

India Strategy



The Retail Rhapsody!

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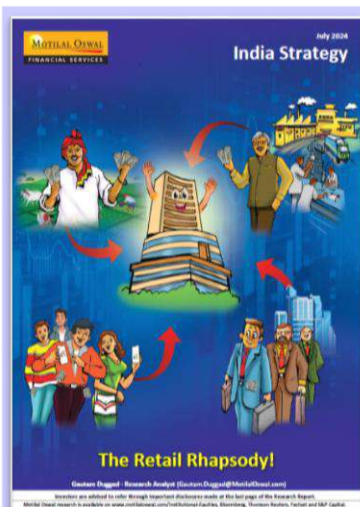
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The Retail Rhapsody!

FY25 to be the year of healthy but normalized earnings growth!

India: *The Retail Savings Pool* theme finally coming of age!

The Indian Cricket team recently emerged victorious in the ICC Men's T20 World Cup, marking its first World Cup triumph since 2011! The 13-year gap between triumphs was notably long, yet the subsequent celebrations underscore the era we are living in. Similarly, the Indian capital markets have displayed a resilient and consistently upward trend over the past three years. While numerous factors contribute to this stellar performance, we posit that the surge in Retail Investors' savings pool, particularly in Equities, stands out as a prominent driver. The influx of retail investments into equities following the pandemic has significantly altered ownership dynamics. As a proportion of the free-float of the Indian market, DII + Retail ownership increased to 62.9% in Mar'24 from 55.1% in Mar'14 and 58.7% in Mar'19. Non-institutions accounted for more than half of the cash volumes in FY24 (at 52%), up from 38% in FY14 and 49% in FY19. India's weight in the MSCI Index has gone up to ~19% now from ~7% in FY14 and ~9% in FY19. The total DII inflows in 1HCY24, at USD28.5b, exceed the full-year CY23 inflows of USD22.5b. Cumulatively, over CY22-1HCY24, the total FII flows have reached ~USD4.8b vs. USD83b of DII flows. The narrative of India's retail investors 'typically buying at the top and selling at the bottom' has been reversed. At least, in this regard, ***this time "it indeed is different"***. Even on the election results counting day (4th Jun'24), retail investors used the correction to allocate more and were the net buyers of equities. Total demat accounts have surged to 160m in Jun'24 from 36m in Mar'20. India's Mutual Fund Equity AUM has jumped to INR6.1t in Mar'20 from INR1.9t in Mar'14, and stands at INR27.7t as of May'24. All of this, coupled with solid underlying earnings performance of India Inc. (Nifty-50 profits have compounded at 23% over FY20-24, while MOFSL Universe profits have delivered 27% CAGR over the same period) has propelled India's market capitalization beyond USD5t.

Best is ahead; albeit with intermittent hiccups: As outlined in our [4QFY24 Strategy Preview report](#), India now boasts a unique combination of '***size and growth***'. With elections behind us and the return of the same Modi-led NDA dispensation and virtually the same cabinet to power, we anticipate policy continuity to drive the overall economic momentum further. There will be a sustained focus on infrastructure, capex, and manufacturing, which will occupy center stage, in our view. The forthcoming Union Budget of the new government will outline the priorities for the next five years. The much-publicized 100-day agenda will also provide a good idea about the government's policy framework in its third term. We also expect the government to strategically utilize the extra windfall from the RBI dividend to provide relief to the poorer and middle-classes and to encourage consumption ahead of the key state elections slated in Oct-Nov'24. Against this optimistic backdrop, we discuss the earnings for 1QFY25 ahead.

MOFSL Universe to report flat earnings growth, dragged down by OMCs

We estimate the MOFSL Universe earnings to remain flat and Nifty earnings to grow 4% YoY in 1QFY25. However, excluding OMCs, the MOFSL Universe and Nifty earnings are expected to grow by 11% YoY and 8% YoY, respectively. Margin tailwinds are likely to ebb due to a high base. The EBITDA margin (ex-Financials) is likely to contract 170bp YoY for the MOFSL Universe, reaching 15.8%, mainly dragged down by OMCs. Meanwhile, the margin is projected to contract 80bp for the Nifty-50 at 20.1%. The EBITDA margin (ex-Financials and O&G) is likely to remain flat/decline 30bp YoY to 19.1%/20.4% for MOFSL/Nifty. The overall earnings growth is anticipated to be driven, once again, by domestic cyclicals such as Auto (+18% YoY) and BFSI (+15% YoY), with improved contributions from Healthcare (+21% YoY) and Metals (+12% YoY). Conversely, earnings growth is likely to be weighed down by global cyclicals, such as O&G (led by OMCs), which are anticipated to decline 36% YoY, along with Cement (-15% YoY) and Spec. Chemicals (-20% YoY). The Real Estate (+37% YoY) and Retail (+14% YoY) sectors would report strong growth, while Consumers (+10% YoY), and Technology (+6% YoY) are anticipated to post moderate growth YoY. Our FY25E and FY26E Nifty EPS remain stable at INR1,134 and INR1,330, respectively. We estimate the Nifty EPS to grow 13%/17% in FY25/FY26.

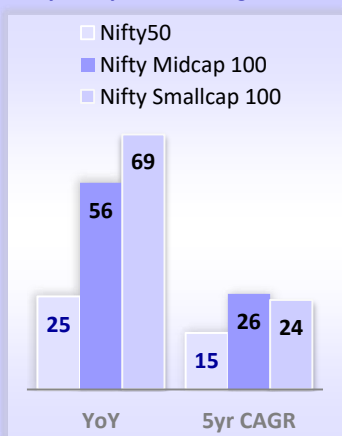
Annual earnings trend: FY25 to normalize as earnings converge with revenue growth

FY23 and FY24 experienced an interesting interplay of revenue and earnings growth, driven by global macros. In FY23, the MOFSL Universe witnessed a sharp drag on margins as commodity prices surged during the Russia-Ukraine war. This resulted in just 11% earnings growth for MOFSL Universe, despite 24% revenue growth. FY24 saw a reversal of this trend, as commodity prices moderated and margins sharply rebounded. Thus, the MOFSL Universe posted 31% earnings growth despite just 4% revenue growth. Now for FY25, we expect earnings to normalize and track the revenue trend. For FY25, we expect the MOFSL Universe to deliver 10% revenue growth and 11%/13% EBITDA/PAT growth, YoY. The Nifty-50 is expected to deliver 12% earnings growth in FY25 over a high base of FY24 (+26% YoY).

Earnings highlights – 1QFY25E | BFSI and Auto would continue to lead, while contributions from Healthcare and Metals to improve

- We predict **MOFSL earnings to remain flat, while those of Nifty** to grow 4% YoY in 1QFY25. Excluding global commodities (i.e., Metals and O&G), the MOFSL Universe and Nifty are likely to report 12% YoY and 10% YoY earnings growth, respectively, for the quarter.
- Overall, earnings growth is likely to be driven once again by domestic Cyclical, such as **BFSI** and **Auto**, while contributions from Metals and Healthcare would rise. **Banks and NBFC Lending** would mainly lead BFSI's earnings, with 14% and 17% YoY growth, respectively. The earnings growth of Private and PSU Banks, at 16% and 11% YoY, while healthy, is the lowest over ten and eight quarters, respectively. The **Auto** sector's earnings are likely to rise 18% YoY, the lowest in nine quarters; however, the sector is among the best performers within the MOFSL Coverage sectors once again.
- Sales and EBITDA of the MOFSL Universe are likely to grow 9% and 2%; while for Nifty, we expect sales and EBITDA to improve 6% and 4% YoY, respectively. Ex-OMC's, EBITDA of the MOFSL Universe/Nifty is likely to grow 11%/8% YoY.

Mid- and small-cap outperform Nifty-50 by a wide margin





- The **Healthcare** universe is likely to report strong 21% YoY earnings growth.
- The **Metals** universe is projected to report 12% YoY earnings growth on a weak 1QFY24 base.
- The **Capital Goods** sector is projected to report strong earnings growth at 24% YoY for the quarter (however, the lowest in five quarters), dragged down by L&T. Ex-L&T, the MOFSL Capital Goods Universe is likely to post 44% YoY growth.
- The **Cement** universe is expected to report a 15% YoY earnings decline. The sector is likely to clock the first quarter of earnings decline following a strong performance in the past three quarters (primarily due to a weak base).
- The **Specialty Chemicals** sector is likely to report a sharp earnings decline of 20% YoY for the fifth straight quarter.
- EBITDA margin is projected to contract 170bp YoY for the MOFSL Universe (ex-Financials) to 15.8%. Conversely, the EBITDA margin for the Nifty-50, excluding Financials, is likely to contract 80bp YoY to 20.1% during the quarter.
- The MOFSL Midcap Universe is estimated to report a 7% and 2% YoY growth in sales and EBITDA, respectively, and a 4% YoY decline in PAT. Conversely, the MOFSL Smallcap Universe is estimated to clock a growth of 9%/9%/5% YoY in Sales/EBITDA/PAT for 1QFY25. The MOFSL Largecap Universe is likely to register a sales/EBITDA/PAT growth of 10%/1%/1% YoY during the quarter.
- **Sales/EBITDA/PAT of the MOFSL Universe** are expected to report a two-year CAGR of 7%/ 14%/23% over Jun'22-Jun'24.
- **FY25E earnings highlights:** The MOFSL Universe is likely to deliver a sales/EBITDA/PAT growth of 10%/11%/13% YoY. Banks and Metals are likely to be the key earning drivers, with 35% and 17% YoY growth, respectively. These two sectors are anticipated to contribute 57% of incremental earnings for FY25.
- **Nifty EPS remains unchanged:** Our FY25/FY26E Nifty EPS remains stable at INR1,134/INR1,330. We expect the Nifty EPS to grow 13% and 17% in FY25 and FY26, respectively.

MOFSL Top Ideas: Largecaps – ICICI Bank, SBI, L&T, M&M, HCL Tech, Coal India, Titan, Mankind Pharma, CIFC and Hindalco; Midcaps and Smallcaps – Indian Hotels, Ashok Leyland, Godrej Properties, KEI Industries, PNB Housing, Cello World, Kalyan Jewelers, Persistent Systems, Angel One, Metro Brands.

Model portfolio: Key changes

Constructing a model portfolio against the backdrop of a stellar performance of the markets and the underlying expensive valuations presents a unique challenge of participating in the growth without overpaying for it. Our portfolio construction, as always, is driven by earnings growth visibility. While we continue to remain bullish on Domestic Cyclical, we are incrementally turning more constructive on Technology. Sectorally, we remain OW on PSU Banks, Consumption, Industrials, and Real Estate. We raise IT to marginal OW from UW and cut Auto from OW to UW. We also lift Healthcare to marginal OW from Neutral, while maintaining UW on Private Banks and Energy. Industrials and Capex, Consumer Discretionary, Real Estate, and PSU Banks are our key preferred investment themes. We have also made several additions from a bottom-up viewpoint across sectors.

- **FINANCIALS:** We have done marginal tinkering in weights in **NBFCs** even as we stick to our significant OW stance on PSU Banks (**SBI, BoB**), where we find valuations still attractive. We maintain our UW stance on Private Banks, where our preferred picks are **ICICI Bank and HDFC Bank**.

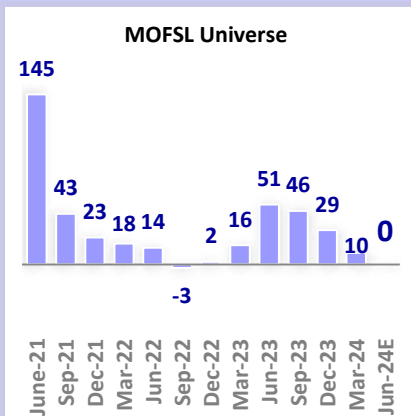
- **TECHNOLOGY:** We raise Technology to marginal **OW** from **UW**. Reasonable valuations, a low base of growth (MOFSL IT Universe earnings posted 5% CAGR over FY22-24), and under-ownership drive our preference. We continue to hold **Infosys and HCL Tech** and now add **Persistent and LTTS** to the portfolio. We expect Persistent to be the fastest-growing company within our coverage universe over the next 2-3 years. It is also well-positioned to capitalize on predictive GenAI spending, particularly, in data engineering. We expect LTTS to register consistent revenue growth over the next three years, led by diversified vertical exposure and best-in-class execution. LTTS is in the pole position to benefit from increased outsourcing activity in ER&D space over the medium to long term.
- **CONSUMPTION:** We continue to remain **OW** on Consumption, with a significant bias towards discretionary consumption names. **In Staples, we are adding HUL and GCPL to the portfolio.** Reasonable valuations, bottoming out of volume growth, and a gradual pick-up in monsoon provide decent catalysts from a tactical perspective. Any potential relief measures in the Union Budget for middle-class/rural segments ahead of the state elections can drive a moderate re-rating in the sector. We are adding **KEI Industries and Kalyan Jewelers** to the model portfolio given the solid underlying earnings growth and consistent execution. We continue to maintain our allocations in **Avenue Supermart, Titan, Indian Hotels, Zomato, Cello, and Metro Brands.**
- **AUTOMOBILES:** We are cutting weights in **Automobiles** and downgrade it to **UW** following the recent sharp run-up in our model portfolio stocks (**SAMIL**, which we added in 4QFY24 has rallied 71% in the last three months, while **Craftsman Automation** has been up 30%). Within the sector, we continue to maintain our preference towards **M&M** (which has also rallied 44% in the last three months between our two preview reports) and **Ashok Leyland.**
- **INDUSTRIALS & REAL ESTATE:** Industrials remain our favorite theme. However, valuations have run up and offer little respite from the near-term risk-reward perspective. While we remain **OW** and maintain our allocations in **L&T and ABB**, we now replace **KOEL with Bharat Electronics.** KOEL, since our initiation in Dec'23, has been up 135%. **BEL** will continue to benefit from its dominant position in defense electronics, and we expect a 16% revenue CAGR and 17% EBITDA CAGR over the next three years. We continue to remain very bullish on **Real Estate** and retain our significant **OW** stance without any change in our picks and weights (**Godrej Properties, Sobha Ltd., and Sunteck Realty**).
- **HEALTHCARE:** We are raising Healthcare to **OW** from **Netural**. We are replacing **Cipla** with **Mankind Pharma** in the portfolio. **Mankind Pharma** is not only enhancing the niche portfolio, but also improving its chronic share, thereby driving a 15% earnings CAGR over FY24-26. Surplus cash provides increased scope for growth through inorganic opportunities. We remain constructive on the Hospitals sector and now switch from **Global Health to Max Healthcare.** After delivering 33% EBITDA CAGR over FY20-24, Max Healthcare is well-placed to deliver 19% EBITDA CAGR over FY24-26 backed by the scale-up of the recently acquired Sahara Hospital (Lucknow), Alexis Hospital (Nagpur), and the addition of beds at its existing sites.

Note: Exhibit data is sourced from Bloomberg, Companies, and MOFSL research database

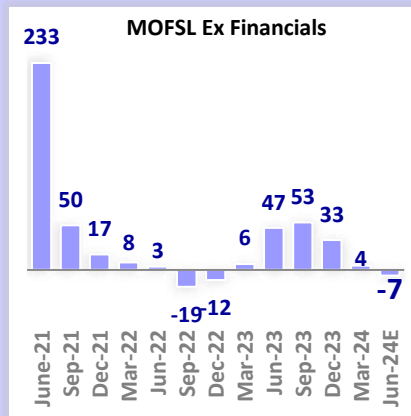
Corporate earnings at a glance: BFSI and Auto to drive earnings growth again

BFSI and Auto would lead the quarter; Healthcare and Metal's contribution to improve; excluding OMCs, profits would grow 11% and 8% YoY for the MOFSL Universe and Nifty, respectively.

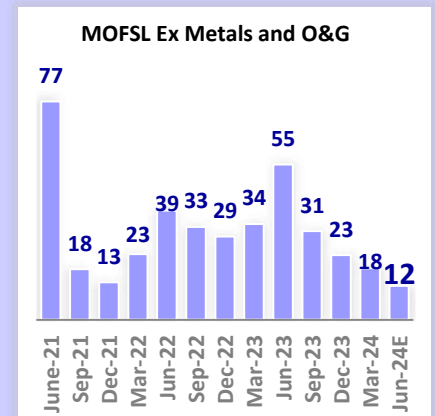
PAT expected to remain flat YoY for the MOFSL Universe



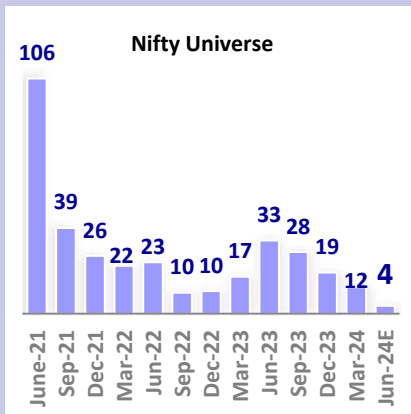
PAT likely to decline 7% YoY for the MOFSL Universe, excluding Financials



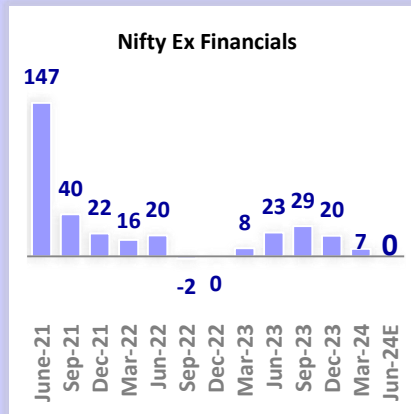
PAT to jump 12% YoY for the MOFSL Universe, sans Metals and O&G



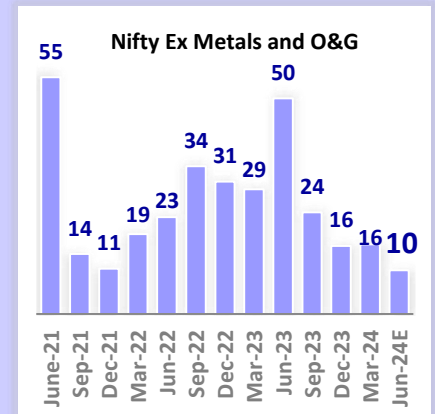
PAT growth for the Nifty Universe likely to be at 4% YoY



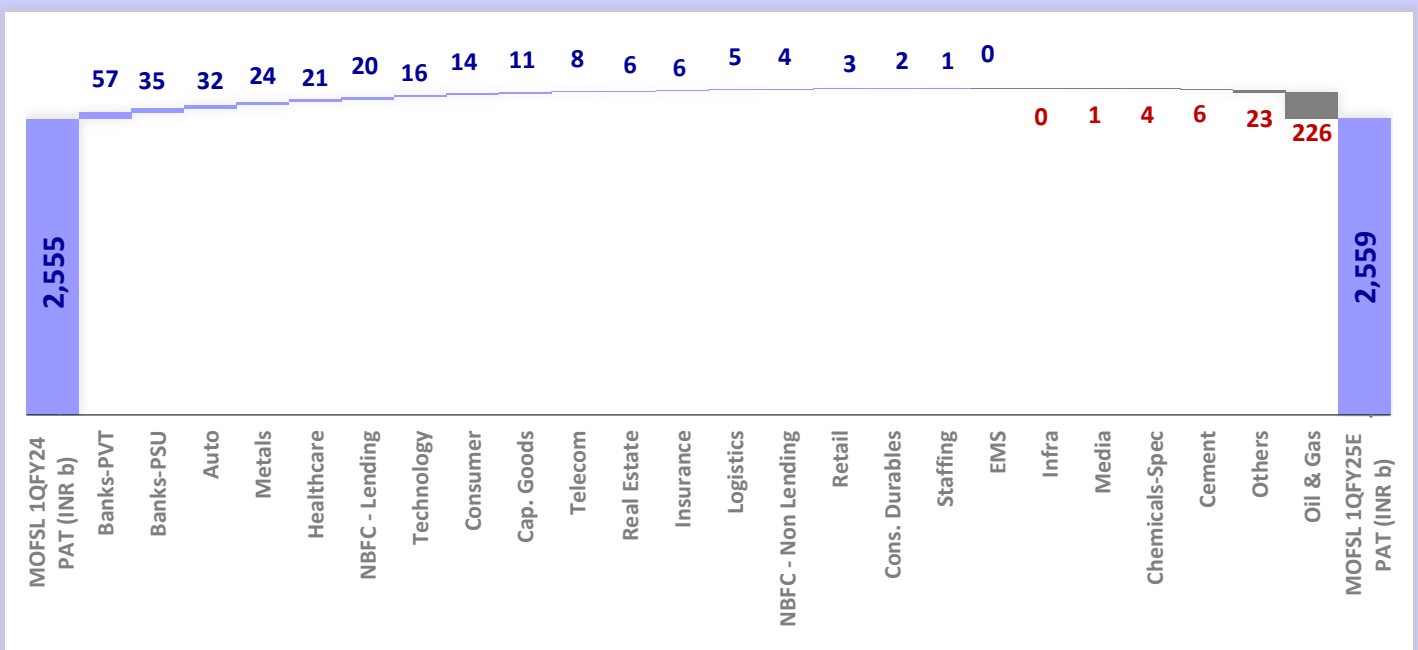
PAT to remain flat YoY for the Nifty Universe, sans Financials



PAT to jump 10% YoY for the Nifty Universe, sans Metals and O&G

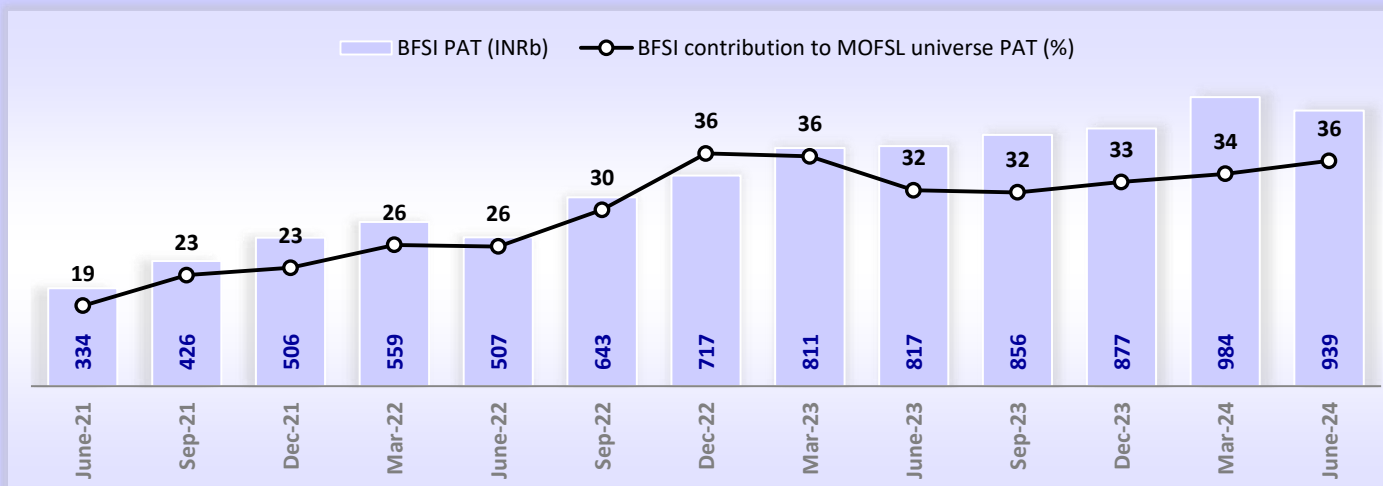


Performance of the MOFSL Universe to be driven by Banks, Auto, Metals, and Healthcare in 1QFY25E

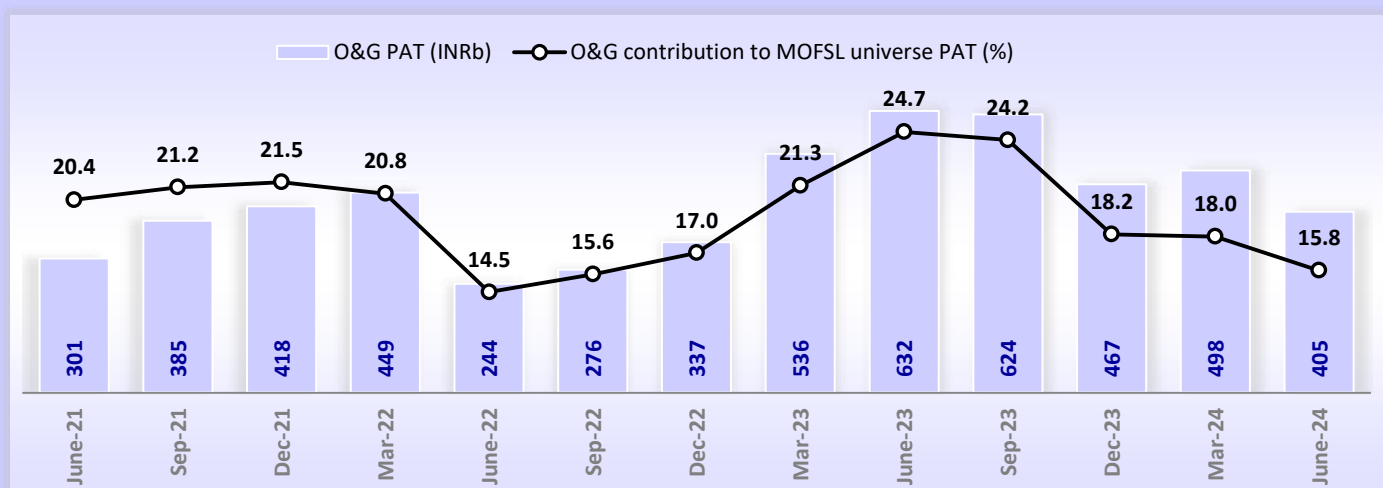


Corporate earnings at a glance: BFSI and O&G's contribution likely to improve

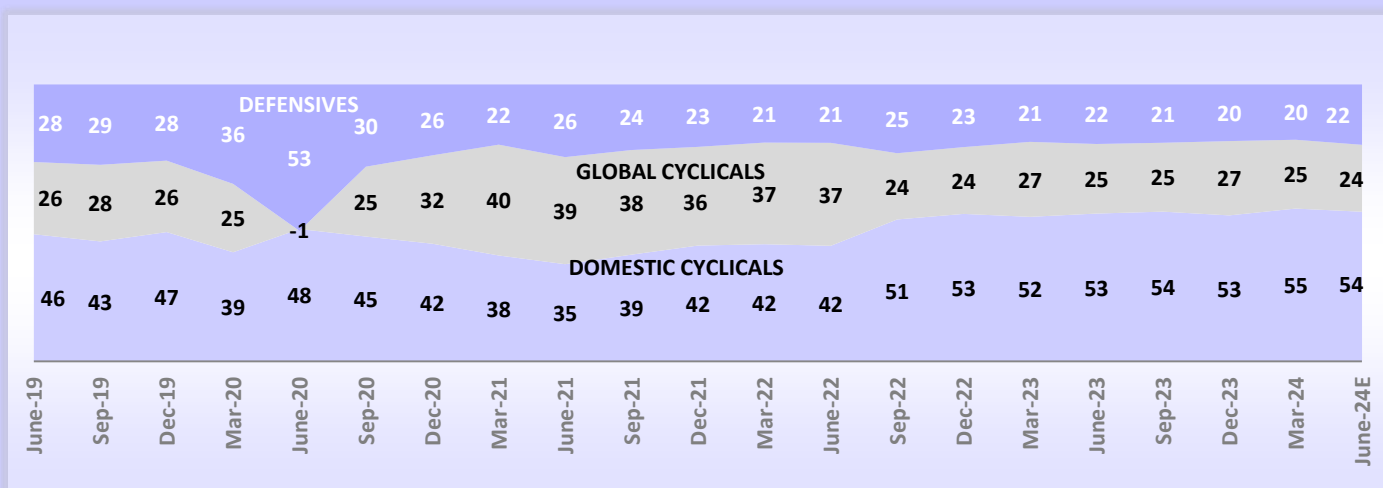
Financials' contribution to witness gains and would account for over one-third of the overall profit pool



O&G's PAT contribution to the MOFSL Universe would decline to a seven-quarter low in 1QFY25



MOFSL (ex-OMC)'s PAT share (%): Domestic cyclicals to drive earnings while defensives' contribution to improve; Global cyclicals to drag!



MOFSL: MODEL PORTFOLIO

SECTOR WEIGHT / PORTFOLIO PICKS	BSE 100	MOST WEIGHT	WEIGHT RELATIVE TO BSE100	EFFECTIVE SECTOR STANCE	PAT YoY / CAGR (%)			
					FY24	FY25E	FY26E	FY24-FY26
Financials	31.7	32.0	0.3	Neutral				
Private Banks	22.3	20.0	-2.3	Underweight				
ICICI Bank	6.4	8.0	1.6	Buy	28	13	14	13
HDFC Bank	9.2	7.0	-2.2	Buy	38	15	17	16
Axis Bank	2.7	3.0	0.3	Neutral	13	13	18	15
AU Small Finance	0.3	2.0	1.7	Buy	7	43	33	38
PSU Bank	3.4	6.0	2.6	Overweight				
SBI	2.5	4.0	1.5	Buy	21	18	18	18
Bank of Baroda	0.4	2.0	1.6	Buy	26	11	15	13
Diversified Financials	6.0	6.0	0.0	Neutral				
Angel One	0.0	2.0	2.0	Buy	26	33	17	25
Chola. Inv & Fin.	0.4	2.0	1.6	Buy	28	30	35	32
PNB Hsg Fin	0.0	2.0	2.0	Buy	44	23	23	23
Consumption / Retail	12.2	14.0	1.8	Overweight				
Avenue Supermarts	0.5	3.0	2.5	Buy	7	34	32	33
Titan Company	1.0	3.0	2.0	Buy	7	20	23	21
HUL	1.7	2.0	0.3	Buy	1	8	11	9
GCPL	0.4	2.0	1.6	Buy	13	16	19	17
Zomato	1.0	2.0	1.0	Buy	LP	189	176	182
Indian Hotels	0.4	2.0	1.6	Buy	26	19	23	21
Energy/Telecom	13.0	12.0	-1.0	Neutral				
Reliance Industries	8.0	6.0	-2.0	Buy	4	16	21	19
Bharti Airtel	2.8	4.0	1.2	Buy	39	80	49	64
HPCL	0.0	2.0	2.0	Buy	LP	-45	10	-22
Technology	10.6	11.0	0.4	Neutral				
Infosys	4.4	4.0	-0.4	Buy	1	8	16	12
HCL Technologies	1.2	3.0	1.8	Buy	6	8	9	9
Persistent Systems	0.4	2.0	1.6	Neutral	19	30	22	26
L&T Technology	0.0	2.0	2.0	Buy	11	10	16	13
Cap Goods, Infra & Cement	9.7	10.0	0.3	Neutral				
Larsen & Toubro	3.1	4.0	0.9	Buy	25	12	29	20
ABB India	0.0	2.0	2.0	Buy	82	54	24	38
Bharat Electronics	0.9	2.0	1.1	Buy	34	21	23	22
Godrej Properties	0.0	2.0	2.0	Buy	20	27	11	19
Auto	7.7	5.0	-2.7	Underweight				
Mahindra & Mahindra	1.9	3.0	1.1	Buy	35	21	19	20
Ashok Leyland	0.2	2.0	1.8	Buy	102	28	20	24
Healthcare	4.2	5.0	0.8	Neutral				
Mankind Pharma	0.0	3.0	3.0	Buy	38	13	15	14
Max Healthcare	0.5	2.0	1.5	Buy	19	18	23	20
Metals / Utilities	6.9	4.0	-2.9	Underweight				
Hindalco	0.8	2.0	1.2	Buy	1	34	4	18
Coal India	0.8	2.0	1.2	Buy	18	-8	18	4
Others	4.1	7.0	2.9	Overweight				
Kalyan Jewellers	0.0	1.0	1.0	Buy	30	47	36	41
Metro Brands	0.0	1.0	1.0	Buy	-5	20	24	22
KEI Industries	0.0	1.0	1.0	Buy	22	24	24	24
Sobha	0.0	1.0	1.0	Buy	-53	591	110	281
Restaurant Brands	0.0	1.0	1.0	Buy	Loss	Loss	LP	LP
Cello World	0.0	1.0	1.0	Buy	24	22	26	24
Sunteck Realty	0.0	1.0	1.0	Buy	4700	235	43	119
TOTAL	100	100			25	14	19	16

LP: Loss to Profit

MARKETS

Indian markets continue to head north...

...backed by strong domestic flows and retail participation!

- **Clocking new highs since Mar'23:** The Nifty-50 surpassed the milestone of 24k, and BSE Sensex exceeded the 80k mark and hit an all-time high. Despite the heightened volatility during the Lok Sabha election period, markets remained strong and continued their uptrend. The Nifty-50 surged 25% YoY as of Jun'24 (up 10% in CY24YTD). The Nifty-50 continued its upward march since the last five consecutive quarters (rising 38% since Mar'23). The market cap of the Indian listed universe surpassed USD5t, accounting for 4.2% of the global market cap.
- **Showcasing strong resilience:** The Indian markets continued to showcase their resilience and outperformed other emerging markets handsomely amid weak global macros, high interest rates, and geopolitical uncertainties that kept global markets volatile and jittery. MSCI India outperformed global markets by a wide margin in the past 12 months.
- **Mixed performance by global economies in CY24YTD:** India remains the third best performer (+10%) after Taiwan (+21%) and the US S&P500 (+14%), outperforming China (+10%) and other EM (+6%) along with other key global economies in CY24YTD in USD terms. Further, MSCI India (+16%) outperformed MSCI EM (+6%) by a wide margin in CY24YTD.
- **India's outperformance vs. the global market continues:** As the global markets recover from their lows in CY23, India's outperformance slips from the highs, in CY24. However, despite relative moderation, India remains the top performer in local currency terms and the second-best performer in USD terms (only after the US) in the last 10 years. The Nifty-50 posted a CAGR of 15%/15%/12% (in local currency terms) and a CAGR of 11%/11%/9% (in USD terms) during the three-year/five-year/ten-year periods ended Jun-24.
- **DII flows exhibit power, FII flows remain flat:** Backed by strong retail participation and SIP flows of +USD2b (scaling a new high), DII inflows continue to remain strong. DII inflows over the past six months at USD28.5b have exceeded that of the entire CY23 (USD22.3b). FII flows continued to remain volatile in CY24. With concerns over election uncertainty behind, FIIs turned positive in Jun'24 infusing about USD0.3b in CY24YTD.
- **Broad-based outperformance trend continues!** Following a year of broad-based growth in FY24, with all the indices and sectors delivering positive returns, the outperformance trend has continued in 1QFY25 (Apr-24 to Jun-24) as well. Both the Nifty Midcap 100 (+16% YoY) and the Nifty Smallcap 100 (+20% YoY) outperformed the Nifty-50 by a wide margin of 8% and 12%, respectively. The continued rally of the laggards from the past decade, such as Real Estate, Capital Goods, PSUs, Industrials, Defense, etc. (despite not being a major contributor to the large-cap indices), led to the continued rally in the broader markets. This continued to drive a rally in the mid- and small-cap indices to new highs.

Exhibit 1: World equity indices in USD terms (%)

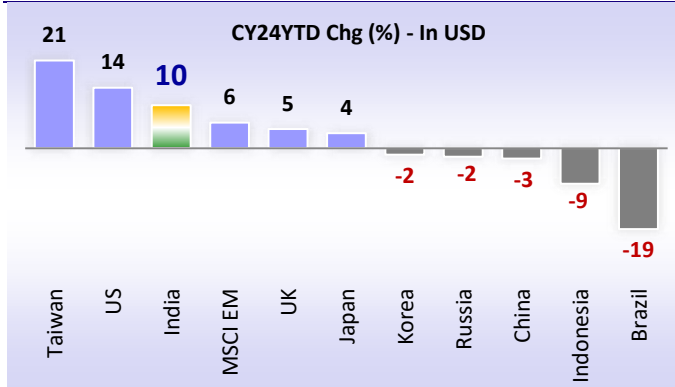


Exhibit 2: World equity indices in local currency terms (%)

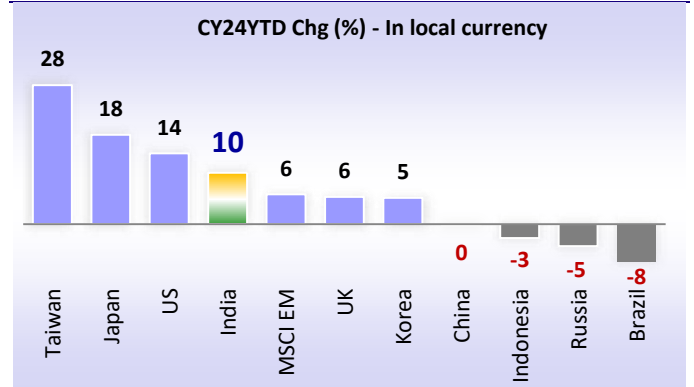


Exhibit 3: FII flows remained volatile but positive...

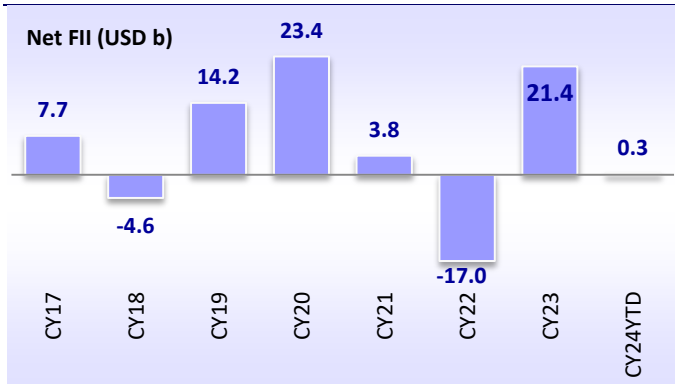


Exhibit 4: ...while DII inflows continued to remain strong

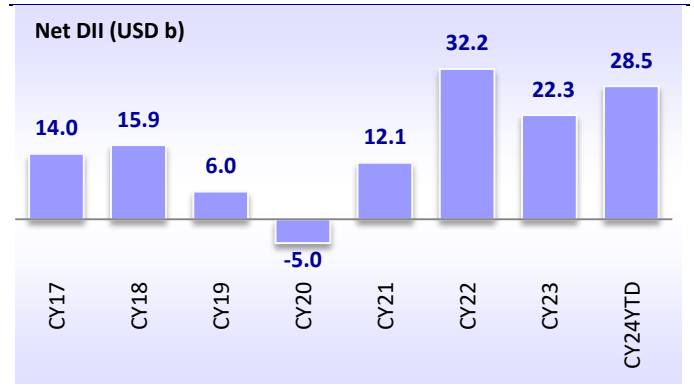


Exhibit 5: FIIs net buyers, and inflows jumped in Jun'24

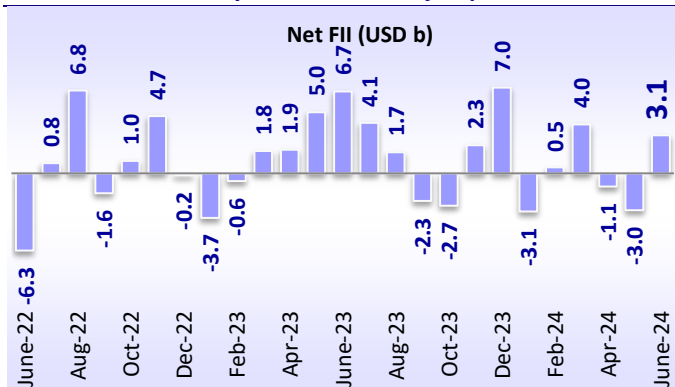


Exhibit 6: DII flows have been robust since the last 11 months

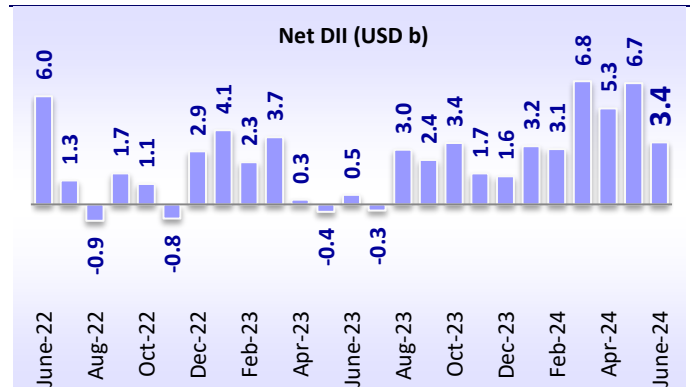
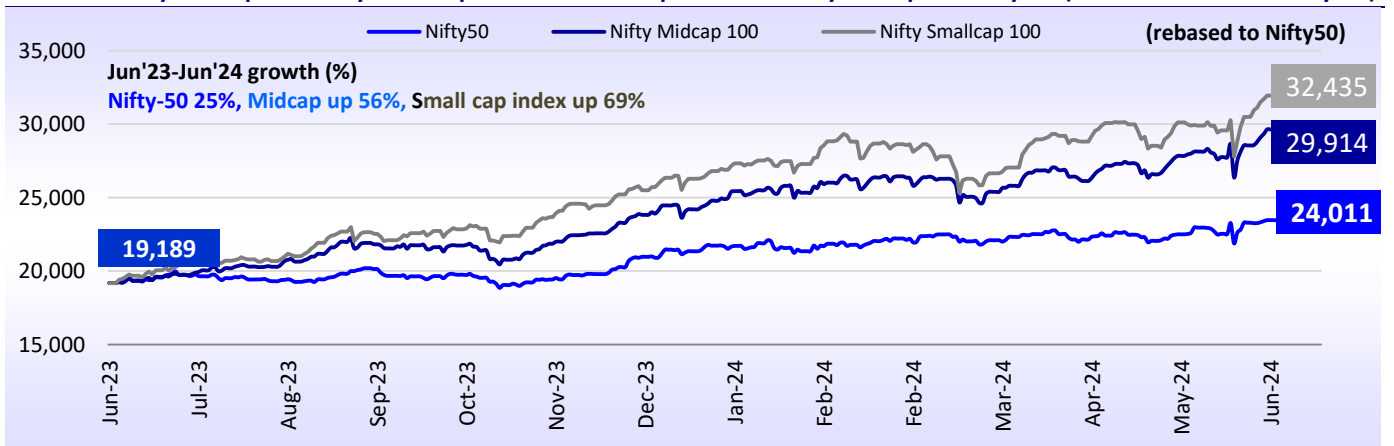


Exhibit 7: Nifty Midcap and Nifty Smallcap indices have outperformed Nifty-50 in past one year (indices rebased to Nifty-50)

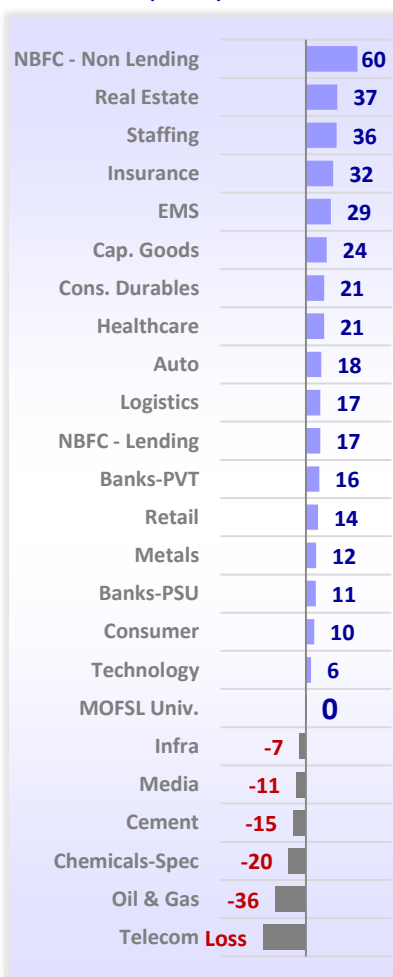


1QFY25 PREVIEW

Expect BFSI and Auto to lead the incremental profit growth in 1QFY25

Of the 17 major sectors under MOFSL Coverage, 11 sectors to witness an expansion in EBITDA margin

Sectoral PAT growth for the quarter-ended Jun'24 (YoY %)

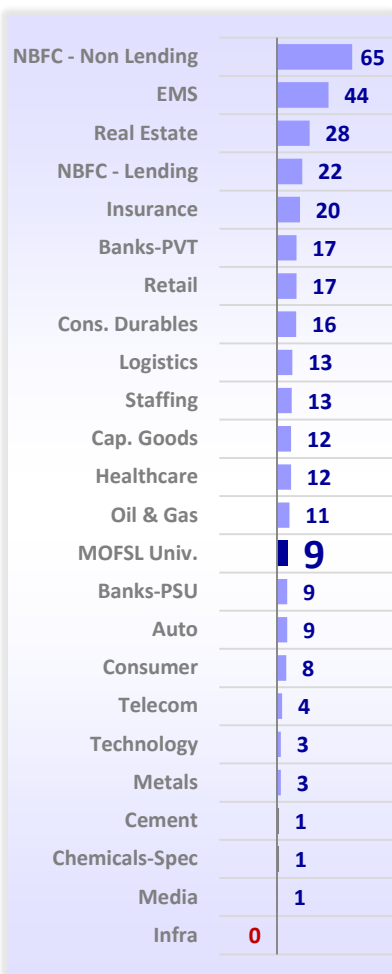


Auto and BFSI lead the charge, OMCs drag down earnings

MOFSL ex-OMCs is expected to grow by a healthy 11%

- **Auto** sector's earnings are likely to surge 18% YoY during the quarter. EBITDA margin for our Auto OEM universe (excluding JLR) is expected to improve 170bp YoY at 13.1%, fueled by moderate commodity costs on a YoY basis, a favorable product mix, and operating leverage. However, we expect the EBITDA margin to remain stable QoQ. For auto ancillaries, the EBITDA margin may largely remain stable YoY, while it is expected to decline 70bp QoQ. We noted a rise in key commodity prices in 1QFY25 QoQ, such as aluminum (+15%), copper (+16%), lead (+5%), rubber (+5%) and platinum (9%). While the impact of rising input costs is likely to be visible for OEMs from 2Q onwards, tyre companies are expected to face this adverse impact in 1Q itself, with the major impact likely in 2Q.
- **BFSI's** earnings are expected to moderate with a slightly negative margin bias. For BFSI, we expect a 15% YoY earnings growth, which is driven by Private Banks (up 16%), Insurance (up 32%), and NBFC-Lending (up 17%), while PSBs are expected to post an earnings growth of 11% YoY. We estimate systemic loans to clock a 14% growth over FY25-26. The home, vehicle, real estate, and small business segments continued to do well, while CV demand remained healthy. Credit quality for most banks had been robust, leading to controlled provisioning expenses. However, the recent developments related to farm loan waivers could potentially upset the credit culture and result in an uptick in credit costs, particularly in the agri and unsecured segments (like MFI).
- **The Capital Goods sector's** earnings are projected to rise 24% YoY during the quarter. Some moderation in order inflow is expected in 1QFY25, following a strong FY24. The companies continue to benefit from a strong enquiry pipeline, especially in transmission, data centers, EVs, railways, semiconductors, electronics, and hydrogen. We expect 12% YoY growth in execution in 1QFY25. Higher commodity prices and labor shortages can hurt margins. However, we expect margins to get support from improved pricing, cost-saving measures, and an improved product mix. As a result, we expect an ~80bp YoY expansion in EBITDA margin for our coverage universe.
- For the MOFSL **Consumer** coverage universe, revenue/EBITDA/PAT are expected to clock 8%/9%/10% YoY growth in 1QFY25. The demand trend was steady in 1QFY25, and the summer portfolio is expected to outperform. Most of the management teams remain positive on volume recovery in FY25. With steady macro, along with price cuts/consumer offers by companies, we expect that our FMCG universe is likely to clock mid-to-high-single-digit volume growth in FY25.
- The **Healthcare** companies under our coverage are expected to report a healthy YoY earnings growth of 21% in 1QFY25. We expect aggregate sales to grow by 11% YoY to INR763b, aided by strong traction in Domestic formulation (DF) sales and a healthy performance in the US segment. EBITDA is likely to exhibit a 15% YoY growth to INR179b, led by a higher share of niche launches in the US generics. PAT is expected to grow by 21% YoY to INR111b. For hospitals, we expect profitability to improve due to the addition of beds, an increase in occupancy, and the optimization of case mix/payor mix.
- Companies within our **Metals** coverage universe are expected to post a revenue, EBITDA, and APAT growth 3%, 11%, and 12% YoY, respectively, in 1QFY25. On a sequential basis, we expect revenue to be flat and EBITDA and APAT to grow 3% and 6%, respectively. The QoQ performance can be attributed to marginal

Sectoral Sales growth for the quarter-ended Jun'24 (YoY %)



improvement in realizations and lower coal costs offset by softer volumes and high iron ore costs. We expect the ferrous and non-ferrous sectors to deliver earnings improvement QoQ during 1QFY25. The mining companies are expected to report subdued growth due to weak volumes.

- **The Cement sector's** earnings are projected to decline 15% YoY as the cement price remained muted during the quarter. The all-India average cement price was down ~4% YoY/1% QoQ in 1QFY25. We estimate the average EBITDA/t to decline ~1% YoY (down 11% QoQ) to INR895, as weak cement prices offset the benefit of lower variable costs. The aggregate EBITDA of our coverage universe is estimated to increase by a mere 3% YoY, while OPM is likely to improve marginally by 50bp YoY to 16.7%.
- **The O&G sector's** earnings are expected to decline 36% YoY, driven by lower SG GRM (down 52% QoQ) and marginally lower marketing margins (down 29%/10% for MS/HSD). The EBITDA/scm margins for MAHGL and GUJGA are down 4%/11% QoQ (up 2% QoQ for IGI) amid a continued shortfall in APM gas and 18% higher QoQ spot LNG prices in 1QFY25. We have reduced our Brent price assumption by 7%/12% for FY25/26, to USD78.8/bbl and USD75/bbl for FY25/26, respectively. This has been led by a gradual unwinding of OPEC+ voluntary cuts from Oct'24, as the IEA expects a rise in global oil supply from non-OPEC+ by 1.4mb/d in CY24 and 1.8mb/d in CY25.
- **Specialty Chemicals** is projected to report an earnings decline (down 20% YoY) for the fifth consecutive quarter. We expect positive earnings from 2QFY25 onwards.
- **The Technology** sector's (IT services companies) revenue is expected to recover following a tepid 4QFY24 for the industry. We expect aggregate revenue/EBIT/PAT to grow 3.2%/5.2%/6.1% YoY (all in INR terms) for our coverage universe. We would be looking for signs of recovery in discretionary spending in the form of deal activities, which have been heavily skewed towards cost-takeout projects. However, any disappointment in 1QFY25 could again put pressure on 2Q. We believe mid-tier companies could continue to perform well, especially those with strong offerings in "pre-GenAI" spending, such as data engineering.
- **1QFY25 snapshot:** We expect EBITDA/PBT/PAT to be +2%/flat/flat YoY in 1QFY25 for the MOFSL Universe. Excluding Metals and O&G, EBITDA/PBT/PAT for the MOFSL Universe would grow 10%/11%/12% YoY. Sales for the MOFSL Universe are forecasted to grow 9% YoY. Excluding Metals and O&G, sales are also likely to rise 9% YoY during the quarter.
- EBITDA margins for Real Estate, Metals, Healthcare, Capital Goods, Consumer Durables, Automobiles, Technology, Consumer, and Logistics should expand, while margins for O&G, Specialty Chemicals, Media, EMS, and Retail are likely to contract on a YoY basis.
- **Nifty earnings to grow 4% YoY in 1QFY25:** Ex-OMCs, the Nifty earnings are anticipated to rise ~8% YoY. HDFC Bank, Hindalco, TCS, ICICI Bank, and Maruti Suzuki, are likely to drive Nifty earnings, while BPCL, JSW Steel, Coal India, Grasim Industries and ONGC are projected to drag the same.
- Nifty earnings, ex Metals/O&G, are likely to increase 10% YoY in 1QFY25.
- **FY25E snapshot:** The MOFSL Universe and Nifty are likely to record 13% YoY and 12% YoY earnings growth, respectively, in FY25E. Excluding Metals and O&G, the MOFSL Universe/Nifty should post 18%/12% YoY earnings growth.

Key sectoral trends and highlights

- **The Private banks** (ex-HDFCB) sector is expected to report a PPOP growth of 10% YoY/flat QoQ, and a PAT growth of 9% YoY/a decline of 2.1% QoQ. We also estimate earnings to record a 16% CAGR over FY24-26. We estimate 1QFY25 NII growth of 16.6% YoY (+13.0% YoY ex-HDFCB). Slippages broadly remain under control, which should drive stability/further improvement in asset quality ratios.
- **The PSU banks** are likely to report moderate earnings growth of 11.5% YoY in 1QFY25. NII growth is also likely to moderate to 8.8% YoY as margins maintain a downward bias. Accordingly, we estimate PSBs' earnings to clock a 17% CAGR over FY24-26. Asset quality is anticipated to remain stable due to an improving borrower profile and a low SMA pool, keeping slippages under control. However, with the ongoing developments about farm loan waivers, the outlook for asset quality will be closely monitored over the coming quarters.
- The MOFSL **NBFC-Lending** Coverage Universe is likely to report a sales/PAT growth of 22%/17% YoY. For our coverage universe, we estimate loan growth of ~20% YoY/~4% QoQ in 1QFY25. While loan growth was broad-based, a) gold financiers are expected to report strong gold loan growth, b) micro-financiers are expected to report muted loan growth, and c) select HFCs (impacted by RBI guidelines on interest income recognition only on cheque encashment) might report weaker disbursement momentum. Structurally, we believe that fixed-rate lenders such as vehicle financiers and micro-LAP lenders will benefit from any interest rate cuts whenever they occur.
- **Auto** OEMs reported ~10% YoY volume growth in 1QFY25, with broad-based growth in almost all the segments. 2Ws outperformed with ~11% YoY growth, followed by PVs with 6% YoY growth. CVs and tractors grew 4% each. However, passenger car volumes continued to underperform UVs as demand remained weak for the entry-level category. Revenue/EBITDA/PAT for our coverage universe is likely to grow ~9%/14%/18% YoY during the quarter. EBITDA margin for our Auto OEM universe (ex-JLR) is likely to improve 170bp YoY at 13.1%.
- For the MOFSL **Consumer** universe, we expect marginal improvement in volume growth QoQ in 1QFY25. Considering a steady macro, price cuts, and consumer offers by companies, we expect that our FMCG universe is likely to post a mid-to-high-single-digit volume growth in FY25. Gross margin is likely to see some improvement, albeit at a slower pace than witnessed over the last 3-4 quarters.
- For the MOFSL **Capital Goods** universe, we expect healthy growth of 12%/21%/24% YoY in sales/ EBITDA/PAT in 1QFY25. Due to elections in Apr-May'24, the government's ordering activity slowed down. During the quarter, LT announced orders worth ~INR183b, BHE won ~INR43b, KECI secured ~INR49b, and KPIL acquired ~INR23b. With strong existing order books, we estimate 12% YoY growth in execution for our coverage universe in 1QFY25.
- The **MOFSL Cement** Universe should report an EBITDA/PBT growth of 2%/2% and a PAT decline of 15% YoY for the quarter. Following a strong growth (in the range of ~8-19% YoY) over eight consecutive quarters (1QFY23-4QFY24), growth in cement volume is estimated to moderate to ~5% YoY in 1QFY25 amid general elections during the quarter. We estimate an average capacity utilization of ~85% in 1QFY25 vs. ~88%/95% in 1QFY24/4QFY24.
- The **Healthcare** Universe is likely to report sales/EBITDA/PAT growth of 12%/17%/21% YoY in 1QFY25. We expect aggregate DF segment sales to grow 10% YoY to INR194b in 1QFY25 for the companies under our coverage. This will be

propelled by healthy growth in Cardiac, Gastro, and Derma therapies that have grown more than IPM for the quarter.

- The **Metals** Universe is expected to post an earnings growth of 12% YoY. In 1QFY25, average domestic HRC prices remained flat QoQ /7% lower YoY to INR53,630/t. Premium HCC price declined ~USD70/t (down 21% QoQ) to USD260/t. As Tier-I mills carry nearly two months of coal inventory, they are likely to experience the positive impact of lower coking coal prices in 1QFY25. HRC and rebar prices are expected to improve, driven by the resumption in exports and an expected uptick in domestic demand post-elections.
- For the **Technology** Universe, we expect aggregate revenue/EBITDA/PAT to grow 3.3%/5.1%/6.1% YoY (all in INR terms) for our coverage universe. We expect revenue growth of Tier-I companies to be in the range of -0.5% to +2.0% QoQ in CC. Revenue of Tier-II players is expected to grow by -1.5% to +5.0% QoQ in CC terms. We expect ~5-7% YoY revenue growth in constant currency (cc) terms for HCL and TCS (lower for INFY largely due to a poor exit to FY24) for FY25. This will be contingent on a recovery in the flow business and clients' willingness to resume discretionary spending.

Exhibit 8: MOFSL and Nifty Universe to post flat and 4% YoY earnings growth, respectively, in 1QFY25 (INR b)

Sector	Sales	Gr. (%)		EBITDA	Gr. (%)		PAT	Gr. (%)		PAT Delta	PAT
	Jun-24	YoY	QoQ	Jun-24	YoY	QoQ	Jun-24	YoY	QoQ	INR b	Share (%)
PAT growth sectors	2,663	15	-16	382	23	-13	248	26	-14	50	10
NBFC - Non Lending (5)	26	65	5	11	71	7	9	60	6	4	0
Real Estate (11)	124	28	-22	35	50	-26	24	37	-35	6	1
Staffing (4)	116	13	5	4	17	16	2	36	79	1	0
Insurance (6)	531	20	-33	25	28	-37	24	32	17	6	1
EMS (5)	21	44	-18	2	35	-40	1	29	-46	0	0
Capital Goods (11)	824	12	-21	94	21	-28	56	24	-36	11	2
Consumer Durables (5)	180	16	-7	18	25	-9	12	21	-9	2	0
Healthcare (24)	840	12	4	193	17	5	119	21	2	21	5
Med/Low growth sectors	11,291	8	0	3,171	10	-2	1,848	13	-3	207	72
Automobiles (25)	2,859	9	-5	391	14	-8	212	18	-13	32	8
Logistics (8)	153	13	0	57	14	3	32	17	1	5	1
NBFC - Lending (20)	322	22	4	241	20	5	137	17	3	20	5
Banks-Private (13)	912	17	3	671	15	-8	426	16	-4	57	17
Retail (20)	533	17	9	59	14	10	25	14	20	3	1
Metals (10)	2,858	3	-2	507	11	3	225	12	6	24	9
Banks-PSU (6)	899	9	1	599	3	-3	342	11	-10	35	13
Consumer (19)	882	8	9	226	9	14	161	10	12	14	6
Technology (12)	1,872	3	1	421	5	-2	287	6	-1	16	11
PAT de-growth sectors	10,180	9	3	1,377	-17	-7	463	-35	-20	-253	18
Infrastructure (3)	47	0	-13	13	0	-9	4	-7	-23	0	0
Media (3)	46	1	7	10	-4	36	5	-11	26	-1	0
Cement (11)	539	1	-8	84	2	-17	35	-15	-31	-6	1
Chemicals-Specialty (12)	160	1	2	30	-10	9	16	-20	9	-4	1
Oil & Gas (15)	8,267	11	5	875	-24	-10	405	-36	-19	-226	16
Others (13)	495	4	-8	70	-18	-14	21	-52	-35	-23	1
Telecom (4)	625	4	2	295	4	2	-25	Loss	Loss	8	-1
MOFSL Universe (265)	24,133	9	-1	4,930	2	-4	2,559	0	-8	4	100
Nifty (49)	13,979	6	-4	3,439	4	-5	1,857	4	-9	65	
Sensex (30)	10,354	8	-3	2,786	8	-5	1,463	9	-9	120	

Exhibit 9: Expect a two-year PBT/PAT CAGR of 20%/23% for the MOFSL Universe (INR b)

Sector	PBT (INR b)				Growth (%)			PAT (INR b)				Growth (%)		
	Jun-22	Jun-23	Mar-24	Jun-24	YoY	Two-year CAGR	QoQ	Jun-22	Jun-23	Mar-24	Jun-24	YoY	Two-year CAGR	QoQ
Automobiles (25)	52	236	312	278	18	130	-11	13	180	244	212	18	309	-13
Capital Goods (11)	49	70	122	83	18	31	-32	31	45	88	56	24	34	-36
Cement (11)	60	54	70	50	-8	-9	-28	44	41	51	35	-15	-11	-31
Chemicals-Specialty (12)	33	27	20	22	-18	-19	8	25	20	15	16	-20	-20	9
Consumer (19)	165	199	189	217	9	15	15	123	147	144	161	10	15	12
Consumer Durables (5)	10	14	19	17	20	31	-10	7	10	13	12	21	33	-9
EMS (5)	1	1	3	2	29	43	-46	1	1	2	1	29	46	-46
Financials (50)	674	1,106	1,257	1,257	14	37	0	507	817	984	939	15	36	-5
Banks-Private (13)	361	492	523	568	15	25	9	272	369	443	426	16	25	-4
Banks-PSU (6)	182	431	520	469	9	60	-10	133	307	379	342	11	60	-10
Insurance (6)	15	19	24	25	30	27	3	14	18	20	24	32	28	17
NBFC - Lending (20)	110	156	178	183	17	29	3	82	118	134	137	17	29	3
NBFC - Non Lending (5)	6	7	12	12	63	37	4	5	6	9	9	60	38	6
Healthcare (24)	101	129	157	155	20	24	-1	78	98	117	119	21	24	2
Infrastructure (3)	11	7	9	7	-6	-23	-26	8	5	5	4	-7	-27	-23
Logistics (8)	33	34	38	40	19	10	5	29	27	32	32	17	5	1
Media (3)	10	8	6	8	-9	-15	37	8	6	4	5	-11	-16	26
Metals (10)	494	293	316	321	9	-19	1	333	201	212	225	12	-18	6
Oil & Gas (15)	371	871	681	581	-33	25	-15	244	632	498	405	-36	29	-19
Oil Ex OMCs (12)	608	466	510	489	5	-10	-4	429	327	366	336	3	-11	-8
Real Estate (11)	18	20	44	28	39	23	-36	15	18	37	24	37	27	-35
Retail (20)	34	29	28	33	13	-1	20	25	22	21	25	14	-1	20
Staffing (4)	2	2	2	3	38	14	48	2	2	1	2	36	13	79
Technology (12)	326	366	392	384	5	8	-2	242	271	291	287	6	9	-1
Telecom (4)	-24	-3	3	1	LP	LP	-72	-48	-32	-25	-25	Loss	Loss	Loss
Others (13)	6	45	32	25	-43	102	-21	2	44	32	21	-52	236	-35
MOFSL Universe (265)	2,428	3,510	3,697	3,510	0	20	-5	1,689	2,555	2,767	2,559	0	23	-8
MOFSL Ex Metals and O&G (240)	1,563	2,345	2,700	2,608	11	29	-3	1,111	1,722	2,057	1,929	12	32	-6
MOFSL Ex OMCs (262)	2,666	3,105	3,526	3,418	10	13	-3	1,873	2,250	2,634	2,490	11	15	-5
Nifty (49)	1,931	2,487	2,680	2,554	3	15	-5	1,347	1,793	2,030	1,857	4	17	-9
Sensex (30)	1,469	1,889	2,125	2,033	8	18	-4	1,011	1,342	1,606	1,463	9	20	-9

Sales/PAT for the MOFSL Universe to grow 9%/remain flat YoY in 1QFY25

Exhibit 10: Expect sales for the MOFSL Universe to grow 9% YoY in 1QFY25

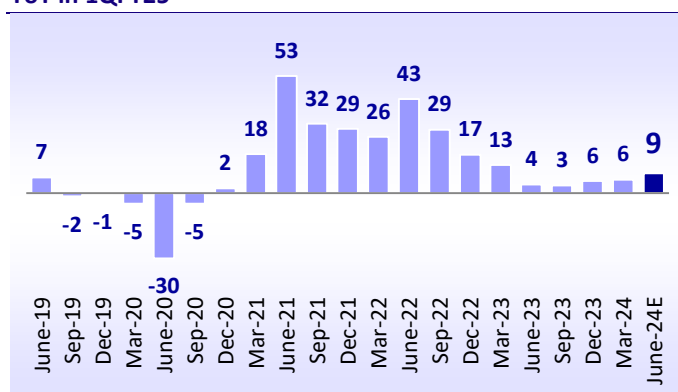


Exhibit 11: Expect MOFSL Universe earnings to remain flat YoY in 1QFY25

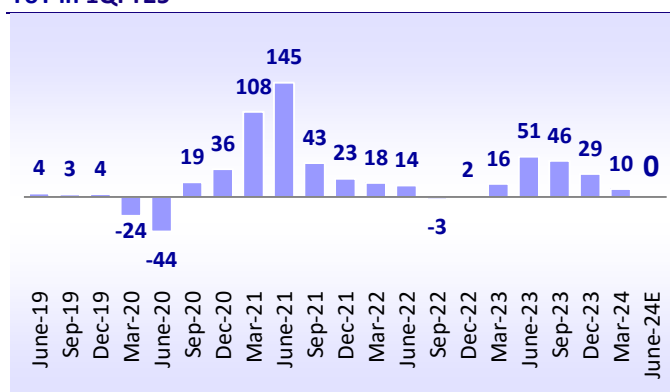
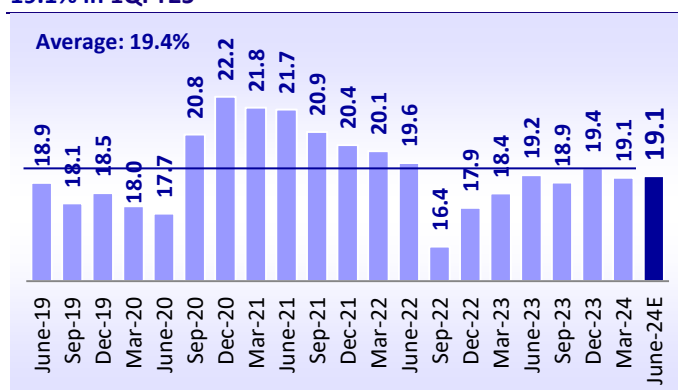
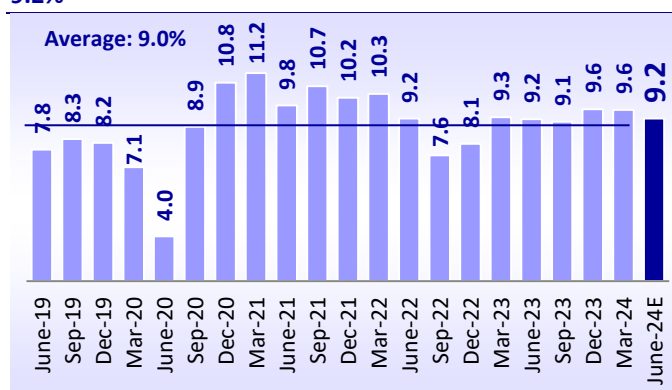


Exhibit 12: Expect EBITDA margin to remain flat YoY at 19.1% in 1QFY25



Source: MOFSL, excluding Financials and OMCs

Exhibit 13: Expect PAT margin to also remain flat YoY at 9.2%



Source: MOFSL, excluding Financials and OMCs

Exhibit 14: Banks, Auto, Metals and Healthcare to lead; while O&G, Cement, and Spec Chem. to drag earnings in 1QFY25

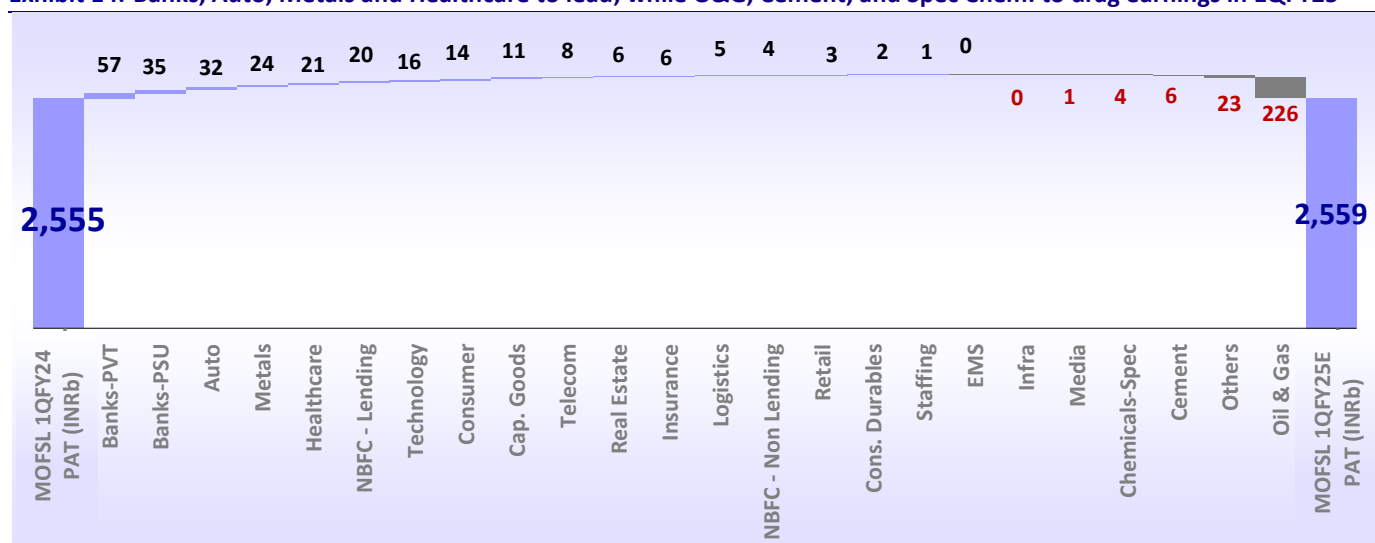


Exhibit 15: Sectoral quarterly PAT trend (INR b) – MOFSL Universe to report a flat YoY growth in PAT in 1QFY25

Sector	June-21	Sep-21	Dec-21	Mar-22	June-22	Sep-22	Dec-22	Mar-23	June-23	Sep-23	Dec-23	Mar-24	June-24E
Automobiles	8	31	59	86	13	97	142	186	180	205	227	244	212
Banks-Private	174	190	262	295	272	306	343	375	369	415	420	443	426
Banks-PSU	123	148	150	152	133	226	252	300	307	294	306	379	342
Insurance	4	13	8	16	14	15	16	20	18	19	18	20	24
NBFC - Lending	29	71	81	91	82	90	101	111	118	120	128	134	137
NBFC - Non Lending	4	4	5	5	5	6	5	6	6	7	6	9	9
Capital Goods	18	34	38	63	31	41	46	69	45	58	57	88	56
Cement	51	45	32	42	44	21	23	36	41	41	46	51	35
Chemicals-Specialty	18	16	18	22	25	24	22	25	20	18	15	15	16
Consumer	90	109	118	115	123	126	131	133	147	143	147	144	161
Consumer Durables	5	7	7	10	7	7	9	11	10	9	9	13	12
EMS	0	0	0	1	1	1	1	2	1	1	1	2	1
Healthcare	89	94	87	79	78	97	88	81	98	110	105	117	119
Infrastructure	3	3	3	6	8	4	4	5	5	3	4	5	4
Logistics	21	20	23	22	29	26	23	29	27	30	32	32	32
Media	5	5	8	7	8	5	6	3	6	8	6	4	5
Metals	373	416	353	414	333	139	133	242	201	179	241	212	225
Oil & Gas	301	385	418	449	244	276	337	536	632	624	467	498	405
Real Estate	7	15	20	25	15	15	19	31	18	19	21	37	24
Retail	-5	18	31	25	25	24	28	19	22	23	30	21	25
Staffing	1	2	2	2	2	2	2	2	2	2	2	1	2
Technology	239	247	256	263	242	264	284	286	271	277	284	291	287
Telecom	-55	-46	-45	-25	-48	-42	-59	-21	-32	-43	-35	-25	-25
Others	-25	-8	10	-1	2	-1	34	32	44	16	36	32	21
MOFSL Universe	1,476	1,820	1,945	2,162	1,689	1,767	1,988	2,517	2,555	2,579	2,573	2,767	2,559

Expect profits of Nifty constituents to rise 4% YoY in 1QFY25

- We expect sales/EBITDA/PBT/PAT for Nifty constituents to improve 6%/4%/3%/4% YoY propelled by BFSI and Auto. Excluding Metals and O&G, Sales/EBITDA/ PBT/PAT is likely to grow 8%/9%/9%/10% YoY for the quarter.
- HDFC Bank, Hindalco, TCS, ICICI Bank and Maruti Suzuki, are likely to drive Nifty earnings, while BPCL, JSW Steel, Coal India, Grasim Industries and ONGC are projected to drag the same.
- Eleven Nifty companies are likely to report a PAT growth of above 20% YoY. Whereas, ten Nifty companies are expected to report a YoY decline in PAT.

Telecom, Autos, Private Banks, and NBFCs are likely to lead Nifty earnings in 1QFY25

Exhibit 16: Sector-wise PAT breakdown for the Nifty constituents in 1QFY25E (YoY %)

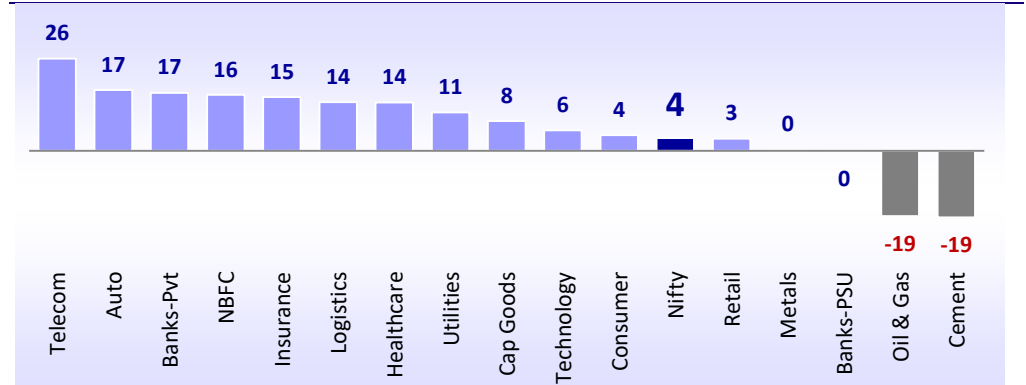


Exhibit 17: Expect Nifty's revenue to grow 6% YoY in 1QFY25

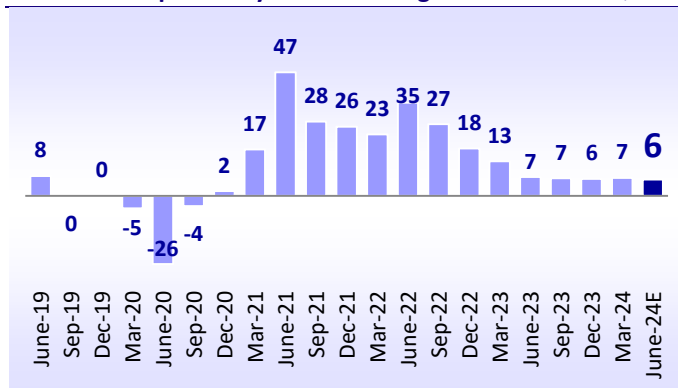


Exhibit 18: Expect Nifty's EBITDA to grow 4% YoY in 1QFY25

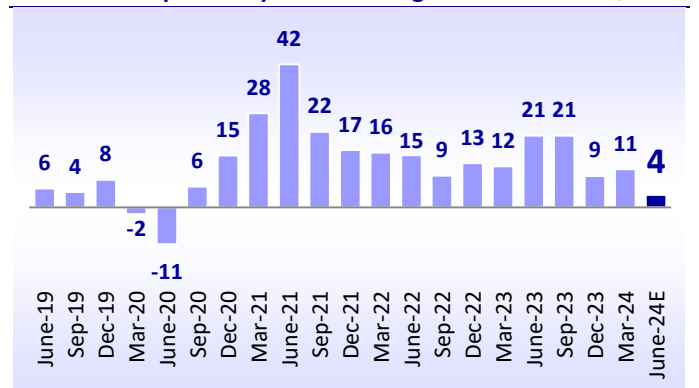


Exhibit 19: Expect Nifty's PAT to rise 4% YoY in 1QFY25

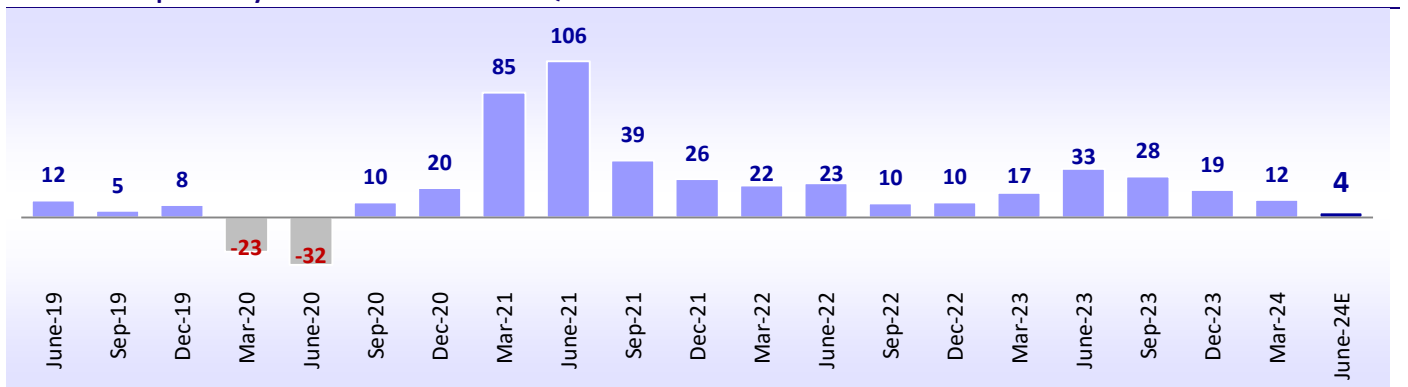


Exhibit 20: Nifty's earnings snapshot for 1QFY25 (INR b)

Company	Sector	Sales			EBIDTA	Gr. (%)			PBT	Gr. (%)			PAT	Gr. (%)		
		Jun-24	YoY	QoQ		Jun-24	YoY	QoQ		Jun-24	YoY	QoQ		Jun-24	YoY	QoQ
Bajaj Auto	Automobiles	117	13.2	1.6	23	19.3	1.1	26	18.4	2.7	20	19.0	2.3			
Eicher Motors	Automobiles	43	6.6	-0.1	11	9.5	-0.9	12	11.7	-0.9	10	9.9	-5.7			
Hero MotoCorp	Automobiles	106	20.9	11.4	16	32.4	17.5	16	31.1	21.8	12	31.6	22.5			
Mahindra & MahindraAutomobiles		281	16.6	11.7	39	19.5	19.4	37	12.1	41.5	30	7.5	46.2			
Maruti Suzuki	Automobiles	350	8.3	-8.4	42	41.4	-10.0	44	38.6	-11.5	34	37.9	-11.6			
Tata Motors	Automobiles	1,034	1.1	-13.9	138	1.5	-19.0	55	2.5	-40.7	41	8.5	-46.8			
Axis Bank	Banks-Private	133	11.4	1.8	98	11.0	-7.1	86	10.2	-8.4	64	10.6	-10.1			
HDFC Bank	Banks-Private	293	24.3	0.9	235	25.2	-19.7	206	29.5	30.8	155	29.3	-6.4			
ICICI Bank	Banks-Private	195	7.1	2.3	153	8.3	1.8	141	9.9	-1.4	106	10.2	-0.7			
IndusInd Bank	Banks-Private	56	14.7	3.8	42	9.4	2.7	31	10.1	-0.2	23	10.1	-0.5			
Kotak Mahindra Bank	Banks-Private	71	14.3	3.1	52	5.9	-4.0	48	3.8	-8.4	36	4.0	-13.2			
State Bank	Banks-PSU	427	9.8	2.6	258	2.0	-10.3	227	-0.3	-16.3	169	0	-18.6			
HDFC Life Insur.	Insurance	137	17.6	-34.4	7	17.4	-42.0	5	26.5	17.4	5	25.3	26.6			
SBI Life Insurance	Insurance	156	14.8	-38.3	10	14.2	-34.2	4	3.1	-51.9	4	4.5	-50.9			
Bajaj Finance	NBFC - Lending	84	25.7	5.4	68	21.8	5.3	53	17.1	4.4	39	14.9	3.2			
Bajaj Finserv	NBFC - Lending	234	21.5	-13.0	68	10.6	-0.6	57	11.0	2.9	22	14.2	4.7			
Shriram Finance	NBFC - Lending	52	24.8	3.0	40	29.1	3.3	27	20.9	2.8	20	20.0	3.3			
Larsen & Toubro	Capital Goods	535	11.7	-20.3	54	10.6	-25.6	44	2.3	-29.9	27	8.4	-37.5			
Grasim Industries	Cement	69	10.7	2.0	6	-14.9	8.8	1	-68.3	-61.6	1	-71.4	-55.7			
Ultratech Cement	Cement	181	2.1	-11.3	32	6.5	-21.1	23	2.9	-26.6	16	-7.9	-32.7			
Asian Paints	Consumer	92	0.0	5.2	20	-6.1	17.8	19	-8.9	18.3	14	-9.0	12.4			
Britannia	Consumer	42	5.4	3.9	8	13.9	-0.3	7	17.5	-1.5	5	16.5	-1.1			
Hind. Unilever	Consumer	156	0.4	2.3	37	1.3	5.0	35	0.7	5.8	26	2.4	5.7			
ITC	Consumer	184	7.0	2.5	71	5.9	6.6	74	6.0	7.6	54	6.3	5.9			
Nestle	Consumer	51	8.6	-3.9	12	13.2	-10.1	11	14.9	-11.6	8	13.8	-12.6			
Tata Consumer	Consumer	44	18.5	12.9	7	24.3	7.6	6	13.2	9.9	4	20.3	1.8			
Apollo Hospitals	Healthcare	50	13.5	1.4	7	33.0	5.7	4	60.2	17.6	3	79.0	17.5			
Cipla	Healthcare	68	6.8	9.6	17	16.2	32.0	16	14.7	32.5	11	13.9	30.6			
Divis Labs	Healthcare	22	23.7	-4.5	7	35.3	-6.7	7	35.3	-6.4	5	43.7	-4.4			
Dr Reddy's Labs	Healthcare	74	9.8	4.4	20	-3.4	11.8	17	-6.4	13.2	13	-5.8	6.2			
Sun Pharma	Healthcare	132	11.9	11.6	33	3.0	11.9	31	9.9	3.5	26	16.0	-5.6			
Adani Ports	Logistics	72	14.6	3.9	42	12.0	4.0	29	17.4	8.3	23	13.8	1.7			
Coal India	Metals	364	1.0	-2.8	98	-12.4	-0.7	97	-9.9	-14.9	74	-7.6	-15.2			
Hindalco	Metals	583	10.1	4.2	70	23.0	5.2	46	39.5	12.2	35	42.4	10.7			
JSW Steel	Metals	422	-0.1	-8.9	63	-10.2	3.3	20	-43.6	-6.1	14	-38.3	11.0			
Tata Steel	Metals	580	-2.5	-1.1	60	15.1	-9.7	21	-0.5	-11.1	11	79.4	-7.7			
BPCL	Oil & Gas	1,015	-10.1	-12.9	60	-62.3	-35.7	44	-68.6	-40.8	33	-68.8	-40.8			
ONGC	Oil & Gas	372	10.0	7.4	187	-4.1	7.2	131	-1.7	2.1	98	-1.9	-0.4			
Reliance Inds.	Oil & Gas	2,337	12.6	-1.2	410	7.6	-3.6	261	7.3	-6.0	167	4.0	-12.1			
Titan Company	Retail	130	9.7	4.4	12	5.3	-0.5	10	4.1	5.3	8	3.5	1.5			
HCL Technologies	Technology	279	6.2	-2.0	58	5.5	-5.6	50	5.7	-5.8	38	6.3	-5.7			
Infosys	Technology	388	2.3	2.3	99	0.8	3.6	86	2.7	3.3	63	6.1	3.9			
LTIMindtree	Technology	90	3.2	1.0	16	-2.8	3.5	15	-0.6	5.4	12	0.7	5.4			
TCS	Technology	622	4.8	1.6	165	10.3	-3.8	163	8.8	-3.3	121	9.2	-2.9			
Tech Mahindra	Technology	130	-1.5	0.7	14	-10.9	1.3	11	-13.3	-15.7	8	-14.4	-15.7			
Wipro	Technology	222	-2.9	-0.2	44	3.9	-0.7	38	0.1	-1.6	29	0.1	1.4			
Bharti Airtel	Telecom	387	3.3	2.8	203	3.6	4.9	56	6.2	6.9	37	26.2	24.1			
NTPC	Utilities	412	5.3	-3.1	115	1.5	1.8	61	6.4	-10.9	45	17.5	-12.4			
Power Grid Corp.	Utilities	107	7.9	-1.7	94	8.3	4.6	44	8.3	-13.1	36	3.7	-12.4			
Nifty Universe		13,979	6.2	-4.2	3,439	3.6	-4.5	2,554	2.7	-4.7	1,857	3.6	-8.5			

Note: For Banks: Sales = Net Interest Income, EBIDTA = Operating Profits; For Life Insurance: Sales = Net Premium, EBIDTA = VNB.

Exhibit 21: Expect 16% PAT CAGR for the MOFSL Universe over FY24-26

Sector	Sales CAGR (%)	EBIDTA CAGR (%)	EBIDTA Margin (%)			PAT (INR b)			PAT Grw / CAGR (%)				PAT Delta Share (%)
	(FY24-26)	(FY24-26)	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	(FY24-26)	(FY24-26)
High PAT CAGR (>25%)	13	20	18.5	19.9	21.2	1,363	1,944	2,607	15	43	34	38	32
Telecom (4)	12	16	47.2	48.7	50.6	-134	-30	103	Loss	Loss	LP	LP	6
EMS (5)	40	50	11.2	12.0	12.9	6	9	14	33	59	54	56	0
Staffing (4)	15	27	3.4	3.9	4.1	7	12	15	1	64	29	45	0
Retail (20)	20	24	11.4	11.8	12.2	93	129	171	-1	38	33	35	2
Real Estate (11)	21	29	28.6	30.1	32.4	94	123	160	17	31	30	30	2
Metals (10)	10	21	16.9	19.1	20.7	871	1,176	1,459	0	35	24	29	15
Others (13)	11	21	15.3	16.5	18.2	126	150	208	98	20	38	28	2
Consumer Durables (5)	15	25	9.6	10.4	11.3	42	54	69	23	30	27	28	1
Infrastructure (3)	11	13	26.5	27.6	27.6	17	22	28	-12	25	29	27	0
Capital Goods (11)	16	22	11.5	12.1	12.7	241	298	379	32	23	27	25	4
Medium PAT CAGR (15-25%)	12	17	27.4	28.4	29.6	5,741	6,707	7,934	28	17	18	18	57
Logistics (8)	16	18	37.0	37.8	38.3	121	147	182	12	21	24	23	2
Healthcare (24)	12	17	22.3	23.5	24.2	430	517	616	25	20	19	20	5
Media (3)	10	17	22.3	23.0	25.2	24	27	34	17	13	25	19	0
Chemicals-Specialty (12)	12	17	19.1	19.5	20.7	68	76	96	-29	12	26	19	1
Financials (54)	13	17	40.1	41.4	43.2	4,016	4,708	5,551	22	17	18	18	40
Banks-PVT (13)	17	17	76.6	75.8	77.1	1,689	1,944	2,281	26	15	17	16	15
Banks-PSU (6)	10	16	63.6	68.2	69.8	1,294	1,543	1,813	34	19	17	18	13
Insurance (7)	11	13	6.4	6.3	6.8	485	533	587	13	10	10	10	3
NBFC - Lending (23)	22	23	74.2	74.4	75.3	517	641	814	-3	24	27	25	8
NBFC - Non Lending (5)	31	44	40.8	48.1	49.2	31	46	56	43	47	21	33	1
Auto (25)	11	13	13.7	14.0	14.3	855	980	1,153	95	15	18	16	8
Cement (11)	11	18	16.5	17.5	18.6	226	252	301	29	11	20	15	2
Low PAT CAGR (<15%)	6	5	15.4	14.1	14.9	4,129	4,003	4,544	41	-3	14	5	11
Technology (12)	7	10	22.5	22.9	23.6	1,117	1,230	1,381	4	10	12	11	7
Consumer (19)	9	10	24.7	25.1	25.2	587	640	713	16	9	11	10	3
Oil & Gas (15)	6	2	13.0	11.3	12.1	2,425	2,133	2,451	80	-12	15	1	1
Ex OMCs (12)	7	11	16.7	17.1	18.2	1,589	1,736	2,012	21	9	16	13	11
MOFSL (269)	10	13	20.0	20.2	21.4	11,234	12,654	15,085	31	13	19	16	100
MOFSL Ex OMCs (266)	10	16	22.2	23.1	24.3	10,397	12,256	14,647	22	18	20	19	NA
Nifty (50)	9	13	23.2	24.0	25.1	7,929	8,900	10,409	26	12	17	15	NA
Sensex (30)	10	15	27.1	28.2	29.3	5,926	6,879	8,135	22	16	18	17	NA

Note: For Banks, sales represent net interest income, and EBITDA represents operating profit; Sensex and Nifty Numbers are free float

Exhibit 22: Exhibit 22: Upgrades/downgrades for Nifty-50 vs. 4QFY24 review

(INR)	Current EPS (INR)			EPS UPGRADE / DOWNGRADE (%)			EPS GROWTH (%)		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Hero MotoCorp	204.6	255.4	304.2	0.0	7.2	8.7	40.5	24.9	19.1
Mahindra & Mahindra	89.4	108.2	128.7	0.0	5.9	7.1	35.0	21.1	18.9
Hindalco	45.6	61.2	63.6	0.0	3.2	1.5	0.8	34.1	3.9
Nestle	41.0	36.8	41.1	0.0	2.9	0.7	62.5	-10.3	11.8
Dr Reddy's Labs	317.1	331.6	361.6	0.0	2.4	6.6	29.6	4.6	9.1
Sun Pharma	41.4	48.1	57.6	0.0	2.2	0.0	15.8	16.0	19.7
Reliance Inds.	102.9	119.4	144.7	0.0	1.5	6.5	4.4	16.0	21.2
Shriram Finance	191.3	227.2	279.9	0.0	1.2	1.4	19.8	18.7	23.2
Bajaj Auto	276.1	329.2	382.5	0.0	1.1	2.0	28.9	19.2	16.2
Kotak Mahindra Bank	90.4	101.1	115.8	0.0	0.9	-0.7	19.1	11.8	14.5
Axis Bank	80.7	90.7	106.5	0.0	0.9	2.1	13.0	12.4	17.5
ITC	16.4	17.4	18.9	0.0	0.8	1.8	9.0	6.3	8.5
Grasim Industries	95.6	97.2	108.9	-0.2	0.8	3.3	-2.9	1.7	12.0
Asian Paints	57.9	59.0	65.7	0.0	0.7	1.7	30.9	1.9	11.4
ICICI Bank	58.4	65.6	74.7	0.0	0.7	-2.4	27.5	12.3	13.9
Eicher Motors	146.3	164.3	178.2	0.0	0.6	-2.1	37.3	12.3	8.4
Coal India	60.7	55.9	66.0	0.0	0.0	0.0	17.8	-7.9	18.1
Adani Ports	41.3	49.1	58.5	0.0	0.0	0.0	16.5	19.1	19.1
Cipla	52.5	58.9	65.8	0.0	0.0	0.0	39.0	12.3	11.7
SBI Life Insurance	18.9	19.9	23.2	0.0	0.0	9.3	10.0	5.3	16.5
HDFC Life Insur.	7.3	10.1	11.9	0.0	0.0	0.0	15.4	38.2	18.4
Larsen & Toubro	94.5	105.8	136.0	0.0	0.0	0.0	24.5	12.0	28.5
HDFC Bank	80.0	92.4	107.7	0.0	-0.1	0.0	1.0	15.4	16.7
Britannia	88.7	102.6	115.0	0.0	-0.3	-0.5	10.1	15.6	12.1
Tata Motors	58.7	58.1	67.2	0.0	-0.3	0.1	2628.0	-1.0	15.6
HCL Technologies	57.9	62.5	68.4	0.0	-0.3	-7.1	5.6	8.0	9.3
LTIMindtree	154.8	167.7	193.4	0.0	-0.4	-3.7	2.0	8.3	15.3
Infosys	63.3	63.4	73.8	0.0	-0.5	-0.3	10.0	0.2	16.3
State Bank	75.2	88.5	104.1	0.0	-0.7	1.0	20.6	17.7	17.6
Divis Labs	60.0	79.3	96.5	0.0	-0.9	0.0	-7.5	32.2	21.6
Wipro	20.4	22.2	24.5	0.0	-1.0	-8.9	-1.5	8.9	10.3
Tata Consumer	14.6	17.7	20.1	0.0	-1.4	1.1	28.7	20.7	13.5
Bajaj Finance	233.7	278.4	371.4	0.0	-1.6	1.9	22.8	19.1	33.4
Hind. Unilever	43.7	47.4	52.4	0.0	-2.0	-1.4	0.7	8.3	10.6
Maruti Suzuki	429.0	485.8	542.9	1.1	-2.6	-3.8	56.8	13.2	11.8
TCS	126.3	143.1	155.2	0.0	-3.0	-8.5	9.5	13.3	8.5
Ultratech Cement	244.5	279.6	347.2	0.0	-3.0	0.5	39.4	14.4	24.2
IndusInd Bank	115.5	132.6	164.2	0.0	-3.5	-3.0	20.3	14.8	23.8
BPCL	63.3	34.7	36.3	-2.0	-4.0	-1.0	1271.9	-45.2	4.7
ONGC	46.3	50.3	56.0	0.0	-4.6	-2.5	44.9	8.6	11.3
Apollo Hospitals	62.4	88.5	125.9	0.0	-5.0	-4.8	29.6	41.8	42.3
Titan Company	39.3	47.1	57.9	0.0	-5.5	-6.5	6.8	19.9	22.8
Bharti Airtel	19.7	35.3	52.6	-2.8	-7.5	-3.3	36.7	79.6	49.1
JSW Steel	36.7	60.9	78.9	-1.2	-12.0	0.2	149.9	65.9	29.4
Tata Steel	2.7	9.5	13.3	0.0	-12.7	-0.4	-61.8	252.5	39.6
Tech Mahindra	41.1	43.9	64.3	0.0	-13.7	-4.3	-28.2	6.8	46.6
Nifty (50)	1,006	1,134	1,330	0.1	-0.7	0.2	24.2	12.8	17.3

Exhibit 23: Absolute change in FY25E PAT for Nifty constituents (INR b)

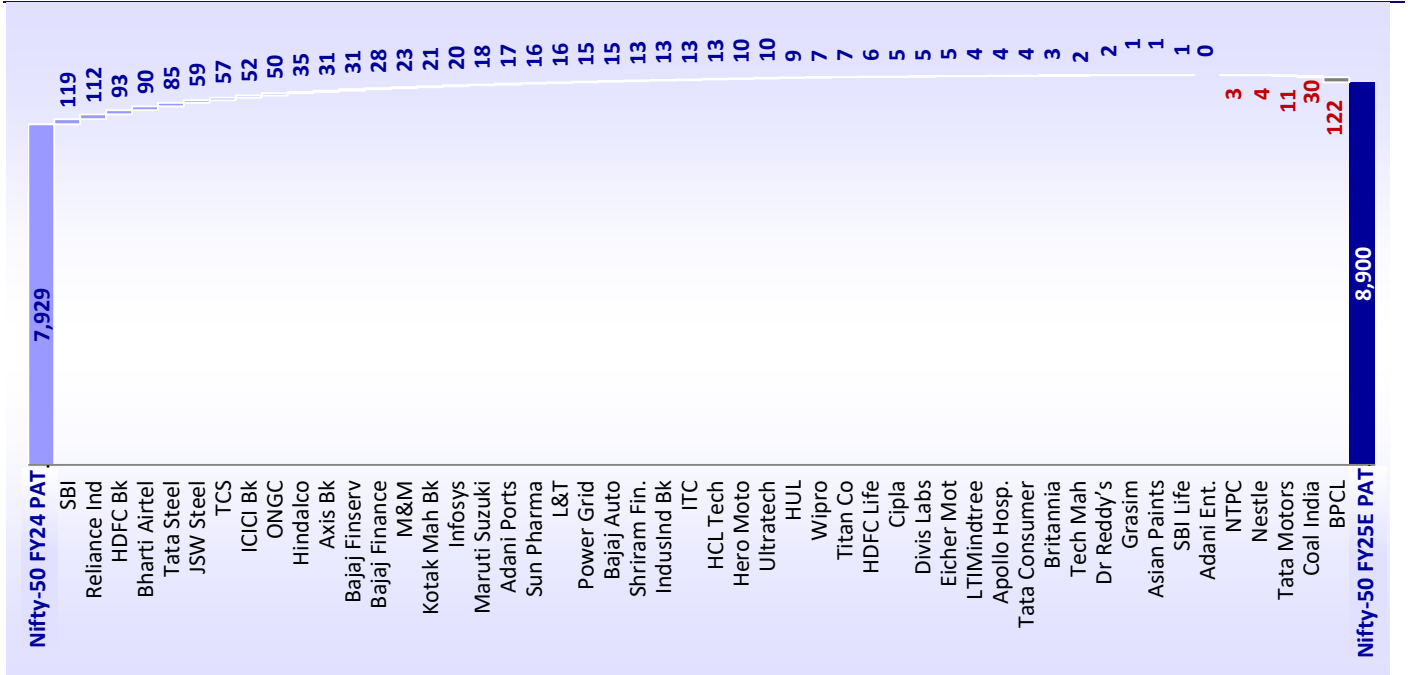


Exhibit 24: Absolute change in FY26E PAT for Nifty constituents (INR b)

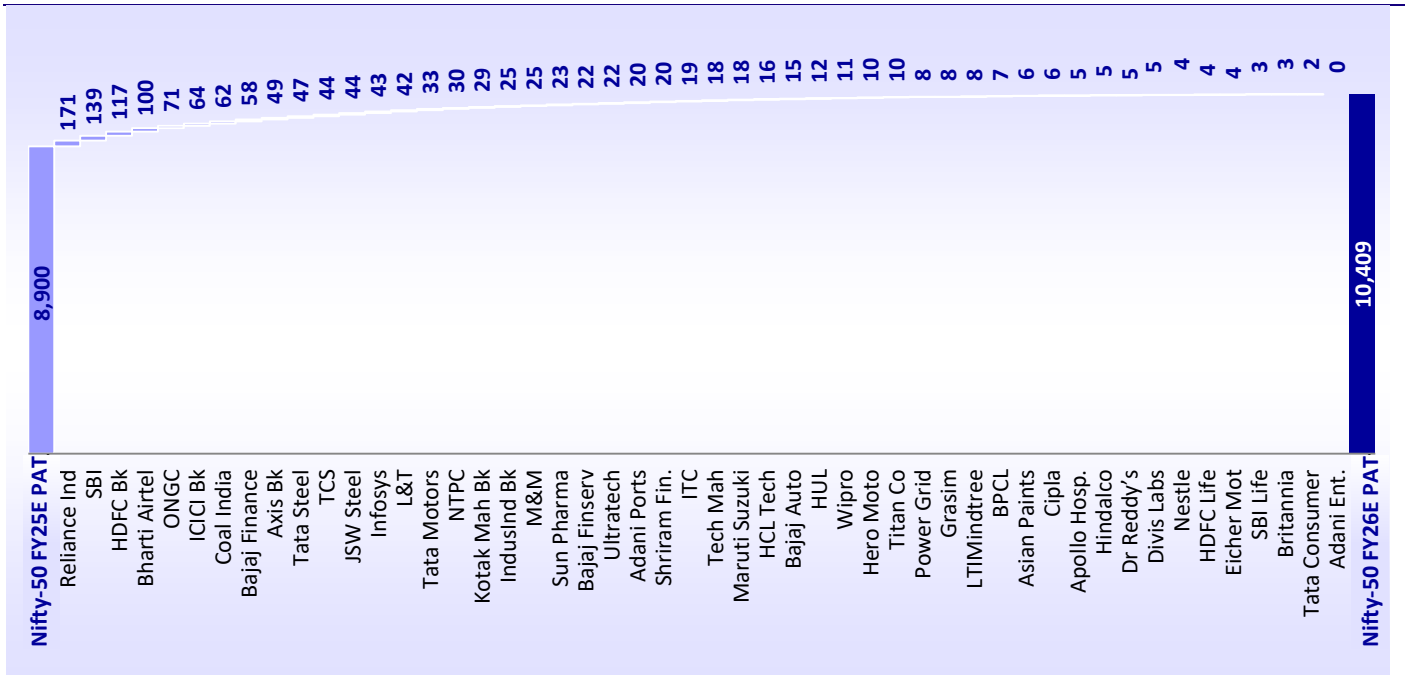


Exhibit 25: Nifty performance – Expect FF PAT CAGR (FY24-26E) of 15%

Company	Sales (INR b)			Sales CAGR % 24-26	EBIDTA Margin (%)			EBIDTA CAGR % 24-26	PAT (INR b)			PAT CAGR % 24-26	Contbn to Delta %
	FY24	FY25E	FY26E		FY24	FY25E	FY26E		FY24	FY25E	FY26E		
High PAT Growth (20%+)	12,581	14,264	16,272	14	21	23	24	21	995	1,385	1,814	35	33
Tata Steel	2,292	2,516	2,694	8	10	13	15	33	34	119	166	122	5
Bharti Airtel	1,500	1,654	1,884	12	52	54	56	16	113	203	303	64	8
JSW Steel	1,750	1,992	2,233	13	16	19	20	27	90	149	193	47	4
Apollo Hospitals	191	212	246	14	13	13	14	22	9	13	18	42	0
Bajaj Finserv	354	476	596	30	73	68	63	20	81	112	135	29	2
HDFC Life Insur.	620	747	875	19	6	5	5	16	16	22	26	28	0
Divis Labs	78	91	106	16	28	31	32	23	16	21	26	27	0
Bajaj Finance	296	369	480	27	81	79	79	26	144	172	230	26	3
Tech Mahindra	520	536	571	5	11	12	16	24	36	39	57	25	1
Hero MotoCorp	375	431	496	15	14	15	15	19	41	51	61	22	1
Titan Company	511	592	689	16	10	10	11	18	35	42	51	21	1
Shriram Finance	188	224	272	20	76	76	78	22	72	85	105	21	1
Ultratech Cement	709	751	899	13	18	19	20	18	71	81	102	20	1
Mahindra & Mahindra	988	1,177	1,374	18	13	13	14	21	107	130	154	20	2
Larsen & Toubro	2,211	2,497	2,857	14	11	11	11	17	130	145	187	20	2
Medium PAT Growth (0-20%)	43,971	47,179	51,584	8	25	26	27	12	6,664	7,368	8,440	13	72
Tata Consumer	152	178	193	13	15	16	16	17	14	18	20	19	0
IndusInd Bank	206	239	288	18	77	76	77	18	90	103	128	19	2
Adani Ports	267	308	350	14	59	59	60	15	89	106	126	19	2
Reliance Inds.	9,011	9,903	10,935	10	18	18	20	15	696	808	979	19	11
Hindalco	2,160	2,369	2,456	7	11	12	12	9	101	136	141	18	2
Sun Pharma	478	533	595	12	26	26	28	16	100	116	139	18	2
Bajaj Auto	447	522	600	16	20	20	20	18	77	92	107	18	1
State Bank	1,599	1,737	1,983	11	54	62	64	21	671	790	929	18	10
HDFC Bank	1,085	1,259	1,476	17	87	84	85	15	608	702	819	16	8
Axis Bank	499	556	639	13	74	76	79	17	249	280	329	15	3
Britannia	168	183	202	10	19	19	19	11	21	25	28	14	0
ICICI Bank	743	841	981	15	78	79	81	17	409	460	524	13	5
Kotak Mah. Bank	260	297	342	15	75	73	72	12	180	201	230	13	2
Maruti Suzuki	1,419	1,551	1,725	10	13	14	14	14	135	153	171	12	1
Infosys	1,537	1,587	1,743	7	24	24	25	10	243	263	306	12	3
Cipla	258	278	305	9	24	25	26	11	42	48	53	12	0
LTIMindtree	355	375	412	8	18	18	19	10	46	50	57	12	0
SBI Life Insurance	806	950	1,106	17	7	7	7	17	19	20	23	11	0
TCS	2,409	2,583	2,807	8	27	28	28	9	462	519	563	10	4
Eicher Motors	162	186	205	12	27	26	26	10	40	45	49	10	0
ONGC	6,430	6,564	6,851	3	17	17	18	7	583	633	705	10	5
Hind. Unilever	619	652	711	7	24	24	24	8	103	111	123	9	1
HCL Technologies	1,099	1,159	1,261	7	22	22	22	8	157	170	186	9	1
Wipro	896	912	961	4	19	20	20	7	110	117	128	8	1
ITC	709	761	824	8	37	37	38	9	205	217	236	7	1
Power Grid Corp.	453	494	517	7	87	86	85	6	156	171	179	7	1
Dr Reddy's Labs	279	319	369	15	28	27	26	11	53	55	60	7	0
Grasim Industries	258	306	328	13	9	9	10	22	63	64	72	7	0
Asian Paints	355	377	424	9	21	21	21	9	56	57	63	7	0
NTPC	1,785	1,867	1,997	6	29	28	29	6	213	211	241	6	1
Tata Motors	4,379	4,602	5,048	7	14	14	14	8	225	214	247	5	1
Coal India	1,423	1,497	1,694	9	34	32	35	10	374	344	407	4	1
Nestle	244	212	235	-2	24	25	25	0	40	35	40	0	0
Adani Enterprises	1,022	1,022	1,022	0	10	10	10	0	35	35	35	0	0
PAT de-growth (<0%)	4,481	4,118	4,255	-3	10	6	6	-22	271	148	155	-24	-5
BPCL	4,481	4,118	4,255	-3	10	6	6	-22	271	148	155	-24	-5
Nifty (PAT free float)	61,033	65,561	72,112	9	23	24	25	13	4,457	5,037	5,907	15	100

Valuations near to the LPA for Nifty

- Nifty is trading at a 12-month forward P/E of 20.2x, near to its own long period average (LPA). Notably, Nifty-50's EPS CAGR of 16% (to INR1,006 in FY24) has converged with the index CAGR of ~15% during the last five years (ended Mar'24). We expect FY25/FY26 EPS to grow 13%/17% to INR1,134/INR1,330.
- India's market capitalization-to-GDP ratio has been volatile, plummeting to 56% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 112% in FY22; the ratio moderated to 96% in FY23 though. The ratio is now at 136% (of FY24E GDP), above its long-term average of 80%. We expect the nominal GDP to increase 10.1% YoY in FY25.

Exhibit 26: Markets scaling new highs; valuations near to the LPA

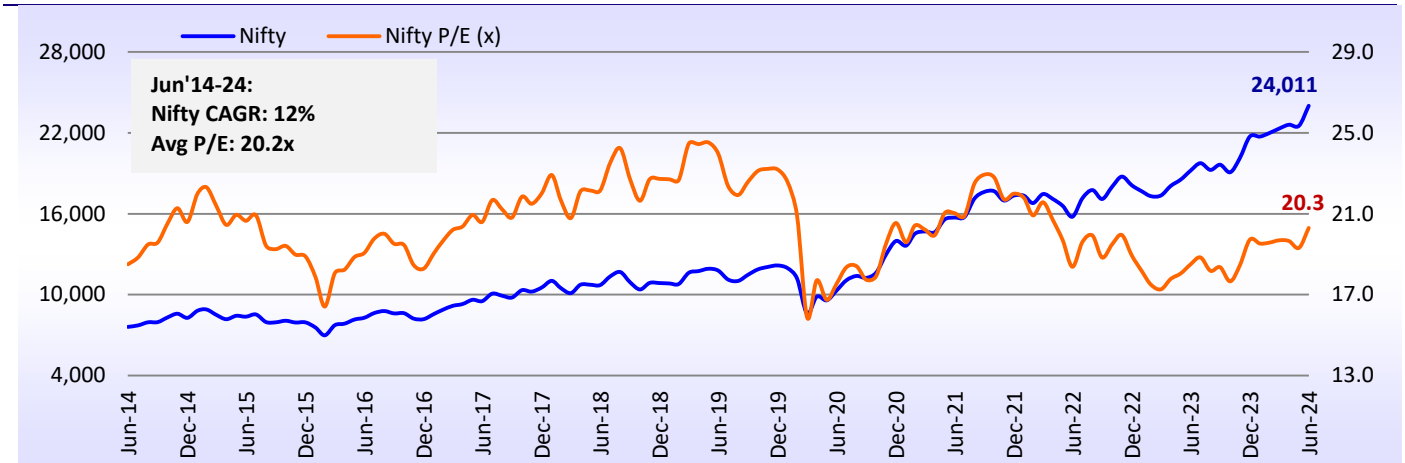


Exhibit 27: 12-month forward Nifty P/B (x)

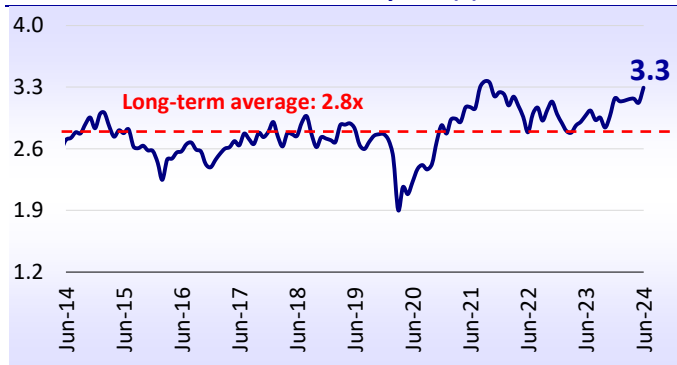


Exhibit 28: 12-month forward Nifty RoE (%)

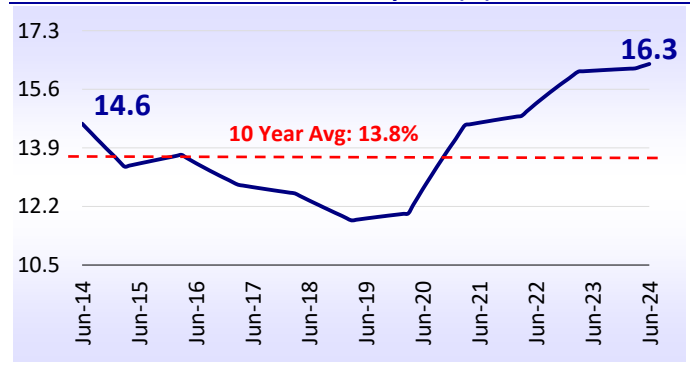
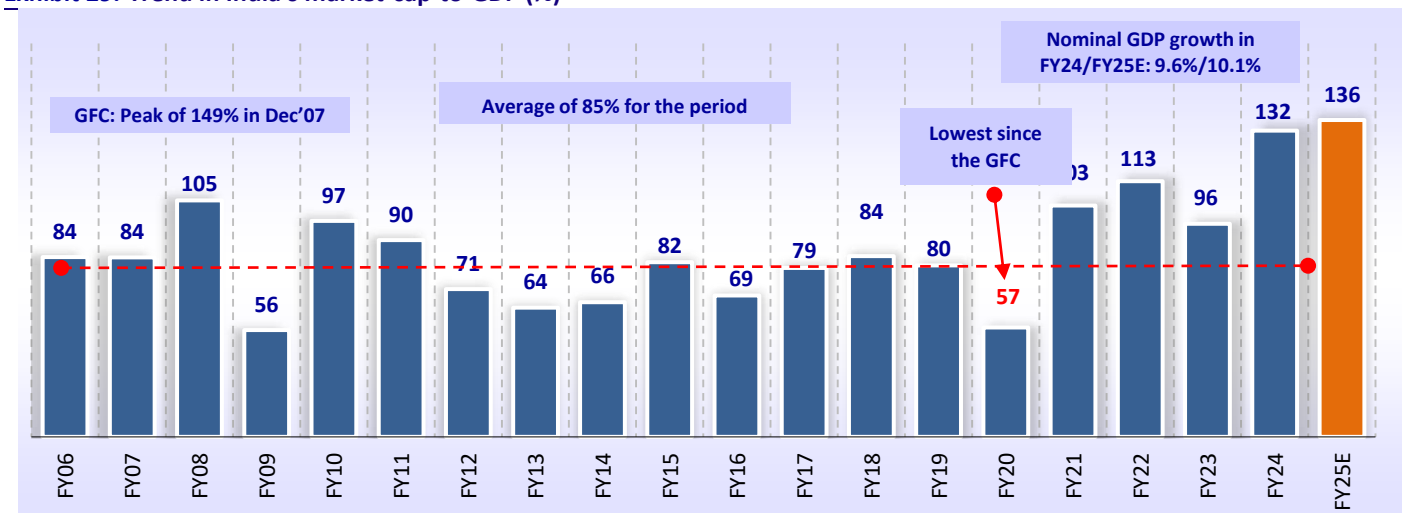


Exhibit 29: Trend in India's market-cap-to-GDP (%)



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Sectors & Companies

BSE Sensex: 79,997

Nifty 50: 24,324

July 2024

MOFSL Universe: 1QFY25 Highlights & Ready Reckoner

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 2 July 2024, unless otherwise stated.**

MOFSL Universe: 1QFY25 aggregate performance highlights

Exhibit 30: Quarterly Performance - MOFSL Universe (INR b)

Sector (Nos of Cos)	Sales			EBITDA			PAT		
	Jun-24	Var. % YoY	Var. % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Automobiles (25)	2,859	8.7	-4.7	391	14.0	-7.6	212	17.9	-13.2
Capital Goods (11)	824	12.1	-21.1	94	20.9	-28.1	56	24.4	-35.8
Cement (11)	539	1.5	-7.5	84	2.0	-16.7	35	-14.7	-31.3
Chemicals-Specialty (12)	160	1.4	2.4	30	-9.9	9.1	16	-20.4	9.3
Consumer (19)	882	7.8	8.9	226	9.2	14.5	161	9.7	12.4
Consumer Durables (5)	180	16.5	-6.7	18	24.7	-8.6	12	21.1	-8.8
EMS (5)	21	44.4	-17.9	2	35.5	-39.7	1	29.2	-45.6
Financials (50)	2,690	15.3	-7.5	1,548	11.5	-4.8	939	14.9	-4.6
Banks-Private (13)	912	16.7	2.8	671	15.5	-8.1	426	15.5	-3.7
Banks-PSU (6)	899	8.8	1.2	599	3.2	-2.6	342	11.5	-9.8
Insurance (6)	531	19.7	-33.4	25	28.0	-36.6	24	31.9	17.3
NBFC - Lending (20)	322	21.8	3.6	241	20.4	4.9	137	16.8	2.9
NBFC - Non Lending (5)	26	64.8	5.1	11	71.4	7.0	9	60.2	6.3
Healthcare (24)	840	11.9	3.9	193	16.8	5.1	119	21.1	2.0
Infrastructure (3)	47	-0.1	-12.7	13	-0.1	-9.2	4	-7.3	-23.3
Logistics (8)	153	13.2	0.2	57	14.1	3.0	32	16.9	0.9
Media (3)	46	0.7	6.6	10	-3.9	36.4	5	-10.9	26.4
Metals (10)	2,858	3.1	-1.9	507	11.0	3.4	225	11.9	6.1
Oil & Gas (15)	8,267	10.8	4.6	875	-24.4	-9.6	405	-35.8	-18.7
Oil Ex OMCs (12)	3,634	12.2	0.6	708	3.6	-1.3	336	2.9	-8.1
Real Estate (11)	124	28.0	-21.5	35	49.8	-25.9	24	36.7	-35.0
Retail (20)	533	16.7	9.0	59	14.4	10.2	25	14.1	20.2
Staffing (4)	116	12.7	4.7	4	17.2	16.3	2	35.9	79.2
Technology (12)	1,872	3.3	0.9	421	5.1	-1.5	287	6.1	-1.3
Telecom (4)	625	4.3	2.3	295	4.4	2.3	-25	Loss	Loss
Others (13)	495	4.3	-7.8	70	-18.4	-14.4	21	-52.0	-34.5
MOFSL Universe (265)	24,133	9.0	-0.9	4,930	1.7	-4.2	2,559	0.2	-7.5
Nifty (49)	13,979	6.2	-4.2	3,439	3.6	-4.5	1,857	3.6	-8.5
Sensex (30)	10,354	7.5	-3.4	2,786	7.8	-5.0	1,463	9.0	-8.9

For Banks: Sales = Net Interest Income, EBITDA = Operating Profits; For Life Insurance: Sales = Net Premium, EBITDA = VNB

Exhibit 31: Quarter-wise sales growth (% YoY)

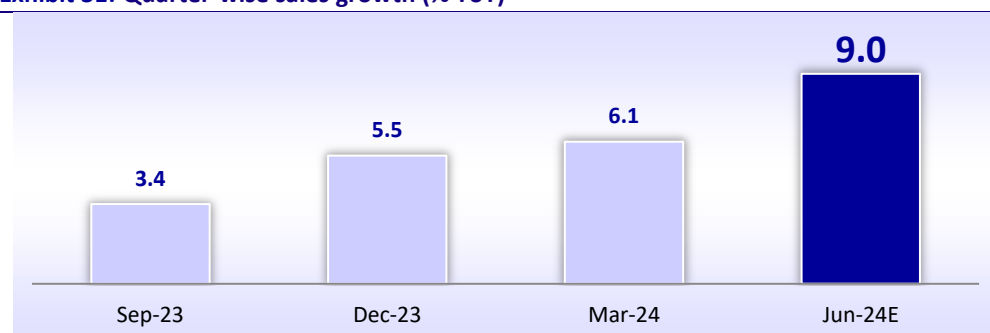
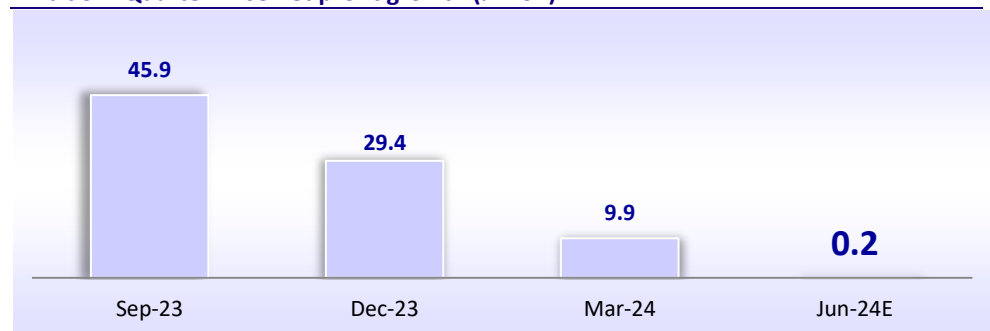


Exhibit 32: Quarter-wise net profit growth (% YoY)



Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Amara Raja Energy	1681	Neutral	29,915	8.0	7.0	4,422	25.1	8.5	2,551	32.5	11.9
Apollo Tyres	536	Buy	63,749	2.1	1.9	10,136	-3.6	-6.1	4,273	5.2	-8.1
Ashok Leyland	234	Buy	87,011	6.2	-22.8	10,587	29.0	-33.5	6,535	13.3	-31.1
Bajaj Auto	9398	Neutral	1,16,668	13.2	1.6	23,317	19.3	1.1	19,806	19.0	2.3
Balkrishna Inds	3129	Neutral	25,579	20.9	-5.2	6,548	34.7	-7.7	4,126	32.0	-15.5
Bharat Forge	1645	Neutral	23,695	11.4	1.8	6,528	18.0	-0.2	3,921	24.5	-0.9
Bosch	34617	Neutral	44,079	6.0	4.1	5,985	27.9	7.4	5,416	32.4	-4.1
CEAT	2755	Buy	30,526	4.0	2.0	3,694	-4.6	-5.7	1,478	2.2	-2.3
CIE Automotive	600	Buy	23,389	0.8	-3.6	3,495	-5.7	-3.1	2,010	-5.9	-12.7
Craftsman Auto	5691	Buy	11,217	8.1	1.5	2,181	1.8	5.4	801	7.5	28.4
Eicher Motors	4626	Sell	42,501	6.6	-0.1	11,180	9.5	-0.9	10,094	9.9	-5.7
Endurance Tech.	2720	Buy	28,303	15.5	6.2	3,806	18.5	3	2,028	24.1	4.0
Escorts Kubota	4123	Neutral	23,839	2.4	14.5	3,457	5.7	30.0	2,996	5.9	23.8
Exide Inds.	564	Neutral	43,984	8.0	9.7	5,674	31.3	9.9	3,348	38.4	18.0
Happy Forgings	1259	Buy	3,727	13.0	8.5	1,075	6.0	10.7	693	8.2	5.3
Hero Motocorp	5564	Buy	1,06,013	20.9	11.4	15,969	32.4	17.5	12,448	31.6	22.5
Mahindra & Mahindra	2867	Buy	2,80,556	16.6	11.7	38,672	19.5	19.4	29,806	7.5	46.2
Maruti Suzuki	12039	Buy	3,50,194	8.3	-8.4	42,180	41.4	-10.0	34,271	37.9	-11.6
Samvardhana Motherson	203	Buy	2,90,974	29.5	8.3	26,777	39.1	0.3	9,336	55.4	1.8
Motherson Wiring	73	Buy	22,103	18.9	-1.0	2,739	41.1	-6.0	1,774	44.1	-7.3
MRF	128645	Sell	63,865	1.0	2.8	9,676	-13.2	-3.8	4,534	-22.0	-3.4
Sona BLW Precis.	671	Neutral	9,140	24.8	3.2	2,550	25.4	2.8	1,470	28.7	-0.7
Tata Motors	981	Neutral	10,33,552	1.1	-13.9	1,37,634	1.5	-19.0	41,074	8.5	-46.8
Tube Investments	4111	Buy	20,321	14.2	3.5	2,349	8.8	8.2	1,649	11.6	-33.5
TVS Motor	2339	Neutral	84,419	17.0	3.3	9,917	29.9	7.1	5,848	25.0	20.5
Automobiles			28,59,320	8.7	-4.7	3,90,547	14.0	-7.6	2,12,288	17.9	-13.2
ABB India	8515	Buy	31,839	26.9	3.4	5,555	59.3	-1.7	4,552	53.8	-1.0
Bharat Electronics	306	Buy	37,838	7.8	-55.6	8,703	31.0	-61.8	7,463	40.6	-58.2
Cummins India	3936	Buy	20,788	-5.9	-10.2	4,135	21.4	-24.0	3,824	21.1	-31.9
Hitachi Energy	13482	Neutral	13,692	31.6	-19.2	1,232	266.0	-32.3	694	2,778.7	-39.0
KEC International	903	Neutral	45,050	6.2	-26.9	2,973	21.7	-23.4	820	93.7	-46.0
Kalpataru Proj.	1212	Buy	40,353	11.4	-21.6	3,390	8.0	-15.3	1,295	2.8	-26.0
Kirloskar Oil	1400	Buy	11,953	-5.5	-14.1	1,434	-7.1	-19.5	922	-10.7	-21.6
Larsen & Toubro	3624	Buy	5,34,615	11.7	-20.3	53,847	10.6	-25.6	27,035	8.4	-37.5
Siemens	7775	Buy	61,469	26.1	6.9	9,339	64.8	6.3	7,420	62.8	-7.6
Thermax	5175	Neutral	22,010	13.9	-20.4	2,125	60.8	-22.2	1,484	59.3	-20.9
Triveni Turbine	606	Buy	4,268	13.4	-6.8	845	19.2	-5.9	709	16.3	-7.0
Capital Goods			8,23,873	12.1	-21.1	93,578	20.9	-28.1	56,218	24.4	-35.8
ACC	2770	Neutral	51,154	-1.6	-5.2	7,296	-5.1	-12.8	4,167	-10.2	-15.2
Ambuja Cements	692	Neutral	46,567	-1.5	-2.6	7,225	-23.8	-9.4	4,773	-26.0	-12.3
Birla Corporation	1584	Buy	24,538	1.9	-7.6	3,474	16.6	-26.5	942	57.8	-50.0
Dalmia Bharat	1839	Buy	36,283	-0.1	-15.8	5,389	-12.7	-17.6	1,045	-19.6	-58.7
Grasim Industries	2743	Buy	69,043	10.7	2.0	5,731	-14.9	8.8	1,017	-71.4	-55.7
India Cements	284	Sell	11,521	-17.3	-7.5	288	474.2	-38.5	-543	Loss	Loss
J K Cements	4329	Buy	28,739	4.0	-7.5	4,687	14.9	-16.3	1,499	20.8	-29.9
JK Lakshmi Cem.	896	Buy	16,673	-3.6	-6.4	2,487	26.7	-26.1	1,000	27.5	-36.3
Ramco Cements	843	Neutral	22,193	-1.0	-17.0	3,133	-8.2	-24.9	345	-56.3	-71.6
Shree Cement	27672	Neutral	50,687	1.4	-0.6	11,833	26.9	-10.8	5,441	-6.4	-17.8
Ultratech Cement	11847	Buy	1,81,113	2.1	-11.3	32,474	6.5	-21.1	15,546	-7.9	-32.7
Cement			5,38,512	1.5	-7.5	84,018	2.0	-16.7	35,232	-14.7	-31.3
Alkyl Amines	2146	Neutral	3,760	-8.2	5.4	699	-5.5	1.5	407	-18.2	5.9
Atul	6566	Neutral	12,154	2.8	0.3	1,676	-8.0	13.6	777	-23.8	32.2
Clean Science	1514	Neutral	2,346	24.7	3.1	1,006	32.1	6.4	813	37.9	15.7
Deepak Nitrite	2684	Neutral	18,611	5.2	-12.5	2,773	32.2	-7.9	1,759	17.3	-10.2
Fine Organic	5236	Sell	5,339	0.3	2.4	1,246	-18.0	-5.8	941	-17.6	-10.1
Galaxy Surfactants	2772	Buy	9,725	3.3	4.7	1,106	-10.2	8.8	663	-11.9	-14.5
Navin Fluorine	3604	Neutral	4,790	-2.5	-20.4	830	-27.3	-24.6	391	-36.4	-44.4
NOCIL	285	Neutral	3,738	-5.8	4.9	536	-1.4	23.5	337	0.4	-18.0
P I Industries	3757	Buy	21,970	15.0	26.2	5,602	19.8	26.8	3,989	4.2	8.0
SRF	2395	Neutral	32,860	-1.6	-7.9	6,471	-10.1	-9.1	3,074	-19.8	-29.8
Tata Chemicals	1095	Neutral	39,462	-6.4	13.6	6,505	-37.6	46.8	1,795	-65.2	LP

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Vinati Organics	1942	Buy	5,605	30.0	1.9	1,502	37.8	0.0	1,061	27.5	1.6
Chemicals-Specialty			1,60,361	1.4	2.4	29,951	-9.9	9.1	16,008	-20.4	9.3
Asian Paints	2926	Neutral	91,823	0.0	5.2	19,916	-6.1	17.8	14,330	-9.0	12.4
Britannia	5403	Neutral	42,283	5.4	3.9	7,847	13.9	-0.3	5,307	16.5	-1.1
Colgate	2870	Neutral	14,433	9.0	-3.1	4,698	12.4	-11.7	3,336	15.7	-12.2
Dabur	603	Buy	33,653	7.5	19.6	6,596	9.1	41.3	4,942	4.7	38.1
Emami	723	Buy	8,914	8.0	0.0	2,135	12.4	1.2	1,770	25.3	6.1
Godrej Consumer	1370	Buy	36,216	5.0	7.0	7,845	15.1	3.2	5,019	34.5	-12.7
Hind. Unilever	2485	Buy	1,55,530	0.4	2.3	37,113	1.3	5.0	26,432	2.4	5.7
Indigo Paints	1390	Buy	3,259	13.0	-15.3	600	22.2	-29.0	358	15.3	-34.3
ITC	425	Buy	1,83,622	7.0	2.5	70,667	5.9	6.6	54,263	6.3	5.9
Jyothy Labs	477	Neutral	7,524	9.5	14.0	1,317	12.1	21.5	977	12.0	25.0
Marico	603	Buy	26,719	7.9	17.3	6,341	10.5	43.5	4,615	8.1	45.1
Nestle	2545	Neutral	50,600	8.6	-3.9	12,067	13.2	-10.1	7,985	13.8	-12.6
P&G Hygiene	16547	Neutral	9,576	12.8	-4.5	2,652	25.4	3.1	1,894	28.2	2.2
Page Industries	38790	Neutral	13,187	7.0	32.5	2,625	8.5	57.0	1,767	11.6	63.3
Pidilite Inds.	3085	Neutral	35,044	7.0	20.8	8,117	14.8	40.7	5,651	19.1	49.5
Tata Consumer	1106	Buy	44,347	18.5	12.9	6,776	24.3	7.6	3,854	20.3	1.8
United Breweries	2032	Sell	26,187	15.2	22.9	3,087	38.6	117.5	2,025	48.8	150.5
United Spirits	1276	Neutral	23,550	8.4	-11.7	4,117	6.9	13.7	2,620	9.3	-35.7
Varun Beverages	1578	Buy	75,944	35.3	75.9	21,142	39.9	113.8	14,226	43.2	164.7
Consumer			8,82,410	7.8	8.9	2,25,658	9.2	14.5	1,61,373	9.7	12.4
Havells India	1811	Neutral	57,196	18.3	5.1	5,873	46.1	-7.4	3,898	35.8	-12.7
KEI Industries	4552	Buy	19,966	12.0	-13.9	2,079	16.6	-15.0	1,364	12.4	-19.2
Polycab India	6629	Buy	45,835	17.8	-18.0	5,945	8.4	-21.9	4,213	5.4	-22.8
R R Kabel	1755	Buy	17,671	10.6	0.7	1,303	15.4	13.1	881	18.5	11.9
Voltas	1450	Buy	39,430	17.4	-6.2	2,590	39.7	35.9	1,900	46.9	83.0
Consumer Durables			1,80,098	16.5	-6.7	17,792	24.7	-8.6	12,255	21.1	-8.8
Avalon Tech	541	Buy	2,186	-7.0	0.8	157	-3.0	-8.6	63	-11.3	-11.2
Cyient DLM	753	Buy	2,606	20.0	-28.0	184	-7.9	-51.7	93	74.5	-58.9
Data Pattern	3092	Neutral	1,148	28.0	-37.0	390	40.3	-58.0	316	22.2	-55.6
Kaynes Tech	3962	Buy	4,814	62.0	-24.5	627	55.8	-34.1	443	79.7	-45.5
Syrma SGS Tech.	486	Buy	10,042	67.0	-11.5	554	50.1	-24.8	266	-6.7	-23.8
EMS			20,796	44.4	-17.9	1,913	35.5	-39.7	1,181	29.2	-45.6
Ajanta Pharma	2240	Buy	11,022	8.0	4.6	2,855	1.5	2.6	1,969	-1.9	4.5
Alembic Pharma	976	Neutral	15,671	5.4	3.3	2,648	33.3	1.8	1,666	38.0	-6.9
Alkem Lab	4921	Neutral	30,793	3.8	4.9	4,988	28.2	24.1	3,898	35.9	28.2
Apollo Hospitals	6101	Buy	50,133	13.5	1.4	6,768	33.0	5.7	2,982	79.0	17.5
Aurobindo Pharma	1213	Neutral	76,598	11.8	1.1	16,928	47.0	0.3	9,704	63.6	-3.9
Biocon	356	Neutral	39,592	15.7	1.1	9,067	27.2	-1.0	1,760	76.0	-5.8
Cipla	1488	Buy	67,562	6.8	9.6	17,363	16.2	32.0	11,346	13.9	30.6
Divis Labs	4570	Neutral	21,994	23.7	-4.5	6,818	35.3	-6.7	5,127	43.7	-4.4
Dr Reddy's Labs	6372	Neutral	73,961	9.8	4.4	19,748	-3.4	11.8	12,866	-5.8	6.2
Eris Lifescience	1039	Neutral	6,999	50.0	27.0	2,436	43.5	43.4	892	-5.9	9.5
Gland Pharma	1812	Buy	15,138	25.2	-1.5	3,573	21.5	-0.4	2,120	9.2	10.5
Glenmark Pharma	1248	Neutral	32,950	8.5	7.6	6,129	40.1	21.5	2,917	162.6	73.7
Global Health	1275	Buy	8,216	6.3	1.6	1,997	8.3	4.5	1,166	14.3	-8.5
Granules India	491	Buy	11,806	19.8	0.4	2,456	55.5	-4.0	1,230	94.3	-5.1
GSK Pharma	2621	Neutral	8,096	6.3	-12.9	2,113	46.8	-17.9	1,699	47.8	-11.5
IPCA Labs.	1132	Neutral	21,578	35.9	6.1	3,668	24.7	14.0	1,723	11.9	85.3
Laurus Labs	437	Buy	14,301	21.0	-0.7	2,231	33.8	-7.6	692	158.4	-8.4
Lupin	1633	Neutral	50,311	9.2	1.4	9,660	48.3	-3.1	5,061	77.3	-0.4
Mankind Pharma	2129	Buy	28,256	9.6	15.8	7,120	8.7	20.5	5,393	10.8	14.4
Max Healthcare	912	Buy	18,977	17.0	6.0	5,143	19.9	4.1	3,537	15.8	6.3
Piramal Pharma	161	Buy	19,610	12.1	-23.2	1,608	21.5	-69.7	-664	Loss	PL
Sun Pharma	1524	Buy	1,31,835	11.9	11.6	32,695	3.0	11.9	26,483	16.0	-5.6
Torrent Pharma	2821	Neutral	29,778	14.9	8.5	9,410	19.0	6.6	4,881	29.1	8.7
Zyodus Lifesciences	1074	Neutral	55,308	7.6	-0.1	15,320	0.0	-5.7	10,368	-7.6	-11.8
Healthcare			8,40,485	11.9	3.9	1,92,741	16.8	5.1	1,18,817	21.1	2.0
G R Infraproject	1721	Buy	19,542	-9.2	-9.3	2,677	-14.9	-10.5	1,846	-11.3	-17.9
IRB Infra	65	Neutral	18,273	11.8	-11.3	8,348	7.3	-6.2	1,402	4.8	-25.8

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Jubilant Foodworks	575	Neutral	14,210	8.5	6.7	2,775	0.4	9.1	579	-22.9	67.9
Kalyan Jewellers	496	Buy	55,791	27.5	23.0	3,754	16.2	22.6	1,867	29.8	35.7
Metro Brands	1239	Buy	6,342	8.9	8.8	2,022	8.4	27.5	1,037	10.9	19.8
Raymond	2979	Buy	21,433	21.0	-17.8	2,630	33.8	-39.7	1,068	24.6	-55.7
Relaxo Footwear	831	Neutral	7,769	5.2	4.0	1,204	12.0	0.1	617	9.5	0.4
Restaurant Brands	102	Buy	5,061	19.9	15.3	653	34.7	18.5	-147	Loss	Loss
Sapphire Foods	1561	Buy	7,332	12.0	16.1	1,269	4.5	23.3	172	-31.0	741.1
Senco Gold	1108	Buy	15,469	18.5	36.0	809	20.4	-7.8	365	31.8	13.3
Shoppers Stop	759	Neutral	10,861	10.6	8.6	1,931	12.1	17.7	77	-48.7	59.8
Titan Company	3400	Buy	1,30,453	9.7	4.4	11,845	5.3	-0.5	7,824	3.5	1.5
Trent	5539	Buy	36,778	45.0	15.4	5,259	43.8	10.2	3,042	105.2	22.8
V-Mart Retail	2892	Neutral	7,860	15.8	17.6	671	27.9	66.8	-176	Loss	Loss
Vedant Fashions	1099	Neutral	2,629	-15.6	-27.6	1,165	-21.4	-33.5	658	-28.4	-43.1
Westlife Foodworld	829	Neutral	6,400	4.1	13.8	863	-18.1	11.9	96	-66.7	1,136.7
Retail			5,33,371	16.7	9.0	58,928	14.4	10.2	24,726	14.1	20.2
Qess Corp	640	Neutral	50,085	8.9	2.0	1,828	18.8	-6.3	851	77.9	-15.0
SIS	453	Buy	34,232	15.0	9.1	1,712	23.1	103.9	1,100	22.9	LP
Team Lease Serv.	2956	Buy	25,256	16.3	3.8	328	24.7	-10.4	335	29.9	22.2
Updater Services	303	Buy	6,809	17.9	7.8	272	-20.1	-32.4	204	1.1	-12.0
Staffing			1,16,382	12.7	4.7	4,140	17.2	16.3	2,489	35.9	79.2
Coforge	5656	Neutral	24,289	9.4	3.0	4,024	21.3	-3.3	2,351	29.3	4.7
Cyient	1845	Buy	17,801	5.6	-4.3	3,204	1.5	-4.4	1,920	8.6	1.4
HCL Technologies	1481	Buy	2,79,324	6.2	-2.0	57,571	5.5	-5.6	37,570	6.3	-5.7
Infosys	1621	Buy	3,87,995	2.3	2.3	99,238	0.8	3.6	63,094	6.1	3.9
LTIMindtree	5470	Neutral	89,827	3.2	1.0	15,899	-2.8	3.5	11,606	0.7	5.4
L&T Technology	5026	Buy	25,308	10.0	-0.3	4,859	7.3	-3.4	3,385	8.8	-0.7
Mphasis	2505	Neutral	34,653	6.6	1.6	6,168	5.1	-3.4	4,252	7.4	8.1
Persistent Systems	4499	Neutral	27,243	17.4	5.2	4,658	10.1	2.5	3,215	15.9	2.0
TCS	4016	Buy	6,22,167	4.8	1.6	1,65,306	10.3	-3.8	1,21,441	9.2	-2.9
Tech Mahindra	1472	Neutral	1,29,617	-1.5	0.7	14,258	-10.9	1.3	8,176	-14.4	-15.7
Wipro	538	Neutral	2,21,585	-2.9	-0.2	43,525	3.9	-0.7	28,731	0.1	1.4
Zensar Tech	751	Neutral	12,636	3.0	2.8	2,072	-9.9	2.1	1,454	-6.9	-16.1
Technology			18,72,444	3.3	0.9	4,20,785	5.1	-1.5	2,87,196	6.1	-1.3
Bharti Airtel	1419	Buy	3,86,639	3.3	2.8	2,03,113	3.6	4.9	36,626	26.2	24.1
Indus Towers	384	Neutral	73,979	4.6	2.8	38,471	10.6	-5.5	16,138	19.7	-12.9
Tata Comm	1889	Neutral	58,377	22.3	2.6	11,035	7.8	4.5	2,420	-36.3	-35.2
Vodafone Idea	17	Neutral	1,05,987	-0.5	-0.1	42,325	1.8	-2.4	-79,780	Loss	Loss
Telecom			6,24,983	4.3	2.3	2,94,944	4.4	2.3	-24,595	Loss	Loss
APL Apollo Tubes	1593	Buy	49,969	9.9	4.9	3,261	6.2	16.3	2,043	5.5	19.9
Cello World	901	Buy	5,142	9.0	0.3	1,295	8.6	-2.8	834	7.7	-6.1
Coromandel International	1571	Buy	55,876	-1.9	42.8	6,928	-2.3	153.8	4,693	-5.0	192.7
EPL	220	Buy	10,200	12.1	-0.9	1,886	18.6	-1.2	626	15.2	-7.5
Godrej Agrovet	813	Neutral	27,030	7.7	26.6	2,234	15.8	50.9	1,295	22.9	126.6
Indian Hotels	603	Buy	15,910	8.5	-16.5	4,530	10.4	-31.3	2,400	7.9	-42.6
Interglobe Aviation	4254	Neutral	1,73,272	3.9	-2.8	38,665	-25.1	-11.5	15,702	-49.1	-17.1
Kajaria Ceramics	1478	Buy	10,978	3.2	-11.5	1,625	-4.0	-5.5	937	-12.8	-8.5
Lemon Tree Hotel	145	Buy	2,776	24.9	-15.2	1,250	19.6	-27.1	244	4.0	-63.6
MTAR Tech	1892	Buy	1,297	-15.0	-9.3	233	-32.6	27.7	137	-32.8	180.8
One 97 Comm.	421	Neutral	14,911	-36.3	-34.2	-7,682	Loss	Loss	-8,431	Loss	Loss
UPL	566	Neutral	89,523	-0.1	-36.4	14,014	-12.0	-27.5	-1,421	PL	PL
Zomato	209	Buy	38,063	57.5	6.9	2,074	LP	141.2	2,198	10,890.0	25.6
Others			4,94,947	4.3	-7.8	70,314	-18.4	-14.4	21,257	-52.0	-34.5

PL: Profit to Loss; LP: Loss to Profit

Ready reckoner: Quarterly performance

	CMP (INR)	RECO	NII (INR M)			OP. PROFITS (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Financials											
AU Small Finance	673	Buy	19,244	54.4	43.9	8,116	48.6	22.2	4,230	9.3	14.1
Axis Bank	1254	Neutral	1,33,198	11.4	1.8	97,882	11.0	-7.1	64,099	10.6	-10.1
Bandhan Bank	202	Neutral	29,216	17.3	1.9	17,066	9.2	-7.2	8,142	12.9	1,390.6
DCB Bank	139	Buy	5,262	11.8	3.7	2,347	12.5	0.4	1,414	11.4	-9.2
Equitas Small Fin.	94	Buy	8,092	8.9	3.0	3,355	7.5	-10.5	1,745	-8.7	-16.0
Federal Bank	175	Buy	22,897	19.3	4.3	14,508	11.4	30.7	9,716	13.8	7.2
HDFC Bank	1731	Buy	2,93,436	24.3	0.9	2,35,043	25.2	-19.7	1,54,587	29.3	-6.4
ICICI Bank	1190	Buy	1,95,292	7.1	2.3	1,53,108	8.3	1.8	1,06,323	10.2	-0.7
IDFC First Bank	79	Neutral	46,970	25.4	5.1	17,425	16.1	4.7	6,813	-11.0	-5.9
IndusInd Bank	1430	Buy	55,806	14.7	3.8	41,914	9.4	2.7	23,381	10.1	-0.5
Kotak Mahindra Bank	1770	Neutral	71,240	14.3	3.1	52,433	5.9	-4.0	35,889	4.0	-13.2
RBL Bank	258	Neutral	16,607	16.8	3.8	8,926	37.9	0.6	3,416	18.6	-3.1
SBI Cards	711	Neutral	14,479	17.4	2.3	18,764	23.8	2.4	6,447	8.7	-2.7
Banks-Private			9,11,739	16.7	2.8	6,70,888	15.5	-8.1	4,26,203	15.5	-3.7
Bank of Baroda	265	Buy	1,16,177	5.6	-1.5	77,707	-0.7	-4.1	46,030	13.1	-5.8
Canara Bank	116	Buy	96,596	11.5	0.8	79,306	4.3	7.4	39,577	12.0	5.3
Indian Bank	538	Buy	61,467	7.8	2.2	44,088	6.6	2.4	22,061	29.1	-1.8
Punjab National Bank	121	Neutral	1,03,522	8.9	-0.1	69,142	15.9	7.8	30,087	139.7	-0.1
State Bank	826	Buy	4,27,193	9.8	2.6	2,57,924	2.0	-10.3	1,68,584	-0.2	-18.6
Union Bank	134	Buy	93,840	6.2	-0.6	70,684	-1.5	8.2	35,797	10.6	8.1
Banks-PSU			8,98,795	8.8	1.2	5,98,850	3.2	-2.6	3,42,136	11.5	-9.8
HDFC Life Insur.	590	Buy	1,37,328	17.6	-34.4	7,160	17.4	-42.0	5,205	25.3	26.6
ICICI Lombard	1809	Buy	48,652	25.2	11.4	-2,433	Loss	Loss	5,759	47.5	10.9
ICICI Pru Life	620	Buy	95,880	30.0	-36.7	5,001	14.2	-35.6	2,397	15.9	38.0
Max Financial	980	Neutral	58,655	20.4	-45.4	3,254	31.8	-60.4	2,089	102.8	LP
SBI Life Insurance	1494	Buy	1,55,657	14.8	-38.3	9,935	14.2	-34.2	3,980	4.5	-50.9
Star Health	569	Buy	35,308	16.0	4.0	2,563	76.3	LP	4,113	42.9	189.0
Insurance			5,31,479	19.7	-33.4	25,480	28.0	-36.6	23,542	31.9	17.3
AAVAS Financiers	1860	Neutral	2,525	11.6	6.5	1,788	22.2	-1.6	1,346	22.7	-5.6
Bajaj Finance	7163	Neutral	84,455	25.7	5.4	67,516	21.8	5.3	39,469	14.9	3.2
Can Fin Homes	890	Neutral	3,355	17.7	2.4	2,882	16.4	6.0	2,140	16.7	2.4
Chola. Inv & Fin.	1400	Buy	25,519	38.5	8.4	17,184	28.3	5.6	9,263	27.6	-12.5
CreditAccess	1342	Buy	9,208	27.8	4.5	7,100	30.6	4.0	4,061	16.5	2.3
Five-Star Business	829	Buy	4,827	31.3	4.6	3,557	36.2	6.9	2,483	35.1	5.2
Fusion Micro	460	Buy	3,684	24.7	2.0	2,815	19.6	-3.2	1,246	3.4	-6.1
Home First Fin.	1096	Buy	1,460	17.2	6.7	1,149	17.6	1.3	860	24.4	3.0
IIFL Finance	521	Buy	14,935	13.9	-9.2	8,057	-0.3	2.1	4,377	2.9	17.2
L&T Finance	187	Buy	21,002	19.8	5.7	14,942	21.0	9.7	6,768	27.6	22.4
LIC Housing Fin	795	Buy	21,506	-2.7	-3.9	19,159	-4.7	0.6	12,450	-5.9	14.1
M & M Financial	302	Buy	18,854	19.0	4.0	12,605	26.1	7.5	5,279	49.7	-14.7
Manappuram Finance	206	Buy	15,459	20.0	3.5	9,618	19.9	3.0	5,757	15.6	2.2
MAS Financial	293	Buy	1,784	29.9	6.2	1,215	28.4	8.0	730	27.5	7.3
Muthoot Finance	1797	Neutral	22,439	18.5	5.1	16,514	17.9	9.4	11,749	20.5	11.2
PNB Housing	796	Buy	6,735	8.7	8.1	5,854	15.4	3.3	4,354	25.4	-0.9
Poonawalla Fincorp	419	Buy	6,075	44.2	8.0	4,728	60.8	15.5	3,211	60.4	-3.2
Repco Home Fin	551	Neutral	1,648	6.6	1.2	1,309	5.0	1.7	960	7.7	-11.2
Shriram Finance	2824	Buy	52,420	24.8	3.0	40,352	29.1	3.3	20,108	20.0	3.3
Spandana Sphoorty	737	Buy	4,130	40.8	7.0	2,630	39.1	-1.1	831	-30.4	-35.4
NBFC - Lending			3,22,022	21.8	3.6	2,40,973	20.4	4.9	1,37,443	16.8	2.9
360 One WAM	954	Buy	5,143	26.7	-10.4	2,606	32.3	-4.9	2,228	20.0	-8.6
Angel One	2354	Buy	8,931	71.8	2.2	3,258	9.8	-29.0	2,414	9.3	-29.0
BSE	2487	Neutral	5,905	174.3	20.9	2,715	386.4	182.3	2,480	201.3	133.0
Cams Services	3761	Buy	3,290	25.9	6.0	1,530	39.0	6.7	1,073	41.8	4.2
MCX	3873	Buy	2,248	54.2	24.1	1,382	1,192.4	35.5	1,166	492.9	32.7
NBFC - Non Lending			25,518	64.8	5.1	11,490	71.4	7.0	9,361	60.2	6.3

PL: Profit to Loss; LP: Loss to Profit; For Banks: Sales = Net Interest Income, EBITDA = Operating Profits; For Life Insurance: Sales = Net Premium, EBITDA = Operating Profits

Ready reckoner: Full year valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Restaurant Brands	102	Buy	-4.8	-2.1	0.3	-21.3	-48.4	346.9	8.0	9.7	9.4	-32.1	-18.1	2.7
Sapphire Foods	1,561	Buy	8.2	14.0	24.4	192.4	111.3	64.1	7.5	7.0	6.3	4.0	6.5	10.3
Senco Gold	1,108	Buy	23.3	30.3	37.1	33.1	36.6	29.8	4.4	5.4	4.7	15.7	15.9	16.8
Shoppers Stop	759	Neutral	7.2	14.1	19.1	103.8	53.9	39.8	19.4	14.4	10.5	21.8	30.7	30.6
Titan Company	3,400	Buy	39.3	47.1	57.9	96.9	72.2	58.8	36.1	24.5	19.0	32.9	38.6	36.4
Trent	5,539	Buy	29.2	49.4	62.7	135	112	88.3	32.3	31.6	22.9	31.2	35.5	32.1
V-Mart Retail	2,892	Neutral	-53.5	-23.3	15.1	-40	-124	191.4	5.2	7.4	7.1	NM	NM	3.8
Vedant Fashions	1,099	Neutral	17.1	19.3	23.8	54	57	46.2	14.5	14.6	12.3	27.6	26.9	25.9
Westlife Foodworld	829	Neutral	4.4	7.2	11.9	181.2	115.0	69.7	21.3	15.3	14.1	12.0	15.7	21.1
Staffing						28.1	19.3	15.0	2.9	2.9	2.5	10.4	15.0	16.6
Quess Corp	640	Neutral	22.5	30.3	37.0	23.2	21.2	17.3	2.2	2.5	2.3	12.8	16.2	18.1
SIS	453	Buy	13.3	30.8	40.3	30.7	14.7	11.2	1.1	1.0	0.9	8.2	16.8	18.1
Team Lease Serv.	2,956	Buy	64.8	90.9	129.2	42.3	32.5	22.9	5.0	4.7	3.9	12.4	15.0	18.1
Updater Services	303	Buy	11.4	17.9	23.6	28.2	16.9	12.9	2.4	2.0	1.8	10.7	11.5	13.4
Technology						28.6	28.4	25.3	8.0	8.7	8.6	28.0	30.7	33.9
Coforge	5,656	Neutral	133.0	169.2	203.3	41.3	33.4	27.8	9.4	8.5	7.4	23.9	26.4	27.7
Cyient	1,845	Buy	66.9	81.2	99.3	29.8	22.7	18.6	5.1	4.4	4.0	18.3	18.8	21.3
HCL Technologies	1,481	Buy	57.9	62.5	68.4	26.7	23.7	21.7	6.1	5.9	6.0	23.5	25.0	27.7
Infosys	1,621	Buy	63.3	63.4	73.8	23.7	25.6	22.0	7.0	7.6	7.6	29.8	29.8	34.6
LTIMindtree	5,470	Neutral	154.8	167.7	193.4	31.9	32.6	28.3	7.3	7.1	6.2	24.4	23.1	23.3
L&T Technology	5,026	Buy	123.0	135.3	156.9	44.5	37.1	32.0	10.9	8.8	7.7	25.4	25.3	25.7
Mphasis	2,505	Neutral	81.8	93.7	101.1	29.2	26.7	24.8	5.1	5.0	4.6	18.6	19.5	19.4
Persistent Systems	4,499	Neutral	75.1	93.4	113.9	53.1	48.2	39.5	12.2	12.1	10.5	25.6	26.7	28.4
TCS	4,016	Buy	126.3	143.1	155.2	30.8	28.1	25.9	15.7	16.6	17.1	50.9	58.1	65.1
Tech Mahindra	1,472	Neutral	41.1	43.9	64.3	30.4	33.5	22.9	4.1	4.8	4.6	13.3	14.4	20.5
Wipro	538	Neutral	20.4	22.2	24.5	23.5	24.2	22.0	3.4	3.8	3.8	14.4	15.8	17.3
Zensar Tech	751	Neutral	29.1	26.5	32.6	20.8	28.3	23.1	3.8	4.3	3.8	20.3	16.0	17.4
Telecom						-69	-324	94.1	138.9	22.0	17.9	-201.4	-6.8	19.1
Bharti Airtel	1,419	Buy	19.7	35.3	52.6	62.5	40.2	27.0	8.4	6.4	5.2	14.2	19.8	21.9
Indus Towers	384	Neutral	22.4	25.1	27.8	13.0	15.3	13.8	2.9	3.1	2.5	25.1	22.2	20.0
Tata Comm	1,889	Neutral	42.3	48.1	83.5	47.6	39.3	22.6	32.1	19.1	11.0	72.9	59.4	62
Vodafone Idea	17	Neutral	-11.1	-10.9	-10.4	-1.2	-1.6	-1.6	-0.4	-0.5	-0.4	NM	NM	NM
Others						46.1	44.7	32.4	6.3	6.4	5.4	13.6	14.2	16.7
APL Apollo Tubes	1,593	Buy	26.4	37.9	55.7	56.6	42.0	28.6	11.5	9.8	7.5	22.2	26.0	29.8
Cello World	901	Buy	15.6	19.0	24.0	49.7	47.3	37.5	14.3	12.4	9.4	28.8	26.3	25.1
Coromandel Int.	1,571	Buy	55.8	63.0	71.3	19.3	24.9	22.0	3.4	4.3	3.7	19.0	18.3	17.9
EPL	220	Buy	8.2	10.1	14.1	21.8	21.8	15.6	2.7	3.1	2.7	12.7	14.7	18.6
Godrej Agrovet	813	Neutral	18.7	24.5	31.3	26.0	33.2	26.0	3.7	5.6	4.9	14.8	17.7	20.1
Indian Hotels	603	Buy	8.9	10.6	13.0	66.7	57.0	46.4	8.9	7.9	6.8	14.4	14.8	15.7
Interglobe Aviation	4,254	Neutral	211.8	187.7	182.6	16.7	22.7	23.3	70.5	17.8	10.1	-373.7	130.4	55.5
Kajaria Ceramics	1,478	Buy	27.2	33.1	38.1	42.5	44.7	38.8	7.0	8.1	7.3	17.1	18.6	19.3
Lemon Tree Hotel	145	Buy	1.9	2.7	4.0	68.8	53.5	36	10.6	9.6	7.6	16.3	19.8	23.6
MTAR Tech	1,892	Buy	18.2	32.1	57.2	92.3	59.0	33	7.7	7.5	6.1	8.7	13.6	20.4
One 97 Comm.	421	Neutral	-22.4	-26.7	-10.9	-18.0	-15.8	-39	1.9	2.2	2.3	-10.8	-13.4	-5.9
UPL	566	Neutral	3.7	27.3	45.9	124.5	20.7	12.3	0.9	1.1	1.0	1.1	8.3	13.0
Zomato	209	Buy	0.4	1.2	3.3	447.2	177.2	64.3	7.9	8.6	7.6	1.8	5.0	12.6

Sectors & Companies

BSE Sensex: 79,997

Nifty 50: 24,324

July 2024

Sector and Companies Preview Compendium

Automobiles

Capital Goods

Cement

Chemicals-Specialty

Consumer

Consumer Durables

EMS

Financials – Banks

Financials – NBFC: Lending

Financials – NBFC: Non Lending

Healthcare

Infrastructure

Logistics

Metals

Oil & Gas

Real Estate

Retail

Technology

Telecom

Others

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 2 July 2024, unless otherwise stated.**

Automobiles

Company

Amara Raja Energy Mobility
Apollo Tyres
Ashok Leyland
Bajaj Auto
Balkrishna Industries
Bharat Forge
BOSCH
Ceat
CIE India
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts Kubota
Exide Industries
Happy Forgings
Hero MotoCorp
Mahindra & Mahindra
Maruti Suzuki
Motherson Wiring
MRF
Samvardhana Motherson Sumi
Sona BLW Precision Ltd
Tata Motors
Tube Investments
TVS Motor Company

1QFY25 to be a healthy quarter; input cost pressures surface

Retail growth has lagged wholesales in Q1 and remains a cause of concern

- Auto OEMs reported volume growth of ~10% YoY in 1QFY25, with broad-based growth in almost all the segments. 2Ws outperformed with ~11% YoY growth, followed by PVs with 6% YoY growth. CV and tractors grew by 4% each. We expect a volume CAGR of 9%/6%/5% for 2Ws/PVs/Tractors over FY24-26. For 3Ws/CVs, we anticipate a volume CAGR of 8%/7% over the same period.
- Revenue/EBITDA/PAT for our coverage universe is expected to grow ~9%/14%/18% YoY during the quarter. EBITDA margin for our Auto OEM universe (excluding JLR) is expected to improve 170bp YoY to 13.1% (stable QoQ), driven by moderate commodity costs, a favorable product mix and operating leverage. For auto ancillaries, EBITDA margin is expected to largely remain stable YoY, but it may decline 70bp QoQ.
- We noted a rise in key commodity prices in 1QFY25 QoQ, such as aluminum (+15%), copper (+16%), lead (+5%), rubber (+5%) and platinum (9%). We expect the impact of rising input costs to be visible from Q2 onwards.
- Within OEMs, we expect 2W OEMs (ex Eicher) and Maruti Suzuki to outperform peers.

1QFY25 witnesses positive volume growth YoY across segments

Auto OEMs reported volume growth of ~10% YoY in 1QFY25, with broad-based growth in almost all the segments. 2Ws outperformed with ~11% YoY growth, followed by PVs with 6% growth. CV and tractors grew by 4% each. However, passenger car volumes continue to underperform UVs as demand remained weak for the entry-level category. Within CVs, MHCVs grew 9% YoY, while LCVs posted modest 2% YoY growth. CVs posted growth in 1Q despite an anticipated slowdown due to general elections. Tractor wholesales grew 4% YoY, partially supported by the Navratri festival during the quarter. 3W volumes rose 5% YoY. Overall, automobile demand in 1Q was hit by the impact of incessant heat waves in many parts of the country and the election-led slowdown, especially in CVs. As a result, retail demand lagged wholesales in most of the key segments, including 2Ws, PVs and tractors, which led to an increase in dealer stock at the end of 1Q.

Rising commodity costs to dent margins in the coming quarters

Revenue/EBITDA/PAT for our coverage universe is expected to grow ~9%/14%/18% YoY during the quarter. EBITDA margin for our Auto OEM universe (excluding JLR) is expected to improve 170bp YoY at 13.1%, driven by moderate commodity costs on YoY basis, a favorable product mix and operating leverage. However, we expect EBITDA margin to remain stable QoQ. For auto ancillaries, EBITDA margin may largely remain stable YoY, while it is expected to decline 70bp QoQ. In 1Q, prices of key commodities such as aluminum/copper/lead/rubber/platinum increased by ~15%/16%/5%/5%/9% QoQ. While the impact of rising input costs is likely to be visible for OEMs from Q2 onward, tyre companies are expected to face this impact in 1Q itself, with the major impact likely in 2Q.

Hits and misses in 1QFY25

As highlighted above, our coverage universe is likely to post a strong 18% YoY growth in earnings. Within OEMs, we expect all the three mass-market 2W players to post healthy double-digit earnings growth on the back of healthy volume growth

and benign input costs. However, we expect Eicher to underperform its peers (with 10% growth). Within PVs, MSIL is likely to outperform peers with 38% YoY earnings growth. On the other hand, Tata Motors is likely to underperform peers with 8.5% YoY earnings growth. In auto ancillaries, we expect quite a few players to report healthy double-digit YoY earnings growth. However, the tyre companies (ex-BKT) within our coverage universe are likely to underperform peers given the rise in input costs. Amongst the other notable ones, Craftsman, CIE Automotive, and Happy Forgings are also likely to see single-digit earnings growth in 1QFY25.

Prefer ancillaries over OEMs

In our recent thematic report dated May'24 ([click here to refer our thematic note](#)), we indicated our preference for Auto Ancillaries over Auto OEMs. Our rationale at that time was the huge growth opportunity that ancillary companies are likely to see in the coming years, led by: 1) potential benefits of the supply chain de-risking strategy by global OEMs; 2) a consistent rise in content supply amid rising premiumization; 3) favorable government policies that advocate 'Make In India'; and 4) emergence of India as an auto hub for global OEMs. This theme seems to have started to play out well, with the top 30 auto ancillary companies having delivered strong returns in the last two months compared to the listed Auto OEM companies. While part of the re-rating has played out, we expect this theme to continue to play out over the year. In our auto ancillary coverage universe, we like Craftsman Automation, SAMIL and Happy Forgings. Among Auto OEMs, Maruti and MM are our top picks.

Summary of 1QFY25 earnings estimates

Sector	CMP	Reco	Sales (INR M)			EBIDTA (INR M)			PAT (INR M)		
	(INR)		Jun-24	YoY	QoQ	Jun-24	YoY	QoQ	Jun-24	YoY	QoQ
Amara Raja Energy	1681	Neutral	29,915	8.0	7.0	4,422	25.1	8.5	2,551	32.5	11.9
Apollo Tyres	536	Buy	63,749	2.1	1.9	10,136	-3.6	-6.1	4,273	5.2	-8.1
Ashok Leyland	234	Buy	87,011	6.2	-22.8	10,587	29.0	-33.5	6,535	13.3	-31.1
Bajaj Auto	9398	Neutral	1,16,668	13.2	1.6	23,317	19.3	1.1	19,806	19.0	2.3
Balkrishna Inds	3129	Neutral	25,579	20.9	-5.2	6,548	34.7	-7.7	4,126	32.0	-15.5
Bharat Forge	1645	Neutral	23,695	11.4	1.8	6,528	18.0	-0.2	3,921	24.5	-0.9
Bosch	34617	Neutral	44,079	6.0	4.1	5,985	27.9	7.4	5,416	32.4	-4.1
CEAT	2755	Buy	30,526	4.0	2.0	3,694	-4.6	-5.7	1,478	2.2	-2.3
CIE Automotive	600	Buy	23,389	0.8	-3.6	3,495	-5.7	-3.1	2,010	-5.9	-12.7
Craftsman Auto	5691	Buy	11,217	8.1	1.5	2,181	1.8	5.4	801	7.5	28.5
Eicher Motors	4626	Sell	42,505	6.6	-0.1	11,180	9.5	-0.9	10,094	9.9	-5.7
Endurance Tech.	2720	Buy	28,303	15.5	6.2	3,806	18.5	3	2,028	24.1	4.0
Escorts Kubota	4123	Neutral	23,839	2.4	14.5	3,457	5.7	30.0	2,996	5.9	23.8
Exide Inds.	564	Neutral	43,984	8.0	9.7	5,850	35.4	13.3	3,348	38.4	18.0
Happy Forgings	1259	Buy	3,727	13.0	8.5	1,075	5.9	10.7	693	8.2	5.3
Hero Motocorp	5564	Buy	1,06,013	20.9	11.4	15,969	32.4	17.5	12,448	31.6	22.5
Mahindra & Mahindra	2867	Buy	2,80,556	16.6	11.7	38,672	19.5	19.4	29,806	7.5	46.2
Maruti Suzuki	12039	Buy	3,50,194	8.3	-8.4	42,180	41.4	-10.0	34,271	37.9	-11.6
Samvardhana Motherson	203	Buy	2,90,974	29.5	8.3	26,777	39.1	0.3	9,336	55.4	1.8
Motherson Wiring	73	Buy	22,103	18.9	-1.0	2,739	41.1	-6.0	1,769	43.7	-7.6
MRF	128645	Sell	63,865	1.0	2.8	9,676	-13.2	-3.8	4,534	-22.0	-3.4
Sona BLW Precis.	671	Neutral	9,140	24.8	3.2	2,550	25.4	2.8	1,470	28.7	-0.7
Tata Motors	981	Neutral	10,33,552	1.1	-13.9	1,37,634	1.5	-19.0	41,074	8.5	-46.8
Tube Investments	4111	Buy	20,321	14.2	3.5	2,349	8.8	8.2	1,649	11.7	-33.5
TVS Motor	2339	Neutral	84,419	17.0	3.3	9,917	29.9	7.1	5,848	25.0	20.5
Automobiles			28,59,324	8.7	-4.7	3,90,723	14.0	-7.6	2,12,284	17.9	-13.2

Volume snapshot 1QFY25 ('000 units)

	1QFY25	1QFY24	YoY (%)	4QFY24	QoQ (%)	FY24	FY23	YoY (%)
Two wheelers	5,491	4,937	11	5,422	1	21,437	19,533	10
Three wheelers	228	218	5	235	-3	992	870	14
Passenger cars	489	509	-4	494	-1	1,979	2,161	-8
UVs & MPVs	747	640	17	808	-8	2,916	2,392	22
Total PVs	1,220	1,148	6	1,302	-6	4,894	4,553	8
M&HCV	89	82	9	115	-23	391	381	3
LCV	152	149	2	169	-10	642	659	-3
Total CVs	241	231	4	284	-15	1,034	1,040	-1
Tractors	279	268	4	182	53	972	986	-1
Total (ex Tractor)	7,180	6,534	10	7,243	-1	28,357	25,997	9

Source: Company, MOFSL

Exhibit 1: Commodity prices inched up QoQ in 1QFY25

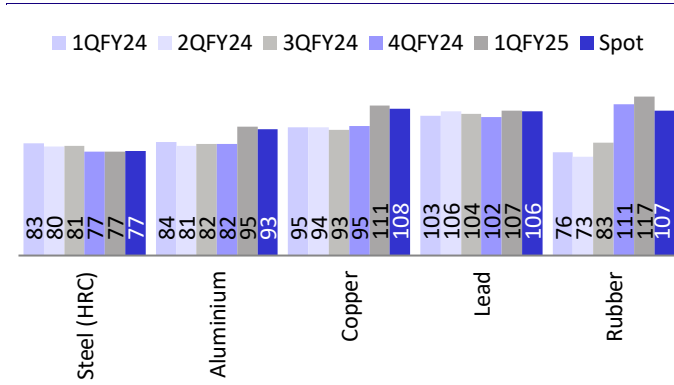


Exhibit 2: Trends in key currencies vs. INR (average, indexed)

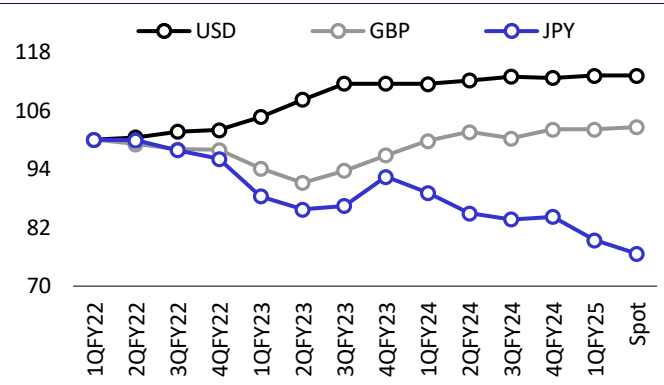
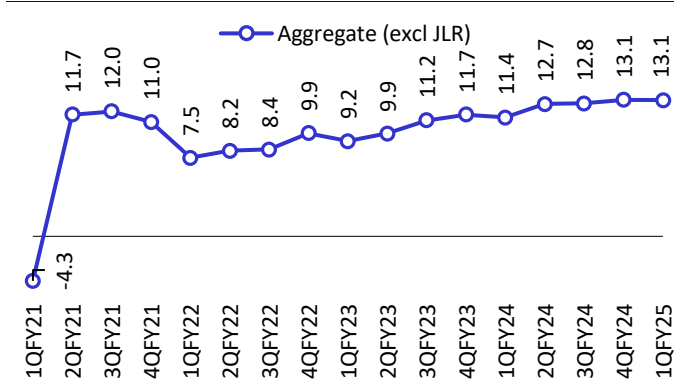
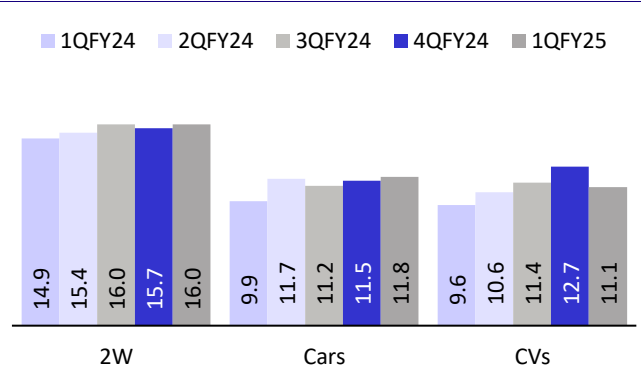


Exhibit 3: EBITDA margin expected to remain flat QoQ



Source: MOFSL

Exhibit 4: Segment-wise EBITDA margins trends (%)



Source: MOFSL

Exhibit 5: Our Auto OEM coverage universe (excluding JLR) is expected to clock earnings growth of 23% YoY

	Volumes ('000 units)					EBITDA Margins (%)					Adj. PAT (INR M)				
	1Q FY25	1Q FY24	YoY (%)	4Q FY24	QoQ (%)	1Q FY25	1Q FY24	YoY (bp)	4Q FY24	QoQ (bp)	1Q FY25	1Q FY24	YoY (%)	4Q FY24	QoQ (%)
Bajaj Auto	1,102	1,027	7.3	1,069	3.1	20.0	19.0	100	20.1	-10	19,806	16,648	19.0	19,360	2.3
Hero MotoCorp	1,535	1,353	13.5	1,392	10.3	15.1	13.8	130	14.3	80	12,448	9,462	31.6	10,161	22.5
TVS Motor	1,087	953	14.1	1,063	2.3	11.7	10.6	120	11.3	40	5,848	4,677	25.0	4,854	20.5
Maruti Suzuki	522	498	4.8	584	-10.6	12.0	9.2	280	12.3	-20	34,271	24,851	37.9	38,778	-11.6
M&M	333	301	10.6	285	16.8	13.8	13.4	30	12.9	90	29,806	27,737	7.5	20,382	46.2
TTMT India CV**	93	89	5.4	111	-16.1	10.5	9.4	110	11.9	-140	NA	NA	-	NA	--
TTMT India PV**	139	140	-1.2	156	-10.9	7.0	5.2	180	7.3	-30	NA	NA	-	NA	--
JLR (GBP mn)	110	106	3.2	121	-9.1	15.4	16.3	-80	16.3	-90	316	323	-2.1	732	-56.8
Ashok Leyland	44	41	6.2	56	-22.0	12.2	10.0	210	14.1	-200	6,535	5,768	13.3	9,485	-31.1
Eicher - RE	226	228	-0.7	228	-0.7	27.5	26.0	150	27.6	-10	9,506	9,139	4.0	9,833	-3.3
Eicher - VECV	20	20	0.7	26	-23.4	7.5	7.8	-30	7.9	-40	1,623	1,818	-10.7	2,446	-33.7
Aggregate **	5,179	4,708	10.0	5,019	3.2	13.1	11.4	170	13.1	0	1,34,586	1,09,033	23.4	1,38,664	-2.9

** Aggregate includes TTMT's standalone performance only

Source: JLR in GBP m, MOFSL

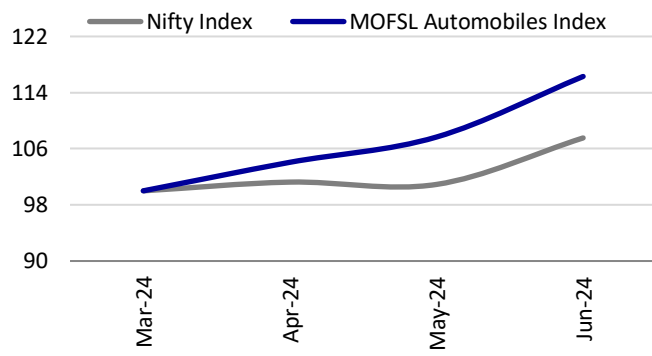
Exhibit 6: Revised estimates

	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	329.2	325.7	1.1	382.5	374.9	2.0
HMCL	255.4	238.3	7.2	304.2	273.7	11.1
TVSL	55.3	55.3	0.0	65.4	65.1	0.4
EIM *	164.3	164.3	0.0	178.2	183.2	-2.7
MSIL *	485.8	489.4	-0.7	542.9	546.4	-0.6
MM	108.2	102.2	5.9	128.7	120.2	7.1
TTMT *	58.1	58.2	-0.2	67.2	67.5	-0.4
AL	11.7	11.7	0.0	14.0	13.2	6.1
ESCORTS	102.6	101.6	1.0	123.9	120.9	2.5
ARE&M	59.0	56.0	5.4	66.5	60.5	9.9
EXID	16.4	16.3	0.5	19.6	18.9	3.7
BOSCH	802	821	-2.3	939	950.9	-1.3
ENDU	65.5	65.8	-0.3	85.6	81.1	5.6
MACA	23.5	24.5	-3.8	29.6	29.6	0.0
BHFC	38.7	36.0	7.4	48.9	48.5	0.8
MOTHERSO *	6.5	6.4	1.3	8.5	7.8	9.1
SONACOMS	10.6	11.7	-9.1	13.3	14.0	-4.8
CEAT	160.9	160.9	0.0	197.5	195.6	1.0
APTY *	29.8	30.1	-1.0	35.8	34.6	3.5
BIL	87.8	91.1	-3.6	113.4	114.4	-0.8
MRF	4,582.8	4,584.0	0.0	5,113.5	5,112.3	0.0
MSUMI	1.8	1.9	-5.2	2.2	2.3	-1.2
TIINDIA	63.4	62.3	1.7	79.2	77.0	2.8
CRAFTSMA	176.6	174.4	1.3	245.0	230.7	6.2
HAPPYFORG	34.7	34.7	0.1	45.2	44.9	0.6

* Consolidated

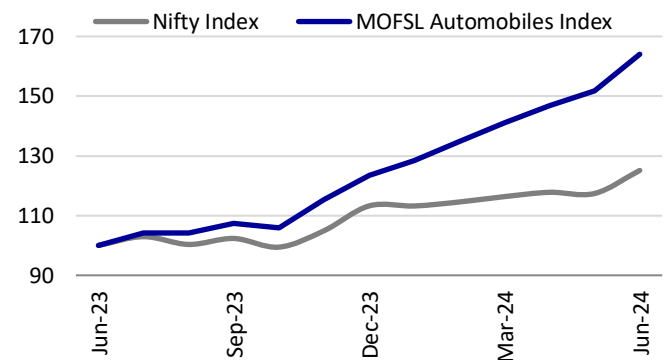
Source:, MOFSL

Exhibit 7: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 8: Relative performance – one year (%)



S4ource: Bloomberg, MOFSL

Comparative valuations

Company Name	CMP	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
	(INR)		FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Automobiles														
Amara Raja Energy	1,681	Neutral	49.5	59.0	66.5	34.0	28.5	25.3	4.5	4.0	3.5	14.2	14.9	14.8
Apollo Tyres	536	Buy	29.0	29.8	35.8	18.5	17.9	15.0	2.0	1.8	1.6	13.9	12.9	14.0
Ashok Leyland	234	Buy	9.1	11.7	14.0	26	20	16.7	7.8	6.6	5.5	31.1	35.5	35.8
Bajaj Auto	9,398	Neutral	276.1	329.2	382.5	33.1	28.5	24.6	10.3	9.3	8.1	30.7	34.7	35.3
Balkrishna Inds	3,129	Neutral	76.5	87.8	113.4	40.9	35.7	27.6	6.8	6.1	5.3	18.0	18.1	20.6
Bharat Forge	1,645	Neutral	20.6	36.0	48.5	68.3	39.1	29.0	9.1	7.9	6.6	13.8	21.7	24.7
Bosch	34,617	Neutral	620.5	802.2	938.9	48.4	43.2	36.9	7.3	7.7	6.9	15.9	18.7	19.7
CEAT	2,755	Buy	169.4	160.9	197.5	16.3	17.1	14.0	2.8	2.4	2.1	18.3	15.1	16.3
CIE Automotive	600	Buy	21.1	23.5	29.6	28.4	25.5	20.3	3.8	3.4	3.0	14.4	14.1	15.8
Craftsman Auto	5,691	Buy	144.2	176.6	245.0	39.5	32.2	23.2	7.2	4.2	3.6	20.1	17.2	16.7
Eicher Motors	4,626	Sell	146.3	164.3	178.2	31.6	28.2	26.0	7.0	6.0	5.2	24.2	23.0	21.6
Endurance Tech.	2,720	Buy	47.3	65.5	85.6	57.7	41.5	31.8	7.7	6.7	5.7	14.2	17.2	19.3
Escorts Kubota	4,123	Neutral	94.9	102.6	123.9	43.4	40.2	33.3	5.0	4.9	4.4	12.1	13.0	14.0
Exide Inds.	564	Neutral	12.4	16.4	19.6	45.6	34.4	28.8	3.7	3.4	3.1	8.0	9.8	10.7
Happy Forgings	1,259	Buy	25.8	34.7	45.2	48.8	36.2	27.8	7.4	6.3	5.3	18.7	18.7	20.7
Hero Motocorp	5,564	Buy	204.6	259.0	304.2	23.1	21.5	18.3	5.2	5.7	5.1	23.6	27.6	29.5
Mahindra & Mahindra	2,867	Buy	89.4	108.2	128.7	32.8	27.1	22.7	6.7	5.6	4.7	22.4	22.6	22.5
Maruti Suzuki	12,039	Buy	429.0	485.8	542.9	28.1	24.8	22.2	4.5	4.0	3.5	15.7	15.9	15.7
Motherson Wiring	73	Buy	1.4	1.8	2.2	50.5	41.1	32.7	19.2	15.3	12.3	42.5	41.5	41.6
MRF	1,28,645	Sell	4,990.2	4,583.0	5,113.0	25.8	28.1	25.2	3.3	3.0	2.7	13.5	11.1	11.2
Samvardhana Motherson	203	Buy	3.7	6.5	8.5	54.8	31.4	23.8	5.3	4.7	4.1	10.3	15.8	18.5
Sona BLW Precis.	671	Neutral	8.9	10.6	13.3	75.0	63.1	50.4	14.8	12.2	10.5	20.6	21.2	22.8
Tata Motors	981	Neutral	58.7	58.1	67.2	16.9	16.9	14.6	4.5	3.4	2.8	34.5	22.5	21.2
Tube Investments	4,111	Buy	34.4	63.4	79.2	119.4	64.9	51.9	15.6	12.7	10.4	14.7	21.6	22.0
TVS Motor	2,339	Neutral	43.8	55.3	65.4	49.1	42.3	35.8	13.2	11.1	8.8	30.2	29.7	27.5

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Amara Raja Energy Mobility

Neutral

CMP: INR1681 | TP: INR1475 (-12%)

EPS CHANGE (%): FY25E|FY26E: 5|10

- Revenue growth of 8% YoY to be driven by OEM demand in 2Ws/4Ws, aftermarket division, trading and new energy business. Industrial division would see an uptick due to the 5G expansion by telecom players.
- EBITDA margin should see a sequential expansion despite uptick in lead prices, offset by lower other expenses.

Quarterly Performance

(INR M)

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	27,699	28,108	28,817	27,967	29,915	31,199	32,275	32,537	1,12,603	1,25,927
YoY Change (%)	5.7	4.1	9.3	14.9	8.0	11.0	12.0	16.3	8.4	11.8
RM Cost (% of sales)	71.1	68.4	66.0	65.5	66.5	66.5	67.0	67.6	66.9	66.9
Staff Cost (% of sales)	5.8	5.8	6.3	5.8	6.0	5.9	5.8	5.9	6.2	5.9
Other Exp (% of sales)	10.3	12.1	12.6	14.1	12.7	12.5	12.2	11.5	12.5	12.2
EBITDA	3,535	3,870	4,349	4,077	4,422	4,702	4,843	4,921	16,214	18,889
Margins (%)	12.8	13.8	15.1	14.6	14.8	15.1	15.0	15.1	14.4	15.0
Depreciation	1,111	1,148	1,202	1,210	1,150	1,200	1,300	1,407	4,787	5,057
Interest	56	62	77	97	85	90	95	80	332	350
Other Income	216	275	238	283	260	280	285	275	1,015	1,100
PBT before EO expense	2,584	2,935	3,307	3,053	3,447	3,692	3,733	3,710	12,110	14,582
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO	2,584	2,935	3,307	3,053	3,447	3,692	3,733	3,710	12,110	14,582
Tax	659	791	779	773	896	960	971	965	3,052	3,791
Tax Rate (%)	25.5	27.0	23.6	25.3	26.0	26.0	26.0	26.0	25.2	26.0
Adj PAT	1,925	2,143	2,528	2,280	2,551	2,732	2,763	2,745	9,059	10,791
YoY Change (%)	46.4	6.0	13.5	29.7	32.5	27.5	9.3	20.4	18.4	19.1

E: MOFSL Estimates

Apollo Tyres

Buy

CMP: INR536 | TP: INR620 (+16%)

EPS CHANGE (%): FY25E|FY26E: -1|3.5

- Overall revenue growth is expected to see a marginal growth of 2% YoY due to weakness in replacement demand.
- Increase in input costs and higher other expenses due to EPR could drive a 130bp contraction QoQ in consolidated EBITDA margin to 15.9%, despite price hikes. Rubber prices in 1Q remained high (+5% QoQ), but spot prices softened.

Consolidated - Quarterly Earning Model

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	62,446	62,797	65,954	62,582	63,749	63,547	68,160	68,740	2,53,777	2,64,197
YoY Change (%)	5.1	5.4	2.7	0.2	2.1	1.2	3.3	9.8	3.3	4.1
Total Expenditure	51,931	51,198	53,873	51,788	53,613	53,697	57,391	56,705	2,08,790	2,21,407
EBITDA	10,515	11,599	12,081	10,794	10,136	9,850	10,769	12,035	44,987	42,790
Margins (%)	16.8	18.5	18.3	17.2	15.9	15.5	15.8	17.5	17.7	16.2
Depreciation	3,620	3,603	3,676	3,880	3,680	3,700	3,725	3,803	14,778	14,908
Interest	1,355	1,328	1,230	1,146	1,150	1,130	1,120	1,097	5,059	4,497
Other Income	355	253	184	743	470	435	485	223	1,536	1,613
PBT before EO expense	5,896	6,922	7,358	6,511	5,776	5,455	6,409	7,358	26,685	24,998
Extra-Ord expense	132	122	151	1,381	0	0	0	0	1,786	0
PBT	5,764	6,800	7,207	5,130	5,776	5,455	6,409	7,358	24,899	24,998
Tax Rate (%)	31.1	30.3	31.1	31.0	26.0	25.1	23.6	22.6	30.9	24.2
Minority Interest & Profit/Loss of Asso. Cos.	0	-2	-1	-1	0	0	0	0	0	0
Reported PAT	3,969	4,744	4,966	3,541	4,273	4,088	4,894	5,696	17,215	18,951
Adj PAT	4,060	4,828	5,071	4,648	4,273	4,088	4,894	5,696	18,607	18,951
YoY Change (%)	112.9	169.1	81.9	18.1	5.2	-15.3	-3.5	22.5	80.8	1.8
Margins (%)	6.5	7.7	7.7	7.4	6.7	6.4	7.2	8.3	7.3	7.2

E: MOFSL Estimates

Ashok Leyland**Buy****CMP: INR234 | TP: INR270 (+15%)****EPS CHANGE (%): FY25E|FY26E:0|6**

- Overall volumes grew 6% YoY (-22% QoQ) in 1Q despite election led slowdown.
- Net price realization is estimated to remain flat YoY.
- EBITDA margin is expected to improve by 220bp YoY to 12.2% due to reduction in input costs and healthy pricing discipline in the industry. Sequentially margin contraction would be due to operating deleverage.

Quarterly Performance (S/A)**(INR M)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Total Volumes (nos)	41,329	49,846	47,241	56,267	43,893	50,843	51,965	61,271	1,94,683	2,07,972
Growth %	4.2	10.0	-0.7	-5.7	6.2	2.0	10.0	8.9	1.3	6.8
Realizations (INR '000)	1,981	1,934	1,963	2,002	1,982	2,002	2,022	2,084	1,971	2,027
Change (%)	8.8	6.0	3.4	2.8	0.0	3.5	3.0	4.1	4.8	2.9
Net operating revenues	81,893	96,380	92,730	1,12,667	87,011	1,01,796	1,05,083	1,27,669	3,83,670	4,21,558
Change (%)	13.4	16.6	2.7	-3.1	6.2	5.6	13.3	13.3	6.2	9.9
RM/sales %	73.7	73.5	72.2	71.8	72.0	72.5	72.5	72.8	72.7	72.5
Staff/sales %	6.6	5.9	6.1	4.9	6.3	5.9	5.7	4.7	5.8	5.6
Other exp/sales %	9.7	9.3	9.6	9.1	9.5	9.3	9.3	9.6	9.4	9.4
EBITDA	8,208	10,798	11,139	15,921	10,587	12,569	13,146	16,475	46,066	52,778
EBITDA Margins(%)	10.0	11.2	12.0	14.1	12.2	12.3	12.5	12.9	12.0	12.5
Interest	699	587	616	592	550	500	450	232	2,494	1,732
Other Income	512	475	300	1,179	500	475	475	520	2,466	1,970
Depreciation	1,794	1,803	1,785	1,797	1,800	1,820	1,850	1,773	7,178	7,243
PBT before EO Item	6,227	8,883	9,039	14,711	8,737	10,724	11,321	14,990	38,859	45,773
EO Exp/(Inc)	6	229	6	697	0	0	0	0	937	0
PBT after EO	6,221	8,654	9,033	14,014	8,737	10,724	11,321	14,990	37,922	45,773
Effective Tax Rate (%)	7.3	35.2	35.8	35.8	25.2	25.2	25.2	25.2	31.0	25.2
Adj PAT	5,768	5,768	5,804	9,485	6,535	8,022	8,468	11,213	26,826	34,238
Change (%)	868.8	197.4	62.7	32.7	13.3	39.1	45.9	18.2	102.5	27.6

E: MOFSL Estimates

Bajaj Auto**Neutral****CMP: INR9,398 | TP: INR8,660 (-8%)****EPS CHANGE (%): FY25|26E: 1|2**

- Both domestic/exports volumes grew 7% YoY. Bajaj continues to enjoy the benefit of a rich mix in domestic motorcycles, while export markets are seeing a gradual recovery.
- Margin to expand 100bp YoY led by lower input costs, improved mix and operating leverage benefits.

Quarterly Performance**(INR M)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Volumes ('000 units)	1,027	1,054	1,201	1,069	1,102	1,170	1,345	1,274	4,351	4,891
Growth YoY (%)	10.0	-8.4	22.1	24.3	7.3	11.0	12.0	19.2	10.8	12.4
Realization (INR/unit)	1,00,347	1,02,256	1,00,862	1,07,476	1,05,864	1,06,923	1,07,458	1,06,591	1,02,703	1,06,745
Growth YoY (%)	17.0	15.4	6.5	3.8	5.5	4.6	6.5	-0.8	10.7	3.9
Net Sales	1,03,098	1,07,773	1,21,135	1,14,847	1,16,668	1,25,088	1,44,543	1,35,796	4,46,852	5,22,096
Change (%)	28.8	5.6	30.0	29.0	13.2	16.1	19.3	18.2	22.7	16.8
EBITDA	19,539	21,329	24,299	23,063	23,317	25,126	29,593	27,093	88,229	1,05,129
EBITDA Margins (%)	19.0	19.8	20.1	20.1	20.0	20.1	20.5	20.0	19.7	20.1
Other Income	3,463	3,614	3,461	3,487	3,800	4,200	4,150	4,128	14,025	16,278
Interest	121	65	121	228	100	110	110	120	535	440
Depreciation	835	876	881	906	910	925	925	937	3,498	3,697
PBT after EO	22,046	24,000	26,758	25,416	26,107	28,291	32,708	30,163	98,220	1,17,269
Effective Tax Rate (%)	24.5	23.5	23.7	23.8	24.1	24.1	24.1	24.1	23.9	24.1
Adj. PAT	16,648	18,361	20,419	19,360	19,806	21,463	24,814	22,884	74,788	88,968
Change (%)	41.9	20.0	36.9	35.1	19.0	16.9	21.5	18.2	32.9	19.0

E: MOFSL Estimates

Balkrishna Industries**Neutral****CMP: INR3,129 | TP: INR2,825 (-10%)****EPS CHANGE (%): FY25E|FY26E: -4|-1**

- Revenue is expected to grow by 17% YoY. We expect India market to remain the key growth driver, while other geographies are expected to grow on a low base of FY24.
- EBITDA margins are expected to decline 70bp QoQ due to a rise in rubber costs, which are expected to stay elevated (+5% QoQ).

Quarterly Earning Model (Standalone)**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Volumes (Ton)	67,209	70,585	72,749	82,085	78,635	79,055	81,479	84,829	2,92,628	3,23,998
YoY Change (%)	-19.2	-10.5	9.4	12.9	17.0	12.0	12.0	3.3	-2.8	10.7
Realizations (INR '000/ton)	314.7	318.3	318.3	328.6	325.3	325.4	325.6	323.7	320.4	325.0
YoY Change (%)	-4.0	-10.5	-4.5	2.7	3.4	2.2	2.3	-1.5	-4.2	1.4
Net Revenues	21,150	22,468	23,158	26,971	25,579	25,728	26,530	27,456	93,760	1,05,293
YoY Change (%)	-22.4	-19.9	4.5	16.0	20.9	14.5	14.6	1.8	-6.9	12.3
EBITDA	4,863	5,480	5,868	7,098	6,548	6,509	6,898	7,132	23,322	27,088
Margins (%)	23.0	24.4	25.3	26.3	25.6	25.3	26.0	26.0	24.9	25.7
Depreciation	1,537	1,586	1,591	1,724	1,600	1,650	1,700	1,732	6,438	6,682
Interest	208	229	354	299	220	200	175	202	1,089	797
Forex loss/(gain)	-330	-250	520	-490	0	0	0	0	-550	500
Other Income	660	520	700	870	680	700	750	723	2,750	2,853
PBT before EI	4,108	4,435	4,104	6,436	5,408	5,359	5,773	5,921	19,095	21,961
Extra-Ord expense	0	0	0	98	0	0	0	0	98	0
PBT	4,108	4,435	4,104	6,337	5,408	5,359	5,773	5,921	18,997	21,961
Rate (%)	23.9	24.5	24.8	24.1	23.7	23.7	23.7	23.8	24.3	24.3
Adj PAT	3,125	3,350	3,084	4,884	4,126	4,089	4,405	4,513	14,456	16,633
YoY Change (%)	-2.3	-17.1	209.9	89.6	32.0	22.1	42.8	-7.6	34.0	15.1

E: MOFSL Estimates

Bharat Forge**Neutral****CMP: INR1645 | TP: INR1525 (-7%)****EPS CHANGE (%): FY25E|FY26E: 7|-1**

- Revenue growth is expected to be at 11% YoY in 1Q. Growth would be driven by domestic business, which is expected to grow 22.5% YoY. Exports would see 5% YoY growth. Revenue growth is likely to be driven by ramp up of defense orders.
- EBITDA margin is expected to decline 50bp QoQ to 27.6%.

S/A Quarterly**(INR M)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net operating income	21,273	22,494	22,634	23,286	23,695	24,621	25,848	26,820	89,686	1,00,984
Change (%)	20.9	20.7	15.9	16.6	11.4	9.5	14.2	15.2	18.4	12.6
Total Cost	15,739	16,383	16,181	16,745	17,167	17,875	18,740	19,383	64,909	73,164
RM/Sales (%)	44.3	43.3	41.9	41.4	41.7	42.0	42.1	42.2	42.7	42.0
Staff Cost (% of Sales)	7.0	6.7	6.7	6.5	6.6	6.6	6.5	6.5	6.7	6.6
Other Exp. (% of Sales)	22.7	22.8	22.9	24.0	24.2	24.0	23.9	23.6	23.0	23.9
EBITDA	5,534	6,111	6,453	6,541	6,528	6,746	7,108	7,437	24,777	27,820
EBITDA Margins (%)	26.0	27.2	28.5	28.1	27.6	27.4	27.5	27.7	27.6	27.5
Change (%)	20.3	35.1	30.9	25.1	18.0	10.4	10.2	13.7	29.6	12.3
Non-Operating Income	472	424	346	382	450	460	475	482	1,623	1,867
Interest	705	726	809	634	650	620	580	550	2,874	2,400
Depreciation	1,089	1,128	1,124	1,079	1,100	1,150	1,200	1,216	4,420	4,666
EO Exp / (Inc)	47	63	-179	82	0	0	0	0	154	
PBT after EO items	4,165	4,616	5,044	5,127	5,228	5,436	5,803	6,153	18,952	22,621
Tax	1,050	1,156	1,266	1,231	1,307	1,359	1,451	1,538	4,703	5,655
Eff. Tax Rate (%)	25.2	25.0	25.1	24.0	25.0	25.0	25.0	25.0	24.8	25.0
Rep. PAT	3,115	3,460	3,778	3,897	3,921	4,077	4,352	4,615	14,250	16,965
Change (%)	42.4	28.7	21.6	85.7	25.9	17.8	15.2	18.4	36.3	19.1
Adj. PAT	3,150	3,508	3,644	3,958	3,921	4,077	4,352	4,615	14,250	16,965
Change (%)	19.0	30.9	32.3	31.4	24.5	16.2	19.4	16.6	36.3	19.1

E: MOFSL Estimates

Bosch**Neutral****CMP: INR34,617 | TP: INR31,290 (-10%)****EPS CHANGE (%): FY25|26E: -2|-1**

- We expect ~6% YoY revenue growth led by stable growth in mobility division.
- EBITDA margin likely to expand by 40bp QoQ to 13.6%, driven by gradual localization benefits despite elevated other costs.
- As a result, we expect Bosch to post a strong 32% YoY growth in PAT in 1Q.

Quarterly performance (S/A)**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	41,584	41,301	42,052	42,334	44,079	48,322	48,780	47,300	1,67,271	1,88,482
YoY Change (%)	17.3	12.8	14.9	4.2	6.0	17.0	16.0	11.7	12.0	12.7
RM Cost (% of sales)	64.5	66.8	62.3	65.5	64.2	63.0	63.0	61.9	64.8	63.0
Staff Cost (% of sales)	7.4	8.1	7.9	8.5	7.7	7.5	7.5	8.3	8.0	7.8
Other Expenses (% of sales)	17.9	13.2	16.0	12.8	14.5	15.5	15.0	15.8	14.7	15.2
EBITDA	4,679	4,913	5,784	5,572	5,985	6,766	7,054	6,644	20,948	26,450
Margins (%)	11.3	11.9	13.8	13.2	13.6	14.0	14.5	14.0	12.5	14.0
Depreciation	921	1,013	1,173	1,188	1,000	1,080	1,210	1,320	4,295	4,610
Interest	308	122	39	39	80	75	75	70	508	300
Other Income	1,875	1,542	1,548	2,262	1,950	2,050	2,200	2,205	7,227	8,405
PBT before EO expense	5,325	5,320	6,120	6,607	6,855	7,661	7,969	7,460	23,372	29,946
Extra-Ord expense	0	-7,850	-588	0	0	0	0	0	-8,438	0
PBT after EO Expense	5,325	13,170	6,708	6,607	6,855	7,661	7,969	7,460	31,810	29,946
Tax	1,235	3,181	1,527	962	1,440	1,609	1,674	1,567	6,905	6,289
Tax Rate (%)	23.2	24.2	22.8	14.6	21.0	21.0	21.0	21.0	21.7	21.0
Reported PAT	4,090	9,989	5,181	5,645	5,416	6,052	6,296	5,893	24,905	23,657
Adj PAT	4,090	3,843	4,721	5,645	5,416	6,052	6,296	5,893	18,058	23,657
YoY Change (%)	22.4	3.2	48.0	41.5	32.4	57.5	33.4	4.4	26.8	31.0

E: MOFSL Estimates

Ceat**Buy****CMP: INR2,755 | TP: INR3,160 (+15%)****EPS CHANGE (%): FY25E|FY26E: 0|1**

- Revenues are expected to grow 4% YoY, led by 2W and PV OEM segments and improving replacement demand.
- Expect EBITDA margin to decline 100bp QoQ to 12.1% largely due to increase in input costs.

Consolidated - Quarterly Earning Model**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	29,352	30,533	29,631	29,919	30,526	33,587	34,372	35,889	1,19,435	1,34,374
YoY Change (%)	4.1	5.5	8.7	4.1	4.0	10.0	16.0	20.0	5.6	12.5
RM cost (%)	58.9	56.7	58.7	57.7	59.5	61.2	60.7	61.3	58.0	60.7
Employee cost (%)	6.7	7.1	7.3	7.2	7.2	7.0	7.2	7.0	7.1	7.1
Other expenses (%)	21.2	21.3	19.9	22.0	21.2	20.4	20.7	20.6	21.1	20.7
EBITDA	3,871	4,561	4,175	3,915	3,694	3,829	3,918	4,012	16,522	15,453
Margins (%)	13.2	14.9	14.1	13.1	12.1	11.4	11.4	11.2	13.8	11.5
Depreciation	1,209	1,245	1,273	1,361	1,250	1,300	1,350	1,397	5,088	5,297
Interest	701	717	656	617	550	500	450	411	2,691	1,911
Other Income	33	105	29	31	50	75	70	85	197	280
PBT before EO expense	1,993	2,704	2,276	1,969	1,944	2,104	2,188	2,289	8,941	8,525
Exceptional item	0	0	0	582	0	0	0	0	582	0
PBT	1,993	2,704	2,276	1,387	1,944	2,104	2,188	2,289	8,359	8,525
Tax Rate (%)	26.5	25.3	23.9	33.0	26.0	26.0	26.0	26.0	26.5	26.0
Minority Int. & Profit of Asso. Cos.	18	-59	-84	-157	-40	-45	-55	-60	-282	-200
Reported PAT	1,446	2,080	1,815	1,086	1,478	1,602	1,674	1,754	6,427	6,508
Adj PAT	1,446	2,080	1,815	1,513	1,478	1,602	1,674	1,754	6,854	6,508
YoY Change (%)	1,383	745	408	8	2	-23	-8	16	227	-5

CIE Automotive**Buy****CMP: INR600 | TP: INR690 (+15%)****EPS CHANGE (%): CY24E|25E: -4|0**

- We expect India business to post 5% YoY growth in revenues, led by an uptick in key clients like MM and BAL. However, the EU business is expected to remain impacted by a business slowdown seen at Metalcastello. Overall, consol revenues are expected to grow by 1% YoY.
- EBITDA margins are expected to decline 110bp YoY to 14.9%, largely due to a slowdown in Europe.
- We have reduced our CY24E EPS by 4% to factor in muted Europe business outlook, thus leading to lower margins.

Quarterly performance (Consol.)

(INR m)	CY23				CY24E				CY23	CY24E
Y/E December	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	24,402	23,203	22,794	22,404	24,268	23,389	24,920	25,725	92,803	98,302
YoY Change (%)	18.4	4.7	2.2	-0.3	-0.5	0.8	9.3	14.8	6.0	5.9
EBITDA	3,806	3,704	3,454	3,274	3,606	3,495	3,804	3,939	14,239	14,844
Margins (%)	15.6	16.0	15.2	14.6	14.9	14.9	15.3	15.3	15.3	15.1
Depreciation	825	833	783	781	863	876	900	899	3,222	3,539
Interest	240	221	310	303	220	215	215	200	1,074	850
Other Income	160	195	200	265	513	255	260	281	820	1,309
Share of profit from associates	3	-3	-2	-3	4	3	5	3	-5	15
PBT before EO expense	2,901	2,846	2,561	2,455	3,035	2,659	2,949	3,120	10,763	11,764
EO Exp/(Inc)	0	0	0	0	0	0	0	0	0	0
PBT after EO exp	2,901	2,846	2,561	2,455	3,035	2,659	2,949	3,120	10,763	11,764
Tax Rate (%)	24.2	24.9	27.0	27.8	24.3	24.5	24.5	24.6	25.8	24.5
Adj. PAT	2,203	2,136	1,867	1,770	2,302	2,010	2,230	2,355	7,976	8,897
YoY Change (%)	34.1	15.7	11.4	6.4	4.5	-5.9	19.4	33.0	16.8	11.5

Craftsman Auto**Buy****CMP: INR5,691 | TP: INR6,520 (+15%)****EPS CHANGE (%): FY25E|FY26E: 1|6**

- Standalone revenue likely to grow ~5.5% YoY, led by 25% YoY growth in Alu products. DR Axion to grow 15% YoY led by good PV OEM demand.
- We expect margins to improve 70bp QoQ to 19.4% led by reduced costs.
- We raise our FY26E EPS by 6% to factor in recovery across business divisions.

Quarterly (Consol)**(INR M)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net operating income	10,376	11,791	11,297	11,053	11,217	12,972	12,818	13,689	44,517	50,695
Change (%)	53.5	52.9	50.8	12.7	8.1	10.0	13.5	23.8	39.9	13.9
EBITDA	2,142	2,375	2,202	2,069	2,181	2,582	2,646	2,626	8,788	10,035
EBITDA Margins (%)	20.6	20.1	19.5	18.7	19.4	19.9	20.6	19.2	19.7	19.8
Non-Operating Income	37	47	35	53	38	40	39	44	172	161
Interest	424	416	442	464	440	345	340	318	1745	1443
Depreciation	683	668	703	723	720	770	755	914	2777	3159
Minority Int/Share of Profit	62	97	82	79	0	0	0	0	320	0
PBT after EO items	1,011	1,241	1,010	856	1,059	1,507	1,590	1,438	4,118	5,594
Eff. Tax Rate (%)	26.3	23.8	27.6	27.2	24.4	24.6	24.7	24.9	26.1	24.7
Rep. PAT	745	945	731	623	801	1,136	1,197	1,080	3,045	4,212
Change (%)	34.0	56.0	41.7	-22.3	7.5	20.1	63.7	73.2	22.6	38.3
Adj. PAT	745	945	731	623	801	1,136	1,197	1,080	3,045	4,212
Change (%)	34.0	56.0	41.7	-22.3	7.5	20.1	63.7	73.2	22.6	38.3

E: MOFSL Estimates

Eicher Motors**Sell**

CMP: INR4,626 | TP: INR4,045(-13%)

EPS CHANGE (%): FY25E|FY26E: 0|-3

- Overall RE volumes declined 1% YoY/QoQ. Domestic volumes declined 2% YoY, but export volumes grew 14.5% YoY.
- RE margins to see 10bp decline sequentially.
- VECV margins likely to decline 40bp sequentially mainly due to lower CV volumes.

Quarterly performance (Consolidated)

INR m	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Y/E March										
Net Operating income	39,864	41,145	41,788	42,560	42,501	48,667	48,623	48,998	1,65,358	1,88,789
Growth (%)	17.3	16.9	12.3	11.9	6.6	18.3	16.4	15.1	14.5	14.2
EBITDA	10,208	10,872	10,903	11,286	11,180	12,987	12,880	11,125	43,269	48,172
EBITDA Margins (%)	25.6	26.4	26.1	26.5	26.3	26.7	26.5	22.7	26.2	25.5
PAT	8,179	9,146	8,821	9,386	9,211	10,670	10,537	9,533	35,533	39,951
Share of JV Loss/(PAT)/ Min. Int.	-1,004	-1,016	-1,139	-1,318	-883	-1,085	-1,321	-1,704	-4,477	-4,992
Recurring PAT	9,183	10,163	9,960	10,705	10,094	11,755	11,858	11,236	40,010	44,944
Growth (%)	50.4	54.7	34.4	18.2	9.9	15.7	19.1	5.0	37.3	12.3

Standalone (Royal Enfield)

(INR Million)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Y/E March										
Royal Enfield ('000 units)	228	229	228	228	226	260	259	265	913	1,009
Growth (%)	21.6	10.4	3.0	4.2	-0.7	13.2	13.6	16.3	9.3	10.6
Net Realn (INR '000/unit)	171.3	171.4	177.8	184.1	182.3	182.5	182.7	180.1	176.2	181.9
Change - YoY (%)	-1.3	4.8	9.6	5.0	6.4	6.4	2.8	-2.2	4.6	3.2
Net operating income	39,012	39,307	40,542	41,921	41,200	47,366	47,322	47,697	1,60,782	1,83,585
Growth (%)	20.1	15.7	12.9	9.4	5.6	20.5	16.7	13.8	14.3	14.2
EBITDA	10,127	10,974	11,148	11,553	11,329	13,136	13,029	11,274	43,802	48,768
EBITDA Margins (%)	26.0	27.9	27.5	27.6	27.5	27.7	27.5	23.6	27.2	26.6
Recurring PAT	9,139	9,385	9,137	9,833	9,506	10,955	10,837	9,263	37,494	40,562
Growth (%)	57.5	52.6	34.2	31.7	4.0	16.7	18.6	-5.8	43.0	8.2

Endurance Technologies**Buy**

CMP: INR2,720 | TP: INR3,100 (+14%)

EPS CHANGE (%): FY25E|FY26E: 0|6

- Consolidated revenue growth of 15.5% YoY to be driven by 20% YoY growth in the S/A business on the back of good growth in 2Ws. However, the EU business is likely to see muted offtake given the slowdown in the market.
- Expect QoQ EBITDA margin contraction by 50bp mainly led by higher input costs offset by lower other expenses.

Consolidated - Quarterly

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
INR m										
Net Sales	24,500	25,450	25,611	26,648	28,303	29,392	29,795	31,037	1,02,209	1,18,527
YoY Change (%)	15.9	7.8	22.2	19.3	15.5	15.5	16.3	16.5	16.1	16.0
EBITDA	3,213	3,183	2,990	3,694	3,806	4,043	4,125	4,366	13,080	16,340
Margins (%)	13.1	12.5	11.7	13.9	13.4	13.8	13.8	14.1	12.8	13.8
Depreciation	1,129	1,184	1,144	1,282	1,265	1,290	1,305	1,316	4,740	5,176
Interest	90	98	109	129	115	93	84	90	427	382
Other Income	166	155	270	265	235	265	325	430	856	1,255
PBT before EO expense	2,159	2,056	2,006	2,548	2,661	2,925	3,061	3,390	8,769	12,037
Exceptional Item	0	0	0	-200	0	0	0	0	-200	0
PBT after EO	2,159	2,056	2,006	2,748	2,661	2,925	3,061	3,390	8,969	12,037
Eff. Tax Rate (%)	24.3	24.8	24.1	23.5	23.8	23.8	22.9	23.2	75.9	23.4
Adj. PAT	1,635	1,546	1,523	1,950	2,028	2,230	2,359	2,603	6,653	9,220
YoY Change (%)	47.0	17.5	40.7	42.9	24.1	44.3	54.9	33.5	36.5	38.6

Escorts**Neutral****CMP: INR4,123 | TP: INR3700 (-10%)****EPS CHANGE (%): FY25E | FY26E: 1 | 3**

- 1QFY25 witnessed ~3% YoY decline in tractor volumes led by weak agri sentiments. However, we expect demand to pick up in the coming quarters. We also expect ~3% YoY growth in the tractor realizations.
- EBITDA margin is likely to improve 50bp YoY to 14.5% driven by favorable business mix.

Standalone Quarterly Performance**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	23,277	20,462	23,204	20,825	23,839	23,167	25,082	24,816	88,496	96,905
YoY Change (%)	15.5	8.6	2.5	-4.6	2.4	13.2	8.1	19.2	6.0	9.5
Total Expenditure	20,008	17,829	20,077	18,166	20,383	20,133	21,571	21,563	76,829	83,649
EBITDA	3,269	2,633	3,127	2,659	3,457	3,035	3,512	3,253	11,667	13,257
Margins (%)	14.0	12.9	13.5	12.8	14.5	13.1	14.0	13.1	13.2	13.7
Depreciation	402	407	415	441	435	445	450	456	1,669	1,786
Interest	27	24	24	35	26	30	30	34	137	120
Other Income	945	950	1,035	1,053	1,010	1,100	1,150	1,990	3,986	5,250
PBT	3,786	3,152	3,723	3,237	4,006	3,660	4,182	4,754	13,847	16,601
Rate (%)	25.3	25.4	25.5	25.2	25.2	25.2	25.2	25.2	25.4	25.2
Adj. PAT	2,828	2,350	2,773	2,421	2,996	2,738	3,128	3,556	10,327	12,417
YoY Change (%)	91.8	64.9	48.7	18.7	5.9	16.5	12.8	46.9	51.8	20.2
Margins (%)	12.1	11.5	11.9	11.6	12.6	11.8	12.5	14.3	11.7	12.8

Exide Industries**Neutral****CMP: INR564 | TP: INR505 (-11%)****EPS CHANGE (%): FY25E | FY26E: 1 | 4**

- Expect revenue growth of 8% YoY to be driven by recovery growth 2W volumes and recovery in replacement demand.
- EBITDA margin is expected to remain flat at 12.9% as an increase in lead prices is likely to be offset by operating leverage benefits.

S/A Quarterly Performance**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	40,726	41,067	38,405	40,094	43,984	45,995	42,246	45,610	1,60,292	1,77,846
Growth YoY (%)	4.4	10.4	12.6	13.2	8.0	12.0	10.0	13.8	9.8	11.0
Gross operating income	40,726	41,067	38,405	40,094	43,996	45,995	42,246	45,621	1,60,292	1,77,846
Growth YoY (%)	4.4	10.4	12.6	13.2	8.0	12.0	10.0	13.8	9.8	11.0
RM(%)	71.7	68.9	68.5	67.0	68.0	68.0	68.0	68.0	69.1	68.0
Employee cost (%)	5.8	6.2	6.4	6.1	6.1	5.8	5.9	6.1	6.1	6.0
Other Exp(%)	11.8	13.1	13.6	14.1	13.0	13.2	13.2	12.6	13.1	13.0
Total Cost	36,404	36,235	34,006	34,932	38,310	40,015	36,796	39,546	1,41,578	1,54,668
EBITDA	4,322	4,831	4,399	5,162	5,674	5,979	5,450	6,063	18,714	23,178
EBITDA Margin(%)	10.6	11.8	11.5	12.9	12.9	13.0	12.9	13.3	11.7	13.0
Change (%)	11.8	17.1	9.7	40.6	31.3	23.8	23.9	17.5	19.3	23.9
Non-Operating Income	192	392	227	34	200	300	350	356	845	1,206
Interest	98	115	145	128	130	145	135	140	486	550
Depreciation	1,194	1,259	1,274	1,248	1,280	1,320	1,340	1,294	4,975	5,234
PBT after EO Exp	3,222	3,849	3,208	3,819	4,464	4,814	4,325	4,986	14,099	18,600
Effective Tax Rate (%)	24.9	25.4	25.1	25.7	25.0	25.0	25.0	25.1	25.3	25.0
Adj. PAT	2,419	2,870	2,403	2,838	3,348	3,611	3,244	3,748	10,530	13,950
Change (%)	6.9	16.6	7.7	36.5	38.4	25.8	35.0	32.1	16.5	32.5

Happy Forgings**Buy****CMP: INR1259 | TP: INR1,420 (+13%)****EPS CHANGE (%): FY25|26E: 0 | 1**

- Revenue is expected to grow ~13% YoY, led by growth in CV volumes and execution of new orders especially in industrials.
- Increased revenue mix of industrials should result in better product mix, aiding overall EBITDA margin at 28.8%, +50bp QoQ.

Quarterly (Standalone)**(INR M)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net operating income	3,298	3,431	3,420	3,433	3,727	4,186	4,343	4,477	13,582	16,732
Change (%)			16.2	13.5	13.0	22.0	27.0	30.4	13.5	23.2
RM/Sales (%)	43.0	44.7	44.5	43.5	43.8	44.2	44.4	44.4	43.9	44.2
Staff Cost (%)	7.5	8.5	9.0	8.6	8.2	7.8	7.9	8.1	8.4	8.0
Other Exp. (%)	18.7	19.5	18.7	19.6	19.2	18.5	17.8	17.5	19.1	18.2
EBITDA	1,015	938	952	971	1,075	1,235	1,301	1,343	3,875	4,954
EBITDA Margins (%)	30.8	27.3	27.8	28.3	28.8	29.5	30.0	30.0	28.5	29.6
Non-Operating Income	22	7	33	72	50	55	60	66	134	231
Interest	27	44	38	9	20	17	18	18	118	73
Depreciation	155	162	171	160	175	178	181	185	647	719
PBT after EO items	855	738	777	875	930	1,095	1,162	1,206	3,244	4,393
Tax	214	185	198	217	237	279	296	308	814	1120
Eff. Tax Rate (%)	25.1	25.1	25.5	24.8	25.5	25.5	25.5	25.5	25.1	25.5
Rep. PAT	640	553	579	658	693	816	866	899	2,430	3,273
Change (%)			39.2	29.7	8.2	47.6	49.5	36.6	18.3	34.7
Adj. PAT	640	553	579	658	693	816	866	899	2,430	3,273
Change (%)			39.2	29.7	8.2	47.6	49.5	36.6	16.4	34.7

Hero MotoCorp**Buy****CMP: INR5,564 | TP: INR6,375 (+15%)****EPS CHANGE (%): FY25E|FY26E: 7 | 9**

- Volumes grew ~13% YoY, driven by recovery in rural regions and traction due to new product launch. Overall, we expect HMCL to post 21% YoY growth in revenues in 1Q.
- Better product mix and healthy volumes should drive EBITDA margin expansion of 130bp YoY to 15.1%
- Overall, we expect HMCL to post a strong 32% YoY growth in earnings in 1QFY25.

Quarterly Performance (S/A)**(INR B)**

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total Volumes ('000 nos)	1,353	1,417	1,460	1,392	1,535	1,523	1,571	1,580	5,621	6,209
Growth YoY (%)	-2.7	-0.8	12.3	9.6	13.5	7.5	8.2	13.5	5.5	10.5
Net Realization	64,819	66,680	66,604	68,373	69,057	69,748	69,399	69,246	66,632	69,361
Growth YoY (%)	7.4	4.9	5.5	4.6	6.5	4.6	4.0	1.3	5.0	4.1
Net Op Revenues	87.7	94.5	97.2	95.2	106.0	106.2	109.0	109.4	374.6	430.7
Growth YoY (%)	4.5	4.1	18.5	14.6	20.9	12.5	12.5	15.0	10.8	15.0
RM Cost (% sales)	69.4	68.6	66.2	66.4	67.0	67.2	67.3	67.1	67.6	67.2
Staff Cost (% sales)	6.6	6.1	6.2	6.8	6.4	6.6	6.4	5.6	6.4	6.2
Other Exp (% sales)	10.3	11.2	12.5	12.5	11.5	11.5	11.5	11.8	11.7	11.6
EBITDA	12.1	13.3	14.7	13.6	16.0	15.7	16.1	17.0	53.6	64.7
Growth YoY (%)	28.2	27.9	58.9	25.5	32.4	17.9	9.5	25.2	0.0	0.0
EBITDA Margins (%)	13.8	14.1	15.1	14.3	15.1	14.7	14.8	15.6	14.3	15.0
Other Income	2.2	2.5	2.4	1.8	2.4	2.6	2.6	3.2	8.9	10.7
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Depreciation	1.7	1.7	1.8	1.9	1.9	1.9	1.9	1.9	7.1	7.6
PBT before EO Exp/(Inc)	12.5	14.0	15.2	13.5	16.4	16.3	16.7	18.2	55.3	67.6
Effective Tax Rate (%)	24.7	24.6	22.6	24.7	24.3	24.3	24.3	24.7	24.1	24.4
Adj. PAT	9.5	10.5	11.8	10.2	12.4	12.3	12.7	13.7	42.0	51.1
Growth (%)	51.5	47.2	42.9	18.3	31.6	16.9	16.3	35.1	44.2	21.9

MRF**Sell****CMP: INR1,28,645 | TP: INR99,700 (-22%)****EPS CHANGE (%): FY25E|FY26E: 0 | 0**

- Expect revenue growth to remain flat led by moderate OE demand and slow pickup in replacement.
- EBITDA margin to contract 100bp QoQ, led by additional expenses toward EPR and some impact of RM inflation. However, we expect major impact of commodity increase to come from 2Q onwards.

Standalone - Quarterly Earning Model**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	63,233	60,876	60,478	62,151	63,865	64,528	65,316	65,710	2,46,737	2,59,419
YoY Change (%)	12.9	6.4	9.3	8.6	1.0	6.0	8.0	5.7	9.3	5.1
Total Expenditure	52,091	49,589	50,084	52,096	54,189	54,561	55,077	55,307	2,04,595	2,19,134
EBITDA	11,142	11,286	10,394	10,055	9,676	9,967	10,239	10,402	42,142	40,285
Margins (%)	17.6	18.5	17.2	16.2	15.2	15.4	15.7	15.8	17.1	15.5
Depreciation	3,317	3,500	3,591	3,842	3,750	3,820	3,870	3,911	14,250	15,351
Interest	780	749	776	858	680	660	650	652	3,163	2,642
Other Income	739	696	766	924	840	820	920	917	3,125	3,497
PBT before EO expense	7,783	7,734	6,792	6,279	6,086	6,307	6,639	6,756	27,853	25,788
Extra-Ord expense	0	0	0	1,200	0	0	0	0	464	0
PBT	7,783	7,734	6,792	5,079	6,086	6,307	6,639	6,756	27,389	25,788
Tax	1,969	2,015	1,712	1,284	1,552	1,608	1,693	1,723	6,980	6,576
Rate (%)	25.3	26.1	25.2	25.3	25.5	25.5	25.5	25.5	25.5	25.5
Reported PAT	5,814	5,719	5,080	3,795	4,534	4,699	4,946	5,033	20,409	19,212
Adj PAT	5,814	5,719	5,080	4,692	4,534	4,699	4,946	5,033	20,755	19,212
YoY Change (%)	417.6	361.3	200.2	32.7	-22.0	-17.8	-2.6	7.3	173.9	-7.4
Margins (%)	9.2	9.4	8.4	7.5	7.1	7.3	7.6	7.7	8.4	7.4

Mahindra & Mahindra**Buy****CMP: INR2,867 | TP: INR3,300 (+15%)****EPS CHANGE (%): FY25E|FY26E: 6 | 7**

- There was a volume growth of 13% YoY in autos and ~6% YoY in tractors, leading to an overall volume growth of ~11% YoY during the quarter.
- We expect a 40bp YoY gain in EBITDA margin due to favorable mix. PBIT margin for Auto division is likely to expand by 130bp YoY to 8.8%.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
INR b										
Total Volumes ('000 units)	301	302	313	285	333	343	356	338	1,202	1,370
Growth YoY (%)	10.7	10.6	11.1	2.2	10.6	13.5	13.6	18.6	8.7	14.0
Net Realization (INR '000/unit)	799	805	808	881	842	862	865	867	822	859
Growth YoY (%)	10.1	4.6	5.1	8.8	5.5	7.1	7.1	-1.5	7.0	4.5
Net Op. Income	241	243	253	251	281	296	308	293	988	1,177
Growth YoY (%)	22.0	15.7	16.8	11.2	16.6	21.6	21.7	16.8	16.2	19.2
RM Cost (% of sales)	75.3	75.6	75.4	73.5	74.0	75.0	75.5	76.2	74.9	75.2
Staff (% of sales)	4.3	4.6	4.5	4.4	4.3	4.1	4.0	4.6	4.5	4.2
Oth. Exp. (% of Sales)	6.9	7.2	7.3	9.2	7.9	8.1	7.1	6.5	7.5	7.4
EBITDA	32	31	32	32	39	38	41	37	129	154.9
EBITDA Margins (%)	13.4	12.6	12.8	12.9	13.8	12.8	13.4	12.7	13.1	13.2
Other income	9.7	21.5	7.4	4.3	8.0	15.0	10.0	13.5	41.4	46.5
Interest	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	1.4	1.3
Depreciation	8.3	8.2	8.2	9.8	8.8	9.0	9.2	9.9	34.4	36.9
PBT after EO	33.4	43.7	31.2	26.5	37.5	43.4	41.7	40.6	134.8	163.2
Tax	5.7	9.2	6.7	6.1	7.7	8.9	8.5	8.3	27.7	33.5
Effective Tax Rate (%)	17.1	21.0	21.4	23.1	20.5	20.5	20.5	20.5	20.5	20.5
Reported PAT	27.7	34.5	24.5	20.4	29.8	34.5	33.1	32.3	107.2	129.8
Adj PAT	27.7	34.5	24.5	20.4	29.8	34.5	33.1	32.3	107.2	129.8
Change (%)	97.6	47.6	10.7	3.2	7.5	0.0	35.1	58.4	35.1	21.1

Maruti Suzuki**Buy****CMP: INR12,039 | TP: INR14,437 (+20%)****EPS CHANGE (%): FY25E|FY26E: -1|-1**

- Volume growth of 5% YoY was driven by visible traction in UVs (29% YoY growth) even as entry-level models declined 4% YoY.
- EBITDA margin likely to expand 280bp YoY to 12% over a low base and due to lower RM costs, improved mix and operating leverage benefit. We expect PAT growth of 38% YoY in 1QFY25.

S/A Quarterly Performance**(INR M)**

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Volumes ('000 units)	498.0	552.1	501.2	584.0	521.9	607.3	551.3	554.1	2,135.3	2,234.6
Change (%)	6.4	6.7	7.6	13.4	4.8	10.0	10.0	-5.1	8.6	4.6
Realizations (INR/car)	6,49,095	6,71,348	6,64,570	6,54,672	6,71,039	6,87,815	6,94,693	7,04,558	6,60,006	6,89,746
Change (%)	14.6	16.1	6.6	5.2	3.4	2.5	4.5	7.6	10.4	4.5
Net operating revenues	3,23,269	3,70,621	3,33,087	3,82,349	3,50,194	4,17,683	3,83,004	3,90,407	14,09,326	15,41,287
Change (%)	22.0	23.8	14.7	19.3	8.3	12.7	15.0	2.1	19.9	9.4
RM Cost (% of sales)	72.8	70.6	70.9	71.4	71.0	71.0	71.2	71.0	71.4	71.0
Staff Cost (% of sales)	4.5	3.5	4.0	3.6	4.3	3.5	3.6	3.7	3.9	3.7
Other Cost (% of sales)	13.5	12.9	13.3	12.8	12.7	13.0	12.8	13.2	13.1	12.9
EBITDA	29,830	47,842	39,079	46,850	42,180	52,390	47,359	47,260	1,64,011	1,89,190
EBITDA Margins (%)	9.2	12.9	11.7	12.3	12.0	12.5	12.4	12.1	11.6	12.3
Depreciation	7,475	7,941	7,517	7,290	7,800	8,200	8,100	8,362	30,223	32,462
EBIT	22,355	39,901	31,562	39,560	34,380	44,190	39,259	38,899	1,33,788	1,56,728
EBIT Margins (%)	6.9	10.8	9.5	10.3	9.8	10.6	10.3	10.0	9.5	10.2
Interest	465	351	354	762	360	370	370	380	1,932	1,480
Non-Operating Income	10,012	8,436	9,330	11,180	10,200	10,500	9,800	9,408	38,548	39,908
PBT	31,902	47,986	40,538	49,978	44,220	54,320	48,689	47,926	1,70,404	1,95,156
Effective Tax Rate (%)	22.1	22.6	22.8	22.4	22.5	22.5	22.5	22.5	22.5	22.5
Adjusted PAT	24,851	37,165	31,300	38,778	34,271	42,098	37,734	37,143	1,32,094	1,51,246
Change (%)	145.4	80.3	33.1	47.8	37.9	13.3	20.6	-4.2	64.1	14.5

Motherson Wiring India**Buy****CMP: INR73 | TP: INR84 (+15%)****EPS CHANGE (%): FY25E|FY26E: -5|-1**

- Revenue growth of 19% YoY, driven by healthy volume growth YoY across key segments and increase in content due to higher share of SUV volumes.
- EBITDA margin expansion of 200bp YoY, aided by ramp-up of new facilities, lower input costs and operating leverage.

MSUMI: Quarterly performance**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	18,588	21,046	21,145	22,327	22,103	24,093	24,575	25,004	83,283	95,775
YoY Change (%)	11.2	14.7	25.4	19.3	18.9	14.5	16.2	12.0	17.8	15.0
RM Cost (% of sales)	65.7	66.2	65.5	65.1	65.2	66.0	66.2	66.9	65.5	66.1
Staff Cost (% of sales)	17.6	16.3	16.1	15.4	15.9	15.1	14.9	14.8	16.3	15.2
Other Expenses (% of sales)	6.3	5.7	6.0	6.4	6.5	6.5	6.1	5.5	6.1	6.1
EBITDA	1,941	2,481	2,620	2,913	2,739	2,981	3,135	3,197	10,132	12,052
Margins (%)	10.4	11.8	12.4	13.0	12.4	12.4	12.8	12.8	12.2	12.6
Depreciation	338	364	377	394	380	395	410	417	1,473	1,602
Interest	77	74	64	58	55	58	57	60	273	230
Other Income	136	56	11	43	40	50	45	40	69	175
PBT before EO expense	1,661	2,100	2,190	2,505	2,344	2,578	2,713	2,760	8,455	10,395
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO Expense	1,661	2,100	2,190	2,505	2,344	2,578	2,713	2,760	8,455	10,395
Tax Rate (%)	26	26	23	24	25	25	25	25	25	25
Reported PAT	1,231	1,559	1,679	1,914	1,769	1,947	2,048	2,084	6,383	7,848
Adj PAT	1,231	1,559	1,679	1,914	1,769	1,947	2,048	2,084	6,383	7,848
YoY Change (%)	-2.2	33.9	58.1	38.3	43.7	24.9	22.0	8.9	31.1	23.0

E: MOSL Estimates

Samvardhana Motherson Sumi**Buy**

CMP: INR203 | TP: INR230 (+13%)

EPS CHANGE (%): FY25E|FY26E: 1|9

- Execution of healthy order book, along with contribution from recent acquisitions, should drive revenue growth of 29.5% YoY.
- EBITDA margin to expand by 60bp YoY to 9.2% mainly due to benign input cost.
- Overall, we expect 55% YoY growth in earnings for SAMIL largely driven by inorganic growth.

Quarterly performance (Consol.)**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	2,24,622	2,34,738	2,56,439	2,68,612	2,90,974	2,87,028	3,07,219	3,15,103	9,84,947	12,00,325
YoY Change (%)	27.2	28.5	26.5	19.3	29.5	22.3	19.8	17.3	25.0	21.9
EBITDA	19,246	18,888	23,159	26,686	26,777	26,901	29,985	30,695	90,206	1,14,358
Margins (%)	8.6	8.0	9.0	9.9	9.2	9.4	9.8	9.7	9.2	9.5
Depreciation	8,389	8,674	10,164	10,878	10,400	10,500	10,800	10,905	38,105	42,605
Interest	2,526	4,879	6,203	4,504	4,000	3,500	3,000	2,866	18,112	13,366
Other income	529	1,654	1,084	836	550	600	550	551	1,876	2,251
PBT before EO expense	8,860	6,989	7,877	12,140	12,927	13,501	16,735	17,475	35,865	60,637
Extra-Ord expense	0	2,494	9	-4,974	0	0	0	0	-2,472	0
PBT after EO Expense	8,860	4,495	7,868	17,114	12,927	13,501	16,735	17,475	38,336	60,637
Tax Rate (%)	29.5	32.8	27.6	28.3	27.0	27.0	27.0	27.0	29.3	27.0
Min. Int & Share of profit	241	188	272	-43	100	70	120	155	658	445
Reported PAT	6,009	2,015	5,420	13,718	9,336	9,786	12,096	12,602	27,162	43,820
Adj PAT	6,009	4,509	5,420	9,170	9,336	9,786	12,096	12,602	25,108	43,820
YoY Change (%)	325.5	43.2	19.2	45.6	55.4	117.0	123.2	37.4	65.6	74.5

E: MOFSL Estimates

Sona Comstar**Neutral**

CMP: INR671 | TP: INR610 (-9%)

EPS CHANGE (%): FY25E|FY26E: -9|-5

- Revenue growth of 25% YoY expected to be driven by ramp-up of new orders.
- We expect EBITDA margin to largely remain flat sequentially at 27.9%.

Consol. Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net operating revenues	7,322	7,908	7,766	8,853	9,140	9,203	9,129	11,290	31,848	38,763
Change (%)	24.3	20.3	13.4	19.0	24.8	16.4	17.6	27.5	19.0	21.7
EBITDA	2,034	2,233	2,273	2,481	2,550	2,549	2,529	3,144	8,651	10,772
EBITDA Margins (%)	27.8	28.2	29.3	28.0	27.9	27.7	27.7	27.9	27.2	27.8
Depreciation	511	534	559	598	590	620	645	676	2,202	2,531
EBIT	1,523	1,699	1,714	1,883	1,960	1,929	1,884	2,468	6,449	8,241
EBIT Margins (%)	20.8	21.5	22.1	21.3	21.4	21.0	20.6	21.9	20.2	21.3
Interest	53	60	73	71	70	60	55	54	258	239
Non-Operating Income	54	61	50	75	70	75	75	83	239	303
PBT	1,495	1,641	1,690	1,886	1,960	1,944	1,904	2,496	6,343	8,304
Effective Tax Rate (%)	25.1	24.4	21.0	21.5	25.0	25.0	25.0	25.0	24.3	25.0
Adjusted PAT	1,142	1,286	1,336	1,481	1,470	1,458	1,428	1,872	4,871	6,228
Change (%)	50.6	39.0	24.7	20.2	28.7	13.4	6.9	26.4	31.8	27.9

Tata Motors

Neutral

CMP: INR981 | TP: INR960 (-2%)

EPS CHANGE (%): FY25E|FY26E: 0|0

- India business performance was a mixed bag as CV volumes grew 6% YoY and PVs declined 1% YoY.
- However, CV/PV EBIT margin likely to contract 190bp/50bp QoQ due to lower volumes.
- JLR volumes are expected to see 3% YoY growth. We estimate an EBIT margin of 7.5% (-170bp QoQ) for JLR, led by unfavorable product mix, rising spends and lower volumes.
- Overall, we expect the consolidated entity to post 8.5% YoY growth in 1Q earnings.

Quarterly Performance [Consol]

(INR B)

INR b	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
JLR Volumes (incl JV; '000 units)	106.3	109.1	113.9	120.6	109.7	110.7	116.7	121.6	450.0	458.6
JLR Realizations (GBP/unit)	74,024	70,824	72,989	71,331	70,975	71,684	73,118	78,317	72,252	73,697
JLR EBITDA Margins (%)	16.3	14.9	16.2	16.3	15.4	15.9	16.1	16.9	15.9	16.1
India CV Volumes ('000 units)	88.6	106.8	98.8	111.3	93.4	108.8	105.9	119.8	405.5	427.9
India CV Realizations (INR '000/unit)	1925.4	1887.2	2042.9	1943.9	1924.5	1905.3	1962.4	2067.3	1949.5	1969.0
India CV EBITDA Margins (%)	9.4	10.4	11.1	11.9	10.5	10.4	9.9	11.3	10.8	10.6
India PV Volumes ('000 units)	140.4	139.0	138.6	155.6	138.7	144.0	146.5	155.9	573.6	585.2
India PV Realizations (INR '000/unit)	921.8	880.9	938.1	931.7	927.0	940.9	945.6	951.5	918.7	941.6
India PV EBITDA Margins (%)	5.2	6.4	6.5	7.3	7.0	7.3	6.8	7.0	6.4	7.0
Net Consol. Op Income	1022.4	1051.3	1105.8	1199.9	1033.6	1083.3	1146.7	1338.6	4379.3	4602.1
Growth (%)	42.1	32.1	25.0	13.3	1.1	3.0	3.7	11.6	26.6	5.1
Consol. EBITDA	135.6	137.2	153.3	169.9	137.6	149.8	159.6	187.7	596.1	634.7
EBITDA Margins (%)	13.3	13.1	13.9	14.2	13.3	13.8	13.9	14.0	13.6	13.8
Depreciation	66.3	66.4	68.5	71.5	70.0	72.0	74.0	80.5	272.7	296.5
Other Income	13.6	16.3	15.0	14.6	14.2	15.5	15.2	16.1	59.5	61.0
Interest Expenses	26.2	27.0	24.8	22.3	23.0	25.0	24.0	24.2	100.3	96.2
PBT before EO	53.3	61.1	75.8	92.1	54.7	64.2	72.6	94.9	282.3	286.3
EO Exp/(Inc)	6.8	1.2	0.9	-87.0	0.0	0.0	0.0	0.0	-78.12	0.00
PBT after EO Exp	46.5	59.9	74.9	179.1	54.7	64.2	72.6	94.9	360.4	286.3
Tax rate (%)	33.6	36.8	7.2	3.5	26.3	26.3	26.3	26.3	13.7	26.3
PAT	30.9	37.8	69.5	172.8	40.3	47.3	53.5	69.9	311.1	211.0
Minority Interest	-1.0	-0.7	-1.2	-1.2	-1.0	-0.7	-0.8	-2.0	-4.1	-4.5
Share in profit of Associate	2.1	0.5	1.9	2.5	1.8	1.5	1.8	2.1	7.0	7.2
Reported PAT	32.0	37.6	70.3	174.1	41.1	48.1	54.5	70.0	314.0	213.6
Adj PAT	37.9	38.7	71.0	77.3	41.1	48.1	54.5	70.0	224.9	213.6
Growth (%)	-158.3	-407.9	140.1	37.4	8.5	24.2	-23.3	-9.4	2629.7	-5.0

E: MOFSL Estimates

Tube Investments

Buy
CMP: INR4,111 | TP: INR4,830 (+17%)
EPS CHANGE (%): FY25E|FY26E: 2|3

- Sequential recovery in 2W business and growth in exports to drive QoQ growth in engineering business.
- Metal-formed business to see 20% YoY growth, though margin pressure would persist due to increased competition.
- EBIT margin for the mobility business is likely to expand to -4% (vs. -5.7% in 4QFY24); engineering business to see 10bp QoQ growth to 12.6%, while margins for metal-formed business likely to improve 50bp QoQ to 11.5%.

Quarterly performance (S/A)

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	17,801	19,696	18,983	19,624	20,321	21,416	21,457	21,763	76,105	84,957
YoY Change (%)	-9.0	3.3	11.0	18.0	14.2	8.7	13.0	10.9	5.2	11.6
EBITDA	2,160	2,514	2,395	2,171	2,349	2,632	2,743	2,701	9,239	10,426
Margins (%)	12.1	12.8	12.6	11.1	11.6	12.3	12.8	12.4	12.1	12.3
Depreciation	331	346	361	370	350	360	370	376	1,408	1,456
Interest	70	77	74	75	45	42	37	20	295	144
Other Income	219	358	137	1,451	250	350	400	1,724	2,165	2,724
PBT before EO expense	1,979	2,448	2,096	3,178	2,204	2,580	2,736	4,029	9,701	11,550
Tax	502	634	521	699	555	650	690	1,019	2,359	2,914
Tax Rate (%)	25.4	25.9	24.9	22.0	25.2	25.2	25.2	25.3	24.3	25.2
Adj PAT	1,477	1,814	1,575	2,479	1,649	1,930	2,047	3,010	7,345	8,636
YoY Change (%)	10.0	13.2	14.4	-9.2	11.6	6.4	30.0	21.4	4.1	17.6

E: MOFSL Estimates

TVS Motor Company

Neutral
CMP: INR2,339 | TP: INR2,095 (-10%)
EPS CHANGE (%): FY25E|FY26E: 0|0

- In 1Q, domestic 2W volumes grew 15% YoY, while exports jumped 16% YoY. EV volumes grew 34% YoY.
- Overall, we expect TVSL to post 25% YoY growth in earnings in 1Q.
- We expect EBITDA margin to expand 40bp QoQ at 11.7% led by operating leverage and favorable product mix.

S/A Quarterly Performance

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Vols ('000 units)	953.2	1,074.4	1,100.8	1,062.5	1,087.2	1,196.4	1,217.3	1,179.9	4,191	4,681
Growth (%)	5.1	4.6	25.2	22.4	14.1	11.4	10.6	11.0	13.8	11.7
Realn (INR '000/unit)	75.7	75.8	74.9	76.9	77.6	76.9	77.6	77.9	75.8	77.5
Growth (%)	14.3	7.9	0.6	1.1	2.5	1.4	3.7	1.4	5.8	2.2
Net Sales	72,179	81,446	82,450	81,688	84,419	91,972	94,516	91,964	3,17,764	3,62,871
Growth (%)	20.1	12.8	26.0	23.7	17.0	12.9	14.6	12.6	20.5	14.2
RM (% of sales)	74.6	74.0	73.7	72.8	72.8	73.3	73.5	73.4	73.7	73.3
Emp cost (% of sales)	5.2	4.8	4.9	5.1	5.1	4.8	4.7	4.7	5.0	4.8
Other exp (% of sales)	9.6	10.1	10.2	10.8	10.4	10.0	9.8	9.8	10.2	10.0
EBITDA	7,638	8,998	9,244	9,262	9,917	10,959	11,384	11,102	35,141	43,363
EBITDA Margin(%)	10.6	11.0	11.2	11.3	11.7	11.9	12.0	12.1	11.1	12.0
Interest	474	523	448	372	350	320	290	288	1,816	1,248
Depreciation	1,636	1,701	1,781	1,887	1,870	1,910	1,915	1,960	7,004	7,655
Other Income	576	462	734	-287	100	150	180	120	1,485	550
PBT after EO Exp	6,104	7,237	7,750	6,716	7,797	8,879	9,359	8,974	27,807	35,010
Tax	1,427	1,871	1,817	1,862	1,949	2,220	2,340	2,244	6,977	8,753
Total Tax	1,427	1,871	1,817	1,862	1,949	2,220	2,340	2,244	6,977	8,753
Tax rate (%)	23.4	25.9	23.4	27.7	25.0	25.0	25.0	25.0	25.1	25.0
Reported PAT	4,677	5,366	5,934	4,854	5,848	6,659	7,019	6,731	20,830	26,258
Adjusted PAT	4,677	5,366	5,934	4,854	5,848	6,659	7,019	6,731	20,830	26,258
Growth (%)	45.9	31.7	68.2	33.4	25.0	24.1	18.3	38.7	44.4	26.1

Capital Goods

Company

ABB India
Bharat Electronics
Cummins India
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
Siemens
Thermax
Triveni Turbine

Election impact to weigh on 1QFY25

After strong order inflows in FY24, we expect some moderation in 1QFY25, particularly for companies focused on government capex, due to general elections during the quarter. However, companies continue to benefit from a strong enquiry pipeline, especially in transmission, data center, EV, railways, semiconductor, electronics and hydrogen. Companies linked to domestic private capex are still awaiting finalization of large orders. Demand remained strong for all powergen players in 1QFY25. We believe that strong order books should provide healthy revenue visibility for companies. We expect 12% YoY growth in execution in 1QFY25. Higher commodity prices and labor shortage can hurt margins. However, we expect margins to get support from improved pricing, cost-saving measures and improved product mix. As a result, we expect a ~80bp YoY expansion in EBITDA margin for our coverage universe. For 1QFY25, we estimate our coverage companies to report revenue growth of 12% YoY, EBITDA growth of 21% YoY, and PAT growth of 24% YoY.

Ordering activity likely to pick up from 2QFY25 onward

Due to elections in Apr-May'24, the government's ordering activity slowed down. During the quarter, LT announced orders worth ~INR183b, BHE won ~INR43b, KECI secured ~INR49b, and KPIL acquired ~INR23b. Our FY25 estimates factor in a moderation in order inflows for LT, BHE and KPIL. Transmission, data centers and electronics continued to grow faster during the quarter, which is visible in their order inflows. As per companies, the domestic enquiry pipeline from private sectors such as sugar, metals and even the defense sector, should see conversions to orders from 2QFY25 onward. With strong existing order books, we estimate 12% YoY growth in execution in 1QFY25 for our coverage universe.

Margin trajectory a mixed bag in 1QFY25

We expect margins for EPC companies to be impacted by legacy projects (e.g., for LT, KEC). During 4QFY24, LT trimmed its FY25 E&C margin guidance to 8%-8.25%. Similarly, KECI too guided for double-digit margin performance only in FY26. In recent months, copper/aluminum/zinc prices have appreciated by more than 20%/15%/25% from the levels of Feb'24. The impact of this price increase will reflect in the coming quarters. Product companies, on the other hand, are relatively better placed given their tech-led offerings, deeper penetration in tier 3 & 4 markets and short-cycle orders, which result in better pricing power for the companies. Accordingly, we expect ~80bp YoY margin expansion in 1QFY25.

Export weakness to remain for few more quarters

Product exports have been sluggish in most geographies due to factors such as inflation, geopolitical worries, and economic slowdown. Consequently, export growth remained tepid for KKC, ABB and SIEM in FY24. We expect this weakness to continue for a few more quarters. The silver lining for companies here is a much stronger demand in the domestic market, which offsets weakness in exports. For EPC players, international ordering activity, especially in GCC, has been strong, with LT and KECI bagging oil & gas, hydrocarbon and civil-related orders from Saudi Arabia and UAE. Triveni Turbine is witnessing good traction in exports, particularly from the shift toward renewable fuel. KOEL is witnessing traction with its conscious strategy of growing exports in the US and the Middle East.

We remain optimistic on long-term capex cycle

We believe that there are enough levers for companies to sustain the capex cycle for the long term. Despite a weaker majority in election results, we expect the government to remain focused on areas such as renewables, transmission, PLI and defense, where significant policy changes have already been announced in the past few years. It is the broad-based private sector capex, which is yet to materialize from the current levels. We are witnessing green shoots in private capex, particularly from auto, cement, metals and PLI-led capex. Companies' order books are already quite buoyant, which provides visibility for a healthy revenue CAGR. We expect a gradual pickup in exports from 2HFY25 onward. We, thus, increase our estimates for select companies to factor in better margins and continued traction in fast-growing high-margin segments. We also roll forward our target prices to Sep'26.

Our top picks

Our top picks in the sector are ABB, LT and BHE. We expect ABB to be the key beneficiary of an improved addressable market for short-cycle orders from the private sector as well as transmission, railways, data center, and PLI-led spending. We expect LT to continue to benefit from both domestic and international spending, along with control over its working capital. We like BHE due to its strong presence in defense electronics, ability to grow revenue and PAT in mid-teens CAGR, and improving return ratios.

Exhibit 1: Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	Sales (INR M)			EBDITA (INR M)			Net Profit (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
ABB India	8515	Buy	31,839	26.9	3.4	5,555	59.3	-1.7	4,552	53.8	-1.0
Bharat Electronics	306	Buy	37,838	7.8	-55.6	8,703	31.0	-61.8	7,463	40.6	-58.2
Cummins India	3936	Buy	20,788	-5.9	-10.2	4,135	21.4	-24.0	3,824	21.1	-31.9
Hitachi Energy	13482	Neutral	13,692	31.6	-19.2	1,232	266.0	-32.3	694	2,778.7	-39.0
KEC International	903	Neutral	45,050	6.2	-26.9	2,973	21.7	-23.4	820	93.7	-46.0
Kalpataru Proj.	1212	Buy	40,353	11.4	-21.6	3,390	8.0	-15.3	1,295	2.8	-26.0
Kirloskar Oil	1400	Buy	11,953	-5.5	-14.1	1,434	-7.1	-19.5	922	-10.7	-21.6
Larsen & Toubro	3624	Buy	5,34,615	11.7	-20.3	53,847	10.6	-25.6	27,035	8.4	-37.5
Siemens	7775	Buy	61,469	26.1	6.9	9,339	64.8	6.3	7,420	62.8	-7.6
Thermax	5175	Neutral	22,010	13.9	-20.4	2,125	60.8	-22.2	1,484	59.3	-20.9
Triveni Turbine	606	Buy	4,268	13.4	-6.8	845	19.2	-5.9	709	16.3	-7.0
Capital Goods			8,23,873	12.1	-21.1	93,578	20.9	-28.1	56,218	24.4	-35.8

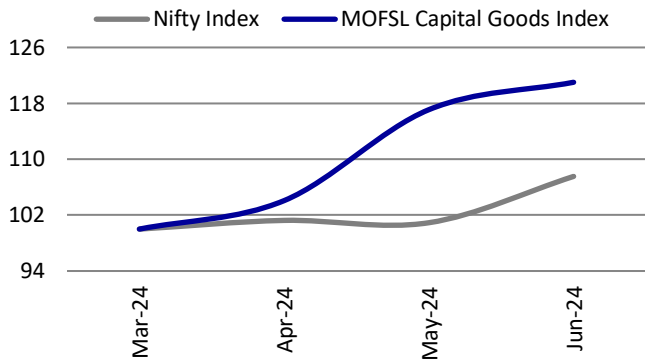
ABB: December ending; SIEM: September ending

Exhibit 2: Comparative valuations

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Capital Goods						50.5	49.9	39.2	8.3	8.7	7.5	16.4	17.5	19.0
ABB India	8,515	Buy	58.9	90.5	111.9	108.0	94.0	76.1	22.7	23.4	18.2	22.9	28.1	26.9
Bharat Electronics	306	Buy	5.5	6.7	8.2	36.6	46.0	37.5	9.1	11.0	8.8	24.9	24.0	23.5
Cummins India	3,936	Buy	60.0	74.2	89.0	50.2	53.0	44.2	13.5	15.7	13.7	28.8	31.3	33.1
Hitachi Energy	13,482	Neutral	38.6	86.8	165.4	180.3	155.3	81.5	21.7	33.1	23.5	12.0	21.3	28.9
Kalpataru Proj.	1,212	Buy	32.6	54.7	75.1	32.7	22.2	16.1	3.0	3.0	2.6	9.6	14.6	17.3
KEC International	903	Neutral	13.5	24.5	39.2	51.4	36.8	23.0	4.4	5.1	4.4	8.8	14.6	20.6
Kirloskar Oil	1,400	Buy	25.0	34.4	44.1	34.4	40.7	31.7	4.7	6.8	5.9	14.6	17.8	19.8
Larsen & Toubro	3,624	Buy	94.5	105.8	136.0	39.9	34.2	26.6	6.0	5.1	4.4	14.8	15.8	17.8
Siemens	7,775	Buy	55.1	81.0	97.0	97.6	95.9	80.1	14.6	18.2	15.6	15.9	20.4	20.9
Thermax	5,175	Neutral	52.2	67.1	83.1	80.4	77.2	62.3	10.6	11.6	10.0	14.1	15.9	17.3
Triveni Turbine	606	Buy	8.5	11.0	14.8	63.4	55.1	40.8	17.8	15.9	12.4	31.3	32.2	34.2

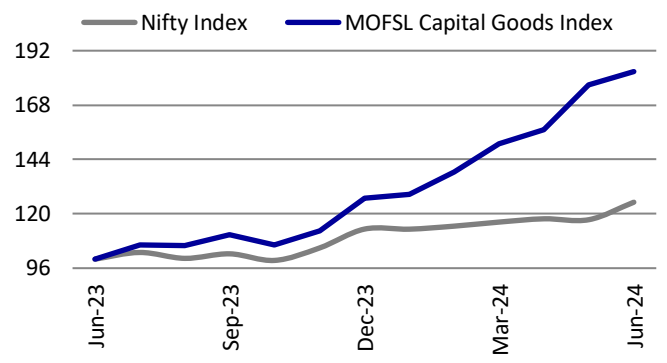
ABB: December ending; SIEM: September ending

Exhibit 3: Relative performance – three-months (%)



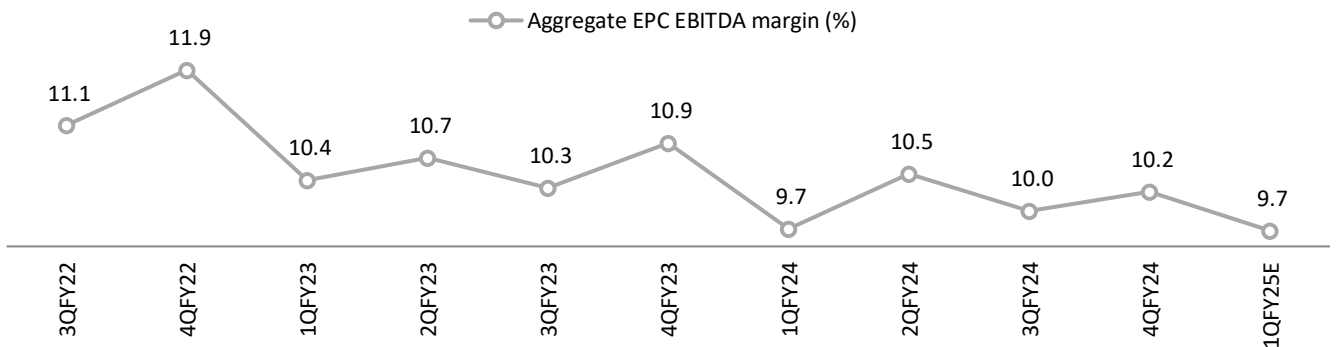
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



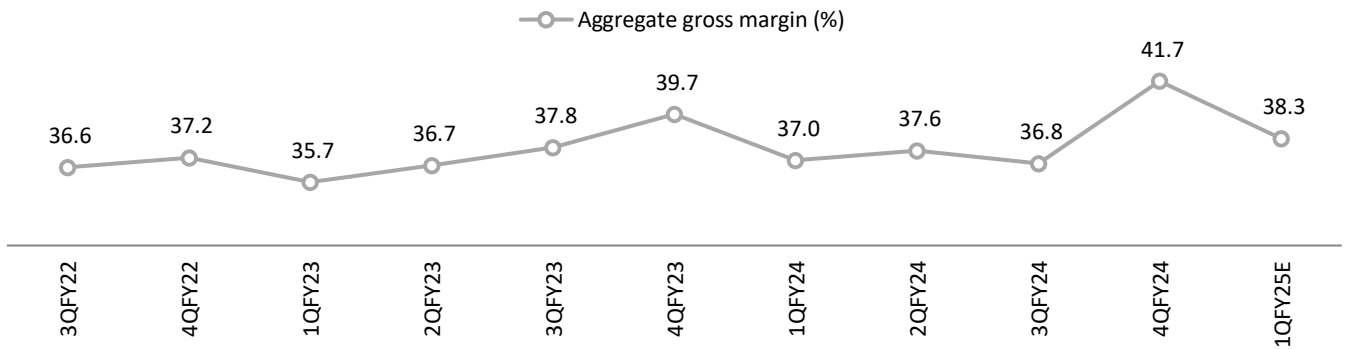
Source: Bloomberg, MOFSL

Exhibit 5: EBITDA margin snapshot for EPC companies under our coverage



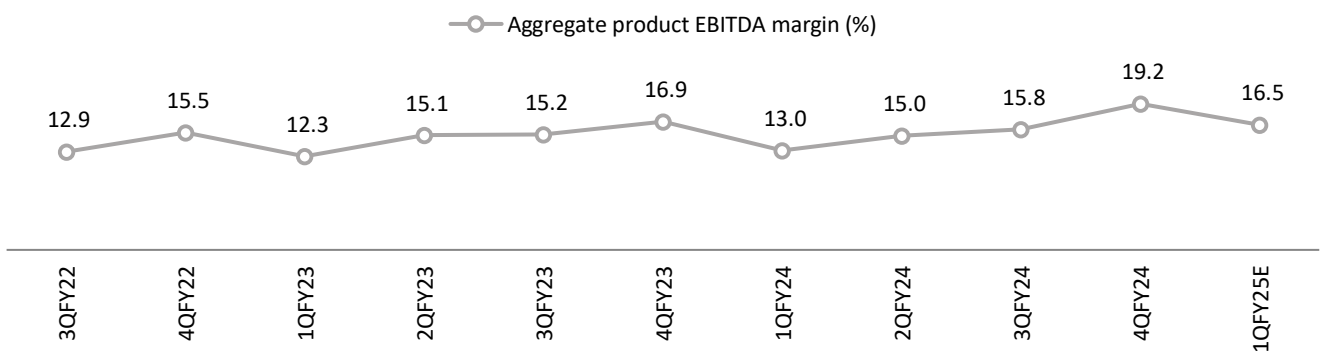
Source: Company, MOFSL

Exhibit 6: Gross margin snapshot for product companies under our coverage



Source: Company, MOFSL

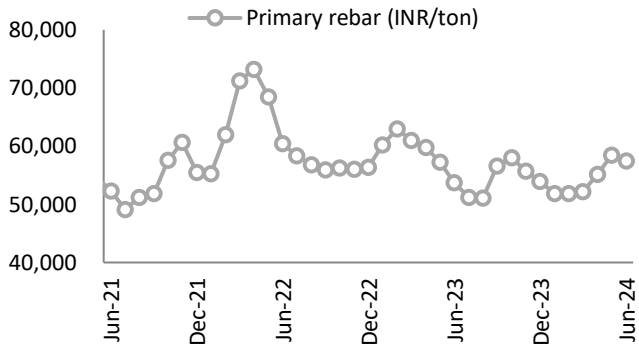
Exhibit 7: EBITDA margin snapshot for product companies under our coverage



Source: Company, MOFSL

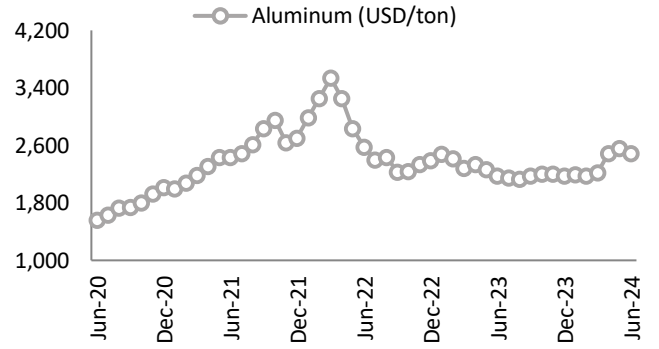
Copper and aluminum prices have started inching up in recent months

Exhibit 8: Primary rebar price trend (INR/ton)



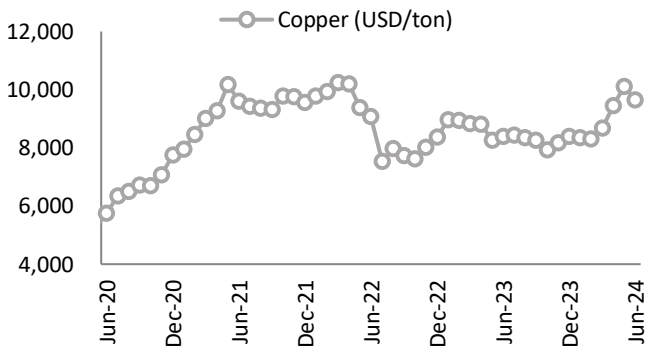
Source: Bloomberg, MOFSL

Exhibit 9: Aluminum price trend (USD/ton)



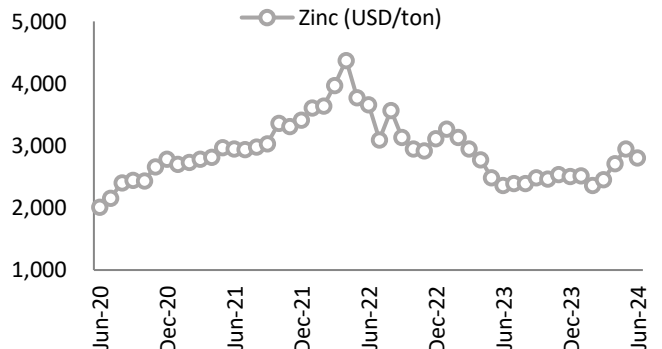
Source: Bloomberg, MOFSL

Exhibit 10: Copper price trend (USD/ton)



Source: Bloomberg, MOFSL

Exhibit 11: Zinc price trend (USD/ton)



Source: Bloomberg, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

ABB India

Buy

CMP: INR8,515 | TP: INR9,500 (+12%)

EPS CHANGE (%): CY24|CY25: -|+3

- Expect revenue to grow 27% YoY, driven by strong order book. Demand continues to be healthy, which will reflect in order inflows.
- We expect margin to expand ~350bp YoY on the back of product mix, share of services and operating leverage.
- We increase estimates and TP to factor in higher margin and roll forward.
- We would watch out for incremental inflows from transmission, railways, data center, and private capex for improvement in inflows from the current levels.
- Key monitorables: sustainability of inflows and margins, outlook on exports, and localization levels.

Standalone - Quarterly Snapshot

(INR m)

Y/E December	CY23				CY24E				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	24,112	25,086	27,692	27,575	30,804	31,839	34,081	37,994	1,04,465	1,34,718
YoY Change (%)	22.5	22.2	30.6	13.6	27.8	26.9	23.1	37.8	21.9	29.0
Total Expenditure	21,259	21,599	23,307	23,403	25,152	26,285	28,133	31,681	89,567	1,11,251
EBITDA	2,853	3,487	4,385	4,172	5,652	5,555	5,948	6,313	14,898	23,467
Margins (%)	11.8	13.9	15.8	15.1	18.3	17.4	17.5	16.6	14.3	17.4
Depreciation	274	292	303	329	314	328	328	328	1,199	1,297
Interest	22	14	9	82	38	24	24	24	127	111
Other Income	723	750	768	776	871	906	906	906	3,017	3,589
PBT before EO expense	3,279	3,931	4,842	4,537	6,171	6,109	6,502	6,867	16,589	25,649
PBT	3,279	3,931	4,842	4,537	6,171	6,109	6,502	6,867	16,589	25,649
Tax	827	972	1,222	1,085	1,575	1,557	1,614	1,718	4,106	6,463
Rate (%)	25.2	24.7	25.2	23.9	25.5	25.5	24.8	25.0	24.8	25.2
Reported PAT	2,452	2,959	3,620	3,452	4,596	4,552	4,888	5,149	12,483	19,185
Adj PAT	2,452	2,959	3,620	3,452	4,596	4,552	4,888	5,149	12,483	19,185
YoY Change (%)	-34.3	110.9	84	13.1	87.4	53.8	35.0	49.2	79.5	54.4
Margins (%)	10.2	11.8	13.1	12.5	14.9	14.3	14.3	13.6	11.9	14.2

Bharat Electronics

Buy

CMP: INR306 | TP: INR360 (18%)

EPS CHANGE (%): FY25|FY26: -|-

- Expect revenue growth of 8% YoY, led by better execution of OB and strong inflows during FY24.
- We expect margins to expand ~410bp YoY to 23% on a low base of 1QFY24. We increase our TP on roll forward.
- Key monitorables: Update on order inflows, status of QRSAM/MRSAM, share of exports, and working capital cycle.
- Finalization of orders, execution of the huge backlog, share of non-defense and exports will be in focus

Standalone - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	35,108	39,933	41,367	85,285	37,838	47,297	59,121	92,229	2,01,694	2,36,484
Change (%)	12.8	1.2	0.1	32.1	7.8	18.4	42.9	8.1	14.3	17.2
EBITDA	6,644	10,044	10,494	22,800	8,703	11,020	14,897	26,488	49,982	59,383
Change (%)	29.4	17.4	23.0	24.9	31.0	9.7	42.0	16.2	23.5	18.8
Margin (%)	18.9	25.2	25.4	26.7	23.0	23.3	25.2	28.7	24.8	25.1
Depreciation	1,013	1,004	998	1,109	1,059	1,084	1,110	1,299	4,124	4,552
Interest	11	15	5	39	18	18	18	18	70	70
Other Income	1,417	1,705	2,232	2,205	2,277	2,331	2,388	2,795	7,558	9,792
PBT	7,038	10,729	11,723	23,856	9,903	12,250	16,157	27,966	53,346	64,552
Tax	1,729	2,606	2,790	6,021	2,440	3,019	3,981	6,892	13,146	15,907
Effective Tax Rate (%)	24.6	24.3	23.8	25.2	24.6	24.6	24.6	24.6	24.6	24.6
Reported PAT	5,308	8,123	8,933	17,835	7,463	9,231	12,175	21,075	40,200	48,645
Change (%)	23.0	32.9	49.2	30.6	40.6	13.6	36.3	18.2	33.7	21.0
Adj PAT	5,308	8,123	8,933	17,835	7,463	9,231	12,175	21,075	40,200	48,645
Change (%)	23.0	32.9	49.2	30.6	40.6	13.6	36.3	18.2	33.7	21.0

Cummins India**Buy****CMP: INR3,936 | TP: INR4,300 (+9%)****EPS CHANGE (%): FY25 | FY26: -|-**

- We expect 6% YoY revenue decline on a high base (1QFY24 had witnessed pre-buying), while we expect exports to remain weak during 1QFY25 too.
- Key monitorables – Demand outlook across segments, particularly in powergen for CPCB 4+ products and exports.
- Expect EBITDA margin expansion of ~450bp YoY. Sequentially, we expect a ~360bp contraction as 4QFY24 benefited from higher volumes and share of HHP.
- Pricing discipline after the CPCB4+ implementation will be closely watched.

Standalone - Quarterly Snapshot**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	22,087	18,997	25,341	23,162	20,788	22,388	29,850	33,581	89,586	1,06,607
YoY Change (%)	31.0	-2.6	16.2	20.3	-5.9	17.8	17.8	45.0	15.7	19.0
Total Expenditure	18,681	15,611	19,961	17,719	16,653	17,934	23,644	26,587	71,972	84,818
EBITDA	3,406	3,386	5,379	5,443	4,135	4,453	6,206	6,994	17,614	21,789
Margins (%)	15.4	17.8	21.2	23.5	19.9	19.9	20.8	20.8	19.7	20.4
Depreciation	358	379	419	420	378	387	396	464	1,576	1,625
Interest	77	67	63	62	69	70	72	84	268	295
Other Income	1,175	1,322	1,136	2,045	1,345	1,378	1,411	1,651	5,678	5,786
PBT before EO expense	4,146	4,263	6,034	7,006	5,034	5,374	7,149	8,098	21,448	25,656
Extra-Ord expense			17						17	0
PBT	4,146	4,263	6,017	7,006	5,034	5,374	7,149	8,098	21,431	25,656
Tax	989	978	1,467	1,390	1,211	1,292	1,719	1,947	4,824	6,170
Rate (%)	23.9	22.9	24.4	19.8	24.0	24.0	24.0	24.0	22.5	24.0
Reported PAT	3,157	3,285	4,549	5,615	3,824	4,082	5,430	6,150	16,606	19,486
Adj PAT	3,157	3,285	4,562	5,615	3,824	4,082	5,430	6,150	16,619	19,486
YoY Change (%)	50.6	30.2	26.7	76.3	21.1	24.2	19.0	9.5	45.7	517.3
Margins (%)	14.3	17.3	18.0	24.2	18.4	18.2	18.2	18.3	18.6	18.3

Hitachi Energy India**Neutral****CMP: INR13,482 | TP: INR12,000 (-11%)****EPS CHANGE (%): FY25 | FY26: -|+11**

- Expect revenue growth of 32% YoY at INR13.7b, led by easing of supply chain issues and healthy opening OB.
- Key monitorables: Further ramp-up in margins, progress on HVDC projects and STATCOM order finalization.
- We expect EBITDA margin to improve sharply on operating leverage gain and easing of supply chain related issues.
- Mumbai HVDC project to provide near-term support to revenue.

Standalone - Quarterly Snapshot**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	10,401	12,280	12,742	16,953	13,692	15,648	16,300	19,559	52,375	65,198
Change (%)	5.5	10.2	23.2	27.1	31.6	27.4	27.9	15.4	17.2	24.5
EBITDA	337	653	680	1,820	1,232	1,487	1,548	1,950	3,490	6,217
Change (%)	31.3	-13.7	72.4	91.4	266.0	127.5	127.7	7.1	47.9	78.1
Margins (%)	3.2	5.3	5.3	10.7	9.0	9.5	9.5	10.0	6.7	9.5
Depreciation	223	225	227	225	227	233	238	244	900	978
Interest	110	107	137	112	94	94	94	94	466	375
Other Income	29	2	22	39	28	29	29	31	93	117
PBT	34	324	338	1,522	939	1,189	1,246	1,643	2,217	4,982
Tax	10	76	108	385	245	311	325	429	579	1,301
Effective Tax Rate (%)	28.7	23.6	32.0	25.3	26.1	26.1	26.1	26.1	26.1	26.1
Reported PAT	24	247	230	1,137	694	878	920	1,214	1,638	3,680
Change (%)	79.9	-33.3	401.5	123.7	2,778.7	254.9	300.6	6.8	74.4	124.7
Adj PAT	24	247	230	1,137	694	878	920	1,214	1,638	3,680
Change (%)	79.9	-33.3	402	123.7	2,778.7	254.9	300.6	6.8	74.4	124.7

Kalpataru Projects International**Buy****CMP: INR1,212 | TP: INR1,385 (+14%)****EPS CHANGE (%): FY25 | FY26: -|-**

- Expect revenue growth of 11% YoY as elections and labor availability impacted execution in 1QFY25.
- Key monitorables: Execution improvement, further uptick in T&D order inflows, outlook on urban infra and B&F division.
- We expect EBITDA margin of 8.4% (-30bp YoY) and gradual improvement in the remaining part of FY25.
- We would also watch out for working capital cycle.

Standalone - Quarterly Earning Model**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	36,220	38,440	41,470	51,470	40,353	46,724	55,220	70,086	1,67,600	2,12,383
YoY Change (%)	15.4	16.7	18.2	17.1	11.4	21.6	33.2	36.2	16.9	26.7
Total Expenditure	33,080	35,360	38,030	47,470	36,963	42,613	50,305	63,706	1,53,940	1,93,586
EBITDA	3,140	3,080	3,440	4,000	3,390	4,112	4,915	6,381	13,660	18,797
Margins (%)	8.7	8.0	8.3	7.8	8.4	8.8	8.9	9.1	8.2	8.9
Depreciation	930	880	940	930	971	971	971	971	3,680	3,886
Interest	750	850	830	940	897	919	942	1,009	3,370	3,766
Other Income	290	250	270	320	220	220	220	220	1,130	878
PBT before EO expense	1,750	1,600	1,940	2,450	1,741	2,441	3,221	4,620	7,740	12,023
Extra-Ord expense	0	0	0	350	0	0	0	0	350	0
PBT	1,750	1,600	1,940	2,100	1,741	2,441	3,221	4,620	7,390	12,023
Tax	490	470	500	600	446	625	825	1,183	2,060	3,078
Rate (%)	28.0	29.4	25.8	28.6	25.6	25.6	25.6	25.6	27.9	25.6
Reported PAT	1,260	1,130	1,440	1,500	1,295	1,816	2,397	3,437	5,330	8,945
Adj PAT	1,260	1,130	1,440	1,750	1,295	1,816	2,397	3,437	5,582	8,945
YoY Change (%)	-23.2	8.7	29.7	52.6	2.8	60.7	66.4	96.4	19.1	60.2
Margins (%)	3.5	2.9	3.5	3.4	3.2	3.9	4.3	4.9	3.3	4.2

KEC International**Neutral****CMP: INR903 | TP: INR800 (-11%)****EPS CHANGE (%): FY25 | FY26: -|-**

- Expect 6% YoY revenue growth driven by strong order book
- Key monitorables – Order pipeline in both T&D and civil, margin improvement, and NWC levels
- We expect EBITDA margin to expand both YoY and QoQ; in line with guidance and completion of legacy projects
- We would watch out for the payment cycle, particularly, from railways and pending proceeds from Afghanistan.
- We increase our TP on roll forward.

Consolidated - Quarterly Snapshot**(INR m)**

Y/E March - INR m	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	42,436	44,990	50,067	61,648	45,050	51,807	60,817	67,575	1,99,141	2,25,249
YoY Change (%)	27.9	10.7	14.4	11.6	6.2	15.2	21.5	9.6	15.2	13.1
Total Expenditure	39,992	42,247	46,988	57,768	42,077	48,284	56,438	62,048	1,86,996	2,08,847
EBITDA	2,444	2,743	3,079	3,880	2,973	3,523	4,379	5,527	12,146	16,402
Margins (%)	5.8	6.1	6.1	6.3	6.6	6.8	7.2	8.2	6.1	7.3
Depreciation	418	465	488	483	491	491	491	491	1,853	1,965
Interest	1,587	1,778	1,644	1,543	1,481	1,553	1,592	1,742	6,551	6,368
Other Income	28	158	260	78	101	101	101	101	524	405
PBT before EO expense	467	658	1,207	1,933	1,102	1,580	2,397	3,395	4,265	8,474
PBT	467	658	1,207	1,933	1,102	1,580	2,397	3,395	4,265	8,474
Tax	44	100	239	415	282	404	614	869	798	2,169
Rate (%)	9.4	15.2	19.8	21.5	25.6	25.6	25.6	25.6	18.7	25.6
Reported PAT	423	558	969	1,517	820	1,175	1,783	2,526	3,467	6,305
Adj PAT	423	558	969	1,517	820	1,175	1,783	2,526	3,467	6,305
YoY Change (%)	36.8	1.0	449.5	110.2	93.7	110.6	84.1	66.5	96.9	81.8
Margins (%)	1.0	1.2	1.9	2.5	1.8	2.3	2.9	3.7	1.7	2.8

Kirloskar Oil Engines**Buy****CMP: INR1,400 | TP: INR1,500 (+7%)****EPS CHANGE (%): FY25|26: -|-**

- We expect revenue to decline 5% YoY on a high base of 1QFY24, when pre-buying had occurred ahead of the original deadline for CPCB 4+.
- Key monitorables – Outlook on demand for gensets, pricing environment, and export ramp-up.
- We expect EBITDA margin to contract 20bp YoY. EBITDA margin for KOEL will be dependent on product mix, export and distribution.
- Demand scenario and export outlook will be observed closely in the coming quarters.

Standalone - Quarterly Snapshot**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	12,647	10,590	11,352	13,917	11,953	11,384	14,799	18,783	48,505	56,920
YoY Change (%)	26.5	4.8	13.5	20.7	-5.5	7.5	30.4	35.0	17.8	17.3
Total Expenditure	11,102	9,603	10,023	12,135	10,519	9,938	12,840	16,297	42,864	49,384
EBITDA	1,545	986	1,329	1,782	1,434	1,446	1,959	2,487	5,642	7,536
Margins (%)	12.2	9.3	11.7	12.8	12.0	12.7	13.2	13.2	11.6	13.2
Depreciation	213	243	257	257	238	244	250	268	970	999
Interest	14	16	20	29	33	33	33	33	78	132
Other Income	70	64	57	85	78	78	78	78	274	313
PBT before EO expense	1,388	791	1,109	1,581	1,242	1,247	1,755	2,264	4,868	6,718
PBT	1,388	791	1,109	1,581	1,242	1,247	1,755	2,264	4,868	6,718
Tax	355	205	287	405	320	322	452	584	1,252	1,732
Rate (%)	25.6	25.9	25.9	25.6	25.8	25.8	25.8	25.8	25.7	25.8
Reported PAT	1,032	586	822	1,176	922	926	1,302	1,681	3,616	4,986
Adj PAT	1,032	586	822	1,176	922	926	1,302	1,681	3,616	4,986
YoY Change (%)	59.9	-19.3	20.5	81.3	-10.7	58.0	58.5	42.9	33.8	37.9
Margins (%)	8.2	5.5	7.2	8.5	7.7	8.1	8.8	8.9	7.5	8.8

Larsen & Toubro**Buy****CMP: INR3,624 | TP: INR4,150 (+15%)****EPS CHANGE (%): FY25|26: -|-**

- Expect consolidated revenue growth of 12% YoY, led by 14% YoY Core E&C revenue growth.
- Key monitorables – Domestic tender pipeline, margin performance as well as working capital cycle.
- We expect Core E&C EBITDA margin of 7.5%, flat on a YoY basis.
- We increase our TP on roll forward.
- We would also look out for execution ramp-up in Saudi projects and how the Middle East pipeline is shaping up.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	479	510	551	671	535	568	621	773	2,211	2,497
YoY Change (%)	33.6	19.3	18.8	15.0	11.7	11.4	12.7	15.2	20.6	36.2
Total Expenditure	430	454	494	598	481	508	554	685	1,976	2,227
EBITDA	49	56	58	72	54	61	68	88	235	270
Margins (%)	10.2	11.0	10.4	10.8	10.1	10.7	10.9	11.4	10.6	10.8
Depreciation	8	9	9	10	10	10	10	10	37	39
Interest	9	9	9	9	8	8	8	8	35	33
Other Income	11	11	8	10	8	8	9	9	42	34
PBT before EO expense	43	50	48	63	44	51	58	79	204	232
Extra-Ord expense	0	0	0	-1	0	0	0	0	-1	0
PBT	43	50	48	64	44	51	58	79	205	232
Tax	12	11	12	14	11	13	15	20	49	60
Rate (%)	28.1	22.8	24.7	22.1	25.8	25.8	25.8	25.8	24.1	25.8
MI & P/L of Asso. Cos.	6	6	6	6	6	6	6	7	25	25
Reported PAT	25	32	29	44	27	32	37	51	131	147
Adj PAT	25	32	29	43	27	32	37	51	130	147
YoY Change (%)	46.5	44.6	20.0	8.4	8.4	-1.7	25.0	18.6	49.8	13.0
Margins (%)	5.2	6.3	5.3	6.4	5.1	5.6	5.9	6.6	5.9	5.9

Siemens**Buy****CMP: INR7,775 | TP: INR8,700 (+12%)****EPS CHANGE (%): FY25 | 26: +1 | +2**

- We expect 26% YoY revenue growth on healthy execution of the order book.
- Key monitorable – Margin trajectory, execution progress of the locomotive order, tendering pipeline in energy segment and status of HVDC ordering.
- Expect EBITDAM to expand ~360bp on account of operating leverage, better pricing power and product mix.
- Demand outlook from both government and private sector, and export outlook to be watched keenly.

Consolidated - Quarterly Snapshot**(INR m)**

Y/E September	FY23				FY24E				FY23	FY24E
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	40,151	48,578	48,732	58,077	48,252	57,499	61,469	72,138	1,95,538	2,39,358
YoY Change (%)	17.4	22.8	14.4	24.7	20.2	18.4	26.1	24.2	21.2	22.4
Total Expenditure	34,159	42,366	43,067	51,075	42,291	48,717	52,130	61,601	1,70,667	2,04,739
EBITDA	5,992	6,212	5,665	7,002	5,961	8,782	9,339	10,537	24,871	34,619
Margins (%)	14.9	12.8	11.6	12.1	12.4	15.3	15.2	14.6	12.7	14.5
Depreciation	761	785	876	786	785	800	876	876	3,208	3,338
Interest	37	99	43	49	34	313	37	37	228	420
Other Income	1,017	1,166	1,324	1,455	1,641	3,210	1,561	1,561	4,962	7,973
PBT before EO expense	6,211	6,494	6,070	7,622	6,783	10,879	9,987	11,186	26,397	38,834
Extra-Ord expense	0	0	0	0	0	0	0	0	-1	0
PBT	6,211	6,494	6,070	7,622	6,783	10,879	9,987	11,186	26,398	38,834
Tax	1,584	1,776	1,513	1,905	1,726	2,851	2,567	2,828	6,778	9,972
Rate (%)	25.5	27.3	24.9	25.0	25.4	26.2	25.7	25.3	25.7	25.7
Reported PAT	4,627	4,718	4,557	5,717	5,057	8,028	7,420	8,358	19,620	28,863
Adj PAT	4,627	4,718	4,557	5,717	5,057	8,028	7,420	8,358	19,619	28,863
YoY Change (%)	86.8	38.8	50.6	49.8	9.3	70.2	62.8	46.2	55.5	47.1
Margins (%)	11.5	9.7	9.4	9.8	10.5	14.0	12.1	11.6	10.0	12.1

Thermax**Neutral****CMP: INR5,175 | TP: INR4,710 (-9%)****EPS CHANGE (%): FY25 | 26: +3 | +3**

- Expect revenue to grow 14% YoY and EBITDA margin to expand 290bp YoY to 9.7% on better margins in industrial product segment.
- Key monitorables – large order pipeline, margin guidance, Chemicals segment and subsidiary performance.
- We expect healthy EBITDA and PAT growth on a low base of 1QFY24.
- We increase our TP on slightly higher margin and roll forward.
- Additional investments (if any) in FEPL, TOESL and other subsidiaries to be monitored closely.

Consolidated - Quarterly Snapshot**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	19,330	23,025	23,244	27,637	22,010	26,589	28,172	33,703	93,235	1,10,474
YoY Change (%)	16.8	10.9	13.4	19.6	13.9	15.5	21.2	21.9	15.2	18.5
Total Expenditure	18,008	20,978	21,369	24,905	19,884	23,986	25,404	30,495	85,261	99,769
EBITDA	1,322	2,046	1,874	2,732	2,125	2,603	2,769	3,208	7,974	10,705
Margins (%)	6.8	8.9	8.1	9.9	9.7	9.8	9.8	9.5	8.6	9.7
Depreciation	294	330	358	499	386	395	405	474	1,481	1,660
Interest	134	198	266	278	294	301	309	361	876	1,265
Other Income	531	659	584	553	542	555	569	666	2,326	2,332
PBT before EO expense	1,425	2,177	1,834	2,507	1,987	2,462	2,624	3,039	7,943	10,111
Extra-Ord expense	506	0	-1,261						-755	0
PBT	919	2,177	3,095	2,507	1,987	2,462	2,624	3,039	8,698	10,111
Tax	315	589	721	633	503	623	664	769	2,258	2,558
Rate (%)	34.3	27.0	23.3	25.2	25.3	25.3	25.3	25.3	26.0	25.3
Reported PAT	600	1,586	2,371	1,876	1,484	1,839	1,960	2,270	6,432	7,553
Adj PAT	932	1,586	1,403	1,876	1,484	1,839	1,960	2,270	5,873	7,553
YoY Change (%)	58.1	45.3	11.0	20.1	59.3	15.9	39.7	21.0	42.7	17.4
Margins (%)	4.8	6.9	6.0	6.8	6.7	6.9	7.0	6.7	6.3	6.8

Triveni Turbine**Buy****CMP: INR606 | TP: INR720 (+19%)****EPS CHANGE (%): FY25|26: -|-**

- Expect revenue growth of 13% YoY on account of strong momentum in exports and aftermarket, while we expect domestic to remain weak during 1QFY25.
- Key monitorables – Domestic order inflow, inquiry pipeline and further updates on US market foray.
- We expect EBITDA margin to improve ~100bp YoY, led by higher aftermarket and exports share.
- Domestic ordering, update on API turbines and performance of 30-100MW segment need to be observed.

Consolidated - Quarterly Snapshot**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	3,764	3,878	4,317	4,581	4,268	5,121	5,548	6,401	16,539	21,338
YoY Change (%)	45.3	32.4	32.5	23.9	13.4	32.1	28.5	39.8	32.6	29.0
Total Expenditure	3,055	3,134	3,480	3,682	3,423	4,122	4,466	5,102	13,352	17,113
EBITDA	709	744	837	898	845	999	1,082	1,299	3,188	4,225
Margins (%)	18.8	19.2	19.4	19.6	19.8	19.5	19.5	20.3	19.3	19.8
Depreciation	49	51	55	53	63	63	63	63	208	251
Interest	7	6	6	7	5	5	5	5	27	21
Other Income	133	144	171	176	170	174	179	192	622	715
PBT before EO expense	786	830	947	1,014	947	1,105	1,192	1,423	3,576	4,667
PBT	786	830	947	1,014	947	1,105	1,192	1,423	3,576	4,667
Tax	177	190	264	252	238	278	300	358	883	1,173
Rate (%)	22.5	22.9	27.9	24.9	25.1	25.1	25.1	25.1	24.7	25.1
MI & Profit/Loss of Asso. Cos.										
Reported PAT	610	640	683	762	709	827	893	1,065	2,693	3,494
Adj PAT	610	640	683	762	709	827	893	1,065	2,693	3,494
YoY Change (%)	59.0	38.2	29.8	37.0	16.3	29.2	30.7	39.8	39.6	29.6
Margins (%)	16.2	16.5	15.8	16.6	16.6	16.1	16.1	16.6	16.3	16.4

Cement

Company

ACC
Ambuja Cements
Birla Corporation
Dalmia Bharat
Grasim Industries
India Cements
JK Cement
JK Lakshmi Cement
The Ramco Cements
Shree Cement
UltraTech Cement

Demand softens; cement prices remain muted

Estimate ~5% YoY volume growth for our coverage universe in 1QFY25

- We estimate our cement coverage universe to report a volume growth of ~5% YoY (three-year CAGR of ~14%) in 1QFY25. Further, we estimate an average capacity utilization of ~85% vs. ~88%/95% in 1QFY24/4QFY24.
- The cement price remained muted during the quarter, and the all-India average cement price was down ~4% YoY/1% QoQ in 1QFY25. Similarly, we estimate the blended realization for our coverage universe to contract ~4%/1% YoY/QoQ.
- We estimate the average EBITDA/t to decline ~1% YoY (down 11% QoQ) to INR895, as weak cement prices offset the benefit of lower variable costs. The aggregate EBITDA of our coverage universe is estimated to increase by a mere 3% YoY, while OPM is likely to improve marginally by 50bp YoY to 16.7%.
- GRASIM's revenue is estimated to increase 11% YoY. VSF volume is estimated to grow 13% YoY, while realization is estimated to contract 6% YoY (flat QoQ). Its chemical segment's volume is estimated to increase 11% YoY, while realization could decline 5% YoY. Further, EBITDA is likely to dip 15% YoY to INR5.7b and OPM will be at ~8%; down 2.5pp YoY. PAT is estimated to decline 71% YoY.

Volume growth moderates; muted prices lead to subdued performance

- Following a strong growth (in the range of ~8-19% YoY) over eight consecutive quarters (1QFY23-4QFY24), growth in cement volume is estimated to moderate to ~5% YoY in 1QFY25 amid general elections during the quarter. We estimate 7-9% YoY volume growth for DALBHARA, JKCE, SRCM, and TRCL, followed by 3-5% growth for ACC, ACEM, BCORP, and UTCEM, and ~2% growth for JKLC. However, ICEM's volume is estimated to decline ~15% YoY.
- Further, cement prices remained muted during the quarter due to softness in demand. Cement prices in the East and South regions were down ~4% YoY each, followed by ~3% YoY dip in the North, Central and West regions. We estimate the blended realization for our coverage universe to decline ~4%/1% YoY/QoQ.
- Avg. opex/t for our coverage universe is estimated to decline 5% YoY (up 1% QoQ), largely due to a reduction in variable/freight costs. We estimate the avg. variable cost/t to decline by INR192 YoY and freight cost/t to dip by INR50 YoY.
- We estimate JKLC and SRCM to report an EBITDA growth of 27% YoY (each), followed by 17%/15% YoY growth for BCORP/JKCE and ~6% YoY growth for UTCEM. Conversely, we expect EBITDA to decline ~5%/8% YoY for ACC/TRCL, ~13% for DALBHARA, and ~24% for ACEM. ICEM is estimated to report an EBITDA surge of 5.7x YoY on a low base.
- We estimate an EBITDA/t of INR1,239 for SRCM (the highest within our coverage universe), followed by INR1,030 for UTCEM, and INR949 for JKCE. EBITDA/t is estimated to be between INR712 and INR802 for ACC, ACEM, BCORP, JKLC and DALBHARA, and INR679 for TRCL. ICEM's EBITDA/t is estimated at INR127.

Sector outlook and recommendations

- We estimate the cement demand momentum to improve due to the govt's intensifying focus on affordable housing and infrastructure development (expanding rail, roads, and construction of airports), continuing strong demand from real estate, and likely pick-up in industrial capex. We believe the announcements under the forthcoming Budget will be the key monitorables.
- We estimate cement demand to register a CAGR of 7.5% over FY24-27, higher than our supply growth estimate of ~7.0% over the same period. Further, we estimate clinker utilization to improve to 81% by FY27 from 78% in FY24.
- We shift our valuation multiples for our coverage companies to Jun'26E from FY26E. We prefer UTCEM and GRASIM in the large-cap space while, JKCE and JKLC are our preferred picks in the mid-cap space.

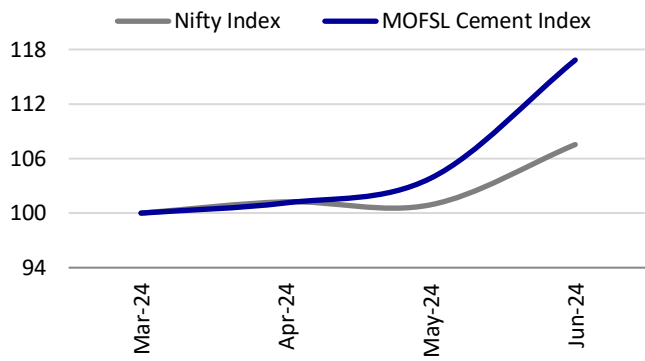
Exhibit 1: Summary of our 1QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
ACC	2770	Neutral	51,154	-1.6	-5.2	7,296	-5.1	-12.8	4,167	-10.2	-15.2
Ambuja Cements	692	Neutral	46,567	-1.5	-2.6	7,225	-23.8	-9.4	4,773	-26.0	-12.3
Birla Corporation	1584	Buy	24,538	1.9	-7.6	3,474	16.6	-26.5	942	57.8	-50.0
Dalmia Bharat	1839	Buy	36,283	-0.1	-15.8	5,389	-12.7	-17.6	1,045	-19.6	-58.7
Grasim Industries	2743	Buy	69,043	10.7	2.0	5,731	-14.9	8.8	1,017	-71.4	-55.7
India Cements	284	Sell	11,521	-17.3	-7.5	288	474.2	-38.5	-543	Loss	Loss
J K Cements	4329	Buy	28,739	4.0	-7.5	4,687	14.9	-16.3	1,499	20.8	-29.9
JK Lakshmi Cem.	896	Buy	16,673	-3.6	-6.4	2,487	26.7	-26.1	1,000	27.5	-36.3
Ramco Cements	843	Neutral	22,193	-1.0	-17.0	3,133	-8.2	-24.9	345	-56.3	-71.6
Shree Cement	27672	Neutral	50,687	1.4	-0.6	11,833	26.9	-10.8	5,441	-6.4	-17.8
Ultratech Cement	11847	Buy	1,81,113	2.1	-11.3	32,474	6.5	-21.1	15,546	-7.9	-32.7
Cement			5,38,512	1.5	-7.5	84,018	2.0	-16.7	35,232	-14.7	-31.3

Exhibit 2: Comparative valuations

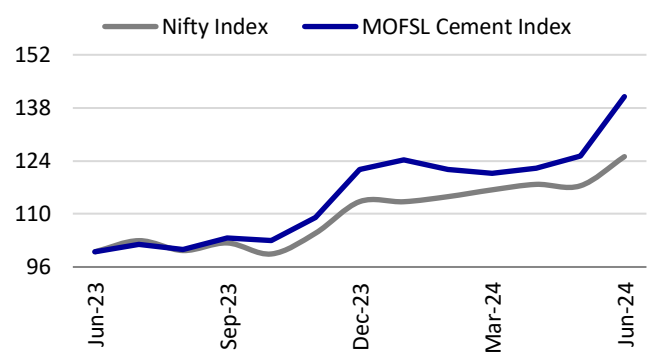
Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Cement						35.8	38.5	32.2	3.5	3.8	3.4	9.9	9.9	10.6
ACC	2,770	Neutral	99.3	123.8	135.7	25.1	22.4	20.4	2.9	2.9	2.5	12.4	13.6	13.2
Ambuja Cements	692	Neutral	10.7	10.7	13.5	57.2	64.5	51.1	3.6	3.6	3.4	11.8	9.3	9.6
Birla Corporation	1,584	Buy	54.0	66.8	87.2	26.4	23.7	18.2	1.6	1.7	1.6	6.6	7.5	9.1
Dalmia Bharat	1,839	Buy	41.1	52.7	67.3	47.2	34.9	27.3	2.2	2.0	1.9	4.8	5.9	7.2
Grasim Industries	2,743	Buy	95.6	97.2	108.9	23.9	28.2	25.2	2.9	3.3	3.2	4.3	1.7	2.5
India Cements	284	Sell	-7.6	-1.8	6.0	-28.1	-157.5	47.7	1.2	1.6	1.6	-4.3	-1.0	3.4
J K Cements	4,329	Buy	102.7	129.1	153.6	39.7	33.5	28.2	5.9	5.4	4.7	15.9	17.3	17.9
JK Lakshmi Cem.	896	Buy	39.6	41.9	47.0	22.0	21.4	19.1	3.2	2.9	2.6	15.6	14.5	14.4
Ramco Cements	843	Neutral	16.7	23.2	31.7	48.5	36.4	26.6	2.7	2.6	2.4	5.7	7.4	9.4
Shree Cement	27,672	Neutral	684.2	626.4	624.3	37.6	44.2	44.3	4.5	4.5	4.2	12.8	10.6	9.8
Ultratech Cement	11,847	Buy	244.5	279.6	347.2	39.9	42.4	34.1	4.7	5.1	4.3	12.3	12.7	13.8

Exhibit 3: Relative performance – three-months (%)



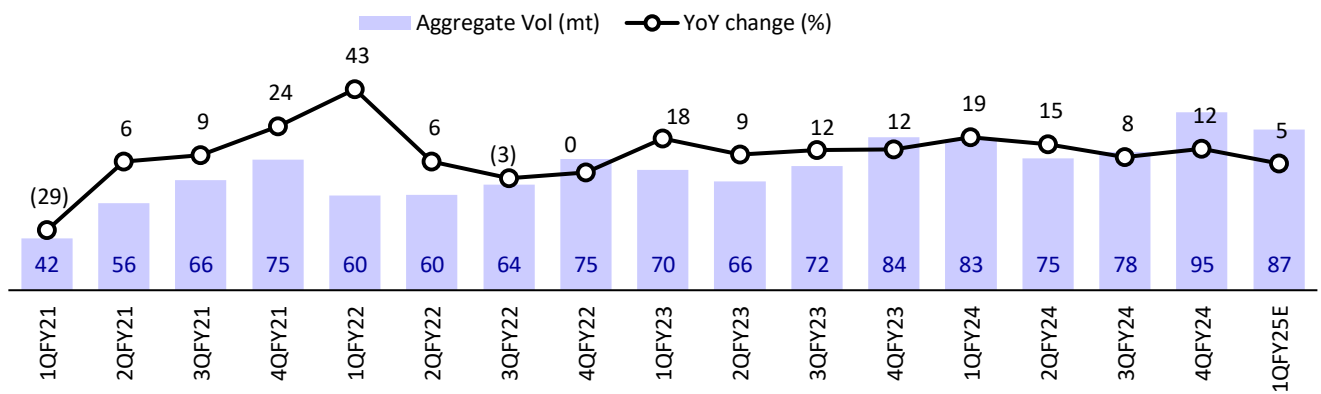
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



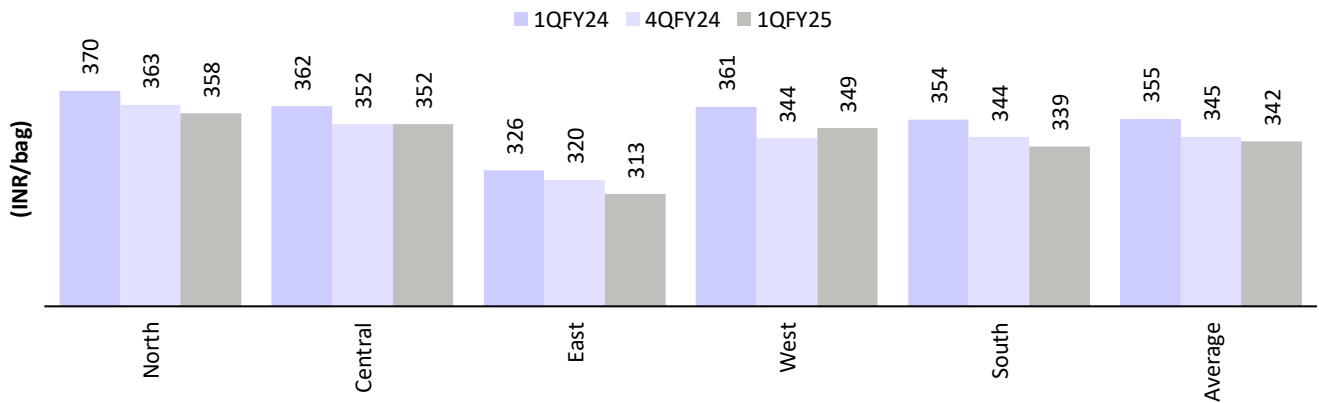
Source: Bloomberg, MOFSL

Exhibit 5: Expect 5% YoY growth in aggregate sales volume for our coverage universe



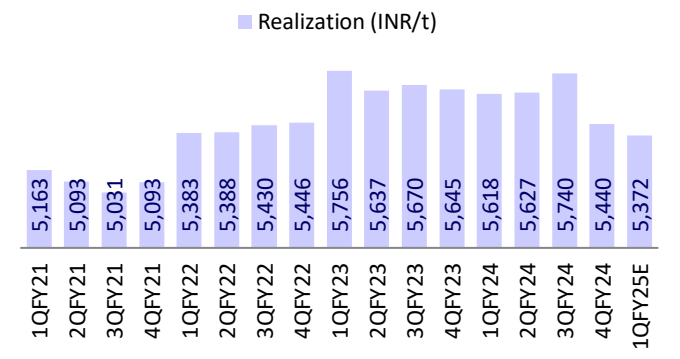
Source: MOFSL, Company, E: MOFSL estimate

Exhibit 6: Pan-India average cement price down ~4%/1% YoY/QoQ



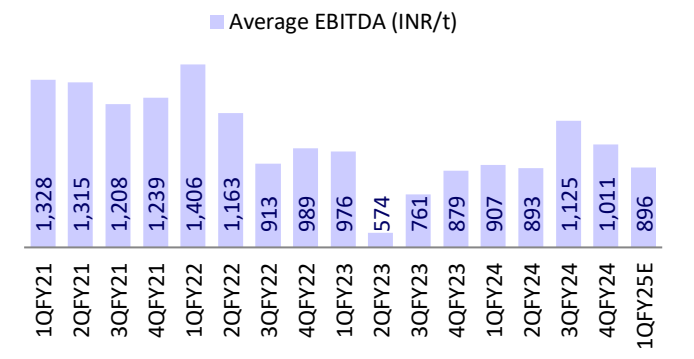
Source: MOFSL, Industry

Exhibit 7: Expect realization to decline 4%/1% YoY/QoQ



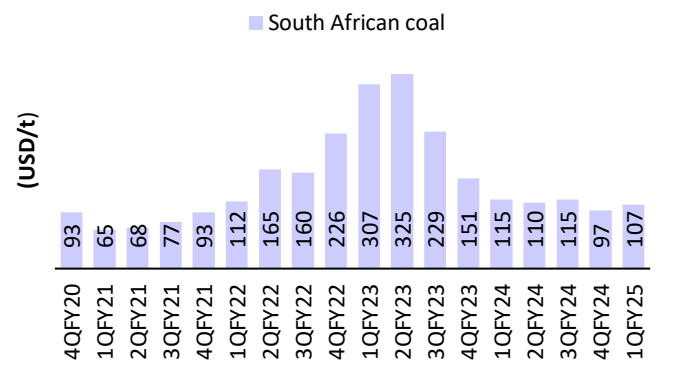
Source: MOFSL; E: MOFSL estimate

Exhibit 8: Expect average EBITDA/t to decline 1% YoY



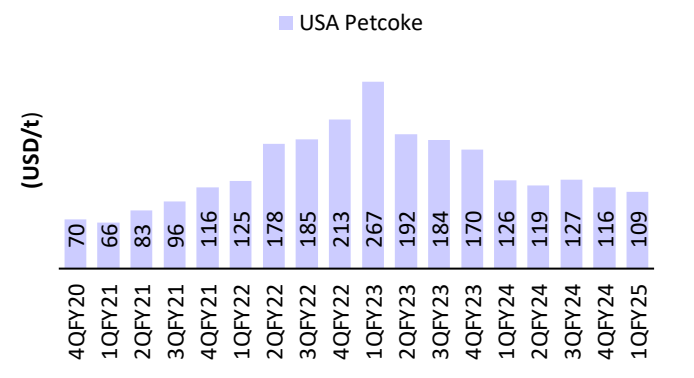
Source: Company, MOFSL; E: MOFSL estimate

Exhibit 9: Average South African coal price down 7% YoY



Source: Bloomberg, MOFSL

Exhibit 10: Average US Petcoke price down 13% YoY



Source: Company, Industry

Exhibit 11: Key operating parameters

Companies	Volume (mt)			Realization (INR/t)			EBITDA (INR/t)		
	1QFY25E	YoY (%)	QoQ (%)	1QFY25E	YoY (INR)	QoQ (INR)	1QFY25E	YoY (INR)	QoQ (INR)
ACC	9.9	5.5	(5.0)	5,158	(375)	(12)	736	(82)	(66)
Ambuja Cements	9.3	2.9	(2.0)	4,986	(223)	(30)	774	(271)	(63)
Birla Corporation	4.6	4.0	(5.4)	5,350	(111)	(127)	758	82	(217)
Dalmia Bharat	7.6	8.6	(14.0)	4,794	(415)	(100)	712	(163)	(31)
India Cements	2.3	(15.0)	(7.0)	5,084	(141)	(28)	127	108	(65)
JK Cement	4.9	6.7	(5.0)	5,819	(149)	(155)	949	68	(128)
JK Lakshmi Cement	3.1	2.1	(5.0)	5,379	(320)	(80)	802	156	(229)
The Ramco Cements	4.6	7.2	(16.0)	4,812	(399)	(57)	679	(115)	(80)
Shree Cement	9.5	7.1	0.2	5,308	(299)	(45)	1,239	193	(154)
UltraTech Cement	31.5	5.2	(10.1)	5,746	(175)	(75)	1,030	12	(143)
Sector aggregate/avg.	87.4	4.8	(7.6)	5,372	(246)	(68)	896	(12)	(115)

Exhibit 12: Valuation summary

	M-cap (USD b)	CMP (INR)	Rating	EV/EBITDA (x)		EV/t (USD)		Net debt/EBITDA (x)	
				FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
ACC	7.0	2,770	Neutral	11.8	10.3	143	131	(1.8)	(2.0)
Ambuja Cements	18.4	692	Neutral	24.1	20.7	201	199	(5.3)	(1.6)
Birla Corporation	1.6	1,584	Buy	9.2	7.7	96	85	1.7	1.2
Dalmia Bharat	4.6	1,839	Buy	11.6	9.8	95	93	0.4	0.2
Grasim Industries	25.0	2,750	Buy	13.3	10.1	N/A	N/A	2.6	1.7
India Cements	1.2	284	Sell	32.7	16.7	98	96	6.7	3.2
JK Cement	4.5	4,329	Buy	14.9	12.9	204	177	1.9	1.7
JK Lakshmi Cement	1.4	896	Buy	10.0	8.6	80	72	1.4	1.6
Ramco Cements	2.7	843	Neutral	12.7	11.2	131	124	2.8	2.5
Shree Cement	13.4	27,672	Neutral	18.6	17.1	218	189	(1.1)	(0.8)
UltraTech Cement	45.8	11,847	Buy	23.0	18.2	272	237	(0.1)	(0.3)

Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

ACC**Neutral****CMP: INR2,770 | TP: INR2,830 (+2%)****EPS CHANGE (%): FY25|26: +3.4|+2.4**

- Expect sales volume to grow 5% YoY, whereas cement realization could decline 7% YoY.
- Expect EBITDA/t at INR736 vs. INR818/INR802 in 1QFY24/4QFY24.
- Variable cost/t to decline 2% YoY. Opex/t is estimated to decline 10% YoY.
- Adj. PAT is likely to decline 10% YoY.

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Cement Sales (mt)	9.40	8.10	8.88	10.44	9.92	8.67	9.68	11.20	36.9	39.46
Change (YoY %)	23.8	18.2	15.3	24.0	5.5	7.0	9.0	7.3	19.5	33.8
Net Sales	52.0	44.3	49.2	54.0	51.2	46.6	53.5	61.9	199.5	213.1
Change (YoY %)	16.4	11.2	8.4	12.7	(1.6)	5.1	8.7	14.6	(10.2)	6.8
EBITDA	7.7	5.5	9.0	8.4	7.3	7.2	10.6	12.3	30.6	37.4
Margin (%)	14.8	12.4	18.4	15.5	14.3	15.5	19.7	19.9	15.3	17.5
Depreciation	2.0	2.1	2.3	2.3	2.3	2.3	2.3	2.3	8.8	9.2
Interest	0.3	0.3	0.3	0.7	0.6	0.5	0.3	0.3	1.5	1.6
Other Income	0.8	2.1	0.8	1.2	1.1	1.1	1.2	1.2	4.9	4.5
PBT before EO Item	6.2	5.2	7.2	6.6	5.6	5.5	9.1	10.8	25.2	31.0
EO Income/(Expense)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT after EO Item	6.2	5.2	7.2	6.6	5.6	5.5	9.1	10.8	25.2	31.0
Tax	1.6	1.3	1.9	-0.9	1.4	1.4	2.3	2.7	3.9	7.8
Rate (%)	25.5	25.5	26.6	(13.2)	25.0	25.0	25.0	25.0	15.7	25.0
Reported PAT	4.6	3.8	5.3	7.5	4.2	4.2	6.8	8.1	21.2	23.3
Adjusted PAT	4.6	3.8	5.3	4.9	4.2	4.2	6.8	8.1	18.7	23.3
Margin (%)	8.9	8.7	10.7	9.1	8.1	8.9	12.7	13.2	9.4	10.9
Change (YoY %)	108.8	NM	212.1	72.0	(10.2)	8.2	29.0	65.6	88.7	24.6

Ambuja Cements**Neutral****CMP: INR692 | TP: INR720 (+4%)****EPS CHANGE (%): FY25|26: -9.1|-3.3**

- Standalone sales volume to increase 3% YoY. Consolidated volume to rise ~8% YoY.
- EBITDA/t is expected to be INR774 vs. INR1,045/INR837 in 1QFY24/4QFY24.
- We expect realization to decline 4% YoY. Opex/t is likely to increase 1% YoY.
- Other income to increase 6% YoY. Adj. PAT is estimated to decline 26% YoY.

Standalone quarterly performance**(INR b)**

Y/E December/March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	9.08	7.58	8.20	9.53	9.34	8.41	9.41	10.68	34.40	37.84
Change (YoY %)	23	8	6	18	3	11	15	12	14	10
Realization (INR/t)	5,209	5,235	5,414	5,016	4,986	5,066	5,246	5,196	5,138	5,078
Change (YoY %)	(4)	0	1	(5)	(4)	(3)	(3)	4	(2)	(1)
Net Sales	47.3	39.7	44.4	47.8	46.6	42.6	49.4	56.2	179.2	194.7
Change (YoY %)	18.4	8.0	7.5	12.3	-1.5	7.3	11.2	17.5	-10.3	8.7
EBITDA	9.5	7.7	8.5	8.0	7.2	6.3	10.1	13.5	33.7	37.1
Margin (%)	20.1	19.5	19.2	16.7	15.5	14.8	20.5	24.0	18.8	19.1
Depreciation	2.3	2.3	2.3	2.4	2.5	2.5	2.6	2.7	9.4	10.3
Interest	0.4	0.4	0.5	0.3	0.3	0.4	0.3	0.2	1.6	1.2
Other Income	1.9	3.8	1.1	1.8	2.0	4.1	1.7	1.7	8.5	9.6
PBT before EO Item	8.7	8.8	6.8	7.0	6.4	7.5	9.0	12.3	31.2	35.2
Extraordinary Inc./ (Exp.)	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	-0.2	0.0
PBT after EO Exp./ (Inc.)	8.7	8.8	6.8	6.8	6.4	7.5	9.0	12.3	31.1	35.2
Tax	2.2	2.4	1.7	1.5	1.6	1.9	2.3	2.9	7.7	8.7
Prior period tax adj. and reversal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate (%)	25.6	26.8	24.5	21.8	25.6	25.6	25.6	23.5	24.9	24.9
Reported Profit	6.4	6.4	5.1	5.3	4.8	5.6	6.7	9.4	23.3	26.4
Adj. PAT	6.4	6.4	5.1	5.4	4.8	5.6	6.7	9.4	23.5	26.4
Change (YoY %)	(28.2)	328.5	23.8	(3.3)	(26.0)	(12.9)	29.7	72.4	(6.9)	12.6

Birla Corporation**Buy****CMP: INR1,584 | TP: INR1,970 (+24%)****EPS CHANGE (%): FY25|26: -6.9|-2.0**

- Estimate a volume growth of 4% YoY. Realization is expected to decline 2% YoY/QoQ each.
- Expect EBITDA/t at INR758 vs. INR675/INR974 in 1QFY24/4QFY24.
- Variable cost/t is estimated to decline 10% YoY and opex/t is estimated to decline 4% YoY.
- Interest cost is estimated to decline 13% YoY. Its adj. PAT is estimated to jump 58% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	4.41	4.18	4.20	4.85	4.59	4.35	4.41	5.06	17.65	18.40
Change (YoY %)	12.2	14.8	12.9	9.2	4.0	4.0	5.0	4.3	12.2	4.2
Cement Realization (INR/t)	5,229	5,211	5,316	5,218	5,118	5,188	5,263	5,283	5,239	5,214
Change (YoY %)	(2.2)	1.2	2.7	(1.2)	(2.1)	(0.5)	(1.0)	1.3	(0.0)	(0.5)
Net Sales	24.1	22.9	23.1	26.6	24.5	23.7	24.1	28.0	96.6	100.4
Change (YoY %)	9.3	14.3	14.7	7.9	1.9	3.7	4.2	5.5	11.3	3.9
EBITDA	3.0	2.9	3.8	4.7	3.5	3.5	3.7	5.0	14.4	15.7
Margin (%)	12.4	12.6	16.4	17.8	14.2	14.7	15.5	17.8	14.9	15.7
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6	5.8	6.2
Interest	1.0	1.0	1.0	0.8	0.9	0.8	0.8	0.9	3.7	3.4
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.9	1.0
Profit before Tax	0.8	0.8	1.5	2.7	1.3	1.3	1.6	2.8	5.7	7.1
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-
Profit before Tax after EO	0.8	0.8	1.5	2.7	1.3	1.3	1.6	2.8	5.8	7.1
Tax	0.2	0.2	0.4	0.8	0.4	0.4	0.4	0.8	1.6	1.9
Rate (%)	21.7	24.3	28.9	29.2	27.5	27.5	27.5	27.5	27.5	27.5
Reported PAT	0.6	0.6	1.1	1.9	0.9	1.0	1.2	2.1	4.2	5.1
Adj. PAT	0.6	0.6	1.1	1.9	0.9	1.0	1.2	2.1	4.2	5.1
Margin (%)	2.5	2.6	4.7	7.1	3.8	4.1	4.8	7.4	4.3	5.1
Change (YoY %)	(16.2)	NM	NM	164.6	57.8	66.9	6.7	9.4	1,052.2	23.7

Dalmia Bharat**Buy****CMP: INR1,839 | TP: INR2,300 (+25%)****EPS CHANGE (%): FY25|26: +0.8|-5.2**

- Estimate sales volume to grow 9% YoY. Realization to decline 8% YoY.
- Estimate EBITDA/t to be INR712 vs. INR875/INR743 in 1QFY24/4QFY24.
- Estimate variable cost/t to decline 7% YoY. Opex/t is likely to decline 6% YoY.
- Depreciation is estimated to decline 15% YoY. Adj. PAT is estimated to dip 20% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	7.0	6.2	6.8	8.8	7.6	6.8	7.7	9.5	28.8	31.5
Change (YoY %)	12.4	6.9	7.9	18.9	8.6	9.9	13.2	7.5	12.1	9.5
Realization (INR/t)	5,209	5,079	5,300	4,894	4,794	4,919	5,019	5,127	5,101	4,976
Change (YoY %)	-2.2	-0.8	-0.5	-7.4	-8.0	-3.1	-5.3	4.8	-3.2	-2.5
Net Sales	36.3	31.5	36.0	43.1	36.3	33.5	38.6	48.5	146.9	156.9
Change (YoY %)	10.0	6.0	7.4	10.1	-0.1	6.4	7.2	12.6	8.5	6.8
EBITDA	6.2	5.9	7.8	6.5	5.4	5.3	7.3	10.7	26.4	28.7
Margin (%)	17.0	18.7	21.6	15.2	14.9	15.8	19.0	22.0	18.0	18.3
Depreciation	4.0	4.0	3.7	3.3	3.4	3.4	3.5	3.6	15.0	13.9
Interest	0.8	1.0	1.1	0.9	1.0	1.0	1.0	1.1	3.9	4.1
Other Income	0.5	0.9	0.6	1.2	0.6	0.5	0.6	1.3	3.2	3.0
PBT before EO Expense	1.9	1.7	3.6	3.5	1.6	1.4	3.4	7.3	10.7	13.7
Extra-Ord. expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT after EO Expense	1.9	1.7	3.6	3.5	1.6	1.4	3.4	7.3	10.7	13.7
Tax	0.4	0.5	1.0	0.3	0.4	0.4	0.9	1.8	2.2	3.5
Prior period tax adj.	0.0	0.0	0.1	-0.6	0.0	0.0	0.0	0.0	-0.6	0.0
Rate (%)	22.2	27.9	24.7	26.7	25.6	25.6	25.6	25.3	15.0	25.4
Reported PAT (pre-minority)	1.4	1.2	2.7	3.2	1.2	1.0	2.5	5.5	8.5	10.2
Minority + associate	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.3	0.3
PAT Adj. for EO items	1.3	1.2	2.7	2.5	1.0	1.0	2.5	5.4	7.7	9.9
Change (YoY %)	-33.3	325.0	33.8	-3.1	-19.6	-17.6	-7.1	111.9	12.6	28.2

Grasim Industries

Buy

CMP: INR2,743 | TP: INR3,150 (+15%)

EPS CHANGE (%): FY25|26: -0.9|-1.9

- Expect revenue for the VSF/Chemical segments to increase 6%/5% YoY.
- EBITDA for the VSF segment is expected to grow 22% YoY and OPM is likely to improve 1.6pp YoY to 12.5%.
- Chemical segment's EBITDA is expected to decline 17% YoY, and OPM to contract 3.5pp YoY to 13.2%.
- Expect blended EBITDA/kg at INR21.4 for the VSF segment vs. INR19.9/INR21.1 in 1QFY24/4QFY24.
- Standalone EBITDA is likely to decline 15% YoY to INR5.7b and OPM is estimated to contract 2.5pp YoY to 8.0%.
- Interest/depreciation are estimated to increase 79%/31% YoY. Adjusted profit to decrease 71% YoY to INR1.0b.

Standalone performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	62.4	64.4	64.0	67.7	69.0	73.3	80.2	83.2	258.5	305.8
Change (YoY %)	(14.0)	(4.5)	3.3	1.8	10.7	13.9	25.3	22.9	(3.7)	18.3
EBITDA	6.7	5.9	5.2	5.3	5.7	6.2	7.2	7.5	23.2	26.7
Margin (%)	10.8	9.2	8.2	7.8	8.3	8.5	9.0	9.0	9.0	8.7
Depreciation	2.9	2.9	3.0	3.4	3.8	3.8	3.9	4.0	12.2	15.4
Interest	1.1	1.1	1.1	1.2	1.9	1.9	1.9	2.0	4.4	7.7
Other Income	1.2	7.6	1.2	2.6	1.2	11.6	1.5	1.7	12.6	15.9
PBT before EO Items	4.0	9.6	2.4	3.3	1.3	12.1	2.9	3.2	19.2	19.5
Extraordinary Inc./ (Exp.)	-	-	-	(7.2)	-	-	-	-	(7.2)	-
PBT after EO Items	4.0	9.6	2.4	-3.9	1.3	12.1	2.9	3.2	12.0	19.5
Tax	0.4	1.6	0.0	0.5	0.2	2.3	0.6	0.6	2.6	3.7
Rate (%)	10.2	16.8	1.2	(13.5)	19.0	19.0	19.0	19.0	21.3	19.0
Reported PAT	3.6	7.9	2.4	-4.4	1.0	9.8	2.4	2.6	9.5	15.8
Prior period tax/DTL reversal	-	-	-	-	-	-	-	-	-	-
Adj. PAT	3.6	7.9	2.4	2.3	1.0	9.8	2.4	2.6	16.2	15.8
Margin (%)	5.7	12.3	3.7	3.4	1.5	13.3	3.0	3.2	6.3	5.2
Change (YoY %)	(56.1)	(22.9)	46.9	145.3	(71.4)	23.0	0.3	14.3	(22.8)	(2.3)

India Cements

Sell

CMP: INR284 | TP: INR180 (-44%)

EPS CHANGE (%): FY25|26: NA|-9.1

- Expect sales volume to decline 15% YoY and blended realization to decline 3% YoY.
- Expect blended EBITDA/t of INR127 vs. INR19/INR192 in 1QFY24/4QFY24.
- Expect variable cost/t to decline 11% YoY. Opex/t is estimated to decrease 5% YoY.
- ICEM to report a net loss of INR543m vs. a loss of INR753m/INR435m in 1QFY24/4QFY24.

Standalone performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	2.7	2.4	2.0	2.4	2.3	2.5	2.1	2.7	9.5	9.6
Change (YoY %)	(0.2)	5.1	(9.0)	(12.5)	(15.0)	5.0	8.0	12.8	(4.4)	2.0
Realization (INR/t)	5,225	5,157	5,450	5,112	5,084	5,155	5,419	5,397	5,226	5,266
Change (YoY %)	(3.5)	(7.4)	(2.5)	(2.5)	(2.7)	(0.0)	(0.6)	5.6	(3.9)	0.8
Net Sales	13.9	12.2	10.8	12.5	11.5	12.8	11.6	14.8	49.4	50.8
Change (YoY %)	(3.7)	(2.6)	(11.3)	(14.7)	(17.3)	5.0	7.4	19.1	(8.1)	2.8
EBITDA	0.1	0.1	0.5	0.5	0.3	0.3	1.0	1.7	1.1	3.3
Margin (%)	0.4	0.7	4.5	3.8	2.5	2.6	8.8	11.3	2.2	6.5
Depreciation	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	2.2	2.3
Interest	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.4	2.3
Other Income	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.5	0.5
PBT before EO expense	(1.0)	(1.0)	(0.5)	(0.5)	(0.7)	(0.7)	0.0	0.6	(3.0)	(0.8)
Extra-Ord. expense	-	-	(0.3)	(0.2)	-	-	-	-	(0.4)	-
PBT	(1.0)	(1.0)	(0.2)	(0.3)	(0.7)	(0.7)	0.0	0.6	(2.5)	(0.8)
Tax	(0.2)	(0.2)	(0.1)	(0.0)	(0.2)	(0.2)	0.0	0.2	(0.5)	(0.2)
Rate (%)	23.9	17.6	31.3	10.9	25.7	25.7	25.7	25.7	20.5	25.7
Reported PAT	(0.8)	(0.8)	(0.2)	(0.3)	(0.5)	(0.5)	0.0	0.5	(2.0)	(0.6)
Tax	-	-	-	-	-	-	-	-	-	-
Adj. PAT	(0.8)	(0.8)	(0.3)	(0.4)	(0.5)	(0.5)	0.0	0.5	(2.3)	(0.6)
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margin (%)	(5.4)	(6.7)	(3.2)	(3.5)	(4.7)	(4.0)	0.2	3.2	(4.7)	(1.1)

JK Cement

Buy

CMP: INR4,329 | TP: INR5,300 (+22%)

EPS CHANGE (%): FY25|26: -8.8|-9.7

- Estimate JKCE's volume to grow 7% YoY. Blended realization is estimated to decline 2% YoY.
- Estimate EBITDA/t at INR949 vs. INR881/INR1,077 in 1QFY24/4QFY24.
- Opex/t is estimated to decline 4% YoY. Variable cost/t is likely to dip 13% YoY.
- Depreciation/interest costs to increase 15%/8% YoY. Adj. PAT is estimated to increase 21% YoY.

Consolidated performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	4.6	4.5	4.7	5.2	4.9	4.9	5.3	5.7	19.07	20.84
Change (YoY %)	25.4	24.5	13.5	11.3	6.7	8.1	12.4	9.8	17.5	9.3
Realization (INR/t)	5,968	6,068	6,238	5,974	5,819	6,066	6,065	5,713	6,060	5,910
Change (YoY %)	(2.9)	(1.1)	6.1	0.5	(2.5)	(0.0)	(2.8)	(4.4)	1.2	(2.5)
Net Sales	27.6	27.5	29.3	31.1	28.7	29.7	32.1	32.6	115.6	123.2
Change (YoY %)	21.7	23.1	20.5	11.8	4.0	8.1	9.3	5.0	18.9	6.6
EBITDA	4.1	4.7	6.3	5.6	4.7	5.2	6.0	7.0	20.6	22.9
Margin (%)	14.8	17.0	21.3	18.0	16.3	17.6	18.7	21.4	17.8	18.6
Depreciation	1.3	1.4	1.4	1.5	1.6	1.6	1.6	1.9	5.7	6.6
Interest	1.1	1.2	1.1	1.1	1.2	1.2	1.2	1.1	4.5	4.7
Other Income	0.3	0.3	0.4	0.5	0.3	0.3	0.3	0.7	1.5	1.6
PBT before EO expense	2.0	2.4	4.1	3.4	2.3	2.8	3.5	4.7	11.9	13.2
Extra-Ord. expense	0.2	-	-	(0.1)	-	-	-	-	0.1	-
PBT	1.8	2.4	4.1	3.5	2.3	2.8	3.5	4.7	11.8	13.2
Tax	0.7	0.7	1.3	1.3	0.8	0.9	1.2	2.2	3.9	5.1
Profit from associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-	-	(0.0)	-
Rate (%)	37.2	26.9	30.6	36.7	33.6	33.6	33.6	46.7	32.4	38.2
Reported PAT	1.1	1.8	2.8	2.2	1.5	1.8	2.3	2.5	8.0	8.2
Adj. PAT	1.2	1.8	2.8	2.1	1.5	1.8	2.3	2.5	8.0	8.2
Change (YoY %)	(23.7)	59.8	628.0	90.3	20.8	1.9	(17.3)	16.5	87.9	1.9

JK Lakshmi

Buy

CMP: INR896 | TP: INR1,100 (+23%)

EPS CHANGE (%): FY25|26: -3.9|-9.6

- Sales volume is expected to increase 2% YoY. Realization is likely to decline 6% YoY.
- EBITDA/t is estimated at INR802 vs. INR646/INR1,032 in 1QFY24/4QFY24.
- We expect opex/t to decline 9% YoY. Variable cost is likely to decline 14% YoY.
- Depreciation/interest costs to increase 28%/42% YoY. PAT is estimated to grow 27% YoY.

Consolidated performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales volume (mt)	3.04	2.73	2.96	3.26	3.10	2.92	3.36	3.65	11.99	13.03
Change (YoY %)	1.2	12.3	7.6	0.9	2.1	6.8	13.5	11.8	5	9
Realization (INR/t)	5,699	5,763	5,753	5,459	5,379	5,439	5,539	5,561	5,662	5,485
Change (YoY %)	3.4	2.1	1.3	(5.2)	(5.6)	(5.6)	(3.7)	1.9	0.2	(3.1)
Net Sales	17.3	15.7	17.0	17.8	16.7	15.9	18.6	20.3	67.9	71.4
Change (YoY %)	4.6	14.6	9.0	(4.4)	(3.6)	0.8	9.3	13.9	5.2	5.2
EBITDA	2.0	2.2	3.0	3.4	2.5	2.4	3.3	3.7	10.5	11.9
Margin (%)	11.3	13.8	17.7	18.9	14.9	14.9	17.5	18.4	15.5	16.6
Depreciation	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	2.5	2.9
Interest	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	1.5	2.0
Other Income	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.7	0.8
PBT before EO expense	1.2	1.4	2.1	2.5	1.5	1.4	2.2	2.7	7.2	7.7
Extra-Ord. expense	-	-	(0.1)	-	-	-	-	-	(0.1)	-
PBT	1.2	1.4	2.2	2.5	1.5	1.4	2.2	2.7	7.3	7.7
Tax	0.4	0.5	0.7	0.9	0.5	0.4	0.7	0.9	2.4	2.5
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	32.7	32.0	32.7	35.1	32.6	32.6	32.6	32.6	33.4	32.6
Reported PAT	0.8	1.0	1.5	1.6	1.0	0.9	1.5	1.8	4.9	5.2
Adj. PAT	0.0	0.0	0.1	0.1	0.1	0.1	0.1	(0.0)	0.2	0.3
Change (YoY %)	0.8	0.9	1.4	1.6	1.0	0.9	1.5	1.8	4.7	5.2

The Ramco Cements**Neutral****CMP: INR843 | TP: INR920 (+9%)****EPS CHANGE (%): FY25|26: -5.6|-2.1**

- Expect volume to rise 7% YoY. Realization to decline 8% YoY, due to weak pricing in the southern region.
- EBITDA/t is estimated at INR679 vs. INR794/INR760 in 1QFY24/4QFY24.
- Expect variable cost/t to decline 12% YoY. Opex/t is likely to decline 6% YoY.
- Depreciation/interest costs to increase 14%/12% YoY. PAT is estimated to decline 56% YoY.

Quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	4.30	4.61	4.00	5.49	4.61	4.98	4.58	5.88	18.40	20.06
Change (YoY %)	29.9	37.7	9.9	16.8	7.2	8.0	14.6	7.1	22.5	9.0
Cement Realization (INR/t)	5,212	5,053	5,265	4,869	4,812	4,912	5,012	5,353	5,081	5,041
Change (YoY %)	(1.6)	(3.8)	(4.5)	(10.9)	(7.7)	(2.8)	(4.8)	9.9	(5.6)	(0.8)
Net Sales	22.4	23.3	21.1	26.7	22.2	24.5	23.0	31.5	93.5	101.1
Change (YoY %)	26.4	30.5	4.8	4.0	(1.0)	5.0	9.0	17.8	14.9	8.1
EBITDA	3.4	4.0	4.0	4.2	3.1	4.3	3.7	7.4	15.5	18.5
Margin (%)	15.2	17.1	18.8	15.6	14.1	17.7	16.1	23.4	16.6	18.3
Depreciation	1.5	1.6	1.7	1.7	1.7	1.7	1.8	1.8	6.4	7.0
Interest	0.9	1.2	1.0	1.0	1.0	1.1	1.1	1.2	4.2	4.4
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4
PBT before EO expense	1.1	1.4	1.3	1.6	0.5	1.7	0.9	4.5	5.4	7.5
PBT	1.1	1.4	1.3	1.6	0.5	1.7	0.9	4.5	5.4	7.5
Tax	0.3	0.4	0.4	0.4	0.1	0.5	0.3	1.2	1.5	2.1
Prior year tax adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	27.0	26.7	30.8	25.2	28.0	28.0	28.0	27.2	27.3	27.5
Reported PAT	0.8	1.0	0.9	1.2	0.3	1.2	0.7	3.3	3.9	5.5
Adj. PAT	0.8	1.0	0.9	1.2	0.3	1.2	0.7	3.3	3.9	5.5
Change (YoY %)	(29.7)	783.2	38.6	(20.4)	(56.3)	19.5	(29.4)	168.2	15.0	38.5
Margin (%)	3.5	4.3	4.4	4.5	1.6	4.9	2.9	10.3	4.2	5.4

Shree Cement**Neutral****CMP: INR27,672 | TP: INR30,000 (+8%)****EPS CHANGE (%): FY25|26: -1.3|+0.8**

- Expect volume to increase 7% YoY. Blended realization to decline 5% YoY.
- We estimate EBITDA/t at INR1,239 vs. INR1,046/INR1,393 in 1QFY24/4QFY24.
- Variable cost/t is estimated to decline 17% YoY. Opex/t is likely to decline 11% YoY.
- Depreciation is estimated to increase 69% YoY. Adj. PAT is estimated to decrease 6% YoY.

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	8.92	8.20	8.89	9.53	9.55	8.93	9.96	10.26	35.53	38.70
Change (YoY %)	18.8	9.9	10.7	8.0	7.1	8.9	12.0	7.7	11.7	8.9
Blended Realization (INR/t)	5,607	5,594	5,513	5,353	5,308	5,397	5,388	5,528	5,512	5,407
Change (YoY %)	0.1	10.3	8.8	-1.3	-5.3	-3.5	-2.3	3.3	4.2	-1.9
Net Sales	50.0	45.8	49.0	51.0	50.7	48.2	53.6	56.7	195.9	209.2
Change (YoY %)	18.9	21.3	20.4	6.6	1.4	5.1	9.4	11.2	16.3	6.8
EBITDA	9.3	8.7	12.3	13.3	11.8	10.8	12.2	14.4	43.6	49.3
Margin (%)	18.7	19.0	25.2	26.0	23.3	22.5	22.8	25.4	22.3	23.6
Depreciation	3.1	3.3	3.5	6.3	5.2	5.1	5.3	6.5	16.1	22.1
Interest	0.8	0.7	0.6	0.6	0.6	0.6	0.5	0.5	2.6	2.3
Other Income	1.6	1.3	1.4	1.4	1.3	1.2	1.4	1.5	5.6	5.4
PBT before EO Exp.	7.1	6.0	9.7	7.7	7.3	6.3	7.8	8.9	30.5	30.3
Extra-Ord. Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	7.1	6.0	9.7	7.7	7.3	6.3	7.8	8.9	30.5	30.3
Tax	1.3	1.1	2.3	1.1	1.9	1.6	2.0	2.3	5.8	7.7
Rate (%)	18.2	17.6	24.0	14.3	25.5	25.5	25.5	25.5	19.0	25.5
Reported PAT	5.8	4.9	7.3	6.6	5.4	4.7	5.8	6.6	24.7	22.6
Prior period Tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. PAT	5.8	4.9	7.3	6.6	5.4	4.7	5.8	6.6	24.7	22.6
Change (YoY %)	84.2	159.1	165.3	68.8	-6.4	-3.9	-20.8	0.0	110.3	-8.4

UltraTech Cement

Buy

CMP: INR11,847 | TP: INR13,300 (+12%)

EPS CHANGE (%): FY25|26: -2.8|+0.3

- Estimate sales volume (consolidated) to increase 5% YoY and blended realization to decline 3% YoY.
- RMC revenue is expected to increase 20% YoY. White cement revenue is likely to grow 3% YoY.
- We expect EBITDA/t at INR1,030 vs. INR1,018/INR1,173 in 1QFY24/4QFY24.
- Variable cost per tonne is estimated to decline 7% YoY. Expect opex/t to dip 4% YoY.
- EBITDA is estimated to grow 6% YoY and OPM to surge 75bp YoY to ~18%.
- Depreciation/Interest expenses are estimated to increase 12%/19% YoY. Adj. PAT to decline 8% YoY.

Consolidated performance

(INR b)

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Volume (mt)	30.0	26.7	27.3	35.1	31.5	28.6	29.9	38.8	119.0	128.8
Change (YoY %)	19.6	15.5	5.6	10.8	5.2	7.3	9.4	10.5	12.6	8.2
Blended Realn. (INR/t)	5,920	5,999	6,127	5,821	5,746	5,762	5,918	5,888	5,957	5,832
Change (YoY %)	-2.2	-0.2	2.1	-1.2	-2.9	-4.0	-3.4	1.2	-0.4	-2.1
Change (QoQ %)	0.5	1.3	2.1	-5.0	-1.3	0.3	2.7	-0.5		
Net Sales	177.4	160.1	167.4	204.2	181.1	165.0	176.9	228.3	709.1	751.3
Change (YoY %)	17.0	15.3	7.9	9.4	2.1	3.0	5.7	11.8	12.1	6.0
Total Expenditure	146.9	134.6	134.9	163.1	148.6	136.7	142.0	178.6	579.4	606.0
EBITDA	30.5	25.5	32.5	41.1	32.5	28.3	34.9	49.7	129.7	145.3
Margin (%)	17.2	15.9	19.4	20.1	17.9	17.1	19.7	21.8	18.3	19.3
Depreciation	7.5	8.0	7.8	8.1	8.4	8.5	8.7	9.0	31.5	34.4
Interest	2.1	2.3	2.6	2.6	2.5	2.4	2.3	2.3	9.7	9.6
Other Income	1.7	1.7	1.4	1.4	1.7	1.7	1.6	1.8	6.2	6.7
PBT before EO expense	22.6	16.9	23.5	31.7	23.3	19.0	25.5	40.2	94.7	108.0
Extra-Ord. expense	-	-	-	0.72	-	-	-	-	0.72	-
PBT after EO Expense	22.6	16.9	23.5	31.0	23.3	19.0	25.5	40.2	94.0	108.0
Tax	5.8	4.1	5.8	8.5	7.8	6.3	8.5	4.7	24.2	27.3
Prior period tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate (%)	25.5	24.3	24.7	27.5	33.3	33.3	33.3	11.8	25.7	25.3
Reported PAT	16.9	12.8	17.7	22.5	15.5	12.7	17.0	35.5	69.8	80.7
Minority Interest	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	-0.2	0.0
Adj. PAT	16.9	12.8	17.8	23.1	15.5	12.7	17.0	35.4	70.6	80.7
Change (YoY %)	6.3	69.6	67.9	38.7	-7.9	-0.8	-4.2	53.4	39.2	14.4

Specialty Chemicals

Company

Alkyl Amines
Atul
Clean Science
Deepak Nitrite
Fine Organics
Galaxy Surfactants
Navin Fluorine
NOCIL
PI Industries
SRF
Tata Chemicals
Vinati Organics

Green shoots visible; meaningful recovery still away

- Raw material prices have stabilized for most of the companies in 1QFY25 and the Red Sea issue is driving container and freight rates higher in the near term, which could boost realization in the near term for the sector. The lead time for both RM sourcing and supplies of finished goods has increased significantly. Companies could see aggressive restocking by customers, which augurs well for them in the short term.
- Volumes saw an uptick in the first two months of 1QFY25 vs. YoY, led by a pick-up in discretionary segments. Realization could still decline in double digits for most companies, which indicates that pricing pressure persists in the sector. The management teams of various companies have said that prices seem to have bottomed out, but meaningful recovery would only be seen in 2H.
- Prices of organic compounds such as Propylene (Korea)/Butadiene (Korea)/Benzene were flat/up 68%/up 14% YoY, while prices of Toluene (Korea) increased 6% YoY. Prices of other key materials, such as Acetic Acid/Aniline/Acetone were down 2%/up 2%/up 16% YoY. Prices of Phenol dipped 3% YoY, while prices of IPA were up 22% YoY. Prices of ACN were down 3% YoY. Blended Phenol and Acetone spreads stood at INR90/kg (down 3% YoY). Ammonia prices declined 23% YoY in 1QFY25.
- We estimate our coverage universe to report: 1) sales growth of 1% YoY, 2) an EBITDA contraction of 10% YoY, and 3) a PAT decline of 20% YoY in 1QFY25. EBITDAM may contract 240bp YoY (up 120bp QoQ). Margin contraction is anticipated to be the highest for FINEORG, NFIL and TTCH. PAT margin may dip 270bp YoY in 1QFY25.**
- Capacity expansion plans have been delayed by companies, although none of them have been shelved completely given the promising long-term volume off-take for the products. However, we expect a migration of chemical industries toward the US, the Middle East, and Africa in the long term, where cheaper feedstock is available. The valuation multiples of companies remain elevated. **We have a BUY rating on GALSURF, PI and VO.**

Exhibit 1: Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Alkyl Amines	2146	Neutral	3,760	-8.2	5.4	699	-5.5	1.5	407	-18.2	5.9
Atul	6566	Neutral	12,154	2.8	0.3	1,676	-8.0	13.6	777	-23.8	32.2
Clean Science	1514	Neutral	2,346	24.7	3.1	1,006	32.1	6.4	813	37.9	15.7
Deepak Nitrite	2684	Neutral	18,611	5.2	-12.5	2,773	32.2	-7.9	1,759	17.3	-10.2
Fine Organic	5236	Sell	5,339	0.3	2.4	1,246	-18.0	-5.8	941	-17.6	-10.1
Galaxy Surfactants	2772	Buy	9,725	3.3	4.7	1,106	-10.2	8.8	663	-11.9	-14.5
Navin Fluorine	3604	Neutral	4,790	-2.5	-20.4	830	-27.3	-24.6	391	-36.4	-44.4
NOCIL	285	Neutral	3,738	-5.8	4.9	536	-1.4	23.5	337	0.4	-18.0
P I Industries	3757	Buy	21,970	15.0	26.2	5,602	19.8	26.8	3,989	4.2	8.0
SRF	2395	Neutral	32,860	-1.6	-7.9	6,471	-10.1	-9.1	3,074	-19.8	-29.8
Tata Chemicals	1095	Neutral	39,462	-6.4	13.6	6,505	-37.6	46.8	1,795	-65.2	LP
Vinati Organics	1942	Buy	5,605	30.0	1.9	1,502	37.8	0.0	1,061	27.5	1.6
Chemicals-Specialty			1,60,361	1.4	2.4	29,951	-9.9	9.1	16,008	-20.4	9.3

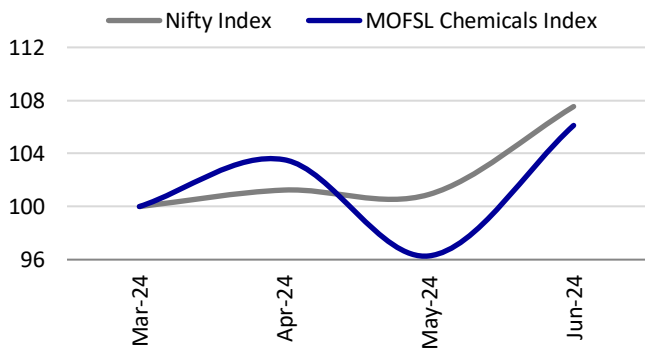
Aman Chowdhary – Research Analyst (Aman.Chowdhary@motilaloswal.com)

Sumant Kumar - Research Analyst (Sumant.Kumar@MotilalOswal.com)

Exhibit 2: Comparative valuations

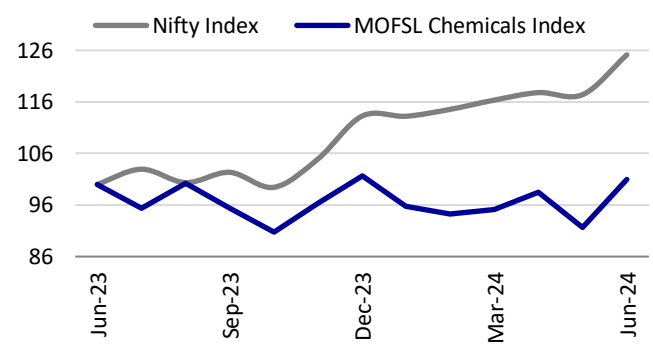
Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Chemicals-Specialty						42.0	40.5	32.1	4.4	4.3	3.9	10.4	10.7	12.1
Alkyl Amines	2,146	Neutral	29.1	41.5	55.8	62.3	51.7	38.4	7.3	7.8	6.9	12.2	15.9	19.0
Atul	6,566	Neutral	103.4	117.2	162.0	55.5	56.0	40.5	3.3	3.6	3.3	6.2	6.6	8.5
Clean Science	1,514	Neutral	23.0	30.4	34.4	57.8	49.8	44.1	11.7	10.8	8.9	22.1	24.0	22.2
Deepak Nitrite	2,684	Neutral	55.1	69.2	77.3	38.5	38.8	34.7	6.0	6.5	5.6	16.9	18.1	17.3
Fine Organic	5,236	Sell	120.0	119.2	116.9	33.6	43.9	44.8	6.6	7.3	6.4	21.8	18.0	15.2
Galaxy Surfactants	2,772	Buy	85.0	97.7	115.0	26.7	28.4	24.1	3.7	4.0	3.6	14.8	15.0	15.8
Navin Fluorine	3,604	Neutral	46.1	61.6	88.9	67.5	58.5	40.6	6.5	6.9	6.1	10.0	12.2	15.9
NOCIL	285	Neutral	7.9	10.2	13.0	31.6	27.9	21.9	2.5	2.7	2.5	8.1	9.8	11.7
P I Industries	3,757	Buy	110.6	111.9	131.9	35.0	33.6	28.5	6.7	5.6	4.7	21.1	17.9	17.9
SRF	2,395	Neutral	47.5	53.7	71.5	53.9	44.6	33.5	6.6	5.6	5.0	13.0	13.3	15.8
Tata Chemicals	1,095	Neutral	36.1	33.5	51.3	29.9	32.7	21.3	1.2	1.2	1.2	4.4	3.8	5.6
Vinati Organics	1,942	Buy	31.2	42.7	52.0	47.2	45.5	37.4	6.2	7.2	6.2	13.8	16.8	17.9

Exhibit 3: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

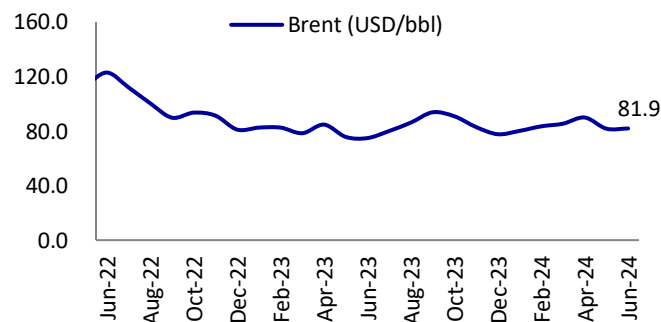
Exhibit 4: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

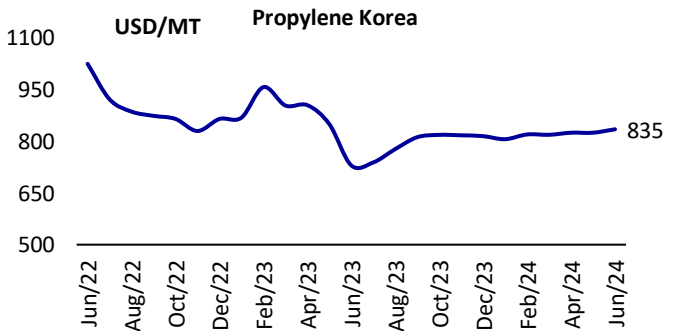
Trends in key RM and product prices

Exhibit 5: Brent crude price up 9% YoY



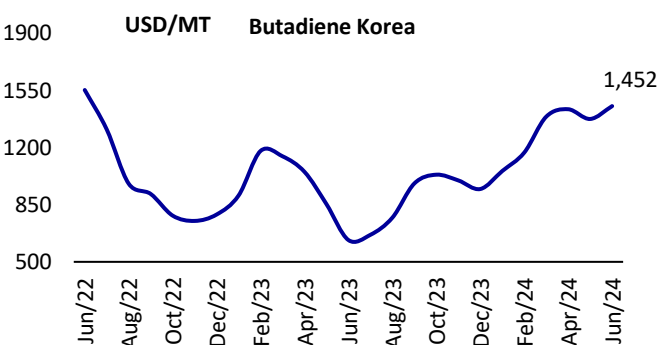
Source: Reuters, MOFSL

Exhibit 6: Propylene price up 14% YoY



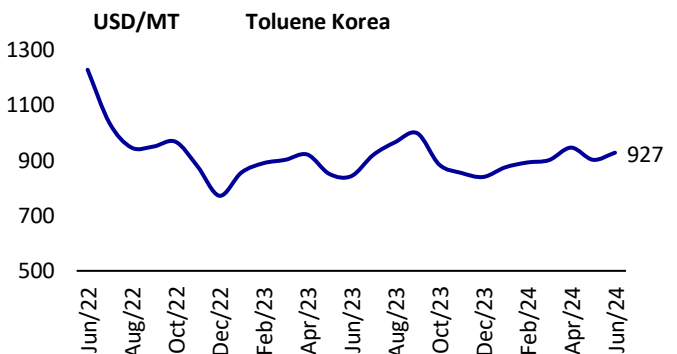
Source: Bloomberg, MOFSL

Exhibit 7: Butadiene price up 129% YoY



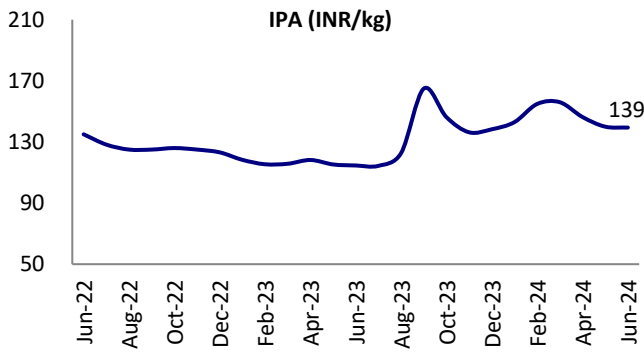
Source: Bloomberg, MOFSL

Exhibit 8: Toluene (Korea) price up 6% YoY



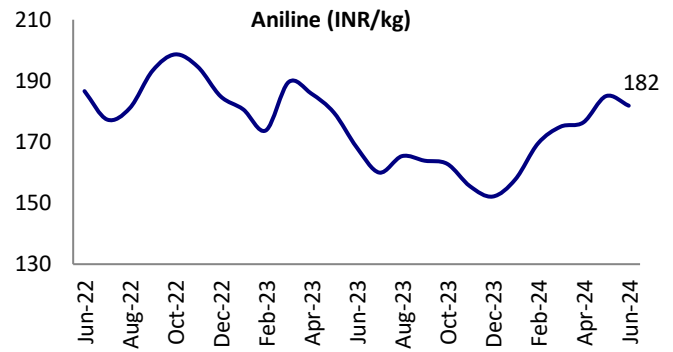
Source: Bloomberg, MOFSL

Exhibit 9: IPA price up 22% YoY



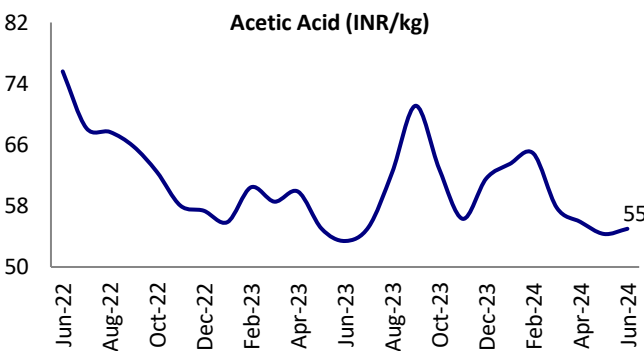
Source: IndiaPetroChem, MOFSL

Exhibit 10: Aniline price up 8% YoY



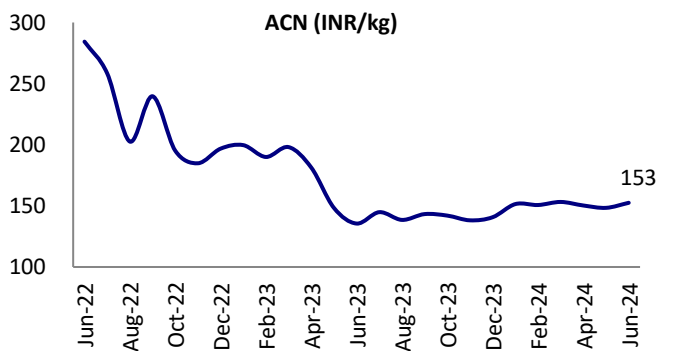
Source: IndiaPetroChem, MOFSL

Exhibit 11: Acetic Acid price up 3% YoY



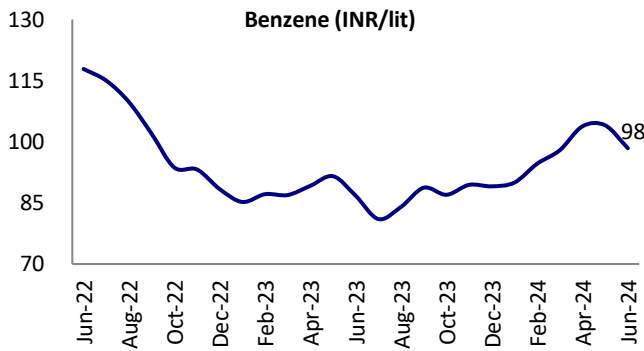
Source: IndiaPetroChem, MOFSL

Exhibit 12: ACN price up 13% YoY



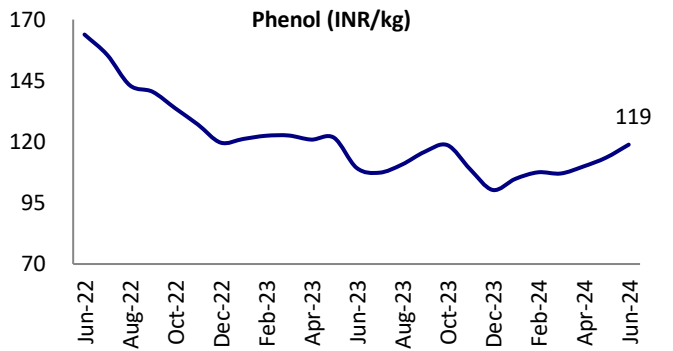
Source: IndiaPetroChem, MOFSL

Exhibit 13: Benzene price up 13% YoY



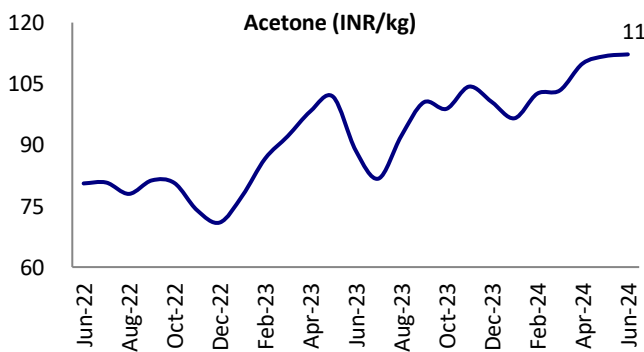
Source: IndiaPetroChem, MOFSL

Exhibit 14: Phenol price up 9% YoY



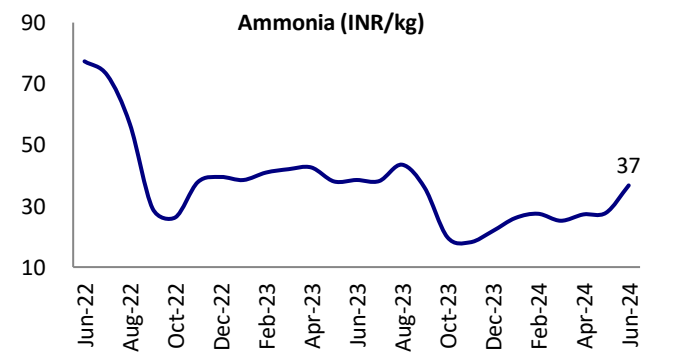
Source: IndiaPetroChem, MOFSL

Exhibit 15: Acetone price up 27% YoY



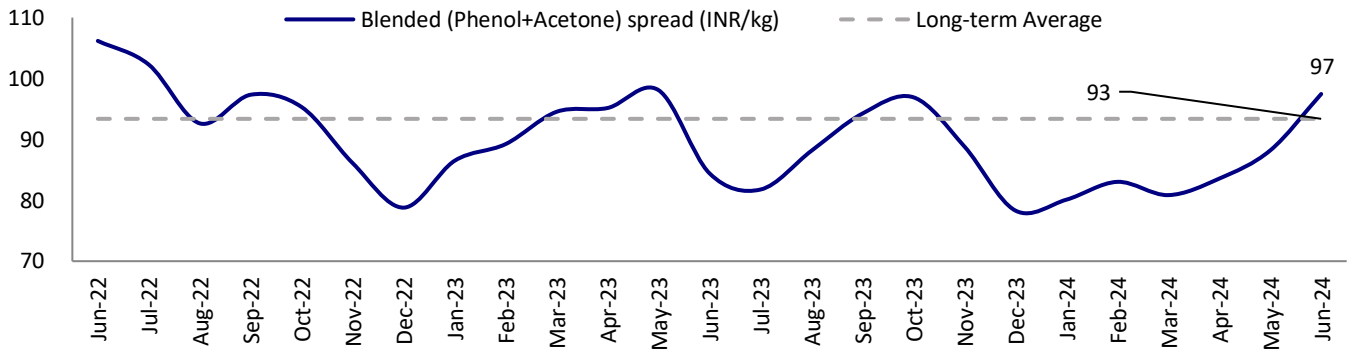
Source: IndiaPetroChem, MOFSL

Exhibit 16: Ammonia price down 5% YoY



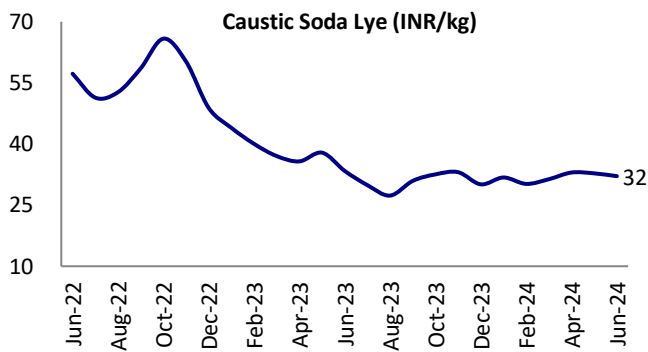
Source: IndiaPetroChem, MOFSL

Exhibit 17: Blended Phenol and Acetone spread up 15% YoY



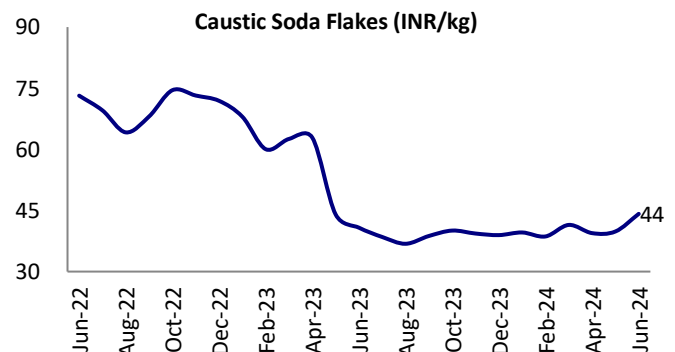
Source: IndiaPetroChem, MOFSL

Exhibit 18: Caustic Soda Lye price down 4% YoY



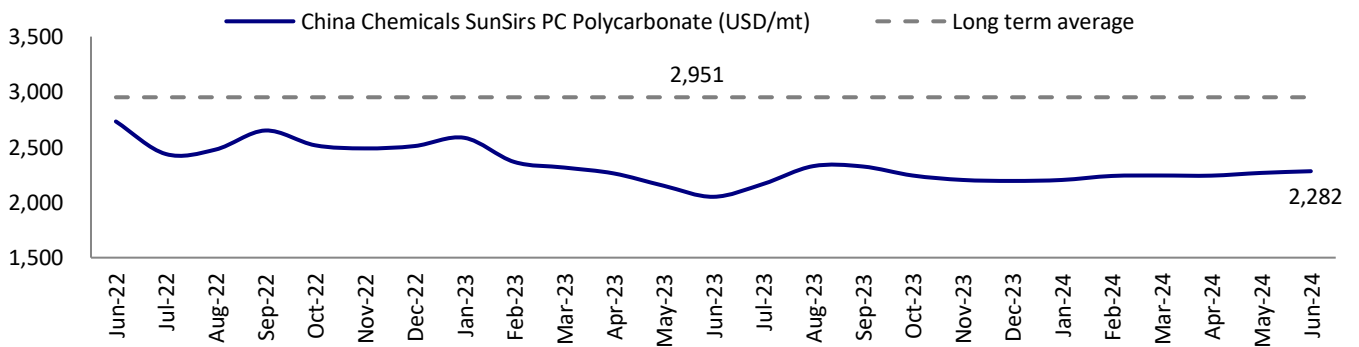
Source: IndiaPetroChem, MOFSL

Exhibit 19: Caustic Soda Flakes price up 8% YoY



Source: IndiaPetroChem, MOFSL

Exhibit 20: Polycarbonate price up 11% YoY



Source: Bloomberg, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Alkyl Amines

Neutral

CMP: INR2,146 | TP: INR1,955 (-9%)

EPS CHANGE (%): FY25|26: +5|-3

- Expect revenue to decline 8% YoY and EBITDA to fall 6% YoY.
- Key monitorable: stabilization of the Ethylamines plant and update on the weak ACN market conditions.
- Expect EBITDA margin to expand 50bp YoY to 18.6% in 1QFY25.
- Watch out for updates on progress of new products and ADD probe progress on other products apart from ACN.

Standalone - Quarterly Snapshot

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	4,098	3,522	3,221	3,566	3,760	4,106	4,322	5,100	14,406	17,287
YoY Change (%)	-13.5	-13.9	-17.1	-13.5	-8.2	16.6	34.2	43.0	-14.4	20.0
Gross Margin (%)	44.7%	45.7%	47.6%	49.2%	49.2%	48.0%	48.0%	47.1%	46.7%	48.0%
EBITDA	740	483	596	689	699	816	867	1,098	2,507	3,479
Margin (%)	18.1	13.7	18.5	19.3	18.6	19.9	20.1	21.5	17.4	20.1
Depreciation	122	125	168	174	182	186	191	195	589	754
Interest	9	17	11	7	8	10	13	17	44	48
Other Income	55	24	46	26	36	28	40	56	151	160
PBT before EO expense	664	364	463	533	544	649	703	942	2,025	2,838
PBT	664	364	463	533	544	649	703	942	2,025	2,838
Tax	166	92	129	149	137	163	177	237	536	714
Rate (%)	25.0	25.2	27.8	27.9	25.2	25.2	25.2	25.2	26.5	25.2
Reported PAT	498	272	334	385	407	485	526	705	1,489	2,124
Adj PAT	498	272	334	385	407	485	526	705	1,489	2,124
YoY Change (%)	-39.2	-48.0	-26.8	-20.9	-18.2	78.1	57.4	83.4	-34.9	42.6
Margin (%)	12.1	7.7	10.4	10.8	10.8	11.8	12.2	13.8	10.3	12.3

Atul

Neutral

CMP: INR6,566 | TP: INR6,480 (-1%)

EPS CHANGE (%): FY25|26: -11|0

- Expect revenue to increase 3% YoY, with EBITDA declining 8% YoY.
- Expect revenue for Life Science Chemicals to improve 10% YoY, while Performance revenue to improve by 1%
- EBITDA margin likely to contract 160bp YoY amid higher operating expenses.
- Further delay in commissioning and ramp-up of its new capacity expansions may hurt growth in FY25.

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	11,820	11,937	11,378	12,122	12,154	12,551	13,211	14,929	47,257	52,844
YoY Change (%)	-20.0	-19.7	-10.3	1.4	2.8	5.1	16.1	23.2	-12.9	11.8
Gross Margin (%)	46.5%	44.1%	47.1%	49.7%	49.1%	48.2%	46.8%	43.7%	46.9%	46.8%
EBITDA	1,823	1,552	1,517	1,476	1,676	1,713	1,846	2,214	6,367	7,449
Margin (%)	15.4	13.0	13.3	12.2	13.8	13.6	14.0	14.8	13.5	14.1
Depreciation	519	540	612	758	793	813	817	829	2,429	3,253
Interest	20	19	21	51	25	28	29	31	111	113
Other Income	82	221	150	129	149	157	165	190	582	661
PBT before EO expense	1,365	1,215	1,034	796	1,007	1,028	1,165	1,544	4,409	4,744
PBT	1,365	1,215	1,034	796	1,007	1,028	1,165	1,544	4,409	4,744
Tax	364	325	334	242	254	259	294	387	1,265	1,194
Rate (%)	26.7	26.7	32.3	30.4	25.2	25.2	25.2	25.1	28.7	25.2
MI and Profit/Loss of Asso. Cos.	20	22	21	34	24	24	24	24	97	97
Reported PAT	1,021	912	721	588	777	794	896	1,180	3,241	3,647
Adj PAT	1,021	912	721	588	777	794	896	1,180	3,047	3,453
YoY change (%)	-37.6	-38.4	-30.0	-36.2	-23.8	-13.0	24.3	100.8	-38.9	13.3
Margin (%)	8.6	7.6	6.3	4.9	6.4	6.3	6.8	7.9	6.4	6.5

Clean Science & Technology**Neutral****CMP: INR1,514 | TP: INR1,375 (-9%)****EPS CHANGE (%): FY25|26: +9|0**

- Expect revenue and EBITDA to increase 25% and 32% YoY, respectively.
- Key monitorable: Ramp-up of the new HALS plant in the subsidiary and pick-up in Guaiacol demand
- Expect EBITDAM to expand 240bp YoY in 1QFY25.
- Watch out for the changing sales mix of the flagship and non-flagship products.

Consolidated - Quarterly Snapshot**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	1,881	1,811	1,947	2,275	2,346	2,370	2,377	2,387	7,915	9,480
YoY Change (%)	-19.6	-26.8	-18.0	4.9	24.7	30.9	22.1	4.9	-15.4	19.8
Gross Margin (%)	61.4%	65.9%	66.8%	65.7%	65.7%	65.5%	65.1%	63.7%	65.0%	65.0%
EBITDA	761	748	866	945	1,006	1,018	1,010	977	3,321	4,010
Margin (%)	40.5	41.3	44.5	41.5	42.9	43.0	42.5	40.9	42.0	42.3
Depreciation	108	111	113	127	129	131	133	135	459	528
Interest	1	3	1	6	1	2	3	5	9	11
Other Income	134	60	78	141	142	128	135	164	413	569
PBT before EO expense	787	695	830	953	1,018	1,013	1,009	1,000	3,265	4,040
PBT	787	695	830	953	1,018	1,013	1,009	1,000	3,265	4,040
Tax	198	173	204	250	205	204	203	200	825	811
Rate (%)	25.1	24.9	24.6	26.3	20.1	20.1	20.1	20.0	25.3	20.1
Reported PAT	589	522	626	703	813	809	806	800	2,440	3,228
Adj. PAT	589	522	626	703	813	809	806	800	2,440	3,228
YoY Change (%)	-6.3	-23.2	-25.3	-12.7	37.9	55.1	28.7	13.8	-17.3	32.3
Margin (%)	31.3	28.8	32.2	30.9	34.6	34.2	33.9	33.5	30.8	34.1

Deepak Nitrite**Neutral****CMP: INR2,684 | TP: INR2,705 (+1%)****EPS CHANGE (%): FY25|26: -4|-3**

- Expect EBITDA margin of 14.9% in 1QFY25 (vs. 11.9% in 1QFY24), with a likely expansion in both AI and Phenol segment.
- Watch out for the update on various capex under implementation.
- Updates on Oman subsidiary and on downstream products announced (MIBK, MIBC and Polycarbonate) to be keenly monitored.
- Key risk: substantial margin fluctuations due to the highly commoditized nature of the products.

Consolidated - Quarterly Snapshot**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	17,683	17,781	20,092	21,262	18,611	20,817	22,233	24,824	76,818	86,484
YoY Change (%)	-14.1	-9.4	0.9	8.4	5.2	17.1	10.7	16.8	-3.6	12.6
Gross Margin (%)	30.8%	34.4%	31.7%	30.7%	32.4%	32.7%	33.4%	35.2%	31.8%	33.5%
EBITDA	2,098	3,023	3,047	3,011	2,773	3,360	3,805	4,558	11,178	14,496
Margin (%)	11.9	17.0	15.2	14.2	14.9	16.1	17.1	18.4	14.6	16.8
Depreciation	381	394	417	465	536	566	595	685	1,657	2,381
Interest	18	27	29	44	27	29	31	35	118	122
Other Income	319	170	136	191	141	149	157	180	816	627
PBT	2,017	2,772	2,736	3,492	2,350	2,915	3,335	4,019	11,017	12,619
Tax	518	721	715	953	592	735	842	1,008	2,908	3,176
Rate (%)	25.7	26.0	26.1	27.3	25.2	25.2	25.2	25.1	26.4	25.2
Reported PAT	1,499	2,051	2,020	2,538	1,759	2,180	2,494	3,010	8,108	9,443
Adj PAT	1,499	2,051	2,020	1,958	1,759	2,180	2,494	3,010	7,521	9,443
YoY Change (%)	-36.1	17.5	-3.4	-16.3	17.3	6.3	23.4	53.7	-11.7	25.6
Margin (%)	8.5	11.5	10.1	9.2	9.5	10.5	11.2	12.1	9.8	10.9

Fine Organic Industries

Sell
CMP: INR5,236 | TP: INR4,095 (-22%)
EPS CHANGE (%): FY25|26: +8|+8

- Expect revenue to be flat YoY and EBITDA margin to contract 520bp YoY to 23.3% in 1QFY25.
- Key monitorable: update on the progress of JV to be set up in Thailand and the new land acquisition (MoU already signed).
- Watch out for escalating freight costs, which have gone up for exports to the US and Europe.
- Key risk: Delay in the addition of new capacities could deter growth with existing capacities running at optimum utilization.

Standalone - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	5,321	4,717	4,258	5,215	5,339	5,366	5,376	5,382	19,511	21,463
YoY Change (%)	-29.3	-43.0	-43.2	-25.3	0.3	13.7	26.3	3.2	-35.6	10.0
Gross Margin (%)	42.9%	41.9%	41.8%	43.6%	41.8%	40.9%	40.4%	39.3%	42.6%	40.6%
EBITDA	1,519	1,044	924	1,322	1,246	1,209	1,188	1,130	4,809	4,772
Margin (%)	28.5	22.1	21.7	25.4	23.3	22.5	22.1	21.0	24.6	22.2
Depreciation	117	144	147	153	157	159	162	164	561	642
Interest	6	7	5	5	5	6	6	7	23	24
Other Income	145	172	174	226	175	184	194	223	717	776
PBT before EO expense	1,540	1,064	946	1,391	1,258	1,228	1,214	1,182	4,941	4,882
Extra-Ord expense	0	0	0	6	0	0	0	0	6	0
PBT	1,540	1,064	946	1,385	1,258	1,228	1,214	1,182	4,935	4,882
Tax	397	270	249	342	316	309	306	297	1,259	1,229
Rate (%)	25.8	25.4	26.4	24.7	25.2	25.2	25.2	25.1	25.5	25.2
Reported PAT	1,142	794	697	1,043	941	919	908	886	3,676	3,654
Adj PAT	1,142	794	697	1,047	941	919	908	886	3,680	3,654
YoY Change (%)	-27.4	-51.6	-46.9	-24.2	-17.6	15.8	30.3	-15.4	-37.7	-0.7
Margin (%)	21.5	16.8	16.4	20.1	17.6	17.1	16.9	16.5	18.9	17.0

Galaxy Surfactants

Buy
CMP: INR2,772 | TP: INR3,450 (+24%)
EPS CHANGE (%): FY25|26: -1|0

- Expect revenue to expand 3% YoY with volume pick-up offsetting the decline in realization
- Watch out for the update on demand recovery in AMET and RoW regions
- Expect EBITDA margin of 11.4%, with absolute EBITDA/kg declining YoY
- Impact of the ongoing Red Sea issue would also be keenly monitored.

Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	9,418	9,831	9,405	9,290	9,725	10,535	10,914	12,048	37,944	43,222
YoY Change (%)	-18.7	-20.5	-13.3	-5.2	3.3	7.2	16.0	29.7	-14.9	13.9
Gross Margin (%)	32.4%	31.5%	31.8%	32.6%	32.6%	32.6%	33.3%	32.0%	32.1%	32.6%
EBITDA	1,232	1,249	1,125	1,017	1,106	1,327	1,451	1,590	4,622	5,474
Margin (%)	13.1	12.7	12.0	10.9	11.4	12.6	13.3	13.2	12.2	12.7
Depreciation	238	247	251	262	263	266	270	281	998	1,081
Interest	57	54	59	54	52	55	58	66	224	230
Other Income	25	27	64	239	40	42	44	51	355	177
PBT	962	975	878	940	830	1,048	1,168	1,293	3,755	4,340
Tax	210	201	165	165	168	212	236	262	740	877
Rate (%)	21.8	20.6	18.8	17.5	20.2	20.2	20.2	20.3	19.7	20.2
Reported PAT	752	774	714	775	663	837	932	1,031	3,015	3,463
Adj PAT	752	774	714	775	663	837	932	1,031	3,015	3,463
YoY Change (%)	-25.1	-7.7	-32.8	-14.4	-11.9	8.1	30.6	33.1	-20.9	14.9
Margin (%)	8.0	7.9	7.6	8.3	6.8	7.9	8.5	8.6	7.9	8.0

Navin Fluorine International

Neutral

CMP: INR3,604 | TP: INR3,555 (-1%)

EPS CHANGE (%): FY25|26: -2|0

- Expect revenue of INR4.8b due to a YoY decline in Navin Molecular and Spec Chem
- Key monitorable: progress of the upcoming AHF capacity announced in addition to the already existing capacity.
- EBITDA margin to decline 590bp YoY to 17.3%
- Watch out for the update on the launch of new molecules and updates on deferred molecules in previous quarters

Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	4,912	4,718	5,001	6,020	4,790	5,429	7,026	8,303	20,650	25,549
YoY Change (%)	23.6	12.5	-11.3	-13.6	-2.5	15.1	40.5	37.9	-0.6	23.7
Gross Margin (%)	58.7%	57.2%	54.1%	50.0%	52.0%	53.7%	55.0%	57.6%	54.7%	55.0%
EBITDA	1,142	983	757	1,101	830	1,011	1,517	2,028	3,983	5,385
Margin (%)	23.3	20.8	15.1	18.3	17.3	18.6	21.6	24.4	19.3	21.1
Depreciation	213	243	249	257	259	263	269	273	962	1,064
Interest	194	200	177	174	184	194	205	235	746	818
Other Income	83	231	119	125	137	140	144	154	559	575
PBT before EO expense	818	772	450	794	523	693	1,188	1,674	2,834	4,078
Extra-Ord. expense	0	0	521	0	0	0	0	0	521	0
PBT	818	772	972	794	523	693	1,188	1,674	3,355	4,078
Tax	202	166	191	90	132	174	299	421	650	1,026
Rate (%)	24.8	21.5	19.7	11.4	25.2	25.2	25.2	25.2	19.4	25.2
Reported PAT	615	606	780	704	391	519	889	1,253	2,705	3,052
Adj. PAT	615	606	362	704	391	519	889	1,253	2,285	3,052
YoY Change (%)	-17.4	4.8	-66.1	-48.4	-36.4	-14.4	145.8	78.0	-39.1	33.6
Margin (%)	12.5	12.8	7.2	11.7	8.2	9.6	12.6	15.1	11.1	11.9

NOCIL

Neutral

CMP: INR285 | TP: INR260 (-9%)

EPS CHANGE (%): FY25|26: 0|0

- Expect revenue to decline 6% YoY to INR3.7b, with lower realization offsetting higher volumes
- Key monitorable: further details on the new capex announced recently.
- EBITDAM to improve 60bp YoY to 14.3% in 1QFY25; absolute EBITDA/kg to decline YoY
- There is a probable risk of higher dumping from China as ADD was rejected by the GoI in FY22.

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	3,967	3,509	3,406	3,565	3,738	4,050	4,361	4,465	14,447	16,614
YoY Change (%)	-22.1	-9.9	4.6	-9.2	-5.8	15.4	28.0	25.2	-10.6	15.0
Gross Margin (%)	42.7%	43.4%	46.3%	42.1%	40.8%	45.4%	44.2%	55.4%	43.6%	46.7%
EBITDA	544	441	477	434	536	619	713	742	1,896	2,609
Margin (%)	13.7	12.6	14.0	12.2	14.3	15.3	16.3	16.6	13.1	15.7
Depreciation	126	127	132	130	132	134	136	139	515	541
Interest	4	3	5	4	3	4	5	6	16	18
Other Income	48	49	61	249	50	53	56	64	407	223
PBT before EO expense	461	360	402	549	451	534	627	661	1,771	2,274
PBT	461	360	402	549	451	534	627	661	1,771	2,274
Tax	125	91	104	138	114	134	158	166	458	572
Rate (%)	27.2	25.3	25.9	25.1	25.2	25.2	25.2	25.1	25.8	25.2
Reported PAT	336	269	298	411	337	400	469	495	1,314	1,701
Adj PAT	336	269	298	411	337	400	469	495	1,314	1,701
YoY Change (%)	-48.8	-25.2	58.7	44.9	0.4	48.7	57.6	20.4	-11.7	29.5
Margin (%)	8.5	7.7	8.7	11.5	9.0	9.9	10.8	11.1	9.1	10.2

PI Industries

Buy

CMP INR3,757 | TP: INR4,400 (+17%)

EPS CHANGE (%): FY25|26: 0|0

- The CSM business is likely to grow ~13% YoY.
- Demand scenario and product launches in the domestic and CSM segments will be a key focus area.
- EBITDA margin is likely to expand to ~25.5% in 1QFY25 from 24.5% in 1QFY24 led by better gross margin.
- Update on the Pharma Intermediate segment will be a key monitorable.

Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	19,104	21,169	18,975	17,410	21,970	24,439	22,244	21,284	76,658	89,937
YoY Change (%)	23.8	19.6	17.6	11.2	15.0	15.4	17.2	22.3	18.1	17.3
Total Expenditure	14,426	15,655	13,439	12,992	16,368	17,792	16,307	15,637	56,512	66,103
EBITDA	4,678	5,514	5,536	4,418	5,602	6,647	5,937	5,647	20,146	23,833
Margins (%)	24.5	26.0	29.2	25.4	25.5	27.2	26.7	26.5	26.3	26.5
Depreciation	697	803	783	799	850	890	950	1,083	3,082	3,773
Interest	43	78	70	109	80	70	51	49	300	250
Other Income	469	469	561	579	549	549	656	674	2,078	2,428
PBT before EO expense	4,407	5,102	5,244	4,089	5,221	6,236	5,592	5,189	18,842	22,238
PBT	4,407	5,102	5,244	4,089	5,221	6,236	5,592	5,189	18,842	22,238
Tax	625	317	772	418	1,253	1,497	1,342	1,245	2,132	5,337
Rate (%)	14.2	6.2	14.7	10.2	24.0	24.0	24.0	24.0	11.3	24.0
MI & Profit/Loss of Asso. Cos.	-47	-20	-14	-24	-21	-34	-24	-31	-105	-110
Reported PAT	3,829	4,805	4,486	3,695	3,989	4,774	4,274	3,975	16,815	17,011
Adj PAT	3,829	4,805	4,486	3,695	3,989	4,774	4,274	3,975	16,815	17,011
YoY Change (%)	45.9	43.5	27.5	31.7	4.2	-0.7	-4.7	7.6	36.8	1.2
Margins (%)	20.0	22.7	23.6	21.2	18.2	19.5	19.2	18.7	21.9	18.9

SRF

Neutral

CMP INR2,395 | TP: INR2,100 (-12%)

EPS CHANGE (%): FY25|26: -5|-2

- Expect the Chemicals/Packaging/Technical Textiles segments to decline 13%/grow 10%/grow 9% YoY
- Commissioning and ramp-up of Specialty Chemicals and Fluorochemicals plants will be in focus.
- Demand scenario and realizations for key chemicals will be the key monitorable.
- Update on the demand-supply scenario of Technical Textile and Packaging businesses will be keenly watched.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	33,384	31,774	30,530	35,697	32,860	35,423	37,494	44,350	1,31,385	1,50,127
YoY Change (%)	-14.3	-14.8	-12.0	-5.5	-1.6	11.5	22.8	24.2	-11.6	14.3
Total Expenditure	26,184	25,320	24,691	28,581	26,389	28,234	29,596	34,724	1,04,777	1,18,943
EBITDA	7,200	6,453	5,839	7,116	6,471	7,189	7,898	9,627	26,608	31,184
Margins (%)	21.6	20.3	19.1	19.9	19.7	20.3	21.1	21.7	20.3	20.8
Depreciation	1,566	1,612	1,689	1,859	1,900	1,950	1,950	2,180	6,726	7,980
Interest	656	793	674	900	700	750	760	832	3,023	3,042
Other Income	118	291	188	234	200	280	220	296	830	996
PBT before EO expense	5,095	4,339	3,664	4,591	4,071	4,769	5,408	6,911	17,689	21,158
Extra-Ord expense & DO	237	191	181	158	0	0	0	0	767	0
PBT	4,858	4,148	3,483	4,433	4,071	4,769	5,408	6,911	16,922	21,158
Tax	1,265	1,140	949	211	997	1,168	1,325	1,694	3,565	5,184
Rate (%)	24.8	26.3	25.9	4.6	24.5	24.5	24.5	24.5	20.2	24.5
Reported PAT	3,593	3,008	2,534	4,222	3,074	3,600	4,083	5,217	13,357	15,974
Adj PAT	3,830	3,199	2,715	4,380	3,074	3,600	4,083	5,217	14,124	15,974
YoY Change (%)	-39.5	-38.1	-48.4	-25.8	-19.8	12.5	50.4	19.1	-37.7	13.1
Margins (%)	11.5	10.1	8.9	12.3	9.4	10.2	10.9	11.8	10.8	10.6

Tata Chemicals**Neutral****CMP INR1,095 | TP: INR1,000 (-9%)****EPS CHANGE (%): FY25|26: -4|2**

- Revenue is likely to decline 6% YoY due to ~23%/17%/11% decline in North America/Kenya/Europe.
- The current demand scenario in Soda Ash in TTCH's key markets is a focus area.
- EBITDA margin is likely to contract to ~16.5%, due to lower gross profit and higher employee costs.
- Pricing outlook on Soda Ash will be the key monitorables.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	42,180	39,980	37,300	34,750	39,462	41,160	39,695	39,696	1,54,210	1,60,012
YoY Change (%)	5.6	-5.7	-10.1	-21.1	-6.4	3.0	6.4	14.2	-8.1	3.8
Total Expenditure	31,750	31,790	31,880	30,320	32,956	34,181	33,035	32,534	1,25,740	1,32,707
EBITDA	10,430	8,190	5,420	4,430	6,505	6,979	6,660	7,162	28,470	27,305
Margins (%)	24.7	20.5	14.5	12.7	16.5	17.0	16.8	18.0	18.5	17.1
Depreciation	2,290	2,340	2,460	2,710	2,720	2,730	2,730	2,735	9,800	10,915
Interest	1,230	1,450	1,320	1,300	1,200	1,150	1,100	911	5,300	4,361
Other Income	490	850	380	1,140	539	935	418	348	2,860	2,240
PBT before EO expense	7,400	5,250	2,020	1,560	3,124	4,034	3,248	3,864	16,230	14,270
Extra-Ord expense	-90	-1,020	0	9,630	0	0	0	0	8,520	0
PBT	7,490	6,270	2,020	-8,070	3,124	4,034	3,248	3,864	7,710	14,270
Tax	1,710	1,200	680	220	765	988	796	947	3,810	3,496
Rate (%)	22.8	19.1	33.7	-2.7	24.5	24.5	24.5	24.5	49.4	24.5
MI & Profit/Loss of Asso. Cos.	550	790	-240	-20	564	554	549	570	1,080	2,237
Reported PAT	5,230	4,280	1,580	-8,270	1,795	2,492	1,903	2,347	2,820	8,537
Adj PAT	5,163	3,515	1,580	-1,048	1,795	2,492	1,903	2,347	9,210	8,537
YoY Change (%)	-12.8	-44.4	-60.1	-114.7	-65.2	-29.1	20.4	-324.1	-60.5	-7.3
Margins (%)	12.2	8.8	4.2	-3.0	4.5	6.1	4.8	5.9	6.0	5.3

Vinati Organics**Buy****CMP: INR1,942 | TP: INR2,340 (+20%)****EPS CHANGE (%): FY25|26: +1|0**

- Expect revenue to increase 30% YoY to INR5.6b due to better than expected performance in ATBS, IBB and AOs
- Key driver: ramp-up of Antioxidants (AOs) plant to aid sales growth in FY25E
- EBITDA margin expected to be at 26.8% with gross margin at 46.9% in 1QFY25
- Watch out for capex updates (mainly on Veeral Organics) and other new product announcements.

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	4,310	4,629	4,480	5,503	5,605	6,141	6,613	6,834	19,000	25,193
YoY Change (%)	-14.9	-18.3	-13.3	6.0	30.0	32.7	47.6	24.2	-8.3	32.6
Gross Margin (%)	47.6%	45.8%	47.2%	46.6%	46.9%	47.5%	50.0%	45.6%	46.8%	47.5%
EBITDA	1,090	1,048	1,147	1,502	1,502	1,620	1,680	1,515	4,701	6,317
Margin (%)	25.3	22.6	25.6	27.3	26.8	26.4	25.4	22.2	24.7	25.1
Depreciation	132	173	193	194	212	215	219	223	728	869
Interest	3	9	10	9	10	9	10	11	36	40
Other Income	153	106	88	96	139	126	123	117	388	504
PBT before EO expense	1,109	972	1,032	1,396	1,419	1,522	1,573	1,398	4,325	5,912
PBT	1,109	972	1,032	1,396	1,419	1,522	1,573	1,398	4,325	5,912
Tax	276	247	262	351	357	383	396	352	1,091	1,488
Rate (%)	24.9	25.4	25.4	25.1	25.2	25.2	25.2	25.1	25.2	25.2
Reported PAT	832	725	770	1,045	1,061	1,139	1,177	1,046	3,234	4,424
Adj PAT	832	725	770	1,045	1,061	1,139	1,177	1,046	3,234	4,424
YoY Change (%)	-17.7	-37.5	-28.0	-0.2	27.5	57.1	52.9	0.1	-22.8	36.8
Margin (%)	19.3	15.7	17.2	19.0	18.9	18.5	17.8	15.3	17.0	17.6

Consumer

Asian Paints
Britannia Industries
Colgate-Palmolive India
Dabur India
Emami
Godrej Consumer Products
Hindustan Unilever
Indigo Paints
ITC
Jyothy Laboratories
Marico
Nestle India
Page Industries
Pidilite Industries
P&G Hygiene and Healthcare
Tata Consumer Products
United Breweries
United Spirits
Varun Beverages

Steady demand; gradual volume improvement

MOFSL coverage universe to clock 7.8%/9.2% YoY growth in revenue/EBITDA

Demand trends were steady in 1QFY25, with the summer portfolio likely to outperform. Rural markets have seen a gradual recovery (rural growth was better than urban) during the quarter. Most company managements remain positive about volume recovery in FY25. All eyes are on the govt's initiatives to boost rural income in the upcoming budget. Companies have been focusing on driving their core portfolios through various initiatives, like distribution expansion, product relaunches, step-up in marketing budgets, etc.

We expect marginal improvements in volume growth QoQ in 1QFY25. Considering steady macro, price cuts and consumer offers by companies, we expect that our FMCG universe is likely to post mid to high single-digit volume growth in FY25. Paints and adhesive companies are expected to report high single-digit to double-digit volume growth. The cigarette segment is seeing a slight improvement in demand and is expected to deliver ~2-3% volume growth. Alcohol beverages were affected by election-related restrictions and there are some supply-side constraints limiting the sales. We expect volume growth of 4% in UNSP and 11% in UBBL. We are seeing select price hikes (HPC categories); hence, we believe that revenue growth could be slightly higher than volume growth for a few companies.

Gross margin is expected to see some improvement, albeit at a slower pace than witnessed over the last 3-4 quarters. Overhead expenses related to distribution and marketing are expected to remain elevated. Still, we expect some improvement in EBITDA margin for most companies in our universe. The 19 companies under our coverage are expected to deliver revenue growth of 7.8%, EBITDA growth of 9.2%, and PAT growth of 9.7% in 1QFY25.

Stable price trends in commodities with gold continuing to rise

Overall commodity cost basket: The overall commodity cost basket has stabilized during the quarter, up 1.7% YoY and 1.5% QoQ. The agricultural basket increased by 3.6% YoY/3.1% QoQ. There was a decrease in prices of mentha and milk powder, whereas prices of palm oil, sugar, wheat, tea, coffee and maize increased. The non-agricultural commodity basket declined 2.0% YoY/1.7% QoQ, offsetting the rise in agri commodity prices.

- In the agricultural basket,** maize prices went up by 17% YoY and currently trade at INR24/kg. Coffee prices continued to rise by 15% YoY (2% QoQ) due to labor shortages and higher demand. Tea prices increased sharply during the quarter after a moderation in 4QFY24 and went up by 31% QoQ/4% YoY due to geopolitical issues, climate change and changing consumer preferences. Wheat prices rose 10% YoY to INR26/kg, aided by government support to farmers. Barley prices remained flat YoY at INR21/kg. Sugar prices increased by 8% YoY to INR39/kg. Mentha oil prices dropped 14% YoY to INR975/kg. Malaysian palm oil prices increased by 5% YoY to MYR4,097/MT. Palm fatty acid prices rose 6% YoY; now trading at USD840/MT.
- In the non-agricultural basket,** crude oil prices went up by 8% YoY and 2% QoQ in 1QFY25. Currently, spot price is ~USD89/bbl. VAM prices declined 2% YoY and 15% QoQ and reached to USD850/MT. Domestic gold prices increased by 20% YoY and 14% QoQ in 1QFY25, and currently trade at INR71,850 per 10gm. Titanium dioxide (TiO2) prices declined by 13% YoY and 1% QoQ; now trading at INR343/kg.

1QFY25 – Expected key outliers and underperformers

- Outliers: Emami, GCPL, Britannia, UBBL
- Underperformers: Asian Paints, HUL

Top picks

- **HUL:** We believe that volume growth has bottomed out and that a gradual volume recovery is expected in FY25. HUL's wide product range and presence across price segments should help the company achieve steady growth during the recovery period. Parts of the BPC and F&R have a turnaround scope; we will see how the new CEO addresses the gaps. The valuation at 47x FY26E EPS is reasonable given its last five-year average P/E of 60x on one-year forward earnings.
- **GCPL:** GCPL is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses. The valuation is expensive, but earnings are expected to outperform peers'.
- **DABUR:** Recovery in rural markets should support its portfolio, as it is heavily skewed toward rural areas. In the domestic business, we expect healthcare, oral care, and food business to grow faster than others. The distribution drive will further contribute to rural growth. EBITDA margin has remained in the range of 19-20% for the past several years. The margin is expected to improve in the coming years due to a better mix of products (such as higher healthcare offerings) and increased pricing in high market-share brands.

Exhibit 1: Summary of 1QFY25 earnings estimates

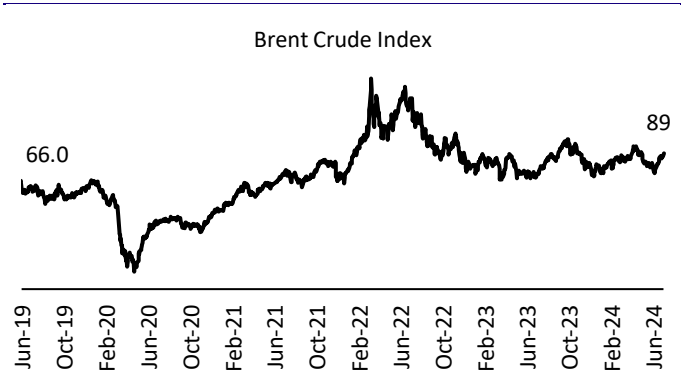
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Asian Paints	2926	Neutral	91,823	0.0	5.2	19,916	-6.1	17.8	14,330	-9.0	12.4
Britannia	5403	Neutral	42,283	5.4	3.9	7,847	13.9	-0.3	5,307	16.5	-1.1
Colgate	2870	Neutral	14,433	9.0	-3.1	4,698	12.4	-11.7	3,336	15.7	-12.2
Dabur	603	Buy	33,653	7.5	19.6	6,596	9.1	41.3	4,942	4.7	38.1
Emami	723	Buy	8,914	8.0	0.0	2,135	12.4	1.2	1,770	25.3	6.1
Godrej Consumer	1370	Buy	36,216	5.0	7.0	7,845	15.1	3.2	5,019	34.5	-12.7
Hind. Unilever	2485	Buy	1,55,530	0.4	2.3	37,113	1.3	5.0	26,432	2.4	5.7
Indigo Paints	1390	Buy	3,259	13.0	-15.3	600	22.2	-29.0	358	15.3	-34.3
ITC	425	Buy	1,83,622	7.0	2.5	70,667	5.9	6.6	54,263	6.3	5.9
Jyothy Labs	477	Neutral	7,524	9.5	14.0	1,317	12.1	21.5	977	12.0	25.0
Marico	603	Buy	26,719	7.9	17.3	6,341	10.5	43.5	4,615	8.1	45.1
Nestle	2545	Neutral	50,600	8.6	-3.9	12,067	13.2	-10.1	7,985	13.8	-12.6
P&G Hygiene	16547	Neutral	9,576	12.8	-4.5	2,652	25.4	3.1	1,894	28.2	2.2
Page Industries	38790	Neutral	13,187	7.0	32.5	2,625	8.5	57.0	1,767	11.6	63.3
Pidilite Inds.	3085	Neutral	35,044	7.0	20.8	8,117	14.8	40.7	5,651	19.1	49.5
Tata Consumer	1106	Buy	44,347	18.5	12.9	6,776	24.3	7.6	3,854	20.3	1.8
United Breweries	2032	Sell	26,187	15.2	22.9	3,087	38.6	117.5	2,025	48.8	150.5
United Spirits	1276	Neutral	23,550	8.4	-11.7	4,117	6.9	13.7	2,620	9.3	-35.7
Varun Beverages	1578	Buy	75,944	35.3	75.9	21,142	39.9	113.8	14,226	43.2	164.7
Consumer			8,82,410	7.8	8.9	2,25,659	9.2	14.5	1,61,373	9.7	12.5

Exhibit 2: Expect most of the companies to post mid to high single-digit volume growth in 1QFY25

Volume growth (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E
Asian Paints	37.0	10.0	0.0	16.0	10.0	6.0	12.0	10.0	12.0
Britannia	-2.0	5.0	3.0	3.0	0.0	0.0	3.0	3.5	5.0
Colgate	-2.5	-2.5	-4.5	0.5	3.0	-1.0	-1.0	1.0	2.5
Dabur	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0	6.0
Emami	9.6	-1.0	-3.9	2.0	3.0	2.0	-1.0	6.4	7.0
Godrej Consumer	-6.0	-5.0	3.0	13.0	10.0	4.0	5.0	9.0	8.0
HUL	6.0	4.0	5.0	4.0	3.0	2.0	2.0	2.0	5.8
ITC	26.0	20.0	15.0	11.5	8.0	5.0	-1.0	2	2.5
Marico	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	3.0	4.3
Nestle	7.0	8.8	-2.3	5.1	5.4	5.4	4.0	4.0	5.0
Page Industries	150.0	1.0	-11.0	-15.0	-11.5	-8.8	4.6	6.1	9.0
UBBL	121.0	23.0	4.0	3.1	-12.4	7.0	8.0	10.9	11.0
United spirits	17.9	8.3	-25.0	-27.3	5.8	1.0	-1.8	3.7	4.2

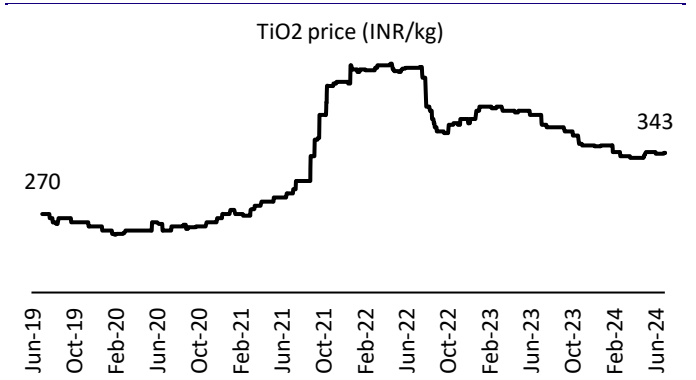
Source: Company, MOFSL

Exhibit 3: Crude prices rose 9% YoY/ 2% QoQ in Jun'24



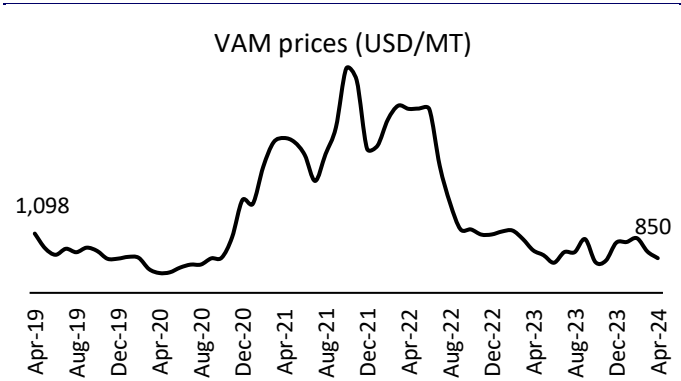
Source: Bloomberg, MOFSL

Exhibit 4: TiO2 prices fell 13% YoY/1% QoQ in Jun'24



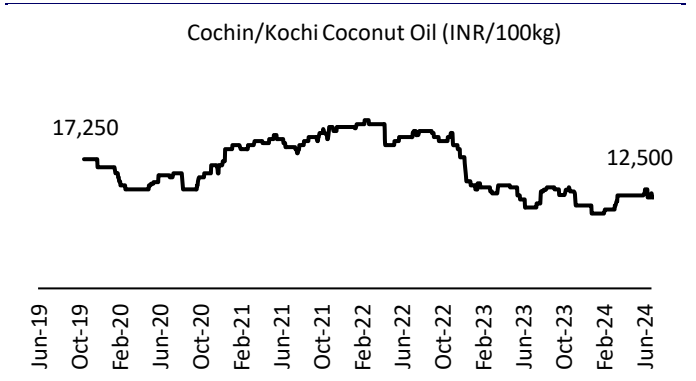
Source: Bloomberg, MOFSL

Exhibit 5: VAM prices down 2% YoY/ 15% QoQ in Apr'24



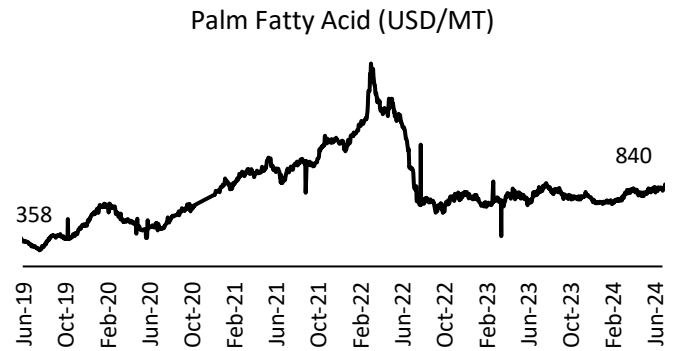
Source: Bloomberg, MOFSL

Exhibit 6: Copra prices flat YoY while rose 14% QoQ in Jun'24



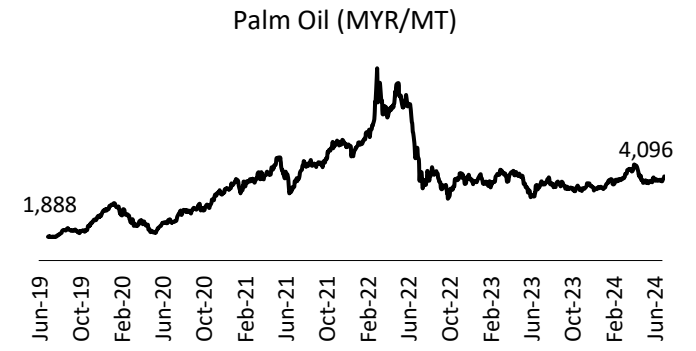
Source: Company, MOFSL

Exhibit 7: PFAD prices rose 6% YoY/ 9% QoQ in Jun'24



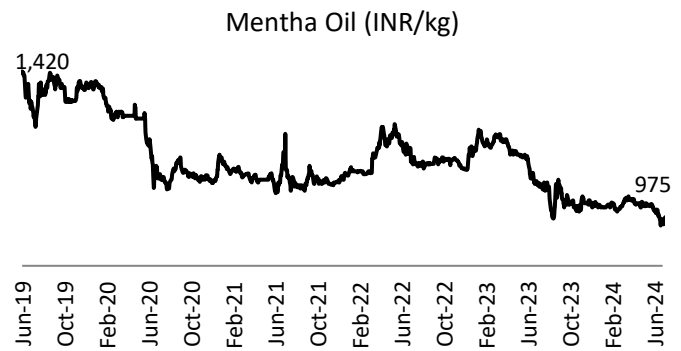
Source: Bloomberg, MOFSL

Exhibit 8: Malaysian palm oil prices rose 5% YoY while flat QoQ in Jun'24



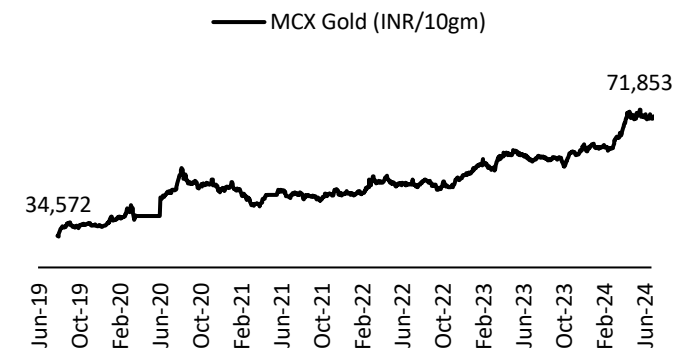
Source: Bloomberg, MOFSL

Exhibit 9: Mentha oil prices fell 14% YoY/1% QoQ in Jun'24



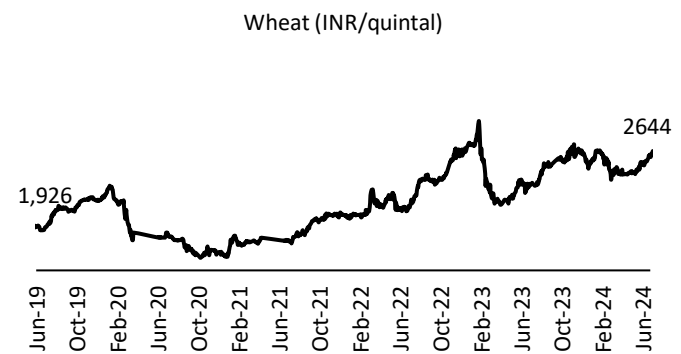
Source: Bloomberg, MOFSL

Exhibit 10: Gold prices rose 20% YoY/ 14% QoQ in Jun'24



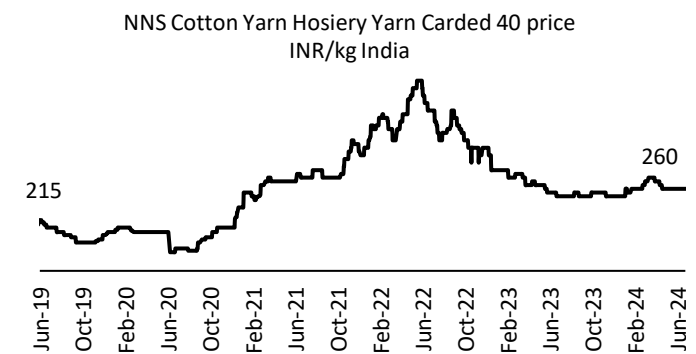
Source: Bloomberg, MOFSL

Exhibit 11: Wheat prices rose 10%YoY while decline 1% QoQ in Jun'24



Source: Bloomberg, MOFSL

Exhibit 12: Yarn prices flat YoY and QoQ in Jun'24

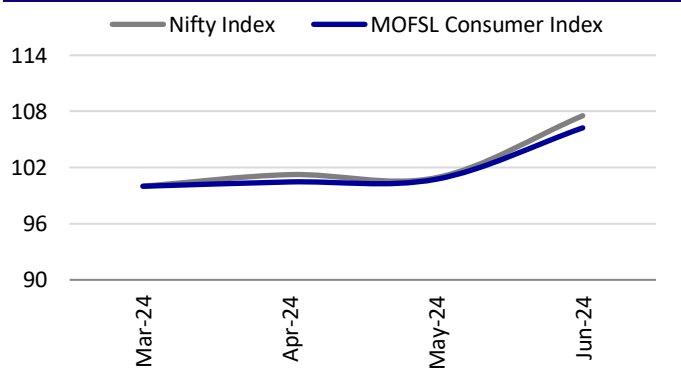


Source: Bloomberg, MOFSL

Exhibit 13: Comparative valuation

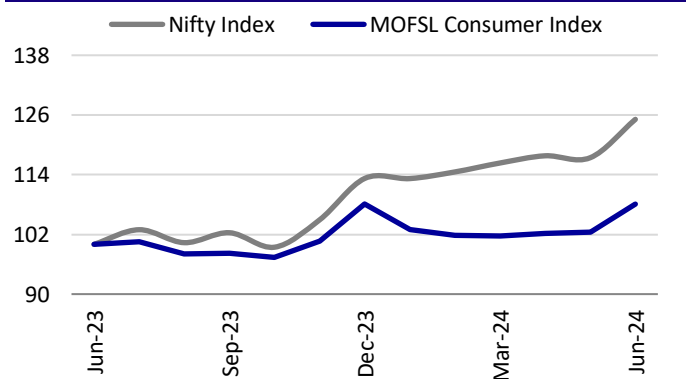
Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Consumer						47.2	45.8	41.1	12.0	11.6	10.7	25.5	25.4	26.0
Asian Paints	2,926	Neutral	57.9	59.0	65.7	49.1	49.6	44.5	14.6	13.8	12.4	32.0	29.0	29.3
Britannia	5,403	Neutral	88.7	102.6	115.0	55.4	52.7	47.0	30.0	28.4	23.8	57.2	58.0	55.2
Colgate	2,870	Neutral	49.2	54.1	58.4	55.1	53.0	49.2	39.3	35.0	29.2	74.5	71.7	64.7
Dabur	603	Buy	10.6	12.1	13.3	49.4	49.9	45.5	9.4	10.0	9.3	19.9	20.8	21.1
Emami	723	Buy	18.0	21.1	23.2	23.8	34.3	31.1	7.7	11.3	9.9	33.2	35.0	33.9
Godrej Consumer	1,370	Buy	19.3	22.5	26.7	64.8	60.9	51.4	10.2	9.9	8.9	15.0	17.2	18.2
Hind. Unilever	2,485	Buy	43.7	47.4	52.4	51.9	52.5	47.4	10.4	11.2	10.9	20.2	21.5	23.3
Indigo Paints	1,390	Buy	31.3	34.8	38.0	40.1	39.9	36.6	6.6	6.4	5.6	17.7	17.1	16.3
ITC	425	Buy	16.4	17.4	18.9	26.2	24.4	22.5	7.2	6.8	6.4	28.5	28.4	29.2
Jyothy Labs	477	Neutral	9.8	10.9	12.2	44.8	43.8	39.0	8.9	9.2	8.3	21.5	21.5	22.3
Marico	603	Buy	11.5	12.7	14.1	43.3	47.3	42.8	16.7	19.5	18.5	38.8	42.0	44.4
Nestle	2,545	Neutral	41.0	36.8	41.1	63.9	69.1	61.9	75.7	61.0	51.2	136.5	96.4	90.0
P&G Hygiene	16,547	Neutral	250.6	284.7	314.7	67.4	58.1	52.6	55.0	45.5	38.8	83.9	85.0	79.7
Page Industries	38,790	Neutral	510.3	597.6	722.8	67.5	64.9	53.7	24.0	23.2	19.8	35.6	35.7	36.8
Pidilite Inds.	3,085	Neutral	35.9	42.5	48.6	84.1	72.5	63.5	18.2	16.4	14.8	23.3	24.1	24.5
Tata Consumer	1,106	Buy	14.6	17.7	20.1	74.8	62.6	55.1	6.5	4.9	4.7	8.6	9.6	9.4
United Breweries	2,032	Sell	15.5	25.7	34.2	111	79	59.4	11.0	11.8	10.7	10.1	15.6	18.9
United Spirits	1,276	Neutral	18.1	18.7	21.1	63	68	60.5	11.8	11.1	9.4	18.9	16.3	15.6
Varun Beverages	1,578	Buy	15.8	21.7	26.6	88.4	72.7	59.4	26.2	21.7	16.3	34.2	34.5	31.4

Exhibit 14: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 15: One-year relative performance (%)



Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Asian Paints										Neutral
CMP: INR2,926 TP: INR3,150 (+8%)					EPS CHANGE (%): FY25 FY26: 0.7 1.7					
■ We expect 12% YoY domestic volume growth in 1QFY25.					■ TiO2 to decline 13% YoY/1% QoQ in 1QFY25.					
■ We expect gross margin to expand marginally 60bp YoY to 43.5%.					■ Key monitorble: competition from new players.					

Quarterly Performance (Consol.)										(INR m)
Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Est. Dom. Deco. Vol. growth (%)	10.0	6.0	12.0	10.0	12.0	8.0	14.0	15.0	9.5	12.3
Net Sales	91,823	84,786	91,031	87,308	91,823	87,329	1,00,134	97,255	3,54,947	3,76,542
Change (%)	6.7	0.2	5.4	-0.6	0.0	3.0	10.0	11.4	2.9	6.1
Gross Profit	39,419	36,771	39,695	38,160	39,943	37,988	43,558	43,566	1,54,045	1,65,055
Gross Margin (%)	42.9	43.4	43.6	43.7	43.5	43.5	43.5	44.8	43.4	43.8
EBITDA	21,213	17,162	20,561	16,914	19,916	16,555	22,511	20,458	75,850	79,441
Margin (%)	23.1	20.2	22.6	19.4	21.7	19.0	22.5	21.0	21.4	21.1
Change (%)	36.3	39.8	27.6	-9.3	-6.1	-3.5	9.5	21.0	21.2	4.7
Interest	458	509	544	541	503	560	571	555	2,052	2,189
Depreciation	1,983	2,087	2,204	2,256	2,280	2,338	2,468	2,612	8,530	9,698
Other Income	1,971	1,652	1,386	1,871	1,774	1,817	1,663	1,763	6,880	7,017
PBT	20,743	16,218	19,199	15,988	18,906	15,475	21,135	19,055	72,148	74,571
Tax	5,301	4,186	4,926	3,488	4,821	3,946	5,389	4,859	17,901	19,016
Effective Tax Rate (%)	25.6	25.8	25.7	21.8	25.5	25.5	25.5	25.5	24.8	25.5
Adjusted PAT	15,749	12,324	14,752	12,753	14,330	11,820	15,985	14,480	55,577	56,615
Change (%)	48.5	53.3	34.5	-0.6	-9.0	-4.1	8.4	13.5	30.9	1.9

E: MOFSL Estimates

Britannia Industries										Neutral
CMP: INR5,403 TP: INR 5,400 (0%)					EPS CHANGE (%): FY25 FY26: -0.3 -0.5					
■ We expect ~5% volume growth (pack growth) in 1QFY25.					■ EBITDA margin expected to expand by 140bp YoY to 18.6% in 1QFY25.					
■ We expect gross margin to expand 160bp YoY to 43.5%.					■ Look out for pack growth, likely to implement grammage addition to remain competitive.					

Consol. Quarterly Performance										(INR m)
Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Base business volume growth (%)	0.0	0.0	3.0	3.5	5.0	7.0	7.0	9.0	1.6	7.0
Total Revenue	40,107	44,329	42,563	40,694	42,283	48,700	46,735	45,738	1,67,693	1,83,457
YoY change (%)	8.4	1.2	1.4	1.1	5.4	9.9	9.8	12.4	2.9	9.4
Gross Profit	16,820	19,011	18,673	18,269	18,393	20,941	20,657	20,730	72,772	80,721
Margins (%)	41.9	42.9	43.9	44.9	43.5	43.0	44.2	45.3	43.4	44.0
EBITDA	6,889	8,724	8,211	7,874	7,847	9,639	9,045	8,968	31,698	35,499
Margins (%)	17.2	19.7	19.3	19.4	18.6	19.8	19.4	19.6	18.9	19.4
YoY growth (%)	37.6	22.6	0.4	-1.7	8.1	0.6	0.3	1.3	12.0	12.0
Depreciation	708	717	781	799	800	825	825	864	3,005	3,314
Interest	531	534	311	264	350	400	375	368	1,640	1,493
Other Income	539	524	506	573	575	575	575	602	2,142	2,327
PBT	6,190	7,997	7,625	7,384	7,272	8,989	8,420	8,337	29,196	33,018
Tax	1,665	2,121	2,026	1,980	1,927	2,247	2,105	2,031	7,793	8,311
Rate (%)	26.9	26.5	26.6	26.8	26.5	25.0	25.0	24.4	26.7	25.2
Adjusted PAT	4,555	5,865	5,586	5,366	5,307	6,704	6,277	6,267	21,371	24,555
YoY change (%)	35.7	19.5	0.3	-3.8	16.5	14.3	12.4	16.8	10.1	14.9

E: MOFSL Estimates

Colgate**Neutral****CMP: INR2,870 | TP: INR2,700 (-6%)****EPS CHANGE (%): FY25 | FY26: 3.6 | 3.6**

- We expect 9% revenue growth, led by the price hike taken by the company.
- Expecting ~2-3% volume growth in 1QFY25.
- Key monitorables: Volume growth, RM costs, A&P spending, and performance of new launch category.
- Expect gross margin expansion of 60bp YoY to 69%.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Volume Gr %	3.0	-1.0	-1.0	1.0	2.5	3.5	4.5	5.0	0.5	3.9
Net Sales (inclgd. OOI)	13,237	14,711	13,957	14,900	14,433	16,036	15,214	16,066	56,804	61,755
YoY change (%)	10.6	6.0	8.1	10.3	9.0	9.0	9.0	7.8	8.7	8.7
Gross Profit	9,058	10,117	10,073	10,327	9,959	11,065	10,802	11,090	39,574	42,922
Gross margin (%)	68.4	68.8	72.2	69.3	69.0	69.0	71.0	69.0	69.7	69.5
EBITDA	4,181	4,821	4,684	5,322	4,698	5,305	4,963	5,752	19,008	20,718
Margins (%)	31.6	32.8	33.6	35.7	32.6	33.1	32.6	35.8	33.5	33.5
YoY growth (%)	28.4	18.2	29.6	17.8	12.4	10.0	6.0	8.1	22.9	9.0
Depreciation	438	443	414	421	445	445	445	475	1,715	1,810
Interest	11	11	15	14	14	14	14	13	50	55
Financial other Income	150	210	179	227	215	215	215	177	765	822
PBT	3,883	4,578	4,434	5,114	4,454	5,061	4,719	5,442	18,008	19,676
Tax	951	1,178	1,133	1,315	1,118	1,270	1,184	1,380	4,577	4,952
Rate (%)	24.5	25.7	25.6	25.7	25.1	25.1	25.1	25.4	25.4	25.2
Adj PAT	2,883	3,401	3,301	3,798	3,336	3,791	3,534	4,062	13,383	14,723
YoY change (%)	33.1	22.3	35.7	19.6	15.7	11.5	7.1	6.9	26.8	10.0

E: MOFSL Estimates

Dabur**Buy****CMP: INR603 | TP: INR700 (+16%)****EPS CHANGE (%): FY25 | FY26: -0.7 | -0.9**

- We expect 7.5% revenue growth mainly driven by 6% domestic volume growth.
- Recovery in rural market, with rural growth outpacing the urban markets.
- We expect gross margin to improve 100bp YoY to 47.6% in 1QFY25.
- EBITDA is expected to grow marginally ahead of revenue.

Quarterly Performance (Consolidated)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Domestic FMCG vol. growth (%)	3.0	3.0	4.0	3.0	6.0	6.0	7.0	7.0	3.3	6.5
Net sales	31,305	32,038	32,551	28,146	33,653	35,029	35,724	31,197	1,24,040	1,35,603
YoY change (%)	10.9	7.3	6.7	5.1	7.5	9.3	9.7	10.8	7.5	9.3
Gross profit	14,588	15,482	15,823	13,679	16,019	16,989	17,433	15,326	59,571	65,768
Margin (%)	46.6	48.3	48.6	48.6	47.6	48.5	48.8	49.1	48.0	48.5
EBITDA	6,047	6,609	6,678	4,668	6,596	7,426	7,645	5,867	24,002	27,534
Margins (%)	19.3	20.6	20.5	16.6	19.6	21.2	21.4	18.8	19.4	20.3
YoY growth (%)	11.2	10.0	8.1	13.9	9.1	12.4	14.5	25.7	10.5	14.7
Depreciation	966	983	969	1,074	1,001	1,018	1,003	1,321	3,992	4,343
Interest	243	281	365	352	300	300	200	150	1,242	950
Other income	1,098	1,164	1,274	1,289	1,208	1,281	1,401	1,973	4,824	5,863
PBT	5,936	6,508	6,618	4,531	6,503	7,389	7,843	6,369	23,593	28,104
Tax	1,368	1,443	1,550	1,114	1,561	1,773	1,882	1,501	5,474	6,717
Rate (%)	23.0	22.2	23.4	24.6	24.0	24.0	24.0	23.6	23.2	23.9
Adjusted PAT	4,721	5,233	5,225	3,578	4,942	5,615	5,960	4,900	18,757	21,418
YoY change (%)	7.2	6.7	7.8	10.8	4.7	7.3	14.1	37.0	9.3	14.2
Reported PAT	4,639	5,151	5,142	3,495	4,859	5,533	5,878	4,818	18,427	21,089

E: MOFSL Estimates

Emami**Buy****CMP: INR723 | TP: INR850 (+18%)****EPS CHANGE (%): FY25|FY26: 0.0|0.0**

- We expect 8% YoY revenue growth led by 7% volume growth in 1QFY25.
- Summer portfolio (Navratna and Dermicool range) has benefitted from a severe summer season
- We expect gross margin to improve 110bp YoY and EBITDA margin by 90bp YoY in 1QFY25.
- D2C brands like The Man Company and Brillare are performing well.

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

Y/E MARCH	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	-1.0	6.4	7.0	7.0	8.0	8.0	2.6	7.5
Net Sales	8,257	8,649	9,963	8,912	8,914	9,348	10,978	9,851	35,781	39,091
YoY change (%)	6.8	6.3	1.4	6.6	8.0	8.1	10.2	10.5	5.1	9.3
Gross Profit	5,401	6,061	6,851	5,863	5,928	6,590	7,630	6,629	24,176	26,777
Gross margin (%)	65.4	70.1	68.8	65.8	66.5	70.5	69.5	67.3	67.6	68.5
EBITDA	1,900	2,337	3,149	2,110	2,135	2,630	3,606	2,391	9,495	10,762
Margins (%)	23.0	27.0	31.6	23.7	23.9	28.1	32.8	24.3	26.5	27.5
YoY change	9.6	19.6	7.0	5.6	12.4	12.6	14.5	13.3	10.1	13.3
Depreciation	460	461	458	480	483	483	483	490	1,859	1,939
Interest	21	23	27	29	25	25	25	25	100	100
Other Income	83	111	167	107	135	145	175	148	468	603
PBT	1,502	1,964	2,831	1,708	1,762	2,267	3,273	2,024	8,005	9,326
Tax	129	158	155	225	194	204	295	240	667	933
Rate (%)	8.6	8.1	5.5	13.2	11.0	9.0	9.0	11.9	8.3	10.0
Adj. PAT	1,413	1,967	2,828	1,669	1,770	2,269	3,180	1,974	7,876	9,195
YoY change (%)	36.9	12.5	11.0	13.0	25.3	15.3	12.5	18.3	15.7	16.7
Reported PAT	1,368	1,800	2,607	1,468	1,563	2,057	2,968	1,768	7,241	8,356
YoY change (%)	88.1	-0.1	11.9	3.6	14.3	14.3	13.9	20.5	15.4	15.4

E: MOFSL Estimates

Godrej Consumer**Buy****CMP: INR1,370 | TP: INR1,600 (+17%)****EPS CHANGE (%): FY25|FY26: -0.6|-2.6**

- We expect 5% consolidated sales growth YoY in 1QFY25. There is also the effect of East Africa business sale.
- We expect ~8% domestic organic volume growth in 1QFY25.
- EBITDA margin expected to increase by 190bp YoY benefitting from operating leverage.
- Commentaries on restructuring of the international businesses are key monitorables

Quarterly Performance (Consolidated)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales (including OOI)	34,489	36,020	36,596	33,856	36,216	37,498	40,406	37,835	1,40,961	1,51,955
YoY change (%)	10.4	6.2	1.7	5.8	5.0	4.1	10.4	11.8	5.9	7.8
Gross Profit	18,534	19,771	20,454	18,999	19,773	20,707	22,820	20,456	77,758	83,757
Margin (%)	53.7	54.9	55.9	56.1	54.6	55.2	56.5	54.1	55.2	55.1
EBITDA	6,818	7,234	9,048	7,604	7,845	8,218	9,905	8,462	30,704	34,431
Margins (%)	19.8	20.1	24.7	22.5	21.7	21.9	24.5	22.4	21.8	22.7
YoY growth (%)	28.0	26.0	17.9	14.4	15.1	13.6	9.5	11.3	20.9	12.1
Depreciation	763	609	539	499	675	675	675	713	2,410	2,738
Interest	740	773	666	785	700	700	700	500	2,964	2,600
Other Income	691	659	701	638	700	710	725	719	2,690	2,854
PBT	5,617	6,319	7,904	6,912	7,170	7,553	9,255	7,969	26,751	31,947
Tax	1,611	1,866	2,024	2,087	2,151	2,266	2,777	1,752	7,588	8,945
Rate (%)	28.7	29.5	25.6	30.2	30.0	30.0	30.0	22.0	28.4	28.0
Adj PAT	3,732	4,415	5,862	5,749	5,019	5,287	6,479	6,217	19,758	23,002
YoY change (%)	7.7	17.2	6.0	22.6	34.5	19.8	10.5	8.1	13.2	16.4
Reported PAT	3,188	4,328	5,811	-18,932	5,019	5,287	6,479	6,217	-5,605	23,002

E: MOFSL Estimate

Hindustan Unilever**Buy****CMP: INR2,485 | TP: INR2,950 (+19%)****EPS CHANGE (%): FY25 | FY26: -1.0 | -0.6**

- Demand trends stable QoQ. We expect 3% YoY domestic volume growth in 1QFY25.
- Revenue growth likely to be flat YoY in 1QFY25. Price cut taken in the personal care portfolio.
- We expect gross margin to expand 160bp YoY due to lower RM costs.
- Expect EBITDA growth marginally due to increase in royalty rates and the termination of the distribution agreement for OTC and oral care products of GSK.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	2.0	2.0	3.0	4.0	5.0	5.5	2.3	4.4
Net sales	155.0	156.2	155.7	152.1	155.5	164.1	167.5	165.2	619.0	652.3
YoY change (%)	6.0	3.2	-0.2	0.0	0.4	5.0	7.6	8.6	2.2	5.4
COGS	76.8	73.5	74.8	72.6	74.7	78.7	80.4	79.3	298	313
Gross Profit	78.2	82.8	80.9	79.5	80.9	85.3	87.1	85.9	321.4	339.2
Margin %	50.4	53.0	52.0	52.3	52.0	52.0	52.0	52.0	51.9	52.0
EBITDA	36.7	38.0	36.7	35.4	37.1	39.4	40.2	39.1	146.6	155.8
YoY change (%)	7.7	9.1	-0.8	-1.1	1.3	3.8	9.6	10.7	3.6	6.3
Margins (%)	23.7	24.3	23.5	23.2	23.9	24.0	24.0	23.7	23.7	23.9
Depreciation	2.9	3.0	3.1	3.2	3.2	3.2	3.1	3.4	12.2	12.8
Interest	0.5	0.9	0.9	1.1	0.9	0.9	0.9	0.9	3.3	3.5
Other income	1.8	1.8	2.1	2.3	2.3	2.3	2.4	2.4	8.1	9.3
PBT	35.1	36.0	34.8	33.4	35.4	37.7	38.6	37.3	139.2	148.9
Tax	9.2	9.3	9.4	8.6	8.9	9.5	9.7	9.4	36.4	37.5
Rate (%)	26.1	25.9	27.0	25.7	25.2	25.2	25.2	25.2	26.2	25.2
PAT bei	25.8	26.6	25.3	25.0	26.4	28.1	28.8	27.9	102.7	111.3
YoY change (%)	8.0	-1.1	-2.0	-1.6	2.4	5.8	13.9	11.5	0.7	8.3
Reported Profit	25.5	26.6	25.1	25.6	26.4	28.1	28.8	27.9	102.8	111.3

E: MOFSL Estimates

Indigo Paints**Buy****CMP: INR1,390 | TP: INR1,650 (+19%)****EPS CHANGE (%): FY25 | FY26: 2.0 | -3.5**

- We expect ~13% YoY sales growth in 1QFY25.
- We estimate gross margin and EBITDA margin expanded by 100bp and 140bp YoY in 1QFY25.
- Watch out for commentaries on demand trends of the waterproofing business and expansion to larger cities.
- Expect strong competition and pressure on profits in the near future, as new competitors enter the market.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	2,884	2,790	3,538	3,849	3,259	3,181	4,210	4,240	13,061	14,889
Change (%)	28.8	15.0	25.8	18.3	13.0	14.0	19.0	10.2	21.7	14.0
Raw Material/PM	1,519	1,519	1,833	1,968	1,685	1,749	2,189	2,149	6,839	7,772
Gross Profit	1,365	1,271	1,705	1,881	1,574	1,431	2,021	2,091	6,222	7,117
Gross Margin (%)	47.3	45.6	48.2	48.9	48.3	45.0	48.0	49.3	47.6	47.8
EBITDA	491	421	622	846	600	484	727	950	2,381	2,761
Margin (%)	17.0	15.1	17.6	22.0	18.4	15.2	17.3	22.4	18.2	18.5
Change (%)	39.2	24.8	53.5	17.9	22.2	14.8	16.8	12.3	31.2	16.0
Interest	5	6	6	5	5	6	6	6	21	23
Depreciation	101	113	146	156	160	170	180	180	516	690
Other Income	38	32	31	42	42	40	40	42	142	163
PBT	423	335	501	727	477	348	580	805	1,986	2,210
Tax	108	81	125	183	119	86	145	203	497	553
Effective Tax Rate (%)	25.6	24.3	25.0	25.1	25.0	24.8	25.0	25.2	25.0	25.0
Adjusted PAT	310	253	376	544	358	261	435	602	1,489	1,657
Change (%)	55.9	22.1	43.0	11.8	15.3	3.1	15.9	10.7	28.8	11.3

E: MOFSL Estimates

ITC**Buy****CMP: INR427 | TP: INR500 (+18%)****EPS CHANGE (%): FY25|FY26: -|-**

- We expect ~3% YoY volume growth in Cigarettes business in 1QFY25.
- Rural recovery not much visible in 1QFY25 but expectation of government initiatives to drive consumption.
- We expect marginal improvement in gross margin of 70bp YoY in 1QFY25.
- Outlook on the agri and paper & packaging businesses a key monitorable.

Consol. Quarterly Performance**(INR b)**

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Est. cigarette vol. gr. (%)	8.0	5.0	-1.0	2.0	2.5	3.0	3.5	3.0	3.0	3.0
Net Sales	171.6	177.7	180.2	179.2	183.6	189.3	194.5	193.8	708.8	761.3
YoY change (%)	-7.2	3.9	1.8	1.6	7.0	6.5	8.0	8.1	-0.1	7.4
Gross Profit	106.1	107.1	109.8	113.4	114.8	117.4	120.6	120.0	436.3	472.8
Margin (%)	61.8	60.2	60.9	63.2	62.5	62.0	62.0	61.9	61.6	62.1
EBITDA	66.7	64.5	65.0	66.3	70.7	70.2	72.4	71.5	262.5	284.9
Growth (%)	9.8	3.1	-3.0	0.0	5.9	8.8	11.3	8.0	2.3	8.5
Margins (%)	38.9	36.3	36.1	37.0	38.5	37.1	37.2	36.9	37.0	37.4
Depreciation	4.4	4.5	4.6	4.6	4.7	4.8	4.9	4.9	18.2	19.2
Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	0.5
Other Income	7.2	6.6	6.6	6.8	7.7	7.2	7.2	7.4	27.3	29.5
PBT	69.4	66.6	66.9	68.4	73.5	72.6	74.6	73.9	271.2	294.6
Tax	17.6	17.0	12.8	16.5	18.5	18.9	17.8	19.0	63.9	74.2
Rate (%)	25.4	25.5	19.2	24.1	25.2	26.0	23.8	25.7	23.6	25.2
Adj PAT	51.0	49.0	53.4	51.2	54.3	52.9	56.1	54.1	204.6	217.4
YoY change (%)	16.3	6.0	6.7	0.0	6.3	8.1	5.1	5.6	6.9	6.2

E: MOFSL estimate;

Jyothy Labs.**Neutral****CMP: INR477 | TP: INR500 (+5%)****EPS CHANGE (%): FY25|FY26: 0.0|0.4**

- We expect consolidated net sales to grow 9.5% YoY in 1QFY25.
- We expect gross margin expansion of ~60bp YoY to 48.5%.
- EBITDA margin to expand 40bp YoY to 17.5% in 1QFY25.
- Watch out for expansion in personal care category and performance of Health and Wellness (HI) segment.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	6,871	7,323	6,775	6,600	7,524	8,056	7,453	7,287	27,569	30,319
YoY change (%)	15.1	11.1	10.6	7.0	9.5	10.0	10.0	10.4	10.9	10.0
Gross Profit	3,289	3,604	3,371	3,267	3,649	3,947	3,614	3,645	13,531	14,856
Margins (%)	47.9	49.2	49.8	49.5	48.5	49.0	48.5	50.0	49.1	49.0
EBITDA	1,174	1,354	1,186	1,084	1,317	1,536	1,282	1,189	4,798	5,323
EBITDA growth %	96.2	68.3	40.6	18.7	12.1	13.4	8.1	9.7	51.9	10.9
Margins (%)	17.1	18.5	17.5	16.4	17.5	19.1	17.2	16.3	17.4	17.6
Depreciation	120	123	128	129	132	130	136	137	500	535
Interest	11	12	12	13	12	13	13	15	47	52
Other Income	79	132	106	130	95	135	122	127	447	479
PBT	1,123	1,351	1,152	1,072	1,269	1,527	1,255	1,164	4,698	5,215
Tax	250	311	243	291	292	357	282	284	1,095	1,216
Rate (%)	22.3	23.0	21.1	27.1	23.0	23.4	22.5	24.4	23.3	23.3
Adjusted PAT	873	1,040	909	781	977	1,170	972	880	3,603	3,999
YoY change (%)	124.1	78.2	34.9	31.9	12.0	12.5	7.0	12.6	54.8	11.0

E: MOFSL Estimates

Marico**Buy****CMP: INR603 | TP: INR700 (+16%)****EPS CHANGE (%): FY25|FY26: 2.1|1.4**

- We expect 4% YoY domestic volumes growth in 1QFY25.
- We expect 8% revenue growth in 1QFY25 on a softer base (price correction in 1QFY24).
- We expect a 100bp YoY expansion in gross margin and 600bp YoY in EBITDA.
- Improvement in rural market will drive the domestic performance.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Domestic volume growth (%)	3.0	3.0	2.0	3.0	4.3	7.7	8.0	9.4	2.8	7.4
Net Sales	24,770	24,760	24,220	22,780	26,719	27,471	27,039	25,204	96,530	1,06,433
YoY Change (%)	-3.2	-0.8	-1.9	1.7	7.9	10.9	11.6	10.6	-1.1	10.3
Gross Profit	12,380	12,500	12,420	11,750	13,626	13,941	13,722	12,991	49,050	54,281
Gross margin (%)	50.0	50.5	51.3	51.6	51.0	50.8	50.8	51.5	50.8	51.0
EBITDA	5,740	4,970	5,130	4,420	6,341	5,658	5,800	5,006	20,260	22,804
Margins (%)	23.2	20.1	21.2	19.4	23.7	20.6	21.5	19.9	21.0	21.4
YoY Change (%)	8.7	14.8	12.5	12.5	10.5	13.9	13.1	13.2	11.9	12.6
Depreciation	360	390	420	410	425	450	450	491	1,580	1,816
Interest	170	200	190	170	165	165	120	200	730	650
Other Income	460	380	430	150	400	375	375	400	1,420	1,550
PBT	5,670	4,760	4,950	3,990	6,151	5,418	5,605	4,714	19,370	21,888
Tax	1,310	1,160	1,090	790	1,445	1,300	1,356	1,151	4,350	5,253
Rate (%)	23.1	24.4	22.0	19.8	23.5	24.0	24.2	24.4	22.5	24.0
Adjusted PAT	4,270	3,530	3,830	3,180	4,615	4,048	4,218	3,564	14,810	16,446
YoY Change (%)	15.1	17.3	16.8	5.3	8.1	14.7	10.1	12.1	13.7	11.0

E: MOFSL Estimates

Nestlé India**Neutral****CMP: INR2,545 | TP: INR2,500 (-2%)****EPS CHANGE (%): FY25|FY26: 2.8|0.6**

- We expect sales growth of 8.6% YoY; growth momentum will continue.
- Expect gross margin expansion of 70bp YoY and EBITDA margin expansion of 90bp.
- We expect a higher contribution from out-of-home consumption
- Watch out for commentaries on demand and material costs

Quarterly performance**(INR m)**

Y/E March	FY24					FY25E				FY24E*	FY25E
	1Q	2Q	3Q	4Q	5Q	1QE	2QE	3QE	4QE		
Net Sales	48,305	46,585	50,368	46,004	52,676	50,600	54,695	49,950	56,484	2,43,939	2,11,729
YoY Change (%)	21.0	15.1	9.5	8.1	9.0	8.6	8.6	8.6	7.2	15.5	12.1
COGS	22,315	21,050	21,916	19,046	22,759	22,517	23,792	21,229	24,564	1,07,086	92,102
Gross Profit	25,990	25,535	28,452	26,959	29,917	28,083	30,903	28,721	31,920	1,36,853	1,19,627
Margin (%)	53.8	54.8	56.5	58.6	56.8	55.5	56.5	57.5	56.5	56.1	56.5
EBITDA	11,242	10,663	12,468	11,289	13,426	12,067	14,007	12,600	14,047	59,088	52,721
Margins (%)	23.3	22.9	24.8	24.5	25.5	23.8	25.6	25.2	24.9	24.2	24.9
YoY Growth (%)	19.8	24.5	21.6	13.5	19.4	13.2	12.3	11.6	4.6	23.9	-10.8
Depreciation	1,017	1,074	1,112	1,087	1,089	1,150	1,200	1,250	1,250	5,378	4,850
Interest	370	328	314	230	262	275	275	275	266	1,455	1,091
Other income	337	240	333	303	268	270	270	270	296	1,480	1,106
PBT	10,192	9,501	11,375	10,275	12,343	10,912	12,802	11,345	12,826	53,735	47,886
Tax	2,538	2,410	3,139	2,309	3,164	2,745	3,249	2,876	2,953	13,560	11,823
Rate (%)	24.9	25.4	27.6	22.5	25.6	25.2	25.4	25.4	23.0	25.2	24.7
Adjusted PAT	7,511	7,017	8,055	7,808	9,138	7,985	9,450	8,367	9,697	39,577	35,499
YoY Change (%)	25.8	30.0	20.7	23.5	21.7	13.8	17.3	7.2	6.1	30.0	-10.3

E: MOFSL Estimates y *Note: FY24 is 15-month period as the company changed its accounting year-end from December to March

Page Industries

Neutral

CMP: INR38,790 | TP: INR37,500 (-3%)

EPS CHANGE (%): FY25 | FY26: -1.2 | -1.2

- We expect ~7% YoY increase in revenue on the back of seasonality and base effect.
- Watch out for athleisure demand momentum.
- We expect gross margin expansion of 190bp YoY to 55.4% in 1QFY25.
- Watch out for commentaries on recovery in rural demand and in kids and women athleisure.

Quarterly Statement

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	12,324	11,251	12,288	9,954	13,187	12,354	13,861	11,273	45,817	50,674
YoY change (%)	-8.1	-8.4	2.4	3.2	7.0	9.8	12.8	13.3	-2.8	10.6
Gross Profit	6,596	6,262	6,522	5,590	7,305	7,042	7,485	6,292	24,971	28,124
Gross margin (%)	53.5	55.7	53.1	56.2	55.4	57.0	54.0	55.8	54.5	55.5
EBITDA	2,419	2,335	2,297	1,672	2,625	2,619	2,788	1,990	8,723	10,021
Margins (%)	19.6	20.8	18.7	16.8	19.9	21.2	20.1	17.7	19.0	19.8
YoY change	-18.8	-1.8	19.1	24.5	8.5	12.1	21.4	19.0	1.1	14.9
Depreciation	210	246	226	226	235	250	265	287	908	1,037
Interest	127	112	105	105	105	105	105	110	449	425
Other Income	19	17	55	109	65	70	80	85	200	300
PBT	2,100	1,994	2,021	1,450	2,350	2,334	2,498	1,679	7,565	8,860
Tax	517	491	497	368	583	579	619	413	1,873	2,194
Rate (%)	24.6	24.6	24.6	25.4	24.8	24.8	24.8	24.6	24.8	24.8
PAT	1,584	1,503	1,524	1,082	1,767	1,755	1,878	1,266	5,692	6,666
YoY change (%)	-23.5	-7.3	23.1	38.1	11.6	16.8	23.3	17.0	-0.4	17.1

E: MOFSL Estimates

P&G Hygiene

Neutral

CMP: INR16,547 | TP: INR17,000 (+3%)

EPS CHANGE (%): FY24 | 25: 0.4 | 0.0

- Sales to grow ~13% YoY in 4QFY24 (June year-end).
- We expect gross margin and EBITDA margin increase of 250bp/460bp YoY in 3QFY24 (June year-end).
- Gross margin expected to increase by 770bp YoY to 65.3%.
- A&P spending and demand outlook are key monitorables.

Standalone - Quarterly Earnings

(INR m)

Y/E June	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	10,428	11,374	8,831	8,491	11,384	11,334	10,022	9,576	39,123	42,315
YoY Change (%)	-1.5	4.1	-0.9	12.1	9.2	-0.3	13.5	12.8	3.0	8.2
Gross profit	6,116	6,513	4,992	4,893	6,932	6,825	6,644	6,257	22,549	26,659
Margin (%)	58.6	57.3	56.5	57.6	60.9	60.2	66.3	65.3	57.6	63.0
EBITDA	2,140	2,905	1,493	2,114	2,849	3,097	2,573	2,652	8,686	11,171
Growth	-29.0	-2.0	-9.5	215.1	33.1	6.6	72.4	25.4	4.7	28.6
Margins (%)	20.5	25.5	16.9	24.9	25.0	27.3	25.7	27.7	22.2	26.4
Depreciation	140	144	146	154	143	143	145	158	584	589
Interest	10	39	36	30	19	26	224	44	114	313
Other Income	67	93	144	101	158	156	136	146	406	595
PBT	2,058	2,815	1,456	2,031	2,845	3,085	2,339	2,595	8,395	10,864
Tax	514	737	380	553	738	796	796	701	2,184	3,030
Rate (%)	25.0	26.2	18.7	27.2	25.9	25.8	34.0	27.0	24.4	27.9
Reported PAT	1,544	2,075	1,650	1,478	2,107	2,289	1,544	1,894	6,781	7,834
Adj PAT	1,544	2,079	1,075	1,478	2,107	2,289	1,854	1,894	6,210	8,145
YoY Change (%)	-29.3	-2.0	-4.9	247.2	36.4	10.1	72.5	28.2	6.0	31.2
Margins (%)	14.8	18.3	12.2	17.4	18.5	20.2	18.5	19.8	15.9	19.2

E: MOFSL Estimates

Pidilite Industries**Neutral****CMP: INR3,085 | TP: INR2,850 (-8%)****EPS CHANGE (%): FY25|FY26: -0.3|-1.6**

- We expect consolidated revenue to grow 7% YoY in 1QFY25.
- We expect gross margin expand 380bp YoY to 52.8% on decrease in VAM prices.
- The surge in real estate is positive for demand.
- Outlook on domestic and international demand is a key monitorable.

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	32,751	30,760	31,300	29,019	35,044	34,452	35,682	33,559	1,23,830	1,38,736
YoY change (%)	5.6	2.2	4.4	7.9	7.0	12.0	14.0	15.6	4.9	12.0
Gross Profit	16,054	15,783	16,551	15,503	18,503	17,674	18,555	17,454	63,890	72,185
Margin (%)	49.0	51.3	52.9	53.4	52.8	51.3	52.0	52.0	51.6	52.0
EBITDA	7,070	6,797	7,425	5,769	8,117	7,755	8,516	6,561	27,073	30,949
YoY change (%)	33.5	36.0	49.7	25.6	14.8	14.1	14.7	13.7	36.4	14.3
Margins (%)	21.6	22.1	23.7	19.9	23.2	22.5	23.9	19.6	21.9	22.3
Depreciation	734	752	795	1,125	837	805	843	862	3,407	3,346
Interest	119	131	128	134	120	118	121	107	512	466
Other Income	234	316	370	489	375	411	451	461	1,397	1,698
PBT	6,451	6,230	6,872	4,999	7,534	7,243	8,003	6,054	24,551	28,835
Tax	1,704	1,631	1,765	1,219	1,884	1,825	2,001	1,499	6,319	7,209
Rate (%)	26.4	26.2	25.7	24.4	25.0	25.2	25.0	24.8	26.5	25.0
Adj PAT	4,746	4,599	5,107	3,779	5,651	5,418	6,002	4,555	18,231	21,626
YoY change (%)	34.0	37.4	66.8	31.5	19.1	17.8	17.5	20.5	42.2	18.6
Margins (%)	14.5	15.0	16.3	13.0	16.1	15.7	16.8	13.6	14.7	15.6

E: MOFSL Estimates

Tata Consumer Products**Buy****CMP: INR1,106 | TP: INR1,350 (+22%)****EPS CHANGE (%): FY25|FY26: -4|-2**

- We expect revenue for the India-branded tea business to grow 3% YoY, led by volume growth of 3% YoY
- Nourishco is likely to continue its strong performance
- EBITDA margin is likely to improve to ~15.3% in 1QFY25 vs. 14.6% in 1QFY24, led by better gross margins.
- Tea and coffee prices are the key monitorables

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	37,412	37,338	38,039	39,269	44,347	43,333	43,864	46,119	1,52,059	1,77,663
YoY Change (%)	12.5	11.0	9.5	8.5	18.5	16.1	15.3	17.4	10.3	16.8
Total Expenditure	31,962	31,967	32,315	32,974	37,571	36,720	36,885	38,479	1,29,218	1,49,656
EBITDA	5,450	5,371	5,724	6,296	6,776	6,612	6,979	7,640	22,841	28,007
Margins (%)	14.6	14.4	15.0	16.0	15.3	15.3	15.9	16.6	15.0	15.8
Depreciation	820	939	855	1,158	1,108	1,120	1,125	1,130	3,772	4,483
Interest	262	276	332	428	475	520	575	645	1,298	2,215
Other Income	578	898	596	385	405	900	700	697	2,456	2,702
PBT before EO expense	4,946	5,054	5,133	5,095	5,598	5,872	5,979	6,562	20,228	24,010
Extra-Ord expense	-52	-146	-915	-2,158	0	0	0	0	-3,270	0
PBT	4,894	4,909	4,217	2,937	5,598	5,872	5,979	6,562	16,957	24,010
Tax	1,309	1,317	1,062	260	1,511	1,585	1,614	1,772	3,947	6,483
Rate (%)	26.7	26.8	25.2	8.8	27.0	27.0	27.0	27.0	23.3	27.0
Minority Interest	211	257	226	-44	22	40	67	70	651	199
Profit/Loss of Asso. Cos.	-209	47	-140	-555	-210	30	-180	-326	-856	-686
Reported PAT	3,166	3,382	2,789	2,166	3,854	4,277	4,118	4,393	11,503	16,642
Adj PAT	3,205	3,492	3,475	3,785	3,854	4,277	4,118	4,393	13,956	16,642
YoY Change (%)	17.2	42.8	18.7	38.4	20.3	22.5	18.5	16.1	28.7	19.2
Margins (%)	8.6	9.4	9.1	9.6	8.7	9.9	9.4	9.5	9.2	9.4

United Breweries

Sell
CMP: INR2,032 | TP: INR1,800 (-11%)
EPS CHANGE (%): FY25|FY26: 0.9|5.7

- We expect revenue to grow ~15% YoY in 1QFY25
- We expect gross margin increase of 290bp to 43.5%
- Expect EBITDA margin expansion of 200bp YoY to 11.8%.
- Outlook on state mix and realization growth a key monitorable.

Standalone Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	22,732	18,880	18,227	21,315	26,187	21,354	20,432	24,236	81,227	92,209
YoY Change (%)	-6.7	12.4	13.1	20.8	15.2	13.1	12.1	13.7	8.3	13.5
Gross Profit	9,221	8,408	8,018	8,894	11,391	9,481	9,174	10,987	34,703	41,033
Margin (%)	40.6	44.5	44.0	41.7	43.5	44.4	44.9	45.3	42.7	44.5
EBITDA	2,228	1,846	1,456	1,420	3,087	2,336	2,136	2,968	6,962	10,528
YoY Change (%)	-15.9	-15.8	89.9	165.6	38.6	26.6	46.7	109.0	13.0	51.2
Margins (%)	9.8	9.8	8.0	6.7	11.8	10.9	10.5	12.2	8.6	11.4
Depreciation	513	508	518	577	518	521	523	533	2,119	2,095
Interest	17	14	21	18	28	25	25	28	69	105
Other Income	103	122	241	263	188	190	217	232	737	826
PBT	1,801	1,446	1,158	1,088	2,729	1,980	1,805	2,639	5,511	9,154
Tax	440	369	310	280	704	511	466	681	1,403	2,362
Rate (%)	24.5	25.5	26.7	25.7	25.8	25.8	25.8	25.8	25.5	25.8
Reported PAT	1,361	1,076	849	808	2,025	1,469	1,340	1,958	4,109	6,792
Adj PAT	1,361	1,076	849	808	2,025	1,469	1,340	1,958	4,109	6,792
YoY Change (%)	-15.8	-19.8	274.9	730.8	48.8	36.5	57.9	142.3	24.7	65.3
Margins (%)	6.0	5.7	4.7	3.8	7.7	6.9	6.6	8.1	5.1	7.4

E: MOFSL Estimates

United Spirits

Neutral
CMP: INR1,276 | TP: INR1,250 (-2%)
EPS CHANGE (%): FY25|FY26: -2.1|-1.4

- We expect ~4% volume growth. Demand was low due to heat waves reducing social activities and fewer weddings.
- The demand for the popular category is still lagging.
- Gross margin likely to remain flat YoY at 43.2%. ENA prices remained inflationary, and glass bottle prices were stable.
- Decline in A&P spending due to seasonal effects and dry days during elections.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Volume growth %	5.8	1.0	-1.8	3.7	4.2	6.5	7.6	5.1	1.9	5.9
Total revenues	21,719	28,647	29,893	26,660	23,550	31,425	33,032	28,822	1,06,920	1,16,828
YoY change (%)	-1.0	-1.4	7.5	6.9	8.4	9.7	10.5	8.1	3.1	9.3
Gross Profit	9,474	12,437	12,979	11,550	10,173	13,670	14,402	12,575	46,440	50,820
Margin (%)	43.6	43.4	43.4	43.3	43.2	43.5	43.6	43.6	43.4	43.5
EBITDA	3,851	4,701	4,914	3,620	4,117	5,208	5,628	4,032	17,080	18,984
Margins (%)	17.7	16.4	16.4	13.6	17.5	16.6	17.0	14.0	16.0	16.3
EBITDA growth (%)	42.4	6.3	33.6	7.1	6.9	10.8	14.5	11.4	20.4	11.2
Depreciation	650	653	628	710	663	666	641	780	2,640	2,750
Interest	193	262	164	290	232	209	198	211	910	850
Other income	209	388	461	2,290	280	290	300	1,833	3,350	2,703
PBT	3,217	4,174	4,583	4,910	3,502	4,623	5,089	4,873	16,880	18,087
Tax	814	1,068	1,102	760	881	1,164	1,281	1,227	3,740	4,522
Rate (%)	25.3	25.6	24.0	15.5	25.2	25.2	25.2	25.2	22.2	25.0
Adj. PAT	2,397	3,183	3,481	4,073	2,620	3,460	3,808	3,647	13,140	13,565
YoY change (%)	8.1	20.7	61.0	91.7	9.3	8.7	9.4	-10.5	49.2	3.2

E: MOFSL Estimate

Varun Beverages

Buy
CMP: INR1,578 | TP: INR1,830 (+16%)
EPS CHANGE (%): CY24|25: 0|0

- We expect overall sales volume to grow 35% YoY in 2QCY24
- Integration and ramp-up of BevCo will be in focus
- We expect EBITDA margin to improve to ~27.8% in 2QCY24 vs. 26.9% in 2QCY23
- Scale-up in international geographies and further capex update are the key monitorables

Consolidated - Quarterly Earning Model

Y/E December	(INR m)									
	CY23				CY24				CY23	CY24E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	38,930	56,114	38,705	26,677	43,173	75,944	49,543	37,777	1,60,425	2,06,437
YoY Change (%)	37.7	13.3	21.8	20.5	10.9	35.3	28.0	41.6	21.8	28.7
Total Expenditure	30,949	41,004	29,884	22,494	33,286	54,802	38,197	31,806	1,24,331	1,58,091
EBITDA	7,980	15,110	8,821	4,183	9,888	21,142	11,345	5,971	36,095	48,346
Margins (%)	20.5	26.9	22.8	15.7	22.9	27.8	22.9	15.8	22.5	23.4
Depreciation	1,722	1,719	1,708	1,660	1,875	2,250	2,300	2,333	6,809	8,758
Interest	626	694	625	737	937	950	970	980	2,681	3,837
Other Income	101	416	185	91	84	470	350	292	794	1,196
PBT before EO expense	5,734	13,113	6,673	1,878	7,159	18,412	8,425	2,950	27,398	36,946
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	5,734	13,113	6,673	1,878	7,159	18,412	8,425	2,950	27,398	36,946
Tax	1,348	3,057	1,529	442	1,678	4,052	1,854	649	6,375	8,234
Rate (%)	23.5	23.3	22.9	23.5	23.4	22.0	22.0	22.0	23.3	22.3
Minority Interest & Profit/Loss of Asso. Cos.	95	118	130	118	107	134	129	136	461	505
Reported PAT	4,291	9,938	5,015	1,318	5,374	14,226	6,443	2,165	20,561	28,208
Adj PAT	4,291	9,938	5,015	1,318	5,374	14,226	6,443	2,165	20,561	28,208
YoY Change (%)	68.8	26.2	31.6	76.3	25.2	43.2	28.5	64.3	37.3	37.2
Margins (%)	11.0	17.7	13.0	4.9	12.4	18.7	13.0	5.7	12.8	13.7

Company

Barbeque Nation

Devyani Intl.

Jubilant Foodworks

Restaurant Brands

Sapphire Foods

Westlife Foodworld

QSR – Looks weak scorecard; delivery better than dine-in

Near-term outlook remains cautious

The performance of QSR companies is expected to remain sluggish as growth metrics (SSSG, ADS) remained weak during the quarter due to competition from local players and weak dine-in demand. Oversupply of store network during the last two years affected SSSG/ADS. Overall growth deceleration is expected to continue. Delivery business may continue to outperform dine-in business. Companies have initiated several consumer offers and waived off delivery charges to drive demand. Value segment has been seeing better traffic growth than other segments. Our coverage universe is expected to deliver 10% YoY revenue growth (organic growth) in 1QFY25 vs. 7% in 4QFY24. SSSG/ADS continued to decline, barring Restaurant Brand Asia (BK), Jubilant and Barbeque, which reported SSSG of 2%/3%/3%. Most companies have maintained aggressive store addition momentum in FY25. We maintain a cautious outlook on the QSR sector in the near term due to the ongoing demand challenges that are expected to hurt operating margins. We have BUY ratings on Devyani, Sapphire and RBA.

Outliers: Jubilant

Underperformers: Devyani, Sapphire, Westlife

Exhibit 16: QSR quarterly trends

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E
Revenue Growth									
Barbeque Nation	209%	41%	14%	12%	3%	-3%	1%	6%	10%
Devyani (organic)	100%	45%	27%	28%	20%	10%	7%	5%	10%
Jubilant	41%	17%	10%	8%	6%	5%	3%	6%	9%
Sapphire	80%	36%	17%	13%	20%	14%	12%	13%	12%
Restaurant Brands	64%	47%	21%	29%	25%	19%	15%	16%	17%
Westlife	108%	49%	28%	22%	14%	7%	-2%	1%	4%
Total	75%	34%	18%	17%	14%	9%	6%	7%	10%
SSSG									
Barbeque Nation	182%	23%	-1%	-3%	-8%	-11%	-5%	1%	3%
Devyani - KFC	64%	13%	3%	2%	-1%	-4%	-5%	-7%	-6%
Devyani - PH	32%	3%	-6%	-3%	-5%	-10%	-13%	-14%	-9%
Jubilant (LFL)	28%	8%	0%	-1%	-1%	-1%	-3%	0%	3%
Sapphire - KFC	65%	15%	3%	2%	0%	0%	-2%	-3%	-5%
Sapphire - PH	47%	23%	-4%	-4%	-9%	-20%	-19%	-15%	-8%
Restaurant Brands	66%	27%	9%	8%	4%	4%	3%	2%	2%
Westlife	97%	40%	20%	14%	7%	1%	-9%	-5%	-5%
Store (India)									
Barbeque Nation	195	205	212	216	212	212	216	217	223
Devyani	961	1,047	1,120	1,184	1,230	1,298	1,387	1,429	1,429
Jubilant	1,676	1,753	1,814	1,863	1,891	1,949	2,007	2,096	2,040
Sapphire	516	550	599	627	660	692	725	748	769
Restaurant Brands	328	334	379	391	396	404	441	455	470
Westlife	331	337	341	357	361	370	380	397	405
PBT (INR M)									
Barbeque Nation	208	69	67	(125)	(55)	(151)	75	(9)	(18)
Devyani	771	700	736	412	603	330	97	44	224
Jubilant	1,642	1,619	1,194	930	1,014	963	819	508	774
Sapphire	356	269	336	123	336	214	140	8	229
Restaurant Brands	-227	-133	-112	-246	-222	-93	-64	-310	-147
Westlife	318	420	480	277	406	302	231	20	128
PBT Margins									
Barbeque Nation	7%	2%	2%	-4%	-2%	-5%	2%	0%	0%
Devyani	11%	9%	9%	5%	7%	4%	1%	0%	2%
Jubilant	13%	13%	9%	7%	8%	7%	6%	4%	5%
Sapphire	7%	5%	6%	2%	5%	3%	2%	0%	3%
Restaurant Brands	-7%	-4%	-3%	-7%	-5%	-2%	-1%	-7%	-3%
Westlife	6%	7%	8%	5%	7%	5%	4%	0%	2%

Barbeque Nation Hospitality**Neutral****CMP: INR570 | TP: INR600 (+5%)****EPS CHANGE (%): FY25 | FY26: -|-**

- We expect 10.4% YoY revenue growth in 1QFY25.
- Expect to add 6 stores in 1QFY25, while SSSG is expected to grow 3% on softer base.
- Gross margin expected to increase by 220bp YoY to 66.2% in 1QFY24.
- EBITDA margins increase by 250bp YoY to 17% on operations efficiency.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
SSSG (%)	-7.7	-10.7	-4.9	1.4	3.0	4.0	6.0	7.0	-6.5	5.0
No. of stores	212	212	216	217	223	229	235	242	217	242
Net Sales	3,239	3,017	3,309	2,981	3,576	3,378	3,747	3,471	12,545	14,172
YoY change (%)	2.9	-2.8	0.8	6.4	10.4	12.0	13.3	16.5	1.7	13.0
Gross Profit	2,073	1,990	2,245	2,053	2,367	2,256	2,518	2,354	8,361	9,495
Margin (%)	64.0	65.9	67.9	68.9	66.2	66.8	67.2	67.8	66.6	67.0
EBITDA	468	444	663	547	606	583	704	615	2,122	2,508
EBITDA growth %	-33.6	-23.9	7.0	37.3	29.6	31.3	6.3	12.4	-8.0	18.2
Margin (%)	14.4	14.7	20.0	18.4	17.0	17.3	18.8	17.7	16.9	17.7
Depreciation	375	443	414	447	450	456	466	474	1,679	1,846
Interest	187	195	190	186	210	211	209	210	759	840
Other Income	40	43	16	77	36	38	33	42	176	150
PBT	-55	-151	75	-9	-18	-46	62	-26	-140	-27
Tax	-14	-32	27	-9	-4	-12	16	-7	-28	-7
Rate (%)	26.1	21.3	35.5	95.9	25.2	25.2	25.2	25.2	20.3	25.2
Adjusted PAT	-41	-119	48	0	-13	-34	46	-20	-112	-21
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M

E: MOFSL Estimates

Devyani International**Buy****CMP: INR168 | TP: INR200 (+19%)****EPS CHANGE (%): FY25 | FY26: -6.1|-1.3**

- Expect KFC/PH store adds of 30/5 for 1QFY25.
- Revenue likely to grow ~41% on acquisition of Thailand business. Organic revenue growth is ~10%.
- Margins may see pressure due to lower demand.
- Same-store sales expected to decline by 9% for Pizza Hut and 6% for KFC.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
KFC - No. of stores	510	540	590	596	626	656	686	721	596	721
PH - No. of stores	521	535	565	567	572	576	580	587	567	587
KFC - SSSG (%)	-0.9	-3.9	-4.7	-7.1	-6.0	3.0	7.0	6.0	-4.6	2.5
PH - SSSG (%)	-5.3	-10.4	-12.6	-14.0	-9.0	-2.0	11.0	12.0	-10.9	3.0
Net Sales	8,466	8,195	8,431	10,471	11,936	12,443	12,985	12,210	35,563	49,574
YoY change (%)	20.1	9.6	6.6	38.7	41.0	51.8	54.0	16.6	18.6	39.4
Gross Profit	5,998	5,802	5,954	7,244	8,236	8,610	8,999	8,476	24,997	34,321
Margin (%)	70.8	70.8	70.6	69.2	69.0	69.2	69.3	69.4	70.3	69.2
EBITDA	1,734	1,588	1,463	1,739	2,008	2,093	2,402	2,633	6,524	9,136
EBITDA growth %	5.6	-4.1	-15.9	14.9	15.8	31.9	64.2	51.4	-0.4	40.0
Margin (%)	20.5	19.4	17.4	16.6	16.8	16.8	18.5	21.6	18.3	18.4
Depreciation	796	907	930	1,275	1,297	1,323	1,362	1,392	3,907	5,374
Interest	404	417	482	567	565	575	579	588	1,869	2,307
Other Income	68	66	46	146	78	76	88	108	326	350
PBT	603	330	97	44	224	271	549	761	1,074	1,805
Tax	146	-168	46	110	45	54	110	152	133	361
Rate (%)	24.1	-50.9	47.6	249.9	20.0	20.0	20.0	20.0	12.4	20.0
Adjusted PAT	339	506	51	33	179	217	439	609	929	1,444
Margin (%)	4.0	6.2	0.6	0.3	1.5	1.7	3.4	5.0	2.6	2.9
YoY change (%)	-54.4	-21.4	-93.5	-94.6	-47.1	-57.2	765.7	1,750.3	-66.5	55.5

E: MOFSL Estimates

Jubilant FoodWorks**Neutral**

CMP: INR575 | TP: INR525 (-9%)

EPS CHANGE (%): FY25|FY26: -3.9|-2.5

- LFL for 1QFY25 is expected to improve by 2.5%.
- Expect net store additions of 45 for Domino's
- We expect ~8.5% revenue growth led by the store addition.
- EBITDA growth is expected to remain flat at 19.5%

Quarterly Standalone Perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
No of stores (Dominos)	1,838	1,888	1,928	1,995	2,040	2,085	2,130	2,175	1,995	2,175
LFL growth (%)	-1.3	-1.3	-2.9	0.1	2.5	3.0	4.5	4.0	-1.4	3.5
Net Sales	13,097	13,448	13,551	13,313	14,210	14,793	15,109	14,905	53,409	59,016
YoY change (%)	5.6	4.5	2.9	6.3	8.5	10.0	11.5	12.0	4.8	10.5
Gross Profit	9,956	10,275	10,387	10,200	10,871	11,361	11,604	11,430	40,817	45,266
Gross margin (%)	76.0	76.4	76.7	76.6	76.5	76.8	76.8	76.7	76.4	76.7
EBITDA	2,764	2,807	2,827	2,543	2,775	2,872	2,976	3,012	10,941	11,634
EBITDA growth %	-9.2	-10.2	-2.5	0.8	0.4	2.3	5.2	18.4	-5.6	6.3
Margins (%)	21.1	20.9	20.9	19.1	19.5	19.4	19.7	20.2	20.5	19.7
Depreciation	1,328	1,379	1,465	1,511	1,528	1,592	1,591	1,680	5,684	6,391
Interest	513	534	583	609	564	587	612	622	2,239	2,385
Other Income	91	69	40	86	91	82	79	89	285	342
PBT	1,014	963	819	508	774	775	852	798	3,303	3,200
YoY Change (%)	-38.2	-40.5	-31.4	-45.3	-23.6	-19.5	4.0	57.1	-38.6	-3.1
Tax	262	241	209	132	195	195	214	196	844	800
Rate (%)	25.8	25.1	25.6	26.0	25.2	25.2	25.2	24.5	25.6	25.0
Adjusted PAT	752	721	610	345	579	580	637	603	2,428	2,400
YoY change (%)	-38.2	-39.5	-31.16	-44.38	-22.9	-19.6	4.54	74.70	-38.0	-1.2

E: MOFSL Estimates

Restaurants Brand Asia**Buy**

CMP: INR108 | TP: INR140 (37%)

EPS CHANGE (%): FY25|FY26: -|-

- Expect SSSG to grow 2% YoY in 1QFY24 and 15 store add during the quarter.
- EBITDA margins expected to expand by 140bp YoY to 12.9%.
- Revenue growth is expected at 20% YoY to INR5.1b
- Expect net losses to narrow down to INR147m.

Quarterly Standalone Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
SSSG (%)	3.6	3.5	2.6	1.9	2.0	5.5	6.5	10.0	2.9	6.0
No. of stores	396	404	441	455	470	485	500	520	455	520
Net Sales	4,221	4,535	4,454	4,391	5,061	5,540	5,416	5,439	17,601	21,455
YoY change (%)	25.3	23.2	20.5	20.3	19.9	22.2	21.6	23.9	22.3	21.9
Gross Profit	2,806	3,031	2,990	2,971	3,416	3,706	3,645	3,672	11,798	14,439
Margin (%)	66.5	66.8	67.1	67.7	67.5	66.9	67.3	67.5	67.0	67.3
EBITDA	485	634	708	551	653	859	845	927	2,377	3,284
EBITDA growth %	45.9	50.7	47.9	30.3	34.7	35.4	19.4	68.3	128.6	1,216.2
Margin (%)	11.5	14.0	15.9	12.5	12.9	15.5	15.6	17.1	13.5	15.3
Depreciation	507	494	522	586	570	570	570	540	2,110	2,250
Interest	264	273	281	324	285	292	300	307	1,141	1,185
Other Income	65	40	32	48	55	50	54	54	185	213
PBT	-222	-93	-64	-310	-147	46	28	134	-689	62
Tax	0	0	0	0	0	0	0	0	0	6
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0
Adjusted PAT	-222	-93	-64	-310	-147	46	28	134	-689	55
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

E: MOFSL Estimates

Sapphire Foods

Buy

CMP: INR1,561 | TP: INR1,800 (15%)

EPS CHANGE (%): FY25 | FY26: -8.1 | -3.7

- KFC is expected to see a decline of ~4-5% in same-store sales, along with 20 store additions.
- Revenue growth expected at 12% to INR7.3b.
- PH's same-store sales expected to fall 8%; store addition muted, expected to add only 1 new outlet.
- There will be slight pressure on margin due to lower demand.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
KFC - No. of stores	358	381	406	429	449	469	489	509	429	509
PH - No. of stores	302	311	319	319	320	321	322	324	319	324
KFC - SSSG (%)	0.0	0.0	-2.0	-3.0	-4.5	3.0	5.5	6.0	-1.0	2.5
PH - SSSG (%)	-9.0	-20.0	-19.0	-15.0	-8.0	-2.0	8.0	12.0	-16.0	2.5
Net Sales	6,544	6,426	6,656	6,317	7,332	7,483	7,882	7,502	25,943	30,199
YoY change (%)	19.8	14.2	11.6	12.7	12.0	16.4	18.4	18.8	14.5	16.4
Gross Profit	4,483	4,417	4,583	4,351	5,013	5,119	5,404	5,206	17,834	20,742
Margin (%)	68.5	68.7	68.9	68.9	68.4	68.4	68.6	69.4	68.7	68.7
EBITDA	1,214	1,151	1,217	1,029	1,269	1,311	1,496	1,394	4,613	5,470
EBITDA growth %	10.0	11.6	4.3	4.9	4.5	13.9	22.9	35.4	7.7	18.6
Margin (%)	18.6	17.9	18.3	16.3	17.3	17.5	19.0	18.6	17.8	18.1
Depreciation	727	768	874	870	880	906	918	938	3,239	3,641
Interest	226	245	263	275	260	257	276	243	1,009	1,037
Other Income	75	75	60	124	100	100	100	101	334	401
PBT	336	214	140	8	229	248	402	314	699	1,193
Tax	88	62	42	-12	58	62	101	79	180	300
Rate (%)	26.0	28.9	30.0	-143.0	25.2	25.2	25.2	25.2	25.7	25.2
Adjusted PAT	249	152	98	20	172	186	301	235	520	893
YoY change (%)	-34.8	-43.4	-69.9	-82.2	-31.0	22.0	206.0	1,053.2	-52.4	71.9

E: MOFSL Estimates

Westlife Development

Neutral

CMP: INR829 | TP: INR775 (-7%)

EPS CHANGE (%): FY25 | FY26: -6.8 | -2.4

- Same-store sales to decline 5% YoY in 1QFY25
- Expect to add 8 new stores in 1QFY25.
- Expect revenue to grow 4% YoY to INR6.4b
- EBITDA margin to decline by 370bp YoY to 13.5% YoY led by weak same-store sales.

Consolidated quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
SSSG %	7.0	1.0	(9.0)	(5.0)	(5.0)	3.0	7.0	9.0	-1.5	3.5
No. of McDonald's restaurants	361	370	380	397	405	415	430	442	397	442
Net Sales	6,145	6,147	6,003	5,623	6,400	6,930	7,055	6,682	23,918	27,066
YoY Change (%)	14.2	7.4	-1.8	1.1	4.1	12.7	17.5	18.8	5.0	13.2
Gross profit	4,337	4,310	4,219	3,945	4,512	4,899	4,995	4,757	16,811	19,163
Margin (%)	70.6	70.1	70.3	70.2	70.5	70.7	70.8	71.2	70.3	70.8
EBITDA	1,053	997	960	771	863	1,187	1,257	1,159	3,780	4,465
YoY Change (%)	14.3	0.9	-12.9	-16.1	-18.1	12.7	26.1	20.7	-3.8	18.1
Margins (%)	17.1	16.2	16.0	13.7	13.5	17.1	17.8	17.3	15.8	16.5
Depreciation	439	453	491	503	517	519	523	500	1,886	2,059
Interest	260	274	282	283	263	279	285	276	1,099	1,103
Other Income	52	32	44	35	45	45	45	60	162	195
PBT	406	302	231	20	128	434	493	444	958	1,499
Tax	118	78	59	12	32	108	123	111	266	375
Rate (%)	29.0	26.0	25.3	60.6	25.0	25.0	25.0	25.0	27.8	25.0
Adj PAT	288	224	172	8	96	325	370	333	692	1,124
YoY Change (%)	22.0	-29.2	-52.6	-96.1	-66.7	45.6	114.6	4,195.0	L/P	L/P
Margins (%)	4.7	3.6	2.9	0.1	1.5	4.7	5.2	5.0	2.9	4.2

Consumer Durables

Company

Havells India

KEI Industries

Polycab India

RR Kabel

Voltas

RAC strong; cables & wires growth to moderate on a high base

Revenue/EBITDA to grow ~16%/25% YoY in 1QFY25E

- We expect 1QFY25 revenue for our consumer durable universe to increase 16% YoY, driven by strong demand for Room Air Conditioners (RAC) due to strong heat waves across the country. We believe that secondary sales for RAC have risen 35%+ in 1QFY25. Revenue growth for the cables & wires (C&W) segment would moderate to 12.4% YoY on a high base of last year (32% YoY revenue growth in 1QFY24). We estimate the gross profit margin to improve 70bp YoY to 33.1%. Aggregate EBITDA is estimated to grow 25% YoY, and the EBITDA margin is likely to improve 55bp YoY to 10.8%. Adjusted PAT is expected to increase ~21% YoY.
- Revenue growth for HAVL/VOLT is estimated at 18%/17% YoY, led by strong growth in the UCP segment. Revenue growth for Polycab/KEI/RRAKBEL is estimated at 18%/12%/11% YoY, supported by healthy growth in the C&W segment. We expect 8-10% revenue growth for HAVL/RRAKBEL and 13-15% revenue growth for KEI/Polycab.
- HAVL is estimated to report the highest EBITDA growth of ~46% YoY, followed by VOLT at +40%, KEI and RRKABEL at +15-17%, and Polycab at ~8% YoY. EBITDA margin for HAVL is estimated to improve 2.0pp YoY to 10.3%, followed by 1.1pp expansion for VOLT. KEI and RRKABEL's EBITDA margins are likely to improve 30-40bp YoY to ~10% and 7%, respectively. However, we estimate Polycab's EBITDA margin to contract 1.13pp YoY to ~13%.

HAVL to report the highest revenue/EBITDA growth

- **HAVL:** We expect a revenue growth of 18.3% YoY in 1QFY25, led by robust growth in the Lloyd business (up ~41% YoY) and ECD (up ~13% YoY). The other segments (switchgear/C&W/Lighting) are estimated to grow ~6-9% YoY. We estimate Lloyd to report an EBIT of INR371m vs. a loss of INR616m in 1QFY24. Ex-Lloyd, revenue growth is estimated to be 13% YoY; while EBIT is projected to increase 8% YoY. EBIT margin, ex-Lloyd, to be 12.9% vs. 13.5% in 1QFY24.
- **VOLT:** We project a revenue growth of ~17% YoY in 1QFY25, led by robust growth in the UCP segment (up ~22% YoY). EMPS and PES' revenue is estimated to grow 5-7% YoY. We expect the UCP segment's margin to improve 55bp YoY to 8.8%. We estimate the EMPS segment's losses to decline sequentially (EBIT loss of INR436m vs. INR1.1b in 4QFY24).
- **Polycab:** We expect a revenue growth of 17.8% YoY in 1QFY25. Its C&W segment's revenue is estimated to grow ~15% YoY (down 16.5% QoQ), while the EBIT margin should contract 60bp YoY to 14.2%. We expect the ECD segment's revenue to grow 8% YoY and EBIT loss to be at INR340m vs. INR57m in 1QFY24.
- **KEI Industries:** We project a revenue growth of ~12% YoY in 1QFY25. Its C&W/EPC revenue is estimated to grow ~13%/10%. We estimate C&W's EBIT margin to improve 1.7pp YoY to 10.5%.
- **RRKABEL:** We estimate a revenue growth of 11% YoY in 1QFY25. Its C&W revenue is estimated to grow 9% YoY, and FMEG revenue growth should be at ~18% YoY. The C&W EBIT margin is estimated to contract 15bp YoY to 8.6%. Loss for the FMEG segment is estimated at INR109m vs. INR170m in 1QFY24.

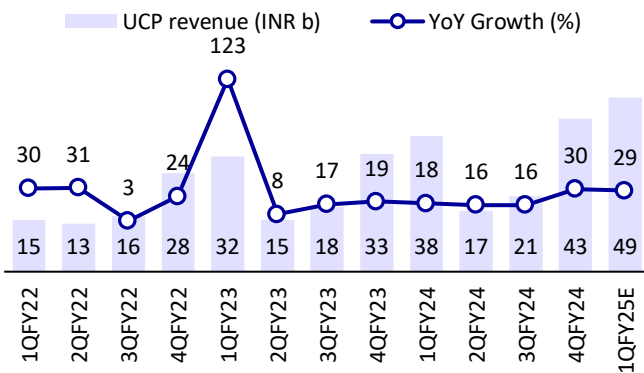
Exhibit 1: Summary of 1QFY25 estimates (need formatting)

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Havells India	1811	Neutral	57,196	18.3	5.1	5,873	46.1	-7.4	3,898	35.8	-12.7
KEI Industries	4552	Buy	19,966	12.0	-13.9	2,079	16.6	-15.0	1,364	12.4	-19.2
Polycab India	6629	Buy	45,835	17.8	-18.0	5,945	8.4	-21.9	4,213	5.4	-22.8
R R Kabel	1755	Buy	17,671	10.6	0.7	1,303	15.4	13.1	881	18.5	11.9
Voltas	1450	Buy	39,430	17.4	-6.2	2,590	39.7	35.9	1,900	46.9	83.0
Consumer Durables			1,80,098	16.5	-6.7	17,792	24.7	-8.6	12,255	21.1	-8.8

Exhibit 2: Comparative valuations (need to update)

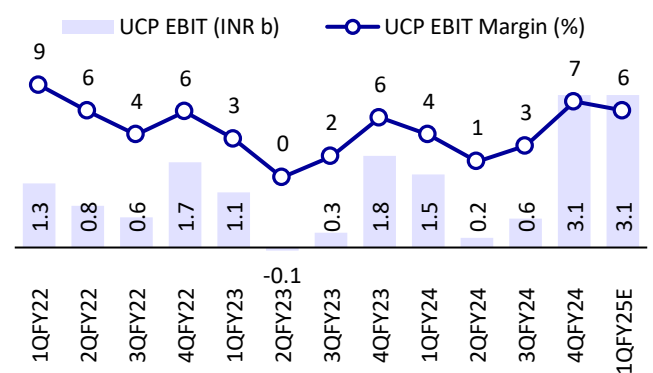
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Consumer Durables						61.4	59.4	46.7	9.7	10.5	8.9	15.8	17.7	19.1
Havells India	1,811	Neutral	20.3	25.4	31.6	74.7	71.2	57.3	12.7	13.4	11.6	17.1	18.8	20.3
KEI Industries	4,552	Buy	64.4	79.9	99.1	53.7	57.0	45.9	9.9	10.7	8.8	18.5	18.8	19.2
Polycab India	6,629	Buy	118.8	130.9	157.1	42.7	50.6	42.2	9.3	10.3	8.6	21.8	20.3	20.5
R R Kabel	1,755	Buy	26.4	38.6	52.4	58.2	45.5	33.5	9.5	9.1	7.4	18.4	21.7	24.3
Voltas	1,450	Buy	7.2	21.0	31.8	152.5	68.9	45.6	6.3	7.4	6.5	4.1	10.8	14.4

Exhibit 3: Aggregate* UCP – revenue and growth



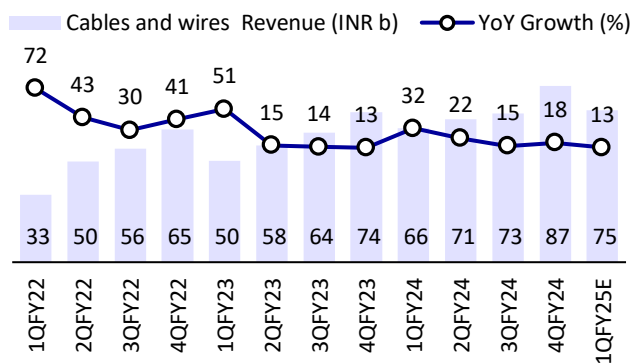
Source: MOFSL; E: MOFSL estimate; Note: *UCP revenue of VOLT and HAVL

Exhibit 4: Aggregate* UCP – EBIT and margin



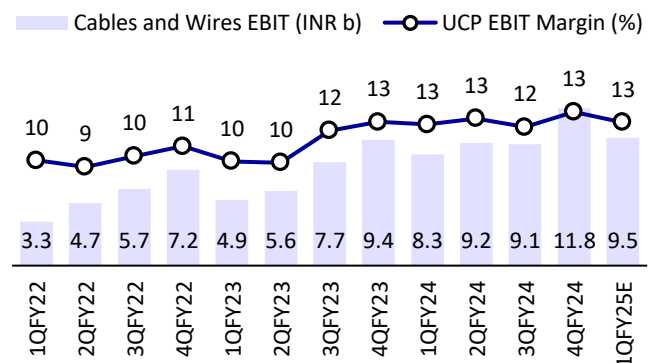
Source: MOFSL; E: MOFSL estimate; Note: *UCP EBIT of VOLT and HAVL

Exhibit 5: Aggregate* C&W – revenue and growth



Source: MOFSL; E: MOFSL estimate; Note: *Cables and wires revenue of Polycab, HAVL and KEI

Exhibit 6: Aggregate* C&W – EBIT and margin



Source: MOFSL; E: MOFSL estimate; Note: *cables and wires EBIT of Polycab, HAVL and KEI

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Havells India**Neutral****CMP: INR1,810 | TP: INR1,840 (+2%)****EPS CHANGE (%): FY25|26: -3.1|-2.3**

- Estimate revenue to grow 18% YoY in 1QFY25.
- Revenue from C&W/Switchgear is estimated to grow 9%/8% YoY. Lloyd's revenue should grow 41% YoY.
- EBITDA is estimated to grow 46% YoY to INR5.9b, driven by higher volume.
- Expect EBITDA margin to improve 2.0pp YoY to 10.3%.

Consolidated quarterly performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	48,338	39,003	44,139	54,420	57,196	43,981	49,288	60,064	1,85,900	2,10,529
Change (%)	13.9	6.3	7.1	12.0	18.3	12.8	11.7	10.4	10.1	13.2
Adj EBITDA	4,020	3,734	4,327	6,346	5,873	4,848	5,087	6,664	18,426	22,471
Change (%)	11.2	30.1	2.1	20.4	46.1	29.8	17.6	5.0	15.2	22.0
Adj EBITDA margin (%)	8.3	9.6	9.8	11.7	10.3	11.0	10.3	11.1	9.9	10.7
Depreciation	763	812	877	934	1,156	1,041	963	694	3,385	3,854
Interest	85	93	102	177	120	110	90	80	457	400
Other Income	648	525	559	758	664	691	619	1,218	2,490	3,190
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-
PBT	3,821	3,353	3,907	5,993	5,261	4,388	4,652	7,107	17,074	21,407
Tax	950	862	1,028	1,526	1,363	1,136	1,205	1,771	4,366	5,474
Effective Tax Rate (%)	24.9	25.7	26.3	25.5	25.9	25.9	25.9	24.9	25.6	25.6
Reported PAT	2,871	2,491	2,879	4,467	3,898	3,251	3,447	5,337	12,708	15,933
Change (%)	18.1	33.3	1.4	24.8	35.8	30.5	19.7	19.5	18.5	25.4
Adj PAT	2,871	2,491	2,879	4,467	3,898	3,251	3,447	5,337	12,708	15,933
Change (%)	18.1	33.3	1.4	24.8	35.8	30.5	19.7	19.5	18.5	25.4

KEI Industries**Buy****CMP: INR4,552 | TP: INR5,230 (+15%)****EPS CHANGE (%): FY25|26: -3.8|-0.8**

- Estimate revenue to grow 12% YoY in 1QFY25.
- Revenue from C&W/SSW/EPC is estimated to increase 13%/5%/10% YoY.
- EBITDA is estimated to grow 17% YoY to INR2.1b. OPM is estimated to improve 40bp YoY to 10.4%.
- Adj. PAT is estimated to rise 12% YoY to INR1.4b.

Consolidated quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	17,826	19,466	20,594	23,193	19,966	23,086	24,468	26,929	81,041	94,449
Change (%)	13.9	21.1	15.4	18.8	12.0	18.6	18.8	16.1	17.3	16.5
Adj EBITDA	1,783	2,039	2,146	2,446	2,079	2,534	2,819	3,082	8,375	10,514
Change (%)	11.7	27.0	17.8	20.9	16.6	24.3	31.4	26.0	19.3	25.5
Adj EBITDA margin (%)	10.0	10.5	10.4	10.5	10.4	11.0	11.5	11.4	10.3	11.1
Depreciation	147	156	154	158	164	166	167	172	614	668
Interest	89	75	109	165	170	160	180	207	439	717
Other Income	83	77	142	152	90	85	160	225	490	560
Extra-ordinary Items	-	-	-	(2)	-	-	-	-	(2)	-
PBT	1,630	1,884	2,024	2,274	1,836	2,293	2,632	2,928	7,813	9,690
Tax	416	482	518	587	472	589	676	746	1,993	2,483
Effective Tax Rate (%)	25.5	25.6	25.6	25.8	25.7	25.7	25.7	25.5	25.5	25.6
Reported PAT	1,214	1,402	1,507	1,686	1,364	1,704	1,956	2,183	5,818	7,206
Change (%)	17.0	31.2	17.2	22.1	12.4	21.5	29.8	29.5	22.4	23.9
Adj PAT	1,214	1,402	1,507	1,688	1,364	1,704	1,956	2,183	5,820	7,206
Change (%)	17.0	31.2	17.2	22.2	12.4	21.5	29.8	29.3	22.5	23.8

Polycab India**Buy****CMP: INR6,629 | TP: INR8,200 (+24%)****EPS CHANGE (%): FY25|26: --|--**

- Estimate revenue to grow 18% YoY in 1QFY25.
- Revenue from C&W/ECD is estimated to increase 15%/8% YoY. EPC and Others' revenue to surge 4.4x YoY.

- EBITDA is estimated to increase 8% YoY while, OPM to contract 1.1pp YoY to 13%.
- Adj. PAT is estimated to grow ~5% YoY to INR4.2b.

Consolidated performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	38,894	42,177	43,405	55,919	45,835	48,602	50,101	62,900	1,80,394	2,07,438
Change (%)	42.1	26.6	16.8	29.3	17.8	15.2	15.4	12.5	27.9	15.0
EBITDA	5,486	6,089	5,695	7,615	5,945	6,465	6,726	8,237	24,918	27,373
Change (%)	76.3	42.4	13.0	24.9	8.4	6.2	18.1	8.2	34.5	9.9
EBITDA margin (%)	14.1	14.4	13.1	13.6	13.0	13.3	13.4	13.1	13.8	13.2
Depreciation	571	603	619	657	644	651	638	658	2,450	2,590
Interest	249	268	322	244	325	330	360	376	1,083	1,391
Other Income	640	353	710	538	650	550	790	910	2,209	2,900
Share of JV's loss	-	-	-	-	-	-	-	-	-	-
PBT	5,305	5,572	5,464	7,253	5,626	6,034	6,519	8,113	23,593	26,292
Tax	1,273	1,274	1,299	1,718	1,378	1,478	1,597	1,988	5,564	6,442
Tax Rate (%)	24.0	22.9	23.8	23.7	24.5	24.5	24.5	24.5	23.6	24.5
MI	35	42	37	75	35	45	55	54	189	189
Exceptional items	-	-	-	-	-	-	-	-	0	0
Reported PAT	3,996	4,256	4,129	5,460	4,213	4,511	4,867	6,072	17,841	19,662
Change (%)	81.8	58.9	15.4	28.6	5.4	6.0	17.9	11.2	40.4	10.2
Adj. PAT	3,996	4,256	4,129	5,460	4,213	4,511	4,867	6,072	17,841	19,662
Change (%)	81.8	58.9	15.4	28.6	5.4	6.0	17.9	11.2	40.4	10.2

RR KABEL**Buy****CMP: INR1,755 | TP: INR2,210 (+26%)****EPS CHANGE (%): FY25|26: -5.5|-4.5**

- Estimate revenue to grow 11% YoY in 1QFY25.
- Revenue from C&W/FMEG is estimated to increase 9%/18% YoY.

- EBITDA is estimated to grow 15% YoY to INR1.3b. OPM is estimated to improve 30bp YoY to 7.4%.
- Adj. PAT is estimated to grow 18% YoY to INR881m.

Consolidated quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	15,973	16,097	16,335	17,541	17,671	18,367	19,832	22,325	65,946	78,196
EBITDA	1,129	1,209	1,126	1,153	1,303	1,434	1,595	2,079	4,617	6,412
EBITDA margin (%)	7.1	7.5	6.9	6.6	7.4	7.8	8.0	9.3	7.0	8.2
Depreciation	161	166	165	163	171	180	189	194	655	734
Interest	144	142	124	128	110	115	120	101	539	446
Other Income	163	148	122	193	160	140	162	177	626	639
PBT	987	1,049	959	1,055	1,182	1,279	1,448	1,960	4,050	5,870
Tax	250	310	250	270	307	333	371	516	1,080	1,526
Effective Tax Rate (%)	25.4	29.5	26.0	25.6	26.0	26.0	25.6	26.3	26.7	26.0
JV share	7	2	0	2	6	3	1	-	11	10
Reported PAT	743	741	710	787	881	949	1,079	1,445	2,981	4,354
Adj. PAT	743	741	710	787	881	949	1,079	1,445	2,981	4,354

Volta**Buy****CMP: INR1,450 | TP: INR1,670 (+15%)****EPS CHANGE (%): FY25|26: -0.8|-0.6**

- Estimate revenue to grow 17% YoY in 1QFY25.
- Revenue from UCP/EMPS/PES is estimated to increase 22%/7%/5% YoY.
- EBITDA is estimated to grow 40% YoY to INR2.6b. OPM is estimated to improve 20bp YoY to 6.6%.
- Adj. PAT is estimated to rise 47% YoY to INR1.9b.

Consolidated quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	33,599	22,928	26,257	42,029	39,430	26,287	29,141	45,765	1,24,812	1,40,624
Change (%)	21.4	29.7	30.9	42.1	17.4	14.7	11.0	8.9	31.4	12.7
EBITDA	1,854	703	284	1,906	2,590	1,018	1,559	3,844	4,746	9,012
Change (%)	4.7	(30.3)	(62.8)	(12.6)	39.7	44.9	448.7	101.7	(17.1)	89.9
As of % Sales	5.5	3.1	1.1	4.5	6.6	3.9	5.4	8.4	3.8	6.4
Depreciation	113	117	128	118	169	151	181	103	476	605
Interest	101	115	135	208	150	130	110	140	559	530
Other Income	700	710	579	544	700	734	600	816	2,533	2,850
Extra-ordinary Items	0	-	-	-	0	0	0	0	0	0
PBT	2,339	1,181	599	2,124	2,971	1,471	1,868	4,417	6,244	10,726
Tax	735	493	515	634	796	394	501	1,189	2,377	2,880
Effective Tax Rate (%)	31.4	41.7	85.9	29.9	26.8	26.8	26.8	26.9	38.1	26.8
Share of profit of associates/JV's	(312)	(321)	(389)	(325)	(270)	(240)	(220)	(200)	(1,347)	(930)
Reported PAT	1,293	367	(304)	1,164	1,905	837	1,147	3,028	2,520	6,917
Change (%)	18.7	NM	NM	(19.1)	47.3	128.2	NA	160.1	86.7	174.5
Minority Interest	1	(10)	28	(58)	5	(10)	20	(54)	(39)	(39)
Adj PAT	1,293	367	(304)	1,038	1,900	847	1,127	3,082	2,394	6,956
Change (%)	18.7	(62.9)	NM	(27.9)	46.9	130.9	(470.6)	196.9	-36.8	190.6

Company

Avalon Technologies

Cyient DLM

Data Patterns

Kaynes Technologies

Syrma SGS

Revenue uptrend set to continue

Revenue/EBITDA to grow ~44%/35% YoY in 1QFY25

- EMS companies, under our coverage universe, are likely to continue their strong growth momentum. Aggregate Revenue of our coverage is likely to grow 44% YoY in 1QFY25 (down 18% QoQ due to seasonality), aided by customer additions, growing orderbook, and strong execution.
- Orderbook is anticipated to grow YoY across the EMS space propelled by healthy customer additions over the year across emerging sectors; however, we can expect a flattish orderbook sequentially as some companies may witness strong order flows in 2HFY25.
- Syrma is likely to report the highest revenue growth of ~67% YoY, followed by Kaynes, Data Patterns, and CyientDL at +62%, +28%, and +20% YoY, respectively. Avalon's pace of revenue decline is projected to reduce with an expected YoY decline of ~7% on a large base (recovery in the US operations has just begun).
- EBITDA margin for our EMS coverage universe can see some contraction, majorly dragged down by a 210bp YoY margin contraction in CyientDL (due to adverse operating leverage). We expect our coverage universe to witness ~60bp YoY contraction in margin, primarily due to 210bp/60bp/50bp margin contractions in CYIENTDLM/SYRMA/KAYNES. Conversely, DATAPATT and AVALON are likely to witness a margin expansion of 300bp and 30bp YoY, respectively. Due to the seasonally weaker quarter, margins will experience contraction in 1QFY25 on a sequential basis.

KAYNES leading the growth in the EMS basket

- **KAYNES:** We are expecting a strong revenue growth of 62% YoY this quarter, driven by the company's consistent addition of new clients over the last few quarters, which are now translating into revenue. Railways and smart meters' orders to ramp up from 2QFY25. Margins are expected to contract slightly aided by some portion of prototyping work to be done in this quarter. OSAT and PCB's capacity additions are on track; however, subsidy approval from the govt. will remain a key monitorable.
- **Avalon:** Revenue/EBITDA decline to moderate to 7%/3% YoY, fueled by some visibility of a recovery in the US operations as well as a pick-up in the India business going forward. Margins are expected to witness slight expansion of 30bp YoY. The company anticipates strong growth in 2HFY25 from three main areas: 1) expansion of new businesses in the US market; 2) recovery of the existing US business; and 3) acquisition of the new business from Indian clients.
- **SYRMA:** We are expecting a strong revenue/EBITDA growth of 67%/50% YoY in 1QFY25, backed by execution of high-volume products in the consumer and auto segments. Margin, however, is anticipated to contract ~60bp YoY due to a lower mix of high-margin products (likely to pick up in 2HFY25). The company has maintained its full-year revenue guidance of INR45b with ~7% margin. The exports business (mostly Germany and US) is projected to accrue from 2HFY25.

- **CYIENTDL:** We anticipate the company to report 20% YoY revenue growth in 1QFY25, while margin is expected to contract 210bp YoY largely due to the elevated SG&A and ESOP expenses, which were not present in 1QFY24. The orderbook is expected to remain muted with a pickup expected from 2HFY25.
- **DATAPATT:** We expect its revenue/EBITDA to grow 28%/40% YoY, with margin likely to expand 300bp YoY due to a better business mix.

Exhibit 1: Summary of 1QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Avalon Tech	541	Buy	2,186	-7.0	0.8	157	-3.0	-8.6	63	-11.3	-11.2
Cyient DLM	753	Buy	2,606	20.0	-28.0	184	-7.9	-51.7	93	74.5	-58.9
Data Pattern	3092	Neutral	1,148	28.0	-37.0	390	40.3	-58.0	316	22.2	-55.6
Kaynes Tech	3962	Buy	4,814	62.0	-24.5	627	55.8	-34.1	443	79.7	-45.5
Syrma SGS Tech.	486	Buy	10,042	67.0	-11.5	554	50.1	-24.8	266	-6.7	-23.8
EMS			20,796	44.4	-17.9	1,913	35.5	-39.7	1,181	29.2	-45.6

Exhibit 2: Valuation Summary

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
EMS						87.2	65.4	42.4	7.1	7.6	6.4	8.2	11.5	15.2
Avalon Tech	541	Buy	4.3	9.3	15.9	115.9	58.2	34.0	5.9	5.8	5.0	5.2	10.6	15.8
Cyient DLM	753	Buy	7.7	14.6	21.9	93.3	51.4	34.5	6.3	5.8	5.0	11.1	12.0	15.6
Data Pattern	3,092	Neutral	32.4	39.7	54.0	74.7	77.9	57.2	10.2	11.2	9.4	14.6	15.5	17.9
Kaynes Tech	3,962	Buy	28.7	50.3	82.5	100.0	78.8	48.0	7.4	9.0	7.6	10.6	12.1	17.2
Syrma SGS Tech.	486	Buy	6.1	9.7	15.3	75.9	49.9	31.8	5.1	4.9	4.3	6.9	10.2	14.4

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Avalon Technologies

Buy

CMP INR541 | TP: INR640 (+18%)

EPS CHANGE (%): FY25|26: -4|+1

- Revenue is expected to decline 7% YoY and EBITDA margin is likely to be ~7.2% in 1QFY25.
- The domestic revenue growth is likely to drive sales for the company.
- The international business is likely to report a decline, coupled with operational losses in 1QFY25.
- The recovery in the US business and the ramp up of India business would be the key monitorables.

Consolidated - Quarterly Earnings Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	2,351	2,010	2,143	2,168	2,186	2,211	2,893	3,203	8,672	10,493
YoY Change (%)	19.9	-17.9	-7.9	-20.2	-7.0	10.0	35.0	47.7	-8.2	21.0
Total Expenditure	2,189	1,884	1,977	1,996	2,029	2,017	2,589	2,809	8,046	9,443
EBITDA	162	126	165	172	157	194	304	394	626	1,049
Margins (%)	6.9	6.3	7.7	7.9	7.2	8.8	10.5	12.3	7.2	10.0
Depreciation	53	55	60	61	62	66	70	73	229	271
Interest	56	32	36	39	35	30	28	25	164	118
Other Income	51	47	22	28	26	40	54	62	148	183
PBT before EO expense	105	86	91	99	86	138	260	358	381	843
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	105	86	91	99	86	138	260	358	381	843
Tax	34	13	25	29	24	38	71	99	101	232
Rate (%)	32.4	15.2	27.5	29.0	27.5	27.5	27.5	27.5	26.5	27.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	71	73	66	71	63	100	188	260	280	611
Adj PAT	71	73	66	71	63	100	188	260	280	611
YoY Change (%)	-23.9	-50.7	14.7	-68.9	-11.3	37.8	186.4	267.8	-46.7	118.3
Margins (%)	3.0	3.6	3.1	3.3	2.9	4.5	6.5	8.1	3.2	5.8

Cyient DLM

Buy

CMP INR753 | TP: INR880 (+17%)

EPS CHANGE (%): FY25|26: 0|0

- Revenue is expected to grow 20% YoY, while EBITDA to decline by 8%.
- Efficient execution of large order books will be the key focus area for the company.
- Margin is likely to contract to ~210bp due to lower 'SG&A expenses' in the base quarter.
- New client additions and order inflows will be the key monitorables.

Consolidated - Quarterly Earnings Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	2,171	2,918	3,210	3,618	2,606	3,837	4,366	5,162	11,919	15,971
YoY Change (%)	27.6	71.5	49.7	30.5	20.0	31.5	36.0	42.7	43.2	34.0
Total Expenditure	1,972	2,683	2,916	3,238	2,422	3,476	3,867	4,513	10,809	14,278
EBITDA	200	235	294	380	184	361	499	649	1,110	1,693
Margins (%)	9.2	8.1	9.2	10.5	7.1	9.4	11.4	12.6	9.3	10.6
Depreciation	48	55	58	62	64	66	69	71	223	270
Interest	91	76	83	94	30	15	10	5	344	60
Other Income	9	93	93	83	35	39	44	71	278	189
PBT before EO expense	70	198	247	307	125	319	464	644	821	1,552
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	70	198	247	307	125	319	464	644	821	1,552
Tax	16	51	63	80	31	80	117	162	209	391
Rate (%)	23.3	25.9	25.3	25.9	25.2	25.2	25.2	25.2	25.5	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	54	147	184	227	93	239	347	482	612	1,161
Adj PAT	54	147	184	227	93	239	347	482	612	1,161
YoY Change (%)	-15.2	106.4	222.9	80.7	74.5	62.9	88.3	111.9	92.9	89.8
Margins (%)	2.5	5.0	5.7	6.3	3.6	6.2	8.0	9.3	5.1	7.3

Data Pattern**Neutral****CMP INR3,092 | TP: INR2,720 (-12%)****EPS CHANGE (%): FY25 | 26: -2 | -2**

- Revenue is expected to grow 28% YoY with an EBITDA margin of ~34%.
- Movement in working capital requirements will be the key monitorable.
- New product development will be the key focus area for the company.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	897	1,083	1,395	1,823	1,148	1,332	1,744	2,295	5,198	6,519
YoY Change (%)	31.2	22.9	24.8	-1.5	28.0	23.0	25.0	25.9	14.6	25.4
Total Expenditure	619	676	795	893	758	809	988	1,220	2,982	3,775
EBITDA	278	408	600	930	390	524	756	1,075	2,217	2,745
Margins (%)	31.0	37.6	43.0	51.0	34.0	39.3	43.3	46.8	42.6	42.1
Depreciation	28	31	33	70	68	60	40	36	162	204
Interest	17	23	23	30	28	25	23	17	93	93
Other Income	116	108	113	123	127	130	132	132	460	522
PBT before EO expense	349	463	657	953	422	569	825	1,153	2,422	2,969
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	349	463	657	953	422	569	825	1,153	2,422	2,969
Tax	91	125	148	242	106	143	208	290	605	747
Rate (%)	25.9	27.0	22.4	25.4	25.2	25.2	25.2	25.2	25.0	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	258	338	510	711	316	426	617	863	1,817	2,221
Adj PAT	258	338	510	711	316	426	617	863	1,817	2,221
YoY Change (%)	81.4	60.5	53.0	28.4	22.2	25.9	21.1	21.4	46.6	22.3
Margins (%)	28.8	31.2	36.5	39.0	27.5	31.9	35.4	37.6	35.0	34.1

Kaynes Technologies**Buy****CMP INR3,962 | TP: INR4,560 (+15%)****EPS CHANGE (%): FY25 | 26: +2 | 12**

- Revenue is expected to grow 62% YoY and EBITDA margin is anticipated to be ~14.3% in 1QFY25.
- Orderbook inflow and new client additions will be the key monitorables.
- OSAT/PCB approval to remain in focus.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	2,972	3,608	5,093	6,373	4,814	5,593	8,403	10,059	18,046	28,870
YoY Change (%)	49.1	32.1	76.2	74.8	62.0	55.0	65.0	57.8	60.3	60.0
Total Expenditure	2,569	3,121	4,394	5,421	4,187	4,794	7,126	8,462	15,505	24,568
EBITDA	403	488	699	952	627	800	1,277	1,597	2,542	4,302
Margins (%)	13.5	13.5	13.7	14.9	13.0	14.3	15.2	15.9	14.1	14.9
Depreciation	53	65	60	74	85	97	113	124	251	419
Interest	113	118	148	153	105	115	120	166	533	506
Other Income	81	90	94	294	120	150	160	234	559	664
PBT before EO expense	319	394	585	1,019	557	738	1,204	1,541	2,317	4,041
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	319	394	585	1,019	557	738	1,204	1,541	2,317	4,041
Tax	72	71	133	207	114	151	247	316	483	828
Rate (%)	22.6	18.0	22.7	20.3	20.5	20.5	20.5	20.5	20.8	20.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	246	323	452	813	443	586	958	1,225	1,834	3,212
Adj PAT	246	323	452	813	443	586	958	1,225	1,834	3,212
YoY Change (%)	149.0	52.8	97.7	97.3	79.7	81.5	111.9	50.8	92.9	75.1
Margins (%)	8.3	9.0	8.9	12.8	9.2	10.5	11.4	12.2	10.2	11.1

Syrma SGS**Buy**

CMP INR486 | TP: INR565 (+16%)

EPS CHANGE (%): FY25 | 26: +2 | 0

- Revenue and EBITDA are likely to grow 67% and 50% YoY, respectively, while EBITDA margin is anticipated to contract to ~5.5%.
- Business mix will remain a focus area for the company's margin trajectory.
- Orderbook growth to be a key monitorable.

Consolidated - Quarterly Earnings Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	6,013	7,117	7,067	11,341	10,042	10,178	10,247	14,317	31,538	44,784
YoY Change (%)	54.4	52.4	37.9	66.9	67.0	43.0	45.0	26.2	54.0	42.0
Total Expenditure	5,644	6,627	6,679	10,604	9,488	9,564	9,507	13,169	29,554	41,727
EBITDA	369	490	388	737	554	614	740	1,148	1,984	3,057
Margins (%)	6.1	6.9	5.5	6.5	5.5	6.0	7.2	8.0	6.3	6.8
Depreciation	101	116	139	158	160	163	166	174	515	663
Interest	75	80	100	123	115	105	95	86	378	401
Other Income	221	89	121	156	150	165	180	177	587	672
PBT before EO expense	413	383	270	612	429	511	659	1,064	1,678	2,664
Extra-Ord expense	0	14	0	0	0	0	0	0	14	0
PBT	413	370	270	612	429	511	659	1,064	1,664	2,664
Tax	130	64	67	160	108	129	166	268	421	671
Rate (%)	31.5	17.4	24.8	26.1	25.2	25.2	25.2	25.2	25.3	25.2
Minority Interest & Profit/Loss of Asso. Cos.	-2	22	48	103	55	70	85	56	170	266
Reported PAT	285	283	155	349	266	312	408	740	1,073	1,727
Adj PAT	285	297	155	349	266	312	408	740	1,087	1,727
YoY Change (%)	84.0	4.8	-53.2	-17.4	-6.7	5.2	163.2	111.9	-8.9	58.9
Margins (%)	4.7	4.2	2.2	3.1	2.7	3.1	4.0	5.2	3.4	3.9

Financials: Banks

1QFY25 earnings estimates (INR b)

PAT (INR b)	1Q FY25E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	4.2	9.3	14.1
AXSB	64.1	10.6	-10.1
BANDHAN	8.1	12.9	1,390
DCBB	1.4	11.4	-9.2
EQUITAS	1.7	-8.7	-16.0
FB	9.7	13.8	7.2
HDFCB	154.6	29.3	-6.4
ICICIBC	106.3	10.2	-0.7
IDFCFB	6.8	-11.0	-5.9
IIB	23.4	10.1	-0.5
KMB	35.9	4.0	-13.2
RBK	3.4	18.6	-3.1
Private Total	419.8	15.6	-3.7
PSU Banks			
BOB	46.0	13.1	-5.8
CBK	39.6	12.0	5.3
INBK	22.1	29.1	-1.8
PNB	30.1	139.7	-0.1
SBIN	168.6	-0.2	-18.6
UNBK	35.8	10.6	8.1
PSU Total	342.1	11.5	-9.7
Banks Total	761.9	13.7	-6.5
SBICARD	6.4	8.7	-2.7
Paytm	-8.4	NA	NA

Earnings growth to moderate; margins bias slightly negative

Asset quality outlook healthy; credit cost a key monitorable in FY25

- Credit growth to remain healthy; estimate 14% growth in systemic loans over FY25-26:** The systemic credit growth remained healthy at 15.5% for the fortnight ended 14th Jun'24. The growth was fueled by sustained momentum in retail and business banking, while the corporate segment experienced a moderate recovery. The home, vehicle, real estate, and small business segments continued to do well, while CV demand remained healthy. Inflation has been showing a downward trend, and we continue to monitor the potential turn in the rate cycle. We estimate systemic loans to clock a 14% growth over FY25-26.
- Deposit growth sustains at 12.6% YoY; margins bias slightly negative:** The FY25 credit growth has started on a good note, and while deposit accretion remains a challenge, the gap between deposit and credit growth has narrowed to ~3.5% in Jun'24 due to a push for deposits, and competitive TD rates offered by banks. The CD ratio, however, has remained elevated at 79.9%, with most of the banks reporting an increase over the past year. Among the banks under our coverage, we will monitor deposit growth for HDFCB and AXSB. While sector margins have compressed over the past year, select banks have further revised their rates upwards, mainly for short-term deposits amid tight liquidity conditions. This, coupled with a slight moderation in Weighted Average Lending Rate for the system (mainly PSU banks), points to the continued pressure on sector margins in the near term, albeit, at a more calibrated pace.
- Asset quality outlook healthy; farm loan waivers raise concern on the medium-term performance:** Credit quality for most banks has been robust, leading to controlled provisioning expenses. However, the recent developments related to farm loan waivers could potentially upset the credit culture and would result in an uptick in credit costs, particularly in the agri and unsecured segments (like MFI). We would thus closely monitor the asset quality outlook over the medium term. Nevertheless, we factor in a modest rise in provisioning expenses as: 1) the recovery from the existing NPA/TWO pools moderates, 2) the first quarter is a seasonally weak quarter and is characterized by some rise in agri NPAs, and 3) credit costs normalize gradually after being extremely benign over the recent period.
- Estimate earnings for our banking coverage universe to clock ~16% CAGR over FY24-26:** We estimate NII for our banking coverage universe to grow ~12.6% YoY in 1QFY25, while PPOp is likely to increase at a modest rate of 9.2% YoY (-5.7% QoQ). For 1QFY25, we thus estimate Private/PSU banks to report earnings growth of 15.6%/11.5% YoY. **We also estimate the earnings of the MOFSL Banking Universe to grow 13.7% (~10.3% ex-HDFCB)/16.3%/16.6% YoY over 1QFY25/FY25/26.** Consequently, we estimate the **Banking sector's earnings to post a >16% CAGR over FY24-26.** Interestingly, we believe that **FY25 is going to be an inflection year as earnings growth after some period of moderation (~27% YoY growth in FY23-24) bottoms out in second half and thereafter begins to accelerate from 2HFY25.**

Private banks: 1QFY25 PAT to grow ~15.0% YoY (+8.3% YoY ex-HDFCB)

- **For our private bank coverage universe (ex-HDFCB)**, we estimate a PPOP growth of 10% YoY/flat QoQ and a PAT growth of 8.9% YoY/decline of 2.1% QoQ in 1QFY25. We also estimate earnings to record a 16% CAGR over FY24-26.
- **We estimate 1QFY25 NII growth** of 16.6% YoY (+13.0% YoY ex-HDFCB), with IDFCFB at ~25.0%, HDFCB at ~24.0%, FB at ~19.0%, Bandhan and RBK at ~17% each, IIB at ~15%, and KMB at ~14% YoY.
- Opex is likely to follow a normalized trend as the banks continue with their investments in branches and technology, while the pace of employee hiring has moderated. The moderation in bond yields is likely to aid other income.
- **Slippages broadly remain under control**, which should drive stability/further improvement in asset quality ratios. However, we remain cautious about the ongoing developments around farm loan waivers, which could result in some rise in credit costs in the unsecured segments, mainly MFI.

PSBs: Earnings growth to moderate due to margin compression

- We estimate PSBs to report moderate earnings growth of 11.5% YoY in 1QFY25. NII growth is also likely to moderate to 8.8% YoY as margins maintain a downward bias. Accordingly, we estimate PSBs' earnings to clock a 17% CAGR over FY24-26.
- **Opex intensity will begin to ease** as wage-related provisions were largely accounted for in 3Q and 4QFY24. **Treasury performance is likely to remain healthy**, underpinned by a decline in bond yields and buoyant capital markets. We also expect an improvement in CET-1 for select PSBs, backed by the revised investment regulations.
- Asset quality is anticipated to remain stable due to an improving borrower profile and a low SMA pool, keeping slippages under control. However, with the ongoing developments about **farm loan waivers**, the **outlook for asset quality** will be closely monitored over the coming quarters. Besides, the ECL provisioning requirement for the next fiscal may also act as an overhang on sector performance.

SFBs: Mixed performance; asset quality to be keenly monitored

- We estimate **AUBANK's 1QFY25 PAT** to grow 9.3% YoY to INR4.2b (+14% QoQ), as the bank reports its first quarter post-merger with Fincare SFB. Its NII is likely to grow 54% YoY, as NIMs improve sharply post-merger. We, however, will keep a close watch on its asset quality, given the adverse impact of the recent farm loan waivers on the MFI segment, and the performance of its card business.
- **EQUITASB** is likely to report a modest quarter, with PAT expected to dip 8.7% YoY amid lower other income and an elevated opex. Business growth is likely to be soft, and we estimate advances to grow at ~15% YoY (+~2.6% QoQ), though AUM growth will be faster. We further estimate NIMs to moderate 7bp QoQ to 8.10%.

Payments/Fintech: Earnings growth to remain modest

- **SBICARDS:** Credit card spending is likely to recover slightly following a dip in 4QFY24, amid lower corporate spending. NIM is anticipated to be broadly stable, while credit costs would remain elevated due to continued asset quality pressure. We, thus, estimate earnings to grow 8.7% YoY (down 2.7% QoQ).
- **PAYTM:** We estimate a 7% YoY decline in GMV in 1QFY25, amounting to INR4.3t. Revenue from its operations is projected to decrease 36% YoY to INR14.9b, while contribution profit is estimated to decline 51% YoY to INR6.4b for 1QFY25. The contribution margin is likely to be ~43%. Adj. operating loss is estimated to be INR4.9b in 1QFY25.

Top picks – ICICIB, HDFCB, FB, and SBIN

ICICIB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	743	841	981
OP	581	664	790
NP	409	460	524
NIM (%)	4.7	4.5	4.5
EPS (INR)	58.4	65.6	74.7
EPS Gr (%)	27.5	12.3	13.9
ABV/Sh (INR)	320	376	442
Cons. BV/Sh (INR)	363	433	503

Ratios

RoE (%)	18.9	18.0	17.6
RoA (%)	2.4	2.3	2.2

Valuations

P/BV (x) (Cons)	3.3	2.8	2.4
P/ABV (x)	3.1	2.6	2.2
P/E (x)	20.7	18.4	16.2

HDFCB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	1,085	1,259	1,476
OP	944	1,052	1,247
NP	608	702	819
NIM (%)	3.4	3.5	3.6
EPS (INR)	80.0	92.4	107.7
EPS Gr. (%)	1.0	15.4	16.7
BV/Sh. (INR)	580	652	739
ABV/Sh. (INR)	565	636	720

Ratios

RoE (%)	14.6	15.0	15.5
RoA (%)	1.8	1.8	1.9

Valuations

P/E(X)	21.3	18.5	15.8
P/E(X)*	18.1	15.7	13.5
P/BV (X)	2.9	2.6	2.3
P/ABV (X)	2.6	2.3	2.0

ICICIB (BUY)

- ICICIB has consistently demonstrated a strong growth and profitability over the past few years. The bank boasts a healthy PCR of 81% as of 4QFY24. Moreover, it has set aside Covid-related provisions of INR131b (1.1% of total loans).
- Slippages have been effectively managed and have been decreasing for the past few quarters, which is expected to continue. ICICIB is well-prepared with ample provisions on its balance sheet and does not foresee an immediate need to utilize these provisions.
- Over the past year, its margin has corrected 50bp to 4.4%; however, the pace of NIM compression has moderated sharply. Management expects margin to remain range-bound with a slight downward bias in the near term due to elevated TD rates (recently raised rates by 10bp), and residual repricing of its TD portfolio.
- ICICIB is consistently outpacing system credit growth, driven by higher growth in retail and SME segments. With a focus on building a diversified and granular portfolio, ICICIB reported a ~17% CAGR in loans over FY22-24.
- The bank is well positioned to deliver superior performance characterized by healthy loan growth, strong asset quality, and industry-leading return ratios. We estimate its RoA/RoE at 2.2%/17.6% in FY26. Adjusted for its subsidiaries, the standalone bank currently trades at 2.2x FY26E ABV.

HDFCB (BUY)

- HDFCB is confident of sustaining the steady growth momentum and has highlighted that it has been able to maintain its incremental market share of ~16-20% despite an increase in its size.
- A strong growth in the mortgage business and its focus on cross-selling other secured/unsecured retail products will enable healthy growth, and the bank expects to double its balance sheet in the next ~4-5 years.
- Granular and a high-quality liability franchise remains a key priority for the bank, even as it does not want to compete on rates in the market. The improving vintage of the branch network will enable a steady rise in deposit productivity over time. We estimate a ~18% CAGR in the bank's deposit base over FY24-26.
- Margins are expected to remain under pressure in the near term, as deposit mobilization may take some time before the funding cost normalizes and borrowings are replaced by low-cost deposits.
- We expect margins to recover to 3.6% by FY26E and expect improvements in cost ratios, which should enable ~15% CAGR in PPop over FY24-26E, leading to an RoA/RoE of ~1.9%/15.5% by FY26E. The stock currently trades at an attractive valuation of 2.0x FY26E ABV.

FB: Financial snapshot (INR b)

Y/E Mar	FY24	FY25E	FY26E
NII	82.9	97.9	116.9
OP	51.7	65.0	80.2
NP	37.2	42.7	51.1
NIM (%)	3.3	3.2	3.3
EPS (INR)	16.3	17.5	21.0
EPS Gr. (%)	14.5	7.3	19.6
BV/Sh. (INR)	119	135	153
ABV/Sh. (INR)	112	127	144
Ratios			
ROE (%)	14.7	13.8	14.6
ROA (%)	1.3	1.3	1.3
Valuations			
P/E(X)	10.8	10.1	8.4
P/BV (X)	1.5	1.3	1.2
P/ABV (X)	1.6	1.4	1.2

SBI: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	1,599	1,737	1,983
OP	867	1,084	1,274
NP	611	706	811
NIM (%)	3.1	3.0	3.1
EPS (INR)	68.4	79.1	90.8
EPS Gr. (%)	21.6	15.5	14.9
ABV (INR)	365	431	505
Cons. BV (INR)	448	522	622
Ratios			
RoE (%)	18.8	18.6	18.4
RoA (%)	1.0	1.1	1.1
Valuations			
P/BV (x) (Cons.)	1.9	1.6	1.4
P/ABV (x)	1.7	1.4	1.2
P/E (x)	11.2	9.5	8.1
P/E (x)*	8.9	7.7	6.7

FB (BUY)

- Federal Bank remains focused on delivering sustainable loan growth by leveraging data analytics, enhancing distribution through alternate channels and partnerships, and adopting a digital-first approach.
- The bank has been focusing on building a diversified loan book, with Retail and SME books witnessing healthy growth of 24.4% and 22.4% YoY, respectively. FB posted a 14% CAGR in advances over FY19-24, and the advances are likely to clock an 18% CAGR over FY24-26.
- FB clocked a 13% CAGR in deposits over FY19-24, and deposits are anticipated to record an 18% CAGR over FY24-26. Despite stagnation in CASA ratio over the past few quarters, growth in TD has led to an overall deposit growth.
- At an overall level, there has been a sustained improvement in asset quality. The GNPA ratio contracted to 2.1% in FY24 from 2.4% in FY23. GNPA ratios have significantly improved in the Agri and SME sectors. Slippages have been under control, with the bank expecting higher recoveries.
- We believe that FB is well placed to deliver RoA expansion, led by controlled credit costs and a rise in the mix of high-yielding segments. We estimate FY26 RoA/RoE of 1.3%/14.6%. The stock currently trades at a valuation of 1.2x FY26E ABV.

SBI (BUY)

- SBIN has delivered a strong all-round performance for the past few years and has achieved new milestones in profitability (PAT surpassed INR600b in FY24).
- SBIN delivered robust credit growth of an average ~16.4% during FY22-24. The retail business has remained the key growth driver, as it accounted for ~36% of the total loan book (vs. ~34% in FY21). On the wholesale front, SBIN is witnessing a healthy pick-up in corporate loan growth, led by improved demand and utilization, even as the bank focuses on building a high-quality portfolio.
- Asset quality has remained well under control, with constant moderations in GNPA/NNPA ratios and the overall stress pool. The bank witnessed an 18bp/7bp YoY decline in GNPA/NNPA to 2.24%/0.57% in 4QFY24.
- SBIN in FY24 witnessed high opex due to additional provisions for a 17% wage hike settlement and one-off pension provisions, resulting in a C/I ratio of ~59%. With the full impact of wage revision and pension already factored in, the overall wage bill is likely to moderate significantly, leading to an anticipated reduction in cost ratios to 51% from 59% in FY24.
- Additionally, the rationalization of branches and increased usage of digital channels, such as YONO, should boost operating efficiency, facilitating a gradual moderation in cost ratios.
- We estimate its FY26 RoA/RoE at 1.1%/18.4%. The stock currently trades at a decent valuation of 1.2x FY26E ABV.

Exhibit 1: Earnings estimates – 1QFY25

	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
		Jun'24	YoY (%)	QoQ (%)	Jun'24	YoY (%)	QoQ (%)	Jun'24	YoY (%)	QoQ (%)
Financials										
AU Small Finance	Buy	19,244	54.4	43.9	8,116	48.6	22.2	4,230	9.3	14.1
Axis Bank	Neutral	1,33,198	11.4	1.8	97,882	11.0	-7.1	64,099	10.6	-10.1
Bandhan Bank	Neutral	29,216	17.3	1.9	17,066	9.2	-7.2	8,142	12.9	1,390.6
DCB Bank	Buy	5,262	11.8	3.7	2,347	12.5	0.4	1,414	11.4	-9.2
Equitas Small Finance	Buy	8,092	8.9	3.0	3,355	7.5	-10.5	1,745	-8.7	-16.0
Federal Bank	Buy	22,897	19.3	4.3	14,508	11.4	30.7	9,716	13.8	7.2
HDFC Bank	Buy	2,93,436	24.3	0.9	2,35,043	25.2	-19.7	1,54,587	29.3	-6.4
ICICI Bank	Buy	1,95,292	7.1	2.3	1,53,108	8.3	1.8	1,06,323	10.2	-0.7
IDFC First Bank	Neutral	46,970	25.4	5.1	17,425	16.1	4.7	6,813	-11.0	-5.9
IndusInd Bank	Buy	55,806	14.7	3.8	41,914	9.4	2.7	23,381	10.1	-0.5
Kotak Mahindra Bank	Neutral	71,240	14.3	3.1	52,433	5.9	-4.0	35,889	4.0	-13.2
RBL Bank	Neutral	16,607	16.8	3.8	8,926	37.9	0.6	3,416	18.6	-3.1
Banks – Private		8,97,260	16.6	2.8	6,52,124	15.2	-8.4	4,19,757	15.6	-3.7
Banks – Private (Ex of HDFCB)		6,03,824	13.2	3.7	4,17,081	10.3	-0.4	2,65,170	8.9	-2.1
Bank of Baroda	Buy	1,16,177	5.6	-1.5	77,707	-0.7	-4.1	46,031	13.1	-5.8
Canara Bank	Buy	96,596	11.5	0.8	79,306	4.3	7.4	39,577	12.0	5.3
Indian Bank	Buy	61,467	7.8	2.2	44,088	6.6	2.4	22,061	29.1	-1.8
Punjab National Bank	Neutral	1,03,522	8.9	-0.1	69,142	15.9	7.8	30,087	139.7	-0.1
State Bank of India	Buy	4,27,193	9.8	2.6	2,57,924	2.0	-10.3	1,68,584	-0.2	-18.6
Union Bank	Buy	93,840	6.2	-0.6	70,684	-1.5	8.2	35,797	10.6	8.1
Banks – PSU		8,98,795	8.8	1.2	5,98,850	3.2	-2.6	3,42,137	11.5	-9.7
Total Banks		17,96,054	12.6	2.0	12,50,974	9.2	-5.7	7,61,894	13.7	-6.5
Total Banks (Ex of HDFCB)		15,02,619	10.5	2.2	10,15,932	6.0	-1.7	6,07,307	10.3	-6.6
SBI Cards	Neutral	14,479	17.4	2.3	18,764	23.8	2.4	6,447	8.7	-2.7
Paytm	Neutral	14,911	-36.3	-34.2	-4,897	LP	-583.4	-8,431	NA	NA

Exhibit 2: Our sector earnings estimates remain broadly unchanged; estimate average growth of 16% over FY25/26

INRb	Old Estimates		Revised Estimates		% Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Private Banks						
AXSB	277.4	322.0	279.9	328.9	0.9	2.1
BANDHAN	36.2	43.3	38.5	44.0	6.4	1.7
DCBB	6.4	7.9	6.4	7.8	-0.5	-1.4
HDFCB	702.0	818.2	701.6	818.6	-0.1	0.0
ICICIBC	454.0	528.0	460.4	524.4	1.4	-0.7
IDFCFB	37.9	51.3	35.6	47.6	-6.1	-7.2
IIB	106.9	131.7	103.2	127.8	-3.5	-3.0
KMB	146.6	168.6	148.4	167.1	1.2	-0.9
FB	44.4	53.2	42.7	51.1	-3.8	-4.0
RBK	15.2	20.5	14.9	19.5	-2.1	-4.8
AUBANK	21.5	29.4	22.0	29.4	2.4	-0.1
EQUITASB	9.7	12.7	9.2	12.5	-6.1	-1.6
Total Pvt	1,858.3	2,186.9	1,862.7	2,178.7	0.2	-0.4
YoY growth	14.5%	17.7%	14.8%	17.0%		
Total Pvt (Ex of HDFCB)	1,156.3	1,368.7	1,161.1	1,360.1	0.4	-0.6
YoY growth	14.0%	18.4%	14.4%	17.1%		
PSU Banks						
BOB	204.0	233.0	197.8	228.2	-3.0	-2.1
CBK	168.8	192.5	167.4	192.3	-0.8	-0.1
INBK	101.9	119.2	97.7	116.2	-4.1	-2.6
PNB	132.3	171.9	133.5	167.8	0.9	-2.4
SBIN	713.4	816.5	705.6	810.7	-1.1	-0.7
UNBK	158.6	180.5	157.3	180.0	-0.8	-0.3
Total PSU	1,479.0	1,713.6	1,459.2	1,695.1	-1.3	-1.1
YoY growth	19.9%	15.9%	18.3%	16.2%		
Total Banks	3,337.4	3,900.5	3,322.0	3,873.8	-0.5	-0.7
YoY growth	16.8%	16.9%	16.3%	16.6%		
Total Banks (Ex of HDFCB)	2,635.4	3,082.3	2,620.3	3,055.2	-0.6	-0.9
YoY growth	17.2%	17.0%	16.5%	16.6%		
SBI Cards	30.1	40.0	29.1	39.6	-3.4	-1.1
Paytm	-11.4	-1.2	-17.3	-7.2	NA	

Exhibit 3: Loan growth healthy at 19.2% (including HDFC)

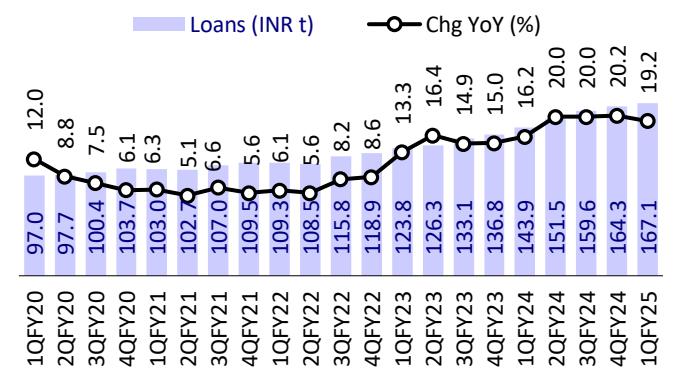


Exhibit 4: Deposit growth moderated to 12.6%

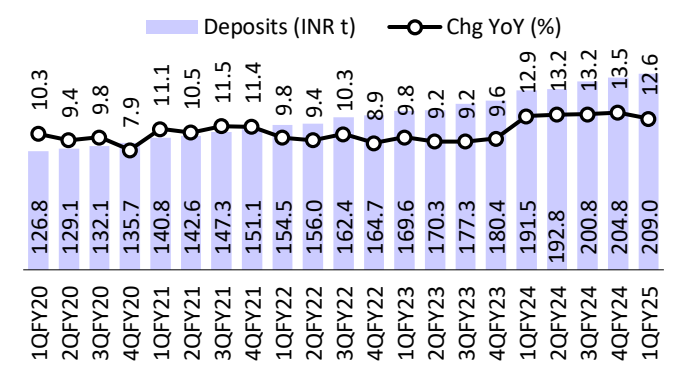
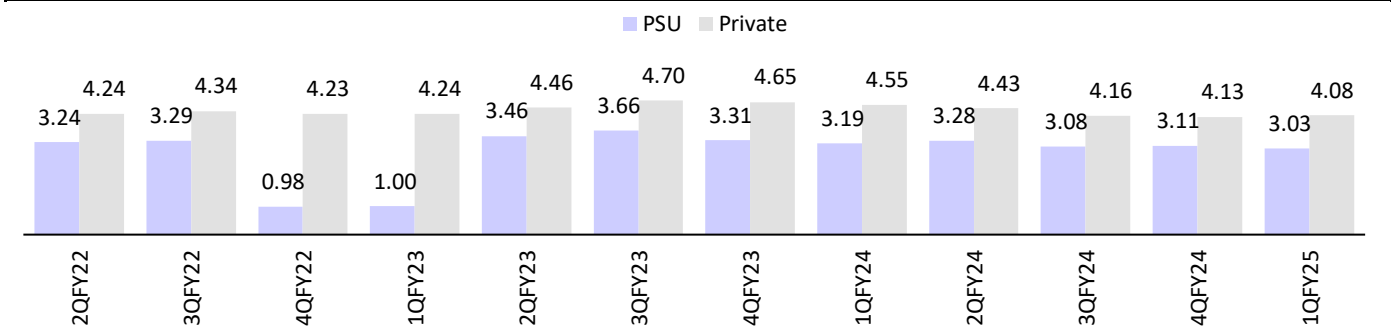


Exhibit 5: Estimate NIMs to exhibit a slight downward bias



Large banks continue to carry additional provision buffers

Exhibit 6: Snapshot of the additional provision buffers as of 4QFY24

As on 4QFY24	Loans (INR b)	COVID/contingent provisions	Floating/additional provisions	Total provisions	As a percentage of loans (%)
AXSB*	9,651	50.1	71.2	121	1.3
HDFCB	24,849	149	124	273	1.1
ICICIBC	11,844	131	-	131	1.1
IIB	3,433	10	-	10	0.3
AUBANK	732	-	0.4	0.4	0.1

*AXSB holds total provisions of INR121b, including standard and additional, other than NPA

Source: MOFSL, Company

Restructured books remain under control for private banks, but they are relatively higher for PSBs

Exhibit 7: Snapshot of restructured books across banks

INR b	Restructured book									
	Absolute	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24
AXSB	16.41	0.52	0.45	0.38	0.3	0.22	0.21	0.2	0.18	0.16
BANDHAN	NA	5.2	2.35	0.2	NA	NA	NA	NA	NA	NA
DCBB	11.59	6.42	6.1	5.45	4.94	4.51	3.97	3.4	3	2.62
HDFCB	51.287	1.14	0.76	0.53	0.42	0.31	NA	0.22	NA	NA
ICICIBC	33.18	1	0.8	0.7	0.5	0.4	NA	0.32	0.29	0.26
IIB	15.699	2.6	2.1	1.5	1.25	0.84	0.66	0.54	0.48	0.40
KMB	4.59	0.44	0.39	0.34	0.25	0.22	0.19	0.15	0.13	0.10
FB	22	2.44	2.22	2.03	1.81	1.62	1.4	1.3	1.1	0.97
RBK	5.037	3.27	2.9	2.21	1.67	1.21	1.05	0.89	0.63	0.51
AUBANK	4.672	2.5	2.1	1.7	1.4	1.2	1	0.8	0.7	0.60
BOB	99	2.44	2.46	2.12	1.87	1.5	1.31	NA	1	NA
SBIN	188.8	1.13	1	0.93	0.85	0.8	0.69	0.62	0.54	0.47
INBK	94.36	4.73	4.2	3.9	3.37	2.51	2.19	2.12	1.93	1.67
PNB	97.2	2.36	2	1.8	1.54	1.32	NA	NA	1.06	NA
UNBK	140.71	2.99	2.92	2.6	2.38	2.2	2	1.71	1.57	1.48
CBK	NA	2.77	2.41	2.09	1.75	NA	NA	NA	NA	NA

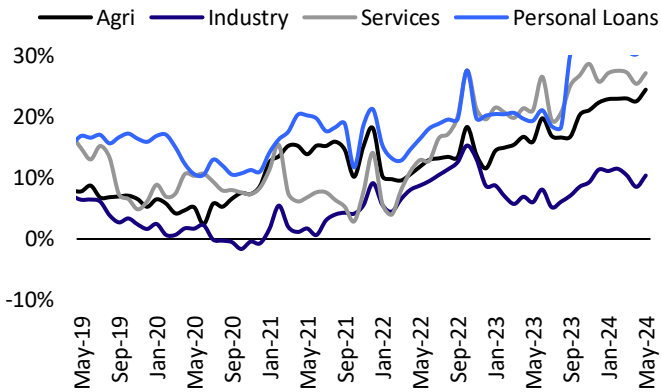
Source: MOFSL, Company

Exhibit 8: SMA book across banks as of 4QFY24

SMA (bp of loans)	SMA 0	SMA 1	SMA 2
BOB		NA	15bp
BOI	106bp	9bp	13bp
CBK	16bp	13bp	40bp
INBK	NA	37bp	10bp
PNB	NA	NA	15bp
SBIN	NA	3bp	6bp
UNBK	12bp	14bp	12bp
BANDHAN	60bp	60bp	80bp
KMB	NA	NA	5bp

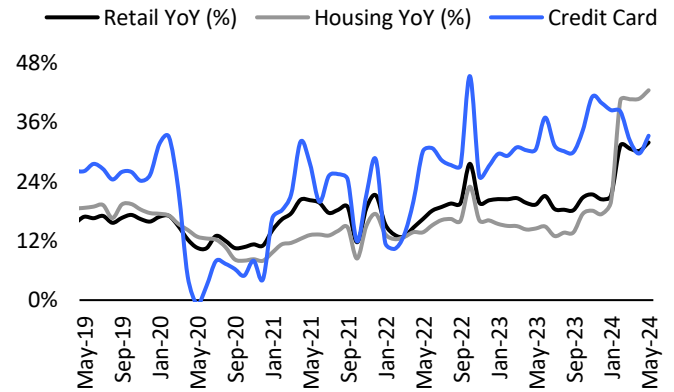
Source: MOFSL, Company

Exhibit 9: Personal loan growth healthy at 20.7% YoY; personal loan mix at 32.4% in May'24 (ex-HDFC Ltd)



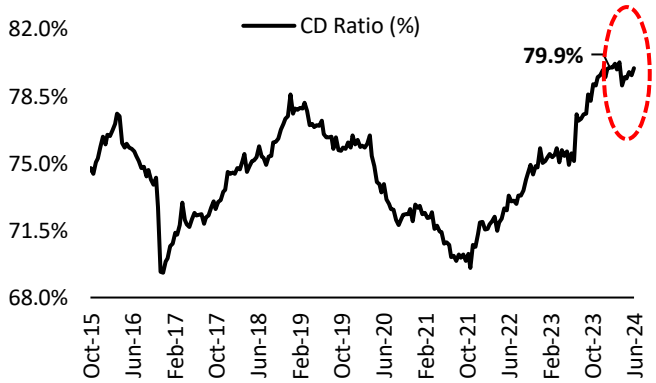
Source: MOFSL, RBI

Exhibit 10: Credit card grew ~33.2% YoY; Housing/Retail loan growth at ~20%/20.7% YoY (ex-HDFC Ltd) in May'24



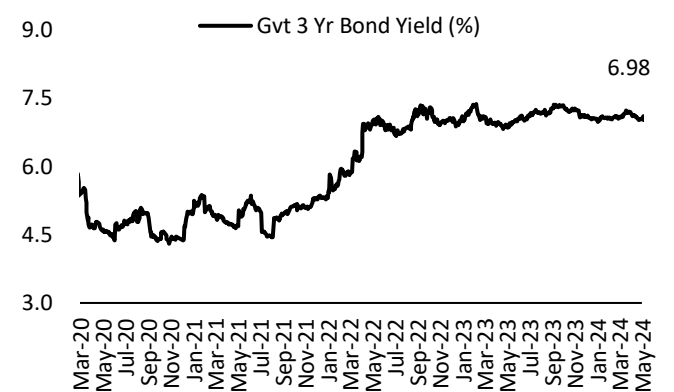
Source: MOFSL, RBI

Exhibit 11: CD ratio stood at 79.9% as of Jun'24



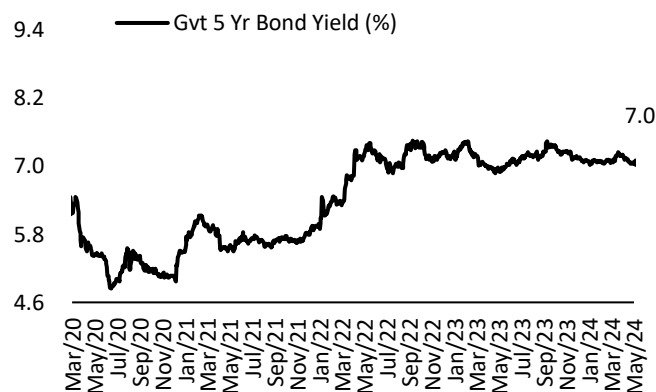
Source: MOFSL, RBI

Exhibit 12: Three-year G-Sec yield remained in a narrow range



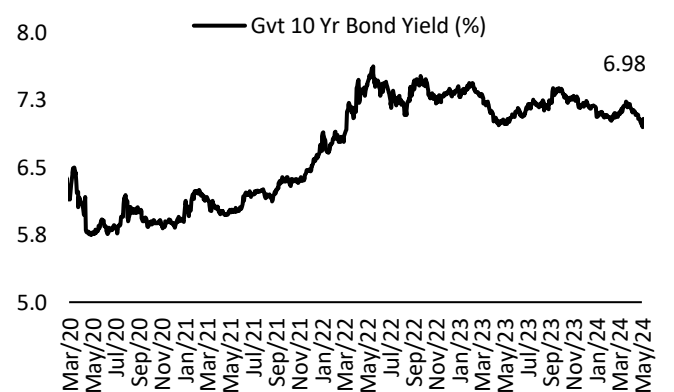
Source: MOFSL, BBG

Exhibit 13: Five-year G-Sec yield declined 5bp in May'24



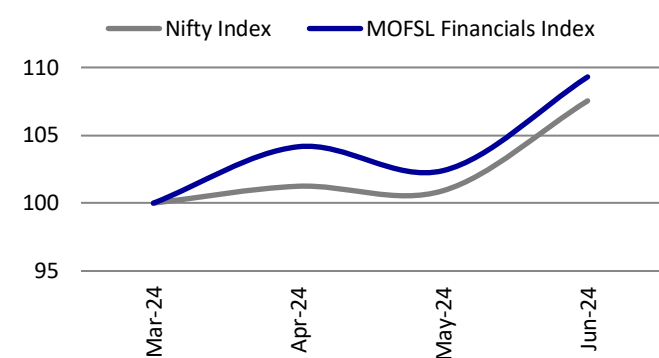
Source: MOFSL, BBG

Exhibit 14: 10-year G-Sec yield stood at 6.98% in May'24



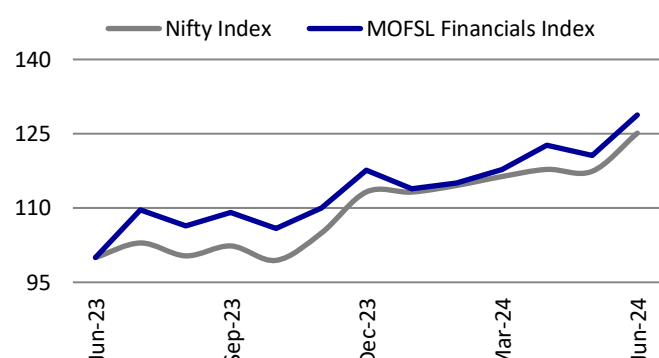
Source: MOFSL, BBG

Exhibit 15: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 16: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 17: Valuation summary

Company	CMP (INR)	Rating	EPS (INR)			P/E (x)			P/B (x)			RoE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Financials														
Banks-Private														
ICICIBC	1,208	Buy	58.4	64.6	75.2	16.9	15.2	13.1	2.9	2.5	2.1	18.9	17.8	17.7
HDFCB	1,704	Buy	80.0	92.4	107.7	18.1	15.7	13.5	2.5	2.2	2.0	14.6	15.0	15.5
AXSB	1,260	Neutral	80.7	90.7	106.5	14.4	12.8	10.9	2.4	2.0	1.7	18.0	17.1	17.1
BANDHAN	206	Neutral	13.8	23.9	27.3	14.9	8.6	7.5	1.5	1.4	1.2	1.3	2.0	2.0
KMB	1,804	Neutral	69.4	73.8	84.8	17.9	16.8	14.6	2.5	2.2	1.9	15.3	14.1	14.1
IIB	1,455	Buy	115.5	137.4	169.3	12.6	10.6	8.6	1.8	1.6	1.3	15.3	15.8	16.8
FB	178	Buy	16.3	18.2	21.9	10.9	9.8	8.1	1.5	1.3	1.2	14.7	14.3	15.1
DCBB	140	Buy	17.1	20.3	24.9	8.2	6.9	5.6	0.9	0.8	0.7	11.9	12.6	13.7
IDFCFB	81	Neutral	4.3	5.4	7.3	18.8	15.1	11.2	1.8	1.6	1.4	10.2	11.1	13.3
EQUITASB	97	Buy	7.1	8.6	11.2	13.6	11.2	8.6	1.8	1.6	1.4	14.4	15.3	17.4
AUBANK	678	Buy	23.0	31.2	39.5	29.5	21.8	17.2	3.6	2.9	2.5	13.1	14.8	15.7
RBK	263	Neutral	19.3	25.2	33.9	13.6	10.5	7.8	1.1	1.0	0.9	8.2	10.0	12.7
Banks-PSU														
SBIN	842	Buy	68.4	79.9	91.5	8.9	7.6	6.6	1.5	1.3	1.1	18.8	18.8	18.5
PNB	122	Neutral	7.5	12.0	15.6	16.3	10.2	7.8	1.3	1.2	1.1	8.7	12.8	14.9
BOB	272	Buy	34.4	39.4	45.1	7.9	6.9	6.0	1.3	1.1	1.0	17.9	17.7	17.6
CBK	119	Buy	16.0	18.5	21.2	7.4	6.4	5.6	1.3	1.1	1.0	20.2	19.8	19.6
UNBK	136	Buy	18.9	20.8	23.7	7.2	6.5	5.7	1.1	1.0	0.9	16.7	16.3	16.3
INBK	541	Buy	62.2	75.6	88.7	8.7	7.2	6.1	1.3	1.1	1.0	17.1	17.8	18.3
Fintech and payments														
Paytm	412	Neutral	-22.4	-17.6	-1.8	-18.4	-23.4	-229.5	2.0	2.1	2.1	-13.1	-10.8	-8.8
SBICARD	725	Neutral	25.4	31.7	42.1	28.5	22.9	17.2	5.7	4.6	3.7	22.0	22.4	24.0

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

AU Small Finance Bank

Buy

CMP: INR674 | TP: INR735 (+9%)

EPS CHANGE (%): FY25|FY26: 3.9|-1.2

- Expect margins to remain stable
- Expect business growth to remain healthy post-merger
- CoF and C/I ratios are expected to remain elevated
- Asset quality ratios will be a key monitorable

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	12.5	12.5	13.2	13.4	19.2	20.4	21.6	23.1	51.6	84.4
% Change (YoY)	27.7	15.3	14.9	10.2	54.4	63.5	63.1	73.0	16.5	63.7
Other Income	3.2	4.3	4.5	5.6	5.8	6.2	6.5	7.2	17.5	25.7
Total Income	15.6	16.7	17.7	18.9	25.1	26.6	28.1	30.3	69.0	110.1
Operating Expenses	10.2	10.3	11.2	12.3	17.0	17.3	17.7	17.9	43.9	69.8
Operating Profit	5.5	6.5	6.6	6.6	8.1	9.3	10.5	12.4	25.1	40.3
% Change (YoY)	38.6	29.9	18.2	16.3	48.6	43.3	59.4	87.1	24.5	60.2
Provisions	0.3	1.1	1.6	1.3	2.5	2.9	2.7	3.0	5.2	11.2
Exceptional item	-	-	-	0.8	-	-	-	-	-	-
Profit before Tax	5.1	5.3	5.0	4.5	5.7	6.4	7.7	9.4	20.0	29.1
Tax	1.3	1.3	1.2	0.8	1.4	1.6	2.0	2.1	4.6	7.1
Net Profit	3.9	4.0	3.8	3.7	4.2	4.8	5.8	7.2	15.3	22.0
% Change (YoY)	44.4	17.3	(4.5)	(12.7)	9.3	18.2	54.1	95.3	7.5	43.4
Operating Parameters										
Deposit (INR b)	693.2	757.4	801.2	871.8	1,021.2	1,080.9	1,127.4	1,203.7	871.8	1,203.7
Loan (INR b)	628.6	641.7	667.4	731.6	880.0	918.5	960.0	1,028.3	731.6	1,028.3
Deposit Growth (%)	26.9	29.8	31.1	25.7	47.3	42.7	40.7	38.1	25.7	38.1
Loan Growth (%)	29.2	24.0	20.0	25.2	40.0	43.1	43.8	40.5	25.2	40.5
Asset Quality										
GNPA (%)	1.8	1.9	2.0	1.7	1.7	1.7	1.8	1.7	1.7	1.7
NNPA (%)	0.6	0.6	0.7	0.6	0.5	0.6	0.6	0.6	0.5	0.6
PCR (%)	69.0	69.1	66.0	67.6	68.2	67.6	67.8	67.1	67.6	67.1

Axis Bank

Neutral

CMP: INR1262 | TP: INR1,200 (-5%)

EPS CHANGE (%): FY25|FY26: 0.9|2.1

- Expect CD ratio to remain elevated
- Expect margin to moderate in 1Q
- Cost ratios to remain elevated
- Asset quality ratios to be keenly monitored

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	119.6	123.1	125.3	130.9	133.2	136.8	141.0	145.4	498.9	556.5
% Change (YoY)	27.4	18.9	9.4	11.5	11.4	11.1	12.5	11.1	16.2	11.5
Other Income	50.9	50.3	55.5	67.7	60.1	62.7	65.9	71.6	224.4	260.3
Total Income	170.5	173.5	180.9	198.5	193.3	199.6	206.8	217.0	723.4	816.8
Operating Expenses	82.3	87.2	89.5	93.2	95.5	95.9	98.9	101.2	352.1	391.3
Operating Profit	88.1	86.3	91.4	105.4	97.9	103.7	108.0	115.9	371.2	425.4
% Change (YoY)	49.7	11.9	-1.5	14.9	11.0	20.2	18.1	10.0	15.5	14.6
Provisions	10.3	8.1	10.3	11.9	12.2	12.8	13.4	13.9	40.6	52.3
Profit before Tax	77.8	78.2	81.1	93.5	85.7	90.9	94.6	102.0	330.6	373.1
Tax	19.8	19.5	20.4	22.2	21.6	22.9	23.8	24.9	82.0	93.3
Net Profits	58.0	58.6	60.7	71.3	64.1	68.0	70.7	77.0	248.6	279.9
% Change (YoY)	40.5	10.0	3.7	7.6	10.6	16.0	16.5	8.0	13.3	12.6
Operating Parameters										
Deposit (INR t)	9.4	9.6	10.0	10.7	11.0	11.4	11.9	12.4	10.7	12.4
Loan (INR t)	8.6	9.0	9.3	9.7	9.9	10.2	10.6	11.1	9.7	11.1
Deposit Growth (%)	17.2	17.9	18.5	12.9	16.9	19.2	18.6	16.5	12.9	16.5
Loan Growth (%)	22.4	22.8	22.3	14.2	15.8	14.0	13.6	15.0	14.2	15.0
Asset Quality										
Gross NPA (%)	2.0	1.7	1.6	1.4	1.5	1.5	1.5	1.4	1.5	1.4
Net NPA (%)	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
PCR (%)	79.6	79.5	77.8	78.5	78.7	78.5	78.7	79.7	78.5	79.7

Bandhan Bank**Neutral**

CMP: INR206 | TP: INR210 (+2%)

EPS CHANGE (%): FY25|FY26: 6.4|1.7

- Expect NIM moderation to continue
- Asset quality to be a key monitorable

- Expect earnings to remain healthy
- Cost ratios likely to remain elevated

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	24.9	24.4	25.3	28.7	29.2	29.8	30.2	31.0	103.3	120.2
% Change (YoY)	-0.9	11.4	21.4	16.0	17.3	22.0	19.5	8.2	11.5	16.4
Other Income	3.9	5.4	5.5	6.9	5.1	5.9	6.5	8.0	21.6	25.5
Total Income	28.8	29.8	30.7	35.6	34.3	35.7	36.7	39.1	124.9	145.8
Operating Expenses	13.1	14.0	14.2	17.2	17.3	17.4	17.5	16.8	58.5	69.0
Operating Profit	15.6	15.8	16.6	18.4	17.1	18.3	19.2	22.2	66.4	76.7
% Change (YoY)	-14.2	2.0	-13.9	2.4	9.2	15.5	15.7	20.9	-6.4	15.6
Provisions	6.0	6.4	6.8	17.7	6.2	6.4	6.5	6.7	37.0	25.8
Profit Before Tax	9.6	9.5	9.7	0.6	10.9	11.9	12.7	15.5	29.4	51.0
Tax	2.4	2.3	2.4	0.1	2.7	3.0	3.2	3.6	7.1	12.5
Net Profit	7.2	7.2	7.3	0.5	8.1	8.9	9.5	12.0	22.3	38.5
% Change (YoY)	-18.7	244.6	152.2	-93.2	12.9	23.5	29.3	2,091.3	1.6	72.7

Operating Parameters

Deposits (INR b)	1,085	1,121	1,174	1,352	1,364	1,401	1,498	1,595	1,352	1,595
Loans (INR b)	982	1,020	1,102	1,211	1,178	1,242	1,308	1,405	1,211	1,405
Deposit Growth (%)	16.6	12.8	14.8	25.1	25.8	25.0	27.6	18.0	25.1	18.0
Loan Growth (%)	8.0	13.1	19.6	15.6	20.0	21.8	18.7	16.0	15.6	16.0

Asset Quality

Gross NPA (%)	6.8	7.3	7.0	3.8	4.0	3.8	3.6	3.4	3.8	3.4
Net NPA (%)	2.2	2.3	2.2	1.1	1.1	1.0	1.0	0.9	1.1	0.9
PCR (%)	69.2	70.0	70.0	71.8	72.7	73.1	73.5	73.8	71.8	73.8

Bank of Baroda**Buy**

CMP: INR272 | TP: INR300 (+10%)

EPS CHANGE (%): FY25|FY26: -2.4|-2.3

- Expect earnings growth to moderate
- Expect asset quality to improve further; credit costs are likely to remain in control

- Margins likely to moderate slightly
- Loan growth and opex to be the key monitorables

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	110.0	108.3	111.0	117.9	116.2	119.7	122.5	123.8	447.2	482.3
% Change (YoY)	24.4	6.4	2.6	2.3	5.6	10.5	10.4	5.0	8.1	7.8
Other Income	33.2	41.7	28.1	41.9	35.4	39.8	37.9	44.9	145.0	158.0
Total Income	143.2	150.0	139.1	159.8	151.6	159.5	160.5	168.7	592.2	640.3
Operating Expenses	64.9	69.8	69.0	78.8	73.9	75.1	76.3	82.5	282.5	307.8
Operating Profit	78.2	80.2	70.2	81.1	77.7	84.4	84.1	86.2	309.7	332.5
% Change (YoY)	72.8	33.0	-14.8	0.4	-0.7	5.3	19.9	6.4	15.3	7.4
Provisions	19.5	21.6	6.7	13.0	16.2	19.5	16.7	15.0	60.8	67.4
Profit before Tax	58.8	58.6	63.5	68.0	61.5	64.9	67.4	71.3	248.9	265.1
Tax	18.1	16.1	17.7	19.2	15.5	16.4	17.0	18.5	71.0	67.3
Net Profit	40.7	42.5	45.8	48.9	46.0	48.5	50.4	52.8	177.9	197.8
% Change (YoY)	87.7	28.4	18.9	2.3	13.1	14.1	10.1	8.0	26.1	11.2

Operating Parameters

Deposit (INR b)	11,999	12,496	12,453	13,270	13,498	14,033	14,338	14,796	13,270	14,796
Loan (INR b)	9,635	9,980	10,241	10,658	10,870	11,367	11,650	12,075	10,658	12,075
Deposit Growth (%)	16.2	14.6	8.3	10.2	12.5	12.3	15.1	11.5	10.2	11.5
Loan Growth (%)	20.5	19.3	15.0	13.3	12.8	13.9	13.8	13.3	13.3	13.3

Asset Quality

Gross NPA (%)	3.5	3.3	3.1	2.9	2.9	2.7	2.6	2.5	2.9	2.5
Net NPA (%)	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.6
PCR (%)	78.5	77.6	77.7	77.3	77.5	77.8	78.0	77.6	76.2	77.6

Canara Bank**Buy****CMP: INR118 | TP: INR140 (+18%)****EPS CHANGE (%): FY25|FY26: 0.5|0**

- Expect margins to see slight compression
- Asset quality anticipated to improve
- Advances and deposit growth to be the key monitorables

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	86.7	89.0	94.2	95.8	96.6	98.6	99.4	100.6	365.7	395.1
% Change (YoY)	27.7	19.8	9.5	11.2	11.5	10.7	5.5	5.0	16.3	8.1
Other Income	48.2	46.3	43.0	52.2	51.2	51.8	51.6	56.9	189.7	211.5
Total Income	134.8	135.4	137.1	148.0	147.8	150.4	151.0	157.5	555.3	606.6
Operating Expenses	58.8	59.2	69.1	74.1	68.5	69.3	69.9	71.8	261.2	279.5
Operating Profit	76.0	76.2	68.1	73.9	79.3	81.1	81.1	85.6	294.1	327.1
% Change (YoY)	15.1	10.3	-2.1	1.9	4.3	6.5	19.2	15.9	6.1	11.2
Other Provisions	27.2	26.1	19.0	24.8	26.2	26.1	23.6	26.8	97.1	102.7
Profit before Tax	48.9	50.1	49.1	49.1	53.1	55.0	57.5	58.8	197.0	224.4
Tax	13.5	14.0	12.5	11.5	13.5	14.0	14.7	14.8	51.5	57.0
Net Profit	35.3	36.1	36.6	37.6	39.6	41.0	42.8	44.1	145.5	167.4
% Change (YoY)	74.8	42.8	26.9	18.3	12.0	13.6	17.1	17.3	37.3	15.0
Operating Parameters										
Deposit (INR b)	11,925	12,322	12,629	13,124	13,348	13,710	14,084	14,370	13,124	14,370
Loan (INR b)	8,551	8,923	9,206	9,316	9,506	9,819	10,177	10,434	9,316	10,434
Deposit Growth (%)	6.6	8.7	8.5	11.3	11.9	11.3	11.5	9.5	11.3	9.5
Loan Growth (%)	14.5	13.2	12.8	12.2	11.2	10.0	10.5	12.0	12.2	12.0
Asset Quality										
Gross NPA (%)	5.2	4.8	4.4	4.2	4.1	3.9	3.7	3.5	4.2	3.5
Net NPA (%)	1.6	1.4	1.3	1.3	1.2	1.1	1.0	1.0	1.3	1.0
PCR (%)	70.6	71.4	70.8	70.9	71.4	71.8	72.3	72.8	70.8	72.8

DCB Bank**Buy****CMP: INR140 | TP: INR175 (25%)****EPS CHANGE (%): FY25|FY26: -0.5|-1.4**

- Expect business growth to be healthy
- Expect cost ratios to remain elevated
- Asset quality likely to remain broadly stable
- Margin trajectory to be closely monitored

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	4.7	4.8	4.7	5.1	5.3	5.5	5.8	6.2	19.3	22.7
% Change (YoY)	25.9	15.7	6.3	4.4	11.8	15.5	21.7	21.9	12.3	17.8
Other Income	1.1	1.1	1.2	1.4	1.3	1.4	1.4	1.5	4.7	5.6
Total Income	5.8	5.8	6.0	6.4	6.5	6.9	7.2	7.7	24.0	28.3
Operating Expenses	3.7	3.7	3.9	4.1	4.2	4.3	4.5	4.6	15.4	17.5
Operating Profit	2.1	2.1	2.1	2.3	2.3	2.5	2.8	3.1	8.6	10.8
% Change (YoY)	25.6	15.3	9.0	(4.2)	12.5	20.8	30.2	33.9	9.9	24.6
Provisions	0.4	0.4	0.4	0.2	0.4	0.5	0.6	0.7	1.4	2.2
Profit before Tax	1.7	1.7	1.7	2.1	1.9	2.0	2.2	2.5	7.2	8.6
Tax	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	1.9	2.2
Net Profit	1.3	1.3	1.3	1.6	1.4	1.5	1.6	1.8	5.4	6.4
% Change (YoY)	30.7	12.9	11.2	9.5	11.4	17.8	28.0	17.4	15.1	18.6
Operating Parameters										
Deposit (INR b)	430.1	455.0	471.2	493.5	512.9	541.9	566.1	590.3	493.5	590.3
Loan (INR b)	354.7	372.8	389.5	409.2	424.6	447.7	466.9	486.2	409.2	486.2
Deposit Growth (%)	22.6	23.1	19.3	19.7	19.2	19.1	20.1	19.6	19.7	19.6
Loan Growth (%)	19.0	19.1	18.2	19.0	19.7	20.1	19.9	18.8	19.0	18.8
Asset Quality										
Gross NPA (%)	3.3	3.4	3.4	3.2	3.2	3.0	2.9	2.7	3.2	2.7
Net NPA (%)	1.2	1.3	1.2	1.1	1.1	1.0	1.0	0.9	1.1	0.9
PCR (%)	64.1	62.8	65.1	66.4	66.3	67.0	67.7	67.9	66.4	67.9

Equitas Small Finance Bank

Buy
CMP: INR96 | TP: INR125 (+30%)
EPS CHANGE (%): FY25 | FY26: -6.1 | -1.6

- Expect NIMs to moderate further
- Asset quality to be keenly monitored
- Cost ratios likely to remain elevated
- Deposit traction and trend in CASA ratio to be the key monitorables

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	12.5	13.6	14.3	14.4	15.3	16.1	17.6	18.7	54.9	67.7
Interest Expense	5.1	5.9	6.4	6.6	7.2	7.6	8.3	8.5	24.1	31.6
Net Interest Income	7.4	7.7	7.9	7.9	8.1	8.5	9.3	10.2	30.8	36.1
% Change (YoY)	28.0	25.6	21.3	11.2	8.9	11.3	18.6	29.8	21.0	17.3
Other Income	1.7	1.8	2.1	2.4	2.2	2.3	2.5	2.7	8.0	9.7
Total Income	9.1	9.5	9.9	10.3	10.3	10.9	11.8	12.9	38.8	45.9
Operating Expenses	6.0	6.2	6.3	6.5	6.9	7.2	7.4	7.7	25.0	29.2
Operating Profit	3.1	3.3	3.6	3.7	3.4	3.7	4.4	5.2	13.8	16.7
% Change (YoY)	16.4	36.3	29.1	-3.0	7.5	11.4	22.3	39.6	17.1	21.1
Provisions	0.6	0.6	0.8	1.1	1.0	1.0	1.1	1.3	3.1	4.4
Profit before Tax	2.5	2.7	2.8	2.7	2.3	2.7	3.3	3.9	10.6	12.2
Tax	0.6	0.7	0.7	0.6	0.6	0.7	0.8	1.0	2.6	3.1
Net Profit	1.9	2.0	2.0	2.1	1.7	2.0	2.5	2.9	8.0	9.2
% Change (YoY)	97.1	70.2	18.7	9.3	-8.7	1.9	21.9	40.9	39.3	14.5
Operating Parameters										
AUM	296	312	328	337	346	369	394	416	337	416
Deposits	277	308	324	361	376	397	425	452	361	452
Loans	275	288	292	310	318	339	362	382	310	382
AUM Growth (%)	36	37	32	21	17	18	20	24	21	24
Deposit Growth (%)	36	42	38	42	36	29	31	25	42	25
Loan Growth (%)	34	32	25	20	15	18	24	24	20	24
Asset Quality										
Gross NPA (%)	2.8	2.3	2.5	2.6	2.7	2.7	2.7	2.7	2.6	2.7
Net NPA (%)	1.2	1.0	1.1	1.2	1.2	1.1	1.1	1.1	1.2	1.1
PCR (%)	57.8	57.7	56.0	56.1	57.4	58.6	59.7	60.6	56.1	60.6

Federal Bank

Buy
CMP: INR178 | TP: INR210 (+18%)
EPS CHANGE (%): FY25 | FY26: -3.8 | -4.0

- Credit growth to remain healthy
- Expect cost ratios to remain under control
- Margins to remain broadly stable
- Asset quality metrics to remain broadly stable too

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	19.2	20.6	21.2	22.0	22.9	23.9	24.9	26.2	82.9	97.9
% Change (YoY)	19.6	16.7	8.5	15.0	19.3	16.1	17.1	19.5	14.7	18.0
Other Income	7.3	7.3	8.6	7.5	8.2	8.7	9.2	9.6	30.8	35.7
Total Income	26.5	27.9	29.9	29.5	31.1	32.6	34.1	35.8	113.7	133.6
Operating Expenses	13.5	14.6	15.5	18.4	16.6	17.0	17.3	17.7	62.0	68.6
Operating Profit	13.0	13.2	14.4	11.1	14.5	15.6	16.8	18.1	51.7	65.0
% Change (YoY)	33.8	9.3	12.8	-16.8	11.4	17.6	16.7	63.0	7.9	25.5
Provisions	1.6	0.4	0.9	-0.9	1.5	1.9	1.9	2.3	2.0	7.6
Profit before Tax	11.5	12.8	13.5	12.0	13.0	13.7	14.8	15.8	49.8	57.4
Tax	2.9	3.3	3.4	3.0	3.3	3.5	3.7	4.2	12.6	14.6
Net Profit	8.5	9.5	10.1	9.1	9.7	10.3	11.1	11.7	37.2	42.7
% Change (YoY)	42.1	35.5	25.3	0.4	13.8	7.6	10.3	28.6	23.6	14.9
Operating Parameters										
Deposit (INR b)	2,225	2,329	2,396	2,525	2,612	2,725	2,857	2,980	2,525	2,980
Loan (INR b)	1,835	1,928	1,992	2,094	2,165	2,258	2,366	2,467	2,094	2,467
Deposit Growth (%)	21.3	23.1	19.0	18.3	17.4	17.0	19.3	18.0	18.3	18.0
Loan Growth (%)	21.0	19.6	18.4	20.0	18.0	17.1	18.8	17.8	20.0	17.8
Asset Quality										
Gross NPA (%)	2.4	2.3	2.3	2.1	2.1	2.1	2.0	2.0	2.1	2.0
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5
PCR (%)	71.3	72.3	72.3	72.3	72.0	72.2	72.5	72.6	72.3	72.6

HDFC Bank**Buy****CMP: INR1,705 | TP: INR1,950 (+14%)****EPS CHANGE (%): FY25|FY26: -0.1|0**

- Operating expenses to remain under control
- Asset quality is likely to remain broadly stable
- Margins to remain broadly stable
- Guidance for business growth and earnings trajectory to be the key monitorables

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	236.0	273.9	284.7	290.8	293.4	306.0	322.4	337.5	1,085.3	1,259.4
% Change (YoY)	21.1	30.3	23.9	24.5	24.3	11.7	13.2	16.1	25.0	16.0
Other Income	92.3	107.1	111.4	181.7	111.6	121.7	130.3	143.5	492.4	507.2
Total Income	328.3	380.9	396.1	472.4	405.0	427.8	452.7	481.0	1,577.7	1,766.6
Operating Expenses	140.6	154.0	159.6	179.7	170.0	175.0	181.4	187.8	633.9	714.2
Operating Profit	187.7	226.9	236.5	292.7	235.0	252.8	271.3	293.2	943.9	1,052.4
% Change (YoY)	22.2	30.5	24.3	57.2	25.2	11.4	14.7	0.2	34.1	11.5
Provisions	28.6	29.0	42.2	135.1	28.9	29.8	30.8	33.6	234.9	123.1
Profit before Tax	159.1	197.9	194.3	157.6	206.1	223.0	240.6	259.6	709.0	929.3
Tax	39.6	38.1	30.6	-7.5	51.5	55.7	59.2	61.2	100.8	227.7
Net Profit	119.5	159.8	163.7	165.1	154.6	167.2	181.4	198.4	608.1	701.6
% Change (YoY)	30.0	50.6	33.5	37.1	29.3	4.7	10.8	20.2	37.9	15.4
Operating Parameters										
Deposit	19,131	21,729	22,140	23,798	24,398	25,169	26,240	28,081	23,798	28,081
Loan	16,157	23,312	24,461	24,849	25,287	25,944	26,821	27,980	24,849	27,980
Deposit Growth (%)	19.2	29.8	27.7	26.4	27.5	15.8	18.5	18.0	26.4	18.0
Loan Growth (%)	15.8	57.5	62.3	55.2	56.5	11.3	9.6	12.6	55.2	12.6
Asset Quality										
Gross NPA (%)	1.2	1.3	1.3	1.2	1.2	1.2	1.2	1.1	1.2	1.1
Net NPA (%)	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
PCR (%)	74.9	74.4	75.3	74.0	73.8	74.0	73.5	73.2	74.0	73.2

ICICI Bank**Buy****CMP: INR1212 | TP: INR1,350 (+11%)****EPS CHANGE (%): FY25|FY26: 1.4|-0.7**

- Expect loan growth to remain healthy, led by Retail and SME segments
- Margins expected to moderate slightly
- Expect cost ratios to remain elevated
- Asset quality to be the key monitorable

Quarterly performance**(INR b)**

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	182.3	183.1	186.8	190.9	195.3	205.3	217.1	223.7	743.1	841.4
% Change (YoY)	38.0	23.8	13.4	8.1	7.1	12.1	16.2	17.2	19.6	13.2
Other Income	54.4	57.8	61.0	56.5	61.1	64.8	68.0	71.7	229.6	265.6
Total Income	236.6	240.8	247.8	247.4	256.4	270.1	285.1	295.5	972.6	1,107.1
Operating Expenses	95.2	98.6	100.5	97.0	103.3	108.6	113.5	117.9	391.3	443.2
Operating Profit	141.4	142.3	147.2	150.4	153.1	161.5	171.6	177.6	581.3	663.8
% Change (YoY)	37.2	21.8	10.9	8.8	8.3	13.5	16.6	18.1	18.4	14.2
Provisions	12.9	5.8	10.5	7.2	11.9	11.4	14.2	14.0	36.4	51.6
Profit before Tax	128.5	136.5	136.7	143.2	141.2	150.1	157.4	163.6	544.9	612.3
Tax	32.0	33.9	34.0	36.1	34.9	37.1	38.9	41.0	136.0	151.8
Net Profit	96.5	102.6	102.7	107.1	106.3	113.0	118.5	122.6	408.9	460.4
% Change (YoY)	39.7	35.8	23.6	17.4	10.2	10.1	15.4	14.5	28.2	12.6
Operating Parameters										
Deposit	12,387	12,947	13,323	14,128	14,594	15,340	15,877	16,459	14,128	16,459
Loan	10,576	11,105	11,538	11,844	12,259	12,880	13,440	13,917	11,844	13,917
Deposit Growth (%)	17.9	18.8	18.7	19.6	17.8	18.5	19.2	16.5	19.6	16.5
Loan Growth (%)	18.1	18.3	18.5	16.2	15.9	16.0	16.5	17.5	16.2	17.5
Asset Quality										
Gross NPA (%)	2.8	2.5	2.3	2.2	2.3	2.2	2.1	2.1	2.3	2.1
Net NPA (%)	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4
PCR (%)	83.1	83.1	81.3	80.8	80.5	80.3	80.5	79.5	80.8	79.5

IDFC First Bank**Neutral****CMP: INR81 | TP: INR88 (8%)****EPS CHANGE (%): FY25 | FY26: -3.9 | -4.5**

- Expect business growth to remain healthy
- Cost ratios likely to remain elevated

- Asset quality to remain broadly stable
- Traction in deposit growth and margins to be in focus

Quarterly Performance**(INR b)**

	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	37.5	39.5	42.9	44.7	47.0	49.6	52.3	55.3	164.5	204.2
% Change (YoY)	36.1	31.6	30.5	24.2	25.4	25.6	22.0	23.8	30.2	24.1
Other Income	14.1	14.3	15.2	16.4	16.9	17.7	18.6	20.0	60.0	73.2
Total Income	51.6	53.8	58.0	61.1	63.9	67.3	70.9	75.3	224.5	277.4
Operating Expenses	36.6	38.7	42.4	44.5	46.5	47.6	49.0	50.5	162.2	193.6
Operating Profit	15.0	15.1	15.6	16.6	17.4	19.7	21.9	24.8	62.4	83.9
% Change (YoY)	59.0	29.2	23.9	6.8	16.1	30.6	40.2	49.1	26.5	34.5
Provisions	4.8	5.3	6.5	7.2	8.3	9.3	9.3	9.5	23.8	36.4
Profit before Tax	10.2	9.8	9.1	9.4	9.1	10.4	12.6	15.3	38.6	47.5
Tax	2.6	2.3	1.9	2.2	2.3	2.6	3.2	3.7	9.0	11.9
Net Profit	7.7	7.5	7.2	7.2	6.8	7.8	9.4	11.6	29.6	35.6
% Change (YoY)	61.3	35.2	18.4	-9.8	-11.0	3.4	31.7	59.7	21.3	20.3
Operating Parameters										
Deposit (INR b)	1,544	1,712	1,825	2,006	2,120	2,307	2,469	2,607	2,006	2,607
Deposit Growth (%)	36.2	38.7	37.2	38.7	37.3	34.7	35.3	30.0	38.7	30.0
Loan (INR b)	1,674	1,781	1,855	1,946	2,034	2,152	2,275	2,437	1,946	2,393
Loan Growth (%)	26.3	27.0	27.3	24.4	21.5	20.8	22.7	25.3	28.2	23.0
Asset Quality										
Gross NPA (%)	2.2	2.1	2.0	1.9	1.9	1.9	1.9	1.8	1.9	1.9
Net NPA (%)	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.6	0.5
PCR (%)	68.1	68.2	66.9	68.8	68.2	68.0	68.4	72.7	68.8	72.7

IndusInd Bank**Buy****CMP: INR1,457 | TP: INR1,800 (+24%).****EPS CHANGE (%): FY25 | FY26: -2.7 | -3.0**

- Expect business growth to remain healthy
- Expect margins to remain broadly stable

- Expect asset quality to remain broadly stable
- Credit costs to remain under control

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	48.7	50.8	53.0	53.8	55.8	58.1	60.9	64.2	206.2	238.9
% Change (YoY)	18.0	18.0	17.8	15.1	14.7	14.4	14.9	19.4	17.2	15.9
Other Income	22.1	22.8	24.0	25.1	25.6	26.3	27.3	28.8	94.0	108.1
Total Income	70.8	73.6	76.9	78.8	81.4	84.3	88.2	93.0	300.1	347.0
Operating Expenses	32.5	34.5	36.5	38.0	39.5	40.7	41.5	43.0	141.5	164.6
Operating Profit	38.3	39.1	40.4	40.8	41.9	43.7	46.7	50.1	158.6	182.4
% Change (YoY)	11.7	10.3	9.7	8.6	9.4	11.7	15.6	22.7	10.0	15.0
Provisions	9.9	9.7	9.7	9.5	10.7	11.1	11.3	11.5	38.8	44.6
Profit before Tax	28.4	29.3	30.7	31.3	31.3	32.5	35.4	38.6	119.8	137.8
Tax	7.2	7.3	7.7	7.8	7.9	8.2	8.9	9.6	30.0	34.6
Net Profit	21.2	22.0	23.0	23.5	23.4	24.3	26.5	29.0	89.8	103.2
% Change (YoY)	30.3	22.0	17.2	15.0	10.1	10.5	15.1	23.6	20.6	15.0
Operating Parameters										
Deposit (INR b)	3,470	3,595	3,688	3,846	3,979	4,125	4,309	4,480	3,846	4,480
Loan (INR b)	3,013	3,155	3,271	3,433	3,550	3,690	3,859	4,017	3,433	4,017
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.7	14.7	16.8	16.5	14.4	16.5
Loan Growth (%)	21.5	21.3	19.9	18.4	17.8	17.0	18.0	17.0	18.4	17.0
Asset Quality										
Gross NPA (%)	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.5
PCR (%)	70.6	70.6	70.6	70.6	70.2	70.5	71.2	75.8	70.6	75.8

Indian Bank

Buy

CMP: INR545 | TP: INR625 (+15%)

EPS CHANGE (%): FY25 | FY26: -4.3 | -2.7

- Expect cost ratios to moderate
- Margin to moderate slightly
- Earnings growth to remain on track
- Expect asset quality ratios to improve

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	57.0	57.4	58.1	60.2	61.5	63.8	66.2	67.3	232.7	258.8
% Change (YoY)	25.8	22.5	5.7	9.2	7.8	11.2	13.8	11.9	15.1	11.2
Other Income	17.1	19.9	19.0	22.6	19.4	21.3	22.1	23.8	78.7	86.5
Total Income	74.1	77.3	77.2	82.8	80.9	85.1	88.2	91.1	311.4	345.3
Operating Expenses	32.8	34.3	36.2	39.7	36.8	37.6	38.9	42.0	143.0	155.4
Operating Profit	41.3	43.0	41.0	43.0	44.1	47.5	49.3	49.1	168.4	189.9
% Change (YoY)	16.0	18.6	0.9	7.2	6.6	10.3	20.3	14.0	10.3	12.8
Provisions	17.4	15.5	13.5	12.5	14.6	15.0	15.3	14.5	58.9	59.3
Profit before Tax	23.9	27.5	27.5	30.6	29.5	32.5	34.0	34.6	109.5	130.6
Tax	6.9	7.6	6.3	8.1	7.4	8.2	8.6	8.7	28.9	32.9
Net Profit	17.1	19.9	21.2	22.5	22.1	24.3	25.4	25.9	80.6	97.7
% Change (YoY)	40.8	62.2	51.8	55.3	29.1	22.4	20.0	15.1	52.7	21.1
Operating Parameters										
Deposits (INR b)	6,312	6,408	6,542	6,880	7,009	7,183	7,372	7,637	6,880	7,637
Loans (INR b)	4,591	4,706	4,896	5,149	5,256	5,400	5,557	5,777	5,149	5,777
Deposit Growth (%)	8.0	8.8	9.6	10.8	11.0	12.1	12.7	11.0	10.8	11.0
Loan Growth (%)	14.3	14.2	12.3	14.6	14.5	14.7	13.5	12.2	14.6	12.2
Asset Quality										
Gross NPA (%)	5.5	5.0	4.5	4.0	3.8	3.6	3.5	3.1	4.0	3.1
Net NPA (%)	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.3	0.4	0.3
PCR (%)	87.8	88.5	88.7	89.5	89.5	89.6	89.8	89.3	89.5	89.3

Kotak Mahindra Bank

Neutral

CMP: INR1,809 | TP: INR1,800 (0%)

EPS CHANGE (%): FY25 | FY26: 0.9 | -0.7

- Expect cost ratios to remain elevated
- Margins to compress further
- Asset quality to remain in control
- Business growth will be a key monitorable

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	62.3	63.0	65.5	69.1	71.2	73.3	75.7	76.6	259.9	296.8
% Change (YoY)	32.7	23.5	15.9	13.2	14.3	16.4	15.5	10.8	20.6	14.2
Other Income	26.8	23.1	23.0	29.8	28.2	29.7	30.5	31.7	102.7	120.2
Total Income	89.2	86.1	88.5	98.9	99.5	103.0	106.2	108.3	362.7	417.0
Operating Expenses	39.7	40.0	42.8	44.3	47.1	48.7	50.7	53.9	166.8	200.2
Operating Profit	49.5	46.1	45.7	54.6	52.4	54.4	55.6	54.5	195.9	216.8
% Change (YoY)	77.8	29.2	18.6	17.5	5.9	17.9	21.7	-0.3	31.9	10.7
Provisions	3.6	3.7	5.8	2.6	4.8	5.0	5.1	5.1	15.7	20.0
Profit before Tax	45.9	42.4	39.9	52.0	47.6	49.4	50.5	49.4	180.1	196.8
Tax	11.3	10.5	9.8	10.6	11.7	12.1	12.4	12.2	42.3	48.4
Net Profit	34.5	31.9	30.1	41.3	35.9	37.2	38.0	37.2	137.8	148.4
% Change (YoY)	66.7	23.6	7.6	18.2	4.0	16.7	26.6	-9.9	26.0	7.7
Deposits (INRb)	3,863	4,010	4,086	4,490	4,606	4,817	5,042	5,217	4,490	5,217
Loans (INRb)	3,286	3,483	3,596	3,761	3,881	4,038	4,218	4,362	3,761	4,362
Deposit growth (%)	22.0	23.3	18.6	23.6	19.2	20.1	23.4	16.2	23.6	16.2
Loan growth (%)	17.3	18.5	15.7	17.6	18.1	15.9	17.3	16.0	17.6	16.0
Asset Quality										
Gross NPA (%)	1.77	1.72	1.73	1.39	1.37	1.34	1.31	0.00	1.39	1.29
Net NPA (%)	0.40	0.37	0.34	0.34	0.34	0.34	0.33	0.00	0.34	0.33
PCR (%)	78.0	79.1	80.6	75.9	75.4	75.1	75.0	74.7	75.9	74.7

Punjab National Bank**Neutral****CMP: INR122 | TP: INR130 (+6%)****EPS CHANGE (%): FY25 | FY26: -1.2 | -3.3**

- Expect margins to compress further
- Expect asset quality to improve
- Opex to remain under control as wage provisions already made
- Business growth/RoA trajectory to remain the key monitorables

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	95.0	99.2	102.9	103.6	103.5	106.4	109.0	108.5	400.8	427.4
% Change (YoY)	26.0	20.0	12.1	9.1	8.9	7.2	5.9	4.7	16.2	6.6
Other Income	34.3	30.3	26.7	42.5	36.0	33.6	37.5	42.9	133.8	149.9
Total Income	129.4	129.5	129.7	146.1	139.5	140.0	146.5	151.3	534.7	577.3
Operating Expenses	69.7	67.3	66.4	82.0	70.4	72.6	73.2	77.8	285.4	294.0
Operating Profit	59.7	62.2	63.3	64.2	69.1	67.4	73.2	73.5	249.3	283.2
% Change (YoY)	10.9	11.7	10.8	9.4	15.9	8.4	15.7	14.5	10.7	13.6
Provisions	39.7	34.4	27.4	15.9	22.9	20.4	23.3	28.7	117.4	95.2
Profit before Tax	20.0	27.7	35.9	48.3	46.3	47.0	49.9	44.8	131.9	188.0
Tax	7.5	10.2	13.7	18.2	16.2	16.4	17.5	4.4	49.5	54.5
Net Profit	12.6	17.6	22.2	30.1	30.1	30.5	32.4	40.4	82.4	133.5
% Change (YoY)	307.0	327.0	253.5	159.8	139.7	73.9	45.9	34.3	228.8	61.9
Operating Parameters										
Deposits	12,979	13,099	13,235	13,697	13,919	14,221	14,594	14,861	13,697	14,861
Loans	8,637	8,899	9,164	9,344	9,546	9,849	10,208	10,466	9,344	10,466
Deposit Growth (%)	14.2	9.8	9.3	6.9	7.2	8.6	10.3	8.5	6.9	8.5
Loan Growth (%)	16.3	15.1	14.5	12.5	10.5	10.7	11.4	12.0	12.5	12.0
Asset Quality										
Gross NPA (%)	7.7	7.0	6.2	5.7	5.4	4.9	4.5	4.2	5.7	4.2
Net NPA (%)	2.0	1.5	1.0	0.7	0.7	0.6	0.6	0.5	0.7	0.5
PCR (%)	75.8	80.0	85.4	87.9	88.1	88.5	88.3	87.5	87.9	87.5

RBL Bank**Neutral****CMP: INR264 | TP: INR280 (6%)****EPS CHANGE (%): FY25 | FY26: -2.1 | -4.8**

- Expect earnings to moderate, driven by higher provisions
- Expect asset quality ratios to remain broadly stable
- Loan growth is likely to remain healthy
- Margin and credit cost outlook to be the key monitorables

Quarterly Performance

	FY24				1QE	FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q		2QE	3QE	4QE			
Net Interest Income	14.2	14.7	15.5	16.0	16.6	17.3	18.2	19.2	60.4	71.3	
% Change (YoY)	19.6	25.6	21.1	17.9	16.8	17.4	17.6	19.8	20.9	17.9	
Other Income	6.9	7.0	7.8	8.8	8.7	9.0	9.3	9.9	30.4	36.8	
Total Income	21.1	21.8	23.2	24.8	25.3	26.3	27.5	29.0	90.9	108.1	
Operating Expenses	14.6	14.5	15.6	15.9	16.3	16.7	17.5	18.4	60.6	68.9	
Operating Profit	6.5	7.3	7.7	8.9	8.9	9.7	9.9	10.6	30.3	39.2	
% Change (YoY)	22.4	42.7	34.9	49.4	37.9	32.2	30.0	19.9	37.6	29.3	
Provisions	2.7	6.4	4.6	4.1	4.4	4.8	4.9	5.3	17.8	19.4	
Profit before Tax	3.8	0.9	3.1	4.7	4.6	4.8	5.0	5.4	12.5	19.8	
Tax	0.9	-2.0	0.7	1.2	1.2	1.2	1.3	1.3	0.8	4.9	
Net Profit	2.9	2.9	2.3	3.5	3.4	3.6	3.8	4.1	11.7	14.9	
% Change (YoY)	43.2	45.9	11.5	30.1	18.6	23.1	61.3	16.7	32.3	27.7	
Operating Parameters											
Deposit	856.4	897.8	927.5	1,034.9	1,075.0	1,115.0	1,155.1	1,212.9	1,034.9	1,212.9	
Loan	730.9	763.2	799.5	839.9	876.5	921.3	962.1	1,002.8	839.9	1,002.8	
Deposit Growth (%)	8.1	13.1	13.5	21.9	25.5	24.2	24.5	17.2	21.9	17.2	
Loan Growth (%)	21.3	21.3	19.9	19.6	19.9	20.7	20.3	19.4	19.6	19.4	
Asset Quality											
Gross NPA (%)	3.2	3.1	3.1	2.7	2.7	2.6	2.7	2.7	2.7	2.7	
Net NPA (%)	1.0	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.7	0.6	
PCR (%)	69.6	75.6	75.1	72.7	73.2	73.4	73.5	76.4	72.7	76.4	

State Bank of India

Buy

CMP: INR842 | TP: INR1015 (+21%)

EPS CHANGE (%): FY25 | FY26: -1.1 | -0.7

- Earnings to moderate led by higher provisions
- Asset quality expected to improve further
- Expect cost ratios to remain under control
- Margin to witness a slight compression

Quarterly Performance

Y/E March	(INR b)									
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	389.0	395.0	398.2	416.6	427.2	435.9	439.3	434.1	1,598.8	1,736.6
% Change (YoY)	24.7	12.3	4.6	3.1	9.8	10.3	10.3	4.2	10.4	8.6
Other Income	120.6	107.9	114.6	173.7	114.0	122.6	127.5	178.5	516.8	542.7
Total Income	509.7	502.9	512.7	590.2	541.2	558.5	566.9	612.7	2,115.6	2,279.2
Operating Expenses	256.7	308.7	309.4	302.8	283.2	288.0	297.6	326.3	1,248.6	1,195.1
Operating Profit	253.0	194.2	203.4	287.5	257.9	270.5	269.3	286.4	867.0	1,084.2
% Change (YoY)	98.4	-8.1	-19.4	16.8	2.0	39.3	32.4	-0.4	3.6	25.1
Provisions	25.0	1.2	6.9	16.1	30.7	36.6	35.2	37.1	49.1	139.6
Exceptional items (exp)	0.0	0.0	71.0	0.0	0.0	0.0	0.0	0.0	71.0	0.0
Profit before Tax	228.0	193.0	125.5	271.4	227.2	233.9	234.1	249.3	746.8	944.5
Tax Provisions	59.1	49.7	33.8	64.4	58.6	60.4	60.4	59.6	207.1	239.0
Net Profit	168.8	143.3	91.6	207.0	168.6	173.6	173.7	189.7	539.8	705.6
% Change (YoY)	178.2	8.0	-35.5	24.0	-0.2	21.1	89.6	-8.4	7.5	30.7
Adj. Net profit	168.8	143.3	144.0	207.0	168.6	173.6	144.0	189.7	610.8	
Operating Parameters										
Deposits (INR t)	45.3	46.9	47.6	49.2	50.1	51.2	52.7	54.4	49.2	54.4
Loans (INR t)	32.4	33.5	35.2	37.0	37.9	39.0	40.5	42.3	37.0	42.3
Deposit Growth (%)	12.0	11.9	13.0	11.1	10.5	9.1	10.6	10.7	11.1	10.7
Loan Growth (%)	14.9	13.3	15.1	15.8	17.2	16.7	15.2	14.1	15.8	14.1
Asset Quality										
Gross NPA (%)	2.8	2.6	2.4	2.2	2.2	2.1	2.1	2.0	2.2	2.0
Net NPA (%)	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.5
PCR (%)	74.8	75.4	74.2	75.0	75.4	75.7	76.0	75.9	74.8	75.9

Union Bank of India

Buy

CMP: INR135 | TP: INR165 (+22%)

EPS CHANGE (%): FY25 | FY26: -0.8 | -0.3

- Expect healthy earnings, driven by lower opex and higher other income
- Margins anticipated to compress slightly
- SMA and restructuring books are the key monitorables
- Expect steady improvement in asset quality

Quarterly Performance

Y/E March	(INR b)									
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	88.4	91.3	91.7	94.4	93.8	95.8	98.9	99.4	365.7	388.0
% Change (YoY)	16.6	9.9	6.3	14.4	6.2	5.0	7.9	5.4	11.6	6.1
Other Income	39.0	37.0	37.7	47.1	39.6	39.9	42.2	50.4	160.8	172.1
Total Income	127.4	128.2	129.4	141.4	133.4	135.7	141.1	149.9	526.5	560.0
Operating Expenses	55.6	56.0	56.6	76.1	62.7	63.8	64.8	71.1	244.4	262.5
Operating Profit	71.8	72.2	72.8	65.3	70.7	71.9	76.2	78.7	282.1	297.6
% Change (YoY)	31.8	9.8	9.9	-4.3	-1.5	-0.4	4.7	20.5	10.8	5.5
Provisions	20.1	17.7	17.5	12.6	19.5	18.9	18.1	25.6	67.8	82.1
Profit before Tax	51.7	54.5	55.3	52.7	51.1	53.0	58.2	53.1	214.3	215.4
Tax	19.4	19.4	19.4	19.6	15.3	15.9	17.4	9.5	77.8	58.2
Net Profit	32.4	35.1	35.9	33.1	35.8	37.1	40.7	43.6	136.5	157.3
% Change (YoY)	107.7	90.0	59.9	19.0	10.6	5.7	13.4	31.8	61.8	15.2
Operating Parameters										
Deposit (INR b)	11,281	11,376	11,725	12,215	12,404	12,715	12,993	13,327	12,215	13,327
Loan (INR b)	7,705	8,036	8,621	8,708	8,885	9,178	9,439	9,753	8,708	9,753
Deposit Growth (%)	13.6	9.0	10.1	9.3	10.0	11.8	10.8	9.1	9.3	9.1
Loan Growth (%)	13.9	10.5	14.0	14.3	15.3	14.2	9.5	12.0	14.3	12.0
Asset Quality										
Gross NPA (%)	7.3	6.4	4.8	4.8	4.5	3.8	3.5	3.7	4.8	3.7
Net NPA (%)	1.6	1.3	1.1	1.0	1.0	0.8	0.7	0.8	1.1	0.8
PCR (%)	79.8	80.7	78.4	79.1	79.3	79.6	80.1	79.5	78.4	79.5

SBI Cards and Payment Services**Neutral**

CMP: INR723 | TP: INR850 (+18%)

EPS CHANGE (%): FY25 | FY26: -3.4 | -1.1

- Cost ratios expected to remain elevated
- Asset quality ratios likely to deteriorate further
- Spending growth to remain in control after a dip in 4Q
- Revolver mix/margin outlook remain the key monitorables

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	12.3	13.0	13.9	14.1	14.5	15.1	16.4	17.6	53.3	63.5
% Change (YoY)	14.3	16.1	21.2	21.4	17.4	16.2	18.1	24.1	21.1	19.1
Other Income	22.4	23.2	26.6	23.4	26.2	27.0	28.8	30.1	95.6	112.1
Total Income	34.8	36.2	40.5	37.5	40.7	42.0	45.1	47.7	148.9	175.6
Operating Expenses	19.6	20.7	24.3	19.2	21.9	22.7	25.8	25.8	83.7	96.2
Operating Profit	15.2	15.5	16.2	18.3	18.8	19.4	19.3	21.9	65.2	79.4
% Change (YoY)	17.3	23.9	33.1	28.2	23.8	24.9	19.3	19.5	25.6	21.7
Provisions	7.2	7.4	8.8	9.4	10.1	10.2	9.4	10.6	32.9	40.3
Profit before Tax	8.0	8.1	7.4	8.9	8.7	9.1	10.0	11.3	32.3	39.1
Tax	2.0	2.1	1.9	2.3	2.2	2.3	2.5	2.9	8.2	10.0
Net Profit	5.9	6.0	5.5	6.6	6.4	6.8	7.4	8.4	24.1	29.1
% Change (YoY)	-5.4	14.7	7.8	11.0	8.7	12.9	35.4	27.0	6.7	20.8
Operating Parameters										
Loan (INRb)	418.1	435.6	471.6	490.8	512.4	538.3	570.7	598.8	490.8	598.8
Loan Growth (%)	30.3	19.3	26.3	24.7	22.5	23.6	21.0	22.0	24.7	22.0
Borrowings (INRb)	329.6	340.8	380.1	398.9	416.3	437.1	463.2	485.8	398.9	485.8
Borrowing Growth (%)	32.9	20.9	29.3	28.2	26.3	28.3	21.9	21.8	28.2	21.8
Asset Quality										
Gross NPA (%)	2.4	2.4	2.6	2.8	2.9	2.9	2.8	2.8	2.8	2.7
Net NPA (%)	0.9	0.9	1.0	1.0	1.0	1.0	1.0	0.9	1.0	0.9
PCR (%)	63.8	64.1	64.1	64.9	65.0	65.3	65.6	69.1	64.8	69.1

E: MOFSL Estimates; * Reported on total assets; # Cal. on interest earning assets

Paytm**Neutral**

CMP: INR418 | TP: INR400 (-4%)

Adj EBITDA CHANGE (%): FY25 | FY26: NA | NA

- Expect operating profitability to decline
- Any further impact of the RBI notification to be a key monitorable
- Expect disbursements and GMV to decrease

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Payment Services to Consumers	5.5	5.8	6.0	4.4	2.3	3.1	3.4	4.4	21.7	13.2
Payment Services to Merchants	8.4	9.2	10.8	11.2	5.8	7.7	8.5	11.1	39.6	33.1
Financial Services and Others	5.2	5.7	6.1	3.0	2.4	3.2	3.5	3.9	20.0	12.9
Payment and Financial Services	19.2	20.7	22.9	18.6	10.4	14.0	15.4	22.4	81.3	62.3
% Change (YoY)	42.4	36.1	43.0	-3.0	-45.7	-32.3	-32.7	20.7	27.4	-23.4
Commerce and Cloud Services	4.1	4.2	5.1	4.0	4.2	4.8	5.4	5.3	17.4	19.7
Revenue from Operations	23.4	25.2	28.5	22.7	14.9	19.2	21.2	28.0	99.8	83.3
% Change (YoY)	39.3	31.6	38.2	-2.9	-36.3	-23.9	-25.6	23.4	24.9	-16.5
Direct Expenses	10.4	10.9	13.3	9.8	8.5	9.3	10.6	11.4	44.4	39.7
Contribution Profit	13.0	14.3	15.2	12.9	6.4	9.8	10.6	16.6	55.4	43.5
% Change (YoY)	79.3	69.2	45.1	0.3	-50.6	-31.1	-30.1	29.2	42.0	-21.4
Indirect Expenses	12.2	12.7	13.0	11.9	11.3	11.4	11.5	12.3	49.8	46.5
Adjusted EBITDA	0.8	1.5	2.2	1.0	-4.9	-1.6	-0.9	4.3	5.6	-3.0
EBITDA	-2.9	-2.3	-1.6	-2.2	-7.7	-4.3	-3.6	1.5	-9.1	-14.1
PAT	-3.6	-2.9	-2.2	-5.5	-8.4	-5.4	-4.8	1.3	-14.2	-17.3
% Change (YoY)	-44.5	-49.9	-43.9	227.6	135.5	88.1	119.5	-124.2	-19.9	21.6
Operating Parameters										
GMV (INRt)	4.1	4.5	5.1	4.7	4.3	4.6	5.0	4.9	18.3	18.8
Disbursements (INR b)	148.5	162.1	155.4	58.0	68.3	81.9	106.5	83.8	523.9	340.5
GMV Growth (%)	36.8	41.5	47.4	29.6	7.0	3.0	-2.7	4.8	38.4	3.0
Disbursements Growth (%)	167.3	121.7	56.0	-53.8	-54.0	-49.5	-31.4	44.5	48.1	-35.0
Asset Quality										
Contribution Margin (%)	55.7	56.6	53.3	56.8	43.2	51.3	50.1	59.4	55.5	52.3
Adjusted EBITDA Margin (%)	3.6	6.1	7.7	4.5	-32.8	-8.1	-4.0	15.4	5.6	-3.6
EBITDA Margin (%)	-12.5	-9.2	-5.5	-9.9	-51.5	-22.7	-17.1	5.4	-9.1	-17.0

Financials - NBFCs

Company

Aavas Financiers
Bajaj Finance
Can Fin Homes
Chola Inv. & Fin.
CreditAccess Grameen
Five Star Business Finance
Fusion Microfinance
HomeFirst
IIFL Finance
L&T Finance Holdings
LIC Housing Finance
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
PNB Housing Finance
Poonawalla Fincorp
Repco Home Finance
Shriram Finance
Spandana Sphoorty

Seasonally weak quarter; loan growth still reasonably healthy

Rising CoF leading to NIM moderation; credit costs relatively elevated

- AUM growth reasonably healthy despite disruptions due to elections:** We expect ~7% YoY growth in AUM for our coverage HFCs. Vehicle financiers are projected to report ~25% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~20% YoY growth. NBFC-MFIs are estimated to post ~25% YoY growth, while diversified lenders are also expected to deliver ~25% YoY growth in AUM. For our coverage universe, we estimate loan growth of ~20% YoY/~4% QoQ in 1QFY25. While loan growth was broad-based, a) gold financiers are expected to report strong gold loan growth, b) micro-financiers are expected to report muted loan growth, and b) select HFCs (impacted by RBI guidelines on interest income recognition only on cheque encashment) might report weaker disbursement momentum.
- NIM to stay flat or decline due to rising CoB:** The increase in MCLR of banks has kept CoB elevated for NBFCs and hence, prevented NIM expansion. Selectively, fixed-rate lenders like vehicle financiers, who increased lending rates in the prior quarter, have started seeing some NIM expansion. At the sectoral level, we expect NIM to remain flat for vehicle financiers and anticipate NIM compression for HFCs (except PNBHF) and MFIs.
- Seasonal deterioration in asset quality, but most pronounced in MFIs:** Typical of the first quarter of a fiscal year, we expect a sequential deterioration in asset quality for most lenders. MFIs were affected by elections and heat waves and are expected to exhibit higher forward flows, leading to elevated credit costs. It is yet to be seen whether this is temporary or structural pain for MFIs.
- PAT growth of ~16% YoY for our coverage universe; loan growth and asset quality likely to recover in subsequent quarters:** We estimate ~22%/20%/16% YoY growth in NII/PPoP/PAT in 1QFY25 for our NBFC – Lending Financials coverage universe. Structurally, we believe that fixed-rate lenders such as vehicle financiers and micro-LAP lenders will benefit from any interest rate cuts whenever they occur. Our top picks in the sector are SHTF, LTFH and PNBHF.

Relatively modest quarter for mortgages; NIM compression to sustain

- April is typically the weakest month for all mortgage lenders. The RBI circular (on interest income recognition only on cheque realization) sent mortgage lenders back to the drawing board to re-strategize their sourcing models. Momentum improved in Jun'24 and is expected to further improve in the coming quarters.
- We anticipate credit costs for LICHF to be at ~50bp (vs. ~60bp in 4QFY24) as we do not expect any further deterioration in asset quality. Margin could contract ~15bp QoQ due to a moderation in yields and a rise in CoF.
- We forecast HomeFirst to report a healthy QoQ improvement in disbursements, leading to a healthy AUM growth. While we expect NIM to remain stable for Aavas (aided by an increase in PLR effective Mar'24), we anticipate it to moderate for HomeFirst because of the ongoing rise in its CoB. Asset quality might exhibit seasonal deterioration but credit costs are likely to remain benign.

- We estimate PNBHF to deliver ~11% YoY growth in loan book as of Jun'24. We estimate ~15bp QoQ NIM expansion. Asset quality will continue to improve in both retail and corporate loan portfolios.
- For Five Star, we expect disbursements to be flat QoQ, which should translate into ~7% QoQ growth in AUM. NIM moderation will continue but we expect credit costs to remain benign.

Vehicle finance – Loan growth modest but NIM expansion likely now

- MMFS reported disbursements of ~INR127b in 1QFY25 (up 5% YoY), while business assets grew ~22% YoY. We now estimate ~18% YoY growth in business assets for MMFS in FY25. We expect credit costs for MMFS to be at ~2.1% in 1QFY25 (vs. credit costs of 2.5% in 1QFY24). We estimate disbursements to remain healthy for CIFC and SHTF, which should translate into ~35%/21% YoY growth in AUM for CIFC/SHTF as of Jun'24.
- We estimate NIM expansion for vehicle financiers in FY25, driven by a rise in yields and stability in CoB. MMFS has already reported a deterioration in its asset quality, resulting in higher levels of Stage 2 and 3. Even for CIFC/SHFL, we expect a minor deterioration in asset quality of vehicle finance, with correspondingly higher credit costs.

Gold finance – Strong growth in gold loans with some compression in NIM

- We expect gold loan financiers to deliver stronger gold loan growth in 1QFY25. We also estimate a modest tonnage growth in the quarter.
- We expect ~7%/6% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold loan NIM could exhibit QoQ compression because of the rise in CoF.

Microfinance – Weak quarter; AUM growth muted and slippages continue

- Disbursements as well as collections were impacted for NBFC-MFIs because of elections and severe heat waves. This could result in muted sequential GLP growth for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect AUM to remain flat QoQ for CREDAG and Spandana, while we expect ~2-3% QoQ AUM growth for Fusion in 1QFY25.
- We estimate ~25bp/~10bp QoQ NIM compression for CREDAG/Spandana, we estimate a margin compression of ~20bp for Fusion.
- Flows into forward asset quality buckets have continued for the last three quarters. In addition to the seasonal deterioration in asset quality (typical of 1Q of the fiscal year), there might not be additional slippages because of internal transformation projects or geography-specific issues in NBFC-MFIs such as Fusion or Spandana. We estimate credit costs of ~2.5%/~4.5%/5.5% for CREDAG/Fusion/Spandana in 1QFY25.

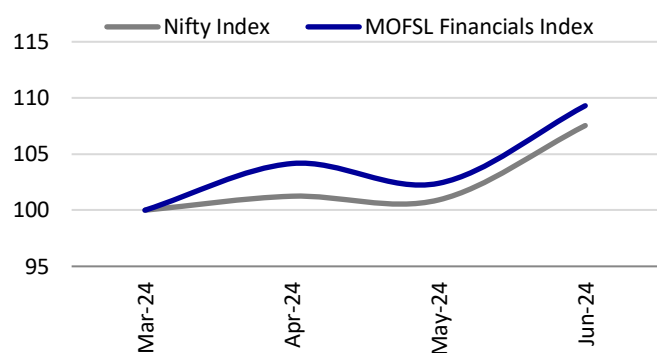
Diversified financiers: With stress in personal loans somewhat receding, expect better loan growth

- LTFH reported strong 31% YoY/6% QoQ growth in retail loans. Since the wholesale segment (such as real estate and infrastructure) will continue to moderate, the consolidated loan book could grow ~3% QoQ in 1QFY25. In last quarter, LTFH had one-offs on SR provisions. In the absence of any such one-offs, we estimate credit costs to moderate for LTFH, leading to a sequential improvement in profitability.
- BAF reported ~31% YoY/7% QoQ growth in its AUM. We estimate a ~10bp QoQ contraction in NIM for BAF, with credit costs at ~1.65% (up ~5bp QoQ).
- We expect Poonawalla to report ~55% YoY growth in AUM, driven by ~4% QoQ growth in disbursements. We estimate this to translate into ~60% YoY PAT growth for the company.
- For IIFL Finance, we estimate gold loan AUM to decline to ~INR150b as of Jun'24. Along with muted growth in the MFI business, this could result in a consolidated AUM decline of ~9% QoQ. We estimate a PAT of INR3.5b in 1QFY25 (vs. INR3.7b in 4QFY24).

Exhibit 1: Quarterly performance

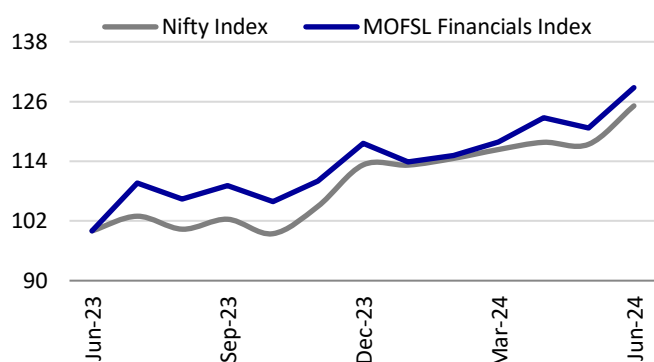
Sector	CMP (INR)	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
			Jun-24	Variance YoY (%)	Variance QoQ (%)	Jun-24	Variance YoY (%)	Variance QoQ (%)	Jun-24	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	1,860	Neutral	2,525	11.6	6.5	1,788	22.2	-1.6	1,346	22.7	-5.6
Bajaj Finance	7,163	Neutral	84,587	25.9	5.6	67,648	22.0	5.5	39,536	15.0	3.4
Can Fin Homes	890	Neutral	3,355	17.7	2.4	2,882	16.4	6.0	2,140	16.7	2.4
Chola. Inv & Fin.	1,400	Buy	25,519	38.5	8.4	17,184	28.3	5.6	9,263	27.6	-12.5
CreditAccess	1,342	Buy	9,208	27.8	4.5	7,100	30.6	4.0	4,061	16.5	2.3
Five Star Business	829	Buy	4,827	31.3	4.6	3,557	36.2	6.9	2,483	35.1	5.2
Fusion Micro	460	Buy	3,684	24.7	2.0	2,815	19.6	-3.2	1,246	3.4	-6.1
Home First Fin.	1,096	Buy	1,460	17.2	6.7	1,149	17.6	1.3	860	24.4	3.0
IIFL Finance	521	Buy	14,037	7.1	-14.7	7,159	-11.5	-9.3	3,478	-18.2	-6.8
L&T Fin. Holdings	187	Buy	23,824	28.1	2.0	14,942	21.0	9.7	6,768	27.6	22.4
LIC Housing Fin	795	Buy	21,506	-2.7	-3.9	19,159	-4.7	0.6	12,450	-5.9	14.1
M & M Financial	302	Buy	18,854	19.0	4.0	12,605	26.1	7.5	5,279	49.7	-14.7
Manappuram Finance	206	Buy	15,459	20.0	3.5	9,618	19.9	3.0	5,757	15.6	2.2
MAS Financial	293	Buy	1,211	29.6	6.1	1,215	28.4	8.0	730	27.5	7.3
Muthoot Finance	1,797	Neutral	22,439	18.5	5.1	16,514	17.9	9.4	11,749	20.5	11.2
PNB Housing	796	Buy	6,735	8.7	8.1	5,854	15.4	3.3	4,354	25.4	-0.9
Poonawalla Fincorp	419	Buy	6,075	44.2	8.0	4,728	60.8	15.5	3,211	60.4	-3.2
Repco Home Fin	551	Neutral	1,768	7.8	-0.1	1,309	5.0	1.7	960	7.7	-11.2
Shriram Finance Ltd	2,824	Buy	52,420	24.8	3.0	40,352	29.1	3.3	20,108	20.0	3.3
Spandana Sphoorty	737	Buy	4,130	40.8	7.0	2,630	39.1	-1.1	831	-30.4	-35.4
NBFC			3,23,624	22.0	3.1	2,40,207	20.1	4.6	1,36,198	16.0	2.2

Exhibit 2: Relative performance — three-months (%)



Source: Bloomberg, MOFSL

Exhibit 3: Relative performance — one-year (%)



Source: Bloomberg, MOFSL

Exhibit 4: EPS estimate changes for FY25-26

Company	Old Estimates		New Estimates		Change	
	FY25	FY26	FY25	FY26	FY25	FY26
AAVAS	76.0	95.3	74.3	93.2	-2.2	-2.1
BAF	282.7	364.3	278.4	371.4	-1.5	2.0
CANF	64.3	73.3	66.4	73.9	3.2	0.8
CIFC	56.0	72.0	52.9	69.9	-5.5	-2.9
CRE DAG	105.7	129.7	105.0	126.0	-0.6	-2.8
Five Star Business	35.2	43.3	35.5	43.1	0.9	-0.5
FUSION	66.3	82.8	63.4	78.0	-4.3	-5.8
HomeFirst	41.4	51.6	42.2	53.4	2.0	3.4
IIFL Fin	41.1	55.5	37.4	55.8	-9.1	0.6
LTFH	11.7	15.6	11.4	15.4	-2.4	-1.5
LICHF	90.8	94.0	90.5	93.0	-0.3	-1.0
MMFSL	22.5	27.9	22.7	28.3	0.7	1.4
MASFIN	19.7	24.4	17.8	22.1	-9.6	-9.6
Muthoot	121.1	137.6	124.8	141.0	3.1	2.5
MGFL	28.8	34.4	30.0	35.3	4.0	2.6
PNBHF	71.3	87.7	71.5	87.9	0.2	0.2
PFL	18.8	25.6	18.8	25.6	-	-
REPCO	69.7	73.8	66.0	72.0	-5.4	-2.4
SHFL	224.6	275.9	227.2	279.9	1.2	1.4
SPANDANA	92.5	112.8	84.0	110.4	-9.2	-2.1

Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Aavas Financiers Neutral

CMP: INR1,860 | TP: INR1,740 (-6%)

EPS CHANGE (%): FY25 | 26: -2.2 | -2.1

- AUM/disbursements are likely to grow 22% YoY each
- We expect NIM to expand ~5bp QoQ. Upfront assignment income is estimated at ~INR420m.
- Opex is likely to moderate due to economies of scale
- Commentaries on loan growth, margin trajectory, and employee attrition are the key monitorables.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	4,128	4,259	4,373	4,586	4,884	5,109	5,390	5,755	17,347	21,138
Interest Expenses	1,866	2,036	2,166	2,216	2,360	2,478	2,602	2,993	8,284	10,432
Net Income	2,262	2,223	2,208	2,371	2,525	2,631	2,788	2,761	9,063	10,706
YoY Growth (%)	26	18	6	7	12	18	26	16	14	18
Other income	540	716	719	882	664	746	834	1,153	2,856	3,397
Total Income	2,802	2,938	2,926	3,252	3,189	3,378	3,622	3,914	11,919	14,103
YoY Growth (%)	28	16	12	14	14	15	24	20	17	18
Operating Expenses	1,339	1,308	1,349	1,434	1,401	1,531	1,612	1,763	5,430	6,307
YoY Growth (%)	30	14	12	19	5	17	19	23	19	16
Operating Profits	1,464	1,631	1,577	1,818	1,788	1,846	2,010	2,151	6,489	7,795
YoY Growth (%)	27	17	11	10	22	13	27	18	15.6	20.1
Provisions	57	65	80	43	62	72	93	88	245	315
Profit before Tax	1,407	1,565	1,497	1,775	1,726	1,775	1,917	2,063	6,244	7,480
Tax Provisions	310	348	331	349	380	390	422	410	1,338	1,602
Profit after tax	1,097	1,217	1,166	1,426	1,346	1,384	1,495	1,652	4,907	5,878
YoY Growth (%)	23	14	9	13	23	14	28	16	14.1	

Bajaj Finance Neutral

CMP INR7,163 | TP: INR7,810 (+9%)

EPS CHANGE (%): FY25 | 26: -1.6 | 1.9

- BAF is likely to report AUM growth of 30% YoY/ 7% QoQ
- Margin is likely to contract ~10bp QoQ
- Opex is likely to remain stable with CIR at 34%
- Credit costs are expected to increase ~5bp QoQ to ~1.7%

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	1,08,211	1,17,340	1,25,233	1,32,301	1,41,165	1,50,482	1,61,317	1,70,074	4,83,066	6,23,038
Interest expenses	41,025	45,371	48,680	52,171	56,710	61,076	65,657	70,175	1,87,247	2,53,618
Net Interest Income	67,186	71,970	76,553	80,130	84,455	89,405	95,659	99,899	2,95,819	3,69,419
YoY Growth (%)	27.4	30.0	29.3	28.1	25.7	24.2	25.0	24.7	28.7	24.9
Other Operating Income	16,795	16,477	16,436	17,019	17,740	17,999	18,358	18,949	66,759	73,046
Net Income	83,980	88,447	92,989	97,149	1,02,195	1,07,404	1,14,018	1,18,848	3,62,578	4,42,465
YoY Growth (%)	33.3	26.3	25.1	25.0	27.9	21.4	22.6	22.3	25.7	22.0
Operating Expenses	28,544	30,100	31,567	33,028	34,680	36,275	38,270	40,467	1,23,252	1,49,691
Operating Profit	55,437	58,347	61,422	64,121	67,516	71,129	75,748	78,381	2,39,326	2,92,773
YoY Growth (%)	37.0	30.0	26.6	25.3	28.3	21.9	23.3	22.2	27.9	22.3
Provisions and Cont.	9,953	10,771	12,484	13,100	14,252	15,663	16,257	16,059	46,307	62,231
Profit before Tax	45,484	47,576	48,939	51,037	53,264	55,466	59,491	62,338	1,93,036	2,30,559
Tax Provisions	11,143	12,070	12,566	12,806	13,795	14,366	15,408	14,527	48,584	58,097
Net Profit	34,341	35,507	36,373	38,232	39,469	41,101	44,083	47,810	1,44,452	1,72,463
YoY Growth (%)	36.8	27.7	22.3	21.1	19.7	15.8	21.2	25.1	25.5	19.4

Can Fin Homes**Neutral****CMP INR890 | TP: INR890 (+0%)****EPS CHANGE (%): FY25|26: 3.2|0.8**

- Estimate loan book to grow ~10% YoY
- Spreads are expected to decline 5bp QoQ to ~3.1%
- Margin is expected to remain stable at 3.8%
- Commentaries on loan growth and expected timelines for recovery in disbursements are the key monitorables

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	8,181	8,652	8,948	9,117	9,373	9,654	9,943	10,236	34,899	39,205
Interest Expenses	5,330	5,484	5,660	5,839	6,017	6,210	6,390	6,669	22,314	25,286
Net Interest Income	2,851	3,168	3,288	3,278	3,355	3,444	3,553	3,567	12,585	13,919
YoY Growth (%)	13.9	26.1	30.6	25.5	17.7	8.7	8.1	8.8	24.0	10.6
Other income	60	58	71	159	84	81	99	150	348	414
Total Income	2,911	3,226	3,359	3,437	3,439	3,525	3,653	3,716	12,933	14,334
YoY Growth (%)	13.9	25.7	30.8	25.7	18.2	9.3	8.7	8.1	24.1	10.8
Operating Expenses	435	524	494	720	558	600	661	736	2,173	2,555
YoY Growth (%)	7.4	29.5	12.7	39.3	28.2	14.5	33.8	2.3	23.1	17.6
Operating Profits	2,476	2,702	2,865	2,717	2,882	2,925	2,991	2,980	10,760	11,779
YoY Growth (%)	15.2	25.0	34.6	22.5	16.4	8.3	4.4	9.7	24.3	9.5
Provisions	137	722	308	18	155	165	145	43	1,185	508
Profit before Tax	2,339	1,980	2,557	2,700	2,727	2,760	2,846	2,937	9,575	11,271
Tax Provisions	504	399	556	609	586	591	615	643	2,068	2,434
Profit after tax	1,835	1,581	2,001	2,090	2,140	2,170	2,232	2,295	7,507	8,836
YoY Growth (%)	13.1	11.5	32.1	26.1	16.7	37.3	11.5	9.8	20.8	17.7

Cholamandalam Inv. & Fin.**Buy****CMP INR1,400 | TP: INR1,660 (+19%)****EPS CHANGE (%): FY25|26: -5.5|-2.9**

- Estimate business AUM to grow ~35% YoY
- Margin is likely to expand ~5bp QoQ to 6.8%
- Credit costs are projected to increase QoQ to ~1.3%
- Guidance on margins, loan growth, and asset quality of new businesses to be closely monitored

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	38,492	42,205	46,099	49,341	53,634	57,656	61,865	66,468	1,76,137	2,39,622
Interest Expenses	20,071	22,052	24,390	25,793	28,115	30,280	32,460	34,814	92,306	1,25,668
Net Interest Income	18,421	20,153	21,709	23,548	25,519	27,376	29,405	31,654	83,831	1,13,954
YoY Growth (%)	24.3	35.4	35.8	33.4	38.5	35.8	35.5	34.4	32.4	35.9
Other Income	2,845	3,514	4,088	5,580	4,331	4,970	4,379	6,775	16,026	20,455
Total Income	21,265	23,667	25,797	29,127	29,849	32,347	33,784	38,429	99,857	1,34,409
YoY Growth (%)	29.7	39.4	40.8	41.4	40.4	36.7	31.0	31.9	38.1	34.6
Operating Expenses	7,867	9,461	10,640	12,850	12,665	13,435	14,364	16,427	40,818	56,891
Operating Profit	13,399	14,206	15,157	16,278	17,184	18,912	19,420	22,002	59,039	77,518
YoY Growth (%)	26.4	37.1	40.4	27.9	28.3	33.1	28.1	35.2	32.7	31.3
Provisions & Loan Losses	3,723	3,998	3,588	1,908	4,800	5,300	4,600	2,957	13,218	17,657
Profit before Tax	9,675	10,208	11,569	14,369	12,384	13,612	14,820	19,046	45,821	59,861
Tax Provisions	2,415	2,583	2,807	3,788	3,121	3,430	3,705	5,128	11,593	15,384
Net Profit	7,260	7,625	8,762	10,581	9,263	10,181	11,115	13,917	34,228	44,477
YoY Growth (%)	28.3	35.3	28.0	24.1	27.6	33.5	26.9	31.5	28.4	29.9

CreditAccess Grameen**Buy**

CMP INR1,342 | | TP: INR1,600 (+19%)

EPS CHANGE (%): FY24|25|26: -0.6|-2.8

- Estimate GLP growth of ~22% YoY
- Margin is likely to contract ~25bp QoQ to 13.8%
- Credit costs are projected to rise ~5bp QoQ to ~2.6%
- Guidance on NIM and cost-income ratio to be closely monitored

CRETAG: Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	11,052	11,874	12,444	13,632	14,367	14,619	15,234	16,686	49,001	60,907
Interest Expenses	3,849	4,239	4,415	4,822	5,159	5,262	5,536	5,980	17,324	21,937
Net Interest Income	7,203	7,635	8,029	8,810	9,208	9,356	9,699	10,706	31,677	38,969
YoY Growth (%)	57.8	53.3	48.5	42.3	27.8	22.5	20.8	21.5	49.8	23.0
Other Income	656	602	509	959	745	743	631	909	2,725	3,028
Total Income	7,858	8,237	8,537	9,770	9,954	10,099	10,330	11,615	34,402	41,997
YoY Growth (%)	63.8	52.1	43.6	35.6	26.7	22.6	21.0	18.9	47.1	22.1
Operating Expenses	2,420	2,611	2,520	2,942	2,854	3,034	3,154	3,724	10,493	12,765
Operating Profit	5,438	5,626	6,018	6,828	7,100	7,066	7,176	7,891	23,910	29,232
YoY Growth (%)	88	68	59	36	31	26	19	16	59	22
Provisions & Loan Losses	764	959	1,262	1,533	1,656	1,573	1,589	1,948	4,518	6,766
Profit before Tax	4,674	4,668	4,756	5,295	5,444	5,493	5,587	5,943	19,392	22,466
Tax Provisions	1,189	1,197	1,222	1,324	1,383	1,395	1,419	1,532	4,933	5,729
Net Profit	3,485	3,470	3,533	3,971	4,061	4,097	4,168	4,411	14,459	16,737
YoY Growth (%)	151.3	96.6	63.7	33.9	16.5	18.1	18.0	11.1	75.0	15.8

Five Star Business Finance**Buy**

CMP INR829 | | TP: INR950 (+15%)

EPS CHANGE (%): FY25|26: 0.9|-0.5

- Estimate AUM growth of ~36% YoY
- Margin is likely to contract ~50bp QoQ to 19.4%
- Credit costs are projected to rise ~10bp QoQ to ~1.0%
- Guidance on NIM and loan growth to be closely monitored

FIVE STAR BUSINESS: Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	4,637	5,041	5,495	5,992	6,370	6,848	7,327	7,774	21,166	28,319
Interest Expenses	962	1,059	1,287	1,377	1,543	1,697	1,900	2,074	4,685	7,214
Net Interest Income	3,676	3,982	4,208	4,615	4,827	5,151	5,427	5,700	16,481	21,105
YoY Growth (%)	35.9	34.3	31.6	33.4	31.3	29.4	29.0	23.5	33.7	28.1
Other Income	198	183	205	199	226	208	232	320	785	986
Total Income	3,874	4,165	4,413	4,814	5,053	5,359	5,658	6,020	17,266	22,091
YoY Growth (%)	41.3	38.4	35.5	33.0	30.4	28.7	28.2	25.1	36.7	27.9
Operating Expenses	1,263	1,389	1,412	1,488	1,496	1,691	1,907	2,146	5,553	7,242
Operating Profit	2,611	2,775	3,001	3,326	3,557	3,668	3,751	3,874	11,713	14,849
YoY Growth (%)	40.5	37.9	45.5	43.6	36.2	32.2	25.0	16.5	42.0	26.8
Provisions & Loan Losses	152	106	102	194	233	240	204	316	554	993
Profit before Tax	2,459	2,670	2,899	3,132	3,324	3,428	3,547	3,558	11,160	13,856
Tax Provisions	622	676	731	771	841	867	897	859	2,800	3,464
Net Profit	1,837	1,994	2,168	2,361	2,483	2,561	2,650	2,699	8,359	10,392
YoY Growth (%)	32	38	44	40	35	28	22	14	38.5	24.3

Fusion Microfinance

Buy
CMP INR460 | TP: INR550 (+20%)
EPS CHANGE (%): FY25|26: -4.3|-5.8

- Estimate AUM to grow ~21% YoY
- Annualized credit costs projected at ~4.5% in 1QFY25
- Margin is likely to contract ~20bp QoQ to ~14.3%
- Guidance on credit costs, margins, and disbursement trajectory to be closely monitored

Fusion: Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	4,790	4,968	5,400	5,761	5,962	6,141	6,479	6,859	20,919	25,441
Interest Expenses	1,835	1,910	2,015	2,149	2,278	2,380	2,475	2,425	7,908	9,558
Net Interest Income	2,955	3,058	3,386	3,612	3,684	3,761	4,003	4,434	13,011	15,883
YoY Growth (%)	58.7	26.1	34.2	30.6	24.7	23.0	18.2	22.8	35.9	22.1
Other Income	738	745	732	991	856	916	975	741	3,205	3,488
Total Income	3,693	3,803	4,118	4,603	4,540	4,677	4,978	5,174	16,216	19,370
YoY Growth (%)	70.0	28.9	38.0	32.8	22.9	23.0	20.9	12.4	40.1	19.5
Operating Expenses	1,339	1,385	1,515	1,696	1,725	1,806	1,862	1,962	5,935	7,355
Operating Profit	2,354	2,418	2,603	2,907	2,815	2,871	3,117	3,212	10,281	12,015
YoY Growth (%)	95.8	29.1	41.6	31.5	19.6	18.7	19.7	10.5	44.3	16.9
Provisions & Loan Losses	759	762	938	1,190	1,154	923	785	712	3,649	3,574
Profit before Tax	1,595	1,656	1,665	1,717	1,661	1,948	2,332	2,501	6,633	8,441
Tax Provisions	390	399	401	390	415	487	583	575	1,580	2,060
Net Profit	1,205	1,257	1,265	1,327	1,246	1,461	1,749	1,926	5,053	6,382
YoY Growth (%)	60	32	23	16	3	16	38	45	31	26.3

Home First Finance Company

Buy
CMP INR1,096 | TP: INR1,205 (+10%)
EPS CHANGE (%): FY24|25|26: 2.0|3.4

- Estimate a robust AUM growth of ~34% YoY/8% QoQ
- Cost/income ratio expected to remain stable at ~36%
- Margin is projected to contract ~10bp in 1QFY25
- Outlook on loan growth, margins, and delinquencies are the key monitorables

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	2,313	2,491	2,646	2,827	3,026	3,238	3,474	3,740	10,277	13,477
Interest expenses	1,068	1,170	1,302	1,459	1,567	1,679	1,805	1,930	4,999	6,981
Net Interest Income	1,246	1,321	1,344	1,368	1,460	1,558	1,668	1,810	5,278	6,496
YoY Growth (%)	32.6	30.1	21.4	22.4	17.2	18.0	24.2	32.3	26.3	23.1
Other Income	285	289	364	351	333	341	443	585	1,289	1,702
Net Income	1,530	1,610	1,708	1,719	1,793	1,899	2,111	2,395	6,567	8,198
YoY Growth (%)	40.9	36.1	35.7	24.2	17.1	18.0	23.6	39.3	33.7	24.8
Operating Expenses	553	565	611	584	643	690	745	923	2,313	3,001
Operating Profit	977	1,044	1,097	1,135	1,149	1,209	1,366	1,472	4,254	5,197
YoY Growth (%)	39.8	40.9	34.5	24.8	17.6	15.8	24.5	29.7	34.3	22.2
Provisions and Cont.	77	80	70	27	40	50	110	152	254	352
Profit before Tax	900	964	1,027	1,107	1,109	1,159	1,256	1,320	4,000	4,845
Tax Provisions	209	221	239	273	250	261	289	300	942	1,100
Net Profit	691	743	788	835	860	898	967	1,020	3,057	3,745
YoY Growth (%)	34.9	36.9	34.5	30.4	24.4	20.9	22.7	22.2	33.9	22.5

IIFL Finance**Buy****CMP INR521 | TP: INR605 (+16%)****EPS CHANGE (%): FY25|26: -23.6|0.6**

- Estimate AUM growth of ~5% YoY
- Estimate PAT of INR3.0b in 1QFY25 (PQ: INR3.7b)
- Cost ratios are expected to remain elevated QoQ
- Outlook on gold loan business, loan growth and margins key monitorable

IIFL Finance (Consolidated): Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	21,989	23,576	25,630	27,200	25,840	24,548	25,039	29,485	98,386	1,04,913
Interest Expenses	8,878	9,321	9,885	10,744	10,905	11,014	11,124	11,208	38,829	44,252
Net Interest Income	13,111	14,255	15,745	16,456	14,935	13,534	13,915	18,277	59,557	60,661
YoY Growth (%)	48.9	44.7	44.7	38.9	13.9	-5.1	-11.6	11.1	43.6	1.9
Other Income	1,306	1,878	1,120	-873	550	1,978	1,908	2,801	3,342	7,237
Total Income	14,417	16,134	16,865	15,584	15,485	15,512	15,823	21,078	62,899	67,898
YoY Growth (%)	20	26	26	10	7	-4	-6	35	20.4	7.9
Operating Expenses	6,332	6,772	7,272	7,691	7,428	7,759	8,351	8,471	28,067	32,009
Operating Profit	8,085	9,361	9,593	7,893	8,057	7,753	7,472	12,607	34,832	35,888
YoY Growth (%)	18.4	29.0	24.9	-1.6	-0.3	-17.2	-22.1	59.7	16.9	3.0
Provisions & Loan Losses	1,901	2,526	2,430	2,356	1,885	2,639	2,507	4,714	9,113	11,744
Profit before Tax	6,184	6,835	7,163	5,537	6,173	5,114	4,965	7,893	25,719	24,144
Tax Provisions	1,455	1,580	1,711	1,231	1,224	1,371	1,431	1,756	5,977	5,782
PAT (Pre NCI)	4,729	5,255	5,452	4,306	4,949	3,742	3,534	6,137	19,742	18,362
NCI	475	513	548	572	572	601	649	678	2,107	2,500
PAT (Post NCI)	4,254	4,743	4,904	3,734	4,377	3,142	2,885	5,459	17,635	15,862
YoY Growth (%)	29	25	30	-10	3	-34	-41	46	18	-10

L&T Finance Holdings**Buy****CMP INR187 | TP: INR230 (+23%)****EPS CHANGE (%): FY25|26: -2.4|-1.5**

- Reported retail loan book growth of 31%YoY
- Anticipate credit costs to decline to ~2.8% (annualized) in 1QFY25 (vs. ~3.2% in 4QFY24)
- NIM is expected to decline ~20bp to ~10.9% QoQ
- Opex to moderate to ~39% due to economies of scale

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	31,165	31,685	33,063	33,226	34,887	36,981	39,199	42,155	1,29,139	1,53,222
Interest Expenses	13,638	13,249	13,534	13,351	13,885	14,996	16,345	17,557	53,772	62,783
Net Interest Income	17,527	18,436	19,529	19,875	21,002	21,985	22,854	24,598	75,367	90,439
Change YoY (%)	14.3	11.9	7.2	12.6	19.8	19.2	17.0	23.8	11.4	20.0
Other Operating Income	1,068	453	2,277	3,492	2,822	1,747	573	2,683	6,667	7,825
Net Operating Income	18,596	18,889	21,805	23,367	23,824	23,731	23,428	27,281	82,034	98,264
Change YoY (%)	11.7	7.5	12.9	31.9	28.1	25.6	7.4	16.7	15.1	19.8
Other income	1,535	2,682	473	56	767	1,878	1,561	540	4,745	4,745
Total Income	20,130	21,572	22,278	23,422	24,591	25,609	24,988	27,820	86,779	1,03,009
Change YoY (%)	11.1	15.0	11.9	18.7	22.2	18.7	12.2	18.8	13.4	18.7
Operating Expenses	7,782	8,598	8,896	9,803	9,650	9,801	9,964	10,855	35,079	40,270
Change YoY (%)	18.3	25.2	19.9	24.6	24.0	14.0	12.0	10.7	22.1	14.8
Operating Profits	12,348	12,974	13,382	13,619	14,942	15,808	15,025	16,965	51,701	62,740
Change YoY (%)	6.9	9.1	7.2	7.3	21.0	21.8	12.3	24.6	6.3	21.4
Provisions	5,212	5,000	5,142	6,679	6,094	6,354	5,290	7,034	21,410	24,772
Profit before Tax	7,136	7,974	8,240	6,940	8,847	9,454	9,735	9,931	30,290	37,967
Tax Provisions	1,831	2,032	1,847	1,410	2,079	2,411	2,482	2,519	7,119	9,492
Profit after tax	5,305	5,942	6,394	5,530	6,768	7,043	7,253	7,411	23,171	28,475
Change YoY (%)	103	47	41	10	28	19	13	34	43	23

LIC Housing Finance**Buy****CMP INR795 | TP: INR930 (+17%)****EPS CHANGE (%):FY25|26: -0.3|-1.0**

- Expect loan growth of ~5% YoY with a fairly stable mix
- Estimate annualized credit costs of ~50bp in 1QFY25 vs. ~60bp in 4QFY24
- Yields are expected to decline on a sequential basis, leading to ~15bp compression in NIM
- Commentaries on slippages from restructured pool, mortgage demand, and guidance on margins are the key monitorables

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	67,037	67,066	67,437	68,875	69,633	70,468	71,384	72,383	2,70,416	2,83,868
Interest Expenses	44,942	46,000	46,465	46,499	48,127	49,185	50,366	51,787	1,83,907	1,99,465
Net Interest Income	22,094	21,066	20,972	22,376	21,506	21,283	21,019	20,596	86,509	84,404
YoY Growth (%)	37.2	81.2	30.6	12.4	-2.7	1.0	0.2	-8.0	36.7	-2.4
Fees and other income	429	521	488	493	515	625	585	527	1,931	2,252
Net Income	22,523	21,587	21,460	22,869	22,021	21,908	21,604	21,123	88,440	86,656
YoY Growth (%)	36.4	79.1	30.6	12.8	-2.2	1.5	0.7	-7.6	36.3	-2.0
Operating Expenses	2,425	2,595	2,615	3,829	2,862	2,948	3,036	3,138	11,463	11,983
Operating Profit	20,098	18,993	18,845	19,041	19,159	18,961	18,568	17,985	76,976	74,672
YoY Growth (%)	38.8	101.1	39.0	8.7	-4.7	-0.2	-1.5	-5.5	40.0	-3.0
Provisions and Cont.	3,608	4,192	4,358	4,279	3,789	3,713	3,341	2,334	16,437	13,177
Profit before Tax	16,490	14,801	14,487	14,762	15,370	15,248	15,226	15,651	60,539	61,496
Tax Provisions	3,253	2,920	2,858	3,854	2,920	2,897	2,893	2,974	12,885	11,684
Net Profit	13,237	11,881	11,629	10,908	12,450	12,351	12,333	12,677	47,654	49,811
YoY Growth (%)	43	290	142	-8	-6	4	6	16	65	5

Mahindra Financial Services**Buy****CMP INR302 | TP: INR355 (+18%)****EPS CHANGE (%): FY25|26: 0.7|1.4**

- Reported 1QFY25 disbursement growth of ~5% YoY
- We expect ~5bp QoQ contraction in margin
- Estimate credit costs of ~2.1% in 1QFY25 (vs. ~1.4% QoQ)
- Commentaries on margins, credit costs, and loan growth are the key monitorables

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest income	30,349	31,535	33,733	35,471	37,280	39,256	41,494	43,148	1,31,088	1,61,178
Interest Expenses	14,505	15,665	16,750	17,351	18,426	19,569	20,645	21,441	64,269	80,082
NII	15,844	15,870	16,983	18,121	18,854	19,687	20,849	21,707	66,818	81,096
YoY Growth (%)	5.3	9.6	9.4	13.2	19.0	24.1	22.8	19.8	9.4	21.4
Other income	905	870	1,172	1,590	1,041	1,000	1,347	2,213	4,537	5,602
Net Total Income	16,750	16,740	18,155	19,710	19,895	20,688	22,196	23,920	71,355	86,699
YoY Growth (%)	6.9	8.7	10.1	14.4	18.8	23.6	22.3	21.4	10.1	21.5
Operating Expenses	6,750	7,312	7,530	7,980	7,290	8,043	8,509	9,027	29,572	32,869
Operating Profit	10,000	9,428	10,625	11,730	12,605	12,644	13,687	14,893	41,783	53,829
YoY Growth (%)	5.7	9.2	6.4	24.2	26.1	34.1	28.8	27.0	11.4	28.8
Provisions	5,264	6,266	3,284	3,415	5,519	4,923	2,857	2,911	18,228	16,210
Profit before Tax	4,735	3,163	7,341	8,315	7,086	7,721	10,830	11,982	23,555	37,619
Tax Provisions	1,209	811	1,813	2,126	1,807	1,969	2,762	3,055	5,959	9,593
Net Profit	3,527	2,352	5,528	6,190	5,279	5,752	8,068	8,926	17,596	28,026
YoY Growth (%)	58.2	-47.5	-12.1	-9.5	49.7	144.6	46.0	44.2	-11.3	59.3

Manappuram Finance**Buy****CMP INR206 | TP: INR245 (+19%)****EPS CHANGE (%): FY25|26: 4.0|2.6**

- Expect gold AUM/consolidated AUM to grow 6% each on a sequential basis
- Factored in a margin and spread decline of ~30bp each QoQ in the consolidated loan book
- Expect credit costs to decline 10bp to ~1.7%
- Commentaries on gold loan growth and asset quality in the MFI and Vehicle segments are the key monitorables

MGFL - Quarterly Performance (Consolidated)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	19,363	20,438	22,011	22,734	23,757	24,826	26,068	26,827	84,546	1,01,478
Interest Expenses	6,484	6,894	7,487	7,792	8,298	8,713	9,149	9,521	28,657	35,681
Net Interest Income	12,879	13,543	14,524	14,943	15,459	16,113	16,919	17,306	55,889	65,797
YoY Growth (%)	34.6	25.5	33.0	32.8	20.0	19.0	16.5	15.8	31.4	17.7
Other income	1,209	1,303	1,256	888	1,015	1,169	1,298	1,155	4,655	4,636
Net Income	14,088	14,846	15,780	15,831	16,474	17,282	18,217	18,461	60,544	70,434
Operating Expenses	6,068	6,182	6,419	6,497	6,856	7,109	7,510	8,093	25,165	29,568
Operating Profits	8,020	8,664	9,361	9,333	9,618	10,173	10,706	10,368	35,379	40,865
YoY Growth (%)	57.5	36.8	58.1	52.0	19.9	17.4	14.4	11.1	50.7	15.5
Provisions	1,212	1,197	1,496	1,878	1,839	1,707	1,665	1,284	5,783	6,495
PBT	6,808	7,467	7,864	7,455	7,779	8,466	9,041	9,085	29,595	34,371
Tax Provisions	1,828	1,861	2,111	1,820	2,023	2,201	2,351	2,431	7,621	9,005
PAT	4,980	5,607	5,753	5,635	5,757	6,265	6,690	6,654	21,974	25,366
YoY Growth (%)	77	37	46	36	16	12	16	18	46	15

MAS Financial**Buy****CMP INR293 | TP: INR365 (+25%)****EPS CHANGE (%): FY25|26: -9.6|-9.6**

- Standalone AUM is likely to grow ~4% QoQ/~25% YoY
- We expect stable credit costs of ~90bp
- Margin is expected to expand ~15bp QoQ to ~6.9%
- Commentary on branch expansions and increase in the direct business are the key monitorables

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue from Operations	2,801	2,982	3,206	3,295	3,545	3,807	4,088	4,355	12,246	15,795
Interest Income	2,362	2,490	2,651	2,757	2,972	3,195	3,434	3,637	10,223	13,238
Gain on assignments	242	272	319	336	354	372	391	404	1,170	1,521
Other operating Income	196	219	236	202	219	240	262	315	853	1,037
Interest expenses	1,428	1,461	1,638	1,615	1,761	1,901	2,054	2,210	6,142	7,926
Total income	1,373	1,520	1,569	1,680	1,784	1,906	2,034	2,145	6,104	7,869
Growth Y-o-Y (%)	30	28	27	33	30	25	30	28	29	29
Operating Expenses	427	484	467	555	569	583	598	614	1,894	2,364
Operating Profits	946	1,036	1,102	1,125	1,215	1,323	1,436	1,531	4,210	5,506
Growth Y-o-Y (%)	34	34	35	27	28	28	30	36	33	31
Provisions	188	236	257	214	242	274	309	367	896	1,192
Profit before tax	758	800	845	911	973	1,049	1,127	1,164	3,314	4,313
Growth Y-o-Y (%)	22	22	25	29	28	31	33	28	25	30
Tax Provisions	186	200	221	230	243	262	282	300	837	1,087
Net Profit	573	600	624	681	730	787	846	864	2,478	3,226
Growth Y-o-Y (%)	23	22	24	23	28	31	35	27	23	30

Muthoot Finance**Neutral****CMP INR 1,797 | TP: INR1,630 (-9%)****EPS CHANGE (%): FY25|26: 3.1|2.5**

- Estimate gold AUM growth of ~7% QoQ
- Margin is likely to decline 25bp to ~11.7%.
- Cost ratios are expected to decline due to economies of scale
- Commentaries on gold loan growth and margin guidance are the key monitorables

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	29,577	30,147	31,176	33,575	35,523	36,943	38,236	39,381	1,24,476	1,50,084
Other operating income	410	450	501	514	471	517	576	591	1,874	2,156
Total Operating income	29,987	30,597	31,677	34,089	35,994	37,461	38,812	39,972	1,26,350	1,52,239
YoY Growth (%)	19.8	22.5	19.1	19.5	20.0	22.4	22.5	17.3	20.2	20.5
Other income	276	139	80	95	121	155	199	224	590	700
Total Income	30,263	30,736	31,757	34,184	36,115	37,616	39,011	40,196	1,26,940	1,52,939
YoY Growth (%)	20.6	22.8	19.1	19.4	19.3	22.4	22.8	17.6	20.4	20.5
Interest Expenses	10,638	11,563	12,119	12,228	13,083	13,764	14,383	15,260	46,548	56,491
Net Income	19,625	19,173	19,638	21,956	23,032	23,852	24,628	24,936	80,393	96,449
Operating Expenses	5,620	5,751	5,696	6,861	6,518	6,844	7,049	7,206	23,927	27,618
Operating Profit	14,006	13,422	13,942	15,095	16,514	17,008	17,579	17,730	56,466	68,831
YoY Growth (%)	36.8	16.9	10.4	16.9	17.9	26.7	26.1	17.5	19.5	21.9
Provisions	860	120	137	860	700	350	250	104	1,978	1,404
Profit before Tax	13,145	13,302	13,805	14,236	15,814	16,658	17,329	17,626	54,488	67,427
Tax Provisions	3,394	3,392	3,532	3,673	4,064	4,281	4,454	4,515	13,991	17,314
Net Profit	9,751	9,910	10,273	10,563	11,749	12,377	12,875	13,111	40,497	50,113
YoY Growth (%)	21.6	14.3	13.9	17.0	20.5	24.9	25.3	24.1	16.6	23.7

PNB Housing Finance**Buy****CMP INR796 | TP: INR1,015 (27%)****EPS CHANGE (%): FY25|26|: 0.2|0.2**

- Total AUM growth is expected to be ~11% YoY
- Expect credit costs of ~10bp in 1QFY25
- Cost ratios are expected to decline due to economies of scale
- Commentaries on the asset quality of the retail loan book, NIM, and disbursement trajectory are the key monitorables

Quarterly performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	16,669	17,029	16,795	16,929	17,860	18,753	19,691	20,928	67,422	77,232
Interest Expenses	10,475	10,573	10,866	10,697	11,125	11,625	12,091	12,705	42,611	47,546
Net Interest Income	6,194	6,456	5,929	6,232	6,735	7,128	7,600	8,223	24,811	29,686
YoY Growth (%)	68.1	1.9	-17.3	7.2	8.7	10.4	28.2	31.9	7.8	19.6
Other income	408	765	765	1,211	950	998	1,047	1,024	3,149	4,019
Total Income	6,602	7,221	6,694	7,443	7,685	8,125	8,648	9,247	27,960	33,705
YoY Growth (%)	37.3	0.2	-16.3	18.2	16.4	12.5	29.2	24.2	6.3	20.5
Operating Expenses	1,530	1,702	1,700	1,778	1,832	1,905	2,000	2,204	6,710	7,941
YoY Growth (%)	26.0	24.4	34.7	21.1	19.7	11.9	17.7	24.0	26.3	18.4
Operating Profits	5,072	5,519	4,994	5,665	5,854	6,220	6,648	7,043	21,250	25,764
YoY Growth (%)	41.1	-5.4	-25.9	17.3	15.4	12.7	33.1	24.3	1.2	21.2
Provisions	606	448	591	66	199	398	598	774	1,711	1,969
Profit before Tax	4,467	5,071	4,403	5,598	5,654	5,822	6,050	6,269	19,539	23,795
Tax Provisions	994	1,241	1,019	1,206	1,301	1,339	1,391	1,204	4,459	5,235
Profit after tax	3,473	3,830	3,384	4,393	4,354	4,483	4,658	5,065	15,080	18,560
YoY Growth (%)	47.8	45.8	25.8	57.3	25.4	17.0	37.6	15.3	44.2	23.1

Poonawalla Fincorp**Buy****CMP INR419 | TP: INR500 (+19%)****EPS CHANGE (%): FY25|26: 0.0|0.0**

- Expect AUM/Disbursement growth of ~55%/43% YoY
- Expect cost ratios to improve on a sequential basis
- Expect margin to contract ~45bp QoQ to ~10.4%
- Commentaries on growth in personal loans, margin, and asset quality/credit costs are the key monitorables

Quarterly Performance (Standalone)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	6,560	6,901	7,144	8,436	9,279	10,207	11,330	12,459	28,996	43,275
Interest Expenses	2,348	2,155	2,237	2,811	3,204	3,653	4,164	4,731	9,503	15,752
Net Interest Income	4,212	4,746	4,907	5,625	6,075	6,555	7,166	7,728	19,493	27,524
YoY Growth (%)	77.8	73.3	62.9	48.1	55.6	38.1	46.0	37.4	58.3	41.2
Other Income	563	539	594	782	781	804	830	896	2,478	3,311
Total Income	4,775	5,285	5,501	6,407	6,856	7,358	7,996	8,624	21,970	30,835
YoY Growth (%)	70.3	57.1	52.8	57.0	54.1	39.2	45.4	34.6	54.3	40.3
Operating Expenses	1,834	1,929	1,998	2,313	2,128	2,213	2,301	2,618	8,074	9,259
Operating Profit	2,941	3,356	3,502	4,094	4,728	5,146	5,695	6,006	13,897	21,576
YoY Growth (%)	185.0	167.0	124.8	103.1	74.9	53.3	62.6	46.7	127.7	55.3
Provisions & Loan Losses	266	281	-65	239	503	830	871	470	720	2,673
Profit before Tax	2,676	3,075	3,568	3,855	4,226	4,316	4,824	5,536	13,177	18,902
Exceptional items		6,560				0			6,560	0
Tax Provisions	674	775	916	538	1,014	993	1,110	1,326	2,907	4,442
PAT (excl. exceptional)	2,002	2,300	2,651	3,317	3,211	3,324	3,715	4,211	10,270	14,460
PAT (incl. exceptional)	2,002	8,861	2,651	3,317	3,211	3,324	3,715	4,211	16,830	14,460
YoY Growth (%)	86.0	76.7	76.3	83.6	66.0	44.5	40.1	26.9	72.8	40.8

Repco Home Finance**Neutral****CMP INR551 | TP: INR595 (8%)****EPS CHANGE (%): FY24|25|26: -5.4|-2.4**

- Disbursements/AUM expected to grow ~5%/9% YoY
- Estimate benign credit costs of ~5bp
- Margin are likely to contract ~10bp QoQ
- Commentaries around asset quality and guidance on disbursements/AUM growth are the key monitorables

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	3,572	3,770	3,787	3,831	3,916	4,050	4,131	4,099	14,960	16,196
Interest Expenses	2,026	2,075	2,153	2,203	2,269	2,337	2,383	2,383	8,456	9,372
Net Income	1,546	1,695	1,635	1,628	1,648	1,714	1,748	1,715	6,504	6,824
YoY Growth (%)	16.5	23.6	17.8	10.5	6.6	1.1	6.9	5.3	17.0	4.9
Other income	93	69	145	141	120	100	150	145	448	515
Total Income	1,639	1,765	1,779	1,769	1,768	1,814	1,898	1,861	6,952	7,340
YoY Growth (%)	15.7	18.9	18.7	11.9	7.8	2.8	6.7	5.2	16.2	5.6
Operating Expenses	392	426	410	483	458	472	486	509	1,710	1,926
YoY Growth (%)	15.7	24.4	2.9	27.6	17.0	10.7	18.8	5.5	17.3	12.6
Operating Profits	1,247	1,338	1,370	1,287	1,309	1,341	1,412	1,351	5,242	5,414
YoY Growth (%)	15.7	17.3	24.5	6.9	5.0	0.2	3.0	5.0	15.9	3.3
Provisions	50	16	29	-100	7	17	36	-162	-5	-102
Profit before Tax	1,198	1,322	1,341	1,387	1,302	1,324	1,376	1,514	5,247	5,516
Tax Provisions	307	341	346	306	343	348	362	337	1,300	1,390
Profit after tax	891	981	994	1,081	960	976	1,014	1,176	3,947	4,126
YoY Growth (%)	43.5	37.9	23.1	31.6	7.7	-0.5	2.0	8.8	33.3	4.5

Shriram Finance**Buy****CMP INR2,824 | TP: INR3,400 (+20%)****EPS CHANGE (%): FY25|26: |1.2|1.4**

- Estimate disbursements of ~INR365b, leading to an AUM of ~INR2.33t (up 21% YoY/ ~4% QoQ)
- Margin is expected to contract ~10bp QoQ to 9.1%
- Credit cost is likely to remain stable QoQ at 2.3%
- Commentaries on loan growth in CV and on asset quality in 2W and PL segments are the key monitorables

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	76,880	82,166	86,179	90,773	94,313	98,557	1,03,485	1,08,377	3,35,997	4,04,731
Interest Expenses	34,875	36,219	37,069	39,898	41,893	43,988	46,363	48,755	1,48,061	1,80,999
Net Interest Income	42,004	45,947	49,110	50,874	52,420	54,569	57,122	59,622	1,87,935	2,23,732
YoY Growth (%)	20.0	21.6	17.1	21.7	29.9	18.8	16.3	17.2	17.0	19.0
Other Income	3,167	3,479	3,094	4,206	3,857	3,657	3,251	4,108	13,980	14,874
Total Income	45,171	49,426	52,204	55,080	56,277	58,226	60,373	63,730	2,01,915	2,38,606
YoY Growth (%)	22.0	17.9	16.2	21.7	28.9	17.8	15.6	15.7	17.0	18.2
Operating Expenses	13,908	14,618	15,311	16,024	15,925	16,445	17,378	18,327	59,895	68,074
Operating Profit	31,262	34,808	36,893	39,056	40,352	41,782	42,995	45,404	1,42,020	1,70,532
YoY Growth (%)	17.3	16.3	11.7	26.8	33.6	20.0	16.5	16.3	15.1	20.1
Provisions & Loan Losses	8,786	11,286	12,497	12,615	13,178	13,742	14,097	14,910	45,183	55,927
Profit before Tax	22,476	23,523	24,396	26,441	27,173	28,040	28,898	30,494	96,836	1,14,604
Tax Provisions	5,722	6,014	6,213	6,983	7,065	7,290	7,658	7,211	24,932	29,224
Net Profit	16,754	17,508	18,183	19,459	20,108	20,749	21,240	23,283	71,905	85,380
YoY Growth (%)	30.8	12.6	2.3	48.7	23.8	18.5	16.8	19.7	20.3	18.7

Spandana Sphoorty**Buy****CMP INR737 | TP: INR915 (+24%)****EPS CHANGE (%): FY25|26: -9.2|-2.1**

- Estimate disbursements of ~INR23b, leading to AUM of ~INR120b (~AUM growth of 36% YoY)
- Margin is likely to contract ~10bp QoQ to ~15%
- Annualized credit costs to increase to 5.5% (PQ: 3.7%)
- Guidance on credit costs, margins, and AUM growth to be closely monitored

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	4,929	5,436	5,663	6,352	6,848	7,122	7,549	8,163	22,381	29,682
Interest Expenses	1,995	2,277	2,502	2,493	2,717	2,935	3,082	3,857	9,268	12,591
Net Interest Income	2,934	3,159	3,161	3,859	4,130	4,187	4,467	4,306	13,113	17,091
YoY Growth (%)	99.3	70.6	45.7	42.8	40.8	32.5	41.3	11.6	60.0	30.3
Other Income	344	966	905	744	478	1,104	1,037	751	2,959	3,370
Total Income	3,277	4,125	4,067	4,603	4,609	5,291	5,505	5,057	16,072	20,461
YoY Growth (%)	102.2	88.5	59.9	19.9	40.6	28.3	35.4	9.9	57.7	27.3
Operating Expenses	1,386	1,549	1,662	1,943	1,979	2,064	2,199	2,373	6,540	8,614
Operating Profit	1,891	2,576	2,405	2,660	2,630	3,227	3,306	2,684	9,532	11,847
YoY Growth (%)	273.5	134.1	71.0	2.0	39.1	25.3	37.5	0.9	69.6	24.3
Provisions & Loan Losses	286	901	701	938	1,515	1,060	954	257	2,826	3,787
Profit before Tax	1,605	1,675	1,703	1,722	1,115	2,167	2,352	2,427	6,706	8,061
Tax Provisions	411	423	429	435	284	553	600	635	1,699	2,072
Net Profit	1,195	1,252	1,274	1,287	831	1,614	1,752	1,792	5,007	5,989
YoY Growth (%)	-154.4	126.9	78.5	21.9	-30.4	28.9	37.5	39.3	3,940.0	19.6

Financials – Non Lending

Company

Angel One

BSE

CAMS

ICICI Lombard

360ONE WAM

MCX

Star Health

HDFC Life

IPRU Life

SBI Life

Max Financials

Capital markets-linked companies to deliver decent performance

GI players expected to report strong growth in motor and health segments; VNB margins to remain steady

- Despite volatility during the election period, equity indices continued their upward journey and surged to new all-time highs (Nifty 24,000+, Sensex 79,000+) in 1QFY25. This translated into healthy trends in key parameters (volumes, orders, client additions, etc.) for capital markets-related companies. Angel One and BSE would benefit from these trends.
- In the AMC sector, net equity inflows were buoyant in Apr'24 and May'24. Growth in equity AUM was primarily backed by strong SIP flows (all-time high in May'24 at ~INR210b). Total MF AUM grew 6.5% (over Mar'24-May'24) owing to strong growth in equity and money market AUM. The increase in equity AUM should boost the performance of CAMS and 360ONE.
- Private life insurance companies saw 16%/18% growth in APE in Apr'24/May'24. In Jun'24, we expect steady growth for the industry. In VNB margins, we expect steady or improving trends QoQ as the rising share of ULIPs could be offset by scale benefits.
- Excluding crop, the general insurance sector witnessed steady GWP growth of 16% and 14% in Apr'24 and May'24, respectively. Growth in the health segment was steady at 17% YoY in Apr/May'24 (16.5% in 4QFY24). The motor segment too saw strong growth of 18%/13% YoY in Apr/May'24 (10% in 4QFY24). The health segment's loss ratios are expected to decline on the back of price hikes. We expect STARHEAL and ICICIGI to report improvement in profitability.
- We remain positive on the long-term growth potential of non-lending financials, given their broader themes of financialization and digitization of savings. Our top picks in this space are SBILIFE and STARHEAL. While we continue to like the capital market sector, uncertainty around regulations will keep stock performances in check.

Steady demat account additions; Growth momentum in cash volumes and F&O volumes picked up in second half of 1QFY25

- The retail segment's cash ADTO increased by 13%/5% MoM in Apr'24/May'24. In terms of F&O ADTO, while the momentum in futures remained strong, options volumes bounced back in May'24 and Jun'24 after a sequential decline in Apr'24.
- BSE continued to gain market share in the options segment, reaching 22%/8.7% market share in notional/premium turnover vs. 17.5%/7.2% in Mar'24.
- Incremental demat account additions moderated to 3.1m in Apr'24 and 3.6m in May'24 (average 4.0m per month in 4QFY24).
- MCX is in the process of getting re-validation approval from SEBI for many new products, which were in the pipeline. MCX has witnessed strong traction in F&O volumes in 1QFY25. Futures ADTO increased from INR175b in 4QFY24 to INR259b in 1QFY25 (up 48% QoQ). Options ADTO increased from INR1.14t in 4QFY24 to INR1.47t in 1QFY25 (up 30% QoQ).
- The SEBI issued a circular on 1st Jul'24 to change the way market intermediaries (MIIs) charge brokers and customers. This might affect earnings for brokers from 3QFY25.

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Life Insurers: Expect strong APE growth; VNB margins to be steady

- Private life insurance companies saw 16%/18% growth in APE in Apr'24/May'24. In Jun'24, we expect steady growth for the industry. SBILIFE/HDFCLIFE/IPRU/MAXLIFE registered APE growth of 19%/18%/37%/29% in Apr-May'24.
- In VNB margins, we expect steady or improving trends QoQ. While the share of ULIPs continues to increase, demand for annuity, non-par (QoQ) and protection remains strong, especially with the launch of a slew of new products. Scale benefits and a higher share of protection/annuities can offset the impact of a higher share of ULIPs, keeping VNB margins steady.
- For FY25, the impact of changes in product and commission constructs from Oct'24 (post implementation of new surrender regulations) will be a key monitorable.

Steady premium growth for general insurance sector (excluding crop); strong growth in motor segment

- Excluding crop, the general insurance sector witnessed steady GWP growth of 16% and 14% in Apr'24 and May'24, respectively. Growth in the health segment was steady at 17% YoY over Apr/May'24 (16.5% in 4QFY24). The motor segment too saw strong growth of 18%/13% YoY in Apr/May'24 (10% in 4QFY24).
- For ICICIGI, premium growth in Apr/May'24 stood at 23%/22% YoY. GWP growth for ICICIGI was led by an increase in market share of the motor segment and a strong expansion in the health segment.
- For Apr/May'24, STARHEAL saw premium growth of 23%/17% YoY, driven by retail growth of 20%/15% and group health growth of 65%/37% (on lower base).
- Opex ratios would benefit from operating leverage. The health segment's loss ratios are expected to improve YoY, due to the implemented price hikes.

Strong SIP flows, positive net inflows to drive mutual fund AUM growth

- Mutual fund AUM grew 37%/36% YoY, led by strong 56%/55% growth in equity AUM for Apr'24/May'24. Net equity inflows remained buoyant in Apr'24 and May'24. The growth in equity AUM was primarily backed by strong SIP flows.
- The share of equity AUM improved ~30bp in Apr'24 and ~40bp in May'24, reaching 56.6%. SIP flows were strong in Apr'24 and May'24 (SIP flows reached all-time high in May'24).
- This would translate into a healthy operating performance for CAMS and 360 ONE in 1QFY25.

Exhibit 1: Quarterly Performance

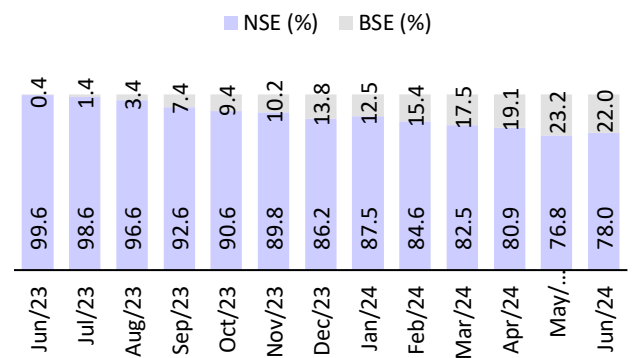
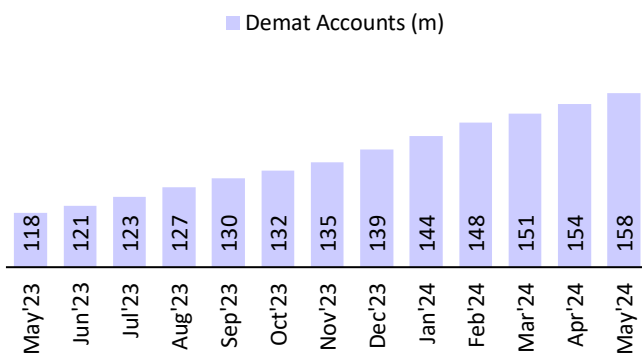
Sector	CMP (INR)	Rating	Revenue/NEP/ Gross Prem (INR m)			EBITDA/PBT/UP/VNB (INR m)			Net profit (INR m)		
			Jun-24	Variance YoY (%)	Variance QoQ (%)	Jun-24	Variance YoY (%)	Variance QoQ (%)	Jun-24	Variance YoY (%)	Variance QoQ (%)
Angel One	2,354	BUY	8,931	71.8	2.2	3,258	9.8	-29.0	2,414	9.3	-29.0
360 One	954	BUY	5,143	26.7	-10.4	2,606	32.3	-4.9	2,228	20.0	-8.6
CAMS	3,761	BUY	3,290	25.9	6.0	1,530	39.0	6.7	1,073	41.8	4.2
BSE	2,487	Neutral	5,905	174.3	20.9	2,715	386.4	182.3	2,480	201.3	133.0
MCX	3,873	BUY	2,248	54.2	24.1	1,382	1,192.4	35.5	1,166	492.9	32.7
Star Health	569	BUY	34,794	18.0	-30.0	2,563	76.3	NA	4,113	42.9	189.0
ICICI Lombard	1,809	BUY	80,127	21.0	27.9	-2,433	NA	NA	5,759	47.5	10.9
HDFC Life	590	BUY	1,37,328	17.6	-34.4	7,160	17.4	-42.0	5,205	25.3	26.6
ICICI Prudential	620	BUY	95,880	30.0	-36.7	5,001	14.2	-35.6	2,397	15.9	38.0
SBI Life	1,494	BUY	1,55,657	14.8	-38.3	9,935	14.2	-34.2	3,980	4.5	-50.9
Max Financial	980	Neutral	58,655	20.4	-45.4	3,254	31.8	-60.4	2,089	102.8	NA
Non-Lending			5,87,958			36,971			32,903		

Exhibit 2: Changes to our EPS estimates (*For life insurance companies - absolute VNB in INR b)

Company	Old estimates (INR)		New estimates (INR)		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Angel One	173.6	214.7	181.3	212.1	4.4	-1.2
360 One	25.3	30.5	26.7	32.4	5.6	6.3
CAMS	86.2	103.4	88.9	106.6	3.1	3.1
BSE	81.6	98.9	86.3	112.5	5.9	13.8
MCX	92.8	115.6	106.9	118.5	15.2	2.5
Star Health	19.2	24.2	18.4	24.4	-4.4	0.8
ICICI Lombard	51.4	60.5	51.7	62.1	0.6	2.7
HDFC Life*	40.1	47.1	40.1	47.1	0.0	0.0
ICICI Pru*	25.8	30.1	25.8	30.1	0.0	0.0
SBI Life*	62.9	75.4	63.5	76.1	0.9	1.0
Max Fin*	22.2	26.1	22.2	26.1	0.0	0.0

Exhibit 3: Total demat accounts surpass 158m

Exhibit 4: BSE's market share rising in notional turnover

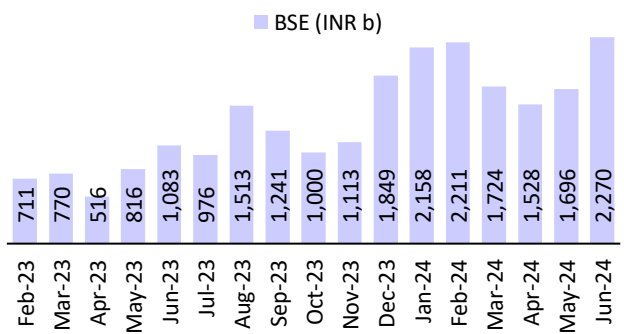
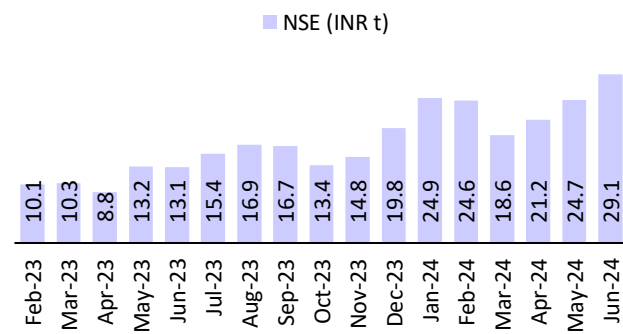


Source: NSDL, CDSL MOFSL

Source: NSE, MOFSL

Exhibit 5: Momentum in NSE cash volumes picks up in Jun'24

Exhibit 6: BSE witnessed surge in Jun'24 in cash volumes

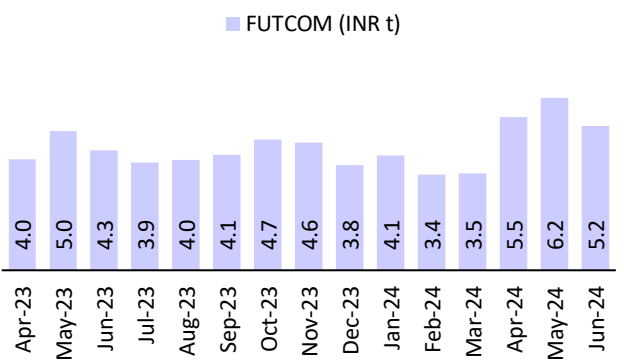
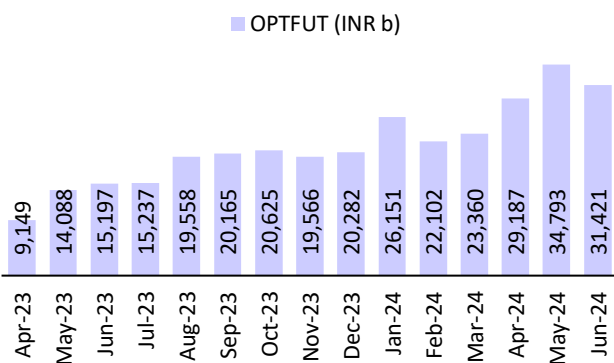


Source: NSE, MOFSL

Source: BSE, MOFSL

Exhibit 7: Increase in MCX Options volumes

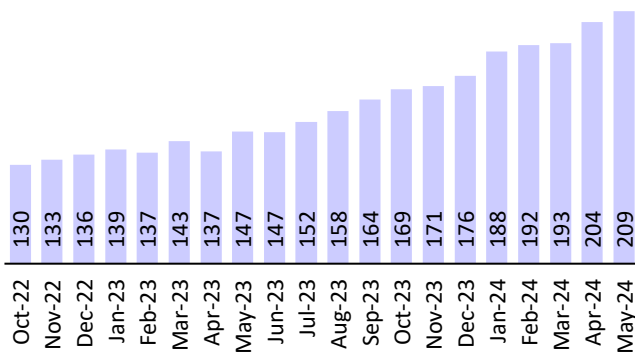
Exhibit 8: MCX Futures volumes surge



Source: MCX, MOFSL

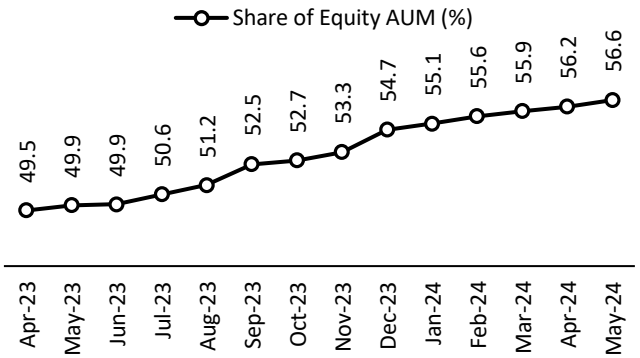
Source: MCX, MOFSL

Exhibit 9: SIP flows remain strong (INR b)



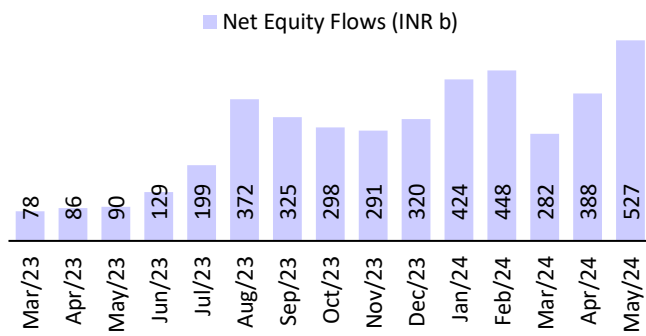
Source: AMFI, MOFSL

Exhibit 10: Share of equity AUM improved



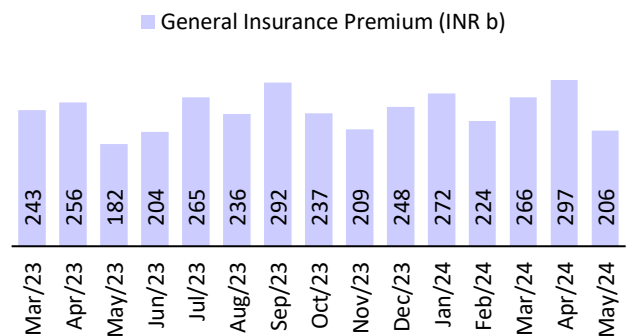
Source: AMFI, MOFSL

Exhibit 11: Net equity flows remained healthy



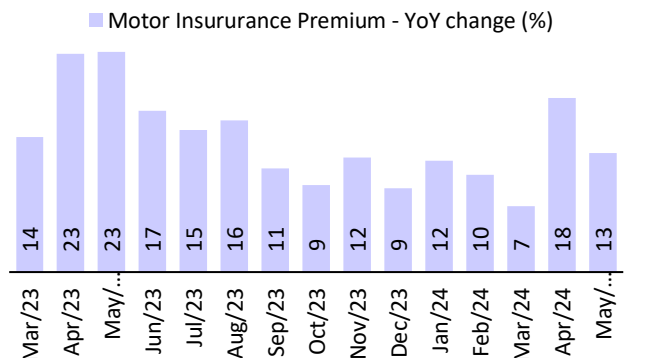
Source: AMFI, MOFSL

Exhibit 12: Steady trend in general insurance premium



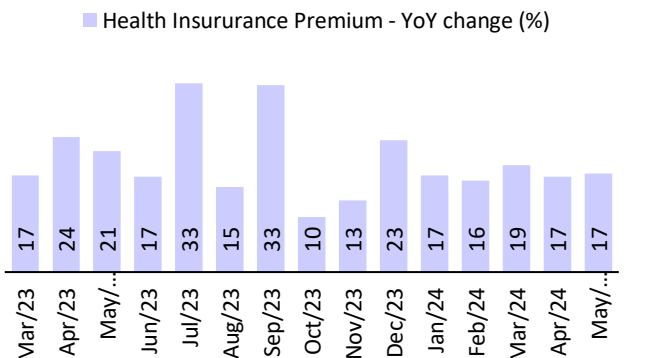
Source: GIC, MOFSL

Exhibit 13: Motor premium growth picks up momentum



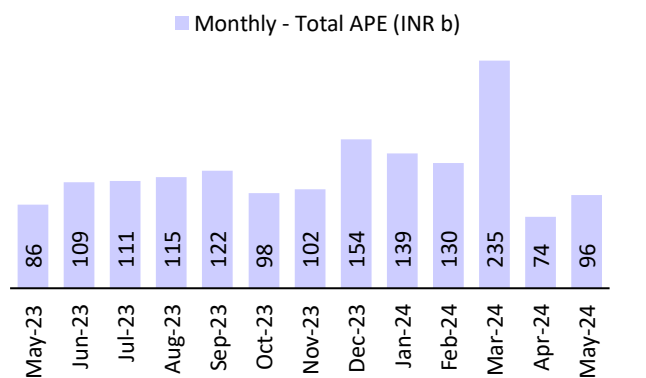
Source: GIC, MOFSL

Exhibit 14: Steady Health segment growth



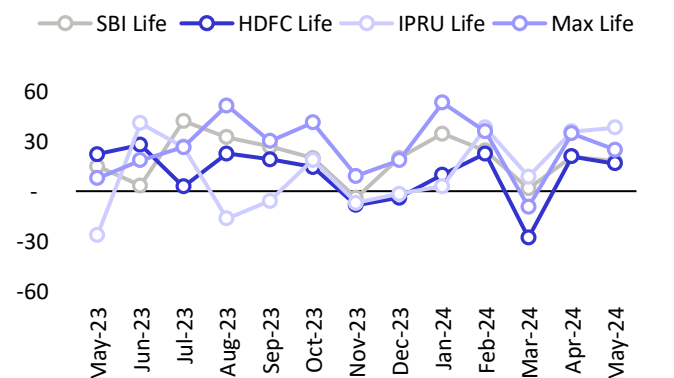
Source: GIC, MOFSL

Exhibit 15: Monthly APE for life insurance industry (INR b)



Source: Life insurance council, MOFSL

Exhibit 16: Total APE YoY growth for private listed players



Source: Life insurance council, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Angel One

Buy

CMP INR2,354 | TP: INR3,400 (+44%)

EPS CHANGE (%): FY25 | 26: +4.4 | -1.2

- Gross client additions moderated in Apr'24 and May'24.
- The number of orders per day improved during the quarter; F&O and cash volumes continue to trend higher
- With increase in cash volumes, MTF book is expected to grow at faster pace
- Cost-to-income ratio is likely to increase on account of IPL advertisement during the quarter

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue from Operations	5,198	6,747	6,874	8,742	8,931	9,500	10,575	11,671	27,562	40,677
Other Income	1,088	1,411	1,401	1,869	1,958	2,117	2,102	2,125	5,769	8,301
Total Income	6,286	8,158	8,275	10,611	10,890	11,616	12,677	13,796	33,331	48,979
Change YoY (%)	22.0	46.0	43.9	64.7	73.2	42.4	53.2	30.0	45.3	46.9
Operating Expenses	3,230	3,974	4,635	5,856	7,392	6,483	6,779	7,089	17,695	27,743
Change YoY (%)	21.4	49.3	75.1	114.0	128.9	63.1	46.3	21.1	65.3	56.8
Depreciation	89	112	131	167	240	240	240	248	498	968
PBT	2,967	4,072	3,509	4,588	3,258	4,893	5,657	6,459	15,137	20,268
Change YoY (%)	22.3	42.5	16.1	26.9	9.8	20.2	61.2	40.8	26.9	33.9
Tax Provisions	759	1,027	907	1,188	844	1,267	1,465	1,673	3,881	5,249
Net Profit	2,208	3,045	2,602	3,400	2,414	3,626	4,192	4,786	11,255	15,018
Change YoY (%)	21.6	42.5	13.9	27.3	9.3	19.1	61.1	40.8	26.4	33.4

CAMS

Buy

CMP INR3,761 | TP: INR4,310 (+15%)

EPS CHANGE (%): FY25 | 26: +3 | +3

- Overall equity flows remained buoyant during Apr/May'24, which shall drive revenue growth.
- Operating leverage to improve profitability.
- The share of equities continued to improve, which would be favorable for yields.
- Growth in non-MF businesses will be keenly tracked, especially AIF/PMS RTA and Insurance Repository

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue from Operations	2,613	2,751	2,897	3,105	3,290	3,323	3,356	3,350	11,365	13,318
Change YoY (%)	10.4	13.5	18.9	24.6	25.9	20.8	15.9	7.9	16.9	17.2
Employee expenses	950	977	997	1,048	1,089	1,097	1,107	1,115	3,972	4,408
Total Operating Expenses	1,512	1,530	1,603	1,671	1,760	1,771	1,789	1,799	6,316	7,119
Change YoY (%)	9.0	12.2	18.4	19.2	16.4	15.8	11.6	7.6	14.7	12.7
EBITDA	1,101	1,221	1,294	1,433	1,530	1,552	1,567	1,551	5,049	6,200
Other Income	97	96	99	114	110	110	110	115	406	445
Depreciation	165	174	185	181	185	185	185	186	705	741
Finance Cost	20	20	21	21	20	20	20	22	82	82
PBT	1,012	1,124	1,187	1,346	1,435	1,457	1,472	1,458	4,668	5,822
Change YoY (%)	16.4	15.9	21.4	36.6	41.8	29.7	24.0	8.3	22.8	24.7
Tax Provisions	255	286	302	316	362	367	371	367	1,159	1,467
Net Profit	757	838	885	1,030	1,073	1,090	1,101	1,090	3,510	4,355
Change YoY (%)	17.1	16.2	20.3	38.5	41.8	30.1	24.4	5.9	23.3	24.1

360ONE WAM**Buy****CMP INR954 | TP: INR1100 (+15%)****EPS CHANGE (%): FY25|26: +6.2|+4.3**

- Improvement in revenue trajectory led by growth in ARR AUM and TBR income
- Overall yields likely to decline as yields on TBR assets decline
- Cost-to-income ratio is likely to remain elevated given investments in mid-market proposition & global platform
- Outlook on new business ventures and entry into new geographies will be keenly monitored

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	4,060	4,270	4,400	5,740	5,143	5,350	5,631	5,841	18,470	21,965
Change (%)	8.4	11.6	6.0	46.1	26.7	25.3	28.0	1.8	18.0	18.9
ARR Assets Income	3,240	3,110	3,390	3,580	3,888	4,083	4,287	4,487	13,320	16,744
TBR Assets Income	820	1,160	1,010	2,160	1,255	1,267	1,344	1,354	5,150	5,220
Operating Expenses	2,090	2,140	2,310	3,000	2,537	2,620	2,713	2,793	9,540	10,663
Change (%)	25.1	19.3	24.0	62.1	21.4	22.4	17.4	-6.9	32.9	11.8
Cost to Income Ratio (%)	51.5	50.1	52.5	52.3	49.3	49.0	48.2	47.8	51.7	48.5
Operating Profits	1,970	2,130	2,090	2,740	2,606	2,730	2,918	3,048	8,930	11,302
Change (%)	-5.1	4.9	-8.6	31.8	32.3	28.2	39.6	11.2	5.4	26.6
Other Income	290	140	270	500	250	250	250	250	1,200	1,000
Profit Before Tax	2,260	2,270	2,360	3,240	2,856	2,980	3,168	3,298	10,130	12,302
Change (%)	12.1	0.7	5.7	61.9	26.4	31.3	34.2	1.8	19.1	21.4
Tax	403	408	429	803	628	656	697	726	2,043	2,706
Tax Rate (%)	17.8	18.0	18.2	24.8	22.0	22.0	22.0	22.0	20.2	22.0
PAT	1,857	1,862	1,931	2,437	2,228	2,324	2,471	2,572	8,087	9,595
Change (%)	18.4	6.8	12.6	56.8	20.0	24.9	28.0	5.5	22.9	18.7
PAT Margins (%)	45.7	43.6	43.9	42.5	43.3	43.4	43.9	44.0	43.8	43.7

ICICI Lombard**Buy****CMP INR1,809 | TP: INR2100 (+16%)****EPS CHANGE (%) FY25|26: +1|+3**

- Premium growth to be strong, driven by the health and motor segments
- Claim ratios and expense ratios are expected to decline YoY
- Management change and further traction with ICICI Bank will be vital
- Combined ratio declined QoQ

Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net earned premium	38,873	43,061	43,048	43,683	48,652	48,617	50,491	51,533	1,68,665	1,99,293
Total Income	45,380	50,492	50,031	51,617	56,733	56,933	59,051	60,627	1,97,521	2,33,345
Change YoY (%)	14.1	12.2	14.7	-1.8	25.0	12.8	18.0	17.5	9.2	18.1
Incurred claims	28,815	30,451	30,141	29,987	34,057	34,275	35,344	35,505	1,19,395	1,39,180
Total Operating Expenses	42,068	44,521	45,871	46,002	51,085	50,050	52,906	54,076	1,78,462	2,08,117
Change YoY (%)	14.9	11.6	12.3	15.7	21.4	12.4	15.3	17.6	13.6	16.6
Underwriting profit	-3,195	-1,460	-2,823	-2,319	-2,433	-1,434	-2,415	-2,543	-9,797	-8,824
Rep Net Profit	3,904	5,773	4,315	5,195	5,759	6,751	6,274	6,704	20,466	25,487
Claims ratio	74.1	70.7	70.0	68.6	70.0	70.5	70.0	68.9	70.8	69.8
Commission ratio	12.5	17.4	18.0	19.9	16.5	16.8	17.0	17.3	17.0	16.9
Expense ratio	17.2	15.8	15.5	13.7	15.0	15.0	15.0	15.7	15.5	15.2
Combined ratio	103.8	103.9	103.6	102.2	101.5	102.3	102.0	101.8	103.3	101.9

Star Health**Buy****CMP INR569 | TP: INR730 (28%)****EPS CHANGE (%): FY25 | 26: -4.4 | +0.8**

- Retail health premium growth likely to be strong at 15%+ YoY
- Expense ratio is expected to remain elevated as Star would invest in other distribution channels
- The claims ratio is expected to remain flat on a sequential basis.
- Combined ratio to increase as expense ratio increases.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net earned premium	30,438	32,056	32,936	33,953	35,308	37,345	38,371	40,726	1,29,383	1,51,749
Total Income	31,898	33,566	34,563	35,764	37,158	39,345	40,471	42,889	1,35,790	1,59,862
Change YoY (%)	13.6	15.0	15.9	17.1	16.5	17.2	17.1	19.9	15.4	17.7
Incurred claims	19,909	22,022	22,295	21,774	22,597	25,395	25,325	25,748	85,999	99,064
Total Operating Expenses	28,983	32,839	31,794	34,864	32,744	37,836	37,347	42,409	1,28,480	1,50,336
Change YoY (%)	14.5	17.0	16.0	17.1	13.0	15.2	17.5	21.6	16.2	17.0
Underwriting profit	1,454	-784	1,142	-911	2,563	-491	1,024	-1,683	903	1,413
Net Profit	2,879	1,253	2,896	1,423	4,113	2,009	3,295	1,335	8,450	10,752
Claims ratio	65.4	68.7	67.7	64.1	64.0	68.0	66.0	63.2	66.5	65.3
Commission ratio	13.1	13.7	11.1	14.3	14.0	14.0	14.0	14.0	13.2	14.0
Expense ratio	19.3	16.8	19.0	14.4	17.7	16.2	16.2	16.0	17.0	16.4
Combined ratio	97.8	99.2	97.8	92.8	95.7	98.2	96.2	93.2	96.7	95.7

BSE**Neutral****CMP INR 2,487 | TP: INR 3,000 (21%)****EPS CHANGE (%) FY25 | 26: +5.9 | +13.8**

- Transaction revenue likely to improve as volumes in cash segment improved in second half of 1QFY25.
- Traction in the derivative segment visible, which will increase options volumes for BSE.
- MF transaction income is likely to improve, driven by a spike in BSE STAR MF transactions.
- Increase in contribution to core SGF would impact profitability.

Cons. Quarterly perf.

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue from operations	2,153	3,144	3,717	4,885	5,905	6,640	7,029	7,270	13,899	26,844
YoY Change (%)	15.2	59.0	82.2	115.2	174.3	111.2	89.1	48.8	70.5	93.1
Total Expenditure	1,595	1,729	2,796	3,923	3,190	3,360	3,487	3,645	10,043	13,682
EBITDA	558	1,415	921	962	2,715	3,280	3,542	3,625	3,856	13,162
Margins (%)	25.9	45.0	24.8	19.7	46.0	49.4	50.4	49.9	27.7	49.0
Depreciation	214	227	249	265	270	275	285	292	954	1,122
Interest	65	85	0	0	38	38	38	37	151	151
Investment income	556	525	598	600	600	610	620	632	2,279	2,462
PBT before EO expense	835	1,628	1,271	1,297	3,007	3,577	3,839	3,928	5,030	14,351
Exceptional items	4,048	-13	-16	-17	-16	-16	-16	-16	4,002	-64
PBT	4,883	1,615	1,255	1,280	2,991	3,561	3,823	3,912	9,032	14,287
Tax	762	636	371	470	748	890	956	978	2,239	3,572
Rate (%)	16	39	30	37	25	25	25	25	25	25
P/L of Asso. Cos.	119	190	165	244	225	235	245	265	719	970
Reported PAT	4,240	1,170	1,049	1,054	2,468	2,906	3,112	3,199	7,512	11,685
Adj PAT	823	1,177	1,060	1,064	2,480	2,918	3,124	3,211	4,125	11,733
YoY Change (%)	960	298	379	19	-42	148	197	204	266	56
Margins (%)	38.2	37.4	28.5	21.8	42.0	43.9	44.4	44.2	54.0	43.5

MCX**Buy****CMP INR3873 | TP: INR 4,400(+15%)****EPS CHANGE (%): FY25 | 26: +15.2 | +2.5**

- Futures ADTO surged in 1QFY25, which led to growth in overall volumes.
- Options volumes continued to surge, led by high volatility in commodity prices.
- Management change will be key monitorable
- The company is in the process of getting re-validation approval from SEBI for many new products, which were in the pipeline.

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	1,458	1,651	1,915	1,811	2,248	2,259	2,455	2,673	6,835	9,636
Y-o-Y Gr. (%)	34.0	29.6	33.4	35.4	54.2	36.8	28.2	47.6	33.1	41.0
EBITDA	107	-287	-197	1,020	1,382	1,370	1,516	1,688	643	5,955
Tax	58	16	-91	205	287	286	317	467	189	1,358
Rate (%)	21.6	-9.9	68.3	19.3	20.0	20.0	20.0	26.5	18.2	21.9
Profit from associate	-13	-10	-11	19	19	0	0	0	-15	19
PAT	197	-191	-54	878	1,166	1,145	1,270	1,294	831	4,875
Y-o-Y Gr. (%)	-53	-130	-114	1,512	493	-701	-2,473	47	-44	487
EPS (INR)	3.9	-3.7	-1.1	17.3	22.9	22.5	25.0	25.4	16.3	95.6
Total volumes (INR t)	51.8	67.0	73.6	82.7	112.3	122.4	134.0	143.7	275.0	512.3
Y-o-Y Gr. (%)	80.7	86.3	80.6	97.1	116.8	82.7	82.1	73.8	86.7	86.3

HDFC Life**Buy****CMP: INR590 | TP: INR700(18%)****VNB CHANGE (%): FY25 | 26: 0 | 0**

- New business premium to see steady growth, driven by Annuity/Non-PAR segments and retail protection
- Credit life to see healthy traction as disbursement momentum remains strong across lending institutions
- Expect VNB growth to remain healthy, while margins to remain flat QoQ.
- Improvement in persistency ratio and commentary on growth outlook are key monitorables

Quarterly performance (INR b)

Policy holder's A/c (INR b)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
First year premium	18.5	25.7	26.8	40.1	23.4	31.8	30.5	45.8	111.1	131.6
Growth (%)	8.4%	5.9%	-1.7%	-10.1%	26.5%	24.1%	13.9%	14.1%	-1.9%	18.4%
Renewal premium	58.0	78.4	84.0	114.1	72.7	97.3	105.7	147.2	334.5	422.9
Growth (%)	13.8%	13.5%	16.8%	23.3%	25.3%	24.1%	25.9%	29.0%	17.6%	26.5%
Single premium	40.2	45.4	44.5	55.2	41.2	53.5	45.3	65.9	185.2	205.8
Growth (%)	24.0%	14.7%	-4.6%	-6.6%	2.5%	18.0%	1.7%	19.4%	4.3%	11.1%
Gross premium inc.	116.7	149.4	155.3	209.4	137.3	182.6	181.5	258.8	630.8	760.3
Growth (%)	16.2%	12.5%	6.5%	6.7%	17.6%	22.2%	16.9%	23.6%	9.6%	20.5%
PAT	4.2	3.8	3.7	4.1	5.2	4.8	5.0	6.7	15.7	21.7
Growth (%)	15.4%	15.5%	15.8%	14.6%	25.3%	26.6%	36.6%	63.5%	15.3%	38.2%
Key metrics (INRb)										
New business APE	23.3	30.5	31.9	47.3	27.5	37.2	35.1	52.4	129.9	152.2
Growth (%)	12.8	6.8	-2.1	-8.4	18.3	22.1	9.9	10.8	-0.9	17.2
VNB	6.1	8.0	8.6	12.3	7.2	9.9	9.2	13.9	35.0	40.1
Growth (%)	17.8	4.0	-2.2	-18.3	17.4	23.1	7.3	12.9	-4.7	14.6
AUM (INR b)	2,533	2,649	2,797	2,922	3,090	3,200	3,346	3,429	2,922	3,429
Growth (%)	18.7	17.8	19.6	22.4	22.0	20.8	19.6	17.3	22.4	17.3
Key Ratios (%)										
VNB Margins (%)	26.2	26.2	26.8	26.1	26.0	26.5	26.2	26.6	26.3	26.4

ICICI Prudential Life**Buy****CMP: INR620 | TP: INR730 (18%)****VNB CHANGE (%): FY25|26: +0|+0**

- Expect new business premium to see healthy growth.
- Expect VNB growth to remain healthy and margins to expand QoQ.
- Expense ratio outlook to be the key monitorable
- Expect growth in the Non-Linked Savings business to remain healthy and a recovery in the Protection business

Quarterly Performance (INR b)

Policy holder's A/c (INR b)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
First year premium	10.2	15.3	15.3	29.5	14.3	16.7	17.1	31.4	70.3	79.5
Growth (%)	-1.5%	5.9%	11.3%	11.9%	39.9%	9.2%	11.5%	6.6%	8.3%	13.1%
Renewal premium	41.6	58.9	60.8	84.3	54.3	65.2	65.2	86.9	245.6	271.7
Growth (%)	6.8%	4.4%	5.7%	16.6%	30.7%	10.7%	7.2%	3.1%	9.0%	10.6%
Single premium	21.9	30.1	26.7	37.8	27.2	35.0	28.5	38.9	116.5	129.7
Growth (%)	-5.9%	7.0%	0.9%	20.7%	24.1%	16.5%	6.8%	3.1%	6.7%	11.4%
Gross premium income	73.7	104.3	102.8	151.5	95.9	116.9	110.8	157.2	432.4	480.9
Growth (%)	1.5%	5.4%	5.2%	16.6%	30.0%	12.1%	7.8%	3.8%	8.3%	11.2%
PAT	2.1	2.4	2.3	1.7	2.4	3.2	3.0	3.4	8.5	12.0
Growth (%)	32.9%	22.4%	3.1%	-26.0%	15.9%	32.5%	31.7%	93.1%	5.1%	40.6%
Key metrics (INRb)										
New Business APE	14.6	20.6	19.1	36.2	20.4	27.6	20.4	33.7	90.5	102.1
Growth (%)	-3.9	3.2	4.7	9.6	39.7	33.6	7.0	-6.9	4.7	12.8
VNB	4.4	5.8	4.4	7.8	5.0	7.0	5.2	8.6	22.3	25.8
Growth (%)	-7.0	-7.1	-29.4	-26.4	14.2	21.8	19.4	11.0	-19.5	16.0
AUM	2,664	2,719	2,867	2,942	3,019	3,112	3,201	3,468	2,942	3,468
Growth (%)	15.8	11.3	13.8	17.1	13.3	14.5	11.7	17.9	17.1	17.9
Key Ratios (%)										
VNB Margins (%)	30.0	28.0	22.9	21.5	24.5	25.5	25.5	25.6	24.6	25.3

SBI Life**Buy****CMP: INR1,495 | TP: INR1,700 (+15%)****VNB CHANGE (%): FY25|26: +0.9|+1**

- Growth in New business premium to remain healthy.
- Expect VNB growth to remain healthy, while margins to moderate in 1QFY25.
- Cost leadership to continue
- Expect protection mix to improve and Non-PAR to remain healthy; growth commentary to be key

Quarterly Performance (INR b)

Policy holder's A/c (INRb)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
First year premium	26.4	46.3	56.8	45.3	32.4	53.4	65.7	53.8	174.8	205.3
Growth (%)	3%	33%	12%	11%	23%	15%	16%	19%	15%	17%
Renewal premium	73.5	101.2	127.2	130.0	86.3	121.9	147.3	152.4	431.9	507.8
Growth (%)	28%	11%	17%	9%	17%	20%	16%	17%	14%	18%
Single premium	35.7	54.2	40.6	77.1	36.9	63.9	49.2	95.9	207.6	245.9
Growth (%)	18%	35%	21%	93%	3%	18%	21%	24%	44%	18%
Gross premium income	135.6	201.8	224.6	252.4	155.7	239.2	262.2	302.0	814.3	959.1
Growth (%)	19%	21%	16%	26%	15%	19%	17%	20%	21%	18%
PAT	3.8	3.8	3.2	8.1	4.0	4.0	3.6	8.4	18.9	19.9
Growth (%)	45%	1%	6%	4%	4%	5%	11%	3%	10%	5%
Key metrics (INRb)										
New Business APE	30.3	51.8	61.3	53.3	36.1	59.8	70.6	63.4	195.5	229.9
Growth (%)	4.5	31.7	12.9	17.1	19.2	15.5	15.2	18.9	17.5	17.6
VNB	8.7	14.9	16.8	15.1	9.9	16.5	19.4	17.7	55.5	63.5
Growth (%)	-1.1	20.2	11.3	4.9	14.2	10.7	15.2	17.1	9.5	14.3
AUM	3,283	3,452	3,714	3,889	4,014	4,205	4,415	4,558	3,889	4,558
Growth (%)	25.1	22.1	23.8	26.5	22.3	21.8	18.9	17.2	26.5	17.2
Key Ratios (%)										
VNB margins (%)	28.7	28.5	27.4	28.3	27.5	27.6	27.4	27.9	28.1	27.6

Max Financial**Neutral****CMP: INR980 | TP: INR1030 (5%)****VNB CHANGE (%): FY25 | 26: +0 | +0**

- Premium growth continues to be ahead of the industry
- Expect the proprietary channel to exhibit healthy trends;
- Expect VNB growth to remain healthy and margins to expand
- Commentary on Axis Bank strategy will be vital

Policy holder's A/c (INR b)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
First Year premium	9.9	15.3	17.6	25.4	13.1	19.0	19.8	27.4	68.2	79.3
Growth (%)	8.0%	37.7%	20.7%	5.3%	31.9%	24.1%	12.6%	7.8%	15.7%	16.2%
Renewal premium	30.1	42.0	46.1	66.8	34.9	48.0	54.5	80.7	185.1	218.0
Growth (%)	15.1%	7.5%	14.6%	14.6%	15.7%	14.2%	18.3%	20.7%	13.0%	17.8%
Single premium	8.7	8.9	9.3	15.2	10.7	10.2	10.7	17.0	42.0	48.6
Growth (%)	52.8%	14.2%	15.5%	66.5%	23.6%	14.5%	15.1%	12.3%	37.3%	15.7%
Gross premium income	48.7	66.3	73.0	107.4	58.7	77.2	85.0	125.0	295.3	345.9
Growth (%)	18.7%	14.2%	16.1%	17.3%	20.4%	16.5%	16.5%	16.5%	16.5%	17.1%
PAT	1.0	1.6	1.5	-0.5	2.1	2.5	2.7	3.1	3.6	10.4
Growth (%)	13.2%	196.2%	-34.9%	N.A	102.8%	59.6%	79.8%	N.A	-17.7%	190.1%
Key metrics (INRb)										84
New Business APE	11.1	16.5	18.0	28.7	14.1	20.0	20.9	29.1	74.3	84.1
Growth (%)	10.3	38.8	18.9	13.2	27.1	21.3	16.4	1.2	19.8	13.2
VNB	2.5	4.2	4.9	8.2	3.3	5.2	5.4	8.3	19.7	22.2
Growth (%)	16.0	11.5	-17.5	6.6	31.8	25.3	11.1	1.2	1.2	12.6
AUM (INRb)	1,291	1,342	1,426	1,508	1,555	1,617	1,685	1,832	1,508	1,832
Growth (%)	20.5	18.4	20.5	22.8	20.4	20.5	18.1	21.5	22.8	21.5
Key Ratios (%)										
VNB Margins (%)	22.2	25.2	27.2	28.6	23.0	26.0	26.0	28.6	26.5	26.4

Healthcare

Company

Alembic Pharma.

Alkem Lab.

Ajanta Pharma

Apollo Hospitals

Aurobindo Pharma

Biocon

Zydus Lifesciences.

Cipla

Divi's Lab.

Dr. Reddy's Lab.

Eris Lifesciences

Gland Pharma

Glenmark Pharma.

Global Health

Granules India

GSK Pharma.

IPCA Lab.

Laurus Labs

Lupin

Mankind Pharma

Max Healthcare

Piramal Pharma

Sun Pharma.

Torrent Pharma.

Earnings on healthy growth path in 1QFY25 as well

Niche products in US, superior execution in DF to support earnings growth

Pharma companies under our coverage are expected to report healthy YoY earnings growth of 21% in 1QFY25. We expect aggregate sales to grow by 11% YoY to INR763b, aided by strong traction in domestic formulation (DF) sales and a healthy performance in the US segment. EBITDA is expected to grow 15% YoY to INR179b, led by a higher share of niche launches in US generics. PAT is expected to grow 21% YoY to INR111b. For hospitals, we expect profitability to improve due to the addition of beds, increase in occupancy and optimization of case mix/payor mix.

DF: On a steady growth path

In 1QFY25, we expect aggregate DF sales to grow 10% YoY to INR194b for companies under our coverage. Sales growth will be led by healthy growth in Cardiac, Gastro and Derma therapies that outperformed IPM for the quarter. However, to some extent, this is likely to be offset by moderate growth or a decline in Respiratory therapy. Chronic therapies (38% of IPM) grew 10% YoY, while acute grew 6% (62% of IPM) for 12M ending May'24. In the largecap space, we expect TRP/SUNP to deliver sales growth of 12.5%/12.4% YoY, backed by new launches, increased focus on OTC business and improving MR productivity. We expect DRRD/GNP/AJP to report 11% YoY growth each in DF revenue, led by steady traction in existing therapies. We estimate ERIS to deliver 50% YoY growth in DF sales, largely due to the integration of acquired brands.

US generics: Base effects kick in; YoY growth trend to moderate in 1QFY25

For our coverage companies, we expect 7.6% YoY growth in US sales to USD2.4b for the quarter. Reducing pricing pressure and increased traction in limited competition products such as g-Revlimid, g-Spiriva and g-Vascepa should strengthen the YoY growth uptrend in US generics. With catch-up of g-Revlimid-related high base in 1QFY24, the YoY growth trend is expected to moderate to some extent in 1QFY25. Particularly, LPC/ARBP/ALPM are expected to deliver 20%/12%/9% YoY growth for the quarter. Growth for these companies will be led by niche launches (g-Spiriva and other key products for LPC/g-Revlimid and other launches for DRRD/new launches for ALPM). SUNP's US sales could grow 10% YoY, led by its specialty portfolio. US sales of TRP/GNP may decline 7.6%/7.1% YoY due to the lack of new approvals/launches and regulatory issues at their facilities (GNP). During the quarter, 15 facilities were inspected by the USFDA for our coverage companies. There were 68 approvals during 1QFY25 for companies under our coverage vs. the two-year average of 53 approvals.

Hospitals: Improved occupancy/bed addition to drive sales/profitability

For hospitals under our coverage, we expect 13% revenue growth to INR77b in 1QFY25. We expect ARPOB to remain flat YoY and occupancy at 65-72% for hospitals under our coverage. We expect 23%/32% YoY growth in EBITDA/PAT on an aggregate basis for the quarter. We expect APHS to deliver 13%/33%/79% YoY

growth in sales/EBITDA/PAT for 1QFY25. MEDANTA is expected to deliver healthy performance, with sales/EBITDA/PAT likely to grow by 6%/8%/14% YoY. MAXHEALT is also expected to sustain healthy performance, with sales/EBITDA/PAT likely to see 17%/20%/16% YoY growth.

LAURUS/ARBP/LPC to outperform in the healthcare pack

In 1QFY25, we expect DIVI/LPC to deliver 44%/77% earnings growth YoY, led by improved business in CS segment (DIVI) and increased sales of niche products like g-Spiriva (LPC). We project DRRD to report an earnings decline of 6% YoY.

We expect LAURUS to register earnings growth of ~2.6x YoY, outperforming the rest of our coverage companies. Additionally, GLXO is expected to grow earnings by ~48% for the quarter.

We expect APHS/MEDANTA/MAXHEALTH to post earnings growth of 79%/14%/12% due to a) operational profit of Healthco (APHS), b) increase in ARPOB (MEDANTA), and c) optimizing payor mix/case mix (MAXHEALTH).

Top Ideas: Sun Pharma (specialty/branded generics led play), Mankind Pharma (differentiator in DF), Max Healthcare (strong executor in hospital space).

Exhibit 1: Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Ajanta Pharma	2240	Buy	11,022	8.0	4.6	2,855	1.5	2.6	1,969	-1.9	4.5
Alembic Pharma	976	Neutral	15,671	5.4	3.3	2,648	33.3	1.8	1,666	38.0	-6.9
Alkem Lab	4921	Neutral	30,793	3.8	4.9	4,988	28.2	24.1	3,898	35.9	28.2
Apollo Hospitals	6101	Buy	50,133	13.5	1.4	6,768	33.0	5.7	2,982	79.0	17.5
Aurobindo Pharma	1213	Neutral	76,598	11.8	1.1	16,928	47.0	0.3	9,704	63.6	-3.9
Biocon	356	Neutral	39,592	15.7	1.1	9,067	27.2	-1.0	1,760	76.0	-5.8
Cipla	1488	Buy	67,562	6.8	9.6	17,363	16.2	32.0	11,346	13.9	30.6
Divis Labs	4570	Neutral	21,994	23.7	-4.5	6,818	35.3	-6.7	5,127	43.7	-4.4
Dr Reddy's Labs	6372	Neutral	73,961	9.8	4.4	19,748	-3.4	11.8	12,866	-5.8	6.2
Eris Lifescience	1039	Neutral	6,999	50.0	27.0	2,436	43.5	43.4	892	-5.9	9.5
Gland Pharma	1812	Buy	15,138	25.2	-1.5	3,573	21.5	-0.4	2,120	9.2	10.5
Glenmark Pharma	1248	Neutral	32,950	8.5	7.6	6,129	40.1	21.5	2,917	162.6	73.7
Global Health	1275	Buy	8,216	6.3	1.6	1,997	8.3	4.5	1,166	14.3	-8.5
Granules India	491	Buy	11,806	19.8	0.4	2,456	55.5	-4.0	1,230	94.3	-5.1
GSK Pharma	2621	Neutral	8,096	6.3	-12.9	2,113	46.8	-17.9	1,699	47.8	-11.5
IPCA Labs.	1132	Neutral	21,578	35.9	6.1	3,668	24.7	14.0	1,723	11.9	85.3
Laurus Labs	437	Buy	14,301	21.0	-0.7	2,231	33.8	-7.6	692	158.4	-8.4
Lupin	1633	Neutral	50,311	9.2	1.4	9,660	48.3	-3.1	5,061	77.3	-0.4
Mankind Pharma	2129	Buy	28,256	9.6	15.8	7,120	8.7	20.5	5,393	10.8	14.4
Max Healthcare	912	Buy	18,977	17.0	6.0	5,143	19.9	4.1	3,537	15.8	6.3
Piramal Pharma	161	Buy	19,610	12.1	-23.2	1,608	21.5	-69.7	-664	Loss	PL
Sun Pharma	1524	Buy	1,31,835	11.9	11.6	32,695	3.0	11.9	26,483	16.0	-5.6
Torrent Pharma	2821	Neutral	29,778	14.9	8.5	9,410	19.0	6.6	4,881	29.1	8.7
Zydus Lifesciences	1074	Neutral	55,308	7.6	-0.1	15,320	0.0	-5.7	10,368	-7.6	-11.8
Healthcare			8,40,485	11.9	3.9	1,92,741	16.8	5.1	1,18,817	21.1	2.0

Source: Company, MOFSL

Exhibit 2: Relative performance – three months (%)

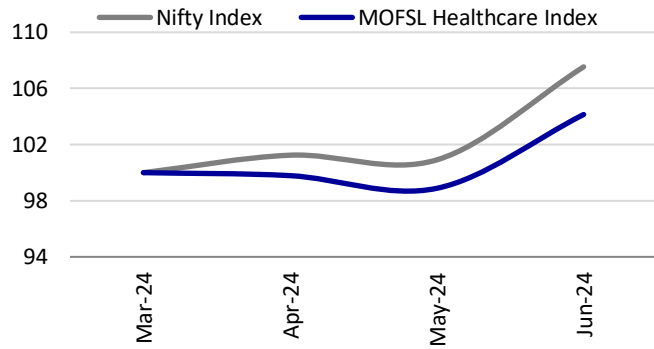
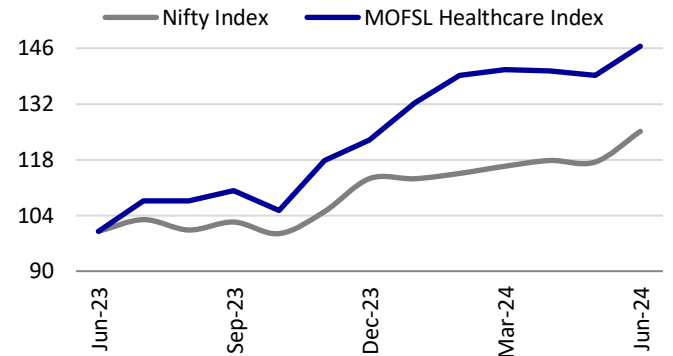
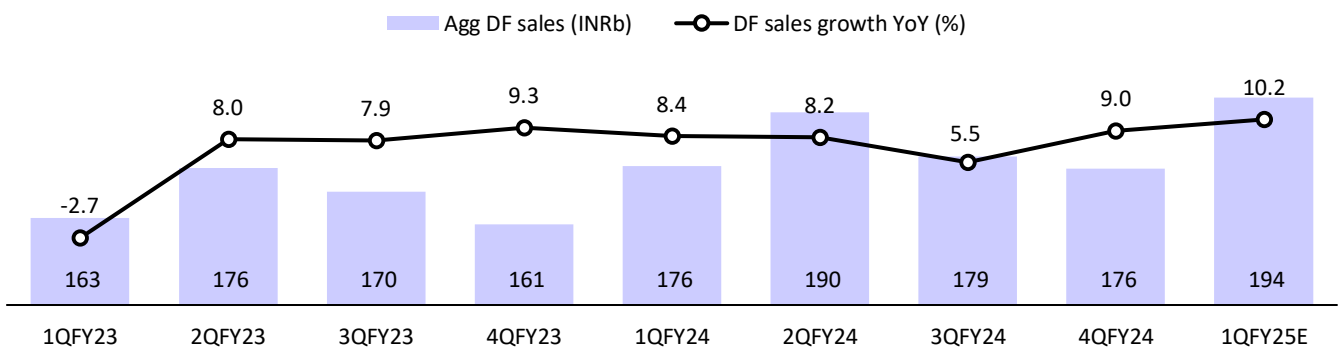


Exhibit 3: Relative performance – one-year (%)



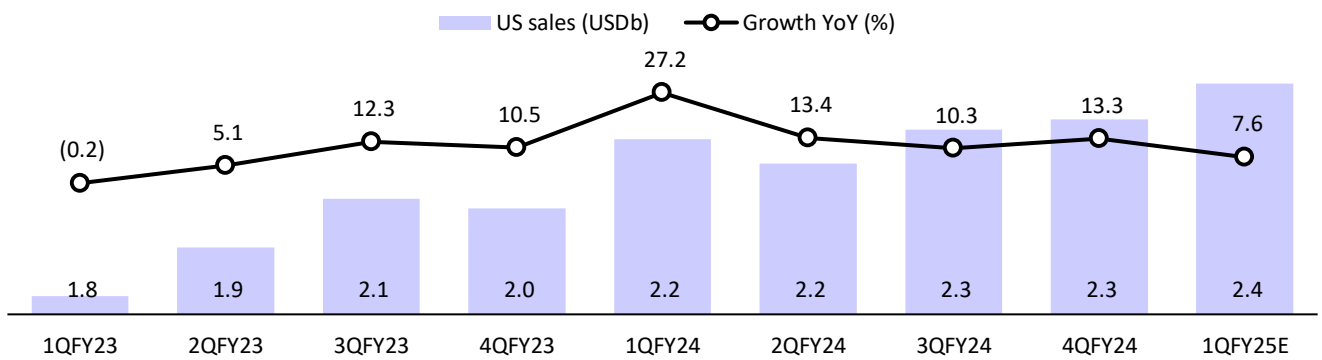
Source: Bloomberg, MOFSL

Exhibit 4: DF sales to witness 10.2% YoY growth in 1QFY25



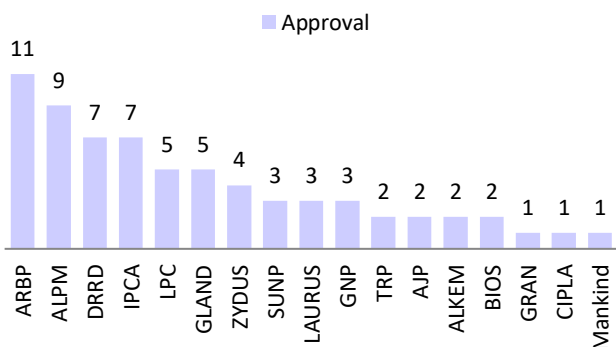
Note: Growth is ex-Mankind, Source: MOFSL, Company

Exhibit 5: US sales is expected to grow at 7.6% YoY in 1QFY25



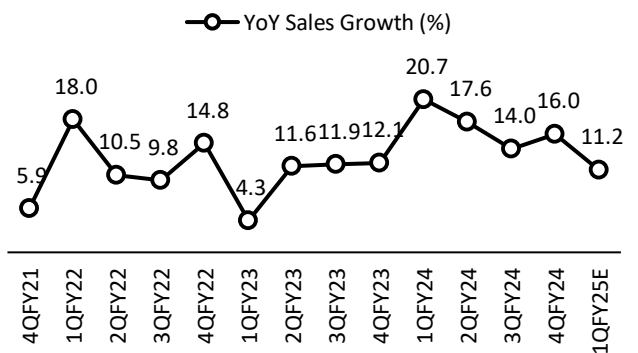
Source: MOFSL, Company

Exhibit 6: 68 ANDAs approved on an aggregate basis for our coverage universe in 1QFY25



Source: MOFSL, Company

Exhibit 7: Expect sales to grow 11% YoY in 1QFY25E



Source: MOFSL, Company

Exhibit 1: EBITDA to grow 15% YoY in 1QFY25E

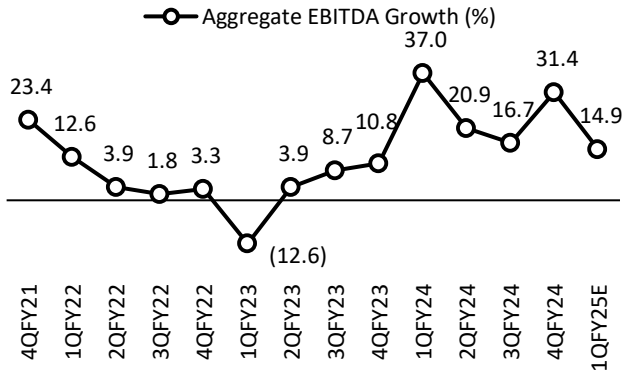
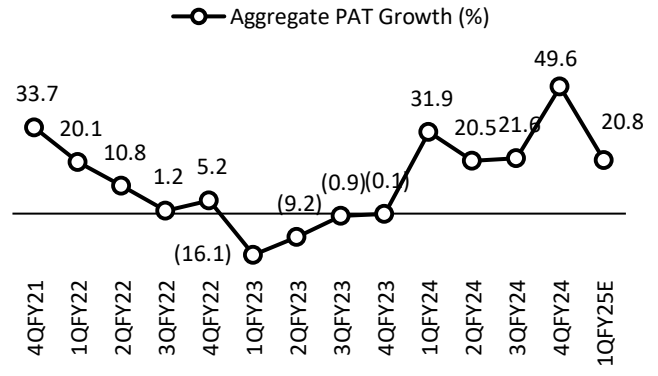


Exhibit 2: PAT to witness 21% YoY growth for 1QFY25E



Source: MOFSL, Company

Source: MOFSL, Company

*Sales, EBITDA, PAT YoY growth figures exclude JUBLPHRM due to limited historical data. It also excludes SOLARA, APHS, MEDANTA and MAXHEALT data.

Exhibit 3: Comparative valuation

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Healthcare						38.4	33.1	27.8	5.3	4.8	4.2	13.8	14.4	15.0
Ajanta Pharma	2,240	Buy	62.3	70.3	83.9	35.9	31.9	26.7	7.9	6.7	5.6	22.7	22.8	22.9
Alembic Pharma	976	Neutral	31.5	37.9	42.1	31.2	25.7	23.2	4.0	3.5	3.1	13.5	14.4	14.1
Alkem Lab	4,921	Neutral	159.7	169.1	195.2	30.9	29.1	25.2	5.7	5.0	4.3	19.7	18.2	18.3
Apollo Hospitals	6,101	Buy	62.4	88.5	125.9	101.8	68.9	48.5	12.7	10.4	8.6	13.7	16.9	20.1
Aurobindo Pharma	1,213	Neutral	56.0	67.0	75.7	19.4	18.1	16.0	2.1	2.1	1.9	11.6	12.4	12.5
Biocon	356	Neutral	2.2	6.2	12.1	121.4	57.7	29.3	1.6	2.1	2.0	1.4	3.7	7.0
Cipla	1,488	Buy	52.5	58.9	65.8	28.5	25.3	22.6	4.5	3.9	3.4	15.9	15.4	14.9
Divis Labs	4,570	Neutral	60.0	79.3	96.5	57.3	57.6	47.4	6.7	8.1	7.2	12.1	14.7	16.1
Dr Reddy's Labs	6,372	Neutral	317.1	331.6	361.6	19.4	19.2	17.6	3.7	3.2	2.7	20.7	18.1	16.8
Eris Lifescience	1,039	Neutral	29.2	30.9	42.5	28.8	33.6	24.4	4.5	4.9	4.1	16.8	15.4	18.3
Gland Pharma	1,812	Buy	47.6	59.4	69.4	38.7	30.5	26.1	3.5	3.1	2.8	9.4	10.6	11.1
Glenmark Pharma	1,248	Neutral	2.5	42.7	50.5	385.4	29.2	24.7	3.4	3.9	3.4	0.8	14.4	14.8
Global Health	1,275	Buy	17.8	19.6	25.2	74.4	65.1	50.5	12.2	10.3	8.8	17.9	16.8	18.7
Granules India	491	Buy	17.4	23.5	31.8	24.8	20.9	15.4	3.2	3.2	2.6	13.9	16.3	18.6
GSK Pharma	2,621	Neutral	43.3	45.8	50.8	44.9	57.3	51.6	18.5	21.3	17.9	41.3	37.2	34.7
IPCA Labs	1,132	Neutral	20.8	30.5	40.6	59.6	37.1	27.9	5.0	4.1	3.7	8.7	11.6	13.9
Laurus Labs	437	Buy	3.0	7.9	14.1	129.9	55.3	31.1	5.1	5.3	4.6	4.0	9.9	15.8
Lupin	1,633	Neutral	41.5	50.7	59.6	39.0	32.2	27.4	5.1	4.5	3.9	14.1	15.0	15.3
Mankind Pharma	2,129	Buy	47.8	54.1	62.4	48.1	39.3	34.1	9.8	7.7	6.6	22.8	21.3	20.9
Max Healthcare	912	Buy	13.7	16.2	19.9	59.7	56.3	45.8	8.6	8.1	6.9	15.3	15.6	16.3
Piramal Pharma	161	Buy	0.4	2.5	5.1	304.4	63.5	31.3	1.9	2.3	2.1	0.8	4.1	7.9
Sun Pharma	1,524	Buy	41.4	48.1	57.6	39.1	31.7	26.5	6.1	5.0	4.3	16.7	16.9	17.4
Torrent Pharma	2,821	Neutral	47.1	64.5	79.4	55.2	43.7	35.5	12.8	5.8	5.8	24.4	28.9	32.5
Zydus Lifesciences	1,074	Neutral	37.6	39.0	41.4	26.7	27.5	26.0	5.1	4.4	3.8	20.3	17.6	15.7

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Ajanta Pharma

Buy
CMP: INR2,240 | TP: INR2,700 (21%)
EPS CHANGE (%): FY25|26: (5.5)|(1.8)

- Expects DF sales to grow by 11% YoY to INR3.5b, led by healthy traction in Cardiac/Derma/Respiratory.
- Lower price erosion and pick-up in launches should drive 15% YoY growth in US generics.
- Africa business to witness 6.8% decline YoY to INR2.1b for the quarter due to slow offtake of institutional business.
- Asia segment to witness a growth of 10% YoY, led by new launches and strong growth in chronic category.
- Watch out for increase in logistic costs due to geopolitical issue and impact on supply chain.

Consol. - Quarterly perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	10,210	10,284	11,052	10,541	11,022	11,421	12,030	11,825	42,087	46,298
YoY Change (%)	7.4	9.6	13.7	19.5	8.0	11.1	8.8	12.2	12.5	10.0
EBITDA	2,813	2,907	3,217	2,783	2,855	3,187	3,549	3,420	11,719	13,010
YoY Change (%)	11.7	40.9	48.7	62.7	1.5	9.6	10.3	22.9	38.6	11.0
Margins (%)	27.6	28.3	29.1	26.4	25.9	27.9	29.5	28.9	27.8	28.1
Depreciation	332	337	343	343	340	342	347	354	1,354	1,383
EBIT	2,482	2,570	2,874	2,441	2,515	2,845	3,202	3,066	10,365	11,627
Interest	9	23	25	15	14	14	14	30	72	72
Other Income	121	85	95	158	125	110	110	118	459	463
PBT before EO expense	2,594	2,631	2,944	2,584	2,626	2,941	3,298	3,154	10,752	12,018
Extra-Ord expense	97	128	-35	197	0	0	0	0	387	0
PBT	2,691	2,759	2,909	2,780	2,626	2,941	3,298	3,154	11,139	12,018
Tax	609	806	809	753	656	750	857	861	2,978	3,125
Effective Rate (%)	22.6	29.2	27.8	27.1	25.0	25.5	26.0	27.3	26.7	26.0
Reported PAT	2,082	1,953	2,100	2,027	1,969	2,191	2,440	2,293	8,162	8,893
Adj PAT	2,007	1,862	2,125	1,884	1,969	2,191	2,440	2,293	7,878	8,893
YoY Change (%)	13.9	13.9	30.4	57.1	-1.9	17.6	14.8	21.7	26.5	12.9
Margins (%)	19.4	18.0	19.1	17.6	17.7	19.0	20.1	19.2	18.5	19.0

E: MOFSL Estimates

Alembic Pharma

Neutral
CMP: INR976 | TP: INR930 (-5%)
EPS CHANGE (%): FY25|26: 6.1|4.6

- Expect 9% YoY growth in US sales to (USD52m) due to robust traction in new launches.
- Expect animal health to witness volume growth and regional expansion, driving 34% YoY growth in sales.
- Expects DF sales to grow by 7% YoY to INR5.6b, led by healthy traction in Anti-infective/Gyane/Anti-diabetic.
- Outlook on potential approvals/launches for US generics market.

Quarterly perf. (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	14,862	15,949	16,309	15,170	15,671	16,739	17,526	17,101	62,290	67,037
YoY Change (%)	17.7	8.1	8.1	7.9	5.4	5.0	7.5	12.7	10.2	7.6
EBITDA	1,987	2,083	2,667	2,601	2,648	2,929	3,120	3,101	9,337	11,799
YoY Change (%)	73.3	-10.5	7.2	16.5	33.3	40.7	17.0	19.2	14.0	26.4
Margins (%)	13.4	13.1	16.4	17.1	16.9	17.5	17.8	18.1	15.0	17.6
Depreciation	662	676	695	695	690	695	705	717	2,727	2,807
EBIT	1,325	1,407	1,973	1,906	1,958	2,234	2,415	2,384	12,064	14,606
Interest	144	157	152	109	110	115	105	101	562	431
Other Income	117	102	29	36	40	42	50	58	283	190
PBT before EO expense	1,298	1,352	1,850	1,832	1,888	2,161	2,360	2,341	6,332	8,751
PBT	1,298	1,352	1,850	1,832	1,888	2,161	2,360	2,341	6,332	8,751
Tax	92	-19	41	46	227	281	330	387	160	1,225
Rate (%)	7.0	-1.4	2.2	2.5	12.0	13.0	14.0	16.5	2.5	14.0
MI & P/L of Asso. Cos.	0	-5	-1	-4	-4	-4	-4	81	-10	69
Reported PAT	1,207	1,376	1,809	1,790	1,666	1,884	2,033	1,873	6,182	7,456
Adj PAT	1,207	1,376	1,809	1,790	1,666	1,884	2,033	1,873	6,182	7,456
YoY Change (%)	160.9	-6.7	36.6	73.1	38.0	37.0	12.4	4.7	43.9	20.6
Margins (%)	8.1	8.6	11.1	11.8	10.6	11.3	11.6	11.0	9.9	11.1

Alkem Labs**Neutral**

CMP: INR4,921 | TP: INR5,430 (10%)

EPS CHANGE (%): FY25|26: 0|0

- Expect DF sales to grow 8% YoY, led by strong traction in VMN/gastrointestinal portfolio and improved MR productivity.
- Progress on the bio-CDMO Capex.
- Expect US sales to decline 2% YoY to USD83m, slower offtake of new launches and price erosion.
- Progress on biosimilar portfolio for regulated as well as emerging market.

Quarterly Perf. (Consolidated)

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	29.7	34.4	33.2	29.4	30.8	35.6	35.0	32.9	126.7	134.4
YoY Change (%)	15.2	11.7	9.3	1.1	3.8	3.6	5.4	12.2	9.2	6.1
EBITDA	3.9	7.5	7.1	4.0	5.0	7.4	6.8	5.9	22.5	25.1
YoY Change (%)	42.4	64.5	18.1	13.8	28.2	-0.7	-3.9	47.7	33.7	11.9
Margins (%)	13.1	21.7	21.3	13.7	16.2	20.8	19.4	18.0	17.7	18.7
Depreciation	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	3.0	3.3
EBIT	3.2	6.7	6.4	3.2	4.1	6.6	6.0	5.1	19.5	21.8
Interest	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	1.1	1.0
Other Income	0.7	0.6	0.9	0.9	0.8	0.8	0.8	0.8	3.1	3.1
PBT before EO Exp	3.5	7.1	7.1	3.8	4.6	7.1	6.5	5.8	21.4	24.0
PBT after EO Exp	3.5	6.5	6.5	3.7	4.6	7.1	6.5	5.8	20.2	24.0
Tax	0.7	0.3	0.5	0.6	0.7	1.1	1.0	0.8	2.1	3.6
Rate (%)	18.4	5.1	7.7	17.1	15.0	15.2	15.5	14.2	9.9	15.0
Reported PAT	2.9	6.2	5.9	2.9	3.9	6.0	5.5	4.9	18.0	20.2
Adj Net Profit	2.9	6.8	6.4	3.0	3.9	6.0	5.5	4.9	19.1	20.2
YoY Change (%)	52.3	104.1	41.3	3.4	35.9	-11.8	-14.6	60.5	50.5	6.0

Apollo Hospitals**Buy**

CMP: INR6,101 | TP: INR7,070 (+16%)

EPS CHANGE (%): FY25|26: (4.5)|(3.8)

- Sales and EBITDA expected to grow 13.5/33% YoY to INR50b/INR6.8b due to increased occupancy and Healthco operations.
- Watch out for GMV outlook in Apollo 24/7.
- With enhanced footfalls in primary care/Diagnostics and improved operational efficiencies AHLL is expected to register 10% YoY growth in Revenue and 2x growth in EBITDA.
- Update on capacity expansion at Pune, Hyderabad, Kolkata, Delhi and Gurugaon.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	44,178	48,469	48,506	49,439	50,133	54,278	55,559	51,907	1,90,592	2,11,877
YoY Change (%)	16.4	14.0	13.8	14.9	13.5	12.0	14.5	5.0	14.7	11.2
EBITDA	5,090	6,275	6,137	6,405	6,768	7,246	7,334	6,196	23,907	27,544
YoY Change (%)	3.7	11.0	21.4	31.2	33.0	15.5	19.5	-3.3	16.6	15.2
Margins (%)	11.5	12.9	12.7	13.0	13.5	13.4	13.2	11.9	12.5	13.0
Depreciation	1,669	1,634	1,670	1,897	1,750	1,800	1,850	1,516	6,870	6,916
Interest	1,062	1,113	1,126	1,193	1,080	1,025	980	834	4,494	3,919
Other Income	282	222	278	281	292	286	312	339	1,063	1,229
PBT before EO expense	2,641	3,750	3,619	3,596	4,230	4,707	4,816	4,186	13,606	17,938
Extra-Ord expense/(Income)	0	-19	0	0	0	0	0	0	-19	0
PBT	2,641	3,769	3,619	3,596	4,230	4,707	4,816	4,186	13,625	17,938
Tax	966	1,300	1,089	1,098	1,248	1,294	1,372	1,108	4,453	5,023
Rate (%)	36.6	34.5	30.1	30.5	29.5	27.5	28.5	26.5	32.7	28.0
Minority Interest & P/L of Asso. Cos.	9	140	77	-40	0	50	68	75	186	193
Reported PAT	1,666	2,329	2,453	2,538	2,982	3,363	3,375	3,002	8,986	12,722
Adj PAT	1,666	2,317	2,453	2,538	2,982	3,363	3,375	3,002	8,973	12,722
YoY Change (%)	2.6	3.0	59.8	47.1	79.0	3.0	37.6	18.3	29.6	41.8
Margins (%)	3.8	4.8	5.1	5.1	5.9	6.2	6.1	5.8	4.7	6.0

E: MOFSL Estimates

Aurobindo Pharma**Neutral****CMP: INR1,213 | TP: INR1,320 (9%)****EPS CHANGE (%): FY25|26: 2.1|2.6**

- Expect US sales to grow 12% YoY to USD451m, led by key launches, offset by temporary shutdown of Eugia's unit-3.
- Expect EU sales growth of 7.5% YoY to INR19.7b on expanding into newer markets and differentiated product offering.
- Progress on optimizing the yield of Pen-g plant
- Outlook on reducing the operational cost and filing/approval status of biosimilar products in key markets.
- Progress on resolving USFDA OAI classification at Eugia.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	68.5	72.2	73.5	75.8	76.6	79.3	79.9	80.1	290.0	315.8
YoY Change (%)	9.9	25.8	14.7	17.1	11.8	9.8	8.6	5.6	16.7	8.9
EBITDA	11.5	14.0	16.0	16.9	16.9	17.8	17.7	18.0	58.4	70.4
YoY Change (%)	12.4	33.4	67.8	68.3	47.0	26.6	10.7	6.7	44.9	20.5
Margins (%)	16.8	19.4	21.8	22.3	22.1	22.4	22.2	22.5	20.1	22.3
Depreciation	3.3	4.2	4.2	3.5	3.6	3.7	4.5	5.8	15.2	17.6
EBIT	8.2	9.9	11.8	13.3	13.3	14.1	13.2	12.2	43.2	52.9
Interest	0.6	0.7	0.8	0.9	0.9	0.8	0.7	0.7	2.9	3.0
Other Income	0.8	1.9	1.2	1.4	1.0	1.1	1.1	1.4	5.2	4.5
PBT before EO expense	8.5	11.0	12.2	13.8	13.4	14.3	13.6	12.9	45.5	54.3
Exceptional (expenses)/income	-0.7	0.0	0.0	-1.2	0.0	0.0	0.0	0.0	-1.9	0.0
PBT	8.1	10.7	12.7	12.4	13.4	14.3	13.6	12.9	44.0	54.3
Tax	2.4	3.2	3.2	3.2	3.6	3.9	3.8	3.6	12.1	20.1
Rate (%)	29.7	30.1	25.5	26.0	27.0	27.5	27.7	27.8	27.5	37.0
Reported PAT	5.7	7.6	9.4	9.1	9.7	10.3	9.7	9.6	31.7	34.1
Adj PAT	5.9	7.8	9.0	10.1	9.7	10.3	9.7	9.6	32.8	39.3
YoY Change (%)	0.9	17.2	87.4	96.3	63.6	31.9	7.9	-5.4	46.1	19.6
Margins (%)	8.7	10.8	12.3	13.3	12.7	12.9	12.2	11.9	11.3	12.4

E: MOFSL Estimates

Biocon**Neutral****CMP: INR356 | TP: INR340 (-5%)****EPS CHANGE (%): FY25|26: (11)|1**

- Expect biologics sales to grow 40% YoY to INR23.7b, led by market share gain in existing products and launching products in new markets.
- Expect generics business to remain flat due to pricing erosion.
- Expect Syngene sales to grow by 14% YoY to INR9.2b due to some revival in spending by the customers.
- Update on launch of bAflibercept in Canada and commercialization of complex generic product in emerging markets

Quarterly performance (Consolidated)**(INRb)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	34.2	34.6	36.0	39.2	39.6	40.3	40.8	42.0	144.1	162.8
YoY Change (%)	57.9	49.2	22.5	7.4	15.7	16.5	13.3	7.3	30.0	13.0
EBITDA	7.1	7.4	5.8	9.2	9.1	9.0	9.1	9.6	29.5	36.8
YoY Change (%)	53.5	57.4	-16.3	5.1	27.2	21.3	58.6	5.2	18.1	25.0
Margins (%)	20.8	21.4	16.0	23.4	22.9	22.3	22.4	22.9	20.5	22.6
Depreciation	3.6	3.9	4.2	4.1	4.0	4.2	4.2	4.2	15.7	16.6
EBIT	3.6	3.5	1.6	5.1	5.1	4.8	5.0	5.4	13.8	20.3
Interest	2.3	2.5	2.7	2.3	2.3	2.2	2.1	2.2	9.8	8.7
Other Income	0.9	1.6	1.1	0.5	0.6	0.6	0.6	0.5	4.1	2.1
Extraordinary Income	0.0	-0.2	8.3	-0.1	0.0	0.0	0.0	0.0	7.9	0.0
PBT	1.8	2.1	8.1	3.2	3.3	3.2	3.4	3.6	15.2	13.6
Tax	0.4	0.4	0.6	1.0	0.7	0.7	0.8	0.7	2.3	2.9
Rate (%)	19.1	19.6	6.8	30.1	22.0	22.0	22.0	20.1	15.0	21.5
Minority Interest	0.5	0.5	0.9	0.9	0.9	0.9	1.1	0.5	2.8	3.3
PAT	1.0	1.3	6.6	1.4	1.8	1.6	1.6	2.5	10.2	7.4
Adj PAT	1.0	1.4	-1.7	1.9	1.8	1.6	1.6	2.5	2.6	7.4
YoY Change (%)	-51.1	-16.2	-176.5	24.8	76.0	12.6	-192.0	31.2	-65.1	183.7
Margins (%)	2.9	3.6	18.3	3.5	4.4	4.0	3.8	5.8	7.1	4.6

Cipla**Buy****CMP: INR1488 | TP: INR1,720 (16%)****EPS CHANGE (%): FY25|26: 0|0**

- US sales to clock 3.6% YoY growth to USD230m for 1QFY25, led by market share gain of existing products and launch of new complex products.
- Update on USFDA remediation measures at Goa/Pithampur facility.
- Expect DF sales to grow by 7% YoY, driven stronger uptake of all key therapies, as well as gains in market share and in-licensing opportunities.
- Progress on g-Advair/g-Abraxane and other assets like peptides. Progress on commencement of manufacturing of respules at China plant.

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	63.3	66.8	66.0	61.6	67.6	72.2	71.6	66.9	257.7	278.3
YoY Change (%)	17.7	14.6	13.7	7.4	6.8	8.2	8.4	8.5	13.3	8.0
EBITDA	14.9	17.3	17.5	13.2	17.4	18.8	18.2	16.1	62.9	70.4
YoY Change (%)	30.7	24.8	24.2	12.1	16.2	8.3	4.1	22.2	23.0	11.9
Margins (%)	23.6	26.0	26.5	21.4	25.7	26.0	25.4	24.0	24.4	25.3
Depreciation	2.4	2.5	2.3	2.9	2.7	2.7	2.6	2.7	10.1	10.5
EBIT	12.5	14.9	15.1	10.3	14.7	16.1	15.6	13.4	52.8	59.9
Interest	0.2	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.9	0.4
Other Income	1.4	1.8	1.3	1.8	1.1	1.3	1.4	1.6	6.2	5.3
Profit before Tax	13.7	16.4	16.1	11.9	15.8	17.3	16.9	14.8	58.2	64.8
One-time (expense)/income	0.0	-0.4	-1.4	0.7	0.0	0.0	0.0	0.0	-1.1	0.0
PBT after EO expense	13.7	15.9	14.7	12.6	15.8	17.3	16.9	14.8	57.0	64.8
Tax	3.8	4.4	4.1	3.2	4.5	4.9	4.8	3.3	15.5	17.5
Rate (%)	27.5	26.8	25.1	27.3	28.5	28.5	28.5	21.9	26.6	27.0
Reported PAT	10.0	11.3	10.6	9.4	11.3	12.5	12.1	11.6	41.2	47.6
Adj PAT	10.0	11.7	12.0	8.7	11.3	12.5	12.1	11.6	42.4	47.6
YoY Change (%)	45.1	37.7	49.4	22.7	13.9	6.1	1.4	34.0	39.0	12.3

E: MOFSL Estimates;

Divis Labs**Neutral****CMP: INR4,570 | TP: INR4,300 (-6%)****EPS CHANGE (%): FY25|26: (0.9)|0**

- DIVI is expected to deliver 23.7% YoY growth in sales for the quarter due to good traction in CS, supported by growth in Nutraceutical and generics business.
- Impact on freight cost due to recent global geopolitical issues.
- Update on pricing of generic API portfolio.
- Update on the Kakinada capex and the capex of the new CS order received.
- Update on the launch of new molecules.

Quarterly Performance**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	17,780	19,090	18,550	23,030	21,994	22,668	23,343	23,351	78,450	91,355
YoY Change (%)	-21.1	2.9	8.6	18.1	23.7	18.7	25.8	1.4	1.0	16.5
EBITDA	5,040	4,990	4,890	7,310	6,818	6,959	7,120	6,967	22,230	27,863
YoY Change (%)	-40.5	-19.7	19.8	48.6	35.3	39.5	45.6	-4.7	-6.1	25.3
Margins (%)	28.3	26.1	26.4	31.7	31.0	30.7	30.5	29.8	28.3	30.5
Depreciation	930	950	950	950	960	975	980	985	3,780	3,900
EBIT	4,110	4,040	3,940	6,360	5,858	5,984	6,140	5,982	18,450	23,963
Interest	0	10	0	20	0	0	0	0	30	0
Other Income	810	750	770	770	800	810	870	900	3,100	3,380
PBT before EO Income	4,920	4,780	4,710	7,110	6,658	6,794	7,010	6,882	21,520	27,343
Forex gain/(Loss)	30	-90	180	20	0	0	0	0	140	0
PBT	4,950	4,690	4,890	7,130	6,658	6,794	7,010	6,882	21,660	27,343
Tax	1,360	1,210	1,310	1,750	1,531	1,597	1,612	1,549	5,630	6,289
Rate (%)	27.5	25.8	26.8	24.5	23.0	23.5	23.0	22.5	26.0	23.0
PAT	3,590	3,480	3,580	5,380	5,127	5,197	5,397	5,333	16,030	21,054
Adj. PAT	3,568	3,547	3,448	5,365	5,127	5,197	5,397	5,333	15,928	21,054
YoY Change (%)	-45.6	-24.4	25.9	65.7	43.7	46.5	56.5	-0.6	-7.5	32.2
Margins (%)	20.2	18.2	19.3	23.4	23.3	22.9	23.1	22.8	20.4	23.0
Adj. EPS	13.4	13.4	13.0	20.2	19.3	19.6	20.3	20.1	60.0	79.3

Dr Reddy's Labs**Neutral****CMP: INR6,372 | TP: INR6,430 (1%)****EPS CHANGE (%): FY25|26: 2.4|6.6**

- Expect US sales to grow 5.2% YoY to USD410m, led by niche launches, volume offtake in differentiated portfolio, and reduced intensity of price erosion.
- India revenue to grow by 10.5% YoY. Strong traction in Pain/Derma, new launches and in-licensing opportunities.
- Expect Russia/other CIS countries' sales to grow 1.6% YoY to INR7.7b, led by new launches offset by unfavorable currency.
- Update on filings, approvals and launches in China.
- Update on the approval of Rituximab in UK and launches in Consumer healthcare.

Quarterly Performance - IFRS

Y/E March	FY24				FY25E				FY24E	(INRb)
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY24E	
Sales	67.4	68.8	72.1	70.8	74.0	77.5	79.1	88.0	279.2	318.5
YoY Change (%)	35.2	9.1	6.6	17.4	9.8	12.6	9.6	24.3	15.9	14.1
EBITDA	20.5	20.0	20.3	17.7	19.7	21.0	20.8	22.9	78.4	84.4
YoY Change (%)	97.8	10.7	-1.3	34.0	-3.4	5.1	2.5	29.4	26.2	7.7
Margins (%)	30.3	29.0	28.1	24.9	26.7	27.1	26.3	26.0	28.1	26.5
Amortization	3.6	3.8	3.9	3.5	3.6	3.7	3.7	4.0	14.8	15.0
EBIT	16.9	16.1	16.4	14.1	16.1	17.3	17.1	18.8	63.5	69.4
Other Income	1.1	1.6	2.0	1.7	0.7	0.7	0.8	0.9	6.4	3.1
PBT before EO expenses	18.0	17.7	18.4	15.8	16.8	18.0	17.9	19.7	69.9	72.5
One-off income/(expense)	0.5	1.4	-0.1	0.2	0.0	0.0	0.0	0.0	2.0	0.0
Profit before Tax	18.5	19.1	18.3	16.0	16.8	18.0	17.9	19.7	71.9	72.5
PBT after EO Expenses	18.5	19.1	18.3	16.0	16.8	18.0	17.9	19.7	71.9	72.5
Tax	4.4	4.3	4.5	2.9	4.0	4.3	4.3	4.7	16.2	17.3
Rate (%)	24.0	22.7	24.5	18.4	23.5	23.7	23.9	24.1	22.5	23.8
Reported Profit	14.0	14.8	13.8	13.1	12.9	13.7	13.6	15.0	55.7	55.2
Adjusted PAT	13.7	13.3	13.8	12.1	12.9	13.7	13.6	15.0	52.8	55.2
YoY Change (%)	66.6	16.5	5.1	50.1	-5.8	3.5	-0.9	23.7	29.6	4.6
Margins (%)	20.3	19.3	19.1	17.1	17.4	17.7	17.3	17.0	18.9	17.3

E: MOFSL Estimates

Eris Lifesciences**Neutral****CMP: INR1039 | TP: INR980 (-6%)****EPS CHANGE (%): FY25|26: (6.6)|(4.2)**

- Expect 50% YoY growth in sales on strong show in Oaknet and synergy from key acquisitions in recent past.
- Update on integration of the brands acquired from Biocon and Swiss Parenterals.
- Update on the launch of Glargine and Liraglutide and other first to launch products.
- Strategy and outlook for promotional costs for injectable portfolio.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	(INR m)
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY25E	
Gross Sales	4,666	5,053	4,863	5,509	6,999	7,579	8,024	8,444	20,091	31,047
YoY Change (%)	17.1	9.7	14.9	36.8	50.0	50.0	65.0	53.3	19.2	54.5
EBITDA	1,697	1,811	1,755	1,698	2,436	2,660	2,808	2,931	6,962	10,835
Margins (%)	36.4	35.8	36.1	30.8	34.8	35.1	35.0	34.7	34.7	34.9
Depreciation	409	421	457	539	690	700	705	701	1,830	2,796
Interest	174	163	181	330	650	630	610	538	848	2,428
Other Income	10	35	42	151	40	50	65	93	238	248
PBT before EO expense	1,125	1,262	1,159	980	1,136	1,380	1,558	1,785	4,522	5,859
Extra-Ord expense	0	0	0	214	0	0	0	0	214	0
PBT	1,125	1,262	1,159	766	1,136	1,380	1,558	1,785	4,308	5,859
Tax	188	39	144	-30	278	348	390	449	342	1,465
Rate (%)	16.7	3.1	12.4	-3.9	24.5	25.2	25.0	25.2	7.9	25.0
Minority Interest & Profit/Loss of Asso. Cos.	12	11	13	-87	35	31	37	44	-51	147
Reported PAT	948	1,234	1,027	710	892	1,064	1,206	1,380	3,916	4,541
Adj PAT	948	1,234	1,027	815	892	1,064	1,206	1,380	4,021	4,541
YoY Change (%)	0.3	2.3	1.2	24.6	-5.9	-13.8	17.4	69.2	5.2	12.9
Margins (%)	20.3	24.4	21.1	14.8	12.8	14.0	15.0	16.3	20.0	14.6

E: MOFSL Estimates

GSK Pharma**Neutral**

CMP: INR2,621 | TP: INR2,380 (-9%)

EPS CHANGE (%): FY25|26: 0|0

- Expect mid-single digit YoY growth in 1QFY25 due to strong traction in innovative products, relaunch of products and strong offtake of volume.
- Update on any new launches from parent portfolio.
- Expect 6.3% YoY growth in sales to INR8.1b due to revival of growth in vaccine business and enhanced efforts in innovative products.
- Progress on steps taken to mitigate impact of NLEM led price revision.

Qtr Perf. (Consol.)

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	7,617	9,570	8,053	9,298	8,096	10,079	8,470	10,686	34,537	37,331
YoY Change (%)	2.2	4.4	0.4	18.1	6.3	5.3	5.2	14.9	6.2	8.1
EBITDA	1,439	2,895	2,181	2,573	2,113	2,631	2,211	2,978	9,087	9,932
YoY Change (%)	-3.4	12.7	-4.7	51.6	46.8	-9.1	1.4	15.8	13.0	9.3
Margins (%)	18.9	30.3	27.1	27.7	26.1	26.1	26.1	27.9	26.3	26.6
Depreciation	164	181	171	181	163	163	163	223	697	712
EBIT	1,276	2,714	2,010	2,392	1,950	2,468	2,048	2,754	8,390	9,220
Interest	3	4	3	8	18	18	18	-42	18	12
Other Income	364	282	281	298	364	364	364	208	1,226	1,300
PBT before EO Expense	1,637	2,992	2,287	2,682	2,296	2,814	2,394	3,004	9,598	10,508
Tax	487	817	197	761	597	732	622	802	2,262	2,753
Rate (%)	29.8	27.3	8.6	28.4	26.0	26.0	26.0	26.7	22.4	26.2
Adjusted PAT	1,150	2,175	2,090	1,921	1,699	2,082	1,771	2,202	7,336	7,755
YoY Change (%)	-1.1	12.5	18.8	56.1	47.8	-4.3	-15.3	14.7	20.5	5.7
Margins (%)	15.1	22.7	26.0	20.7	21.0	20.7	20.9	20.6	21.2	20.8
One-off Expense/(Income)	-173	0	1,633	-24	0	0	0	0	1,436	0
Reported PAT	1,323	2,175	457	1,945	1,699	2,082	1,771	2,202	5,900	7,755
Reported PAT incl disc operations	6,076	1,323	2,175	457	1,699	2,082	1,771	2,202	5,900	7,755

Gland Pharma**Buy**

CMP: INR1812 | TP: INR2110 (16%)

EPS CHANGE (%): FY25|26: 0|0

- Expect sales to grow 25% YoY to INR15b due to strong growth in core markets, supported by Cenexi.
- Update on the new biologics opportunities. Update on complex approvals for core markets.
- Update on new approvals/launches and expansion plans in China.
- Watch for progress on turnaround of Cenexi business over next 12-18 months.

Consol. - Quarterly perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	12,087	13,734	15,452	15,375	15,138	15,871	16,368	17,477	56,647	64,854
YoY Change (%)	41.1	31.5	64.7	95.9	25.2	15.6	5.9	13.7	56.3	14.5
EBITDA	2,940	3,241	3,742	3,587	3,573	3,888	4,174	4,643	13,509	16,278
YoY Change (%)	8.9	5.3	29.2	113.0	21.5	20.0	11.6	29.5	30.4	20.5
Margins (%)	24.3	23.6	24.2	23.3	23.6	24.5	25.5	26.6	23.8	25.1
Depreciation	653	813	1,053	926	930	960	990	1,103	3,446	3,983
Interest	49	60	53	100	20	19	18	17	262	74
Other Income	375	532	374	421	450	490	500	506	1,702	1,946
PBT before EO expense	2,613	2,899	3,009	2,982	3,073	3,399	3,666	4,029	11,503	14,167
One-off income/(expense)	0	0	178	0	0	0	0	0	178	0
PBT	2,613	2,899	2,832	2,982	3,073	3,399	3,666	4,029	11,325	14,167
Tax	672	958	913	1,058	953	1,061	1,151	1,227	3,601	4,392
Rate (%)	25.7	33.0	32.2	35.5	31.0	31.2	31.4	30.5	31.8	31.0
Reported PAT	1,941	1,941	1,919	1,924	2,120	2,339	2,515	2,801	7,724	9,775
Adj PAT	1,941	1,941	2,039	1,918	2,120	2,339	2,515	2,801	7,839	9,775
YoY Change (%)	-15.3	-22.7	-12.1	61.7	9.2	20.5	23.3	46.1	-5.6	24.7

E: MOFSL Estimates

Glenmark Pharma**Neutral**

CMP: INR1248 | TP: INR1,200 (-4%)

EPS CHANGE (%): FY25|26: (3)|0.2

- Expect DF sales to grow 11% YoY, led by cardiac/Anti-infective/Derma therapy, rationalization of inventory and in-licensing limited competition complex products.
- Update on ramp-up of Winlevi in EU market and Ryaltris at global level.
- Expect GNP US sales to decline by 7% YoY to USD91m partly due to lack of approvals and price erosion.
- Watch for remediation timeline to resolve USFDA issues.

Quarterly performance

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues (Core)	30,361	32,074	25,067	30,630	32,950	33,975	33,215	32,339	1,18,131	1,32,480
YoY Change (%)	9.3	6.3	-19.1	2.1	8.5	5.9	32.5	5.6	2.0	12.1
EBITDA	4,374	5,053	-1,444	5,043	6,129	6,251	6,244	5,950	13,025	24,575
YoY Change (%)	-7.5	-3.2	PTL	26.7	40.1	23.7	-532.3	18.0	-20.3	88.7
Margins (%)	14.4	15.8	-5.8	16.5	18.6	18.4	18.8	18.4	11.0	18.5
Depreciation	1,420	1,415	1,471	1,513	1,525	1,530	1,510	1,535	5,819	6,100
EBIT	2,953	3,638	-2,915	3,530	4,604	4,721	4,734	4,416	7,206	18,475
Interest	1,116	1,215	1,343	1,486	300	200	100	66	5,160	666
Other Income	197	17	454	7,732	80	100	90	80	8,400	350
PBT before EO Expense	2,034	2,441	-3,805	9,776	4,384	4,621	4,724	4,429	10,447	18,159
One-off loss/(gain)	520	3,684	1,409	4,468	0	0	0	0	10,082	0
PBT after EO Expense	1,514	-1,244	-5,214	5,308	4,384	4,621	4,724	4,429	364	18,159
Tax	1,137	559	-718	17,695	1,447	1,530	1,569	1,484	18,673	6,029
Rate (%)	75.1	-45.0	13.8	333.3	33.0	33.1	33.2	33.5	5,123.0	33.2
Reported PAT	377	-1,803	-4,496	-12,386	2,937	3,092	3,156	2,945	-18,309	12,130
Minority Interest	232	204	206	40	20	10	15	30	681	75
Reported PAT after Minority Interest	145	-2,007	-4,701	-12,427	2,917	3,082	3,141	2,915	-18,990	12,055
Adj PAT	1,111	1,397	-3,486	1,680	2,917	3,082	3,141	2,915	701	12,055
YoY Change (%)	-34.0	-39.9	PTL	247.6	162.6	120.6	-190.1	73.6	-81.2	1,619.7
Margins (%)	3.7	4.4	-13.9	5.5	8.9	9.1	9.5	9.0	0.6	9.1
Adj. PAT from discontinued operations	1,355	1,187	1,188	244	0	0	0	-	3,973	-
Overall Adj. PAT	2,465	2,584	(2,299)	1,923	2,917	3,082	3,141	2,915	4,674	12,055

Global Health**Buy**

CMP: INR1,275 | TP: INR1,490 (17%)

EPS CHANGE (%): FY25|26: 0|0

- Expect ARPOB to grow 5% YoY to INR66.3k for the quarter.
- Expect occupancy to improve slightly to 61% due to improve IPD volumes.
- Construction progress on Noida/South Delhi/Indore projects
- Expect revenue to grow 6.3% YoY to INR8.2b for the quarter.
- Outlook on bed addition in Lucknow/Patna markets.
- Update on patient treatment of government agencies/Ayushman Bharat at Patna/Lucknow hospitals.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	7,730	8,439	8,365	8,086	8,216	8,778	9,050	9,200	32,751	35,245
YoY Change (%)	25.2	24.3	20.5	14.4	6.3	4.0	8.2	13.8	21.6	30.1
EBITDA	1,843	2,185	2,215	1,911	1,997	2,177	2,217	2,314	8,284	8,706
YoY Change (%)	38.7	38.3	36.1	12.7	8.3	-0.3	0.1	21.1	33.7	37.0
Margins (%)	23.8	25.9	26.5	23.6	24.3	24.8	24.5	25.2	25.3	24.7
Depreciation	468	485	495	572	526	515	520	611	2,020	2,172
Interest	179	201	177	182	145	130	128	123	739	526
Other Income	215	208	181	274	280	295	310	349	747	1,234
PBT	1,410	1,707	1,724	1,431	1,606	1,827	1,879	1,929	6,271	7,241
Tax	390	455	488	157	440	504	507	533	1,490	1,985
Rate (%)	27.7	26.6	28.3	11.0	27.4	27.6	27.0	27.6	23.8	27.4
Reported PAT	1,020	1,252	1,235	1,273	1,166	1,323	1,372	1,395	4,781	5,256
Adj PAT	1,020	1,252	1,235	1,273	1,166	1,323	1,372	1,395	4,781	5,256
YoY Change (%)	73.8	46.1	53.3	26.0	14.3	5.7	11.0	9.6	46.6	75.2
Margins (%)	13.2	14.8	14.8	15.7	14.2	15.1	15.2	15.2	14.6	14.9

E: MOFSL Estimates

Granules India**Buy****CMP: INR491 | TP: INR570 (16%)****EPS CHANGE (%): FY25|26: 2.6|3.0**

- Expect overall sales to grow 19.8% due to strong growth in FD segment, offset by decline in API segment.
- Update on completion of phase-II of Genome Valley.
- Update on filings/launches in US and EU markets.
- Watch for increase in freight costs due to geopolitical issues.

Quarterly Performance

Y/E March (Consolidated)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	9,855	11,895	11,556	11,758	11,806	12,008	12,356	13,368	45,063	49,538
YoY Change (%)	-3.3	3.4	0.8	-1.6	19.8	1.0	6.9	13.7	-0.1	9.9
EBITDA	1,579	2,130	2,505	2,557	2,456	2,630	2,755	2,959	8,770	10,799
YoY Change (%)	-25.4	-12.3	8.3	8.3	55.5	23.5	10.0	15.7	-4.9	23.1
Margins (%)	16.0	17.9	21.7	21.7	20.8	21.9	22.3	22.1	19.5	21.8
Depreciation	492	525	524	532	550	555	560	559	2,073	2,224
EBIT	1,086	1,605	1,981	2,025	1,906	2,075	2,195	2,400	6,697	8,575
Interest	225	260	286	288	270	265	260	225	1,058	1,020
Other Income	3	15	7	19	13	10	12	13	44	48
PBT before EO expense	865	1,360	1,701	1,756	1,649	1,820	1,947	2,188	5,683	7,603
Extra-Ord expense	211	0	0	0	0	0	0	0	211	0
PBT	654	1,360	1,701	1,756	1,649	1,820	1,947	2,188	5,472	7,603
Tax	176	339	444	460	419	460	483	539	1,419	1,901
Rate (%)	26.9	24.9	26.1	26.2	25.4	25.3	24.8	24.6	25.9	25.0
Reported PAT	479	1,021	1,257	1,296	1,230	1,359	1,464	1,649	4,052	5,703
Adjusted PAT	633	1,021	1,257	1,296	1,230	1,359	1,464	1,649	4,207	5,703
YoY Change (%)	-50.4	-29.6	1.1	3.4	94.3	33.1	16.5	27.2	-19.5	35.5
Margins (%)	6.4	8.6	10.9	11.0	10.4	11.3	11.9	12.3	9.3	11.5

E: MOFSL Estimates

Ipsca Laboratories**Neutral****CMP: INR1,132 | TP: INR1,150 (2%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect formulations segment/Unichem to drive overall sales growth of 35.9% YoY for the quarter.
- Expect DF segment to grow 7% YoY, led by steady growth in key therapies.
- Expect API sales to grow 10% YoY for the quarter.
- Impact of geopolitical issue in Middle East on export business.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues (Core)	15,876	20,340	20,529	20,330	21,578	22,916	23,053	21,833	77,074	89,380
YoY Change (%)	0.1	27.0	32.8	34.5	35.9	12.7	12.3	7.4	23.2	16.0
EBITDA	2,941	3,606	3,310	3,219	3,668	4,194	4,150	3,541	13,076	15,552
YoY Change (%)	3.8	32.4	42.7	77.9	24.7	16.3	25.4	10.0	33.3	18.9
Margins (%)	18.5	17.7	16.1	15.8	17.0	18.3	18.0	16.2	17.0	17.4
Depreciation	693	903	995	981	996	985	990	931	3,572	3,902
EBIT	2,249	2,702	2,315	2,238	2,672	3,209	3,160	2,609	9,503	11,650
Interest	314	441	334	294	272	248	230	219	1,383	969
Other Income	449	386	225	16	220	190	235	255	1,075	900
PBT before EO Expense	2,383	2,647	2,205	1,960	2,620	3,151	3,165	2,646	9,195	11,581
One-off (gain)/ Expense	-135	393	-684	1,194	0	0	0	0	769	0
PBT after EO Expense	2,518	2,254	2,889	766	2,620	3,151	3,165	2,646	8,426	11,581
Tax	856	879	662	737	760	911	902	728	3,135	3,301
Rate (%)	34.0	39.0	22.9	96.2	29.0	28.9	28.5	27.5	34.1	28.5
Reported PAT	1,662	1,374	2,227	29	1,860	2,240	2,263	1,917	5,292	8,280
Minority Interest	-34	76	-428	-598	-138	-138	-138	-138	-984	-550
Adj PAT after Minority Int	1,539	1,690	1,115	930	1,723	2,103	2,125	1,780	5,274	7,730
YoY Change (%)	0.9	-9.2	-6.1	32.7	11.9	24.4	90.6	91.4	0.0	46.6
Margins (%)	9.7	8.3	5.4	4.6	8.0	9.2	9.2	8.2	6.8	8.6

Laurus Labs**Buy****CMP: INR437 | TP: INR510 (+17%)****EPS CHANGE (%): FY25|26: (8.1) | 2.6**

- Expect strong traction in Formulation segment supported by healthy growth in CS/API sales.
- Update on product pipeline in Non-ARV segment.
- Expect ARV sales to grow 2% YoY/1% QoQ
- Progress on validation of products for Animal health CDMO.
- Update the CAPEX at Hyderabad/Vizag/Mysore.

Consolidated - Quarterly Earning Model

Y/E Mar (INRb)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	11.8	12.2	11.9	14.4	14.3	14.9	15.5	16.0	50.4	60.7
YoY Change (%)	-23.2	-22.3	-22.6	4.3	21.0	21.7	29.4	11.1	-16.6	20.3
EBITDA	1.7	1.9	1.8	2.4	2.2	2.5	2.9	3.4	7.8	11.1
YoY Change (%)	-63.3	-58.1	-55.0	-15.4	33.8	34.8	61.1	41.4	-51.2	42.8
Margins (%)	14.1	15.3	15.2	16.8	15.6	17.0	18.9	21.3	15.4	18.3
Depreciation	0.9	0.9	1.0	1.0	0.9	0.9	0.9	1.0	3.8	3.7
EBIT	0.8	0.9	0.8	1.4	1.3	1.6	2.0	2.5	3.9	7.4
Interest	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	1.8	2.1
Other Income	0.0	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.3	0.4
PBT before EO expense	0.4	0.5	0.3	1.1	0.9	1.2	1.6	2.1	2.4	5.7
PBT	0.4	0.5	0.3	1.1	0.9	1.2	1.6	2.1	2.4	5.7
Tax	0.1	0.1	0.1	0.3	0.2	0.3	0.4	0.5	0.7	1.4
Rate (%)	30.0	27.0	27.3	29.8	24.0	24.6	24.8	25.4	28.8	24.8
Reported PAT	0.3	0.4	0.2	0.8	0.7	0.9	1.2	1.5	1.6	4.3
Adj PAT	0.3	0.4	0.2	0.8	0.7	0.9	1.2	1.5	1.6	4.3
YoY Change (%)	-89.4	-84.2	-88.6	-28.1	158.4	143.4	410.2	104.6	-79.6	165.8
Margins (%)	2.3	3.0	1.9	5.3	4.8	6.0	7.6	9.7	3.2	7.1

E: MOFSL Estimates

Lupin**Neutral****CMP: INR1,633 | TP: INR1,590 (-3%)****EPS CHANGE (%): FY25|26: 0.9 | 1.5**

- Expect US sales to witness 20% YoY growth to USD235m, led by strong traction in niche launches and new approvals, offset by competition in g-Suprep.
- EU sales to witness robust growth of 25% YoY, led by new launches
- DF segment to grow 5% YoY for the quarter due to superior growth in Cardiac/Gastrol therapy and complex launches.
- Update on niche approvals beyond g-Dulera/g-Respimat.
- Watch for increase in logistic costs due to geopolitical issues in the Middle East.

Quarterly Performance (Consolidated)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	46,087	50,385	51,974	49,608	50,311	52,910	54,211	56,343	1,98,054	2,13,774
YoY Change (%)	23.1	21.5	20.2	12.0	9.2	5.0	4.3	13.6	19.0	7.9
EBITDA	6,513	9,232	10,220	9,968	9,660	10,370	10,788	11,509	35,932	42,327
YoY Change (%)	297.3	112.6	83.8	65.0	48.3	12.3	5.6	15.5	104.4	17.8
Margins (%)	14.1	18.3	19.7	20.1	19.2	19.6	19.9	20.4	18.1	19.8
Depreciation	2,347	2,479	2,572	2,559	2,562	2,570	2,575	2,535	9,956	10,242
EBIT	4,166	6,754	7,648	7,409	7,098	7,800	8,213	8,974	25,977	32,085
Interest	856	806	740	713	720	700	716	670	3,116	2,806
Other Income	228	404	294	293	272	298	293	287	1,218	1,150
EO Exp/(Inc)	-2,053	54	-160	2,012	0	0	0	0	-147	0
PBT	5,591	6,298	7,361	4,977	6,650	7,398	7,790	8,591	24,227	30,430
Tax	1,055	1,344	1,174	1,295	1,563	1,776	1,909	2,056	4,867	7,303
Rate (%)	18.9	21.3	15.9	26.0	23.5	24.0	24.5	23.9	20.1	24.0
Minority Interest	-11	-57	-56	-88	-26	-22	-24	-25	-211	-97
Reported PAT	4,525	4,898	6,131	3,594	5,061	5,601	5,857	6,510	19,149	23,029
Adj PAT	2,855	4,940	5,997	5,083	5,061	5,601	5,857	6,510	18,875	23,029
YoY Change (%)	LP	319.9	256.1	95.0	77.3	13.4	-2.3	28.1	382.1	22.0
Margins (%)	6.2	9.8	11.5	10.2	10.1	10.6	10.8	11.6	9.5	10.8

E: MOFSL estimates

Mankind**Buy****CMP: INR2,219 | TP: INR2,650 (+25%)****EPS CHANGE (%): FY25|26: 2.2|0.1**

- Expect Prescription sales to grow 7.2% YoY to INR23.7b, led by strong growth in Cardiac/Gastro/Anti-diabetic, new launches in chronic space and in-licensing opportunity.
- Exports to witness robust growth of 45% YoY, led by selective niche launches and market share gain in base business.
- Consumer health segment to grow 7% YoY for the quarter due to new launches and superior reach.
- Update on new launches in DF and Export markets.
- Watch for the new in-licensing deal/M&A.

Consolidated - Quarterly Earning**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	25,786	27,081	26,070	24,411	28,256	29,982	28,990	27,076	1,03,348	1,14,303
YoY Change (%)	18.3	11.6	24.7	18.9	9.6	10.7	11.2	10.9	18.1	10.6
EBITDA	6,548	6,827	6,065	5,911	7,120	7,945	7,624	6,572	25,351	29,262
YoY growth %	34.5	9.9	29.7	30.7	8.7	16.4	25.7	11.2	25	15
Margins (%)	25.4	25.2	23.3	24.2	25.2	26.5	26.3	24.3	24.5	25.6
Depreciation	874	965	1,097	1,047	1,065	1,075	1,085	1,077	3,983	4,302
Interest	63	86	92	94	90	78	70	67	335	305
Other Income	586	600	701	921	712	732	752	754	2,809	2,950
PBT before EO expense	6,197	6,375	5,577	5,692	6,677	7,524	7,221	6,181	23,842	27,604
PBT	6,197	6,375	5,577	5,692	6,677	7,524	7,221	6,181	23,842	27,604
Tax	1,303	1,298	1,025	950	1,215	1,422	1,386	1,773	4,576	5,797
Rate (%)	21.0	20.4	18.4	16.7	18.2	18.9	19.2	28.7	19.2	21.0
Minority Interest & P/L of Asso. Cos.	25.9	66.8	14.5	29.5	69.0	111.0	127.0	133.8	136.6	440.8
Reported PAT	4,869	5,010	4,538	4,712	5,393	5,991	5,708	4,275	19,129	21,367
Adj PAT	4,869	5,010	4,538	4,712	5,393	5,991	5,708	4,275	19,129	21,367
YoY Change (%)	53.9	12.8	47.3	50.5	10.8	19.6	25.8	-9.3	38.4	11.7
Margins (%)	18.9	18.5	17.4	19.3	19.1	20.0	19.7	15.8	18.5	18.7

E: MOFSL Estimates

Max Healthcare**Buy****CMP: INR912 | TP: INR1060 (16%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect ARPOB to grow 6% YoY to INR79.4k.
- Expect 19% YoY growth in Max Labs with EBITDA margin expansion due to superior execution and increasing reach.
- Expect overall sales to grow 15.4% YoY for the quarter
- Progress on bed addition/commercialization in FY25/FY26.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	16,220	17,190	16,820	17,910	18,977	20,181	20,100	20,727	68,150	79,985
YoY Change (%)	16.7	16.8	14.9	15.6	17.0	17.4	19.5	15.7	16.0	17.4
EBITDA	4,290	4,840	4,650	4,940	5,143	5,610	5,608	5,875	18,730	22,236
Margins (%)	26.4	28.2	27.6	27.6	27.1	27.8	27.9	28.3	27.5	27.8
Depreciation	640	660	700	840	940	990	1,080	1,107	2,840	4,117
Interest	-30	-170	-140	-40	-120	-110	-130	-125	-380	-485
Other Income	70	130	60	90	120	155	130	155	350	560
PBT before EO expense	3,750	4,480	4,150	4,230	4,443	4,885	4,788	5,048	16,620	19,164
Extra-Ord expense	190	190	40	250	0	0	0	0	670	0
PBT	3,560	4,290	4,110	3,980	4,443	4,885	4,788	5,048	15,950	19,164
Tax	660	910	730	870	906	918	814	811	3,160	3,449
Rate (%)	18.5	21.2	17.8	21.9	20.4	18.8	17.0	16.1	19.8	18.0
Reported PAT	2,900	3,380	3,380	3,110	3,537	3,967	3,974	4,237	12,790	15,714
Adj PAT	3,055	3,530	3,413	3,327	3,537	3,967	3,974	4,237	13,324	15,714
YoY Change (%)	28.3	24.5	20.3	4.9	15.8	12.4	16.4	27.4	18.7	17.9
Margins (%)	18.8	20.5	20.3	18.6	18.6	19.7	19.8	20.4	19.6	19.6

E: MOFSL Estimates

Piramal Pharma**Buy****CMP: INR161 | TP: INR190 (18%)****EPS CHANGE (%): FY25|26: 0 | 0**

- Expect sales to grow by 12% YoY to INR19b, led by strong growth in all the three segments.
- Progress on CDMO segment order book.
- Higher operating costs to drag down EBITDA margin QoQ.
- Watch for opportunities in GLP1 space.
- Update on the CAPEX at Bethlehem and Dahej.

Consolidated - Quarterly

PPL Income statement (INRm)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenues	17,489	19,114	19,586	25,524	19,610	22,119	22,639	28,753	81,712	93,120
growth YoY(%)	18.0	11.1	14.1	18.0	12.1	15.7	15.6	12.7	15.4	14.0
CDMO	8,980	10,680	11,340	16,490	10,327	12,816	13,268	18,678	47,490	55,088
CHG	6,170	5,890	5,760	6,770	6,725	6,538	6,624	7,408	24,590	27,295
ICP	2,390	2,560	2,520	2,380	2,557	2,765	2,747	2,668	9,850	10,737
EBITDA*	1,323	2,657	2,684	5,299	1,608	2,964	3,962	7,535	11,963	14,977
margin (%)	7.6	13.9	13.7	20.8	8.2	13.4	17.5	26.2	14.6	16.1
growth YoY(%)	55.5	54.0	124.1	50.9	21.5	11.6	47.6	42.2	64.2	25.2
Depreciation	1,736	1,845	1,863	1,961	1,800	1,850	1,900	2,004	7,406	7,554
EBIT	-413	812	821	3,338	-192	1,114	2,062	5,531	4,557	7,423
Other income	383	492	615	264	400	430	520	450	1,754	1,800
Interest expense	1,185	1,099	1,059	1,142	1,028	962	925	846	4,485	3,761
Share from Asso. Co	144	191	140	120	156	162	135	171	595	625
PBT	-1,071	396	516	2,580	-664	744	1,792	5,307	2,421	6,087
EO Expenses/(gain)	-	-	323	310	-	-	-	-	633	-
Taxes	-85	345	93	1,262	0	245	591	1,902	1,615	2,739
Tax Rate (%)	8.0	87.3	47.8	55.6	0.0	33.0	33.0	35.8	90.3	45.0
Reported PAT	-986	50	101	1,008	-664	498	1,200	3,404	173	3,348
Adj. PAT	-986	50	350	1,146	-664	498	1,200	3,404	560	3,348
Change (%)	NA	LP	LP	128.6	NA	LP	LP	197.2	NA	497.6

E: MOFSL Estimates

Sun Pharma**Buy****CMP: INR1,524 | TP: INR1,810 (19%)****EPS CHANGE (%): FY25|26: 3.3 | 1.6**

- US sales expected to grow by 10% YoY to USD518m on the back of steady traction in specialty portfolio and market share gain in base portfolio.
- Update on approval of Deuruxolitinib.
- Expect DF sales to grow 12% YoY for the quarter.
- Outlook on R&D spending for FY25, based on the projects undergoing different phases of clinical trials
- Update on remediation at Halol, Mohali and Dadra sites.

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	117.9	120.0	121.6	118.1	131.8	133.5	135.6	131.6	477.6	532.6
YoY Change (%)	10.7	11.0	10.5	10.7	11.9	11.2	11.6	11.4	10.8	11.5
EBITDA	31.7	30.2	31.3	29.2	32.7	34.2	36.8	35.5	122.5	139.1
YoY Change (%)	21.1	-1.0	13.2	13.8	3.0	13.0	17.5	21.5	11.3	13.6
Margins (%)	26.9	25.2	25.7	24.7	24.8	25.6	27.1	27.0	25.6	26.1
Depreciation	6.5	6.3	6.2	6.5	6.6	6.6	6.7	5.9	25.6	25.7
EBIT	25.2	23.9	25.1	22.7	26.1	27.6	30.1	29.6	96.9	113.4
Interest	0.8	0.5	0.3	0.7	0.6	0.6	0.6	0.4	2.4	2.2
Net Other Income	3.6	4.8	4.7	7.8	5.3	5.4	5.3	3.5	20.9	19.6
PBT before EO Exp	28.0	28.2	29.5	29.7	30.8	32.4	34.8	32.8	115.5	130.8
Less: EO Exp/(Inc)	3.2	0.3	-0.5	1.6	0.0	0.0	0.0	0.0	4.6	0.0
PBT	24.8	27.9	30.0	28.2	30.8	32.4	34.8	32.8	110.9	130.8
Tax	4.7	3.9	4.3	1.5	4.6	3.9	4.5	3.3	14.4	16.3
Rate (%)	16.7	13.8	14.7	5.0	15.0	12.0	13.0	10.1	12.5	12.5
PAT (pre Minority Interest)	20.1	24.0	25.7	26.7	26.2	28.5	30.3	29.5	96.5	114.4
Reported PAT	20.2	23.8	25.2	26.5	26.5	28.8	30.6	29.8	95.8	115.7
Adj Net Profit*	22.8	24.0	24.8	28.0	26.5	28.8	30.6	29.8	99.7	115.7
YoY Change (%)	18.5	-3.4	19.2	32.7	16.0	19.7	23.5	6.3	15.8	16.0
Margins (%)	19.4	20.0	20.4	23.7	20.1	21.6	22.6	22.6	20.1	21.7

Torrent Pharmaceuticals**Neutral****CMP: INR2,821 | TP: INR2,800 (-1%)****EPS CHANGE (%): FY25|26: 0.9|(0.2)**

- Expect US sales to decline 5.6% YoY to USD34m due to slower ramp-up of Dahej facility and lack of new approvals.
- Progress on OTC portfolio expansion and further investment to aid growth
- DF sales to grow 12.5% YoY to INR16b strong growth in Cardiac and Anti-diabetic.
- Update on tender wins/new launches in Germany and Brazil.

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

Y/E March	FY24				FY25E				FY24	FY25E
INRb	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	25.9	26.6	27.3	27.5	29.8	30.8	31.4	31.6	107.3	123.6
YoY Change (%)	12.2	16.1	9.7	10.2	14.9	15.8	14.9	15.1	12.0	15.2
EBITDA	7.9	8.3	8.7	8.8	9.4	9.9	10.4	10.6	33.7	40.3
YoY Change (%)	17.4	21.5	17.6	19.8	19.0	20.6	19.2	19.6	19.1	19.6
Margins (%)	30.5	31.0	31.8	32.2	31.6	32.3	33.0	33.4	31.4	32.6
Depreciation	1.9	2.0	2.1	2.0	2.1	2.1	2.2	2.2	8.1	8.5
EBIT	6.0	6.2	6.6	6.8	7.3	7.8	8.2	8.4	25.6	31.8
Interest	1.0	0.9	0.8	0.8	0.8	0.7	0.6	0.5	3.5	2.5
Other Income	0.3	0.3	-0.3	0.3	0.2	0.2	0.2	0.2	0.6	0.8
PBT after EO Expense	5.3	5.6	6.3	6.3	6.8	7.3	7.8	8.1	23.5	30.0
Tax	1.5	1.7	1.9	1.8	1.9	2.0	2.1	2.2	7.0	8.2
Rate (%)	28.8	30.9	34.6	28.8	27.8	27.4	26.5	27.2	30.7	27.2
Reported PAT	3.8	3.9	4.4	4.5	4.9	5.3	5.7	5.9	16.6	21.8
Adj PAT	3.8	3.9	3.8	4.5	4.9	5.3	5.7	5.9	15.9	21.8
YoY Change (%)	15.0	23.7	19.1	51.0	29.1	38.0	50.2	31.6	26.7	37.0
Margins (%)	14.6	14.5	14.0	16.4	16.4	17.3	18.2	18.7	14.9	17.7

E: MOFSL Estimates

Zydus Lifesciences**Neutral****CMP: INR1,074 | TP: INR1030 (-4%)****EPS CHANGE (%): FY25|26: (5.5)|(3.3)**

- US sales expected to grow 5% YoY due to gradual ramp-up of niche launches supported by Revlimid.
- Progress on scaling up Liqmeds business
- Progress on launching limited competition products in US market, including g-Vascepa, Mirabegron.
- Expect DF sales to grow by 9% YoY for the quarter due to growth in cardiac/anti-infective, supported by in-licensing deals.
- Update on the progress of development of NCE pipeline.
- Update on scale-up of the 505b2 product in US.

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
INRb	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	51.4	43.7	45.1	55.3	55.3	50.4	52.7	58.0	195.5	216.4
YoY Change (%)	29.6	9.1	5.8	10.4	7.6	15.4	17.1	4.8	13.4	10.7
EBITDA	15.3	10.6	10.8	16.3	15.3	12.3	12.6	17.5	53.0	57.8
YoY Change (%)	111.5	32.6	20.3	23.7	0.0	16.1	16.0	7.9	41.8	8.9
Margins (%)	29.8	24.4	24.0	29.4	27.7	24.5	23.8	30.2	27.1	26.7
Depreciation	1.8	1.8	1.9	2.1	2.1	1.9	1.9	2.1	7.6	7.9
EBIT	13.5	8.8	8.9	14.2	13.3	10.5	10.7	15.4	45.4	49.8
Interest	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.1	0.8	0.7
Other Income	0.4	0.5	0.4	1.6	0.6	0.5	0.5	0.5	2.8	2.0
PBT before EO Income	13.7	9.3	9.0	15.4	13.5	10.8	11.0	15.8	47.4	51.1
PBT after EO Income	13.3	10.1	9.3	15.5	13.5	10.8	11.0	15.8	48.1	51.1
Tax	2.2	2.3	2.1	3.2	3.1	2.4	2.4	3.8	9.8	11.8
Rate (%)	16.3	22.5	23.1	20.8	23.0	22.5	22.0	24.0	20.3	23.0
Reported PAT	10.9	8.0	7.7	11.8	10.4	8.3	8.6	12.0	38.4	39.2
Adj PAT	11.2	7.4	7.5	11.7	10.4	8.3	8.6	12.0	37.9	39.2
YoY Change (%)	155.4	45.7	29.6	52.1	-7.6	12.7	14.3	1.8	65.0	3.6
Margins (%)	21.8	16.9	16.7	21.2	18.7	16.5	16.3	20.6	19.4	18.1

E: MOFSL Estimates

Infrastructure

Company

G R Infraprojects

IRB Infrastructure Developers

KNR Constructions

Order inflows hit amid elections; tender pipeline robust

Project awarding to pick up from 2QFY25

- The project awarding by NHAI totaled ~2,500km, while construction reached 6,644km in FY24. Amid general elections in Jun'24, the awarding activity has remained muted in 1QFY25 and is likely to pick up from 2Q. NHAI targets to award ~5,000kms in FY25. The order pipeline continues to remain robust though.
- During 1QFY25, construction stood at ~917km, which is likely to accelerate only in 2HFY25. In FY24, NHAI completed construction of 6,644km of roads (+20% YoY), surpassing the target of 6,500km.
- A higher budgetary outlay for roads in the upcoming Union Budget should support project awarding going forward. The government's thrust on infrastructure development and improved credit availability from banks would support execution.

FASTag toll collections remain muted QoQ; asset monetization in focus

- FASTag toll collections (in volume terms) improved ~6% YoY during 1QFY25, while collections in value terms increased ~10% YoY. Higher toll collections play a crucial role in expediting the monetization of road assets by the Ministry. Additionally, it benefits companies seeking to monetize their existing toll assets.
- NHAI's primary focus is on asset monetization as a means to generate funds beyond budgetary allocations.
- In Apr'24, NHAI released an indicative list of 33 road assets that it plans to monetize in FY25 through a mix of TOT and sale to NHAI's InvIT. These assets are spread across 12 states, cumulatively spanning nearly 2,750km, with annual toll collections of ~INR50b.

Execution to be muted for our coverage universe on a YoY basis

- For our coverage universe, we expect revenue to remain flattish YoY and decline 13% QoQ. In line with execution, we expect operating profit for our coverage to be flat YoY (-9% QoQ).
- Due to weak operating performance, the aggregate net profit for our coverage universe is expected to decline 7% YoY and 23% QoQ during 1QFY25.

Softening input prices to support margins for contractors

- The steel and aluminum prices have decreased ~30% each since Apr'22. Cement prices have declined ~4% from their highs in Oct'23.
- With higher construction activities and moderating commodity prices, road contractors expect some improvements in profitability and margins in 1QFY25 and beyond.

Players with strong order book, balance sheet, and diversified operations well placed

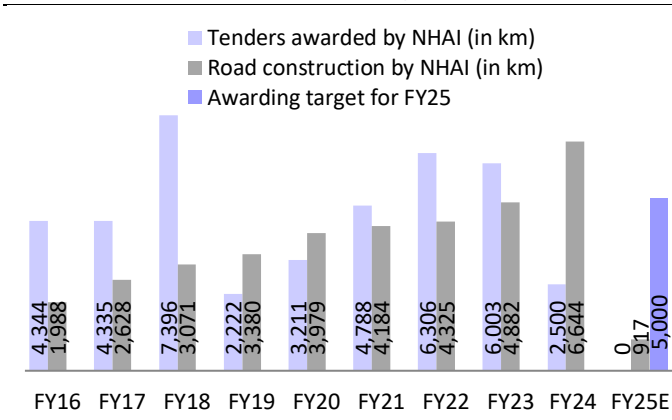
- Despite sluggishness in project awarding in FY24 and 1QFY25, there is a robust pipeline of tenders in place. Entities with substantial order backlogs, strong financial standings, and engagement across various sectors are well positioned to capitalize on NHAI's proactive approach to project allocation.

- Players with decent order books, strong balance sheets, and presence in two or more segments are well primed to capitalize on the opportunity.
- **KNRC is our preferred pick within the sector.** We like KNRC due to its favorable net cash balance sheet, which is attributed to several factors: a) the successful monetization of HAM projects, b) a solid order book, c) impressive execution abilities, and d) a strong margin profile.

Exhibit 1: Summary of the expected quarterly performance

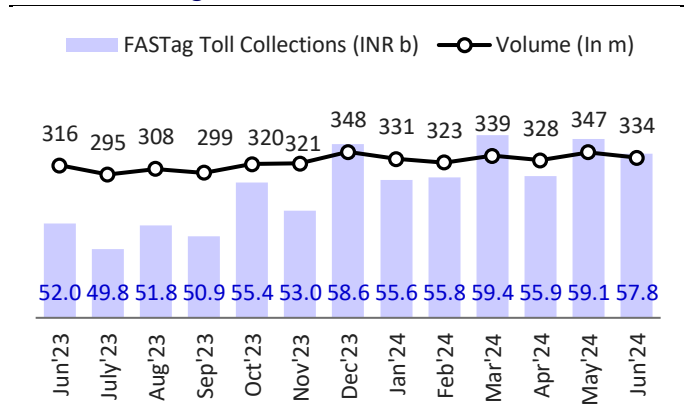
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
G R Infraproject	1721	Buy	19,542	-9.2	-9.3	2,677	-14.9	-10.5	1,846	-11.3	-17.9
IRB Infra	65	Neutral	18,273	11.8	-11.3	8,348	7.3	-6.2	1,402	4.8	-25.8
KNR Constructions	341	Buy	9,277	-0.2	-21.3	1,614	-6.8	-20.6	946	-14.2	-28.8
Infrastructure			47,093	-0.1	-12.7	12,639	-0.1	-9.2	4,193	-7.3	-23.3

Exhibit 2: Trends in NHAI's awarding and construction



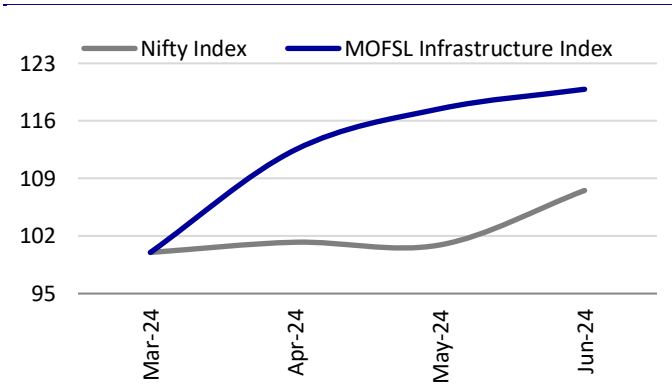
Source: NHAI, MOFSL

Exhibit 3: FASTag toll collections



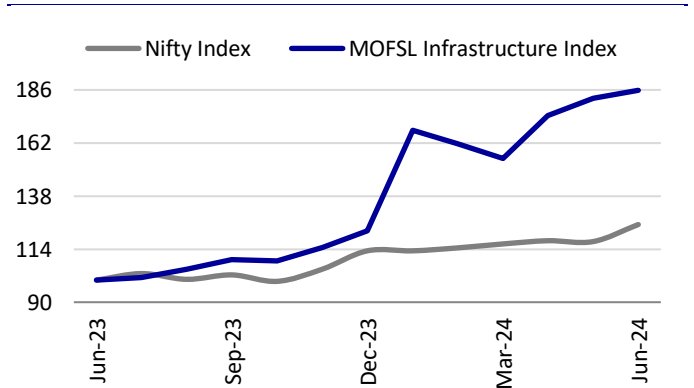
Source: NPCI, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Infrastructure						31.6	30.1	23.4	2.3	2.5	2.3	7.2	8.3	9.7
G R Infraproject	1,721	Buy	73.0	78.7	101.3	17.9	21.9	17.0	1.8	2.1	1.9	11.4	10.0	11.6
IRB Infra	65	Neutral	1.0	1.6	2.1	58.3	40.0	31.4	2.6	2.7	2.5	4.5	6.9	8.3
KNR Constructions	341	Buy	15.2	15.3	20.1	16.2	22.3	17.0	2.1	2.6	2.3	14.4	12.5	14.4

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter / financial year under review.

G R Infraprojects

Buy

CMP: INR1,721 | TP: INR1,980 (+15%)

EPS CHANGE (%): FY24|25: +5|-

- Expect revenue to decline ~9% YoY to INR19.5b in 1QFY25.
- Adjusted PAT to dip ~11% YoY to INR1.8b. Profitability will be affected by muted execution and low margins YoY.
- Expect EBITDA to be ~INR2.7b and EBITDA margin at 13.7%. Muted execution and elevated costs will continue to hurt EBITDA margin.
- Commentaries on execution and order inflows are the key monitorables.

Quarterly Performance (Standalone)

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	21,524	15,738	18,064	21,554	19,542	17,197	18,761	22,669	76,880	78,169
YoY Change (%)	(13.1)	(11.4)	(4.9)	8.0	(9.2)	9.3	3.9	5.2	(5.6)	1.7
EBITDA	3,147	1,937	2,280	2,990	2,677	2,339	2,570	3,123	10,354	10,709
Margins (%)	14.6	12.3	12.6	13.9	13.7	13.6	13.7	13.8	13.5	13.7
Depreciation	602	617	610	612	620	625	627	625	2,442	2,497
Interest	266	277	245	250	240	220	210	213	1,038	883
Other Income	511	614	578	550	650	720	740	732	2,253	2,842
PBT before EO expense	2,790	1,656	2,003	2,678	2,467	2,214	2,473	3,017	9,127	10,171
Extra-Ord expense	-	-	83	14,720	-	-	-	-	14,803	-
PBT	2,790	1,656	2,086	17,398	2,467	2,214	2,473	3,017	23,930	10,171
Tax	710	423	532	2,490	622	557	622	759	4,155	2,560
Rate (%)	25.4	25.6	25.5	14.3	25.2	25.2	25.2	25.2	17.4	25.2
Reported PAT	2,080	1,233	1,554	14,908	1,846	1,657	1,851	2,258	19,774	7,611
Adj PAT	2,080	1,233	1,492	2,249	1,846	1,657	1,851	2,258	7,054	7,611
YoY Change (%)	(35.2)	(25.0)	(14.4)	17.0	(11.3)	34.4	24.1	0.4	(17.2)	7.9
Margins (%)	9.7	7.8	8.3	10.4	9.4	9.6	9.9	10.0	9.2	9.7

IRB Infrastructure Developers

Neutral

CMP: INR65 | TP: INR61 (-6%)

EPS CHANGE (%): FY25|26: -|-

- Expect ~16% YoY growth in construction revenue.
- Adjusted PAT to be INR1.4b (+5% YoY); higher construction revenue and toll to support APAT
- Expect operating margin at 45.7% (+250bp QoQ).
- New order win in the construction segment is a key monitorable.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	16,342	17,450	19,685	20,612	18,273	19,829	22,063	22,665	74,090	82,830
YoY Change (%)	(15.1)	29.9	30.0	27.2	11.8	13.6	12.1	10.0	15.7	11.8
EBITDA	7,778	7,946	8,695	8,899	8,348	8,735	9,661	10,989	33,318	37,733
Margins (%)	47.6	45.5	44.2	43.2	45.7	44.1	43.8	48.5	45.0	45.6
Depreciation	2,367	2,327	2,513	2,742	2,400	2,450	2,555	2,601	9,949	10,006
Interest	3,815	4,346	4,327	6,145	4,300	4,200	4,000	4,280	18,633	16,780
Other Income	1,112	1,295	1,088	4,433	1,200	1,000	1,150	1,288	7,928	4,638
PBT	2,709	2,569	2,942	4,443	2,848	3,085	4,256	5,396	12,663	15,586
Tax	836	858	561	1,201	746	808	1,183	1,505	3,456	4,243
Rate (%)	30.9	33.4	19.1	27.0	26.2	26.2	27.8	27.9	27.3	27.2
Share of profit in Associates	(535)	(753)	(507)	(1,353)	(700)	(350)	(280)	(244)	(3,148)	(1,574)
Reported PAT	1,338	958	1,874	1,889	1,402	1,927	2,793	3,647	6,058	9,769
Adj PAT	1,338	958	1,874	1,889	1,402	1,927	2,793	3,647	6,058	9,769
YoY Change (%)	(63.2)	12.2	32.6	45.0	4.8	101.2	49.0	93.1	(15.9)	61.2
Margins (%)	8.2	5.5	9.5	9.2	7.7	9.7	12.7	16.1	8.2	11.8

KNR Constructions**Buy**

CMP: INR341 | TP: INR400 (+17%)

EPS CHANGE (%): FY24|25: -|-

- Expect revenue of INR9.3b (flat YoY) during the quarter.
- Expect adjusted PAT of INR946m (-14% YoY).
- Expect EBITDA of INR1.6b in 1Q; anticipate operating margin to contract 120bp YoY due to muted execution and high operating costs.
- New order wins and updates on irrigation receivables are the key monitorables.

Quarterly performance -Standalone

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	9,296	9,415	9,054	11,793	9,277	9,681	10,084	11,294	39,558	40,336
YoY Change (%)	4.4	11.1	9.1	0.3	-0.2	2.8	11.4	-4.2	5.7	2.0
EBITDA	1,733	1,663	1,473	2,033	1,614	1,713	1,795	2,017	6,902	7,580
Margins (%)	18.6	17.7	16.3	17.2	17.4	17.7	17.8	17.9	17.4	18.8
Depreciation	283	311	325	326	330	338	340	355	1,245	1,363
Interest	50	58	72	113	80	65	70	67	293	282
Other Income	71	50	60	147	60	65	55	62	328	242
PBT before EO expense	1,470	1,344	1,136	1,741	1,264	1,375	1,440	1,656	5,692	5,736
Extra-Ord expense	0	0	0	654	0	0	0	0	654	0
Tax	367	346	281	414	319	346	362	417	1,407	1,444
Rate (%)	25.0	25.7	24.7	23.8	25.2	25.2	25.2	25.2	24.7	23.4
Reported PAT	1,103	999	855	1,982	946	1,029	1,078	1,239	4,938	4,292
Adj PAT	1,103	999	855	1,328	946	1,029	1,078	1,239	4,284	4,292
YoY Change (%)	9.4	-7.2	10.1	3.2	-14.2	3.1	26.0	-6.7	3.3	0.2
Margins (%)	11.9	10.6	9.4	11.3	10.2	10.6	10.7	11.0	10.8	10.6

Logistics

Company

Adani Ports & SEZ
Blue Dart Express
Container Corporation of India
JSW Infrastructure
Mahindra Logistics
TCI Express
Transport Corporation of India
VRL Logistics

Logistics activity remains muted in 1QFY25 amid elections

Margins to be flat YoY

Daily average e-way bill generation rises; port volumes remain muted YoY

- Logistics activity remained subdued in the 1QFY25, primarily due to the general elections. Further, high operating expenses, such as high fuel prices and increased toll charges, kept transportation costs elevated.
- The daily average e-way bill generation increased ~16% YoY during Apr-May'24. Fleet utilization stood at 80-85%. The daily average FASTag toll collections rose ~10% YoY during 1QFY25.
- Port volumes grew 4% YoY to 139.3MT during Apr-May'24.

Freight rates remain elevated amid high cost of operations and higher Brent

- Due to consistently high operational expenses and increased retail fuel costs, freight rates have remained elevated. Fleet operators face rising costs from diesel, truck expenses, and compliance such as GST and e-way bills.
- With a marginal increase in volumes and stable diesel prices, organized players are likely to experience flattish margins sequentially.

Road logistics activity remains muted amid general election; ports activity remains flattish sequentially

- We expect our coverage universe (excluding APSEZ and JSWINFRA) to report a sales growth of 11% YoY (-2% QoQ), EBITDA growth of 18% YoY (+3% QoQ), and PAT growth of 24% YoY (+7% QoQ) in 1QFY25.
- In 1QFY25, APSEZ posted a volume of 109MMT (+7% YoY). Due to a strike at the Gangavaram port during Apr-May'24, cargo volumes were hit. However, volumes returned to normal levels in Jun'24. With the ramp-up of existing and newly acquired ports, APSEZ would achieve 470MMT (+12% YoY) of volumes in FY25.
- Container Corporation of India Ltd (CONCOR) is expected to report ~10% volume growth driven by a 15% YoY growth in domestic volumes. On the contrary, EXIM volumes are likely to grow at a slower pace of ~8% YoY in 1QFY25. Margins are also expected to improve YoY and QoQ, as management has guided for lower LLF expenses of ~INR1b in FY25 (under the Gati Shakti scheme).
- Amid general elections in 1Q, the general economic activity was relatively slow, and we expect freight/supply chain/seaways segments of Transport Corporation of India Ltd (TRPC) to clock revenue growth of 7%/10%/5% in 1QFY25. We estimate TRPC to report ~9% YoY sales growth during the quarter.

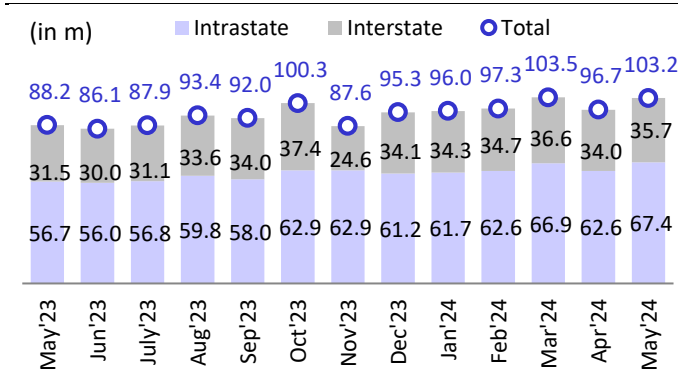
Organized and integrated service providers likely to gain market share

- The industry trend is shifting towards integrated supply-chain services and sophisticated solutions (such as inventory optimization and data analytics) from standalone offerings such as transportation and warehousing.
- The logistics sector's outlook remains robust, propelled by government-driven reforms, changing industry preferences, and the rise of new business sectors such as e-commerce and network services.

Exhibit 1: Summary of the expected quarterly performance

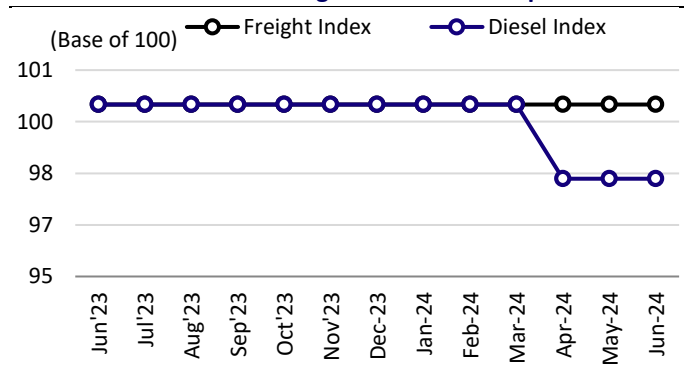
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Adani Ports	1474	Buy	71,624	14.6	3.9	42,043	12.0	4.0	23,305	13.8	1.7
Blue Dart Express	8222	Buy	13,633	10.2	3.1	1,505	32.8	7.9	837	40.0	10.0
Concor	1026	Buy	22,197	15.6	-4.2	5,127	30.9	4.9	3,256	33.4	10.5
JSW Infra	350	Buy	10,360	18.0	-5.5	5,574	23.5	-4.1	3,310	29.5	-11.5
Mahindra Logistics	545	Neutral	14,436	11.6	-0.5	650	-2.5	14.8	19	LP	LP
TCl Express	1257	Buy	3,140	3.0	-1.0	447	-3.6	-0.3	310	-4.2	-1.9
Transport Corp.	944	Buy	10,331	8.8	-4.2	1,068	6.0	-2.4	880	6.9	-15.8
VRL Logistics	575	Buy	7,114	5.5	-7.4	925	-9.2	-12.2	202	-40.4	-6.2
Logistics			1,52,836	13.2	0.2	57,339	14.1	3.0	32,118	16.9	0.9

Exhibit 2: E-way bill generation trend



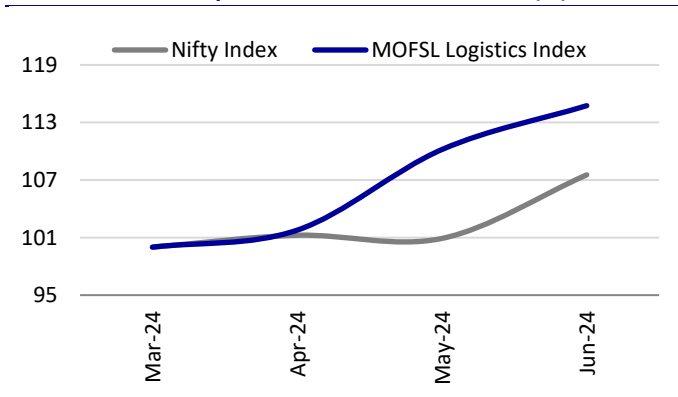
Source: GSTN, MOFSL

Exhibit 3: Movement in freight rates vs. diesel prices



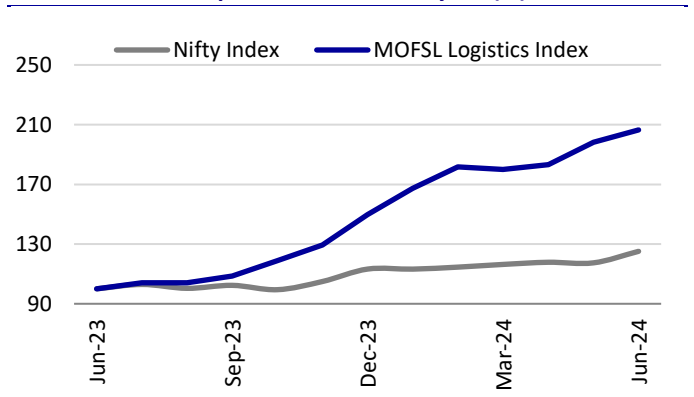
Source: IFTRT, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Logistics						35.2	33.5	27.0	5.5	5.5	4.7	15.5	16.3	17.4
Adani Ports	1,474	Buy	41.3	49.1	58.5	32.5	30.0	25.2	5.5	5.1	4.4	18.1	18.5	18.8
Blue Dart Express	8,222	Buy	121.6	167.7	233.3	50.8	49.0	35.2	10.2	11.5	9.3	21.4	25.4	29.1
Concor	1,026	Buy	20.3	25.8	33.9	43.4	39.8	30.3	4.6	4.9	4.5	10.7	12.8	15.6
JSW Infra	350	Buy	5.8	6.7	9.5	42.4	51.8	36.7	6.3	8.1	6.9	19.8	16.5	20.3
Mahindra Logistics	545	Neutral	-8.2	6.3	16.8	-50.0	87.0	32.5	5.9	7.5	6.3	-11.0	8.7	20.6
TCl Express	1,257	Buy	34.4	38.3	44.6	29.8	32.8	28.2	5.6	5.9	5.0	20.3	19.3	19.2
Transport Corp.	944	Buy	45.8	50.9	62.9	17.6	18.5	15.0	3.1	3.1	2.6	18.7	17.7	18.4
VRL Logistics	575	Buy	10.1	15.4	23.1	53.9	37.4	24.9	5.1	5.1	4.6	9.2	13.9	19.4

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter / financial year under review.

Adani Ports & SEZ

Buy

CMP: INR1,474 | TP: INR1,750 (+19%)

EPS CHANGE (%): FY24|25: -|-

- Expect revenue to jump ~15% YoY to INR71.6b, driven by 7% YoY growth in port volumes.
- Expect adjusted PAT to be at INR23.3b (+14% YoY)
- Expect EBITDA at INR42b; EBITDA margin to remain flat QoQ.
- Improvements in utilization at the existing and recently acquired ports and growth in the logistics business remain the key monitorables.

Quarterly Snapshot - Consolidated

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	62,476	66,464	69,201	68,965	71,624	76,265	79,956	79,901	2,67,106	3,07,745
YoY Change (%)	23.5	27.6	44.6	19.0	14.6	14.7	15.5	15.9	28.1	15.2
EBITDA	37,537	38,805	41,860	40,439	42,043	44,996	47,494	47,979	1,58,639	1,82,513
Margins (%)	60.1	58.4	60.5	58.6	58.7	59.0	59.4	60.0	59.4	59.3
Depreciation	9,496	9,745	9,853	9,791	9,800	9,900	10,000	10,230	38,885	39,930
Interest	7,061	7,153	6,864	6,766	6,800	6,750	6,550	6,574	27,844	26,674
Other Income	3,837	3,055	5,069	3,034	3,700	3,900	4,000	4,144	14,994	15,744
PBT before EO expense	24,816	24,962	30,211	26,916	29,143	32,246	34,944	35,320	1,06,905	1,31,653
Extra-Ord expense	-844	213	1,822	3,159	0	0	0	0	4,351	0
PBT	25,660	24,749	28,389	23,757	29,143	32,246	34,944	35,320	1,02,554	1,31,653
Tax	3,714	7,591	5,331	3,262	5,829	6,127	6,814	6,774	19,897	25,543
Rate (%)	14.5	30.7	18.8	13.7	20.0	19.0	19.5	19.2	19.4	19.4
MI and Associates	799	-320	973	99	10	-11	-18	-14	1,550	-33
Reported PAT	21,147	17,479	22,084	20,397	23,305	26,130	28,148	28,560	81,106	1,06,143
Adj PAT	20,472	22,200	23,542	22,924	23,305	26,130	28,148	28,560	89,138	1,06,143
YoY Change (%)	-2.6	15.2	51.0	11.0	13.8	17.7	19.6	24.6	16.5	19.1

Blue Dart Express

Buy

CMP: INR8,222 | TP: INR9,500 (+15%)

EPS CHANGE (%): FY24|25: -|-

- Expect revenue to increase ~10% YoY to INR13.6b in 1QFY25.
- Expect adjusted PAT to rise ~40% YoY to INR837m.
- Expect EBITDA to be INR1.5b. EBITDA margin to improve 50bp QoQ due to better capacity utilization of the two newly added aircraft.
- Volume growth in the air and surface express segments and movement in ATF prices are the key monitorables.

Quarterly snapshot - Standalone

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	12,376	13,245	13,829	13,229	13,633	14,870	15,984	15,197	52,678	59,685
YoY Change (%)	-4.3	-0.1	3.4	8.7	10.2	12.3	15.6	14.9	1.8	13.3
EBITDA	1,133	1,305	1,343	1,394	1,505	1,701	1,892	1,751	5,175	6,848
Margins (%)	9.2	9.9	9.7	10.5	11.0	11.4	11.8	11.5	9.8	11.5
YoY Change (%)	-40.6	-19.8	-10.8	8.7	32.8	16.1	40.9	25.6	-18.2	32.3
Depreciation	444	456	473	500	501	505	507	511	1,873	2,024
Interest	45	48	47	53	70	63	65	61	193	259
Other Income	157	151	228	183	185	184	192	193	718	754
PBT before EO expense	801	952	1,050	1,024	1,119	1,317	1,512	1,372	3,828	5,320
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	801	952	1,050	1,024	1,119	1,317	1,512	1,372	3,828	5,320
Tax	204	240	235	263	282	332	381	346	942	1,341
Rate (%)	25.4	25.2	22.4	25.7	25.2	25.2	25.2	25.2	24.6	25.2
Reported PAT	598	713	816	761	837	985	1,131	1,027	2,886	3,979
Adj PAT	598	713	816	761	837	985	1,131	1,027	2,886	3,979
YoY Change (%)	-49.0	-22.5	-6.2	8.1	40.0	38.1	38.7	35.0	-21.2	37.9
Margins (%)	4.8	5.4	5.9	5.7	6.1	6.6	7.1	6.8	5.5	6.7

Container Corp. of India (CONCOR)**Buy****CMP: INR1026 | TP: INR1,220 (+19%)****EPS CHANGE (%): FY24|25: -6| -3**

- Expect volumes to rise ~10% YoY.
- EBITDA margin to improve 270bp YoY to 23.1% supported by higher volumes.
- Adj. PAT to increase to ~INR3.3b (+33% YoY) aided by higher volumes and lower LLF growth.
- Expect EXIM/domestic volumes to grow ~8%/15% YoY.
- Growth in EXIM trade, progress on commissioning of the DFC, and divestment of stake by the government are the key monitorables.

Standalone quarterly snapshot

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	19,193	21,904	22,051	23,176	22,197	25,500	25,779	26,521	86,325	99,997
YoY Change (%)	-3.0	11.1	10.9	7.0	15.6	16.4	16.9	14.4	6.5	15.8
EBITDA	3,916	5,373	5,117	4,890	5,127	6,051	6,210	6,686	19,296	24,075
Margins (%)	20.4	24.5	23.2	21.1	23.1	23.7	24.1	25.2	22.4	24.1
YoY Change (%)	-17.1	7.7	20.0	10.0	30.9	12.6	21.4	36.7	4.8	24.8
Depreciation	1,378	1,486	1,543	1,603	1,580	1,600	1,620	1,633	6,009	6,433
Interest	141	147	175	190	145	150	160	145	653	600
Other Income	815	1,025	1,007	937	950	1,050	1,007	976	3,783	3,983
PBT before EO expense	3,212	4,764	4,406	4,034	4,352	5,351	5,437	5,884	16,416	21,025
Extra-Ord expense	0	0	0	71	0	0	0	0	-71	0
PBT	3,212	4,764	4,406	3,963	4,352	5,351	5,437	5,884	16,488	21,025
Tax	771	1,187	1,062	1,017	1,097	1,349	1,370	1,483	4,037	5,298
Rate (%)	24.0	24.9	24.1	25.7	25.2	25.2	25.2	25.2	24.5	25.2
Reported PAT	2,441	3,577	3,344	2,945	3,256	4,003	4,067	4,401	12,451	15,726
Adj PAT	2,441	3,577	3,344	2,945	3,256	4,003	4,067	4,401	12,379	15,726
YoY Change (%)	-16.2	18.1	12.8	5.8	33.4	11.9	21.6	49.4	5.8	27.0
Margins (%)	12.7	16.3	15.2	12.7	14.7	15.7	15.8	16.6	14.3	15.7

JSW Infrastructure**Buy****CMP: INR350 | TP: INR410 (+17%)****EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to increase ~18% YoY to INR10.4b driven by volume growth.
- Expect adjusted PAT to be INR3.3b (+27% YoY)
- Expect EBITDA at INR5.6b; EBITDA margin to improve 240bp YoY driven by strong volume growth
- Improvement in utilization at the existing and the recently acquired ports remains the key monitorable.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	8,781	8,483	9,401	10,964	10,360	10,080	10,800	12,615	37,629	43,855
YoY Change (%)	7.1	28.1	17.8	19.8	18.0	18.8	14.9	15.1	17.8	16.5
EBITDA	4,513	4,522	4,799	5,812	5,574	5,448	5,832	6,745	19,646	23,599
Margins (%)	51.4	53.3	51.0	53.0	53.8	54.1	54.0	53.5	52.2	53.8
YoY Change (%)	4.7	32.6	27.5	23.2	23.5	20.5	21.5	16.1	21.3	20.1
Depreciation	947	1,005	1,076	1,337	1,370	1,420	1,425	1,419	4,365	5,634
Interest	714	752	672	754	750	730	715	709	2,892	2,904
Other Income	401	472	782	1,039	700	680	630	687	2,694	2,697
PBT before EO expense	3,253	3,237	3,834	4,760	4,154	3,978	4,322	5,303	15,083	17,757
Extra-Ord expense	-872	-45	763	587	0	0	0	0	433	0
PBT	4,125	3,282	3,071	4,174	4,154	3,978	4,322	5,303	14,650	17,757
Tax	903	723	535	883	831	796	864	1,061	3,043	3,551
Rate (%)	21.9	22.0	17.4	21.2	20.0	20.0	20.0	20.0	20.8	20.0
Minority Interest	-13.1	-14.7	-29.1	9.3	-13.1	-14.7	-29.1	9.1	-47.8	-47.8
Profit/Loss of Asso. Cos	0	0	0	0	0	0	0	0	0	0
Reported PAT	3,209	2,544	2,507	3,300	3,310	3,168	3,429	4,252	11,559	14,158
Adj PAT	2,555	2,510	3,079	3,740	3,310	3,168	3,429	4,252	11,884	14,158
Margins (%)	29.1	29.6	32.7	34.1	31.9	31.4	31.7	33.7	31.6	32.3

Mahindra Logistics**Neutral****CMP: INR545 | TP: INR510 (-6%)****EPS CHANGE (%): FY24|25: -1|-7**

- Expect revenue to rise ~12% YoY to INR14.4b.
- Expect Adj. PAT of INR19m, as express parcel B2B business volumes (Rivigo) pick up.
- Expect EBITDA to be INR650m (-2.5% YoY); however, we project a sequential margin improvement of 60bp.
- Operating profitability in the Rivigo business, and outlook on MM's auto segment sales to be the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	12,932	13,648	13,972	14,508	14,436	15,652	16,174	16,793	55,060	63,056
YoY Change (%)	7.8	2.9	5.1	14.0	11.6	14.7	15.8	15.8	7.4	14.5
EBITDA	666	536	522	566	650	783	857	887	2,290	3,177
Margins (%)	5.2	3.9	3.7	3.9	4.5	5.0	5.3	5.3	4.2	5.0
YoY Change (%)	1.4	-20.7	-16.8	-11.2	-2.5	46.1	64.1	56.8	-11.8	38.7
Depreciation	545	518	515	513	525	535	570	577	2,090	2,207
Interest	178	165	164	174	140	155	130	145	682	570
Other Income	62	66	23	29	38	40	60	54	179	192
PBT before EO Items	6	-82	-134	-92	23	133	217	219	-302	591
Extra-Ord expense	0	0	-38	0	0	0	0	0	38	0
PBT	6	-82	-96	-92	23	133	217	219	-340	591
Tax	89	73	68	27	6	33	55	55	257	149
Rate (%)	1,556.1	-89.2	-71.4	-29.2	25.2	25.2	25.2	25.1	-75.5	25.2
PAT before MI, Associates	-83	-155	-164	-119	17	99	162	164	-597	442
Share of associates/ Minority Interest	-3	-5	-10	-9	2	1	1	2	-27	6
Reported PAT	-86	-159	-174	-128	19	100	163	166	-624	448
Adj PAT	-86	-159	-212	-128	19	100	163	166	-586	448
YoY Change (%)	NA	PL	PL	NA	NA	NA	NA	NA	NA	NA
Margins (%)	-0.7	-1.2	-1.5	-0.9	0.1	0.6	1.0	1.0	-1.1	0.7

Transport Corporation of India**Buy****CMP: INR944 | TP: INR1,090 (+15%)****EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to improve ~9% YoY to INR10.3b propelled by 10% YoY growth in the supply chain segment.
- Expect adjusted PAT to be INR880m (+7% YoY) in 1QFY25.
- Expect EBITDA at INR1.1b (+6% YoY) and EBITDA margin at 10.3% (-30bp YoY) due to the muted freight and seaways activities amid elections.
- Volume growth in the freight business and margin in the seaways business are the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	9,498	9,935	10,020	10,789	10,331	11,211	11,459	12,081	40,242	45,082
YoY Change (%)	5.2	6.6	3.7	10.2	8.8	12.8	14.4	12.0	6.4	12.0
EBITDA	1,008	1,004	999	1,094	1,068	1,215	1,265	1,300	4,105	4,848
Margins (%)	10.6	10.1	10.0	10.1	10.3	10.8	11.0	10.8	10.2	10.8
YoY Change (%)	-3.1	4.6	-12.7	1.2	6.0	21.0	26.6	18.8	-3.2	18.1
Depreciation	308	311	331	334	340	370	380	381	1,284	1,471
Interest	23	34	35	41	40	33	35	32	133	140
Other Income	85	113	95	165	120	130	125	129	458	504
PBT before EO expense	762	772	728	884	808	942	975	1,015	3,146	3,741
Extra-Ord expense	0	0	0	24	0	0	0	0	24	0
PBT	762	772	728	860	808	942	975	1,015	3,122	3,741
Tax	104	96	108	28	109	132	132	151	336	524
Rate (%)	13.6	12.4	14.8	3.3	13.5	14.0	13.5	14.9	10.8	14.0
Minority Interest	-9.0	-8.0	-8.0	-12.0	-9.0	-5.0	-7.0	-9.0	-37.0	-30.0
Profit/Loss of Asso. Cos	174	202	182	201	190	200	180	170	759	740
Reported PAT	823	870	794	1,021	880	1,005	1,016	1,025	3,508	3,927
Adj PAT	823	870	794	1,045	880	1,005	1,016	1,025	3,532	3,927
YoY Change (%)	5.8	20.3	-7.4	23.2	6.9	15.6	28.0	-1.9	10.1	11.2
Margins (%)	8.7	8.8	7.9	9.7	8.5	9.0	8.9	8.5	8.8	8.7

TCI Express**Buy****CMP: INR1,257 | TP: INR1,450 (+15%)****EPS CHANGE (%): FY24|25: -2|-8**

- Expect revenue to increase 3% YoY to ~INR3.1b.
- Expect Adj. PAT to grow to INR310m (-4% YoY)
- Expect EBITDA at INR447m; margin to contract 100bp YoY due to weak volume growth amid general elections.
- Outlook on the B2B express segment and competitive scenario are the key monitorables.

Quarterly snapshot

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	3,049	3,200	3,119	3,171	3,140	3,523	3,516	3,498	12,538	13,677
YoY Change (%)	5.0	3.3	-0.8	-2.8	3.0	10.1	12.8	10.3	1.0	9.1
EBITDA	464	505	456	448	447	553	559	556	1,872	2,115
Margins (%)	15.2	15.8	14.6	14.1	14.2	15.7	15.9	15.9	14.9	15.5
YoY Change (%)	8.4	-2.0	-1.1	-17.2	-3.6	9.6	22.6	24.1	-3.7	13.0
Depreciation	46	47	48	49	52	55	53	55	190	215
Interest	4	4	3	4	3	4	5	2	15	14
Other Income	15	18	20	19	22	15	19	21	72	77
PBT before EO expense	429	472	424	415	414	509	520	520	1,740	1,963
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	429	472	424	415	414	509	520	520	1,740	1,963
Tax	105	116	103	99	104	128	131	131	423	495
Rate (%)	24.6	24.5	24.2	23.9	25.2	25.2	25.2	25.2	24.3	25.2
Reported PAT	323	356	322	316	310	381	389	389	1,317	1,468
Adj PAT	323	356	322	316	310	381	389	389	1,317	1,468
YoY Change (%)	4.3	-5.8	0.5	-17.8	-4.2	6.9	20.8	23.1	-5.4	11.5
Margins (%)	10.6	11.1	10.3	10.0	9.9	10.8	11.1	11.1	10.5	10.7

VRL Logistics**Buy****CMP: INR575 | TP: INR670 (+17%)****EPS CHANGE (%): FY24|25: -5|-4**

- Expect revenue to increase ~6% YoY to INR7.1b driven by a 6% YoY growth in volumes
- Expect adjusted PAT to be INR202m (-40% YoY)
- Expect EBITDA to be ~INR925m; margin to contract 70bp QoQ due to low volumes amid general elections and high operational costs
- Addition of fleet, branch expansions, and volume growth are the key monitorables.

Quarterly performance

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	6,742	7,093	7,367	7,684	7,114	7,933	8,407	8,755	28,886	32,208
YoY Change (%)	9.7	8.4	8.1	10.1	5.5	11.8	14.1	13.9	9.1	11.5
EBITDA	1,019	918	944	1,053	925	1,103	1,194	1,296	3,935	4,518
Margins (%)	15.1	12.9	12.8	13.7	13.0	13.9	14.2	14.8	13.6	14.0
YoY Change (%)	11.7	-1.3	-8.6	-7.7	-9.2	20.1	26.5	23.0	-2.0	14.8
Depreciation	489	522	568	583	550	575	570	567	2,162	2,262
Interest	163	185	213	218	170	180	175	188	779	713
Other Income	89	60	24	38	65	70	55	63	211	253
PBT before EO expense	456	271	187	291	270	418	504	603	1,205	1,796
Extra-Ord expense	0	-3	0	0	0	0	0	0	-3	0
PBT	456	274	187	291	270	418	504	603	1,208	1,796
Tax	117	77	50	76	68	105	127	152	319	453
Rate (%)	25.6	28.0	26.9	26.0	25.2	25.2	25.2	25.2	26.4	25.2
Reported PAT	339	197	137	215	202	313	377	451	889	1,344
Adj PAT	339	194	137	215	202	313	377	451	886	1,344
YoY Change (%)	-7.5	-36.7	-63.7	-64.7	-40.4	60.9	175.4	109.5	-46.7	51.7
Margins (%)	5.0	2.7	1.9	2.8	2.8	3.9	4.5	5.2	3.1	4.2

Metals

Company

Coal India

Hindalco Industries

Hindustan Zinc

Jindal Steel & Power

JSW Steel

NMDC

National Aluminum Co.

Steel Authority of India

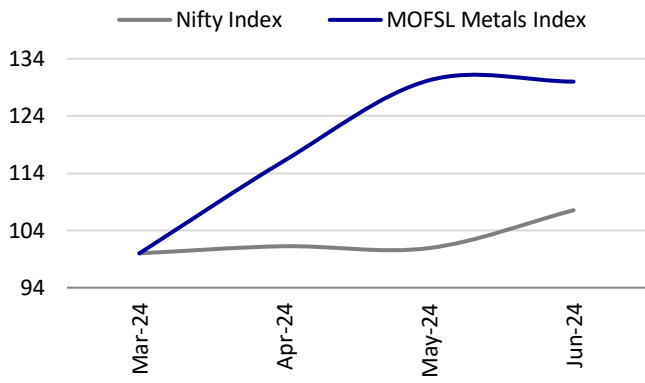
Tata Steel

Vedanta

Steel prices range-bound; lower coal costs to support earnings performance

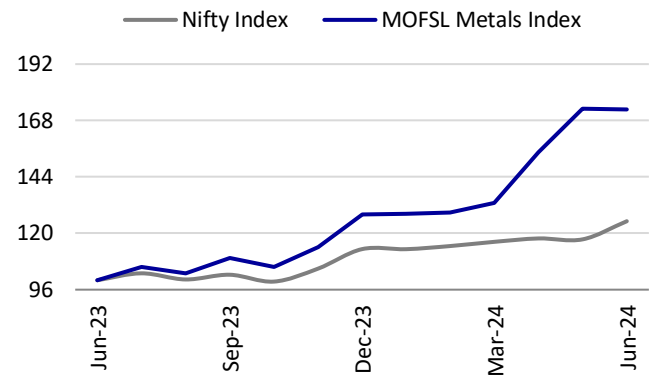
- Companies in our coverage universe are expected to post 3% growth in revenue, 11% growth in EBITDA, and 12% growth in APAT in 1QFY25 on a YoY basis. On a QoQ basis, we expect revenues to be flat and EBITDA/APAT growth of 3%/5%. The QoQ performance can be attributed to marginal improvement in realizations and lower coal costs, offset by softer volumes and high iron ore costs. We expect the ferrous and non-ferrous sectors to show QoQ earnings improvement. Mining companies are expected to report subdued growth due to weak volumes.
- In 1QFY25, average domestic HRC prices remained flat QoQ at INR53,630/t (down 7% YoY). Primary rebar prices increased 10% QoQ (flat YoY) to INR56,957/t. CRC prices remained flat QoQ and YoY at INR60,869/t. International iron ore prices declined 10% QoQ to USD112/t (flat YoY). Prices of NMDC fines were up 3% QoQ and 36% YoY. NMDC Lumps prices were up 7% QoQ and 54% YoY. NMDC cut prices by INR500/t in Jun'24 end, and its impact would be seen in 2QFY25.
- Premium HCC prices declined by ~USD70/t (down 21% QoQ) to USD260/t. As Tier-I mills carry nearly two months of coal inventory, they are likely to see the benefits of lower coking coal prices in 1QFY25.
- Tier-I mills continue to focus on the domestic market amid an expected uptick in construction activity. Exports have increased, which should support realizations.
- HRC and rebar prices, which are currently hovering below INR53,630/t and INR56,950/t, respectively, are expected to improve, driven by the resumption of exports and an expected uptick in domestic demand post elections.
- We reiterate our **BUY rating** on **HNDL, COAL, NMDC, and JSTL**.
- Ferrous:** We expect the steel sector to report a marginally better performance due to lower costs resulting from a decline in coal prices, partially offset by elevated iron ore prices. Volumes are expected to be soft on a QoQ basis during the seasonally weak quarter. Prices of key input raw materials, especially coking coal, currently stand at USD275/t.
- Non-ferrous:** Prices of non-ferrous commodities improved during the quarter. Copper/aluminum/zinc/nickel/lead were up by 15%/14%/15%/11% QoQ at USD9,745/USD2,517/USD2,830/USD18,454/USD2,164 per ton.
- Non-ferrous companies under our coverage are expected to post flat revenue growth on a QoQ basis. EBITDA/APAT are expected to increase 6%/16%, driven by better performances by HNDL and VEDL.
- Mining:** The e-auction premium for COAL, which was 66% in 4QFY24, is expected to be around 60% in 1QFY25. The e-auction premium, which improved in 3QFY24, has since softened due to increased supplies through the e-auction route by COAL. In 1QFY25, COAL production rose 8% YoY, while dispatches grew 5.5% YoY.
- NMDC cut prices in the later part of 1QFY25 by ~INR500/t. It closed 1QFY25 with a production of 9.2mt (-14% YoY).

Exhibit 1: Relative performance – three months (%)



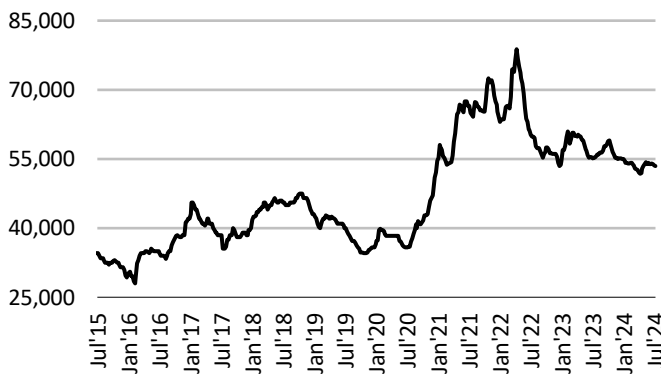
Sources: MOFSL, Bloomberg

Exhibit 2: Relative performance – one year (%)



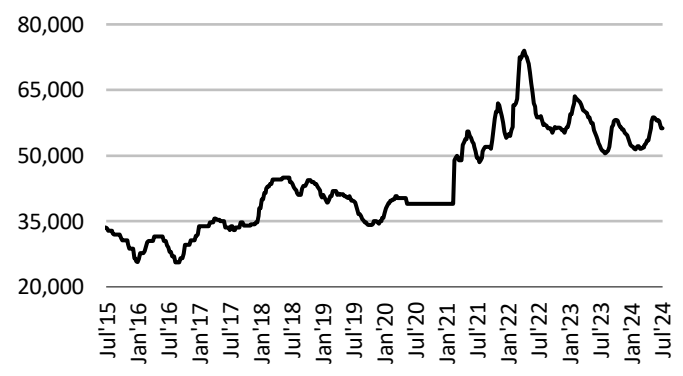
Sources: MOFSL, Bloomberg

Exhibit 3: Domestic HRC prices flattish in 1Q



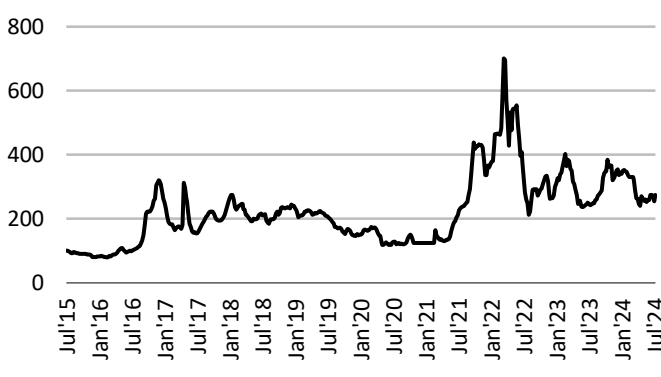
Source: MOFSL, Steelmint

Exhibit 4: Primary Rebar prices rose 10% QoQ in 1Q



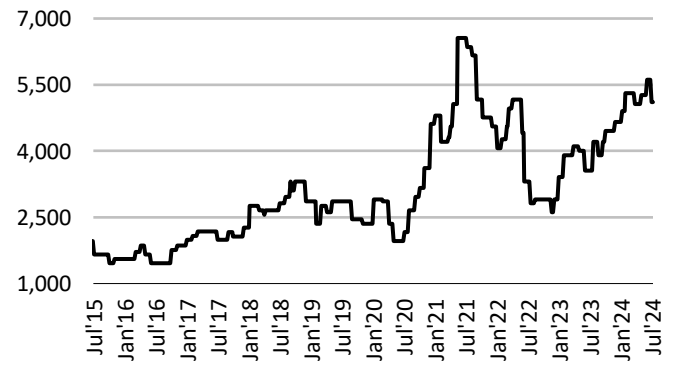
Source: MOFSL, Steelmint

Exhibit 5: Coking coal prices remain range-bound at ~USD250/t during 1Q



Source: MOFSL, Steelmint

Exhibit 6: NMDC took consecutive price hike during Apr-May before the recent price cut in Jun'24



Source: MOFSL, Steelmint

Exhibit 7: Key assumptions (all amounts in INR b, except for volumes and per ton)

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	QoQ	YoY
JSW Steel										
Sales - mt	5.7	5.7	6.5	5.7	6.4	6.0	6.7	6.1	-9.1	7.1
Realization/t	72,784	68,536	71,917	73,928	69,772	69,900	68,750	68,930	0.3	-6.8
EBITDA/t	3,052	7,963	12,158	12,340	12,341	11,967	9,100	10,348	13.7	-16.1
Consol Revenue	418	391	470	422	446	419	463	422	-8.9	-0.1
Consol EBITDA	18	45	79	70	79	72	61	63	3.3	-10.2
Consol PAT	-14	5	37	23	31	23	13	14	11.0	-38.3
Tata Steel										
Standalone										
Sales - mt	4.9	4.6	5.2	4.8	4.8	4.9	5.4	4.9	-9.0	3.0
Realization/t	70,556	73,920	73,880	74,083	70,924	71,069	67,592	68,815	1.8	-7.1
EBITDA/t	9,503	11,189	16,806	13,924	14,248	16,905	14,846	13,416	-9.6	-3.7
Revenue	346	339	380	355	342	347	366	340	-7.3	-4.3
EBITDA	47	51	87	67	69	82	80	66	-17.7	-0.8
PAT	22	24	49	46	45	46	47	36	-22.9	-21.9
Consolidated										
Sales - mt	7.2	7.2	7.8	7.2	7.1	7.2	8.0	7.8	-2.3	8.3
Realization/t	82,818	79,837	80,927	82,625	78,758	77,359	73,543	74,406	1.2	-9.9
EBITDA/t	8,382	5,661	9,279	7,186	6,037	8,760	8,271	7,639	-7.6	6.3
Consol Revenue	599	571	630	595	557	553	587	580	-1.1	-2.5
Consol EBITDA	61	40	72	52	43	63	66	60	-9.7	15.1
Consol PAT	15	-24	17	6	7	8	12	11	-7.7	79.4
TSE										
Sales - mt	1.9	2.0	2.2	2.0	2.0	1.9	2.1	2.2	3.8	10.6
Revenue	216	207	220	213	202	192	207	226	9.2	6.0
EBITDA	18	-16	-16	-16	-25	-29	-7	-5	NA	NA
EBITDA/t (USD)	123	-95	-91	-98	-155	-175	-38	-26	NA	NA
SAIL										
Sales - mt	4.2	4.2	4.7	3.9	4.8	3.8	4.6	4.4	-3.9	12.9
Realization/t	62,328	60,328	62,232	62,717	58,256	61,444	57,554	58,554	1.7	-6.6
EBITDA/t	1,746	5,007	6,247	4,245	4,429	5,638	3,879	5,608	44.6	32.1
Consol Revenue	262	250	291	244	280	233	262	257	-2.2	5.4
Consol EBITDA	7	21	29	16	21	21	18	25	39.0	49.1
Consol PAT	-3	2	12	2	3	4	2	6	256.2	202.7
JSP										
Sales (mt)	2.0	1.9	2.0	1.8	2.0	1.8	2.0	2.0	0.7	10.0
Realization/t	67,271	65,539	67,448	68,415	60,946	64,648	67,099	67,532	0.6	-1.3
EBITDA/t	7,559	12,513	10,775	14,283	11,372	15,705	12,162	15,195	24.9	6.4
Consol Revenue	135	125	137	126	123	117	135	137	1.3	8.6
Consol EBITDA	15	24	22	26	23	28	24	31	25.8	17.0
Consol PAT	7	9	6	17	14	19	9	14	51.5	-16.0
NMDC										
Sales - mt	8.4	9.6	12.4	11.0	9.6	11.4	12.5	10.1	-19.7	-8.2
Realization/t	3,947	3,885	4,716	4,915	4,194	4,748	5,174	5,329	3.0	8.4
EBITDA/t	1,009	1,191	1,743	1,816	1,244	1,762	1,676	1,741	3.9	-4.2
Revenue	33	37	59	54	40	54	65	54	-17.3	-0.5
EBITDA	9	11	22	20	12	20	21	18	-16.6	-12.1
PAT	10	9	16	17	10	17	14	15	4.3	-9.7
HNDL										
Aluminum sales - kt	341	349	323	341	334	333	337	334	-0.8	-2.0
Copper sales - kt	112	109	117	118	134	119	135	119	-11.7	1.0
Novelis vol- kt	984	908	936	879	933	910	951	954	0.3	8.5
Novelis adj EBITDA (USD m)	506	341	403	421	484	454	514	501	-2.6	18.9

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	QoQ	YoY
Consol Revenue	562	532	559	530	542	528	560	583	4.2	10.1
Consol EBITDA	54	35	53	57	56	59	67	70	5.2	23.0
Consol PAT	22	14	24	25	22	23	32	35	10.7	42.4
HZL										
Zinc vol (India) - kt	189	210	216	208	185	203	221	204	-7.9	-2.1
Lead vol (India) - kt	57	46	54	50	57	56	53	49	-7.1	-1.6
Silver vol- t	194	161	182	179	181	197	179	161	-9.8	-10.0
Consol Revenue	83	79	85	73	68	73	75	79	4.1	7.9
Consol EBITDA	44	37	43	33	31	35	36	38	3.4	12.8
Consol PAT	27	22	26	20	17	20	20	22	6.1	10.1
VED										
Consol Revenue	367	341	379	337	342	355	355	345	-2.9	2.3
Consol EBITDA	77	71	95	64	67	85	88	95	7.8	47.3
Consol PAT	14	16	31	9	5	20	16	26	65.6	202.4
NACL										
Consol Revenue	35	33	37	32	30	33	36	39	8.5	22.1
Consol EBITDA	3	5	8	6	4	8	11	11	2.7	91.4
Consol PAT	1	3	5	3	2	5	7	7	9.6	122.1
COAL										
Sales - mt	155	176	187	187	174	191	202	197	-2.6	5.1
NSR - FSA INR/t	1,414	1,482	1,550	1,536	1,542	1,532	1,536	1,575	2.5	2.5
E-auction premium	329	241	192	144	83	117	66	59	-10.2	-58.9
EBITDA/t	519	639	461	597	512	624	488	497	1.8	-16.7
Consol Revenue	298	352	382	360	328	362	374	364	-2.8	1.0
Consol Adj EBITDA	80	112	86	112	89	119	98	98	-0.7	-12.4
Consol PAT	60	78	69	80	68	101	87	74	-15.2	-7.6

Exhibit 8: Domestic sales volumes (mt) expected to increase YoY

Sales Volume	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	QoQ	YoY
JSW Steel	5.7	5.7	6.5	5.7	6.4	6.0	6.7	6.1	-9.1	7.1
Tata Steel	7.2	7.2	7.8	7.2	7.1	7.2	8.0	7.8	-2.3	8.3
SAIL	4.2	4.2	4.7	3.9	4.8	3.8	4.6	4.4	-3.9	12.9
JSPL	2.0	1.9	2.0	1.8	2.0	1.8	2.0	2.0	0.7	10.0

Exhibit 9: ASP to be flattish QoQ

ASP	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	QoQ	YoY
JSW Steel	72,784	68,536	71,917	73,928	69,772	69,900	68,750	68,930	0.3	-6.8
Tata Steel	82,818	79,837	80,927	82,625	78,758	77,359	73,543	74,406	1.2	-9.9
SAIL	62,328	60,328	62,232	62,717	58,256	61,444	57,554	58,554	1.7	-6.6
JSPL	67,271	65,539	67,448	68,415	60,946	64,648	67,099	67,532	0.6	-1.3

Exhibit 10: EBITDA/t to improve QoQ for most companies

EBITDA/t	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	QoQ	YoY
JSW Steel	3,052	7,963	12,158	12,340	12,341	11,967	9,100	10,348	13.7	-16.1
Tata Steel	8,382	5,661	9,279	7,186	6,037	8,760	8,271	7,639	-7.6	6.3
SAIL	1,746	5,007	6,247	4,245	4,429	5,638	3,879	5,608	44.6	32.1
JSPL	7,559	12,513	10,775	14,283	11,372	15,705	12,162	15,195	24.9	6.4

Sources: MOFSL, Company

Exhibit 11: Currency movement

Currency	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	Abs YoY	% YoY	Abs QoQ	% QoQ
EUR/USD	1.02	1.07	1.09	1.09	1.08	1.09	1.08	-0.01	-1%	-0.01	-1%
USD/CNY	7.11	6.84	7.02	7.25	7.22	7.19	7.24	0.22	3%	0.05	1%
USD/GBP	0.85	0.82	0.80	0.79	0.81	0.79	0.79	-0.01	-1%	0.00	0%
USD/INR	82.22	82.25	82.19	82.68	83.26	83.05	83.41	1.23	1%	0.37	0%
GBP/INR	96.50	99.96	102.92	104.63	103.37	105.32	105.28	2.37	2%	-0.04	0%
EUR/INR	84.03	88.27	89.49	89.95	89.63	90.18	89.81	0.32	0%	-0.37	0%

Sources: MOFSL, Company

Exhibit 12: Key commodity prices – Quarterly movement

Non-ferrous metal price	UoM	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	% YoY	% QoQ
Copper-LME	USD/t	8,010	8,919	8,472	8,356	8,169	8,445	9,745	15	15
Aluminum-LME	USD/t	2,324	2,395	2,261	2,154	2,192	2,203	2,517	11	14
Zinc-LME	USD/t	3,000	3,123	2,536	2,427	2,500	2,453	2,830	12	15
Nickel-LME	USD/t	25,581	26,033	22,333	20,396	17,257	16,608	18,454	-17	11
Lead-LME	USD/t	2,104	2,143	2,117	2,170	2,121	2,075	2,164	2	4
Alumina-Spot	USD/t	357	363	364	369	379	400	434	19	9
Brent	USD/bbl	88	81	78	87	84	83	85	9	2
China Steel Prices										
China TMT	RMB/t	3,969	4,289	3,842	3,822	4,023	4,066	3,828	0	-6
China HRC	RMB/t	3,941	4,291	3,947	3,937	3,946	3,991	3,793	-4	-5
China Wire Rod	RMB/t	4,424	4,666	4,231	4,189	4,331	4,299	4,101	-3	-5
India Domestic Prices										
HRC India FoB	USD/t	557	676	629	572	580	593	561	-11	-6
HRC Dom Mum	INR/t	55,607	59,189	57,544	56,663	56,350	53,594	53,630	-7	0
Billet Raigarh	INR/t	44,218	46,076	44,102	42,348	40,676	39,084	42,896	-3	10
Wire Rod - Dom	INR/t	54,992	57,309	54,076	51,669	54,393	50,163	54,453	1	9
TMT Primary Mum	INR/t	56,247	61,212	56,495	53,114	55,812	51,912	56,957	1	10
TMT Secondary Mum	INR/t	53,789	56,702	52,383	49,264	49,560	48,722	51,129	-2	5
Pig Iron SG Durgapur	INR/t	41,908	43,585	42,282	40,665	38,076	38,308	40,760	-4	6
CRC Mum	INR/t	62,746	64,081	62,086	60,975	62,946	61,641	60,869	-2	-1
Galvanized Plain	INR/t	65,469	72,964	71,117	67,983	69,092	65,854	64,550	-9	-2
Color Coated	INR/t	74,500	80,176	81,138	79,021	78,925	75,931	73,829	-9	-3
Coking Coal / Coke										
HCC China	USD/t	275	276	199	213	263	242	233	17	-4
HCC Prem India CNF	USD/t	294	357	260	276	349	329	260	0	-21
HCC Mid Vols India CNF	USD/t	276	326	231	236	285	277	225	-2	-19
PCI Coal CNF India	USD/t	289	328	226	182	204	182	181	-20	-1
Iron Ore										
62% CNF China - Aus	USD/t	99	125	111	114	128	124	112	1	-10
Odisha Fines - 62%	INR/t	3,864	5,153	5,429	4,700	4,989	5,417	5,057	-7	-7
K'taka Fines Fe 60%	INR/t	2,050	2,644	3,000	2,706	3,579	4,157	4,025	34	-3
NMDC 64 %Fines (C'garh)	INR/t	2,860	3,623	3,923	3,999	4,546	5,164	5,327	36	3
NMDC 65%-Lumps	INR/t	3,360	4,077	4,020	4,570	5,206	5,802	6,180	54	7
Domestic Pellet	INR/t	7,520	9,250	8,367	8,447	8,512	8,561	8,504	2	-1
Sponge Iron- Raigarh	INR/t	29,820	31,016	28,190	27,930	27,029	25,790	27,868	-1	8
Chrome Ore										
China Chrome Ore (40-42%)	USD/t	228	279	285	291	286	290	309	9	6
Odisha Chrome Ore (E-Auction)	INR/t	18,423	20,392	21,037	26,577	30,110	30,574	28,948	38	-5
Global Mn Ore 38%	USD/dmtu	4.24	4.53	4.00	3.75	3.71	3.95	5.65	41	43
Mn Ore India Mn 44% Fe 5%	USD/dmtu	4.72	5.84	4.92	4.58	4.38	4.40	6.93	41	57
Balaghat Mn 37.5%, Fe 7%	INR/t	12,810	13,513	12,529	11,871	12,084	12,947	18,157	45	40
Silico manganese	INR/t	75,175	76,884	73,401	68,067	64,202	66,167	82,190	12	24
Ferro Manganese	INR/t	75,328	78,772	75,075	69,132	64,738	66,548	85,507	14	28

Sources: MOFSL, Bloomberg, Steelmint

Exhibit 13: Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Coal India	479	Buy	3,63,557	1.0	-2.8	97,718	-12.4	-0.7	73,653	-7.6	-15.2
Hindalco	695	Buy	5,83,275	10.1	4.2	70,274	23.0	5.2	35,126	42.4	10.7
Hindustan Zinc	652	Neutral	78,595	7.9	4.1	37,739	12.8	3.4	21,633	10.1	6.1
JSPL	1045	Buy	1,36,685	8.6	1.3	30,754	17.0	25.8	14,173	-16.0	51.5
JSW Steel	938	Buy	4,21,504	-0.1	-8.9	63,279	-10.2	3.3	14,423	-38.3	11.0
Nalco	193	Neutral	38,821	22.1	8.5	11,378	91.4	2.7	7,414	122.1	9.6
NMDC	244	Buy	53,666	-0.5	-17.3	17,532	-12.1	-16.6	14,925	-9.7	4.3
SAIL	147	Neutral	2,56,699	5.4	-2.2	24,587	49.1	39.0	6,432	202.7	256.2
Tata Steel	175	Neutral	5,80,269	-2.5	-1.1	59,575	15.1	-9.7	11,130	79.4	-7.7
Vedanta	458	Neutral	3,44,958	2.3	-2.9	94,548	47.3	7.8	26,006	202.4	65.6
Metals			28,58,028	3.1	-1.9	5,07,382	11.0	3.4	2,24,916	11.9	6.1

Source: MOFSL

Exhibit 14: Valuation summary

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Metals						14.3	13.7	11.1	2.3	2.6	2.3	15.9	19.1	20.6
Coal India	479	Buy	60.7	55.9	66.0	7.1	8.6	7.3	3.2	3.0	2.5	45.2	34.6	34.1
Hindalco	695	Buy	45.6	61.2	63.6	12.3	11.3	10.9	1.6	1.7	1.5	13.6	15.8	14.3
Hindustan Zinc	652	Neutral	18.4	23.0	29.9	15.9	28.3	21.8	8.1	13.9	10.0	55.2	55.6	53.5
JSPL	1,045	Buy	58.4	65.6	95.7	14.5	15.9	10.9	1.9	2.1	1.8	14.1	13.9	17.6
JSW Steel	938	Buy	36.7	60.9	78.9	22.6	15.4	11.9	2.6	2.5	2.2	12.4	17.6	19.6
Nalco	193	Neutral	9.1	12.3	14.1	16.8	15.7	13.6	1.9	2.2	2.0	12.1	14.8	15.3
NMDC	244	Buy	19.7	25.5	28.5	10.2	9.6	8.6	2.3	2.3	1.9	23.9	26.5	24.7
SAIL	147	Neutral	2.6	9.8	12.7	51.4	14.9	11.5	1.0	1.0	1.0	1.9	7.0	8.6
Tata Steel	175	Neutral	2.7	9.5	13.3	57.6	18.3	13.1	2.3	2.4	2.2	3.6	13.4	17.3
Vedanta	458	Neutral	13.3	33.9	44.7	20.5	13.5	10.2	3.3	4.9	3.9	14.1	38.4	42.6

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Coal India

Buy

CMP: INR 479 | TP: INR 550 (+15%)

- COAL dispatches grew +5% YoY to 197mt in 1QFY25.
- Expect e-auction premium to be at ~59% in 1QFY25.
- Management guidance on FY25/26 volume and e-auction premium and share will be the key things to watch for.

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	360	328	362	374	364	346	384	403	1,423	1,497
Change YoY (%)	2.5	9.8	2.8	-1.9	1.0	5.4	6.3	7.7	2.9	5.2
Change QoQ (%)	-5.7	-8.9	10.3	3.5	-2.8	-5.0	11.3	4.8		
Adj. EBITDA	112	89	119	98	98	101	115	131	418	445
Change YoY (%)	-12.4	10.9	6.2	14.0	-12.4	13.1	-3.6	33.3	3.0	6.3
Change QoQ (%)	29.3	-20.3	34.2	-17.5	-0.7	3.0	14.3	14.1		
EBITDA per tonne	597	512	624	488	497	533	545	596	555	545
Depreciation	11	12	16	20	20	20	20	20	67	81
OBR	6	8	(11)	(15)	(7)	(8)	(8)	(18)	(61)	(40)
Interest	2	2	2	2	3	3	3	3	8	10
Other Income	15	20	22	22	15	15	15	15	80	61
PBT after EO	107	88	133	114	97	101	116	141	484	454
Tax	28	20	35	28	24	25	29	36	114	114
Tax Rate (%)	25.8	23.2	26.1	24.6	25.0	25.0	25.0	25.6	23.7	25.2
PAT before MI & Asso.	80	67	99	86	73	75	87	105	369	340
MI	(0)	0	0	(0)	-	-	-	-	(0)	-
Sh. of Assoc.	(0)	1	3	1	1	1	1	1	4	5
PAT After MI & Asso.	80	68	101	87	74	77	88	106	374	344
Adjusted PAT	80	68	101	87	74	77	88	106	374	344
Change YoY (%)	-9.8	12.5	30.6	26.3	-7.6	12.6	-13.1	22.3	17.8	-7.9
Change QoQ (%)	15.9	-14.7	49.0	-14.3	-15.2	3.9	15.0	20.6		

Hindalco

Buy

CMP: INR 695 | TP: INR 800 (+15%)

- Volumes are expected to be strong.
- Improved ASP to drive strong earnings growth in 1QFY25
- The timeline for commissioning multiple capex is crucial.
- Novelis EBITDA/t guidance key to watch.

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	530	542	528	560	583	588	588	609	2,160	2,369
Change (YoY %)	-8.7	-3.6	-0.6	0.2	10.1	8.5	11.3	8.8	-3.2	9.7
Change (QoQ %)	-5.1	2.2	-2.5	6.0	4.2	0.8	0.0	3.6	0.0	0.0
Total Expenditure	473	486	469	493	513	518	520	542	1,921	2,092
EBITDA	57	56	59	67	70	70	68	68	239	276
Change (YoY %)	-32.2	4.7	65.3	25.4	23.0	24.5	16.6	1.6	5.3	15.8
Change (QoQ %)	7.3	-1.8	4.5	13.9	5.2	-0.6	-2.1	-0.8	0.0	0.0
As % of Net Sales	10.8	10.4	11.1	11.9	12.0	11.9	11.6	11.1	11.1	11.7
Interest	10	10	9	9	8	8	8	8	39	33
Depreciation	18	18	19	20	19	19	19	19	75	76
Other Income	4	5	3	4	3	3	3	3	15	13
PBT (before EO item)	33	32	33	41	46	46	45	44	140	181
PBT (after EO item)	33	32	33	41	46	46	45	44	140	181
Total Tax	9	10	10	10	11	11	11	12	39	45
% Tax	26.0	32.0	30.0	23.3	24.4	24.5	24.4	26.7	27.5	25.0
PAT before MI and Associate	25	22	23	32	35	35	34	32	102	136
Adjusted PAT	25	22	23	32	35	35	34	32	101	136
Change (YoY %)	-39.5	-1.9	71.1	31.6	42.4	60.7	44.6	1.8	0.0	0.0
Change (QoQ %)	2.3	-12.3	7.7	36.2	10.7	-1.0	-3.1	-4.2		

Hindustan Zinc**Neutral**

CMP: INR 652 | TP: INR 610 (-6%)

- Guidance on CoP, volumes, and realizations are critical
- Guidance on future dividend payout is important
- We await further updates related to the change in corporate structure, if any.

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales										
Zinc refined (kt)	208	185	203	221	204	193	212	235	817	843
Lead refined (kt)	50	57	56	53	49	54	53	54	216	211
Silver (tonnes)	179	181	197	179	161	185	186	210	736	743
Net Sales	73	68	73	75	79	79	84	91	289	332
Change (YoY %)	-22.4	-18.5	-7.1	-11.3	7.9	15.8	15.0	20.5	-15.2	14.9
Change (QoQ %)	-14.4	-6.7	7.6	3.3	4.1	0.1	6.9	8.2		
EBITDA	33	31	35	36	38	40	42	46	137	166
Change (YoY %)	-34.8	-28.8	-5.0	-14.2	12.8	26.6	20.0	25.7	-22.0	21.3
Change (QoQ %)	-21.3	-6.2	12.2	3.6	3.4	5.3	6.3	8.5		
Finance cost	2	2	2	3	2	2	2	2	10	9
DD&A	8	8	9	9	9	9	9	9	35	38
Other Income	3	2	3	3	3	3	3	3	11	13
PBT (before EO item)	26	23	27	27	29	31	34	37	103	132
PBT (after EO)	26	23	27	27	29	31	34	37	103	132
Total Tax	6	6	6	7	8	8	9	10	25	34
% Tax	24.8	25.0	24.0	25.2	26.0	26.0	26.0	26.0	24.7	26.0
Reported PAT	20	17	20	20	22	23	25	28	78	97
Adjusted PAT	20	17	20	20	22	23	25	28	78	97
Change (YoY %)	-36.5	-35.5	-5.9	-21.1	10.1	33.7	23.2	35.6	-26.2	25.5
Change (QoQ %)	-24.0	-12.0	17.3	0.5	6.1	6.9	8.0	10.7		

Jindal Steel & Power**Buy**

CMP: INR 1045 | TP: INR 1200 (+15%)

- Management commentary on the change in ASP and coal cost is critical.
- Coal cost decline to support earnings in 1Q FY25
- Guidance on captive mines and raw material is important.
- Management commentary on the capex timelines.

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	126	123	117	135	137	156	152	164	500	608
Change (YoY %)	-3.5	-9.4	-6.0	-1.5	8.6	27.0	29.9	21.2	-5.1	21.5
Change (QoQ %)	-8.1	-2.7	-4.5	15.3	1.3	13.9	-2.4	7.6		
EBITDA	26	23	28	24	31	35	34	37	102	136
Change (YoY %)	-23.6	18.3	19.6	11.8	17.0	50.9	19.4	52.4	2.7	33.7
Change (QoQ %)	20.2	-13.0	24.4	-14.0	25.8	12.2	-1.7	9.8		
EBITDA/t	14,283	11,372	15,705	12,162	15,195	14,926	15,080	15,433	13,306	15,161
Interest	3	3	3	3	4	4	4	4	13	18
Depreciation	6	6	6	10	8	8	8	8	28	31
Other Income	1	0	0	0	0	0	0	0	2	2
PBT (before EO item)	18	14	19	12	19	23	22	25	62	89
PBT (after EO item)	18	14	19	12	19	23	22	25	62	89
Total Tax	1	-0	-0	2	5	6	6	6	3	22
% Tax	4.2	-0.4	-0.1	19.8	25.2	25.2	25.2	25.2	4.8	0.0
Adjusted PAT	17	14	19	9	14	17	17	19	59	67
Change (YoY %)	17	14	19	9	14	17	17	19	59	67
Change (QoQ %)	15.3	102.2	114.9	52	-16.0	22.3	-14.2	104	62.3	12.3

JSW Steel**Buy****CMP: INR 938 | TP: INR 1080 (+15%)**

- We expect QoQ margins improvement to be driven by coal cost moderation. ASP to remain flat.
- Performance of domestic and overseas subsidiaries will be crucial.
- Management commentaries on capex/timelines.

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	422	446	419	463	422	476	507	587	1,750	1,992
Change (YoY %)	10.8	6.7	7.2	-1.5	-0.1	6.8	20.9	26.9	5.5	13.8
Change (QoQ %)	-10.1	5.6	-5.9	10.3	-8.9	13.0	6.5	15.8		
EBITDA	70	79	72	61	63	93	109	109	282	374
Change (YoY %)	63.5	350.1	57.9	-22.9	-10.2	18.2	51.2	77.7	52.2	32.4
Change (QoQ %)	-11.2	11.9	-9.0	-14.7	3.3	47.3	16.5	0.3	0.0	0.0
EBITDA (INR per ton)	12,340	12,341	11,967	9,100	10,348	14,355	15,735	14,791	11,372	13,917
Interest	20	21	20	21	21	21	21	21	81	85
Depreciation	19	20	21	22	23	23	23	22	82	93
Other Income	3	2	2	2	1	1	1	1	10	5
PBT (before EO Item)	35	40	33	21	20	50	65	67	130	201
EO Items	0	6	0	0	0	0	0	0	6	0
PBT (after EO Item)	35	46	33	21	20	50	65	67	136	201
Total Tax	11	18	9	7	5	13	16	17	44	51
PAT before MI and Asso.	25	28	25	14	15	37	49	50	91	151
MI (Profit)/Loss	-0.9	-0.1	-0.4	-0.2	-0.3	-0.3	-0.3	-0.3	-1.6	-1.0
Share of P/(L) of Ass.	-0.3	-0.2	-0.2	-1.0	-0.1	-0.1	-0.1	-0.1	-1.7	-0.6
Reported PAT (after MI & Asso.)	23	28	24	13	14	37	48	49	88	149
Adjusted PAT	23	31	23	13	14	37	48	49	90	149
Change (YoY %)	179.0	LP	365.3	-64.5	-38.3	20.1	111.8	281.0	152.8	65.9
Change (QoQ %)	-36.2	31.1	-25.6	-43.0	11.0	155.2	31.2	2.5		

NMDC**Buy****CMP: INR 244 | TP: INR 300 (+23%)**

- 1QFY25 volume declined by 8% YoY and 20% QoQ.
- We expect ASP improvement to offset the volume impact partially, leading to flat revenue growth YoY (-17% QoQ)
- NMDC took price hike during Apr-May'24. It took a price cut in Jun'24 end.
- Plans to expand its current capacity are underway and guidance on timeline will be key.

Consolidated Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	54	40	54	65	54	59	61	70	213	244
Change (YoY %)	13.2	20.6	45.4	10.9	-0.5	47.9	12.9	7.8	20.6	14.5
Change (QoQ %)	-7.8	-25.6	34.8	20.0	-17.3	10.6	2.9	14.5		
EBITDA	20	12	20	21	18	21	23	29	73	90
Change (YoY %)	5.0	39.9	76.0	-2.8	-12.1	78.9	12.2	37.0	20.5	23.6
Change (QoQ %)	-7.8	-40.3	68.6	4.7	-16.6	21.5	5.8	27.8		
EBITDA per ton (INR/t)	1,816	1,244	1,762	1,676	1,741	1,703	1,732	1,906	1,640	1,779
Interest	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.8	1.0
Depreciation	0.7	0.9	0.8	1.1	0.9	0.9	0.9	0.9	3.5	3.6
Other Income	2.9	3.2	3.4	4.2	3.6	3.6	3.6	3.6	13.7	14.3
PBT (before EO Item)	22	14	22	24	20	24	25	31	82	100
Extra-ordinary item	0.0	0.0	-2.5	-0.3	0.0	0.0	0.0	0.0	-2.8	0.0
PBT (after EO Item)	22	14	20	24	20	24	25	31	80	100
Total Tax	5.5	3.8	5.1	9.4	5.0	6.0	6.3	7.7	23.8	25.0
% Tax	24.9	27.0	25.7	40.0	25.2	25.2	25.2	24.6	29.9	25.0
PAT after MI and Sh. of Asso.	17	10	15	14	15	18	19	24	56	75
Adjusted PAT	17	10	17	14	15	18	19	24	58	75
Change (YoY %)	14.3	5.6	83.6	-9.0	-9.7	72.8	11.4	64.5	18.0	29.4
Change (QoQ %)	5.1	-37.9	63.2	-14.6	4.3	18.9	5.2	26.2		

Nalco**Neutral****CMP: INR 193 | TP: INR 185 (-4%)**

- Management guidance on production and sales volumes for FY25 will be monitored closely.
- We await management guidance on domestic demand.
- Management guidance on CoP and capex timeline to be monitored.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	31,784	30,434	33,469	35,791	38,821	35,964	35,958	35,766	1,31,477	1,46,509
Change (YoY %)	-16.0	-12.8	1.7	-2.5	22.1	18.2	7.4	-0.1	-7.6	11.4
Change (QoQ %)	-13.4	-4.2	10.0	6.9	8.5	-7.4	0.0	-0.5		
Total Expenditure	25,840	26,469	25,738	24,715	27,443	27,443	27,443	28,169	1,02,762	1,10,497
EBITDA	5,943	3,965	7,731	11,075	11,378	8,521	8,516	7,597	28,715	36,012
Change (YoY %)	-31.6	18.6	68.2	44.5	91.4	114.9	10.1	-31.4	18.2	25.4
Change (QoQ %)	-22.5	-33.3	95.0	43.3	2.7	-25.1	-0.1	-10.8		
Interest	23	40	21	89	26	26	26	26	172	102
Depreciation	1,697	1,862	1,538	2,400	1,994	1,994	1,994	1,994	7,497	7,977
Other Income	485	686	510	840	788	788	788	788	2,521	3,152
PBT (after EO)	4,709	2,750	6,682	13,695	10,146	7,289	7,284	6,365	27,836	31,084
Total Tax	1,215	687	1,797	3,537	2,549	1,831	1,830	1,599	7,236	7,808
% Tax	25.8	25.0	26.9	25.8	25.1	25.1	25.1	25.1	30.7	25.1
PAT before MI and Asso.	3,494	2,063	4,885	10,158	7,597	5,458	5,454	4,766	20,600	23,276
Sh. of Associate	-156	-189	-179	-191	-183	-183	-183	-183	-715	-733
Reported PAT after MI and Asso.	3,338	1,874	4,706	9,967	7,414	5,275	5,271	4,583	19,885	22,543
Adjusted PAT	3,338	1,874	4,706	6,766	7,414	5,275	5,271	4,583	16,684	22,543
Change (YoY %)	-40.2	49.4	83.6	36.7	122.1	181.6	12.0	-32.3	16.3	13.4
Change (QoQ %)	-32.6	-43.9	151.2	43.8	9.6	-28.9	-0.1	-13.0		

SAIL**Neutral****CMP: INR 147 | TP: INR 160 (+9%)**

- SAIL guidance on crude steel production for FY25 is crucial
- Management guidance on the debottlenecking program and the timelines for its implementation are important factors to consider.
- Management guidance on handling the key input costs and debt reduction roadmap will be critical.
- Guidance on domestic and international steel prices and capex will be critical.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	244	280	233	262	257	279	297	315	1,019	1,148
Change (YoY %)	1.4	6.5	-6.8	-9.9	5.4	-0.2	27.3	20.1	-2.4	12.6
Change (QoQ %)	-16.4	14.8	-16.5	12.4	-2.2	8.7	6.5	6.1		
Total Expenditure	227	258	212	245	232	250	264	283	942	1,030
EBITDA	16	21	21	18	25	29	33	32	77	118
Change (YoY %)	-28.4	189.2	3.1	-39.5	49.1	36.8	52.3	80.9	-4.4	53.9
Change (QoQ %)	-43.6	28.9	0.8	-17.4	39.0	18.3	12.2	-2.0		
EBITDA per ton (INR)	4,245	4,429	5,638	3,879	5,608	6,311	6,871	6,454	4,509	6,326
Interest	6	6	6	6	7	7	7	7	25	26
Depreciation	13	13	13	14	14	14	14	14	53	55
Other Income	5	1	1	3	3	3	3	3	11	12
Share of Asso./JV/investments	1	1	1	1	1	1	1	1	4	5
PBT (before EO Inc.)	3	4	5	2	9	13	17	16	14	54
EO Income(exp)	0	13	1	12	0	0	0	0	26	0
PBT (after EO Inc.)	3	18	6	14	9	13	17	16	41	54
Total Tax	1	5	1	3	2	3	4	4	10	14
% Tax	26.3	26.2	24.8	21.9	25.2	25.2	25.2	25.2	24.5	25.2
Adjusted PAT	2	3	4	2	6	10	12	12	11	41
Change (YoY %)	-73.6	LP	50.3	-84.9	202.7	207.8	240.0	563.3	-43.8	277.3
Change (QoQ %)	-82.3	49.7	15.1	-50.7	256.2	52.3	27.2	-3.9		

Tata Steel

Neutral

CMP: INR 175 | TP: INR 170 (-3%)

- India business likely to see normalized volume in 1QFY25, whereas overseas op. to remain flat.
- Netherlands to report positive EBITDA/t in 1QFY25, leading to improvement in performance. UK business to see losses, which would lead to Europe EBITDA loss.
- Commentary on Europe operations is critical.
- Management guidance on ASP and CoP across geographies to be monitored.

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	595	557	553	587	580	585	635	715	2,292	2,516
Change (YoY %)	-6.2	-7.0	-3.1	-6.8	-2.5	5.1	14.9	21.8	-5.8	9.8
Change (QoQ %)	-5.5	-6.4	-0.7	6.1	-1.1	0.9	8.6	12.5		
EBITDA	52	43	63	66	60	81	90	105	223	336
Change (YoY %)	-65.4	-29.6	54.7	-8.6	15.1	90.1	43.8	59.0	-30.9	50.5
Change (QoQ %)	-28.3	-17.5	46.8	5.4	-9.7	36.2	11.0	16.5		
As % of Net Sales	8.7	7.7	11.3	11.2	10.3	13.9	14.2	14.7	9.7	13.3
Finance cost	18	20	19	18	17	18	19	21	75	75
DD&A	24	25	24	26	26	26	28	23	99	102
Other Income	12	2	2	2	5	5	5	6	18	20
PBT (before EO item)	21	1	22	24	21	42	48	67	67	178
EO exp. (income)	0	-69	-3	-6					-78	
PBT (after EO item)	21	-68	19	18	21	42	48	67	-11	178
Total Tax	13	-2	14	13	11	16	18	19	38	64
% Tax	63.0	NA	64.2	53.0	53.1	38.5	37.5	28.3	55.9	36.1
PAT before MI and Asso.	8	-66	4	5	10	26	30	48	-49	114
Profit from Asso.	-1	-3	0	-1					-5	
Minority interest	-3	1	1	0	1	1	1	1	-1	5
APAT	6	7	8	12	11	27	31	49	34	119
Change (YoY %)	-92.0	-54.2	LP	-28.8	79.4	285.0	271.1	309.4	-61.0	252.5
Change (QoQ %)	-63.4	13.2	20.6	42.3	-7.7	143.1	16.2	57.0		

Vedanta

Neutral

CMP: INR458 | TP: INR520 (14%)

- Management update on parent debt situation is crucial.
- Management guidance on future dividend payout.
- Management comments on the demerger status and its guidance on volumes and CoP across verticals

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	337	342	355	355	345	356	362	413	1,390	1,476
Change (YoY %)	-12.7	-6.7	4.2	-6.4	2.3	4.2	1.9	16.3	-5.7	6.2
Change (QoQ %)	-11.1	1.3	4.0	-0.1	-2.9	3.3	1.6	14.0		
EBITDA	64	67	85	88	95	98	103	114	304	410
Change (YoY %)	-37.0	-12.7	20.7	-7.3	47.3	45.9	21.3	29.5	-11.6	34.5
Change (QoQ %)	-32.1	4.6	27.0	2.8	7.8	3.6	5.6	9.7		
Finance cost	21	25	24	24	24	24	24	24	95	95
DD&A	26	26	28	27	28	28	28	28	107	110
Other Income	5	6	8	6	7	7	7	7	25	26
PBT (before EO item)	23	22	41	42	50	53	59	69	128	231
EO exp. (income)	-18	-60	0	2	0	0	0	0	-76	0
PBT (after EO item)	41	82	41	40	50	53	59	69	204	231
Total Tax	7.8	90.9	12.4	17.2	15.0	16.0	17.7	20.7	128.3	69
% Tax	19.0	111.2	30.1	43.1	30.0	30.0	30.0	30.0	63.0	30.0
PAT before MI and Asso.	33	-9	29	23	35	37	41	48	75	162
Profit from Asso.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Minority interest	6.7	8.7	8.6	9.1	9.0	9.0	9.0	9.0	33.0	36
PAT after MI and Asso.	26	-18	20	14	26	28	32	39	42	126
APAT	9	5	20	16	26	28	32	39	49	126
Change (YoY %)	-80.5	-65.7	29.0	-49.6	202.4	482.4	60.2	150.2	-53.1	155.4
Change (QoQ %)	-72.4	-43.3	312.5	-22.0	65.6	9.3	13.5	21.8		

Oil & Gas

Company name

Aegis Logistics
BPCL
Castrol India
GAIL
Gujarat Gas
Gujarat State Petronet
HPCL
Indraprastha Gas
IOCL
Mahanagar Gas
MRPL
Oil India
ONGC
Petronet LNG
Reliance Industries

1QFY25 likely to be soft quarter amid margin weakness

- **We expect our coverage universe to report:** a) sales growth of 11% YoY (up 12% YoY excluding OMCs), b) we expect EBITDA decline of 24% YoY (up 4% YoY excluding OMCs), and c) PAT decline of 36% YoY (up 3% YoY excluding OMCs).
- **RIL:** Consol. EBITDA is expected to grow 8% YoY to INR410b. We estimate EBITDA of INR179b (up 3% YoY) for the standalone business, INR139b (up 11% YoY) for RJio, and INR49b (up 16% YoY) for the Retail business. Production meant for sale is expected at 17mmt (flat YoY), with O2C EBITDA at USD91.8/mt (down 4% YoY).
- **OMCs:** Standalone EBITDA for HPCL/BPCL/IOCL may decline 36/36/30% QoQ, due to lower SG GRM (down 52% QoQ) and lower marketing margins (down 29%/10% for MS/HSD).
- **CGD:** We estimate YoY volume growth of 7%/14%/10% for IGL/MAHGL/GUJGA. EBITDA/scm margins for MAHGL/GUJGA may decline 4%/11% QoQ (up 2% QoQ for IGI) amid continued shortfall in APM gas and 18% higher QoQ spot LNG prices in 1QFY25.
- **Upstream:** For ONGC/OINL, we expect 7%/5% higher EBITDA QoQ and 4%/3% growth in oil sales. Gas sales volume may fall 3% for ONGC but could rise 3% for OILN. Oil/Gas realizations are expected to be flat QoQ.

Lower Brent oil price assumption to USD75/bbl in FY26; risks rising in FY27

- We have decreased our Brent price assumption by 7%/12% for FY25/FY26 to USD78.8/USD75 per bbl (vs. old assumption of USD85/bbl for both FY25/FY26). This is driven by:
 - Gradual unwinding of OPEC+ voluntary cuts (2.2mb/d) from Oct'24
 - IEA's expected rise in global oil supply from Non-OPEC+ by 1.4mb/d in CY24 and 1.8mb/d in CY25
 - Further downgrade in oil demand growth estimates by IEA for CY25 to 1mb/d (1.2mb/d previously) amid soft demand and soft economic growth in OECD countries, an expanding EV fleet and increase in vehicle efficiency
 - US EIA also recently downgraded Brent crude oil spot price forecast for CY24 by 5% to USD84/bbl from May'24 forecast of USD88/bbl
- **Should a strong non-OPEC supply response meet unwinding of OPEC's spare production capacity, we see the risk of oil prices declining to below USD70/bbl.** A moderate recovery in Brent is expected to result in decent inventory gains for refiners in the quarter.

SG GRM declined to USD3.5/bbl in 1QFY25

- SG GRM declined to USD3.5/bbl in 1QFY25 (from USD7.3/bbl in 4QFY24). Gasoline and diesel cracks declined 22%/29% QoQ to USD13.8/bbl and USD17.4/bbl, respectively. Jet fuel cracks declined, whereas FO cracks recovered QoQ. Blended marketing margins for IOCL/BPCL/HPCL are expected at INR3.9/INR4/INR4.1 per liter in 1QFY25, down slightly from 4QFY24.
- We expect IOCL/BPCL/HPCL to report GRMs of USD6.5/USD8/USD5.9 per barrel (after refining inventory gain) in 1QFY25.
- BPCL and IOCL are expected to clock flat throughput QoQ, MRPL may see a 1% QoQ increase in throughput, and HPCL could post an 8% decline in throughput.

Petchem margins continue to decline in 1QFY25

- Petchem prices increased 7% YoY on an average in 1QFY25. PE/PP prices were up 7%/1% YoY and 2%/2% QoQ. PVC prices were down 2% YoY/up 3% QoQ.
- HDPE/PP/PX spreads over naphtha declined 11%/12%/18% YoY.

GUJGA, MAHGL to witness margin decline; IGL margin expected to remain flat QoQ

- Volumes are expected to rise 5%/1%/3% QoQ for GUJGA/IGL/MAHGL. EBITDA/scm is likely to decline for GUJGA/MAHGL amid higher spot LNG prices and continued APM gas shortfall. For GUJGA, we expect margin to decline to INR6/scm.
- CGD volumes will be in focus, particularly for GUJGA, which is trying to push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan. A key factor to watch out for will be a pickup in Morbi volumes.
- IGL is facing multiple headwinds in volume growth, such as: 1) stagnation in I/C volume growth amid competition from alternate fuels, 2) stagnant growth in D-Haryana segment over the past few quarters, and 3) margins have likely already peaked out. As a result, we remain cautious on IGL from a long-term perspective and maintain our Sell rating.

Valuation and view

- **GAIL:** During FY24-26E, we estimate a 8% CAGR in PAT, driven by:
 - Rising natural gas transmission volumes to 137mmscmd in FY26 from 120mmscmd in FY24
 - Substantial improvement in petchem segment's profitability over 2HFY25-FY26 as new petchem capacity will be operational and low inventories globally will drive re-stocking demand, thus improving spreads
 - Healthy trading segment profitability with EBIT guided at INR40-45b

We expect GAIL's ROE to improve to ~14.6% in FY26 from 9.5% in FY23, with healthy FCF generation of INR40.4b in FY26 (vs. -INR45.3b in FY23), which we believe can drive a re-rating for the stock.

- **Upstream: ONGC** has guided for a 6% production volume CAGR over the next three years, driven by rising production from KG 98/2 asset, Daman upside development, and monetization of stranded gas reserves. While volume guidance is upbeat, execution is vital, and should ONGC achieve guided volumes, we see upside risk to our and Street earnings estimates.
- **GUJS:** We expect volumes to jump to ~38.5mmscmd in FY26, as it is a beneficiary of: a) the upcoming LNG terminals in Gujarat, b) improved demand owing to the focus on reducing industrial pollution – Gujarat has five geographical areas identified as severely/critically polluted.

Our key assumptions

- We assume crude prices at USD78.8/bbl for FY25 and USD75/bbl for FY26. Average crude prices for 1QFY25 stood at USD85/bbl (vs. USD83/bbl in 4QFY24 and USD78.4/bbl in 1QFY24).
- We expect the regional benchmark SG GRM to stabilize at ~USD6/bbl (at its long-term average) over the medium to long term.

Exhibit 1: Oil & gas product prices, cracks, and margins (USD/bbl)

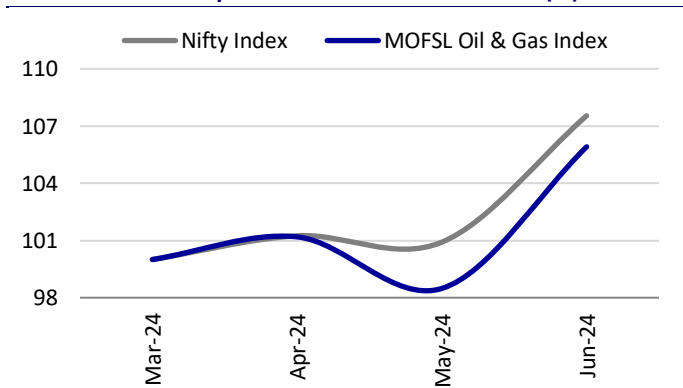
(USD/bbl)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY (%)	QoQ (%)
Oil							
WTI	73.7	82.2	78.5	76.9	80.7	9%	5%
Brent	77.7	85.9	82.9	81.8	85.0	9%	4%
Dubai	77.6	86.7	83.9	81.5	85.1	10%	4%
Arab Light-Heavy	1.8	2.1	2.1	1.8	1.5	-18%	-16%
Gas							
Henry Hub (USD/mmBtu)	2.2	2.6	2.7	2.2	2.0	-6%	-5%
LNG Spot	11.1	12.6	15.8	9.4	11.1	0%	18%
Exchange Rate (INR/USD)	82.3	82.2	82.7	83.3	83	0.9	-0.3
Product Cracks (v/s Dubai)							
LPG	-33	-31.5	-25.4	-28.4	-31.8	-4%	12%
Gasoline	16.5	16.8	10.2	17.6	13.8	-16%	-22%
Diesel	14.7	28.6	26.0	24.3	17.4	18%	-29%
Jet/Kero	14.3	26.0	23.7	21.2	13.3	-7%	-37%
Naphtha	-12.8	-16.4	-11.7	-5.6	-10.2	-21%	82%
Fuel Oil	-8.3	-5.0	-10.6	-9.4	-4.6	41.3	11.7
SGRM	4	9.5	5.5	7.3	3.5	-10.7	32.6

Source: Company, MOFSL

Exhibit 2: Summary of Jun'24-quarter earnings estimates

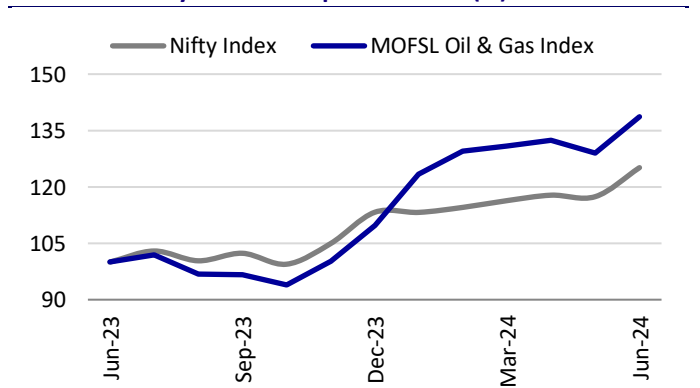
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Aegis Logistics	852	Neutral	29,774	41.7	62.1	2,476	26.4	-19.3	1,283	10.8	-34.7
BPCL	304	Neutral	10,15,427	-10.1	-12.9	59,604	-62.3	-35.7	32,970	-68.8	-40.8
Castrol India	214	Buy	13,800	3.5	4.1	3,373	8.9	14.8	2,480	10.1	14.7
GAIL	222	Buy	3,25,389	0.4	0.6	34,410	31.7	-3.3	22,525	41.5	3.5
Gujarat Gas	650	Buy	40,696	7.6	-1.6	5,506	41.9	-6.9	3,292	53.0	-10.6
Gujarat State Petronet	301	Buy	3,005	-23.7	-33.9	2,276	-32.4	-39.8	1,458	-36.4	-44.2
HPCL	328	Buy	10,55,563	-5.7	-8.1	32,616	-65.8	-36.4	12,436	-80.0	-56.3
Indraprastha Gas	519	Sell	34,217	0.4	-4.9	5,391	-16.1	3.2	3,677	-16.1	-3.9
IOC	168	Buy	25,62,191	29.7	29.4	74,676	-66.3	-30.1	23,698	-82.8	-51.0
Mahanagar Gas	1707	Buy	15,059	-2.1	-3.9	3,876	-25.7	-1.6	2,591	-29.7	-2.2
MRPL	214	Sell	2,54,562	20.2	0.5	14,125	-37.0	-39.6	5,588	-47.2	-51.1
Oil India	485	Buy	59,848	28.9	4.0	24,545	5.4	5.1	18,225	13.0	-10.2
ONGC	275	Buy	3,71,873	10.0	7.4	1,86,629	-4.1	7.2	98,277	-1.9	-0.4
Petronet LNG	336	Neutral	1,48,925	27.8	8.0	15,320	29.6	38.8	10,298	30.4	39.6
Reliance Inds.	3132	Buy	23,37,159	12.6	-1.2	4,10,039	7.6	-3.6	1,66,567	4.0	-12.1
Oil & Gas			82,67,488	10.8	4.6	8,74,861	-24.4	-9.6	4,05,364	-35.8	-18.7
Oil Ex OMCs			36,34,306	12.2	0.6	7,07,965	3.6	-1.3	3,36,259	2.9	-8.1

Exhibit 3: Relative performance – three-months (%)



Sources: Bloomberg, MOFSL

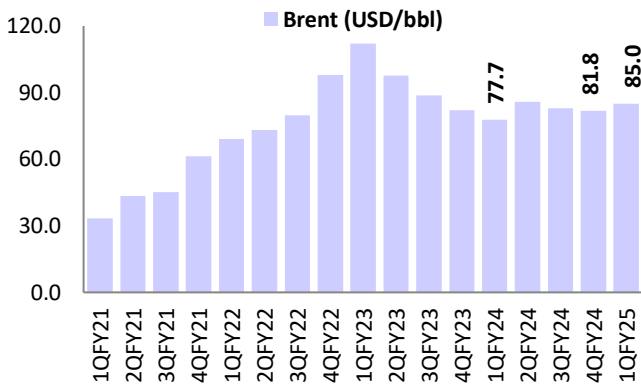
Exhibit 4: One-year relative performance (%)



Sources: Bloomberg, MOFSL

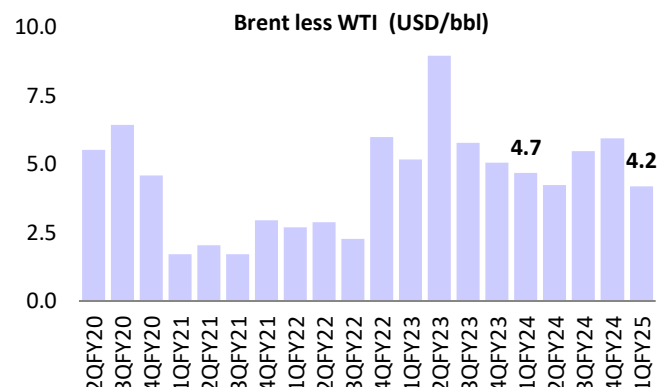
SG GRM contracts in 1QFY25; petchem margins continue to decline

Exhibit 5: Brent crude price up 9% YoY and 4% QoQ



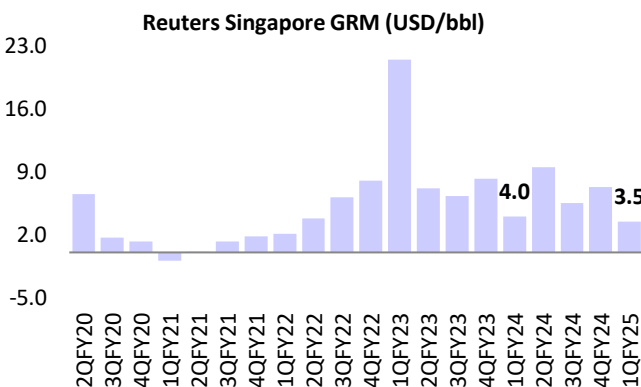
Source: Bloomberg, MOFSL

Exhibit 6: Brent premium to WTI declined to USD4.2/bbl



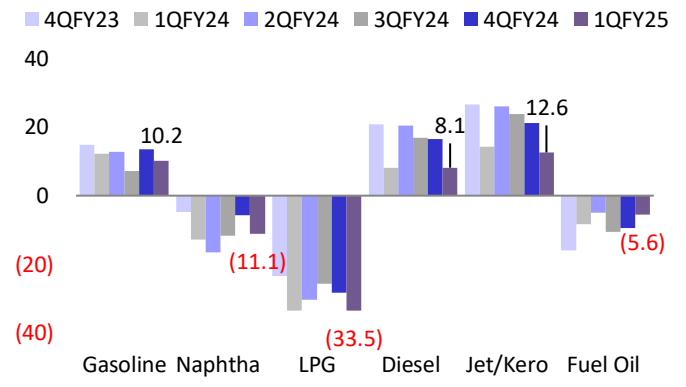
Source: Reuters, MOFSL

Exhibit 7: Reuters SG GRM (average) declined QoQ to USD3.4/bbl (from USD7.3/bbl in 4QFY24)



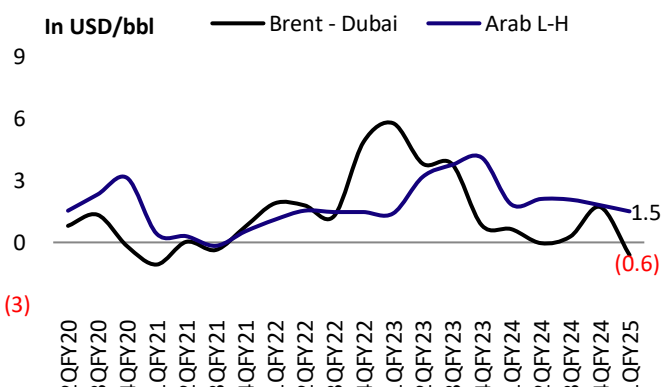
Source: Reuters, MOFSL

Exhibit 8: Naphtha, Fuel oil and LPG crack declined during the quarter, others improved (USD/bbl)



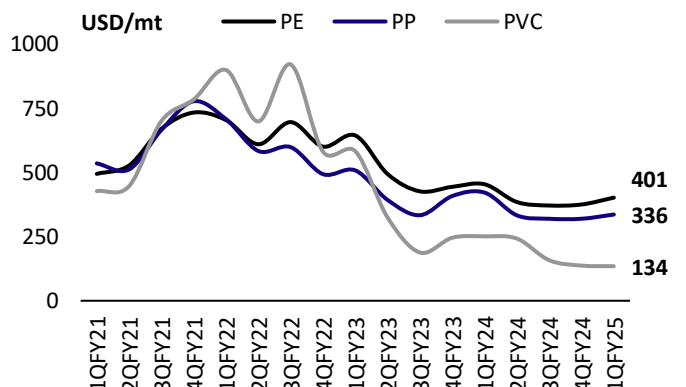
Source: Reuters, MOFSL

Exhibit 9: Crude differential was declined QoQ at USD1.5/bbl for Arab L-H and to USD-0.8/bbl for Brent-Dubai



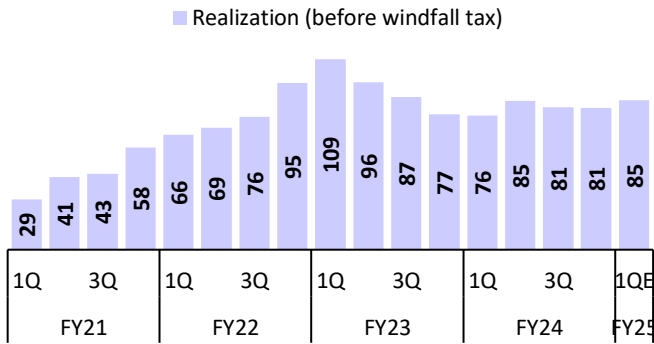
Source: Reuters, MOFSL

Exhibit 10: Spreads over Naphtha for PE, PP, and PVC declined QoQ



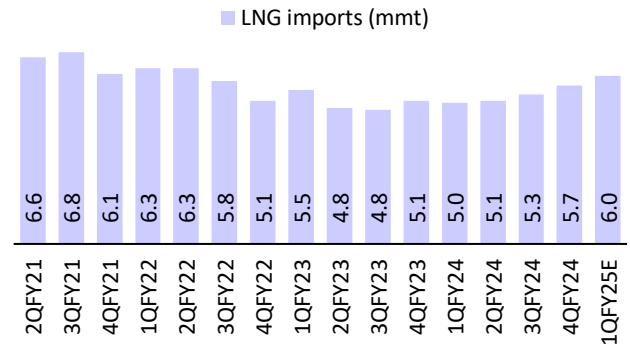
Source: Bloomberg, MOFSL

Exhibit 11: Expect realization (before windfall tax) of USD85/bbl for ONGC in 1QFY25



Source: Company, MOFSL

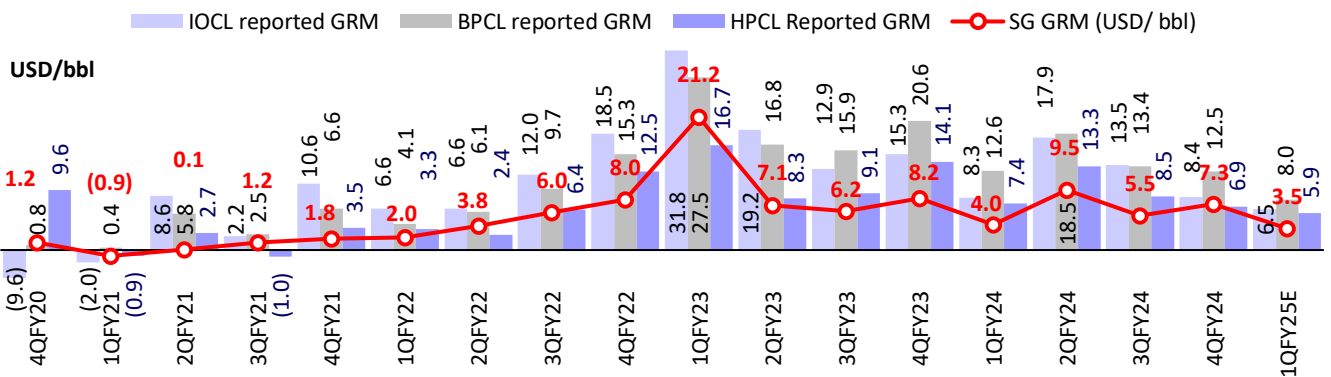
Exhibit 12: Expect LNG imports (mmt) to increase 6% QoQ and 19% YoY in 1QFY25



Mar'24 data extrapolated for 4QFY24E

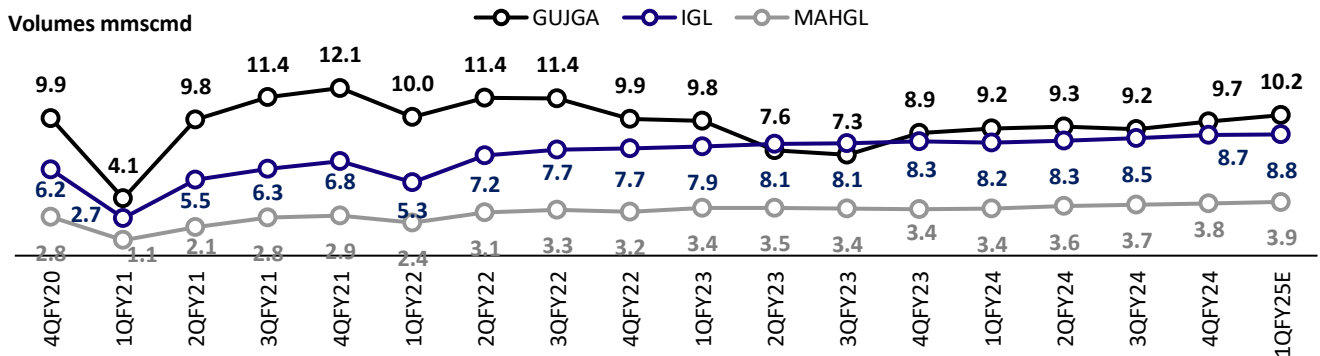
Source: PPAC, MOFSL

Exhibit 13: GRM snapshot for OMCs (USD/bbl)



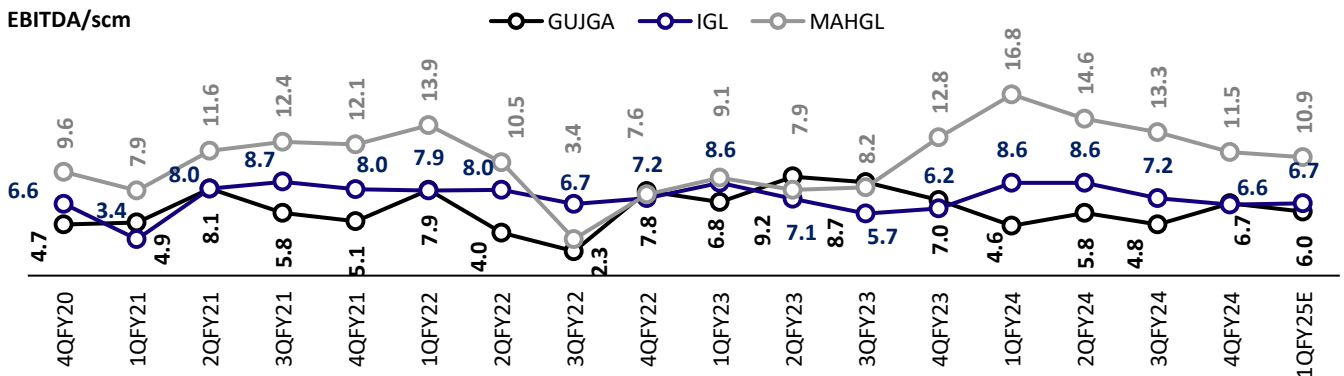
Source: Company, MOFSL

Exhibit 14: Volume snapshot of CGDs (mmscmd)



Source: Company, MOFSL

Exhibit 15: Margin snapshot of CGDs (INR/scm)



Source: Company, MOFSL

Exhibit 16: Valuation summary

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Oil & Gas						13.1	15.9	13.8	2.0	1.9	1.7	15.0	12.0	12.5
Aegis Logistics	852	Neutral	16.2	18.0	22.0	27.5	47.3	38.6	4.0	6.9	6.2	15.3	15.4	17.0
BPCL	304	Neutral	63.3	34.7	36.3	9.5	8.8	8.4	3.4	1.6	1.4	41.9	18.7	17.8
Castrol India	214	Buy	8.7	9.6	10.5	21.3	22.3	20.4	8.7	9.4	8.8	43.1	43.4	44.6
GAIL	222	Buy	13.7	13.2	16.1	13.2	16.8	13.8	1.8	2.0	1.9	15.0	13.0	14.6
Gujarat Gas	650	Buy	16.0	21.0	23.6	34.0	31.0	27.6	4.9	5.2	4.6	15.0	17.7	17.7
Gujarat State Petronet	301	Buy	22.8	11.6	12.1	15.6	25.9	24.9	2.0	1.6	1.5	13.1	6.3	6.2
HPCL	328	Buy	75.2	41.3	45.3	6.3	7.9	7.2	2.2	1.3	1.2	40.4	17.5	17.0
Indraprastha Gas	519	Sell	25.0	22.8	30.2	17.3	22.8	17.2	3.5	3.8	3.3	22.4	17.5	20.3
IOC	168	Buy	29.5	11.7	13.6	5.7	14.3	12.4	1.3	1.2	1.1	25.1	8.6	9.4
Mahanagar Gas	1,707	Buy	132.3	111.3	117.2	10.3	15.3	14.6	2.6	2.9	2.6	28.2	20.1	18.8
MRPL	214	Sell	20.5	13.8	15.0	10.6	15.6	14.3	2.9	2.5	2.2	31.2	17.0	16.2
Oil India	485	Buy	48.7	46.8	51.7	12.3	10.4	9.4	2.2	1.6	1.4	14.1	16.3	16.1
ONGC	275	Buy	46.3	50.3	56.0	5.8	5.5	4.9	1.0	0.9	0.8	18.8	17.6	17.2
Petronet LNG	336	Neutral	23.6	29.1	25.7	11.2	11.5	13.1	2.3	2.6	2.4	22.2	24.1	18.9
Reliance Inds.	3,132	Buy	102.9	119.4	144.7	28.9	26.2	21.6	2.4	2.3	2.1	8.6	9.7	10.7

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Aegis Logistics Neutral

CMP: INR852 | TP: INR770 (-10%)

EPS CHANGE (%): FY25|26: 0|0

- Expect EBITDA of INR2.5b due to an increase in India's LPG imports
- Watch out for commentary on competition from natural gas in industrial volumes
- Recovery in sourcing volume will be a key monitorable
- Watch out for updates on LPG terminal capacity in Mangalore and liquid capacity expansion in Kochi

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	21,005	12,349	18,734	18,372	29,774	29,774	29,774	29,774	70,459	1,19,098
YoY Change (%)	-6.0	-42.6	-10.2	-14.7	41.7	141.1	58.9	62.1	-18.3	69.0
EBITDA	1,959	2,083	2,118	3,068	2,476	2,876	2,876	3,276	9,227	11,502
Margin (%)	9.3	16.9	11.3	16.7	8.3	9.7	9.7	11.0	13.1	9.7
Depreciation	333	341	345	334	454	454	454	454	1,353	1,814
Interest	298	266	302	292	499	499	499	499	1,158	1,996
Other Income	374	444	446	632	536	536	536	536	1,896	2,144
PBT	1,702	1,920	1,918	3,073	2,059	2,459	2,459	2,859	8,613	9,836
Tax	375	420	396	700	519	620	620	720	1,891	2,479
Rate (%)	22.0	21.9	20.6	22.8	25.2	25.2	25.2	25.2	22.0	25.2
MI & P/L of Asso. Cos.	169	230	221	410	258	258	258	258	1,030	1,030
Reported PAT	1,158	1,270	1,301	1,963	1,283	1,582	1,582	1,881	5,692	6,327
YoY Change (%)	-24.9	36.0	3.8	39.4	10.8	24.6	21.6	-4.2	10.8	2.2
Margin (%)	5.5	10.3	6.9	10.7	4.3	5.3	5.3	6.3	8.1	4.9

BPCL Neutral

CMP: INR304 | TP: INR325 (+6%)

EPS CHANGE (%): FY25|26: -4|-1

- Expect refinery throughput at 10.3mmt.
- Expect marketing sales (excluding exports) volumes of 13.3mmt (+4% YoY and 1%QoQ) during the quarter
- Expect reported GRM at USD8/bbl, with blended gross marketing margin at INR4/lit
- Watch out for updates on expansion of Bina refinery and construction of new petrochemicals plant

Standalone - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	1,129.8	1,029.9	1,154.9	1,165.6	1,015.4	1,025.0	1,033.8	1,043.2	4,480.1	4,117.4
YoY Change (%)	-6.7	-10.3	-3.1	-1.3	-10.1	-0.5	-10.5	-10.5	-5.3	-8.1
EBITDA	158.1	130.1	62.8	92.7	59.6	65.9	66.5	68.6	443.7	260.6
Margins (%)	14.0	12.6	5.4	7.9	5.9	6.4	6.4	6.6	9.9	6.3
Depreciation	16.1	16.0	18.2	17.2	18.2	18.2	18.2	18.2	67.5	72.8
Interest	6.8	7.7	5.0	5.2	3.6	3.6	3.6	3.6	24.7	14.4
Other Income	4.7	7.7	6.8	4.7	6.3	6.3	6.3	6.3	23.9	25.0
PBT before EO expense	140.1	113.1	45.8	74.4	44.1	50.4	50.9	53.0	373.5	198.4
Extra-Ord expense	0.0	0.0	0.0	18.0	0.0	0.0	0.0	0.0	18.0	0.0
PBT	140.1	113.1	45.8	56.4	44.1	50.4	50.9	53.0	355.5	198.4
Adj PAT	105.5	85.0	34.0	55.7	33.0	37.7	38.1	39.7	280.2	148.5
YoY Change (%)	LP	LP	73.4	-26.4	-68.8	-55.7	12.2	-28.8	848.1	-47.0

Castrol (India)**Buy****CMP: INR214 | TP: INR250 (+17%)****EPS CHANGE (%): CY24|25: 0|0**

- Forecast volumes at 60.9m liters (up 5% YoY and 7%QoQ) during the quarter
- Expect EBITDA margin to increase 15% YoY, led by declining input costs.
- Expect realization of ~INR236.2/lit (up 3% YoY) during the quarter.
- Raw material volatility, product launches, and OEM tie-ups remain the key monitorable.

Standalone Quarterly Performance

Y/E December	CY23				CY24				CY25	(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		CY23	CY24E
Volume (m litres)	55.0	58.0	51.0	55.0	58.0	59.5	53.6	56.8	60.9	219.0	227.8
Realization	235	230	232	230	228	232	234	243	236	232	234
Net Sales	12,939	13,338	11,829	12,640	13,252	13,800	12,556	13,795	14,383	50,746	53,403
YoY Change (%)	4.7	7.4	5.5	7.5	2.4	3.5	6.1	9.1	8.5	6.3	5.2
EBITDA	2,950	3,098	2,686	3,291	2,937	3,373	3,000	3,643	3,670	12,024	12,954
YoY Change (%)	-7.0	8.3	4.4	31.3	-0.4	8.9	11.7	10.7	25.0	8.2	7.7
Margin (%)	22.8	23.2	22.7	26.0	22.2	24.4	23.9	26.4	25.5	23.7	24.3
Depreciation	227	218	229	250	237	236	248	242	233	924	963
Interest	17	15	24	20	21	8	14	36	12	75	79
Other Income	176	186	202	223	241	187	204	160	243	787	792
PBT before EO expense	2,883	3,050	2,635	3,243	2,921	3,316	2,942	3,526	3,668	11,811	12,704
PBT	2,883	3,050	2,635	3,243	2,921	3,316	2,942	3,526	3,668	11,811	12,704
Tax	858	797	691	824	758	836	741	866	924	3,170	3,201
Rate (%)	29.8	26.1	26.2	25.4	26.0	25.2	25.2	24.6	25.2	26.8	25.2
PAT	2,025	2,253	1,944	2,419	2,162	2,480	2,201	2,659	2,744	8,641	9,503
YoY Change (%)	-11.3	9.2	3.9	25.2	6.8	10.1	13.2	9.9	26.9	6.0	10.0

GAIL**Buy****CMP: INR222 | TP: INR260 (+15%)****EPS CHANGE (%): FY25|26: +1|-3**

- Expect strong transmission volumes and 17% decline in trading EBIT QoQ amid lower spot LNG prices.
- Expect Petchem volumes of 212.6kmt, with segmental EBIT remaining profitable
- Potential gas price-related tariff hikes remains a key monitorable, increasing company's FY26E PAT by 7%.
- Updates on progress of ongoing pipeline projects remains a key monitorable

Standalone quarterly performance

Y/E March	FY24				FY25				(INR m)	
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY24	FY25E
Net Sales	3,24,079	3,18,226	3,42,535	3,23,345	3,25,389	3,32,122	3,32,601	3,43,593	13,08,185	13,33,706
Change (%)	-13.7	-17.3	-3.2	-1.6	0.4	4.4	-2.9	6.3	-9.3	2.0
EBITDA	26,131	34,913	38,226	35,578	34,410	32,456	33,232	28,709	1,34,848	-3,47,652
% of Net Sales	8.1	11.0	11.2	11.0	10.6	9.8	10.0	8.4	10.3	-26.1
Depreciation	6,358	7,503	7,843	11,605	8,697	8,697	8,697	9,064	33,308	35,157
Interest	1,758	1,718	1,564	1,932	1,594	1,557	1,417	1,751	6,972	6,319
Other Income	2,676	5,609	8,121	6,376	6,147	6,008	5,468	6,754	22,782	24,377
PBT	20,691	31,301	36,940	28,418	30,266	28,209	28,584	24,648	1,17,350	-3,64,751
Tax	4,767	7,252	8,514	6,648	7,742	7,215	7,311	2,503	27,181	24,771
Rate (%)	23.0	23.2	23.0	23.4	25.6	25.6	25.6	10.2	23.2	-6.8
PAT	15,924	24,049	28,426	21,770	22,525	20,994	21,273	22,146	90,169	-3,89,522
Change (%)	-45.4	56.5	1,056.8	260.7	41.5	-12.7	-25.2	1.7	70.1	-532.0
Adj PAT	15,924	24,049	28,426	21,770	22,525	20,994	21,273	22,146	90,169	86,937
Change (%)	-45.4	56.5	1,056.8	260.7	41.5	-12.7	-25.2	1.7	70.1	-3.6

Gujarat Gas**Buy****CMP: INR650 | TP: INR755 (+16%)****EPS CHANGE (%): FY25|26: -4|-5**

- Expect volumes at 10.2mmscmd (up 10% YoY/5% QoQ) with pickup in PNG I/C segment
- Expect EBITDA/scm declined to QoQ INR6/scm amid higher spot LNG prices.
- Pickup in volumes at Morbi is a key monitorable
- Push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan would be key for growth

Standalone - Quarterly Earning**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	37,815	38,454	39,291	41,342	40,696	42,408	43,786	44,210	1,56,902	1,71,100
YoY Change (%)	-26.9	-3.3	6.6	5.2	7.6	10.3	11.4	6.9	-6.4	9.0
EBITDA	3,880	4,966	4,007	5,911	5,506	5,940	6,127	6,177	18,764	23,749
Margin (%)	10.3	12.9	10.2	14.3	13.5	14.0	14.0	14.0	12.0	13.9
Depreciation	1,151	1,179	1,201	1,212	1,317	1,317	1,317	1,317	4,743	5,267
Interest	74	78	72	69	74	74	74	74	293	297
Other Income	239	298	230	311	286	286	286	286	1,078	1,145
PBT	2,894	4,007	2,964	5,497	4,401	4,835	5,022	5,072	15,362	19,329
Tax	743	1,029	761	1,402	1,109	1,218	1,265	1,272	3,934	4,865
Rate (%)	25.7	25.7	25.7	25.5	25.2	25.2	25.2	25.1	25.6	25.2
Reported PAT	2,151	2,978	2,203	4,095	3,292	3,617	3,756	3,800	11,428	14,464
Adj. PAT	2,151	2,978	2,203	3,681	3,292	3,617	3,756	3,800	11,013	14,464
YoY Change (%)	-43.6	-26.3	-40.7	-0.3	53.0	21.4	70.5	3.2	-27.8	31.3

Gujarat State Petronet**Buy****CMP: INR301 | TP: INR405 (+35%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect transmission volumes of 33mmscmd (up 12% YoY/ -1% QoQ)
- EBITDA expected to decline 32% YoY.
- Commissioning of Phase-II Mehsana-Bhatinda pipeline and further expansion/debottlenecking of three pipelines connecting three LNG terminals remain key monitorable
- Tariff-related updates remain key monitorables

Standalone - Quarterly Earning Model**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	3,937	4,533	4,555	4,547	3,005	3,125	3,302	3,319	17,572	12,753
YoY Change (%)	-6.3	17.7	30.7	21.6	-23.7	-31.1	-27.5	-27.0	15.0	-27.4
EBITDA	3,364	4,103	3,795	3,780	2,276	2,396	2,572	2,589	15,041	9,835
YoY Change (%)	-6.6	22.9	40.6	28.2	-32.4	-41.6	-32.2	-31.5	19.5	-34.6
Margin (%)	85.5	90.5	83.3	83.1	75.7	76.7	77.9	78.0	85.6	77.1
Depreciation	468	477	488	486	574	574	574	574	1,920	2,295
Interest	10	10	11	19	11	11	11	11	50	44
Other Income	180	2,663	211	296	319	319	319	319	3,351	1,275
PBT before EO expense	3,066	6,278	3,506	3,571	2,010	2,130	2,306	2,324	16,422	8,771
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,066	6,278	3,506	3,571	2,010	2,130	2,306	2,324	16,422	8,771
Tax	773	958	884	960	552	552	552	552	3,576	2,208
Rate (%)	25.2	15.3	25.2	26.9	27.5	25.9	23.9	23.8	21.8	25.2
Reported PAT	2,293	5,320	2,622	2,611	1,458	1,578	1,754	1,772	12,846	6,564
YoY Change (%)	-2.6	69.3	53.4	16.4	-36.4	-70.3	-33.1	-32.2	35.9	-48.9
Margin (%)	58.2	117.4	57.6	57.4	48.5	50.5	53.1	53.4	73.1	51.5

HPCL**Buy****CMP: INR328 | TP: INR390 (+19%)****EPS CHANGE (%): FY25|26: -14|-6**

- Expect refining throughput at 5.4mmt (0% YoY)
- Expect marketing sales volumes at 12.2mmt (+3% YoY)
- Expect reported GRM at USD5.9/bbl, with gross marketing margin at INR4.1/lit.
- Watch out for completion timeline of bottom upgrade project and new Rajasthan refinery

Standalone - Quarterly Earning Model**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	1,119.6	957.0	1,113.1	1,148.2	1,055.6	1,030.3	981.7	991.0	4,337.9	4,058.6
YoY Change (%)	-2.2	-11.7	1.6	6.4	-5.7	7.7	-11.8	-13.7	-1.5	-6.4
EBITDA	95.2	85.8	21.3	51.3	32.6	44.8	45.1	46.3	253.6	168.8
Margins (%)	8.5	9.0	1.9	4.5	3.1	4.4	4.6	4.7	5.8	4.2
Depreciation	13.6	12.4	13.4	16.1	16.8	16.8	16.8	16.8	55.5	67.3
Forex loss	-1.3	3.6	-0.4	0.6	0.0	0.0	0.0	0.0	2.6	0.0
Interest	5.9	5.8	6.1	7.3	6.3	6.3	6.3	6.3	25.2	25.2
Other Income	6.3	3.4	5.6	5.9	7.1	7.1	7.1	7.1	21.2	28.5
PBT before EO expense	83.3	67.4	7.7	33.1	16.6	28.8	29.1	30.3	191.5	104.9
PBT	83.3	67.4	7.7	33.1	16.6	28.8	29.1	30.3	191.5	104.9
Rate (%)	25.5	24.1	31.1	14.2	25.2	25.2	25.2	25.2	23.3	25.2
Adj PAT	62.0	51.2	5.3	28.4	12.4	21.6	21.7	22.7	146.9	78.5
YoY Change (%)	LP	LP	206.8	-11.8	-80.0	-57.8	311.0	-20.1	LP	-46.6

Indraprastha Gas**Sell****CMP: INR519 | TP: INR465 (-11%)****EPS CHANGE (%): FY25|26: -17|-3**

- Expect total volumes at 8.77mmscmd (up 7% YoY/1% QoQ).
- Expect EBITDA/scm at INR6.4, as price cut offsets decline in spot LNG prices.
- Key monitorable would be increase in sales volumes from GAs – both existing and the newly awarded ones.
- Slowing D-PNG growth and increasing competition from alternate fuels in I/C segment to be the key risk to long-term volume growth prospects.

Standalone Quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	34,070	34,585	35,504	35,968	34,217	34,217	34,217	34,547	1,40,000	1,37,198
Change (%)	6.7	-2.7	-4.3	-2.3	0.4	-1.1	-3.6	-3.9	-1.0	-2.0
EBITDA	6,424	6,569	5,582	5,225	5,391	5,733	5,733	6,356	23,669	23,214
EBITDA (INR/scm)	8.6	8.6	7.2	6.6	6.7	7.1	7.1	7.9	7.7	7.2
Change (%)	4.0	24.5	30.3	13.4	-16.1	-12.7	2.7	21.6	16.3	-1.9
Depreciation	989	1,022	1,018	1,108	1,163	1,163	1,163	1,163	4,138	4,651
Interest	24	25	18	26	21	21	21	21	92	82
Other Income	457	1,340	610	1,094	706	706	706	706	3,632	2,824
PBT before EO	5,867	6,862	5,155	5,187	4,914	5,256	5,256	5,879	23,072	21,304
Tax	1,483	1,514	1,235	1,359	1,237	1,323	1,323	1,486	5,591	5,369
Rate (%)	25.3	22.1	23.9	26.2	25.2	25.2	25.2	25.3	24.2	25.2
PAT	4,384	5,348	3,921	3,828	3,677	3,933	3,933	4,393	17,481	15,936
PAT (INR/scm)	5.9	7.0	5.0	4.8	4.6	4.9	4.9	5.4	5.7	4.5
Change (%)	4.2	28.5	40.9	16.1	-16.1	-26.5	0.3	14.8	21.0	-8.8
Gas volumes (mmscmd)										
CNG	6.17	6.25	6.33	6.37	6.54	6.62	6.54	6.69	6.28	6.60
PNG	2.03	2.06	2.15	2.35	2.23	2.25	2.23	2.28	2.15	2.25
Total	8.20	8.30	8.48	8.73	8.77	8.87	8.77	8.97	8.43	8.85

IOC**Buy****CMP: INR168 | TP: INR195 (+15%)****EPS CHANGE (%): FY25|26: -8|0**

- Expect refinery throughput of 18.3mmt (down 2% YoY).
- Petchem cracks have declined sequentially, which should have a bearing on the company's petchem division
- Expect reported GRM at USD6.5/bbl, with gross marketing margin at INR3.9/lit.
- Increase in SG GRM to positively impact IOC the most among peers due to its highest leverage to refining.

Standalone - Quarterly Earning Model**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	1975.3	1797.4	1991.0	1979.8	2562.2	2282.8	2387.2	2468.8	7743.5	9701.0
YoY Change (%)	-11.9	-13.4	-2.8	-2.5	29.7	27.0	19.9	24.7	-7.8	25.3
EBITDA	221.5	221.6	155.9	106.9	74.7	92.1	95.9	97.8	705.8	360.4
Margin (%)	11.2	12.3	7.8	5.4	2.9	4.0	4.0	4.0	9.1	3.7
Depreciation	31.5	32.8	43.4	37.4	37.2	37.2	37.2	37.2	145.1	148.6
Interest	16.3	18.5	18.3	20.2	18.7	18.7	18.7	18.7	73.3	74.9
Other Income	6.9	9.8	14.5	16.6	12.6	10.6	10.6	8.6	47.8	42.3
PBT	180.7	171.7	107.7	63.3	31.4	31.4	50.6	50.5	523.4	179.3
Rate (%)	23.9	24.5	25.1	23.6	24.5	37.5	25.2	25.2	24.3	25.1
Adj PAT	137.5	129.7	80.6	48.4	23.7	35.0	37.8	37.8	396.2	134.4
YoY Change (%)	LP	LP	1699.8	-51.9	-82.8	-73.0	-53.1	-21.8	380.7	-66.1
Margin (%)	7.0	7.2	4.0	2.4	0.9	1.5	1.6	1.5	5.1	1.4

Mahanagar Gas**Buy****CMP: INR1,707 | TP: INR1,995 (+17%)****EPS CHANGE (%): FY25|26: +4|+6**

- Expect a volume growth of 14% YoY to 3.9mmscmd with CNG volumes up 15% YoY
- EBITDA margin expected at INR10.9/scm.
- Watch out for incentives for CNG vehicles to pick up demand in the segment.
- Updates on volumes at UEPL is a key monitorable.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	15,378	15,709	15,688	15,671	15,059	14,874	15,286	16,813	62,445	62,033
YoY Change (%)	5.7	0.5	-6.1	-2.7	-2.1	-5.3	-2.6	7.3	-0.9	-0.7
EBITDA	5,213	4,789	4,487	3,938	3,876	3,918	4,027	4,520	18,426	16,341
EBITDA/SCM	16.8	14.6	13.3	11.5	10.9	11.2	11.2	11.4	13.9	11.2
Margins (%)	33.9	30.5	28.6	25.1	25.7	26.3	26.3	26.9	29.5	26.3
Depreciation	620	658	683	775	742	742	742	742	2,736	2,966
Interest	25	25	27	38	26	26	26	26	115	104
Other Income	390	437	481	446	355	355	355	355	1,753	1,418
PBT	4,957	4,543	4,258	3,570	3,462	3,505	3,614	4,107	17,328	14,688
Tax	1,273	1,158	1,086	920	872	882	910	1,034	4,437	3,697
Rate (%)	25.7	25.5	25.5	25.8	25.2	25.2	25.2	25.2	25.6	25.2
Reported PAT	3,684	3,385	3,172	2,650	2,591	2,623	2,704	3,073	12,891	10,991
YoY Change (%)	98.9	106.4	84.3	-1.4	-29.7	-22.5	-14.7	16.0	63.2	-14.7
Margins (%)	24.0	21.5	20.2	16.9	17.2	17.6	17.7	18.3	20.6	17.7

MRPL**Sell****CMP: INR214 | TP: INR190 (-11%)****EPS CHANGE (%): FY25|26: -2|11**

- Expect refinery throughput of 4.7mmt (up 7% YoY).
- Watch out for details regarding recently announced petchem expansion and retail sales growth.
- Expect reported GRM at USD6.9/bbl, factoring in inventory gain.
- Persistently high valuations remain a concern, given the current highly volatile macro environment.

Standalone - Quarterly Earning**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	2,11,731	1,92,297	2,46,671	2,53,287	2,54,562	2,23,631	2,12,982	1,94,102	9,03,985	8,85,277
YoY Change (%)	-40.4	-21.9	-7.1	-0.1	32.4	16.3	-13.7	-23.4	-16.9	-2.1
EBITDA	22,428	22,428	11,843	23,395	14,125	16,297	16,814	13,962	78,283	61,198
Margin (%)	11.7	11.7	4.8	9.2	5.5	7.3	7.9	7.2	8.7	6.9
Depreciation	2,940	2,960	3,343	3,330	3,122	3,622	3,622	4,122	12,573	14,488
Forex loss	-66	1,046	248	98	0	0	0	0	1,326	0
Interest	2,673	3,112	2,736	2,617	2,641	2,641	2,641	2,641	11,138	10,562
Other Income	518	745	396	393	103	103	103	103	2,051	414
Pbu before EO expense	16,055	16,055	5,912	17,742	8,466	10,137	10,655	7,303	55,297	36,562
Extra-Ord expense	0	0	0	83	0	0	0	0	83	0
Pbu	16,055	16,055	5,912	17,659	8,466	10,137	10,655	7,303	55,214	36,562
Tax	5,461	5,462	2,041	6,291	2,879	3,447	3,623	2,483	19,255	12,431
Rate (%)	34.0	34.0	34.5	35.6	34.0	34.0	34.0	34.0	34.9	34.0
Reported PAT	10,593	10,593	3,871	11,368	5,588	6,691	7,033	4,820	35,959	24,131
YoY Change (%)	-60.9	LP	LP	-40.1	-47.2	-36.8	81.7	-57.8	36.6	-33.0
Margin (%)	5.5	5.5	1.6	4.5	2.2	3.0	3.3	2.5	4.0	2.7

Oil India**Buy****CMP: INR485 | TP: INR560 (+15%)****EPS CHANGE (%): FY25|26: 0|0**

- Oil realization (post windfall tax) to decline 2% YoY in 1QFY25
- Expect oil sales at 0.86mmt (up 15% YoY) and gas sales of 0.67bcm (up 23% YoY)
- Increase in production at the Baghjan field is a key monitorable over the medium term
- Update on progress of NRL capacity expansion and IGGL phase I

Quarterly Performance**(INR m)**

Y/E March	FY24				FY24				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	46,447	59,133	58,150	57,567	59,848	62,295	64,062	63,983	2,21,298	2,50,188
Change (%)	-22.1	2.4	-1.1	2.0	28.9	5.3	10.2	11.1	-4.9	13.1
EBITDA	23,289	24,885	21,058	23,357	24,545	26,283	27,388	27,396	92,588	1,05,612
% of Net Sales	50.1	42.1	36.2	40.6	41.0	42.2	42.8	42.8	41.8	42.2
Change (%)	-11.5	34.6	-26.2	-0.5	5.4	5.6	30.1	17.3	-4.4	14.1
D,D&A	3,974	4,234	4,992	4,551	4,550	4,847	5,716	5,211	17,751	20,323
Interest	1,659	2,235	1,814	1,893	1,881	2,535	2,057	2,147	7,601	8,619
OI (incl. Oper. other inc)	3,341	7,092	5,080	8,332	6,242	6,242	6,242	6,242	23,845	24,966
PBT before exceptional	20,997	25,509	19,331	25,244	24,355	25,143	25,857	26,280	91,081	1,01,635
PBT after exceptional	20,997	1,882	19,331	25,244	24,355	25,143	25,857	26,280	67,454	1,01,635
Tax	4,863	-1,372	3,489	4,956	6,130	6,328	6,508	6,615	11,936	25,582
Rate (%)	23.2	-5.4	18.0	19.6	25.2	25.2	25.2	25.2	13.1	25.2
PAT	16,134	3,253	15,843	20,288	18,225	18,814	19,349	19,665	55,519	76,054
Change (%)	3.7	-81.1	-9.3	13.5	13.0	478.3	22.1	-3.1	-18.5	37.0
Adj. PAT	16,134	19,088	15,843	20,288	18,225	18,814	19,349	19,665	71,354	76,054
Change (%)	3.7	10.9	-9.3	13.5	13.0	-1.4	22.1	-3.1	4.8	6.6

ONGC**Buy****CMP: INR275 | TP: INR330 (+20%)****EPS CHANGE (%): FY25 | 26: -5 | -2**

- Oil realization (net of windfall tax) to remain flat YoY.
- Update on ramp-up of gas production remain the key monitorable
- Expect oil volume to be flat and gas sales volumes to be down 11% YoY. VAP sales to decline 4% YoY
- Delay in peak oil production from KG Basin or decline in oil prices below USD75/bbl are key downside risks

Standalone - Quarterly Earning**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	338.1	351.6	347.9	346.4	371.9	393.6	393.5	395.8	1,384.0	1,554.8
YoY Change (%)	-20.1	-8.2	-9.8	-4.6	10.0	16.4	11.9	13.8	-11.0	12.3
EBITDA	194.5	183.6	171.6	174.1	186.6	204.0	203.5	205.0	723.8	799.1
Margin (%)	57.5	52.2	49.3	50.3	50.2	51.8	51.7	51.8	52.3	51.4
Depreciation	67.0	59.6	69.3	71.9	64.7	69.6	70.0	70.4	260.6	274.8
Interest	10.1	10.2	10.2	10.3	14.6	14.6	14.6	14.6	40.8	58.3
Other Income	16.1	20.9	34.0	36.8	24.0	24.0	24.0	24.0	107.8	95.8
PBT before EO expense	133.6	134.7	126.1	128.6	131.3	143.8	142.9	143.9	530.2	561.9
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	133.6	134.7	126.1	128.6	131.3	143.8	142.9	143.9	530.2	561.9
Tax	33.5	32.6	27.2	29.9	33.1	36.2	36.0	36.2	124.9	141.4
Rate (%)	25.0	24.2	21.6	23.3	25.2	25.2	25.2	25.2	23.6	25.2
Reported PAT	100.2	102.2	98.9	98.7	98.3	107.6	106.9	107.7	405.3	420.5
Adj PAT	100.2	102.2	98.9	98.7	98.3	107.6	106.9	107.7	399.9	420.5
YoY Change (%)	-34.1	-20.3	-10.4	41.9	-1.9	5.3	8.1	9.1	-13.1	5.1
Margin (%)	29.6	29.1	28.4	28.5	26.4	27.3	27.2	27.2	28.9	27.0

Petronet LNG**Neutral****CMP: INR336 | TP: INR310 (-8%)****EPS CHANGE (%): FY25 | 26: +23 | 0**

- We model in Dahej/Kochi utilization at 99%/22%.
- LNG imports remain strong given robust power demand and moderate LNG prices overall.
- Progress on ongoing projects is a key monitorable.
- Expect total PLNG volumes to increase 1% YoY.

Standalone - Quarterly Earning**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	1,16,561	1,25,320	1,47,472	1,37,932	1,48,925	1,51,446	1,52,238	1,53,685	5,27,284	6,06,294
YoY Change (%)	-18.3	-21.6	-6.5	-0.6	27.8	20.8	3.2	11.4	-12.0	15.0
EBITDA	11,818	12,147	17,060	11,040	15,320	16,579	16,579	15,320	52,065	63,797
Margin (%)	10.1	9.7	11.6	8.0	10.3	10.9	10.9	10.0	9.9	10.5
Depreciation	1,919	1,948	1,955	1,944	2,118	2,118	2,118	2,118	7,766	8,471
Interest	746	747	697	708	636	636	636	636	2,897	2,544
Other Income	1,467	1,567	1,565	1,568	1,201	1,502	1,502	1,802	6,167	6,007
PBT	10,621	11,020	15,973	9,957	13,767	15,327	15,327	14,368	47,570	58,788
Tax	2,723	2,839	4,066	2,581	3,469	3,862	3,862	3,893	12,208	15,087
Rate (%)	25.6	25.8	25.5	25.9	25.2	25.2	25.2	27.1	25.7	25.7
Reported PAT	7,899	8,181	11,907	7,376	10,298	11,464	11,464	10,475	35,362	43,701
Adj PAT	7,899	8,181	11,907	7,376	10,298	11,464	11,464	10,475	35,362	43,701
YoY Change (%)	12.7	9.9	0.9	20.1	30.4	40.1	-3.7	42.0	9.1	23.6
Margin (%)	6.8	6.5	8.1	5.3	6.9	7.6	7.5	6.8	6.7	7.2

Reliance Industries

Buy
CMP: INR3,132 | TP: INR3,433 (+10%)
EPS CHANGE (%): FY25 | 26: -24 | -19

- Expect consolidated EBITDA to remain flat YoY at INR410b.
- Expect production meant for sale at 17.1mmt (flat YoY).
Expect EBITDA/mt at USD91 (-10% YoY).
- Expect standalone EBITDA at INR179b (up 3% YoY)
- Further clarity on INR750b announcements in the new energy business, growth in Retail store additions, and any pricing action in Telecom are the key monitorable.

Consolidated - Quarterly Earning

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	2,076	2,319	2,251	2,365	2,337	2,442	2,609	2,515	9,011	9,903
YoY Change (%)	-5.4	0.8	3.6	11.1	12.6	5.3	15.9	6.3	2.5	9.9
EBITDA	381	410	407	425	410	454	488	480	1,622	1,832
Margins (%)	18.4	17.7	18.1	18.0	17.5	18.6	18.7	19.1	18.0	18.5
Depreciation	118	126	129	136	130	133	135	138	508	536
Interest	58	57	58	58	62	62	62	63	231	249
Other Income	38	38	39	45	42	42	42	42	161	170
PBT before EO expense	243	265	258	277	261	302	333	321	1,043	1,217
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	243	265	258	277	261	302	333	321	1,043	1,217
Rate (%)	25.2	25.2	24.6	23.7	26.1	25.4	25.4	23.8	24.6	25.1
MI & Profit/Loss of Asso. Cos.	21.7	24.3	22.2	21.9	25.9	25.9	25.9	25.9	90.1	103.7
Reported PAT	160	174	173	190	167	200	223	219	696	808
Adj PAT	160	174	173	190	167	200	223	219	696	808
YoY Change (%)	-12.0	27.0	9.2	-1.8	4.0	14.9	29.0	15.5	2.5	16.0
Margins (%)	7.7	7.5	7.7	8.0	7.1	8.2	8.5	8.7	7.7	8.2

Real Estate

Company

Brigade Enterprises
DLF
Godrej Properties
Kolte Patil
Macrotech Developers
Mahindra Lifespace
Oberoi Realty
Phoenix Mills
Prestige Estates
Sobha
Sunteck Realty

Strong demand traction likely to continue

- Our coverage universe is expected to report pre-sales of INR286b, up 79% YoY/ flat QoQ in 1QFY25. The new launches from our coverage companies were steady, except for DLF and GPL, which were able to launch key projects in NCR and Bengaluru. Both these companies witnessed a robust response to new projects and hence, were able to outperform their peers during the quarter
- Among all the companies, GPL, MLIFE, DLF, and OBER are expected to report 2-4x YoY surge in bookings. On the other hand, PEPL is expected to witness 11% YoY decline due to the lack of big launches and high base.
- Cumulative collections from our coverage universe companies are anticipated to increase 4% YoY to INR161b – implying a collection efficiency of ~60%.
- The cumulative revenue recognition from the coverage companies is expected at INR124b, up 28% YoY, with an EBITDA of INR30b – a growth of 22% YoY.

GPL, MLIFE, DLF, and OBER to witness the highest YoY growth in bookings

- **DLF:** The 1QFY25 performance for the company is expected to be driven by the launch of the subsequent phase of the Privana project, which was sold out (similar to the first phase) and generated bookings of INR55b.
- **Oberoi Realty:** Steady traction across all projects, along with monetization of two units at 360 West, will result in bookings of INR9.5b, double YoY.
- **GPL:** The company had another strong quarter of launches, which included one large project at NCR and Bengaluru, along with a new tower launch at a few ongoing projects. As already reported by the company, the new projects have received an encouraging response, and steady sustenance sales can enable GPL to report pre-sales of INR85b, up 4x YoY.
- **PEPL:** The company had two launches in Bengaluru worth INR10b in 1Q. This, coupled with healthy traction across ongoing projects, should lead to pre-sales of INR35b, down 11% YoY.
- **BRGD:** The company launched Insigna project in Bengaluru and given the high ticket size, the sales traction has been steady. Brigade Icon in Chennai was launched towards the end of 1Q and hence we expect minimal contribution. BRGD is expected to clock pre-sales of INR13b, up 31% YoY.
- **SOBHA:** The company's bookings during the quarter will largely be driven by the NCR market, where it launched a premium project "Sobha Aranya". Additionally, a small group housing project in the GIFT City along with two plotted projects in Tamil Nadu was also launched in 1QFY25. We expect SOBHA to report pre-sales of INR20b, up 37% YoY.
- **MLDL:** While there were no launches in 1Q, performance during the quarter is expected to be driven by new projects across Pune, Bengaluru, and Chennai, which were launched towards the end of 4QFY24. We expect MLDL to report bookings of INR10b, up 2x YoY.
- **SUNTECK:** The company can report sales of INR5.5b on the back of healthy sales across all key projects.
- **KOLTE PATIL:** Steady sustenance sales along with the small launch at Life Republic, can drive bookings to INR7.5b, up 7% YoY.

Top picks: GPL, PEPL and SOBHA

- The residential real estate sector continued its growth momentum with 14% growth in absorption for the top-7 cities in FY24, while realizations improved 10%. As supply continues to lag demand (547k units in FY24) and inventory overhang of 11 months, we believe gradual price hikes will continue to keep the demand momentum intact.
- With a favorable demand-supply balance, a comfortable inventory position, healthy pricing power, and a market consolidation opportunity, we expect buoyancy in the real estate sector to continue at least for the next two-three years. Accordingly, we remain constructive on the sector.
- We have a BUY rating on LODHA, GPL, PEPL, BRGD, and SOBHA and are Neutral on DLFU, MLDL, and OBER. **PEPL, GPL, and SOBHA are our top picks.**

Exhibit 1: Expected financial performance summary

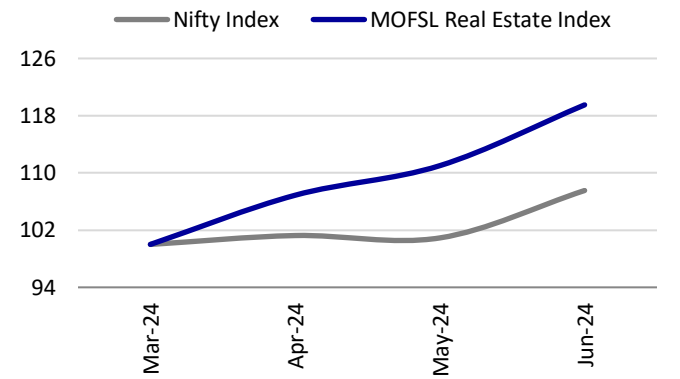
Sector	CMP (INR)	RECO	Sales (INR m)			EBITDA (INR m)			Net Profit (INR m)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Brigade Enterpr.	1366	Buy	11,424	74.7	-32.9	3,179	81.8	-26.5	1,116	141.5	-48.1
DLF	831	Neutral	14,753	3.7	-30.9	5,264	32.9	-30.2	7,688	46.1	-16.4
Godrej Properties	3310	Buy	6,948	-25.8	-51.3	185	LP	-85.0	1,913	43.2	-60.0
Kolte Patil Dev.	427	Buy	4,066	-28.8	-22.7	299	-67.1	LP	50	-89.1	LP
Macrotech Developers	1495	Buy	34,582	113.8	-13.9	9,337	182.9	-10.8	5,908	247.5	-11.4
Mahindra Lifespace	601	Neutral	1,600	63.2	1,019.4	-411	Loss	Loss	119	LP	-83.4
Oberoi Realty	1805	Neutral	9,950	9.3	-24.3	5,667	19.6	-28.1	3,990	24.1	-49.4
Phoenix Mills	3580	Neutral	9,145	12.8	-30.0	5,181	5.2	-17.3	2,169	-9.8	-33.6
Prestige Estates	1840	Buy	19,330	15.0	-10.7	4,932	-6.4	-40.4	230	-91.4	-83.6
Sobha	1992	Buy	9,658	6.4	26.6	1,188	81.7	91.5	522	332.1	642.0
Sunteck Realty	555	Buy	2,471	250.1	-42.1	395	LP	-74.2	253	LP	-75.0
Real Estate			1,23,927	28.0	-21.5	35,217	49.8	-25.9	23,958	36.7	-35.0

Exhibit 2: Expected operational performance summary

Sector	Pre-sales (INR b)			Volume (MSF)			Collections (INR b)		
	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Macrotech Developers*	40	20	-5	3.2	28	-3	27	-8	-23
Oberoi Realty	10	100	-47	0.3	76	-36	11	23	-3
Godrej Properties	85	277	-11	8.5	62	4	35	-8	-25
DLF	60	194	310	NA	NA	NA	22	14	0
Prestige Estates	35	-11	-26	3.7	-8	-10	25	3	-23
Brigade Enterprise	13	31	-42	1.6	-33	-42	16	30	-12
Sobha	20	37	33	1.3	-10	0	14	19	5
Mahindra Lifespace	10	190	-8	1.1	127	31	3	-9	-33
Sunteck Realty	6	42	-19	NA	NA	NA	3	-4	7
Kolte Patil	8	7	1	1.0	12	1	6	10	-5
Real Estate	286	79	2	21	6	-9	161	4	-16

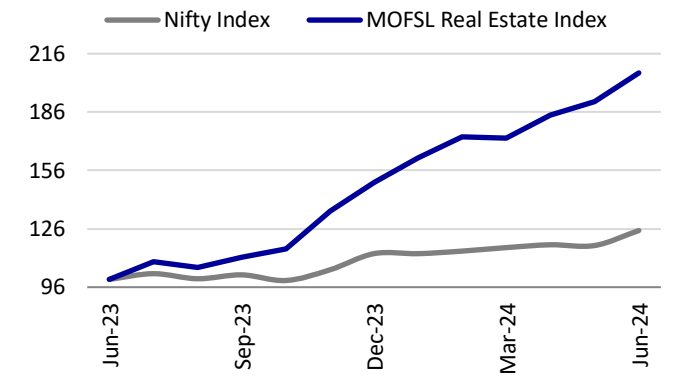
*Actual for Macrotech Source: Company, MOFSL

Exhibit 3: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 5: Real estate coverage – operational snapshot

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E	YoY (%)	QoQ (%)
Sales (INR b)										
DLF	21	25	85	20	22	90	15	60	194	310
Godrej Properties	24	33	41	23	50	57	95	85	277	-11
Macrotech	31	30	30	34	35	34	42	40	20	-5
Oberoi Realty	12	6	7	5	10	8	18	10	100	-47
Prestige Estates	35	25	39	39	71	53	47	35	-11	-26
Brigade Enterprise	8	10	15	10	12	15	22	13	31	-42
Sobha	12	14	15	15	17	20	15	20	37	33
Mahindra Lifespace	4	5	4	4	5	5	11	10	186	-8
Sunteck Realty	3	4	5	4	4	5	7	6	42	-19
Kolte Patil	7	7	7	6	7	7	7	8	19	1
Aggregate Sales (INR b)	157	159	247	159	234	294	280	286	80	2
Volume (msf)										
DLF	1.6	1.5	5.0	0.9	1.3	5.0	0.9	3.5	292	310
Godrej Properties	2.7	4.4	5.3	2.3	5.2	4.3	8.2	8.5	278	4
Macrotech	2.1	2.5	2.5	2.8	2.6	2.6	3.3	3.2	14	-3
Oberoi Realty	0.4	0.4	0.2	0.1	0.2	0.3	0.4	0.3	97	-36
Prestige Estates	4.6	2.9	4.0	3.8	6.8	5.5	4.1	3.7	-3	-10
Brigade Enterprise	1.2	1.5	2.4	1.5	1.7	1.7	2.7	1.6	8	-42
Sobha	1.3	1.5	1.5	1.4	1.7	1.7	1.3	1.3	-4	0
Mahindra Lifespace	0.5	0.6	0.5	0.4	0.7	0.5	0.9	1.1	165	31
Kolte Patil	0.6	1.1	1.0	0.9	1.0	1.0	1.0	1.0	12	1
Aggregate Volume (msf)	14.9	16.4	22.3	14.1	21.2	22.5	22.8	24.3	2	1
Collections (INR b)										
DLF	12	13	18	15	24	25	22	22	49	0
Godrej Properties	22	21	43	23	24	27	47	35	50	-25
Macrotech	24	27	29	24	28	26	35	27	12	-23
Oberoi Realty	9	4	9	11	11	9	11	11	-5	-3
Prestige Estates	26	23	28	27	24	31	33	25	-8	-23
Brigade Enterprise	10	9	10	8	14	10	18	16	93	-12
Sobha	11	14	12	11	13	13	13	14	22	5
Mahindra Lifespace	3	3	3	3	2	4	4	3	0	-33
Sunteck Realty	3	3	3	3	3	4	3	3	13	7
Kolte Patil	4	4	6	5	5	5	6	6	10	-5
Aggregate Collections (INR b)	123.2	121.9	160.9	131.1	146.8	154.1	192.6	161.5	23	-16

Source: Company, MOFSL

Exhibit 6: Comparative valuation

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Real Estate						63.9	58.4	44.9	5.3	5.8	5.2	8.3	9.9	11.5
Brigade Enterpr.	1,366	Buy	22.1	37.1	42.0	42.3	36.8	32.5	5.2	6.4	5.4	13.1	18.9	18.0
DLF	831	Neutral	11.0	15.6	17.0	81.6	53.1	49.0	4.1	3.5	3.2	7.1	9.4	9.5
Godrej Properties	3,310	Buy	26.9	34.2	37.8	85.5	96.8	87.5	6.4	8.4	7.7	7.8	9.1	9.2
Kolte Patil Dev.	427	Buy	-9.2	13.3	42.7	-50.5	32.1	10.0	4.8	4.0	2.9	-7.8	13.1	34.0
Macrotech Developers	1,495	Buy	16.9	23.7	35.4	67.0	63.0	42.2	6.2	7.3	6.3	10.7	12.2	16.0
Mahindra Lifespace	601	Neutral	6.3	7.7	6.3	92.9	78.6	96.0	4.9	4.8	4.6	5.3	6.2	4.9
Oberoi Realty	1,805	Neutral	53.0	50.5	70.8	27.8	35.8	25.5	3.9	4.3	3.7	14.8	12.6	15.6
Phoenix Mills	3,580	Neutral	61.6	60.8	83.0	45.0	58.9	43.1	5.2	6.1	5.4	12.3	10.9	13.2
Prestige Estates	1,840	Buy	19.0	19.9	26.2	61.7	92.5	70.1	3.9	5.8	5.4	6.7	6.4	7.9
Sobha	1,992	Buy	5.1	35.2	74.2	283.2	56.5	26.9	5.5	6.8	5.5	2.0	12.7	22.6
Sunteck Realty	555	Buy	4.8	16.2	23.2	80.3	34.2	23.9	1.8	2.4	2.2	2.4	7.4	9.7

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe.

Brigade Enterprise

Buy

CMP: INR1366 | TP: INR1525 (12%)

EPS CHANGE (%): FY24|25: 0|0

- Expect revenue to jump 75% YoY to INR11b.
- EBITDA is likely to reach INR3.2b with a margin of 28%.
- New bookings for the quarter are likely to reach INR13b, up 31% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	6,540	13,666	11,738	17,024	11,424	12,169	12,914	13,162	48,967	49,668
YoY Change (%)	-27.5	55.4	43.1	102.0	74.7	-11.0	10.0	-22.7	42.1	1.4
Total Expenditure	4,792	10,418	9,117	12,696	8,245	8,394	8,781	8,466	37,023	33,887
EBITDA	1,748	3,248	2,620	4,327	3,179	3,775	4,132	4,696	11,944	15,782
Margins (%)	26.7	23.8	22.3	25.4	27.8	31.0	32.0	35.7	24.4	31.8
Depreciation	681	757	821	762	777	792	808	820	3,021	3,197
Interest	1,081	1,100	1,349	1,380	1,352	1,217	1,095	1,026	4,910	4,690
Other Income	315	413	344	603	330	434	361	633	1,674	1,758
PBT before EO expense	300	1,803	795	2,788	1,380	2,199	2,590	3,483	5,687	9,652
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	300	1,803	795	2,788	1,380	2,199	2,590	3,483	5,687	9,652
Tax	5	597	150	591	347	554	652	877	1,343	2,430
Rate (%)	1.6	33.1	18.9	21.2	25.2	25.2	25.2	25.2	23.6	17.5
MI & Profit/Loss of Asso. Cos.	-166	-210	-177	48	-83	-88	-94	-96	-506	-361
Reported PAT	462	1,417	822	2,149	1,116	1,734	2,032	2,702	4,849	7,584
Adj PAT	462	1,417	822	2,149	1,116	1,734	2,032	2,702	4,516	7,584
YoY Change (%)	-42.4	115.4	44.4	305.8	141.5	22.4	147.3	25.7	79.6	67.9
Margins (%)	7.1	10.4	7.0	12.6	9.8	14.3	15.7	20.5	9.2	15.3

DLF

Neutral

CMP: INR831 | TP: INR850 (2%)

EPS CHANGE (%): FY24|25: 3|0

- Expect revenue to remain flat at INR15b.
- DLF can report an EBITDA of INR5.2b with steady margin
- New bookings are expected to surge 3x YoY to INR60b aided by a strong response to the subsequent phase of the Privana project

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	14,232	13,477	15,213	21,348	14,753	14,016	16,229	28,769	64,270	73,767
YoY Change (%)	-1.3	3.5	1.8	46.6	3.7	4.0	6.7	34.8	12.9	14.8
Total Expenditure	10,271	8,853	10,103	13,807	9,489	8,891	1Q	2Q	3Q	4Q
EBITDA	3,962	4,624	5,110	7,541	5,264	5,125	6,010	10,321	21,236	26,720
Margins (%)	27.8	34.3	33.6	35.3	35.7	36.6	37.0	35.9	33.0	36.2
Depreciation	364	370	380	367	385	404	425	509	1,480	1,724
Interest	849	902	837	977	928	947	966	926	3,565	3,767
Other Income	985	1,287	1,223	1,819	1,182	1,223	1,055	1,335	5,313	4,795
PBT before EO expense	3,734	4,639	5,115	8,016	5,133	4,997	5,675	10,221	21,505	26,025
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,734	4,639	5,115	8,016	5,133	4,997	5,675	10,221	21,505	26,025
Tax	1,014	1,122	1,350	1,715	1,291	1,257	1,428	2,572	5,201	6,548
Rate (%)	27.2	24.2	26.4	21.4	25.2	25.2	25.2	25.2	24.2	25.2
MI & Profit/Loss of Asso. Cos.	2,541	2,701	2,792	2,897	3,847	3,655	4,232	7,502	10,931	19,236
Reported PAT	5,261	6,219	6,557	9,198	7,688	7,394	8,479	15,151	27,235	38,713
Adj PAT	5,261	6,219	6,557	9,198	7,688	7,394	8,479	15,151	27,235	38,713
YoY Change (%)	12.1	30.3	26.4	61.5	46.1	18.9	29.3	64.7	33.9	42.1
Margins (%)	37.0	46.1	43.1	43.1	52.1	52.8	52.2	52.7	42.4	52.5

Source: Company, MOFSL

Godrej Properties**Buy**

CMP: INR3,282 | TP: INR3,725 (13%)

EPS CHANGE (%): FY24|25: 0|0

- Expect revenue to decline 26% YoY to INR7b.
- GPL's PAT is likely to increase 43% YoY to INR1.9b.
- Aided by a strong response to the new launches, GPL's pre-sales could jump 4x YoY to INR85b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	9,360	3,430	3,304	14,261	6,948	5,211	8,685	13,896	30,356	34,741
YoY Change (%)	282.6	107.8	68.4	-13.4	-25.77	51.93	162.84	-2.56	34.8	14.4
Total Expenditure	10,853	4,047	3,720	13,033	6,764	4,808	8,014	12,469	31,653	32,055
EBITDA	-1,493	-617	-416	1,228	185	403	672	1,427	-1,297	2,686
Margins (%)	-15.9	-18.0	-12.6	8.6	2.7	7.7	7.7	10.3	-4.3	7.7
Depreciation	69	74	142	161	89	67	111	178	446	446
Interest	297	480	430	315	897	934	934	972	1,521	3,738
Other Income	3,299	2,621	2,179	4,887	3,081	3,210	3,210	3,338	12,986	12,839
PBT before EO expense	1,440	1,451	1,192	5,639	2,280	2,612	2,836	3,615	9,723	11,342
PBT	1,440	1,451	1,192	5,639	2,280	2,612	2,836	3,615	9,723	11,342
Tax	592	388	319	1,230	567	425	709	1,134	2,529	2,836
Rate (%)	41.1	26.7	26.8	21.8	24.9	16.3	25.0	31.4	26.0	25.0
MI & Profit/Loss of Asso. Cos.	488	-336	-245	371	200	150	250	400	277	999
Reported PAT	1,336	726	627	4,780	1,913	2,336	2,376	2,881	7,471	9,506
Adj PAT	1,336	726	627	4,780	1,913	2,336	2,376	2,881	7,471	9,506
YoY Change (%)	208.5	8.4	11.2	5.2	43.2	221.6	278.9	-39.7	20.3	27.2
Margins (%)	14.3	21.2	19.0	33.5	27.5	44.8	27.4	20.7	24.6	27.4

Kolte Patil Developers**Buy**

CMP: INR427 | TP: INR700 (64%)

EPS CHANGE (%): FY24|25: 0|0

- Expect revenue to decline 29% YoY to INR4b.
- Margin pressure on legacy projects can result in 67% YoY decline in EBITDA.
- Steady sales across the ongoing project will drive bookings to INR7.5b, up 8% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	5,712	1,982	758	5,264	4,066	5,083	4,575	6,608	13,715	20,332
YoY Change (%)	185	61	-79	-34	-29	157	504	26	-7.9	48.2
Total Expenditure	4,800	1,947	1,124	5,332	3,767	4,434	3,991	5,545	13,204	17,736
EBITDA	912	35	-367	-68	299	649	584	1,063	511	2,595
Margins (%)	16.0	1.8	-48.4	-1.3	7.4	12.8	12.8	16.1	3.7	12.8
Depreciation	31	31	42	39	40	42	45	43	142	170
Interest	366	94	308	210	196	245	220	318	979	978
Other Income	74	67	79	13	47	58	52	76	233	233
PBT before EO expense	588	-24	-637	-303	110	420	372	778	-377	1,680
Extra-Ord expense	0	124	0	111	0	0	0	0	-235	0
PBT	588	-147	-637	-414	110	420	372	778	-611	1,680
Tax	100	93	-42	-185	36	139	123	258	-34	557
Rate (%)	17.0	-63.0	6.6	44.6	33.2	33.2	33.2	33.2	0.1	0.3
MI & Profit/Loss of Asso. Cos.	29	13	34	41	23	29	26	38	116	116
Reported PAT	460	-253	-629	-270	50	252	222	482	-694	1,006
Adj PAT	460	-253	-629	-270	50	252	222	482	-693	1,006
YoY Change (%)	116	188	134	-123	-89	NA	NA	NA	NA	NA
Margins (%)	8.0	-12.8	-83.0	-5.1	1.2	5.0	4.9	7.3	-5.0	5.0

Macrotech Developers**Buy****CMP: INR1,495 | TP: INR1,770 (+18%)****EPS CHANGE (%): FY24|25: 0|0**

- Expect revenue to increase 114% YoY to INR35b.
- EBITDA to jump 183% YoY to INR9.3b driven by 700bp improvement in EBITDA margin.
- It has reported pre-sales of INR40b, up 20% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	16,174	17,496	29,306	40,185	34,582	31,124	33,199	39,423	1,03,161	1,38,327
YoY Change (%)	-40	-1	65	23	114	78	13	-2	8.9	34.1
Total Expenditure	12,874	13,335	20,479	29,716	25,245	23,446	24,650	28,329	76,404	1,01,670
EBITDA	3,300	4,161	8,827	10,469	9,337	7,677	8,549	11,094	26,757	36,657
Margins (%)	20.4	23.8	30.1	26.1	27.0	24.7	25.8	28.1	25.9	26.5
Adj. EBITDA (as per co.)	4,600	5,500	10,800	13,400	9337	7,677	8,549	11,094	68,600	34,300
Margins (%)	28.4	31.4	36.9	33.3	27	24.7	25.8	28.1	66.5	24.8
Depreciation	240	293	333	1,173	222	200	213	253	2,039	888
Interest	1,241	1,231	1,168	1,158	1,100	1,045	993	1,181	4,798	4,319
Other Income	544	55	281	654	490	300	295	380	1,534	1,465
PBT before EO expense	2,363	2,692	7,607	8,792	8,505	6,732	7,638	10,041	21,454	32,916
Extra-Ord expense	0	0	1,049	0	0	0	0	0	-1,049	0
PBT	2,363	2,692	6,558	8,792	8,505	6,732	7,638	10,041	20,405	32,916
Tax	556	624	1,439	2,115	2,551	2,020	2,291	3,012	4,734	9,875
Rate (%)	23.5	23.2	21.9	24.1	30.0	30.0	30.0	30.0	0.2	0.3
MI & Profit/Loss of Asso. Cos.	15	40	67	7	45	41	43	51	180	180
Reported PAT	1,792	2,028	5,052	6,670	5,908	4,672	5,303	6,977	15,491	22,861
Adj PAT (as per co.)	1,700	2,100	5,700	6,670	5,908	4,672	5,303	6,977	16,170	22,861
YoY Change (%)	42	-43	90	-11	248	122	-7	5	5.2	41.4
Margins (%)	10.5	12.0	19.4	16.6	17.1	15.0	16.0	17.7	15.7	16.5

Mahindra Lifespaces**Neutral****CMP: INR601 | TP: INR600 (0%)****EPS CHANGE (%): FY24|25: 0|0**

- Revenue is expected to increase 63% YoY aided by partial completion of the Vicino project
- On the back of successful launches at Bengaluru, Pune, and Chennai, we expect MLDL to report quarterly bookings of INR10b, up 3x YoY

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Income from Operations	980	178	820	143	1,600	880	1,040	480	2,121	3,999
YoY Change (%)	3.7	-74.5	-56.1	-94.4	63.2	395.1	26.8	235.8	-65.0	88.6
Total Expenditure	1,412	527	1,210	684	2,011	1,106	1,307	603	3,832	5,027
EBITDA	-431	-349	-390	-541	-411	-226	-267	-123	-1,711	-1,028
Margins (%)	-44.0	-196.5	-47.6	-378.6	-25.7	-25.7	-25.7	-25.7	-80.7	-25.7
Depreciation	30	31	38	38	39	40	39	34	137	152
Interest	42	2	3	26	31	38	45	63	74	177
Other Income	120	79	68	403	64	35	42	19	670	160
PBT before EO expense	-383	-303	-364	-202	-418	-268	-310	-201	-1,252	-1,197
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	-383	-303	-364	-202	-418	-268	-310	-201	-1,252	-1,197
Tax	-94	-108	-109	-129	-120	-66	-78	-36	-440	-299
Rate (%)	24.4	35.7	30.1	63.8	28.7	24.5	25.1	17.9	35.2	25.0
MI & Profit/Loss of Asso. Cos.	247	6	754	788	417	521	542	604	1,790	2,084
Reported PAT	-43	-189	500	715	119	319	309	439	979	1,186
Adj PAT	-43	-189	500	715	119	319	309	439	979	1,186
YoY Change (%)	NM	NM	NM	NM	NM	NM	-38.1	-38.6	NM	20.7
Margins (%)	-4.4	-106.5	61.0	500.2	7.4	36.2	29.8	91.5	46.3	29.7

Oberoi Realty Neutral

CMP: INR1,805 | TP: INR1,560 (-14%)

EPS CHANGE (%): FY24|25: 9|0

- Expect revenue to increase 9% YoY to INR9.9b aided by the commencement of revenue recognition from new tower at Elysian.
- OBER's EBITDA could increase 20% YoY to INR6b due to 500bps margin expansion.
- New bookings could increase to INR10b, up 100% YoY

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	9,100	12,174	10,536	13,148	9,950	10,424	12,319	14,688	44,958	47,381
YoY Change (%)	-0.3	76.8	-35.3	36.8	9.3	-14.4	16.9	11.7	7.2	5.4
Total Expenditure	4,362	5,792	5,443	5,262	4,283	4,495	5,527	6,954	20,859	21,259
EBITDA	4,737	6,382	5,094	7,886	5,667	5,929	6,792	7,734	24,099	26,122
Margins (%)	52.1	52.4	48.3	60.0	57.0	56.9	55.1	52.7	53.6	55.1
Depreciation	113	113	114	135	218	228	270	322	475	1,037
Interest	615	565	501	504	283	296	350	418	2,184	1,347
Other Income	236	264	292	2,438	189	198	234	279	3,230	900
PBT before EO expense	4,245	5,968	4,771	9,685	5,356	5,602	6,406	7,274	24,669	24,638
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,245	5,968	4,771	9,685	5,356	5,602	6,406	7,274	24,669	24,638
Tax	1,046	1,421	1,192	1,833	1,366	1,429	1,633	1,855	5,491	6,283
Rate (%)	24.6	23.8	25.0	18.9	25.5	25.5	25.5	25.5	22.3	25.5
MI & Profit/Loss of Asso. Cos.	17	21	22	28	0	0	0	0	89	0
Reported PAT	3,216	4,568	3,602	7,880	3,990	4,174	4,772	5,419	19,266	18,355
Adj PAT	3,216	4,568	3,602	7,880	3,990	4,174	4,772	5,419	19,266	18,355
YoY Change (%)	-20.2	43.4	-48.7	64.1	24.1	-8.6	32.5	-31.2	1.2	-4.7
Margins (%)	35.3	37.5	34.2	59.9	40.1	40.0	38.7	36.9	42.9	38.7

Phoenix Mills Neutral

CMP: INR3,580 | TP: INR3,220 (-10%)

EPS CHANGE (%): FY24|25: 3|4

- Expect revenue to increase 13% YoY to INR9b in 1QFY25.
- EBITDA margin is likely to remain steady at 57%, with EBITDA reaching INR5b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	8,106	8,750	9,861	13,059	9,145	9,213	10,415	11,284	39,777	40,057
YoY Change (%)	41.1	34.4	44.2	79.1	12.8	5.3	5.6	-13.6	50.8	0.7
Total Expenditure	3,183	3,691	4,343	6,792	3,964	3,731	4,254	4,412	18,009	16,362
EBITDA	4,923	5,060	5,518	6,267	5,181	5,482	6,161	6,871	21,768	23,695
Margins (%)	60.7	57.8	56.0	48.0	56.7	59.5	59.2	60.9	54.7	59.2
Depreciation	630	659	656	757	886	849	960	997	2,702	3,692
Interest	957	965	1,042	995	946	898	889	888	3,959	3,622
Other Income	290	316	343	372	309	296	335	348	1,322	1,289
PBT before EO expense	3,627	3,752	4,163	4,886	3,659	4,030	4,646	5,334	16,429	17,669
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,627	3,752	4,163	4,886	3,659	4,030	4,646	5,334	16,429	17,669
Tax	730	714	724	998	919	1,012	1,167	1,340	3,166	4,439
Rate (%)	20.1	19.0	17.4	20.4	25.1	25.1	25.1	25.1	19.3	25.1
MI & P/L of Asso. Cos.	492	512	646	621	571	547	618	642	2,270	2,378
Reported PAT	2,405	2,526	2,793	3,267	2,169	2,471	2,861	3,352	10,993	10,853
Adj PAT	2,405	2,526	2,793	3,267	2,169	2,471	2,861	3,352	10,993	10,853
YoY Change (%)	48.5	35.9	58.3	58.9	-9.8	-2.2	2.4	2.6	1,880.3	1,987.6
Margins (%)	29.7	28.9	28.3	25.0	23.7	26.8	27.5	29.7	27.6	27.1

Prestige Estates

Buy

CMP: INR1,840 | TP: INR2,100 (14%)

EPS CHANGE (%): FY24|25: 0|0

- Expect revenue to increase 15% YoY to INR19b in 1QFY25.
- Due to the lack of big launches, PEPL's pre-sales could decline 11% YoY to INR35b.
- PEPL is likely to report an EBITDA of INR4.9b, with 25% margin.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	16,809	22,364	17,958	21,640	19,330	22,919	26,044	35,884	78,771	1,04,178
YoY Change (%)	-13.3	56.6	-22.5	-17.8	15.0	2.5	45.0	65.8	-5.3	32.3
Total Expenditure	11,542	16,439	12,443	13,363	14,398	17,215	19,065	25,581	53,787	76,258
EBITDA	5,267	5,925	5,515	8,277	4,932	5,704	6,980	10,303	24,984	27,920
Margins (%)	31.3	26.5	30.7	38.2	25.5	24.9	26.8	28.7	31.7	26.8
Depreciation	1,655	1,741	1,797	1,972	2,031	2,133	2,197	2,370	7,165	8,731
Interest	2,382	2,639	2,932	4,238	2,978	2,829	2,687	3,219	12,191	11,712
Other Income	2,854	1,684	1,747	685	773	917	1,042	1,435	6,970	4,167
PBT before EO expense	4,084	3,229	2,533	2,752	697	1,660	3,138	6,150	12,598	11,644
Extra-Ord expense	0	8,512	0	0	0	0	0	0	8,512	0
PBT	4,084	11,741	2,533	2,752	697	1,660	3,138	6,150	21,110	11,644
Tax	863	2,564	723	786	174	415	784	1,537	4,936	2,911
Rate (%)	21.1	21.8	28.5	28.6	25.0	25.0	25.0	25.0	23.4	25.0
MI & Profit/Loss of Asso. Cos.	552	668	647	566	293	280	318	382	2,433	1,273
Reported PAT	2,669	8,509	1,163	1,400	230	965	2,035	4,230	13,741	7,460
Adj. PAT	2,669	1,856	1,163	1,400	230	965	2,035	4,230	14,548	7,460
YoY Change (%)	174.0	397.2	-9.0	-69.5	-91.4	-48.0	75.0	202.2	101.7	-48.7
Margins (%)	15.9	8.3	6.5	6.5	1.2	4.2	7.8	11.8	18.5	7.2

Sobha

Buy

CMP: INR1,992 | TP: INR2,250 (13%)

EPS CHANGE (%): FY24|25: -14|0

- Expect revenue to increase 6% YoY to INR9.6b in 1QFY25.
- Sobha can report bookings of INR20b, up 37% YoY, driven by healthy launches in NCR.
- EBITDA is likely to jump 82% YoY to INR1.2b due to gradual margin recovery.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	9,079	7,412	6,849	7,629	9,658	10,078	10,918	11,338	30,969	41,991
YoY Change (%)	60.8	11.1	-21.1	-36.9	6.4	36.0	59.4	48.6		
Total Expenditure	8,425	6,658	6,108	7,008	8,470	8,827	9,280	9,116	28,199	35,693
EBITDA	654	754	741	621	1,188	1,251	1,638	2,221	2,770	6,299
Margins (%)	7.2	10.2	10.8	8.1	12.3	12.4	15.0	19.6	8.9	15.0
Depreciation	183	193	201	205	199	208	225	234	782	867
Interest	611	639	614	590	561	533	506	342	2,455	1,942
Other Income	313	324	288	284	360	373	331	575	1,209	1,640
PBT before EO expense	173	247	214	109	788	883	1,238	2,221	742	5,130
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	173	247	214	109	788	883	1,238	2,221	742	5,130
Tax	52	97	63	39	267	299	419	751	251	1,736
Rate (%)	30.2	39.4	29.4	35.5	33.8	33.8	33.8	33.8	33.8	33.8
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	121	149	151	70	522	584	819	1,470	491	3,395
Adj PAT	121	149	151	70	522	584	819	1,470	491	3,395
YoY Change (%)	168.3	-22.2	-52.6	-85.5	332.1	291.0	443.0	1,990.3	-52.9	591.1
Margins (%)	1.3	2.0	2.2	0.9	5.4	5.8	7.5	13.0	1.6	8.1

Sunteck**Buy****CMP: INR555 | TP: INR640 (15%)****EPS CHANGE (%): FY24|25: -8|1**

- Similar to 4QFY24, we expect healthy revenue growth driven by revenue recognition from the Naigaon project.
- Steady sales across all key projects will drive bookings to INR5.5b, up 42% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	706	250	424	4,269	2,471	3,671	3,812	4,165	5,648	14,118
YoY Change (%)	-50.8	-69.1	-52.5	773.4	250.1	1,370.6	798.0	-2.4		
Total Expenditure	780	391	573	2,735	2,075	2,722	2,868	2,957	4,476	10,623
EBITDA	-75	-141	-148	1,534	395	948	944	1,208	1,173	3,495
Margins (%)	-10.6	-56.5	-34.9	35.9	16.0	25.8	24.8	29.0	20.8	24.8
Depreciation	18	22	24	31	47	70	73	80	95	270
Interest	173	158	171	182	71	105	109	119	684	403
Other Income	178	113	185	81	60	90	93	102	555	344
PBT before EO expense	-87	-208	-158	1,402	338	863	855	1,111	949	3,166
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	-87	-208	-158	1,402	338	863	855	1,111	949	3,166
Tax	-27	-64	-55	386	84	216	214	278	240	792
Rate (%)	31.0	30.5	34.9	27.5	25.0	25.0	25.0	25.0	25.3	25.0
MI & Profit/Loss of Asso. Cos.	7	-6	-6	3	0	0	0	0	-1	-1
Reported PAT	-67	-139	-97	1,013	253	647	641	833	710	2,376
Adj PAT	-67	-139	-97	1,013	253	647	641	833	710	2,376
YoY Change (%)	-75.8	105.7	-29.9	-1,141.7	-75.0	155.5	-0.9	30.0	NA	NA
Margins (%)	-9.6	-55.6	-22.9	23.7	10.3	17.6	16.8	20.0	12.6	16.8

Retail

Company

Aditya Birla Fashion

Avenue Supermarts

Bata India

Campus Activewear

Kalyan

Metro Brands

Raymond

Relaxo Footwear

Senco Gold

Shoppers Stop

Titan Company

Trent

V-Mart Retail

Vedant Fashions

Value retailers may outperform premium retailers**Revenue growth likely led by footprint additions**

Demand remained subdued in 1QFY25 due to fewer wedding dates. For our coverage universe, we expect overall revenue to grow 17% YoY to INR1.06t in 1QFY25, driven by footprint additions, as same-store sales could remain muted for most retailers. However, we expect value retail segments such as VMART, Zudio and Pantaloons to outperform premium players. VMART, in a pre-quarter update, reported 11% blended SSSG. Similarly, we expect Zudio and Pantaloons to report positive SSSG. Premium players such as ABFRL Lifestyle, Raymond, Manyavar, Metro and SHOP could continue to see a subdued demand environment as the quarter had fewer weddings dates. We believe TRENT and VMART could be outliers in the segment.

Store additions to continue despite macro challenges

We expect store additions to continue in mid-teens for our retail coverage. DMART, in a pre-quarter updated, reported that it added seven stores in 1QFY25. However, as expected, VMART closed three loss-making stores, resulting in net addition of four stores in 1QFY25. TRENT and SHOP are likely to be key outliers in terms of aggressive store adds, while we believe Vedant Fashion, Raymond and ABFRL may slow down store addition due to subdued demand.

Weak SSSG to weigh on PAT margins

Gross margins are expected to remain flat YoY as we believe most retailers did not increase prices during the quarter. However, due to cost control and slowdown in store additions by some players could lead to 10bp YoY improvement in aggregate EBITDA margin. A decline in same-store sales could hurt store productivity and lead to operating deleverage. We expect overall PAT margin to decline by 100bp YoY and PAT to decline 10% YoY for our coverage universe.

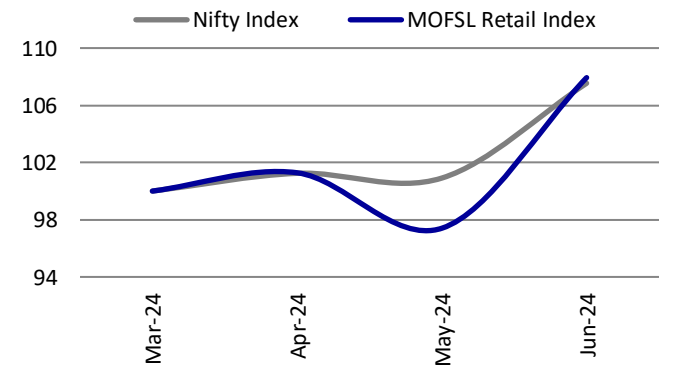
Valuation and View

TRENT and DMART remain strong candidates (BUY) considering their healthy balance sheets and strong secular growth momentum. We continue to monitor VMART, given its recovery in SSSG and likelihood of a decline in losses. In the footwear space, METRO remains a strong player (BUY), backed by its effective retail economics and healthy growth potential; however, the subdued demand environment may keep the stock range-bound for a few months.

Exhibit 1: Summary of quarterly estimates

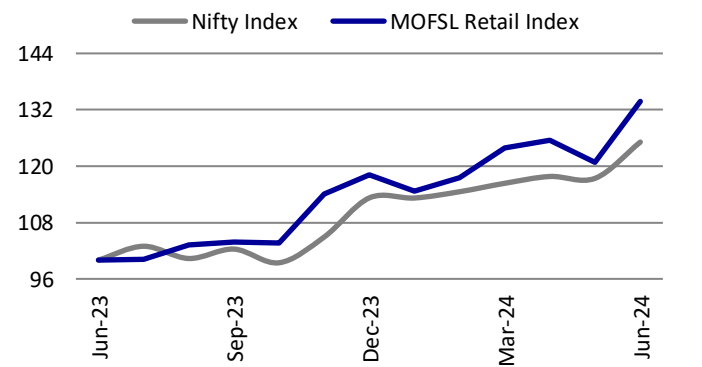
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Aditya Birla Fashion	330	Neutral	34,811	8.9	2.2	3,191	9.1	12.5	-2,353	Loss	Loss
Avenue Supermarts	4778	Buy	1,40,772	18.6	10.6	12,887	24.5	36.6	8,242	25.1	46.4
Barbeque Nation	570	Neutral	3,576	10.4	20.0	606	29.6	10.7	-13	Loss	Loss
Bata India	1494	Neutral	10,165	6.1	27.4	2,734	14.2	50.0	1,268	18.6	99.2
Campus Activewear	294	Buy	3,724	5.3	2.3	652	-1.6	2.0	324	3.0	-1.1
Devyani Intl.	168	Buy	11,936	41.0	14.0	2,008	15.8	15.5	179	-47.1	445.3
Jubilant Foodworks	575	Neutral	14,210	8.5	6.7	2,775	0.4	9.1	579	-22.9	67.9
Kalyan Jewellers	496	Buy	55,791	27.5	23.0	3,754	16.2	22.6	1,867	29.8	35.7
Metro Brands	1239	Buy	6,342	8.9	8.8	2,022	8.4	27.5	1,037	10.9	19.8
Raymond	2979	Buy	21,433	21.0	-17.8	2,630	33.8	-39.7	1,068	24.6	-55.7
Relaxo Footwear	831	Neutral	7,769	5.2	4.0	1,204	12.0	0.1	617	9.5	0.4
Restaurant Brands	102	Buy	5,061	19.9	15.3	653	34.7	18.5	-147	Loss	Loss
Sapphire Foods	1561	Buy	7,332	12.0	16.1	1,269	4.5	23.3	172	-31.0	741.1
Senco Gold	1108	Buy	15,469	18.5	36.0	809	20.4	-7.8	365	31.8	13.3
Shoppers Stop	759	Neutral	10,861	10.6	8.6	1,931	12.1	17.7	77	-48.7	59.8
Titan Company	3400	Buy	1,30,453	9.7	4.4	11,845	5.3	-0.5	7,824	3.5	1.5
Trent	5539	Buy	36,778	45.0	15.4	5,259	43.8	10.2	3,042	105.2	22.8
V-Mart Retail	2892	Neutral	7,860	15.8	17.6	671	27.9	66.8	-176	Loss	Loss
Vedant Fashions	1099	Neutral	2,629	-15.6	-27.6	1,165	-21.4	-33.5	658	-28.4	-43.1
Westlife Foodworld	829	Neutral	6,400	4.1	13.8	863	-18.1	11.9	96	-66.7	1,136.7
Retail			5,33,371	16.7	9.0	58,928	14.4	10.2	24,726	14.1	20.2

Exhibit 2: Relative performance – three-months (%)



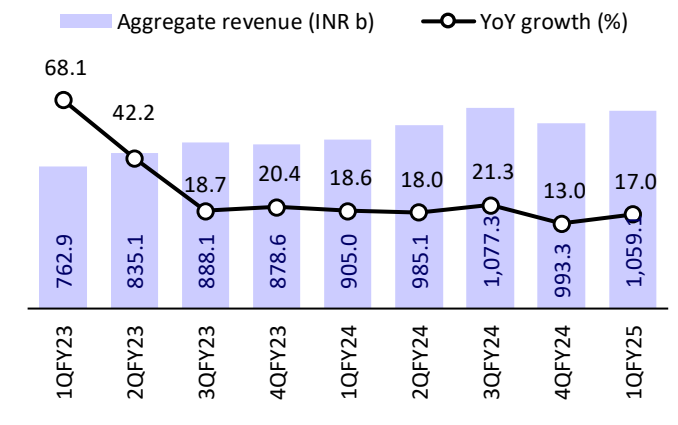
Source: Bloomberg, MOFSL

Exhibit 3: Relative performance – one-year (%)



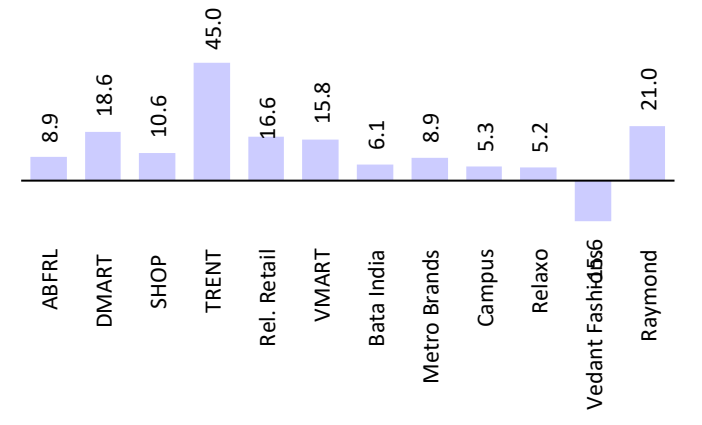
Source: Bloomberg, MOFSL

Exhibit 4: Aggregate revenue growth (INR b; YoY %)



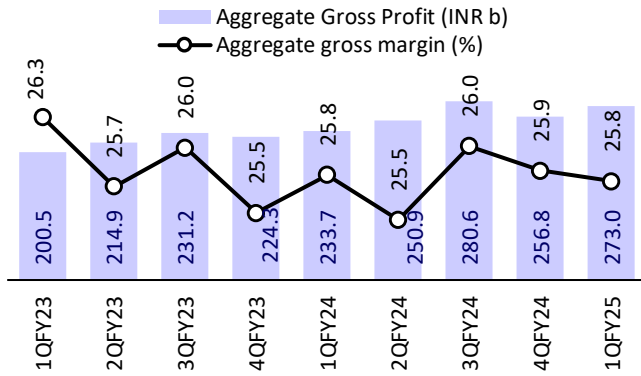
Source: Company, MOFSL

Exhibit 5: Expected revenue growth in 1QFY25; TRENT continues to outperform (YoY %)



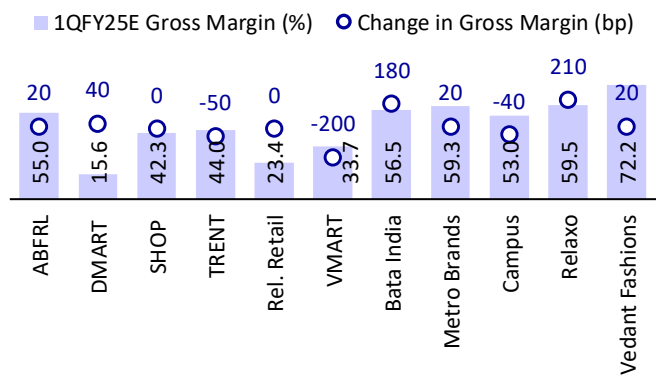
Source: Company, MOFSL

Exhibit 6: Aggregate growth in gross profit (YoY %)



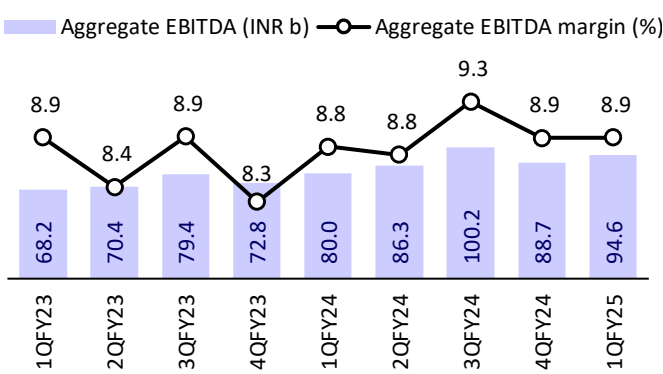
Source: Company, MOFSL

Exhibit 7: Change in gross margin (YoY %)



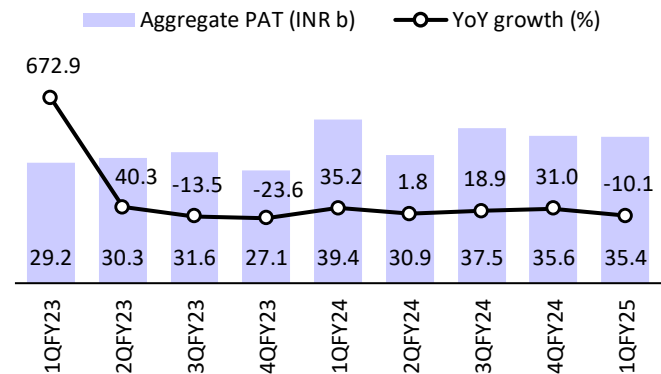
Source: Company, MOFSL

Exhibit 8: Aggregate EBITDA trajectory (margin, %)



Source: Company, MOFSL

Exhibit 9: Aggregate PAT trajectory (YoY %)



Source: Company, MOFSL

Exhibit 10: Retail coverage – KPI snapshot

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25E
Total store count									
Madura EBOs	2,585	2,561	2,601	2,650	2,643	2,660	2,696	2,679	2,679
Pantaloons	375	396	406	431	434	439	446	417	422
DMart	294	302	306	324	327	336	341	365	371
Shoppers Stop	90	91	96	98	98	102	105	112	119
Westside	203	208	211	214	221	223	227	232	237
Zudio	247	285	326	352	388	411	460	545	590
V-Mart	391	405	414	423	431	437	454	444	448
Vedant Fashions	603	626	640	649	662	669	673	676	677
Metro Brands	644	672	745	764	789	817	840	839	869
Store additions									
Madura EBOs	63	-24	40	49	-7	17	36	-17	0
Pantaloons	-2	21	10	25	3	5	7	-29	5
DMart	10	8	4	18	3	9	5	24	6
Shoppers Stop	2	1	5	2	0	4	3	7	7
Westside	3	5	3	3	7	2	4	5	5
Zudio	14	38	41	26	36	23	49	85	45
V-Mart	11	14	9	9	8	6	17	-10	4
Vedant Fashions	20	23	14	9	13	7	4	3	1
Metro Brands	20	28	73	19	25	28	23	-1	30

Source: Company, MOFSL

Exhibit 11: Comparative valuation

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Retail						111.8	87.8	66.2	16.8	15.6	13.1	15.1	17.8	19.8
Aditya Birla Fashion	330	Neutral	-7.4	-7.1	-6.4	-27.9	-46.7	-51.5	4.4	8.4	10.0	-18.6	-16.4	-17.7
Avenue Supermarts	4,778	Buy	39.0	52.2	69.1	116.2	91.5	69.2	15.8	14.1	11.7	14.6	16.7	18.5
Barbeque Nation	570	Neutral	-2.9	-0.5	2.3	-174.3	-1,083	248.0	5.0	5.7	5.6	-2.8	-0.5	2.2
Bata India	1,494	Neutral	22.8	29.2	40.1	59.8	51.2	37.3	11.5	10.1	7.9	19.8	21.9	23.8
Campus Activewear	294	Buy	2.9	4.2	5.6	73.5	70.8	52.9	10.1	11.6	9.5	13.7	16.3	17.9
Devyani Intl.	168	Buy	0.8	1.2	2.1	195.3	140.0	80.5	17.2	26.5	27.0	9.2	15.9	33.2
Jubilant Foodworks	575	Neutral	3.9	5.5	8.2	113.6	104.6	70.5	13.6	16.5	15.6	12.0	15.8	22.1
Kalyan Jewellers	496	Buy	5.8	8.5	11.5	73.8	58.2	43.0	10.5	10.6	9.0	15.3	19.4	22.6
Metro Brands	1,239	Buy	12.7	15.3	19.0	90.2	80.9	65.3	16.4	14.9	12.5	20.3	20.5	21.3
Raymond	2,979	Buy	104.1	126.4	145.8	17.4	23.6	20.4	2.6	3.6	3.1	18.4	16.7	16.4
Relaxo Footwear	831	Neutral	8.1	10.4	13.3	101.3	79.6	62.7	10.1	9.4	8.5	10.4	12.4	14.2
Restaurant Brands	102	Buy	-4.8	-2.1	0.3	-21.3	-48.4	346.9	8.0	9.7	9.4	-32.1	-18.1	2.7
Sapphire Foods	1,561	Buy	8.2	14.0	24.4	192.4	111.3	64.1	7.5	7.0	6.3	4.0	6.5	10.3
Senco Gold	1,108	Buy	23.3	30.3	37.1	33.1	36.6	29.8	4.4	5.4	4.7	15.7	15.9	16.8
Shoppers Stop	759	Neutral	7.2	14.1	19.1	103.8	53.9	39.8	19.4	14.4	10.5	21.8	30.7	30.6
Titan Company	3,400	Buy	39.3	47.1	57.9	96.9	72.2	58.8	36.1	24.5	19.0	32.9	38.6	36.4
Trent	5,539	Buy	29.2	49.4	62.7	135	112	88.3	32.3	31.6	22.9	31.2	35.5	32.1
V-Mart Retail	2,892	Neutral	-53.5	-23.3	15.1	-40	-124	191.4	5.2	7.4	7.1	NM	NM	3.8
Vedant Fashions	1,099	Neutral	17.1	19.3	23.8	54	57	46.2	14.5	14.6	12.3	27.6	26.9	25.9
Westlife Foodworld	829	Neutral	4.4	7.2	11.9	181.2	115.0	69.7	21.3	15.3	14.1	12.0	15.7	21.1

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Aditya Birla Fashion

Neutral

CMP: INR330 | TP: INR335 (+1.5%)

EPS CHANGE (%): FY25 | 26: -1.8 | -1

- Expect revenue growth of 9% YoY, with stable margin.
- Expect Madhura business to report 1% YoY growth.
- Expect consol. EBITDA margin to grow 10bp YoY due to rationalizing the channels.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	31,961	32,264	41,667	34,067	34,811	36,445	47,462	40,045	1,39,959	1,58,763
YoY Change (%)	11.2	4.9	16.1	18.3	8.9	13.0	13.9	17.6	12.7	13.4
Total Expenditure	29,037	29,031	36,134	31,230	31,620	33,035	41,182	36,250	1,25,433	1,42,087
EBITDA	2,923	3,233	5,533	2,837	3,191	3,410	6,280	3,795	14,526	16,676
Change, YoY (%)	-37.6	-18.5	27.0	47.1	9.1	5.5	13.5	33.8	-2.7	14.8
Depreciation	3,670	3,888	4,441	4,554	4,668	4,784	4,904	5,110	16,552	19,466
Interest	1,873	2,084	2,454	2,355	2,379	2,402	2,426	2,420	8,766	9,628
Other Income	603	457	441	875	719	719	719	719	2,376	2,876
PBT	-2,017	-2,281	-922	-3,197	-3,137	-3,058	-332	-3,016	-8,417	-9,542
Tax	-397	-282	227	-478	-784	-765	-83	-754	-930	-2,386
Rate (%)	19.7	12.4	-24.6	14.9	25.0	25.0	25.0	25.0	11.0	25.0
Reported PAT	-1,620	-1,999	-1,149	-2,719	-2,353	-2,294	-249	-2,262	-7,487	-7,157
Adj PAT	-1,620	-1,999	-1,149	-2,719	-2,353	-2,294	-249	-2,262	-7,487	-7,157
YoY Change (%)	-272.7	-763.8	-1,821.9	38.1	45.2	14.8	-78.4	-16.8	1,029.0	-4.4

E: MOFSL Estimates

Avenue Supermarts

Buy

CMP: INR4,778 | TP: INR5,475 (+15%)

EPS CHANGE (%): FY25 | 26: -2 | -2.5

- Consolidated revenue expected to grow 18.6% YoY
- Standalone revenue/sqft grew 4.2% YoY to ~INR35,900
- DMART added six stores in 1QFY25, taking its total store count to 371
- Expect PAT to grow by 25% YoY

Consolidated - Quarterly Earning

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	118.7	126.2	135.7	127.3	140.8	153.5	169.6	156.0	507.9	619.9
YoY Change (%)	18.2	18.7	17.3	20.1	18.6	21.6	24.9	22.6	18.6	22.1
Total Expenditure	108.3	116.2	124.5	117.8	127.9	140.3	154.4	142.9	466.9	565.5
EBITDA	10.4	10.0	11.2	9.4	12.9	13.2	15.1	13.1	41.0	54.4
EBITDA margin (%)	8.7	8.0	8.3	7.4	9.2	8.6	8.9	8.4	8.1	8.8
Change YoY (%)	2.7	12.7	16.0	22.3	24.5	31.7	35.3	39.0	12.8	32.5
Depreciation	1.6	1.7	1.9	2.0	2.1	2.2	2.3	2.3	7.3	8.8
Interest	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.6	0.6
Other Income	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	1.5	1.6
PBT	9.0	8.5	9.5	7.6	11.0	11.3	13.2	11.1	34.6	46.6
Tax	2.4	2.3	2.6	2.0	2.8	2.9	3.3	3.6	9.3	12.6
Rate (%)	26.6	26.8	27.2	26.2	25.2	25.2	25.2	32.8	26.7	27.0
Reported PAT	6.6	6.2	6.9	5.6	8.2	8.5	9.8	7.4	25.4	34.0
Adj PAT	6.6	6.2	6.9	5.6	8.2	8.5	9.8	7.4	25.4	34.0
YoY Change (%)	2.5	14.4	17.2	22.4	25.1	35.8	42.5	32.3	13.3	34.0

E: MOFSL Estimates

Bata India**Neutral****CMP: INR1,494 | TP: INR1,400 (-6%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Expect 6% YoY growth in revenue to INR10b for 1QFY25
- Expect PAT margin to increase to 19% YoY
- EBITDA margin to improve 190bp YoY to 26.9%

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	9,581	8,191	9,035	7,979	10,165	8,690	10,151	9,040	34,786	38,045
YoY Change (%)	1.6	-1.3	0.4	2.5	6.1	6.1	12.4	13.3	0.8	9.4
Gross Profit	5,246	4,755	5,065	4,798	5,743	4,866	5,837	5,316	19,864	21,762
Gross margin%	54.7	58.1	56.1	60.1	56.5	56.0	57.5	58.8	57.1	57.2
Total Expenditure	7,186	6,375	7,210	6,156	7,431	6,822	7,674	6,950	26,927	28,876
EBITDA	2,395	1,817	1,824	1,823	2,734	1,868	2,477	2,089	7,859	9,169
EBITDA margin	25.0	22.2	20.2	22.8	26.9	21.5	24.4	23.1	22.6	24.1
Change YoY (%)	-2.1	12.9	-11.5	0.2	14.2	2.9	35.8	14.6	-1.0	16.7
Depreciation	811	817	860	903	924	924	924	924	3,391	3,695
Interest	281	284	295	310	316	316	316	316	1,170	1,263
Other Income	133	155	111	219	201	201	201	201	617	802
PBT before EO expense	1,436	870	780	829	1,695	829	1,438	1,050	3,915	5,013
Extra-Ord expense	0	409	0	0	0	0	0	0	409	0
PBT	1,436	461	780	829	1,695	829	1,438	1,050	3,506	5,013
Tax	367	121	201	193	427	209	362	265	881	1,263
Rate (%)	25.5	26.3	25.7	23.2	25.2	25.2	25.2	25.2	25.1	25.2
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,069	340	580	636	1,268	620	1,075	786	2,625	3,750
Adj PAT	1,069	641	580	636	1,268	620	1,075	786	2,927	1,858
YoY Change (%)	-10	17	-30	-3	19	-3	85	23	-9	-37
Margins (%)	11%	8%	6%	8%	12%	7%	11%	9%	8%	5%

E: MOFSL Estimates

Campus Activewear**Buy****CMP: INR294 | TP: INR335 (+14%)****EPS CHANGE (%): FY25 | 26: 3.1 | 3.7**

- Revenue growth likely to remain moderate at 5% YoY due to weak demand environment
- EBITDA margin to contract ~121bp YoY due to higher other expenses.
- Expect volume/ASP growth of 3%/2% YoY
- Expect PAT to grow 3% YoY due to lower finance cost.

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	3,538	2,587	4,720	3,639	3,724	3,575	5,045	3,757	14,483	16,100
YoY Change (%)	4.8	-22.4	1.4	4.6	5.3	38.2	6.9	3.2	-2.4	11.2
Gross Profit	1,888	1,406	2,420	1,815	1,974	1,859	2,613	1,926	7,528	8,372
Gross margin	53.4	54.3	51.3	49.9	53.0	52.0	51.8	51.3	52.0	52.0
Total Expenditure	2,876	2,342	4,158	3,000	3,072	2,985	4,248	3,219	12,375	13,524
EBITDA	662	245	563	639	652	590	797	537	2,108	2,576
EBITDA margins (%)	18.7	9.5	11.9	17.6	17.5	16.5	15.8	14.3	14.6	16.0
Depreciation	171	181	184	186	192	192	192	192	721	768
Interest	69	65	58	40	40	40	40	40	232	161
Other Income	2	4	14	25	13	13	13	13	45	50
PBT	424	4	335	438	432	370	577	318	1,200	1,697
Tax	109	1	86	110	108	93	144	79	306	424
Rate (%)	25.8	13.5	25.6	25.2	25.0	25.0	25.0	25.0	25.5	25.0
Reported PAT	315	3	249	328	324	278	433	238	894	1,273
Adj PAT	314	3	249	328	324	278	433	238	894	1,273
YoY Change (%)	1	-98	-48	43	3	8,572	74	-27	-23.6	42.3

E: MOFSL Estimates

Kalyan Jewellers**Buy****CMP: INR 496 | TP: INR570 (+15%)****EPS CHANGE (%): FY25 | 26: - | -**

- Consolidated revenue grew by ~27% YoY, with strong performance across all market in India and ME.
- India business grew ~29% YoY, driven by healthy SSSG growth of ~12%.
- It has open 24 stores of Kalyan and Candere in 1QFY25, taking the total store count to 277.
- We expect gross margin to decline by 140bp and EBITDA margin by ~60bp.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Stores	192	206	228	253	277	282	311	378	253	378
Net Sales	43,757	44,145	52,231	45,349	55,791	58,051	70,250	59,742	1,85,483	2,43,834
Change (%)	31.3	27.1	34.5	34.1	27.5	31.5	34.5	31.7	31.8	31.5
Gross Profit	6,604	6,306	7,615	6,612	7,643	7,837	9,695	8,136	27,137	33,311
Gross Margin (%)	15.1	14.3	14.6	14.6	13.7	13.5	13.8	13.6	14.6	13.7
EBITDA	3,229	3,137	3,698	3,062	3,754	4,020	4,821	4,089	13,127	16,684
Margin (%)	7.4	7.1	7.1	6.8	6.7	6.9	6.9	6.8	7.1	6.8
Change (%)	22.2	17.9	13.1	19.3	16.2	28.2	30.4	33.5	17.8	27.1
Interest	821	817	817	778	804	797	784	746	3,232	3,131
Depreciation	641	669	697	736	782	797	823	840	2,743	3,241
Other Income	116	131	201	288	314	328	342	366	737	1,351
PBT	1,885	1,781	2,386	1,837	2,483	2,755	3,557	2,869	7,888	11,662
Tax	449	433	582	462	616	683	882	711	1,925	2,892
Effective Tax Rate (%)	23.8	24.3	24.4	25.1	24.8	24.8	24.8	24.8	24.4	24.8
Adjusted PAT	1,439	1,352	1,806	1,376	1,867	2,071	2,675	2,157	5,973	8,770
Change (%)	33.3	27.1	21.5	96.3	29.8	53.2	48.1	56.8	28.1	46.8

E: MOFSL Estimates

Metro Brands**Buy****CMP: INR1,239 | TP: INR1,420 (+15%)****EPS CHANGE (%): FY25 | 26: -2.7 | -4.2**

- Revenue to grow 9% YoY to INR6.3b, led by footprint additions
- Expect EBITDA margin to remain flat YoY to 31.9%
- Expect to add 30 stores in 1QFY25, taking the total count to 869

Consolidated - Quarterly Earning**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	5,825	5,557	6,355	5,830	6,342	6,421	7,725	7,026	23,567	27,515
YoY Change (%)	14.7	16.7	6.1	7.1	8.9	15.6	21.6	20.5	10.8	16.8
Total Expenditure	3,959	4,003	4,365	4,244	4,320	4,585	5,200	5,074	16,571	19,179
EBITDA	1,866	1,554	1,990	1,586	2,022	1,837	2,525	1,953	6,996	8,336
EBITDA Margin (%)	32.0	28.0	31.3	27.2	31.9	28.6	32.7	27.8	29.7	30.3
Depreciation	543	572	586	591	614	630	645	684	2,291	2,573
Interest	185	197	204	203	216	230	245	259	789	951
Other Income	144	162	160	244	195	195	195	195	708	779
PBT	1,282	946	1,359	1,036	1,386	1,171	1,829	1,205	4,624	5,591
Tax	353	275	379	-508	349	295	461	320	499	1,426
Rate (%)	27.5	29.1	27.9	-49.0	25.2	25.2	25.2	26.6	10.8	25.5
MI & Profit/Loss of Asso. Cos.	6	5	7	12	0	0	0	0	30	0
PAT before MI	929	671	981	1,544	1,037	876	1,368	884	4,124	4,165
Adj PAT post MI	935	676	988	866	1,037	876	1,368	884	3,465	4,165
YoY Change (%)	-12	-13	-13	26	11	30	39	2	-5.2	20.2

E: MOFSL Estimates

Raymond**Buy****CMP: INR2,979 | TP: INR3,755 (+26%)****EPS CHANGE (%): FY25|26: -5.6|-2.5**

- Expect revenue to grow 21% YoY, driven by healthy growth in real estate and tools/hardware business
- Real estate expected to post 80% YoY revenue growth and margin expansion
- EBITDA margin to expand ~120bp YoY, aided by scale benefits.

Consolidated - Quarterly Earning

Y/E March	FY24				FY25E				FY24	FY25
INRm	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Total Revenue	17,715	22,534	23,862	26,085	21,433	25,993	28,490	29,836	90,195	1,05,751
YoY %	3%	4%	10%	21%	21%	15%	19%	14%	10%	17%
Total expenditure	15,748	19,388	20,242	21,726	18,803	22,307	23,979	25,027	77,104	90,116
EBITDA	1,966	3,146	3,619	4,359	2,630	3,685	4,511	4,809	13,091	15,636
EBITDA margin (%)	11.1%	14.0%	15.2%	16.7%	12.3%	14.2%	15.8%	16.1%	14.5%	14.8%
Depreciation and amortization	597	654	703	883	903	923	943	938	2,837	3,707
Finance Costs	795	893	1,035	1,035	1,031	859	859	859	3,758	3,609
Other income	550	673	642	797	732	732	732	732	2,661	2,927
Exceptional items	94	230	0	108	0	0	0	0	432	0
Profit before Tax	1,030	2,042	2,523	3,130	1,428	2,635	3,441	3,743	8,725	11,247
Tax	267	507	626	826	360	664	867	943	2,227	2,834
Profit after Tax	763	1,535	1,897	2,304	1,068	1,971	2,574	2,800	6,498	8,412
Margin (%)	4.3%	6.8%	7.9%	8.8%	5.0%	7.6%	9.0%	9.4%	7.2%	8.0%
Minority Interest	-15	-14	-19	-6	-56	-56	-56	-56	-53	-225
Share of Profit in Associated Cos	9,904	77	-43	-6	0	0	0	0	9,932	0
Net Income	10,653	1,598	1,835	2,292	1,012	1,915	2,518	2,744	16,377	8,188
Adjusted income	857	1,765	1,897	2,412	1,068	1,971	2,574	2,800	6,930	8,412
Margin (%)	60.1%	7.1%	7.7%	8.8%	4.7%	7.4%	8.8%	9.2%	18.2%	7.7%

Relaxo Footwear**Neutral****CMP: INR831 | TP: INR795 (-4%)****EPS CHANGE (%): FY25|26: 3|0.6**

- Expect revenue to grow 5% YoY
- ASP likely to increase YoY to INR149
- Expect improvement in EBITDA margin by 94bp YoY, aided by scale benefits and improved GM
- Expect 9.5% YoY growth in PAT to INR617m

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	7,388	7,153	7,127	7,472	7,769	7,558	8,197	8,600	29,141	32,125
YoY Change (%)	10.7	6.8	4.7	-2.3	5.2	5.7	15.0	15.1	4.7	10.2
Total RM Cost	3,151	3,013	3,065	2,968	3,147	3,061	3,320	3,483	12,197.0	13,010
Gross Profit	4,237	4,140	4,062	4,504	4,623	4,497	4,877	5,117	16,944	19,114
Margins (%)	57.4	57.9	57.0	60.3	59.5	59.5	59.5	59.5	58.1	59.5
Total Expenditure	6,313	6,238	6,255	6,269	6,565	6,372	6,861	7,251	25,075	27,049
EBITDA	1,076	915	872	1,204	1,204	1,187	1,336	1,349	4,066	5,076
Margins (%)	14.6	12.8	12.2	16.1	15.5	15.7	16.3	15.7	14.0	15.8
Depreciation	346	369	375	385	396	408	420	446	1,475	1,671
Interest	45	47	48	47	56	56	56	56	187	224
Other Income	73	105	60	51	72	72	72	72	289	289
PBT before EO expense	758	604	508	823	824	795	932	919	2,693	3,470
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	758	604	508	823	824	795	932	919	2,693	3,470
Tax	195	162	123	209	208	200	235	232	688	874
Rate (%)	25.7	26.8	24.1	25.4	25.2	25.2	25.2	25.2	25.6	25.2
Reported PAT	563	442	386	614	617	595	697	687	2,005	2,596
Adj PAT	563	442	386	614	617	595	697	687	2,005	2,596
YoY Change (%)	45.6	97.0	28.3	-3.0	9.5	34.6	80.8	12.0	29.8	29.5
Margins (%)	7.6	6.2	5.4	8.2	7.9	7.9	8.5	8.0	6.9	8.1

E: MOFSL Estimates

Senco Gold**Buy****CMP: INR1,108 | TP: INR1,350 (+22%)****EPS CHANGE (%): FY25 | 26: - | -**

- We expect revenue growth of ~18% YoY in 1QFY25.
- GP margin is expected to expand by 20bp YoY, while EBITDA margins to remain flat YoY.
- Expect to add four stores, taking the total store count to 163.
- Watch out for commentary on demand, expansions, and market competitiveness.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Stores	142	145	155	159	163	167	171	175	159	175
Net Sales	13,054	11,466	16,522	11,373	15,469	13,873	20,239	13,541	52,414	63,123
Change (%)	29.6	25.8	23.3	39.7	18.5	21.0	22.5	19.1	28.5	20.4
Gross Profit	1,632	1,354	3,083	1,944	1,965	1,595	3,886	2,336	8,014	9,782
Gross Margin (%)	12.5	11.8	18.7	17.1	12.7	11.5	19.2	17.2	15.3	15.5
EBITDA	672	395	1,811	877	809	491	2,251	991	3,755	4,543
Margin (%)	5.1	3.4	11.0	7.7	5.2	3.5	11.1	7.3	7.2	7.2
Change (%)	22.1	21.2	11.3	31.5	20.4	24.3	24.3	13.0	18.6	21.0
Interest	266	234	283	298	285	266	311	305	1,081	1,167
Depreciation	126	133	158	184	151	159	193	195	601	698
Other Income	94	110	89	128	113	118	110	124	422	465
PBT	375	139	1,459	524	487	184	1,857	614	2,495	3,142
Tax	98	20	366	202	122	46	466	154	685	789
Effective Tax Rate (%)	26.1	14.1	25.1	38.6	25.1	25.1	25.1	25.1	27.5	25.1
Adjusted PAT	277	119	1,093	322	365	138	1,391	460	1,810	2,353
Change (%)	22.7	35.9	5.8	23.6	31.8	15.1	27.2	43.0	14.2	30.0

E: MOFSL Estimates

Shoppers Stop**Neutral****CMP: INR759 | TP: INR780 (+3%)****EPS CHANGE (%): FY25 | 26: 1.8 | -0.1**

- Expect revenue growth of 10.6% YoY mainly driven by footprint additions
- Intune is expected to add five stores
- Expect to add seven departmental stores, taking the total store count to 119

Standalone - Quarterly Earning Model**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Total Revenue from Operations	9,816	10,252	12,068	9,997	10,861	11,011	13,691	12,598	42,132	48,161
YoY Change (%)	4.2	1.7	6.6	9.1	10.6	7.4	13.5	26.0	5.4	14.3
Total Expenditure	8,093	8,654	9,914	8,356	8,930	9,197	10,956	10,372	35,016	39,455
EBITDA	1,723	1,598	2,154	1,641	1,931	1,814	2,735	2,226	7,116	8,707
EBITDA Margin (%)	17.6	15.6	17.8	16.4	17.8	16.5	20.0	17.7	16.9	18.1
Depreciation	1,050	1,081	1,112	1,118	1,277	1,277	1,277	1,277	4,361	5,108
Interest	541	548	579	568	576	598	605	642	2,236	2,421
Other Income	73	105	33	346	98	98	98	98	557	392
PBT before EO expense	204	74	496	301	176	38	951	406	1,076	1,570
Extra-Ord expense	0	-49	0	-16	0	0	0	0	-65	0
PBT	204	25	496	285	176	38	951	406	1,011	1,570
Tax	55	8	141	69	99	99	99	99	272	396
Rate (%)	26.9	29.9	28.3	24.2	56.4	262.0	10.4	24.4	26.9	25.2
Reported PAT	149	18	356	216	77	-61	852	307	739	1,175
Adj PAT	149	52	356	48	77	-61	852	307	605	1,175
YoY Change (%)	-34.4	-74.1	-42.7	-70.5	-48.7	-	139.7	540.3	-50.1	94.1

E: MOFSL Estimates

Titan Company

Buy

CMP: INR3,400 | TP: INR4,000 (+18%)

EPS CHANGE (%): FY25|26: -4.6| -4.6

- We expect consol. revenue growth of ~10% YoY in 1QFY25.
- We anticipate jewelry segment revenue growth of ~9% YoY (ex-bullion), with a five-year revenue CAGR of 20%.
- GP margin expected to expand by 50bp YoY to 22.7%.
- There would be pressure on margin due to increase in competition and gold prices.

Consolidated Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Stores (Jewelry)	792	844	898	937	974	1,010	1,046	1,079	937	1,079
Net Sales	119.0	125.3	141.6	124.9	130.5	141.5	175.1	144.5	510.8	591.6
YoY change (%)	26.0	36.7	22.0	20.6	9.7	13.0	23.7	15.6	25.9	15.8
Gross Profit	26.4	29.3	32.9	27.9	29.6	32.7	40.8	33.0	116.5	136.1
Margin (%)	22.2	23.4	23.3	22.3	22.7	23.1	23.3	22.8	22.8	23.0
EBITDA	11.3	14.1	15.7	11.9	11.8	16.0	19.0	14.6	52.9	61.4
EBITDA growth %	-5.9	13.2	16.2	9.4	5.3	13.1	21.5	22.2	8.5	16.0
Margin (%)	9.5	11.3	11.0	9.5	9.1	11.3	10.9	10.1	10.4	10.4
Depreciation	1.3	1.4	1.5	1.6	1.5	1.6	1.7	1.8	5.8	6.6
Interest	1.1	1.4	1.7	2.0	1.4	1.4	1.4	1.4	6.2	5.5
Other Income	1.1	1.2	1.4	1.6	1.5	1.5	1.6	1.5	5.3	6.1
PBT	10.0	12.5	13.8	9.9	10.4	14.5	17.6	12.9	46.2	55.4
Tax	2.5	3.4	3.3	2.2	2.6	3.5	4.3	3.1	11.3	13.5
Rate (%)	24.6	26.9	23.6	22.2	25.0	24.4	24.4	23.8	24.4	24.4
Adjusted PAT	7.6	9.2	10.5	7.7	7.8	10.9	13.3	9.9	35.0	41.9
YoY change (%)	-4.3	9.6	15.5	4.8	3.5	19.6	26.3	27.8	6.8	19.9

E: MOFSL Estimates

Trent

Buy

CMP: INR5,539 | TP: INR6,080 (+10%)

EPS CHANGE (%): FY25|26: 0|0

- Expect revenue growth of 45% YoY, led by robust SSSG and strong footprint additions
- Revenue from Westside to grow 18.7% YoY, Zudio revenues expected to grow 72.5% YoY.
- Expect Westside/Zudio to add 5/45 stores in 1QFY25
- EBITDA margin is expected to remain flat at 14.3%

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	25,364	28,907	33,125	31,869	36,778	41,626	48,693	44,755	1,19,266	1,71,853
YoY Change (%)	53.5	59.4	52.5	53.4	45.0	44.0	47.0	40.4	54.6	44.1
Total Expenditure	21,708	24,299	26,893	27,097	31,519	35,091	39,977	38,457	99,996	1,45,044
EBITDA	3,657	4,609	6,232	4,773	5,259	6,535	8,716	6,298	19,269	26,809
EBITDA Margin (%)	14.4	15.9	18.8	15.0	14.3	15.7	17.9	14.1	16.2	15.6
Depreciation	1,335	1,448	1,575	2,027	1,487	1,487	1,487	1,487	6,385	5,947
Interest	891	923	957	322	593	593	593	593	3,094	2,373
Other Income	498	1,511	768	733	877	877	877	877	3,509	3,509
PBT before EO expense	1,928	3,748	4,467	3,157	4,056	5,332	7,513	5,095	13,300	21,998
Extra-Ord expense	0	0	0	5,434	0	0	0	0	5,434	0
PBT	1,928	3,748	4,467	8,591	4,056	5,332	7,513	5,095	18,733	21,998
Tax	445	851	1,031	2,048	1,014	1,333	1,878	1,274	4,375	5,499
Reported PAT	1,483	2,897	3,436	6,543	3,042	3,999	5,635	3,822	14,358	16,498
Adj PAT	1,483	2,897	3,436	2,477	3,042	3,999	5,635	-244	10,194	16,498
YoY Change (%)	44.5	55.9	113.5	135.6	105.2	38.1	64.0	-109.9	83.8	61.8

E: MOFSL Estimates

V-Mart Retail**Neutral****CMP: INR2,892 | TP: INR2,880 (0%)****EPS CHANGE (%): FY25 | 26: NM | NM**

- Consolidated revenue grew 16% YoY mainly led by SSSG
- Excluding revenue from LimeRoad (INR120m), the company's revenue grew 16% YoY.
- Added 7 stores and closed three stores, taking the total store count to 448
- EBITDA margin to increase 80bp YoY to 8.5%

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	6,785	5,494	8,891	6,686	7,860	6,372	9,945	8,105	27,856	32,313
YoY Change (%)	15.4	8.5	14.4	12.6	15.8	16.0	11.9	21.2	13.0	16.0
Total Expenditure	6,261	5,488	7,694	6,284	7,189	6,213	8,433	7,301	25,725	29,136
EBITDA	525	7	1,197	402	671	159	1,512	804	2,131	3,177
EBITDA Margin (%)	7.7	0.1	13.5	6.0	8.5	2.5	15.2	9.9	7.6	9.8
Depreciation	499	532	583	607	613	620	626	712	2,221	2,571
Interest	330	359	376	359	352	352	352	352	1,424	1,407
Other Income	15	20	130	44	60	60	60	60	210	240
PBT	-290	-864	369	-520	-234	-752	594	-200	-1,305	-561
Tax	-70	-223	87	-131	-59	-188	149	-42	-337	-140
Rate (%)	24.2	25.8	23.5	25.1	25.0	25.0	25.0	21.1	25.9	25.0
Reported PAT	-219	-641	282	-389	-176	-564	446	-158	-968	-421
Adj PAT	-219	-641	282	-389	-176	-564	446	-158	-968	-452
YoY Change (%)	-207.3	466.8	41.3	5.3	-19.9	-12.0	57.8	-59.4	1,132.9	-53.2

E: MOFSL Estimates

Vedant Fashions**Neutral****CMP: INR1,099 | TP: INR1,010 (-8%)****EPS CHANGE (%): FY25 | 26: -5.7 | -5.7**

- Revenue expect to de-grow 15.6% YoY due to subdued demand environment
- EBITDA margin to decline YoY to 44.3%
- Expect PAT to decline to INR658m led by operating deleverage.

Quarterly Earning**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	3,116	2,183	4,745	3,632	2,629	2,440	5,681	4,387	13,675	15,137
YoY Change (%)	-4.1	-11.6	7.5	6.3	-15.6	11.8	19.7	20.8	0.9	10.7
Total Expenditure	1,635	1,255	2,324	1,881	1,464	1,398	2,659	2,153	7,094	7,674
EBITDA	1,482	928	2,420	1,751	1,165	1,042	3,022	2,234	6,581	7,462
EBITDA margins (%)	47.5	42.5	51.0	48.2	44.3	42.7	53.2	50.9	48.1	49.3
Change YoY (%)	-9.1	-19.6	7.8	4.3	-21.4	12.2	24.9	27.6	96.0	89.5
Depreciation	299	325	344	381	388	396	404	420	1,349	1,608
Interest	94	107	112	132	157	157	157	157	445	630
Other Income	150	151	155	241	261	261	261	261	697	1,045
PBT before EO expense	1,238	648	2,119	1,479	880	750	2,722	1,917	5,484	6,270
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
Tax	319	161	542	321	222	189	686	483	1,342	1,580
Rate (%)	25.7	24.8	25.6	21.7	25.2	25.2	25.2	25.2	24.5	25.2
Reported PAT	919	487	1,577	1,158	658	561	2,036	1,434	4,142	4,690
Adj PAT	919	487	1,577	1,158	658	561	2,036	1,434	4,142	4,690
YoY Change (%)	-9	-29	5	6	-28	15	29	24	-3	13

E: MOFSL Estimates

Technology

Wishing for a turnaround

Expect sequential improvement in a seasonally strong quarter

- We expect the revenues of IT services companies to recover following a tepid 4QFY24 for the industry, as the ramp-up of large cost-takeout deals could drive growth for large-caps in a seasonally strong quarter. The brutal winter of discretionary spend cuts in the industry is likely over, but there is little evidence of a recovery in the flow business. Hence, we are on track for one of the weakest first quarters for at least 10 years. The situation, though slightly better, is eerily similar to what we witnessed in 1HFY24. We would be looking for signs of recovery in discretionary spending in the form of deal activities, which have been heavily skewed towards cost-takeout projects. However, any disappointment in 1QFY25 could again put pressure on 2Q. While we expect ~5-7% YoY revenue growth in constant currency (cc) terms for HCL and TCS (lower for INFY largely due to a poor exit to FY24) for FY25, this is contingent on a recovery in the flow business and clients' willingness to resume discretionary spending. We believe mid-tier companies could continue to perform well, especially those with strong offerings in "pre-GenAI" spending, such as data engineering. We expect aggregate revenue/EBIT/PAT to grow by 3.2/5.2/6.1% respectively (all in INR terms) yoy for our coverage universe.
- Verticals such as BFS and Communications have been under pressure for the past 5-6 quarters; and while spending patterns remain largely unchanged, deal wins over the past couple of quarters should start accelerating in this quarter. This should offer some respite to growth rates for these verticals, especially for Infosys as the base becomes more favorable. Hi-tech, following a brief recovery, might face challenges, as spending on software moderates.
- The cross-currency impact for the quarter is expected to be minimal, as shown in Exhibit 5. On an average, we expect 10-20 cross-currency headwinds for our coverage on a sequential basis.
- **Guidance:** We expect no changes in guidance/commentary from companies on FY25 revenue growth. The focus of the commentaries is likely to remain on demand pick-up in 2HFY25, indicating a more normalized FY26 spending environment.
- We expect revenue growth of Tier-I companies to be in the range of -0.5% to +2.0% QoQ in CC. Revenue of Tier-II players is expected to grow by -1.5% to +5.0% QoQ in CC terms.
- Margins for the sector are likely to remain largely range-bound. The benefits from deferring wage hikes and benign currency movements could be offset by the ongoing challenge of recovering lost volumes. The first quarter is also anticipated to be affected by visa costs, leading to a slightly negative bias for the quarter. We believe FY25 will be a year of restrained wage hikes across the industry. Moreover, given the gradual nature of demand recovery, companies can adopt a more cautious approach towards their hiring strategies. This should lead to better margin defense for the sector.
- We prefer HCLT for its favorable business mix and reiterate the stock as our top pick among large-tier players. For mid-tier names, we continue to like Cyient despite the short-term headwinds, as its portfolio of aerospace, defense, and sustainability is set for decent growth over the medium term. Additionally, we prefer LTTS due to its well-diversified portfolio and market leadership.

Growth expectations across our coverage

- We expect Infosys and TCS to report relatively strong 2.0% and 1.6% QoQ CC revenue growth, respectively, whereas HCLT's 2% decline is already baked in (as guided last quarter). TechM and Wipro's revenue could be flat QoQ. LTIM is likely to report a relatively healthy 2% growth as well.
- Among mid-tier names, we expect Persistent to lead the pack with 5% QoQ revenue growth, largely driven by deal ramp-ups in the healthcare vertical. Coforge is likely to have a slightly slow quarter (around 1.5% QoQ growth), whereas Mphasis will grow about 1% QoQ.
- We expect Cyient to report a soft quarter as well, putting its FY25 guidance at risk. We model minimal cross-currency impact for the quarter for almost all companies (10-20bp adverse impact).

Margins a mixed bag

- We expect TCS' EBIT margin to contract by about 150bp QoQ, largely due to wage hikes. For HCL, the margin contraction should be steeper due to seasonality in its software business. For Infosys, we expect margin to improve slightly by 30bp as gains from its cost-benefit programs are offset by visa and other seasonal costs (with no wage hikes). TechM's margins are expected to remain muted, whereas Wipro should fare better.
- Among mid-caps, we expect most companies to report a sequential margin contraction. Coforge's margin should be down by ~80bp despite deferred wage hikes to 2QFY25. The large deal ramp-ups for Persistent would put its margin under pressure. Mphasis' margin would be range-bound, whereas LTTS should post a sequential margin contraction of ~50bp owing to low seasonal volumes.

Near-term demand unchanged; HCLT remains our top pick

- The near-term macro uncertainties and no meaningful sign of recovery in discretionary IT spending are key concerns for large-cap names; however, we expect mid-tier players to continue their outperformance.
- Among Tier-I players, HCLT is one of the key beneficiaries of having a defensive business mix, which should support its growth in the current environment.
- Among Tier-II players, our preference lies with CYL, which is poised for robust performance. This will be supported by the revival in the aerospace vertical, the moderating challenges in sectors such as railways and communications, and a strong portfolio in its sustainability business.

Exhibit 1: Expect Tier-I companies' revenue (USD) growth to recover after a subdued Q4FY24

Company	Revenue (USD m)					Revenue (INR b)				
	1QFY25	4QFY24	QoQ (%)	1QFY24	YoY (%)	1QFY25	4QFY24	QoQ (%)	1QFY24	YoY (%)
TCS	7,459	7,363	1.3	7,226	3.2	622	612	1.6	594	4.8
INFO	4,651	4,564	1.9	4,617	0.7	388	379	2.3	379	2.3
HCLT	3,365	3,430	-1.9	3,200	5.2	279	285	-2.0	263	6.2
WPRO	2,646	2,657	-0.4	2,779	-4.8	222	222	-0.2	228	-2.9
TECHM	1,554	1,548	0.4	1,601	-2.9	130	129	0.7	132	-1.5
LTIM	1,077	1,069	0.7	1,059	1.7	90	89	1.0	87	3.2
Tier I aggregate	20,752	20,632	0.6	20,481	1.3	1,731	1,716	0.8	1,683	2.8

Company	EBIT margin (%)					Adjusted PAT (INR b)				
	1QFY25	4QFY24	QoQ (bps)	1QFY24	YoY (bps)	1QFY25	4QFY24	QoQ (%)	1QFY24	YoY (%)
TCS	24.5	26.0	-150.0	23.2	130.0	121.4	125.0	-2.9	111.2	9.2
INFO	20.4	20.1	30.0	20.8	-40.0	63.1	60.8	3.8	59.5	6.1
HCLT	16.8	17.6	-80.0	17.0	-10.0	37.7	40.0	-5.7	35.3	6.6
WPRO	15.8	15.9	-10.0	15.1	70.0	28.9	28.6	1.1	28.9	0.1
TECHM	7.7	7.4	30.0	8.8	-110.0	8.1	9.7	-15.8	9.6	-15.1
LTIM	15.6	14.7	90.0	16.7	-110.0	11.6	11.0	5.4	11.5	0.7
Tier I aggregate	19.5	20.0	-50.0	19.1	40.0	271	275	-1.5	256	5.8

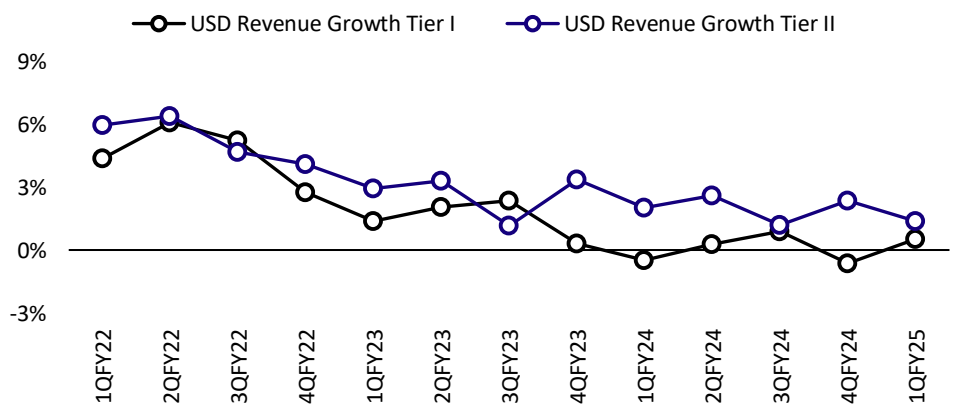
Exhibit 2: Expect Tier-II players' revenue (USD) growth to be robust with a few exceptions

Company	Revenue (USD m)					Revenue (INR b)				
	1QFY25	4QFY24	QoQ (%)	1QFY24	YoY (%)	1QFY25	4QFY24	QoQ (%)	1QFY24	YoY (%)
LTTS	303	305	-0.6	280	8.4	25.3	25.4	-0.3	23.0	10.0
MPHL	416	411	1.2	398	4.5	34.7	34.2	1.6	32.7	6.0
COFORGE	291	287	1.5	272	7.1	24.3	23.6	3.0	22.2	9.4
PSYS	327	311	5.2	283	15.6	27.2	25.9	5.2	23.2	17.4
ZENT	151	148	2.3	149	1.5	12.6	12.3	2.8	12.3	3.0
CYL	177	179	-1.4	177	-0.2	14.7	14.9	-1.0	14.5	1.4
Tier II aggregate	1,666	1,641	1.5	1,559	6.8	138.9	136.2	2.0	128.0	8.5

Company	EBIT margin (%)					Adjusted PAT (INR b)				
	1QFY25	4QFY24	QoQ (bps)	1QFY24	YoY (bps)	1QFY25	4QFY24	QoQ (%)	1QFY24	YoY (%)
LTTS	16.4	16.9	-50.0	17.2	-80.0	3.4	3.4	-0.7	3.1	8.8
MPHL	15.3	14.9	40.0	15.3	-	4.3	3.9	8.1	4.0	7.4
COFORGE	13.3	14.1	-80.0	11.5	170.0	2.4	2.2	4.7	1.8	29.3
PSYS	14.0	14.5	-50.0	14.9	-90.0	3.2	3.2	2.0	2.8	15.9
ZENT	13.9	14.6	-70.0	15.3	-140.0	1.5	1.7	-16.1	1.6	-6.9
CYL	16.4	16.0	40.0	16.1	30.0	1.9	1.9	1.4	1.8	8.6
Tier II aggregate	14.9	15.1	-20.0	15.0	-10.0	16.6	16.4	1.3	15.0	10.6

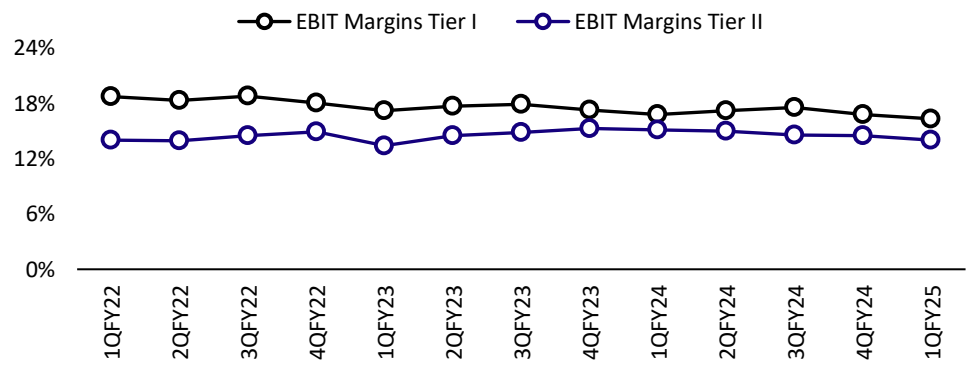
Source: Company, MOFSL

Exhibit 3: Revenue growth to see a slight uptick for Tier-I companies after a difficult 4QFY24



Source: MOFSL, Company

Exhibit 4: Tier-I should perform better on the margin front



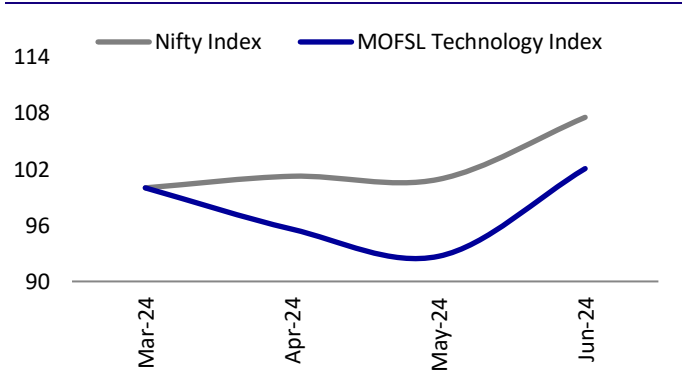
Source: MOSL, Company

Exhibit 5: Cross-currency to have an adverse impact on 1Q USD revenue growth

	CC USD growth QoQ (%)	USD growth QoQ (%)	Cross-currency impact (bp)
TCS	1.6	1.3	-30
INFO	2.0	1.9	-10
HCLT	-1.8	-1.9	-10
WPRO	-0.5	-0.4	10
TECHM	0.8	0.4	-40
LTIM	0.7	0.7	-
LTTS	-0.5	-0.6	-
MPHL	1.2	1.2	-
COFORGE	1.4	1.5	10
PSYS	5.0	5.2	10
ZENT	1.9	1.9	-
CYL (DET)	-1.5	-1.4	10

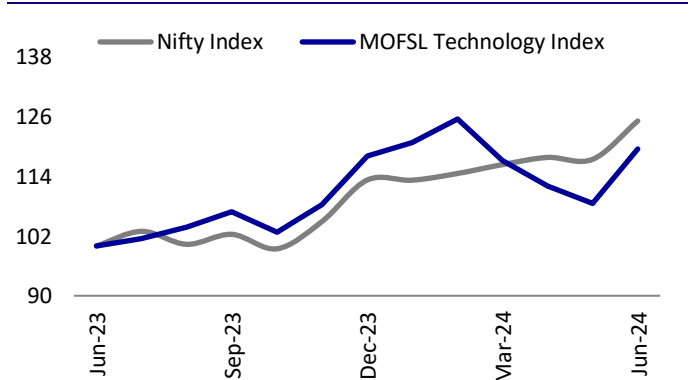
Source: Company, MOFSL

Exhibit 6: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 7: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 8: Expected quarterly performance summary

Companies	CMP (INR)	Rating	Sales (INR b)			EBIT (INR b)			Adjusted net profit (INR b)		
			June'24E	Variance YoY (%)	Variance QoQ (%)	Jun'24E	Variance YoY (%)	Variance QoQ (%)	Jun'24E	Variance YoY (%)	Variance QoQ (%)
TCS	3,972	Buy	622.2	4.8	1.6	152.4	10.8	-4.2	121.4	9.2	-2.9
INFO	1,592	Buy	388.0	2.3	2.3	79.2	0.4	4.0	63.1	6.1	3.8
HCLT	1,472	Buy	279.3	6.2	-2.0	47.0	5.3	-6.4	37.7	6.6	-5.7
WPRO	529	Neutral	221.6	-2.9	-0.2	35.1	1.7	-0.8	28.9	0.1	1.1
TECHM	1,473	Neutral	129.6	-1.5	0.7	10.0	-13.5	5.5	8.1	-15.1	-15.8
LTIM	5,454	Neutral	89.8	3.2	1.0	14.0	-3.4	7.1	11.6	0.7	5.4
MPHL	2,510	Neutral	34.7	6.0	1.6	5.3	6.1	4.4	4.3	7.4	8.1
LTTS	5,021	Buy	25.3	10.0	-0.3	4.2	5.0	-3.1	3.4	8.8	-0.7
PSYS	4,541	Neutral	27.2	17.4	5.2	3.8	10.0	1.9	3.2	15.9	2.0
COFORGE	5,513	Neutral	24.3	9.4	3.0	3.2	25.9	-2.8	2.4	29.3	4.7
CYL	1,835	Buy	14.7	1.4	-1.0	2.4	3.5	1.4	1.9	8.6	1.4
ZENT	754	Neutral	12.6	3.0	2.8	1.8	-6.5	-2.0	1.5	-6.9	-16.1
Sector aggregate (INR b)			1,872	3.3	0.9	358	5.1	-1.6	287	6.1	-1.4

Source: Company, MOFSL

Exhibit 9: Comparative valuations

Company	CMP (INR)	M-cap (INR b)	Target Price	Upside/ Downside (%)	EPS (INR)			EPS CAGR (%)	Dividend yield (%)	P/E (x)		
					FY24	FY25E	FY26E			FY24-26E	FY24	FY25E
TCS	3,972	14,484	4,660	17	126.3	143.1	155.2	10.9	3.2	31.5	27.8	25.6
INFO	1,592	6,610	1,845	16	58.4	63.5	73.8	12.4	2.9	27.2	25.1	21.6
HCLT	1,472	3,965	1,710	16	57.9	62.5	68.4	8.7	3.3	25.4	23.5	21.5
WPRO	529	2,733	490	-7	20.4	22.2	24.5	9.6	4.6	25.9	23.8	21.6
TECHM	1,473	1,208	1,355	-8	41.1	43.9	64.3	25.1	2.7	35.8	33.6	22.9
LTIM	5,454	1,440	5,805	6	154.8	167.7	193.4	11.8	1.2	35.2	32.5	28.2
MPHL	2,510	469	2,335	-7	81.8	93.7	101.1	11.2	2.0	30.7	26.8	24.8
LTTS	5,021	533	5,965	19	123.0	135.3	156.9	12.9	0.9	40.8	37.1	32.0
PSYS	4,541	651	4,560	0.4	75.1	93.4	113.9	23.2	0.8	60.5	48.6	39.9
COFORGE	5,513	341	6,100	11	133.0	169.2	203.3	23.6	1.3	41.4	32.6	27.1
CYL	1,835	203	2,160	18	62.1	81.2	99.3	26.4	1.6	29.5	22.6	18.5
ZENT	754	170	750	-1	29	27	33	4.6	0.9	25.9	28.4	23.2

Source: Company, MOFSL

The tables below provide a snapshot of actual and estimated numbers for IT companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Coforge

Neutral

CMP INR5513 | TP: INR6100 (11%)

EPS CHANGE (%): FY25 | 26: -11.1 | -9.7

- Revenue growth is likely to be ~1.5% QoQ; expect acceleration in growth from 2Q onwards as deals ramp-up
- EBIT margin is expected to contract ~80bp QoQ due to visa costs as well as some decline in utilization
- Key monitorables: further clarity on integration of Cigniti as well as demand environment in BFSI
- We expect Coforge to report ~11% CC growth in FY25.

Quarterly performance (Ind-AS)

Y/E March	FY24				FY25E				FY24	FY25E
(Consolidated)	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Rev. (USD m)	272	278	282	287	291	305	316	330	1,119	1,242
QoQ (%)	2.8	2.3	1.4	1.7	1.5	4.7	3.6	4.5	11.7	11.1
Revenue (INR m)	22,210	22,762	23,233	23,585	24,289	25,445	26,367	27,551	91,790	1,03,652
YoY (%)	21.4	16.2	13.0	8.7	9.4	11.8	13.5	16.8	14.5	12.9
GPM (%)	30.7	32.5	33.1	34.1	32.5	32.0	33.5	34.0	32.6	33.0
SGA (%)	14.7	14.9	15.1	15.5	15.0	15.0	15.0	15.0	15.1	15.0
EBITDA (INR m)	3,316	3,473	4,012	4,163	4,024	4,088	4,632	4,978	14,964	17,723
EBITDA margin (%)	14.9	15.3	17.3	17.7	16.6	16.1	17.6	18.1	16.3	17.1
EBIT (INR m)	2,559	2,701	3,201	3,317	3,223	3,249	3,762	4,069	11,778	14,302
EBIT margin (%)	11.5	11.9	13.8	14.1	13.3	12.8	14.3	14.8	12.8	13.8
Other income	-152	-295	-257	-452	-243	-254	-264	-276	-1,156	-1,037
ETR (%)	20.1	21.9	17.5	19.7	18.8	18.8	18.8	18.8	19.7	18.8
Minority Interest	-104.0	-69.0	-48.0	-55.0	-69.6	-69.6	-69.6	-69.6	-276.0	-278.5
Adj. PAT	1,818	1,809	2,380	2,246	2,351	2,363	2,772	3,012	8,253	10,498
QoQ (%)	-21.9	-0.5	31.6	-5.6	4.7	0.5	17.3	8.6		
YoY (%)	21.2	-10.3	4.3	-3.5	29.3	30.6	16.5	34.1	1.6	27.2
Adj. EPS (INR)	29.2	29.0	38.1	36.2	37.9	38.1	44.7	48.5	133.0	169.2

Cyient

Buy

CMP INR1835 | TP: INR2160 (+18%)

EPS CHANGE (%): FY25 | 26: -5.6 | -11.4

- Expect 1.5% QoQ CC decline for DET in 1QFY25 due to planned ramp downs in some projects and supply crunch in its key aerospace vertical
- Sustainability is performing well but planned ramp downs could lead to a decline in 1Q in the vertical
- DET margin is likely to improve ~40bp QoQ, and the company should deliver on its guidance band.
- We expect risks to its FY25 guidance in light of the short-term headwinds in its key verticals.

Quarterly performance (Consol)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	205	214	219	224	213	224	233	250	862	920
QoQ (%)	-3.6	4.4	2.1	2.4	-4.7	5.0	3.9	7.4	15.5	6.7
Revenue (INR m)	16,865	17,785	18,215	18,607	17,801	18,696	19,421	20,859	71,472	76,777
YoY (%)	34.9	27.4	12.6	6.2	5.6	5.1	6.6	12.1	18.8	7.4
GPM (%)	36.6	35.7	35.4	35.2	36.2	37.6	37.9	38.0	35.7	37.5
SGA (%)	17.9	17.4	17.5	17.2	18.2	18.4	18.4	18.4	17.5	18.4
EBITDA	3,156	3,258	3,261	3,353	3,204	3,590	3,787	4,088	13,028	14,669
EBITDA margin (%)	18.7	18.3	17.9	18.0	18.0	19.2	19.5	19.6	18.2	19.1
EBIT	2,480	2,600	2,600	2,682	2,492	2,842	3,010	3,254	10,362	11,598
EBIT margin (%)	14.7	14.6	14.3	14.4	14.0	15.2	15.5	15.6	14.5	15.1
Other income	-176	-134	-100	-89	36	37	39	42	-499	154
ETR (%)	22.9	23.6	23.3	24.0	24.1	24.1	24.1	24.1	23.5	24.1
Adj. PAT	1,767	1,831	1,858	1,893	1,920	2,186	2,315	2,503	7,349	8,924
QoQ (%)	0.3	3.6	1.5	1.9	1.4	13.9	5.9	8.1		
YoY (%)	52.2	50.3	14.1	7.4	8.6	19.4	24.6	32.2	27.4	21.4
EPS (INR)	16.0	16.6	16.9	17.2	17.5	19.9	21.1	22.8	66.9	81.2

HCL Technologies**Buy****CMP INR1472 | TP: INR1710 (+16%)****EPS CHANGE (%): FY25|26: -0.3| -7.1**

- We expect HCLT to report a revenue decline of ~2% QoQ in a seasonally weak quarter.
- Revenue decline would be largely due to annual productivity pass-backs to clients and a few planned ramp downs in its IT services business.
- Margin to contract 80bp QoQ due to seasonal headwinds
- We expect the company to retain its FY25 revenue growth guidance of 3-5%.

Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	3,200	3,225	3,415	3,430	3,365	3,433	3,581	3,589	13,270	13,969
QoQ (%)	-1.1	0.8	5.9	0.4	-1.9	2.0	4.3	0.2	5.4	5.3
Revenue (INR b)	263	267	284	285	279	285	297	298	1,099	1,159
YoY (%)	12.1	8.0	6.5	7.1	6.2	6.8	4.5	4.5	8.3	5.5
GPM (%)	35.6	36.2	36.7	35.0	34.6	35.1	36.3	37.3	35.9	35.9
SGA (%)	13.6	12.4	11.5	12.0	12.3	12.4	12.0	12.0	12.4	12.2
EBITDA	55	59	67	61	58	60	68	71	242	258
EBITDA Margin (%)	20.8	22.3	23.5	21.4	20.6	21.1	22.9	23.9	22.0	22.3
EBIT	45	49	56	50	47	49	57	60	200	213
EBIT Margin (%)	17.0	18.5	19.7	17.6	16.8	17.3	19.1	20.1	18.2	18.4
Other income	2	2	3	3	3	3	3	3	9	11
ETR (%)	24.8	25.3	25.9	24.2	24.2	24.2	24.2	24.2	25.1	24.2
Adjusted PAT	35	38	44	40	38	39	45	48	157	170
QoQ (%)	-11.2	8.4	13.5	-8.4	-5.7	5.1	14.4	5.2		
YoY (%)	7.6	9.8	6.2	0.1	6.3	3.0	3.8	19.2	5.7	8.1
EPS	13.0	14.1	16.0	14.7	13.8	14.5	16.6	17.5	57.9	62.5

Infosys**Buy****CMP INR1592 | TP: INR1845 (+16%)****EPS CHANGE (%): FY25|25: -0.5|-0.3**

- Revenue growth is expected to rebound to 2.0% QoQ CC, on account of ramp-up of large deals won in FY24.
- Operating margin is expected to inch up by 30bp owing to growth and absence of wage hikes. We expect the company's operating margin to be at 20.4%.
- We expect the deal TCV to be robust in 1Q; however, deals should be skewed towards the cost-takeout initiatives
- Expect Infosys to maintain its growth guidance of 1-3% CC for FY25.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	4,617	4,718	4,663	4,564	4,651	4,768	4,815	4,863	18,562	19,098
QoQ (%)	1.4	2.2	-1.2	-2.1	1.9	2.5	1.0	1.0	1.9	2.9
Revenue (INR b)	379	390	388	379	388	398	402	406	1,537	1,587
YoY (%)	10.0	6.7	1.3	1.3	2.3	2.0	3.5	7.0	4.7	3.2
GPM (%)	30.5	30.7	29.8	29.5	29.8	30.7	30.7	29.7	30.1	30.2
SGA (%)	9.6	9.5	9.3	9.4	9.4	9.4	9.4	9.4	9.4	9.4
EBITDA	98	103	100	96	99	105	106	103	397	414
EBITDA Margin (%)	26.0	26.4	25.7	25.2	25.6	26.5	26.5	25.5	25.8	26.1
EBIT	79	83	80	76	79	85	86	82	317	331
EBIT Margin (%)	20.8	21.2	20.5	20.1	20.4	21.3	21.3	20.3	20.7	20.8
Other income	5	5	7	7	7	7	7	7	23	27
ETR (%)	28.9	29.1	29.1	26.8	26.5	26.5	26.5	26.5	28.5	26.5
PAT	59	62	61	61	63	67	68	66	243	263
QoQ (%)	-3.0	4.5	-1.7	-0.5	3.9	6.7	1.0	-3.4		
YoY (%)	10.9	3.2	-7.3	-0.9	6.1	8.3	11.3	8.1	1.0	8.0
EPS (INR)	14.4	15.0	14.7	14.7	15.2	16.2	16.4	15.8	58.4	63.5

LTIMindtree**Neutral****CMP INR5454 | TP: INR5805(+6%)****EPS CHANGE (%): FY25|26: -0.4|-3.7**

- LTIM should report 0.7% CC growth in 1Q, dragged by weak demand environment and soft discretionary spending.
- Manufacturing is expected to perform along similar lines, whereas BFSI should see tailwinds from the low-base effect.
- Margin is likely to see a sequential pickup of 90bp QoQ due to reversion of a one-off impact and better operating leverage.
- In 1QFY25, demand commentary will be closely monitored coupled with the BFSI vertical's performance.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	1,059	1,076	1,084	1,069	1,077	1,104	1,141	1,175	4,287	4,497
QoQ (%)	0.1	1.6	0.8	-1.3	0.7	2.5	3.4	3.0	4.4	4.9
Revenue (INR m)	87,021	89,054	90,166	88,929	89,827	92,084	95,217	98,038	3,55,170	3,75,166
YoY (%)	13.8	8.2	4.6	2.3	3.2	3.4	5.6	10.2	7.0	5.6
GPM (%)	31.6	31.4	29.9	29.8	30.7	29.7	31.5	31.5	30.7	30.9
SGA (%)	12.8	13.1	12.3	12.5	13.0	12.6	13.0	12.5	12.7	12.8
EBITDA	16,355	16,313	15,849	15,357	15,899	15,746	17,615	18,627	63,874	67,888
EBITDA margin (%)	18.8	18.3	17.6	17.3	17.7	17.1	18.5	19.0	18.0	18.1
EBIT	14,508	14,231	13,859	13,087	14,013	13,813	15,616	16,568	55,685	60,010
EBIT margin (%)	16.7	16.0	15.4	14.7	15.6	15.0	16.4	16.9	15.7	16.0
Other income	856	962	1,588	1,396	1,258	1,289	1,333	1,471	4,802	5,350
ETR (%)	25.0	23.5	24.3	24.0	24.0	24.0	24.0	24.0	24.2	24.0
Adj. PAT	11,523	11,623	11,693	11,007	11,606	11,478	12,882	13,710	45,846	49,676
QoQ (%)	3.4	0.9	0.6	-5.9	5.4	-1.1	12.2	6.4		
YoY (%)	4.1	-2.2	8.2	-1.2	0.7	-1.2	10.2	24.6	2.1	8.4
EPS (INR)	38.9	39.2	39.4	37.1	39.2	38.7	43.5	46.3	154.8	167.7

LTTS**Buy****CMP INR5021 | TP: INR5965 (+19%)****EPS CHANGE (%): FY25|26: -10.5|-11.7**

- We expect revenue to be flat, with a slight negative bias in 1Q; seasonality in the SWC business to be offset by the recent large deal ramp ups
- We expect the deal momentum to continue in 1Q
- EBIT margin to contract ~40bp QoQ due to large deal ramp ups
- We expect the company to retain its FY25 USD CC revenue growth guidance of 8-10%, aided by strong deal pipeline

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	280	288	291	305	303	312	319	334	1,164	1,269
QoQ (%)	9.8	2.9	0.9	5.0	-0.6	2.9	2.2	4.4	17.6	9.0
Revenue (INR m)	23,014	23,865	24,218	25,375	25,308	26,059	26,644	27,828	96,472	1,05,839
YoY (%)	22.8	19.6	18.2	21.1	10.0	9.2	10.0	9.7	20.4	9.7
GPM (%)	30.0	28.0	29.2	28.9	29.0	28.8	29.8	30.0	29.0	29.4
SGA (%)	10.4	8.1	9.1	9.1	9.8	9.7	10.2	10.2	9.1	10.0
EBITDA	4,528	4,756	4,877	5,028	4,859	4,977	5,222	5,510	19,189	20,569
EBITDA margin (%)	19.7	19.9	20.1	19.8	19.2	19.1	19.6	19.8	19.9	19.4
EBIT	3,954	4,075	4,162	4,282	4,151	4,248	4,476	4,731	16,473	17,605
EBIT margin (%)	17.2	17.1	17.2	16.9	16.4	16.3	16.8	17.0	17.1	16.6
Other income	357	286	493	428	456	469	480	501	1,564	1,905
ETR (%)	27.6	27.6	27.6	27.5	26.5	26.5	26.5	26.5	27.6	26.5
PAT	3,111	3,154	3,362	3,409	3,385	3,467	3,642	3,845	13,036	14,340
QoQ (%)	0.5	1.4	6.6	1.4	-0.7	2.4	5.1	5.6		
YoY (%)	13.5	11.7	10.7	10.1	8.8	9.9	8.3	12.8	11.4	10.0
EPS (INR)	29.4	29.8	31.7	32.2	31.9	32.7	34.4	36.3	123.0	135.3

Mphasis**Neutral****CMP INR2510 | TP: INR2335 (-7%)****EPS CHANGE (%): FY25|26: -0.8|-10.3**

- We expect a revenue growth of 1.2% QoQ CC, led by growth in BFSI and TMT verticals.
- The mortgage business should normalize in 1Q and is unlikely to see any further deterioration; however, we do not see any significant growth in this business until macros improve
- We expect margin to improve 40bp QoQ on continued cost optimization improvements.
- Commentary towards demand environment and pricing, volume recovery for its mortgage business, and deal TCVs need to be closely monitored.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	398	398	402	411	416	426	436	448	1,609	1726
QoQ (%)	-3.4	0.1	1.0	2.1	1.2	2.6	2.3	2.6	-6.3	7.3
Revenue (INR m)	32,520	32,765	33,380	34,120	34,653	35,544	36,374	37,310	1,32,785	143880
YoY (%)	-4.7	-6.9	-4.8	1.5	6.6	8.5	9.0	9.3	-3.8	8.4
GPM (%)	29.1	28.9	31.3	31.2	30.3	30.0	29.6	29.3	30.1	29.8
SGA (%)	11.1	10.7	13.3	12.5	12.5	12.2	12.0	11.6	11.9	12.1
EBITDA	5,869	5,956	6,007	6,388	6,168	6,327	6,402	6,604	24,220	25501
EBITDA margin (%)	18.0	18.2	18.0	18.7	17.8	17.8	17.6	17.7	18.2	17.7
EBIT	4,995	5,067	4,972	5,080	5,302	5,545	5,565	5,820	20,114	22232
EBIT margin (%)	15.4	15.5	14.9	14.9	15.3	15.6	15.3	15.6	15.1	15.5
Other income	263	150	14	143	347	355	364	373	570	1439
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.7	24.7	24.8	24.7
PAT	3,961	3,920	3,736	3,932	4,252	4,442	4,463	4,663	15,549	17820
QoQ (%)	-2.3	-1.0	-4.7	5.2	8.1	4.5	0.5	4.5		
YoY (%)	-1.5	-6.3	-9.4	-3.0	7.4	13.3	19.5	18.6	-5.1	14.6
EPS (INR)	20.9	20.6	19.6	20.7	22.4	23.4	23.5	24.5	81.8	93.7

Persistent Systems**Neutral****CMP INR4541 | TP: INR4560 (0.4%)****EPS CHANGE (%): FY25|26: -1.7|-3.0**

- Expect revenue growth of ~5% QoQ CC, aided by continued momentum in Healthcare and ramp up of large deals in the vertical
- Margin is likely to contract 50bp QoQ and will be under pressure due to the initial ramp-up costs for large deals
- Expect healthy deal momentum to continue, with continued strength in healthcare followed by the BFS vertical
- Commentary on the recovery in hi-tech vertical is a key monitorable

Quarterly performance (IFRS)

Y/E March (Consolidated)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	282.9	291.7	300.6	310.9	326.9	337.0	348.0	359.3	1,186	1,371
QoQ (%)	3.0	3.1	3.0	3.4	5.2	3.1	3.3	3.3	14.5	15.6
Revenue (INR m)	23,212	24,117	24,982	25,905	27,243	28,081	28,997	29,944	98,216	1,14,266
QoQ (%)	3.0	3.9	3.6	3.7	5.2	3.1	3.3	3.3		
YoY (%)	23.6	17.7	15.2	14.9	17.4	16.4	16.1	15.6	17.6	16.3
GPM (%)	34.2	33.1	33.8	33.3	32.5	32.8	33.5	34.0	33.6	33.2
SGA (%)	16.0	16.3	16.1	15.7	15.4	15.3	15.3	15.3	16.0	15.3
EBITDA	4,229	4,052	4,418	4,544	4,658	4,914	5,278	5,600	17,243	20,450
EBITDA margin (%)	18.2	16.8	17.7	17.5	17.1	17.5	18.2	18.7	17.6	17.9
EBIT	3,466	3,308	3,631	3,744	3,814	4,044	4,379	4,671	14,149	16,908
EBIT margin (%)	14.9	13.7	14.5	14.5	14.0	14.4	15.1	15.6	14.4	14.8
Other income	90	250	262	210	218	225	232	240	813	914
ETR (%)	22.0	26.0	26.5	20.3	20.3	20.3	20.3	20.3	23.7	20.3
PAT	2,774	2,633	2,861	3,153	3,215	3,404	3,676	3,916	11,421	14,211
QoQ (%)	10.3	-5.1	8.7	10.2	2.0	5.9	8.0	6.5		
YoY (%)	31.1	19.7	6.9	25.4	15.9	29.3	28.5	24.2	20.1	24.4
EPS (INR)	15.0	17.3	18.8	20.7	21.1	22.4	24.2	25.7	71.9	93.4

TCS

Buy

CMP INR3972 | TP: INR4660 (+17%)

EPS CHANGE (%): FY25|26: -2.5|-8.5

- Growth is expected to be 1.6% QoQ CC, led by deal scale up, including the BSNL deal, which is ramping up as per plan.
- The deal pipeline should remain healthy
- EBIT margin is expected to contract 150bp qoq owing to wage hikes in 1QFY25.
- Outlook on near-term demand & pricing environment, BFSI, and deal wins are key monitorables.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
IT Services Revenue (USD m)	7,226	7,210	7,281	7,363	7,459	7,656	7,820	8,037	29,080	30,972
QoQ (%)	0.4	-0.2	1.0	1.1	1.3	2.6	2.1	2.8	4.1	6.5
Overall Revenue (INR b)	594	597	606	612	622	639	652	670	2,409	2,583
QoQ (%)	0.4	0.5	1.5	1.1	1.6	2.6	2.1	2.8		
YoY (%)	12.6	7.9	4.0	3.5	4.8	7.0	7.7	9.5	6.8	7.2
GPM (%)	39.5	40.1	40.8	41.1	40.0	40.9	41.0	41.0	40.4	40.7
SGA (%)	16.4	15.8	15.8	15.1	15.5	15.5	15.5	15.5	15.7	15.5
EBITDA	150	157	164	172	165	175	180	185	643	705
EBITDA Margin (%)	25.2	26.3	27.1	28.1	26.6	27.5	27.6	27.6	26.7	27.3
EBIT	138	145	152	159	152	162	166	171	594	652
EBIT Margin (%)	23.2	24.3	25.0	26.0	24.5	25.4	25.5	25.5	24.7	25.2
Other income	12	8	7	9	11	11	12	12	37	45
PBT	150	153	159	168	163	173	178	183	632	697
ETR (%)	25.8	25.8	25.8	25.8	25.5	25.5	25.5	25.5	25.7	25.5
Adj. PAT	111	114	118	125	121	129	133	136	469	519
Exceptional items	0	0	-7	0	0	0	0	0	-7	0
Reported PAT	111	114	111	125	121	129	133	136	462	519
QoQ (%)	-2.8	2.3	-2.5	12.7	-2.9	6.2	2.9	2.8		
YoY (%)	16.8	8.7	2.0	9.3	9.2	13.3	19.6	9.1	9.3	12.3
EPS (INR)	30.3	31.0	30.3	34.4	33.4	35.5	36.6	37.6	126.3	143.1

Tech Mahindra

Neutral

CMP INR1473 | TP: INR1355 (-8%)

EPS CHANGE (%): FY25|26: -13.7|-17.3

- Revenue growth is expected to be muted at 0.4% QoQ CC; while communications vertical has bottomed out, recovery could take longer
- Margin is likely to improve slightly by 30bp QoQ, as the impact of cost-control efforts should start becoming visible. Weak growth is likely to keep margins under pressure
- Deal wins are likely to be muted due to macro uncertainty. We expect deal TCv to the tune of USD500m in 1Q
- The outlook on margin and growth in the CME and BFS verticals will be the key monitorables.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	1,601	1,555	1,573	1,548	1,554	1,592	1,616	1,657	6,277	6,419
QoQ (%)	-4.0	-2.8	1.1	-1.6	0.4	2.4	1.6	2.5	-5.0	2.3
Revenue (INR b)	132	129	131	129	130	133	135	138	520	536
YoY (%)	3.5	-2.0	-4.6	-6.2	-1.5	3.2	2.9	7.4	-2.4	3.0
GPM (%)	25.7	22.5	23.9	27.0	26.0	25.7	26.2	26.3	24.8	26.1
SGA (%)	13.5	11.5	13.6	16.1	15.0	14.0	13.5	13.0	13.7	13.9
EBITDA	16	14	14	14	14	16	17	18	58	65
EBITDA margin (%)	12.2	10.9	10.3	10.9	11.0	11.7	12.7	13.3	11.1	12.2
EBIT	12	9	9	9	10	11	13	14	40	48
EBIT margin (%)	8.8	7.3	7.0	7.4	7.7	8.4	9.4	10.0	7.6	8.9
Other income	1	2	0	3	1	1	1	1	5	3
ETR (%)	21.8	9.9	17.6	23.4	23.4	23.4	23.4	23.4	18.5	23.4
Adj. PAT	10	10	7	10	8	9	10	11	36	39
QoQ (%)	-28.2	2.3	-26.5	34.9	-15.7	11.1	12.9	8.7		
YoY (%)	-15.5	-25.3	-44.6	-27.1	-14.4	-7.1	42.8	15.0	-28.5	6.8
Extra-Ordinary Item	-2.6	-4.8	-2.1	-3.1	0.0	0.0	0.0	0.0	-12.6	0.0
Reported PAT	7	5	5	7	8	9	10	11	24	39
EPS (INR)	10.8	11.0	8.1	11.0	9.3	10.3	11.6	12.7	41.1	43.9

Wipro**Neutral****CMP INR529 | TP: INR490 (-7%)****EPS CHANGE (%): FY25|26: -17.4|-8.9**

- We expect WPRO to report ~0.5% decline in 1Q due to the macro impact and continued softness in verticals.
- We expect continued softness in key verticals such as retail and communications led by cautious client spending behavior
- The IT services' margin is expected to be range bound, and could see a marginal dip
- Commentary on recovery in the consulting business as well as strategic initiatives from the new management will be the key monitorables

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
IT Services Revenue (USD m)	2,779	2,713	2,656	2,657	2,646	2,700	2,741	2,796	10,805	10,883
QoQ (%)	-2.1	-2.3	-2.1	0.0	-0.4	2.1	1.5	2.0	-3.8	0.7
Overall Revenue (INR b)	228	225	222	222	222	226	230	234	896	912
QoQ (%)	-1.5	-1.4	-1.4	0.0	-0.2	2.1	1.4	2.1		
YoY (%)	6.0	-0.1	-4.4	-4.2	-2.9	0.5	3.4	5.5	-0.9	1.7
GPM (%)	29.4	29.3	30.7	29.2	30.0	30.2	29.7	29.7	29.6	29.9
SGA (%)	14.2	14.6	16.0	13.2	14.1	14.1	14.1	14.1	14.5	14.1
EBITDA	42	42	42	44	44	45	44	45	170	178
EBITDA Margin (%)	18.4	18.8	19.0	19.7	19.6	19.8	19.3	19.3	19.0	27.5
IT Serv. EBIT (%)	16.0	16.1	16.0	16.4	17.3	17.5	16.9	16.9	16.4	17.2
EBIT Margin (%)	15.1	14.8	14.8	15.9	15.8	16.0	15.5	15.5	15.2	15.7
Other income	3	2	3	3	3	3	3	3	11	12
ETR (%)	24.0	24.0	24.0	26.0	24.0	24.0	24.0	24.0	24.5	24.0
PAT	29	26	27	28	29	30	29	30	110	117
QoQ (%)	-6.6	-7.8	1.8	5.2	1.4	3.2	-1.6	1.9		
YoY (%)	12.0	-0.5	-11.7	-7.8	0.1	12.0	8.3	4.9	-2.9	6.4
EPS (INR)	5.1	5.0	5.2	5.4	5.5	5.7	5.6	5.7	20.4	22.2

Zensar Technologies**Neutral****CMP INR754 | TP: INR750 (-1%)****EPS CHANGE (%): FY25|26: 7.7|14.2**

- We expect revenue growth of 1.9% QoQ CC in 1QFY25
- We expect margin to moderate ~70bp from its 4Q level, led by increased SG&A expenses
- We expect growth to be driven by healthcare and BFS verticals
- The demand environment within its critical sectors and progress on stimulating growth levers would be closely monitored.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	149	150	145	148	151	157	161	167	592	636
QoQ (%)	1.2	0.6	-3.7	2.3	2.3	3.5	2.6	3.5	-2.0	7.4
Revenue (INR m)	12,272	12,408	12,041	12,297	12,636	13,084	13,427	13,902	49,018	53,050
YoY (%)	2.0	0.5	0.5	1.4	3.0	5.5	11.5	13.1	1.1	8.2
GPM (%)	33.6	31.8	31.1	30.6	33.5	33.0	33.0	33.0	31.8	33.1
SGA (%)	14.9	13.2	13.9	14.1	17.1	16.6	16.8	16.9	14.0	16.8
EBITDA	2,301	2,308	2,076	2,030	2,072	2,146	2,175	2,238	8,715	8,632
EBITDA margin (%)	18.8	18.6	17.2	16.5	16.4	16.4	16.2	16.1	17.8	16.3
EBIT	1,878	1,942	1,764	1,793	1,756	1,819	1,839	1,891	7,377	7,305
EBIT margin (%)	15.3	15.7	14.6	14.6	13.9	13.9	13.7	13.6	15.0	13.8
Other income	224	306	356	493	164	170	175	181	1,379	690
ETR (%)	25.7	22.7	23.8	24.2	24.3	24.3	24.3	24.3	24.1	24.3
Adj. PAT	1,562	1,738	1,616	1,733	1,454	1,506	1,525	1,569	6,649	6,054
QoQ (%)	30.9	11.3	-7.0	7.2	-16.1	3.5	1.3	2.9		
YoY (%)	108.0	206.0	111.2	45.3	-6.9	-13.3	-5.6	-9.5	102.9	-8.9
EPS (INR)	6.8	7.6	7.1	7.6	6.4	6.6	6.7	6.9	29.1	26.5

Telecom

Company

Bharti Airtel

Indus Towers

RJio

Tata Communications

Vodafone Idea

Moderate growth to continue; tariff benefits in 2Q

Expect moderate growth supported equally by growth in subscribers/ARPU

We expect the telecom sector to see moderate revenue growth of 2.3% QoQ in 1QFY25, driven by an increase in subscribers (+0.9% QoQ) and mix-led ARPU improvements (+1.1% QoQ). In the absence of a tariff hike, we expect incremental EBITDA margin to remain at ~59%. Capex is expected to remain steady QoQ. The benefit of the recent tariff hikes will be spread out in 2Q-4QFY25. After the tariff hikes, we believe that the catalysts for the telecom stocks would be subscriber gains, a reduction in churn, 5G adoption and an increase in data customers.

BHARTI looking to boost ARPU; RJio chasing subscriber growth

Industry growth is expected to be driven by a 1.1% increase in ARPU mix and a 0.9% growth in industry subscribers. BHARTI/RJio should continue to see higher revenue growth of 3.4%/2.3%. Bharti's revenue growth will be largely led by 0.8%/2.0% increase in subscribers/ARPU. RJio's revenue growth should be led by 1.9% growth in subscribers, while its ARPU is expected to be flat, reflecting its continued dominance in capturing incremental subscriber market share, largely from VIL. BHARTI's strategy involves upgrading 2G subscribers to 4G, premiumising toward postpaid services, and promoting high data usage. This approach emphasizes ARPU enhancements through a diversified mix of services.

Blended ARPU growth supporting margin improvement

EBITDA margin may slightly improve with limited operating leverage due to the slower revenue growth. We expect 2.6% QoQ EBITDA growth for RJio and BHARTI, with incremental EBITDA margin of 59%. We expect VIL to post a decline of 2% QoQ in EBITDA due to market share loss. This may lead to a 100bp decline in VIL's EBITDA margin to 19.6%. RJio/BHARTI should report EBITDA margin of 52.5%/55.8% (flat/70bp YoY).

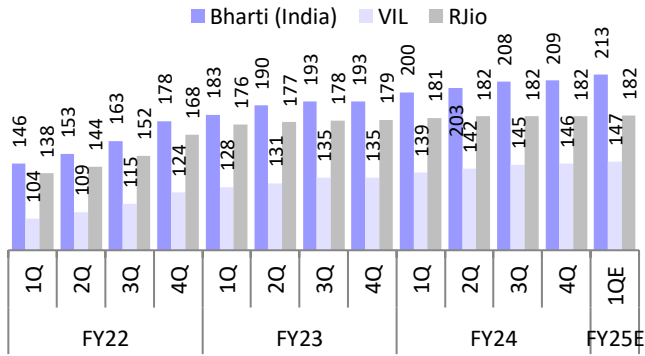
Capex to remain stable

We expect the capex to remain stable QoQ, driven by ongoing investments in 5G infrastructure and rural network densification efforts. RJio has already completed the rollout of 5G telecom services in the majority of cities/towns by Dec'23, using standalone architecture. In contrast, BHARTI covered urban cities by Mar'24, using non-standalone architecture. VIL expects to start rolling out 5G on a large scale in about 4-6 months from now. It also plans to use non-standalone architecture for its 5G rollout. Its capex is expected to be in the range of INR500b to INR550b over the next three years.

Exhibit 1: Expected quarterly performance summary

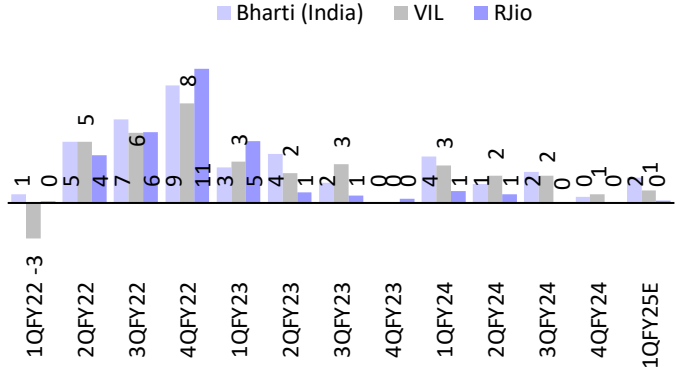
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ	Jun-24	Var % YoY	Var % QoQ
Bharti Airtel	1419	Buy	3,86,639	3.3	2.8	2,03,113	3.6	4.9	36,626	26.2	24.1
Indus Towers	384	Neutral	73,979	4.6	2.8	38,471	10.6	-5.5	16,138	19.7	-12.9
Tata Comm	1889	Neutral	58,377	22.3	2.6	11,035	7.8	4.5	2,420	-36.3	-35.2
Vodafone Idea	17	Neutral	1,05,987	-0.5	-0.1	42,325	1.8	-2.4	-79,780	Loss	Loss
Telecom			6,24,983	4.3	2.3	2,94,944	4.4	2.3	-24,595	Loss	Loss

Exhibit 2: Player-wise QoQ ARPU trends (INR)



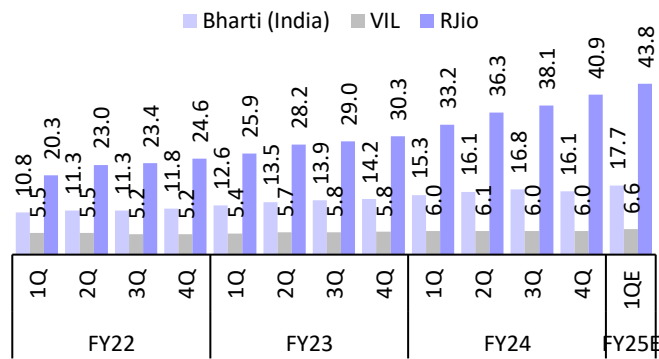
Sources: Company, MOFSL

Exhibit 3: Player-wise QoQ ARPU growth trends (%)



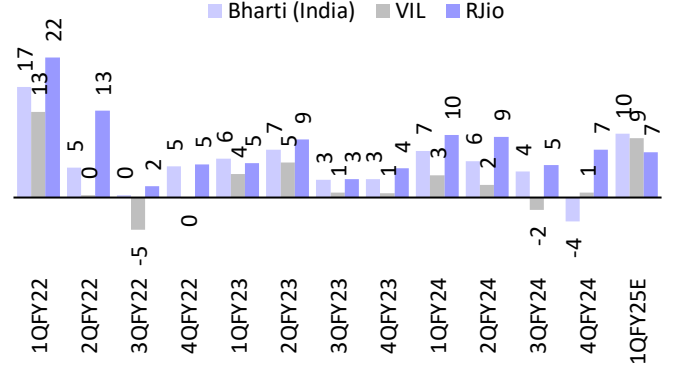
Sources: Company, MOFSL

Exhibit 4: Player-wise QoQ data traffic trends (b GB)



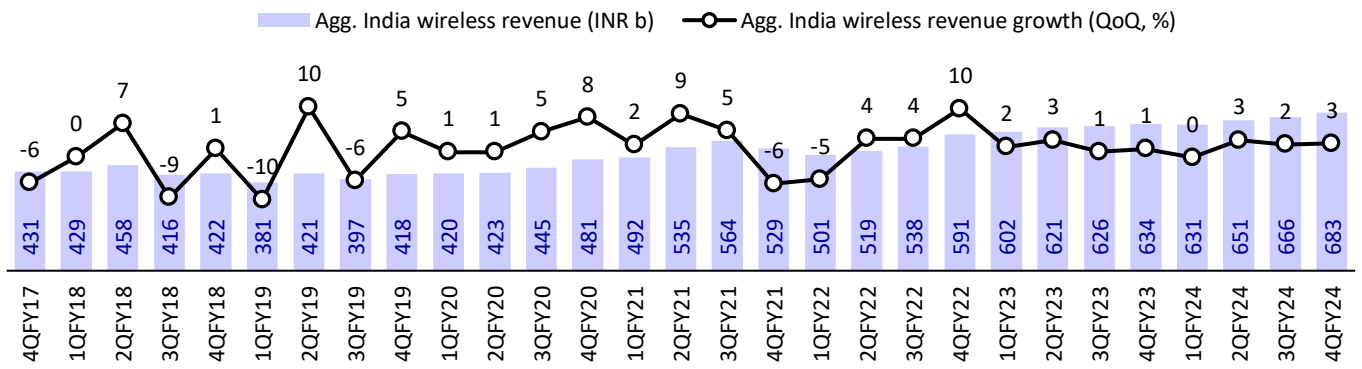
Sources: Company, MOFSL

Exhibit 5: Player-wise QoQ growth trends in data traffic (%)



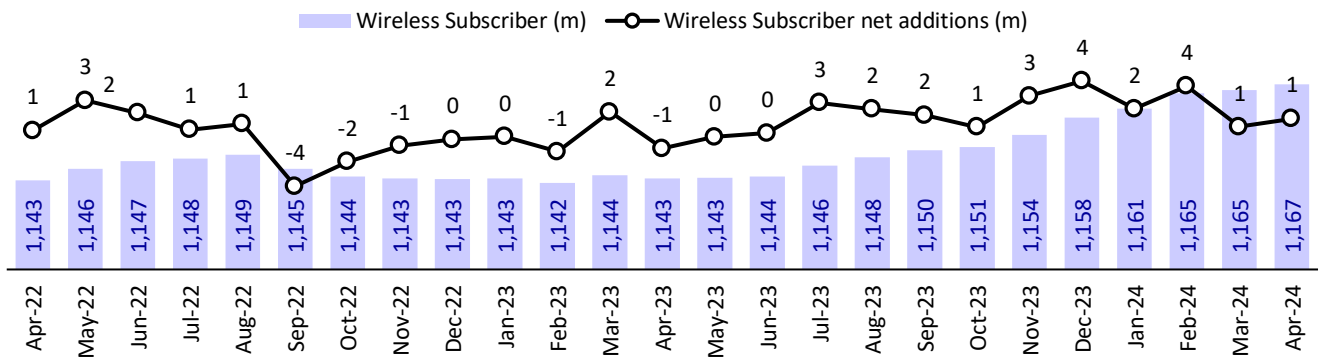
Sources: Company, MOFSL

Exhibit 6: Aggregate India Wireless revenue and growth trends (QoQ, %)



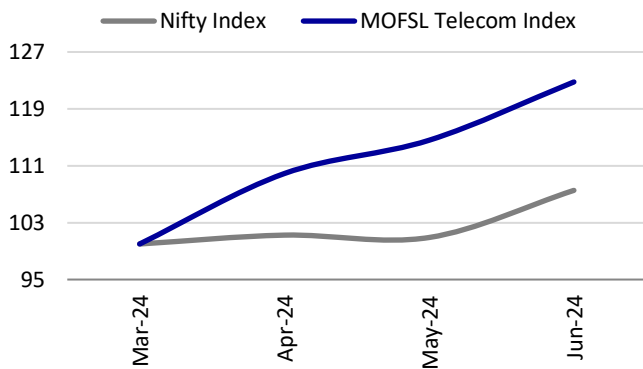
Sources: TRAI, MOFSL

Exhibit 7: Aggregate India Wireless subscriber and growth trends (MoM, %)



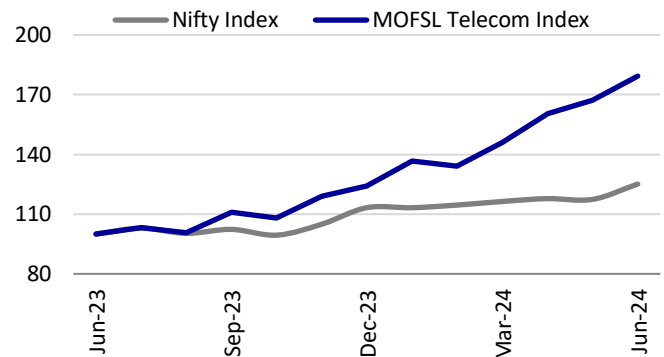
Sources: TRAI, MOFSL

Exhibit 8: Relative performance – three-months (%)



Sources: Bloomberg, MOFSL

Exhibit 9: Relative performance – one-year (%)



Sources: Bloomberg, MOFSL

Exhibit 10: Comparative valuation

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Telecom						-69	-324	94.1	138.9	22.0	17.9	-201.4	-6.8	19.1
Bharti Airtel	1,419	Buy	19.7	35.3	52.6	62.5	40.2	27.0	8.4	6.4	5.2	14.2	19.8	21.9
Indus Towers	384	Neutral	22.4	25.1	27.8	13.0	15.3	13.8	2.9	3.1	2.5	25.1	22.2	20.0
Tata Comm	1,889	Neutral	42.3	48.1	83.5	47.6	39.3	22.6	32.1	19.1	11.0	72.9	59.4	62
Vodafone Idea	17	Neutral	-11.1	-10.9	-10.4	-1.2	-1.6	-1.6	-0.4	-0.5	-0.4	NM	NM	NM

Exhibit 11: Wireless KPI comparison

	FY22				FY23				FY24				FY25E 1QE	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
EOP Wireless SUBS (m)															
Bharti (India)	321	323	323	326	327	328	332	335	339	342	346	352	355	4.9	0.8
VIL	255	253	247	244	240	234	229	226	221	220	215	213	211	-4.9	-0.9
RJio	441	430	421	410	420	428	433	439	449	460	471	482	491	9.4	1.9
Avg. Wireless Subs (m)															
Bharti (India)	321	322	323	324	327	328	330	334	337	340	344	349	354	4.9	1.4
VIL	262	254	250	246	242	237	232	227	224	221	218	214	212	-5.4	-1.1
RJio	433	435	425	416	415	424	430	436	444	454	465	476	486	9.6	2.1
ARPU (INR/month)															
Bharti (India)	146	153	163	178	183	190	193	193	200	203	208	209	213	6.6	2.0
VIL	104	109	115	124	128	131	135	135	139	142	145	146	147	6.1	1.0
RJio	138	144	152	168	176	177	178	179	181	182	182	182	182	0.9	0.2
MOU/Sub (min)															
Bharti (India)	1,044	1,053	1,061	1,081	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,158	1,170	2.8	1.0
VIL	641	630	620	610	620	599	613	623	627	613	614	627	633	1.0	1.0
RJio	815	835	901	962	1004	968	984	1001	1006	976	981	1008	1007	0.1	-0.1
Wireless traffic (B min)															
Bharti (India)	1,002	1,020	1,030	1,051	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,210	1,241	8.0	2.6
VIL	503	480	465	449	450	427	426	425	421	406	401	402	402	-4.4	-0.1
RJio	1060	1090	1150	1200	1250	1230	1270	1310	1340	1330	1370	1440	1469	9.6	2.0
Data usage/Sub (Gb)															
Bharti (India)	18.9	19.1	18.7	19.2	19.9	20.8	20.8	20.8	21.6	22.2	22.5	23.1	21.8	0.8	-5.9
VIL	13.3	13.5	12.8	12.9	13.3	14.1	14.2	14.2	14.7	14.9	14.6	14.7	15.4	4.8	5.0
RJio	15.6	17.6	18.3	19.7	20.8	22.2	22.5	23.2	24.9	26.6	27.3	28.6	30.0	20.3	4.8
Data traffic (B Gb)															
Bharti (India)	10.8	11.3	11.3	11.8	12.6	13.5	13.9	14.2	15.3	16.1	16.8	16.1	17.7	16.1	9.8
VIL	5.5	5.5	5.2	5.2	5.4	5.7	5.8	5.8	6.0	6.1	6.0	6.0	6.6	10.0	9.2
RJio	20.3	23.0	23.4	24.6	25.9	28.2	29.0	30.3	33.2	36.3	38.1	40.9	43.8	31.8	7.0

Sources: Company, MOFSL

Exhibit 12: Quarterly financials

	FY22				FY23				FY24				FY25E 1QE	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Revenue (INR b)															
Bharti (India wireless)	143	152	161	176	182	190	194	195	204	210	216	221	228	11.8	3.4
Bharti (consolidated)	269	283	299	315	328	345	358	360	374	370	379	376	387	3.3	2.8
VIL	92	94	97	102	104	106	106	105	107	107	107	106	106	-0.5	-0.1
RJio	180	187	193	209	219	225	230	234	240	248	254	260	266	10.5	2.3
EBITDA (INR b)															
Bharti (India wireless)	70	75	79	89	93	99	104	105	112	115	119	122	127	13.9	4.6
Bharti (consolidated)	130	138	147	160	165	176	185	187	196	195	198	194	203	3.6	4.9
VIL	37	39	38	46	43	41	42	42	42	43	44	43	42	1.8	-2.4
RJio	86	90	95	105	110	115	120	122	126	130	133	136	139	10.8	2.4
EBITDA Margin (%)															
Bharti (India wireless)	49.2	49.2	49.4	50.6	51.2	52.4	53.8	53.8	54.8	54.9	55.1	55.1	55.8	103bps	67bps
Bharti (consolidated)	48.3	48.8	49.2	50.9	50.4	51.0	51.5	51.9	52.3	52.7	52.3	51.5	52.5	19bps	103bps
VIL	40.5	41.1	39.3	45.4	41.6	38.6	39.4	40.0	39.0	40.0	40.8	40.9	39.9	92bps	-94bps
RJio	47.9	48.0	49.2	50.3	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.4	52.5	16bps	4bps
PAT (INR b)															
Bharti (consolidated)	3	11	8	20	16	21	16	30	16	13	24	21	37	127.1	76.8
VIL	(73)	(71)	(72)	(66)	(73)	(76)	(80)	(64)	(78)	(87)	(70)	(77)	(80)	1.8	4.0
RJio	35	35	36	42	43	45	46	47	49	51	52	53	54	11.4	1.5
EPS (INR)															
Bharti	0.5	2.1	1.5	3.6	2.9	3.8	2.8	5.3	2.8	2.4	4.3	3.7	6.5	127.1	76.8
VIL	(2.5)	(2.5)	(2.5)	(2.0)	(2.3)	(2.4)	(2.5)	(1.3)	(1.6)	(1.8)	(1.4)	(1.6)	(1.6)	1.8	4.0
RJio	0.8	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.2	11.4	1.5

Sources: Company, MOFSL

The tables below provide a snapshot of the actual and estimated numbers of companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Bharti Airtel

Buy

CMP: INR 1,419 | TP: INR1654 (+16.6%)

EPS CHANGE (%): FY25 | 26: 0 | 1

- We expect 2.8% revenue growth on a sequential basis, led by 3.1%/2.1% QoQ growth in India Wireless/Airtel Africa.
- We expect India Wireless growth to be supported by 0.8%/2% QoQ growth in subscribers/ARPU.
- Expect EBITDA margin to improve ~100bp QoQ to 52.5%.
- Expect stable capex QoQ

Consolidated - Quarterly Earning Model

Y/E March									(INR b)	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	374	370	379	376	387	406	426	435	1,500	1,654
YoY Change (%)	14.1	7.3	5.9	4.4	3.3	9.5	12.4	15.7	7.8	10.3
Total Expenditure	178	175	181	182	184	188	193	196	717	761
EBITDA	196	195	198	194	203	217	233	239	783	893
YoY Change (%)	18.6	10.9	7.4	3.6	3.6	11.4	17.8	23.5	9.8	14.0
Depreciation	97	97	101	101	106	108	109	111	395	434
Net Finance cost	56	52	66	52	53	50	50	50	226	200
Other Income	9	9	11	11	12	12	13	14	41	51
PBT before EO expense	53	55	42	52	56	72	87	92	203	310
Extra-Ord expense	34	16	1	25	0	0	0	0	76	0
PBT	19	39	41	28	56	72	87	92	127	310
Tax	3	18	12	7	14	18	22	23	41	77
Rate (%)	18.0	46.9	30.0	25.6	25.0	25.0	25.0	25.0	32.5	24.7
Minority Interest & P/L of Asso. Cos.	-1	8	4	0	5	7	8	9	11	30
Reported PAT	16	13	24	21	37	47	57	60	75	204
Adj PAT	29	30	25	30	37	47	57	60	113	201
YoY Change (%)	91.3	44.2	25.0	13.9	26.2	59.1	129.0	102.4	38.6	77.4

E: MOFSL Estimates

Indus Towers

Neutral

CMP: INR384 | TP: INR337 (-12%)

EPS CHANGE (%): FY25 | 26: 1.1 | 1

- We expect the number of tenants and rental revenue to grow 2.0% and 0.5%, respectively, on a quarterly basis.
- We expect tower additions of 6,000 in 1QFY25.
- Consolidated revenue to grow at 2.8% QoQ.
- Adj. EBITDA margin is likely to decline 460bp QoQ

Quarterly Performance

Y/E March									(INR b)	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue from operations	71	71	72	72	74	76	78	80	286	308
YoY Change (%)	2.6	-10.5	6.4	6.5	4.6	6.5	8.4	11.3	0.8	7.7
Total Expenditure	36	37	36	31	36	36	37	38	140	146
EBITDA	35	34	36	41	38	40	41	42	146	162
YoY Change (%)	53.8	21.7	208.3	18.6	10.6	15.8	14.9	4.3	50.6	11.1
Depreciation	14	15	16	16	16	17	17	18	61	68
Interest	4	2	0	1	2	2	2	2	7	8
Other Income	1	1	1	1	1	1	1	1	4	5
PBT before EO expense	18	17	21	25	22	22	23	23	81	90
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	18	17	21	25	22	22	23	23	81	90
Tax	5	5	5	6	5	6	6	6	21	23
Rate (%)	25.5	25.9	25.8	25.5	25.2	25.2	25.2	25.2	25.7	25.2
Reported PAT	13	13	15	19	16	17	17	17	60	68
Adj PAT	13	13	15	19	16	17	17	17	60	68
YoY Change (%)	182.4	48.5	-	32.4	19.7	28.4	13.2	-6.1	151.1	12.0

E: MOFSL Estimates

Reliance Jio

CMP: NR | TP: INR

EPS CHANGE (%): FY25 | 26: -0.2 | -1.8

- We expect 2.3% revenue growth on a sequential basis, led by 3% QoQ growth in subscribers.
- ARPU is expected to be stable at INR182 with subscribers increasing to 490.8m.
- EBITDA margin is likely to remain flat QoQ to 52.5%.
- Expect similar quarterly capex posted in the last quarter.

Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenue	240	248	254	260	266	289	318	319	1,001	1,192
YoY Change (%)	9.9	9.9	10.3	11.0	10.5	17.0	25.5	22.7	10.3	19.0
Total Expenditure	115	118	121	123	126	131	138	142	477	538
EBITDA	126	130	133	136	139	159	180	177	524	654
Margins (%)	52.3	52.3	52.3	52.4	52.5	54.8	56.5	55.4	52.4	54.9
Depreciation	52	53	54	56	58	60	63	66	214	246
Finance Cost	10	10	10	10	10	10	11	11	40	43
Other Income	1	1	1	1	1	1	1	1	5	6
PBT	65	68	70	72	73	89	108	101	275	371
Tax	17	17	18	18	19	23	28	26	70	95
Rate (%)	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
PAT	49	51	52	53	54	67	80	75	205	276
Margins (%)	20.2	20.4	20.5	20.6	20.4	23.0	25.3	23.6	20.4	23.2
YoY Change (%)	2.1	1.9	1.8	2.0	0.8	12.5	23.1	14.9	12.4	35.0

Tata Communications

Neutral

CMP: INR1,889 | TP: INR2,126 (12.5%)

EPS CHANGE (%): FY25 | 26: -0.2 | -0.3

- We expect a 3% QoQ decline in voice revenue, while 2.6% QoQ growth in the overall revenue.
- DPS revenue/Core data services expected to grow 5%/1% QoQ.
- We expect EBITDA margins to increase 34bp QoQ,

Cons. Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	47.7	48.7	56.3	56.9	58.4	59.9	61.5	63.1	209.7	242.9
YoY Change (%)	10.7	10.0	24.4	24.6	22.3	22.9	9.1	10.9	17.5	15.8
Total Expenditure	37.5	38.6	45.0	46.4	47.3	48.2	48.8	49.4	167.4	193.8
EBITDA	10.2	10.2	11.3	10.6	11.0	11.7	12.7	13.7	42.3	49.1
YoY Change (%)	-4.9	-10.1	5.3	2.1	7.8	15.0	11.6	29.7	-2.0	16.0
Depreciation	5.8	6.1	6.2	6.7	6.8	6.8	6.8	6.8	24.7	27.1
Interest	1.3	1.4	1.9	1.9	1.8	1.8	1.7	1.6	6.4	7.0
Other Income	1.9	0.3	0.1	0.6	0.8	0.8	0.8	0.8	2.8	3.1
PBT before EO expense	5.0	3.0	3.4	2.6	3.2	3.9	4.9	6.1	14.0	18.1
Exceptional (gain)/loss	0.0	0.0	1.9	0.5	0.0	0.0	0.0	0.0	2.4	0.0
PBT	5.0	3.0	1.5	2.1	3.2	3.9	4.9	6.1	11.6	18.1
Tax	1.3	0.8	1.1	-1.1	0.8	1.0	1.2	1.5	2.1	4.5
Rate (%)	25.9	26.1	73.8	-52.4	25.2	25.2	25.2	25.2	18.4	25.2
MI & P/L of Asso. Cos.	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.2	-0.2
Reported PAT	3.8	2.2	0.4	3.2	2.4	2.9	3.7	4.6	9.7	13.7
Adj PAT	3.8	2.2	2.3	3.7	2.4	2.9	3.7	4.6	12.0	8.2
YoY Change (%)	-30.2	-51.5	-41.5	14.5	-36.3	33.2	62.6	23.2	-30.0	-31.5

E: MOFSL Estimates

Vodafone Idea**Neutral****CMP: INR 17 | TP: INR 18 (+6%)****EPS CHANGE (%): FY25|26: -7.8|-16.2**

- We expect a 1% QoQ increase in blended ARPU, offset by a subscriber decline of 1%, leading to flat revenue growth.
- ARPU is expected to grow to INR147.5.
- EBITDA margin is likely to decline 94bp on a sequential basis to 39.9%.
- Expect 5G rollout to start in Q2FY25

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue	107	107	107	106	106	112	119	121	427	457
YoY Change (%)	2.4	1.0	0.5	0.7	-0.5	4.1	11.3	14.0	1.1	7.2
Total Expenditure	65	64	63	63	64	65	68	69	255	265
EBITDA	42	43	44	43	42	46	51	52	171	192
YoY Change (%)	-4.0	4.5	4.1	3.0	1.8	7.9	17.3	20.6	1.8	12.0
Depreciation	56	57	56	58	59	60	62	64	226	245
Net Finance Costs	64	65	65	62	63	64	66	68	257	261
PBT before EO expense	-78	-79	-77	-77	-80	-78	-77	-80	-312	-314
Extra-Ord expense	0	0	-8	0	0	0	0	0	-8	0
PBT	-78	-79	-70	-77	-80	-78	-77	-80	-304	-314
Tax	0.0	8.2	0.0	0.1	0.0	0.0	0.0	0.0	8.3	0.0
Rate (%)	0.0	-10.3	0.0	-0.1	0.0	0.0	0.0	0.0	-2.7	0.0
Reported PAT	-78	-87	-70	-77	-80	-78	-77	-80	-312	-314
Adj PAT	-78	-87	-77	-77	-80	-78	-77	-80	-320	-242
YoY Change (%)	7.4	15.0	-3.1	20.0	1.8	-10.7	-0.7	4.0	9.3	-24.5

E: MOFSL Estimates

Others | Various Sectors

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

APL Apollo Tubes

Buy

CMP INR1,593 | TP: INR1,850 (+16%)

EPS CHANGE (%): FY25|FY26: 0 | 0

- The company registered volume growth of ~9% YoY to 721,063 MT in 1QFY25 (up 6% QoQ).
- EBITDA is expected to grow 6% YoY, assuming an EBITDA/MT of ~INR4,523 (down 2% YoY).
- Revenue is likely to grow ~10% YoY.
- Price of primary steel HRC continues to be a key monitorable.

Consolidated - Quarterly Earnings Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	45,449	46,304	41,778	47,657	49,969	58,156	57,723	63,648	1,81,188	2,29,496
YoY Change (%)	32.2	16.7	-3.5	7.6	9.9	25.6	38.2	33.6	12.1	26.7
Total Expenditure	42,377	43,054	38,982	44,854	46,708	54,116	53,448	58,989	1,69,266	2,13,261
EBITDA	3,072	3,250	2,795	2,804	3,261	4,040	4,275	4,659	11,922	16,235
Margins (%)	6.8	7.0	6.7	5.9	6.5	6.9	7.4	7.3	6.6	7.1
Depreciation	409	413	471	466	490	535	560	603	1,759	2,188
Interest	271	266	285	311	290	255	200	155	1,134	900
Other Income	217	196	150	186	249	235	188	246	749	918
PBT before EO expense	2,608	2,767	2,190	2,212	2,731	3,485	3,703	4,147	9,777	14,066
PBT	2,608	2,767	2,190	2,212	2,731	3,485	3,703	4,147	9,777	14,066
Tax	672	738	535	508	687	877	932	1,044	2,453	3,540
Rate (%)	25.8	26.7	24.4	23.0	25.2	25.2	25.2	25.2	25.1	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,936	2,029	1,655	1,704	2,043	2,608	2,771	3,103	7,324	10,525
Adj PAT	1,936	2,029	1,655	1,704	2,043	2,608	2,771	3,103	7,324	10,525
YoY Change (%)	60.5	35.1	-2.2	-15.5	5.5	28.6	67.4	82.1	14.1	43.7
Margins (%)	4.3	4.4	4.0	3.6	4.1	4.5	4.8	4.9	4.0	4.6

Cello

Buy

CMP INR901 | TP: INR1090 (+21%)

EPS CHANGE (%): FY25|FY26: 0 | 0

- Revenue is likely to grow ~9% YoY as the company witnessed some slowdown due to the general elections.
- Demand scenario and competitive intensity will be the key monitorables going ahead.
- EBITDA margin is expected to remain around 25% during the quarter, but will improve over 2HFY25.
- Ramp up of the glassware capacity will be a key focus area.

Consolidated - Quarterly Earnings Model

(INRm)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	4,718	4,890	5,271	5,125	5,142	5,623	6,483	6,567	20,003	23,815
YoY Change (%)	NA	NA	NA	5.0	9.0	15.0	23.0	28.1	11.3	19.1
Total Expenditure	3,526	3,687	3,949	3,792	3,847	4,201	4,777	4,798	14,954	17,623
EBITDA	1,192	1,203	1,321	1,333	1,295	1,422	1,705	1,770	5,049	6,192
Margins (%)	25.3	24.6	25.1	26.0	25.2	25.3	26.3	26.9	25.2	26.0
Depreciation	118	127	147	175	179	184	187	191	567	741
Interest	6	7	5	8	6	4	3	3	26	16
Other Income	81	107	45	66	85	137	60	75	299	357
PBT before EO expense	1,149	1,176	1,214	1,215	1,195	1,371	1,575	1,651	4,755	5,792
PBT	1,149	1,176	1,214	1,215	1,195	1,371	1,575	1,651	4,755	5,792
Tax	321	310	307	250	301	345	397	414	1,188	1,458
Rate (%)	27.9	26.4	25.3	20.6	25.2	25.2	25.2	25.1	25.0	25.2
Minority Interest & Profit/Loss of Asso. Cos.	54	66	58	77	60	80	66	88	256	294
Reported PAT	774	800	849	888	834	945	1,112	1,149	3,311	4,041
Adj PAT	774	800	849	888	834	945	1,112	1,149	3,311	4,041
YoY Change (%)	NA	NA	NA	-81.8	7.7	18.2	31.1	29.4	24.4	22.1
Margins (%)	16.4	16.4	16.1	17.3	16.2	16.8	17.2	17.5	16.6	17.0

Coromandel International**Buy****CMP INR1,571 | TP: INR1,810 (+15%)****EPS CHANGE (%): FY25|FY26: -3| -2**

- Fertilizer manufacturing volumes and trading volumes are expected to grow 5% YoY each.
- Crop Protection revenue is expected to grow ~7% YoY in 1QFY25.
- Fertilizer manufacturing (NPK and DAP) EBITDA/MT is expected to be ~INR6,850.
- Raw material costs and product pricing scenario to be the key monitorables.

Quarterly Earnings Model**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
Consolidated	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	56,934	69,881	54,642	39,127	55,876	70,628	61,693	42,016	2,20,584	2,30,214
YoY Change (%)	-0.6	-30.9	-34.2	-28.5	-1.9	1.1	12.9	7.4	-25.5	4.4
Total Expenditure	49,842	59,294	51,063	36,397	48,948	60,407	55,620	38,597	1,96,596	2,03,571
EBITDA	7,092	10,587	3,578	2,730	6,928	10,221	6,073	3,420	23,988	26,642
Margins (%)	12.5	15.2	6.5	7.0	12.4	14.5	9.8	8.1	10.9	11.6
Depreciation	481	540	635	630	640	645	650	660	2,286	2,595
Interest	405	462	381	617	500	425	400	375	1,866	1,700
Other Income	445	448	585	835	534	537	702	1,002	2,314	2,776
PBT before EO expense	6,651	10,033	3,147	2,319	6,322	9,689	5,726	3,387	22,150	25,124
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	6,651	10,033	3,147	2,319	6,322	9,689	5,726	3,387	22,150	25,124
Tax	1,674	2,450	776	578	1,591	2,439	1,441	853	5,478	6,324
Rate (%)	25.2	24.4	24.7	24.9	25.2	25.2	25.2	25.2	24.7	25.2
Minority Interest & P/L of Asso. Cos.	36	15	61	138	38	16	64	144	250	262
Reported PAT	4,940	7,569	2,310	1,603	4,693	7,234	4,220	2,390	16,422	18,538
Adj PAT	4,940	7,569	2,310	1,603	4,693	7,234	4,220	2,390	16,422	18,538
YoY Change (%)	-1.0	2.2	-56.2	-34.9	-5.0	-4.4	82.7	49.1	-18.4	12.9
Margins (%)	8.7	10.8	4.2	4.1	8.4	10.2	6.8	5.7	7.4	8.1

EPL**Buy****CMP INR220 | TP: INR260 (+18%)****EPS CHANGE (%): FY25|FY26: -8 | 1**

- Revenue is expected to grow 12% YoY on broad-based growth across geographies.
- EBITDA margin is likely to improve ~100bp YoY.
- Increasing the share of fully recyclable tubes will be a key focus area.
- Ramp-up of the Brazil plant and prices of raw materials will be the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	9,102	10,016	9,751	10,292	10,200	11,151	10,969	11,311	39,161	43,631
YoY Change (%)	9.4	5.6	3.2	6.2	12.1	11.3	12.5	9.9	6.0	11.4
Total Expenditure	7,512	8,206	7,917	8,383	8,314	8,985	8,835	9,052	32,018	35,187
EBITDA	1,590	1,810	1,834	1,909	1,886	2,166	2,134	2,258	7,143	8,445
Margins (%)	17.5	18.1	18.8	18.5	18.5	19.4	19.5	20.0	18.2	19.4
Depreciation	800	836	842	850	879	901	939	961	3,328	3,680
Interest	235	306	294	321	290	276	266	259	1,156	1,091
Other Income	100	96	237	161	149	161	177	125	594	611
PBT before EO expense	655	764	935	899	866	1,150	1,106	1,163	3,253	4,284
Extra-Ord expense	0	0	0	605	0	0	0	0	605	0
PBT	655	764	935	294	866	1,150	1,106	1,163	2,648	4,284
Tax	106	254	70	152	234	310	299	314	582	1,157
Rate (%)	16.2	33.2	7.5	51.7	27.0	27.0	27.0	27.0	22.0	27.0
Minority Interest & Profit/Loss of Asso. Cos.	-6	-5	-4	81	-6	-5	-4	86	66	71
Reported PAT	543	505	861	223	626	835	803	935	2,132	3,198
Adj PAT	543	505	861	677	626	835	803	935	2,586	3,198
YoY Change (%)	57.4	9.3	37.1	-19.7	15.2	65.3	-6.7	38.2	13.5	23.7
Margins (%)	6.0	5.0	8.8	6.6	6.1	7.5	7.3	8.3	6.6	7.3

Godrej Agrovet**Neutral****CMP INR813 | TP: INR830 (+2%)****EPS CHANGE (%): FY25|FY26: +11|+21**

- Revenue in the Animal Feed business is expected to grow ~11% YoY
- The performance outlook on Astec and domestic Crop Protection will be a key focus area.
- EBITDA margin is likely to improve to 8.3% from 5.1% in 1QFY25, on the back of a broad-based recovery
- Raw material (such as maize and soybean) and palm oil prices are the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	25,102	25,709	23,452	21,343	27,030	28,358	26,274	24,436	95,606	1,06,096
YoY Change (%)	0.0	5.1	0.9	1.9	7.7	10.3	12.0	14.5	2.0	11.0
Total Expenditure	23,173	23,694	21,861	19,863	24,796	25,833	24,329	22,652	88,591	97,609
EBITDA	1,929	2,014	1,591	1,480	2,234	2,525	1,945	1,784	7,015	8,488
Margins (%)	7.7	7.8	6.8	6.9	8.3	8.9	7.4	7.3	7.3	8.0
Depreciation	528	529	530	556	551	579	598	619	2,143	2,347
Interest	295	279	251	254	243	254	268	288	1,079	1,053
Other Income	115	112	84	102	107	112	98	149	413	466
PBT before EO expense	1,222	1,318	894	772	1,547	1,804	1,177	1,026	4,206	5,554
PBT	1,222	1,318	894	772	1,547	1,804	1,177	1,026	4,206	5,554
Tax	353	369	191	220	389	454	296	258	1,133	1,398
Rate (%)	28.9	28.0	21.3	28.5	25.2	25.2	25.2	25.2	26.9	25.2
Minority Interest & Profit/Loss of Asso. Cos.	-185	-104	-215	-19	-137	-156	-138	-118	-523	-549
Reported PAT	1,053	1,053	918	571	1,295	1,506	1,019	886	3,596	4,705
Adj PAT	1,053	1,053	918	571	1,295	1,506	1,019	886	3,596	4,705
YoY Change (%)	27.3	46.7	43.5	84.2	22.9	43.0	10.9	55.0	44.1	30.8
Margins (%)	4.2	4.1	3.9	2.7	4.8	5.3	3.9	3.6	3.8	4.4

Indian Hotels**Buy****CMP INR603 | TP: 670 (+11%)****EPS CHANGE (%): FY25|FY26: -6|-4**

- Revenue is expected to grow 8.5% YoY, while EBITDA margin is likely to be ~28.5% in 1QFY25.
- Performance of the international subsidiaries and new businesses will be a key monitorable.
- Demand scenario in key markets, improvement in occupancy, and ARR are the key focus areas.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	14,664	14,332	19,638	19,053	15,910	15,980	22,290	21,721	67,688	75,901
YoY Change (%)	15.8	16.3	16.5	17.2	8.5	11.5	13.5	14.0	16.5	12.1
Total Expenditure	10,562	10,784	12,315	12,455	11,380	11,648	13,437	13,641	46,116	50,106
EBITDA	4,102	3,548	7,324	6,598	4,530	4,332	8,853	8,080	21,571	25,795
Margins (%)	28.0	24.8	37.3	34.6	28.5	27.1	39.7	37.2	31.9	34.0
Depreciation	1,091	1,112	1,143	1,197	1,200	1,240	1,250	1,265	4,543	4,955
Interest	565	591	532	515	530	550	500	500	2,202	2,080
Other Income	493	477	398	461	450	460	455	473	1,829	1,838
PBT before EO expense	2,939	2,322	6,047	5,347	3,250	3,002	7,558	6,788	16,655	20,598
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	2,939	2,322	6,047	5,347	3,250	3,002	7,558	6,788	16,655	20,598
Tax	833	723	1,667	1,416	975	901	2,267	2,036	4,639	6,179
Rate (%)	28.4	31.1	27.6	26.5	30.0	30.0	30.0	30.0	27.9	30.0
Minority Interest & Profit/Loss of Asso. Cos.	-118	-70	-140	-247	-124	-74	-147	-259	-575	-604
Reported PAT	2,224	1,669	4,520	4,178	2,400	2,175	5,437	5,011	12,591	15,022
Adj PAT	2,224	1,669	4,520	4,178	2,400	2,175	5,437	5,011	12,591	15,022
YoY Change (%)	25.7	48.6	18.1	27.3	7.9	30.3	20.3	19.9	25.6	19.3
Margins (%)	15.2	11.6	23.0	21.9	15.1	13.6	24.4	23.1	18.6	19.8

InterGlobe Aviation**Neutral****CMP INR4,254 | TP: INR4,135 (-3%)****EPS CHANGE (%): FY25|26: +4|-2**

- Expect ASK at 35.5b (+9% YoY), PLF at 87% (down from 88.7% in 1QFY25), and RPK at 30.9b (up 6% YoY).
- Outlook on the P&W engine-fitted aircraft (being grounded in FY25) is a key monitorable. Further, the commentary on the impending competition would be keenly monitored.
- According to us, INDIGO's average fare was down 6% at INR5,988 on one-month forward bookings, while the same was down 1% at INR6,229 on 15-day forward bookings.
- International expansion is the focus area for the management, with addition of new networks and code share agreements.

Standalone Quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	166.8	149.4	194.5	178.3	173.3	178.0	192.7	184.9	689.0	728.9
YoY Change (%)	29.8	19.6	30.3	25.9	3.9	19.1	-0.9	3.7	26.6	5.8
EBITDAR	51.6	23.9	54.4	43.7	38.7	40.1	56.2	47.2	173.7	182.2
Margin (%)	30.9	16.0	28.0	24.5	22.3	22.6	29.2	25.5	25.2	25.0
Net Rentals	1.9	2.0	3.0	3.9	2.0	1.9	1.9	1.9	10.8	7.8
EBITDA	49.7	22.0	51.4	39.8	36.7	38.2	54.3	45.3	162.9	174.5
Margin (%)	29.8	14.7	26.4	22.4	21.2	21.5	28.2	24.5	23.6	23.9
Depreciation	14.0	15.5	16.6	18.0	16.8	16.8	16.8	16.8	64.1	67.2
Interest	9.5	10.2	11.0	11.0	10.6	10.6	10.6	10.6	41.7	42.3
Other Income	4.8	5.6	6.1	6.8	6.4	6.4	6.4	6.4	23.3	25.4
PBT	30.9	1.9	30.0	17.7	15.7	17.2	33.3	24.3	80.4	90.4
Reported PAT	30.9	1.9	30.0	18.9	15.7	12.9	24.9	19.0	81.7	72.4
EPS	80.0	4.9	77.7	49.1	40.7	33.3	64.5	49.2	211.6	187.7
YoY Change (%)	LP	LP	111.4	106.8	-49.1	584.2	-17.0	0.3	LP	-11.3

Kajaria Ceramics**Buy****CMP INR1,478 | TP: INR1,670 (+13%)****EPS CHANGE (%): FY25|FY26: -1.1|-0.3**

- Estimate sales volume to grow 6% YoY (-10% QoQ) in 1QFY25. Realization is estimated to decline 4% YoY and 1% QoQ.
- Gross margin is estimated to contract 2.1pp YoY to 35%.
- EBITDA is estimated to decline 4% YoY and OPM is likely to dip 1.1pp YoY to ~15%.
- Adjusted net profit after MI is estimated to decline 13% YoY to INR937m.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	10,642	11,216	11,518	12,408	10,978	11,848	12,370	15,611	45,784	50,807
YoY Change (%)	5.6	4.1	5.6	3.0	3.2	5.6	7.4	25.8	4.5	11.0
Total Expenditure	8,950	9,419	9,730	10,688	9,354	9,988	10,242	12,853	38,787	42,437
EBITDA	1,692	1,797	1,788	1,720	1,625	1,860	2,128	2,758	6,997	8,371
Margins (%)	15.9	16.0	15.5	13.9	14.8	15.7	17.2	17.7	15.3	16.5
Depreciation	305	361	389	425	425	428	431	440	1,480	1,724
Interest	53	43	50	66	45	40	45	55	211	185
Other Income	93	83	113	174	140	125	135	155	462	555
PBT before EO expense	1,427	1,477	1,462	1,403	1,295	1,517	1,787	2,419	5,768	7,018
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,427	1,477	1,462	1,403	1,295	1,517	1,787	2,419	5,768	7,018
Tax	336	366	379	354	322	378	445	600	1,435	1,745
Rate (%)	23.5	24.8	25.9	25.2	24.9	24.9	24.9	24.8	24.9	24.9
Adj PAT	1,091	1,110	1,083	1,050	972	1,139	1,342	1,819	4,334	5,272
MI & P/L of Asso. Cos.	16	31	41	25	35	4	5	77	113	122
Adj PAT	1,075	1,080	1,042	1,024	937	1,135	1,337	1,742	4,221	4,083
YoY Change (%)	16.5	60.8	40.2	-2.3	-12.8	5.2	28.3	70.0	24.7	22.0
Margins (%)	10.1	9.6	9.0	8.3	8.5	9.6	10.8	11.2	9.2	10.1

Lemon Tree Hotels**Buy****CMP INR145 | TP: INR175 (+21%)****EPS CHANGE (%): FY25|FY26: -10|-6**

- Revenue is expected to grow 25% YoY and EBITDA margin is likely to be ~45% in 1QFY25.
- The demand scenario in key markets (Mumbai and Delhi) and Occupancy/ARR trends are the key monitorables.
- Ramp-up of Aurika Mumbai will be a key focus area.
- Any update on the management contract pipeline is a key monitorable.

Consolidated Quarterly Earnings Model**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	2,223	2,272	2,887	3,273	2,776	3,221	3,978	3,769	10,655	13,744
YoY Change (%)	15.7	15.5	23.6	29.5	24.9	41.8	37.8	15.1	21.8	29.0
Total Expenditure	1,178	1,253	1,490	1,558	1,526	1,691	1,984	1,865	5,479	7,066
EBITDA	1,045	1,019	1,397	1,715	1,250	1,529	1,994	1,904	5,176	6,678
Margins (%)	47.0	44.8	48.4	52.4	45.0	47.5	50.1	50.5	48.6	48.6
Depreciation	228	226	333	334	340	345	350	355	1,121	1,390
Interest	481	473	534	528	520	505	480	460	2,016	1,965
Other Income	24	29	22	39	25	35	50	41	113	151
PBT before EO expense	359	348	552	892	415	714	1,214	1,130	2,151	3,474
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	359	348	552	892	415	714	1,214	1,130	2,151	3,474
Tax	87	86	118	50	99	171	290	269	341	829
Rate (%)	24.2	24.8	21.3	5.6	23.9	23.9	23.9	23.8	15.9	23.9
MI & P/L of Asso. Cos.	38	35	80	172	72	93	112	248	325	524
Reported PAT	235	226	354	670	244	451	812	614	1,485	2,121
Adj PAT	235	226	354	670	244	451	812	614	1,485	2,121
YoY Change (%)	34.5	35.1	-11.4	52.4	4.0	98.9	129.5	-8.4	25.7	42.8
Margins (%)	10.6	10.0	12.3	20.5	8.8	14.0	20.4	16.3	13.9	15.4

MTAR Technologies**Buy****CMP INR1,892 | TP: 2,310 (+22%)****EPS CHANGE (%): FY25|FY26: -4|-3**

- Revenue is expected to decline 15% YoY due to a slowdown in Bloom Energy (BE)'s order execution.
- EBITDA margin is expected to contract 470bp YoY due to adverse operating leverage.
- Focus will be on recovery of order flows from BE and increasing mix of non-BE orders.
- Large order wins in Nuclear and Aerospace will be the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	1,526	1,668	1,184	1,430	1,297	1,522	2,013	2,787	5,808	7,618
YoY Change (%)	67.6	32.2	-26.1	-27.2	-15.0	-8.8	70.0	94.9	1.2	31.2
Total Expenditure	1,180	1,307	945	1,247	1,064	1,219	1,548	2,089	4,681	5,919
EBITDA	345	361	239	182	233	303	465	698	1,127	1,699
Margins (%)	22.6	21.6	20.2	12.7	18.0	19.9	23.1	25.0	19.4	22.3
Depreciation	56	58	58	59	68	65	67	78	232	278
Interest	57	55	56	55	52	53	55	57	223	217
Other Income	41	8	5	4	24	28	30	32	58	114
PBT before EO expense	273	257	129	72	137	213	373	595	730	1,318
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	273	257	129	72	137	213	373	595	730	1,318
Tax	69	52	24	23	0	0	0	0	169	332
Rate (%)	25.4	20.3	18.9	32.2	0.0	0.0	0.0	0.0	23.2	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	203	205	104	49	137	213	373	595	561	986
Adj PAT	203	205	104	49	137	213	373	595	561	986
YoY Change (%)	25.4	-17.1	-66.8	-84.3	-32.8	4.3	256.7	1,122.2	-45.7	75.7
Margins (%)	13.3	12.3	8.8	3.4	10.5	14.0	18.5	21.4	9.7	12.9

UPL**Neutral****CMP INR566 | TP: INR540 (-5%)****EPS CHANGE (%): FY25|FY26: -2|-4**

- LATAM and India are expected to witness YoY decline in revenue.
- Revenue is likely to remain flat YoY, while EBITDA is expected to decline 12% YoY.
- The price trend in raw materials, debt levels, and capex plans are the key monitorables.
- Global demand-supply scenario will be a key monitorable.

Cons.: Quarterly Earnings Model

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	89.6	101.7	98.9	140.8	89.5	103.5	106.8	155.9	431.0	455.8
YoY Change (%)	-17.2	-18.7	-27.7	-15.0	-0.1	1.8	8.0	10.8	-19.6	5.8
Total Expenditure	73.7	86.0	94.7	121.5	75.5	86.7	87.8	125.7	375.8	375.7
EBITDA	15.9	15.8	4.2	19.3	14.0	16.8	19.0	30.3	55.2	80.1
Margins (%)	17.8	15.5	4.2	13.7	15.7	16.2	17.8	19.4	12.8	17.6
Depreciation	6.4	6.6	6.8	7.9	6.3	6.5	7.5	8.7	27.6	29.0
Interest	7.0	8.7	11.9	10.9	10.5	9.0	8.5	8.0	38.5	36.0
Other Income	1.0	1.1	1.5	1.3	1.0	1.0	1.4	1.2	4.8	4.6
Exch. difference on trade rec./payable	3.2	2.5	3.2	0.8	0.0	0.0	0.0	0.0	9.8	0.0
PBT before EO expense	0.4	-1.0	-16.2	0.9	-1.8	2.3	4.4	14.8	-15.9	19.7
Extra-Ord expense	0.4	0.9	0.2	1.1	0.0	0.0	0.0	0.0	2.5	0.0
PBT	0.0	-1.9	-16.4	-0.1	-1.8	2.3	4.4	14.8	-18.5	19.7
Tax	-1.6	-1.0	-0.6	1.1	-0.3	0.4	0.8	2.7	-2.1	3.5
Rate (%)	3,280.0	51.9	3.6	-733.3	18.0	18.0	18.0	18.0	11.3	18.0
MI & P/L of Asso. Cos.	-0.1	1.0	-3.6	-1.7	-0.1	1.1	-4.0	-1.7	-4.4	-4.7
Reported PAT	1.7	-1.9	-12.2	0.4	-1.4	0.8	7.6	13.9	-12.0	20.9
Adj PAT	4.0	1.1	-5.9	3.6	-1.4	0.8	7.6	13.9	2.8	20.9
YoY Change (%)	-61.7	-89.8	-144.2	-65.1	-135.5	-25.9	-229.3	280.8	-93.7	646.4
Margins (%)	4.5	1.0	-6.0	2.6	-1.6	0.8	7.2	8.9	0.6	4.6

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