b>	<b>7.9</b>
<b>Nifty-50</b>	<b>0.4</b>	<b>-1.7</b>	<b>8.0</b>
<b>Nifty Next 50</b>	<b>0.1</b>	<b>-8.6</b>	<b>13.4</b>
<b>Nifty 100</b>	<b>0.3</b>	<b>-3.0</b>	<b>8.8</b>
<b>Nifty 200</b>	<b>0.3</b>	<b>-3.8</b>	<b>9.0</b>
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	<b>-0.4</b>	<b>-1.2</b>	<b>19.2</b>
Amara Raja Ener.	-0.1	-13.2	22.6
Apollo Tyres	2.1	-19.4	-18.6
Ashok Leyland	2.1	-5.8	21.8
Bajaj Auto	1.4	-0.4	15.6
Balkrishna Inds	1.0	-3.0	12.7
Bharat Forge	-1.1	-9.1	-2.1
Bosch	1.5	-15.4	19.7
CEAT	-1.1	-10.4	9.5
Craftsman Auto	-5.6	-24.2	-10.0
Eicher Motors	-0.4	6.4	39.4
Endurance Tech.	1.4	-7.4	-4.3
Escorts Kubota	1.6	9.9	19.0
Exide Inds.	2.0	-12.5	13.2
Happy Forgings	-0.3	3.6	5.6
Hero Motocorp	2.6	-0.2	-8.9
Hyundai Motor	-1.7	-9.7	
M & M	1.6	-1.0	83.4
CIE Automotive	2.8	1.3	-2.6
Maruti Suzuki	0.2	11.1	20.6
MRF	0.3	-14.1	-19.9
Sona BLW Precis.	0.3	-15.9	-15.6
Motherson Sumi	-1.8	-9.8	21.5
Motherson Wiring	0.8	-5.8	-14.0
Tata Motors	-7.4	-5.0	-18.9
TVS Motor Co.	-0.4	4.3	25.4
Tube Investments	2.8	-7.1	-16.4
<b>Banks-Private</b>	<b>0.2</b>	<b>-2.0</b>	<b>4.0</b>
AU Small Fin. Bank	0.0	3.3	-4.7
Axis Bank	0.1	-8.0	-6.6
Bandhan Bank	-1.4	-6.8	-33.7
DCB Bank	-1.1	-2.2	-13.6
Equitas Sma. Fin	2.1	-13.3	27.1
Federal Bank	-0.7	-8.0	27.5
HDFC Bank	0.8	-4.9	17.1
ICICI Bank	0.3	-3.0	23.5
IDFC First Bank	2.3	-4.1	-26.0
Indusind Bank	0.9	-0.7	-37.0
Kotak Mah. Bank	-1.0	9.2	4.3
RBL Bank	2.9	3.6	-36.4
SBI Cards	1.8	15.7	8.7
<b>Banks-PSU</b>	<b>-0.2</b>	<b>-4.0</b>	<b>1.6</b>
BOB	-0.1	-7.7	-6.3
Canara Bank	-1.1	-8.6	-4.8
Indian Bank	0.2	2.8	10.5
Punjab Natl.Bank	-1.3	-5.1	-11.7
St Bk of India	0.5	-3.3	21.7

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	<b>0.2</b>	<b>-4.7</b>	<b>8.8</b>
<b>Nifty Midcap 100</b>	<b>0.0</b>	<b>-7.8</b>	<b>10.3</b>
<b>Nifty Smallcap 100</b>	<b>0.1</b>	<b>-11.2</b>	<b>5.7</b>
<b>Nifty Midcap 150</b>	<b>0.2</b>	<b>-7.6</b>	<b>10.8</b>
<b>Nifty Smallcap 250</b>	<b>-0.2</b>	<b>-11.6</b>	<b>5.7</b>
Union Bank (I)	-1.3	-6.6	-21.2
<b>NBFCs</b>	<b>0.4</b>	<b>-1.8</b>	<b>14.0</b>
Aditya Birla Capital Ltd	-2.1	-13.3	-14.5
Bajaj Fin.	-0.1	17.4	-31.5
Cholaman.Inv.&Fn	-1.9	-9.5	-2.3
Can Fin Homes	2.4	-0.8	-73.3
CreditAcc. Gram.	1.6	-14.4	-40.6
Fusion Microfin.	1.2	-8.8	27.6
Five-Star Bus.Fi	-1.2	5.9	-14.0
Home First Finan	1.7	-1.1	-5.3
Indostar Capital	-0.1	5.3	8.4
IIFL Finance	2.5	4.8	-1.0
L&T Finance	-1.5	-4.2	-23.2
LIC Housing Fin.	0.0	5.1	59.0
MCX	-0.1	-7.6	-26.7
M & M Fin. Serv.	-1.1	-0.9	12.9
Muthoot Finance	1.3	-11.3	-10.5
Manappuram Fin.	-2.0	-2.1	-34.9
MAS Financial Serv.	3.7	-6.1	-7.0
PNB Housing	2.6	-4.4	-4.3
Power Fin.Corp.	-0.2	-2.3	-70.2
REC Ltd	-2.1	-20.8	60.2
Repco Home Fin	-0.4	-21.9	35.9
Shriram Finance	3.4	-7.8	20.3
Spandana Sphoort	-0.8	-22.2	-26.4
Nippon Life Ind.	-1.6	-27.3	45.6
UTI AMC	-0.4	-11.6	7.4
Nuvama Wealth	-0.5	-31.7	80.3
Prudent Corp.	-1.8	-11.7	67.4
<b>NBFC-Non Lending</b>			
360 One	0.4	-1.6	5.2
Aditya AMC	-7.8	-28.3	31.2
Anand Rathi Wea.	0.1	-20.1	10.1
Angel One	-1.3	5.5	5.4
BSE	1.4	3.5	-11.0
C D S L	-3.0	-22.1	49.8
Cams Services	1.2	-6.3	-1.0
HDFC AMC	-2.3	-1.3	139.5
KFin Technolog.	1.8	14.7	15.9
MCX	-0.1	-7.6	-26.7
Nippon Life Ind.	-1.6	-27.3	45.6
Nuvama Wealth	-0.5	-31.7	80.3
Prudent Corp.	-1.8	-11.7	67.4
UTI AMC	-0.4	-11.6	7.4
<b>Insurance</b>			
HDFC Life Insur.	0.9	2.7	10.3
ICICI Pru Life	0.8	-5.5	23.4
ICICI Lombard	0.2	2.1	23.1



Company	1 Day (%)	1M (%)	12M (%)
Life Insurance	-0.4	-8.9	-11.6
Max Financial	0.7	-2.9	23.5
SBI Life Insuran	0.8	4.9	5.3
Star Health Insu	-0.8	-9.5	-23.1
<b>Chemicals</b>			
Alkyl Amines	1.0	-1.1	-25.1
Atul	1.1	-7.6	2.4
Clean Science	4.0	-0.7	-1.4
Deepak Nitrite	-0.2	-9.6	2.4
Fine Organic	2.1	3.7	-2.2
Galaxy Surfact.	1.2	-5.6	-14.4
Navin Fluo.Intl.	4.5	21.5	18.1
NOCIL	0.3	-5.7	-15.6
P I Inds.	0.9	-7.5	5.8
SRF	6.2	25.5	27.4
Tata Chemicals	0.5	-6.2	-3.8
Vinati Organics	1.2	-4.6	-3.9
<b>Capital Goods</b>	<b>-2.4</b>	<b>-21.6</b>	<b>-45.7</b>
A B B	-6.4	-14.7	20.9
Bharat Electron	4.3	-2.2	48.4
Cummins India	0.1	-11.4	27.6
Hitachi Energy	20.0	-14.2	118.7
K E C Intl.	0.1	-32.2	29.2
Kalpataru Proj.	-1.9	-19.4	34.2
Kirloskar Oil	2.1	-13.3	27.1
Larsen & Toubro	-0.8	-4.4	-5.8
Siemens	0.9	-8.7	41.8
Thermax	-2.1	-5.9	19.5
Triveni Turbine	2.2	-14.0	72.3
Zen Technologies	-0.6	-30.6	110.5
<b>Cement</b>			
Ambuja Cem.	-2.4	-6.4	-10.7
ACC	-0.4	-3.2	-20.7
Birla Corp.	1.8	-3.0	-24.0
Dalmia Bhar.	-0.2	4.5	-18.1
Grasim Inds.	1.6	2.0	17.2
India Cem	-3.6	-29.4	3.2
J K Cements	-1.8	5.0	10.8
JK Lakshmi Cem.	-1.6	-4.0	-11.1
The Ramco Cement	-0.1	-3.1	-6.1
Shree Cement	0.7	4.0	-4.4
UltraTech Cem.	-0.6	1.7	15.2
<b>Consumer</b>	<b>0.7</b>	<b>-1.9</b>	<b>1.8</b>
Asian Paints	1.2	-1.7	-23.8
Britannia Inds.	0.8	5.7	-0.3
Colgate-Palm.	1.4	0.4	11.3
Dabur India	3.0	5.6	-0.4
Emami	-0.3	-3.4	14.7
Godrej Consumer	0.0	5.5	-4.5
Hind. Unilever	1.0	2.8	-2.0
ITC	0.7	-3.3	5.3
Indigo Paints	3.7	-11.6	-13.3
Jyothy Lab.	1.5	-1.0	-25.9

Company	1 Day (%)	1M (%)	12M (%)
L T Foods	-0.8	-12.6	87.6
Marico	1.2	5.9	30.0
Nestle India	1.7	2.7	-11.0
Page Industries	-2.0	-5.7	19.8
Pidilite Inds.	-0.2	-0.8	12.4
P & G Hygiene	-0.1	-3.9	-16.0
Tata Consumer	0.6	7.0	-12.8
United Breweries	2.5	4.4	18.3
United Spirits	-0.1	-11.9	32.1
Varun Beverages	-0.2	-16.0	8.0
<b>Consumer Durables</b>	<b>-1.9</b>	<b>-12.2</b>	<b>12.6</b>
Polycab India	1.0	-6.5	19.2
R R Kabel	-1.4	-9.0	29.4
Havells	-0.7	-20.5	34.2
Voltas	-1.6	-13.6	-14.6
KEI Industries	-13.9	-28.3	24.8
<b>EMS</b>			
Amber Enterp.	-3.9	-13.8	41.0
Avalon Tech	-1.8	-35.3	18.3
Cyient DLM	-4.9	-27.1	-25.7
Data Pattern	1.0	-12.2	8.7
Dixon Technolog.	0.9	-19.0	150.0
Kaynes Tech	-4.6	-34.4	67.1
Syrma SGS Tech.	6.1	-7.4	-10.2
<b>Healthcare</b>	<b>1.2</b>	<b>-7.8</b>	<b>22.6</b>
Alembic Pharma	0.3	-13.0	1.1
Alkem Lab	0.9	-9.3	2.1
Apollo Hospitals	0.6	-6.7	8.2
Ajanta Pharma	1.8	-9.5	26.7
Aurobindo	2.3	-8.9	2.3
Biocon	0.4	-2.9	37.3
Zydus Lifesci.	2.3	-0.4	26.1
Cipla	2.4	-4.2	10.7
Divis Lab	2.1	-5.1	61.5
Dr Reddy's	1.1	-13.2	2.3
ERIS Lifescience	1.5	-13.8	30.1
Gland Pharma	0.0	-15.6	-20.2
Glenmark	0.9	-2.7	-6.0
Global Health	5.5	-3.3	38.0
Granules	-0.2	-9.5	-9.9
GSK Pharma	-0.3	-8.9	61.7
IPCA Labs	0.8	-12.5	31.8
Laurus Labs	8.2	0.2	58.9
Lupin	-0.2	-10.7	40.6
Mankind Pharma	1.8	-10.2	41.8
Max Healthcare	0.3	-13.0	21.1
Piramal Pharma	-3.4	-12.8	66.4
Sun Pharma	0.2	-7.7	26.8
Torrent Pharma	-0.1	-0.3	35.8
<b>Infrastructure</b>	<b>0.8</b>	<b>-2.4</b>	<b>5.0</b>
G R Infraproject	-0.8	-13.6	5.8
IRB Infra.Devl.	2.6	-3.6	-21.1
KNR Construct.	0.0	-15.0	7.0



Company	1 Day (%)	1M (%)	12M (%)
<b>Logistics</b>			
Adani Ports	-1.8	-11.6	-9.3
Blue Dart Exp.	0.8	-2.8	0.0
Container Corpn.	1.8	-3.0	-12.6
JSW Infracore	-2.5	-15.6	26.3
Mahindra Logis.	-1.0	-6.3	-14.6
Transport Corp.	0.3	-8.5	23.7
TCL Express	2.4	-4.8	-41.4
VRL Logistics	1.1	-8.4	-37.6
<b>Media</b>			
PVR INOX	-1.4	-18.4	-26.9
Sun TV	-0.7	-7.5	-3.7
Zee Ent.	-1.6	-14.5	-38.9
<b>Metals</b>			
Hindalco	0.6	-2.2	3.3
Hind. Zinc	0.7	2.1	38.8
JSPL	-1.1	-8.5	12.6
JSW Steel	1.4	5.8	17.1
Nalco	-0.3	-7.9	32.6
NMDC	-1.1	-2.8	-11.2
SAIL	1.0	-5.6	-13.0
Tata Steel	0.2	-4.2	-2.7
Vedanta	0.4	-1.6	62.4
<b>Oil &amp; Gas</b>			
Aegis Logistics	2.1	-26.7	45.0
BPCL	-5.1	-25.3	12.7
Castrol India	2.0	-14.7	87.4
GAIL	0.1	-12.3	2.0
Gujarat Gas	1.1	-11.5	-2.8
Gujarat St. Pet.	-0.3	-9.3	-8.7
HPCL	1.9	-3.9	-13.7
IOCL	0.9	-3.4	-3.7
IGL	1.8	-13.4	11.8
Mahanagar Gas	2.8	-5.6	-13.9
MRPL	1.3	-2.8	-7.0
Oil India	0.2	-11.0	-29.5
ONGC	2.9	3.6	-9.7
PLNG	2.5	-0.8	46.0
Reliance Ind.	2.1	10.3	3.0
<b>Real Estate</b>			
Anant Raj	-4.5	-33.5	77.1
Brigade Enterpr.	1.9	-9.2	12.8
DLF	0.6	-8.6	-4.7
Godrej Propert.	2.3	-19.0	-3.6
Kolte Patil Dev.	-2.4	-21.6	-45.7
Mahindra Life.	1.8	-9.6	-26.1
Macrotech Devel.	2.2	-18.3	12.1
Oberoi Realty Ltd	2.2	-22.5	34.9
SignatureGlobal	1.4	-10.8	4.7
Sobha	0.4	-16.3	-4.9
Sunteck Realty	0.3	-6.0	-0.3
Phoenix Mills	2.7	-4.2	35.2
Prestige Estates	1.8	-19.9	10.3

Company	1 Day (%)	1M (%)	12M (%)
<b>Retail</b>			
Aditya Bir. Fas.	-0.6	-4.4	10.7
Avenue Super.	0.2	-0.4	-3.0
Bata India	0.3	-8.8	-13.2
Campus Activewe.	2.4	-14.7	0.7
Barbeque-Nation	-0.4	-26.8	-48.3
Devyani Intl.	-1.4	-10.0	-5.5
Jubilant Food	0.1	-4.1	35.0
Kalyan Jewellers	-1.8	-40.8	19.9
Metro Brands	-0.2	-2.8	3.9
P N Gadgil Jewe.	0.9	-19.8	
Raymond Lifestyl	-10.5	-27.6	
Relaxo Footwear	0.9	-12.3	-35.5
Restaurant Brand	-0.8	-14.5	-39.0
Sapphire Foods	0.0	-12.8	1.1
Senco Gold	0.8	-15.4	13.9
Shoppers St.	0.1	-4.4	-23.0
Titan Co.	-0.1	3.4	-9.8
Trent	-1.5	-20.8	80.4
V-Mart Retail	0.5	-21.3	44.6
Vedant Fashions	-7.4	-17.4	-0.2
Westlife Food	-0.4	-11.9	-11.8
<b>Technology</b>			
Cyient	-0.2	-26.3	-32.9
HCL Tech.	-0.3	-11.2	9.9
Infosys	-1.1	-2.4	12.6
LTIMindtree	-0.7	3.5	9.1
L&T Technology	1.3	13.8	-1.2
Mphasis	-4.7	-2.3	10.1
Coforge	-4.8	-15.2	33.3
Persistent Sys	-3.5	-8.8	44.7
TCS	0.0	-1.4	7.9
Tech Mah	-0.7	-4.1	26.7
Wipro	-1.1	1.7	30.8
Zensar Tech	1.1	13.0	51.9
<b>Telecom</b>			
Bharti Airtel	2.5	3.4	41.6
Indus Towers	-0.3	1.6	50.3
Idea Cellular	0.6	15.7	-38.0
Tata Comm	2.0	-6.5	-6.8
<b>Utilities</b>			
Coal India	1.5	1.9	-4.3
NTPC	0.5	-2.5	2.4
Power Grid Corpn	2.6	-4.0	16.2
Tata Power Co.	0.3	-9.6	-8.1
JSW Energy	1.9	-24.8	-1.2
Indian Energy Ex	-2.1	-2.0	20.8



<b>Others</b>			
APL Apollo Tubes	-0.3	-12.7	12.4
Cello World	-3.0	-3.0	-1.6
Coromandel Intl	0.3	10.2	0.3
Dreamfolks Servi	-0.4	-21.9	35.9
EPL Ltd	2.5	-18.4	8.0
Gravita India	0.4	-4.5	33.1
Godrej Agrovet	-1.1	-17.3	11.0
Havells	-0.7	-20.5	34.2
Indian Hotels	0.1	-8.4	-16.9
Indiamart Inter.	-1.6	-27.3	45.6
Info Edge	-0.5	-31.7	80.3
Interglobe	2.5	-12.4	55.9
Kajaria Ceramics	-1.5	-8.0	44.3
Lemon Tree Hotel	-5.0	-14.3	156.4
MTAR Technologie	-3.0	-11.8	-2.9
One 97	-4.5	-24.4	1.4
Piramal Enterp.	0.7	-11.4	9.2
Qess Corp	-1.0	-11.9	18.9
SIS	-0.3	-8.7	-36.6
Swiggy	-5.5	-26.5	
Team Lease Serv.	-2.6	-16.1	-12.9
UPL	2.5	13.2	10.4
Updater Services	-4.0	-10.7	-3.1
Voltas	-1.6	-13.6	-14.6
Zomato Ltd	-1.7	-22.4	59.5

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

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