

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	78,886	-0.7	9.2
Nifty-50	24,117	-0.7	11.0
Nifty-M 100	56,681	-0.3	22.7
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,319	2.3	11.5
Nasdaq	16,660	2.9	11.0
FTSE 100	8,145	-0.3	5.3
DAX	17,680	0.4	5.5
Hang Seng	5,941	0.1	3.0
Nikkei 225	34,831	-0.7	4.1
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	80	1.0	3.7
Gold (\$/OZ)	2,428	1.9	17.7
Cu (US\$/MT)	8,671	0.3	2.4
Almn (US\$/MT)	2,221	-0.4	-5.3
Currency	Close	Chg .%	CYTD.%
USD/INR	84.0	0.0	0.9
USD/EUR	1.1	0.0	-1.1
USD/JPY	147.2	0.4	4.4
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.9	0.01	-0.3
10 Yrs AAA Corp	7.4	0.01	-0.3
Flows (USD b)	8-Aug	MTD	CYTD
FII	-0.3	-1.64	2.4
DII	0.07	2.40	33.6
Volumes (INRb)	8-Aug	MTD*	YTD*
Cash	1,232	1399	1298
F&O	4,97,771	4,08,354	3,80,163

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Eicher Motors: Operating performance in line

RE would now invest to generate demand

- ❖ Eicher Motors (EIM)'s 1QFY25 operating performance was in line. RE's ASP grew 9% YoY despite a 1% YoY decline in volumes. RE's margins also remained stable despite weak volume growth, led by a richer mix. Management expects domestic demand to pickup on the back of its new launches ahead of the festive season.
- ❖ Management targets to focus on promotional activities to help revive demand. It has realized that RE's brand salience in rural regions needs to be improved. On the other hand, in urban regions, it intends to collaborate with colleges to connect with the youth.
- ❖ **Exports for RE grew in 1Q after many quarters.** EIM is witnessing some green shoots in its key export regions. It is experiencing a healthy growth in Latin America. Even APAC demand is picking up. The company has also recently introduced the Super Meteor in Brazil. Hence, it expects exports to improve in the coming months.
- ❖ We cut our FY25E/FY26E EPS by 5%/3% to factor in weaker-than- expected RE volumes for FY25YTD. **Reiterate Sell with a TP of INR3,920 (premised on Jun'26E SOTP).**



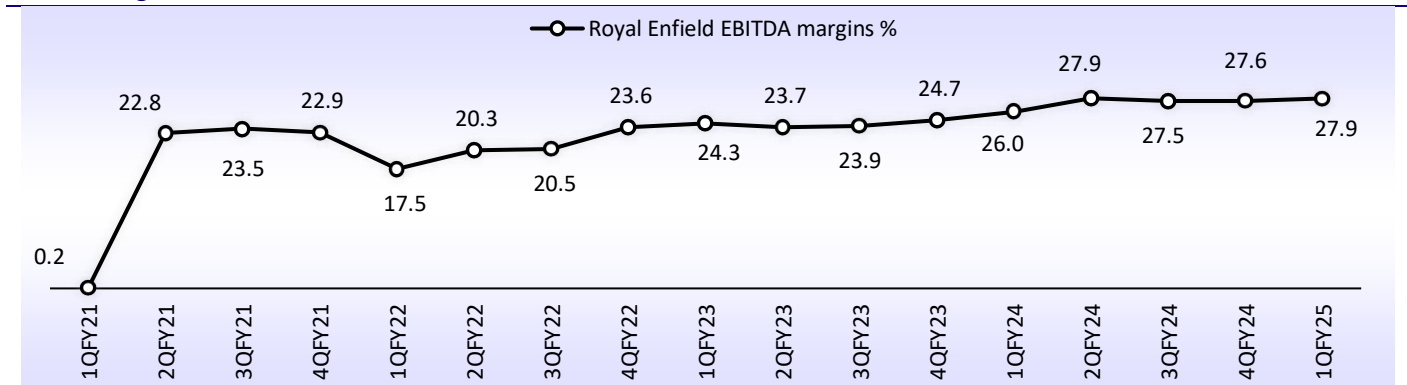
Research covered

Cos/Sector	Key Highlights
Eicher Motors	Operating performance in line
Pidilite Industries	Sustains healthy volume growth; but rich valuations
Bharat Forge	Defense business remains key growth driver
Other Updates	PI Industries MRF Page Industries Gujarat Gas Apollo Tyres Alembic Pharma Bata India Gujarat State Petronet Kirloskar Oil Engines Happy Forgings Lemon Tree Hotels DreamFolks ABB India Life Insurance Corporation Oil India Container Corporation of India SAIL Biocon Global Health Sobha Birla Corporation Galaxy Surfactants NOCIL Avalon Technologies Financials - NBFCs Oil & Gas Infrastructure EcoScope



Chart of the Day: Eicher Motors (Operating performance in line)

EBITDA margin trend for RE



Source: Company, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

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

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



Kindly click on textbox for the detailed news link

1

Govt introduces new reforms to strengthen MRO sector, says civil aviation minister Rammohan Naidu

A key reform is the new GST rate of 5% on all aircraft components and engines, effective July 15, 2024. This replaces the previous range of GST rates—5%, 12%, 18%, and 28%—which had led to operational challenges and GST accumulation issues.

2

Fortis Healthcare to buy out PE funds from diagnostics arm Agilus

Fortis Healthcare has acquired a 34% stake in Agilus Diagnostics from private equity firms Jacob Ballas and IFC. This transaction valued Agilus at around ₹5,000 crore and increased Fortis's holding from 57% to 91%.

3

GAIL signs MoU for a stake in Rajasthan Govt's power plants

GAIL and Rajasthan Rajya Vidyut Utpadan Nigam Limited have agreed to explore forming a joint venture to manage gas-based power plants and develop 1,000 MW of solar and wind projects.

4

Bajaj Finance gets notice for 'GST evasion' of ₹341 crore

Bajaj Finance received a show cause notice from the Directorate General of Goods and Services Tax Intelligence for alleged GST evasion amounting to ₹341 crore. The notice accused the company of misclassifying service charges as interest to avail tax benefits.

5

Tatas to power up green energy spend this fiscal

The company has an installed capacity of 6.1 GW in RE as of Q1FY25, accounting for 41% of the capacity, with another 5.3 GW under execution.

6

Agri trade on e-NAM platform crosses Rs 13,523-crore in Apr-July, FY25

Transactions up 13% on year, spurt in inter-state trade; More mandis to be added to platform.

7

Prolonged instability in Bangladesh may disrupt reactive dyes industry for next one year

According to industry sources, the share of exports to Bangladesh in the overall chemical industry is just around 5% but India is the source of around 30% of the total dye stuff demand in Bangladesh.



Eicher Motors

Estimate changes	↓
TP change	↔
Rating change	↔

CMP: INR4,577 TP: INR3,920 (-14%) Sell

Operating performance in line

RE would now invest to generate demand

- Eicher Motors (EIM)'s 1QFY25 operating performance was in line. RE's ASP grew 9% YoY despite a 1% YoY decline in volumes. RE's margins also remained stable despite weak volume growth, led by a richer mix. Management expects domestic demand to pickup on the back of its new launches ahead of the festive season.
- We cut our FY25E/FY26E EPS by 5%/3% to factor in weaker-than-expected RE volumes for FY25YTD. **Reiterate Sell with a TP of INR3,920 (premised on Jun'26E SOTP).**

Demand weakness visible in 1QFY25

- EIM's 1QFY25 consol. revenue/EBITDA/adj. PAT grew ~10%/14%/20% YoY to INR43.9b/INR11.6b/INR11b (est. INR42.5b/11.2b/10.1b).
- The RE volumes declined 1% YoY, while realizations grew 9% YoY to INR187.2k per unit (vs. est. INR182.3k/unit). ASP improved QoQ due to improved mix in favor of exports and >350cc products.
- Gross margin expanded 230bp YoY (-10bp QoQ) to 46.4% (est. 46.2%).
- EBITDA margin came in at 26.5% (+90bps YoY v/s est. 26.3%). EBITDA grew 14% YoY to INR11.65b (est. INR11.2b).
- Adj. PAT grew 20% YoY to INR11b (est. INR10.1b).
- **VECV:** Volumes/realizations grew 1% YoY, leading to 2% YoY growth in revenue to INR50.7b (est. INR49b). EBITDA margin slightly contracted by 20bp YoY to 7.6% (est. 7.5%) for the quarter.

Highlights from the management commentary

- **Domestic-** EIM is currently seeing improving conversion rates. Hence, management is hopeful that demand for middle weight motorcycles and especially for RE will pick up in the festive season.
- Management targets to focus on promotional activities to help revive demand. It has realized that RE's brand salience in rural regions needs to be improved. On the other hand, in urban regions, it intends to collaborate with colleges to connect with the youth. The company would also invest in brand building around the Hunter to help revive its sales in the coming months.
- **Exports for RE grew in 1Q after many quarters.** EIM is witnessing some green shoots in its key export regions. It is experiencing a healthy growth in Latin America. Even APAC demand is picking up. The company has also recently introduced the Super Meteor in Brazil. Hence, it expects exports to improve in the coming months.
- At VECV, while near-term demand remains weak, management expects the CV demand to revive in 2H given the government's infra push and driven by steady replacement demand.

Bloomberg	EIM IN
Equity Shares (m)	274
M.Cap.(INRb)/(USDb)	1254.1 / 14.9
52-Week Range (INR)	5059 / 3272
1, 6, 12 Rel. Per (%)	-3/9/13
12M Avg Val (INR M)	2732

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	165.4	178.7	199.3
EBITDA	43.3	47.0	52.0
Adj. PAT	40.0	42.6	47.3
Adj EPS (INR)	146.3	155.6	172.8
EPS Gr (%)	37.3	6.4	11.0
BV/Sh (INR)	660	759	867

Ratios

RoE (%)	24.2	21.9	21.2
RoCE (%)	24.1	21.1	20.8
Payout (%)	34.9	36.0	37.6

Valuations

P/E (x)	31.3	29.4	26.5
P/BV (x)	6.9	6.0	5.3
Div. Yield (%)	1.1	1.2	1.4
FCF Yield (%)	2.3	3.9	2.3

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	49.1	49.1	49.2
DII	12.0	11.1	10.1
FII	28.8	29.0	30.3
Others	10.1	10.8	10.4

FII Includes depository receipts

Valuation and view

We factor in a 5% volume CAGR for RE over FY24-26E. We expect margins to largely remain stable from hereon as any benefit from improving mix (higher spares and apparel sales) is likely to be offset by the rising competitive intensity. Overall, we expect RE to deliver 11% earnings CAGR over FY24-26. Given the expected slower growth, we see no reason for the stock to trade at premium valuations. **Maintain Sell with a TP of INR3,920 (Jun'26E SoTP).**

Quarterly performance (Consolidated)

INR m	FY24				FY25E				FY24	FY25E	FY25E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Y/E March												
Net Operating income	39,864	41,145	41,788	42,560	43,931	42,543	44,007	48,265	1,65,358	1,78,745	42,501	3.4
Growth (%)	17.3	16.9	12.3	11.9	10.2	3.4	5.3	13.4	14.5	8.1	6.6	
EBITDA	10,208	10,872	10,903	11,286	11,654	11,073	11,503	12,764	43,269	46,993	11,180	4.2
EBITDA Margins (%)	25.6	26.4	26.1	26.5	26.5	26.0	26.1	26.4	26.2	26.3	26.3	
PAT	8,179	9,146	8,821	9,386	9,269	8,305	8,384	9,837	35,533	35,795	9,211	
Share of JV Loss/(PAT)/ Min. Int.	-1,004	-1,016	-1,139	-1,318	-1,746	-1,234	-1,452	-2,342	-4,477	-6,774	-883	
Recurring PAT	9,183	10,163	9,960	10,705	11,015	9,539	9,836	12,179	40,010	42,569	10,094	9.1
Growth (%)	50.4	54.7	34.4	18.2	19.9	-6.1	-1.2	13.8	37.3	6.4	9.9	

Standalone (Royal Enfield)

(INR Million)	FY24				FY25E				FY24	FY25E	FY25E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Y/E March												
Royal Enfield ('000 units)	228	229	228	228	226	218	226	243	913	914	226	
Growth (%)	21.6	10.4	3.0	4.2	-0.7	-4.8	-1.0	6.9	9.3	0.1	-0.7	
Net Realn (INR '000/unit)	171.3	171.4	177.8	184.1	187.2	189.1	189.3	194.5	176.2	190.1	182.3	2.7
Change - YoY (%)	-1.3	4.8	9.6	5.0	9.3	10.3	6.5	5.6	4.6	7.9	6.4	
Net operating income	39,012	39,307	40,542	41,921	42,313	41,271	42,735	47,340	1,60,782	1,73,659	41,200	2.7
Growth (%)	20.1	15.7	12.9	9.4	8.5	5.0	5.4	12.9	14.3	8.0	5.6	
EBITDA	10,127	10,974	11,148	11,553	11,786	11,251	11,681	12,989	43,802	47,707	11,329	4.0
EBITDA Margins (%)	26.0	27.9	27.5	27.6	27.9	27.3	27.3	27.4	27.2	27.5	27.5	
Recurring PAT	9,139	9,385	9,137	9,833	10,880	9,809	9,899	11,254	37,494	41,842	9,506	14.5
Growth (%)	57.5	52.6	34.2	31.7	19.1	4.5	8.3	14.5	43.0	11.6	4.0	

VECV: Quarterly performance

(INR Million)	FY24				FY25E				FY24	FY25E	FY25E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Y/E March												
Total CV Volumes	19,571	19,551	20,706	25,732	19,702	21,281	22,982	28,323	85,560	92,288	19,702	
Growth (%)	12.0	11.0	14.0	-2.4	0.7	8.8	11.0	10.1	7.5	7.9	0.7	
Net Realn (INR '000/unit)	2,545	2,623	2,643	2,443	2,573	2,625	2,677	2,571	2,556	2,610	2,487	
Change - YoY (%)	13.0	9.6	4.3	3.9	1.1	0.1	1.3	5.3	7.4	2.1	-2.5	
Net Op. Income	49,800	51,290	54,730	62,860	50,700	55,859	61,529	72,828	2,18,680	2,40,916	49,006	3.5
Growth (%)	26.6	21.7	18.9	1.4	1.8	8.9	12.4	15.9	15.4	10.2	-1.8	
EBITDA	3,868	4,041	4,303	4,886	3,850	4,189	4,799	6,713	17,098	19,552	3,675	
EBITDA Margins (%)	7.8	7.9	7.9	7.8	7.6	7.5	7.8	9.2	7.8	8.1	7.5	
Recurring PAT	1,810	1,651	2,067	2,702	2,329	2,268	2,669	4,309	8,230	12,452	1,623	43.6
Growth (%)	162.3	103.8	78.2	-14.3	28.7	37.4	29.1	59.5	42.1	51.3	-10.7	

E: MOFSL Estimates



Pidilite Industries

Estimate changes	↔
TP change	↑
Rating change	↔

CMP: INR3,168 TP: INR2,950 (-7%) Neutral

Bloomberg	PIDI IN
Equity Shares (m)	509
M.Cap.(INRb)/(USD\$b)	1611.4 / 19.2
52-Week Range (INR)	3279 / 2293
1, 6, 12 Rel. Per (%)	4/10/-2
12M Avg Val (INR M)	1257

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	123.8	135.7	153.4
Sales Gr. (%)	4.9	9.5	13.1
EBITDA	27.1	31.2	35.5
EBITDA Margin (%)	21.9	23.0	23.1
Adj. PAT	18.2	22.0	25.3
Adj. EPS (INR)	35.9	43.3	49.8
EPS Gr. (%)	42.2	20.8	14.9
BV/Sh.(INR)	165.4	188.7	210.3

Ratios

RoE (%)	23.3	24.5	24.9
RoCE (%)	21.2	22.5	23.1
Payout (%)	45.2	46.2	46.2

Valuations

P/E (x)	88.3	73.1	63.7
P/BV (x)	19.2	16.8	15.1
EV/EBITDA (x)	58.6	50.7	44.1
Div. Yield (%)	0.5	0.6	0.7

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	69.8	69.8	69.9
DII	9.0	8.9	7.9
FII	11.6	11.3	11.3
Others	9.7	10.0	10.8

FII includes depository receipts

Sustains healthy volume growth; but rich valuations

- Pidilite (PIDI) delivered 4% YoY (organic 6%) revenue growth in 1QFY25, affected by election-related restrictions and heatwaves. Underlying volume growth (UVG) was healthy at 9.6% (~19% volume growth in tonnage). Consumer business saw volume growth of 8% and B2B business reported 18% volume growth. Price cuts continued to hurt value growth. The growth in rural markets continued to outpace urban market growth.
- GM expanded by 480bp YoY/40bp QoQ to 53.8% (14-quarter high), owing to benign raw material prices. VAM dipped to ~USD1,022/t from USD1,137/t in 1QFY24. PIDI remains committed to stepping up investments in brand and customer engagement. EBITDA grew by 15% (in line). EBITDA margin expanded by 240bp YoY to 23.9%.
- PIDI continues to expand distribution, reaching ~14,000 stores and ~10,000 villages under the 'Pidilite ki Duniya' program. The management maintains double-digit UVG guidance for FY25 and anticipates the gap between volume and value growth to narrow down in 2HFY25. We model 15% volume growth in FY25E and ~10%/13% revenue growth in FY25E/FY26E.
- Given rich valuations, we reiterate our **Neutral** rating on the stock with a **TP of INR2,950 (55x Jun'26E EPS)**.

Healthy volume growth; in-line EBITDA

- **Subdued sales growth:** Consol. sales grew at slow pace of 4% YoY (8% in 4QFY24) to INR34.0b (est. INR35.0b). Growth was affected by election-related restrictions and the impact of heatwaves on construction activities. Revenue on LFL basis (excluding Pidilite USA and Pulvitec Brazil in previous year) grew by 6% YoY. Volume growth remained strong at 9.6% (15% in 4QFY24), with 8% growth in C&B and 18% growth in B2B businesses.
- **Segmental performance:** Consumer & Bazaar (C&B) segment revenue rose 3% YoY to INR27.4b (est. INR26.6b), EBIT increased 14% YoY to INR8.0b (est. INR7.1b), and EBIT margins expanded 270bp YoY to 29.3%. B2B segment revenue was up 7% YoY at INR7.3b (est. INR6.8b), EBIT increased 20% to INR1.1b (est. INR0.9b), and EBIT margins expanded 170bp YoY to 15.2%.
- **Margin expansion:** Gross margins expanded ~480bp YoY to 53.8% (est. 52.8%) on moderate RM prices. As a percentage of sales, employee expenses increased 140bp YoY to 12.3% and other expenses rose 100bp YoY to 17.6%. EBITDA margin expanded 240bp YoY to **23.9% (est. 23.2%)**.
- **Double-digit growth (%)** - EBITDA grew 15% YoY to INR8.1b (est. INR8.1b). PBT rose 19% YoY to INR7.7b (est. INR7.5b). Adj. PAT increased 21% YoY to INR5.7b (est. INR5.7b).

Subsidiary companies

- Revenue from international subsidiaries (excluding Pidilite USA and Pulvitec Brazil) grew by 9% YoY, with EBITDA margins up 190bp YoY.
- Revenue from domestic subsidiaries remained flat, with healthy EBITDA margins.

Highlights from the management commentary

- The management remains optimistic about demand, expecting a boost from a healthy monsoon season and the upcoming festive season.
- PIDI aims to achieve growth of 1-2x of GDP in its core category and 2-4x in its growth category.
- The current ratio of core vs. new category products is 55:45, compared to 80:20 about 7-8 years ago.
- The company implemented mid-single-digit price cuts in FY24 but has not made significant cuts in 1QFY25. Further price cuts may be considered if raw material prices decline.
- There is double-digit growth in rural markets, with the B2C category performing well. In the rural market, 90% of revenue growth is coming from same-store sales.

Valuations and view

- We broadly maintain our EPS estimates for FY25 and FY26.
- PIDI's core categories still enjoy GDP multiplier; advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already at an elevated level (22% in FY24). We do not model much expansion as growth drivers (consumer acquisition, distribution expansion and brand investments) will require high opex. We build in a CAGR of 15%/18% in EBITDA/PAT during FY24-26E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR2,950 (premised on 55x Jun'26E EPS)**.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Volume growth (%)	7.9	8.2	10.4	15.2	9.6	16.0	18.0	18.0	10.4	15.4	12.0	
Net Sales	32,751	30,760	31,300	29,019	33,954	33,529	35,056	33,113	1,23,830	1,35,652	35,044	-3.1
YoY change (%)	5.6	2.2	4.4	7.9	3.7	9.0	12.0	14.1	4.9	9.5	7.0	
Gross Profit	16,054	15,783	16,551	15,503	18,268	17,603	18,685	17,972	63,890	72,527	18,503	-1.3
Margin (%)	49.0	51.3	52.9	53.4	53.8	52.5	53.3	54.3	51.6	53.5	52.8	
EBITDA	7,070	6,797	7,425	5,769	8,127	7,755	8,572	6,709	27,073	31,163	8,117	0.1
YoY change (%)	33.5	36.0	49.7	25.6	15.0	14.1	15.5	16.3	36.4	15.1	14.8	
Margins (%)	21.6	22.1	23.7	19.9	23.9	23.1	24.5	20.3	21.9	23.0	23.2	
Depreciation	734	752	795	1,125	844	850	850	843	3,407	3,387	837	
Interest	119	131	128	134	118	118	121	108	512	466	120	
Other Income	234	316	370	489	539	500	500	508	1,397	2,047	375	
PBT	6,451	6,230	6,872	4,999	7,704	7,287	8,100	6,266	24,551	29,358	7,534	2.3
Tax	1,704	1,631	1,765	1,219	1,984	1,836	2,025	1,494	6,319	7,339	1,884	
Rate (%)	26.4	26.2	25.7	24.4	25.7	25.2	25.0	23.8	26.5	25.0	25.0	
Adj PAT	4,746	4,599	5,107	3,779	5,721	5,451	6,075	4,772	18,231	22,018	5,651	1.2
YoY change (%)	34.0	37.4	66.8	31.5	20.5	18.5	19.0	26.3	42.2	20.8	19.1	
Margins (%)	14.5	15.0	16.3	13.0	16.8	16.3	17.3	14.4	14.7	16.2	16.1	

E: MOFSL Estimates



Bharat Forge

Estimate changes



TP change



Rating change



CMP: INR1,605

TP: INR1,470 (-8%)

Neutral

Defense business remains key growth driver

Performance improvement at overseas subs key monitorable

- Bharat Forge's (BHFC) 1QFY25 standalone performance was in line with our estimates. Revenue growth was largely driven by defense business even as most of its other segments saw weak demand. Overseas subsidiaries are showing signs of gradual improvements.
- We have reduced our FY25E EPS estimate by 10% to factor in demand weakness in domestic/export CVs and overseas subsidiaries. We believe most of the positives are factored in the current valuation of 46x/34x FY25E/FY26E EPS. **We maintain Neutral with a TP of INR1,470 (based on 28x Jun'26E consolidated EPS).**

Losses in overseas subsidiaries slightly reduce

- Standalone revenue/EBITDA/adj. PAT grew 10%/18%/20% YoY to INR23.4b/INR6.5b/INR3.8b (est. INR23.7b/INR6.5b/INR3.9b).
- Overall revenue growth of 10% YoY was driven by non-autos, which grew 19% YoY. Non-auto growth was largely driven by ramp-up of defense orders. Auto segment grew 2% YoY.
- Gross margins improved 250bp YoY (-40bp QoQ) to 58.2% (est. 58.3%).
- EBITDA margins improved 190bp YoY to 27.9% (est. 27.6%).
- Adj. PAT came in at INR3.8b (in line), up 20% YoY after adjusting for the impairment related to Tork Motors.
- Losses at overseas subsidiaries reduced marginally to INR1.2b from INR1.3b PBT loss in 4QFY24 and loss of INR930m in 1QFY24.

Highlights from the management interaction

- **CVs:** The management does not expect any major pick-up in 2Q but expects a good revival in 2H for domestic CVs, based on discussion with OEMs. For FY25, the management expects CV exports to remain stable with a moderately negative bias.
- **Defense business outlook:** The management indicated that India needs 4k guns of different platforms. Given the war going on in different regions globally, there is huge demand for replacement of various guns over a period of time. Since BHFC has nine artillery gun platforms, it is likely to be among the beneficiaries of new incremental gun orders, either from Indian Army or overseas.
- **Non-auto exports:** While aerospace has remained muted in 1Q, the management expects this business to post 15-20% growth in FY25 and then strong double-digit growth from FY26E onward as the company starts executing orders (segment revenue stood at INR2.5b in FY24).

Bloomberg	BHFC IN
Equity Shares (m)	466
M.Cap.(INRb)/(USD\$b)	747.5 / 8.9
52-Week Range (INR)	1826 / 887
1, 6, 12 Rel. Per (%)	-3/14/54
12M Avg Val (INR M)	1804

Consol. Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	156.8	176.9	199.3
EBITDA (%)	16.3	18.5	20.3
Adj. PAT	9.2	16.2	21.8
EPS (INR)	19.7	34.8	46.8
EPS Gr. (%)	61.8	76.4	34.5
BV/Sh. (INR)	154	175	209

Ratios

RoE (%)	13.2	21.2	24.4
RoCE (%)	8.7	12.4	15.1
Payout (%)	46.3	35.6	27.9

Valuations

P/E (x)	81.3	46.1	34.3
P/BV (x)	10.4	9.2	7.7
EV/EBITDA (x)	31.5	24.8	19.9
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	0.3	0.6	2.6

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	45.3	45.3	45.3
DII	28.1	28.3	28.8
FII	17.0	16.5	15.8
Others	9.6	10.0	10.2

FII Includes depository receipts

Valuation and view

- With order wins of INR7.75b in 1Q, the executable order book as of Jun'24 stood at INR54b, with a mix of artillery guns, vehicles and consumables. BHFC's defense business is expected to be its key growth driver over FY24-26E. Further, strong traction in outsourcing opportunities from China and Europe to India, especially in the Industrials segment, should also drive growth for BHFC going forward. The company expects its aerospace business to double in the next 3-4 years. With the capacity ramp-up of overseas subsidiaries and new order wins with better pricing, its performance is likely to improve over FY24-26.
- We estimate a CAGR of 13%/26%/54% in consolidated revenue/EBITDA/PAT over FY24-26. However, after the recent run-up in the stock, we believe positives are fully priced in the current valuation of 46x/34x FY25E/FY26E consolidated EPS. **We remain Neutral with a TP of INR1,470 (based on 28x Jun'26E consolidated EPS).**

S/A Quarterly

	FY24				FY25				FY24	FY25E	FY25	Variance
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE		(%)
Net operating income	21,273	22,494	22,634	23,286	23,381	24,256	26,892	28,090	89,686	1,02,618	23,695	-1.3
Change (%)	20.9	20.7	15.9	16.6	9.9	7.8	18.8	20.6	18.4	14.4	11.4	
RM/Sales (%)	44.3	43.3	41.9	41.4	41.8	41.8	41.8	42.5	42.7	42.0	41.7	
Staff Cost (% of Sales)	7.0	6.7	6.7	6.5	7.0	6.6	6.5	5.8	6.7	6.4	6.6	
Other Exp. (% of Sales)	22.7	22.8	22.9	24.0	23.4	23.8	23.5	23.4	23.0	23.5	24.2	
EBITDA	5,534	6,111	6,453	6,541	6,515	6,743	7,583	7,947	24,777	28,787	6,528	-0.2
EBITDA Margins (%)	26.0	27.2	28.5	28.1	27.9	27.8	28.2	28.3	27.6	28.1	27.6	
Non-Operating Income	472	424	346	382	446	460	475	486	1,623	1,867	450	
Interest	705	726	809	634	702	650	650	598	2,874	2,600	650	
Depreciation	1089	1128	1124	1079	1094	1150	1150	1188	4,420	4,582	1100	
EO Exp / (Inc)	47	63	-179	82	1,457	0	0	-1,457	154		0	
PBT after EO items	4,165	4,616	5,044	5,127	3,708	5,403	6,258	8,104	18,952	23,472	5,228	
Tax	1050	1156	1266	1231	1014	1351	1565	1939	4,703	5,868	1307	
Eff. Tax Rate (%)	25.2	25.0	25.1	24.0	27.3	25.0	25.0	23.9	24.8	25.0	25.0	
Rep. PAT	3,115	3,460	3,778	3,897	2,694	4,052	4,694	6,165	14,250	17,604	3,921	
Change (%)	42.4	28.7	21.6	85.7	-13.5	17.1	24.2	58.2	36.3	23.5	25.9	
Adj. PAT	3,150	3,508	3,644	3,958	3,787	4,052	4,694	5,072	14,250	17,604	3,921	-3.4
Change (%)	19.0	30.9	32.3	31.4	20.2	15.5	28.8	28.1	36.3	23.5	24.5	

E: MOFSL Estimates

Key Performance Indicators

	FY24				FY25				FY24	FY25E	FY25	Var (%)
Segment Mix	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1Q		
Auto	11,163	12,258	11,880	11,737	11,375	11,936	12,264	12,518	47,038	48,093	11,593	-1.9
Growth (%)	15.9	17.0	8.1	4.5	1.9	-2.6	3.2	6.7	10.8	2.2	3.9	
Contribution (%)	52.5	54.5	52.5	50.4	48.7	49.2	45.6	44.6	52.4	46.9	48.9	
Non-Auto	10,110	10,236	10,754	11,549	12,006	12,319	14,628	15,572	42,649	54,526	12,102	-0.8
Growth (%)	26.9	25.4	26.0	32.1	18.8	20.4	36.0	34.8	48.6	27.8	19.7	
Contribution (%)	47.5	45.5	47.5	49.6	51.3	50.8	54.4	55.4	47.6	53.1	51.1	
Net operating revenues	21,273	22,494	22,634	23,286	23,381	24,256	26,892	28,090	89,686	1,02,618	23,695	
Change (%)	20.9	20.7	15.9	16.6	9.9	7.8	18.8	20.6	18.4	14.4	11.4	
RM/Sales %	44.3	43.3	41.9	41.4	41.8	41.8	41.8	42.5	42.7	42.0	41.7	
Staff Cost (% of sales)	7.0	6.7	6.7	6.5	7.0	6.6	6.5	5.8	6.7	6.4	6.6	
Other Cost (% of sales)	22.7	22.8	22.9	24.0	23.4	23.8	23.5	23.4	23.0	23.5	24.2	
Gross Margin (%)	55.7	56.7	58.1	58.6	58.2	58.2	58.2	57.5	57.3	58.0	58.3	
EBITDA Margins (%)	26.0	27.2	28.5	28.1	27.9	27.8	28.2	28.3	27.6	28.1	27.6	
EBIT Margins (%)	20.9	22.1	23.5	23.5	23.2	23.1	23.9	24.1	22.6	23.0	22.9	

E:MOFSL Estimates



PI Industries

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR4,453 **TP: INR5,200 (+17%)** **Buy**

Favorable product mix drives operating profitability

Earnings above estimates

- PI Industries (PI)'s revenue grew 8% YoY in 1QFY25, led by a healthy growth in the CSM business (up 14% YoY). However, the domestic and Pharma business continued to witness subdued demand (revenue down 8%/43% YoY).
- EBITDA grew 25% YoY in 1QFY25 as EBITDA margin expanded 370bp YoY on account of favorable product mix (gross margins up 530bps).
- We largely maintain our FY25/FY26 earnings and **Reiterate BUY with a TP of INR5,200** (35x Sep'26 EPS).

Healthy volumes & new products growth in CSM drives revenue

- Consolidated revenue stood at INR20.7b (est. INR22), up 8% YoY.
- EBITDA stood at INR5.8b (est. INR5.6), up 25% YoY. EBITDA margins grew 370bp YoY to 28.2% (est. 25.5%) led by favorable product mix and operating leverage; Gross margins came in at 51.8% (up 530bp YoY). Employee expenses rose 60bp YoY to 9.7%. Other expenses increased 100bp YoY to 13.9% of sales. Adjusted PAT was up 17% YoY at INR4.5b (est. INR4b).
- Agrochemical revenue in 1QFY25 stood at INR20.4b (up 10% YoY). EBIT grew 39% YoY to INR6.4b, with an EBIT margin of ~31.2% (up 650bp YoY).
- Export (CSM) revenue grew 14% to INR17.2b, driven by growth in new products (up 24% YoY) and healthy volume growth. The domestic agrochem revenue declined 8% YoY to INR3.2b due to the delayed sowing and erratic spread of monsoon, which was partially offset by a favorable product mix.
- Pharma revenue stood at INR253m (~1% of total revenue) in 1QFY25, down 43% YoY due to deferment of supply to customers having high inventory.
- CFO in 1QFY25 stood at INR6.1b (v/s INR3b in 1QFY24). Net working capital days improved to 55 days as of Jun'24 vs. 83 as of Jun'23 on back of lower receivable days of 50 vs. 73 YoY.

Highlights from the management commentary

- Guidance:** Management maintains revenue growth guidance of 15% in FY25 with Gross/EBITDA margins of ~50-51%/25-26%. It expects tax rate for the year to be ~22-23%. **Capex:** Company plans to incur capex of ~INR8-9b in FY25 (~INR1.5b already incurred in 1QFY25).
- CSM:** The order book position remains solid at ~USD1.50-1.55b. Pi will focus on aggressive commercialization of new products in FY25 (~8-10 launches). Around 40% of the new product commercialization and ~40-45% of the product under development will be from non-agchem segment
- Strong domestic launch pipeline:** The company plans to launch seven products in FY25 (two already launched in Q1) in the domestic agchem segment while six products under Jivagro.
- Potential Acquisition:** The company offered to acquire Plant Health Care Plc (PHC) which is a technology platform company with strong growth history enabling company to gain access to cutting-edge biological/ peptide technology platforms as well as the global markets.

Bloomberg	PI IN
Equity Shares (m)	152
M.Cap.(INRb)/(USDb)	676.2 / 8.1
52-Week Range (INR)	4550 / 3060
1, 6, 12 Rel. Per (%)	19/18/-7
12M Avg Val (INR M)	1444

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	76.7	88.3	103.5
EBITDA	20.1	23.6	28.4
PAT	16.8	17.3	20.9
EBITDA (%)	26.3	26.7	27.5
EPS (INR)	110.6	113.8	137.5
EPS Gr. (%)	36.8	2.9	20.8
BV/Sh. (INR)	574	677	803

Ratios

Net D/E	(0.4)	(0.4)	(0.4)
RoE (%)	21.1	18.2	18.6
RoCE (%)	21.1	18.0	18.4
Payout (%)	9.0	10.1	8.4

Valuations

P/E (x)	40.2	39.1	32.4
EV/EBITDA (x)	32.3	27.5	22.6
Div Yield (%)	0.2	0.3	0.3
FCF Yield (%)	1.4	0.9	1.2

Shareholding pattern (%)

As on	Jun-24	Mar-24	Jun-23
Promoter	46.1	46.1	46.1
DII	26.0	24.4	24.0
FII	18.8	20.3	19.2
Others	9.1	9.3	10.8

Note: FII includes depository receipts

Valuation and view

- PI has levers in place to sustain near-term growth, led by: 1) consistent growth momentum in the CSM business, driven by a strong order book (USD1.5-1.55b), the rising pace of commercialization of new molecules, and a sale ramp-up in existing molecules; 2) product launches in the domestic market (seven new launches in FY25); and 3) the recent acquisition in the pharma API and CDMO segments, which is expected to be one of the key growth pillars for the company in the future.
- We expect a CAGR of 16%/18%/13% in revenue/EBITDA/adj. PAT over FY24-27.
- We largely maintain our FY25/FY26 earnings and **Reiterate BUY with a TP of INR5,200** (prescribing 35x on Sep'26 EPS, in-line with its five-year average, and a one-year forward P/E).

Quarterly Earning Model

												(INRm)
Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	(%)
Net Sales	19,104	21,169	18,975	17,410	20,689	24,074	22,244	21,284	76,658	88,291	21,970	-6
YoY Change (%)	23.8	19.6	17.6	11.2	8.3	13.7	17.2	22.3	18.1	15.2	15.0	
Total Expenditure	14,426	15,655	13,439	12,992	14,857	17,695	16,393	15,781	56,512	64,726	16,368	
EBITDA	4,678	5,514	5,536	4,418	5,832	6,380	5,850	5,503	20,146	23,565	5,602	4
Margins (%)	24.5	26.0	29.2	25.4	28.2	26.5	26.3	25.9	26.3	26.7	25.5	
Depreciation	697	803	783	799	834	890	950	1,083	3,082	3,757	850	
Interest	43	78	70	109	83	70	51	49	300	253	80	
Other Income	469	469	561	579	727	549	656	674	2,078	2,607	549	
PBT before EO expense	4,407	5,102	5,244	4,089	5,642	5,968	5,505	5,046	18,842	22,162	5,221	
PBT	4,407	5,102	5,244	4,089	5,642	5,968	5,505	5,046	18,842	22,162	5,221	
Tax	625	317	772	418	1,175	1,373	1,266	1,161	2,132	4,974	1,253	
Rate (%)	14.2	6.2	14.7	10.2	20.8	23.0	23.0	23.0	11.3	22.4	24.0	
MI & Profit/Loss of Asso. Cos.	-47	-20	-14	-24	-21	-34	-24	-31	-105	-110	-21	
Reported PAT	3,829	4,805	4,486	3,695	4,488	4,630	4,263	3,916	16,815	17,297	3,989	
Adj PAT	3,829	4,805	4,486	3,695	4,488	4,630	4,263	3,916	16,815	17,297	3,989	13
YoY Change (%)	45.9	43.5	27.5	31.7	17.2	-3.6	-5.0	6.0	36.8	2.9	4.2	
Margins (%)	20.0	22.7	23.6	21.2	21.7	19.2	19.2	18.4	21.9	19.6	18.2	

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E
Particulars	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
CSM Revenue (INRm)	15,187	15,610	15,037	13,986	17,241	18,055	17,846	17,286	59,820	70,428
% Change	33.0	22.1	13.2	9.1	13.5	15.7	18.7	23.6	18.9	17.7
Domestic Formulation (INRm)	3,474	4,840	2,665	2,709	3,195	5,469	2,990	3,048	13,688	14,702
% Change	-13.4	-1.6	-6.4	-4.7	-8.0	13.0	12.2	12.5	-6.3	7.4
Cost Break-up										
RM Cost (% of sales)	53.5	53.4	46.4	46.1	48.2	50.4	51.0	49.5	50.1	49.8
Staff Cost (% of sales)	9.1	7.7	9.8	10.2	9.7	8.8	8.7	8.9	9.1	9.0
Other Cost (% of sales)	12.9	12.8	14.6	18.2	13.9	14.3	14.0	15.7	14.5	14.5
Gross Margins (%)	46.5	46.6	53.6	53.9	51.8	49.6	49.0	50.5	49.9	50.2
EBITDA Margins (%)	24.5	26.0	29.2	25.4	28.2	26.5	26.3	25.9	26.3	26.7
EBIT Margins (%)	20.8	22.3	25.0	20.8	24.2	22.8	22.0	20.8	22.3	22.4



Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR1,40,392 TP: INR1,08,000 (-23%) Sell

Strong performance relative to peers

Rising input costs likely to be the key monitorable

- MRF reported a strong beat on all fronts in 1QFY25, driven by healthy revenue growth of ~12% YoY (vs. ~8%/4% for CEAT/APTY). Despite strong revenue growth, PAT declined ~3% YoY due to commodity inflation and higher depreciation.
- We raise our FY25E/FY26E EPS by 4%/9% to factor in better-than-expected revenue growth and cost efficiencies. The stock trades at ~29.5x/25.2x FY25E/26E EPS (higher than APTY's 19x/15.2x and CEAT's 17.2x/13.7x), which does not align with its weakening competitive position. Maintain Sell with a TP of INR108,000, based on 19x Jun'26E EPS.

Lower employee cost offsets RM inflation resulting in margin beat

- Standalone revenue/EBITDA grew ~12%/2% YoY to INR70.8b/INR11.4b (est. INR63.9b/INR9.7b). Adj. PAT declined 3% YoY to INR5.6b (est. INR4.5b).
- Gross margin came in line at 37.2%, down 150bp YoY/160bp QoQ at 37.3%, led by an increase in RM costs.
- However, lower-than-expected employee and other operational expenses led to an EBITDA margin beat at 16.1% (est. 15.2%), down 150bp YoY/10bp QoQ.
- The company recognized a provision of INR300.7m in 1QFY25 toward the levy on Extended Producer Responsibility (EPR), which was accounted in other expenses.
- The healthy operating performance was partially offset by higher interest costs and depreciation, resulting in adj. PAT beat.

Valuation and view

- MRF's competitive positioning in the sector has weakened over the past few years, which reflects in the dilution of pricing power in the PCR and TBR segments. This, coupled with the impact of the planned capex, should limit the expansion in return ratios. We expect MRF's return ratios to dilute over the next two years as its RoE is expected to reach 12.1% by FY26E (vs. ~13.5% in FY24).
- The stock is currently trading at 29.5x/25.2x FY25E/FY26E EPS above its 10-year LPA of ~23x, despite its weakening competitive position and similar capital efficiency as peers. Hence, we maintain our Sell rating on the stock with a TP of INR1,08,000 (valuing at 19x June-26E EPS).

Bloomberg	MRF IN
Equity Shares (m)	4
M.Cap.(INRb)/(USDb)	595.4 / 7.1
52-Week Range (INR)	151445 / 104751
1, 6, 12 Rel. Per (%)	10/-13/7
12M Avg Val (INR M)	1193

Financials & valuations (INR b)

INR b	FY24	FY25E	FY26E
Sales	251.7	279.4	305.1
EBITDA	43.0	42.8	47.7
Adj. PAT	21.2	20.2	23.6
EPS (INR)	4,990	4,753	5,557
EPS Growth (%)	175.2	-4.8	16.9
BV/Share (INR)	39,394	43,627	48,584

Ratios

RoE (%)	13.5	11.4	12.1
RoCE (%)	13.3	11.5	11.9
Payout (%)	4.1	10.9	10.8

Valuations

P/E (x)	28.1	29.5	25.2
P/BV (x)	3.6	3.2	2.9
Div. Yield (%)	0.1	0.4	0.4
FCF yield (%)	1.9	2.9	2.8

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	27.8	27.8	27.8
DII	10.7	10.6	11.7
FII	19.1	19.7	18.8
Others	42.4	41.9	41.7

FII Includes depository receipts

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Net Sales	63,233	60,876	60,478	62,151	70,778	66,963	66,526	69,958	2,46,737	2,74,225	63,865
YoY Change (%)	12.9	6.4	9.3	8.6	11.9	10.0	10.0	12.6	9.3	11.1	1.0
Total Expenditure	52,091	49,589	50,084	52,096	59,400	56,852	56,766	59,056	2,04,595	2,32,074	54,189
EBITDA	11,142	11,286	10,394	10,055	11,378	10,111	9,759	10,902	42,142	42,151	9,676
Margins (%)	17.6	18.5	17.2	16.2	16.1	15.1	14.7	15.6	17.1	15.4	15.2
Depreciation	3,317	3,500	3,591	3,842	3,943	3,950	3,960	3,983	14,250	15,835	3,750
Interest	780	749	776	858	754	725	710	702	3,163	2,891	680
Other Income	739	696	766	924	827	820	810	900	3,125	3,358	840
PBT before EO expense	7,783	7,734	6,792	6,279	7,509	6,256	5,899	7,118	27,853	26,782	6,086
Extra-Ord expense	0	0	0	1,200	0	0	0	0	464	0	0
PBT	7,783	7,734	6,792	5,079	7,509	6,256	5,899	7,118	27,389	26,782	6,086
Tax	1,969	2,015	1,712	1,284	1,883	1,595	1,504	1,847	6,980	6,829	1,552
Rate (%)	25.3	26.1	25.2	25.3	25.1	25.5	25.5	25.9	25.5	25.5	25.5
Reported PAT	5,814	5,719	5,080	3,795	5,625	4,661	4,395	5,271	20,409	19,953	4,534
Adj PAT	5,814	5,719	5,080	4,692	5,625	4,661	4,395	5,271	20,755	19,953	4,534
YoY Change (%)	417.6	361.3	200.2	32.7	-3.3	-18.5	-13.5	12.3	173.9	-3.9	-22.0
Margins (%)	9.2	9.4	8.4	7.5	7.9	7.0	6.6	7.5	8.4	7.3	7.1

E: MOFSL Estimates

Key Performance Indicators

RM Cost(% of sales)	61.2	59.2	59.9	61.1	62.7	63.0	63.0	62.9	60.3	62.9	62.6
Staff Cost(% of sales)	6.5	7.1	7.2	7.5	6.3	6.7	6.8	6.7	7.1	6.6	7.0
Other costs(% of sales)	14.7	15.1	15.7	15.2	14.9	15.2	15.5	14.8	15.5	15.1	15.2
Gross Margin (%)	38.8	40.8	40.1	38.9	37.3	37.0	37.0	37.1	39.7	37.1	37.4
EBITDA Margin (%)	17.6	18.5	17.2	16.2	16.1	15.1	14.7	15.6	17.1	15.4	15.2

E: MOFSL Estimates



Page Industries

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR40,734 TP: INR38,000 (-7%) Neutral

Weak demand and high trade inventory hurt 1Q result

Bloomberg	PAG IN
Equity Shares (m)	11
M.Cap.(INRb)/(USDb)	454.3 / 5.4
52-Week Range (INR)	42922 / 33070
1, 6, 12 Rel. Per (%)	4/0/-19
12M Avg Val (INR M)	1030

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	45.8	49.2	57.2
Sales Gr. (%)	-2.8	7.5	16.1
EBITDA	8.7	9.5	11.4
EBITDA Margin (%)	19.0	19.3	20.0
Adj. PAT	5.7	6.4	7.8
Adj. EPS (INR)	510.3	576.2	699.4
EPS Gr. (%)	-0.4	12.9	21.4
BV/Sh.INR	1431.7	1564.7	1815.8

Ratios

RoE (%)	35.6	36.8	38.5
RoCE (%)	33.9	36.4	38.8
Payout (%)	72.5	90.0	75.0

Valuations

P/E (x)	79.7	70.6	58.1
P/BV (x)	28.4	26.0	22.4
EV/EBITDA (x)	51.8	47.3	39.1
Div. Yield (%)	0.9	1.1	1.1

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	45.0	45.1	46.1
DII	28.1	26.6	22.0
FII	20.5	20.9	22.0
Others	6.3	7.4	9.9

FII Includes depository receipts

- Page Industries (PAGE) continued to witness muted growth in 1QFY25 amid subdued industry demand and high trade inventory. Revenue was up 4% YoY at INR12.8b (est. INR13.2b). Volume rose 3% YoY to 57.4m pieces (-12% in 1QFY24). A gradual recovery was seen in the innerwear and athleisure-wear segments.
- The implementation of ARS system has been driving inventory efficiency. Inventory days at channel partners have decreased by 10 days in 1Q. However, trade inventory has not reached the normal level, as primary growth is expected to lag behind secondary growth for few more quarters.
- GM expanded by 90bp YoY but contracted 190bp QoQ to 54.1% (est. 55.4%). EBITDA margin was lower as PAGE continued to invest in marketing and digital infrastructure. EBITDA margin contracted by 40bp YoY to 19% (est. 19.9%). EBITDA/PBT grew 2%/6% YoY despite a favorable base. The management retains EBITDA margin guidance of 18%-21% in the medium term.
- We maintain our **Neutral rating with a TP of INR38,000 (50x Jun'26 EPS)**.

Muted revenue growth; miss on estimates

- **Sales growth weakness persists:** Sales grew 4% YoY to INR12.8b (est. INR13.2b). A slight recovery was seen at the end of the quarter. Sales volume was up 2.6% YoY (6% in 4QFY24) at 57.4m pieces (-12% in 1QFY24, -4% in FY24). Trade inventory and weak demand have been impacting primary growth.
- **Miss on EBITDA margin:** Gross margin expanded ~90bp YoY to 54.1% (est. 55.4%). EBITDA margin contracted 40bp YoY to 19.0% (est. 19.9%). Employee expenses were down 120bp, while other expenses were up 250bp YoY. Increased investments in marketing and digital initiatives have led to higher other expenses for the quarter.
- **Single-digit growth in EBITDA/PBT/PAT:** EBITDA grew 2% YoY to INR2.43b (est. INR2.62b). PBT grew 6% YoY to INR2.22b (est. INR2.35b). Adj. PAT rose 4% YoY to INR1.65b (est. INR1.76b).
- The board has declared the first interim dividend of INR300/share.

Highlights from the management commentary

- The operating environment was stable in 1Q and largely consistent with previous quarters, with no significant improvement in consumption.
- Discounting in the industry decreased significantly in 2HFY24 and was not observed in 1QFY25.
- The company believes the gap with its competitor, Jockey, has only reduced because Jockey has stuck to its prices for the last 24 months.
- The operating margin at the EBITDA level is expected to stay within the range of 18% to 21% annually.
- It plans to expand EBOs by 150 to 180 stores annually.

Valuation and view

- We broadly retain our FY25/FY26 EPS estimates.
- We model a gradual recovery with a CAGR of 12%/15%/17% in sales/EBITDA/PAT over FY24-26E.
- It will be critical to monitor the channel inventory management and inventory levels post 1QFY25. We maintain our **Neutral rating with a TP of INR38,000 (50x Jun'26 EPS)**.

Quarterly Statement

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Volume growth (%)	-11.5	-8.8	4.6	6.1	2.6	4.0	7.0	7.1	-3.5	4.7	9.0	
No. of pieces (mn)	56.8	51.8	55.2	45.3	57.4	53.9	59.1	48.5	209.1	218.8	61.9	
Net Sales	12,291	11,251	12,288	9,925	12,775	12,052	13,542	10,869	45,817	49,239	13,187	-3.1%
YoY change (%)	-8.4	-8.4	2.4	2.9	3.9	7.1	10.2	9.5	-2.8	7.5	7.0	
Gross Profit	6,544	6,262	6,522	5,562	6,918	6,749	7,313	6,200	24,971	27,180	7,305	-5.3%
Gross margin (%)	53.2	55.7	53.1	56.0	54.1	56.0	54.0	57.0	54.5	55.2	55.4	
Other Expenditure	4,159	3,927	4,226	3,918	4,484	4,194	4,697	4,317	16,248	17,692	4,681	
% to sales	33.8	34.9	34.4	39.5	35.1	34.8	34.7	39.7	35.5	35.9	35.5	
EBITDA	2,385	2,335	2,297	1,643	2,433	2,555	2,616	1,884	8,723	9,488	2,625	-7.3%
Margins (%)	19.4	20.8	18.7	16.6	19.0	21.2	19.3	17.3	19.0	19.3	19.9	
YoY change	-19.9	-1.8	19.1	22.3	2.0	9.4	13.9	14.6	1.1	8.8	8.5	
Depreciation	210	246	226	226	221	235	250	275	908	981	235	
Interest	127	112	105	105	117	110	110	128	449	465	105	
Other Income	52	17	55	137	129	125	125	121	200	500	65	
PBT	2,100	1,994	2,021	1,450	2,225	2,335	2,381	1,601	7,565	8,542	2,350	-5.3%
Tax	517	491	497	368	572	579	590	373	1,873	2,115	583	
Rate (%)	24.6	24.6	24.6	25.4	25.7	24.8	24.8	23.3	24.8	24.8	24.8	
PAT	1,584	1,503	1,524	1,082	1,652	1,756	1,790	1,228	5,692	6,427	1,767	-6.5%
YoY change (%)	-23.5	-7.3	23.1	38.1	4.3	16.9	17.5	13.5	-0.4	12.9	11.6	

E: MOFSL Estimates



Gujarat Gas

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR622 TP: INR715 (+15%) Buy

Bloomberg	GUJGA IN
Equity Shares (m)	688
M.Cap.(INRb)/(USD)	427.9 / 5.1
52-Week Range (INR)	687 / 397
1, 6, 12 Rel. Per (%)	-4/-8/9
12M Avg Val (INR M)	762

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	156.9	171.8	187.1
EBITDA	18.8	23.3	26.4
PAT	11.4	14.1	16.4
EPS (INR)	16.0	20.6	23.8
EPS Gr. (%)	-27.8	28.5	15.8
BV/Sh.(INR)	111.7	125.2	140.9

Ratios

Net D:E	-0.1	-0.2	-0.2
RoE (%)	15.0	17.3	17.9
RoCE (%)	20.6	23.5	24.2
Payout (%)	34.1	34.1	34.1

Valuations

P/E (x)	38.9	30.2	26.1
P/BV (x)	5.6	5.0	4.4
EV/EBITDA (x)	22.3	17.7	15.4
Div. Yield (%)	0.9	1.1	1.3
FCF Yield (%)	1.7	2.2	2.8

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	60.9	60.9	60.9
DII	21.8	22.1	20.3
FII	4.3	3.7	4.5
Others	13.0	13.3	14.4

FII Includes depository receipts

Volume guidance conservative despite strong 1Q

- GUJGA's 1QFY25 EBITDA was in line with our estimate at INR5.4b, as higher-than-estimated volumes were offset by low margin. EBITDA/scm stood at INR5.4/scm. Total volumes came in at 11mmscmd (up 19% YoY).
- The management guided for an annualized volume CAGR of ~5-7% for FY25 despite strong 19% volume growth YoY in 1Q. The management remains hopeful of volume growth, supported by 1) positive response to the new pricing scheme aimed at reducing gas volatility, as reflected in expressions of interest (EOI) from customers in Morbi and Surendranagar; 2) the introduction of the FDODO scheme offers new avenues for CNG growth; 3) stable robust growth momentum in CNG.
- Other key takeaways from the conference call:
 - Amid subdued ceramic industry exports and festivals in 2Q, Morbi volumes would be temporarily down 30-40% QoQ.
 - INR10b capex for FY25; For FY26/FY27/FY28, capex would range INR10b-15b every year.
 - EBITDA/scm guidance of INR4.5-5.5 was maintained.
 - 1mmscmd of CNG will be added via the new scheme (FDODO) in the next 1.5 to 2 years. CNG volume growth guidance stands at 14% YoY.
- GUJGA's long-term volume growth prospects remain robust, with the addition of new industrial units and the expansion of the existing units. Hence, we reiterate our BUY rating on the stock with a TP of INR715 (based on 30x FY26E EPS).

EBITDA/PAT in line; robust volume growth continues

GUJGA reported EBITDA and PAT in line with our estimates

- Total volumes came in at 11mmscmd, exceeding our estimates by 8%.
- However, gains were offset by lower EBITDA/scm at INR5.4 (vs. our est. INR6, down 20% QoQ).
- CNG volumes continued to witness strong momentum and rose to 3mmscmd (+14% YoY) from 2.6mmscmd in 1QFY24.
- PNG I/C volumes reached 7.4mmscmd (our est. 6.3mmscmd, +23% YoY). The commissioning of new industrial customers added 200,000scmd volume. GUJGA has also secured a signed volume of 630,000scmd, scheduled for commissioning in few days.
- PNG domestic volumes stood at 0.6mmscmd (our est. 0.9mmscmd, +3% YoY). The company added ~37.4k new domestic customers during the quarter.
- EBITDA/scm came in at INR5.4 (est. of INR6/scm).
- Gross margin stood at INR8.6/scm (up from INR8.2 in 1QFY24). Thus, EBITDA stood at INR5.4b (est. of INR5.5b, 38% YoY).
- PAT stood at INR3.3b (est. of INR3.3b, 53% YoY).

Valuation and view

- The company's long-term volume growth prospects remain robust, with the addition of new industrial units and the expansion of the existing units. It is aggressively investing in infrastructure to push industrial gas adoption in Thane rural, Ahmedabad rural, and newly acquired areas in Rajasthan.
- The stock is trading at P/E of 26x FY26E and EV/EBITDA of 15.4x for FY26E. **We reiterate our BUY rating on the stock with a TP of INR715, valuing it at 30x FY26E EPS.**

Standalone - Quarterly Earning Model

Y/E March	FY24				FY25E				FY25	Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3QAct	4QAct	1Q	2QE	3QE	4QE	1QE			
Net Sales	37,815	38,454	39,291	41,342	44,503	39,195	43,853	44,276	40,696	9%	18%	8%
YoY Change (%)	-26.9	-3.3	6.6	5.2	17.7	1.9	11.6	7.1	7.6			
EBITDA	3,880	4,966	4,007	5,911	5,356	5,575	6,176	6,225	5,506	-3%	38%	-9%
Margin (%)	10.3	12.9	10.2	14.3	12.0	14.2	14.1	14.1	13.5			
Depreciation	1,151	1,179	1,201	1,212	1,231	1,346	1,346	1,346	1,317			
Interest	74	78	72	69	78	74	74	71	74			
Other Income	239	298	230	311	386	251	251	251	286			
PBT	2,894	4,007	2,964	5,497	4,433	4,407	5,007	5,060	4,401	1%	53%	-19%
Tax	743	1,029	761	1,402	1,135	1,110	1,262	1,251	1,109			
Rate (%)	25.7	25.7	25.7	25.5	25.6	25.2	25.2	24.7	25.2			
Reported PAT	2,151	2,978	2,203	4,095	3,298	3,296	3,746	3,809	3,292	0%	53%	-19%
YoY Change (%)	-43.6	-26.3	-40.7	10.9	53.3	10.7	70.0	-7.0	53.0			
Margin (%)	5.7	7.7	5.6	9.9	7.4	8.4	8.5	8.6	8.1			
Total volume (mmscmd)	9.2	9.3	9.2	9.7	11.0	9.6	10.8	11.2	10.2	8%	19%	13%
CNG	2.6	2.6	2.8	2.9	3.0	3.1	3.2	3.3	3.0	0%	14%	3%
PNG - Industrials/commercial	6.0	6.0	5.7	6.0	7.4	5.9	7.0	7.2	6.3	17%	23%	24%
PNG - Households	0.6	0.7	0.7	0.9	0.6	0.6	0.7	0.7	0.9	-29%	3%	-27%
EBITDA (INR/scm)	4.6	5.8	4.8	6.7	5.4	6.3	6.2	6.2	6.0	-10%	16%	-20%

Operational Highlights

Particulars	FY23				FY24				FY25	1QFY25	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY (%)	QoQ (%)
Net sales	51,701	39,765	36,843	39,286	37,815	38,454	39,291	41,342	44,503	18%	8%
Realization (INR/scm)	58.3	56.7	54.9	49.3	45.1	44.8	46.6	46.9	44.5	-1%	-5%
Total raw material	43,015	30,654	28,313	30,781	30,931	30,546	32,248	31,829	35,902	16%	13%
Gas cost (INR/scm)	48.5	43.7	42.2	38.6	36.9	35.6	38.3	36.1	35.9	-3%	0%
Gross margin	8,686	9,111	8,530	8,505	6,884	7,908	7,043	9,513	8,601	25%	-10%
Gross margin (INR/scm)	9.8	13.0	12.7	10.7	8.2	9.2	8.4	10.8	8.6	5%	-20%
EBITDA	6,066	6,427	5,823	5,603	3,880	4,966	4,007	5,911	5,356	38%	-9%
EBITDA (INR/scm)	6.8	9.2	8.7	7.0	4.6	5.8	4.8	6.7	5.4	16%	-20%
PAT	3,811	4,039	3,713	3,692	2,151	2,978	2,203	4,095	3,298	53%	-19%
PAT (INR/scm)	4.3	5.8	5.5	4.6	2.6	3.5	2.6	4.6	3.3	29%	-29%
Volumes											
CNG (mmscmd)	2.4	2.3	2.4	2.5	2.6	2.6	2.8	2.9	3.0	14%	3%
PNG - Household (mmscmd)	0.6	0.7	0.7	0.8	0.6	0.7	0.7	0.9	0.6	3%	-27%
PNG - I/C (mmscmd)	6.8	4.6	4.2	5.5	6.0	6.0	5.7	6.0	7.4	23%	24%
Total (mmscmd)	9.8	7.6	7.3	8.9	9.2	9.3	9.2	9.7	11.0	19%	13%



Apollo Tyres

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR512 TP: INR590 (+15%) Buy

Rising cost pressure hurts margins

Q1 performance sub-par relative to peers

- Apollo Tyres (APTY)'s 1QFY25 consol. performance was weak across both the geographies (India and Europe). While sales were largely in line, sharp RM inflation adversely impacted the profitability, resulting in a lower EBITDA/PAT at INR9.1b/INR3.3b (est. INR10.1b/4.3b).
- We cut our FY25E/26E consol. EPS by 11%/8% to factor in the increase in RM costs and higher operating expenses. APTY's sustained discipline in prudent capital allocation and subsequent improvement in RoCE have been truly commendable. APTY offers the best blend of earnings growth, balance sheet deleveraging, improving capital efficiencies, and cheap valuations. Given this, we **reiterate our BUY rating on APTY** with a TP of INR590 (valued at 17x Jun'26E consol. EPS).

Replacement demand stable while weak OE demand dent growth

- Consol. revenue grew ~1% YoY at INR63.3b (in line), while EBITDA/adj. PAT declined ~14%/19% YoY to INR9.1b/INR3.3b (est. INR10.1b/INR4.3b).
- Gross margin expanded declined 170bp QoQ to 45.5% (in line) due to higher RM costs.
- EBITDA declined 13.5% YoY to INR9.1b (vs. est. INR10.1b). EBITDA margin contracted 240bp YoY (-280bp QoQ) to 14.4% (est. 16%) mainly due to higher input costs and employee expenses.
- Further, lower-than-estimated other income led to a decline in adj. PAT.
- S/A business revenue was in line with our estimate at INR45.9b (+4% YoY). Gross margin contracted 140bp YoY (-240bp QoQ) to 38.1% (est. 38.8%). EBITDA margin contracted 400bp YoY (-300bp QoQ) to 13.8% (est. 15.8%) mainly due to higher input and other expenses.
- The EU revenue grew ~1% YoY to EUR146m (est. EUR155m), with an EBITDA margin of 13.7%, up 30bp YoY, for the quarter.

Highlights from the management commentary

- **Demand outlook-** Both OE and exports are likely to improve in 2HFY25. Replacement demand to remain positive. In 1QFY25, TBR and PCR volumes grew double digit YoY. However, weak OE impacted overall volumes. Volumes in truck OE declined in double digits YoY, while in PCR it was marginally negative. The demand for T&B OE segment is expected to recover towards 2HFY25.
- RM costs to go up by mid-single digit in 2Q sequentially. Near term, RM pressure will be there but may see some correction from 4Q onwards. The company indicated that it will need 2-3 price hikes to offset the cost increase so far and needs to take about 5% price hike to fully pass on the cost pressure (so far taken 1% in Jul'24).
- The India business performance has been sub-par relative to peers, both in terms of revenue growth and profitability, and management has clearly indicated that it is unhappy with the same. APTY is cognizant of this and would focus hard on getting its performance back on track in the coming quarters.

Bloomberg	APTY IN
Equity Shares (m)	635
M.Cap.(INRb)/(USDdb)	324.9 / 3.9
52-Week Range (INR)	568 / 365
1, 6, 12 Rel. Per (%)	-1/-16/-6
12M Avg Val (INR M)	1421

Financials & valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	253.8	264.3	286.2
EBITDA	45.0	39.9	44.6
Adj. PAT	18.2	16.8	21.0
EPS (INR)	28.7	26.5	33.0
EPS Growth (%)	77.3	-7.6	24.6
BV/Share (INR)	273.1	297.3	329.8

Ratios

RoE (%)	13.8	11.6	13.1
RoCE (%)	16.8	14.1	15.9
Payout (%)	20.1	25.1	21.2
P/E (x)	17.8	19.3	15.5
P/BV (x)	1.9	1.7	1.6
Div. Yield (%)	1.0	1.3	1.4
FCF Yield (%)	6.8	6.4	5.9

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	37.4	37.4	37.3
DII	26.7	23.6	18.8
FII	14.5	18.2	23.4
Others	21.5	20.9	20.5

FII Includes depository receipts

- **Europe-** Expect mid-to-high single-digit YoY growth for FY25. 1Q margin was better than last year, despite just 1% YoY growth, led by better product mix (UUHP volumes grew 20% YoY)

Valuation and view

- We cut our FY25E/26E consol. EPS by 11%/8% to factor in the increase in RM costs and higher operating expenses.
- APTY's sustained discipline in prudent capital allocation and subsequent improvement in RoCE have been truly commendable. APTY offers the best blend of earnings growth, balance sheet deleveraging, improving capital efficiencies, and cheap valuations. Given this, we **reiterate our BUY rating on APTY** with a TP of INR590 (valued at 17x Jun'26E consol. EPS).

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Net Revenues	62,446	62,797	65,954	62,582	63,349	63,988	68,474	69,361	2,53,777	2,64,339	63,749
YoY Change (%)	5.1	5.4	2.7	0.2	1.4	1.9	3.8	10.8	3.3	4.2	2.1
Total Expenditure	51,931	51,198	53,873	51,788	54,256	54,710	56,970	58,464	2,08,790	2,24,399	53,613
EBITDA	10,515	11,599	12,081	10,794	9,093	9,278	11,504	10,897	44,987	39,939	10,136
Margins (%)	16.8	18.5	18.3	17.2	14.4	14.5	16.8	15.7	17.7	15.1	15.9
Depreciation	3,620	3,603	3,676	3,880	3,695	3,710	3,725	3,906	14,778	15,036	3,680
Interest	1,355	1,328	1,230	1,146	1,070	1,070	1,068	1,056	5,059	4,263	1,150
Other Income	355	253	184	743	308	435	485	489	1,536	1,717	470
PBT before EO expense	5,896	6,922	7,358	6,511	4,636	4,933	7,196	6,424	26,685	22,357	5,776
Extra-Ord expense	132	122	151	1,381	404	0	0	0	1,786	404	0
PBT	5,764	6,800	7,207	5,130	4,232	4,933	7,196	6,424	24,899	21,953	5,776
Tax Rate (%)	31.1	30.3	31.1	31.0	28.6	25.4	22.9	19.8	30.9	24.5	26.0
Minority Interest & Profit/Loss of Asso. Cos.	0	-2	-1	-1	0	0	0	0	0	0	0
Reported PAT	3,969	4,744	4,966	3,541	3,020	3,680	5,550	5,153	17,215	16,572	4,273
Adj PAT	4,060	4,828	5,071	4,648	3,272	3,680	5,550	5,153	18,607	16,876	4,273
YoY Change (%)	112.9	169.1	81.9	18.1	-19.4	-23.8	9.5	10.9	80.8	-9.3	5.2
Margins (%)	6.5	7.7	7.7	7.4	5.2	5.8	8.1	7.4	7.3	6.4	6.7

E: MOFSL Estimates

Standalone (India)

Net Revenues	44,133	44,067	43,319	43,874	45,916	46,270	46,785	46,875	1,75,393	1,85,846	45,898
YoY Change (%)	-0.5	3.6	2.0	0.5	4.0	5.0	8.0	6.8	1.4	6.0	4.0
EBITDA	7,867	8,414	7,840	7,358	6,331	6,663	6,971	6,992	31,480	26,958	7,252
Margins (%)	17.8	19.1	18.1	16.8	13.8	14.4	14.9	14.9	17.9	14.5	15.8
Adj PAT	3,111	3,511	3,064	2,748	2,297	2,781	3,007	2,711	12,434	11,323	3,281
YoY Change (%)	198.1	434.1	146.6	15.0	-26.2	-20.8	-1.9	-1.3	114.9	-8.9	5.4

Europe (EUR m)

Net Revenues	144	169	176	182	146	169	187	179	671	681	156
YoY Change (%)	-4.6	-6.6	-2.2	2.8	1.4	0.0	6.0	-1.6	7.9	0.1	8.0
Margins (%)	13.4	14.1	20.3	19.1	13.7	13.5	18.0	16.3	16.9	15.5	18.0

Source: MOFSL Estimates



Alembic Pharma

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,214 TP: INR1,155 (-5%) Neutral

The US generics and specialty in India drive earnings

Launch momentum to strengthen going forward

- Alembic Pharma (ALPM) posted a miss on earnings in 1QFY25, due to muted performance in the ROW and API segments. The US generics witnessed a pickup in sales for the quarter. Further, the specialty portfolio in the domestic formulation (DF) segment fared better than the industry.
- We largely maintain our estimates for FY25/FY26. We value ALPM at 26x 12M forward earnings to arrive at our TP of INR1,155.
- The pace of ANDA launches is likely to scale-up in the coming quarters. The consistent USFDA compliance track record provides minimal risk to the US generics outlook. The animal health business also remains on a robust growth path. However, the benefit is partly offset by reduced off-take in the API segment. We model a 15% earnings CAGR over FY24-26. However, considering its valuations (32x/29x FY25E/FY26E earnings), we reiterate our Neutral on the stock.

Segmental mix benefits partly offset by higher opex

- ALPM sales grew 5% YoY to INR15.6b (in-line). Domestic formulation (DF) sales grew 9.2% YoY to INR5.7b (37% of sales). The US generics sales grew 18% YoY to INR4.6b (USD56m; 29% of sales). Ex-US generics, export sales grew 2% YoY to INR2.7b (17% of sales). API sales declined 15% YoY to INR2.6b (17% of sales).
- Gross margin expanded 260bp YoY to 74.8% propelled by superior product mix and lower RM costs.
- EBITDA margin expanded 180bp YoY to 15.2% (our est: 16.9%), as the favorable product mix was offset by higher employee costs (+90bp as a % of sales).
- Consequently, EBITDA grew 19.2% YoY to INR2.4b (our est: INR2.6b)
- Adj. PAT grew 12% YoY to INR1.3b (our est: INR1.7b).

Highlights from the management commentary

- It would be launching 10 products in 2QFY25 in the US generics segment.
- With respect to G-Entresto, ALPM has settled with the innovator. ALPM is in a wait-and-watch mode for launching this product. The court hearing is underway, and the company will have clarity in a couple of weeks.
- The API business was hit by regulatory issues for its customer. ALPM expects this business to revive in the coming quarter.
- The ROW business was muted in 1QFY25 due to supply constraints.
- The G-Revlimid launch is a couple of years away in the US market.

Bloomberg	ALPM IN
Equity Shares (m)	197
M.Cap.(INRb)/(USDb)	238.6 / 2.8
52-Week Range (INR)	1286 / 707
1, 6, 12 Rel. Per (%)	24/12/30
12M Avg Val (INR M)	269

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	62.3	66.3	72.8
EBITDA	9.3	11.7	13.0
Adj. PAT	6.2	7.4	8.2
EBIT Margin (%)	10.6	13.5	13.9
Cons. Adj. EPS (INR)	31.5	37.6	41.5
EPS Gr. (%)	43.9	19.7	10.3
BV/Sh. (INR)	245.1	277.1	312.9

Ratios

Net D:E	0.1	0.0	0.0
RoE (%)	13.5	14.3	13.9
RoCE (%)	12.9	13.9	13.6
Payout (%)	19.1	16.0	14.5

Valuations

P/E (x)	38.7	32.3	29.3
EV/EBITDA (x)	19.9	15.6	13.9
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	1.8	3.5	3.5
EV/Sales (x)	3.0	2.8	2.5

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	69.6	69.6	69.6
DII	15.5	15.4	13.7
FII	4.3	4.5	4.3
Others	10.6	10.5	12.4

FII Includes depository receipts

Quarterly perf. (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	14,862	15,949	16,309	15,170	15,617	16,421	17,490	16,742	62,290	66,270	15,671	-0.3%
YoY Change (%)	17.7	8.1	8.1	7.9	5.1	3.0	7.2	10.4	10.2	6.4	5.4	
Total Expenditure	12,874	13,867	13,642	12,569	13,249	13,662	14,202	13,427	52,953	54,540	13,023	
EBITDA	1,987	2,083	2,667	2,601	2,368	2,759	3,288	3,315	9,337	11,730	2,648	-10.6%
YoY Change (%)	73.3	-10.5	7.2	16.5	19.2	32.5	23.3	27.5	14.0	25.6	33.3	
Margins (%)	13.4	13.1	16.4	17.1	15.2	16.8	18.8	19.8	15.0	17.7	16.9	-173.5
Depreciation	662	676	695	695	690	695	705	718	2,727	2,808	690	
EBIT	1,325	1,407	1,973	1,906	1,678	2,064	2,583	2,597	6,611	8,921	1,958	-14.3%
YoY Change (%)	111.9	-22.3	8.9	-2.4	26.6	46.7	31.0	36.3	12.4	35.0	47.8	
Interest	144	157	152	109	132	115	105	79	562	431	110	
Other Income	117	102	29	36	21	42	50	77	283	190	40	
PBT before EO expense	1,298	1,352	1,850	1,832	1,567	1,991	2,528	2,595	6,332	8,681	1,888	-17.0%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,298	1,352	1,850	1,832	1,567	1,991	2,528	2,595	6,332	8,681	1,888	-17.0%
Tax	92	-19	41	46	225	259	354	378	160	1,215	227	
Rate (%)	7.0	-1.4	2.2	2.5	14.4	13.0	14.0	14.6	2.5	14.0	12.0	
MI & P/L of Asso. Cos.	0	-5	-1	-4	-5	-5	-5	84	-10	69	-4	
Reported PAT	1,207	1,376	1,809	1,790	1,347	1,737	2,179	2,134	6,182	7,396	1,666	-19.1%
Adj PAT	1,207	1,376	1,809	1,790	1,347	1,737	2,179	2,134	6,182	7,396	1,666	-19.1%
YoY Change (%)	160.9	-6.7	36.6	73.1	11.6	26.2	20.5	19.2	43.9	19.7	38.0	
Margins (%)	8.1	8.6	11.1	11.8	8.6	10.6	12.5	12.7	9.9	11.2	10.6	

Key performance Indicators (Consolidated)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
India	5,240	5,770	5,960	5,030	5,720	6,059	6,401	5,629	22,000	23,808
YoY Change (%)	9.2	5.1	9.4	2.9	9.2	5.0	7.4	11.9	6.6	8.2
Exports	6,570	6,960	7,460	6,850	7,320	7,561	8,084	7,837	27,820	30,802
YoY Change (%)	19.7	10.0	16.9	13.4	11.4	8.6	8.4	14.4	14.8	10.7
APIs	3,050	3,220	2,890	3,300	2,590	2,801	3,006	3,263	12,460	11,660
YoY Change (%)	30.9	9.5	(11.3)	5.4	(15.1)	(13.0)	4.0	(1.1)	6.9	(6.4)
Cost Break-up										
RM Cost (% of Sales)	27.8	28.9	28.3	25.0	25.2	25.3	25.1	25.6	27.5	25.3
Staff Cost (% of Sales)	23.4	21.8	21.4	26.5	24.3	23.2	22.0	23.0	23.2	23.1
R&D Expenses (% of Sales)	8.0	7.6	7.0	8.0	7.0	7.2	7.5	8.3	7.6	7.5
Other Cost (% of Sales)	27.4	28.7	27.0	23.4	28.3	27.5	26.6	23.4	26.6	26.4
Gross Margin (%)	72.2	71.1	71.7	75.0	74.8	74.7	74.9	74.4	72.5	74.7
EBITDA Margin (%)	13.4	13.1	16.4	17.1	15.2	16.8	18.8	19.8	15.0	17.7
EBIT Margin (%)	8.9	8.8	12.1	12.6	10.7	12.6	14.8	15.5	10.6	13.5



Bata India

Estimate change	
TP change	
Rating change	

CMP: INR1,456 TP: INR1,400 (-4%) Neutral

Softness in revenue hurts PAT

Bloomberg	BATA IN
Equity Shares (m)	129
M.Cap.(INRb)/(USDb)	187.1 / 2.2
52-Week Range (INR)	1771 / 1269
1, 6, 12 Rel. Per (%)	-4/-8/-40
12M Avg Val (INR M)	621

- BATA's revenue declined 1% YoY due to a decline in retail SSS and a weak distribution channel sales. Improvement in gross margin (+10bp YoY) was offset by high marketing and operating deleverage, which led to a 220bp YoY contraction in Adj. EBITDAM and a 21% YoY decline in Adj. PAT.
- Persistent softness, particularly in the mass segment (<INR1,000 ASP), remains a drag. However, a steady network rollout and a product revamp (including apparel and sneakers) could support growth going ahead. We estimate a CAGR of 8%/24% in revenue/PAT over FY24-26. **We reiterate our Neutral rating with a TP of INR1,400 (based on 40x FY26E EPS).**

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY25E
Sales	34.8	37.0	40.7
EBITDA	7.9	8.6	10.4
Adj. PAT	2.6	4.4	4.5
EBITDA Margin (%)	22.6	23.3	25.5
Adj. EPS (INR)	22.8	27.6	34.9
EPS Gr. (%)	-9.3	21.1	26.6
BV/Sh. (INR)	118.8	153.3	188.2

Ratios

Net D:E	0.5	0.2	0.0
RoE (%)	19.7	20.3	20.4
RoCE (%)	13.7	13.9	14.9
RoIC (%)	15.5	16.4	20.0

Valuations

P/E (x)	63.9	52.8	41.7
EV/EBITDA (x)	25.0	22.4	18.3
EV/Sales (X)	5.6	5.2	4.7
Div. Yield (%)	0.8	0.0	0.0

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	50.2	50.2	50.2
DII	27.5	28.3	30.3
FII	7.6	8.2	6.6
Others	14.7	13.3	12.9

FII Includes depository receipts

Retail and distribution businesses adversely impacting performance

- Revenue declined 1% YoY at INR9.5b (7% miss), due to a **decline in retail SSS and distribution businesses**. Stores (COCO + FOFO) grew 10% YoY in 1QFY25.
- BATA added 21/33 own/ franchisee stores during the quarter, leading to a store count of 1,350/566.
- Gross margins expanded 10bp YoY to 54.9%. This could possibly be due to the softening of RM prices and premiumization. Gross profits declined 1% YoY to INR5.2b.
- EBITDA declined 23% YoY to INR 1.8b (32% miss) due to an increase in ad spending, a one-off, and operating deleverage, which offset the GM benefit. Margin contracted 540bp YoY to 19.6%.
- The company incurred a one-time expenditure of INR147m towards investments in technology and ~INR155m in employees, which led to an adj. EBITDA of INR2.2b (-15% YoY; 21% miss) and margin of 22.8% (-220bp YoY).
- The company sold a freehold industrial land for a consideration of INR1.56b and hence, the booked gain of INR1.4b on sale of land (net of related expenses) was recorded as an exceptional item.
- Adj PAT declined 21% YoY to INR849m (34% miss).
- BATA's Board announced an interim dividend of INR10 per share.

Key takeaways from the management interaction

- **Store expansion:** The company guided to add 40-50 EBOs every quarter. The franchisee model will be the dominant driver in this expansion. Of the new expansions, almost half of the franchisees are coming from the existing partners.
- **Focus area:** BATA's focus is on the emerging trend of Sneakerization, Casualization, and fashion. Overall, Casualization and Sneakerization's contribution was 50-55%. BATA targets to reach 60-65% in the next three years.
- **Floatz:** It remains the focus area for the company. The company sells 1.2-1.4m pairs a year, which it aims to scale up to 5m pairs. BATA has 16 Kiosks at present and aims to double this in the next two quarters. The size will be 100-150 sq ft.
- **Power:** The company will be launching two large products during the quarter. In the next two quarters, the company aims to add 100+ stores. BATA targets to add 15 EBO stores by Dec'24 (currently two EBOs). 2QFY25 will see 4-5 additions.

Valuation and view

- BATA’s robust balance sheet, marked by a net cash position, healthy FCF generation, and impressive returns profile, along with a substantial growth potential within the industry, should help it drive its growth initiatives.
- Over the last couple of years, following the change in management, a renewed focus on growth has been evident, characterized by a brand refresh, the introduction of new product lines (such as the newly launched sneaker segment), and enhancements in the backend supply chain infrastructure.
- While the company continues to explore growth opportunities through product improvement and introduction, revenue growth has been challenging amid a weak recovery in demand in the value category and an improving share of the sneaker segment.
- We trim our revenue estimates, which led to a 7%/14% cut in our PAT estimates for FY25/26. We expect a CAGR of 8%/24% in revenue/PAT over FY24-26.
Reiterate Neutral with a TP of INR1,400 (based on 40x FY26E EPS).

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Revenue	9,581	8,191	9,035	7,979	9,446	8,522	10,056	8,938	34,786	36,962	10,165	-7.1
YoY Change (%)	1.6	-1.3	0.4	2.5	-1.4	4.0	11.3	12.0	0.8	6.3	6.1	
Gross Profit	5,246	4,755	5,065	4,798	5,182	4,815	6,033	5,260	19,864	21,290	5,743	-9.8
Gross margin%	54.7	58.1	56.1	60.1	54.9	56.5	60.0	58.8	57.1	57.6	56.5	
Total Expenditure	7,186	6,375	7,210	6,156	7,597	6,647	7,381	6,725	26,927	28,350	7,431	2.2
EBITDA	2,395	1,817	1,824	1,823	1,849	1,875	2,675	2,213	7,859	8,612	2,734	-32.4
EBITDA margin	25.0	22.2	20.2	22.8	19.6	22.0	26.6	24.8	22.6	23.3	26.9	
Change YoY (%)	-2.1	12.9	-11.5	0.2	-22.8	3.2	46.6	21.4	-1.0	9.6	14.2	
Depreciation	811	817	860	903	872	882	912	925	3,391	3,591	898	-2.9
Interest	281	284	295	310	308	311	320	324	1,170	1,263	316	-2.5
Other Income	133	155	111	219	162	170	170	177	617	679	201	-19.1
PBT before EO expense	1,436	870	780	829	832	851	1,612	1,141	3,915	4,436	1,721	-51.7
Extra-Ord expense	0	409	0	0	-1,340	0	0	0	409	-1,340	0	
PBT	1,436	461	780	829	2,171	851	1,612	1,141	3,506	5,776	1,721	26.1
Tax	367	121	201	193	431	215	406	288	881	1,339	434	-0.7
Rate (%)	25.5	26.3	25.7	23.2	19.8	25.2	25.2	25.2	25.1	23.2	25.2	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0			0	
Reported PAT	1,069	340	580	636	1,741	637	1,206	854	2,625	4,437	1,288	35.2
Adj PAT	1,069	641	580	636	849	637	1,206	854	2,927	3,545	1,288	-34.1
YoY Change (%)	-10	17	-30	-3	-21	-1	108	34	-9	21	20	
Margins (%)	11%	8%	6%	8%	9%	7%	12%	10%	8%	10%	13%	

E: MOFSL Estimates



Gujarat State Petronet

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR336

TP: INR405 (+20%)

Buy

EBITDA beat led by strong volumes/lower other opex

Bloomberg	GUJS IN
Equity Shares (m)	564
M.Cap.(INRb)/(USDb)	189.7 / 2.3
52-Week Range (INR)	407 / 255
1, 6, 12 Rel. Per (%)	9/-27/-5
12M Avg Val (INR M)	577

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	17.6	12.8	13.5
EBITDA	15.0	9.8	10.3
PAT	12.8	6.6	6.8
EPS (INR)	22.8	11.6	12.1
EPS Gr. (%)	35.9	-48.9	4.1
BV/Sh.(INR)	182.1	190.3	198.7

Ratios

Net D:E	0.0	-0.1	-0.1
RoE (%)	13.1	6.3	6.2
RoCE (%)	13.2	6.3	6.3
Payout (%)	21.9	30.0	30.0

Valuations

P/E (x)	14.8	28.9	27.7
P/BV (x)	1.8	1.8	1.7
EV/EBITDA (x)	12.3	18.6	17.8
Div. Yield (%)	1.5	1.0	1.1
FCF Yield (%)	4.0	1.5	0.2

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	37.6	37.6	37.6
DII	25.6	26.8	27.2
FII	15.9	15.7	16.6
Others	20.9	20.0	18.6

FII Includes depository receipts

- Gujarat State Petronet's (GUJS) 1QFY25 EBITDA was 32% above our estimate at INR3b, led by strong transmission volume and lower other expenses. While EBITDAM was at 89.7%, the implied tariff was also 2% above our estimate at INR982/mmscm.
- The beat was driven primarily by: 1) total volumes, which came in 10% above our estimate, 2) a sharp decline of 60% YoY in gas transmission expenses, led by low GIGL pipeline volumes, and 3) 59% YoY lower other expenses (inventory gains in 1Q at INR140m).
- GUJS's current market price implies a 40.6% holding company discount on its stake in GUJGA. However, the long-term average discount has been 28.8%, while the maximum discount was 60.3%. As such, we continue to highlight GUJS as an inexpensive way to take exposure in GUJGA.
- We estimate GUJS' transmission business trades at 5.1x FY26 EV/EBITDA. This compares with GAIL's transmission business trading at FY26E EV/EBITDA of ~10x according to our estimates. While GAIL's transmission business RoE will be higher than GUJSs' (due to the recent adverse tariff order), we believe the valuation gap between the two should narrow.
- Even though 1Q performance (adjusted for inventory gain) was above our estimates, we keep our estimates unchanged, as 1Q volumes appear quite high and could decrease in 2Q. Additionally, we are not modeling lower gas transmission expenses.
- The stock is trading at a P/E of ~28x FY26E EPS of INR12.1 and an EV/EBITDA of ~17.8x. **Reiterate BUY with a TP of INR405.**

Strong volume momentum and lower opex fuel EBITDA/PAT beat

- GUJS' 1QFY25 EBITDA was 32% above our estimate at INR3b (our est. INR2.3b, -11% YoY), driven by:
 - the total volumes, which came in 10% above our estimate, driven by strong power-related volumes, after the imposition of section XI for gas-fired plants by the Central government,
 - tariff coming in 2% above our estimate, at INR982/mmscm,
 - sharp decline of 60% YoY in gas transmission expenses, led by low GIGL pipeline volumes,
 - 59% YoY lower other expenses, on account of inventory gain of INR140m (inventory loss of INR100m in 1QFY24), and
 - employee expenses also stood 21% below our estimates.
- Total volumes were 10% above with our est. at 36.4mmscmd (+24% YoY)
 - CGD volumes increased to 12.6mmscmd (+21% YoY)
 - Fertilizer volumes were at 4.5mmscmd (+30% YoY)
 - Power/ref-petchem volumes at 6.4/7.5mmscmd (+58%/+14% YoY)
 - Other volumes stood at 5.4mmscmd (+11% YoY)
- PAT came in 45% above INR2.1b (our est. INR1.5b, -8% YoY), as the implied tariff was INR982/mmscm (our est. INR960/mmscm, -32% YoY).
 - Depreciation came in INR84m below estimate.

Valuation and view

- The available LNG capacity in Gujarat is expected to grow 55% to 42.5mmtpa over the next two years. Most of this volume is likely to flow through GUJS’s network. We believe the company could post a 12% CAGR in transmission volumes over FY24-26.
- We expect volumes to jump to ~38.5mmscmd in FY26, as it is a beneficiary of: a) the upcoming LNG terminals in Gujarat, and b) an improved demand owing to the focus on reducing industrial pollution (Gujarat has five geographical areas identified as severely/critically polluted).
- Investments in GUJGA and Sabarmati Gas at a 25% holding discount provide a valuation of INR266. Valuing the core at 8x adj. FY26E EPS of INR10.4 and adding the value of investments, we arrive at our TP of INR405. **We reiterate our BUY rating on the stock with a potential upside of 20%.**

Standalone - Quarterly Earnings Model

Y/E March	FY24				FY25				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY24	FY25	FY25 1QE	Var. (%)
Net Sales	3,937	4,533	4,555	4,547	3,354	3,125	3,302	2,960	17,572	12,753	3,005	12%
YoY Change (%)	-6.3	17.7	30.7	21.6	-14.8	-31.1	-27.5	-34.9	15.0	-27.4	-23.7	
EBITDA	3,364	4,103	3,795	3,780	3,010	2,396	2,572	1,845	15,041	9,835	2,276	0
YoY Change (%)	-6.6	22.9	40.6	28.2	-10.5	-41.6	-32.2	-51.2	19.5	-34.6	-32.4	
Margin (%)	85.5	90.5	83.3	83.1	89.7	76.7	77.9	62.3	85.6	77.1	75.7	
Depreciation	468	477	488	486	490	574	574	657	1,920	2,295	574	
Interest	10	10	11	19	13	11	11	9	50	44	11	
Other Income	180	2,663	211	296	328	319	319	310	3,351	1,275	319	
PBT before EO expense	3,066	6,278	3,506	3,571	2,835	2,130	2,306	1,488	16,422	8,771	2,010	41%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	3,066	6,278	3,506	3,571	2,835	2,130	2,306	1,488	16,422	8,771	2,010	41%
Tax	773	958	884	960	715	552	552	390	3,576	2,208	552	
Rate (%)	25.2	15.3	25.2	26.9	25.2	25.9	23.9	26.2	21.8	25.2	27.5	
Reported PAT	2,293	5,320	2,622	2,611	2,120	1,578	1,754	1,098	12,846	6,564	1,458	45%
YoY Change (%)	-2.6	69.3	53.4	16.4	-7.5	-70.3	-33.1	-58.0	35.9	-48.9	-36.4	
Margin (%)	58.2	117.4	57.6	57.4	63.2	50.5	53.1	37.1	73.1	51.5	48.5	
Key Operating Parameters												
Transmission Volume (mmscmd)	29.4	30.2	29.0	33.4	36.4	34.0	36.0	33.6	30.5	35.0	33.0	10%
Implied Tariff (INR/mmscm)	1,435	1,587	1,628	1,495	982	960	960	938	1,536	960	960	2%



Kirloskar Oil Engines

Estimate changes TP change Rating change 

CMP: INR1,156

TP: INR1,540 (+33%)

Buy

An all-round beat

KOEL's 1QFY25 results beat our estimates, with 6%/28%/31% YoY growth in revenue/EBITDA/PAT. B2B segment growth was aided by industrial, distribution and exports, while powergen segment remained weak due to a high base of large pre-buying in 1QFY24. B2C segment growth was led by water management system. An overall decline in powergen revenue was lower than our estimate as demand remained strong in 1Q. With CPCB 4+ norms in place from Jul'24, we expect KOEL to continue to benefit from strong demand across user segments. We raise our FY25/FY26 EPS estimates by 4.7% each to factor in healthy revenue across B2B and B2C and improving margin trends in B2C. We continue to value KOEL at 29x P/E on two-year forward estimates and revise our SOTP-based TP to INR1,540 (from INR1,500). Adjusted with subsidiary valuation, KOEL is trading at 29x/23x/18x FY25/26/27E EPS, which is still at a 45% discount to the market leader. We maintain BUY on KOEL as we expect it to benefit from improved sales from higher HP segments, exports and improving trajectory of B2C.

Results reflect sharp beat in performance

Revenue came in above our estimate at INR13.4b, up 6% YoY on a high base of 1QFY24 due to pre-buying. Export revenue stood at INR1.1b. EBITDA grew 28% YoY, led by healthy gross margin expansion. EBITDA margin at 14.7% was up 250bp YoY/190bp QoQ. Excluding the provision for write-off reversal, margins stood at 12.8% (est. 12%). PAT came in at INR1.3b, up 30% YoY/15% QoQ, aided by improved profitability in both B2B and B2C segments. B2B business margins improved nearly 150bp YoY. B2C is now on a strong margin recovery track, up 320bp to nearly 8.4%. KOEL has announced a capex outlay of INR7b to augment its existing capacity of 135k engines p.a. by another 50k engines p.a. The capex will be funded by a mix of internal accruals and borrowings.

B2B segment performance remains strong

KOEL's B2B division revenue grew 5% in 1Q. In B2B, powergen revenue declined due to the impact of pre-buying last year; however, the decline was lower than we expected. All other segments posted healthy growth. Powergen sales were led by strong demand from manufacturing, infrastructure and real estate. Nearly 60% of sales were from CPCB2, while the remaining from CPCB 4+. The industry has already shifted to CPCB 4+ and KOEL would focus on refilling channel inventory with CPCB 4+ products. In B2B, industrial segment revenue grew by 38% YoY in 1Q, led by railways, infrastructure and construction. Future growth areas for KOEL would emerge from mining, railways, defense, construction, fisheries, etc. for the industrial segment. Distribution segment revenue grew by 13% in 1Q, while exports rose 23%. The company intends to improve B2B margins with improved product mix such as higher sales of higher kVA rating products, improved distribution revenue, particularly from CPCB 4+ products and improved share of exports.

Bloomberg	KOEL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	167.7 / 2
52-Week Range (INR)	1450 / 433
1, 6, 12 Rel. Per (%)	-16/29/133
12M Avg Val (INR M)	319

Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	58.1	68.9	81.9
EBITDA	7.8	9.9	12.3
PAT	5.2	6.7	8.5
EPS (INR)	36.1	46.2	58.6
GR. (%)	44.4	28.2	26.7
BV/Sh (INR)	207.6	241.4	284.3

Ratios

ROE (%)	18.6	20.6	22.3
RoCE (%)	17.9	20.1	21.9

Valuations

P/E (X)	32.1	25.1	19.8
P/BV (X)	5.6	4.8	4.1
EV/EBITDA (X)	21.4	16.6	12.9
Div Yield (%)	0.8	1.1	1.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	41.2	41.2	41.2
DII	25.4	25.2	28.6
FII	10.0	9.8	6.2
Others	23.4	23.9	24.0

FII Includes depository receipts

B2C margins inching up well

In the B2C business, the water management solutions (WMS) segment's revenue grew 23% YoY, while the farm mechanization segment's (FMS) revenue continued to decline (-35% YoY). Overall, B2C grew 14% YoY in 1QFY25. EBIT margin trajectory is on an upswing, with 8.4% in 1QFY25 vs. 5.2% in 1QFY24. The management aims for further margin improvement toward 10-11% in B2C in the coming years.

Arka Fincap AUM crosses INR58b

Arka Fincap's revenue grew 27% YoY to INR1.63b in 1QFY25. PAT grew 23% YoY to INR200m. Its AUM has now increased to INR58b. The company intends to monetize the investment in Arka at an opportune time.

Future growth strategy – 2B2B strategy

KOEL has outlined the strategy for future growth to take its business to USD2b at the consolidated level in the next five years. The recent expansion plan is in line with strengthening the core business and it also intends to improve utilization of B2C business. Over the next five years, it will focus on strengthening core of B2B as well as B2C, entering newer areas in industrial, improving technology initiatives for B2B, improving distribution revenues, increasing exports, gaining market share and growing Arka.

Financial outlook

We raise our FY25/FY26 EPS estimates by 4.7% each to factor in better revenues across B2B and B2C and improving margin trends in B2C. We expect a revenue CAGR of 19% over FY24-27, driven by a CAGR of 17%/21%/19%/30%/16% in powergen/industrial/distribution/exports/B2C. Over FY24-27E, we bake in 320bp improvement in margins to build in better product mix and operating leverage benefits. We expect a PAT CAGR of 32% over the same period.

Valuation and recommendation

The stock is currently trading at 32x/25x/20x FY25/26/27E earnings. Adjusted with subsidiary valuation, KOEL is trading at 29x/23x/18x FY25/26/27E EPS which is still at a 45% discount to the market leader. We continue to maintain BUY on KOEL as we expect it to benefit from improved sales from higher HP segments, exports and improving trajectory of B2C segment.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	12,647	10,590	11,352	13,917	13,429	12,205	14,529	17,954	48,505	58,117	11,953	12
YoY Change (%)	26.5	4.8	13.5	20.7	6.2	15.2	28.0	29.0	17.8	19.8	-5.5	
Total Expenditure	11,102	9,603	10,023	12,135	11,452	10,838	12,568	15,413	42,864	50,271	10,519	
EBITDA	1,545	986	1,329	1,782	1,977	1,367	1,961	2,541	5,642	7,846	1,434	38
Margins (%)	12.2	9.3	11.7	12.8	14.7	11.2	13.5	14.2	11.6	13.5	12.0	
Depreciation	213	243	257	257	247	244	250	258	970	999	238	4
Interest	14	16	20	29	27	33	33	39	78	132	33	(18)
Other Income	70	64	57	85	108	80	80	52	274	320	78	37
PBT before EO expense	1,388	791	1,109	1,581	1,810	1,170	1,759	2,296	4,868	7,034	1,242	46
PBT	1,388	791	1,109	1,581	1,810	1,170	1,759	2,296	4,868	7,034	1,242	46
Tax	355	205	287	405	462	302	453	596	1,252	1,814	320	
Rate (%)	25.6	25.9	25.9	25.6	25.5	25.8	25.8	26.0	25.7	25.8	25.8	
Reported PAT	1,032	586	822	1,176	1,347	868	1,305	1,700	3,616	5,221	922	46
Adj PAT	1,032	586	822	1,176	1,347	868	1,305	1,700	3,616	5,221	922	46
YoY Change (%)	59.9	-19.3	20.5	81.3	30.5	48.3	58.8	44.5	33.8	44.4	-10.7	
Margins (%)	8.2	5.5	7.2	8.5	10.0	7.1	9.0	9.5	7.5	9.0	7.7	

INR m	FY24				FY25E				FY24	FY25E	YoY (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Segmental revenue											
Powergen	6,030	3,600	4,260	5,180	5,280	4,752	5,620	6,827	19,050	22,479	18.0
Industrial	2,320	2,350	2,320	3,090	3,200	3,040	3,200	3,362	10,080	12,802	27.0
Distribution & After Market	1,750	1,840	1,800	2,100	1,980	2,178	2,228	2,527	7,490	8,913	19.0
Exports	860	1,250	1,350	1,730	1,060	1,555	1,690	2,455	5,200	6,760	30.0
Total B2B	10,960	9,040	9,730	12,100	11,520	11,525	12,738	15,171	41,820	50,954	21.8
WMS	1,340	1,160	1,330	1,530	1,650	1,485	1,559	1,642	5,370	6,337	18.0
FMS	260	270	190	150	170	174	207	276	870	827	-5.0
Total B2C	1,600	1,430	1,520	1,680	1,820	1,659	1,766	1,919	6,240	7,163	14.8
Total revenue (B2B+B2C)	12,560	10,470	11,250	13,780	13,340	13,183	14,504	17,090	48,060	58,117	20.9



Happy Forgings

Estimate changes	
TP change	
Rating change	

CMP: INR1,236 TP: INR1,430 (+16%) Buy

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	116.4 / 1.4
52-Week Range (INR)	1300 / 813
1, 6, 12 Rel. Per (%)	-2/10/-
12M Avg Val (INR M)	255

Consol. Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Sales	13.6	15.6	19.5
EBITDA	3.9	4.5	5.9
Adj. PAT	2.4	3.0	4.2
EPS (INR)	25.8	31.8	44.4
EPS growth %	10.6	23.2	39.8
BV/Sh. (INR)	171	198	234

Ratios

RoE (%)	18.7	17.2	20.6
RoCE (%)	17.0	16.3	19.7
Payout (%)	15.5	17.0	17.0

Valuations

P/E (x)	48.2	39.1	28.0
P/BV (x)	7.3	6.3	5.3
EV/EBITDA (x)	30.3	25.6	19.5
Div. Yield (%)	0.3	0.4	0.6

Shareholding pattern (%)

As On	Jun-24	Mar-24
Promoter	78.6	78.6
DII	16.7	16.9
FII	2.2	1.1
Others	2.5	3.4

Weak result due to sluggish industry growth

Positive outlook with single-digit growth in CV and tractors for FY25E

- Happy Forgings (HAPPYFOR)'s 1QFY25E result was weak, with revenue growing just ~3.5% YoY to INR3.4b (est. INR3.7b), due to the underlying industry weakness. Despite a muted Q1, we anticipate a healthy recovery going forward, driven by a positive domestic demand outlook for CVs and tractors for H2FY25E, as well as ramping up of new orders especially in the industrial category. However, weak global demand may constrain near-term growth.
- We cut FY25E/26E earnings by ~8.5%/1.8% to factor in ongoing slowdown in underlying industries. **Reiterate BUY with a TP of INR1,430 (premised on 30x Jun'26E EPS).**

EBITDA margin remains healthy at 28.6% led by favorable product mix

- HAPPYFOR's revenue grew 3.5% YoY to INR3.4b (est. INR3.7b). EBITDA/Adj. PAT declined ~3%/1% YoY to INR976m/INR639m (est. INR1.1b/INR693m) in 1QFY25.
- Domestic revenue grew 7% YoY, while exports declined 11%.
- In 1QFY23, financials were aided by air freight costs received on one order. Without this impact, EBITDA/PAT margins for 1QFY24 would have been 29.1%/18.4%. Adjusting for that, 1QFY25 revenue, EBITDA, and PAT would have grown by about 7%, 5%, and 9% YoY.
- Gross margin was down 50bp YoY/flat QoQ at 56.5%. Despite lower-than-estimated revenue, EBITDA margin came in line at 28.6% (-180bp YoY/+30bp QoQ, est. 28.8%) during the quarter.
- EBITDA declined ~3% YoY to INR976m. Machined mix improved to 87% in 1QFY25 from 82% in 1QFY24. The company expects machining mix to remain rangebound ~85-90% in the coming quarters.
- A weak operating performance led to a miss on adj. PAT at INR639m (flat YoY, est. INR693m).

Highlights from the management interaction

- Outlook-** HAPPYFOR expects single-digit growth in farm equipment over the next three quarters. For the CV segment, single-digit growth is expected, with strong growth anticipated in 2HFY25, if 1H remains flat. With political stability, it expects increased infrastructure spending that would in-turn drive CV demand. A good monsoon and expanded sown area for the kharif crop should boost rural demand during the festive months and augurs well for tractors.
- Exports-** European farm and wind sectors are currently down by 30%-35% YoY, but it continues to explore and ramp up existing projects that were on boarded last year. Currently it is focusing on higher orders in Europe.
- Passenger vehicle-** Share of PV revenue to go to 8-10% up from ~3% now. It has secured orders from a North American customer totaling INR 1.5b annually, starting in the fourth quarter and expected to peak in FY26-27.
- Industrials-** Management expects the industrial mix to be ~18%-20% over the next two quarters, with ongoing developments in the wind sector potentially boosting it to 25%-26% next year.

- **Capex-** It has guided a capex of IN2b for FY25/26E each. It is planning to order a 4,000-ton press line this quarter, which will be dedicated to meeting the PV requirements of North America. About 20-25% of the total capex would be for PVs in the future.

Valuation & view

- Driven by new order wins in the Auto segment, we expect HAPPYFOR to continue outperforming the core auto segments. Further, its healthy order wins in the Industrials and Exports segments would help drive an improved mix. HAPPYFOR's superior financial track record relative to peers serves as a testament of its inherent operational efficiencies and is likely to be a key competitive advantage going forward.
- We cut our FY25E/26E earnings by ~8.5%/1.8% to factor in the ongoing slowdown in underlying industries, especially exports. We forecast a 20%/24%/31% CAGR in standalone revenue/EBITDA/PAT during FY24-26. **We reiterate our BUY rating on the stock with a TP of INR1,430 (based on 30x Jun'26E EPS).**

Quarterly (Standalone)

	FY24				FY25E				(INR m)		
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY24	FY25E	FY25E
											1QE
Net operating income	3,298	3,431	3,420	3,433	3,415	3,842	4,104	4,200	13,582	15,561	3,727
Change (%)			16.2	13.5	3.5	12.0	20.0	22.3	13.5	14.6	13.0
RM/Sales (%)	43.0	44.7	44.5	43.5	43.5	43.7	43.8	43.8	43.9	43.7	43.8
Staff Cost (%)	7.5	8.5	9.0	8.6	8.5	8.5	8.1	7.9	8.4	8.2	8.2
Other Exp. (%)	19.1	19.5	18.7	19.6	19.4	19.1	18.7	18.7	19.1	19.0	19.2
EBITDA	1,002	938	952	971	976	1,101	1,210	1,243	3,875	4,530	1,075
EBITDA Margins (%)	30.4	27.3	27.8	28.3	28.6	28.6	29.5	29.6	28.5	29.1	28.8
Non-Operating Income	34	7	33	72	77	75	70	67	134	289	50
Interest	27	44	38	9	14	15	15	16	118	60	20
Depreciation	155	162	171	160	180	182	188	190	647	740	175
PBT after EO items	855	738	777	875	859	979	1,077	1,104	3,244	4,019	930
Tax	214	185	198	217	220	251	276	277	814	1025	237
Eff. Tax Rate (%)	25.1	25.1	25.5	24.8	25.6	25.6	25.6	25.1	25.1	25.5	25.5
Rep. PAT	640	553	579	658	639	728	801	827	2,430	2,994	693
Change (%)			39.2	29.7	-0.3	31.7	38.4	25.7	18.3	23.2	8.2
Adj. PAT	640	553	579	658	639	728	801	827	2,430	2,994	693
Change (%)			39.2	29.7	-0.3	31.7	38.4	25.7	16.4	23.2	8.2

E: MOFSL Estimates



Lemon Tree Hotels

Estimate change

TP change

Rating change

CMP: INR126

TP: INR170 (+34%)

Buy

Higher renovation and business development expenses hurt margins

Operating performance below our estimates

- Lemon Tree Hotels (LEMONTRE) reported strong revenue growth of 21% YoY in 1QFY25, primarily led by healthy growth in ARR (up 9% YoY) and the opening of Aurika Mumbai (669 rooms) in Oct'23.
- However, EBITDA margins remained under pressure (down 410bp YoY), primarily due to an increase in renovations and business development expenses. The company is renovating its entire room inventory by FY26 end, thereby improving its ARR. We believe that margins will improve after the renovations are completed.
- We largely maintain our FY25/FY26 EBITDA estimates and retain our **BUY** rating on the stock with our SoTP-based TP of INR170.

Rising ARR and ramp-up of Aurika Mumbai boost sales

- Revenue grew 21% YoY to INR2.7b (in line), led by higher ARR of INR5,686 (up 9% YoY) and incremental contributions from Aurika Mumbai. Occupancy declined 360bp YoY to 66.6%, due to the elections and extreme heatwaves. RevPAR was up 3% YoY at INR3,787.
- EBITDA grew 10% YoY to INR1.2b (est. INR1.3b). EBITDA margin declined 410bp YoY to 42.9% (est. 45%), led by an increase in other expenses as % of sales by 370bp YoY to 23.2%. Margins declined on a YoY basis due to the planned increase in renovation expenses, higher fixed costs of Aurika Mumbai, investment in digital capabilities, the expansion of the business development team and overall annual payroll increase. Adj. PAT declined 16% YoY to INR198m (est. INR244m).
- In 1QFY25, Keys Hotels generated a revenue of INR205m (up 6% YoY), with EBITDA of INR39m (down 11% YoY), aided by high renovation expenses. It operated at 55.7% occupancy (down 150bp YoY), with ARR of INR3,542 (up 7% YoY).
- As of 30th Jun'24, total operational inventory comprised 107 hotels with 10,125 rooms and the pipeline comprised 61 hotels with 4,036 rooms.

Highlights from the management commentary

- **Guidance:** The company expects to clock revenue of INR12.5b in FY25 and EBITDA of ~INR9b by FY25 or FY26. It targets RoCE of ~20%. After the renovations, the company expects EBITDA of INR600m annually from 'Keys' portfolio with ARR of ~INR4,500.
- **Near-term outlook:** LEMONTRE is confident of achieving healthy RevPAR growth in FY25/FY26, once renovated rooms become operational. It has also invested in business development (team up 4x) and manpower (sales force increased by 50% in last three months).
- **Aurika Mumbai Sky City** clocked an occupancy rate of ~45.9% in 1Q with ARR of ~INR8,900. The company is expected to see a healthy pick-up from MICE activities from 3Q onward. It expects the hotel to clock ~2-2.5x higher revenue in 2H compared to 1HFY25.

Bloomberg	LEMONTRE IN
Equity Shares (m)	792
M.Cap.(INRb)/(USDb)	100 / 1.2
52-Week Range (INR)	158 / 93
1, 6, 12 Rel. Per (%)	-13/-20/10
12M Avg Val (INR M)	781

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	10.7	13.4	15.6
EBITDA	5.2	6.4	8.0
PAT	1.49	1.93	3.03
EBITDA (%)	48.6	47.8	51.0
EPS (INR)	1.9	2.5	3.9
EBITDA Gr. (%)	25.7	29.8	57.1
BV/Sh. (INR)	12.4	14.8	18.7

Ratios

Net D/E	1.9	1.3	0.7
RoE (%)	16.3	18.1	23.1
RoCE (%)	10.2	12.1	16.5
Payout (%)	-	-	-

Valuations

P/E (x)	66.4	51.1	32.5
EV/EBITDA (x)	23.7	18.8	14.6
Div Yield (%)	-	-	-
FCF Yield (%)	1.3	5.7	7.0

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	22.8	22.9	23.6
DII	15.2	15.4	10.4
FII	27.7	27.2	25.6
Others	34.3	34.6	40.5

Valuation and view

- We expect the investments (opex) in renovations and the strengthening of its business operations to bear fruit going ahead, with improved OR and ARR. Further, the operational momentum will remain strong with the ramp-up of Aurika Mumbai and a healthy pipeline of hotel additions under management contracts (~4,000 rooms in pipeline).
- We expect LEMONTRE to deliver a CAGR of 21%/24%/43% in revenue/EBITDA/Adj. PAT over FY24-26 and RoCE to improve to 16.5% by FY26 from ~10% in FY24.
- We largely maintain our FY25/FY26 EBITDA estimates and retain our BUY rating on the stock with our SoTP-based TP of INR170.

Consolidated quarterly performance

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Gross Sales	2,223	2,272	2,887	3,273	2,680	2,988	3,919	3,770	10,655	13,358	2,776	-3
YoY Change (%)	15.7	15.5	23.6	29.5	20.6	31.5	35.8	15.2	21.8	25.4	24.9	
Total Expenditure	1,178	1,253	1,490	1,558	1,530	1,632	1,948	1,864	5,479	6,974	1,526	
EBITDA	1,045	1,019	1,397	1,715	1,151	1,357	1,971	1,906	5,176	6,385	1,250	-8
Margins (%)	47.0	44.8	48.4	52.4	42.9	45.4	50.3	50.6	48.6	47.8	45.0	
Depreciation	228	226	333	334	346	345	350	355	1,121	1,396	340	
Interest	481	473	534	528	518	505	480	460	2,016	1,963	520	
Other Income	24	29	22	39	4	35	50	41	113	130	25	
PBT before EO expense	359	348	552	892	291	542	1,191	1,133	2,151	3,156	415	
PBT	359	348	552	892	291	542	1,191	1,133	2,151	3,156	415	
Tax	87	86	118	50	91	129	285	270	341	775	99	
Rate (%)	24.2	24.8	21.3	5.6	31.2	23.9	23.9	23.8	15.9	24.5	23.9	
MI & P/L of Asso. Cos.	38	35	80	172	2	93	112	248	325	454	72	
Reported PAT	235	226	354	670	198	319	795	615	1,485	1,928	244	
Adj PAT	235	226	354	670	198	319	795	615	1,485	1,928	244	-19
YoY Change (%)	34.5	35.1	-11.4	52.4	-15.6	40.9	124.5	-8.1	25.7	29.8	4.0	
Margins (%)	10.6	10.0	12.3	20.5	7.4	10.7	20.3	16.3	13.9	14.4	8.8	

Key performance indicators

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Occupancy (%)	70.2	71.7	65.9	72.0	66.6	70.1	75.5	75.2	72.0	73.2
ARR (INR)	5,237	5,268	6,333	6,605	5,686	5,984	7,206	6,978	6,260	6,996
Change (%)	8.6	7.1	10.4	13.4	8.6	13.6	13.8	5.6	10.1	11.7
RevPAR (INR)	3,678	3,775	4,173	4,756	3,787	4,195	5,442	5,244	4,506	5,122
Change (%)	17.2	16.0	7.6	10.9	3.0	11.1	30.4	10.3		
Cost Break-up										
F&B Cost (% of sales)	5.6	5.8	5.8	6.3	6.1	6.0	6.0	5.8	5.9	6.0
Staff Cost (% of sales)	19.2	20.4	17.0	15.2	18.9	18.6	14.9	15.8	17.6	16.8
Power and fuel (% of sales)	8.7	8.4	6.9	6.0	8.7	9.0	7.8	8.8	7.3	8.5
Other Cost (% of sales)	19.6	20.6	22.0	20.1	23.3	21.0	21.0	19.0	20.6	20.9
Gross Margins (%)	94.4	94.2	94.2	93.7	93.9	94.0	94.0	94.2	94.1	94.0
EBITDA Margins (%)	47.0	44.8	48.4	52.4	42.9	45.4	50.3	50.6	48.6	47.8
EBIT Margins (%)	36.8	34.9	36.9	42.2	30.0	33.8	41.4	41.1	38.1	37.3



DreamFolks

Estimate change	
TP change	
Rating change	

CMP: INR479 **TP: INR670 (+40%)** **Buy**

A relaxing flight ahead

Maintains FY25 growth and margin guidance; reiterate BUY

Bloomberg	DREAMFOL IN
Equity Shares (m)	53
M.Cap.(INRb)/(USDb)	25.4 / 0.3
52-Week Range (INR)	799 / 440
1, 6, 12 Rel. Per (%)	0/-20/-62
12M Avg Val (INR M)	201

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	11.4	13.6	16.9
EBIT	0.9	1.1	1.5
NP	0.7	0.9	1.2
EPS (INR)	12.5	16.1	22.1
EPS growth (%)	-6.2	28.7	37.3
BV/Sh (INR)	44.7	61.3	84.2

Ratios

RoE (%)	34.8	31.4	31.4
RoCE (%)	32.5	28.9	29.0

Valuations

P/E (x)	38.3	29.8	21.7
P/BV (x)	10.7	7.8	5.7

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	66.0	66.0	66.0
DII	9.3	8.0	8.9
FII	3.9	5.4	11.9
Others	20.8	20.6	13.1

FII Includes depository receipts

- DreamFolks (DFS) posted a revenue growth of 20% YoY/14% QoQ to INR3.2b. Gross profit grew 32% YoY/7% QoQ to INR376m, with a gross margin of 11.7% (up 100bp YoY/down 80bp QoQ). EBIT margin came in at 6.9%, up 60bp YoY/down 160bp QoQ. Management expects the margins to witness an expansion in 2HFY25, owing to the contract renewal cycle and seasonality. PAT stood at INR171m (up 32% YoY/down 4.2% QoQ), with a PAT margin of 5.3%.
- **DFS commands a dominant market share**, holding over 95% of the card-based access to domestic airport lounges in India and accounting for ~68% of total lounge access volumes across both domestic and international terminals in FY24. In a seasonally weak quarter, DFS added six new airport lounges and maintained its FY25 revenue growth guidance of 20%. Moreover, the majority of the growth came from price hikes taken during 1Q (Revenue per Pax grew 16% YoY), with DreamFolks Pax growing at 2.8% YoY to 2.7m. In our view, India's airport lounge market is still in its early stages, with the number of users likely to grow exponentially in the coming years. We anticipate DFS to clock a revenue CAGR of 22% over FY24-26.
- **DFS maintains its FY25 margin guidance** of 11-13% for gross margins and 7-9% for EBITDA margins. While gross margin declined by 80 bps QoQ due to seasonality, management anticipates margin expansion in later quarters, driven by the contract renewal cycle and demand to pick up in 2H. We see a possibility of gross margins improving from current levels as high-value services grow, particularly in the Enterprise business and Other Non-lounge services, which typically have higher margins. The company anticipates 20% revenue contribution from Other services in the next 2-3 years, aiding this margin expansion. We expect gross margins at 12.0%/12.7% in FY25E/FY26E and EBITDA margins at 8.6%/9.4% in FY25E/26E.
- **DFS will be the direct beneficiary of the strong growth in the lounge market going ahead.** We forecast a strong 22% revenue CAGR over FY24-26E. We expect DFS to deliver a gross margin near the upper end of its 11-13% guidance range from FY25. We value DFS at INR670 per share (40% upside), assigning 30x to our FY26E EPS. **Reiterate BUY.**

Healthy revenue growth led by price hikes, but margins slightly weak

- DFS' 1QFY25 revenue grew 14% QoQ and 20% YoY to INR 3.2b, led by a 2.8% YoY rise in Pax count to 2.7m and a 16% YoY increase in Revenue per Pax.
- The company maintained a revenue split of 77% domestic and 23% international in this quarter.
- EBITDA increased 30% YoY but decreased 7% QoQ to INR 229m in 1QFY25, with an EBITDA margin of 7.1%, up 50bp YoY/ down 160bp QoQ.
- Domestic passenger traffic rose 4.2% QoQ to 40.2m from 39.1m in 4QFY24, contributing to the growth in Dreamfolks' service usage.
- EBIT stood at INR 220m (up 31% YoY), with an EBIT margin of 6.9% (up 60bp YoY/down 160bp QoQ).

- Consolidated PAT was INR171m (up 32% YoY/down 4.2% QoQ), with a PAT margin of 5.3%.
- Credit cards in circulation increased 17.1% YoY to 103.8m, compared to 101.8m in 4QFY24, while the average spend per credit card declined slightly by 0.7% YoY to INR 46.5k in 1QFY25.

Key highlights from the management commentary

- The company had a robust quarter despite the seasonally weak period and maintained its guidance of 20% revenue growth and 11-13% gross margins for FY25, along with an EBITDA margin guidance of 7-9%.
- **Six new airport lounges were launched, with five at domestic terminals** (Nagpur, Vizag, Ranchi, Bagdogra, and Gwalior) and one at the international terminal of Amritsar Airport.
- Outside India, 41 global lounges were added to the portfolio, along with two new spa locations at international airports (Lucknow and Cochin).
- The government’s focus on infrastructure improvement is expected to create more opportunities in airport and railway modernization.
- Non-lounge services, led by golf, have contributed 2% to 6% of revenue over the last two years. **In the next 2-3 years, 20% of revenue is expected to come from these other service businesses.**
- **The enterprise client base is expected to have** higher margins than the existing margins. This will primarily follow a membership model that includes loyalty, travel, hospitality, and lifestyle services.

Valuation and view

- India's airport lounge market is still in its early stages, with the number of users expected to grow exponentially in the coming years. Given the strong industry tailwinds, we expect strong sustained growth for DFS over the medium term. We forecast a strong 22% revenue CAGR over FY23-26. We expect DFS to deliver a gross margin near the upper end of its 11-13% guidance range from FY25.
- We also see a significant value from the nascent expansion into international markets and diversifying into other non-lounge high-margin services. This can significantly enhance the value of the business through an expansion of the addressable customer base. We value DFS at INR670 per share (40% upside), assigning a 30x to our FY26 EPS. We reiterate our **BUY** rating on the stock.

Consolidated - Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E	QoQ	YoY
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			(%/bp)	(%/bp)
Gross Sales	2,663	2,825	3,051	2,811	3,208	3,475	3,494	3,458	11,350	13,635	14.1	20.5
YoY Change (%)	66.2	65.0	49.5	18.2	20.5	23.0	14.5	23.0	46.8	20.1		
GPM(%)	10.7	12.4	12.5	12.5	11.7	13.0	13.0	13.0	12.0	12.7	-80bp	100bp
Employee benefit expenses (%)	2.8	2.6	2.4	2.3	3.2	2.6	2.7	2.7	10.0	11.2	100bp	50bp
EBITDA	176	243	274	246	229	316	314	311	939	1,171	-7.1	29.8
Margins (%)	6.6	8.6	9.0	8.8	7.1	9.1	9.0	9.0	8.3	8.6	-160bp	50bp
Depreciation	8.6	9.2	9.7	9.6	9.0	12.2	12.2	12.1	37.0	45.5	-6.8	4.5
EBIT	168	234	264	237	220	304	302	299	902	1,125	-7.1	31.1
Margins (%)	6.3	8.3	8.7	8.4	6.9	8.8	8.7	8.7	7.9	8.3	-160bp	60bp
Interest	2	3	3	4	3	3	3	3	12	13	-30.3	33.2
Other Income	11	5	7	11	17	19	19	19	33	75	65.2	63.2
PBT	176	236	268	243	234	320	318	315	924	1,187	-3.6	33.0
Tax	47	60	68	64	63	82	81	80	238	306	-2.0	35.1
Rate (%)	26.4	25.3	25.2	26.4	26.8	25.5	25.5	25.5	25.8	25.8	40bp	40bp
PAT	130	177	200	179	171	238	237	234	686	881	-4.2	32.3
YoY Change (%)	-3.5	19.2	5.5	-29.3	32.3	34.8	18.3	31.0	-5.3	28.5		
Margins (%)	4.9	6.3	6.6	6.4	5.3	6.9	6.8	6.8	6.0	6.5	-100bp	50bp

ABB India

BSE SENSEX 78,886 S&P CNX 24,117

CMP: INR7,936

Buy

Conference Call Details



Date: 09th August 2024

Time: 10:00am IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	132.4	164.4	197.2
EBITDA	24.4	28.5	34.0
Adj. PAT	19.9	23.2	27.6
Adj. EPS (INR)	93.9	109.5	130.4
EPS Gr. (%)	59.4	16.6	19.1
BV/Sh.(INR)	367.4	468.3	588.5
Ratios			
RoE (%)	29.0	26.2	24.7
RoCE (%)	29.1	26.3	24.8
Payout (%)	22.5	23.2	23.3
Valuations			
P/E (x)	84.5	72.5	60.9
P/BV (x)	21.6	16.9	13.5
EV/EBITDA (x)	66.4	56.1	46.5
Div. Yield (%)	0.2	0.3	0.3

Miss on revenue; PAT in line

- ABB India's 2QCY24 revenue of INR28.3b (+13% YoY) missed our estimates of INR31.8b. The growth was fueled by Robotics & Motion/ Electrification/Process Automation growth of 23%/23%/16% YoY.
- Likely driven by a favorable product mix and better margin orders, gross margin saw a robust expansion of 630bp YoY/260bp QoQ.
- This led to an all-time high EBITDA margin of 19.2%, a 530bp YoY expansion. Consequently, EBITDA jumped 56% YoY to INR5.4b.
- PAT came in line at INR4.4b, up 50% YoY, led by robust operational performance and higher other income (+16% YoY).
- Order inflows came in at INR34.3b, up 13% YoY, taking the order book to INR95.1b, up 23% YoY.
- During the quarter, long cycle orders from emerging segments (data centers, renewables, electronics, metro & railways) as well as core industry segments contributed to the growth. Most of the business areas posted a significant double-digit growth in orders.
- Cash balance stood at INR48.7b at the end of 2QCY24.
- The company announced an interim dividend of INR10.66 per share.

Y/E December	CY23				CY24E				CY23	CY24E	CY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	24,112	25,086	27,692	27,575	30,804	28,309	34,081	41,525	1,04,465	1,34,718	31,839	-11
YoY Change (%)	22.5	22.2	30.6	13.6	27.8	12.8	23.1	50.6	21.9	29.0	26.9	
Total Expenditure	21,259	21,599	23,307	23,403	25,152	22,884	28,133	35,082	89,567	1,11,251	26,285	
EBITDA	2,853	3,487	4,385	4,172	5,652	5,425	5,948	6,443	14,898	23,467	5,555	-2
Margins (%)	11.8	13.9	15.8	15.1	18.3	19.2	17.5	15.5	14.3	17.4	17.4	
Depreciation	274	292	303	329	314	310	328	345	1,199	1,297	328	-5
Interest	22	14	9	82	38	45	24	3	127	111	24	87
Other Income	723	750	768	776	871	868	906	944	3,017	3,589	906	-4
PBT before EO expense	3,279	3,931	4,842	4,537	6,171	5,938	6,502	7,038	16,589	25,649	6,109	-3
PBT	3,279	3,931	4,842	4,537	6,171	5,938	6,502	7,038	16,589	25,649	6,109	-3
Tax	827	972	1,222	1,085	1,575	1,511	1,614	1,763	4,106	6,463	1,557	
Rate (%)	25.2	24.7	25.2	23.9	25.5	25.5	24.8	25.1	24.8	25.2	25.5	
Minority Interest & Profit/Loss of Asso. Cos.												
Reported PAT	2,452	2,959	3,620	3,452	4,596	4,426	4,888	5,275	12,483	19,185	4,552	-3
Adj PAT	2,452	2,959	3,620	3,452	4,596	4,426	4,888	5,275	12,483	19,185	4,552	-3
YoY Change (%)	-34.3	110.9	84.0	13.1	87.4	49.6	35.0	52.8	79.5	54.4	53.8	
Margins (%)	10.2	11.8	13.1	12.5	14.9	15.6	14.3	12.7	11.9	14.2	14.3	

INR m	CY23				CY24E				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Segmental revenue										
Robotics & Motion	10,398	10,398	10,993	10,223	11,219	11,601	14,570	18,647	42,011	56,038
YoY Change (%)	33.2	17.9	17.0	2.4	7.9	11.6	32.5	82.4	16.7	33.4
Electrification Products	9,994	10,056	10,420	11,302	12,963	11,214	13,118	17,363	41,772	54,657
YoY Change (%)	16.1	20.0	18.3	19.0	29.7	11.5	25.9	53.6	18.3	30.8
Process Automation	4,202	5,096	6,756	6,307	7,263	6,327	6,481	4,857	22,361	24,928
YoY Change (%)	22.8	37.6	93.1	23.5	72.9	24.2	- 4.1	- 23.0	42.1	11.5
Unallocated and others (incl. excise duty)	19	53	24	29	26	44	254	464	125	788
Less: inter-segmental	-500	-517	-502	-286	-667	-877	-342	193	-1,804	-1,693
Total revenues	24,112	25,086	27,692	27,575	30,804	28,309	34,081	41,525	1,04,465	1,34,718
Segmental EBIT										
Robotics & Motion	1,275	1,484	2,040	1,746	2,332	2,613	2,827	3,093	6,544	10,655
Margin (%)	12.3	14.3	18.6	17.1	20.8	22.5	19.4	16.6	15.6	19.0
Electrification Products	1,946	1,640	2,011	2,148	3,078	2,594	2,624	3,022	7,746	11,478
Margin (%)	19.5	16.3	19.3	19.0	23.7	23.1	20.0	17.4	18.5	21.0
Process Automation	389	568	983	810	1,181	1,023	972	798	2,749	3,989
Margin (%)	9.2	11.1	14.5	12.8	16.3	16.2	15.0	16.4	12.3	16.0
Total	3,609	3,692	5,034	4,704	6,590	6,230	6,422	6,913	17,039	26,121

Life Insurance Corporation

BSE Sensex 78,886 S&P CNX 24,117

CMP: INR1,126

BUY

Conference Call Details



Date: 09th August 2024
Time: 8.30 am
Dial-in details:
+91 22 7195 0000

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Net Premiums	4,744	5,055	5,432
Surplus/Deficit	346.1	361.0	427.4
Sh. PAT	406.9	432.2	465.7
NBP gr- unwtd (%)	(4.0)	8.0	8.0
NBP gr - APE (%)	(1.7)	15.0	8.0
Premium gr (%)	0.2	6.4	7.5
VNB margin (%)	16.8	18.5	19.0
RoEV (%)	24.9	11.6	11.4
Total AUMs (INRt)	53.5	57.2	65.7
VNB (INRb)	95.8	122.2	135.5
EV per share	1,150	1,283	1,430
Valuation			
P/EV (x)	0.9	0.8	0.7
P/EVOP (x)	9.7	9.2	8.3

Net premium up 16% YoY, VNB margin rises 20bp YoY to 13.9%

- In 1QFY25, LIC reported net premium income of INR75b, up 16% YoY.
- New business APE grew 9% YoY to INR115.6b. Individual APE declined 4% YoY to INR67.47b, whereas Group APE rose 34% YoY to INR 48.13b.
- Individual Business Non-Par APE jumped 165.63% to INR 16.15b. Non-Par APE share in the individual business stood at 23.9% vs. 10.2% in 1QFY24.
- VNB margins (net) stood at 13.9% (up 20bp YoY). Absolute VNB grew 9% YoY to INR16.1b.
- LIC reported 10% YoY growth in shareholder PAT to INR105b.

Valuation and view

LIC has levers in place to maintain its industry-leading position and ramp up growth in the highly profitable product segments (mainly Protection, Non-Par, and Savings Annuity). However, changing gears for such a vast organization requires a superior and well-thought-out execution plan. With growth in the share of the Non-Par segment, we expect improvement in VNB margins. We will review our earnings estimates after the earnings concall scheduled for tomorrow.

Quarterly performance

Policy holder's A/c (INRb)	FY24				FY25	FY25E	YoY Growth	QoQ Growth
	1Q	2Q	3Q	4Q	1Q			
First year premium	68	100	84	138	75	467	10%	-46%
Growth (%)	-8%	9%	-13%	8%	10%	20%		
Renewal premium	536	596	624	774	564	2,658	5%	-27%
Growth (%)	7%	6%	4%	2%	5%	5%		
Single premium	381	378	464	614	500	1,938	31%	-19%
Growth (%)	-7%	-43%	10%	42%	31%	6%		
Net premium income	984	1,074	1,170	1,523	1,138	5,055	16%	-25%
Growth (%)	0%	-19%	5%	16%	16%	7%		
PAT	95	79	94	138	105	432	10%	-24%
Growth (%)	NM	NM	49%	2%	10%	6%		
Key metrics (INRb)								
New business APE	106.4	119.9	131.6	211.8	115.6	660.4	9%	-45%
Growth (%)	4%	-20%	7%	11%	9%	15%		
VNB	14.6	18.5	26.3	36.5	16.1	122.2	10%	-56%
Growth (%)	4%	-19%	46%	-2%	10%	27%		
AUM (INRt)	46	47	50	51	54	57	16%	5%
Growth (%)	12%	10%	12%	16%	16%	7%		
Key Ratios (%)							bps	bps
VNB Margins (%)	13.7	15.4	20.0	17.2	13.9	18.5	20.0	-331.0
Solvency ratio (%)	189.0	190.0	193.0	198.0	199.0	200	1000.0	100.0

Oil India

BSE SENSEX 78,886 S&P CNX 24,117

CMP: INR613

Buy

Conference Call Details



Date: 9 Aug'24
Time: 11:00am IST
Dial in:
+91 22 6280 1342
+91 22 7115 8243

EBITDA in line; strong operational performance continues

- Oil India's 1QFY25 EBITDA was in line with our estimates, though PAT was 20% below our expectations, mainly due to lower other income. 1QFY25 witnessed oil and gas sales rising 12% and 24% YoY, respectively. Oil and gas production in 1QFY25 rose 6% and 10% YoY, respectively, which too we believe was a robust performance.
- Revenue was in line with our estimate at INR58.4b (+26% YoY).
- Oil sales came in at 0.83mmt (our estimate of 0.86mmt, +12% YoY). Gas sales stood at 0.68bcm (our estimate of 0.67bcm, +24% YoY).
- Oil realization, net of windfall tax, was USD74.3/bbl (our estimate of USD73/bbl).
- EBITDA came in-line with our estimate at INR24.7b (+6% YoY).
- However, reported PAT was 20% below our estimate at INR14.7b (est. INR18.2b, -9% YoY), due to lower-than-expected other income.
- Numaligarh refinery performance:
 - PBT stood at INR6b (vs. loss before tax of INR1b during 1QFY24), driven by high crude throughput (764tmt) and distillate yield (87.2%) QoQ.
 - GRM stood at ~USD6.4/bbl in 1QFY25 (vs. negative GRM of USD15.6/bbl in 1QFY24).

Standalone Quarterly Performance

Y/E March	FY24				FY25		1QE	Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q					
Net Sales	46,447	59,133	58,150	57,567	58,397	59,848				
Change (%)	-22.1	2.4	-1.1	2.0	25.7	28.9		-2%	26%	1%
EBITDA	23,289	24,885	21,058	23,357	24,660	24,545		0%	6%	6%
% of Net Sales	50.1	42.1	36.2	40.6	42.2	41.0				
Change (%)	-11.5	34.6	-26.2	-0.5	5.9	5.4				
D,D&A	3,974	4,234	4,992	4,551	4,558	4,550				
Interest	1,659	2,235	1,814	1,893	1,970	1,881				
OI (incl. Oper. other inc.)	3,341	7,092	5,080	8,332	1,617	6,242				
PBT before exceptional	20,997	25,509	19,331	25,244	19,750	24,355		-19%	-6%	-22%
Exceptional item	0	23,627	0	0	0	0				
PBT after exceptional	20,997	1,882	19,331	25,244	19,750	24,355		-19%	-6%	-22%
Tax	4,863	-1,372	3,489	4,956	5,082	6,130				
Rate (%)	23.2	-5.4	18.0	19.6	25.7	25.2				
PAT	16,134	3,253	15,843	20,288	14,668	18,225		-20%	-9%	-28%
Change (%)	3.7	-81.1	-9.3	13.5	-9.1	13.0				
Adj. PAT	16,134	19,088	15,843	20,288	14,668	18,225		-20%	-9%	-28%
Change (%)	3.7	10.9	-9.3	13.5	-9.1	13.0				
Key Assumptions (USD/bbl)										
Oil sales (mmt)	0.75	0.85	0.85	0.84	0.83	0.86		-3%	12%	-1%
Gas sales (bcm)	0.54	0.65	0.68	0.65	0.68	0.67		1%	24%	4%
Net Oil Realization	74.3	75.5	74.3	78.8	74.3	73.0		2%	0%	-6%

Container Corporation of India

BSE SENSEX 78,886 S&P CNX 24,117

CMP: INR998

Buy

Conference Call Details



Date: 9th August 2024

Time: 12:30 PM IST

Dial-in details:

+91 22 6280 1384

Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	86.3	100.0	121.6
EBITDA	19.3	24.1	30.8
Adj. PAT	12.4	15.7	20.7
EBITDA Margin (%)	22.4	24.1	25.3
Adj. EPS (INR)	20.3	25.8	33.9
EPS Gr. (%)	5.8	27.0	31.3
BV/Sh. (INR)	193.9	208.2	227.0

Ratios

Net D:E	(0.3)	(0.3)	(0.4)
RoE (%)	10.7	12.8	15.6
RoCE (%)	11.1	13.2	15.9
Payout (%)	44.6	44.6	44.6

Valuations

P/E (x)	49.2	38.7	29.5
P/BV (x)	5.2	4.8	4.4
EV/EBITDA(x)	29.2	22.9	17.5
Div. Yield (%)	0.9	1.2	1.5
FCF Yield (%)	1.0	2.4	3.3

High operating expenses lead to EBITDA miss

- Revenues grew 9% YoY to INR20.1b (6% miss) in 1QFY25.
- Total volumes grew 6% YoY to 1.16m TEUs, with EXIM/domestic volumes at 0.87m/0.29m TEUs (+3%/+15% YoY). EXIM volumes came in ~4% below our estimate, while domestic volumes were in line. Overall volumes were 3% below our estimates.
- Blended realization grew ~3% YoY to INR18,090/TEU. EXIM/domestic realization stood at INR15,197/INR26,768 per TEU (+4%/-2% YoY).
- EBITDA margins came in at 20.6% (est. 23.1%). Lower EXIM volumes and high operating expenses affected EBITDA.
- EBITDA grew 10% YoY and was 16% below our estimate.
- In line with operating performance, APAT increased 5% YoY to INR2.6b (est. INR3.3b).

Other insights

- Land license fee for 1QFY25 stood at INR1.1b.
- The board has declared an interim dividend of INR2 per share amounting to INR 1.2b.

Standalone quarterly snapshot

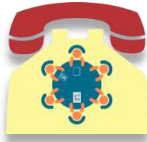
Y/E March	(INR m)								Var.
	FY24				FY25				
	1Q	2Q	3Q	4Q	1Q	FY24	FY25E	FY25 1QE	
Net Sales	19,193	21,904	22,051	23,176	20,971	86,325	99,997	22,197	(6)
YoY Change (%)	-3.0	11.1	10.9	7.0	9.3	6.5	15.8	15.6	
EBITDA	3,916	5,373	5,117	4,890	4,319	19,296	24,075	5,127	(16)
Margins (%)	20.4	24.5	23.2	21.1	20.6	22.4	24.1	23.1	
YoY Change (%)	-17.1	7.7	20.0	10.0	10.3	4.8	24.8	30.9	
Depreciation	1,378	1,486	1,543	1,603	1,649	6,009	6,433	1,580	
Interest	141	147	175	190	181	653	600	145	
Other Income	815	1,025	1,007	937	924	3,783	3,983	950	
PBT before EO expense	3,212	4,764	4,406	4,034	3,413	16,416	21,025	4,352	(22)
Extra-Ord expense	0	0	0	71	0	-71	0	0	
PBT	3,212	4,764	4,406	3,963	3,413	16,488	21,025	4,352	
Tax	771	1,187	1,062	1,017	859	4,037	5,298	1,097	
Rate (%)	24.0	24.9	24.1	25.7	25.2	24.5	25.2	25.2	
Reported PAT	2,441	3,577	3,344	2,945	2,554	12,451	15,726	3,256	(22)
Adj PAT	2,441	3,577	3,344	2,945	2,554	12,379	15,726	3,256	(22)
YoY Change (%)	-16.2	18.1	12.8	5.8	4.6	5.8	27.0	33.4	
Margins (%)	12.7	16.3	15.2	12.7	12.2	14.3	15.7	14.7	

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY (%)	QoQ (%)
Revenue (INRm)							
EXIM	12,315	14,438	14,365	14,418	13,214	7%	-8%
Domestic	6,879	7,467	7,687	8,758	7,757	13%	-11%
Total Segment Revenue	19,193	21,904	22,051	23,176	20,971	9%	-10%
Segmental EBIT							
EXIM	2,566	3,463	3,197	3,261	2,667	4%	-18%
Domestic	366	746	737	786	461	26%	-41%
Total	2,932	4,209	3,934	4,048	3,127	7%	-23%
EBIT Margin (%)							
EXIM	20.8%	24.0%	22.3%	22.6%	20.2%		
Domestic	5.3%	10.0%	9.6%	9.0%	5.9%		
Total	15.3%	19.2%	17.8%	17.5%	14.9%		
	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY (%)	QoQ (%)
Volumes (TEU)							
EXIM	8,41,690	9,69,746	9,02,582	9,34,058	8,69,464	3%	-7%
Domestic	2,51,920	2,61,022	2,48,226	3,10,740	2,89,787	15%	-7%
Total	10,93,610	12,30,768	11,50,808	12,44,798	11,59,251	6%	-7%
Realizations (INR / TEU)							
EXIM	14,631	14,888	15,915	15,436	15,197	4%	-2%
Domestic	27,305	28,605	30,966	28,184	26,768	-2%	-5%
Total	17,550	17,797	19,161	18,619	18,090	3%	-3%
EBIT (INR/TEU)							
EXIM	3,048	3,571	3,542	3,492	3,067	1%	-12%
Domestic	1,453	2,858	2,969	2,530	1,589	9%	-37%
Total	2,681	3,419	3,418	3,252	2,698	1%	-17%

BSE SENSEX 78,886 S&P CNX 24,117

CMP: INR138

Conference Call Details



Date: 09 August 2024
Time: 12:00 pm IST
Registration:
[Diamond Pass](#)
Dial in:
+91 22 6280 1123
+91 22 7115 8024

Marginal miss on EBITDA due to lower volumes

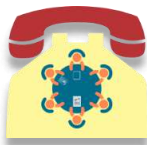
- SAIL reported a revenue of INR240b (down 2% YoY/9% QoQ), which was 7% below our estimate of INR257b. The revenue decline was primarily due to weak sales volume during the quarter.
- EBITDA increased by 35% YoY and 26% QoQ to INR22b, which came 10% lower than our estimate of INR25b.
- EBITDA/t came largely in line with our estimate at INR5,536 vs. INR4,250/t in 1QFY24 and INR3879/t in 4QFY24.
- APAT came in at INR3b, up 53% YoY and 80% QoQ (est. INR6b).
- Exceptional items of INR3.1b included a) INR3.1b related to perquisites and allowances payable to executive employees of the company from 26th Nov'08 to 4th Oct'09 pursuant to a Government of India/Ministry of Steel letter dated 30th Jul'24 basis the Hon'ble Kolkata High Court's order dated 13th Sep'23; and b) INR24m related to the settlement of contractual disputes under Vivaad se Vishwas Scheme II.
- Crude steel production stood at 4.68mt (flat YoY/down 7% QoQ) against our estimate of 5mt in 1QFY25.
- Sales volume stood at 4mt (up 3% YoY/down 12% QoQ), 9% below our estimate of 4.4mt.
- ASP stood at INR59,845/t (down 5% YoY/up 4% QoQ), in line our estimate of INR58,554/t. The YoY NSR decline in the domestic steel market was due to the cheap imports.

SAIL Consolidated Quarterly Performance (INR b)

Y/E March	FY24				FY25E		FY24	FY25E	FY25 1QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q					
Sales (m tons)	3.9	4.8	3.8	4.6	4.0		17.0	18.7	4.4	(9)
Change (YoY %)	23.0	14.0	(8.5)	(2.6)	3.4		5.2	9.7		
Realization (INR per ton)	62,781	58,256	61,444	57,554	59,845		59,809	61,390	58,554	2
Change (YoY %)	(17.6)	(6.5)	1.8	(7.5)	(4.7)		(7.3)	2.6		
Net Sales	244	280	233	262	240		1,019	1,148	257	(7)
Change (YoY %)	1.4	6.5	(6.8)	(9.9)	(1.5)		(2.4)	12.6		
Change (QoQ %)	(16.4)	14.8	(16.5)	12.4	(8.6)					
Total Expenditure	227	258	212	245	218		942	1,030		
EBITDA	16	21	21	18	22		77	118	25	(10)
Change (YoY %)	(28.4)	189.2	3.1	(39.5)	34.6		(4.4)	53.9		
Change (QoQ %)	(43.6)	28.9	0.8	(17.4)	25.5					
EBITDA per ton (INR)	4,250	4,429	5,638	3,879	5,536		4,511	6,326	5,608	(1)
Interest	6	6	6	6	7		25	26		
Depreciation	13	13	13	14	14		53	55		
Other Income	5	1	1	3	2		11	12		
Share of Asso/JV/investments	1	1	1	1	1		4	5		
PBT (before EO Inc.)	3	4	5	2	4		14	54		
EO Income(exp)	-	13	1	12	(3)		26	-		
PBT (after EO Inc.)	3	18	6	14	1		41	54		
Total Tax	1	5	1	3	0		10	14		
% Tax	26.3	26.2	24.8	21.9	16.6		24.5	25.2		
Reported PAT	2	13	4	11	1		31	41		
Adjusted PAT	2	3	4	2	3		11	41	6	(49)
Change (YoY %)	(73.6)	LP	50.3	(84.9)	52.9		(43.8)	277.3		
Change (QoQ %)	(82.3)	49.7	15.1	(50.7)	80.0					

BSE SENSEX
78,886S&P CNX
24,117

Conference Call Details

Date: 9th August 2024

Time: 9:00 am IST

Dial-in details:

Zoom [Link](#)

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	144.1	162.8	189.0
EBITDA	29.5	36.8	46.8
Adj. PAT	2.2	7.8	14.6
EBIT Margin (%)	9.6	12.5	15.4
Cons. Adj. EPS (INR)	1.8	6.5	12.1
EPS Gr. (%)	-71.1	259.0	87.7
BV/Sh. (INR)	164.9	174.3	182.9
Ratios			
Net D:E	0.7	0.7	0.7
RoE (%)	1.1	3.8	6.8
RoCE (%)	3.4	4.0	5.4
Payout (%)	29.3	29.3	29.3
Valuations			
P/E (x)	188.0	52.4	27.9
EV/EBITDA (x)	20.9	16.7	12.9
Div. Yield (%)	0.6	1.0	0.9
FCF Yield (%)	1.0	0.9	6.4
EV/Sales (x)	4.3	3.8	3.2

CMP: INR339

Misses estimates; Syngene and Generic drag earnings

- BIOS' 1QFY25 revenue was flat YoY at INR34.3b (est. INR39.6b).
- The flat revenue performance was led by:
 - Biosimilars (59% of sales), which rose 3% YoY to INR21b.
 - Research Services (22% of sales), which declined 2% YoY to INR7.9b.
 - Generics sales, which declined 6% YoY to INR6.6b (19% of sales)
- Gross margin (GM) expanded 150bp YoY to 62.8%.
- However, EBITDA margin contracted 280bp YoY to 18.1% (est: 22.9%) due to higher employee/other expenses (+530bp/+160bp YoY as % of sales), offset by lower R&D expenses (-260bp YoY as a % of sales).
 - The EBITDA margin for Biocon Biologics was 22.8% for 1QFY25 (flat YoY/down 130bp QoQ).
 - The EBITDA margin of Syngene was 21.5% for the quarter (down 470bp YoY/1,310bp QoQ).
 - The Generic business registered a negative EBITDA margin of 3.5% during the quarter vs. an EBITDA margin of 6.3%/4.6% on YoY and QoQ basis.
- EBITDA declined 12.9% YoY to INR6.2b (est: INR9b) for the quarter.
- This was after adjusting for a one-off gain of INR10.6b related to the gain on strategic collaboration between Biocon and Eris, and INR320m claim received by Syngene from the insurance company.
- The company reported an adj. loss of INR1.6b (est. PAT: INR1.8b) vs. Adj. profit of INR1b in 1QFY24.
- Revenue/EBITDA missed BBG estimates by 13%/30%.

Key highlights

- Biosimilars had a PBT of INR10.6b with a PBT margin of 51.1% YoY vs. 1.2% margin in 1QFY24, led by the gain on strategic collaboration between Biocon and Eris.
- Generics PBT margin stood at 2.6% (down 660bp YoY) for 1QFY25.
- Research Services' PBT margin was 8.8% (down 640bp YoY/1402bp QoQ).
- BIOS anticipates a stronger growth in 2HFY25, with new product launches in the Biosimilars and Generics businesses, including Liraglutide for diabetes and obesity in the UK and other markets.
- Additionally, BIOS expects improved business prospects for Syngene, supported by a resurgent biotech funding environment in the US.

Quarterly performance (Consolidated)

(INRb)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	vs Est
Net Sales	34.2	34.6	36.0	39.2	34.3	40.3	40.8	47.3	144.1	162.8	39.6	-13.3%
YoY Change (%)	57.9	49.2	22.5	7.4	0.3	16.5	13.3	20.8	30.0	13.0	15.7	
Total Expenditure	27.1	27.2	30.3	30.0	28.1	31.3	31.7	34.8	114.6	125.9	30.5	
EBITDA	7.1	7.4	5.8	9.2	6.2	9.0	9.1	12.5	29.5	36.8	9.1	-31.5%
YoY Change (%)	53.5	57.4	-16.3	5.1	-12.9	21.3	58.6	36.4	18.1	25.0	27.2	
Margins (%)	20.8	21.4	16.0	23.4	18.1	22.3	22.4	26.4	20.5	22.6	22.9	
Depreciation	3.6	3.9	4.2	4.1	4.1	4.2	4.2	4.2	15.7	16.6	4.0	
EBIT	3.6	3.5	1.6	5.1	2.2	4.8	5.0	8.3	13.8	20.3	5.1	
YoY Change (%)	43.5	46.8	-58.3	0.2	-39.2	37.4	207.3	63.4	-0.4	47.2	42.7	
Margins (%)	10.4	10.2	4.5	13.0	6.3	12.0	12.2	17.6	9.6	12.5	12.8	
Interest	2.3	2.5	2.7	2.3	2.4	2.2	2.1	2.1	9.8	8.7	2.3	
Other Income	0.9	1.6	1.1	0.5	0.8	0.6	0.6	0.2	4.1	2.1	0.6	
Extraordinary Income	0.0	-0.2	8.3	-0.1	10.9	0.0	0.0	0.0	7.9	10.9	0.0	
Share of Profit/Loss from Associates	-0.3	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	
PBT	1.8	2.1	8.1	3.2	11.5	3.2	3.4	6.4	15.2	24.5	3.3	242.4%
Tax	0.4	0.4	0.6	1.0	2.8	0.8	0.8	0.8	2.3	5.3	0.7	
Rate (%)	19.1	19.6	6.8	30.1	24.8	24.8	24.8	12.2	15.0	21.5	22.0	
Minority Interest	0.5	0.5	0.9	0.9	2.0	0.9	1.1	-0.7	2.8	3.3	0.9	
PAT	1.0	1.3	6.6	1.4	6.6	1.5	1.5	6.4	10.2	16.0	1.8	274.2%
Adj PAT	1.0	1.4	-1.7	1.4	-1.6	1.5	1.5	6.4	2.2	7.8	1.8	NA
YoY Change (%)	-51.1	-16.2	-176.5	-5.0	NA	6.4	-186.4	347.5	-71.1	259.0	76.0	
Margins (%)	2.9	3.6	18.3	3.5	19.2	3.8	3.6	13.4	7.1	9.8	4.4	

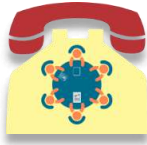
E: MOFSL Estimates; Note - Quarterly nos will not add up to full-year nos due to restatements

Global Health

BSE SENSEX	S&P CNX
78,886	24,117

CMP: INR1174

Conference Call Details



Date: 9th August 2024

Time: 2:00 pm IST

Dial-in details:

[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	32.8	35.2	40.3
EBITDA	8.3	8.7	10.9
Adj. PAT	4.8	5.3	6.8
EBIT Margin (%)	19.1	18.5	20.6
Cons. Adj. EPS (INR)	17.8	19.6	25.2
EPS Gr. (%)	46.7	9.9	28.9
BV/Sh. (INR)	108.2	124.3	145.1

Ratios

Net D:E	0.1	0.1	0.0
RoE (%)	17.9	16.8	18.7
RoCE (%)	14.7	14.7	17.1
Payout (%)	17.6	17.6	17.6

Valuations

P/E (x)	71.5	65.0	50.4
EV/EBITDA (x)	41.7	39.6	31.4
EV/Sales (x)	10.6	9.8	8.5
Div. Yield (%)	0.2	0.2	0.3
FCF Yield (%)	1.0	0.4	0.7
EV/Sales (x)	10.6	9.8	8.5

Slight miss on estimates

- In 1QFY25, sales grew 11.4% YoY to INR8.6b (est. INR8.2b).
- EBITDA margin declined 160bp YoY to 22.2% owing to higher RM costs (+80bp YoY) and employee expenses (+40bp YoY).
- Accordingly, Medanta reported tepid EBITDA growth of 4% YoY to INR1.9b (est. INR2.0b).
- In line with EBITDA growth, PAT grew only 4% YoY to INR1.1b.
- Compared to Bloomberg estimates, revenue outperformed by 4%, while EBITDA/PAT missed by 5%/16% and EBITDA margin was lower by 210bp.

Other highlights

- ARPOB grew 1% YoY to INR64k, mainly driven by a change in the case mix.
- Occupancy stood at 58% vs. 60% in 1QFY24 and 63% in 4QFY24.
- Mature hospitals' revenue (68% of total revenue) grew 10.4% YoY to INR6.4b, EBITDA stood at INR1.6b, and margins expanded 25bp YoY to 25%.
- Developing hospitals' revenue (32% of total revenue) grew 3.1% YoY to INR2.4b, EBITDA stood at INR581m, and margins contracted 690bp YoY to 24.5%.
- ALOS stood at 3.1 days (vs. 3.1/3.2 days in 1QFY24/4QFY24).
- IPD/OPD volumes increased 10% YoY.
- OPD Pharmacy revenue rose 26% YoY to INR334m.

Global Health Ltd

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Gross Sales	7,730	8,439	8,365	8,086	8,611	8,778	9,050	8,666	32,751	35,245	8,216	4.8%
YoY Change (%)	25.2	24.3	20.5	14.4	11.4	4.0	8.2	7.2	21.6	30.1	6.3	
Total Expenditure	5,887	6,255	6,150	6,175	6,699	6,601	6,833	6,407	24,467	26,540	6,220	
EBITDA	1,843	2,185	2,215	1,911	1,912	2,177	2,217	2,259	8,284	8,706	1,997	-4.2%
YoY Change (%)	38.7	38.3	36.1	12.7	3.7	-0.3	0.1	18.2	33.7	37.0	8.3	
Margins (%)	23.8	25.9	26.5	23.6	22.2	24.8	24.5	26.1	25.3	24.7	24.3	
Depreciation	468	485	495	572	515	515	520	621	2,020	2,172	526	
Interest	179	201	177	182	180	130	128	89	739	526	145	
Other Income	215	208	181	274	219	295	310	409	747	1,234	280	
PBT before EO expense	1,410	1,707	1,724	1,431	1,437	1,827	1,879	1,959	6,271	7,241	1,606	-10.5%
Extra-Ord expense/(Income)	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,410	1,707	1,724	1,431	1,437	1,827	1,879	1,959	6,271	7,241	1,606	-10.5%
Tax	390	455	488	157	374	504	507	599	1,490	1,985	440	
Rate (%)	27.7	26.6	28.3	11.0	26.0	27.6	27.0	30.6	23.8	27.4	27.4	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	1,020	1,252	1,235	1,273	1,063	1,323	1,372	1,359	4,781	5,256	1,166	-8.8%
Adj PAT	1,020	1,252	1,235	1,273	1,063	1,323	1,372	1,359	4,781	5,256	1,166	-8.8%
YoY Change (%)	73.8	46.1	53.3	26.0	4.2	5.7	11.0	6.7	46.6	75.2	14.3	
Margins (%)	13.2	14.8	14.8	15.7	12.3	15.1	15.2	15.7	14.6	14.9	14.2	

BSE SENSEX
78,886

S&P CNX
24,117

CMP: INR1686

Buy

Conference Call Details



Date: 09 August 2024

Time: 17:00 IST

Dial-in details:

Diamond pass [link](#)

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	31.0	42.0	50.3
EBITDA	2.8	6.3	11.4
EBITDA Margin . %	8.9	15.0	22.7
PAT	0.5	3.4	7.1
EPS (INR)	5.1	35.2	74.2
EPS Gr. (%)	-52.9	591.2	110.5
BV/Sh. (INR)	261.0	293.3	364.6

Ratios

RoE (%)	2.0	12.7	22.6
RoCE (%)	4.7	10.4	17.4
Payout (%)	57.9	8.4	4.0

Valuations

P/E (x)	331	48	23
P/BV (x)	6	6	5
EV/EBITDA (x)	62	25	14
Div yld (%)	0.2	0.2	0.2

In-line bookings with strong cash flows

Profitability yet to improve

Operational performance

- SOBHA reported bookings of INR19b (6% below estimate), up 28% YoY/ 25% QoQ. SOBHA's share of sales stood at INR14b, up 20% YoY/7% QoQ.
- The 1Q performance was driven by the newly launched premium project – 'Sobha Aranya' – in Gurugram. Overall, the company launched four new projects with total area of 3msf.
- Total volume stood at 1.2msf, down 15% YoY/12% QoQ. However, aided by higher sales in Gurugram, the realization was up 51% YoY/41% QoQ at INR15,900/sft.
- Gurugram contributed 45% (highest ever) to the quarterly sales value at INR8.5b, surpassing Bangalore for first time in a quarter.
- The company's project pipeline has increased to ~28msf (vs. 24msf in 4QFY24), including 19msf of new projects (~11msf in Bengaluru).
- Collections increased 21% YoY to INR14b. Total cash inflow (incl. contractual business) stood at INR15.5b, up 14% YoY.
- Operating cash flows (before interest and taxes) surged 80% YoY to INR4b.
- In line with the growth-focused strategy, SOBHA increased land related investment in 1Q to INR1.6b, up 4x YoY. During the quarter, the company generated surplus cash of INR0.7b.
- Net debt further declined to INR12b or 0.47x of equity. The cost of borrowings was steady at 9.4%.

Financial performance

- Revenue decreased 29% YoY to INR6.4b as the real estate segment's revenue declined 36% YoY to INR4.7b. SOBHA delivered 0.9msf in 1Q.
- EBITDA fell 14% YoY to INR0.6b, with margin of 9% (vs. 8% in 4QFY24). The margin in both residential and contractual segment remained subdued, which impacted overall profitability.
- Adj. PAT stood at INR60m, down 50% YoY.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	9,079	7,412	6,849	7,629	6,404	10,078	10,918	14,592	30,969	41,991	9,658	-34%
YoY Change (%)	60.8	11.1	-21.1	-36.9	-29.5	36.0	59.4	91.3			6.4	
Total Expenditure	8,425	6,658	6,108	7,008	5,845	8,827	9,280	11,741	28,199	35,693	8,470	
EBITDA	654	754	741	621	559	1,251	1,638	2,851	2,770	6,299	1,188	-53%
Margins (%)	7.2	10.2	10.8	8.1	8.7	12.4	15.0	19.5	8.9	15.0	12.3	-357bps
Depreciation	183	193	201	205	204	208	225	230	782	867	199	
Interest	611	639	614	590	539	512	487	404	2,455	1,942	561	
Other Income	313	324	288	284	295	373	331	641	1,209	1,640	360	
PBT before EO expense	173	247	214	109	111	904	1,257	2,858	742	5,130	788	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	173	247	214	109	111	904	1,257	2,858	742	5,130	788	
Tax	52	97	63	39	50	306	425	954	251	1,736	267	
Rate (%)	30.2	39.4	29.4	35.5	45.4	33.8	33.8	33.4	33.8	33.8	33.8	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	121	149	151	70	61	598	832	1,904	491	3,395	522	-88%
Adj PAT	121	149	151	70	61	598	832	1,904	491	3,395	522	
YoY Change (%)	168.3	-22.2	-52.6	-85.5	-49.8	300.1	451.6	2,608.2	-52.9	591.1	332.1	
Margins (%)	1.3	2.0	2.2	0.9	0.9	5.9	7.6	13.0	1.6	8.1	5.4	
Key metrics												
Sale Volume (msf)	1.4	1.7	1.7	1.3	1.2	1.8	2.0	2.1	5.5	7.1	1.3	-12%
Sale Value (INRb)	14.6	17.2	19.5	15.0	18.7	20.0	22.0	24.5	66.4	85.2	20.0	-6%
Collections (INRb)	11.5	12.6	12.9	13.3	13.9	16.0	17.0	19.5	50.3	66.4	14.0	
Realization (INR/sft)	10,537	10,224	11,735	11,230	15,879	11,000	11,000	11,469	12,128	11,948	15000	6%

Source: MOFSL, Company

Birla Corporation

BSE Sensex
78,886S&P CNX
24,117

CMP: INR1,426

Buy

Conference Call Details

**Date:** 9 August 2024**Time:** 14:00 IST**Dial-in details:**

+91 22 6280 1458,

+91 22 7115 8846

[Link for the call](#)

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	100.4	107.5	116.4
EBITDA	15.7	17.8	20.2
Adj. PAT	5.1	6.7	8.4
EBITDA Margin (%)	15.7	16.5	17.4
Adj. EPS (INR)	66.8	87.2	109.3
EPS Gr. (%)	23.7	30.5	25.4
BV/Sh. (INR)	921	997	1,094

Ratios

Net D:E	0.4	0.3	0.2
RoE (%)	7.5	9.1	10.5
RoCE (%)	6.5	7.5	8.6
Payout (%)	18	14	11

Valuations

P/E (x)	21.3	16.4	13.0
P/BV (x)	1.5	1.4	1.3
EV/EBITDA(x)	8.0	6.6	5.7
EV/ton (USD)	76	66	61
Div. Yield (%)	0.8	0.8	0.8

Performance below estimates; EBITDA/t at INR590

- BCORP's 1QFY25 performance was below estimates due to a lower-than-estimated realization and volume (5% miss each). Consolidated EBITDA declined 13% YoY to INR2.6b (est. INR3.5b), and EBITDA/t came in at INR590 (est. INR758). EBITDA margin stood at 11.8% (est. 14%). Adj. PAT stood at INR326m (est. INR942m).
- The management indicated a weak demand scenario in the current quarter, which, along with capacity additions in the Central and East regions, may keep prices under pressure until 3QFY25.
- We have a BUY rating on the stock;** we would review our assumptions after the conference call.

Volumes down 1% YoY; Opex/t declines 8% YoY

- Consol. revenue/EBITDA/adj. PAT stood at INR21.9b/INR2.6b/INR326m (down 9%/13%/45% YoY and down 11%/26%/65% vs. our estimates) in 1QFY25. Sales volumes declined 1% YoY to 4.38mt. Cement realization declined 7% YoY/QoQ to INR4,843.
- Opex/t declined 8% YoY (4% below our estimate), driven by a 21% decline in variable costs. Other expense/t rose 4% YoY, while freight costs/t were flat YoY. OPM was down 60bp YoY at 11.8% and EBITDA/t fell 13% YoY to INR590.
- Depreciation increased 4% YoY, while interest costs declined 12% YoY. 'Other income' grew 5% YoY. ETR stood at 25.9% vs. 21.7% in 1QFY24.

Highlights from management commentary

- Overall cement prices in Jun'24 declined ~3-5% from the Mar'24-end level as cement players pushed for market share gain despite tepid demand.
- The company's capacity utilization was steady YoY at ~91%. The blended cement share declined to 84% vs. 88% in 1QFY24. Similarly, trade cement volume declined to 72% vs. 76% in 1QFY24. Premium cement share (as % of trade volume) stood at 59% vs. 54% in 1QFY24. Renewable power share stood at ~27% vs. 23% in 1QFY24 and 25% in 4QFY24.
- The Mukutban plant continued to consolidate sales in its core markets and extend footprint into secondary markets. The company continued to optimize the variable cost of production at Mukutban plant, which has been making positive contributions to EBITDA for the past three quarters.

Valuation and View

- BCORP's 1QFY25 performance was significantly below our estimates due to lower-than-estimated realization and volume, which was partly offset by better cost savings. The management highlighted a subdued demand scenario in the current quarter and pricing pressure until 3QFY25.
- We have a **BUY** rating on the stock. We would review our assumptions after the concall on 9th Aug'24 at 14:00 IST ([Link for the Call](#)).

Consolidated performance

(INR b)

Y/E March	FY24				FY25				FY25 1QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Cement Sales (MT)	4.41	4.18	4.20	4.85	4.38	4.35	4.41	5.06	4.59	(5)
YoY Change (%)	12.2	14.8	12.9	9.2	(0.7)	4.0	5.0	4.3	4.0	
Cement Realization	5,229	5,211	5,316	5,218	4,843	5,188	5,263	5,283	5,118	(5)
YoY Change (%)	(2.2)	1.2	2.7	(1.2)	(7.4)	(0.5)	(1.0)	1.3	(2.1)	
QoQ Change (%)	(0.9)	(0.3)	2.0	(1.8)	(7.2)	1.4	1.4	0.4	(1.9)	
Net Sales	24.1	22.9	23.1	26.6	21.9	23.7	24.1	28.0	24.5	(11)
YoY Change (%)	9.3	14.3	14.7	7.9	(9.1)	3.7	4.2	5.5	1.9	
Total Expenditure	21.1	20.0	19.3	21.8	19.3	20.2	20.4	23.0	21.1	(8)
EBITDA	3.0	2.9	3.8	4.7	2.6	3.5	3.7	5.0	3.5	(26)
Margin (%)	12.4	12.6	16.4	17.8	11.8	14.7	15.5	17.8	14.2	(237)
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6	1.5	(4)
Interest	1.0	1.0	1.0	0.8	0.9	0.8	0.8	0.9	0.9	1
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.2	(8)
Profit before Tax	0.8	0.8	1.5	2.7	0.4	1.3	1.6	2.8	1.3	(66)
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	-	
Profit before Tax after EO	0.8	0.8	1.5	2.7	0.4	1.3	1.6	2.8	1.3	(66)
Tax	0.2	0.2	0.4	0.8	0.1	0.4	0.4	0.8	0.4	(68)
Rate (%)	21.7	24.3	28.9	29.2	25.9	27.5	27.5	27.5	27.5	
Reported PAT	0.6	0.6	1.1	1.9	0.3	1.0	1.2	2.1	0.9	(65)
Adj. PAT	0.6	0.6	1.1	1.9	0.3	1.0	1.2	2.1	0.9	(65)
Margin (%)	2.5	2.6	4.7	7.1	1.5	4.1	4.8	7.4	3.8	
YoY Change (%)	(16.2)	NM	NM	164.6	(45.4)	66.9	6.7	9.4	57.8	
Per ton analysis (INR)										
Blended Realization	5,461	5,468	5,505	5,477	5,001	5,453	5,464	5,541	5,350	(7)
YoY Change (%)	(2.6)	(0.5)	1.6	(1.2)	(8.4)	(0.3)	(0.7)	1.2	(2.0)	
Raw Material	958	917	782	921	666	906	886	818	891	(25)
Staff Cost	317	341	336	274	337	349	350	309	327	3
Power and Fuel	1,153	1,183	1,094	1,000	1,004	1,000	1,010	1,077	1,010	(1)
Transport and Forwarding	1,321	1,240	1,325	1,284	1,322	1,280	1,315	1,322	1,300	2
Other Exp.	1,038	1,096	1,066	1,024	1,082	1,115	1,055	1,026	1,065	2
Total Expenditure	4,786	4,777	4,604	4,503	4,411	4,650	4,615	4,552	4,593	(4)
EBITDA	675	691	901	974	590	803	848	989	758	(22)

Source: Company, MOFSL Estimates

Galaxy Surfactants

BSE SENSEX 78,886 S&P CNX 24,117

CMP: INR2,884

Buy

Conference Call Details



Date: 9th August 2024

Time: 12:00 hours IST

Dial-in details:

+91 22 6280 1309

+91 22 7115 8210

Beat led by lower opex and RM costs

- Revenue was at INR9.7b (our est. of INR9.7b, +3% YoY)
- EBITDA came in at INR1.2b (est. of INR1.1b, +1% YoY). Gross margin was at 33.6% (+120bp YoY), with **EBITDAM at 12.7% (-30bp YoY)**
- PAT came in at INR797m (est. of INR663m, +6% YoY)
- GALSURF incorporated a wholly owned subsidiary, Galaxy Specialties Europe B.V. in the Netherlands during the quarter.

Further details awaited

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25		Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1QE	1QAct			
Gross Sales	9,418	9,831	9,405	9,290	9,725	9,741	0%	3%	5%
YoY Change (%)	-18.7	-20.5	-13.3	-5.2	3.3	3.4			
Gross Margin (%)	32.4%	31.5%	31.8%	32.6%	32.6%	33.6%	1.0%	1.2%	1.0%
EBITDA	1,232	1,249	1,125	1,017	1,106	1,241	12%	1%	22%
Margin (%)	13.1	12.7	12.0	10.9	11.4	12.7	1.4	-0.3	1.8
Depreciation	238	247	251	262	263	266			
Interest	57	54	59	54	52	40			
Other Income	25	27	64	239	40	54			
PBT	962	975	878	940	830	989	19%	3%	5%
Tax	210	201	165	165	168	192			
Rate (%)	21.8	20.6	18.8	17.5	20.2	19.4			
Reported PAT	752	774	714	775	663	797	20%	6%	3%
Adj PAT	752	774	714	775	663	797	20%	6%	3%
YoY Change (%)	-25.1	-7.7	-32.8	-14.4	-11.9	6.0			
Margin (%)	8.0	7.9	7.6	8.3	6.8	8.2	1.4	0.2	-0.2

BSE SENSEX 78,886 S&P CNX 24,117

CMP: INR286

Neutral

Conference Call Details



Date: 9th August 2024

Time: 1130 hours IST

Dial-in details:

+91-22-6280 1309

+91-22-7115 8210

Miss due to higher employee and other expenses

- NOCIL’s revenue came in at INR3.7b (est. of INR3.7b, -6% YoY). Gross margin was 41.7% (v/s 42.7% in 1QFY24).
- EBITDA was INR398m (est. of INR536m, -27% YoY). **EBITDAM stood at 10.7% (v/s 13.8% in 1QFY24).**
- PAT came in at INR272m (est. of INR337m, -19% YoY).

Further details awaited

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25		Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1QE	1QAct			
Gross Sales	3,967	3,509	3,406	3,565	3,738	3,722	0%	-6%	4%
YoY Change (%)	-22.1	-9.9	4.6	-9.2	-5.8	-6.2			
Gross Margin (%)	42.7%	43.4%	46.3%	42.1%	40.8%	41.7%	0.8%	-1.1%	-0.4%
EBITDA	547	441	477	434	536	398	-26%	-27%	-8%
Margin (%)	13.8	12.6	14.0	12.2	14.3	10.7	-3.6	-3.1	-1.5
Depreciation	126	127	132	130	132	128			
Interest	4	3	5	4	3	5			
Other Income	44	49	61	249	50	100			
PBT	461	360	402	549	451	364	-19%	-21%	-34%
Tax	125	91	104	138	114	92			
Rate (%)	27.2	25.3	25.9	25.1	25.2	25.3			
Reported PAT	336	269	298	411	337	272	-19%	-19%	-34%
YoY Change (%)	-48.8	-25.2	58.7	44.9	0.4	-18.9			
Margin (%)	8.5	7.7	8.7	11.5	9.0	7.3	-1.7	-1.1	-4.2

Avalon Technologies

BSE SENSEX
78,886

S&P CNX
24,117

CMP: INR494

Buy

Conference Call Details



Date: 7th Aug, 2024

Time: 3:30pm IST

Dial-in details:

[Click Here](#)

Earnings below our estimate

- Consolidated revenue declined 15% YoY to INR2b (-8% QoQ), led by a decline in both Domestic (down 25% YoY) and US (down 7% YoY) operations.
- Consolidated EBITDA declined 73% YoY to INR44m (-75% QoQ). Consolidated EBITDA margin contracted 470bp to 2.2% (-570bp QoQ) mainly due to adverse operating leverage, while gross margin improved 40bp YoY to 33.2%. Employee/Other expenses as % of sales increased 360bp/150bp YoY to ~22.8%/8.2% in 1QFY25.
- IT reported a net loss of INR23m vs. Adj. PAT of INR71m in 1QFY24.
- The order book grew 32% YoY/7% QoQ to INR14.6b.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25E	FY25E 1QE	Var. %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Gross Sales	2,351	2,010	2,143	2,168	1,995	2,211	2,893	3,203	8,672	10,301	2,186	-9
YoY Change (%)	19.9	-17.9	-7.9	-20.2	-15.2	3.2	33.4	NA	-8.2	18.8	-7.0	
Total Expenditure	2,189	1,884	1,977	1,996	1,951	2,017	2,589	2,809	8,046	9,365	2,029	
EBITDA	162	126	165	172	44	194	304	394	626	936	157	-72
Margins (%)	6.9	6.3	7.7	7.9	2.2	8.8	10.5	12.3	7.2	9.1	7.2	
Depreciation	53	55	60	61	66	66	70	73	229	275	62	
Interest	56	32	36	39	42	30	28	25	164	125	35	
Other Income	51	47	22	28	44	40	54	62	148	201	26	
PBT before EO expense	105	86	91	99	-20	138	260	358	381	736	86	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	105	86	91	99	-20	138	260	358	381	736	86	
Tax	34	13	25	29	3	38	71	99	101	211	24	
Rate (%)	32.4	15.2	27.5	29.0	-14.5	27.5	27.5	27.5	26.5	28.7	27.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	71	73	66	71	-23	100	188	260	280	525	63	
Adj PAT	71	73	66	71	-23	100	188	260	280	525	63	-137
YoY Change (%)	-23.9	-50.7	14.7	-68.9	NA	52.5	166.7	NA	-46.7	87.7	-11.3	
Margins (%)	3.0	3.6	3.1	3.3	-1.2	4.5	6.5	8.1	3.2	5.1	2.9	



Financials - NBFCs

Subsidy under CLSS likely to be spread over five years...

...potentially reaching more number of eligible beneficiaries

- The Draft Concept Note on PMAY Urban 2.0, dwells upon its mission components, viz., Beneficiary-led construction, Affordable Housing in Partnership (AHP+), Slum Redevelopment/Upgradation, **Interest Subsidy Scheme (CLSS)**, and Affordable Rental Housing.
- PMAY-U has been a phenomenal success. About 11.8m houses have been sanctioned against the validated demand of INR11.2m, under four different verticals of the PMAY (U) scheme. So far, >11.4m houses have been grounded and >8.3m houses completed and delivered to beneficiaries. The total outlay of the Mission amounts to INR8.07t, including the Government of India share of ~INR2t, of which INR1.64t had already been released to the States/UTs.
- Under PMAY (U) 2.0, beneficiaries can take benefit under one component only. The Credit-linked Subsidy Scheme (CLSS) will be implemented by the Primary Lending Institutions (PLIs), while the other three components are to be implemented by State/UT Governments through Urban Local Bodies/Authorities, etc.
- The government will be incentivizing the developers (supply side) to construct more affordable houses under AHP+. However, the end customers (demand side) will be incentivized through the Interest Subsidy Scheme under CLSS. **In the last Union Budget, the government re-introduced CLSS and made a budgetary allocation of ~INR30b towards EWS/LIG and ~INR10b towards MIG.** We elucidate below key points of the Scheme, what has changed from the earlier form of this Scheme and what impact does it have on the Housing Financiers (HFCs), affordable housing financiers, in particular.

■ Interest Subsidy Scheme

- **This scheme will provide subsidy on home loans for EWS/LIG and MIF families. It is proposed under the draft note that the subsidy will be given in yearly installments for a period of five years (compared to the full subsidy amount being credited upfront, earlier).**
- The households belonging to the EWS/LIG/MIG segments, without having pucca house anywhere in the country, and with an annual income of up to INR300K, INR600K and INR900K, respectively, will be eligible for this Scheme.
- Maximum subsidy of INR210K will be given to eligible beneficiaries having loan tenure of more than five years.
- Beneficiaries would be eligible for subsidy on a portion of loan amount – i.e. up to INR600K for EWS/LIG and up to INR900K for MIG.
- Carpet area of houses being under CLSS shall be up to 60 sqm for EWS/LIG and up to 120 sqm for MIG (v/s up to 160 sqm under MIG1 and up to 200 sqm under MIG2, **earlier**). This suggests that the CLSS scheme could be targeted towards customers buying/constructing smaller houses and who will genuinely benefit from this subsidy.

- **Only loans up to INR2.5m and house value up to INR3.5m will be eligible for subsidy under this scheme.** The eligible beneficiaries, belonging to EWS/LIG and MIG segments, would be free to avail housing loans for up to INR2.5m, but the interest subsidy would be limited to 4% on the first INR1m for 12 years only.
- **Our View and Observations on the Draft Note on CLSS**
- Instead of an upfront subsidy, the subsidy amount will be spread over five years. Loan Subsidy spread over 5 years is a welcome change for the HFCs. Upfront (bullet) subsidy was adjusted from the principal outstanding and made run-off volatile in quarters in which the subsidy was received from the government. This will support the run-off in the AUM, more evenly for the lending institutions.
- Budgetary allocation of ~INR30b towards EWS/LIG and ~INR10b towards MIG, is towards the remainder of FY25 alone. Based on the progress and uptake of the CLSS scheme, GOI, in our view, will make more budgetary allocations towards the CLSS scheme over the next four years.
- Property value up to INR3.5m and loan value up to INR2.5m, is also a positive, since the CLSS can now cater to a wider base of targeted and eligible customers.
- While there is no supporting data to establish the degree/extent to which the CLSS scheme had spurred (affordable) housing demand in its previous edition, we strongly believe that an interest subsidy scheme (CLSS) does incentivize customers to make housing purchase decisions and positively aids affordable housing demand.
- While all lending institutions doing home loans, catering to the EWS/LIG/MIG eligible customer segments will benefit, we expect affordable housing financiers (AHFCs) in particular, like HomeFirst, Aavas, Aadhar Housing Finance (Not Rated), India Shelter (Not Rated) and even CANF to benefit from the CLSS scheme. Among large HFCs, players like PNB Housing, who have a presence in the affordable segment, will also benefit, as and when the final guidelines around implementation of the CLSS is shared and made effective.

Exhibit 1: Comparison of the CLSS scheme under prior PMAY (U) 1.0 and under the revised PMAY (U) 2.0

CLSS	PMAY (U) 1.0	PMAY (U) 2.0
Maximum Subsidy (INR)		
EWS/LIG	2,67,820	2,10,000
MIG-I	2,35,068	
MIG-II	2,30,156	
Subsidy payment to beneficiary	Credited Upfront - Bullet fashion (Entire amount in one shot)	In yearly installments over a period of five years
Income Criteria	EWS: upto INR300K LIG: INR300K-600K MIG-I: INR600K-INR1.2m MIG-II: INR1.2m-1.8m	EWS: upto INR300K LIG: INR300K-600K MIG: INR600K-900K
Carpet Area of House	EWS: upto 30# sqm LIG: upto 60# sqm MIG-I: upto 90 -> 120 --> 160 sqm MIG-II: upto 110 -> 150 -> 200 sqm	EWS/LIG: upto 60 sqm MIG: upto 120 sqm
Eligible Housing Loan Amount for Interest Subsidy	EWS/LIG: upto INR600K MIG-I: upto INR900K MIG-II: upto INR1.2m	EWS/LIG: upto INR600K MIG: upto INR900K
Maximum Value of Property and Size of Loan		House Value upto INR3.5m and Home Loan upto INR2.5m

Note: MIG 1 and 2 Schemes were effective from 1 Jan 2017 till 31 March 202/ Source: Draft Concept Note, PMAY Urban 2.0, MoHUA, MOFSL # Beneficiary at his discretion can build a house of larger area but interest subvention would be limited to first INR600K only

Exhibit 1: PMAY Urban 2.0: Mission components

<p>Beneficiary led Construction</p> <ul style="list-style-type: none"> - EWS/LIG beneficiary to construct house on own land. - Provision of land patta/ rights to the landless by state. - Geo-tag of house progress by beneficiaries & stage wise installments. - Free of cost statutory approvals, if needed 	<p>Affordable Housing in Partnership+ & Slum Redevelopment/ Upgradation</p> <ul style="list-style-type: none"> - By Private or Public sector including parastatal agencies - AHP+ projects only on encumbrance free land - Redeemable Vouchers for purchase of houses by EWS/LIG in whitelisted projects - In-Situ Slum Redevelopment of tenable Slums. - Upgradation of Tenable Slums with housing and infrastructure - Slum Resettlement 	<p>Interest Subsidy Scheme</p> <ul style="list-style-type: none"> - Max Loan value INR2.5m, Max House Value of INR3.5m - 5 Yearly installments of Loan Subsidy. - EWS - Annual HH income upto INR300K - LIG- Annual HH income from INR300K to INR600K & upto 60 sqm house size - Loan Subsidy for MIG with a Annual HH income from INR600K to INR900K & upto 120 sqm house size 	<p>Affordable Rental Housing</p> <ul style="list-style-type: none"> - Affordable Rental housing projects by Private/Public Agencies - Use of PSU land for rental housing - Rent to Own Projects by ULB/Private/ Public Agencies - Rent to be decided by local authority through local survey
---	---	---	---

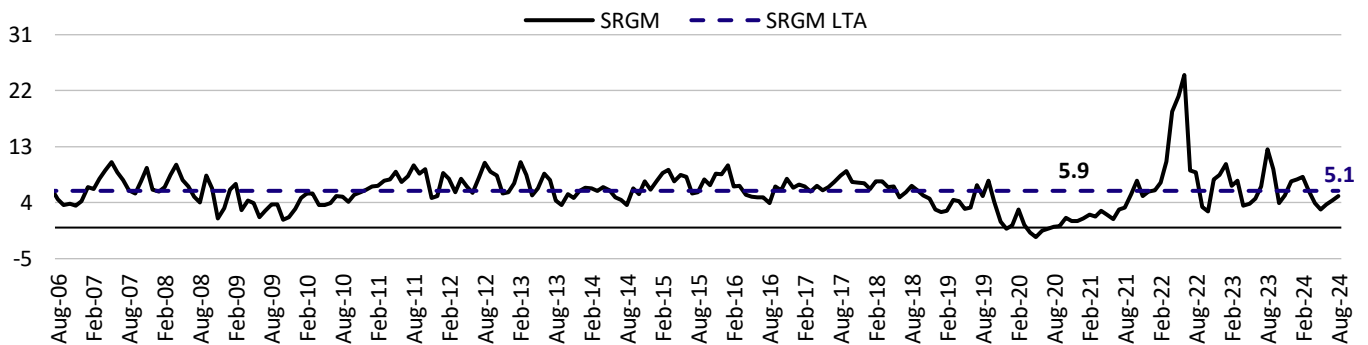
Source: Draft Concept Note, PMAY Urban 2.0, MoHUA, MOFSL

- **The US crude production forecast for CY25 reduced by 1%:** The US crude oil production forecast remains unchanged at 13.2mb/d for CY24. For CY25, the forecast was cut by 1% (vs. Jul'24 forecast) to 13.7mb/d. We believe production growth momentum in the US will continue to accelerate in CY26 and beyond.
- **HH gas price forecast for CY24 revised down by 8%:** The CY24 forecast for natural gas price at Henry Hub (HH) was revised down by 8% (vs. Jul'24 forecast) to USD2.3/mmbtu. However, CY25 forecast remains unchanged at USD3.3/mmbtu.
- **LNG growth remains robust in CY25:** The gross export forecast of the US liquefied natural gas remains unchanged for CY24 and CY25 at 12bcf/d and 14bcf/d, respectively.

Our top picks: ONGC and HPCL

- Against a rangebound oil price and improving refining/marketing business backdrop, we remain positive on both ONGC and HPCL.
- **ONGC** is trading at 3.1x FY26E EV/EBITDA (SA) and 7.9x FY26E P/E (SA). We value the company at 8x FY26E adj. EPS and add the value of investments to arrive at our TP of INR360 (18% upside potential). **Reiterate BUY.**
- **HPCL** currently trades at 1.5x FY26E P/B, which we believe offers a reasonable margin of safety, as we estimate an FY26E RoE of 18.3%. Our SoTP-based TP includes:
 - The standalone refining and marketing business at 6.7x FY26 EV/EBITDA
 - INR33/share as the potential value unlocking from the de-merger of the lubricant business
 - HMEL at 8x P/E based on its FY24 PAT (HPCL's share), deriving a value of INR35/share.
 - Chhara Terminal at 1x P/B, and HPCL's HRRL stake at 0.5x of HPCL's equity investment in the project to date. The MRPL stake is valued at MOFSL's TP.
 - All these lead to a revised TP of INR460. **Reiterate BUY.**

SG GRM – historical trend (USD/bbl)



Source: Reuters, MOFSL



Infrastructure

Key Indicators

	FY23	FY24	FY25
Daily average FASTag toll (INR b)	1.5	1.8	1.9
Tenders awarded by NHA1 (km)	6,003	2,500	47
Road construction by NHA1 (km)	4,882	6,644	1,135

Muted NHA1 project awarding amid elections

- NHA1’s awarding activity in the first four months of FY25 was limited to 47km due to general elections in Jun’24. In FY24, NHA1 awarded ~2,500km and completed 6,644km of construction. Muted awarding by NHA1 affected FY24 order inflows for several road construction companies.
- FASTag toll collections grew ~6% YoY in volume and ~10% YoY in value terms in 1QFY25, aiding asset monetization.
- NHA1 has set a monetization target of INR540b for FY25 with a new asset monetization cell. After exceeding its FY24 target with four ToT bundles worth INR159b, NHA1 plans to offer a dozen bundles in FY25, aiming for a higher target than the INR400b achieved in FY24.
- DFCCIL has commissioned 2,734km of the planned 2,843km for both the Eastern and Western Dedicated Freight Corridors (DFCs). The completion deadline is extended to Dec’24 due to land acquisition delays.

NHA1 awarding disappoints in YTFY25 amid general election

NHA1's awarding activity in the initial four months of FY25 was muted, with only 47km of projects awarded during Apr-Jul’24, primarily due to the general elections in Jun’24. In FY24, NHA1 awarded ~2,500km of projects, with construction reaching 6,644km. Subdued awarding affected order inflows for road construction companies. Construction during Apr-Jul’24 was 1,135km, with activity expected to increase in 2HFY25.

FASTag toll collections witnessing consistent improvement

FASTag toll collections improved (volume) ~6% YoY during 1QFY25, while collection value increased by ~10% YoY. Higher toll collections play a crucial role in expediting the monetization process of road assets by the Ministry. Additionally, toll collections are beneficial to companies seeking to monetize their existing toll assets.

Asset monetization in focus for NHA1

NHA1 sets up an asset monetization cell and has a monetization target of INR540b in FY25. The cell will advise on planning, conduct market analysis, and identify high-revenue assets.

In FY24, NHA1 exceeded its target by awarding four ToT bundles worth INR159b. For FY25, NHA1 plans to offer a dozen bundles for private bids, aiming to achieve significantly higher monetization than the INR400b reached in FY24.

Declining input prices to improve margins for contractors

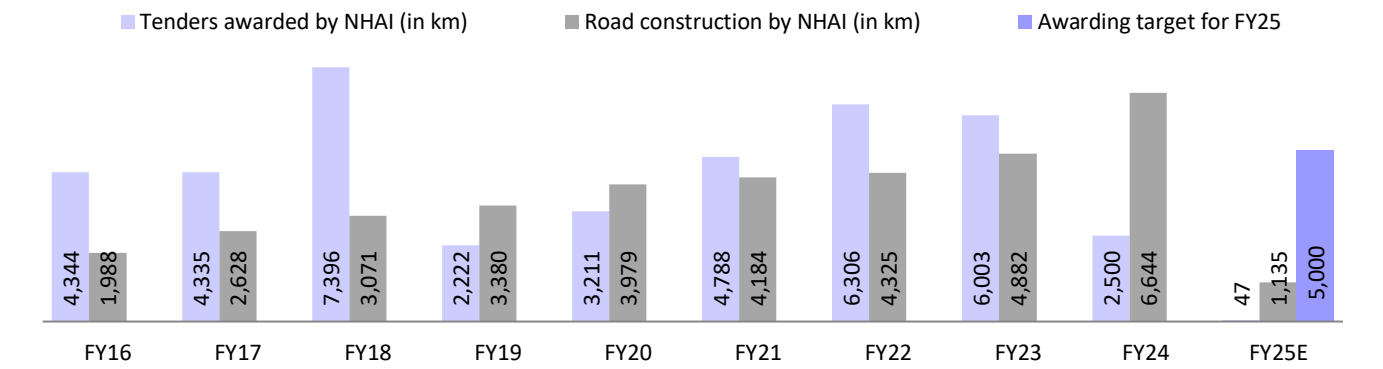
Steel and aluminium prices have decreased by ~30% from their highs in Apr’22. Cement prices have increased by ~8% from their highs in Oct’23. With higher construction activities and stability in commodity prices, road contractors anticipate some improvement in profitability and margins in 2HFY25.

Players with strong order books, balance sheet strength, and diversified operations well placed

Although there has been a slowdown in project awarding in FY24 and the initial four months of FY25, the tender pipeline is currently robust. Entities with significant order backlogs, strong financial standings, and involvement across diverse sectors are well poised to benefit from NHA's proactive approach to project allocation in FY25. Our top pick in this sector is KNR Constructions (KNRC).

Subdued project awarding by NHA during general election

NHA awarding and construction trends (in km)

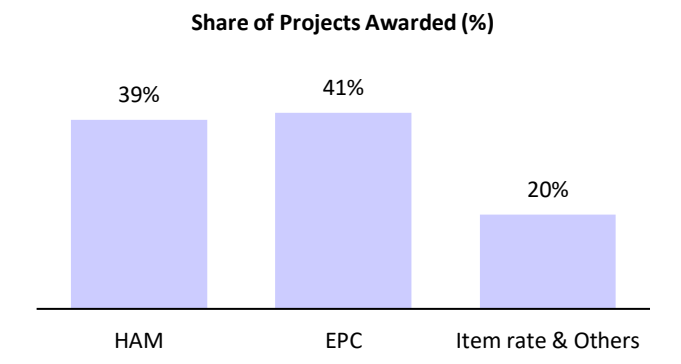


Sources: NHA, MOFSL

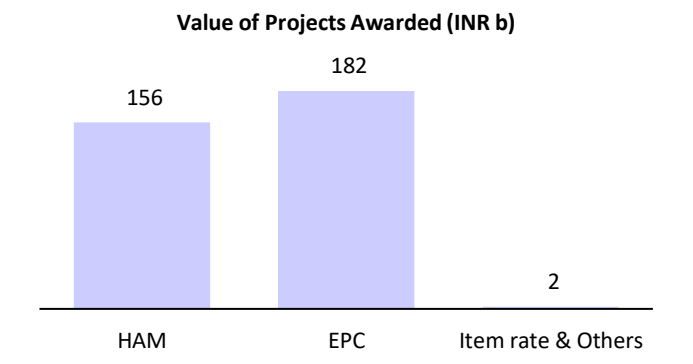
Project awarding by NHA totaled ~2,500km in FY24, while construction reached 6,644km. Muted awarding by NHA severely affected order inflows for several road construction companies in FY24. Consequently, many companies failed to meet their order inflow targets for FY24.

EPC projects constituted 41% of 2,500km of projects awarded during FY24...

...and 54% of the total projects awarded (in value terms)



Source: NHA, MOFSL



Source: NHA, MOFSL

Order awarding by NHA has been muted in the initial four months of FY25 (Apr-Jul'24). The muted awarding activity was due to the general elections in 1QFY25. Construction over Apr-July'24 stood at 1,135km. Construction activity is expected to pick up in 2HFY25.

RBI keeps policy rate unchanged; FY25 growth forecast maintained at 7.2%

Strong growth prospects and volatile food inflation push rate cuts into 2025

- With four out of six members voting in favor, the MPC has maintained the repo rate at 6.5% and opted to retain its stance of "withdrawal of accommodation" in its third meeting in FY25 to ensure that inflation progressively aligns to the target while supporting growth. Prof. Jayanth R. Varma and Dr. Ashima Goyal proposed a 25bp reduction in the policy repo rate, along with a shift in stance to "neutral."
- As expected, there was no change in interest rates due to high and volatile food inflation, which continues to pose challenges. Further, domestic growth is holding up well on the back of steady urban consumption and improving rural consumption, along with strong investment demand. The governor said, *"It is important for monetary policy to stay the course while maintaining a close vigil on the inflation trajectory. Resilient and steady growth in GDP enables monetary policy to focus unambiguously on inflation."*
- Headline inflation increased to 5.1% in Jun'24 after remaining steady at 4.8% during Apr-May'24, primarily driven by the high and volatile food inflation. Food inflation contributed to more than 75% of headline inflation in May'24 and Jun'24. Vegetable prices increased sharply and contributed about 35% to inflation in Jun'24. A degree of relief in food inflation is expected from the pick-up in the south-west monsoon, healthy progress in sowing and softening global food prices in Jul'24, after registering increases since Mar'24. Inflation projection for FY25 is maintained at 4.5% YoY, with 1Q/2Q/3Q/4Q at 4.4%/4.7%/4.3% vs. 3.8%/4.6%/4.5% in the Jun'24 policy.
- Highlighting the importance of food inflation, the governor said that it has a weight of about 46% and with this high share of food in the consumption basket, food inflation pressures cannot be ignored. Further, the public at large understands inflation more in terms of food inflation than the other components of headline inflation, he added. He further said, *"The MPC may look through high food inflation if it is transitory; but in an environment of persisting high food inflation, as we are experiencing now, the MPC cannot afford to do so."*
- Domestic growth remained strong at 8.2% in FY24, beating all estimates, supported by robust investment. The governor noted that even during FY25 so far, domestic economic activity has remained resilient, with strong growth in the manufacturing and services sectors and a revival in rural demand. Against this backdrop, the RBI maintained its real GDP growth projection for FY25 at 7.2%, making it the fourth consecutive year of 7%+ growth. The growth forecasts for 1Q/2Q/3Q/4Q are 7.1%/7.2%/7.3%/7.2% vs. 7.3%/7.2%/7.3%/7.2% in the earlier policy. These optimistic expectations for real GDP growth provide the RBI room to sustain a "higher for longer" stance.
- As broadly expected, the RBI kept interest rates unchanged. What probably was more important was the governor's emphasis on headline inflation (with food inflation playing an important role) and the focus on inflation deceleration when growth remains strong. This, in our view, indicates that rate cuts are not coming anytime soon (unless growth falters). Overall, the policy and the forward guidance were in line with our expectations and we appreciate the RBI's resolve to focus on inflation at this time when the growth is so strong.

I. MPC keeps interest rates and stance unchanged

- With four out of six members voting in favor, the MPC has maintained the repo rate at 6.5% and opted to retain its stance of "withdrawal of accommodation" in its third meeting for FY25 to ensure that inflation progressively aligns to the target while supporting growth. Prof. Jayanth R. Varma and Dr. Ashima Goyal proposed a 25bp reduction in the policy repo rate, along with a shift in stance to "neutral."
- As expected, there was no change in interest rates due to high and volatile food inflation, which continues to pose challenges. Further, robust domestic growth is holding up well on the back of steady urban consumption and improving rural consumption, along with strong investment demand.



Pidilite: Target Double-Digit Volume Growth For Both Consumer & B2B Biz; Bharat Puri, MD

- Overall volume growth at 9.6%
- Consumer biz volume growth at 8%
- Saw disruptions in 1Q around elections & heatwave
- Rural has grown 1.5x urban in last 8 quarters
- Do not expect any price changes this year

[→ Read More](#)

Godrej Consumers: Will See Revenue Growth Ahead Of Volume Growth In FY25; Aasif Malbari, CEO

- On track to meet all targets announced at start of the year
- Target to sustain EBITDA margin in the 25-27% band
- To enter INR5000 cr Petcare category
- Seeing green shoots of rural demand recovery

[→ Read More](#)

Aadhar Housing Finance: Comfortable With Managing Spread Between 5.7-5.8%; Rishi Anand, MD & CEO

- 1Q is a seasonally weak quarter
- Asset quality deteriorates QoQ
- Maintain AUM growth guidance at 22-24%

[→ Read More](#)

Nazara Tech: Working On More Acquisitions; Nitish Mittersain, Joint MD & CEO

- To acquire UK-based Fusebox Games for INR228 cr in an all cash transaction
- Fusebox is developing new games based on popular global TV IPs
- Published a successful interactive story game 'Love Island'
- On track to do INR300 cr EBITDA in FY27

[→ Read More](#)



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Automobiles																
Amara Raja Ener.	Neutral	1499	1390	-7	49.5	53.0	62.3	10.4	7.0	17.6	28.3	24.1	3.6	3.2	13.5	14.1
Apollo Tyres	Buy	512	590	15	28.7	26.5	33.0	77.3	-7.7	24.5	19.3	15.5	1.7	1.6	11.6	13.1
Ashok Ley.	Buy	246	285	16	9.1	11.8	14.6	102.5	29.5	23.3	20.8	16.9	6.9	5.7	35.9	36.8
Bajaj Auto	Neutral	9638	8695	-10	276.1	316.4	380.9	28.9	14.6	20.4	30.5	25.3	9.7	9.0	33.5	36.9
Balkrishna Inds	Neutral	3125	2825	-10	76.5	87.8	113.4	39.6	14.7	29.2	35.6	27.5	6.1	5.3	18.1	20.6
Bharat Forge	Neutral	1605	1470	-8	19.7	34.8	46.8	61.5	76.6	34.5	46.1	34.3	9.2	7.7	21.2	24.4
Bosch	Neutral	31863	29540	-7	620.5	736.5	872.0	28.5	18.7	18.4	43.3	36.5	7.1	6.5	17.2	18.6
CEAT	Buy	2639	3090	17	169.4	153.0	192.6	226.6	-9.7	25.9	17.2	13.7	2.4	2.1	14.4	16.0
Craftsman Auto	Buy	5284	5965	13	144.2	142.2	218.5	22.6	-1.4	53.7	37.2	24.2	4.0	3.5	14.1	15.4
Eicher Mot.	Sell	4579	3920	-14	146.3	155.6	172.8	37.3	6.4	11.1	29.4	26.5	6.0	5.3	21.9	21.2
Endurance Tech.	Buy	2587	3100	20	47.3	65.5	85.6	36.5	38.6	30.7	39.5	30.2	6.3	5.4	17.2	19.3
Escorts Kubota	Neutral	3688	3725	1	94.9	97.2	124.1	85.0	2.3	27.7	38.0	29.7	4.5	4.0	12.3	14.1
Exide Ind	Neutral	486	480	-1	12.4	14.1	18.0	16.5	14.1	27.7	34.4	26.9	2.9	2.7	8.5	10.1
Happy Forgings	Buy	1235	1430	16	25.8	31.8	44.4	10.6	23.3	39.6	39.1	28.0	6.3	5.3	17.2	20.6
Hero Moto	Buy	5159	6375	24	204.6	255.4	304.2	40.5	24.9	19.1	20.2	17.0	5.3	4.8	27.3	29.6
M&M	Buy	2682	3310	23	88.7	106.4	124.7	34.0	19.9	17.1	25.2	21.5	5.2	4.3	22.3	21.9
CIE Automotive	Buy	546	675	24	21.1	23.7	28.9	16.8	12.5	21.9	23.0	18.9	3.1	2.8	14.2	15.5
Maruti Suzuki	Buy	12214	15160	24	429.0	486.0	565.2	56.8	13.3	16.3	25.1	21.6	4.0	3.5	15.9	16.3
MRF	Sell	140287	108000	-23	4,990.2	4,753.0	5,557.0	175.2	-4.8	16.9	29.5	25.2	3.2	2.9	11.4	12.1
Samvardh. Motherson	Buy	182	230	26	3.7	6.5	8.5	63.6	74.7	31.7	28.2	21.4	4.2	3.7	15.8	18.5
Motherson Wiring	Buy	72	80	11	1.4	1.7	2.1	31.1	15.4	27.1	43.2	34.0	15.4	12.5	39.4	40.6
Sona BLW Precis.	Neutral	655	620	-5	8.9	10.6	13.3	31.6	18.7	25.3	61.7	49.2	12.0	10.3	20.7	22.5
Tata Motors	Neutral	1041	1025	-2	58.7	59.8	69.9	2,628.0	2.0	16.8	17.4	14.9	3.6	3.0	23.1	21.9
TVS Motor	Neutral	2528	2265	-10	43.8	57.1	70.0	44.4	30.2	22.7	44.3	36.1	12.0	9.4	30.6	29.2
Tube Investments	Buy	4007	4740	18	34.4	60.2	75.1	-15.2	75.2	24.7	66.5	53.4	12.5	10.3	20.6	21.2
Aggregate								94.6	14.0	19.3	29.9	26.3	5.8	5.0	19.4	19.1
Banks - Private																
AU Small Finance	Buy	626	735	18	23.0	30.8	38.9	4.3	34	26.1	20.3	16.1	2.7	2.3	14.6	15.5
Axis Bank	Neutral	1138	1175	3	80.7	85.6	98.3	14.9	6.1	14.8	13.3	11.6	2.0	1.7	16.3	16.2
Bandhan Bank	Neutral	199	220	10	13.8	26.3	30.3	1.6	90	15.2	7.6	6.6	1.3	1.2	18.6	18.9
DCB Bank	Buy	118	175	49	17.1	19.5	24.0	14.6	13.5	23.3	6.0	4.9	0.7	0.6	12.1	13.3
Equitas Small Fin.	Buy	79	110	39	7.1	6.3	10.0	46.6	-12.0	60.0	12.6	7.9	1.4	1.2	11.4	16.3
Federal Bank	Buy	194	230	19	16.3	17.4	20.7	14.5	6.7	18.9	11.1	9.3	1.4	1.3	13.7	14.5
HDFC Bank	Buy	1642	1850	13	80.0	90.7	104.5	1.0	13.3	15.2	18.1	15.7	2.5	2.2	14.7	15.1
ICICI Bank	Buy	1165	1400	20	58.4	64.1	73.2	27.5	9.8	14.2	18.2	15.9	3.0	2.6	17.7	17.3
IDFC First Bk	Neutral	72	83	15	4.3	4.5	6.4	13.8	3.9	42.5	16.0	11.3	1.4	1.3	9.4	12.0
IndusInd	Buy	1348	1700	26	115.5	122.4	151.1	20.3	5.9	23.5	11.0	8.9	1.5	1.3	14.2	15.4
Kotak Mah. Bk	Neutral	1773	1800	2	91.6	97.4	113.5	21.9	6.3	16.6	18.2	15.6	2.4	2.1	14.2	14.3
RBL Bank	Neutral	215	270	26	19.3	23.6	31.3	31.1	22.2	32.5	9.1	6.9	0.8	0.8	9.3	11.5
SBI Cards	Neutral	716	770	8	25.4	28.0	37.7	6.2	10.5	34.4	25.5	19.0	4.7	3.8	20.1	22.2
Aggregate								27.0	11.4	16.8	18.5	16.6	2.8	2.4	15.1	14.7
Banks - PSU																
BOB	Buy	241	290	20	34.4	37.5	42.6	26.1	9.2	13.6	6.4	5.7	1.0	0.9	16.9	16.8
Canara Bank	Buy	107	133	24	16.0	18.2	20.8	37.3	13.4	14.6	5.9	5.1	1.0	0.9	19.5	19.3
Indian Bank	Buy	556	670	21	62.2	75.6	85.5	46.7	21.5	13.1	7.4	6.5	1.2	1.0	18.0	17.7
Punjab Natl.Bank	Neutral	114	135	18	7.5	12.8	15.4	228.8	71.0	20.0	8.9	7.4	1.1	1.0	13.6	14.5
SBI	Buy	808	1015	26	75.2	89.4	103.2	20.6	19	15.4	9.0	7.8	1.5	1.3	18.8	18.2
Union Bank (I)	Buy	121	165	37	18.9	20.7	23.4	52.9	10	13.1	5.8	5.1	0.9	0.8	16.2	16.1
Aggregate								34.0	20	15	10	7.9	1.5	1.3	15.4	16.3
NBFCs																
AAVAS Financiers	Neutral	1647	1800	9	62.0	74.4	94.1	14.0	20.1	26.4	22.1	17.5	3.0	2.6	14.5	15.7
Aditya Birla Cap	Buy	211	270	28	10.1	13.2	17.2	19.0	30.9	29.5	15.9	12.3	1.8	1.6	12.1	13.9
Angel One	Buy	2152	3300	53	135.9	179.9	205.8	26.4	32.4	14.4	12.0	10.5	3.0	2.5	32.9	26.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Bajaj Fin.	Neutral	6580	7500	14	233.7	275.5	359.2	22.8	17.9	30.4	23.9	18.3	4.4	3.6	20.2	21.8
BSE	Neutral	2600	2700	4	57.0	85.6	97.3	275.5	50.2	13.7	30.4	26.7	9.6	8.7	31.7	32.6
Cams Services	Buy	4255	4600	8	71.6	89.3	107.7	23.3	24.7	20.6	47.7	39.5	19.5	16.6	44.1	45.5
Can Fin Homes	Neutral	786	890	13	56.4	64.8	72.9	20.8	14.9	12.5	12.1	10.8	2.0	1.7	18.2	17.4
Cholaman.Inv.&Fn	Buy	1350	1675	24	40.7	54.6	72.2	25.6	34.1	32.2	24.7	18.7	4.7	3.6	21.1	22.1
CreditAccess	Buy	1253	1520	21	90.7	104.5	124.0	74.5	15.2	18.7	12.0	10.1	2.5	2.0	22.7	21.8
Fusion Micro	Neutral	313	440	40	50.2	43.3	72.0	30.2	-13.8	66.3	7.2	4.4	1.0	0.8	14.2	19.9
Five-Star Business	Buy	727	950	31	28.6	37.3	45.1	38.0	30.3	21.1	19.5	16.1	3.4	2.8	19.0	19.0
HDFC Life Insur.	Buy	710	750	6	7.3	7.7	9.6	15.4	6.0	24.6	91.8	73.7	2.8	2.4	16.7	16.5
Home First Fin.	Buy	1027	1215	18	34.5	43.0	55.1	33.2	24.5	28.1	23.9	18.6	3.7	3.1	16.6	18.2
ICICI Pru Life	Buy	739	740	0	5.9	6.5	7.6	5.0	10.3	16.6	113.2	97.1	2.1	1.7	19.8	20.1
ICICI Lombard	Buy	1971	2200	12	38.9	51.1	64.5	11.0	31.2	26.3	38.6	30.5	7.1	6.0	19.6	21.4
IIFL Finance	Buy	429	560	30	46.2	23.6	48.3	17.2	-48.8	104.2	18.2	8.9	1.4	1.3	8.6	15.0
360 ONE WAM	Buy	1030	1300	26	22.4	29.8	35.6	21.3	33.2	19.3	34.5	28.9	10.1	9.4	30.1	33.7
IndoStar	Buy	252	290	15	8.5	12.5	18.5	-48.5	47.3	47.9	20.1	13.6	1.0	1.0	5.1	7.5
L&T Finance	Buy	166	230	39	9.3	11.7	15.2	42.4	26.0	29.2	14.1	10.9	1.6	1.4	11.9	13.9
Life Insurance Corp.	Buy	1126	-		64.3	68.3	73.6	11.8	6.2	7.7	16.5	15.3	0.9	0.8	11.6	11.4
LIC Hsg Fin	Buy	641	860	34	86.6	90.1	93.0	64.8	4.0	3.3	7.1	6.9	1.0	0.9	14.9	13.7
MCX	Buy	4222	4850	15	16.3	93.9	121.3	-44.2	476.3	29.2	45.0	34.8	14.6	13.5	33.6	40.3
Manappuram Fin.	Buy	198	245	24	26.0	30.0	35.3	46.5	15.4	17.8	6.6	5.6	1.2	1.0	20.1	19.8
MAS Financial	Buy	276	360	30	15.1	17.2	22.2	23.3	14.0	28.7	16.0	12.5	2.0	1.7	14.8	15.0
Max Financial	Neutral	1106	1030	-7	17.2	24.2	30.1	87.1	40.8	24.1	45.7	36.8	2.0	1.7	19.5	19.2
M&M Fin.	Buy	296	350	18	14.3	22.6	28.1	-11.4	58.5	24.4	13.1	10.5	1.7	1.6	13.9	15.5
Muthoot Fin	Neutral	1847	1630	-12	100.9	124.8	141.0	16.6	23.7	13.0	14.8	13.1	2.6	2.3	19.1	18.6
Piramal Enterp.	Neutral	940	925	-2	-75.0	30.9	65.8	-200.1	LP	112.7	30.4	14.3	0.8	0.7	2.6	5.3
PNB Housing	Buy	804	1015	26	58.1	69.8	88.8	-6.3	20.3	27.1	11.5	9.0	1.2	1.1	11.4	13.0
Poonawalla Fincorp	Buy	369	465	26	13.4	17.2	22.2	73.3	28.2	29.0	21.4	16.6	3.0	2.6	15.1	17.0
Repco Home Fin	Neutral	452	550	22	63.1	69.0	73.1	33.3	9.4	5.8	6.6	6.2	0.9	0.8	13.9	13.0
Spandana Sphoorty	Buy	595	830	39	70.2	79.1	104.2	3,922.1	12.6	31.8	7.5	5.7	1.0	0.9	14.4	16.2
Shriram Finance	Buy	2872	3400	18	191.3	226.5	279.2	19.8	18.4	23.3	12.7	10.3	1.9	1.7	16.4	17.6
SBI Life Insurance	Buy	1706	1900	11	18.9	19.9	23.2	10.0	5.3	16.5	85.7	73.6	2.4	2.0	21.9	20.5
Star Health Insu	Buy	587	730	24	14.4	18.4	24.6	35.8	27.6	33.4	31.9	23.9	4.5	3.8	15.0	17.1
Aggregate								-2.0	22.6	26.3	21.3	17.4	3.0	2.6	14.0	14.8
Chemicals																
Alkyl Amines	Neutral	2086	1955	-6	29.1	41.5	55.8	-34.9	42.7	34.5	50.2	37.4	7.6	6.7	15.9	19.0
Atul	Buy	8007	9100	14	103.4	160.8	214.4	-38.8	55.5	33.3	49.8	37.3	4.3	3.9	8.9	10.9
Clean Science	Neutral	1589	1440	-9	23.0	27.5	36.1	-17.3	19.8	31.1	57.7	44.1	11.6	9.4	22.0	23.6
Deepak Nitrite	Neutral	3053	2705	-11	55.1	69.2	77.3	-11.7	25.5	11.7	44.1	39.5	7.4	6.4	18.1	17.3
Fine Organic	Sell	5249	4095	-22	120.0	119.2	116.9	-37.7	-0.7	-1.9	44.0	44.9	7.3	6.4	18.0	15.2
Galaxy Surfact.	Buy	2884	-		85.0	97.7	115.0	-20.9	14.9	17.7	29.5	25.1	4.2	3.7	15.0	15.8
Navin Fluorine	Neutral	3546	3450	-3	46.1	60.3	86.2	-39.1	30.8	43.0	58.8	41.1	6.8	6.0	12.0	15.5
NOCIL	Neutral	285	-		7.9	10.2	13.0	-11.7	29.5	27.4	28.0	21.9	2.7	2.5	9.8	11.7
PI Inds.	Buy	4453	5200	17	110.6	113.8	137.5	36.8	2.9	20.8	39.1	32.4	6.6	5.5	18.2	18.6
SRF	Neutral	2537	2130	-16	47.5	52.6	74.0	-37.7	10.7	40.7	48.2	34.3	6.0	5.3	13.0	16.4
Tata Chemicals	Neutral	1031	980	-5	36.1	29.6	49.4	-60.5	-18.0	66.7	34.8	20.9	1.2	1.1	3.4	5.5
Vinati Organics	Buy	2309	2340	1	31.2	42.7	52.0	-22.8	36.8	21.8	54.1	44.4	8.5	7.4	16.8	17.9
Aggregate								-26.4	25.2	21.3	57.7	46.1	7.0	6.2	12.1	13.5
Capital Goods																
ABB India	Buy	7936	-		58.9	90.5	111.9	81.9	53.7	23.5	87.7	70.9	21.8	17.0	28.1	26.9
Bharat Electronics	Buy	298	360	21	5.5	6.7	8.2	33.7	21.0	22.7	44.8	36.5	10.7	8.6	24.0	23.5
Cummins India	Buy	3728	4300	15	60.0	74.2	89.0	33.4	23.7	19.9	50.2	41.9	14.8	13.0	31.3	33.1
Hitachi Energy	Neutral	11041	12000	9	38.6	75.4	149.9	74.4	95.3	98.7	146.4	73.7	27.9	20.2	19.0	27.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Kalpataru Proj.	Buy	1244	1500	21	32.6	49.3	69.6	8.3	51.3	41.1	25.2	17.9	3.2	2.7	13.2	16.4
KEC International	Neutral	852	830	-3	13.5	24.5	39.6	97.0	81.6	61.6	34.8	21.5	4.8	4.2	14.6	20.8
Kirloskar Oil	Buy	1159	1540	33	25.0	36.1	46.2	33.8	44.5	28.0	32.1	25.1	5.6	4.8	18.6	20.6
Larsen & Toubro	Buy	3553	4150	17	94.5	105.8	136.0	24.5	12.0	28.5	33.6	26.1	5.0	4.4	15.8	17.8
Siemens	Buy	6785	8700	28	55.1	81.0	97.0	55.5	47.1	19.7	83.7	69.9	15.9	13.6	20.4	20.9
Thermax	Neutral	4359	4950	14	52.2	66.0	83.6	30.3	26.5	26.7	66.0	52.1	9.8	8.5	15.7	17.4
Triveni Turbine	Buy	690	720	4	8.5	10.8	13.6	39.8	27.5	26.1	64.0	50.7	18.2	14.4	31.7	31.8
Zen Technologies	Buy	1686	1820	8	15.1	28.4	40.7	218.8	88.4	43.0	59.3	41.5	20.5	13.7	41.7	39.6
Aggregate								32.3	23.1	27.6	58.6	47.6	9.7	8.3	16.5	17.5
Cement																
Ambuja Cem.	Buy	638	800	25	13.9	12.6	18.2	-2.2	-9.1	44.0	50.5	35.1	2.8	2.7	6.4	7.8
ACC	Buy	2358	3300	40	99.3	110.5	134.3	88.7	11.2	21.6	21.3	17.6	2.5	2.2	12.2	13.2
Birla Corp.	Buy	1426	-		54.0	66.8	87.2	1,052.2	23.7	30.5	21.3	16.4	1.5	1.4	7.5	9.1
Dalmia Bhar.	Buy	1772	2300	30	40.8	52.4	69.7	11.5	28.6	32.9	33.8	25.4	1.9	1.8	5.9	7.4
Grasim Inds.	Buy	2544	3150	24	95.6	97.2	108.9	-2.9	1.7	12.0	26.2	23.4	3.1	3.0	1.7	2.5
India Cem	Sell	368	180	-51	-7.6	-1.8	6.0	-49.9	Loss	LP	NM	61.8	2.1	2.1	-1.0	3.4
J K Cements	Buy	4231	5150	22	102.7	112.0	150.1	86.2	9.0	34.0	37.8	28.2	5.4	4.7	15.2	17.8
JK Lakshmi Ce	Buy	826	1080	31	39.6	34.5	45.9	29.9	-12.9	33.3	24.0	18.0	2.8	2.4	12.1	14.4
Ramco Cem	Neutral	795	890	12	16.7	18.4	28.2	15.0	10.0	53.4	43.3	28.2	2.5	2.3	5.9	8.6
Shree Cem	Neutral	24129	27500	14	684.2	509.4	528.7	110.3	-25.5	3.8	47.4	45.6	4.0	3.8	8.7	8.5
Ultratech	Buy	11254	13000	16	244.5	261.3	336.6	39.4	6.9	28.8	43.1	33.4	4.9	4.1	11.9	13.5
Aggregate								30.3	3.3	26.6	38.6	37.4	3.9	3.4	10.0	9.2
Consumer																
Asian Paints	Neutral	3001	3150	5	57.9	58.0	65.7	30.9	0.1	13.3	51.8	45.7	14.2	12.8	28.5	29.5
Britannia	Neutral	5743	5850	2	88.7	101.2	113.9	10.1	14.1	12.5	56.7	50.4	30.3	25.5	57.4	54.9
Colgate	Neutral	3466	3150	-9	49.2	57.7	62.2	26.8	17.4	7.8	60.0	55.7	42.4	36.9	76.7	70.9
Dabur	Buy	637	750	18	10.6	11.8	13.2	9.2	11.8	11.8	53.8	48.2	10.6	9.8	20.4	21.1
Emami	Buy	778	950	22	18.0	21.0	23.4	17.0	16.3	11.7	37.1	33.2	12.1	10.6	34.9	34.1
Godrej Cons.	Buy	1464	1700	16	19.3	22.4	27.1	13.2	15.8	21.3	65.4	54.0	10.6	9.5	17.1	18.5
HUL	Buy	2733	3250	19	43.7	47.9	53.6	0.7	9.6	11.9	57.0	50.9	12.3	11.9	21.8	23.7
ITC	Buy	494	575	16	16.4	17.3	18.8	9.0	5.5	8.7	28.6	26.3	7.9	7.5	28.2	29.1
Indigo Paints	Buy	1432	1700	19	31.0	32.5	38.3	27.5	4.9	17.9	44.1	37.4	6.6	5.8	16.0	16.5
Jyothy Lab	Neutral	546	565	4	9.8	11.1	12.4	54.8	12.8	12.3	49.3	43.9	10.5	9.4	21.8	22.6
Marico	Buy	653	750	15	11.5	13.0	14.3	13.7	12.8	10.7	50.4	45.5	21.0	19.8	42.6	44.7
Nestle	Neutral	2490	2500	0	41.0	36.8	40.8	62.5	-10.2	10.7	67.6	61.0	59.6	50.1	96.4	89.3
Page Inds	Neutral	40656	38000	-7	510.3	576.2	699.4	-0.4	12.9	21.4	70.6	58.1	26.0	22.4	36.8	38.5
Pidilite Ind.	Neutral	3168	2950	-7	35.9	43.3	49.8	42.2	20.7	15.0	73.1	63.7	16.8	15.1	24.5	24.9
P&G Hygiene	Neutral	17023	17000	0	250.6	284.7	314.7	31.0	13.6	10.5	59.8	54.1	46.8	39.9	85.0	79.7
Tata Consumer	Buy	1177	1380	17	14.6	16.6	20.2	28.7	13.1	22.1	71.0	58.2	5.3	5.0	9.0	9.5
United Brew	Sell	1946	1800	-8	15.5	25.7	34.2	24.7	65.3	33.2	75.8	56.9	11.3	10.2	15.6	18.9
United Spirits	Neutral	1462	1400	-4	18.1	19.3	22.0	42.7	6.3	14.1	75.9	66.5	12.7	10.7	16.7	16.0
Varun Beverages	Buy	1488	1850	24	15.8	20.7	25.9	37.3	30.5	25.4	72.0	57.4	20.8	15.7	33.1	31.1
Aggregate								15.3	7.6	11.8	52.4	48.7	13.3	12.3	25.4	25.2
Consumer Durables																
Havells India	Neutral	1786	1820	2	20.3	25.8	31.4	18.5	27.4	21.4	69.1	57.0	13.2	11.5	19.0	20.1
KEI Industries	Buy	4136	5230	26	64.4	80.0	99.1	21.7	24.2	23.9	51.7	41.7	9.8	8.0	18.9	19.2
Polycab India	Buy	6635	8200	24	118.8	130.1	156.6	40.0	9.6	20.4	51.0	42.4	10.3	8.7	20.2	20.4
R R Kabel	Buy	1663	2140	29	26.4	34.2	50.1	57.0	29.5	46.6	48.6	33.2	8.8	7.2	19.5	23.9
Voltas	Buy	1434	1670	16	7.2	21.0	31.8	-36.8	190.6	51.3	68.2	45.1	7.4	6.5	10.8	14.4
Aggregate								23.2	28.8	27.0	76.7	59.5	12.1	10.5	15.8	17.6
EMS																
Avalon Tech	Buy	493	-		4.3	9.3	15.9	-53.0	118.3	71.0	53.0	31.0	5.3	4.5	10.6	15.8
Cyient DLM	Buy	768	880	15	7.7	14.5	21.9	92.9	88.0	51.1	52.9	35.0	5.9	5.1	11.9	15.6
Data Pattern	Neutral	2962	2900	-2	32.4	39.9	53.1	46.6	23.1	32.9	74.1	55.8	10.8	9.0	15.6	17.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Kaynes Tech	Buy	4281	5000	17	28.7	54.3	90.6	75.3	89.1	67.0	78.9	47.2	9.7	8.0	13.0	18.5
Syrma SGS Tech.	Buy	404	540	34	6.1	9.0	15.4	-9.3	47.1	70.6	44.8	26.3	4.1	3.6	9.5	14.6
Aggregate								33.2	61.0	57.5	103.6	64.4	8.5	7.5	8.2	11.7
Healthcare																
Alembic Phar	Neutral	1214	1155	-5	31.5	37.6	41.5	43.9	19.6	10.4	32.3	29.3	4.4	3.9	14.3	13.9
Alkem Lab	Neutral	5687	5430	-5	159.7	169.1	195.2	50.6	5.9	15.4	33.6	29.1	5.7	5.0	18.2	18.3
Ajanta Pharma	Buy	2956	2935	-1	62.3	75.8	88.1	26.6	21.7	16.2	39.0	33.6	8.8	7.3	24.5	23.8
Apollo Hospitals	Buy	6530	7070	8	62.4	88.5	125.9	29.6	41.8	42.3	73.8	51.9	11.2	9.2	16.9	20.1
Aurobindo	Neutral	1479	1320	-11	56.0	67.0	75.7	46.1	19.6	13.0	22.1	19.5	2.6	2.3	12.4	12.5
Biocon	Neutral	339	-		2.2	6.2	12.1	-65.1	183.8	96.7	54.9	27.9	2.0	1.9	3.7	7.0
Cipla	Buy	1569	1830	17	52.5	58.7	65.6	39.0	11.9	11.7	26.7	23.9	4.1	3.6	15.4	14.9
Divis Lab	Neutral	4833	4680	-3	60.0	77.7	95.1	-7.5	29.6	22.4	62.2	50.8	8.6	7.7	14.4	15.9
Dr Reddy's	Neutral	6937	7100	2	317.1	353.8	389.0	29.6	11.6	9.9	19.6	17.8	3.4	2.9	19.1	17.7
ERIS Lifescience	Neutral	1165	1075	-8	29.2	30.4	42.0	5.2	4.0	38.0	38.3	27.7	5.5	4.7	15.2	18.2
Gland Pharma	Buy	2026	2440	20	47.6	56.1	67.8	-5.6	17.8	20.9	36.1	29.9	3.5	3.1	10.1	10.9
Glenmark	Neutral	1452	1200	-17	2.5	42.7	50.5	-88.0	1,619.7	18.3	34.0	28.7	4.6	3.9	14.4	14.8
GSK Pharma	Neutral	2872	2620	-9	43.3	47.3	51.5	20.5	9.2	8.9	60.7	55.7	23.0	19.3	38.0	34.7
Global Health	Buy	1177	-		17.8	19.6	25.2	46.7	9.9	28.9	65.0	50.4	9.5	8.1	16.8	18.7
Granules India	Buy	652	680	4	17.4	24.0	31.9	-19.5	38.5	32.5	27.1	20.5	4.2	3.5	16.6	18.6
IPCA Labs	Neutral	1361	1150	-15	20.8	30.5	40.6	0.0	46.5	33.3	44.7	33.5	4.9	4.4	11.6	13.9
Laurus Labs	Buy	432	505	17	3.0	7.2	12.9	-79.6	139.9	78.2	59.7	33.5	5.2	4.6	9.1	14.7
Lupin	Neutral	2051	2050	0	41.5	59.2	69.9	382.6	42.4	18.2	34.7	29.3	5.6	4.7	17.3	17.4
Mankind Pharma	Buy	2069	2650	28	47.8	54.5	62.4	38.5	14.1	14.6	38.0	33.1	7.5	6.4	21.4	20.9
Max Healthcare	Buy	875	1055	21	13.7	15.9	19.4	18.6	15.8	21.9	55.0	45.1	7.8	6.7	15.3	16.0
Piramal Pharma	Buy	185	195	5	0.4	2.5	5.1	-170.2	497.1	103.1	73.1	36.0	2.7	2.5	4.1	7.9
Sun Pharma	Buy	1736	1980	14	41.4	49.3	58.4	15.8	19.1	18.4	35.2	29.7	5.7	4.8	17.3	17.6
Torrent Pharma	Neutral	3333	3340	0	47.1	63.4	82.0	26.7	34.6	29.3	52.6	40.7	6.9	5.6	28.5	30.5
Zydus Lifesciences	Neutral	1280	1030	-20	37.6	39.0	41.4	68.0	3.6	6.1	32.8	30.9	5.2	4.6	17.6	15.7
Aggregate								24.9	22.5	19.0	44.2	36.1	6.1	5.3	13.8	14.7
Infrastructure																
G R Infraproject	Buy	1614	1910	18	73.0	79.0	99.9	-17.2	8.3	26.4	20.4	16.2	2.0	1.8	10.1	11.5
IRB Infra	Neutral	64	61	-4	1.0	1.6	2.1	-15.9	61.2	27.6	39.4	30.9	2.7	2.5	6.9	8.3
KNR Constructions	Buy	362	400	10	15.2	15.3	20.1	3.3	0.2	31.5	23.7	18.1	2.8	2.4	12.5	14.4
Aggregate											36.8	29.5	2.6	2.5	7.2	8.3
Logistics																
Adani Ports	Buy	1518	1850	22	41.3	51.2	61.1	16.5	24.2	19.2	29.6	24.9	5.2	4.4	19.1	19.3
Blue Dart Express	Buy	8037	9500	18	121.6	137.1	223.5	-21.2	12.7	63.0	58.6	36.0	11.8	9.5	21.3	29.2
Concor	Buy	999	-		20.3	25.8	33.9	5.8	27.0	31.3	38.7	29.5	4.8	4.4	12.8	15.6
JSW Infra	Buy	317	390	23	5.8	6.5	9.3	6.8	11.7	44.3	48.9	33.9	7.4	6.3	15.9	20.0
Mahindra Logistics	Neutral	486	510	5	-8.2	6.6	19.2	-322.8	LP	190.3	73.3	25.3	6.7	5.4	9.1	23.2
Transport Corp.	Buy	999	1160	16	45.8	52.6	64.5	10.1	14.8	22.6	19.0	15.5	3.2	2.7	18.2	18.8
TCI Express	Buy	1161	1450	25	34.4	38.3	44.6	-5.4	11.5	16.5	30.3	26.0	5.4	4.6	19.3	19.2
VRL Logistics	Buy	519	660	27	10.1	12.7	23.4	-46.1	25.7	83.6	40.8	22.2	4.7	4.2	11.6	20.1
Aggregate											41.2	33.3	6.4	5.5	15.5	16.6
Media																
PVR Inox	Neutral	1454	1400	-4	11.7	2.2	27.1	-152.3	-81.3	1,141.8	665.9	53.6	1.9	1.9	0.3	3.6
Sun TV	Buy	885	900	2	47.6	51.3	52.5	12.0	7.7	2.4	17.3	16.9	3.1	2.8	17.9	16.9
Zee Ent.	Neutral	138	155	12	4.5	7.1	10.2	-4.9	56.9	43.4	19.5	13.6	1.2	1.1	6.1	8.3
Aggregate								16.7	12.3	21.7	25.8	22.9	2.2	2.1	8.5	9.1
Metals																
Coal India	Buy	523	600	15	60.7	61.9	68.1	17.8	2.0	10.0	8.4	7.7	3.2	2.6	37.7	34.5
Hindalco	Buy	614	800	30	45.6	61.2	63.6	0.8	34.1	3.9	10.0	9.7	1.5	1.3	15.8	14.3
Hind. Zinc	Neutral	598	610	2	18.4	23.1	29.9	-26.2	25.5	29.9	26.0	20.0	12.7	9.2	55.6	53.5
JSPL	Buy	919	1200	31	58.4	63.6	95.7	60.4	8.9	50.4	14.4	9.6	1.8	1.6	13.5	17.6
JSW Steel	Buy	886	1030	16	36.7	55.9	78.0	149.9	52.3	39.5	15.8	11.4	2.4	2.1	16.3	19.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Nalco	Neutral	173	185	7	9.1	12.3	14.1	16.3	35.1	15.0	14.1	12.2	2.0	1.8	14.8	15.3
NMDC	Buy	223	300	35	19.7	25.5	28.5	18.0	29.4	11.5	8.7	7.8	2.1	1.8	26.5	24.7
SAIL	Neutral	138	-		2.6	9.8	12.7	-43.8	277	29.1	14.0	10.8	1.0	0.9	7.0	8.6
Tata Steel	Neutral	151	180	20	2.7	9.9	13.7	-61.8	264	39.4	15.3	11.0	2.0	1.9	13.8	17.7
Vedanta	Neutral	422	460	9	13.3	33.6	44.4	-53.1	154	31.9	12.6	9.5	4.5	3.6	38.2	42.4
Aggregate								0.1	38.1	22.6	17.8	12.9	2.8	2.5	15.9	19.5
Oil & Gas																
Aegis Logistics	Neutral	731	760	4	16.2	17.5	21.7	10.8	7.9	24.2	41.8	33.7	6.0	5.4	15.0	16.8
BPCL	Neutral	338	320	-5	63.3	29.0	35.4	1,271.9	-54.2	22.1	11.7	9.5	1.8	1.6	15.7	17.7
Castrol India	Buy	256	310	21	8.7	9.8	11.0	6.0	12.6	11.9	26.0	23.3	11.2	10.5	44.4	46.6
GAIL	Buy	227	275	21	13.7	15.3	17.0	70.1	11.5	10.9	14.9	13.4	2.0	1.9	15.0	15.2
Gujarat Gas	Buy	622	715	15	16.0	20.6	23.8	-27.8	28.8	15.5	30.2	26.1	5.0	4.4	17.3	17.9
Gujarat St. Pet.	Buy	336	405	21	22.8	11.6	12.1	35.9	-48.9	4.1	28.9	27.7	1.8	1.7	6.3	6.2
HPCL	Buy	389	460	18	75.2	26.7	47.0	-329.4	-64.5	75.8	14.5	8.3	1.6	1.4	11.6	18.3
IOC	Buy	170	215	26	29.5	9.5	13.3	344.7	-67.8	40.5	18.0	12.8	1.3	1.2	6.9	9.3
IGL	Sell	542	475	-12	25.0	23.4	30.8	21.0	-6.5	31.7	23.2	17.6	3.9	3.4	17.9	20.6
Mahanagar Gas	Buy	1802	2200	22	132.3	129.4	136.9	65.4	-2.2	5.9	13.9	13.2	3.0	2.6	23.1	21.4
MRPL	Sell	202	170	-16	20.5	9.4	15.4	36.6	-54.2	63.1	21.4	13.2	2.4	2.1	11.9	17.2
Oil India	Buy	613	-		48.7	46.8	51.7	16.2	-3.9	10.5	13.1	11.9	2.0	1.8	16.3	16.1
ONGC	Buy	323	360	12	46.3	47.9	53.5	44.9	3.4	11.8	6.7	6.0	1.1	1.0	16.8	16.7
PLNG	Neutral	364	380	4	23.6	30.9	31.3	9.1	30.9	1.5	11.8	11.6	2.8	2.5	25.4	22.7
Reliance Ind.	Buy	2896	3435	19	102.9	113.9	144.8	4.4	10.7	27.1	25.4	20.0	2.2	1.9	9.3	10.7
Aggregate								80.0	-18.0	22.4	14.0	17.0	2.1	1.9	15.0	11.2
Real Estate																
Brigade Enterpr.	Buy	1160	1525	32	22.1	37.1	42.0	82.6	67.9	13.2	31.2	27.6	5.4	4.6	18.9	18.0
DLF	Neutral	833	850	2	11.0	16.6	17.0	-3.5	50.5	2.4	50.3	49.1	3.5	3.2	10.0	9.4
Godrej Propert.	Buy	2876	3725	30	26.9	52.0	34.4	20.3	93.4	-33.8	55.3	83.6	7.0	6.5	13.5	8.0
Kolte Patil Dev.	Buy	372	700	88	-9.2	13.3	42.7	-167.7	LP	221.3	28.0	8.7	3.5	2.6	13.1	34.0
Oberoi Realty	Neutral	1744	1560	-11	53.0	50.5	70.8	1.2	-4.6	40.0	34.5	24.6	4.1	3.6	12.6	15.6
Macrotech Devel.	Buy	1188	1770	49	16.9	23.4	35.3	6.0	38.3	51.0	50.8	33.6	5.8	5.0	12.1	16.0
Mahindra Lifespace	Neutral	558	600	8	6.3	6.3	5.7	111.6	0.5	-9.8	88.0	97.6	4.5	4.3	5.2	4.5
Sunteck Realty	Buy	570	640	12	4.8	16.2	23.2	4,699.7	234.8	43.1	35.1	24.5	2.5	2.3	7.4	9.7
Sobha	Buy	1693	-		5.1	35.2	74.2	-52.9	591.2	110.5	48.0	22.8	5.8	4.6	12.7	22.6
Prestige Estates	Buy	1668	2100	26	19.0	19.9	26.2	-1.5	5.0	31.9	83.9	63.6	5.2	4.8	6.4	7.9
Phoenix Mills	Neutral	3305	3220	-3	61.6	60.8	83.0	50.6	-1.3	36.5	54.4	39.8	5.6	5.0	10.9	13.2
Aggregate								17.2	37.8	22.5	70.4	51.1	5.9	5.3	8.3	10.4
Retail																
Avenue Supermarts	Buy	4983	5500	10	39.0	49.8	66.4	6.2	27.9	33.2	100.0	75.0	14.8	12.3	16.0	17.9
Aditya Birla Fashion	Neutral	316	340	8	-7.4	-6.8	-6.4	955.4	Loss	Loss	NM	NM	7.9	9.5	-15.8	-17.4
Bata India	Neutral	1454	1400	-4	22.8	27.6	34.9	-9.2	21.0	26.4	52.8	41.7	9.5	7.7	20.3	20.4
Barbeque-Nation	Neutral	558	625	12	-2.9	-0.7	1.7	-172.8	Loss	LP	NM	327.0	5.6	5.5	-0.7	1.7
Campus Activewe.	Buy	297	335	13	2.9	4.2	5.6	-23.6	42.3	33.8	71.5	53.4	11.7	9.6	16.3	17.9
Devyani Intl.	Buy	175	210	20	0.8	1.0	2.1	-66.5	27.8	111.7	177.7	83.9	28.5	29.0	13.2	34.3
Jubilant Food.	Neutral	597	525	-12	3.9	5.5	8.2	-32.9	39.5	48.3	108.5	73.2	17.1	16.2	15.8	22.1
Kalyan Jewellers	Buy	537	650	21	5.8	8.4	11.3	29.9	45.4	34.1	63.6	47.5	11.4	9.8	19.3	22.2
Metro Brands	Buy	1338	1420	6	12.7	15.3	19.0	-5.2	20.2	23.9	87.3	70.5	16.1	13.5	20.5	21.3
Raymond	Buy	1930	2310	20	104.1	118.9	151.3	10.2	14.2	27.3	16.2	12.8	2.4	2.0	15.8	17.2
Relaxo Footwear	Neutral	832	790	-5	8.1	9.8	12.3	29.8	22.1	24.9	84.6	67.7	9.5	8.6	11.7	13.3
Restaurant Brands	Buy	106	140	32	-4.8	-2.3	-0.2	-2.5	Loss	Loss	NM	NM	10.2	10.4	-19.9	-2.0
Sapphire Foods	Buy	1612	1850	15	8.2	13.0	23.8	-52.5	59.5	82.7	123.9	67.8	7.2	6.5	6.0	10.1
Shoppers Stop	Neutral	732	780	7	5.5	6.9	10.0	-50.2	24.8	45.5	106.6	73.2	15.3	12.0	20.9	24.2
Senco Gold	Buy	1034	1350	31	23.3	30.3	37.1	1.6	30.0	22.6	34.1	27.8	5.1	4.3	15.9	16.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Titan Company	Buy	3296	4000	21	39.3	46.0	56.9	6.8	17.1	23.8	71.7	57.9	23.9	18.6	37.8	36.1
Trent	Buy	5643	6080	8	29.2	49.4	62.7	162.5	69.0	27.0	114.3	90.0	32.2	23.3	35.5	32.1
V-Mart Retail	Neutral	3608	3500	-3	-53.5	-3.0	29.5	1,132.9	Loss	LP	NM	122.2	8.8	8.2	NM	7.0
Vedant Fashions	Neutral	1118	1050	-6	17.1	18.8	23.3	-3.5	10.5	23.6	59.3	48.0	14.9	12.6	26.3	25.5
Westlife Foodworld	Neutral	794	775	-2	4.4	6.2	10.5	-38.0	40.5	69.2	127.3	75.2	14.9	14.1	13.7	19.3
Aggregate								-0.7	34.5	33.8	122.6	91.2	18.5	15.8	15.1	17.4
Technology																
Cyient	Buy	1691	2070	22	66.9	71.4	89.7	27.7	6.8	25.6	23.7	18.8	4.1	3.8	16.8	19.6
HCL Tech.	Buy	1558	1850	19	57.9	62.5	68.5	5.6	7.9	9.7	24.9	22.7	6.4	6.5	25.4	28.2
Infosys	Buy	1741	2000	15	63.3	65.4	78.1	10.0	3.3	19.4	26.6	22.3	8.2	8.1	30.8	36.6
LTI Mindtree	Buy	5339	7000	31	154.8	166.8	198.8	2.0	7.7	19.2	32.0	26.9	6.9	6.0	23.0	23.9
L&T Technology	Buy	4899	5950	21	123.0	129.2	156.1	11.3	5.1	20.8	37.9	31.4	8.6	7.5	24.2	25.7
Mphasis	Neutral	2645	2800	6	81.8	91.2	103.4	-6.0	11.5	13.4	29.0	25.6	5.3	4.9	19.0	19.9
Coforge	Neutral	5842	6100	4	133.2	150.3	202.8	2.0	12.8	34.9	38.9	28.8	9.1	7.9	24.3	28.8
Persistent Sys	Buy	4611	5700	24	75.1	88.9	114.0	20.1	18.4	28.3	51.9	40.4	12.5	10.8	25.8	28.9
TCS	Buy	4171	4660	12	126.3	143.5	155.4	9.5	13.7	8.3	29.1	26.8	17.4	17.9	58.3	64.9
Tech Mah	Neutral	1466	1470	0	41.1	44.5	63.6	-28.2	8.3	42.9	32.9	23.0	4.8	4.6	14.6	20.3
Wipro	Neutral	487	500	3	20.4	22.0	24.5	-1.5	7.9	11.5	22.1	19.9	3.5	3.4	15.7	17.3
Zensar Tech	Neutral	753	750	0	29.1	28.2	32.8	102.7	-3.3	16.3	26.7	23.0	4.2	3.7	17.0	17.4
Aggregate								3.8	10.4	13.5	32.1	29.1	9.0	9.0	28.0	30.8
Telecom																
Bharti Airtel	Buy	1451	1650	14	19.7	31.4	53.8	36.7	59.8	71.2	46.2	27.0	6.6	5.3	17.7	22.5
Indus Towers	Neutral	417	395	-5	22.4	23.7	25.5	151.1	5.9	7.7	17.6	16.3	3.4	2.8	21.2	18.7
Vodafone Idea		16			-11.1	-10.9	-10.4	9.3	Loss	Loss	NM	NM	-0.4	-0.4	NM	NM
Tata Comm	Neutral	1855	1950	5	42.3	44.3	77.5	-30.0	4.9	74.8	41.8	23.9	19.4	11.5	56.1	60
Aggregate								Loss	Loss	LP	-74	-174	149.2	23.3	-201.4	-13.4
Others																
APL Apollo Tubes	Buy	1433	1850	29	26.4	37.9	55.7	14.1	43.7	46.7	37.8	25.7	8.8	6.8	26.0	29.8
Cello World	Buy	921	1090	18	15.6	19.0	24.0	24.4	22.1	26.0	48.4	38.4	12.7	9.6	26.3	25.1
Coromandel Intl	Buy	1640	1810	10	55.8	63.0	71.3	-18.5	12.9	13.3	26.0	23.0	4.4	3.8	18.3	17.9
EPL	Buy	211	260	23	8.2	10.1	14.1	13.5	23.7	39.5	20.9	15.0	3.0	2.6	14.7	18.6
Godrej Agrovet	Neutral	796	880	11	18.7	27.2	35.2	44.1	45.5	29.3	29.2	22.6	5.4	4.6	19.5	22.0
Indian Hotels	Buy	614	665	8	8.9	10.5	12.9	25.9	18.5	22.6	58.5	47.7	8.1	7.0	14.7	15.6
Interglobe	Neutral	4254	4420	4	211.8	200.3	204.0	-2,678.8	-5	2	21.2	21	16.9	9.3	133.3	57.9
Kajaria Ceramics	Buy	1472	1670	13	27.2	30.7	38.0	27.2	13.0	23.6	47.9	38.7	8.2	7.3	17.4	19.5
Lemon Tree Hotel	Buy	126	170	35	1.9	2.5	3.9	25.7	31.5	56.0	51.1	32.5	8.4	6.7	18.1	23.1
MTAR Tech	Buy	1825	2310	27	18.2	32.1	57.2	-45.7	75.8	78.2	56.9	31.9	7.2	5.9	13.6	20.4
One 97	Neutral	508	500	-2	-22.4	-33.2	-13.8	-20.2	Loss	Loss	NM	NM	2.7	2.9	-16.8	-7.6
Qess Corp	Neutral	673	680	1	20.4	28.1	33.7	78.3	37.5	19.9	24.0	20.0	2.6	2.4	14.6	16.3
SIS	Buy	427	540	26	13.0	29.2	38.4	-44.2	125.4	31.4	14.6	11.1	1.0	0.9	16.7	18.2
Team Lease Serv.	Buy	3077	4120	34	64.8	89.7	137.4	-0.5	38.4	53.2	34.3	22.4	5.5	4.5	15.9	20.3
UPL	Neutral	547	550	1	3.7	26.1	45.0	-93.7	612.8	72.5	21.0	12.2	1.1	1.0	7.9	12.9
Updater Services	Buy	318	400	26	11.4	15.3	21.8	67.8	35.0	41.9	20.8	14.6	2.2	1.9	11.3	14.0
Zomato	Buy	266	300	13	0.4	0.9	3.2	-134.9	131.3	239.2	281.7	83.1	10.8	9.5	3.9	12.2



Index	1 Day (%)	1M (%)	12M (%)
Sensex	-0.7	-1.3	19.8
Nifty-50	-0.7	-0.8	23.2
Nifty Next 50	-0.8	-2.3	60.2
Nifty 100	-0.7	-0.9	29.0
Nifty 200	-0.7	-0.8	32.0
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-0.1	-1.4	62.4
Amara Raja Ener.	-2.7	-11.1	139.6
Apollo Tyres	-1.7	-2.1	16.8
Ashok Leyland	-0.4	9.0	34.1
Bajaj Auto	-0.7	1.2	107.4
Balkrishna Inds	-2.5	-1.2	31.9
Bharat Forge	3.1	-4.1	77.3
Bosch	-1.8	-7.5	75.3
CEAT	-1.7	-0.3	10.3
Craftsman Auto	1.4	-4.6	11.1
Eicher Motors	-0.4	-3.7	35.7
Endurance Tech.	2.0	-3.5	54.8
Escorts Kubota	-1.2	-10.1	42.3
Exide Inds.	-2.0	-14.9	86.1
Happy Forgings	-0.8	-3.3	
Hero Motocorp	-1.6	-6.2	68.2
M & M	0.1	-5.9	78.9
CIE Automotive	-3.2	-10.6	14.5
Maruti Suzuki	-1.2	1.6	28.0
MRF	4.3	9.0	30.4
Sona BLW Precis.	-0.1	-2.9	17.8
Motherson Sumi	0.9	-9.4	86.0
Motherson Wiring	0.6	0.1	19.2
Tata Motors	1.6	3.9	71.5
TVS Motor Co.	-1.8	5.5	89.9
Tube Investments	-2.2	-7.4	33.4
Banks-Private	0.1	-4.5	7.6
AU Small Fin. Bank	-0.8	-2.6	-13.1
Axis Bank	0.1	-11.6	19.4
Bandhan Bank	-2.2	-2.6	-14.7
DCB Bank	-1.0	-11.7	0.1
Equitas Sma. Fin	0.9	-2.2	99.5
Federal Bank	0.6	3.0	43.1
HDFC Bank	1.2	0.4	-0.4
ICICI Bank	-0.7	-5.7	18.8
IDFC First Bank	-0.7	-9.7	-17.6
IndusInd Bank	0.2	-6.3	-4.0
Kotak Mah. Bank	-0.2	-4.3	-3.0
RBL Bank	0.4	-15.2	-2.4
SBI Cards	0.2	-2.7	-18.8
Banks-PSU	-0.8	-5.2	51.1
BOB	-0.8	-8.0	23.9
Canara Bank	-1.0	-6.7	58.2
Indian Bank	-2.4	5.5	41.5
Punjab Natl.Bank	-1.6	-6.0	83.5
St Bk of India	-0.1	-5.6	41.0
Union Bank (I)	-1.4	-9.6	33.6

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	-0.6	-1.2	34.0
Nifty Midcap 100	-0.3	-0.4	49.5
Nifty Smallcap 100	-0.4	-3.2	55.7
Nifty Midcap 150	-0.3	-1.4	48.0
Nifty Smallcap 250	-0.3	-2.5	51.5
NBFCs	0.1	-3.2	13.7
Aditya Birla Capital Ltd	-0.4	-8.8	13.4
Angel One	-0.1	-7.7	26.4
Bajaj Fin.	-0.8	-7.3	-8.2
BSE	8.4	9.2	194.6
Cholaman.Inv.&Fn	-2.0	-4.4	27.6
Can Fin Homes	-0.2	-11.4	6.5
Cams Services	2.9	13.1	78.8
CreditAcc. Gram.	-2.5	-4.4	-13.6
Fusion Microfin.	-9.6	-30.0	-48.6
Five-Star Bus.Fi	0.7	-7.3	-6.1
Home First Finan	1.6	-2.1	22.2
Indostar Capital	5.4	1.8	54.3
IIFL Finance	-2.5	-16.1	-25.3
L&T Finance	-2.3	-10.9	30.4
LIC Housing Fin.	0.4	-18.2	48.0
MCX	-1.8	6.7	163.3
M & M Fin. Serv.	-2.6	-2.3	1.5
Muthoot Finance	-0.4	3.6	35.4
Manappuram Fin.	-1.1	-4.0	37.5
MAS Financial Serv.	0.0	-7.9	8.4
360 One	2.9	5.0	101.5
PNB Housing	-0.6	1.4	25.9
Repco Home Fin	-5.0	-19.8	30.5
Shriram Finance	-1.8	2.3	54.3
Spandana Sphoort	-0.4	-18.9	-28.8
Insurance			
HDFC Life Insur.	2.0	14.4	10.1
ICICI Pru Life	1.7	16.1	27.1
ICICI Lombard	1.8	7.1	39.1
Life Insurance	0.2	11.1	74.9
Max Financial	2.1	11.5	36.5
SBI Life Insuran	1.2	12.6	26.5
Star Health Insu	1.3	1.4	-7.1
Chemicals			
Alkyl Amines	-0.9	-0.4	-10.5
Atul	-0.4	17.3	15.0
Clean Science	0.1	5.2	15.4
Deepak Nitrite	-1.5	13.4	46.1
Fine Organic	-1.7	-1.2	14.2
Galaxy Surfact.	0.7	-4.7	8.9
Navin Fluo.Intl.	-1.5	-3.1	-20.7
NOCIL	-5.1	-5.5	27.5
P I Inds.	0.8	18.6	15.8
SRF	-2.0	7.1	11.4
Tata Chemicals	-2.2	-4.6	1.9
Vinati Organics	1.2	20.5	23.4



Company	1 Day (%)	1M (%)	12M (%)
Capital Goods	-1.8	-9.0	9.6
A B B	0.9	-7.2	77.4
Bharat Electron	-0.6	-10.9	130.9
Cummins India	-0.5	-6.8	115.1
Hitachi Energy	1.1	-19.6	157.2
K E C Intl.	0.4	-5.1	34.7
Kalpataru Proj.	0.9	-2.2	99.5
Kirloskar Oil	-0.8	-16.6	156.2
Larsen & Toubro	-2.3	-2.2	35.0
Siemens	-0.8	-12.6	79.1
Thermax	-0.7	-23.1	71.3
Triveni Turbine	7.8	9.3	73.3
Zen Technologies	2.3	21.7	126.9
Cement			
Ambuja Cem.	-0.7	-6.6	37.0
ACC	-1.6	-11.8	17.8
Birla Corp.	-2.5	-10.2	16.3
Dalmia Bhar.	0.7	-4.6	-12.2
Grasim Inds.	-3.5	-7.2	38.5
India Cem	0.0	32.9	71.1
J K Cements	-1.4	0.5	29.1
JK Lakshmi Cem.	-0.6	-4.1	26.2
The Ramco Cement	-3.2	0.0	-6.2
Shree Cement	-3.8	-11.2	-0.5
UltraTech Cem.	-2.5	-2.8	38.0
Consumer	-0.4	5.9	19.5
Asian Paints	-3.1	3.7	-10.2
Britannia Inds.	-1.6	3.2	24.7
Colgate-Palm.	0.5	17.7	75.4
Dabur India	-0.3	2.2	13.3
Emami	-1.5	3.8	58.0
Godrej Consumer	-2.7	2.7	45.0
Hind. Unilever	-0.4	5.6	6.5
ITC	0.4	11.5	9.4
Indigo Paints	-2.8	3.5	-9.2
Jyothy Lab.	-0.9	11.1	70.5
Marico	0.5	1.7	13.0
Nestle India	-1.3	-4.4	12.0
Page Industries	-1.3	3.2	3.9
Pidilite Inds.	0.5	3.2	20.8
P & G Hygiene	-1.1	1.2	8.7
Tata Consumer	-1.8	3.7	40.8
United Breweries	-1.0	-7.8	24.8
United Spirits	-0.2	14.8	43.2
Varun Beverages	-2.0	-6.7	81.6
Consumer Durables	-1.2	0.1	35.8
Polycab India	-1.1	1.3	42.0
R R Kabel	-2.2	-9.1	
Havells	-2.1	-5.3	34.9
Voltas	-2.3	-1.6	76.0
KEI Industries	-0.1	-10.2	70.7
EMS			
Kaynes Tech	0.0	-1.3	135.7

Company	1 Day (%)	1M (%)	12M (%)
Avalon Tech	0.5	-7.8	-16.9
Syrma SGS Tech.	-3.0	-18.6	-15.3
Cyient DLM	-1.1	-0.5	55.2
Data Pattern	-1.1	-11.7	45.7
Healthcare	0.4	8.8	42.0
Alembic Pharma	-0.5	23.1	53.5
Alkem Lab	3.2	8.9	37.6
Apollo Hospitals	-2.7	3.6	30.2
Ajanta Pharma	0.8	29.4	69.2
Aurobindo	1.0	13.3	70.5
Biocon	-2.2	-7.5	24.2
Zyodus Lifesci.	0.5	10.5	95.2
Cipla	1.1	5.6	24.0
Divis Lab	-2.3	8.3	25.7
Dr Reddy's	0.2	6.2	22.6
ERIS Lifescience	3.8	13.0	43.8
Gland Pharma	0.0	7.6	25.9
Glenmark	-0.6	7.0	76.0
Global Health	-1.5	-6.7	72.4
Granules	-0.6	25.9	102.1
GSK Pharma	1.9	13.9	105.2
IPCA Labs	1.6	14.6	49.5
Laurus Labs	0.0	-9.0	4.8
Lupin	2.8	15.3	89.2
Mankind Pharma	0.7	0.5	16.5
Max Healthcare	2.4	-5.6	56.4
Piramal Pharma	3.2	20.1	88.0
Sun Pharma	0.1	11.5	51.1
Torrent Pharma	0.3	15.6	63.4
Infrastructure	-1.4	-1.9	51.1
G R Infraproject	-0.2	-8.2	21.4
IRB Infra.Devl.	1.5	-5.1	148.5
KNR Construct.	-2.6	1.2	48.4
Logistics			
Adani Ports	-1.6	3.0	93.7
Blue Dart Exp.	-1.3	-4.4	26.7
Container Corpn.	-0.7	-4.3	40.4
JSW Infrast	-1.2	-9.7	
Mahindra Logis.	-1.1	-6.9	31.2
Transport Corp.	-1.0	3.5	29.7
TCI Express	-0.3	-4.5	-20.4
VRL Logistics	-2.0	-10.7	-24.7
Media	0.2	1.2	0.3
PVR INOX	-0.6	-0.2	-9.2
Sun TV	-0.4	12.8	62.8
Zee Ent.	0.9	-8.2	-42.0
Metals	-1.7	-9.2	37.0
Hindalco	-1.5	-11.9	35.0
Hind. Zinc	0.8	-12.6	87.8
JSPL	-2.9	-10.4	39.7
JSW Steel	-2.1	-5.5	10.8
Nalco	-3.7	-16.3	82.1
NMDC	-2.7	-11.1	99.9



Company	1 Day (%)	1M (%)	12M (%)
SAIL	-2.9	-12.1	48.5
Tata Steel	-2.3	-12.8	27.2
Vedanta	-2.3	-9.3	75.9
Oil & Gas	-1.5	3.5	66.6
Aegis Logistics	-0.3	-21.1	99.8
BPCL	-1.6	13.0	89.1
Castrol India	-0.1	1.5	73.1
GAIL	-2.7	-1.4	95.3
Gujarat Gas	-2.4	-4.9	32.2
Gujarat St. Pet.	1.1	7.8	18.4
HPCL	-1.9	18.7	120.2
IOCL	-1.2	0.1	84.3
IGL	-1.1	3.2	18.3
Mahanagar Gas	-0.6	8.0	68.2
MRPL	-0.9	-7.7	138.6
Oil India	-0.8	22.6	235.9
ONGC	-1.9	7.9	86.2
PLNG	0.2	8.0	61.5
Reliance Ind.	-1.1	-9.5	15.5
Real Estate	-1.2	-9.7	86.0
Brigade Enterpr.	-1.4	-10.7	97.1
DLF	-1.5	-0.4	70.5
Godrej Propert.	-3.4	-13.1	84.3
Kolte Patil Dev.	-1.1	-12.4	-17.4
Mahindra Life.	-1.8	-9.0	9.6
Macrotech Devel.	-2.3	-22.8	65.5
Oberoi Realty Ltd	-1.5	1.2	57.7
Sobha	-1.4	-16.4	198.9
Sunteck Realty	2.7	2.7	46.1
Phoenix Mills	1.1	-12.1	95.5
Prestige Estates	1.4	-6.2	177.5
Retail			
Aditya Bir. Fas.	-2.2	-1.9	56.5
Avenue Super.	-0.8	2.6	36.5
Bata India	-0.7	-5.0	-17.1
Campus Activewe.	-1.3	4.0	2.6
Barbeque-Nation	-0.4	-2.3	-18.0
Devyani Intl.	-1.0	6.2	-9.8
Jubilant Food	-1.7	4.0	18.0
Kalyan Jewellers	-0.7	8.1	202.0
Metro Brands	2.3	4.1	24.8
Raymond	-0.1	-2.7	59.1
Relaxo Footwear	-0.9	-0.1	-10.4
Restaurant Brand	-2.0	-8.5	-9.5
Sapphire Foods	-2.0	3.2	17.1
Senco Gold	1.8	-2.4	163.1
Shoppers St.	3.2	-4.5	-9.2
Titan Co.	-0.9	4.4	12.8
Trent	3.1	0.9	229.4
V-Mart Retail	4.0	9.8	56.3
Vedant Fashions	-0.3	4.5	-12.1
Westlife Food	-1.3	-6.0	-14.4

Company	1 Day (%)	1M (%)	12M (%)
Technology	-1.9	1.9	24.7
Cyient	-0.7	-5.7	6.4
HCL Tech.	-2.3	1.6	36.5
Infosys	-2.7	4.9	25.4
LTIMindtree	-4.1	-1.0	5.0
L&T Technology	-1.3	-4.2	14.5
Mphasis	-3.0	1.4	13.0
Coforge	-2.9	-0.2	17.4
Persistent Sys	-1.4	0.5	89.9
TCS	-0.7	4.5	20.2
Tech Mah	-0.5	-0.1	21.7
Wipro	-2.0	-10.0	17.0
Zensar Tech	1.0	2.5	56.5
Telecom	-0.3	0.0	67.5
Bharti Airtel	0.7	1.2	64.0
Indus Towers	-1.0	8.1	142.4
Idea Cellular	0.9	-4.2	91.1
Tata Comm	-1.2	-0.1	10.1
Utilities	-0.9	1.5	93.7
Coal India	-1.5	6.1	127.3
NTPC	-2.1	8.0	87.4
Power Grid Corpn	-2.7	1.0	89.2
Others			
APL Apollo Tubes	1.5	-7.4	-2.6
Cello World	0.9	-4.1	
Coromandel Intl	0.9	1.6	55.3
EPL Ltd	-2.0	-8.4	-3.6
Godrej Agrovet	-0.8	-2.3	64.4
Havells	-2.1	-5.3	34.9
Indian Hotels	-1.0	0.9	58.0
Interglobe	-1.4	0.4	66.3
Kajaria Ceramics	0.1	1.4	0.1
Lemon Tree Hotel	-9.5	-14.2	33.3
MTAR Technologie	1.2	-7.6	-19.2
One 97	0.5	7.7	-38.8
Piramal Enterpr.	-4.3	1.1	-7.3
Quess Corp	0.2	8.2	61.4
SIS	-3.1	-5.0	-7.3
Team Lease Serv.	-1.5	4.1	30.3
UPL	0.2	-3.5	-9.4
Updater Services	-0.5	4.2	
Volta	-2.3	-1.6	76.0
Zomato Ltd	0.0	27.7	184.2

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

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

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

Disclosures:

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

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

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

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

In the past 12 months, MOFSL or any of its associates may have:

- a) received any compensation/other benefits from the subject company of this report
- b) managed or co-managed public offering of securities from subject company of this research report,
- c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

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

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- (a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:

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

Analyst Certification

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Disclaimer:

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

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

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

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

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