

Market snapshot

| Equities - India | Close | Chg .% | CYTD.% |
|------------------|----------|----------|----------|
| Sensex | 79,402 | -0.8 | 9.9 |
| Nifty-50 | 24,181 | -0.9 | 11.3 |
| Nifty-M 100 | 55,278 | -1.9 | 19.7 |
| Equities-Global | Close | Chg .% | CYTD.% |
| S&P 500 | 5,808 | 0.0 | 21.8 |
| Nasdaq | 18,519 | 0.6 | 23.4 |
| FTSE 100 | 8,249 | -0.2 | 6.7 |
| DAX | 19,464 | 0.1 | 16.2 |
| Hang Seng | 7,385 | 0.4 | 28.0 |
| Nikkei 225 | 37,914 | -0.6 | 13.3 |
| Commodities | Close | Chg .% | CYTD.% |
| Brent (US\$/Bbl) | 76 | 1.9 | -2.1 |
| Gold (\$/OZ) | 2,748 | 0.4 | 33.2 |
| Cu (US\$/MT) | 9,469 | 1.1 | 11.9 |
| Almn (US\$/MT) | 2,644 | 1.1 | 12.7 |
| Currency | Close | Chg .% | CYTD.% |
| USD/INR | 84.1 | 0.0 | 1.0 |
| USD/EUR | 1.1 | -0.3 | -2.2 |
| USD/JPY | 152.3 | 0.3 | 8.0 |
| YIELD (%) | Close | 1MChg | CYTD chg |
| 10 Yrs G-Sec | 6.9 | 0.03 | -0.3 |
| 10 Yrs AAA Corp | 7.3 | 0.00 | -0.4 |
| Flows (USD b) | 25-Oct | MTD | CYTD |
| FII | -0.4 | -9.81 | 1.6 |
| DII | 0.49 | 11.56 | 51.9 |
| Volumes (INRb) | 25-Oct | MTD* | YTD* |
| Cash | 1,222 | 1153 | 1289 |
| F&O | 1,51,078 | 3,94,858 | 3,81,732 |

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

ICICI Bank: All-round performance; solidifies its leadership position

- ❖ ICICI Bank's 2QFY25 results highlight strong performance, achieving 14.5% YoY PAT growth. Key drivers included robust credit growth of 15%, disciplined cost control, and a healthy rise in other income.
- ❖ The NIM declined by 9bp QoQ to 4.27%, while the GNPA and NNPA ratios improved to 1.97% and 0.42%, respectively. Deposit growth was healthy at 15.7% YoY, supporting a balanced LDR.
- ❖ Management maintained a steady NIM outlook, while we revise our EPS estimate upwards by 2.8% for FY25. The bank's technology investments and portfolio diversity underpin its resilient growth, we maintain a Buy recommendation with a PT of INR 1,500.



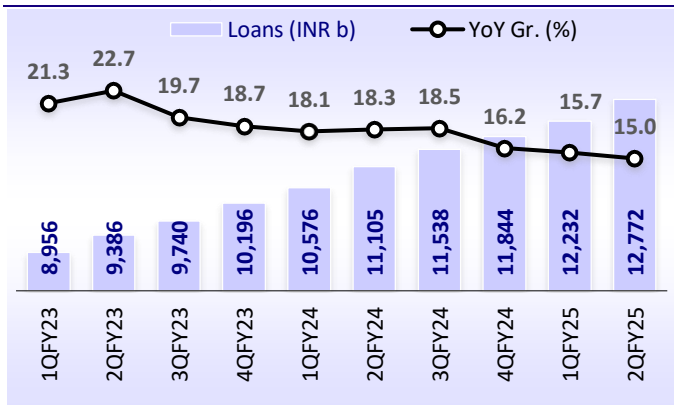
Research covered

| Cos/Sector | Key Highlights |
|---------------|---|
| ICICI Bank | All-round performance; solidifies its leadership position |
| NTPC | Miss on EBITDA; strategic focus on RE continues |
| Coal India | Revenue in line; earnings hit by weak e-auction volumes and high costs |
| Other Updates | JSW Steel DLF InterGlobe Aviation Bank of Baroda Shriram Finance Torrent Pharma HPCL Balkrishna Industries Phoenix Mills United Breweries IDFC First Bank Coromandel International Bandhan Bank Poonawalla Fincorp Atul CIE Automotive India R R Kabel Eris Lifesciences IEX CreditAccess Grameen Mahanagar Gas Home First Finance Transport Corporation of India Airtel Africa Bharat Electronics BPCL Rural Electrification Corp Cholamandalam Inv. & Finance Macrotech Developers JK Cement Aegis Logistics Syrma SGS Technology Telecom |

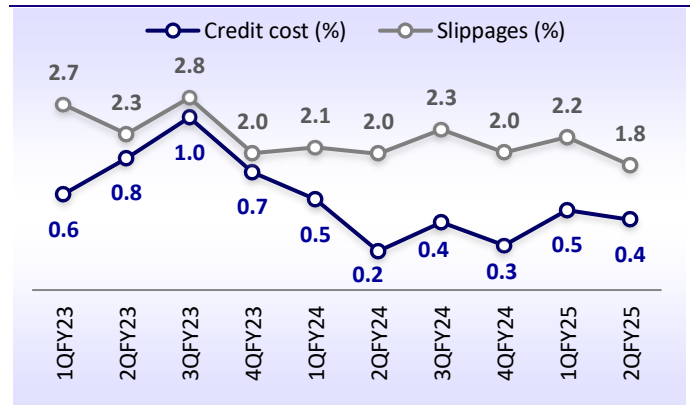


Chart of the Day: ICICI Bank (All-round performance; solidifies its leadership position)

Overall loan book grew 15.0% YoY (~4.4% QoQ)



Credit cost decreased to 0.4% in 2QFY25



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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, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

Fssai now more proactive, industry-centred with faster responses: Nestle

Industry observers opine that only after the Maggi crisis did the FSSAI come into the limelight across the country though it was established almost seven years ago, in September 2008

2

Macrotech Developers to launch Rs 10,000 cr housing projects by March

Earlier this month, Macrotech Developers reported a 21 per cent increase in sales bookings to a record Rs 4,290 crore during the July-September period on better housing demand

3

Signature Global awards Rs 1,203 cr Gurugram project to Capacit'e Infra

Realty firm Signature Global has awarded a Rs 1,203 crore contract to Capacit'e Infraprojects Ltd to construct its housing project in Gurugram.

4

Piramal Pharma deploying \$85 mn capex this fiscal: Nandini Piramal

Piramal Pharma is utilising a capex of about \$85 million for various initiatives, including capacity expansion, maintenance and de-bottlenecking of CDMO sites, in the current fiscal, according to its Chairperson Nandini Piramal.

5

Swiggy cuts IPO valuation again, to \$11.3 bn, BlackRock and CPPIB to invest

Indian food delivery giant Swiggy has slashed its IPO valuation again, to \$11.3 billion, 25 per cent below the initial goal of \$15 billion as market volatility and the lacklustre debut of Hyundai India weigh on sentiment

6

KRN Heat subsidiary signs ₹1,000 crore MoU with Rajasthan government for heat exchanger plant KRN Heat Exchanger and Refrigeration Ltd on Saturday said its wholly owned subsidiary KRN HVAC Products has signed a (MoU) with the Government of Rajasthan to invest ₹1,000 crore in a heat exchanger manufacturing project.

7

Consumers might pay more for CNG in coming months as city gas cos see cost increase by Rs 2-3/kg on lower APM allocation

In order to maintain profit margins, CGD players are likely to pass through the increased cost to consumers by increasing the selling price of CNG, although in a gradual manner in the coming months.



ICICI Bank

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

| | |
|-----------------------|----------------|
| Bloomberg | ICICIBC IN |
| Equity Shares (m) | 7046 |
| M.Cap.(INRb)/(USDb) | 8848.8 / 105.2 |
| 52-Week Range (INR) | 1362 / 899 |
| 1, 6, 12 Rel. Per (%) | 2/6/11 |
| 12M Avg Val (INR M) | 17760 |

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|-------------------|------|-------|-------|
| NII | 743 | 817 | 918 |
| OP | 581 | 667 | 758 |
| NP | 409 | 459 | 514 |
| NIM (%) | 4.7 | 4.4 | 4.2 |
| EPS (INR) | 58.4 | 65.4 | 73.3 |
| EPS Gr (%) | 27.5 | 12.0 | 12.1 |
| ABV/Sh (INR) | 315 | 370 | 433 |
| Cons. BV/Sh (INR) | 363 | 433 | 513 |

Ratios

| | | | |
|---------|------|------|------|
| RoA (%) | 2.4 | 2.3 | 2.2 |
| RoE (%) | 18.9 | 18.0 | 17.4 |

Valuations

| | | | |
|-----------------|------|------|------|
| P/BV (x) (Cons) | 3.5 | 2.9 | 2.5 |
| P/ABV (x)* | 3.2 | 2.7 | 2.3 |
| P/E (x) | 21.6 | 19.3 | 17.2 |
| Adj P/E (x)* | 17.1 | 15.3 | 13.7 |

*Adjusted for investment in subsidiaries

Shareholding Pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 0.0 | 0.0 | 0.0 |
| DII | 35.9 | 36.2 | 36.8 |
| FII | 56.6 | 56.1 | 55.2 |
| Others | 7.5 | 7.7 | 7.9 |

FII includes depository receipts

CMP: INR1,260 TP: INR1,500 (+19%) Buy

All-round performance; solidifies its leadership position

Asset quality improves slightly; cost control impressive

- ICICI Bank (ICICIBC) has reported six glorious years of performance since Mr. Sandeep Bakhshi took charge as MD & CEO on 15th Oct'18. The bank has consistently beaten street estimates on one or the other metric, even as the macro environment changed considerably over the years.
- Just when it seems that the opportunities for positive surprises are exhausted and there is an uphill climb ahead, the bank comes up with another ace up its sleeve, thereby awing everyone with its superlative performance.
- During 2QFY25, ICICIBC reported 14.5% YoY growth in PAT (8% beat), driven by controlled provisions and further improvement in operating leverage.
- NII stood in line while other income was healthy, driven by core fee and treasury income. NIMs contracted 9bp QoQ to 4.27%.
- Credit growth was healthy at 15% YoY/4.4% QoQ, led by healthy traction in SME+BB and retail, as well as a pick-up in corporate lending. Deposit growth was healthy at 15.7% YoY/5.0% QoQ, enabling a 49bp QoQ decline in the CD ratio to 85.3%.
- On the asset quality side, slippages were controlled at INR50.7b/1.8%. GNPA/NNPA ratios, thus decreasing to 1.97%/0.42%, while the contingency buffer stood unchanged at INR131b (1.0% of loans).
- We increase our EPS estimates by 2.8%/1.8% for FY25/FY26 and estimate RoA/RoE of 2.19%/17.4% in FY26. **Reiterate BUY with an SoTP-based TP of INR1,500 vs. INR1,400 earlier.**

Business growth robust; NIMs moderate 9bp QoQ

- ICICIBC's 2QFY25 PAT grew 14% YoY to INR117.5b (8% beat), led by robust other income and controlled provisions and opex. The bank reported an annualized RoA of 2.39% and RoE of 18.1%.
- The bank reported 1HFY25 PAT at INR228.1b (up 14.5% YoY) and we expect 2HFY25 PAT to be at INR231.1b (up 10% YoY).
- NII grew 10% YoY/2.5% QoQ (in line) while NIMs contracted 9bp QoQ to 4.27%. Other income surprised positively, led by a healthy core fee income and treasury gains.
- Opex control was impressive as it grew at just 6.6% YoY (3% lower than MOFSLe). As a result, Pre-Provision Operating Profit (PPoP) grew 17.5% YoY/4.4% QoQ to INR167.2b (6% beat). Core PPoP grew 12.1% YoY/4.1% QoQ.
- On the business front, advances grew 15% YoY/4.4% QoQ, led by healthy growth in BB+SME at 10.7% QoQ, while retail grew 2.8% QoQ. Within retail, housing grew at a healthy pace. Unsecured credit (PL/CC) continues to grow at a healthy pace. The unsecured loan mix stood at ~14% of the total loans. Corporate also grew at a healthy pace at 4.9% QoQ.

- On the liability front, deposits grew 15.7% YoY/5% QoQ, led by faster growth in TDs, whereas CA and SA books grew at healthy 4% QoQ/4.4% QoQ, respectively. The CASA ratio, thus, stood at 40.6% (down 28bp QoQ).
- Fresh slippages decreased to INR50.7b/1.8% after the blip of KCC slippages in 1Q. GNPA/NNPA ratios declined to 1.97%/0.42%. PCR stood at ~79% in 2QFY25 (down 117bp QoQ).

Highlights from the management commentary

- **Near-term NIMs outlook:** NIMs are expected to remain steady, and the bank suggested that barring the turn in the repo-rate cycle, 2H NIMs are likely to remain similar to 1H levels.
- The bank has refined its underwriting practices for unsecured loans. Although unsecured loan slippages have risen over time, there was no notable increase in 2QFY25.
- **Fee income:** There is considerable scope for the bank to enhance its fee income, particularly in transaction banking and asset-related services.
- The bank did higher write-offs in 2Q, largely attributed to older portfolios that the bank cleared out.

Valuation and view: Reiterate BUY with a revised TP of INR1,500

ICICIB once again reported a magnificent performance characterized by robust asset quality, impressive cost control, and healthy business growth. NII growth was in line, while NIM contracted 9bp QoQ. The bank's substantial investment in technology offers some cushion and we estimate the C/I ratio to improve to 39% in FY25E. A steady mix of high-yielding portfolio (PL, CC, Business Banking) and broad-based growth across product lines are enabling profitable growth while maintaining healthy business diversification. Asset quality has remained stable with no signs of stress, leading to improvement in the GNPA/NNPA ratios. Contingency provisioning buffer of INR131b (1.0% of loans) provides further comfort in case of any future cyclical stress. We increase our EPS estimates by 2.8%/1.8% for FY25/FY26 and estimate RoA/RoE of 2.19%/17.4% in FY26. We expect the bank to sustain a ~12% CAGR in PAT over FY24-26. **Reiterate BUY with a revised SoTP-based TP of INR1,500 (2.6x Sep26E ABV + INR260 for subs; vs INR1,400 earlier).**

Quarterly performance (INR b)

| | FY24 | | | | FY25 | | | | FY24 | FY25E | FY25 | v/s |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | Est |
| Net Interest Income | 182.3 | 183.1 | 186.8 | 190.9 | 195.5 | 200.5 | 208.3 | 212.5 | 743.1 | 816.7 | 199.3 | 1% |
| % Change (YoY) | 38.0 | 23.8 | 13.4 | 8.1 | 7.3 | 9.5 | 11.5 | 11.3 | 19.6 | 9.9 | 8.9 | |
| Other Income | 54.4 | 57.8 | 61.0 | 56.5 | 70.0 | 71.8 | 67.2 | 68.8 | 229.6 | 277.8 | 66.9 | 7% |
| Total Income | 236.6 | 240.8 | 247.8 | 247.4 | 265.5 | 272.2 | 275.5 | 281.2 | 972.6 | 1,094.5 | 266.2 | 2% |
| Operating Expenses | 95.2 | 98.6 | 100.5 | 97.0 | 105.3 | 105.0 | 108.3 | 109.4 | 391.3 | 428.0 | 107.9 | -3% |
| Operating Profit | 141.4 | 142.3 | 147.2 | 150.4 | 160.2 | 167.2 | 167.2 | 171.8 | 581.3 | 666.5 | 158.3 | 6% |
| % Change (YoY) | 37.2 | 21.8 | 10.9 | 8.8 | 13.3 | 17.5 | 13.6 | 14.3 | 18.4 | 14.7 | 11.3 | |
| Provisions | 12.9 | 5.8 | 10.5 | 7.2 | 13.3 | 12.3 | 16.8 | 13.5 | 36.4 | 56.0 | 13.5 | -8% |
| Profit before Tax | 128.5 | 136.5 | 136.7 | 143.2 | 146.9 | 154.9 | 150.4 | 158.3 | 544.9 | 610.5 | 144.9 | 7% |
| Tax | 32.0 | 33.9 | 34.0 | 36.1 | 36.3 | 37.4 | 37.2 | 40.5 | 136.0 | 151.4 | 35.8 | 5% |
| Net Profit | 96.5 | 102.6 | 102.7 | 107.1 | 110.6 | 117.5 | 113.3 | 117.8 | 408.9 | 459.1 | 109.1 | 8% |
| % Change (YoY) | 39.7 | 35.8 | 23.6 | 17.4 | 14.6 | 14.5 | 10.3 | 10.0 | 28.2 | 12.3 | 6.3 | |
| Operating Parameters | | | | | | | | | | | | |
| Deposit | 12,387 | 12,947 | 13,323 | 14,128 | 14,261 | 14,978 | 15,681 | 16,346 | 14,128 | 16,346 | 14,838 | 1% |
| Loan | 10,576 | 11,105 | 11,538 | 11,844 | 12,232 | 12,772 | 13,310 | 13,798 | 11,844 | 13,798 | 12,723 | 0% |
| Deposit Growth (%) | 17.9 | 18.8 | 18.7 | 19.6 | 15.1 | 15.7 | 17.7 | 15.7 | 19.6 | 15.7 | 14.6 | |
| Loan Growth (%) | 18.1 | 18.3 | 18.5 | 16.2 | 15.7 | 15.0 | 15.4 | 16.5 | 16.2 | 16.5 | 14.6 | |
| Asset Quality | | | | | | | | | | | | |
| Gross NPA (%) | 2.8 | 2.5 | 2.3 | 2.2 | 2.2 | 2.0 | 2.0 | 2.0 | 2.3 | 2.0 | 2.3 | |
| Net NPA (%) | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.4 | 0.5 | |
| PCR (%) | 83.1 | 83.1 | 81.3 | 80.8 | 80.2 | 79.0 | 78.3 | 78.9 | 80.3 | 78.9 | 79.8 | |

Source: MOFSL estimate, Company



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

CMP: INR400 TP: INR450 (+12%) Neutral

| | |
|-----------------------|-----------|
| Bloomberg | NTPC IN |
| Equity Shares (m) | 9697 |
| M.Cap.(INRb)/(USDb) | 3868 / 46 |
| 52-Week Range (INR) | 448 / 228 |
| 1, 6, 12 Rel. Per (%) | -2/4/45 |
| 12M Avg Val (INR M) | 6358 |

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|----------------|-------|-------|-------|
| Sales | 1,785 | 1,919 | 2,069 |
| EBITDA | 497 | 569 | 634 |
| Adj. PAT | 208 | 210 | 249 |
| Adj. EPS (INR) | 21 | 22 | 26 |
| EPS Gr. (%) | 23 | 1 | 19 |
| BV/Sh.(INR) | 166 | 178 | 193 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 1.4 | 1.3 | 1.2 |
| RoE (%) | 13.5 | 12.6 | 13.8 |
| RoCE (%) | 7.4 | 7.6 | 8.3 |
| Payout (%) | 36.1 | 43.5 | 39.9 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 18.7 | 18.5 | 15.6 |
| P/BV (x) | 2.4 | 2.2 | 2.1 |
| EV/EBITDA (x) | 12.5 | 10.9 | 9.8 |
| Div. Yield (%) | 1.9 | 2.3 | 2.6 |
| FCF Yield (%) | 1.1 | 5.5 | 4.2 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 51.1 | 51.1 | 51.1 |
| DII | 26.6 | 27.7 | 29.1 |
| FII | 18.6 | 17.7 | 16.7 |
| Others | 3.7 | 3.6 | 3.1 |

FII Includes depository receipts

Miss on EBITDA; strategic focus on RE continues

- NTPC reported standalone 2QFY25 EBITDA of INR96.7b (-8% YoY), 19% below our estimate of INR119b. Sharp rise in other opex (INR55b vs. INR34b in 2QFY24) led to the miss at the EBITDA level. On a consolidated basis, EBITDA was down 8% YoY in 2QFY25, while PAT rose 14% YoY, boosted by substantial regulatory deferral income of INR23b for the quarter.
- Standalone revenue for 2QFY25 at INR403b came in 3% below estimate (our est. of INR417b, -1% YoY) due to a decrease in the average coal price, which fell from INR3,791/tonne to INR3,584/tonne.
- We cut our standalone FY25E adjusted PAT by 6% to INR199b, primarily due to weaker profitability observed during the quarter.
- With a capex of INR174b for 1HFY25, NTPC remains focused on its ambitious project pipeline, including an IPO for NTPC Green Energy Limited (NGEL). The aim is to achieve a renewable energy (RE) capacity target of 60GW by FY32. Management expressed confidence in the timely execution of its RE projects.
- NGEL will commission 3GW/5GW/8GW capacities in FY25/FY26/FY27, while NTPC will add 2.7GW/8.0GW thermal capacities in FY25/FY26. Thermal pipeline beyond FY26 includes 8.8GW of projects with PPA visibility likely to be achieved by the end of CY24 for this pipeline.
- NTPC declared an interim dividend of INR2.50 per share for FY25 and the date of payment shall be 18th Nov'24.
- **We reiterate our Neutral rating on the stock with a TP of INR450.**

Miss on EBITDA due to a spike in other opex

- NTPC reported a standalone revenue of INR403b in 2QFY25, 3% below our estimate of INR417b (-1% YoY) due to a decline in the average coal price.
- EBITDA came in at INR96.7b (-8% YoY) for 2QFY25, which was 19% below our est. of INR119b. Sharp rise in other opex (INR55b vs. INR34b in 2QFY24) led to the miss at the EBITDA level.
- Adjusted standalone PAT was 9% below our est. at INR42b (+29% YoY). We note that NTPC's 2QFY24 financial performance was hit by one-off adjustments of INR6b relating to previous year sales.
- 1HFY25 PAT formed 42% of FY25E revised APAT. While implied 2HFY25 APAT run rate is significantly above 1HFY25, we believe this is achievable given seasonality and start of new projects driving rise in regulated equity.
- In 1HFY25, net sales grew 6% YoY to INR847b, while EBITDA/APAT increased 1%/21% YoY to INR221b/83b, respectively. In 2HFY25, we expect net sales/EBITDA/APAT to increase 7%/24%/21% YoY.
- Average tariff was INR4.67/unit in 1HFY25 vs. INR4.61 in 1HFY24.
- Operational highlights:
 - The company's gross power generation was at 88BUs, 2% lower than 90BUs in 2QFY24. Plant availability for coal plants was down to 85% in 2QFY25 (2QFY24: 90%).

- Coal plant PLF was 72% in 2QFY25, down 5% YoY.
- PLF for hydro plants improved to 97% (2QFY24: 93%) while it fell for gas plants to 6.7% (2QFY24: 18.25%).
- Coal production from captive mines for commercial use rose 62% YoY to 9MMT (2QFY24: 5.59MMT)
- NTPC has a consolidated installed capacity of more than 76GW.

Highlights of the 2QFY25 performance:

■ Operational performance:

- NTPC Group has added 485MW of commercial RE capacity in 1HFY25, with 90MW attributable to NTPC itself and 395MW to group companies.
- A total of 4,013MW of RE projects have been commissioned.
- The company's gross power generation was at 88Bus.
- Coal production from captive mines for commercial use rose to 9MMT.

■ Capex:

- NTPC's capex for 1HFY25 was INR174b, up from INR132b YoY.
- For FY25, the estimated standalone capital outlay stands at INR227b, while the consolidated capital outlay is INR279b.

■ Other Highlights:

- NTPC has a pipeline of 20-25GW of renewable energy initiatives, primarily focusing on solar and wind energy.
- The company aims to achieve a RE capacity target of 60GW by FY32, all under NTPC Green Energy.
- NTPC's subsidiary, NVVN, signed a PPA with the Nepal Electricity Authority for the sale of 230MW of power.
- A trilateral agreement was also established for the supply of 40MW of power from Nepal to Bangladesh.

Valuation and view

Our TP of INR450 for NTPC is based on:

- Value of INR266 for the standalone business at Dec'26E P/B of 2.5x.
- Value of INR24 for other subsidiaries and INR64 for JV/associates at Dec'26E P/B of 2.5x.
- Value of INR91 for the renewables business at 14x FY27E EV/EBITDA.

Standalone performance

(INR b)

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | FY25E 2QE | Var. % |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Net Sales | 391 | 409 | 395 | 425 | 444 | 403 | 399 | 480 | 1,620 | 1,727 | 417 | -3% |
| <i>YoY Change (%)</i> | 2.0 | -0.3 | -4.7 | 2.9 | 13.5 | -1.3 | 1.2 | 12.9 | -1.1 | 6.6 | 2 | |
| EBITDA | 114 | 105 | 99 | 113 | 124 | 97 | 129 | 136 | 431 | 486 | 120 | -19% |
| <i>Margin (%)</i> | 29.1 | 25.8 | 25.2 | 26.6 | 28.0 | 24.0 | 32.2 | 28.4 | 26.6 | 28.1 | 29 | |
| Depreciation | 33 | 35 | 35 | 37 | 37 | 36 | 41 | 44 | 139 | 158 | 38 | -4% |
| Interest | 25 | 25 | 28 | 25 | 26 | 31 | 24 | 18 | 102 | 99 | 26 | 21% |
| Other Income | 6 | 6 | 8 | 17 | 6 | 9 | 9 | 13 | 37 | 37 | 7 | 29% |
| PBT before EO items | 57 | 53 | 60 | 68 | 62 | 61 | 72 | 88 | 238 | 282 | 63 | |
| Extra-Ord inc/(exp) | 0 | 0 | 0 | 8 | 0 | 0 | 0 | 0 | 8 | 0 | - | |
| PBT | 57 | 53 | 60 | 77 | 62 | 61 | 72 | 88 | 247 | 282 | 63 | -4% |
| Tax | 17 | 14 | 14 | 21 | 17 | 14 | 19 | 25 | 66 | 75 | 17 | -17% |
| <i>Rate (%)</i> | 29 | 27 | 23 | 28 | 27 | 23 | 27 | 27 | 27 | 27 | 27 | |
| Reported PAT | 41 | 39 | 46 | 56 | 45 | 46 | 53 | 62 | 181 | 207 | 46 | 1% |
| Adj PAT | 37 | 33 | 44 | 51 | 42 | 42 | 53 | 62 | 164 | 199 | 46 | -9% |
| <i>YoY Change (%)</i> | 9.6 | -9.3 | -1.5 | 4.3 | 13.9 | 28.9 | 21.4 | 21.8 | 2.3 | 21.3 | 41 | |
| <i>Margin (%)</i> | 9.4 | 8.0 | 11.0 | 12.0 | 9.4 | 10.4 | 13.2 | 12.9 | 10.1 | 11.5 | 11 | |



Coal India

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

CMP: INR461 TP: INR560 (+21%) Buy

Revenue in line; earnings hit by weak e-auction volumes and high costs

| | |
|-----------------------|---------------|
| Bloomberg | COAL IN |
| Equity Shares (m) | 6163 |
| M.Cap.(INRb)/(USD\$b) | 2841.6 / 33.8 |
| 52-Week Range (INR) | 545 / 303 |
| 1, 6, 12 Rel. Per (%) | -2/-5/22 |
| 12M Avg Val (INR M) | 5636 |

Financials & Valuations (INR b)

| Y/E MARCH | 2025E | 2026E | 2027E |
|----------------------|-------|-------|-------|
| Sales | 1,441 | 1,687 | 1,807 |
| Adj. EBITDA | 412 | 544 | 568 |
| Adj. PAT | 350 | 415 | 435 |
| EBITDA Margin (%) | 28.6 | 32.2 | 31.5 |
| Cons. Adj. EPS (INR) | 56.8 | 67.4 | 70.5 |
| EPS Gr. (%) | -6.5 | 18.7 | 4.7 |
| BV/Sh. (INR) | 162 | 195 | 229 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | -0.3 | -0.3 | -0.3 |
| RoE (%) | 35.1 | 34.6 | 0.0 |
| RoCE (%) | 37.0 | 36.5 | 32.3 |
| Payout (%) | 50.0 | 50.0 | 50.0 |

Valuations

| | | | |
|----------------|-----|-----|-----|
| P/E (x) | 8.1 | 6.8 | 6.5 |
| P/BV (x) | 2.8 | 2.4 | 2.0 |
| EV/EBITDA(x) | 6.3 | 4.6 | 4.2 |
| Div. Yield (%) | 6.2 | 7.3 | 7.7 |
| FCF Yield (%) | 4.0 | 9.0 | 8.8 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 63.1 | 63.1 | 63.1 |
| DII | 22.7 | 23.3 | 24.2 |
| FII | 9.2 | 8.4 | 7.8 |
| Others | 5.0 | 5.2 | 4.9 |

- 2QFY25 revenue stood at INR307b (-6% YoY/-16% QoQ), in line with our est. of INR317b. Blended ASP stood at INR1,622/t (-6% YoY and -3% QoQ), 8% below our estimate.
- Adj. EBITDA (excluding OBR costs) stood at INR72b (-20% YoY/-38% QoQ), below our est. of INR99b due to lower-than-expected e-auction volumes and elevated costs. Adj. EBITDA/t stood at INR426/t (-17% YoY/-27% QoQ) vs. our estimate of INR595/t.
- APAT came in at INR63b (-22% YoY/-43% QoQ), below our estimate of INR81b due to weak operating performance and lower other income. In 1HFY25, revenue declined 2% YoY, while adj. EBITDA and APAT fell by 7% YoY. 2Q production stood at 152mt (-3% YoY/-20% QoQ) as heavy monsoons affected mining operations. Sales volume stood at 168mt (-3% YoY/-15% QoQ). FSA realization stood at INR1,462/t, down 5% YoY and 4% QoQ, with FSA volume of 148mt (-4% YoY/-14% QoQ).
- E-auction volume stood at 15mt (-5% YoY/-35% QoQ) with an e-auction premium of 69% vs. 58% in 1QFY25.
- COAL declared an interim dividend of INR15.75 per share in 2Q.

Valuation and view

- 2Q performance was weak as overall volumes were affected by monsoon and costs remained high. A lower proportion of e-auction volumes also affected profitability.
- We cut our FY25 revenue est. by 3% and EBITDA/APAT est. by 7% each to factor in weak 2Q performance and lower volumes due to monsoons. In 2HFY25, we expect revenue/EBITDA/APAT to grow 5%/3%/-6% YoY. For FY26/FY27, we maintain our estimates and expect volumes to improve, which would boost earnings performance. The e-auction premium is expected to remain stable ahead.
- With a robust volume outlook, healthy e-auction premiums and lower operating costs, the long-term outlook for COAL remains positive.
- COAL is increasing its coal-washer capacity by setting up eight coking coal washeries, which will strengthen its position in domestic coking coal. Further, the company expects coal mine expansions to be funded via internal accruals and might borrow to undertake certain strategic diversification projects, such as RE facilities and coal gasification.
- **At CMP, the stock is trading at 4.2x FY27E EV/EBITDA. We reiterate our BUY rating with a revised TP of INR560 (5.5x on Sep'26 EV/EBITDA).**
- **COAL remains our top pick in the metals and mining sector.**

Consolidated quarterly performance

(INR b)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25 2QE | Var. (%) |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Sales | 360 | 328 | 362 | 374 | 365 | 307 | 371 | 399 | 1,423 | 1,441 | 317 | -3 |
| Change YoY (%) | 2.5 | 9.8 | 2.8 | -1.9 | 1.3 | -6.4 | 2.6 | 6.6 | 2.9 | 1.2 | | |
| Change QoQ (%) | -5.7 | -8.9 | 10.3 | 3.5 | -2.5 | -15.9 | 20.9 | 7.5 | | | | |
| Adj. EBITDA | 112 | 89 | 119 | 98 | 115 | 72 | 105 | 120 | 418 | 412 | 99 | -28 |
| Change YoY (%) | -12.4 | 10.9 | 6.2 | 14.0 | 3.4 | -19.6 | -11.7 | 22.0 | 3.0 | -1.4 | | |
| Change QoQ (%) | 29.3 | -20.3 | 34.2 | -17.5 | 17.3 | -38.0 | 47.3 | 13.9 | | | | |
| EBITDA per ton | 597 | 512 | 624 | 488 | 581 | 426 | 516 | 555 | 555 | 524 | 595 | -29 |
| Depreciation | 15 | 16 | 16 | 20 | 20 | 19 | 20 | 22 | 67 | 81 | | |
| OBR | (24) | (11) | (11) | (15) | (28) | (15) | (14) | (15) | (61) | (72) | | |
| Interest | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 8 | 10 | | |
| Other Income | 15 | 20 | 22 | 22 | 19 | 15 | 15 | 14 | 80 | 62 | | |
| EO Inc/(Exp) | - | - | - | - | - | - | - | - | - | - | | |
| PBT after EO | 134 | 102 | 133 | 114 | 141 | 80 | 111 | 123 | 484 | 455 | | |
| Tax | 29 | 23 | 35 | 28 | 32 | 19 | 28 | 31 | 114 | 110 | | |
| Tax Rate (%) | 21.5 | 22.3 | 26.1 | 24.6 | 22.8 | 23.4 | 25.0 | 25.6 | 23.7 | 24.2 | | |
| PAT before MI & Asso. | 105 | 80 | 99 | 86 | 109 | 61 | 84 | 91 | 369 | 345 | | |
| MI | (0) | - | 0 | (0) | (0) | (0) | - | - | (0) | (0) | | |
| Sh. of Assoc. | (0) | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 4 | 5 | | |
| PAT After MI & Asso. | 105 | 80 | 101 | 87 | 110 | 63 | 85 | 93 | 374 | 350 | | |
| Adjusted PAT | 105 | 80 | 101 | 87 | 110 | 63 | 85 | 93 | 374 | 350 | 81 | -22 |
| Change YoY (%) | 19.2 | 33.2 | 30.6 | 26.3 | 4.1 | -21.9 | -16.3 | 6.6 | 17.8 | -6.5 | | |
| Change QoQ (%) | 53.1 | -23.6 | 25.9 | -14.3 | 26.2 | -42.6 | 34.8 | 9.2 | | | | |

Source: MOFSL, Company



| | |
|------------------|---|
| Estimate changes | ↔ |
| TP change | ↔ |
| Rating change | ↔ |

| | |
|-----------------------|---------------|
| Bloomberg | JSTL IN |
| Equity Shares (m) | 2445 |
| M.Cap.(INRb)/(USD\$b) | 2308.1 / 27.5 |
| 52-Week Range (INR) | 1063 / 723 |
| 1, 6, 12 Rel. Per (%) | 3/-3/0 |
| 12M Avg Val (INR M) | 2124 |

Financials Snapshot (INR b)

| Y/E MARCH | FY25E | FY26E | FY27E |
|-------------------|-------|-------|-------|
| Net Sales | 1,828 | 2,172 | 2,402 |
| EBITDA | 275 | 405 | 465 |
| PAT | 77 | 165 | 209 |
| EPS (INR) | 31.5 | 67.8 | 85.5 |
| GR. (%) | -14.3 | 114.8 | 26.2 |
| BV/Sh (INR) | 346 | 410 | 492 |
| Ratios | | | |
| ROE (%) | 9.5 | 17.9 | 19.0 |
| RoCE (%) | 7.5 | 12.0 | 13.2 |
| Valuations | | | |
| P/E (X) | 30.9 | 14.0 | 11.1 |
| P/BV (X) | 2.7 | 2.3 | 1.9 |
| EV/EBITDA (X) | 11.2 | 7.4 | 6.3 |
| Div Yield (%) | 0.4 | 0.4 | 0.4 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 44.8 | 44.8 | 44.8 |
| DII | 11.0 | 26.0 | 25.0 |
| FII | 25.9 | 10.9 | 11.6 |
| Others | 18.2 | 18.3 | 18.6 |

FII Includes depository receipts

CMP: INR944 TP: INR1,200 (+27%) Buy

Revenue in line; lower-than-expected costs drive earnings beat

- JSW Steel (JSTL) posted consolidated revenue of INR397b (-11% YoY/-8% QoQ), in line with our estimate of INR414b in 2QFY25. Revenue was lower QoQ due to weak realizations. ASP stood at INR64,737/t (-8% YoY and -8% QoQ) in 2QFY25.
- EBITDA came in at INR54b (-31% YoY/-1% QoQ) vs. our estimate of INR45b due to lower-than-estimated costs. The decline in realizations was more than offset by lower input costs, leading to flat sequential EBITDA. EBITDA/t stood at INR8,869/t in 2QFY25, which was lower by 29% YoY and 2% QoQ (v/s our est. of INR7,324/t).
- JSTL's APAT stood at INR6b (-80% YoY/-28% QoQ) v/s our estimate of INR5b. Weak operating performance and higher tax outgo hurt APAT. JSTL recognized an exceptional item of INR3.4b related to provision for surrendering the Jajang iron-ore mine.
- During 1HFY25, JSTL's revenue declined 5% YoY, EBITDA dipped 27% YoY, and APAT declined 73% YoY.
- Combined crude steel production stood at 6.77mt (+7% YoY/+7% QoQ) due to improved production at Dolvi and BPSL facilities. The capacity utilization stood at 91% for Indian operations.
- Steel sales volume came in at 6.13mt (-3% YoY/flat QoQ) in 2QFY25. Sales from the institutional segment grew 12% YoY, while retail sales dipped 14% YoY due to higher imports at cheap prices.
- Net debt/equity stood at 1.04x at 2Q FY25 end (0.97x at end-1QFY25).

Highlights from the management commentary

- Coking coal costs declined USD27/t QoQ in 2QFY25. In 3QFY25, management expects the coking coal costs to further decline by USD20-25/t sequentially.
- Steel prices are likely to be firm going forward, as demand is expected to improve post-monsoon. JSTL took price hikes in Oct'24 for both flat and long steel.
- The company revised its capex guidance to INR170b from INR200b, primarily due to the transfer of the slurry pipeline to JSW Infra.
- Iron ore costs for JSTL could increase in 3QFY25 due to the recent price hikes by NMDC. However, JSTL expects the share of captive iron ore to rise, especially from 4QFY25, as more of its iron ore mines become operational.

Valuation and view

- JSTL’s 2QFY25 performance has improved, as the reduction in realizations was more than offset by the decline in costs. We believe JSTL is well placed with new capacities coming on-stream, strong domestic demand, and a rising share of value-added proportion in the sales mix. Its focus on increasing the captive share of iron ore and improving coal linkages will support earnings.
- In 2HFY25, we expect revenue/EBITDA/APAT to grow 14%/24%/74% YoY driven by healthy volume, improving realization coupled with muted costs.
- **At CMP, JSTL trades at 6.3x FY27E EV/EBITDA and we maintain our estimates for FY25/FY26/FY27. We reiterate our BUY rating on the stock with a TP of INR1,200 (premised on 8x EV/EBITDA on Sep’26).**

Consolidated financial performance (INR b)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E vs. Est | 2QE | vs. Est (%) |
|--|---------------|---------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | | |
| Sales (kt) | 5,710 | 6,340 | 6,000 | 6,730 | 6,120 | 6,130 | 7,078 | 7,633 | 24,780 | 26,960 | 6,200 | -1% | |
| Change (YoY %) | 27.2 | 10.5 | 6.6 | 3.1 | 7.2 | (3.3) | 18.0 | 13.4 | 10.7 | 8.8 | | | |
| Net Sales | 422 | 446 | 419 | 463 | 429 | 397 | 459 | 542 | 1,750 | 1,828 | 414 | -4% | |
| Change (YoY %) | 10.8 | 6.7 | 7.2 | (1.5) | 1.7 | (11.0) | 9.5 | 17.2 | 5.5 | 4.5 | | | |
| Change (QoQ %) | (10.1) | 5.6 | (5.9) | 10.3 | (7.2) | (7.6) | 15.8 | 18.0 | - | - | | | |
| EBITDA | 70 | 79 | 72 | 61 | 55 | 54 | 74 | 91 | 282 | 275 | 45 | 20% | |
| Change (YoY %) | 63.5 | 350.1 | 57.9 | (22.9) | (21.8) | (31.1) | 3.6 | 48.6 | 52.2 | (2.7) | | | |
| Change (QoQ %) | (11.2) | 11.9 | (9.0) | (14.7) | (10.0) | (1.3) | 36.8 | 22.4 | - | - | | | |
| EBITDA (INR per ton) | 12,340 | 12,438 | 11,967 | 9,100 | 9,003 | 8,869 | 10,507 | 11,924 | 11,395 | 10,194 | 7,324 | 21% | |
| Interest | 20 | 21 | 20 | 21 | 21 | 21 | 21 | 20 | 81 | 82 | | | |
| Depreciation | 19 | 20 | 21 | 22 | 22 | 23 | 21 | 19 | 82 | 86 | | | |
| Other Income | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 10 | 9 | | | |
| PBT (before EO Item) | 35 | 40 | 33 | 21 | 14 | 12 | 35 | 55 | 130 | 116 | | | |
| EO Items | - | (6) | - | - | - | 3 | - | - | (6) | 3 | | | |
| PBT (after EO Item) | 35 | 46 | 33 | 21 | 14 | 9 | 35 | 55 | 136 | 113 | | | |
| Total Tax | 11 | 18 | 9 | 7 | 5 | 4 | 11 | 18 | 44 | 37 | | | |
| % Tax | 30.2 | 39.5 | 25.8 | 34.3 | 37.2 | 48.8 | 30.0 | 31.6 | 32.9 | 33.0 | | | |
| PAT before MI and Asso. | 25 | 28 | 25 | 14 | 9 | 5 | 25 | 38 | 91 | 76 | | | |
| MI (Profit)/Loss | 1 | 0 | 0 | 0 | 0 | - | - | - | 2 | 0 | | | |
| Share of P/(L) of Ass. | (0) | (0) | (0) | (1) | (0) | (1) | - | - | (2) | (1) | | | |
| Reported PAT after MI and Asso. | 23 | 28 | 24 | 13 | 8 | 4 | 25 | 38 | 88 | 75 | | | |
| Adj. PAT (after MI & Asso) | 23 | 31 | 23 | 13 | 8 | 6 | 25 | 38 | 90 | 77 | 5 | 35% | |
| Change (YoY %) | 179.0 | NA | 365.3 | (64.5) | (63.9) | (80.1) | 7.6 | 191.7 | 152.8 | (14.3) | | | |
| Change (QoQ %) | (36.2) | 31.1 | (25.6) | (43.0) | (34.9) | (27.9) | 302.8 | 54.4 | - | - | | | |

Source: MOFSL, Company



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

CMP: INR777 TP: INR925 (+19%) Upgrade to Buy

Lack of launches dents presales momentum

Strong launch pipeline for 2HFY25 to help achieve guidance

| | |
|-----------------------|---------------|
| Bloomberg | DLFU IN |
| Equity Shares (m) | 2475 |
| M.Cap.(INRb)/(USDb) | 1923.3 / 22.9 |
| 52-Week Range (INR) | 968 / 514 |
| 1, 6, 12 Rel. Per (%) | -9/-20/20 |
| 12M Avg Val (INR M) | 3554 |

Financials & Valuations (INR b)

| Y/E Mar | FY24 | FY25E | FY26E |
|--------------|-------|-------|-------|
| Sales | 64.3 | 68.3 | 74.8 |
| EBITDA | 21.2 | 16.9 | 31.3 |
| EBITDA (%) | 33.0 | 24.8 | 41.9 |
| PAT | 27.2 | 31.9 | 47.0 |
| EPS (INR) | 11.0 | 12.9 | 19.0 |
| EPS Gr. (%) | -3.5 | 17.0 | 47.6 |
| BV/Sh. (INR) | 221.0 | 234.7 | 256.9 |

Ratios

| | | | |
|------------|------|------|------|
| Net D/E | 0.0 | -0.1 | -0.1 |
| RoE (%) | 7.1 | 7.8 | 10.7 |
| RoCE (%) | 4.5 | 3.7 | 5.2 |
| Payout (%) | 27.3 | 23.3 | 15.8 |

Valuations

| | | | |
|---------------|------|-------|------|
| P/E (x) | 70.6 | 60.3 | 40.9 |
| P/BV (x) | 3.5 | 3.3 | 3.0 |
| EV/EBITDA (x) | 90.8 | 110.6 | 59.4 |
| Div Yield (%) | 0.4 | 0.4 | 0.4 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 74.1 | 74.1 | 74.1 |
| DII | 4.7 | 4.8 | 5.3 |
| FII | 16.7 | 16.2 | 15.9 |
| Others | 4.6 | 5.0 | 4.8 |

- DLF reported weak pre-sales bookings of INR7b in 2QFY25 due to the lack of launches amid approval delays. The company sustains momentum in its ultra-luxury project, The Camellias, in DLF 5, with bookings of INR1.8b.
- With the balance inventory of INR21b, launches will be key to driving its pre-sales growth. DLF received approvals for ‘The Dahlias’ in the first week of Oct’24 and is in the pre-launch stage. DLF aims to launch INR410b worth of projects across its core markets (up INR50b vs. 4QFY24), which would lead to 23% YoY pre-sales growth in FY25. Beyond FY25, the company has set a project pipeline worth INR635b to be launched over 2-3 years.
- **Cash flow performance:** Collections was flat YoY in 2QFY25 at INR24b. Therefore, OCF was also flat YoY at INR12b, which led to a shortfall of INR650m, after INR240m of land payment. The balance sheet still remains strong with a net cash position of INR28b.
- **P&L performance:** Revenue growth came in healthy at 47% YoY to INR19.8b. While gross margin fell by 12pp YoY to 45%, EBITDA margin contracted 9pp due to a 66% YoY jump in other expenses on account of a big launch. PAT, including INR3b of JV income, surged 122% YoY to INR13.8b due to the reversal of deferred tax liabilities of INR6b

DCCDL: Rental run rate to ramp up to INR60b by FY26-end

- Rental income in DCCDL’s commercial portfolio grew 13% YoY to INR16.5b, led by the completion of the 1.3msf Downtown Chennai asset and 40bp rise in occupancy, which led to a 12% YoY increase in office rental income. The retail portfolio also continued its momentum and reported 4% growth in rental income. Total revenue stood at INR16b, up 6% QoQ.
- Occupancy across non-SEZ/SEZ portfolios remained flat QoQ at 97%/86%. The retail portfolio was almost fully leased with 98% occupancy, except City Centre CHD.
- Further, 3.1msf is under construction across its existing assets in Gurugram and Chennai and is 85% pre-leased including the hard option. When this is delivered by 1HCY25, exit rentals are likely to rise to INR64b.

Key takeaways from the management interaction

Residential business:

- **Approvals and launches:** Goa, Mumbai and the next phase of Privana are in different stages of approval, while DLF is confident of launching its Mumbai project in 4QFY25. Privana phase-3 would be launched in 4QFY25 and IREO after 1QFY26 (surely in FY26).
- Received approvals for ‘The Dahlias’ in the first week of Oct’24. With ‘The Dahlias’ launch, DLF is confident of achieving pre-sales guidance of INR170b.
- As per the RERA filing, ‘The Dahlias’ has total revenue potential of INR260b with +70% gross margins. This potential may grow as sales begin.

- The Dahlias is a luxury benchmark in the world, with 4mtrs floor-to-ceiling height, 17ft decks, 1,0300sft minimum size of apartment and 0.45msf of club (2.5x of Camallias), and it is receiving interest across India as well as across the globe.
- Privana phase-3 is expected to see demand from American Express employees who recently shifted in the peripheral areas.
- For the Mumbai project, the total potential saleable area can go beyond 5msf.
- From One Midtown, P&L and cashflow should come in from 3QFY25.
- NRI business rose from 3% to 28% currently, which is a result of excellent products and services.
- **Business development (BD):** Currently, DLF focuses only on NCR, Tri-City and MMR. In the next two years, Gurugram is going to witness another three Crest like launches. Additionally, Privana phase 4/5 will also be launched, which will require the management's bandwidth; hence, there is little scope to do BD apart from these geographies.

Commercial Business:

- For FY25, DCCDL should achieve ~INR50b rental revenue and should add another ~INR3b from DLF, which tallies to INR53b. For FY26, the company expects to garner annuity income of ~INR54b from DCCDL and ~INR10b from DLF, so exit rental income should be INR64b.
- Stiff increased in DLF annuity because most of the asset commissioning is currently in DLF by FY26 (three malls, Atrium place in Hines). DLF is expected to achieve EBITDA of INR10bn, with DLF's share of INR8b.
- **Downtown (DT) Gurugram:** DT 4's OC is expected in 3QFY25 and rentals will commence from May/Jun'25, which is fully leased now. Excavation work at the Mall of India Gurugram (2.1msf) and other office blocks is done and civil construction will commence from Dec'24/Jan'25 and should take 36-39 months for commissioning.
- **Downtown Chennai:** Downtown-3 (1.1msf) is expected to receive OC by Dec'24/Jan'25. Rentals to commence by May/Jun'25, while construction for Downtown 4&5 (3.6msf) has already commenced in Jul'24 and should take ~36 months for commissioning.
- **Atrium place:** Rentals for 2.1msf Phase-1 will start from May/Jun'25, which will give rentals for 9-10 months. And the next tower (1msf) is slated to be completed in Dec'25, for which rental will start from May/Jun'26.

Valuation and view: We upgrade to BUY with a revised TP of INR925

- DLF continued to enhance its growth visibility as it replenishes its launches with its existing vast land reserves. However, our assumption of a 12-13-year monetization timeline for its remaining 160msf of land bank (including TOD potential) adequately incorporates this growth.
- We have accelerated the sales velocity for some of projects and made mark-to-market changes to average price realization, which results in higher cashflow generation as well as moves up the land value. DLF (Devco and DLF commercial) business is valued at INR1,641b, wherein land contributes INR1,233b, and DCCDL valued at INR708b. Gross NAV comes out to be INR2,349b, which after net debt of INR63b (incl. DCCDL), comes out to be INR2,285b. **We upgrade to BUY with a revised TP of INR925.**

Quarterly performance

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E | Variance |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 2Q | (%/bp) |
| Gross Sales | 14,232 | 13,477 | 15,213 | 21,348 | 13,624 | 19,750 | 17,071 | 17,841 | 64,270 | 68,286 | 14,016 | 41 |
| YoY Change (%) | -1.3 | 3.5 | 1.8 | 46.6 | -4.3 | 46.5 | 12.2 | -16.4 | 12.9 | 6.2 | 4.0 | |
| Total Expenditure | 10,271 | 8,853 | 10,103 | 13,807 | 11,337 | 14,730 | 10,387 | 14,918 | 43,034 | 51,372 | 8,891 | |
| EBITDA | 3,962 | 4,624 | 5,110 | 7,541 | 2,286 | 5,020 | 6,685 | 2,922 | 21,236 | 16,914 | 5,125 | -2 |
| Margins (%) | 27.8 | 34.3 | 33.6 | 35.3 | 16.8 | 25.4 | 39.2 | 16.4 | 33.0 | 24.8 | 36.6 | -1114bps |
| Depreciation | 364 | 370 | 380 | 367 | 373 | 377 | 396 | 577 | 1,480 | 1,724 | 391 | |
| Interest | 849 | 902 | 837 | 977 | 1,012 | 935 | 954 | 1,127 | 3,565 | 4,028 | 1,032 | |
| Other Income | 985 | 1,287 | 1,223 | 1,819 | 3,675 | 2,058 | 1,878 | -99 | 5,313 | 7,511 | 1,223 | |
| PBT before EO expense | 3,734 | 4,639 | 5,115 | 8,016 | 4,576 | 5,766 | 7,213 | 1,118 | 21,505 | 18,673 | 4,924 | 17 |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PBT | 3,734 | 4,639 | 5,115 | 8,016 | 4,576 | 5,766 | 7,213 | 1,118 | 21,505 | 18,673 | 4,924 | 17 |
| Tax | 1,014 | 1,122 | 1,350 | 1,715 | 1,183 | -4,668 | 1,815 | 6,368 | 5,201 | 4,698 | 1,239 | |
| Rate (%) | 27.2 | 24.2 | 26.4 | 21.4 | 25.9 | -81.0 | 25.2 | 569.4 | 24.2 | 25.2 | 25.2 | |
| MI & Profit/Loss of Asso. Cos. | 2,541 | 2,701 | 2,792 | 2,897 | 3,054 | 3,378 | 4,474 | 6,990 | 10,931 | 17,897 | 3,655 | |
| Reported PAT | 5,261 | 6,219 | 6,557 | 9,198 | 6,447 | 13,812 | 9,872 | 1,741 | 27,235 | 31,872 | 7,340 | 88 |
| Adj PAT | 5,261 | 6,219 | 6,557 | 9,198 | 6,447 | 13,812 | 9,872 | 1,741 | 27,235 | 31,872 | 7,340 | |
| YoY Change (%) | 12.1 | 30.3 | 26.4 | 61.5 | 22.5 | 122.1 | 50.6 | -81.1 | 33.9 | 17.0 | 18.0 | |
| Margins (%) | 37.0 | 46.1 | 43.1 | 43.1 | 47.3 | 69.9 | 57.8 | 9.8 | 42.4 | 46.7 | 52.4 | 1756bps |
| Operational Metrics | | | | | | | | | | | | |
| Residential | | | | | | | | | | | | |
| Pre-sales | 20 | 22 | 90 | 15 | 64 | 7 | 50 | 60 | 148 | 309 | 20 | -65 |
| Collections | 16 | 24 | 25 | 22 | 30 | 24 | 24 | 25 | 87 | 173 | 23 | 3 |
| Net Debt | 1 | -1 | -12 | -15 | -29 | -28 | 0 | 0 | -15 | 0 | 0 | |

Source: Company, MOFSL



InterGlobe Aviation

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

CMP: INR4,366 TP: INR4,130 (-6%) Neutral

Net loss led by seasonality but guidance remains intact

| Bloomberg | INDIGO IN |
|-----------------------|---------------|
| Equity Shares (m) | 386 |
| M.Cap.(INRb)/(USDb) | 1686.5 / 20.1 |
| 52-Week Range (INR) | 5035 / 2393 |
| 1, 6, 12 Rel. Per (%) | -2/7/53 |
| 12M Avg Val (INR M) | 5272 |
| Free float (%) | 50.7 |

Financials & Valuations (INR b)

| Y/E March | FY25E | FY26E | FY26E |
|-------------|-------|-------|-------|
| Sales | 792.0 | 821.4 | 898.8 |
| EBITDAR | 198.7 | 195.8 | 223.3 |
| NP | 72.2 | 86.0 | 102.7 |
| EPS (INR) | 187.1 | 222.9 | 266.1 |
| Growth (%) | -11.7 | 19.1 | 19.4 |
| BV/Sh (INR) | 238.1 | 461.9 | 729.1 |

Ratios

| | | | |
|------------|-------|------|------|
| Net D:E | 2.4 | 1.1 | 0.4 |
| RoE (%) | 130.3 | 63.9 | 44.9 |
| RoCE (%) | 26.3 | 24.2 | 23.9 |
| Payout (%) | 0.0 | 0.0 | 0.0 |

Valuations

| | | | |
|-------------------|------|------|------|
| P/E (x) | 23.4 | 19.6 | 16.4 |
| P/BV (x) | 18.4 | 9.5 | 6.0 |
| Adj.EV/EBITDAR(x) | 10.6 | 9.9 | 8.3 |
| Div. Yield (%) | 0.0 | 0.0 | 0.0 |
| FCF Yield (%) | 1.6 | 2.7 | 5.3 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 49.3 | 55.3 | 63.2 |
| DII | 20.7 | 15.4 | 13.3 |
| FII | 25.4 | 24.4 | 20.3 |
| Others | 4.7 | 4.8 | 3.2 |

FII Includes depository receipts

- INDIGO reported a 26% YoY decline in EBITDA to INR16.2b in 2QFY25 and a net loss of INR9.9b (vs. our est. net loss of INR6.8b). Revenue passenger kilometers (RPK) stood at 31.6b. Passenger load factor (PLF) was 82.7% with available seat kilometers (ASK) of 38.2b (est. of 27.2b) and yield of INR4.55 (vs. est. of INR4.51, +2% YoY) in 2Q.
- Currently, over 60 aircraft of the company are grounded due to P&W engine issues, and the management believes this number would be in mid-40s in FY26. INDIGO added two new international destinations in 2Q and would add three more in FY25. Thus, capacity share in the international market is expected to reach its targeted level of 30% by FY25 end.
- According to **our airfare tracker**, the 30-day domestic forward prices for INDIGO are up 16% QoQ at INR7,020 and the 15-day prices are up by 35% QoQ at INR7,255 in 3QFY25'TD. The management highlighted that 3QFY25 capacity in terms of ASKs is expected to increase by early double digits as compared to 3QFY24. The cargo/freighter business has started to do well for the company and ancillary revenues contributed handsomely in 2Q.
- For Oct'24, INDIGO is seeing solid demand led by the festive season, and the management believes there would be a natural comeback in demand in 3QFY25. Thus, capacity guidance and outlook have not changed for the company as of now. Its long-term guidance of doubling the capacity stays intact, despite short-term headwinds in terms of supply and inflationary trends in costs, as per the management.
- Due to the underperformance in 2QFY25, we lower our EBITDA estimate for FY25/FY26/FY27 by 5%/9%/10%. However, we raise our EPS estimates by 7% each for FY26/FY27 to account for lower tax as accumulated losses stand at INR130b. The stock is trading at ~20x FY26E EPS of INR222.9 and ~10x FY26E EV/EBITDAR. We reiterate our Neutral rating on the stock with a TP of INR4,130, based on 8.5x Sep'26E EV/EBIDTAR.

EBITDA in line; net loss driven by higher fuel costs

- Yield was INR4.55 vs. our estimate of INR4.51 (up 2% YoY). RPK was 31.6b (est. 22.7b, +7% YoY), with PLF at 82.7%. ASK came in at 38.2b (est. 27.2b, +8% YoY).
- Thus, revenue stood at INR169.7b (+39% est., +14% YoY), which included compensation from International Aero Engines LLC (IAE) for the aircraft-on-ground (AOG) situation due to the unavailability of engines.
- EBITDAR stood at INR23.8b (est. INR18.2b, flat YoY) with EBITDA at INR16.2b (est. INR16.7b, -26% YoY). The company has paid IGST of INR738m in 2Q on re-import of repaired aircraft, which is under dispute right now. Net loss stood at INR9.9b (est. net loss of INR6.8b, Profit to Loss YoY).
- **For 1HFY25**, revenue stood at INR365b (+16% YoY), EBITDAR was INR81.5b (+8% YoY), EBITDA stood at INR67.6b (-6% YoY) and PAT was INR17.4b (-47% YoY). ASK was at 74.5b (+10% YoY) and RPK was 63.1b (+8% YoY). As a result, PLF was at 84.7% (-120bp YoY) with yield at INR4.9 (+2% YoY). **In 2HFY25**, we expect revenue/EBITDA/PAT growth of 14%/13%/12% YoY.

Other highlights

- Free cash was INR244b in 2QFY25 vs. INR181b in 2QFY24. It reported capitalized operating lease liability of INR478b with total debt of INR592b as of 2QFY25. There was a net increase of 28 passenger aircraft during the quarter, taking the total to 410 as of Sep'24 end.
- INDIGO has announced an investment of INR3b in IndiGo Ventures Fund-I (a scheme of InterGlobe Aviation Ventures – Category-II, Alternate Investment Fund – AIF Trust). The scheme will primarily invest in equity of start-ups in pre-series A, Series A and Series B stages, and will focus on aviation & allied sectors. The contribution agreement will be executed in FY25. The investment amount will be drawn by the scheme over the next 3-4 years through multiple tranches.

Valuation and view

- INDIGO is striving to improve its international presence through strategic partnerships and loyalty programs. It served 106.7m customers in FY24, with a net increase of 63 aircraft. The company had eight strategic partners with a 27% international share in terms of ASKs in FY24.
- The management has also taken several preemptive measures to increase its global brand awareness as it expects to capture a bigger share of growth in the international market over the coming years. INDIGO is further enhancing its international travel and working relentlessly to adjust schedules to reassure customers.
- The stock is trading at ~20x FY26E EPS of INR222.9 and ~10x FY26E EV/EBITDAR. We reiterate our Neutral rating on the stock with a TP of INR4,130, based on 8.5x Sep'26E EV/EBITDAR.

Standalone Quarterly performance

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | FY24 | Var. |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 4QE | (%) |
| Net Sales | 166.8 | 149.4 | 194.5 | 178.3 | 195.7 | 169.7 | 225.8 | 200.8 | 689.0 | 792.0 | 122.0 | 39% |
| YoY Change (%) | 29.8 | 19.6 | 30.3 | 25.9 | 17.3 | 13.6 | 16.1 | 12.6 | 26.6 | 14.9 | -18.3 | |
| EBITDAR | 51.6 | 23.9 | 54.4 | 43.7 | 57.7 | 23.8 | 71.2 | 46.0 | 173.7 | 198.7 | 18.2 | 31% |
| Margin (%) | 30.9 | 16.0 | 28.0 | 24.5 | 29.5 | 14.0 | 31.5 | 22.9 | 25.2 | 25.1 | 14.9 | |
| Net Rentals | 1.9 | 2.0 | 3.0 | 3.9 | 6.2 | 7.6 | 6.8 | 7.1 | 10.8 | 27.8 | 1.4 | 4.3 |
| EBITDA | 49.7 | 22.0 | 51.4 | 39.8 | 51.5 | 16.2 | 64.4 | 38.9 | 162.9 | 170.9 | 16.7 | -3% |
| Margin (%) | 29.8 | 14.7 | 26.4 | 22.4 | 26.3 | 9.5 | 28.5 | 19.4 | 23.6 | 21.6 | 13.7 | |
| Depreciation | 14.0 | 15.5 | 16.6 | 18.0 | 18.7 | 20.8 | 20.9 | 20.2 | 64.1 | 80.5 | 18.8 | |
| Interest | 9.5 | 10.2 | 11.0 | 11.0 | 11.6 | 12.4 | 12.5 | 11.0 | 41.7 | 47.4 | 11.6 | |
| Other Income | 4.8 | 5.6 | 6.1 | 6.8 | 6.8 | 7.9 | 7.9 | 10.1 | 23.3 | 32.8 | 6.8 | |
| PBT | 30.9 | 1.9 | 30.0 | 17.7 | 28.0 | -9.1 | 39.0 | 17.9 | 80.4 | 75.8 | -6.8 | Loss |
| Tax | 0.0 | 0.0 | 0.0 | -1.2 | 0.8 | 0.8 | 0.8 | 1.3 | -1.2 | 3.6 | 0.0 | |
| Rate (%) | 0.0 | 0.0 | 0.0 | -7.0 | 2.7 | -8.7 | 2.0 | 7.1 | -1.5 | 4.8 | 0.0 | |
| Reported PAT | 30.9 | 1.9 | 30.0 | 18.9 | 27.3 | -9.9 | 38.2 | 16.6 | 81.7 | 72.2 | -6.8 | Loss |
| EPS | 80.0 | 4.9 | 77.7 | 49.1 | 70.6 | -25.6 | 98.9 | 43.1 | 211.6 | 187.1 | -17.7 | Loss |
| YoY Change (%) | LP | LP | 111.4 | 106.8 | -11.7 | PL | 27.3 | -12.1 | LP | -11.6 | PL | |
| Operational Data | | | | | | | | | | | | |
| ASK (b) | 32.7 | 35.3 | 36.5 | 34.8 | 36.3 | 38.2 | 40.0 | 41.6 | 139.3 | 156.1 | 27.2 | 40% |
| YoY Change (%) | 19% | 27% | 27% | 14% | 11% | 8% | 10% | 20% | 22% | 12% | -23% | 0% |
| Load factor (%) | 88.7 | 83.3 | 85.8 | 86.2 | 86.8 | 82.7 | 88.7 | 89.4 | 85.9 | 87.0 | 83.5 | -1% |
| RPK (b) | 29.0 | 29.4 | 31.3 | 30.0 | 31.5 | 31.6 | 35.5 | 37.2 | 119.7 | 135.8 | 22.7 | 39% |
| YoY Change (%) | 32% | 34% | 28% | 17% | 9% | 7% | 13% | 24% | 27% | 13% | -23% | 0% |
| Yield (INR/RPK) | 5.18 | 4.44 | 5.48 | 5.19 | 5.24 | 4.55 | 5.34 | 4.47 | 5.07 | 4.90 | 4.51 | 1% |
| RASK | 5.10 | 4.23 | 5.33 | 5.12 | 5.39 | 4.44 | 5.64 | 4.82 | 4.95 | 5.07 | 4.48 | -1% |
| CASK | 4.16 | 4.18 | 4.51 | 4.61 | 4.62 | 4.68 | 4.67 | 4.39 | 4.37 | 4.59 | 4.73 | -1% |
| RASK less CASK | 0.94 | 0.05 | 0.82 | 0.51 | 0.77 | -0.24 | 0.97 | 0.43 | 0.58 | 0.49 | -0.25 | Loss |
| CASK ex-Fuel | 2.54 | 2.50 | 2.61 | 2.87 | 2.83 | 2.93 | 2.92 | 2.64 | 2.63 | 2.83 | 3.06 | -4% |
| Fuel Cost | 1.62 | 1.68 | 1.90 | 1.74 | 1.79 | 1.75 | 1.75 | 1.75 | 1.74 | 1.76 | 1.67 | 5% |



Bank of Baroda

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

CMP: INR240 TP: INR290 (+21%) Buy

Strong recoveries drive earnings beat; loan growth steady

RoA guidance maintained at 1.1%

| | |
|-----------------------|---------------|
| Bloomberg | BOB IN |
| Equity Shares (m) | 5171 |
| M.Cap.(INRb)/(USDb) | 1238.6 / 14.7 |
| 52-Week Range (INR) | 300 / 188 |
| 1, 6, 12 Rel. Per (%) | 5/-18/-3 |
| 12M Avg Val (INR M) | 4755 |

- Bank of Baroda (BOB) reported 2QFY25 PAT of INR52.4b (14% beat), up 23% YoY/17.5% QoQ, driven by strong recoveries from TWO pool. NIM contracted 8bp QoQ to 3.10% due to the 5bp impact of penal charges in 2Q.
- Provisions came in higher amid the creation of prudent NPA provisions. Business growth was healthy, led by faster growth in loans at 12.3% YoY/7% QoQ, while deposit growth was steady at 9% YoY/4% QoQ. Thus, the CD ratio rose to 82.2%, while LCR declined sharply to 123.7% (vs. 138% in 1Q).
- Slippages inched down to 1.1%. GNPA declined 38bp QoQ to 2.5%, while NNPA stood largely flat at 0.6%. PCR declined marginally to 76.3%.
- We cut our FY25/FY26 EPS estimates by 4.7%/4.8% as provisions rise. We estimate FY26 RoA/RoE at 1.1%/15.7%. **Retain BUY with an unchanged TP of INR290 (1.2x FY26E ABV).**

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|-------------------|-------|-------|-------|
| NII | 447.2 | 478.3 | 526.4 |
| OP | 309.7 | 335.1 | 370.3 |
| NP | 177.9 | 185.5 | 203.6 |
| NIM (%) | 3.1 | 3.0 | 3.0 |
| EPS (INR) | 34.4 | 35.8 | 39.3 |
| EPS Gr. (%) | 26.1 | 4.3 | 9.8 |
| BV/Sh. (INR) | 211 | 239 | 269 |
| ABV/Sh. (INR) | 194 | 223 | 252 |
| Ratios | | | |
| RoA (%) | 1.2 | 1.1 | 1.1 |
| RoE (%) | 17.8 | 16.2 | 15.7 |
| Valuations | | | |
| P/E(X) | 7.0 | 6.7 | 6.1 |
| P/BV (X) | 1.1 | 1.0 | 0.9 |
| P/ABV (X) | 1.2 | 1.1 | 0.9 |

Business growth healthy; credit cost guidance maintained at 0.75%

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 64.0 | 64.0 | 64.0 |
| DII | 16.6 | 16.0 | 16.0 |
| FII | 9.9 | 11.5 | 12.4 |
| Others | 9.6 | 8.6 | 7.6 |

- PAT grew 23% YoY/17.5% QoQ to INR52.4b, led by higher other income, which was partially offset by higher provisions. NII was in line, while NIMs contracted 8bp QoQ to 3.1% due to the 5bp impact of penal charges in 2Q. 1HFY25 PAT stood at INR96.9b (up 16.5% YoY), and we expect 2HFY25 PAT at INR88.5b (down 6% YoY).
- Other income jumped 24% YoY/108% QoQ to INR51.8b (71% beat), thanks to higher recovery from TWOs and better fee income. Opex rose 6% QoQ (4.9% YoY, 4% higher than MOFSLe). PPop, thus, grew 18% YoY to INR94.8b (26% beat on MOFSLe).
- Provisions increased 8% YoY/131% QoQ to INR23.4b (73% higher than MOFSLe), as the bank created prudent NPAs and standard assets provisions. BOB expects the annualized credit cost to remain contained at <0.75%.
- Advances grew at a healthy 12% YoY (up 7% QoQ). Among segments, corporate book picked up faster at 9.4% QoQ, while retail loans grew 4.4% QoQ (20% YoY). SME/Agri book grew 5.7%/3.8 QoQ. In Retail, home loans rose 4% QoQ, auto loans grew 4.7% QoQ, personal loans grew 4.5% QoQ, and gold loans grew at 5.9% QoQ during the quarter.
- Deposits grew 9.1% YoY/4.3% QoQ after a blip in 1Q, while SA grew at a slower pace of 1.3% QoQ. Domestic CASA mix thus declined to 39.8% (down 78bp QoQ), while bulk deposits grew faster at 11.1% QoQ.
- On the asset quality front, slippages moderated to 1.1%. However, healthy credit growth and accelerated w-offs led to 38bp QoQ decline in the GNPA ratio to 2.5%, while the NNPA ratio declined 9bp QoQ to 0.6%. PCR fell slightly to 76.3%, while SMA 1/2 increased 29bp QoQ to 47bp.
- RoA improved to 1.3% in 2Q, while RoE came in at 19.22%.

Highlights from the management commentary

- **Deposit growth** remains challenging, with the bank adjusting its guidance to **9-11%** from the earlier 10-12%.
- **Loan growth** guidance is revised to **12-13%** from 12-14% due to a moderation in the international book, though the bank aims to exceed this target.
- The bank maintains its previous **NIM guidance at 3.15% (+/- 5bp)** and anticipates a decline in the cost of deposits.
- Credit cost is projected at 0.75%, and the slippage ratio at 1-1.25%.
- NIMs declined due to a 5bp impact from penal charges.
- RoA guidance stands at 1.1%.

Valuation and view: Reiterate BUY with a TP of INR290

BOB reported a healthy quarter, characterized by higher other income amid accelerated recoveries from TWO. Provisions were higher than expected as the bank created prudent NPAs and standard assets provisions. BOB guides for a controlled credit cost of 0.75% for FY25, which should support the return ratio of 1%+. Margin contracted 8bp QoQ, as the bank saw a 5bp impact due to penal interest. Business growth picked up, led by broad-based loan growth across corporate and retail segments, while deposit growth too was healthy. Slippages were under control at 1.1%, while the NNPA ratio came down to 0.6%. We cut our FY25/FY26 EPS estimates by 4.7%/4.8% due to higher provisions, while we expect loan growth to be healthy and NIMs to be maintained at 3% for FY25 and FY26. We estimate FY26 RoA/RoE at 1.1%/15.7%. **Reiterate BUY with a revised TP of INR290 (premised on 1.2x FY26E ABV).**

Quarterly performance

(INR b)

| | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E 2QE | V/s Est |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Net Interest Income | 110.0 | 108.3 | 111.0 | 117.9 | 116.0 | 116.2 | 120.9 | 125.2 | 447.2 | 478.3 | 115.3 | 1% |
| % Change (YoY) | 24.4 | 6.4 | 2.6 | 2.3 | 5.5 | 7.3 | 8.9 | 6.1 | 8.1 | 6.9 | 6.4 | |
| Other Income | 33.2 | 41.7 | 28.1 | 41.9 | 24.9 | 51.8 | 34.7 | 43.7 | 145.0 | 155.1 | 30.3 | 71% |
| Total Income | 143.2 | 150.0 | 139.1 | 159.8 | 140.9 | 168.0 | 155.6 | 168.8 | 592.2 | 633.4 | 145.6 | 15% |
| Operating Expenses | 64.9 | 69.8 | 69.0 | 78.8 | 69.3 | 73.3 | 74.6 | 81.0 | 282.5 | 298.2 | 70.5 | 4% |
| Operating Profit | 78.2 | 80.2 | 70.2 | 81.1 | 71.6 | 94.8 | 81.0 | 87.8 | 309.7 | 335.1 | 75.1 | 26% |
| % Change (YoY) | 72.8 | 33.0 | -14.8 | 0.4 | -8.5 | 18.2 | 15.4 | 8.3 | 15.3 | 8.2 | -6.4 | |
| Provisions | 19.5 | 21.6 | 6.7 | 13.0 | 10.1 | 23.4 | 23.0 | 20.3 | 60.8 | 76.8 | 13.5 | 73% |
| Profit before Tax | 58.8 | 58.6 | 63.5 | 68.0 | 61.5 | 71.4 | 57.9 | 67.5 | 248.9 | 258.3 | 61.5 | 16% |
| Tax | 18.1 | 16.1 | 17.7 | 19.2 | 16.9 | 19.0 | 14.6 | 22.3 | 71.0 | 72.9 | 15.5 | 23% |
| Net Profit | 40.7 | 42.5 | 45.8 | 48.9 | 44.6 | 52.4 | 43.3 | 45.2 | 177.9 | 185.5 | 46.0 | 14% |
| % Change (YoY) | 87.7 | 28.4 | 18.9 | 2.3 | 9.5 | 23.2 | -5.4 | -7.5 | 26.1 | 4.3 | 8.3 | |
| Operating Parameters | | | | | | | | | | | | |
| Deposit (INR b) | 11,999 | 12,496 | 12,453 | 13,270 | 13,070 | 13,635 | 14,074 | 14,610 | 13,270 | 14,610 | 13,635 | 0% |
| Loan (INR b) | 9,635 | 9,980 | 10,241 | 10,658 | 10,479 | 11,212 | 11,425 | 11,937 | 10,658 | 11,937 | 11,186 | 0% |
| Deposit Growth (%) | 16.2 | 14.6 | 8.3 | 10.2 | 8.9 | 9.1 | 13.0 | 10.1 | 10.2 | 10.1 | 9.1 | |
| Loan Growth (%) | 20.5 | 19.3 | 15.0 | 13.3 | 8.8 | 12.3 | 11.6 | 12.0 | 13.3 | 12.0 | 12.1 | |
| Asset Quality | | | | | | | | | | | | |
| Gross NPA (%) | 3.5 | 3.3 | 3.1 | 2.9 | 2.9 | 2.5 | 2.4 | 2.3 | 2.9 | 2.3 | 2.7 | |
| 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 | 76.5 | 76.3 | 76.2 | 76.3 | 76.8 | |

E: MOSL Estimates



Shriram Finance

Estimate change

TP change

Rating change



CMP: INR3,091

TP: INR4,000 (+29%)

Buy

Execution better than vehicle finance peers; earnings in line

Despite industry-level stress, its asset quality improves and credit costs remain flat

| | |
|-----------------------|---------------|
| Bloomberg | SHFL IN |
| Equity Shares (m) | 376 |
| M.Cap.(INRb)/(USDb) | 1162.9 / 13.8 |
| 52-Week Range (INR) | 3652 / 1761 |
| 1, 6, 12 Rel. Per (%) | -5/17/44 |
| 12M Avg Val (INR M) | 3832 |

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|---------------------|-------|-------|-------|
| Total Income | 202 | 237 | 287 |
| PPOP | 142 | 166 | 204 |
| PAT | 71.9 | 83.9 | 99.5 |
| EPS (INR) | 191 | 223 | 265 |
| EPS Gr. (%) | 20 | 17 | 19 |
| Standalone BV (INR) | 1,292 | 1,471 | 1,680 |

Valuations

| | | | |
|-----------------|------|------|------|
| NIM on AUM (%) | 9.2 | 9.1 | 9.4 |
| C/I ratio (%) | 29.7 | 30.0 | 29.0 |
| RoAA (%) | 3.3 | 3.2 | 3.2 |
| RoE (%) | 15.7 | 16.2 | 16.8 |
| Div. Payout (%) | 23.5 | 22.4 | 22.7 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 16.2 | 13.8 | 11.7 |
| P/BV (x) | 2.4 | 2.1 | 1.8 |
| Div. Yield (%) | 1.5 | 1.6 | 1.9 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 25.4 | 25.4 | 25.5 |
| DII | 16.2 | 15.2 | 15.2 |
| FII | 53.3 | 54.3 | 54.7 |
| Others | 5.1 | 5.1 | 4.7 |

FII Includes depository receipts

- Shriram Finance (SHFL)'s 2QFY25 PAT rose ~18% YoY to ~INR20.7b (in line), and PPOP grew 14% YoY to ~INR39.8b (in line). NII grew ~19% YoY to INR54.6b (in line), while reported NIM dipped ~5bp QoQ to ~8.75%. 1HFY25 PAT grew ~18% YoY to INR40.5b and we expect 2HFY25 PAT to grow by ~15% YoY
- Credit costs of ~INR12.3b (10% lower than MOFSLe) translated into annualized credit costs of ~2.1% (PQ: 2.1% and PY: 2.3%).
- Management guided that NIM can be maintained at the current levels or there can be a slight improvement. We model NIMs of 9.1%/9.4% in FY25/FY26.
- SHFL indicated that disbursement and AUM growth will be reasonably good in 2HFY25 as well, and the company guided the CV portfolio to grow at ~17-18% over the next two quarters. We estimate ~18%/~19% AUM/ PAT CAGR over FY24-27. This will result in an RoA/RoE of ~3.3%/~18% in FY27E.
- SHFL has positioned itself to capitalize on its diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. The monetization of its stake in Shriram Housing will further help the company improve its capital adequacy and help it engage constructively with credit rating agencies for a credit rating upgrade. **Reiterate BUY with a TP of INR4,000 (premised on 2.2x Sep'26E BVPS).**

AUM up 20% YoY; gold and personal loans likely to pick up in 2HFY25

- Disbursements in 2QFY25 grew ~16% YoY to ~INR400b and AUM rose ~20% YoY to INR2.43t. AUM growth of ~4% QoQ was driven by healthy growth across MSME (+12% QoQ), farm equipment (+12% QoQ), and PV (+7% QoQ).
- Personal Loans (PL) growth has moderated, but it expects to embark on PL growth in the near future. MSME was offered in 500 branches prior to the merger, and now it is being offered across 1,000 branches. There has been no change in the ticket sizes, and it is delivering growth in MSME by adding newer customers. Gold loans have declined because it has reduced its LTVs on gold loans to ~60%-65% (v/s 70-73% earlier).
- Non-CV products, such as MSME and gold, will gradually be introduced to more branches, and with the resumption of growth in PL and gold loans, we anticipate the momentum to remain intact in disbursement and AUM. We model an AUM CAGR of ~18% over FY24-27E.

Asset quality continues to improve with higher PCR on standard loans

- GS3/NS3 improved ~5bp each QoQ to ~5.3%/2.7%. PCR on Stage 3 rose ~50bp QoQ to ~52%.
- SHFL again increased the PCR on its S1 loans by ~5bp QoQ and on S2 loans by ~30bp QoQ. Write-offs stood at INR4.9b, translating into ~1pp of write-offs as % of TTM AUM (similar to the last quarter).

- The management guided for credit costs of less than ~2%, while our credit cost estimates are marginally higher at ~2.1%/2.3% for FY25/FY26E.

Highlights from the management commentary

- SHFL is yet to fully start gold loans as per the new guidance/guidelines from RBI. Some of its gold loan business would have gone to the informal sector, but it expects those customers to come back. The company is confident of resumption in gold loan growth from 2HFY25 onwards.
- The company does not see any asset quality risks in its Vehicle Finance business in the near term since used vehicle prices have improved and vehicle repossessions are minimal.

Valuation and View

- SHFL reported an operationally healthy quarter with healthy AUM growth. However, there was a minor NIM compression because of a decline in higher-yielding products like gold loans and personal loans. It is yet to fully utilize its distribution network for non-vehicle products. AUM growth in MSME will remain stronger compared to other segments.
- SHFL is effectively leveraging cross-selling opportunities to reach new customers and introduce new products, leading to improved operating metrics and a solid foundation for sustainable growth. The current valuation of ~1.8x FY26E BVPS is attractive for a ~19% PAT CAGR over FY24-27E and RoA/RoE of ~3.3%/18% in FY27E. **Reiterate BUY with a TP of INR4,000 (based on 2.2x Sep'26E BVPS).**

Quarterly Performance

(INR M)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | 2Q FY25E | v/s Est. |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Interest Income | 76,880 | 82,166 | 86,179 | 90,773 | 93,628 | 98,145 | 1,02,856 | 1,07,632 | 3,35,997 | 4,02,261 | 97,841 | 0 |
| Interest Expenses | 34,875 | 36,219 | 37,069 | 39,898 | 41,289 | 43,504 | 45,766 | 47,335 | 1,48,061 | 1,77,895 | 43,023 | 1 |
| Net Interest Income | 42,004 | 45,947 | 49,110 | 50,874 | 52,339 | 54,641 | 57,090 | 60,297 | 1,87,935 | 2,24,366 | 54,818 | 0 |
| YoY Growth (%) | 20.0 | 21.6 | 17.1 | 21.7 | 24.6 | 18.9 | 16.2 | 18.5 | 17.0 | 19.4 | 19.3 | |
| Other Income | 3,167 | 3,479 | 3,094 | 4,206 | 2,343 | 2,805 | 3,350 | 4,375 | 13,980 | 12,873 | 3,825 | -27 |
| Total Income | 45,171 | 49,426 | 52,204 | 55,080 | 54,682 | 57,446 | 60,440 | 64,672 | 2,01,915 | 2,37,239 | 58,643 | -2 |
| YoY Growth (%) | 22.0 | 17.9 | 16.2 | 21.7 | 21.1 | 16.2 | 15.8 | 17.4 | 17.0 | 17.5 | 18.6 | |
| Operating Expenses | 13,908 | 14,618 | 15,311 | 16,024 | 16,140 | 17,597 | 18,373 | 19,086 | 59,895 | 71,197 | 17,103 | 3 |
| Operating Profit | 31,262 | 34,808 | 36,893 | 39,056 | 38,541 | 39,848 | 42,067 | 45,586 | 1,42,020 | 1,66,042 | 41,540 | -4 |
| YoY Growth (%) | 17.3 | 16.3 | 11.7 | 26.8 | 23.3 | 14.5 | 14.0 | 16.7 | 15.1 | 16.9 | 19.3 | |
| Provisions & Loan Losses | 8,786 | 11,286 | 12,497 | 12,615 | 11,876 | 12,350 | 14,122 | 15,044 | 45,183 | 53,391 | 13,696 | -10 |
| Profit before Tax | 22,476 | 23,523 | 24,396 | 26,441 | 26,666 | 27,498 | 27,944 | 30,542 | 96,836 | 1,12,651 | 27,844 | -1 |
| Tax Provisions | 5,722 | 6,014 | 6,213 | 6,983 | 6,860 | 6,803 | 7,405 | 7,658 | 24,932 | 28,726 | 7,239 | -6 |
| Net Profit | 16,754 | 17,508 | 18,183 | 19,459 | 19,806 | 20,696 | 20,539 | 22,884 | 71,905 | 83,925 | 20,605 | 0 |
| YoY Growth (%) | 30.8 | 12.6 | 2.3 | 48.7 | 18.2 | 18.2 | 13.0 | 17.6 | 20.3 | 16.7 | 17.7 | |
| Key Parameters (Calc., %) | | | | | | | | | | | | |
| Yield on loans | 16.2 | 16.6 | 16.5 | 16.5 | 16.3 | 16.5 | 16.5 | 16.5 | | | | |
| Cost of funds | 8.7 | 8.9 | 8.7 | 8.8 | 8.7 | 8.7 | 8.7 | 8.7 | | | | |
| Spread | 7.5 | 7.8 | 7.9 | 7.8 | 7.6 | 7.8 | 7.8 | 7.7 | | | | |
| NIM | 8.9 | 9.3 | 9.4 | 9.3 | 9.1 | 9.2 | 9.2 | 9.2 | | | | |
| C/I ratio | 30.8 | 29.6 | 29.3 | 29.1 | 29.5 | 30.6 | 30.4 | 29.5 | | | | |
| Credit cost | 1.9 | 2.3 | 2.4 | 2.3 | 2.1 | 2.1 | 2.3 | 2.3 | | | | |
| Tax rate | 25.5 | 25.6 | 25.5 | 26.4 | 25.7 | 24.7 | 26.5 | 25.1 | | | | |
| Balance Sheet Parameters | | | | | | | | | | | | |
| Disbursements (INR b) | 305 | 346 | 378 | 393 | 377 | 400 | 435 | 482 | | | | |
| Growth (%) | 23.8 | 34.2 | 29.2 | 26.6 | 23.8 | 15.5 | 15.0 | 22.6 | | | | |
| AUM (INR b) | 1,932 | 2,026 | 2,142 | 2,249 | 2,334 | 2,430 | 2,547 | 2,676 | | | | |
| Growth (%) | 18.6 | 19.7 | 20.7 | 21.1 | 20.8 | 19.9 | 18.9 | 19.0 | | | | |
| Borrowings (INR b) | 1,619 | 1,653 | 1,775 | 1,858 | 1,917 | 2,078 | 2,109 | 2,224 | | | | |
| Growth (%) | 6.4 | 4.5 | 15.7 | 17.7 | 18.4 | 25.7 | 18.8 | 19.7 | | | | |
| Asset Quality Parameters | | | | | | | | | | | | |
| GS 3 (INR B) | 115.1 | 115.6 | 119.5 | 120.8 | 124.1 | 127.6 | 0.0 | 0.0 | | | | |
| GS 3 (%) | 6.0 | 5.8 | 5.7 | 5.5 | 5.4 | 5.3 | 0.0 | 0.0 | | | | |
| NS 3 (INR B) | 54.6 | 54.2 | 55.7 | 58.2 | 60.6 | 61.7 | 0.0 | 0.0 | | | | |
| NS 3 (%) | 3.1 | 2.9 | 2.8 | 2.8 | 2.8 | 2.7 | 0.0 | 0.0 | | | | |
| PCR (%) | 52.5 | 53.1 | 53.4 | 51.8 | 51.1 | 51.7 | 0.0 | 0.0 | | | | |

E: MOFSL estimates



Torrent Pharma

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

CMP: INR3,433 TP: INR3,430 Neutral

India/US drive 2QFY25 performance while Brazil drags

Scales new high at gross margin levels

- Torrent Pharma (TRP) delivered a miss on earnings due to the reduced off-take of insulin and currency headwinds related to the Brazilian business. TRP continues to outperform in the branded markets of India (DF) and Brazil. The US generics business is yet to pick up scale despite regulatory compliance in place.
- We reduce our earnings estimate by 5%/3% for FY25/FY26 to factor in: a) the gradual revival in the US generics business and b) the adverse impact of forex with respect to the Brazilian market. We value TRP at 38x 12M forward earnings to arrive at a TP of INR3,430.
- Compared to 9.5%/15%/21% YoY growth in Revenue/EBITDA/PAT for 1HFY25, we expect TRP to deliver 12%/15%/32% growth in Revenue/EBITDA/PAT in 2HFY25, driven by improved operating leverage and reduced interest cost.
- While we are optimistic about TRP's 'brand' business model in India/Brazil driving profitable growth, we maintain a Neutral stance given the rich valuation (43x/34.5x FY26/FY27 PE)

Product mix supported by cost control drives profitability YoY/QoQ

- Sales grew 8.6% YoY to INR28.9b (vs our est: INR30b). India formulations revenue grew 13% YoY to INR16b (56% of sales). Germany sales grew 8.3% YoY to INR2.9b (10% of sales). The LATAM business grew 4.4% YoY to INR2.6b (9% of sales). The US generics business grew 8.1% YoY to INR2.7b (9% of sales). ROW+CDMO sales declined 2.7% YoY at INR4.4b (15% of sales).
- Gross margin expanded 130bp YoY to 76.5% due to the better product mix.
- EBITDA margin expanded at a higher rate of 150bp to 32.5% YoY due to the lower employee cost (down 10bp as % of sales).
- Accordingly, EBITDA grew 18.8% YoY to INR7.4b (vs our Est: INR7.7).
- Adj. PAT grew 17.4% YoY to INR4.5b (our est: INR5.1b).
- In 1HFY25 Revenue/EBITDA/PAT grew 9.5%/15.3%/20.9% YoY to INR57.5b/INR18.6b/INR9.2b.

Highlights from the management commentary

- TRP expects the current levels of gross margin (~76.5%) to sustain going forward.
- TRP has guided for 50-100bp annual EBITDA margin expansion over the next three years, led by price hikes and operating leverage.
- The company expects to repay ~INR5-6b in H2. Further, it expects to be a net cash company by the end of FY26.
- The company expects the R&D spend as a % of sales to remain ~5-5.5% for the year.
- During the quarter, TRP added ~300 new reps, bringing the total reps to 6,000 vs 5,700 in 2QFY24.

| | |
|-----------------------|---------------|
| Bloomberg | TRP IN |
| Equity Shares (m) | 338 |
| M.Cap.(INRb)/(USDb) | 1161.8 / 13.8 |
| 52-Week Range (INR) | 3591 / 1823 |
| 1, 6, 12 Rel. Per (%) | 7/20/52 |
| 12M Avg Val (INR M) | 798 |

Financials & Valuations (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|---------------------|-------|-------|-------|
| Sales | 118.8 | 136.4 | 156.7 |
| EBITDA | 39.2 | 46.7 | 54.5 |
| Adjusted PAT | 20.3 | 26.8 | 33.6 |
| EBIT Margin (%) | 26.2 | 28.1 | 29.3 |
| Cons. Adj EPS (INR) | 59.8 | 79.3 | 99.4 |
| EPS Gr. (%) | 27.1 | 32.5 | 25.4 |
| BV/Sh. (INR) | 480.8 | 582.1 | 709.1 |

Ratios

| | | | |
|------------|------|------|------|
| Net D-E | 0.4 | 0.3 | 0.2 |
| RoE (%) | 27.0 | 29.8 | 30.8 |
| RoCE (%) | 19.9 | 23.6 | 26.1 |
| Payout (%) | 36.4 | 36.1 | 36.1 |

Valuation

| | | | |
|----------------|------|------|------|
| P/E (x) | 57.4 | 43.3 | 34.5 |
| EV/EBITDA (x) | 30.2 | 24.8 | 20.8 |
| Div. Yield (%) | 0.5 | 0.7 | 0.9 |
| FCF Yield (%) | 1.6 | 3.3 | 2.9 |
| EV/Sales (x) | 10.0 | 8.5 | 7.2 |

Shareholding Pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 71.3 | 71.3 | 71.3 |
| DII | 7.1 | 7.3 | 8.0 |
| FII | 14.5 | 14.2 | 13.2 |
| Others | 7.2 | 7.3 | 7.6 |

FII includes depository receipts

Quarterly performance (Consolidated)

(INR b)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | Est. | Var. |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|--------------|
| INRb | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | vs Est |
| Net Revenues | 25.9 | 26.6 | 27.3 | 27.5 | 28.6 | 28.9 | 29.9 | 31.4 | 107.3 | 118.8 | 30.0 | -3.8 |
| YoY Change (%) | 12.2 | 16.1 | 9.7 | 10.2 | 10.3 | 8.6 | 9.6 | 14.4 | 12.0 | 10.8 | 12.9 | |
| EBITDA | 7.9 | 8.3 | 8.7 | 8.8 | 9.2 | 9.4 | 9.9 | 10.7 | 33.7 | 39.2 | 9.8 | -4.7 |
| YoY Change (%) | 17.4 | 21.5 | 17.6 | 19.8 | 16.8 | 13.8 | 13.7 | 21.2 | 19.1 | 16.4 | 19.4 | |
| Margins (%) | 30.5 | 31.0 | 31.8 | 32.2 | 32.3 | 32.5 | 33.0 | 34.1 | 31.4 | 33.0 | 32.8 | |
| Depreciation | 1.9 | 2.0 | 2.1 | 2.0 | 2.0 | 2.0 | 2.1 | 2.1 | 8.1 | 8.1 | 2.1 | |
| EBIT | 6.0 | 6.2 | 6.6 | 6.8 | 7.3 | 7.4 | 7.8 | 8.6 | 25.6 | 31.1 | 7.7 | -4.4 |
| YoY Change (%) | 15.6 | 20.9 | 20.2 | 25.7 | 21.2 | 18.8 | 19.2 | 26.9 | 20.7 | 21.6 | 24.2 | |
| Margins (%) | 23.2 | 23.5 | 24.0 | 24.8 | 25.4 | 25.6 | 26.1 | 27.5 | 23.9 | 26.2 | 25.8 | |
| Interest | 1.0 | 0.9 | 0.8 | 0.8 | 0.8 | 0.6 | 0.6 | 0.5 | 3.5 | 2.5 | 0.7 | |
| Other Income | 0.3 | 0.3 | -0.3 | 0.3 | 0.2 | -0.2 | 0.2 | 0.2 | 0.6 | 0.4 | 0.2 | |
| PBT before EO Expense | 5.3 | 5.6 | 5.4 | 6.3 | 6.8 | 6.6 | 7.4 | 8.2 | 22.6 | 29.0 | 7.2 | -8.7 |
| One-off expenses | 0.0 | 0.0 | -0.9 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | -0.9 | 0.2 | 0.0 | |
| PBT after EO Expense | 5.3 | 5.6 | 6.3 | 6.3 | 6.6 | 6.6 | 7.4 | 8.2 | 23.5 | 28.8 | 7.2 | |
| Tax | 1.5 | 1.7 | 1.9 | 1.8 | 2.0 | 2.1 | 2.2 | 2.4 | 7.0 | 8.7 | 2.1 | |
| Rate (%) | 28.8 | 30.9 | 34.6 | 28.8 | 29.4 | 31.5 | 29.7 | 29.6 | 30.7 | 30.0 | 29.5 | |
| Reported PAT | 3.8 | 3.9 | 4.4 | 4.5 | 4.6 | 4.5 | 5.2 | 5.8 | 16.6 | 20.1 | 5.1 | |
| Adj PAT | 3.8 | 3.9 | 3.8 | 4.5 | 4.7 | 4.5 | 5.2 | 5.8 | 15.9 | 20.3 | 5.1 | -11.2 |
| YoY Change (%) | 15.0 | 23.7 | 19.1 | 51.0 | 24.6 | 17.4 | 36.7 | 29.3 | 26.7 | 27.1 | 32.2 | |
| Margins (%) | 14.6 | 14.5 | 14.0 | 16.4 | 16.5 | 15.7 | 17.4 | 18.5 | 14.9 | 17.0 | 17.0 | |

E: MOFSL Estimates

Key performance Indicators (Consolidated)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | Est. |
|--------------------------|------|-------|------|------|-------|------|------|------|------|-------|------|
| INRm | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE |
| India formulations | 14.3 | 14.4 | 14.2 | 13.8 | 16.4 | 16.3 | 16.3 | 16.2 | 56.7 | 65.2 | 16.3 |
| YoY Change (%) | 14.5 | 18.0 | 12.4 | 9.8 | 14.7 | 13.0 | 15.0 | 17.5 | 13.7 | 15.0 | 13.2 |
| US generics | 2.9 | 2.5 | 2.7 | 2.6 | 2.6 | 2.7 | 2.8 | 3.1 | 10.8 | 11.2 | 2.7 |
| YoY Change (%) | 12.3 | -15.1 | -5.8 | -6.4 | -11.6 | 8.1 | 3.0 | 18.8 | -7.2 | 3.9 | 10.4 |
| Latin America | 1.9 | 2.5 | 3.1 | 3.7 | 2.0 | 2.6 | 3.1 | 3.8 | 11.3 | 11.5 | 3.3 |
| YoY Change (%) | 3.3 | 36.2 | 25.8 | 17.0 | 3.2 | 4.4 | 0.0 | 3.1 | 20.4 | 2.5 | 30.0 |
| Europe | 2.6 | 2.7 | 2.7 | 2.8 | 2.8 | 2.9 | 3.0 | 3.3 | 10.7 | 12.0 | 2.9 |
| YoY Change (%) | 20.6 | 20.9 | 12.0 | 10.7 | 10.1 | 8.3 | 12.0 | 16.7 | 15.7 | 11.8 | 9.0 |
| Others (ROW+CDMO) | 4.2 | 4.5 | 4.6 | 4.5 | 4.9 | 4.4 | 4.7 | 5.0 | 17.8 | 18.9 | 4.8 |
| YoY Change (%) | 19.2 | 21.6 | 2.2 | 17.4 | 14.4 | -2.7 | 2.0 | 10.5 | 14.3 | 6.0 | 6.0 |
| Cost Break-up | | | | | | | | | | | |
| RM Cost (% of Sales) | 25.1 | 24.8 | 25.5 | 24.7 | 24.3 | 23.5 | 23.7 | 23.8 | 25.0 | 23.8 | 24.6 |
| Staff Cost (% of Sales) | 19.3 | 18.9 | 18.2 | 17.7 | 19.2 | 18.8 | 18.2 | 17.1 | 18.5 | 18.3 | 18.1 |
| R&D Expenses(% of Sales) | 5.0 | 5.3 | 5.1 | 5.1 | 4.7 | 4.1 | 4.2 | 4.0 | 5.1 | 4.5 | 4.1 |
| Other Cost (% of Sales) | 25.1 | 25.3 | 24.5 | 25.4 | 24.2 | 25.2 | 25.1 | 25.1 | 25.1 | 24.9 | 24.5 |
| Gross Margins(%) | 74.9 | 75.2 | 74.5 | 75.3 | 75.7 | 76.5 | 76.3 | 76.2 | 75.0 | 76.2 | 75.4 |
| EBITDA Margins(%) | 30.5 | 31.0 | 31.8 | 32.2 | 32.3 | 32.5 | 33.0 | 34.1 | 31.4 | 33.0 | 32.8 |
| EBIT Margins(%) | 23.2 | 23.5 | 24.0 | 24.8 | 25.4 | 25.6 | 26.1 | 27.5 | 23.9 | 26.2 | 25.8 |

E: MOSL Estimates



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

CMP: INR372 TP: INR455 (+22%) BUY

Subdued refining margin drags 2Q performance

| | |
|-----------------------|-------------|
| Bloomberg | HPCL IN |
| Equity Shares (m) | 2128 |
| M.Cap.(INRb)/(USDb) | 792.4 / 9.4 |
| 52-Week Range (INR) | 457 / 159 |
| 1, 6, 12 Rel. Per (%) | -4/7/101 |
| 12M Avg Val (INR M) | 4201 |

Financials & Valuations (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|----------------|-------|-------|-------|
| Sales | 3,942 | 3,767 | 3,854 |
| EBITDA | 103 | 168 | 181 |
| Adj. PAT | 33 | 80 | 85 |
| Adj. EPS (INR) | 15 | 37 | 40 |
| EPS Gr. (%) | -80 | 144 | 7 |
| BV/Sh.(INR) | 232 | 258 | 286 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 1.3 | 1.2 | 1.1 |
| RoE (%) | 6.8 | 15.3 | 14.7 |
| RoCE (%) | 3.6 | 7.1 | 7.1 |
| Payout (%) | 26.3 | 29.0 | 29.9 |

Valuations

| | | | |
|----------------|------|-----|-----|
| P/E (x) | 24.2 | 9.9 | 9.3 |
| P/BV (x) | 1.6 | 1.4 | 1.3 |
| EV/EBITDA (x) | 14.2 | 8.7 | 8.2 |
| Div. Yield (%) | 1.1 | 2.9 | 3.2 |
| FCF Yield (%) | -0.9 | 5.0 | 5.4 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 54.9 | 54.9 | 54.9 |
| DII | 21.7 | 21.5 | 22.6 |
| FII | 14.1 | 13.2 | 13.3 |
| Others | 9.3 | 10.4 | 9.2 |

FII Includes depository receipts

- HPCL’s reported 2QFY25 financial performance was significantly below our expectations, mainly due to a weaker refining margin. LPG under-recoveries have largely remained in line with the 1QFY25 trend. Overall, refining GRM remains soft in Oct’24, and the oil demand outlook too remains muted. As a result, we trim our GRM assumptions for 2HFY25/FY26/FY27. Meanwhile, OMCs continue to generate strong marketing margins on MS/HSD currently, and as such, despite a dismal 2QFY25 earnings performance, we believe 3QFY25 profitability could improve further on a sequential basis.
- HPCL missed our EBITDA/PAT estimates in 2QFY25 by 41%/73%, due to lower than estimated refining margin of USD3.1/bbl (est. of USD5/bbl). While LPG-related under-recoveries amounted to INR20.6b in 2Q, inventory loss stood at INR14b during the quarter.
- **Refinery** throughput was 8% above estimate at 6.3mmt (up 10% YoY). The company expects zrefining throughput to improve post-commissioning of the expanded capacity at Visakhapatnam refinery. Singapore GRM (SG GRM) has been averaging USD3/bbl in Oct’24 vs. USD3.6/bbl in 2QFY25, implying that refining might remain under pressure in 3QFY25.
- In the **marketing segment**, sales volumes came in line with our est. at 11.6mmt (up 8% YoY). OMCs are currently earning a gross marketing margin higher than our assumption of INR3.3/lit for both petrol and diesel. **Among OMCs, HPCL has the highest leverage to marketing and would benefit the most due to an uptick in marketing margins.**
- Commissioning of the bottom upgradation unit at Visakhapatnam refinery would result in the distillate yield improving 10% from 1QFY26. The company expects the mid-cycle GRM to be ~USD6-8/bbl. Additional GRM of USD2-3/bbl shall be generated post-commissioning of the bottom upgradation unit at Visakhapatnam refinery. De-merger of lubricant business also provides a value-unlocking opportunity.
- HPCL took a hit of INR20.6b due to LPG under-recoveries in 2QFY25. However, LPG being a controlled product, HPCL remains hopeful of financial support from the government. Owing to weak refining performance, we cut our FY25 EBITDA/PAT estimates by 27%/49%; we also reduce our FY25/FY26 GRM estimate to USD4.6/6.1 per bbl (vs. previous est. of USD6.6/8.1 per bbl).
- **We reiterate our BUY rating on the stock**, valuing it by the SoTP method to arrive at our **TP of INR455**. The start-up of the Rajasthan refinery (HRRL; HPCL has a 74% stake) can be a key catalyst in FY26E, in our opinion.

Miss on EBITDA/PAT due to low refining margin

- HPCL’s EBITDA stood at INR28b in 2QFY25 (41% below our est. of INR47b, down 68% YoY, up 33% QoQ).
- The miss was due to lower-than-estimated GRM, which was 38% below our estimate at USD3.1/bbl (-62% YoY).

- The LPG under-recovery amounted to INR20.6b, which we believe could be reversed in due course as the LPG remains a controlled product.
- Refining throughput was 8% above our estimate at 6.3mmt (+10% YoY).
- Marketing volumes stood at 11.6mmt (est. 12.2mmt), up 8% YoY.
- Marketing margin (including inv.) stood at ~INR4.2/lit (est. INR5.2/lit), down 42% YoY. The miss is likely attributable to LPG under-recovery.
- PAT came in 73% below our est. at INR6.3b (down 88% YoY, up 77% QoQ), due to lower-than-estimated other income and higher-than-estimated finance cost.
- In 1HFY25, net sales grew 3% to INR2.1t, while EBITDA/PAT declined 73%/91% to INR48.5b/9.9b, respectively. In 2HFY25, we expect net sales/EBITDA/PAT to decline 20%/24%/45%.
- As of Sep'24, HPCL had a cumulative negative net buffer of INR45b, due to the under-recovery on LPG cylinders (INR1b as of Mar'24).

Highlights of the 2QFY25 performance:

Operational performance:

- The highest-ever crude throughput of 12.1mmt was recorded in 1HFY25.
- The company achieved the highest-ever ethanol blending of 15.6% in 2Q.
- HPCL has commissioned 353 new retail outlets nationwide, bringing the total number of outlets to 22,501.
- HPCL experienced a sales volume increase of 5.6% this quarter, compared to a 1.8% growth in the PSU industry. Additionally, HPCL gained a market share of 0.78% among PSU oil companies during this period.

Update on the ongoing projects:

- Capex of INR37.7b was incurred in 2QFY25 (INR65.9b capex incurred in 1HFY25).

HRRL:

- Key process units, diesel hydro-treating (DHDT), and hydrogen generation unit (HGU) are currently in the pre-commissioning phase. The overall physical progress of the project has surpassed 82%.
- As of Sep'24, total commitments stood at INR708.7b and capex was INR505.7b.

Other highlights

- The 3.55mmt/tpa residue upgradation facility at its Visakhapatnam refinery, one of the largest and most energy-efficient residue hydrocracker units globally, is anticipated to be mechanically completed shortly, with the commissioning expected in 4QFY25 (one quarter delay).

Valuation and view

- HPCL remains our preferred pick among the three OMCs. We model a marketing margin of INR3.3/lit for both MS and HSD in FY26/27, while the current MS and HSD marketing margins are INR12.6/lit and INR10.4/lit, respectively. We view the following as key catalysts for the stock: 1) de-merger and potential listing of the lubricant business, 2) the commissioning of its bottom upgrade unit, and 3) the start of its Rajasthan refinery by end-4QFY25.
- HPCL currently trades at 1.4x FY26E P/B, which we believe offers a reasonable margin of safety as we estimate FY26E RoE of 15.3%.
- Our SoTP-based TP includes:
 - The standalone refining and marketing business at 7x Dec'26E EBITDA.
 - INR37/sh as potential value unlocking from de-merger of the lubricant business.
 - HMEL at 12x P/E based on its FY24 PAT (HPCL's share), deriving a value of INR35/share.

- Chhara Terminal at 1x P/B, and HPCL's HRRL stake at 0.5x of HPCL's equity investment in the project to date. MRPL stake is valued at MOFSL's TP.
- All these lead to a revised TP of INR455. **Reiterate BUY.**

Standalone - Quarterly earnings model

(INR b)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25 | Var (%) |
|---|----------------|--------------|----------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|--------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | 2QE | | |
| Net Sales | 1,119.6 | 957.0 | 1,113.1 | 1,145.6 | 1,138.0 | 999.3 | 901.9 | 899.4 | 4,335.2 | 3,938.7 | 990.5 | 1% |
| YoY Change (%) | -2.2 | -11.7 | 1.6 | 6.1 | 1.6 | 4.4 | -19.0 | -21.5 | -1.6 | -9.1 | 3.5 | |
| EBITDA | 95.2 | 85.8 | 21.3 | 48.7 | 20.8 | 27.7 | 30.7 | 22.6 | 251.0 | 101.8 | 46.9 | -41% |
| Margins (%) | 8.5 | 9.0 | 1.9 | 4.2 | 1.8 | 2.8 | 3.4 | 2.5 | 5.8 | 2.6 | 4.7 | |
| Depreciation | 13.6 | 12.4 | 13.4 | 16.1 | 14.8 | 15.2 | 16.8 | 20.5 | 55.5 | 67.3 | 16.8 | |
| Forex loss | -1.3 | 3.6 | -0.4 | 0.6 | -0.3 | 0.4 | 0.0 | 0.0 | 2.6 | 0.2 | 0.0 | |
| Interest | 5.9 | 5.8 | 6.1 | 7.3 | 7.3 | 9.4 | 6.3 | 2.2 | 25.2 | 25.2 | 6.3 | |
| Other Income | 6.3 | 3.4 | 5.6 | 8.5 | 5.7 | 5.7 | 7.1 | 9.9 | 23.8 | 28.5 | 7.1 | |
| PBT before EO expense | 83.3 | 67.4 | 7.7 | 33.1 | 4.7 | 8.4 | 14.7 | 9.9 | 191.5 | 37.6 | 30.9 | -73% |
| PBT | 83.3 | 67.4 | 7.7 | 33.1 | 4.7 | 8.4 | 14.7 | 9.9 | 191.5 | 37.6 | 30.9 | -73% |
| Rate (%) | 25.5 | 24.1 | 31.1 | 14.2 | 24.5 | 24.4 | 25.2 | 25.2 | 23.3 | 24.9 | 25.2 | |
| Adj PAT | 62.0 | 51.2 | 5.3 | 28.4 | 3.6 | 6.3 | 11.0 | 7.4 | 146.9 | 28.3 | 23.1 | -73% |
| YoY Change (%) | LP | LP | 206.8 | -11.8 | -94.3 | -87.7 | 107.7 | -74.0 | LP | -80.8 | -54.9 | |
| Key Assumptions | | | | | | | | | | | | |
| Refining throughput (mmt) | 5.4 | 5.8 | 5.3 | 5.8 | 5.8 | 6.3 | 6.3 | 6.3 | 22.3 | 24.7 | 5.9 | 8% |
| Reported GRM (USD/bbl) | 7.4 | 8.3 | 14.0 | 6.9 | 5.0 | 3.1 | 5.1 | 5.4 | 9.2 | 4.7 | 5.0 | -38% |
| Marketing sales volume incl exports (mmt) | 11.9 | 10.7 | 11.9 | 12.3 | 12.6 | 11.6 | 12.2 | 12.3 | 46.8 | 48.7 | 12.2 | -5% |
| Marketing GM incl inv (INR/litre) | 8.4 | 7.3 | 1.4 | 4.8 | 3.0 | 4.2 | 4.0 | 3.8 | 5.5 | 3.8 | 5.2 | -20% |

Key assumptions for HPCL

| Particulars | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|--|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| Exchange Rate (INR/USD) | 70.0 | 70.9 | 74.3 | 74.5 | 80.4 | 82.8 | 84.0 | 84.9 | 85.0 |
| Brent Crude (USD/bbl) | 70.1 | 61.2 | 44.4 | 80.5 | 96.1 | 83.0 | 78.7 | 75.0 | 75.0 |
| Market Sales (MMT) | 38.7 | 39.6 | 36.6 | 39.1 | 43.5 | 46.8 | 48.7 | 50.6 | 52.7 |
| YoY (%) | 5 | 2 | (8) | 7 | 11 | 8 | 4 | 4 | 4 |
| GRM (USD/bbl) | 5.0 | 1.0 | 3.9 | 7.2 | 12.1 | 9.1 | 4.6 | 6.1 | 6.2 |
| Singapore GRM (USD/bbl) | 4.9 | 3.2 | 0.5 | 5.0 | 10.7 | 6.6 | 4.9 | 6.0 | 6.0 |
| Prem/(disc) (USD/bbl) | 0 | (2) | 3 | 2 | 1 | 2 | (0.2) | 0.1 | 0.2 |
| Total Refinery throughput (MMT) | 18.4 | 17.2 | 16.4 | 14.0 | 19.1 | 22.3 | 24.7 | 25.2 | 25.2 |
| YoY (%) | 1% | -7% | -4% | -15% | 37% | 17% | 10% | 2% | 0% |
| Refining capacity utilization (%) | 117% | 109% | 104% | 88% | 85% | 91% | 101% | 103% | 103% |
| Blended marketing margin incl inventory (INR/lit) | 4.3 | 4.0 | 6.3 | 4.3 | (0.8) | 5.5 | 3.8 | 4.5 | 4.5 |
| Consolidated EPS | 31.4 | 17.1 | 50.1 | 34.3 | -32.8 | 75.2 | 15.4 | 37.4 | 40.1 |



Balkrishna Industries

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

CMP: INR2,904 **TP: INR2,890** **Neutral**

Operationally better Q2; Demand headwinds to persist
Increased capex guidance to INR8-10b for FY25 from INR6-7b earlier

| | |
|-----------------------|-------------|
| Bloomberg | BIL IN |
| Equity Shares (m) | 193 |
| M.Cap.(INRb)/(USD) | 562.1 / 6.7 |
| 52-Week Range (INR) | 3378 / 2194 |
| 1, 6, 12 Rel. Per (%) | 3/14/-14 |
| 12M Avg Val (INR M) | 928 |

- Balkrishna Industries (BIL)'s 2QFY25 was operationally better than expected with EBITDA of INR6.2b (+13% YoY, est. INR5.9b), led by better ASP and lower promotional expenses. However, Adj. PAT was in line. Weak demand in its key markets (ex India) remains the key cause of concern going forward even as margins are likely to stabilize at current levels for H2.
- Our earnings estimate remains unchanged. Most of the positives seem priced in at current valuations. We maintain our Neutral rating with a TP of INR2,890, based on ~24x Sep'26E EPS.

Financials & valuations (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|----------------|-------|-------|-------|
| Sales | 105.0 | 121.4 | 137.7 |
| EBITDA | 26.9 | 33.2 | 38.0 |
| Adj. PAT | 16.4 | 21.4 | 25.2 |
| EPS (Rs) | 85.0 | 110.6 | 130.2 |
| EPS Growth (%) | 11.1 | 30.1 | 17.7 |
| BV/Share (Rs) | 523.0 | 609.7 | 709.9 |

Ratios

| | | | |
|------------|------|------|------|
| RoE (%) | 17.3 | 19.5 | 19.7 |
| RoCE (%) | 14.0 | 15.9 | 16.6 |
| Payout (%) | 23.5 | 21.7 | 23.0 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 34.2 | 26.2 | 22.3 |
| P/BV (x) | 5.6 | 4.8 | 4.1 |
| Div. yield (%) | 0.7 | 0.8 | 1.0 |
| FCF yield (%) | 2.1 | 2.4 | 3.1 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|--------------|--------|--------|--------|
| Promoter (%) | 58.3 | 58.3 | 58.3 |
| DII (%) | 23.5 | 22.4 | 21.2 |
| FII (%) | 11.7 | 12.6 | 12.5 |
| Others (%) | 6.5 | 6.7 | 7.9 |

FII includes depository receipts

Demand-related challenges to sustain globally except in India

- BIL's standalone 2QFY25 revenue/EBITDA/PAT grew 10%/13%/4% YoY to INR24.65b/INR6.2b/INR3.5b (est. INR24.6b/INR5.9b/INR3.65b). 1HFY25 revenues /EBITDA/adj. PAT grew 19%/29%/28% YoY. For 2HFY25, we expect the same to grow 4%/1%/-1% YoY.
- Volumes grew 4% YoY to 73.3k tons (in-line). Realizations grew 6% YoY at INR336.3k/unit (est. INR329k), led by a favorable product mix and hedge rates.
- Gross margins expanded 60bp YoY (-60 QoQ) to 52.5% (est.52.6%). Impact of increase in RM costs by 3-4% impact in 2QFY25 was more than offset by improved mix and better hedge rate.
- EBIDTA margin expanded 70 bp YoY to 25.1% (est.23.9%). Lower other expenses (w/o freight costs) aided margin expansion. Other expenses were down QoQ as IPL-related promotional expenses were included in Q1.
- Further, unrealized FX loss, combined with higher than est. interest costs, was offset by higher other income, which led to adj. PAT growth of 4% YoY to INR3.5b (est. INR3.65b).
- 1HFY25 FCF halved to INR3.2b from 1HFY24 levels. This was mainly due to the weaker operating cash flow of INR8.6b (INR12.2b in 1HFY24). Capex stood at INR5.4b, similar to previous year levels.
- Gross debt as of Sep'24 stood at INR30.6b with cash and cash equivalents of INR29.94b, resulting in a net debt of INR0.68b.
- The Board declared a second interim dividend of INR4 per share, bringing the cumulative 1H dividend to INR8 per share.

Highlights from the management commentary

- **Demand outlook:** Expect minor volume growth in FY25. Persistent headwinds, including recessionary pressures in the US, elevated sea freight, and geopolitical challenges, continue to impact operational performance. Demand in international markets remain weak, while the same in India is healthy.

- **EBITDA margin** for H2 is expected to be ~25%, close to 2QFY25 level. RM costs had a 3-4% impact in 2QFY25. While they have not taken any price hike in Q2, they took a 1-2% price increase in Q3. this is expected to help offset the RM cost pressure in 3Q.
- **Freight costs:** Freight costs in 3Q are likely to slightly decline QoQ.
- **Increased capex guidance:** The company has increased its capex guidance to INR8-10b for FY25 vs. INR6-7b earlier. For 1HFY25, the company spent INR5.4b.

Valuation and view

- The retail demand in key global markets is currently weak and likely to remain uncertain due to ongoing geopolitical challenges. As a result, despite strong growth in 1QFY25, the management has guided for flat volume growth for FY25. Further, rising cost pressures are likely to cap margin upside – management expects margins to remain stable in the coming quarters.
- At a P/E multiple of 34x/26x FY25E/FY26E EPS, most of the positives seem priced in. We value BIL at 24x Sep’26E EPS (vs ~22x, 10-year LPA) to arrive at our TP of INR2,890. We reiterate our **Neutral** stance on the stock.

Quarterly Earning Model (Standalone)

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | 2QE | VAR (%) |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|--------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Volumes (Ton) | 67,209 | 70,585 | 72,749 | 82,085 | 83,570 | 73,298 | 74,204 | 79,427 | 2,92,628 | 3,10,499 | 74,820 | -2 |
| YoY Change (%) | -19.2 | -10.5 | 9.4 | 12.9 | 24.3 | 3.8 | 2.0 | -3.2 | -2.8 | 6.1 | 6.0 | |
| Realizations (INR '000/ton) | 314.7 | 318.3 | 318.3 | 328.6 | 328.1 | 336.3 | 339.6 | 340.8 | 320.4 | 336.0 | 329.0 | 2 |
| YoY Change (%) | -4.0 | -10.5 | -4.5 | 2.7 | 4.2 | 5.6 | 6.7 | 3.7 | -4.2 | 4.9 | 3.4 | |
| Net Revenues | 21,150 | 22,468 | 23,158 | 26,971 | 27,415 | 24,648 | 25,202 | 27,065 | 93,760 | 1,04,331 | 24,619 | 0 |
| YoY Change (%) | -22.4 | -19.9 | 4.5 | 16.0 | 29.6 | 9.7 | 8.8 | 0.4 | -6.9 | 11.3 | 9.6 | |
| EBITDA | 4,863 | 5,480 | 5,868 | 7,098 | 7,137 | 6,185 | 6,326 | 6,816 | 23,322 | 26,463 | 5,884 | 5 |
| Margins (%) | 23.0 | 24.4 | 25.3 | 26.3 | 26.0 | 25.1 | 25.1 | 25.2 | 24.9 | 25.4 | 23.9 | 120bp |
| Depreciation | 1,537 | 1,586 | 1,591 | 1,724 | 1,617 | 1,647 | 1,700 | 1,732 | 6,438 | 6,695 | 1,650 | |
| Interest | 208 | 229 | 354 | 299 | 143 | 404 | 300 | 225 | 1,089 | 1,072 | 150 | |
| Forex loss/(gain) | -330 | -250 | 520 | -490 | -60 | 530 | 0 | 0 | -550 | 500 | 0 | |
| Other Income | 660 | 520 | 700 | 870 | 830 | 1,048 | 750 | 435 | 2,750 | 3,063 | 700 | |
| PBT before EI | 4,108 | 4,435 | 4,104 | 6,436 | 6,267 | 4,653 | 5,076 | 5,294 | 19,095 | 21,259 | 4,784 | |
| Extra-Ord expense | 0 | 0 | 0 | 98 | 0 | 0 | 0 | 0 | 98 | 0 | 0 | |
| PBT | 4,108 | 4,435 | 4,104 | 6,337 | 6,267 | 4,653 | 5,076 | 5,294 | 18,997 | 21,259 | 4,784 | |
| Rate (%) | 23.9 | 24.5 | 24.8 | 24.1 | 23.8 | 24.9 | 23.7 | 24.7 | 24.3 | 24.3 | 23.7 | |
| Adj PAT | 3,125 | 3,350 | 3,084 | 4,884 | 4,773 | 3,496 | 3,873 | 3,988 | 14,456 | 16,100 | 3,650 | -4 |
| YoY Change (%) | -2.3 | -17.1 | 209.9 | 89.6 | 52.7 | 4.3 | 25.6 | -18.3 | 34.0 | 11.4 | 9.0 | |

E: MOFSL Estimates

Key Performance Indicators

| Y/E March | FY24 | | | | FY25E | | | | FY24E | FY24E | 2Q |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|--------|
| | 1Q | 2Q | 3Q | 4QE | 1Q | 2Q | 3Q | 4QE | | | |
| Volumes (Ton) | 67,209 | 70,585 | 72,749 | 82,085 | 83,570 | 73,298 | 74,204 | 79,427 | 2,92,628 | 3,10,499 | 74,820 |
| YoY Change (%) | -19.2 | -10.5 | 9.4 | 12.9 | 24.3 | 3.8 | 2.0 | -3.2 | -2.8 | 6.1 | 6.0 |
| Realizations (INR '000/ton) | 314.7 | 318.3 | 318.3 | 328.6 | 328.1 | 336.3 | 339.6 | 340.8 | 320.4 | 336.0 | 329.0 |
| YoY Change (%) | -4.0 | -10.5 | -4.5 | 2.7 | 4.2 | 5.6 | 6.7 | 3.7 | -4.2 | 4.9 | 3.4 |
| Gross Margins (%) | 51.7 | 51.9 | 52.0 | 53.3 | 53.1 | 52.5 | 52.4 | 52.3 | 52.3 | 52.6 | 52.6 |
| EBITDA Margins (%) | 23.0 | 24.4 | 25.3 | 26.3 | 26.0 | 25.1 | 25.1 | 25.2 | 24.9 | 25.4 | 23.9 |
| Gross Profit (INR '000/ton) | 162.6 | 165.1 | 165.6 | 175.1 | 174.2 | 176.7 | 178.0 | 178.3 | 167.5 | 176.7 | 173.1 |
| EBITDA (INR '000/ton) | 72.4 | 77.6 | 80.7 | 86.5 | 85.4 | 84.4 | 85.2 | 85.8 | 79.7 | 85.2 | 78.6 |



Phoenix Mills

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

CMP: INR1,484 TP: 1,652 (+11%) Neutral

Ramp-up of new assets drives growth in portfolio

Revenue/EBITDA in line; marginal miss on PAT

- Phoenix Mills (PHNX) posted 2QFY25 revenue of INR9.2b, up 5% YoY (in line). EBITDA stood at INR5.2b, up 2% YoY (6% below est.) as margin contracted 143bp YoY. PAT declined by 14% YoY to INR2.2b (12% below est.), with a margin of ~24%.
- For 1HFY25, PHNX generated OCF (post-interest) of INR8.1b (down 8% YoY) and incurred INR13.8b on capex. It also received INR2.7b from JV partners, and hence, the consolidated net debt increased sequentially to INR24b.

New malls drive strong consumption and rental growth

- Total consumption stood at ~INR33b, up 24% YoY, driven by a healthy ramp-up in new malls at Bengaluru, Pune, and Ahmedabad. Among the mature assets, PMC Mumbai delivered 6% YoY growth, aided by upgradation measures implemented in the last few years.
- On an LfL basis (excluding the contribution from new malls), consumption rose 5% YoY. Among the key categories, jewelry/hypermarkets outperformed with 33%/12% YoY growth, while electronics stood flat at 3% YoY. The entertainment and multiplex segment declined 15% YoY in 2Q.
- Retail income growth (of 22% YoY) was in line with consumption growth. Rental income was INR4.7b and EBITDA came in at INR5b (up 22% YoY), with a margin of 104%.
- Trading occupancy stood at 92% as of Sep'24, while leased occupancy was 97%. PHNX expects to achieve trading occupancy of >95% by FY25 end, which would drive 16% growth in retail rental income in FY25.

Steady show in hospitality; office rentals to scale up from FY26E

- Hospitality:** Occupancy improved YoY to 85% for St. Regis (vs. 82% in 2QFY24) but declined to 67% at Marriott Agra (vs. 69% in 2QFY24). St. Regis reported an ARR of INR17,320, flat YoY. Marriott Agra's ARR grew by 8% YoY to INR4,569. Total income was up 16% YoY at INR1.3b. EBITDA stood at INR0.53b, up 15% YoY.
- Commercial performance:** Occupancy in office assets was steady at 70% and rental income rose 19% YoY to INR540m. EBITDA came in at INR340m, up 31% YoY.
- PHNX is expected to deliver 1.6msf of office assets across Bengaluru, Pune, and Chennai over the next 9-12 months. Bengaluru office assets will become operational in 4QFY25 and can reach 80-90% occupancy in FY26. We expect a 39% CAGR in its office rental income over FY24-FY27.

Highlights from the management commentary

- LfL consumption growth:** LfL growth was 5% in 2Q and 6% in 1H, guided by jewelry/hypermarkets.

| | |
|-----------------------|------------|
| Bloomberg | PHNX IN |
| Equity Shares (m) | 357 |
| M.Cap.(INRb)/(USDb) | 530 / 6.3 |
| 52-Week Range (INR) | 2069 / 863 |
| 1, 6, 12 Rel. Per (%) | -10/-13/39 |
| 12M Avg Val (INR M) | 1521 |

Financials & Valuations (INR b)

| Y/E Mar | FY24 | FY25E | FY26E |
|-------------------|-------|-------|-------|
| Sales | 39.8 | 40.1 | 46.7 |
| EBITDA | 21.8 | 23.7 | 29.0 |
| EBITDA (%) | 54.7 | 59.2 | 62.1 |
| PAT | 11.0 | 10.8 | 14.9 |
| EPS (INR) | 30.8 | 30.3 | 41.6 |
| EPS Gr. (%) | 50.6 | -1.4 | 36.9 |
| BV/Sh. (INR) | 264.9 | 292.9 | 331.5 |
| Ratios | | | |
| Net D/E | 0.4 | 0.3 | 0.1 |
| RoE (%) | 12.3 | 10.9 | 13.3 |
| RoCE (%) | 12.3 | 11.3 | 13.6 |
| Payout (%) | 8.1 | 9.9 | 7.2 |
| Valuations | | | |
| P/E (x) | 48.2 | 48.9 | 35.7 |
| P/BV (x) | 5.6 | 5.1 | 4.5 |
| EV/EBITDA (x) | 26.1 | 23.5 | 18.6 |
| Div Yield (%) | 0.2 | 0.2 | 0.2 |

Shareholding pattern (%)

| As on | Sep-24 | Jun-24 | Sep-23 |
|--------------|--------|--------|--------|
| Promoter (%) | 47.3 | 47.3 | 47.3 |
| DII (%) | 13.2 | 13.3 | 18.5 |
| FII (%) | 35.5 | 35.4 | 30.0 |
| Others (%) | 4.1 | 4.0 | 4.2 |

- **Business development:** All the assets within the current pipeline will be delivered by FY27, and it is currently evaluating opportunities that can support growth beyond FY27. PHNX acquired two land parcels - one in Coimbatore (9acres) and Chandigarh Mohali (13.1). With the acquisition in Coimbatore & Chandigarh Mohali, PHNX will double its portfolio by FY30.
- **Status of key upcoming assets:** Thane and Bengaluru lands are under the designing stage, and the development mix is not yet finalized. The management intends to launch the residential project in Kolkata in 1-2 quarters. The excavation is complete for the Surat Mall, and construction is underway, which would take three years to complete.

Valuation and view

- While new malls continue to ramp up well, PHNX is taking measures to accelerate consumption at mature malls. These initiatives, along with a further increase in the trading occupancy, will help in sustaining healthy traction in consumption. However, in the absence of completion of any major new mall, we expect the growth to decelerate in FY26-27.
- That said, we remain confident in the long-term consumption growth, which should be at least ~7-8%. We value the mature malls at 20x EV/EBITDA and the new malls at 25x EV/EBITDA. **Reiterate Neutral with a TP of INR1,652.**

Quarterly Performance (INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E 2QE | Var. % |
|------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|--------------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Gross Sales | 8,106 | 8,750 | 9,861 | 13,059 | 9,041 | 9,180 | 10,415 | 11,421 | 39,777 | 40,057 | 9,213 | 0% |
| YoY Change (%) | 41.1 | 34.4 | 44.2 | 79.1 | 11.5 | 4.9 | 5.6 | -12.5 | 50.8 | 0.7 | 5.3 | |
| Total Expenditure | 3,183 | 3,691 | 4,343 | 6,792 | 3,731 | 4,003 | 4,254 | 4,374 | 18,009 | 16,362 | 3,731 | |
| EBITDA | 4,923 | 5,060 | 5,518 | 6,267 | 5,310 | 5,177 | 6,161 | 7,047 | 21,768 | 23,695 | 5,482 | -6% |
| Margins (%) | 60.7 | 57.8 | 56.0 | 48.0 | 58.7 | 56.4 | 59.2 | 61.7 | 54.7 | 59.2 | 59.5 | -311bps |
| Depreciation | 630 | 659 | 656 | 757 | 775 | 775 | 960 | 1,182 | 2,702 | 3,692 | 849 | |
| Interest | 957 | 965 | 1,042 | 995 | 1,031 | 1,031 | 1,021 | 539 | 3,959 | 3,622 | 898 | |
| Other Income | 290 | 316 | 343 | 372 | 383 | 371 | 333 | 196 | 1,322 | 1,283 | 295 | |
| PBT before EO expense | 3,627 | 3,752 | 4,163 | 4,886 | 3,887 | 3,741 | 4,513 | 5,521 | 16,429 | 17,663 | 4,029 | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | -5 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PBT | 3,627 | 3,752 | 4,163 | 4,886 | 3,882 | 3,741 | 4,513 | 5,521 | 16,429 | 17,663 | 4,029 | -7% |
| Tax | 730 | 714 | 724 | 998 | 747 | 835 | 1,134 | 1,721 | 3,166 | 4,437 | 1,012 | |
| Rate (%) | 20.1 | 19.0 | 17.4 | 20.4 | 19.2 | 22.3 | 25.1 | 31.2 | 19.3 | 25.1 | 25.1 | |
| MI & P/L of Asso. Cos. | 492 | 512 | 646 | 621 | 809 | 725 | 618 | 225 | 2,270 | 2,378 | 547 | 33% |
| Reported PAT | 2,405 | 2,526 | 2,793 | 3,267 | 2,326 | 2,181 | 2,761 | 3,575 | 10,993 | 10,849 | 2,470 | -12% |
| Adj PAT | 2,405 | 2,526 | 2,793 | 3,267 | 2,331 | 2,181 | 2,761 | 3,575 | 10,993 | 10,849 | 2,470 | -12% |
| YoY Change (%) | 48.5 | 35.9 | 58.3 | 58.9 | -3.1 | -13.7 | -1.1 | 9.4 | 1,880.3 | 1,986.7 | -2.2 | |
| Margins (%) | 29.7 | 28.9 | 28.3 | 25.0 | 25.8 | 23.8 | 26.5 | 31.3 | 27.6 | 27.1 | 26.8 | |

Source: Company, MOFSL



United Breweries

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

| | |
|-----------------------|-------------|
| Bloomberg | UBBL IN |
| Equity Shares (m) | 264 |
| M.Cap.(INRb)/(USDb) | 524.5 / 6.2 |
| 52-Week Range (INR) | 2205 / 1547 |
| 1, 6, 12 Rel. Per (%) | 0/-9/-2 |
| 12M Avg Val (INR M) | 557 |

Financials & Valuations (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|----------------|-------|-------|-------|
| Net Sales | 90.4 | 102.4 | 115.0 |
| Sales Gr. (%) | 11.3 | 13.3 | 12.3 |
| EBITDA | 9.1 | 12.5 | 15.2 |
| Margin (%) | 10.1 | 12.2 | 13.2 |
| Adj. PAT | 5.7 | 8.2 | 10.2 |
| Adj. EPS (INR) | 21.7 | 31.1 | 38.6 |
| EPS Gr. (%) | 39.4 | 43.6 | 24.2 |
| BV/Sh. (INR) | 169.6 | 186.3 | 207.0 |

Ratios

| | | | |
|----------|------|------|------|
| RoE (%) | 13.2 | 17.5 | 19.6 |
| RoCE (%) | 13.3 | 17.6 | 19.8 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (x) | 91.6 | 63.8 | 51.4 |
| P/BV (x) | 11.7 | 10.6 | 9.6 |
| EV/EBITDA (x) | 56.7 | 41.7 | 33.7 |

Shareholding Pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 70.8 | 70.8 | 71.0 |
| DII | 17.8 | 17.5 | 17.1 |
| FII | 6.3 | 6.4 | 6.7 |
| Others | 5.1 | 5.2 | 5.2 |

FII includes depository receipts

CMP: INR1,984 TP: INR1,950 (-2%) Neutral

Growth orientation sustains; slight beat in margin

- United Breweries (UBBL) delivered revenue growth of 12% YoY (est. 10%). Volume growth was at 5% YoY (est. 7%), partially impacted by unfavorable weather conditions across several states. The Premium portfolio continued to deliver strong performance, posting a 27% YoY growth (44% in 1QFY25).
- The North, West, and South regions reported 12%, 12%, and 1% volume growth, respectively. However, the East region declined 6% YoY. The volume growth was driven by states such as UP, Rajasthan, Maharashtra, Karnataka, and Telangana. Meanwhile, West Bengal, Delhi, and TN exhibited weak performance.
- GM contracted 70bp YoY but expanded 100bp QoQ to 43.8% (est. 44.3%), led by product mix and cost initiatives. Cost control, local production initiatives, and product mix led to 100bp YoY expansion in EBITDA margin to 10.7%.
- The company remains focused on volume-led growth along with share gain in the premium portfolio. It has introduced Amstel Bier in India to further improve its footprint in the premium segment. The initial launch will be in Maharashtra. We model 12% revenue CAGR during FY24-27E led by high single-digit volume growth. We model EBITDA margin of 12-13% for FY26/FY27 (16-17% in FY18/FY19).
- We value the stock on 55x Sep'26E EPS to derive a TP of INR1,950 (maintain). With limited downside in the stock, we upgrade our rating from **SELL to NEUTRAL**.

Weak volume growth; miss on all fronts

- **Premium portfolio continues to shine:** UBBL's standalone net sales grew 12% YoY to INR21.1b (est. INR20.8b). Volume grew 5% YoY (est. 7%), with premium segment volume rising 27% YoY (~+17% in FY24). The company has been able to sustain superior volume growth for its premium portfolio.
- **North and West remains strong:** North, West, and South reported 12%, 12%, and 1% YoY volume growth, respectively, while East declined to 6% YoY. Uttar Pradesh, Rajasthan, Maharashtra, Orissa, Telangana, Karnataka, and Andhra Pradesh reported volume growth, partially offset by a decline in Delhi, Goa, West Bengal, and Tamil Nadu. The company has implemented price hikes in Rajasthan, Karnataka, and Tamil Nadu.
- **Margin expansion:** Gross margin contracted 70bp on YoY but expanded 100bp QoQ to 43.8% (est. 44.3%). The expansion in gross margin is attributed to the favorable mix and price hike. Employee expenses rose 6% YoY and other expenses rose 7% YoY during the quarter. EBITDA margin expanded 100bp YoY to 10.7% (est. 10.1%).
- **Beat on profitability:** EBITDA/PBT/APAT grew 23%, each to INR2.3b/INR1.8b/1.3b (est. INR2.1b/INR1.6b/INR1.2b) during the quarter.
- **In 1HFY25**, net sales, EBITDA, and APAT grew 10%, 26%, and 25%. In 2HFY25, the growth has been modeled at 12%/38%/67%, respectively.

Highlights from the management commentary

- Volume growth was limited to 5% in Q2FY25 due to unfavorable weather conditions across several states, which led to a softening in demand.
- Volume growth was driven by Maharashtra and Karnataka, partially offset by a decline in West Bengal, Tamil Nadu, and Delhi.
- The company reported minimal impact from slower urban demand during the quarter.
- The pricing policy remains pending as government plans for pricing and duties are expected to be finalized within the next 90 days.
- Input costs are expected to be volatile over the next few quarters.
- The company has launched Amstel Bier in India, a slow-brewed beer crafted with high-quality ingredients. It will initially be available only in Maharashtra.

Valuation and view

- We maintain our EPS estimates for FY25 and FY26.
- The company is facing numerous challenges, including stiff competition from both local and international brands in India and regulatory issues in the industry.
- UBBL posted a 5% volume growth in 2QFY25 (+2% in FY24). Though the company's premium portfolio has been growing strongly, the pace of growth was slower than that of other premium brands for majority of FY24. We model revenue/EBITDA/ adj. PAT CAGR of 12%/30%/36% over FY24-27E.
- We model EBITDA margin recovery in FY25 and FY26; any delay in margin recovery can potentially lead to some earnings cuts. With limited downside, we upgrade our rating to NEUTRAL from SELL. **Our TP is INR1,950 (based on 55x Sep'26E EPS).**

Standalone Quarterly Performance

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25 | Var. |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | |
| Volume Growth (%) | -12 | 7 | 8 | 11 | 5 | 5 | 9 | 9 | 2 | 7 | 7 | |
| Net Sales | 22,732 | 18,880 | 18,227 | 21,315 | 24,730 | 21,147 | 20,505 | 24,008 | 81,227 | 90,389 | 20,768 | 1.8% |
| YoY Change (%) | -6.7 | 12.4 | 13.1 | 20.8 | 8.8 | 12.0 | 12.5 | 12.6 | 8.3 | 11.3 | 10.0 | |
| Gross Profit | 9,221 | 8,408 | 8,018 | 8,894 | 10,642 | 9,272 | 9,022 | 10,202 | 34,703 | 39,139 | 9,200 | 0.8% |
| Margin (%) | 40.6 | 44.5 | 44.0 | 41.7 | 43.0 | 43.8 | 44.0 | 42.5 | 42.7 | 43.3 | 44.3 | |
| EBITDA | 2,228 | 1,846 | 1,456 | 1,420 | 2,847 | 2,268 | 1,885 | 2,095 | 6,962 | 9,095 | 2,097 | 8.2% |
| YoY Change (%) | -15.9 | -15.8 | 89.9 | 165.6 | 27.8 | 22.9 | 29.5 | 47.5 | 13.0 | 30.6 | 13.6 | |
| Margins (%) | 9.8 | 9.8 | 8.0 | 6.7 | 11.5 | 10.7 | 9.2 | 8.7 | 8.6 | 10.1 | 10.1 | |
| Depreciation | 513 | 508 | 518 | 577 | 577 | 571 | 523 | 425 | 2,119 | 2,095 | 550 | |
| Interest | 17 | 14 | 21 | 18 | 16 | 22 | 20 | 12 | 69 | 70 | 20 | |
| Other Income | 103 | 122 | 241 | 263 | 73 | 105 | 225 | 386 | 737 | 789 | 100 | |
| PBT | 1,801 | 1,446 | 1,158 | 1,088 | 2,327 | 1,781 | 1,567 | 2,044 | 5,511 | 7,719 | 1,627 | 9.5% |
| Tax | 440 | 369 | 310 | 280 | 595 | 458 | 392 | 484 | 1,403 | 1,992 | 420 | |
| Rate (%) | 24.5 | 25.5 | 26.7 | 25.7 | 25.5 | 25.7 | 25.0 | 23.7 | 25.5 | 25.8 | 25.8 | |
| Reported PAT | 1,361 | 1,076 | 849 | 808 | 1,733 | 1,322 | 1,175 | 1,560 | 4,109 | 5,728 | 1,207 | 9.6% |
| Adj PAT | 1,361 | 1,076 | 849 | 808 | 1,733 | 1,322 | 1,175 | 1,560 | 4,109 | 5,728 | 1,207 | 9.6% |
| YoY Change (%) | -15.8 | -19.8 | 274.9 | 730.8 | 27.3 | 22.9 | 38.5 | 93.0 | 24.7 | 39.4 | 12.1 | |
| Margins (%) | 6.0 | 5.7 | 4.7 | 3.8 | 7.0 | 6.3 | 5.7 | 6.5 | 5.1 | 6.3 | 5.8 | |

E: MOFSL Estimates



IDFC First Bank

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

CMP: INR66 TP: INR73 (+11%) Neutral

PPoP inline; elevated provisioning drags earnings

Credit cost guidance raised to 2.2-2.25%

| | |
|-----------------------|-------------|
| Bloomberg | IDFCFB IN |
| Equity Shares (m) | 7316 |
| M.Cap.(INRb)/(USDb) | 490.1 / 5.8 |
| 52-Week Range (INR) | 92 / 65 |
| 1, 6, 12 Rel. Per (%) | -3/-29/-51 |
| 12M Avg Val (INR M) | 3239 |

Financial and Valuation (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|---------------|-------|-------|-------|
| NII | 164.5 | 196.3 | 236.0 |
| OP | 62.4 | 80.5 | 101.8 |
| NP | 29.6 | 24.4 | 40.2 |
| NIM (%) | 6.1 | 6.0 | 6.0 |
| EPS (INR) | 4.3 | 3.5 | 5.7 |
| BV/Sh. (INR) | 45 | 49 | 54 |
| ABV/Sh. (INR) | 44 | 46 | 52 |

Ratios

| | | | |
|---------|------|-----|------|
| RoA (%) | 1.1 | 0.7 | 1.0 |
| RoE (%) | 10.2 | 7.3 | 11.0 |

Valuations

| | | | |
|-----------|------|------|------|
| P/E(X) | 15.2 | 18.9 | 11.5 |
| P/BV (X) | 1.4 | 1.3 | 1.2 |
| P/ABV (X) | 1.5 | 1.4 | 1.3 |

Shareholding Pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 35.4 | 37.4 | 39.4 |
| DII | 15.3 | 11.7 | 12.4 |
| FII | 19.6 | 21.0 | 21.6 |
| Others | 29.8 | 30.0 | 26.7 |

- IDFC First Bank (IDFCFB) reported 2QFY25 PAT of INR2b (73% YoY decline, significant miss to MOFSLe) due to a spike in provisions.
- NII grew 21% YoY to INR47.9b (in-line), while margin moderated 4bp QoQ to 6.18%. Opex grew 17.7% YoY to INR45.5b (inline). C/I ratio stood at ~70%.
- Net advances grew 20.7% YoY (6.2% QoQ) while deposits grew 30.6% YoY (6.6% QoQ), with CASA mix improving 230bp QoQ to 48.9%.
- GNPA ratio increased 2bp QoQ to 1.92% while NNPA ratio improved 11bp QoQ to 0.48%. Credit cost was higher, primarily due to the prudent provisioning buffer of INR5.68b.
- **We cut our earnings by 18%/5% for FY25E/26E and estimate FY26E RoA/RoE of 1.0%/11.0%. Reiterate Neutral with a revised TP of INR73 (premised on 1.4x FY26E ABV).**

Deposits growth robust; margin moderates 4bp QoQ

- IDFCFB reported 2QFY25 PAT of INR2b (73% YoY decline, significant miss from MOFSLe) due to higher-than-expected provisions. In 1HFY25, earnings declined 42% YoY to INR8.8b and we estimate 2HFY25 earnings to grow 9% YoY to INR15.6b.
- NII grew 21% YoY to INR47.9b (in-line), while the margin moderated 4bp QoQ to 6.18%. Provisions increased 228% YoY to INR17.3b (47% higher than MOFSLe).
- Other income grew 21% YoY to INR17.3b (in-line). Opex grew 17.7% YoY to INR45.5b (in-line). C/I ratio, thus, eased slightly to ~70%. PPoP grew 30% YoY to INR19.6b (in-line). The management expects a C/I ratio of ~65% by FY27.
- On the business front, gross advances grew 21.5% YoY/6.3% QoQ, led by 25% YoY growth in retail finance and 21% growth in SME & Corporate finance. Rural book rose 5.8% QoQ (+13.6% YoY). Within retail, growth was led by vehicle (+8.4% QoQ) and cards (+6.6% QoQ). The share of consumer & rural finance was ~70% as of 2QFY25.
- Deposit growth remained healthy at 30.6% YoY/6.6% QoQ, with CASA mix improving 230bp QoQ to 48.9%. CD ratio moderated 44bp QoQ to 96.2%.
- GNPA ratio increased 2bp QoQ to 1.92% while NNPA ratio improved 11bp QoQ to 0.48%. PCR ratio increased 588bp QoQ to 75.3%. SMA book stood at 0.99% vs 1.01% in 1QFY25. Restructured book declined to 0.23% of funded assets.
- Credit cost was higher, primarily due to a prudent provisioning buffer of INR5.68b created for the MFI business (INR3.15b) and one legacy infrastructure toll road account. Excluding this, credit cost was at 1.8% for the quarter. The bank expects the credit cost to be ~2.25% for the year. Excluding the toll account and MFI, the credit cost is expected to be ~165-175bp.

Highlights from the management commentary

- The bank's merger was successfully completed in Oct'24. As a result of the merger, INR6.18b was added to the bank's net worth. Considering this as well as 1HFY25 profits, the total CRAR would be 16.60% with CET-I ratio of 14.08%.
- Contingency provisioning for MFI business equates to ~ 99% of the SMA-1+2 portfolio, and is 2.5% of the entire MFI portfolio.
- C/I ratio stood at 70.7% in 1HFY25 and is expected to improve to ~65% by FY27.

Valuation and view: Reiterate Neutral with a revised TP of INR73

IDFCFB reported a weak quarter with elevated provisioning causing a big drag on earnings. NIM moderated 4bp QoQ, though opex was in line with our expectations; this led to a slight easing in the C/I ratio. On the business front, deposit traction continued to remain robust, while CASA mix also witnessed an improvement. Advances growth also remained healthy, led by steady traction across Retail, SME, and Corporate finance. We estimate the C/I ratio to moderate gradually to ~66% by FY27 while it may remain elevated in the near term, primarily due to the need to mobilize deposits at a healthy run rate to further bring down the CD ratio. **We cut our earnings by 18%/5% for FY25E/26E and estimate FY26E RoA/RoE of 1.0%/11.0%. Reiterate Neutral with a revised TP of INR73 (premised on 1.4x FY26E ABV).**

Quarterly performance

| | FY24E | | | | FY25E | | | | FY24 | FY25E | FY25E | V/s |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | 2QE | | Est |
| Net Interest Income | 37.5 | 39.5 | 42.9 | 44.7 | 46.9 | 47.9 | 49.7 | 51.8 | 164.5 | 196.3 | 48.4 | -1% |
| % Change (Y-o-Y) | 36.1 | 31.6 | 30.5 | 24.2 | 25.4 | 21.2 | 15.9 | 16.0 | 30.2 | 19.4 | 22.6 | |
| Other Income | 14.1 | 14.3 | 15.2 | 16.4 | 16.2 | 17.3 | 18.1 | 19.5 | 60.0 | 71.1 | 16.9 | 2% |
| Total Income | 51.6 | 53.8 | 58.0 | 61.1 | 63.1 | 65.2 | 67.8 | 71.4 | 224.5 | 267.5 | 65.3 | 0% |
| Operating Expenses | 36.6 | 38.7 | 42.4 | 44.5 | 44.3 | 45.5 | 47.5 | 49.6 | 162.2 | 186.9 | 45.9 | -1% |
| Operating Profit | 15.0 | 15.1 | 15.6 | 16.6 | 18.8 | 19.6 | 20.3 | 21.8 | 62.4 | 80.5 | 19.4 | 1% |
| % Change (Y-o-Y) | 59.0 | 29.2 | 23.9 | 6.8 | 25.5 | 29.9 | 30.1 | 30.8 | 26.5 | 29.1 | 28.3 | |
| Provisions | 4.8 | 5.3 | 6.5 | 7.2 | 9.9 | 17.3 | 12.2 | 9.1 | 23.8 | 48.6 | 11.8 | 47% |
| Profit before Tax | 10.2 | 9.8 | 9.1 | 9.4 | 8.9 | 2.3 | 8.1 | 12.7 | 38.6 | 31.9 | 7.6 | -70% |
| Tax | 2.6 | 2.3 | 1.9 | 2.2 | 2.1 | 0.3 | 2.0 | 3.1 | 9.0 | 7.5 | 1.9 | -85% |
| Net Profit | 7.7 | 7.5 | 7.2 | 7.2 | 6.8 | 2.0 | 6.1 | 9.5 | 29.6 | 24.4 | 5.7 | -65% |
| % Change (Y-o-Y) | 61.3 | 35.2 | 18.4 | -9.8 | -11.0 | -73.3 | -14.9 | 31.7 | 21.3 | -17.3 | -24.2 | |
| Operating Parameters | | | | | | | | | | | | |
| Deposit (INR b) | 1,544 | 1,712 | 1,825 | 2,006 | 2,097 | 2,236 | 2,374 | 2,547 | 2,006 | 2,547 | 2,222 | 1% |
| Deposit Growth (%) | 36.2 | 38.7 | 37.2 | 38.7 | 35.8 | 30.6 | 30.0 | 27.0 | 38.7 | 27.0 | 29.8 | |
| Loan (INR b) | 1,674 | 1,781 | 1,855 | 1,946 | 2,026 | 2,151 | 2,254 | 2,399 | 1,946 | 2,355 | 2,121 | 1% |
| Loan Growth (%) | 26.3 | 27.0 | 27.3 | 24.4 | 21.0 | 20.7 | 21.5 | 23.3 | 28.2 | 21.0 | 19.1 | |
| Asset Quality | | | | | | | | | | | | |
| Gross NPA (%) | 2.2 | 2.1 | 2.0 | 1.9 | 1.9 | 1.9 | 2.0 | 2.0 | 1.9 | 2.1 | 2.0 | |
| Net NPA (%) | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.6 | 0.5 | 0.6 | |
| PCR (%) | 68.1 | 68.2 | 66.9 | 68.8 | 69.4 | 75.3 | 73.7 | 74.3 | 68.8 | 74.3 | 69.6 | |

Source: MOFSL, Company



Coromandel International

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

CMP: INR1,598 TP: INR2,000 (+25%) Buy

Lower subsidy; high RM costs continue to hurt performance

Operating performance above estimates

| | |
|-----------------------|-------------|
| Bloomberg | CRIN IN |
| Equity Shares (m) | 295 |
| M.Cap.(INRb)/(USDb) | 470.6 / 5.6 |
| 52-Week Range (INR) | 1792 / 1019 |
| 1, 6, 12 Rel. Per (%) | 4/37/16 |
| 12M Avg Val (INR M) | 599 |

- Coromandel International (CRIN) reported subdued operating performance in 2QFY25 (EBIT down 10% YoY) due to a lower NBS rate and high raw material prices, partly offset by healthy performance from the crop protection business (EBIT up 24% YoY).
- With improved reservoir levels and forecasts of above-normal northeast monsoons, the company is expecting healthy growth in fertilizer volumes in the upcoming quarters. This, coupled with the bottoming out of agrochemical prices, should lead to better performance in 2HFY25.
- We maintain our FY25/FY26 earnings estimates. We value the company at ~25x Sep'26E EPS to arrive at a TP of 2,000. **Reiterate BUY.**

Financials & Valuations (INR b)

| Y/E Mar | 2025E | 2026E | 2027E |
|--------------|-------|-------|-------|
| Sales | 226.2 | 242.5 | 264.0 |
| EBITDA | 24.7 | 30.3 | 34.8 |
| PAT | 16.5 | 21.5 | 25.2 |
| EBITDA (%) | 10.9 | 12.5 | 13.2 |
| EPS (INR) | 55.9 | 72.9 | 85.7 |
| EPS Gr. (%) | 0.2 | 30.4 | 17.6 |
| BV/Sh. (INR) | 361.9 | 420.8 | 492.5 |

Ratios

| | | | |
|------------|------|------|------|
| Net D/E | -0.3 | -0.3 | -0.4 |
| RoE (%) | 16.4 | 18.6 | 18.8 |
| RoCE (%) | 18.5 | 20.0 | 19.9 |
| Payout (%) | 25.0 | 19.2 | 16.3 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (x) | 28.6 | 21.9 | 18.7 |
| EV/EBITDA (x) | 17.9 | 14.2 | 11.9 |
| Div Yield (%) | 0.9 | 0.9 | 0.9 |
| FCF Yield (%) | 1.2 | 3.3 | 3.8 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 57.2 | 57.3 | 57.3 |
| DII | 21.3 | 20.8 | 21.1 |
| FII | 7.8 | 7.5 | 7.2 |
| Others | 13.8 | 14.4 | 14.3 |

Operating performance hit by the subdued fertilizer business

- CRIN reported overall revenue of INR74.3b (est. INR69.9b) in 2QFY25, up 6% YoY, led by higher sales volume.
- Total manufacturing volumes (NPK+DAP) grew 6% YoY to 1.1 MMT, and total phosphate fertilizer manufacturing volumes (including SSP) increased 6% YoY to 1.3 MMT during the quarter.
- Nutrient & other allied business revenue rose 7% YoY to INR67.5b, while crop protection business revenue grew 3% YoY to INR7.5b.
- EBITDA declined 8% YoY to INR9.75b (est. INR9.2b). As per our calculations, manufacturing EBITDA/MT (including SSP) stood at INR5,435 (down 25% YoY), while EBITDA/MT for phosphate fertilizers (DAP and NPK) stood at INR6,325 (down 25% YoY).
- EBIT margin for Nutrient & other allied business contracted 310bp YoY to 12.6%, while for crop protection business expanded 250bp YoY to 14.4%.
- Adjusted PAT stood at INR6.6b (est. INR6.5b), down 12% YoY.
- In 1HFY25, CRIN's revenue/EBITDA/Adj. PAT declined 4%/16%/22% YoY; however, implied revenue/EBITDA/Adj. PAT growth in 2H is expected to be 12%/56%/71% (on low base), with healthy growth in the key fertilizer volume and recovery in crop protection business.

Highlights from the management commentary

- **Outlook & guidance:** Management has maintained its EBITDA/MT guidance of ~INR4,500-5,000 for manufactured fertilizer (NPK and DAP) in FY25.
- **The crop protection** business clocked improved margins led by cost optimization initiatives. Management expects agrochemical prices to have bottomed out globally and is likely to inch up from next calendar year. CRIN introduced ~10 new products in 1HFY25 including one patented product.
- **Capex:** CRIN will incur capex of INR5.1b for enhancement of granulation capacity by 0.75m tons per annum for manufacturing of complex and unique fertilizers at Kakinada. It is also setting up of a 600 TPA state-of-the-art multi-product plant for manufacturing the recently off-patented Fungicides at Ankleshwar, Gujarat at the cost of INR1.6b.

Valuation and view

- The company's key product (NPK) witnessed volume resilience (up 6% YoY in 1HFY25) in 1H, but margins were under pressure due to lower NBS rate and high raw material prices. However, with extended southwest monsoon during the year and above-normal northeast monsoons, the rabi season is expected to do well.
- The operating performance of the fertilizer business is anticipated to witness healthy growth with better margins YoY in 2HFY25 (margins in 2HFY24 were lower due to reduced subsidy rate, higher RM costs, and subdued demand). The growth momentum within the crop protection business is likely to witness recovery going forward.
- We maintain our FY25/FY26 earnings estimates. We value the company at ~25x Sep'26E EPS to arrive at our TP of 2,000. **Reiterate BUY.**

Quarterly Performance

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25 | Var. |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|----------|
| Consolidated | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | % |
| Net Sales | 56,934 | 69,881 | 54,642 | 39,127 | 47,288 | 74,328 | 61,572 | 42,981 | 2,20,584 | 2,26,169 | 69,903 | 6 |
| YoY Change (%) | -0.6 | -30.9 | -34.2 | -28.5 | -16.9 | 6.4 | 12.7 | 9.8 | -25.5 | 2.5 | 0.0 | |
| Total Expenditure | 49,842 | 59,294 | 51,063 | 36,397 | 42,231 | 64,581 | 55,210 | 39,474 | 1,96,596 | 2,01,495 | 60,677 | |
| EBITDA | 7,092 | 10,587 | 3,578 | 2,730 | 5,058 | 9,748 | 6,362 | 3,506 | 23,988 | 24,674 | 9,226 | 6 |
| Margins (%) | 12.5 | 15.2 | 6.5 | 7.0 | 10.7 | 13.1 | 10.3 | 8.2 | 10.9 | 10.9 | 13.2 | |
| Depreciation | 481 | 540 | 635 | 630 | 653 | 690 | 680 | 660 | 2,286 | 2,682 | 655 | |
| Interest | 405 | 462 | 381 | 617 | 574 | 661 | 640 | 450 | 1,866 | 2,325 | 450 | |
| Other Income | 445 | 448 | 585 | 835 | 541 | 650 | 800 | 1,002 | 2,314 | 2,993 | 537 | |
| PBT before EO expense | 6,651 | 10,033 | 3,147 | 2,319 | 4,372 | 9,047 | 5,842 | 3,399 | 22,150 | 22,660 | 8,659 | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PBT | 6,651 | 10,033 | 3,147 | 2,319 | 4,372 | 9,047 | 5,842 | 3,399 | 22,150 | 22,660 | 8,659 | |
| Tax | 1,674 | 2,450 | 776 | 578 | 1,125 | 2,328 | 1,471 | 855 | 5,478 | 5,779 | 2,179 | |
| Rate (%) | 25.2 | 24.4 | 24.7 | 24.9 | 25.7 | 25.7 | 25.2 | 25.2 | 24.7 | 25.5 | 25.2 | |
| Minority Interest & P/L of Asso. Cos. | 36 | 15 | 61 | 138 | 137 | 79 | 64 | 144 | 250 | 425 | 16 | |
| Reported PAT | 4,940 | 7,569 | 2,310 | 1,603 | 3,110 | 6,641 | 4,308 | 2,399 | 16,422 | 16,457 | 6,464 | |
| Adj PAT | 4,940 | 7,569 | 2,310 | 1,603 | 3,110 | 6,641 | 4,308 | 2,399 | 16,422 | 16,457 | 6,464 | 3 |
| YoY Change (%) | -1.0 | 2.2 | -56.2 | -34.9 | -37.1 | -12.3 | 86.5 | 49.6 | -18.4 | 0.2 | (14.6) | |
| Margins (%) | 8.7 | 10.8 | 4.2 | 4.1 | 6.6 | 8.9 | 7.0 | 5.6 | 7.4 | 7.3 | 9.2 | |

Key Performance Indicators

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Consolidated | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | |
| Volume Growth (%) | 20.3 | -20.8 | -7.7 | -19.5 | -3.4 | 24.6 | 7.8 | 7.5 | -9.6 | 9.8 |
| Manufacturing (%) | 10.6 | -8.2 | -9.8 | -9.6 | 3.3 | 6.3 | 6.3 | 5.8 | -5.0 | 5.5 |
| Trading (%) | 59.9 | -53.0 | -3.3 | -31.0 | -22.4 | 116.1 | 10.9 | 10.1 | -19.4 | 20.5 |
| Mfg EBITDA/MT (INR) | 6,754 | 7,230 | 1,330 | 2,890 | 4,261 | 5,435 | 4,200 | 3,500 | 4,190 | 4,015 |
| Cost Break-up | | | | | | | | | | |
| RM Cost (% of sales) | 74.1 | 73.2 | 79.1 | 72.1 | 73.6 | 74.9 | 75.5 | 70.8 | 74.7 | 74.0 |
| Staff Cost (% of sales) | 2.9 | 2.5 | 3.4 | 4.4 | 3.9 | 2.5 | 3.1 | 4.9 | 3.2 | 3.4 |
| Freight Cost (% of sales) | 5.3 | 4.3 | 5.6 | 6.4 | 6.0 | 5.0 | 5.6 | 6.5 | 5.3 | 5.6 |
| Other Cost (% of sales) | 5.2 | 4.7 | 5.3 | 10.2 | 5.8 | 4.5 | 5.5 | 9.7 | 6.0 | 6.0 |
| Gross Margins (%) | 25.9 | 26.8 | 20.9 | 27.9 | 26.4 | 25.1 | 24.5 | 29.2 | 25.3 | 26.0 |
| EBITDA Margins (%) | 12.5 | 15.2 | 6.5 | 7.0 | 10.7 | 13.1 | 10.3 | 8.2 | 10.9 | 10.9 |
| EBIT Margins (%) | 11.6 | 14.4 | 5.4 | 5.4 | 9.3 | 12.2 | 9.2 | 6.6 | 9.8 | 9.7 |



Bandhan Bank

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

CMP: INR168 TP: INR190 (+13%) Neutral

Healthy earnings growth; asset quality deteriorates

Guides for FY25 credit cost of 1.8-2.0%

- Bandhan Bank (BANDHAN) reported 2QFY25 PAT at INR9.4b (30% YoY growth, 7% beat), led by healthy other income and contained provisions.
- NII grew 21% YoY to INR29.5b (in line). Margins moderated 20bp QoQ to 7.4%. Other income grew 10% YoY to INR5.9b (7% beat).
- Opex grew 21% YoY/ 6% QoQ to INR16.9b (in line). C/I ratio increased to 47.6% in 2QFY25.
- Business growth was healthy, with net advances growing 23.6% YoY/3.7% QoQ and deposits up 27.2% YoY/7% QoQ. CASA ratio moderated slightly to 33.2%.
- GNPA/NNPA ratios deteriorated by 45bp/14bp QoQ to 4.68%/1.29%. Slippages increased to INR11.1b vs. INR8.9b in 1QFY25 due to stress in MFI. SMA book increased 100bp QoQ to 3.3%.
- **We cut our earnings estimates for FY26 by 7% and expect FY26E RoA/RoE of 1.9%/16.3%. Reiterate Neutral with a revised TP of INR190 (premised on 1.2x FY26E ABV).**

Deposit growth steady; margins moderate 20bp QoQ

- BANDHAN reported 2QFY25 PAT at INR9.4b (30% YoY growth, 7% beat), led by healthy other income and contained provisions. In 1HFY25, earnings grew 39% YoY to INR20b, and we estimate 2HFY25 earnings to grow 140% YoY to INR19b.
- NII grew 21% YoY to INR29.5b (in line). Margins moderated 20bp QoQ to 7.4% due to a change in the product mix toward secured loans.
- Other income grew 10% YoY/12.7% QoQ to INR5.9b (7% beat), resulting in 18.7% YoY growth in total revenue (in line). Opex grew 21% YoY/6% QoQ to INR16.9b (in line). PPop thus grew 17.2% YoY to INR18.6b (in line).
- Advances grew 23.6% YoY/3.7% QoQ. EEB book grew 10% YoY (down 4% QoQ), whereas non-micro credit book rose 33% YoY (12% QoQ). The bank guided for ~18% credit growth going forward.
- Deposit growth was healthy at 27.2% YoY/7% QoQ. CASA ratio inched lower by 20bp QoQ to 33.2%.
- GNPA/NNPA ratios deteriorated by 45bp/14bp QoQ to 4.68%/1.29%. Slippages increased to INR11.1b vs. INR8.9b in 1QFY25 due to stress in MFI. SMA book rose 100bp QoQ to 3.3%. PCR moderated to 73.5%. Collection efficiency for EEB loans was marginally lower at 98.1% for 2QFY25 (97.8% for Sep'24).

Highlights from the management commentary

- The board has approved the appointment of Mr. Partha Pratim Sengupta as MD & CEO with effect from 1st Nov'24.
- It expects EEB book to grow at ~10-12% going forward.

| | |
|-----------------------|-------------|
| Bloomberg | BANDHAN IN |
| Equity Shares (m) | 1611 |
| M.Cap.(INRb)/(USD\$b) | 271 / 3.2 |
| 52-Week Range (INR) | 263 / 167 |
| 1, 6, 12 Rel. Per (%) | -11/-16/-49 |
| 12M Avg Val (INR M) | 3224 |

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|---------------|-------|-------|-------|
| NII | 103.3 | 122.7 | 136.1 |
| OP | 66.4 | 76.8 | 82.5 |
| NP | 22.3 | 39.1 | 42.6 |
| NIM (%) | 6.7 | 7.1 | 6.9 |
| EPS (INR) | 13.8 | 24.3 | 26.5 |
| EPS Gr. (%) | 1.6 | 75.5 | 8.9 |
| BV/Sh. (INR) | 134 | 152 | 173 |
| ABV/Sh. (INR) | 128 | 144 | 163 |

Ratios

| | | | |
|---------|------|------|------|
| RoA (%) | 1.3 | 2.0 | 1.9 |
| RoE (%) | 10.8 | 17.0 | 16.3 |

Valuations

| | | | |
|-----------|------|-----|-----|
| P/E(X) | 12.2 | 7.0 | 6.4 |
| P/BV (X) | 1.3 | 1.1 | 1.0 |
| P/ABV (X) | 1.3 | 1.2 | 1.0 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 40.0 | 40.0 | 40.0 |
| DII | 16.4 | 19.2 | 21.6 |
| FII | 26.7 | 24.2 | 28.7 |
| Others | 16.9 | 16.6 | 9.7 |

FII Includes depository receipts

- The CGFMU audit has been completed and 85% of portfolio covered under CGFMU has been repaid by the borrower. Outstanding INR3.15b and recoveries of INR2.2b will be accounted in other income on the settlement of the claim.
- The bank expects ~3% credit cost for MFI. For FY25, credit cost is expected to be ~1.8-2.0%.

Valuation and view

BANDHAN reported a mixed quarter as earnings beat estimates and margins contracted. The earnings beat was aided by controlled provisions and higher other income. However, margins moderated 20bp QoQ to 7.4% and the management expects NIM to be ~7%-7.5% going forward. Deposit growth was robust, and the management guides for deposits to grow faster than advances. Asset quality deteriorated as slippages rose due to stress in EEB book. The CGFMU audit has been completed and 85% of portfolio covered under CGFMU has been repaid by the borrower. The Street would keenly watch the bank's performance under the new leadership of Mr. Sengupta. **We cut our earnings estimates for FY26 by 7% and expect FY26E RoA/RoE of 1.9%/16.3%. Reiterate Neutral with a revised TP of INR190 (premised on 1.2x FY26E ABV).**

Quarterly performance

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E | (INR b) |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|---------|-------|-------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | 2QE | V/S our | Est |
| Net Interest Income | 24.9 | 24.4 | 25.3 | 28.7 | 30.1 | 29.5 | 30.4 | 32.8 | 103.3 | 122.7 | 30.3 | -3% |
| % Change (YoY) | -0.9 | 11.4 | 21.4 | 16.0 | 20.7 | 20.7 | 20.5 | 14.3 | 11.5 | 18.9 | 23.8 | |
| Other Income | 3.9 | 5.4 | 5.5 | 6.9 | 5.3 | 5.9 | 6.1 | 6.9 | 21.6 | 24.2 | 5.6 | 7% |
| Total Income | 28.8 | 29.8 | 30.7 | 35.6 | 35.3 | 35.4 | 36.6 | 39.7 | 124.9 | 147.0 | 35.8 | -1% |
| Operating Expenses | 13.1 | 14.0 | 14.2 | 17.2 | 15.9 | 16.9 | 17.6 | 19.8 | 58.5 | 70.2 | 17.1 | -1% |
| Operating Profit | 15.6 | 15.8 | 16.6 | 18.4 | 19.4 | 18.6 | 19.0 | 19.9 | 66.4 | 76.8 | 18.7 | -1% |
| % Change (YoY) | -14.2 | 2.0 | -13.9 | 2.4 | 24.2 | 17.2 | 14.5 | 8.1 | -6.4 | 15.7 | 18.0 | |
| Provisions | 6.0 | 6.4 | 6.8 | 17.7 | 5.2 | 6.1 | 7.5 | 6.2 | 37.0 | 25.0 | 7.0 | -13% |
| Profit Before Tax | 9.6 | 9.5 | 9.7 | 0.6 | 14.2 | 12.5 | 11.5 | 13.7 | 29.4 | 51.8 | 11.7 | 7% |
| Tax | 2.4 | 2.3 | 2.4 | 0.1 | 3.5 | 3.1 | 2.9 | 3.2 | 7.1 | 12.7 | 2.9 | 6% |
| Net Profit | 7.2 | 7.2 | 7.3 | 0.5 | 10.6 | 9.4 | 8.6 | 10.5 | 22.3 | 39.1 | 8.8 | 7% |
| % Change (YoY) | -18.7 | 244.6 | 152.2 | -93.2 | 47.5 | 30.0 | 17.1 | 1,831.3 | 1.6 | 75.5 | 21.4 | |
| Operating Parameters | | | | | | | | | | | | |
| Deposits (INR b) | 1,085 | 1,121 | 1,174 | 1,352 | 1,332 | 1,425 | 1,495 | 1,590 | 1,352 | 1,590 | 1,425 | 0% |
| Loans (INR b) | 982 | 1,020 | 1,102 | 1,211 | 1,216 | 1,261 | 1,328 | 1,406 | 1,211 | 1,406 | 1,252 | 1% |
| Deposit Growth (%) | 16.6 | 12.8 | 14.8 | 25.1 | 22.8 | 27.2 | 27.3 | 17.6 | 25.1 | 17.6 | 27.2 | |
| Loan Growth (%) | 8.0 | 13.1 | 19.6 | 15.6 | 23.8 | 23.6 | 20.6 | 16.1 | 15.6 | 16.1 | 22.7 | |
| Asset Quality | | | | | | | | | | | | |
| Gross NPA (%) | 6.8 | 7.3 | 7.0 | 3.8 | 4.2 | 4.7 | 4.9 | 4.8 | 3.8 | 4.8 | 4.3 | |
| Net NPA (%) | 2.2 | 2.3 | 2.2 | 1.1 | 1.2 | 1.3 | 1.4 | 1.3 | 1.1 | 1.3 | 1.2 | |
| PCR (%) | 69.2 | 70.0 | 70.0 | 71.8 | 73.7 | 73.5 | 73.2 | 73.6 | 71.8 | 73.6 | 73.9 | |

E: MOFSL Estimates



Poonawalla Fincorp

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

CMP: INR297 TP: INR350 (+18%) BUY

Earnings miss due to one-time credit costs and higher opex

NIM contracts ~80bp QoQ; asset quality deteriorates due to the STPL segment

| | |
|-----------------------|-------------|
| Bloomberg | POONAWAL IN |
| Equity Shares (m) | 778 |
| M.Cap.(INRb)/(USDb) | 231 / 2.7 |
| 52-Week Range (INR) | 520 / 287 |
| 1, 6, 12 Rel. Per (%) | -19/-47/-43 |
| 12M Avg Val (INR M) | 1131 |

Financials Snapshot (INR b)

| Y/E MARCH | FY24 | FY25E | FY26E |
|---------------------|------|-------|-------|
| Net Total Income | 22.0 | 27.1 | 36.9 |
| PPOP | 14.0 | 14.2 | 21.5 |
| PAT | 10.3 | 1.5 | 11.2 |
| EPS (INR) | 13.4 | 1.9 | 14.6 |
| EPS Gr. (%) | 73.3 | -85.8 | - |
| Standalone BV (INR) | 106 | 106 | 119 |

Ratios

| | | | |
|----------------|------|------|------|
| NIM on AUM (%) | 9.5 | 8.1 | 8.4 |
| C/I ratio (%) | 36.6 | 47.6 | 41.8 |
| RoAA (%) | 4.9 | 0.5 | 3.0 |
| RoE (%) | 14.2 | 1.8 | 12.9 |
| Payout (%) | 14.9 | 52.6 | 13.7 |

Valuations

| | | | |
|----------------|------|-----|------|
| P/E (x) | 22.2 | - | 20.4 |
| P/BV (x) | 2.8 | 2.8 | 2.5 |
| Div. Yield (%) | 0.7 | 0.3 | 0.7 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 61.9 | 62.1 | 62.1 |
| DII | 10.6 | 6.8 | 7.0 |
| FII | 8.4 | 8.5 | 7.9 |
| Others | 19.1 | 22.6 | 23.0 |

FII Includes depository receipts

- Poonawalla Fincorp (PFL)'s 2QFY25 loss stood at ~INR4.7b (MOFSL: INR3b+). The company reported a loss in 2QFY25 mainly due to a one-time provision in STPL book of ~INR6.7b and a one-time opex of ~INR710m from investments in technology. PFL reported net loss ~INR1.8b in 1HFY25, and we expect 2HFY25 PAT to decline ~45% YoY.
- NII grew ~18% YoY to ~INR5.6b (8% miss), while its PPOP declined 17% YoY to ~INR2.8b (37% miss). Opex rose ~90% YoY to ~INR3.7b (~40% higher than estimates), with C/I ratio increasing QoQ to ~57% (PQ: 36% and PY: ~37%). Provisions stood at INR9.1b, including one-time provisions on the STPL book.
- Under the new management led by the MD/CEO, Mr. Arvind Kapil, the company has taken the credit costs for the stress in its short-term personal loans (STPL) portfolio. Essentially, this was a quarter of kitchen sinking under the new leadership team. Additionally, the company has calibrated its risk metrics and underwriting in this product segment, which led to monthly disbursements declining to one-fifth of its prior run-rate.
- While the steps undertaken under the new leadership exhibit prudence, the magnitude and velocity of change in the senior leadership team at PFL has been too 'fast and furious' over the last four months. Steps undertaken by the management are: 1) transforming from a digital to a phygital model (which will entail physical branch additions), and 2) investing in collection capabilities, risk management & analytics, and 3) introducing newer product segments. All of these steps are in the right direction, which will make the franchise stronger.
- The speed at which these changes are being made has made the outlook on AUM growth, NIM, opex, and credit costs clouded for the next one year. The company has articulated that it will invest in technology, distribution, collections, seasoned senior leadership, and setting up newer product segments, which will entail additional opex of INR500m per quarter over the next six quarters. Given the change in its product mix and the company's focus on secured product segments, we expect the structural moderation in NIM and elevated opex ratios to result in a compression in the RoA profile of the company.
- We cut our FY25/FY26E PAT by 89%/32% to factor in higher credit costs and elevated opex. We model a ~35%/20% AUM/PAT CAGR over FY24-FY27E and expect PFL to deliver an RoA/RoE of ~3%/~13% in FY26, which will improve to ~3.5%/18% in FY27. The clean-up of stressed STPL loans on the balance sheet indeed comes across as a disappointment. Recently, the external environment has been tough for the NBFC sector. The stock price has corrected by ~40% over the last six months. The near-term outlook will warrant a detailed understanding of the various pillars of execution, and we will look forward to more clarity before taking any rating action. **Reiterate BUY with a TP of INR350 (premised on 2.7x Sep'26E BVPS).**

Healthy AUM growth; new products to be launched

- AUM grew ~40% YoY and ~5% QoQ to ~INR284b. The AUM mix consisted of ~33% MSME finance, ~28% personal and consumer finance, ~19% LAP, and ~15% pre-owned cars. The company will be adding two new business segments—gold loans and education loans – which are set to be launched in 1QFY26.
- Management guided for an AUM growth of ~30-40% AUM CAGR over the next five years. We model an AUM CAGR of ~35% over FY24-27E.

NIM contracts ~80bp QoQ due to ~50bp decline in yields

- NIM (calc.) declined ~80bp QoQ to ~9.2%, driven by decline in yields. Spreads (calc.) declined ~60bp QoQ despite CoB (calc.) remaining stable at ~8%.
- We model a NIM of ~8.1/8.4% in FY25/FY26E.

Asset quality deteriorates; credit costs elevated

- Asset quality deteriorated with GS3 rising ~140bp QoQ to ~2.1% (this was mainly from the STPL book) and NS3 remaining largely stable QoQ at ~0.3%. PCR on S3 loans was increased to ~84.5% (PQ: ~52% and PY: ~47%).
- We model credit costs of 4.5%/1.8% over FY25/FY26.

Highlights from the management commentary

- The company wants to broaden its product offerings to 10, including six new product offerings. Management shared that budgeting has been completed and the team is being onboarded.
- Calibrated its disbursements in the STPL book, and disbursements have declined to a monthly run-rate of ~INR2b (compared to ~INR12b run-rate earlier).
- PFL will open 400 new branches over the next one year, primarily in Tier 2 and Tier 3 cities. These new branches are expected to breakeven in 12-15 months.

Valuation and view

- The near-term outlook will warrant a detailed understanding of the various pillars of execution, and we will look forward to more clarity before taking any rating action. **Reiterate BUY with a TP of INR350 (premised on 2.7x Sep'26E BVPS).**
- **Key downside risks:** a) inability to execute its articulated strategy despite a new management team and investments in technology, distribution, and collections; and b) aggressive competitive landscape leading to pressure on spreads and margins and/or deterioration in asset quality.

Quarterly Performance (Standalone)

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | 2QFY25E | v/s Est. |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|--------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Interest Income | 6,560 | 6,901 | 7,144 | 8,436 | 8,962 | 9,107 | 9,790 | 10,703 | 29,061 | 38,563 | 9,679 | -6 |
| Interest Expenses | 2,348 | 2,155 | 2,237 | 2,811 | 3,201 | 3,516 | 3,780 | 4,477 | 9,503 | 14,974 | 3,569 | -1 |
| Net Interest Income | 4,212 | 4,746 | 4,907 | 5,625 | 5,761 | 5,592 | 6,011 | 6,226 | 19,558 | 23,589 | 6,110 | -8 |
| YoY Growth (%) | 77.8 | 73.3 | 62.9 | 48.1 | 36.8 | 17.8 | 22.5 | 10.7 | 58.9 | 20.6 | 28.7 | |
| Other Income | 563 | 539 | 594 | 782 | 997 | 858 | 933 | 683 | 2,478 | 3,470 | 905 | -5 |
| Total Income | 4,775 | 5,285 | 5,501 | 6,407 | 6,758 | 6,449 | 6,944 | 6,909 | 22,036 | 27,060 | 7,015 | -8 |
| YoY Growth (%) | 70.3 | 57.1 | 52.8 | 57.0 | 35.1 | 22.0 | 26.2 | 7.8 | 54.7 | 22.8 | 32.7 | |
| Operating Expenses | 1,834 | 1,929 | 1,998 | 2,313 | 2,436 | 3,657 | 3,401 | 3,389 | 8,074 | 12,884 | 2,607 | 40 |
| Operating Profit | 2,941 | 3,356 | 3,502 | 4,094 | 4,321 | 2,792 | 3,543 | 3,520 | 13,962 | 14,176 | 4,408 | -37 |
| YoY Growth (%) | 185.0 | 167.0 | 124.8 | 103.1 | 46.9 | -16.8 | 1.2 | -14.0 | 128.8 | 1.5 | 31.3 | |
| Provisions & Loan Losses | 266 | 281 | -65 | 239 | 425 | 9,096 | 1,364 | 1,387 | 720 | 12,273 | 489 | 1,762 |
| Profit before Tax | 2,676 | 3,075 | 3,568 | 3,855 | 3,897 | -6,305 | 2,178 | 2,133 | 13,242 | 1,903 | 3,919 | - |
| Exceptional items | | 6,560 | | | | 0 | | | 6,560 | 0 | 0 | |
| Tax Provisions | 674 | 775 | 916 | 538 | 980 | -1,594 | 523 | 529 | 2,907 | 438 | 941 | - |
| PAT (excl. exceptional) | 2,002 | 2,300 | 2,651 | 3,317 | 2,916 | -4,710 | 1,655 | 1,604 | 10,335 | 1,465 | 2,979 | - |
| PAT (incl. exceptional) | 2,002 | 8,861 | 2,651 | 3,317 | 2,916 | -4,710 | 1,655 | 1,604 | 16,896 | 1,465 | 2,979 | - |
| YoY Growth (%) | 86.0 | 76.7 | 76.3 | 83.6 | 45.7 | - | -37.6 | -51.6 | 73.9 | -85.8 | 29.5 | |
| Key Parameters (Calc., %) | | | | | | | | | | | | |
| Yield on loans | 16.3 | 15.8 | 15.3 | 16.3 | 15.5 | 15.0 | | | 15.6 | 14.8 | | |
| Cost of funds | 8.0 | 7.2 | 7.5 | 8.2 | 8.0 | 8.0 | | | 7.2 | 8.0 | | |
| Spread | 8.3 | 8.6 | 7.8 | 8.1 | 7.6 | 7.0 | | | 8.4 | 6.9 | | |
| NIM on loans | 10.4 | 10.9 | 10.5 | 10.9 | 10.0 | 9.2 | | | 9.5 | 8.1 | | |
| C/l ratio | 38.4 | 36.5 | 36.3 | 36.1 | 36.1 | 56.7 | | | 36.6 | 47.6 | | |
| Credit cost | 0.6 | 0.6 | -0.1 | 0.4 | 0.7 | 13.1 | | | 0.4 | 4.5 | | |
| Tax rate | 25.2 | 17.7 | 25.7 | 13.9 | 25.2 | 25.3 | | | 21.9 | 23.0 | | |
| Balance Sheet Parameters | | | | | | | | | | | | |
| Disbursements (INR b) | 70.6 | 78.1 | 87.3 | 96.9 | 74.0 | 82.0 | | | 199 | 246 | | |
| Growth (%) | 169.1 | 151.0 | 159.2 | 52.1 | 16.1 | 5.0 | | | 111.3 | 8.0 | | |
| AUM (INR b) | 178 | 202 | 219 | 250 | 270 | 284 | | | 178 | 202 | | |
| Growth (%) | 60.4 | 53.6 | 57.6 | 54.9 | 59.7 | 40.5 | | | 60.4 | 53.6 | | |
| AUM mix (%) | | | | | | 5.3 | | | | | | |
| Focused | 96.3 | 89.0 | 91.7 | 94.1 | 96.0 | 97.0 | | | 96.3 | 89.0 | | |
| Discontinued (Legacy and DA) | 3.7 | 11.0 | 8.3 | 5.9 | 4.0 | 3.0 | | | 3.7 | 11.0 | | |
| Asset Quality Parameters | | | | | | | | | | | | |
| GS 3 (INR m) | 2,450 | 2,660 | 2,750 | 2,680 | 1,660 | 5,470 | | | 2,450 | 2,660 | | |
| GS 3 (%) | 1.4 | 1.4 | 1.3 | 1.2 | 0.7 | 2.1 | | | 1.4 | 1.4 | | |
| NS 3 (INR m) | 1,310 | 1,400 | 1,450 | 1,360 | 790 | 850 | | | 1,310 | 1,400 | | |
| NS 3 (%) | 0.8 | 0.7 | 0.7 | 0.6 | 0.3 | 0.3 | | | 0.8 | 0.7 | | |
| PCR (%) | 46.5 | 47.4 | 47.3 | 49.3 | 52.4 | 84.5 | | | 46.5 | 47.4 | | |

E: MOFSL estimates



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

CMP: INR7,405 TP: INR9,995 (+35%) Buy

| Bloomberg | ATLP IN |
|-----------------------|-------------|
| Equity Shares (m) | 29 |
| M.Cap.(INRb)/(USD\$b) | 218 / 2.6 |
| 52-Week Range (INR) | 8180 / 5175 |
| 1, 6, 12 Rel. Per (%) | 6/19/-10 |
| 12M Avg Val (INR m) | 456 |
| Free float (%) | 54.8 |

Financials and Valuations (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|-------------|---------|---------|---------|
| Sales | 54.3 | 61.6 | 68.5 |
| EBITDA | 9.6 | 11.4 | 13.5 |
| PAT | 5.0 | 6.6 | 8.1 |
| EPS (INR) | 170.7 | 224.4 | 275.4 |
| EPS Gr. (%) | 65.1 | 31.4 | 22.7 |
| BV/Sh.(INR) | 1,881.1 | 2,070.1 | 2,300.9 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 0.0 | 0.0 | -0.0 |
| RoE (%) | 9.4 | 11.4 | 12.6 |
| RoCE (%) | 9.1 | 10.6 | 11.9 |
| Payout (%) | 18.2 | 18.2 | 18.2 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 43.3 | 33.0 | 26.9 |
| P/BV (x) | 3.9 | 3.6 | 3.2 |
| EV/EBITDA (x) | 22.9 | 19.1 | 16.0 |
| Div. Yield (%) | 0.4 | 0.6 | 0.7 |
| FCF Yield (%) | 0.0 | 1.6 | 2.3 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 45.2 | 45.2 | 45.1 |
| DII | 24.5 | 25.8 | 26.5 |
| FII | 9.7 | 8.6 | 7.7 |
| Others | 20.6 | 20.4 | 20.7 |

FII Includes depository receipts

Impressive show continues in both the business segments

- Atul (ATLP) reported in-line revenue in 2QFY25. Revenue in the Life Science Chemicals segment increased 13% YoY, while it rose 18% YoY in the Performance & Other Chemicals segment. **Gross margin came in at 53.1% (+900bp YoY), while EBITDAM expanded 440bp YoY to 17.4%.** PAT increased 53% YoY to INR1.4b in 2QFY25.
- The Life Science segment performance was fueled by an increased demand for intermediates used in the pharma and personal care industries, with high demand for crop protection chemicals in the international market. Performance Chemicals' sales and profitability were aided by an improvement in demand for epoxy and sulphones product groups, along with an improved performance of the subsidiaries.
- The Life Science Chemicals' contribution to EBIT increased to 45% from 35% in 2QFY24, whereas the contribution of Performance & Other Chemicals to overall EBIT declined to 53% from 61% in 2QFY24. Lower realization was offset by higher volumes across all sub-segments in both the domestic and international markets and lower input costs for the company. Operations at Atul Products also stabilized during the quarter.
- We broadly maintain our estimates as of now. We estimate a revenue/EBITDA/PAT CAGR of 13%/28%/39% during FY24-27. EBITDAM is estimated to improve by 620bp in FY27 vs. FY24 level. We recently upgraded the stock as we believe that ATLP is ready to make a comeback in the next 2-3 years, and our view has already been supported by a strong show in 1HFY25.
- Investments are set to be supported by a gradual recovery in ATLP's sub-segments and management's efforts to expand its capacities for key products and for debottlenecking the existing ones. The stock is trading at ~33x FY26E EPS of INR224 and ~19x FY26E EV/EBITDA. We value the stock at 40x Sep'26E EPS (discount of 9% to five-year average of 45x) to arrive at our TP of INR9,995. **We reiterate our BUY rating on the stock.**

EBITDA in line; PAT beat led by higher-than-expected other income

- Revenue stood at INR13.9b (+17% YoY). Life Science Chemicals' revenue was INR4.1b (+13% YoY). Performance chemicals revenue was at INR10.2b (+18% YoY). Gross margin was at 53.1% (+900bp YoY) and EBITDA margin was at 17.4% (+440bp YoY).
- EBIT margin expanded YoY for both segments. Life Science Chemicals' margin stood at 20.5% (+900bp YoY); EBIT came in at INR836m. Performance Chemicals' margin was at 9.7% (+140bp YoY); EBIT stood at IN990m in 2QFY25.
- **EBITDA came in at INR2.4b (est. of INR2.4b, +56% YoY).** PAT stood at INR1.4b (est. of INR1.3b, +53% YoY), **resulting in EPS of INR47.4. Contribution from the subsidiaries/JVs was positive** (profit at INR29m in 1QFY25, v/s loss of INR121m in 2QFY25 and net loss of INR121m in 2QFY24).
- **For 1HFY25,** revenue was at INR27.1b (+14% YoY), EBITDA was at INR4.7b (+38% YoY), with PAT at INR2.5b (+30% YoY). EBITDAM for 1HFY25 stood at 17.2% (+300bp YoY).

Valuation and view

- The end-user market demand has picked up, and we believe that overall demand will also accelerate in 2HFY25. The company is undertaking various projects and initiatives aimed at improving plant efficiencies, expanding its capacities for key products, debottlenecking its existing capacities, capturing a higher market share, and expanding its international presence.
- ATLP is set to commission its liquid epoxy resins plant of 50ktpa capacity in FY25 (revenue potential of INR8b). Its caustic soda plant (300tpd) also faced teething issues in Dec'23, which were largely resolved in 1HFY25. Anaven (monochloro acetic acid) is also likely to ramp up its plant for optimum utilization due to better offtake in FY25.
- The stock is trading at ~33x FY26E EPS of INR224 and ~19x FY26E EV/EBITDA. We value the stock at 40x Sep'26E EPS (discount of 9% to five-year average of 45x) to arrive at our TP of INR9,995. **We reiterate our BUY rating.** The upside risk could be a faster-than-expected ramp-up of new projects and products. Downside risks include weaker-than-expected revenue growth and margin compression amid further delays in the commissioning of new projects.

Consolidated - Quarterly snapshot

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25 | Var. (%) |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Gross Sales | 11,820 | 11,937 | 11,378 | 12,122 | 13,221 | 13,928 | 13,640 | 13,500 | 47,257 | 54,289 | 13,708 | 2% |
| YoY Change (%) | -20.0 | -19.7 | -10.3 | 1.4 | 11.8 | 16.7 | 19.9 | 11.4 | -12.9 | 14.9 | 14.8 | |
| Gross Margin (%) | 46.5% | 44.1% | 47.1% | 49.7% | 50.0% | 53.1% | 49.8% | 45.0% | 46.9% | 49.5% | 50.5% | 2.6% |
| EBITDA | 1,823 | 1,552 | 1,517 | 1,476 | 2,232 | 2,427 | 2,456 | 2,502 | 6,367 | 9,618 | 2,381 | 2% |
| Margin (%) | 15.4 | 13.0 | 13.3 | 12.2 | 16.9 | 17.4 | 18.0 | 18.5 | 13.5 | 17.7 | 17.4 | 0.1 |
| Depreciation | 519 | 540 | 612 | 758 | 766 | 775 | 789 | 810 | 2,429 | 3,140 | 785 | |
| Interest | 20 | 19 | 21 | 51 | 54 | 89 | 91 | 114 | 111 | 348 | 35 | |
| Other Income | 82 | 221 | 150 | 129 | 130 | 315 | 204 | 165 | 582 | 814 | 161 | |
| PBT before EO expense | 1,365 | 1,215 | 1,034 | 796 | 1,543 | 1,878 | 1,779 | 1,744 | 4,409 | 6,944 | 1,723 | 9% |
| PBT | 1,365 | 1,215 | 1,034 | 796 | 1,543 | 1,878 | 1,779 | 1,744 | 4,409 | 6,944 | 1,723 | 9% |
| Tax | 364 | 325 | 334 | 242 | 455 | 514 | 448 | 400 | 1,265 | 1,817 | 434 | |
| Rate (%) | 26.7 | 26.7 | 32.3 | 30.4 | 29.5 | 27.4 | 25.2 | 22.9 | 28.7 | 26.2 | 25.2 | |
| Minority Interest and Profit/Loss of Asso. Cos. | 20 | 22 | 21 | 34 | 33 | 31 | 24 | 9 | 97 | 97 | 24 | |
| Reported PAT | 1,021 | 912 | 721 | 588 | 1,121 | 1,395 | 1,356 | 1,352 | 3,241 | 5,224 | 1,313 | 6% |
| Adj PAT | 1,021 | 912 | 721 | 588 | 1,121 | 1,395 | 1,356 | 1,352 | 3,047 | 5,030 | 1,313 | 6% |
| YoY change (%) | -37.6 | -38.4 | -30.0 | -36.2 | 9.8 | 52.9 | 88.2 | 130.0 | -38.9 | 65.1 | 43.9 | |
| Margin (%) | 8.6 | 7.6 | 6.3 | 4.9 | 8.5 | 10.0 | 9.9 | 10.0 | 6.4 | 9.3 | 9.6 | 0.4 |
| Segmental Revenue (INR mn) | | | | | | | | | | | | |
| Life Science Chemicals | 3,502 | 3,620 | 3,378 | 3,767 | 4,236 | 4,078 | 4,593 | 5,104 | 14,267 | 15,001 | 4,570 | -11% |
| Performance & Other chemicals | 8,745 | 8,684 | 8,406 | 8,696 | 9,386 | 10,237 | 9,605 | 9,244 | 34,531 | 35,173 | 9,658 | 6% |
| Others | 117 | 165 | 109 | 241 | 194 | 186 | 157 | 127 | 633 | 710 | 158 | 18% |
| Segmental EBIT (INR mn) | | | | | | | | | | | | |
| Life Science Chemicals | 522 | 417 | 424 | 667 | 710 | 836 | | | 2,031 | 2,218 | | |
| Performance & Other chemicals | 890 | 722 | 657 | 129 | 852 | 990 | | | 2,398 | 2,359 | | |
| Others | 18 | 41 | -3 | 0 | 50 | 27 | | | 57 | 89 | | |
| Segmental EBIT Margin (%) | | | | | | | | | | | | |
| Life Science Chemicals | 14.9% | 11.5% | 12.6% | 17.7% | 16.8% | 20.5% | | | 14.2% | 14.8% | | |
| Performance & Other chemicals | 10.2% | 8.3% | 7.8% | 1.5% | 9.1% | 9.7% | | | 6.9% | 6.7% | | |
| Others | 15.5% | 25.0% | -2.6% | 0.0% | 25.9% | 14.3% | | | 9.0% | 12.5% | | |



CIE Automotive India

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

CMP: INR498 TP: INR605 (+22%) BUY

Performance in-line; margin resilience commendable

India to remain a key growth driver; EU to remain a drag in the near term

| | |
|-----------------------|-------------|
| Bloomberg | CIEINDIA IN |
| Equity Shares (m) | 379 |
| M.Cap.(INRb)/(USD\$) | 188.7 / 2.2 |
| 52-Week Range (INR) | 628 / 401 |
| 1, 6, 12 Rel. Per (%) | -5/-5/-18 |
| 12M Avg Val (INR M) | 272 |

- CIE Automotive India (CIEINDIA)'s 3QCY24 PAT met expectations, while EBITDA margin exceeded estimates at 15.5% (+30bp YoY) due to operational efficiencies. CIEINDIA's operational resilience is highlighted by the fact that it was able to maintain margins YoY despite an 18% YoY decline in Europe revenues.
- We cut CY25E EPS by 5% to factor in the weak demand in EU PVs and US OHVs. However, CIEINDIA will continue to focus on maintaining its profitability, driven by operational efficiencies. The stock trades at 19.5x/17x CY25E/CY26E consolidated EPS. Reiterate BUY with a TP of INR605 (based on ~21x Sep'26E consol. EPS).

Financials & Valuations (INR b)

| INR b | CY24E | CY25E | CY26E |
|----------------|-------|-------|-------|
| Sales | 89.7 | 99.5 | 112.0 |
| EBITDA (%) | 15.3 | 15.5 | 15.7 |
| Adj. PAT | 8.3 | 9.6 | 11.3 |
| EPS (INR) | 22.0 | 25.5 | 29.9 |
| EPS Growth (%) | 4.1 | 15.9 | 17.6 |
| BV/Share (Rs) | 175 | 194 | 216 |

Ratio

| | | | |
|------------|------|------|------|
| RoE (%) | 13.2 | 13.8 | 14.6 |
| RoCE (%) | 12.1 | 13.0 | 14.1 |
| Payout (%) | 20.0 | 20.0 | 20.0 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 22.6 | 19.5 | 16.6 |
| P/BV (x) | 2.8 | 2.6 | 2.3 |
| Div. Yield (%) | 0.9 | 1.0 | 1.2 |
| FCF Yield (%) | 2.1 | 3.5 | 4.3 |

Shareholding Pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 65.7 | 65.7 | 65.7 |
| DII | 20.4 | 19.5 | 15.4 |
| FII | 4.3 | 5.0 | 6.6 |
| Others | 9.6 | 9.8 | 12.3 |

FII includes depository receipts

Healthy EBITDA margin range amid muted growth

- CIEINDIA's 3QCY24 consol. revenue/EBITDA declined ~6%/4% to INR21.3b/INR3.3b, while Adj. PAT grew ~4% YoY to INR1.9b (in-line). For the first nine months of CY24, revenue/EBITDA declined ~3%/4% YoY while Adj. PAT grew ~3% YoY. For the coming quarter, we expect revenue/EBITDA to decline ~6%/2% YoY and PAT to grow 7% YoY.
- The lower revenue was led by weak growth in the EU business (declined 18% YoY vs. our est. of 8% YoY decline).
- EBITDA margins stood at 15.5% (+30bp, est. 15%) despite the weak underlying demand.
- **Indian business performance:** Revenues declined 0.5% YoY to ~INR15.3b (in-line). EBITDA margins stood at 15.6% (est. 15%). The performance of the Indian business was in line with the underlying market growth. Margin expansion was driven by operational efficiencies.
- **EU business performance:** Revenues declined 18% YoY to ~INR6.1b (est. ~INR6.8b). EBITDA margins stood at 15.2% (est. 15%). Margins were maintained despite weak demand, which is commendable. Sales declined due to the weak Light Vehicle (LV) demand in Europe and continued weakness in the OHV segment for Metalcastello in the US off-road vehicles market. Restructuring activities are underway to maintain margins. EU is expected to remain weak for the next few quarters.

Highlights from the management commentary

- **India business:** The company remains cautiously optimistic about the domestic demand, with 2W demand expected to witness steady growth and tractor and LCV sales to pick up. The management also expects 4W demand to recover and grow 5-6% in the coming quarters. Aluminum is showing stronger growth than other segments, outperforming the rest of the business.

- **Exports:** Delays in certain orders, especially exports (one of them related to Stellantis), are largely due to slowdown in the EU automotive market. OE customers are postponing their EV programs due to current market challenges, impacting new launch timelines.
- **Europe business:** Sales declined due to weak performance in the 4W market in Europe, along with a downturn in Metalcastello driven by the slowdown in the U.S. off-road vehicles market. In the EU, weak demand, coupled with confusion related to electrification and the impact of Chinese imports, has dented performance. Volumes declined ~7% in 3QCY24; this decline is expected to continue in the coming quarters.
- **Metalcastello:** Its performance remains subdued with the market still underperforming. The current revenue run-rate has dropped from EUR6-6.6m to EUR4-4.5m per month and is not expected to drop further. A rebound is expected by 2Q-3QCY25 once the U.S. elections conclude and the new government implements fresh policies.

Valuation and view

- The Indian business is projected to be the primary growth driver for the company even in CY25. However, the weak outlook for the EU business and Metalcastello is likely to weigh on the overall performance in the near term.
- The company will continue to improve efficiencies in the coming years. Some of the financial attributes unique to the global ancillary player include: being net debt free, having strict capex/inorganic expansion guidelines, generating positive FCF, and tracking an improving return trajectory. We have maintained our estimates. The stock trades at 19.5x/17x CY25E/CY26E consolidated EPS. Reiterate BUY with a TP of INR605 (based on ~21x Sep'26E consol. EPS).

Quarterly performance (Consol.)

| (INR m) | CY23 | | | | CY24E | | | | CY23 | CY24E | 3QE | Var. (%) |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|
| Y/E December | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | | |
| Net Sales | 24,402 | 23,203 | 22,794 | 22,404 | 24,268 | 22,927 | 21,346 | 21,148 | 92,803 | 89,689 | 22,045 | -3.2 |
| YoY Change (%) | 18.4 | 4.7 | 2.2 | -0.3 | -0.5 | -1.2 | -6.4 | -5.6 | 6.0 | -3.4 | -3.3 | |
| EBITDA | 3,806 | 3,704 | 3,454 | 3,274 | 3,606 | 3,600 | 3,306 | 3,211 | 14,239 | 13,722 | 3,307 | 0.0 |
| Margins (%) | 15.6 | 16.0 | 15.2 | 14.6 | 14.9 | 15.7 | 15.5 | 15.2 | 15.3 | 15.3 | 15.0 | 50bp |
| Depreciation | 825 | 833 | 783 | 781 | 863 | 836 | 798 | 837 | 3,222 | 3,335 | 854 | -7 |
| Interest | 240 | 221 | 310 | 303 | 220 | 211 | 169 | 134 | 1,074 | 734 | 200 | -15 |
| Other Income | 160 | 195 | 200 | 265 | 513 | 306 | 243 | 265 | 820 | 1,327 | 320 | -24 |
| Share of Profit from Associates | 3 | -3 | -2 | -3 | 4 | 6 | 19 | 20 | -5 | 49 | 5 | |
| PBT before EO Expense | 2,901 | 2,846 | 2,561 | 2,455 | 3,035 | 2,859 | 2,581 | 2,505 | 10,763 | 10,980 | 2,573 | 0 |
| EO Exp/(Inc) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PBT after EO Exp | 2,901 | 2,846 | 2,561 | 2,455 | 3,035 | 2,859 | 2,581 | 2,505 | 10,763 | 10,980 | 2,573 | 0.3 |
| Tax Rate (%) | 24.2 | 24.9 | 27.0 | 27.8 | 24.3 | 24.5 | 25.3 | 25.2 | 25.8 | 24.8 | 24.5 | |
| Adj. PAT | 2,203 | 2,136 | 1,867 | 1,770 | 2,302 | 2,164 | 1,947 | 1,893 | 7,976 | 8,306 | 1,946 | 0 |
| YoY Change (%) | 34.1 | 15.7 | 11.4 | 6.4 | 4.5 | 1.3 | 4.3 | 6.9 | 16.8 | 4.1 | 4.2 | |
| Revenues | | | | | | | | | | | | |
| India | 14,449 | 14,348 | 15,354 | 14,833 | 15,066 | 15,047 | 15,270 | 14,718 | 58,985 | 60,101 | 15,200 | 0.5 |
| Growth (%) | 13 | 4 | 0 | 6 | 4 | 5 | -1 | -1 | 6 | 2 | -1.0 | |
| EU | 9,954 | 8,855 | 7,440 | 7,570 | 9,202 | 7,879 | 6,077 | 6,430 | 33,819 | 29,588 | 6,845 | -11.2 |
| Growth (%) | 28 | 6 | 5 | -11 | -8 | -11 | -18 | -15 | 7 | -13 | -8.0 | |
| EBITDA Margins | | | | | | | | | | | | |
| India | 15.0 | 14.8 | 15.1 | 14.7 | 14.7 | 15.5 | 15.6 | 15.0 | 14.9 | 15.2 | 15.0 | |
| EU | 16.4 | 17.8 | 15.3 | 14.5 | 15.1 | 16.1 | 15.2 | 15.6 | 16.1 | 15.5 | 15.0 | |



R R Kabel

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

CMP: INR1,502 TP: INR1,900 (+26%) Buy

Revenue in-line, margins disappointing

C&W achieves 8.5% volume growth in 1H and expects ~15% in 2H

| | |
|-----------------------|-------------|
| Bloomberg | RRKABEL IN |
| Equity Shares (m) | 113 |
| M.Cap.(INRb)/(USDb) | 170.2 / 2 |
| 52-Week Range (INR) | 1903 / 1309 |
| 1, 6, 12 Rel. Per (%) | -4/-16/-16 |
| 12M Avg Val (INR M) | 408 |
| Free float (%) | 38.2 |

Financials & Valuations (INR b)

| Y/E MARCH | FY25E | FY26E | FY27E |
|----------------------|--------|-------|-------|
| Sales | 74.4 | 88.3 | 107.6 |
| EBITDA | 4.3 | 6.9 | 9.5 |
| Adj. PAT | 2.7 | 4.5 | 6.3 |
| EBITDA Margin (%) | 5.7 | 7.8 | 8.9 |
| Cons. Adj. EPS (INR) | 23.8 | 39.7 | 56.1 |
| EPS Gr. (%) | (10.1) | 67.0 | 41.4 |
| BV/Sh. (INR) | 178.8 | 209.5 | 256.7 |

Ratios

| | | | |
|------------|------|------|-------|
| Net D:E | 0.0 | 0.0 | (0.0) |
| RoE (%) | 13.9 | 20.4 | 24.1 |
| RoCE (%) | 14.0 | 19.7 | 23.5 |
| Payout (%) | 29.5 | 22.7 | 16.0 |

Valuations

| | | | |
|---------------|-------|------|------|
| P/E (x) | 63.2 | 37.8 | 26.8 |
| P/BV (x) | 8.4 | 7.2 | 5.9 |
| EV/EBITDA (x) | 39.8 | 24.5 | 17.6 |
| Div Yield (%) | 0.5 | 0.6 | 0.6 |
| FCF Yield (%) | (0.1) | 0.8 | 1.5 |

Shareholding Pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 61.8 | 61.9 | 62.8 |
| DII | 14.3 | 13.5 | 8.7 |
| FII | 7.4 | 6.5 | 5.0 |
| Others | 16.5 | 18.1 | 23.6 |

FII includes depository receipts

- R Kabel (RRKABEL)'s 2QFY25 earnings were below our estimate due to the lower-than-estimated margin in the Cables and Wires (C&W) segment. EBITDA declined 29% YoY to INR858m (36% miss) and OPM contracted 2.8pp YoY to ~5% (est. ~7%). FMEG losses declined to INR117m (vs. our estimated loss of INR125m) compared to INR198m in 2QFY24.

- The management estimates volume growth of ~15% in 2HFY25 in C&Ws, led by 25% growth from cables and ~10% from wires. Margin contraction was led by steep volatility in metal prices during the quarter and the inability to pass on the same to consumers. The company expects the margin to recover and return to the range of 8%-8.5% in 2HFY25. In the FMEG business, with strong growth momentum and gross margin expansion, it expects to achieve break-even by early-FY26.

- We cut our FY25/FY26/FY27 EPS estimate by 26%/13%/8% due to lower margins and volume growth in the C&W segment. We estimate an EPS CAGR of 29% over FY24-27. We value RRKABEL at 40x Sep'26E EPS to arrive at our revised TP of INR1,900 (earlier INR2,130).

EBITDA declines 29% YoY; OPM contracts 2.8pp YoY to ~5% (est. ~7%)

- Revenue/EBITDA/PAT stood at INR18.1b/INR858m/INR495m (up 12%/ down 29%/33% YoY and down 1%/36%/44% vs. our estimates). Gross margin was down 4pp YoY to ~16%. Employee cost increased 11% YoY (4.9% of revenue vs. 5.0% in 2QFY24). Other expenses decreased 5% YoY (6.2% of revenue vs. 7.4% in 2QFY24)

- Segmental highlights: a) **Cables and Wires:** Revenue was up 11% YoY at INR16.1b while EBIT declined 39% YoY to INR818m. EBIT margin contracted 4pp YoY to 5.1%. b) **FMEG business:** Revenue was up 24% YoY at INR2.0b. EBIT loss decreased to INR117m from INR198m/INR207m in 2QFY24/1QFY25.

- In 1HFY25, revenue grew 13% YoY while EBITDA/PAT declined ~23% (each). OPM contracted 2.3pp YoY to 5%. In 2HFY25, we estimate revenue/EBITDA/PAT to grow 13%/8%/3% YoY. We estimate C&W's EBIT margin at 7.5% vs. 8.3%/6.1% in 2HFY24/1HFY25.

Key highlights from the management commentary

- Domestic C&W volume growth was resilient and achieved +10% YoY growth in 2Q and 8.5% YoY in 1HFY25. The capacity utilization was at 90% for cables and ~70% for wires.
- Export contributed ~27% to the company's revenues vs. ~24% in 1QFY25. In Wires, the margin in exports is lower compared to India. However, in cables, the margin in exports is better compared to the domestic market.
- The company is doubling its power cable capacity and increasing its wire capacity by ~20-25%, which is expected to be completed by FY25-end. Capex for this expansion is estimated at INR5b; spread over FY24 & FY25.

Valuation and view

- RRKABEL reported disappointing results due to weak margins in the C&W segment, fueled by RM cost volatility and lower export volume. Nonetheless, its losses in the FMEG business have been reduced due to the strong growth momentum. The management expects recovery in 2H with healthy volume growth of ~15% and margin returning to 8-8.5%, as the company has historically shown strong growth in 2H.
- We estimate RRKABEL's revenue/EBITDA/PAT CAGR at 18%/27%/29% over FY24-27. We expect RoE/ROCE to improve to 24% (each) in FY27 vs. 14% in FY25. We value it at 40x Sep'26E EPS to arrive at our revised TP of INR1,900. (earlier INR2,130) **Reiterate BUY.**

Quarterly Performance

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | MOSL | Var. |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | 2QE | (%) | |
| Sales | 15,973 | 16,097 | 16,335 | 17,541 | 18,081 | 18,101 | 18,703 | 19,491 | 65,946 | 74,376 | 18,361 | (1) |
| YoY Change (%) | 29.2 | 17.7 | 10.4 | 15.7 | 13.2 | 12.5 | 14.5 | 11.1 | 17.8 | 13.2 | 14.1 | |
| EBITDA | 1,129 | 1,209 | 1,126 | 1,153 | 949 | 858 | 1,034 | 1,432 | 4,617 | 4,273 | 1,334 | (36) |
| YoY Change (%) | 182.5 | 87.7 | (4.3) | 14.8 | (15.9) | (29.1) | (8.1) | 24.2 | 43.2 | (7.4) | 10.3 | |
| Adj. EBITDA Margin (%) | 7.1 | 7.5 | 6.9 | 6.6 | 5.3 | 4.7 | 5.5 | 7.3 | 7.0 | 5.7 | 7.3 | (253) |
| Depreciation | 161 | 166 | 165 | 163 | 162 | 175 | 183 | 189 | 655 | 709 | 170 | 3 |
| Interest | 144 | 142 | 124 | 128 | 116 | 156 | 125 | 164 | 539 | 561 | 115 | 36 |
| Other Income | 163 | 148 | 122 | 193 | 185 | 72 | 165 | 185 | 626 | 607 | 140 | (48) |
| PBT | 987 | 1,049 | 959 | 1,055 | 857 | 599 | 891 | 1,264 | 4,050 | 3,610 | 1,189 | (50) |
| Tax | 250 | 310 | 250 | 270 | 218 | 101 | 228 | 392 | 1,080 | 939 | 309 | |
| Effective Tax Rate (%) | 25.4 | 29.5 | 26.0 | 25.6 | 25.4 | 16.9 | 25.6 | 31.0 | 26.7 | 26.0 | 26 | |
| JV Share | 7 | 2 | 0 | 2 | 5 | (2) | 1 | 6 | 11 | 10 | 3 | (174) |
| Reported PAT | 743 | 741 | 710 | 787 | 644 | 495 | 664 | 879 | 2,981 | 2,681 | 883 | (44) |
| YoY Change (%) | 309.8 | 111.7 | (0.7) | 20.6 | (13.4) | (33.2) | (6.5) | 11.6 | 57.0 | (10.1) | 19.1 | |
| Adj. PAT | 743 | 741 | 710 | 787 | 644 | 495 | 664 | 879 | 2,981 | 2,681 | 883 | (44) |
| YoY Change (%) | 309.8 | 111.7 | (0.7) | 20.6 | (13.4) | (33.2) | (6.5) | 11.6 | 57.0 | (10.1) | 19.1 | |
| Margins (%) | 4.7 | 4.6 | 4.3 | 4.5 | 3.6 | 2.7 | 3.5 | 4.5 | 4.5 | 3.6 | 4.8 | |

Segmental Performance (INR m)

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | MOFSL | Var. |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | 2QE | (%) | |
| Sales | | | | | | | | | | | | |
| Cables & Wires | 14,231 | 14,504 | 14,331 | 15,231 | 15,782 | 16,118 | 16,521 | 17,161 | 58,296 | 65,583 | 16,571 | (2.7) |
| FMEG | 1,851 | 1,598 | 2,005 | 2,310 | 2,300 | 1,984 | 2,182 | 2,398 | 7,764 | 8,863 | 1,790 | 10.8 |
| EBIT | | | | | | | | | | | | |
| Cables & Wires | 1,246 | 1,329 | 1,147 | 1,320 | 1,130 | 818 | 1,057 | 1,462 | 5,043 | 4,468 | 1,359 | (39.8) |
| FMEG | (170) | (198) | (124) | (194) | (207) | (117) | (120) | (106) | (685) | (550) | (125) | (6.4) |
| EBIT Margin (%) | | | | | | | | | | | | |
| Cables & Wires | 8.8 | 9.2 | 8.0 | 8.7 | 7.2 | 5.1 | 6.4 | 8.5 | 8.6 | 6.8 | 8.2 | (312) |
| FMEG | (9.2) | (12.4) | (6.2) | (8.4) | (9.0) | (5.9) | (5.5) | (4.4) | (8.8) | (6.2) | (7.0) | 108 |



Eris Lifesciences

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

CMP: INR1,292 TP: INR1,230 (-5%) Neutral

Efforts underway to scale up acquired business

Operationally in-line 2Q

- Eris Lifesciences (ERIS) delivered in-line revenue/EBITDA in 2QFY25, with moderate 7% YoY growth in base business. ERIS continues to build presence across the value chain in the biologics segment. In addition to the acquisition of marketing strength of Biocon (1QFY25) and fill-finish dosage manufacturing unit (2QFY25), ERIS has recently acquired a 30% stake in Levim to gain access to a bulk manufacturing facility and biologic product development expertise.
- We trim our estimates by 6%/4%/2% for FY25/FY26/FY27 to factor in the shortage of insulin products and slower growth in base business. Compared to 50%/46% YoY growth in revenue/EBITDA in 1HFY25, we expect 53%/61% YoY growth in revenue/EBITDA for 2HFY25, largely due to acquisitions and new launches in focus therapies. We value ERIS at 25x 12M forward earnings to arrive at a TP of INR1,230.
- ERIS has built growth levers in a) the biologics segment through its presence across the value chain, and b) the injectable space through Swiss Parenterals. However, considering the valuation, there is limited upside from current levels. Maintain Neutral.

Inferior segment mix offset by better operating leverage

- 2QFY25 revenues grew 46.7% YoY to INR7.4b (our est. INR7.6).
- Gross margin contracted 760bp YoY to 75.6% due to change in product mix.
- EBITDA margin was largely stable YoY at 35.7% (our est. 35.1%), owing to gross margin contraction, offset by lower employee expense/other expense (-260bp/-370bp as % of sales).
- EBITDA increased by 46% YoY to INR2.6b (in line with our estimate).
- Adj. PAT declined by 25.8% YoY to INR916m (our est. INR988m), due to higher interest (up 3.6x YoY) and depreciation (up 91% YoY).
- In 1HFY25, revenue/EBITDA grew 50.3%/46.6%, whereas PAT declined 19.9% YoY.

Highlights from the management commentary

- ERIS guides for total group business of INR30b and EBITDA margin of 35% in FY25.
- Expects domestic branded formulation revenue of INR26b (INR13b in 1HFY25) with EBITDA margins of 36% in FY25.
- Swiss parenterals business is expected to generate INR3.3b (INR1.6b in 1HFY25) with EBITDA margin of 35%.
- Organic business forms ~80% of domestic branded business and is expected to grow by 9-10% (vs. 4% in 2QFY25) with EBITDA margin of 37% for FY25.
- Derma in-house production, which began in Jan'24, contributed 30% of total dermatology production in 2QFY25.

| | |
|-----------------------|-------------|
| Bloomberg | ERIS IN |
| Equity Shares (m) | 136 |
| M.Cap.(INRb)/(USDb) | 175.8 / 2.1 |
| 52-Week Range (INR) | 1522 / 800 |
| 1, 6, 12 Rel. Per (%) | 8/39/29 |
| 12M Avg Val (INR M) | 248 |

Financials & valuations (INR b)

| Y/E MARCH | 2025E | 2026E | 2027E |
|----------------------|-------|-------|-------|
| Sales | 30.4 | 34.7 | 40.1 |
| EBITDA | 10.7 | 12.2 | 14.4 |
| Adj. PAT | 3.9 | 5.5 | 7.5 |
| EBIT Margin (%) | 24.6 | 26.3 | 28.2 |
| Cons. Adj. EPS (INR) | 28.6 | 40.1 | 54.2 |
| EPS Gr. (%) | -2.2 | 40.4 | 35.1 |
| BV/Sh. (INR) | 211.2 | 245.8 | 294.5 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 1.0 | 0.7 | 0.5 |
| RoE (%) | 14.3 | 17.6 | 20.1 |
| RoCE (%) | 10.5 | 12.0 | 14.5 |
| Payout (%) | 19.2 | 13.7 | 10.1 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 44.8 | 31.9 | 23.6 |
| EV/EBITDA (x) | 19.2 | 16.5 | 13.6 |
| Div. Yield (%) | 0.4 | 0.4 | 0.4 |
| FCF Yield (%) | 0.1 | 3.7 | 4.0 |
| EV/Sales (x) | 6.7 | 5.8 | 4.9 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 54.9 | 54.9 | 54.9 |
| DII | 18.7 | 16.2 | 14.5 |
| FII | 8.0 | 14.6 | 13.2 |
| Others | 18.5 | 14.3 | 17.4 |

FII includes depository receipts

Consolidated - Quarterly Earning

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | Estimate | Var % |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Gross Sales | 4,666 | 5,053 | 4,863 | 5,509 | 7,197 | 7,412 | 7,732 | 8,106 | 20,091 | 30,447 | 7,579 | -2.2 |
| YoY Change (%) | 17.1 | 9.7 | 14.9 | 36.8 | 54.2 | 46.7 | 59.0 | 47.1 | 19.2 | 51.5 | 50.0 | |
| Total Expenditure | 2,969 | 3,242 | 3,108 | 3,811 | 4,697 | 4,767 | 5,003 | 5,263 | 13,129 | 19,729 | 4,919 | |
| EBITDA | 1,697 | 1,811 | 1,755 | 1,698 | 2,500 | 2,645 | 2,729 | 2,843 | 6,962 | 10,717 | 2,660 | -0.6 |
| Margins (%) | 36.4 | 35.8 | 36.1 | 30.8 | 34.7 | 35.7 | 35.3 | 35.1 | 34.7 | 35.2 | 35.1 | |
| Depreciation | 409 | 421 | 457 | 539 | 759 | 805 | 810 | 854 | 1,830 | 3,228 | 718 | |
| Interest | 174 | 163 | 181 | 330 | 604 | 595 | 610 | 620 | 848 | 2,428 | 630 | |
| Other Income | 10 | 35 | 42 | 151 | 16 | 46 | 65 | 178 | 238 | 304 | 50 | |
| PBT before EO expense | 1,125 | 1,262 | 1,159 | 980 | 1,153 | 1,291 | 1,374 | 1,547 | 4,522 | 5,366 | 1,362 | -5.2 |
| Extra-Ord expense | 0 | 0 | 0 | 214 | 0 | 0 | 0 | 0 | 214 | 0 | 0 | |
| PBT | 1,125 | 1,262 | 1,159 | 766 | 1,153 | 1,291 | 1,374 | 1,547 | 4,308 | 5,366 | 1,362 | |
| Tax | 188 | 39 | 144 | -30 | 259 | 328 | 330 | 371 | 342 | 1,288 | 343 | |
| Rate (%) | 16.7 | 3.1 | 12.4 | -3.9 | 22.5 | 25.4 | 24.0 | 24.0 | 7.9 | 24.0 | 25.2 | |
| MI & Profit/Loss of Asso. Cos. | 12 | 11 | 13 | -87 | 62 | 48 | 37 | 0 | -51 | 147 | 31.0 | |
| Reported PAT | 948 | 1,234 | 1,027 | 710 | 832 | 916 | 1,008 | 1,176 | 3,916 | 3,931 | 988 | -7.3 |
| Adj PAT | 948 | 1,234 | 1,027 | 815 | 832 | 916 | 1,008 | 1,176 | 4,021 | 3,931 | 988 | -7.3 |
| YoY Change (%) | 0.3 | 2.3 | 1.2 | 24.6 | -12.3 | -25.8 | -1.9 | 44.2 | 5.2 | -2.2 | -19.9 | |
| Margins (%) | 20.3 | 24.4 | 21.1 | 14.8 | 11.6 | 12.4 | 13.0 | 14.5 | 20.0 | 12.9 | 13.0 | |

E: MOSL Estimates



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

CMP: INR180 TP: INR200 (+11%) Neutral

Revenue in line; volumes remain robust

| | |
|-----------------------|-------------|
| Bloomberg | IEX IN |
| Equity Shares (m) | 892 |
| M.Cap.(INRb)/(USDb) | 161.2 / 1.9 |
| 52-Week Range (INR) | 244 / 121 |
| 1, 6, 12 Rel. Per (%) | -4/6/19 |
| 12M Avg Val (INR M) | 2682 |

- IEX delivered standalone revenue of INR1,392m in 2QFY25 (+28% YoY), in line with our estimate. Reported standalone PAT of INR1,061m came in 3% above our est. of INR1,025m (+28% YoY), mainly led by higher other income.
- IEX's overall volumes rose 38% YoY in 2QFY25, with electricity market (DAM, TAM and RTM) volumes rising 15% YoY and renewable (RE) volumes surging 277% YoY.
- In 2QFY25, electricity demand growth slowed owing to 8% higher-than-average monsoon rains, with average power demand at 435BUs, up 0.5% YoY.
- IEX holds a dominant market position with a 99.5% share in the bilateral day-ahead market (DAM) and real-time market (RTM), and about 40% in the term-ahead market (TAM). Overall, IEX held a combined market share of 79% in 1HFY25.
- Pending approvals for an 11-month contract and the green RTM market are expected to enhance trading opportunities.
- We reiterate our Neutral rating on the stock with a TP of INR200.

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|---------------|-------|-------|-------|
| Sales | 4.5 | 5.4 | 6.3 |
| EBITDA | 3.8 | 4.6 | 5.5 |
| Adj. PAT | 3.4 | 3.9 | 4.6 |
| EPS (INR) | 3.8 | 4.3 | 5.2 |
| EPS Gr.% | 16.7 | 13.5 | 18.5 |
| BV/Sh. (INR) | 10.6 | 12.8 | 15.4 |
| Ratios | | | |
| Net D:E | (0.2) | (0.3) | (0.5) |
| RoE (%) | 39.4 | 37.1 | 36.5 |
| RoCE (%) | 38.6 | 36.3 | 35.9 |
| Payout (%) | 50.0 | 50.0 | 50.0 |

Valuation

| | | | |
|----------------|------|------|------|
| P/E (x) | 47.1 | 41.5 | 35.0 |
| P/B (x) | 16.9 | 14.1 | 11.7 |
| EV/EBITDA (x) | 42.0 | 34.1 | 28.3 |
| Div. yield (%) | 1.1 | 1.2 | 1.4 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 0.0 | 0.0 | 0.0 |
| DII | 31.5 | 31.3 | 22.6 |
| FII | 15.9 | 12.0 | 14.4 |
| Others | 52.6 | 56.8 | 63.0 |

FII Includes depository receipts

Robust 2Q, in line with expectations

- IEX reported standalone revenue of INR1,392m in 2Q (+28% YoY), in line with our estimate.
- Reported standalone PAT of INR1,061m came in 3% above our est. of INR1,025m (+28% YoY), primarily due to higher other income.
- EBITDA came in at INR1,203m (+30% YoY), 2% below our est. of INR1,224m.
- In 1HFY25, net sales grew 24% YoY to INR2.6b, while EBITDA and PAT grew 27% YoY each to INR2.2b/INR1.9b. In 2HFY25, we expect net sales/ EBITDA/PAT to increase by 15%/17%/2% YoY.
- Operational 2Q performance:
 - Overall volumes rose 38% YoY, with electricity volumes rising 15% YoY and RE volumes surging 277% YoY.
 - Within the electricity volume segment, DAM volumes were up 27%, whereas TAM volumes were down 41% YoY.
 - Within the green market segment, G-DAM saw a strong performance with volumes up 204%, whereas G-TAM volumes dipped 86% YoY.

Highlights of the 2QFY25 performance:

Strong Trading Volume:

- Cumulative trading volume for 1HFY25 reached 67BUs, up 30% YoY, driven by reduced renewable energy certificate (REC) prices.
- RTM recorded the highest single-day trade volume of 173MUs in Sep'24 and achieved the highest monthly volume of 3.5BUs.
- RTM's contribution to the overall product mix rose to 30%, up from 27% as of FY24 end, highlighting its vital role in supporting DISCOMS and open access consumers.
- Green market volumes jumped 246% YoY to nearly 2.6Bus in 2QFY25.

Other Highlights:

- IEX commands a substantial 83% share of the electricity market and 60% in RECs.
- The Minister of Coal made an announcement regarding the upcoming establishment of India’s first coal exchange, which will operate under the supervision of the Coal Controller and IEX is actively collaborating with stakeholders to explore diversification opportunities in this new market.
- Pending approval from CERC for the 11-month contract and the Green RTM market, which are expected to enhance trading opportunities.

Valuation and view

Our TP of INR200 for IEX is based on the following valuation:

- We value the business at Dec-26E EPS of 5.8 with a PE multiple of 34x. This compares with mean and mean+1 SD of 33x and 44x, respectively.
- We have not assumed any value for IGX stake in our valuation.

Standalone Qtrly performance

| Y/E March | (INR m) | | | | | | | | | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|-----|------|------|
| | FY24 | | | | FY25 | | | | FY24 | FY25E | FY25E Var. | YoY | QoQ | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | % | % | % |
| Net Sales | 1,040 | 1,085 | 1,153 | 1,213 | 1,236 | 1,392 | 1,374 | 1,356 | 4,492 | 5,358 | 1,397 | 0% | 28.3 | 12.7 |
| <i>YoY Change (%)</i> | 5.8 | 14.0 | 15.0 | 13.3 | 18.8 | 28.3 | 19.2 | 11.8 | 12.0 | 19.3 | 28.8 | | | |
| EBITDA | 816 | 922 | 999 | 1,049 | 1,000 | 1,203 | 1,201 | 1,200 | 3,785 | 4,604 | 1,224 | -2% | 30.5 | 20.3 |
| <i>Margin (%)</i> | 78.4 | 84.9 | 86.6 | 86.5 | 81.0 | 86.4 | 87.4 | 88.5 | 84.3 | 85.9 | 87.6 | | | |
| Depreciation | 50 | 51 | 52 | 52 | 52 | 53 | 47 | 41 | 204 | 193 | 47 | 13% | 5.1 | 1.7 |
| Interest | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 28 | 28 | 7 | -8% | -6.1 | -1.9 |
| Other Income | 232 | 244 | 258 | 282 | 308 | 286 | 163 | 40 | 1,016 | 797 | 163 | 76% | 17.5 | -7.1 |
| PBT before EO items | 991 | 1,108 | 1,198 | 1,271 | 1,249 | 1,429 | 1,310 | 1,191 | 4,568 | 5,179 | 1,333 | | | |
| Extraordinary Inc / (Exp) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| PBT | 991 | 1,108 | 1,198 | 1,271 | 1,249 | 1,429 | 1,310 | 1,191 | 4,568 | 5,179 | 1,333 | 7% | 29.0 | 14.4 |
| Tax | 250 | 279 | 305 | 320 | 315 | 368 | 330 | 292 | 1,154 | 1,305 | 308 | 20% | 31.9 | 17.0 |
| <i>Rate (%)</i> | 25.2 | 25.2 | 25.5 | 25.2 | 25.2 | 25.8 | 25.2 | 24.5 | 25.3 | 25.2 | 23.1 | | | |
| JV and Associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Reported PAT | 741 | 829 | 893 | 951 | 934 | 1,061 | 980 | 899 | 3,414 | 3,874 | 1,025 | 3% | 28.0 | 13.6 |
| Adj PAT | 741 | 829 | 893 | 951 | 934 | 1,061 | 980 | 899 | 3,414 | 3,874 | 1,025 | 3% | 28.0 | 13.6 |
| <i>YoY Change (%)</i> | 8.1 | 18.3 | 25.5 | 14.8 | 26.0 | 28.0 | 9.7 | -5.5 | 16.7 | 13.5 | 23.7 | | | |
| <i>Margin (%)</i> | 71.3 | 76.4 | 77.5 | 78.4 | 75.6 | 76.2 | 71.3 | 66.3 | 76.0 | 72.3 | 73.4 | | | |



CreditAccess Grameen

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

| | |
|-----------------------|-------------|
| Bloomberg | CREDAG IN |
| Equity Shares (m) | 159 |
| M.Cap.(INRb)/(USDb) | 156.5 / 1.9 |
| 52-Week Range (INR) | 1796 / 960 |
| 1, 6, 12 Rel. Per (%) | -12/-41/-61 |
| 12M Avg Val (INR M) | 423 |

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|--------------|------|-------|-------|
| NII | 31.7 | 37.7 | 42.1 |
| Total Income | 34.4 | 39.9 | 44.6 |
| PPoP | 23.9 | 27.3 | 30.0 |
| PAT | 14.5 | 10.5 | 16.3 |
| EPS (INR) | 91 | 66 | 102 |
| EPS Gr. (%) | 75 | -27 | 56 |
| BV (INR) | 412 | 468 | 571 |

Ratios (%)

| | | | |
|-------------|------|------|------|
| NIM | 14.4 | 14.7 | 14.5 |
| C/I ratio | 30.5 | 31.7 | 32.9 |
| Credit cost | 2.0 | 5.0 | 2.7 |
| RoA | 5.7 | 3.6 | 4.9 |
| RoE | 24.8 | 15.0 | 19.7 |

Valuations

| | | | |
|----------|------|------|-----|
| P/E (x) | 10.8 | 14.9 | 9.6 |
| P/BV (x) | 2.4 | 2.1 | 1.7 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 66.5 | 66.6 | 66.7 |
| DII | 14.9 | 16.3 | 15.8 |
| FII | 10.8 | 10.9 | 11.5 |
| Others | 7.8 | 6.3 | 6.1 |

FII Includes depository receipts

CMP: INR982 TP: INR1,155 (+18%) Buy

Earnings miss; guided for 'improvement' from 4QFY25

Credit costs elevated; FY25 guidance revised downward

- CreditAccess Grameen (CREDAG)'s 2QFY25 PAT declined ~46% YoY to ~INR1.86b (~29% miss). 1HFY25 PAT declined ~16% YoY to ~INR5.8b, and we expect 2HFY25 PAT to decline ~38% YoY.
- NII in 2QFY25 grew ~22% YoY to ~INR9.3b and PPoP rose 19% YoY to ~INR6.7b. Cost-to-income ratio stood at ~31% (PY: ~32% and PQ: ~29%).
- Reported yields improved ~10bp QoQ to ~21.1%, and CoF was stable QoQ at 9.8%. Reported NIM rose ~50bps QoQ to ~13.5%. Average disbursement yields remained stable QoQ at ~21.3% in 2QFY25. We model NIMs of 14.7%/14.5% for FY25/FY26.
- CREDAG's 2QFY25 disbursements declined ~11% YoY and ~2% QoQ to ~INR44b. AUM grew ~12% YoY but declined ~4% QoQ to ~INR251b (PY: ~INR225b). Borrower base grew ~7% YoY to ~4.93m (PY: ~4.6m).
- GNPA/NNPA deteriorated ~100bp/30bp QoQ to ~2.5%/~0.8%. CREDAG observed that delinquency was the highest in customers with the lowest vintage and having a higher velocity of loans. Annualized credit costs rose to ~6.5% (PY: ~1.7% and PQ: ~2.6%). Management raised its credit cost guidance to ~4.5%-5.0% (vs. ~2.2-2.4% earlier) for FY25 in anticipation of provisions for slippages into higher buckets.
- We cut our FY25E PAT by ~19% to factor in higher credit costs. We estimate an 18%/12% CAGR in AUM/PAT over FY24-27, leading to an RoA/ RoE of ~4.9%/20% in FY26. CREDAG will likely have a slightly bumpy ride in the near term because of its calibration in loan growth and continuing forward flows resulting in elevated credit costs. However, like the past credit cycles in MFI, we expect CREDAG to be more resilient than its NBFC-MFI peers, even as there will be continuing sectoral headwinds ahead. **Reiterate BUY with a revised TP of INR1,155 (based on 1.8x Sep'26E P/BV).**

Highlights from the management commentary

- Bihar, MP, Maharashtra, and WB were hit by floods, which impacted delinquencies. However, things have improved, and the company expressed no concerns about the unseasonal rainfall in Oct'24.
- Defaults are higher among new customers acquired from other peer MFIs over the past two years. Delinquencies are elevated as these customers were added over the last two years, and the company does not anticipate any significant recoveries from this pool of defaulting customers.

Valuation and view

- CREDAG's robust execution has been vindicated by its resilience during various credit cycles and external disturbances. Despite the sector staring at near-term headwinds because of the buildup of customer leverage, we expect CREDAG to exhibit much higher resilience compared to its peers.
- With a strong capital position (Tier-1 of ~25%), it is well equipped to navigate any potential disruptions in the sector. **Reiterate BUY with a revised TP of INR1,155 (based on 1.8x Sep'26E P/BV).**

Quarterly Performance

(INR M)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | 2QFY25E | v/s Est. |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Interest Income | 11,052 | 11,874 | 12,444 | 13,632 | 14,372 | 14,177 | 14,170 | 15,047 | 49,001 | 57,766 | 14,018 | 1 |
| Interest Expenses | 3,849 | 4,239 | 4,415 | 4,822 | 5,103 | 4,846 | 4,880 | 5,263 | 17,324 | 20,092 | 4,950 | -2 |
| Net Interest Income | 7,203 | 7,635 | 8,029 | 8,810 | 9,268 | 9,331 | 9,290 | 9,785 | 31,677 | 37,675 | 9,068 | 3 |
| YoY Growth (%) | 57.8 | 53.3 | 48.5 | 42.3 | 28.7 | 22.2 | 15.7 | 11.1 | 49.8 | 18.9 | 18.8 | |
| Other Income | 656 | 602 | 509 | 959 | 754 | 362 | 560 | 595 | 2,725 | 2,271 | 689 | -48 |
| Total Income | 7,858 | 8,237 | 8,537 | 9,770 | 10,023 | 9,693 | 9,851 | 10,379 | 34,402 | 39,946 | 9,757 | -1 |
| YoY Growth (%) | 63.8 | 52.1 | 43.6 | 35.6 | 27.5 | 17.7 | 15.4 | 6.2 | 47.1 | 16.1 | 18.5 | |
| Operating Expenses | 2,420 | 2,611 | 2,520 | 2,942 | 2,929 | 2,972 | 3,131 | 3,622 | 10,493 | 12,651 | 2,994 | -1 |
| Operating Profit | 5,438 | 5,626 | 6,018 | 6,828 | 7,093 | 6,721 | 6,720 | 6,757 | 23,910 | 27,295 | 6,763 | -1 |
| YoY Growth (%) | 88 | 68 | 59 | 36 | 30 | 19 | 12 | -1 | 59 | 14 | 20 | |
| Provisions & Loan Losses | 764 | 959 | 1,262 | 1,533 | 1,746 | 4,202 | 3,991 | 3,215 | 4,518 | 13,154 | 3,230 | 30 |
| Profit before Tax | 4,674 | 4,668 | 4,756 | 5,295 | 5,347 | 2,520 | 2,729 | 3,542 | 19,392 | 14,141 | 3,533 | -29 |
| Tax Provisions | 1,189 | 1,197 | 1,222 | 1,324 | 1,371 | 659 | 704 | 914 | 4,933 | 3,648 | 897 | -27 |
| Net Profit | 3,485 | 3,470 | 3,533 | 3,971 | 3,977 | 1,861 | 2,025 | 2,627 | 14,459 | 10,493 | 2,636 | -29 |
| YoY Growth (%) | 151.3 | 96.6 | 63.7 | 33.9 | 14.1 | -46.4 | -42.7 | -33.8 | 75.0 | -27.4 | -24.0 | |
| AUM Growth (%) | 39.7 | 36.0 | 31.5 | 27.0 | 20.6 | 11.8 | 12.4 | 7.0 | 31.8 | 3.8 | 11.8 | |
| NIM (%) | 13.4 | 13.8 | 14.0 | 14.1 | 14.0 | 14.5 | 14.5 | 14.3 | 14.4 | 14.7 | 14.1 | |
| Cost to Income Ratio (%) | 30.8 | 31.7 | 29.5 | 30.1 | 29.2 | 30.7 | 31.8 | 34.9 | 30.5 | 31.7 | 30.7 | |
| Tax Rate (%) | 25.4 | 25.7 | 25.7 | 25.0 | 25.6 | 26.2 | 25.8 | 25.8 | 25.4 | 25.8 | 25.4 | |
| Key Parameters (%) | | | | | | | | | | | | |
| Yield on loans | 20.7 | 21.1 | 21.0 | 21.0 | 21.0 | 21.1 | 0.0 | 0.0 | | | | |
| Cost of funds | 9.6 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 0.0 | 0.0 | | | | |
| Spread | 11.1 | 11.3 | 11.2 | 11.2 | 11.2 | 11.3 | 0.0 | 0.0 | | | | |
| NIM | 13.0 | 13.1 | 13.1 | 13.1 | 13.0 | 13.5 | 0.0 | 0.0 | | | | |
| Credit cost | 1.4 | 1.7 | 2.2 | 2.4 | 2.6 | 6.5 | 6.2 | 4.7 | | | | |
| Cost to Income Ratio (%) | 30.8 | 31.7 | 29.5 | 30.1 | 29.2 | 30.7 | 31.8 | 34.9 | | | | |
| Tax Rate (%) | 25.4 | 25.7 | 25.7 | 25.0 | 25.6 | 26.2 | 25.8 | 25.8 | | | | |
| Performance ratios (%) | | | | | | | | | | | | |
| GLP/Branch (INR m) | 119 | 120 | 123 | 136 | 133 | 124 | 0 | 0 | | | | |
| GLP/Loan Officer (INR m) | 18.1 | 16.9 | 17.9 | 20.3 | 19.6 | 18.8 | 0.0 | 0.0 | | | | |
| Borrowers/Branch | 2,422 | 2,452 | 2,478 | 2,500 | 2,522 | 2,429 | 0 | 0 | | | | |
| Borrowers/Loan Officer | 367 | 345 | 360 | 373 | 372 | 369 | 0 | 0 | | | | |
| Balance Sheet Parameters | | | | | | | | | | | | |
| Gross loan portfolio (INR B) | 218.1 | 224.9 | 233.8 | 267.1 | 263.0 | 251.3 | 262.7 | 285.8 | | | | |
| Change YoY (%) | 39.7 | 36.0 | 31.5 | 27.0 | 20.6 | 11.8 | 12.4 | 7.0 | | | | |
| Disbursements (INR B) | 47.7 | 49.7 | 53.4 | 80.5 | 44.8 | 44.0 | 60.4 | 75.2 | | | | |
| Change YoY (%) | 97.5 | 13.5 | 10.3 | 12.3 | -6.2 | -11.3 | 13.0 | -6.6 | | | | |
| Borrowings (INR B) | 168.2 | 177.6 | 190.7 | 219.5 | 203.9 | 192.7 | 203.8 | 221.2 | | | | |
| Change YoY (%) | 41.6 | 44.3 | 40.5 | 33.7 | 21.2 | 8.6 | 6.8 | 0.8 | | | | |
| Borrowings/Loans (%) | 84.9 | 85.0 | 86.3 | 87.4 | 82.7 | 81.9 | 82.5 | 83.0 | | | | |
| Debt/Equity (x) | 3.1 | 3.1 | 3.1 | 3.3 | 2.9 | 2.8 | 2.8 | 3.0 | | | | |
| Asset Quality (%) | | | | | | | | | | | | |
| GS3 (INR m) | 1,817 | 1,657 | 2,197 | 3,037 | 3,710 | 6,002 | 0 | 0 | | | | |
| G3 % | 0.9 | 0.8 | 1.0 | 1.2 | 1.5 | 2.4 | 0.0 | 0.0 | | | | |
| NS3 (INR m) | 552 | 509 | 650 | 888 | 1,144 | 1,832 | 0 | 0 | | | | |
| NS3 % | 0.3 | 0.2 | 0.3 | 0.4 | 0.5 | 0.8 | 0.0 | 0.0 | | | | |
| PCR (%) | 69.6 | 69.3 | 70.4 | 70.8 | 69.2 | 69.5 | 0.0 | 0.0 | | | | |
| ECL (%) | 1.6 | 1.6 | 1.8 | 2.0 | 2.3 | 3.5 | 0.0 | 0.0 | | | | |
| Return Ratios - YTD (%) | | | | | | | | | | | | |
| ROA (Rep) | 5.8 | 5.6 | 5.5 | 5.7 | 5.4 | 2.7 | 0.0 | 0.0 | | | | |
| ROE (Rep) | 26.4 | 24.7 | 23.6 | 24.9 | 23.5 | 10.7 | 0.0 | 0.0 | | | | |

E: MOFSL Estimates



Mahanagar Gas

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

CMP: INR1,497 TP: INR1,970 (+32%) Buy

Weak 2Q; CNG price hike a catalyst in 2HFY25

| | |
|-----------------------|-------------|
| Bloomberg | MAHGL IN |
| Equity Shares (m) | 99 |
| M.Cap.(INRb)/(USDb) | 147.9 / 1.8 |
| 52-Week Range (INR) | 1989 / 979 |
| 1, 6, 12 Rel. Per (%) | -16/-4/22 |
| 12M Avg Val (INR M) | 1023 |

Financials & Valuations (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|----------------|-------|-------|-------|
| Sales | 59.1 | 62.1 | 66.5 |
| EBITDA | 16.5 | 17.7 | 18.9 |
| Adj. PAT | 11.1 | 11.6 | 12.2 |
| Adj. EPS (INR) | 112.1 | 117.8 | 123.8 |
| EPS Gr. (%) | -15.3 | 5.1 | 5.1 |
| BV/Sh.(INR) | 587.9 | 658.6 | 732.9 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | -0.1 | -0.1 | -0.1 |
| RoE (%) | 20.2 | 18.9 | 17.8 |
| RoCE (%) | 20.3 | 19.0 | 17.9 |
| Payout (%) | 40.0 | 40.0 | 40.0 |

Valuation

| | | | |
|----------------|------|------|------|
| P/E (x) | 13.4 | 12.7 | 12.1 |
| P/BV (x) | 2.5 | 2.3 | 2.0 |
| EV/EBITDA (x) | 8.8 | 8.1 | 7.5 |
| Div. Yield (%) | 3.0 | 3.1 | 3.3 |
| FCF Yield (%) | 1.7 | 2.8 | 3.7 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 32.5 | 32.5 | 32.5 |
| DII | 25.5 | 26.7 | 26.1 |
| FII | 34.2 | 31.5 | 30.5 |
| Others | 7.8 | 9.3 | 10.9 |

FII Includes depository receipts

- Mahanagar Gas (MAHGL)'s 2QFY25 financial performance was below our estimates, mainly due to lower EBITDA/scm vs. our expectation. We believe the overhang of rising gas costs (leading to lower gross margin) is here to stay for some time because: 1) APM gas shortage will only increase in the coming years as CGD networks in the country ramp-up, and 2) average gas cost is set to mount as new gas availability is at a 12% slope to crude oil prices. However, MAHGL (and other CGDs) could potentially offset some of the rise in gas costs by taking price hikes post-elections. CNG cost competitiveness vs. petrol will remain formidable even after an INR5/Kg CNG price hike as per our estimate. MAHGL has maintained INR10-12 EBITDA/scm margin guidance; we are building in ~7% volume growth in FY26-27.
- Mahanagar Gas Ltd.'s (MAHGL) EBITDA decreased 17% YoY to INR3.9b in 2QFY25, mainly driven by a 26% YoY dip in EBITDA/scm to INR10.7 (MOFSL: INR11.5). Volumes grew 13% YoY to 4.0mmscmd driven by CNG and I/C-PNG.
- Following the weak 2QFY25 performance, we cut our FY25-26 EPS by 13%/14%.
- The stock trades at 12.8x FY26E EPS of INR117.8. We value it at 16x Dec'26E EPS to arrive at our TP of INR1,970. **Reiterate BUY.** We continue to prefer MAHGL over IGL owing to its 30% cheaper valuation (on FY26E standalone P/E basis), a higher volume growth profile in the medium term, relatively lower EV risk, and a superior margin trajectory.

Miss on EBITDA due to subdued margins; Volumes in line Standalone

- Total volumes were in line with est. at 4mmscmd (+13% YoY).
 - CNG volumes were 2.9mmscmd (+12% YoY).
 - PNG total volumes stood at 1.2mmscmd (+17% YoY).
- EBITDA/scm came 7% below our estimate at INR10.7 (-26% YoY), mainly due to higher gas costs QoQ and a rise in employee and other expenses.
 - The resultant standalone EBITDA was 7% below our estimate at INR4b (-17% YoY; our est. INR4.3b).
 - Other income was INR150m above our estimates.
 - Hence, PAT came in line at INR2.8b (our est. INR2.9b, -16% YoY).
 - In 1HFY25, net sales grew 6% to INR33b, while EBITDA/PAT declined 18%/20% to INR8.2b/5.7b, respectively. In 2HFY25, we expect net sales/EBITDA/PAT to decline 17%/2%/7%, respectively on a YoY basis.

Consolidated figures, including Unison Enviro Private Limited (UEPL)

- In 2QFY25, net sales stood at INR17.9b (+7% QoQ).
- EBITDA stood at INR4.1b (-5% QoQ), led by a contraction in margins QoQ.
- On a sequential basis, EBITDA at UEPL appears to have dipped sharply (-18% QoQ) in 2QFY25.

Valuation and view

- During the quarter, MAHGL connected 58,845 domestic households and added 99 PNG-I/C customers. For Raigad GA, 83,364 households were connected, and eight pipelines were laid.
- We expect a 9% CAGR in volume over FY24-27, driven by multiple initiatives implemented by the company, such as partnering with OEMs to drive conversions of commercial CNG vehicles and providing guaranteed price discounts to new I/C-PNG customers.
- The stock trades at 12.8x FY26E EPS of INR117.8. We value it at 16x Dec'26E EPS to arrive at our TP of INR1,970. **Reiterate BUY.**

Standalone - Quarterly Earnings

(INR m)

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 | FY25 | Var. (%) |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Net Sales | 15,378 | 15,709 | 15,688 | 15,671 | 15,896 | 17,116 | 15,150 | 10,938 | 62,445 | 59,100 | 15,309 | 12% |
| YoY Change (%) | 5.7 | 0.5 | -6.1 | -2.7 | 3.4 | 9.0 | -3.4 | -30.2 | -0.9 | -5.4 | -2.5 | |
| EBITDA | 5,213 | 4,789 | 4,487 | 3,938 | 4,185 | 3,985 | 4,220 | 4,072 | 18,426 | 16,462 | 4,297 | -7% |
| EBITDA/SCM | 16.8 | 14.6 | 13.3 | 11.5 | 11.9 | 10.7 | 11.0 | 10.4 | 13.9 | 11.0 | 11.5 | -7% |
| Margins (%) | 33.9 | 30.5 | 28.6 | 25.1 | 26.3 | 23.3 | 27.9 | 37.2 | 29.5 | 27.9 | 28.1 | |
| Depreciation | 620 | 658 | 683 | 775 | 719 | 735 | 742 | 771 | 2,736 | 2,966 | 742 | |
| Interest | 25 | 25 | 27 | 38 | 31 | 31 | 26 | 16 | 115 | 104 | 26 | |
| Other Income | 390 | 437 | 481 | 446 | 402 | 512 | 351 | 140 | 1,753 | 1,404 | 362 | |
| PBT | 4,957 | 4,543 | 4,258 | 3,570 | 3,837 | 3,731 | 3,803 | 3,424 | 17,328 | 14,795 | 3,891 | -4% |
| Tax | 1,273 | 1,158 | 1,086 | 920 | 992 | 903 | 957 | 872 | 4,437 | 3,724 | 979 | |
| Rate (%) | 25.7 | 25.5 | 25.5 | 25.8 | 25.8 | 24.2 | 25.2 | 25.5 | 25.6 | 25.2 | 25.2 | |
| Reported PAT | 3,684 | 3,385 | 3,172 | 2,650 | 2,845 | 2,828 | 2,846 | 2,552 | 12,891 | 11,071 | 2,912 | -3% |
| YoY Change (%) | 98.9 | 106.4 | 84.3 | -1.4 | -22.8 | -16.5 | -10.3 | -3.7 | 63.2 | -14.1 | -14.0 | |
| Margins (%) | 24.0 | 21.5 | 20.2 | 16.9 | 17.9 | 16.5 | 18.8 | 23.3 | 20.6 | 18.7 | 19.0 | |
| Sales Volumes (mmscmd) | | | | | | | | | | | | |
| CNG | 2.5 | 2.6 | 2.6 | 2.7 | 2.8 | 2.9 | 3.0 | 3.3 | 2.6 | 3.0 | 3.0 | -3% |
| PNG - Domestic | 0.5 | 0.5 | 0.5 | 0.6 | 0.5 | 0.5 | 0.6 | 0.7 | 0.5 | 0.6 | 0.6 | -8% |
| PNG - Industrial/ Commercial | 0.4 | 0.5 | 0.5 | 0.6 | 0.5 | 0.6 | 0.5 | 0.3 | 0.5 | 0.5 | 0.5 | 22% |
| PNG - Total | 0.9 | 1.0 | 1.0 | 1.1 | 1.1 | 1.2 | 1.1 | 1.1 | 1.0 | 1.1 | 1.1 | 6% |
| Total Volumes | 3.4 | 3.6 | 3.7 | 3.8 | 3.9 | 4.0 | 4.2 | 4.3 | 3.6 | 4.1 | 4.1 | 0% |

Operational highlights

| Operational Highlights | FY22 | | | | FY23 | | | | FY24 | | | | FY25 | | QoQ (%) |
|-------------------------------|-------------|-------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| CNG (mmscmd) | 1.6 | 2.2 | 2.4 | 2.3 | 2.5 | 2.5 | 2.5 | 2.4 | 2.5 | 2.6 | 2.6 | 2.7 | 2.8 | 2.9 | 4% |
| Growth YoY (%) | 223% | 75% | 27% | 13% | 64% | 14% | 3% | 6% | -2% | 2% | 6% | 11% | 12% | 12% | |
| PNG (mmscmd) | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 | 0.9 | 1.0 | 1.0 | 1.1 | 1.1 | 1.2 | 6% |
| Growth YoY (%) | 34% | 12% | 3% | 3% | 7% | 3% | 3% | 8% | 2% | 8% | 11% | 16% | 17% | 17% | |
| Total Volumes (mmscmd) | 2.4 | 3.1 | 3.3 | 3.2 | 3.4 | 3.5 | 3.4 | 3.4 | 3.4 | 3.6 | 3.7 | 3.8 | 3.9 | 4.0 | 5% |
| Growth YoY (%) | 115% | 51% | 19% | 10% | 44% | 11% | 3% | 6% | -1% | 3% | 8% | 12% | 13% | 13% | |
| EBITDA/SCM (INR) | 13.9 | 10.5 | 3.4 | 7.6 | 9.1 | 7.9 | 8.2 | 12.8 | 16.8 | 14.6 | 13.3 | 11.5 | 11.9 | 10.7 | -10% |
| Growth YoY (%) | 76% | -9% | -73% | -38% | -35% | -24% | 140% | 70% | 84% | 83% | 63% | -11% | -29% | -26% | |



Home First Finance

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

CMP: INR1,103 TP: INR1,320 (+20%) Buy

Steady quarter aided by strong AUM growth and stable spreads

Earnings in line; execution remained top-notch

- Home First Finance (HOMEFIRS)'s 2QFY25 PAT grew 24% YoY to INR922m (in line). 1HFY25 PAT grew 25% YoY to ~INR1.8b and we expect 2HFY25 PAT to grow ~23% YoY.
- NII grew 19% YoY to INR1.57b (in line). Other income grew 46% YoY to INR421m (12% above MOFSLe), aided by higher fee income during the quarter.
- Opex grew 28% YoY to INR726m. PPOp rose ~21% YoY to INR1.3b (in line). Credit costs at INR57m translated into annualized credit costs of ~20bp (PQ: ~22bp and PY: ~40bp).
- After taking PLR hike in Aug'24, yields expanded ~10bp QoQ, which offset the ~10bp QoQ increase in CoB. Spreads were stable at ~5.1%. The management informed that almost two-thirds of the yield hike is reflected in the portfolio yields and the remaining benefit will accrue in 3QFY25.
- HOMEFIRS' execution has been consistently better than its peers and it is well-positioned to capture the significant opportunity in the affordable housing segment. We estimate a CAGR of ~30%/~24% in AUM/PAT over FY24-FY27. Asset quality is expected to strengthen and credit costs are likely to remain benign over the medium-term. **Reiterate BUY with a TP of INR1,320 (based on 3.7x Sep'26E BV).**

Business momentum healthy; AUM grew ~34% YoY

- Disbursements grew 23% YoY to ~INR11.8b, which led to AUM growth of 34% YoY to ~INR112b.
- The BT-out rate (annualized) in 2QFY25 increased to ~6.7% (PQ ~6.3% and PY ~8.6%). There was some moderation in BT-out due to reduced competitive intensity and the company's efforts to effectively manage BT-outs.

Yields & CoB increased ~10bp QoQ; reported NIMs contracted ~10bp QoQ

- Reported yield and CoB increased ~10bp QoQ, each to 13.5% and 8.4%, respectively. Reported spreads were stable QoQ at 5.1%.
- Reported NIM contracted ~10bp QoQ at 5.2%. Incremental CoF and origination yield in 2QFY25 stood at 8.6% and 13.4%, respectively.
- The company has received an NHB sanction, which will further enable a reduction in borrowing costs, helping it to maintain spreads of 5.2%-5.3%. We model NIM of 5.8%/5.6% in FY25/FY26.

Asset quality stable; GNPA/NNPA at similar levels as the last quarter

- GS3 and NS3 remained stable QoQ at 1.7% and 1.3%, respectively. PCR declined ~80bp QoQ to ~27%.
- 1+dpd remained stable QoQ at 4.5%. Bounce rates were largely stable at ~15.2% in 2QFY25 (v/s ~15.3% in 1QFY25). However, it increased to 15.6% in Oct'24. There is a steady improvement in bounce rates, but the company is not concerned about the slight increase of ~40bp in Oct'24.

Stock Info

| | |
|-----------------------|-------------|
| Bloomberg | HOMEFIRS IN |
| Equity Shares (m) | 89 |
| M.Cap.(INRb)/(USD) | 98.3 / 1.2 |
| 52-Week Range (INR) | 1383 / 777 |
| 1, 6, 12 Rel. Per (%) | -8/20/-3 |
| 12M Avg Val (INR M) | 399 |
| Free float (%) | 76.6 |

Financials Snapshot (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|---------------|------|-------|-------|
| NII | 5.3 | 6.5 | 8.2 |
| PPoP | 4.3 | 5.2 | 6.4 |
| PAT | 3.1 | 3.8 | 4.7 |
| EPS (INR) | 34.5 | 42.7 | 52.8 |
| EPS Gr. (%) | 33.2 | 23.6 | 23.7 |
| BV/Sh. (INR) | 240 | 278 | 326 |
| ABV/Sh. (INR) | 231 | 269 | 315 |

Ratios

| | | | |
|---------------|------|------|------|
| NIM (%) | 6.2 | 5.8 | 5.6 |
| C/I ratio (%) | 35.2 | 36.7 | 36.8 |
| RoAA (%) | 3.8 | 3.5 | 3.4 |
| RoAE (%) | 15.5 | 16.5 | 17.5 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 31.9 | 25.8 | 20.9 |
| P/BV (x) | 4.6 | 4.0 | 3.4 |
| P/ABV (x) | 4.8 | 4.1 | 3.5 |
| Div. Yield (%) | 0.3 | 0.4 | 0.4 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 23.4 | 23.5 | 30.2 |
| DII | 12.4 | 12.0 | 10.0 |
| FII | 25.6 | 24.7 | 17.0 |
| Others | 38.6 | 39.9 | 42.8 |

FII Includes depository receipts

- Capital Adequacy (CRAR) stood at 36.2% (Tier 1: 35.8%). The Debt-Equity ratio stood at 3.9x and the company has the capacity to stretch it to 5x. It could potentially need a capital raise after 12-15 months.

Highlights from the management commentary

- Within bank term loans, ~20% is linked to Repo and T-bills while the rest is MCLR-linked. Once the interest rate cycle reverses, the company can get 30-40% of its liabilities re-priced in the first three months.
- It targets disbursements of ~INR25-26b in 2HFY25. The company expects to reach a monthly disbursement run rate of ~INR5b next year and ~INR6b in the year after.

Valuation and view

- HOMEFIRS has invested in building a franchise, which positions it well to capitalize on the strong growth opportunity in affordable housing finance. The company continues to expand its distribution network in a contiguous manner, covering Tier I and II cities within its existing states.
- We estimate HOMEFIRS to clock a ~30% AUM CAGR over FY24-FY27, along with an NIM (as a % of average AUM) of 5.8%/5.6% in FY25/FY26.
- HOMEFIRS' asset quality is likely to strengthen, with credit costs expected to remain benign over FY25-FY26 as the company prioritizes early bucket collections, thus driving improvement in asset quality. **We reiterate our BUY rating on the stock with a TP of INR1,320 (premised on 3.7x Sep'26E BVPS).**
- **Key downside risks:** a) a sharp contraction in spreads and margins in order to sustain the business momentum and b) higher BT-outs leading to lower AUM growth.

Quarterly Performance

(INR m)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | 2QFY25E | Act V/s Est |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Interest Income | 2,313 | 2,491 | 2,646 | 2,827 | 3,032 | 3,322 | 3,532 | 3,632 | 10,277 | 13,517 | 3,245 | 2 |
| Interest Expenses | 1,068 | 1,170 | 1,302 | 1,459 | 1,568 | 1,756 | 1,870 | 1,777 | 4,999 | 6,970 | 1,687 | 4 |
| Net Interest Income | 1,246 | 1,321 | 1,344 | 1,368 | 1,464 | 1,566 | 1,662 | 1,855 | 5,278 | 6,547 | 1,558 | 1 |
| YoY Growth (%) | 32.6 | 30.1 | 21.4 | 22.4 | 17.5 | 18.6 | 23.7 | 35.6 | 26.3 | 24.0 | 17.9 | |
| Other Income | 285 | 289 | 364 | 351 | 382 | 421 | 411 | 396 | 1,289 | 1,610 | 376 | 12 |
| Net Income | 1,530 | 1,610 | 1,708 | 1,719 | 1,846 | 1,987 | 2,073 | 2,251 | 6,567 | 8,156 | 1,934 | 3 |
| YoY Growth (%) | 40.9 | 36.1 | 35.7 | 24.2 | 20.6 | 23.4 | 21.4 | 31.0 | 33.7 | 24.2 | 20.1 | |
| Operating Expenses | 553 | 565 | 611 | 584 | 655 | 726 | 749 | 860 | 2,313 | 2,990 | 680 | 7 |
| Operating Profit | 977 | 1,044 | 1,097 | 1,135 | 1,191 | 1,261 | 1,324 | 1,391 | 4,254 | 5,167 | 1,254 | 1 |
| YoY Growth (%) | 39.8 | 40.9 | 34.5 | 24.8 | 21.9 | 20.7 | 20.6 | 22.6 | 34.3 | 21.5 | 20.1 | |
| Provisions and Cont. | 77 | 80 | 70 | 27 | 56 | 57 | 70 | 81 | 254 | 263 | 75 | -24 |
| Profit before Tax | 900 | 964 | 1,027 | 1,107 | 1,135 | 1,204 | 1,254 | 1,310 | 4,000 | 4,903 | 1,179 | 2 |
| Tax Provisions | 209 | 221 | 239 | 273 | 258 | 281 | 288 | 286 | 942 | 1,113 | 265 | 6 |
| Net Profit | 691 | 743 | 788 | 835 | 878 | 922 | 966 | 1,025 | 3,057 | 3,790 | 914 | 1 |
| YoY Growth (%) | 34.9 | 36.9 | 34.5 | 30.4 | 27.0 | 24.1 | 22.5 | 22.8 | 33.9 | 24.0 | 22.9 | |
| Key Operating Parameters (%) | | | | | | | | | | | | |
| Other Income to Net Income Ratio | 18.6 | 17.9 | 21.3 | 20.4 | 20.7 | 21.2 | | | 19.6 | 19.7 | | |
| Credit Cost | 0.41 | 0.40 | 0.32 | 0.12 | 0.22 | 0.21 | | | 1.4 | 1.1 | | |
| Cost to Income Ratio | 36.1 | 35.1 | 35.7 | 34.0 | 35.5 | 36.5 | | | 35.2 | 36.7 | | |
| Tax Rate | 23.2 | 23.0 | 23.3 | 24.6 | 22.7 | 23.4 | | | 23.6 | 22.7 | | |
| Balance Sheet Parameters | | | | | | | | | | | | |
| AUM (INR m) | 77,760 | 83,654 | 90,137 | 96,978 | 1,04,781 | 1,12,294 | | | 96,978 | 1,28,582 | | |
| Change YoY (%) | 33.3 | 33.3 | 33.5 | 34.7 | 34.7 | 34.2 | | | 34.7 | 32.6 | | |
| Loans (INR m) | 65,194 | 70,253 | 75,479 | 81,434 | 87,940 | 94,465 | | | 81,434 | 1,07,153 | | |
| Change YoY (%) | 38.1 | 36.5 | 34.9 | 35.8 | 34.9 | 34.5 | | | 35.8 | 31.6 | | |
| Borrowings (INR m) | 68,215 | 72,792 | 82,514 | 87,954 | 95,120 | 1,05,869 | | | 73,021 | 94,938 | | |
| Change YoY (%) | 41.0 | 39.2 | 42.2 | 47.7 | 39.4 | 45.4 | | | 51.7 | 30.0 | | |
| Loans/Borrowings (%) | 95.6 | 96.5 | 91.5 | 92.6 | 92.5 | 89.2 | | | 112 | 113 | | |
| Asset Quality Parameters (%) | | | | | | | | | | | | |
| GS 3 (INR m) | 1,077 | 1,233 | 1,295 | 1,393 | 1,540 | 1,640 | | | 1,393 | 1,609 | | |
| Gross Stage 3 (% on Assets) | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | | | 1.70 | 1.49 | | |
| NS 3 (INR m) | 743 | 859 | 908 | 979 | 1,116 | 1,202 | | | 979 | 1,094 | | |
| Net Stage 3 (% on Assets) | 1.13 | 1.21 | 1.19 | 1.19 | 1.26 | 1.26 | | | 1.19 | 1.01 | | |
| PCR (%) | 31.0 | 30.3 | 29.9 | 29.7 | 27.5 | 26.7 | | | 29.7 | 32.0 | | |
| ECL (%) | 0.94 | 0.91 | 0.89 | 0.86 | 0.83 | 0.80 | | | 0.94 | 0.91 | | |
| Return Ratios (%) | | | | | | | | | | | | |
| ROAA (Rep) | 3.9 | 3.8 | 3.7 | 3.6 | 3.6 | 3.4 | | | 3.8 | 3.5 | | |
| ROAE (Rep) | 15.0 | 15.6 | 15.8 | 16.1 | 16.3 | 16.5 | | | 15.5 | 16.5 | | |

E: MOFSL Estimates



Transport Corporation of India

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

CMP: INR1038 TP: INR1,290 (+24%) Buy

In-line performance; outlook remains bright

| | |
|-----------------------|------------|
| Bloomberg | TRPC IN |
| Equity Shares (m) | 77 |
| M.Cap.(INRb)/(USDb) | 79.5 / 0.9 |
| 52-Week Range (INR) | 1250 / 686 |
| 1, 6, 12 Rel. Per (%) | 1/10/3 |
| 12M Avg Val (INR M) | 76 |

Financial Snapshot (INR b)

| Y/E MARCH | 2025E | 2026E | 2027E |
|-------------------|-------|-------|-------|
| Sales | 45.1 | 52.6 | 60.5 |
| EBITDA | 4.9 | 5.9 | 6.9 |
| Adj. PAT | 4.1 | 5.0 | 5.8 |
| EBITDA Margin (%) | 10.8 | 11.3 | 11.5 |
| Adj. EPS (INR) | 52.6 | 64.5 | 75.4 |
| EPS Gr. (%) | 14.8 | 22.6 | 16.9 |
| BV/Sh. (INR) | 309.0 | 370.0 | 441.8 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 0.0 | -0.1 | -0.2 |
| RoE (%) | 18.2 | 18.8 | 18.4 |
| RoCE (%) | 17.4 | 18.0 | 17.8 |
| Payout (%) | 6.7 | 5.4 | 4.6 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 19.8 | 16.2 | 13.8 |
| P/BV (x) | 3.4 | 2.8 | 2.4 |
| EV/EBITDA(x) | 15.2 | 12.1 | 9.9 |
| Div. Yield (%) | 0.3 | 0.3 | 0.3 |
| FCF Yield (%) | 0.8 | 1.6 | 2.7 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 68.8 | 68.9 | 68.9 |
| DII | 12.4 | 12.2 | 12.9 |
| FII | 3.0 | 2.9 | 2.6 |
| Others | 15.8 | 16.0 | 15.6 |

FII Includes depository receipts

- Transport Corporation of India's (TRPC) revenue grew 13% YoY to ~INR11.2b in 2QFY25 (in line). EBITDA margin came in at 10.4% (est. 10.6%), up 40bp YoY and 50bp QoQ. EBITDA increased 16.6% YoY to INR1.2b, while APAT grew 22% YoY to ~INR1.1 (est. INR1b).
- Supply chain revenue grew 13.1% YoY, while freight/seaways revenue rose 13%/21% YoY.
- EBIT margin for freight/supply chain contracted 70bp YoY each to 2.7%/5.9%, while EBIT margin for seaways business improved YoY and QoQ to 31.2%.
- 1HFY25 revenue/EBITDA/APAT grew 11.5%/9.8%/16.6% YoY to INR21.6b/INR2.2b/INR2b. 1H CFO was INR1.7b and gross debt was INR1.7b. In 2HFY25, we expect revenue/EBITDA/APAT to grow 13%/27%/13% YoY.
- 2QFY25 performance was in line with our expectations, driven by growth in the supply chain and seaways divisions. Looking ahead, these segments are expected to clock rapid growth, with revenue contribution of supply chain likely to increase. The seaways division is also set for strong growth in 2HFY25, with a dry dock planned only at the end of FY25. Additionally, the freight services segment is expected to gain momentum with the onset of the festive season. We retain our estimates for FY25/FY26/FY27 and reiterate our BUY rating with a TP of INR1,290 (based on 17x FY27E EPS).

Freight segment muted; supply chain and seaways perform well

- TRPC reported 13% growth in its freight services in 2QFY25 with EBIT margin of 2.7% (-70bp YoY). Moderate growth was attributed to challenges in the infrastructure and capital goods sectors. TRPC focuses on network expansion, with 32 new branches added in 1H to boost LTL segment.
- In supply chain, growth momentum remained intact despite mixed sectoral trends across automotive, FMCD, quick commerce, and FMCG. The business saw strong traction in warehousing and multimodal services, along with the expansion of the hub-and-spoke network for automotive. Margins remained resilient despite various cost pressures.
- The seaways business beat expectations as freight rates recovered and average fuel prices remained stable. All ships were fully operational in 2Q.

Highlights from the management commentary

- TRPC plans to open 75 new freight branches in FY25 (32 added in 1HFY25), in addition to 30 added in FY24. Freight rates are expected to rise due to the festival season, although fuel prices remain high.
- In seaways, TRPC expects capacity utilization to remain high in FY25, with dry-dock planned for late FY25. Going ahead, realization could decline, the revenue run rate would remain stable, and volumes should pick up.
- The logistics industry saw moderate trends, with TRPC's multimodal capabilities providing a hedge against downturns in any single segment.
- In FY25, the company expects revenue/PAT growth of 10%/15% YoY.

Valuation and view

- TRPC is benefiting immensely from being a multi-modal logistics provider. It is the only player in the domestic logistics industry that offers services across road, rail, and sea. TRPC’s established infrastructure, long-standing customer relationships, and experienced management team should boost its position as a preferred 3PL partner.
- We have retained our estimates for FY25/FY26/FY27 and expect TRPC to deliver a CAGR of 15%/19%/18% in revenue/EBITDA/PAT over FY24-27. **We reiterate our BUY rating on the stock with a TP of INR1,290, based on 17x FY27E EPS.**

Quarterly snapshot

| Y/E March (INR m) | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25 | INR m |
|------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | 2QE | Var. vs Est | |
| Net Sales | 9,498 | 9,935 | 10,020 | 10,789 | 10,451 | 11,208 | 11,431 | 11,992 | 40,242 | 45,082 | 11,117 | 1 |
| YoY Change (%) | 5.2 | 6.6 | 3.7 | 10.2 | 10.0 | 12.8 | 14.1 | 11.2 | 6.4 | 12.0 | 11.9 | |
| EBITDA | 1,008 | 1,004 | 999 | 1,094 | 1,038 | 1,171 | 1,280 | 1,381 | 4,105 | 4,870 | 1,178 | (1) |
| Margins (%) | 10.6 | 10.1 | 10.0 | 10.1 | 9.9 | 10.4 | 11.2 | 11.5 | 10.2 | 10.8 | 10.6 | |
| YoY Change (%) | -3.1 | 4.6 | -12.7 | 1.2 | 3.0 | 16.6 | 28.2 | 26.3 | -3.2 | 18.6 | 17.4 | |
| Depreciation | 308 | 311 | 331 | 334 | 290 | 291 | 360 | 431 | 1,284 | 1,372 | 340 | |
| Interest | 23 | 34 | 35 | 41 | 42 | 46 | 35 | 17 | 133 | 140 | 33 | |
| Other Income | 85 | 113 | 95 | 165 | 109 | 106 | 132 | 157 | 458 | 504 | 130 | |
| PBT before EO expense | 762 | 772 | 728 | 884 | 815 | 940 | 1,017 | 1,090 | 3,146 | 3,862 | 935 | 0 |
| Extra-Ord expense | 0 | 0 | 0 | 24 | 0 | 0 | 0 | 0 | 24 | 0 | 0 | |
| PBT | 762 | 772 | 728 | 860 | 815 | 940 | 1,017 | 1,090 | 3,122 | 3,862 | 935 | 0 |
| Tax | 104 | 96 | 108 | 28 | 110 | 109 | 143 | 178 | 336 | 541 | 131 | |
| Rate (%) | 13.6 | 12.4 | 14.8 | 3.3 | 13.5 | 11.6 | 14.1 | 16.4 | 10.8 | 14.0 | 14.0 | |
| Minority Interest | -9.0 | -8.0 | -8.0 | -12.0 | -6.0 | -9.0 | -7.0 | -8.0 | -37.0 | -30.0 | -5.0 | |
| Profit/Loss of Asso. Cos | 174 | 202 | 182 | 201 | 211 | 242 | 180 | 131 | 759 | 764 | 200 | |
| Reported PAT | 823 | 870 | 794 | 1,021 | 910 | 1,064 | 1,047 | 1,035 | 3,508 | 4,055 | 999 | 6 |
| Adj PAT | 823 | 870 | 794 | 1,045 | 910 | 1,064 | 1,047 | 1,035 | 3,532 | 4,055 | 999 | 6 |
| YoY Change (%) | 5.8 | 20.3 | -7.4 | 23.2 | 10.6 | 22.3 | 31.8 | -1.0 | 10.1 | 14.8 | 14.9 | |
| Margins (%) | 8.7 | 8.8 | 7.9 | 9.7 | 8.7 | 9.5 | 9.2 | 8.6 | 8.8 | 9.0 | 9.0 | |



Airtel Africa

BSE SENSEX
79,402S&P CNX
24,181

Strong 2QFY25 as growth accelerates in Nigeria

Revenue and EBITDA ahead as constant currency growth accelerates

- Airtel Africa's (AAF) constant currency (CC) revenue at USD1.26b **continued to grow in healthy double digits (+21% YoY vs. ~19% YoY in 1QFY25)**, driven by a pick-up in data (+30% YoY) and Mobile Money (+29% YoY) revenue growth and acceleration in CC revenue growth in Nigeria (+38% YoY).
- AAF's reported revenue came in at USD1.21b (+5% QoQ), **2% above** our estimate of USD1.19b.
- AAF's EBITDA in CC at USD588m **continued its double-digit growth (+16% YoY vs. 11% YoY in 1QFY25)**. Reported EBITDA at USD560m (+9% QoQ) came in **~4% above** our estimate of USD537m.
- Reported EBITDA margin recovered 160bp QoQ to 46.1% (though declined 290bp YoY on higher diesel costs) and was 100bp above our estimate.
- With capex largely flat YoY at USD169m, 2Q **operating FCF in CC terms improved 24% YoY to USD419m**. AAF's 1HFY25 CC operating FCF stood at USD803m (up 19% YoY).
- Net debt increased to USD5.2b (vs. USD3.5b at end-Mar'24) on USD1.2b increase in lease liabilities on renewal of tower leases with ATC. Leverage inched up to 2.3x (vs. 1.6x QoQ) on higher lease liability and lower EBITDA.

Robust double-digit YoY CC growth fueled by a surge in data and Mobile Money

- Mobile services revenue at USD1b (+4% QoQ) continued to report double-digit CC YoY growth (+19% YoY, vs. 17% in 1Q), with robust growth across both voice (+9% YoY) and data (+30% YoY).
- Mobile services EBITDA at USD469m (+7% QoQ) was up 12% YoY (vs. 8% in 1Q), in CC, with margins recovering 130bp QoQ to 45.7%.
- Mobile money revenue at USD244m (+10% QoQ) jumped 29% YoY in CC terms, driven by 13% YoY subscriber growth and 13% YoY CC ARPU increase.
- Mobile money EBITDA at USD128m (+8% QoQ) also increased 32% CC YoY, with EBITDA margin resilient at 52.6% (-90bp QoQ).

Strong growth in Nigeria and East Africa, recovery in Francophone Africa

- **Nigeria:** Nigeria CC revenue growth accelerated to 38% YoY (vs. 33% YoY in 1Q), driven by strong growth in data (+47% YoY) and voice (+25% YoY) revenue. Reported revenue declined 33% YoY due to the impact of the Naira devaluation. EBITDA was up ~26% YoY in CC as margin recovered 130bp QoQ to 49.1% on cost efficiency measures.
- **East Africa:** Revenue growth in CC remained robust at 21% YoY on strong 26% YoY growth in data and 31% YoY growth in Mobile Money. Cc EBITDA was up ~20% YoY as margin expanded 60bp QoQ to 52.8%.

- **Francophone Africa:** Growth recovered in Francophone Africa with CC revenue up 9% YoY (vs. 5% YoY in 1Q). EBITDA in CC inched up ~1% YoY (vs. ~7% YoY decline in 1Q) as margin recovered 200bp QoQ to 43.8%.

Robust operating performance under-pinned by strong data consumption and ARPU growth

- Subscriber base inched up by modest 1.2m QoQ (vs. 2.7m net adds in 1Q) to 156.6m (+6% YoY), following the disconnections to meet KYC norms in Nigeria.
- Data subs inched up by 1.6m QoQ (vs. flat in 1Q) to 66m (+10% YoY, 42.1% of subs now opting for data). Mobile money subs inched up by 2m QoQ (vs. 1.5m in 1Q) to 41.5m (13% YoY).
- Blended ARPU was up 3% QoQ at USD2.2 (+12% YoY CC growth) on robust ~17% YoY CC growth in data ARPU and ~13% YoY CC growth in Mobile Money ARPU.
- Data usage per subscriber jumped ~16% QoQ to 7.1GB/month (vs. 5.2GB/month YoY). Voice usage per customer increased ~3% QoQ to 300min/month (vs. 288 min YoY).

Highlights from the management commentary

- **Robust growth:** Despite volatile macroeconomic and operating environment, the demand for mobile services remains strong, given low penetration in the Airtel Africa footprint. Airtel Africa (AAF) has been able to deliver a five-year CC revenue/EBITDA CAGR of 19%/22%.
- **Cost efficiency:** Inflationary cost pressures, especially a spike in diesel costs in Nigeria, hit AAF's margin. However, the company's focus on cost efficiency and reducing USD-denominated costs resulted in sequential margin expansion.
- **Leverage:** Sharp increase in leverage was largely driven by renewal of 7,100 towers across four countries. Tower renewals have led to an increase in lease liability by USD1.2b. Net debt/EBITDA excluding lease impact stood at 1x (vs. 0.7x YoY).
- **Price hikes in Nigeria:** AAF remains in discussion with the Nigerian regulator for price hikes but is yet to get a go ahead. AAF is seeking tariff hikes to at least cover for the cost inflation.
- **Airtel Money IPO:** AAF continues to stick to the original guidance of four years (nine months from now) from the first strategic investor coming into Airtel Money and would look to provide more updates on listing plans by end-FY25.

Consistent growth as well as long runway for growth warrants a re-rating

Airtel Africa continues to deliver double-digit CC revenue and EBITDA growth for the past 20 quarters. Despite solid growth, AAF trades at ~3.5X Dec'26 EV/EBITDA. We believe with consistent strong growth and a long runway for growth, there is a case for re-rating of Airtel Africa, which in turn would benefit Bharti Airtel's shareholders. We ascribe ~INR110/share valuation to Bharti's stake in Airtel Africa, based on 5x Sep-26 EV/EBITDA.

Bharat Electronics

BSE SENSEX
79,402S&P CNX
24,181

CMP: INR272

Buy

Conference Call Details

Date: 28th October 2024

Time: 03:00pm IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

| Y/E March | 2025E | 2026E | 2027E |
|-------------------|-------|-------|-------|
| Sales | 236.5 | 285.1 | 336.0 |
| Sales Gr. (%) | 17.2 | 20.5 | 17.9 |
| EBITDA | 59.4 | 71.6 | 84.4 |
| EBITDA Margin (%) | 25.1 | 25.1 | 25.1 |
| Adj. PAT | 48.6 | 59.7 | 72.2 |
| Adj. EPS (INR) | 6.7 | 8.2 | 9.9 |
| EPS Gr. (%) | 21.0 | 22.7 | 20.9 |
| BV/Sh.(INR) | 27.8 | 34.7 | 43.2 |
| Ratios | | | |
| RoE (%) | 24.0 | 23.5 | 22.9 |
| RoCE (%) | 26.7 | 26.1 | 25.4 |
| Payout (%) | 14.5 | 14.5 | 14.5 |
| Valuations | | | |
| P/E (x) | 40.9 | 33.4 | 27.6 |
| P/BV (x) | 9.8 | 7.8 | 6.3 |
| EV/EBITDA (x) | 31.2 | 25.3 | 20.7 |
| Div. Yield (%) | 0.4 | 0.4 | 0.5 |

Better than expected performance

- 2QFY25 revenue grew by 14.8% YoY to INR45.8b (3% miss).
- Revenue growth was driven by a strong order book of INR746b and an inflow of INR74b during 1HFY25.
- EBITDA grew 38% YoY, beating our estimate by 26%. EBITDA margin was strong at 30.3% vs. our estimate of 23.3%.
- Gross margin declined by 120bp YoY but improved by 220bp QoQ. Margin performance is dependent upon the project mix during the quarter.
- Strong margin performance resulted in an 18% beat in PBT and PAT vs. our estimates. PAT stood at INR10.9b, up 34% YoY.
- CFO declined in 2Q due to working capital build-up, which can come down in the coming quarters as payments get released.
- The company has incurred a capex of INR4.3b during 1HFY25.

Standalone Quarterly Performance

(INR m)

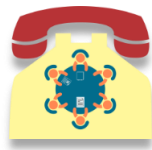
| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E 2QE | Est Var. (%) |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|-----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Net Sales | 35,108 | 39,933 | 41,367 | 85,285 | 41,988 | 45,834 | 49,662 | 99,001 | 2,01,694 | 2,36,484 | 47,297 | (3) |
| Change (%) | 12.8 | 1.2 | 0.1 | 32.1 | 19.6 | 14.8 | 20.1 | 16.1 | 14.3 | 17.2 | 18.4 | |
| EBITDA | 6,644 | 10,044 | 10,494 | 22,800 | 9,367 | 13,885 | 12,415 | 26,497 | 49,982 | 59,383 | 11,020 | 26 |
| Change (%) | 29.4 | 17.4 | 23.0 | 24.9 | 41.0 | 38.2 | 18.3 | 16.2 | 23.5 | 18.8 | 9.7 | |
| As of % Sales | 18.9 | 25.2 | 25.4 | 26.7 | 22.3 | 30.3 | 25.0 | 26.8 | 24.8 | 25.1 | 23.3 | |
| Depreciation | 1,013 | 1,004 | 998 | 1,109 | 997 | 1,032 | 1,110 | 1,413 | 4,124 | 4,552 | 1,084 | (5) |
| Interest | 11 | 15 | 5 | 39 | 12 | 13 | 18 | 28 | 70 | 70 | 18 | (25) |
| Other Income | 1,417 | 1,705 | 2,232 | 2,205 | 2,015 | 1,668 | 2,388 | 3,720 | 7,558 | 9,792 | 2,331 | (28) |
| PBT | 7,038 | 10,729 | 11,723 | 23,856 | 10,373 | 14,509 | 13,676 | 28,776 | 53,346 | 64,552 | 12,250 | 18 |
| Tax | 1,729 | 2,606 | 2,790 | 6,021 | 2,612 | 3,596 | 3,370 | 5,876 | 13,146 | 15,907 | 3,019 | |
| Effective Tax Rate (%) | 24.6 | 24.3 | 23.8 | 25.2 | 25.2 | 24.8 | 24.6 | 20.4 | 24.6 | 24.6 | 24.6 | |
| Reported PAT | 5,308 | 8,123 | 8,933 | 17,835 | 7,761 | 10,913 | 10,306 | 22,900 | 40,200 | 48,645 | 9,231 | 18 |
| Change (%) | 23.0 | 32.9 | 49.2 | 30.6 | 46.2 | 34.3 | 15.4 | 28.4 | 33.7 | 21.0 | 13.6 | |
| Adj PAT | 5,308 | 8,123 | 8,933 | 17,835 | 7,761 | 10,913 | 10,306 | 22,900 | 40,200 | 48,645 | 9,231 | 18 |
| Change (%) | 23.0 | 32.9 | 49.2 | 30.6 | 46.2 | 34.3 | 15.4 | 28.4 | 33.7 | 21.0 | 13.6 | |

BSE SENSEX
79,402

S&P CNX
24,181

CMP: INR306

Conference Call Details



Date: 28 October 2024
Time: 1100 hours IST
Dial-in details:
+91 22 7195 0000

Miss on EBITDA/PAT due to the low refining margin

- BPCL’s reported 2QFY25 financial performance was significantly below our expectations, mainly due to a weaker refining margin. LPG under-recoveries have largely remained in line with the 1QFY25 trend. Overall, the refining GRM remains muted in Oct’24, along with the oil demand outlook. Meanwhile, OMCs continue to generate strong marketing margins on MS/HSD. As such, despite a dismal 2QFY25 earnings performance, we believe 3QFY25 profitability could improve further on a sequential basis.
- BPCL’s reported GRM stood at USD4.4/bbl (vs. our estimate of USD8/bbl and USD7.9/bbl in 1QFY25).
- Refining throughput was 14% above our estimate at 10.3mmt (+10% YoY).
- Marketing volumes, excluding exports, were in line with our estimate at 12.4mmt (+2% YoY).
- Marketing margin (including inv.) was in line with our estimate at INR5.8/lit (vs. INR4.8/lit in 1QFY25).
- EBITDA stood at INR45.5b (our est. INR78.2b), with marketing inventory loss amounting to INR11b in 2QFY25.
- LPG under-recoveries amounted to INR21b, which we believe could be reversed in due course, as LPG remains a controlled product.
- Reported PAT was 48% below our estimate at INR24b (our est. INR46.5b), while other income came in INR2.7b above our estimate.
- **As of Sep’24**, BPCL’s debt stood at INR215.3b vs. INR152b as of Jun’24.
- Moreover, BPCL had a cumulative negative net buffer of INR41.2b as of Sep’24, which can be attributed to the under-recovery of LPG cylinders (INR20.2b as of Jun’24).

Standalone - Quarterly Earning Model

| Y/E March | FY24 | | | | FY25 | | | (INR b) | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 2QE | Var. (%) | YoY (%) | QoQ (%) |
| Net Sales | 1,129.8 | 1,029.9 | 1,154.9 | 1,165.6 | 1,131.0 | 1,027.9 | 1,071.1 | -4% | 0% | -9% |
| YoY Change (%) | -6.7 | -10.3 | -3.1 | -1.3 | 0.1 | -0.2 | 4.0 | | | |
| EBITDA | 158.1 | 130.1 | 62.8 | 92.7 | 56.5 | 45.5 | 78.2 | -42% | -65% | -20% |
| Forex loss | -0.2 | 1.0 | 0.5 | 0.5 | -0.2 | 0.0 | 0.0 | | | |
| Depreciation | 16.1 | 16.0 | 18.2 | 17.2 | 16.8 | 17.7 | 18.7 | | | |
| Interest | 6.8 | 7.7 | 5.0 | 5.2 | 4.4 | 4.7 | 3.6 | | | |
| Other Income | 4.7 | 7.7 | 6.8 | 4.7 | 4.8 | 8.9 | 6.2 | | | |
| PBT before EO expense | 140.1 | 113.1 | 45.8 | 74.4 | 40.3 | 31.9 | 62.2 | -49% | -72% | -21% |
| Extra-Ord expense | 0.0 | 0.0 | 0.0 | 18.0 | 0.0 | 0.0 | 0.0 | | | |
| PBT | 140.1 | 113.1 | 45.8 | 56.4 | 40.3 | 31.9 | 62.2 | -49% | -72% | -21% |
| Tax | 34.6 | 28.1 | 11.8 | 14.2 | 10.2 | 8.0 | 15.7 | | | |
| Rate (%) | 24.7 | 24.8 | 25.8 | 25.1 | 25.2 | 24.9 | 25.2 | | | |
| Reported PAT | 105.5 | 85.0 | 34.0 | 42.2 | 30.1 | 24.0 | 46.5 | -48% | -72% | -20% |
| Adj PAT | 105.5 | 85.0 | 34.0 | 55.7 | 30.1 | 24.0 | 46.5 | -48% | -72% | -20% |
| YoY Change (%) | LP | LP | 73.4 | -47.2 | -71.4 | -71.8 | -45.3 | | | |
| Margin (%) | 9.3 | 8.3 | 2.9 | 3.6 | 2.7 | 2.3 | 4.3 | | | |
| Key Assumptions | | | | | | | | | | |
| Refining throughput (mmt) | 10.4 | 9.4 | 9.9 | 10.4 | 10.1 | 10.3 | 9.0 | 14% | 10% | 2% |
| Reported GRM (USD/bbl) | 12.6 | 18.5 | 13.4 | 12.5 | 7.9 | 4.4 | 8.0 | -45% | -76% | -44% |
| Marketing sales volume exclud exports (mmt) | 12.8 | 12.2 | 12.9 | 13.2 | 13.2 | 12.4 | 12.7 | -2% | 2% | -6% |
| Marketing GM incld inv (INR/litre) | 9.3 | 5.9 | 3.5 | 5.7 | 4.8 | 5.8 | 5.7 | 1% | -3% | 21% |

Rural Electrification Corp

BSE SENSEX
79,402S&P CNX
24,181

CMP: INR508

Buy

Conference Call Details

Date: 28th Oct 2024

Time: 10:00 AM IST

Dial-in details:

[Link for the call](#)

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|------------------|------|-------|-------|
| NII | 165 | 196 | 226 |
| PPP | 164 | 196 | 228 |
| PAT | 140 | 159 | 183 |
| EPS (INR) | 53.2 | 60.5 | 69.3 |
| EPS Gr. (%) | 27 | 14 | 15 |
| BV/Shr (INR) | 261 | 306 | 357 |
| ABV/Shr (INR) | 257 | 302 | 354 |
| RoAA (%) | 2.8 | 2.7 | 2.6 |
| RoE (%) | 22.2 | 21.3 | 20.9 |
| Div. Payout (%) | 30.1 | 29.8 | 29.6 |
| Valuation | | | |
| P/E (x) | 9.6 | 8.4 | 7.3 |
| P/BV (x) | 1.9 | 1.7 | 1.4 |
| Div. Yield (%) | 3.1 | 3.5 | 4.0 |

Healthy quarter aided by benign credit costs

Strong AUM growth of ~15% YoY; Reported NIM flat QoQ

- RECL's 2QFY25 PAT grew ~6% YoY to INR40.1b. 1HFY25 PAT grew 11% YoY to INR74.5b. NII in 2QFY25 grew ~23% YoY to ~INR49.7b. Other income declined ~38% YoY to ~INR1.2b.
- Opex was flat YoY at ~INR1.9b and cost-income ratio stood at ~3.1% (PQ: 3.4% and PY: ~2.8%). PPop grew ~21% YoY to INR49b.
- Yields (calc.) increased ~20bp QoQ and CoB increased ~15bp QoQ to ~7.3%, resulting in spreads rising by ~5bp QoQ to ~2.7%.
- GS3 improved ~5bp QoQ to ~2.5%, while NS3 increased ~10bp QoQ ~0.9%. PCR on Stage 3 declined ~340bp QoQ to ~65%.
- Provision write-backs stood at INR1.4b. This translated into annualized credit costs of -3bp (PY: -16bp and PQ: 9bp)
- REC declared its second interim dividend of ~INR4/share.

Disbursements grew ~14% YoY; healthy sanction pipeline

- AUM stood at INR5.46t and grew 15% YoY/3% QoQ. Disbursements grew 14% YoY to ~INR473b. The share of renewable and infrastructure in the disbursement mix was ~13% and ~12%, respectively.
- Sanctions stood at ~INR762b. Share of renewables in the sanction mix was ~27% and there were no sanctions to infrastructure segment in the quarter.

Asset quality largely stable; GS3 improves ~5bp QoQ

- GS3 improved ~5bp QoQ to ~2.5%, while NS3 increased ~10bp QoQ ~0.9%. PCR on Stage 3 declined ~340bp QoQ to ~65%.
- The company has ~17 projects that are classified as NPAs. Resolutions in ~13 NPA projects (PCR: 67%) are being pursued under NCLT, and remaining ~4 NPA projects (PCR: 50%) outside NCLT.

Valuation and view

The key monitorables are: 1) management's outlook on loan growth, 2) progress made in resolutions of assets which are in advanced stages, 2) NIM trajectory given the product mix and the competitive intensity and 3) proportion of sanctions to infrastructure and private players.

We will revisit our estimates after the earnings call on 28th Oct'24.

Quarterly Performance

INR m

| Y/E March | FY24 | | | | FY25E | | FY24 | FY25E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | |
| Interest Income | 1,06,895 | 1,13,930 | 1,19,440 | 1,23,836 | 1,26,904 | 1,34,744 | 4,64,101 | 5,42,045 |
| Interest Expenses | 70,498 | 73,500 | 76,533 | 78,961 | 80,212 | 85,065 | 2,99,493 | 3,46,538 |
| Net Interest Income | 36,397 | 40,430 | 42,907 | 44,875 | 46,692 | 49,678 | 1,64,608 | 1,95,507 |
| YoY Gr (%) | -8.9 | 2.1 | 17.7 | 28.3 | 28.3 | 22.9 | 1,08,922 | 19 |
| Other Operational Income | 195 | 546 | 531 | 924 | 469 | 483 | 7,198 | 9,358 |
| Net Operational Income | 36,592 | 40,976 | 43,438 | 45,799 | 47,161 | 50,161 | 1,71,807 | 2,04,865 |
| YoY Gr (%) | -9.7 | 2.6 | 17.2 | 26.1 | 28.9 | 22.4 | 1,10,955 | 19 |
| Other Income | 2,553 | 1,425 | 29 | 1,674 | 2,998 | 731 | 679 | 848 |
| Total Net Income | 39,144 | 42,401 | 43,467 | 47,473 | 50,159 | 50,892 | 1,72,485 | 2,05,713 |
| YoY Gr (%) | -4.3 | 0.5 | 21.5 | 30.9 | 28.1 | 20.0 | 1,11,073 | 19 |
| Operating Expenses | 1,445 | 1,938 | 1,766 | 3,114 | 2,175 | 1,936 | 6,597 | 7,788 |
| YoY Gr (%) | -77.7 | -65.8 | -43.3 | 130.6 | 50.6 | -0.1 | 1,20,424 | 18 |
| % to Income | 3.7 | 4.6 | 4.1 | 6.6 | 4.3 | 3.8 | 4 | 4 |
| Operating Profit | 37,700 | 40,463 | 41,701 | 44,359 | 47,984 | 48,955 | 1,65,888 | 1,97,924 |
| YoY Gr % | 9.5 | 10.8 | 27.7 | 27.0 | 27.3 | 21.0 | 1,10,731 | 19 |
| Provisions | 580 | -7,604 | 559 | -7,119 | 4,726 | -1,441 | (13,584) | (2,572) |
| PBT | 37,120 | 48,067 | 41,143 | 51,478 | 43,258 | 50,396 | 1,79,472 | 2,00,497 |
| YoY Gr (%) | 26.3 | 40.2 | 15.6 | 35.1 | 16.5 | 4.8 | 1,20,734 | 12 |
| Tax | 7,512 | 10,338 | 8,449 | 11,315 | 8,834 | 10,342 | 37,614 | 39,799 |
| Tax Rate (%) | 20.2 | 21.5 | 20.5 | 22.0 | 17.6 | 20.5 | 21 | 20 |
| PAT | 29,607 | 37,729 | 32,693 | 40,163 | 34,425 | 40,055 | 1,41,858 | 1,60,697 |
| YoY Gr (%) | 21.0 | 38.3 | 13.6 | 33.8 | 16.3 | 6.2 | 1,16,476 | 13 |
| Key Parameters (Calc., %) | | | | | | | | |
| Yield on loans | 9.7 | 9.9 | 9.9 | 9.9 | 9.8 | 10.0 | | |
| Cost of funds | 7.3 | 7.2 | 7.2 | 7.3 | 7.2 | 7.3 | | |
| Spread | 2.4 | 2.7 | 2.7 | 2.6 | 2.7 | 2.7 | | |
| NIM | 3.2 | 3.4 | 3.6 | 3.5 | 3.5 | 3.7 | | |
| C/I ratio | 2.6 | 2.8 | 4.7 | 5.6 | 3.4 | 3.1 | | |
| Credit cost | 0.0 | -0.2 | 0.0 | (0.1) | 0.1 | 0.0 | | |
| Balance Sheet Parameters | | | | | | | | |
| Disbursements (INR b) | 341 | 416 | 464 | 394 | 437 | 473 | | |
| Growth (%) | 174.3 | 133.3 | 56.4 | 6.6 | 27.9 | 13.7 | | |
| AUM (INR b) | 4,544 | 4,743 | 4,975 | 5,094 | 5,297 | 5,461 | | |
| Growth (%) | 17.1 | 20.2 | 21.0 | 17.1 | 16.6 | 15.1 | | |
| Asset Quality Parameters | | | | | | | | |
| GS 3 (INR B) | 148.9 | 148.9 | 138 | 138 | 138.1 | 138.2 | | |
| GS 3 (%) | 3.3 | 3.1 | 2.8 | 2.7 | 2.6 | 2.5 | | |
| NS 3 (INR B) | 41.1 | 45.6 | 41 | 44 | 43.5 | 48.2 | | |
| NS 3 (%) | 1.0 | 1.0 | 0.8 | 0.9 | 0.8 | 0.9 | | |
| PCR (%) | 72.4 | 69.4 | 70.4 | 68.5 | 68.5 | 65.1 | | |

E: MOSL Estimates

Cholamandalam Inv. & Finance

BSE SENSEX
79,402S&P CNX
24,181

CMP: INR1,375

Buy

Conference Call Details

Date: 28th Oct 2024

Time: 10:00 AM IST

Dial-in details:

[Link for the call](#)

Financials & Valuations (INR b)

| Y/E March | FY24 | FY25E | FY26E |
|-------------------|------|-------|-------|
| Total Income | 99.9 | 138.1 | 179.6 |
| PPP | 59.0 | 80.6 | 108.6 |
| PAT | 34.2 | 44.8 | 62.6 |
| EPS (INR) | 40.7 | 53.4 | 73.1 |
| EPS Gr. (%) | 26 | 31 | 37 |
| BV (INR) | 233 | 284 | 372 |
| Ratios | | | |
| NIM (%) | 6.7 | 7.1 | 7.3 |
| C/I ratio (%) | 40.9 | 41.6 | 39.5 |
| RoAA (%) | 2.5 | 2.5 | 2.8 |
| RoE (%) | 20.2 | 20.6 | 22.5 |
| Payout (%) | 4.9 | 3.7 | 3.4 |
| Valuations | | | |
| P/E (x) | 33.8 | 25.8 | 18.8 |
| P/BV (x) | 5.9 | 4.8 | 3.7 |
| Div. Yield (%) | 0.1 | 0.1 | 0.2 |

Earnings in line; AUM growth healthy despite flat disbursements

Asset quality deteriorates across products, except LAP; credit cost slightly high

- CIFIC's 2QFY25 PAT grew ~28% YoY to INR9.7b (in line). 1HFY25 PAT grew by ~29% YoY to INR19.1b. NII in 2QFY25 grew ~35% YoY to ~INR27.1b (in line). Other income grew ~50% YoY to ~INR5.2b.
- Opex rose ~39% YoY to ~INR13.2b (in line) and the cost-income ratio rose ~160bp QoQ to ~41% (PQ: 39% and PY: ~40%). PPop grew ~35% YoY to INR19.2b.
- Yields (calc.) improved ~15bp QoQ to ~14.5%, while CoF (calc.) rose ~10bp QoQ to ~7.9%. NIM declined ~5bp QoQ to ~6.8%.
- GS3/NS3 increased ~20bp/15bp QoQ to 2.8%/1.6%, while PCR on S3 declined ~1pp QoQ to ~45%. ECL/EAD increased to 1.84% (PQ: ~1.77%). This translated into annualized credit costs of ~1.6% (PY: 1.3%).
- CIFIC is the best play among asset financiers. It has delivered healthy growth in disbursements and AUM by strategically going underweight/overweight across its diversified product segments. It has also managed to rein in asset quality stress earlier seen in its CSEL business and will likely be able to do that for **the seasonality-induced stress** currently visible in the vehicle finance business. CIFIC would continue to deliver strong loan growth with benign credit costs. **We have a positive outlook on the stock.**

Healthy AUM growth of 33% YoY; disbursements flat QoQ

- Business AUM grew 33% YoY/6% QoQ with newer businesses now forming ~13% of the AUM mix. Within vehicle finance, MUV/Cars/3W registered sequential growth of 7%/4%/17%.
- Disbursements were flat QoQ/up 13% YoY at ~INR243b. New lines of businesses contributed ~24% to the disbursement mix (similar to last quarter).

Slight deterioration in asset quality; GS3 rises ~35bp QoQ in new business

- GS3/NS3 rose ~20bp/15bp QoQ to 2.8%/1.6%, while PCR on S3 declined ~1pp QoQ to ~45%. ECL/EAD increased to 1.84% (PQ: ~1.77%). GS3 in new businesses rose ~35bp QoQ to ~1.6% (PQ: 1.3%).
- Stage 2 + Stage 3 (30+ dpd) increased ~40bp QoQ to ~5.5%.
- In 2QFY25, write-offs stood at ~INR3.4b, translating into ~1.1% of TTM AUM (PY: ~1% and PQ: 1.1%).
- CRAR stood at ~19.5% (Tier 1: ~15%) as on Sep'24.

Valuation and view

The key monitorables are: 1) demand outlook for the vehicle finance segment, 2) growth outlook for personal loans (CSEL) and expectations on asset quality in this segment, and 3) the view on asset quality in vehicle finance and likely credit costs in this segment. We will revisit our estimates after the earnings call on 28th Oct'24.

Quarterly Performance

(INR M)

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25 | 2QFY25E | v/s Est. |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Interest Income | 38,492 | 42,205 | 46,099 | 49,341 | 53,695 | 57,680 | 62,294 | 65,228 | 1,76,137 | 2,38,897 | 57,131 | 1 |
| Interest Expenses | 20,071 | 22,052 | 24,390 | 25,793 | 27,957 | 30,551 | 32,232 | 32,167 | 92,306 | 1,22,906 | 30,109 | 1 |
| Net Interest Income | 18,421 | 20,153 | 21,709 | 23,548 | 25,738 | 27,128 | 30,062 | 33,061 | 83,831 | 1,15,990 | 27,022 | 0 |
| YoY Growth (%) | 24.3 | 35.4 | 35.8 | 33.4 | 39.7 | 34.6 | 38.5 | 40.4 | 32.4 | 38.4 | 34.1 | |
| Other Income | 2,845 | 3,514 | 4,088 | 5,580 | 4,595 | 5,248 | 5,577 | 6,660 | 16,026 | 22,080 | 6,030 | -13 |
| Total Income | 21,265 | 23,667 | 25,797 | 29,127 | 30,333 | 32,376 | 35,640 | 39,722 | 99,857 | 1,38,071 | 33,052 | -2 |
| YoY Growth (%) | 29.7 | 39.4 | 40.8 | 41.4 | 42.6 | 36.8 | 38.2 | 36.4 | 38.1 | 38.3 | 39.7 | |
| Operating Expenses | 7,867 | 9,461 | 10,640 | 12,850 | 11,834 | 13,155 | 14,896 | 17,608 | 40,818 | 57,493 | 13,719 | -4 |
| Operating Profit | 13,399 | 14,206 | 15,157 | 16,278 | 18,499 | 19,221 | 20,744 | 22,114 | 59,039 | 80,578 | 19,333 | -1 |
| YoY Growth (%) | 26.4 | 37.1 | 40.4 | 27.9 | 38.1 | 35.3 | 36.9 | 35.9 | 32.7 | 36.5 | 36.1 | |
| Provisions & Loan Losses | 3,723 | 3,998 | 3,588 | 1,908 | 5,814 | 6,235 | 5,000 | 3,184 | 13,218 | 20,233 | 6,171 | 1 |
| Profit before Tax | 9,675 | 10,208 | 11,569 | 14,369 | 12,685 | 12,986 | 15,744 | 18,930 | 45,821 | 60,345 | 13,163 | -1 |
| Tax Provisions | 2,415 | 2,583 | 2,807 | 3,788 | 3,263 | 3,263 | 3,936 | 5,047 | 11,593 | 15,509 | 3,317 | -2 |
| Net Profit | 7,260 | 7,625 | 8,762 | 10,581 | 9,422 | 9,723 | 11,808 | 13,883 | 34,228 | 44,836 | 9,846 | -1 |
| YoY Growth (%) | 28.3 | 35.3 | 28.0 | 24.1 | 29.8 | 27.5 | 34.8 | 31.2 | 28.4 | 31.0 | 29.1 | |
| Key Parameters (Calc., %) | | | | | | | | | | | | |
| Yield on loans | 14.1 | 14.3 | 14.4 | 14.3 | 14.4 | 14.5 | 14.8 | 14.7 | 14.1 | 14.5 | | |
| Cost of funds | 7.8 | 7.8 | 8.0 | 8.0 | 7.86 | 7.94 | 8.0 | 7.6 | 8.0 | 8.0 | | |
| Spread | 6.3 | 6.6 | 6.4 | 6.2 | 6.5 | 6.6 | 6.9 | 7.1 | 6.1 | 6.5 | | |
| NIM | 6.7 | 6.7 | 6.7 | 6.7 | 6.84 | 6.78 | 7.1 | 7.3 | 6.7 | 7.1 | | |
| C/l ratio | 37.0 | 40.0 | 41.2 | 44.1 | 39.0 | 40.6 | 41.8 | 44.3 | 40.9 | 41.6 | | |
| Credit cost | 1.3 | 1.3 | 1.1 | 0.5 | 1.5 | 1.6 | 1.2 | 0.7 | 1.0 | 1.2 | | |
| Tax rate | 25.0 | 25.3 | 24.3 | 26.4 | 25.7 | 25.1 | 25.0 | 26.7 | 25.3 | 25.7 | | |
| Balance Sheet Parameters | | | | | | 12.9 | | | | | | |
| Disbursements (INR b) | 200 | 215 | 224 | 248 | 243 | 243 | | | 887 | 1,070 | | |
| Growth (%) | 50.2 | 47.3 | 27.5 | 17.9 | 21.6 | 12.9 | | | 33.4 | 20.6 | | |
| AUM (INR b) | 1,148 | 1,242 | 1,338 | 1,456 | 1,554 | 1,646 | | | 1,456 | 1,878 | | |
| Growth (%) | 40.1 | 41.7 | 40.1 | 36.7 | 35.4 | 32.5 | | | 36.7 | 29.0 | | |
| AUM mix (%) | | | | | | | | | | | | |
| Vehicle finance | 61.9 | 60.7 | 59.5 | 58.0 | 57.0 | | | | 58.0 | 54.1 | | |
| Home Equity | 19.9 | 19.9 | 20.1 | 20.5 | 20.7 | | | | 20.5 | 21.6 | | |
| Home loans & Others | 18.2 | 19.4 | 20.4 | 21.4 | 22.3 | | | | 12.2 | 14.1 | | |
| Borrowings (INR b) | 1,081 | 1,195 | 1,231 | 1,345 | 1,499 | 1,578 | | | 1,345 | 1,728 | | |
| Growth (%) | 46.3 | 50.6 | 37.8 | 38.1 | 38.6 | 32.1 | | | 38.1 | 28.5 | | |
| Asset Quality Parameters | | | | | | | | | | | | |
| GS 3 (INR B) | 35.5 | 37.2 | 38.1 | 36.5 | 41.2 | | | | 36.5 | 45.4 | | |
| GS 3 (%) | 3.1 | 3.0 | 2.8 | 2.5 | 2.6 | 2.8 | | | 2.5 | 2.4 | | |
| NS 3 (INR B) | 19.4 | 19.6 | 20.9 | 19.5 | 22.5 | | | | 19.5 | 24.5 | | |
| NS 3 (%) | 1.7 | 1.6 | 1.6 | 1.4 | 1.5 | 1.6 | | | 1.4 | 1.3 | | |
| PCR (%) | 45.4 | 47.3 | 45.1 | 46.4 | 45.5 | 44.5 | | | 46.4 | 46.0 | | |
| Vehicle finance AUM mix (%) | | | | | | | | | | | | |
| LCV | 20.8 | 20.7 | 19.9 | 19.7 | 19.8 | | | | 19.7 | 19.8 | | |
| Cars & MUV | 20.7 | 21.2 | 21.8 | 22.3 | 22.8 | | | | 22.3 | 22.8 | | |
| 3W & SCV | 4.0 | 3.9 | 3.9 | 3.7 | 3.6 | | | | 3.7 | 3.6 | | |
| Used CV | 26.7 | 26.9 | 27.0 | 27.3 | 27.4 | | | | 27.3 | 27.4 | | |
| Tractor | 8.1 | 7.8 | 7.5 | 6.9 | 6.5 | | | | 6.9 | 6.5 | | |
| HCV | 6.9 | 6.7 | 6.6 | 6.7 | 6.7 | | | | 6.7 | 6.7 | | |
| CE | 6.6 | 6.5 | 6.5 | 6.6 | 6.5 | | | | 6.6 | 6.5 | | |
| Two wheeler | 6.1 | 6.4 | 6.8 | 6.7 | 6.8 | | | | 6.7 | 6.8 | | |

E: MOFSL estimates

Macrotech Developers

BSE SENSEX 79,402
S&P CNX 24,181

CMP: INR1,082

Buy

Conference Call Details



Date: 28 October 2024
Time: 13:00 IST
Dial-in details:
+91-22 6280 1197

Financials & Valuations (INR b)

| Y/E Mar | FY24 | FY25E | FY26E |
|-------------------|-------|-------|-------|
| Sales | 103.2 | 138.3 | 181.1 |
| EBITDA | 26.8 | 36.7 | 51.6 |
| EBITDA Margin (%) | 25.9 | 26.5 | 28.5 |
| PAT | 16.3 | 22.5 | 34.0 |
| EPS (INR) | 16.9 | 23.4 | 35.3 |
| EPS Gr. (%) | 6.0 | 38.3 | 51.0 |
| BV/Sh. (INR) | 183.5 | 204.6 | 237.6 |

Ratios

| | | | |
|------------|------|------|------|
| RoE (%) | 10.7 | 12.1 | 16.0 |
| RoCE (%) | 8.6 | 9.9 | 13.2 |
| Payout (%) | 14.4 | 9.9 | 6.6 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (x) | 63.9 | 46.2 | 30.6 |
| P/BV (x) | 5.9 | 5.3 | 4.6 |
| EV/EBITDA (x) | 40.8 | 29.9 | 21.0 |
| Div yld (%) | 0.2 | 0.2 | 0.2 |

In-line bookings; momentum in BD continues

Operational performance

- LODHA achieved 2QFY25 bookings of INR43b (in line with estimate), up 22% YoY.
- Among key markets, Pune and Eastern Suburbs outperformed with ~2x YoY growth in pre-sales.
- Sales volumes increased 22% YoY to 3.2msf, but blended realization rose 29%.
- It launched 1.4msf of projects in 2Q across MMR and Pune.

Cash flow performance

- Collections increased 12% YoY to INR30b. However, LODHA reported 20% YoY growth in OCF to INR11.4b, aided by healthy collection from the completed projects with higher margins.
- Additionally, LODHA incurred expenses for land acquisition and completed 75% of its guided business development. The company added projects worth INR166b across MMR, Pune & Bangalore.
- This led to an increase in net debt to INR49.2b (vs. INR43b in 1QFY25), with net D/E of 0.27x.

Financial performance

- LODHA reported revenue of INR26b, up 50% YoY (18% below estimate).
- EBITDA (excl. other income) rose 129% YoY INR7b, 8% below our estimate. Reported EBITDA margin improved by 300bp YoY to 26.8%. The management said the embedded EBITDA margin for pre-sales in 2Q stood at ~34%. Adjusted EBITDA (excluding interest charge-off and capitalized interest) stood at INR7b, at a margin of 34%.
- PAT came in at INR4.2b, up 101% YoY, with a margin of 16%.

Quarterly Performance

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E Variance | |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|----------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | 2QE |
| Gross Sales | 16,174 | 17,496 | 29,306 | 40,185 | 28,465 | 26,257 | 33,199 | 50,407 | 1,03,161 | 1,38,327 | 31,124 | -16 |
| YoY Change (%) | -40 | -1 | 65 | 23 | 76 | 50 | 13 | 25 | 8.9 | 34.1 | 0.8 | |
| Total Expenditure | 12,874 | 13,335 | 20,479 | 29,716 | 20,897 | 19,211 | 24,650 | 36,913 | 76,404 | 1,01,670 | 23,446 | |
| EBITDA | 3,300 | 4,161 | 8,827 | 10,469 | 7,568 | 7,046 | 8,549 | 13,494 | 26,757 | 36,657 | 7,677 | -8 |
| Margins (%) | 20.4 | 23.8 | 30.1 | 26.1 | 26.6 | 26.8 | 25.8 | 26.8 | 25.9 | 26.5 | 24.7 | |
| Adj. EBITDA (as per co.) | 4,600 | 5,500 | 10,800 | 13,400 | 9,600 | 7,046 | 8,549 | 13,494 | 72,989 | 38,689 | 7,677 | -8 |
| Margins (%) | 28.4 | 31.4 | 36.9 | 33.3 | 33.7 | 26.8 | 25.8 | 26.8 | 70.8 | 28.0 | 24.7 | |
| Depreciation | 240 | 293 | 333 | 1,173 | 604 | 665 | 437 | 116 | 2,039 | 1,822 | 410 | |
| Interest | 1,241 | 1,231 | 1,168 | 1,158 | 1,172 | 1,365 | 1,229 | 553 | 4,798 | 4,319 | 1,113 | 23 |
| Other Income | 544 | 55 | 281 | 654 | 718 | 589 | 400 | 228 | 1,534 | 1,935 | 400 | 47 |
| PBT before EO expense | 2,363 | 2,692 | 7,607 | 8,792 | 6,510 | 5,605 | 7,283 | 13,053 | 21,454 | 32,451 | 6,554 | -14 |
| Extra-Ord expense | 0 | 0 | 1,049 | 0 | 0 | 0 | 0 | 0 | -1,049 | 0 | 0 | |
| PBT | 2,363 | 2,692 | 6,558 | 8,792 | 6,510 | 5,605 | 7,283 | 13,053 | 20,405 | 32,451 | 6,554 | -14 |
| Tax | 556 | 624 | 1,439 | 2,115 | 1,747 | 1,368 | 2,185 | 4,435 | 4,734 | 9,735 | 1,966 | |
| Rate (%) | 23.5 | 23.2 | 21.9 | 24.1 | 26.8 | 24.4 | 30.0 | 34.0 | 0.2 | 0.3 | 30.0 | |
| MI & Profit/Loss of Asso. Cos. | 15 | 40 | 67 | 7 | 4 | 6 | 43 | 127 | 180 | 180 | 41 | |
| Reported PAT | 1,792 | 2,028 | 5,052 | 6,670 | 4,759 | 4,231 | 5,055 | 8,491 | 15,491 | 22,536 | 4,547 | -7 |
| Adj PAT (as per co.) | 1,700 | 2,100 | 5,700 | 6,670 | 4,800 | 4,231 | 5,055 | 8,491 | 16,170 | 22,577 | 4,547 | -7 |
| YoY Change (%) | 42 | -43 | 90 | -11 | 182 | 101 | -11 | 27 | 5.2 | 39.6 | 1.2 | |
| Margins (%) | 10.5 | 12.0 | 19.4 | 16.6 | 16.9 | 16.1 | 15.2 | 16.8 | 15.7 | 16.3 | 14.6 | 150bp |

Source: Company, MOFSL

Quarterly Performance

| Key metrics | FY24 | | | | FY25E | | | | FY24 | FY25E | FY25E 2QE | Variance (%/bp) |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|--------------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Sale Volume (msf) | 2.8 | 2.6 | 2.6 | 3.3 | 2.4 | 3.2 | 3.2 | 3.7 | 10.9 | 12.4 | 3.2 | -1 |
| Sale Value (INRb) | 33.5 | 35.3 | 34.1 | 42.3 | 40.3 | 42.9 | 42.6 | 52.0 | 144.5 | 165.2 | 40.0 | 7 |
| Collections (INRb) | 24.0 | 27.5 | 25.9 | 35.1 | 26.9 | 30.7 | 32.4 | 47.5 | 106.8 | 137.4 | 30.0 | 2 |
| Realization (INR/sft) | 11,429 | 13,308 | 12,192 | 12,394 | 14,708 | 13,500 | 13,500 | 14,138 | 13,223 | 13,311 | 12,500 | 8 |

Source: Company, MOFSL

JK Cement

BSE Sensex
79,402S&P CNX
24,181

CMP: INR4,132

Buy

Conference Call Details

Date: 29th Oct 2024

Time: 16:00 IST

Dial-in details:

+ 91 22 6280 1143

+ 91 22 7115 8044

Financials & Valuations (INR b)

| Y/E MARCH | FY25E | FY26E | FY27E |
|-------------------|-------|-------|-------|
| Sales | 118.9 | 133.7 | 150.0 |
| EBITDA | 20.3 | 26.2 | 31.4 |
| Adj. PAT | 7.5 | 10.5 | 14.0 |
| EBITDA Margin (%) | 17.1 | 19.6 | 20.9 |
| Adj. EPS (INR) | 96.3 | 136.3 | 180.9 |
| EPS Gr. (%) | (6.3) | 41.6 | 32.8 |
| BV/Sh. (INR) | 766 | 872 | 1,023 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 0.8 | 0.8 | 0.6 |
| RoE (%) | 13.2 | 16.6 | 19.1 |
| RoCE (%) | 9.6 | 11.7 | 13.5 |
| Payout (%) | 26.0 | 22.0 | 16.6 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 42.9 | 30.3 | 22.8 |
| P/BV (x) | 5.4 | 4.7 | 4.0 |
| EV/EBITDA(x) | 17.4 | 13.5 | 11.1 |
| EV/ton (USD) | 146 | 128 | 126 |
| Div. Yield (%) | 0.6 | 0.7 | 0.7 |
| FCF Yield (%) | 0.1 | 1.3 | 3.5 |

EBITDA miss due to higher opex/t and lower volume

- JK Cement (JKCE)'s reported earnings were below estimates due to higher-than-estimated opex/t and lower-than-estimated volumes. Consolidated EBITDA declined 39% YoY to INR2.8b (22% miss). EBITDA/t declined 36% YoY to INR656 (est. INR787). OPM contracted ~6pp YoY to ~11% (est. ~14%). PAT (adjusted for exceptional gain of INR1.0b) was down 80% YoY to INR359m (est. INR905m).
- The management indicated that the higher opex/t (INR227/t above our est.) was led by: 1) the higher branding expense of INR60/t; 2) clinker purchase at the Muddapur plant, which was shut down for maintenance for around two months, resulting in an impact of INR25/t; and 3) higher maintenance expense of INR300m YoY; resulting in an impact of INR70/t. The company gained a market share in eastern Uttar Pradesh with the commissioning of the new GU in Prayagraj.
- We have a BUY rating on the stock;** we will review our assumptions after the conference call.

Grey cement volume down 3% YoY; blended realization/t down 2% YoY

- JKCE's consolidated revenue/EBITDA/adj. PAT stood at INR25.6b/INR2.8b/INR359m (down 7%/39%/80% YoY and down 5%/22%/60% vs. our est.). Combined sales volumes declined 5% YoY to 4.3mt (6% miss). Blended realization declined 2% YoY (up 2% QoQ) at INR5,918/t (+2% vs. estimate) in 2QFY25. Other op. income/t stood at INR234 vs. INR228/INR242 in 2QFY24/1QFY25.
- Opex/t increased 4% YoY (+5% above our estimate), led by a 29%/17%/13% increase in employee cost/other expenses/freight costs (+7%/17%/2% vs. our estimates). Meanwhile, variable cost/t declined 9% YoY (in line). Fuel consumption cost stood at INR1.65/Kcal vs. INR1.62 in 1QFY25. Lead distance increased to 419km vs. 415km in 1QFY25. EBITDA/t declined 36% YoY to INR655. Depreciation and interest costs increased 7% YoY (each). Other income grew 29% YoY.
- In 1HFY25, revenue/EBITDA/Adj. PAT declined 3%/12%/27% YoY. Sales volume was flat YoY, while realization declined 3% YoY. EBITDA/t dipped 12% YoY to INR840. OCF declined 58% YoY due to lower profitability and reduction in working capital. Capex stood at INR7.5b vs. INR5.1b in 1HFY24.

Management highlights

- The company's 6mtpa expansion plan in Central and Eastern regions is on track. Land acquisitions in Bihar and GU have been completed, and orders for the main plant and machinery have been placed.
- Cement/clinker utilization stood at 64%/67%. Trade mix stood at 65% vs. 63% in 1QFY25. Premium product sale, as a percentage of trade sales, stood at 14% vs. 12% in 1QFY25. Green energy/Thermal Substitution Rate (TSR) stood at 49%/13% YTD vs. 51.0%/16.3% in FY24.

Valuation and view

- JKCE’s 2QFY25 earnings were below our estimates as they were adversely impacted by a slowdown in the cement demand and higher opex/t. The company’s capacity expansion plans are progressing in line with the schedule, aiming to reach a total grey cement capacity of ~30mtpa by FY26 vs. 24mtpa currently.
- We have a **BUY** rating on the stock and will review our assumptions after the con-call on 29th Oct’24 at 4:00 pm.

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | FY25 | Var. | YoY | QoQ |
|------------------------------|--------|-------|-------|-------|-------|--------|--------|------|-------|-------|--------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | | | |
| Net Sales | 27.6 | 27.5 | 29.3 | 31.1 | 28.1 | 25.6 | 29.8 | 35.5 | 115.6 | 118.9 | 26.8 | (5) | (7) | (9) |
| YoY Change (%) | 21.7 | 23.1 | 20.5 | 11.8 | 1.6 | (7.0) | 1.4 | 14.3 | 18.9 | 2.9 | (2.6) | | | |
| Total Expenditure | 23.5 | 22.9 | 23.1 | 25.5 | 23.2 | 22.8 | 23.9 | 28.8 | 95.0 | 98.6 | 23.2 | (2) | (0) | (2) |
| EBITDA | 4.1 | 4.7 | 6.3 | 5.6 | 4.9 | 2.8 | 5.9 | 6.7 | 20.6 | 20.3 | 3.6 | (22) | (39) | (42) |
| YoY Change (%) | 1.0 | 48.8 | 152.7 | 60.2 | 19.2 | -39.2 | -5.5 | 19.9 | 56.7 | -1.3 | | | | |
| Margins (%) | 14.8 | 17.0 | 21.3 | 18.0 | 17.3 | 11.1 | 19.8 | 18.9 | 17.8 | 17.1 | 13.5 | (243) | (587) | (623) |
| Depreciation | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1.6 | 5.7 | 6.0 | 1.5 | (2) | 7 | (1) |
| Interest | 1.1 | 1.2 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 4.5 | 4.7 | 1.2 | 3 | 7 | 11 |
| Other Income | 0.3 | 0.3 | 0.4 | 0.5 | 0.4 | 0.4 | 0.5 | 0.3 | 1.5 | 1.6 | 0.4 | (10) | 29 | (16) |
| PBT before EO expense | 2.0 | 2.4 | 4.1 | 3.4 | 2.7 | 0.5 | 3.7 | 4.3 | 11.9 | 11.2 | 1.4 | (61) | (78) | (81) |
| Extra-Ord expense | 0.2 | - | - | (0.1) | - | (1.0) | - | - | 0.1 | (1.0) | - | | | |
| PBT | 1.8 | 2.4 | 4.1 | 3.5 | 2.7 | 1.6 | 3.7 | 4.3 | 11.8 | 12.2 | 1.4 | 14 | (37) | (43) |
| Tax | 0.7 | 0.7 | 1.3 | 1.3 | 0.9 | 0.2 | 1.2 | 1.5 | 3.9 | 3.8 | 0.5 | | | |
| Profit from associate and MI | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | 0.1 | - | - | (0.0) | 0.1 | - | | | |
| Rate (%) | 37.2 | 26.9 | 30.6 | 36.7 | 32.3 | 12.2 | 33.6 | 34.2 | 32.4 | 30.8 | 33.6 | | | |
| Reported PAT | 1.1 | 1.8 | 2.8 | 2.2 | 1.9 | 1.3 | 2.5 | 2.8 | 8.0 | 8.4 | 0.9 | 39 | (30) | (32) |
| Adj PAT | 1.2 | 1.8 | 2.8 | 2.1 | 1.9 | 0.4 | 2.5 | 2.8 | 8.0 | 7.5 | 0.9 | (60) | (80) | (81) |
| YoY Change (%) | (23.7) | 59.8 | 628.0 | 90.3 | 49.3 | (80.0) | (13.6) | 31.0 | 87.9 | (6.8) | (49.6) | | | |

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25E | 2QE | Var. | YoY | QoQ |
|---------------------------------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|------|------|------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | | | |
| Volume Break-up (In mt) | | | | | | | | | | | | | | |
| Grey Cement (mt) | 4.1 | 3.9 | 4.2 | 4.7 | 4.3 | 3.8 | 4.3 | 5.6 | 16.9 | 18.0 | 4.0 | (5) | (3) | (12) |
| Growth (%) | 29.4 | 22.1 | 13.6 | 13.0 | 5.6 | (3.3) | 3.5 | 20.1 | 18.9 | 7.0 | 1.4 | | | |
| % of total Vols | 88.7 | 86.7 | 88.2 | 89.9 | 89.5 | 87.9 | 87.7 | 89.5 | 88.4 | 88.7 | 86.5 | | | |
| White Cement (mt) | 0.5 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.6 | 0.7 | 2.2 | 2.3 | 0.6 | (15) | (13) | 4 |
| Growth (%) | 1.2 | 19.2 | 13.1 | (1.9) | (3.6) | (13.1) | 8.5 | 26.3 | 7.6 | 3.9 | 2.8 | | | |
| % of total Vols | 11.3 | 13.3 | 11.8 | 10.1 | 10.5 | 12.1 | 12.3 | 10.5 | 11.6 | 11.3 | 13.5 | | | |
| Per ton analysis (INR/t) | | | | | | | | | | | | | | |
| Net realization | 5,968 | 6,068 | 6,238 | 5,974 | 5,801 | 5,918 | 6,079 | 5,657 | 6,060 | 5,848 | 5,821 | 2 | (2) | 2 |
| Sale volume | 4.6 | 4.5 | 4.7 | 5.2 | 4.8 | 4.3 | 4.9 | 6.3 | 19.1 | 20.3 | 4.6 | (6) | (5) | (11) |
| RM Cost | 397 | 403 | 423 | 420 | 452 | 519 | 463 | 368 | 411 | 443 | 484 | 7 | 29 | 15 |
| Employee Expenses | 1,493 | 1,396 | 1,383 | 1,184 | 1,177 | 1,139 | 1,180 | 1,340 | 1,358 | 1,220 | 1,230 | (7) | (18) | (3) |
| Power, Oil & Fuel | 1,262 | 1,182 | 1,307 | 1,310 | 1,280 | 1,330 | 1,280 | 1,255 | 1,267 | 1,283 | 1,310 | 2 | 13 | 4 |
| Freight & handling | 932 | 1,048 | 979 | 970 | 898 | 1,229 | 950 | 793 | 981 | 949 | 1,050 | 17 | 17 | 37 |
| Other Expenses | 5,087 | 5,039 | 4,909 | 4,897 | 4,797 | 5,261 | 4,873 | 4,587 | 4,980 | 4,849 | 5,034 | 5 | 4 | 10 |
| EBITDA | 881 | 1,029 | 1,329 | 1,077 | 1,005 | 656 | 1,206 | 1,070 | 1,080 | 999 | 787 | (17) | (36) | (35) |

Aegis Logistics

BSE SENSEX
79,402

S&P CNX
24,181

CMP: INR744

Neutral

Conference Call Details



Date: 11th Nov 2024

Time: 18:30 hrs IST

Dial-in details:

+91 22 6280 1550

Soft 2Q amid weaker operating performance

- In 2QFY25, the **consolidated EBITDA** stood at INR2.2b (+8% YoY, -4% QoQ), a 17% miss on our est. of INR2.7b.
- The Liquid and Gas division's normalized EBITDA was a 19/16% miss, respectively, vs. our estimates, leading to reported PAT that was 5% below our estimate (-1% YoY) despite the lower-than-estimated tax rate and interest costs.
- Operating expense increased to INR15.3b (+49% YoY, +12%, QoQ).
- In 2Q, **standalone revenue** stood at INR6.6b (+13% YoY, -10% QoQ).
- Standalone PAT came at INR720m (-31% YoY, -56% QoQ) amid the decrease in other income to INR354m (-38% YoY, -77% QoQ).

Segmental performance in 2QFY25

- The Liquids division's revenue stood at INR1.3b (+11% YoY, -9% QoQ) and normalized EBITDA at INR930m (+16% YoY, -14% QoQ).
- The Gas division's revenue stood at INR16.2b (+45% YoY, +11% QoQ) and normalized EBITDA at INR1.4b (-5% YoY, +1% QoQ).
- **In 1HFY25**, net sales stood similar YoY at INR33.5b, while EBITDA/PAT grew 13%/6% to INR4.6b/2.6b, respectively.
- The Board has approved an allocation of INR3b for investment in Aegis Vopak Terminals Limited (AVTL), to be utilized by AVTL as needed.

Consolidated - Quarterly Earning Model

(INR m)

| Y/E March | FY24 | | | | FY25 | | | Var. (%) | YoY (%) | QoQ (%) |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 2QE | | | |
| Net Sales | 21,005 | 12,349 | 18,734 | 18,372 | 16,013 | 17,504 | 20,775 | -16% | 42% | 9% |
| YoY Change (%) | -6.0 | -42.6 | -10.2 | -14.7 | -23.8 | 41.8 | 68.2 | | | |
| Total Expenditure | 19,047 | 10,266 | 16,616 | 15,304 | 13,690 | 15,265 | 18,069 | -16% | 49% | 12% |
| EBITDA | 1,959 | 2,083 | 2,118 | 3,068 | 2,323 | 2,239 | 2,706 | -17% | 8% | -4% |
| Margin (%) | 9.3 | 16.9 | 11.3 | 16.7 | 14.5 | 12.8 | 13.0 | -0.0 | -0.2 | -0.1 |
| Depreciation | 333 | 341 | 345 | 334 | 368 | 374 | 454 | | | |
| Interest | 298 | 266 | 302 | 292 | 313 | 300 | 499 | | | |
| Other Income | 374 | 444 | 446 | 632 | 435 | 395 | 374 | | | |
| PBT before EO expense | 1,702 | 1,920 | 1,918 | 3,073 | 2,077 | 1,960 | 2,127 | -8% | 2% | -6% |
| PBT | 1,702 | 1,920 | 1,918 | 3,073 | 2,077 | 1,960 | 2,127 | -8% | 2% | -6% |
| Tax | 375 | 420 | 396 | 700 | 496 | 440 | 536 | | | |
| Rate (%) | 22.0 | 21.9 | 20.6 | 22.8 | 23.9 | 22.4 | 25.2 | | | |
| MI & P/L of Asso. Cos. | 169 | 230 | 221 | 410 | 266 | 261 | 266 | -2% | 13% | -2% |
| Reported PAT | 1,158 | 1,270 | 1,301 | 1,963 | 1,315 | 1,260 | 1,326 | -5% | -1% | -4% |
| Segmental Normalised EBITDA (INR m) | | | | | | | | | | |
| Liquid Division | 780 | 800 | 850 | 1,530 | 1,080 | 930 | 1,150 | -19% | 16% | -14% |
| Gas Division | 1,340 | 1,510 | 1,470 | 1,810 | 1,420 | 1,440 | 1,706 | -16% | -5% | 1% |
| Segmental Volume details | | | | | | | | | | |
| Logistics (in '000 MT) | 881 | 1,020 | 1,097 | 1,017 | 1,013 | 1,064 | | | | |
| Sourcing (in '000 MT) | 226 | 174 | 179 | 220 | 124 | 194 | | | | |
| Distribution (in '000 MT) | 159 | 131 | 144 | 126 | 129 | 129 | | | | |

Syrma SGS Technology

BSE SENSEX
79,402S&P CNX
24,181

CMP: INR379

Buy

Conference Call Details

Date: 28th Oct 2024

Time: 10:30am IST

Dial-in details:

[Click Here](#)

Operating performance above estimates

- Consolidated revenue grew 17% YoY to INR8.3b (est. INR10b).
- EBITDA margins expanded 160bp YoY to 8.5% (est. 6%), led by gross margin expansion of 190bp YoY to 24.4%.
- EBITDA grew 45% YoY to INR710m (est. INR601m).
- Adjusted PAT grew 22% YoY to INR362m (est. INR278m)
- Auto/Consumer/Healthcare/Industrial/IT & Railways segments accounted for ~25%/33%/8%/29%/5% of total sales during 2QFY25.

| Y/E March | FY24 | | | | FY25E | | | | FY24 | FY25 | FY25E | Var. % |
|---|--------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Gross Sales | 6,013 | 7,117 | 7,067 | 11,341 | 11,599 | 8,327 | 9,753 | 13,723 | 31,538 | 43,402 | 9,964 | -16 |
| YoY Change (%) | 54.4 | 52.4 | 37.9 | 66.9 | 92.9 | 17.0 | 38.0 | 21.0 | 54.0 | 37.6 | 40.0 | |
| Total Expenditure | 5,644 | 6,627 | 6,679 | 10,604 | 11,153 | 7,618 | 9,073 | 12,509 | 29,554 | 40,353 | 9,363 | |
| EBITDA | 369 | 490 | 388 | 737 | 446 | 710 | 680 | 1,214 | 1,984 | 3,049 | 601 | 18 |
| Margins (%) | 6.1 | 6.9 | 5.5 | 6.5 | 3.8 | 8.5 | 7.0 | 8.8 | 6.3 | 7.0 | 6.0 | |
| Depreciation | 101 | 116 | 139 | 158 | 174 | 167 | 180 | 182 | 515 | 703 | 176 | |
| Interest | 75 | 80 | 100 | 123 | 130 | 136 | 115 | 90 | 378 | 471 | 125 | |
| Other Income | 221 | 89 | 121 | 156 | 153 | 100 | 180 | 177 | 587 | 610 | 165 | |
| PBT before EO expense | 413 | 383 | 270 | 612 | 295 | 507 | 565 | 1,119 | 1,678 | 2,485 | 465 | |
| Extra-Ord expense | 0 | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | |
| PBT | 413 | 370 | 270 | 612 | 295 | 507 | 565 | 1,119 | 1,664 | 2,485 | 465 | |
| Tax | 130 | 64 | 67 | 160 | 91 | 110 | 142 | 282 | 421 | 625 | 117 | |
| Rate (%) | 31.5 | 17.4 | 24.8 | 26.1 | 31.0 | 21.8 | 25.2 | 25.2 | 25.3 | 25.2 | 25.2 | |
| Minority Interest & Profit/Loss of Asso. Cos. | -2 | 22 | 48 | 103 | 10 | 34 | 85 | 56 | 170 | 186 | 70 | |
| Reported PAT | 285 | 283 | 155 | 349 | 193 | 362 | 337 | 781 | 1,073 | 1,674 | 278 | |
| Adj PAT | 285 | 297 | 155 | 349 | 193 | 362 | 337 | 781 | 1,087 | 1,674 | 278 | 30 |
| YoY Change (%) | 84.0 | 4.8 | -53.2 | -17.4 | -32.3 | 22.0 | 117.4 | 123.5 | -8.9 | 54.0 | -6.4 | |
| Margins (%) | 4.7 | 4.2 | 2.2 | 3.1 | 1.7 | 4.4 | 3.5 | 5.7 | 3.4 | 3.9 | 2.8 | |



Telecom

BSNL continues to gain at private telcos' expense in Aug

The Telecom Regulatory Authority of India (TRAI) released the subscriber data for Aug'24. The key highlights are as follows:

- **Wireless subs: SIM consolidation continues post tariff hikes; BSNL only gainer in Aug'24**
 - Industry's **wireless subscribers declined by further 5.8m MoM** (after 0.9m decline in Jul'24), due to SIM/spend consolidation post the tariff hikes by three private telcos in Jul'24. Excluding IoT devices, wireless subs base declined by ~6.2m in Aug'24.
 - Similar to Jul'24, BSNL (+2.5m) was the only telco to gain wireless subs, while RJio/Bharti/VIL lost 4.0m/2.4m/1.9m wireless subs in Aug'24.
 - Bharti lost **4.2m wireless subs in Jul-Aug'24** (vs. 2.3m paying net adds in 1Q). **Bharti's 2Q subs decline could be higher than our est. of 1.5m.** Similarly, VIL lost **3.3m wireless subs in Jul-Aug'24** (vs. 2.5m paying subs decline in 1Q) and **2Q subs decline could be higher than our est. of 4m.**
 - Mobile Number Portability (MNP) requests further inched up to 14.7m in Aug'24 (vs. ~12m in FYTD25). We expect industry subscriber base to stabilize over the next few months.
- **VLR subs: Peak active subscriber base inches up, indicating subscriber churn is limited to inactive users for RJio**
 - **VLR (or peak active) subscriber base inched up by 2.0m MoM (vs. 1.5m decline in Jul'24).**
 - RJio added 2m VLR subs, indicating that the subscriber decline was limited to its inactive user base.
 - Similar to Jul'24, Bharti and VIL's VLR base declined again in Aug'24 by 1.7m and 2.6m, respectively, while BSNL gained further 4.1m VLR subs (after 2.9m additions in Jul'24).
- **Mobile Broadband (MBB) subs: MBB subs growth moderated in Aug'24 on RJio's clean-up of inactive base**
 - Industry's **MBB net adds moderated to 2.6m in Aug'24** (vs. ~5m monthly MBB net adds on average in FYTD25) as **BSNL's robust 6.6m MBB net adds** were offset by RJio's subs base decline.
 - Bharti's MBB net adds moderated to 0.4m in Aug (vs. ~2.6m monthly net add on average in FYTD25), while Vi's MBB subs declined by further 0.8m MoM in Aug'24.
 - Bharti added **modest ~2.9m MBB net adds in Jul-Aug'24**, posing a **downside risk to our estimate of 6m MBB net adds for 2Q.**
 - Vi **lost ~1.9m MBB subs in Jul-Aug'24** (vs. 0.1m net adds in 1Q), posing a **downside risk to our 2Q estimate of 0.2mn MBB net adds.**
 - Subscriber mix continues to improve, with ~78% of industry's wireless subs now opt for MBB data (up ~470bp YoY). Bharti's MBB subs proportion was up ~620bp YoY to ~72%.

- **Fixed Broadband (FBB) subs: Rjio drives robust industry growth in Aug'24**
 - Industry FBB subs increased by 860k MoM to 42.84m (+18% YoY), driven largely by acceleration in Rjio's FBB net adds (680k), likely on ramp-up in Jio AirFiber offering.
 - Bharti added 130k subscribers MoM in Aug'24, taking the total base to 8.3m (+21% YoY). Bharti's 250k FBB net adds in Jul-Aug'24 (vs. 350k in 1Q) is tracking in line with our 2Q estimate of 400k FBB net adds.
 - Rjio and Bharti now account for ~50% market share in FBB. We expect the duo's market share to increase further, driven by the ramp-up in FWA offerings.

Subscriber trends and Sep'24 ask rate for Bharti

| Bharti (m) | 1QFY25 | July-Aug'24 | 2QFY25E | Sep'24 ask rate |
|--------------------------|--------------|--------------|-------------|-----------------|
| EoP wireless subs | 389 | 384.9 | | |
| Net adds | 3.3 | -4.1 | | |
| Paying wireless subs | 354.5 | | 353 | |
| Net adds | 2.3 | -4.2 | -1.5 | 2.7 |
| MBB subs | 273.3 | 276.3 | | |
| Net adds | 7.8 | 2.9 | | |
| Reported data subs | 267.1 | | 273.1 | |
| Net adds | 6.3 | 2.8 | 6 | 3.2 |
| FBB subs | 8 | 8.3 | | |
| Net adds | 0.31 | 0.25 | | |
| Reported Homes subs | 8 | | 8.4 | |
| Net adds | 0.35 | 0.25 | 0.4 | 0.15 |

Source: TRAI, MOFSL

Subscriber trends and Sep'24 ask rate for VIL

| VIL (m) | 1QFY25 | July-Aug'24 | 2QFY25E | Sep'24 ask rate |
|--------------------------|--------------|--------------|------------|-----------------|
| EoP wireless subs | 217.3 | 214 | | |
| Net adds | -2.5 | -3.3 | | |
| Paying wireless subs | 210.1 | | 206.1 | |
| Net adds | -2.5 | -3.3 | -4 | -0.7 |
| MBB subs | 127.8 | 125.9 | 128 | |
| Net adds | 0.1 | -1.9 | 0.2 | 2.1 |

Source: TRAI, MOFSL

Visitor Location Registry (peak-active) subscriber base was up ~2m in Aug'24

| VLR subscriber base (m) | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Bharti | 376 | 376 | 375 | 375 | 378 | 381 | 383 | 385 | 383 | 384 | 385 | 384 | 382 |
| VIL | 199 | 200 | 198 | 199 | 197 | 195 | 194 | 193 | 193 | 191 | 188 | 185 | 183 |
| Rjio | 417 | 420 | 422 | 423 | 425 | 426 | 427 | 430 | 433 | 437 | 441 | 441 | 443 |
| Top Three players | 992 | 996 | 995 | 996 | 999 | 1,002 | 1,003 | 1,009 | 1,009 | 1,012 | 1,014 | 1,010 | 1,007 |
| BSNL/MTNL | 51 | 51 | 50 | 50 | 49 | 49 | 49 | 49 | 48 | 48 | 47 | 50 | 54 |
| Total | 1,043 | 1,047 | 1,045 | 1,046 | 1,048 | 1,051 | 1,052 | 1,058 | 1,058 | 1,060 | 1,061 | 1,060 | 1,062 |

Source: TRAI, MOFSL

Rjio added 2m VLR subs indicating churn was limited to inactive subs; BSNL continued to gain at Bharti/VIL's expense

| VLR net adds (m) | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 |
|--------------------------|-------------|------------|-------------|------------|------------|------------|------------|------------|-------------|------------|------------|-------------|-------------|
| Bharti | -0.4 | 0.6 | -1.2 | -0.4 | 3.0 | 3.6 | 1.5 | 2.8 | -2.1 | 0.9 | 0.7 | -1.2 | -1.7 |
| VIL | -2.9 | 0.4 | -1.4 | 0.1 | -1.8 | -1.7 | -1.1 | -0.6 | -0.6 | -1.7 | -2.7 | -3.0 | -2.6 |
| Rjio | 1.2 | 3.2 | 1.8 | 1.2 | 1.2 | 1.1 | 1.2 | 3.6 | 3.0 | 3.5 | 4.0 | -0.2 | 2.0 |
| Top Three players | -2.2 | 4.2 | -0.8 | 0.9 | 2.4 | 3.0 | 1.5 | 5.8 | 0.3 | 2.7 | 1.9 | -4.4 | -2.2 |
| BSNL/MTNL | -0.9 | -0.7 | -0.6 | -0.4 | -0.4 | -0.2 | -0.1 | -0.2 | -0.4 | -0.6 | -0.7 | 2.9 | 4.2 |
| Total | -3.0 | 3.5 | -1.4 | 0.5 | 1.9 | 2.8 | 1.4 | 5.7 | -0.1 | 2.1 | 1.3 | -1.5 | 1.9 |

Source: TRAI, MOFSL

**Laurus Labs: Q3 & Q4 will be good for business; Satyanarayan Chava, CEO**

- CDMO segment is anticipated to perform well, particularly in Q4
- Believe prices in APIs and CDMO are bottoming out
- Do not foresee any major challenges in inspections
- Confident of achieving approximately 20% EBITDAM for FY25

[→ Read More](#)**GCPL: We typically operate in the 25-27% margin band in India, see downside for a few quarters ; Aasif Malbari, CFO**

- There is still further upside to international biz margin
- Will be happy with high-single digit volume growth in H2
- Raymond biz grew 2x vs overall co., will expect to sustain
- In H2, will be happy with high-single digit vol. growth

[→ Read More](#)**SBI Life: Good growth should start flowing in annuity segment in H2FY25; Amit Jhingran, MD & CEO**

- Soft growth in 1H came on a very high base
- Expect 15% growth in individual APE in H2
- 1H APE growth of 9% was below expectations
- Expect to close FY25 with a 15% individual APE growth

[→ Read More](#)**PNBHF: Over the last 9 quarters, the company has been reducing NPAs; Girish Kousgi, MD & CEO**

- Plans to disburse ₹12,000 cr in the next two quarters
- Will maintain NIM b/w 3.6 to 3.65% for many quarters
- AUM of Rs.5k Cr. by end of FY25 & Rs. 15k Cr. till end of FY27
- Yields are going to be in the range of 12 to 12.5%

[→ Read More](#)**Home First: Happy with ROE, growth across AUM, and asset quality; Manoj Viswamanathan, MD & CEO**

- Will maintain guidance of 30% AUM growth
- Will see 5bps movement across ROAs every quarter
- ROE to be improving 10-15bps every quarter
- Not seeing worsening in asset quality

[→ Read More](#)



| 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 |
| Automobiles | | | | | | | | | | | | | | | | |
| Amara Raja Ener. | Neutral | 1242 | 1415 | 14 | 54.5 | 61.7 | 70.2 | 10.1 | 13.2 | 13.7 | 22.8 | 20.1 | 3.0 | 2.7 | 13.9 | 14.0 |
| Apollo Tyres | Buy | 480 | 630 | 31 | 25.4 | 33.2 | 40.8 | -11.6 | 30.7 | 22.9 | 18.9 | 14.5 | 1.6 | 1.5 | 11.1 | 13.3 |
| Ashok Ley. | Buy | 214 | 275 | 28 | 10.9 | 13.2 | 15.8 | 19.5 | 21.3 | 19.4 | 19.6 | 16.2 | 6.1 | 5.2 | 33.6 | 34.8 |
| Bajaj Auto | Neutral | 10206 | 11450 | 12 | 302.1 | 387.9 | 492.8 | 9.4 | 28.4 | 27.0 | 33.8 | 26.3 | 10.2 | 9.4 | 32.0 | 37.2 |
| Balkrishna Inds | Neutral | 2904 | 2890 | 0 | 85.0 | 110.6 | 130.2 | 11.1 | 30.1 | 17.7 | 34.2 | 26.2 | 5.6 | 4.8 | 17.3 | 19.5 |
| Bharat Forge | Neutral | 1400 | 1465 | 5 | 33.4 | 44.3 | 53.5 | 69.1 | 32.7 | 20.8 | 42.0 | 31.6 | 8.1 | 6.8 | 20.4 | 23.4 |
| Bosch | Neutral | 35905 | 34275 | -5 | 731.6 | 877.2 | 1,081.4 | 17.9 | 19.9 | 23.3 | 49.1 | 40.9 | 8.0 | 7.3 | 17.1 | 18.7 |
| CEAT | Buy | 2749 | 3450 | 26 | 131.9 | 176.3 | 229.5 | -22.2 | 33.6 | 30.2 | 20.8 | 15.6 | 2.5 | 2.2 | 12.5 | 15.0 |
| Craftsman Auto | Neutral | 5235 | 5435 | 4 | 120.1 | 193.3 | 279.2 | -16.7 | 60.9 | 44.4 | 43.6 | 27.1 | 4.0 | 3.6 | 12.0 | 13.9 |
| Eicher Mot. | Sell | 4589 | 4095 | -11 | 161.1 | 175.7 | 199.2 | 10.1 | 9.0 | 13.4 | 28.5 | 26.1 | 6.0 | 5.2 | 22.6 | 21.4 |
| Endurance Tech. | Buy | 2375 | 2760 | 16 | 61.9 | 74.3 | 88.1 | 30.9 | 20.0 | 18.6 | 38.4 | 32.0 | 5.9 | 5.1 | 16.3 | 17.1 |
| Escorts Kubota | Neutral | 3503 | 4085 | 17 | 99.9 | 127.4 | 164.6 | 5.3 | 27.5 | 29.2 | 35.1 | 27.5 | 4.2 | 3.7 | 12.7 | 14.4 |
| Exide Ind | Neutral | 450 | 470 | 4 | 13.7 | 16.8 | 19.8 | 10.4 | 22.8 | 18.1 | 32.9 | 26.8 | 2.7 | 2.5 | 8.3 | 9.4 |
| Happy Forgings | Buy | 1071 | 1375 | 28 | 30.5 | 42.7 | 55.4 | 18.4 | 39.9 | 29.7 | 35.1 | 25.1 | 5.4 | 4.6 | 16.6 | 19.9 |
| Hero Moto | Buy | 4974 | 6625 | 33 | 230.3 | 280.1 | 331.6 | 12.6 | 21.6 | 18.4 | 21.6 | 17.8 | 5.2 | 4.8 | 24.8 | 28.0 |
| Hyundai Motor | Buy | 1844 | 2345 | 27 | 68.7 | 79.8 | 93.9 | -7.9 | 16.2 | 17.7 | 26.8 | 23.1 | 10.7 | 8.4 | 45.2 | 40.6 |
| M&M | Buy | 2717 | 3610 | 33 | 103.0 | 122.7 | 146.4 | 16.0 | 19.2 | 19.3 | 26.4 | 22.1 | 5.3 | 4.4 | 21.6 | 21.8 |
| CIE Automotive | Buy | 497 | 605 | 22 | 22.0 | 25.5 | 29.9 | 4.3 | 15.9 | 17.3 | 22.6 | 19.5 | 2.8 | 2.6 | 13.2 | 13.8 |
| Maruti Suzuki | Buy | 11496 | 15235 | 33 | 475.1 | 550.4 | 621.6 | 10.7 | 15.9 | 12.9 | 24.2 | 20.9 | 3.8 | 3.4 | 15.6 | 16.0 |
| MRF | Sell | 122754 | 107790 | -12 | 4,745.7 | 5,546.8 | 6,070.9 | -4.9 | 16.9 | 9.4 | 25.9 | 22.1 | 2.8 | 2.5 | 11.4 | 12.0 |
| Samvardh. Motherson | Buy | 190 | 240 | 27 | 6.3 | 8.4 | 10.2 | 71.3 | 32.3 | 22.0 | 29.9 | 22.6 | 4.4 | 3.9 | 15.5 | 18.3 |
| Motherson Wiring | Buy | 62 | 83 | 33 | 1.6 | 2.1 | 2.5 | 12.1 | 27.6 | 22.1 | 38.5 | 30.2 | 13.5 | 10.9 | 38.5 | 40.0 |
| Sona BLW Precis. | Neutral | 699 | 685 | -2 | 10.7 | 13.5 | 16.2 | 19.4 | 26.4 | 20.1 | 65.4 | 51.7 | 12.8 | 10.9 | 20.8 | 22.8 |
| Tata Motors | Neutral | 864 | 990 | 15 | 57.1 | 69.5 | 80.3 | -2.7 | 21.7 | 15.6 | 15.1 | 12.4 | 3.0 | 2.5 | 22.2 | 22.0 |
| TVS Motor | Neutral | 2450 | 2610 | 7 | 53.6 | 67.9 | 82.2 | 22.3 | 26.7 | 21.1 | 45.7 | 36.1 | 11.8 | 9.3 | 29.0 | 28.8 |
| Tube Investments | Buy | 4625 | 5040 | 9 | 60.6 | 74.4 | 89.5 | 76.3 | 22.8 | 20.2 | 76.3 | 62.1 | 14.4 | 11.9 | 20.8 | 21.0 |
| Aggregate | | | | | | | | 8.2 | 21.4 | 18.4 | 26.9 | 22.1 | 5.1 | 4.4 | 19.0 | 19.8 |
| Banks - Private | | | | | | | | | | | | | | | | |
| AU Small Finance | Buy | 604 | 830 | 37 | 31.8 | 39.3 | 51.8 | 38.3 | 24 | 31.9 | 19.0 | 15.4 | 2.7 | 2.3 | 15.4 | 16.2 |
| Axis Bank | Neutral | 1188 | 1225 | 3 | 85.1 | 98.2 | 115.5 | 5.4 | 15.5 | 17.6 | 14.0 | 12.1 | 2.1 | 1.8 | 16.1 | 15.9 |
| Bandhan Bank | Neutral | 168 | 190 | 13 | 24.3 | 26.5 | 29.7 | 75.6 | 9 | 12.1 | 7.0 | 6.4 | 1.2 | 1.0 | 17.1 | 16.3 |
| DCB Bank | Buy | 116 | 160 | 38 | 18.8 | 24.7 | 31.0 | 9.8 | 31.3 | 25.6 | 6.2 | 4.7 | 0.7 | 0.6 | 11.7 | 13.7 |
| Equitas Small Fin. | Buy | 70 | 100 | 44 | 5.6 | 8.9 | 13.2 | -20.8 | 58.7 | 47.4 | 12.3 | 7.8 | 1.2 | 1.1 | 10.3 | 14.8 |
| Federal Bank | Buy | 187 | 230 | 23 | 16.9 | 20.5 | 24.8 | 3.5 | 20.9 | 21.1 | 11.0 | 9.1 | 1.4 | 1.2 | 13.4 | 14.3 |
| HDFC Bank | Buy | 1743 | 2050 | 18 | 88.2 | 100.1 | 115.6 | 10.2 | 13.5 | 15.4 | 19.8 | 17.4 | 2.7 | 2.4 | 14.4 | 14.6 |
| ICICI Bank | Buy | 1256 | 1500 | 19 | 65.4 | 73.3 | 85.4 | 12.0 | 12.1 | 16.5 | 19.3 | 17.2 | 2.9 | 2.5 | 18.0 | 17.4 |
| IDFC First Bk | Neutral | 66 | 73 | 11 | 3.5 | 5.7 | 7.3 | -19.0 | 62.9 | 28.1 | 18.9 | 11.5 | 1.4 | 1.3 | 7.3 | 11.0 |
| IndusInd | Buy | 1042 | 1500 | 44 | 94.9 | 128.2 | 163.1 | -17.9 | 35.1 | 27.2 | 11.0 | 8.1 | 1.2 | 1.0 | 11.2 | 13.6 |
| Kotak Mah. Bk | Neutral | 1768 | 1950 | 10 | 95.5 | 108.5 | 130.5 | 4.3 | 13.6 | 20.3 | 18.5 | 16.3 | 2.4 | 2.1 | 13.9 | 13.6 |
| RBL Bank | Neutral | 162 | 220 | 36 | 16.9 | 28.4 | 42.2 | -12.5 | 68.2 | 48.5 | 9.6 | 5.7 | 0.6 | 0.6 | 6.7 | 10.7 |
| SBI Cards | Neutral | 692 | 850 | 23 | 27.6 | 37.2 | 49.4 | 8.6 | 34.8 | 33.1 | 25.1 | 18.6 | 4.6 | 3.7 | 19.8 | 22.1 |
| Aggregate | | | | | | | | 7.9 | 16.3 | 19.1 | 18.0 | 15.5 | 2.6 | 2.3 | 14.3 | 14.6 |
| Banks - PSU | | | | | | | | | | | | | | | | |
| BOB | Buy | 240 | 290 | 21 | 35.8 | 39.3 | 43.5 | 4.2 | 9.8 | 10.7 | 6.7 | 6.1 | 1.1 | 0.9 | 16.2 | 17.8 |
| Canara Bank | Buy | 94 | 133 | 41 | 17.8 | 19.4 | 21.5 | 10.9 | 8.9 | 10.8 | 5.3 | 4.9 | 0.9 | 0.8 | 19.2 | 18.2 |
| Indian Bank | Buy | 498 | 670 | 34 | 75.9 | 83.3 | 93.9 | 22.0 | 9.8 | 12.7 | 6.6 | 6.0 | 1.1 | 0.9 | 18.1 | 17.3 |
| Punjab Natl. Bank | Neutral | 96 | 135 | 41 | 13.0 | 15.3 | 17.9 | 74.2 | 17.3 | 17.1 | 7.3 | 6.3 | 0.9 | 0.8 | 13.8 | 14.4 |
| SBI | Buy | 781 | 1015 | 30 | 87.7 | 100.9 | 118.8 | 16.6 | 15 | 17.7 | 8.9 | 7.7 | 1.5 | 1.3 | 18.5 | 17.9 |
| Union Bank (I) | Buy | 108 | 135 | 25 | 20.4 | 22.4 | 24.8 | 8.0 | 10 | 10.9 | 5.3 | 4.8 | 0.8 | 0.7 | 15.9 | 15.4 |
| Aggregate | | | | | | | | 19.0 | 13 | 15 | 8 | 6.8 | 1.2 | 1.1 | 16.1 | 16.1 |
| NBFCs | | | | | | | | | | | | | | | | |
| AAVAS Financiers | Neutral | 1677 | 2070 | 23 | 74.4 | 90.4 | 113.6 | 20.0 | 21.4 | 25.7 | 22.5 | 18.6 | 3.0 | 2.6 | 14.5 | 15.2 |
| Aditya Birla Cap | Buy | 203 | 270 | 33 | 13.2 | 17.1 | 21.6 | 30.9 | 29.2 | 26.1 | 15.3 | 11.9 | 1.8 | 1.6 | 12.1 | 13.9 |



| 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 |
| Angel One | Buy | 2799 | 4100 | 46 | 169.0 | 189.7 | 264.1 | 24.4 | 12.3 | 39.2 | 16.6 | 14.8 | 3.9 | 3.4 | 31.2 | 24.5 |
| Bajaj Fin. | Neutral | 6908 | 7320 | 6 | 266.7 | 343.8 | 441.2 | 14.1 | 28.9 | 28.3 | 25.9 | 20.1 | 4.4 | 3.7 | 18.9 | 19.9 |
| BSE | Neutral | 4063 | 4000 | -2 | 85.2 | 96.2 | 107.0 | 49.4 | 13.0 | 11.2 | 47.7 | 42.2 | 15.1 | 13.6 | 31.6 | 32.2 |
| Cams Services | Buy | 4319 | 5300 | 23 | 94.5 | 114.0 | 137.1 | 31.9 | 20.7 | 20.2 | 45.7 | 37.9 | 19.7 | 16.6 | 46.5 | 47.6 |
| Can Fin Homes | Neutral | 850 | 960 | 13 | 65.1 | 72.6 | 83.2 | 15.5 | 11.5 | 14.7 | 13.1 | 11.7 | 2.2 | 1.9 | 18.3 | 17.4 |
| Cholaman.Inv.&Fn | Buy | 1375 | - | | 53.4 | 73.1 | 96.9 | 31.0 | 36.9 | 32.7 | 25.8 | 18.8 | 4.8 | 3.7 | 20.6 | 22.5 |
| CreditAccess | Buy | 982 | 1260 | 28 | 81.2 | 97.9 | 127.6 | -10.5 | 20.6 | 30.3 | 12.1 | 10.0 | 2.0 | 1.7 | 18.1 | 18.4 |
| Fusion Finance | Neutral | 191 | 240 | 26 | -1.7 | 54.0 | 69.7 | -103.4 | LP | 29.0 | NM | 3.5 | 0.7 | 0.6 | -0.6 | 17.5 |
| Five-Star Business | Buy | 865 | 1000 | 16 | 36.7 | 44.3 | 53.9 | 28.6 | 20.5 | 21.7 | 23.5 | 19.5 | 4.0 | 3.4 | 18.7 | 18.8 |
| HDFC Life Insur. | Buy | 710 | 900 | 27 | 8.3 | 9.5 | 10.6 | 13.2 | 14.8 | 11.5 | 86.0 | 74.8 | 2.8 | 2.4 | 16.8 | 16.3 |
| Home First Fin. | Buy | 1103 | 1355 | 23 | 42.4 | 52.6 | 65.8 | 22.8 | 24.1 | 25.0 | 26.0 | 21.0 | 4.0 | 3.4 | 16.4 | 17.5 |
| ICICI Pru Life | Buy | 744 | 900 | 21 | 6.4 | 7.9 | 10.6 | 8.5 | 23.2 | 33.6 | 115.9 | 94.0 | 2.1 | 1.8 | 19.3 | 19.8 |
| ICICI Lombard | Buy | 1928 | 2400 | 24 | 48.8 | 58.2 | 73.4 | 25.2 | 19.4 | 26.2 | 39.6 | 33.1 | 7.0 | 6.1 | 18.8 | 19.6 |
| IIFL Finance | Buy | 398 | 530 | 33 | 16.4 | 50.7 | 64.4 | -64.5 | 208.7 | 27.0 | 24.3 | 7.9 | 1.4 | 1.2 | 6.0 | 16.1 |
| IndoStar | Buy | 267 | 315 | 18 | 10.7 | 16.4 | 24.8 | 26.2 | 52.4 | 51.4 | 24.8 | 16.3 | 1.1 | 1.0 | 4.4 | 6.7 |
| L&T Finance | Buy | 140 | 200 | 42 | 11.2 | 13.9 | 18.5 | 20.3 | 24.3 | 33.1 | 12.5 | 10.1 | 1.4 | 1.2 | 11.4 | 12.8 |
| Life Insurance Corp. | Buy | 904 | 1300 | 44 | 70.2 | 76.2 | 85.7 | 9.1 | 8.5 | 12.6 | 12.9 | 11.9 | 0.7 | 0.6 | 11.5 | 11.3 |
| LIC Hsg Fin | Buy | 598 | 830 | 39 | 89.2 | 93.3 | 99.7 | 3.0 | 4.6 | 6.8 | 6.7 | 6.4 | 0.9 | 0.8 | 14.7 | 13.8 |
| MCX | Buy | 6489 | 7600 | 17 | 120.3 | 158.5 | 188.9 | 638.3 | 31.7 | 19.2 | 53.9 | 41.0 | 22.0 | 19.9 | 42.6 | 51.1 |
| Manappuram Fin. | Neutral | 145 | 160 | 10 | 25.1 | 27.8 | 35.2 | -3.4 | 10.7 | 26.7 | 5.8 | 5.2 | 0.9 | 0.8 | 17.0 | 16.3 |
| MAS Financial | Buy | 284 | 360 | 27 | 17.4 | 22.2 | 27.2 | 15.0 | 27.5 | 22.9 | 16.3 | 12.8 | 2.1 | 1.8 | 14.9 | 15.0 |
| Max Financial | Neutral | 1275 | 1300 | 2 | 14.6 | 16.9 | 22.8 | 92.9 | 16.0 | 34.8 | 87.5 | 75.4 | 2.4 | 2.0 | 19.0 | 19.4 |
| M&M Fin. | Buy | 269 | 335 | 25 | 19.6 | 24.8 | 31.1 | 37.7 | 26.3 | 25.3 | 13.7 | 10.8 | 1.6 | 1.4 | 12.1 | 14.0 |
| Muthoot Fin | Neutral | 1923 | 1800 | -6 | 126.7 | 145.3 | 165.6 | 25.6 | 14.7 | 14.0 | 15.2 | 13.2 | 2.7 | 2.3 | 19.3 | 19.1 |
| Piramal Enterp. | Neutral | 1052 | 1015 | -4 | 39.2 | 57.4 | 75.3 | -152.2 | 46.4 | 31.3 | 26.9 | 18.3 | 0.9 | 0.8 | 3.3 | 4.7 |
| PNB Housing | Buy | 947 | 1235 | 30 | 72.3 | 88.8 | 108.4 | 24.5 | 22.8 | 22.0 | 13.1 | 10.7 | 1.5 | 1.3 | 11.8 | 12.9 |
| Poonawalla Fincorp | Buy | 298 | 350 | 18 | 1.9 | 14.6 | 23.3 | -85.8 | - | 59.6 | - | 20.4 | 2.8 | 2.5 | 1.8 | 12.9 |
| PFC | Buy | 438 | 560 | 28 | 49.9 | 55.0 | 62.1 | 14.6 | 10.3 | 12.8 | 8.8 | 8.0 | 1.6 | 1.4 | 19.4 | 18.7 |
| REC | Buy | 509 | - | | 60.5 | 69.3 | 80.1 | 13.6 | 14.7 | 15.6 | 8.4 | 7.3 | 1.7 | 1.4 | 21.3 | 20.9 |
| Repco Home Fin | Neutral | 496 | 580 | 17 | 68.9 | 74.3 | 82.5 | 9.2 | 7.9 | 11.1 | 7.2 | 6.7 | 0.9 | 0.8 | 13.9 | 13.2 |
| Spandana Sphoorty | Buy | 454 | 580 | 28 | 12.7 | 73.0 | 101.1 | -81.9 | 474.7 | 38.4 | 35.8 | 6.2 | 0.9 | 0.8 | 2.5 | 13.0 |
| Shriram Finance | Buy | 3091 | 4000 | 29 | 223.0 | 265.0 | 322.0 | 16.5 | 18.8 | 21.5 | 13.8 | 11.7 | 2.1 | 1.8 | 16.2 | 16.8 |
| SBI Life Insurance | Buy | 1617 | 2100 | 30 | 23.9 | 24.8 | 27.7 | 26.1 | 3.8 | 11.7 | 67.7 | 65.3 | 2.3 | 1.9 | 21.3 | 20.0 |
| Star Health Insu | Buy | 541 | 720 | 33 | 18.4 | 24.3 | 32.1 | 27.3 | 32.3 | 32.2 | 29.4 | 22.2 | 4.1 | 3.5 | 15.0 | 16.9 |
| Aggregate | | | | | | | | 15.8 | 22.1 | 21.7 | 15.3 | 12.6 | 2.3 | 2.0 | 15.2 | 16.1 |
| Chemicals | | | | | | | | | | | | | | | | |
| Alkyl Amines | Neutral | 1998 | 2305 | 15 | 41.5 | 56.9 | 74.8 | 42.7 | 37.2 | 31.4 | 48.1 | 35.1 | 7.3 | 6.4 | 15.9 | 19.4 |
| Atul | Buy | 7400 | 9955 | 35 | 170.7 | 224.4 | 275.4 | 65.0 | 31.5 | 22.7 | 43.3 | 33.0 | 3.9 | 3.6 | 9.4 | 11.4 |
| Clean Science | Neutral | 1491 | 1580 | 6 | 26.6 | 36.0 | 43.1 | 15.7 | 35.3 | 19.8 | 56.1 | 41.4 | 10.9 | 8.9 | 21.3 | 23.7 |
| Deepak Nitrite | Neutral | 2671 | 3005 | 13 | 73.8 | 80.6 | 91.1 | 33.9 | 9.1 | 13.0 | 36.2 | 33.1 | 6.4 | 5.5 | 19.2 | 17.9 |
| Fine Organic | Sell | 4625 | 4250 | -8 | 118.8 | 119.0 | 123.7 | -1.0 | 0.2 | 4.0 | 38.9 | 38.9 | 6.5 | 5.6 | 18.0 | 15.4 |
| Galaxy Surfact. | Buy | 2893 | 3750 | 30 | 97.7 | 115.0 | 135.1 | 14.9 | 17.7 | 17.4 | 29.6 | 25.2 | 4.2 | 3.7 | 15.0 | 15.8 |
| Navin Fluorine | Neutral | 3304 | 3240 | -2 | 57.6 | 82.1 | 103.1 | 25.0 | 42.5 | 25.6 | 57.3 | 40.2 | 6.3 | 5.7 | 11.5 | 14.9 |
| NOCIL | Neutral | 265 | 315 | 19 | 9.4 | 11.7 | 13.5 | 19.2 | 24.9 | 14.9 | 28.2 | 22.6 | 2.5 | 2.3 | 9.0 | 10.6 |
| PI Inds. | Buy | 4331 | 5470 | 26 | 112.5 | 136.9 | 160.3 | 1.7 | 21.7 | 17.1 | 38.5 | 31.6 | 6.4 | 5.4 | 18.0 | 18.5 |
| SRF | Neutral | 2207 | 2080 | -6 | 40.5 | 67.4 | 88.9 | -14.7 | 66.4 | 32.0 | 54.5 | 32.8 | 5.4 | 4.8 | 10.2 | 15.5 |
| Tata Chemicals | Neutral | 1065 | 1070 | 0 | 30.7 | 49.0 | 61.6 | -14.9 | 59.4 | 25.6 | 34.6 | 21.7 | 1.2 | 1.2 | 3.5 | 5.4 |
| Vinati Organics | Buy | 1930 | 2500 | 30 | 42.7 | 50.9 | 60.2 | 36.8 | 19.2 | 18.4 | 45.2 | 37.9 | 7.1 | 6.2 | 16.8 | 17.5 |
| Aggregate | | | | | | | | 27.6 | 20.2 | 18.0 | 42.0 | 34.9 | 5.8 | 5.1 | 13.7 | 14.5 |
| Capital Goods | | | | | | | | | | | | | | | | |
| ABB India | Buy | 7519 | 9500 | 26 | 97.0 | 114.2 | 133.4 | 64.7 | 17.8 | 16.8 | 77.5 | 65.8 | 20.3 | 15.8 | 29.8 | 27.0 |
| Bharat Electronics | Buy | 273 | - | | 6.7 | 8.2 | 9.9 | 21.0 | 22.7 | 20.9 | 41.0 | 33.4 | 9.8 | 7.8 | 24.0 | 23.5 |



| 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 |
| Cummins India | Buy | 3368 | 4300 | 28 | 74.2 | 89.0 | 105.5 | 23.7 | 19.9 | 18.5 | 45.4 | 37.9 | 13.4 | 11.8 | 31.3 | 33.1 |
| Hitachi Energy | Neutral | 13289 | 12800 | -4 | 75.4 | 149.9 | 213.5 | 95.3 | 98.7 | 42.4 | 176.2 | 88.6 | 33.5 | 24.3 | 19.0 | 27.5 |
| Kalpataru Proj. | Buy | 1185 | 1500 | 27 | 49.3 | 69.6 | 89.1 | 51.3 | 41.1 | 28.0 | 24.0 | 17.0 | 3.0 | 2.6 | 13.2 | 16.4 |
| KEC International | Neutral | 894 | 950 | 6 | 25.7 | 42.5 | 50.7 | 90.3 | 65.5 | 19.3 | 34.8 | 21.0 | 4.2 | 3.7 | 13.9 | 18.8 |
| Kirloskar Oil | Buy | 1015 | 1540 | 52 | 36.1 | 46.2 | 58.6 | 44.4 | 28.2 | 26.7 | 28.1 | 22.0 | 4.9 | 4.2 | 18.6 | 20.6 |
| Larsen & Toubro | Buy | 3328 | 4250 | 28 | 108.0 | 135.7 | 158.1 | 14.3 | 25.7 | 16.5 | 30.8 | 24.5 | 4.7 | 4.1 | 16.1 | 17.8 |
| Siemens | Buy | 6773 | 8400 | 24 | 73.4 | 87.5 | 108.7 | 33.3 | 19.2 | 24.1 | 92.3 | 77.4 | 16.1 | 13.9 | 18.6 | 19.3 |
| Thermax | Neutral | 5431 | 4950 | -9 | 66.0 | 83.6 | 103.1 | 26.5 | 26.7 | 23.3 | 82.3 | 64.9 | 12.2 | 10.5 | 15.7 | 17.4 |
| Triveni Turbine | Buy | 690 | 830 | 20 | 11.0 | 14.3 | 19.4 | 30.5 | 29.4 | 35.8 | 62.5 | 48.3 | 18.1 | 14.3 | 32.3 | 33.0 |
| Zen Technologies | Buy | 1697 | 1900 | 12 | 28.8 | 41.8 | 59.5 | 90.9 | 45.0 | 42.5 | 58.9 | 40.6 | 20.5 | 13.6 | 42.2 | 40.3 |
| Aggregate | | | | | | | | 23.9 | 26.1 | 19.6 | 46.0 | 36.5 | 8.1 | 6.9 | 17.5 | 18.9 |
| Cement | | | | | | | | | | | | | | | | |
| Ambuja Cem. | Buy | 553 | 750 | 36 | 9.5 | 15.2 | 18.9 | -31.8 | 59.9 | 24.8 | 58.4 | 36.5 | 2.5 | 2.4 | 4.9 | 6.7 |
| ACC | Buy | 2236 | 3000 | 34 | 81.1 | 108.9 | 142.4 | -18.3 | 34.3 | 30.7 | 27.6 | 20.5 | 2.4 | 2.2 | 9.1 | 11.2 |
| Birla Corp. | Buy | 1120 | 1500 | 34 | 24.7 | 60.2 | 80.1 | -54.2 | 143.4 | 33.2 | 45.3 | 18.6 | 1.3 | 1.2 | 2.8 | 6.7 |
| Dalmia Bhar. | Buy | 1772 | 2250 | 27 | 45.9 | 65.0 | 83.6 | 12.8 | 41.5 | 28.5 | 38.6 | 27.2 | 2.0 | 1.9 | 5.2 | 7.0 |
| Grasim Inds. | Buy | 2616 | 3270 | 25 | 89.4 | 104.9 | 122.9 | -6.5 | 17.2 | 17.2 | 29.2 | 24.9 | 3.2 | 3.1 | 0.8 | 2.5 |
| India Cem | Sell | 355 | 310 | -13 | -12.4 | -1.3 | 5.2 | 64.1 | Loss | LP | NM | NM | 2.1 | 2.1 | -7.3 | -0.8 |
| J K Cements | Buy | 4124 | - | | 96.3 | 136.3 | 180.9 | -6.3 | 41.6 | 32.8 | 42.8 | 30.3 | 5.4 | 4.7 | 13.2 | 16.6 |
| JK Lakshmi Ce | Buy | 774 | 970 | 25 | 26.8 | 37.2 | 40.9 | -32.2 | 38.8 | 9.9 | 28.8 | 20.8 | 2.7 | 2.4 | 9.5 | 12.1 |
| Ramco Cem | Neutral | 852 | 860 | 1 | 11.9 | 22.2 | 31.8 | -28.8 | 86.8 | 42.9 | 71.6 | 38.3 | 2.7 | 2.6 | 3.9 | 6.9 |
| Shree Cem | Neutral | 24945 | 26580 | 7 | 449.3 | 510.4 | 589.9 | -34.3 | 13.6 | 15.6 | 55.5 | 48.9 | 4.2 | 3.9 | 7.7 | 8.3 |
| Ultratech | Buy | 10993 | 13000 | 18 | 211.9 | 313.6 | 392.7 | -13.3 | 48.0 | 25.2 | 51.9 | 35.0 | 4.9 | 4.1 | 9.8 | 12.9 |
| Aggregate | | | | | | | | -16.5 | 40.7 | 24.3 | 44.4 | 31.6 | 3.4 | 3.1 | 7.6 | 9.7 |
| Consumer | | | | | | | | | | | | | | | | |
| Asian Paints | Neutral | 2959 | 3150 | 6 | 55.3 | 61.8 | 69.8 | -4.6 | 11.8 | 13.0 | 53.6 | 47.9 | 14.2 | 13.0 | 27.4 | 28.3 |
| Britannia | Neutral | 5667 | 6100 | 8 | 101.2 | 113.9 | 127.3 | 14.1 | 12.5 | 11.8 | 56.0 | 49.8 | 29.9 | 25.1 | 57.4 | 54.9 |
| Colgate | Neutral | 3082 | 3250 | 5 | 55.6 | 61.2 | 66.8 | 13.0 | 10.1 | 9.2 | 55.4 | 50.3 | 38.8 | 34.0 | 74.9 | 71.9 |
| Dabur | Buy | 539 | 700 | 30 | 10.8 | 12.5 | 14.2 | 2.2 | 15.4 | 14.1 | 49.8 | 43.1 | 8.9 | 8.2 | 18.6 | 19.8 |
| Emami | Buy | 645 | 950 | 47 | 20.4 | 23.1 | 25.0 | 13.3 | 13.1 | 8.3 | 31.6 | 27.9 | 10.1 | 8.9 | 34.1 | 33.9 |
| Godrej Cons. | Buy | 1291 | 1550 | 20 | 21.1 | 25.7 | 29.7 | 9.1 | 22.0 | 15.3 | 61.2 | 50.1 | 9.7 | 8.8 | 16.4 | 18.4 |
| HUL | Buy | 2528 | 3200 | 27 | 45.3 | 51.0 | 56.2 | 3.7 | 12.5 | 10.1 | 55.7 | 49.5 | 11.5 | 11.3 | 20.7 | 23.0 |
| ITC | Buy | 482 | 575 | 19 | 16.7 | 18.2 | 19.8 | 1.9 | 9.2 | 8.4 | 28.9 | 26.5 | 7.8 | 7.4 | 27.5 | 28.7 |
| Indigo Paints | Buy | 1602 | 1750 | 9 | 30.6 | 37.3 | 46.4 | -1.2 | 21.9 | 24.3 | 52.3 | 42.9 | 7.5 | 6.6 | 15.2 | 16.3 |
| Jyothy Lab | Neutral | 487 | 575 | 18 | 11.1 | 12.4 | 13.7 | 12.8 | 12.3 | 10.6 | 44.0 | 39.2 | 9.3 | 8.4 | 21.8 | 22.6 |
| Marico | Buy | 640 | 780 | 22 | 12.6 | 13.9 | 15.2 | 9.5 | 10.8 | 8.9 | 50.9 | 46.0 | 20.8 | 19.9 | 41.6 | 44.2 |
| Nestle | Neutral | 2261 | 2400 | 6 | 34.0 | 38.6 | 43.6 | -17.1 | 13.5 | 12.8 | 66.4 | 58.6 | 52.7 | 44.6 | 87.7 | 82.5 |
| Page Inds | Neutral | 43028 | 40000 | -7 | 573.3 | 701.4 | 838.3 | 12.3 | 22.3 | 19.5 | 75.0 | 61.3 | 27.5 | 23.7 | 36.7 | 38.6 |
| Pidilite Ind. | Neutral | 3178 | 3200 | 1 | 42.4 | 49.0 | 55.9 | 18.4 | 15.4 | 14.1 | 74.9 | 64.9 | 16.9 | 15.2 | 24.0 | 24.7 |
| P&G Hygiene | Neutral | 15964 | 17000 | 6 | 260.2 | 296.4 | 338.3 | 18.2 | 13.9 | 14.1 | 61.3 | 53.9 | 54.9 | 45.6 | 98.4 | 92.6 |
| Tata Consumer | Buy | 974 | 1320 | 36 | 16.0 | 19.5 | 21.5 | 11.3 | 22.3 | 10.0 | 61.0 | 49.9 | 4.1 | 3.7 | 8.0 | 8.1 |
| United Brew | Neutral | 1980 | 1950 | -2 | 21.7 | 31.1 | 38.6 | 39.6 | 43.3 | 24.1 | 91.6 | 63.8 | 11.7 | 10.6 | 13.2 | 17.5 |
| United Spirits | Neutral | 1481 | 1550 | 5 | 18.8 | 21.2 | 23.4 | 4.0 | 12.5 | 10.4 | 78.6 | 69.9 | 12.9 | 10.9 | 16.4 | 15.6 |
| Varun Beverages | Buy | 611 | 730 | 19 | 7.9 | 10.2 | 12.6 | 29.4 | 29.3 | 24.0 | 77.7 | 60.1 | 22.3 | 10.4 | 32.9 | 23.6 |
| Aggregate | | | | | | | | 3.3 | 12.5 | 10.7 | 47.6 | 42.3 | 11.5 | 10.7 | 24.1 | 25.3 |
| Consumer Durables | | | | | | | | | | | | | | | | |
| Havells India | Neutral | 1696 | 1830 | 8 | 23.9 | 29.6 | 36.8 | 17.8 | 24.0 | 24.3 | 71.0 | 57.2 | 12.6 | 11.0 | 17.8 | 19.3 |
| KEI Industries | Buy | 3858 | 5100 | 32 | 75.6 | 91.1 | 112.1 | 17.4 | 20.6 | 23.0 | 51.1 | 42.3 | 9.2 | 7.6 | 18.0 | 18.1 |
| Polycab India | Buy | 6461 | 8340 | 29 | 124.9 | 151.4 | 182.2 | 5.2 | 21.2 | 20.4 | 51.7 | 42.7 | 10.1 | 8.5 | 19.5 | 20.0 |
| R R Kabel | Buy | 1502 | 1900 | 26 | 23.8 | 39.7 | 56.1 | -9.9 | 66.8 | 41.3 | 63.2 | 37.8 | 8.4 | 7.2 | 13.9 | 20.4 |
| Voltas | Buy | 1755 | 2100 | 20 | 27.1 | 34.8 | 44.3 | 274.0 | 28.7 | 27.1 | 64.8 | 50.4 | 8.7 | 7.7 | 13.5 | 15.2 |
| Aggregate | | | | | | | | 27.3 | 24.6 | 24.0 | 60.0 | 48.2 | 10.4 | 8.9 | 17.4 | 18.6 |
| EMS | | | | | | | | | | | | | | | | |
| Amber Enterp. | Buy | 6169 | 7350 | 19 | 78.0 | 113.0 | 172.3 | 97.7 | 44.9 | 52.5 | 79.1 | 54.6 | 8.9 | 7.7 | 12.0 | 15.1 |



| 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 |
| Avalon Tech | Buy | 588 | 690 | 17 | 6.7 | 15.1 | 23.9 | 58.3 | 123.3 | 58.7 | 87.3 | 39.1 | 6.5 | 5.6 | 7.8 | 15.4 |
| Cyient DLM | Buy | 614 | 870 | 42 | 13.1 | 24.7 | 34.3 | 70.3 | 87.9 | 38.9 | 46.7 | 24.9 | 4.8 | 4.0 | 10.8 | 17.6 |
| Data Pattern | Neutral | 2160 | 2400 | 11 | 40.0 | 53.1 | 67.8 | 23.2 | 32.8 | 27.7 | 54.0 | 40.7 | 7.8 | 6.6 | 15.6 | 17.6 |
| Dixon Tech. | Buy | 13930 | 17500 | 26 | 128.4 | 177.1 | 231.9 | 108.8 | 37.9 | 30.9 | 108.5 | 78.6 | 34.1 | 23.9 | 37.1 | 35.7 |
| Kaynes Tech | Buy | 5300 | 6400 | 21 | 53.4 | 94.2 | 143.7 | 86.2 | 76.3 | 52.6 | 99.2 | 56.3 | 12.0 | 9.9 | 12.8 | 19.2 |
| Syrma SGS Tech. | Buy | 380 | - | | 9.0 | 15.0 | 22.5 | 46.3 | 67.7 | 49.5 | 42.4 | 25.3 | 3.9 | 3.4 | 9.5 | 14.3 |
| Aggregate | | | | | | | | 79.0 | 52.4 | 41.1 | 90.2 | 59.2 | 13.8 | 11.2 | 15.2 | 18.9 |
| Healthcare | | | | | | | | | | | | | | | | |
| Alembic Phar | Neutral | 1069 | 1150 | 8 | 37.4 | 41.2 | 50.2 | 18.8 | 10.3 | 21.7 | 28.6 | 25.9 | 3.9 | 3.4 | 14.2 | 13.9 |
| Alkem Lab | Neutral | 5942 | 6072 | 2 | 187.8 | 204.3 | 210.6 | 17.6 | 8.8 | 3.1 | 31.6 | 29.1 | 5.9 | 5.1 | 20.1 | 18.8 |
| Ajanta Pharma | Buy | 2971 | 3790 | 28 | 75.8 | 87.8 | 103.7 | 21.7 | 15.7 | 18.2 | 39.2 | 33.9 | 8.8 | 7.4 | 24.5 | 23.7 |
| Apollo Hospitals | Buy | 6939 | 8330 | 20 | 94.4 | 125.5 | 145.8 | 51.2 | 33.0 | 16.1 | 73.5 | 55.3 | 11.8 | 9.7 | 17.9 | 19.9 |
| Aurobindo | Neutral | 1427 | 1480 | 4 | 66.3 | 73.8 | 85.2 | 18.3 | 11.3 | 15.4 | 21.5 | 19.3 | 2.5 | 2.2 | 12.3 | 12.2 |
| Biocon | Neutral | 313 | 340 | 9 | 4.4 | 9.2 | 13.1 | 144.4 | 109.8 | 41.6 | 70.9 | 33.8 | 1.8 | 1.7 | 2.6 | 5.3 |
| Cipla | Buy | 1489 | 1940 | 30 | 58.7 | 65.6 | 68.3 | 11.9 | 11.7 | 4.1 | 25.4 | 22.7 | 3.9 | 3.4 | 15.4 | 14.9 |
| Divis Lab | Neutral | 5777 | 5300 | -8 | 77.7 | 95.1 | 116.3 | 29.6 | 22.4 | 22.2 | 74.3 | 60.7 | 10.2 | 9.2 | 14.4 | 15.9 |
| Dr Reddy's | Neutral | 6514 | 6930 | 6 | 353.8 | 389.0 | 355.9 | 11.6 | 9.9 | -8.5 | 18.4 | 16.7 | 3.2 | 2.7 | 19.1 | 17.7 |
| ERIS Lifescience | Neutral | 1293 | 1230 | -5 | 28.6 | 40.1 | 54.2 | -2.2 | 40.2 | 35.2 | 44.8 | 31.9 | 6.1 | 5.2 | 14.3 | 17.6 |
| Gland Pharma | Buy | 1606 | 2170 | 35 | 53.4 | 67.0 | 76.5 | 12.1 | 25.6 | 14.2 | 30.1 | 24.0 | 2.8 | 2.5 | 9.6 | 10.9 |
| Glenmark | Buy | 1664 | 1930 | 16 | 47.5 | 59.2 | 68.5 | 1,811.9 | 24.6 | 15.7 | 35.0 | 28.1 | 5.2 | 4.4 | 15.8 | 16.8 |
| GSK Pharma | Neutral | 2587 | 2720 | 5 | 48.1 | 53.4 | 61.6 | 11.1 | 11.1 | 15.2 | 53.8 | 48.4 | 20.6 | 17.1 | 38.3 | 35.3 |
| Global Health | Buy | 1060 | 1263 | 19 | 19.3 | 24.8 | 29.2 | 8.2 | 29.0 | 17.4 | 55.1 | 42.7 | 8.5 | 7.3 | 16.6 | 18.5 |
| Granules India | Buy | 539 | 645 | 20 | 22.2 | 29.4 | 37.1 | 27.7 | 32.8 | 25.9 | 24.3 | 18.3 | 3.5 | 3.0 | 15.4 | 17.5 |
| IPCA Labs | Buy | 1583 | 1950 | 23 | 33.4 | 42.8 | 55.9 | 60.8 | 28.1 | 30.5 | 47.3 | 36.9 | 5.7 | 5.0 | 12.7 | 14.5 |
| Laurus Labs | Buy | 466 | 530 | 14 | 6.3 | 11.0 | 15.2 | 108.1 | 75.0 | 38.4 | 74.2 | 42.4 | 5.7 | 5.1 | 7.9 | 12.7 |
| Lupin | Neutral | 2154 | 2060 | -4 | 59.2 | 69.8 | 77.6 | 42.5 | 17.8 | 11.2 | 36.4 | 30.9 | 5.8 | 4.9 | 17.3 | 17.4 |
| Mankind Pharma | Buy | 2457 | 3000 | 22 | 54.5 | 62.4 | 74.3 | 14.1 | 14.6 | 18.9 | 45.1 | 39.3 | 8.9 | 7.6 | 21.4 | 20.9 |
| Max Healthcare | Buy | 938 | 1238 | 32 | 15.6 | 19.1 | 23.9 | 13.9 | 22.4 | 24.9 | 59.9 | 49.0 | 8.4 | 7.2 | 15.1 | 15.8 |
| Piramal Pharma | Buy | 244 | 310 | 27 | 2.4 | 5.2 | 7.5 | 469.7 | 115.2 | 45.2 | 101.3 | 47.1 | 3.5 | 3.3 | 4.0 | 8.0 |
| Sun Pharma | Buy | 1860 | 2220 | 19 | 49.2 | 57.9 | 66.3 | 18.6 | 17.8 | 14.5 | 37.8 | 32.1 | 6.1 | 5.2 | 17.2 | 17.4 |
| Torrent Pharma | Neutral | 3438 | 3430 | 0 | 59.8 | 79.3 | 99.4 | 27.0 | 32.6 | 25.3 | 57.4 | 43.3 | 7.1 | 5.9 | 27.0 | 29.8 |
| Zydus Lifesciences | Neutral | 990 | 1140 | 15 | 43.9 | 47.3 | 43.6 | 16.5 | 7.9 | -7.8 | 22.6 | 20.9 | 3.9 | 3.4 | 19.6 | 17.4 |
| Aggregate | | | | | | | | 23.9 | 18.2 | 11.9 | 36.7 | 31.0 | 5.4 | 4.7 | 14.8 | 15.2 |
| Infrastructure | | | | | | | | | | | | | | | | |
| G R Infraproject | Buy | 1513 | 2050 | 35 | 79.2 | 99.9 | 111.1 | 8.5 | 26.2 | 11.2 | 19.1 | 15.1 | 1.8 | 1.6 | 10.1 | 11.5 |
| IRB Infra | Neutral | 51 | 62 | 22 | 1.6 | 2.1 | 2.4 | 58.6 | 30.8 | 17.2 | 31.9 | 24.4 | 2.1 | 2.0 | 6.8 | 8.4 |
| KNR Constructions | Buy | 278 | 410 | 48 | 14.6 | 18.9 | 21.1 | -4.4 | 29.7 | 11.9 | 19.1 | 14.7 | 2.1 | 1.9 | 11.9 | 13.5 |
| Aggregate | | | | | | | | | | | 25.7 | 19.9 | 2.1 | 1.9 | 8.2 | 9.6 |
| Logistics | | | | | | | | | | | | | | | | |
| Adani Ports | Buy | 1316 | 1880 | 43 | 51.2 | 61.1 | 72.9 | 24.2 | 19.2 | 19.3 | 25.7 | 21.5 | 4.5 | 3.8 | 19.1 | 19.3 |
| Blue Dart Express | Buy | 7727 | 9900 | 28 | 137.1 | 223.5 | 271.8 | 12.7 | 63.0 | 21.6 | 56.3 | 34.6 | 11.3 | 9.1 | 21.3 | 29.2 |
| Concor | Buy | 795 | 1150 | 45 | 22.3 | 32.6 | 35.4 | 9.9 | 46.1 | 8.6 | 35.6 | 24.4 | 3.9 | 3.5 | 11.2 | 15.2 |
| JSW Infra | Buy | 281 | 410 | 46 | 6.5 | 9.3 | 11.0 | 11.7 | 44.3 | 17.7 | 43.5 | 30.1 | 6.5 | 5.6 | 15.9 | 20.0 |
| Mahindra Logistics | Neutral | 410 | 440 | 7 | 3.6 | 17.3 | 29.2 | -143.7 | 384.6 | 68.6 | 114.5 | 23.6 | 5.9 | 4.8 | 5.0 | 22.0 |
| Transport Corp. | Buy | 1038 | 1290 | 24 | 52.6 | 64.5 | 75.4 | 14.8 | 22.6 | 16.9 | 19.8 | 16.2 | 3.4 | 2.8 | 18.2 | 18.8 |
| TCl Express | Buy | 977 | 1370 | 40 | 32.8 | 43.5 | 48.9 | -4.5 | 32.6 | 12.2 | 29.8 | 22.4 | 4.7 | 4.0 | 16.7 | 19.2 |
| VRL Logistics | Buy | 519 | 670 | 29 | 12.7 | 23.4 | 25.8 | 25.7 | 83.6 | 10.4 | 40.8 | 22.2 | 4.7 | 4.2 | 11.6 | 20.1 |
| Aggregate | | | | | | | | | | | 29.7 | 23.6 | 4.9 | 4.2 | 16.3 | 17.7 |
| Media | | | | | | | | | | | | | | | | |
| PVR Inox | Neutral | 1488 | 1750 | 18 | 7.4 | 26.7 | 48.6 | -36.8 | 262.9 | 81.8 | 201.9 | 55.6 | 2.0 | 1.9 | 1.0 | 3.5 |
| Sun TV | Neutral | 724 | 860 | 19 | 47.1 | 50.2 | 53.4 | -1.0 | 6.5 | 6.4 | 15.4 | 14.4 | 2.6 | 2.4 | 16.8 | 16.5 |
| Zee Ent. | Neutral | 120 | 145 | 21 | 7.2 | 9.6 | 10.6 | 58.7 | 33.3 | 11.2 | 16.7 | 12.5 | 1.0 | 0.9 | 6.2 | 7.8 |
| Aggregate | | | | | | | | 8.0 | 20.6 | 14.0 | 21.3 | 17.7 | 1.9 | 1.8 | 8.8 | 10.0 |
| Metals | | | | | | | | | | | | | | | | |
| Coal India | Buy | 461 | 560 | 21 | 56.8 | 67.4 | 70.5 | -6.4 | 18.7 | 4.6 | 8.1 | 6.8 | 2.8 | 2.4 | 35.1 | 34.6 |



| 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 |
| Hindalco | Buy | 679 | 880 | 30 | 63.0 | 63.1 | 74.6 | 38.0 | 0.1 | 18.3 | 10.8 | 10.8 | 1.6 | 1.4 | 16.2 | 14.2 |
| Hind. Zinc | Neutral | 510 | 570 | 12 | 23.0 | 30.6 | 31.4 | 25.1 | 33.3 | 2.7 | 22.2 | 16.6 | 17.6 | 10.7 | 70.8 | 80.1 |
| JSPL | Buy | 899 | 1200 | 33 | 54.8 | 95.5 | 110.1 | -6.2 | 74.3 | 15.2 | 16.4 | 9.4 | 1.8 | 1.6 | 11.7 | 17.9 |
| JSW Steel | Buy | 943 | 1200 | 27 | 31.5 | 67.8 | 85.5 | -14.4 | 115.1 | 26.2 | 30.9 | 14.0 | 2.7 | 2.3 | 9.5 | 17.9 |
| Nalco | Neutral | 219 | 220 | 1 | 12.9 | 13.9 | 16.2 | 42.2 | 7.8 | 16.5 | 16.9 | 15.7 | 2.5 | 2.2 | 15.6 | 15.0 |
| NMDC | Buy | 218 | 290 | 33 | 24.8 | 27.1 | 30.3 | 25.8 | 9.2 | 11.7 | 8.8 | 8.0 | 2.1 | 1.8 | 25.8 | 23.8 |
| SAIL | Neutral | 111 | 140 | 26 | 4.1 | 10.4 | 14.8 | 58.5 | 151 | 43.0 | 27.0 | 10.8 | 0.8 | 0.8 | 3.0 | 7.2 |
| Tata Steel | Neutral | 146 | 180 | 23 | 5.9 | 12.4 | 18.0 | 118.7 | 109 | 45.4 | 24.6 | 11.8 | 2.1 | 1.9 | 8.5 | 17.0 |
| Vedanta | Neutral | 455 | 550 | 21 | 36.6 | 43.6 | 50.7 | 175.9 | 19 | 16.2 | 12.5 | 10.4 | 5.5 | 4.3 | 44.2 | 46.4 |
| Aggregate | | | | | | | | 23.2 | 31.6 | 16.6 | 14.2 | 10.8 | 2.6 | 2.2 | 18.0 | 20.6 |
| Oil & Gas | | | | | | | | | | | | | | | | |
| Aegis Logistics | Neutral | 748 | - | | 17.5 | 21.7 | 23.6 | 7.9 | 24.2 | 8.8 | 42.7 | 34.4 | 6.1 | 5.5 | 15.0 | 16.8 |
| BPCL | Neutral | 306 | - | | 32.6 | 35.5 | 36.1 | -48.5 | 8.9 | 1.7 | 9.4 | 8.6 | 1.6 | 1.5 | 17.6 | 17.6 |
| Castrol India | Buy | 204 | 300 | 47 | 9.4 | 9.6 | 10.6 | 7.4 | 2.7 | 10.5 | 21.8 | 21.2 | 9.0 | 8.5 | 42.4 | 41.1 |
| GAIL | Buy | 206 | 290 | 41 | 15.3 | 17.3 | 19.8 | 11.5 | 13.2 | 14.1 | 13.5 | 11.9 | 1.9 | 1.7 | 15.0 | 15.5 |
| Gujarat Gas | Buy | 527 | 730 | 39 | 19.0 | 22.7 | 24.9 | 19.0 | 19.2 | 9.9 | 27.7 | 23.2 | 4.2 | 3.8 | 16.1 | 17.2 |
| Gujarat St. Pet. | Neutral | 387 | 472 | 22 | 13.1 | 12.1 | 11.6 | -42.4 | -7.7 | -4.3 | 29.5 | 31.9 | 2.0 | 1.9 | 7.0 | 6.2 |
| HPCL | Buy | 372 | 455 | 22 | 15.4 | 37.4 | 40.1 | -79.5 | 142.9 | 7.2 | 24.2 | 9.9 | 1.6 | 1.4 | 6.8 | 15.3 |
| IOC | Buy | 146 | 225 | 54 | 10.5 | 13.7 | 14.4 | -64.4 | 30.9 | 5.1 | 14.0 | 10.7 | 1.1 | 1.0 | 7.7 | 9.5 |
| IGL | Sell | 413 | 466 | 13 | 23.3 | 26.2 | 28.8 | -6.6 | 12.5 | 9.7 | 17.7 | 15.8 | 3.0 | 2.6 | 17.9 | 17.8 |
| Mahanagar Gas | Buy | 1497 | 1970 | 32 | 112.1 | 117.8 | 123.8 | -15.3 | 5.1 | 5.1 | 13.4 | 12.7 | 2.5 | 2.3 | 20.2 | 18.9 |
| MRPL | Sell | 145 | 131 | -10 | 2.2 | 9.9 | 11.4 | -89.4 | 356.0 | 14.9 | 66.6 | 14.6 | 1.9 | 1.7 | 2.8 | 12.2 |
| Oil India | Buy | 485 | 720 | 49 | 46.2 | 51.3 | 55.7 | -5.0 | 11.0 | 8.5 | 10.5 | 9.4 | 1.6 | 1.4 | 16.1 | 16.0 |
| ONGC | Buy | 264 | 365 | 39 | 45.0 | 52.8 | 55.6 | -2.8 | 17.2 | 5.4 | 5.9 | 5.0 | 0.9 | 0.8 | 15.9 | 16.5 |
| PLNG | Neutral | 338 | 385 | 14 | 25.7 | 30.9 | 34.0 | 8.9 | 20.4 | 9.9 | 13.2 | 10.9 | 2.7 | 2.4 | 21.4 | 22.9 |
| Reliance Ind. | Buy | 2655 | 3255 | 23 | 96.7 | 129.7 | 147.1 | -6.0 | 34.1 | 13.4 | 27.5 | 20.5 | 2.0 | 1.8 | 7.9 | 9.8 |
| Aggregate | | | | | | | | -23.7 | 25.1 | 8.7 | 16.5 | 13.2 | 1.7 | 1.6 | 10.5 | 12.0 |
| Real Estate | | | | | | | | | | | | | | | | |
| Brigade Enterpr. | Buy | 1180 | 1630 | 38 | 37.1 | 42.0 | 59.6 | 67.9 | 13.2 | 41.8 | 31.8 | 28.1 | 5.5 | 4.7 | 18.9 | 18.0 |
| DLF | Buy | 777 | 925 | 19 | 12.9 | 19.0 | 13.7 | 17.2 | 47.3 | -27.9 | 60.3 | 40.9 | 3.3 | 3.0 | 10.7 | 7.2 |
| Godrej Propert. | Buy | 2929 | 3725 | 27 | 52.0 | 32.8 | 27.8 | 93.4 | -36.9 | -15.1 | 56.3 | 89.3 | 7.1 | 6.6 | 13.5 | 7.7 |
| Kolte Patil Dev. | Buy | 361 | 620 | 72 | 13.3 | 42.1 | 37.7 | -245.1 | 217.1 | -10.5 | 27.2 | 8.6 | 3.4 | 2.5 | 13.1 | 33.6 |
| Oberoi Realty | Neutral | 1942 | 2056 | 6 | 66.7 | 82.8 | 96.6 | 26.0 | 24.0 | 16.7 | 29.1 | 23.5 | 4.4 | 3.8 | 16.3 | 17.4 |
| Macrotech Devel. | Buy | 1082 | - | | 23.4 | 35.3 | 38.3 | 38.3 | 51.0 | 8.3 | 46.2 | 30.6 | 5.3 | 4.6 | 12.1 | 16.0 |
| Mahindra Lifespace | Neutral | 494 | - | | 6.3 | 6.9 | 22.4 | 0.5 | 8.9 | 223.9 | 77.9 | 71.5 | 4.0 | 3.8 | 5.2 | 5.4 |
| SignatureGlobal | Buy | 1370 | 2000 | 46 | 47.4 | 69.2 | 3.8 | 3,931.0 | 46.1 | -94.4 | 28.9 | 19.8 | 14.9 | 8.5 | 69.4 | 54.7 |
| Sunteck Realty | Buy | 532 | 745 | 40 | 16.2 | 23.2 | 10.4 | 234.8 | 43.1 | -55.3 | 32.8 | 22.9 | 2.3 | 2.1 | 7.4 | 9.7 |
| Sobha | Buy | 1549 | 2250 | 45 | 35.2 | 74.2 | 91.4 | 591.2 | 110.5 | 23.2 | 44.0 | 20.9 | 5.3 | 4.2 | 12.7 | 22.6 |
| Prestige Estates | Buy | 1708 | 2150 | 26 | 19.9 | 26.2 | 38.9 | 5.0 | 31.9 | 48.4 | 85.8 | 65.1 | 5.3 | 5.0 | 6.4 | 7.9 |
| Phoenix Mills | Neutral | 1484 | 1652 | 11 | 30.3 | 41.6 | 55.6 | -1.4 | 36.9 | 33.7 | 48.9 | 35.7 | 5.1 | 4.5 | 10.9 | 13.3 |
| Aggregate | | | | | | | | 50.8 | 21.4 | -1.9 | 46.3 | 38.2 | 5.2 | 4.6 | 11.2 | 12.1 |
| Retail | | | | | | | | | | | | | | | | |
| Avenue Supermarts | Buy | 4051 | 5300 | 31 | 44.3 | 55.2 | 67.1 | 13.8 | 24.5 | 21.6 | 91.4 | 73.4 | 12.2 | 10.5 | 14.3 | 15.4 |
| Aditya Birla Fashion | Neutral | 300 | 380 | 27 | -6.6 | -6.2 | -3.6 | -11.0 | Loss | Loss | NM | NM | 7.5 | 8.9 | -15.2 | -16.8 |
| Bata India | Neutral | 1366 | 1520 | 11 | 26.4 | 33.6 | 42.4 | 16.1 | 27.0 | 26.4 | 51.7 | 40.7 | 9.8 | 8.8 | 20.5 | 22.8 |
| Barbeque-Nation | Neutral | 541 | 700 | 29 | -2.4 | 1.2 | 4.4 | -17.2 | LP | 254.5 | NM | 434.0 | 5.5 | 5.4 | -2.4 | 1.3 |
| Campus Activewe. | Buy | 285 | 390 | 37 | 4.3 | 5.6 | 7.0 | 46.8 | 30.8 | 24.6 | 66.4 | 50.7 | 11.1 | 9.1 | 16.8 | 18.0 |
| Devyani Intl. | Buy | 163 | 220 | 35 | 0.8 | 1.9 | 2.4 | -2.3 | 148.8 | 27.5 | 217.0 | 87.2 | 28.1 | 29.7 | 10.3 | 33.1 |
| Jubilant Food. | Neutral | 585 | 625 | 7 | 5.3 | 8.0 | 10.3 | 34.8 | 50.4 | 28.9 | 110.0 | 73.1 | 16.7 | 15.7 | 15.2 | 21.4 |
| Kalyan Jewellers | Buy | 672 | 850 | 26 | 8.4 | 11.4 | 13.7 | 44.9 | 35.4 | 20.1 | 80.0 | 59.1 | 14.3 | 12.2 | 19.2 | 22.3 |
| Metro Brands | Buy | 1175 | 1465 | 25 | 14.1 | 17.5 | 22.0 | 10.7 | 24.2 | 25.8 | 83.3 | 67.1 | 14.3 | 12.1 | 19.0 | 20.1 |
| Raymond Lifestyle | Buy | 2213 | 3200 | 45 | 81.6 | 96.1 | 115.9 | 3.7 | 17.7 | 20.6 | 27.1 | 23.0 | 1.3 | 1.2 | 10.5 | 11.1 |



| 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 |
| Relaxo Footwear | Neutral | 741 | 850 | 15 | 9.4 | 11.8 | 14.0 | 16.7 | 25.4 | 19.2 | 78.8 | 62.9 | 8.5 | 7.7 | 11.2 | 12.8 |
| Restaurant Brands | Buy | 94 | 140 | 49 | -3.2 | -0.8 | 1.1 | -33.4 | Loss | LP | NM | NM | 9.9 | 10.8 | -28.7 | -8.2 |
| Sapphire Foods | Buy | 324 | 415 | 28 | 1.4 | 3.4 | 4.9 | -15.8 | 147.9 | 43.8 | 235.7 | 95.1 | 7.5 | 6.9 | 3.2 | 7.5 |
| Shoppers Stop | Neutral | 660 | 750 | 14 | 3.3 | 3.7 | 8.7 | -40.4 | 12.5 | 135.2 | 201.1 | 178.7 | 15.3 | 13.7 | 10.5 | 10.7 |
| Senco Gold | Buy | 1208 | 1700 | 41 | 31.3 | 37.4 | 44.1 | 34.4 | 19.5 | 17.8 | 38.6 | 32.3 | 5.9 | 5.0 | 16.4 | 16.8 |
| Titan Company | Buy | 3266 | 4300 | 32 | 45.5 | 56.4 | 66.8 | 15.9 | 23.9 | 18.4 | 71.8 | 57.9 | 23.8 | 18.5 | 37.5 | 35.9 |
| Trent | Buy | 7359 | 8760 | 19 | 54.3 | 73.2 | 95.8 | 86.0 | 34.7 | 31.0 | 135.4 | 100.6 | 40.8 | 28.4 | 38.4 | 35.6 |
| V-Mart Retail | Neutral | 4343 | 4670 | 8 | -3.0 | 35.7 | 67.0 | -94.4 | LP | 87.5 | NM | 121.5 | 10.6 | 9.7 | NM | 8.4 |
| Vedant Fashions | Neutral | 1273 | 1400 | 10 | 18.5 | 22.7 | 28.5 | 8.6 | 22.7 | 25.5 | 68.7 | 56.0 | 17.4 | 15.2 | 26.2 | 26.3 |
| Westlife Foodworld | Neutral | 775 | 800 | 3 | 1.1 | 5.7 | 8.6 | -75.3 | 418.0 | 50.8 | 706.6 | 136.4 | 16.2 | 16.7 | 2.6 | 12.1 |
| Aggregate | | | | | | | | 35.6 | 33.1 | 26.8 | 98.5 | 74.9 | 15.1 | 13.2 | 15.3 | 17.6 |
| Technology | | | | | | | | | | | | | | | | |
| Cyient | Buy | 1796 | 2100 | 17 | 69.1 | 86.2 | 97.8 | 3.3 | 24.8 | 13.4 | 26.0 | 20.8 | 4.3 | 4.0 | 16.3 | 19.0 |
| HCL Tech. | Buy | 1851 | 2300 | 24 | 63.7 | 71.9 | 80.3 | 10.1 | 12.9 | 11.6 | 29.0 | 25.7 | 7.5 | 7.6 | 25.6 | 29.3 |
| Infosys | Buy | 1853 | 2200 | 19 | 63.4 | 71.1 | 79.6 | 0.2 | 12.0 | 12.1 | 29.2 | 26.1 | 8.7 | 8.7 | 29.8 | 33.4 |
| LTI Mindtree | Buy | 5898 | 7400 | 25 | 164.6 | 191.8 | 233.7 | 6.3 | 16.5 | 21.8 | 35.8 | 30.8 | 7.6 | 6.7 | 22.7 | 23.2 |
| L&T Technology | Buy | 5175 | 6400 | 24 | 126.3 | 149.4 | 170.9 | 2.7 | 18.3 | 14.4 | 41.0 | 34.6 | 9.1 | 7.8 | 24.0 | 24.5 |
| Mphasis | Neutral | 3043 | 3400 | 12 | 91.4 | 104.7 | 117.2 | 11.8 | 14.5 | 12.0 | 33.3 | 29.1 | 6.1 | 5.6 | 19.1 | 20.2 |
| Coforge | Buy | 7742 | 10000 | 29 | 147.1 | 239.2 | 291.0 | 10.4 | 62.6 | 21.7 | 52.6 | 32.4 | 12.5 | 10.6 | 24.6 | 34.9 |
| Persistent Sys | Buy | 5671 | 6300 | 11 | 89.5 | 115.0 | 133.8 | 19.3 | 28.4 | 16.4 | 63.3 | 49.3 | 15.0 | 12.7 | 25.6 | 27.9 |
| TCS | Buy | 4058 | 5400 | 33 | 141.0 | 156.8 | 172.0 | 11.7 | 11.2 | 9.7 | 28.8 | 25.9 | 15.4 | 14.4 | 54.8 | 57.4 |
| Tech Mah | Neutral | 1716 | 1700 | -1 | 47.9 | 63.7 | 71.1 | 16.5 | 33.1 | 11.5 | 35.9 | 26.9 | 5.6 | 5.4 | 15.7 | 20.3 |
| Wipro | Neutral | 543 | 550 | 1 | 22.6 | 24.5 | 25.9 | 11.0 | 8.1 | 5.9 | 24.0 | 22.2 | 3.9 | 3.8 | 16.1 | 17.3 |
| Zensar Tech | Neutral | 686 | 750 | 9 | 28.2 | 31.7 | 36.1 | -3.1 | 12.4 | 13.7 | 24.3 | 21.6 | 3.9 | 3.4 | 17.0 | 16.9 |
| Aggregate | | | | | | | | 10.0 | 13.0 | 11.0 | 29.8 | 26.4 | 9.0 | 8.6 | 30.0 | 32.7 |
| Telecom | | | | | | | | | | | | | | | | |
| Bharti Airtel | Buy | 1664 | 2000 | 20 | 30.8 | 46.7 | 61.1 | 56.9 | 51.3 | 31.0 | 54.0 | 35.7 | 10.3 | 7.9 | 20.6 | 27.1 |
| Indus Towers | Neutral | 335 | 385 | 15 | 22.1 | 24.2 | 26.6 | -1.3 | 9.7 | 9.9 | 15.2 | 13.8 | 2.7 | 2.4 | 19.3 | 18.0 |
| Vodafone Idea | Neutral | 8 | 10 | 30 | -9.8 | -9.3 | -8.7 | -11.6 | Loss | Loss | NM | NM | -0.2 | -0.2 | NM | NM |
| Tata Comm | Neutral | 1773 | 1790 | 1 | 37.6 | 58.1 | 76.3 | -11.1 | 54.7 | 31.3 | 47.2 | 30.5 | 20.5 | 13.7 | 50.4 | 54 |
| Aggregate | | | | | | | | Loss | LP | 118.6 | -321 | 121 | 69.9 | 32.1 | -21.8 | 26.5 |
| Utilities | | | | | | | | | | | | | | | | |
| Indian Energy Exchange | Neutral | 181 | 200 | 11 | 4.3 | 5.2 | 6.0 | 13.5 | 18.5 | 17.2 | 41.5 | 35.0 | 14.1 | 11.7 | 37.1 | 36.5 |
| JSW Energy | Buy | 669 | 900 | 35 | 17.7 | 21.4 | 18.9 | 69.0 | 20.6 | -11.5 | 37.7 | 31.3 | 5.0 | 4.4 | 14.0 | 14.9 |
| NTPC | Neutral | 399 | 450 | 13 | 21.6 | 25.7 | 27.8 | 0.5 | 19.0 | 8.1 | 18.5 | 15.6 | 2.2 | 2.1 | 12.6 | 13.8 |
| Power Grid Corpn | Buy | 316 | 425 | 35 | 18.4 | 19.2 | 20.2 | 9.6 | 4.7 | 4.9 | 17.2 | 16.4 | 3.2 | 3.1 | 19.1 | 19.1 |
| Tata Power Co. | Buy | 422 | 551 | 30 | 15.7 | 18.6 | 19.1 | 22.4 | 18.8 | 2.5 | 26.9 | 22.7 | 3.7 | 3.3 | 14.5 | 15 |
| Aggregate | | | | | | | | 10.4 | 11.0 | 5.4 | 20 | 18 | 3.0 | 2.8 | 14.7 | 15.0 |
| Others | | | | | | | | | | | | | | | | |
| APL Apollo Tubes | Buy | 1474 | 1860 | 26 | 28.4 | 45.7 | 59.3 | 7.5 | 61.0 | 29.7 | 51.9 | 32.3 | 9.7 | 7.7 | 20.1 | 26.5 |
| Cello World | Buy | 826 | 1150 | 39 | 18.3 | 23.0 | 28.5 | 17.4 | 25.8 | 23.7 | 45.1 | 35.9 | 11.5 | 8.8 | 25.5 | 24.5 |
| Coromandel Intl | Buy | 1598 | 2000 | 25 | 55.9 | 72.9 | 85.7 | 0.2 | 30.4 | 17.6 | 28.6 | 21.9 | 4.4 | 3.8 | 16.4 | 18.6 |
| Dreamfolks Services | Buy | 433 | 720 | 66 | 16.6 | 22.1 | 25.7 | 32.5 | 33.0 | 16.3 | 26.1 | 19.6 | 7.0 | 5.1 | 32.2 | 31.1 |
| EPL | Buy | 253 | 310 | 23 | 10.4 | 14.4 | 16.9 | 27.7 | 38.0 | 17.6 | 24.2 | 17.6 | 3.5 | 3.1 | 15.2 | 18.9 |
| Gravita India | Buy | 1994 | 2800 | 40 | 43.0 | 59.9 | 80.3 | 24.0 | 39.4 | 34.1 | 46.4 | 33.3 | 12.2 | 9.0 | 30.2 | 31.1 |
| Godrej Agrovet | Buy | 735 | 940 | 28 | 26.3 | 34.5 | 41.0 | 40.3 | 31.3 | 18.9 | 28.0 | 21.3 | 5.0 | 4.3 | 18.9 | 21.7 |
| Indian Hotels | Buy | 692 | 770 | 11 | 11.2 | 14.4 | 16.2 | 26.8 | 28.0 | 12.9 | 61.5 | 48.1 | 9.0 | 7.6 | 15.7 | 17.2 |
| Indiamart Inter. | Buy | 2438 | 3500 | 44 | 72.2 | 80.0 | 100.8 | 30.7 | 10.9 | 25.9 | 33.8 | 30.5 | 7.0 | 6.0 | 22.6 | 21.2 |
| Info Edge | Neutral | 7606 | 7400 | -3 | 76.6 | 93.4 | 116.4 | 19.1 | 22.0 | 24.6 | 99.3 | 81.4 | 3.7 | 3.6 | 3.8 | 4.5 |
| Interglobe | Neutral | 4365 | 4130 | -5 | 187.1 | 222.9 | 266.1 | -11.7 | 19 | 19 | 23.4 | 20 | 18.4 | 9.5 | 130.3 | 63.9 |
| Kajaria Ceramics | Buy | 1230 | 1500 | 22 | 27.0 | 33.1 | 40.9 | -0.7 | 22.6 | 23.4 | 45.6 | 37.2 | 7.0 | 6.4 | 15.3 | 17.4 |
| Lemon Tree Hotel | Buy | 115 | 165 | 44 | 2.4 | 3.8 | 4.5 | 26.5 | 59.1 | 18.7 | 47.7 | 30.0 | 7.8 | 6.2 | 17.7 | 22.9 |
| MTAR Tech | Buy | 1510 | 2100 | 39 | 29.7 | 52.1 | 75.8 | 62.7 | 75.4 | 45.7 | 50.9 | 29.0 | 6.1 | 5.0 | 12.6 | 18.9 |



| 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 |
| One 97 | Neutral | 745 | 700 | -6 | -26.2 | -10.5 | 3.1 | 17.0 | Loss | LP | NM | NM | 3.9 | 4.1 | -13.2 | -5.7 |
| Qess Corp | Neutral | 687 | 770 | 12 | 28.4 | 35.1 | 41.6 | 38.9 | 23.9 | 18.4 | 24.2 | 19.6 | 2.6 | 2.4 | 14.8 | 17.0 |
| SIS | Buy | 386 | 530 | 37 | 29.1 | 36.4 | 41.7 | 124.7 | 24.9 | 14.6 | 13.3 | 10.6 | 0.9 | 0.8 | 16.7 | 17.3 |
| Team Lease Serv. | Buy | 2807 | 4000 | 43 | 83.0 | 127.1 | 147.4 | 28.1 | 53.1 | 16.0 | 33.8 | 22.1 | 5.1 | 4.2 | 14.8 | 19.1 |
| UPL | Neutral | 522 | 650 | 25 | 26.3 | 45.1 | 63.3 | 618.2 | 71.8 | 40.2 | 19.9 | 11.6 | 1.0 | 0.9 | 8.0 | 12.9 |
| Updater Services | Buy | 357 | 490 | 37 | 16.0 | 22.4 | 30.3 | 41.2 | 39.7 | 35.3 | 22.2 | 15.9 | 2.5 | 2.1 | 11.8 | 14.3 |
| Zomato | Buy | 254 | 330 | 30 | 1.1 | 3.4 | 7.4 | 172.7 | 205.2 | 116.8 | 228.3 | 74.8 | 10.2 | 9.0 | 4.6 | 12.8 |



| Index | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-------------|--------------|-------------|
| Sensex | -0.8 | -6.8 | 24.0 |
| Nifty-50 | -0.9 | -7.0 | 26.5 |
| Nifty Next 50 | -1.6 | -8.9 | 60.6 |
| Nifty 100 | -1.0 | -7.5 | 31.5 |
| Nifty 200 | -1.2 | -7.7 | 33.2 |
| Company | 1 Day (%) | 1M (%) | 12M (%) |
| Automobiles | -2.2 | -11.5 | 46.8 |
| Amara Raja Ener. | -1.7 | -9.1 | 103.3 |
| Apollo Tyres | -1.5 | -11.8 | 28.1 |
| Ashok Leyland | -1.5 | -10.2 | 26.3 |
| Bajaj Auto | -0.9 | -17.7 | 90.9 |
| Balkrishna Inds | -1.1 | -4.1 | 12.1 |
| Bharat Forge | -2.1 | -10.2 | 36.1 |
| Bosch | -0.3 | -2.8 | 82.4 |
| CEAT | -2.0 | -11.7 | 30.8 |
| Craftsman Auto | -1.4 | -20.8 | 16.4 |
| Eicher Motors | -1.6 | -6.2 | 35.7 |
| Endurance Tech. | -0.8 | -1.5 | 48.4 |
| Escorts Kubota | 0.2 | -20.0 | 12.7 |
| Exide Inds. | -3.6 | -5.0 | 79.9 |
| Happy Forgings | -3.3 | -12.3 | |
| Hero Motocorp | -2.7 | -18.3 | 58.3 |
| Hyundai Motor | -1.5 | | |
| M & M | -3.7 | -12.0 | 73.4 |
| CIE Automotive | -1.0 | -12.2 | 8.3 |
| Maruti Suzuki | -2.2 | -10.0 | 8.6 |
| MRF | -1.1 | -11.8 | 13.0 |
| Sona BLW Precis. | -4.1 | -4.2 | 36.4 |
| Motherson Sumi | -1.4 | -7.7 | 106.3 |
| Motherson Wiring | -0.9 | -12.4 | 4.0 |
| Tata Motors | -1.8 | -10.3 | 35.5 |
| TVS Motor Co. | -1.3 | -14.7 | 55.6 |
| Tube Investments | -1.9 | 11.6 | 57.0 |
| Banks-Private | -1.2 | -7.2 | 13.1 |
| AU Small Fin. Bank | -6.4 | -17.4 | -14.4 |
| Axis Bank | 1.9 | -6.2 | 24.5 |
| Bandhan Bank | -6.9 | -17.8 | -22.9 |
| DCB Bank | 5.6 | -5.6 | 2.4 |
| Equitas Sma. Fin | -5.4 | -16.3 | 95.3 |
| Federal Bank | -1.4 | -3.4 | 31.3 |
| HDFC Bank | -0.4 | -2.0 | 16.5 |
| ICICI Bank | 0.2 | -5.2 | 37.0 |
| IDFC First Bank | -3.7 | -10.3 | -24.8 |
| IndusInd Bank | -18.6 | -27.6 | -26.3 |
| Kotak Mah. Bank | 0.4 | -6.8 | 2.4 |
| RBL Bank | -2.4 | -22.1 | -28.2 |
| SBI Cards | -2.9 | -10.4 | -11.1 |
| Banks-PSU | -2.3 | -6.7 | 31.7 |
| BOB | -2.1 | -1.5 | 23.0 |
| Canara Bank | -4.0 | -13.1 | 33.2 |
| Indian Bank | -0.5 | -5.3 | 21.9 |
| Punjab Natl.Bank | -3.1 | -8.9 | 37.7 |
| St Bk of India | -1.7 | -1.5 | 40.4 |

| Index | 1 Day (%) | 1M (%) | 12M (%) |
|---------------------------|-------------|-------------|-------------|
| Nifty 500 | -1.3 | -7.7 | 34.2 |
| Nifty Midcap 100 | -1.9 | -8.6 | 43.3 |
| Nifty Smallcap 100 | -2.2 | -7.8 | 43.5 |
| Nifty Midcap 150 | -1.8 | -8.0 | 42.1 |
| Nifty Smallcap 250 | -2.3 | -8.4 | 43.0 |
| Union Bank (I) | -1.8 | -14.8 | 13.8 |
| NBFCs | -0.5 | -5.0 | 23.5 |
| Aditya Birla Capital Ltd | -4.5 | -13.0 | 17.6 |
| Angel One | -2.5 | 10.2 | 21.5 |
| Bajaj Fin. | -1.9 | -9.4 | -10.2 |
| BSE | -6.1 | 5.9 | 127.1 |
| Cholaman.Inv.&Fn | -1.0 | -15.2 | 19.6 |
| Can Fin Homes | 0.6 | -2.0 | 18.0 |
| Cams Services | -4.1 | -2.4 | 79.6 |
| CreditAcc. Gram. | -0.2 | -19.5 | -34.3 |
| Fusion Microfin. | -5.0 | -22.5 | -65.8 |
| Five-Star Bus.Fi | -2.3 | 7.0 | 19.7 |
| Home First Finan | -1.0 | -15.4 | 23.6 |
| Indostar Capital | -0.4 | -14.4 | 57.1 |
| IIFL Finance | -2.4 | -20.4 | -34.0 |
| L&T Finance | -3.0 | -25.1 | 6.0 |
| LIC Housing Fin. | -0.3 | -10.1 | 33.8 |
| MCX | -2.4 | 12.3 | 191.1 |
| M & M Fin. Serv. | -0.2 | -19.2 | -2.0 |
| Muthoot Finance | -0.3 | -5.8 | 50.2 |
| Manappuram Fin. | -2.0 | -28.1 | 10.2 |
| MAS Financial Serv. | -1.3 | -5.1 | -3.8 |
| PNB Housing | 1.4 | -5.0 | 33.2 |
| Power Fin.Corpn. | -3.3 | -9.4 | 84.7 |
| REC Ltd | -2.6 | -6.8 | 85.9 |
| Repco Home Fin | -1.2 | -8.4 | 33.5 |
| Shriram Finance | -4.7 | -12.2 | 70.3 |
| Spandana Sphoort | -2.5 | -23.6 | -43.4 |
| Insurance | | | |
| HDFC Life Insur. | -0.8 | -1.0 | 15.1 |
| ICICI Pru Life | -3.3 | -4.0 | 43.2 |
| ICICI Lombard | -1.4 | -14.9 | 40.0 |
| Life Insurance | -1.0 | -11.3 | 47.9 |
| Max Financial | -1.0 | 8.1 | 44.1 |
| SBI Life Insuran | -1.1 | -13.2 | 23.0 |
| Star Health Insu | -1.1 | -10.8 | -8.3 |
| Chemicals | | | |
| Alkyl Amines | -3.8 | -15.1 | -8.0 |
| Atul | -3.1 | -1.4 | 16.8 |
| Clean Science | -1.7 | -2.6 | 12.0 |
| Deepak Nitrite | -1.7 | -5.6 | 35.0 |
| Fine Organic | -2.4 | -12.3 | 1.2 |
| Galaxy Surfact. | -0.5 | -5.7 | 10.9 |
| Navin Fluo.Intl. | -3.2 | -2.3 | -5.0 |
| NOCIL | -3.4 | -6.1 | 21.9 |
| P I Inds. | 0.2 | -6.3 | 29.8 |
| SRF | -2.2 | -10.0 | 2.9 |



| Company | 1 Day (%) | 1M (%) | 12M (%) |
|--------------------------|-------------|--------------|-------------|
| Tata Chemicals | -3.8 | 0.6 | 10.5 |
| Vinati Organics | -0.2 | -2.2 | 8.7 |
| Capital Goods | -1.6 | -13.5 | -1.8 |
| A B B | -1.7 | -8.0 | 91.4 |
| Bharat Electron | 0.4 | -6.0 | 107.6 |
| Cummins India | -0.8 | -10.5 | 98.2 |
| Hitachi Energy | -2.3 | 0.8 | 214.1 |
| K E C Intl. | -2.5 | -12.1 | 45.6 |
| Kalpataru Proj. | -2.7 | -11.1 | 77.6 |
| Kirloskar Oil | -5.4 | -16.3 | 95.3 |
| Larsen & Toubro | -3.4 | -12.3 | 14.1 |
| Siemens | -1.0 | -5.6 | 97.4 |
| Thermax | 4.8 | 4.5 | 87.3 |
| Triveni Turbine | -2.3 | -3.2 | 109.7 |
| Zen Technologies | -3.1 | 0.0 | 152.1 |
| Cement | | | |
| Ambuja Cem. | -1.1 | -10.3 | 32.2 |
| ACC | -1.4 | -8.9 | 18.3 |
| Birla Corp. | -2.7 | -11.6 | -6.3 |
| Dalmia Bhar. | -2.1 | -7.1 | -13.7 |
| Grasim Inds. | -1.9 | -1.8 | 39.8 |
| India Cem | -1.1 | -3.0 | 71.3 |
| J K Cements | -2.1 | -11.7 | 32.7 |
| JK Lakshmi Cem. | -0.7 | 0.7 | 17.5 |
| The Ramco Cement | 1.0 | -0.3 | -13.1 |
| Shree Cement | -0.2 | -3.4 | -2.7 |
| UltraTech Cem. | -0.4 | -6.9 | 33.2 |
| Consumer | 0.9 | -10.1 | 15.0 |
| Asian Paints | -0.5 | -8.8 | -3.4 |
| Britannia Inds. | 1.0 | -8.3 | 25.0 |
| Colgate-Palm. | -4.1 | -16.2 | 48.6 |
| Dabur India | -0.4 | -14.1 | 4.0 |
| Emami | 1.1 | -13.1 | 26.5 |
| Godrej Consumer | 2.9 | -9.7 | 32.4 |
| Hind. Unilever | 0.9 | -14.3 | 2.0 |
| ITC | 2.2 | -6.8 | 11.5 |
| Indigo Paints | -3.6 | 8.6 | 17.2 |
| Jyothy Lab. | -2.7 | -8.7 | 38.5 |
| Marico | 0.9 | -7.1 | 18.0 |
| Nestle India | 0.1 | -16.2 | -6.8 |
| Page Industries | -0.9 | 2.7 | 16.2 |
| Pidilite Inds. | 1.8 | -2.4 | 36.7 |
| P & G Hygiene | -2.0 | -2.8 | -7.3 |
| Tata Consumer | -2.3 | -18.2 | 10.7 |
| United Breweries | 0.3 | -6.9 | 24.4 |
| United Spirits | 1.4 | -9.0 | 46.4 |
| Varun Beverages | 0.3 | -3.5 | 72.8 |
| Consumer Durables | -2.7 | -10.2 | 37.5 |
| Polycab India | -0.7 | -3.4 | 28.5 |
| R R Kabel | -5.9 | -10.9 | 10.1 |
| Havells | -1.6 | -17.8 | 33.8 |
| Voltas | -2.2 | -8.2 | 114.7 |
| KEI Industries | -2.8 | -8.9 | 57.2 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|-----------------------|-------------|--------------|--------------|
| EMS | | | |
| Amber Enterp. | -1.3 | 28.4 | 107.4 |
| Avalon Tech | -2.5 | -5.7 | 21.9 |
| Cyient DLM | -3.6 | -8.4 | -3.2 |
| Data Pattern | -3.5 | -12.9 | 19.4 |
| Dixon Technolog. | -7.4 | -1.7 | 155.9 |
| Kaynes Tech | -3.8 | -4.7 | 129.3 |
| Syrma SGS Tech. | -3.4 | -17.2 | -36.0 |
| Healthcare | 0.0 | -2.9 | 52.5 |
| Alembic Pharma | 0.3 | -9.7 | 40.7 |
| Alkem Lab | -0.3 | -4.6 | 65.7 |
| Apollo Hospitals | -0.1 | -2.6 | 42.9 |
| Ajanta Pharma | -0.1 | -8.3 | 72.8 |
| Aurobindo | -1.0 | -6.5 | 65.9 |
| Biocon | -3.3 | -16.0 | 39.0 |
| Zydus Lifesci. | -1.5 | -6.9 | 72.4 |
| Cipla | -0.2 | -9.4 | 28.6 |
| Divis Lab | 0.8 | 7.2 | 67.9 |
| Dr Reddy's | -1.0 | -2.6 | 18.2 |
| ERIS Lifescience | 0.6 | 0.6 | 55.1 |
| Gland Pharma | -2.2 | -13.6 | 6.3 |
| Glenmark | -0.6 | -1.5 | 121.6 |
| Global Health | -0.5 | -1.3 | 44.6 |
| Granules | -3.1 | -2.9 | 63.7 |
| GSK Pharma | -1.1 | -5.0 | 77.0 |
| IPCA Labs | 0.1 | 5.6 | 59.3 |
| Laurus Labs | 4.1 | 0.9 | 30.6 |
| Lupin | 1.2 | -2.9 | 88.6 |
| Mankind Pharma | -1.9 | -9.1 | 42.0 |
| Max Healthcare | 3.5 | -5.2 | 64.8 |
| Piramal Pharma | -4.5 | 8.0 | 167.7 |
| Sun Pharma | 0.6 | -0.5 | 66.1 |
| Torrent Pharma | 3.4 | 0.1 | 78.6 |
| Infrastructure | -1.8 | -9.5 | 43.9 |
| G R Infracore | -3.4 | -9.1 | 37.2 |
| IRB Infra.Devl. | -3.4 | -17.5 | 56.0 |
| KNR Construct. | -3.8 | -19.5 | 5.1 |
| Logistics | | | |
| Adani Ports | -2.6 | -9.2 | 71.5 |
| Blue Dart Exp. | -1.3 | -4.6 | 17.8 |
| Container Corpn. | -2.3 | -10.6 | 14.6 |
| JSW Infracore | -2.9 | -17.3 | 69.7 |
| Mahindra Logis. | -3.9 | -18.2 | 11.1 |
| Transport Corp. | 0.5 | -6.4 | 29.9 |
| TCI Express | -2.4 | -8.0 | -26.5 |
| VRL Logistics | -4.3 | -11.2 | -22.0 |
| Media | -2.2 | -11.4 | -12.0 |
| PVR INOX | -1.3 | -13.2 | -8.0 |
| Sun TV | -2.0 | -13.2 | 14.0 |
| Zee Ent. | -3.8 | -11.2 | -50.9 |
| Metals | -2.4 | -7.4 | 39.1 |
| Hindalco | -1.7 | -5.5 | 47.2 |
| Hind. Zinc | -5.5 | -0.2 | 70.2 |



| Company | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-------------|--------------|-------------|
| JSPL | -2.7 | -11.9 | 38.0 |
| JSW Steel | -1.5 | -3.9 | 26.1 |
| Nalco | -3.3 | 12.1 | 138.8 |
| NMDC | 0.9 | -3.5 | 42.4 |
| SAIL | -4.8 | -16.9 | 32.5 |
| Tata Steel | -2.1 | -9.8 | 20.2 |
| Vedanta | -2.9 | -5.1 | 110.1 |
| Oil & Gas | -3.1 | -11.2 | 51.7 |
| Aegis Logistics | -0.1 | -0.4 | 154.6 |
| BPCL | -4.7 | -9.9 | 80.2 |
| Castrol India | -1.4 | -17.2 | 49.7 |
| GAIL | -2.1 | -8.6 | 72.2 |
| Gujarat Gas | -1.8 | -13.1 | 29.5 |
| Gujarat St. Pet. | -1.4 | -4.4 | 40.5 |
| HPCL | -8.0 | -10.8 | 127.0 |
| IOCL | -4.5 | -13.8 | 67.0 |
| IGL | -3.5 | -24.7 | 3.5 |
| Mahanagar Gas | -3.0 | -23.2 | 48.0 |
| MRPL | -6.8 | -18.6 | 49.4 |
| Oil India | -4.9 | -16.1 | 141.5 |
| ONGC | -1.9 | -11.6 | 43.2 |
| PLNG | -0.3 | 2.3 | 53.5 |
| Reliance Ind. | -0.9 | -11.1 | 17.6 |
| Real Estate | -1.2 | -13.8 | 68.3 |
| Brigade Enterpr. | -0.6 | -11.5 | 96.0 |
| DLF | -3.0 | -15.6 | 46.6 |
| Godrej Propert. | 0.2 | -12.0 | 85.2 |
| Kolte Patil Dev. | -2.4 | -11.0 | -17.3 |
| Mahindra Life. | -1.6 | -13.5 | -1.8 |
| Macrotech Devel. | 1.6 | -22.1 | 42.7 |
| Oberoi Realty Ltd | -2.2 | 0.0 | 79.9 |
| SignatureGlobal | -2.5 | -13.2 | 158.1 |
| Sobha | -3.9 | -23.1 | 124.0 |
| Suntech Realty | -3.6 | -8.3 | 28.5 |
| Phoenix Mills | -2.7 | -17.3 | 65.3 |
| Prestige Estates | 0.9 | -7.2 | 125.2 |
| Retail | | | |
| Aditya Bir. Fas. | -2.5 | -12.6 | 41.7 |
| Avenue Super. | -0.2 | -23.0 | 8.3 |
| Bata India | -1.4 | -4.5 | -14.1 |
| Campus Activewe. | -0.6 | -22.5 | 2.4 |
| Barbeque-Nation | -1.6 | -17.0 | -17.6 |
| Devyani Intl. | -1.6 | -21.7 | -14.3 |
| Jubilant Food | -2.6 | -17.0 | 10.6 |
| Kalyan Jewellers | -3.5 | -11.4 | 128.7 |
| Metro Brands | 1.2 | -6.1 | -2.9 |
| Raymond Lifestyl | -2.9 | -8.2 | |
| Relaxo Footwear | -2.4 | -9.2 | -16.3 |
| Restaurant Brand | -2.7 | -16.9 | -16.6 |
| Sapphire Foods | -1.8 | -12.6 | 20.0 |
| Senco Gold | -4.0 | -17.2 | 94.7 |
| Shoppers St. | -4.4 | -25.7 | 2.6 |
| Titan Co. | -1.9 | -12.6 | 2.5 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|-------------------|-------------|--------------|-------------|
| Trent | -1.7 | -3.3 | 269.3 |
| V-Mart Retail | 0.9 | 10.4 | 140.0 |
| Vedant Fashions | 1.0 | -3.3 | -1.6 |
| Westlife Food | -3.3 | -13.2 | -13.7 |
| Technology | -0.2 | 0.2 | 37.7 |
| Cyient | 1.2 | -10.1 | 12.3 |
| HCL Tech. | 0.4 | 3.9 | 50.7 |
| Infosys | -0.1 | -1.8 | 35.9 |
| LTIMindtree | -1.1 | -3.3 | 13.4 |
| L&T Technology | -2.2 | -4.9 | 22.9 |
| Mphasis | -1.9 | 0.7 | 42.9 |
| Coforge | 0.5 | 12.1 | 58.0 |
| Persistent Sys | -0.4 | 6.5 | 92.3 |
| TCS | 0.2 | -5.1 | 19.7 |
| Tech Mah | -1.1 | 7.1 | 50.3 |
| Wipro | -0.6 | 1.4 | 42.3 |
| Zensar Tech | 0.0 | 0.5 | 44.3 |
| Telecom | -2.4 | -11.0 | 45.2 |
| Bharti Airtel | -0.7 | -5.4 | 80.6 |
| Indus Towers | -4.4 | -14.4 | 92.1 |
| Idea Cellular | -5.7 | -26.0 | -29.3 |
| Tata Comm | -0.5 | -16.5 | 12.2 |
| Utilities | -2.1 | -11.7 | 79.9 |
| Coal India | -3.4 | -8.7 | 48.6 |
| NTPC | -3.2 | -8.5 | 71.9 |
| Power Grid Corpn | -1.0 | -13.2 | 58.3 |
| Tata Power Co. | -3.6 | -9.8 | 78.3 |
| JSW Energy | -0.3 | -14.7 | 82.7 |
| Indian Energy Ex | -2.0 | -10.7 | 45.2 |
| Others | | | |
| APL Apollo Tubes | -1.2 | -2.6 | -9.3 |
| Cello World | 0.4 | -5.9 | |
| Coromandel Intl | -2.6 | -2.8 | 42.9 |
| Dreamfolks Servi | -1.2 | -8.4 | 33.5 |
| EPL Ltd | -2.3 | 1.3 | 39.1 |
| Gravita India | -3.1 | -21.4 | 110.2 |
| Godrej Agrovet | -0.8 | -4.7 | 58.7 |
| Havells | -1.6 | -17.8 | 33.8 |
| Indian Hotels | 3.6 | -2.6 | 77.4 |
| Indiamart Inter. | -1.4 | -14.9 | 40.0 |
| Info Edge | -1.0 | -11.3 | 47.9 |
| Interglobe | -3.4 | -8.7 | 79.8 |
| Kajaria Ceramics | 1.3 | -19.0 | 2.0 |
| Lemon Tree Hotel | -1.4 | -6.4 | 6.6 |
| MTAR Technologie | -1.6 | -13.8 | -40.6 |
| One 97 | -2.6 | 8.3 | -18.8 |
| Piramal Enterp. | 0.0 | -1.6 | 7.9 |
| Quess Corp | -3.5 | -15.6 | 63.6 |
| SIS | 1.5 | -6.9 | -10.1 |
| Team Lease Serv. | -0.5 | -8.3 | 16.3 |
| UPL | -2.4 | -12.9 | -10.0 |
| Updater Services | -2.5 | -4.9 | 34.9 |
| Voltas | -2.2 | -8.2 | 114.7 |
| Zomato Ltd | -0.2 | -11.1 | 134.5 |

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|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
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| SELL | < - 10% |
| NEUTRAL | > - 10 % to 15% |
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