Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	81,597	0.5	4.4
Nifty-50	24,813	0.5	4.9
Nifty-M 100	56,620	0.8	-1.0
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,845	-1.6	-0.6
Nasdaq	18,873	-1.4	-2.3
FTSE 100	8,786	0.1	7.5
DAX	24,122	0.4	21.2
Hang Seng	8,661	0.8	18.8
Nikkei 225	37,299	-0.6	-6.5
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	66	0.0	-11.5
Gold ($/OZ)	3,316	1.1	26.4
Cu (US$/MT)	9,534	0.1	10.2
Almn (US$/MT)	2,472	0.1	-2.2
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	85.6	0.0	0.0
USD/EUR	1.1	0.8	9.7
USD/JPY	143.6	-0.9	-8.8
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.2	-0.03	-0.5
10 Yrs AAA Corp	7.0	0.00	-0.2
Flows (USD b)	**21-May**	**MTD**	**CYTD**
FIIs	0.3	2.24	-10.3
DIIs	0.08	3.66	28.7
Volumes (INRb)	**21-May**	**MTD***	**YTD***
Cash	1,068	1167	1043
F&O	2,42,281	2,05,911	2,06,314

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

IndusInd Bank: Multiple accounting lapses; discrepancy drags earnings

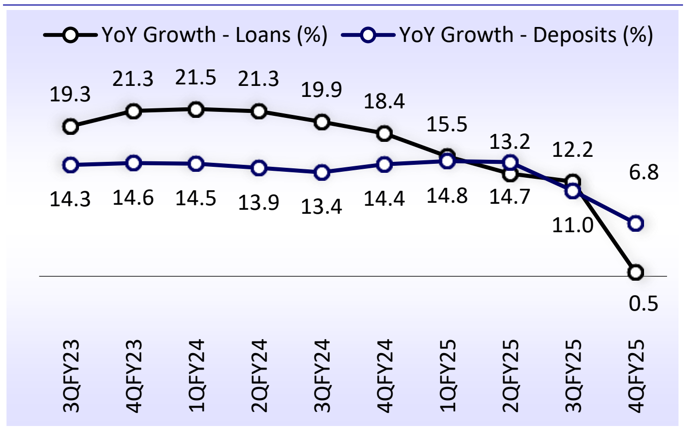
- IndusInd Bank (IIB) reported a loss of INR23.3b (vs our Est of INR1.4b loss) led by muted NII (interest reversal of INR6.7b and higher slippages) and tepid Other income amid reversal of derivative loss of INR19.6b. Bank also reversed fee income of INR1.72b. Adjusting for all the one-offs amounting to INR46.6b, adj. PAT would have been at INR12.4b.
- NII de-grew 41.7% QoQ to INR30.5b (our est of INR35.7b), while adjusted for all the one-offs NII would been at INR47b (down 10% QoQ). Reported NIMs declined to 2.25% (down 168bp QoQ) while adjusted NIMs stood at 3.47% vs our estimate of 3.78%.
- PPoP loss thus stood at INR4.9b. Management suggested adjusted PPoP run-rate of INR30.6b after adjusting for all one-offs.
- Loan book declined sharply by 6% QoQ to INR3.45t, led by decline in corporate book for liquidity and balance sheet management.
- Fresh slippages was elevated, up 128% QoQ , amid rise of slippages in the consumer finance book. GNPA/NNPA ratio increased 88bp/27bp QoQ to 3.13%/0.95%. Bank has utilized full contingent provisions of INR13.2b on 4Q.
- We cut our earnings estimate sharply by 45% for both FY26 and FY27E, and estimate the RoA/ RoE to be at 0.6%/5.2% for FY26E and 0.72%/6.4% for FY27E. Reiterate NEUTRAL with a TP of INR650 (premised on 0.8x FY27E ABV).

Research covered

Cos/Sector	Key Highlights
IndusInd Bank	Multiple accounting lapses; discrepancy drags earnings
Power Grid Corporation of India	Strong capex outlook and expanding pipeline, but dividend pressure likely
Other Updates	InterGlobe Aviation | Power Finance Corporation | Max Healthcare | Mankind Pharma | Gujarat Gas | Syrma SGS | TeamLease | Aviation | ONGC | Colgate | Oil India | Nalco | VRL Logistics

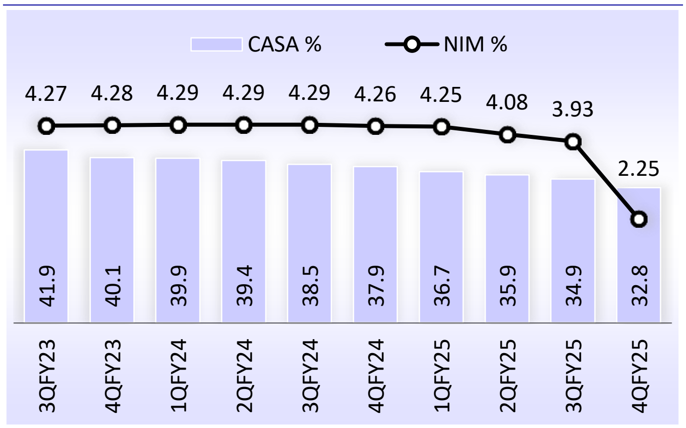
Chart of the Day: IndusInd Bank (Multiple accounting lapses; discrepancy drags earnings)

Loans/deposits grew 0.5%/6.8% YoY



Source: MOFSL, Company

NIM declined sharply to 2.25%; CASA ratio declined to 32.8%



Source: MOFSL, Company

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In the news today

Kindly click on textbox for the detailed news link

1

Monthly Airline Passenger Growth In April Lowest In 2025; IndiGo Stays Market Leader

India's airline passenger growth in April was the slowest in 2025 so far, as bad weather disrupted operations.

2

TCS Bags Over Rs 2,900-Crore Order From BSNL For 4G Expansion

Tata Consultancy Services Ltd. has received an add-on advance purchase order worth Rs 2,903.22 crore from Bharat Sanchar Nigam Ltd. for the end-to-end planning, execution and annual maintenance of a 4G mobile network across 18,685 sites.

3

Tata Sons may infuse capital into Tata Tele as AGR dues cross Rs 19,000 cr

Tata Sons Ltd, the holding company of the $150 billion Tata Group, may be forced to infuse fresh capital into its loss-making telecom arm, Tata Teleservices Ltd (TTSL).

4

Hindustan Zinc wins bid for 308.3-hectare tungsten block in Andhra Pradesh

Hindustan Zinc Limited (HZL), has received a letter of intent (LoI) from the government of Andhra Pradesh for the grant of a composite licence for the Balepalyam tungsten and associated mineral block in Ananthapuram district.

5

NBCC bags ₹162-crore interior work contract in Delhi's World Trade Centre

NBCC (India) Ltd has received a work order worth approximately ₹161.55 crore (excluding GST) for interior work at Tower H of the World Trade Centre in Nauroji Nagar, New Delhi.

6

Urban India spending nearly 50 percent of food budget on dining out and deliveries: Deloitte-FICCI report

India's urban consumers now allocate almost 50 percent of their food budget to packaged and prepared foods, dining out and deliveries, said a Deloitte-FICCI report, underscoring a boom for the food processing business, riding on the rise in per capita income in recent years.

7

SIS Group signs MoU with govt to upskill officers in civil defence

Security and business support services provider SIS Group Enterprises on Wednesday said it has signed an MoU with the government to upskill its personnel and include Civil Defence and Disaster Relief in the training curriculum.

IndusInd Bank

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	599.8 / 7
52-Week Range (INR)	1550 / 605
1, 6, 12 Rel. Per (%)	-10/-28/-55
12M Avg Val (INR M)	7241

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	190.3	188.1	208.3
OP	106.6	102.4	111.4
NP	25.8	34.5	44.4
NIM (%)	3.6	3.3	3.4
EPS (INR)	33.1	44.2	57.0
EPS Gr. (%)	-71.4	33.8	28.8
BV/Sh. (INR)	830	865	910
ABV/Sh. (INR)	801	837	883
Ratios			
RoA (%)	0.5	0.6	0.7
RoE (%)	4.0	5.2	6.4
Valuations			
P/E (X)	23.2	17.3	13.5
P/BV (X)	0.9	0.9	0.8
P/ABV (X)	1.0	0.9	0.9

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	15.1	15.1	15.1
DII	35.0	39.7	26.3
FII	32.8	30.3	45.0
Others	17.1	15.0	13.6

FII includes depository receipts

CMP: INR770 TP: INR650 (-16%) Neutral

Multiple accounting lapses; discrepancy drags earnings

Cut earnings sharply; estimate FY27E RoA at 0.72%

- IndusInd Bank (IIB) reported a loss of INR23.3b (vs our est. of INR1.4b loss), led by muted NII (interest reversal of INR6.7b and higher slippages) and tepid other income amid the reversal of derivative loss of INR19.6b. The bank also reversed the fee income of INR1.72b. Adjusting for all one-offs amounting to INR46.6b (*refer to Exhibit 1),* adj. PAT would have been INR12.4b.
- NII declined 41.7% QoQ to INR30.5b (our est of INR35.7b), while adjusted for all one-offs, NII would have been at INR47b (down 10% QoQ). Reported NIMs contracted to 2.25% (down 168bp QoQ), while adjusted NIMs stood at 3.47% vs our estimate of 3.78%. PPoP loss, thus, stood at INR4.9b. Management indicated an adjusted PPoP run-rate of INR30.6b after adjusting for all one-offs.
- Loan book declined sharply 6% QoQ to INR3.45t, led by a reduction in the corporate book for liquidity and balance sheet management efforts. Consumer book grew at a modest 2.5% QoQ, despite the MFI book declining 5.1% QoQ. Deposits book stood flat at 0.3% QoQ, while the CASA ratio declined 208bp QoQ to 32.8%.
- Fresh slippages stood elevated, up 128% QoQ to INR50.1b, driven by the rise of slippages in the consumer finance book to INR47.9b. GNPA/NNPA ratio increased 88bp/27bp QoQ to 3.13%/0.95%. The bank has utilized full contingent provisions of INR13.2b on 4Q.
- **We cut our earnings estimate sharply by 45% for both FY26 and FY27E, and estimate the RoA/RoE at 0.6%/5.2% for FY26E and 0.72%/6.4% for FY27E. Reiterate NEUTRAL with a TP of INR650 (premised on 0.8x FY27E ABV).**

Operating performance remains sluggish; asset quality deteriorates

- IIB reported 4QFY25 loss of INR23.3b (vs our est of INR1.4b loss), driven by a sharp NII miss due to a one-off of INR6.7b and higher slippages, while derivative accounting discrepancy and fee income reversal led to a 70% QoQ decline in other income. Adjusting for all one-offs of INR46.6b, adj. PAT would have been at INR12.4b.
- NII declined 43.3% YoY/41.7% QoQ to INR30.5b (14% miss to MOFSLe). Other income declined 70% QoQ to INR7.1b (due to the reversal of derivative impact of INR19.6b as well as the reversal of fee income of INR1.72b).
- Reported NIMs contracted to 2.25% (down 168bp QoQ), while adjusted NIMs stood at 3.47% vs our estimate of 3.78%.
- Opex grew 11.7% YoY/ 6.7% QoQ to INR42.5b. As a result, the C/I ratio increased to 113.1% (vs 52.5% in 3QFY25). PPoP loss, thus, stood at INR4.9b. Adjusted PPoP would have been at INR30.6b (down 15% QoQ).
- On the business front, loans declined 6% QoQ (up 0.5% YoY), driven by a sharp decline in the corporate and commercial books, as the bank exited certain corporate assets to manage liquidity and balance sheet, leading to a decline of 16% QoQ /6% YoY in the books. Meanwhile, the consumer book grew modestly by 2.5% QoQ, despite the MFI book declining 5.1% QoQ. In the consumer business, the VF business grew 8.1% YoY/ 2.1% QoQ, while the cards business grew at a modest 1.3% QoQ.

- Deposits stood flat at 0.3% QoQ (up 6.8% YoY), while the CASA book declined 7.5% YoY/ 5.6% QoQ. CASA ratio declined 208bp QoQ to 32.8%. Retail deposits as per LCR declined to 45.1%.
- Fresh slippages stood elevated, up 128% QoQ to INR50.1b, driven by the rise of slippages in the consumer finance book to INR47.9b. GNPA/NNPA ratio increased 88bp/27bp QoQ to 3.13%/0.95%. The bank has utilized full contingent provisions of INR13.2b in 4Q. Restructured book declined 6bp QoQ to 0.12%.

Highlights from the management commentary

- Considering the derivative-related issue, the Board undertook an enhanced review and identified the following: 1) In the MFI segment, incorrect recording of fee and interest income over 9MFY25 led to under-provisioning of INR18.85b; and 2) INR7.6b was incorrectly classified as interest income instead of other income under Other Assets & Other Liabilities.
- NIM stood at 2.25% in 4QFY25. Excluding the impact of these discrepancies, it would have been 3.47%.
- On a BAU basis, NII would have been INR47b, other income INR25b, and opex INR42b, resulting in a PPOP of INR30.60b.
- The bank is in advanced stages of finalizing its CEO candidate and plans to submit the names to RBI by 30th Jun'25. In the interim, a committee of executives under the Board's oversight has been entrusted with managing the bank's operations.

Valuation and view

IIB's 4QFY25 was marked by multiple one-offs, including the reversal of several accounting lapses, resulting in a reported RoA of (-1.7%). The bank recognized the full impact of these issues during the quarter, leading to a negative hit of INR46.6b on PBT. The advances book declined as the bank strategically reduced its corporate lending to manage liquidity and optimize the balance sheet. Deposit growth remained muted in light of the ongoing corporate governance concerns. Yields continued to moderate as the bank maintained elevated liquidity buffers to manage deposit outflows, while recent high-cost CD issuances have kept funding costs elevated. Given the evolving situation, we believe the outlook for FY26E remains weak, with subdued return ratios; we, therefore, factor in tepid business growth for the year. **We sharply cut our earnings estimates by 45% for both FY26E and FY27E, and estimate RoA/RoE at 0.6%/5.2% for FY26E and 0.72%/6.4% for FY27E. Reiterate NEUTRAL rating with a TP of INR650 based on 0.8x FY27E ABV from INR850 earlier. The appointment of a new CEO and the pace of business recovery will be key near-term monitorable.**

Quarterly performance

(INR b)

	FY24				FY25				FY25	FY26E	FY25E	V/S our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Est
Net Interest Income	**48.7**	**50.8**	**53.0**	**53.8**	**54.1**	**53.5**	**52.3**	**30.5**	**190.3**	**188.1**	**35.6**	**-14%**
% Change (YoY)	18.0	18.0	17.8	15.1	11.1	5.3	-1.3	-43.3	-7.7	-1.2	-33.7	
Other Income	22.1	22.8	24.0	25.1	24.4	21.8	23.6	7.1	76.9	92.3	18.1	-61%
Total Income	**70.8**	**73.6**	**76.9**	**78.8**	**78.5**	**75.3**	**75.8**	**37.6**	**267.2**	**280.4**	**53.8**	**-30%**
Operating Expenses	32.5	34.5	36.5	38.0	39.0	39.3	39.8	42.5	160.6	178.0	40.6	5%
Operating Profit	**38.3**	**39.1**	**40.4**	**40.8**	**39.5**	**36.0**	**36.0**	**-4.9**	**106.6**	**102.4**	**13.2**	**NA**
% Change (YoY)	11.7	10.3	9.7	8.6	3.1	-7.9	-10.9	NA	-32.8	-3.9	-67.8	
Provisions	9.9	9.7	9.7	9.5	10.5	18.2	17.4	25.2	71.4	56.4	18.7	35%
Profit before Tax	**28.4**	**29.3**	**30.7**	**31.3**	**29.0**	**17.8**	**18.6**	**-30.1**	**35.3**	**46.0**	**-5.6**	**NA**
Tax	7.2	7.3	7.7	7.8	7.3	4.5	4.5	NA	9.5	11.6	NA	NA
Net Profit	**21.2**	**22.0**	**23.0**	**23.5**	**21.7**	**13.3**	**14.0**	**-23.3**	**25.8**	**34.5**	**-1.4**	**NA**
% Change (YoY)	30.3	22.0	17.2	15.0	2.2	-39.5	-39.1	NA	-71.3	33.9	NA	
Operating Parameters												
Deposit (INR b)	3,470	3,595	3,688	3,846	3,985	4,124	4,094	4,109	4,109	4,380	4,188	
Loan (INR b)	3,013	3,155	3,271	3,433	3,479	3,572	3,669	3,450	3,450	3,709	3,749	
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.8	14.7	11.0	6.8	6.8	6.6	8.9	
Loan Growth (%)	21.5	21.3	19.9	18.4	15.5	13.2	12.2	0.5	0.5	7.5	9.2	
Asset Quality												
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	2.1	2.3	3.1	3.1	2.8	2.4	
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.7	1.0	1.0	0.9	0.8	
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.1	70.2	70.2	70.2	70.3	68.7	

Power Grid Corporation of India

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	PWGR IN
Equity Shares (m)	9301
M.Cap.(INRb)/(USDb)	2754.4 / 32.2
52-Week Range (INR)	366 / 247
1, 6, 12 Rel. Per (%)	-10/-14/-16
12M Avg Val (INR M)	4878

Financials & Valuations (INRb)

Y/E March	FY25	FY26E	FY27E
Sales	460.7	461.7	489.8
EBITDA	393.4	416.0	434.4
Adj. PAT	155.2	177.0	185.6
Adj. EPS (INR)	16.7	19.0	20.0
EPS Gr. (%)	-0.3	14.1	4.8
BV/Sh.(INR)	99.6	107.1	115.3
Ratios			
Net D:E	1.4	1.3	1.1
RoE (%)	17.3	18.4	17.9
RoCE (%)	9.7	10.4	10.7
Payout (%)	53.9	50.4	50.1
Valuations			
P/E (x)	17.7	15.5	14.8
P/BV (x)	3.0	2.8	2.6
EV/EBITDA (x)	10.1	9.3	8.9
Div. Yield (%)	3.0	3.2	3.4
FCF Yield (%)	4.4	12.1	6.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	51.3	51.3	51.3
DII	18.4	17.0	15.3
FII	26.8	28.1	29.8
Others	3.5	3.5	3.6

FII Includes depository receipts

CMP: INR296 TP: INR386 (+30%) Buy

Strong capex outlook and expanding pipeline, but dividend pressure likely

- Power Grid (PWGR)'s 4QFY25 reported standalone (SA) EBITDA and Adj. PAT were in line with our estimates at INR92.2b/42.9b (flat YoY). On a consolidated basis, the reported PAT was flat YoY at INR41.4b.
- In the earnings call, management highlighted a strong capex trajectory, rising capitalization, and an impressive HVDC/TBCB pipeline. As per PWGR, the capitalization trajectory remains aggressive despite the company missing FY25 guidance by ~50%. It also plans to capitalize INR230-250b in FY26. Its capex targets were maintained at INR280b/INR350b for FY26-27, and an FY28 capex target was introduced, with capex rising to INR450b by FY28 from INR262b in FY25. The right-of-way/land acquisition issues have been the key obstacles to completing projects, and it believes some of these challenges should recede as states adopt revised right-of-way compensation guidelines issued by the Center.
- The medium-to-long-term HVDC pipeline remains impressive with at least five domestic HVDC projects (Khavda-Nagpur, Fatehpur-Badla, Leh-Pang, Khavda-South Olpad, Rajasthan to Maharashtra, Kurnool to Vizag, et al.) and several international ones (India to SG via Andaman, India-Sri Lanka, India-Myanmar, India-Oman, etc.). Further, the inter- and intra-state TBCB pipelines should see additional bids worth INR6t and INR3t, respectively, by 2032. Of the current order book of INR1.54t, 30% is attributable to RTM projects, where the company earns a healthy 15% RoE.
- However, given the rising capex needs, management highlighted that there could be a further downside to DPS; the company paid INR9/share as dividend in FY25 (FY25: 54% payout, FY24: 67%).
- We **reiterate our BUY rating** on the stock with a TP of INR386 based on 3.4x FY27E BVPS.

In-line 4QFY25

- **Standalone (SA) performance:**
  - In 4QFY25, PWGR reported SA revenue of INR110b (-1% YoY) and EBITDA of INR92.2b (+1% YoY), in line with our estimates.
  - Adj. SA PAT was in line with our est. at INR42.9b. Higher-than-expected interest expenses were offset by lower depreciation and tax expenses and higher-than-expected other income (including a profit of INR2.4b from the 26% stake sale in SPVs transferred to PGInvIT, which was classified as 'assets held for sale' as of end-3QFY25).
  - The net movement in regulatory deferral account balances was positive at INR0.5b during the quarter.
  - SA revenue/EBITDA/APAT stood flat YoY at INR414b/INR352b/INR151b in FY25.
- **Consolidated performance:**
  - Reported PAT came in at INR41.4b (flat YoY), while EBITDA rose ~4% YoY to INR102.7b.

- The transmission segment remained the primary revenue driver, contributing 96.95% of consolidated EBIT (INR70.2b). The telecom segment contributed 1.96%, with EBIT of INR1.4b.
- In 4QFY25, its JVs reported a loss of INR0.29b, taking the total loss to INR1.1b for FY25 (vs. a loss of INR0.19b in FY24).

Key Announcements:

- The Board recommended a final dividend of INR1.25/share.

Highlights of the 4QFY25 performance:

Operational performance and financials

- The company added 645ckm of transmission lines and 12,000MVA of transformation capacity in 4QFY25.
- The transmission system had an availability rate of 99.8% in FY25, reflecting high operational efficiency.
- For FY25, the reliability rate was 0.27 trippings per line.
- On a standalone basis, the average borrowing cost was 7.41% in 4QFY25.
- The telecom division successfully added 75 new customers during the year and reported an income of ~INR11b for the year.

Project wins and capex outlook

- PWGR secured a record 24 TBCB projects in FY25 with a total cost of projects won amounting to ~INR920b.
- In 4QFY25, on a consol. basis, capex was INR86b and capitalization was INR16b.
- In FY25, a capex of INR263b was incurred; its capitalization stood at INR90b in FY25 (vs. a guidance of INR180b).
- Capex targets for FY26/FY27/FY28: INR280b/INR350b/INR450b, and work in hand is INR1.55t.

Future growth and dividend

- The dividend for FY25 was INR9/share (dividend payout: ~54%), and management highlighted that there could be further downside going forward, given its aggressive capex plans.

Valuation and view

We derive our TP of INR386 for PWGR based on FY27E BVPS and a P/B multiple of 3.4x, which we believe is reasonable given that capex and capitalization are on a multi-year uptrend with the order book at an elevated level.

Standalone Quarterly Performance **(INR b)**

Y/E March	FY24				FY25E				FY24	FY25	FY25E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%	%	%
Sales	**102.4**	**97.4**	**106.8**	**110.5**	**100.7**	**102.6**	**101.2**	**109.8**	**418.3**	**414.3**	108	1%	-1%	9%
YoY Change (%)	-2.7	-6.6	-0.6	-2.2	-1.7	5.3	-5.2	-0.6	-2.5	-0.9	-1.8			
EBITDA	**90.0**	**85.3**	**94.0**	**91.4**	**87.4**	**87.9**	**85.2**	**92.2**	**361.9**	**352.8**	91	1%	1%	8%
YoY Change (%)	1.4	-3.5	0.2	-9.0	-2.9	3.0	-9.3	0.9	-2.8	-2.5	-0.4			
As of % Sales	87.9	87.6	88.0	82.7	86.8	85.6	84.2	84.0	86.5	85.1	83.9			
Depreciation	31.4	31.4	31.6	31.2	30.7	31.6	30.7	30.4	125.6	123.5	32	-6%	-2%	-1%
Interest	21.2	23.9	25.2	20.2	21.6	26.0	21.3	25.9	90.5	94.8	20	32%	28%	22%
Other Income	6.4	7.9	7.9	12.0	7.8	11.2	14.9	15.0	34.2	48.9	13	12%	25%	1%
Extraordinary Inc / (Exp)	-2.9	5.6	1.1	-1.7	-0.6	2.5	0.4	0.5	2.1	2.8	0			
PBT	**41.0**	**43.4**	**46.3**	**50.3**	**42.3**	**43.9**	**48.5**	**51.4**	**182.2**	**186.2**	52	-2%	2%	6%
Tax	5.6	5.1	6.6	9.1	8.2	6.8	9.6	8.1	26.3	32.7	9	-12%	-11%	-16%
Effective Tax Rate (%)	13.6	11.7	14.2	18.0	19.4	15.5	19.8	15.7	14.4	17.5	17.5			
Reported PAT	**35.4**	**38.3**	**39.7**	**41.3**	**34.1**	**37.1**	**38.9**	**43.4**	**154.7**	**153.5**	43	0%	5%	11%
YoY Change (%)	-5.9	6.5	14.5	-0.9	-3.7	-3.2	-1.9	5.0	2.3	-0.8	4.8			
Adjusted PAT	**37.9**	**33.4**	**38.7**	**42.7**	**34.6**	**35.0**	**38.6**	**42.9**	**152.8**	**151.2**	43	-1%	1%	11%
YoY Change (%)	0.6	-7.1	11.7	2.5	-8.7	4.8	-0.4	0.5	1.0	-1.1	1.3			

InterGlobe Aviation

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	INDIGO IN
Equity Shares (m)	386
M.Cap.(INRb)/(USDb)	2110.5 / 24.6
52-Week Range (INR)	5666 / 3779
1, 6, 12 Rel. Per (%)	-3/28/16
12M Avg Val (INR M)	5823
Free float (%)	50.7

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY26E
Sales	808.0	866.3	981.8
EBITDA	180.1	227.1	262.9
NP	72.5	97.9	102.7
EPS (INR)	188.1	253.5	265.7
Growth (%)	-11.2	34.7	4.8
BV/Sh (INR)	242.1	483.3	736.2
Ratios			
Net D:E	4.1	1.9	1.1
RoE (%)	129.1	70.2	43.8
RoCE (%)	22.5	23.0	24.6
Payout (%)	5.3	5.3	5.3
Valuations			
P/E (x)	29.0	21.5	20.5
P/BV (x)	22.5	11.3	7.4
Adj.EV/EBITDAR(x)	11.8	10.6	9.1
Div. Yield (%)	0.2	0.2	0.3
FCF Yield (%)	10.5	2.6	2.7

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	49.3	49.3	57.3
DII	20.7	21.2	15.1
FII	25.1	24.8	23.7
Others	4.9	4.7	4.0

FII Includes depository receipts

CMP: INR5,462 TP: INR6,375 (+17%) Buy

Robust earnings; global scale-up to boost growth

- InterGlobe Aviation (INDIGO) reported a 59% YoY growth in EBITDA to INR60.8b and a PAT of INR30.7b (vs. our est. of INR13.3b) in 4QFY25. Revenue passenger kilometers (RPK) stood at 36.8b. The passenger load factor (PLF) was 87.4% with available seat kilometers (ASK) of 42.1b (est. of 41.8b) and yield of INR5.32 (vs. est. of INR5.14, up 3% YoY) in 4QFY25.
- In 4QFY25, INDIGO carried 32m passengers, driven by a strong 30% YoY growth in international traffic, Mahakumbh festivities, and a prolonged wedding season. It added a net of 67 aircraft in FY25 (vs. 58 in FY24) and enhanced its operational performance, maintaining robust on-time metrics. The network expanded to 41 international destinations, with international ASKs at 30%, supported by the damp lease of six B787s and new routes like Amsterdam and Manchester from Mumbai.
- To enhance its loyalty ecosystem, Indigo entered partnerships with Accor and Swiggy. The airline also sees multiple tailwinds ahead in FY26, including hosting the IATA AGM in India after 42 years in CY25 and the upcoming second airport in both Delhi and Mumbai (first test flights done by INDIGO). Margins improved in 4QFY25, aided by better unit revenue and a favorable crude environment. The grounded aircraft (AOG) situation has been improving steadily, from a peak in early CY24 to the mid-40s currently.
- While Apr'25 saw healthy yields and growth, cancellations since late Apr'25 until a few days back have dampened momentum, though recovery is likely in Jun'25. The Pakistan airspace closure had minimal impact, affecting just 34 of 2,200 daily flights. Indigo launched its "Stretch" product on the Delhi–Bangkok route as well and plans a wider rollout as deliveries continue in CY25. Capacity is expected to grow in the mid-teens YoY in 1QFY26.
- Management continues to work towards its key promises with a customer-first approach. We retain our estimates for FY26/27 as of now. The stock is trading at 20.5x FY27E EPS of INR265.7 and 9.1x FY27E EV/EBITDAR. We **reiterate our BUY** rating with a TP of INR6,375 (based on 10x FY27E EV/EBITDAR).

Beat led by lower-than-expected employee costs and opex

- Yield stood at INR5.32 vs. our estimate of INR5.14 (up 3% YoY). RPK was 36.8b (our est. of 37.9b, +23% YoY), with PLF at 87.4%. ASK was 42.1b (our est. of 41.8b, +21% YoY).
- Thus, INDIGO's revenue stood at INR221.5b (-3% est., +24% YoY), which includes compensation from International Aero Engines, LLC (IAE) for the Aircraft on Ground (AOG) situation due to the unavailability of engines. Certain reimbursements have also been netted off against expenditure for the quarter.
- EBITDAR stood at INR69.5b (est. of INR46.2b, +59% YoY) with EBITDA at INR60.8b (our est. of INR38.8b, +53% YoY). The company has paid IGST of INR939m in 4QFY25 on the re-import of repaired aircraft, which is under dispute right now. PAT stood at INR30.7b (est. of INR13.3b, +62% YoY).
- **For FY25**, revenue was INR808b (+17% YoY), EBITDA was INR180b (+11% YoY), and PAT stood at INR72.5b (-11% YoY). The BoD declared a final dividend of INR10/share for FY25.

Valuation and view

- INDIGO has adopted a completely different operational strategy after Mr. Pieter Elbers joined the company as the new CEO in Sep'22. He has over 30 years of experience working at different positions at KLM Royal Dutch Airlines. His wealth of experience has not only helped INDIGO compete with global majors but also consistently increase its market share in the domestic market. However, this could also pose a 'key man' risk.
- INDIGO serves over 100m passengers and adds one aircraft a week (on average). It has expanded its international share to ~30% in FY25 of Available Seat Kilometers (ASK) through strategic airline partnerships. The company focuses on strengthening its global presence via loyalty programs and proactive brand-building efforts while continuously refining schedules to enhance reliability and attract a larger share of international travelers.
- The stock is trading at 20.5x FY27E EPS of INR265.7 and 9.1x FY27E EV/EBITDAR. We **reiterate our BUY** rating with a TP of INR6,375 (based on 10x FY27E EV/EBITDAR). **Key downside risks:** 1) delays in wide-body aircraft deliveries or rising AOGs; 2) sharp volatility in crude or rupee could pressure margins if not passed on; 3) a higher share of business-class seating or premium fleet may dilute INDIGO's cost advantages.

Standalone Quarterly performance (INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**166.8**	**149.4**	**194.5**	**178.3**	**195.7**	**169.7**	**221.1**	**221.5**	**689.0**	**808.0**	**227.2**	**-3%**
YoY Change (%)	*29.8*	*19.6*	*30.3*	*25.9*	*17.3*	*13.6*	*13.7*	*24.3*	*26.6*	*17.3*	*27.5*	
EBITDAR	**51.6**	**23.9**	**54.4**	**43.7**	**57.7**	**23.8**	**59.2**	**69.5**	**173.7**	**210.2**	**46.3**	**50%**
Margin (%)	*30.9*	*16.0*	*28.0*	*24.5*	*29.5*	*14.0*	*26.8*	*31.4*	*25.2*	*26.0*	*20.4*	
Net Rentals	1.9	2.0	3.0	3.9	6.2	7.6	7.6	8.6	10.8	30.1	7.5	15%
EBITDA	**49.7**	**22.0**	**51.4**	**39.8**	**51.5**	**16.2**	**51.6**	**60.8**	**162.9**	**180.1**	**38.8**	**57%**
Margin (%)	*29.8*	*14.7*	*26.4*	*22.4*	*26.3*	*9.5*	*23.3*	*27.5*	*23.6*	*22.3*	*17.1*	
Depreciation	14.0	15.5	16.6	18.0	18.7	20.8	22.2	24.8	64.1	86.4	22.4	
Interest	9.5	10.2	11.0	11.0	11.6	12.4	13.1	13.8	41.7	50.9	13.5	
Other Income	4.8	5.6	6.1	6.8	6.8	7.9	8.8	9.5	23.3	33.1	10.8	
PBT	**30.9**	**1.9**	**30.0**	**17.7**	**28.0**	**-9.1**	**25.2**	**31.8**	**80.4**	**75.9**	**13.8**	**131%**
Tax	0.0	0.0	0.0	-1.2	0.8	0.8	0.8	1.0	-1.2	3.3	0.4	
Rate (%)	*0.0*	*0.0*	*0.0*	*-7.0*	*2.7*	*-8.7*	*3.1*	*3.2*	*-1.5*	*4.4*	*3.1*	
Reported PAT	**30.9**	**1.9**	**30.0**	**18.9**	**27.3**	**-9.9**	**24.4**	**30.7**	**81.7**	**72.5**	**13.3**	**131%**
EPS	**79.9**	**4.9**	**77.6**	**49.0**	**70.6**	**-25.6**	**63.2**	**79.5**	**211.4**	**187.7**	**34.5**	**130%**
YoY Change (%)	*LP*	*LP*	*111.4*	*106.8*	*-11.7*	*PL*	*-18.6*	*62.3*	*LP*	*-11.2*	*-29.6*	
Operational Data												
ASK (b)	32.7	35.3	36.5	34.8	36.3	38.2	40.8	42.1	139.3	157.4	41.8	1%
YoY Change (%)	*19%*	*27%*	*27%*	*14%*	*11%*	*8%*	*12%*	*21%*	*22%*	*13%*	*20%*	
Load factor (%)	*88.7*	*83.3*	*85.8*	86.2	*86.8*	*82.7*	*87.0*	87.4	85.9	86.0	*90.8*	-3.4
RPK (b)	29.0	29.4	31.3	30.0	31.5	31.6	35.5	36.8	119.7	135.4	37.9	-3%
YoY Change (%)	*32%*	*34%*	*28%*	*17%*	*9%*	*7%*	*13%*	*23%*	*27%*	*13%*	*26%*	
Yield (INR/RPK)	5.18	4.44	5.48	5.19	5.24	4.55	5.43	5.32	5.07	5.14	5.14	4%

21 May 2025

4QFY25 Results Update | Sector: Financials

Power Finance Corporation

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	POWF IN
Equity Shares (m)	3300
M.Cap.(INRb)/(USDb)	1362 / 15.9
52-Week Range (INR)	580 / 357
1, 6, 12 Rel. Per (%)	-8/-13/-19
12M Avg Val (INR M)	5726

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	193	206	232
PPP	216	233	262
PAT	174	181	201
EPS (INR)	52.6	54.7	60.9
EPS Gr. (%)	21	4	11
BV/Sh. (INR)	276	314	356
ABV/Sh. (INR)	232	270	313
RoAA (%)	3.2	3.0	3.0
RoAE (%)	20.4	18.6	18.2
Div Payout (%)	30.0	30.1	30.0
Valuations			
P/E (x)	7.6	7.3	6.6
P/BV (x)	1.5	1.3	1.1
Core P/E (x)	5.2	5.0	4.5
Core P/BV (x)	1.1	1.0	0.9
Div. Yld (%)	4.0	4.1	4.6

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	56.0	56.0	56.0
DII	16.2	17.2	18.3
FII	18.8	18.0	17.2
Others	9.0	8.8	8.6

FII includes depository receipts

CMP: INR413 **TP: INR485 (+18%)** **Buy**

Healthy quarter but weak outlook on loan growth

Asset quality improves, driven by resolutions; reported NIM stable QoQ

- Power Finance Corporation (PFC)'s 4QFY25 PAT grew ~24% YoY to INR51.1b (~17% beat). FY25 PAT jumped ~20% YoY to INR173.5b. The earnings beat was primarily driven by the write-back of ~INR12b in interest income from the resolution of KSK Mahanadi.
- NII in 4QFY25 grew ~39% YoY to ~INR59.1b (~28% beat). Other income grew ~58% YoY to ~INR11.3b, which included dividend income of INR11.5b.
- Opex declined ~32% YoY to ~INR2.3b (~8% higher than MOFSLe). The cost-to-income ratio stood at ~4% (PQ: 3.9% and PY: ~8.1%).
- Reported yields and CoB in FY25 stood at ~10.02% (9MFY25: 10.07%) and ~7.44% (9MFY25: 7.47%), respectively, resulting in spreads remaining broadly stable QoQ. Reported NIM in FY25 stood at ~3.64% (9MFY25: 3.65%).
- GS3 improved ~75bp QoQ to ~1.95%, and NS3 improved ~30bp QoQ to ~0.4%. PCR on Stage 3 rose ~7pp QoQ to ~80%. Provision stood at INR4.4b. This translated into annualized credit costs of 8bp (PY: -7bp and PQ: 1bp). PFC has created a 100% provision (INR3.1b) against its exposure to Gensol Engineering, which is under investigation for suspected fraud.
- PFC successfully resolved KSK Mahanadi in 4QFY25, in which its total exposure was INR33b. The company recovered 100% of the principal amount and received ~INR12b toward interest income, with the total recovery in KSK exceeding the admitted claim. Provision of ~INR18.1b on this account was reversed and partly utilized (~INR9b) for higher standard asset provisions on discoms, which saw a rating downgrade during the quarter.
- The company highlighted that two projects with total exposure of ~INR16.6b (Shiga Energy with an outstanding of INR5.2b and TRN Energy with an outstanding of INR11.4b) are in advanced stages of resolution. Restructuring plans for both have been finalized, with the documentation and implementation processes currently in progress.
- Management moderated its loan growth guidance to ~10-11% for FY26, citing muted growth expectations in the distribution segments (now that both LIS and LPS schemes are largely over).
- We estimate a disbursement/advances/PAT CAGR of 11%/12%/8% over FY25-FY27, an RoA/RoE of 3%/18%, and a dividend yield of ~5% in FY27E.

Key highlights from the management commentary

- Management guided spreads of ~2.5% in FY26 and is confident that it should be able to maintain its spreads guidance even in the near term.
- The company increased the PCR on Stage 2 from 0.58% to 1.85%. Part of it was driven by guidance from the RBI, and the rest of it was because of a prudent approach adopted by PFC.

Valuation and view

- PFC delivered a healthy quarter, supported by robust operational performance across key metrics. Disbursements remained healthy, fueling steady loan growth. Asset quality improved further, aided by the resolution of stressed assets, while NIMs remained largely stable on a sequential basis.
- PFC (standalone) trades at 0.9x FY27E P/BV and ~5x FY27 P/E, and we believe that the risk-reward is attractive considering decent visibility on loan growth, further stressed asset resolutions, and healthy RoE of 18-19% in FY26-27E.

- We reiterate our **BUY** rating with an SoTP (Mar'27E)-based TP of INR485 (based on 1.1x target multiple for the PFC standalone business and INR193/ share for PFC's stake in REC after a hold-co discount of 20%).
- **Key risks:** 1) weaker loan growth driven by higher prepayments; 2) increase in exposure to power projects without PPAs; 3) compression in spreads and margins due to an aggressive competitive landscape; and 4) a slowdown in the offtake of renewable energy projects, driven by weak power demand.

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	4Q	v/s Est.
Particulars	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY25E	
Interest Income	1,01,241	1,06,921	1,13,313	1,14,937	1,18,270	1,19,090	1,24,172	1,37,215	4,36,411	4,98,747	1,26,322	9
Interest Expenses	66,207	69,631	71,735	72,564	74,990	75,007	77,231	78,109	2,80,138	3,05,380	79,972	-2
Net Interest Income	**35,034**	**37,289**	**41,578**	**42,373**	**43,280**	**44,083**	**46,942**	**59,106**	**1,56,274**	**1,93,367**	**46,350**	**28**
YoY Gr %	1.0	-3.1	16.4	21.9	23.5	18.2	12.9	39.5	8.8	23.7	9.4	
Other Income	**-2,111**	**11,904**	**5,875**	**7,165**	**3,160**	**14,655**	**5,971**	**11,309**	22,832	**35,096**	**10,814**	**5**
Net Operational Income	**32,923**	**49,193**	**47,452**	**49,538**	**46,440**	**58,738**	**52,913**	**70,415**	**1,79,106**	**2,28,463**	**57,164**	**23**
YoY Gr %	-8.9	7.6	20.6	14.3	41.1	19.4	11.5	42.1	8.9	27.6	15.4	
Exchange gain/(loss)	4,827	-1,188	-2,231	723	589	-3,100	457	-2,614	2,131	-4,668	-346	655
Total Net Income	**37,750**	**48,005**	**45,221**	**50,261**	**47,029**	**55,639**	**53,370**	**67,801**	**1,81,237**	**2,23,795**	**56,818**	**19**
YoY Gr %	32.6	22.5	23.2	24.3	24.6	15.9	18.0	34.9	25.2	23.5	13.0	
Operating Expenses	1,018	1,143	1,100	3,431	1,016	2,355	1,832	2,341	6,691	7,500	**2,166**	**8**
Operating Profit	**36,732**	**46,863**	**44,121**	**46,830**	**46,013**	**53,284**	**51,538**	**65,460**	**1,74,545**	**2,16,295**	**54,652**	**20**
YoY Gr %	35.5	22.6	24.1	23.7	25.3	13.7	16.8	39.8	25.8	23.9	16.7	
Provisions	22	-989	2,626	-3,370	620	-1,241	745	4,447	-1,712	4,571	955	366
PBT	**36,710**	**47,852**	**41,495**	**50,200**	**45,393**	**54,525**	**50,793**	**61,013**	**1,76,257**	**2,11,724**	**53,697**	**14**
Tax	6,641	9,377	7,723	8,845	8,214	10,821	9,244	9,924	32,587	38,202	9,946	0
Tax Rate %	18.1	19.6	18.6	17.6	18.1	19.8	18.2	16.3	18.5	18.0	18.5	
PAT	**30,069**	**38,474**	**33,772**	**41,355**	**37,179**	**43,704**	**41,549**	**51,090**	**1,43,670**	**1,73,522**	**43,751**	**17**
YoY Gr %	42.5	28.3	12.4	18.4	23.6	13.6	23.0	23.5	23.5	20.6	5.8	
Key Parameters (Calc., %)												
Yield on loans	9.5	9.7	10.0	9.8	9.9	9.8	10.0	10.7				
Cost of funds	7.3	7.4	7.4	7.2	7.4	7.3	7.4	7.0				
Spread	2.2	2.3	2.6	2.6	2.5	2.5	2.6	3.7				
NIM	3.4	3.5	3.8	3.7	3.6	3.6	3.76	4.61				
C/I ratio	2.9	3.1	2.6	8.1	2.3	5.3	3.9	4.0				
Credit cost	0.0	(0.02)	0.06	(0.07)	0.01	(0.03)	0.01	0.08				
Balance Sheet Parameters												
Disbursements (INR b)	228	328	235	486	195	467	342	680				
Growth YoY (%)	391	91	(7)	25	(15)	42	45	40				
AUM (INR b)	4,313	4,495	4,570	4,815	4,750	4,934	5,038	5,431				
Growth YoY (%)	17	19	16	14	10	10	10	13				
Asset Quality Parameters												
GS 3 (INR B)	165.0	165	161	161	161	134	135	105				
GS 3 (%)	3.8	3.7	3.5	3.3	3.4	2.7	2.7	1.9				
NS 3 (INR B)	45.0	44.8	41.1	41.1	41.1	35.3	35.9	20.9				
NS 3 (%)	1.0	1.0	0.9	0.9	0.9	0.7	0.7	0.4				
PCR (%)	72.7	72.8	74.4	74.4	74.4	73.6	73.4	80.1				

E: MOFSL Estimates

PFC: SoTP - Mar'27

	Stake	Target Multiple	Value (INR B)	INR per share	% To Total	Rationale
PFC Standalone	100	1.1	1,093	330	68	1.1x Mar'27 PBV
REC Stake (Pre-holdCo)	53	1.2	637	193		1.2x Mar'27 PBV
Hold Co Discount (20%)			127			
REC Stake (Post Hold-CO)				**510**	**155**	**32**
Target Value			**1,603**	**485**	**100**	

Max Healthcare

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MAXHEALT IN
Equity Shares (m)	972
M.Cap.(INRb)/(USDb)	1110.3 / 13
52-Week Range (INR)	1228 / 743
1, 6, 12 Rel. Per (%)	4/9/27
12M Avg Val (INR M)	2228

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	86.2	108.0	121.8
EBITDA	22.9	29.2	33.7
Adj. PAT	14.6	19.9	23.7
EBIT Margin (%)	21.8	22.7	23.7
Cons. Adj. EPS (INR)	15.1	20.5	24.5
EPS Gr. (%)	10.0	35.9	19.3
BV/Sh. (INR)	108.7	127.2	149.7
Ratios			
Net D:E	0.1	0.0	(0.0)
RoE (%)	14.8	17.4	17.7
RoCE (%)	13.0	15.3	16.3
Payout (%)	10.9	9.7	8.2
Valuations			
P/E (x)	75.7	55.7	46.7
EV/EBITDA (x)	49.2	38.2	32.7
Div. Yield (%)	0.1	0.2	0.2
FCF Yield (%)	(1.0)	1.2	1.0
EV/Sales (x)	13.0	10.3	9.1

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	49.1	49.1	45.7
DII	18.9	18.0	13.8
FII	6.5	6.5	8.7
Others	25.5	27.2	31.8

FII Includes depository receipts

CMP: INR1,142 | TP: INR1,350 (+18%) | Buy

In-line 4Q; ends FY25 with robust growth and network expansion

Gears to increase bed capacity by 32% YoY in FY26

- Max Healthcare's (MAXH) 4QFY25 financial performance was largely in line with our estimates. It delivered organic YoY growth of 14% in revenues for 4QFY25.
- MAXH significantly scaled the performance of its acquired units, generating revenue/EBITDA of INR2.7b/INR670m from these units in 4QFY25.
- The company has maintained its growth momentum in both Max@lab and Max@home businesses, with each achieving revenue size of INR1.8b/INR2b in FY25.
- We maintain our estimates for FY26/FY27. We value MAXH on an SoTP basis (premised on 35x 12M forward EV/EBITDA for the Hospital business, 30x 12M forward EV/EBITDA for Max@lab, and 11x EV/sales for Max@home) to arrive at our TP of INR1,350.
- MAXH posted strong 19% earnings CAGR over FY22-25, backed by efforts to improve EBITDA per bed and expand bed capacity in targeted micro markets. It has reasonably expanded its offerings while increasing its reach in both diagnostics and home service businesses. We expect MAXH to deliver a 27% earnings CAGR over FY25-27 as it continues to add beds (32% YoY increase in bed capacity expected in FY26) and augment performance at current sites through case mix/payor mix optimization. While land acquisition is in place and past executions provide good visibility for growth, the company still has a sufficient financial war chest, if required, for potential land acquisitions, O&M contracts, or inorganic opportunities. Reiterate BUY.

Robust performance across network hospitals/Max@lab/Max@home

- In 4QFY25, MAXH's network revenue (including the trust business) grew 28.5% YoY to INR23b (our est. INR22.6b).
- EBITDA margin contracted 120bp YoY to 26.4% (our est. 27.5%), driven by higher other expenses (+475bp YoY as a % of revenue), but offset by lower employee expenses (-420bp YoY as a % of revenue).
- EBITDA grew 23% YoY to INR6.1b (our est. INR 6.2b).
- Adjusted PAT rose 17.7% YoY to INR3.9b (our est. INR4.1b).
- EBITDA per bed (annualized) stood at INR7.3m (-3% YoY and +1% QoQ).
- For FY25, revenue/EBITDA/PAT grew 27%/22%/10% to INR86.2b/INR22.85/ INR14.7b.
- ARPOB stood at INR77.1k in 4QFY25 (-1% YoY). Excluding new hospitals, ARPOB grew 7.4% YoY for 4QFY25. Moreover, occupancy was 75% in 4QFY25.
- The institutional revenue share increased 310bp YoY to 20.8% for 4QFY25.
- Max@lab's revenue was INR420m for 4QFY25 (+20% YoY/10% QoQ).
- Max@home's revenue was INR560m (+22% YoY, +1.8% QoQ) for 4QFY25.
- Net debt stood at INR15.7b at the end of 4QFY25.

Highlights from the management commentary

- MAXH is on track to add 1,500 beds in FY26, following the addition of ~856 beds in FY25.
- It continues its acquisition spree with ~1-acre land parcel adjacent to its fully occupied 400-bed Vaishali facility, which will add 140 beds over the next 30 months. The current Vaishali facility is operating at 83% occupancy.
- Therapy-wise, Oncology, Orthopedics, and Obstetrics/Gynecology witnessed robust YoY growth of 38%/37%/39% in revenue for 4QFY25.
- International patient revenue grew 28% YoY in 4QFY25, despite a lower patient flow from countries like Bangladesh.
- With newer hospitals serving scheme patients, the share of institutional patients increased in 4QFY25. The company maintains a strong focus on profitability.
- The company generated INR14.4b in cash flow from operations, deploying INR12b toward organic expansion and facility upgrades and spending INR17b on the acquisition of JP Healthcare facilities.

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY24				FY25				FY24	FY25	FY25E	% var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Gross Sales	**16,220**	**17,190**	**16,820**	**17,910**	**19,310**	**21,190**	**22,690**	**23,020**	**68,150**	**86,210**	**22,642**	**1.7**
YoY Change (%)	16.7	16.8	14.9	15.6	19.1	23.3	34.9	28.5	16.0	26.5	26.4	
Total Expenditure	11,930	12,350	12,170	12,970	14,370	15,520	16,520	16,950	49,420	63,360	16,419	
EBITDA	**4,290**	**4,840**	**4,650**	**4,940**	**4,940**	**5,670**	**6,170**	**6,070**	**18,730**	**22,850**	**6,223**	**-2.5**
Margins (%)	26.4	28.2	27.6	27.6	25.6	26.8	27.2	26.4	27.5	26.5	27.5	
Depreciation	640	660	700	840	900	970	1,060	1,140	2,840	4,070	1,035	
Interest	-30	-170	-140	-40	80	50	350	360	-380	840	236	
Other Income	70	130	60	90	40	60	110	240	350	450	90	
PBT before EO expense	**3,750**	**4,480**	**4,150**	**4,230**	**4,000**	**4,710**	**4,870**	**4,810**	**16,620**	**18,390**	**5,042**	
Extra-Ord expense	190	190	40	250	190	270	1,000	180	670	1,640	0	
PBT	**3,560**	**4,290**	**4,110**	**3,980**	**3,810**	**4,440**	**3,870**	**4,630**	**15,950**	**16,750**	**5,042**	
Tax	660	910	730	870	870	950	710	870	3,160	3,400	902	
Rate (%)	18.5	21.2	17.8	21.9	22.8	21.4	18.3	18.8	19.8	20.3	17.9	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**2,900**	**3,380**	**3,380**	**3,110**	**2,940**	**3,490**	**3,160**	**3,760**	**12,790**	**13,350**	**4,140**	
Adj PAT	**3,055**	**3,530**	**3,413**	**3,319**	**3,087**	**3,702**	**3,977**	**3,906**	**13,316**	**14,648**	**4,140**	**-5.6**
YoY Change (%)	28.3	24.5	20.3	4.6	1.0	4.9	16.5	17.7	18.6	10.0	24.7	
Margins (%)	18.8	20.5	20.3	18.5	16.0	17.5	17.5	17.0	19.5	17.0	18.3	
EPS	**3.2**	**3.6**	**3.5**	**3.4**	**3.2**	**3.8**	**4.1**	**4.0**	**13.7**	**15.1**	**4.3**	

22 May 2025

4QFY25 Results Update | Sector: Healthcare

Mankind Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	MANKIND IN
Equity Shares (m)	413
M.Cap.(INRb)/(USDb)	1044.4 / 12.2
52-Week Range (INR)	3055 / 1901
1, 6, 12 Rel. Per (%)	-5/-7/11
12M Avg Val (INR M)	1529

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	122.1	146.2	164.3
EBITDA	30.4	38.6	44.7
Adj. PAT	20.3	20.0	27.1
EBIT Margin (%)	24.9	26.4	27.2
Cons. Adj. EPS (INR)	49.2	48.5	65.7
EPS Gr. (%)	6.0	-1.3	35.4
BV/Sh. (INR)	347.4	384.7	435.2
Ratios			
Net D:E	0.4	0.2	0.0
RoE (%)	17.1	13.3	16.0
RoCE (%)	14.7	11.0	14.0
Payout (%)	20.7	20.0	20.0
Valuations			
P/E (x)	51.5	52.2	38.5
EV/EBITDA (x)	34.0	29.1	24.5
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	2.8	6.0	5.6
EV/Sales (x)	8.5	7.7	6.7

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	72.7	72.7	74.9
DII	11.5	11.1	11.1
FII	12.9	13.3	9.9
Others	2.9	2.9	4.1

FII Includes depository receipts

CMP: INR2,531 TP: INR2,910 (+15%) Buy

Higher marketing/promotional costs drive a miss

Work-in-progress to enhance productivity/integrate BSV

- Mankind Pharma (Mankind) delivered in-line revenue in 4QFY25; however, EBITDA/PAT came in 14%/12% below our estimates. Higher-than-expected spending on marketing and promotional activities affected the company's 4Q performance.
- In the domestic formulation (DF) market, Mankind has been consistently focusing on increasing the chronic share in its portfolio and outperforming the industry. The company outperformed the industry in chronic therapies by 230bp YoY in 4Q.
- Mankind undertook a review of its BSV portfolio review after acquisition. It also tried to implement measures to integrate with Mankind offerings. This process affected the BSV business to some extent. Having said this, it is now well positioned to take the portfolio on a superior growth path.
- We cut our earnings estimates by 12%/9% for FY26/FY27, factoring in a) slower growth in acute therapies at the industry level, b) higher financial leverage, and c) increased product development/marketing spend. We value Mankind at 44x 12M forward earnings to arrive at a price target of INR2,910.
- FY25/FY26 are transformative years for Mankind. It undertook course correction measures in its MR team of 16,500 people to considerably improve productivity. With strong focus on differentiated offerings, it acquired BSV, which provided Mankind access to a specialty complex portfolio and strong R&D capability/manufacturing capacity in domestic as well as export markets.
- FY26 would be the year of integrating BSV. Further, higher financial leverage taken to acquire BSV would weigh on earnings growth in FY26. Having said this, we expect Mankind to deliver 35% YoY earnings growth in FY27 with improved sales/profitability of overall business and reduction in interest cost. Maintain BUY.

Segmental mix benefit offset to some extent by higher opex YoY

- Sales grew 26.1% YoY to INR30.7b for the quarter (vs est INR30.6b).
- DF revenue (83% of sales) grew 17% YoY to INR25.4b for the quarter. Prescription business (Rx; 93% of DF sales) grew 17.2% YoY to INR23.6b, aided by 7% YoY organic growth and addition of BSV domestic business.
- Consumer business (7% of domestic sales) grew 14.1% YoY to INR1.7b.
- Exports (17% of sales) grew 100.4% YoY to INR5.3b, aided by new launches and BSV addition. The organic YoY growth in exports was 25% for 4QFY25.
- Gross margin expanded by 180bp to 71.6 % due to change in product mix.
- EBITDA margin contracted 120bp YoY to 23% owing to higher other expenses (+350bp YoY as % of sales), offset by lower employee benefit expenses (-60bp YoY as % of sales) and higher gross margins.
- There was a one-time expense related to BSV to the tune of INR250m.

- Adj. for the same, EBITDA grew 20% YoY to INR7b (our estimates of INR8.1b).
- Sale of non-core assets (Mahananda spa) led to a capital gain of INR1.5b.
- Adjusting for the same, PAT declined 31% YoY to INR3.2b (our est: INR3.6b).
- For FY25, revenue/EBITDA/PAT grew 18%/19%/5% YoY to INR122b/INR30b/INR20b.

Highlights from the management commentary

- Mankind enhanced marketing spend during the quarter for select product launches, driving opex higher for the quarter.
- It guided for EBITDA margin to be 25-26% for FY26.
- Mankind guided for revenue growth 1.2x IPM growth from chronic therapies and acute therapies' revenue growth in line with IPM growth for FY26.
- The company expects YoY growth in exports to be in single digits in FY26.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25E	Est	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Gross Sales	**25,786**	**27,081**	**26,070**	**24,411**	**28,934**	**30,765**	**31,988**	**30,794**	**1,03,348**	**1,22,074**	**30,688**	0.3
YoY Change (%)	18.3	11.6	24.7	18.9	12.2	13.6	22.7	26.1	18.1	18.1	25.7	
Total Expenditure	19,238	20,254	20,004	18,500	21,697	22,265	23,828	23,712	77,996	91,645	22,490	
EBITDA	**6,548**	**6,827**	**6,065**	**5,911**	**7,238**	**8,500**	**8,160**	**7,082**	**25,351**	**30,429**	**8,198**	-13.6
YoY growth %	34.5	9.9	29.7	30.7	10.5	24.5	34.5	19.8	24.9	20.0	**38.7**	
Margins (%)	25.4	25.2	23.3	24.2	25.0	27.6	25.5	23.0	24.5	24.9	26.7	
Depreciation	874	965	1,097	1,047	1,077	1,056	1,872	2,309	3,983	6,212	2,156	
Interest	63	86	92	94	109	71	2,209	1,905	335	4,294	1,796	
Other Income	586	600	701	921	1,006	1,094	770	1,013	2,809	5,368	351	
PBT before EO expense	**6,197**	**6,375**	**5,577**	**5,692**	**7,057**	**8,468**	**4,849**	**3,881**	**23,842**	**25,291**	**4,596**	-15.6
Extra-Ord expense	0	0	0	0	420	0	0	-1,250	0	-830	0	
PBT	**6,197**	**6,375**	**5,577**	**5,692**	**6,637**	**8,468**	**4,849**	**5,131**	**23,842**	**26,121**	**4,596**	
Tax	1,303	1,298	1,025	950	1,246	1,904	1,105	864	4,576	5,097	873	
Rate (%)	21.0	20.4	18.4	16.7	18.8	22.5	22.8	16.8	19.2	19.5	19.0	
Minority Interest & P/L of Asso. Cos.	25.9	66.8	14.5	29.5	26.7	28.4	8.5	15.6	136.6	79.2	73.0	
Reported PAT	**4,869**	**5,010**	**4,538**	**4,712**	**5,365**	**6,535**	**3,736**	**4,251**	**19,129**	**20,944**	**3,650**	16.5
Adj PAT	**4,869**	**5,010**	**4,538**	**4,712**	**5,706**	**6,535**	**3,736**	**3,212**	**19,129**	**20,283**	**3,650**	-12.0
YoY Change (%)	53.9	12.8	47.3	50.5	17.2	30.4	-17.7	-31.8	38.4	6.0	-22.5	
Margins (%)	18.9	18.5	17.4	19.3	19.7	21.2	11.7	10.4	18.5	16.6	11.9	
EPS	**12.2**	**12.5**	**11.3**	**11.8**	**14.2**	**16.3**	**9.3**	**8.0**	**47.8**	**49.2**	**9.1**	

Sum of 4 quarters would not match annual number due to sale of non-core assets in 4QFY25

Gujarat Gas

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	GUJGA IN
Equity Shares (m)	688
M.Cap.(INRb)/(USDb)	319.4 / 3.7
52-Week Range (INR)	690 / 360
1, 6, 12 Rel. Per (%)	0/-4/-27
12M Avg Val (INR M)	694

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	164.9	159.8	173.8
EBITDA	18.8	20.8	23.6
PAT	11.5	12.3	14.5
EPS (INR)	16.6	17.9	21.1
EPS Gr. (%)	4.0	7.6	17.7
BV/Sh.(INR)	122.8	134.6	148.5
Ratios			
Net D:E	0.0	-0.1	-0.1
RoE (%)	14.2	13.9	14.9
RoCE (%)	19.6	18.9	20.2
Payout (%)	34.0	34.0	34.0
Valuations			
P/E (x)	27.8	25.9	22.0
P/BV (x)	3.8	3.4	3.1
EV/EBITDA (x)	16.8	15.0	13.0
Div. Yield (%)	1.2	1.3	1.5
FCF Yield (%)	3.3	2.1	2.7

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	60.9	60.9	60.9
DII	21.8	21.2	22.1
FII	4.0	4.5	3.7
Others	13.3	13.4	13.3

FII Includes depository receipts

CMP: INR464 TP: INR535 (+15%) Buy

Commentary cautious; focus on margin expansion

- Gujarat Gas (GUJGA)'s EBITDA margin stood above our est. at INR5.4/scm (our est. INR5/scm). Volumes came in line with our est. at 9.3mmscmd (our est. 9.25mmscmd). While GUJGA's realization increased ~INR1.3/scm QoQ, gas cost decreased INR0.4/scm QoQ and opex increased 0.8/scm QoQ, leading to ~INR1/scm QoQ increase in EBITDA/scm margin. Resultant EBITDA came in 8% above our est. at INR4.5b. Due to higher-than-estimated other income, PAT came in 24% above our est. at INR2.9b.
- About 35%/25% of GUJGA's gas sourced in 4Q is under long-term (fully Brent-linked)/spot contracts. Lower crude oil and spot LNG prices, coupled with INR appreciation QoQ, are expected to reduce gas costs going forward. While Morbi volumes are expected to remain soft in the near term, management expects robust 12% YoY growth in CNG volumes. Further, rising industrial volumes from Thane and rural Ahmedabad are also likely to support volume growth.
- GUJGA currently trades at 22x FY27E P/E. We reiterate our BUY rating on the stock with a TP of INR535, valuing it at 25x FY27E EPS.

EBITDA margin guidance maintained; 1Q Morbi volumes under pressure

- Amid lingering uncertainties around APM deallocation and lowering propane prices, management maintained its EBITDA margin guidance of INR4.5-INR5.5 per scm. However, with decreasing crude prices and spot LNG prices, we believe that management's guidance is conservative. We are building in EBITDA/scm of INR5.6/5.8 per scm for FY26/27.
- In 4Q, average Morbi volumes stood at 2.87mmscmd (3.35mmscmd in 3QFY25). The decline in Morbi volumes was due to customers shifting to alternate fuels. Non-Morbi volumes were slightly up QoQ at 2.16mmscmd (2.1mmscmd in 3Q). With the current propane to Natural Gas (NG) price delta at INR3.5/scm, current Morbi volumes remain soft at 2.6-2.7mmscmd. Management anticipates similar I/C PNG volumes QoQ in 1Q. Further, it expects robust 12% YoY growth in CNG volumes in FY26.

Other key takeaways from the conference call

- In 4QFY25, gas sourcing split for total volumes was 25%/35%/25%/15% of APM/Brent-linked LT/Spot LNG/other ST contracted gas.
- New LT contracts (both HH and Brent linked) at competitive pricing are expected to be signed shortly. Current APM/NW gas allocation stands at 2/0.6mmscmd.
- Management maintained its FY26 capex guidance of INR10b.
- GSPC clocked volumes of ~13mmscmd in 9MFY25.
- Under the F-DODO scheme, 70+ CNG stations are expected to come online in FY26.
- The Scheme of Amalgamation and Merger is expected to be completed by Sep'25/Oct'25. The scheme was filed with MCA for approval in Feb'25.

Beat driven by higher-than-estimated EBITDA/scm margin

- Total volumes were in line with our estimate at 9.3mmscmd (our est.: 9.25mmscmd) (-4% YoY).
  - While I/C-PNG volumes were marginally below estimates, D-PNG volumes came in 16% above estimates.
- EBITDA/scm came in 8% above our est. at INR5.4.
  - Realization increased ~INR1.3/scm QoQ, gas cost decreased INR0.4/scm QoQ, and opex increased INR0.8/scm QoQ, leading to ~INR1/scm QoQ increase in EBITDA/scm margin.
  - Resultant EBITDA stood 8% above our estimate at INR4.5b (-24% YoY).
- GUJGA's PAT came in 24% above our est. at INR2.9b (-9% YoY), driven by higher-than-estimated other income.
- **In FY25**, GUJGA's net sales/EBITDA/APAT were flat YoY at INR165b/18.8b/11.5b.
- The Board has recommended a final dividend of INR5.82/sh (FV: INR2/sh).

Valuation and view

- The company's long-term volume growth prospects remain robust, with the addition of new industrial units and expansion of existing units. It is aggressively investing in infrastructure to push industrial gas adoption in Thane rural, Ahmedabad rural, and newly acquired areas in Rajasthan.
- The stock is trading at a P/E of 22x FY27E and EV/EBITDA of 13x for FY27E. **We reiterate our BUY rating on the stock with a TP of INR535, valuing it at 25x FY27E EPS.**

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**37,815**	**38,454**	**39,291**	**41,342**	**44,503**	**37,818**	**41,529**	**41,020**	**1,56,902**	**1,64,870**	**39,565**	**4%**
YoY Change (%)	-26.9	-3.3	6.6	5.2	17.7	-1.7	5.7	-0.8	-6.4	5.1	-4.3	
EBITDA	**3,880**	**4,966**	**4,007**	**5,911**	**5,356**	**5,142**	**3,805**	**4,495**	**18,764**	**18,798**	**4,152**	**8%**
Margin (%)	10.3	12.9	10.2	14.3	12.0	13.6	9.2	11.0	12.0	11.4	10.5	
Depreciation	1,151	1,179	1,201	1,212	1,231	1,295	1,294	1,286	4,743	5,106	1,274	
Interest	74	78	72	69	78	80	93	74	293	325	82	
Other Income	239	298	230	311	386	386	585	744	1,078	2,100	331	
PBT before EO expense	**2,894**	**4,007**	**2,964**	**4,940**	**4,433**	**4,152**	**3,002**	**3,878**	**14,805**	**15,466**	**3,127**	**24%**
Extra-Ord expense	0	0	0	-557	0	0	0	0	-557	0	0	
PBT	**2,894**	**4,007**	**2,964**	**5,497**	**4,433**	**4,152**	**3,002**	**3,878**	**15,362**	**15,466**	**3,127**	**24%**
Tax	743	1,029	761	1,402	1,135	1,083	786	1,007	3,934	4,011	814	
Rate (%)	25.7	25.7	25.7	25.5	25.6	26.1	26.2	26.0	25.6	25.9	26.0	
Reported PAT	**2,151**	**2,978**	**2,203**	**4,095**	**3,298**	**3,069**	**2,216**	**2,872**	**11,428**	**11,455**	**2,313**	**24%**
Adj. PAT	**2,151**	**2,978**	**2,203**	**3,681**	**3,298**	**3,069**	**2,216**	**2,872**	**11,013**	**11,455**	**2,313**	**24%**
YoY Change (%)	-43.6	-26.3	-40.7	-0.3	53.3	3.1	0.6	-22.0	-27.8	4.0	-37.2	
Total volume (mmscmd)	**9.2**	**9.3**	**9.2**	**9.7**	**11.0**	**8.8**	**9.5**	**9.3**	**9.3**	**9.6**	**9.2**	**1%**
CNG	2.6	2.6	2.8	2.9	3.0	2.9	3.1	3.2	2.7	3.1	3.2	0%
PNG – Industrial/Commercial	6.0	6.0	5.7	6.0	7.4	5.1	5.6	5.2	5.9	5.8	5.3	-1%
PNG – Households	0.6	0.7	0.7	0.9	0.6	0.8	0.7	0.9	0.7	0.8	0.8	16%
EBITDA (INR/scm)	**4.6**	**5.8**	**4.8**	**6.7**	**5.4**	**6.4**	**4.4**	**5.4**	**5.5**	**5.4**	**5.0**	**8%**

Syrma SGS

BSE Sensex	S&P CNX
81,597	24,813

Bloomberg	SYRMA IN
Equity Shares (m)	178
M.Cap.(INRb)/(USDb)	94.7 / 1.1
52-Week Range (INR)	647 / 355
1, 6, 12 Rel. Per (%)	4/-7/17
12M Avg Val (INR M)	700

Financials & Valuations (INR m)

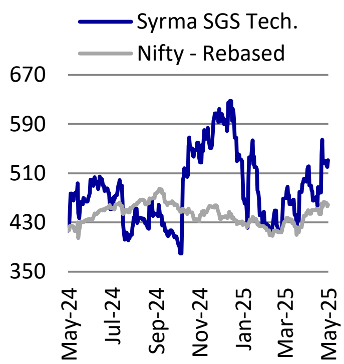
Y/E Mar	2025	2026E	2027E
Sales	37.9	51.1	66.4
EBITDA	3.0	4.1	5.4
PAT	1.7	2.6	3.7
EBITDA (%)	8.0	8.0	8.2
EPS (INR)	9.7	14.6	20.7
EPS Gr. (%)	57.6	50.9	41.9
BV/Sh. (INR)	98.3	111.4	130.5
Ratios			
Net D/E	0.2	0.2	0.1
RoE (%)	10.2	13.9	17.1
RoCE (%)	10.2	12.9	15.9
Valuations			
P/E (x)	55	36	25
EV/EBITDA (x)	32	24	18

Shareholding pattern (%)

As on	Mar-25	Dec-24	Mar-24
Promoter	46.5	46.6	46.9
DII	7.7	7.5	5.8
FII	6.3	8.6	13.0
Others	39.5	37.4	34.4

Note: FII includes depository receipts

Stock Performance (1-year)



CMP: INR531 | TP: INR630 (+19%) | Buy

Increased focus on automotive and industrials to fuel growth

Syrma SGS Technology (SYRMA) has recently seen its business mix shift away from the lower-margin consumer segment (~36% share in the sales mix as of FY25 vs 40% in FY24). However, to further strengthen its margins, the company is actively working to diversify its sales mix toward the automotive (22%) and industrial segments (28%).

- **SYRMA posted a revenue CAGR of 83% in the automotive segment over FY20-25, driven by increasing EV demand in the country. To complement the rising EV demand, the company is developing its charging infra portfolio, which could become a major growth driver for the EV space.**
- **The industrial segment posted a revenue CAGR of ~48% over FY20-25, led by increasing tailwinds from the government's initiatives in smart meters (~INR580b opportunity) and renewable energy (smart meter and solar businesses form a substantial part of the industrial segment).**
- **The company's order book size has increased to ~INR53b, with ~25-30% orders in the automotive sector and ~28-30% orders in the industrial sector as of Mar'25 (vs. INR45b as of FY24). Additionally, in response to its lack of presence in the western region, the company has initiated a new manufacturing facility in Pune, which will largely focus on the automotive and industrial sectors.**

Riding the EV wave with a focus on charging infra and automotive

- The automotive segment, which contributed **~22%** of total sales in FY25, has seen a revenue CAGR of **83%** over FY20-25. The EV business, which includes Battery Management System (BMS) and Motor Control Unit (MCU), constitutes a significant part of the automotive segment and has experienced higher growth. Additionally, this business accrues higher margins compared to the Internal Combustion Engine (ICE) segment.
- Another segment in the EV business is the EV charging infrastructure, which currently contributes less to revenue and is still in its nascent stage. However, it is expected to grow rapidly and become a significant driver of future growth. **The company is actively onboarding new customers in the charging infra space to capitalize on this emerging opportunity.**
- As of Mar'25, the company's order book stood at ~INR53b, with **~25-30% of orders coming from the automotive segment,** reflecting the company's growing focus on the segment.
- SYRMA's increased focus is also driven by the growing adoption of EVs, with the number of EVs sold in the country rising to 1.67m in FY24 from 1.17m in FY23 (up 43%). The sale of electric four wheelers (4W) rose to 90,432 units from 47,499 units (up 90%).
- According to industry reports, India's EV market is expected to reach USD48.6b by 2030, driven by surging demand, particularly in the two-wheeler (2W) and three-wheeler (3W) segments.
- However, EV charging infrastructure in India is still in its nascent stage. As of the beginning of CY23, India had ~5.3k public EV charging stations. With ~2.2m EVs on the road, the ratio of EVs to public chargers in India was about 1:400.
- According to CII, India needs to achieve a 1:40 ratio of charging infra to EVs, which means installing more than 0.4m chargers annually to reach a total of 1.3m chargers by CY30 across the country. **This reflects a significant opportunity for SYRMA in this space.**

Capitalizing on India's smart metering and clean energy push

- The company's industrial segment posted a revenue CAGR of ~**48%** over FY20-25, led by increasing tailwinds from the government's initiatives in smart meters and renewable energy **(smart meter and solar businesses form a substantial part of the industrial segment).**
- India is pushing forward with an ambitious plan to install 250m smart meters, presenting an INR750b opportunity for the energy sector.
- As of 15th May'25, the government has sanctioned ~222m smart meters, of which only ~142m **(~64%)** have been awarded to companies. This leaves an opportunity of ~80m **(~36%)** smart meters yet to be awarded. Of the awarded smart meters, ~29m meters **(20% of awarded)** have been installed, leaving a significant business opportunity of ~INR580b, i.e. ~193.3m meters at a price of ~INR3,000 per meter (refer to Exhibit 11).
- **As of Mar'25, the industrial segment makes up ~28-30% of the company's order book (~INR53b), which sees significant traction in the smart metering business.**
- In addition to smart meters in the industrial segment, SYRMA is also actively working to develop the solar and renewable business, which includes solar inverters, solar trackers, and solar controllers.
- In Aug'22, India submitted an NDC to the UN Framework Convention, committing to reduce the emissions intensity by 45% by CY30 (compared to CY05 levels) and achieve 50% of cumulative electricity power from non-fossil fuel sources by CY30. In addition, the country has increased its target for installed non-fossil energy capacity to 500GW by CY30 and 1,800GW by CY47.
- **We expect the industrial segment to post a revenue CAGR of ~34% over FY25-27, led by increasing tailwinds for the smart meters and solar segments.**
- **With increasing traction in the automotive and industrial segments, the company is also onboarding new clients in these areas. The company anticipates that these clients will yield revenue of ~INR2b in FY26, with further growth expected by FY27.**

Increasing capex fueled by rising order book size and industry demand

- As the company continues to prioritize growth in the automotive and industrial segments, it has operationalized a new manufacturing facility in Pune (Oct'24), which will largely focus on these segments. This will help the company establish its presence in the western region as well as strengthen its Printed Circuit Board Assembly (PCBA) capabilities. The new campus spans 26.5 acres of land and will feature a manufacturing area of 1.2m sq. ft. at its peak capacity.
- With rising demand in the automotive and industrial sectors and Pune being a key hub for the automotive and industrial segments, the facility is strategically located to help the company gain healthy traction in terms of client addition and order flows.
- Although SYRMA's asset turnover was ~5.5x in FY25, the company is confident that it will increase to the range of **6x-7x** as the Pune facility ramps up, resulting in improved operating margins and revenue mix.

- SYRMA has installed two lines at the facility so far and may proceed with brownfield expansion as needed. The company has already spent INR1.8b in capex during FY25, primarily focused on building the new facility in Pune.

Valuation and view

- SYRMA is expected to significantly benefit from the gradual shift in business to the automotive and industrial segments, led by increasing demand in the EV space (automotive) as well as smart meters and solar products (industrial), aided by healthy margins across these segments.
- Moving forward, we expect SYRMA to report robust earnings growth on the back of: 1) ample revenue visibility led by healthy order book and strong order inflows; 2) faster execution capabilities due to the expansion of manufacturing capabilities; and 3) high growth in end-user industries.
- We estimate SYRMA to post a CAGR of 32%/34%/46% in revenue/EBITDA/Adj. PAT over FY25-27.

21 May 2025

4QFY25 Results Update | Sector: Staffing

TeamLease

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	TEAM IN
Equity Shares (m)	17
M.Cap.(INRb)/(USDb)	33.4 / 0.4
52-Week Range (INR)	3700 / 1641
1, 6, 12 Rel. Per (%)	4/-33/-52
12M Avg Val (INR M)	140

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	111.6	130.3	150.2
EBIT Margin (%)	0.8	1.1	1.2
Adj. PAT	1.1	1.8	2.0
EPS (INR)	64.9	105.4	118.7
EPS Gr. (%)	0.1	62.4	12.6
BV/Sh. (INR)	539.8	643.8	760.9
Ratios			
RoE (%)	12.7	17.6	16.7
RoCE (%)	11.4	14.9	14.5
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	30.7	18.9	16.8
P/BV (x)	3.7	3.1	2.6
EV/EBITDA (x)	25.2	17.5	14.6
Div Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	31.6	31.6	31.6
DII	47.6	37.1	34.1
FII	11.1	21.9	27.1
Others	9.7	9.4	7.3

FII Includes depository receipts

CMP: INR1,992 TP: INR2,300 (+15%) Buy

Soft quarter, selective strength

BFSI and IT drag offset by growth in EdTech, telecom, and GCCs

- TeamLease (TEAM)'s 4QFY25 revenue growth of 17% was in line with our estimate of +16% YoY. General Staffing declined by 4% QoQ, while specialized staffing/HR services grew 7%/44% QoQ. EBITDA margin of 1.7% was ahead of our expectation of 1.5%. EBITDA grew by 37% QoQ, backed by catch-up billing in Edtech and inorganic contribution. Adj. PAT at INR380m was up 38% YoY/34% QoQ. For FY25, adj. PAT stood at INR1,100m. The company's revenue/EBITDA/PAT grew 20%/6%/2% YoY in FY25. We expect revenue/EBITDA/PAT to grow 17%/54%/57% YoY (due to low base) in 1QFY26. **We reiterate our BUY rating with a TP of INR3,200.**

Our view: BFSI headwinds largely behind

- **General staffing's 4QFY25 performance was subdued, with a 4% QoQ decline, impacted by scheduled BFSI ramp-down.** Growth in consumer durables, telecom, and e-commerce supported the addition of 25,000 associates during FY25, with 37% sourced from new clients. BFSI remained mixed through the year, but we believe the insourcing impact from the RBI circular is largely behind. While PAPM declined modestly by INR5 QoQ, we believe a diversified client portfolio and variable mark-up structure (71% of contracts) should help TEAM sustain realizations.
- **Specialized staffing continues to face IT hiring challenges, with softer demand likely in early FY26; however, GCCs remain a strong growth driver.** With GCCs representing 60% of segment revenue, and supported by the Ikigai acquisition, we believe PAPM gains in this segment reflect improving value-chain positioning.
- **HR services showed sharp profit recovery in 4Q, driven by EdTech catch-up billing and integration of TSR Darashaw and Crystal HR, which we believe will support margin stability going forward.** The company targets 20-25% revenue growth and 5-6% EBITDA margins in EdTech in FY26.
- Overall, while near-term pressures persist, the company's focus on high-margin clients and operational efficiencies should drive a gradual margin recovery. We estimate EBITDA margins to improve to 1.5%/1.6% in FY26/FY27E.

Valuation and revisions to our estimates

- We remain positive on the medium- to long-term opportunities owing to gains from the formalization of the labor market. We cut our FY26/FY27 estimates by ~4%/6%, reflecting a mixed 4Q performance and expected softness in General Staffing due to subdued BFSI hiring (~22% of revenue). **We reiterate our BUY rating with a TP of INR2,300 (19x FY27E EPS).**

In-line revenue and beat on margins; 107 new logos secured

- **Revenue declined 2% QoQ but grew 17% YoY, broadly in line with our estimate of 16% YoY growth. For FY25, revenue stood at INR112b, up 20% YoY.**
- **General Staffing declined by 4% QoQ, while specialized staffing/HR services grew 7%/44% QoQ.**
- **General Staffing associates declined 2% QoQ to ~292k. Specialized Staffing's headcount was down by 80 (-1% QoQ). GCCs now account for 60% of the total Specialized Staffing revenue and 40% of the headcount. At the group level, there was a net impact of ~7k headcount on account of scheduled BFSI headcount attrition.**
- **EBITDA margin of 1.7% was ahead of our expectation of 1.5%. EBITDA grew by 37% QoQ, backed by catch-up billing in Edtech and inorganic contribution.**
- **107 new logos were added during the quarter.**
- **Adj. PAT at INR380m was up 38% YoY/34% QoQ. For FY25, adj. PAT stood at INR1,100m.**

Key highlights from the management commentary

- 1HFY25 saw broad-based growth, while 2H was hampered by sectoral headwinds. TEAM is well-positioned for cost optimization and growth in FY26.
- 4QFY25 was more of a period of consolidation than expansion. At the group level, there was a net reduction of ~7K headcount, primarily due to scheduled BFSI attrition following regulatory changes. This impacted EBITDA by ~INR15m.
- **In General Staffing**, BFSI was a mixed bag in FY25; hiring slowed down. Credit card issuers saw some decline, resulting in a downstream impact.
- E-commerce and quick commerce sectors remained positive. Telecom (ISPs, equipment manufacturers) showed growth among service providers.
- E-commerce exposure is ~10% of headcount. In quick commerce, the company is involved with workforce in dark stores; attrition is 70% per month.
- Consumer durables and retail registered growth due to increasing formalization in the sector.
- **In Specialized Staffing**, the IT hiring landscape continues to face macro challenges. There are delays in closing open positions, though high-level tech roles are still in demand.
- Demand continues in BFSI and high-tech sectors. The BOT model has enabled value-chain progression.

Valuation and view

- As both the central and state governments look to liberalize and formalize the labor market, TEAM should be among the biggest direct beneficiaries in the medium term.
- We cut our FY26/FY27 estimates by ~4/6%, reflecting a mixed 4Q performance and expected softness in General Staffing due to subdued BFSI hiring (~22% of revenue). **We reiterate our BUY rating with a TP of INR2,300 (19x FY27E EPS).**

Consolidated Quarterly Performance (INR M)

	FY24				FY25				FY24	FY25	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY25	(% / bp)
Revenue	**21,716**	**22,726**	**24,454**	**24,320**	**25,799**	**27,968**	**29,213**	**28,579**	**93,215**	**1,11,559**	**28,226**	**1%**
YoY Change (%)	16%	16%	22%	20%	19%	23%	19%	18%	18%	20%	16%	
Total Expenditure	21,453	22,409	24,093	23,953	25,576	27,634	28,864	28,104	91,907	1,10,178	27,794	1%
Reported EBITDA	**263**	**318**	**361**	**367**	**223**	**335**	**349**	**475**	**1,308**	**1,381**	**432**	**10%**
Margins (%)	1.2%	1.4%	1.5%	1.5%	0.9%	1.2%	1.2%	1.7%	1.4%	1.2%	1.5%	13bp
Reported EBIT	**138**	**188**	**225**	**231**	**91**	**196**	**216**	**341**	**783**	**844**	**294**	**16%**
Margins (%)	0.6%	0.8%	0.9%	0.9%	0.4%	0.7%	0.7%	1.2%	0.8%	0.8%	1.0%	15bp
Interest	21	25	31	26	30	44	32	42	102	148	32	30%
Other Income	140	130	100	90	141	107	102	97	461	447	100	-3%
PBT before EO expense	**258**	**294**	**294**	**295**	**202**	**259**	**286**	**397**	**1,141**	**1,144**	**362**	**10%**
Extra-Ord expense	0	0	-35	0	0	0	0	0	-35	0	0	
Reported PBT	**258**	**294**	**329**	**295**	**202**	**259**	**286**	**397**	**1,176**	**1,144**	**362**	**10%**
Tax	1	18	18	14	8	11	2	20	51	40	12	
Rate (%)	0%	6%	6%	5%	4%	4%	1%	5%	4%	4%	3%	150bp
Adjusted PAT	**258**	**276**	**275**	**274**	**194**	**249**	**284**	**379**	**1,082**	**1,105**	**349**	**8%**
YoY Change (%)	-3%	-13%	-5%	12%	-25%	-10%	3%	38%	-3%	2%	28%	1076bp
Margins (%)	1.2%	1.2%	1.1%	1.1%	0.8%	0.9%	1.0%	1.3%	1.2%	1.0%	1.2%	9bp
Reported PAT	**258**	**276**	**310**	**274**	**194**	**249**	**284**	**379**	**1,118**	**1,105**	**349**	**8%**
YoY Change (%)	-3%	-13%	7%	3%	-25%	-10%	-8%	38%	-2%	-1%	28%	1076bp
Margins (%)	1.2%	1.2%	1.3%	1.1%	0.8%	0.9%	1.0%	1.3%	1.2%	1.0%	1.2%	9bp

Key Performance Indicators

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Headcount										
General staffing associates	2,36,900	2,51,150	2,58,500	2,67,000	2,82,450	2,98,300	2,99,600	2,92,150	2,67,000	2,92,150
Apprentices	42,600	42,100	43,150	44,800	42,350	45,270	47,200	47,300	44,800	47,300
Specialised staffing	8,320	8,375	7,600	7,230	6,900	6,670	6,700	6,620	7,230	6,620
Revenue										
General staffing	20,024	20,910	22,553	22,419	24,139	26,094	27,207	26,230	85,906	1,03,669
Specialised staffing	1,398	1,443	1,580	1,465	1,446	1,425	1,472	1,581	5,886	5,924
Other HR Services	294	373	320	436	214	450	533	768	1,423	1,965
Operating Margins										
General staffing	1.2	1.2	1.2	1.2	0.9	0.9	1.0	1.0	1.2	1.0
Specialised staffing	6.2	6.2	6.4	6.6	6.0	7.5	7.4	7.0	6.4	7.0
Other HR Services	(8.9)	3.8	3.8	6.0	(44.8)	(1.8)	(2.9)	19.0	1.9	1.3

Aviation

Air traffic slows down MoM in Apr'25; IndiGo's share flat

** AIX Connect merged with Air India Express.*
*** Air India data includes Air India Express.*
**** Vistara data only up to 11th Nov'24. Effective 12th Nov, Vistara merged with Air India.*

- **Domestic air passenger (PAX) traffic declined ~2% MoM in Apr'25 to 14.3m (up 8% YoY). It was above pre-COVID levels. Passenger growth decreased for IndiGo and Akasa, whereas it increased for Air India (AI) and SpiceJet MoM.**
- **Average domestic Passenger Load Factor (PLF) increased 240bp MoM in Apr'25. PLF rose MoM for all airlines. On-Time Performance (OTP) decreased 840bp MoM for airlines; the domestic average was 70.4% in Apr'25. The cancellation rate increased 18bp to 0.6% in Apr'25.**
- **IndiGo's market share improved following the collapse of GoFirst, which ceased operations in May'23. IndiGo has maintained over 60% share since then.**

India's domestic air PAX and market share

- India's domestic air PAX decreased 2% MoM (increased 8% YoY) to 14.3m in Apr'25. Domestic PAX stood at 9.2m for IndiGo (up 15% YoY), 3.9m for the AI group (down 1% YoY), 0.7m for Akasa (up 23% YoY), and 0.4m for SpiceJet (down 39% YoY).
- Domestic market share stood at 64.1% for IndiGo (up 350bp YoY), 27.2% for the AI group (down 270bp YoY), 5% for Akasa (up 60bp YoY), and 2.6% for SpiceJet (down 200bp YoY).

Domestic industry's PLF and OTP

- Domestic PLF stood at 77.6% in Apr'25 (75.2% in Mar'25 and 70.4% in Apr'24). PLF stood at 86.9% for IndiGo (down 30bp YoY), 83.3% for the AI group (down 100bp YoY), 93% for Akasa (up 510bp YoY), and 86% for SpiceJet (down 490bp YoY).
- The average OTP for domestic airlines at the top six airports was at 70.4%. OTP stood at 80% for IndiGo, 74.2% for the AI group, 77.5% for Akasa, and 60% for SpiceJet.

Other highlights

- The Air Turbine Fuel (ATF) price for May'25 stands at INR85,487/klit (down 16% YoY/up 4% MoM). For 1QFY26'TD, the price stood at INR87,464/klit, while for 4QFY25, it stood at INR93,767/klit (down 7% QoQ and down 12% YoY).
- Brent crude average for the first 15 days of May'25 stood at USD59.4/bbl (average of USD63/bbl in Apr'25 and USD75.8/bbl in 4QFY25).

ONGC

BSE SENSEX	S&P CNX
81,597	24,813

CMP: INR250 — Buy

EBITDAX beats estimates; high DDA drags PAT

- ONGC's 4QFY25 revenue came in 7% above our est. at INR350b.
  - Crude oil/gas sales were above our est. at 4.8mmt/3.9bcm. VAP sales stood at 645tmt (est. 696tmt).
  - Reported oil realization was USD73.7/bbl, at a USD3.1/bb discount to Brent during the quarter.
  - While crude oil production was flat QoQ/YoY, natural gas production was at similar levels QoQ but declined 6% YoY.
- EBITDAX also stood 5% above our est. at INR190b (up 9% YoY), while PAT of INR64.5b was 22% below our est.
  - Higher-than-estimated DDA, dry well write-offs, and survey costs, along with lower-than-estimated other income, led to a miss on PAT.
  - Its 4QFY25 financial performance was also impacted by an FX gain of INR130m.
- **In FY25**, ONGC's net sales/EBITDA remained at similar levels YoY, while PAT was down 11% YoY.
- The Board has recommended a final dividend of INR1.25/share (FV: INR5/share; total dividend for FY25: INR12.25/sh).
- **ONGC Videsh Limited**
  - OVL's oil production was at a similar level YoY at 1.79mmt, while gas production was 0.8bcm (-5% YoY).
  - Crude oil sales stood at 1.18mmt (marginally down YoY), while gas sales came in at 0.39cm (-12% YoY).
  - OVL's revenue was INR30.3b (similar YoY), and PBDT stood at INR12.6b (-35% YoY).

Analyst Meet Details

Date: 22 May'25
Time: 1530 hours IST
Call details:
1800 890 6980
1800 121 4250

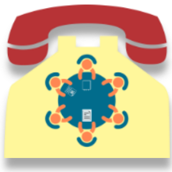
Standalone - Quarterly Earning Model (INR b)

Y/E March	FY24				FY25					Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE	(%)	(%)	(%)
Net Sales	**338.1**	**351.6**	**347.9**	**346.4**	**352.7**	**338.8**	**337.2**	**349.8**	**328.1**	**7%**	**1%**	**4%**
YoY Change (%)	*-20.1*	*0.0*	*-9.8*	*-4.6*	*4.3*	*-3.6*	*-3.1*	*1.0*	*-5.3*			
EBITDAX	**194.5**	**188.1**	**171.6**	**174.1**	**186.2**	**182.4**	**190.6**	**190.1**	**180.2**	**5%**	**9%**	**0%**
Margin (%)	*57.5*	*53.5*	*49.3*	*50.3*	*52.8*	*53.8*	*56.5*	*54.3*	*54.9*			
Depreciation	67.0	59.6	69.3	71.9	75.4	68.1	87.0	111.3	82.8			
Interest	10.1	10.2	10.2	10.3	11.8	11.6	10.7	11.9	11.9			
Other Income	16.1	20.9	34.0	36.8	20.6	47.7	17.2	20.7	24.7			
PBT	**133.6**	**163.6**	**126.1**	**128.6**	**119.6**	**150.4**	**110.0**	**87.7**	**110.2**	**-20%**	**-32%**	**-20%**
Tax	33.5	32.6	27.2	29.9	30.2	30.5	27.6	23.2	27.7			
Rate (%)	*25.0*	*21.6*	*21.6*	*23.3*	*25.2*	*20.3*	*25.1*	*26.5*	*25.2*			
Reported PAT	**100.2**	**128.3**	**98.9**	**98.7**	**89.4**	**119.8**	**82.4**	**64.5**	**82.5**	**-22%**	**-35%**	**-22%**
Adj. PAT	**100.2**	**128.3**	**98.9**	**98.7**	**89.4**	**119.8**	**82.4**	**64.5**	**82.5**	**-22%**	**-35%**	**-22%**
YoY Change (%)	*-34.1*	*0.0*	*-10.4*	*41.9*	*-10.8*	*-6.6*	*-16.7*	*-34.7*	*-16.4*			
Margin (%)	*29.6*	*33.5*	*28.4*	*28.5*	*25.3*	*35.4*	*24.4*	*18.4*	*25.1*			
Key Assumptions (USD/bbl)												
Oil Realization	76.5	95.5	81.1	80.8	83.1	78.3	72.6	73.7	76.1	-3%	-9%	2%
Crude oil sold (mmt)	4.7	4.7	4.7	4.7	4.6	4.6	4.7	4.8	4.5	7%	3%	3%
Gas sold (bcm)	4.1	4.0	4.0	3.8	3.8	3.9	3.9	3.9	3.6	7%	2%	-1%
VAP sold (tmt)	589.0	651.0	573.0	622.0	629.0	608.0	649.0	645.0	695.6	-7%	4%	-1%

Colgate

BSE SENSEX	S&P CNX
81,597	24,813

Conference Call Details



Date: 22nd May 2025
Time: 11:00 AM
Dial-in details:
+91 22 6280 1313 /
+91 22 7115 8214
[Webcast link]

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	60.4	65.1	69.8
Sales Gr. (%)	6.3	7.8	7.3
EBITDA	19.6	21.5	23.2
EBITDA mrg. (%)	32.4	33.1	33.3
Adj. PAT	14.0	15.4	16.6
Adj. EPS (INR)	51.4	56.7	61.1
EPS Gr. (%)	4.4	10.4	7.8
BV/Sh.(INR)	61.2	61.9	62.1
Ratios			
RoE (%)	79.0	92.2	98.6
RoCE (%)	77.6	91.9	98.3
Payout (%)	99.3	98.7	99.8
Valuation			
P/E (x)	51.8	46.9	43.5
P/BV (x)	43.5	43.0	42.9
EV/EBITDA (x)	36.4	33.1	30.7
Div. Yield (%)	1.9	2.1	2.3

CMP: INR2,660

Revenue dips 2% YoY; miss on all fronts

- Colgate's sales declined 2% YoY to INR14.6b (est. INR15.5b) in 4QFY25. Sales were hit by the soft urban demand and intensified competition.
- Revenue declined after 31 quarters (except for the Covid period). The last four quarters clocked a 10% YoY average growth.
- We believe that the toothpaste volume declined in the low single digits (est. 3%).
- Gross margin expanded 130bp YoY to 70.6% (est. 69.9%). Gross profit was flat YoY.
- Ad spending, employee expenses, and other expenses rose 7% each and adversely impacted the EBITDA performance.
- EBITDA dipped 6% YoY to INR5.0b (est. INR5.4).
- EBITDA margin contracted ~170bp YoY to 34.1% (est. 34.7%).
- PBT declined 7% YoY to INR4.8b (est. INR5.2b).
- APAT dipped 7% YoY to INR3.6b (est. INR3.9b).
- In FY25, net sales/EBITDA/APAT grew 6%/3%/4%.

Other key highlights

- The company relaunched the Colgate Strong Teeth toothpaste.
- It also introduced the Colgate Total Plaque Release toothpaste during the quarter.

Quarterly Performance (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Volume Gr %	3.0	-1.0	-1.0	1.0	7.0	8.0	4.0	-2.0	0.5	4.3	3.0	
Net Sales (incldg. OOI)	13,237	14,711	13,957	14,900	14,967	16,191	14,618	14,625	56,804	60,402	15,488	-5.6%
YoY change (%)	10.6	6.0	8.1	10.3	13.1	10.1	4.7	-1.8	8.7	6.3	*3.9*	
Gross Profit	9,058	10,117	10,073	10,327	10,574	11,098	10,220	10,327	39,574	42,219	10,749	-3.9%
Gross margin (%)	68.4	68.8	72.2	69.3	70.6	68.5	69.9	70.6	69.7	69.9	*69.4*	
EBITDA	4,181	4,821	4,684	5,322	5,083	4,974	4,544	4,980	19,008	19,581	5,372	-7.3%
Margins (%)	31.6	32.8	33.6	35.7	34.0	30.7	31.1	34.1	33.5	32.4	*34.7*	
YoY growth (%)	28.4	18.2	29.6	17.8	21.6	3.2	-3.0	-6.4	22.9	3.0	*0.9*	
Depreciation	438	443	414	421	415	417	411	384	1,715	1,627	409	
Interest	11	11	15	14	10	12	11	11	50	43	22	
Financial other Income	150	210	179	227	234	195	204	191	765	824	251	
PBT	3,883	4,578	4,434	5,114	4,893	4,740	4,325	4,776	18,008	18,734	5,191	-8.0%
Tax	951	1,178	1,133	1,315	1,253	1,354	1,097	1,226	4,577	4,930	1,258	
Rate (%)	24.5	25.7	25.6	25.7	25.6	28.6	25.4	25.7	25.4	26.3	*24.2*	
Adj PAT	2,883	3,401	3,301	3,798	3,640	3,555	3,228	3,550	13,383	13,973	3,933	-9.7%
YoY change (%)	33.1	22.3	35.7	19.6	26.2	4.6	-2.2	-6.5	26.8	4.4	*3.6*	
Reported PAT	2,737	3,401	3,301	3,798	3,640	3,951	3,228	3,550	13,237	14,368	3,933	

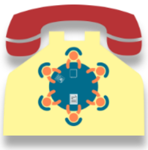
E: MOFSL Estimates

Oil India

BSE SENSEX	S&P CNX
81,597	24,813

CMP: INR426 **Buy**

Investors' and Analysts' Meet details



Date: 28 May'25
Time: 4:00pm IST
Venue: The Imperial Hall, The St. Regis, Mumbai

EBITDA in line; PAT beat driven by lower DDA and taxes

- Revenue came in 7% above our estimate at INR55.2b (flat YoY), as both oil and gas sales stood above our est.
  - Oil sales came in at 0.85mmt (our estimate of 0.83mmt). Gas sales stood at 0.67bcm (our estimate of 0.65bcm).
  - Oil and gas production stood flat YoY at 844mmt/806bcm in 4Q.
  - Oil realization was USD74.9/bbl (our estimate of USD75.9/bbl).
- EBITDA came in line with our estimate at INR19.8b (-15% YoY), as other expenses came in above our est.
- However, reported PAT was 16% above our estimate at INR15.9b due to higher-than-expected other income and lower-than-expected finance cost, DDA, and tax rate.
- **Numaligarh refinery 4Q performance:**
  - PAT stood at INR6.2b (vs. PAT of INR6.4b during 4QFY24), as GRM stood at USD9.3/bbl.
  - Crude throughput stood at 809.7tmt (similar YoY) and distillate yield stood at 88% (vs.89% in 4QFY24).
- **In FY25**, net sales and EBITDA were similar YoY, while APAT declined 14% YoY.
- In FY25, the company incurred a capex of INR84.7b.
- The Board has recommended a final dividend of INR1.5/share (FV: INR10/ share, interim dividend in FY25: INR10/sh).

Standalone Quarterly Performance (INR m)

Y/E March	FY24				FY25				4QE	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		(%)	(%)	(%)
Net Sales	**46,447**	**59,133**	**58,150**	**57,567**	**58,397**	**55,190**	**52,397**	**55,189**	**51,734**	**7%**	**-4%**	**5%**
Change (%)	*-22.1*	*2.4*	*-1.1*	*2.0*	*25.7*	*-6.7*	*-9.9*	*-4.1*	*-10.1*			
EBITDA	**23,289**	**24,885**	**21,058**	**23,357**	**24,660**	**21,832**	**21,327**	**19,842**	**19,977**	**-1%**	**-15%**	**-7%**
% of Net Sales	*50.1*	*42.1*	*36.2*	*40.6*	*42.2*	*39.6*	*40.7*	*36.0*	*38.6*			
Change (%)	*-11.5*	*34.6*	*-26.2*	*-0.5*	*5.9*	*-12.3*	*1.3*	*-15.0*	*-14.5*			
D,D&A	3,974	4,234	4,992	4,551	4,558	5,036	5,268	4,325	5,111			
Interest	1,659	2,235	1,814	1,893	1,970	2,299	2,442	1,952	2,249			
OI (incl. Oper. other inc.)	3,341	7,092	5,080	8,332	1,617	8,556	1,886	6,639	5,750			
PBT before exceptional	**20,997**	**25,509**	**19,331**	**25,244**	**19,750**	**23,054**	**15,503**	**20,203**	**18,367**	**10%**	**-20%**	**30%**
Exceptional item	0	23,627	0	0	0	0	0	0	0			
PBT after exceptional	**20,997**	**1,882**	**19,331**	**25,244**	**19,750**	**23,054**	**15,503**	**20,203**	**18,367**	**10%**	**-20%**	**30%**
Tax	4,863	-1,372	3,489	4,956	5,082	4,713	3,285	4,288	4,663			
Rate (%)	*23.2*	*-5.4*	*18.0*	*19.6*	*25.7*	*20.4*	*21.2*	*21.2*	*25.4*			
PAT	**16,134**	**3,253**	**15,843**	**20,288**	**14,668**	**18,341**	**12,218**	**15,915**	**13,704**	**16%**	**-22%**	**30%**
Change (%)	*3.7*	*-81.1*	*-9.3*	*13.5*	*-9.1*	*463.8*	*-22.9*	*-21.6*	*-32.5*			
Adj. PAT	**16,134**	**19,088**	**15,843**	**20,288**	**14,668**	**18,341**	**12,218**	**15,915**	**13,704**	**16%**	**-22%**	**30%**
Change (%)	*3.7*	*10.9*	*-9.3*	*13.5*	*-9.1*	*-3.9*	*-22.9*	*-21.6*	*-32.5*			
Key Assumptions (USD/bbl)												
Gross Oil Realization	74.3	75.5	74.3	78.8	74.6	73.9	73.8	74.5	75.9	-2%	-5%	1%
Oil sales (mmt)	0.75	0.85	0.85	0.84	0.83	0.84	0.83	0.85	0.79	7%	1%	3%
Gas sales (bcm)	0.54	0.65	0.68	0.65	0.68	0.65	0.68	0.67	0.65	3%	2%	-2%
Net Oil Realization	**74.3**	**75.5**	**74.3**	**78.8**	**74.6**	**73.9**	**73.8**	**74.5**	**75.9**	-2%	-5%	1%

Nalco

BSE SENSEX	S&P CNX
81,597	24,813

CMP: INR182 — Neutral

Conference Call Details

Date: 22 May 2025
Time: 11:00 am IST
[Zoom Meeting Link]
Meeting ID:
953 3029 3738
Passcode:
5945

Beat on all fronts, fueled by favorable pricing and operating efficiency

Highlights of the 4Q consolidated performance:

- Revenue stood at INR52.7b (+47% YoY and +13% QoQ) vs. our est. of INR43.6b, driven by strong aluminum and alumina prices.
- Consolidated EBITDA stood at INR27.5b (+149% YoY and +18% QoQ) vs. our est. of INR19.1b. This growth was driven by improved efficiency and momentum in expansion projects. EBITDA margin stood at 52.3% in 4QFY25 vs. 49.9% in 3QFY25 and 30.9% in 4QFY24.
- APAT for the quarter stood at INR20.7b (+205% YoY and +32% QoQ) vs. our est. of INR12.7b.
- For FY25, revenue grew 28% YoY to INR168b, EBITDA jumped 163% YoY to INR76b, and APAT surged 165% YoY to INR53b. The company achieved bauxite excavation of 7.648mt and domestic metal sales of 0.455mt in FY25.
- In FY25, NACL declared a final dividend of INR4/share, totaling INR8/share.

Chemical business performance:

- Revenue from the chemicals business came in at INR25b, up 1% QoQ and 60% YoY, in 4QFY25.
- EBIT stood at INR13.2b (+152% YoY and +3% QoQ) in 4QFY25

Aluminum business performance:

- Revenue from the aluminum business stood at INR32.5b, up 25% QoQ and 33% YoY in 4QFY25.
- EBIT for the vertical stood at INR14.3b, up 206% YoY and 51% QoQ in 4QFY25.

Nalco's consolidated quarterly performance (INR m)

Quarterly performance — INR m

Y/E March	FY24				FY25				FY24	FY25	FY25	vs. Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**31,784**	**30,434**	**33,469**	**35,791**	**28,561**	**40,015**	**46,622**	**52,678**	**1,31,477**	**1,67,876**	**43,649**	**20.7**
Change (YoY %)	-16.0	-12.8	1.7	-2.5	-10.1	31.5	39.3	47.2	-7.6	27.7		
Change (QoQ %)	-13.4	-4.2	10.0	6.9	-20.2	40.1	16.5	13.0				
Total Expenditure	25,840	26,469	25,738	24,715	19,219	24,525	23,347	25,140	1,02,762	92,230		
EBITDA	**5,943**	**3,965**	**7,731**	**11,075**	**9,342**	**15,490**	**23,275**	**27,539**	**28,715**	**75,646**	**19,135**	**43.9**
Change (YoY %)	-31.6	18.6	68.2	44.5	57.2	290.7	201.1	148.7	18.2	163.4		
Change (QoQ %)	-22.5	-33.3	95.0	43.3	-15.6	65.8	50.3	18.3				
Interest	23	40	21	89	34	44	191	321	172	590		
Depreciation	1,697	1,862	1,538	2,400	1,743	1,798	2,857	878	7,497	7,276		
Other Income	485	686	510	840	605	718	991	1,256	2,521	3,570		
PBT (before EO)	**4,709**	**2,750**	**6,682**	**9,427**	**8,170**	**14,366**	**21,219**	**27,596**	**23,568**	**71,351**	**17,679**	**56.1**
EO (income) /exp	0	0	0	4,268	0	0	0	0	4,268	0		
PBT (after EO)	**4,709**	**2,750**	**6,682**	**13,695**	**8,170**	**14,366**	**21,219**	**27,596**	**27,836**	**71,351**		
Total Tax	1,215	687	1,797	3,537	2,158	3,744	5,390	6,813	7,236	18,104		
% Tax	25.8	25.0	26.9	25.8	26.4	26.1	25.4	24.7	30.7	25.4		
PAT before MI and Asso.	**3,494**	**2,063**	**4,885**	**10,158**	**6,012**	**10,622**	**15,829**	**20,784**	**20,600**	**53,247**		
Sh. of Associate	-156	-189	-179	-191	-128	-162	-166	-111	-715	-567		
Reported PAT after MI and Asso.	**3,338**	**1,874**	**4,706**	**9,967**	**5,884**	**10,460**	**15,663**	**20,672**	**19,885**	**52,679**		
Adjusted PAT	**3,338**	**1,874**	**4,706**	**6,766**	**5,884**	**10,460**	**15,663**	**20,672**	**16,684**	**52,679**	**12,757**	**62.0**
Change (YoY %)	-40.2	49.4	83.6	36.7	76.3	458.3	232.8	205.5	16.3	164.9		
Change (QoQ %)	-32.6	-43.9	151.2	43.8	-13.0	77.8	49.7	32.0				

E: MOFSL Estimates

21 May 2025

Results Flash | Sector: Logistics

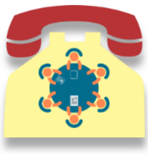
VRL Logistics

BSE SENSEX	S&P CNX
81,597	24,813

CMP: INR559 Buy

Volume growth weak; all-time high margins drive earnings beat

Conference Call Details



Date: 22nd May 2025

Time: 10:30 AM IST

Dial-in details:

Link

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	31.6	34.0	37.8
EBITDA	5.7	5.9	6.7
Adj. PAT	1.8	1.9	2.3
EBITDA Margin (%)	18.1	17.4	17.6
Adj. EPS (INR)	20.9	21.4	26.0
EPS Gr. (%)	106.5	2.2	21.7
BV/Sh. (INR)	114.0	123.4	135.5
Ratios			
Net D:E	0.4	0.2	0.1
RoE (%)	18.8	18.0	20.1
RoCE (%)	17.2	15.8	18.5
Payout (%)	71.7	56.1	53.8
Valuations			
P/E (x)	26.7	26.1	21.5
P/BV (x)	4.3	4.0	3.7
EV/EBITDA(x)	9.0	8.5	7.2
Div. Yield (%)	0.0	2.1	2.5
FCF Yield (%)	0.7	7.0	7.3

Earnings snapshot – 4QFY25

- Revenues grew 5% YoY to ~INR8.1b (-2% QoQ), in line with our estimate. Volumes declined 11% YoY to 1m tons, while realization grew by a whopping 18% YoY to INR7,944/ton, driven by a price hike implemented post-1QFY25. The company also discontinued certain low-margin agreements in 4QFY25, which impacted volume growth but also supported margins.
- EBITDA margins stood at 23.1%, against our estimate of 18.3%. The margins were supported by a price hike implemented during the end of 1QFY25. Additionally, fuel costs as a % of revenues declined, supported by an increase in procurement from refineries (from 32% in 4QFY24 to 42% in 4QFY25). Lorry hire charges as a % of revenues declined, driven by an improvement in kms run by VRL-owned vehicles.
- EBIDTA grew 77% YoY to INR 1.9b in 4QFY25 (23% above our estimate).
- Strong operating performance drove APAT up to INR743m in 4QFY25 vs INR215m in 4QFY24 (our estimate was INR527m).
- Capex incurred in 4QFY25 stood at INR480m. Net debt stood at ~INR4b in Mar'25 vs INR4.7b by the end of Dec'24.
- The Board recommended a final dividend of INR10 per equity share for FY25.
- During FY25, revenue was INR31.6b (+9% YoY), while EBITDA stood at INR5.7b (+46% YoY, EBITDA margin was 18.1%, and APAT stood at INR 1.8b (+106% YoY).

Quarterly performance

INR m

Y/E March (INR m)	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	vs Est
Net Sales	**6,742**	**7,093**	**7,367**	**7,684**	**7,272**	**7,995**	**8,252**	**8,090**	**28,886**	**31,609**	**8,299**	**(3)**
YoY Change (%)	9.7	8.4	8.1	10.1	7.9	12.7	12.0	5.3	9.1	9.4	8.0	
EBITDA	**1,019**	**918**	**944**	**1,053**	**869**	**1,331**	**1,664**	**1,866**	**3,935**	**5,730**	**1,519**	**23**
Margins (%)	15.1	12.9	12.8	13.7	11.9	16.6	20.2	23.1	13.6	18.1	18.3	
YoY Change (%)	11.7	-1.3	-8.6	-7.7	-14.7	44.9	76.3	77.1	-2.0	45.6	44.2	
Depreciation	489	522	568	583	615	638	646	638	2,162	2,536	665	
Interest	163	185	213	218	226	224	241	258	779	948	237	
Other Income	89	60	24	38	148	25	57	25	211	255	87	
PBT before EO expense	**456**	**271**	**187**	**291**	**176**	**493**	**835**	**996**	**1,205**	**2,500**	**704**	
Extra-Ord expense	0	-3	0	0	0	0	0	0	-3	0	0	
PBT	**456**	**274**	**187**	**291**	**176**	**493**	**835**	**996**	**1,208**	**2,500**	**704**	
Tax	117	77	50	76	42	135	240	253	319	670	177	
Rate (%)	25.6	28.0	26.9	26.0	23.6	27.3	28.8	25.4	26.4	26.8	25.2	
Reported PAT	**339**	**197**	**137**	**215**	**134**	**358**	**594**	**743**	**889**	**1,829**	**527**	
Adj PAT	**339**	**194**	**137**	**215**	**134**	**358**	**594**	**743**	**886**	**1,829**	**527**	**41**
YoY Change (%)	-7.5	-36.7	-63.7	-64.7	-60.4	84.4	333.9	244.6	-46.7	106.5	144.5	
Margins (%)	5.0	2.7	1.9	2.8	1.8	4.5	7.2	9.2	3.1	5.8	6.3	

Dixon Tech: Margin Expansion Of 90–100 Bps Is Doable In The Next 2 Years; Saurabh Gupta, CFO

- Expect 40-45% rev growth in FY26
- Expect 20-25bps margin expansion
- IT hardware segment will start delivering growth

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Power Finance: Co's Exposure Has Been In The Range Of ₹3,300 Cr In KSK Mahanadi; Parminder Chopra, CMD

- We are driving our growth from the distribution & renewables segment
- We saw good loan book growth
- Loan book in renewables stands @80k Cr. As of March 31,2025
- Discoms are the backbone of any power system

Read More

Fortis: Expect 50% Occupancy In Manesar Hospital By The End Of FY26; Ashutosh Raghuvanshi, MD & CEO

- We expect a 1.5% to 2% improvement in margin in FY26
- Improvement in case mix & occupancy is leading to better margin
- Oncology is expected to continue to see similar growth going forward
- ARBOP could see slight moderation due to capacity enhancement

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Max Healthcare: Acquired Lucknow Hospital Has Shown A Topline Growth Of 56%; Abhay Soi, CMD

- JP Hospitals, Delhi is yet to be fully integrated
- If occupancy of Dwarka is included, overall occupancy @77-78%
- Max Lab has grown by approx. 20%
- Max at Home has growth by 22% in current year

Read More

Zydus Wellness: Will Get To 17-18% Margin In 2 Years; Tarun Arora, CEO

- Expect continued double-digit growth journey in FY26
- We expect early-teen or higher growth in FY26
- Personal care brands are doing well
- 25%-30% CAGR for RiteBite is sustainable, grew over 40-50% in the last few months

Read More

Nazara Tech: Will Have ₹700 Cr Of Cash On Balancesheet; Nitish Mittersain, Joint MD & CEO

- Acquired UK-based curve games for INR247 Cr.
- Curve group is a London-based video game publisher
- Focused on console & PC platforms, including PlayStation, Xbox, Steam & Switch
- Subsidiary fuse-box games partners with Banijay Rights for global launch of Big Brother

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Solar Industries: Demand For Our Defence Products Will Go Up Post Operation Sindoor; Manish Nuwal, MD & CEO

- Defence OB @15k Cr.
- Expecting emergency procurement orders to flow in soon
- Will invest @INR12.8k Cr. In Maharashtra over next 6-7 years
- Shall generate 1-1.2x revenue on the INR12.8k Cr. Investment in Maharashtra

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ACME Solar: Increase In Realisation & Capacity Utilisation Will Further Boost EBITDA; Nikhil Dhingra, CEO

- We have expanded capacity form 1.3 GW to 2.7 GW in FY25
- All our project commissioning are aligned with PPA signings
- We are likely to achieve 10GW target before 2030
- Current capacity contracted @INR3.50/unit

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Texmaco Rail: Co Has A Healthy Orderbook, Will Continue To Focus On Signalling Solutions; Sudipta Mukherjee, MD

- Highest supplier of rolling stocks to Indian Railways
- Company has a healthy order book
- Company will continue to focus on signaling solutions

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J Kumar Infra: Looking At Improving EBITDA Margin To 15%-16% Over The Next 6-8 Qtrs; Nalin Gupta, MD

- Hope of getting INR6k-8k Cr. Of orders
- There is a strong pipeline of orders worth INR25k Cr.
- Order book stands at over INR22k Cr. As of FY25
- Expect a topline of INR6k Cr. Or more in FY26

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Arvind Smartspaces: Booking Growth Rate Has Moderated To 15%, Down From The Earlier 25–30%; Kamal Singhal, CEO

- Growth trajectory remains the same on a long-term basis
- Mumbai will be a key pillar of growth forward
- We are planning to launch projects worth INR4k Cr. In fresh launches

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NOTES

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

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