

India Strategy



The Tug-of-War

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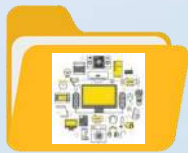
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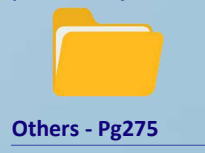
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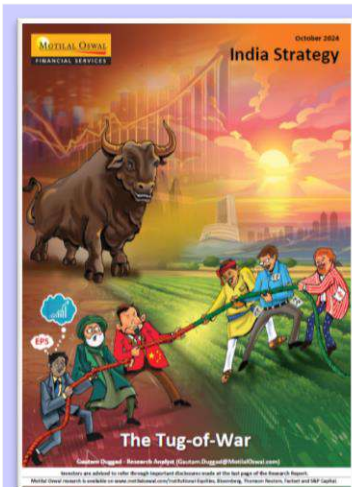
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The Tug-of-War

A breather following a relentless rise....

In recent years, the saga of Indian equities has been nothing short of a meteoric ascent, soaring higher and higher without a pause. This remarkable journey can be attributed to a trifecta of factors: robust corporate earnings, with a staggering 24% Nifty earnings CAGR over FY20-FY24; a surge in domestic flows into equities, amassing an impressive USD107b during CY21-CY24YTD; and a remarkably resilient macro landscape that has weathered the storms. Nifty/Nifty Midcap 100/Nifty Smallcap 100 indices have rallied 31%/48%/50% and 14%/26%/21% over the last 12 and 36 months, respectively. The markets have negotiated critical events such as the General Elections and the Budget with minimal volatility, as every minor dip has been met with robust buying activity. However, as we gaze into the horizon, it appears the waters may get a bit turbulent for Indian equities in the short term. The recent escalation in the Israel-Iran conflict only adds fuel to the fire of the already simmering geopolitical tensions from the ongoing Russia-Ukraine and Israel-Palestine conflicts.

The monetary stimulus unleashed by China has sparked a wave of tactical FII outflows from India. Corporate earnings, after four consecutive years of healthy double-digit growth, are moderating due to pressures from commodities and fading tailwinds from BFSI asset quality improvements. The earnings revisions have turned adverse with downgrades of ~6% in the Nifty EPS since Jul'24. The recent print from high-frequency indicators, such as power demand, PMI data, GST collections, and auto numbers, also indicates a softening in demand. The expensive broader market valuations (NSE Midcap index at 60% premium to Nifty-50 and market cap at 146% of GDP) and the narrowing of market breadth further complicate the risk-reward equation. Lastly, the outcomes of the recent state elections, while not a needle mover, may keep the markets on edge, as exit polls predict losses for the BJP in both Haryana and Jammu & Kashmir. Despite the challenges, the ongoing festive season, better-than-expected monsoon over Jul-Sep'24, and consequent pick-up in rural consumption provide a near-term catalyst for economic activity. Major global central banks, with the US Fed at the forefront, have decidedly pivoted towards a monetary easing cycle (not in response to an extant crisis – like Covid or GFC – but to normalize rates). This shift implies a favorable environment for risk assets. Consequently, markets appear to be experiencing a genuine tug-of-war between the headwinds and tailwinds.

Notwithstanding intermittent hiccups, the Domestic narrative remains intact

Despite the challenging near-term environment, India's medium-term growth narrative stands out in an extremely volatile global landscape. The Indian markets have remained vibrant, demonstrating remarkable resilience, and have experienced the emergence of a genuinely domestic retail equity story in the post-pandemic era. Strong macro-micro dynamics, healthy corporate and government balance sheets, buoyant retail participation (domestic equity inflows outnumbered the FII flows by a wide margin of ~5.5x over the last four years – DII inflows of USD107b vs. FII inflows of USD19b over CY21-CY24YTD – and DII flows of USD41b are almost ~2x of the entire CY23 flows of USD22b in CY24YTD) have been the fulcrum of India's outperformance and rising weights in key global indices. This, coupled with buoyant capital market

activities, with a total fund raise (IPO+QIPs+FPO+OFS) of INR1.65t (USD20b) in CY24YTD – the highest in three years – signifies optimism on both the demand and supply sides of the market.

Recovery in rural consumption and rate cuts may be sentiment boosters

After three years of slowdown, there are some early signs of recovery in rural consumption. The CY24 monsoon season has concluded with rainfall 8% above the long period average (LPA). This augurs well for rural income, demand, and food inflation. Corporate commentary from various sectors indicates that rural demand may be bottoming out. This, coupled with the potential rate cuts by the RBI could lift the sentiments in 2HFY25. The US Fed has initiated the monetary easing cycle with a 50bp rate cut in Sep'24. China also embarked upon a significant monetary stimulus to revive its slowing economy. Our Economy team anticipates that the RBI will cut rates in CY25. Historically, FIIs have been net buyers of Indian equities during the previous rate-cut cycles. For example, when the Fed cut rates by 500bp during 2007-08, FIIs were net buyers into Indian equities to the tune of USD24b during CY07-09. Similarly, in 2019-20, when the Fed began its easing cycle, FIIs were net buyers by USD41b between CY19 and CY21. Therefore, a combination of reviving rural demand, healthy festive season sales, and potential easing by the RBI could augment growth in 2HFY25. Given this intriguing backdrop of *Tug-of-War*, we discuss the earnings outlook for 2QFY25.

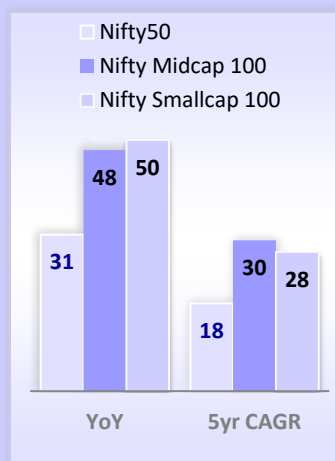
Earnings to remain flat in 2Q, at a multi-quarter low; Nifty EPS cut 4.0%/3.6% for FY25E/26E

We estimate the MOFSL Universe earnings to remain flat (lowest in eight quarters) and Nifty earnings to grow marginally by 2% YoY in 2QFY25 (lowest in 17 quarters). Ex-OMCs, we expect the MOFSL Universe and Nifty earnings to grow 7% YoY and 5% YoY, the lowest in 8 and 17 quarters, respectively. Margin tailwinds are likely to ebb due to a high base. The EBITDA margin (ex-Financials) is likely to contract 150bp YoY for the MOFSL Universe, reaching 16.4%, mainly dragged down by OMCs. Meanwhile, the margin is projected to contract 40bp for the Nifty-50 at 20%. The overall earnings growth is anticipated to be primarily driven, once again, by BFSI (+11% YoY), along with Healthcare (15% YoY), Utilities (+24% YoY), and the improved contribution of Telecom YoY (loss notably reducing to INR4b in Sep'24 from INR43b in Sep'23). Conversely, earnings growth is likely to be weighed down by global cyclicals, such as O&G (led by OMCs), which are anticipated to decline 33% YoY, along with Metals (+2% YoY), Cement (-41% YoY), and Auto (+7% YoY). Meanwhile, Real Estate (+44% YoY), and Retail (+17% YoY) are expected to deliver strong growth, while Capital goods (+13% YoY), Auto (+7% YoY) and Consumers (+4% YoY) are anticipated to post moderate earnings growth. We have cut our FY25E and FY26E Nifty EPS by 4.0% and 3.6% to INR1,072 and INR1,269, respectively. Metals and O&G have driven 80% of the 4% cut in FY25 earnings. We estimate the Nifty EPS to grow 7%/18% in FY25/FY26.

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

The past two financial years experienced an interesting interplay of revenue and earnings growth, driven by global macros. In FY23, the MOFSL Universe experienced a sharp drag on margins as commodity prices surged during the Russia-Ukraine war. This resulted in just 11% earnings growth for MOFSL Universe, despite 24% revenue growth. FY24 saw a reversal of this trend, as commodity prices moderated and margins sharply rebounded. Thus, the MOFSL Universe delivered 30% earnings growth despite just 4% revenue growth. For FY25, we expect earnings to normalize and track the revenue trend. For FY25, we anticipate the MOFSL Universe to deliver 7% revenue growth and EBITDA/PAT growth of 8% YoY each. The Nifty-50 is likely to deliver 7% earnings growth in FY25 over a high base of FY24 (+26% YoY).

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



Earnings highlights – 2QFY25E | BFSI to drive modest earnings growth aided by Healthcare, Utilities, and Telecom; Commodities to drag

- We predict **MOFSL earnings to remain flat, while those of Nifty** would grow 2% YoY in 2QFY25. Excluding global commodities (i.e., Metals and O&G), the MOFSL Universe and Nifty are likely to report 11% YoY and 10% YoY earnings growth, respectively, for the quarter
- The modest earnings growth is likely to be driven once again by **BFSI**, with positive contributions from Technology, Utilities and Healthcare. Banks (Private + PSB) would mainly lead BFSI’s earnings, with 10% YoY growth. The earnings growth of Private and PSU banks, at 5% and 17% YoY, respectively, while healthy, is the lowest for Private banks in 12 quarters. The **Auto** sector’s earnings are likely to rise 7% YoY, the lowest in ten quarters.
- Sales and EBITDA of the MOFSL Universe are likely to grow 7% and 2% YoY; while for Nifty, we expect sales and EBITDA to improve 4% and 5% YoY, respectively. Ex-OMC’s, EBITDA of the MOFSL Universe/Nifty is likely to grow 7% YoY each.
- The **Healthcare** universe is likely to report strong 15% YoY earnings growth; its sixth consecutive quarter of robust earnings growth.
- The **Metals** universe is projected to report modest 2% YoY earnings growth on a high 2QFY24 base.
- The **Capital Goods** sector is projected to report earnings growth of 13% YoY for the quarter (however, the lowest in ten quarters), dragged down by L&T. Ex-L&T, the MOFSL Capital Goods Universe is likely to post 29% YoY growth.
- The **Cement** universe is expected to report a 41% YoY earnings decline. The sector is likely to clock the second consecutive quarter of sharp earnings decline driven by low pricing and a high base of margins YoY.
- The **Specialty Chemicals** sector is likely to report a 5% YoY earnings decline; sixth consecutive quarter of decline.
- We expect EBITDA margin (ex-Financials and OMCs) for the MOFSL Universe to remain flat YoY at 19.4% in 2QFY25. However, EBITDA margin (ex-Financials) is projected to contract 150bp YoY for the MOFSL Universe to 16.4%. Conversely, for Nifty-50, excluding Financials, margin is likely to contract 40bp YoY to 20.0% during the quarter.
- The MOFSL Largecap Universe is likely to register a sales/EBITDA/PAT growth of 7%/2%/flat YoY during the quarter. The MOFSL Midcap Universe is estimated to report 8%/1%/2% YoY growth in sales/EBITDA/PAT. Conversely, the MOFSL

Smallcap Universe is estimated to clock a sales/EBITDA growth of 9%/7% YoY. However, it expects to post a 4% YoY decline in PAT for 2QFY25.

- **Sales/EBITDA/PAT of the MOFSL Universe** are expected to report a two-year CAGR of 5%/ 15%/20% over Sep'22-Sep'24.
- **FY25E earnings highlights:** The MOFSL Universe is likely to deliver a sales/EBITDA/PAT growth of 7%/8%/8% YoY. Financials, Healthcare, Capital Goods and Metals are likely to be the key earning drivers, with 14%, 24%, 24%, and 23% YoY growth, respectively. These three sectors are anticipated to contribute 100% of the incremental earnings for MOFSL Universe in FY25.

Nifty EPS cut for FY25E/26E: We have reduced our FY25E and FY26E Nifty EPS estimates by 4%/3.6% to INR1,072 and INR1,269, respectively. Metals and O&G have driven 80% of the 4% cut in FY25E Nifty earnings. We estimate the Nifty EPS to grow 7%/18% in FY25/FY26.

MOFSL TOP IDEAS: Largecaps – ICICI Bank, HDFC Bank, L&T, HCL Tech, HUL, M&M, Power Grid, Titan, Bharti Airtel and Mankind Pharma; Midcaps and Smallcaps: Indian Hotels, Angel One, Godrej Properties, Persistent Systems, Metro Brands, PNB Housing, Global Health, Cello World, Dixon Tech, and Five Star Business Finance.

Model portfolio: Key changes

Developing a model portfolio amidst a backdrop of moderating earnings growth, expensive valuations, and mounting geopolitical headwinds presents a distinct challenge than what we have encountered in the recent past. As always, we have made several adjustments to our model portfolio and sectoral stance. We have reduced the number of stocks in our portfolio while simultaneously increasing the weights of our high-conviction names. Overall, with broader markets trading at significant premiums vs. their own LPA and Nifty, we remain biased towards Largecaps with 75% allocation, while Midcaps and SmallCaps occupy the rest. We discuss the key changes in the model portfolio below:

- **Key changes to our sectoral stance:** In 1QFY25, we had raised Technology to OW. Now, we are further raising our weights in IT and making it a bigger OW. We are also shifting BFSI from Neutral to OW within which we are raising Private banks from UW to OW and Diversified Financials from Neutral to OW. We cut weights in Consumption after its recent outperformance, while further raising weights in Healthcare and Industrials.
- In summary, we are OW on BFSI, IT, Industrials, Healthcare, and Real Estate, while we are UW on Oil & Gas, Cement, Automobiles, and Metals. We have also made several additions from a bottom-up viewpoint across sectors.
- **FINANCIALS:** We are raising our stance on Pvt Banks to OW as we believe that the large banks are positioned well to navigate through current uncertainties and deliver healthy growth and profitability. Sector valuations remain undemanding, and with growth visibility improving over the coming quarters, we expect the sector to rerate. We have raised weights in HDFC Bank and ICICI Bank. We are introducing Kotak Mahindra Bank to our model portfolio. We estimate the bank to continue delivering industry-leading RoA at ~2.3% while the stock is trading at reasonable valuations of 2x FY26E ABV. We have raised weights in Angel One given the attractive valuations. We are introducing HDFC Life and Five Star Business Finance in the model portfolio. HDFC Life should gain from HDFC Bank's aggressive branch expansion strategy, especially in the lower-tier cities.



Considering the conservative persistency assumptions, VNB margin hit on implementation of new surrender charges to be restricted to 100bp without any action. We estimate FIVESTAR to deliver a 30%/24% AUM/PAT CAGR over FY24-FY27, along with an RoA/RoE of 7.6%/19% in FY26. We believe that FIVESTAR's premium valuations will remain intact, given its niche market position, strong growth potential, superior underwriting practices, resilient asset quality, and high return metrics.

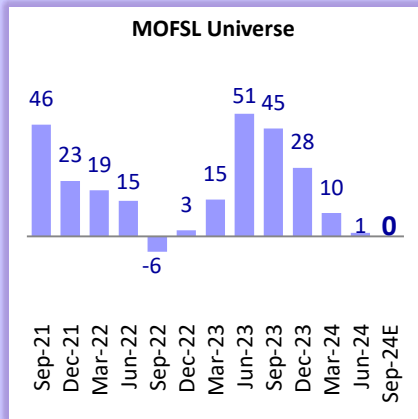
- **TECHNOLOGY:** We reiterate our OW stance on IT and add further weights – 100bp each in Infosys and HCL Tech – as well as raise the overall IT weight to 15% from 11% in 1QFY25. We continue to hold Persistent and now also add Coforge to the model portfolio. We believe the company's healthy executable order book and a rebound in BFS client spending bode well for its organic business. Cigniti could prove to be an effective long-term asset.
- **CONSUMPTION:** We trim our weights in Consumption given its recent outperformance but continue to prefer Discretionary Consumption over Staples. We continue to hold Titan, Zomato, and Indian Hotels while double our weights in Metro Brands and Cello World given the expected acceleration in discretionary demand around the festival season. Hindustan Unilever remains our singular bet in Staples, where we expect the benefit of pickup in rural consumption demand to manifest in 2HFY25.
- **AUTOMOBILES:** We maintain our UW stance on Automobiles and continue to hold **M&M** as our preferred idea. We are also adding **TVS Motors** given TVSL's strong earnings growth potential and proactive stance in the EV business. TVS is one of the rare names in our MOFSL Coverage Universe to have delivered 10 consecutive quarters of 20%+ earnings growth.
- **INDUSTRIALS:** Industrials remain our favorite theme. We add further weights in L&T given the attractive risk-reward on valuations. We are also introducing Dixon Tech to our model portfolio. We anticipate the mobile and EMS divisions to benefit from improved volumes from existing customers as well as Ismartu integration. The company is also constantly eyeing increasing wallet and market share in other segments beyond mobile as well as focusing on backward integration.
- **HEALTHCARE:** We maintain our OW stance on Healthcare and raise weights further in Mankind Pharma. Moreover, given the sharp price correction in Global Health (Medanta), we are reintroducing it in our model portfolio.

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

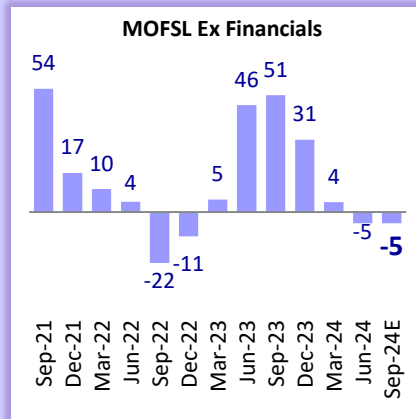
Corporate earnings at a glance: BFSI and Defensives to drive earning growth

Banks, Utilities, Technology, and Healthcare would lead the charge; excluding Metals and O&G, profits would grow 11% and 10% YoY for the MOFSL Universe and Nifty, respectively.

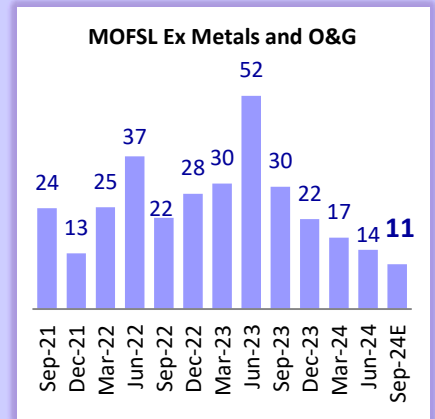
PAT expected to remain flat YoY for the MOFSL Universe



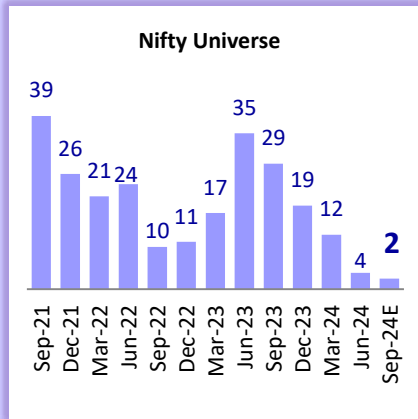
PAT likely to decline 5% YoY for the MOFSL Universe, excluding Financials



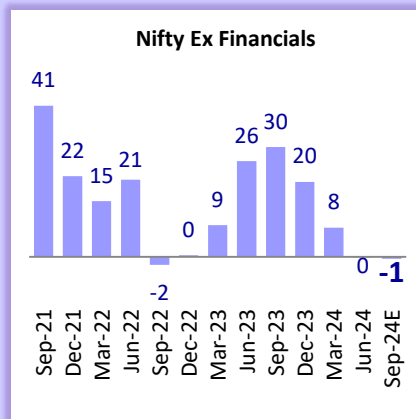
PAT to grow 11% YoY for the MOFSL Universe, sans Metals and O&G



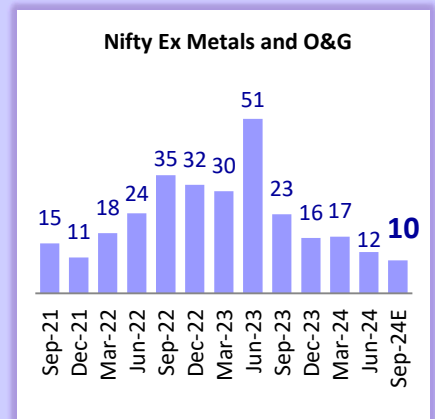
PAT growth for the Nifty Universe likely to be only 2% YoY



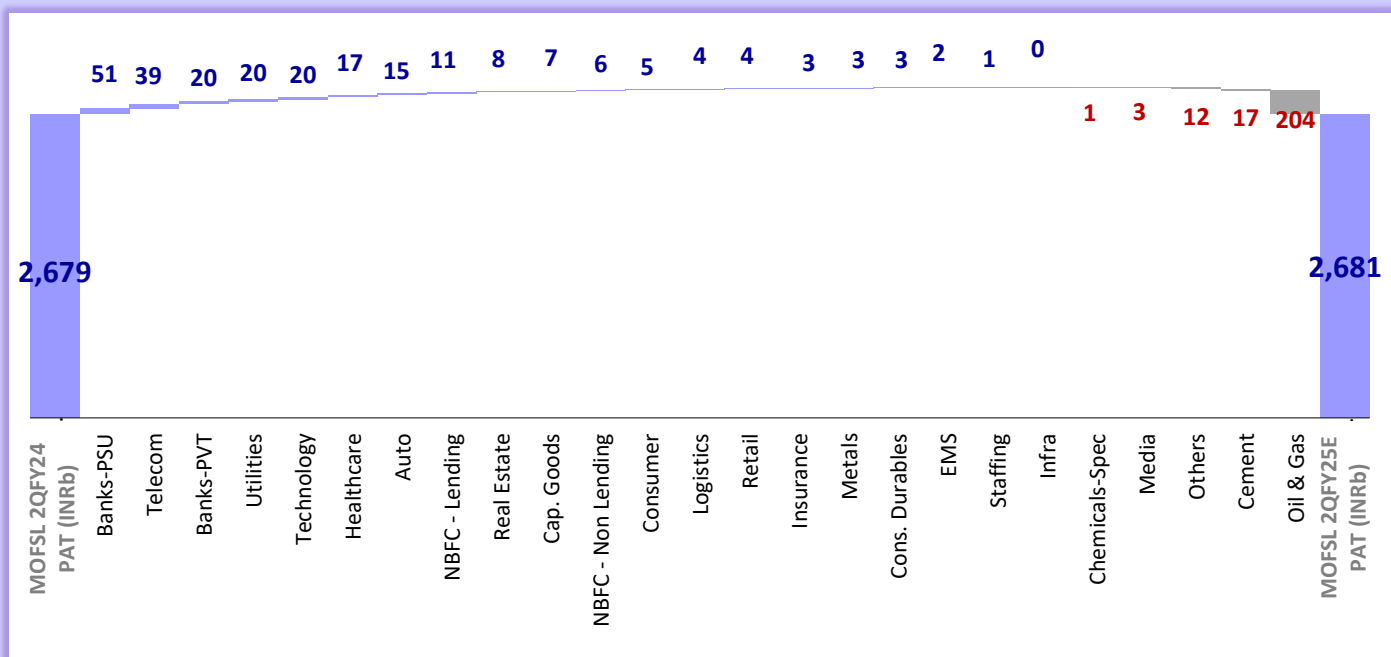
PAT to remain flat YoY for the Nifty Universe, barring Financials



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

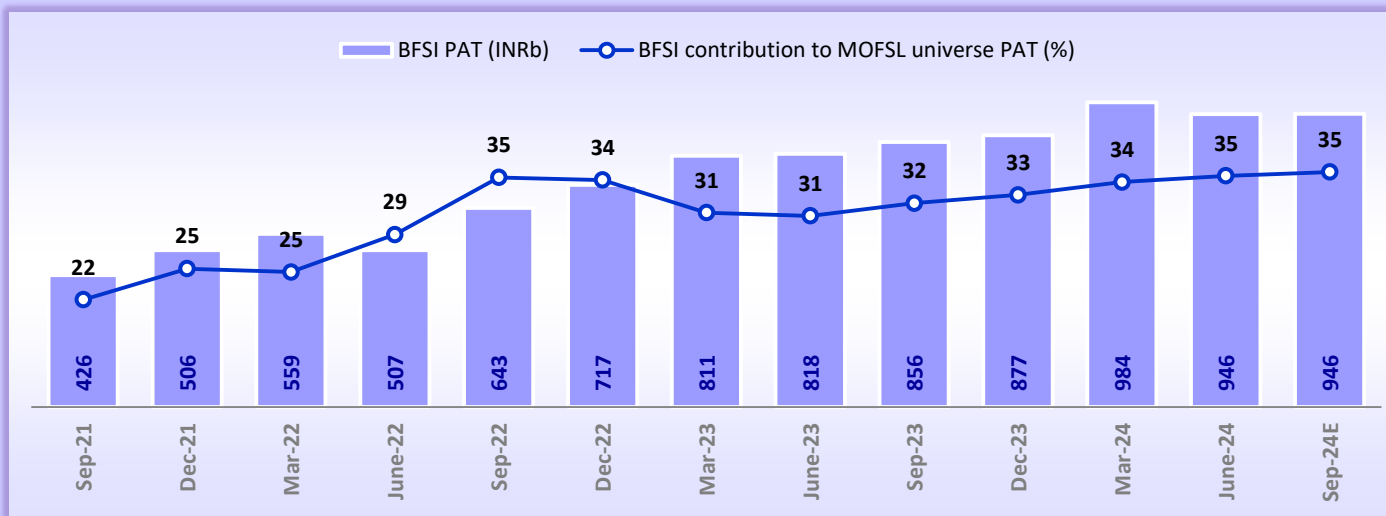


Performance of the MOFSL Universe to be driven by Banks, Utilities, Technology, and Healthcare in 2QFY25E

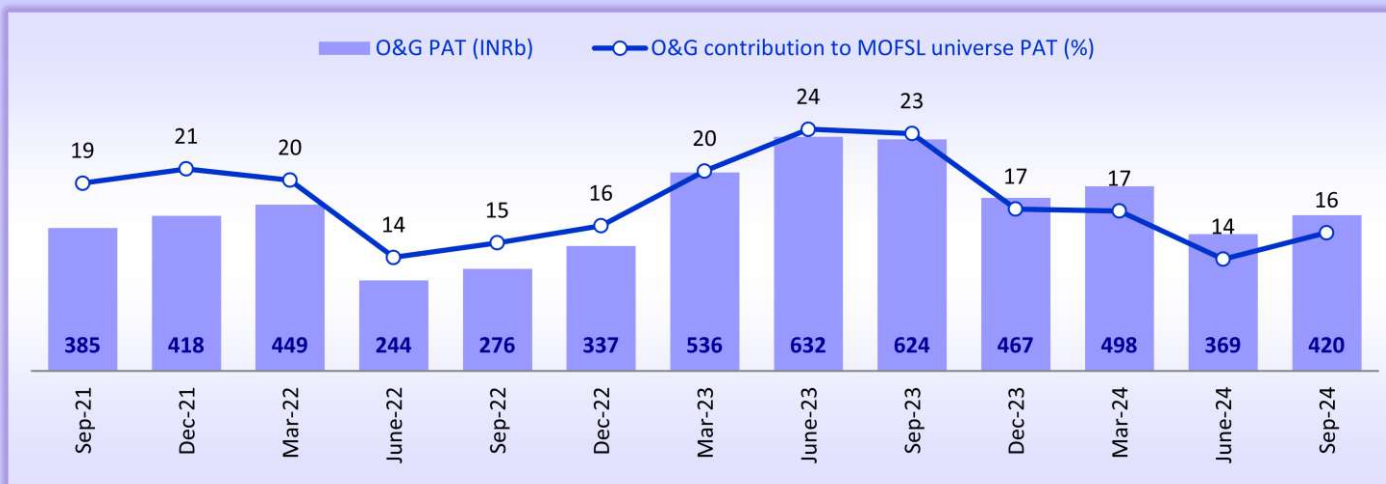


Corporate earnings at a glance: BFSI's contribution likely to remain stable

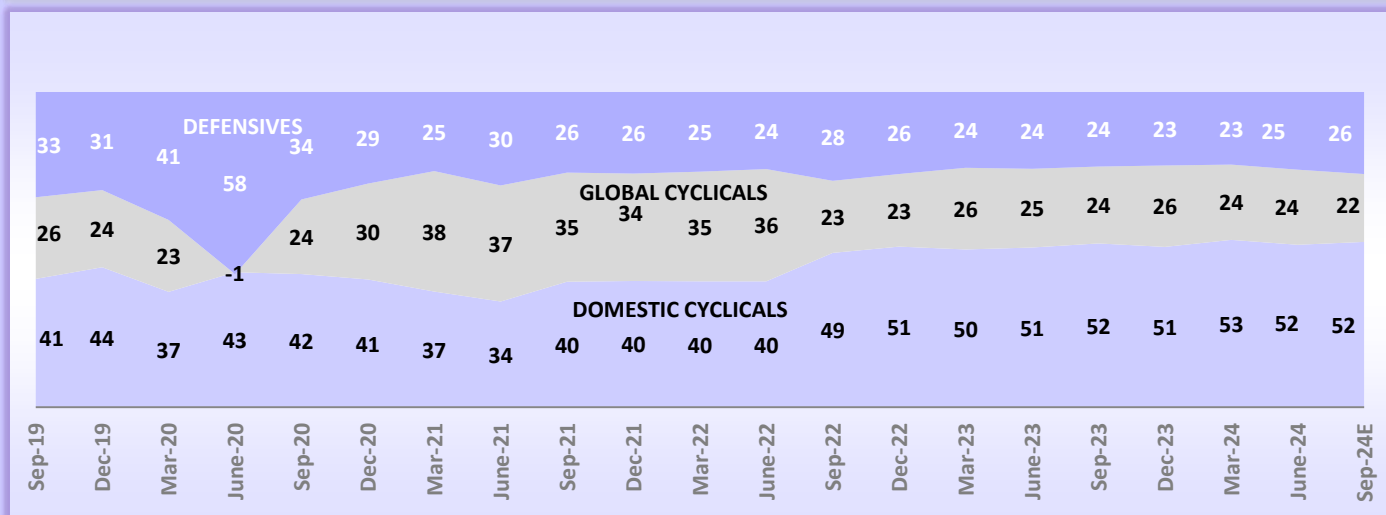
Financials' contribution likely to remain stable and account for over one-third of the overall profit pool



O&G's PAT contribution to the MOFSL Universe shows some signs of sequential recovery in 2QFY25



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



MOFSL: MODEL PORTFOLIO

SECTOR WEIGHT / PORTFOLIO PICKS	BSE 100	MOST WEIGHT	WEIGHT RELATIVE TO BSE100	EFFECTIVE SECTOR STANCE	PAT YoY / CAGR (%)				
					FY24	FY25E	FY26E	FY27E	FY24- FY26
Financials	30.7	35.0	4.3	Overweight					
Private Banks	21.4	22.0	0.6	Overweight					
ICICI Bank	6.3	9.0	2.7	Buy	28	9	13	19	11
HDFC Bank	9.0	9.0	0.0	Buy	38	12	13	14	12
Kotak Mahindra Bank	1.9	4.0	2.1	Neutral	22	3	17	23	10
PSU Bank	3.0	4.0	1.0	Overweight					
SBI	2.2	4.0	1.8	Buy	21	17	15	18	16
Diversified Financials	6.3	9.0	2.7	Overweight					
Angel One	0.0	3.0	3.0	Buy	26	36	16	27	26
HDFC Life Ins.	0.5	2.0	1.5	Buy	15	16	12	19	14
Five-Star Business	0.0	2.0	2.0	Buy	39	29	21	22	24
PNB Hsg Fin	0.0	2.0	2.0	Buy	44	21	26	22	24
Technology	11.5	15.0	3.5	Overweight					
Infosys	5.0	6.0	1.0	Buy	1	9	13	12	11
HCL Technologies	1.3	4.0	2.7	Buy	6	9	13	11	11
Persistent Systems	0.4	3.0	2.6	Buy	19	26	29	16	28
Coforge	0.0	2.0	2.0	Buy	2	16	29	18	23
Consumption / Retail	14.7	14.0	-0.7	Neutral					
Titan Company	1.1	3.0	1.9	Buy	7	16	24	18	20
HUL	1.8	3.0	1.2	Buy	1	6	13	10	9
Zomato	1.3	2.0	0.7	Buy	LP	150	220	114	183
Indian Hotels	0.4	2.0	1.6	Buy	26	27	28	13	27
Cello World	0.0	2.0	2.0	Buy	24	17	26	24	22
Metro Brands	0.0	2.0	2.0	Buy	-5	16	22	26	19
Cap Goods, Infra & Cement	8.8	9.0	0.2	Neutral					
Larsen & Toubro	2.9	5.0	2.1	Buy	25	14	26	16	20
ABB India	0.0	2.0	2.0	Buy	82	65	18	17	39
Dixon Tech.	0.0	2.0	2.0	Buy	44	85	48	31	65
Energy/Telecom	12.1	9.0	-3.1	Underweight					
Reliance Industries	6.7	5.0	-1.7	Buy	4	0	31	12	14
Bharti Airtel	3.2	4.0	0.8	Buy	39	57	59	31	58
Healthcare	4.6	6.0	1.4	Overweight					
Mankind Pharma	0.0	4.0	4.0	Buy	38	14	15	19	14
Global Health	0.0	2.0	2.0	Buy	47	8	29	17	18
Auto	7.9	5.0	-2.9	Underweight					
Mahindra & Mahindra	2.1	3.0	0.9	Buy	34	16	19	19	18
TVS Motor	0.4	2.0	1.6	Neutral	44	20	29	21	24
Metals / Utilities	7.0	4.0	-3.0	Underweight					
Power Grid Corp.	1.1	2.0	0.9	Buy	1	10	5	5	7
Tata Steel	1.0	2.0	1.0	Neutral	-61	119	109	45	114
Real Estate	0.0	3.0	3.0	Overweight					
Godrej Properties	0.0	2.0	2.0	Buy	20	93	-34	57	13
Sunteck Realty	0.0	1.0	1.0	Buy	4700	235	43	-55	119
Others	2.8	0.0	-2.8	Underweight					
TOTAL	100	100			16	13	21	17	17

LP: Loss to Profit

MARKETS

New highs are the new normal...

...fueled by continued DII flows and rising FII flows with the onset of Fed rate cuts!

- **India markets hit an all-time high:** India markets continue to scale a new peak backed by buoyant domestic flows, retail participation, and a pickup in FII participation following the announcement of Fed rate cuts. The Nifty-50 briefly surpassed the milestone of 26K. In addition, the BSE Sensex nearly scaled the 86K mark, reaching an all-time high, before correcting ~5% due to geopolitical headwinds in Oct'24. The Nifty-50 continued its upward journey since the last six consecutive quarters (rising ~50% since Mar'23). Further, MSCI India outperformed global markets by a wide margin in the past 12 months; however, MSCI made a strong recovery following the announcement of rate cuts and stimulus measures by its Central bank in Sep'24. The market cap of the Indian listed universe surpassed USD5.7t, accounting for 4.6% of the global market cap.
- **Showcasing strong resilience:** Despite a high base and strong run-up in the last one year, the Indian markets continued to display their resilience and outperformed other emerging markets handsomely. Markets continued to shrug off heightened volatility led by domestic events such as unexpected Lok Sabha election outcome, increase in capital gains tax in the budget announcements, and concerns of slow global growth along with geopolitical tensions. While weak global macros and geopolitical uncertainties continue to keep markets volatile and jittery, the onset of the interest rate cut cycle is a big sigh of relief.
- **Global markets post healthy gains in CY24YTD:** Among key global markets, the US S&P500 (+21%), followed by Taiwan (+20%), and India (+18%) stands at the top of the returns table in CY24YTD. China (+13%) recovered sharply (up 20% in a month) from the lows on the back of monetary stimulus in Sep'24 and turned positive during the year, outperforming the remaining key global markets in USD terms. Further, MSCI India (+25%) and MSCI China (+26%) outperformed MSCI EM (+14%) by a wide margin in CY24YTD.
- **India's outperformance vs. the global market continues:** As the global markets recover from their lows in CY23, India's outperformance slips from the highs in CY24. However, despite relative moderation, India remains the third-best performer both in local currency and in USD terms (only after the US and Taiwan) in the last 10 years. The Nifty-50 posted a CAGR of 14%/18%/12% (in local currency terms) and a CAGR of 8%/13%/9% (in USD terms) during the three-year/five-year/ten-year periods ended Sep'24.
- **DII flows in 9MCY24 exceed CY23 flows:** Backed by strong retail participation and monthly SIP flows of +USD2.5 (scaling a new high), DII inflows continue to remain strong. DII inflows over the past nine months at USD40.8b have exceeded that of the entire CY23 (USD22.3b) by 83%. In addition, FII flows also garnered strength in Sep'24 with Fed rate cuts and global central banks starting to cut interest rates. As global interest rates are further expected to cool down and retail participation remaining resilient, institutional flows would continue to remain strong going forward. However, the recent monetary stimulus in China and geopolitical turmoil in Israel-Iran have resulted in a fresh bout of FII selling.
- **Midcaps and smallcaps' outperformance tapers:** Following more than a year of broad-based growth, with all the indices and sectors delivering positive returns, the outperformance trend of midcaps and smallcaps to largecaps moderated in 2QFY25 (Jun'24 to Sep'24). While the Nifty Midcap 100's (+8% YoY) performance was marginally better, the Nifty Smallcap 100 (+5% YoY) underperformed Nifty-50

(+7.5%) by 2.5pp. Outperformance of leading sectors of the past one year, i.e. Real Estate, Capital Goods, PSUs, Industrials, Defense, and Energy, moderated while the Defensive sectors, such as FMCG, IT, and Healthcare improved.

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

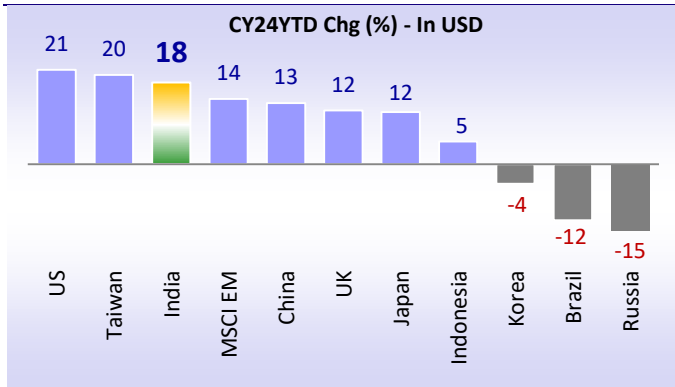


Exhibit 2: World equity indices in local currency terms (%)

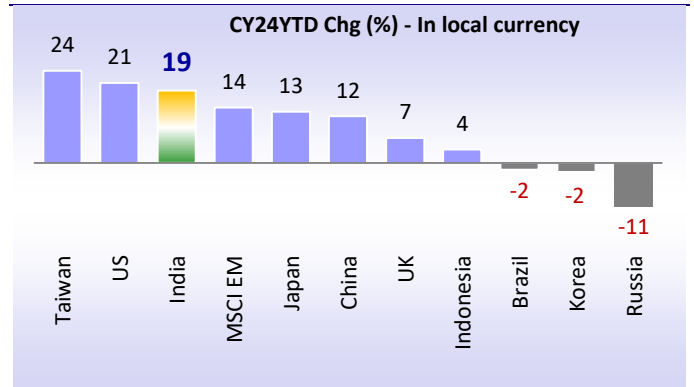


Exhibit 3: Over the last 12 months, India's market cap has surged ~55% to reach USD5.7t, while the global market cap has increased ~22% (by USD22.4t)

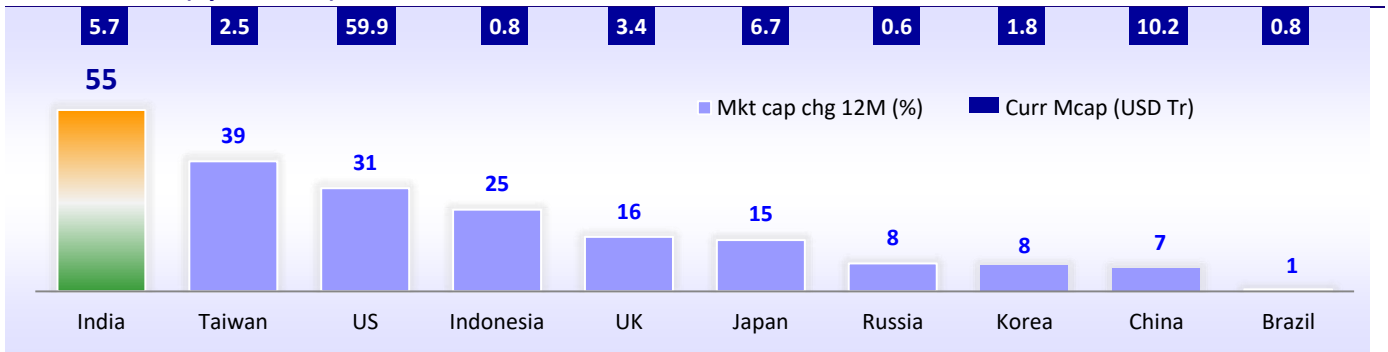


Exhibit 4: Trend in India's contribution to the global market cap (%) – at an all-time high

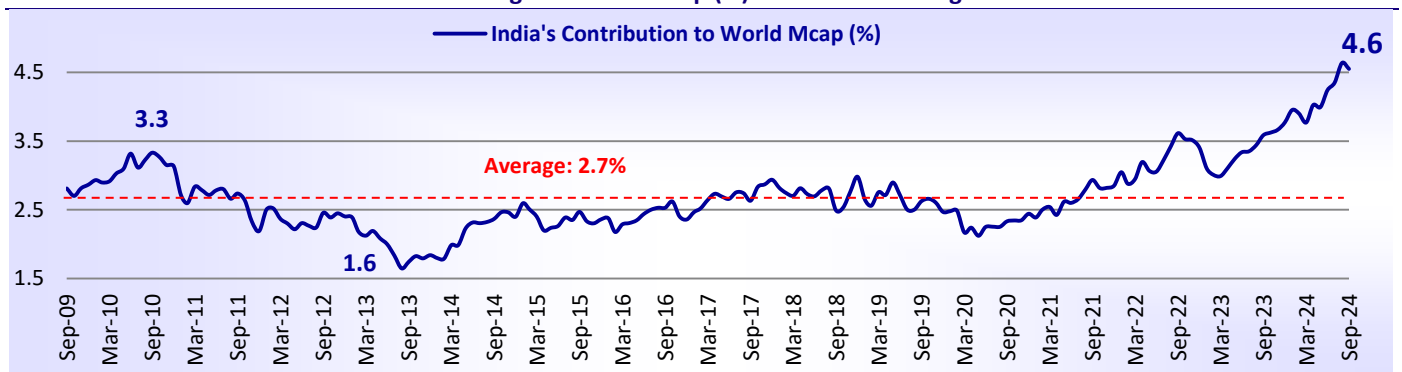


Exhibit 5: FII flows remain positive during the year...

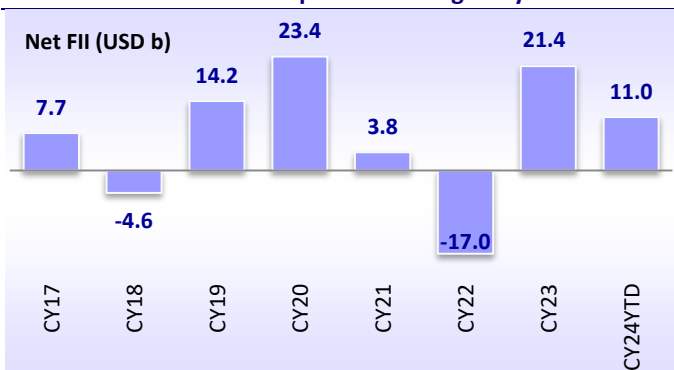


Exhibit 6: ...while DII inflows continue to break records

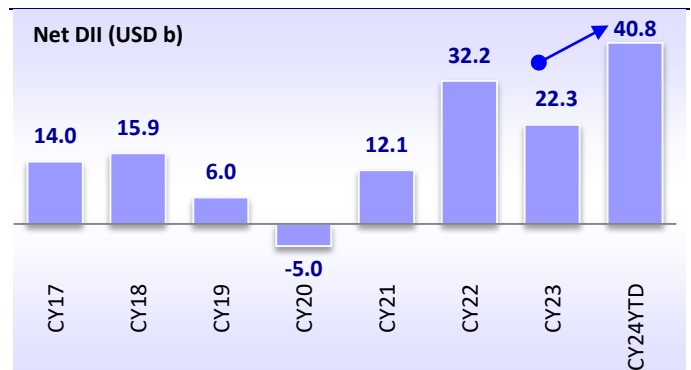


Exhibit 7: FII flows gather steam in Sep'24

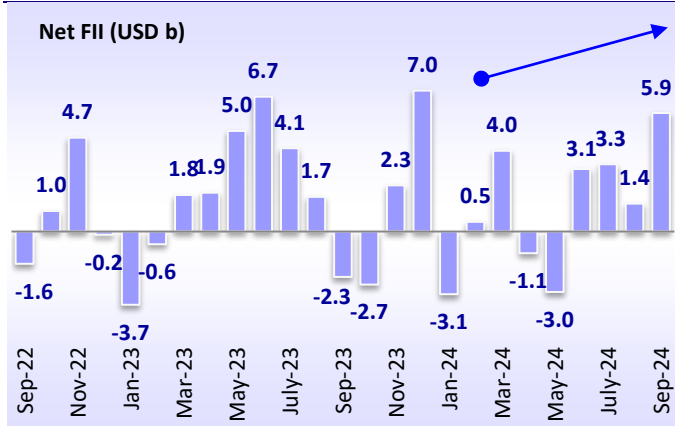


Exhibit 8: DII flows have been robust since the last 14 months

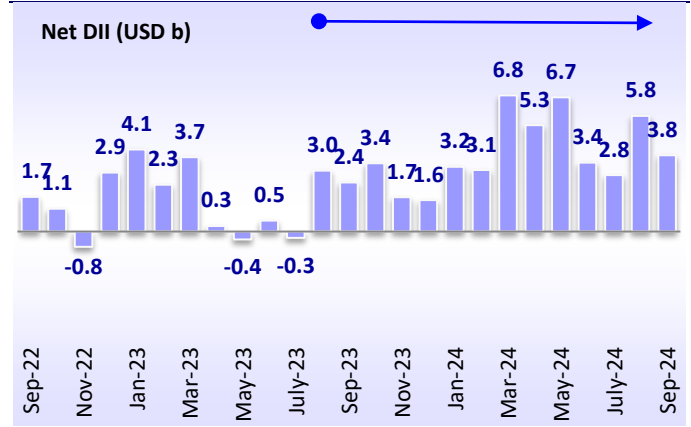
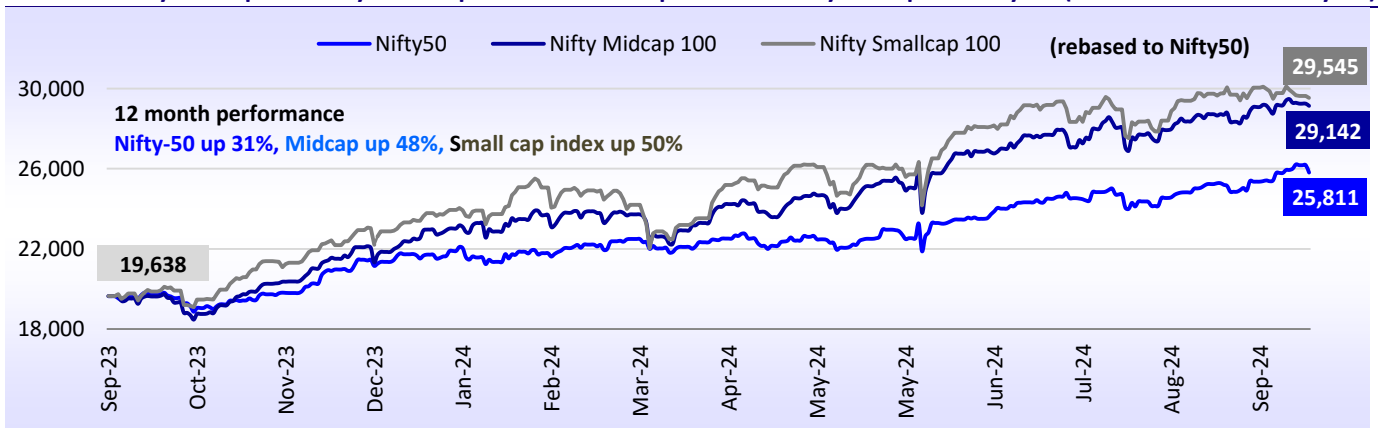


Exhibit 9: Nifty Midcap and Nifty Smallcap indices have outperformed Nifty-50 in past one year (indices rebased to Nifty-50)



Valuations above the LPA for Nifty-50, while rich for broader markets

- Nifty is trading at a 12-month forward P/E of 21.5x, 5% above its own LPA. Notably, Nifty-50's EPS CAGR of 16% (to INR1,006 in FY24) has converged with the index CAGR of ~18% during the last five years (ended Sep'24). We expect FY25/FY26 EPS to grow 7%/18% to INR1,072/INR1,269.
- India's market capitalization-to-GDP ratio has been volatile, plummeting to 57% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 112% in FY22; the ratio moderated to 96% in FY23 though. The ratio is now at 146% (of FY24E GDP), above its long-term average of 85%. We expect the nominal GDP to increase 10.8% YoY in FY25.

Exhibit 10: Markets continue to scale new heights; valuations above the LPA

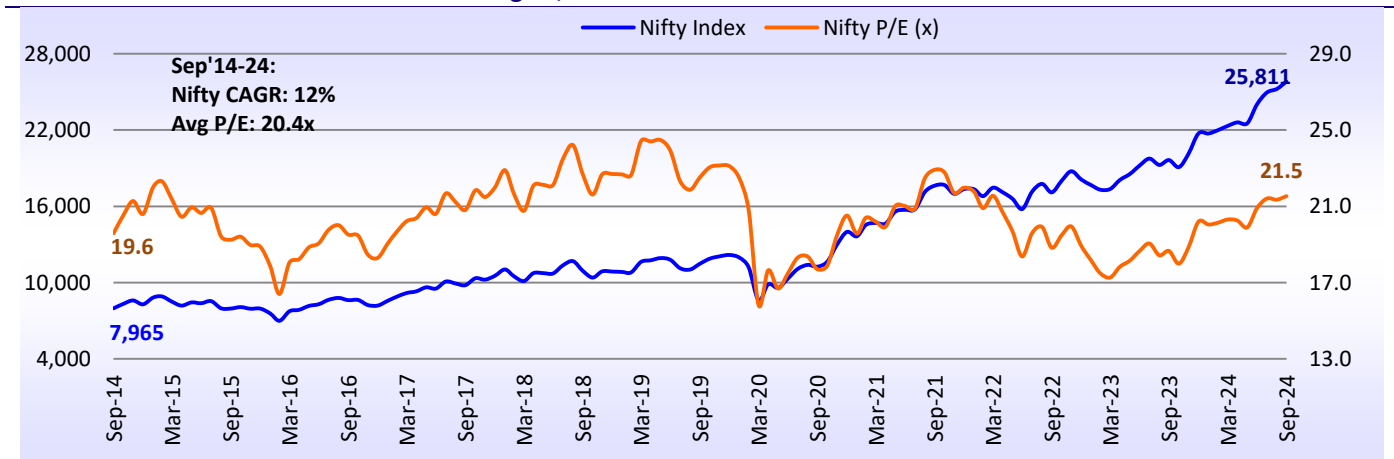


Exhibit 11: 12-month forward Nifty P/B (x)

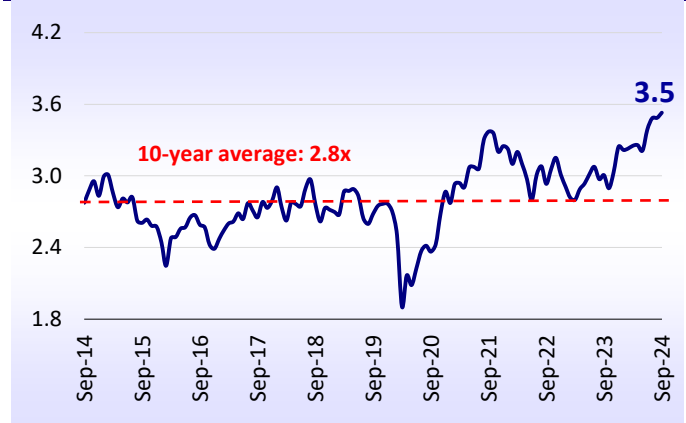


Exhibit 12: 12-month forward Nifty RoE (%)

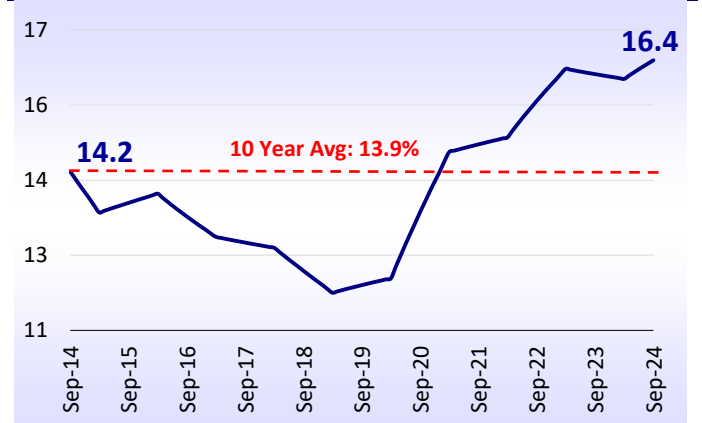


Exhibit 13: Broader markets trade at a significant premium to largecaps

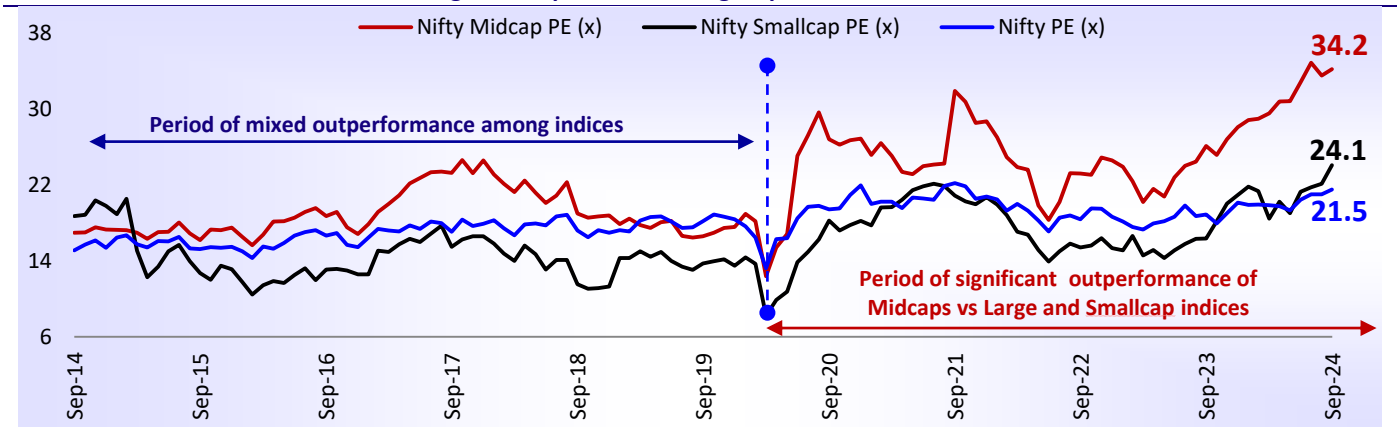
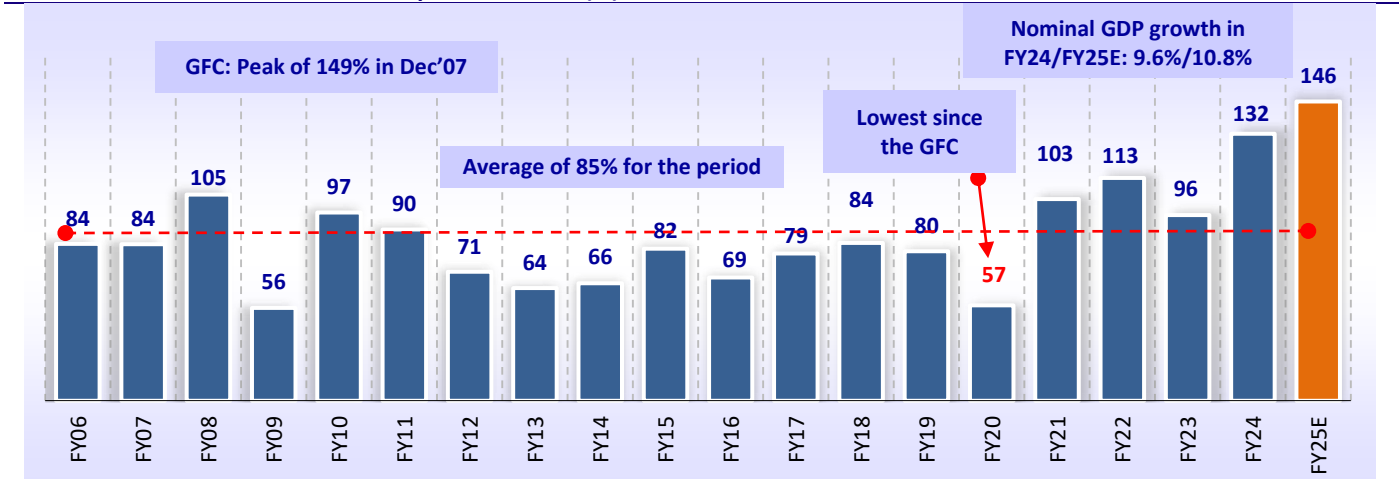


Exhibit 14: Trend in India's market-cap-to-GDP ratio (%)



2QFY25 PREVIEW

Expect BFSI to lead the incremental profit growth in 2QFY25

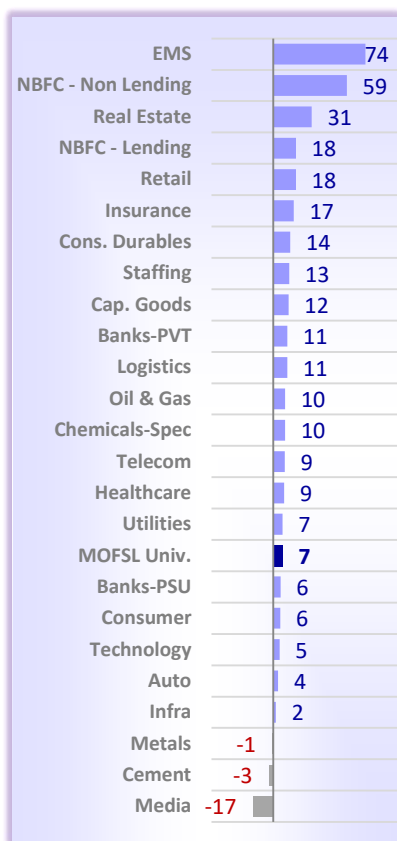
Of the 18 major sectors under MOFSL Coverage, 11 sectors would witness an expansion in EBITDA margin

Another flat quarter; commodities drag

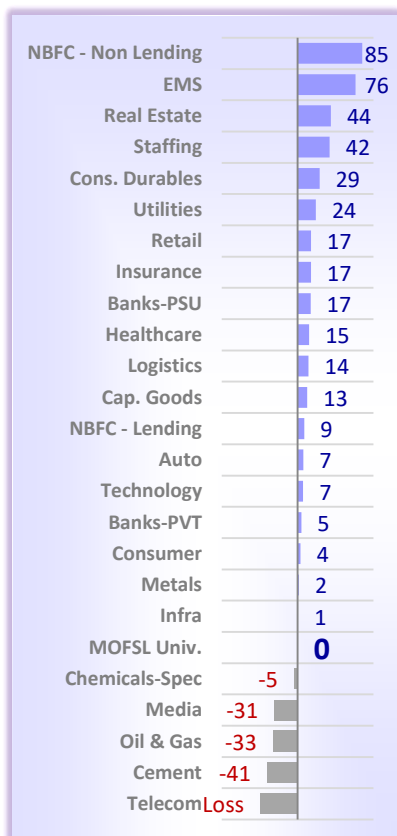
MOFSL (ex-OMCs) earnings likely to grow 7% YoY

- **Auto** sector's earnings are likely to rise 7% YoY during the quarter. Revenue and EBITDA for our OEM coverage universe (ex-JLR) are expected to grow ~2% and 4% YoY during the quarter, respectively, while PAT is likely to remain flat. EBITDA margin is anticipated to improve 30bp YoY at 13.0%, driven largely by moderate commodity costs and favorable product mix. Commodity costs have turned favorable in 2QFY25, with steel, aluminum, copper, and lead prices declining 5-6% QoQ. Given the moderation in demand across various segments and a challenging outlook for exports, the majority of our coverage companies experienced earnings downgrades.
- **BFSI**: We expect an 11% YoY earnings growth for our BFSI universe, which is driven by PSBs (+17%), Private Banks (up 5%), Insurance (up 17%), and NBFC-Lending (up 9%). **Banks** We estimate NII for our banking coverage universe to grow ~8.6% YoY in 2QFY25, while controlled opex to result in PPOp of 13.2% YoY/ 0.9% QoQ. For our **private bank** coverage universe, we estimate a PPOp growth of 12% YoY/1% QoQ and a PAT growth of 5% YoY/0.6% QoQ in 2QFY25. **PSBs** are expected to report moderate earnings growth of 17% YoY/a decline of 0.6% QoQ in 2QFY25. NII growth is also likely to remain moderate at ~6% YoY as margins maintain a marginal downward bias. We also estimate the earnings of the MOFSL Banking Universe to grow 10.1%/13.2%/13.9% YoY over 2QFY25/FY25/FY26. **NBFCs**: We estimate ~19%/18%/9% YoY growth in NII/PPOp/PAT in 2QFY25 for our NBFC coverage universe. Excluding NBFCMFIs, we estimate ~15% YoY growth in PAT for our coverage.
- **The Technology** sector's (IT services companies) 2QFY25 revenue growth is likely to be decent but could disappoint elevated expectations. The most important catalyst for the sector now would emerge after 3Q, when client budgets for CY25 would be finalized and the magnitude of changes in client behavior would become clearer. We expect aggregate revenue/EBIT/PAT to grow 5.1%/4.4%/7.0% YoY (all in INR terms) for our coverage universe.
- **The Capital Goods sector's** earnings are projected to rise 13% YoY during the quarter. After better-than-expected ordering in 1QFY25, we expect 2QFY25 ordering to improve for selective segments. Delayed decision-making in government projects and delays in the finalization of the private sector inquiry pipeline can impact companies focused on EPC and private capex. However, other fast-growing segments, such as data centers, transmission, electronics, and renewables, continue to boost inflows for companies. We expect 12% YoY growth in execution in 2QFY25. Margins should be in a stable range given benign commodity prices, cost-saving measures, and an improved product mix. As a result, we expect a ~50bp YoY expansion in EBITDA margin for our coverage universe.
- For the MOFSL **Consumer** coverage universe (excluding QSR and Jewelry), revenue/EBITDA/PAT are expected to clock 6%/3%/4% YoY growth in 2QFY25. We anticipate the FMCG/Jewelry verticals to sustain/outperform their growth trajectories in 2QFY25, whereas QSR, Paints, and Liquor verticals are likely to experience weakness in growth and profitability. For Staples companies, demand trends remained stable QoQ in 2QFY25, with rural markets outperforming urban areas for the third consecutive quarter.

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



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



- The **Healthcare** companies under our coverage are expected to report a healthy YoY earnings growth of 15% in 2QFY25. The pharma companies under our coverage universe are expected to report healthy 13.3% YoY earnings growth in 2QFY25. We expect aggregate sales to grow 8.6% YoY to INR773b, aided by strong traction in domestic formulation (DF) sales and a healthy performance in the US segment. EBITDA is likely to exhibit 14% YoY growth to INR187b, fueled by a higher share of niche launches in the US generics. PAT is likely to grow 13.3% YoY to INR118b. For hospitals, we expect profitability to improve due to addition of beds, increase in occupancy, and optimization of case mix/payor mix.
- **Metal** companies within our coverage universe are likely to post a sequential decline in 2QFY25E (revenue -3%, EBITDA -15%, and APAT -27%), due to weak metal pricing and soft volumes during the quarter. Given the seasonal monsoon impact, cheaper imports from China, and muted exports, domestic prices have been under pressure. Lower coal prices will partially offset the impact. In addition, the mining companies are expected to report sequential de-growth due to weak volumes led by heavy monsoons and lower iron ore prices. We expect the steel sector to report muted performance driven by weak pricing and volumes, with softened input costs providing some cushion against the fall. Non-ferrous companies under our coverage are anticipated to post better revenue, EBITDA and PAT on a QoQ basis as compared to the ferrous companies.
- **The Cement sector's** earnings are projected to decline 41% YoY as the cement price remained weak during the quarter. We estimate our cement coverage universe to report a volume growth of ~1% YoY (three-year CAGR of ~7%) in 2QFY25. We estimate the average EBITDA/t to decline ~27%/22% YoY/QoQ to INR674 due to weak realization. The aggregate EBITDA of our coverage universe is estimated to decline 27% YoY and OPM to contract 3.6pp YoY to 13.9%.
- **The O&G sector is expected** to report sales growth of 10% YoY, while EBITDA/PAT will decline 22%/33% YoY, mainly led by OMCs. Brent crude price averaged USD79.8/bbl in 2QFY25 (vs. USD84.6/bbl in 1QFY25). The weakness in oil prices in the past few months was due to fears of the reversal of voluntary cuts by OPEC+, alongside demand worries amid the contraction in Chinese consumption and seasonality.
- **The Utility sector** is projected to report sales/EBITDA/adj. PAT growth of 7%/9%/24% YoY in 2QFY25. JSWE, PWGR, TPWR, and NTPC are likely to report robust 2QFY25 results, aided by the commissioning of new capacity, which will lead to a rise in regulated equity (PWGR and NTPC), and strong PLFs given robust power demand. IEX volumes in 2QFY25 are expected to be robust (+38% YoY) given elevated peak demand and adequate availability of power.
- **Specialty Chemicals** is projected to report an earnings decline (down 5% YoY) for the sixth consecutive quarter.
- **2QFY25 snapshot:** We expect EBITDA/PBT/PAT to be +2%/flat/flat YoY in 2QFY25 for the MOFSL Universe. Excluding Metals and O&G, EBITDA/PBT/PAT for the MOFSL Universe would grow 10%/10%/11% YoY. The 2QFY25 earnings performance for the MOFSL Universe will be the lowest in eight quarters, while for MOFSL (ex-Metals and O&G), it will be the lowest in 17 quarters.
- EBITDA margins for Telecom, Metals, Real Estate, Healthcare, Consumer Durables, Utilities, Capital Goods, Infrastructure, Logistics, Automobiles, and Retail should expand, while margins for Media, O&G, Cement, Spec. Chemicals, Consumer, EMS, and Technology are likely to contract on a YoY basis.

- **Nifty earnings to grow 2% YoY in 2QFY25; lowest since June'20:** Ex-OMCs, the Nifty earnings are anticipated to rise ~5% YoY (lowest in 17 quarters). State Bank, Bharti Airtel, NTPC, TCS, and Hindalco are likely to drive Nifty earnings, while BPCL, JSW Steel, Reliance, ONGC, and TATA Steel are projected to drag the same. Nifty earnings, ex Metals/O&G, are likely to increase 10% YoY in 2QFY25, again weakest since June'20.
- **FY25E snapshot:** The MOFSL Universe and Nifty are likely to record 8% YoY and 7% YoY earnings growth, respectively, in FY25E. Excluding Metals and O&G, the MOFSL Universe/Nifty should post 15%/11% YoY earnings growth.

Key sectoral trends and highlights

- **The Private banks coverage universe** is estimated to report a PPop growth of 12% YoY/1% QoQ and a PAT growth of 5% YoY/0.6% QoQ in 2QFY25. We also estimate a 12.4% CAGR in earnings over FY24-26. We estimate NII to grow 11.3% YoY in 2QFY25. Opex is likely to follow a normalized trend. Slippages broadly remain under control, which should drive stability/further improvement in asset quality ratios. However, we remain cautious amid rising delinquencies in unsecured lending and MFI, which could result in some rise in credit costs in the unsecured segments, primarily MFI.
- **The PSU banks** to report earnings growth of 17.2% YoY/ a decline of 0.6% QoQ in 2QFY25. NII growth is also likely to remain moderate at ~6% YoY as margins maintain a marginal downward bias. Accordingly, we estimate PSBs' earnings to clock a 15% CAGR over FY24-26. Opex to be under control as wage-related provisions are largely accounted for in FY24.
- The MOFSL **NBFC-Lending** Coverage Universe is likely to report a sales/PAT growth of 18%/9% YoY. For our coverage universe, we estimate loan growth of ~18% YoY/~4% QoQ in 2QFY25. We expect ~8% YoY growth in AUM in 2QFY25 for our HFC coverage universe, including both affordable and other HFCs. Vehicle financiers are projected to report ~24% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~24% YoY growth. NBFC-MFIs are likely to post ~13% YoY growth, while diversified lenders are expected to deliver ~22% YoY growth in AUM.
- **Auto** OEMs are projected to deliver ~9% YoY volume growth in 2QFY25, mainly driven by a robust performance in the 2W segment. The 2W segment is likely to have grown ~12% YoY, with domestic volumes growing ~11% YoY and exports growing 13% YoY. On the other hand, PV growth momentum has slowed, with overall volumes remaining flat YoY. The CV segment continues to face challenges, with overall volumes likely to decline ~10% YoY. Revenue and EBITDA for our OEM coverage universe (ex-JLR) are expected to grow ~2% and 4% YoY during the quarter, respectively, while PAT is likely to remain flat. EBITDA margin is anticipated to improve 30bp YoY at 13.0%.
- The MOFSL **Consumer** universe (excluding QSR and Jewelry), is expected to deliver revenue/EBITDA/PAT growth of 5.5%/3.2%/3.8% in 2QFY25. We expect the FMCG/Jewelry verticals to sustain/outperform their growth trajectories in 2QFY25, whereas QSR, Paints, and Liquor verticals are likely to experience a weakness in growth and profitability. For Staples companies, demand trends remained stable QoQ in 2QFY25, with rural markets outperforming urban areas for the third consecutive quarter. However, heavy rains and floods in certain regions have disrupted the supply chain.

- The **Healthcare** Universe is likely to report sales/EBITDA/PAT growth of 9%/14%/15% YoY in 2QFY25. We expect aggregate sales in the DF segment to grow 12% YoY to INR213b for the companies under our coverage. Compared to IPM growth of ~8% YoY, our coverage companies are in good stead to perform better than IPM.
- For the MOFSL **Capital Goods** universe, we expect healthy growth of 12%/15%/13% YoY in sales/EBITDA/PAT in 2QFY25. Ordering activity continued to be buoyant during the quarter, with healthy traction across sectors such as power T&D, data centers, renewable energy, real estate, buildings & factories, etc. We expect 12% YoY growth in execution in 2QFY25.
- Our **Utility** Universe is likely to report sales/EBITDA/PAT growth of 7%/9%/24% YoY in 2QFY25, aided by the commissioning of new capacities, which will lead to a rise in regulated equity and strong PLFs given the robust power demand.
- The **MOFSL Cement** Universe should report an EBITDA/PBT decline of 27%/40%YoY and a PAT decline of 41% YoY for the quarter. We estimate our cement coverage universe to report a volume growth of ~1% YoY (three-year CAGR of ~7%) in 2QFY25. Further, we estimate an average capacity utilization of ~67% vs. ~74%/78% in 2QFY24/1QFY25. We estimate the average EBITDA/t to decline ~27%/22% YoY/QoQ to INR674 due to weak realization.
- The **Metals** Universe is expected to post a QoQ decline during 2QFY25E (Revenue -3%, EBITDA -15%, and APAT -27%), driven by weak metal pricing and soft volumes during the quarter. In 2QFY25, average domestic HRC prices declined by 5-6% QoQ to INR50,300 and the primary rebar prices fell by 10% QoQ to INR51,250/t. Chinese HRC/TMT/Wire rod prices corrected by 8-10% QoQ, which trickled down the metal prices in the international market. Prices of non-ferrous commodities declined QoQ during the quarter. Copper/Aluminum/Lead prices dipped 5% each, Zinc by 2%, and Nickel by 12% QoQ.
- For the **Technology** Universe, we expect aggregate revenue/EBIT/PAT to grow by 5.1/4.4/7.1% YoY (all in INR terms) for our coverage universe. We expect revenue growth of Tier-I companies to be in the range of flat to +3.0% QoQ CC. Revenue growth for Tier-II players is expected to be in the range of flat to +4.5% QoQ in constant currency (CC) terms.

Exhibit 15: MOFSL and Nifty Universe to post flat and 2% YoY earnings growth, respectively, in 2QFY25 (INR b)

Sector	Sales	Gr. (%)		EBITDA	Gr. (%)		PAT	Gr. (%)		PAT Delta	PAT
	Sep-24	YoY	QoQ	Sep-24	YoY	QoQ	Sep-24	YoY	QoQ	INR b	Share (%)
PAT growth sectors	4,297	13	6	1,254	15	3	680	20	0	113	25
NBFC - Non Lending (5)	30	59	10	16	82	20	12	85	22	6	0
EMS (7)	132	74	17	7	64	15	4	76	21	2	0
Real Estate (12)	134	31	11	39	36	16	27	44	-5	8	1
Staffing (4)	121	13	6	4	20	15	3	42	42	1	0
Consumer Durables (5)	159	14	-18	17	23	-10	12	29	-12	3	0
Utilities (5)	749	7	0	264	9	1	103	24	-2	20	4
Retail (19)	534	18	4	60	19	6	24	17	11	4	1
Insurance (6)	694	17	39	36	18	63	22	17	-4	3	1
Banks-PSU (6)	890	6	1	609	15	1	345	17	-1	51	13
Healthcare (24)	856	9	2	202	14	-1	127	15	0	17	5
Med/Low growth sectors	10,729	5	0	2,592	8	-3	1,530	6	-4	86	57
Logistics (8)	160	11	8	59	11	6	35	14	3	4	1
Capital Goods (12)	886	12	6	106	15	12	65	13	16	7	2
NBFC - Lending (20)	330	18	4	247	17	4	131	9	-1	11	5
Automobiles (25)	2,870	4	-1	388	4	-6	221	7	-1	15	8
Technology (12)	1,923	5	2	426	4	2	297	7	2	20	11
Banks-Private (13)	925	11	1	694	12	1	436	5	1	20	16
Consumer (19)	862	6	-1	208	3	-4	148	4	-2	5	6
Metals (10)	2,729	-1	-3	453	7	-15	194	2	-27	3	7
Infrastructure (3)	43	2	-5	12	2	-5	3	1	-24	0	0
PAT de-growth sectors	9,853	8	2	1,377	-15	2	472	-30	8	-198	18
Chemicals-Specialty (12)	170	10	4	31	2	5	18	-5	8	-1	1
Media (3)	45	-17	-1	10	-34	3	6	-31	4	-3	0
Oil & Gas (15)	7,966	10	3	901	-22	6	420	-33	14	-204	16
Cement (11)	504	-3	-11	58	-27	-30	25	-41	-26	-17	1
Others (17)	515	1	-3	61	-8	-31	7	-62	-79	-12	0
Telecom (4)	653	9	5	316	12	7	-4	Loss	Loss	39	0
MOFSL Universe (277)	24,879	7	2	5,222	2	0	2,681	0	-1	2	100
Nifty (49)	14,100	4	0	3,474	5	0	1,886	2	1	44	
Sensex (30)	10,375	3	0	2,798	7	0	1,470	5	1	64	

Exhibit 16: Expect a two-year PBT/PAT CAGR of 20% each for the MOFSL Universe (INR b)

Sector	PBT (INR b)				Growth (%)			PAT (INR b)				Growth (%)		
	Sep-22	Sep-23	Jun-24	Sep-24	YoY	Two-year CAGR	QoQ	Sep-22	Sep-23	Jun-24	Sep-24	YoY	Two-year CAGR	QoQ
Automobiles (25)	127	280	304	289	3	51	-5	97	205	223	221	7	51	-1
Capital Goods (12)	64	84	85	96	14	22	13	41	58	56	65	13	26	16
Cement (11)	27	58	46	35	-40	14	-25	20	42	34	25	-41	11	-26
Chemicals-Specialty (12)	29	24	22	24	-1	-10	9	24	18	16	18	-5	-14	8
Consumer (19)	166	192	204	198	3	9	-3	126	143	151	148	4	8	-2
Consumer Durables (5)	8	13	19	16	25	39	-12	7	9	14	12	29	31	-12
EMS (7)	2	3	4	5	90	57	27	2	2	3	4	76	52	21
Financials (50)	860	1,135	1,271	1,271	12	22	0	643	856	946	946	11	21	0
Banks-Private (13)	409	535	575	581	9	19	1	306	415	433	436	5	19	1
Banks-PSU (6)	305	411	480	476	16	25	-1	226	294	347	345	17	24	-1
Insurance (6)	16	19	25	24	26	20	-4	15	19	23	22	17	20	-4
NBFC - Lending (20)	122	160	177	175	9	20	-1	90	120	132	131	9	21	-1
NBFC - Non Lending (5)	8	9	14	16	81	45	13	6	7	10	12	85	48	22
Healthcare (24)	127	143	169	166	16	14	-2	97	110	127	127	15	14	0
Infrastructure (3)	6	6	7	5	-3	-2	-18	4	3	4	3	1	-5	-24
Logistics (8)	31	35	40	42	19	16	5	26	30	34	35	14	15	3
Media (3)	7	12	8	8	-35	5	1	5	8	6	6	-31	11	4
Metals (10)	221	255	380	284	11	13	-25	139	191	267	194	2	18	-27
Oil & Gas (15)	378	862	524	593	-31	25	13	276	624	369	420	-33	23	14
Oil Ex OMCs (12)	413	510	444	457	-10	5	3	303	358	309	318	-11	2	3
Real Estate (12)	13	23	36	32	37	53	-13	15	19	28	27	44	34	-5
Retail (19)	29	28	30	33	18	7	12	22	21	22	24	17	6	11
Staffing (4)	2	2	2	3	45	38	36	2	2	2	3	42	30	42
Technology (12)	355	374	397	399	7	6	1	264	277	292	297	7	6	2
Telecom (4)	-16	-4	18	27	LP	LP	49	-42	-43	-22	-4	Loss	Loss	Loss
Utilities (5)	90	118	130	133	12	22	2	84	83	106	103	24	11	-2
Others (17)	9	24	39	15	-35	29	-61	2	19	35	7	-62	112	-79
MOFSL Universe (277)	2,535	3,667	3,734	3,674	0	20	-2	1,853	2,679	2,712	2,681	0	20	-1
MOFSL Ex Metals and O&G (252)	1,936	2,550	2,831	2,797	10	20	-1	1,438	1,864	2,076	2,067	11	20	0
MOFSL Ex OMCs (274)	2,570	3,315	3,655	3,537	7	17	-3	1,880	2,413	2,652	2,579	7	17	-3
Nifty (49)	1,961	2,527	2,606	2,589	2	15	-1	1,433	1,842	1,875	1,886	2	15	1
Sensex (30)	1,526	1,954	2,057	2,041	4	16	-1	1,100	1,406	1,463	1,470	5	16	1

Sales/PAT for the MOFSL Universe to grow 7%/remain flat YoY in 2QFY25

Exhibit 17: Expect sales for the MOFSL Universe to grow 7% YoY in 2QFY25

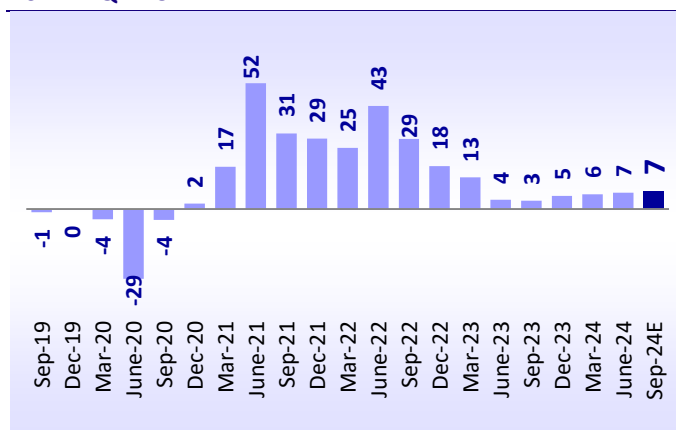


Exhibit 18: Expect MOFSL Universe earnings to remain flat YoY in 2QFY25

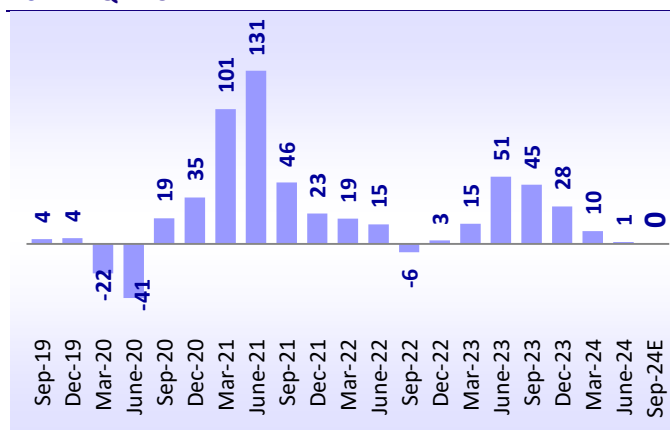
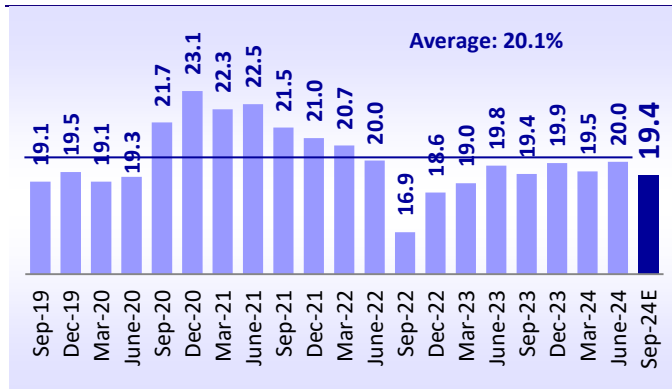
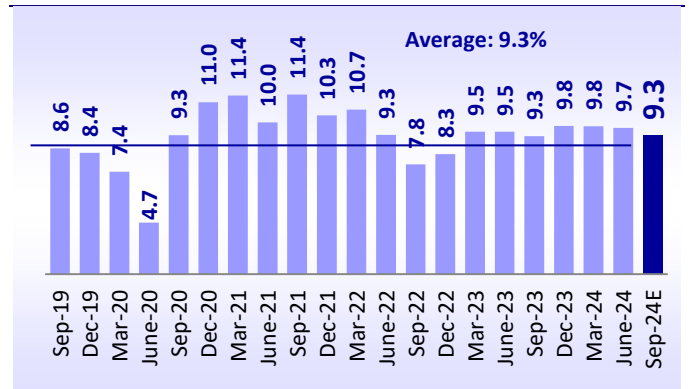


Exhibit 19: Expect EBITDA margin (ex-Financials and O&G) to remain flat YoY at 19.4% in 2QFY25



Source: MOFSL, excluding Financials and OMCs

Exhibit 20: Expect PAT margin to also remain flat YoY at 9.3%



Source: MOFSL, excluding Financials and OMCs

Exhibit 21: Banks, Utilities, Technology, and Healthcare to lead; while O&G and Cement, and Spec Chem. to drag earnings in 2QFY25

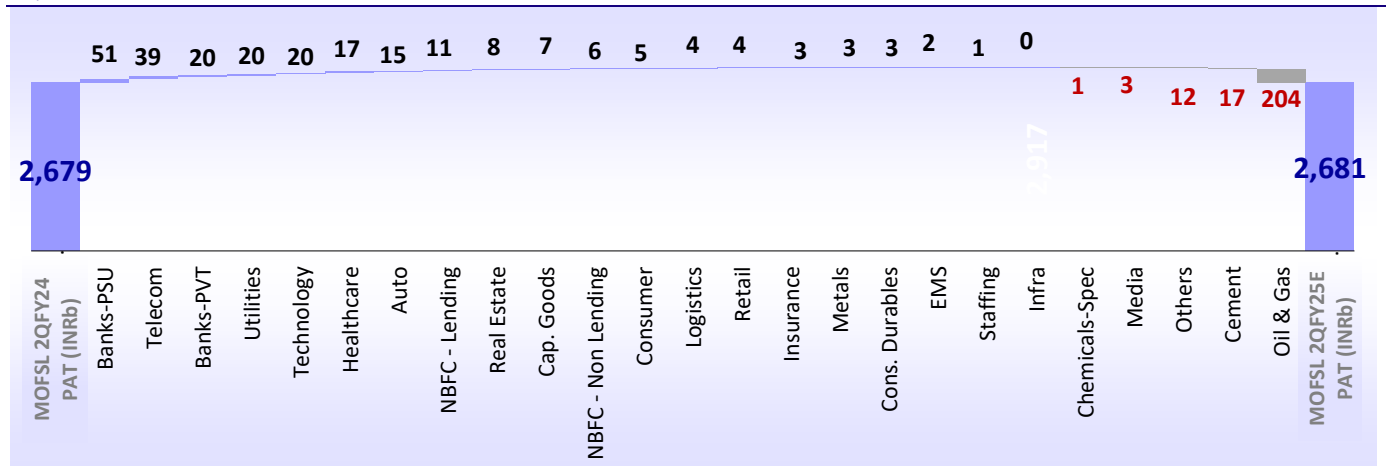


Exhibit 22: Sectoral quarterly PAT trend (INR b) – MOFSL Universe to report a flat YoY growth in PAT in 2QFY25

Sector	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24E
Automobiles	31	59	86	13	97	142	186	174	205	227	244	223	221
Banks-Private	190	262	295	272	306	343	375	369	415	420	443	433	436
Banks-PSU	148	150	152	133	226	252	300	307	294	306	379	347	345
Insurance	13	8	16	14	15	16	20	18	19	18	20	23	22
NBFC - Lending	71	81	91	82	90	101	111	118	120	128	134	132	131
NBFC - Non Lending	4	5	5	5	6	5	6	6	7	6	9	10	12
Capital Goods	34	38	63	32	41	46	69	46	58	57	88	56	65
Cement	47	33	43	43	20	24	38	44	42	50	51	34	25
Chemicals-Specialty	16	18	22	25	24	22	25	20	18	15	15	16	18
Consumer	109	118	115	123	126	131	133	147	143	147	144	151	148
Consumer Durables	7	7	10	7	7	9	11	10	9	9	13	14	12
EMS	1	1	2	1	2	2	4	2	2	2	4	3	4
Healthcare	94	87	79	78	97	88	81	98	110	105	116	127	127
Infrastructure	3	3	6	8	4	4	5	5	3	4	5	4	3
Logistics	20	23	22	29	26	23	29	27	30	32	32	34	35
Media	5	8	7	8	5	6	3	6	8	6	4	6	6
Metals	416	353	414	333	139	133	242	227	191	241	212	267	194
Oil & Gas	385	418	449	244	276	337	536	632	624	467	498	369	420
Real Estate	15	20	25	15	15	19	31	17	19	21	37	28	27
Retail	16	28	18	25	22	27	16	21	21	28	18	22	24
Staffing	2	2	2	2	2	2	2	2	2	2	1	2	3
Technology	247	256	263	242	264	284	286	271	277	284	291	292	297
Telecom	-46	-45	-25	-48	-42	-59	-21	-32	-43	-35	-25	-22	-4
Utilities	73	84	117	84	84	91	102	93	83	93	106	106	103
Others	77	15	1	4	2	37	35	48	19	40	37	35	7
MOFSL Universe	1,979	2,032	2,278	1,774	1,853	2,083	2,624	2,674	2,679	2,672	2,876	2,712	2,681

Expect profits of Nifty constituents to rise 2% YoY in 2QFY25

- We expect sales/EBITDA/PBT/PAT for Nifty constituents to improve 4%/5%/2%/2% YoY propelled by Telecom, Utilities, Healthcare, and PSU Banks. Excluding Metals and O&G, sales/EBITDA/PBT/PAT are likely to grow 7%/11%/9%/10% YoY for the quarter.
- SBI, Bharti Airtel, NTPC, TCS, and Hindalco, are likely to drive Nifty earnings, while BPCL, JSW Steel, Reliance, ONGC, and Tata Steel are projected to drag the same.
- Eight Nifty companies are likely to report a PAT growth of above 20% YoY. Whereas, 13 Nifty companies are expected to report a YoY decline in PAT.

Financials, Telecom, Utilities are likely to lead Nifty earnings in 2QFY25

Exhibit 23: Sector-wise PAT breakdown for the Nifty constituents in 2QFY25E (YoY %)

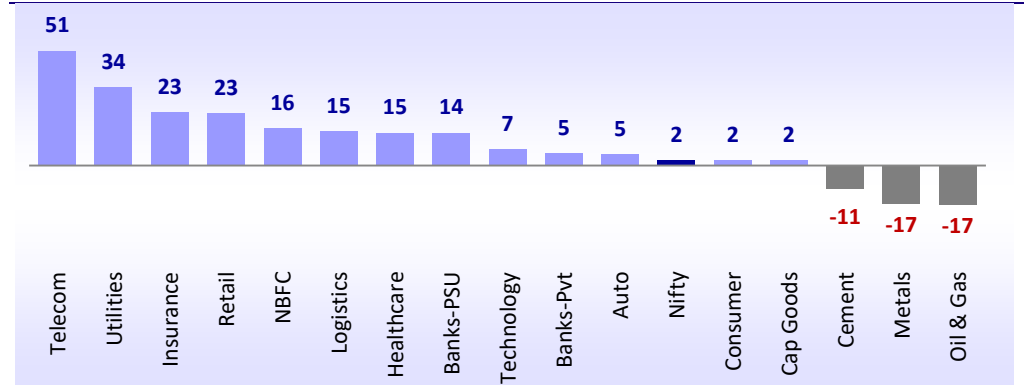


Exhibit 24: Expect Nifty's revenue to grow 4% YoY in 2QFY25

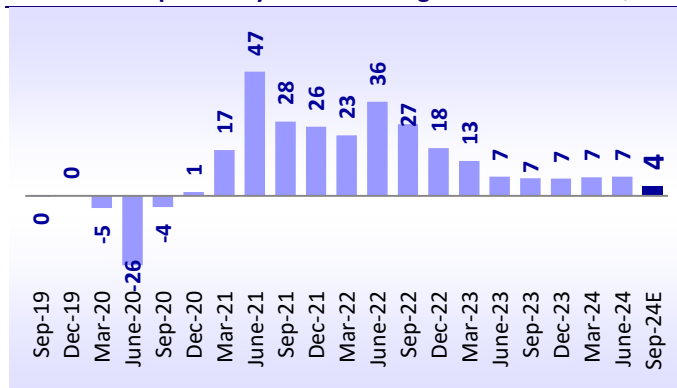


Exhibit 25: Expect Nifty's EBITDA to grow 5% YoY in 2QFY25

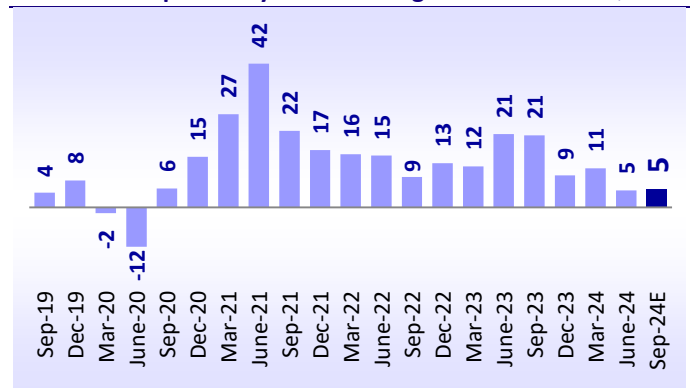


Exhibit 26: Expect Nifty's PAT to rise marginally by 2% YoY in 2QFY25

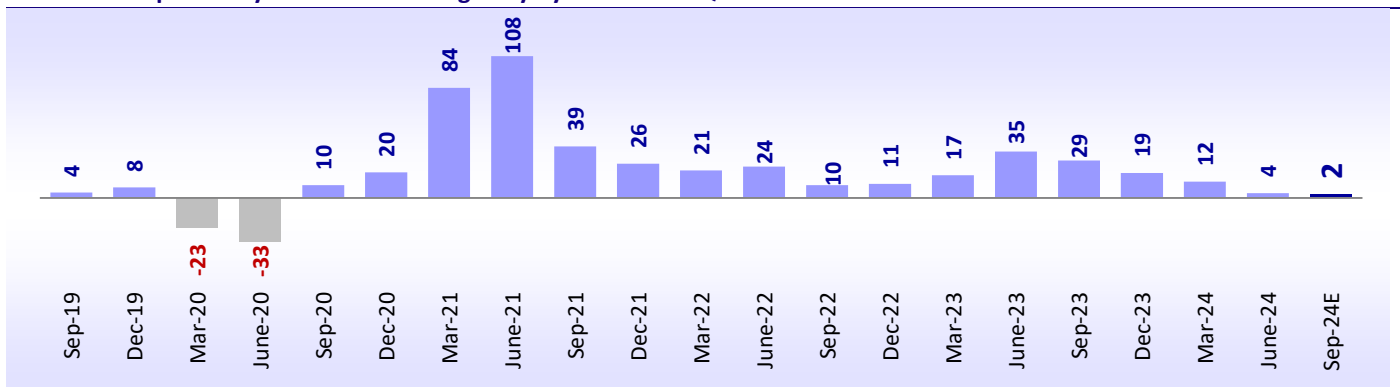


Exhibit 27: Nifty's earnings snapshot for 2QFY25 (INR b)

Company	Sector	Sales			EBIDTA			PBT			PAT		
		Sep-24	YoY	QoQ	Sep-24	YoY	QoQ	Sep-24	YoY	QoQ	Sep-24	YoY	QoQ
Bajaj Auto	Automobiles	131	21	10	26	22	8	28	19	9	22	17	8
Eicher Motors	Automobiles	44	8	1	12	9	2	13	7	2	11	6	-2
Hero MotoCorp	Automobiles	102	8	1	15	11	1	15	7	0	11	7	0
Mahindra & Mahindra	Automobiles	272	12	1	37	20	-8	42	-3	24	34	-2	29
Maruti Suzuki	Automobiles	372	0	5	46	-4	2	48	-1	2	37	-1	1
Tata Motors	Automobiles	1,002	-5	-7	133	-3	-15	58	-5	-33	43	10	-23
Axis Bank	Banks-Private	136	11	1	102	19	1	89	13	10	66	13	10
HDFC Bank	Banks-Private	298	9	0	244	7	2	218	10	2	164	2	1
ICICI Bank	Banks-Private	199	9	2	158	11	-1	145	6	-1	109	6	-1
IndusInd Bank	Banks-Private	55	7	1	40	3	2	28	-6	-5	21	-6	-5
Kotak Mahindra Bank	Banks-Private	70	10	2	53	15	1	47	10	0	35	10	0
State Bank	Banks-PSU	416	5	1	268	38	1	221	15	-4	164	14	-4
HDFC Life Insur.	Insurance	183	24	46	10	22	36	4	30	-13	4	11	-12
SBI Life Insurance	Insurance	222	10	42	17	13	74	5	36	-1	5	35	-1
Bajaj Finance	NBFC - Lending	89	23	6	72	23	3	54	14	3	40	13	3
Bajaj Finserv	NBFC - Lending	274	27	6	79	24	4	62	16	3	23	21	9
Shriram Finance	NBFC - Lending	55	19	5	42	19	8	28	18	4	21	18	4
Bharat Electronics	Capital Goods	47	18	13	11	10	18	12	14	18	9	14	19
Larsen & Toubro	Capital Goods	568	11	3	60	7	7	51	3	10	32	-1	15
Grasim Industries	Cement	76	17	10	4	-34	21	11	19	LP	9	16	LP
Ultratech Cement	Cement	156	-2	-14	22	-15	-29	12	-26	-41	9	-27	-44
Asian Paints	Consumer	85	1	-5	15	-12	-11	14	-14	-11	11	-13	-9
Britannia	Consumer	47	7	11	9	7	24	9	9	24	7	11	23
Hind. Unilever	Consumer	160	2	2	38	-1	1	36	0	1	27	1	2
ITC	Consumer	188	6	2	67	4	0	69	4	0	51	5	1
Nestle	Consumer	53	6	11	13	8	20	12	8	21	9	12	22
Tata Consumer	Consumer	42	14	-3	6	9	-12	5	-9	-1	3	-4	11
Apollo Hospitals	Healthcare	54	11	6	8	21	12	5	35	21	4	56	18
Cipla	Healthcare	70	5	5	19	7	8	17	5	7	12	5	4
Dr Reddy's Labs	Healthcare	78	14	2	22	9	2	19	9	-1	14	7	2
Sun Pharma	Healthcare	130	8	3	35	16	-1	34	19	-3	29	19	0
Adani Ports	Logistics	73	10	5	43	11	2	31	22	-1	26	15	-3
Coal India	Metals	317	-3	-13	99	11	-14	106	3	-25	81	0	-26
Hindalco	Metals	569	5	0	66	17	-13	42	30	-20	31	45	-8
JSW Steel	Metals	414	-7	-4	45	-42	-18	6	-84	-53	5	-85	-46
Tata Steel	Metals	520	-7	-5	47	10	-30	6	1,044	-75	0	PL	PL
BPCL	Oil & Gas	1,071	4	-5	78	-40	38	62	-45	54	47	-45	54
ONGC	Oil & Gas	352	0	0	184	0	-1	124	-8	3	92	-9	3
Reliance Inds.	Oil & Gas	2,307	-1	0	397	-3	2	244	-8	5	160	-8	5
Titan Company	Retail	144	15	9	16	16	32	14	15	47	11	18	51
Trent	Retail	43	48	7	7	51	14	5	42	18	4	37	16
HCL Technologies	Technology	283	6	1	59	0	3	53	3	-8	39	2	-8
Infosys	Technology	409	5	4	94	-1	0	90	3	0	66	6	3
TCS	Technology	639	7	2	170	8	1	167	9	3	125	10	3
Tech Mahindra	Technology	131	2	1	16	16	5	13	13	7	10	-3	12
Wipro	Technology	221	-2	0	44	3	-2	38	9	-5	29	9	-4
Bharti Airtel	Telecom	410	11	7	216	11	10	68	24	29	45	51	52
NTPC	Utilities	417	2	-6	120	13	-4	63	18	-7	46	41	-5
Power Grid Corp.	Utilities	104	7	4	91	7	5	45	3	6	36	26	6
Nifty Universe		14,100	3.8	0.2	3,474	5.4	0.2	2,589	2.5	-0.6	1,886	2.4	0.6

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

Exhibit 28: Expect 14% PAT CAGR for the MOFSL Universe over FY24-26; we are introducing FY27 estimates

Sector	Sales (INR b)				Sales CAGR (%)	EBIDTA (INR b)				EBIDTA CAGR (%)	PAT (INR b)				PAT Gr/ CAGR. %
	FY24	FY25E	FY26E	FY27E	(FY24-26)	FY24	FY25E	FY26E	FY27E	(FY24-26)	FY24	FY25E	FY26E	FY27E	(FY24-26)
High PAT CAGR (>25%)	23,019	25,677	29,277	32,661	13	4,234	5,008	6,053	6,914	20	1,377	1,888	2,606	3,173	38
Telecom (4)	2,422	2,653	2,970	3,316	11	1,142	1,326	1,506	1,708	15	-134	-3	111	202	LP
EMS (7)	320	527	692	854	47	20	32	46	59	50	11	18	28	39	62
Staffing (4)	431	487	557	635	14	15	18	22	26	22	7	11	14	17	44
Retail (19)	1,885	2,270	2,719	3,221	20	212	261	326	394	24	86	115	156	200	35
Real Estate (12)	475	606	728	746	24	132	179	232	245	33	95	137	169	175	34
Others (17)	2,106	2,289	2,750	3,154	14	327	385	493	610	23	141	163	239	325	30
Consumer Durables (5)	638	740	853	984	16	61	77	95	115	25	42	55	69	84	28
Metals (10)	11,168	12,025	13,269	14,320	9	1,884	2,202	2,699	3,020	20	871	1,070	1,413	1,647	27
Infrastructure (3)	191	201	233	260	11	51	55	65	75	13	17	21	28	31	26
Capital Goods (12)	3,384	3,879	4,506	5,172	15	390	472	569	661	21	243	301	379	454	25
Medium PAT CAGR (15-25%)	31,337	34,538	38,973	44,106	12	8,809	10,035	11,678	13,595	15	5,512	6,304	7,417	8,726	16
Logistics (8)	580	661	779	916	16	215	248	299	345	18	121	148	187	221	24
Healthcare (24)	3,137	3,494	3,920	4,337	12	701	842	969	1,066	18	429	532	630	705	21
Chemicals-Specialty (12)	620	697	792	891	13	119	136	166	193	18	68	76	99	119	20
Media (3)	189	193	214	235	7	42	43	52	60	11	24	26	33	39	16
Auto (25)	11,401	12,257	13,886	15,710	10	1,568	1,698	1,991	2,288	13	854	934	1,138	1,348	15
Financials (54)	15,409	17,236	19,381	22,017	12	6,165	7,069	8,202	9,642	15	4,015	4,587	5,330	6,295	15
Banks-PVT (13)	3,358	3,799	4,351	5,107	14	2,574	2,871	3,335	3,965	14	1,691	1,849	2,141	2,544	13
Banks-PSU (6)	3,411	3,637	4,009	4,506	8	2,171	2,529	2,811	3,197	14	1,294	1,540	1,750	2,020	16
Insurance (7)	7,321	8,206	9,066	10,032	11	470	519	624	719	15	481	537	590	674	11
NBFC - Lending (23)	1,236	1,469	1,809	2,203	21	917	1,090	1,361	1,677	22	517	613	793	991	24
NBFC - Non Lending (5)	84	125	146	169	32	34	61	71	83	44	31	48	56	67	34
Low PAT CAGR (<15%)	51,377	53,221	56,231	59,305	5	8,513	8,202	9,498	10,328	6	4,792	4,435	5,252	5,762	5
Utilities (5)	2,972	3,370	3,640	3,882	11	1,056	1,213	1,313	1,421	11	431	483	533	566	11
Technology (12)	7,356	7,776	8,458	9,204	7	1,639	1,749	1,986	2,186	10	1,117	1,223	1,381	1,527	11
Cement (11)	2,264	2,352	2,700	3,014	9	380	363	486	585	13	233	209	283	346	10
Consumer (19)	3,304	3,522	3,893	4,288	9	815	867	972	1,075	9	586	618	701	780	9
Oil & Gas (15)	35,481	36,201	37,539	38,917	3	4,623	4,010	4,741	5,061	1	2,425	1,902	2,355	2,543	-1
Ex OMCs (12)	18,898	18,901	19,743	21,060	2	3,164	3,222	3,823	4,106	10	1,589	1,554	1,914	2,090	10
MOFSL (281)	105,733	113,436	124,480	136,072	9	21,556	23,245	27,229	30,837	12	11,681	12,627	15,275	17,661	14
MOFSL Ex OMCs (278)	89,150	96,136	1,06,684	1,18,216	9	20,096	22,458	26,311	29,881	14	10,844	12,280	14,835	17,208	17
Nifty (50)	60,881	63,697	69,538	76,386	7	14,135	15,301	17,779	20,018	12	7,920	8,484	10,087	11,567	13
Sensex (30)	40,288	42,766	47,692	53,121	9	10,882	12,016	14,095	16,107	14	5,928	6,514	7,848	9,128	15

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

Exhibit 29: Upgrades/downgrades for Nifty-50 vs. 1QFY25 review

(INR)	Current EPS (INR)			EPS UPGRADE / DOWNGRADE (%)			EPS GROWTH (%)		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
SBI Life Insurance	18.9	24.5	25.0	0.2	23.1	7.7	9.9	29.3	1.9
BPCL	63.3	32.6	35.5	0.0	12.3	0.2	1271.9	-48.5	8.9
HDFC Life Insur.	7.3	8.5	9.5	0.0	9.7	-1.1	15.3	16.3	12.4
NTPC	22.0	23.6	26.4	0.0	8.5	6.5	24.6	7.2	12.1
Eicher Motors	146.3	161.1	175.7	0.0	3.5	1.7	37.3	10.1	9.0
Hindalco	45.6	63.0	63.1	0.0	3.1	-1.0	0.8	38.0	0.1
Apollo Hospitals	62.4	94.4	125.5	0.0	2.2	1.3	29.6	51.2	33.0
Larsen & Toubro	94.5	108.0	135.7	0.0	2.0	-0.2	24.5	14.3	25.7
Wipro	20.4	22.1	24.4	0.0	0.6	-0.4	-1.5	8.5	10.4
Power Grid Corp.	16.7	18.4	19.2	0.0	0.0	0.0	1.0	9.6	4.7
Dr Reddy's Labs	317.1	353.8	389.0	0.0	0.0	0.0	29.6	11.6	9.9
Adani Ports	41.3	51.2	61.1	0.0	0.0	0.0	16.5	24.2	19.2
Cipla	52.5	58.7	65.6	0.0	0.0	0.0	39.0	11.9	11.7
Britannia	88.7	101.2	113.9	0.0	0.0	0.0	10.1	14.1	12.5
Bharat Electronics	5.5	6.7	8.2	0.0	0.0	0.0	33.7	21.0	22.7
Axis Bank	80.7	85.5	98.6	0.0	-0.2	0.4	14.9	6.0	15.4
HCL Technologies	57.9	62.2	70.0	0.0	-0.4	2.2	5.6	7.5	12.6
Sun Pharma	41.4	49.2	57.9	0.0	-0.4	-0.9	15.8	18.6	17.8
Hero MotoCorp	204.6	230.3	280.1	0.0	-0.5	1.0	40.5	12.6	21.6
Shriram Finance	191.3	224.9	272.7	0.0	-0.7	-2.3	19.8	17.5	21.3
TCS	126.3	142.5	156.7	0.0	-0.7	0.8	9.5	12.8	10.0
ICICI Bank	58.4	63.6	72.0	0.0	-0.7	-1.7	27.5	9.0	13.1
Bajaj Finance	233.7	273.2	363.5	0.0	-0.8	1.2	22.8	16.9	33.1
Titan Company	39.3	45.5	56.4	0.0	-1.0	-0.9	6.8	15.9	23.9
Coal India	60.7	61.2	67.4	0.0	-1.1	-1.0	17.8	0.9	10.1
Tech Mahindra	41.1	44.0	63.2	0.0	-1.1	-0.6	-28.2	7.1	43.7
HDFC Bank	80.0	89.3	100.7	0.0	-1.5	-3.7	1.0	11.5	12.8
ITC	16.4	17.0	18.6	0.0	-1.6	-1.3	9.0	3.8	9.1
Nestle	41.0	36.2	40.2	0.0	-1.6	-1.5	62.5	-11.7	10.9
Grasim Industries	95.6	89.5	103.6	0.0	-1.6	-1.5	-2.9	-6.4	15.7
Bharti Airtel	19.7	30.8	46.7	0.0	-1.8	-13.2	36.7	56.9	51.3
State Bank	75.2	87.7	100.9	0.0	-1.9	-2.2	20.6	16.6	15.1
Trent	29.2	54.3	73.2	0.0	-2.1	-0.3	162.5	86.0	34.7
Infosys	63.3	64.0	72.2	0.0	-2.2	-7.6	10.0	1.0	12.8
Maruti Suzuki	429.0	475.1	550.4	0.0	-2.2	-2.6	56.8	10.7	15.9
Kotak Mahindra Bank	91.6	94.6	110.5	0.0	-2.9	-2.7	21.9	3.2	16.8
Mahindra & Mahindra	88.7	103.0	122.7	0.0	-3.3	-1.6	34.0	16.0	19.2
Hind. Unilever	43.7	46.3	52.3	0.0	-3.3	-2.5	0.7	6.0	12.9
Ultratech Cement	244.5	250.8	336.6	0.0	-4.0	0.0	39.4	2.6	34.2
Tata Motors	58.7	57.1	69.5	0.0	-4.5	-0.6	2628.0	-2.7	21.7
Bajaj Auto	276.1	302.0	387.9	0.0	-4.6	1.8	28.9	9.4	28.4
Asian Paints	57.9	55.3	61.8	0.0	-4.7	-5.9	30.9	-4.6	11.8
ONGC	46.3	45.0	52.8	0.0	-6.0	-1.5	44.9	-2.8	17.2
IndusInd Bank	115.5	113.9	140.4	0.0	-6.9	-7.1	20.3	-1.4	23.3
Tata Consumer	14.3	15.0	20.1	-2.1	-9.4	-0.6	26.1	4.7	34.0
Reliance Inds.	102.9	102.5	134.3	0.0	-10.0	-7.2	4.4	-0.4	31.0
Tata Steel	2.7	5.9	12.4	0.0	-39.9	-10.0	-61.8	118.7	108.7
JSW Steel	36.8	32.6	67.8	0.2	-41.8	-13.2	148.7	-11.5	108.1
Nifty (50)	1,006	1,072	1,269	0.0	-3.9	-3.6	24.1	6.5	18.4

Exhibit 30: Absolute change in FY25E PAT for Nifty constituents (INR b)

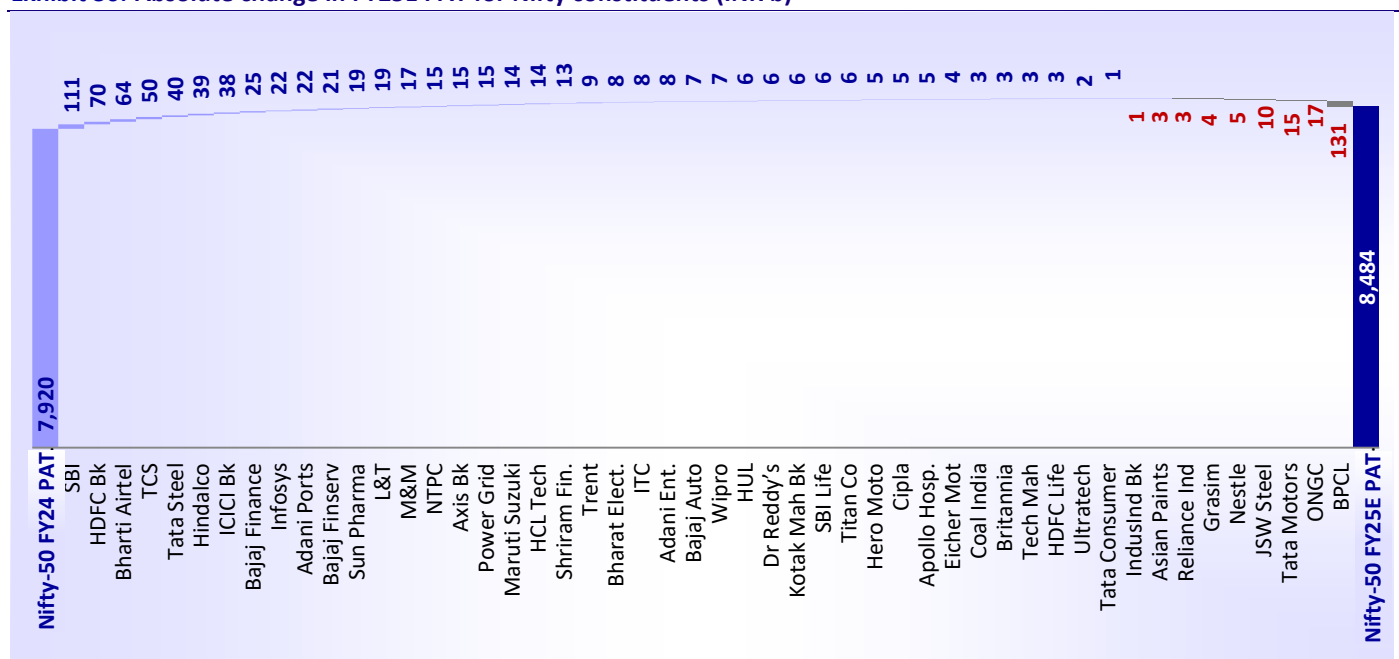


Exhibit 31: Absolute change in FY26E PAT for Nifty constituents (INR b)

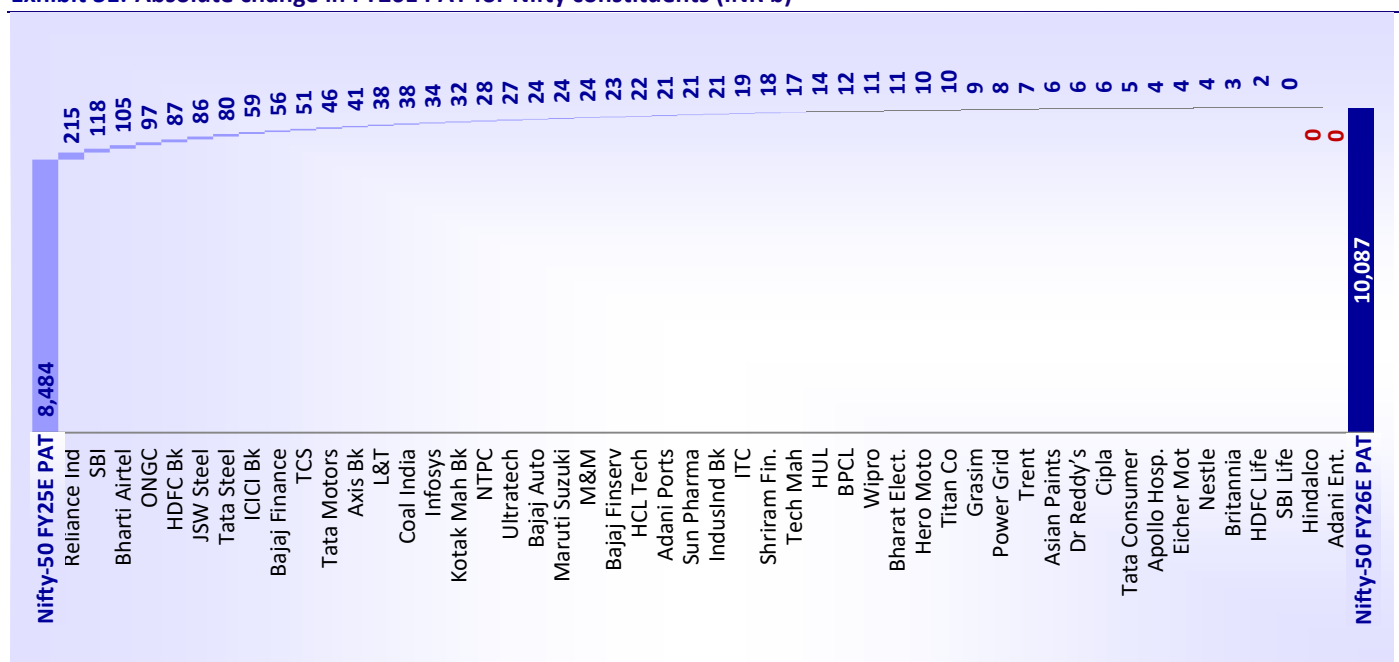


Exhibit 32: Nifty performance – Expect FF PAT CAGR (FY24-26E) of 13%; we are also introducing FY27 estimates

Company	Sales YoY (%)				Sales CAGR % 24-26	EBIDTA Margin (%)				EBITDA CAGR % 24-26	PAT (INR b)				PAT CAGR % 24-26	Contbn to Delta %
	FY24	FY25E	FY26E	FY27E		FY24	FY25E	FY26E	FY27E		FY24	FY25E	FY26E	FY27E		
High PAT Growth (20%+)	9	10	15	13	13	23	24	26	28	20	826	1,037	1,501	1,888	35	31
Tata Steel	-6	4	9	7	7	10	12	15	17	30	34	74	154	224	114	6
Trent	50	47	32	26	40	16	16	17	17	44	10	19	26	34	58	1
Bharti Airtel	8	11	14	14	12	52	54	55	57	16	113	177	282	370	58	8
Apollo Hospitals	15	12	15	14	14	13	14	14	14	21	9	14	18	21	42	0
JSW Steel	5	4	19	11	11	16	15	19	19	20	90	79	165	209	36	3
Bajaj Finance	29	24	30	27	27	81	81	81	81	27	144	169	225	295	25	4
Tech Mahindra	-2	2	7	8	4	11	13	16	16	24	36	39	56	62	24	1
Bajaj Finserv	27	35	29	26	32	73	68	61	58	20	81	103	125	146	24	2
Bharat Electronics	14	17	21	18	19	25	25	25	25	20	40	49	60	72	22	1
Adani Ports	28	15	14	16	14	59	59	60	60	15	89	111	132	157	22	2
Tata Consumer	12	14	8	10	11	15	15	17	16	18	14	15	20	22	21	0
Larsen & Toubro	21	13	14	12	13	11	11	11	11	16	130	148	187	217	20	3
Titan Company	26	16	17	16	16	10	10	11	11	18	35	40	50	59	20	1
Medium PAT Growth (0-20%)	5	5	9	10	7	25	25	27	27	12	6,784	7,273	8,396	9,481	11	74
Shriram Finance	17	20	22	19	21	76	75	76	77	21	72	85	102	124	19	1
Ultratech Cement	12	3	21	12	12	18	18	20	21	17	71	72	99	120	19	1
Bajaj Auto	23	16	21	20	18	20	20	21	21	22	77	84	108	138	19	1
Sun Pharma	10	11	10	10	10	26	27	28	29	15	100	118	139	160	18	2
Mahindra & Mahindra	17	11	16	16	13	13	14	14	14	18	106	123	147	176	18	2
Hindalco	-3	9	4	9	7	11	12	12	12	9	101	140	140	166	18	2
Hero MotoCorp	11	10	14	14	12	14	14	15	15	15	41	46	56	66	17	1
State Bank	10	7	12	13	9	54	65	66	67	21	671	782	901	1,060	16	11
SBI Life Insurance	21	14	16	16	15	7	7	7	7	17	19	24	25	28	15	0
HDFC Life Insur.	9	21	19	19	20	6	6	6	6	19	16	18	21	24	14	0
Reliance Inds.	2	2	8	10	5	18	18	21	21	13	696	693	909	1,015	14	10
Britannia	3	8	10	10	9	19	19	19	20	11	21	24	27	31	13	0
Maruti Suzuki	20	6	11	11	8	13	14	14	14	13	135	149	173	195	13	2
HDFC Bank	25	14	11	12	13	87	82	83	85	10	608	678	765	873	12	7
Cipla	13	8	10	10	9	24	25	26	24	11	42	47	53	55	12	0
ICICI Bank	20	10	14	18	12	78	80	81	82	14	409	447	505	600	11	4
Infosys	5	7	9	9	8	24	23	24	25	10	243	265	299	334	11	3
HCL Technologies	8	6	10	10	8	22	22	22	22	9	157	171	193	214	11	2
Dr Reddy's Labs	16	16	16	-1	16	28	28	28	25	15	53	59	65	59	11	1
Axis Bank	16	11	14	19	12	74	76	79	79	16	249	264	304	358	11	3
TCS	7	7	8	8	8	27	27	28	28	10	462	513	564	619	10	5
IndusInd Bank	17	8	18	20	13	77	74	75	76	12	90	89	109	137	10	1
Adani Enterprises	-24	6	0	0	3	11	12	12	12	5	35	43	43	43	10	0
Kotak Mahindra Bank	21	8	16	21	12	75	75	76	76	12	182	188	220	271	10	2
NTPC	1	7	7	5	7	28	29	30	31	11	213	229	256	279	10	2
Eicher Motors	15	8	12	11	10	27	27	26	26	9	40	44	48	54	10	0
Hind. Unilever	2	4	9	8	7	24	24	24	24	8	103	109	123	135	9	1
Wipro	-1	-1	5	5	2	19	20	20	20	5	110	117	128	135	8	1
Power Grid Corp.	-1	9	5	5	7	87	86	84	83	6	156	171	179	187	7	1
ONGC	-6	-4	0	2	-2	17	18	20	19	6	583	567	664	699	7	4
Tata Motors	27	2	13	13	8	14	13	14	14	8	225	210	256	295	7	1
ITC	0	9	8	8	8	37	36	37	37	8	205	212	232	251	6	1
Coal India	3	5	13	7	9	34	35	35	35	11	374	377	415	435	5	2
Grasim Industries	-4	23	7	11	15	9	6	9	10	13	63	59	68	79	4	0
Asian Paints	3	5	12	12	8	21	20	20	20	5	56	53	59	67	3	0
PAT de-growth (<0%)	-4	-9	-4	2	-7	11	7	8	8	-20	310	174	190	198	-22	-6
Nestle	44	-14	11	11	-2	24	25	25	25	-1	40	35	39	44	-1	0
BPCL	-5	-9	-5	2	-7	10	6	7	7	-22	271	139	152	154	-25	-5
Nifty (PAT free float)	5	5	9	10	7	23	24	26	26	12	4,463	4,819	5,708	6,588	13	100

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Sectors & Companies

BSE Sensex: 81,688

Nifty 50: 25,014

October 2024



MOFSL Universe: 2QFY25 Highlights & Ready Reckoner

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 1 October 2024, unless otherwise stated.**

MOFSL Universe: 2QFY25 aggregate performance highlights

Exhibit 1: Quarterly Performance - MOFSL Universe (INR b)

Sector (Nos of Cos)	Sales			EBITDA			PAT		
	Sep-24	Var. % YoY	Var. % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Automobiles (25)	2,870	3.9	-1.1	388	4.1	-5.5	221	7.4	-0.9
Capital Goods (12)	886	12.3	6.2	106	15.3	12.1	65	12.6	16.1
Cement (11)	504	-3.4	-10.8	58	-26.6	-29.5	25	-40.6	-26.0
Chemicals-Specialty (12)	170	9.6	4.2	31	2.4	5.0	18	-5.0	7.7
Consumer (19)	862	5.5	-0.9	208	3.2	-3.6	148	3.8	-2.2
Consumer Durables (5)	159	13.6	-17.7	17	23.0	-10.3	12	28.8	-11.8
EMS (7)	132	74.4	17.4	7	64.0	15.1	4	76.4	21.3
Financials (50)	2,868	11.9	8.7	1,601	14.6	2.5	946	10.6	0.0
Banks-Private (13)	925	11.3	1.1	694	12.0	0.8	436	4.9	0.6
Banks-PSU (6)	890	5.9	1.2	609	15.3	1.3	345	17.2	-0.6
Insurance (6)	694	16.6	39.3	36	17.8	63.2	22	17.4	-4.1
NBFC - Lending (20)	330	18.4	3.6	247	17.5	3.5	131	8.9	-1.1
NBFC - Non Lending (5)	30	59.4	10.0	16	82.2	20.0	12	85.0	22.3
Healthcare (24)	856	8.7	2.2	202	13.5	-0.8	127	15.1	-0.1
Infrastructure (3)	43	2.1	-4.8	12	2.4	-4.6	3	0.7	-23.9
Logistics (8)	160	11.3	7.6	59	11.5	5.6	35	14.4	3.2
Media (3)	45	-16.6	-1.1	10	-34.4	3.1	6	-30.9	3.7
Metals (10)	2,729	-0.9	-2.9	453	6.5	-15.3	194	1.6	-27.2
Oil & Gas (15)	7,966	9.6	2.6	901	-21.7	5.8	420	-32.7	13.7
Oil Ex OMCs (12)	3,545	1.8	-0.4	687	-3.6	-0.1	318	-11.3	2.8
Real Estate (12)	134	31.1	10.8	39	36.1	16.4	27	43.6	-5.1
Retail (19)	534	18.3	4.4	60	18.6	6.2	24	17.5	10.9
Staffing (4)	121	12.9	6.3	4	20.1	15.4	3	42.2	42.3
Technology (12)	1,923	5.1	2.2	426	4.4	1.8	297	7.1	1.8
Telecom (4)	653	9.3	5.3	316	12.0	7.1	-4	Loss	Loss
Utilities (5)	749	7.4	0.2	264	9.4	0.7	103	24.0	-2.1
Others (17)	515	0.7	-3.2	61	-8.4	-31.2	7	-61.6	-79.1
MOFSL Universe (277)	24,879	7.4	1.7	5,222	2.3	-0.4	2,681	0.1	-1.2
Nifty (49)	14,100	3.8	0.2	3,474	5.4	0.2	1,886	2.4	0.6
Sensex (30)	10,375	3.0	-0.3	2,798	7.1	-0.3	1,470	4.5	0.5

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

Exhibit 2: Quarter-wise sales growth (% YoY)

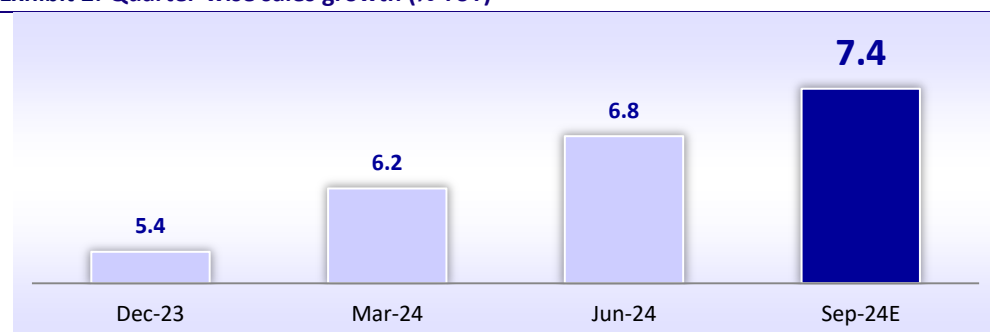
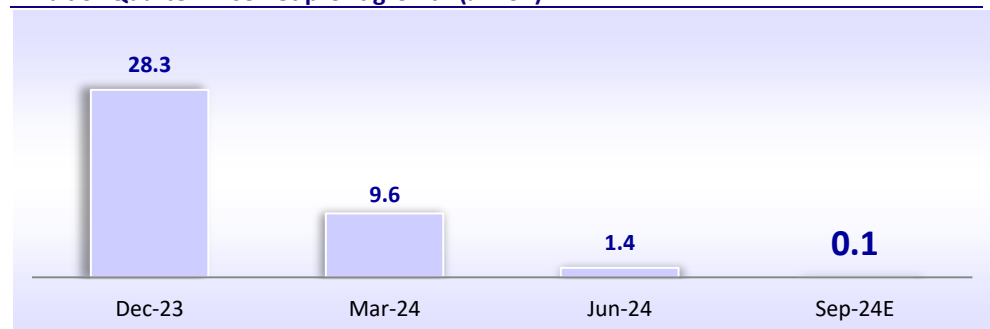


Exhibit 3: Quarter-wise net profit growth (% YoY)



Annual performance - MOFSL universe (INR b)

Sector	Sales (INR b)			Chg. YoY (%)			EBIDTA (INR b)			Chg. YoY (%)			PAT (INR b)			Chg. YoY (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Auto (25)	12,257	13,886	15,710	7.5	13.3	13.1	1,698	1,991	2,288	8.3	17.2	14.9	934	1,138	1,348	9.4	21.8	18.4
Capital Goods (12)	3,879	4,506	5,172	14.6	16.2	14.8	472	569	661	20.9	20.7	16.0	301	379	454	23.9	26.1	19.6
Cement (11)	2,352	2,700	3,014	3.9	14.8	11.6	363	486	585	-4.4	34.1	20.2	209	283	346	-10.3	35.1	22.5
Chem.-Specialty (12)	697	792	891	12.4	13.6	12.5	136	166	193	14.3	22.4	16.2	76	99	119	11.8	29.6	20.4
Consumer (19)	3,522	3,893	4,288	6.6	10.6	10.1	867	972	1,075	6.5	12.1	10.6	618	701	780	5.5	13.4	11.3
Consumer Durables (5)	740	853	984	15.9	15.2	15.4	77	95	115	26.6	23.0	21.3	55	69	84	32.6	23.9	22.4
EMS (7)	527	692	854	64.9	31.4	23.3	32	46	59	57.7	41.8	30.5	18	28	39	67.9	56.5	38.7
Financials (54)	17,236	19,381	22,017	11.9	12.4	13.6	7,069	8,202	9,642	14.7	16.0	17.6	4,587	5,330	6,295	14.3	16.2	18.1
Banks-PVT (13)	3,799	4,351	5,107	13.1	14.5	17.4	2,871	3,335	3,965	11.6	16.2	18.9	1,849	2,141	2,544	9.3	15.8	18.8
Banks-PSU (6)	3,637	4,009	4,506	6.6	10.2	12.4	2,529	2,811	3,197	16.5	11.2	13.7	1,540	1,750	2,020	19.1	13.6	15.4
Insurance (7)	8,206	9,066	10,032	12.1	10.5	10.7	519	624	719	10.4	20.3	15.2	537	590	674	11.6	9.8	14.2
NBFC - Lending (23)	1,469	1,809	2,203	18.9	23.1	21.8	1,090	1,361	1,677	18.9	24.9	23.3	613	793	991	18.6	29.3	24.9
NBFC-Non Lending (5)	125	146	169	49.1	16.7	15.8	61	71	83	77.6	16.7	17.3	48	56	67	51.7	17.9	18.6
Healthcare (24)	3,494	3,920	4,337	11.4	12.2	10.7	842	969	1,066	20.2	15.1	10.0	532	630	705	24.0	18.3	11.9
Infrastructure (3)	201	233	260	5.7	15.7	11.4	55	65	75	9.5	16.7	16.5	21	28	31	22.8	28.9	14.1
Logistics (8)	661	779	916	13.8	18.0	17.5	248	299	345	15.2	20.6	15.5	148	187	221	21.9	26.2	18.1
Media (3)	193	214	235	2.3	11.0	9.7	43	52	60	2.4	20.6	16.4	26	33	39	6.7	25.8	19.2
Metals (10)	12,025	13,269	14,320	7.7	10.4	7.9	2,202	2,699	3,020	16.9	22.6	11.9	1,070	1,413	1,647	22.9	32.1	16.5
Oil & Gas (15)	36,201	37,539	38,917	2.0	3.7	3.7	4,010	4,741	5,061	-13.3	18.2	6.8	1,902	2,355	2,543	-21.6	23.8	8.0
Ex OMCs (12)	18,901	19,743	21,060	0.0	4.5	6.7	3,222	3,823	4,106	1.9	18.6	7.4	1,554	1,914	2,090	-2.2	23.2	9.2
Real Estate (12)	606	728	746	27.5	20.1	2.6	179	232	245	35.4	30.1	5.4	137	169	175	44.6	23.8	3.7
Retail (19)	2,270	2,719	3,221	20.4	19.7	18.5	261	326	394	23.0	24.7	21.0	115	156	200	33.7	35.4	27.9
Staffing (4)	487	557	635	13.0	14.3	14.0	18	22	26	21.0	24.0	17.3	11	14	17	60.7	28.5	18.3
Technology (12)	7,776	8,458	9,204	5.7	8.8	8.8	1,749	1,986	2,186	6.7	13.6	10.1	1,223	1,381	1,527	9.5	12.9	10.6
Telecom (4)	2,653	2,970	3,316	9.5	12.0	11.6	1,326	1,506	1,708	16.1	13.6	13.4	-3	111	202	Loss	LP	81.5
Utilities (5)	3,370	3,640	3,882	13.4	8.0	6.6	1,213	1,313	1,421	14.9	8.2	8.2	483	533	566	12.1	10.5	6.1
Others (17)	2,289	2,750	3,154	8.7	20.1	14.7	385	493	610	17.9	27.8	24.0	163	239	325	15.8	46.5	36.0
MOFSL (281)	1,13,436	1,24,480	1,36,072	7.3	9.7	9.3	23,245	27,229	30,837	7.8	17.1	13.2	12,627	15,275	17,661	8.1	21.0	15.6
MOFSL Ex OMCs (278)	96,136	1,06,684	1,18,216	7.8	11.0	10.8	22,458	26,311	29,881	11.7	17.2	13.6	12,280	14,835	17,208	13.2	20.8	16.0

For Banks: Sales = Net Interest Income, EBIDTA = Operating Profits.

Valuations - MOFSL universe

Sector	PE (x)			PB (x)			EV/EBIDTA (x)			ROE (%)			EARN. CAGR (FY24-FY26)
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	
Auto (25)	29.7	24.4	20.6	5.5	4.7	4.0	15.6	13.0	10.9	18.4	19.3	19.7	15.5
Capital Goods (12)	49.2	39.1	32.6	8.6	7.4	6.3	31.8	26.0	22.1	17.5	18.9	19.2	25.0
Cement (11)	45.6	33.7	27.5	3.7	3.3	3.1	26.3	19.7	16.1	8.1	9.9	11.1	10.1
Chemicals-Specialty (12)	44.6	34.4	28.6	4.8	4.3	3.8	25.4	20.6	17.4	10.7	12.5	13.4	20.4
Consumer (19)	53.6	47.3	42.5	13.3	12.3	11.2	37.5	33.3	29.8	24.8	26.0	26.4	9.3
Consumer Durables (5)	64.1	51.7	42.3	11.5	9.9	8.3	44.6	36.0	29.4	18.0	19.0	19.7	28.2
EMS (7)	91.1	58.2	42.0	13.2	10.8	8.6	50.1	35.0	26.4	14.5	18.5	20.5	62.1
Financials (54)	15.7	13.5	11.4	2.5	2.2	1.9	N.M	N.M	0.0	15.9	16.1	16.8	15.2
Banks-PVT (13)	18.1	15.6	13.1	2.6	2.3	2.1	N.M	N.M	0.0	14.5	14.7	16.1	12.5
Banks-PSU (6)	7.9	6.9	6.0	1.3	1.1	1.0	N.M	N.M	0.0	16.1	16.2	16.5	16.3
Insurance (7)	23.5	21.4	18.7	6.4	5.0	4.0	N.M	N.M	0.0	27.3	23.2	21.1	10.7
NBFC - Lending (23)	19.9	15.4	12.3	2.8	2.4	2.1	N.M	N.M	0.0	14.0	15.6	16.7	23.8
NBFC - Non Lending (5)	34.2	29.0	24.4	10.2	9.0	7.9	N.M	N.M	0.0	29.8	31.2	32.5	33.7
Healthcare (24)	37.8	32.0	28.6	5.6	4.9	4.2	23.6	20.1	17.9	14.8	15.2	14.8	21.1
Infrastructure (3)	29.7	23.0	20.2	2.4	2.2	2.0	11.8	9.8	7.9	8.2	9.6	10.0	25.8
Logistics (8)	32.8	26.0	22.0	5.4	4.6	3.9	20.8	17.1	14.6	16.3	17.7	17.9	24.0
Media (3)	24.4	19.4	16.3	2.1	2.0	1.8	15.8	12.8	10.6	8.7	10.2	11.3	15.9
Metals (10)	15.3	11.6	9.9	2.7	2.3	2.0	8.4	6.7	5.8	17.6	20.3	20.4	27.4
Oil & Gas (15)	17.8	14.3	13.3	1.9	1.7	1.6	9.8	8.1	7.3	10.8	12.2	11.9	-1.5
Ex OMCs (12)	18.4	15.0	13.7	2.0	1.8	1.6	9.9	8.1	7.3	10.9	12.1	11.9	9.8
Real Estate (12)	53.8	43.4	41.9	5.8	5.2	4.7	42.4	32.3	30.2	10.8	11.9	11.1	33.8
Retail (19)	111.5	82.3	64.4	19.4	16.3	13.5	50.5	40.5	33.3	17.4	19.8	21.0	34.5
Staffing (4)	22.5	17.5	14.8	3.2	2.8	2.4	14.1	11.0	9.0	14.4	16.1	16.4	43.7
Technology (12)	31.3	27.7	25.0	9.4	9.0	8.7	21.0	18.5	16.7	29.9	32.5	34.6	11.2
Telecom (4)	-4,058.0	109.1	60.1	72.6	30.7	24.7	11.3	9.6	8.0	-1.8	28.1	41.1	LP
Utilities (5)	21.6	19.6	18.5	3.2	3.0	2.7	12.1	11.2	10.6	14.8	15.1	14.8	11.3
Others (17)	57.4	39.2	28.8	6.9	5.9	5.0	25.7	19.8	15.8	12.0	15.2	17.4	30.2
MOFSL (281)	26.4	21.8	18.8	4.1	3.6	3.2	11.8	9.9	8.6	15.5	16.6	17.0	14.4
MOFSL Ex OMCs (278)	26.7	22.1	19.0	4.2	3.7	3.3	11.8	10.0	8.6	15.7	16.7	17.2	17.0

N.M.: Not Meaningful

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Amara Raja Energy	1411	Neutral	30,918	10.0	-1.3	4,457	15.2	3.6	2,508	17.0	2.6
Apollo Tyres	551	Buy	64,188	2.2	1.3	9,371	-19.2	3.1	3,749	-22.3	14.6
Ashok Leyland	238	Buy	88,483	-8.2	2.9	10,232	-5.2	12.3	6,343	10.0	20.7
Bajaj Auto	12162	Neutral	1,30,886	21.4	9.7	25,971	21.8	7.5	21,568	17.5	8.5
Balkrishna Inds	3065	Neutral	24,619	9.6	-10.2	5,884	7.4	-17.6	3,650	9.0	-23.5
Bharat Forge	1529	Neutral	24,505	8.9	4.8	6,763	10.7	3.8	4,045	15.3	6.8
Bosch	37856	Neutral	44,605	8.0	3.3	5,348	8.9	2.9	5,066	31.8	8.8
CEAT	3192	Buy	32,976	8.0	3.3	3,792	-16.9	-1.0	1,523	-26.8	2.5
CIE Automotive	569	Buy	22,045	-3.3	-3.8	3,307	-4.3	-8.1	1,946	4.2	-10.1
Craftsman Auto	6512	Buy	12,162	3.1	5.6	2,159	-9.1	9.4	785	-17.0	47.5
Eicher Motors	4971	Sell	44,319	7.7	0.9	11,865	9.1	1.8	10,759	5.9	-2.3
Endurance Tech.	2396	Buy	28,913	13.6	2.3	3,821	20.0	2	2,031	31.4	-0.4
Escorts Kubota	4207	Neutral	20,904	2.2	-8.8	2,885	9.6	-11.8	2,633	12.0	-9.1
Exide Inds.	512	Neutral	44,352	8.0	2.8	5,211	7.9	5.4	3,039	5.9	8.7
Happy Forgings	1186	Buy	3,568	4.0	4.5	998	6.5	2.3	655	18.6	2.6
Hero Motocorp	5750	Buy	1,02,423	8.4	1.0	14,678	10.5	0.6	11,267	6.9	0.4
Mahindra & Mahindra	3166	Buy	2,72,307	12.0	0.7	36,840	20.2	-8.4	33,660	-2.5	28.8
Maruti Suzuki	13167	Buy	3,72,402	0.5	4.8	45,911	-4.0	2.0	36,976	-0.5	1.3
Samvardhana Motherson	211	Buy	2,87,181	22.3	-0.5	27,112	43.5	-2.3	9,453	109.6	-4.9
Motherson Wiring	70	Buy	22,941	9.0	5.0	2,688	8.3	12.6	1,721	10.4	15.6
MRF	140172	Sell	68,181	12.0	-3.7	10,240	-9.3	-10.0	4,757	-16.8	-15.4
Sona BLW Precis.	731	Neutral	8,768	10.9	-1.8	2,420	8.4	-3.7	1,369	6.5	-3.4
Tata Motors	965	Neutral	10,01,834	-4.7	-7.3	1,32,574	-3.4	-14.5	42,700	10.3	-22.8
Tube Investments	4344	Buy	21,181	7.5	8.1	2,644	5.2	10.2	1,909	5.2	23.6
TVS Motor	2837	Neutral	95,568	17.3	14.1	10,608	17.9	10.5	6,471	20.6	12.1
Automobiles			28,70,229	3.9	-1.1	3,87,779	4.1	-5.5	2,20,583	7.4	-0.9
ABB India	8266	Buy	34,292	23.8	21.1	6,598	50.5	21.6	5,391	48.9	21.8
Bharat Electronics	284	Buy	47,297	18.4	12.6	11,020	9.7	17.6	9,231	13.6	18.9
Cummins India	3876	Buy	22,388	17.8	-2.8	4,453	31.5	-4.7	4,082	24.2	-2.8
Hitachi Energy	14249	Neutral	15,648	27.4	17.9	1,283	96.4	167.9	728	194.2	598.5
KEC International	1050	Neutral	50,119	11.4	11.1	3,308	20.6	22.3	998	78.8	13.9
Kalpataru Proj.	1349	Buy	41,128	7.0	10.5	3,537	14.8	12.6	1,395	23.4	19.2
Kirloskar Oil	1189	Buy	12,205	15.2	-9.1	1,465	48.5	-25.9	941	60.6	-30.2
Larsen & Toubro	3652	Buy	5,67,643	11.3	3.0	60,310	7.1	7.4	32,030	-0.6	15.0
Siemens	7519	Buy	62,945	8.4	21.0	9,346	33.5	35.1	7,277	27.3	25.9
Thermax	5098	Neutral	25,633	11.3	17.3	2,625	28.3	86.0	1,796	13.2	64.1
Triveni Turbine	712	Buy	4,879	25.8	5.3	1,000	34.5	4.6	843	31.0	4.9
Zen Technologies	1707	Buy	2,001	212.5	-21.2	700	221.8	-32.1	495	185.5	-33.2
Capital Goods			8,86,176	12.3	6.2	1,05,645	15.3	12.1	65,207	12.6	16.1
ACC	2510	Buy	43,122	-2.8	-16.4	4,301	-21.6	-36.5	1,981	-48.5	-45.9
Ambuja Cements	632	Buy	70,982	-4.4	-14.6	8,039	-38.2	-37.2	3,749	-52.7	-42.0
Birla Corporation	1288	Buy	19,407	-15.1	-11.4	1,695	-41.3	-34.4	-319	PL	PL
Dalmia Bharat	1957	Buy	31,214	-0.9	-13.8	4,550	-22.7	-32.0	571	-52.0	-74.6
Grasim Industries	2802	Buy	75,544	17.3	9.6	3,928	-33.8	20.8	9,242	16.3	LP
India Cements	365	Sell	8,698	-28.8	-10.5	-490	PL	Loss	-1,308	Loss	Loss
J K Cements	4620	Buy	26,818	-2.6	-4.5	3,625	-22.4	-25.4	905	-49.6	-51.2
JK Lakshmi Cem.	785	Buy	14,107	-10.4	-9.8	1,532	-29.5	-31.1	262	-71.8	-62.8
Ramco Cements	878	Neutral	19,900	-14.6	-4.7	2,477	-37.9	-22.5	-134	PL	PL
Shree Cement	26502	Neutral	38,124	-16.8	-21.1	6,139	-29.4	-33.0	738	-85.0	-76.8
Ultratech Cement	11836	Buy	1,56,301	-2.4	-13.5	21,722	-14.8	-28.5	9,328	-27.2	-44.2
Cement			5,04,216	-3.4	-10.8	57,518	-26.6	-29.5	25,014	-40.6	-26.0
Alkyl Amines	2408	Neutral	3,976	12.9	-0.5	710	47.0	-10.3	406	49.0	-16.9
Atul	8012	Buy	13,708	14.8	3.7	2,381	53.4	6.7	1,313	43.9	17.2
Clean Science	1626	Neutral	2,406	32.8	7.4	1,078	44.1	13.9	776	48.6	17.6
Deepak Nitrite	2957	Neutral	20,107	13.1	-7.2	2,649	-12.4	-14.3	1,692	-17.5	-16.5
Fine Organic	5335	Sell	5,580	18.3	9.8	1,344	28.8	10.4	1,023	28.9	3.4
Galaxy Surfactants	3048	Buy	10,698	8.8	9.8	1,411	13.0	13.7	901	16.4	13.0
Navin Fluorine	3604	Neutral	5,322	12.8	1.6	1,017	3.5	1.4	513	-15.3	0.2
NOCIL	292	Neutral	3,908	11.4	5.0	458	4.0	15.2	313	16.6	15.1

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
P I Industries	4732	Buy	23,085	9.0	11.6	6,117	10.9	4.9	4,428	-7.9	-1.3
SRF	2483	Neutral	35,841	12.8	3.5	6,526	1.1	5.2	3,100	-3.1	15.1
Tata Chemicals	1132	Neutral	40,243	0.7	6.2	6,450	-21.2	12.4	2,137	-39.2	58.3
Vinati Organics	2122	Buy	5,354	15.6	2.0	1,319	25.9	5.5	914	26.0	6.2
Chemicals-Specialty			1,70,227	9.6	4.2	31,462	2.4	5.0	17,516	-5.0	7.7
Asian Paints	3277	Neutral	85,210	0.5	-5.0	15,028	-12.4	-11.3	10,760	-12.7	-9.3
Britannia	6446	Neutral	47,389	6.9	11.5	9,320	6.8	23.7	6,508	11.0	22.9
Colgate	3819	Neutral	16,621	13.0	11.0	5,635	16.9	10.9	4,053	19.2	11.4
Dabur	619	Buy	30,385	-5.2	-9.3	5,528	-16.4	-15.6	4,370	-16.5	-14.0
Emami	749	Buy	9,089	5.1	0.3	2,491	6.6	15.1	2,142	8.9	25.8
Godrej Consumer	1388	Buy	36,901	2.4	10.8	7,477	3.4	3.0	4,814	9.0	3.6
Hind. Unilever	2922	Buy	1,59,977	2.4	1.9	37,755	-0.6	0.8	26,964	1.4	1.9
Indigo Paints	1507	Buy	2,972	6.5	-4.4	437	3.6	-7.8	230	-9.3	-12.3
ITC	516	Buy	1,87,600	5.5	1.6	67,159	4.1	-0.5	51,194	4.5	0.5
Jyothy Labs	548	Neutral	7,983	9.0	7.6	1,509	11.4	13.1	1,146	10.2	12.7
Marico	693	Buy	26,575	7.3	0.5	5,208	4.8	-16.8	3,752	6.3	-19.1
Nestle	2707	Neutral	53,452	6.1	11.0	13,421	7.6	19.7	9,012	11.9	22.2
P&G Hygiene	16712	Neutral	12,419	9.1	33.3	3,057	7.3	132.8	2,285	8.4	151.5
Page Industries	42679	Neutral	11,994	6.6	-6.1	2,502	7.1	2.8	1,716	14.2	3.9
Pidilite Inds.	3340	Neutral	32,914	7.0	-3.1	7,623	12.1	-6.2	5,352	16.4	-6.5
Tata Consumer	1197	Buy	42,382	13.5	-2.6	5,844	8.8	-12.4	3,365	-3.6	11.0
United Breweries	2160	Sell	20,768	10.0	-16.0	2,097	13.6	-26.4	1,207	12.1	-30.4
United Spirits	1611	Neutral	29,411	2.7	25.0	4,887	4.0	6.7	3,357	5.5	12.3
Varun Beverages	612	Buy	47,607	23.0	-33.8	10,871	23.2	-45.4	5,870	17.1	-53.1
Consumer			8,61,649	5.5	-0.9	2,07,848	3.2	-3.6	1,48,098	3.8	-2.2
Havells India	2000	Neutral	43,059	10.4	-25.8	5,020	34.5	-12.3	3,554	42.7	-12.8
KEI Industries	4315	Buy	22,586	16.0	9.6	2,512	23.2	17.1	1,688	20.4	12.3
Polycab India	7321	Buy	49,785	18.0	6.0	6,610	8.6	13.3	4,562	7.2	15.2
R R Kabel	1734	Buy	18,361	14.1	1.5	1,334	10.3	40.5	883	19.1	37.1
Voltas	1855	Buy	24,917	8.7	-49.4	1,466	108.6	-65.4	1,237	237.2	-63.0
Consumer Durables			1,58,708	13.6	-17.7	16,943	23.0	-10.3	11,924	28.8	-11.8
Amber Enterp.	4845	Buy	12,693	36.9	-47.1	888	49.2	-54.7	94	LP	-87.0
Avalon Tech	587	Buy	2,372	18.0	18.9	151	20.1	246.3	70	-4.0	LP
Cyient DLM	710	Buy	3,837	31.5	48.8	323	37.1	61.4	197	34.7	86.2
Data Pattern	2303	Neutral	1,289	19.0	23.8	495	21.5	33.2	419	24.0	27.8
Dixon Tech.	14200	Buy	95,362	92.9	44.9	3,755	88.8	51.5	2,123	97.8	58.8
Kaynes Tech	5464	Buy	6,026	67.0	19.6	890	82.5	33.1	667	106.3	31.3
Syrma SGS Tech.	429	Buy	9,964	40.0	-14.1	601	22.7	34.8	278	-6.4	44.1
EMS			1,31,543	74.4	17.4	7,104	64.0	15.1	3,848	76.4	21.3
Ajanta Pharma	3257	Buy	11,389	10.7	-0.5	3,439	18.3	-4.6	2,413	29.5	-8.0
Alembic Pharma	1190	Neutral	16,260	1.9	4.1	2,732	31.2	15.3	1,713	24.5	27.2
Alkem Lab	6152	Neutral	34,632	0.7	14.2	7,931	6.2	30.3	6,564	-2.8	20.4
Apollo Hospitals	7155	Buy	53,950	11.3	6.1	7,580	20.8	12.3	3,616	56.1	18.5
Aurobindo Pharma	1439	Neutral	73,308	1.5	-3.1	15,468	10.2	-8.7	8,250	6.0	-8.5
Biocon	370	Neutral	36,338	5.0	5.9	7,195	-2.9	15.9	256	-82.3	LP
Cipla	1664	Buy	70,263	5.2	5.0	18,549	7.0	8.1	12,300	4.8	4.4
Divis Labs	5424	Neutral	22,042	15.5	4.1	6,701	34.3	7.7	4,771	34.5	11.1
Dr Reddy's Labs	6747	Neutral	78,142	13.6	1.8	21,723	8.8	2.1	14,236	7.2	2.2
Eris Lifescience	1323	Neutral	7,579	50.0	5.3	2,660	46.9	6.4	988	-19.9	18.8
Gland Pharma	1800	Buy	14,033	2.2	0.1	2,750	-15.1	4.0	1,556	-19.8	8.2
Glenmark Pharma	1667	Buy	33,674	5.0	3.8	6,499	28.6	6.5	3,462	147.8	-2.9
Global Health	1001	Buy	8,839	4.7	2.6	2,015	-7.8	5.4	1,148	-8.3	8.0
Granules India	579	Buy	9,775	-17.8	-17.1	2,014	-5.4	-22.3	933	-8.7	-30.7
GSK Pharma	2738	Neutral	9,739	1.8	19.5	3,000	3.6	30.1	2,313	6.3	26.9
IPCA Labs.	1491	Neutral	22,750	11.9	8.7	4,709	30.6	19.9	2,440	44.3	26.9
Laurus Labs	468	Buy	12,791	4.5	7.0	1,778	-5.4	3.8	170	-54.1	33.8
Lupin	2194	Neutral	54,523	8.2	-2.6	11,559	25.2	-15.1	6,872	39.1	-23.6
Mankind Pharma	2577	Buy	29,982	10.7	3.6	7,945	16.4	9.8	5,991	19.6	5.0
Max Healthcare	969	Buy	20,181	17.4	4.5	5,409	11.7	9.5	3,803	7.7	23.2

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Piramal Pharma	229	Buy	22,119	15.7	13.4	2,600	-2.1	27.2	255	405.0	LP
Sun Pharma	1919	Buy	1,29,520	7.9	3.4	34,970	15.6	-0.9	28,692	19.3	-0.3
Torrent Pharma	3370	Neutral	30,030	12.9	5.0	9,850	19.4	6.6	5,104	32.2	8.4
Zydus Lifesciences	1081	Neutral	54,545	24.9	-12.1	12,982	22.0	-38.5	8,810	19.4	-38.8
Healthcare			8,56,404	8.7	2.2	2,02,059	13.5	-0.8	1,26,655	15.1	-0.1
G R Infraproject	1744	Buy	16,806	6.8	-11.4	2,218	14.5	-10.0	1,439	16.8	-28.5
IRB Infra	61	Neutral	17,394	-0.3	-6.1	8,049	1.3	-6.1	860	-10.2	-38.6
KNR Constructions	338	Buy	9,277	-1.5	13.2	1,559	-6.3	14.9	913	-8.5	13.1
Infrastructure			43,478	2.1	-4.8	11,826	2.4	-4.6	3,213	0.7	-23.9
Adani Ports	1467	Buy	73,265	10.2	5.3	43,226	11.4	1.8	25,587	15.3	-2.9
Blue Dart Express	8653	Buy	14,870	12.3	10.7	1,450	11.1	32.5	776	8.8	50.6
Concor	921	Buy	23,542	7.5	12.3	5,234	-2.6	21.2	3,372	-5.7	32.1
JSW Infra	345	Buy	10,440	23.1	3.4	5,601	23.9	8.8	3,212	28.0	7.6
Mahindra Logistics	484	Neutral	15,652	14.7	10.2	795	48.4	20.0	123	LP	LP
TCI Express	1084	Buy	3,361	5.0	14.7	447	-11.4	36.6	303	-14.9	35.7
Transport Corp.	1080	Buy	11,117	11.9	6.4	1,178	17.4	13.5	999	14.9	9.8
VRL Logistics	565	Buy	7,941	12.0	9.2	1,102	19.9	26.8	259	33.4	92.9
Logistics			1,60,187	11.3	7.6	59,033	11.5	5.6	34,632	14.4	3.2
PVR Inox	1646	Neutral	15,718	-21.4	32.0	1,695	-60.4	LP	188	-90.9	LP
Sun TV	849	Neutral	8,786	-13.7	-31.1	5,355	-25.2	-24.2	4,114	-9.8	-24.8
Zee Entertainment	140	Neutral	20,972	-14.0	-1.6	2,643	-20.6	-2.7	1,474	-14.6	0.4
Media			45,476	-16.6	-1.1	9,693	-34.4	3.1	5,776	-30.9	3.7
Coal India	508	Buy	3,16,983	-3.3	-13.1	98,903	11.2	-14.3	80,685	0.1	-26.4
Hindalco	762	Buy	5,69,451	5.1	-0.1	65,502	16.7	-12.7	31,454	45.4	-7.6
Hindustan Zinc	520	Neutral	78,087	15.0	-4.0	38,634	23.1	-2.1	22,266	28.8	-5.0
JSPL	1036	Buy	1,33,389	8.9	-2.0	24,175	5.8	-14.9	10,750	-22.5	-19.7
JSW Steel	1028	Buy	4,14,389	-7.1	-3.5	45,411	-42.4	-17.6	4,522	-85.3	-46.5
Nalco	224	Neutral	31,887	4.8	11.6	9,162	131.1	-1.9	5,781	208.6	-1.8
NMDC	244	Buy	48,424	20.6	-10.6	16,676	40.1	-28.7	13,279	29.4	-32.4
SAIL	141	Neutral	2,61,941	-6.3	9.2	15,071	-29.1	-32.1	-433	PL	PL
Tata Steel	167	Neutral	5,19,977	-6.6	-5.1	46,877	9.8	-30.0	-229	PL	PL
Vedanta	516	Neutral	3,54,651	3.7	-0.8	92,524	37.7	-7.0	26,207	437.1	-27.4
Metals			27,29,180	-0.9	-2.9	4,52,934	6.5	-15.3	1,94,281	1.6	-27.2
Aegis Logistics	764	Neutral	20,775	68.2	29.7	2,706	29.9	16.5	1,326	4.4	0.8
BPCL	368	Neutral	10,71,130	4.0	-5.3	78,237	-39.9	38.4	46,538	-45.3	54.4
Castrol India	245	Buy	12,962	9.6	-7.2	3,033	12.9	-5.9	2,224	14.4	-4.2
GAIL	240	Buy	3,40,080	6.9	1.0	37,547	7.5	-17.1	23,449	-2.5	-13.9
Gujarat Gas	614	Buy	36,770	-4.4	-17.4	4,694	-5.5	-12.4	2,625	-11.9	-20.4
Gujarat State Petronet	431	Neutral	3,094	-31.7	-7.8	2,364	-42.4	-21.5	1,915	-64.0	-9.7
HPCL	445	Buy	9,90,508	3.5	-13.0	46,856	-45.4	125.4	23,092	-54.9	549.0
Indraprastha Gas	558	Sell	34,217	-1.1	-2.8	5,862	-10.8	0.8	4,032	-24.6	0.4
IOC	179	Buy	23,58,947	31.2	22.1	88,593	-60.0	2.6	32,406	-75.0	22.6
Mahanagar Gas	1914	Buy	15,309	-2.5	-3.7	4,297	-10.3	2.7	2,912	-14.0	2.3
MRPL	181	Sell	2,27,231	18.2	-2.3	8,320	-62.9	35.0	1,790	-83.1	173.0
Oil India	569	Buy	55,872	-5.5	-4.3	24,409	-1.9	-1.0	16,677	-12.6	13.7
ONGC	292	Buy	3,51,878	0.1	-0.2	1,83,659	0.0	-1.4	92,465	-9.5	3.5
Petronet LNG	344	Neutral	1,40,196	11.9	4.5	13,125	8.1	-4.4	8,883	8.6	-11.1
Reliance Inds.	2930	Buy	23,06,868	-0.5	-0.5	3,97,138	-3.1	2.4	1,59,644	-8.2	5.5
Oil & Gas			79,65,839	9.6	2.6	9,00,840	-21.7	5.8	4,19,977	-32.7	13.7
Oil Ex OMCs			35,45,253	1.8	-0.4	6,87,153	-3.6	-0.1	3,17,941	-11.3	2.8
Brigade Enterpr.	1432	Buy	12,169	-11.0	12.9	3,775	16.2	29.0	1,769	32.5	111.3
DLF	914	Neutral	14,016	4.0	2.9	5,125	10.8	124.2	7,340	18.0	13.9
Godrej Properties	3258	Buy	5,211	51.9	-29.5	845	LP	LP	2,369	226.2	-54.3
Kolte Patil Dev.	397	Buy	5,083	156.5	49.2	649	1,764.4	133.6	251	LP	302.5
Macrotech Developers	1221	Buy	31,124	77.9	9.3	7,677	84.5	1.4	4,547	116.5	-5.3
Mahindra Lifespace	535	Neutral	880	395.1	-53.2	-358	Loss	Loss	259	LP	103.4
Oberoi Realty	1888	Neutral	10,424	-14.4	-25.8	5,929	-7.1	-27.3	4,174	-8.6	-28.6
Phoenix Mills	1752	Neutral	9,213	5.3	1.9	5,482	8.3	3.2	2,409	-4.6	3.4
Prestige Estates	1815	Buy	22,919	2.5	23.1	5,704	-3.7	-28.4	872	-53.0	-62.5

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
SignatureGlobal	1610	Buy	9,127	826.3	127.8	2,158	LP	LP	1,632	LP	2,273.3
Sobha	1864	Buy	10,078	36.0	57.4	1,251	65.9	123.8	598	300.1	887.4
Sunteck Realty	583	Buy	3,671	1,370.6	16.1	948	LP	202.1	647	LP	184.0
Real Estate			1,33,913	31.1	10.8	39,185	36.1	16.4	26,868	43.6	-5.1
Aditya Birla Fashion	352	Neutral	36,510	13.2	6.5	3,490	7.9	-2.6	-2,483	Loss	Loss
Avenue Supermarts	4955	Buy	1,44,620	14.6	2.8	11,744	16.9	-3.8	7,379	18.4	-4.6
Barbeque Nation	647	Neutral	3,037	0.7	-0.7	456	2.7	-10.5	-136	Loss	Loss
Bata India	1427	Neutral	8,355	2.0	-11.6	1,947	7.2	5.3	691	7.7	-18.7
Campus Activewear	337	Buy	3,079	19.0	-9.2	437	78.7	-15.5	185	5,693.2	-27.0
Devyani Intl.	193	Buy	11,665	42.4	-4.5	2,080	31.0	-6.9	156	-69.2	-44.5
Jubilant Foodworks	659	Neutral	14,659	9.0	1.8	2,844	1.3	2.2	531	-26.4	3.1
Kalyan Jewellers	750	Buy	59,164	34.0	6.9	4,101	30.8	9.1	2,130	57.5	20.0
Metro Brands	1282	Buy	5,797	4.3	0.6	1,635	5.2	-9.4	772	14.2	-16.0
Relaxo Footwear	812	Neutral	7,341	2.6	-1.9	874	-4.5	-11.7	355	-19.6	-20.0
Restaurant Brands	110	Buy	4,968	9.6	1.3	641	1.0	2.5	-209	Loss	Loss
Sapphire Foods	358	Buy	6,968	8.4	-3.0	1,119	-2.8	-9.9	32	-78.7	-60.4
Senco Gold	1480	Buy	14,561	27.0	3.7	971	145.9	-10.7	439	267.2	-14.4
Shoppers Stop	828	Neutral	10,942	6.7	5.9	1,674	4.8	17.8	-42	PL	Loss
Titan Company	3775	Buy	1,44,275	15.2	8.8	16,426	16.4	31.7	10,830	18.4	51.5
Trent	7612	Buy	42,783	48.0	7.2	6,943	50.7	13.7	3,978	37.3	16.3
V-Mart Retail	4411	Neutral	6,610	20.3	-15.9	297	4,339.6	-69.9	-813	Loss	PL
Vedant Fashions	1357	Neutral	2,442	11.9	1.8	1,043	12.3	-7.5	552	13.3	-11.7
Westlife Foodworld	905	Neutral	6,284	2.2	2.0	851	-14.6	6.4	89	-60.3	172.7
Retail			5,34,058	18.3	4.4	59,571	18.6	6.2	24,436	17.5	10.9
Qess Corp	773	Neutral	51,678	8.8	3.3	1,971	20.5	7.2	1,053	43.2	21.5
SIS	414	Buy	34,508	12.3	10.3	1,712	18.5	24.6	1,167	55.0	81.7
Team Lease Serv.	3131	Buy	27,417	20.6	6.3	318	0.3	43.1	304	10.3	57.2
Updater Services	381	Buy	7,149	19.1	9.6	436	47.4	6.6	264	33.9	3.1
Staffing			1,20,753	12.9	6.3	4,437	20.1	15.4	2,788	42.2	42.3
Coforge	7125	Buy	25,475	11.9	6.1	4,153	19.6	32.5	2,258	24.8	69.5
Cyient	1918	Buy	17,061	-4.1	1.8	3,173	-2.6	19.7	1,948	3.4	32.0
HCL Technologies	1815	Buy	2,83,139	6.2	0.9	59,488	0.0	2.5	38,997	1.8	-8.4
Infosys	1904	Buy	4,09,020	4.9	4.0	93,938	-0.7	0.5	65,828	6.0	3.4
LTIMindtree	6272	Buy	94,630	6.3	3.5	17,317	6.2	7.8	12,370	6.4	9.0
L&T Technology	5345	Buy	25,738	7.8	4.5	4,967	4.4	8.9	3,462	9.8	10.4
MphasiS	3012	Neutral	35,089	7.1	2.5	6,141	3.1	-0.7	4,306	9.8	6.4
Persistent Systems	5486	Buy	28,776	19.3	5.1	4,662	15.1	2.4	3,232	22.8	5.5
TCS	4286	Buy	6,39,174	7.1	2.1	1,69,686	8.0	1.5	1,24,760	9.6	3.1
Tech Mahindra	1626	Neutral	1,31,002	1.8	0.7	16,375	16.4	4.7	9,532	-2.5	11.9
Wipro	547	Neutral	2,20,536	-2.1	0.4	43,680	3.2	-1.7	28,888	9.2	-3.8
Zensar Tech	680	Neutral	13,047	5.2	1.3	1,927	-16.5	-1.8	1,402	-19.4	-11.2
Technology			19,22,689	5.1	2.2	4,25,506	4.4	1.8	2,96,983	7.1	1.8
Bharti Airtel	1699	Buy	4,10,433	10.8	6.6	2,16,449	10.9	9.8	44,600	50.7	52.5
Indus Towers	384	Neutral	75,393	5.7	2.1	43,737	27.8	-2.9	18,251	41.0	-5.3
Tata Comm	2157	Neutral	57,334	17.7	1.8	11,753	15.7	4.5	3,075	39.0	24.4
Vodafone Idea	10	Neutral	1,09,975	2.6	4.7	44,315	3.5	5.4	-69,978	Loss	Loss
Telecom			6,53,134	9.3	5.3	3,16,254	12.0	7.1	-4,053	Loss	Loss
Indian Energy Exch.	208	Neutral	1,397	28.8	13.1	1,224	32.8	22.4	1,025	23.7	9.7
JSW Energy	724	Buy	35,162	7.9	22.1	19,306	2.7	36.2	7,106	-17.1	33.0
NTPC	440	Neutral	4,16,934	2.0	-6.1	1,19,503	13.4	-4.0	46,131	41.5	-5.1
Power Grid Corp.	351	Buy	1,04,359	7.1	4.4	91,310	7.0	5.3	36,261	26.3	6.4
Tata Power	481	Buy	1,90,766	21.2	10.3	32,679	5.7	-8.9	12,977	2.0	-22.4
Utilities			7,48,618	7.4	0.2	2,64,024	9.4	0.7	1,03,499	24.0	-2.1
APL Apollo Tubes	1620	Buy	52,555	13.5	5.7	1,744	-46.4	-42.2	890	-56.1	-53.9
Cello World	904	Buy	5,281	8.0	5.5	1,356	12.7	4.9	890	11.2	7.7
Coromandel International	1728	Buy	69,903	0.0	47.8	9,226	-12.9	82.4	6,464	-14.6	107.9
Dreamfolks Services	465	Buy	3,475	23.0	8.3	316	30.1	38.2	238	34.8	38.9
EPL	265	Buy	10,929	9.1	8.5	2,144	18.4	15.4	858	69.8	33.6
Godrej Agrovet	739	Buy	24,868	-3.3	5.8	2,282	13.3	0.9	1,282	21.8	-5.1

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Gravita India	2465	Buy	10,051	20.2	10.7	1,010	39.1	15.2	715	23.7	6.3
Indiamart Inter.	2996	Buy	3,502	18.8	5.7	1,087	36.4	-8.8	966	39.9	-15.1
Indian Hotels	681	Buy	18,172	26.8	17.2	4,949	39.5	10.1	2,458	47.3	-1.0
Info Edge	8194	Neutral	6,619	11.6	3.6	2,700	12.0	8.2	2,394	12.0	3.1
Interglobe Aviation	4905	Neutral	1,22,046	-18.3	-37.6	18,160	-24.1	-68.5	-6,844	PL	PL
Kajaria Ceramics	1481	Buy	11,800	5.2	6.0	1,805	0.5	8.1	1,078	-0.1	20.1
Lemon Tree Hotel	122	Buy	2,799	23.2	4.4	1,239	21.6	7.6	266	17.4	34.2
MTAR Tech	1732	Buy	1,969	18.0	53.5	385	6.7	131.9	223	9.0	403.7
One 97 Comm.	731	Neutral	16,155	-35.9	7.6	-5,514	Loss	Loss	-6,603	Loss	Loss
UPL	621	Neutral	1,06,519	4.7	17.5	16,819	6.8	46.8	635	-40.2	LP
Zomato	274	Buy	47,860	68.0	13.8	1,322	LP	-25.3	1,426	296.2	-43.6
Others			5,14,501	0.7	-3.2	61,029	-8.4	-31.2	7,337	-61.6	-79.1

PL: Profit to Loss; LP: Loss to Profit

Ready reckoner: Quarterly performance

	CMP (INR)	RECO	NII (INR M)			OP. PROFITS (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Financials											
AU Small Finance	733	Buy	19,732	58.0	2.7	10,025	54.8	1.5	4,926	22.6	-2.0
Axis Bank	1226	Neutral	1,36,268	10.7	1.3	1,02,422	18.7	1.3	66,276	13.0	9.8
Bandhan Bank	195	Neutral	30,254	23.8	0.7	18,679	18.0	-3.8	8,756	21.4	-17.7
DCB Bank	121	Buy	5,203	9.4	4.8	2,238	6.3	9.0	1,350	6.5	2.8
Equitas Small Fin.	77	Buy	8,232	7.5	2.7	3,502	6.0	2.9	1,798	-9.3	598.0
Federal Bank	197	Buy	23,808	15.8	3.9	14,672	10.8	-2.2	10,041	5.3	-0.5
HDFC Bank	1726	Buy	2,98,121	8.9	-0.1	2,43,722	7.4	2.0	1,63,547	2.4	1.1
ICICI Bank	1275	Buy	1,99,285	8.9	1.9	1,58,325	11.3	-1.2	1,09,080	6.3	-1.4
IDFC First Bank	73	Neutral	48,425	22.6	3.1	19,371	28.3	2.9	5,696	-24.2	-16.3
IndusInd Bank	1409	Buy	54,522	7.4	0.8	40,145	2.7	1.6	20,652	-6.2	-4.9
Kotak Mahindra Bank	1880	Neutral	69,524	10.4	1.6	53,164	15.3	1.2	35,227	10.4	0.1
RBL Bank	203	Neutral	16,690	13.2	-1.8	8,394	14.8	-2.3	2,522	-14.2	-32.1
SBI Cards	770	Neutral	14,900	14.9	0.9	19,362	24.8	1.9	5,896	-2.2	-0.8
Banks-Private			9,24,964	11.3	1.1	6,94,020	12.0	0.8	4,35,767	4.9	0.6
Bank of Baroda	249	Buy	1,15,260	6.4	-0.6	75,071	-6.4	4.8	46,039	8.3	3.3
Canara Bank	110	Buy	92,048	3.4	0.4	72,809	-4.4	-4.4	37,992	5.4	-2.7
Indian Bank	527	Buy	62,386	8.7	1.0	45,963	6.8	2.1	25,441	28.0	5.9
Punjab National Bank	105	Neutral	1,08,995	9.8	4.0	71,570	15.1	8.7	34,615	97.1	6.5
State Bank	797	Buy	4,16,034	5.3	1.2	2,67,850	37.9	1.3	1,64,057	14.5	-3.7
Union Bank	122	Buy	95,485	4.6	1.4	75,539	4.6	-3.0	37,039	5.5	0.7
Banks-PSU			8,90,208	5.9	1.2	6,08,803	15.3	1.3	3,45,182	17.2	-0.6
HDFC Life Insur.	711	Buy	1,82,967	24.0	46.3	9,776	22.0	36.1	4,197	11.4	-12.1
ICICI Lombard	2157	Buy	48,623	12.9	8.0	-1,216	Loss	Loss	7,098	23.0	22.3
ICICI Pru Life	768	Buy	1,17,431	12.6	41.8	6,454	11.8	36.7	2,701	10.6	19.8
Max Financial	1186	Neutral	86,696	30.9	60.6	5,039	21.1	98.4	1,146	-27.0	-26.5
SBI Life Insurance	1834	Buy	2,21,524	9.8	42.3	16,880	13.3	74.0	5,144	35.3	-1.0
Star Health	605	Buy	36,320	13.3	3.2	-892	Loss	PL	1,566	25.0	-50.9
Insurance			6,93,561	16.6	39.3	36,040	17.8	63.2	21,851	17.4	-4.1
AAVAS Financiers	1849	Neutral	2,541	14.3	3.9	1,896	16.3	11.9	1,410	15.8	11.8
Bajaj Finance	7702	Neutral	88,549	23.0	5.9	71,745	23.0	3.3	40,214	13.3	2.8
Can Fin Homes	900	Neutral	3,273	3.3	1.8	2,815	4.2	0.7	2,103	33.0	5.3
Chola. Inv & Fin.	1582	Buy	27,022	34.1	5.0	19,333	36.1	4.5	9,846	29.1	4.5
CreditAccess	1197	Buy	9,124	19.5	-1.6	6,820	21.2	-3.9	2,613	-24.7	-34.3
Five-Star Business	825	Buy	5,143	29.2	6.5	3,671	32.3	3.5	2,615	31.1	3.9
Fusion Micro	246	Neutral	3,905	27.7	-1.8	2,832	17.1	-4.9	-1,800	PL	Loss
Home First Fin.	1184	Buy	1,558	17.9	6.4	1,254	20.1	5.3	914	22.9	4.1
IIFL Finance	468	Buy	12,840	-9.9	-10.7	6,318	-32.5	-8.1	2,427	-48.8	-15.7
L&T Finance	188	Buy	22,228	20.6	5.8	15,319	18.1	4.4	6,968	17.1	1.6
LIC Housing Fin	659	Buy	20,371	-3.3	2.4	18,192	-4.2	2.7	11,966	0.7	-8.0
M & M Financial	331	Buy	18,457	16.3	3.5	11,794	25.1	4.0	4,330	84.1	-15.6
Manappuram Finance	197	Buy	15,810	16.7	2.8	10,077	16.3	2.7	5,599	-0.1	0.6
MAS Financial	288	Buy	1,871	23.1	6.9	1,270	22.6	7.3	742	23.7	5.4
Muthoot Finance	1956	Neutral	24,282	30.7	5.4	17,980	34.0	4.8	13,025	31.4	20.7
PNB Housing	974	Buy	6,658	3.1	3.7	5,647	2.3	4.2	4,425	15.5	2.2
Poonawalla Fincorp	401	Buy	6,110	28.7	6.1	4,408	31.3	2.0	2,979	29.5	2.1
Repco Home Fin	534	Neutral	1,723	1.6	2.7	1,412	5.5	2.3	1,085	10.6	2.9
Shriram Finance	3572	Buy	54,818	19.3	4.7	41,540	19.3	7.8	20,605	17.7	4.0
Spandana Sphoorty	588	Buy	3,682	16.6	-15.2	2,644	2.7	-7.8	-1,067	PL	PL
NBFC - Lending			3,29,965	18.4	3.6	2,46,968	17.5	3.5	1,30,997	8.9	-1.1
360 One WAM	1014	Buy	6,311	47.8	5.1	3,592	68.6	7.1	2,962	59.1	21.5
Angel One	2600	Buy	9,996	48.2	9.2	5,446	33.7	37.3	4,017	31.9	37.3
BSE	3859	Neutral	7,104	125.9	16.9	3,214	127.1	13.2	2,898	146.2	9.7
Cams Services	4576	Buy	3,447	25.3	4.0	1,601	31.1	6.9	1,145	36.7	7.1
MCX	5825	Buy	2,729	65.3	16.5	1,724	LP	30.1	1,430	LP	28.9
NBFC - Non Lending			29,586	59.4	10.0	15,577	82.2	20.0	12,452	85.0	22.3

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

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles						29.7	24.4	20.6	5.5	4.7	4.0	18.4	19.3	19.7
Amara Raja Energy	1,411	Neutral	54.5	61.7	70.2	25.9	22.9	20.1	3.4	3.0	2.7	13.9	14.0	14.1
Apollo Tyres	551	Buy	25.4	33.2	40.8	21.7	16.6	13.5	1.9	1.7	1.5	11.1	13.3	14.6
Ashok Leyland	238	Buy	10.9	13.2	15.8	22	18	15.1	6.8	5.8	4.9	33.6	34.8	35.3
Bajaj Auto	12,162	Neutral	302.0	387.9	492.8	40.3	31.4	24.7	12.1	11.1	9.9	31.9	37.0	42.4
Balkrishna Inds	3,065	Neutral	82.0	108.8	127.7	37.4	28.2	24.0	5.9	5.1	4.4	16.8	19.5	19.8
Bharat Forge	1,529	Neutral	33.4	44.3	53.5	45.8	34.5	28.6	8.8	7.5	6.2	20.4	23.4	23.8
Bosch	37,856	Neutral	731.6	877.2	1,081.4	51.7	43.2	35.0	8.5	7.7	6.9	17.1	18.7	20.8
CEAT	3,192	Buy	145.0	193.4	241.5	22.0	16.5	13.2	2.9	2.5	2.2	13.7	16.2	17.5
CIE Automotive	569	Buy	21.7	26.8	32.5	26.3	21.3	17.5	3.3	2.9	2.6	13.0	14.5	15.7
Craftsman Auto	6,512	Buy	144.4	223.1	311.0	45.1	29.2	20.9	4.9	4.3	3.6	14.3	15.6	18.6
Eicher Motors	4,971	Sell	161.1	175.7	199.2	30.9	28.3	25.0	6.5	5.7	4.9	22.6	21.4	21.2
Endurance Tech.	2,396	Buy	61.9	74.3	88.1	38.7	32.2	27.2	5.9	5.2	4.4	16.3	17.1	17.5
Escorts Kubota	4,207	Neutral	99.9	127.4	164.6	42.1	33.0	25.6	5.1	4.5	3.9	12.7	14.4	16.3
Exide Inds.	512	Neutral	13.7	16.8	19.8	37.4	30.5	25.8	3.1	2.9	2.6	8.3	9.4	10.3
Happy Forgings	1,186	Buy	30.5	42.7	55.4	38.8	27.7	21.4	6.0	5.1	4.3	16.6	19.9	21.7
Hero Motocorp	5,750	Buy	230.3	280.1	331.6	25.0	20.5	17.3	6.0	5.5	5.0	24.8	28.0	30.4
Mahindra & Mahindra	3,166	Buy	103.0	122.7	146.4	30.8	25.8	21.6	6.1	5.2	4.3	21.6	21.8	21.8
Maruti Suzuki	13,167	Buy	475.1	550.4	621.6	27.7	23.9	21.2	4.4	3.9	3.4	15.6	16.0	15.9
Motherson Wiring	70	Buy	1.6	2.1	2.5	43.3	33.9	27.8	15.2	12.3	10.0	38.5	40.0	39.7
MRF	1,40,172	Sell	4,745.7	5,546.8	6,070.9	29.5	25.3	23.1	3.2	2.9	2.6	11.4	12.0	11.8
Samvardhana Motherson	211	Buy	6.3	8.4	10.2	33.2	25.1	20.6	4.9	4.3	3.8	15.5	18.3	19.5
Sona BLW Precis.	731	Neutral	10.2	13.2	16.0	71.4	55.5	45.6	13.5	11.6	9.8	20.1	22.4	23.3
Tata Motors	965	Neutral	57.1	69.5	80.3	16.9	13.9	12.0	3.4	2.8	2.3	22.2	22.0	20.7
Tube Investments	4,344	Buy	60.6	74.4	89.5	71.7	58.4	48.6	13.6	11.1	9.2	20.8	21.0	20.7
TVS Motor	2,837	Neutral	52.5	67.9	82.2	54.1	41.8	34.5	13.8	10.8	8.6	28.4	29.0	27.8
Capital Goods						49.2	39.1	32.6	8.6	7.4	6.3	17.5	18.9	19.2
ABB India	8,266	Buy	97.0	114.2	133.4	85.2	72.4	62.0	22.3	17.4	13.8	29.8	27.0	24.8
Bharat Electronics	284	Buy	6.7	8.2	9.9	42.7	34.8	28.8	10.2	8.2	6.6	24.0	23.5	22.9
Cummins India	3,876	Buy	74.2	89.0	105.5	52.2	43.6	36.8	15.4	13.5	11.8	31.3	33.1	34.4
Hitachi Energy	14,249	Neutral	75.4	149.9	213.5	188.9	95.1	66.7	36.0	26.1	18.8	19.0	27.5	28.1
Kalpataru Proj.	1,349	Buy	49.3	69.6	89.1	27.3	19.4	15.1	3.4	3.0	2.5	13.2	16.4	17.9
KEC International	1,050	Neutral	25.7	42.5	50.7	40.9	24.7	20.7	5.0	4.4	3.8	13.9	18.8	19.6
Kirloskar Oil	1,189	Buy	36.1	46.2	58.6	33.0	25.7	20.3	5.7	4.9	4.2	18.6	20.6	22.3
Larsen & Toubro	3,652	Buy	108.0	135.7	158.1	33.8	26.9	23.1	5.1	4.5	3.9	16.1	17.8	18.0
Siemens	7,519	Buy	73.4	87.5	108.7	102.4	85.9	69.2	17.8	15.5	13.3	18.6	19.3	20.6
Thermax	5,098	Neutral	66.0	83.6	103.1	77.2	60.9	49.4	11.4	9.9	8.5	15.7	17.4	18.4
Triveni Turbine	712	Buy	11.0	14.3	19.4	64.5	49.8	36.7	18.7	14.7	11.4	32.3	33.0	35.0
Zen Technologies	1,707	Buy	28.8	41.8	59.5	59.3	40.9	28.7	20.6	13.7	9.3	42.2	40.3	38.6
Cement						45.6	33.7	27.5	3.7	3.3	3.1	8.1	9.9	11.1
ACC	2,510	Buy	87.9	116.2	149.9	28.5	21.6	16.7	2.7	2.4	2.1	9.9	11.8	13.6
Ambuja Cements	632	Buy	9.5	15.2	18.9	66.6	41.7	33.4	2.9	2.7	2.5	4.9	6.7	7.8
Birla Corporation	1,288	Buy	31.6	64.4	83.7	40.8	20.0	15.4	1.5	1.4	1.3	3.6	7.1	8.6
Dalmia Bharat	1,957	Buy	52.5	69.5	87.3	37.3	28.1	22.4	2.2	2.0	1.9	5.9	7.4	8.8
Grasim Industries	2,802	Buy	89.5	103.6	120.0	31.3	27.1	23.3	3.4	3.3	3.2	0.9	2.5	4.6
India Cements	365	Sell	-12.4	-1.3	5.2	-29.4	-281.7	70.2	2.2	2.2	2.1	-7.3	-0.8	3.1
J K Cements	4,620	Buy	96.3	136.3	180.9	48.0	33.9	25.5	6.0	5.3	4.5	13.2	16.6	19.1
JK Lakshmi Cem.	785	Buy	26.8	37.2	40.9	29.2	21.1	19.2	2.7	2.4	2.2	9.5	12.1	12.0
Ramco Cements	878	Neutral	11.9	22.2	31.8	73.8	39.5	27.6	2.8	2.7	2.5	3.9	6.9	9.2
Shree Cement	26,502	Neutral	449.3	510.4	589.9	59.0	51.9	44.9	4.4	4.2	3.9	7.7	8.3	9.0
Ultratech Cement	11,836	Buy	250.8	336.6	408.8	47.2	35.2	29.0	5.2	4.3	3.8	11.5	13.5	14.1
Chemicals-Specialty						44.6	34.4	28.6	4.8	4.3	3.8	10.7	12.5	13.4
Alkyl Amines	2,408	Neutral	41.5	56.9	74.8	58.0	42.3	32.2	8.8	7.7	6.7	15.9	19.4	22.2
Atul	8,012	Buy	172.6	222.4	275.4	46.4	36.0	29.1	4.3	3.9	3.5	9.5	11.3	12.6
Clean Science	1,626	Neutral	26.8	36.2	43.3	60.6	44.9	37.5	11.9	9.7	7.9	21.5	23.8	23.2

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Deepak Nitrite	2,957	Neutral	73.8	80.6	91.1	40.0	36.7	32.5	7.1	6.1	5.2	19.2	17.9	17.3
Fine Organic	5,335	Sell	118.8	119.0	123.7	44.9	44.8	43.1	7.5	6.5	5.7	18.0	15.4	14.0
Galaxy Surfactants	3,048	Buy	97.7	115.0	135.1	31.2	26.5	22.6	4.4	3.9	3.5	15.0	15.8	16.4
Navin Fluorine	3,604	Neutral	60.4	85.3	106.4	59.6	42.2	33.9	6.9	6.1	5.4	12.0	15.4	17.0
NOCIL	292	Neutral	9.4	11.7	13.5	31.1	24.9	21.6	2.7	2.6	2.4	9.0	10.6	11.4
P I Industries	4,732	Buy	112.5	136.9	160.3	42.1	34.6	29.5	7.0	5.9	5.0	18.0	18.5	18.3
SRF	2,483	Neutral	51.1	73.8	92.7	48.6	33.6	26.8	5.9	5.2	4.5	12.7	16.4	18.0
Tata Chemicals	1,132	Neutral	30.2	49.2	61.5	37.4	23.0	18.4	1.3	1.2	1.2	3.4	5.4	6.5
Vinati Organics	2,122	Buy	42.7	50.9	60.2	49.7	41.7	35.2	7.8	6.8	5.9	16.8	17.5	18.1
Consumer						53.6	47.3	42.5	13.3	12.3	11.2	24.8	26.0	26.4
Asian Paints	3,277	Neutral	55.3	61.8	69.8	59.3	53.0	46.9	15.7	14.3	12.8	27.4	28.3	28.8
Britannia	6,446	Neutral	101.2	113.9	127.3	63.7	56.6	50.7	34.1	28.6	23.6	57.4	54.9	51.0
Colgate	3,819	Neutral	56.9	63.4	69.5	67.1	60.3	55.0	47.2	40.5	35.1	76.0	72.4	68.5
Dabur	619	Buy	10.9	12.6	14.2	56.6	49.1	43.4	10.2	9.4	8.7	18.8	20.0	20.8
Emami	749	Buy	20.4	23.1	25.0	36.6	32.4	29.9	11.7	10.3	9.1	34.1	33.9	32.3
Godrej Consumer	1,388	Buy	21.7	26.7	30.2	64.1	52.1	45.9	10.4	9.4	8.6	16.8	18.9	19.6
Hind. Unilever	2,922	Buy	46.3	52.3	57.5	63.1	55.9	50.9	13.2	12.9	12.5	21.1	23.4	24.9
Indigo Paints	1,507	Buy	30.6	37.3	46.4	49.2	40.4	32.5	7.0	6.2	5.2	15.2	16.3	17.3
ITC	516	Buy	17.0	18.6	20.1	30.3	27.8	25.7	8.3	7.8	7.4	27.9	28.9	29.7
Jyothy Labs	548	Neutral	11.1	12.4	13.7	49.6	44.1	39.9	10.5	9.5	8.4	21.8	22.6	22.3
Marico	693	Buy	12.6	13.9	15.2	55.2	49.8	45.7	22.5	21.5	20.5	41.6	44.2	45.9
Nestle	2,707	Neutral	36.2	40.2	45.5	74.7	67.3	59.5	65.0	54.8	46.5	95.0	88.3	84.5
P&G Hygiene	16,712	Neutral	260.2	296.4	338.3	64.2	56.4	49.4	57.5	47.7	40.0	98.4	92.6	88.2
Page Industries	42,679	Neutral	573.3	701.4	838.3	74.4	60.8	50.9	27.3	23.5	20.2	36.7	38.6	39.6
Pidilite Inds.	3,340	Neutral	42.3	49.4	57.1	79.0	67.7	58.5	17.8	16.0	12.9	23.9	24.9	24.4
Tata Consumer	1,197	Buy	15.0	20.1	22.1	79.7	59.5	54.2	5.4	5.1	4.8	8.2	9.5	9.8
United Breweries	2,160	Sell	22.8	32.2	37.2	95	67	58.1	12.7	11.5	10.4	13.9	18.0	18.8
United Spirits	1,611	Neutral	18.4	20.8	23.0	88	77	70.1	14.1	11.9	10.2	16.1	15.4	14.5
Varun Beverages	612	Buy	8.0	10.2	12.9	76.3	60.0	47.5	21.6	16.3	12.4	32.3	30.9	29.7
Consumer Durables						64.1	51.7	42.3	11.5	9.9	8.3	18.0	19.0	19.7
Havells India	2,000	Neutral	25.8	31.4	38.5	77.4	63.8	51.9	14.7	12.8	11.0	19.0	20.1	21.3
KEI Industries	4,315	Buy	78.1	96.8	115.1	55.3	44.6	37.5	10.2	8.4	6.9	18.5	18.9	18.5
Polycab India	7,321	Buy	130.1	156.6	185.3	56.3	46.7	39.5	11.3	9.5	8.0	20.2	20.4	20.2
R R Kabel	1,734	Buy	32.0	45.5	61.0	54.2	38.1	28.4	9.3	7.8	6.3	18.3	22.2	24.4
Voltas	1,855	Buy	27.1	34.8	44.3	68.6	53.3	41.9	9.2	8.1	7.0	13.5	15.2	16.7
EMS						91.1	58.2	42.0	13.2	10.8	8.6	14.5	18.5	20.5
Amber Enterp.	4,845	Buy	68.1	105.1	139.6	71.2	46.1	34.7	7.1	6.2	5.2	10.5	14.3	16.3
Avalon Tech	587	Buy	6.7	15.1	23.9	87.1	39.0	24.6	6.5	5.6	4.5	7.8	15.4	20.4
Cyient DLM	710	Buy	13.9	22.0	30.2	51.3	32.3	23.5	5.5	4.7	3.9	11.4	15.8	18.3
Data Pattern	2,303	Neutral	40.0	53.1	67.8	57.6	43.4	33.9	8.4	7.0	5.8	15.6	17.6	18.8
Dixon Tech.	14,200	Buy	114.0	168.3	220.8	124.6	84.4	64.3	36.0	25.4	18.3	33.6	35.3	33.0
Kaynes Tech	5,464	Buy	53.4	94.2	143.7	102.3	58.0	38.0	12.3	10.2	8.0	12.8	19.2	23.6
Syrma SGS Tech.	429	Buy	9.0	15.0	22.5	47.9	28.5	19.1	4.4	3.8	3.2	9.5	14.3	18.4
Financials														
Banks-Private						18.1	15.6	13.1	2.6	2.3	2.1	14.5	14.7	16.1
AU Small Finance	733	Buy	30.6	38.8	50.5	23.9	18.9	14.5	3.3	2.8	2.4	14.9	16.0	17.7
Axis Bank	1,226	Neutral	85.5	98.6	115.9	14.3	12.4	10.6	2.2	1.9	1.6	16.2	16.2	16.4
Bandhan Bank	195	Neutral	24.4	28.6	33.7	8.0	6.8	5.8	1.3	1.1	1.0	17.1	17.5	17.8
DCB Bank	121	Buy	19.3	24.2	29.7	6.3	5.0	4.1	0.7	0.6	0.5	12.0	13.4	14.5
Equitas Small Fin.	77	Buy	5.6	8.9	13.2	13.7	8.6	5.8	1.4	1.2	1.0	10.3	14.8	18.8
Federal Bank	197	Buy	16.9	20.5	24.8	11.7	9.6	8.0	1.5	1.3	1.1	13.4	14.3	15.2
HDFC Bank	1,726	Buy	89.3	100.7	114.9	19.3	17.1	15.0	2.7	2.4	2.4	14.5	14.6	16.0
ICICI Bank	1,275	Buy	63.6	72.0	85.4	20.0	17.7	14.9	3.3	2.8	2.4	17.6	17.2	17.5
IDFC First Bank	73	Neutral	4.2	6.0	8.1	17.4	12.3	9.0	1.5	1.3	1.2	8.9	11.4	13.7
IndusInd Bank	1,409	Buy	113.9	140.4	175.8	12.4	10.0	8.0	1.6	1.4	1.2	13.3	14.5	15.8

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Kotak Mahindra Bank	1,880	Neutral	94.6	110.5	136.2	19.9	17.0	13.8	2.5	2.2	1.9	13.7	13.9	14.9
RBL Bank	203	Neutral	21.0	29.6	41.9	9.7	6.9	4.9	0.8	0.7	0.7	8.3	11.0	14.3
SBI Cards	770	Neutral	27.6	37.2	49.4	28.0	20.7	15.6	5.1	4.2	3.3	19.8	22.1	23.7
Banks-PSU						7.9	6.9	6.0	1.3	1.1	1.0	16.1	16.2	16.5
Bank of Baroda	249	Buy	37.6	41.3	45.6	6.6	6.0	5.5	1.0	0.9	0.8	16.9	16.3	15.9
Canara Bank	110	Buy	17.8	19.4	21.5	6.2	5.7	5.1	1.1	0.9	0.9	19.2	18.2	18.0
Indian Bank	527	Buy	75.9	83.3	93.9	6.9	6.3	5.6	1.1	1.0	0.9	18.1	17.3	17.0
Punjab National Bank	105	Neutral	13.0	15.3	17.9	8.1	6.9	5.9	1.0	0.9	0.8	13.8	14.4	15.1
State Bank	797	Buy	87.7	100.9	118.8	9.1	7.9	6.7	1.5	1.3	1.1	18.5	17.9	17.7
Union Bank	122	Buy	20.5	23.5	26.9	6.0	5.2	4.5	0.9	0.8	0.7	16.0	16.1	16.2
Insurance						23.5	21.4	18.7	6.4	5.0	4.0	27.3	23.2	21.1
HDFC Life Insur.	711	Buy	8.5	9.5	11.3	83.7	74.5	62.9	2.7	2.4	2.0	17.2	16.6	16.9
ICICI Lombard	2,157	Buy	50.8	60.6	77.6	42.4	35.6	27.8	7.8	6.7	5.6	19.5	20.2	22.0
ICICI Pru Life	768	Buy	6.9	8.9	11.0	110.6	85.9	69.9	2.2	1.8	1.5	19.5	19.9	20.4
Life Insurance Corp.	1,000	Buy	70.2	76.2	85.7	14.3	13.1	11.7	0.8	0.7	0.6	11.5	11.3	11.1
Max Financial	1,186	Neutral	11.1	13.0	14.8	107.1	91.2	80.4	2.2	1.8	1.5	19.1	19.4	19.2
SBI Life Insurance	1,834	Buy	24.5	25.0	27.9	74.9	73.4	65.8	2.6	2.1	1.8	22.0	20.5	19.6
Star Health	605	Buy	18.4	24.3	32.1	32.9	24.9	18.8	4.6	3.9	3.2	15.0	16.9	18.7
NBFC - Lending						19.9	15.4	12.3	2.8	2.4	2.1	14.0	15.6	16.7
AAVAS Financiers	1,849	Neutral	74.4	90.4	113.6	24.8	20.5	16.3	3.4	2.9	2.4	14.5	15.2	16.3
Aditya Birla Cap	242	Buy	13.2	17.1	21.6	18.3	14.1	11.2	2.1	1.8	1.6	12.1	13.9	15.3
Bajaj Finance	7,702	Neutral	273.2	363.5	475.4	28.2	21.2	16.2	5.0	4.1	3.4	19.6	21.3	23.0
Can Fin Homes	900	Neutral	63.5	72.8	83.7	14.2	12.4	10.7	2.3	2.0	1.7	17.9	17.5	17.1
Chola. Inv & Fin.	1,582	Buy	53.4	73.1	96.9	29.6	21.6	16.3	5.6	4.2	3.4	20.6	22.5	23.1
CreditAccess	1,197	Buy	81.2	97.9	127.6	14.7	12.2	9.4	2.5	2.1	1.7	18.1	18.4	19.8
Five-Star Business	825	Buy	36.7	44.3	53.9	22.4	18.6	15.3	3.8	3.2	2.7	18.7	18.8	19.0
Fusion Micro	246	Neutral	-1.7	54.0	69.7	-146.0	4.5	3.5	0.9	0.7	0.6	-0.6	17.5	18.8
Home First Fin.	1,184	Buy	42.4	52.6	65.8	27.9	22.5	18.0	4.3	3.6	3.1	16.4	17.5	18.5
IIFL Finance	468	Buy	26.5	48.3	63.3	17.7	9.7	7.4	1.5	1.4	1.2	9.6	14.9	16.9
Indostar Capital	303	Buy	12.5	17.6	26.9	24.2	17.2	11.2	1.2	1.2	1.0	5.1	7.1	9.7
L&T Finance	188	Buy	11.4	14.2	18.4	16.5	13.2	10.2	1.8	1.6	1.5	11.5	13.1	15.1
LIC Housing Fin	659	Buy	89.2	93.3	99.7	7.4	7.1	6.6	1.0	0.9	0.8	14.7	13.8	13.2
M & M Financial	331	Buy	20.7	28.3	32.1	16.0	11.7	10.3	2.0	1.7	1.5	12.7	15.7	15.9
Manappuram Finance	197	Buy	27.4	33.4	39.9	7.2	5.9	4.9	1.2	1.0	0.9	18.5	19.1	19.3
MAS Financial	288	Buy	16.9	21.7	27.2	17.1	13.3	10.6	2.1	1.8	1.6	14.5	14.7	16.0
Muthoot Finance	1,956	Neutral	126.7	145.3	165.6	15.4	13.5	11.8	2.8	2.4	2.1	19.3	19.1	18.7
Piramal Enterprises	1,104	Neutral	41.0	79.9	106.4	26.9	13.8	10.4	0.9	0.9	0.8	3.4	6.4	8.1
PNB Housing	974	Buy	70.3	88.9	108.8	13.9	11.0	9.0	1.5	1.3	1.2	11.5	13.0	14.1
Poonawalla Fincorp	401	Buy	16.8	21.3	29.2	23.8	18.8	13.7	3.3	2.9	2.4	14.8	16.4	19.3
Repco Home Fin	534	Neutral	68.9	74.3	82.5	7.8	7.2	6.5	1.0	0.9	0.8	13.9	13.2	12.9
Shriram Finance	3,572	Buy	224.9	272.7	331.2	15.9	13.1	10.8	2.4	2.1	1.8	16.3	17.2	18.1
Spandana Sphoorty	588	Buy	12.7	73.0	101.1	46.2	8.0	5.8	1.1	1.0	0.8	2.5	13.0	15.6
NBFC - Non Lending						34.2	29.0	24.4	10.2	9.0	7.9	29.8	31.2	32.5
360 ONE WAM	1,014	Buy	29.2	34.6	38.1	34.7	29.3	26.6	9.9	9.3	8.7	29.5	32.8	33.8
Angel One	2,600	Buy	185.2	214.8	273.6	14.0	12.1	9.5	3.5	3.0	2.5	33.7	26.9	29.0
BSE	3,859	Neutral	85.2	96.2	107.0	45.3	40.1	36.1	14.3	12.9	11.7	31.6	32.2	32.4
Cams Services	4,576	Buy	94.5	114.0	137.1	48.4	40.1	33.4	20.8	17.6	14.9	46.5	47.6	48.3
MCX	5,825	Buy	109.3	142.2	176.1	53.3	41.0	33.1	19.9	18.2	16.4	38.8	46.4	52.1
Healthcare						37.8	32.0	28.6	5.6	4.9	4.2	14.8	15.2	14.8
Ajanta Pharma	3,257	Buy	75.8	87.8	103.7	43.0	37.1	31.4	9.7	8.1	6.8	24.5	23.7	23.5
Alembic Pharma	1,190	Neutral	37.4	41.2	50.2	31.9	28.9	23.7	4.3	3.8	3.3	14.2	13.9	14.9
Alkem Lab	6,152	Neutral	187.8	204.3	210.6	32.8	30.1	29.2	6.1	5.3	4.6	20.1	18.8	16.9
Apollo Hospitals	7,155	Buy	94.4	125.5	145.8	75.8	57.0	49.1	12.1	10.0	8.3	17.9	19.9	19.2
Aurobindo Pharma	1,439	Neutral	66.3	73.8	85.2	21.7	19.5	16.9	2.5	2.2	2.0	12.3	12.2	12.5
Biocon	370	Neutral	4.4	9.2	13.1	84.0	40.1	28.3	2.1	2.1	2.0	2.6	5.3	7.1

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Cipla	1,664	Buy	58.7	65.6	68.3	28.3	25.4	24.4	4.4	3.8	3.3	15.4	14.9	13.6
Divis Labs	5,424	Neutral	77.7	95.1	116.3	69.8	57.0	46.6	9.6	8.6	7.6	14.4	15.9	17.3
Dr Reddy's Labs	6,747	Neutral	353.8	389.0	355.9	19.1	17.3	19.0	3.4	2.8	2.5	19.1	17.7	14.0
Eris Lifescience	1,323	Neutral	30.4	42.0	54.5	43.5	31.5	24.3	6.2	5.3	4.4	15.2	18.2	19.9
Gland Pharma	1,800	Buy	53.4	67.0	76.5	33.7	26.9	23.5	3.1	2.8	2.5	9.6	10.9	11.1
Glenmark Pharma	1,667	Buy	47.5	59.2	68.5	35.1	28.2	24.3	5.2	4.4	3.7	15.8	16.8	16.5
Global Health	1,001	Buy	19.3	24.8	29.2	52.0	40.3	34.3	8.1	6.9	5.9	16.6	18.5	18.6
Granules India	579	Buy	22.2	29.4	37.1	26.1	19.7	15.6	3.8	3.2	2.7	15.4	17.5	18.5
GSK Pharma	2,738	Neutral	48.1	53.4	61.6	56.9	51.2	44.5	21.8	18.1	14.8	38.3	35.3	33.2
IPCA Labs.	1,491	Neutral	33.5	43.0	56.1	44.5	34.7	26.6	5.4	4.7	4.1	12.7	14.5	16.6
Laurus Labs	468	Buy	6.7	11.9	16.0	70.0	39.2	29.3	5.7	5.1	4.4	8.4	13.7	16.2
Lupin	2,194	Neutral	59.2	69.8	77.6	37.1	31.5	28.3	6.0	5.0	4.3	17.3	17.4	16.4
Mankind Pharma	2,577	Buy	54.5	62.4	74.3	47.3	41.3	34.7	9.4	8.0	6.8	21.4	20.9	21.2
Max Healthcare	969	Buy	15.6	19.1	23.9	61.9	50.6	40.5	8.7	7.4	6.3	15.1	15.8	16.8
Piramal Pharma	229	Buy	2.6	5.3	7.8	88.7	42.8	29.2	3.3	3.0	2.7	4.2	8.2	10.9
Sun Pharma	1,919	Buy	49.2	57.9	66.3	39.0	33.1	28.9	6.3	5.4	4.5	17.2	17.4	17.0
Torrent Pharma	3,370	Neutral	63.4	82.0	98.7	53.2	41.1	34.1	6.9	5.7	4.7	28.5	30.5	30.2
Zydus Lifesciences	1,081	Neutral	43.9	47.3	43.6	24.6	22.8	24.8	4.3	3.7	3.3	19.6	17.4	14.1
Infrastructure						29.7	23.0	20.2	2.4	2.2	2.0	8.2	9.6	10.0
G R Infraproject	1,744	Buy	79.2	99.9	111.1	22.0	17.5	15.7	2.1	1.9	1.7	10.1	11.5	11.4
IRB Infra	61	Neutral	1.6	2.1	2.4	38.6	29.5	25.1	2.6	2.4	2.2	6.8	8.4	9.1
KNR Constructions	338	Buy	14.6	18.9	21.1	23.2	17.9	16.0	2.6	2.3	2.0	11.9	13.5	13.3
Logistics						32.8	26.0	22.0	5.4	4.6	3.9	16.3	17.7	17.9
Adani Ports	1,467	Buy	51.2	61.1	72.9	28.6	24.0	20.1	5.0	4.3	3.6	19.1	19.3	19.5
Blue Dart Express	8,653	Buy	137.1	223.5	271.8	63.1	38.7	31.8	12.7	10.2	8.2	21.3	29.2	28.5
Concor	921	Buy	22.3	32.6	35.4	41.2	28.2	26.0	4.5	4.1	3.8	11.2	15.2	15.1
JSW Infra	345	Buy	6.5	9.3	11.0	53.2	36.9	31.4	8.0	6.9	5.9	15.9	20.0	20.3
Mahindra Logistics	484	Neutral	6.6	19.1	29.4	73.0	25.3	16.5	6.6	5.4	4.2	9.1	23.1	28.1
TCI Express	1,084	Buy	32.8	43.5	48.9	33.0	24.9	22.2	5.2	4.4	3.8	16.7	19.2	18.5
Transport Corp.	1,080	Buy	52.6	64.5	75.4	20.5	16.8	14.3	3.5	2.9	2.4	18.2	18.8	18.4
VRL Logistics	565	Buy	12.7	23.4	25.8	44.3	24.1	21.9	5.1	4.6	4.2	11.6	20.1	20.1
Media						24.4	19.4	16.3	2.1	2.0	1.8	8.7	10.2	11.3
PVR Inox	1,646	Neutral	3.5	29.1	47.1	465.0	56.6	34.9	2.2	2.1	2.0	0.5	3.8	5.9
Sun TV	849	Neutral	47.1	50.2	53.4	18.0	16.9	15.9	3.0	2.8	2.6	16.8	16.5	16.2
Zee Entertainment	140	Neutral	7.2	10.3	13.7	19.4	13.6	10.3	1.2	1.1	1.0	6.2	8.4	10.3
Metals						15.3	11.6	9.9	2.7	2.3	2.0	17.6	20.3	20.4
Coal India	508	Buy	61.2	67.4	70.5	8.3	7.5	7.2	3.1	2.6	2.2	37.3	34.2	0.0
Hindalco	762	Buy	63.0	63.1	74.6	12.1	12.1	10.2	1.8	1.6	1.4	16.2	14.2	14.7
Hindustan Zinc	520	Neutral	22.5	30.6	31.4	23.1	17.0	16.6	11.2	8.0	6.2	54.5	54.9	42.0
JSPL	1,036	Buy	54.8	95.5	110.1	18.9	10.8	9.4	2.1	1.8	1.5	11.7	17.9	17.6
JSW Steel	1,028	Buy	32.6	67.8	85.5	31.6	15.2	12.0	3.0	2.5	2.1	9.8	17.9	18.9
Nalco	224	Neutral	12.9	13.9	16.2	17.4	16.1	13.8	2.6	2.3	2.0	15.6	15.0	15.5
NMDC	244	Buy	24.8	27.1	30.3	9.8	9.0	8.1	2.3	2.0	1.7	25.8	23.8	22.6
SAIL	141	Neutral	4.1	10.4	14.8	34.1	13.6	9.5	1.0	1.0	0.9	3.0	7.2	9.8
Tata Steel	167	Neutral	5.9	12.4	18.0	28.2	13.5	9.3	2.4	2.2	1.9	8.5	17.0	22.2
Vedanta	516	Neutral	36.2	44.1	50.9	14.2	11.7	10.1	5.4	4.4	3.5	40.6	41.2	38.3
Oil & Gas						17.8	14.3	13.3	1.9	1.7	1.6	10.8	12.2	11.9
Aegis Logistics	764	Neutral	17.5	21.7	23.6	43.6	35.1	32.3	6.2	5.6	5.0	15.0	16.8	16.4
BPCL	368	Neutral	32.6	35.5	36.1	11.3	10.4	10.2	1.9	1.7	1.6	17.6	17.6	16.4
Castrol India	245	Buy	9.4	9.6	10.6	26.1	25.4	23.0	10.7	10.1	9.5	42.4	41.1	42.8
GAIL	240	Buy	15.3	17.3	19.8	15.7	13.8	12.1	2.2	2.0	1.8	15.0	15.5	16.1
Gujarat Gas	614	Buy	19.0	22.7	24.9	32.3	27.1	24.6	4.9	4.4	3.9	16.1	17.2	16.9
Gujarat State Petronet	431	Neutral	13.1	12.1	11.6	32.9	35.6	37.2	2.3	2.2	2.1	7.0	6.2	5.7
HPCL	445	Buy	30.2	47.1	47.1	14.7	9.4	9.4	1.8	1.6	1.4	13.0	18.2	16.1
Indraprastha Gas	558	Sell	23.3	26.2	28.8	23.9	21.3	19.4	4.0	3.6	3.2	17.9	17.8	17.2

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
IOC	179	Buy	10.5	13.7	14.4	17.1	13.1	12.4	1.3	1.2	1.2	7.7	9.5	9.5
Mahanagar Gas	1,914	Buy	129.4	137.0	144.9	14.8	14.0	13.2	3.2	2.8	2.5	23.1	21.4	20.0
MRPL	181	Sell	8.7	15.6	15.6	20.8	11.6	11.6	2.2	1.9	1.7	11.0	17.6	15.4
Oil India	569	Buy	46.2	51.3	55.7	12.3	11.1	10.2	1.9	1.7	1.5	16.1	16.0	15.6
ONGC	292	Buy	45.0	52.8	55.6	6.5	5.5	5.3	1.0	0.9	0.8	15.9	16.5	15.5
Petronet LNG	344	Neutral	25.3	30.5	33.9	13.6	11.3	10.1	2.7	2.4	2.1	21.1	22.6	22.3
Reliance Inds.	2,930	Buy	102.5	134.3	150.1	28.6	21.8	19.5	2.2	2.0	1.8	8.4	10.1	10.2
Real Estate						53.8	43.4	41.9	5.8	5.2	4.7	10.8	11.9	11.1
Brigade Enterpr.	1,432	Buy	37.1	42.0	59.6	38.6	34.1	24.0	6.7	5.6	4.6	18.9	18.0	21.0
DLF	914	Neutral	16.6	17.0	10.6	55.2	53.9	86.3	3.8	3.5	3.4	10.0	9.4	5.6
Godrej Properties	3,258	Buy	52.0	34.4	54.1	62.7	94.7	60.2	7.9	7.3	6.5	13.5	8.0	11.4
Kolte Patil Dev.	397	Buy	13.3	42.1	37.7	29.9	9.4	10.5	3.7	2.8	2.2	13.1	33.6	23.4
Macrotech Developers	1,221	Buy	23.4	35.3	38.3	52.2	34.5	31.9	6.0	5.1	4.5	12.1	16.0	15.0
Mahindra Lifespace	535	Neutral	6.3	6.9	22.4	84.4	77.5	23.9	4.3	4.1	3.6	5.2	5.4	16.0
Oberoi Realty	1,888	Neutral	50.5	71.0	92.0	37.3	26.6	20.5	4.5	3.9	3.3	12.6	15.6	17.4
Phoenix Mills	1,752	Neutral	30.3	41.6	55.6	57.7	42.2	31.5	6.0	5.3	4.5	10.9	13.3	15.5
Prestige Estates	1,815	Buy	19.9	26.2	38.9	91.2	69.2	46.6	5.7	5.3	4.8	6.4	7.9	10.7
SignatureGlobal	1,610	Buy	47.4	69.2	3.8	34.0	23.3	418.5	17.5	10.0	9.8	69.4	54.7	2.4
Sobha	1,864	Buy	35.2	74.2	91.4	52.9	25.1	20.4	6.4	5.1	4.1	12.7	22.6	22.4
Sunteck Realty	583	Buy	16.2	23.2	10.4	36.0	25.1	56.2	2.6	2.3	2.3	7.4	9.7	4.1
Retail						111.5	82.3	64.4	19.4	16.3	13.5	17.4	19.8	21.0
Aditya Birla Fashion	352	Neutral	-6.6	-6.2	-3.6	-53.7	-57.0	-99.0	8.8	10.4	11.7	-15.2	-16.8	-11.1
Avenue Supermarts	4,955	Buy	48.0	63.1	79.0	103.3	78.6	62.7	14.8	12.4	10.4	15.4	17.2	18.0
Barbeque Nation	647	Neutral	-2.4	1.2	4.4	-273	519	146.3	6.6	6.5	6.2	-2.4	1.3	4.3
Bata India	1,427	Neutral	26.4	33.6	42.4	54.0	42.5	33.6	10.3	9.2	8.1	20.5	22.8	25.5
Campus Activewear	337	Buy	4.3	5.6	7.0	78.7	60.1	48.3	13.2	10.8	8.8	16.8	18.0	18.3
Devyani Intl.	193	Buy	0.8	1.9	2.4	256.2	103.0	80.7	33.2	35.1	35.5	10.3	33.1	43.7
Jubilant Foodworks	659	Neutral	5.3	8.0	10.3	123.9	82.4	63.9	18.8	17.6	16.0	15.2	21.4	25.0
Kalyan Jewellers	750	Buy	8.4	11.4	13.7	89.2	65.9	54.9	16.0	13.6	11.6	19.2	22.3	22.9
Metro Brands	1,282	Buy	14.8	18.1	22.8	86.5	71.0	56.2	15.5	13.1	10.9	19.9	20.5	21.7
Relaxo Footwear	812	Neutral	9.4	11.8	14.0	86.4	68.9	57.8	9.3	8.4	7.6	11.2	12.8	13.8
Restaurant Brands	110	Buy	-3.2	-0.8	1.1	-34.6	-146.5	98.0	11.6	12.6	11.1	-28.7	-8.2	12.1
Sapphire Foods	358	Buy	1.4	3.4	4.9	260.6	105.1	73.1	8.2	7.6	6.9	3.2	7.5	9.9
Senco Gold	1,480	Buy	31.3	37.4	44.1	47.3	39.5	33.6	7.2	6.2	5.3	16.4	16.8	17.0
Shoppers Stop	828	Neutral	7.0	10.2	17.7	118.8	81.2	46.9	17.3	13.5	9.8	21.2	24.6	31.9
Titan Company	3,775	Buy	45.5	56.4	66.8	83.0	66.9	56.5	27.5	21.3	16.9	37.5	35.9	33.4
Trent	7,612	Buy	54.3	73.2	95.8	140	104	79.4	42.2	29.4	21.1	38.4	35.6	33.1
V-Mart Retail	4,411	Neutral	-3.0	35.7	67.0	-1,463	123	65.8	10.8	9.9	8.6	NM	8.4	14.0
Vedant Fashions	1,357	Neutral	18.5	22.7	28.5	73	60	47.6	18.6	16.2	13.9	26.2	26.3	28.3
Westlife Foodworld	905	Neutral	3.0	7.7	10.5	302.4	118.1	86.5	18.1	18.0	14.8	6.8	15.3	18.8
Staffing						22.5	17.5	14.8	3.2	2.8	2.4	14.4	16.1	16.4
Quess Corp	773	Neutral	28.4	35.1	41.6	27.2	22.0	18.6	3.0	2.7	2.4	14.8	17.0	18.3
SIS	414	Buy	29.1	36.4	41.7	14.2	11.4	9.9	1.0	0.8	0.7	16.7	17.3	16.7
Team Lease Serv.	3,131	Buy	83.0	127.1	147.4	37.7	24.6	21.2	5.7	4.7	3.9	14.8	19.1	18.4
Updater Services	381	Buy	16.0	22.4	30.3	23.8	17.0	12.6	2.6	2.3	1.9	11.8	14.3	16.6
Technology						31.3	27.7	25.0	9.4	9.0	8.7	29.9	32.5	34.6
Coforge	7,125	Buy	150.0	193.9	229.5	47.5	36.7	31.1	11.1	9.6	8.4	24.3	27.6	28.5
Cyient	1,918	Buy	69.9	85.8	97.0	27.4	22.3	19.8	4.7	4.3	4.0	16.4	18.8	19.7
HCL Technologies	1,815	Buy	62.2	70.0	77.6	29.2	25.9	23.4	7.4	7.5	7.7	25.3	28.9	32.5
Infosys	1,904	Buy	64.0	72.2	80.5	29.8	26.4	23.7	8.9	8.9	8.9	30.1	33.9	37.7
LTIMindtree	6,272	Buy	166.0	194.2	232.8	37.8	32.3	26.9	8.1	7.1	6.2	22.9	23.4	24.4
L&T Technology	5,345	Buy	129.3	152.5	175.0	41.3	35.1	30.5	9.3	7.9	6.8	24.1	24.4	24.0
Mphasis	3,012	Neutral	92.1	103.8	114.5	32.7	29.0	26.3	6.0	5.5	5.1	19.2	20.0	20.3
Persistent Systems	5,486	Buy	89.7	115.4	134.3	61.1	47.5	40.9	14.5	12.2	10.3	25.7	28.1	27.7
TCS	4,286	Buy	142.5	156.7	171.8	30.1	27.3	25.0	16.4	15.4	14.4	55.4	57.4	58.9

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Tech Mahindra	1,626	Neutral	44.0	63.2	70.3	36.9	25.7	23.1	5.3	5.1	4.9	14.5	20.2	21.7
Wipro	547	Neutral	22.1	24.4	25.7	24.7	22.4	21.3	3.9	3.8	3.8	15.7	17.3	17.8
Zensar Tech	680	Neutral	27.3	31.3	35.8	24.9	21.7	19.0	3.8	3.4	3.0	16.5	16.8	17.0
Telecom						-4,058	109	60.1	72.6	30.7	24.7	-1.8	28.1	41.1
Bharti Airtel	1,699	Buy	30.8	46.7	61.1	55.1	36.4	27.8	10.5	8.1	7.0	20.6	27.1	29.3
Indus Towers	384	Neutral	33.7	29.0	22.4	11.4	13.3	17.1	3.1	2.6	2.5	29.5	20.8	14.5
Tata Comm	2,157	Neutral	46.9	66.9	85.5	46.0	32.2	25.2	22.8	15.1	10.7	59.6	56.3	50
Vodafone Idea	10	Neutral	-9.8	-9.3	-8.7	-1.0	-1.1	-1.2	-0.3	-0.3	-0.2	NM	NM	NM
Utilities						22	20	18.5	3.2	3.0	2.7	14.8	15.1	14.8
Indian Energy Exch.	208	Neutral	4.1	4.9	5.8	50.5	42.3	36.0	16.4	13.7	12.3	35.3	35.3	36.1
JSW Energy	724	Buy	17.9	20.8	20.4	40.4	34.7	35.5	5.1	4.5	4.1	13.3	13.8	12.1
NTPC	440	Neutral	23.6	26.4	28.7	18.7	16.6	15.3	2.5	2.3	2.1	13.7	14.2	14.2
Power Grid Corp.	351	Buy	18.4	19.2	20.2	19.1	18.3	17.4	3.6	3.4	3.2	19.1	19.1	19.0
Tata Power	481	Buy	15.7	18.6	19.1	30.7	25.8	25.2	4.2	3.7	3.3	14.5	15.3	13.9
Others						57.4	39.2	28.8	6.9	5.9	5.0	12.0	15.2	17.4
APL Apollo Tubes	1,620	Buy	28.4	45.7	59.3	57.1	35.4	27.3	10.6	8.4	6.6	20.1	26.5	27.1
Cello World	904	Buy	18.3	23.0	28.5	49.4	39.3	31.7	12.6	9.6	7.4	25.5	24.5	26.4
Coromandel International	1,728	Buy	54.8	72.1	84.2	31.5	24.0	20.5	4.8	4.1	3.5	16.1	18.5	18.5
Dreamfolks Services	465	Buy	16.6	22.1	25.7	28.0	21.0	18.1	7.5	5.5	4.2	32.2	31.1	27.1
EPL	265	Buy	10.4	14.4	16.9	25.4	18.4	15.6	3.7	3.3	2.9	15.2	18.9	19.5
Godrej Agrovet	739	Buy	26.3	34.5	41.0	28.1	21.4	18.0	5.0	4.3	3.5	18.9	21.7	21.4
Gravita India	2,465	Buy	43.7	60.4	82.9	56.4	40.8	29.7	15.0	11.0	8.1	30.7	31.2	31.4
Indiamart Inter.	2,996	Buy	70.2	84.1	106.1	42.6	35.6	28.2	8.6	7.3	6.3	22.1	22.2	24.0
Indian Hotels	681	Buy	11.2	14.4	16.2	60.6	47.3	41.9	8.8	7.5	6.4	15.7	17.2	16.5
Info Edge	8,194	Neutral	76.6	93.4	116.4	107.0	87.7	70.4	4.0	3.9	3.7	3.8	4.5	5.4
Interglobe Aviation	4,905	Neutral	193.8	209.1	248.2	25.3	23.5	19.8	20.0	10.8	7.0	131.9	60.0	43.0
Kajaria Ceramics	1,481	Buy	30.7	38.0	44.8	48.2	39.0	33.1	8.2	7.4	6.5	17.4	19.5	20.5
Lemon Tree Hotel	122	Buy	2.4	3.8	4.5	50.6	31.8	27	8.2	6.5	5.3	17.7	22.9	21.8
MTAR Tech	1,732	Buy	29.7	52.1	75.8	58.4	33.3	23	6.9	5.7	4.6	12.6	18.9	22.3
One 97 Comm.	731	Neutral	-28.6	-12.1	-6.8	-25.6	-60.4	-108	3.8	4.0	4.2	-14.4	-6.6	-3.9
UPL	621	Neutral	26.3	45.1	63.3	23.6	13.7	9.8	1.2	1.1	1.0	8.0	12.9	16.2
Zomato	274	Buy	1.0	3.3	7.0	269.5	84.2	39.4	11.1	9.8	7.8	4.2	12.3	22.1

Sectors & Companies

BSE Sensex: 81,688

Nifty 50: 25,014

October 2024

Sector and Companies Preview Compendium

Automobiles

Capital Goods

Cement

Chemicals-Specialty

Consumer

Consumer Durables

EMS

Financials – Banks

Financials – NBFC: Lending

Financials – NBFC: Non Lending

Healthcare

Infrastructure

Logistics

Metals

Oil & Gas

Real Estate

Retail

Technology

Telecom

Utilities

Others

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 1 October 2024, unless otherwise stated.**

Automobiles

Company

Amara Raja Energy Mobility

Ashok Leyland

Apollo Tyres

Bajaj Auto

Balkrishna Industries

Bharat Forge

BOSCH

Ceat

CIE Automotive

Craftsman Automation

Eicher Motors

Endurance Technologies

Escorts

Exide Industries

Happy Forgings

Hero MotoCorp

Mahindra & Mahindra

Maruti Suzuki

samvardhana motherson

Motherson Wiring

MRF

Sona BLW Precision Ltd

Tata Motors

TVS Motor Company

Tube Investments

Festive demand revival will be a critical monitorable

2Ws continue to outperform; PV demand moderates, CVs decline

- Auto OEMs are projected to deliver ~9% YoY volume growth in 2QFY25, mainly driven by a robust performance in the 2W segment. Dispatches for 2Ws are anticipated to have grown ~12% YoY, with domestic volumes rising ~11% and exports growing 13% YoY. PV volumes are projected to remain flat YoY, while CV volumes are likely to decline 10% YoY. Apart from 2Ws and 3Ws, tractor volumes are projected to see ~7% YoY growth.
- Revenue and EBITDA for our OEM coverage universe (ex-JLR) are expected to grow ~2% and 4% YoY during the quarter, respectively, while PAT is likely to remain flat. EBITDA margin is anticipated to improve 30bp YoY at 13.0%, driven largely by moderate commodity costs and favorable product mix. However, EBITDA margin is expected to contract 40bp on a sequential basis due to weak demand and rising discounts.
- Commodity costs have turned favorable in 2QFY25, with steel, aluminum, copper, and lead prices declining 5-6% QoQ. However, the full benefit may not be reflected in 2Q due to the lag effect from 1Q, when the commodity basket saw a sequential rise. Meanwhile, rubber prices increased 4% QoQ and have surged ~67% YoY.
- Given the moderation in demand across various segments and a challenging outlook for exports, majority of our coverage companies (19 of 25) saw earnings downgrades (refer to Exhibit 8). While the 2W segment is expected to continue outperforming in FY25, this has already been factored into the recent rally in 2W stocks. Hence, MSIL and MM are our top picks among Auto OEMs, while MOTHERSO and ENDU are our preferred picks in the Auto Ancillaries segment.

Volume growth in 2Q driven by 2Ws and 3Ws; export recovery continues

Auto OEMs are projected to deliver ~9% YoY volume growth in 2QFY25, mainly driven by a robust performance in the 2W segment. The 2W segment is likely to have grown ~12% YoY, with domestic volumes growing ~11% YoY and exports growing 13% YoY. The 3W segment is likely to have registered ~5% YoY growth, fueled by a 7% rise in domestic volumes, while exports saw a modest 1% uptick. On the other hand, PV growth momentum has slowed, with overall volumes remaining flat YoY. The passenger car segment is likely to have reported a 3% YoY decline, while the UV segment is expected to post ~2% growth. In the case of PVs, the inventory levels have risen due to lower retail demand, leading to higher discounts, making the upcoming festive season crucial, particularly for PV sales. The CV segment continues to face challenges, with overall volumes likely to decline ~10% YoY. Both MHCV and LCVs are projected to see similar declines. CV recovery is anticipated to be slower than expected, though 2HFY25 should be relatively better. Meanwhile, tractor volumes are anticipated to grow 7% YoY. Further, as per our channel checks, the initial festive season has shown limited momentum, making the upcoming Navratri-Diwali period crucial for overall FY25 sales.

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Commodity basket remains favorable in 2Q, barring the surge in rubber prices

Revenue/EBITDA for our OEM coverage universe (ex-JLR) is expected to grow ~2%/4% YoY during the quarter, while PAT is likely to remain flat. Commodity prices remained favorable in 2QFY25, with steel, aluminum, copper, and lead prices declining 5-6% QoQ. However, the full benefit may not be reflected in 2Q due to the lag effect from 1Q, when the commodity basket saw a sequential rise. Meanwhile, rubber prices increased 4% QoQ (surged ~ 67% over the past year). EBITDA margin is expected to improve 30bp YoY at 13.0% largely led by moderate commodity costs and favorable product mix. However, we expect EBITDA margin to contract ~40bp sequentially given weak demand and rising discounting pressure. The YoY margin expansion would be driven by a ~20bp/50bp improvement in 2W/CV segments at an aggregate level, while margins for the PV segment are likely to remain flat. In the case of auto ancillaries, the EBITDA margin is expected to contract ~50bp YoY/20bp QoQ to 13%. Also, the sustained rise in rubber prices is expected to drive continued margin pressure for tyre companies in the coming quarters.

Moderating demand outlook results in notable earnings downgrades

Given the moderation in demand across various segments and a challenging outlook for exports, majority of our coverage companies (19 of 25) saw earnings downgrades (refer to Exhibit 8). Our notable earnings downgrades for FY25E include: TVSL (8%), TTMT (4.5%), AL (8%), CIEINDIA (9%), and CEAT (5%). Notably, none of our coverage companies has seen a material earnings upgrade for FY25E.

MSIL / MM remain our top OEM picks; we prefer MOTHERSO/ ENDU in Ancs

While the 2W segment is expected to continue outperforming in FY25, this has already been factored into the recent rally in 2W stocks. MSIL remains our top pick in OEMs given its continued outperformance in UVs, new launches lined up to address portfolio gaps and attractive valuations. We also like MM given a healthy demand momentum in UVs and expectation of tractor demand revival in tractors. In Auto Ancs, MOTHERSO and ENDU are our preferred picks.

Exhibit 1: Summary of 2QFY25 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Amara Raja Energy	1411	Neutral	30,918	10.0	-1.3	4,457	15.2	3.6	2,508	17.0	2.6
Apollo Tyres	551	Buy	64,188	2.2	1.3	9,371	-19.2	3.1	3,749	-22.3	14.6
Ashok Leyland	238	Buy	88,483	-8.2	2.9	10,232	-5.2	12.3	6,343	10.0	20.7
Bajaj Auto	12162	Neutral	1,30,886	21.4	9.7	25,971	21.8	7.5	21,568	17.5	8.5
Balkrishna Inds	3065	Neutral	24,619	9.6	-10.2	5,884	7.4	-17.6	3,650	9.0	-23.5
Bharat Forge	1529	Neutral	24,505	8.9	4.8	6,763	10.7	3.8	4,045	15.3	6.8
Bosch	37856	Neutral	44,605	8.0	3.3	5,348	8.9	2.9	5,066	31.8	8.8
CEAT	3192	Buy	32,976	8.0	3.3	3,792	-16.9	-1.0	1,523	-26.8	2.5
CIE Automotive	569	Buy	22,045	-3.3	-3.8	3,307	-4.3	-8.1	1,946	4.2	-10.1
Craftsman Auto	6512	Buy	12,162	3.1	5.6	2,159	-9.1	9.4	785	-17.0	47.5
Eicher Motors	4971	Sell	44,319	7.7	0.9	11,865	9.1	1.8	10,759	5.9	-2.3
Endurance Tech.	2396	Buy	28,913	13.6	2.3	3,821	20.0	2	2,031	31.4	-0.4
Escorts Kubota	4207	Neutral	20,904	2.2	-8.8	2,885	9.6	-11.8	2,633	12.0	-9.1
Exide Inds.	512	Neutral	44,352	8.0	2.8	5,211	7.9	5.4	3,039	5.9	8.7
Happy Forgings	1186	Buy	3,568	4.0	4.5	998	6.5	2.3	655	18.6	2.6
Hero Motocorp	5750	Buy	1,02,423	8.4	1.0	14,678	10.5	0.6	11,267	6.9	0.4
Mahindra & Mahindra	3166	Buy	2,72,307	12.0	0.7	36,840	20.2	-8.4	33,660	-2.5	28.8
Maruti Suzuki	13167	Buy	3,72,402	0.5	4.8	45,911	-4.0	2.0	36,976	-0.5	1.3
Samvardhana Motherson	211	Buy	2,87,181	22.3	-0.5	27,112	43.5	-2.3	9,453	109.6	-4.9
Motherson Wiring	70	Buy	22,941	9.0	5.0	2,688	8.3	12.6	1,721	10.4	15.6
MRF	140172	Sell	68,181	12.0	-3.7	10,240	-9.3	-10.0	4,757	-16.8	-15.4
Sona BLW Precis.	731	Neutral	8,768	10.9	-1.8	2,420	8.4	-3.7	1,369	6.5	-3.4
Tata Motors	965	Neutral	10,01,834	-4.7	-7.3	1,32,574	-3.4	-14.5	42,700	10.3	-22.8
Tube Investments	4344	Buy	21,181	7.5	8.1	2,644	5.2	10.2	1,909	5.2	23.6
TVS Motor	2837	Neutral	95,568	17.3	14.1	10,608	17.9	10.5	6,471	20.6	12.1
Automobiles			28,70,229	3.9	-1.1	3,87,779	4.1	-5.5	2,20,583	7.4	-0.9

Exhibit 2: Volume snapshot 2QFY25 ('000 units)

	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Two wheelers	6,123	5,487	12	5,909	4	12,032	10,424	15
Three wheelers	291	277	5	236	23	528	495	7
Passenger cars	504	517	-3	442	14	946	1,026	-8
UVs & MPVs	760	744	2	764	-1	1,524	1,384	10
Total PVs	1,264	1,261	0	1,206	5	2,470	2,410	3
M&HCV	88	99	-10	90	-2	178	180	-1
LCV	150	166	-10	150	0	301	316	-5
Total CVs	239	265	-10	240	-1	479	496	-3
Tractors	231	216	7	272	-15	502	485	4
Total (ex-Tractor)	7,917	7,290	9	7,592	4	15,508	13,824	12

Source: Company, MOFSL

Exhibit 3: Commodity prices softened sequentially, barring rubber prices

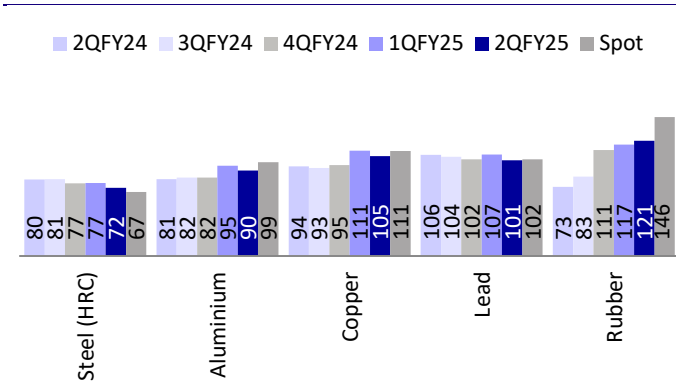


Exhibit 4: Trends in key currencies vs. INR (average, indexed)

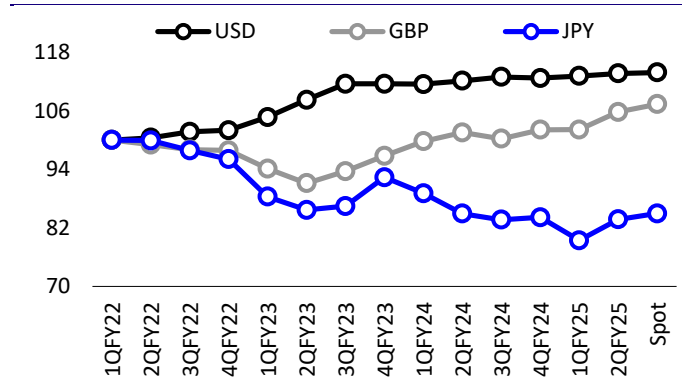
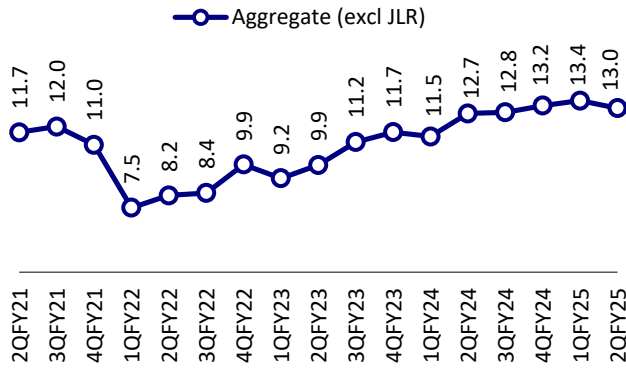
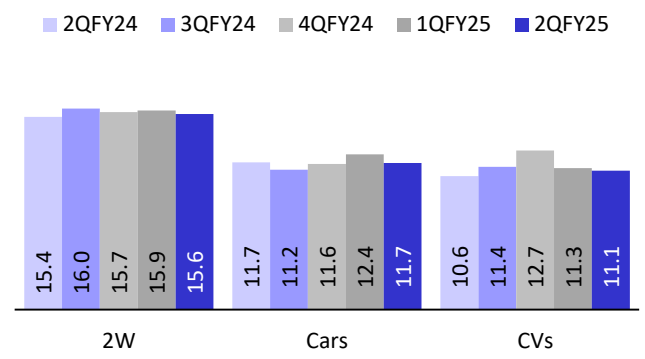


Exhibit 5: EBITDA margin expected to improve ~30bp YoY



Source: MOFSL

Exhibit 6: Trends in segment-wise EBITDA margins (%)



Source: MOFSL

Exhibit 7: Our Auto OEM coverage universe (excl. JLR) expected to witness flat earnings growth

	Volumes ('000 units)				EBITDA Margins (%)						Adj PAT (INR m)				
	2QFY25	2QFY24	YoY (%)	1QFY25	1QFY24	YoY (%)	1QFY25	1QFY24	YoY (bp)	1QFY25	1QFY24	YoY (%)	1QFY25	1QFY24	YoY (%)
Bajaj Auto	1,222	1,054	15.9	1,102	10.8	19.8	19.8	10	20.2	-40	21,568	18,361	17.5	19,884	8.5
Hero MotoCorp	1,520	1,417	7.3	1,535	-1.0	14.3	14.1	30	14.4	-10	11,267	10,538	6.9	11,226	0.4
TVS Motor	1,228	1,074	14.3	1,087	13.0	11.1	11.0	10	11.5	-40	6,471	5,366	20.6	5,773	12.1
Maruti Suzuki	542	552	-1.9	522	3.8	12.3	12.9	-60	12.7	-30	36,976	37,165	-0.5	36,499	1.3
M&M	324	303	7.1	333	-2.6	13.5	12.6	90	14.9	-130	33,660	34,519	-2.5	26,126	28.8
TTMT India CV**	87	107	-18.7	94	-7.4	10.8	10.4	50	11.6	-80	12,166	15,270	-20.3	15,350	-20.7
TTMT India PV**	132	139	-4.9	139	-4.8	5.0	6.4	-140	5.8	-80	171	2,980	-94.3	1,730	-90.1
TTMT (JLR)	105	109	-3.7	110	-4.9	14.5	14.9	-40	15.8	-130	269	272	-1.1	496	-45.8
Ashok Leyland	46	50	-8.5	44	3.9	11.6	11.2	40	10.6	100	6,343	5,768	10.0	5,256	20.7
Eicher(Consol)						28.0	27.9	10	27.9	20	10,759	10,163	5.9	11,015	-2.3
Eicher - RE	228	229	-0.6	226	0.8	28.0	27.9	10	27.9	20	10,429	9,385	11.1	10,880	-4.1
Eicher - VECV	21	20	6.3	20	5.4	7.6	7.9	-30	7.6	0	1,962	1,651	18.9	2,329	-15.7
Aggregate **	5,443	5,042	7.9	5,179	5.1	13.0	12.7	30	13.4	-40	1,39,337	1,39,306	0.0	1,15,780	20.3

**Aggregate includes TTMT's standalone performance only

Source: JLR in GBP m, MOFSL

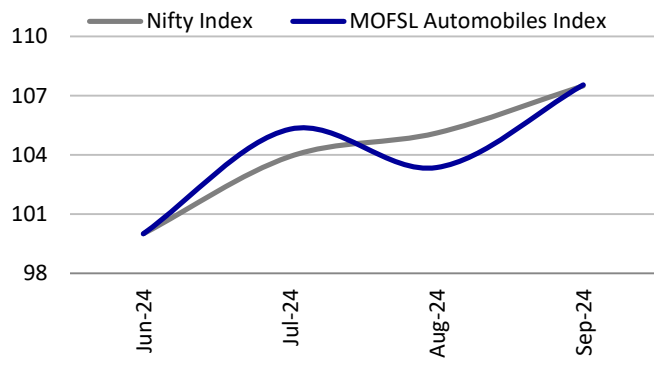
Exhibit 8: Our revised estimates

	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	302.0	298.8	1.1	387.9	387.9	0.0
HMCL	230.3	231.5	-0.5	280.1	277.4	1.0
TVSL	52.5	57.1	-8.1	67.9	70.0	-3.1
EIM *	161.1	155.6	3.5	175.7	172.8	1.7
MSIL *	475.1	485.0	-2.1	550.4	565.3	-2.6
MM	103.0	106.4	-3.2	122.7	124.7	-1.6
TTMT *	57.1	59.8	-4.5	69.5	69.9	-0.6
AL	10.9	11.8	-7.7	13.2	14.6	-9.2
ESCORTS	99.9	97.2	2.9	127.4	124.1	2.7
ARE&M	54.5	53.0	2.9	61.7	62.3	-1.0
EXID	13.7	14.1	-3.2	16.8	18.0	-6.9
BOSCH	732	736	-0.7	877	872.0	0.6
ENDU	61.9	62.1	-0.4	74.3	81.2	-8.5
CIEINDIA	21.7	23.7	-8.7	26.8	28.9	-7.5
BHFC	33.4	34.8	-4.1	44.3	46.8	-5.4
MOTHERSO *	6.3	6.4	-1.1	8.4	8.2	2.0
SONACOMS	10.2	10.6	-3.6	13.2	13.3	-1.0
CEAT	145.0	153.0	-5.3	193.4	192.6	0.4
APTY *	25.4	26.5	-4.2	33.2	33.0	0.4
BIL	82.0	84.1	-2.5	108.8	109.1	-0.3
MRF	4,745.7	4,752.7	-0.1	5,546.8	5,557.1	-0.2
MSUMI	1.6	1.7	-2.9	2.1	2.1	-2.5
TIINDIA	60.6	60.2	0.7	74.4	75.1	-0.9
CRAFTSMA	144.4	142.2	1.6	223.1	218.5	2.1
HAPPYFORG	30.5	31.8	-3.9	42.7	44.4	-3.8

** Consolidated

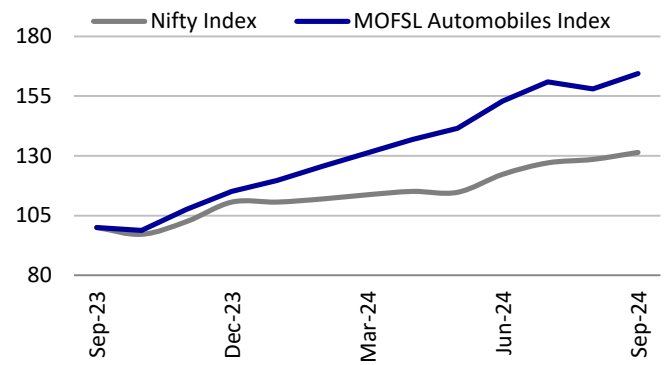
Source: MOFSL

Exhibit 9: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 10: Relative performance – one year (%)



Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)				PE (x)				PB (x)				ROE (%)			
			FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Automobiles							26.3	29.7	24.4	20.6	5.1	5.5	4.7	4.0	19.4	18.4	19.3	19.7
Amara Raja Energy	1,411	Neutral	49.5	54.5	61.7	70.2	15.4	25.9	22.9	20.1	2.1	3.4	3.0	2.7	14.2	13.9	14.0	14.1
Apollo Tyres	551	Buy	28.7	25.4	33.2	40.8	16.2	21.7	16.6	13.5	1.7	1.9	1.7	1.5	13.8	11.1	13.3	14.6
Ashok Leyland	238	Buy	9.1	10.9	13.2	15.8	19	22	18	15.1	5.7	6.8	5.8	4.9	31.1	33.6	34.8	35.3
Bajaj Auto	12,162	Neutral	276.1	302.0	387.9	492.8	33.1	40.3	31.4	24.7	10.3	12.1	11.1	9.9	30.7	31.9	37.0	42.4
Balkrishna Inds	3,065	Neutral	76.5	82.0	108.8	127.7	30.3	37.4	28.2	24.0	5.1	5.9	5.1	4.4	18.0	16.8	19.5	19.8
Bharat Forge	1,529	Neutral	19.7	33.4	44.3	53.5	57.2	45.8	34.5	28.6	7.3	8.8	7.5	6.2	13.2	20.4	23.4	23.8
Bosch	37,856	Neutral	620.5	731.6	877.2	1,081.4	48.4	51.7	43.2	35.0	7.3	8.5	7.7	6.9	15.9	17.1	18.7	20.8
CEAT	3,192	Buy	169.4	145.0	193.4	241.5	15.8	22.0	16.5	13.2	2.7	2.9	2.5	2.2	18.3	13.7	16.2	17.5
CIE Automotive	569	Buy	21.1	21.7	26.8	32.5	21.9	26.3	21.3	17.5	2.9	3.3	2.9	2.6	14.4	13.0	14.5	15.7
Craftsman Auto	6,512	Buy	144.2	144.4	223.1	311.0	30.0	45.1	29.2	20.9	5.5	4.9	4.3	3.6	20.1	14.3	15.6	18.6
Eicher Motors	4,971	Sell	146.3	161.1	175.7	199.2	27.5	30.9	28.3	25.0	6.1	6.5	5.7	4.9	24.2	22.6	21.4	21.2
Endurance Tech.	2,396	Buy	47.3	61.9	74.3	88.1	38.7	38.7	32.2	27.2	5.2	5.9	5.2	4.4	14.2	16.3	17.1	17.5
Escorts Kubota	4,207	Neutral	94.9	99.9	127.4	164.6	29.3	42.1	33.0	25.6	3.3	5.1	4.5	3.9	12.1	12.7	14.4	16.3
Exide Inds.	512	Neutral	12.4	13.7	16.8	19.8	24.6	37.4	30.5	25.8	2.0	3.1	2.9	2.6	8.0	8.3	9.4	10.3
Happy Forgings	1,186	Buy	25.8	30.5	42.7	55.4	34.4	38.8	27.7	21.4	5.2	6.0	5.1	4.3	18.7	16.6	19.9	21.7
Hero Motocorp	5,750	Buy	204.6	230.3	280.1	331.6	23.1	25.0	20.5	17.3	5.2	6.0	5.5	5.0	23.6	24.8	28.0	30.4
M & M	3,166	Buy	88.7	103.0	122.7	146.4	21.7	30.8	25.8	21.6	4.4	6.1	5.2	4.3	22.3	21.6	21.8	21.8
Maruti Suzuki	13,167	Buy	429.0	475.1	550.4	621.6	29.4	27.7	23.9	21.2	4.7	4.4	3.9	3.4	15.7	15.6	16.0	15.9
Motherson Wiring	70	Buy	1.4	1.6	2.1	2.5	45.7	43.3	33.9	27.8	17.4	15.2	12.3	10.0	42.5	38.5	40.0	39.7
MRF	140,172	Sell	4,990.2	4,745.7	5,546.8	6,070.9	26.7	29.5	25.3	23.1	3.4	3.2	2.9	2.6	13.5	11.4	12.0	11.8
Samvardhana M.	211	Buy	3.7	6.3	8.4	10.2	31.6	33.2	25.1	20.6	3.0	4.9	4.3	3.8	10.3	15.5	18.3	19.5
Sona BLW Precis.	731	Neutral	8.9	10.2	13.2	16.0	78.9	71.4	55.5	45.6	14.8	13.5	11.6	9.8	20.6	20.1	22.4	23.3
Tata Motors	965	Neutral	58.7	57.1	69.5	80.3	16.9	16.9	13.9	12.0	4.5	3.4	2.8	2.3	34.5	22.2	22.0	20.7
Tube Investments	4,344	Buy	34.4	60.6	74.4	89.5	108.5	71.7	58.4	48.6	14.2	13.6	11.1	9.2	14.7	20.8	21.0	20.7
TVS Motor	2,837	Neutral	43.8	52.5	67.9	82.2	49.1	54.1	41.8	34.5	13.2	13.8	10.8	8.6	30.2	28.4	29.0	27.8

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

Amara Raja Energy Mobility

Neutral

CMP: INR1411 | TP: INR1415 (0%)

EPS CHANGE (%): FY25E | FY26E: 3 | -1

- Revenue growth of 10% YoY to be driven by aftermarket division, growth in OEMs especially 2Ws and new energy business. Industrial division is expected to see gradual demand recovery led by telecom which declined in 1Q.
- EBITDA margin should see an expansion QoQ as we expect the normalization of trading mix in 2Q and price hikes which would partially offset the impact of higher lead prices.

Quarterly Performance

(INR m)

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	27,707	28,108	28,817	27,967	31,312	30,918	31,987	31,738	1,12,603	1,25,956
YoY Change (%)	5.8	4.1	9.3	14.9	13.0	10.0	11.0	13.5	8.4	11.9
RM Cost (% of sales)	69.6	68.4	66.0	65.5	68.9	68.0	68.8	68.7	66.9	68.6
Staff Cost (% of sales)	6.4	5.8	6.3	5.8	5.9	6.0	5.8	5.9	6.2	5.9
Other Exp (% of sales)	10.7	12.1	12.6	14.1	11.5	11.6	11.5	11.4	12.5	11.5
EBITDA	3,689	3,870	4,349	4,077	4,304	4,457	4,436	4,424	16,214	17,621
Margin (%)	13.3	13.8	15.1	14.6	13.7	14.4	13.9	13.9	14.4	14.0
Depreciation	1,168	1,148	1,202	1,210	1,183	1,220	1,265	1,285	4,787	4,953
Interest	76	62	77	97	90	105	115	120	332	430
Other Income	218	275	238	283	256	280	285	280	1,015	1,100
PBT before EO expense	2,662	2,935	3,307	3,053	3,287	3,412	3,341	3,298	12,110	13,339
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO	2,662	2,935	3,307	3,053	3,287	3,412	3,341	3,298	12,110	13,339
Tax	676	791	779	773	841	904	902	890	3,052	3,361
Tax Rate (%)	25.4	27.0	23.6	25.3	25.6	26.5	27.0	27.0	25.2	25.2
Adj PAT	1,987	2,143	2,528	2,280	2,446	2,508	2,439	2,408	9,059	9,977
YoY Change (%)	51.1	6.0	13.5	29.7	23.1	17.0	-3.5	5.6	18.4	10.1

E: MOFSL Estimates

Apollo Tyres

Buy

CMP: INR551 | TP: INR630 (+14%)

EPS CHANGE (%): FY25E | FY26E: -4 | 0

- Overall revenue is expected to see a marginal growth of 2% YoY. In standalone, a weak OE demand would lead to a marginal growth in the business on YoY basis. EU is also expected to see low single digit growth YoY.
- Rubber prices in 2Q remained high (+3% QoQ) with spot prices further remaining at elevated levels. Margins are likely to remain under pressure as input cost inflation has been higher than earlier guided for and price hike has been lower than required.
- Also, price hike taken towards 2Q end, although below par, will largely come into effect from 3Q onwards. We expect consol margins to decline 30bps QoQ to 14.1%.

Consolidated - Quarterly Earning Model

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	62,446	62,797	65,954	62,582	63,349	63,805	67,742	69,794	2,53,777	2,64,690
YoY Change (%)	5.1	5.4	2.7	0.2	1.4	1.6	2.7	11.5	3.3	4.3
EBITDA	10,515	11,599	12,081	10,794	9,093	8,997	10,161	10,480	44,987	38,730
Margins (%)	16.8	18.5	18.3	17.2	14.4	14.1	15.0	15.0	17.7	14.6
Depreciation	3,620	3,603	3,676	3,880	3,695	3,710	3,725	3,636	14,778	14,766
Interest	1,355	1,328	1,230	1,146	1,070	1,070	1,068	1,076	5,059	4,283
Other Income	355	253	184	743	308	350	485	570	1,536	1,713
PBT before EO expense	5,896	6,922	7,358	6,511	4,636	4,567	5,853	6,338	26,685	21,394
Extra-Ord expense	132	122	151	1,381	404	0	0	0	1,786	404
PBT	5,764	6,800	7,207	5,130	4,232	4,567	5,853	6,338	24,899	20,990
Tax Rate (%)	31.1	30.3	31.1	31.0	28.6	25.6	23.7	21.6	30.9	24.5
Minority Interest & Profit/Loss of Asso. Cos.	0	-2	-1	-1	0	0	0	0	0	0
Reported PAT	3,969	4,744	4,966	3,541	3,020	3,400	4,468	4,969	17,215	15,856
Adj PAT	4,060	4,828	5,071	4,648	3,272	3,400	4,468	4,969	18,607	16,161
YoY Change (%)	112.9	169.1	81.9	18.1	-19.4	-29.6	-11.9	6.9	80.8	-13.1
Margins (%)	6.5	7.7	7.7	7.4	5.2	5.3	6.6	7.1	7.3	6.1

Ashok Leyland**Buy****CMP: INR238 | TP: INR275 (+15%)****EPS CHANGE (%): FY25E | FY26E: -8 | -9**

- Overall volumes declined 8.5% YoY (+4% QoQ) in 2Q, mainly due to a lack of demand pick up after the elections and heavy monsoons.
- Net price realization is estimated to remain flat YoY.
- EBITDA margin is expected to improve 40bp YoY to 11.6% due to moderation in input costs and healthy pricing discipline in the industry.
- FY25E/FY26E EPS downgraded to factor in the weak demand environment.

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

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Total Volumes (nos)	41,329	49,846	47,241	56,267	43,893	45,624	50,075	60,932	1,94,683	2,00,525
Growth %	4.2	10.0	-0.7	-5.7	6.2	-8.5	6.0	8.3	1.3	3.0
Realizations (INR '000)	1,981	1,934	1,963	2,002	1,959	1,939	1,998	2,088	1,971	2,003
Change (%)	8.8	6.0	3.4	2.8	-1.1	0.3	1.8	4.3	4.8	1.6
Net operating revenues	81,893	96,380	92,730	1,12,667	85,985	88,483	1,00,029	1,27,200	3,83,670	4,01,697
Change (%)	13.4	16.6	2.7	-3.1	5.0	-8.2	7.9	12.9	6.2	4.7
RM/sales %	73.7	73.5	72.2	71.8	72.2	72.0	72.5	72.4	72.7	72.3
Staff/sales %	6.6	5.9	6.1	4.9	6.4	6.6	6.0	4.8	5.8	5.8
Other exp/sales %	9.7	9.3	9.6	9.1	10.9	9.8	9.3	8.6	9.4	9.5
EBITDA	8,208	10,798	11,139	15,921	9,109	10,232	12,232	18,004	46,066	49,576
EBITDA Margin (%)	10.0	11.2	12.0	14.1	10.6	11.6	12.2	14.2	12.0	12.3
Interest	699	587	616	592	591	500	340	301	2,494	1,732
Other Income	512	475	300	1,179	223	475	475	797	2,466	1,970
Depreciation	1,794	1,803	1,785	1,797	1,727	1,750	1,800	1,807	7,178	7,084
PBT before EO Item	6,227	8,883	9,039	14,711	7,014	8,457	10,567	16,692	38,859	42,730
EO Exp/(Inc)	6	229	6	697	0	0	0	0	937	0
PBT after EO	6,221	8,654	9,033	14,014	7,014	8,457	10,567	16,692	37,922	42,730
Effective Tax Rate (%)	7.3	35.2	35.8	35.8	25.1	25.0	25.0	25.0	31.0	25.0
Adj PAT	5,768	5,768	5,804	9,485	5,256	6,343	7,925	12,524	26,826	32,048
Change (%)	868.8	197.4	62.7	32.7	-8.9	10.0	36.5	32.0	102.5	19.5

E: MOFSL Estimates

Bajaj Auto**Neutral****CMP: INR12,162 | TP: INR11,450 (-6%)****EPS CHANGE (%): FY25 | 26E: 1 | 0**

- Domestic volumes grew 21% YoY, while export volumes rose 7% YoY. In domestic motorcycles, after many quarters, the mix is estimated to have deteriorated given higher sales of Chetak and Freedom 125 and a normalizing momentum for Pulsar 125.
- We expect the impact of a weaker mix to be partially offset by operating leverage benefit. We hence expect margin to decline 40bp QoQ to 19.8%.

Quarterly Performance**(INR m)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes ('000 units)	1,027	1,054	1,201	1,069	1,102	1,222	1,345	1,138	4,351	4,807
Growth YoY (%)	10.0	-8.4	22.1	24.3	7.3	15.9	12.0	6.5	10.8	10.5
Realization (INR/unit)	1,00,347	1,02,256	1,00,862	1,07,476	1,08,234	1,07,152	1,08,223	1,08,505	1,02,703	1,08,020
Growth YoY (%)	17.0	15.4	6.5	3.8	7.9	4.8	7.3	1.0	10.7	5.2
Net Sales	1,03,098	1,07,773	1,21,135	1,14,847	1,19,280	1,30,886	1,45,573	1,23,529	4,46,852	5,19,269
Change (%)	28.8	5.6	30.0	29.0	15.7	21.4	20.2	7.6	22.7	16.2
EBITDA	19,539	21,329	24,299	23,063	24,154	25,971	29,912	24,929	88,229	1,04,966
EBITDA Margin (%)	19.0	19.8	20.1	20.1	20.2	19.8	20.5	20.2	19.7	20.2
Other Income	3,463	3,614	3,461	3,487	3,209	3,600	3,900	3,917	14,025	14,626
Interest	121	65	121	228	207	175	120	98	535	600
Depreciation	835	876	881	906	937	945	950	981	3,498	3,813
PBT after EO	22,046	24,000	26,758	25,416	26,219	28,451	32,742	27,767	98,220	1,15,180
Effective Tax Rate (%)	24.5	23.5	23.7	23.8	24.2	24.2	24.2	24.2	23.9	24.2
Adj. PAT	16,648	18,361	20,419	19,360	19,884	21,568	24,822	21,043	74,788	87,317
Change (%)	41.9	20.0	36.9	35.1	19.4	17.5	21.6	8.7	32.9	16.8

E: MOFSL Estimates

Balkrishna Industries**Neutral****CMP: INR3,065 | TP: INR2,840 (-7%)****EPS CHANGE (%): FY25E|FY26E: -3|0**

- Revenue is expected to grow 10% YoY led by 6% YoY volume growth. However, volume is expected to see 10% QoQ decline over high base of Q1, given weak demand environment globally.
- EBITDA margin is expected to contract 210bp QoQ due to a rise in rubber costs (+3% QoQ), higher freight costs and weak demand.

Quarterly Earning Model (Standalone)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes (Ton)	67,209	70,585	72,749	82,085	83,570	74,820	74,204	77,905	2,92,628	3,10,499
YoY Change (%)	-19.2	-10.5	9.4	12.9	24.3	6.0	2.0	-5.1	-2.8	6.1
Realizations (INR '000/ton)	314.7	318.3	318.3	328.6	328.1	329.0	329.2	330.5	320.4	329.2
YoY Change (%)	-4.0	-10.5	-4.5	2.7	4.2	3.4	3.4	0.6	-4.2	2.7
Net Revenues	21,150	22,468	23,158	26,971	27,415	24,619	24,428	25,751	93,760	1,02,212
YoY Change (%)	-22.4	-19.9	4.5	16.0	29.6	9.6	5.5	-4.5	-6.9	9.0
EBITDA	4,863	5,480	5,868	7,098	7,137	5,884	5,936	6,303	23,322	25,260
Margin (%)	23.0	24.4	25.3	26.3	26.0	23.9	24.3	24.5	24.9	24.7
Depreciation	1,537	1,586	1,591	1,724	1,617	1,650	1,700	1,743	6,438	6,710
Interest	208	229	354	299	143	150	160	167	1,089	620
Forex loss/(gain)	-330	-250	520	-490	-60	0	0	0	-550	500
Other Income	660	520	700	870	830	700	750	783	2,750	3,063
PBT before EI	4,108	4,435	4,104	6,436	6,267	4,784	4,826	5,176	19,095	20,493
Extra-Ord expense	0	0	0	98	0	0	0	0	98	0
PBT	4,108	4,435	4,104	6,337	6,267	4,784	4,826	5,176	18,997	20,493
Rate (%)	23.9	24.5	24.8	24.1	23.8	23.7	23.7	23.3	24.3	24.3
Adj PAT	3,125	3,350	3,084	4,884	4,773	3,650	3,682	3,972	14,456	15,517
YoY Change (%)	-2.3	-17.1	209.9	89.6	52.7	9.0	19.4	-18.7	34.0	7.3

E: MOFSL Estimates

Bharat Forge**Neutral****CMP: INR1529 | TP: INR1465 (-4%)****EPS CHANGE (%): FY25E|FY26E: -4|-5**

- Revenue is expected to grow 9% YoY in 2Q and would primarily be driven by ramp-up in defense export orders. Most of its other segments including CVs and PVs (both domestic and exports) are seeing weak demand.
- EBITDA margin is expected to contract 30bp QoQ to 27.6%.
- We reduce our FY25E/FY26E EPS by 4%/5% to factor in moderate demand across its key segments and also demand weakness in Europe.

S/A Quarterly

(INR m)

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating income	21,273	22,494	22,634	23,286	23,381	24,505	26,605	28,097	89,686	1,02,587
Change (%)	20.9	20.7	15.9	16.6	9.9	8.9	17.5	20.7	18.4	14.4
RM/Sales (%)	44.3	43.3	41.9	41.4	41.8	42.1	42.2	42.2	42.7	42.1
Staff Cost (% of Sales)	7.0	6.7	6.7	6.5	7.0	6.6	6.2	6.1	6.7	6.4
Other Exp. (% of Sales)	22.7	22.8	22.9	24.0	23.4	23.7	23.2	23.4	23.0	23.4
EBITDA	5,534	6,111	6,453	6,541	6,515	6,763	7,556	7,944	24,777	28,777
EBITDA Margin (%)	26.0	27.2	28.5	28.1	27.9	27.6	28.4	28.3	27.6	28.1
Non-Operating Income	472	424	346	382	446	460	475	486	1,623	1,867
Interest	705	726	809	634	702	680	650	568	2,874	2,600
Depreciation	1089	1128	1124	1079	1094	1150	1150	1188	4,420	4,582
EO Exp / (Inc)	47	63	-179	82	1,457	0	0	-1,457	154	
PBT after EO items	4,165	4,616	5,044	5,127	3,708	5,393	6,231	8,131	18,952	23,462
Tax	1050	1156	1266	1231	1014	1348	1558	1946	4,703	5,865
Eff. Tax Rate (%)	25.2	25.0	25.1	24.0	27.3	25.0	25.0	23.9	24.8	25.0
Rep. PAT	3,115	3,460	3,778	3,897	2,694	4,045	4,673	6,185	14,250	17,596
Change (%)	42.4	28.7	21.6	85.7	-13.5	16.9	23.7	58.7	36.3	23.5
Adj. PAT	3,150	3,508	3,644	3,958	3,787	4,045	4,673	5,092	14,250	17,596
Change (%)	19.0	30.9	32.3	31.4	20.2	15.3	28.2	28.6	36.3	23.5

E: MOFSL Estimates

Bosch**Neutral****CMP: INR37,856 | TP: INR34,275 (-9%)****EPS CHANGE (%): FY25|26E: -1|1**

- We expect ~8% YoY revenue growth led by growth in the mobility division (2Ws and after-market) and steady demand from building technology.
- EBITDA margin is likely to remain stable QoQ given stable input costs and mix.
- On the back of steady revenue growth, high other income and lower tax rate, we expect Bosch to post a strong 32% YoY growth in PAT in 2Q.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	41,584	41,301	42,052	42,334	43,168	44,605	45,416	45,193	1,67,271	1,78,382
YoY Change (%)	17.3	12.8	14.9	4.2	3.8	8.0	8.0	6.8	12.0	6.6
RM Cost (% of sales)	64.5	66.8	62.3	65.5	64.6	64.5	63.7	63.3	64.8	64.0
Staff Cost (% of sales)	7.4	8.1	7.9	8.5	7.8	8.0	7.9	8.0	8.0	7.9
Other Expenses (% of sales)	17.9	13.2	16.0	12.8	15.7	15.5	14.8	14.3	14.7	15.0
EBITDA	4,679	4,913	5,784	5,572	5,197	5,348	6,171	6,514	20,948	23,229
Margin (%)	11.3	11.9	13.8	13.2	12.0	12.0	13.6	14.4	12.5	13.0
Depreciation	921	1,013	1,173	1,188	856	950	1,190	1,209	4,295	4,205
Interest	308	122	39	39	26	35	30	29	508	120
Other Income	1,875	1,542	1,548	2,262	1,793	2,050	2,200	2,362	7,227	8,405
PBT before EO expense	5,325	5,320	6,120	6,607	6,108	6,413	7,151	7,638	23,372	27,310
Extra-Ord expense	0	-7,850	-588	0	0	0	0	0	-8,438	0
PBT after EO Expense	5,325	13,170	6,708	6,607	6,108	6,413	7,151	7,638	31,810	27,310
Tax	1,235	3,181	1,527	962	1,453	1,347	1,502	1,434	6,905	5,735
Tax Rate (%)	23.2	24.2	22.8	14.6	23.8	21.0	21.0	18.8	21.7	21.0
Reported PAT	4,090	9,989	5,181	5,645	4,655	5,066	5,649	6,204	24,905	21,575
Adj PAT	4,090	3,843	4,721	5,645	4,655	5,066	5,649	6,204	18,058	21,575
YoY Change (%)	22.4	3.2	48.0	41.5	13.8	31.8	19.7	9.9	26.8	19.5

E: MOFSL Estimates

Ceat**Buy****CMP: INR3,192 | TP: INR3,695 (+16%)****EPS CHANGE (%): FY25E | FY26E: -5 | 0**

- Revenue is likely to grow 8% YoY, led by the growth in 2W OEM volumes and export segments.
- Expect EBITDA margin to contract 50bp QoQ to 11.5% largely due to an increase in input costs (3% QoQ rise in rubber prices and higher spot prices).
- We cut FY25E EPS by 5% to factor in for high RM.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	29,352	30,533	29,631	29,919	31,928	32,976	32,891	32,846	1,19,435	1,30,641
YoY Change (%)	4.1	5.5	8.7	4.1	8.8	8.0	11.0	9.8	5.6	9.4
RM cost (%)	58.9	56.7	58.7	57.7	60.8	61.8	62.0	62.2	58.0	61.7
Employee cost (%)	6.7	7.1	7.3	7.2	6.1	6.1	6.3	6.3	7.1	6.2
Other expenses (%)	21.2	21.3	19.9	22.0	21.1	20.6	20.6	20.5	21.1	20.7
EBITDA	3,871	4,561	4,175	3,915	3,829	3,792	3,651	3,621	16,522	14,893
Margin (%)	13.2	14.9	14.1	13.1	12.0	11.5	11.1	11.0	13.8	11.4
Depreciation	1,209	1,245	1,273	1,361	1,318	1,320	1,325	1,357	5,088	5,320
Interest	701	717	656	617	619	550	525	506	2,691	2,199
Other Income	33	105	29	31	62	75	70	74	197	280
PBT before EO expense	1,993	2,704	2,276	1,969	1,954	1,997	1,871	1,832	8,941	7,655
Exceptional item	0	0	0	582	-75	0	0	75	582	0
PBT	1,993	2,704	2,276	1,387	2,029	1,997	1,871	1,758	8,359	7,655
Tax Rate (%)	26.5	25.3	23.9	33.0	26.6	26.0	26.0	25.3	26.5	26.0
Minority Int. & Profit of Asso. Cos.	18	-59	-84	-157	-53	-45	-55	-47	-282	-200
Adj PAT	1,446	2,080	1,815	1,513	1,486	1,523	1,439	1,415	6,854	5,864
YoY Change (%)	1,383	745	408	8	3	-27	-21	-6	227	-14

CIE Automotive**Buy****CMP: INR569 | TP: INR650 (+14%)****EPS CHANGE (%): CY24E|25E: -9|-8**

- We expect the India business to post 1% YoY decline in revenue, while the EU business is likely to post an 8% YoY decline due to a business slowdown seen at Metalcastello and also in Europe. Overall, consol. revenue is projected to decline 3% YoY.
- EBITDA margin is expected to contract 70bp QoQ to 15%, largely due to demand weakness in both geographies.
- We have cut our CY24E/CY25E EPS by 9%/8% to factor in moderate domestic demand and weak EU outlook.

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

Y/E December	CY23				CY24E				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	24,402	23,203	22,794	22,404	24,268	22,927	22,045	21,438	92,803	90,678
YoY Change (%)	18.4	4.7	2.2	-0.3	-0.5	-1.2	-3.3	-4.3	6.0	-2.3
EBITDA	3,806	3,704	3,454	3,274	3,606	3,600	3,307	3,166	14,239	13,679
Margin (%)	15.6	16.0	15.2	14.6	14.9	15.7	15.0	14.8	15.3	15.1
Depreciation	825	833	783	781	863	836	854	868	3,222	3,421
Interest	240	221	310	303	220	211	200	183	1,074	814
Other Income	160	195	200	265	513	306	320	288	820	1,427
Share of profit from associates	3	-3	-2	-3	4	6	5	0	-5	15
PBT before EO expense	2,901	2,846	2,561	2,455	3,035	2,859	2,573	2,403	10,763	10,871
EO Exp/(Inc)	0	0	0	0	0	0	0	0	0	0
PBT after EO exp	2,901	2,846	2,561	2,455	3,035	2,859	2,573	2,403	10,763	10,871
Tax Rate (%)	24.2	24.9	27.0	27.8	24.3	24.5	24.5	26.1	25.8	24.8
Adj. PAT	2,203	2,136	1,867	1,770	2,302	2,164	1,946	1,777	7,976	8,189
YoY Change (%)	34.1	15.7	11.4	6.4	4.5	1.3	4.2	0.4	16.8	2.7

Craftsman Auto**Buy****CMP: INR6,512 | TP: INR7,475 (+15%)****EPS CHANGE (%): FY25E|FY26E: 2|2**

- Standalone revenue likely to grow ~6% YoY, led by 10% YoY growth in Alu products. DR Axion is likely to decline 4% YoY mainly due to a tepid PV OEM demand.
- We expect margins to improve 70bp QoQ to 17.8% over a low base.

Quarterly (Consol)**(INR m)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating income	10,376	11,791	11,297	11,053	11,512	12,162	12,749	13,443	44,517	49,866
Change (%)	53.5	52.9	50.8	12.7	10.9	3.1	12.9	21.6	39.9	12.0
RM/Sales (%)	52.5	53.2	53.2	54.1	56.3	56.3	55.2	54.6	53.3	55.6
Staff Cost (% of Sales)	6.5	6.1	6.8	6.6	6.4	6.2	6.3	6.1	6.5	6.2
Other Exp. (% of Sales)	20.4	20.6	20.6	20.5	20.1	19.8	20.0	20.3	20.5	20.1
EBITDA	2,142	2,375	2,202	2,069	1,973	2,159	2,362	2,546	8,788	9,041
Margin (%)	20.6	20.1	19.5	18.7	17.1	17.8	18.5	18.9	19.7	18.1
Non-Operating Income	37	47	35	53	48	52	55	53	172	208
Interest	424	416	442	464	492	435	360	292	1745	1578
Depreciation	683	668	703	723	725	745	780	803	2777	3053
Minority Int/Share of Profit	62	97	82	79	61	0	0	0	320	61
PBT after EO items	1,011	1,241	1,010	856	744	1,031	1,277	1,505	4,118	4,557
Eff. Tax Rate (%)	26.3	23.8	27.6	27.2	28.5	23.9	24.2	23.0	26.1	24.4
Rep. PAT	745	945	731	623	532	785	968	1,158	3,045	3,443
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-17.0	32.4	85.8	22.6	13.1
Adj. PAT	745	945	731	623	532	785	968	1,158	3,045	3,443
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-17.0	32.4	85.8	22.6	13.1

E: MOFSL Estimates

Eicher Motors**Sell**

CMP: INR4,971 | TP: INR4,095(-18%)

EPS CHANGE (%): FY25E|FY26E: 4|2

- Overall RE volumes declined 1% YoY. Domestic volumes declined 2% YoY, but export volumes grew 11% YoY.
- We expect RE margins to largely remain stable QoQ at 28%.
- The VECV margin is also likely to remain flat QoQ.

Quarterly performance (Consolidated)

INR m	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Y/E March										
Net Operating income	39,864	41,145	41,788	42,560	43,931	44,319	44,357	45,359	1,65,358	1,77,965
Growth (%)	17.3	16.9	12.3	11.9	10.2	7.7	6.1	6.6	14.5	7.6
EBITDA	10,208	10,872	10,903	11,286	11,654	11,865	11,767	11,949	43,269	47,235
Margin (%)	25.6	26.4	26.1	26.5	26.5	26.8	26.5	26.3	26.2	26.5
PAT	8,179	9,146	8,821	9,386	9,269	9,691	9,466	9,585	35,533	38,012
Share of JV Loss/(PAT)/ Min. Int.	-1,004	-1,016	-1,139	-1,318	-1,746	-1,068	-1,218	-2,027	-4,477	-6,058
Recurring PAT	9,183	10,163	9,960	10,705	11,015	10,759	10,684	11,612	40,010	44,070
Growth (%)	50.4	54.7	34.4	18.2	19.9	5.9	7.3	8.5	37.3	10.1

Standalone (Royal Enfield)

(INR Million)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Y/E March										
Royal Enfield ('000 units)	228	229	228	228	226	228	228	225	913	907
Growth (%)	21.6	10.4	3.0	4.2	-0.7	-0.6	-0.1	-1.0	9.3	-0.6
Net Realn (INR '000/unit)	171.3	171.4	177.8	184.1	187.2	189.1	189.3	197.4	176.2	190.7
Change - YoY (%)	-1.3	4.8	9.6	5.0	9.3	10.3	6.5	7.2	4.6	8.3
Net operating income	39,012	39,307	40,542	41,921	42,313	43,086	43,124	44,511	1,60,782	1,73,033
Growth (%)	20.1	15.7	12.9	9.4	8.5	9.6	6.4	6.2	14.3	7.6
EBITDA	10,127	10,974	11,148	11,553	11,786	12,082	11,984	12,252	43,802	48,104
Margin (%)	26.0	27.9	27.5	27.6	27.9	28.0	27.8	27.5	27.2	27.8
Recurring PAT	9,139	9,385	9,137	9,833	10,880	10,429	10,125	10,571	37,494	42,005
Growth (%)	57.5	52.6	34.2	31.7	19.1	11.1	10.8	7.5	43.0	12.0

Endurance Technologies**Buy**

CMP: INR2,396 | TP: INR2,760 (+15%)

EPS CHANGE (%): FY25E|FY26E: 0|-9

- Consolidated revenue growth of 14% YoY to be driven by 15% YoY growth in the S/A business on the back of healthy growth in 2Ws. The EU business is likely to grow 11.5% YoY on the back of execution of its order book. Maxwell revenue is likely to decline YoY.
- Expect EBITDA margin to remain flat QoQ given a stable operating environment.
- We cut our FY26E EPS by 9% to factor in weakness in EU business impacting both the revenue and the margins.

Consolidated - Quarterly

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
INR m										
Net Sales	24,500	25,450	25,611	26,648	28,255	28,913	28,987	30,365	1,02,209	1,16,521
YoY Change (%)	15.9	7.8	22.2	19.3	15.3	13.6	13.2	14.0	16.1	14.0
EBITDA	3,213	3,183	2,990	3,694	3,741	3,821	3,936	4,343	13,080	15,840
Margin (%)	13.1	12.5	11.7	13.9	13.2	13.2	13.6	14.3	12.8	13.6
Depreciation	1,129	1,184	1,144	1,282	1,288	1,290	1,305	1,332	4,740	5,215
Interest	90	98	109	129	112	93	89	87	427	382
Other Income	166	155	270	265	339	250	275	309	856	1,173
PBT before EO expense	2,159	2,056	2,006	2,548	2,680	2,688	2,817	3,232	8,769	11,416
Exceptional Item	0	0	0	-200	0	0	0	0	-200	0
PBT after EO	2,159	2,056	2,006	2,748	2,680	2,688	2,817	3,232	8,969	11,416
Eff. Tax Rate (%)	24.3	24.8	24.1	23.5	23.9	24.4	23.6	23.1	75.9	23.7
Adj. PAT	1,635	1,546	1,523	1,950	2,039	2,031	2,152	2,486	6,653	8,708
YoY Change (%)	47.0	17.5	40.7	42.9	24.7	31.4	41.3	27.5	36.5	30.9

Escorts**Neutral****CMP: INR4,207 | TP: INR4,085 (-3%)****EPS CHANGE (%): FY25E|FY26E: 3|3**

- 2Q witnessed flat wholesale growth in tractor volumes for the company.
- EBITDA margin is likely to contract 50bp QoQ to 13.8% due to adverse mix.

Standalone Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	23,277	20,462	23,204	20,825	22,925	20,904	23,627	31,190	88,496	98,646
YoY Change (%)	15.5	8.6	2.5	-4.6	-1.5	2.2	1.8	49.8	6.0	11.5
Total Expenditure	20,008	17,829	20,077	18,166	19,654	18,019	20,390	27,088	76,829	85,151
EBITDA	3,269	2,633	3,127	2,659	3,271	2,885	3,237	4,102	11,667	13,495
Margin (%)	14.0	12.9	13.5	12.8	14.3	13.8	13.7	13.2	13.2	13.7
Depreciation	402	407	415	441	433	445	450	457	1,669	1,785
Interest	27	24	24	35	16	20	25	30	137	90
Other Income	945	950	1,035	1,053	1,058	1,100	1,150	1,242	3,986	4,550
PBT	3,786	3,152	3,723	3,237	3,881	3,520	3,912	4,857	13,847	16,170
Rate (%)	25.3	25.4	25.5	25.2	25.4	25.2	25.2	25.1	25.4	25.2
Adj. PAT	2,828	2,350	2,773	2,421	2,896	2,633	2,926	3,640	10,327	12,095
YoY Change (%)	91.8	64.9	48.7	18.7	2.4	12.0	5.5	50.4	51.8	17.1
Margin (%)	12.1	11.5	11.9	11.6	12.6	12.6	12.4	11.7	11.7	12.3

E: MOFSL Estimates

Exide Industries**Neutral****CMP: INR512 | TP: INR470 (-8%)****EPS CHANGE (%): FY25E|FY26E: -3|-7**

- Expect revenue growth of 8% YoY to be driven by healthy recovery in 2W demand, while 4W demand remains flattish. Also, we have factored in better sales of inverter batteries in 2Q as we expect spill over effect from 1Q.
- EBITDA margin should see a QoQ expansion due to a lag effect of softening lead prices in 4QFY24.
- Overall, we expect 2Q PAT to grow 6% YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	40,726	41,067	38,405	40,094	43,128	44,352	43,014	45,610	1,60,292	1,76,103
Growth YoY (%)	4.4	10.4	12.6	13.2	5.9	8.0	12.0	13.8	9.8	9.9
RM cost (%)	71.7	68.9	68.5	67.0	69.3	69.7	69.7	69.7	69.1	69.6
Employee cost (%)	5.8	6.2	6.4	6.1	6.1	5.9	6.0	5.9	6.1	6.0
Other Exp (%)	11.8	13.1	13.6	14.1	13.1	12.7	12.8	12.4	13.1	12.8
EBITDA	4,322	4,831	4,399	5,162	4,943	5,211	4,947	5,467	18,714	20,568
EBITDA Margin (%)	10.6	11.8	11.5	12.9	11.5	11.8	11.5	12.0	11.7	11.7
Change (%)	11.8	17.1	9.7	40.6	14.4	7.9	12.4	5.9	19.3	9.9
Non-Operating Income	192	392	227	34	142	270	250	298	845	960
Interest	98	115	145	128	87	150	300	363	486	900
Depreciation	1,194	1,259	1,274	1,248	1,257	1,280	1,290	1,295	4,975	5,122
PBT after EO Exp	3,222	3,849	3,208	3,819	3,741	4,051	3,607	4,106	14,099	15,505
Effective Tax Rate (%)	24.9	25.4	25.1	25.7	25.3	25.0	25.0	24.8	25.3	25.0
Adj. PAT	2,419	2,870	2,403	2,838	2,796	3,039	2,705	3,089	10,530	11,629
Change (%)	6.9	16.6	7.7	36.5	15.6	5.9	12.6	8.9	16.5	10.4

Happy Forgings

Buy
CMP: INR1186 | TP: INR1,375 (+16%)
EPS CHANGE (%): FY25|26E: -4|-4

- Revenue is expected to grow ~4% YoY, mainly due to growth in industrial division offset by weakness in CVs.
- However, we expect EBITDA margin to decline 60bp sequentially to 28% due to increase in logistics cost.

Quarterly (Standalone)

	(INR m)									
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating income	3,298	3,431	3,420	3,433	3,415	3,568	4,035	4,277	13,582	15,295
Change (%)			16.2	13.5	3.5	4.0	18.0	24.6	13.5	12.6
RM/Sales (%)	43.0	44.7	44.5	43.5	43.5	43.5	43.6	43.7	43.9	43.6
Staff Cost (%)	7.5	8.5	9.0	8.6	8.5	8.9	8.6	7.7	8.4	8.4
Other Exp. (%)	19.1	19.5	18.7	19.6	19.4	19.7	19.0	20.5	19.1	19.7
EBITDA	1,002	938	952	971	976	998	1,163	1,200	3,875	4,337
Margin (%)	30.4	27.3	27.8	28.3	28.6	28.0	28.8	28.1	28.5	28.4
Non-Operating Income	34	7	33	72	77	80	82	84	134	323
Interest	27	44	38	9	14	15	14	14	118	57
Depreciation	155	162	171	160	180	182	188	190	647	740
PBT after EO items	855	738	777	875	859	881	1,043	1,080	3,244	3,863
Tax	214	185	198	217	220	226	267	271	814	985
Eff. Tax Rate (%)	25.1	25.1	25.5	24.8	25.6	25.6	25.6	25.1	25.1	25.5
Rep. PAT	640	553	579	658	639	655	775	809	2,430	2,878
Change (%)			39.2	29.7	-0.3	18.6	33.9	22.9	18.3	18.4
Adj. PAT	640	553	579	658	639	655	775	809	2,430	2,878
Change (%)			39.2	29.7	-0.3	18.6	33.9	22.9	16.4	18.4

E: MOFSL Estimates

Hero MotoCorp

Buy
CMP: INR5,750 | TP: INR6,625 (+15%)
EPS CHANGE (%): FY25E|FY26E: -1|1

- Volumes grew ~7% YoY on a low base of last year. Overall, we expect HMCL to post 8% YoY growth in revenue in 2Q. Improved share of 125CC segment to drive better mix
- Margins to largely remain stable QoQ given stable input costs and mix.
- Overall, we expect HMCL to post a 7% YoY growth in earnings in 2Q.

Quarterly Performance (S/A)

Y/E March	(INR m)									
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total Volumes ('000 nos)	1,353	1,417	1,460	1,392	1,535	1,520	1,524	1,505	5,621	6,083
Growth YoY (%)	-2.7	-0.8	12.3	9.6	13.5	7.3	3.1	8.1	5.5	8.2
Net Realization	64,819	66,680	66,604	68,373	66,076	67,398	67,735	69,247	66,632	67,606
Growth YoY (%)	7.4	4.9	5.5	4.6	1.9	1.1	4.0	1.3	5.0	1.5
Net Op Revenues	87,673	94,454	97,237	95,193	1,01,437	1,02,423	1,03,233	1,04,183	3,74,557	4,11,276
Growth YoY (%)	4.5	4.1	18.5	14.6	15.7	8.4	7.1	9.4	10.8	9.8
RM Cost (% sales)	69.4	68.6	66.2	66.4	67.7	67.7	67.5	67.5	67.6	67.6
Staff Cost (% sales)	6.6	6.1	6.2	6.8	6.0	6.0	6.1	6.2	6.4	6.1
Other Exp (% sales)	10.3	11.2	12.5	12.5	11.9	12.0	11.7	11.8	11.7	11.8
EBITDA	12,063	13,283	14,687	13,592	14,598	14,678	15,175	15,093	53,624	59,544
Margin (%)	13.8	14.1	15.1	14.3	14.4	14.3	14.7	14.5	14.3	14.5
Other Income	2,222	2,483	2,420	1,800	2,317	2,200	2,400	2,369	8,926	9,286
Interest	47	48	45	46	48	45	45	42	185	180
Depreciation	1,690	1,749	1,825	1,851	1,932	1,950	1,950	1,951	7,114	7,783
PBT before EO Exp/(Inc)	12,548	13,970	15,237	13,496	14,935	14,883	15,580	15,468	55,250	60,866
Effective Tax Rate (%)	24.7	24.6	22.6	24.7	24.8	24.3	24.3	23.6	24.1	24.2
Adj. PAT	9,462	10,538	11,801	10,161	11,226	11,267	11,794	11,821	41,962	46,108
Growth (%)	51.5	47.2	42.9	18.3	18.6	6.9	0.2	16.3	44.2	9.9

MRF**Sell**

CMP: INR1,40,172 | TP: INR1,07,790 (-23%)

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

- Expect 12% YoY revenue growth led by a steady growth in replacement demand and over a low base.
- We expect EBITDA margin to decline 90bps QoQ to 15% due to rise in input costs.

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	63,233	60,876	60,478	62,151	70,778	68,181	66,526	68,740	2,46,737	2,74,225
YoY Change (%)	12.9	6.4	9.3	8.6	11.9	12.0	10.0	10.6	9.3	11.1
Total Expenditure	52,091	49,589	50,084	52,096	59,400	57,941	56,633	58,100	2,04,595	2,32,074
EBITDA	11,142	11,286	10,394	10,055	11,378	10,240	9,892	10,640	42,142	42,151
Margin (%)	17.6	18.5	17.2	16.2	16.1	15.0	14.9	15.5	17.1	15.4
Depreciation	3,317	3,500	3,591	3,842	3,943	3,950	3,960	3,983	14,250	15,835
Interest	780	749	776	858	754	725	710	702	3,163	2,891
Other Income	739	696	766	924	827	820	810	860	3,125	3,318
PBT before EO expense	7,783	7,734	6,792	6,279	7,509	6,385	6,032	6,815	27,853	26,742
Extra-Ord expense	0	0	0	1,200	0	0	0	0	464	0
PBT	7,783	7,734	6,792	5,079	7,509	6,385	6,032	6,815	27,389	26,742
Tax	1,969	2,015	1,712	1,284	1,883	1,628	1,538	1,769	6,980	6,819
Rate (%)	25.3	26.1	25.2	25.3	25.1	25.5	25.5	26.0	25.5	25.5
Reported PAT	5,814	5,719	5,080	3,795	5,625	4,757	4,494	5,046	20,409	19,923
Adj PAT	5,814	5,719	5,080	4,692	5,625	4,757	4,494	5,046	20,755	19,923
YoY Change (%)	417.6	361.3	200.2	32.7	-3.3	-16.8	-11.5	7.5	173.9	-4.0
Margin (%)	9.2	9.4	8.4	7.5	7.9	7.0	6.8	7.3	8.4	7.3

E: MOFSL Estimates

Mahindra & Mahindra**Buy**

CMP: INR3,166 | TP: INR3,610 (+14%)

EPS CHANGE (%): FY25E | FY26E: -3 | -2

- Auto volumes grew 13% YoY and tractor volumes were up 6% YoY.
- We expect a sequential contraction of 140bp in EBITDA margin due to weaker mix. PBIT margin is likely to remain stable in Autos at 9.6%. FES margin is likely to contract 100bp QoQ to 17.5% due to lower volumes.

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
INR b										
Total Volumes ('000 units)	301	303	313	282	333	324	352	288	1,199	1,298
Growth YoY (%)	10.7	10.9	11.1	1.1	10.6	7.1	12.4	2.2	8.5	8.2
Net Realization (INR '000/unit)	802	803	808	893	812	839	844	894	826	846
Growth YoY (%)	10.5	4.4	5.1	10.4	1.3	4.6	4.5	0.0	7.6	2.3
Net Op. Income	241	243	253	252	270	272	297	257	991	1,097
Growth YoY (%)	22.4	15.7	16.8	11.6	12.0	12.0	17.5	2.2	16.6	10.7
RM Cost (% of sales)	75.1	75.6	75.4	73.2	73.7	74.8	74.2	74.7	74.7	74.4
Staff (% of sales)	4.4	4.6	4.5	4.5	4.3	4.4	4.3	4.4	4.5	4.4
Other Exp. (% of Sales)	7.0	7.2	7.3	9.2	7.0	7.3	7.2	6.8	7.6	7.1
EBITDA	33	31	32	33	40	37	42	36	131	155.8
EBITDA Margin (%)	13.6	12.6	12.8	13.1	14.9	13.5	14.3	14.1	13.3	14.2
Other income	9.3	21.5	7.4	3.5	3.5	15.0	6.0	13.0	39.4	37.5
Interest	0.3	0.3	0.3	0.4	0.5	0.3	0.3	0.2	1.4	1.3
Depreciation	8.4	8.2	8.2	9.9	9.1	9.2	9.2	9.2	34.9	36.7
PBT after EO	33.4	43.7	31.2	26.2	34.1	42.3	38.9	40.0	134.6	155.3
Tax	5.8	9.2	6.7	6.2	7.9	8.7	8.0	7.2	28.2	31.8
Effective Tax Rate (%)	17.4	21.0	21.4	23.8	23.3	20.5	20.5	18.1	20.9	20.5
Reported PAT	27.6	34.5	24.5	20.0	26.1	33.7	30.9	32.7	106.4	123.5
Adj PAT	21.2	34.5	24.5	20.0	26.1	33.7	30.9	32.7	106.4	123.5
Change (%)	51.0	47.6	10.7	1.3	23.2	-2.5	26.1	63.7	34.2	16.0

E: MOFSL Estimates

Maruti Suzuki**Buy**

CMP: INR13,167 | TP: INR15,235 (+16%)

EPS CHANGE (%): FY25E|FY26E: -2|-3

- Volumes declined 2% YoY due to weakness in both entry-level cars and UVs.
- EBITDA margin is likely to contract 40bp QoQ to 12.3% due to higher discounts.

S/A Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes ('000 units)	498.0	552.1	501.2	584.0	521.9	541.6	536.3	558.1	2,135.3	2,157.8
Change (%)	6.4	6.7	7.6	13.4	4.8	-1.9	7.0	-4.4	8.6	1.1
Realizations (INR/car)	6,49,095	6,71,348	6,64,570	6,54,672	6,80,850	6,87,659	6,86,284	7,06,061	6,60,006	6,90,430
Change (%)	14.6	16.1	6.6	5.2	4.9	2.4	3.3	7.8	10.4	4.6
Net operating revenues	3,23,269	3,70,621	3,33,087	3,82,349	3,55,314	3,72,402	3,68,048	3,94,042	14,09,326	14,89,806
Change (%)	22.0	23.8	14.7	19.3	9.9	0.5	10.5	3.1	19.9	5.7
RM Cost (% of sales)	72.8	70.6	70.9	71.4	70.2	70.9	70.7	70.8	71.4	70.7
Staff Cost (% of sales)	4.5	3.5	4.0	3.6	4.4	3.8	3.9	3.7	3.9	3.9
Other Cost (% of sales)	13.5	12.9	13.3	12.8	12.8	13.0	13.2	13.1	13.1	13.0
EBITDA	29,830	47,842	39,079	46,850	45,023	45,911	45,013	48,608	1,64,011	1,84,554
Margin (%)	9.2	12.9	11.7	12.3	12.7	12.3	12.2	12.3	11.6	12.4
Depreciation	7,475	7,941	7,517	7,290	7,310	7,500	7,700	7,771	30,223	30,281
EBIT	22,355	39,901	31,562	39,560	37,713	38,411	37,313	40,837	1,33,788	1,54,273
Margin (%)	6.9	10.8	9.5	10.3	10.6	10.3	10.1	10.4	9.5	10.4
Interest	465	351	354	762	573	500	450	477	1,932	2,000
Non-Operating Income	10,012	8,436	9,330	11,180	9,751	9,800	9,500	9,473	38,548	38,524
PBT	31,902	47,986	40,538	49,978	46,891	47,711	46,363	49,832	1,70,404	1,90,797
Effective Tax Rate (%)	22.1	22.6	22.8	22.4	22.2	22.5	22.5	22.8	22.5	22.5
Adjusted PAT	24,851	37,165	31,300	38,778	36,499	36,976	35,931	38,462	1,32,094	1,47,868
Change (%)	145.4	80.3	33.1	47.8	46.9	-0.5	14.8	-0.8	64.1	11.9

Motherson Wiring India**Buy**

CMP: INR70 | TP: INR83 (+18%)

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

- Revenue grew 9% YoY driven by content increase vis-à-vis the underlying industry.
- EBITDA margin to expand 80bp QoQ aided by ramp-up of new facilities, lower input costs, and operating leverage.

MSUMI: Quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	18,718	21,046	21,145	22,327	21,848	22,941	23,170	24,484	83,283	92,444
YoY Change (%)	12.0	14.7	25.4	19.3	16.7	9.0	9.6	9.7	17.8	11.0
RM Cost (% of sales)	65.2	66.2	65.5	65.1	65.1	65.4	65.3	65.4	65.5	65.3
Staff Cost (% of sales)	17.5	16.3	16.1	15.4	17.2	16.5	16.1	15.4	16.3	16.3
Other Expenses (% of sales)	6.2	5.7	6.0	6.4	6.7	6.4	6.4	6.0	6.1	6.4
EBITDA	2,072	2,481	2,620	2,913	2,388	2,688	2,817	3,247	10,132	11,139
Margin (%)	11.1	11.8	12.4	13.0	10.9	11.7	12.2	13.3	12.2	12.0
Depreciation	338	364	377	394	399	400	405	404	1,473	1,609
Interest	77	74	64	58	55	58	57	60	273	230
Other Income	5	56	11	43	50	50	45	30	69	175
PBT before EO expense	1,661	2,100	2,190	2,505	1,984	2,280	2,400	2,813	8,455	9,476
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO Expense	1,661	2,100	2,190	2,505	1,984	2,280	2,400	2,813	8,455	9,476
Tax Rate (%)	26	26	23	24	25	25	25	24	25	25
Reported PAT	1,231	1,559	1,679	1,914	1,489	1,721	1,812	2,132	6,383	7,154
Adj PAT	1,231	1,559	1,679	1,914	1,489	1,721	1,812	2,132	6,383	7,154
YoY Change (%)	-2.2	33.9	58.1	38.3	20.9	10.4	8.0	11.4	31.1	12.1

E: MOFSL Estimates

Samvardhana Motherson Sumi**Buy**

CMP: INR211 | TP: INR240 (+14%)

EPS CHANGE (%): FY25E | FY26E: -1 | 2

- Execution of healthy order book, along with contribution from recent acquisitions, should drive revenue growth of 22% YoY.
- EBITDA margin to contract 20bp QoQ to 9.4% due to seasonality impact.
- Overall, we expect earnings to see a 2.1x jump on a YoY basis mainly due to the contributions from acquisitions.

Quarterly performance (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	2,24,622	2,34,738	2,56,439	2,68,612	2,88,680	2,87,181	3,02,125	3,14,795	9,84,947	11,92,780
YoY Change (%)	27.2	28.5	26.5	19.3	28.5	22.3	17.8	17.2	25.0	21.1
EBITDA	19,246	18,888	23,159	26,686	27,753	27,112	28,355	32,913	90,206	1,16,133
Margin (%)	8.6	8.0	9.0	9.9	9.6	9.4	9.4	10.5	9.2	9.7
Depreciation	8,389	8,674	10,164	10,878	10,646	10,700	10,800	10,909	38,105	43,055
Interest	2,526	4,879	6,203	4,504	4,445	4,000	4,000	3,906	18,112	16,351
Other income	529	1,654	1,084	836	709	620	600	416	1,876	2,345
PBT before EO expense	8,860	6,989	7,877	12,140	13,371	13,032	14,155	18,513	35,865	59,071
Extra-Ord expense	0	2,494	9	-4,974	0	0	0	0	-2,472	0
PBT after EO Expense	8,860	4,495	7,868	17,114	13,371	13,032	14,155	18,513	38,336	59,071
Tax Rate (%)	29.5	32.8	27.6	28.3	26.0	27.0	27.0	27.7	29.3	27.0
Min. Int & Share of profit	241	188	272	-43	-51	60	30	75	658	115
Reported PAT	6,009	2,015	5,420	13,718	9,942	9,453	10,303	13,309	27,162	43,007
Adj PAT	6,009	4,509	5,420	9,170	9,942	9,453	10,303	13,309	25,108	43,007
YoY Change (%)	325.5	43.2	19.2	45.6	65.5	109.6	90.1	45.1	65.6	71.3

E: MOFSL Estimates

Sona Comstar**Neutral**

CMP: INR731 | TP: INR670 (-8%)

EPS CHANGE (%): FY25E | FY26E: -4 | -1

- Revenue growth of 11% YoY likely to be driven by ramp-up of new orders and growth in BEVs. However, we noted moderation across most of its business segments on QoQ basis.
- We expect EBITDA margin to contract 50bp QoQ to 27.6% due to higher logistics cost and weak demand. Overall, we expect the company to post just 7% YoY PAT growth.

Consol. Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating revenues	7,322	7,908	7,766	8,853	8,930	8,768	9,005	10,507	31,848	37,210
Change (%)	24.3	20.3	13.4	19.0	22.0	10.9	16.0	18.7	19.0	16.8
EBITDA	2,034	2,233	2,273	2,481	2,512	2,420	2,476	3,003	8,651	10,411
Margin (%)	27.8	28.2	29.3	28.0	28.1	27.6	27.5	28.6	27.2	28.0
Depreciation	511	534	559	598	606	610	620	641	2,202	2,478
EBIT	1,523	1,699	1,714	1,883	1,905	1,810	1,856	2,361	6,449	7,933
Margin (%)	20.8	21.5	22.1	21.3	21.3	20.6	20.6	22.5	20.2	21.3
Interest	53	60	73	71	86	80	75	73	258	315
Non-Operating Income	54	61	50	75	70	72	72	69	239	283
PBT	1,495	1,641	1,690	1,886	1,889	1,802	1,853	2,357	6,343	7,901
Effective Tax Rate (%)	25.1	24.4	21.0	21.5	25.0	24.0	24.0	23.2	24.3	24.0
Adjusted PAT	1,142	1,286	1,336	1,481	1,417	1,369	1,409	1,810	4,871	6,005
Change (%)	50.6	39.0	24.7	20.2	24.0	6.5	5.4	22.2	31.8	23.3

Tata Motors

Neutral

CMP: INR965 | TP: INR990 (3%)

EPS CHANGE (%): FY25E|FY26E: -5| -1

- India business performance was weak as both PV and CV volumes declined 5% and 19% YoY, respectively.
- CV's EBIT margin likely to remain flat YoY at 7.8%. PV's EBIT margin to contract to -0.9% in 2QFY25 from 1.7% in 2QFY24 due to rising discounts.
- JLR volumes are expected to see 4% YoY decline due to supply challenges. We estimate an EBIT margin of 6.8% (-50bp QoQ) for JLR, primarily due to lower volumes and rising discounts.
- We cut our FY25E EPS by 5% to factor in moderating demand across businesses.

Quarterly Performance [Consol]

(INR b)

INR b	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
JLR Volumes (incl JV; '000 units)	106.3	109.1	113.9	120.6	110.5	105.0	113.6	120.1	450.0	449.1
JLR Realizations (GBP/unit)	74,024	70,824	72,989	71,331	74,400	73,656	73,656	73,151	72,252	73,697
JLR EBITDA Margin (%)	16.3	14.9	16.2	16.3	15.8	14.5	14.6	15.3	15.9	15.1
India CV Volumes ('000 units)	88.6	106.8	98.8	111.3	93.7	86.8	103.5	114.9	405.5	398.9
India CV Realizations (INR '000/unit)	1925.4	1887.2	2042.9	1943.9	1910.1	1933.1	1952.4	2059.0	1949.5	1969.0
India CV EBITDA Margin (%)	9.4	10.4	11.1	11.9	11.6	10.8	11.7	11.5	10.8	11.4
India PV Volumes ('000 units)	140.4	139.0	138.6	155.6	138.8	132.2	144.1	155.5	573.6	570.6
India PV Realizations (INR '000/unit)	921.8	880.9	938.1	931.7	856.8	831.1	834.4	957.2	918.7	872.7
India PV EBITDA Margin (%)	5.2	6.4	6.5	7.3	5.8	5.0	6.6	8.2	6.4	6.5
Net Consol. Op Income	1022.4	1051.3	1105.8	1199.9	1080.5	1001.8	1104.3	1281.9	4379.3	4468.5
Growth (%)	42.1	32.1	25.0	13.3	5.7	-4.7	-0.1	6.8	26.6	2.0
Consol. EBITDA	135.6	137.2	153.3	169.9	155.1	132.6	141.2	169.3	596.1	598.2
Margin (%)	13.3	13.1	13.9	14.2	14.4	13.2	12.8	13.2	13.6	13.4
Depreciation	66.3	66.4	68.5	71.5	65.7	68.0	74.0	75.5	272.7	283.2
Other Income	13.6	16.3	15.0	14.6	15.8	15.5	15.2	13.7	59.5	60.1
Interest Expenses	26.2	27.0	24.8	22.3	20.9	22.0	24.0	24.3	100.3	91.1
PBT before EO	53.3	61.1	75.8	92.1	87.0	58.1	58.4	80.5	282.3	284.0
EO Exp/(Inc)	6.8	1.2	0.9	-87.0	-0.4	0.0	0.0	0.0	-78.12	-0.43
PBT after EO Exp	46.5	59.9	74.9	179.1	87.4	58.1	58.4	80.5	360.4	284.4
Tax rate (%)	33.6	36.8	7.2	3.5	36.4	27.0	27.0	16.8	13.7	27.0
PAT	30.9	37.8	69.5	172.8	55.6	42.4	42.7	67.0	311.1	207.7
Minority Interest	-1.0	-0.7	-1.2	-1.2	-1.3	-0.7	-0.8	-1.7	-4.1	-4.5
Share in profit of Associate	2.1	0.5	1.9	2.5	1.3	1.0	1.8	3.1	7.0	7.2
Reported PAT	32.0	37.6	70.3	174.1	55.7	42.7	43.7	68.3	314.0	210.3
Adj PAT	37.9	38.7	71.0	77.3	55.3	42.7	43.7	68.3	224.9	210.0
Growth (%)	-158.3	-407.9	140.1	37.4	46.1	10.3	-38.5	-11.6	2629.7	-6.6

E: MOFSL Estimates

Tube Investments

Buy
CMP: INR4,344 | TP: INR5,040 (+16%)
EPS CHANGE (%): FY25E|FY26E: 1| -1

- Robust recovery in the 2W business, diversification in other segments, and exports to drive QoQ growth in its engineering business.
- Metal-formed business to experience 3% YoY growth, though margin pressure would persist due to increased competition.
- EBIT margin for the mobility business is likely to remain negative; engineering business margin to witness 40bp QoQ improvement to 12.8%, while metal-formed business/other business margins are likely to see an improvement of 320bp/20bp QoQ to 13.2%/6.3%.

Quarterly performance (S/A)

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY24	FY25E
Net Sales	17,801	19,696	18,983	19,624	19,603	21,181	20,750	21,362	76,105	82,896
YoY Change (%)	-9.0	3.3	11.0	18.0	10.1	7.5	9.3	8.9	5.2	8.9
EBITDA	2,160	2,514	2,395	2,171	2,400	2,644	2,569	2,599	9,239	10,213
Margin (%)	12.1	12.8	12.6	11.1	12.2	12.5	12.4	12.2	12.1	12.3
Depreciation	331	346	361	370	386	400	430	441	1,408	1,656
Interest	70	77	74	75	72	42	37	26	295	177
Other Income	219	358	137	1,451	137	350	400	1,485	2,165	2,372
PBT before EO expense	1,979	2,448	2,096	3,178	2,079	2,552	2,502	3,618	9,701	10,752
Tax	502	634	521	699	534	643	631	909	2,359	2,717
Tax Rate (%)	25.4	25.9	24.9	22.0	25.7	25.2	25.2	25.1	24.3	25.3
Adj PAT	1,477	1,814	1,575	2,479	1,545	1,909	1,872	2,709	7,345	8,035
YoY Change (%)	10.0	13.2	14.4	-9.2	4.6	5.2	18.8	9.3	4.1	9.4

E: MOFSL Estimates

TVS Motor Company

Neutral
CMP: INR2,837 | TP: INR2,610 (-8%)
EPS CHANGE (%): FY25E|FY26E: -8| -3

- In 2QFY25, 2W volumes grew 15% YoY, with domestic and exports growing at a largely similar rate. 3W volumes declined ~12% YoY. The decline in 3W volumes was driven by 19% YoY dip in exports.
- We expect EBITDA margin to contract sequentially due to weak product mix (rising EV sales).
- Overall, we expect TVSL to post 21% YoY growth in earnings in 2Q.
- We cut our FY25E EPS by 8% to factor in lower profitability due to weak mix (rising EV sales).

Quarterly performance

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Vols ('000 units)	953.2	1,074.4	1,100.8	1,062.5	1,087.2	1,228.2	1,202.3	1,125.1	4,191	4,643
Growth (%)	5.1	4.6	25.2	22.4	14.1	14.3	9.2	5.9	13.8	10.8
Realn (INR '000/unit)	75.7	75.8	74.9	76.9	77.0	77.8	78.6	78.4	75.8	78.0
Growth (%)	14.3	7.9	0.6	1.1	1.7	2.6	4.9	2.0	5.8	2.8
Net Sales	72,179	81,446	82,450	81,688	83,756	95,568	94,484	88,240	3,17,764	3,62,048
Growth (%)	20.1	12.8	26.0	23.7	16.0	17.3	14.6	8.0	20.5	13.9
RM (% of sales)	74.6	74.0	73.7	72.8	71.4	72.2	72.2	72.1	73.7	72.0
Emp cost (% of sales)	5.2	4.8	4.9	5.1	5.7	5.5	5.2	5.2	5.0	5.4
Other exp (% of sales)	9.6	10.1	10.2	10.8	11.4	11.2	11.2	11.4	10.2	11.3
EBITDA	7,638	8,998	9,244	9,262	9,602	10,608	10,734	9,967	35,141	40,911
EBITDA Margin (%)	10.6	11.0	11.2	11.3	11.5	11.1	11.4	11.3	11.1	11.3
Interest	474	523	448	372	372	330	300	272	1,816	1,274
Depreciation	1,636	1,701	1,781	1,887	1,763	1,820	1,850	1,875	7,004	7,308
Other Income	576	462	734	-287	363	170	195	172	1,485	900
PBT before EO Exp	6,104	7,237	7,750	6,716	7,829	8,628	8,779	7,992	27,807	33,229
EO Exp	0	0	0	0	0	0	0	0	0	0
PBT after EO Exp	6,104	7,237	7,750	6,716	7,829	8,628	8,779	7,992	27,807	33,229
Total Tax	1427	1871	1817	1862	2056	2157	2195	1899	6977	8307
Tax rate (%)	23.4	25.9	23.4	27.7	26.3	25.0	25.0	23.8	25.1	25.0
Adjusted PAT	4,677	5,366	5,934	4,854	5,773	6,471	6,584	6,093	20,830	24,922
Growth (%)	45.9	31.7	68.2	33.4	23.4	20.6	11.0	25.5	44.4	19.6

Capital Goods

Company

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

Momentum picking up pace selectively

After better-than-expected ordering in 1QFY25, we expect 2QFY25 ordering to improve for selective segments. Delayed decision-making in government projects and delays in the finalization of the private sector enquiry pipeline can impact companies focused on EPC and private capex. However, other fast-growing segments, such as data centers, transmission, electronics, and renewables, continue to boost inflows for companies. For the genset players, as highlighted in our recent [note](#), despite the full transition to CPCB4+ norms and a sequential decline of 10-15% in genset volumes, revenue growth will be supported by strong prices. Overall, for the sector, we believe that strong order books provide healthy revenue visibility for companies. We expect 12% YoY growth in execution in 2QFY25. Margins should be in a stable range given benign commodity prices, cost-saving measures and an improved product mix. As a result, we expect a ~30bp YoY expansion in EBITDA margin for our coverage universe. For 2QFY25, we estimate our coverage companies to report revenue growth of 12% YoY, EBITDA growth of 15% YoY, and PAT growth of 13% YoY.

Order momentum panning out well for select segments

Ordering activity continued to be buoyant during the quarter, with healthy traction across sectors such as power T&D, data centers, renewable energy, real estate, buildings & factories, etc. However, domestic ordering has been muted for LT owing to delays in decision-making on account of impending state elections. Accordingly, LT announced orders worth ~INR218b, BHE won ~INR23b, KECI secured ~INR71b, and KPIL acquired ~INR70b worth of orders. We expect domestic ordering momentum to pick up after state elections. Defense sector ordering will also start ramping up from 3QFY25 onward. With strong existing order books, we estimate 12% YoY growth in execution in 2QFY25 for our coverage universe.

Benign RM inflation to ensure stable margin performance

We expect EPC companies to report a sequential recovery in margins as legacy projects are near completion and newer orders have been booked at prevailing RM levels. For product companies, we expect the improved margin trajectory to remain intact given strong demand, healthy pricing and benign commodity prices. Product companies are continuously focusing on high-margin areas, tech-led offerings, and deeper penetration in tier 3 and 4 markets; hence, they are benefiting from better pricing. After seeing an uptick, prices of key inputs have seen some easing. In recent months, copper/aluminum prices have eased by 2%/4%, while zinc prices have been flat vs. the Jun'24 level. Accordingly, we expect ~30bp YoY margin expansion in 2QFY25 for our coverage universe.

Sequential improvement underway in exports

Ordering from international geographies has remained healthy, mainly aided by the global thrust on renewable energy and investments in infrastructure during the quarter, which is reflected in inflows for LT, KECI and KPIL. However, continued tensions in the Middle East and crude price movements need to be monitored closely, as a recalibration in spending by GCC countries cannot be ruled out in case these events escalate. For companies like KKC, the past few quarters have seen muted export demand owing to geopolitical concerns, sluggish macroeconomic conditions, and economic slowdown in some countries. Select geographies, such as the Middle East, Africa and Latin America, have started improving sequentially. Other product companies, such as TRIV and KOEL, are clocking healthy export growth, in line with their international strategy.

We remain optimistic on long-term capex cycle

We believe that our long-term thesis on the capex cycle is intact, with policy continuity and a stable macro environment. The traction continues to be strong across sectors such as renewables, transmission, PLI and defense, wherein the government has already initiated policy measures, which provide long-term visibility. This, along with healthy bank and corporate balance sheets, should provide a fillip to private sector capex, which has hitherto been selective. Companies are sitting on healthy order books, which should provide visibility for a healthy revenue CAGR. We, thus, increase our estimates for select companies to factor in better margins and continued traction in fast-growing high-margin segments.

Our top picks

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

Exhibit 1: Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
ABB India	8,266	Buy	34,292	23.8	21.1	6,598	50.5	21.6	5,391	48.9	21.8
Bharat Electronics	284	Buy	47,297	18.4	12.6	11,020	9.7	17.6	9,231	13.6	18.9
Cummins India	3,876	Buy	22,388	17.8	-2.8	4,453	31.5	-4.7	4,082	24.2	-2.8
Hitachi Energy	14,249	Neutral	15,648	27.4	17.9	1,283	96.4	167.9	728	194.2	598.5
KEC International	1,050	Neutral	50,119	11.4	11.1	3,308	20.6	22.3	998	78.8	13.9
Kalpataru Proj.	1,349	Buy	41,128	7.0	10.5	3,537	14.8	12.6	1,395	23.4	19.2
Kirloskar Oil	1,189	Buy	12,205	15.2	-9.1	1,465	48.5	-25.9	941	60.6	-30.2
Larsen & Toubro	3,652	Buy	5,67,643	11.3	3.0	60,310	7.1	7.4	32,030	-0.6	15.0
Siemens	7,519	Buy	62,945	8.4	21.0	9,346	33.5	35.1	7,277	27.3	25.9
Thermax	5,098	Neutral	25,633	11.3	17.3	2,625	28.3	86.0	1,796	13.2	64.1
Triveni Turbine	712	Buy	4,879	25.8	5.3	1,000	34.5	4.6	843	31.0	4.9
Zen Technologies	1,707	Buy	2,001	212.5	-21.2	700	221.8	-32.1	495	185.5	-33.2
Capital Goods			8,86,176	12.3	6.2	1,05,645	15.3	12.1	65,207	12.6	16.1

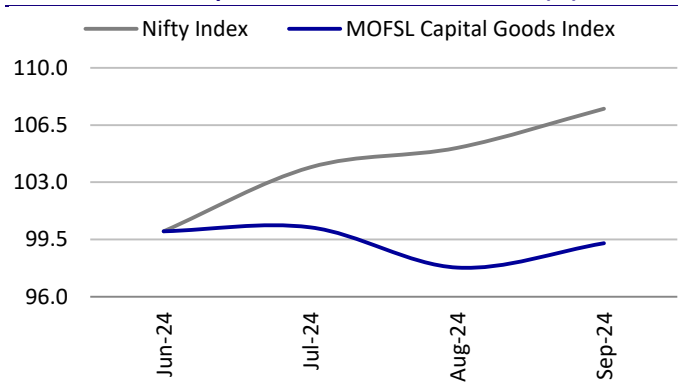
ABB: December ending; SIEM: September ending

Exhibit 2: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Capital Goods						49.2	39.1	32.6	8.6	7.4	6.3	17.5	18.9	19.2
ABB India	8,266	Buy	97.0	114.2	133.4	85.2	72.4	62.0	22.3	17.4	13.8	29.8	27.0	24.8
Bharat Electronics	284	Buy	6.7	8.2	9.9	42.7	34.8	28.8	10.2	8.2	6.6	24.0	23.5	22.9
Cummins India	3,876	Buy	74.2	89.0	105.5	52.2	43.6	36.8	15.4	13.5	11.8	31.3	33.1	34.4
Hitachi Energy	14,249	Neutral	75.4	149.9	213.5	188.9	95.1	66.7	36.0	26.1	18.8	19.0	27.5	28.1
Kalpataru Proj.	1,349	Buy	49.3	69.6	89.1	27.3	19.4	15.1	3.4	3.0	2.5	13.2	16.4	17.9
KEC International	1,050	Neutral	25.7	42.5	50.7	40.9	24.7	20.7	5.0	4.4	3.8	13.9	18.8	19.6
Kirloskar Oil	1,189	Buy	36.1	46.2	58.6	33.0	25.7	20.3	5.7	4.9	4.2	18.6	20.6	22.3
Larsen & Toubro	3,652	Buy	108.0	135.7	158.1	33.8	26.9	23.1	5.1	4.5	3.9	16.1	17.8	18.0
Siemens	7,519	Buy	73.4	87.5	108.7	102.4	85.9	69.2	17.8	15.5	13.3	18.6	19.3	20.6
Thermax	5,098	Neutral	66.0	83.6	103.1	77.2	60.9	49.4	11.4	9.9	8.5	15.7	17.4	18.4
Triveni Turbine	712	Buy	11.0	14.3	19.4	64.5	49.8	36.7	18.7	14.7	11.4	32.3	33.0	35.0
Zen Technologies	1,707	Buy	28.8	41.8	59.5	59.3	40.9	28.7	20.6	13.7	9.3	42.2	40.3	38.6

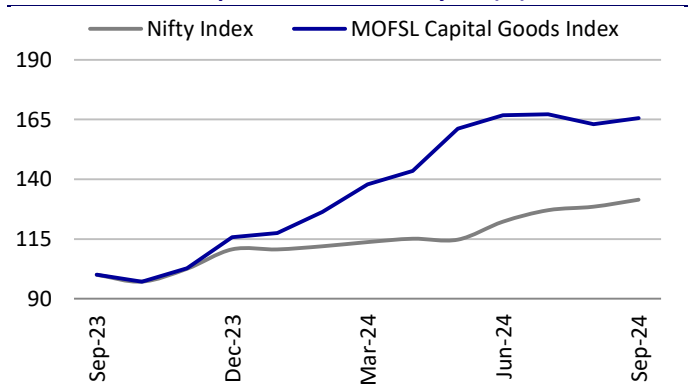
ABB: December ending; SIEM: September ending

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



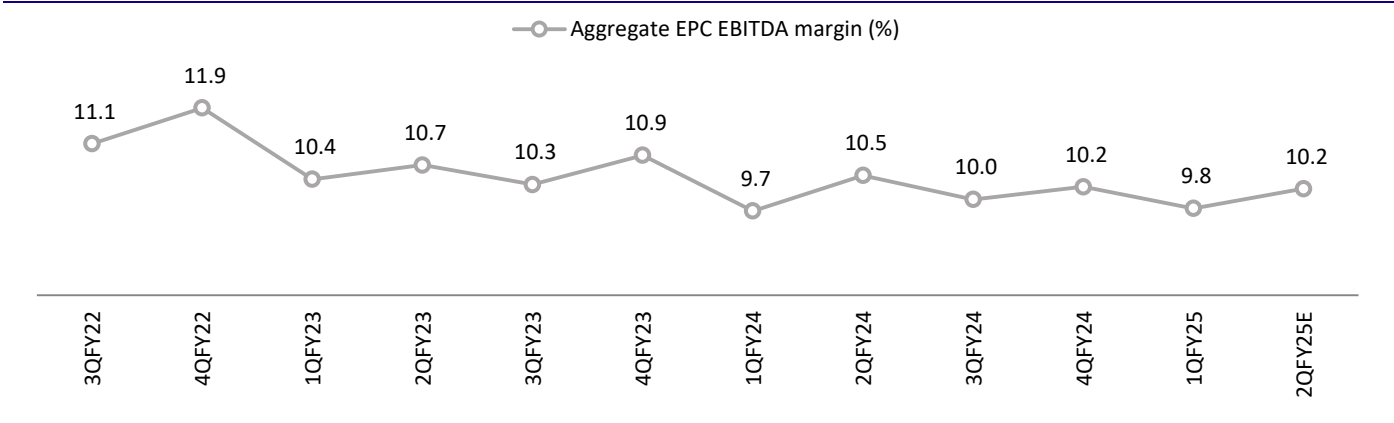
Source: Bloomberg, MOFSL

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



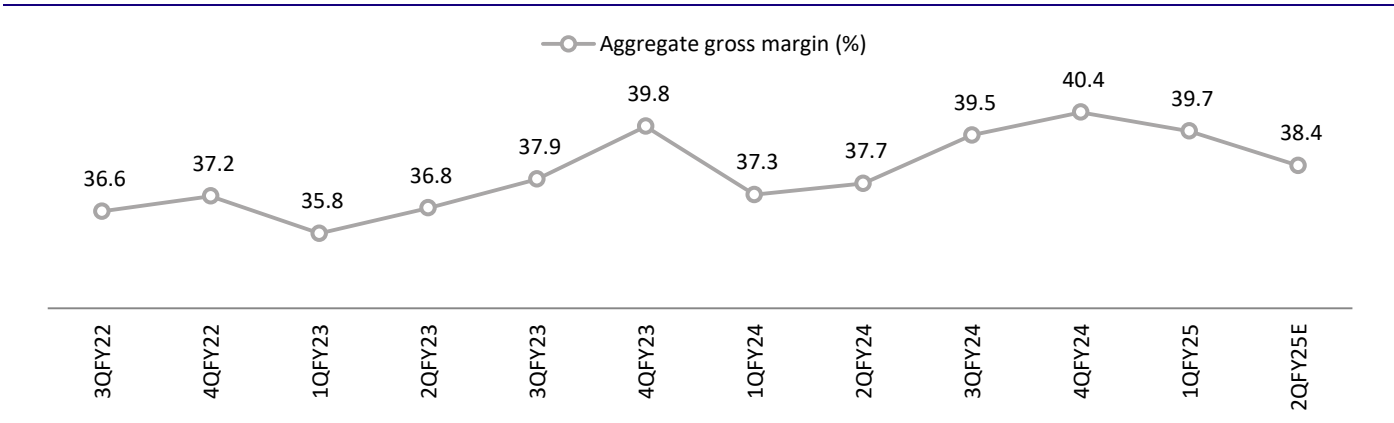
Source: Bloomberg, MOFSL

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



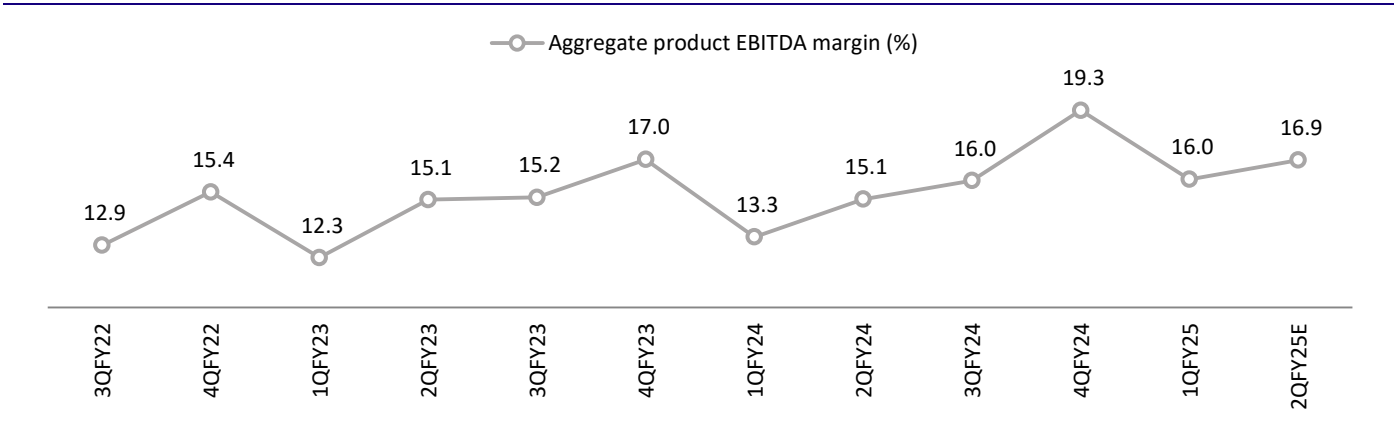
Source: Company, MOFSL

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



Source: Company, MOFSL

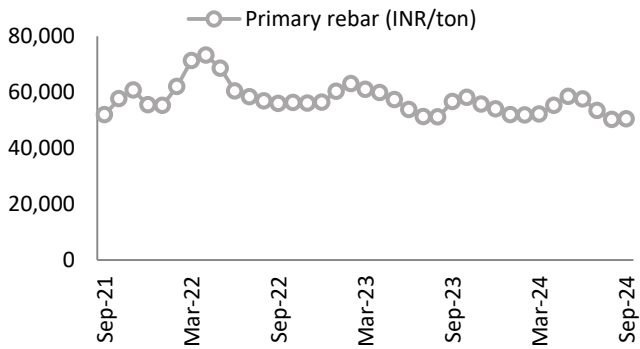
Exhibit 7: EBITDA margin snapshot for product companies under our coverage



Source: Company, MOFSL

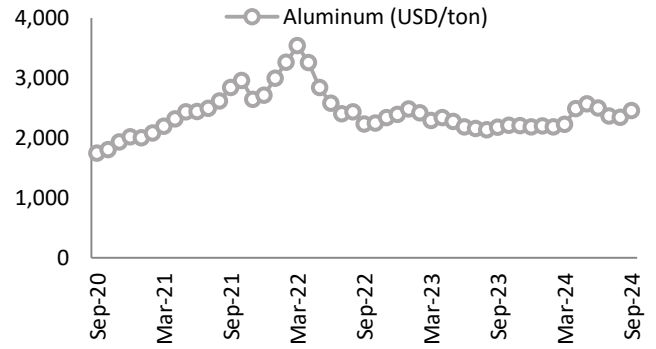
Input prices are stable QoQ

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



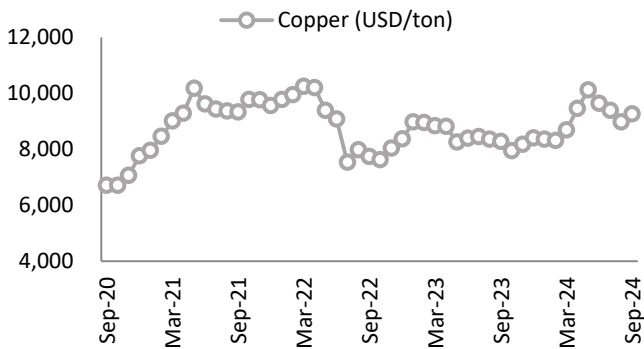
Source: Bloomberg, MOFSL

Exhibit 9: Aluminum price trend (USD/ton)



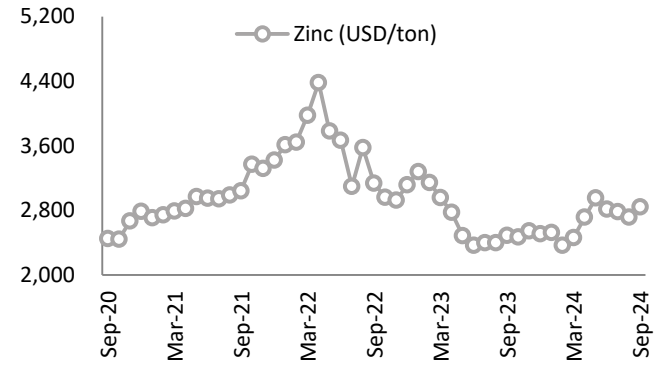
Source: Bloomberg, MOFSL

Exhibit 10: Copper price trend (USD/ton)



Source: Bloomberg, MOFSL

Exhibit 11: Zinc price trend (USD/ton)



Source: Bloomberg, MOFSL

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

ABB India

Buy

CMP: INR8,266 | TP: INR9,500 (+15%)

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

- ABB's revenues during last quarter were impacted by the postponement of deliveries worth INR2b, in line with the client's schedule. We expect these revenues to get booked in the current quarter.
- Expect revenue to grow 24% YoY, driven by a robust order book. The strong demand traction continues, which should result in order inflow growth.
- We expect margin to expand ~340bp YoY, aided by a better product mix, share of services and operating leverage.
- We would watch out for incremental inflows from transmission, railways, data center, and private capex for improvement in inflows from the current levels. Key monitorables: sustainability of inflows and margins, outlook on exports, and localization levels.

Standalone - Quarterly Snapshot

Y/E December	CY23				CY24E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	CY23	CY24E
Net Sales	24,112	25,086	27,692	27,575	30,804	28,309	34,292	39,022	1,04,465	1,32,426
YoY Change (%)	22.5	22.2	30.6	13.6	27.8	12.8	23.8	41.5	21.9	26.8
Total Expenditure	21,259	21,599	23,307	23,403	25,152	22,884	27,694	31,455	89,567	1,07,184
EBITDA	2,853	3,487	4,385	4,172	5,652	5,425	6,598	7,568	14,898	25,242
Margins (%)	11.8	13.9	15.8	15.1	18.3	19.2	19.2	19.4	14.3	19.1
Depreciation	274	292	303	329	314	310	328	345	1,199	1,297
Interest	22	14	9	82	38	45	14	14	127	111
Other Income	723	750	768	776	871	868	951	951	3,017	3,641
PBT before EO expense	3,279	3,931	4,842	4,537	6,171	5,938	7,207	8,160	16,589	27,476
PBT	3,279	3,931	4,842	4,537	6,171	5,938	7,207	8,160	16,589	27,476
Tax	827	972	1,222	1,085	1,575	1,511	1,816	2,021	4,106	6,924
Rate (%)	25.2	24.7	25.2	23.9	25.5	25.5	25.2	24.8	24.8	25.2
Reported PAT	2,452	2,959	3,620	3,452	4,596	4,426	5,391	6,138	12,483	20,552
Adj PAT	2,452	2,959	3,620	3,452	4,596	4,426	5,391	6,138	12,483	20,552
YoY Change (%)	-34.3	110.9	84	13.1	87.4	49.6	48.9	77.8	79.5	65.4
Margins (%)	10.2	11.8	13.1	12.5	14.9	15.6	15.7	15.7	11.9	15.5

Bharat Electronics

Buy

CMP: INR284 | TP: INR360 (27%)

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

- Expect revenue growth of 18% YoY, led by healthy execution of the record OB of INR767b.
- Key monitorables: Update on order inflows, status of QRSAM/MRSAM, share of exports, and progress of non-defense business.
- We expect margins to decline ~190bp YoY to 23.3% on a high base of 2QFY24. Margins in BHE are a function of project mix and can vary sharply during a quarter.
- Finalization of orders, execution of the huge backlog and exports will be in focus.

Standalone - Quarterly Snapshot

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY24	FY25E
Net Sales	35,108	39,933	41,367	85,285	41,988	47,297	49,662	97,538	2,01,694	2,36,484
Change (%)	12.8	1.2	0.1	32.1	19.6	18.4	20.1	14.4	14.3	17.2
EBITDA	6,644	10,044	10,494	22,800	9,367	11,020	12,415	26,580	49,982	59,383
Change (%)	29.4	17.4	23.0	24.9	41.0	9.7	18.3	16.6	23.5	18.8
Margin (%)	18.9	25.2	25.4	26.7	22.3	23.3	25.0	27.3	24.8	25.1
Depreciation	1,013	1,004	998	1,109	997	1,084	1,110	1,361	4,124	4,552
Interest	11	15	5	39	12	18	18	23	70	70
Other Income	1,417	1,705	2,232	2,205	2,015	2,331	2,388	3,057	7,558	9,792
PBT	7,038	10,729	11,723	23,856	10,373	12,250	13,676	28,253	53,346	64,552
Tax	1,729	2,606	2,790	6,021	2,612	3,019	3,370	6,906	13,146	15,907
Effective Tax Rate (%)	24.6	24.3	23.8	25.2	25.2	24.6	24.6	24.4	24.6	24.6
Reported PAT	5,308	8,123	8,933	17,835	7,761	9,231	10,306	21,347	40,200	48,645
Change (%)	23.0	32.9	49.2	30.6	46.2	13.6	15.4	19.7	33.7	21.0
Adj PAT	5,308	8,123	8,933	17,835	7,761	9,231	10,306	21,347	40,200	48,645
Change (%)	23.0	32.9	49.2	30.6	46.2	13.6	15.4	19.7	33.7	21.0

Cummins India**Buy**

CMP: INR3,876 | TP: INR4,300 (+11%)

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

- We expect powergen segment revenue to post strong growth on the low base of last year, aided by improved volumes and realization. Sequentially, we expect lower powergen volumes due to pre-buying seen in 1QFY25. Overall we expect revenues to grow by 18% on sharp price hikes. We also expect exports to recover sequentially.
- Key monitorables – Demand outlook across segments, pricing environment in Powergen and export trajectory.
- Expect EBITDA margin expansion of ~210bp YoY. Sequentially, we expect a ~40bp contraction.
- Pricing discipline after the CPCB4+ implementation will be closely watched.

Standalone - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	22,087	18,997	25,341	23,162	23,042	22,388	29,850	31,328	89,586	1,06,607
YoY Change (%)	31.0	-2.6	16.2	20.3	4.3	17.8	17.8	35.3	15.7	19.0
Total Expenditure	18,681	15,611	19,961	17,719	18,369	17,934	23,644	24,872	71,972	84,818
EBITDA	3,406	3,386	5,379	5,443	4,673	4,453	6,206	6,456	17,614	21,789
Margins (%)	15.4	17.8	21.2	23.5	20.3	19.9	20.8	20.6	19.7	20.4
Depreciation	358	379	419	420	439	387	396	403	1,576	1,625
Interest	77	67	63	62	48	70	72	105	268	295
Other Income	1,175	1,322	1,136	2,045	1,322	1,378	1,411	1,675	5,678	5,786
PBT before EO expense	4,146	4,263	6,034	7,006	5,509	5,374	7,149	7,623	21,448	25,656
Extra-Ord expense			17						17	0
PBT	4,146	4,263	6,017	7,006	5,509	5,374	7,149	7,623	21,431	25,656
Tax	989	978	1,467	1,390	1,311	1,292	1,719	1,847	4,824	6,170
Rate (%)	23.9	22.9	24.4	19.8	23.8	24.0	24.0	24.2	22.5	24.0
Reported PAT	3,157	3,285	4,549	5,615	4,198	4,082	5,430	5,776	16,606	19,486
Adj PAT	3,157	3,285	4,562	5,615	4,198	4,082	5,430	5,776	16,619	19,486
YoY Change (%)	50.6	30.2	26.7	76.3	33.0	24.2	19.0	2.9	45.7	17.2
Margins (%)	14.3	17.3	18.0	24.2	18.2	18.2	18.2	18.4	18.6	18.3

Hitachi Energy India**Neutral**

CMP: INR14,249 | TP: INR12,800 (-10%)

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

- Expect revenue growth of 27% YoY to INR15.6b, led by healthy execution of the opening OB of INR85.4b.
- Key monitorables: Further ramp-up in margins, progress on HVDC projects and STATCOM order finalization.
- We expect EBITDA margin to improve ~290bp, aided by operating leverage gains and easing of supply chain-related issues.
- Execution of the Mumbai HVDC project to provide near-term support to revenue.

Standalone - Quarterly Snapshot -

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	10,401	12,280	12,742	16,953	13,272	15,648	16,300	19,979	52,375	65,198
Change (%)	5.5	10.2	23.2	27.1	27.6	27.4	27.9	17.8	17.2	24.5
EBITDA	337	653	680	1,820	479	1,283	1,500	2,303	3,490	5,565
Change (%)	31.3	-13.7	72.4	91.4	42.3	96.4	120.5	26.6	47.9	59.5
Margins (%)	3.2	5.3	5.3	10.7	3.6	8.2	9.2	11.5	6.7	8.5
Depreciation	223	225	227	225	221	233	238	286	900	978
Interest	110	107	137	112	109	94	94	79	466	375
Other Income	29	2	22	39	1	29	29	58	93	117
PBT	34	324	338	1,522	150	985	1,197	1,997	2,217	4,330
Tax	10	76	108	385	46	257	313	515	579	1,131
Effective Tax Rate (%)	28.7	23.6	32.0	25.3	30.8	26.1	26.1	25.8	26.1	26.1
Extra-ordinary Items										
Reported PAT	24	247	230	1,137	104	728	884	1,482	1,638	3,199
Change (%)	79.9	-33.3	401.5	123.7	332.4	194.2	284.9	30.4	74.4	95.3
Adj PAT	24	247	230	1,137	104	728	884	1,482	1,638	3,199
Change (%)	79.9	-33.3	402	123.7	332.4	194.2	284.9	30.4	74.4	95.3

Kalpataru Projects International**Buy****CMP: INR1,349 | TP: INR1,500 (+11%)****EPS CHANGE (%): FY25 | FY26: -| -**

- We expect revenue growth of 7% YoY as execution was affected by heavy monsoon in Gujarat and working capital buildup in Water projects owing to the elections.
- Key monitorables: Execution ramp-up, margin trajectory, customer collections and outlook on urban infra and B&F division.
- We expect EBITDA margin of 8.6% (+60bp YoY/+20bp QoQ) and healthy expansion in 2HFY25.
- We would also watch out for working capital cycle and debt levels.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	36,220	38,440	41,470	51,470	37,220	41,128	53,467	73,827	1,67,600	2,05,642
YoY Change (%)	15.4	16.7	18.2	17.1	2.8	7.0	28.9	43.4	16.9	22.7
Total Expenditure	33,080	35,360	38,030	47,470	34,080	37,591	48,708	67,679	1,53,940	1,88,059
EBITDA	3,140	3,080	3,440	4,000	3,140	3,537	4,759	6,148	13,660	17,583
Margins (%)	8.7	8.0	8.3	7.8	8.4	8.6	8.9	8.3	8.2	8.6
Depreciation	930	880	940	930	930	971	971	1,013	3,680	3,886
Interest	750	850	830	940	860	919	942	1,046	3,370	3,766
Other Income	290	250	270	320	290	227	227	165	1,130	910
PBT before EO expense	1,750	1,600	1,940	2,450	1,640	1,874	3,073	4,253	7,740	10,841
Extra-Ord expense	0	0	0	350	0	0	0	0	350	0
PBT	1,750	1,600	1,940	2,100	1,640	1,874	3,073	4,253	7,390	10,841
Tax	490	470	500	600	470	480	787	1,039	2,060	2,775
Rate (%)	28.0	29.4	25.8	28.6	28.7	25.6	25.6	24.4	27.9	25.6
Reported PAT	1,260	1,130	1,440	1,500	1,170	1,395	2,286	3,215	5,330	8,066
Adj PAT	1,260	1,130	1,440	1,750	1,170	1,395	2,286	3,215	5,582	8,066
YoY Change (%)	-23.2	8.7	29.7	52.6	-7.1	23.4	58.8	83.7	19.1	44.5
Margins (%)	3.5	2.9	3.5	3.4	3.1	3.4	4.3	4.4	3.3	3.9

KEC International**Neutral****CMP: INR1,050 | TP: INR950 (-10%)****EPS CHANGE (%): FY25 | FY26: +1|+4**

- We expect 11% YoY revenue growth, driven by a strong order book of INR327b.
- Key monitorables – Order pipeline in both T&D and civil, execution ramp-up and margin improvement.
- We expect EBITDA margin to expand 50bp YoY/60bp QoQ, in line with guidance.
- We would watch out for the payment cycle, debt levels and NWC improvement.
- We increase our estimates and TP to bake in recent fund raise by the company and corresponding debt reduction.

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

Y/E March - INR m	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	42,436	44,990	50,067	61,648	45,119	50,119	57,915	69,598	1,99,141	2,22,751
YoY Change (%)	27.9	10.7	14.4	11.6	6.3	11.4	15.7	12.9	15.2	11.9
Total Expenditure	39,992	42,247	46,988	57,768	42,415	46,811	53,745	63,647	1,86,996	2,06,619
EBITDA	2,444	2,743	3,079	3,880	2,704	3,308	4,170	5,951	12,146	16,132
Margins (%)	5.8	6.1	6.1	6.3	6.0	6.6	7.2	8.6	6.1	7.2
Depreciation	418	465	488	483	465	506	531	531	1,853	2,033
Interest	1,587	1,778	1,644	1,543	1,550	1,550	1,413	1,413	6,551	5,924
Other Income	28	158	260	78	431	89	89	89	524	697
PBT before EO expense	467	658	1,207	1,933	1,120	1,341	2,315	4,096	4,265	8,872
Extra-Ord expense										
PBT	467	658	1,207	1,933	1,120	1,341	2,315	4,096	4,265	8,872
Tax	44	100	239	415	245	343	593	1,091	798	2,271
Rate (%)	9.4	15.2	19.8	21.5	21.8	25.6	25.6	26.6	18.7	25.6
Reported PAT	423	558	969	1,517	876	998	1,722	3,005	3,467	6,601
Adj PAT	423	558	969	1,517	876	998	1,722	3,005	3,467	6,601
YoY Change (%)	36.8	1.0	449.5	110.2	106.9	78.8	77.8	98.0	96.9	90.4
Margins (%)	1.0	1.2	1.9	2.5	1.9	2.0	3.0	4.3	1.7	3.0

Kirloskar Oil Engines**Buy****CMP: INR1,189 | TP: INR1,540 (+30%)****EPS CHANGE (%): FY25|26: -|-**

- We expect revenue growth of 15% YoY on the back of healthy demand traction across segments, and a low base of 2QFY24. We expect powergen segment performance also to be supported by price hikes.
- Key monitorables – Outlook on genset demand, pricing environment, and export ramp-up.
- We expect EBITDA margin to expand 270bp YoY on a low base, improved product mix and cost efficiencies.
- Ramp-up of the US business, B2C business and Arka Fincap performance to be closely observed.

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

Y/E March	FY24				FY25E				FY24	FY25E
	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
YoY Change (%)	26.5	4.8	13.5	20.7	6.2	15.2	28.0	29.0	17.8	19.8
Total Expenditure	11,102	9,603	10,023	12,135	11,452	10,740	12,568	15,511	42,864	50,271
EBITDA	1,545	986	1,329	1,782	1,977	1,465	1,961	2,443	5,642	7,846
Margins (%)	12.2	9.3	11.7	12.8	14.7	12.0	13.5	13.6	11.6	13.5
Depreciation	213	243	257	257	247	244	250	258	970	999
Interest	14	16	20	29	27	33	33	39	78	132
Other Income	70	64	57	85	108	80	80	52	274	320
PBT before EO expense	1,388	791	1,109	1,581	1,810	1,268	1,759	2,199	4,868	7,034
PBT	1,388	791	1,109	1,581	1,810	1,268	1,759	2,199	4,868	7,034
Tax	355	205	287	405	462	327	453	571	1,252	1,814
Rate (%)	25.6	25.9	25.9	25.6	25.5	25.8	25.8	26.0	25.7	25.8
Reported PAT	1,032	586	822	1,176	1,347	941	1,305	1,627	3,616	5,221
Adj PAT	1,032	586	822	1,176	1,347	941	1,305	1,627	3,616	5,221
YoY Change (%)	59.9	-19.3	20.5	81.3	30.5	60.6	58.8	38.4	33.8	44.4
Margins (%)	8.2	5.5	7.2	8.5	10.0	7.7	9.0	9.1	7.5	9.0

Larsen & Toubro**Buy****CMP: INR3,652 | TP: INR4,250 (+16%)****EPS CHANGE (%): FY25|26: +2|-0.2**

- Expect consolidated revenue growth of 11% YoY, led by 14% YoY Core E&C revenue growth.
- Key monitorables – Domestic order pipeline, margin performance as well as working capital cycle.
- We expect Core E&C EBITDA margin of 8%, up 60bp YoY/40bp QoQ.
- We would also look out for execution ramp-up in Saudi projects and trend in the GCC pipeline.
- The change in TP and estimates is on account of IT subsidiaries.

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

Y/E March - INR b	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	479	510	551	671	551	568	621	752	2,211	2,491
YoY Change (%)	33.6	19.3	18.8	15.0	15.1	11.3	12.6	12.1	20.6	35.9
Total Expenditure	430	454	494	598	495	507	553	667	1,976	2,222
EBITDA	49	56	58	72	56	60	68	85	235	269
Margins (%)	10.2	11.0	10.4	10.8	10.2	10.6	10.9	11.3	10.6	10.8
Depreciation	8	9	9	10	10	10	10	10	37	40
Interest	9	9	9	9	9	8	8	8	35	32
Other Income	11	11	8	10	9	9	9	10	42	37
PBT before EO expense	43	50	48	63	47	51	59	77	204	234
Extra-Ord expense	0	0	0	-1	0	0	0	0	-1	0
PBT	43	50	48	64	47	51	59	77	205	234
Tax	12	11	12	14	12	13	15	18	49	59
Rate (%)	28.1	22.8	24.7	22.1	26.4	25.8	25.8	23.7	24.1	25.2
MI & P/L of Asso. Cos.	6	6	6	6	7	6	6	7	25	25
Reported PAT	25	32	29	44	28	32	37	52	131	150
Adj PAT	25	32	29	43	28	32	37	52	130	150
YoY Change (%)	46.5	44.6	20.0	8.4	11.7	-0.6	27.0	21.3	49.8	15.3
Margins (%)	5.2	6.3	5.3	6.4	5.1	5.6	6.0	7.0	5.9	6.0

Siemens**Buy****CMP: INR7,519 | TP: INR8,400 (+12%)****EPS CHANGE (%): FY25|26: -|-**

- We expect 8% YoY revenue growth on a high base of 4QFY23.
- Key monitorable – Margin trajectory, execution progress of the locomotive order, tendering pipeline in energy segment and status of HVDC ordering.
- We expect EBITDAM to expand ~280bp on account of expected improvement in margins in energy division, operating leverage, better pricing power and product mix.
- Demand outlook from both government and private sector, and export outlook to be watched keenly.
- We increase our estimates and TP on slightly higher margin assumptions and roll-forward.

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

Y/E September	FY23				FY24E				FY23	FY24E
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	40,151	48,578	48,732	58,077	48,252	57,499	52,035	62,945	1,95,538	2,20,731
YoY Change (%)	17.4	22.8	14.4	24.7	20.2	18.4	6.8	8.4	21.2	12.9
Total Expenditure	34,159	42,366	43,067	51,075	42,291	48,717	45,120	53,599	1,70,667	1,89,727
EBITDA	5,992	6,212	5,665	7,002	5,961	8,782	6,915	9,346	24,871	31,004
Margins (%)	14.9	12.8	11.6	12.1	12.4	15.3	13.3	14.8	12.7	14.0
Depreciation	761	785	876	786	785	800	855	898	3,208	3,338
Interest	37	99	43	49	34	313	53	20	228	420
Other Income	1,017	1,166	1,324	1,455	1,641	3,210	1,568	1,511	4,962	7,930
PBT before EO expense	6,211	6,494	6,070	7,622	6,783	10,879	7,575	9,938	26,397	35,175
Extra-Ord expense	0	0	0	-1	0	0	0	0	-1	0
PBT	6,211	6,494	6,070	7,623	6,783	10,879	7,575	9,938	26,398	35,175
Tax	1,584	1,776	1,513	1,905	1,726	2,851	1,794	2,661	6,778	9,032
Rate (%)	25.5	27.3	24.9	25.0	25.4	26.2	23.7	26.8	25.7	25.7
Reported PAT	4,627	4,718	4,557	5,718	5,057	8,028	5,781	7,277	19,620	26,143
Adj PAT	4,627	4,718	4,557	5,717	5,057	8,028	5,781	7,277	19,619	26,143
YoY Change (%)	86.8	38.8	50.6	49.8	9.3	70.2	26.9	27.3	55.5	33.3
Margins (%)	11.5	9.7	9.4	9.8	10.5	14.0	11.1	11.6	10.0	11.8

Thermax**Neutral****CMP: INR5,098 | TP: INR4,950 (-3%)****EPS CHANGE (%): FY25|26: -|-**

- We expect revenue to grow 11% YoY and EBITDA margin to expand 140bp YoY to 10.2%.
- Key monitorables – large order pipeline, margin outlook, chemicals segment and subsidiary performance.
- We expect healthy YoY EBITDA and PAT growth of 28% and 13%, respectively.
- Performance of key subsidiaries (FEPL, TOESL) to be monitored closely.

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

Y/E March	FY24				FY25E				FY24	FY25E
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	19,330	23,025	23,244	27,637	21,844	25,633	28,172	34,824	93,235	1,10,474
YoY Change (%)	16.8	10.9	13.4	19.6	13.0	11.3	21.2	26.0	15.2	18.5
Total Expenditure	18,008	20,978	21,369	24,905	20,433	23,008	25,198	31,294	85,261	99,933
EBITDA	1,322	2,046	1,874	2,732	1,412	2,625	2,974	3,530	7,974	10,541
Margins (%)	6.8	8.9	8.1	9.9	6.5	10.2	10.6	10.1	8.6	9.5
Depreciation	294	330	358	499	360	394	431	475	1,481	1,660
Interest	134	198	266	278	275	342	324	324	876	1,265
Other Income	531	659	584	553	841	514	488	488	2,326	2,332
PBT before EO expense	1,425	2,177	1,834	2,507	1,617	2,404	2,706	3,220	7,943	9,948
Extra-Ord expense	506	0	-1,261						-755	0
PBT	919	2,177	3,095	2,507	1,617	2,404	2,706	3,220	8,698	9,948
Tax	315	589	721	633	519	608	685	705	2,258	2,517
Rate (%)	34.3	27.0	23.3	25.2	32.1	25.3	25.3	21.9	26.0	25.3
Reported PAT	600	1,586	2,371	1,876	1,094	1,796	2,022	2,519	6,432	7,431
Adj PAT	932	1,586	1,403	1,952	1,094	1,796	2,022	2,519	5,873	7,431
YoY Change (%)	58.1	45.3	11.0	24.9	17.4	13.2	44.1	29.1	42.7	15.5
Margins (%)	4.8	6.9	6.0	7.1	5.0	7.0	7.2	7.2	6.3	6.7

Triveni Turbine**Buy****CMP: INR712 | TP: INR830 (+17%)****EPS CHANGE (%): FY25|26: -|-**

- We expect revenue growth of 26% YoY on account of robust traction in exports and aftermarket, while domestic would be relatively muted.
- Key monitorables – Domestic order inflow, inquiry pipeline and trend in the US business.
- We expect EBITDA margin to improve ~130bp YoY, led by higher aftermarket and exports share.
- Domestic ordering, update on API turbines and performance of 30-100MW segment need to be observed.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	3,764	3,878	4,317	4,581	4,633	4,879	5,285	5,531	16,539	20,328
YoY Change (%)	45.3	32.4	32.5	23.9	23.1	25.8	22.4	20.8	32.6	22.9
Total Expenditure	3,055	3,134	3,480	3,682	3,677	3,879	4,202	4,404	13,351	16,161
EBITDA	709	744	837	898	956	1,000	1,083	1,128	3,188	4,167
Margins (%)	18.8	19.2	19.4	19.6	20.6	20.5	20.5	20.4	19.3	20.5
Depreciation	49	51	55	53	62	62	62	63	208	249
Interest	7	6	6	7	10	5	5	0	27	20
Other Income	134	146	172	171	194	194	198	208	622	794
PBT before EO expense	786	832	949	1,009	1,078	1,126	1,215	1,273	3,576	4,692
PBT	786	832	949	1,009	1,078	1,126	1,215	1,273	3,576	4,692
Tax	177	190	264	252	274	283	305	317	883	1,180
Rate (%)	22.4	22.8	27.8	25.0	25.4	25.1	25.1	24.9	24.7	25.1
MI & Profit/Loss of Asso. Cos.	0	-2	-2	5					2	
Reported PAT	610	644	686	751	804	843	909	956	2,691	3,512
Adj PAT	610	644	686	751	804	843	909	956	2,691	3,512
YoY Change (%)	59.2	39.0	30.4	35.1	31.8	31.0	32.6	27.2	39.5	30.3
Margins (%)	16.2	16.6	15.9	16.4	17.4	17.3	17.2	17.3	16.3	17.3

Zen Technologies**Buy****CMP: INR1,707 | TP: INR1,900 (+11%)****EPS CHANGE (%): FY25|26: +1|+3**

- Expect revenue to improve sharply on a low base of last year on account of strong order book and execution of orders in domestic market and export orders.
- Key monitorables – Order inflows of both, simulators & anti-drones in domestic and export market in following years.
- We expect EBITDA margin to improve ~100bp YoY and a strong growth in PAT on improved order book mix.
- We increase our TP on slightly higher margin expectations.
- Launch of new remote-controlled weapon systems, and grant of patent for Advanced Infantry Training System, to support future growth

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,324	640	981	1,357	2,540	2,001	2,274	2,281	4,303	9,094
YoY Change (%)	298.5	203.1	197.8	83.0	91.7	212.5	131.8	68.0	166.5	111.4
Total Expenditure	663	423	539	906	1,508	1,301	1,428	1,403	2,530	5,639
EBITDA	662	218	442	451	1,032	700	846	878	1,772	3,456
Margins (%)	50.0	34.0	45.1	33.2	40.6	35.0	37.2	38.5	41.2	38.0
Depreciation	15	18	19	22	22	23	23	23	73	90
Interest	4	4	4	6	10	6	6	6	18	28
Other Income	26	48	42	23	30	35	35	35	139	137
PBT before EO expense	670	243	461	446	1,030	707	853	885	1,820	3,475
PBT	670	243	461	422	1,030	707	853	885	1,796	3,475
Tax	199	70	144	140	288	212	256	297	552	1,053
Rate (%)	29.6	28.7	31.2	33.2	28.0	30.0	30.0	33.6	30.7	30.3
Reported PAT	471	173	317	282	742	495	597	588	1,244	2,422
Adj PAT	471	173	317	306	742	495	597	588	1,268	2,422
YoY Change (%)	474.2	279.1	467.2	77.3	57.4	185.5	88.5	91.9	237.0	90.9
Margins (%)	35.6	27.1	32.3	22.6	29.2	24.7	26.3	25.8	29.5	26.6

Cement

Company

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

Muted volume growth; weak prices hurt profitability

Estimate ~1% YoY volume growth for our coverage universe in 2QFY25

- We estimate our cement coverage universe to report a volume growth of ~1% YoY (three-year CAGR of ~7%) in 2QFY25. Further, we estimate an average capacity utilization of ~67% vs. ~74%/78% in 2QFY24/1QFY25.
- Cement prices were on a downward trend till Jul'24. During Aug'24-Sep'24, industry players across markets attempted to increase prices by INR10-20/bag. However, a partial hike of around INR5-6/bag was sustained. Despite this, the all-India average cement price was down ~7%/1% YoY/QoQ in 2QFY25. We estimate the blended realization for our coverage universe to decline ~7%/1% YoY/QoQ.
- We estimate the average EBITDA/t to decline ~27%/22% YoY/QoQ to INR674 due to weak realization. The aggregate EBITDA of our coverage universe is estimated to decline 26% YoY to INR49.3b and OPM to contract 3.6pp YoY to 13.9%.
- GRASIM's revenue is estimated to increase 17% YoY. VSF volume is estimated to grow 3% YoY, while realization is estimated to decline 1% YoY (up 2% QoQ). Its chemical segment's volume is estimated to decline 7% YoY, while realization could increase 13% YoY. Further, total EBITDA is likely to dip 34% YoY to INR3.9b and OPM will be at ~5%, down 4.0pp YoY. Meanwhile, PAT is estimated to increase ~16% YoY to INR9.2b, driven by higher other income (up ~65% YoY, dividend received from UTCCEM).

Seasonally weak quarter, margin under pressure due to poor pricing

- Cement volume growth is estimated at ~1% YoY in 2QFY25 amid the monsoon season and slow recovery in demand during the quarter. We estimate ~5% YoY volume growth for ACC, ACEM (Consol.), DALBHARA, and UTCCEM, followed by ~2% growth for JKCE and JKLC. However, volume is estimated to decline ~7-8% YoY for BCORP, SRCM, and TRCL and ~25% for ICEM.
- Cement prices corrected for nine consecutive months (Nov'23 to Jul'24). Thus, industry players implemented a price hike of INR10-20/bag in Aug'24-Sep'24. However, a partial hike of INR5-6/bag was sustained across regions. As a result, the all-India average price declined ~7%/1% YoY/QoQ in 2QFY25.
- The average opex/t for our coverage universe is estimated to decline 4% YoY (up 3% QoQ), due to a reduction in variable costs. We estimate the average variable cost/t to decline INR155 YoY, while freight cost and other expenses per ton remain flat YoY.
- We estimate ACEM, BCORP, and TRCL to report an EBITDA decline of ~38-41% YoY, followed by ~29-30% YoY decline for SRCM/JKLC, ~22-23% decline for ACC, DALBHARA, and JKCE, and ~15% decline for UTCCEM. ICEM is estimated to report an operating loss of INR310m compared to EBITDA of INR81m in 2QFY24.
- We estimate an EBITDA/t of INR816 for SRCM (the highest within our coverage universe), followed by INR787 for JKCE and INR775 for UTCCEM. EBITDA/t is estimated to be between INR500 and INR700 for ACC, ACEM, DALBHARA, JKLC, TRCL, and INR436 for BCORP. ICEM's operating loss/t is estimated at INR276.

Reduced earnings to factor in lower volume growth and pricing estimates

- Cement prices remained under pressure amid higher competitive intensity, followed by a slowdown in demand. After nine consecutive months of price decline (Nov'23 to Jul'24), industry players attempted a price hike of INR10-20/bag during Aug'24-Sep'24. However, a hike of INR5-6/bag was sustained by the end of 2QFY25.
- Further, volume growth in 2QFY25 is estimated to be lower due to extended monsoon in many parts of the country and slow pickup in cement demand. We estimate volume growth of our cement coverage universe to be ~6% YoY in FY25 vs. previous estimate of ~8% YoY growth.
- Given the weak cement pricing and lower demand, we cut our aggregate EBITDA estimates by 8%/2% for FY25/FY26. This, in turn, has led to 11%/3% reduction in aggregate profit for companies in our coverage universe for FY25/FY26.

Sector outlook and recommendations

- We estimate industry volume growth of 6-7% YoY in FY25 (which implies volume growth of ~10% YoY in 2HFY25 vs. ~2% in 1HFY25) vs. the previous estimate of 7-8%.
- Recently, petcoke prices have declined and current spot prices may result in the fuel consumption cost reduction of INR70/t by the end of 3QFY25 over the 1QFY25 average.
- We shift our valuation multiples for our coverage companies to Sep'26E from Jun'26E. We prefer UTCEM and GRASIM in the large-cap space, while JKCE is our preferred pick in the mid-cap space.

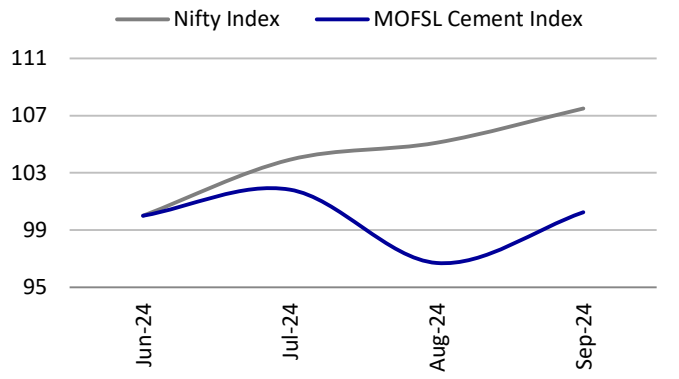
Exhibit 1: Summary of our 2QFY25 estimates

Companies	CMP (INR)	Rating	Sales (INR m)			EBITDA (INR m)			PAT (INR m)		
			Sep-24	YoY (%)	QoQ (%)	Sep-24	YoY (%)	QoQ (%)	Sep-24	YoY (%)	QoQ (%)
ACC	2,510	Buy	43,122	(3)	(16)	4,301	(22)	(36)	1,981	(48)	(46)
Ambuja Cements	632	Buy	70,982	(4)	(15)	8,039	(38)	(37)	3,749	(53)	(42)
Birla Corporation	1,288	Buy	19,407	(15)	(11)	1,695	(41)	(34)	(319)	Loss	Loss
Dalmia Bharat	1,957	Buy	31,214	(1)	(14)	4,550	(23)	(32)	571	(52)	(75)
Grasim Industries	2,802	Buy	75,544	17	10	3,928	(34)	21	9,242	16	NM
India Cements	365	Sell	8,698	(29)	(10)	-490	NM	58	(1,308)	Loss	Loss
J K Cements	4,620	Buy	26,818	(3)	(4)	3,625	(22)	(25)	905	(50)	(51)
JK Lakshmi Cem.	785	Buy	14,107	(10)	(10)	1,532	(30)	(31)	262	(72)	(63)
Shree Cement	26,502	Neutral	38,124	(17)	(21)	6,139	(29)	(33)	738	(85)	(77)
The Ramco Cements	878	Neutral	19,900	(15)	(5)	2,477	(38)	(22)	(134)	Loss	Loss
Ultratech Cement	11,836	Buy	1,56,301	(2)	(14)	21,722	(15)	(29)	9,328	(27)	(44)
Cement			4,61,094	(3)	(10)	53,217	(27)	(29)	23,033	(40)	(24)

Exhibit 2: Comparative valuations

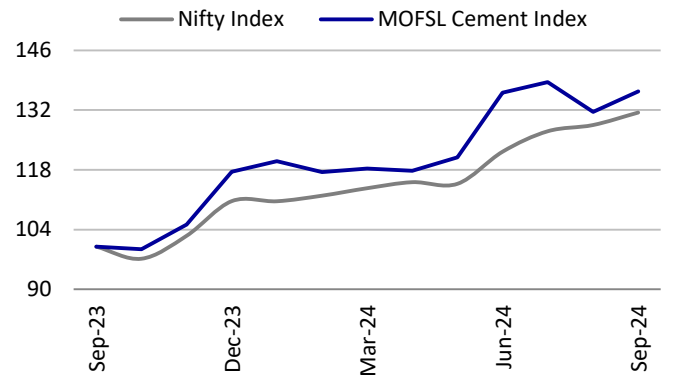
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Cement						45.6	33.7	27.5	3.7	3.3	3.1	8.1	9.9	11.1
ACC	2,510	Buy	87.9	116.2	149.9	28.5	21.6	16.7	2.7	2.4	2.1	9.9	11.8	13.6
Ambuja Cements	632	Buy	9.5	15.2	18.9	66.6	41.7	33.4	2.9	2.7	2.5	4.9	6.7	7.8
Birla Corporation	1,288	Buy	31.6	64.4	83.7	40.8	20.0	15.4	1.5	1.4	1.3	3.6	7.1	8.6
Dalmia Bharat	1,957	Buy	52.5	69.5	87.3	37.3	28.1	22.4	2.2	2.0	1.9	5.9	7.4	8.8
Grasim Industries	2,802	Buy	89.5	103.6	120.0	31.3	27.1	23.3	3.4	3.3	3.2	0.9	2.5	4.6
India Cements	365	Sell	-12.4	-1.3	5.2	-29.4	-281.7	70.2	2.2	2.2	2.1	-7.3	-0.8	3.1
J K Cements	4,620	Buy	96.3	136.3	180.9	48.0	33.9	25.5	6.0	5.3	4.5	13.2	16.6	19.1
JK Lakshmi Cem.	785	Buy	26.8	37.2	40.9	29.2	21.1	19.2	2.7	2.4	2.2	9.5	12.1	12.0
Ramco Cements	878	Neutral	11.9	22.2	31.8	73.8	39.5	27.6	2.8	2.7	2.5	3.9	6.9	9.2
Shree Cement	26,502	Neutral	449.3	510.4	589.9	59.0	51.9	44.9	4.4	4.2	3.9	7.7	8.3	9.0
Ultratech Cement	11,836	Buy	250.8	336.6	408.8	47.2	35.2	29.0	5.2	4.3	3.8	11.5	13.5	14.1

Exhibit 3: Relative performance – three months (%)



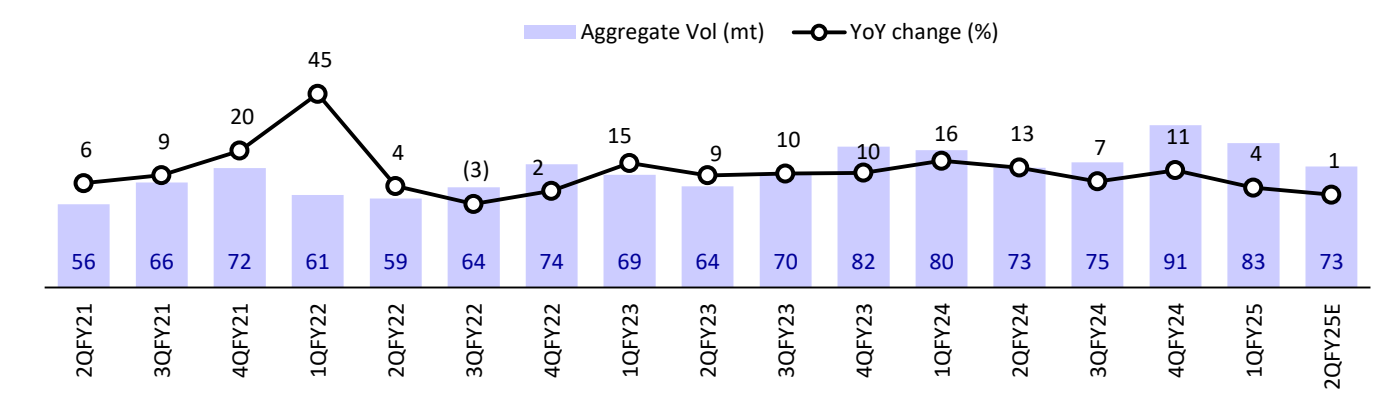
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one year (%)



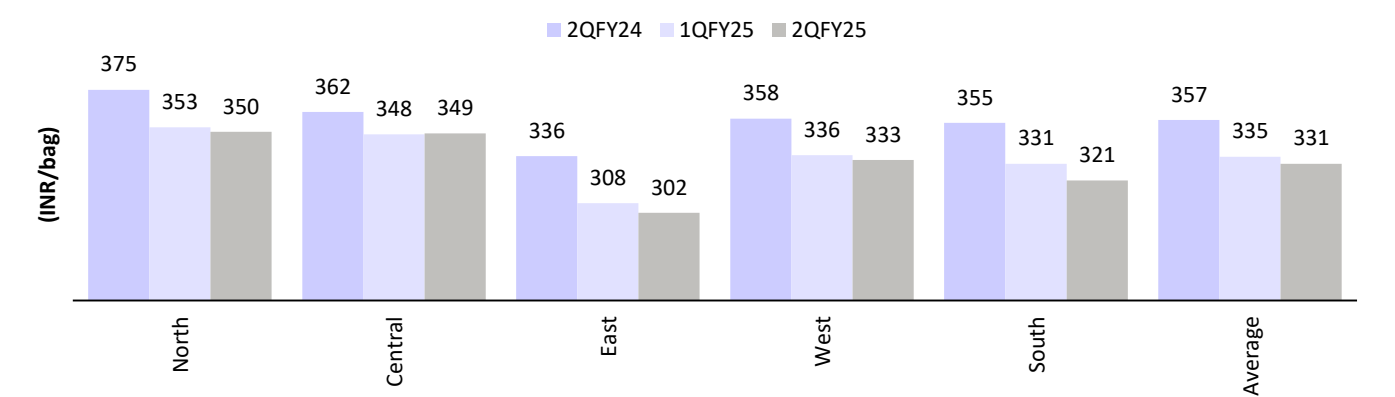
Source: Bloomberg, MOFSL

Exhibit 5: Expect 1% YoY growth in the aggregate sales volume for our coverage universe



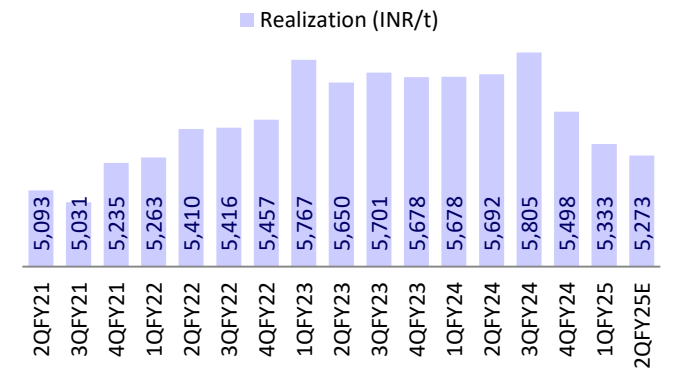
Source: MOFSL, Company, E: MOFSL estimate

Exhibit 6: Pan-India average cement price down ~7%/1% YoY/QoQ



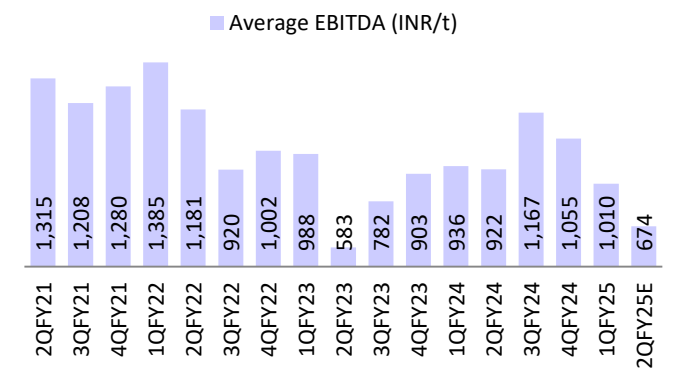
Source: MOFSL, Industry

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



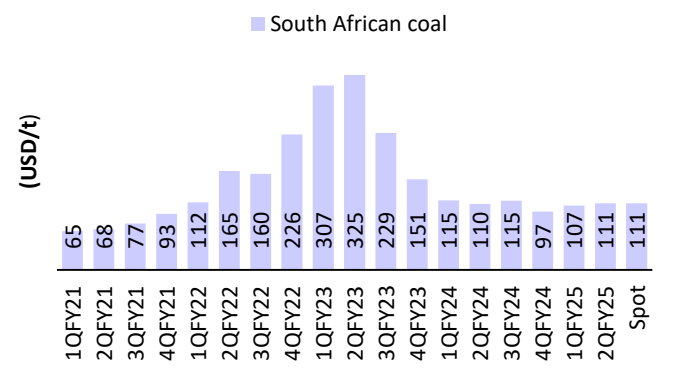
Source: MOFSL; E: MOFSL estimate

Exhibit 8: Expect EBITDA/t to decline 27%/22% YoY/QoQ



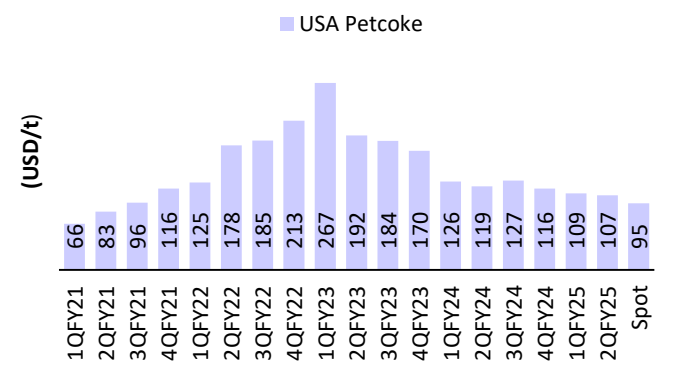
Source: Company, MOFSL; E: MOFSL estimate

Exhibit 9: Average South African coal price up 1% YoY in 2Q



Source: Bloomberg, MOFSL

Exhibit 10: Average US Petcoke price down 11% YoY in 2Q



Source: Company, Industry

Exhibit 11: Key operating parameters

Companies	Volume (mt)			Realization (INR/t)			EBITDA (INR/t)		
	2QFY25	YoY (%)	QoQ (%)	2QFY25	YoY (INR)	QoQ (INR)	2QFY25	YoY (INR)	QoQ (INR)
ACC	8.5	5.0	(16.6)	5,070	(405)	16	506	(171)	(158)
Ambuja Cements	13.8	5.0	(12.9)	5,160	(507)	(100)	584	(409)	(226)
Birla Corporation	3.9	(7.0)	(11.2)	4,992	(476)	(8)	436	(255)	(154)
Dalmia Bharat	6.5	5.0	(12.0)	4,793	(286)	(100)	699	(251)	(205)
India Cements	1.8	(25.0)	(9.4)	4,893	(263)	(61)	(276)	(310)	(118)
JK Cement	4.6	1.6	(4.9)	5,821	(247)	28	787	(242)	(216)
JK Lakshmi Cement	2.8	2.3	(8.0)	5,049	(714)	(100)	548	(247)	(184)
The Ramco Cements	4.2	(8.0)	(2.7)	4,692	(361)	(100)	584	(281)	(149)
Shree Cement	7.5	(8.2)	(22.0)	5,070	(524)	55	816	(245)	(134)
UltraTech Cement	28.0	5.0	(12.3)	5,578	(422)	(78)	775	(181)	(176)
Sector aggregate/avg.	73.1	0.7	(12.3)	5,273	(419)	(59)	674	(247)	(185)

Exhibit 12: Valuation summary

Company Name	M-cap (USD b)	CMP INR	Rating	EV/EBITDA (x)			EV/t (USD)			Net debt/EBITDA (x)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Cement												
ACC	5.6	2,510	Buy	13.9	10.5	7.9	117	107	93	(1.9)	(1.9)	(2.1)
Ambuja Cements	15.0	632	Buy	27.6	19.4	15.2	214	178	166	(4.7)	(1.8)	(1.8)
Birla Corporation	1.2	1,288	Buy	10.8	7.8	6.9	75	67	63	2.7	1.8	1.5
Dalmia Bharat	4.4	1,957	Buy	12.5	10.5	8.8	91	88	85	0.5	0.2	(0.2)
India Cements	1.3	365	Sell	Loss	35.9	21.0	110	108	106	Loss	6.2	3.2
JK Cements	4.3	4,620	Buy	19.3	15.0	12.3	179	155	153	2.4	2.0	1.5
JK Lakshmi Cement	1.1	785	Buy	11.3	8.7	8.0	73	67	66	2.0	2.0	1.9
Ramco Cements	2.5	878	Neutral	16.6	13.4	11.2	121	115	115	3.5	2.9	2.5
Shree Cement	11.4	26,502	Neutral	21.5	18.4	16.4	186	162	144	(1.3)	(0.8)	(0.4)
Ultratech Cement	40.8	11,836	Buy	25.1	19.1	15.8	243	216	195	(0.0)	(0.2)	(0.5)

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

ACC**Buy****CMP: INR2,510 | TP: INR3,170 (+26%)****EPS CHANGE (%): FY25 | 26: -20.4 | -13.5**

- Expect sales volume to grow 5% YoY, whereas blended realization to decline 7% YoY.
- Expect EBITDA/t at INR506 vs. INR677/INR664 in 2QFY24/1QFY25.
- Expect variable cost/t to decline 3% YoY and opex/t to decline 5% YoY.
- Adj. PAT is likely to decline 48% YoY due to lower EBITDA and lower other income (estimated to decline 53% YoY).

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Cement Sales (mt)	9.40	8.10	8.88	10.44	10.20	8.51	9.68	11.45	36.9	39.83
Change (YoY %)	23.8	18.2	15.3	24.0	8.5	5.0	9.0	9.6	19.5	8.0
Net Sales	52.0	44.3	49.2	54.0	51.6	43.1	51.0	60.2	199.5	205.9
Change (YoY %)	16.4	11.2	8.4	12.7	(0.9)	(2.8)	3.6	11.5	(10.2)	3.2
EBITDA	7.7	5.5	9.0	8.4	6.8	4.3	7.7	10.5	30.6	29.2
Margin (%)	14.8	12.4	18.4	15.5	13.1	10.0	15.1	17.4	15.3	14.2
Depreciation	2.0	2.1	2.3	2.3	2.2	2.3	2.3	2.4	8.8	9.2
Interest	0.3	0.3	0.3	0.7	0.3	0.4	0.4	0.4	1.5	1.4
Other Income	0.8	2.1	0.8	1.2	0.7	1.0	0.8	0.9	4.9	3.4
PBT before EO Item	6.2	5.2	7.2	6.6	4.9	2.6	5.8	8.6	25.2	22.0
EO Income/(Expense)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT after EO Item	6.2	5.2	7.2	6.6	4.9	2.6	5.8	8.6	25.2	22.0
Tax	1.6	1.3	1.9	-0.9	1.3	0.7	1.5	2.1	3.9	5.5
Rate (%)	25.5	25.5	26.6	(13.2)	25.6	25.0	25.0	24.6	15.7	25.0
Reported PAT	4.6	3.8	5.3	7.5	3.7	2.0	4.4	6.5	21.2	16.5
Adjusted PAT	4.6	3.8	5.3	4.9	3.7	2.0	4.4	6.5	18.7	16.5
Change (YoY %)	108.8	NM	212.1	72.0	(21.1)	(48.5)	(16.9)	32.3	88.7	(11.5)

Ambuja Cements**Buy****CMP: INR632 | TP: INR740 (+17%)****EPS CHANGE (%): FY25 | 26: -25.0 | -16.7**

- Consolidated volume is expected to increase ~5% YoY. Blended realization is estimated to decline ~9% YoY.
- Consolidated EBITDA/t is expected to be INR584 vs. INR994/INR810 in 2QFY24/1QFY25.
- We estimate variable cost/t to increase ~4% YoY. Opex/t is likely to decline 2% YoY.
- Adj. PAT (after MI) is estimated to decline 53% YoY.

Consolidated quarterly performance**(INR b)**

Y/E December/March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	15.4	13.1	14.1	16.6	15.8	13.8	15.8	19.0	59.2	64.3
Change (YoY %)	9	2	3	18	3	5	12	14	7	9
Net Sales	87.1	74.2	81.3	88.9	83.1	71.0	84.3	102.8	331.6	341.2
Change (YoY %)	8.5	4.1	2.8	11.6	-4.6	-4.4	3.7	15.5	6.5	2.9
EBITDA	16.7	13.0	17.3	17.0	12.8	8.0	13.7	20.1	64.0	54.7
Margin (%)	19.1	17.5	21.3	19.1	15.4	11.3	16.3	19.5	19.3	16.0
Depreciation	3.7	3.8	4.2	4.5	4.7	4.9	5.2	6.0	16.2	20.7
Interest	0.5	0.6	0.7	0.9	0.7	1.0	1.5	1.5	2.8	4.6
Other Income	2.6	4.8	1.9	2.3	3.5	4.6	3.0	3.2	11.7	14.4
PBT before JV profit/(loss)	15.1	13.4	14.4	13.9	11.0	6.9	10.1	15.8	56.7	43.7
Share of JV Profit	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.2	0.2
Extraordinary Inc/(Exp)	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0	2.1	0.0
PBT after EO Exp/(Inc)	15.1	13.4	14.5	16.0	11.0	6.9	10.1	15.9	59.0	44.0
Tax	3.8	3.5	3.6	0.8	3.1	1.9	2.8	4.4	11.6	12.3
Prior Period Tax Adj. and Reversal	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	2.6	0.0
Rate (%)	24.9	26.3	24.8	20.8	28.4	28.0	28.0	27.8	19.7	28.0
Reported Profit	11.4	9.9	10.9	15.3	7.9	5.0	7.3	11.4	47.4	31.6
Minority Interest	2.3	1.9	2.7	4.7	1.4	1.2	2.4	3.2	11.6	8.3
Adj. Pat after MI	9.1	7.9	8.2	5.3	6.5	3.7	4.9	8.3	30.5	23.4
Change (YoY %)	20.4	579.6	52.6	(29.4)	(28.6)	(52.7)	(40.9)	55.3	8.2	(23.6)

Birla Corporation**Buy****CMP: INR1,288 | TP: INR1,650 (+28%)****EPS CHANGE (%): FY25|26: -25.0|-21.6**

- Estimate a volume decline of 7% YoY. Blended realization is expected to decline 9%/2% YoY/QoQ.
- Expect EBITDA/t at INR436 vs. INR691/INR590 in 2QFY24/1QFY25.
- Variable cost/t is estimated to decline 17% YoY and opex/t is estimated to decline 5% YoY.
- Estimate it to report a loss of INR319m as compared to adj. PAT of INR586m in 2QFY24.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	4.4	4.2	4.2	4.9	4.4	3.9	4.5	5.3	17.7	18.0
Change (YoY %)	12.2	14.8	12.9	9.2	(0.7)	(7.0)	6.0	8.9	12.2	2.0
Cement Realization (INR/t)	5,229	5,211	5,316	5,218	4,843	4,743	4,893	4,998	5,239	4,879
Change (YoY %)	(2.2)	1.2	2.7	(1.2)	(7.4)	(9.0)	(7.9)	(4.2)	(0.0)	(6.9)
Net Sales	24.1	22.9	23.1	26.6	21.9	19.4	22.9	27.5	96.6	91.7
Change (YoY %)	9.3	14.3	14.7	7.9	(9.1)	(15.1)	(1.1)	3.7	11.3	(5.1)
EBITDA	3.0	2.9	3.8	4.7	2.6	1.7	2.9	4.5	14.4	11.7
Margin (%)	12.4	12.6	16.4	17.8	11.8	8.7	12.7	16.3	14.9	12.7
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	5.8	5.9
Interest	1.0	1.0	1.0	0.8	0.9	0.9	0.9	0.8	3.7	3.4
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.9	0.9
Profit before Tax	0.8	0.8	1.5	2.7	0.4	-0.4	0.8	2.4	5.7	3.3
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-
Profit before Tax after EO	0.8	0.8	1.5	2.7	0.4	-0.4	0.8	2.4	5.8	3.3
Tax	0.2	0.2	0.4	0.8	0.1	-0.1	0.2	0.6	1.6	0.8
Rate (%)	21.7	24.3	28.9	29.2	25.9	25.9	25.9	25.4	27.5	25.5
Reported PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.6	1.8	4.2	2.4
Adj. PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.6	1.8	4.2	2.4
Margin (%)	2.5	2.6	4.7	7.1	1.5	-1.6	2.6	6.6	4.3	2.7
Change (YoY %)	(16.2)	NM	NM	164.6	(45.4)	NM	(45.0)	(3.0)	1,052.2	(41.5)

Dalmia Bharat**Buy****CMP: INR1,957 | TP: INR2,390 (+22%)****EPS CHANGE (%): FY25|26: +0.1|-0.2**

- Estimate sales volume to grow 5% YoY and realization to decline 6% YoY.
- Estimate EBITDA/t to be INR699 vs. INR950/INR904 in 2QFY24/1QFY25.
- Estimate variable cost/t to decline 6% YoY. Opex/t is likely to decline 1% YoY.
- Depreciation is estimated to decline 16% YoY. Adj. PAT is estimated to dip 52% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	7.0	6.2	6.8	8.8	7.4	6.5	7.4	9.6	28.8	31.0
Change (YoY %)	12.4	6.9	7.9	18.9	6.2	5.0	9.2	9.4	12.1	7.5
Realization (INR/t)	5,209	5,079	5,300	4,894	4,893	4,793	4,943	5,028	5,101	4,926
Change (YoY %)	-2.2	-0.8	-0.5	-7.4	-6.1	-5.6	-6.7	2.7	-3.2	-3.4
Net Sales	36.3	31.5	36.0	43.1	36.2	31.2	36.7	48.4	146.9	152.5
Change (YoY %)	10.0	6.0	7.4	10.1	-0.3	-0.9	1.8	12.4	8.5	3.8
EBITDA	6.2	5.9	7.8	6.5	6.7	4.6	6.6	10.9	26.4	28.7
Margin (%)	17.0	18.7	21.6	15.2	18.5	14.6	17.9	22.5	18.0	18.8
Depreciation	4.0	4.0	3.7	3.3	3.2	3.4	3.5	3.7	15.0	13.7
Interest	0.8	1.0	1.1	0.9	1.0	1.0	1.0	1.0	3.9	4.0
Other Income	0.5	0.9	0.6	1.2	0.5	0.7	0.7	0.9	3.2	2.7
PBT before EO Expense	1.9	1.7	3.6	3.5	3.1	0.9	2.8	7.1	10.7	13.8
Extra-Ord. Expense	0.0	0.0	0.0	0.0	1.1	0.0	0.0	0.0	0.0	1.1
PBT after EO Expense	1.9	1.7	3.6	3.5	1.9	0.9	2.8	7.1	10.7	12.7
Tax	0.4	0.5	1.0	0.3	0.5	0.2	0.8	2.0	2.2	3.5
Prior Period Tax Adj.	0.0	0.0	0.1	-0.6	0.0	0.0	0.0	0.0	-0.6	0.0
Rate (%)	22.2	27.9	24.7	26.7	16.0	27.0	27.0	28.7	15.0	27.7
Reported PAT (pre-minority)	1.4	1.2	2.7	3.2	1.5	0.6	2.1	5.0	8.5	9.2
Minority + Associate	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.3	0.2
PAT Adj. for EO Items	1.2	1.2	2.7	2.5	2.3	0.6	2.0	5.0	7.6	9.8
Change (YoY %)	-36.9	325.0	33.8	-3.1	82.9	-52.0	-24.4	96.9	11.5	28.7

Grasim Industries

Buy

CMP: INR2,802 | TP: INR3,230 (+15%)

EPS CHANGE (%): FY25|26: -8.1|-6.0

- Expect revenue for the VSF/Chemical segments to increase 2%/5% YoY.
- EBITDA for the VSF segment is expected to grow 1% YoY and OPM is likely to remain flat YoY at 12.0%.
- The Chemical segment's EBITDA is expected to increase 33% YoY and OPM to surge 3.3pp YoY to 15.2%.
- Expect blended EBITDA/kg at INR20.9 for the VSF segment vs. INR21.2/INR18.3 in 2QFY24/1QFY25.
- Standalone EBITDA is likely to decline 34% YoY to INR3.9b and OPM is estimated to contract 4.0pp YoY to 5.2%.
- Interest/depreciation are estimated to increase 39%/23% YoY. Adjusted profit is expected to increase 16% YoY to INR9.2b.

Standalone performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	62.4	64.4	64.0	67.7	68.9	75.5	84.1	89.4	258.5	318.0
Change (YoY %)	(14.0)	(4.5)	3.3	1.8	10.5	17.3	31.5	32.1	(3.7)	23.0
EBITDA	6.7	5.9	5.2	5.3	3.3	3.9	5.5	7.3	23.2	20.0
Margin (%)	10.8	9.2	8.2	7.8	4.7	5.2	6.5	8.2	9.0	6.3
Depreciation	2.9	2.9	3.0	3.4	3.5	3.6	3.8	4.2	12.2	15.0
Interest	1.1	1.1	1.1	1.2	1.4	1.5	1.5	1.7	4.4	6.1
Other Income	1.2	7.6	1.2	2.6	0.9	12.6	1.3	1.3	12.6	16.0
PBT before EO Items	4.0	9.6	2.4	3.3	-0.7	11.4	1.4	2.8	19.2	14.9
Extraordinary Inc./ (Exp.)	-	-	-	(7.2)	-	-	-	-	(7.2)	-
PBT after EO Items	4.0	9.6	2.4	-3.9	-0.7	11.4	1.4	2.8	12.0	14.9
Tax	0.4	1.6	0.0	0.5	-0.2	2.2	0.3	0.5	2.6	2.8
Rate (%)	10.2	16.8	1.2	(13.5)	25.8	19.0	19.0	19.0	21.3	18.7
Reported PAT	3.6	7.9	2.4	-4.4	-0.5	9.2	1.1	2.3	9.5	12.1
Prior period tax/DTL reversal	-	-	-	-	-	-	-	-	-	-
Adj. PAT	3.6	7.9	2.4	2.3	-0.5	9.2	1.1	2.3	16.2	12.1
Margin (%)	5.7	12.3	3.7	3.4	-0.8	12.2	1.4	2.5	6.3	3.8
Change (YoY %)	(56.1)	(22.9)	46.9	145.3	(114.7)	16.3	(51.7)	(1.2)	(22.8)	(24.9)

India Cements

Sell

CMP: INR365 | TP: INR310 (-15%)

EPS CHANGE (%): FY25|26: N.A. | N.A.

- Expect sales volume to decline 25% YoY and blended realization to decline 5% YoY.
- Expect operating loss/t of INR276 vs. EBITDA/t of INR34 in 2QFY24 and operating loss/t of INR158 in 1QFY25.
- Expect variable cost/t to decline 4% YoY. Opex/t is likely to increase 1% YoY.
- ICEM is estimated to report a net loss of INR1.3b vs. a loss of INR814m/INR1.2b in 2QFY24/1QFY25.

Standalone performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	2.7	2.4	2.0	2.4	2.0	1.8	2.1	2.6	9.5	8.4
Change (YoY %)	(0.2)	5.1	(9.0)	(12.5)	(26.4)	(25.0)	4.0	7.3	(4.4)	(11.0)
Realization (INR/t)	5,225	5,157	5,450	5,112	4,954	4,893	5,009	5,008	5,226	4,972
Change (YoY %)	(3.5)	(7.4)	(2.5)	(2.5)	(5.2)	(5.1)	(8.1)	(2.0)	(3.9)	(4.9)
Net Sales	13.9	12.2	10.8	12.5	9.7	8.7	10.3	13.1	49.4	41.8
Change (YoY %)	(3.7)	(2.6)	(11.3)	(14.7)	(30.3)	(28.8)	(4.4)	5.1	(8.1)	(15.3)
EBITDA	0.1	0.1	0.5	0.5	(0.3)	(0.5)	0.1	0.4	1.1	(0.3)
Margin (%)	0.4	0.7	4.5	3.8	(3.2)	(5.6)	1.2	3.1	2.2	(0.7)
Depreciation	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5	2.2	2.2
Interest	0.6	0.6	0.6	0.6	0.8	0.8	0.8	0.8	2.4	3.2
Other Income	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.5	0.4
PBT before EO Expense	(1.0)	(1.0)	(0.5)	(0.5)	(1.6)	(1.8)	(1.1)	(0.7)	(3.0)	(5.2)
Extra-Ord. Expense	-	-	(0.3)	(0.2)	(2.4)	-	-	-	(0.4)	(2.4)
PBT	(1.0)	(1.0)	(0.2)	(0.3)	0.8	(1.8)	(1.1)	(0.7)	(2.5)	(2.8)
Tax	(0.2)	(0.2)	(0.1)	(0.0)	0.2	(0.5)	(0.3)	(0.2)	(0.5)	(0.7)
Rate (%)	23.9	17.6	31.3	10.9	26.6	26.6	26.6	23.1	20.5	25.7
Reported PAT	(0.8)	(0.8)	(0.2)	(0.3)	0.6	(1.3)	(0.8)	(0.6)	(2.0)	(2.1)
Tax	-	-	-	-	-	-	-	-	-	-
Adj. PAT	(0.8)	(0.8)	(0.3)	(0.4)	(1.2)	(1.3)	(0.8)	(0.5)	(2.3)	(3.9)
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margin (%)	(5.4)	(6.7)	(3.2)	(3.5)	(12.3)	(15.0)	(7.9)	(4.1)	(4.7)	(9.2)

JK Cement**Buy****CMP: INR4,620 | TP: INR5,270 (+14%)****EPS CHANGE (%): FY25|26: -14.0|-11.1**

- Estimate JKCE's volume to grow 2% YoY. Blended realization is estimated to decline 4% YoY.
- Variable cost/t is likely to dip 9% YoY. Opex/t is estimated to remain flat YoY.
- Estimate EBITDA/t at INR787 vs. INR1,029/INR1,003 in 2QFY24/1QFY25.
- Depreciation/interest costs to increase 9%/3% YoY. Adj. PAT is estimated to decline 50% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	4.6	4.5	4.7	5.2	4.8	4.6	5.1	5.8	19.07	20.34
Change (YoY %)	25.4	24.5	13.5	11.3	4.7	1.6	8.5	11.2	17.5	6.6
Realization (INR/t)	5,968	6,068	6,238	5,974	5,793	5,821	5,900	5,871	6,060	5,848
Change (YoY %)	(2.9)	(1.1)	6.1	0.5	(2.9)	(4.1)	(5.4)	(1.7)	1.2	(3.5)
Net Sales	27.6	27.5	29.3	31.1	28.1	26.8	30.1	33.9	115.6	118.9
Change (YoY %)	21.7	23.1	20.5	11.8	1.6	(2.6)	2.6	9.2	18.9	2.9
EBITDA	4.1	4.7	6.3	5.6	4.9	3.6	5.3	6.5	20.6	20.3
Margin (%)	14.8	17.0	21.3	18.0	17.3	13.5	17.7	19.2	17.8	17.1
Depreciation	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.5	5.7	6.0
Interest	1.1	1.2	1.1	1.1	1.1	1.2	1.2	1.2	4.5	4.7
Other Income	0.3	0.3	0.4	0.5	0.4	0.4	0.5	0.3	1.5	1.6
PBT before EO Expense	2.0	2.4	4.1	3.4	2.7	1.4	3.1	4.0	11.9	11.2
Extra-Ord. Expense	0.2	-	-	(0.1)	-	-	-	-	0.1	-
PBT	1.8	2.4	4.1	3.5	2.7	1.4	3.1	4.0	11.8	11.2
Tax	0.7	0.7	1.3	1.3	0.9	0.5	1.0	1.4	3.9	3.8
Profit from Associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-	(0.0)	(0.0)
Rate (%)	37.2	26.9	30.6	36.7	32.3	33.6	33.6	34.5	32.4	33.6
Reported PAT	1.1	1.8	2.8	2.2	1.9	0.9	2.1	2.6	8.0	7.4
Adj. PAT	1.2	1.8	2.8	2.1	1.9	0.9	2.1	2.6	8.0	7.4
Change (YoY %)	(23.7)	59.8	628.0	90.3	49.3	(49.6)	(27.6)	23.1	87.9	(7.1)

JK Lakshmi**Buy****CMP: INR785 | TP: INR970 (+24%)****EPS CHANGE (%): FY25|26: -23.1|-19.8**

- Sales volume is expected to increase 2% YoY. Realization is likely to decline 12% YoY.
- We expect opex/t to decline ~9% YoY. Variable cost is likely to decline ~16% YoY.
- EBITDA/t is estimated at INR548 vs. INR795/INR732 in 2QFY24/1QFY25.
- Depreciation/interest costs are expected to increase 27%/49% YoY. PAT is estimated to decline 72% YoY.

Consolidated performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	3.04	2.73	2.96	3.26	3.04	2.79	3.20	3.54	11.99	12.57
Change (YoY %)	1.2	12.3	7.6	0.9	0.0	2.3	8.0	8.5	5.0	4.8
Realization (INR/t)	5,699	5,763	5,753	5,459	5,149	5,049	5,199	5,264	5,662	5,172
Change (YoY %)	3.4	2.1	1.3	(5.2)	(9.6)	(12.4)	(9.6)	(3.6)	0.2	(8.6)
Net Sales	17.3	15.7	17.0	17.8	15.6	14.1	16.6	18.6	67.9	65.0
Change (YoY %)	4.6	14.6	9.0	(4.4)	(9.6)	(10.4)	(2.4)	4.6	5.2	(4.2)
EBITDA	2.0	2.2	3.0	3.4	2.2	1.5	2.4	3.3	10.5	9.5
Margin (%)	11.3	13.8	17.7	18.9	14.2	10.9	14.5	17.6	15.5	14.5
Depreciation	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	2.5	2.9
Interest	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.5	1.5	2.0
Other Income	0.1	0.1	0.2	0.3	0.1	0.2	0.2	0.3	0.7	0.9
PBT before EO Expense	1.2	1.4	2.1	2.5	1.2	0.5	1.4	2.4	7.2	5.5
Extra-Ord. Expense	-	-	(0.1)	-	-	-	-	-	(0.1)	-
PBT	1.2	1.4	2.2	2.5	1.2	0.5	1.4	2.4	7.3	5.5
Tax	0.4	0.5	0.7	0.9	0.5	0.2	0.5	0.7	2.4	1.8
Prior Period Tax Adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	32.7	32.0	32.7	35.1	43.6	33.2	33.2	28.1	33.4	33.2
Reported PAT	0.8	1.0	1.5	1.6	0.7	0.4	0.9	1.7	4.9	3.6
Adj. PAT	0.8	0.9	1.4	1.6	0.7	0.3	0.8	1.4	4.7	3.2
Change (YoY %)	(29.4)	51.9	80.1	42.7	(10.4)	(71.8)	(40.9)	(12.1)	29.9	(32.2)

The Ramco Cements**Neutral****CMP: INR878 | TP: INR860 (-2%)****EPS CHANGE (%): FY25|26: -35.3|-21.2**

- Expect volume to decline 8% YoY and realization to decline 7% YoY.
- EBITDA/t is estimated at INR584 vs. INR865/INR733 in 2QFY24/1QFY25.
- Expect variable cost/t to decline 8% YoY. Opex/t is likely to decline 2% YoY.
- It is estimated to report a net loss of INR134m vs. Adj. PAT of INR1.0b in 2QFY24.

Quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	4.30	4.61	4.00	5.49	4.36	4.24	4.37	5.98	18.40	18.95
Change (YoY %)	29.9	37.7	9.9	16.8	1.3	(8.0)	9.2	9.0	22.5	3.0
Cement Realization (INR/t)	5,212	5,053	5,265	4,869	4,792	4,692	4,872	4,993	5,081	4,851
Change (YoY %)	(1.6)	(3.8)	(4.5)	(10.9)	(8.1)	(7.1)	(7.5)	2.5	(5.6)	(4.5)
Net Sales	22.4	23.3	21.1	26.7	20.9	19.9	21.3	29.9	93.5	91.9
Change (YoY %)	26.4	30.5	4.8	4.0	(6.8)	(14.6)	1.1	11.8	14.9	(1.7)
EBITDA	3.4	4.0	4.0	4.2	3.2	2.5	3.1	5.9	15.5	14.6
Margin (%)	15.2	17.1	18.8	15.6	15.3	12.4	14.5	19.7	16.6	15.9
Depreciation	1.5	1.6	1.7	1.7	1.7	1.7	1.7	1.7	6.4	6.7
Interest	0.9	1.2	1.0	1.0	1.1	1.1	1.1	1.1	4.2	4.5
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4
PBT before EO Expense	1.1	1.4	1.3	1.6	0.5	(0.2)	0.3	3.2	5.4	3.9
PBT	1.1	1.4	1.3	1.6	0.5	(0.2)	0.3	3.2	5.4	3.9
Tax	0.3	0.4	0.4	0.4	0.1	(0.1)	0.1	0.9	1.5	1.1
Prior Year Tax Adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	27.0	26.7	30.8	25.2	26.3	28.0	28.0	27.7	27.3	27.5
Reported PAT	0.8	1.0	0.9	1.2	0.4	(0.1)	0.2	2.3	3.9	2.8
Adj. PAT	0.8	1.0	0.9	1.2	0.4	(0.1)	0.2	2.3	3.9	2.8
Change (YoY %)	(29.7)	783.2	38.6	(20.4)	(55.0)	NM	(74.1)	93.6	15.0	(28.8)
Margin (%)	3.5	4.3	4.4	4.5	1.7	(0.7)	1.1	7.9	4.2	3.1

Shree Cement**Neutral****CMP: INR26,502 | TP: INR26,580 (+0.3%)****EPS CHANGE (%): FY25|26: -11.8|-3.5**

- Expect volume to decline 8% YoY and blended realization to decline 9% YoY.
- We estimate EBITDA/t at INR816 vs. INR1,062/INR951 in 2QFY24/1QFY25.
- Variable cost/t is estimated to decline 16% YoY. Opex/t is likely to decline 6% YoY.
- Depreciation is estimated to increase 78% YoY. Adj. PAT is estimated to decrease 85% YoY.

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	8.92	8.20	8.89	9.53	9.64	7.52	9.62	10.49	35.53	37.28
Change (YoY %)	18.8	9.9	10.7	8.0	8.1	-8.2	8.3	10.1	11.7	4.9
Blended Realization (INR/t)	5,575	5,594	5,513	5,323	5,015	5,070	5,172	5,337	5,496	5,157
Change (YoY %)	-0.5	10.3	8.8	-1.8	-10.0	-9.4	-6.2	0.3	3.9	-6.2
Net Sales	49.7	45.8	49.0	50.7	48.3	38.1	49.8	56.0	195.3	192.2
Change (YoY %)	18.3	21.3	20.4	6.0	-2.7	-16.8	1.6	10.4	16.0	-1.6
EBITDA	9.3	8.7	12.3	13.3	9.2	6.1	11.0	14.7	43.6	41.0
Margin (%)	18.8	19.0	25.2	26.2	19.0	16.1	22.1	26.2	22.3	21.3
Depreciation	3.1	3.3	3.5	6.3	6.4	5.9	6.0	6.2	16.1	24.6
Interest	0.8	0.7	0.6	0.6	0.6	0.6	0.5	0.5	2.6	2.2
Other Income	1.6	1.3	1.4	1.4	1.3	1.3	1.4	1.6	5.6	5.6
PBT before EO Exp.	7.1	6.0	9.7	7.7	3.5	0.9	5.8	9.5	30.5	19.8
Extra-Ord. Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	7.1	6.0	9.7	7.7	3.5	0.9	5.8	9.5	30.5	19.8
Tax	1.3	1.1	2.3	1.1	0.3	0.2	1.2	1.9	5.8	3.6
Rate (%)	18.2	17.6	24.0	14.3	9.4	20.0	20.0	19.7	19.0	18.0
Reported PAT	5.8	4.9	7.3	6.6	3.2	0.7	4.7	7.6	24.7	16.2
Prior Period Tax Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. PAT	5.8	4.9	7.3	6.6	3.2	0.7	4.7	7.6	24.7	16.2
Change (YoY %)	84.2	159.1	165.3	68.8	-45.3	-85.0	-36.3	15.2	110.3	-34.3

UltraTech Cement

Buy

CMP: INR11,836 | TP: INR13,600 (+15%)

EPS CHANGE (%): FY25 | 26: -4.0|--

- Estimate sales volume (consolidated) to increase 5% YoY and blended realization to decline 7% YoY.
- RMC/white cement revenue is expected to increase 9% YoY.
- We expect EBITDA/t at INR775 vs. INR956/INR951 in 2QFY24/1QFY25.
- Variable cost per ton is estimated to decline 7% YoY. Expect opex/t to dip 5% YoY.
- EBITDA is estimated to decline 15% YoY and OPM to decline 2.0pp YoY to ~14%.
- Depreciation/interest expenses are estimated to increase 7%/5% YoY. Adj. PAT is expected to decline 27% YoY.

Consolidated performance

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Volume (mt)	30.0	26.7	27.3	35.1	32.0	28.0	29.6	39.2	119.0	128.8
Change (YoY %)	19.6	15.5	5.6	10.8	6.6	5.0	8.5	11.8	12.6	8.2
Blended Realn. (INR/t)	5,920	5,999	6,127	5,821	5,656	5,578	5,765	5,737	5,957	5,689
Change (YoY %)	-2.2	-0.2	2.1	-1.2	-4.5	-7.0	-5.9	-1.4	-0.4	-4.5
Change (QoQ %)	0.5	1.3	2.1	-5.0	-2.8	-1.4	3.4	-0.5		
Net Sales	177.4	160.1	167.4	204.2	180.7	156.3	170.9	224.9	709.1	732.8
Change (YoY %)	17.0	15.3	7.9	9.4	1.9	-2.4	2.1	10.2	12.1	3.3
Total Expenditure	146.9	134.6	134.9	163.1	150.3	134.6	139.4	175.2	579.4	599.5
EBITDA	30.5	25.5	32.5	41.1	30.4	21.7	31.5	49.8	129.7	133.4
Margin (%)	17.2	15.9	19.4	20.1	16.8	13.9	18.4	22.1	18.3	18.2
Depreciation	7.5	8.0	7.8	8.1	8.4	8.5	8.7	8.8	31.5	34.4
Interest	2.1	2.3	2.6	2.6	2.6	2.5	2.4	2.3	9.7	9.6
Other Income	1.7	1.7	1.4	1.4	1.7	1.7	1.7	1.8	6.2	6.8
PBT before EO Expense	22.6	16.9	23.5	31.7	21.1	12.4	22.2	40.5	94.7	96.1
Extra-Ord. Expense	-	-	-	0.72	(0.33)	-	-	-	0.72	(0.33)
PBT after EO Expense	22.6	16.9	23.5	31.0	21.4	12.4	22.2	40.5	94.0	96.5
Tax	5.8	4.1	5.8	8.5	4.5	3.1	5.5	10.7	24.2	23.8
Prior Period Tax Adj.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate (%)	25.5	24.3	24.7	27.5	20.9	25.0	25.0	26.4	25.7	24.7
Reported PAT	16.9	12.8	17.7	22.5	16.9	9.3	16.6	29.8	69.8	72.7
Minority Interest	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.1	-0.2	0.0
Adj. PAT	16.9	12.8	17.8	23.1	16.7	9.3	16.6	29.7	70.6	72.4
Change (YoY %)	6.3	69.6	67.9	38.7	-1.0	-27.2	-6.4	28.7	39.2	2.6

Specialty Chemicals

Company

Alkyl Amines

Atul

Clean Science

Deepak Nitrite

Fine Organics

Galaxy Surfactants

Navin Fluorine

NOCIL

PI Industries

SRF

Tata Chemicals

Vinati Organics

Sequential recovery seems to be underway

Sustainable or not, only time will tell!

- Geopolitical tensions, including the Red Sea issue, have been pushing up the prices of most of the raw materials and products, as well as container and freight rates, in the near term, which could result in a sharp uptick in realization. The lead time has also increased. There could be aggressive restocking in the short term by customers, which will augur well for chemical companies. Spreads could rise in the short term, which would not be sustainable.
- There was an uptick in export volumes YoY in Jul-Aug'24, though export realization declined by double-digits for most companies, which indicates that pricing pressure persists in the sector. Managements of various companies have said that prices seem to have bottomed out, but a meaningful recovery would only be seen in 2H. Some managements have also started to hint at possible pricing pressures in CY25 as well.
- Prices of organic compounds, such as Propylene (Korea)/Butadiene (Korea)/Benzene, were up by 9%/88%/11% YoY, while prices of Toluene (Korea) decreased by 14% YoY. Among other key materials, Acetic Acid price was down by 14%, while prices of Aniline/Acetone/ACN/IPA rose 5%/21%/4%/2% YoY. Blended Phenol and Acetone spread stood at INR102/kg in 2QFY25 (up 16% YoY). Ammonia price fell 8% YoY, while prices of Caustic Soda Lye/Flakes rose 7%/ 16% YoY in 2Q.
- **We estimate our coverage universe to report:** 1) sales growth of 10% YoY, 2) EBITDA growth of 2% YoY, and 3) Adj. PAT decline of 5% YoY in 2QFY25. Aggregate gross margin is expected to contract 110bp YoY. Aggregate EBITDAM may contract 130bp YoY (expand 10bp QoQ). Margin contraction is anticipated to be for DN, NFIL, SRF and TTCH. Aggregate PAT margin is likely to contract by 160bp YoY in 2QFY25.
- Companies have delayed their capacity expansion plans, although none of them have been shelved completely given the promising long-term volume off-take for the products. However, we expect migration of chemical industries toward the US, the Middle East, and Africa in the long term, where cheaper feedstock is available. The valuation multiples of companies remain elevated. **We have a BUY rating on ATLP, GALSURF, PI and VO.**

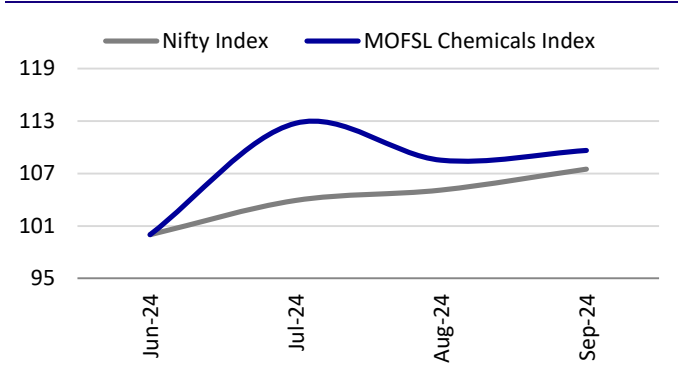
Exhibit 1: Summary of 2QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Alkyl Amines	2408	Neutral	3,976	12.9	-0.5	710	47.0	-10.3	406	49.0	-16.9
Atul	8012	Buy	13,708	14.8	3.7	2,381	53.4	6.7	1,313	43.9	17.2
Clean Science	1626	Neutral	2,406	32.8	7.4	1,078	44.1	13.9	776	48.6	17.6
Deepak Nitrite	2957	Neutral	20,107	13.1	-7.2	2,649	-12.4	-14.3	1,692	-17.5	-16.5
Fine Organic	5335	Sell	5,580	18.3	9.8	1,344	28.8	10.4	1,023	28.9	3.4
Galaxy Surfactants	3048	Buy	10,698	8.8	9.8	1,411	13.0	13.7	901	16.4	13.0
Navin Fluorine	3604	Neutral	5,322	12.8	1.6	1,017	3.5	1.4	513	-15.3	0.2
NOCIL	292	Neutral	3,908	11.4	5.0	458	4.0	15.2	313	16.6	15.1
P I Industries	4732	Buy	23,085	9.0	11.6	6,117	10.9	4.9	4,428	-7.9	-1.3
SRF	2483	Neutral	35,841	12.8	3.5	6,526	1.1	5.2	3,100	-3.1	15.1
Tata Chemicals	1132	Neutral	40,243	0.7	6.2	6,450	-21.2	12.4	2,137	-39.2	58.3
Vinati Organics	2122	Buy	5,354	15.6	2.0	1,319	25.9	5.5	914	26.0	6.2
Chemicals-Specialty			1,70,227	9.6	4.2	31,462	2.4	5.0	17,516	-5.0	7.7

Exhibit 2: Comparative valuations

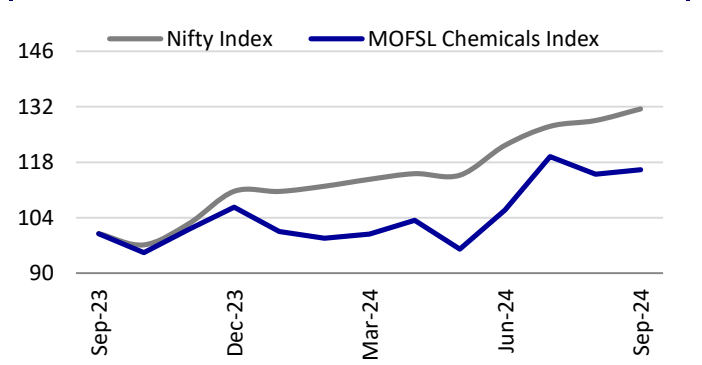
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Chemicals-Specialty						44.6	34.4	28.6	4.8	4.3	3.8	10.7	12.5	13.4
Alkyl Amines	2,408	Neutral	41.5	56.9	74.8	58.0	42.3	32.2	8.8	7.7	6.7	15.9	19.4	22.2
Atul	8,012	Buy	172.6	222.4	275.4	46.4	36.0	29.1	4.3	3.9	3.5	9.5	11.3	12.6
Clean Science	1,626	Neutral	26.8	36.2	43.3	60.6	44.9	37.5	11.9	9.7	7.9	21.5	23.8	23.2
Deepak Nitrite	2,957	Neutral	73.8	80.6	91.1	40.0	36.7	32.5	7.1	6.1	5.2	19.2	17.9	17.3
Fine Organic	5,335	Sell	118.8	119.0	123.7	44.9	44.8	43.1	7.5	6.5	5.7	18.0	15.4	14.0
Galaxy Surfactants	3,048	Buy	97.7	115.0	135.1	31.2	26.5	22.6	4.4	3.9	3.5	15.0	15.8	16.4
Navin Fluorine	3,604	Neutral	60.4	85.3	106.4	59.6	42.2	33.9	6.9	6.1	5.4	12.0	15.4	17.0
NOCIL	292	Neutral	9.4	11.7	13.5	31.1	24.9	21.6	2.7	2.6	2.4	9.0	10.6	11.4
P I Industries	4,732	Buy	112.5	136.9	160.3	42.1	34.6	29.5	7.0	5.9	5.0	18.0	18.5	18.3
SRF	2,483	Neutral	51.1	73.8	92.7	48.6	33.6	26.8	5.9	5.2	4.5	12.7	16.4	18.0
Tata Chemicals	1,132	Neutral	30.2	49.2	61.5	37.4	23.0	18.4	1.3	1.2	1.2	3.4	5.4	6.5
Vinati Organics	2,122	Buy	42.7	50.9	60.2	49.7	41.7	35.2	7.8	6.8	5.9	16.8	17.5	18.1

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



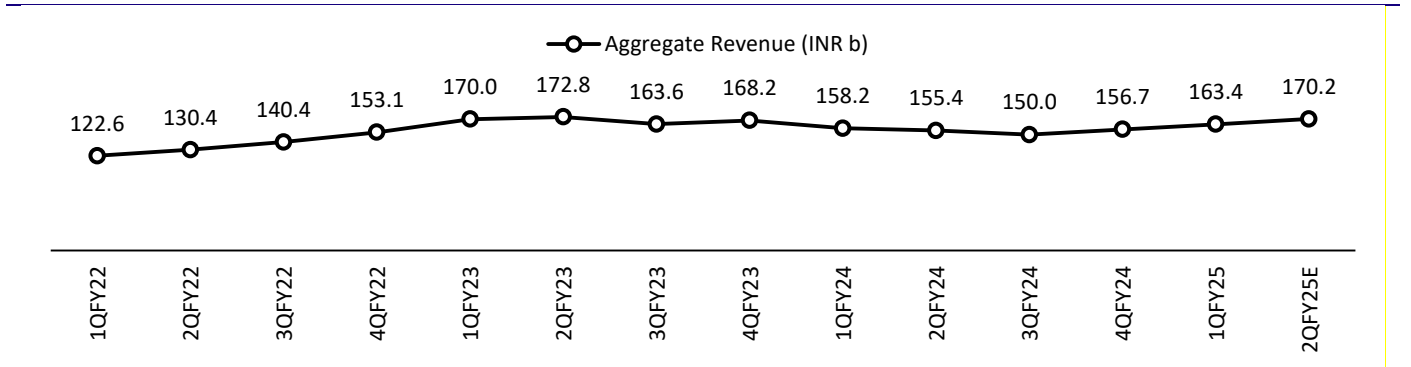
Source: Bloomberg, MOFSL

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



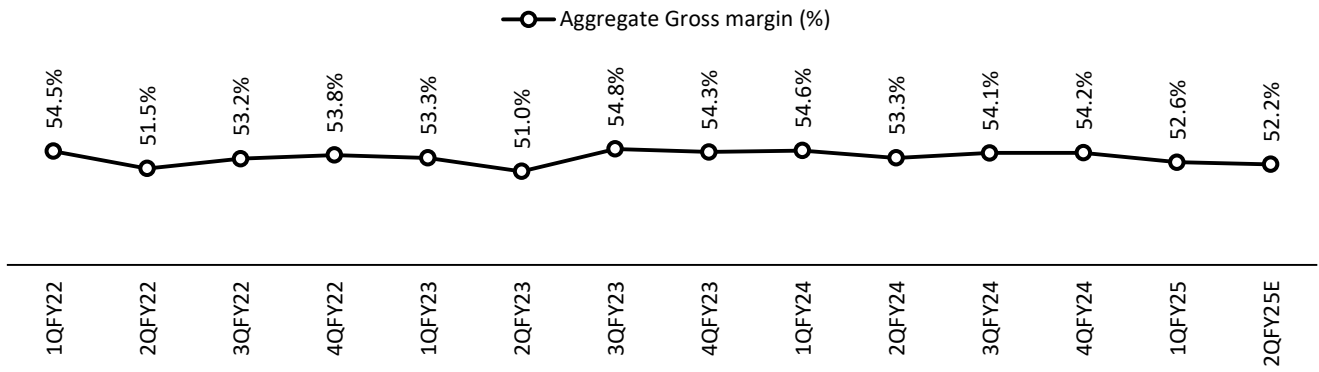
Source: Bloomberg, MOFSL

Exhibit 5: Revenue snapshot for our coverage universe



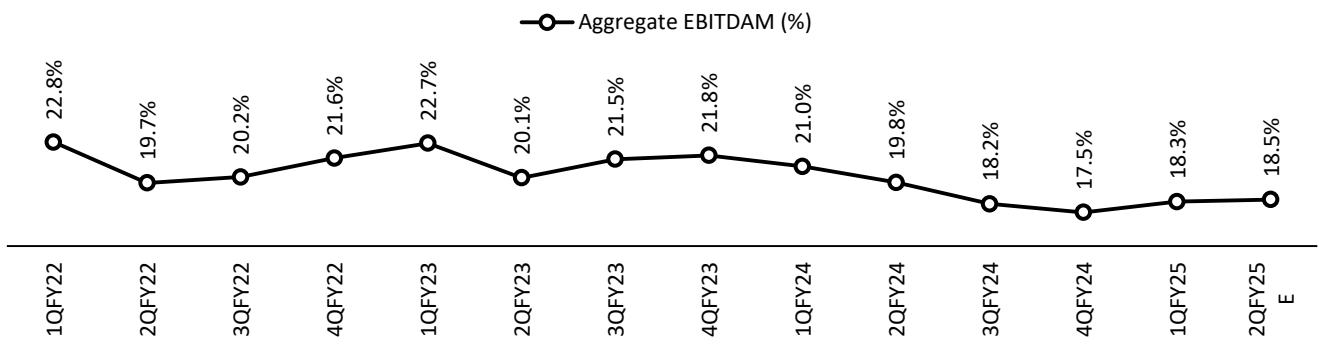
Source: Company, MOFSL

Exhibit 6: Gross margin snapshot for our coverage universe



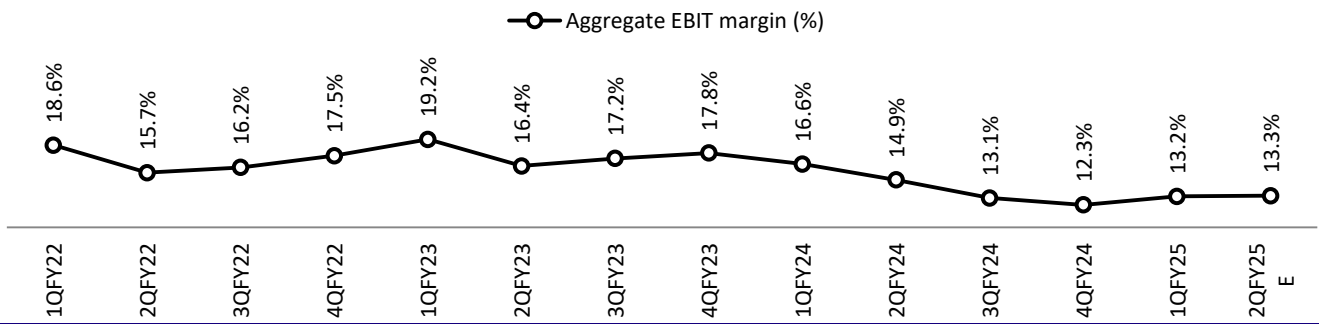
Source: Company, MOFSL

Exhibit 7: EBITDAM snapshot for our coverage universe



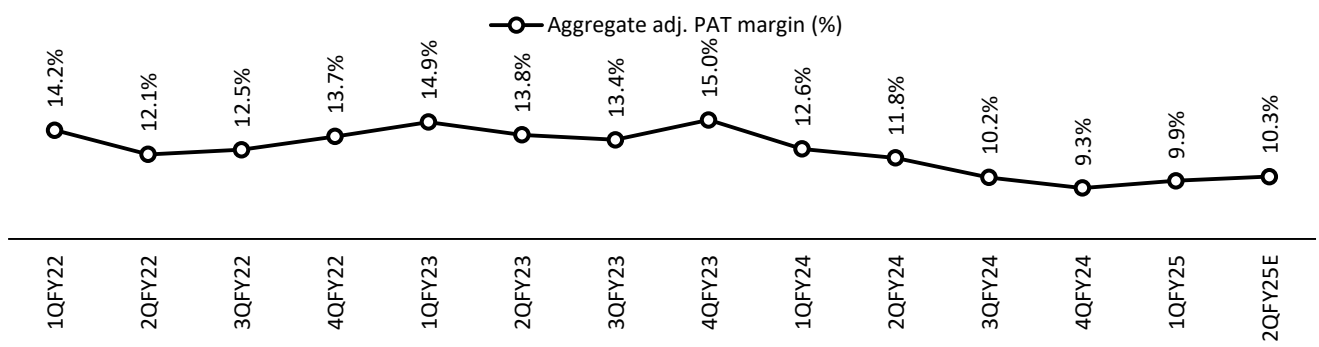
Source: Company, MOFSL

Exhibit 8: EBIT margin snapshot for our coverage universe



Source: Company, MOFSL

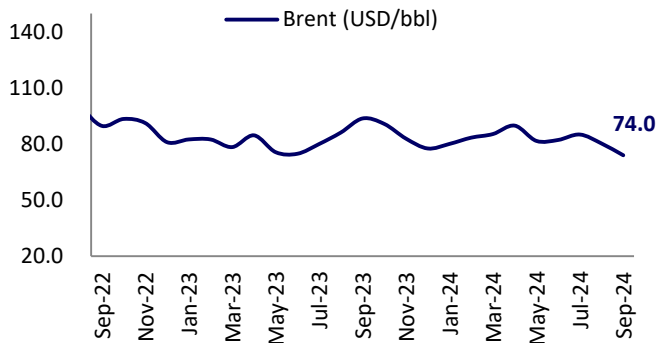
Exhibit 9: PAT margin snapshot for our coverage universe



Source: Company, MOFSL

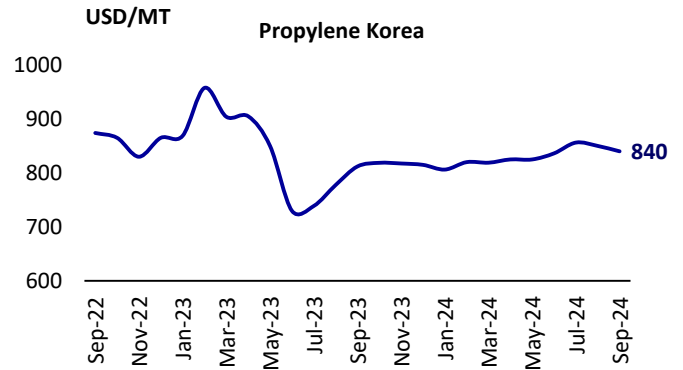
Trends in key RM and product prices

Exhibit 10: Brent crude price down 21% YoY



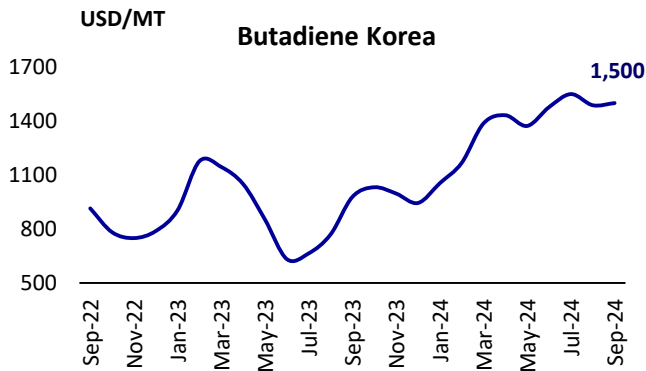
Source: Reuters, MOFSL

Exhibit 11: Propylene (Korea) price up by 3% YoY



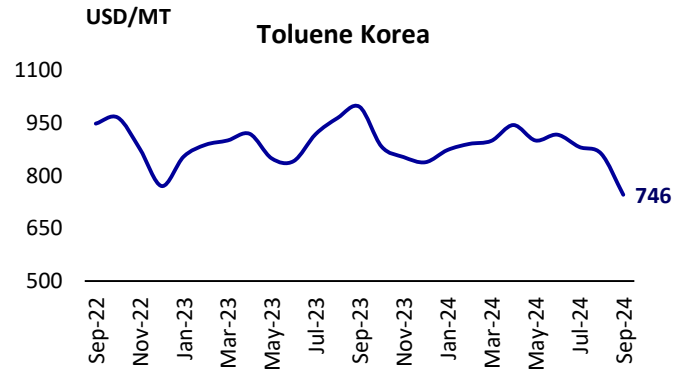
Source: Bloomberg, MOFSL

Exhibit 12: Butadiene price up 53% YoY



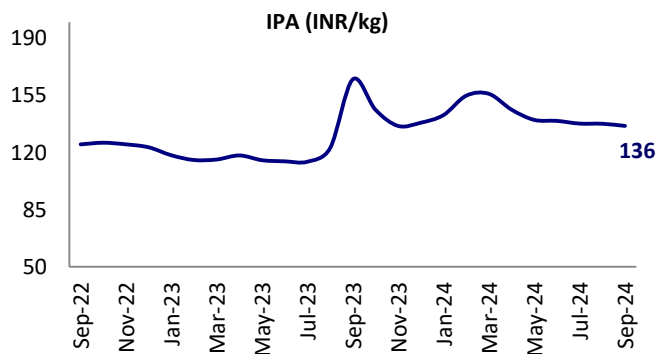
Source: Bloomberg, MOFSL

Exhibit 13: Toluene (Korea) price down 25% YoY



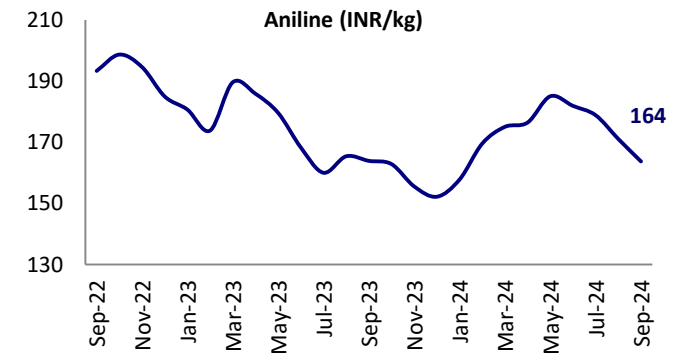
Source: Bloomberg, MOFSL

Exhibit 14: IPA price down 17% YoY



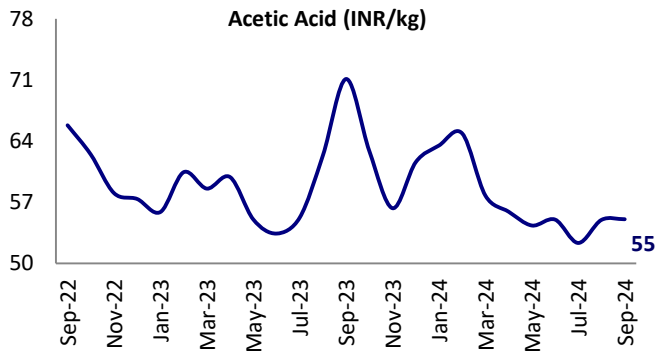
Source: IndiaPetroChem, MOFSL

Exhibit 15: Aniline price flat YoY



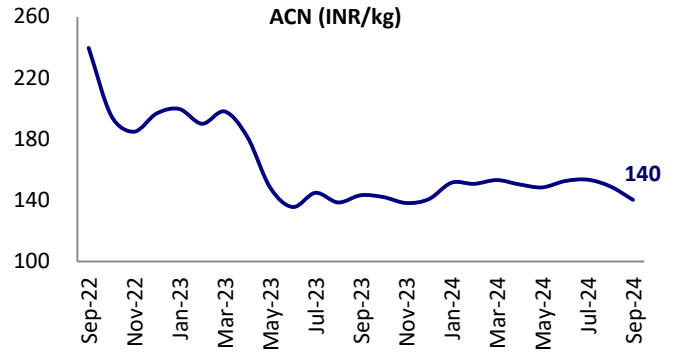
Source: IndiaPetroChem, MOFSL

Exhibit 16: Acetic Acid price down 23% YoY



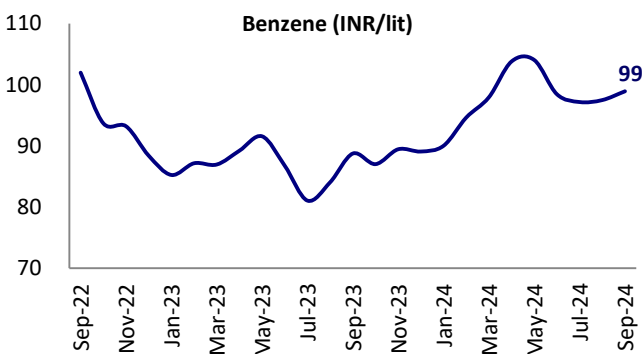
Source: IndiaPetroChem, MOFSL

Exhibit 17: ACN down 2% YoY



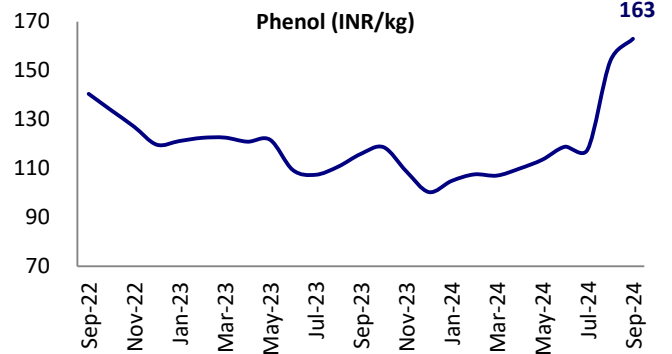
Source: IndiaPetroChem, MOFSL

Exhibit 18: Benzene price up 11% YoY



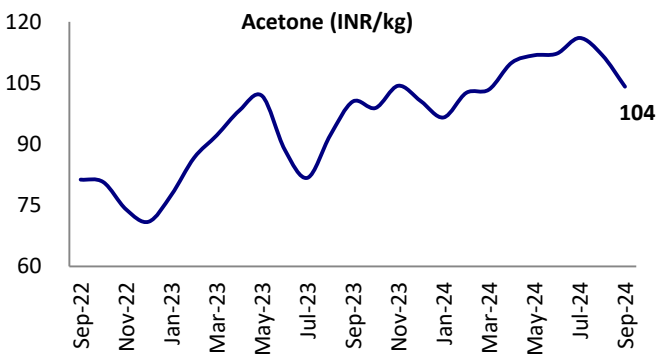
Source: IndiaPetroChem, MOFSL

Exhibit 19: Phenol price up 41% YoY



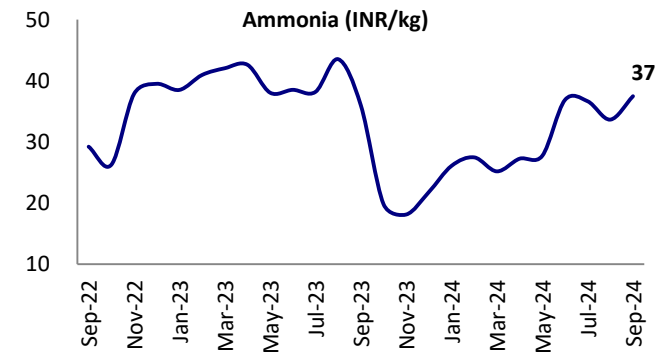
Source: IndiaPetroChem, MOFSL

Exhibit 20: Acetone price up 4% YoY



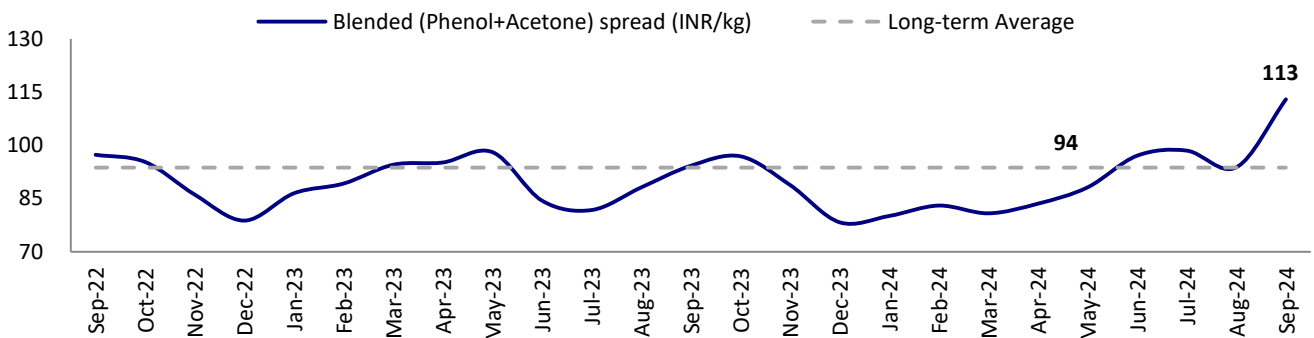
Source: IndiaPetroChem, MOFSL

Exhibit 21: Ammonia price up by 4% YoY



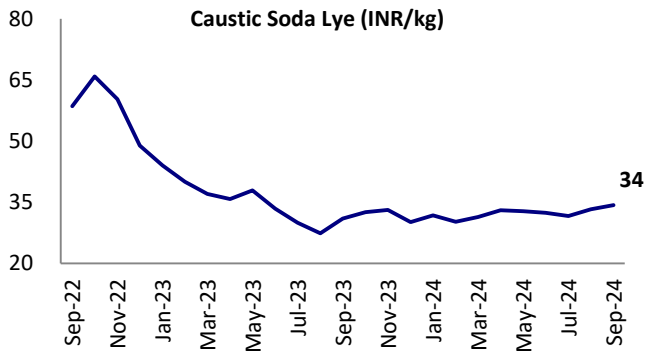
Source: IndiaPetroChem, MOFSL

Exhibit 22: Blended Phenol and Acetone spread up 20% YoY



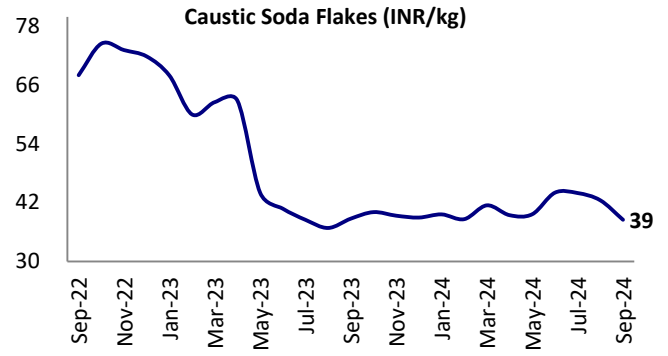
Source: IndiaPetroChem, MOFSL

Exhibit 23: Caustic Soda Lye price up 11% YoY



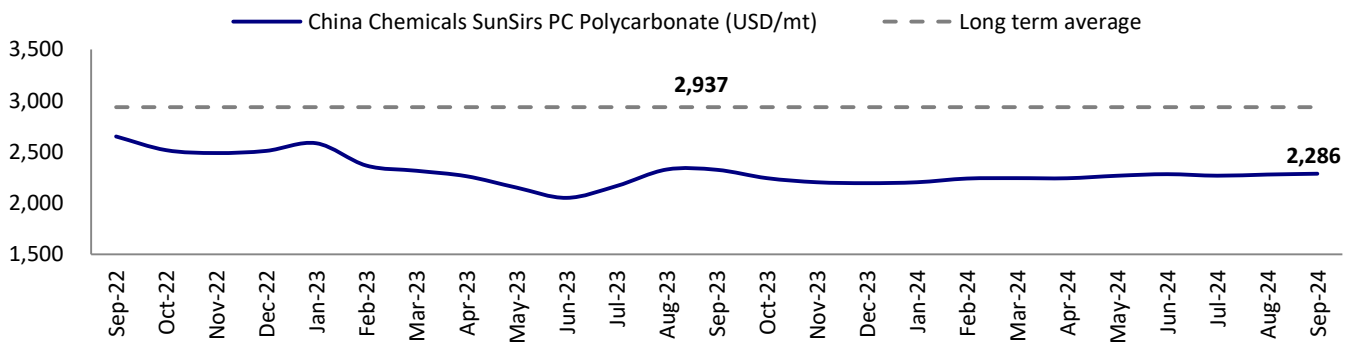
Source: IndiaPetroChem, MOFSL

Exhibit 24: Caustic Soda Flakes price was down 1% YoY



Source: IndiaPetroChem, MOFSL

Exhibit 25: Polycarbonate price down 2% YoY



Source: Bloomberg, MOFSL

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

Alkyl Amines		Neutral
CMP: INR2,408 TP: INR2,305 (-4%)		EPS CHANGE (%): FY25 26: 0 +2
<ul style="list-style-type: none"> Expect revenue to grow 13% YoY and EBITDA to rise 47% YoY due to a lower base in 2QFY24. Key monitorables: stabilization of the Ethylamines plant and update on the ACN market conditions. 	<ul style="list-style-type: none"> Expect EBITDA margin to expand 410bp YoY to 17.8%. Watch out for updates on progress of new products and ADD probe on ACN and MIPA 	

Standalone - Quarterly Snapshot

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	4,098	3,522	3,221	3,566	3,997	3,976	4,408	4,906	14,406	17,287
YoY Change (%)	-13.5	-13.9	-17.1	-13.5	-2.5	12.9	36.9	37.6	-14.4	20.0
Gross Margin (%)	44.7%	45.7%	47.6%	49.2%	47.0%	46.3%	48.3%	49.9%	46.7%	48.0%
EBITDA	740	483	596	689	791	710	892	1,087	2,507	3,479
Margin (%)	18.1	13.7	18.5	19.3	19.8	17.8	20.2	22.2	17.4	20.1
Depreciation	122	125	168	174	177	186	191	200	589	754
Interest	9	17	11	7	2	10	13	23	44	48
Other Income	55	24	46	26	47	28	40	45	151	160
PBT before EO expense	664	364	463	533	659	543	727	909	2,025	2,838
PBT	664	364	463	533	659	543	727	909	2,025	2,838
Tax	166	92	129	149	170	137	183	224	536	714
Rate (%)	25.0	25.2	27.8	27.9	25.9	25.2	25.2	24.7	26.5	25.2
Reported PAT	498	272	334	385	489	406	544	685	1,489	2,124
Adj PAT	498	272	334	385	489	406	544	685	1,489	2,124
YoY Change (%)	-39.2	-48.0	-26.8	-20.9	-1.8	49.0	62.8	78.1	-34.9	42.6
Margin (%)	12.1	7.7	10.4	10.8	12.2	10.2	12.3	14.0	10.3	12.3

Atul

Atul		Buy
CMP: INR8,012 TP: INR9,955 (+24%)		EPS CHANGE (%): FY25 26: +7 +4
<ul style="list-style-type: none"> Expect 15% YoY growth in revenue and 53% YoY growth in EBITDA. Revenue from Life Science Chemicals to improve 26% YoY. Revenue from Performance Chemicals to grow 11%. 	<ul style="list-style-type: none"> EBITDA margin likely to expand 440bp YoY due to higher operating expenses. Watch out for commissioning and ramp-up of its new capacity expansions in FY25. 	

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	11,820	11,937	11,378	12,122	13,221	13,708	13,640	13,721	47,257	54,289
YoY Change (%)	-20.0	-19.7	-10.3	1.4	11.8	14.8	19.9	13.2	-12.9	14.9
Gross Margin (%)	46.5%	44.1%	47.1%	49.7%	50.0%	50.5%	49.8%	47.7%	46.9%	49.5%
EBITDA	1,823	1,552	1,517	1,476	2,232	2,381	2,456	2,548	6,367	9,618
Margin (%)	15.4	13.0	13.3	12.2	16.9	17.4	18.0	18.6	13.5	17.7
Depreciation	519	540	612	758	766	785	789	800	2,429	3,140
Interest	20	19	21	51	54	35	31	19	111	139
Other Income	82	221	150	129	130	161	170	217	582	679
PBT before EO expense	1,365	1,215	1,034	796	1,543	1,723	1,806	1,946	4,409	7,017
PBT	1,365	1,215	1,034	796	1,543	1,723	1,806	1,946	4,409	7,017
Tax	364	325	334	242	455	434	455	493	1,265	1,836
Rate (%)	26.7	26.7	32.3	30.4	29.5	25.2	25.2	25.3	28.7	26.2
Minority Interest and Profit/Loss of Asso. Cos.	20	22	21	34	33	24	24	16	97	97
Reported PAT	1,021	912	721	588	1,121	1,313	1,375	1,469	3,241	5,278
Adj PAT	1,021	912	721	588	1,121	1,313	1,375	1,469	3,047	5,084
YoY change (%)	-37.6	-38.4	-30.0	-36.2	9.8	43.9	90.9	149.9	-38.9	66.8
Margin (%)	8.6	7.6	6.3	4.9	8.5	9.6	10.1	10.7	6.4	9.4

Clean Science & Technology**Neutral****CMP: INR1,626 | TP: INR1,590 (-2%)****EPS CHANGE (%): FY25|26: -2|0**

- Expect revenue/EBITDA to increase 33%/44% YoY.
- Key monitorable: Ramp-up of the new HALS plant in the subsidiary and pick-up in Guaiacol demand
- Expect EBITDAM to expand 350bp YoY in 2QFY25.
- Watch out for the changing sales mix between the flagship and non-flagship products.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	1,881	1,811	1,947	2,275	2,240	2,406	2,412	2,423	7,915	9,480
YoY Change (%)	-19.6	-26.8	-18.0	4.9	19.1	32.8	23.8	6.5	-15.4	19.8
Gross Margin (%)	61.4%	65.9%	66.8%	65.7%	65.4%	67.6%	64.7%	62.3%	65.0%	65.0%
EBITDA	761	748	866	945	947	1,078	1,023	962	3,321	4,010
Margin (%)	40.5	41.3	44.5	41.5	42.3	44.8	42.4	39.7	42.0	42.3
Depreciation	108	111	113	127	158	162	169	173	459	661
Interest	1	3	1	6	1	2	3	5	9	11
Other Income	134	60	78	141	99	119	124	132	413	474
PBT before EO expense	787	695	830	953	887	1,032	977	916	3,265	3,812
PBT	787	695	830	953	887	1,032	977	916	3,265	3,812
Tax	198	173	204	250	228	257	243	232	825	959
Rate (%)	25.1	24.9	24.6	26.3	25.7	24.9	24.9	25.4	25.3	25.2
Reported PAT	589	522	626	703	659	776	734	684	2,440	2,852
Adj. PAT	589	522	626	703	659	776	734	684	2,440	2,852
YoY Change (%)	-6.3	-23.2	-25.3	-12.7	11.9	48.6	17.2	-2.7	-17.3	16.9
Margin (%)	31.3	28.8	32.2	30.9	29.4	32.2	30.4	28.2	30.8	30.1

Deepak Nitrite**Neutral****CMP: INR2,957 | TP: INR3,005 (+2%)****EPS CHANGE (%): FY25|26: +13|+5**

- Revenue growth YoY to be driven by DPL in 2QFY25. Expect EBITDA margin of 13.2% (vs. 17% in 2QFY24).
- Watch out for the update on various capex under implementation.
- Updates on Oman subsidiary and downstream products (MIBK, MIBC and Polycarbonate) to be keenly monitored.
- Key risk: substantial margin fluctuations due to the highly commoditized nature of the products.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	17,683	17,781	20,092	21,262	21,668	20,107	21,946	24,458	76,818	88,179
YoY Change (%)	-14.1	-9.4	0.9	8.4	22.5	13.1	9.2	15.0	-3.6	14.8
Gross Margin (%)	30.8%	34.4%	31.7%	30.7%	30.8%	27.6%	33.6%	42.2%	31.8%	33.9%
EBITDA	2,098	3,023	3,047	3,011	3,092	2,649	3,651	5,608	11,178	15,000
Margin (%)	11.9	17.0	15.2	14.2	14.3	13.2	16.6	22.9	14.6	17.0
Depreciation	381	394	417	465	475	477	481	482	1,657	1,914
Interest	18	27	29	44	58	63	66	79	118	266
Other Income	319	170	136	191	188	152	160	140	816	639
PBT	2,017	2,772	2,736	3,492	2,748	2,261	3,264	5,187	11,017	13,460
Tax	518	721	715	953	723	569	822	1,274	2,908	3,388
Rate (%)	25.7	26.0	26.1	27.3	26.3	25.2	25.2	24.6	26.4	25.2
Reported PAT	1,499	2,051	2,020	2,538	2,025	1,692	2,442	3,913	8,108	10,072
Adj. PAT	1,499	2,051	2,020	1,958	2,025	1,692	2,442	3,913	7,521	10,072
YoY Change (%)	-36.1	17.5	-3.4	-16.3	35.1	-17.5	20.9	99.8	-11.7	33.9
Margin (%)	8.5	11.5	10.1	9.2	9.3	8.4	11.1	16.0	9.8	11.4

Fine Organic Industries

Sell
CMP: INR5,335 | TP: INR4,250 (-20%)
EPS CHANGE (%): FY25 | 26: 0 | +2

- Expect revenue to increase 18% YoY and EBITDA margin to expand 200bp YoY to 24.1% in 2QFY25.
- Key monitorables: update on the progress of JV to be set up in Thailand and the new land acquisition (MoU already signed).
- Watch out for escalating freight costs and high lead time, which have gone up for exports to the US and Europe.
- Key risk: Delay in the addition of new capacities could deter growth with almost all existing capacities running at optimum utilization.

Standalone - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	5,321	4,717	4,258	5,215	5,083	5,580	5,446	5,353	19,511	21,463
YoY Change (%)	-29.3	-43.0	-43.2	-25.3	-4.5	18.3	27.9	2.6	-35.6	10.0
Gross Margin (%)	42.9%	41.9%	41.8%	43.6%	42.2%	41.7%	40.0%	38.5%	42.6%	40.6%
EBITDA	1,519	1,044	924	1,322	1,218	1,344	1,188	1,023	4,809	4,772
Margin (%)	28.5	22.1	21.7	25.4	24.0	24.1	21.8	19.1	24.6	22.2
Depreciation	117	144	147	153	117	159	162	204	561	642
Interest	6	7	5	5	4	6	6	8	23	24
Other Income	145	172	174	226	241	190	194	151	717	776
PBT before EO expense	1,540	1,064	946	1,391	1,338	1,369	1,213	961	4,941	4,882
Extra-Ord expense	0	0	0	6	0	0	0	0	6	0
PBT	1,540	1,064	946	1,385	1,338	1,369	1,213	961	4,935	4,882
Tax	397	270	249	342	348	346	305	241	1,259	1,240
Rate (%)	25.8	25.4	26.4	24.7	26.0	25.2	25.2	25.1	25.5	25.4
Reported PAT	1,142	794	697	1,043	990	1,023	908	721	3,676	3,642
Adj PAT	1,142	794	697	1,047	990	1,023	908	721	3,680	3,642
YoY Change (%)	-27.4	-51.6	-46.9	-24.2	-13.3	28.9	30.4	-31.2	-37.7	-1.0
Margin (%)	21.5	16.8	16.4	20.1	19.5	18.3	16.7	13.5	18.9	17.0

Galaxy Surfactants

Buy
CMP: INR3,048 | TP: INR3750 (+23%)
EPS CHANGE (%): FY25 | 26: 0 | 0

- Expect revenue to increase 9% YoY with pick-up in volume and realization in 2QFY25.
- Watch out for the update on further demand recovery in AMET and RoW regions.
- Expect EBITDA margin of 13.2%; absolute EBITDA/kg to grow YoY.
- Impact of the ongoing Red Sea issue would also be keenly monitored.

Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	9,418	9,831	9,405	9,290	9,741	10,698	11,022	11,763	37,944	43,222
YoY Change (%)	-18.7	-20.5	-13.3	-5.2	3.4	8.8	17.2	26.6	-14.9	13.9
Gross Margin (%)	32.4%	31.5%	31.8%	32.6%	33.6%	32.3%	32.6%	32.2%	32.1%	32.6%
EBITDA	1,232	1,249	1,125	1,017	1,241	1,411	1,375	1,447	4,622	5,474
Margin (%)	13.1	12.7	12.0	10.9	12.7	13.2	12.5	12.3	12.2	12.7
Depreciation	238	247	251	262	266	268	273	275	998	1,081
Interest	57	54	59	54	40	55	63	73	224	230
Other Income	25	27	64	239	54	42	44	37	355	177
PBT	962	975	878	940	989	1,131	1,083	1,137	3,755	4,340
Tax	210	201	165	165	192	230	221	233	740	877
Rate (%)	21.8	20.6	18.8	17.5	19.4	20.4	20.4	20.5	19.7	20.2
Reported PAT	752	774	714	775	797	901	861	904	3,015	3,463
Adj PAT	752	774	714	775	797	901	861	904	3,015	3,463
YoY Change (%)	-25.1	-7.7	-32.8	-14.4	6.0	16.4	20.7	16.6	-20.9	14.9
Margin (%)	8.0	7.9	7.6	8.3	8.2	8.4	7.8	7.7	7.9	8.0

Navin Fluorine International

Neutral

CMP: INR3,604 | TP: INR3,355 (-7%)

EPS CHANGE (%): FY25|26: 0|-1

- Estimate revenue of INR5.3b, aided by increase in HPP and CDMO businesses
- Key monitorable: progress of the upcoming AHF capacity announced in addition to the already existing capacity.
- EBITDA margin to decline 170bp YoY to 19.1%
- Watch out for the update on the launch of new molecules and deferred molecules in previous quarters

Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	4,912	4,718	5,001	6,020	5,237	5,322	6,727	8,217	20,650	25,503
YoY Change (%)	23.6	12.5	-11.3	-13.6	6.6	12.8	34.5	36.5	-0.6	23.5
Gross Margin (%)	58.7%	57.2%	54.1%	50.0%	56.0%	56.9%	54.1%	53.8%	54.7%	55.0%
EBITDA	1,142	983	757	1,101	1,004	1,017	1,411	1,938	3,983	5,370
Margin (%)	23.3	20.8	15.1	18.3	19.2	19.1	21.0	23.6	19.3	21.1
Depreciation	213	243	249	257	267	274	284	299	962	1,123
Interest	194	200	177	174	156	194	205	263	746	818
Other Income	83	231	119	125	103	136	158	177	559	574
PBT before EO expense	818	772	450	794	683	686	1,081	1,553	2,834	4,003
Extra-Ord. expense	0	0	521	0	0	0	0	0	521	0
PBT	818	772	972	794	683	686	1,081	1,553	3,355	4,003
Tax	202	166	191	90	171	173	272	392	650	1,007
Rate (%)	24.8	21.5	19.7	11.4	25.0	25.2	25.2	25.2	19.4	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	615	606	780	704	512	513	809	1,161	2,705	2,995
Adj. PAT	615	606	362	704	512	513	809	1,161	2,285	2,995
YoY Change (%)	-17.4	4.8	-66.1	-48.4	-16.8	-15.3	123.7	65.0	-39.1	31.1
Margin (%)	12.5	12.8	7.2	11.7	9.8	9.6	12.0	14.1	11.1	11.7

NOCIL

Neutral

CMP: INR292 | TP: INR315 (+8%)

EPS CHANGE (%): FY25|26: 0|-5

- Expect revenue to increase 11% YoY to INR3.9b as higher volumes should offset lower realization.
- Key monitorable: further details on the new capex announced recently.
- EBITDAM to improve 80bp YoY to 11.7% in 2QFY25; absolute EBITDA/kg to decline YoY
- There is a probable risk of higher dumping from China as ADD was rejected by the GoI in FY22.

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	3,967	3,509	3,406	3,565	3,722	3,908	4,131	4,438	14,447	16,198
YoY Change (%)	-22.1	-9.9	4.6	-9.2	-6.2	11.4	21.3	24.5	-10.6	12.1
Gross Margin (%)	42.7%	43.4%	46.3%	42.1%	41.7%	42.3%	47.3%	50.6%	43.6%	45.7%
EBITDA	547	441	477	434	398	458	570	818	1,899	2,245
Margin (%)	13.8	12.6	14.0	12.2	10.7	11.7	13.8	18.4	13.1	13.9
Depreciation	126	127	132	130	128	132	136	143	515	541
Interest	4	3	5	4	5	4	5	5	16	18
Other Income	44	49	61	249	100	96	101	109	403	406
PBT before EO expense	461	360	402	549	364	419	530	779	1,771	2,092
PBT	461	360	402	549	364	419	530	779	1,771	2,092
Tax	125	91	104	138	92	105	134	196	458	527
Rate (%)	27.2	25.3	25.9	25.1	25.3	25.2	25.2	25.1	25.8	25.2
Reported PAT	336	269	298	411	272	313	397	583	1,314	1,565
Adj PAT	336	269	298	411	272	313	397	583	1,314	1,565
YoY Change (%)	-48.8	-25.2	58.7	44.9	-18.9	16.6	33.3	41.8	-11.7	19.2
Margin (%)	8.5	7.7	8.7	11.5	7.3	8.0	9.6	13.1	9.1	9.7

PI Industries

Buy

CMP INR4,372 | TP: INR5,470 (+16%)

EPS CHANGE (%): FY25|26: -1|0

- The CSM business is likely to grow ~12% YoY.
- Demand scenario and product launches in the domestic and CSM segments will be a key focus area.
- EBITDA margin is likely to expand to ~26.5% in 2QFY25 from 26% in 2QFY24, led by better gross margin.
- Update on the Pharma Intermediate segment will be a key monitorable.

Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	19,104	21,169	18,975	17,410	20,689	23,085	22,244	21,284	76,658	87,301
YoY Change (%)	23.8	19.6	17.6	11.2	8.3	9.0	17.2	22.3	18.1	13.9
Total Expenditure	14,426	15,655	13,439	12,992	14,857	16,967	16,393	15,781	56,512	63,998
EBITDA	4,678	5,514	5,536	4,418	5,832	6,117	5,850	5,503	20,146	23,303
Margins (%)	24.5	26.0	29.2	25.4	28.2	26.5	26.3	25.9	26.3	26.7
Depreciation	697	803	783	799	834	890	950	1,083	3,082	3,757
Interest	43	78	70	109	83	70	51	49	300	253
Other Income	469	469	561	579	727	549	656	674	2,078	2,607
PBT before EO expense	4,407	5,102	5,244	4,089	5,642	5,706	5,505	5,046	18,842	21,899
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,407	5,102	5,244	4,089	5,642	5,706	5,505	5,046	18,842	21,899
Tax	625	317	772	418	1,175	1,312	1,266	1,161	2,132	4,914
Rate (%)	14.2	6.2	14.7	10.2	20.8	23.0	23.0	23.0	11.3	22.4
Minority Interest & Profit/Loss of Asso. Cos.	-47	-20	-14	-24	-21	-34	-24	-31	-105	-110
Reported PAT	3,829	4,805	4,486	3,695	4,488	4,428	4,263	3,916	16,815	17,095
Adj PAT	3,829	4,805	4,486	3,695	4,488	4,428	4,263	3,916	16,815	17,095
YoY Change (%)	45.9	43.5	27.5	31.7	17.2	-7.9	-5.0	6.0	36.8	1.7
Margins (%)	20.0	22.7	23.6	21.2	21.7	19.2	19.2	18.4	21.9	19.6

SRF

Neutral

CMP INR2,483 | TP: INR2,240 (-10%)

EPS CHANGE (%): FY25|26: -3|0

- Expect the Packaging/Technical Textiles/ Chemicals segments to grow 25%/ 10% /4% YoY
- Commissioning and ramp-up of Specialty Chemicals and Fluorochemicals plants will be a key focus area.
- Demand scenario and realizations for key chemicals will be the key monitorable.
- Update on the demand-supply scenario of Technical Textile and Packaging businesses will be keenly watched.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	33,384	31,774	30,530	35,697	34,641	35,841	37,652	44,472	131,385	152,606
YoY Change (%)	-14.3	-14.8	-12.0	-5.5	3.8	12.8	23.3	24.6	-11.6	16.2
Total Expenditure	26,184	25,320	24,691	28,581	28,435	29,315	29,910	34,538	104,777	122,197
EBITDA	7,200	6,453	5,839	7,116	6,207	6,526	7,742	9,935	26,608	30,409
Margins (%)	21.6	20.3	19.1	19.9	17.9	18.2	20.6	22.3	20.3	19.9
Depreciation	1,566	1,612	1,689	1,859	1,882	1,950	1,950	2,180	6,726	7,962
Interest	656	793	674	900	965	750	760	832	3,023	3,307
Other Income	118	291	188	234	253	280	220	296	830	1,049
PBT before EO expense	5,095	4,339	3,664	4,591	3,612	4,106	5,252	7,219	17,689	20,189
Extra-Ord expense & DO	237	191	181	158	172	0	0	0	767	172
PBT	4,858	4,148	3,483	4,433	3,440	4,106	5,252	7,219	16,922	20,017
Tax	1,265	1,140	949	211	918	1,006	1,287	1,769	3,565	4,980
Rate (%)	24.8	26.3	25.9	4.6	25.4	24.5	24.5	24.5	20.2	24.7
Reported PAT	3,593	3,008	2,534	4,222	2,522	3,100	3,965	5,449	13,357	15,037
Adj PAT	3,830	3,199	2,715	4,380	2,695	3,100	3,965	5,449	14,124	15,209
YoY Change (%)	-39.5	-38.1	-48.4	-25.8	-29.6	-3.1	46.0	24.4	-37.7	7.7
Margins (%)	11.5	10.1	8.9	12.3	7.8	8.7	10.5	12.3	10.8	10.0

Tata Chemicals**Neutral****CMP INR1,132 | TP: INR1,070 (-6%)****EPS CHANGE (%): FY25|26: +2|0**

- Revenue is likely to be flat YoY, with 10% growth in India and a decline of ~2%/7%/5% decline in North America/Kenya/Europe
- The current demand scenario in Soda Ash in TTCH's key markets is a focus area.
- EBITDA margin is likely to contract to ~16%, due to lower gross profit, higher employee costs and higher freight costs.
- Pricing outlook on Soda Ash will be the key monitorable.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	42,180	39,980	37,300	34,750	37,890	40,243	39,173	39,195	154,210	156,501
YoY Change (%)	5.6	-5.7	-10.1	-21.1	-10.2	0.7	5.0	12.8	-8.1	1.5
Total Expenditure	31,750	31,790	31,880	30,320	32,150	33,793	32,726	32,235	125,740	130,904
EBITDA	10,430	8,190	5,420	4,430	5,740	6,450	6,447	6,960	28,470	25,597
Margins (%)	24.7	20.5	14.5	12.7	15.1	16.0	16.5	17.8	18.5	16.4
Depreciation	2,290	2,340	2,460	2,710	2,730	2,730	2,730	2,735	9,800	10,925
Interest	1,230	1,450	1,320	1,300	1,330	1,150	1,100	911	5,300	4,491
Other Income	490	850	380	1,140	470	935	418	600	2,860	2,423
PBT before EO expense	7,400	5,250	2,020	1,560	2,150	3,505	3,035	3,914	16,230	12,604
Extra-Ord expense	-90	-1,020	0	9,630	0	0	0	0	8,520	0
PBT	7,490	6,270	2,020	-8,070	2,150	3,505	3,035	3,914	7,710	12,604
Tax	1,710	1,200	680	220	940	859	744	959	3,810	3,501
Rate (%)	22.8	19.1	33.7	-2.7	43.7	24.5	24.5	24.5	49.4	27.8
MI & Profit/Loss of Asso. Cos.	550	790	-240	-20	-140	509	489	540	1,080	1,398
Reported PAT	5,230	4,280	1,580	-8,270	1,350	2,137	1,802	2,415	2,820	7,705
Adj PAT	5,163	3,515	1,580	-1,048	1,350	2,137	1,802	2,415	9,210	7,705
YoY Change (%)	-12.8	-44.4	-60.1	-114.7	-73.8	-39.2	14.1	-330.6	-60.5	-16.3
Margins (%)	12.2	8.8	4.2	-3.0	3.6	5.3	4.6	6.2	6.0	4.9

Vinati Organics**Buy****CMP: INR2,122 | TP: INR2,500 (+18%)****EPS CHANGE (%): FY25|26: 0|-6**

- Expect revenue to increase 16% YoY to INR5.4b, driven by ATBS, IBB and 'Others' segments
- Key driver: ramp-up of Antioxidants (AOs) plant to aid sales growth in FY25E
- EBITDA margin expected to be at 24.6% and gross margin at 47.5% in 2QFY25
- Watch out for capex updates (mainly on Veeral Organics) and other new product announcements.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	4,387	4,629	4,480	5,503	5,247	5,354	6,613	7,979	19,000	25,193
YoY Change (%)	-13.3	-18.3	-13.3	6.0	19.6	15.6	47.6	45.0	-8.3	32.6
Gross Margin (%)	47.6%	45.8%	47.2%	46.6%	44.9%	47.5%	48.0%	48.8%	46.8%	47.5%
EBITDA	1,004	1,048	1,147	1,502	1,251	1,319	1,678	2,068	4,701	6,317
Margin (%)	22.9	22.6	25.6	27.3	23.8	24.6	25.4	25.9	24.7	25.1
Depreciation	167	173	193	194	196	215	223	236	728	869
Interest	9	9	10	9	4	9	10	17	36	40
Other Income	98	106	88	96	93	126	123	162	388	504
PBT before EO expense	925	972	1,032	1,396	1,144	1,221	1,568	1,978	4,325	5,912
PBT	925	972	1,032	1,396	1,144	1,221	1,568	1,978	4,325	5,912
Tax	231	247	262	351	284	308	395	501	1,091	1,488
Rate (%)	25.0	25.4	25.4	25.1	24.8	25.2	25.2	25.3	25.2	25.2
Reported PAT	694	725	770	1,045	860	914	1,173	1,477	3,234	4,424
Adj PAT	694	725	770	1,045	860	914	1,173	1,477	3,234	4,424
YoY Change (%)	-31.4	-37.5	-28.0	-0.2	23.9	26.0	52.3	41.4	-22.8	36.8
Margin (%)	15.8	15.7	17.2	19.0	16.4	17.1	17.7	18.5	17.0	17.6

Consumer

Company

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

Consumption trends sustain; jewelry to outperform

- In our consumer coverage universe, we expect FMCG/jewelry verticals to sustain/outperform their growth trajectory in 2QFY25, whereas QSR, paint and liquor verticals are expected to see weakness in growth and profitability.
- For staples companies, demand trends remained stable QoQ in 2QFY25, with rural markets outperforming urban areas for the third consecutive quarter. However, heavy rains and floods in certain regions have disrupted the supply chain. They also affected out-of-home consumption and consumer offtake, particularly for the beverages category. Food and beverage companies are likely to implement price hikes in response to rising costs of agricultural commodities. Gross margin expansion is expected to stabilize in 2Q after seeing significant improvements over the past 4-5 quarters. However, marketing and distribution expenses would remain elevated, leading to flat or marginal decrease in EBITDA margins for most companies. Looking ahead, 2HFY25 is expected to see better performances, bolstered by the festive season, rising incomes, government initiatives, and an above-average monsoon, all of which are likely to boost consumer demand across key categories.
- The alcoholic beverages segment was impacted by seasonality and heavy rains. We expect volume growth of 1% for UNSP and 7% for UBBL. For UNSP, 2Q was also affected by stock accumulation at the distributor level in 1Q; however, it is likely to improve in 2HFY25, driven by recent favorable policy changes, including Karnataka's MRP cut and Andhra Pradesh's retail shop privatization.
- For paints and adhesives companies, weakness in paint demand is expected to persist, with further QoQ deceleration anticipated in 2QFY25. Margins are expected to decline due to negative operating leverage and increased investments amid competitive intensity. We expect Asian Paints to report 5% volume growth and flat revenue growth, while Indigo Paints is expected to report 6% value growth for the quarter. Pidilite is expected to perform better with 11% volume growth and margin expansion, supported by lower VAM prices.
- The 19 consumer companies (excluding QSR and Jewelry) under our coverage are expected to deliver revenue growth of 5.5%, EBITDA growth of 3.2%, and PAT growth of 3.8% in 2QFY25.

Agri commodity prices rising, while non-agri prices cooling off

- As we highlighted in [our Sep'24 commodity note](#), most agricultural commodities have seen a YoY price increase, which is expected to impact FMCG companies like Dabur, HUL, Nestlé, Britannia, Marico, and Tata Consumer. Conversely, non-agricultural commodities such as crude oil and its derivatives, along with VAM prices, have shown a deflationary trend. This could benefit companies in the paints and adhesives sectors, as well as those in the soaps and detergents categories.
- **In the agricultural basket**, wheat prices have increased 11% YoY and 8% QoQ. Barley prices have surged 15% YoY and 7% QoQ, which is expected to affect companies such as UBBL and Nestle. Sugar prices have increased 4% YoY but

remained flat QoQ, while coffee prices have surged 14% YoY and 6% QoQ, potentially impacting companies such as Nestle and HUL. Copra prices have increased 8% YoY and 5% QoQ. Palm oil prices have increased 5% YoY while stabilizing on a sequential basis. Further, the government has recently increased import duty on edible oil to support domestic producers. The import duty on crude palm oil, soybean oil, and sunflower oil has been raised from 0% to 20%, while the tariff on the refined varieties of these oils has surged from 12.5% to 32.5%.

- In the **non-agricultural basket**, Crude oil prices are witnessing a decline, primarily due to the economic slowdown in China, and are currently trading at around USD75/barrel. The average crude price has decreased 7% YoY and 5% QoQ, which is expected to benefit paint companies significantly. Additionally, the prices of other commodities such as TiO2 and TiO2 China are seeing a downward trend. VAM China prices have declined 19% YoY and 4% QoQ, which will benefit companies such as Pidilite. Gold prices have risen 21% YoY while remaining stable QoQ. Although gold prices initially declined by 8-10% following a cut in customs duty, they have surged again due to an increase in global prices.

2QFY25 – Key earnings outliers and underperformers

- Outliers: Britannia, Colgate, Marico
- Underperformers: Dabur, Asian Paint

Top picks

- **HUL:** HUL's wide product basket and presence across price segments should help the company achieve a steady growth recovery. Under the new leadership of Mr. Rohit Jawa, HUL is expected to take corrective actions to address the white space, particularly in BPC and F&R. The company commands strong leadership in Home Care, which can be capitalized during improving macros.
- **GCPL:** GCPL is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses.
- **DABUR:** Recovery in rural markets should support its portfolio, as it is heavily skewed toward rural areas. In the domestic business, we expect healthcare, oral care, and food business to grow faster than others. The distribution drive will further contribute to rural growth. EBITDA margin has remained in the range of 19-20% for the past several years. The margin is expected to improve in the coming years due to a better mix of products (such as higher healthcare offerings) and increased pricing in high market-share brands.

Exhibit 1: Summary of 2QFY25 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Asian Paints	3277	Neutral	85,210	0.5	-5.0	15,028	-12.4	-11.3	10,760	-12.7	-9.3
Britannia	6446	Neutral	47,389	6.9	11.5	9,320	6.8	23.7	6,508	11.0	22.9
Colgate	3819	Neutral	16,621	13.0	11.0	5,635	16.9	10.9	4,053	19.2	11.4
Dabur	619	Buy	30,385	-5.2	-9.3	5,528	-16.4	-15.6	4,370	-16.5	-14.0
Emami	749	Buy	9,089	5.1	0.3	2,491	6.6	15.1	2,142	8.9	25.8
Godrej Consumer	1388	Buy	36,901	2.4	10.8	7,477	3.4	3.0	4,814	9.0	3.6
Hind. Unilever	2922	Buy	1,59,977	2.4	1.9	37,755	-0.6	0.8	26,964	1.4	1.9
Indigo Paints	1507	Buy	2,972	6.5	-4.4	437	3.6	-7.8	230	-9.3	-12.3
ITC	516	Buy	1,87,600	5.5	1.6	67,159	4.1	-0.5	51,194	4.5	0.5
Jyothy Labs	548	Neutral	7,983	9.0	7.6	1,509	11.4	13.1	1,146	10.2	12.7
Marico	693	Buy	26,575	7.3	0.5	5,208	4.8	-16.8	3,752	6.3	-19.1
Nestle	2707	Neutral	53,452	6.1	11.0	13,421	7.6	19.7	9,012	11.9	22.2
P&G Hygiene	16712	Neutral	12,419	9.1	33.3	3,057	7.3	132.8	2,285	8.4	151.5
Page Industries	42679	Neutral	11,994	6.6	-6.1	2,502	7.1	2.8	1,716	14.2	3.9
Pidilite Inds.	3340	Neutral	32,914	7.0	-3.1	7,623	12.1	-6.2	5,352	16.4	-6.5
Tata Consumer	1197	Buy	42,382	13.5	-2.6	5,844	8.8	-12.4	3,365	-3.6	11.0
United Breweries	2160	Sell	20,768	10.0	-16.0	2,097	13.6	-26.4	1,207	12.1	-30.4
United Spirits	1611	Neutral	29,411	2.7	25.0	4,887	4.0	6.7	3,357	5.5	12.3
Varun Beverages	612	Buy	47,607	23.0	-33.8	10,871	23.2	-45.4	5,870	17.2	-53.1
Consumer			8,61,649	5.5	-0.9	2,07,848	3.2	-3.6	1,48,098	3.8	-2.2

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

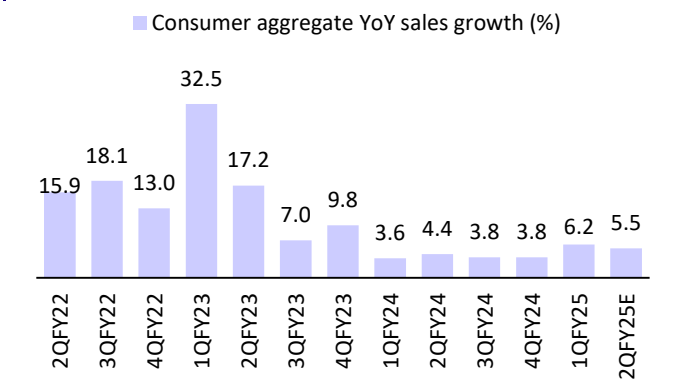
Volume growth (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E
Asian Paints	37.0	10.0	0.0	16.0	10.0	6.0	12.0	10.0	7.0	5.5
Britannia	-2.0	5.0	3.0	3.0	0.0	0.0	5.5	6.0	8.0	9.0
Colgate	-2.5	-2.5	-4.5	0.5	3.0	-1.0	-1.0	1.0	7.0	8.0
Dabur	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0	5.2	-7.0
Emami	9.6	-1.0	-3.9	2.0	3.0	2.0	-1.0	6.4	8.7	3.0
Godrej Consumer	-6.0	-5.0	3.0	13.0	10.0	4.0	5.0	9.0	8.0	7.0
HUL	6.0	4.0	5.0	4.0	3.0	2.0	2.0	2.0	4.0	5.0
ITC	26.0	20.0	15.0	11.5	8.0	5.0	-1.0	2	3.0	3.5
Jyothy labs	3.0	1.4	2.1	3.3	9.0	9.0	11.0	10.0	10.8	10.0
Marico	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	3.0	4.0	4.3
Page Industries	150.0	1.0	-11.0	-15.0	-11.5	-8.8	4.6	6.1	2.6	3.5
UBBL	121.0	23.0	4.0	3.1	-12.4	7.0	8.0	10.9	5.0	7.0
United spirits	17.9	8.3	-25.0	-27.3	5.8	1.0	-1.8	3.7	3.5	1.0

Source: Company, MOFSL

Exhibit 3: Gross and EBITDA margins expansion in 2QFY25E

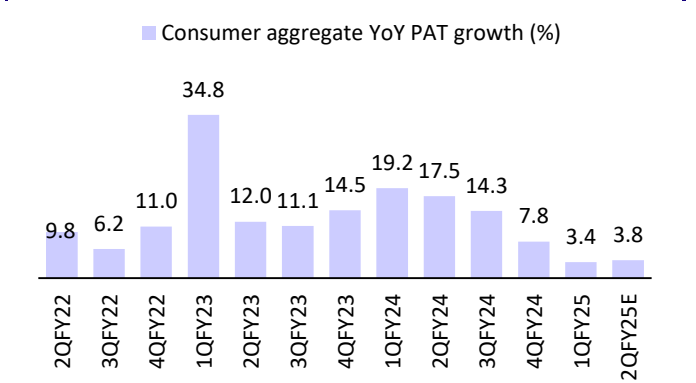
Companies	Gross Margin	YoY (bp)	QoQ (bp)	EBITDA Margin	YoY (bp)	QoQ (bp)
Asian Paints	43.0%	-37	47	17.6%	-261	-125
Britannia	43.7%	81	29	19.7%	-1	193
Colgate	69.8%	103	-85	33.9%	113	-6
Dabur	48.4%	8	61	18.2%	-243	-137
Emami	70.3%	22	263	27.4%	39	351
Godrej Consumer	54.1%	-76	-173	20.3%	18	-153
HUL	52.5%	-49	54	23.6%	-70	-24
Indigo Paints	46.1%	53	-50	14.7%	-41	-54
ITC	61.0%	77	46	35.8%	-51	-76
Jyothy	51.2%	199	-9	18.9%	41	91
Marico	50.0%	-48	-225	19.6%	-47	-409
Nestle	57.0%	51	-65	25.1%	35	182
P&G Hygiene	61.5%	60	232	24.6%	-41	1052
Page Industries	56.3%	64	215	20.9%	10	181
Pidilite	53.3%	199	-50	23.2%	106	-78
Tata consumer	42.2%	-34	-275	13.8%	-60	-155
United Breweries	44.3%	-23	126	10.1%	32	-142
United Spirits	43.6%	19	-87	16.6%	21	-286
Varun Beverages	55.2%	-11	51	22.8%	4	-483

Exhibit 4: Sales expected to grow 5.5% YoY for our coverage



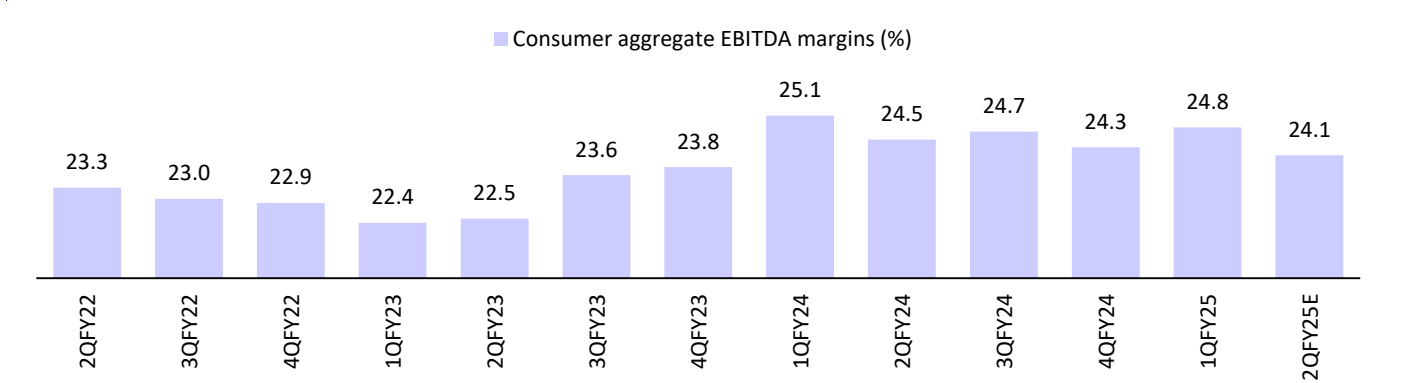
Source: Company, MOFSL

Exhibit 5: Aggregate adjusted PAT expected to grow 3.8%



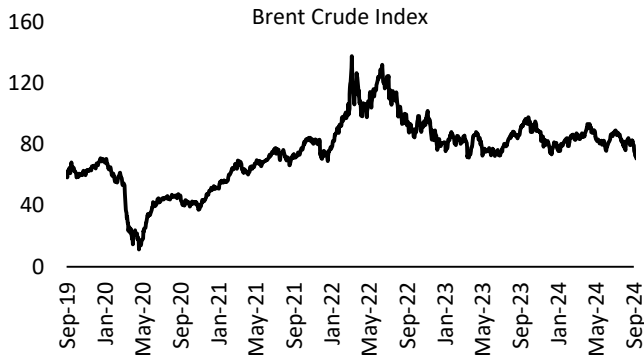
Source: Company, MOFSL

Exhibit 6: Aggregate EBITDA margin expected to decline 40bp YoY at 24.1% in 2QFY25



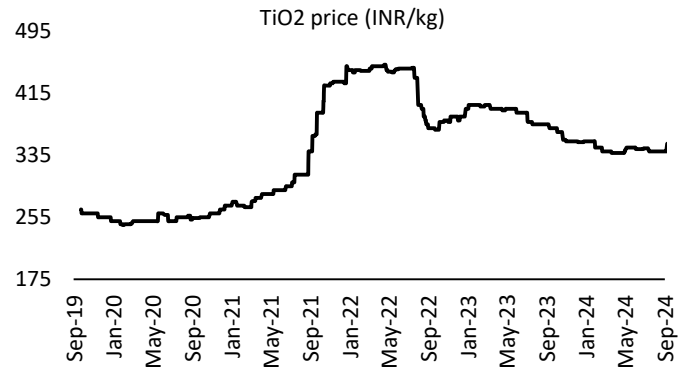
Source: Company, MOFSL

Exhibit 7: Crude oil prices down 7% YoY and 5% QoQ in Sep'24



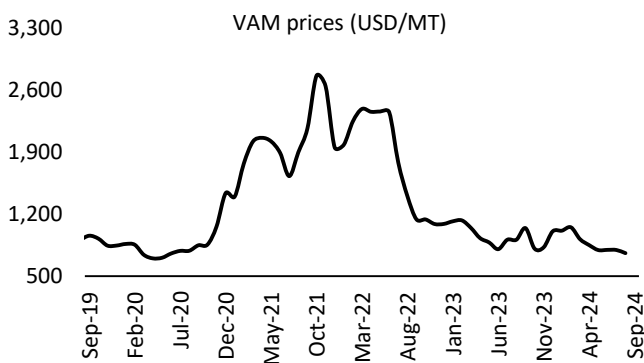
Source: Bloomberg, MOFSL

Exhibit 8: TiO2 prices fell 9% YoY while remain flattish QoQ in Sep'24



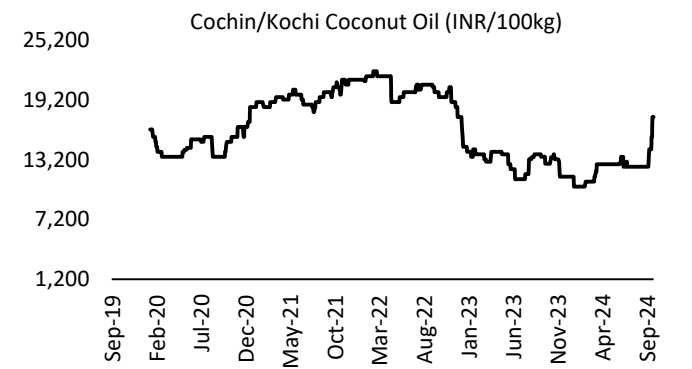
Source: Bloomberg, MOFSL

Exhibit 9: VAM prices fell 19% YoY/4% QoQ in Sep'24



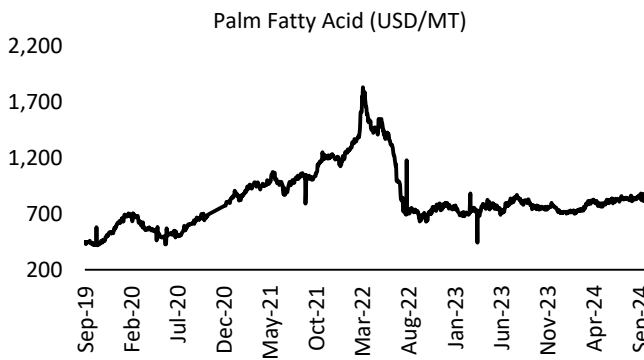
Source: Bloomberg, MOFSL

Exhibit 10: Coconut oil prices up 1% YoY 2% QoQ in Sep'24



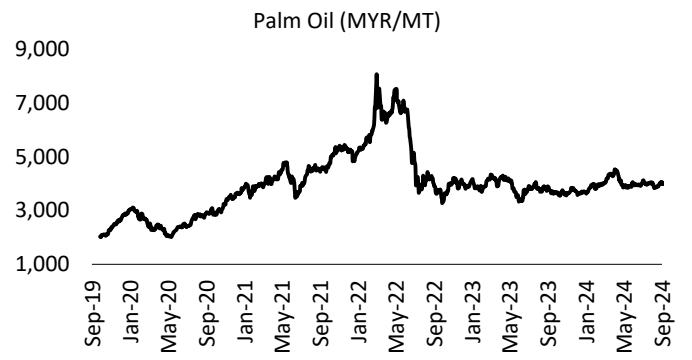
Source: Company, MOFSL

Exhibit 11: PFAD prices up by 4% YoY and QoQ in Sep'24



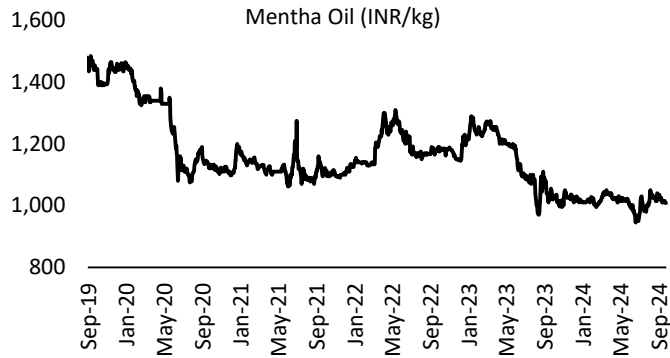
Source: Bloomberg, MOFSL

Exhibit 12: Malaysian palm oil prices rose 5% YoY and remained flat QoQ in Sep'24



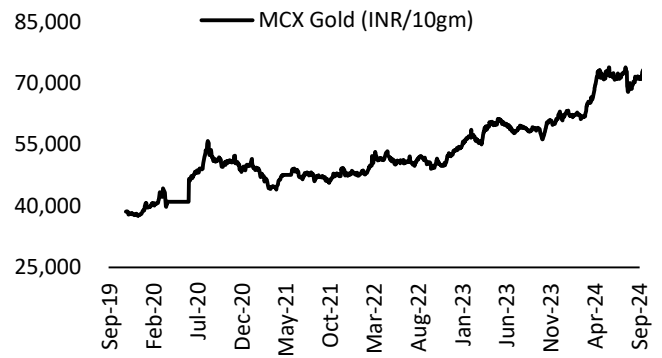
Source: Bloomberg, MOFSL

Exhibit 13: Mentha oil prices fell 4% YoY while flat QoQ in Sep'24



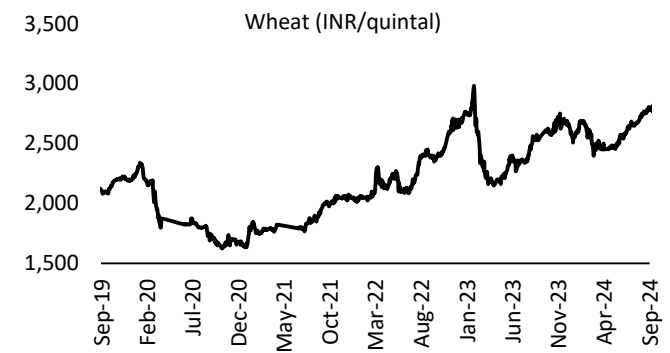
Source: Bloomberg, MOFSL

Exhibit 14: Average Gold prices rose 21% YoY while remain flattish QoQ in Sep'24



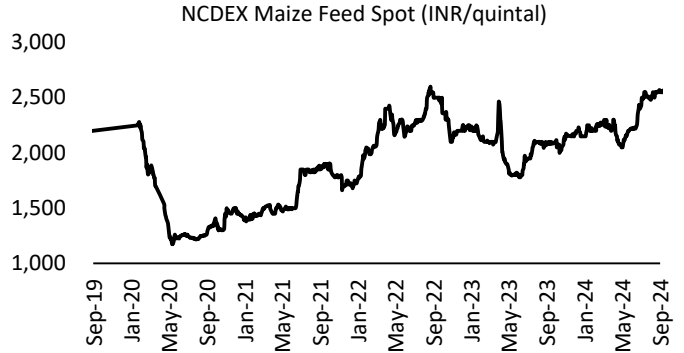
Source: Bloomberg, MOFSL

Exhibit 15: Wheat prices rose 11% YoY/8% QoQ in Sep'24



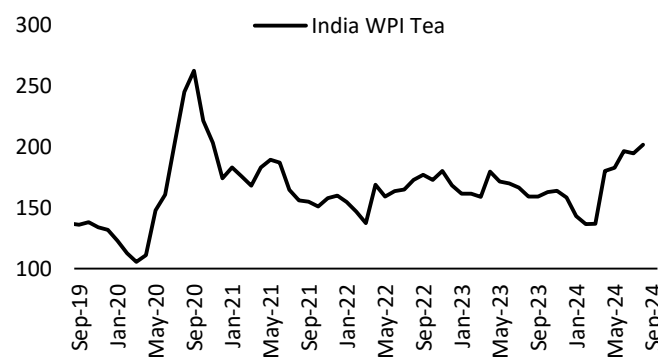
Source: Bloomberg, MOFSL

Exhibit 16: Maize prices rose 22% YoY/15% QoQ in Sep'24



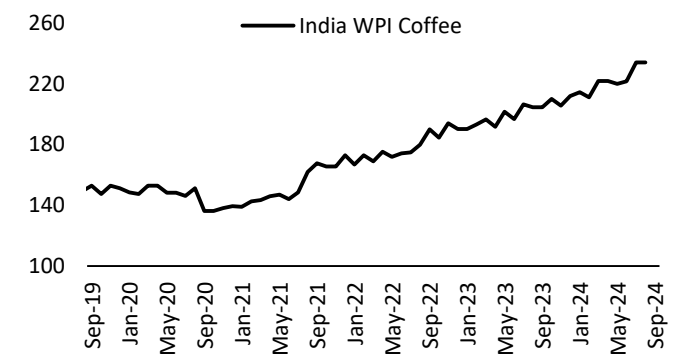
Source: Bloomberg, MOFSL

Exhibit 17: India WPI Tea prices up 23% YoY and 6% QoQ



Source: Bloomberg, MOFSL

Exhibit 18: India coffee prices rose 14% YoY and 6% QoQ

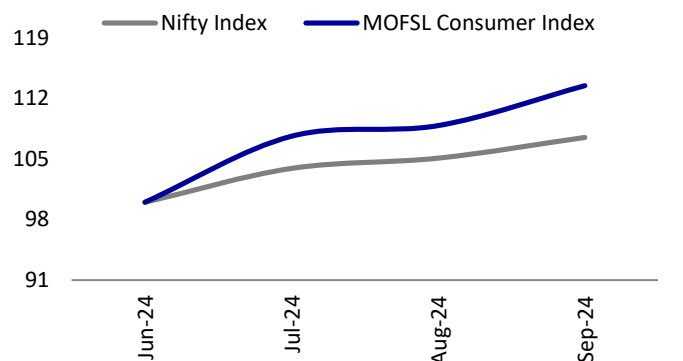


Source: Bloomberg, MOFSL

Exhibit 19: Comparative valuation

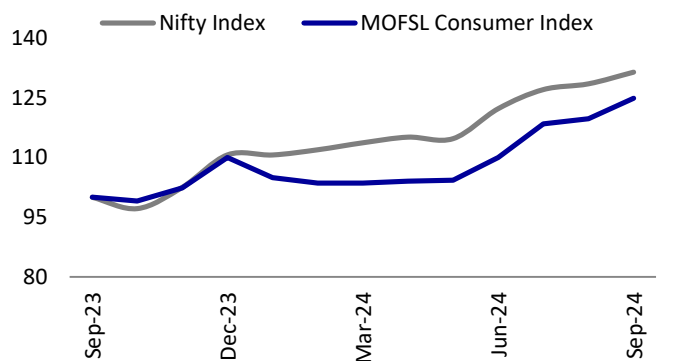
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Consumer						53.4	47.3	42.8	13.3	12.3	11.2	24.9	26.0	26.2
Asian Paints	3,277	Neutral	55.5	62.0	70.1	59.1	52.8	46.7	15.7	14.3	12.8	27.5	28.4	28.9
Britannia	6,446	Neutral	101.2	113.9	127.3	63.7	56.6	50.7	34.1	28.6	23.6	57.4	54.9	51.0
Colgate	3,819	Neutral	56.9	63.4	69.5	67.1	60.3	55.0	47.2	40.5	35.1	76.0	72.4	68.5
Dabur	619	Buy	10.9	12.6	14.2	56.6	49.1	43.4	10.2	9.4	8.7	18.8	20.0	20.8
Emami	749	Buy	20.4	23.1	25.0	36.6	32.4	29.9	11.7	10.3	9.1	34.1	33.9	32.3
Godrej Consumer	1,388	Buy	21.7	26.7	30.2	64.1	52.1	45.9	10.4	9.4	8.6	16.8	18.9	19.6
Hind. Unilever	2,922	Buy	46.3	52.3	57.5	63.1	55.9	50.9	13.2	12.9	12.5	21.1	23.4	24.9
Indigo Paints	1,507	Buy	30.6	37.3	46.4	49.2	40.4	32.5	7.0	6.2	5.2	15.2	16.3	17.3
ITC	516	Buy	17.0	18.6	20.1	30.3	27.8	25.7	8.3	7.8	7.4	27.9	28.9	29.7
Jyothy Labs	548	Neutral	11.1	12.4	13.7	49.6	44.1	39.9	10.5	9.5	8.4	21.8	22.6	22.3
Marico	693	Buy	12.6	13.9	15.2	55.2	49.8	45.7	22.5	21.5	20.5	41.6	44.2	45.9
Nestle	2,707	Neutral	36.2	40.2	45.5	74.7	67.3	59.5	65.0	54.8	46.5	95.0	88.3	84.5
P&G Hygiene	16,712	Neutral	260.2	296.4	338.3	64.2	56.4	49.4	57.5	47.7	40.0	98.4	92.6	88.2
Page Industries	42,679	Neutral	573.3	701.4	838.3	74.4	60.8	50.9	27.3	23.5	20.2	36.7	38.6	39.6
Pidilite Inds.	3,340	Neutral	42.3	49.4	57.1	79.0	67.7	58.5	17.8	16.0	12.9	23.9	24.9	24.4
Tata Consumer	1,197	Buy	16.6	20.2	15.2	72.2	59.1	79.0	5.4	5.1	4.9	9.0	9.5	6.8
United Breweries	2,160	Sell	22.8	32.2	37.2	95	67	58.1	12.7	11.5	10.4	13.9	18.0	18.8
United Spirits	1,611	Neutral	18.4	20.8	23.0	88	77	70.1	14.1	11.9	10.2	16.1	15.4	14.5
Varun Beverages	612	Buy	8.3	10.4	13.1	74.1	59.1	46.8	21.4	16.1	12.3	33.1	31.1	29.8

Exhibit 20: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 21: One-year relative performance (%)



Source: MOFSL, Company

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

Asian Paints Neutral

CMP: INR3,277 | TP: INR3,150 (-4%)

EPS CHANGE (%): FY25 | FY26: -4.7 | -3.9

- The demand environment was weak in 2Q. We expect flat revenue growth and volume growth of 5% in domestic decorative paints.
- We expect gross margin to decline marginally by 40bp YoY to 43.0% due to product mix.
- EBITDA margin expected to decline 260bp YoY due to negative operating leverage.
- Key monitorable on the competition with new players.

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Est. Dom. Deco. Vol. growth (%)	10.0	6.0	12.0	10.0	7.0	5.5	13.0	14.0	9.5	9.1
Net Sales	91,823	84,786	91,031	87,308	89,697	85,210	99,679	96,937	3,54,947	3,71,523
Change (%)	6.7	0.2	5.4	-0.6	-2.3	0.5	9.5	11.0	2.9	4.7
Gross Profit	39,419	36,771	39,695	38,160	38,152	36,640	43,360	43,438	1,54,045	1,61,590
Gross Margin (%)	42.9	43.4	43.6	43.7	42.5	43.0	43.5	44.8	43.4	43.5
EBITDA	21,213	17,162	20,561	16,914	16,938	15,028	22,065	20,332	75,850	74,362
Margin (%)	23.1	20.2	22.6	19.4	18.9	17.6	22.1	21.0	21.4	20.0
Change (%)	36.3	39.8	27.6	-9.3	-20.2	-12.4	7.3	20.2	21.2	-2.0
Interest	458	509	544	541	554	550	550	535	2,052	2,189
Depreciation	1,983	2,087	2,204	2,256	2,277	2,338	2,468	2,615	8,530	9,698
Other Income	1,971	1,652	1,386	1,871	1,562	1,817	1,802	1,836	6,880	7,017
PBT	20,743	16,218	19,199	15,988	15,669	13,958	20,848	19,017	72,148	69,492
Tax	5,301	4,186	4,926	3,488	4,168	3,489	5,108	4,607	17,901	17,373
Effective Tax Rate (%)	25.6	25.8	25.7	21.8	26.6	25.0	24.5	24.2	24.8	25.0
Adjusted PAT	15,749	12,324	14,752	12,753	11,868	10,760	15,980	14,398	55,577	53,005
Change (%)	48.5	53.3	34.5	-0.6	-24.6	-12.7	8.3	12.9	30.9	-4.6

E: MOFSL Estimates

Britannia Industries Neutral

CMP: INR6,446 | TP: INR 6,100 (-5%)

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

- We expect 7% revenue growth YoY, primarily led by volume growth of 9% in 2QFY25.
- BRIT has not taken a price hike in last 7-8 months, but it is expected in 2HFY25 amid rising RM prices.
- Margin expansion expected to remain moderate YoY.
- It focuses on innovation and distribution channel to gain the market share.

Consol. Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Base business volume growth (%)	0.0	0.0	5.5	6.0	8.0	9.0	9.0	9.0	2.9	8.8
Total Revenue	40,107	44,329	42,563	40,694	42,503	47,389	46,735	45,235	1,67,693	1,81,862
YoY change (%)	8.4	1.2	1.4	1.1	6.0	6.9	9.8	11.2	2.9	8.4
Gross Profit	16,820	19,011	18,673	18,269	18,449	20,709	20,563	20,298	72,772	80,019
Margins (%)	41.9	42.9	43.9	44.9	43.4	43.7	44.0	44.9	43.4	44.0
EBITDA	6,889	8,724	8,211	7,874	7,537	9,320	9,285	8,867	31,698	35,009
Margins (%)	17.2	19.7	19.3	19.4	17.7	19.7	19.9	19.6	18.9	19.3
YoY growth (%)	37.6	22.6	0.4	-1.7	9.4	6.8	13.1	12.6	12.0	10.4
Depreciation	708	717	781	799	739	825	825	925	3,005	3,314
Interest	531	534	311	264	290	300	325	357	1,640	1,271
Other Income	539	524	506	573	556	550	575	630	2,142	2,311
PBT	6,190	7,997	7,625	7,384	7,064	8,745	8,710	8,215	29,196	32,734
Tax	1,665	2,121	2,026	1,980	1,762	2,230	2,221	2,134	7,793	8,347
Rate (%)	26.9	26.5	26.6	26.8	24.9	25.5	25.5	26.0	26.7	25.5
Adjusted PAT	4,555	5,865	5,586	5,366	5,295	6,508	6,482	6,075	21,371	24,361
YoY change (%)	35.7	19.5	0.3	-3.8	16.3	11.0	16.1	13.2	10.1	14.0

E: MOFSL Estimates

Colgate

Neutral

CMP: INR3,819 | TP: INR3,550 (-7%)

EPS CHANGE (%): FY25|FY26: -1.4|+1.8

- Demand environment was healthy for oral care in 2Q, similar to trends observed in previous quarter.
- We expect 13% revenue growth, led by high-single-digit volume growth in toothpaste in 2QFY25.
- Focus on expanding distribution reach and improving product penetration in rural market through LUPs.
- Company continues to focus on innovation and new launches. It has launched Colgate visible white purple toothpaste in Sep'24 in premium segment in MT, e-commerce and quick commerce.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volume Gr %	3.0	-1.0	-1.0	1.0	7.0	8.0	7.0	7.0	0.5	7.3
Net Sales (inclgd. OOI)	13,237	14,711	13,957	14,900	14,967	16,621	15,352	16,312	56,804	63,252
YoY change (%)	10.6	6.0	8.1	10.3	13.1	13.0	10.0	9.5	8.7	11.3
Gross Profit	9,058	10,117	10,073	10,327	10,574	11,601	10,900	11,327	39,574	44,403
Gross margin (%)	68.4	68.8	72.2	69.3	70.6	69.8	71.0	69.4	69.7	70.2
EBITDA	4,181	4,821	4,684	5,322	5,083	5,635	5,049	5,833	19,008	21,600
Margins (%)	31.6	32.8	33.6	35.7	34.0	33.9	32.9	35.8	33.5	34.2
YoY growth (%)	28.4	18.2	29.6	17.8	21.6	16.9	7.8	9.6	22.9	13.6
Depreciation	438	443	414	421	415	435	445	465	1,715	1,760
Interest	11	11	15	14	10	14	14	17	50	55
Financial other Income	150	210	179	227	234	225	225	224	765	908
PBT	3,883	4,578	4,434	5,114	4,893	5,411	4,815	5,575	18,008	20,693
Tax	951	1,178	1,133	1,315	1,253	1,358	1,209	1,389	4,577	5,208
Rate (%)	24.5	25.7	25.6	25.7	25.6	25.1	25.1	24.9	25.4	25.2
Adj PAT	2,883	3,401	3,301	3,798	3,640	4,053	3,606	4,186	13,383	15,485
YoY change (%)	33.1	22.3	35.7	19.6	26.2	19.2	9.2	10.2	26.8	15.7

E: MOFSL Estimates

Dabur

Buy

CMP: INR619 | TP: INR725 (+17%)

EPS CHANGE (%): FY25|FY26: -7.6|-4.7

- Revenue growth in 2Q was temporarily affected by Dabur's strategic decision of correcting distributor inventory at the GT level to improve their ROI. We model 5% revenue decline in 2Q.
- Demand trends were improving. However, heavy rains and floods across parts of the country affected out-of-home consumption and consumer offtake, particularly in beverages category.
- Dabur continued to invest heavily in its brands, with A&P spending growing ahead of revenue. On account of lower primary revenue and high A&P, the operating profit is expected to decline 16% YoY.
- Badshah Masala continued to witness healthy momentum and saw double-digit growth. International business is expected to deliver double-digit growth in CC terms.

Quarterly Performance (Consolidated)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Domestic FMCG vol. growth (%)	3.0	3.0	4.0	3.0	5.2	-7.0	7.0	7.5	3.3	4.0
Net sales	31,305	32,038	32,551	28,146	33,491	30,385	35,347	30,863	1,24,040	1,30,087
YoY change (%)	10.9	7.3	6.7	5.1	7.0	-5.2	8.6	9.7	7.5	4.9
Gross profit	14,588	15,482	15,823	13,679	16,005	14,706	17,249	15,132	59,571	63,092
Margin (%)	46.6	48.3	48.6	48.6	47.8	48.4	48.8	49.0	48.0	48.5
EBITDA	6,047	6,609	6,678	4,668	6,550	5,528	7,498	5,401	24,002	24,977
Margins (%)	19.3	20.6	20.5	16.6	19.6	18.2	21.2	17.5	19.4	19.2
YoY growth (%)	11.2	10.0	8.1	13.9	8.3	-16.4	12.3	15.7	10.5	4.1
Depreciation	966	983	969	1,074	1,091	1,085	1,085	1,082	3,992	4,343
Interest	243	281	365	352	327	300	250	123	1,242	1,000
Other income	1,098	1,164	1,274	1,289	1,294	1,350	1,450	1,564	4,824	5,658
PBT	5,936	6,508	6,618	4,531	6,427	5,493	7,613	5,760	23,593	25,292
Tax	1,368	1,443	1,550	1,114	1,481	1,263	1,827	1,372	5,474	5,944
Rate (%)	23.0	22.2	23.4	24.6	23.0	23.0	24.0	23.8	23.2	23.5
Adjusted PAT	4,721	5,233	5,225	3,578	5,084	4,370	5,926	3,998	18,757	19,377
YoY change (%)	7.2	6.7	7.8	10.8	7.7	-16.5	13.4	11.7	9.3	3.3

Emami**Buy****CMP: INR749 | TP: INR950 (+27%)****EPS CHANGE (%): FY25 | FY26: -2.6 | -1.4**

- Demand was subdued in 2Q due to heavy rains. We model 5% revenue growth led by 3% domestic volume growth.
- The margins are expected to remain moderate YoY.
- Emami is taking initiatives to drive growth of Kesh King.
- D2C brands like The Man Company and Brillare are performing well.

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

Y/E MARCH	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	-1.0	6.4	8.7	3.0	8.0	8.0	2.6	6.9
Net Sales	8,257	8,649	9,963	8,912	9,061	9,089	10,875	9,765	35,781	38,790
YoY change (%)	6.8	6.3	1.4	6.6	9.7	5.1	9.2	9.6	5.1	8.4
Gross Profit	5,401	6,061	6,851	5,863	6,131	6,390	7,526	6,408	24,176	26,455
Gross margin (%)	65.4	70.1	68.8	65.8	67.7	70.3	69.2	65.6	67.6	68.2
EBITDA	1,900	2,337	3,149	2,110	2,165	2,491	3,487	2,382	9,495	10,526
Margins (%)	23.0	27.0	31.6	23.7	23.9	27.4	32.1	24.4	26.5	27.1
YoY change	9.6	19.6	7.0	5.6	13.9	6.6	10.8	12.9	10.1	10.9
Depreciation	460	461	458	480	444	430	445	468	1,859	1,788
Interest	21	23	27	29	21	25	25	29	100	100
Other Income	83	111	167	107	105	125	135	139	468	503
PBT	1,502	1,964	2,831	1,708	1,805	2,161	3,152	2,023	8,005	9,142
Tax	129	158	155	225	278	195	284	158	667	914
Rate (%)	8.6	8.1	5.5	13.2	15.4	9.0	9.0	7.8	8.3	10.0
Adj. PAT	1,413	1,967	2,828	1,669	1,702	2,142	3,040	2,033	7,876	8,923
YoY change (%)	36.9	12.5	11.0	13.0	20.5	8.9	7.5	21.9	15.7	13.3
Reported PAT	1,368	1,800	2,607	1,468	1,506	1,960	2,858	1,849	7,241	8,174
YoY change (%)	88.1	-0.1	11.9	3.6	10.1	8.9	9.7	26.0	15.4	12.9

E: MOFSL Estimates

Godrej Consumer**Buy****CMP: INR1,388 | TP: INR1,650 (+19%)****EPS CHANGE (%): FY25 | FY26: -2.6 | -1.1**

- We expect 9% revenue growth in domestic business led by volume growth of 7%. The international business is expected to decline 8% due to currency fluctuation, SKU rationalization and East Africa business sale. We model 2% revenue growth at consol level.
- GCPL has not taken much price hike in soap category due to new formulation by the market leader.
- Gross and EBITDA margins are expected to remain stable YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Domestic volume Growth (%)	10	4	5	9	8	7	7	7	7	7
Net Sales (including OOI)	34,489	36,020	36,596	33,856	33,316	36,901	40,235	39,213	1,40,961	1,49,877
YoY change (%)	10.4	6.2	1.7	5.8	-3.4	2.4	9.9	15.8	5.9	6.3
Gross Profit	18,534	19,771	20,454	18,999	18,608	19,972	22,449	21,674	77,758	82,704
Margin (%)	53.7	54.9	55.9	56.1	55.9	54.1	55.8	55.3	55.2	55.2
EBITDA	6,818	7,234	9,048	7,604	7,262	7,477	9,577	8,778	30,704	33,095
Margins (%)	19.8	20.1	24.7	22.5	21.8	20.3	23.8	22.4	21.8	22.1
YoY growth (%)	28.0	26.0	17.9	14.4	6.5	3.4	5.8	15.4	20.9	7.8
Depreciation	763	609	539	499	495	550	575	605	2,410	2,224
Interest	740	773	666	785	878	850	825	798	2,964	3,350
Other Income	691	659	701	638	771	800	825	869	2,690	3,265
PBT	5,617	6,319	7,904	6,912	6,643	6,877	9,002	8,245	26,751	30,767
Tax	1,611	1,866	2,024	2,087	1,933	2,063	2,701	1,918	7,588	8,615
Rate (%)	28.7	29.5	25.6	30.2	29.1	30.0	30.0	23.3	28.4	28.0
Adj PAT	3,732	4,415	5,862	5,749	4,649	4,814	6,301	6,327	19,758	22,152
YoY change (%)	7.7	17.2	6.0	22.6	24.6	9.0	7.5	10.1	13.2	12.1
Reported PAT	3,188	4,328	5,811	-18,932	4,507	4,814	6,301	6,327	-5,605	22,152

E: MOFSL Estimate

Hindustan Unilever**Buy****CMP: INR2,922 | TP: INR3,400 (+16%)****EPS CHANGE (%): FY25 | FY26: -3.3 | -2.5**

- Demand trends were stable QoQ, with rural outperforming urban. We expect 5% YoY domestic volume growth in 2QFY25.
- In the base quarter (2QFY24), a one-off benefit from the favorable resolution of an indirect tax litigation contributed to an additional 1% sales increase. We model 2.4% revenue growth in 2QFY25.
- Intrinsic EBITDA margin is expected to remain flat YoY. In 2QFY24, EBITDA margin was 24.3% with 80bp gain from a one-off tax benefit. Thereby, intrinsic EBITDA margin was ~23.5% in 2QFY24.
- We model 23.6% in 2QFY25 considering the impact of the increase in royalty and the discontinuation of distribution of OTC products of GSK.
- The company continues to prioritize reshaping its portfolio and expanding its existing brands

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	2.0	2.0	4.0	5.0	5.5	6.0	2.3	5.1
Revenue	155.0	156.2	155.7	152.1	157.1	160.0	165.9	162.6	619.0	645.6
YoY change (%)	6.0	3.2	-0.2	0.0	1.4	2.4	6.6	6.9	2.2	4.3
COGS	76.8	73.5	74.8	72.6	75.5	76.0	78.3	76.9	298	307
Gross Profit	78.2	82.8	80.9	79.5	81.6	84.0	87.6	85.7	321.4	338.9
Margin %	50.4	53.0	52.0	52.3	52.0	52.5	52.8	52.7	51.9	52.5
EBITDA	36.7	38.0	36.7	35.4	37.4	37.8	39.5	38.8	146.6	153.4
YoY change (%)	7.7	9.1	-0.8	-1.1	2.2	-0.6	7.7	9.7	3.6	4.6
Margins (%)	23.7	24.3	23.5	23.2	23.8	23.6	23.8	23.8	23.7	23.8
Depreciation	2.9	3.0	3.1	3.2	3.3	3.3	3.3	3.2	12.2	13.0
Interest	0.5	0.9	0.9	1.1	0.9	0.9	0.9	0.9	3.3	3.6
Other income	1.8	1.8	2.1	2.3	2.6	2.6	2.6	2.7	8.1	10.4
PBT	35.1	36.0	34.8	33.4	35.8	36.1	37.9	37.4	139.2	147.2
Tax	9.2	9.3	9.4	8.6	9.2	9.1	9.7	9.5	36.4	37.4
Rate (%)	26.1	25.9	27.0	25.7	25.6	25.2	25.5	25.3	26.2	25.4
PAT bei	25.8	26.6	25.3	25.0	26.5	27.0	28.2	27.9	102.7	108.9
YoY change (%)	8.0	-1.1	-2.0	-1.6	2.5	1.4	11.6	11.6	0.7	6.0
Reported Profit	25.5	26.6	25.1	25.6	26.1	27.0	28.2	27.9	102.8	109.2

E: MOFSL Estimates

Indigo Paints**Buy****CMP: INR1,507 | TP: INR1,750 (+16%)****EPS CHANGE (%): FY25 | FY26: -5.8 | -2.6**

- We expect ~7% YoY sales growth in 2QFY25.
- We expect that gross margin and EBITDA margin remain stable YoY in 2QFY25.
- Watch out for commentaries on demand trends of the waterproofing business and expansion to larger cities.
- Expect strong competition and pressure on profits in the near future, as new competitors enter the market.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	2,884	2,790	3,538	3,849	3,110	2,972	3,891	4,264	13,061	14,236
Change (%)	28.8	15.0	25.8	18.3	7.8	6.5	10.0	10.8	21.7	9.0
Raw Material/PM	1,519	1,519	1,833	1,968	1,661	1,602	2,043	2,212	6,839	7,517
Gross Profit	1,365	1,271	1,705	1,881	1,449	1,370	1,848	2,052	6,222	6,720
Gross Margin (%)	47.3	45.6	48.2	48.9	46.6	46.1	47.5	48.1	47.6	47.2
EBITDA	491	421	622	846	474	437	658	914	2,381	2,483
Margin (%)	17.0	15.1	17.6	22.0	15.2	14.7	16.9	21.4	18.2	17.4
Change (%)	39.2	24.8	53.5	17.9	-3.5	3.6	5.8	8.1	31.2	4.3
Interest	5	6	6	5	6	6	6	5	21	23
Depreciation	101	113	146	156	152	160	170	178	516	660
Other Income	38	32	31	42	42	40	40	42	142	163
PBT	423	335	501	727	357	311	522	774	1,986	1,963
Tax	108	81	125	183	90	77	130	194	497	491
Effective Tax Rate (%)	25.6	24.3	25.0	25.1	25.3	24.8	25.0	25.0	25.0	25.0
Adjusted PAT	310	253	373	537	262	230	389	576	1,474	1,457
Change (%)	55.9	22.1	41.9	10.3	-15.6	-9.3	4.3	7.4	27.5	-1.2

E: MOFSL Estimates

ITC**Buy****CMP: INR516 | TP: INR585 (+13%)****EPS CHANGE (%): FY25 | FY26: -1.6 | -1.3**

- Cigarette business showed stable volumes and pricing, with the portfolio continuing to grow, aided by improvements in product mix. We model ~3.5% volume growth in the business in 2QFY25.
- Unseasonal monsoon rains disrupted supply chains, impacting sales in some regions. However, the upcoming festive season in Q3 is expected to revive the demand.
- Margins in cigarette and FMCG business expected to remain stable YoY. We model EBIT margins of 59.5% in cigarette and 8.2% in FMCG business in 2QFY25.
- The paper segment remained weak, while the agriculture segment and hotel business performed well during the quarter.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Est. cigarette vol. gr. (%)	8.0	5.0	-1.0	2.0	3.0	3.5	4.5	3.0	3.5	
Net Sales	171.6	177.7	180.2	179.2	184.6	187.6	194.8	202.5	708.8	769.5
YoY change (%)	-7.2	3.9	1.8	1.6	7.5	5.5	8.1	13.0	-0.1	8.6
Gross Profit	106.1	107.1	109.8	113.4	111.7	114.4	120.8	128.6	436.3	475.5
Margins (%)	61.8	60.2	60.9	63.2	60.5	61.0	62.0	63.5	61.6	61.8
EBITDA	66.7	64.5	65.0	66.3	67.5	67.2	71.0	73.5	262.5	279.1
Growth (%)	9.8	3.1	-3.0	0.0	1.2	4.1	9.2	10.9	2.3	6.3
Margins (%)	38.9	36.3	36.1	37.0	36.6	35.8	36.5	36.3	37.0	36.3
Depreciation	4.4	4.5	4.6	4.6	5.0	5.0	5.0	4.9	18.2	19.8
Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	0.5
Other Income	7.2	6.6	6.6	6.8	6.9	7.2	7.4	7.7	27.3	29.2
PBT	69.4	66.6	66.9	68.4	69.3	69.3	73.3	76.1	271.2	288.0
Tax	17.6	17.0	12.8	16.5	17.6	17.3	18.3	19.2	63.9	72.5
Rate (%)	25.4	25.5	19.2	24.1	25.4	25.0	25.0	25.3	23.6	25.2
Adj PAT	51.0	49.0	53.4	51.2	50.9	51.2	54.2	56.1	204.6	212.4
YoY change (%)	16.3	6.0	6.7	0.0	-0.2	4.5	1.5	9.5	6.9	3.8

E: MOFSL estimate;

Jyothy Labs.**Neutral****CMP: INR549 | TP: INR575 (+5%)****EPS CHANGE (%): FY25 | FY26: - | -**

- We expect consolidated net sales to grow 9% YoY, led by volume growth of 10% in 2QFY25.
- We expect gross margin expansion of ~200bp YoY to 51.2% on lower RM prices and product mix.
- EBITDA margin expected to expand marginally by 40bp YoY to 18.9% in 2QFY25.
- It focuses on rural distribution, innovation, and introduction of SKUs to cater to specific consumer segments.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volume growth (%)	9%	9%	11%	10%	11%	10%	7%	9%	9%	9%
Net Sales	6,871	7,323	6,775	6,600	7,418	7,983	7,453	7,360	27,569	30,213
YoY change (%)	15.1	11.1	10.6	7.0	8.0	9.0	10.0	11.5	10.9	9.6
Gross Profit	3,289	3,604	3,371	3,267	3,805	4,087	3,801	3,716	13,531	15,409
Margins (%)	47.9	49.2	49.8	49.5	51.3	51.2	51.0	50.5	49.1	51.0
EBITDA	1,174	1,354	1,186	1,084	1,335	1,509	1,312	1,244	4,798	5,398
EBITDA growth %	96.2	68.3	40.6	18.7	13.7	11.4	10.6	14.8	51.9	12.5
Margins (%)	17.1	18.5	17.5	16.4	18.0	18.9	17.6	16.9	17.4	17.9
Depreciation	120	123	128	129	134	130	136	134	500	535
Interest	11	12	12	13	14	13	13	13	47	52
Other Income	79	132	106	130	137	130	125	108	447	500
PBT	1,123	1,351	1,152	1,072	1,324	1,496	1,288	1,205	4,698	5,312
Tax	250	311	243	291	307	350	301	290	1,095	1,248
Rate (%)	22.3	23.0	21.1	27.1	23.2	23.4	23.4	24.1	23.3	23.5
Adjusted PAT	873	1,040	909	781	1,017	1,146	986	915	3,603	4,064
YoY change (%)	124.1	78.2	34.9	31.9	16.6	10.2	8.5	17.1	54.8	12.8

E: MOFSL Estimates

Marico**Buy****CMP: INR693 | TP: INR780 (+12%)****EPS CHANGE (%): FY25 | FY26: -3.0 | -2.9**

- Domestic business has shown sequential improvement. We model 7% revenue growth led by higher domestic realization, while currency headwinds in some international markets offset gains.
- Gross margins are expected to moderate YoY, with a lag in operating profit growth compared to revenue due to higher input costs.
- Parachute oil delivered mid-single digit volume growth, Saffola oil delivered low-single-digit revenue growth and VAHO demand was subdued.
- International business delivered low-teen growth in CC terms, with positive contributions from all markets. Bangladesh delivered a high single-digit growth, showing resilience despite a challenging environment.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Domestic volume growth (%)	3.0	3.0	2.0	3.0	4.0	4.3	7.0	8.7	2.8	6.0
Net Sales	24,770	24,760	24,220	22,780	26,430	26,575	26,873	25,034	96,530	1,04,912
YoY Change (%)	-3.2	-0.8	-1.9	1.7	6.7	7.3	11.0	9.9	-1.1	8.7
Gross Profit	12,380	12,500	12,420	11,750	13,810	13,287	13,705	13,017	49,050	53,820
Gross margin (%)	50.0	50.5	51.3	51.6	52.3	50.0	51.0	52.0	50.8	51.3
EBITDA	5,740	4,970	5,130	4,420	6,260	5,208	5,740	4,871	20,260	22,080
Margins (%)	23.2	20.1	21.2	19.4	23.7	19.6	21.4	19.5	21.0	21.0
YoY Change (%)	8.7	14.8	12.5	12.5	9.1	4.8	11.9	10.2	11.9	9.0
Depreciation	360	390	420	410	410	450	475	481	1,580	1,816
Interest	170	200	190	170	170	170	165	145	730	650
Other Income	460	380	430	150	370	375	385	420	1,420	1,550
PBT	5,670	4,760	4,950	3,990	6,050	4,963	5,485	4,665	19,370	21,164
Tax	1,310	1,160	1,090	790	1,310	1,142	1,262	1,049	4,350	4,762
Rate (%)	23.1	24.4	22.0	19.8	21.7	23.0	23.0	22.5	22.5	22.5
Adjusted PAT	4,270	3,530	3,830	3,180	4,640	3,752	4,194	3,627	14,810	16,213
YoY Change (%)	15.1	17.3	16.8	5.3	8.7	6.3	9.5	14.1	13.7	9.5

E: MOFSL Estimates

Nestlé India**Neutral****CMP: INR2,707 | TP: INR2,650 (-2%)****EPS CHANGE (%): FY25 | FY26: -1.6 | -1.6**

- We model sales growth of 6% YoY; the growth momentum will continue.
- We anticipate that the company has implemented a price hike in response to rising commodity prices.
- We model moderate margin expansion of 50bp YoY in GM and 30bp in EBITDA.
- The company continues to focus on expanding its distribution reach.

Quarterly performance**(INR m)**

Y/E December	FY24					FY25E				FY24*	FY25E
	1Q	2Q	3Q	4Q	5Q	1Q	2QE	3QE	4QE		
Net Sales	48,305	46,585	50,368	46,004	52,676	48,140	53,452	49,950	58,714	2,43,939	2,10,255
YoY Change (%)	21.0	15.1	9.5	8.1	9.0	3.3	6.1	8.6	11.5	15.5	-13.8
COGS	22,315	21,050	21,916	19,046	22,759	20,388	22,984	21,229	25,178	1,07,086	89,779
Gross Profit	25,990	25,535	28,452	26,959	29,917	27,751	30,468	28,721	33,536	1,36,853	1,20,476
Margin (%)	53.8	54.8	56.5	58.6	56.8	57.6	57.0	57.5	57.1	56.1	57.3
Operating Exp	14,748	14,872	15,984	15,670	16,491	16,543	17,047	16,694	18,522	77,765	68,805
EBITDA	11,242	10,663	12,468	11,289	13,426	11,209	13,421	12,027	15,015	59,088	51,671
Margins (%)	23.3	22.9	24.8	24.5	25.5	23.3	25.1	24.1	25.6	24.2	24.6
YoY Growth (%)	19.8	24.5	21.6	13.5	19.4	5.1	7.6	6.5	11.8	23.9	-12.6
Depreciation	1,017	1,074	1,112	1,087	1,089	1,127	1,175	1,200	1,198	5,378	4,700
Interest	370	328	314	230	262	317	317	285	281	1,455	1,200
Other income	337	240	333	303	268	391	350	325	316	1,480	1,382
PBT	10,192	9,501	11,375	10,275	12,343	10,156	12,279	10,867	13,851	53,735	47,153
Tax	2,538	2,410	3,139	2,309	3,164	2,625	3,164	2,582	3,269	13,560	11,639
Rate (%)	24.9	25.4	27.6	22.5	25.6	25.8	25.8	23.8	23.6	25.2	24.7
Adjusted PAT	7,511	7,017	8,055	7,808	9,138	7,377	9,012	8,183	10,378	39,577	34,950
YoY Change (%)	25.8	30.0	20.7	23.5	21.7	5.1	11.9	4.8	13.6	30.0	-11.7

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

Page Industries

Neutral

CMP: INR42,679 | TP: INR40,000 (-6%)

EPS CHANGE (%): FY25|FY26: -0.5|0.3

- We expect ~7% YoY growth in revenue on the back of seasonality and base effect.
- Margin expansion is expected to remain moderate YoY.
- ARS has worked well for the categories with lower SKUs like men's innerwear.
- Watch out for commentaries on recovery in rural demand and in kids and women athleisure.

Quarterly Statement

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volume growth (%)	-11.5	-8.8	4.6	6.1	2.6	3.5	7.0	7.6	-3.5	4.7
Net Sales	12,291	11,251	12,288	9,925	12,775	11,994	13,542	10,927	45,817	49,239
YoY change (%)	-8.4	-8.4	2.4	2.9	3.9	6.6	10.2	10.1	-2.8	7.5
Gross Profit	6,544	6,262	6,522	5,562	6,918	6,753	7,313	6,197	24,971	27,180
Gross margin (%)	53.2	55.7	53.1	56.0	54.1	56.3	54.0	56.7	54.5	55.2
Other Expenditure	4,159	3,927	4,226	3,918	4,484	4,251	4,648	4,351	16,248	17,735
% to sales	33.8	34.9	34.4	39.5	35.1	35.4	34.3	39.8	35.5	36.0
EBITDA	2,385	2,335	2,297	1,643	2,433	2,502	2,664	1,845	8,723	9,445
Margins (%)	19.4	20.8	18.7	16.6	19.0	20.9	19.7	16.9	19.0	19.2
YoY change	-19.9	-1.8	19.1	22.3	2.0	7.1	16.0	12.3	1.1	8.3
Depreciation	210	246	226	226	221	235	250	275	908	981
Interest	127	112	105	105	117	110	110	128	449	465
Other Income	52	17	55	137	129	125	125	121	200	500
PBT	2,100	1,994	2,021	1,450	2,225	2,282	2,429	1,563	7,565	8,499
Tax	517	491	497	368	572	566	603	364	1,873	2,104
Rate (%)	24.6	24.6	24.6	25.4	25.7	24.8	24.8	23.3	24.8	24.8
PAT	1,584	1,503	1,524	1,082	1,652	1,716	1,827	1,200	5,692	6,395
YoY change (%)	-23.5	-7.3	23.1	38.1	4.3	14.2	19.9	10.9	-0.4	12.3

E: MOFSL Estimates

P&G Hygiene

Neutral

CMP: INR16,712 | TP: INR17,000 (+2%)

EPS CHANGE (%): FY24|25: -|-

- Sales expected to grow ~9% YoY in 1QFY25 (June qtr. Yaer ending).
- Gross margin expected to increase by 60bp YoY to 61.5%.
- EBITDA margin expected to decline 40bp YoY to 24.6%.
- A&P spending and demand outlook are key monitorables.

Standalone - Quarterly Earnings

(INR m)

Y/E June	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	11,384	11,334	10,022	9,318	12,419	12,014	11,124	11,259	42,057	46,817
YoY Change (%)	9.2	-0.3	13.5	9.7	9.1	6.0	11.0	20.8	7.5	11.3
Gross profit	6,932	6,825	6,644	5,514	7,638	7,665	7,119	6,510	25,915	28,933
Margin (%)	60.9	60.2	66.3	59.2	61.5	63.8	64.0	57.8	61.6	61.8
EBITDA	2,849	3,097	2,573	1,313	3,057	3,318	2,887	2,209	9,833	11,470
Growth	33.1	6.6	72.4	-37.9	7.3	7.1	12.2	68.2	13.2	16.7
Margins (%)	25.0	27.3	25.7	14.1	24.6	27.6	26.0	19.6	23.4	24.5
Depreciation	143	143	145	134	164	159	157	173	565	653
Interest	19	26	224	-1	21	29	40	25	268	115
Other Income	158	156	136	73	162	160	140	142	523	605
PBT	2,845	3,085	2,339	1,253	3,034	3,290	2,830	2,153	9,522	11,308
PBT after EO expense	2,845	3,085	2,029	1,123	3,034	3,290	2,830	2,153	9,082	11,308
Tax	738	796	796	345	749	823	688	590	2,674	2,850
Rate (%)	25.9	25.8	39.2	30.7	24.7	25.0	24.3	27.4	29.4	25.2
Adj PAT	2,107	2,289	1,854	908	2,285	2,468	2,142	1,563	7,159	8,458
YoY Change (%)	36.4	10.1	72.5	-38.5	8.4	7.8	15.5	72.1	15.3	18.2
Margins (%)	18.5	20.2	18.5	9.7	18.4	20.5	19.3	13.9	17.0	18.1

E: MOFSL Estimates

Pidilite Industries**Neutral****CMP: INR3,340 | TP: INR3,200 (-4%)****EPS CHANGE (%): FY25|FY26: -2.4|-0.8**

- We expect consolidated revenue to grow 7% YoY.
- We expect gross margin to expand 200bp YoY to 53.3% on a decrease in VAM prices.
- We expect 11% volume growth during the quarter.
- Outlook on domestic and international demand is a key monitorable.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volume growth (%)	7.9	8.2	10.4	15.2	9.6	11.0	12.0	12.0	10.4	11.15
Net Sales	32,751	30,760	31,300	29,019	33,954	32,914	34,430	32,119	1,23,830	1,33,416
YoY change (%)	5.6	2.2	4.4	7.9	3.7	7.0	10.0	10.7	4.9	7.7
Gross Profit	16,054	15,783	16,551	15,503	18,268	17,543	18,351	17,176	63,890	71,339
Margin (%)	49.0	51.3	52.9	53.4	53.8	53.3	53.3	53.5	51.6	53.5
EBITDA	7,070	6,797	7,425	5,769	8,127	7,623	8,275	6,433	27,073	30,458
YoY change (%)	33.5	36.0	49.7	25.6	15.0	12.1	11.5	11.5	36.4	12.5
Margins (%)	21.6	22.1	23.7	19.9	23.9	23.2	24.0	20.0	21.9	22.8
Depreciation	734	752	795	1,125	844	850	850	843	3,407	3,387
Interest	119	131	128	134	118	118	121	108	512	466
Other Income	234	316	370	489	539	500	500	508	1,397	2,047
PBT	6,451	6,230	6,872	4,999	7,704	7,155	7,804	5,990	24,551	28,653
Tax	1,704	1,631	1,765	1,219	1,984	1,803	1,951	1,426	6,319	7,163
Rate (%)	26.4	26.2	25.7	24.4	25.7	25.2	25.0	23.8	26.5	25.0
Adj PAT	4,746	4,599	5,107	3,779	5,721	5,352	5,853	4,564	18,231	21,490
YoY change (%)	34.0	37.4	66.8	31.5	20.5	16.4	14.6	20.8	42.2	17.9
Margins (%)	14.5	15.0	16.3	13.0	16.8	16.3	17.0	14.2	14.7	16.1

E: MOFSL Estimates

Tata Consumer Products**Buy****CMP: INR1,197 | TP: INR1,380 (+15%)****EPS CHANGE (%): FY25|FY26: -9|-1**

- We expect revenue to grow ~13.5% YoY, led by higher growth from new businesses.
- Capital foods and organic segments are expected to witness margin expansion.
- EBITDA margin is likely to contract to ~13.8% in 2QFY25 vs. 14.4% in 2QFY24.
- High tea costs are expected to weigh on the Indian tea business

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	37,412	37,338	38,039	39,269	43,521	42,382	43,884	46,119	152,059	175,906
YoY Change (%)	12.5	11.0	9.5	8.5	16.3	13.5	15.4	17.4	10.3	15.7
Total Expenditure	31,962	31,967	32,315	32,974	36,847	36,538	37,079	38,699	129,218	149,164
EBITDA	5,450	5,371	5,724	6,296	6,674	5,844	6,805	7,420	22,841	26,742
Margins (%)	14.6	14.4	15.0	16.0	15.3	13.8	15.5	16.1	15.0	15.2
Depreciation	820	939	855	1,158	1,480	1,520	1,560	1,580	3,772	6,140
Interest	262	276	332	428	936	600	625	645	1,298	2,806
Other Income	578	898	596	385	392	900	700	710	2,456	2,702
PBT before EO expense	4,946	5,054	5,133	5,095	4,650	4,624	5,320	5,905	20,228	20,497
Extra-Ord expense	-52	-146	-915	-2,158	-171	0	0	0	-3,270	-171
PBT	4,894	4,909	4,217	2,937	4,479	4,624	5,320	5,905	16,957	20,326
Tax	1,309	1,317	1,062	260	1,337	1,248	1,436	1,594	3,947	5,616
Rate (%)	26.7	26.8	25.2	8.8	29.9	27.0	27.0	27.0	23.3	27.6
Minority Interest	211	257	226	-44	-11	40	67	70	651	167
Profit/Loss of Asso. Cos.	-209	47	-140	-555	-249	30	-180	-326	-856	-725
Reported PAT	3,166	3,382	2,789	2,166	2,903	3,365	3,636	3,914	11,503	13,818
Adj PAT	3,205	3,492	3,475	3,785	3,031	3,365	3,636	3,914	13,956	13,947
YoY Change (%)	17.2	42.8	18.7	38.4	-5.4	-3.6	4.6	3.4	28.7	-0.1
Margins (%)	8.6	9.4	9.1	9.6	7.0	7.9	8.3	8.5	9.2	7.9

United Breweries

Sell
CMP: INR2,160 | TP: INR1,950 (-10%)
EPS CHANGE (%): FY25 | FY26: -4.0 | -2.6

- We expect 10% revenue growth and volume growth of 7% YoY in 2QFY25.
- We model stability in gross margin and EBITDA margin expansion on YoY basis.
- We expect some improvement in the glass bottle returns.
- Outlook on state mix and realization growth is a monitorable.

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volume growth (%)	-12	7	8	11	5	7	7	9	2	7
Net Sales	22,732	18,880	18,227	21,315	24,730	20,768	20,432	24,009	81,227	89,938
YoY Change (%)	-6.7	12.4	13.1	20.8	8.8	10.0	12.1	12.6	8.3	10.7
Gross Profit	9,221	8,408	8,018	8,894	10,642	9,200	9,092	10,638	34,703	39,573
Margin (%)	40.6	44.5	44.0	41.7	43.0	44.3	44.5	44.3	42.7	44.0
EBITDA	2,228	1,846	1,456	1,420	2,847	2,097	1,905	2,598	6,962	9,446
YoY Change (%)	-15.9	-15.8	89.9	165.6	27.8	13.6	30.8	83.0	13.0	35.7
Margins (%)	9.8	9.8	8.0	6.7	11.5	10.1	9.3	10.8	8.6	10.5
Depreciation	513	508	518	577	577	550	523	445	2,119	2,095
Interest	17	14	21	18	16	20	20	14	69	70
Other Income	103	122	241	263	73	100	217	437	737	826
PBT	1,801	1,446	1,158	1,088	2,327	1,627	1,578	2,576	5,511	8,108
Tax	440	369	310	280	595	420	407	579	1,403	2,092
Rate (%)	24.5	25.5	26.7	25.7	25.5	25.8	25.8	22.5	25.5	25.8
Adj PAT	1,361	1,076	849	808	1,733	1,207	1,171	1,996	4,109	6,016
YoY Change (%)	-15.8	-19.8	274.9	730.8	27.3	12.1	38.0	147.0	24.7	46.4
Margins (%)	6.0	5.7	4.7	3.8	7.0	5.8	5.7	8.3	5.1	6.7

E: MOFSL Estimates

United Spirits

Neutral
CMP: INR1,611 | TP: INR1,550 (-4%)
EPS CHANGE (%): FY25 | FY26: -4.5 | -4.2

- The demand environment was subdued in 2Q. We model 4% revenue growth in P&A and revenue decline of 4% in popular, leading overall 3% revenue growth.
- We model flat volume growth (1%) in 2Q with popular is declining (-6%) and P&A is showing muted growth of 2% YoY.
- Gross margin remained stable YoY. A&P spends expected to be 9% of sales in 2Q. Normally, the company spends more in 2HFY25.
- Andhra Pradesh policy for privatized retail shops and Karnataka policy of MRP cut will drive growth in 2HFY25.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
(Standalone)										
Volume growth %	5.8	1.0	-1.8	3.7	3.5	1.0	5.3	6.2	1.9	4.0
Total revenues	21,719	28,647	29,893	26,660	23,520	29,411	32,433	29,284	1,06,920	1,14,648
YoY change (%)	-1.0	-1.4	7.5	6.9	8.3	2.7	8.5	9.8	3.1	7.2
Gross Profit	9,474	12,437	12,979	11,550	10,460	12,823	14,206	12,842	46,440	50,331
Margin (%)	43.6	43.4	43.4	43.3	44.5	43.6	43.8	43.9	43.4	43.9
Total Exp	17,868	23,946	24,979	23,040	18,940	24,524	26,982	25,171	89,840	95,617
EBITDA	3,851	4,701	4,914	3,620	4,580	4,887	5,451	4,113	17,080	19,032
Margins (%)	17.7	16.4	16.4	13.6	19.5	16.6	16.8	14.0	16.0	16.6
EBITDA growth (%)	42.4	6.3	33.6	7.1	18.9	4.0	10.9	13.6	20.4	11.4
Depreciation	650	653	628	710	650	676	687	687	2,640	2,700
Interest	193	262	164	290	220	225	225	230	910	900
Other income	209	388	461	2,290	320	500	700	877	3,350	2,397
PBT	3,217	4,174	4,583	4,910	4,030	4,486	5,239	4,073	16,880	17,829
Tax	814	1,068	1,102	760	1,040	1,129	1,319	1,025	3,740	4,457
Rate (%)	25.3	25.6	24.0	15.5	25.8	25.2	25.2	25.2	22.2	25.0
Adj. PAT	2,397	3,183	3,481	4,073	2,990	3,357	3,921	3,048	13,140	13,371
YoY change (%)	8.1	20.7	61.0	91.7	24.8	5.5	12.6	-25.2	49.2	1.8

E: MOFSL Estimate

Varun Beverages

Buy
CMP: INR612 | TP: INR730 (+19%)
EPS CHANGE (%): CY24|25: -3|-2

- We expect total sales volume to grow 23% YoY in 3QCY24.
- We expect EBITDA margin to sustain at 22.8% in 3QCY24
- Integration and ramp up of BevCo will be in focus.
- Scale-up in international geographies and further capex update are the key monitorables.

Consolidated - Quarterly Earning Model

Y/E December	CY23				CY24E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	CY23	CY24E
Gross Sales	38,930	56,114	38,705	26,677	43,173	71,969	47,607	38,849	160,425	201,598
YoY Change (%)	37.7	13.3	21.8	20.5	10.9	28.3	23.0	45.6	21.8	25.7
Total Expenditure	30,949	41,004	29,884	22,494	33,286	52,056	36,736	32,640	124,331	154,718
EBITDA	7,980	15,110	8,821	4,183	9,888	19,912	10,871	6,209	36,095	46,880
Margins (%)	20.5	26.9	22.8	15.7	22.9	27.7	22.8	16.0	22.5	23.3
Depreciation	1,722	1,719	1,708	1,660	1,875	2,425	2,430	2,435	6,809	9,165
Interest	626	694	625	737	937	1,292	1,150	990	2,681	4,368
Other Income	101	416	185	91	84	440	400	350	794	1,274
PBT before EO expense	5,734	13,113	6,673	1,878	7,159	16,636	7,691	3,134	27,398	34,620
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	5,734	13,113	6,673	1,878	7,159	16,636	7,691	3,134	27,398	34,620
Tax	1,348	3,057	1,529	442	1,678	4,012	1,692	689	6,375	8,072
Rate (%)	23.5	23.3	22.9	23.5	23.4	24.1	22.0	22.0	23.3	23.3
MI & Profit/Loss of Asso. Cos.	95	118	130	118	107	98	129	136	461	469
Reported PAT	4,291	9,938	5,015	1,318	5,374	12,526	5,870	2,309	20,561	26,080
Adj PAT	4,291	9,938	5,015	1,318	5,374	12,526	5,870	2,309	20,561	26,080
YoY Change (%)	68.8	26.2	31.6	76.3	25.2	26.0	17.1	75.2	37.3	26.8
Margins (%)	11.0	17.7	13.0	4.9	12.4	17.4	12.3	5.9	12.8	12.9

Company

Barbeque Nation
 Devyani Intl.
 Jubilant Foodworks
 Restaurant Brands
 Sapphire Foods
 Westlife Foodworld

QSR – Demand weakness persists; delivery better than dine-in**Near-term outlook remains cautious**

- QSR companies have sustained their sluggish performance, as growth metrics (SSSG, ADS) remained weak during the quarter due to competition from local players and weak dine-in demand. Oversupply of store network during the last two years has affected SSSG/ADS. Overall growth deceleration is expected to continue. Delivery business is expected to sustain outperformance over dine-in business. Companies have initiated several consumer offers and waived off delivery charges to drive demand. Value segment has been seeing better traffic growth than other segments.
- Our coverage universe is expected to deliver 13% YoY revenue growth (+6% organic growth) in 2QFY25, similar to the previous quarter. Sales were weak in Jul'24 due to the Shravan period and heavy rains across regions. While some improvements were noted in Aug'24, sales tapered off again in Sep'24 due to the Shraad period. Weak growth was observed across markets (metros/tier2/tier3).
- We remain cautious on QSR recovery in the near term. Unlike other discretionary categories, we do not anticipate significant benefits from the festive period for QSR. While the ADS/SSSG bases have been favorable, we do not expect much underlying improvement in 2HFY25. Restaurant operating margins were under pressure, and we expect this to continue in the near term too. Jubilant FoodWorks appears to be an outlier among QSR companies in the near term (driven by delivery moat), but its valuations are rich. Though dine-in companies are struggling, their operating growth metrics are likely to improve significantly once recovery begins. We reiterate BUY on Devyani, Sapphire, and RBA and NEUTRAL on Jubilant FoodWorks, Westlife Foodworld and Barbeque Nation.

Outliers: Jubilant

Underperformers: Devyani, Sapphire, Westlife, RBA

Exhibit 22: QSR quarterly trends

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E
Revenue Growth (%)										
Barbeque Nation	209%	41%	14%	12%	3%	-3%	1%	6%	-6%	1%
Devyani	100%	45%	27%	28%	20%	10%	7%	39%	44%	42%
-KFC	109%	47%	27%	26%	22%	15%	14%	11%	7%	6%
-Pizza hut	71%	36%	18%	16%	11%	2%	-2%	-4%	-1%	2%
Jubilant	41%	17%	10%	8%	6%	5%	3%	6%	10%	9%
Sapphire	80%	36%	17%	13%	20%	14%	12%	13%	10%	8%
-KFC	98%	36%	26%	24%	21%	19%	16%	16%	11%	10%
-Pizza hut	85%	60%	20%	18%	12%	-6%	-4%	-3%	3%	0%
Restaurant Brands (Consol)	64%	47%	21%	29%	25%	19%	15%	16%	6%	6%
Westlife	108%	49%	28%	22%	14%	7%	-2%	1%	0%	2%
SSSG										
Barbeque Nation	182%	23%	-1%	-3%	-8%	-11%	-5%	1%	-7%	-1%
Devyani - KFC	64%	13%	3%	2%	-1%	-4%	-5%	-7%	-7%	-7%
Devyani - PH	32%	3%	-6%	-3%	-5%	-10%	-13%	-14%	-9%	-3%
Jubilant (LFL)	28%	8%	0%	-1%	-1%	-1%	-3%	0%	3%	3%
Sapphire - KFC	65%	15%	3%	2%	0%	0%	-2%	-3%	-6%	-7%
Sapphire - PH	47%	23%	-4%	-4%	-9%	-20%	-19%	-15%	-7%	-3%
Restaurant Brands	66%	27%	9%	8%	4%	4%	3%	2%	3%	-3%
Westlife	97%	40%	20%	14%	7%	1%	-9%	-5%	-7%	-7%

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E
Gross profit margin (%)										
Barbeque Nation	66.8%	66.1%	66.7%	65.8%	64.0%	65.9%	67.9%	68.9%	68.1%	66.2%
Devyani	71.1%	70.2%	69.3%	69.6%	70.8%	70.8%	70.6%	69.2%	69.2%	69.2%
-KFC	69.0%	67.9%	67.6%	68.6%	69.7%	69.0%	69.4%	69.9%	69.5%	69.5%
-Pizza hut	76.2%	74.5%	73.6%	73.2%	74.9%	75.7%	75.8%	77.3%	76.8%	76.8%
Jubilant	76.7%	76.2%	75.5%	75.3%	76.0%	76.4%	76.7%	76.6%	76.1%	75.5%
Sapphire	67.9%	66.4%	67.1%	67.9%	68.5%	68.7%	68.9%	68.9%	68.6%	68.5%
-KFC	67.3%	65.6%	66.5%	66.8%	68.1%	67.9%	68.4%	68.3%	68.2%	68.4%
-Pizza hut	75.3%	74.7%	74.4%	74.3%	75.1%	76.1%	75.7%	75.5%	76.1%	76.0%
Restaurant Brands (Consol)	64.3%	64.6%	63.6%	64.1%	64.0%	64.2%	64.4%	64.2%	64.5%	64.7%
Westlife	68.0%	69.3%	70.2%	71.9%	70.6%	70.1%	70.3%	70.2%	70.8%	70.8%
EBITDA Pre-Ind AS margins (%)										
Barbeque Nation	13.7%	10.0%	10.3%	3.8%	5.5%	4.5%	11.0%	8.0%	6.9%	5.0%
Devyani	16.1%	15.1%	14.8%	12.1%	13.2%	11.5%	9.3%	9.2%	11.6%	10.8%
Jubilant	18.9%	18.7%	15.7%	13.4%	15.4%	15.3%	14.5%	12.4%	13.7%	12.6%
Sapphire	13.2%	11.1%	12.4%	10.0%	11.8%	10.6%	10.8%	8.6%	9.8%	8.3%
Restaurant Brands (Consol)	-2.2%	-2.9%	-2.4%	-3.8%	-0.4%	1.5%	2.8%	-0.5%	1.3%	1.4%
Westlife	13.0%	13.4%	14.3%	12.0%	12.9%	11.9%	11.4%	8.7%	8.1%	9.1%
ADS ('000')										
Barbeque Nation	179	168	172	144	170	158	175	157	159	155
Devyani										
-KFC	127	121	116	106	117	109	104	93	104	94
-Pizza hut	44	45	43	39	40	39	37	32	36	36
Jubilant	85	84	84	78	79	78	78	75	79	78
Sapphire										
-KFC	144	134	136	127	138	125	125	114	122	110
-Pizza hut	61	64	58	50	52	48	45	41	48	46
Restaurant Brands	115	121	113	108	120	126	119	105	119	120
Westlife	181	189	199	173	189	185	176	157	170	169
Store (India)										
Barbeque Nation	195	205	212	216	212	212	210	211	213	217
Devyani	961	1,047	1,120	1,184	1,230	1,298	1,387	1,429	1,473	1,498
-KFC	391	423	461	490	510	540	590	596	617	639
-Pizza hut	436	466	483	506	521	535	565	567	570	573
Jubilant	1,676	1,753	1,814	1,863	1,891	1,949	2,007	2,096	2,148	2,196
Sapphire	516	550	599	627	660	692	725	748	762	781
-KFC	281	301	325	341	358	381	406	429	442	460
-Pizza hut	235	249	274	286	302	311	319	319	320	321
Restaurant Brands	328	334	379	391	396	404	441	455	456	465
Westlife	331	337	341	357	361	370	380	397	403	413
PBT Margins										
Barbeque Nation	6.6%	2.2%	2.0%	-4.5%	-1.7%	-5.0%	2.3%	-0.3%	-1.8%	-6.0%
Devyani	10.9%	9.4%	9.3%	5.5%	7.1%	4.0%	1.1%	0.4%	3.1%	1.7%
Jubilant	13.2%	12.6%	9.1%	7.4%	7.7%	7.2%	6.0%	3.8%	4.7%	4.8%
Sapphire	6.5%	4.8%	5.6%	2.2%	5.1%	3.3%	2.1%	0.1%	1.6%	0.6%
Restaurant Brands (Consol)	-10.4%	-10.5%	-10.6%	-15.6%	-8.8%	-8.1%	-6.6%	-15.4%	-8.1%	-7.5%
Westlife	5.9%	7.4%	7.9%	5.1%	6.6%	4.9%	3.9%	0.4%	0.7%	1.9%

Barbeque Nation Hospitality**Neutral**

CMP: INR650 | TP: INR700 (+8%)

EBITDA CHANGE (%): FY25 | FY26: -6.8 | -3.9

- Demand trends remained stable QoQ. We model flat revenue growth in 2QFY25.
- Margins are expected to remain stable YoY. We model 30bp expansion in GP margin and EBITDA margin.
- Expect to add 4 stores in 2QFY25, while SSSG is expected to decline marginally.
- Demand is expected to pick up from 2HFY25.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
SSSG (%)	-7.7	-10.7	-4.9	1.4	-7.4	-1.0	2.5	1.9	-6.5	-1.0
No. of stores	212	212	210	211	213	217	224	233	211	233
Net Sales	3,239	3,017	3,309	2,981	3,057	3,037	3,531	3,300	12,545	12,926
YoY change (%)	2.9	-2.8	0.8	6.4	-5.6	0.7	6.7	10.7	1.7	3.0
Gross Profit	2,073	1,990	2,245	2,053	2,081	2,010	2,394	2,226	8,361	8,712
Margin (%)	64.0	65.9	67.9	68.9	68.1	66.2	67.8	67.5	66.6	67.4
EBITDA	468	444	663	547	509	456	696	628	2,122	2,288
EBITDA growth %	-33.6	-23.9	7.0	37.3	8.8	2.7	4.9	14.7	-8.0	7.8
Margin (%)	14.4	14.7	20.0	18.4	16.6	15.0	19.7	19.0	16.9	17.7
Depreciation	375	443	414	447	405	456	466	450	1,679	1,777
Interest	187	195	190	186	186	211	209	169	759	775
Other Income	40	43	16	77	27	30	33	50	176	140
PBT	-55	-151	75	-9	-55	-181	53	59	-140	-124
Tax	-14	-32	27	-9	-11	-46	13	15	-28	-31
Rate (%)	26.1	21.3	35.5	95.9	20.9	25.2	25.2	25.2	20.3	25.2
Adjusted PAT	-41	-119	48	0	-43	-136	40	44	-112	-93
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M

E: MOFSL Estimates

Devyani International**Buy**

CMP: INR192 | TP: INR220 (+15%)

EBITDA CHANGE (%): FY25 | FY26: -4.1 | -3.3

- Consolidated revenue expected to increase by 42% on acquisition of Thailand business. Organic revenue growth would be ~12%.
- The expansion of Pizza Hut stores is expected to be muted (model 3 stores) in 2QFY25.
- KFC ADS/SSSG are expected to remain under pressure as seen in 1QFY25.
- Margin pressure will persist due to lower demand.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
KFC - No. of stores	510	540	590	596	617	639	666	696	596	696
PH - No. of stores	521	535	565	567	570	573	577	582	567	582
KFC - SSSG (%)	-0.9	-3.9	-4.7	-7.1	-7.0	-7.0	-2.0	-2.0	-4.6	-4.5
PH - SSSG (%)	-5.3	-10.4	-12.6	-14.0	-8.6	-3.0	2.0	1.6	-10.9	-2.0
Net Sales	8,466	8,195	8,431	10,471	12,219	11,665	11,991	11,929	35,563	47,805
YoY change (%)	20.1	9.6	6.6	38.7	44.3	42.4	42.2	13.9	18.6	34.4
Gross Profit	5,998	5,802	5,954	7,244	8,450	8,072	8,298	8,277	24,997	33,097
Margin (%)	70.8	70.8	70.6	69.2	69.2	69.2	69.2	69.4	70.3	69.2
EBITDA	1,734	1,588	1,463	1,739	2,234	2,080	2,188	2,187	6,524	8,688
EBITDA growth %	5.6	-4.1	-15.9	14.9	28.8	31.0	49.5	25.8	-0.4	33.2
Margin (%)	20.5	19.4	17.4	16.6	18.3	17.8	18.2	18.3	18.3	18.2
Depreciation	796	907	930	1,275	1,322	1,335	1,340	1,360	3,907	5,357
Interest	404	417	482	567	630	630	630	633	1,869	2,523
Other Income	68	66	46	146	99	80	88	83	326	350
PBT	603	330	97	44	381	195	305	277	1,074	1,158
Tax	146	-168	46	110	81	39	61	51	133	232
Rate (%)	24.1	-50.9	47.6	249.9	21.2	20.0	20.0	18.3	12.4	20.0
Adjusted PAT	339	506	51	33	281	156	244	227	929	908
Margin (%)	4.0	6.2	0.6	0.3	2.3	1.3	2.0	1.9	2.6	1.9
YoY change (%)	-54.4	-21.4	-93.5	-94.6	-17.2	-69.2	381.6	589.0	-66.5	-2.3

E: MOFSL Estimates

Jubilant FoodWorks**Neutral**

CMP: INR659 | TP: INR625 (-5%)

EBITDA CHANGE (%): FY25 | FY26: -1.2 | -1.7

- The demand trend remained stable, with Jul'24 showing weakness, Aug'24 seeing improvement, and Sept'24 gain turning weak.
- We model 2.5% LFL in 2QFY25 (3% in 1QFY25).
- With the launch of many value-segment products, we expect a gross margin contraction YoY. EBITDA margin is expected to contract 150bp YoY to 19.4%.
- The focus has been on value-driven innovations, emphasizing new product developments over the past seven months.

Quarterly Standalone Perf.

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
No of stores (Dominos)	1,838	1,888	1,928	1,995	2,029	2,077	2,125	2,175	1,995	2,175
LFL growth (%)	-1.3	-1.3	-2.9	0.1	3.0	2.5	4.0	4.0	-1.4	3.4
Net Sales	13,097	13,448	13,551	13,313	14,396	14,659	15,109	15,054	53,409	59,217
YoY change (%)	5.6	4.5	2.9	6.3	9.9	9.0	11.5	13.1	4.8	10.9
Gross Profit	9,956	10,275	10,387	10,200	10,955	11,067	11,483	11,500	40,817	45,005
Gross margin (%)	76.0	76.4	76.7	76.6	76.1	75.5	76.0	76.4	76.4	76.0
EBITDA	2,764	2,807	2,827	2,543	2,782	2,844	2,938	2,861	10,941	11,425
EBITDA growth %	-9.2	-10.2	-2.5	0.8	0.6	1.3	3.9	12.5	-5.6	4.4
Margins (%)	21.1	20.9	20.9	19.1	19.3	19.4	19.4	19.0	20.5	19.3
Depreciation	1,328	1,379	1,465	1,511	1,552	1,574	1,571	1,566	5,684	6,263
Interest	513	534	583	609	619	635	640	650	2,239	2,544
Other Income	91	69	40	86	73	75	90	104	285	342
PBT	1,014	963	819	508	683	710	817	749	3,303	2,959
YoY Change (%)	-38.2	-40.5	-31.4	-45.3	-32.6	-26.3	-0.2	47.4	-38.6	-10.4
Tax	262	241	209	132	168	179	206	187	844	740
Rate (%)	25.8	25.1	25.6	26.0	24.6	25.2	25.2	25.0	25.6	25.0
Adjusted PAT	752	721	610	345	515	531	611	562	2,428	2,219
YoY change (%)	-38.2	-39.5	-31.16	-44.38	-31.5	-26.4	0.29	62.84	-38.0	-8.6

E: MOFSL Estimates

Restaurants Brand Asia**Buy**

CMP: INR110 | TP: INR140 (+27%)

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

- The demand environment remained subdued. The recent delivery hike is also expected to have some impact on demand. We model a 3% decline in same store sales for 2QFY25.
- The ADS is expected to decline to ~120k.
- The gross profit margin is expected to remain stable sequentially. We model 67.5% in 2QFY25.
- Indonesia has been adversely impacted; revenue likely to decline.

Quarterly Standalone Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
SSSG (%)	3.6	3.5	2.6	1.9	3.1	-3.0	-1.0	0.9	2.9	0.0
No. of stores	396	404	441	455	456	465	485	505	455	505
Net Sales	4,221	4,535	4,454	4,391	4,905	4,968	4,911	4,945	17,601	19,728
YoY change (%)	25.3	23.2	20.5	20.3	16.2	9.6	10.3	12.6	22.3	12.1
Gross Profit	2,806	3,031	2,990	2,971	3,318	3,353	3,330	3,336	11,798	13,336
Margin (%)	66.5	66.8	67.1	67.7	67.6	67.5	67.8	67.5	67.0	67.6
EBITDA	485	634	708	551	625	641	756	703	2,377	2,725
EBITDA growth %	45.9	50.7	47.9	30.3	29.0	1.0	6.9	27.6	128.6	992.3
Margin (%)	11.5	14.0	15.9	12.5	12.7	12.9	15.4	14.2	13.5	13.8
Depreciation	507	494	522	586	633	615	615	612	2,110	2,475
Interest	264	273	281	324	319	300	285	266	1,141	1,169
Other Income	65	40	32	48	57	65	65	63	185	250
PBT	-222	-93	-64	-310	-269	-209	-79	-112	-689	-669
Tax	0	0	0	0	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	-222	-93	-64	-310	-269	-209	-79	-112	-689	-669
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

E: MOFSL Estimates

Sapphire Foods

Buy

CMP: INR358 | TP: INR415 (+16%)

EBITDA CHANGE (%): FY25 | FY26: -9.8 | -9.0

- KFC is expected to see a decline of ~7% in same-store sales, along with 18 store additions.
- PH same-store sales expected to decline ~3% despite the favorable base. The expansion of stores to be muted (model 1-2 stores) in 2QFY25.
- In PH, despite gross margin improvement, we model ~400bp contraction in ROM to 3.5% due to an increase in marketing spends by 2% and negative operating leverage.
- In KFC, restaurant operating margin is expected to contract, and we model ~200bp YoY decline to 17% in 2QFY25.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
KFC - No. of stores	358	381	406	429	442	460	482	504	429	504
PH - No. of stores	302	311	319	319	320	321	322	324	319	324
KFC - SSSG (%)	0.0	0.0	-2.0	-3.0	-6.0	-7.0	-2.0	3.0	-1.0	-3.0
PH - SSSG (%)	-9.0	-20.0	-19.0	-15.0	-7.0	-3.0	1.0	1.0	-16.0	-2.0
Net Sales	6,544	6,426	6,656	6,317	7,183	6,968	7,428	7,365	25,943	28,944
YoY change (%)	19.8	14.2	11.6	12.7	9.8	8.4	11.6	16.6	14.5	11.6
Gross Profit	4,483	4,417	4,583	4,351	4,927	4,772	5,106	5,046	17,834	19,845
Margin (%)	68.5	68.7	68.9	68.9	68.6	68.5	68.7	68.5	68.7	68.6
EBITDA	1,214	1,151	1,217	1,029	1,242	1,119	1,322	1,235	4,613	4,918
EBITDA growth %	10.0	11.6	4.3	4.9	2.3	-2.8	8.6	20.0	7.7	6.6
Margin (%)	18.6	17.9	18.3	16.3	17.3	16.1	17.8	16.8	17.8	17.0
Depreciation	727	768	874	870	904	906	918	904	3,239	3,631
Interest	226	245	263	275	273	270	265	256	1,009	1,063
Other Income	75	75	60	124	53	100	100	108	334	361
PBT	336	214	140	8	118	43	240	184	699	585
Tax	88	62	42	-12	36	11	60	40	180	147
Rate (%)	26.0	28.9	30.0	-143.0	30.8	25.2	25.2	21.5	25.7	25.2
Adjusted PAT	249	152	98	20	82	32	179	144	520	438
YoY change (%)	-34.8	-43.4	-69.9	-82.2	-67.1	-78.7	82.3	606.3	-52.4	-15.8

Westlife Development

Neutral

CMP: INR904 | TP: INR825 (-9%)

EBITDA CHANGE (%): FY25 | FY26: -15.7 | -11.6

- The demand environment remained subdued in 2Q; same-store sales likely to decline ~7%.
- Marketing efforts for the new crispy burger are set to commence in Oct'24, which will add a new growth driver.
- EBITDA margins expected to remain stable QoQ. We model 13.5% margins.
- Expect to add 10 new stores in 2QFY25.

Consolidated quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
SSSG %	7.0	1.0	(9.0)	(5.0)	(6.7)	(6.5)	2.0	3.2	-1.5	-2.0
No. of McDonald's restaurants	361	370	380	397	403	413	428	442	397	442
Net Sales	6,145	6,147	6,003	5,623	6,163	6,284	6,615	6,168	23,918	25,230
YoY Change (%)	14.2	7.4	-1.8	1.1	0.3	2.2	10.2	9.7	5.0	5.5
Gross profit	4,337	4,310	4,219	3,945	4,362	4,449	4,684	4,368	16,811	17,863
Margin (%)	70.6	70.1	70.3	70.2	70.8	70.8	70.8	70.8	70.3	70.8
EBITDA	1,053	997	960	771	799	851	1,008	879	3,780	3,537
YoY Change (%)	14.3	0.9	-12.9	-16.1	-24.1	-19.2	1.2	-8.5	-3.8	-6.4
Margins (%)	17.1	16.2	16.0	13.7	13.0	13.5	15.2	14.2	15.8	14.0
Depreciation	439	453	491	503	506	508	513	510	1,886	2,038
Interest	260	274	282	283	298	279	280	256	1,099	1,114
Other Income	52	32	44	35	51	55	65	66	162	237
PBT	406	302	231	20	45	118	280	178	958	622
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO expense	406	302	231	20	45	118	280	178	958	622
Tax	118	78	59	12	13	30	70	43	266	155
Rate (%)	29.0	26.0	25.3	60.6	28.0	25.0	25.0	24.2	27.8	25.0
Adj PAT	288	224	172	8	33	89	210	135	692	466
YoY Change (%)	22.0	-29.2	-52.6	-96.1	-88.7	-60.3	21.8	1,643.8	L/P	L/P
Margins (%)	4.7	3.6	2.9	0.1	0.5	1.4	3.2	2.2	2.9	1.8

Company

Kalyan
Senco Gold
Titan

Jewelry – Strong demand momentum

- Jewelry companies are expected to deliver strong momentum in 2QFY25, with healthy sales in Jul'24, followed by stronger Aug'24, benefiting from the reduction in custom duty rates. The first half of Sep'24 also saw solid performance; however, sales slowed in the last 10-15 days due to the Shradh period.
- We anticipate revenue growth of 20% for Titan (Standalone Jewelry ex-bullion), 34% for Kalyan and 27% for Senco. The pace of store addition will continue for Titan, Kalyan, and Senco; they are expected to add 36/30/6 stores during the quarter, taking the total count to 1,010/307/171 stores, respectively.
- The reduction in customs duty is expected to result in an inventory loss of INR5b-5.5b for Titan, INR1.2-1.3b for Kalyan, and ~INR500m for Senco. This will hurt profitability in 2Q and 3Q. In our numbers, we have not taken the impact of inventory loss. A higher revenue mix from franchise stores will weigh on quarterly reported margin. We remain optimistic about the jewelry category and expect continued rapid shifts in consumer purchasing behavior from unorganized/local to organized channels. Accordingly, we maintain a BUY rating on Titan, Kalyan, and Senco.

Kalyan Jewellers

Buy

CMP: INR 750 | TP: INR850 (+13%)

EPS CHANGE (%): FY25|26: +1.0|0.0

- We model 39% revenue growth in India business. SSSG is expected to be 23%.
- We expect 15 store additions for India Kalyan, 15 for Candere and no store addition in the Middle East, taking the total count to 307 stores.
- We expect inventory loss of INR700-750m due to custom rate cut in 2QFY25. We have not considered the impact in our numbers.

Consolidated Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Stores	192	206	228	253	277	307	343	378	253	378
Net Sales	43,757	44,145	52,231	45,349	55,355	59,164	66,637	66,542	1,85,483	2,47,698
Change (%)	31.3	27.1	34.5	34.1	26.5	34.0	27.6	46.7	31.8	33.5
Raw Material/PM	37,153	37,840	44,616	38,737	47,419	50,869	57,107	58,416	1,58,346	2,13,812
Gross Profit	6,604	6,306	7,615	6,612	7,935	8,295	9,530	8,126	27,137	33,886
Gross Margin (%)	15.1	14.3	14.6	14.6	14.3	14.0	14.3	12.2	14.6	13.7
Operating Expenses	3,375	3,169	3,916	3,550	4,175	4,194	4,956	3,887	14,010	17,212
% of Sales	7.7	7.2	7.5	7.8	7.5	7.1	7.4	5.8	7.6	6.9
EBITDA	3,229	3,137	3,698	3,062	3,760	4,101	4,574	4,239	13,127	16,675
Margin (%)	7.4	7.1	7.1	6.8	6.8	6.9	6.9	6.4	7.1	6.7
Change (%)	22.2	17.9	13.1	19.3	16.4	30.8	23.7	38.4	17.8	27.0
Interest	821	817	817	778	852	850	830	805	3,232	3,337
Depreciation	641	669	697	736	755	735	757	904	2,743	3,150
Other Income	116	131	201	288	222	302	327	475	737	1,326
PBT	1,885	1,781	2,386	1,837	2,375	2,818	3,314	3,006	7,888	11,513
Tax	449	433	582	462	599	688	801	767	1,925	2,855
Effective Tax Rate (%)	23.8	24.3	24.4	25.1	25.2	24.4	24.2	25.5	24.4	24.8
Adjusted PAT	1,439	1,352	1,806	1,376	1,776	2,130	2,513	2,239	5,973	8,658
Change (%)	33.3	27.1	21.5	96.3	23.4	57.5	39.1	62.7	28.1	44.9

E: MOFSL Estimates

Senco Gold**Buy****CMP: INR1,480 | TP: INR1,700 (+15%)****EPS CHANGE (%): FY25 | 26: -|-**

- We expect revenue growth of ~27% YoY and SSSG of 20% in 2QFY25.
- GP margin is expected to expand by 420bp YoY to 16.0% and EBITDA margin is expected to expand by 320bp YoY to 6.7% in 2QFY25.
- Expect to add four stores, taking the total store count to 169.
- We expect inventory loss of INR300-330m due to custom rate cut in 2QFY25. We have not considered the impact in our numbers.

Consolidated Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Stores	142	145	155	159	165	171	175	179	159	179
Net Sales	13,054	11,466	16,522	11,373	14,039	14,561	19,826	14,565	52,414	62,992
Change (%)	29.6	25.8	23.3	39.7	7.5	27.0	20.0	28.1	28.5	20.2
Gross Profit	1,632	1,354	3,083	1,944	2,428	2,330	3,470	2,222	8,014	10,450
Gross Margin (%)	12.5	11.8	18.7	17.1	17.3	16.0	17.5	15.3	15.3	16.6
Operating Expenses	960	960	1,272	1,067	1,341	1,359	1,590	1,297	4,259	5,587
% of Sales	7.4	8.4	7.7	9.4	9.5	9.3	8.0	8.9	8.1	8.9
EBITDA	672	395	1,811	877	1,087	971	1,879	925	3,755	4,862
Margin (%)	5.1	3.4	11.0	7.7	7.7	6.7	9.5	6.4	7.2	7.7
Change (%)	22.1	21.2	11.3	31.5	61.8	145.9	3.8	5.5	18.6	29.5
Interest	266	234	283	298	322	325	335	346	1,081	1,328
Depreciation	126	133	158	184	181	185	195	194	601	755
Other Income	94	110	89	128	123	125	122	116	422	486
PBT	375	139	1,459	524	708	586	1,471	501	2,495	3,266
Tax	98	20	366	202	195	147	369	121	685	833
Effective Tax Rate (%)	26.1	14.1	25.1	38.6	27.6	25.1	25.1	24.2	27.5	25.5
Adjusted PAT	277	119	1,093	322	513	439	1,102	380	1,810	2,433
Change (%)	23.5	22.9	5.3	24.9	84.0	310.3	1.4	17.8	14.2	34.4

E: MOFSL Estimates

Titan Company**Buy****CMP: INR3,775 | TP: INR4,300 (+14%)****EPS CHANGE (%): FY25 | 26: -1.0|-0.9**

- We model 20% standalone revenue growth (ex-bullion) and SSSG of 14% in 2QFY25.
- Standalone Jewelry EBIT margin expected to remain stable YoY at 13.8% vs. 14.1% in 2QFY24.
- We expect healthy growth in watches and other business while muted growth in eye care segment.
- We expect inventory loss of INR3-3.5b due to custom rate cut in 2QFY25. We have not considered the impact in our numbers.

Consolidated Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Stores (Jewelry)	792	844	898	937	974	1,010	1,046	1,079	937	1,079
Net Sales	119.0	125.3	141.6	124.9	132.7	144.3	165.7	147.7	510.8	590.3
YoY change (%)	26.0	36.7	22.0	20.6	11.5	15.2	17.0	18.2	25.9	15.6
Gross Profit	26.4	29.3	32.9	27.9	29.3	33.3	38.6	34.5	116.5	135.8
Margin (%)	22.2	23.4	23.3	22.3	22.1	23.1	23.3	23.4	22.8	23.0
EBITDA	11.3	14.1	15.7	11.9	12.5	16.4	18.0	14.7	52.9	61.6
EBITDA growth %	-5.9	13.2	16.2	9.4	10.8	16.4	15.1	23.3	8.5	16.4
Margin (%)	9.5	11.3	11.0	9.5	9.4	11.4	10.9	9.9	10.4	10.4
Depreciation	1.3	1.4	1.5	1.6	1.6	1.7	1.7	1.7	5.8	6.7
Interest	1.1	1.4	1.7	2.0	2.3	1.8	1.7	1.7	6.2	7.5
Other Income	1.1	1.2	1.4	1.6	1.2	1.4	1.7	1.9	5.3	6.1
PBT	10.0	12.5	13.8	9.9	9.7	14.3	16.3	13.2	46.2	53.6
Tax	2.5	3.4	3.3	2.2	2.6	3.5	4.0	3.0	11.3	13.1
Rate (%)	24.6	26.9	23.6	22.2	26.5	24.4	24.4	22.8	24.4	24.4
Adjusted PAT	7.6	9.2	10.5	7.7	7.2	10.8	12.3	10.2	35.0	40.5
YoY change (%)	-4.3	9.6	15.5	4.8	-5.4	18.4	16.9	32.4	6.8	15.9

E: MOFSL Estimates

Consumer Durables

Cables & wires to outperform; UCP margin to expand YoY

Revenue/EBITDA to grow ~14%/23% YoY in 2QFY25E

- For 2QFY25, we expect the cable & wire segment to report higher growth than the RAC and other categories like lighting, fans and switchgears. Demand for cables & wires has recovered after facing the impact of RM cost volatility during May-Jul'24. We factor in aggregate revenue growth of 14% YoY for cables & wires, 10% for RACs and 7-10% for other categories like switchgears, fans, and lighting (for HAVL).
- RM costs declined by 4-6% QoQ in 2QFY25, compared with an increase of 15-16% QoQ in 1QFY25. As a result, we expect a sequential improvement in EBIT margin of cable & wire companies and factor in a margin recovery of 50bp QoQ (80bp YoY decline due to lower margin for Polycab & RRRKABEL). We factor in a 90bp YoY margin improvement in the RAC segment (30bp YoY gain for Voltas and we expect Lloyd to remain profitable with an EBIT margin of 0.5%).
- Feedback for demand during Onam was mixed, with a few companies indicating weak demand compared with last year. Demand trends during festive seasons would be a key monitorable amid a hope for a recovery in rural demand and movement in RM costs.
- We prefer POLYCAB followed by KEII among cable & wire companies, while Voltas is our preferred pick among RAC companies.

Growth trajectory to be better for cables & wires vs. other categories

- In 2QFY25, we expect growth to pick up for cable & wires companies, as demand improved during Aug-Sep'24. Demand was subdued in May-Jul '24 due to RM cost volatility (copper and aluminum), and inventory destocking was witnessed at dealers' end. We expect the cable segment to continue to outperform the wire vertical in 2QFY25 as demand from infrastructure projects remained intact.
- On an aggregate basis, we factor in 14% YoY revenue growth (vs. 11% in 1QFY25) for the cable & wire companies under our coverage, driven by 10-17% growth across companies (lowest growth of 10% YoY for HAVL, while KEII should see highest growth of 17% YoY).
- In the RAC segment, we estimate 10% YoY growth on the back of strong demand during the summer season. We expect 8%/16% YoY growth for VOLT/Lloyd. Higher growth for Lloyd is on a low base of last year. Demand growth for lighting, switchgears and fans should be 7-10% YoY.

RM cost reduced in 2Q; margin to improve QoQ for cables & wires

- Copper and aluminum prices increased 16-19% between Mar'24 and May'24, though RM prices started to decline gradually thereafter. This volatility in RM costs led to inventory destocking, which in turn hurt demand.
- Average RM costs seem to have declined 4-6% QoQ in 2QFY25 and should lead to a sequential improvement in margins, in our view. We factor in 50bp QoQ margin improvement for cables & wires companies under our coverage.

However, average EBIT margin would decline 80bp YoY due to a 160bp/100bp contraction for Polycab/RRKABEL.

- In the RAC segment, we expect average EBIT margin to improve 90bp YoY as our channel checks indicated that companies would benefit from price hikes in the summer season.
- In switchgears/fans, we factor in a margin decline of 140bp/30bp YoY for HAVL due to higher competition and RM cost inflation, which has not been passed on completely.

Festive season demand to be monitored

- Demand had started to improve during the FY24 festive seasons and continued until the end of the summer season. Recent feedback has been mixed, with a few companies suggesting weak demand trends during Onam and others suggesting higher growth for premium products (high-value items).
- We will keep an eye on demand momentum during the festive seasons, as rural demand is expected to recover after a better monsoon season.

Our view

- We remain positive on cable & wire companies as we expect demand to remain strong for the next few years, led by government and private infrastructure spending as well as higher export opportunities.
- We believe that lower penetration in the RAC segment (16-18% of households vs. global average of 30%), rising disposable income, and changes in climate conditions (rising temperature) would support demand for RACs.
- Among cable & wire companies, Polycab is our top pick, followed by KEII. We prefer Voltas in the RAC segment.

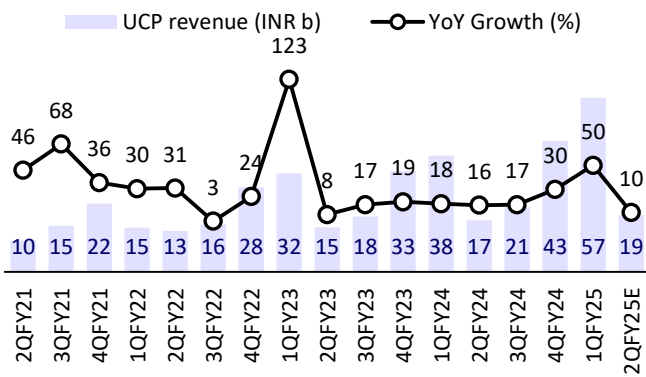
Exhibit 1: Summary of 2QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Havells India	2,000	Neutral	43,059	10.4	-25.8	5,020	34.5	-12.3	3,554	42.7	-12.8
KEI Industries	4,315	Buy	22,586	16.0	9.6	2,512	23.2	17.1	1,688	20.4	12.3
Polycab India	7,321	Buy	49,785	18.0	6.0	6,610	8.6	13.3	4,562	7.2	15.2
R Kabel	1,734	Buy	18,361	14.1	1.5	1,334	10.3	40.5	883	19.1	37.1
Voltas	1,855	Buy	24,917	8.7	-49.4	1,466	108.6	-65.4	1,237	237.2	-63.0
Consumer Durables			1,58,708	13.6	-17.7	16,943	23.0	-10.3	11,924	28.8	-11.8

Exhibit 2: Comparative valuations

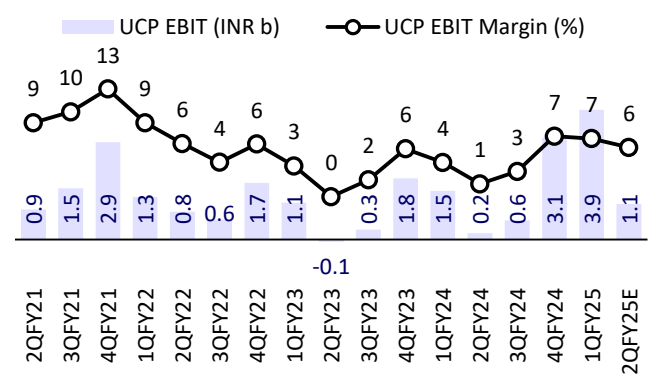
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Consumer Durables						64.1	51.7	42.3	11.5	9.9	8.3	18.0	19.0	19.7
Havells India	2,000	Neutral	25.8	31.4	38.5	77.4	63.8	51.9	14.7	12.8	11.0	19.0	20.1	21.3
KEI Industries	4,315	Buy	78.1	96.8	115.1	55.3	44.6	37.5	10.2	8.4	6.9	18.5	18.9	18.5
Polycab India	7,321	Buy	130.1	156.6	185.3	56.3	46.7	39.5	11.3	9.5	8.0	20.2	20.4	20.2
R Kabel	1,734	Buy	32.0	45.5	61.0	54.2	38.1	28.4	9.3	7.8	6.3	18.3	22.2	24.4
Voltas	1,855	Buy	27.1	34.8	44.3	68.6	53.3	41.9	9.2	8.1	7.0	13.5	15.2	16.7

Exhibit 3: Aggregate* UCP – revenue and growth



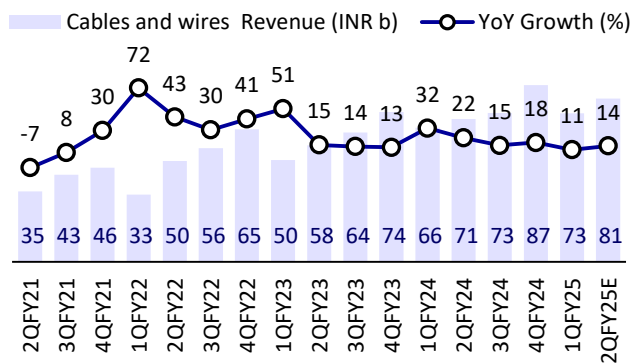
Source: MOFSL; E: MOFSL estimate; Note: *UCP revenue of VOLT and HAVL

Exhibit 4: Aggregate* UCP – EBIT and margin



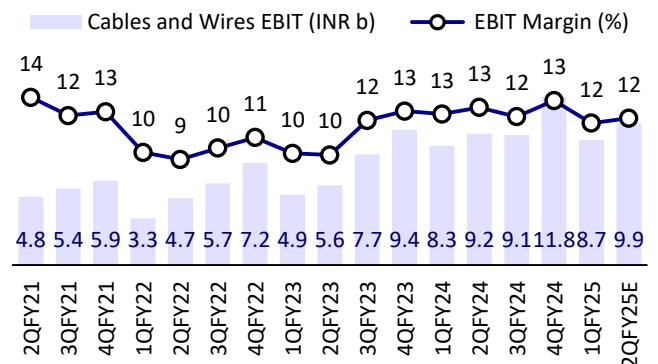
Source: MOFSL; E: MOFSL estimate; Note: *UCP EBIT of VOLT and HAVL

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



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

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



Source: MOFSL; E: MOFSL estimate; Note: *Cables and wires EBIT of Polycab, HAVL, and KEII

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

Havells India

Neutral

CMP: INR2,000 | TP: INR1,920 (-4%)

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

- Estimate revenue to grow 10% YoY in 2QFY25.
- Revenue from C&W/Switchgear is estimated to grow 10%/8% YoY. Lloyd's revenue is expected to grow 15% YoY.
- EBITDA is estimated to grow 34% YoY to INR5.0b. Expect EBITDA margin to expand 2.1pp YoY to 11.7%.
- Adj. PAT is estimated to grow ~43% YoY.

Consolidated quarterly performance (INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	48,338	39,003	44,139	54,420	58,062	43,059	49,131	60,734	1,85,900	2,10,986
Change (%)	13.9	6.3	7.1	12.0	20.1	10.4	11.3	11.6	10.1	13.5
Adj EBITDA	4,020	3,734	4,327	6,346	5,722	5,020	5,532	6,459	18,426	22,734
Change (%)	11.2	30.1	2.1	20.4	42.4	34.5	27.9	1.8	15.2	23.4
Adj EBITDA Margin (%)	8.3	9.6	9.8	11.7	9.9	11.7	11.3	10.6	9.9	10.8
Depreciation	763	812	877	934	920	955	965	978	3,385	3,819
Interest	85	93	102	177	86	95	100	120	457	400
Other Income	648	525	559	758	773	800	820	842	2,490	3,236
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
PBT	3,821	3,353	3,907	5,993	5,490	4,771	5,287	6,203	17,074	21,751
Tax	950	862	1,028	1,526	1,415	1,216	1,348	1,583	4,366	5,562
Effective Tax Rate (%)	24.9	25.7	26.3	25.5	25.8	25.5	25.5	25.5	25.6	25.6
Reported PAT	2,871	2,491	2,879	4,467	4,075	3,554	3,939	4,621	12,708	16,189
Change (%)	18.1	33.3	1.4	24.8	42.0	42.7	36.8	3.4	18.5	27.4
Adj PAT	2,871	2,491	2,879	4,467	4,075	3,554	3,939	4,621	12,708	16,189
Change (%)	18.1	33.3	1.4	24.8	42.0	42.7	36.8	3.4	18.5	27.4

KEI Industries

Buy

CMP: INR4,315 | TP: INR5,300 (+23%)

EPS CHANGE (%): FY25|26: -2.4|-2.3

- Estimate revenue to grow 16% YoY in 2QFY25.
- Revenue from C&W/SSW is estimated to increase 17%/7%, while EPC revenue is expected to decline 8%.
- EBITDA is estimated to grow 23% YoY to INR2.5b. OPM is estimated to expand 65bp YoY to 11.1%.
- Adj. PAT is estimated to rise 20% YoY to INR1.7b.

Consolidated quarterly performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	17,826	19,466	20,594	23,156	20,605	22,586	24,878	26,271	81,041	94,340
Change (%)	13.9	21.1	15.4	18.6	15.6	16.0	20.8	13.5	17.3	16.4
Adj EBITDA	1,783	2,039	2,146	2,409	2,146	2,512	2,744	2,880	8,375	10,282
Change (%)	11.7	27.0	17.8	19.1	20.4	23.2	27.9	19.5	19.3	22.8
Adj EBITDA Margin (%)	10.0	10.5	10.4	10.4	10.4	11.1	11.0	11.0	10.3	10.9
Depreciation	147	156	154	158	155	166	167	180	614	668
Interest	89	75	109	165	142	160	180	235	439	717
Other Income	83	77	142	189	178	85	160	151	490	574
Extraordinary Items	-	-	-	(2)	-	-	-	-	(2)	-
PBT	1,630	1,884	2,024	2,274	2,027	2,272	2,557	2,615	7,813	9,471
Tax	416	482	518	587	525	584	657	661	2,002	2,427
Effective Tax Rate (%)	25.5	25.6	25.6	25.8	25.9	25.7	25.7	25.3	25.6	25.6
Reported PAT	1,214	1,402	1,507	1,686	1,502	1,688	1,900	1,953	5,808	7,044
Change (%)	17.0	31.2	17.2	22.1	23.8	20.4	26.1	15.9	22.2	21.3
Adj PAT	1,214	1,402	1,507	1,688	1,502	1,688	1,900	1,953	5,811	7,044
Change (%)	17.0	31.2	17.2	22.2	23.8	20.4	26.1	15.7	22.3	21.2

Polycab India**Buy****CMP: INR7,321 | TP: INR8,550 (+17%)****EPS CHANGE (%): FY25|26: -0.6|-0.3**

- Estimate revenue to grow 18% YoY in 2QFY25.
- Revenue from C&W/ECD is estimated to increase 15%/7% YoY. Revenue for EPC and Others should surge 3.0x YoY.
- EBITDA is estimated to increase 9% YoY, while OPM is expected to contract 1.2pp YoY to ~13%.
- Adj. PAT is estimated to grow ~7% YoY to INR4.6b.

Consolidated performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	38,894	42,177	43,405	55,919	46,980	49,785	51,003	64,402	1,80,394	2,12,170
Change (%)	42.1	26.6	16.8	29.3	20.8	18.0	17.5	15.2	27.9	17.6
EBITDA	5,486	6,089	5,695	7,615	5,834	6,610	6,847	8,017	24,918	27,309
Change (%)	76.3	42.4	13.0	24.9	6.3	8.6	20.2	5.3	34.5	9.6
EBITDA Margin (%)	14.1	14.4	13.1	13.6	12.4	13.3	13.4	12.4	13.8	12.9
Depreciation	571	603	619	657	671	678	664	577	2,450	2,590
Interest	249	268	322	244	413	380	360	325	1,083	1,478
Other Income	640	353	710	538	584	550	790	976	2,209	2,900
Share of JV's loss	-	-	-	-	-	-	-	-	-	-
PBT	5,305	5,572	5,464	7,253	5,334	6,103	6,613	8,092	23,593	26,141
Tax	1,273	1,274	1,299	1,718	1,317	1,495	1,620	1,972	5,564	6,405
Tax Rate (%)	24.0	22.9	23.8	23.7	24.7	24.5	24.5	24.4	23.6	24.5
MI	35	42	37	75	57	45	55	32	189	189
Exceptional Items	-	-	-	-	-	-	-	-	0	0
Reported PAT	3,996	4,256	4,129	5,460	3,960	4,562	4,938	6,088	17,841	19,548
Change (%)	81.8	58.9	15.4	28.6	-0.9	7.2	19.6	11.5	40.4	9.6
Adj. PAT	3,996	4,256	4,129	5,460	3,960	4,562	4,938	6,088	17,841	19,548
Change (%)	81.8	58.9	15.4	28.6	-0.9	7.2	19.6	11.5	40.4	9.6

RR KABEL**Buy****CMP: INR1,734 | TP: INR2,130 (+23%)****EPS CHANGE (%): FY25|26: -6.4|-9.2**

- Estimate revenue to grow 14% YoY in 2QFY25.
- Revenue from C&W/FMEG is estimated to rise 14%/12% YoY.
- EBITDA is estimated to grow 10% YoY to INR1.3b. OPM is estimated to contract 25bp YoY to 7.3%.
- Adj. PAT is estimated to grow 19% YoY to INR883m.

Consolidated quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	15,973	16,097	16,335	17,541	18,081	18,361	18,830	20,393	65,946	75,665
EBITDA	1,129	1,209	1,126	1,153	949	1,334	1,409	1,810	4,617	5,502
EBITDA Margin (%)	7.1	7.5	6.9	6.6	5.3	7.3	7.5	8.9	7.0	7.3
Depreciation	161	166	165	163	162	170	179	223	655	734
Interest	144	142	124	128	116	115	110	197	539	539
Other Income	163	148	122	193	185	140	162	151	626	639
PBT	987	1,049	959	1,055	857	1,189	1,283	1,540	4,050	4,869
Tax	250	310	250	270	218	309	328	411	1,080	1,266
Effective Tax Rate (%)	25.4	29.5	26.0	25.6	25.4	26.0	25.6	26.7	26.7	26.0
JV Share	7	2	0	2	5	3	1	1	11	10
Reported PAT	743	741	710	787	644	883	955	1,131	2,981	3,613
Adj. PAT	743	741	710	787	644	883	955	1,131	2,981	3,613

Volta**Buy****CMP: INR1,855 | TP: INR2,100 (+13%)****EPS CHANGE (%): FY25 | 26: +7.9 | +5.6**

- Estimate revenue to grow 9% YoY in 2QFY25.
- Revenue from UCP/EMPS/PES is estimated to increase 8%/11%/10% YoY.
- EBITDA is estimated to grow 109% YoY to INR1.5b. OPM is estimated to expand 2.8pp YoY to 5.9%.
- Adj. PAT is estimated to rise 237% YoY to INR1.2b.

Consolidated quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	33,599	22,928	26,257	42,029	49,210	24,917	28,431	44,147	1,24,812	1,46,705
Change (%)	21.4	29.7	30.9	42.1	46.5	8.7	8.3	5.0	31.4	17.5
EBITDA	1,854	703	284	1,906	4,238	1,466	1,891	3,937	4,746	11,532
Change (%)	4.7	(30.3)	(62.8)	(12.6)	128.6	108.6	565.4	106.6	(17.1)	143.0
As of % Sales	5.5	3.1	1.1	4.5	8.6	5.9	6.7	8.9	3.8	7.9
Depreciation	113	117	128	118	134	144	159	167	476	605
Interest	101	115	135	208	98	130	110	193	559	530
Other Income	700	710	579	544	803	813	600	635	2,533	2,850
Extraordinary Items	0	-	-	-	0	0	0	0	0	0
PBT	2,339	1,181	599	2,124	4,809	2,004	2,222	4,212	6,244	13,247
Tax	735	493	515	634	1,165	537	595	1,092	2,377	3,404
Effective Tax Rate (%)	31.4	41.7	85.9	29.9	24.2	26.8	26.8	25.9	38.1	25.7
Share of Profit of Associates/JVs	(312)	(321)	(389)	(325)	(294)	(240)	(220)	(176)	(1,347)	(930)
Reported PAT	1,293	367	(304)	1,164	3,350	1,227	1,406	2,944	2,520	8,913
Change (%)	18.7	NM	NM	(19.1)	159.1	234.5	NA	152.8	86.7	253.7
Minority Interest	1	(10)	28	(58)	8	(10)	20	(57)	(39)	(39)
Adj PAT	1,293	367	(304)	1,038	3,342	1,237	1,386	3,001	2,394	8,952
Change (%)	18.7	(62.9)	NM	(27.9)	158.5	237.2	(555.7)	189.1	-36.8	274.0

Company under Coverage

Amber Enterprises

Avalon Technologies

Cyient DLM

Data Patterns

Dixon Technologies

Kaynes Technologies

Syrma SGS

Strong revenue growth outlook continues

Revenue/EBITDA to grow ~74%/17% YoY in 2QFY25

- EMS companies, under our coverage universe, are likely to continue their strong growth momentum. The aggregate revenue of our coverage is likely to grow 74%/17% YoY/QoQ in 2QFY25, aided by the execution of a strong order book.
- Order book is anticipated to grow YoY across the EMS space, led by healthy customer additions across segments; however, it is expected to remain flattish on a sequential basis as some companies may witness strong order inflows from 2HFY25.
- Dixon is likely to report the highest revenue growth of ~93% YoY, followed by KAYNES/SYRMA/AMBER/CYIENTDL/DATAPATT/AVALON at 67%/40%/37%/31%/19%/ 18%, respectively.
- EBITDA margin for our EMS coverage universe may experience marginal contraction of ~34bp YoY, majorly led by 85bp/9bp YoY margin contraction in SYRMA/DIXON. Conversely, KAYNES/AVALON/CYIENTDL/DATAPATT/AMBER are likely to witness margin expansions of 125bp/11bp/34bp/78bp/58bp YoY.

Dixon to lead the pack with strong revenue growth and profitability

- **AMBER:** We expect revenue to grow 37% YoY, led by a strong growth of the consumer durable division. The EBITDA margin is expected to expand 60bp YoY to 7% on account of the ramp-up of margins in the electronics division.
- **Avalon:** Revenue/EBITDA is expected to grow 18%/20% YoY. We anticipate continued recovery in US operations, led by traction from some of the existing US customers. The auto, industrial, and clean energy segments are likely to lead the recovery. Margins are expected to largely remain flat YoY. The company expects the US business to continue experiencing losses, but with lower intensity.
- **CYIENTDL:** We anticipate the company to report 31% YoY revenue growth in 2QFY25, driven by the execution of some large contracts from domestic customers. The EBITDA margin is likely to remain flat YoY due to a higher mix of BEL (low margin) orders. The order book is expected to stabilize ~INR20b-INR21b going forward with a trend reversal (upward trend) likely from 4QFY25.
- **DATAPATT:** We expect its revenue/EBITDA to grow 19%/21% YoY, with margin likely to expand 80bp YoY due to a better business mix during the quarter.
- **DIXON:** We expect revenue/EBITDA to grow 93%/89% YoY, driven by a sharp ramp-up in mobile volumes and Ismartu integration. We will look out for a ramp-up in consumer electronics sales, given the commencing of refrigerator manufacturing as well as the mobile volume ramp-up.
- **KAYNES:** We are expecting a robust revenue growth of ~67% YoY this quarter, driven by strong growth from the railways and IT server segments and the successful ramp-up of the smart meter segment. Margins are expected to expand ~130bp YoY, led by strong operating leverage at play. The company expects this strong growth momentum to continue going forward.

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■ **SYRMA:** We expect revenue/EBITDA growth of 40%/23% YoY in 2QFY25. EBITDA margin is anticipated to contract ~85bp YoY due to a higher mix of low-margin business during the quarter. The company expects to achieve its guidance of INR45b revenue in FY25. The order book is expected to remain flat on a sequential basis with significant order inflows expected from 4QFY25.

Exhibit 1: Summary of 2QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Amber Enterp.	4845	Buy	12,693	36.9	-47.1	888	49.2	-54.7	94	LP	-87.0
Avalon Tech	587	Buy	2,372	18.0	18.9	151	20.1	246.3	70	-4.0	LP
Cyient DLM	710	Buy	3,837	31.5	48.8	323	37.1	61.4	197	34.7	86.2
Data Pattern	2303	Neutral	1,289	19.0	23.8	495	21.5	33.2	419	24.0	27.8
Dixon Tech.	14200	Buy	95,362	92.9	44.9	3,755	88.8	51.5	2,123	97.8	58.8
Kaynes Tech	5464	Buy	6,026	67.0	19.6	890	82.5	33.1	667	106.3	31.3
Syrma SGS Tech.	429	Buy	9,964	40.0	-14.1	601	22.7	34.8	278	-6.4	44.1
EMS			1,31,543	74.4	17.4	7,104	64.0	15.1	3,848	76.4	21.3

Exhibit 2: Valuation summary

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
EMS						91.1	58.2	42.0	13.2	10.8	8.6	14.5	18.5	20.5
Amber Enterp.	4,845	Buy	68.1	105.1	139.6	71.2	46.1	34.7	7.1	6.2	5.2	10.5	14.3	16.3
Avalon Tech	587	Buy	6.7	15.1	23.9	87.1	39.0	24.6	6.5	5.6	4.5	7.8	15.4	20.4
Cyient DLM	710	Buy	13.9	22.0	30.2	51.3	32.3	23.5	5.5	4.7	3.9	11.4	15.8	18.3
Data Pattern	2,303	Neutral	40.0	53.1	67.8	57.6	43.4	33.9	8.4	7.0	5.8	15.6	17.6	18.8
Dixon Tech.	14,200	Buy	114.0	168.3	220.8	124.6	84.4	64.3	36.0	25.4	18.3	33.6	35.3	33.0
Kaynes Tech	5,464	Buy	53.4	94.2	143.7	102.3	58.0	38.0	12.3	10.2	8.0	12.8	19.2	23.6
Syrma SGS Tech.	429	Buy	9.0	15.0	22.5	47.9	28.5	19.1	4.4	3.8	3.2	9.5	14.3	18.4

Exhibit 1: Relative performance – three months (%)

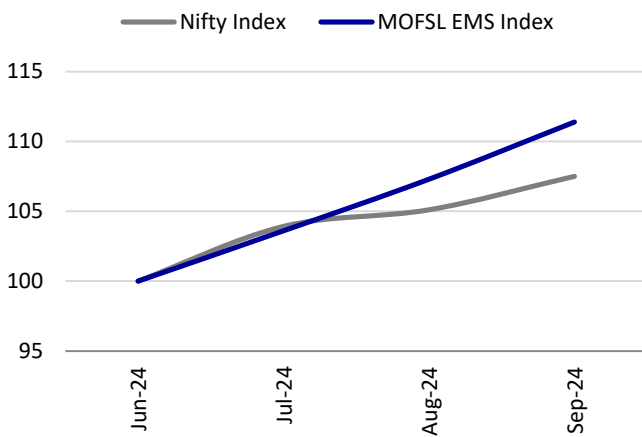
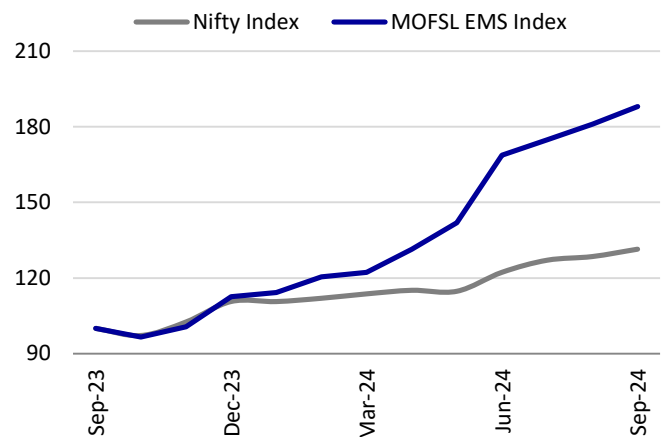


Exhibit 2: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

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

Amber Enterprises

Buy

CMP: INR4,845 | TP: INR5,400 (+12%)

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

- We expect revenue to grow 37% YoY and EBITDA margin to grow by 60bp YoY to 7%, mainly derived from strong revenue growth of consumer durable division and ramp-up of margins in electronics division.
- Key monitorables –Demand scenario in RAC, outlook on electronic segment growth and margin improvement across segments
- We expect PAT to be on a positive side in 2QFY24 given margin improvisation of electronics division from 1QFY24 onwards.
- We increase our TP on slightly higher future margin assumptions.
- We will also look out for revival in the railways segment.

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY24	FY25E
Net Sales	17,020	9,271	12,948	28,055	24,013	12,693	16,281	31,631	67,293	84,618
YoY Change (%)	-6.8	23.5	-4.0	-6.6	41.1	36.9	25.7	12.7	-2.9	25.7
Total Expenditure	15,701	8,675	12,163	25,836	22,051	11,804	15,141	29,361	62,374	78,358
EBITDA	1,319	596	785	2,219	1,962	888	1,140	2,270	4,919	6,260
Margins (%)	7.8	6.4	6.1	7.9	8.2	7.0	7.0	7.2	7.3	7.4
Depreciation	433	452	466	515	549	538	538	538	1,865	2,162
Interest	453	366	369	483	518	355	355	355	1,670	1,584
Other Income	193	127	52	180	207	154	154	154	553	667
PBT before EO expense	627	-95	3	1,402	1,101	149	400	1,531	1,937	3,181
PBT	627	-95	3	1,402	1,101	149	400	1,531	1,937	3,181
Tax	161	-38	8	388	298	39	104	374	519	814
Rate (%)	25.7	40.4	274.1	27.7	27.0	26.0	26.0	24.4	26.8	25.6
MI & Profit/Loss of Asso. Cos.	10	13	0	67	79	16	16	-40	89	72
Reported PAT	456	-69	-5	947	724	94	280	1,196	1,329	2,294
Adj PAT	456	-69	-5	947	724	94	280	1,196	1,329	2,294
YoY Change (%)	8.5	133.1	-103.4	-8.9	58.6	NM	NM	26.4	-15.5	72.6
Margins (%)	2.7	-0.7	0.0	3.4	3.0	0.7	1.7	3.8	2.0	2.7

Avalon Technologies

Buy

CMP INR587 | TP: INR690 (+18%)

EPS CHANGE (%): FY25 | 26: +4|+7

- Revenue is expected to increase 18% YoY and EBITDA margin is likely to be ~6.4% in 2QFY25.
- The domestic revenue growth is expected to drive sales for the company.
- The international business is expected to continue reporting losses but with lower intensity.
- Improvement in business in the US would be the key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				(INRm)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY24	FY25E
Gross Sales	2,351	2,010	2,143	2,168	1,995	2,372	2,893	3,203	8,672	10,462
YoY Change (%)	19.9	-17.9	-7.9	-20.2	-15.2	18.0	35.0	47.7	-8.2	20.6
Total Expenditure	2,189	1,884	1,977	1,996	1,951	2,220	2,610	2,859	8,046	9,641
EBITDA	162	126	165	172	44	151	282	344	626	821
Margins (%)	6.9	6.3	7.7	7.9	2.2	6.4	9.8	10.7	7.2	7.8
Depreciation	53	55	60	61	66	68	70	73	229	277
Interest	56	32	36	39	42	35	28	25	164	130
Other Income	51	47	22	28	44	48	54	62	148	209
PBT before EO Expense	105	86	91	99	-20	96	239	308	381	623
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	105	86	91	99	-20	96	239	308	381	623
Tax	34	13	25	29	3	27	66	85	101	180
Rate (%)	32.4	15.2	27.5	29.0	-14.5	27.5	27.5	27.5	26.5	28.9
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	71	73	66	71	-23	70	173	223	280	443
Adj PAT	71	73	66	71	-23	70	173	223	280	443
YoY Change (%)	-23.9	-50.7	14.7	-68.9	NA	-4.0	163.0	216.0	-46.7	58.3
Margins (%)	3.0	3.6	3.1	3.3	-1.2	2.9	6.0	7.0	3.2	4.2

Cyient DLM**Buy****CMP INR710 | TP: INR880 (+17%)****EPS CHANGE (%): FY25|26: -4|0**

- Revenue is expected to grow 31% YoY, led by healthy demand across the segment.
- Efficient execution of large order books will be the key focus area for the company.
- Margin is expected to slightly expand ~30bps YoY in 2QFY25.
- New client additions and order inflows will be the key monitorables.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	2,171	2,918	3,210	3,618	2,579	3,837	4,366	5,162	11,919	15,944
YoY Change (%)	27.6	71.5	49.7	30.5	18.8	31.5	36.0	42.7	43.2	33.8
Total Expenditure	1,972	2,683	2,916	3,238	2,379	3,515	3,899	4,536	10,809	14,328
EBITDA	200	235	294	380	200	323	467	626	1,110	1,616
Margins (%)	9.2	8.1	9.2	10.5	7.8	8.4	10.7	12.1	9.3	10.1
Depreciation	48	55	58	62	67	69	71	73	223	280
Interest	91	76	83	94	80	50	25	10	344	165
Other Income	9	93	93	83	89	60	65	84	278	298
PBT before EO Expense	70	198	247	307	142	264	436	627	821	1,469
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
PBT	70	198	247	307	142	264	436	627	821	1,469
Tax	16	51	63	80	36	66	110	158	209	370
Rate (%)	23.3	25.9	25.3	25.9	25.2	25.2	25.2	25.2	25.5	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	54	147	184	227	106	197	327	469	612	1,099
Adj PAT	54	147	184	227	106	197	327	469	612	1,099
YoY Change (%)	-15.2	106.4	222.9	80.7	97.7	34.7	77.1	106.3	92.9	79.6
Margins (%)	2.5	5.0	5.7	6.3	4.1	5.1	7.5	9.1	5.1	6.9

Data Pattern**Neutral****CMP INR2,303 | TP: INR2,400 (+4%)****EPS CHANGE (%): FY25|26: 0|0**

- Revenue is expected to grow 19% YoY with an EBITDA margin of ~38%.
- Movement in working capital requirements will be the key monitorable.
- New product development will be the key focus area for the company.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	897	1,083	1,395	1,823	1,041	1,289	1,772	2,348	5,198	6,450
YoY Change (%)	31.2	22.9	24.8	-1.5	16	19	27	28.8	14.6	24.1
Total Expenditure	619	676	795	893	669	794	1,002	1,246	2,982	3,711
EBITDA	278	408	600	930	372	495	769	1,102	2,217	2,738
Margins (%)	31	37.6	43	51	35.7	38.4	43.4	46.9	42.6	42.5
Depreciation	28	31	33	70	31	40	47	55	162	173
Interest	17	23	23	30	30	25	23	17	93	95
Other Income	116	108	113	123	123	130	132	132	460	517
PBT before EO Expense	349	463	657	953	435	560	831	1,162	2,422	2,988
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
PBT	349	463	657	953	435	560	831	1,162	2,422	2,988
Tax	91	125	148	242	107	141	209	293	605	749
Rate (%)	25.9	27	22.4	25.4	24.5	25.2	25.2	25.2	25	25.1
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	258	338	510	711	328	419	622	870	1,817	2,239
Adj PAT	258	338	510	711	328	419	622	870	1,817	2,239
YoY Change (%)	81.4	60.5	53	28.4	26.9	24	22	22.3	46.6	23.2
Margins (%)	28.8	31.2	36.5	39	31.5	32.5	35.1	37	35	34.7

Dixon Technologies**Buy****CMP: INR14,200 | TP: INR16,000 (+13%)****EPS CHANGE (%): FY25|26: +3|+3**

- We expect revenue to grow 93% YoY and EBITDA by 89% YoY, to be driven by sharp ramp-up in mobile volumes and Ismartu integration.
- Key monitorables – Incremental client addition, margin guidance, NWC days to improve in subsequent years.
- We expect EBITDA and PAT to grow sharply YoY on strong revenue execution.
- We increase our TP on lower tax rate and slightly higher margin assumptions.
- We will look out for ramp-up in consumer electronics sales given commencing of refrigerators manufacturing as well as mobile volume ramp-up.

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	32,715	49,432	48,183	46,580	65,798	95,362	87,309	85,349	1,76,909	3,33,818
YoY Change (%)	14.6	27.8	100.4	52.0	101.1	92.9	81.2	83.2	45.1	88.7
Total Expenditure	31,396	47,443	46,339	44,755	63,319	91,607	83,871	81,884	1,69,933	3,20,680
EBITDA	1,319	1,989	1,844	1,825	2,479	3,755	3,438	3,465	6,976	13,138
Margins (%)	4.0	4.0	3.8	3.9	3.8	3.9	3.9	4.1	3.9	3.9
Depreciation	337	364	407	510	545	570	570	599	1,619	2,285
Interest	140	171	222	214	293	151	151	151	747	745
Other Income	29	7	23	167	82	76	76	76	226	309
PBT	870	1,461	1,238	1,267	1,723	3,110	2,793	2,791	4,836	10,416
Tax	229	352	287	322	400	733	718	731	1,189	2,582
Rate (%)	26.3	24.1	23.2	25.4	23.2	23.6	25.7	26.2	24.6	24.8
MI & Profit/Loss of Asso. Cos.	-47	36	-13	-7	-14	254	254	525	-31	1,325
Reported PAT	688	1,073	964	952	1,337	2,123	1,821	1,535	3,677	6,509
Adj PAT	688	1,073	964	952	1,337	2,123	1,821	1,535	3,677	6,509
YoY Change (%)	50.6	38.9	85.8	18.0	94.3	97.8	88.9	61.3	43.9	77.0
Margins (%)	2.1	2.2	2.0	2.0	2.0	2.2	2.1	1.8	2.1	1.9

Keynes Technologies**Buy****CMP INR5,464 | TP: INR6,400 (+17%)****EPS CHANGE (%): FY25|26: -2|+4%**

- Revenue is expected to grow 67% YoY, led by the execution of a strong order book at hand.
- EBITDA margin is expected to expand 130bps YoY, led by favorable operating leverage.
- Smart meter, railway, and IT server will drive growth going forward.
- The company is on track with its capacity expansion plans.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	2,972	3,608	5,093	6,373	5,040	6,026	8,607	10,834	18,046	30,507
YoY Change (%)	49.1	32.1	76.2	74.8	69.6	67.0	69.0	70.0	60.3	69.1
Total Expenditure	2,569	3,121	4,394	5,421	4,371	5,136	7,288	9,089	15,505	25,884
EBITDA	403	488	699	952	669	890	1,319	1,745	2,542	4,623
Margins (%)	13.5	13.5	13.7	14.9	13.3	14.8	15.3	16.1	14.1	15.2
Depreciation	53	65	60	74	84	97	113	124	251	417
Interest	113	118	148	153	227	215	200	180	533	822
Other Income	81	90	94	294	283	260	200	170	559	913
PBT before EO Expense	319	394	585	1,019	641	838	1,206	1,612	2,317	4,297
PBT	319	394	585	1,019	641	838	1,206	1,612	2,317	4,297
Tax	72	71	133	207	133	172	247	330	483	883
Rate (%)	22.6	18.0	22.7	20.3	20.8	20.5	20.5	20.5	20.8	20.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	246	323	452	813	508	667	958	1,281	1,834	3,414
Adj PAT	246	323	452	813	508	667	958	1,281	1,834	3,414
YoY Change (%)	149.0	52.8	97.7	97.3	106.0	106.3	112.1	57.7	92.9	86.1
Margins (%)	8.3	9.0	8.9	12.8	10.1	11.1	11.1	11.8	10.2	11.2

Syrma SGS**Buy****CMP INR429 | TP: INR530 (+24%)****EPS CHANGE (%): FY25 | 26: -1 | -2**

- Revenue/EBITDA are likely to grow 40%/23% YoY, and EBITDA margin is anticipated to contract to ~6%.
- Business mix will continue to remain a focus area for the company's margin trajectory.
- Order book growth and revenue mix will be the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	6,013	7,117	7,067	11,341	11,599	9,964	9,753	13,723	31,538	45,038
YoY Change (%)	54.4	52.4	37.9	66.9	92.9	40.0	38.0	21.0	54.0	42.8
Total Expenditure	5,644	6,627	6,679	10,604	11,153	9,363	9,073	12,509	29,554	42,098
EBITDA	369	490	388	737	446	601	680	1,214	1,984	2,941
Margins (%)	6.1	6.9	5.5	6.5	3.8	6.0	7.0	8.8	6.3	6.5
Depreciation	101	116	139	158	174	176	180	182	515	712
Interest	75	80	100	123	130	125	115	90	378	460
Other Income	221	89	121	156	153	165	180	177	587	675
PBT before EO Expense	413	383	270	612	295	465	565	1,119	1,678	2,443
Extra-Ord Expense	0	14	0	0	0	0	0	0	14	0
PBT	413	370	270	612	295	465	565	1,119	1,664	2,443
Tax	130	64	67	160	91	117	142	282	421	632
Rate (%)	31.5	17.4	24.8	26.1	31.0	25.2	25.2	25.2	25.3	25.9
Minority Interest & Profit/Loss of Asso. Cos.	-2	22	48	103	10	70	85	56	170	222
Reported PAT	285	283	155	349	193	278	337	781	1,073	1,589
Adj PAT	285	297	155	349	193	278	337	781	1,087	1,589
YoY Change (%)	84.0	4.8	-53.2	-17.4	-32.3	-6.4	117.4	123.5	-8.9	46.2
Margins (%)	4.7	4.2	2.2	3.1	1.7	2.8	3.5	5.7	3.4	3.5

Financials: Banks

2QFY25 earnings estimates (INR b)

PAT (INR b)	2Q FY25E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	4.9	22.6	-2.0
AXSB	66.3	13.0	9.8
BANDHAN	8.8	21.4	-17.7
DCBB	1.4	6.5	2.8
EQUITAS	1.8	-9.3	598.0
FB	10.0	5.3	-0.5
HDFCB	163.5	2.4	1.1
ICICIBC	109.1	6.3	-1.4
IDFCFB	5.7	-24.2	-16.3
IIB	20.7	-6.2	-4.9
KMB	35.2	10.4	0.1
RBK	2.5	-14.2	-32.1
Private Total	429.9	5.0	0.6
PSU Banks			
BOB	46.0	8.3	3.3
CBK	38.0	5.4	-2.7
INBK	25.4	28.0	5.9
PNB	34.6	97.1	6.5
SBIN	164.1	14.5	-3.7
UNBK	37.0	5.5	0.7
PSU Total	345.2	17.2	-0.6
Banks Total	775.1	10.1	0.0
SBICARD	5.9	7.4	-0.8
Paytm	-6.6	NA	NA

Earnings growth modest; asset quality trend to be divergent

Margins to exhibit a slight negative bias

- System growth showing moderation; estimate 12.5% credit growth for FY25:** Systemic credit growth has declined to 14.2% from 16.4% in FY24, mainly driven by slower deposit growth and an elevated CD ratio. Several banks, especially PVBs, have reduced their credit growth guidance, while PSBs have largely maintained their guidance. Further, continued moderation in unsecured retail and slower corporate credit off-take will further impact credit growth in the banking system. While the gap between deposits and credit growth has narrowed from the peak of 8.8% in Nov'22 to 2.3% as of Sep'24, the high incremental LDR and regulatory watch on both LDR and LCR will drive further moderation in loan growth. We thus estimate the CD growth gap to reduce to <100bp over FY25 while estimating credit growth to slow down to 12.5% over FY25.
- Deposit growth at 11.9% in Sep'24; margin bias slightly negative:** Deposit growth has hovered in a narrow range of 11-13% over the past 14 months and is up 2.8% YTD. The systemic CD ratio remains elevated at 79.6%, and most banks have seen their CD rise over the past year. Among the banks under our coverage, we closely monitor the deposit growth trajectory for HDFCB and AXSB amid their higher CD ratios of 103.5% and 92.2%, respectively, in 1QFY25. We observe that deposit competitiveness shows no signs of ebbing, which should keep the deposit rate and CoF elevated. Consequently, these should keep NIMs under pressure, while the reversal in rate cycle should further lead to yield pressure. We believe PSBs will be better capable of maintaining their margins, aided by their higher mix of MCLR rate books.
- Asset quality stable for PSUs and large Pvt. banks; MFI and unsecured loans to experience rising stress:** Credit quality in this cycle has been robust for most banks, leading to controlled provisioning expenses and thus a healthy RoA. However, we believe that the unsecured loans will continue to see the deterioration in 2QFY25. Banks with higher exposure to the MFI and unsecured loans may thus see slower growth and higher credit costs in 2Q. Hence, we would closely monitor the asset quality outlook over the medium term. We factor in a modest rise in provisioning expenses as the recovery from the existing NPA/TWO pools moderates, while credit costs normalize gradually after being extremely benign over the recent period.
- Earnings for our banking coverage universe to clock ~13.6% CAGR over FY24-26E:** We estimate NII for our banking coverage universe to grow ~8.6% YoY in 2QFY25, while controlled opex to result in PPop of 13.2% YoY/ 0.9% QoQ. For 2QFY25, we thus estimate Private/PSU banks to report earnings growth of 4.1%/17.2% YoY. **We also estimate the earnings of the MOFSL Banking Universe to grow 10.1%/13.2%/13.9% YoY over 2QFY25/FY25/FY26.** Hence, we estimate the **banking sector's earnings to post a 13.6% CAGR over FY24-26.**

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Private banks: PAT to grow ~5% YoY in 2QFY25

- **For our private bank coverage universe**, we estimate a PPOP growth of 12% YoY/ 1% QoQ and a PAT growth of 5% YoY/0.6% QoQ in 2QFY25. We also estimate a 12.4% CAGR in earnings over FY24-26.
- We estimate NII to grow 11.3% YoY in 2QFY25. Specifically, we project Bandhan's growth at 23.8% YoY, IDFC Bank at 22.6% YoY, Federal Bank at 15.8% YoY, RBL Bank at 13.2% YoY, Axis Bank at 10.7% YoY, and Kotak Mahindra Bank at 10.4% YoY.
- Opex is likely to follow a normalized trend as the banks continue with their investments in branches and technology, while the pace of employee hiring has moderated. Other income is anticipated to be healthy following a decline in bond yields.
- **Slippages broadly remain under control**, which should drive stability/further improvement in asset quality ratios. However, we remain cautious amid rising delinquencies in unsecured lending and MFI, which could result in some rise in credit costs in the unsecured segments, primarily MFI.

PSBs: PAT to dip marginally QoQ amid flat NIMs and mild rise in LLP

- We estimate PSBs to report moderate earnings growth of 17.2% YoY/ a decline of 0.6% QoQ in 2QFY25. NII growth is also likely to remain moderate at ~6% YoY as margins maintain a marginal downward bias. Accordingly, we estimate PSBs' earnings to clock a 15% CAGR over FY24-26.
- **Opex to be under control** as wage-related provisions are largely accounted for in FY24. Thus, we expect a normal opex trajectory in FY25. **Treasury performance is likely to remain healthy**, led by a decline in bond yields and buoyant capital markets. We also expect an improvement in CET-1 for select PSBs, backed by the revised investment regulations.
- Expect asset quality to remain broadly stable amid an improving borrower profile and a low SMA pool, keeping slippages under control. However, with rising delinquencies in unsecured lending, **the outlook for asset quality** will be closely monitored over the coming quarters. Besides, the ECL provisioning requirement for the next fiscal may also act as an overhang on sector performance.

SFBs: Mixed performance; asset quality to be keenly monitored

- We estimate **AUBANK's 2QFY25 PAT** to grow 22.6% YoY to INR4.9b (-2% QoQ), as the bank has completed its merger with Fincare SFB. Its NII is expected to grow 58% YoY (including Fincare), while NIM is projected to witness a marginal decline. Expect asset quality to remain broadly stable with marginal impact from the MFI segment and card business.
- **EQUITASB** is likely to report a modest quarter, with PAT expected to dip 9% YoY amid higher provisions and opex. Business growth is likely to be healthy, and we estimate advances to grow at ~17% YoY (+~5.5% QoQ). We further estimate its NIM to moderate 7bp QoQ to 7.9%.

Payments/Fintech: Earnings trajectory to remain modest

- **SBICARDS:** We expect corporate spending to pick up; however, retail spending is likely to remain healthy. NIM is anticipated to be broadly stable, while credit costs would remain elevated due to continued asset quality pressure. We, thus, estimate earnings to de-grow 2.2% YoY (down 0.8% QoQ).
- **PAYTM:** We estimate a 7% QoQ growth (flat YoY) in GMV in 1QFY25, amounting to INR4.6t. Revenue from its operations is projected to increase 8% QoQ (down 36% YoY) to INR16.2b, while contribution profit is estimated to increase 13% QoQ (down 40% YoY) to INR8.5b for 2QFY25. The contribution margin is likely to be ~53%. Adj. operating loss is estimated to be INR3.1b in 2QFY25.

Top picks – ICICIBC, HDFCB, FB, and AU SFB

ICICIBC: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	743	817	933
OP	581	653	755
NP	409	447	505
NIM (%)	4.7	4.4	4.3
EPS (INR)	58.4	63.6	72.0
EPS Gr (%)	27.5	9.0	13.1
ABV/Sh (INR)	315	368	430
Cons. BV/Sh (INR)	363	439	514

Ratios

RoE (%)	18.9	17.6	17.2
RoA (%)	2.4	2.2	2.2

Valuations

P/BV (x) (Cons)	3.5	2.9	2.4
P/ABV (x)	3.3	2.8	2.4
P/E (x)	21.5	19.8	17.5
Adj P/E (x)*	17.5	16.1	14.2

*Adj for Investment in Subs

HDFCB: Financial snapshot (INR b)

Y/E	FY24	FY25E	FY26E
NII	1,085	1,237	1,375
OP	944	1,017	1,146
NP	608	678	765
NIM (%)	3.4	3.5	3.5
EPS (INR)	80.0	89.3	100.7
EPS Gr. (%)	1.0	11.5	12.8
BV/Sh. (INR)	580	649	728
ABV/Sh. (INR)	555	622	698

Ratios

RoE (%)	14.6	14.5	14.6
RoA (%)	1.8	1.8	1.8

Valuations

P/E(X)	21.0	18.8	16.7
P/E(X)*	17.8	16.0	14.2
P/BV (X)	2.9	2.6	2.3
P/ABV (X)	2.6	2.3	2.0

*Adj for Investment in Subs

ICICIBC (BUY)

- ICICIBC has been a consistent performer, aided by strong growth and profitability over the past few years. The bank has achieved impressive growth, exceeding system credit growth at ~17% CAGR over FY22 to FY24. This has been driven by retail, BB, and SME.
- Slippages have been well under control amid its strong underwriting practices, while a healthy provisions buffer on its balance sheet and additional contingency provisions of INR131b/1.1% of loans provide a comfort to protect RoAs even during the ECL transmission.
- Over the past five quarters, the bank's margins have corrected 54bp to 4.36% (down from the peak of 4.9%). The pace of NIM compression has decreased significantly. Management expects NIMs to be rangebound with a slight downward bias in the near term amid elevated TD rates, while the repricing of the TDs appears to be largely behind.
- ICICIBC has consistently outpaced system credit growth, driven by healthy growth in retail, BB, and SME segments. The bank has laid a special emphasis on the diversified and granular portfolio growth. It has reported 17% CAGR in portfolio during FY22-24.
- The bank is well positioned to deliver superior performance characterized by healthy loan growth, strong asset quality, and industry-leading return ratios. We estimate its RoA/RoE at 2.2%/17.2% in FY26. Adjusted for its subsidiaries, the standalone bank currently trades at 2.4x FY26E ABV.

HDFCB (BUY)

- HDFCB remains committed to sustainable growth, focusing on expanding its physical and digital infrastructure. Despite short-term softness due to constraints on the CD ratio, the bank expects improved asset mix and gradual replacement of high-cost borrowings to aid margin recovery.
- The Retail, and CRB portfolios have shown robust traction, with these segments now contributing 81% of the total mix. The bank's CRB segment alone saw 28% YoY growth in FY24. HDFCB expects to maintain this growth momentum, achieving a loan CAGR of ~10% and deposit CAGR of ~15% over FY24-27.
- The merger with HDFC led to inherited high-cost deposits, which the bank is systematically replacing with lower-cost options. Although the CASA mix has dropped to 36% in 1QFY25, the focus remains on increasing deposit inflows through enhanced customer engagement and cross-selling.
- NIM is expected to recover gradually, and we estimate NIM to stabilize at 3.5-3.6% by FY26 as the mix of high-yielding retail assets grows and high-cost borrowings are replaced. Asset quality remains stable post-merger, with a strong provision buffer offering comfort amid potential credit challenges.
- HDFC Bank anticipates steady profitability, with an estimated RoA/RoE of 1.8%/14.6% by FY26, driven by improved operating leverage, margin recovery, and disciplined credit growth management. Adjusted for its subsidiaries, the standalone bank currently trades at 2.3x FY26E ABV.

FB: Financial snapshot (INR b)

Y/E Mar	FY24	FY25E	FY26E
NII	82.9	96.8	117.5
OP	51.7	61.5	77.1
NP	37.2	41.2	49.8
NIM (%)	3.3	3.2	3.3
EPS (INR)	16.3	16.9	20.5
EPS Gr. (%)	14.5	3.5	20.9
BV/Sh. (INR)	119	134	152
ABV/Sh. (INR)	113	127	143

Ratios

ROE (%)	14.7	13.4	14.3
ROA (%)	1.3	1.2	1.3

Valuations

P/E(X)	11.8	11.4	9.4
P/BV (X)	1.6	1.4	1.3
P/ABV (X)	1.7	1.5	1.3

AU SFB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	51.6	80.5	101.2
PPoP	24.4	40.6	51.8
PAT	15.3	21.6	28.8
NIM (%)	5.2	6.2	6.0
EPS (INR)	23.0	30.6	38.8
EPS Gr. (%)	4.3	33.4	26.5
BV/Sh. (INR)	187	223	261
ABV/Sh. (INR)	183	218	254

Ratios

RoE (%)	13.1	14.9	16.0
RoA (%)	1.5	1.7	1.7

Valuations

P/E(X)	31.9	23.9	18.9
P/BV (X)	3.9	3.3	2.8
P/ABV (X)	4.0	3.4	2.9

Federal Bank (BUY)

- FB has maintained its trajectory of sustainable growth, leveraging data analytics, and fintech partnerships to drive product distribution and enhance its digital capabilities. The bank is optimistic about expanding its customer base and loan portfolio through these strategies, despite facing regulatory challenges.
- FB posted robust loan growth across segments, particularly in high-yielding products. FB's advances are estimated to grow at an 18% CAGR over FY25-27, supported by an improving risk profile and strict underwriting practices.
- The bank's deposit base has grown in tandem with its advances, recording an 18% YoY growth in FY24, driven by strong TD inflows. CASA deposits are expected to recover gradually with an estimated CASA ratio of 32% by FY27. FB's collaboration with fintech firms remains critical for deposit growth, allowing the bank to cross-sell and optimize its deposit franchise.
- While FB's NIM compressed to 3.16% in 1QFY25 due to rising funding costs, its shift towards higher-margin products should support margin recovery. FB expects NIM to stabilize at ~3.4% by FY27, alongside improvements in its C/I ratio, estimated to moderate to 50% by FY27 from the current 54.5%.
- Asset quality remains a key strength for FB, with GNPA/NNPA ratios improving to 2.1%/0.7% in FY24. The bank's strong underwriting and recovery processes ensure controlled slippages, positioning it for a further reduction in GNPA to 1.9% by FY27. Credit costs to remain stable at 30-40bp over the next few years.
- We believe that FB is well placed to deliver RoA expansion, led by controlled credit costs and a rise in the mix of high-yielding segments. We estimate FY26 RoA/RoE of 1.3%/14.3%. The stock currently trades at a valuation of 1.3x FY26E ABV.

AU SFB (BUY)

- AUBANK is positioned to maintain strong growth, capitalizing on the synergies from its recent merger with Fincare SFB. The merger has broadened the bank's geographical footprint and diversified its product offerings, particularly in high-yield segments such as MFI and SBL. AUBANK's loan book is estimated to grow at a 24% CAGR over FY25-FY27.
- AUBANK has made significant strides in mobilizing deposits, retiring high-cost bulk deposits, and focusing on granular retail deposits. The bank targets a 25% growth in deposits for FY25, with a CD ratio expected to stabilize at ~90%.
- Despite an increase in NIM to 6.0% post-merger, the margin is expected to remain under pressure due to rising funding costs. However, improvements in disbursement yields and potential reductions in borrowing rates are expected to drive margin recovery over FY25-FY27, stabilizing NIM at 6.0-6.2%.
- Asset quality remains under control with a projected GNPA/NNPA ratio of 1.9%/0.6% by FY27, while credit costs are expected to remain stable at 1.2% over the same period. The bank's focus on tight underwriting, efficient collections, and contingency buffers for the MFI ensures resilient asset quality.
- Operational leverage is likely to improve gradually as the bank integrates its merged operations. C/I ratio is expected to remain elevated at ~62% in FY25, and will moderate to ~60% by FY27 as the bank realizes synergies from the merger.
- With an estimated RoA of 1.7% by FY26, AU Bank is expected to maintain a strong profitability benefitting from the merger synergies. While the asset quality outcome too is expected to stay healthy. The stock currently trades at a valuation of 2.9x FY26E ABV.

Exhibit 1: Earnings estimates – 2QFY25

	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
		Sep'24	YoY (%)	QoQ (%)	Sep'24	YoY (%)	QoQ (%)	Sep'24	YoY (%)	QoQ (%)
Financials										
AU Small Finance	Buy	19,732	58.0	2.7	10,025	54.8	1.5	4,926	22.6	-2.0
Axis Bank	Neutral	1,36,268	10.7	1.3	1,02,422	18.7	1.3	66,276	13.0	9.8
Bandhan Bank	Neutral	30,254	23.8	0.7	18,679	18.0	-3.8	8,756	21.4	-17.7
DCB Bank	Buy	5,203	9.4	4.8	2,238	6.3	9.0	1,351	6.5	2.8
Equitas Small Finance	Buy	8,232	7.5	2.7	3,502	6.0	2.9	1,798	-9.3	598.0
Federal Bank	Buy	23,808	15.8	3.9	14,672	10.8	-2.2	10,041	5.3	-0.5
HDFC Bank	Buy	2,98,121	8.9	-0.1	2,43,722	7.4	2.0	1,63,547	2.4	1.1
ICICI Bank	Buy	1,99,285	8.9	1.9	1,58,325	11.3	-1.2	1,09,080	6.3	-1.4
IDFC First Bank	Neutral	48,425	22.6	3.1	19,371	28.3	2.9	5,696	-24.2	-16.3
IndusInd Bank	Buy	54,522	7.4	0.8	40,145	2.7	1.6	20,652	-6.2	-4.9
Kotak Mahindra Bank	Neutral	69,524	10.4	1.6	53,164	15.3	1.2	35,227	10.4	0.1
RBL Bank	Neutral	16,690	13.2	-1.8	8,394	14.8	-2.3	2,522	-14.2	-32.1
Banks – Private		9,10,064	11.3	1.1	6,74,658	11.7	0.8	4,29,872	5.0	0.6
Bank of Baroda	Buy	1,15,260	6.4	-0.6	75,071	-6.4	4.8	46,039	8.3	3.3
Canara Bank	Buy	92,048	3.4	0.4	72,809	-4.4	-4.4	37,992	5.4	-2.7
Indian Bank	Buy	62,386	8.7	1.0	45,963	6.8	2.1	25,441	28.0	5.9
Punjab National Bank	Neutral	1,08,995	9.8	4.0	71,570	15.1	8.7	34,615	97.1	6.5
State Bank of India	Buy	4,16,034	5.3	1.2	2,67,850	37.9	1.3	1,64,057	14.5	-3.7
Union Bank	Buy	95,485	4.6	1.4	75,539	4.6	-3.0	37,039	5.5	0.7
Banks – PSU		8,90,208	5.9	1.2	6,08,803	15.3	1.3	3,45,183	17.2	-0.6
Total Banks		18,00,271	8.6	1.2	12,83,461	13.4	1.0	7,75,056	10.1	0.0
SBI Cards	Neutral	14,900	14.9	0.9	19,362	24.8	1.9	5,896	7.4	-0.8
Paytm	Neutral	16,155	-35.9	7.6	-3,074	LP	-43.7	-6,603	NA	NA

Exhibit 2: Our sector's earnings estimates remain broadly unchanged; estimate 16% CAGR over FY25-27

INR b	Old Estimates		Revised Estimates		Introduced	% Change	
	FY25E	FY26E	FY25E	FY26E		FY27E	FY25E
Private Banks							
AXSB	264.3	305.5	263.9	304.4	357.6	-0.20	-0.40
BANDHAN	42.3	48.8	39.3	46	54.2	-7.10	-5.70
DCBB	6.1	7.5	6	7.6	9.3	-0.70	0.50
HDFCB	680.4	779	678.2	764.8	873.2	-0.30	-1.80
ICICIBC	450	514.8	446.8	505.4	599.6	-0.70	-1.80
IDFCFB	31.7	45.2	29.9	42.2	57.5	-5.80	-6.80
IIB	94.3	115.5	88.6	109.3	136.8	-6.00	-5.40
KMB	148	170.8	142.5	164.9	204.5	-3.70	-3.50
FB	42.5	50.5	41.2	49.8	60.3	-3.00	-1.30
RBK	14.3	18.9	12.7	17.9	25.3	-11.00	-5.40
AUBANK	21.4	28.1	21.6	28.8	37.7	1.10	2.70
EQUITASB	6.4	10.1	6.4	10.2	15	0.00	0.50
Total Pvt	1,801.70	2,094.80	1,777.10	2,051.20	2,431.00	-1.40	-2.10
- YoY growth	11.00%	16.30%	9.50%	15.40%	18.50%		
PSU Banks							
BOB	195.5	210.2	194.7	213.9	236	-0.40	1.80
CBK	165	189	161.4	175.8	194.9	-2.20	-7.00
INBK	101.8	115.2	102.2	112.2	126.5	0.40	-2.60
PNB	140.9	169.1	143.6	168.5	197.2	1.90	-0.40
SBIN	713.2	802.6	698.1	782.7	894.8	-2.10	-2.50
UNBK	158.3	179	156.2	179.2	205.5	-1.30	0.20
Total PSU	1,474.70	1,665.10	1,456.20	1,632.30	1,854.80	-1.30	-2.00
- YoY growth	19.50%	12.90%	18.00%	12.10%	13.60%		
Total Banks	3,276.30	3,759.90	3,233.40	3,683.50	4,285.90	-1.30	-2.00
- YoY growth	14.70%	14.80%	13.20%	13.90%	16.40%		
SBI Cards	26.7	35.8	26.2	35.3	47	-1.70	-1.40

Exhibit 3: Loan growth stood at 14.2%

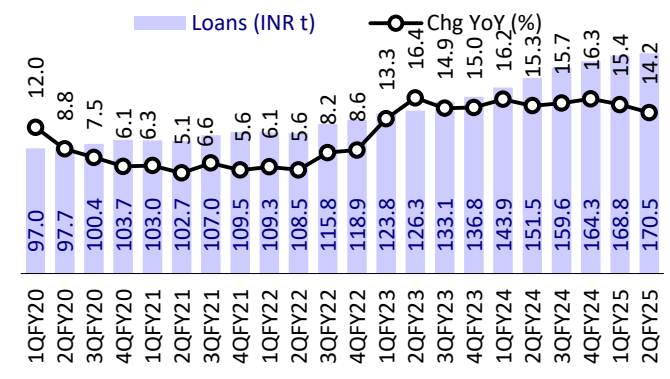


Exhibit 4: Deposit growth stood at 12.0%

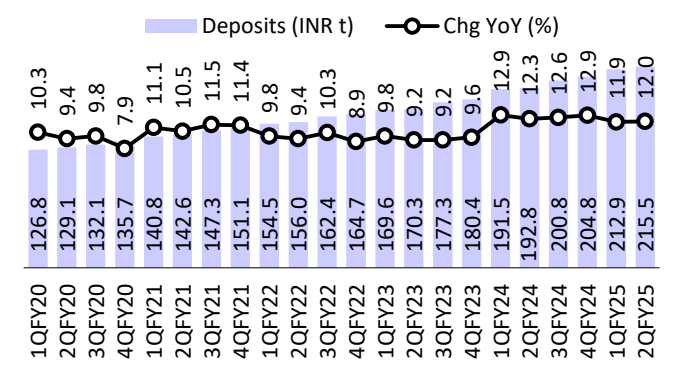
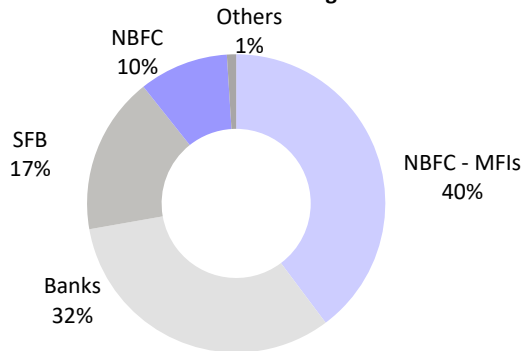


Exhibit 5: MFI industry: Mix of bank loans stood at ~32%; MFI industry size at INR4.2t

Banks have reduced their micro credit loan exposure from 40% in FY22 to 32% in FY24

Micro-credit loan outstanding across lenders



Source: MOFSL, Company

Exhibit 6: Personal loan growth has moderated across banks...

Personal Loan Growth (%)	1QFY25	1QFY24	1QFY23
HDFC Bank	5.2	19.5	22.8
ICICI Bank	24.9	38.6	38.2
Axis Bank	29.4	21.0	9.2
Kotak	21.7	42.5	78.5
SBI	11.2	19.8	32.4
BoB	39.2	82.9	147.1

Source: MOFSL, Company

Exhibit 7: ...so has the growth in credit cards

Credit Card Growth (%)	1QFY25	1QFY24	1QFY23
HDFC Bank	14.3	12.8	27.0
ICICI Bank	31.3	45.4	63.3
Axis Bank	22.4	92.5	9.0
Kotak	28.9	66.6	77.2
SBI Cards	21.5	30.3	39.2

Source: MOFSL, Company

Exhibit 8: Estimate NIMs to exhibit a slight downward bias

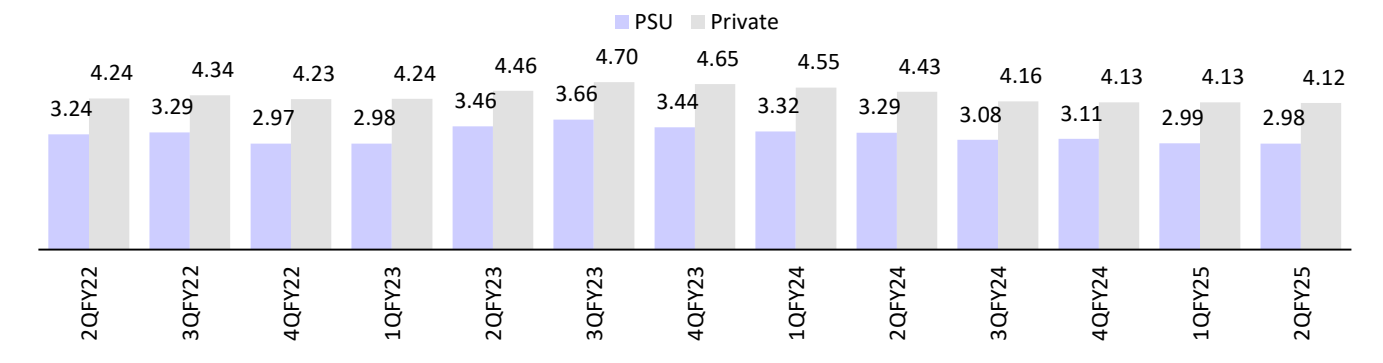


Exhibit 9: Snapshot of additional provision buffers as of 1QFY25

Large banks continue to carry additional provision buffers

As on 1QFY25	Loans (INR b)	COVID/contingent provisions	Floating/additional provisions	Total provisions	As a percentage of loans (%)
AXSB*	9,801	50.1	66.9	117	1.2
HDFCB	24,635	145	124	269	1.1
ICICIBC	12,231	131	-	131	1.1
IIB	3,479	10	-	10	0.3
AUBANK	896	0.2	0.4	0.6	0.1

*AXSB holds total provisions of INR117b, including standard and additional, other than NPA

Source: MOFSL, Company

Exhibit 10: PSBs have a sizeable mix of MCLR-linked loans as of 1QFY25 (%)

Loans Mix (%) - 1QFY25	MCLR	EBLR	Repo Linked	Others (Fixed, base rate, foreign currency-floating)
AXSB	13	4	50	33
ICICIBC	17	2	50	31
RBL	7	35		58
FB	11	52		37
CBK	51	38		10
INBK	60		34	6
PNB	33	10	40	17
SBIN	36	27		37

Source: MOFSL, Company

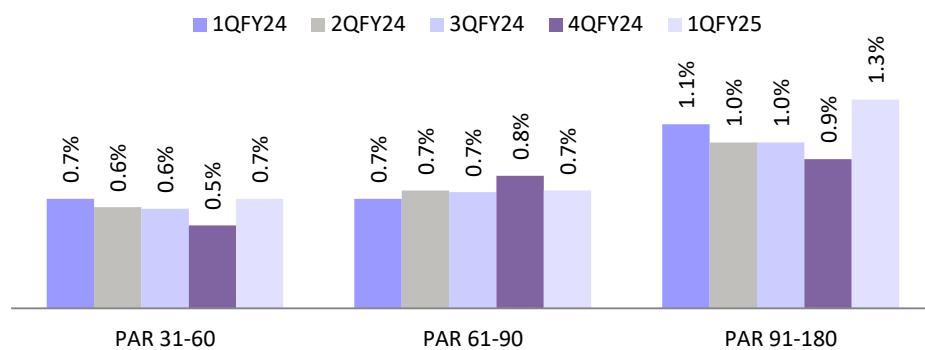
Exhibit 11: Snapshot of restructured books across banks

INR b	Restructured book									
	Absolute	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24
AXSB	14.1	0.45	0.38	0.3	0.22	0.21	0.2	0.18	0.16	0.14
BANDHAN	NA	2.35	0.2	NA	NA	NA	NA	NA	NA	NA
DCBB	9.9	6.1	5.45	4.94	4.51	3.97	3.4	3	2.62	2.34
HDFCB	NA	0.76	0.53	0.42	0.31	NA	0.22	NA	NA	NA
ICICIBC	27.4	0.8	0.7	0.5	0.4	NA	0.32	0.29	0.26	0.22
IIB	11.8	2.1	1.5	1.25	0.84	0.66	0.54	0.48	0.40	0.34
KMB	3.2	0.39	0.34	0.25	0.22	0.19	0.15	0.13	0.10	0.08
FB	18.3	2.22	2.03	1.81	1.62	1.4	1.3	1.1	0.97	0.83
RBK	3.8	2.9	2.21	1.67	1.21	1.05	0.89	0.63	0.51	0.44
AUBANK	3.6	2.1	1.7	1.4	1.2	1	0.8	0.7	0.60	0.40
BOB	NA	2.46	2.12	1.87	1.5	1.31	NA	1	NA	NA
SBIN	160.2	1	0.93	0.85	0.8	0.69	0.62	0.54	0.47	0.43
INBK	78.8	4.2	3.9	3.37	2.51	2.19	2.12	1.93	1.67	1.51
PNB	NA	2	1.8	1.54	1.32	NA	NA	NA	NA	NA
UNBK	118.6	2.92	2.6	2.38	2.2	2	1.71	1.57	1.48	1.30
CBK	NA	2.41	2.09	1.75	NA	NA	NA	NA	NA	NA

Source: MOFSL, Company

Exhibit 12: Trend in MFI delinquencies of banks

Banks have seen stress in MFI sector in 1QFY25, which increased to 1.3% from 0.9% in 4QFY24 (PAR 91-180).



Source: MFIN

Exhibit 13: SMA books across banks as of 1QFY25

SMA (bp of loans)	SMA 0	SMA 1	SMA 2
BOB	NA		18bp
CBK	62bp	9bp	42bp
INBK	NA	26bp	21bp
PNB	NA	NA	16bp
SBIN	NA	7bp	5bp
UNBK	60bp	3bp	16bp
BANDHAN	90bp	70bp	70bp
KMB	NA	NA	6bp

Source: MOFSL, Company

Exhibit 14: AFS + general reserve accretion across key private banks & PSBs during 1QFY25

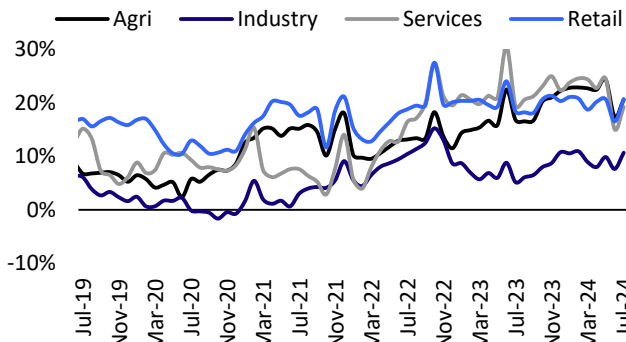
Among private banks, KMB saw the maximum increase in net worth by 3%, led by a reserve accretion of INR29b.

Punjab Sind Bank and Central Bank reported a decline in general reserves due to a change in valuation methodology related to the treatment of zero coupon bonds.

	AFS Reserve Accretion (INR b)	% of FY24 NW	% of total investments	General Reserve Accretion (INR b)	% of FY24 NW	% of total investments	NW Accretion (INR b)	% of FY24 NW	% of total investments
HDFCB	NA	NA	NA	1.3	0.0%	0.0%	1.3	0.0%	0.0%
ICICIBC	20.6	0.9%	0.4%	11.6	0.5%	0.2%	32.1	1.3%	0.7%
AXSB	0.0	0.0%	0.0%	14.6	1.0%	0.5%	14.6	1.0%	0.5%
KMB	NA	NA	NA	NA	NA	NA	29.1	3.0%	1.8%
IIB	NA	NA	0.0%	1.7	0.3%	0.2%	1.7	0.3%	0.2%
FB	NA	NA	NA	NA	NA	NA	3.4	1.2%	0.5%
BANDHAN	0.7	0.3%	0.2%	0.3	0.2%	0.1%	1.1	0.5%	0.3%
SBIN	38.7	1.0%	0.2%	-13.3	-0.4%	-0.1%	25.4	0.7%	0.2%
BOB	NA	NA	NA	NA	NA	NA	30.2	2.7%	0.8%
CBK	0.6	0.1%	0.0%	17.5	2.0%	0.5%	18.1	2.1%	0.5%
UNBK	0.2	0.0%	0.0%	17.0	1.8%	0.5%	17.2	1.8%	0.5%
INBK	2.1	0.4%	0.1%	-2.1	-0.4%	-0.1%	0.0	0.0%	0.0%
PNB	0.3	0.0%	0.0%	21.0	2.0%	0.5%	21.3	2.0%	0.5%
BOM	2.0	0.9%	0.3%	NA	NA	NA	2.0	0.9%	0.3%
CBOI	2.5	0.8%	0.2%	-12.4	-3.8%	-0.9%	-10.0	-3.1%	-0.7%
UCO	0.4	0.1%	0.0%	7.5	2.7%	0.4%	7.9	2.9%	0.4%
IOB	0.2	0.1%	0.0%	NA	NA	NA	0.2	0.1%	0.0%
PJSB	0.2	0.2%	0.0%	-42.5	-37.3%	-9.5%	-42.3	-37.1%	-9.5%
BOI	NA	NA	NA	NA	NA	NA	1.3	0.2%	0.1%
IDBI	4.0	0.8%	0.3%	10.9	2.0%	0.9%	14.9	2.8%	1.3%

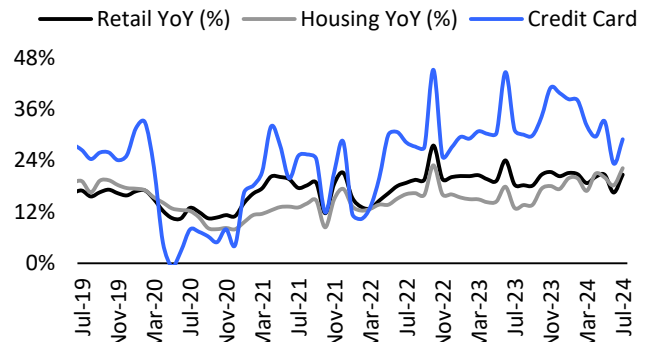
Source: MOFSL, Company

Exhibit 15: Personal loan growth healthy at 20.8% YoY; personal loan mix at 33% in Jul'24 (ex-HDFC Ltd)



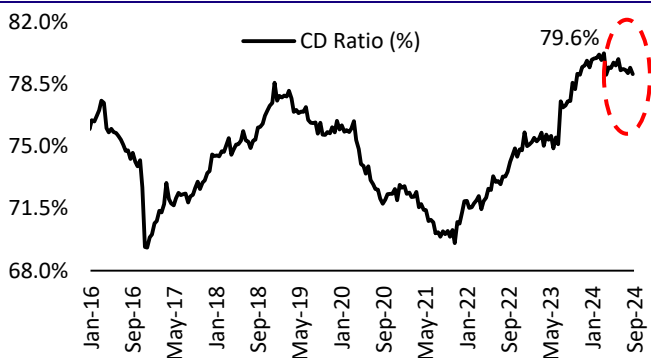
Source: MOFSL, RBI

Exhibit 16: Credit cards grew ~29% YoY; Housing/Retail loan growth at ~22.3%/20.8% YoY (ex-HDFC Ltd) in Jul'24



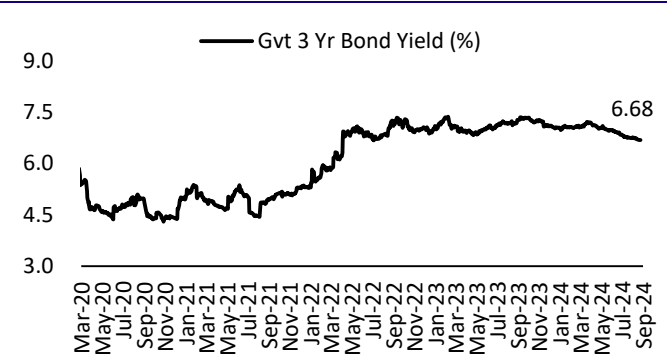
Source: MOFSL, RBI

Exhibit 17: CD ratio stood at 79.6% as of Sep'24



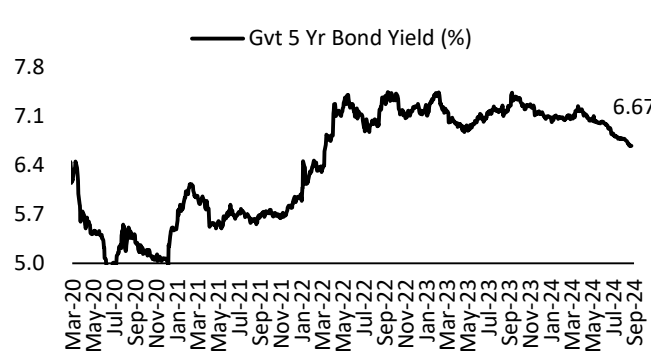
Source: MOFSL, RBI

Exhibit 18: Three-year G-Sec yield stood at 6.68% in Sep'24



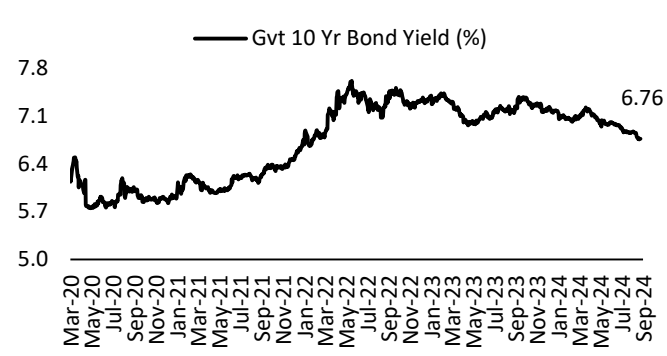
Source: MOFSL, BBG

Exhibit 19: Five-year G-Sec yield moderated to 6.67%



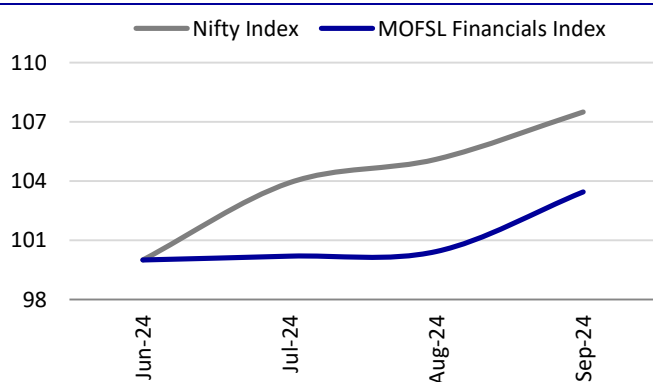
Source: MOFSL, BBG

Exhibit 20: 10-year G-Sec yield stood at 6.76% in Sep'24



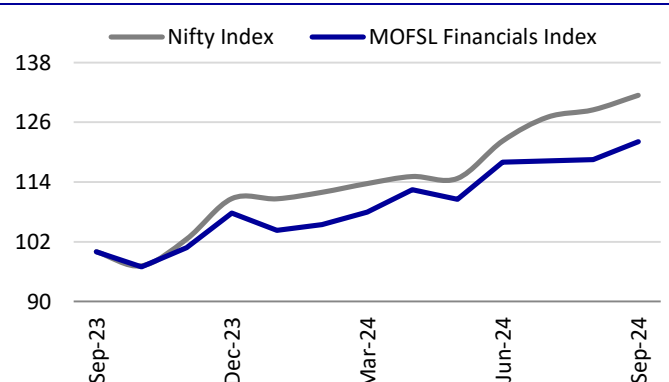
Source: MOFSL, BBG

Exhibit 21: Relative performance — three-months (%)



Source: Bloomberg, MOFSL

Exhibit 22: Relative performance — one-year (%)



Source: Bloomberg, MOFSL

Exhibit 23: Valuation summary

Company	CMP (INR)	Rating	EPS (INR)			P/E (x)			P/B (x)			RoE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Financials														
Banks-Private														
ICICIBC	1,307	Buy	58.4	64.1	73.2	18.4	16.7	14.7	3.2	2.7	2.4	18.9	17.7	17.3
HDFCB	1,753	Buy	80.0	89.6	102.5	18.7	16.7	14.6	2.6	2.3	2.0	14.6	14.6	14.9
AXSB	1,272	Neutral	80.7	85.6	98.3	14.4	13.6	11.9	2.4	2.1	1.8	18.0	16.3	16.2
BANDHAN	203	Neutral	13.8	26.3	30.3	14.7	7.7	6.7	1.5	1.4	1.2	10.8	18.6	18.9
KMB	1,873	Neutral	69.4	75.1	86.6	18.7	17.3	15.0	2.7	2.3	2.0	15.3	14.2	14.3
IIB	1,462	Buy	115.5	122.4	151.1	12.7	12.0	9.7	1.8	1.6	1.4	15.3	14.2	15.4
FB	194	Buy	16.3	17.4	20.7	11.8	11.1	9.3	1.6	1.4	1.3	14.7	13.7	14.5
DCBB	123	Buy	17.1	19.5	24.0	7.2	6.3	5.1	0.8	0.7	0.6	11.9	12.1	13.3
IDFCFB	74	Neutral	4.3	4.5	6.4	17.2	16.5	11.6	1.6	1.5	1.3	10.2	9.4	12.0
EQUITASB	78	Buy	7.1	5.6	8.9	11.0	14.0	8.8	1.5	1.4	1.2	14.4	10.3	14.7
AUBANK	731	Buy	23.0	30.3	37.7	31.8	24.1	19.4	3.9	3.3	2.8	13.1	14.7	15.6
RBK	208	Neutral	19.3	23.6	31.3	10.8	8.8	6.6	0.8	0.8	0.7	8.2	9.3	11.5
Banks-PSU														
SBIN	803	Buy	68.4	79.9	89.9	8.3	7.1	6.3	1.4	1.2	1.0	18.8	18.8	18.2
PNB	109	Neutral	7.5	12.8	15.4	14.6	8.5	7.1	1.2	1.1	0.9	8.7	13.6	14.5
BOB	249	Buy	34.4	37.5	42.6	7.3	6.6	5.9	1.2	1.0	0.9	17.8	16.9	16.8
CBK	113	Buy	16.0	18.2	20.8	7.0	6.2	5.4	1.3	1.1	0.9	20.2	19.5	19.3
UNBK	123	Buy	18.9	20.7	23.4	6.5	5.9	5.3	1.0	0.9	0.8	16.7	16.2	16.1
INBK	539	Buy	62.2	75.6	85.5	8.7	7.1	6.3	1.3	1.1	1.0	17.1	18.0	17.7
Fintech and payments														
Paytm	672	Neutral	-22.4	-33.2	-13.8	-30.1	-20.3	-48.6	3.2	3.6	3.8	-13.1	-10.8	-16.6
SBICARD	787	Neutral	25.4	27.6	37.2	31.0	28.5	21.2	6.2	5.2	4.2	22.0	19.8	22.1

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

AU Small Finance Bank

Buy

CMP: INR731 | TP: INR830 (+14%)

EPS CHANGE (%): FY25 | FY26: -1.7 | -2.0

- Expect margins to see slight moderation
- Expect business growth to remain healthy post-merger
- CoF and C/I ratios are expected to remain elevated
- Asset quality ratios to remain broadly stable

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	12.5	12.5	13.2	13.4	19.2	19.7	20.4	21.2	51.6	80.5
% Change (Y-o-Y)	27.7	15.3	14.9	10.2	54.1	58.0	53.8	58.7	16.5	56.2
Other Income	3.2	4.3	4.5	5.6	5.5	6.1	6.4	7.4	17.5	25.3
Total Income	15.6	16.7	17.7	18.9	24.7	25.8	26.8	28.6	69.0	105.9
Operating Expenses	10.2	10.3	11.2	12.3	14.8	15.8	16.7	18.0	44.6	65.2
Operating Profit	5.5	6.5	6.6	6.6	9.9	10.0	10.1	10.6	24.4	40.6
% Change (Y-o-Y)	38.6	29.9	18.2	16.3	80.9	54.8	53.9	59.9	20.7	66.7
Provisions	0.3	1.1	1.6	1.3	3.2	3.5	2.9	2.4	4.4	12.0
Exceptional item	-	-	-	0.8	-	-	-	-	-	-
Profit before Tax	5.1	5.3	5.0	4.5	6.7	6.6	7.2	8.2	20.0	28.7
Tax	1.3	1.3	1.2	0.8	1.7	1.6	1.8	1.9	4.6	7.0
Net Profit	3.9	4.0	3.8	3.7	5.0	4.9	5.4	6.3	15.3	21.6
% Change (Y-o-Y)	44.4	17.3	(4.5)	(12.7)	29.9	22.6	44.0	69.4	7.5	41.0
Operating Parameters										
Deposit (INR b)	693.2	757.4	801.2	871.8	972.9	1,067.2	1,110.6	1,181.9	871.8	1,181.9
Loan (INR b)	628.6	641.7	667.4	731.6	896.5	941.2	987.8	1,064.3	731.6	1,064.3
Deposit Growth (%)	26.9	29.8	31.1	25.7	40.4	40.9	38.6	35.6	25.7	35.6
Loan Growth (%)	29.2	24.0	20.0	25.2	42.6	46.7	48.0	45.5	25.2	45.5
Asset Quality										
GNPA (%)	1.8	1.9	2.0	1.7	1.8	1.8	1.9	1.9	1.7	1.9
NNPA (%)	0.6	0.6	0.7	0.6	0.6	0.6	0.7	0.6	0.5	0.6
PCR (%)	69.0	69.1	66.0	67.6	65.1	65.4	65.8	66.7	64.3	66.7

E: MOFSL Estimates

Axis Bank

Neutral

CMP: INR1272 | TP: INR1,225 (-4%)

EPS CHANGE (%): FY25 | FY26: -0.2 | -0.4

- Expect CD ratio to remain elevated
- Expect margin to moderate in 2Q
- Cost ratios to remain elevated
- Asset quality ratios to be keenly monitored

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	119.6	123.1	125.3	130.9	134.5	136.3	139.3	141.9	498.9	551.9
% Change (Y-o-Y)	27.4	18.9	9.4	11.5	12.5	10.7	11.1	8.4	16.2	10.6
Other Income	50.9	50.3	55.5	67.7	57.8	60.7	62.9	72.1	224.4	253.6
Total Income	170.5	173.5	180.9	198.5	192.3	197.0	202.1	214.0	723.4	805.4
Operating Expenses	82.3	87.2	89.5	93.2	91.3	94.6	97.2	101.5	352.1	384.5
Operating Profit	88.1	86.3	91.4	105.4	101.1	102.4	105.0	112.4	371.2	420.9
% Change (Y-o-Y)	49.7	11.9	-1.5	14.9	14.7	18.7	14.9	6.7	16.8	13.4
Provisions	10.3	8.1	10.3	11.9	20.4	13.8	15.9	19.0	40.6	69.1
Profit before Tax	77.8	78.2	81.1	93.5	80.7	88.6	89.1	93.4	330.6	351.8
Tax	19.8	19.5	20.4	22.2	20.3	22.3	22.5	22.9	82.0	88.0
Net Profits	58.0	58.6	60.7	71.3	60.3	66.3	66.6	70.6	248.6	263.9
% Change (Y-o-Y)	40.5	10.0	3.7	7.6	4.1	13.0	9.8	-1.0	15.2	6.1
Operating Parameters										
Deposit (INR t)	9.4	9.6	10.0	10.7	10.6	11.1	11.6	12.1	10.7	12.1
Loan (INR t)	8.6	9.0	9.3	9.7	9.8	10.1	10.4	10.8	9.7	10.8
Deposit Growth (%)	17.2	17.9	18.5	12.9	12.8	15.8	15.0	13.6	12.9	13.6
Loan Growth (%)	22.4	22.8	22.3	14.2	14.2	12.1	11.6	12.0	14.2	12.0
Asset Quality										
Gross NPA (%)	2.0	1.7	1.6	1.4	1.5	1.6	1.7	1.6	1.5	1.6
Net NPA (%)	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.3	0.4
PCR (%)	79.6	79.5	77.8	78.5	78.1	78.3	78.0	75.1	78.5	75.1

E: MOFSL Estimates

Bandhan Bank**Neutral****CMP: INR203 | TP: INR220 (+8%)****EPS CHANGE (%): FY25 | FY26: -7.1 | -5.7**

- Expect NIM moderation to continue
- Expect business growth to remain healthy
- Asset quality to be a key monitorable
- Cost ratios likely to remain elevated

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	24.9	24.4	25.3	28.7	30.1	30.3	31.4	32.8	103.3	124.5
% Change (YoY)	-0.9	11.4	21.4	16.0	20.7	23.8	24.2	14.5	11.5	20.6
Other Income	3.9	5.4	5.5	6.9	5.3	5.6	6.1	7.8	21.6	24.7
Total Income	28.8	29.8	30.7	35.6	35.3	35.8	37.5	40.6	124.9	149.2
Operating Expenses	13.1	14.0	14.2	17.2	15.9	17.1	17.6	19.5	58.5	70.2
Operating Profit	15.6	15.8	16.6	18.4	19.4	18.7	19.9	21.0	66.4	79.0
% Change (YoY)	-14.2	2.0	-13.9	2.4	24.2	18.0	19.9	14.5	-6.4	19.0
Provisions	6.0	6.4	6.8	17.7	5.2	7.0	7.7	7.0	37.0	26.9
Profit Before Tax	9.6	9.5	9.7	0.6	14.2	11.7	12.2	14.0	29.4	52.1
Tax	2.4	2.3	2.4	0.1	3.5	2.9	3.1	3.2	7.1	12.8
Net Profit	7.2	7.2	7.3	0.5	10.6	8.8	9.1	10.8	22.3	39.3
% Change (YoY)	-18.7	244.6	152.2	-93.2	47.5	21.4	24.3	1,878.5	1.6	76.3
Operating Parameters										
Deposits (INR b)	1,085	1,121	1,174	1,352	1,332	1,397	1,495	1,590	1,352	1,590
Loans (INR b)	982	1,020	1,102	1,211	1,216	1,252	1,328	1,406	1,211	1,406
Deposit Growth (%)	16.6	12.8	14.8	25.1	22.8	24.7	27.3	17.6	25.1	17.6
Loan Growth (%)	8.0	13.1	19.6	15.6	23.8	22.7	20.6	16.1	15.6	16.1
Asset Quality										
Gross NPA (%)	6.8	7.3	7.0	3.8	4.2	4.3	4.2	4.1	3.8	4.1
Net NPA (%)	2.2	2.3	2.2	1.1	1.2	1.2	1.1	0.9	1.1	0.9
PCR (%)	69.2	70.0	70.0	71.8	73.7	73.9	74.2	78.1	71.8	78.1

E: MOFSL Estimates

Bank of Baroda**Buy****CMP: INR249 | TP: INR290 (+16%)****EPS CHANGE (%): FY25 | FY26: 0.2 | -4.6**

- Expect cost ratios to remain under control
- Margins likely to moderate slightly
- Expect asset quality to improve further; credit costs are likely to remain in control
- Business growth to be the key monitorable

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	110.0	108.3	111.0	117.9	116.0	115.3	118.0	122.6	447.2	471.9
% Change (YoY)	24.4	6.4	2.6	2.3	5.5	6.4	6.3	4.0	8.1	5.5
Other Income	33.2	41.7	28.1	41.9	24.9	30.3	37.2	45.4	145.0	137.7
Total Income	143.2	150.0	139.1	159.8	140.9	145.6	155.2	168.0	592.2	609.6
Operating Expenses	64.9	69.8	69.0	78.8	69.3	70.5	71.5	76.0	282.5	287.2
Operating Profit	78.2	80.2	70.2	81.1	71.6	75.1	83.7	92.0	309.7	322.4
% Change (YoY)	72.8	33.0	-14.8	0.4	-8.5	-6.4	19.3	13.5	15.3	4.1
Provisions	19.5	21.6	6.7	13.0	10.1	13.5	16.6	21.2	60.8	61.5
Profit before Tax	58.8	58.6	63.5	68.0	61.5	61.5	67.1	70.8	248.9	260.9
Tax	18.1	16.1	17.7	19.2	16.9	15.5	16.9	16.9	71.0	66.3
Net Profit	40.7	42.5	45.8	48.9	44.6	46.0	50.2	53.9	177.9	194.7
% Change (YoY)	87.7	28.4	18.9	2.3	9.5	8.3	9.6	10.2	26.1	9.4
Operating Parameters										
Deposit (INR b)	11,999	12,496	12,453	13,270	13,070	13,497	14,074	14,610	13,270	14,610
Loan (INR b)	9,635	9,980	10,241	10,658	10,479	10,853	11,348	11,809	10,658	11,809
Deposit Growth (%)	16.2	14.6	8.3	10.2	8.9	8.0	13.0	10.1	10.2	10.1
Loan Growth (%)	20.5	19.3	15.0	13.3	8.8	8.8	10.8	10.8	13.3	10.8
Asset Quality										
Gross NPA (%)	3.5	3.3	3.1	2.9	2.9	2.8	2.6	2.6	2.9	2.6
Net NPA (%)	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.7	0.6
PCR (%)	78.5	77.6	77.7	77.3	76.6	76.8	76.5	75.9	76.2	75.9

E: MOFSL Estimates

Canara Bank**Buy**

CMP: INR113 | TP: INR133 (+18%)

EPS CHANGE (%): FY25 | FY26: -2.2 | -7.0

- Expect margins to see slight compression
- Asset quality anticipated to improve

- Advances and deposit growth to be the key monitorables

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	86.7	89.0	94.2	95.8	91.7	92.0	96.2	99.7	365.7	379.6
% Change (Y-o-Y)	27.7	19.8	9.5	11.2	5.8	3.4	2.2	4.1	16.3	3.8
Other Income	48.2	46.3	43.0	52.2	53.2	50.1	51.2	57.9	189.7	212.4
Total Income	134.8	135.4	137.1	148.0	144.9	142.2	147.4	157.6	555.3	592.1
Operating Expenses	58.8	59.2	69.1	74.1	68.7	69.4	70.2	72.6	261.2	280.9
Operating Profit	76.0	76.2	68.1	73.9	76.2	72.8	77.2	85.0	294.1	311.2
% Change (Y-o-Y)	15.1	10.3	-2.1	1.9	0.2	-4.4	13.4	15.1	6.1	5.8
Other Provisions	27.2	26.1	19.0	24.8	22.8	21.8	23.7	26.5	97.1	94.8
Profit before Tax	48.9	50.1	49.1	49.1	53.3	51.0	53.5	58.5	197.0	216.4
Tax	13.5	14.0	12.5	11.5	14.3	13.0	13.6	14.0	51.5	55.0
Net Profit	35.3	36.1	36.6	37.6	39.1	38.0	39.8	44.5	145.5	161.4
% Change (Y-o-Y)	74.8	42.8	26.9	18.3	10.5	5.4	9.0	18.5	37.3	10.9
Operating Parameters										
Deposit (INR b)	11,925	12,322	12,629	13,124	13,352	13,710	14,084	14,370	13,124	14,370
Loan (INR b)	8,551	8,923	9,206	9,316	9,464	9,765	10,084	10,313	9,316	10,313
Deposit Growth (%)	6.6	8.7	8.5	11.3	12.0	11.3	11.5	9.5	11.3	9.5
Loan Growth (%)	14.5	13.2	12.8	12.2	10.7	9.4	9.5	10.7	12.2	10.7
Asset Quality										
Gross NPA (%)	5.2	4.8	4.4	4.2	4.1	4.0	3.8	3.6	4.2	3.6
Net NPA (%)	1.6	1.4	1.3	1.3	1.2	1.2	1.1	1.1	1.3	1.1
PCR (%)	70.6	71.4	70.8	70.9	71.0	71.4	71.8	71.9	70.8	71.9

E: MOFSL Estimates

DCB Bank**Buy**

CMP: INR121 | TP: INR175 (44%)

EPS CHANGE (%): FY25 | FY26: -0.7 | 0.5

- Expect business growth to be healthy
- Expect opex to remain under control

- Asset quality likely to remain broadly stable
- Margin trajectory to be closely monitored

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	4.7	4.8	4.7	5.1	5.0	5.2	5.7	6.1	19.3	22.0
% Change (Y-o-Y)	25.9	15.7	6.3	4.4	5.5	9.4	19.5	20.6	12.3	13.9
Other Income	1.1	1.1	1.2	1.4	1.4	1.4	1.5	1.6	4.7	5.9
Total Income	5.8	5.8	6.0	6.4	6.4	6.6	7.1	7.7	24.0	27.9
Operating Expenses	3.7	3.7	3.9	4.1	4.3	4.4	4.5	4.6	15.4	17.8
Operating Profit	2.1	2.1	2.1	2.3	2.1	2.2	2.7	3.1	8.6	10.0
% Change (Y-o-Y)	25.6	15.3	9.0	(4.2)	(1.6)	6.3	27.0	31.2	9.9	16.2
Provisions	0.4	0.4	0.4	0.2	0.3	0.4	0.5	0.7	1.4	1.9
Profit before Tax	1.7	1.7	1.7	2.1	1.8	1.8	2.2	2.4	7.2	8.1
Tax	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	1.9	2.1
Net Profit	1.3	1.3	1.3	1.6	1.3	1.4	1.6	1.8	5.4	6.0
% Change (Y-o-Y)	30.7	12.9	11.2	9.5	3.5	6.5	26.4	14.4	15.1	12.8
Operating Parameters										
Deposit (INR b)	430.1	455.0	471.2	493.5	516.9	540.4	563.9	587.3	493.5	587.3
Loan (INR b)	354.7	372.8	389.5	409.2	421.8	448.1	467.6	487.0	409.2	487.0
Deposit Growth (%)	22.6	23.1	19.3	19.7	20.2	18.8	19.7	19.0	19.7	19.0
Loan Growth (%)	19.0	19.1	18.2	19.0	18.9	20.2	20.0	19.0	19.0	19.0
Asset Quality										
Gross NPA (%)	3.3	3.4	3.4	3.2	3.3	3.3	3.2	3.0	3.2	3.0
Net NPA (%)	1.2	1.3	1.2	1.1	1.2	1.2	1.2	1.1	1.1	1.1
PCR (%)	64.1	62.8	65.1	66.4	65.2	64.7	64.0	64.4	66.4	64.4

E: MOFSL Estimates

Equitas Small Finance Bank

Buy
CMP: INR78 | TP: INR100 (+27%)
EPS CHANGE (%): FY25|FY26: 0.0|0.5

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

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Interest Income	12.5	13.6	14.3	14.4	15.0	15.9	17.1	18.2	54.9	66.2
Interest Expense	5.1	5.9	6.4	6.6	7.0	7.7	8.3	8.7	24.1	31.7
Net Interest Income	7.4	7.7	7.9	7.9	8.0	8.2	8.8	9.4	30.8	34.5
% Change (YoY)	28.0	25.6	21.3	11.2	7.9	7.5	12.2	19.9	21.0	12.0
Other Income	1.7	1.8	2.1	2.4	2.1	2.2	2.4	2.7	8.0	9.4
Total Income	9.1	9.5	9.9	10.3	10.1	10.4	11.2	12.2	38.8	43.9
Operating Expenses	6.0	6.2	6.3	6.5	6.7	6.9	7.4	7.9	25.0	28.9
Operating Profit	3.1	3.3	3.6	3.7	3.4	3.5	3.8	4.3	13.8	15.0
% Change (YoY)	16.4	36.3	29.1	-3.0	9.1	6.0	6.0	14.4	17.1	9.0
Provisions	0.6	0.6	0.8	1.1	3.0	1.1	1.1	1.2	3.1	6.5
Profit before Tax	2.5	2.7	2.8	2.7	0.4	2.4	2.7	3.1	10.6	8.6
Tax	0.6	0.7	0.7	0.6	0.1	0.6	0.7	0.8	2.6	2.2
Net Profit	1.9	2.0	2.0	2.1	0.3	1.8	2.0	2.3	8.0	6.4
% Change (YoY)	97.1	70.2	18.7	9.3	-86.5	-9.3	-0.2	12.1	39.3	-19.9
Operating Parameters										
AUM	296	312	328	343	352	374	398	419	343	419
Deposits	277	308	324	361	375	389	417	441	361	441
Loans	275	288	292	310	319	337	359	378	310	378
AUM Growth (%)	36	37	32	23	19	20	21	22	23	22
Deposit Growth (%)	36	42	38	42	35	26	29	22	42	22
Loan Growth (%)	34	32	25	20	16	17	23	22	20	22
Asset Quality										
Gross NPA (%)	2.8	2.3	2.5	2.6	2.7	2.8	2.7	2.7	2.6	2.7
Net NPA (%)	1.2	1.0	1.1	1.2	0.8	0.8	0.8	0.8	1.2	0.8
PCR (%)	57.8	57.7	56.0	56.1	70.3	70.8	71.4	71.1	56.1	71.1

E: MOFSL Estimates

Federal Bank

Buy
CMP: INR194 | TP: INR230 (+19%)
EPS CHANGE (%): FY25|FY26: -3.0|-1.3

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

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	19.2	20.6	21.2	22.0	22.9	23.8	24.6	25.4	82.9	96.8
% Change (YoY)	19.6	16.7	8.5	15.0	19.5	15.8	16.1	15.7	14.7	16.7
Other Income	7.3	7.3	8.6	7.5	9.2	8.5	9.6	8.8	30.8	36.0
Total Income	26.5	27.9	29.9	29.5	32.1	32.3	34.2	34.2	113.7	132.8
Operating Expenses	13.5	14.6	15.5	18.4	17.1	17.6	18.1	18.5	62.0	71.3
Operating Profit	13.0	13.2	14.4	11.1	15.0	14.7	16.1	15.7	51.7	61.5
% Change (YoY)	33.8	9.3	12.8	-16.8	15.2	10.8	12.2	41.7	7.9	18.9
Provisions	1.6	0.4	0.9	-0.9	1.4	1.2	1.8	1.8	2.0	6.2
Profit before Tax	11.5	12.8	13.5	12.0	13.6	13.4	14.4	14.0	49.8	55.3
Tax	2.9	3.3	3.4	3.0	3.5	3.4	3.6	3.6	12.6	14.1
Net Profit	8.5	9.5	10.1	9.1	10.1	10.0	10.7	10.3	37.2	41.2
% Change (YoY)	42.1	35.5	25.3	0.4	18.2	5.3	6.7	13.9	23.6	10.7
Operating Parameters										
Deposit (INR b)	2,225	2,329	2,396	2,525	2,661	2,764	2,842	2,960	2,525	2,960
Loan (INR b)	1,835	1,928	1,992	2,094	2,208	2,296	2,362	2,460	2,094	2,460
Deposit Growth (%)	21.3	23.1	19.0	18.3	19.6	18.7	18.6	17.2	18.3	17.2
Loan Growth (%)	21.0	19.6	18.4	20.0	20.3	19.1	18.6	17.5	20.0	17.5
Asset Quality										
Gross NPA (%)	2.4	2.3	2.3	2.1	2.1	2.1	2.1	2.0	2.1	2.0
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6
PCR (%)	71.3	72.3	72.3	72.3	71.9	71.8	71.4	71.0	69.6	71.0

E: MOFSL Estimates

HDFC Bank**Buy****CMP: INR1,753 | TP: INR2,000 (+14%)****EPS CHANGE (%): FY25 | FY26: -0.3 | -1.8**

- Expect cost ratios to remain under control
- Margins to remain broadly stable, will have a positive bias
- Asset quality is likely to remain broadly stable
- Guidance for business growth and earnings trajectory to be the key monitorables

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	236.0	273.9	284.7	290.8	298.4	298.1	313.0	327.6	1,085.3	1,237.0
% Change (Y-o-Y)	21.1	30.3	23.9	24.5	26.4	8.9	9.9	12.7	25.0	14.0
Other Income	92.3	107.1	111.4	181.7	106.7	114.6	121.3	135.0	492.4	477.6
Total Income	328.3	380.9	396.1	472.4	405.1	412.8	434.3	462.6	1,577.7	1,714.7
Operating Expenses	140.6	154.0	159.6	179.7	166.2	169.0	176.6	184.2	633.9	698.1
Operating Profit	187.7	226.9	236.5	292.7	238.8	243.7	257.7	278.3	943.9	1,016.6
% Change (Y-o-Y)	22.2	30.5	24.3	57.2	27.2	7.4	9.0	-4.9	34.1	7.7
Provisions	28.6	29.0	42.2	135.1	26.0	25.7	33.1	33.5	234.9	118.3
Profit before Tax	159.1	197.9	194.3	157.6	212.8	218.1	224.5	244.8	709.0	898.3
Tax	39.6	38.1	30.6	-7.5	51.1	54.5	55.2	59.2	100.8	220.1
Net Profit	119.5	159.8	163.7	165.1	161.7	163.5	169.3	185.6	608.1	678.2
% Change (Y-o-Y)	30.0	50.6	33.5	37.1	35.3	2.4	3.4	12.4	37.9	11.5
Operating Parameters										
Deposit	19,131	21,729	22,140	23,798	23,791	24,695	25,765	27,249	23,798	27,249
Loan	16,157	23,312	24,461	24,849	24,635	25,144	25,905	26,961	24,849	26,961
Deposit Growth (%)	19.2	29.8	27.7	26.4	24.4	13.7	16.4	14.5	26.4	14.5
Loan Growth (%)	15.8	57.5	62.3	55.2	52.5	7.9	5.9	8.5	55.2	8.5
Asset Quality										
Gross NPA (%)	1.2	1.3	1.3	1.2	1.3	1.3	1.3	1.2	1.2	1.2
Net NPA (%)	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3
PCR (%)	74.9	74.4	75.3	74.0	71.2	71.5	71.7	74.3	74.0	74.3

E: MOFSL Estimates

ICICI Bank**Buy****CMP: INR1307 | TP: INR1,400 (+7%)****EPS CHANGE (%): FY25 | FY26: -0.7 | -1.8**

- Expect deposit growth to remain in-line with credit growth
- Expect cost ratios to remain elevated
- Margins expected to moderate slightly
- Asset quality to be the key monitorable

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	182.3	183.1	186.8	190.9	195.5	199.3	208.3	213.7	743.1	816.7
% Change (YoY)	38.0	23.8	13.4	8.1	7.3	8.9	11.5	11.9	19.6	9.9
Other Income	54.4	57.8	61.0	56.5	70.0	66.9	67.4	66.5	229.6	270.9
Total Income	236.6	240.8	247.8	247.4	265.5	266.2	275.7	280.2	972.6	1,087.6
Operating Expenses	95.2	98.6	100.5	97.0	105.3	107.9	110.5	111.3	391.3	434.9
Operating Profit	141.4	142.3	147.2	150.4	160.2	158.3	165.2	168.9	581.3	652.7
% Change (YoY)	37.2	21.8	10.9	8.8	13.3	11.3	12.2	12.3	18.4	12.3
Provisions	12.9	5.8	10.5	7.2	13.3	13.5	16.0	15.8	36.4	58.5
Profit before Tax	128.5	136.5	136.7	143.2	146.9	144.9	149.3	153.1	544.9	594.1
Tax	32.0	33.9	34.0	36.1	36.3	35.8	36.9	38.4	136.0	147.3
Net Profit	96.5	102.6	102.7	107.1	110.6	109.1	112.4	114.7	408.9	446.8
% Change (YoY)	39.7	35.8	23.6	17.4	14.6	6.3	9.4	7.1	28.2	9.3
Operating Parameters										
Deposit	12,387	12,947	13,323	14,128	14,261	14,838	15,681	16,346	14,128	16,346
Loan	10,576	11,105	11,538	11,844	12,232	12,723	13,310	13,798	11,844	13,798
Deposit Growth (%)	17.9	18.8	18.7	19.6	15.1	14.6	17.7	15.7	19.6	15.7
Loan Growth (%)	18.1	18.3	18.5	16.2	15.7	14.6	15.4	16.5	16.2	16.5
Asset Quality										
Gross NPA (%)	2.8	2.5	2.3	2.2	2.2	2.3	2.2	2.1	2.3	2.1
Net NPA (%)	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.5	0.4
PCR (%)	83.1	83.1	81.3	80.8	80.2	79.8	79.5	79.4	80.3	79.4

E: MOFSL Estimates

IDFC First Bank**Neutral****CMP: INR74 | TP: INR83 (12%)****EPS CHANGE (%): FY25 | FY26: -3.9 | -4.5**

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

- GNPA ratio to deteriorate slightly
- Traction in deposit growth and margins to be in focus

Quarterly Performance**(INR b)**

	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	37.5	39.5	42.9	44.7	46.9	48.4	51.1	53.3	164.5	199.8
% Change (Y-o-Y)	36.1	31.6	30.5	24.2	25.4	22.6	19.3	19.2	30.2	21.4
Other Income	14.1	14.3	15.2	16.4	16.2	16.9	17.8	19.3	60.0	70.2
Total Income	51.6	53.8	58.0	61.1	63.1	65.3	69.0	72.6	224.5	270.0
Operating Expenses	36.6	38.7	42.4	44.5	44.3	45.9	48.2	50.5	162.2	188.9
Operating Profit	15.0	15.1	15.6	16.6	18.8	19.4	20.8	22.1	62.4	81.1
% Change (Y-o-Y)	59.0	29.2	23.9	6.8	25.5	28.3	33.1	32.7	26.5	30.0
Provisions	4.8	5.3	6.5	7.2	9.9	11.8	10.3	9.2	23.8	41.1
Profit before Tax	10.2	9.8	9.1	9.4	8.9	7.6	10.5	12.9	38.6	39.9
Tax	2.6	2.3	1.9	2.2	2.1	1.9	2.7	3.4	9.0	10.0
Net Profit	7.7	7.5	7.2	7.2	6.8	5.7	7.8	9.6	29.6	29.9
% Change (Y-o-Y)	61.3	35.2	18.4	-9.8	-11.0	-24.2	9.6	31.9	21.3	1.1
Operating Parameters										
Deposit (INR b)	1,544	1,712	1,825	2,006	2,097	2,222	2,385	2,547	2,006	2,547
Deposit Growth (%)	36.2	38.7	37.2	38.7	35.8	29.8	30.6	27.0	38.7	27.0
Loan (INR b)	1,674	1,781	1,855	1,946	2,026	2,121	2,254	2,406	1,946	2,362
Loan Growth (%)	26.3	27.0	27.3	24.4	21.0	19.1	21.5	23.7	28.2	21.4
Asset Quality										
Gross NPA (%)	2.2	2.1	2.0	1.9	1.9	2.0	2.0	1.9	1.9	2.0
Net NPA (%)	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6
PCR (%)	68.1	68.2	66.9	68.8	69.4	69.6	69.9	70.5	68.8	70.5

E: MOFSL Estimates

IndusInd Bank**Buy****CMP: INR1,462 | TP: INR1,700 (+16%).****EPS CHANGE (%): FY25 | FY26: -6.0 | -5.4**

- Expect business growth to remain healthy
- Expect margins to slightly moderate

- Expect asset quality to remain broadly stable
- Credit costs and opex to be monitored

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	48.7	50.8	53.0	53.8	54.1	54.5	55.8	58.2	206.2	222.5
% Change (YoY)	18.0	18.0	17.8	15.1	11.1	7.4	5.3	8.2	17.2	7.9
Other Income	22.1	22.8	24.0	25.1	24.4	25.3	26.6	28.3	94.0	104.7
Total Income	70.8	73.6	76.9	78.8	78.5	79.9	82.4	86.5	300.1	327.2
Operating Expenses	32.5	34.5	36.5	38.0	39.0	39.7	40.9	42.1	141.5	161.7
Operating Profit	38.3	39.1	40.4	40.8	39.5	40.1	41.4	44.4	158.6	165.5
% Change (YoY)	11.7	10.3	9.7	8.6	3.1	2.7	2.5	8.7	10.0	4.3
Provisions	9.9	9.7	9.7	9.5	10.5	12.5	12.2	11.9	38.8	47.1
Profit before Tax	28.4	29.3	30.7	31.3	29.0	27.6	29.2	32.5	119.8	118.3
Tax	7.2	7.3	7.7	7.8	7.3	7.0	7.4	8.1	30.0	29.7
Net Profit	21.2	22.0	23.0	23.5	21.7	20.7	21.9	24.4	89.8	88.6
% Change (YoY)	30.3	22.0	17.2	15.0	2.2	-6.2	-5.0	3.9	20.6	-1.3
Operating Parameters										
Deposit (INR b)	3,470	3,595	3,688	3,846	3,985	4,110	4,266	4,446	3,846	4,446
Loan (INR b)	3,013	3,155	3,271	3,433	3,479	3,645	3,808	3,969	3,433	3,969
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.8	14.3	15.7	15.6	14.4	15.6
Loan Growth (%)	21.5	21.3	19.9	18.4	15.5	15.5	16.4	15.6	18.4	15.6
Asset Quality										
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	2.0	2.1	2.0	1.9	2.0
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.8	71.0	71.3	69.5	71.3

E: MOFSL Estimates

Indian Bank

Buy

CMP: INR539 | TP: INR670 (+24%)

EPS CHANGE (%): FY25|FY26: 0.4|-2.6

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

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	57.0	57.4	58.1	60.2	61.8	62.4	63.9	65.8	232.7	253.9
% Change (YoY)	25.8	22.5	5.7	9.2	8.3	8.7	9.9	9.4	15.1	9.1
Other Income	17.1	19.9	19.0	22.6	19.1	20.6	21.6	24.5	78.7	85.7
Total Income	74.1	77.3	77.2	82.8	80.8	83.0	85.5	90.3	311.4	339.6
Operating Expenses	32.8	34.3	36.2	39.7	35.8	37.0	38.7	43.1	143.0	154.6
Operating Profit	41.3	43.0	41.0	43.0	45.0	46.0	46.9	47.2	168.4	185.1
% Change (YoY)	16.0	18.6	0.9	7.2	8.9	6.8	14.4	9.7	10.3	9.9
Provisions	17.4	15.5	13.5	12.5	12.6	12.0	11.8	12.0	58.9	48.4
Profit before Tax	23.9	27.5	27.5	30.6	32.4	34.0	35.1	35.2	109.5	136.7
Tax	6.9	7.6	6.3	8.1	8.4	8.6	8.8	8.6	28.9	34.4
Net Profit	17.1	19.9	21.2	22.5	24.0	25.4	26.2	26.5	80.6	102.2
% Change (YoY)	40.8	62.2	51.8	55.3	40.6	28.0	23.8	18.1	52.7	26.8
Operating Parameters										
Deposits (INR b)	6,215	6,408	6,542	6,880	6,812	7,050	7,274	7,485	6,880	7,485
Loans (INR b)	4,564	4,706	4,896	5,149	5,208	5,336	5,517	5,715	5,149	5,715
Deposit Growth (%)	6.4	8.8	9.6	10.8	9.6	10.0	11.2	8.8	10.8	8.8
Loan Growth (%)	13.6	14.2	12.3	14.6	14.1	13.4	12.7	11.0	14.6	11.0
Asset Quality										
Gross NPA (%)	5.5	5.0	4.5	4.0	3.8	3.6	3.5	3.2	4.0	3.2
Net NPA (%)	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
PCR (%)	87.8	88.5	88.7	89.5	90.0	89.6	89.8	88.7	89.5	88.7

E: MOFSL Estimates

Kotak Mahindra Bank

Neutral

CMP: INR1,873 | TP: INR1,800 (-4%)

EPS CHANGE (%): FY25|FY26: -3.7|-3.5

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

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	62.3	63.0	65.5	69.1	68.4	69.5	71.0	71.8	259.9	280.8
% Change (Y-o-Y)	32.7	23.5	15.9	13.2	9.8	10.4	8.4	3.9	20.6	8.0
Other Income	26.8	23.1	23.0	29.8	29.3	30.3	30.9	32.7	102.7	123.3
Total Income	89.2	86.1	88.5	98.9	97.7	99.9	102.0	104.5	362.7	404.1
Operating Expenses	39.7	40.0	42.8	44.3	45.2	46.7	49.2	51.1	166.8	192.1
Operating Profit	49.5	46.1	45.7	54.6	52.5	53.2	52.8	53.4	195.9	211.9
% Change (Y-o-Y)	77.8	29.2	18.6	17.5	6.2	15.3	15.6	-2.2	31.9	8.2
Provisions	3.6	3.7	5.8	2.6	5.8	6.4	5.5	5.3	15.7	23.0
Profit before Tax	45.9	42.4	39.9	52.0	46.8	46.7	47.3	48.2	180.1	188.9
Tax	11.3	10.5	9.8	10.6	11.6	11.5	11.6	11.8	42.3	46.5
Net Profit	34.5	31.9	30.1	41.3	35.2	35.2	35.6	36.4	137.8	142.5
% Change (Y-o-Y)	66.7	23.6	7.6	18.2	2.0	10.4	18.6	-12.0	26.0	3.4
Exceptional item					27.3					27.3
PAT including exceptional	34.5	31.9	30.1	41.3	62.5	35.2	35.6	36.4	137.8	169.8
% Change (Y-o-Y)	66.7	23.6	7.6	18.2	2.0	10.4	18.6	-12.0	26.0	23.2
Deposits (INRb)	3,863	4,010	4,086	4,490	4,474	4,651	4,880	5,109	4,490	5,109
Loans (INRb)	3,286	3,483	3,596	3,761	3,900	4,024	4,149	4,332	3,761	4,332
Deposit growth (%)	22.0	23.3	18.6	23.6	15.8	16.0	19.4	13.8	23.6	13.8
Loan growth (%)	17.3	18.5	15.7	17.6	18.7	15.5	15.4	15.2	17.6	15.2
Asset Quality										
Gross NPA (%)	1.77	1.72	1.73	1.39	1.39	1.38	1.37	1.35	1.39	1.35
Net NPA (%)	0.40	0.37	0.34	0.34	0.35	0.36	0.35	0.31	0.34	0.31
PCR (%)	78.0	79.1	80.6	75.9	74.9	74.4	74.6	77.0	75.9	77.0

E: MOFSL Estimates

Punjab National Bank**Neutral**

CMP: INR109 | TP: INR135 (+24%)

EPS CHANGE (%): FY25 | FY26: 1.9 | -0.4

- Expect margins to compress further
- Expect asset quality to improve

- Opex to remain under control
- Business growth/RoA trajectory to remain the key monitorables

Quarterly Performance**(INRb)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	95.0	99.2	102.9	103.6	104.8	109.0	110.6	112.7	400.8	437.0
% Change (YoY)	26.0	20.0	12.1	9.1	10.2	9.8	7.4	8.8	16.2	9.0
Other Income	34.3	30.3	26.7	42.5	36.1	34.5	37.5	41.9	133.8	149.9
Total Income	129.4	129.5	129.7	146.1	140.9	143.5	148.0	154.6	534.7	586.9
Operating Expenses	69.7	67.3	66.4	82.0	75.0	71.9	74.3	78.3	285.4	299.6
Operating Profit	59.7	62.2	63.3	64.2	65.8	71.6	73.7	76.2	249.3	287.3
% Change (YoY)	10.9	11.7	10.8	9.4	10.3	15.1	16.5	18.8	10.7	15.3
Provisions	39.7	34.4	27.4	15.9	13.1	16.6	15.4	14.2	117.4	59.4
Profit before Tax	20.0	27.7	35.9	48.3	52.7	54.9	58.3	62.0	131.9	228.0
Tax	7.5	10.2	13.7	18.2	20.2	20.3	21.6	22.3	49.5	84.3
Net Profit	12.6	17.6	22.2	30.1	32.5	34.6	36.7	39.8	82.4	143.6
% Change (YoY)	307.0	327.0	253.5	159.8	159.0	97.1	65.3	32.1	228.8	74.2
Operating Parameters										
Deposits	12,979	13,099	13,235	13,697	14,082	14,337	14,594	14,861	13,697	14,861
Loans	8,637	8,899	9,164	9,344	9,840	10,066	10,270	10,438	9,344	10,438
Deposit Growth (%)	14.2	9.8	9.3	6.9	8.5	9.5	10.3	8.5	6.9	8.5
Loan Growth (%)	16.3	15.1	14.5	12.5	13.9	13.1	12.1	11.7	12.5	11.7
Asset Quality										
Gross NPA (%)	7.7	7.0	6.2	5.7	5.0	4.6	4.2	4.0	5.7	4.0
Net NPA (%)	2.0	1.5	1.0	0.7	0.6	0.5	0.5	0.5	0.7	0.5
PCR (%)	75.8	80.0	85.4	87.9	88.4	88.5	88.3	88.7	87.9	88.7

E: MOFSL Estimates

RBL Bank**Neutral**

CMP: INR203 | TP: INR250 (23%)

EPS CHANGE (%): FY25 | FY26: -11 | -5.4

- Expect earnings to moderate led by higher provisions
- Cost ratios likely to remain elevated

- Expect asset quality ratios to deteriorate
- Margin and credit cost outlook to be the key monitorables

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	14.2	14.7	15.5	16.0	17.0	16.7	17.4	18.5	60.4	69.5
% Change (Y-o-Y)	19.6	25.6	21.1	17.9	19.5	13.2	12.5	15.4	20.9	15.1
Other Income	6.9	7.0	7.8	8.8	8.1	8.5	9.2	10.1	30.4	35.9
Total Income	21.1	21.8	23.2	24.8	25.1	25.2	26.6	28.6	90.9	105.4
Operating Expenses	14.6	14.5	15.6	15.9	16.5	16.8	17.5	18.1	60.6	68.9
Operating Profit	6.5	7.3	7.7	8.9	8.6	8.4	9.1	10.5	30.3	36.6
% Change (Y-o-Y)	22.4	42.7	34.9	49.4	32.7	14.8	18.7	18.4	37.6	20.7
Provisions	2.7	6.4	4.6	4.1	3.7	5.0	5.3	5.7	17.7	19.7
Profit before Tax	3.8	0.9	3.1	4.7	4.9	3.4	3.8	4.8	12.6	16.9
Tax	0.9	-2.0	0.7	1.2	1.2	0.8	0.9	1.2	0.9	4.2
Net Profit	2.9	2.9	2.3	3.5	3.7	2.5	2.8	3.7	11.7	12.7
% Change (Y-o-Y)	43.2	45.9	11.5	30.1	29.0	-14.2	20.8	3.6	32.3	8.8
Operating Parameters										
Deposit	856.4	897.8	927.5	1,034.9	1,013.5	1,068.5	1,126.6	1,204.7	1,034.9	1,204.7
Loan	730.9	763.2	799.5	839.9	867.0	889.8	948.7	991.0	839.9	991.0
Deposit Growth (%)	8.1	13.1	13.5	21.9	18.4	19.0	21.5	16.4	21.9	16.4
Loan Growth (%)	21.3	21.3	19.9	19.6	18.6	16.6	18.7	18.0	19.6	18.0
Asset Quality										
Gross NPA (%)	3.2	3.1	3.1	2.7	2.7	2.8	2.8	2.9	2.7	2.9
Net NPA (%)	1.0	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.7	0.8
PCR (%)	69.6	75.6	75.1	72.7	73.1	72.2	71.6	72.4	72.7	72.4

E: MOFSL Estimates

State Bank of India

Buy

CMP: INR803 | TP: INR1015 (+26%)

EPS CHANGE (%): FY25 | FY26: -2.1 | -2.5

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

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	389.0	395.0	398.2	416.6	411.3	416.0	433.1	444.7	1,598.8	1,705.1
% Change (YoY)	24.7	12.3	4.6	3.1	5.7	5.3	8.8	6.8	10.4	6.6
Other Income	120.6	107.9	114.6	173.7	111.6	119.9	129.0	177.0	516.8	537.5
Total Income	509.7	502.9	512.7	590.2	522.9	535.9	562.1	621.7	2,115.6	2,242.6
Operating Expenses	256.7	308.7	309.4	302.8	258.4	268.0	286.1	318.4	1,248.6	1,131.0
Operating Profit	253.0	194.2	203.4	287.5	264.5	267.8	275.9	303.3	867.0	1,111.6
% Change (YoY)	98.4	-8.1	-19.4	16.8	4.6	37.9	35.7	5.5	3.6	28.2
Provisions	25.0	1.2	6.9	16.1	34.5	46.7	49.6	46.3	49.1	177.1
Exceptional items (exp)	0.0	0.0	71.0	0.0	0.0	0.0	0.0	0.0	71.0	0.0
Profit before Tax	228.0	193.0	125.5	271.4	230.0	221.1	226.4	257.0	746.8	934.5
Tax Provisions	59.1	49.7	33.8	64.4	59.6	57.0	58.4	61.3	207.1	236.4
Net Profit	168.8	143.3	91.6	207.0	170.4	164.1	168.0	195.7	539.8	698.1
% Change (YoY)	178.2	8.0	-35.5	24.0	0.9	14.5	83.3	-5.5	7.5	29.3
Adj. Net profit	168.8	143.3	144.0	207.0	170.4	164.1	168.0	195.7	610.8	
Operating Parameters										
Deposits (INR t)	45.3	46.9	47.6	49.2	49.0	51.0	52.3	53.9	49.2	53.9
Loans (INR t)	32.4	33.5	35.2	37.0	37.5	38.8	40.2	41.8	37.0	41.8
Deposit Growth (%)	12.0	11.9	13.0	11.1	8.2	8.7	9.9	9.6	11.1	9.6
Loan Growth (%)	14.9	13.3	15.1	15.8	15.9	16.1	14.3	12.8	15.8	12.8
Asset Quality										
Gross NPA (%)	2.76	2.55	2.42	2.24	2.21	2.16	2.11	2.07	2.24	2.07
Net NPA (%)	0.71	0.64	0.64	0.57	0.57	0.55	0.54	0.54	0.57	0.54
PCR (%)	74.8	75.4	74.2	75.0	74.4	74.8	74.6	74.5	74.8	74.5

E: MOFSL Estimates

Union Bank of India

Buy

CMP: INR123 | TP: INR165 (+34%)

EPS CHANGE (%): FY25 | FY26: -1.3 | 0.2

- Expect cost ratios to remain under control
- Margins anticipated to compress slightly
- SMA and restructuring books are the key monitorables
- Expect steady improvement in asset quality

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	88.4	91.3	91.7	94.4	94.1	95.5	98.6	101.7	365.7	389.9
% Change (YoY)	16.6	9.9	6.3	14.4	6.5	4.6	7.6	7.8	11.6	6.6
Other Income	39.0	37.0	37.7	47.1	45.1	41.5	42.4	46.2	160.8	175.3
Total Income	127.4	128.2	129.4	141.4	139.2	137.0	141.0	147.9	526.5	565.2
Operating Expenses	55.6	56.0	56.6	76.1	61.4	61.5	62.8	68.5	244.4	254.1
Operating Profit	71.8	72.2	72.8	65.3	77.9	75.5	78.3	79.5	282.1	311.1
% Change (YoY)	31.8	9.8	9.9	-4.3	8.4	4.6	7.6	21.6	10.8	10.3
Provisions	20.1	17.7	17.5	12.6	27.6	22.6	23.7	23.2	67.8	97.1
Profit before Tax	51.7	54.5	55.3	52.7	50.3	52.9	54.6	56.2	214.3	214.0
Tax	19.4	19.4	19.4	19.6	13.5	15.9	16.4	12.0	77.8	57.8
Net Profit	32.4	35.1	35.9	33.1	36.8	37.0	38.2	44.2	136.5	156.2
% Change (YoY)	107.7	90.0	59.9	19.0	13.7	5.5	6.4	33.5	61.8	14.5
Operating Parameters										
Deposit (INR b)	11,281	11,376	11,725	12,215	12,242	12,545	12,875	13,315	12,215	13,315
Loan (INR b)	7,705	8,036	8,621	8,708	8,787	8,995	9,282	9,666	8,708	9,666
Deposit Growth (%)	13.6	9.0	10.1	9.3	8.5	10.3	9.8	9.0	9.3	9.0
Loan Growth (%)	13.9	10.5	14.0	14.3	14.0	11.9	7.7	11.0	14.3	11.0
Asset Quality										
Gross NPA (%)	7.3	6.4	4.8	4.8	4.5	3.8	3.6	3.7	4.8	3.7
Net NPA (%)	1.6	1.3	1.1	1.0	0.9	0.8	0.7	0.7	1.1	0.7
PCR (%)	79.8	80.7	78.4	79.1	80.9	80.2	80.4	81.9	78.4	81.9

E: MOFSL Estimates

SBI Cards and Payment Services**Neutral**

CMP: INR787 | TP: INR850 (+8%)

EPS CHANGE (%): FY25|FY26: -1.7|-1.4

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

	Quarterly Performance								(INR b)	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	12.3	13.0	13.9	14.1	14.8	14.9	16.2	16.8	51.5	62.6
% Change (Y-o-Y)	14.3	16.1	21.2	21.4	19.7	14.9	16.5	18.7	17.0	21.6
Other Income	22.4	23.2	26.6	23.4	22.4	23.2	27.2	26.6	97.4	99.5
Total Income	34.8	36.2	40.5	37.5	37.2	38.1	43.4	43.4	148.9	162.1
Operating Expenses	19.6	20.7	24.3	19.2	18.2	18.8	23.4	22.0	83.7	82.4
Operating Profit	15.2	15.5	16.2	18.3	19.0	19.4	20.0	21.4	65.2	79.7
% Change (Y-o-Y)	17.3	23.9	33.1	28.2	25.4	24.8	23.2	16.8	25.6	22.3
Provisions	7.2	7.4	8.8	9.4	11.0	11.4	11.4	10.7	32.9	44.5
Profit before Tax	8.0	8.1	7.4	8.9	8.0	7.9	8.6	10.7	32.3	35.2
Tax	2.0	2.1	1.9	2.3	2.0	2.0	2.2	2.7	8.2	9.0
Net Profit	5.9	6.0	5.5	6.6	5.9	5.9	6.4	8.0	24.1	26.2
% Change (Y-o-Y)	-5.4	14.7	7.8	11.0	0.2	-2.2	16.5	20.4	6.6	8.9
Operating Parameters										
Loan (INRb)	418.1	435.6	471.6	490.8	508.1	531.8	559.8	584.0	490.8	584.0
Loan Growth (%)	30.3	19.3	26.3	24.7	21.5	22.1	18.7	19.0	24.7	19.0
Borrowings (INRb)	329.6	340.8	380.1	398.9	408.7	433.6	457.3	477.8	398.9	477.8
Borrowing Growth (%)	32.9	20.9	29.3	28.2	24.0	27.2	20.3	19.8	28.2	19.8
Asset Quality										
Gross NPA (%)	2.4	2.4	2.6	2.8	3.1	3.5	3.5	3.6	2.8	3.6
Net NPA (%)	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.2	1.0	1.2
PCR (%)	63.8	64.1	64.1	64.9	64.4	64.7	65.8	67.4	64.9	67.4

Paytm**Neutral**

CMP: INR672 | TP: INR650 (-3%)

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

- Expect operating profitability to improve
- Expect total revenue growth to improve
- Expect disbursements and GMV to increase sequentially
- Any further impact of the RBI notification to be a key monitorable

	Quarterly Performance								(INR b)	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Payment Services to Consumers	5.5	5.8	6.0	4.4	0.8	1.3	1.7	2.5	21.7	6.3
Payment Services to Merchants	8.4	9.2	10.8	11.2	8.0	7.6	9.9	11.2	39.6	36.8
Financial Services and Others	5.2	5.7	6.1	3.0	2.8	3.0	3.9	4.1	20.0	13.8
Payment and Financial Services	19.2	20.7	22.9	18.6	11.6	12.0	15.6	17.7	81.3	56.9
Commerce and Cloud Services	4.1	4.2	5.1	4.0	3.2	3.9	4.4	4.4	17.4	15.9
Revenue from Operations	23.4	25.2	28.5	22.7	15.0	16.2	20.3	22.6	99.8	74.1
Direct Expenses	10.4	10.9	13.3	9.8	7.5	7.7	8.7	8.8	44.4	32.6
Contribution Profit	13.0	14.3	15.2	12.9	7.5	8.5	11.6	13.8	55.4	41.4
% Change (Y-o-Y)	79.3	69.2	45.1	0.4	-42.1	-40.4	-23.6	7.0	42.0	-25.2
Adjusted EBITDA	0.8	1.5	2.2	1.0	-5.5	-3.1	0.1	3.2	5.6	-5.2
EBITDA	-2.9	-2.3	-1.6	-2.2	-7.9	-5.5	-2.4	0.5	-9.1	-15.3
PAT	-3.6	-2.9	-2.2	-5.5	-8.4	-6.6	-3.6	0.1	-14.2	-18.5
% Change (Y-o-Y)	-44.5	-49.9	-43.9	227.1	134.7	130.9	62.9	-100.9	-19.9	30.3
Adj. PAT	-3.6	-2.9	-2.2	-3.2	-8.4	-6.6	-3.6	0.1		
Operating Parameters										
GMV (INRt)	4.1	4.5	5.1	4.7	4.3	4.6	4.9	5.5	18.3	19.2
Disbursements (INR b)	148.5	162.1	155.4	58.0	50.1	60.1	78.1	99.7	523.7	288.0
GMV Growth (%)	36.8	41.5	47.4	29.6	5.2	1.3	-4.4	17.7	38.4	5.0
Profitability										
Contribution Margin (%)	55.7	56.6	53.3	56.8	50.3	52.6	57.2	61.1	55.5	56.0
Adjusted EBITDA Margin (%)	3.6	6.1	7.7	4.5	-36.4	-19.0	0.7	14.0	5.6	-7.1
EBITDA Margin (%)	-12.5	-9.2	-5.5	-9.9	-52.8	-34.1	-11.7	2.1	-9.1	-20.7

Financials - NBFCs

Company

Aavas Financiers

Bajaj Finance

Can Fin Homes

Chola Inv. & Fin.

CreditAccess Grameen

Five Star Business Finance

Fusion Microfinance

HomeFirst

IIFL Finance

L&T Finance Holdings

LIC Housing Finance

M&M Financial Services

Manappuram Finance

MAS Financial Services

Muthoot Finance

PNB Housing Finance

Poonawalla Fincorp

Repco Home Finance

Shriram Finance

Spandana Sphoorty

Trends point at seasonally weaker 1H

NIM largely stable for most players; credit costs remain elevated

- AUM growth slightly weaker owing to heavy rainfall in some regions and few inauspicious days in Sep'24:** We expect ~8% YoY growth in AUM in 2QFY25 for our HFC coverage universe, including both affordable and other HFCs. Vehicle financiers are projected to report ~24% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~24% YoY growth. NBFC-MFIs are likely to post ~13% YoY growth, while diversified lenders are expected to deliver ~22% YoY growth in AUM. For our coverage universe, we estimate loan growth of ~18% YoY/~4% QoQ in 2QFY25. We expect slightly weaker loan growth (vs. our earlier expectations) because of rainfall/floods in certain regions and few inauspicious days in Sep'24. Gold financiers are expected to report decent gold loan growth. Micro-financiers should report a sequential decline in loans because of muted disbursements. Most housing financiers (except LICHF and Repco) are expected to report healthy loan growth.
- Largely stable trends in NIM and spreads; all eyes on expected repo rate cuts:** The increase in MCLR of banks has been mitigated by the decline in the T-Bill rates. The cost of borrowings (CoB) for most NBFCs has been either stable or declined slightly. NIM and spreads for NBFCs are showing signs of stabilization. Fixed-rate lenders like vehicle financiers, which had increased lending rates in the prior quarters, will also benefit from NIM expansion, driven by expected repo rate cuts in 2HFY25. At the sectoral level, we expect NIM to remain flat for vehicle financiers and HFCs.
- Seasonal deterioration in asset quality but most pronounced in MFIs:** Except for housing/mortgages, we expect a sequential deterioration in asset quality, mainly due to seasonality (except for MFIs). The MFI segment continues to exhibit forward flows (due to customer overleveraging), resulting in higher PAR (portfolio at risk) formation, and it will see significantly higher credit costs.
- PAT likely to grow ~9% YoY for our coverage universe, driven by high credit costs and higher stress for NBFC-MFIs:** We estimate ~19%/18%/9% YoY growth in NII/PPoP/PAT in 2QFY25 for our NBFC coverage universe. Excluding NBFC-MFIs, we estimate ~15% YoY growth in PAT for our coverage. Among NBFC sub-sectors, our preference is for vehicle finance and housing finance/mortgages. We advise underweight in microfinance since the recovery is still distant. Our top picks in the sector are SHFL, LTFH and PNBHF.

Minor weakness in disbursement momentum; flat trends in NIM

- The impact of the RBI circular (on interest income recognition only on cheque realization) on disbursements was much less pronounced compared to the last quarter. While there was minor weakness in the disbursement momentum (partly because of some inauspicious days in Sep'24), the outlook on loan growth remains healthy for most HFCs in our coverage universe.
- We anticipate credit costs for LICHF to be at ~45bp (vs. 20bp in 1QFY25). Margin is expected to remain stable QoQ, aided by stable CoF and slight improvement in yields, driven by better recoveries from NPA pool.

- We forecast HomeFirst to report ~24% YoY growth in disbursements, leading to healthy AUM growth of ~34% YoY. We expect NIM to remain stable for both Aavas and HomeFirst despite the ongoing rise in their CoB. Asset quality is also expected to remain range-bound, which will keep the credit costs benign.
- We estimate PNBHF to deliver ~15% YoY growth in loan book as of Sep'24 and NIM to remain largely stable. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could potentially result in provision write-backs (like in the prior quarter).
- For Five Star, we expect disbursements to remain flat QoQ. As a result, we estimate ~6% QoQ growth in AUM. NIM moderation (driven by improvement in leverage) will continue. We expect asset quality to remain largely stable (despite ~40% overlap with MFI customers) and credit costs to remain benign.

Vehicle finance – Seasonal blip in asset quality and disbursement momentum

- For MMFS, we estimate disbursements of ~INR140b (up 5% YoY) and 21% YoY growth in business assets (aided by trade advances ahead of the festive season) in 2QFY25. We now estimate ~19% YoY growth in business assets for MMFS in FY25. We expect credit costs for MMFS to be at ~2.2% (vs. 2.8% in 2QFY24).
- For CIFIC and SHTF, we expect a sequential growth in disbursements, which should translate into ~33%/20% YoY growth in AUM for CIFIC/SHTF as of Sep'24.
- We estimate NIM expansion for vehicle financiers in FY25, due to a rise in yields and a decline in CoB. Seasonal trends and heavy rainfall in some regions could result in a minor deterioration in asset quality for vehicle financiers with high credit costs.

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

- We expect gold loan financiers to deliver decent gold loan growth and modest tonnage growth in 2QFY25.
- We expect ~4%/3% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold loan NIM could contract QoQ because of the minor decline in yields and a rise in CoF. Asirvad MFI, a subsidiary of MGFL, could see asset quality deterioration and high credit costs (like in the last quarter).

Microfinance – Stressful quarter; sequential decline in AUM even as fresh slippages continue

- Customer overleveraging has resulted in higher delinquencies and lower collection efficiencies. After the implementation of MFIN guardrails, disbursements were muted for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect a QoQ decline of 3%/7%/6% in AUM for CREDAG/Fusion/Spandana in 2QFY25.
- Higher NPA formation will also result in interest income reversals, which could weigh on NIM.
- Flows into forward asset quality buckets have continued for the last four quarters. We expect an increase in PAR90 for all the three MFIs in our coverage and expects significantly high credit costs. 2QFY25 will be the worst quarter in terms of credit costs and we estimate annualized credit costs of ~5%/~20%/16% for CREDAG/Fusion/Spandana in this quarter.

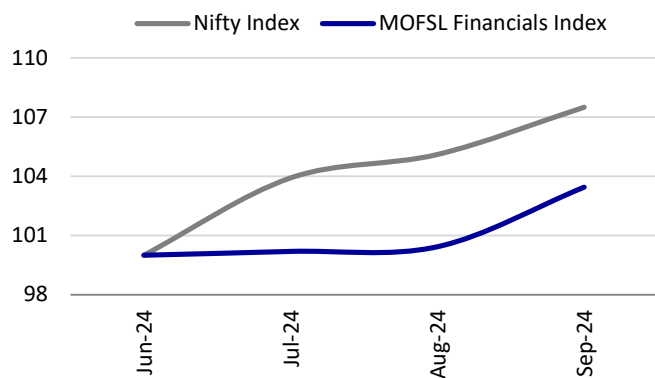
Diversified financiers: Calibration in personal loans continues; credit costs from the PL portfolio still elevated

- We expect LTFH to report ~27% YoY/4% QoQ growth in Retail Loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), the consolidated loan book could also grow ~4% QoQ in 2QFY25. Unlike NBFC-MFIs, we expect only a minor deterioration in collection efficiencies in the MFI business of LTFH. This could result in a slight sequential increase in credit costs for LTFH.
- BAF is likely to report ~30% YoY/7% QoQ growth in AUM. We estimate a ~10bp QoQ contraction in NIM for BAF with credit costs at ~1.9% (down ~5bp QoQ).
- We expect Poonawalla to report ~41% YoY growth in AUM, driven by ~11% QoQ growth in disbursements. We estimate this to translate into ~29% YoY PAT growth for the company.
- For IIFL Finance, we estimate gold loan AUM to decline to ~INR109b as of Sep'24. Along with decline in the MFI business, this could result in a ~7% QoQ fall in consolidated AUM. We estimate a PAT of INR2.7b in 2Q (vs. INR2.9b in 1Q).

Exhibit 1: Quarterly performance

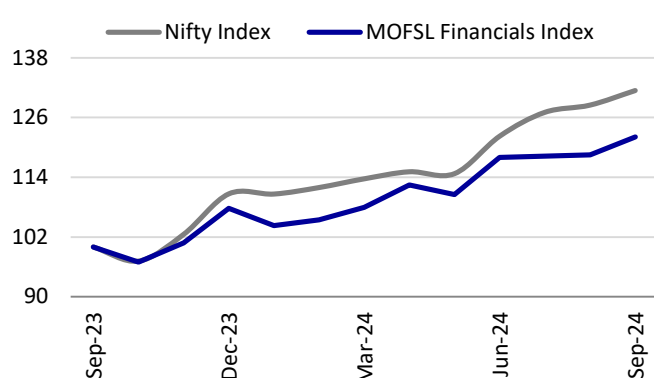
Sector	CMP (INR)	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
			Sep-24	Variance YoY (%)	Variance QoQ (%)	Sep -24	Variance YoY (%)	Variance QoQ (%)	Sep -24	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	1849	Neutral	2,541	14.3	3.9	1,896	16.3	11.9	1,410	15.8	11.8
Bajaj Finance	7702	Neutral	88,549	23.0	5.9	71,745	23.0	3.3	40,214	13.1	2.6
Can Fin Homes	900	Neutral	3,273	3.3	1.8	2,815	4.2	0.7	2,103	33.0	5.3
Chola. Inv & Fin.	1,582	Buy	27,022	34.1	5.0	19,333	36.1	4.5	9,846	29.1	4.5
CreditAccess	1,197	Buy	9,124	19.5	-1.6	6,820	21.2	-3.9	2,613	-24.7	-34.3
Five Star Business	825	Buy	5,143	29.2	6.5	3,671	32.3	3.5	2,615	31.1	3.9
Fusion Micro	246	Neutral	3,905	27.7	-1.8	2,832	17.1	-4.9	-1,800	-243.2	405.2
Home First Fin.	1,184	Buy	1,558	17.9	6.4	1,254	20.1	5.3	914	22.9	4.1
IIFL Finance	468	Buy	13,140	-7.8	-8.6	6,619	-29.3	-3.8	2,728	-42.5	-5.3
L&T Fin. Holdings	188	Buy	25,014	32.4	2.8	15,319	18.1	4.4	6,968	17.3	1.7
LIC Housing Fin	659	Buy	20,371	-3.3	2.4	18,192	-4.2	2.7	11,966	0.7	-8.0
M & M Financial	331	Buy	18,457	16.3	3.5	11,794	25.1	4.0	4,330	84.1	-15.6
Manappuram Finance	197	Buy	15,810	16.7	2.8	10,077	16.3	2.7	5,599	-0.1	0.6
MAS Financial	288	Buy	1,265	22.9	2.2	1,270	22.6	7.3	742	23.7	5.4
Muthoot Finance	1956	Neutral	24,282	30.7	5.4	17,980	34.0	4.8	13,025	31.4	20.7
PNB Housing	974	Buy	6,658	3.1	3.7	5,647	2.3	4.2	4,425	15.5	2.2
Poonawalla Fincorp	401	Buy	6,110	28.7	6.1	4,408	31.3	2.0	2,979	29.5	2.1
Repco Home Fin	534	Neutral	1,883	6.7	2.7	1,412	5.5	2.3	1,085	10.6	2.9
Shriram Finance Ltd	3,572	Buy	54,818	19.3	4.7	41,540	19.3	7.8	20,605	17.7	4.0
Spandana Sphoorty	588	Buy	3,682	16.6	-15.2	2,644	2.7	-7.8	-1,067	-185.2	-291.5
NBFC			3,32,605	19.3	3.5	2,47,269	17.6	3.6	1,31,298	9.1	-0.9

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



Source: Bloomberg, MOFSL

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



Source: Bloomberg, MOFSL

Exhibit 4: EPS estimate changes for FY25-26

Company	Old Estimates		New Estimates		Change (%)	
	FY25	FY26	FY25	FY26	FY25	FY26
AAVAS	74.4	94.1	74.4	90.4	-0.0	-4.0
BAF	275.4	359.2	273.2	363.5	-0.8	1.2
CANF	64.8	72.9	63.5	72.8	-2.0	-0.1
CIFC	54.6	72.2	53.4	73.1	-2.3	1.1
CRE DAG	104.5	124.0	81.2	97.9	-22.3	-21.1
Five Star Business	37.3	54.5	36.7	44.3	-1.4	-18.8
FUSION	43.3	72.0	-1.7	54.0	-	-24.9
HomeFirst	43.0	55.1	42.4	52.6	-1.4	-4.5
IIFL Fin	23.6	48.3	26.5	48.3	12.0	-0.0
LTFH	11.4	15.4	11.4	14.2	-0.6	-7.4
LIC HF	90.5	93.0	89.2	93.3	-1.4	0.3
MMFSL	22.7	28.3	20.7	28.3	-8.9	-0.1
MASFIN	17.8	22.1	16.9	21.7	-5.2	-1.5
Muthoot	124.8	141.0	126.7	145.3	1.5	3.1
MGFL	30.0	35.3	27.4	33.4	-8.6	-5.4
PNBHF	71.5	87.9	70.3	88.9	-1.6	1.2
PFL	18.8	25.6	16.8	21.3	-10.3	-16.6
REPCO	66.0	72.0	68.9	74.3	4.4	3.2
SHFL	227.2	279.9	224.9	272.7	-1.0	-2.6
SPANDANA	84.0	110.4	12.7	73.0	-84.9	-33.9

Source: MOFSL, Company

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

Aavas Financiers

Neutral

CMP: INR1,849 | TP: INR2,070 (12%)

EPS CHANGE (%): FY25 | 26: 0.0|-4.0

- AUM/disbursements are likely to grow ~21%/15% YoY.
- We expect NIM to remain stable QoQ. Upfront assignment income is estimated at ~INR490m.
- Asset quality to improve and credit costs to remain benign
- Commentaries on loan growth, margin trajectory, and tech transformation are the key monitorables.

Quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	4,128	4,259	4,373	4,586	4,797	4,980	5,293	5,917	17,347	20,988
Interest Expenses	1,866	2,036	2,166	2,216	2,352	2,439	2,585	2,924	8,284	10,299
Net Income	2,262	2,223	2,208	2,371	2,446	2,541	2,708	2,994	9,063	10,689
YoY Growth (%)	26	18	6	7	8	14	23	26	14	18
Other income	540	716	719	882	628	829	923	987	2,856	3,368
Total Income	2,802	2,938	2,926	3,252	3,074	3,370	3,632	3,981	11,919	14,057
YoY Growth (%)	28	16	12	14	10	15	24	22	17	18
Operating Expenses	1,339	1,308	1,349	1,434	1,379	1,474	1,603	1,786	5,430	6,241
YoY Growth (%)	30	14	12	19	3	13	19	24	19	15
Operating Profits	1,464	1,631	1,577	1,818	1,695	1,896	2,029	2,195	6,489	7,816
YoY Growth (%)	27	17	11	10	16	16	29	21	15.6	20.4
Provisions	57	65	80	43	86	89	94	52	245	320
Profit before Tax	1,407	1,565	1,497	1,775	1,609	1,807	1,935	2,144	6,244	7,496
Tax Provisions	310	348	331	349	348	398	426	434	1,338	1,606
Profit after tax	1,097	1,217	1,166	1,426	1,261	1,410	1,510	1,710	4,907	5,890
YoY Growth (%)	23	14	9	13	15	16	29	20	14.1	

Bajaj Finance

Neutral

CMP INR7,702 | TP: INR8,600 (+12%)

EPS CHANGE (%): FY25 | 26: -0.8|1.2

- BAF is likely to report AUM growth of 30% YoY/ 7% QoQ
- Margin is likely to contract ~10bp QoQ to ~9.7%
- Credit costs are expected to decline ~5bp QoQ to ~1.9%
- Commentaries on NIM trajectory and credit costs are the key monitorables.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25		
Interest Income	1,08,211	1,17,340	1,25,233	1,32,301	1,40,492	1,49,764	1,60,248	1,69,164	4,83,066	6,19,668
Interest expenses	41,025	45,371	48,680	52,171	56,839	61,215	65,806	69,790	1,87,247	2,53,650
Net Interest Income	67,186	71,970	76,553	80,130	83,653	88,549	94,441	99,374	2,95,819	3,66,018
YoY Growth (%)	27.4	30.0	29.3	28.1	24.5	23.0	23.4	24.0	28.7	23.7
Other Operating Income	16,795	16,477	16,436	17,019	20,531	19,501	19,891	19,562	66,759	79,486
Net Income	83,980	88,447	92,989	97,149	1,04,185	1,08,051	1,14,333	1,18,936	3,62,578	4,45,504
YoY Growth (%)	33.3	26.3	25.1	25.0	24.1	22.2	23.0	22.4	25.7	22.9
Operating Expenses	28,544	30,100	31,567	33,028	34,709	36,306	38,303	40,373	1,23,252	1,49,691
Operating Profit	55,437	58,347	61,422	64,121	69,475	71,745	76,030	78,563	2,39,326	2,95,813
YoY Growth (%)	37.0	30.0	26.6	25.3	25.3	23.0	23.8	22.5	27.9	23.6
Provisions and Cont.	9,953	10,771	12,484	13,100	16,847	17,474	17,776	17,461	46,307	69,558
Profit before Tax	45,512	47,578	48,955	51,051	52,654	54,270	58,254	61,118	1,93,036	2,26,272
Tax Provisions	11,143	12,070	12,566	12,806	13,534	14,056	15,088	14,339	48,584	57,016
Net Profit	34,369	35,508	36,390	38,245	39,120	40,214	43,166	46,780	1,44,452	1,69,255
YoY Growth (%)	36.8	27.7	22.4	21.1	13.8	13.3	18.6	22.3	25.5	17.2

Can Fin Homes**Neutral****CMP INR900 | TP: INR960 (+7%)****EPS CHANGE (%): FY25|26: -2.0|-0.1**

- Estimate loan book to grow ~10% YoY
- Spreads are expected to remain stable QoQ at ~3.0%
- Margin is expected to remain flat QoQ at 3.6%
- Commentaries on loan growth and outlook on NIM in a declining rate environment are the key monitorables

Quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	8,181	8,652	8,948	9,117	9,242	9,426	9,719	10,094	34,899	38,480
Interest Expenses	5,330	5,484	5,660	5,839	6,027	6,154	6,357	6,611	22,314	25,149
Net Interest Income	2,851	3,168	3,288	3,278	3,214	3,273	3,362	3,482	12,585	13,331
YoY Growth (%)	13.9	26.1	30.6	25.5	12.7	3.3	2.2	6.2	24.0	5.9
Other income	60	58	71	159	70	76	99	170	348	414
Total Income	2,911	3,226	3,359	3,437	3,284	3,348	3,461	3,652	12,933	13,745
YoY Growth (%)	13.9	25.7	30.8	25.7	12.8	3.8	3.0	6.3	24.1	6.3
Operating Expenses	435	524	494	720	488	533	593	824	2,173	2,438
YoY Growth (%)	7.4	29.5	12.7	39.3	12.3	1.7	19.9	14.5	23.1	12.2
Operating Profits	2,476	2,702	2,865	2,717	2,796	2,815	2,868	2,828	10,760	11,307
YoY Growth (%)	15.2	25.0	34.6	22.5	12.9	4.2	0.1	4.1	24.3	5.1
Provisions	137	722	308	18	245	140	120	19	1,185	523
Profit before Tax	2,339	1,980	2,557	2,700	2,551	2,675	2,748	2,810	9,575	10,784
Tax Provisions	504	399	556	609	555	573	594	609	2,068	2,329
Profit after tax	1,835	1,581	2,001	2,090	1,996	2,103	2,155	2,201	7,507	8,455
YoY Growth (%)	13.1	11.5	32.1	26.1	8.8	33.0	7.7	5.3	20.8	12.6

Cholamandalam Inv. & Fin.**Buy****CMP INR1,582 | TP: INR1,850 (+17%)****EPS CHANGE (%): FY25|26: -2.3|1.1**

- Estimate business AUM to grow ~33% YoY
- Margin is likely to contract ~10bp QoQ to 6.7%
- Credit costs are projected to remain stable QoQ at ~1.5%
- Guidance on margins, loan growth and asset quality of new businesses to be closely monitored

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	38,492	42,205	46,099	49,341	53,695	57,131	61,702	66,369	1,76,137	2,38,897
Interest Expenses	20,071	22,052	24,390	25,793	27,957	30,109	31,765	33,075	92,306	1,22,906
Net Interest Income	18,421	20,153	21,709	23,548	25,738	27,022	29,937	33,293	83,831	1,15,990
YoY Growth (%)	24.3	35.4	35.8	33.4	39.7	34.1	37.9	41.4	32.4	38.4
Other Income	2,845	3,514	4,088	5,580	4,595	6,030	5,557	5,899	16,026	22,080
Total Income	21,265	23,667	25,797	29,127	30,333	33,052	35,493	39,192	99,857	1,38,071
YoY Growth (%)	29.7	39.4	40.8	41.4	42.6	39.7	37.6	34.6	38.1	38.3
Operating Expenses	7,867	9,461	10,640	12,850	11,834	13,719	14,896	17,044	40,818	57,493
Operating Profit	13,399	14,206	15,157	16,278	18,499	19,333	20,598	22,148	59,039	80,578
YoY Growth (%)	26.4	37.1	40.4	27.9	38.1	36.1	35.9	36.1	32.7	36.5
Provisions & Loan Losses	3,723	3,998	3,588	1,908	5,814	6,171	5,000	3,248	13,218	20,233
Profit before Tax	9,675	10,208	11,569	14,369	12,685	13,163	15,598	18,900	45,821	60,345
Tax Provisions	2,415	2,583	2,807	3,788	3,263	3,317	3,899	5,030	11,593	15,509
Net Profit	7,260	7,625	8,762	10,581	9,422	9,846	11,698	13,870	34,228	44,836
YoY Growth (%)	28.3	35.3	28.0	24.1	29.8	29.1	33.5	31.1	28.4	31.0

CreditAccess Grameen**Buy**

CMP INR1,197 | | TP: INR1,420 (+19%)

EPS CHANGE (%): FY25|26: -22.3|-21.1

- Estimate GLP growth of ~13% YoY
- Margin is likely to expand ~15bp QoQ to 14.1%
- Credit costs are projected to rise ~250bp QoQ to ~5%
- Guidance on credit costs and GLP growth to be monitored

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	11,052	11,874	12,444	13,632	14,372	14,074	14,084	14,911	49,001	57,441
Interest Expenses	3,849	4,239	4,415	4,822	5,103	4,950	5,024	5,184	17,324	20,262
Net Interest Income	7,203	7,635	8,029	8,810	9,268	9,124	9,060	9,726	31,677	37,179
YoY Growth (%)	57.8	53.3	48.5	42.3	28.7	19.5	12.8	10.4	49.8	17.4
Other Income	656	602	509	959	754	689	650	886	2,725	2,979
Total Income	7,858	8,237	8,537	9,770	10,023	9,814	9,710	10,612	34,402	40,158
YoY Growth (%)	63.8	52.1	43.6	35.6	27.5	19.1	13.7	8.6	47.1	16.7
Operating Expenses	2,420	2,611	2,520	2,942	2,929	2,994	3,153	3,400	10,493	12,474
Operating Profit	5,438	5,626	6,018	6,828	7,093	6,820	6,557	7,212	23,910	27,684
YoY Growth (%)	88	68	59	36	30	21	9	6	59	16
Provisions & Loan Losses	764	959	1,262	1,533	1,746	3,317	2,985	2,270	4,518	10,318
Profit before Tax	4,674	4,668	4,756	5,295	5,347	3,503	3,572	4,942	19,392	17,366
Tax Provisions	1,189	1,197	1,222	1,324	1,371	890	907	1,261	4,933	4,428
Net Profit	3,485	3,470	3,533	3,971	3,977	2,613	2,665	3,681	14,459	12,937
YoY Growth (%)	151.3	96.6	63.7	33.9	14.1	-24.7	-24.6	-7.3	75.0	-10.5

Five Star Business Finance**Buy**

CMP INR825 | | TP: INR1000 (+21%)

EPS CHANGE (%): FY25|26: -1.4|-1.8

- Estimate AUM growth of ~33% YoY
- Margin is likely to contract ~5bp QoQ to 19.3%
- Credit costs are projected to decline ~10bp QoQ to ~0.6%
- Outlook on asset quality; guidance on loan growth and credit costs to be closely monitored

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	4,637	5,041	5,495	5,992	6,411	6,847	7,292	7,754	21,166	28,303
Interest Expenses	962	1,059	1,287	1,377	1,582	1,704	1,849	1,983	4,685	7,117
Net Interest Income	3,676	3,982	4,208	4,615	4,829	5,143	5,443	5,771	16,481	21,186
YoY Growth (%)	35.9	34.3	31.6	33.4	31.4	29.2	29.4	25.0	33.7	28.6
Other Income	198	183	205	199	283	213	245	228	785	968
Total Income	3,874	4,165	4,413	4,814	5,112	5,356	5,688	5,999	17,266	22,155
YoY Growth (%)	41.3	38.4	35.5	33.0	32.0	28.6	28.9	24.6	36.7	28.3
Operating Expenses	1,263	1,389	1,412	1,488	1,565	1,685	1,795	1,987	5,553	7,031
Operating Profit	2,611	2,775	3,001	3,326	3,547	3,671	3,893	4,012	11,713	15,123
YoY Growth (%)	40.5	37.9	45.5	43.6	35.9	32.3	29.7	20.6	42.0	29.1
Provisions & Loan Losses	152	106	102	194	185	170	230	208	554	794
Profit before Tax	2,459	2,670	2,899	3,132	3,362	3,501	3,663	3,805	11,160	14,330
Tax Provisions	622	676	731	771	846	886	927	924	2,800	3,582
Net Profit	1,837	1,994	2,168	2,361	2,516	2,615	2,736	2,881	8,359	10,747
YoY Growth (%)	32	38	44	40	37	31	26	22	38.5	28.6

Fusion Microfinance

Neutral

CMP INR246 | TP: INR270 (+10%)

EPS CHANGE (%): FY25|26: -|-25

- Estimate AUM growth of ~14% YoY
- Margin is likely to contract ~20bp QoQ to ~14.8%
- Annualized credit costs projected at ~20% in 2QFY25
- Guidance on credit costs, margins, and disbursement trajectory to be closely monitored

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	4,790	4,968	5,400	5,761	6,213	6,151	5,782	5,610	20,919	23,755
Interest Expenses	1,835	1,910	2,015	2,149	2,234	2,245	2,155	2,018	7,908	8,653
Net Interest Income	2,955	3,058	3,386	3,612	3,979	3,905	3,626	3,592	13,011	15,103
YoY Growth (%)	58.7	26.1	34.2	30.6	34.6	27.7	7.1	-0.5	35.9	16.1
Other Income	738	745	732	991	854	860	849	1,109	3,205	3,672
Total Income	3,693	3,803	4,118	4,603	4,833	4,766	4,475	4,701	16,216	18,774
YoY Growth (%)	70.0	28.9	38.0	32.8	30.9	25.3	8.7	2.1	40.1	15.8
Operating Expenses	1,339	1,385	1,515	1,696	1,855	1,933	1,973	2,070	5,935	7,831
Operating Profit	2,354	2,418	2,603	2,907	2,978	2,832	2,502	2,631	10,281	10,943
YoY Growth (%)	95.8	29.1	41.6	31.5	26.5	17.1	-3.9	-9.5	44.3	6.4
Provisions & Loan Losses	759	762	938	1,190	3,485	5,200	1,560	921	3,649	11,166
Profit before Tax	1,595	1,656	1,665	1,717	-507	-2,368	942	1,711	6,633	-222
Tax Provisions	390	399	401	390	-151	-568	227	439	1,580	-53
Net Profit	1,205	1,257	1,265	1,327	-356	-1,800	715	1,271	5,053	-169
YoY Growth (%)	60	32	23	16	-130	-243	-43	-4	31	-103.4

Home First Finance Company

Buy

CMP INR1,184 | TP: INR1,355 (+14%)

EPS CHANGE (%): FY25|26: -1.4|-4.5

- Estimate a robust AUM growth of ~34% YoY/7% QoQ
- Margin is projected to contract ~5bp QoQ in 2QFY25
- Cost/income ratio expected to remain largely stable at ~35%
- Outlook on margins and credit cost are key monitorables

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	2,313	2,491	2,646	2,827	3,032	3,245	3,471	3,744	10,277	13,492
Interest expenses	1,068	1,170	1,302	1,459	1,568	1,687	1,797	1,905	4,999	6,956
Net Interest Income	1,246	1,321	1,344	1,368	1,464	1,558	1,674	1,839	5,278	6,535
YoY Growth (%)	32.6	30.1	21.4	22.4	17.5	17.9	24.6	34.4	26.3	23.8
Other Income	285	289	364	351	382	376	411	441	1,289	1,609
Net Income	1,530	1,610	1,708	1,719	1,846	1,934	2,085	2,280	6,567	8,145
YoY Growth (%)	40.9	36.1	35.7	24.2	20.6	20.1	22.1	32.7	33.7	24.0
Operating Expenses	553	565	611	584	655	680	749	904	2,313	2,988
Operating Profit	977	1,044	1,097	1,135	1,191	1,254	1,336	1,376	4,254	5,157
YoY Growth (%)	39.8	40.9	34.5	24.8	21.9	20.1	21.8	21.2	34.3	21.2
Provisions and Cont.	77	80	70	27	56	75	80	75	254	285
Profit before Tax	900	964	1,027	1,107	1,135	1,179	1,256	1,302	4,000	4,872
Tax Provisions	209	221	239	273	258	265	289	294	942	1,106
Net Profit	691	743	788	835	878	914	968	1,007	3,057	3,766
YoY Growth (%)	34.9	36.9	34.5	30.4	27.0	22.9	22.7	20.7	33.9	23.2

IIFL Finance**Buy****CMP INR468 | TP: INR580 (+24%)****EPS CHANGE (%): FY25 | 26: 12|0**

- Estimate AUM to decline by ~12% YoY
- Estimate PAT of INR2.4b in 2QFY25 (PQ: INR2.9b)
- Cost ratios are expected to remain stable QoQ
- Outlook on gold loan business, loan growth and margins key monitorable

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2QE	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	21,989	23,576	25,630	27,200	24,721	22,249	22,694	23,313	98,386	92,976
Interest Expenses	8,878	9,321	9,885	10,744	10,340	9,409	9,597	10,637	38,829	39,983
Net Interest Income	13,111	14,255	15,745	16,456	14,381	12,840	13,096	12,676	59,557	52,993
YoY Growth (%)	48.9	44.7	44.7	38.9	9.7	-9.9	-16.8	-23.0	43.6	-11.0
Other Income	1,306	1,878	1,120	-873	-43	640	1,830	1,953	3,342	4,380
Total Income	14,417	16,134	16,865	15,584	14,338	13,479	14,927	14,629	62,899	57,373
YoY Growth (%)	20	26	26	10	-1	-16	-11	-6	20.4	-8.8
Operating Expenses	6,332	6,772	7,272	7,691	7,461	7,161	7,478	7,761	28,067	29,861
Operating Profit	8,085	9,361	9,593	7,893	6,877	6,318	7,449	6,867	34,832	27,512
YoY Growth (%)	18.4	29.0	24.9	-1.6	-14.9	-32.5	-22.3	-13.0	16.9	-21.0
Provisions & Loan Losses	1,901	2,526	2,430	2,356	2,516	2,465	2,589	2,691	9,113	10,261
Profit before Tax	6,184	6,835	7,163	5,537	4,362	3,853	4,861	4,176	25,719	17,252
Tax Provisions	1,455	1,580	1,711	1,231	980	935	984	1,125	5,977	4,023
PAT (Pre NCI)	4,729	5,255	5,452	4,306	3,382	2,918	3,877	3,052	19,742	13,228
NCI	475	513	548	572	501	491	481	527	2,107	2,000
PAT (Post NCI)	4,254	4,743	4,904	3,734	2,881	2,427	3,396	2,525	17,635	11,228
YoY Growth (%)	29	25	30	-10	-32	-49	-31	-32	18	-36

L&T Finance Holdings**Buy****CMP INR188 | TP: INR225 (+20%)****EPS CHANGE (%): FY25 | 26: -3.0|-6.1**

- Expect consolidated loan book growth of 4% QoQ
- Anticipate credit costs to expand to ~2.6% (annualized) in 2QFY25 (vs. ~2.5% in 1QFY25)
- NIM is expected to decline ~10bp to ~11.1% QoQ
- Outlook on the MFI business is the key monitorable

Quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	31,165	31,685	33,063	33,226	34,526	36,080	38,605	41,847	1,29,139	1,51,059
Interest Expenses	13,638	13,249	13,534	13,351	13,514	13,852	14,822	17,765	53,772	59,953
Net Interest Income	17,527	18,436	19,529	19,875	21,012	22,228	23,784	24,082	75,367	91,106
Change YoY (%)	14.3	11.9	7.2	12.6	19.9	20.6	21.8	21.2	11.4	20.9
Other Operating Income	1,068	453	2,277	3,492	3,318	2,786	1,310	411	6,667	7,825
Net Operating Income	18,596	18,889	21,805	23,367	24,330	25,014	25,094	24,493	82,034	98,930
Change YoY (%)	11.7	7.5	12.9	31.9	30.8	32.4	15.1	4.8	15.1	20.6
Other income	1,535	2,682	473	56	2	536	1,750	2,219	4,745	4,508
Total Income	20,130	21,572	22,278	23,422	24,332	25,550	26,844	26,713	86,779	1,03,439
Change YoY (%)	11.1	15.0	11.9	18.7	20.9	18.4	20.5	14.0	13.4	19.2
Operating Expenses	7,782	8,598	8,896	9,803	9,656	10,231	10,497	11,106	35,079	41,490
Change YoY (%)	18.3	25.2	19.9	24.6	24.1	19.0	18.0	13.3	22.1	18.3
Operating Profits	12,348	12,974	13,382	13,619	14,676	15,319	16,346	15,607	51,701	61,948
Change YoY (%)	6.9	9.1	7.2	7.3	18.9	18.1	22.1	14.6	6.3	19.8
Provisions	5,212	5,000	5,142	6,679	5,453	5,967	6,745	6,037	21,410	24,202
Profit before Tax	7,136	7,974	8,240	6,940	9,223	9,353	9,601	9,569	30,290	37,746
Tax Provisions	1,831	2,032	1,847	1,410	2,370	2,385	2,448	2,233	7,119	9,437
Profit after tax	5,309	5,951	6,402	5,539	6,855	6,968	7,153	7,336	23,171	28,310
Change YoY (%)	103	47	41	11	29	17	12	32	43	22

LIC Housing Finance**Buy****CMP INR659 | TP: INR830 (+26%)****EPS CHANGE (%): FY25|26: -1.0|0.3**

- Expect loan growth of ~6% YoY with a fairly stable mix
- Estimate annualized credit costs of ~45bp in 2QFY25 vs. ~20bp in 1QFY25
- Yields are expected to expand on a sequential basis, leading to ~5bp expansion in NIMs
- Commentaries on mortgage demand, and guidance on margins and loan growth are the key monitorables

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	67,037	67,066	67,437	68,875	67,391	68,537	70,319	71,311	2,70,416	2,77,558
Interest Expenses	44,942	46,000	46,465	46,499	47,501	48,166	49,225	49,990	1,83,907	1,94,881
Net Interest Income	22,094	21,066	20,972	22,376	19,891	20,371	21,094	21,321	86,509	82,677
YoY Growth (%)	37.2	81.2	30.6	12.4	-10.0	-3.3	0.6	-4.7	36.7	-4.4
Fees and other income	429	521	488	493	446	625	585	550	1,931	2,206
Net Income	22,523	21,587	21,460	22,869	20,337	20,997	21,679	21,871	88,440	84,883
YoY Growth (%)	36.4	79.1	30.6	12.8	-9.7	-2.7	1.0	-4.4	36.3	-4.0
Operating Expenses	2,425	2,595	2,615	3,829	2,621	2,805	2,917	3,792	11,463	12,135
Operating Profit	20,098	18,993	18,845	19,041	17,715	18,192	18,762	18,079	76,976	72,748
YoY Growth (%)	38.8	101.1	39.0	8.7	-11.9	-4.2	-0.4	-5.1	40.0	-5.5
Provisions and Cont.	3,608	4,192	4,358	4,279	1,431	3,291	3,620	3,269	16,437	11,611
Profit before Tax	16,490	14,801	14,487	14,762	16,285	14,901	15,142	14,810	60,539	61,137
Tax Provisions	3,253	2,920	2,858	3,854	3,282	2,935	2,983	2,843	12,885	12,044
Net Profit	13,237	11,881	11,629	10,908	13,002	11,966	12,159	11,966	47,654	49,093
YoY Growth (%)	43	290	142	-8	-2	1	5	10	65	3

Mahindra Financial Services**Buy****CMP INR331 | TP: INR395 (+19%)****EPS CHANGE (%): FY25|26: -8.4|0.6**

- Estimate disbursements of ~INR140b, leading to AUM of ~INR1.1t (up 21% YoY/ ~6% QoQ)
- We expect ~10bp QoQ contraction in margin
- Estimate credit costs of ~2.2% in 2QFY25 (vs. ~1.7% QoQ)
- Commentaries on margins, credit costs, and loan growth are the key monitorables

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest income	30,349	31,535	33,733	35,471	36,122	37,675	40,124	41,950	1,31,088	1,55,871
Interest Expenses	14,505	15,665	16,750	17,351	18,286	19,218	20,275	20,875	64,269	78,654
NII	15,844	15,870	16,983	18,121	17,836	18,457	19,849	21,076	66,818	77,217
YoY Growth (%)	5.3	9.6	9.4	13.2	12.6	16.3	16.9	16.3	9.4	15.6
Other income	905	870	1,172	1,590	1,480	1,526	1,693	2,183	4,537	6,882
Net Total Income	16,750	16,740	18,155	19,710	19,316	19,983	21,541	23,259	71,355	84,099
YoY Growth (%)	6.9	8.7	10.1	14.4	15.3	19.4	18.7	18.0	10.1	17.9
Operating Expenses	6,750	7,312	7,530	7,980	7,970	8,189	8,358	8,785	29,572	33,302
Operating Profit	10,000	9,428	10,625	11,730	11,345	11,794	13,183	14,474	41,783	50,796
YoY Growth (%)	5.7	9.2	6.4	24.2	13.5	25.1	24.1	23.4	11.4	21.6
Provisions	5,264	6,266	3,284	3,415	4,482	5,982	3,011	3,053	18,228	16,528
Profit before Tax	4,735	3,163	7,341	8,315	6,864	5,812	10,172	11,421	23,555	34,268
Tax Provisions	1,209	811	1,813	2,126	1,734	1,482	2,594	2,928	5,959	8,738
Net Profit	3,527	2,352	5,528	6,190	5,130	4,330	7,578	8,492	17,596	25,530
YoY Growth (%)	58.2	-47.5	-12.1	-9.5	45.5	84.1	37.1	37.2	-11.3	45.1

Manappuram Finance**Buy****CMP INR197 | TP: INR250 (+27%)****EPS CHANGE (%): FY25|26: -4.2|-6.4**

- Expect gold AUM/consolidated AUM to grow 3% each on a sequential basis
- Factored in a margin decline of ~20bp QoQ and spreads to remain stable in the consolidated loan book
- Expect credit costs to increase ~10bp QoQ to ~2.2%
- Commentaries on gold loan growth and asset quality in the MFI and PL segments are the key monitorables

Quarterly Performance (Consolidated, INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	19,363	20,438	22,011	22,734	23,861	24,887	25,509	26,635	84,546	1,00,892
Interest Expenses	6,484	6,894	7,487	7,792	8,483	9,077	9,213	9,265	28,657	36,038
Net Interest Income	12,879	13,543	14,524	14,943	15,378	15,810	16,296	17,370	55,889	64,854
YoY Growth (%)	34.6	25.5	33.0	32.8	19.4	16.7	12.2	16.2	31.4	16.0
Other income	1,209	1,303	1,256	888	1,259	1,252	1,325	998	4,655	4,834
Net Income	14,088	14,846	15,780	15,831	16,636	17,062	17,621	18,368	60,544	69,687
Operating Expenses	6,068	6,182	6,419	6,497	6,823	6,985	7,190	7,461	25,165	28,459
Operating Profits	8,020	8,664	9,361	9,333	9,814	10,077	10,431	10,906	35,379	41,229
YoY Growth (%)	57.5	36.8	58.1	52.0	22.4	16.3	11.4	16.9	50.7	16.5
Provisions	1,212	1,197	1,496	1,878	2,286	2,504	2,518	2,492	5,783	9,800
PBT	6,808	7,467	7,864	7,455	7,528	7,574	7,913	8,414	29,595	31,429
Tax Provisions	1,828	1,861	2,111	1,820	1,963	1,975	2,057	2,239	7,621	8,234
PAT	4,980	5,607	5,753	5,635	5,565	5,599	5,856	6,175	21,974	23,195
YoY Growth (%)	77	37	46	36	12	0	2	10	46	6

MAS Financial**Buy****CMP INR288 | TP: INR360 (+25%)****EPS CHANGE (%): FY25|26: -2.1|-1.9**

- Standalone AUM is likely to grow ~4% QoQ/~19% YoY
- We expect credit costs to increase by ~10bp to ~1.1%
- Margin is expected to expand ~25bp QoQ to ~7.1%
- Commentary on branch expansions and increase in the direct business are the key monitorables

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue from Operations	2,801	2,982	3,206	3,295	3,465	3,706	4,013	4,241	12,246	15,424
Interest Income	2,362	2,490	2,651	2,757	2,952	3,099	3,347	3,542	10,223	12,940
Gain on assignments	242	272	319	336	304	340	381	437	1,170	1,462
Other operating Income	196	219	236	202	210	266	285	262	853	1,023
Interest expenses	1,428	1,461	1,638	1,615	1,714	1,834	2,018	2,109	6,142	7,675
Total income	1,373	1,520	1,569	1,680	1,751	1,871	1,995	2,132	6,104	7,749
Growth Y-o-Y (%)	30	28	27	33	27	23	27	27	29	27
Operating Expenses	427	484	467	555	567	601	637	678	1,894	2,484
Operating Profits	946	1,036	1,102	1,125	1,183	1,270	1,358	1,454	4,210	5,265
Growth Y-o-Y (%)	34	34	35	27	25	23	23	29	33	25
Provisions	188	236	257	214	239	280	322	334	896	1,176
Profit before tax	758	800	845	911	944	990	1,036	1,119	3,314	4,089
Growth Y-o-Y (%)	22	22	25	29	25	24	23	23	25	23
Tax Provisions	186	200	221	230	240	247	259	284	837	1,030
Net Profit	573	600	624	681	704	742	777	835	2,478	3,058
Growth Y-o-Y (%)	23	22	24	23	23	24	24	23	23	23

Muthoot Finance**Neutral**

CMP INR 1,956 | TP: INR1,800 (-8%)

EPS CHANGE (%): FY25|26: 0.0|1.8

- Estimate gold AUM growth of ~4% QoQ
- Margin is likely to contract 20bp to ~11.6%.

- We expect stable credit costs of ~20bp
- Commentaries on gold loan growth and margin guidance are the key monitorables

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	29,577	30,147	31,176	33,575	36,560	39,009	39,985	40,705	1,24,476	1,56,259
Other operating income	410	450	501	514	478	517	551	572	1,874	2,118
Total Operating income	29,987	30,597	31,677	34,089	37,038	39,527	40,536	41,277	1,26,350	1,58,377
YoY Growth (%)	19.8	22.5	19.1	19.5	23.5	29.2	28.0	21.1	20.2	25.3
Other income	276	139	80	95	63	132	84	121	590	400
Total Income	30,263	30,736	31,757	34,184	37,101	39,659	40,619	41,398	1,26,940	1,58,777
YoY Growth (%)	20.6	22.8	19.1	19.4	22.6	29.0	27.9	21.1	20.4	25.1
Interest Expenses	10,638	11,563	12,119	12,228	13,511	14,727	15,464	16,189	46,548	59,891
Net Income	19,625	19,173	19,638	21,956	23,590	24,932	25,156	25,209	80,393	98,886
Operating Expenses	5,620	5,751	5,696	6,861	6,437	6,952	7,160	7,534	23,927	28,083
Operating Profit	14,006	13,422	13,942	15,095	17,153	17,980	17,995	17,675	56,466	70,803
YoY Growth (%)	36.8	16.9	10.4	16.9	22.5	34.0	29.1	17.1	19.5	25.4
Provisions	860	120	137	860	2,236	450	250	-583	1,978	2,353
Profit before Tax	13,145	13,302	13,805	14,236	14,917	17,530	17,745	18,258	54,488	68,450
Tax Provisions	3,394	3,392	3,532	3,673	4,130	4,505	4,561	4,380	13,991	17,576
Net Profit	9,751	9,910	10,273	10,563	10,787	13,025	13,185	13,877	40,497	50,873
YoY Growth (%)	21.6	14.3	13.9	17.0	10.6	31.4	28.3	31.4	16.6	25.6

PNB Housing Finance**Buy**

CMP INR974 | TP: INR1,235 (27%)

EPS CHANGE (%): FY25|26|: 0.7|0.2

- Loan growth is expected to be ~15% YoY
- Expect provision write-backs from recoveries in both Retail and Corporate written-off pool

- NIM is expected to remain largely stable QoQ
- Commentaries on the asset quality of the retail loan book, NIM, and credit costs are the key monitorables

Quarterly performance

(INR m)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	16,669	17,029	16,795	16,929	17,391	17,912	18,898	19,922	67,422	74,122
Interest Expenses	10,475	10,573	10,866	10,697	10,969	11,255	11,828	12,530	42,611	46,582
Net Interest Income	6,194	6,456	5,929	6,232	6,421	6,658	7,069	7,392	24,811	27,541
YoY Growth (%)	68.1	1.9	-17.3	7.2	3.7	3.1	19.2	18.6	7.8	11.0
Other income	408	765	765	1,211	930	977	1,025	1,241	3,149	4,173
Total Income	6,602	7,221	6,694	7,443	7,352	7,635	8,095	8,633	27,960	31,714
YoY Growth (%)	37.3	0.2	-16.3	18.2	11.3	5.7	20.9	16.0	6.3	13.4
Operating Expenses	1,530	1,702	1,700	1,778	1,929	1,987	2,047	2,124	6,710	8,088
YoY Growth (%)	26.0	24.4	34.7	21.1	26.1	16.8	20.4	19.5	26.3	20.5
Operating Profits	5,072	5,519	4,994	5,665	5,422	5,647	6,048	6,509	21,250	23,626
YoY Growth (%)	41.1	-5.4	-25.9	17.3	6.9	2.3	21.1	14.9	1.2	11.2
Provisions	606	448	591	66	-120	-100	200	230	1,711	211
Profit before Tax	4,467	5,071	4,403	5,598	5,542	5,747	5,848	6,278	19,539	23,415
Tax Provisions	994	1,241	1,019	1,206	1,214	1,322	1,345	1,271	4,459	5,151
Profit after tax	3,473	3,830	3,384	4,393	4,328	4,425	4,503	5,008	15,080	18,264
YoY Growth (%)	47.8	45.8	25.8	57.3	24.6	15.5	33.0	14.0	44.2	21.1

Poonawalla Fincorp**Buy****CMP INR401 | TP: INR460 (+15%)****EPS CHANGE (%): FY25|26: -2.1|-3.7**

- Expect AUM/Disbursement growth of ~41%/5% YoY
- Expect margin to contract ~15bp QoQ to ~9.8%
- Expect cost ratios to increase to ~37.2% in 2QFY25 (PQ: ~36.1%)
- Commentaries on growth in personal loans, margin, and asset quality/credit costs are the key monitorables

Quarterly Performance (Standalone)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	6,560	6,901	7,144	8,436	8,962	9,679	10,502	11,051	29,061	40,193
Interest Expenses	2,348	2,155	2,237	2,811	3,201	3,569	3,837	4,152	9,503	14,759
Net Interest Income	4,212	4,746	4,907	5,625	5,761	6,110	6,665	6,899	19,558	25,434
YoY Growth (%)	77.8	73.3	62.9	48.1	36.8	28.7	35.8	22.6	58.9	30.0
Other Income	563	539	594	782	997	905	970	608	2,478	3,479
Total Income	4,775	5,285	5,501	6,407	6,758	7,015	7,635	7,507	22,036	28,914
YoY Growth (%)	70.3	57.1	52.8	57.0	46.9	32.7	38.8	17.2	54.7	31.2
Operating Expenses	1,834	1,929	1,998	2,313	2,436	2,607	2,737	2,696	8,074	10,476
Operating Profit	2,941	3,356	3,502	4,094	4,321	4,408	4,897	4,811	13,962	18,437
YoY Growth (%)	185.0	167.0	124.8	103.1	46.9	31.3	39.8	17.5	128.8	32.1
Provisions & Loan Losses	266	281	-65	239	425	489	464	212	720	1,590
Profit before Tax	2,676	3,075	3,568	3,855	3,897	3,919	4,433	4,599	13,242	16,848
Exceptional items		6,560				0			6,560	0
Tax Provisions	674	775	916	538	980	941	1,020	935	2,907	3,875
PAT (excl. exceptional)	2,002	2,300	2,651	3,317	2,916	2,979	3,414	3,664	10,335	12,973
PAT (incl. exceptional)	2,002	8,861	2,651	3,317	2,916	2,979	3,414	3,664	16,896	12,973
YoY Growth (%)	86.0	76.7	76.3	83.6	45.7	29.5	28.7	10.5	73.9	25.5

Repco Home Finance**Neutral****CMP INR534 | TP: INR580 (9%)****EPS CHANGE (%): FY24|25|26: -0.2|1.7**

- Disbursements/AUM expected to grow ~7%/8% YoY
- Margin are likely to expand ~5bp QoQ to ~5.45%
- Expect asset quality to continue to improve, resulting in provision write-backs in the quarter
- Commentaries around asset quality and guidance on disbursements/AUM growth are the key monitorables

Quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	3,572	3,770	3,787	3,831	4,007	4,118	4,203	4,261	14,960	16,589
Interest Expenses	2,026	2,075	2,153	2,203	2,330	2,395	2,448	2,486	8,456	9,658
Net Income	1,546	1,695	1,635	1,628	1,677	1,723	1,755	1,776	6,504	6,931
YoY Growth (%)	16.5	23.6	17.8	10.5	8.5	1.6	7.4	9.1	17.0	6.6
Other income	93	69	145	141	155	160	170	142	448	627
Total Income	1,639	1,765	1,779	1,769	1,833	1,883	1,925	1,918	6,952	7,558
YoY Growth (%)	15.7	18.9	18.7	11.9	11.8	6.7	8.2	8.4	16.2	8.7
Operating Expenses	392	426	410	483	452	470	489	534	1,710	1,946
YoY Growth (%)	15.7	24.4	2.9	27.6	15.4	10.3	19.5	10.8	17.3	13.8
Operating Profits	1,247	1,338	1,370	1,287	1,380	1,412	1,436	1,383	5,242	5,612
YoY Growth (%)	15.7	17.3	24.5	6.9	10.7	5.5	4.8	7.5	15.9	7.1
Provisions	50	16	29	-100	14	-35	-35	-62	-5	-118
Profit before Tax	1,198	1,322	1,341	1,387	1,366	1,447	1,472	1,446	5,247	5,730
Tax Provisions	307	341	346	306	312	362	383	365	1,300	1,421
Profit after tax	891	981	994	1,081	1,054	1,085	1,089	1,081	3,947	4,309
YoY Growth (%)	43.5	37.9	23.1	31.6	18.4	10.6	9.5	0.0	33.3	9.2
Loan growth (%)	6.7	7.1	8.1	8.5	8.3	8.4	8.7	8.8	9.0	10.3
Cost to Income Ratio (%)	23.9	24.2	23.0	27.3	24.7	25.0	25.4	27.9	24.6	25.8
Tax Rate (%)	25.6	25.8	25.8	22.1	22.8	25.0	26.0	25.3	24.8	24.8

Shriram Finance**Buy****CMP INR3,572 | TP: INR4,100 (+15%)****EPS CHANGE (%): FY25|26: -0.7|-2.3**

- Estimate disbursements of ~INR403b, leading to AUM of ~INR2.43t (up 20% YoY/ ~4% QoQ)
- Margin is expected to expand ~5bp QoQ to 9.2%
- Credit cost is likely to increase ~20bp QoQ to 2.3%
- Commentaries on loan growth in CV and on asset quality in 2W and PL segments are the key monitorables

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	76,880	82,166	86,179	90,773	93,628	97,841	1,02,538	1,07,798	3,35,997	4,01,804
Interest Expenses	34,875	36,219	37,069	39,898	41,289	43,023	45,260	47,607	1,48,061	1,77,180
Net Interest Income	42,004	45,947	49,110	50,874	52,339	54,818	57,277	60,190	1,87,935	2,24,624
YoY Growth (%)	20.0	21.6	17.1	21.7	24.6	19.3	16.6	18.3	17.0	19.5
Other Income	3,167	3,479	3,094	4,206	2,343	3,825	3,594	4,950	13,980	14,712
Total Income	45,171	49,426	52,204	55,080	54,682	58,643	60,871	65,141	2,01,915	2,39,336
YoY Growth (%)	22.0	17.9	16.2	21.7	21.1	18.6	16.6	18.3	17.0	18.5
Operating Expenses	13,908	14,618	15,311	16,024	16,140	17,103	17,761	19,221	59,895	70,224
Operating Profit	31,262	34,808	36,893	39,056	38,541	41,540	43,110	45,920	1,42,020	1,69,112
YoY Growth (%)	17.3	16.3	11.7	26.8	23.3	19.3	16.9	17.6	15.1	19.1
Provisions & Loan Losses	8,786	11,286	12,497	12,615	11,876	13,696	14,428	15,673	45,183	55,673
Profit before Tax	22,476	23,523	24,396	26,441	26,666	27,844	28,682	30,247	96,836	1,13,439
Tax Provisions	5,722	6,014	6,213	6,983	6,860	7,239	7,601	7,227	24,932	28,927
Net Profit	16,754	17,508	18,183	19,459	19,806	20,605	21,081	23,020	71,905	84,512
YoY Growth (%)	30.8	12.6	2.3	48.7	18.2	17.7	15.9	18.3	20.3	17.5

Spandana Sphoorty**Buy****CMP INR588 | TP: INR675 (+15%)****EPS CHANGE (%): FY25|26: -83.9|-29.9**

- Estimate disbursements of ~INR19b, leading to AUM of ~INR111b (~AUM growth of 13% YoY)
- Margin is likely to contract ~180bp QoQ to ~14.1%
- Annualized credit costs to increase to 15.7% (PQ: 7.8%)
- Guidance on credit costs, margins, and AUM growth to be closely monitored

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Interest Income	4,929	5,436	5,663	6,352	6,935	6,172	6,234	6,412	22,381	25,754
Interest Expenses	1,995	2,277	2,502	2,493	2,594	2,490	2,440	2,393	9,268	9,916
Net Interest Income	2,934	3,159	3,161	3,859	4,342	3,682	3,794	4,019	13,113	15,837
YoY Growth (%)	99.3	70.6	45.7	42.8	48.0	16.6	20.0	4.1	60.0	20.8
Other Income	344	966	905	744	435	1,002	951	873	2,959	3,260
Total Income	3,277	4,125	4,067	4,603	4,776	4,685	4,745	4,892	16,072	19,097
YoY Growth (%)	102.2	88.5	59.9	19.9	45.7	13.6	16.7	6.3	57.7	18.8
Operating Expenses	1,386	1,549	1,662	1,943	1,908	2,040	2,196	2,372	6,540	8,516
Operating Profit	1,891	2,576	2,405	2,660	2,869	2,644	2,549	2,520	9,532	10,582
YoY Growth (%)	273.5	134.1	71.0	2.0	51.7	2.7	6.0	-5.3	69.6	11.0
Provisions & Loan Losses	286	901	701	938	2,118	4,085	1,838	1,328	2,826	9,369
Profit before Tax	1,605	1,675	1,703	1,722	751	-1,441	710	1,193	6,706	1,212
Tax Provisions	411	423	429	435	193	-375	179	309	1,699	307
Net Profit	1,195	1,252	1,274	1,287	557	-1,067	531	884	5,007	906
YoY Growth (%)	-154.4	126.9	78.5	21.9	-53.4	-185.2	-58.3	-31.3	3,940.0	-81.9

Financials – Non Lending

Company

Angel One

BSE

CAMS

ICICI Lombard

360ONE WAM

MCX

Star Health

HDFC Life

IPRU Life

SBI Life

Max Financials

Growth saga of capital markets-linked companies continues

GI players to report modest growth; VNB margins to expand

- Equity indices continued to scale new heights in 2QFY25, with Nifty surpassing 26,000 and Sensex exceeding 85,000. The positive market sentiment and higher trading days contributed to a sustained upward trajectory in key parameters (volumes, orders, client additions, etc.) for capital markets-related companies. Angel One and BSE continue to benefit from the current trends. However, SEBI's new F&O segment regulations are expected to impact these trends from the end of 3QFY25.
- In the AMC sector, Jul'24 recorded the highest-ever net equity inflows. Equity AUM rose 59% YoY in Aug'24, driven by an all-time high trajectory of SIP flows (~INR235b in Aug'24). Growth across all segments, especially equity and money market AUM, led to 20% growth in the total MF AUM (over Mar'24-Aug'24). The strong growth momentum in equity AUM is expected to boost the performance of CAMS and 360ONE.
- Private life insurance companies posted 18%/9% growth in APE in Jul'24/Aug'24. For Sep'24, we expect industry growth to remain stable. In VNB margins, we expect steady or improving trends QoQ on account of the rising share of protection and annuity in the mix along with scale benefits.
- Excluding crop, the general insurance sector witnessed single-digit GWP growth of 6% in Jul'24 and Aug'24. Growth in the health segment was tepid at 2%/10% YoY in Jul'24/Aug'24. Further, the motor segment experienced a modest growth of 10%/6% YoY in Jul'24/Aug'24. NATCAT claims during the quarter are expected to keep the loss ratios elevated. We expect STARHEAL and ICICIGI to report improvement in profitability on account of operational efficiency.
- We remain positive on the long-term growth potential of non-lending financials, given their broader themes of financialization and digitization of savings. Our top picks in this space are ANGELONE, SBILIFE, and STARHEAL. While we maintain a positive view on the capital market sector, the impact of F&O regulations will keep stock performances in check in the short term.

4m+ demat additions MoM; cash ADTO declines from peak and F&O volumes continue to inch up

- Cash ADTO has witnessed a declining MoM trajectory during the quarter with a decline of 9%/10%/4% MoM in Jul'24/Aug'24/Sep'24. While futures volumes declined from Jul'24 levels, options experienced growth during the second half of 2QFY25, resulting in F&O ADTO growth of -0.1%/1%/7% in Jul'24/Aug'24/Sep'24.
- BSE's market share in the options segment continues to scale up, reaching 27%/13.3% in notional/premium turnover vs. 22%/8.7% in Jun'24.
- Incremental demat account additions have been above 4m throughout the quarter, recording 4.2m in Jul'24, 4.5m in Aug'24, and 4.2m in Sep'24 (average 3.3m per month in 1QFY25).
- MCX has maintained strong growth momentum, especially in options volumes, during 2QFY25. Futures ADTO increased from INR259b in 1QFY25 to INR270b in 2QFY25 (up 4% QoQ). Options ADTO increased from INR1.47t in 1QFY25 to INR1.94t in 2QFY25 (up 32% QoQ).

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- SEBI issued a circular on 1st Oct'24 announcing the much anticipated regulations to curb F&O volumes. Most of the measures are similar to the ones announced in the Jul'24 consultation paper. The regulations will be partially implemented from Nov'24, leading to a visible impact on volumes from Dec'24.
- Angel One has introduced brokerage for equity delivery (Lower of INR20 per order or 0.1%), along with various other price revisions, effective from 1 Oct'24. This will likely offset the impact of True to Label regulations, which took effect on 1st Oct'24.
- Adhering to the True to Label regulations, BSE has revised its pricing structure from slab-based to uniform fee for F&O transactions with effect from 1 Oct'24. The transaction charges would be INR3,250 per crore of premium turnover for Sensex and Bankex option contracts, INR500 per crore of premium turnover for other options, and INR0 for futures.

Life Insurance: Mixed performance across players; VNB margins to expand

- Private life insurance companies experienced 18%/9% growth in APE in Jul'24/Aug'24. For Sep'24, we expect industry to report stable growth momentum. SBILIFE/HDFCLIFE/IPRU/MAXLIFE registered APE growth of 3%/25%/10%/26% in Jul'24-Sep'24.
- In VNB margins, we expect improving QoQ trends. While the share of ULIPs has been increasing, the demand for annuity, non-par (QoQ), and protection remains strong, especially with the launch of a range of new products. This can increase the share of non-par products in the mix, offsetting the ULIP share and leading to the expansion of VNB margins.
- For FY25, the impact of changes in product and commission constructs from Oct'24 (following the implementation of new surrender regulations) remains a key monitorable.

General insurance: Modest growth; NATCAT claims to impact profitability

- Excluding crop, the general insurance sector witnessed modest GWP growth of 6% in Jul'24 and Aug'24. Growth in the health segment slowed down at 2%/10% YoY in Aug/Sep'24 (16% in 1QFY25). The motor segment was impacted by low automobile sales and grew 10%/6% YoY in Jul'24/Aug'24 (12% in 1QFY25).
- For ICICIGI, premium growth in Jul'24/Aug'24 outpaced the industry at 16%/10% YoY. This was driven by a stable market share in the motor segment and expanding market share in the health segment.
- For Jul'24/Aug'24, STARHEAL experienced consistent premium growth of 15% YoY, driven by stable retail growth of 14% and strong group health growth of 31%/41% (on a lower base).
- Opex ratios are projected to benefit from the operating leverage. However, NATCAT claims are likely to keep loss ratios elevated.

SIP flows at an all-time high; strong equity inflows driving mutual fund AUM growth

- Mutual fund AUM grew 40%/41% YoY, led by strong 59% growth in equity AUM for Jul'24/Aug'24. The strong growth was driven by buoyant net equity inflows in Jul'24 and Aug'24, with an all-time high inflow of INR1.3t in Jul'24. SIP flows reached new highs and crossed INR233b during 2QFY25.
- The share of equity AUM improved ~20bp in Jul'24 and ~10bp in Aug'24, reaching 57.7%.
- This is expected to translate into a healthy operating performance for CAMS and 360 ONE in 2QFY25.

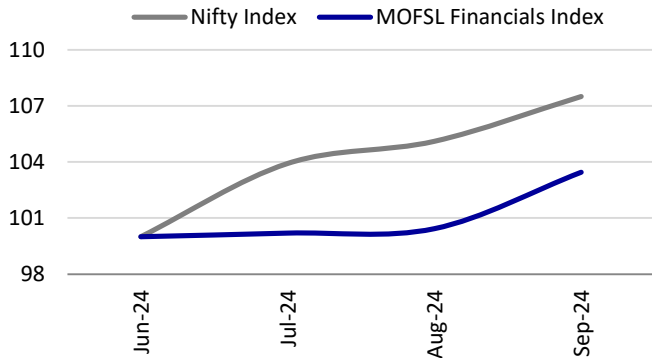
Exhibit 1: Quarterly Performance

Sector	CMP (INR)	Rating	Revenue/APE/Gross Prem (INR m)			EBITDA/UP/PBT/VNB (INR m)			Net Profit (INR m)		
			Sept'24	Variance YoY (%)	Variance QoQ (%)	Sept'24	Variance YoY (%)	Variance QoQ (%)	Sept'24	Variance YoY (%)	Variance QoQ (%)
Angel One	2,600	BUY	9,996	48.2	9.2	5,446	33.7	37.3	4,017	31.9	37.3
360 One	1,014	BUY	6,311	47.8	5.1	3,592	68.6	7.1	2,962	59.1	21.5
CAMS	4,576	BUY	3,447	25.3	4.0	1,601	31.1	6.9	1,145	36.7	7.1
BSE	3,859	Neutral	7,104	125.9	16.9	3,214	127.1	13.2	2,886	146.8	9.2
MCX	5,825	BUY	2,729	65.3	16.5	1,724	NA	30.1	1,430	NA	28.9
Star Health	605	BUY	43,288	16.0	24.5	-892	NA	NA	1,566	25.0	-50.9
ICICI Lombard	2,157	BUY	71,504	14.0	-9.8	-1,216	NA	NA	7,098	23.0	22.3
HDFC Life	711	BUY	38,335	25.9	33.8	9,776	22.0	36.1	4,197	11.4	-12.1
ICICI Prudential	768	BUY	25,814	25.2	31.5	6,454	11.8	36.7	2,701	10.6	19.8
SBI Life	1,834	BUY	60,286	15.3	65.6	16,880	13.3	74.0	5,144	35.3	-1.0
Max Financial	1,186	Neutral	20,995	27.0	44.5	5,039	21.1	98.4	1,146	-27.0	-26.5
Non-Lending			2,89,808	21.5	20.7	51,617	31.9	47.2	34,291	34.4	3.7

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

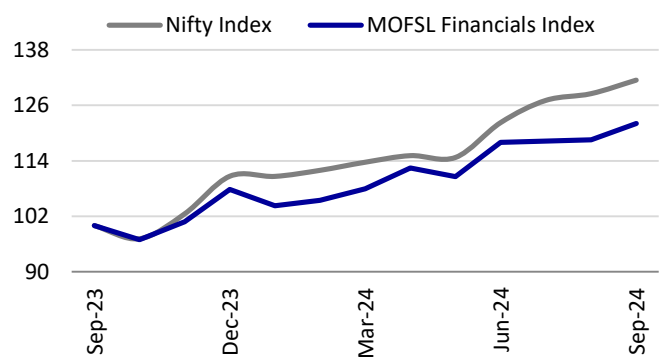
Company	Old estimates (INR)		New estimates (INR)		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Angel One	179.9	205.8	185.2	214.8	2.9%	4.4%
360 One	26.7	32.4	29.2	34.6	9.5%	6.9%
CAMS	89.3	108.3	94.5	114.0	5.8%	5.2%
BSE	85.6	97.3	85.2	96.2	-0.5%	-1.1%
MCX	102.2	137.7	109.3	142.2	6.9%	3.2%
Star Health	18.4	24.3	18.4	24.3	-0.3%	0.0%
ICICI Lombard	50.6	60.4	50.8	60.6	0.6%	0.4%
HDFC Life*	40.6	48.5	41.5	49.3	2.3%	1.7%
ICICI Pru*	27.5	32.8	27.5	32.8	0.0%	-0.1%
SBI Life*	63.5	76.1	64.0	76.6	0.8%	0.7%
Max Fin*	21.2	26.1	21.0	25.7	-1.0%	-1.6%

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



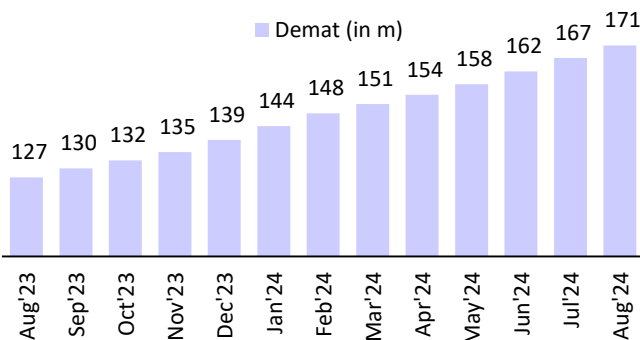
Source: Bloomberg, MOFSL

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



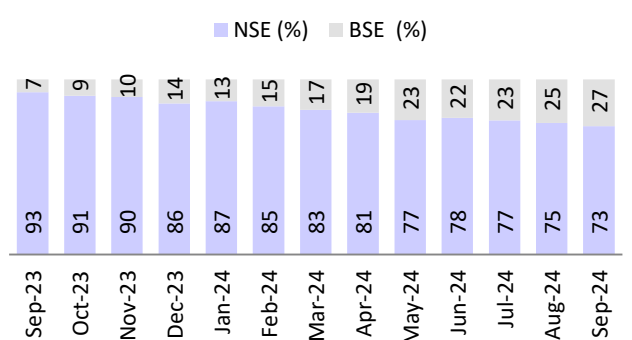
Source: Bloomberg, MOFSL

Exhibit 5: Total demat accounts surpassed 171m



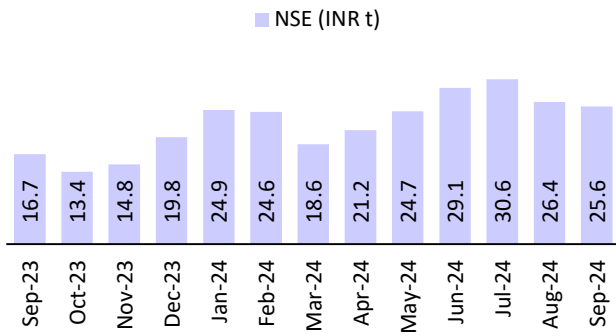
Source: NSDL, CDSL MOFSL

Exhibit 6: BSE's market share rose in notional turnover



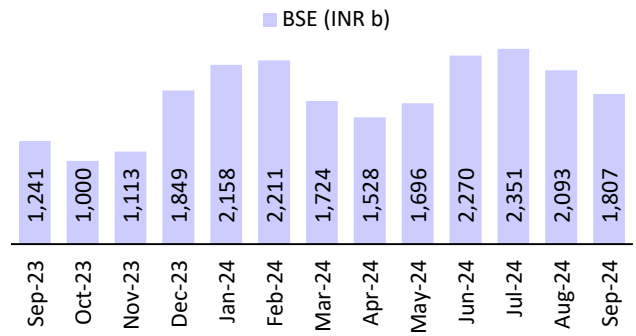
Source: NSE, MOFSL

Exhibit 7: Momentum in NSE cash volumes declined in Sept'24



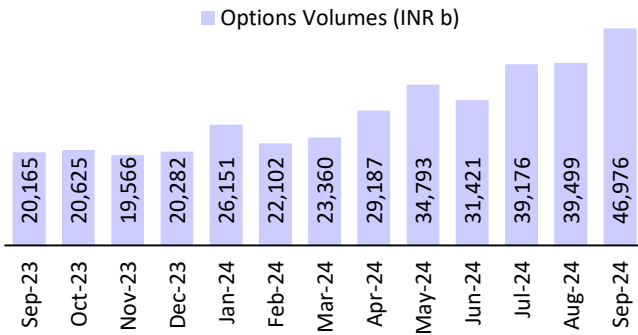
Source: NSE, MOFSL

Exhibit 8: BSE witnessed a decline in cash volumes in Sept'24



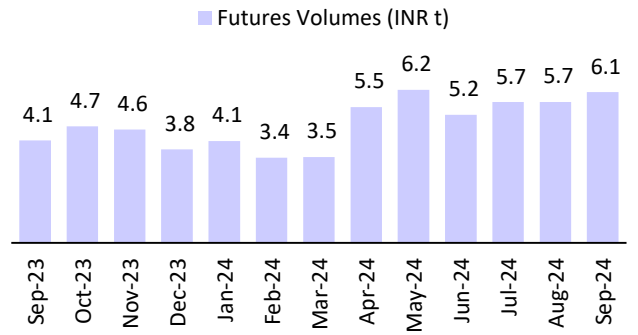
Source: BSE, MOFSL

Exhibit 9: Increase in MCX options volumes



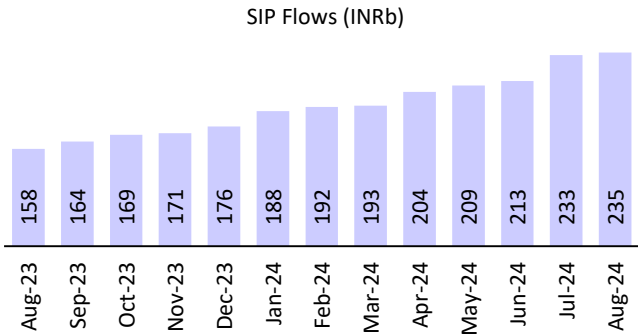
Source: MCX, MOFSL

Exhibit 10: Surge in MCX futures volumes



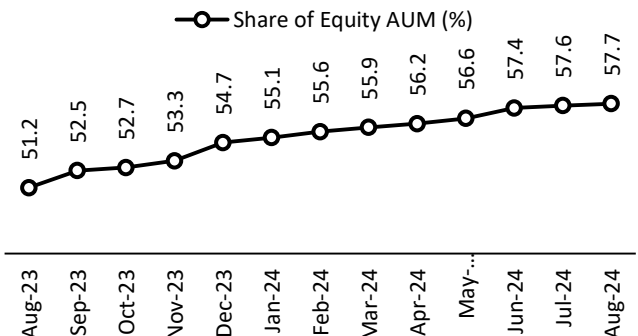
Source: MCX, MOFSL

Exhibit 11: SIP flows remained strong (INR b)



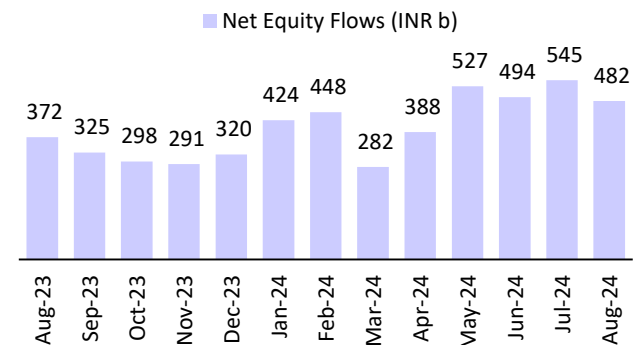
Source: AMFI, MOFSL

Exhibit 12: Share of equity AUM improved



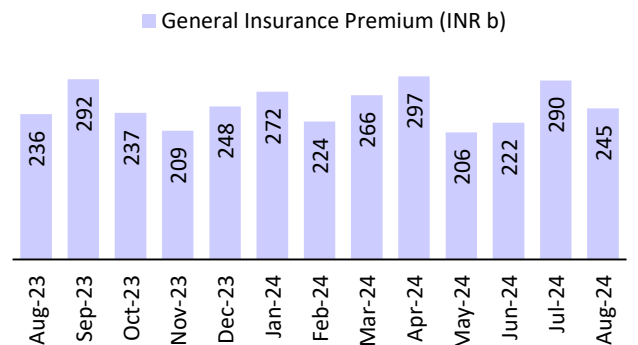
Source: AMFI, MOFSL

Exhibit 13: Net equity flows declined in Aug'24



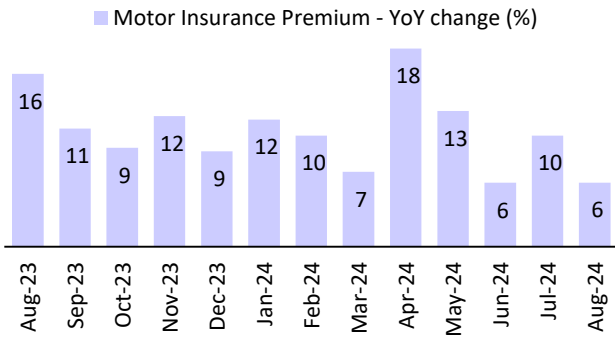
Source: AMFI, MOFSL

Exhibit 14: Steady trend in general insurance premium



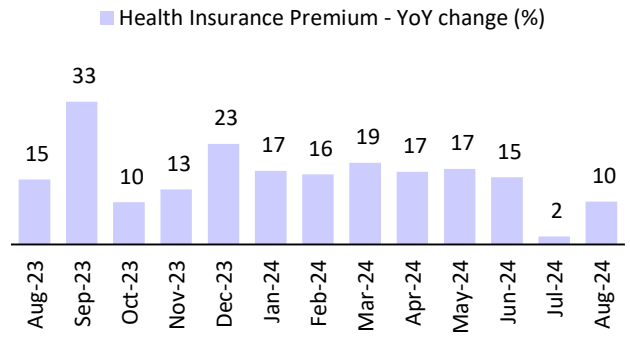
Source: GIC, MOFSL

Exhibit 15: Motor premium growth trend



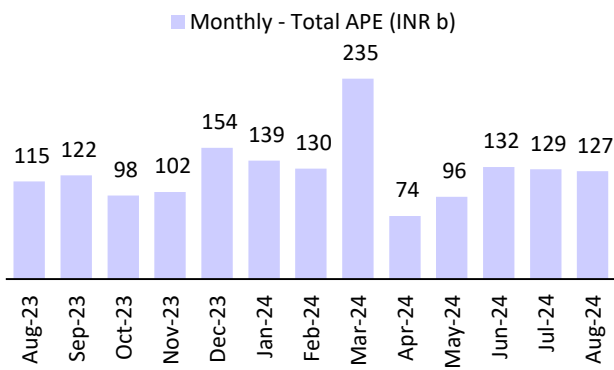
Source: GIC, MOFSL

Exhibit 16: Health segment growth trend



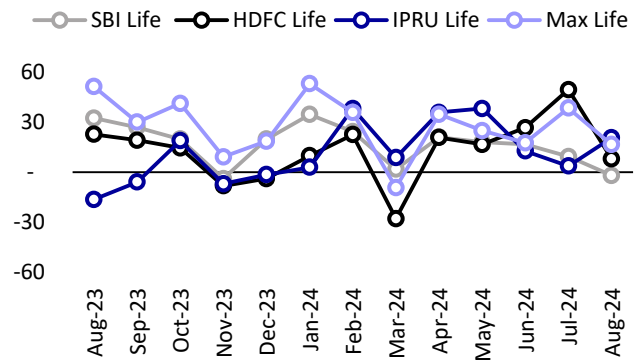
Source: GIC, MOFSL

Exhibit 17: Monthly APE for the life insurance industry (INR b)



Source: Life Insurance Council, MOFSL

Exhibit 18: Total APE YoY growth for private listed players



Source: Life Insurance Council, MOFSL

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

Angel One

Buy

CMP INR2,600 | TP: INR3,500 (+35%)

EPS CHANGE (%): FY25 | 26: +2.9 | +4.4

- Jul'24 experienced the best-ever client additions, while client additions in Aug'24 remained stable.
- The number of orders per day was strong during the quarter but below Jun'24 peak; F&O volumes growth continues.
- MTF book is expanding at a strong pace, reaching new highs every month.
- Strong client acquisitions and increased hiring costs are expected to keep the cost-to-income ratio elevated.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from Operations	5,198	6,747	6,874	8,742	9,150	9,996	10,323	10,981	27,562	40,450
Other Income	1,088	1,411	1,401	1,869	1,983	2,004	2,031	2,064	5,769	8,082
Total Income	6,286	8,158	8,275	10,611	11,133	11,999	12,354	13,044	33,331	48,531
Change YoY (%)	22.0	46.0	43.9	64.7	77.1	47.1	49.3	22.9	45.3	45.6
Operating Expenses	3,230	3,974	4,635	5,856	6,940	6,297	6,549	6,857	17,695	26,643
Change YoY (%)	21.4	49.3	75.1	114.0	114.8	58.5	41.3	17.1	65.3	50.6
Depreciation	89	112	131	167	226	256	286	316	498	1,085
PBT	2,967	4,072	3,509	4,588	3,968	5,446	5,519	5,871	15,137	20,804
Change YoY (%)	22.3	42.5	16.1	26.9	33.7	33.7	57.3	28.0	26.9	37.4
Tax Provisions	759	1,027	907	1,188	1,041	1,429	1,448	1,540	3,881	5,458
Net Profit	2,208	3,045	2,602	3,400	2,927	4,017	4,071	4,331	11,255	15,346
Change YoY (%)	21.6	42.5	13.9	27.3	32.5	31.9	56.5	27.4	26.4	36.3

CAMS

Buy

CMP INR4,576 | TP: INR5,300 (+16%)

EPS CHANGE (%): FY25 | 26: +5.8 | +5.2

- Strong equity flows during the quarter will drive revenue growth.
- Operational efficiency is expected to improve profitability.
- The share of equities continued to improve, which is expected to be favorable for yields.
- The contribution from non-MF businesses will be closely tracked, especially AIF/PMS RTA and Insurance Repository.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from Operations	2,613	2,751	2,897	3,105	3,314	3,447	3,516	3,647	11,365	13,923
Change YoY (%)	10.4	13.5	18.9	24.6	26.8	25.3	21.4	17.5	16.9	22.5
Employee Expenses	950	977	997	1,048	1,130	1,152	1,164	1,200	3,972	4,647
Total Operating Expenses	1,512	1,530	1,603	1,671	1,816	1,845	1,864	1,935	6,316	7,460
Change YoY (%)	9.0	12.2	18.4	19.2	20.1	20.6	16.3	15.8	14.7	18.1
EBITDA	1,101	1,221	1,294	1,433	1,498	1,601	1,652	1,711	5,049	6,462
Other Income	97	96	99	114	117	117	117	122	406	473
Depreciation	165	174	185	181	170	170	170	173	705	682
Finance Cost	20	20	21	21	21	21	21	18	82	82
PBT	1,012	1,124	1,187	1,346	1,424	1,527	1,578	1,642	4,668	6,171
Change YoY (%)	16.4	15.9	21.4	36.6	40.7	35.9	32.9	22.0	22.8	32.2
Tax Provisions	255	286	302	316	354	382	394	412	1,159	1,543
Net Profit	757	838	885	1,030	1,070	1,145	1,183	1,230	3,510	4,628
Change YoY (%)	17.1	16.2	20.3	38.5	41.3	36.7	33.6	19.5	23.3	31.9

360ONE WAM**Buy****CMP INR1014 | TP: INR1300 (+28%)****EPS CHANGE (%): FY25 | 26: +9.5 | +6.9**

- Revenue growth is expected to continue in both ARR and TBR segments.
- ARR yields will remain stable but overall yields are likely to decline due to TBR.
- Cost-to-income ratio is likely to improve due to economies of scale.
- Outlook and costs of new business ventures and entry into new geographies will be closely monitored.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	4,060	4,270	4,400	5,740	6,002	6,311	5,887	5,816	18,460	24,016
Change (%)	8.4	11.6	6.0	46.1	47.8	47.8	33.8	1.5	18.0	30.1
ARR Assets Income	3,240	3,110	3,390	3,580	3,756	4,027	4,129	4,151	13,310	16,063
TBR Assets Income	820	1,160	1,010	2,160	2,247	2,283	1,758	1,665	5,150	7,953
Operating Expenses	2,090	2,140	2,310	3,000	2,649	2,719	2,767	2,822	9,540	10,957
Change (%)	25.1	19.3	24.0	62.1	26.7	27.1	19.8	-5.9	32.9	14.9
Cost to Income Ratio (%)	51.5	50.1	52.5	52.3	44.1	43.1	47.0	48.5	51.7	45.6
Operating Profits	1,970	2,130	2,090	2,740	3,354	3,592	3,120	2,994	8,920	13,059
Change (%)	-5.1	4.9	-8.6	31.8	70.2	68.6	49.3	9.7	5.3	46.4
Other Income	290	140	270	500	969	260	260	261	1,200	1,750
Profit Before Tax	2,260	2,270	2,360	3,240	4,323	3,852	3,380	3,255	10,120	14,809
Change (%)	12.1	0.7	5.7	61.9	91.3	69.7	43.2	0.8	19.0	46.3
Tax	403	408	429	803	1,009	890	781	756	2,043	3,436
Tax Rate (%)	17.8	18.0	18.2	24.8	23.3	23.1	23.1	23.2	20.2	23.2
PAT	1,857	1,862	1,931	2,437	2,437	2,962	2,599	2,499	8,077	10,497
Change (%)	18.4	6.8	12.6	56.8	31.2	59.1	34.6	3.0	22.7	30.0
PAT Margins (%)	45.7	43.6	43.9	42.5	40.6	46.9	44.1	43.0	43.8	43.7

ICICI Lombard**Buy****CMP INR2,157 | TP: INR2,650 (+23%)****EPS CHANGE (%) FY25 | 26: +0.6 | +0.4**

- Market share accretion is leading to strong premium growth in the motor and health segments.
- NATCAT claims are expected to impact profitability ratios.
- Operational efficiency is expected to drive improvements in the opex and combined ratio.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Earned Premium	38,873	43,061	43,048	43,683	45,039	48,623	51,127	57,746	1,68,665	2,02,535
Total Income	45,380	50,492	50,031	51,617	53,520	57,189	59,743	65,767	1,97,521	2,36,219
Change YoY (%)	14.1	12.2	14.7	-1.8	17.9	13.3	19.4	27.4	9.2	19.6
Incurred Claims	28,815	30,451	30,141	29,987	33,344	34,765	36,300	39,735	1,19,395	1,44,144
Total Operating Expenses	42,068	44,521	45,871	46,002	48,505	49,839	53,672	59,565	1,78,462	2,11,581
Change YoY (%)	14.9	11.6	12.3	15.7	15.3	11.9	17.0	29.5	13.6	18.6
Underwriting Profit	-3,195	-1,460	-2,823	-2,319	-3,466	-1,216	-2,545	-1,819	-9,797	-9,047
Rep Net Profit	3,904	5,773	4,315	5,195	5,804	7,098	6,213	5,931	20,466	25,045
Claims Ratio	74.1	70.7	70.0	68.6	74.0	71.5	71.0	68.8	70.8	71.2
Commission Ratio	12.5	17.4	18.0	19.9	15.0	17.0	17.4	18.2	17.0	17.0
Expense Ratio	17.2	15.8	15.5	13.7	13.3	14.0	14.2	14.2	15.5	13.9
Combined Ratio	103.8	103.9	103.6	102.2	102.3	102.5	102.6	101.3	103.3	102.1

Star Health**Buy****CMP INR605 | TP: INR720 (19%)****EPS CHANGE (%): FY25|26: -0.3|+0.0**

- Retail health premium growth is likely to be in the mid-teens.
- Expense ratio is expected to improve on account of operational efficiencies.
- The combined ratio is expected to increase owing to higher claims.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Earned Premium	30,438	32,056	32,936	33,953	35,203	36,320	40,744	37,457	1,29,383	1,49,725
Total Income	31,898	33,566	34,563	35,764	36,916	38,120	42,644	39,400	1,35,790	1,57,081
Change YoY (%)	13.6	15.0	15.9	17.1	15.7	13.6	23.4	10.2	15.4	15.7
Incurred Claims	19,909	22,022	22,295	21,774	23,789	25,606	27,095	23,657	85,999	1,00,147
Total Operating Expenses	28,983	32,839	31,794	34,864	33,800	37,212	38,387	38,204	1,28,480	1,47,603
Change YoY (%)	14.5	17.0	16.0	17.1	16.6	13.3	20.7	9.6	16.2	14.9
Underwriting Profit	1,454	-784	1,142	-911	1,404	-892	2,357	-748	903	2,121
Net Profit	2,879	1,253	2,896	1,423	3,189	1,566	4,134	1,882	8,450	10,771
Claims Ratio	65.4	68.7	67.7	64.1	67.6	70.5	66.5	63.2	66.5	66.9
Commission Ratio	13.1	13.7	11.1	14.3	13.5	13.2	13.0	13.0	13.2	13.2
Expense Ratio	19.3	16.8	19.0	14.4	18.1	16.2	16.1	14.1	17.0	15.8
Combined Ratio	97.8	99.2	97.8	92.8	99.2	99.9	95.6	90.3	96.7	95.9

BSE**Neutral****CMP INR3,859 | TP: INR4,000 (4%)****EPS CHANGE (%) FY25|26: -0.5|-1.1**

- Transaction revenue is expected to witness strong growth, backed by strong volumes across segments.
- Stringent regulations are expected to impact volumes but improve the premium/turnover ratio.
- The MF transaction income is likely to improve, driven by a spike in BSE STAR MF transactions.
- An increase in contribution to core SGF is expected to impact profitability.

Cons. Quarterly Perf.**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from Operations	2,153	3,144	3,717	4,885	6,078	7,104	7,302	7,333	13,902	27,818
YoY Change (%)	15.2	59.0	82.2	115.2	181.9	125.9	96.5	50.1	70.5	100.1
Total Expenditure	1,595	1,729	2,796	3,923	3,239	3,890	3,826	4,114	9,904	15,069
EBITDA	558	1,415	921	962	2,839	3,214	3,476	3,220	3,999	12,749
Margins (%)	25.9	45.0	24.8	19.7	46.7	45.2	47.6	43.9	28.8	45.8
Depreciation	214	227	249	265	240	275	285	323	954	1,122
Interest	65	85	0	0	0	38	38	37	151	113
Investment Income	556	525	598	600	666	650	675	677	2,279	2,668
PBT before EO Expense	835	1,628	1,271	1,297	3,266	3,551	3,828	3,537	5,173	14,182
Exceptional items	4,048	-13	-16	-17	0	-16	-16	-16	3,611	-48
PBT	4,883	1,615	1,255	1,280	3,266	3,535	3,812	3,521	8,783	14,134
Tax	762	636	371	470	851	884	953	880	1,848	3,568
Rate (%)	16	39	30	37	26	25	25	25	21	25
P/L of Asso. Cos.	119	190	165	244	227	235	245	262	719	970
Reported PAT	4,240	1,170	1,049	1,054	2,643	2,886	3,104	2,903	7,654	11,536
Adj PAT	823	1,177	1,060	1,064	2,643	2,898	3,116	2,915	4,320	11,572
YoY Change (%)	960	298	379	19	-40	147	196	176	272	51
Margins (%)	38.2	37.4	28.5	21.8	43.5	40.8	42.7	39.7	55.1	41.5

MCX**Buy****CMP INR5,825 | TP: INR 6,700(+15%)****EPS CHANGE (%): FY25 |26: +6.9|+3.2**

- Strong volume growth recorded, with new highs achieved every month.
- Options volumes witnessed a significant spike, led by high volatility in commodity prices.
- Costs are expected to remain stable while revenue growth will drive margin improvement and profitability.

Quarterly Performance**(INR m)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	1,458	1,651	1,915	1,811	2,344	2,729	2,821	2,872	6,835	10,766
Y-o-Y Gr. (%)	34.0	29.6	33.4	35.4	60.8	65.3	47.3	58.6	33.1	57.5
EBITDA	107	-287	-197	1,020	1,326	1,724	1,794	1,818	643	6,661
Tax	58	16	-91	205	273	357	373	384	189	1,388
Rate (%)	21.6	-9.9	68.3	19.3	19.8	20.0	20.0	20.1	18.2	20.0
Profit from Associate	-13	-10	-11	19	4	0	0	0	-15	4
PAT	197	-191	-54	878	1,109	1,430	1,493	1,524	831	5,556
Y-o-Y Gr. (%)	-53	-130	-114	1,512	464	-850	-2,891	74	-44	569
EPS (INR)	3.9	-3.7	-1.1	17.3	21.8	28.1	29.3	30.0	16.3	108.9
Total Volumes (INR t)	51.8	67.0	73.6	82.7	112.3	143.2	146.0	149.5	275.0	551.0
Y-o-Y Gr. (%)	80.7	86.3	80.6	97.1	116.8	113.8	98.5	80.9	86.7	100.4

HDFC Life**Buy****CMP: INR711 | TP: INR900(27%)****VNB CHANGE (%): FY25 |26: +2.3|+1.7**

- New business premium is expected to experience strong growth, driven by the Annuity and Par segments.
- VNB margins are expected to expand QoQ with robust VNB growth.
- Improvement in persistency ratio and commentary on growth outlook are key monitorables.
- The share of HDFC Bank in the distribution mix and the outlook ahead will be critical.

Quarterly Performance (INR b)**Policy Holder's A/c (INR b)**

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
First Year Premium	18.5	25.7	26.8	40.1	23.6	32.2	33.5	44.8	111.1	134.1
Growth (%)	8.4%	5.9%	-1.7%	-10.1%	27.4%	25.5%	25.2%	11.7%	-1.9%	20.7%
Renewal Premium	58.0	78.4	84.0	114.1	64.1	103.1	103.1	142.1	334.5	412.4
Growth (%)	13.8%	13.5%	16.8%	23.3%	10.5%	31.5%	22.8%	24.6%	17.6%	23.3%
Single Premium	40.2	45.4	44.5	55.2	40.4	52.0	54.1	70.0	185.2	216.5
Growth (%)	24.0%	14.7%	-4.6%	-6.6%	0.6%	14.6%	21.6%	26.9%	4.3%	16.9%
Gross Premium Inc.	116.7	149.4	155.3	209.4	128.1	187.3	190.8	256.9	630.8	763.0
Growth (%)	16.2%	12.5%	6.5%	6.7%	9.7%	25.3%	22.9%	22.7%	9.6%	21.0%
Surplus/(Deficit)	4.2	3.8	3.7	4.1	4.8	4.2	4.2	3.7	15.7	17.0
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	12.6%	16.2%	-9.9%	15%	8.2%
PAT	4.2	3.8	3.7	4.1	4.8	4.2	4.6	4.7	15.7	18.2
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	11.4%	25.0%	14.6%	15.3%	16.3%
Key Metrics (INRb)										
New Business APE	23.3	30.5	31.9	47.3	28.7	38.3	39.9	52.8	129.6	159.7
Growth (%)	12.8	6.8	-2.1	-8.4	23.1	25.9	25.1	11.7	-1.0%	23.2%
VNB	6.1	8.0	8.6	12.3	7.2	9.8	10.4	14.2	35.0	41.5
Growth (%)	17.8	4.0	-2.2	-18.3	17.7	22.0	21.3	15.0	-4.7%	18.6%
AUM (INR b)	2,533	2,649	2,797	2,922	3,102	3,242	3,388	3,631	2,922	3,631
Growth (%)	18.7	17.8	19.6	22.4	22.5	22.4	21.1	24.2	22.4%	24.2%
Key Ratios (%)										
VNB Margins (%)	26.2	26.2	26.8	26.1	25.0	25.5	26.0	26.9	26.3	26.0

ICICI Prudential Life**Buy****CMP: INR768 | TP: INR930 (21%)****VNB CHANGE (%): FY25 |26: 0|-0.1**

- new business premium is expected to experience healthy growth.
- VNB growth is likely to remain healthy, with margins expanding QoQ.
- Expense ratio outlook will be the key monitorable.
- Growth in the Non-Linked Savings business is expected to remain healthy and recovery is projected in the Protection business.

Quarterly Performance (INR b)

Policy Holder's A/c (INR b)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
First Year Premium	10.2	15.3	15.3	29.5	15.2	19.5	19.5	34.5	70.3	88.7
Growth (%)	-1.5%	5.9%	11.3%	11.9%	48.8%	27.7%	27.3%	17.0%	8.3%	26.2%
Renewal Premium	41.6	58.9	60.8	84.3	43.3	65.5	68.2	95.9	245.6	273.0
Growth (%)	6.8%	4.4%	5.7%	16.6%	4.3%	11.2%	12.3%	13.7%	9.0%	11.2%
Single Premium	21.9	30.1	26.7	37.8	24.3	32.4	32.4	40.5	116.5	129.6
Growth (%)	-5.9%	7.0%	0.9%	20.7%	10.6%	7.8%	21.2%	7.3%	6.7%	11.3%
Gross Premium Income	73.7	104.3	102.8	151.5	82.8	117.4	120.2	170.9	432.4	491.3
Growth (%)	1.5%	5.4%	5.2%	16.6%	12.3%	12.6%	16.8%	12.8%	8.3%	13.6%
PAT	2.1	2.4	2.3	1.7	2.3	2.7	2.7	2.3	8.5	10.0
Growth (%)	32.9%	22.4%	3.1%	-26.0%	8.9%	10.6%	18.7%	35.1%	5.1%	17.3%
Key Metrics (INRb)										
New Business APE	14.6	20.6	19.1	36.2	19.6	25.8	25.8	41.0	90.5	112.2
Growth (%)	-3.9%	3.2%	4.7%	9.6%	34.4%	25.2%	35.4%	13.3%	4.7%	24.1%
VNB	4.4	5.8	4.4	7.8	4.7	6.5	6.3	10.0	22.3	27.5
Growth (%)	-7.0%	-7.1%	-29.4%	-26.4%	7.8%	11.8%	45.1%	28.9%	-19.5%	23.5%
AUM	2,664	2,719	2,867	2,942	3,089	3,228	3,373	3,512	2,942	3,512
Growth (%)	15.8%	11.3%	13.8%	17.1%	15.9%	18.7%	17.7%	19.4%	17.1%	19.4%
Key Ratios (%)										
VNB Margins (%)	30.0	28.0	22.9	21.5	24.0	25.0	24.5	24.4	24.6	24.5

SBI Life**Buy****CMP: INR1,834 | TP: INR2,200 (+20%)****VNB CHANGE (%): FY25 |26: +0.8|+0.7**

- Growth in the new business premium is expected to remain stable.
- Consistent VNB growth is expected while margins are likely to expand QoQ.
- Cost leadership is expected to continue.
- Sluggish growth in the SBI channel has been an area of concern, making the outlook in this area crucial.

Quarterly Performance (INR b)

Policy Holder's A/c (INRb)	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
First Year Premium	26.4	46.3	56.8	45.3	31.5	50.2	73.2	54.2	174.8	209.0
Growth (%)	3%	33%	12%	11%	19%	8%	29%	20%	15%	20%
Renewal Premium	73.5	101.2	127.2	130.0	85.4	112.0	141.3	148.4	431.9	487.1
Growth (%)	28%	11%	17%	9%	16%	11%	11%	14%	14%	13%
Single Premium	35.7	54.2	40.6	77.1	38.9	59.3	50.2	79.8	207.6	228.2
Growth (%)	18%	35%	21%	93%	9%	9%	24%	3%	44%	10%
Gross Premium Income	135.6	201.8	224.6	252.4	155.7	221.5	264.6	282.4	814.3	924.3
Growth (%)	19%	21%	16%	26%	15%	10%	18%	12%	21%	14%
PAT	3.8	3.8	3.2	8.1	5.2	5.1	4.9	9.3	18.9	24.5
Growth (%)	45%	1%	6%	4%	36%	35%	52%	14%	10%	29%
Key Metrics (INRb)										
New Business APE	30.3	52.3	61.3	53.3	36.4	60.3	69.6	65.6	197.5	231.9
Growth (%)	4%	33%	13%	17%	20%	15%	13%	23%	17%	17%
VNB	8.7	14.9	16.8	15.1	9.7	16.9	19.5	18.6	55.5	64.0
Growth (%)	-1%	20%	11%	5%	11%	13%	16%	23%	9%	15%
AUM	3,283	3,452	3,714	3,889	4,148	4,314	4,486	4,603	3,889	4,603
Growth (%)	25%	22%	24%	27%	26%	25%	21%	18%	27%	18%
Key Ratios (%)										
VNB Margins (%)	28.8	28.5	27.4	28.3	26.8	28.0	28.0	28.3	28.1	27.6

Max Financial**Neutral****CMP: INR1186 | TP: INR1250 (+5%)****VNB CHANGE (%): FY25|26: -1.0|-1.6**

- Premium growth continues to outpace the industry.
- VNB growth is expected to remain healthy and margins will expand QoQ.
- The proprietary channel is expected to exhibit healthy trends.
- Wallet share with Axis Bank and other bank partners is a key monitorable.

Quarterly Performance (INR b)

Policy Holder's A/c (INR b)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
First Year Premium	9.9	15.3	17.6	25.4	12.6	19.7	18.9	30.9	68.9	82.1
Growth (%)	8.0%	37.7%	20.7%	5.3%	27.1%	28.6%	7.3%	21.9%	16.8%	19.2%
Renewal Premium	30.1	42.0	46.1	66.8	33.2	54.2	56.4	81.9	185.1	225.7
Growth (%)	15.1%	7.5%	14.6%	14.6%	10.3%	28.9%	22.4%	22.5%	13.0%	22.0%
Single Premium	8.7	8.9	9.3	15.2	8.2	12.8	13.3	19.1	41.3	53.4
Growth (%)	52.8%	14.2%	15.5%	66.5%	-5.7%	43.9%	43.7%	25.9%	35.1%	29.2%
Gross Premium Income	48.7	66.3	73.0	107.4	54.0	86.7	88.7	131.9	295.3	361.2
Growth (%)	18.7%	14.2%	16.1%	17.3%	10.8%	30.9%	21.5%	22.8%	16.5%	22.3%
PAT	1.0	1.6	1.5	-0.5	1.6	1.1	1.2	0.9	3.6	4.8
Growth (%)	13.2%	196.2%	-34.9%	-186.4%	51.4%	-27.0%	-20.9%	-271.7%	-17.8%	32.8%
Key Metrics (INRb)										
New Business APE	11.1	16.5	18.0	28.7	14.5	21.0	20.1	31.8	73.0	87.5
Growth (%)	10.3%	38.8%	18.9%	13.2%	30.5%	27.0%	12.1%	10.8%	17.7%	19.8%
VNB	2.5	4.2	4.9	8.2	2.5	5.0	5.0	8.4	19.7	21.0
Growth (%)	16.0%	11.5%	-17.5%	6.6%	2.8%	21.1%	2.9%	2.1%	1.2%	6.4%
AUM	1,291.3	1,341.6	1,426.2	1,508.4	1,611.5	1,676.0	1,743.0	1,828.4	1,508.4	1,828.4
Growth (%)	20.5%	18.4%	20.5%	22.8%	24.8%	24.9%	22.2%	21.2%	22.8%	21.2%
Key Ratios (%)										
VNB Margins (%)	22.2	25.2	27.2	28.6	17.5	24.0	25.0	26.3	27.6	24.0

Healthcare

Company

Alembic Pharma.

Alkem Lab.

Ajanta Pharma

Apollo Hospitals

Aurobindo Pharma

Biocon

Zydus Lifesciences.

Cipla

Divi's Lab.

Dr. Reddy's Lab.

Eris Lifesciences

Gland Pharma

Glenmark Pharma.

Global Health

Granules India

GSK Pharma.

IPCA Lab.

Laurus Labs

Lupin

Mankind Pharma

Max Healthcare

Piramal Pharma

Sun Pharma.

Torrent Pharma.

Domestic formulation on a strong footing

Base effect in the US generics to moderate overall earnings growth trend

The pharma companies under our coverage universe are expected to report healthy 13.3% YoY earnings growth in 2QFY25. We expect aggregate sales to grow 8.6% YoY to INR773b, aided by strong traction in domestic formulation (DF) sales and a healthy performance in the US segment. EBITDA is likely to exhibit 13.9% YoY growth to INR187b, fueled by a higher share of niche launches in the US generics. PAT is expected to grow 13.3% YoY to INR118b. For hospitals, we expect profitability to improve due to the addition of beds, increase in occupancy, and optimization of case mix/payor mix.

DF: Coverage companies outperforming IPM

Industry growth moderates to ~8% YoY for 2QFY25

In 2QFY25, we expect aggregate sales in the DF segment to grow 12% YoY to INR213b for the companies under our coverage. Compared to IPM growth of ~8% YoY, our coverage companies are in good stead to perform better than IPM.

Chronic therapies outperform IPM growth

A healthy show in Cardiac, AI, Gastro, and Neuro therapies has enabled better growth vs. IPM for the quarter. However, to some extent, this would be offset by moderate growth to decline in the Respiratory therapy. Chronic therapies (39% of IPM) grew 10% YoY while acute rose 7% (61% of IPM) for 12M ended Aug'24.

DRRD/TRP/SUNP to outperform our DF coverage universe

In the large-cap space, we expect DRRD/TRP/SUNP to deliver sales growth of 15%/13.2%/12.4% YoY backed by new launches, market share gains, and improving MR productivity. We expect CIPLA/GNP/AJP to report 12%/11%/11% YoY growth each in the DF revenue led by steady traction in existing therapies. We forecast ERIS to deliver 50% YoY growth in DF sales, largely due to integration of acquired brands.

US generics: Niche launches to sustain growth momentum; regulatory risk mounts

Healthy double-digit growth momentum to sustain in the US generics market

For our coverage companies, we expect 10.5% YoY growth in US sales to USD2.4b for the quarter. The US generics sales on an aggregate basis are expected to witness a similar YoY growth rate for four quarters now. While the niche launches continue to support growth in the near term, the new potential approvals may be at risk due to adverse regulatory outcomes at critical sites.

The mid-single-digit price erosion in the base portfolio is more than offset by increased traction in limited competition products such as g-Revlimid, g-Spiriva, and g-Vascepa, which is likely to boost the YoY growth uptrend in the US generics segment.

Limited competition products to drive growth

ZYDUSLIF/DRRD/LPC are expected to deliver 42%/16%/15% YoY growth for the quarter. The growth in these companies will be led by niche launches/market share gains (g-vascepa and other key products for ZYDUSLIF/g-Revlimid and other launches for DRRD/g-Spiriva and other key products for LPC). SUNP's US sales are likely to grow at 10% YoY, fueled by the specialty portfolio. The US sales of ALKEM/TRP/ARBP are expected to decline 12%/2.9%/2% YoY for the quarter due to a lack of new approvals, launches, and regulatory issues at their facilities.

Regulatory risk poses threat to ANDA approvals

During the quarter, **27 facilities were inspected by the USFDA for our coverage companies, and two facilities have received warning letters. During the quarter, total approvals stood at 203, of which our coverage companies had 27% approvals.** There were 54 approvals during 2QFY25 for the companies under our coverage, which were the same as the two-year average of 53 approvals. However, with the rise in regulatory risk as well as more focus towards niche products, the visibility of ANDA approvals has reduced.

Tailwinds to drive improved outlook in the CDMO industry

Further, the increased number of proposals from innovator pharma companies to non-Chinese companies is **improving prospects for Indian CDMO companies.** Particularly, the shift of discovery/development services can be faster compared to commercial manufacturing services. The recent rate cut would also enable increased funding for clinical development projects, driving an enhanced outlook for the CDMO companies.

Hospitals: Occupancy on an uptrend; greater efforts toward bed additions

The overall occupancy is expected to be better on both YoY as well as QoQ basis. However, the realization per patient (ARPOB) is expected to grow at a moderate pace of 4% on an aggregate basis. Accordingly, the operating leverage is expected to improve overall profitability for the hospital sector.

Hospitals under coverage are progressing on bed additions through organic/inorganic means. In addition to ongoing capex, MAX has added 800 beds through Japjee Healthcare's acquisition in this quarter. APHS's efforts are underway to add 1,860 beds in FY26 post-refurbishment of acquired Pune/Gurgaon hospitals. MEDANTA won the bid from the government to build a 500-bed hospital at Oshiwara, Mumbai, in this quarter.

For hospitals under coverage, we expect 12% revenue growth to INR83b for 2QFY25. We expect ARPOB to grow ~4% YoY for the quarter. The occupancy is likely to be 65-75% for the hospitals under our coverage. We expect 13%/21% EBITDA/PAT YoY growth on an aggregate basis. We expect APHS to deliver 11%/21%/56% YoY growth in sales/EBITDA/PAT for 2QFY25. MEDANTA is likely to deliver moderate performance with sales/EBITDA/PAT of +5%/-8%/-8% YoY. MAXHEALTH is also expected to have a steady performance with sales/EBITDA/PAT witnessing 17%/12%/8% YoY growth.

IPCA and LPC to outperform within the healthcare pack

In 2QFY25, we expect IPCA/LPC to deliver 44%/39% earnings growth YoY led by strong traction in the DF business and integration in the Unichem business for IPCA

and niche launches in the US and strong brand equity in the DF business for LPC. We project BIOS/LAURUS to report an earnings decline of 82%/54% YoY.

We expect PIRPHARM to register earnings growth of ~5x YoY, outperforming the rest of our coverage companies. Additionally, DIVI's earnings are likely to grow ~35% for the quarter.

We expect APHS/MAXHEALTH to register an earnings growth of 56%/8% led by: 1) operational profit of Healthco (for APHS); and 2) optimizing payor mix/case mix (for MAXHEALTH). Conversely, MEDANTA's earnings are expected to decline 8% YoY owing to newer facilities, which is adversely affecting its EBITDA.

We have raised our estimates for APHS/ALKEM by 6.7%/-0.3% for 2QFY25 and 5.4%/0.7% for FY25-26. Conversely, we have cut our estimates by 12.7%/11.1% for Biocon and 7.8%/7.6% for Granules over the same period.

Top Ideas: Sun Pharma (specialty/branded generics-led play), Mankind Pharma (differentiator in DF), and Max Healthcare (strong executor in hospital space).

Exhibit 1: Summary of quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Ajanta Pharma	3257	Buy	11,389	10.7	-0.5	3,439	18.3	-4.6	2,413	29.5	-8.0
Alembic Pharma	1190	Neutral	16,260	1.9	4.1	2,732	31.2	15.3	1,713	24.5	27.2
Alkem Lab	6152	Neutral	34,632	0.7	14.2	7,931	6.2	30.3	6,564	-2.8	20.4
Apollo Hospitals	7155	Buy	53,950	11.3	6.1	7,580	20.8	12.3	3,616	56.1	18.5
Aurobindo Pharma	1439	Neutral	73,308	1.5	-3.1	15,468	10.2	-8.7	8,250	6.0	-8.5
Biocon	370	Neutral	36,338	5.0	5.9	7,195	-2.9	15.9	256	-82.3	LP
Cipla	1664	Buy	70,263	5.2	5.0	18,549	7.0	8.1	12,300	4.8	4.4
Divis Labs	5424	Neutral	22,042	15.5	4.1	6,701	34.3	7.7	4,771	34.5	11.1
Dr Reddy's Labs	6747	Neutral	78,142	13.6	1.8	21,723	8.8	2.1	14,236	7.2	2.2
Eris Lifescience	1323	Neutral	7,579	50.0	5.3	2,660	46.9	6.4	988	-19.9	18.8
Gland Pharma	1800	Buy	14,033	2.2	0.1	2,750	-15.1	4.0	1,556	-19.8	8.2
Glenmark Pharma	1667	Buy	33,674	5.0	3.8	6,499	28.6	6.5	3,462	147.8	-2.9
Global Health	1001	Buy	8,839	4.7	2.6	2,015	-7.8	5.4	1,148	-8.3	8.0
Granules India	579	Buy	9,775	-17.8	-17.1	2,014	-5.4	-22.3	933	-8.7	-30.7
GSK Pharma	2738	Neutral	9,739	1.8	19.5	3,000	3.6	30.1	2,313	6.3	26.9
IPCA Labs.	1491	Neutral	22,750	11.9	8.7	4,709	30.6	19.9	2,440	44.3	26.9
Laurus Labs	468	Buy	12,791	4.5	7.0	1,778	-5.4	3.8	170	-54.1	33.8
Lupin	2194	Neutral	54,523	8.2	-2.6	11,559	25.2	-15.1	6,872	39.1	-23.6
Mankind Pharma	2577	Buy	29,982	10.7	3.6	7,945	16.4	9.8	5,991	19.6	5.0
Max Healthcare	969	Buy	20,181	17.4	4.5	5,409	11.7	9.5	3,803	7.7	23.2
Piramal Pharma	229	Buy	22,119	15.7	13.4	2,600	-2.1	27.2	255	405.0	LP
Sun Pharma	1919	Buy	1,29,520	7.9	3.4	34,970	15.6	-0.9	28,692	19.3	-0.3
Torrent Pharma	3370	Neutral	30,030	12.9	5.0	9,850	19.4	6.6	5,104	32.2	8.4
Zybus Lifesciences	1081	Neutral	54,545	24.9	-12.1	12,982	22.0	-38.5	8,810	19.4	-38.8
Healthcare			8,56,404	8.7	2.2	2,02,059	13.5	-0.8	1,26,655	15.1	-0.1

Source: Company, MOFSL

Exhibit 2: Relative performance – three months (%)

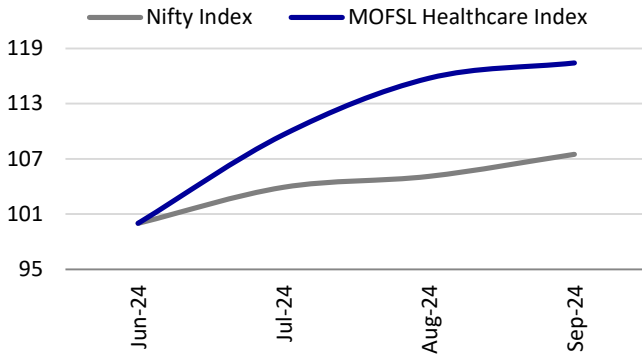
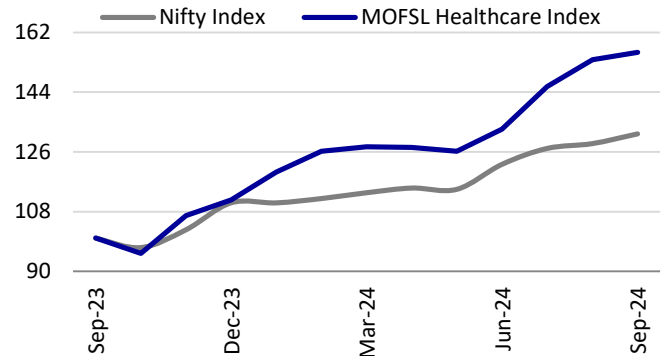
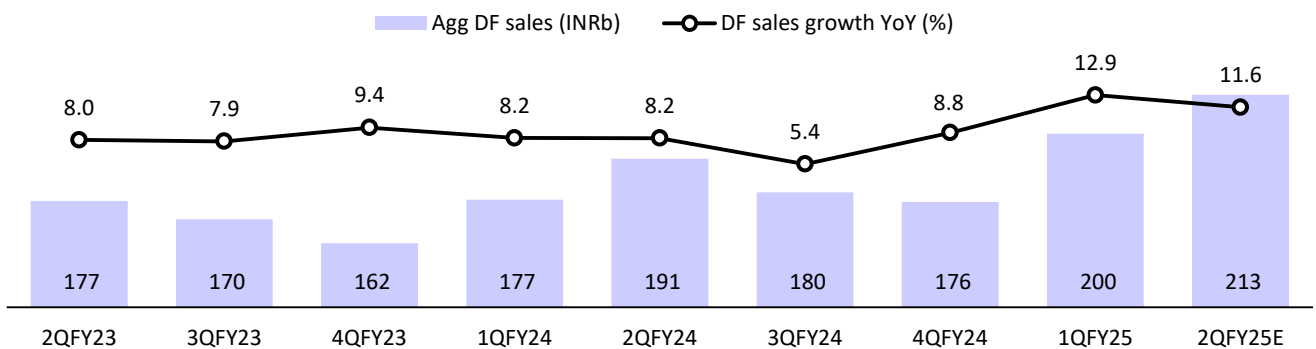


Exhibit 3: Relative performance – one-year (%)



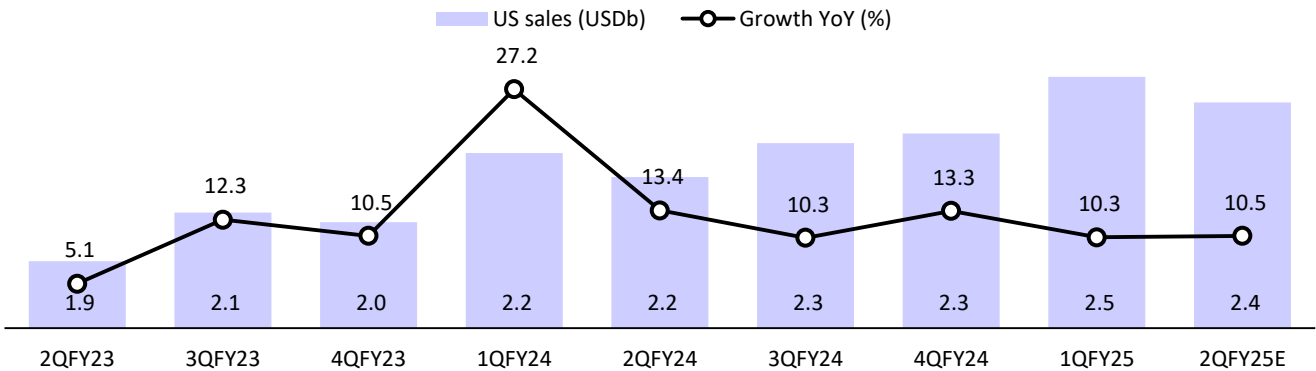
Source: Bloomberg, MOFSL

Exhibit 4: DF sales to witness 11.6% YoY growth in 2QFY25



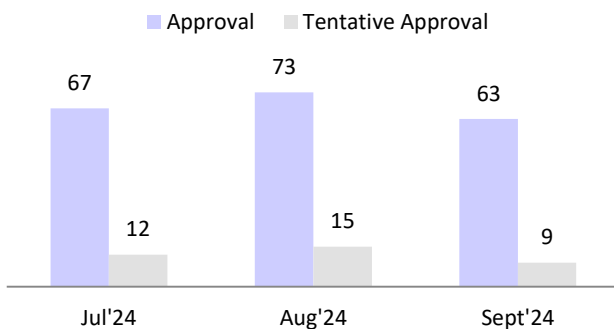
Note: Growth is ex-Mankind, Source: MOFSL, Company

Exhibit 5: US sales expected to grow at 10.5% YoY in 2QFY25



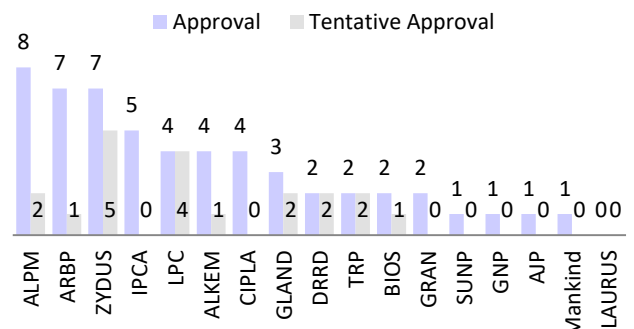
Source: MOFSL, Company

Exhibit 6: 203 approvals in 2QFY25 on an industry wide basis



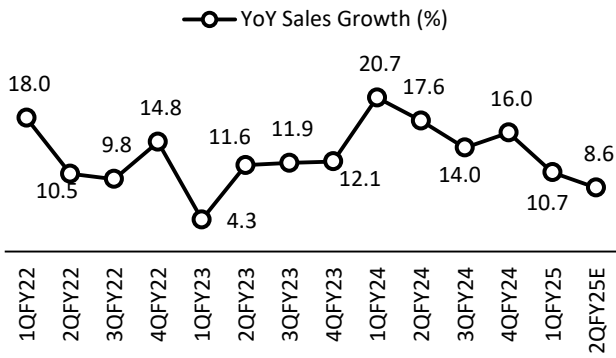
Source: MOFSL, Company

Exhibit 7: 54 ANDAs approved on an aggregate basis for our coverage universe in 2QFY25



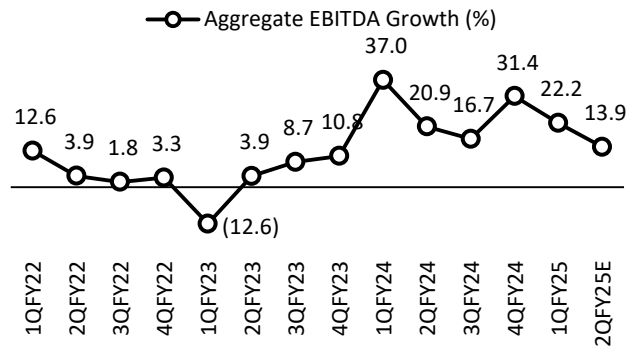
Source: MOFSL, Company

Exhibit 8: Expect sales to grow 8.6% YoY in 2QFY25



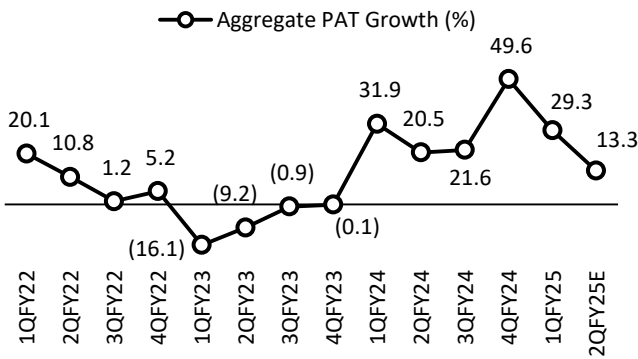
Source: MOFSL, Company

Exhibit 9: Anticipate EBITDA to grow 13.9% YoY in 2QFY25



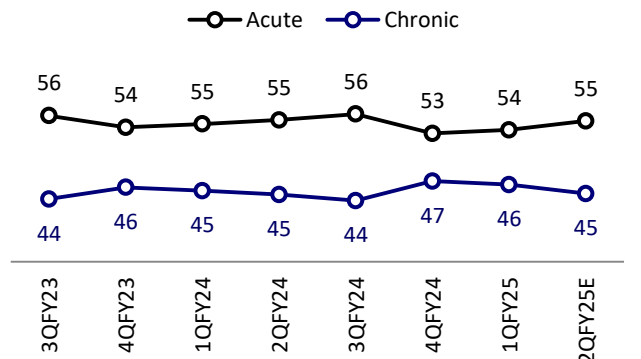
Source: MOFSL, Company

Exhibit 10: PAT to grow 13.3% YoY in 2QFY25E



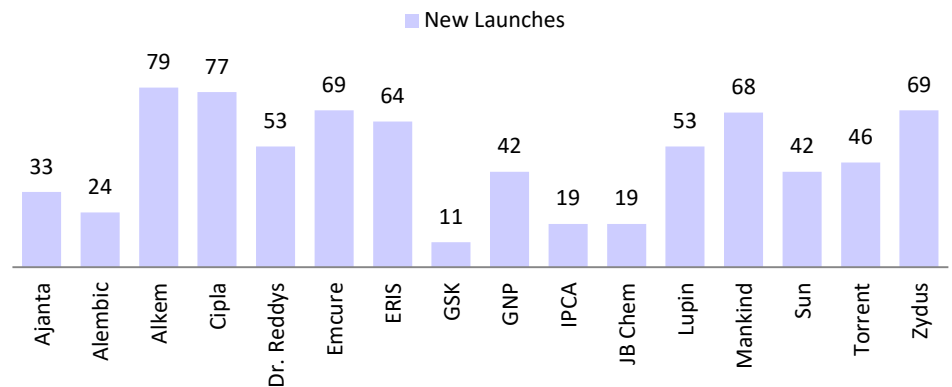
Source: MOFSL, Company

Exhibit 11: Seasonality to push up acute share in 2QFY25E



Source: MOFSL, Company

Exhibit 12: ALKEM topped among peers in new drug introduction over the last eight quarters



Source: MOFSL, Company

Exhibit 13: The USFDA inspection history for our coverage companies during the quarter

Company	Inspection Date	Inspection Facility	Outcome	Observations
Alembic	Sep-24	OSD - Panalev	EIR	0
	Jul-24	OSD - Panalev	Form 483	0
Granules	Jun-24	FD - Gagillapur	Form 483	6
Piramal	Sep-24	Ahmedabad	EIR	0
	Jul-24	Ahmedabad	Form 483	0
Dr. Reddy	Aug-24	(FTO-7 & FTO-9) in Duvvada, Visakhapatnam	EIR	0
Aurobindo	Sep-24	Unit II - API facility in Telangana	Form 483	10
	Sep-24	Eugia Steriles Pvt Ltd	EIR	0
	Aug-24	Unit III - Eugia Pharma Specialties Ltd.	OAI - Warning letter	
	May-24	Unit II - Eugia Pharma Specialties Ltd.	OAI	
Biocon	Sep-24	Insulins - Johor Bahru, Malaysia	Form 483	5
	Sep-24	API facility (Site 2) - Bengaluru	Form 483	4
	Sep-24	API facility (Site 1) - Bengaluru	Form 483	3
	Jul-24	Biocon Biologics - Bengaluru	Form 483	6
	Jun-24	API facility (Site 5) - Andhra Pradesh	EIR	VAI
	Jun-24	API facility (Site 6) - Andhra Pradesh	EIR	0
Zydus Lifesciences	Apr-24	Injectable - Jarod, Vadodara	OAI - Warning letter	
Cipla	Jul-24	Kurkumbh	VAI	
Divis Labs	Jul-24	Unit II - Vishakhapatnam	Form 483	1
Gland Pharma	Aug-24	Pashamylaram Facility, Hyderabad	Form 483	3
	Jul-24	Dundigal Facility, Hyderabad	Form 483	2
Glenmark	Sep-24	Chhatrapati Sambhaji Nagar (Aurangabad), India	No observation	0
Lupin	Sep-24	Pithampur Unit-1 API and finished product	Form 483	3
	Jul-24	Dabhasa Facility	EIR	NA
Sun Pharma	Jul-24	Dadra facility	Warning letter	NA
Unichem	Jul-24	Goa formulation facility	Form 483	5
Laurus Labs	Sep-24	API manufacturing facility at Hyderabad	No observation	0

*Sales, EBITDA, PAT YoY growth figures exclude JUBLPHRM due to limited historical data. It also excludes SOLARA, APHS, MEDANTA and MAXHEALT data.

Source: MOFSL, Company

Exhibit 14: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Healthcare						37.8	32.0	28.6	5.6	4.9	4.2	14.8	15.2	14.8
Ajanta Pharma	3,257	Buy	75.8	87.8	103.7	43.0	37.1	31.4	9.7	8.1	6.8	24.5	23.7	23.5
Alembic Pharma	1,190	Neutral	37.4	41.2	50.2	31.9	28.9	23.7	4.3	3.8	3.3	14.2	13.9	14.9
Alkem Lab	6,152	Neutral	187.8	204.3	210.6	32.8	30.1	29.2	6.1	5.3	4.6	20.1	18.8	16.9
Apollo Hospitals	7,155	Buy	94.4	125.5	145.8	75.8	57.0	49.1	12.1	10.0	8.3	17.9	19.9	19.2
Aurobindo Pharma	1,439	Neutral	66.3	73.8	85.2	21.7	19.5	16.9	2.5	2.2	2.0	12.3	12.2	12.5
Biocon	370	Neutral	4.4	9.2	13.1	84.0	40.1	28.3	2.1	2.1	2.0	2.6	5.3	7.1
Cipla	1,664	Buy	58.7	65.6	68.3	28.3	25.4	24.4	4.4	3.8	3.3	15.4	14.9	13.6
Divis Labs	5,424	Neutral	77.7	95.1	116.3	69.8	57.0	46.6	9.6	8.6	7.6	14.4	15.9	17.3
Dr Reddy's Labs	6,747	Neutral	353.8	389.0	355.9	19.1	17.3	19.0	3.4	2.8	2.5	19.1	17.7	14.0
Eris Lifescience	1,323	Neutral	30.4	42.0	54.5	43.5	31.5	24.3	6.2	5.3	4.4	15.2	18.2	19.9
Gland Pharma	1,800	Buy	53.4	67.0	76.5	33.7	26.9	23.5	3.1	2.8	2.5	9.6	10.9	11.1
Glenmark Pharma	1,667	Buy	47.5	59.2	68.5	35.1	28.2	24.3	5.2	4.4	3.7	15.8	16.8	16.5
Global Health	1,001	Buy	19.3	24.8	29.2	52.0	40.3	34.3	8.1	6.9	5.9	16.6	18.5	18.6
Granules India	579	Buy	22.2	29.4	37.1	26.1	19.7	15.6	3.8	3.2	2.7	15.4	17.5	18.5
GSK Pharma	2,738	Neutral	48.1	53.4	61.6	56.9	51.2	44.5	21.8	18.1	14.8	38.3	35.3	33.2
IPCA Labs.	1,491	Neutral	33.5	43.0	56.1	44.5	34.7	26.6	5.4	4.7	4.1	12.7	14.5	16.6
Laurus Labs	468	Buy	6.7	11.9	16.0	70.0	39.2	29.3	5.7	5.1	4.4	8.4	13.7	16.2
Lupin	2,194	Neutral	59.2	69.8	77.6	37.1	31.5	28.3	6.0	5.0	4.3	17.3	17.4	16.4
Mankind Pharma	2,577	Buy	54.5	62.4	74.3	47.3	41.3	34.7	9.4	8.0	6.8	21.4	20.9	21.2
Max Healthcare	969	Buy	15.6	19.1	23.9	61.9	50.6	40.5	8.7	7.4	6.3	15.1	15.8	16.8
Piramal Pharma	229	Buy	2.6	5.3	7.8	88.7	42.8	29.2	3.3	3.0	2.7	4.2	8.2	10.9
Sun Pharma	1,919	Buy	49.2	57.9	66.3	39.0	33.1	28.9	6.3	5.4	4.5	17.2	17.4	17.0
Torrent Pharma	3,370	Neutral	63.4	82.0	98.7	53.2	41.1	34.1	6.9	5.7	4.7	28.5	30.5	30.2
Zydus Lifesciences	1,081	Neutral	43.9	47.3	43.6	24.6	22.8	24.8	4.3	3.7	3.3	19.6	17.4	14.1

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

Ajanta Pharma

Buy

CMP: INR3,257 | TP: INR3,790 (16%)

EPS CHANGE (%): FY25|26: 0.0|(0.4)

- Expects DF sales to grow 10.5% YoY to INR3.9b, led by healthy traction in Cardiac/Derma/Respiratory.
- Limited approvals and high single-digit price erosion are expected to result in 3% YoY growth in US generics.
- Africa's business is expected to grow 6.3% YoY, driven by branded generics, offset by slowing institutional business.
- The Asia segment is expected to grow 22% YoY, driven by strong growth in the chronic category and rapid expansion into new Central Asian markets.
- Watch out for an increase in logistic costs due to geopolitical issues and their impact on the supply chain.

Consol. - Quarterly perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	10,210	10,284	11,052	10,541	11,449	11,389	11,429	11,800	42,087	46,067
YoY Change (%)	7.4	9.6	13.7	19.5	12.1	10.7	3.4	11.9	12.5	9.5
EBITDA	2,813	2,907	3,217	2,783	3,604	3,439	3,326	3,405	11,719	13,774
YoY Change (%)	11.7	40.9	48.7	62.7	28.1	18.3	3.4	22.4	38.6	17.5
Margins (%)	27.6	28.3	29.1	26.4	31.5	30.2	29.1	28.9	27.8	29.9
Depreciation	332	337	343	343	340	342	347	354	1,354	1,383
EBIT	2,482	2,570	2,874	2,441	3,264	3,097	2,979	3,051	10,365	12,391
Interest	9	23	25	15	7	12	14	34	72	67
Other Income	121	85	95	158	182	110	95	74	459	461
PBT before EO expense	2,594	2,631	2,944	2,584	3,439	3,195	3,060	3,091	10,752	12,785
Extra-Ord expense	97	128	-35	197	-217	0	0	0	387	-217
PBT	2,691	2,759	2,909	2,780	3,221	3,195	3,060	3,091	11,139	12,568
Tax	609	806	809	753	764	783	811	785	2,978	3,142
Effective Rate (%)	22.6	29.2	27.8	27.1	23.7	24.5	26.5	25.4	26.7	25.0
Reported PAT	2,082	1,953	2,100	2,027	2,458	2,413	2,249	2,306	8,162	9,426
Adj PAT	2,007	1,862	2,125	1,884	2,624	2,413	2,249	2,306	7,878	9,592
YoY Change (%)	13.9	13.9	30.4	57.1	30.8	29.5	5.8	22.4	26.5	21.7
Margins (%)	19.4	18.0	19.1	17.6	22.6	21.0	19.5	19.4	18.5	20.6

Alembic Pharma

Neutral

CMP: INR1190 | TP: INR1150 (-3%)

EPS CHANGE (%): FY25|26: (0.7)|(0.7)

- Expect 7% YoY growth in the US sales to (USD58m) due to steady traction from new launches.
- Expect animal health to witness moderate sales growth of 3% YoY owing to the high base.
- Outlook on potential approvals/launches for the US generics market is a key monitorable.
- DF sales to grow 5% YoY to INR6.1b, led by ~10% YoY growth in the specialty segment, partly offset by persistent pressure in acute therapies.
- Regulatory issues for customers are expected to lead to 18% YoY decline in the API business to INR2.6b

Quarterly perf. (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	14,862	15,949	16,309	15,170	15,617	16,260	17,490	16,573	62,290	65,940
YoY Change (%)	17.7	8.1	8.1	7.9	5.1	1.9	7.2	9.2	10.2	5.9
EBITDA	1,987	2,083	2,667	2,601	2,368	2,732	3,288	3,284	9,337	11,671
YoY Change (%)	73.3	-10.5	7.2	16.5	19.2	31.2	23.3	26.3	14.0	25.0
Margins (%)	13.4	13.1	16.4	17.1	15.2	16.8	18.8	19.8	15.0	17.7
Depreciation	662	676	695	695	690	695	705	719	2,727	2,809
EBIT	1,325	1,407	1,973	1,906	1,678	2,037	2,583	2,565	6,611	8,862
Interest	144	157	152	109	132	115	105	79	562	431
Other Income	117	102	29	36	21	42	50	77	283	190
PBT before EO expense	1,298	1,352	1,850	1,832	1,567	1,964	2,528	2,563	6,332	8,622
PBT	1,298	1,352	1,850	1,832	1,567	1,964	2,528	2,563	6,332	8,622
Tax	92	-19	41	46	225	255	354	373	160	1,207
Rate (%)	7.0	-1.4	2.2	2.5	14.4	13.0	14.0	14.5	2.5	14.0
MI & P/L of Asso. Cos.	0	-5	-1	-4	-5	-5	-5	84	-10	69
Reported PAT	1,207	1,376	1,809	1,790	1,347	1,713	2,179	2,106	6,182	7,346
Adj PAT	1,207	1,376	1,809	1,790	1,347	1,713	2,179	2,106	6,182	7,346
YoY Change (%)	160.9	-6.7	36.6	73.1	11.6	24.5	20.5	17.7	43.9	18.8
Margins (%)	8.1	8.6	11.1	11.8	8.6	10.5	12.5	12.7	9.9	11.1

Alkem Labs**Neutral****CMP: INR6,152 | TP: INR6,072 (-1%)****EPS CHANGE (%): FY25 | 26:5.4 | 0.7**

- Expect DF sales to grow 4% YoY, dragged by moderate acute therapy growth, coupled with some slowdown in trade generics.
- Progress on biosimilar portfolio for regulated as well as emerging market is a key monitorable.
- Expect the US sales to decline 12% YoY to USD81m due to slower offtake from new launches and price erosion.
- Clarity on the thought process with respect to utilization of cash for inorganic purpose.

Quarterly Perf. (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	29.7	34.4	33.2	29.4	30.3	34.6	34.9	33.7	126.7	133.6
YoY Change (%)	15.2	11.7	9.3	1.1	2.2	0.7	5.0	14.9	9.2	5.5
EBITDA	3.9	7.5	7.1	4.0	6.1	7.9	7.3	5.8	22.5	27.1
YoY Change (%)	42.4	64.5	18.1	13.8	56.4	6.2	2.6	45.3	33.7	20.8
Margins (%)	13.1	21.7	21.3	13.7	20.1	22.9	20.8	17.3	17.7	20.3
Depreciation	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	3.0	3.3
EBIT	3.2	6.7	6.4	3.2	5.3	7.1	6.4	5.0	19.5	23.8
Interest	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	1.1	1.0
Other Income	0.7	0.6	0.9	0.9	1.2	0.8	0.8	0.7	3.1	3.5
PBT before EO Exp	3.5	7.1	7.1	3.8	6.2	7.6	7.0	5.5	21.4	26.3
EO Exp/(Inc)	0.0	0.6	0.5	0.1	0.0	0.0	0.0	0.0	1.2	0.0
PBT after EO Exp	3.5	6.5	6.5	3.7	6.2	7.6	7.0	5.5	20.2	26.3
Tax	0.7	0.3	0.5	0.6	0.7	1.0	1.1	0.9	2.1	3.7
Rate (%)	18.4	5.1	7.7	17.1	11.2	13.0	15.5	16.7	9.9	14.0
PAT (pre Minority Interest)	2.9	6.1	6.0	3.0	5.5	6.6	5.9	4.6	18.1	22.6
Minority Interest	0.0	-0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.2	0.2
Reported PAT	2.9	6.2	5.9	2.9	5.5	6.6	5.9	4.6	18.0	22.4
Adj Net Profit	2.9	6.8	6.4	3.0	5.5	6.6	5.9	4.6	19.1	22.4
YoY Change (%)	52.3	104.1	41.3	3.4	90.1	-2.8	-8.5	49.9	50.5	17.6

Apollo Hospitals**Buy****CMP: INR7,155 | TP: INR8,330 (+16%)****EPS CHANGE (%): FY25 | 26: 6.7 | (0.3)**

- Sales/EBITDA expected to grow 11/14% YoY to INR54b/INR7.2b due to higher volumes, growth in specialty segment in AHLL, and reduced opex in Apollo 24/7.
- GMV outlook in Apollo 24/7 is a key monitorable.
- With enhanced footfalls in primary care, lower customer acquisition costs, and focus on omni-channel, AHLL is expected to register 7.8% YoY revenue growth and 40% YoY EBITDA growth.
- Update on capacity expansion at Gurugram, Hyderabad, Kolkata, Pune and Mysore is crucial.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	44,178	48,469	48,506	49,439	50,856	53,950	54,502	54,886	1,90,592	2,14,193
YoY Change (%)	16.4	14.0	13.8	14.9	15.1	11.3	12.4	11.0	14.7	12.4
EBITDA	5,090	6,275	6,137	6,405	6,751	7,580	7,358	7,228	23,907	28,916
YoY Change (%)	3.7	11.0	21.4	31.2	32.6	20.8	19.9	12.9	16.6	21.0
Margins (%)	11.5	12.9	12.7	13.0	13.3	14.1	13.5	13.2	12.5	13.5
Depreciation	1,669	1,634	1,670	1,897	1,774	1,785	1,795	1,769	6,870	7,123
Interest	1,062	1,113	1,126	1,193	1,164	1,025	980	750	4,494	3,919
Other Income	282	222	278	281	372	286	312	272	1,063	1,242
PBT before EO expense	2,641	3,750	3,619	3,596	4,185	5,056	4,895	4,982	13,606	19,116
Extra-Ord expense/(Income)	0	-19	0	0	0	0	0	0	-19	0
PBT	2,641	3,769	3,619	3,596	4,185	5,056	4,895	4,982	13,625	19,116
Tax	966	1,300	1,089	1,098	1,145	1,390	1,395	1,422	4,453	5,353
Rate (%)	36.6	34.5	30.1	30.5	27.4	27.5	28.5	28.5	32.7	28.0
Minority Interest & Profit/Loss of Asso. Cos.	9	140	77	-40	-12	50	68	87	186	193
Reported PAT	1,666	2,329	2,453	2,538	3,052	3,616	3,432	3,472	8,986	13,571
Adj PAT	1,666	2,317	2,453	2,538	3,052	3,616	3,432	3,472	8,973	13,571
YoY Change (%)	2.6	3.0	59.8	47.1	83.2	3.0	39.9	36.8	29.6	51.2
Margins (%)	3.8	4.8	5.1	5.1	6.0	6.7	6.3	6.3	4.7	6.3

E: MOFSL Estimates

Aurobindo Pharma**Neutral**

CMP: INR1,439 | TP: INR1,480 (3%)

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

- Expect the US sales to decline 2% YoY at USD401m due to higher base of last year and regulatory issues at Eugia plant.
- Progress on utilization of the Pen-g plant and status on remediation measure on OAI classification at Eugia Unit-3 are key monitorables.
- Expect the EU sales to grow 11% YoY to INR19.6b led by expansion into newer markets and differentiated products.
- Outlook on filing/approval status of biosimilar products in the US, EU, and other regulatory markets is crucial.

Quarterly performance (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	68.5	72.2	73.5	75.8	75.7	73.3	78.7	81.6	290.0	309.4
YoY Change (%)	9.9	25.8	14.7	17.1	10.5	1.5	7.1	7.7	16.7	6.7
EBITDA	11.5	14.0	16.0	16.9	16.9	15.5	18.0	19.9	58.4	70.2
YoY Change (%)	12.4	33.4	67.8	68.3	47.2	10.2	12.1	17.7	44.9	20.2
Margins (%)	16.8	19.4	21.8	22.3	22.4	21.1	22.8	24.3	20.1	22.7
Depreciation	3.3	4.2	4.2	3.5	4.0	4.1	4.2	4.4	15.2	16.7
EBIT	8.2	9.9	11.8	13.3	12.9	11.4	13.8	15.4	43.2	53.5
Interest	0.6	0.7	0.8	0.9	1.1	1.1	1.0	0.9	2.9	4.1
Other Income	0.8	1.9	1.2	1.4	1.2	1.4	1.4	1.5	5.2	5.5
PBT before EO expense	8.5	11.0	12.2	13.8	13.0	11.7	14.2	16.0	45.5	54.9
Forex loss/(gain)	-0.4	0.3	-0.5	0.1	0.0	0.0	0.0	0.0	-0.4	0.0
Exceptional (expenses)/income	-0.7	0.0	0.0	-1.2	0.2	0.0	0.0	0.0	-1.9	0.2
PBT	8.1	10.7	12.7	12.4	13.3	11.7	14.2	16.0	44.0	55.2
Tax	2.4	3.2	3.2	3.2	4.1	3.5	4.1	4.4	12.1	16.0
Rate (%)	29.7	30.1	25.5	26.0	30.6	29.5	29.0	27.3	27.5	29.0
Reported PAT	5.7	7.6	9.4	9.1	9.2	8.3	10.1	11.5	31.7	39.0
Adj PAT	5.9	7.8	9.0	10.1	9.0	8.3	10.1	11.5	32.8	38.9
YoY Change (%)	0.9	17.2	87.4	96.3	51.9	6.0	11.5	14.2	46.1	18.3
Margins (%)	8.7	10.8	12.3	13.3	11.9	11.3	12.8	14.1	11.3	12.6

E: MOFSL Estimates

Biocon**Neutral**

CMP: INR370 | TP: INR340 (-8%)

EPS CHANGE (%): FY25|26: (12.7)|(11.1)

- Expect biologics sales to grow 20% YoY to INR21.5b, led by new launches, market share gains of the products, and expansion in newer regions.
- Expect Syngene sales to decline 7% YoY to INR8.5b due to the high base of last year.
- Expect generic business to decline 2% due to pricing erosion.
- Updates on launch of complex generic product in emerging markets and the recent USFDA inspection at Malaysia plant as well as subsequent approval timeline for bAspart are key monitorables. Update on approval for b-bevacizumab is critical as well.

Quarterly performance (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	34.2	34.6	36.0	39.2	34.3	36.3	38.0	43.3	144.1	152.0
YoY Change (%)	57.9	49.2	22.5	7.4	0.3	5.0	5.4	10.6	30.0	5.5
EBITDA	7.1	7.4	5.8	9.2	6.2	7.2	8.5	11.8	29.5	33.7
YoY Change (%)	53.5	57.4	-16.3	5.1	-12.9	-2.9	47.5	28.5	18.1	14.3
Margins (%)	20.8	21.4	16.0	23.4	18.1	19.8	22.4	27.2	20.5	22.2
Depreciation	3.6	3.9	4.2	4.1	4.1	4.2	4.2	4.2	15.7	16.6
EBIT	3.6	3.5	1.6	5.1	2.2	3.0	4.3	7.6	13.8	17.1
Interest	2.3	2.5	2.7	2.3	2.4	2.2	2.1	2.1	9.8	8.7
Other Income	0.9	1.6	1.1	0.5	0.8	0.6	0.6	0.2	4.1	2.1
Extraordinary Income	0.0	-0.2	8.3	-0.1	10.9	0.0	0.0	0.0	7.9	10.9
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
PBT	1.8	2.1	8.1	3.2	11.5	1.4	2.8	5.7	15.2	21.4
Tax	0.4	0.4	0.6	1.0	2.8	0.3	0.5	1.0	2.3	4.6
Rate (%)	19.1	19.6	6.8	30.1	24.8	20.0	18.0	17.0	15.0	21.5
Minority Interest	0.5	0.5	0.9	0.9	2.0	0.9	1.1	-0.7	2.8	3.3
PAT	1.0	1.3	6.6	1.4	6.6	0.3	1.2	5.5	10.2	13.5
Adj PAT	1.0	1.4	-1.7	1.4	-1.6	0.3	1.2	5.5	2.2	5.3
YoY Change (%)	-51.1	-16.2	-176.5	-5.0 NA		-82.3	-169.2	283.9	-71.1	144.4
Margins (%)	2.9	3.6	18.3	3.5	19.2	0.7	3.1	12.6	7.1	8.9

Cipla

Buy

CMP: INR1,664 | TP: INR1,940 (17%)

EPS CHANGE (%): FY25 | 26: (1.4) | (1.4)

- The US sales are likely to clock 4% YoY growth to USD238m for 2QFY25 led by market share gains of existing products, including g-lanreotide.
- Update on the USFDA remediation measures at Goa/Pithampur facility is a key monitorable.
- Expect DF sales to grow 12% YoY, driven by stronger performance in cardiac/gastro/urology, market share gains, and in-licensing opportunities.
- Progress on inhalation/peptide assets for the US generic market is crucial as well.

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	63.3	66.8	66.0	61.6	66.9	70.3	71.1	68.8	257.7	277.1
YoY Change (%)	17.7	14.6	13.7	7.4	5.8	5.2	7.6	11.7	13.3	7.5
EBITDA	14.9	17.3	17.5	13.2	17.2	18.5	18.1	15.7	62.9	69.5
YoY Change (%)	30.7	24.8	24.2	12.1	14.9	7.0	3.7	19.5	23.0	10.6
Margins (%)	23.6	26.0	26.5	21.4	25.6	26.4	25.5	22.8	24.4	25.1
Depreciation	2.4	2.5	2.3	2.9	2.5	2.7	2.7	2.7	10.1	10.5
EBIT	12.5	14.9	15.1	10.3	14.7	15.9	15.4	13.0	52.8	59.0
Interest	0.2	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.9	0.4
Other Income	1.4	1.8	1.3	1.8	1.6	1.4	1.5	1.4	6.2	5.9
Profit before Tax	13.7	16.4	16.1	11.9	16.1	17.2	16.8	14.4	58.2	64.5
One-time (expense)/income	0.0	-0.4	-1.4	0.7	0.0	0.0	0.0	0.0	-1.1	0.0
PBT after EO expense	13.7	15.9	14.7	12.6	16.1	17.2	16.8	14.4	57.0	64.5
Tax	3.8	4.4	4.1	3.2	4.4	4.9	4.8	3.4	15.5	17.4
Rate (%)	27.5	26.8	25.1	27.3	27.0	28.5	28.5	23.5	26.6	27.0
Reported PAT	10.0	11.3	10.6	9.4	11.8	12.3	12.0	11.3	41.2	47.4
Adj PAT	10.0	11.7	12.0	8.7	11.8	12.3	12.0	11.3	42.4	47.4
YoY Change (%)	45.1	37.7	49.4	22.7	18.3	4.8	0.5	29.9	39.0	11.9

E: MOFSL Estimates;

Divis Labs

Neutral

CMP: INR5,424 | TP: INR5,300 (-2%)

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

- DIVI is expected to deliver 15.5% YoY growth in sales for the quarter due to strong traction in CS.
- Impact on freight cost due to recent global geopolitical issue.
- Update on adding new molecules in the generic API space.
- Update on business prospect due to the Bio-secure Act.
- Update on the launching of new molecules and clinical development of Gadolinium-based products

Quarterly Performance

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	17,780	19,090	18,550	23,030	21,180	22,042	23,343	24,790	78,450	91,355
YoY Change (%)	-21.1	2.9	8.6	18.1	19.1	15.5	25.8	7.6	1.0	16.5
EBITDA	5,040	4,990	4,890	7,310	6,220	6,701	7,376	8,297	22,230	28,594
YoY Change (%)	-40.5	-19.7	19.8	48.6	23.4	34.3	50.8	13.5	-6.1	28.6
Margins (%)	28.3	26.1	26.4	31.7	29.4	30.4	31.6	33.5	28.3	31.3
Depreciation	930	950	950	950	970	975	980	975	3,780	3,900
EBIT	4,110	4,040	3,940	6,360	5,250	5,726	6,396	7,322	18,450	24,694
Interest	0	10	0	20	0	0	0	0	30	0
Other Income	810	750	770	770	780	810	870	920	3,100	3,380
PBT before EO Income	4,920	4,780	4,710	7,110	6,030	6,536	7,266	8,242	21,520	28,074
Forex gain /(Loss)	30	-90	180	20	10	0	0	0	140	10
PBT	4,950	4,690	4,890	7,130	6,040	6,536	7,266	8,242	21,660	28,084
Tax	1,360	1,210	1,310	1,750	1,740	1,765	1,860	2,078	5,630	7,442
Rate (%)	27.5	25.8	26.8	24.5	28.8	27.0	25.6	25.2	26.0	26.5
PAT	3,590	3,480	3,580	5,380	4,300	4,771	5,406	6,165	16,030	20,642
Adj. PAT	3,568	3,547	3,448	5,365	4,293	4,771	5,406	6,165	15,928	20,635
YoY Change (%)	-45.6	-24.4	25.9	65.7	20.3	34.5	56.8	14.9	-7.5	29.5
Margins (%)	20.2	18.2	19.3	23.4	20.3	21.6	23.2	24.9	20.4	22.6

Dr Reddy's Labs**Neutral****CMP: INR6,747 | TP: INR6,930 (3%)****EPS CHANGE (%): FY25|26: 0.0|0.0**

- Expect the US sales to grow 15.8% YoY to USD440m, led by market share gains, Mayne portfolio integration, and volume offtake in differentiated portfolio.
- India revenue to grow 15% YoY due to strong traction in Pain/Derma, new launches, and in-licensing opportunities.
- Expect Russia/other CIS countries' sales to decline 4% YoY to INR7.7b due to unfavorable currency
- Update on the approval of Rituximab in the US, filing of Denosumab and Abatacept, and launches in Consumer healthcare are key monitorables.
- Updates on filings, approvals, and launches in China are critical too.

Quarterly Performance - IFRS

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	67,384	68,802	72,148	70,830	76,727	78,142	80,734	88,837	2,79,164	3,24,440
YoY Change (%)	35.2	9.1	6.6	17.4	13.9	13.6	11.9	25.4	15.9	16.2
EBITDA	20,450	19,971	20,290	17,669	21,275	21,723	22,202	24,345	78,380	89,546
YoY Change (%)	97.8	10.7	-1.3	34.0	4.0	8.8	9.4	37.8	26.2	14.2
Margins (%)	30.3	29.0	28.1	24.9	27.7	27.8	27.5	27.4	28.1	27.6
Amortization	3,583	3,845	3,880	3,539	3,815	3,750	3,800	3,916	14,847	15,281
EBIT	16,867	16,126	16,410	14,130	17,460	17,973	18,402	20,429	63,533	74,264
Other Income	1,107	1,579	1,957	1,713	1,366	685	810	232	6,356	3,093
PBT before EO expenses	17,974	17,705	18,367	15,843	18,826	18,658	19,212	20,661	69,889	77,357
One-off income/(expense)	489	1,429	-110	173	-5	0	0	0	1,981	-5
Profit before Tax	18,463	19,134	18,257	16,016	18,821	18,658	19,212	20,661	71,870	77,362
Tax	4,438	4,334	4,468	2,946	4,901	4,422	4,592	4,496	16,186	18,411
Rate (%)	24.0	22.7	24.5	18.4	26.0	23.7	23.9	21.8	22.5	23.8
Reported Profit	14,025	14,800	13,789	13,070	13,920	14,236	14,620	16,165	55,684	58,951
Adjusted PAT	13,654	13,279	13,775	12,120	13,924	14,236	14,620	16,165	52,827	58,946
YoY Change (%)	66.6	16.5	5.1	50.1	2.0	7.2	6.1	33.4	29.6	11.6
Margins (%)	20.3	19.3	19.1	17.1	18.1	18.2	18.1	18.2	18.9	18.2

Eris Lifesciences**Neutral****CMP: INR1,323 | TP: INR1,220 (-8%)****EPS CHANGE (%): FY25|26: 0.0|0.0**

- Expect 50% YoY growth in sales on strong show in Oaknet and synergy from key acquisitions in recent past.
- Update on integration of the brands acquired from Biocon and business of Swiss Parenterals.
- Update on the launch of Glargine and Liraglutide and other first to launch products.
- Progress on launching injectables from Swiss portfolio.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	4,666	5,053	4,863	5,509	7,197	7,579	8,024	8,246	20,091	31,047
YoY Change (%)	17.1	9.7	14.9	36.8	54.2	50.0	65.0	49.7	19.2	54.5
EBITDA	1,697	1,811	1,755	1,698	2,500	2,660	2,808	2,867	6,962	10,835
Margins (%)	36.4	35.8	36.1	30.8	34.7	35.1	35.0	34.8	34.7	34.9
Depreciation	409	421	457	539	759	718	711	693	1,830	2,882
Interest	174	163	181	330	604	630	610	585	848	2,428
Other Income	10	35	42	151	16	50	65	117	238	248
PBT before EO expense	1,125	1,262	1,159	980	1,153	1,362	1,552	1,706	4,522	5,774
Extra-Ord expense	0	0	0	214	0	0	0	0	214	0
PBT	1,125	1,262	1,159	766	1,153	1,362	1,552	1,706	4,308	5,774
Tax	188	39	144	-30	259	343	388	453	342	1,443
Rate (%)	16.7	3.1	12.4	-3.9	22.5	25.2	25.0	26.6	7.9	25.0
Minority Interest & Profit/Loss of Asso. Cos.	12	11	13	-87	62	31	37	16	-51	147
Reported PAT	948	1,234	1,027	710	832	988	1,127	1,236	3,916	4,184
Adj PAT	948	1,234	1,027	815	832	988	1,127	1,236	4,021	4,184
YoY Change (%)	0.3	2.3	1.2	24.6	-12.3	-19.9	9.7	51.6	5.2	4.0
Margins (%)	20.3	24.4	21.1	14.8	11.6	13.0	14.0	15.0	20.0	13.5

GSK Pharma**Neutral****CMP: INR2,738 | TP: INR2,720 (-1%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect low single-digit YoY growth in 2QFY25 due to decline in pain/hormone therapies offset by growth in other key therapies.
- Update on any new launches from parent portfolio.
- Any impact of trade generics on the volume off-take of GLXO products is a key monitorable.
- Any scope to add MRs to cater to newer markets is crucial.

Qtr Perf. (Consol.)**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	7,617	9,570	8,053	9,298	8,147	9,739	8,534	9,894	34,537	36,313
YoY Change (%)	2.2	4.4	0.4	18.1	7.0	1.8	6.0	6.4	6.2	5.1
EBITDA	1,439	2,895	2,181	2,573	2,305	3,000	2,270	2,890	9,087	10,465
YoY Change (%)	-3.4	12.7	-4.7	51.6	60.2	3.6	4.1	12.3	13.0	15.2
Margins (%)	18.9	30.3	27.1	27.7	28.3	30.8	26.6	29.2	26.3	28.8
Depreciation	164	181	171	181	164	180	178	190	697	712
EBIT	1,276	2,714	2,010	2,392	2,141	2,820	2,092	2,699	8,390	9,752
Interest	3	4	3	8	4	4	4	1	18	12
Other Income	364	282	281	298	356	310	300	334	1,226	1,300
PBT before EO Expense	1,637	2,992	2,287	2,682	2,494	3,126	2,388	3,032	9,598	11,040
Tax	487	817	197	761	671	813	621	788	2,262	2,893
Rate (%)	29.8	27.3	8.6	28.4	26.9	26.0	26.0	26.0	22.4	26.2
Adjusted PAT	1,150	2,175	2,090	1,921	1,823	2,313	1,767	2,244	7,336	8,148
YoY Change (%)	-1.1	12.5	18.8	56.1	58.6	6.3	-15.5	16.8	20.5	11.1
Margins (%)	15.1	22.7	26.0	20.7	22.4	23.8	20.7	22.7	21.2	22.4
One-off Expense/(Income)	-173	0	1,633	-24	0	0	0	0	1,436	0
Reported PAT	1,323	2,175	457	1,945	1,823	2,313	1,767	2,244	5,900	8,148
Reported PAT incl disc operations	1,323	2,175	457	1,945	1,823	2,313	1,767	2,244	5,900	8,148

Gland Pharma**Buy****CMP: INR1,800 | TP: INR2,170 (21%)****EPS CHANGE (%): FY25|26: (4.8)|(1.1)**

- Expect sales to grow 2.2% YoY to INR14b due to holiday season in the EU, planned maintenance shutdown, and a delay in tender procurement.
- Update on the new biologics/CDMO opportunities and complex approvals for core markets are key monitorables.
- Progress on improving profitability of Cenexi.
- Any impact on the business due to the Bio-secure Act is critical.

Consol. - Quarterly perf.**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	12,087	13,734	15,452	15,375	14,017	14,033	16,029	18,396	56,647	62,474
YoY Change (%)	41.1	31.5	64.7	95.9	16.0	2.2	3.7	19.6	56.3	10.3
EBITDA	2,940	3,241	3,742	3,587	2,644	2,750	3,959	5,515	13,509	14,869
YoY Change (%)	8.9	5.3	29.2	113.0	-10.1	-15.1	5.8	53.8	30.4	10.1
Margins (%)	24.3	23.6	24.2	23.3	18.9	19.6	24.7	30.0	23.8	23.8
Depreciation	653	813	1,053	926	920	960	990	1,060	3,446	3,930
Interest	49	60	53	100	56	19	18	-19	262	74
Other Income	375	532	374	421	514	490	500	370	1,702	1,874
PBT before EO expense	2,613	2,899	3,009	2,982	2,182	2,261	3,451	4,844	11,503	12,739
One-off income/(expense)	0	0	178	0	0	0	0	0	178	0
PBT	2,613	2,899	2,832	2,982	2,182	2,261	3,451	4,844	11,325	12,739
Tax	672	958	913	1,058	745	706	1,084	1,415	3,601	3,949
Rate (%)	25.7	33.0	32.2	35.5	34.1	31.2	31.4	29.2	31.8	31.0
Reported PAT	1,941	1,941	1,919	1,924	1,438	1,556	2,368	3,429	7,724	8,790
Adj PAT	1,941	1,941	2,039	1,918	1,438	1,556	2,368	3,429	7,839	8,790
YoY Change (%)	-15.3	-22.7	-12.1	61.7	-25.9	-19.8	16.1	78.8	-5.6	12.1

E: MOFSL Estimates

Glenmark Pharma**Buy****CMP: INR1,667 | TP: INR1,930 (16%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect DF sales to grow 11% YoY led by cardiac/Anti-infective/Derma therapy, and in-licensing limited competition complex products.
- Update on ramp-up of Winlevi in the EU market and Ryaltris at global level.
- Expect the US sales to remain flat YoY to USD94m partly due to lack of approvals and ongoing price erosion
- Watch out for remediation timeline to resolve USFDA issues.
- Update on the approvals of respiratory products in developed markets is a key monitorable.

Quarterly performance**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues (Core)	30,361	32,074	25,067	30,630	32,442	33,674	34,178	35,115	1,18,131	1,35,409
YoY Change (%)	9.3	6.3	-19.1	2.1	6.9	5.0	36.3	14.6	2.0	14.6
EBITDA	4,374	5,053	-1,444	5,043	6,102	6,499	6,665	6,393	13,025	25,659
YoY Change (%)	-7.5	-3.2	-130.5	26.7	39.5	28.6	-561.4	26.8	-20.3	97.0
Margins (%)	14.4	15.8	-5.8	16.5	18.8	19.3	19.5	18.2	11.0	18.9
Depreciation	1,420	1,415	1,471	1,513	1,178	1,210	1,250	1,312	5,819	4,950
EBIT	2,953	3,638	-2,915	3,530	4,924	5,289	5,415	5,082	7,206	20,710
Interest	1,116	1,215	1,343	1,486	396	200	100	-32	5,160	664
Other Income	197	17	454	7,732	315	100	90	-155	8,400	350
PBT before EO Expense	2,034	2,441	-3,805	9,776	4,843	5,189	5,405	4,959	10,447	20,396
One-off loss/(gain)	520	3,684	1,409	4,468	220	0	0	0	10,082	220
PBT after EO Expense	1,514	-1,244	-5,214	5,308	4,623	5,189	5,405	4,959	364	20,176
Tax	1,137	559	-718	17,695	1,221	1,718	1,794	1,965	18,673	6,698
Rate (%)	75.1	-45.0	13.8	333.3	26.4	33.1	33.2	39.6	5,123.0	33.2
Reported PAT	377	-1,803	-4,496	-12,386	3,402	3,472	3,610	2,993	-18,309	13,478
Minority Interest	232	204	206	40	0	10	15	50	681	75
Reported PAT after Minority Interest	145	-2,007	-4,701	-12,427	3,403	3,462	3,595	2,943	-18,990	13,403
Adj PAT	1,111	1,397	-3,486	1,680	3,565	3,462	3,595	2,943	701	13,564
YoY Change (%)	-34.0	-39.9	-368.6	247.6	220.9	147.8	-203.1	75.2	-81.2	1,835.0
Margins (%)	3.7	4.4	-13.9	5.5	11.0	10.3	10.5	8.4	0.6	10.0
Adj. PAT from discontinued operations	1,355	1,187	1,188	244	0	0	0	-	3,973	-
YoY Change (%)										
Overall Adj. PAT	2,465	2,584	(2,299)	1,923	3,565	3,462	3,595	2,943	4,674	13,564

Global Health**Buy****CMP: INR1,001 | TP: INR1,263 (17%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect ARPOB to grow 5% YoY to INR64.2k for the quarter. Expect occupancy to improve slightly to 62% due to seasonality and higher IPD volumes.
- Construction progress on Noida /Indore/Mumbai/South Delhi projects is critical.
- Expect moderate revenue growth of 5% YoY due to gradual revival of the Lucknow business.
- Update on profitability of Lucknow, given bed additions and higher opex, is a key monitorable.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	7,730	8,439	8,365	8,086	8,611	8,839	8,579	9,269	32,751	35,298
YoY Change (%)	25.2	24.3	20.5	14.4	11.4	4.7	2.6	14.6	21.6	7.8
EBITDA	1,843	2,185	2,215	1,911	1,912	2,015	2,102	2,513	8,284	8,542
YoY Change (%)	38.7	38.3	36.1	12.7	3.7	-7.8	-5.1	31.5	33.7	3.1
Margins (%)	23.8	25.9	26.5	23.6	22.2	22.8	24.5	27.1	25.3	24.2
Depreciation	468	485	495	572	515	525	545	586	2,020	2,172
Interest	179	201	177	182	180	165	155	147	739	647
Other Income	215	208	181	274	219	230	280	330	747	1,059
PBT before EO expense	1,410	1,707	1,724	1,431	1,437	1,555	1,682	2,109	6,271	6,782
PBT	1,410	1,707	1,724	1,431	1,437	1,555	1,682	2,109	6,271	6,782
Tax	390	455	488	157	374	407	439	392	1,490	1,612
Rate (%)	27.7	26.6	28.3	11.0	26.0	26.2	26.1	18.6	23.8	23.8
Reported PAT	1,020	1,252	1,235	1,273	1,063	1,148	1,243	1,717	4,781	5,170
Adj PAT	1,020	1,252	1,235	1,273	1,063	1,148	1,243	1,717	4,781	5,170
YoY Change (%)	73.8	46.1	53.3	26.0	4.2	-8.3	0.6	34.8	46.6	8.2
Margins (%)	13.2	14.8	14.8	15.7	12.3	13.0	14.5	18.5	14.6	14.6

E: MOFSL Estimates

Granules India**Buy****CMP: INR579 | TP: INR645 (11%)****EPS CHANGE (%): FY25|26: (7.8)|(7.6)**

- Expect overall sales to decline 17.8% due to production disruption post-USFDA inspection.
- Progress on resolving the USFDA observations at Gagillapur FD facility.
- Update on filings/launches in the US and EU markets
- Update on completion of phase-II of Genome Valley.
- Update on inventories of key products at the industry level.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	9,855	11,895	11,556	11,758	11,799	9,775	11,812	13,404	45,063	46,791
YoY Change (%)	-3.3	3.4	0.8	-1.6	19.7	-17.8	2.2	14.0	-0.1	3.8
EBITDA	1,579	2,130	2,505	2,557	2,593	2,014	2,575	3,019	8,770	10,200
YoY Change (%)	-25.4	-12.3	8.3	8.3	64.2	-5.4	2.8	18.0	-4.9	16.3
Margins (%)	16.0	17.9	21.7	21.7	22.0	20.6	21.8	22.5	19.5	21.8
Depreciation	492	525	524	532	529	510	560	625	2,073	2,224
EBIT	1,086	1,605	1,981	2,025	2,064	1,504	2,015	2,393	6,697	7,976
Interest	225	260	286	288	270	265	260	225	1,058	1,020
Other Income	3	15	7	19	21	10	12	3	44	46
PBT before EO expense	865	1,360	1,701	1,756	1,814	1,249	1,767	2,171	5,683	7,002
Extra-Ord expense	211	0	0	0	0	0	0	0	211	0
PBT	654	1,360	1,701	1,756	1,814	1,249	1,767	2,171	5,472	7,002
Tax	176	339	444	460	468	316	438	408	1,419	1,630
Rate (%)	26.9	24.9	26.1	26.2	25.8	25.3	24.8	18.8	25.9	23.3
Reported PAT	479	1,021	1,257	1,296	1,346	933	1,329	1,763	4,052	5,371
Adjusted PAT	633	1,021	1,257	1,296	1,346	933	1,329	1,763	4,207	5,371
YoY Change (%)	-50.4	-29.6	1.1	3.4	112.7	-8.7	5.8	36.0	-19.5	27.7
Margins (%)	6.4	8.6	10.9	11.0	11.4	9.5	11.2	13.2	9.3	11.5

Ipca Laboratories**Neutral****CMP: INR1,491 | TP: INR1,610 (8%)****EPS CHANGE (%): FY25|26: 0.0|(4.3)**

- Expect formulations segment/Unichem to drive overall sales growth of 12% YoY for the quarter.
- Expect API sales to decline 8% YoY for the quarter due to inventory buildup and sharp reduction in prices
- Expect DF segment to grow 12% YoY led by steady growth in key therapies and focus on improvement in field productivity.
- Progress on product filing from own as well as Unichem sites

Quarterly Performance**(INRM)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues (Core)	15,876	20,340	20,529	20,330	20,926	22,750	22,552	22,853	77,074	89,082
YoY Change (%)	0.1	27.0	32.8	34.5	31.8	11.9	9.9	12.4	23.2	15.6
EBITDA	2,941	3,606	3,310	3,219	3,927	4,709	4,420	4,136	13,076	17,193
YoY Change (%)	3.8	32.4	42.7	77.9	33.5	30.6	33.6	28.5	33.3	31.5
Margins (%)	18.5	17.7	16.1	15.8	18.8	20.7	19.6	18.1	17.0	19.3
Depreciation	693	903	995	981	989	985	990	938	3,572	3,902
EBIT	2,249	2,702	2,315	2,238	2,938	3,724	3,430	3,198	9,503	13,290
Interest	314	441	334	294	241	248	230	250	1,383	969
Other Income	449	386	225	16	206	190	235	269	1,075	900
PBT before EO Expense	2,383	2,647	2,205	1,960	2,904	3,666	3,435	3,216	9,195	13,222
One-off (gain)/ Expense	-135	393	-684	1,194	0	0	0	0	769	0
PBT after EO Expense	2,518	2,254	2,889	766	2,904	3,666	3,435	3,216	8,426	13,222
Tax	856	879	662	737	914	1,137	1,072	1,042	3,135	4,165
Rate (%)	34.0	39.0	22.9	96.2	31.5	31.0	31.2	32.4	34.1	31.5
Reported PAT	1,662	1,374	2,227	29	1,990	2,530	2,363	2,174	5,292	9,057
Minority Interest	-34	76	-428	-598	-67	-90	-180	-213	-984	-550
Adj PAT after Minority Int	1,539	1,690	1,115	930	1,922	2,440	2,183	1,961	5,274	8,507
YoY Change (%)	0.9	-9.2	-6.1	32.7	24.9	44.3	95.8	110.9	0.0	61.3
Margins (%)	9.7	8.3	5.4	4.6	9.2	10.7	9.7	8.6	6.8	9.5

Laurus Labs**Buy****CMP: INR468 | TP: INR540 (+15%)****EPS CHANGE (%): FY25 | 26: (7.8) |(7.6)**

- Expect strong traction in API/BIO segments supported by healthy growth in CS sales.
- Update on product pipeline in Non-ARV segment and new NCE product opportunity in the CS segment.
- Progress on commercial prospects from animal health CDMO and crop science unit.
- Expect ARV sales to grow 12%/4% YoY/QoQ.
- Update on the capex at Hyderabad/Vizag/Mysore is crucial.

Consolidated - Quarterly Earning Model

Y/E Mar (INRb)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	11.8	12.2	11.9	14.4	11.9	12.8	14.8	16.9	50.4	56.5
YoY Change (%)	-23.2	-22.3	-22.6	4.3	1.1	4.5	23.9	17.5	-16.6	12.0
EBITDA	1.7	1.9	1.8	2.4	1.7	1.8	2.9	4.5	7.8	10.9
YoY Change (%)	-63.3	-58.1	-55.0	-15.4	2.7	-5.4	62.4	84.7	-51.2	40.1
Margins (%)	14.1	15.3	15.2	16.8	14.3	13.9	19.9	26.4	15.4	19.3
Depreciation	0.9	0.9	1.0	1.0	1.1	1.1	1.0	1.0	3.8	4.2
EBIT	0.8	0.9	0.8	1.4	0.7	0.7	1.9	3.4	3.9	6.7
Interest	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	1.8	2.0
Other Income	0.0	0.0	0.0	0.2	0.0	0.1	0.1	0.1	0.3	0.3
PBT before EO expense	0.4	0.5	0.3	1.1	0.2	0.3	1.5	3.0	2.4	5.0
PBT	0.4	0.5	0.3	1.1	0.2	0.3	1.5	3.0	2.4	5.0
Tax	0.1	0.1	0.1	0.3	0.1	0.1	0.4	0.8	0.7	1.3
Rate (%)	30.0	27.0	27.3	29.8	33.9	34.0	26.0	25.7	28.8	26.5
Reported PAT	0.3	0.4	0.2	0.8	0.1	0.2	1.1	2.2	1.6	3.6
Adj PAT	0.3	0.4	0.2	0.8	0.1	0.2	1.1	2.2	1.6	3.6
YoY Change (%)	-89.4	-84.2	-88.6	-28.1	-52.7	-54.1	368.1	194.4	-79.6	121.9
Margins (%)	2.3	3.0	1.9	5.3	1.1	1.3	7.3	13.2	3.2	6.4

E: MOFSL Estimates

Lupin**Neutral****CMP: INR2,194 | TP: INR2,060 (-6%)****EPS CHANGE (%): FY25 | 26: 0.1 |(0.2)**

- Expect the US sales to witness a 15% YoY growth to USD245m led by strong traction in niche launches and new approvals offset by competition in g-Suprep.
- Update on niche approvals beyond g-Dulera/g-Respimat.
- Update on filing of Lucentis and launches of Doxycycline, g Pred Forte, Doxorubicin HCL are key monitorables.
- DF segment to grow 11% YoY for the quarter due to superior growth in Cardiac/Gastro/Anti-infective therapies, complex launches, and in-licensing.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	46,087	50,385	51,974	49,608	56,003	54,523	54,649	53,090	1,98,054	2,18,265
YoY Change (%)	23.1	21.5	20.2	12.0	21.5	8.2	5.1	7.0	19.0	10.2
EBITDA	6,513	9,232	10,220	9,968	13,614	11,559	10,875	9,788	35,932	45,836
YoY Change (%)	297.3	112.6	83.8	65.0	109.0	25.2	6.4	-1.8	104.4	27.6
Margins (%)	14.1	18.3	19.7	20.1	24.3	21.2	19.9	18.4	18.1	21.0
Depreciation	2,347	2,479	2,572	2,559	2,477	2,570	2,575	2,634	9,956	10,256
EBIT	4,166	6,754	7,648	7,409	11,137	8,989	8,300	7,154	25,977	35,580
Interest	856	806	740	713	680	700	716	673	3,116	2,769
Other Income	228	404	294	293	678	550	525	347	1,218	2,100
EO Exp/(Inc)	-2,053	54	-160	2,012	1,204	0	0	0	-147	1,204
PBT	5,591	6,298	7,361	4,977	9,930	8,839	8,109	6,828	24,227	33,706
Tax	1,055	1,344	1,174	1,295	1,875	1,945	1,946	1,915	4,867	7,680
Rate (%)	18.9	21.3	15.9	26.0	18.9	22.0	24.0	28.0	20.1	22.8
Minority Interest	-11	-57	-56	-88	-42	-22	-24	-9	-211	-97
Reported PAT	4,525	4,898	6,131	3,594	8,013	6,872	6,139	4,904	19,149	25,929
Adj PAT	2,855	4,940	5,997	5,083	8,990	6,872	6,139	4,904	18,875	26,905
YoY Change (%)	LP	319.9	256.1	95.0	214.9	39.1	2.4	-3.5	382.1	42.5
Margins (%)	6.2	9.8	11.5	10.2	16.1	12.6	11.2	9.2	9.5	12.3

E: MOFSL estimates

Mankind Pharma**Buy****CMP: INR2,577 | TP: INR3,000 (+16%)****EPS CHANGE (%): FY25|26: 3.0|0.1**

- Expect prescription sales to witness a 10% YoY growth to INR25.7b led by strong growth in Cardiac/Gastro/Anti-diabetic segments, new launches in chronic space, and in-licensing opportunity.
- Consumer health segment to grow 7% YoY for the quarter due to improving awareness.
- Exports sales to surge 25% YoY led by niche launches and market share gains in the base business.
- Update on new launches in DF and Export markets is a key monitorable.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	25,786	27,081	26,070	24,411	28,934	29,982	28,990	26,398	1,03,348	1,14,303
YoY Change (%)	18.3	11.6	24.7	18.9	12.2	10.7	11.2	8.1	18.1	10.6
EBITDA	6,548	6,827	6,065	5,911	7,238	7,945	7,624	6,455	25,351	29,262
YoY growth %	34.5	9.9	29.7	30.7	10.5	16.4	25.7	9.2	25	15
Margins (%)	25.4	25.2	23.3	24.2	25.0	26.5	26.3	24.5	24.5	25.6
Depreciation	874	965	1,097	1,047	1,077	1,075	1,085	1,065	3,983	4,302
Interest	63	86	92	94	109	78	70	48	335	305
Other Income	586	600	701	921	1,006	732	752	460	2,809	2,950
PBT before EO expense	6,197	6,375	5,577	5,692	7,057	7,524	7,221	5,802	23,842	27,604
Extra-Ord expense	0	0	0	0	420	0	0	0	0	420
PBT	6,197	6,375	5,577	5,692	6,637	7,524	7,221	5,802	23,842	27,184
Tax	1,303	1,298	1,025	950	1,246	1,422	1,386	1,508	4,576	5,563
Rate (%)	21.0	20.4	18.4	16.7	18.8	18.9	19.2	26.0	19.2	20.5
Minority Interest & Profit/Loss of Asso. Cos.	25.9	66.8	14.5	29.5	26.7	111.0	127.0	-128.1	136.6	136.6
Reported PAT	4,869	5,010	4,538	4,712	5,365	5,991	5,708	4,422	19,129	21,486
Adj PAT	4,869	5,010	4,538	4,712	5,706	5,991	5,708	4,422	19,129	21,827
YoY Change (%)	53.9	12.8	47.3	50.5	17.2	19.6	25.8	-6.2	38.4	14.1
Margins (%)	18.9	18.5	17.4	19.3	19.7	20.0	19.7	16.8	18.5	19.1

Max Healthcare**Buy****CMP: INR969 | TP: INR1238 (28%)****EPS CHANGE (%): FY25|26: (3.5)|(3.8)**

- Expect ARPOB to grow 4% YoY to INR77.6K.
- Expect overall sales to grow 17.4% YoY for the quarter
- Expect 23% YoY growth in Max Labs with EBITDA margin expansion due to superior execution and increasing reach.
- Progress on scaling Lucknow/Nagpur and Jaypee hospitals.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	16,220	17,190	16,820	17,910	19,310	20,181	20,689	23,408	68,150	83,588
YoY Change (%)	16.7	16.8	14.9	15.6	19.1	17.4	23.0	30.7	16.0	22.7
EBITDA	4,290	4,840	4,650	4,940	4,940	5,409	5,648	6,221	18,730	22,218
Margins (%)	26.4	28.2	27.6	27.6	25.6	26.8	27.3	26.6	27.5	26.6
Depreciation	640	660	700	840	900	990	1,080	1,339	2,840	4,309
Interest	-30	-170	-140	-40	80	-110	-130	153	-380	-7
Other Income	70	130	60	90	40	155	130	260	350	585
PBT before EO expense	3,750	4,480	4,150	4,230	4,000	4,684	4,828	4,989	16,620	18,501
Extra-Ord expense	190	190	40	250	190	0	0	0	670	190
PBT	3,560	4,290	4,110	3,980	3,810	4,684	4,828	4,989	15,950	18,311
Tax	660	910	730	870	870	881	821	725	3,160	3,296
Rate (%)	18.5	21.2	17.8	21.9	22.8	18.8	17.0	14.5	19.8	18.0
Reported PAT	2,900	3,380	3,380	3,110	2,940	3,803	4,007	4,265	12,790	15,015
Adj PAT	3,055	3,530	3,413	3,319	3,087	3,803	4,007	4,265	13,316	15,171
YoY Change (%)	28.3	24.5	20.3	4.6	1.0	7.7	17.4	28.5	18.6	13.9
Margins (%)	18.8	20.5	20.3	18.5	16.0	18.8	19.4	18.2	19.5	18.1

Piramal Pharma**Buy****CMP: INR229 | TP: INR280 (22%)****EPS CHANGE (%): FY25|26: 1.9|4.1**

- Expect sales to grow 15% YoY to INR21.9b led by strong growth in all the three segments.
- Progress on ADC-related CDMO order book, given Piramal has strong capability/capacity.
- Higher operating costs to drag EBITDA margin on a YoY basis.
- Update on setup of manufacturing of Sevoflurane at the Digwal facility is crucial.

Consolidated - Quarterly Earning Model

PPL Income statement (INRm)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenues	17,489	19,114	19,586	25,524	19,511	22,119	22,639	29,040	81,712	93,308
growth YoY(%)	18.0	11.1	14.1	18.0	11.6	15.7	15.6	13.8	15.4	14.2
CDMO	8,980	10,680	11,340	16,490	10,570	12,816	13,268	18,435	47,490	55,088
CHG	6,170	5,890	5,760	6,770	6,310	6,538	6,624	7,823	24,590	27,295
ICP	2,390	2,560	2,520	2,380	2,640	2,765	2,747	2,782	9,850	10,934
EBITDA*	1,323	2,657	2,684	5,299	2,044	2,600	3,598	6,854	11,963	15,095
margin (%)	7.6	13.9	13.7	20.8	10.5	11.8	15.9	23.6	14.6	16.2
growth YoY(%)	55.5	54.0	124.1	50.9	54.5	-2.1	34.1	29.3	64.2	26.2
Depreciation	1,736	1,845	1,863	1,961	1,846	1,850	1,900	1,958	7,406	7,554
EBIT	-413	812	821	3,338	198	750	1,698	4,895	4,557	7,542
Other income	383	492	615	264	195	430	520	655	1,754	1,800
Interest expense	1,185	1,099	1,059	1,142	1,070	962	925	805	4,485	3,761
Share from Asso. Co	144	191	140	120	224	162	135	104	595	625
PBT	-1,071	396	516	2,580	-452	380	1,428	4,849	2,421	6,205
EO Expenses/(gain)	-	-	323	310	-	-	-	-	633	-
Taxes	-85	345	93	1,262	436	125	471	1,760	1,615	2,792
Tax Rate (%)	8.0	87.3	47.8	55.6	-96.4	33.0	33.0	36.3	90.3	45.0
Reported PAT	-986	50	101	1,008	-888	255	957	3,089	173	3,413
Adj. PAT	-986	50	350	1,146	-888	255	957	3,089	560	3,413
Change (%)	NA	LP	LP	128.6	NA	405.0	173.3	169.7	NA	509.3

E: MOFSL Estimates

Sun Pharma**Buy****CMP: INR1919 | TP: INR2220 (16%)****EPS CHANGE (%): FY25|26: 0 |(0.1)**

- Expect a steady increase in prescription run-rate of specialty products, driving 17% YoY growth to USD280m for the quarter.
- Outlook on branded generics in emerging/ROW markets.
- Expect DF sales to grow 12% YoY for the quarter.
- Clarity on launch of Deuruxolitinib in the US market is critical.
- Any revision in R&D spends basis clinical development of products in the pipeline is a key monitorable

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	117.9	120.0	121.6	118.1	125.2	129.5	134.9	138.9	477.6	528.6
YoY Change (%)	10.7	11.0	10.5	10.7	6.3	7.9	11.0	17.6	10.8	10.7
EBITDA	31.7	30.2	31.3	29.2	35.3	35.0	36.0	36.4	122.5	142.6
YoY Change (%)	21.1	-1.0	13.2	13.8	11.2	15.6	15.1	24.4	11.3	16.5
Margins (%)	26.9	25.2	25.7	24.7	28.2	27.0	26.7	26.2	25.6	27.0
Depreciation	6.5	6.3	6.2	6.5	6.6	6.6	6.7	5.9	25.6	25.7
EBIT	25.2	23.9	25.1	22.7	28.7	28.4	29.3	30.5	96.9	116.9
Interest	0.8	0.5	0.3	0.7	0.6	0.6	0.6	0.4	2.4	2.2
Net Other Income	3.6	4.8	4.7	7.8	6.6	6.0	6.4	7.1	20.9	26.0
PBT before EO Exp	28.0	28.2	29.5	29.7	34.7	33.7	35.1	37.2	115.5	140.7
Less: EO Exp/(Inc)	3.2	0.3	-0.5	1.6	0.5	0.0	0.0	0.0	4.6	0.5
PBT	24.8	27.9	30.0	28.2	34.2	33.7	35.1	37.2	110.9	140.2
Tax	4.7	3.9	4.3	1.5	5.5	4.7	5.1	5.8	14.4	21.1
Rate (%)	16.7	13.8	14.7	5.0	15.9	14.0	14.5	15.5	12.5	15.0
PAT (pre Minority Interest)	20.1	24.0	25.7	26.7	28.7	28.9	30.0	31.4	96.5	119.1
Reported PAT	20.2	23.8	25.2	26.5	28.4	28.7	29.7	31.0	95.8	117.8
Adj Net Profit*	22.8	24.0	24.8	28.0	28.8	28.7	29.7	31.0	99.7	118.3
YoY Change (%)	18.5	-3.4	19.2	32.7	26.1	19.3	20.1	10.7	15.8	18.6
Margins (%)	19.4	20.0	20.4	23.7	23.0	22.2	22.1	22.3	20.1	22.3

Torrent Pharmaceuticals**Neutral****CMP: INR3370 | TP: INR3430 (2%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Expect the US sales to decline 2.9% YoY to USD33m due to slower ramp-up of the Dahej facility.
- Progress on OTC portfolio expansion and further investment to aid growth in the India business are key monitorables.
- DF sales to grow 13.2% YoY to INR16.3b due to strong growth in Cardiac, Gastro, and Anti-diabetic segments.
- Progress on traction in newer geographies in branded generics space.
- Update on filing and approval of new products in US market and remediation of Indrad plant.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
INRb										
Net Revenues	25.9	26.6	27.3	27.5	28.6	30.0	31.2	33.2	107.3	123.0
YoY Change (%)	12.2	16.1	9.7	10.2	10.3	12.9	14.0	21.0	12.0	14.6
EBITDA	7.9	8.3	8.7	8.8	9.2	9.8	10.4	11.1	33.7	40.6
YoY Change (%)	17.4	21.5	17.6	19.8	16.8	19.4	19.4	25.9	19.1	20.5
Margins (%)	30.5	31.0	31.8	32.2	32.3	32.8	33.3	33.5	31.4	33.0
Depreciation	1.9	2.0	2.1	2.0	2.0	2.1	2.2	2.3	8.1	8.5
EBIT	6.0	6.2	6.6	6.8	7.3	7.7	8.2	8.8	25.6	32.1
Interest	1.0	0.9	0.8	0.8	0.8	0.7	0.6	0.5	3.5	2.5
Other Income	0.3	0.3	-0.3	0.3	0.2	0.2	0.2	0.2	0.6	0.8
PBT before EO Expense	5.3	5.6	5.4	6.3	6.8	7.2	7.8	8.5	22.6	30.3
PBT after EO Expense	5.3	5.6	6.3	6.3	6.6	7.2	7.8	8.5	23.5	30.1
Tax	1.5	1.7	1.9	1.8	2.0	2.1	2.3	2.3	7.0	8.8
Rate (%)	28.8	30.9	34.6	28.8	29.4	29.5	29.7	27.6	30.7	29.0
Reported PAT	3.8	3.9	4.4	4.5	4.6	5.1	5.5	6.2	16.6	21.3
Adj PAT	3.8	3.9	3.8	4.5	4.7	5.1	5.5	6.2	15.9	21.5
YoY Change (%)	15.0	23.7	19.1	51.0	24.6	32.2	43.9	37.1	26.7	34.6
Margins (%)	14.6	14.5	14.0	16.4	16.5	17.0	17.6	18.5	14.9	17.4

E: MOFSL Estimates

Zydus Lifesciences**Neutral****CMP: INR1081 | TP: INR1140 (5%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- The US sales are expected to grow 20% YoY due to ramp-up of niche launches offset by competition in g-Asacol.
- Clarity on business prospects related to g-Mirabegron.
- Progress on scaling up the Liqmeds business
- Expect DF sales to grow 13% YoY for the quarter due to growth in cardiac/anti-infective/gastro segments supported by in-licensing deals.
- Update on the progress of development of NCE pipeline and scale up of the 505b2 product in the US are the key monitorables.

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	51.4	43.7	45.1	55.3	62.1	54.5	53.2	56.5	195.5	226.3
YoY Change (%)	29.6	9.1	5.8	10.4	20.8	24.9	18.1	2.1	13.4	15.8
EBITDA	15.3	10.6	10.8	16.3	21.1	13.0	13.2	17.0	53.0	64.3
YoY Change (%)	111.5	32.6	20.3	23.7	37.6	22.0	22.4	4.7	41.8	21.3
Margins (%)	29.8	24.4	24.0	29.4	34.0	23.8	24.9	30.1	27.1	28.4
Depreciation	1.8	1.8	1.9	2.1	2.2	1.9	1.9	2.0	7.6	7.9
EBIT	13.5	8.8	8.9	14.2	18.9	11.1	11.3	15.0	45.4	56.4
YoY Change (%)	148.6	41.8	23.6	25.0	40.0	26.5	27.9	5.8	50.4	24.3
Margins (%)	26.3	20.1	19.7	25.7	30.5	20.4	21.3	26.6	23.2	24.9
Interest	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.0	0.8	0.7
Other Income	0.4	0.5	0.4	1.6	0.6	0.5	0.5	0.4	2.8	2.0
PBT before EO Income	13.7	9.3	9.0	15.4	19.2	11.4	11.6	15.3	47.4	57.7
PBT after EO Income	13.3	10.1	9.3	15.5	19.0	11.4	11.6	15.3	48.1	57.4
Tax	2.2	2.3	2.1	3.2	4.4	2.6	2.6	3.7	9.8	13.2
Rate (%)	16.3	22.5	23.1	20.8	23.0	22.5	22.0	24.2	20.3	23.0
Reported PAT	10.9	8.0	7.7	11.8	14.2	8.8	9.1	12.0	38.4	44.1
Adj PAT	11.2	7.4	7.5	11.7	14.4	8.8	9.1	12.0	37.9	44.3
YoY Change (%)	155.4	45.7	29.6	52.1	28.2	19.4	21.5	1.9	65.0	17.0
Margins (%)	21.8	16.9	16.7	21.2	23.2	16.2	17.2	21.2	19.4	19.6

E: MOFSL Estimates

Infrastructure

Company

G R Infraprojects

IRB Infrastructure Developers

KNR Constructions

Order inflows subdued; tender pipeline robust in 2Q

Project awarding remains muted in 2QFY25

- Project awarding by the NHAI totaled ~160km, while construction reached 1,645km in 1HFY25. Amid general elections in Jun'24, awarding activity was Nil in 1Q with subdued awarding activity in 2Q. Awarding is expected to pick up from 2HFY25 onwards. NHAI targets to award ~5,000km in FY25. The order pipeline continues to remain robust.
- During 2QY25, construction stood at ~730km, which is expected to pick up only in 2HFY25. In FY24, NHAI completed construction of 6,644km of roads, surpassing the target of 6,500km and registering 20% growth over FY23.
- A higher budgetary outlay for roads in the Union budget (+25% YoY in FY24) should support project awarding going forward. The government's thrust on infrastructure development and improved credit availability from banks are highly encouraging factors.

FASTag toll collections improve sequentially; asset monetization in focus

- FASTag toll collections (in volume terms) improved ~8% YoY during 2QFY25, while collections in value terms increased ~10% YoY. Higher toll collections play a crucial role in expediting the monetization of road assets by the Ministry. Additionally, it benefits companies seeking to monetize their existing toll assets.
- NHAI's primary focus is on asset monetization as a means to generate funds beyond budgetary allocations.
- NHAI has released an indicative list of 33 road assets it plans to monetize in FY25 through a mix of TOT and sale to the NHAI's InvIT. These assets are spread across 12 states, cumulatively spanning nearly 2,750km and with annual toll collections of ~INR50b.

Execution to be muted for our coverage universe on a YoY basis

- For our coverage universe (excl. IRB), we expect revenue to increase 4% YoY (-4% QoQ). In line with execution, we expect operating profit for our coverage (excl. IRB) to increase 5% YoY (-1% QoQ).
- IRB is expected to report flattish sales and EBITDA growth on a YoY basis. Due to muted construction amid extended monsoons in various parts of the country in 2Q and an increase in losses in associate companies for IRB on a sequential basis, net profit for IRB is expected to decrease 10% YoY during the quarter.

Softening input prices to support margins for contractors

- Steel and aluminum prices have decreased ~30% each since Apr'22. Cement prices have declined ~8% from their highs in Oct'23.
- With higher construction activities and moderating commodity prices, road contractors anticipate some improvement in profitability and margins in 2QFY25 and beyond.

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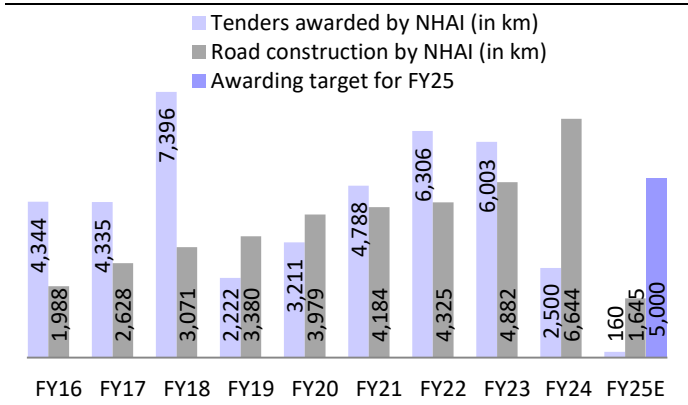
Players with strong order book, balance sheet, and diversified operations well positioned

- Despite sluggishness in project awarding in 1HFY25, there is a robust pipeline of tenders in place. Players with decent order books, strong balance sheets, and presence in two or more segments are better placed to capitalize on the opportunity.
- **KNRC is our preferred pick in the sector.** We like KNRC due to its favorable net cash balance sheet, which is attributed to: a) the successful monetization of HAM projects, b) a solid order book, c) impressive execution abilities, and d) a strong margin profile.

Exhibit 1: Summary of expected quarterly performance

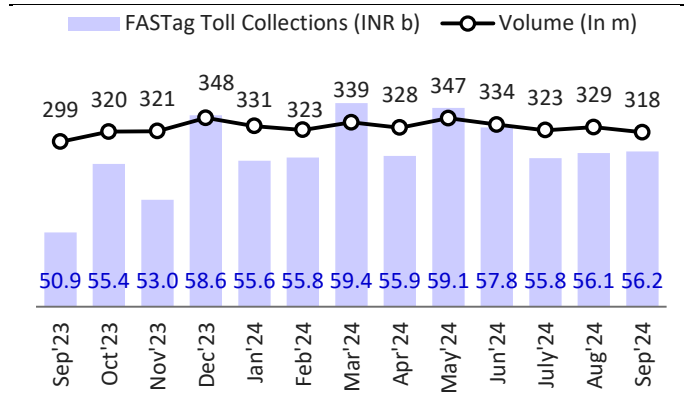
Company	CMP (INR)	Rating	Sales (INR m)			EBITDA (INR m)			Adjusted profit (INR m)		
			Sep'24	Variance YoY	Variance QoQ	Sep'24	Variance YoY	Variance QoQ	Sep'24	Variance YoY	Variance QoQ
G R Infraprojects	1,744	Buy	16,806	7%	-11%	2,218	15%	-10%	1,439	17%	-29%
IRB Infra.	61	Neutral	17,394	0%	-6%	8,049	1%	-6%	860	-10%	-39%
KNR Constructions	338	Buy	9,277	-1%	13%	1,559	-6%	15%	913	-9%	13%
Infrastructure			43,478	2%	-5%	11,826	2%	-5%	3,213	1%	-24%

Exhibit 2: Trends in NHAH awarding and construction



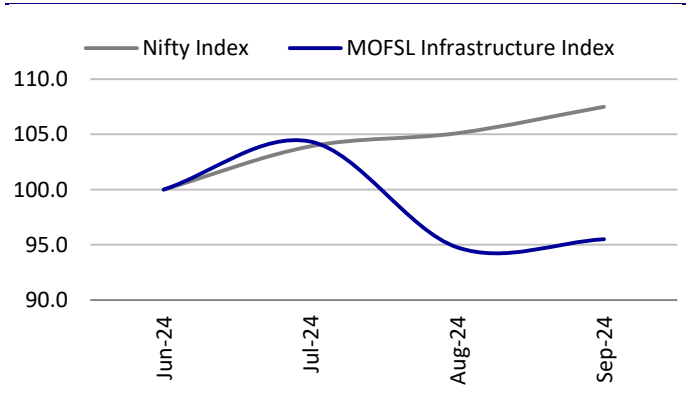
Source: NHAH, MOFSL

Exhibit 3: FASTag toll collections



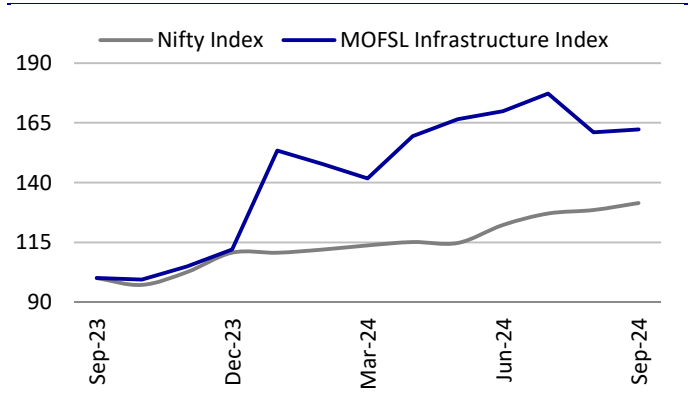
Source: NPCI, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Infrastructure			29.7	23.0	20.2	2.4	2.2	2.0	8.2	9.6	10.0			
G R Infraproject	1,744	Buy	79.2	99.9	111.1	22.0	17.5	15.7	2.1	1.9	1.7	10.1	11.5	11.4
IRB Infra	61	Neutral	1.6	2.1	2.4	38.6	29.5	25.1	2.6	2.4	2.2	6.8	8.4	9.1
KNR Constructions	338	Buy	14.6	18.9	21.1	23.2	17.9	16.0	2.6	2.3	2.0	11.9	13.5	13.3

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

G R Infraprojects

Buy

CMP: INR1,744 | TP: INR2,050 (+18%)

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

- Expect revenue to increase ~7% YoY to INR16.8b in 2QFY25.
- Adjusted PAT to increase ~17% YoY to INR1.4b. Profitability will be affected by muted execution.
- Expect EBITDA to be ~INR2.2b and EBITDA margin at 13.2%. Muted execution and elevated costs will continue to hurt EBITDA margin.
- Commentaries on execution, order inflows, and monetization of assets through the InvIT route are the key monitorables.

Quarterly Performance (Standalone)

(INR m)

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	21,524	15,738	18,064	21,554	18,965	16,806	19,542	22,855	76,880	78,169
YoY Change (%)	(13.1)	(11.4)	(4.9)	8.0	(11.9)	6.8	8.2	6.0	(5.6)	1.7
EBITDA	3,147	1,937	2,280	2,990	2,466	2,218	2,677	3,347	10,354	10,709
Margins (%)	14.6	12.3	12.6	13.9	13.0	13.2	13.7	14.6	13.5	13.7
Depreciation	602	617	610	612	632	625	627	612	2,442	2,497
Interest	266	277	245	250	281	220	210	172	1,038	883
Other Income	511	614	578	550	1,081	550	600	610	2,253	2,842
PBT before EO expense	2,790	1,656	2,003	2,678	2,634	1,923	2,440	3,173	9,127	10,171
Extra-Ord expense	-	-	83	14,720	(494)	-	-	0	14,803	(494)
PBT	2,790	1,656	2,086	17,398	2,140	1,923	2,440	3,173	23,930	9,677
Tax	710	423	532	2,490	621	484	614	799	4,155	2,517
Rate (%)	25.4	25.6	25.5	14.3	29.0	25.2	25.2	25.2	17.4	26.0
Reported PAT	2,080	1,233	1,554	14,908	1,520	1,439	1,826	2,374	19,774	7,160
Adj PAT	2,080	1,233	1,492	2,249	2,014	1,439	1,826	2,374	7,054	7,654
YoY Change (%)	(35.2)	(25.0)	(14.4)	17.0	(3.2)	16.8	22.4	5.6	(17.2)	8.5
Margins (%)	9.7	7.8	8.3	10.4	10.6	8.6	9.3	10.4	9.2	9.8

IRB Infrastructure Developers

Neutral

CMP: INR61 | TP: INR62 (+1%)

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

- Expect ~3% YoY growth in construction revenue and 7% YoY decline in BoT revenue.
- Adjusted PAT to be INR860m (-10% YoY); subdued construction activities due to heavy rains to drag PAT.
- Expect operating margin at 46.3% (+80bp YoY). IRB to be cautious in bidding due to the aggressive bidding in NHA1 projects.
- New order wins in the construction segment is a key monitorable.

Quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Net Sales	16,342	17,450	19,685	20,612	18,529	17,394	22,063	24,844	74,090	82,830
YoY Change (%)	(15.1)	29.9	30.0	27.2	13.4	(0.3)	12.1	20.5	15.7	11.8
EBITDA	7,778	7,946	8,695	8,899	8,570	8,049	9,919	11,194	33,318	37,733
Margins (%)	47.6	45.5	44.2	43.2	46.3	46.3	45.0	45.1	45.0	45.6
Depreciation	2,367	2,327	2,513	2,742	2,550	2,450	2,555	2,451	9,949	10,006
Interest	3,815	4,346	4,327	6,145	4,387	4,450	4,000	3,943	18,633	16,780
Other Income	1,112	1,295	1,088	4,433	1,187	1,100	1,150	1,201	7,928	4,638
PBT	2,709	2,569	2,942	4,443	2,820	2,249	4,514	6,001	12,663	15,586
Tax	836	858	561	1,201	887	589	1,174	1,593	3,456	4,243
Rate (%)	30.9	33.4	19.1	27.0	31.4	26.2	26.0	26.5	27.3	27.2
Share of profit in Associates	(535)	(753)	(507)	(1,353)	(534)	(800)	(200)	(198)	(3,148)	(1,732)
Reported PAT	1,338	958	1,874	1,889	1,400	860	3,141	4,211	6,058	9,611
Adj PAT	1,338	958	1,874	1,889	1,400	860	3,141	4,211	6,058	9,611
YoY Change (%)	(63.2)	12.2	32.6	45.0	4.6	(10.2)	67.6	122.9	(15.9)	58.6
Margins (%)	8.2	5.5	9.5	9.2	7.6	4.9	14.2	16.9	8.2	11.6

KNR Constructions**Buy****CMP: INR338 | TP: INR410 (+21%)****EPS CHANGE (%): FY25|26: -|-**

- Expect revenue of INR9.3b (flat YoY) during the quarter.
- Expect adjusted PAT of INR913m (-9% YoY).
- Expect EBITDA of INR1.6b and anticipate operating margin to contract 90bp YoY due to muted execution and high operating costs.
- New order wins and updates on irrigation receivables are the key monitorables.

Quarterly performance –Standalone**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	9,296	9,415	9,054	11,793	8,193	9,277	10,084	12,782	39,558	40,336
YoY Change (%)	4.4	11.1	9.1	0.3	-11.9	-1.5	11.4	8.4	5.7	2.0
EBITDA	1,733	1,663	1,473	2,033	1,356	1,559	1,755	2,269	6,902	6,938
Margins (%)	18.6	17.7	16.3	17.2	16.6	16.8	17.4	17.7	17.4	17.2
Depreciation	283	311	325	326	225	338	340	460	1,245	1,363
Interest	50	58	72	113	41	65	70	107	293	282
Other Income	71	50	60	147	51	65	55	71	328	242
PBT before EO expense	1,470	1,344	1,136	1,741	1,141	1,221	1,400	1,773	5,692	5,534
Extra-Ord expense	0	0	0	654	531	0	0	0	654	531
Tax	367	346	281	414	334	307	352	447	1,407	1,440
Rate (%)	25.0	25.7	24.7	23.8	29.2	25.2	25.2	25.2	24.7	26.0
Reported PAT	1,103	999	855	1,982	1,339	913	1,047	1,325	4,938	4,625
Adj PAT	1,103	999	855	1,328	807	913	1,047	1,326	4,284	4,094
YoY Change (%)	9.4	-7.2	10.1	3.2	-26.8	-8.5	22.5	-0.2	3.3	-4.4
Margins (%)	11.9	10.6	9.4	11.3	9.9	9.8	10.4	10.4	10.8	10.1

Logistics

Company

Blue Dart Express
 Container Corporation of India
 Mahindra Logistics
 Transport Corporation of India
 TCI Express
 VRL Logistics
 Adani Ports & SEZ
 JSW Infrastructure

Logistics activity muted in 2Q amid softness in consumption demand

Margins likely to be flat YoY

Daily average e-way bill generation improves; port volumes muted YoY

- Logistics activity remained subdued in the 2QFY25 due to a muted consumption trend, especially in rural areas, and extended monsoons in several parts of the country. Further, high operating expenses, such as elevated fuel prices and increased toll charges, continue to adversely impact transportation costs.
- Daily average e-way bill generation increased ~16% YoY during Jul-Aug'24. Fleet utilization stood at 80-85%. Daily average FASTag toll collections rose ~10% YoY during the quarter.
- Port volumes inched up 1% YoY to 132MT during Jul-Aug'24.

Freight rates stable amid high operational costs and elevated Brent

- Due to consistently high operational expenses and increased retail fuel costs, freight rates have remained elevated. Fleet operators face rising costs from diesel, truck expenses, and compliance such as GST and e-way bills.
- With a slight increase in volumes and stable diesel prices, organized players are likely to experience marginal margin improvement sequentially.

Road logistics activity remains muted due to consumption slowdown; ports activity flat sequentially

- We expect our coverage universe (excluding APSEZ and JSWINFRA) to report sales growth of 11% YoY (+10% QoQ), EBITDA growth of 6% YoY (+23% QoQ), and PAT growth of 5% YoY (+37% QoQ) in 2QFY25.
- VRL Logistics is likely to report strong revenue and earnings improvement fueled by a price hike undertaken at the end of 1QFY25. While revenue growth could be in double digits YoY, margins could improve to 14% levels.
- We estimate TRPC to report ~12% YoY sales growth in 2QFY25. Amid subdued consumption, especially in rural areas during 2Q, the general economic activity has been slower, and we expect the freight/supply chain/seaways segments of Transport Corporation of India Ltd (TRPC) to clock revenue growth of 10%/14%/4% in 2QFY25.
- Container Corporation of India (CONCOR) is projected to report ~7% volume growth fueled by 14% YoY growth in domestic volumes, while EXIM volumes are anticipated to grow ~5% YoY during the quarter. Margins are also expected to improve sequentially.
- In 2QFY25, APSEZ posted a volume of 111MMT (+10% YoY). Aug'24 volumes were impacted by severe weather in Kutch, affecting operations at Mundra and Tuna. Despite disruptions in 1HFY25, the management maintains its volume guidance of 460-480mmt for FY25.

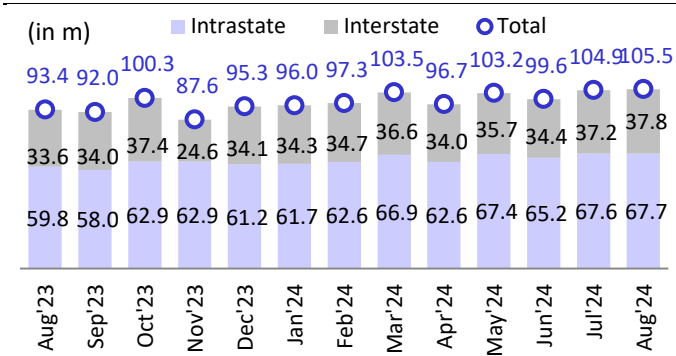
Organized and integrated service providers likely to gain market share

- The industry trend is shifting towards integrated supply-chain services and sophisticated solutions (such as inventory optimization and data analytics) from standalone offerings such as transportation and warehousing.
- The logistics sector remains robust, propelled by government-driven reforms, changing industry preferences, and the rise of new business sectors such as e-commerce and network services.

Exhibit 1: Summary of the expected quarterly performance

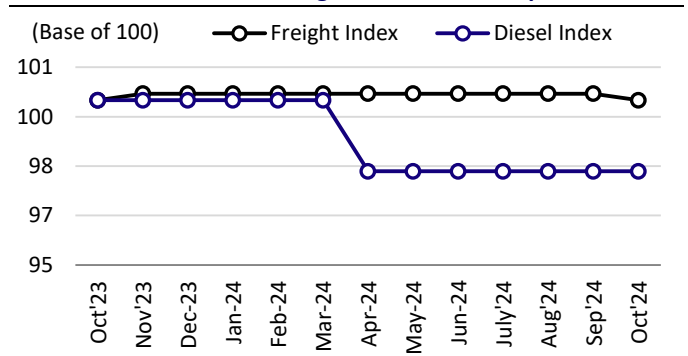
Company	CMP (INR)	Rating	Sales (INR m)			EBITDA (INR m)			Net profit (INR m)		
			Sep'24	Variance YoY	Variance QoQ	Sep'24	Variance YoY	Variance QoQ	Sep'24	Variance YoY	Variance QoQ
Blue Dart	8,653	Buy	14,870	12%	11%	1,450	11%	32%	776	9%	51%
CONCOR	921	Buy	23,542	7%	12%	5,234	-3%	21%	3,372	-6%	32%
Mahindra Logistics	484	Neutral	15,652	15%	10%	795	48%	20%	123	NA	NA
Transport Corp.	1,080	Buy	11,117	12%	6%	1,178	17%	14%	999	15%	10%
TCL Express	1,084	Buy	3,361	5%	15%	447	-11%	37%	303	-15%	36%
Adani Ports	1,467	Buy	73,265	10%	5%	43,226	11%	2%	25,587	15%	-3%
JSW Infrastructure	345	Buy	10,440	23%	3%	5,601	24%	9%	3,212	28%	8%
VRL Logistics	565	Buy	7,941	12%	9%	1,102	20%	27%	259	33%	93%
Logistics			1,60,187	11%	8%	59,033	11%	6%	34,632	14%	3%

Exhibit 2: E-way bill generations



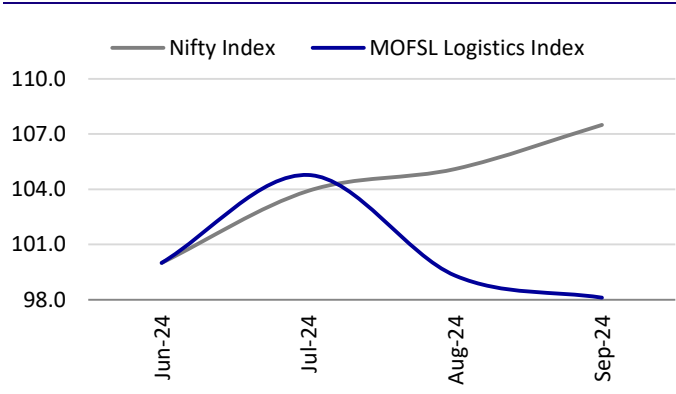
Source: GSTN, MOFSL

Exhibit 3: Movement in freight rates vs. diesel prices



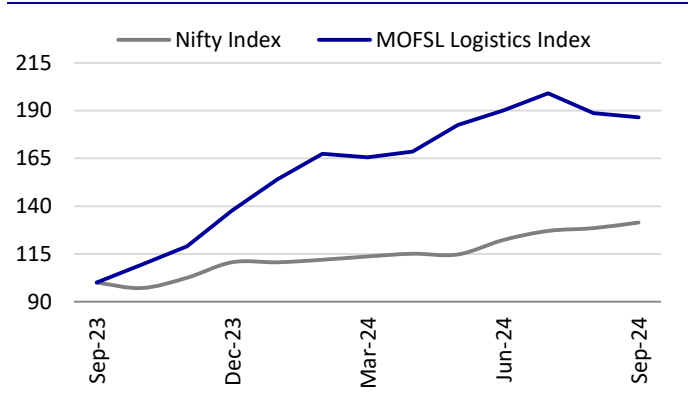
Source: IFTRT, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Logistics						32.8	26.0	22.0	5.4	4.6	3.9	16.3	17.7	17.9
Adani Ports	1,467	Buy	51.2	61.1	72.9	28.6	24.0	20.1	5.0	4.3	3.6	19.1	19.3	19.5
Blue Dart Express	8,653	Buy	137.1	223.5	271.8	63.1	38.7	31.8	12.7	10.2	8.2	21.3	29.2	28.5
Concor	921	Buy	22.3	32.6	35.4	41.2	28.2	26.0	4.5	4.1	3.8	11.2	15.2	15.1
JSW Infra	345	Buy	6.5	9.3	11.0	53.2	36.9	31.4	8.0	6.9	5.9	15.9	20.0	20.3
Mahindra Logistics	484	Neutral	6.6	19.1	29.4	73.0	25.3	16.5	6.6	5.4	4.2	9.1	23.1	28.1
TCL Express	1,084	Buy	32.8	43.5	48.9	33.0	24.9	22.2	5.2	4.4	3.8	16.7	19.2	18.5
Transport Corp.	1,080	Buy	52.6	64.5	75.4	20.5	16.8	14.3	3.5	2.9	2.4	18.2	18.8	18.4
VRL Logistics	565	Buy	12.7	23.4	25.8	44.3	24.1	21.9	5.1	4.6	4.2	11.6	20.1	20.1

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

Blue Dart Express

Buy

CMP: INR8,653 | TP: INR9,900 (+15%)

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

- Expect revenue to increase ~12% YoY to INR14.9b in 2QFY25.
- Expect adjusted PAT to rise ~9% YoY to INR776m.
- Expect EBITDA to be ~INR1.5b. EBITDA margin to improve 160bp QoQ with better capacity utilization of the two newly added aircraft.
- Volume growth in the air and surface express segments and movement in ATF prices are the key monitorables.

Quarterly snapshot - Standalone

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	12,376	13,245	13,829	13,229	13,427	14,870	15,984	15,403	52,678	59,685
YoY Change (%)	-4.3	-0.1	3.4	8.7	8.5	12.3	15.6	16.4	1.8	13.3
EBITDA	1,133	1,305	1,343	1,394	1,094	1,450	1,686	1,782	5,175	6,012
Margins (%)	9.2	9.9	9.7	10.5	8.1	9.7	10.5	11.6	9.8	10.1
YoY Change (%)	-40.6	-19.8	-10.8	8.7	-3.4	-1.0	25.6	27.8	-18.2	16.2
Depreciation	444	456	473	500	523	535	540	559	1,873	2,157
Interest	45	48	47	53	70	63	65	62	193	259
Other Income	157	151	228	183	191	184	192	187	718	754
PBT before EO expense	801	952	1,050	1,024	693	1,036	1,273	1,348	3,828	4,351
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	801	952	1,050	1,024	693	1,036	1,273	1,348	3,828	4,351
Tax	204	240	235	263	178	260	320	339	942	1,096
Rate (%)	25.4	25.2	22.4	25.7	25.7	25.1	25.1	25.1	24.6	25.2
Reported PAT	598	713	816	761	515	776	954	1,009	2,886	3,254
Adj PAT	598	713	816	761	515	776	954	1,009	2,886	3,254
YoY Change (%)	-49.0	-22.5	-6.2	8.1	-13.8	8.8	16.9	32.7	-21.2	12.7
Margins (%)	4.8	5.4	5.9	5.7	3.8	5.2	6.0	6.6	5.5	5.5

Container Corp. of India (CONCOR)

Buy

CMP: INR921 | TP: INR1,150 (+25%)

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

- Expect volumes to grow ~7% YoY.
- EBITDA margin to contract 230bp YoY to 22.2% due to the weakness in EXIM volumes.
- Adj. PAT to decrease to ~INR3.4b (-6% YoY) primarily due to weakness in EXIM volumes.
- Expect EXIM/domestic volumes to grow ~5%/14% YoY.
- Growth in EXIM trade, progress on commissioning of the DFC, and divestment of stake by the government are the key monitorables.

Standalone quarterly snapshot

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	19,193	21,904	22,051	23,176	20,971	23,542	24,959	26,375	86,325	95,847
YoY Change (%)	-3.0	11.1	10.9	7.0	9.3	7.5	13.2	13.8	6.5	11.0
EBITDA	3,916	5,373	5,117	4,890	4,319	5,234	5,874	6,103	19,296	21,529
Margins (%)	20.4	24.5	23.2	21.1	20.6	22.2	23.5	23.1	22.4	22.5
YoY Change (%)	-17.1	7.7	20.0	10.0	10.3	-2.6	14.8	24.8	4.8	11.6
Depreciation	1,378	1,486	1,543	1,603	1,649	1,570	1,620	1,556	6,009	6,395
Interest	141	147	175	190	181	175	170	174	653	700
Other Income	815	1,025	1,007	937	924	1,020	1,015	1,024	3,783	3,983
PBT before EO expense	3,212	4,764	4,406	4,034	3,413	4,509	5,099	5,397	16,416	18,417
Extra-Ord expense	0	0	0	71	0	0	0	0	-71	0
PBT	3,212	4,764	4,406	3,963	3,413	4,509	5,099	5,397	16,488	18,417
Tax	771	1,187	1,062	1,017	859	1,136	1,285	1,359	4,037	4,810
Rate (%)	24.0	24.9	24.1	25.7	25.2	25.2	25.2	25.2	24.5	26.1
Reported PAT	2,441	3,577	3,344	2,945	2,554	3,372	3,814	4,037	12,451	13,606
Adj PAT	2,441	3,577	3,344	2,945	2,554	3,372	3,814	4,037	12,379	13,606
YoY Change (%)	-16.2	18.1	12.8	5.8	4.6	-5.7	14.0	37.1	5.8	9.9
Margins (%)	12.7	16.3	15.2	12.7	12.2	14.3	15.3	15.3	14.3	14.2

Mahindra Logistics**Neutral****CMP: INR484 | TP: INR530 (+10%)****EPS CHANGE (%): FY25|26: -|-**

- Expect revenue to grow ~15% YoY to INR15.7b.
- Expect Adj. PAT of INR123m as the volumes of express parcel B2B business (Rivigo) pick up pace.
- Expect EBITDA to be INR795m (+48.4% YoY) and we project a sequential margin improvement of 40bp.
- Operating profitability in Rivigo business is a key monitorable.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	12,932	13,648	13,972	14,508	14,200	15,652	16,174	17,029	55,060	63,056
YoY Change (%)	7.8	2.9	5.1	14.0	9.8	14.7	15.8	17.4	7.4	14.5
EBITDA	666	536	522	566	663	795	841	941	2,290	3,240
Margins (%)	5.2	3.9	3.7	3.9	4.7	5.1	5.2	5.5	4.2	5.1
YoY Change (%)	1.4	-20.7	-16.8	-11.2	-0.5	48.4	61.0	66.2	-11.8	41.5
Depreciation	545	518	515	513	550	525	530	529	2,090	2,134
Interest	178	165	164	174	195	155	140	132	682	622
Other Income	62	66	23	29	57	40	60	58	179	215
PBT before EO Items	6	-82	-134	-92	-25	155	231	338	-302	699
Extra-Ord expense	0	0	-38	0	0	0	0	0	38	0
PBT	6	-82	-96	-92	-25	155	231	338	-340	699
Tax	89	73	68	27	53	39	58	80	257	231
Rate (%)	1,556.1	-89.2	-71.4	-29.2	-213.6	25.2	25.2	23.7	-75.5	33.0
PAT before MI, Associates	-83	-155	-164	-119	-78	116	173	258	-597	468
Share of associates/ Minority Interest	-3	-5	-10	-9	-15	7	7	7	-27	6
Reported PAT	-86	-159	-174	-128	-93	123	180	265	-624	474
Adj PAT	-86	-159	-212	-128	-93	123	180	265	-586	474
YoY Change (%)	NA	PL	PL	NA	NA	NA	NA	NA	NA	NA
Margins (%)	-0.7	-1.2	-1.5	-0.9	-0.7	0.8	1.1	1.6	-1.1	0.8

Transport Corporation of India**Buy****CMP: INR1,080 | TP: INR1,290 (+19%)****EPS CHANGE (%): FY25|26: -|-**

- Expect revenue to improve ~12% YoY to INR11.1b propelled by 14% YoY growth in the supply chain segment.
- Expect adjusted PAT to be INR999m (+15% YoY) in 2QFY25.
- Expect EBITDA at INR1.2b (+17% YoY) and EBITDA margin at 10.6% (+50bp YoY) due to the improvement in seaways business and pick up in freight volumes.
- Volume growth in the freight business and margin in the seaways business are the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	9,498	9,935	10,020	10,789	10,451	11,117	11,431	12,083	40,242	45,082
YoY Change (%)	5.2	6.6	3.7	10.2	10.0	11.9	14.1	12.0	6.4	12.0
EBITDA	1,008	1,004	999	1,094	1,038	1,178	1,280	1,374	4,105	4,870
Margins (%)	10.6	10.1	10.0	10.1	9.9	10.6	11.2	11.4	10.2	10.8
YoY Change (%)	-3.1	4.6	-12.7	1.2	3.0	17.4	28.2	25.6	-3.2	18.6
Depreciation	308	311	331	334	290	340	360	382	1,284	1,372
Interest	23	34	35	41	42	33	35	30	133	140
Other Income	85	113	95	165	109	130	132	133	458	504
PBT before EO expense	762	772	728	884	815	935	1,017	1,095	3,146	3,862
Extra-Ord expense	0	0	0	24	0	0	0	0	24	0
PBT	762	772	728	860	815	935	1,017	1,095	3,122	3,862
Tax	104	96	108	28	110	131	143	156	336	541
Rate (%)	13.6	12.4	14.8	3.3	13.5	14.0	14.1	14.3	10.8	14.0
Minority Interest	-9.0	-8.0	-8.0	-12.0	-6.0	-5.0	-7.0	-12.0	-37.0	-30.0
Profit/Loss of Asso. Cos	174	202	182	201	211	200	180	173	759	764
Reported PAT	823	870	794	1,021	910	999	1,047	1,099	3,508	4,055
Adj PAT	823	870	794	1,045	910	999	1,047	1,099	3,532	4,055
YoY Change (%)	5.8	20.3	-7.4	23.2	10.6	14.9	31.8	5.2	10.1	14.8
Margins (%)	8.7	8.8	7.9	9.7	8.7	9.0	9.2	9.1	8.8	9.0

TCI Express**Buy****CMP: INR1,084 | TP: INR1,370 (+26%)****EPS CHANGE (%): FY25 | 26: -|-**

- Expect revenue to increase 5% YoY to ~INR3.4b.
- Expect Adj. PAT to be INR303m (-15% YoY).
- Expect EBITDA at INR447m; margin to contract 250bp YoY due to weak volume growth.
- Outlook on the B2B express segment and competitive scenario are the key monitorables.

Quarterly snapshot

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	3,049	3,200	3,119	3,171	2,930	3,361	3,588	3,707	12,538	13,586
YoY Change (%)	5.0	3.3	-0.8	-2.8	-3.9	5.0	15.1	16.9	1.0	8.4
EBITDA	464	505	456	448	327	447	520	536	1,872	1,831
Margins (%)	15.2	15.8	14.6	14.1	11.2	13.3	14.5	14.5	14.9	13.5
YoY Change (%)	8.4	-2.0	-1.1	-17.2	-29.4	-11.4	14.2	19.5	-3.7	-2.2
Depreciation	46	47	48	49	51	55	53	54	190	213
Interest	4	4	3	4	3	4	5	3	15	14
Other Income	15	18	20	19	23	17	19	18	72	77
PBT before EO expense	429	472	424	415	297	405	482	498	1,740	1,681
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	429	472	424	415	297	405	482	498	1,740	1,681
Tax	105	116	103	99	74	102	122	126	423	423
Rate (%)	24.6	24.5	24.2	23.9	24.8	25.2	25.2	25.2	24.3	25.2
Reported PAT	323	356	322	316	223	303	360	372	1,317	1,258
Adj PAT	323	356	322	316	223	303	360	372	1,317	1,258
YoY Change (%)	4.3	-5.8	0.5	-17.8	-31.0	-14.9	11.8	17.8	-5.4	-4.5
Margins (%)	10.6	11.1	10.3	10.0	7.6	9.0	10.0	10.0	10.5	9.3

VRL Logistics**Buy****CMP: INR565 | TP: INR670 (+19%)****EPS CHANGE (%): FY25 | 26: -|-**

- Expect revenue to increase ~12% YoY to INR7.9b driven by 7% YoY growth in volumes and 6% YoY growth in realization due to the price hikes undertaken.
- Expect adjusted PAT to be INR259m (+33% YoY).
- Expect EBITDA to be ~INR1.1m; EBITDA margin to improve 100bp YoY due to higher realizations and pick up in volumes.
- Addition of fleet, branch expansion, and volume growth are the key monitorables.

Quarterly performance

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	6,742	7,093	7,367	7,684	7,272	7,941	8,326	8,669	28,886	32,208
YoY Change (%)	9.7	8.4	8.1	10.1	7.9	12.0	13.0	12.8	9.1	11.5
EBITDA	1,019	918	944	1,053	869	1,102	1,197	1,255	3,935	4,422
Margins (%)	15.1	12.9	12.8	13.7	11.9	13.9	14.4	14.5	13.6	13.7
YoY Change (%)	11.7	-1.3	-8.6	-7.7	-14.7	19.9	26.8	19.1	-2.0	12.4
Depreciation	489	522	568	583	615	610	614	615	2,162	2,454
Interest	163	185	213	218	226	210	195	189	779	820
Other Income	89	60	24	38	148	65	60	65	211	337
PBT before EO expense	456	271	187	291	176	347	448	515	1,205	1,485
Extra-Ord expense	0	-3	0	0	0	0	0	0	-3	0
PBT	456	274	187	291	176	347	448	515	1,208	1,485
Tax	117	77	50	76	42	87	113	130	319	371
Rate (%)	25.6	28.0	26.9	26.0	23.6	25.2	25.2	25.2	26.4	25.0
Reported PAT	339	197	137	215	134	259	335	385	889	1,114
Adj PAT	339	194	137	215	134	259	335	385	886	1,114
YoY Change (%)	-7.5	-36.7	-63.7	-64.7	-60.4	33.4	144.4	78.8	-46.7	25.7
Margins (%)	5.0	2.7	1.9	2.8	1.8	3.3	4.0	4.4	3.1	3.5

Adani Ports & SEZ**Buy****CMP: INR1,467 | TP: INR1,880 (+28%)****EPS CHANGE (%): FY25|26: -|-**

- Expect revenue to jump ~10% YoY to INR73.3b, driven by 10% YoY growth in port volumes and 13% YoY growth in the logistics business.
- Expect adjusted PAT to be INR25.6b (+15% YoY)
- Expect EBITDA at INR43.2b; EBITDA margin to improve 60bp YoY.
- Improvement in utilization at the existing and recently acquired ports and growth in the logistics business remain the key monitorables.

Quarterly Snapshot - Consolidated

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	62,476	66,464	69,201	68,965	69,563	73,265	80,958	83,960	2,67,106	3,07,745
YoY Change (%)	23.5	27.6	44.6	19.0	11.3	10.2	17.0	21.7	28.1	15.2
EBITDA	37,537	38,805	41,860	40,439	42,445	43,226	47,684	49,158	1,58,639	1,82,513
Margins (%)	60.1	58.4	60.5	58.6	61.0	59.0	58.9	58.5	59.4	59.3
Depreciation	9,496	9,745	9,853	9,791	10,119	10,300	10,700	11,238	38,885	42,357
Interest	7,061	7,153	6,864	6,766	6,554	6,600	6,700	6,820	27,844	26,674
Other Income	3,837	3,055	5,069	3,034	4,946	4,200	4,300	4,547	14,994	17,993
PBT before EO expense	24,816	24,962	30,211	26,916	30,718	30,526	34,584	35,647	1,06,905	1,31,475
Extra-Ord expense	-844	213	1,822	3,159	-5,980	0	0	0	4,351	-5,980
PBT	25,660	24,749	28,389	23,757	36,698	30,526	34,584	35,647	1,02,554	1,37,455
Tax	3,714	7,591	5,331	3,262	4,854	5,189	5,879	6,070	19,897	21,993
Rate (%)	14.5	30.7	18.8	13.7	13.2	17.0	17.0	17.0	19.4	16.0
MI and Associates	799	-320	973	99	716	-250	-250	-248	1,550	-33
Reported PAT	21,147	17,479	22,084	20,397	31,128	25,587	28,955	29,825	81,106	1,15,495
Adj PAT	20,472	22,200	23,542	22,924	26,344	25,587	28,955	29,825	89,138	1,10,711
YoY Change (%)	-2.6	15.2	51.0	11.0	28.7	15.3	23.0	30.1	16.5	24.2

JSW Infrastructure**Buy****CMP: INR345 | TP: INR410 (+19%)****EPS CHANGE (%): FY25|26: -|-**

- Expect revenue to increase ~23% YoY to INR10.4b driven by volume growth at new ports and recovery in volumes at Jaigarh and Dharamtar.
- Expect adjusted PAT to be INR3.2b (+28% YoY)
- Expect EBITDA at INR5.6b; EBITDA margin to improve 40bp YoY driven by volume growth.
- Improvement in utilization at the existing and the recently acquired ports remain the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	8,781	8,483	9,401	10,964	10,098	10,440	11,005	11,821	37,629	43,364
YoY Change (%)	7.1	28.1	17.8	19.8	15.0	23.1	17.1	7.8	17.8	15.2
EBITDA	4,513	4,522	4,799	5,812	5,146	5,601	5,987	6,552	19,646	23,287
Margins (%)	51.4	53.3	51.0	53.0	51.0	53.7	54.4	55.4	52.2	53.7
YoY Change (%)	4.7	32.6	27.5	23.2	14.0	23.9	24.8	12.7	21.3	18.5
Depreciation	947	1,005	1,076	1,337	1,346	1,420	1,470	1,503	4,365	5,738
Interest	714	752	672	754	740	730	715	719	2,892	2,904
Other Income	401	472	782	1,039	939	800	750	808	2,694	3,298
PBT before EO expense	3,253	3,237	3,834	4,760	3,999	4,251	4,552	5,140	15,083	17,942
Extra-Ord expense	-872	-45	763	587	83	0	0	0	433	83
PBT	4,125	3,282	3,071	4,174	3,916	4,251	4,552	5,140	14,650	17,859
Tax	903	723	535	883	951	1,029	1,097	1,209	3,043	4,286
Rate (%)	21.9	22.0	17.4	21.2	24.3	24.2	24.1	23.5	20.8	24.0
Minority Interest	-13.1	-14.7	-29.1	9.3	-41.1	-10.0	-12.0	15.3	-47.8	-47.8
Reported PAT	3,209	2,544	2,507	3,300	2,924	3,212	3,443	3,945	11,559	13,525
Adj PAT	2,555	2,510	3,079	3,740	2,987	3,212	3,443	3,945	11,884	13,587
YoY Change (%)	5.7	52.3	40.6	6.9	16.9	28.0	11.8	5.5	21.8	14.3

Metals

Company

Coal India

Hindalco Industries

Hindustan Zinc

Jindal Steel & Power

JSW Steel

NMDC

National Aluminum Co.

Steel Authority of India

Tata Steel

Vedanta

Lower metal prices to keep EBITDA under pressure; softened input costs to provide partial cushion

Our coverage companies are expected to post a QoQ decline in revenue (-3%), EBITDA (-15%), and APAT (-27%) in 2QFY25E, affected by weak metal pricing and soft volumes during the quarter. Given the seasonal monsoon impact and cheaper imports from China kept domestic prices and demand under pressure; however, lower input cost will partially offset the impact. In addition, mining companies are expected to report a sequential decline due to weak volumes amid heavy monsoon and lower ASP. The real estate slowdown in China, which is the largest metal consumer, has resulted in cheaper Chinese exports flooding the global market and keeping the global prices under pressure. Looking ahead, China's stimulus measures to revive its struggling real estate industry will support global metal prices.

In 2QFY25, average domestic HRC prices declined by 5-6% QoQ to INR50,300 and the primary rebar prices fell by 10% QoQ to INR51,250/t. Chinese HRC/TMT/Wire rod prices corrected by 8-10% QoQ, which dragged down metal prices in the international market. On the other side, input costs softened during the quarter, as prices of premium HCC coking coal fell by 13% or ~USD33/t QoQ to USD227/t, in addition to the ~USD70/t correction in 1QFY25. Iron ore prices also corrected by INR900-1,000/t vs. Jun'24 exit prices; NMDC average 2Q prices for lumps and fines stood at INR5,350/t and INR4,610/t, respectively.

Prices of non-ferrous commodities declined QoQ during the quarter. Copper/aluminum/lead were down by 5%, Zinc by 2% and nickel by 12% QoQ. The prices have recovered from Sep'24.

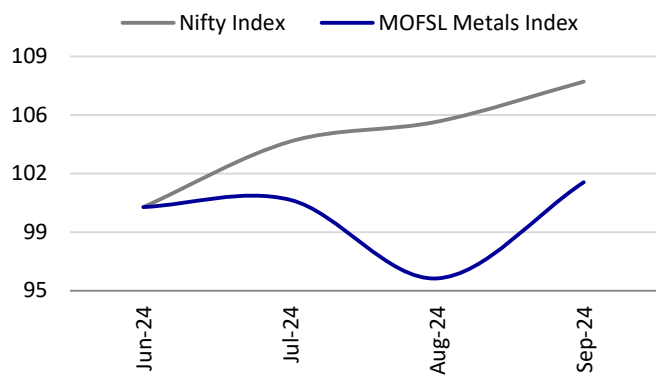
We have a **BUY rating** on **JSTL, JSP, HNDL, COAL and NMDC**.

Ferrous: We expect the steel sector to report muted performance due to weak pricing and volumes; however, softened input costs should provide some cushion. Volumes are expected to be flat owing to seasonal monsoon weakness and cheaper imports. NSR is expected to fall by ~INR3,000-3,500/t QoQ, while coking coal costs could fall by USD15-25/t.

Non-ferrous: Non-ferrous companies under our coverage are expected to post better revenue, EBITDA and PAT on a QoQ basis as compared to ferrous companies. The aggregate EBITDA fall for non-ferrous companies would be in mid-single digits.

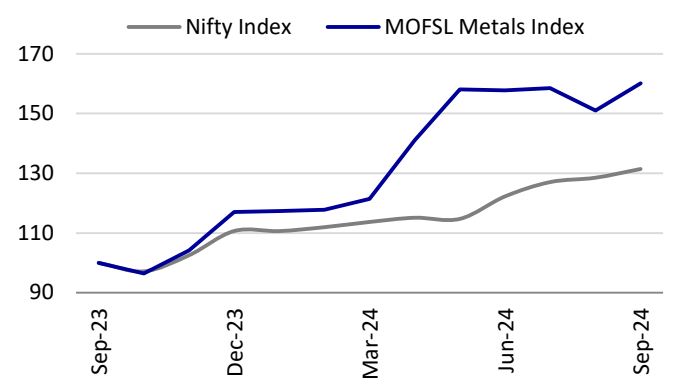
Mining: Mining companies are expected to report a sequential decline due to weak volumes amid ongoing monsoon and softened prices during 2QFY25. Volume declined by 16% QoQ for Coal India and 2% QoQ for NMDC. NMDC cut prices by INR1000/t in 2Q, which will result in a decline of ~26% in EBITDA.

Exhibit 1: Relative performance – three months (%)



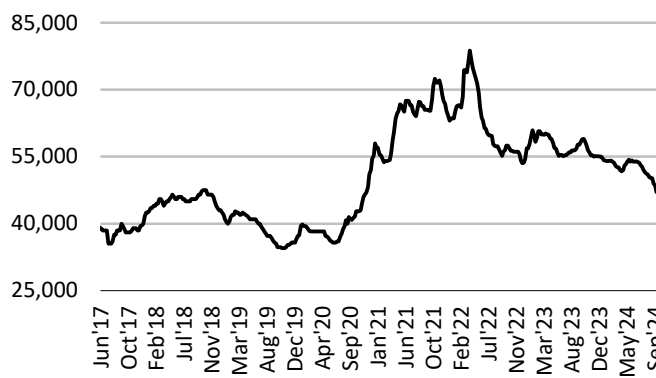
Sources: MOFSL, Bloomberg

Exhibit 2: Relative performance – one year (%)



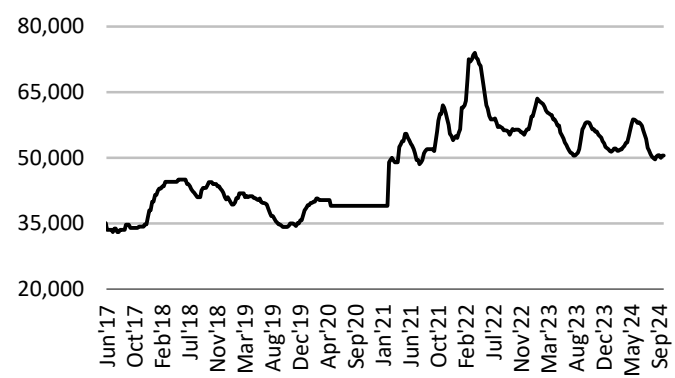
Sources: MOFSL, Bloomberg

Exhibit 3: Domestic HRC prices decline by 5% QoQ in 2Q



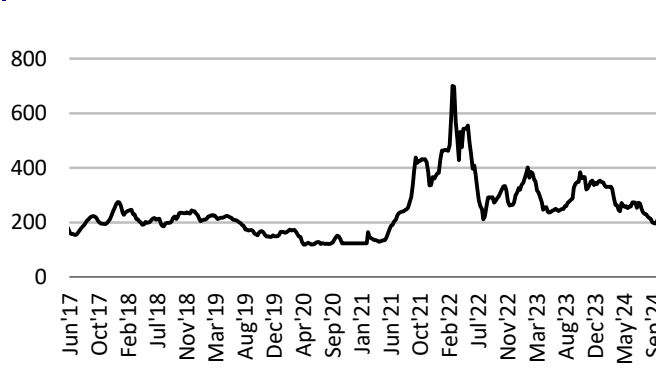
Source: MOFSL, Steelmint

Exhibit 4: Primary Rebar prices fall 10% QoQ in 2Q



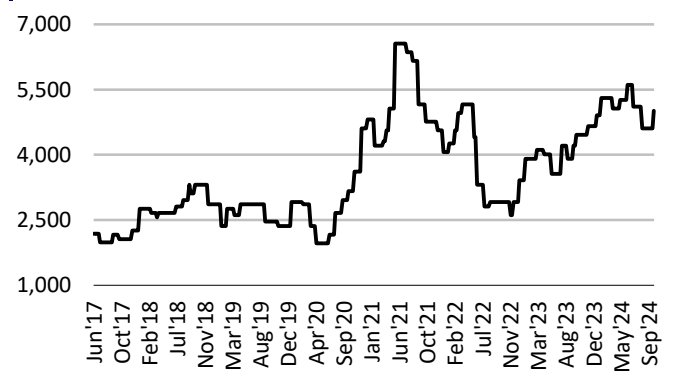
Source: MOFSL, Steelmint

Exhibit 5: Coking coal prices continue to fall, reaching close to ~USD200/t



Source: MOFSL, Steelmint

Exhibit 6: NMDC took consecutive price cut during Jun-Sep'24



Source: MOFSL, Steelmint

Exhibit 7: Key assumptions (all amounts in INR b, except for volumes and per ton numbers)

JSW Steel	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Sales - mt	5.6	6.5	5.7	6.3	6.0	6.7	6.1	6.2	1.3	-2.2
Realization/t	69,510	71,917	73,928	70,322	69,900	68,750	70,168	66,836	-4.7	-5.0
EBITDA/t	8,076	12,158	12,340	12,438	11,967	9,100	9,003	7,324	-18.6	-41.1
Consol Revenue	391	470	422	446	419	463	429	414	-3.5	-7.1
Consol EBITDA	45	79	70	79	72	61	55	45	-17.6	-42.4
Consol PAT	5	37	23	31	23	13	8	5	-46.3	-85.2
Tata Steel	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Standalone										
Sales - mt	4.6	5.2	4.8	4.8	4.9	5.4	4.9	5.1	2.4	5.0
Realization/t	73,920	73,880	74,083	70,924	71,069	67,592	66,720	64,325	-3.6	-9.3
EBITDA/t	11,189	16,806	13,924	14,248	16,905	14,846	13,711	11,705	-14.6	-17.9
Revenue	339	380	355	342	347	366	330	326	-1.2	-4.8
EBITDA	51	87	67	69	82	80	68	59	-12.5	-13.7
PAT	24	49	46	45	46	47	36	33	-7.3	-26.2
Consolidated										
Sales - mt	7.2	7.8	7.2	7.1	7.2	8.0	7.4	7.4	0.8	5.4
Realization/t	79,837	80,927	82,625	78,758	77,359	73,543	74,116	69,810	-5.8	-11.4
EBITDA/t	5,661	9,279	7,186	6,037	8,760	8,271	9,059	6,293	-30.5	4.3
Consol Revenue	571	630	595	557	553	587	548	520	-5.1	-6.6
Consol EBITDA	40	72	52	43	63	66	67	47	-30.0	9.8
Consol PAT	-24	17	6	7	8	12	13	0	-101.7	-103.3
TSE										
Sales - mt	2.0	2.2	2.0	2.0	1.9	2.1	2.2	2.2	1.4	11.2
Revenue	207	220	213	202	192	207	210	196	-6.4	-3.0
EBITDA	-16	-16	-16	-25	-29	-7	-5	-14	181.3	-43.7
EBITDA/t (USD)	-95	-91	-98	-155	-175	-38	-28	-78	177.4	-49.8
SAIL	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Sales - mt	4.2	4.7	3.9	4.8	3.8	4.6	4.0	4.6	14.9	-4.0
Realization/t	60,328	62,232	62,781	58,256	61,444	57,554	59,845	56,845	-5.0	-2.4
EBITDA/t	5,007	6,247	4,250	4,429	5,638	3,879	5,536	3,271	-40.9	-26.2
Consol Revenue	250	291	244	280	233	262	240	262	9.2	-6.3
Consol EBITDA	21	29	16	21	21	18	22	15	-32.1	-29.1
Consol PAT	2	12	2	3	4	2	3	0	-113.3	-113.6
JSP	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Sales (mt)	1.9	2.0	1.8	2.0	1.8	2.0	2.1	2.1	1.0	5.0
Realization/t	65,539	67,448	68,415	60,946	64,648	67,099	65,157	63,202	-3.0	3.7
EBITDA/t	12,513	10,775	14,283	11,372	15,705	12,162	13,585	11,454	-15.7	0.7
Consol Revenue	125	137	126	123	117	135	136	133	-2.0	8.9
Consol EBITDA	24	22	26	23	28	24	28	24	-14.9	5.8
Consol PAT	9	6	17	14	19	9	13	11	-19.7	-22.5
NMDC	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Sales - mt	9.6	12.4	11.0	9.6	11.4	12.5	10.1	9.9	-1.4	3.8
Realization/t	3,885	4,716	4,915	4,194	4,748	5,174	5,377	4,877	-9.3	16.3
EBITDA/t	1,191	1,743	1,816	1,244	1,762	1,676	2,324	1,679	-27.7	35.0
Revenue	37	59	54	40	54	65	54	48	-10.6	20.6
EBITDA	11	22	20	12	20	21	23	17	-28.7	40.1
PAT	9	16	17	10	17	14	20	13	-32.4	29.4

HNDL	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Aluminum sales - kt	349	323	341	334	333	337	329	337	2.5	1.0
Copper sales - kt	109	117	118	134	119	135	119	121	1.3	-10.0
Novelis vol- kt	908	936	879	933	910	951	951	961	1.1	3.0
Novelis adj EBITDA (USD m)	341	403	421	484	454	514	500	476	-4.7	-1.6
Consol Revenue	532	559	530	542	528	560	570	569	-0.1	5.1
Consol EBITDA	35	53	57	56	59	67	75	66	-12.7	16.7
Consol PAT	14	24	25	22	23	32	34	31	-7.6	45.4
HZL	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Zinc vol (India) - kt	210	216	208	185	203	221	211	191	-9.4	3.3
Lead vol (India) - kt	46	54	50	57	56	53	51	61	19.2	6.7
Silver vol- t	161	182	179	181	197	179	167	178	6.3	-1.9
Consol Revenue	79	85	73	68	73	75	81	78	-4.0	15.0
Consol EBITDA	37	43	33	31	35	36	39	39	-2.1	23.1
Consol PAT	22	26	20	17	20	20	23	22	-5.0	28.8
VED	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Consol Revenue	341	379	337	342	355	355	358	355	-0.8	3.7
Consol EBITDA	71	95	64	67	85	88	99	93	-7.0	37.7
Consol PAT	16	31	9	5	20	16	36	26	-27.4	437.1
NACL	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Consol Revenue	33	37	32	30	33	36	29	32	11.6	4.8
Consol EBITDA	5	8	6	4	8	11	9	9	-1.9	131.1
Consol PAT	3	5	3	2	5	7	6	6	-1.8	208.6
COAL	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
Sales - mt	176	187	187	174	191	202	199	166	-16.3	-4.5
NSR - FSA INR/t	1,482	1,550	1,536	1,542	1,532	1,536	1,524	1,588	4.2	3.0
E-auction premium	241	192	144	83	117	66	58	65	11.6	-22.1
EBITDA/t	639	461	597	512	624	488	581	595	2.4	16.3
Consol Revenue	352	382	360	328	362	374	365	317	-13.1	-3.3
Consol Adj EBITDA	112	86	112	89	119	98	115	99	-14.3	11.2
Consol PAT	78	69	105	81	101	87	110	81	-26.4	0.1

Exhibit 8: Domestic sales volumes (mt) to remain muted (ex. SAIL)

Sales Volume	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
JSW Steel	5.6	6.5	5.7	6.3	6.0	6.7	6.1	6.2	1.3	-2.2
Tata Steel	7.2	7.8	7.2	7.1	7.2	8.0	7.4	7.4	0.8	5.4
SAIL	4.2	4.7	3.9	4.8	3.8	4.6	4.0	4.6	14.9	-4.0
JSPL	1.9	2.0	1.8	2.0	1.8	2.0	2.1	2.1	1.0	5.0

Sources: MOFSL, Company

Exhibit 9: ASP to decline significantly QoQ

ASP	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
JSW Steel	69,510	71,917	73,928	70,322	69,900	68,750	70,168	66,836	-4.7	-5.0
Tata Steel	79,837	80,927	82,625	78,758	77,359	73,543	74,116	69,810	-5.8	-11.4
SAIL	60,328	62,232	62,781	58,256	61,444	57,554	59,845	56,845	-5.0	-2.4
JSPL	65,539	67,448	68,415	60,946	64,648	67,099	65,157	63,202	-3.0	3.7

Sources: MOFSL, Company

Exhibit 10: EBITDA/t to decline QoQ due to weak pricing environment

EBITDA/t	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ	YoY
JSW Steel	8,076	12,158	12,340	12,438	11,967	9,100	9,003	7,324	-18.6	-41.1
Tata Steel	5,661	9,279	7,186	6,037	8,760	8,271	9,059	6,293	-30.5	4.3
SAIL	5,007	6,247	4,250	4,429	5,638	3,879	5,536	3,271	-40.9	-26.2
JSPL	12,513	10,775	14,283	11,372	15,705	12,162	13,585	11,454	-15.7	0.7

Sources: MOFSL, Company

Exhibit 11: Key commodity prices – Quarterly movement

Non-ferrous metal price	UoM	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	% YoY	% QoQ
Copper-LME	USD/t	8,919	8,472	8,356	8,169	8,445	9,745	9,209	10%	-5%
Aluminum-LME	USD/t	2,395	2,261	2,154	2,192	2,203	2,517	2,385	11%	-5%
Zinc-LME	USD/t	3,123	2,536	2,427	2,500	2,453	2,830	2,780	15%	-2%
Nickel-LME	USD/t	26,033	22,333	20,396	17,257	16,608	18,454	16,256	-20%	-12%
Lead-LME	USD/t	2,143	2,117	2,170	2,121	2,075	2,164	2,045	-6%	-6%
Alumina-Spot	USD/t	385	389	397	412	437	472	510	28%	8%
Brent	USD/bbl	81	78	87	84	83	85	80	-7%	-5%
China Steel Prices										
China TMT	RMB/t	4,289	3,842	3,822	4,023	4,066	3,828	3,532	-8%	-8%
China HRC	RMB/t	4,291	3,947	3,937	3,946	3,991	3,793	3,373	-14%	-11%
China Wire Rod	RMB/t	4,666	4,231	4,189	4,331	4,299	4,101	3,786	-10%	-8%
India Domestic Prices										
HRC India FoB	USD/t	672	629	572	580	593	561	560	-2%	0%
HRC Dom Mum	INR/t	59,189	57,544	56,663	56,350	53,594	53,630	50,331	-11%	-6%
Billet Raigarh	INR/t	46,076	44,102	42,348	40,676	39,084	42,896	38,363	-9%	-11%
Wire Rod - Dom	INR/t	57,309	54,076	51,669	54,393	50,163	54,453	54,315	5%	0%
TMT Primary Mum	INR/t	61,212	56,495	53,114	55,812	51,912	56,957	51,238	-4%	-10%
TMT Secondary Mum	INR/t	56,702	52,383	49,264	49,560	48,722	51,129	45,887	-7%	-10%
Pig Iron SG Durgapur	INR/t	43,585	42,282	40,665	38,076	38,308	40,760	37,035	-9%	-9%
CRC Mum	INR/t	64,081	62,086	60,975	62,946	61,641	60,869	57,796	-5%	-5%
Galvanized Plain	INR/t	72,964	71,117	67,983	69,092	65,854	64,550	61,208	-10%	-5%
Color Coated	INR/t	80,176	81,138	79,021	78,925	75,931	73,829	69,862	-12%	-5%
Coking Coal / Coke										
HCC China	USD/t	276	199	213	263	242	233	197	-8%	-16%
HCC Prem India CNF	USD/t	357	260	276	349	329	260	227	-18%	-13%
HCC Mid Vols India CNF	USD/t	326	231	236	285	277	225	213	-10%	-6%
PCI Coal CNF India	USD/t	328	226	182	204	182	181	191	5%	6%
Iron Ore										
62% CNF China - Aus	USD/t	125	111	114	128	124	112	100	-13%	-11%
Odisha Fines - 62%	INR/t	5,153	5,429	4,700	4,989	5,417	5,057	4,392	-7%	-13%
K'taka Fines Fe 60%	INR/t	2,644	3,000	2,706	3,579	4,157	3,917	3,300	22%	-16%
NMDC 64 %Fines (C'garh)	INR/t	3,623	3,923	3,999	4,546	5,164	5,327	4,610	15%	-13%
NMDC 65%-Lumps	INR/t	4,077	4,020	4,570	5,206	5,802	6,115	5,350	17%	-13%
Domestic Pellet	INR/t	9,250	8,367	8,447	8,512	8,561	8,504	7,248	-14%	-15%
Sponge Iron- Raigarh	INR/t	31,016	28,190	27,930	27,029	25,790	27,868	24,576	-12%	-12%
Chrome Ore										
China Chrome Ore (40-42%)	USD/t	279	285	291	286	290	309	308	6%	0%
Odisha Chrome Ore (E-Auction)	INR/t	20,392	21,037	26,577	30,110	30,574	28,948	32,831	24%	13%
Global Mn Ore 38%	USD/dmtu	4.53	4.00	3.75	3.71	3.95	5.65	4.37	16%	-23%
Mn Ore India Mn 44% Fe 5%	USD/dmtu	5.84	4.92	4.58	4.38	4.40	6.93	7.26	59%	5%
Balaghat Mn 37.5%, Fe 7%	INR/t	13,513	12,529	11,871	12,084	12,947	18,157	16,170	36%	-11%
Silico manganese	INR/t	76,884	73,401	68,067	64,202	66,167	82,190	68,780	1%	-16%
Ferro Manganese	INR/t	78,772	75,075	69,132	64,738	66,548	85,507	75,242	9%	-12%

Sources: MOFSL, Bloomberg, Steelmint

Exhibit 12: Currency Movement

Currency	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	% YoY	Abs YoY	% QoQ
EUR/USD	1.02	1.07	1.09	1.09	1.08	1.09	1.08	1.10	1%	0.01	2%
USD/CNY	7.11	6.84	7.02	7.25	7.22	7.19	7.24	7.17	-1%	-0.08	-1%
USD/GBP	0.85	0.82	0.80	0.79	0.81	0.79	0.79	0.77	-3%	-0.02	-3%
USD/INR	82.22	82.25	82.19	82.68	83.26	83.05	83.41	83.77	1%	1.10	0%
GBP/INR	96.50	99.96	102.92	104.63	103.37	105.32	105.28	108.86	4%	4.23	3%
EUR/INR	84.03	88.27	89.49	89.95	89.63	90.18	89.81	92.02	2%	2.08	2%

Sources: MOFSL

Exhibit 13: Summary of expected quarterly performance

Sector	CMP (INR)	Reco	Sales (INR b)			EBITDA (INR b)			Adj Net profit (INR b)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Metals											
JSPL	1,036	BUY	133	8.9	-2.0	24	5.8	-14.9	11	-22.5	-19.7
JSW Steel	1,028	BUY	414	-7.1	-3.5	45	-42.4	-17.6	5	-85.2	-46.3
NMDC	244	BUY	48	20.6	-10.6	17	40.1	-28.7	13	29.4	-32.4
SAIL	141	Neutral	262	-6.3	9.2	15	-29.1	-32.1	0	-113.6	-113.3
Tata Steel	167	Neutral	520	-6.6	-5.1	47	9.8	-30.0	0	-103.3	-101.7
Hindalco	762	Buy	569	5.1	-0.1	66	16.7	-12.7	31	45.4	-7.6
Hindustan Zinc	520	Neutral	78	15.0	-4.0	39	23.1	-2.1	22	28.8	-5.0
Nalco	224	Neutral	32	4.8	11.6	9	131.1	-1.9	6	208.6	-1.8
Vedanta	516	Neutral	355	3.7	-0.8	93	37.7	-7.0	26	437.1	-27.4
Sector aggregate			2,412	-0.6	-1.3	354	5.3	-15.6	114	2.6	-27.8
Coal	508	Buy	317	-3.3	-13.1	99	11.2	-14.3	81	0.1	-26.4
Coverage Universe			2,729	-0.9	-2.9	453	6.5	-15.3	194	1.6	-27.2

Source: MOFSL

Exhibit 14: Valuation summary

Company	CMP	Reco	EPS (INR)			PE (x)			PB (x)			EV/EBITDA (x)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
COAL	508	Buy	61.2	67.4	70.5	8.3	7.5	7.2	3.1	2.6	2.2	6.4	5.1	4.7
HNDL	762	Buy	63.0	63.1	74.6	12.1	12.1	10.2	1.8	1.6	1.4	7.2	7.1	6.2
HZ	520	Neutral	18.4	22.5	30.6	28.3	23.2	17.0	14.5	11.2	8.0	16.0	13.1	9.7
JSP	1,036	BUY	54.8	95.5	110.1	18.9	10.8	9.4	2.1	1.8	1.5	9.6	6.2	5.3
JSTL	1,028	BUY	32.6	67.8	85.5	31.5	15.2	12.0	3.0	2.5	2.1	11.9	7.9	6.7
NMDC	244	BUY	24.8	27.1	30.3	9.8	9.0	8.1	2.3	2.0	1.7	6.4	5.5	4.5
NACL	224	Neutral	12.9	13.9	16.2	17.3	16.1	13.8	2.6	2.3	2.0	9.7	8.8	7.2
SAIL	141	Neutral	4.1	10.4	14.8	34.1	13.6	9.5	1.0	1.0	0.9	10.7	7.3	6.0
TATA	167	Neutral	5.9	12.4	18.0	28.2	13.5	9.3	2.4	2.2	1.9	10.6	7.7	6.1
VEDL	516	Neutral	36.2	44.1	50.9	14.2	11.7	10.1	5.4	4.4	3.5	7.2	6.4	5.7

Source: MOFSL

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

Coal India

Buy

CMP: INR 508 | TP: INR 590 (+16%)

- COAL dispatches declined 16% YoY to 166mt in 2QFY25.
- Expect e-auction premium to be at 65% in 2QFY25.
- Management guidance on FY25/FY26 volume and e-auction premium and share will be key things to watch for.

Quarterly Performance (INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	360	328	362	374	365	317	378	432	1,423	1,491
Change YoY (%)	2.5	9.8	2.8	-1.9	1.3	-3.3	4.4	15.5	2.9	4.8
Change QoQ (%)	-5.7	-8.9	10.3	3.5	-2.5	-13.1	19.1	14.5		
Adj. EBITDA	112	89	119	98	115	99	111	120	418	446
Change YoY (%)	-12.4	10.9	6.2	14.0	3.4	11.2	-6.7	21.9	3.0	6.5
Change QoQ (%)	29.3	-20.3	34.2	-17.5	17.3	-14.3	12.6	7.7		
EBITDA per tonne	597	512	624	488	581	595	537	490	555	546
Depreciation	15	16	16	20	20	20	20	21	67	81
OBR	(24)	(11)	(11)	(15)	(28)	(15)	(15)	(17)	(61)	(74)
Interest	2	2	2	2	2	3	3	3	8	10
Other Income	15	20	22	22	19	15	15	14	80	62
PBT after EO	134	103	133	114	141	106	118	127	484	491
Tax	29	23	35	28	32	26	29	31	114	119
Tax Rate (%)	21.5	22.3	26.1	24.6	22.8	25.0	25.0	24.4	23.7	24.2
PAT before MI & Asso.	105	80	99	86	109	79	88	96	369	372
MI	(0)	0	0	(0)	(0)	-	-	-	(0)	(0)
Sh. of Assoc.	(0)	1	3	1	1	1	1	2	4	5
PAT After MI & Asso.	105	81	101	87	110	81	90	98	374	377
Adjusted PAT	105	81	101	87	110	81	90	98	374	377
Change YoY (%)	19.2	33.4	30.6	26.3	4.1	0.1	-11.6	12.3	17.8	0.9
Change QoQ (%)	53.1	-23.4	25.7	-14.3	26.2	-26.4	11.0	8.9		

Hindalco

Buy

CMP: INR 762 | TP: INR 880 (+15%)

- Volumes expected to be stable.
- Novelis performance will be weak due to one-off.
- The timeline for commissioning multiple capex is crucial.
- Novelis EBITDA/t guidance key to watch.

Quarterly Performance (INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	530	542	528	560	570	569	598	625	2,160	2,362
Change (YoY %)	-8.7	-3.6	-0.6	0.2	7.6	5.1	13.2	11.7	-3.2	9.4
Change (QoQ %)	-5.1	2.2	-2.5	6.0	1.8	-0.1	5.0	4.6	0.0	0.0
Total Expenditure	473	486	469	493	495	504	528	550	1,921	2,077
EBITDA	57	56	59	67	75	66	70	75	239	285
Change (YoY %)	-32.2	4.7	65.3	25.4	31.3	16.7	18.8	12.2	5.3	19.5
Change (QoQ %)	7.3	-1.8	4.5	13.9	12.3	-12.7	6.4	7.6	0.0	0.0
As % of Net Sales	10.8	10.4	11.1	11.9	13.2	11.5	11.7	12.0	11.1	12.1
Interest	10	10	9	9	9	8	8	8	39	33
Depreciation	18	18	19	20	19	19	19	19	75	76
Other Income	4	5	3	4	4	3	3	2	15	13
PBT (before EO item)	33	32	33	41	52	42	46	51	140	190
Extra-ordinary Income	0	0	0	0	-3	0	0	0	0	-3
PBT (after EO item)	33	32	33	41	48	42	46	51	140	186
Total Tax	9	10	10	10	18	10	11	11	39	50
% Tax	26.0	32.0	30.0	23.3	36.6	24.5	23.5	22.2	27.5	26.8
PAT before MI and Associate	25	22	23	32	31	31	35	39	102	137
Adjusted PAT	25	22	23	32	34	31	35	39	101	140
Change (YoY %)	-39.5	-1.9	71.1	31.6	38.0	45.4	50.4	23.9	0.0	0.0
Change (QoQ %)	2.3	-12.3	7.7	36.2	7.2	-7.6	11.5	12.2		

Hindustan Zinc**Neutral****CMP: INR 520 | TP: INR 570 (10%)**

- Guidance on CoP, volumes, and realizations are critical
- Guidance on future dividend payout is important
- We await further insights on any other update related to the change in corporate structure, if any.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales										
Zinc refined (kt)	208	185	203	221	211	191	212	229	817	843
Lead refined (kt)	50	57	56	53	51	61	53	46	216	211
Silver (tonnes)	179	181	197	179	167	178	186	212	736	743
Net Sales	73	68	73	75	81	78	85	85	289	329
Change (YoY %)	-22.4	-18.5	-7.1	-11.3	11.6	15.0	15.7	12.0	-15.2	13.5
Change (QoQ %)	-14.4	-6.7	7.6	3.3	7.7	-4.0	8.3	0.0		
EBITDA	33	31	35	36	39	39	43	42	137	162
Change (YoY %)	-34.8	-28.8	-5.0	-14.2	17.9	23.1	21.3	14.1	-22.0	18.9
Change (QoQ %)	-21.3	-6.2	12.2	3.6	8.1	-2.1	10.5	-2.5		
Finance cost	2	2	2	3	3	2	2	2	10	9
DD&A	8	8	9	9	8	9	9	9	35	38
Other Income	3	2	3	3	3	3	3	3	11	13
PBT (before EO item)	26	23	27	27	31	30	34	33	103	128
PBT (after EO)	26	23	27	27	31	30	34	33	103	128
Total Tax	6	6	6	7	8	8	9	9	25	33
% Tax	24.8	25.0	24.0	25.2	24.7	26.0	26.0	27.1	24.7	26.0
Reported PAT	20	17	20	20	23	22	25	24	78	95
Adjusted PAT	20	17	20	20	23	22	25	24	78	95
Change (YoY %)	-36.5	-35.5	-5.9	-21.1	19.4	28.8	24.6	18.4	-26.2	22.3
Change (QoQ %)	-24.0	-12.0	17.3	0.5	15.1	-5.0	13.5	-4.5		

Jindal Steel & Power**Buy****CMP: INR 1036 | TP: INR 1200 (+16%)**

- Lower NSR to impact earnings.
- Management commentary on the change in ASP and coal cost is critical.
- Guidance on captive mines and raw material is important.
- Management commentary on the capex timelines.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	126	123	117	135	136	133	150	180	500	600
Change (YoY %)	-3.5	-9.4	-6.0	-1.5	8.2	8.9	28.5	33.7	-5.1	20.0
Change (QoQ %)	-8.1	-2.7	-4.5	15.3	1.0	-2.0	12.7	19.9		
EBITDA	26	23	28	24	28	24	30	40	102	122
Change (YoY %)	-23.6	18.3	19.6	11.8	8.0	5.8	4.4	62.2	2.7	19.4
Change (QoQ %)	20.2	-13.0	24.4	-14.0	16.2	-14.9	22.7	33.7		
EBITDA/t	14,283	11,372	15,705	12,162	13,585	11,454	13,186	15,256	13,306	13,469
Interest	3	3	3	3	3	3	3	8	13	18
Depreciation	6	6	6	10	7	7	7	11	28	31
Other Income	1	0	0	0	0	0	0	0	2	1
PBT (before EO item)	18	14	19	12	19	14	20	22	62	75
PBT (after EO item)	18	14	19	12	19	14	20	22	62	75
Total Tax	1	0	0	2	5	4	5	5	3	19
% Tax	4.2	-0.4	-0.1	19.8	28.0	25.2	25.2	22.8	4.8	0.0
PAT (after MI and Sh. of Asso.)	17	14	19	9	13	11	15	17	59	56
Adjusted PAT	17	14	19	9	13	11	15	17	59	56
Change (YoY %)	15.3	102.2	114.9	52	-20.7	-22.5	-22.9	79	62.3	-6.2
Change (QoQ %)	173.8	-17.7	38.9	-51	43.0	-19.7	38.2	12.8		

JSW Steel**Buy****CMP: INR 1028 | TP: INR 1200 (+17%)**

- We expect QoQ margins to fall due to weak ASP.
- Pricing outlook for domestic and international market will be key to watch for.
- Performance of domestic and overseas subsidiaries will be crucial.
- Management commentaries on capex/timelines.

Quarterly Performance (INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	422	446	419	463	429	414	475	509	1,750	1,828
Change (YoY %)	10.8	6.7	7.2	(1.5)	1.7	(7.1)	13.3	10.0	5.5	4.5
Change (QoQ %)	(10.1)	5.6	(5.9)	10.3	(7.2)	(3.5)	14.7	7.0	-	-
EBITDA	70	79	72	61	55	45	81	94	282	275
Change (YoY %)	4.1	(8.3)	0.5	2.9	6.4	0.5	13.6	3.4	(0.4)	5.8
Change (QoQ %)	(9.9)	4.4	(5.3)	15.5	(6.8)	(1.4)	7.0	5.1	-	-
EBITDA (INR per ton)	12,340	12,438	11,967	9,100	9,003	7,324	11,280	12,506	11,395	10,194
Interest	20	21	20	21	21	21	21	20	81	82
Depreciation	19	20	21	22	22	21	21	21	82	86
Other Income	3	2	2	2	2	3	3	4	10	12
PBT (before EO Item)	35	40	33	21	14	6	42	57	130	119
EO Items	-	(6)	-	-	-	-	-	-	(6)	-
PBT (after EO Item)	35	46	33	21	14	6	42	57	136	119
Total Tax	11	18	9	7	5	2	12	20	44	39
PAT before MI and Asso.	25	28	25	14	9	5	29	37	91	80
MI (Profit)/Loss	1	0	0	0	0	-	-	-	2	0
Share of P/(L) of Ass.	(0)	(0)	(0)	(1)	(0)	-	-	-	(2)	(0)
Reported PAT (after MI & Asso.)	23	28	24	13	8	5	29	37	88	79
Adjusted PAT	23	31	23	13	8	5	29	37	90	79
Change (YoY %)	179.0	NA	365.3	(64.5)	(63.9)	(85.3)	27.6	187.8	152.8	(11.5)
Change (QoQ %)	(36.2)	31.1	(25.6)	(43.0)	(34.9)	(46.5)	543.6	28.4	-	-

NMDC**Buy****CMP: INR 244 | TP: INR 290 (+19%)**

- 2QFY25 volume declined by 2% QoQ due to monsoon.
- Revenue to decline by 10% QoQ, affected by weak volume and ASP during the quarter.
- NMDC cut prices by INR1000/t during Jun-Sep'24. Recently hiked prices by INR500/t in Oct'24.
- Plans to expand its current capacity are underway and guidance on timeline will be key.

Consolidated Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	54	40	54	65	54	48	66	89	213	257
Change (YoY %)	13.2	20.6	45.4	10.9	0.4	20.6	22.0	36.7	20.6	20.7
Change (QoQ %)	-7.8	-25.6	34.8	20.0	-16.6	-10.6	36.3	34.4	-	-
EBITDA	20	12	20	21	23	17	22	32	73	94
Change (YoY %)	5.0	39.9	76.0	-2.8	17.4	40.1	11.5	51.5	20.5	29.3
Change (QoQ %)	-7.8	-40.3	68.6	4.7	11.3	-28.7	34.2	42.2	-	-
EBITDA per ton (INR/t)	1,816	1,244	1,762	1,676	2,324	1,679	1,722	1,802	1,640	1,861
Interest	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.8	1.0
Depreciation	0.7	0.9	0.8	1.1	0.7	0.9	0.9	1.1	3.5	3.6
Other Income	2.9	3.2	3.4	4.2	3.6	3.6	3.6	3.3	13.7	14.3
PBT (before EO Item)	22	14	22	24	26	19	25	34	82	104
Extra-ordinary item	0.0	0.0	-2.5	-0.3	0.0	0.0	0.0	0.0	-2.8	0.0
PBT (after EO Item)	22	14	20	24	26	19	25	34	80	104
Total Tax	5.5	3.8	5.1	9.4	6.4	6.0	7.7	11.1	23.8	31.2
% Tax	24.9	27.0	25.7	40.0	24.7	31.0	31.0	32.8	29.9	30.0
PAT after MI and Sh. of Asso.	17	10	15	14	20	13	17	23	56	73
Adjusted PAT	17	10	17	14	20	13	17	23	58	73
Change (YoY %)	14.3	5.6	83.6	-9.0	18.8	29.4	2.6	58.6	18.0	25.8
Change (QoQ %)	5.1	-37.9	63.2	-14.6	37.2	-32.4	29.4	32.1	-	-

Nalco**Neutral****CMP: INR 224 | TP: INR 220 (-2%)**

- Strong zinc prices to benefit overall performance YoY
- Management guidance on production and sales volumes for FY25 will be monitored closely.
- We await management guidance on domestic demand.
- Management guidance on CoP and capex timeline to be monitored.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	31,784	30,434	33,469	35,791	28,561	31,887	36,942	40,315	1,31,477	1,37,705
Change (YoY %)	-16.0	-12.8	1.7	-2.5	-10.1	4.8	10.4	12.6	-7.6	4.7
Change (QoQ %)	-13.4	-4.2	10.0	6.9	-20.2	11.6	15.9	9.1		
Total Expenditure	25,840	26,469	25,738	24,715	19,219	22,726	27,672	30,208	1,02,762	99,825
EBITDA	5,943	3,965	7,731	11,075	9,342	9,162	9,269	10,107	28,715	37,880
Change (YoY %)	-31.6	18.6	68.2	44.5	57.2	131.1	19.9	-8.7	18.2	31.9
Change (QoQ %)	-22.5	-33.3	95.0	43.3	-15.6	-1.9	1.2	9.0		
Interest	23	40	21	89	34	21	24	23	172	102
Depreciation	1,697	1,862	1,538	2,400	1,743	1,900	2,000	2,334	7,497	7,977
Other Income	485	686	510	840	605	720	730	745	2,521	2,800
PBT (after EO)	4,709	2,750	6,682	13,695	8,170	7,961	7,975	8,495	27,836	32,601
Total Tax	1,215	687	1,797	3,537	2,158	2,000	2,003	2,028	7,236	8,189
% Tax	25.8	25.0	26.9	25.8	26.4	25.1	25.1	23.9	30.7	25.1
PAT before MI and Asso.	3,494	2,063	4,885	10,158	6,012	5,961	5,972	6,467	20,600	24,412
Sh. of Associate	-156	-189	-179	-191	-128	-180	-190	-191	-715	-689
Reported PAT after MI and Asso.	3,338	1,874	4,706	9,967	5,884	5,781	5,782	6,276	19,885	23,723
Adjusted PAT	3,338	1,874	4,706	6,766	5,884	5,781	5,782	6,276	16,684	23,723
Change (YoY %)	-40.2	49.4	83.6	36.7	76.3	208.6	22.9	-7.2	16.3	19.3
Change (QoQ %)	-32.6	-43.9	151.2	43.8	-13.0	-1.8	0.0	8.5		

SAIL**Neutral****CMP: INR 141 | TP: INR 140 (-1%)**

- SAIL guidance on crude steel production for FY25 is crucial
- Guidance on domestic and international steel prices and capex will be critical.
- Management guidance on handling the key input costs and debt reduction roadmap.
- Management guidance on the debottlenecking program and the timelines.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	244	280	233	262	240	262	287	354	1,019	1,142
Change (YoY %)	1.4	6.5	(6.8)	(9.9)	(1.5)	(6.3)	22.8	34.8	(2.4)	12.1
Change (QoQ %)	(16.4)	14.8	(16.5)	12.4	(8.6)	9.2	9.4	23.4		
Total Expenditure	227	258	212	245	218	247	265	327	942	1,057
EBITDA	16	21	21	18	22	15	21	26	77	85
Change (YoY %)	(28.4)	189.2	3.1	(39.5)	34.6	(29.1)	(0.5)	49.2	(4.4)	10.6
Change (QoQ %)	(43.6)	28.9	0.8	(17.4)	25.5	(32.1)	41.5	23.8		
EBITDA per ton (INR)	4,250	4,429	5,638	3,879	5,536	3,271	4,488	4,950	4,511	4,544
Interest	6	6	6	6	7	6	6	6	25	26
Depreciation	13	13	13	14	14	14	14	14	53	55
Other Income	5	1	1	3	2	3	3	5	11	12
Share of Asso/JV/investments	1	1	1	1	1	1	1	1	4	5
PBT (before EO Inc.)	3	4	5	2	4	(1)	6	13	14	22
EO Income(exp)	-	13	1	12	(3)	-	-	-	26	(3)
PBT (after EO Inc.)	3	18	6	14	1	(1)	6	13	41	19
Total Tax	1	5	1	3	0	(0)	1	3	10	5
% Tax	26.3	26.2	24.8	21.9	16.6	25.2	25.2	25.8	24.5	25.2
Reported PAT	2	13	4	11	1	(0)	4	9	31	14
Adjusted PAT	2	3	4	2	3	(0)	4	9	11	16
Change (YoY %)	(73.6)	LP	50.3	(84.9)	52.9	NA	16.8	415.0	(43.8)	52.1
Change (QoQ %)	(82.3)	49.7	15.1	(50.7)	80.0	NA	NA	117.3		

Tata Steel**Neutral****CMP: INR 167 | TP: INR 180 (+8%)**

- UK losses to increase in 2QFY25. Weak global prices to keep Europe profitability under pressure.
- Commentary on Europe operations is critical.
- Management guidance on ASP and CoP across geographies to be monitored.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	595	557	553	587	548	520	590	729	2,292	2,387
Change (YoY %)	-6.2	-7.0	-3.1	-6.8	-7.9	-6.6	6.7	24.3	-5.8	4.2
Change (QoQ %)	-5.5	-6.4	-0.7	6.1	-6.7	-5.1	13.5	23.6		
EBITDA	52	43	63	66	67	47	68	93	223	275
Change (YoY %)	-65.4	-29.6	54.7	-8.6	29.4	9.8	8.5	40.7	-30.9	23.1
Change (QoQ %)	-28.3	-17.5	46.8	5.4	1.4	-30.0	45.0	36.6		
As % of Net Sales	8.7	7.7	11.3	11.2	12.2	9.0	11.5	12.7	9.7	11.5
Finance cost	18	20	19	18	18	18	18	21	75	75
DD&A	24	25	24	26	25	25	25	27	99	102
Other Income	12	2	2	2	3	3	5	9	18	19
PBT (before EO item)	21	1	22	24	26	6	30	53	67	116
EO exp. (income)	0	-69	-3	-6	-4				-78	-4
PBT (after EO item)	21	-68	19	18	23	6	30	53	-11	113
Total Tax	13	-2	14	13	15	8	13	12	38	47
% Tax	63.0	NA	64.2	53.0	55.2	121.9	42.0	22.6	55.9	40.6
PAT before MI and Asso.	8	-66	4	5	8	-1	18	41	-49	65
Profit from Asso.	-1	-3	0	-1	0				-5	
Minority interest	-3	1	1	0	1	1	1	1	-1	5
APAT	6	7	8	12	13	0	19	42	34	74
Change (YoY %)	-92.0	-54.2	LP	-28.8	112.3	NA	120.7	251.1	-61.0	118.7
Change (QoQ %)	-63.4	13.2	20.6	42.3	9.3	NA	NA	126.3		

Vedanta**Neutral****CMP: INR 516 | TP: INR 550 (+7%)**

- Management comments on the demerger status and its guidance on volumes and CoP across verticals
- Management update on parent debt situation is crucial.
- Management guidance on future dividend payout.

Quarterly Performance (INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	337	342	355	355	358	355	368	410	1,390	1,489
Change (YoY %)	-12.7	-6.7	4.2	-6.4	6.0	3.7	3.4	15.4	-5.7	7.2
Change (QoQ %)	-11.1	1.3	4.0	-0.1	0.7	-0.8	3.6	11.4		
EBITDA	64	67	85	88	99	93	105	126	304	423
Change (YoY %)	-37.0	-12.7	20.7	-7.3	54.9	37.7	23.4	43.4	-11.6	39.0
Change (QoQ %)	-32.1	4.6	27.0	2.8	13.4	-7.0	13.8	19.5		
Finance cost	21	25	24	24	22	24	24	25	95	95
DD&A	26	26	28	27	27	25	28	31	107	110
Other Income	5	6	8	6	9	8	7	3	25	26
PBT (before EO item)	23	22	41	42	59	52	61	73	128	245
EO exp. (income)	-18	-60	0	2	0	0	0	0	-76	0
PBT (after EO item)	41	82	41	40	59	52	61	73	204	245
Total Tax	7.8	90.9	12.4	17.2	8.3	16.6	21.2	27.2	128.3	73
% Tax	19.0	111.2	30.1	43.1	14.0	32.0	35.0	37.4	63.0	30.0
PAT before MI and Asso.	33	-9	29	23	51	35	39	46	75	171
Profit from Asso.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Minority interest	6.7	8.7	8.6	9.1	14.9	9.1	9.1	3.3	33.0	36
PAT after MI and Asso.	26	-18	20	14	36	26	30	42	42	135
APAT	9	5	20	16	36	26	30	42	49	135
Change (YoY %)	-80.5	-65.7	29.0	-49.6	319.5	437.1	50.7	168.7	-53.1	173.4
Change (QoQ %)	-72.4	-43.3	312.5	-22.0	129.8	-27.4	15.7	39.1		

Oil & Gas

Company name

Aegis Logistics

BPCL

Castrol India

GAIL

Gujarat Gas

Gujarat State Petronet

HPCL

Indraprastha Gas

IOCL

Mahanagar Gas

MRPL

Oil India

ONGC

Petronet LNG

Reliance Industries

Strong marketing margin aids OMCs; CGD profitability flat QoQ

- **We expect our coverage universe to report:** a) sales growth of 10% YoY (up 2%YoY excluding OMCs), b) we expect EBITDA decline of 22% YoY (down 4% YoY excluding OMCs), and c) PAT decline of 33% YoY (down 11% YoY excluding OMCs).
- **RIL:** Consol. EBITDA is expected to grow 2% YoY to INR397b. We estimate EBITDA of INR141b (down 26% YoY) for the standalone business, INR154b (up 19% YoY) for RJio, and INR54b (up 10% YoY) for the Retail business. Production meant for sale is expected at 17.5mmt (flat YoY), with standalone EBITDA at INR141b (down 26% YoY).
- **OMCs:** Standalone EBITDA for HPCL/BPCL/IOCL may increase 125%/38%/3% QoQ, driven by higher marketing margins (up 71%/159% QoQ for MS/HSD). Refining is expected to remain weak amid lower SG GRM (flat QoQ at USD3.6/bbl), while BPCL's volumes are impacted by a planned shutdown in 2QFY25.
- **CGD:** We estimate YoY volume growth of 14%/6% for MAHGL/ IGL (down 2% YoY for GUJGA). EBITDA/scm margins for MAHGL/IGL are largely expected to be flat QoQ as the positive impact of price hikes will be largely offset by continued shortfall in APM gas and 18% higher QoQ spot LNG prices in 2QFY25.
- **Upstream:** For ONGC/OINL, we expect flat EBITDA YoY as we build in flat oil sales volumes for both. Gas sales volume may fall 7% YoY for ONGC but could rise 14% for OILN.

Volatile 2QFY25 for oil amid demand weakness, geopolitical tensions

- Brent crude oil price averaged USD79.8/bbl in 2QFY25 (vs. USD84.6/bbl in 1QFY25). In Sep'24, Brent crude oil price averaged USD74/bbl. The weakness in oil prices in the past few months was due to fears of the reversal of voluntary cuts by OPEC+, alongside demand worries amid the contraction in Chinese consumption and seasonality.
- In its latest monthly oil market report, IEA reduced its global oil demand estimate to 900kb/950kb per day in CY24/CY25; and re-iterated that oil supply is set to rise 2.1mb/d in CY25; assuming voluntary cuts remain in place.
- **Our oil price assumption down 12% vs. the US EIA:** We model oil prices of USD75/bbl in both FY25 and FY26, but we believe risks to a lower oil price curve continue to mount given the strong non-OPEC supply response in CY25 and beyond.

SG GRM remains weak; marketing margin robust in 2QFY25

- SG GRM stood at USD3.6/bbl in 2QFY25 (vs. USD3.5/bbl in 1QFY25). Gasoline, diesel and fuel oil cracks declined 16%/12%/11% QoQ to USD10.8/bbl, USD7.5/bbl and negative USD5.1/bbl, respectively. Jet fuel cracks were stable QoQ. **We expect IOCL/BPCL/HPCL to report GRMs of USD6.5/USD8/USD5 per barrel in 2QFY25.**
- Blended marketing margins for IOCL/BPCL/HPCL are expected at INR5.3/INR5.7/INR5.2 per liter in 2QFY25, up from 1QFY25.
- BPCL/IOCL throughput may decline 11%/5% QoQ, while HPCL/MRPL may see a 2%/3% QoQ increase in throughput. During 2Q, BPCL had a planned shutdown for 15 days at its Bina refinery and 15 to 30 days at Kochi refinery.

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Petchem margins continue to decline in 2QFY25

- Petchem prices increased 9% YoY on an average in 2QFY25. PE/PP prices were up 9%/4% YoY (+1%/-1% QoQ). PVC prices were down 3% YoY/up 2% QoQ.
- PX spread over naphtha declined 31% YoY, while PP spread over naphtha was up 4% YoY.

GUJGA volume down sharply due to shutdown, CGD margins flat

- Volumes are expected to rise 2%/5% QoQ for IGL/MAHGL (-17% QoQ for GUJGA). EBITDA/scm is likely to decline marginally for IGL/MAHGL, down 2%/4% QoQ, amid higher spot LNG prices and continued APM gas shortfall. For GUJGA, we estimate margin of ~INR5.6/scm.
- CGD volumes will continue to be in focus, particularly for GUJGA, which is trying to push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan. However, in 2Q, Morbi volumes might have declined sharply on a QoQ basis temporarily amid subdued ceramic industry exports, current geo-political situation (high propane prices) and festivals in 2Q.
- IGL is facing multiple headwinds in volume growth, such as: 1) stagnation in I/C volume growth amid competition from alternate fuels, 2) stagnant growth in D-Haryana segment over the past few quarters, and 3) margins have likely already peaked out. As a result, we remain cautious on IGL from a long-term perspective and maintain our Sell rating.

Valuation and view

- **Marketing margin outlook remains robust; OMC profitability likely to remain strong:** While OMCs appear to be trading at the higher end of the historical range, Street earnings estimates are building in only INR3-4/lit marketing margin (current margins are above INR10/lit). **HPCL** remains our preferred pick among the three OMCs. We believe that the combination of stable crude oil prices and refining GRMs presents the potential for OMCs to achieve supernormal profits, which are not currently reflected in Street estimates. We model a marketing margin of INR3.3/lit for both MS and HSD in FY25-26E, while gross marketing margins have averaged INR13.7/lit for MS and INR12.4/lit for HSD in Sep'24. We see the following as major catalysts for the stock: 1) demerger and potential listing of the lubricant business, 2) commissioning of its bottom upgrade unit in Oct'24 (leading to ~USD 2/bbl higher GRMs), and 3) start of its Rajasthan refinery in 4QFY25-end.
- **Upstream: OINL's** production growth guidance remains robust, with drilling activity and development wells in old areas contributing to this growth. OINL is also applying new technologies to grow production. Capacity expansion for NRL (from 3mmt to 9mmt) would also be completed by Dec'25-end, which will drive further growth.
- **GAIL:** During FY24-27E, we are modeling a 13% CAGR in PAT driven by: 1) Rising natural gas transmission volumes to 150mmscmd in FY27 from 120mmscmd in FY24; 2) Substantial improvement in petchem segment's profitability over 2HFY25- FY27 as new petchem capacity will be operational and low inventories globally could drive re-stocking demand, thus improving spreads; and 3) Healthy trading segment profitability with guided EBIT at INR40-45b.

Our key assumptions

- We assume crude prices at USD78.7/bbl for FY25 and USD75/bbl for FY26. Average crude prices for 2QFY25 stood at USD79.8/bbl (vs. USD84.6/bbl in 1QFY25 and USD86.7/bbl in 2QFY24).
- We expect the regional benchmark SG GRM to stabilize at ~USD6/bbl (at its long-term average) over the medium to long term.

Exhibit 1: Oil & gas product prices, cracks, and margins (USD/bbl)

(USD/bbl)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	YoY (%)	QoQ (%)
Oil								
WTI	73.8	82.5	78.4	77.1	80.7	75.2	-9%	-7%
Brent	78.4	86.7	83.8	83.0	84.6	79.8	-8%	-6%
Dubai	77.8	86.7	83.5	81.3	85.3	78.4	-10%	-8%
Arab Light-Heavy	1.8	2.1	2.1	1.8	1.5	1.3	-37%	-11%
Gas								
Henry Hub (USD/mmBtu)	2.2	2.6	2.7	2.2	2.1	2.1	-19%	2%
LNG Spot	11.1	12.6	15.8	9.4	11.2	13.1	4%	18%
Exchange Rate (INR/USD)	82.3	82.2	82.7	83.3	83	83	0.9	-0.3
Product Cracks								
LPG	-33.6	-30.1	-25.9	-27.0	-31.7	-23.2	-23%	-27%
Gasoline	16.6	18.8	11.7	18.2	12.8	10.8	-43%	-16%
Diesel	7.9	21.0	16.5	17.8	8.5	7.5	-64%	-12%
Jet/Kero	14.1	26.5	23.3	22.7	13.3	13.2	-50%	-1%
Naphtha	-12.8	-16.4	-11.7	-5.5	-10.1	-5.4	-67%	47%
Fuel Oil	-8.3	-4.8	-10.8	-9.6	-4.6	-5.1	7%	-11%
Singapore GRM	4.0	9.5	5.5	7.3	3.5	3.6	-62%	2%

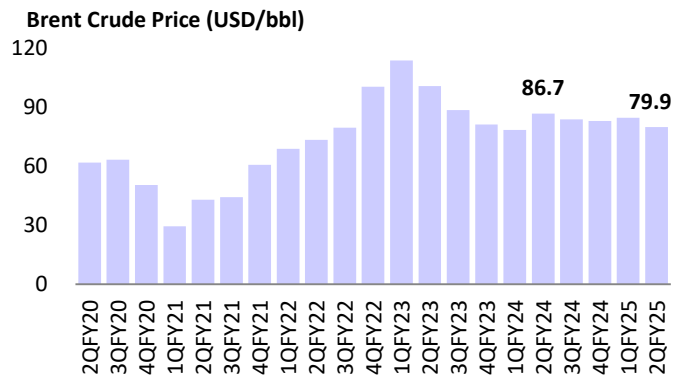
Source: Company, MOFSL

Exhibit 2: Summary of 2QFY25 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Aegis Logistics	764	Neutral	20,775	68.2	29.7	2,706	29.9	16.5	1,326	4.4	0.8
BPCL	368	Neutral	10,71,130	4.0	-5.3	78,237	-39.9	38.4	46,538	-45.3	54.4
Castrol India	245	Buy	12,962	9.6	-7.2	3,033	12.9	-5.9	2,224	14.4	-4.2
GAIL	240	Buy	3,40,080	6.9	1.0	37,547	7.5	-17.1	23,449	-2.5	-13.9
Gujarat Gas	614	Buy	36,770	-4.4	-17.4	4,694	-5.5	-12.4	2,625	-11.9	-20.4
Gujarat State Petronet	431	Neutral	3,094	-31.7	-7.8	2,364	-42.4	-21.5	1,915	-64.0	-9.7
HPCL	445	Buy	9,90,508	3.5	-13.0	46,856	-45.4	125.4	23,092	-54.9	549.0
Indraprastha Gas	558	Sell	34,217	-1.1	-2.8	5,862	-10.8	0.8	4,032	-24.6	0.4
IOC	179	Buy	23,58,947	31.2	22.1	88,593	-60.0	2.6	32,406	-75.0	22.6
Mahanagar Gas	1914	Buy	15,309	-2.5	-3.7	4,297	-10.3	2.7	2,912	-14.0	2.3
MRPL	181	Sell	2,27,231	18.2	-2.3	8,320	-62.9	35.0	1,790	-83.1	173.0
Oil India	569	Buy	55,872	-5.5	-4.3	24,409	-1.9	-1.0	16,677	-12.6	13.7
ONGC	292	Buy	3,51,878	0.1	-0.2	1,83,659	0.0	-1.4	92,465	-9.5	3.5
Petronet LNG	344	Neutral	1,40,196	11.9	4.5	13,125	8.1	-4.4	8,883	8.6	-11.1
Reliance Inds.	2930	Buy	23,06,868	-0.5	-0.5	3,97,138	-3.1	2.4	1,59,644	-8.2	5.5
Oil & Gas			79,65,839	9.6	2.6	9,00,840	-21.7	5.8	4,19,977	-32.7	13.7
Oil Ex OMCs			35,45,253	1.8	-0.4	6,87,153	-3.6	-0.1	3,17,941	-11.3	2.8

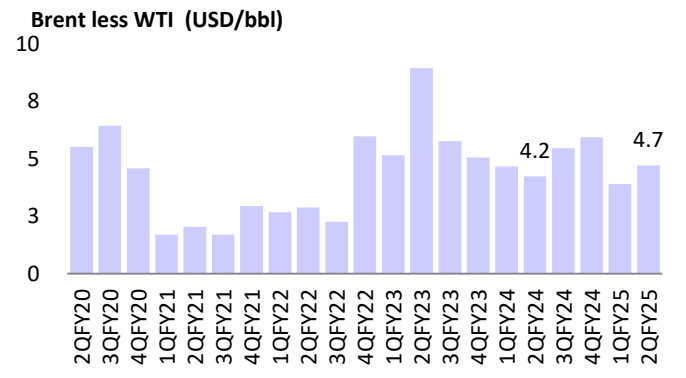
Brent declines 6% QoQ; SG GRM remains flat QoQ

Exhibit 3: Brent crude price down 8% YoY and 6% QoQ



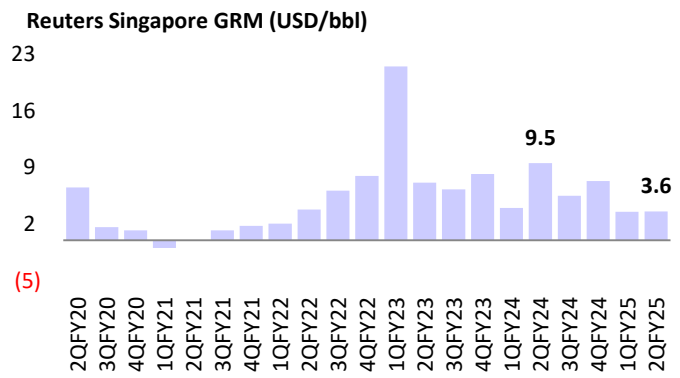
Source: Bloomberg, MOFSL

Exhibit 4: Brent premium to WTI increased to USD4.7/bbl



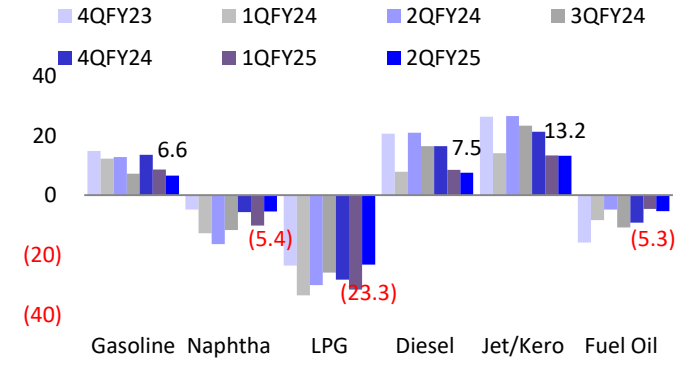
Source: Reuters, MOFSL

Exhibit 5: Reuters SG GRM (average) remains flat QoQ at USD3.6/bbl (from USD3.5/bbl in 1QFY25)



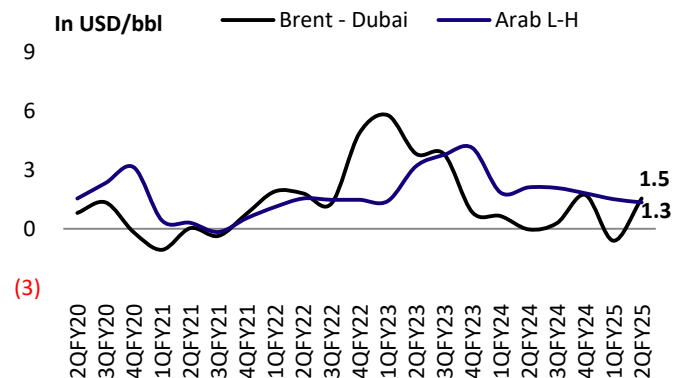
Source: Reuters, MOFSL

Exhibit 6: Fuel Oil, Gasoline, Diesel and Jet/kero crack declined QoQ, Naphtha and LPG improved (USD/bbl)



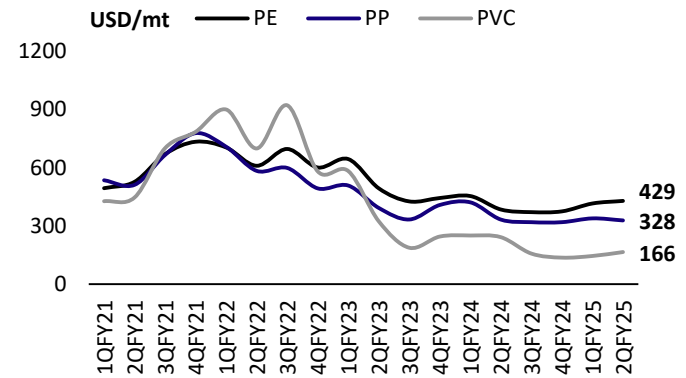
Source: Reuters, MOFSL

Exhibit 7: Crude differential increased to USD1.3/bbl for Arab L-H and was similar QoQ for Brent-Dubai at USD1.5/bbl



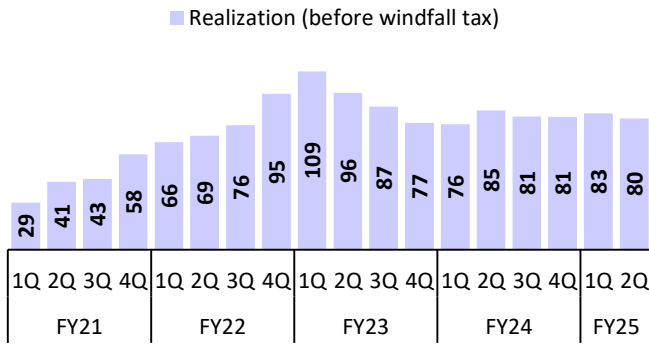
Source: Reuters, MOFSL

Exhibit 8: Spreads over Naphtha for PE, PP, and PVC



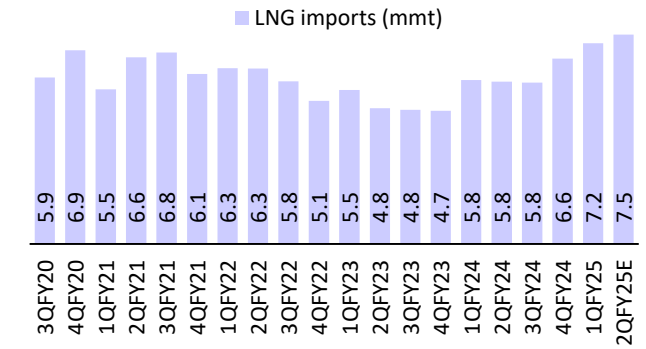
Source: Bloomberg, MOFSL

Exhibit 9: Expect realization (before windfall tax) of USD85/bbl for ONGC in 2QFY25



Source: Company, MOFSL

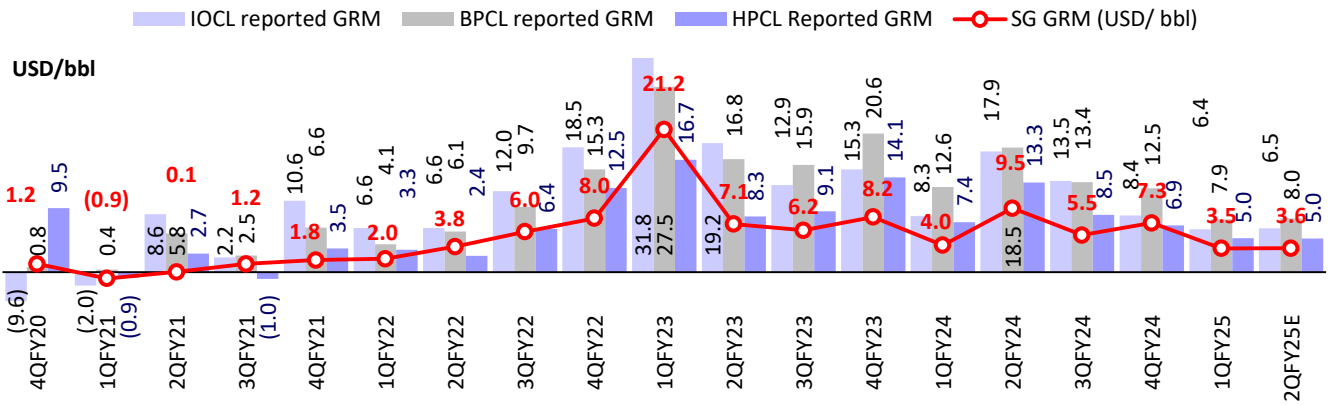
Exhibit 10: Expect LNG imports (mmt) to increase 4% QoQ and 29% YoY in 2QFY25



Sep'24 data extrapolated for 2QFY25E

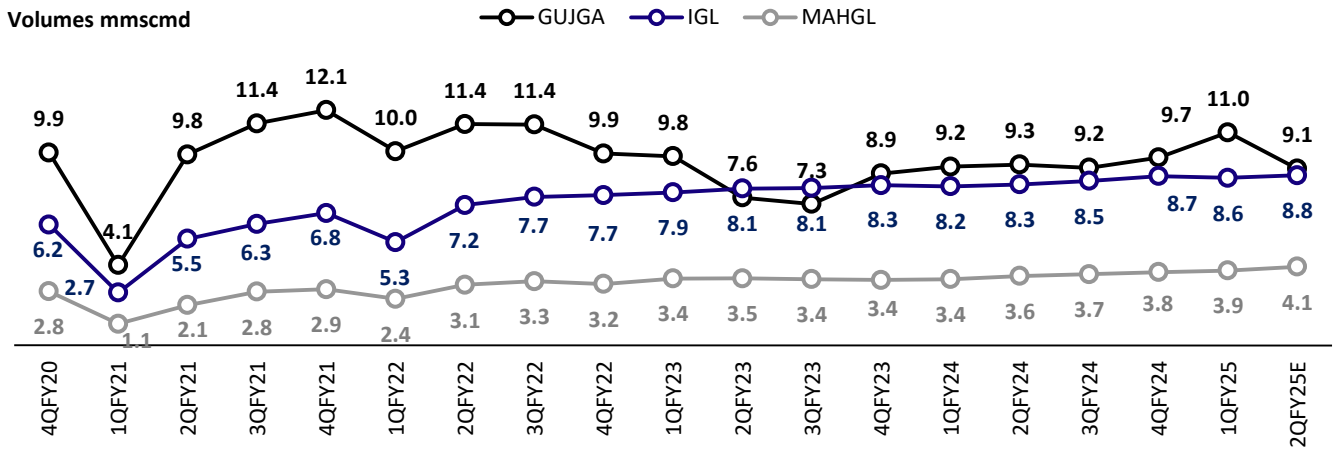
Source: PPAC, MOFSL

Exhibit 11: GRM snapshot for OMCs (USD/bbl)



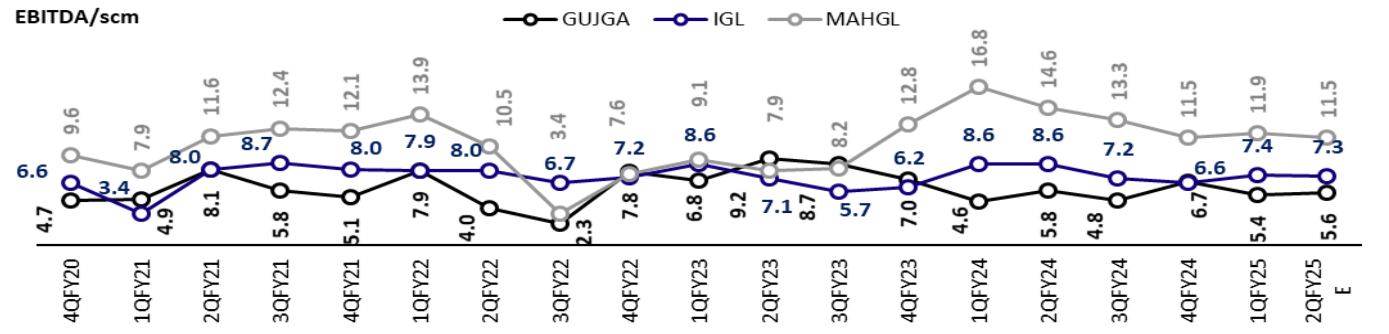
Source: Company, MOFSL

Exhibit 12: Volume snapshot of CGDs (mmscmd)



Source: Company, MOFSL

Exhibit 13: Margin snapshot of CGDs (INR/scm)

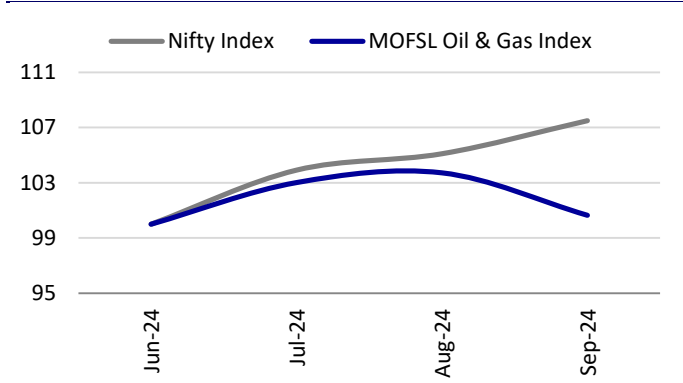


Source: Company, MOFSL

Exhibit 14: Valuation summary

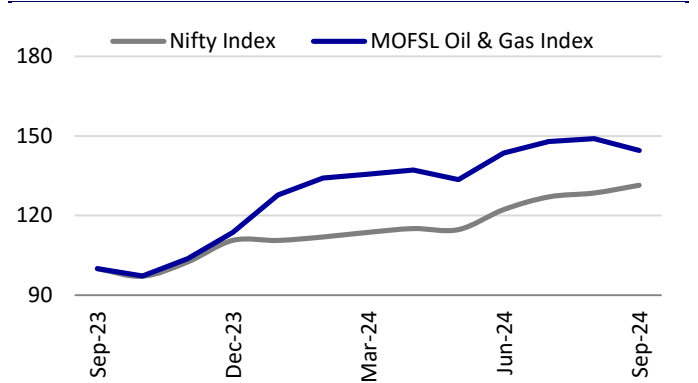
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Oil & Gas						17.8	14.3	13.3	1.9	1.7	1.6	10.8	12.2	11.9
Aegis Logistics	764	Neutral	17.5	21.7	23.6	43.6	35.1	32.3	6.2	5.6	5.0	15.0	16.8	16.4
BPCL	368	Neutral	32.6	35.5	36.1	11.3	10.4	10.2	1.9	1.7	1.6	17.6	17.6	16.4
Castrol India	245	Buy	9.4	9.6	10.6	26.1	25.4	23.0	10.7	10.1	9.5	42.4	41.1	42.8
GAIL	240	Buy	15.3	17.3	19.8	15.7	13.8	12.1	2.2	2.0	1.8	15.0	15.5	16.1
Gujarat Gas	614	Buy	19.0	22.7	24.9	32.3	27.1	24.6	4.9	4.4	3.9	16.1	17.2	16.9
Gujarat State Petronet	431	Neutral	13.1	12.1	11.6	32.9	35.6	37.2	2.3	2.2	2.1	7.0	6.2	5.7
HPCL	445	Buy	30.2	47.1	47.1	14.7	9.4	9.4	1.8	1.6	1.4	13.0	18.2	16.1
Indraprastha Gas	558	Sell	23.3	26.2	28.8	23.9	21.3	19.4	4.0	3.6	3.2	17.9	17.8	17.2
IOC	179	Buy	10.5	13.7	14.4	17.1	13.1	12.4	1.3	1.2	1.2	7.7	9.5	9.5
Mahanagar Gas	1,914	Buy	129.4	137.0	144.9	14.8	14.0	13.2	3.2	2.8	2.5	23.1	21.4	20.0
MRPL	181	Sell	8.7	15.6	15.6	20.8	11.6	11.6	2.2	1.9	1.7	11.0	17.6	15.4
Oil India	569	Buy	46.2	51.3	55.7	12.3	11.1	10.2	1.9	1.7	1.5	16.1	16.0	15.6
ONGC	292	Buy	45.0	52.8	55.6	6.5	5.5	5.3	1.0	0.9	0.8	15.9	16.5	15.5
Petronet LNG	344	Neutral	25.3	30.5	33.9	13.6	11.3	10.1	2.7	2.4	2.1	21.1	22.6	22.3
Reliance Inds.	2,930	Buy	102.5	134.3	150.1	28.6	21.8	19.5	2.2	2.0	1.8	8.4	10.1	10.2

Exhibit 15: Relative performance – three-months (%)



Sources: Bloomberg, MOFSL

Exhibit 16: One-year relative performance (%)



Sources: Bloomberg, MOFSL

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

Aegis Logistics Neutral

CMP: INR764 | TP: INR810 (6%)

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

- Expect EBITDA of INR2.7b due to an increase in India's LPG imports
- Watch out for commentary on competition from natural gas in industrial volumes
- Recovery in sourcing volume will be a key monitorable
- Watch out for updates on LPG terminal capacity in Mangalore and liquid capacity expansion in Kochi

Consolidated - Quarterly Earning Model

Y/E March	(INR m)									
	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	21,005	12,349	18,734	18,372	16,013	20,775	20,775	25,537	70,459	83,102
YoY Change (%)	-6.0	-42.6	-10.2	-14.7	-23.8	68.2	10.9	39.0	-18.3	17.9
EBITDA	1,959	2,083	2,118	3,068	2,323	2,706	2,982	3,890	9,227	11,902
Margin (%)	9.3	16.9	11.3	16.7	14.5	13.0	14.4	15.2	13.1	14.3
Depreciation	333	341	345	334	368	454	454	539	1,353	1,814
Interest	298	266	302	292	313	499	499	685	1,158	1,996
Other Income	374	444	446	632	435	374	374	313	1,896	1,496
PBT	1,702	1,920	1,918	3,073	2,077	2,127	2,404	2,980	8,613	9,587
Tax	375	420	396	700	496	536	606	778	1,891	2,416
Rate (%)	22.0	21.9	20.6	22.8	23.9	25.2	25.2	26.1	22.0	25.2
MI & P/L of Asso. Cos.	169	230	221	410	266	266	266	233	1,030	1,030
Reported PAT	1,158	1,270	1,301	1,963	1,315	1,326	1,532	1,969	5,692	6,141
YoY Change (%)	-24.9	36.0	3.8	39.4	13.5	4.4	17.7	0.3	10.8	2.8
Margin (%)	5.5	10.3	6.9	10.7	8.2	6.4	7.4	7.7	8.1	7.0

BPCL Neutral

CMP: INR368 | TP: INR340 (-8%)

EPS CHANGE (%): FY25 | 26: 12 | 0

- Expect refinery throughput at 9mmt.
- Expect marketing sales (excluding exports) volumes of 12.7mmt (+4% YoY, down 4%QoQ) during the quarter
- Expect reported GRM at USD8/bbl, with blended gross marketing margin at INR5.7/lit
- Watch out for updates on expansion of Bina refinery and construction of new petrochemicals plant

Standalone - Quarterly Earning Model

Y/E March	(INR b)									
	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,129.8	1,029.9	1,154.9	1,165.6	1,131.0	1,071.1	937.7	944.4	4,480.1	4,084.2
YoY Change (%)	-6.7	-10.3	-3.1	-1.3	0.1	4.0	-18.8	-19.0	-5.3	-8.8
EBITDA	158.1	130.1	62.8	92.7	56.5	78.2	56.7	58.5	443.7	249.9
Margins (%)	14.0	12.6	5.4	7.9	5.0	7.3	6.0	6.2	9.9	6.1
Depreciation	16.1	16.0	18.2	17.2	16.8	18.7	18.7	18.7	67.5	72.8
Interest	6.8	7.7	5.0	5.2	4.4	3.6	3.6	2.8	24.7	14.4
Other Income	4.7	7.7	6.8	4.7	4.8	6.2	6.2	7.6	23.9	24.9
PBT	140.1	113.1	45.8	56.4	40.3	62.2	40.6	44.7	355.5	187.8
Tax	34.6	28.1	11.8	14.2	10.2	15.7	10.2	11.2	88.7	47.3
Rate (%)	24.7	24.8	25.8	25.1	25.2	25.2	25.2	25.2	25.0	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported PAT	105.5	85.0	34.0	42.2	30.1	46.5	30.4	33.4	266.7	140.5
Adj PAT	105.5	85.0	34.0	55.7	30.1	46.5	30.4	33.4	280.2	140.5
YoY Change (%)	LP	LP	73.4	-26.4	-71.4	-45.3	-10.5	-40.0	848.1	-49.8

Castrol (India)**Buy****CMP: INR245 | TP: INR300 (+22%)****EPS CHANGE (%): CY24 | 25: -5 | -13**

- Forecast volumes at 56.1m liters (up 10% YoY, down 8% QoQ) during the quarter
- Expect EBITDA margin to increase 3% YoY, led by declining input costs.
- Expect realization of ~INR231.1/lit during the quarter (vs. INR231.9 in 3QCY24).
- Raw material volatility, product launches, and OEM tie-ups remain the key monitorable.

Quarterly Performance**(INR m)**

Y/E December	CY23				CY24				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume (m litres)	55.0	58.0	51.0	55.0	58.0	61.0	56.1	57.0	219.0	232.1
Realization	235	230	232	230	228	229	231	236	232	231
Net Sales	12,939	13,338	11,829	12,640	13,252	13,975	12,962	13,447	50,746	53,638
YoY Change (%)	4.7	7.4	5.5	7.5	2.4	4.8	9.6	6.4	6.3	5.7
EBITDA	2,950	3,098	2,686	3,291	2,937	3,224	3,033	3,462	12,024	12,656
YoY Change (%)	-7.0	8.3	4.4	31.3	-0.4	4.1	12.9	5.2	8.2	5.3
Margin (%)	22.8	23.2	22.7	26.0	22.2	23.1	23.4	25.7	23.7	23.6
Depreciation	227	218	229	250	237	261	238	261	924	963
Interest	17	15	24	20	21	26	25	21	75	79
Other Income	176	186	202	223	241	204	204	224	787	792
PBT before EO expense	2,883	3,050	2,635	3,243	2,921	3,142	2,973	3,404	11,811	12,406
PBT	2,883	3,050	2,635	3,243	2,921	3,142	2,973	3,404	11,811	12,406
Tax	858	797	691	824	758	820	749	799	3,170	3,126
Rate (%)	29.8	26.1	26.2	25.4	26.0	26.1	25.2	23.5	26.8	25.2
PAT	2,025	2,253	1,944	2,419	2,162	2,322	2,224	2,605	8,641	9,280
YoY Change (%)	-11.3	9.2	3.9	25.2	6.8	3.1	14.4	7.7	6.0	7.4

GAIL**Buy****CMP: INR240 | TP: INR290 (+21%)****EPS CHANGE (%): FY25 | 26: 0 | +2**

- Expect strong transmission volumes and 35% decline in trading EBIT QoQ.
- Expect Petchem volumes of 212.6kmt, with segmental EBIT remaining profitable
- Potential gas price-related tariff hikes remains a key monitorable, increasing company's FY26E PAT by 5%.
- Updates on progress of ongoing pipeline projects remains a key monitorable

Standalone quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	3,24,079	3,18,226	3,42,535	3,23,345	3,36,738	3,40,080	3,40,599	3,65,563	13,08,185	13,82,981
EBITDA	26,131	34,913	38,226	35,578	45,281	37,547	37,509	25,923	1,34,848	1,46,260
% of Net Sales	8.1	11.0	11.2	11.0	13.4	11.0	11.0	7.1	10.3	10.6
Depreciation	6,358	7,503	7,843	11,605	10,489	10,489	10,489	3,690	33,308	35,157
Interest	1,758	1,718	1,564	1,932	2,092	1,557	1,417	1,252	6,972	6,319
Other Income	2,676	5,609	8,121	6,376	3,716	6,008	5,468	9,185	22,782	24,377
PBT	20,691	31,301	36,940	28,418	36,416	31,509	31,071	30,166	1,17,350	1,29,162
Tax	4,767	7,252	8,514	6,648	9,176	8,059	7,947	3,458	27,181	28,641
Rate (%)	23.0	23.2	23.0	23.4	25.2	25.6	25.6	11.5	23.2	22.2
PAT	15,924	24,049	28,426	21,770	27,240	23,449	23,123	26,708	90,169	1,00,520
Change (%)	-45.4	56.5	1,056.8	260.7	71.1	-2.5	-18.7	22.7	70.1	11.5
Adj PAT	15,924	24,049	28,426	21,770	27,240	23,449	23,123	26,708	90,169	1,00,520
Change (%)	-45.4	56.5	1,056.8	260.7	71.1	-2.5	-18.7	22.7	70.1	11.5

Gujarat Gas

Buy

CMP: INR614 | TP: INR730 (+19%)

EPS CHANGE (%): FY25 | 26: -7 | -5

- Expect volumes at 9.1mmscmd (down 2% YoY/17% QoQ) because of drop in Morbi volumes
- Expect EBITDA/scm increased to QoQ INR5.6.
- Pickup in volumes at Morbi to be key monitorables
- Push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan would be key for growth

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	37,815	38,454	39,291	41,342	44,503	36,770	41,681	41,450	1,56,902	1,64,405
YoY Change (%)	-26.9	-3.3	6.6	5.2	17.7	-4.4	6.1	0.3	-6.4	4.8
EBITDA	3,880	4,966	4,007	5,911	5,356	4,694	5,946	6,000	18,764	21,996
Margin (%)	10.3	12.9	10.2	14.3	12.0	12.8	14.3	14.5	12.0	13.4
Depreciation	1,151	1,179	1,201	1,212	1,231	1,346	1,346	1,346	4,743	5,267
Interest	74	78	72	69	78	74	74	71	293	297
Other Income	239	298	230	311	386	235	235	235	1,078	1,090
PBT	2,894	4,007	2,964	5,497	4,433	3,509	4,761	4,819	15,362	17,521
Tax	743	1,029	761	1,402	1,135	884	1,200	1,191	3,934	4,410
Rate (%)	25.7	25.7	25.7	25.5	25.6	25.2	25.2	24.7	25.6	25.2
Reported PAT	2,151	2,978	2,203	4,095	3,298	2,625	3,561	3,628	11,428	13,111
Adj. PAT	2,151	2,978	2,203	3,681	3,298	2,625	3,561	3,628	11,013	13,111
YoY Change (%)	-43.6	-26.3	-40.7	-0.3	53.3	-11.9	61.6	-1.4	-27.8	19.0

Gujarat State Petronet

Neutral

CMP: INR431 | TP: INR472 (+10%)

EPS CHANGE (%): FY25 | 26: +13 | 0

- Expect transmission volumes of 34mmscmd (up 13% YoY/ down 7% QoQ)
- EBITDA expected to decline 42% YoY due to full impact of tariff cut coming through in 2QFY25.
- Commissioning of Phase-II Mehsana-Bhatinda pipeline and further expansion/debottlenecking of three pipelines connecting three LNG terminals remain key monitorables
- Tariff-related updates remain key monitorables

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	3,937	4,533	4,555	4,547	3,354	3,094	3,269	2,899	17,572	12,625
YoY Change (%)	-6.3	17.7	30.7	21.6	-14.8	-31.7	-28.2	-36.2	15.0	-28.1
EBITDA	3,364	4,103	3,795	3,780	3,010	2,364	2,539	1,785	15,041	9,707
YoY Change (%)	-6.6	22.9	40.6	28.2	-10.5	-42.4	-33.1	-52.8	19.5	-35.5
Margin (%)	85.5	90.5	83.3	83.1	89.7	76.4	77.7	61.5	85.6	76.9
Depreciation	468	477	488	486	490	574	574	657	1,920	2,295
Interest	10	10	11	19	13	11	11	9	50	44
Other Income	180	2,663	211	296	328	758	631	808	3,351	2,525
PBT before EO expense	3,066	6,278	3,506	3,571	2,835	2,537	2,586	1,926	16,422	9,893
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,066	6,278	3,506	3,571	2,835	2,537	2,586	1,926	16,422	9,893
Tax	773	958	884	960	715	623	623	532	3,576	2,490
Rate (%)	25.2	15.3	25.2	26.9	25.2	24.5	24.1	27.6	21.8	25.2
Reported PAT	2,293	5,320	2,622	2,611	2,120	1,915	1,963	1,395	12,846	7,403
YoY Change (%)	-2.6	69.3	53.4	16.4	-7.5	-64.0	-25.1	-46.6	35.9	-42.4
Margin (%)	58.2	117.4	57.6	57.4	63.2	61.9	60.1	48.1	73.1	58.6

HPCL**Buy****CMP: INR445 | TP: INR510 (+15%)****EPS CHANGE (%): FY25|26: +13|0**

- Expect refining throughput at 5.9mmt (2% YoY)
- Expect marketing sales volumes at 12.2mmt (+13% YoY)
- Expect reported GRM at USD5/bbl, with gross marketing margin at INR5.2/lit.
- Watch out for completion timeline of bottom upgrade project and new Rajasthan refinery

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,119.6	957.0	1,113.1	1,145.6	1,138.0	990.5	954.6	958.6	4,335.2	4,041.8
YoY Change (%)	-2.2	-11.7	1.6	6.1	1.6	3.5	-14.2	-16.3	-1.6	-6.8
EBITDA	95.2	85.8	21.3	48.7	20.8	46.9	37.4	35.0	251.0	140.0
Margins (%)	8.5	9.0	1.9	4.2	1.8	4.7	3.9	3.6	5.8	3.5
Depreciation	13.6	12.4	13.4	16.1	14.8	16.8	16.8	18.9	55.5	67.3
Forex loss	-1.3	3.6	-0.4	0.6	-0.3	0.0	0.0	0.0	2.6	-0.3
Interest	5.9	5.8	6.1	7.3	7.3	6.3	6.3	5.3	25.2	25.2
Other Income	6.3	3.4	5.6	8.5	5.7	7.1	7.1	8.6	23.8	28.5
PBT before EO expense	83.3	67.4	7.7	33.1	4.7	30.9	21.4	19.3	191.5	76.3
PBT	83.3	67.4	7.7	33.1	4.7	30.9	21.4	19.3	191.5	76.3
Rate (%)	25.5	24.1	31.1	14.2	24.5	25.2	25.2	25.2	23.3	25.1
Adj PAT	62.0	51.2	5.3	28.4	3.6	23.1	16.0	14.5	146.9	57.1
YoY Change (%)	LP	LP	206.8	-11.8	-94.3	-54.9	202.8	-49.1	LP	-61.1

Indraprastha Gas**Sell****CMP: INR558 | TP: INR466 (-17%)****EPS CHANGE (%): FY25|26: 0|-15**

- Expect total volumes at 8.8mmscmd (up 6% YoY/2% QoQ).
- Expect EBITDA/scm at INR7.3, similar QoQ, while Spot LNG up 18% QoQ.
- Key monitorable would be increase in sales volumes from GAs – both existing and the newly awarded ones.
- Slowing D-PNG growth and increasing competition from alternate fuels in I/C segment to be the key risk to long-term volume growth prospects.

Standalone Quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	34,070	34,585	35,504	35,968	35,206	34,217	34,217	33,558	1,40,000	1,37,198
Change (%)	6.7	-2.7	-4.3	-2.3	3.3	-1.1	-3.6	-6.7	-1.0	-2.0
EBITDA	6,424	6,569	5,582	5,225	5,819	5,862	5,862	6,187	23,669	23,730
EBITDA (INR/scm)	8.6	8.6	7.2	6.6	7.4	7.3	7.3	7.5	7.7	7.4
Change (%)	4.0	24.5	30.3	13.4	-9.4	-10.8	5.0	18.4	16.3	0.3
Depreciation	989	1,022	1,018	1,108	1,143	1,163	1,163	1,183	4,138	4,651
Interest	24	25	18	26	22	21	21	19	92	82
Other Income	457	1,340	610	1,094	727	709	709	691	3,632	2,836
PBT before EO	5,867	6,862	5,155	5,187	5,380	5,388	5,388	5,676	23,072	21,832
Tax	1,483	1,514	1,235	1,359	1,366	1,356	1,356	1,578	5,591	5,502
Rate (%)	25.3	22.1	23.9	26.2	25.4	25.2	25.2	27.8	24.2	25.2
PAT	4,384	5,348	3,921	3,828	4,015	4,032	4,032	4,099	17,481	16,330
PAT (INR/scm)	5.9	7.0	5.0	4.8	5.1	5.0	5.0	4.9	5.7	4.5
Change (%)	4.2	28.5	40.9	16.1	-8.4	-24.6	2.8	7.1	21.0	-6.6

IOC**Buy****CMP: INR179 | TP: INR225 (+26%)****EPS CHANGE (%): FY25 | 26: 11 | 3**

- Expect refinery throughput of 17.2mmt (down 5% YoY).
- Expect reported GRM at USD6.5/bbl, with gross marketing margin at INR5.3/lit.
- Petchem cracks have declined sequentially, which should have a bearing on the company's petchem division

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

Y/E March	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1975.3	1797.4	1991.0	1979.8	1932.4	2358.9	2389.5	2467.3	7743.5	9148.1
YoY Change (%)	-11.9	-13.4	-2.8	-2.5	-2.2	31.2	20.0	24.6	-7.8	18.1
EBITDA	221.5	221.6	155.9	106.9	86.3	88.6	77.7	78.9	705.8	331.5
Margin (%)	11.2	12.3	7.8	5.4	4.5	3.8	3.2	3.2	9.1	3.6
Depreciation	31.5	32.8	43.4	37.4	37.6	37.2	37.2	36.8	145.1	148.6
Interest	16.3	18.5	18.3	20.2	19.6	18.7	18.7	17.8	73.3	74.9
Other Income	6.9	9.8	14.5	16.6	5.3	10.6	10.6	15.8	47.8	42.3
PBT	180.7	171.7	107.7	63.3	34.5	43.3	32.4	40.2	523.4	150.4
Rate (%)	23.9	24.5	25.1	23.6	23.4	25.2	25.2	25.2	24.3	24.8
Reported PAT	137.5	129.7	80.6	48.4	26.4	32.4	24.2	30.1	396.2	113.1
Adj PAT	137.5	129.7	80.6	48.4	26.4	32.4	24.2	30.1	396.2	113.1
YoY Change (%)	LP	LP	1699.8	-51.9	-80.8	-75.0	-70.0	-37.9	380.7	-71.4
Margin (%)	7.0	7.2	4.0	2.4	1.4	1.4	1.0	1.2	5.1	1.2

Mahanagar Gas**Buy****CMP: INR1,914 | TP: INR2,430 (+27%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Expect volume growth of 14% YoY to 4.1mmscmd with CNG volumes up 15% YoY
- Watch out for incentives for CNG vehicles to pick up demand in the segment.
- EBITDA margin expected at INR11.5/scm.
- Updates on volumes at UEPL to be key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	15,378	15,709	15,688	15,671	15,896	15,309	15,725	14,414	62,445	61,345
YoY Change (%)	5.7	0.5	-6.1	-2.7	3.4	-2.5	0.2	-8.0	-0.9	-1.8
EBITDA	5,213	4,789	4,487	3,938	4,185	4,297	4,795	5,430	18,426	18,707
EBITDA/SCM	16.8	14.6	13.3	11.5	11.9	11.5	12.5	14.0	13.9	12.5
Margins (%)	33.9	30.5	28.6	25.1	26.3	28.1	30.5	37.7	29.5	30.5
Depreciation	620	658	683	775	719	742	742	765	2,736	2,966
Interest	25	25	27	38	31	26	26	21	115	104
Other Income	390	437	481	446	402	362	362	322	1,753	1,447
PBT	4,957	4,543	4,258	3,570	3,837	3,891	4,390	4,967	17,328	17,084
Tax	1,273	1,158	1,086	920	992	979	1,105	1,224	4,437	4,300
Rate (%)	25.7	25.5	25.5	25.8	25.8	25.2	25.2	24.6	25.6	25.2
Reported PAT	3,684	3,385	3,172	2,650	2,845	2,912	3,285	3,743	12,891	12,784
YoY Change (%)	98.9	106.4	84.3	-1.4	-22.8	-14.0	3.6	41.2	63.2	-0.8
Margins (%)	24.0	21.5	20.2	16.9	17.9	19.0	20.9	26.0	20.6	20.8

MRPL**Sell****CMP: INR181 | TP: INR150 (-17%)****EPS CHANGE (%): FY25|26: +4|+2**

- Expect refinery throughput of 4.5mmt (up 39% YoY).
- Watch out for details regarding recently announced petchem expansion and retail sales growth.
- Expect reported GRM at USD5/bbl, factoring in inventory gain.
- Persistently high valuations remain a concern, given the current highly volatile macro environment.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	2,11,731	1,92,297	2,46,671	2,53,287	2,32,470	2,27,231	2,13,479	1,98,806	9,03,985	8,71,986
YoY Change (%)	-40.4	-21.9	-7.1	-0.1	20.9	18.2	-13.5	-21.5	-16.9	-3.5
EBITDA	22,428	22,428	11,843	23,395	6,163	8,320	16,849	14,278	78,283	45,610
Margin (%)	11.7	11.7	4.8	9.2	2.7	3.7	7.9	7.2	8.7	5.2
Depreciation	2,940	2,960	3,343	3,330	3,352	3,622	3,622	3,892	12,573	14,488
Forex loss	-66	1,046	248	98	107	0	0	0	1,326	107
Interest	2,673	3,112	2,736	2,617	2,145	2,347	2,347	2,550	11,138	9,389
Other Income	518	745	396	393	447	362	362	277	2,051	1,448
PBT before EO expense	16,055	16,055	5,912	17,742	1,006	2,713	11,242	8,114	55,297	23,075
Extra-Ord expense	0	0	0	83	0	0	0	0	83	0
PBT	16,055	16,055	5,912	17,659	1,006	2,713	11,242	8,114	55,214	23,075
Tax	5,461	5,462	2,041	6,291	351	922	3,822	2,759	19,255	7,854
Rate (%)	34.0	34.0	34.5	35.6	34.8	34.0	34.0	34.0	34.9	34.0
Reported PAT	10,593	10,593	3,871	11,368	656	1,790	7,420	5,355	35,959	15,221
YoY Change (%)	-60.9	LP	LP	-40.1	-93.8	-83.1	91.7	-53.1	36.6	-57.7
Margin (%)	5.5	5.5	1.6	4.5	0.3	0.8	3.5	2.7	4.0	1.7

Oil India**Buy****CMP: INR569 | TP: INR720 (+27%)****EPS CHANGE (%): FY25|26: -5|-7**

- Oil realization (post windfall tax) to decline 3% YoY
- Expect oil sales at 0.84mmt (flat YoY) and gas sales of 0.74bcm (up 14% YoY)
- Increase in production at the Baghjan field is a key monitorable over the medium term
- Update on progress of NRL capacity expansion and IGGL phase I

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	46,447	59,133	58,150	57,567	58,397	55,872	58,520	60,446	2,21,298	2,33,234
Change (%)	-22.1	2.4	-1.1	2.0	25.7	-5.5	0.6	5.0	-4.9	5.4
EBITDA	23,289	24,885	21,058	23,357	24,660	24,409	28,901	30,444	92,588	1,08,414
% of Net Sales	50.1	42.1	36.2	40.6	42.2	43.7	49.4	50.4	41.8	46.5
Change (%)	-11.5	34.6	-26.2	-0.5	5.9	-1.9	37.2	30.3	-4.4	17.1
D,D&A	3,974	4,234	4,992	4,551	4,558	4,792	5,650	5,091	17,751	20,091
Interest	1,659	2,235	1,814	1,893	1,970	2,535	2,057	2,058	7,601	8,619
OI (incl. Oper. other inc)	3,341	7,092	5,080	8,332	1,617	5,204	5,204	8,791	23,845	20,817
PBT after exceptional	20,997	1,882	19,331	25,244	19,750	22,287	26,398	32,086	67,454	1,00,521
Tax	4,863	-1,372	3,489	4,956	5,082	5,610	6,644	7,966	11,936	25,301
Rate (%)	23.2	-5.4	18.0	19.6	25.7	25.2	25.2	24.8	13.1	25.2
PAT	16,134	3,253	15,843	20,288	14,668	16,677	19,754	24,121	55,519	75,220
Change (%)	3.7	-81.1	-9.3	13.5	-9.1	412.7	24.7	18.9	-18.5	35.5
Adj. PAT	16,134	19,088	15,843	20,288	14,668	16,677	19,754	24,121	71,354	75,220
Change (%)	3.7	10.9	-9.3	13.5	-9.1	-12.6	24.7	18.9	4.8	5.4

ONGC**Buy****CMP: INR292 | TP: INR365 (+25%)****EPS CHANGE (%): FY25 | 26: -7 | -1**

- Oil realization (pre windfall tax) to fall 16% YoY.
- Update on ramp-up of gas production remains the key monitorable
- Expect oil volume to be flat and gas sales volumes to be down 7% YoY. VAP sales to increase 28% YoY
- Delay in peak oil production from KG Basin and decline in oil prices below USD75/bbl are key downside risks

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	338.1	351.6	347.9	346.4	352.7	351.9	354.3	355.5	1,384.0	1,414.4
YoY Change (%)	-20.1	-8.2	-9.8	-4.6	4.3	4.1	0.8	2.2	-11.0	2.2
EBITDA	194.5	183.6	171.6	174.1	186.2	183.7	228.9	228.5	723.8	827.3
Margin (%)	57.5	52.2	49.3	50.3	52.8	52.2	64.6	64.3	52.3	58.5
Depreciation	67.0	59.6	69.3	71.9	75.4	69.8	75.2	75.5	260.6	295.9
Interest	10.1	10.2	10.2	10.3	11.8	14.6	14.6	17.3	40.8	58.3
Other Income	16.1	20.9	34.0	36.8	20.6	24.3	24.3	27.9	107.8	97.1
PBT before EO expense	133.6	134.7	126.1	128.6	119.6	123.6	163.4	163.7	530.2	570.2
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	133.6	134.7	126.1	128.6	119.6	123.6	163.4	163.7	530.2	570.2
Tax	33.5	32.6	27.2	29.9	30.2	31.1	41.1	41.2	124.9	143.6
Rate (%)	25.0	24.2	21.6	23.3	25.2	25.2	25.2	25.2	23.6	25.2
Reported PAT	100.2	102.2	98.9	98.7	89.4	92.5	122.3	122.5	405.3	426.6
Adj PAT	100.2	102.2	98.9	98.7	89.4	92.5	122.3	122.5	399.9	426.6
YoY Change (%)	-34.1	-20.3	-10.4	41.9	-10.8	-9.5	23.6	24.1	-13.1	6.7
Margin (%)	29.6	29.1	28.4	28.5	25.3	26.3	34.5	34.4	28.9	30.2

Petronet LNG**Neutral****CMP: INR344 | TP: INR394 (14%)****EPS CHANGE (%): FY25 | 26: -18 | -3**

- We model in Dahej/Kochi utilization at 98%/25%.
- LNG imports remain strong given robust power demand and moderate LNG prices overall.
- Progress on ongoing projects is a key monitorable.
- Expect total PLNG volumes to increase 4% YoY.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,16,561	1,25,320	1,47,472	1,37,932	1,34,151	1,40,196	1,32,453	1,33,856	5,27,284	5,40,656
YoY Change (%)	-18.3	-21.6	-6.5	-0.6	15.1	11.9	-10.2	-3.0	-12.0	2.5
EBITDA	11,818	12,147	17,060	11,040	13,730	13,125	12,449	14,423	52,065	53,728
Margin (%)	10.1	9.7	11.6	8.0	10.2	9.4	9.4	10.8	9.9	9.9
Depreciation	1,919	1,948	1,955	1,944	1,946	2,118	2,118	2,290	7,766	8,471
Interest	746	747	697	708	667	636	636	605	2,897	2,544
Other Income	1,467	1,567	1,565	1,568	2,181	1,505	1,505	828	6,167	6,019
PBT	10,621	11,020	15,973	9,957	15,199	11,876	11,200	12,356	47,570	50,630
Tax	2,723	2,839	4,066	2,581	3,783	2,993	2,822	3,128	12,208	13,103
Rate (%)	25.6	25.8	25.5	25.9	24.9	25.2	25.2	25.3	25.7	25.9
Reported PAT	7,899	8,181	11,907	7,376	11,416	8,883	8,378	9,228	35,362	37,528
Adj PAT	7,899	8,181	11,907	7,376	9,989	8,883	8,378	9,228	35,362	35,628
YoY Change (%)	12.7	9.9	0.9	20.1	26.5	8.6	-29.6	25.1	9.1	0.8
Margin (%)	6.8	6.5	8.1	5.3	7.4	6.3	6.3	6.9	6.7	6.6

Reliance Industries

Buy
CMP: INR2930 | TP: INR3,409 (+16%)
EPS CHANGE (%): FY25 | 26: -10 | -7

- Expect consolidated EBITDA to remain flat YoY at INR397b.
- Expect production meant for sale at 17.5mmt (flat YoY).
- Expect standalone EBITDA at INR141b (down 26% YoY)
- Further clarity on INR750b announcements in the new energy business, growth in Retail store additions, and any pricing action in Telecom are the key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	2,076	2,319	2,251	2,365	2,318	2,307	2,368	2,200	9,011	9,192
YoY Change (%)	-5.4	0.8	3.6	11.1	11.7	-0.5	5.2	-7.0	2.5	2.0
EBITDA	381	410	407	425	388	397	460	431	1,622	1,676
Margins (%)	18.4	17.7	18.1	18.0	16.7	17.2	19.4	19.6	18.0	18.2
Depreciation	118	126	129	136	136	133	134	132	508	535
Interest	58	57	58	58	59	60	61	62	231	241
Other Income	38	38	39	45	40	40	40	40	161	160
PBT before EO expense	243	265	258	277	232	244	305	278	1,043	1,060
PBT	243	265	258	277	232	244	305	278	1,043	1,060
Rate (%)	25.2	25.2	24.6	23.7	24.9	24.4	25.4	25.3	24.6	25.2
Minority Interest & Profit/Loss of Asso. Cos.	21.7	24.3	22.2	21.9	23.1	24.9	24.9	24.9	90.1	99.5
Reported PAT	160	174	173	190	151	160	202	183	696	693
Adj PAT	160	174	173	190	151	160	202	183	696	693
Margins (%)	7.7	7.5	7.7	8.0	6.5	6.9	8.6	8.3	7.7	7.5

Real Estate

Company

Brigade Enterprises

DLF

Godrej Properties

Kolte Patil

Macrotech Developers

Mahindra Lifespace

Oberoi Realty

Phoenix Mills

Prestige Estates

Signature Global

Sobha

Sunteck Realty

Expect sequential moderation due to lack of launches

- Our coverage universe is expected to report pre-sales of INR256b, +5 %YoY/down 19% QoQ, in 2QFY25. New launches were muted from our coverage companies, excluding GPL and PEPL, which launched key projects in NCR, MMR, Pune and Bengaluru. Both companies witnessed a healthy response to their new projects and hence, they were able to maintain momentum despite a high base.
- Among all companies, GPL/LODHA/BRGD/SUNTECK are expected to report 10-50% YoY growth in bookings. On the other hand, PEPL is expected to clock only 44% YoY growth despite multiple new launches, due to a higher base (2QFY24 was a record quarter for the company)
- Cumulative collections for our coverage companies should increase 25% YoY to INR192b, implying a collection efficiency of ~80%.
- The cumulative revenue recognition for our coverage is expected at INR134b (up 31% YoY) on the back of higher deliveries, with EBITDA of INR39b (up 36% YoY). We expect operating margins of our coverage to inch up by 109bps to 29% for Q2FY25 & profitability is expected to grow by 44% to INR27bn with the profit margin of 20% (+182bps YoY)

GPL and PEPL stand out in terms of new launches

- **DLF:** Its 2QFY25 performance is expected to be driven by inventory at existing projects, as the company did not launch any key projects during the quarter. We expect DLF to clock bookings of INR20b, down 10% YoY.
- **OBBER:** Steady traction across all projects will result in bookings of INR8b, down 17% YoY.
- **GPL:** GPL had another strong quarter of launches in NCR, Mumbai and Pune, along with a new tower launch at a few of its ongoing projects. Hence, GPL reported healthy bookings of INR52b, up 3% YoY.
- **PEPL:** The company had two launches in Bengaluru, along with a new phase launch at Mulund, Mumbai. This, coupled with healthy traction in ongoing projects, should lead to pre-sales of INR40b.
- **BRGD:** Its 2Q performance is expected to be driven by a new project in Bengaluru, along with the contribution from its luxury project, 'Icon', which was launched toward the end of 1QFY25. BRGD is expected to clock pre-sales of INR20b, up 60% YoY.
- **SOBHA:** While there were no key launches during the quarter, the company has ~INR100b of unsold stock across ongoing projects. We expect SOBHA to report pre-sales of INR18b, flat YoY.
- **MLDL:** Since there were no key launches in 2Q, MLDL's 2Q performance is expected to be driven by existing inventory across new projects in Pune, Bengaluru and Chennai, which were launched over the last two quarters. We expect the company to report bookings of INR6b, up 32% YoY.
- **SUNTECK:** The company is likely to report sales of INR6b on the back of healthy sales across all key projects.
- **KOLTE PATIL:** Steady sales, along with a small launch at Life Republic, can drive bookings to INR7.5b, up 19% YoY.

Top picks: GPL, SIGNATUR and SRIN

- Residential real estate sector continued its growth momentum, with 14% growth in absorption for top-7 cities in FY24 and 10% growth in realizations.
- Moderation in bookings in 2Q can be attributed to lower launches, as only a handful of players were able to bring in new supply. Given the low inventory overhang of 11 months across the industry, new launches become critical to drive incremental growth. While all developers have strong project pipelines, we would watch out for commentary on their launch plans for the rest of the year.
- With a favorable demand-supply balance, a comfortable inventory position, healthy pricing power and a market consolidation opportunity, we expect buoyancy in the real estate sector to continue at least for the next two-three years. Accordingly, we remain constructive on the sector.
- We have a BUY rating on LODHA, GPL, PEPL, BRGD, SIGNATUR, SRIN and SOBHA and are Neutral on DLFU, MLDL, and OBER. **GPL, SIGNATUR, and SRIN** are our top picks.

Exhibit 1: Expected financial performance summary

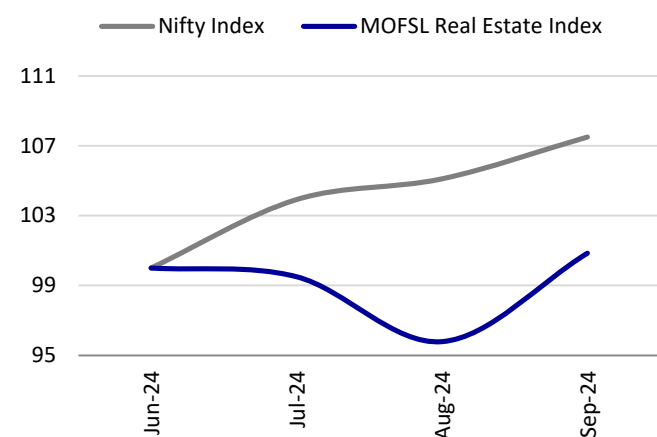
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Brigade Enterpr.	1432	Buy	12,169	-11.0	12.9	3,775	16.2	29.0	1,769	32.5	111.3
DLF	914	Neutral	14,016	4.0	2.9	5,125	10.8	124.2	7,340	18.0	13.9
Godrej Properties	3258	Buy	5,211	51.9	-29.5	845	LP	LP	2,369	226.2	-54.3
Kolte Patil Dev.	397	Buy	5,083	156.5	49.2	649	1,764.4	133.6	251	LP	302.5
Macrotech Developers	1221	Buy	31,124	77.9	9.3	7,677	84.5	1.4	4,547	116.5	-5.3
Mahindra Lifespace	535	Neutral	880	395.1	-53.2	-358	Loss	Loss	259	LP	103.4
Oberoi Realty	1888	Neutral	10,424	-14.4	-25.8	5,929	-7.1	-27.3	4,174	-8.6	-28.6
Phoenix Mills	1752	Neutral	9,213	5.3	1.9	5,482	8.3	3.2	2,409	-4.6	3.4
Prestige Estates	1815	Buy	22,919	2.5	23.1	5,704	-3.7	-28.4	872	-53.0	-62.5
SignatureGlobal	1610	Buy	9,127	826.3	127.8	2,158	LP	LP	1,632	LP	2,273.3
Sobha	1864	Buy	10,078	36.0	57.4	1,251	65.9	123.8	598	300.1	887.4
Sunteck Realty	583	Buy	3,671	1,370.6	16.1	948	LP	202.1	647	LP	184.0
Real Estate			1,33,913	31.1	10.8	39,185	36.1	16.4	26,868	43.6	-5.1

Exhibit 2: Expected operational performance summary

Sector	PRE-SALES (INR b)			VOLUME (MSF)			COLLECTIONS (INR b)		
	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Macrotech Developers*	42	20	5	3.1	12	31	34	43	28
Oberoi Realty	8	-17	-24	0.2	64	13	10	-10	-1
Godrej Properties	55	9	-36	5.5	144	-39	45	130	49
DLF	20	-10	-69	1.2	-10	-69	23	46	-23
Prestige Estates	40	-44	32	4.0	4	40	24	-2	-4
Brigade Enterprise	20	60	84	1.8	25	58	19	30	16
Sobha*	18	4	-10	1.6	18	39	16	39	15
Mahindra Lifespace	6	32	-41	0.7	59	-43	3	0	-49
Sunteck Realty	6	52	20	NA	NA	NA	3	11	-6
Kolte Patil	8	19	5	1.0	6	9	6	20	-7
Signature Global	15	54	-52	NA	NA	NA	15	110	26
Real Estate	238	-2	-25	19	32	-15	198	43	11

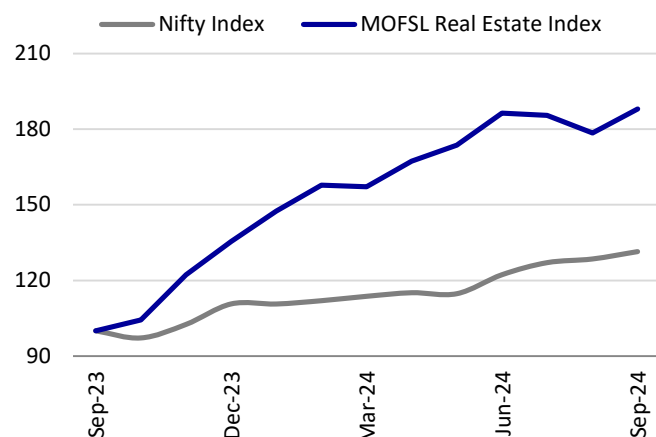
*Actual for Macrotech and Sobha Source: Company, MOFSL

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



Source: Bloomberg, MOFSL

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



Source: Bloomberg, MOFSL

Exhibit 5: Real estate coverage – operational snapshot

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	YoY (%)	QoQ (%)
Sales (INR b)										
DLF	25	85	20	22	90	15	64	20	-10	-69
Godrej Properties	33	41	23	50	57	95	86	55	9	-36
Macrotech	30	30	34	35	34	42	40	42	20	5
Oberoi Realty	6	7	5	10	8	18	11	8	-17	-24
Prestige Estates	25	39	39	71	53	47	30	40	-44	32
Brigade Enterprise	10	15	10	12	15	22	11	20	60	84
Sobha	14	15	15	17	20	15	20	18	4	-10
Mahindra Lifespace	5	4	4	5	5	11	10	6	32	-41
Sunteck Realty	4	5	4	4	5	7	5	6	52	20
Kolte Patil	7	7	7	6	7	7	7	8	19	5
Signature Global			9	10	13	41	31	15	54	-52
Aggregate Sales (INR b)	159	247	168.1	242.9	306.7	320.3	315.9	238.0	-2.0	-24.7
Volume (msf)										
DLF	1.5	5.0	0.9	1.3	5.0	0.5	3.8	1.2	-10	-69
Godrej Properties	4.4	5.3	2.3	5.2	4.3	8.2	9.0	5.5	5	-39
Macrotech	2.5	2.5	2.8	2.6	2.6	3.3	2.4	3.1	21	31
Oberoi Realty	0.4	0.2	0.1	0.2	0.3	0.5	0.2	0.2	8	13
Prestige Estates	2.9	4.0	3.8	6.8	5.5	4.1	2.9	4.0	-42	40
Brigade Enterprise	1.5	2.4	1.5	1.7	1.7	2.7	1.2	1.8	9	58
Sobha	1.5	1.5	1.4	1.7	1.7	1.3	1.2	1.6	-3	39
Mahindra Lifespace	0.6	0.5	0.4	0.7	0.5	0.9	1.2	0.7	-2	-43
Kolte Patil	1.1	1.0	0.9	1.0	1.0	0.6	1.0	1.0	6	9
Aggregate Volume (msf)	16.4	22.3	14.1	21.2	22.5	22.5	22.7	19.2	-9	-15
Collections (INR b)										
DLF	13	18	15	24	25	21	30	23	-3	-23
Godrej Properties	21	43	23	24	27	53	30	45	89	49
Macrotech	27	29	24	28	26	35	27	34	25	28
Oberoi Realty	4	9	11	11	9	11	10	10	-9	-1
Prestige Estates	23	28	27	24	31	35	25	24	2	-4
Brigade Enterprise	9	10	8	14	10	18	16	19	30	16
Sobha	14	12	11	13	13	13	14	16	27	15
Mahindra Lifespace	3	3	3	2	4	4	5	3	29	-49
Sunteck Realty	3	3	3	3	4	3	3	3	3	-6
Kolte Patil	4	6	5	5	5	6	6	6	20	-7
Signature Global			15	6	7	8	10	15	151	50
Aggregate Collections (INR b)	121.9	160.9	145.7	152.8	161.3	207.6	177.3	198.3	29.8	11.9

Source: Company, MOFSL

Exhibit 6: Comparative Valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Real Estate						53.8	43.4	41.9	5.8	5.2	4.7	10.8	11.9	11.1
Brigade Enterpr.	1,432	Buy	37.1	42.0	59.6	38.6	34.1	24.0	6.7	5.6	4.6	18.9	18.0	21.0
DLF	914	Neutral	16.6	17.0	10.6	55.2	53.9	86.3	3.8	3.5	3.4	10.0	9.4	5.6
Godrej Properties	3,258	Buy	52.0	34.4	54.1	62.7	94.7	60.2	7.9	7.3	6.5	13.5	8.0	11.4
Kolte Patil Dev.	397	Buy	13.3	42.1	37.7	29.9	9.4	10.5	3.7	2.8	2.2	13.1	33.6	23.4
Macrotech Developers	1,221	Buy	23.4	35.3	38.3	52.2	34.5	31.9	6.0	5.1	4.5	12.1	16.0	15.0
Mahindra Lifespace	535	Neutral	6.3	6.9	22.4	84.4	77.5	23.9	4.3	4.1	3.6	5.2	5.4	16.0
Oberoi Realty	1,888	Neutral	50.5	71.0	92.0	37.3	26.6	20.5	4.5	3.9	3.3	12.6	15.6	17.4
Phoenix Mills	1,752	Neutral	30.3	41.6	55.6	57.7	42.2	31.5	6.0	5.3	4.5	10.9	13.3	15.5
Prestige Estates	1,815	Buy	19.9	26.2	38.9	91.2	69.2	46.6	5.7	5.3	4.8	6.4	7.9	10.7
Signature Global	1,610	Buy	47.4	69.2	3.8	34.0	23.3	418.5	17.5	10.0	9.8	69.4	54.7	2.4
Sobha	1,864	Buy	35.2	74.2	91.4	52.9	25.1	20.4	6.4	5.1	4.1	12.7	22.6	22.4
Sunteck Realty	583	Buy	16.2	23.2	10.4	36.0	25.1	56.2	2.6	2.3	2.3	7.4	9.7	4.1

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

Brigade Enterprise

Buy

CMP: INR1415 | TP: INR1630 (15%)

EPS CHANGE (%): FY24|25: 0|0

- We expect revenue to decline 11% YoY to INR12b.
- EBITDA is likely to reach INR3.8b with a margin of 31%.
- New bookings for the quarter are likely to reach INR20b, flat YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	6,540	13,666	11,738	17,024	10,777	12,169	12,914	13,809	48,967	49,668
YoY Change (%)	-27.5	55.4	43.1	102.0	64.8	-11.0	10.0	-18.9	42.1	1.4
Total Expenditure	4,792	10,418	9,117	12,696	7,851	8,394	8,781	8,860	37,023	33,887
EBITDA	1,748	3,248	2,620	4,327	2,926	3,775	4,132	4,949	11,944	15,782
Margins (%)	26.7	23.8	22.3	25.4	27.1	31.0	32.0	35.8	24.4	31.8
Depreciation	681	757	821	762	679	747	784	987	3,021	3,197
Interest	1,081	1,100	1,349	1,380	1,519	1,216	1,094	862	4,910	4,690
Other Income	315	413	344	603	357	434	361	606	1,674	1,758
PBT before EO expense	300	1,803	795	2,788	1,084	2,246	2,615	3,707	5,687	9,652
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	300	1,803	795	2,788	1,084	2,246	2,615	3,707	5,687	9,652
Tax	82	679	237	680	279	565	658	927	1,676	2,430
Rate (%)	27.1	37.6	29.8	24.4	25.7	25.2	25.2	25.0	29.5	19.4
MI & Profit/Loss of Asso. Cos.	-166	-210	-177	48	-32	-88	-94	-147	-506	-361
Reported PAT	385	1,335	735	2,061	837	1,769	2,051	2,927	4,516	7,584
Adj PAT	385	1,335	735	2,061	837	1,769	2,051	2,927	4,516	7,584
YoY Change (%)	-52.0	103.0	29.2	289.1	117.3	32.5	179.1	42.0	79.6	67.9
Margins (%)	5.9	9.8	6.3	12.1	7.8	14.5	15.9	21.2	9.2	15.3

DLF

Neutral

CMP: INR914 | TP: INR850 (-7%)

EPS CHANGE (%): FY24|25: 3|0

- We expect revenue to remain flat at INR14b.
- DLF can report EBITDA of INR5.1b with steady margin.
- New bookings are expected to decline 10% YoY to INR20b due to lack of launches.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	14,232	13,477	15,213	21,348	13,624	14,016	16,229	29,899	64,270	73,767
YoY Change (%)	-1.3	3.5	1.8	46.6	-4.3	4.0	6.7	40.1	12.9	14.8
Total Expenditure	10,271	8,853	10,103	13,807	11,337	8,891	10,218	16,600	43,034	47,046
EBITDA	3,962	4,624	5,110	7,541	2,286	5,125	6,010	13,299	21,236	26,720
Margins (%)	27.8	34.3	33.6	35.3	16.8	36.6	37.0	44.5	33.0	36.2
Depreciation	364	370	380	367	373	391	411	548	1,480	1,724
Interest	849	902	837	977	1,012	1,032	1,053	931	3,565	4,028
Other Income	985	1,287	1,223	1,819	3,675	1,223	1,785	1,431	5,313	8,114
PBT before EO expense	3,734	4,639	5,115	8,016	4,576	4,924	6,332	13,251	21,505	29,083
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,734	4,639	5,115	8,016	4,576	4,924	6,332	13,251	21,505	29,083
Tax	1,014	1,122	1,350	1,715	1,183	1,239	1,593	3,302	5,201	7,317
Rate (%)	27.2	24.2	26.4	21.4	25.9	25.2	25.2	24.9	24.2	25.2
Minority Interest & Profit/Loss of Asso. Cos.	2,541	2,701	2,792	2,897	3,054	3,655	4,232	8,295	10,931	19,236
Reported PAT	5,261	6,219	6,557	9,198	6,447	7,340	8,971	18,244	27,235	41,001
Adj PAT	5,261	6,219	6,557	9,198	6,447	7,340	8,971	18,244	27,235	41,001
YoY Change (%)	12.1	30.3	26.4	61.5	22.5	18.0	36.8	98.3	33.9	50.5
Margins (%)	37.0	46.1	43.1	43.1	47.3	52.4	55.3	61.0	42.4	55.6

Source: Company, MOFSL

Godrej Properties**Buy****CMP: INR3,191 | TP: INR3,725 (17%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to grow 52% YoY to INR5b.
- Aided by strong response to new launches, GPL's pre-sales increased 3% YoY to INR52b.
- GPL's PAT can increase 3x YoY to INR2.4b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	9,360	3,430	3,304	14,261	7,390	5,211	8,685	13,454	30,356	34,741
YoY Change (%)	282.6	107.8	68.4	-13.4	-21.0	51.93	162.84	-5.65	34.8	14.4
Total Expenditure	10,853	4,047	3,720	13,033	8,641	4,366	7,625	11,957	31,653	32,589
EBITDA	-1,493	-617	-416	1,228	-1,251	845	1,060	1,498	-1,297	2,152
Margins (%)	-15.9	-18.0	-12.6	8.6	-16.9	16.2	12.2	11.1	-4.3	6.2
Depreciation	69	74	142	161	166	67	111	101	446	446
Interest	297	480	430	315	408	801	865	1,130	1,521	3,204
Other Income	3,299	2,621	2,179	4,887	9,605	2,915	3,886	3,026	12,986	19,432
PBT before EO expense	1,440	1,451	1,192	5,639	7,780	2,892	3,970	3,292	9,723	17,934
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,440	1,451	1,192	5,639	7,780	2,892	3,970	3,292	9,723	17,934
Tax	592	388	319	1,230	1,974	673	1,121	716	2,529	4,484
Rate (%)	41.1	26.7	26.8	21.8	25.4	23.3	28.2	21.7	26.0	25.0
Minority Interest & Profit/Loss of Asso. Cos.	488	-336	-245	371	-618	150	250	1,217	277	999
Reported PAT	1,336	726	627	4,780	5,188	2,369	3,099	3,794	7,471	14,450
Adj PAT	1,336	726	627	4,780	5,188	2,369	3,099	3,794	7,471	14,450
YoY Change (%)	208.5	8.4	11.2	5.2	288.3	226.2	394.1	-20.6	20.3	93.4
Margins (%)	14.3	21.2	19.0	33.5	70.2	45.5	35.7	28.2	24.6	41.6

Source: Company, MOFSL

Kolte Patil Developers**Buy****CMP: INR400 | TP: INR620 (55%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to grow 160% YoY to INR5b.
- Steady sales across ongoing projects will drive bookings to INR7.5b, up 19% YoY.
- Expect EBITDA of INR0.7b with gradual increase in margin

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	5,712	1,982	758	5,264	3,408	5,083	4,575	7,267	13,715	20,332
YoY Change (%)	185	61	-79	-34	-40	157	504	38	-7.9	48.2
Total Expenditure	4,800	1,947	1,124	5,332	3,130	4,434	3,991	6,182	13,204	17,736
EBITDA	912	35	-367	-68	278	649	584	1,085	511	2,595
Margins (%)	16.0	1.8	-48.4	-1.3	8.2	12.8	12.8	14.9	3.7	12.8
Depreciation	31	31	42	39	42	44	46	39	142	170
Interest	366	94	308	210	187	245	220	326	979	978
Other Income	74	67	79	13	95	58	52	27	233	233
PBT before EO expense	588	-24	-637	-303	144	419	370	747	-377	1,680
Extra-Ord expense	0	124	0	111	0	0	0	0	-235	0
PBT	588	-147	-637	-414	144	419	370	747	-611	1,680
Tax	100	93	-42	-185	104	139	123	191	-34	557
Rate (%)	17.0	-63.0	6.6	44.6	72.2	33.2	33.2	25.6	0.1	0.3
Minority Interest & Profit/Loss of Asso. Cos.	29	13	34	41	-22	29	26	83	116	116
Reported PAT	460	-253	-629	-270	62	251	221	472	-694	1,006
Adj PAT	460	-253	-629	-270	62	251	221	472	-693	1,006
YoY Change (%)	116	188	134	-123	-86	-199	-135	-275	-167.6	-245.3
Margins (%)	8.0	-12.8	-83.0	-5.1	1.8	4.9	4.8	6.5	-5.0	5.0

Macrotech Developers**Buy****CMP: INR1,300 | TP: INR1,770 (+36%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to increase 78% YoY to INR31b.
- EBITDA to grow by 85% YoY to INR8b driven by marginal improvement in EBITDA margin.
- The company reported bookings of INR43b, up 22% YoY

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	16,174	17,496	29,306	40,185	28,465	31,124	33,199	45,540	1,03,161	1,38,327
YoY Change (%)	-40	-1	65	23	76	78	13	13	8.9	34.1
Total Expenditure	12,874	13,335	20,479	29,716	20,897	23,446	24,650	32,677	76,404	1,01,670
EBITDA	3,300	4,161	8,827	10,469	7,568	7,677	8,549	12,863	26,757	36,657
Margins (%)	20.4	23.8	30.1	26.1	26.6	24.7	25.8	28.2	25.9	26.5
Adj. EBITDA (as per co.)	4,600	5,500	10,800	13,400	9,600	7,677	8,549	12,863	72,989	38,689
Margins (%)	28.4	31.4	36.9	33.3	33.7	24.7	25.8	28.2	70.8	28.0
Depreciation	240	293	333	1,173	604	410	437	371	2,039	1,822
Interest	1,241	1,231	1,168	1,158	1,172	1,113	1,002	1,031	4,798	4,319
Other Income	544	55	281	654	718	400	400	417	1,534	1,935
PBT before EO expense	2,363	2,692	7,607	8,792	6,510	6,554	7,509	11,878	21,454	32,451
Extra-Ord expense	0	0	1,049	0	0	0	0	0	-1,049	0
PBT	2,363	2,692	6,558	8,792	6,510	6,554	7,509	11,878	20,405	32,451
Tax	556	624	1,439	2,115	1,747	1,966	2,253	3,769	4,734	9,735
Rate (%)	23.5	23.2	21.9	24.1	26.8	30.0	30.0	31.7	0.2	0.3
Minority Interest & Profit/Loss of Asso. Cos.	15	40	67	7	4	41	43	92	180	180
Reported PAT	1,792	2,028	5,052	6,670	4,759	4,547	5,213	8,016	15,491	22,536
Adj PAT (as per co.)	1,700	2,100	5,700	6,670	4,800	4,547	5,213	8,016	16,170	22,577
YoY Change (%)	42	-43	90	-11	182	117	-9	20	5.2	39.6
Margins (%)	10.5	12.0	19.4	16.6	16.9	14.6	15.7	17.6	15.7	16.3

Source: Company, MOFSL

Mahindra Lifespaces**Neutral****CMP: INR543 | TP: INR600 (10%)****EPS CHANGE (%): FY24|25: 0|0**

- Revenue is expected to increase 4x YoY, aided by partial completion of a Vicino project
- We expect MLDL to report quarterly bookings of INR6b, up 32% YoY

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Income from Operations	980	178	820	143	1,881	880	1,040	198	2,121	3,999
YoY Change (%)	3.7	-74.5	-56.1	-94.4	91.9	395.1	26.8	38.6	-65.0	88.6
Total Expenditure	1,412	527	1,210	684	2,297	1,238	1,463	629	3,832	5,627
EBITDA	-431	-349	-390	-541	-416	-358	-423	-431	-1,711	-1,628
Margins (%)	-44.0	-196.5	-47.6	-378.6	-22.1	-40.7	-40.7	-217.4	-80.7	-40.7
Depreciation	30	31	38	38	43	44	39	25	137	152
Interest	42	2	3	26	60	72	87	69	74	288
Other Income	120	79	68	403	186	132	156	126	670	600
PBT before EO expense	-383	-303	-364	-202	-334	-343	-393	-398	-1,252	-1,468
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	-383	-303	-364	-202	-334	-343	-393	-398	-1,252	-1,468
Tax	-94	-108	-109	-129	-97	-81	-95	-94	-440	-367
Rate (%)	24.4	35.7	30.1	63.8	28.9	23.6	24.3	23.7	35.2	25.0
Minority Interest & Profit/Loss of Asso. Cos.	247	6	754	788	365	521	542	657	1,790	2,084
Reported PAT	-43	-189	500	715	127	259	244	353	979	983
Adj PAT	-43	-189	500	715	127	259	244	353	983	983
YoY Change (%)	NM	NM	NM	NM	NM	NM	-51.2	-50.7	NM	0.0
Margins (%)	-4.4	-106.5	61.0	500.2	6.8	29.4	23.5	178.0	46.3	24.6

Oberoi Realty**Neutral****CMP: INR1,898 | TP: INR1,700 (-10%)****EPS CHANGE (%): FY24|25: 9|0**

- We expect revenue to decline 15% YoY
- New bookings could increase to INR8b, down 17% YoY
- OBER's EBITDA could decrease 7% YoY to INR6b

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	9,100	12,174	10,536	13,148	14,052	10,424	12,319	10,587	44,958	47,381
YoY Change (%)	-0.3	76.8	-35.3	36.8	54.4	-14.4	16.9	-19.5	7.2	5.4
Total Expenditure	4,362	5,792	5,443	5,262	5,901	4,495	5,527	5,335	20,859	21,259
EBITDA	4,737	6,382	5,094	7,886	8,151	5,929	6,792	5,251	24,099	26,122
Margins (%)	52.1	52.4	48.3	60.0	58.0	56.9	55.1	49.6	53.6	55.1
Depreciation	113	113	114	135	202	228	270	338	475	1,037
Interest	615	565	501	504	589	296	350	112	2,184	1,347
Other Income	236	264	292	2,438	368	198	234	100	3,230	900
PBT before EO expense	4,245	5,968	4,771	9,685	7,728	5,602	6,406	4,902	24,669	24,638
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,245	5,968	4,771	9,685	7,728	5,602	6,406	4,902	24,669	24,638
Tax	1,046	1,421	1,192	1,833	1,905	1,429	1,633	1,315	5,491	6,283
Rate (%)	24.6	23.8	25.0	18.9	24.7	25.5	25.5	26.8	22.3	25.5
Minority Interest & Profit/Loss of Asso. Cos.	17	21	22	28	23	0	0	0	89	23
Reported PAT	3,216	4,568	3,602	7,880	5,845	4,174	4,772	3,587	19,266	18,378
Adj PAT	3,216	4,568	3,602	7,880	5,845	4,174	4,772	3,587	19,266	18,378
YoY Change (%)	-20.2	43.4	-48.7	64.1	81.7	-8.6	32.5	-54.5	1.2	-4.6
Margins (%)	35.3	37.5	34.2	59.9	41.6	40.0	38.7	33.9	42.9	38.8

Source: Company, MOFSL

Phoenix Mills**Neutral****CMP: INR1,885 | TP: INR1,650 (-15%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to increase 5% YoY to INR9b.
- EBITDA margin is likely to remain steady at 60% with EBITDA reaching INR5.5b

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	8,106	8,750	9,861	13,059	9,041	9,213	10,415	11,388	39,777	40,057
YoY Change (%)	41.1	34.4	44.2	79.1	11.5	5.3	5.6	-12.8	50.8	0.7
Total Expenditure	3,183	3,691	4,343	6,792	3,731	3,731	4,254	4,645	18,009	16,362
EBITDA	4,923	5,060	5,518	6,267	5,310	5,482	6,161	6,742	21,768	23,695
Margins (%)	60.7	57.8	56.0	48.0	58.7	59.5	59.2	59.2	54.7	59.2
Depreciation	630	659	656	757	775	849	960	1,108	2,702	3,692
Interest	957	965	1,042	995	1,031	980	970	642	3,959	3,622
Other Income	290	316	343	372	383	295	333	272	1,322	1,283
PBT before EO expense	3,627	3,752	4,163	4,886	3,887	3,948	4,564	5,264	16,429	17,663
Extra-Ord expense	0	0	0	0	-5	0	0	0	0	0
PBT	3,627	3,752	4,163	4,886	3,882	3,948	4,564	5,264	16,429	17,663
Tax	730	714	724	998	747	992	1,147	1,551	3,166	4,437
Rate (%)	20.1	19.0	17.4	20.4	19.2	25.1	25.1	29.5	19.3	25.1
MI & P/L of Asso. Cos.	492	512	646	621	809	547	618	404	2,270	2,378
Reported PAT	2,405	2,526	2,793	3,267	2,326	2,409	2,800	3,309	10,993	10,849
Adj PAT	2,405	2,526	2,793	3,267	2,331	2,409	2,800	3,309	10,993	10,849
YoY Change (%)	48.5	35.9	58.3	58.9	-3.1	-4.6	0.2	1.3	1,880.3	1,986.7
Margins (%)	29.7	28.9	28.3	25.0	25.8	26.2	26.9	29.1	27.6	27.1

Prestige Estates

Buy
CMP: INR1,870 | TP: INR2,150 (15%)
EPS CHANGE (%): FY24|25: 0|0

- We expect revenue to remain flat YoY to INR22b in 2QFY25.
- PEPL can report EBITDA of INR5.7b with 25% margin.
- Aided by new launches, PEPL's pre-sales could come in at INR40b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	16,809	22,364	17,958	21,640	18,621	22,919	26,044	36,593	78,771	1,04,178
YoY Change (%)	-13.3	56.6	-22.5	-17.8	10.8	2.5	45.0	69.1	-5.3	32.3
Total Expenditure	11,542	16,439	12,443	13,363	10,658	17,215	19,065	29,321	53,787	76,258
EBITDA	5,267	5,925	5,515	8,277	7,963	5,704	6,980	7,272	24,984	27,920
Margins (%)	31.3	26.5	30.7	38.2	42.8	24.9	26.8	19.9	31.7	26.8
Depreciation	1,655	1,741	1,797	1,972	1,905	2,000	2,060	2,765	7,165	8,731
Interest	2,382	2,639	2,932	4,238	3,461	3,288	3,124	1,840	12,191	11,712
Other Income	2,854	1,684	1,747	685	1,624	917	1,042	585	6,970	4,167
PBT before EO expense	4,084	3,229	2,533	2,752	4,221	1,333	2,838	3,252	12,598	11,644
Extra-Ord expense	0	8,512	0	0	0	0	0	0	8,512	0
PBT	4,084	11,741	2,533	2,752	4,221	1,333	2,838	3,252	21,110	11,644
Tax	863	2,564	723	786	1,023	333	709	845	4,936	2,911
Rate (%)	21.1	21.8	28.5	28.6	24.2	25.0	25.0	26.0	23.4	25.0
Minority Interest & Profit/Loss of Asso. Cos.	552	668	647	566	872	127	127	146	2,433	1,273
Reported PAT	2,669	8,509	1,163	1,400	2,326	872	2,001	2,260	13,741	7,460
Adj PAT	2,669	1,856	1,163	1,400	2,326	872	2,001	2,260	7,088	7,460
YoY Change (%)	174.0	397.2	-9.0	-69.5	-12.9	-53.0	72.1	61.5	-1.7	5.2
Margins (%)	15.9	8.3	6.5	6.5	12.5	3.8	7.7	6.2	9.0	7.2

Signature Global

Buy
CMP: INR1,610 | TP: INR2,000 (24%)
EPS CHANGE (%): FY24|25: 0|0

- With the launch pipeline and 1QFY25 strong performance, we believe the company will comfortably achieve its annual guidance for presales of INR100b.
- Strong sales from the recently launched phase in Sector 71 & 37D, along with ongoing inventory, should translate into bookings of INR23b, up 136% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	1,659	985	2,818	6,944	4,006	9,127	9,686	14,434	12,406	37,253
YoY Change (%)	-69.4	-20.3	53.9	-1.5	141.5	826.3	243.7	107.9	-20.1	200.3
Total Expenditure	1,757	1,282	2,887	6,738	4,019	6,969	7,396	10,061	12,664	28,445
EBITDA	-98	-297	-69	206	-13	2,158	2,290	4,372	-259	8,808
Margins (%)	-5.9	-30.1	-2.5	3.0	-0.3	23.6	23.6	30.3	-2.1	23.6
Depreciation	48	51	55	61	52	53	56	55	216	216
Interest	63	107	53	78	75	88	93	103	302	358
Other Income	130	226	199	284	274	158	167	45	840	644
PBT before EO expense	-80	-229	22	350	135	2,175	2,308	4,259	63	8,877
Extra-Ord expense	5	8	1	4	2	0	0	0	0	-2
PBT	-85	-237	20	346	133	2,175	2,308	4,259	63	8,875
Tax	-13	-38	-1	-67	65	544	577	1,033	-119	2,219
Rate (%)	15.4	15.8	-6.3	-19.3	48.8	25.0	25.0	24.3	-187.2	-0.5
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	-1	0	0	-1	-1
Reported PAT	-72	-199	21	412	68	1,632	1,731	3,226	183	6,657
Adj PAT	-68	-192	22	417	69	1,632	1,731	3,226	165	6,657
YoY Change (%)	-115.2	-33.4	-106.4	331.7	-201.1	-947.9	7,599.0	672.8	NA	3,929.8
Margins (%)	-4.1	-19.5	0.8	6.0	1.7	17.9	17.9	22.3	1.3	17.9

Sobha**Buy****CMP: INR1,970 | TP: INR2,250 (14%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to increase 36% YoY to INR10b in 2QFY25.
- EBITDA can increase 66% YoY to INR1b due to gradual margin recovery.
- Sobha can report bookings of INR18b, flat YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	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
YoY Change (%)	60.8	11.1	-21.1	-36.9	-29.5	36.0	59.4	91.3		
Total Expenditure	8,425	6,658	6,108	7,008	5,845	8,827	9,280	11,741	28,199	35,693
EBITDA	654	754	741	621	559	1,251	1,638	2,851	2,770	6,299
Margins (%)	7.2	10.2	10.8	8.1	8.7	12.4	15.0	19.5	8.9	15.0
Depreciation	183	193	201	205	204	208	225	230	782	867
Interest	611	639	614	590	539	512	487	404	2,455	1,942
Other Income	313	324	288	284	295	373	331	641	1,209	1,640
PBT before EO expense	173	247	214	109	111	904	1,257	2,858	742	5,130
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	173	247	214	109	111	904	1,257	2,858	742	5,130
Tax	52	97	63	39	50	306	425	954	251	1,736
Rate (%)	30.2	39.4	29.4	35.5	45.4	33.8	33.8	33.4	33.8	33.8
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	121	149	151	70	61	598	832	1,904	491	3,395
Adj PAT	121	149	151	70	61	598	832	1,904	491	3,395
YoY Change (%)	168.3	-22.2	-52.6	-85.5	-49.8	300.1	451.6	2,608.2	-52.9	591.1
Margins (%)	1.3	2.0	2.2	0.9	0.9	5.9	7.6	13.0	1.6	8.1

Sunteck**Buy****CMP: INR570 | TP: INR640 (12%)****EPS CHANGE (%): FY24|25: 0|0**

- Similar to 1QFY25, we expect healthy revenue growth, driven by revenue recognition from Naigaon project.
- Steady sales across all key projects will drive bookings to INR6b, up 52% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	706	250	424	4,269	3,163	3,671	3,812	3,472	5,648	14,118
YoY Change (%)	-50.8	-69.1	-52.5	773.4	348.2	1,370.6	798.0	-18.7		
Total Expenditure	780	391	573	2,735	2,849	2,722	2,868	2,184	4,476	10,623
EBITDA	-75	-141	-148	1,534	314	948	944	1,289	1,173	3,495
Margins (%)	-10.6	-56.5	-34.9	35.9	9.9	25.8	24.8	37.1	20.8	24.8
Depreciation	18	22	24	31	34	70	73	93	95	270
Interest	173	158	171	182	103	105	109	87	684	403
Other Income	178	113	185	81	117	90	93	44	555	344
PBT before EO expense	-87	-208	-158	1,402	295	863	855	1,153	949	3,166
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	-87	-208	-158	1,402	295	863	855	1,153	949	3,166
Tax	-27	-64	-55	386	70	216	214	292	240	792
Rate (%)	31.0	30.5	34.9	27.5	23.9	25.0	25.0	25.3	25.3	25.0
Minority Interest & Profit/Loss of Asso. Cos.	7	-6	-6	3	-3	0	0	0	-1	-1
Reported PAT	-67	-139	-97	1,013	228	647	641	862	710	2,376
Adj PAT	-67	-139	-97	1,013	228	647	641	862	710	2,376
YoY Change (%)	-75.8	105.7	-29.9	-1,141.7	-77.5	184.0	-0.9	34.4	NA	NA
Margins (%)	-9.6	-55.6	-22.9	23.7	7.2	17.6	16.8	24.8	12.6	16.8

Retail

Company

Aditya Birla Fashion

Avenue Supermarts

Bata India

Campus Activewear

Metro Brands

Relaxo Footwear

Shoppers Stop

Titan Company

Trent

V-Mart Retail

Vedant Fashions

Recovery expected to kick in

Value retailers continue to outperform premium retailers

We expect a divergent trend in the growth profile for value and premium retailers in 2QFY25 as value retailers (Trent, V-Mart, DMart, Pantaloons) are expected to post a high single-digit to double-digit SSSG, while premium retailers (ABFRL - Lifestyle, Metro, Shoppers Stop) are likely to post negative/flat SSS.

- Value retailers have been on the path to recovery over the past 2-3 quarters. Given that the base quarter (2QFY24) was impacted by the shift in festive dates due to 'Adhik Maas', we expect optically higher growth on a lower base.
- In wedding wear, we expect Vedant Fashions to experience SSSG recovery in 2QFY25.
- Our footwear channel checks suggest a soft recovery in the distribution channel and a weak SSS in the retail channel (Bata and Metro).

Hence, for our coverage universe, we expect the overall revenue to grow 17% YoY to INR1.07t in 2QFY25, driven by footprint addition and SSSG. VMART, in a pre-quarter update, reported 15% blended SSSG and 20% revenue growth. Similarly, DMart posted weak productivity of +1% YoY in 2QFY25. We believe that TRENT, VMART, and Vedant Fashions could be outliers in 2QFY25.

Store additions to support revenue growth

We expect store additions to continue in low to mid-teens for our retail coverage. VMART/DMART, in a pre-quarter update, reported 19/6 net store additions in 2QFY25. We expect TRENT, SHOP (Intune), DMart, and Metro to be the key outliers in terms of store additions. Meanwhile, store additions for Vedant Fashions, SHOP (standalone), and ABFRL are expected to remain subdued. Store additions are likely to have higher skew toward 2HFY25.

SSSG to support PAT growth

For the coverage universe, we expect gross margins to expand 30bp YoY, led by a reduction in RM inflation costs. In addition, the strong SSS by value retailers, cost control, and slowdown in store additions by premium retailers are expected to lead to a slight expansion in the PAT margin. We expect overall PAT to grow at 21% YoY for our coverage universe.

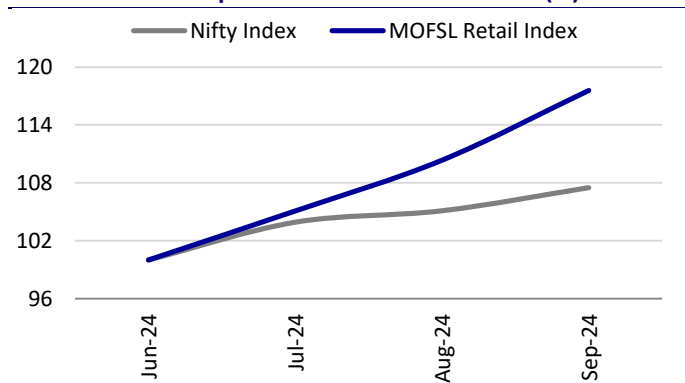
Valuation and view

TRENT and DMART remain our preferred picks (BUY), considering their healthy balance sheets and strong secular growth momentum. We are also positive on VMART, given its recovery in SSSG and the likelihood of a decline in losses. In the wedding space, we expect that Vedant Fashions will be on the path to recovery and launch of a new mass segment brand – Diwas by Manyavar to support the growth. In the footwear space, METRO remains our preferred pick (BUY), backed by its effective retail economics and healthy growth potential; however, the subdued demand environment may keep the stock range-bound for the next few months.

Exhibit 1: Summary of quarterly estimates

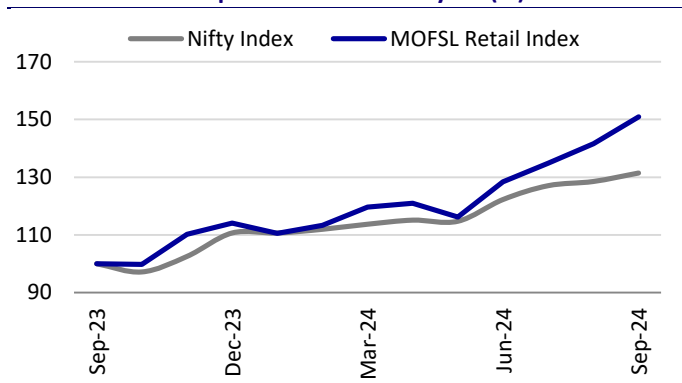
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Aditya Birla Fashion	352	Neutral	36,510	13.2	6.5	3,490	7.9	-2.6	-2,483	Loss	Loss
Avenue Supermarts	4955	Buy	1,44,620	14.6	2.8	11,744	16.9	-3.8	7,379	18.4	-4.6
Barbeque Nation	647	Neutral	3,037	0.7	-0.7	456	2.7	-10.5	-136	Loss	Loss
Bata India	1427	Neutral	8,355	2.0	-11.6	1,947	7.2	5.3	691	7.7	-18.7
Campus Activewear	337	Buy	3,079	19.0	-9.2	437	78.7	-15.5	185	5,693.2	-27.0
Devyani Intl.	193	Buy	11,665	42.4	-4.5	2,080	31.0	-6.9	156	-69.2	-44.5
Jubilant Foodworks	659	Neutral	14,659	9.0	1.8	2,844	1.3	2.2	531	-26.4	3.1
Kalyan Jewellers	750	Buy	59,164	34.0	6.9	4,101	30.8	9.1	2,130	57.5	20.0
Metro Brands	1282	Buy	5,797	4.3	0.6	1,635	5.2	-9.4	772	14.2	-16.0
Relaxo Footwear	812	Neutral	7,341	2.6	-1.9	874	-4.5	-11.7	355	-19.6	-20.0
Restaurant Brands	110	Buy	4,968	9.6	1.3	641	1.0	2.5	-209	Loss	Loss
Sapphire Foods	358	Buy	6,968	8.4	-3.0	1,119	-2.8	-9.9	32	-78.7	-60.4
Senco Gold	1480	Buy	14,561	27.0	3.7	971	145.9	-10.7	439	267.2	-14.4
Shoppers Stop	828	Neutral	10,942	6.7	5.9	1,674	4.8	17.8	-42	PL	Loss
Titan Company	3775	Buy	1,44,275	15.2	8.8	16,426	16.4	31.7	10,830	18.4	51.5
Trent	7612	Buy	42,783	48.0	7.2	6,943	50.7	13.7	3,978	37.3	16.3
V-Mart Retail	4411	Neutral	6,610	20.3	-15.9	297	4,339.6	-69.9	-813	Loss	PL
Vedant Fashions	1357	Neutral	2,442	11.9	1.8	1,043	12.3	-7.5	552	13.3	-11.7
Westlife Foodworld	905	Neutral	6,284	2.2	2.0	851	-14.6	6.4	89	-60.3	172.7
Retail			5,34,058	18.3	4.4	59,571	18.6	6.2	24,436	17.5	10.9

Exhibit 2: Relative performance – three months (%)



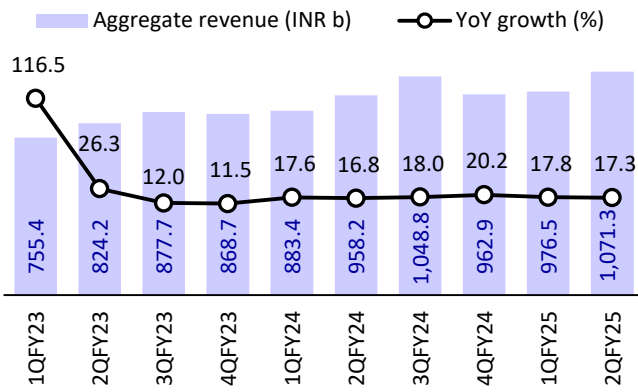
Source: Bloomberg, MOFSL

Exhibit 3: Relative performance – one year (%)



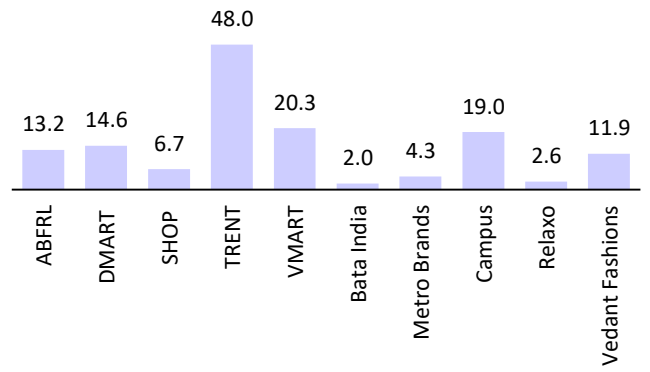
Source: Bloomberg, MOFSL

Exhibit 4: Aggregate revenue growth (INR b; YoY % ex RRL)



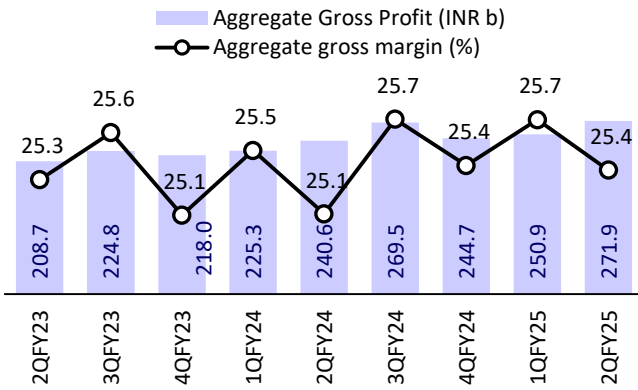
Source: Company, MOFSL

Exhibit 5: Expected revenue growth in 2QFY25; TRENT continues to outperform (YoY %)



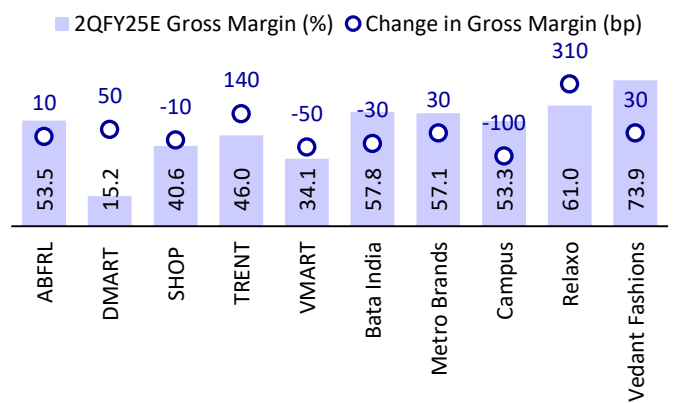
Source: Company, MOFSL

Exhibit 6: Aggregate growth in gross profit (YoY %)



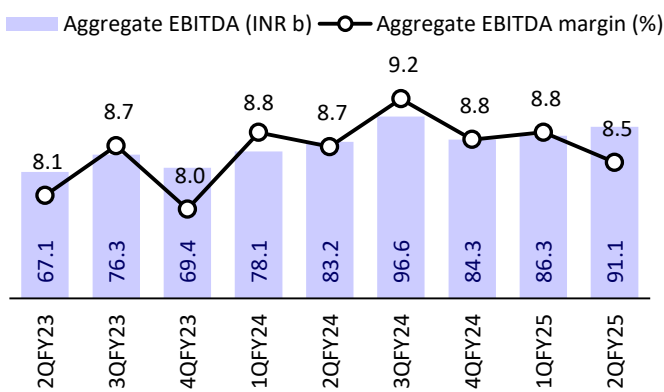
Source: Company, MOFSL

Exhibit 7: Change in gross margin (YoY %)



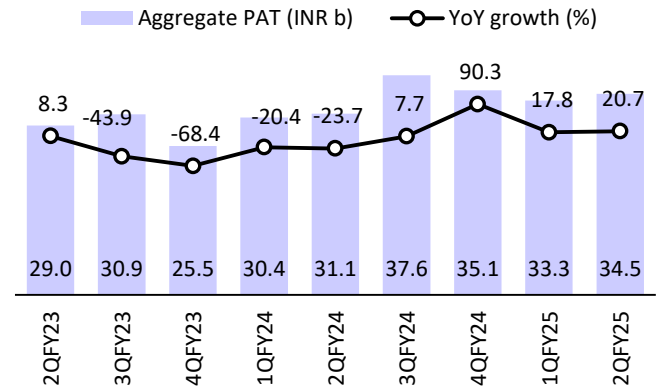
Source: Company, MOFSL

Exhibit 8: Aggregate EBITDA trajectory (margin, %)



Source: Company, MOFSL

Exhibit 9: Aggregate PAT trajectory (YoY % ex RRL)



Source: Company, MOFSL

Exhibit 10: Retail coverage – KPI snapshot

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E
Total store count									
Madura EBOs	2,561	2,601	2,650	2,643	2,660	2,696	2,679	2636	2666
Pantaloons	396	406	431	434	439	446	417	417	427
DMart	302	306	324	327	336	341	365	371	377
Shoppers Stop	91	96	98	98	102	105	112	114	115
Westside	208	211	214	221	223	227	232	228	230
Zudio	285	326	352	388	411	460	545	559	584
V-Mart	405	414	423	431	437	454	444	448	467
Vedant Fashions	626	640	649	662	669	673	676	662	667
Metro Brands	672	745	764	789	817	840	839	854	876
Store additions									
Madura EBOs	-24	40	49	-7	17	36	-17	-43	30
Pantaloons	21	10	25	3	5	7	-29	0	10
DMart	8	4	18	3	9	5	24	6	6
Shoppers Stop	1	5	2	0	4	3	7	2	1
Westside	5	3	3	7	2	4	5	-4	2
Zudio	38	41	26	36	23	49	85	14	25
V-Mart	14	9	9	8	6	17	-10	4	19
Vedant Fashions	23	14	9	13	7	4	3	-14	5
Metro Brands	28	73	19	25	28	23	-1	15	22

Source: Company, MOFSL

Exhibit 11: Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Retail						111.5	82.3	64.4	19.4	16.3	13.5	17.4	19.8	21.0
Aditya Birla Fashion	352	Neutral	-6.6	-6.2	-3.6	-53.7	-57.0	-99.0	8.8	10.4	11.7	-15.2	-16.8	-11.1
Avenue Supermarts	4,955	Buy	48.0	63.1	79.0	103.3	78.6	62.7	14.8	12.4	10.4	15.4	17.2	18.0
Barbeque Nation	647	Neutral	-2.4	1.2	4.4	-273	519	146.3	6.6	6.5	6.2	-2.4	1.3	4.3
Bata India	1,427	Neutral	26.4	33.6	42.4	54.0	42.5	33.6	10.3	9.2	8.1	20.5	22.8	25.5
Campus Activewear	337	Buy	4.3	5.6	7.0	78.7	60.1	48.3	13.2	10.8	8.8	16.8	18.0	18.3
Devyani Intl.	193	Buy	0.8	1.9	2.4	256.2	103.0	80.7	33.2	35.1	35.5	10.3	33.1	43.7
Jubilant Foodworks	659	Neutral	5.3	8.0	10.3	123.9	82.4	63.9	18.8	17.6	16.0	15.2	21.4	25.0
Kalyan Jewellers	750	Buy	8.4	11.4	13.7	89.2	65.9	54.9	16.0	13.6	11.6	19.2	22.3	22.9
Metro Brands	1,282	Buy	14.8	18.1	22.8	86.5	71.0	56.2	15.5	13.1	10.9	19.9	20.5	21.7
Relaxo Footwear	812	Neutral	9.4	11.8	14.0	86.4	68.9	57.8	9.3	8.4	7.6	11.2	12.8	13.8
Restaurant Brands	110	Buy	-3.2	-0.8	1.1	-34.6	-146.5	98.0	11.6	12.6	11.1	-28.7	-8.2	12.1
Sapphire Foods	358	Buy	1.4	3.4	4.9	260.6	105.1	73.1	8.2	7.6	6.9	3.2	7.5	9.9
Senco Gold	1,480	Buy	31.3	37.4	44.1	47.3	39.5	33.6	7.2	6.2	5.3	16.4	16.8	17.0
Shoppers Stop	828	Neutral	7.0	10.2	17.7	118.8	81.2	46.9	17.3	13.5	9.8	21.2	24.6	31.9
Titan Company	3,775	Buy	45.5	56.4	66.8	83.0	66.9	56.5	27.5	21.3	16.9	37.5	35.9	33.4
Trent	7,612	Buy	54.3	73.2	95.8	140	104	79.4	42.2	29.4	21.1	38.4	35.6	33.1
V-Mart Retail	4,411	Neutral	-3.0	35.7	67.0	-1,463	123	65.8	10.8	9.9	8.6	NM	8.4	14.0
Vedant Fashions	1,357	Neutral	18.5	22.7	28.5	73	60	47.6	18.6	16.2	13.9	26.2	26.3	28.3
Westlife Foodworld	905	Neutral	3.0	7.7	10.5	302.4	118.1	86.5	18.1	18.0	14.8	6.8	15.3	18.8

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

Aditya Birla Fashion

Neutral

CMP: INR352 | TP: INR380 (+8%)

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

- We expect 13.5% overall revenue growth, with ABLBL growth at ~3% and ABFRL at ~25%.
- SSSG for Madhura is likely to remain flat, while Pantaloons is expected to post 4-5% SSSG for 2QFY25.
- Consol EBITDA margin (post Ind-AS) is expected to slightly contract YoY at ~9.6%. This is due to the lower margins of ABLBL; however, ABFRL is expected to improve.

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue	31,961	32,264	41,667	34,067	34,278	36,510	47,895	39,366	1,39,959	1,58,049
YoY Change (%)	11.2	4.9	16.1	18.3	7.3	13.2	14.9	15.6	12.7	12.9
Total Expenditure	29,037	29,031	36,134	31,230	30,694	33,020	41,294	35,923	1,25,433	1,40,931
EBITDA	2,923	3,233	5,533	2,837	3,584	3,490	6,601	3,443	14,526	17,118
Change, YoY (%)	-37.6	-18.5	27.0	47.1	22.6	7.9	19.3	21.4	-2.7	17.8
Depreciation	3,670	3,888	4,441	4,554	4,359	4,621	5,083	3,932	16,552	17,995
Interest	1,873	2,084	2,454	2,355	2,195	2,327	2,466	3,395	8,766	10,383
Other Income	603	457	441	875	478	574	689	635	2,376	2,376
PBT	-2,017	-2,281	-922	-3,197	-2,493	-2,884	-259	-3,248	-8,417	-8,885
Tax	-397	-282	227	-478	-346	-401	-36	-1,438	-930	-2,221
Rate (%)	19.7	12.4	-24.6	14.9	13.9	13.9	13.9	44.3	11.0	25.0
Reported PAT	-1,620	-1,999	-1,149	-2,719	-2,146	-2,483	-223	-1,811	-7,487	-6,663
Adj PAT	-1,620	-1,999	-1,149	-2,719	-2,146	-2,483	-223	-1,811	-7,487	-6,663
YoY Change (%)	-272.7	-763.8	-1,821.9	38.1	32.5	24.2	-80.6	-33.4	1,029.0	-11.0

E: MOFSL Estimates

Avenue Supermarts

Buy

CMP: INR4,955 | TP: INR5,800 (+17%)

EPS CHANGE (%): FY25 | 26: -4 | -5

- Consolidated revenue is expected to grow 15% YoY.
- Standalone revenue/sq ft is expected to grow 4% YoY to ~INR36,200.
- DMART added 6 stores in 2QFY25, taking its total store count to 377.
- Expect PAT to grow 18% YoY.

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	1,18,654	1,26,244	1,35,725	1,27,266	1,40,691	1,44,620	1,64,463	1,53,386	5,07,888	6,03,161
YoY Change (%)	18.2	18.7	17.3	20.1	18.6	14.6	21.2	20.5	18.6	18.8
Total Expenditure	1,08,302	1,16,194	1,24,526	1,17,829	1,28,479	1,32,876	1,50,160	1,41,083	4,66,851	5,52,598
EBITDA	10,353	10,050	11,199	9,437	12,213	11,744	14,303	12,303	41,038	50,562
EBITDA Margin	8.7	8.0	8.3	7.4	8.7	8.1	8.7	8.0	8.1	8.4
Change YoY (%)	2.7	12.7	16.0	22.3	18.0	16.9	27.7	30.4	12.8	23.2
Depreciation	1,622	1,744	1,893	2,049	1,928	2,101	2,269	2,463	7,308	8,761
Interest	146	156	146	134	160	160	160	161	581	639
Other Income	387	369	329	379	416	381	434	360	1,465	1,591
PBT	8,973	8,519	9,489	7,632	10,541	9,864	12,308	10,039	34,613	42,753
Tax	2,386	2,286	2,578	2,001	2,805	2,486	3,102	3,151	9,251	11,543
Rate (%)	26.6	26.8	27.2	26.2	26.6	25.2	25.2	31.4	26.7	27.0
Reported PAT	6,587	6,234	6,911	5,631	7,737	7,379	9,207	6,888	25,363	31,210
Adj PAT	6,587	6,234	6,911	5,631	7,737	7,379	9,207	6,888	25,363	31,210
YoY Change (%)	2	14	17.2	22	17.5	18	33	22.3	13	23

E: MOFSL Estimates

Bata India**Neutral****CMP: INR1,427 | TP: INR1,520 (+7%)****EPS CHANGE (%): FY25 | 26: -4 | -4**

- Expect soft revenue growth of 2% YoY.
- Expect PAT to increase to 8% YoY.
- EBITDA margin is expected to expand 110bp YoY to 23.3%.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	9,581	8,191	9,035	7,979	9,446	8,355	9,864	8,758	34,786	36,424
YoY Change (%)	1.6	-1.3	0.4	2.5	-1.4	2.0	9.2	9.8	0.8	4.7
Gross Profit	5,246	4,755	5,065	4,798	5,182	4,829	5,820	5,113	19,864	20,944
Gross Margin %	54.7	58.1	56.1	60.1	54.9	57.8	59.0	58.4	57.1	57.5
Total Expenditure	7,186	6,375	7,210	6,156	7,597	6,408	7,339	6,666	26,927	28,010
EBITDA	2,395	1,817	1,824	1,823	1,849	1,947	2,525	2,092	7,859	8,414
EBITDA Margin	25.0	22.2	20.2	22.8	19.6	23.3	25.6	23.9	22.6	23.1
Change YoY (%)	-2.1	12.9	-11.5	0.2	-22.8	7.2	38.4	14.8	-1.0	7.1
Depreciation	811	817	860	903	872	882	912	925	3,391	3,591
Interest	281	284	295	310	308	311	320	324	1,170	1,263
Other Income	133	155	111	219	162	170	170	177	617	679
PBT before EO Expense	1,436	870	780	829	832	923	1,463	1,021	3,915	4,238
Extra-Ord Expense	0	409	0	0	-1,340	0	0	0	409	-1,340
PBT	1,436	461	780	829	2,171	923	1,463	1,021	3,506	5,578
Tax	367	121	201	193	431	233	369	257	881	1,289
Rate (%)	25.5	26.3	25.7	23.2	19.8	25.2	25.2	25.2	25.1	23.1
Reported PAT	1,069	340	580	636	1,741	691	1,094	763	2,625	4,289
Adj PAT	1,069	641	580	636	849	691	1,094	763	2,927	3,397
YoY Change (%)	-10	17	-30	-3	-21	8	89	20	-9	16
Margins (%)	11%	8%	6%	8%	9%	8%	11%	9%	8%	9%

E: MOFSL Estimates

Campus Activewear**Buy****CMP: INR337 | TP: INR390 (+16%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Revenue growth is likely to experience a soft recovery in the TD channel.
- Expect margins to expand YoY due to better operating leverage.
- Sales are expected to increase 19% YoY (on low base).

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	3,538	2,587	4,720	3,639	3,392	3,079	5,370	4,161	14,483	16,001
YoY Change (%)	4.8	-22.4	1.4	4.6	-4.1	19.0	13.8	14.4	-2.4	10.5
Gross Profit	1,888	1,406	2,420	1,815	1,797	1,641	2,782	2,102	7,528	8,321
Gross Margin	53.4	54.3	51.3	49.9	53.0	53.3	51.8	50.5	52.0	52.0
Total Expenditure	2,876	2,342	4,158	3,000	2,874	2,642	4,441	3,500	12,375	13,457
EBITDA	662	245	563	639	517	437	929	661	2,108	2,544
EBITDA Margins (%)	18.7	9.5	11.9	17.6	15.3	14.2	17.3	15.9	14.6	15.9
Depreciation	171	181	184	186	162	172	182	195	721	713
Interest	69	65	58	40	37	40	40	44	232	161
Other Income	2	4	14	25	23	23	23	12	45	80
PBT	424	4	335	438	341	247	729	433	1,200	1,750
Tax	109	1	86	110	87	62	182	106	306	438
Rate (%)	25.8	13.5	25.6	25.2	25.6	25.0	25.0	24.6	25.5	25.0
Reported PAT	315	3	249	328	254	185	547	327	894	1,313
Adj PAT	314	3	249	328	254	185	547	327	894	1,313
YoY Change (%)	1	-98	-48	43	-19	5,693	120	0	-23.6	46.8

E: MOFSL Estimates

Metro Brands**Buy****CMP: INR1,239 | TP: INR1,525 (+19%)****EPS CHANGE (%): FY25 | 26: 2 | 1**

- Revenue is expected to grow 6.5% YoY, led by footprint additions.
- Expect 22 store additions in 2QFY25, taking the total store count to 876.
- Expect EBITDA margin to expand 20bp YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	5,825	5,557	6,355	5,830	5,761	5,797	7,401	6,818	23,567	25,778
YoY Change (%)	14.7	16.7	6.1	7.1	-1.1	4.3	16.5	17.0	10.8	9.4
Total Expenditure	3,959	4,003	4,365	4,244	3,957	4,162	4,960	4,927	16,571	18,006
EBITDA	1,866	1,554	1,990	1,586	1,804	1,635	2,442	1,891	6,996	7,771
EBITDA Margin (%)	32.0	28.0	31.3	27.2	31.3	28.2	33.0	27.7	29.7	30.1
Depreciation	543	572	586	591	600	615	625	640	2,291	2,480
Interest	185	197	204	203	208	221	236	172	789	837
Other Income	144	162	160	244	234	234	234	234	708	935
PBT	1,282	946	1,359	1,036	1,230	1,032	1,814	1,312	4,624	5,389
Tax	353	275	379	-508	309	260	457	331	499	1,357
Rate (%)	27.5	29.1	27.9	-49.0	25.1	25.2	25.2	25.2	10.8	25.2
MI & Profit/Loss of Asso. Cos.	6	5	7	12	2	0	0	0	30	2
PAT before MI	929	671	981	1,544	921	772	1,357	982	4,124	4,032
Adj PAT post MI	935	676	988	866	919	772	1,357	982	3,465	4,030
YoY Change (%)	-12	-13	-13	26	-2	14	37	13	-5.2	16.3

E: MOFSL Estimates

Relaxo Footwear**Neutral****CMP: INR812 | TP: INR850 (+5%)****EPS CHANGE (%): FY25 | 26: -4 | -4**

- Expect revenue growth to remain soft at 3% YoY.
- Expect EBITDA margin to contract 90bp YoY due to operating deleverage.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Gross Sales	7,388	7,153	7,127	7,472	7,482	7,341	8,123	8,271	29,141	31,216
YoY Change (%)	10.7	6.8	4.7	-2.3	1.3	2.6	14.0	10.7	4.7	7.1
Total RM Cost	3,151	3,013	3,065	2,968	2,847	2,863	3,168	3,234	12,197.0	12,112
Gross Profit	4,237	4,140	4,062	4,504	4,635	4,478	4,955	5,036	16,944	19,104
Margins (%)	57.4	57.9	57.0	60.3	62.0	61.0	61.0	60.9	58.1	61.2
Total Expenditure	6,313	6,238	6,255	6,269	6,493	6,467	6,758	6,750	25,075	26,468
EBITDA	1,076	915	872	1,204	989	874	1,365	1,521	4,066	4,748
Margins (%)	14.6	12.8	12.2	16.1	13.2	11.9	16.8	18.4	14.0	15.2
Depreciation	346	369	375	385	391	403	415	428	1,475	1,637
Interest	45	47	48	47	49	50	50	52	187	201
Other Income	73	105	60	51	54	54	54	54	289	217
PBT before EO Expense	758	604	508	823	603	475	954	1,095	2,693	3,127
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
PBT	758	604	508	823	603	475	954	1,095	2,693	3,127
Tax	195	162	123	209	160	120	240	268	688	788
Rate (%)	25.7	26.8	24.1	25.4	26.5	25.2	25.2	24.5	25.6	25.2
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	563	442	386	614	444	355	713	827	2,005	2,339
Adj PAT	563	442	386	614	444	355	713	827	2,005	2,339
YoY Change (%)	45.6	97.0	28.3	-3.0	-21.2	-19.6	84.9	34.7	29.8	16.7
Margins (%)	7.6	6.2	5.4	8.2	5.9	4.8	8.8	10.0	6.9	7.5

E: MOFSL Estimates

Shoppers Stop**Neutral****CMP: INR828 | TP: INR900 (+9%)****EPS CHANGE (%): FY25 | 26: 2 | 2**

- Expect revenue growth of 6.7% YoY, mainly driven by footprint additions.
- Intune is expected to add 17 stores.
- Expect only 1 departmental store addition, taking the total store count to 115.
- Expect margins to contract 30bp YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Total Revenue from Operations	9,816	10,252	12,068	9,997	10,337	10,942	13,982	12,251	42,132	47,513
YoY Change (%)	4.2	1.7	6.6	9.1	5.3	6.7	15.9	22.6	5.4	12.8
Total Expenditure	8,093	8,654	9,914	8,356	8,916	9,268	11,186	10,066	35,016	39,436
EBITDA	1,723	1,598	2,154	1,641	1,421	1,674	2,796	2,186	7,116	8,077
EBITDA Margin (%)	17.6	15.6	17.8	16.4	13.7	15.3	20.0	17.8	16.9	17.0
Depreciation	1,050	1,081	1,112	1,118	1,167	1,225	1,287	1,337	4,361	5,015
Interest	541	548	579	568	604	603	611	625	2,236	2,443
Other Income	73	105	33	346	35	98	98	161	557	392
PBT before EO Expense	204	74	496	301	-314	-56	997	384	1,076	1,011
Extra-Ord Expense	0	-49	0	-16	0	0	0	0	-65	0
PBT	204	25	496	285	-314	-56	997	384	1,011	1,011
Tax	55	8	141	69	-89	-14	251	97	272	245
Rate (%)	26.9	29.9	28.3	24.2	28.4	25.2	25.2	25.2	26.9	24.2
Reported PAT	149	18	356	216	-225	-42	746	288	739	766
Adj PAT	149	52	356	48	-225	-42	746	288	605	766
YoY Change (%)	-34.4	-74.1	-42.7	-70.5	-250.7	-180.6	109.8	499.9	-50.1	26.7

E: MOFSL Estimates

Trent**Buy****CMP: INR7,612 | TP: INR8,760 (+15%)****EPS CHANGE (%): FY25 | 26: -2 | 0**

- Expect revenue growth of 48% YoY on account of robust SSSG and strong footprint additions.
- Expect Westside/Zudio to add 2/25 stores in 2QFY25.
- EBITDA margin is expected to expand 30bp YoY to 16.2%, on account of operating leverage.
- PAT is expected to grow 37% YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	25,364	28,907	33,125	31,869	39,917	42,783	49,356	45,905	1,19,266	1,77,961
YoY Change (%)	53.5	59.4	52.5	53.4	57.4	48.0	49.0	44.0	54.6	49.2
Total Expenditure	21,708	24,299	26,893	27,097	33,812	35,839	39,915	38,854	99,996	1,48,419
EBITDA	3,657	4,609	6,232	4,773	6,106	6,943	9,441	7,051	19,269	29,542
EBITDA Margin (%)	14.4	15.9	18.8	15.0	15.3	16.2	19.1	15.4	16.2	16.6
Depreciation	1,335	1,448	1,575	2,027	1,759	1,809	1,859	1,927	6,385	7,355
Interest	891	923	957	322	312	342	372	409	3,094	1,434
Other Income	498	1,511	768	733	461	511	561	611	3,509	2,144
PBT before EO Expense	1,928	3,748	4,467	3,157	4,496	5,303	7,772	5,326	13,300	22,897
Extra-Ord Expense	0	0	0	5,434	0	0	0	0	5,434	0
PBT	1,928	3,748	4,467	8,591	4,496	5,303	7,772	5,326	18,733	22,897
Tax	445	851	1,031	2,048	1,074	1,326	1,943	1,332	4,375	5,675
Reported PAT	1,483	2,897	3,436	6,543	3,422	3,978	5,829	3,995	14,358	17,223
Adj PAT	1,483	2,897	3,436	2,477	3,422	3,978	5,829	3,995	10,292	17,223
YoY Change (%)	44.5	55.9	113.5	135.6	130.8	37.3	69.6	61.3	85.6	67.3

E: MOFSL Estimates

V-Mart Retail**Neutral****CMP: INR4,411 | TP: INR4,670 (+6%)****EPS CHANGE (%): FY25 | 26: NM | NM**

- Consolidated revenue grew 20% YoY, mainly led by SSSG.
- Excluding revenue from LimeRoad (INR120m), the company's revenue grew 23% YoY.
- It added 21 stores and closed 2 stores, taking the total store count to 467.
- Expect EBITDA margin to expand to +4.5% (from 0.1% YoY).

Consolidated - Quarterly Earning

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q	FY24	FY25E
Revenue	6,785	5,494	8,891	6,686	7,861	6,610	10,629	8,497	27,856	33,596
YoY Change (%)	15.4	8.5	14.4	12.6	15.9	20.3	19.6	27.1	13.0	20.6
Total Expenditure	6,261	5,488	7,694	6,284	6,871	6,313	8,960	7,663	25,725	29,806
EBITDA	525	7	1,197	402	990	297	1,669	834	2,131	3,790
EBITDA Margin (%)	7.7	0.1	13.5	6.0	12.6	4.5	15.7	9.8	7.6	11.3
Depreciation	499	532	583	607	568	602	638	770	2,221	2,579
Interest	330	359	376	359	375	375	375	399	1,424	1,524
Other Income	15	20	130	44	46	56	67	71	210	240
PBT	-290	-864	369	-520	93	-624	722	-264	-1,305	-73
Tax	-70	-223	87	-131	-28	189	-219	40	-337	-18
Rate (%)	24.2	25.8	23.5	25.1	-30.3	-30.3	-30.3	-15.0	25.9	25.0
Reported PAT	-219	-641	282	-389	121	-813	941	-304	-968	-55
Adj PAT	-219	-641	282	-389	121	-813	941	-304	-968	-55
YoY Change (%)	-207.3	466.8	41.3	5.3	-155.3	26.8	233.3	-21.9	1,132.9	-94.4

E: MOFSL Estimates

Vedant Fashions**Neutral****CMP: INR1,357 | TP: INR1,400 (+3%)****EPS CHANGE (%): FY25 | 26: -2 | -2**

- Revenue is expected to grow at 12% YoY, driven by a soft SSSG recovery and store additions.
- EBITDA margin is expected to expand 20bp YoY to 42.7%.
- Expect PAT to grow 13% YoY.

Quarterly Earning

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q	FY24	FY25E
Revenue	3,116	2,183	4,745	3,632	2,398	2,442	5,675	4,307	13,675	14,822
YoY Change (%)	-4.1	-11.6	7.5	6.3	-23.0	11.9	19.6	18.6	0.9	8.4
Total Expenditure	1,635	1,255	2,324	1,881	1,271	1,399	2,701	2,150	7,094	7,522
EBITDA	1,482	928	2,420	1,751	1,127	1,043	2,974	2,156	6,581	7,300
EBITDA Margins (%)	47.5	42.5	51.0	48.2	47.0	42.7	52.4	50.1	48.1	49.3
Change YoY (%)	-9.1	-19.6	7.8	4.3	-23.9	12.3	22.9	23.2	96.0	85.4
Depreciation	299	325	344	381	372	390	414	452	1,349	1,628
Interest	94	107	112	132	139	141	141	142	445	563
Other Income	150	151	155	241	215	226	226	238	697	906
PBT before EO Expense	1,238	648	2,119	1,479	831	738	2,645	1,800	5,484	6,014
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
Tax	319	161	542	321	206	186	667	457	1,342	1,516
Rate (%)	25.7	24.8	25.6	21.7	24.8	25.2	25.2	25.4	24.5	25.2
Reported PAT	919	487	1,577	1,158	625	552	1,979	1,343	4,142	4,499
Adj PAT	919	487	1,577	1,158	625	552	1,979	1,343	4,142	4,499
YoY Change (%)	-9	-29	5	6	-32	13	25	16	-3	9

E: MOFSL Estimates

Technology

A slow but certain revival

Expect decent revenue growth against elevated expectations

- **2QFY25 revenue growth likely to be decent but could disappoint elevated expectations:** As we noted in our recent thematic report ([Technology: Bounce-back! Charting the path to revival for IT services](#)), we are enthusiastic about a change in client spend behavior but believe that the recovery will be gradual and could be initially restricted to some pockets, e.g. US banking. In that context, while we expect decent revenue growth in 2Q, expectations are elevated and could lead to short-term disappointment. Healthcare and manufacturing segments would continue to shoulder the growth burden for the industry, in our view. **That said, we are not too concerned about variance in revenue growth in 2Q** and believe it should not lead to a meaningful change in estimates, sentiments, or valuations (short-term gyrations aside). **The most important catalyst for the sector now would emerge after 3Q**, when client budgets for CY25 would be finalized and the magnitude of changes in client behavior would become clearer. We expect aggregate revenue/EBIT/PAT to grow by 5.1/5.0/5.3% YoY (all in INR terms) for our coverage universe.
- **We expect YoY revenue growth** of ~5.5%/5.9%/4.9% for INFO/TCS/HCLT in FY25. Mid-tier companies should continue to do well though, especially companies with strong offerings in data engineering and ERP modernization and we expect their growth outperformance to be sustained over the medium term.
- **Cross-currency impact in 2Q:** On an average, we expect 30-60bp cross-currency tailwinds for our coverage companies on a sequential basis.
- **Guidance:** We expect INFO to upgrade its guidance in 2Q, in line with consensus estimates. We expect minimal risk of guidance downgrade for the sector overall.
- We expect revenue growth of Tier-I companies to be in the range of flat to +3.0% QoQ CC. Revenue growth for Tier-II players is expected to be in the range of flat to +4.5% QoQ CC.
- **Margins for the sector are likely to be largely range-bound in 2Q as wage hikes have been deferred to 2HFY25:** We expect margin declines for INFO (reversal of one-offs) and TCS (continued large deal ramp-up), which should be partly offset by the absence of visa costs and cost optimization benefits. Most companies, however, have deferred wage hikes to 3Q and beyond, which means 2HFY25 margins would see headwinds from wage hikes as well as furloughs. We believe FY25 will be a year of restrained wage hikes across the industry. Further, considering the demand recovery curve will be gradual, companies can be more measured about their hiring plans. This should lead to better margin defense in the short to medium term.
- Among Tier-I players, we prefer HCLT and LTIM for their strong capabilities in data engineering, ER&D offerings (HCLT) and ERP modernization, making them well-suited for pre-GenAI spending.
- For Tier-II players, our top picks are PSYS and COFORGE, both poised for strong performance. PSYS stands out for its focus on high-growth sectors like healthcare and BFS. Meanwhile, despite uncertainties related to the Cigniti integration, COFORGE is likely to realize cost synergies sooner than expected, which could lead to upside risk to our estimates.

Growth expectations across our coverage

- We expect INFO and TCS to report relatively robust 3.0% and 1.0% CC QoQ growth, respectively, whereas HCLT is anticipated to report flat growth in 2Q (~1% QoQ organic). TECHM and WIPRO could be flat QoQ as well. LTIM could report a relatively healthy 3% growth.
- Among mid-tier companies, we expect PSYS to lead the pack with 4.5% QoQ revenue growth, driven by continued momentum in the healthcare vertical. COFORGE is also likely to have a strong quarter with 4.0% QoQ growth, while Mphasis is expected to grow 2% QoQ.
- We expect Cyient DET to report a soft quarter as well, potentially putting its FY25 guidance under risk. We are factoring in a modest cross-currency impact for most companies (~30-60bp positive impact).

Margins are expected to show varied performance

- We expect EBIT margins for TCS to slightly decline by 20bp QoQ, largely due to the BSNL deal ramp-up and investments made in talent development and training. For HCLT, margins might see a slight uptick, but could face headwinds in 2H as wage hikes come into the picture. For INFO, we expect margins to decline by 80bp as the reversal of one-offs and large deal investments will weigh on profitability. TECHM's margins are expected to inch up by 50bp, whereas WIPRO should see a minor decline.
- Among mid-caps, we expect a mixed margin performance sequentially. COFORGE's margins should be down ~100bp, primarily due to wage hike impact, whereas large deal ramp-ups and wage hikes will pressure margins, though optimization measures will help to offset this pressure for PSYS. MPHL's margins are expected to remain range-bound, while LTTS should see a 90bp QoQ gain, driven by offshoring and a favorable pyramid structure.

We see uptick in demand, but in pockets; HCLT and LTIM our top picks

- Client spending behavior is showing positive trends, indicating a potential return of modernization and discretionary spending, albeit in some pockets.
- Among Tier-I players, we prefer HCLT and LTIM for their strong capabilities in data engineering, ER&D offerings (HCLT) and ERP modernization, making them well-suited for pre-GenAI spending. Their portfolio mix of discretionary and non-discretionary businesses should also support growth in the current business environment.
- For Tier-II players, our top picks are PSYS and COFORGE, both poised for strong performance. PSYS benefits from its focus on high-growth sectors like BFS and healthcare. For COFORGE, despite uncertainties surrounding the Cigniti integration, we believe it can achieve cost synergies sooner than anticipated, presenting upside risk to our estimates.

Exhibit 1: Expect Tier-I companies' revenue (USD) to see robust growth of 1.7% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)
TCS	7,629	7,505	1.6%	7,210	5.8%	639	626	2.1%	597	7.1%
INFO	4,882	4,714	3.6%	4,718	3.5%	409	393	4.0%	390	4.9%
HCLT	3,379	3,364	0.5%	3,225	4.8%	283	281	0.9%	267	6.2%
WPRO	2,625	2,626	0.0%	2,713	-3.2%	221	220	0.4%	225	-2.1%
TECHM	1,564	1,559	0.3%	1,555	0.5%	131	130	0.7%	129	1.8%
LTIM	1,129	1,096	3.0%	1,076	5.0%	95	91	3.5%	89	6.3%
Tier I aggregate	21,208	20,864	1.7%	20,497	3.5%	1,778	1,741	2.1%	1,696	4.8%

Company	EBIT margin (%)					Adjusted PAT (INR b)				
	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)
TCS	24.5	24.7	-20.0	24.3	20.0	124.8	121.1	3.1%	113.8	9.6%
INFO	20.3	21.1	-80.0	21.2	-100.0	65.8	63.7	3.3%	62.2	5.9%
HCLT	17.4	17.1	30.0	18.5	-110.0	39.0	42.6	-8.4%	38.3	1.8%
WPRO	16.0	16.4	-40.0	14.8	120.0	29.1	30.4	-4.3%	26.7	8.9%
TECHM	9.0	8.5	50.0	7.3	170.0	9.6	8.6	11.8%	10.0	-3.4%
LTIM	15.8	15.0	80.0	16.0	-20.0	12.4	11.4	9.0%	11.6	6.4%
Tier I aggregate	19.7	19.9	-10.0	19.7	10.0	278	278	0.0%	263	5.8%

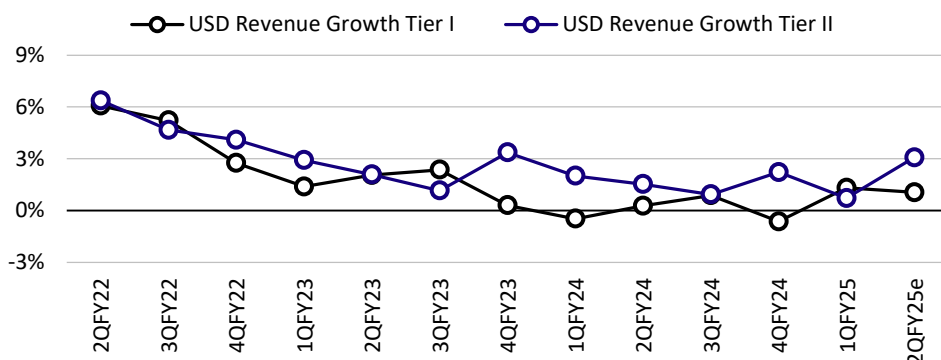
Exhibit 2: Expect Tier-II companies' revenue (USD) to grow 3.2% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)
LTTS	307	295	4.1%	288	6.6%	25.7	24.6	4.5%	23.9	7.8%
MPHL	419	410	2.1%	398	5.1%	35.1	34.2	2.5%	33.0	6.4%
COFORGE	304	291	4.3%	278	9.3%	25.5	24.0	6.1%	22.8	11.9%
PSYS	343	328	4.6%	292	17.7%	28.8	27.4	5.1%	24.1	19.3%
ZENT	155	154	0.4%	150	3.2%	13.0	12.9	1.3%	12.4	5.2%
CYL	173	170	1.8%	178	-3.3%	14.5	14.1	2.2%	14.8	-2.0%
Tier II aggregate	1,701	1,649	3.2%	1,585	7.3%	142.6	137.2	3.9%	130.9	8.9%

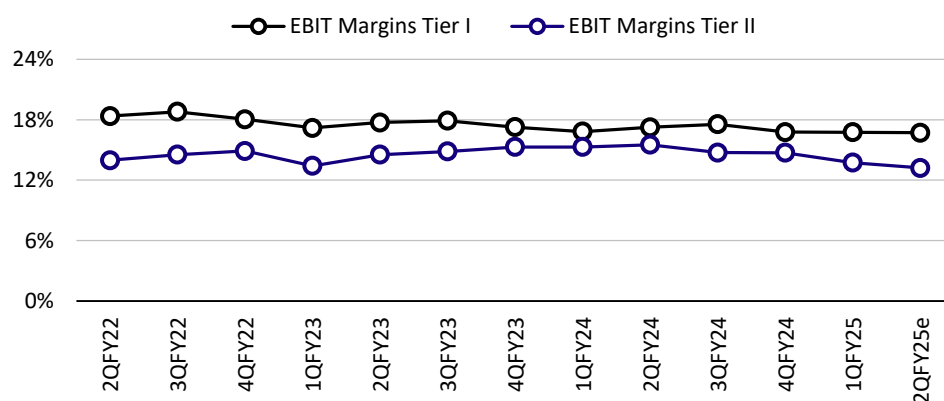
Company	EBIT margin (%)					Adjusted PAT (INR b)				
	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)	2QFY25	1QFY25	QoQ (%)	2QFY24	YoY (%)
LTTS	16.5	15.6	90.0	17.1	-60.0	3.5	3.1	10.4%	3.2	9.8%
MPHL	15.3	15.0	30.0	15.4	-10.0	4.3	4.0	6.4%	3.9	9.8%
COFORGE	12.5	9.7*	280.0	11.9	60.0	2.3	1.3	69.5%	1.8	24.8%
PSYS	13.6	14.0	-40.0	13.7	-10.0	3.2	3.1	5.5%	2.6	22.8%
ZENT	12.8	13.3	-50.0	15.7	-280.0	1.4	1.6	-11.2%	1.7	-19.4%
CYL	12.7	13.5	-80.0	16.5	-380.0	1.9	1.4	35.3%	1.8	6.4%
Tier II aggregate	14.2	13.7	50.0	14.9	-70.0	14.6	14.6	0.0%	15.1	-3.2%

Source: Company, MOFSL; Note: *Coforge's 1QFY25 adjusted EBIT is 13.6%.

Exhibit 3: Revenue growth should see an uptick for Tier -2 companies post subdued 1Q



Source: MOFSL, Company

Exhibit 4: Margins to remain a mixed bag for both Tier- I and Tier-II companies

Source: MOSL, Company

Exhibit 5: Cross-currency will have positive impact on 2Q USD revenue growth

	CC USD growth QoQ (%)	USD growth QoQ (%)	Cross-currency impact (bp)
TCS	1.0%	1.6%	60
INFO	3.0%	3.6%	60
HCLT	0.1%	0.5%	40
WPRO	0.0%	0.0%	-
TECHM	0.2%	0.3%	10
LTIM	3.0%	3.0%	-
LTTS	4.0%	4.1%	10
MPHL	2.0%	2.1%	10
COFORGE	4.0%	4.3%	30
PSYS	4.5%	4.6%	10
ZENT	0.0%	0.4%	40
CYL (DET)	1.0%	1.8%	80

Source: Company, MOFSL

Exhibit 10: Expected quarterly performance summary

Companies	CMP		Sales (INR b)			EBIT (INR b)			Adjusted net profit (INR b)		
	(INR)	Rating	Sept'24E	Variance YoY (%)	Variance QoQ (%)	Sept'24E	Variance YoY (%)	Variance QoQ (%)	Sept'24E	Variance YoY (%)	Variance QoQ (%)
TCS	4,309	Buy	639.2	7.1%	2.1%	156.6	8.1%	1.4%	124.8	9.6%	3.1%
INFO	1,907	Buy	409.0	4.9%	4.0%	82.9	0.2%	0.0%	65.8	5.9%	3.3%
HCLT	1,808	Buy	283.1	6.2%	0.9%	49.3	0.0%	2.8%	39.0	1.8%	-8.4%
WPRO	542	Neutral	220.5	-2.1%	0.4%	35.3	5.9%	-2.1%	29.1	8.9%	-4.3%
TECHM	1,610	Neutral	131.0	1.8%	0.7%	11.8	25.3%	7.0%	9.6	-3.4%	11.8%
LTIM	6,140	Buy	94.6	6.3%	3.5%	15.0	5.1%	9.1%	12.4	6.4%	9.0%
MPHL	3,081	Neutral	25.7	7.8%	4.5%	4.2	4.2%	10.7%	3.5	9.8%	10.4%
LTTS	5,358	Buy	35.1	6.4%	2.5%	5.4	6.0%	4.5%	4.3	9.8%	6.4%
PSYS	5,437	Buy	25.5	11.9%	6.1%	3.2	17.9%	37.3%	2.3	24.8%	69.5%
COFORGE	6,934	Buy	28.8	19.3%	5.1%	3.9	18.3%	1.9%	3.2	22.8%	5.5%
CYL	1,901	Buy	14.5	-2.0%	2.2%	1.8	-24.7%	-3.5%	1.9	6.4%	35.3%
ZENT	678	Neutral	13.0	5.2%	1.3%	1.7	-13.8%	-2.3%	1.4	-19.4%	-11.2%
Sector aggregate (INR b)			1,920	5.1%	2.2%	371	5.0%	1.7%	297	5.3%	0.0%

Source: Company, MOFSL

Exhibit 6: Comparative valuations

Company	CMP (INR)	M-cap (INR b)	Target Price	Upside/Downside	EPS (INR)			EPS CAGR (%)	P/E (x)		
					FY25E	FY26E	FY27E	FY24-27E	FY25E	FY26E	FY27E
TCS	4,309	15,586	5,400	25%	142.5	156.7	171.8	10.8	30.2	27.5	25.1
INFO	1,907	7,897	2,200	15%	64.0	72.2	80.5	11.3	29.8	26.4	23.7
HCLT	1,808	4,895	2,200	22%	62.2	70.0	77.6	10.3	29.1	25.8	23.3
WPRO	542	2,830	500	-8%	22.1	24.4	25.7	8.0	24.5	22.2	21.1
TECHM	1,610	1,572	1,600	-1%	44.0	63.2	70.3	19.6	36.6	25.5	22.9
LTIM	6,140	1,807	7,400	21%	166.0	194.2	232.8	14.6	37.0	31.6	26.4
MPHL	3,081	581	3,000	-3%	92.1	103.8	114.5	11.9	33.5	29.7	26.9
LTTS	5,358	567	6,600	26%	129.3	152.5	175.0	12.5	41.4	35.1	30.6
PSYS	5,437	834	6,300	16%	89.7	115.4	134.3	21.4	60.6	47.1	40.5
COFORGE	6,934	464	8,100	17%	150.0	193.9	229.5	19.9	46.2	35.8	30.2
CYL	1,901	210	2,300	21%	69.2	85.8	97.0	16.0	27.5	22.1	19.6
ZENT	678	154	770	14%	27.3	31.3	35.8	7.1	24.9	21.7	18.9

Source: Company, MOFSL

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

Coforge

Buy

CMP INR6,934 | TP: INR8,100 (17%)

EPS CHANGE (%): FY25|26|27: -

0.5|0.6|0.6

- Revenue growth is expected to be ~4.0% QoQ CC; expect acceleration in growth from 2Q onward as deal ramp-ups accelerate.
- EBIT margin is expected to decline ~100bp QoQ due to wage hike impact and decline in utilization.
- Key thing to watch out for: further clarity on integration of Cigniti and its performance, as well as demand environment in BFS and Insurance (~53.2% of revenue)
- We expect ~10% CC growth for FY25E.

Quarterly Performance (Ind-AS)

Y/E March	FY24				FY25E				FY24	FY25E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Rev. (USD m)	272	278	282	287	291	304	319	330	1,119	1,244
QoQ (%)	2.8	2.3	1.4	1.7	1.6	4.3	4.8	3.5	11.7	11.2
Revenue (INR m)	22,210	22,762	23,233	23,585	24,008	25,475	26,627	27,559	91,790	1,03,669
YoY (%)	21.4	16.2	13.0	8.7	8.1	11.9	14.6	16.8	14.5	12.9
GPM (%)	30.7	32.5	33.1	34.1	33.0	31.8	34.5	34.5	32.6	33.5
SGA (%)	14.7	14.9	15.1	15.5	19.1	15.0	15.0	14.8	15.1	15.9
EBITDA (INRm)	3,329	3,473	4,012	4,163	3,134	4,153	5,059	5,291	14,977	17,637
EBITDA Margin (%)	15.0	15.3	17.3	17.7	13.1	16.3	19.0	19.2	16.3	17.0
EBIT (INRm)	2,572	2,701	3,201	3,317	2,319	3,184	4,047	4,244	11,791	13,795
EBIT Margin (%)	11.6	11.9	13.8	14.1	9.7	12.5	15.2	15.4	12.8	13.3
Other income	-152	-295	-257	-452	-272	-285	-298	-308	-1,156	-1,163
ETR (%)	20.0	21.9	17.5	19.7	31.9	20.0	20.0	20.0	19.7	21.9
Minority Interest	-104.0	-69.0	-48.0	-55.0	-61.0	-61.3	-61.1	-61.1	-276.0	-244.5
Adj. PAT	1,831	1,809	2,380	2,246	1,332	2,258	2,938	3,087	8,266	9,616
QoQ (%)	-21.3	-1.2	31.6	-5.6	-40.7	69.5	30.1	5.1		
YoY (%)	22.0	-10.3	4.3	-3.5	-27.3	24.8	23.5	37.5	1.7	16.3
Adj. EPS (INR)	29.2	29.0	38.1	36.2	20.8	35.2	45.8	48.2	133.2	150.0

Cyient

Buy

CMP INR1,901 | TP: INR2,300 (+21%)

EPS CHANGE (%): FY25|26|27: -3.7|-1.0|-0.7

- Expect 1.0% QoQ CC growth for DET, led by Transportation and Communication verticals, which may be offset by seasonality in Sustainability vertical.
- Sustainability is expected to maintain its growth momentum; however, seasonality/planned ramp-downs could lead to a decline.
- DET margins are likely to improve ~50bp QoQ, in line with company guidance band.
- We expect risks to its FY25E guidance in light of short-term headwinds for key verticals.

Quarterly Performance (Consol)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	205	214	219	224	205	204	211	223	862	843
QoQ (%)	-3.6	4.4	2.1	2.4	-8.3	-0.8	3.6	5.6	15.5	-2.3
Revenue (INR m)	16,865	17,785	18,215	18,607	16,757	17,061	17,623	18,615	71,472	70,056
YoY (%)	34.9	27.4	12.6	6.2	-0.6	-4.1	-3.2	0.0	18.8	-2.0
GPM (%)	36.6	35.7	35.4	35.2	35.7	37.0	37.5	38.0	35.7	37.1
SGA (%)	17.9	17.4	17.5	17.2	19.9	18.4	18.4	18.4	17.5	18.8
EBITDA	3,156	3,258	3,261	3,353	2,651	3,173	3,366	3,649	13,028	12,839
EBITDA Margin (%)	18.7	18.3	17.9	18.0	15.8	18.6	19.1	19.6	18.2	18.3
EBIT	2,480	2,600	2,600	2,682	1,993	2,491	2,661	2,904	10,362	10,049
EBIT Margin (%)	14.7	14.6	14.3	14.4	11.9	14.6	15.1	15.6	14.5	14.3
Other income	-176	-134	-100	-89	-46	34	35	37	-499	61
ETR (%)	22.9	23.6	23.3	24.0	24.2	22.9	22.9	22.9	23.4	23.2
Adj. PAT	1,777	1,884	1,918	1,970	1,476	1,948	2,080	2,269	7,549	7,772
QoQ (%)	0.9	6.0	1.8	2.7	-25.1	32.0	6.8	9.1		
YoY (%)	53.1	54.7	17.8	11.8	-16.9	3.4	8.4	15.2	30.9	3.0
EPS (INR)	16.0	16.6	16.9	17.2	13.0	17.6	18.8	20.5	66.7	69.9

HCL Technologies**Buy****CMP INR1,808 | TP: INR2,200 (+22%)****EPS CHANGE (%): FY25|26|27: -0.4|0.9|0.9**

- We expect HCL to report a flat revenue on QoQ basis and stable trend in TCV.
- Margins to increase 30bp QoQ due to pyramid gains and the release of some productivity commitments.
- We expect broad-based growth across geos and verticals, except BFSI, owing to State Street divestment.
- We expect the company to retain its FY25 revenue growth guidance of 3-5%.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	3,200	3,225	3,415	3,430	3,364	3,379	3,571	3,602	13,270	13,916
QoQ (%)	-1.1	0.8	5.9	0.4	-1.9	0.5	5.7	0.9	5.4	4.9
Revenue (INR b)	263	267	284	285	281	283	299	302	1,099	1,165
YoY (%)	12.1	8.0	6.5	7.1	6.7	6.2	5.2	5.9	8.3	6.0
GPM (%)	35.6	36.2	36.7	35.0	34.5	35.0	37.5	35.5	35.9	35.7
SGA (%)	13.6	12.4	11.5	12.0	12.4	12.5	12.5	12.5	12.4	12.5
EBITDA	55	59	67	61	58	59	71	65	242	253
EBITDA Margin (%)	20.8	22.3	23.5	21.4	20.7	21.0	23.6	21.6	22.0	21.7
EBIT	45	49	56	50	48	49	60	54	200	211
EBIT Margin (%)	17.0	18.5	19.7	17.6	17.1	17.4	20.0	18.0	18.2	18.2
Other income	2	2	3	3	9	3	4	4	9	20
ETR (%)	24.8	25.3	25.9	24.2	25.4	26.0	26.0	26.0	25.1	25.8
Adjusted PAT	35	38	44	40	43	39	47	43	157	171
QoQ (%)	-11.2	8.4	13.5	-8.4	6.8	-8.4	20.3	-8.6		
YoY (%)	7.6	9.8	6.2	0.1	20.5	1.8	7.9	7.6	5.7	9.1
EPS	13.0	14.1	16.0	14.7	15.7	14.2	17.0	15.6	57.9	62.2

Infosys**Buy****CMP INR1,907 | TP: INR2,200 (+15%)****EPS CHANGE (%): FY25|26|27: 0.1|0.2|0.2**

- Revenue growth is expected to be 3.0% QoQ CC, on account of ramp-up of large deals won last year.
- We expect robust deal TCV in this quarter. The company is seeing some recovery in US financial in areas like mortgage, capital market and card payment.
- Operating margin is expected to inch down by 80bp owing to reversal of one-offs, large deal investments and decline in utilization. We expect the operating margin of 20.3%.
- Expect Infosys to upgrade its guidance for the full year by at least 50bps.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	4,617	4,718	4,663	4,564	4,714	4,882	4,954	5,028	18,562	19,579
QoQ (%)	1.4	2.2	-1.2	-2.1	3.3	3.6	1.5	1.5	1.9	5.5
Revenue (INR b)	379	390	388	379	393	409	415	421	1,537	1,639
YoY (%)	10.0	6.7	1.3	1.3	3.6	4.9	6.9	11.1	4.7	6.6
GPM (%)	30.5	30.7	29.8	29.5	30.9	29.5	29.3	30.1	30.1	30.0
SGA (%)	9.6	9.5	9.3	9.4	9.8	9.3	9.3	9.3	9.4	9.4
EBITDA	90	95	91	88	93	94	95	99	364	381
EBITDA Margin (%)	23.8	24.3	23.6	23.1	23.8	23.0	22.8	23.6	23.7	23.3
EBIT	79	83	80	76	83	83	83	88	317	337
EBIT Margin (%)	20.8	21.2	20.5	20.1	21.1	20.3	20.1	20.9	20.7	20.6
Other income	5	5	7	7	7	7	7	7	23	29
ETR (%)	28.9	29.1	29.1	26.8	29.3	27.0	27.0	27.0	28.5	27.6
PAT	59	62	61	61	64	66	66	70	243	265
QoQ (%)	-3.0	4.5	-1.7	-0.5	4.8	3.4	0.6	5.2		
YoY (%)	10.9	3.2	-7.3	-0.9	7.1	6.0	8.4	14.7	1.0	9.0
EPS (INR)	14.4	15.0	14.7	14.7	15.4	15.9	16.0	16.8	58.4	64.0

LTIMindtree**Buy****CMP INR6,140 | TP: INR7,400(+21%)****EPS CHANGE (%): FY25|26| 27: -0.8|0.0|2.4**

- LTIM should report 3.0% CC growth in 2Q, driven by BFSI and Manufacturing. Manufacturing is expected to perform along similar lines, whereas BFSI should see tailwind from US Banking.
- Margins are expected to see a sequential pickup of 80bp QoQ due to absence of wage hikes and better operating leverage.
- BFS customers starting to scale up high-priority programs, with momentum across sub segments. Regulatory compliance continues to be a key spend area.
- In 2QFY25, demand commentary, along with the performance of the BFSI vertical and margins, will be closely monitored.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	1,059	1,076	1,084	1,069	1,096	1,129	1,167	1,167	4,287	4,559
QoQ (%)	0.1	1.6	0.8	-1.3	2.5	3.0	3.3	0.0	4.4	6.3
Revenue (INR m)	87,021	89,054	90,166	88,929	91,426	94,630	97,763	97,752	3,55,170	3,81,570
YoY (%)	13.8	8.2	4.6	2.3	5.1	6.3	8.4	9.9	7.0	7.4
GPM (%)	31.6	31.4	29.9	29.8	30.3	30.8	29.5	31.5	30.7	30.5
SGA (%)	12.8	13.1	12.3	12.5	12.7	12.5	12.5	12.5	12.7	12.6
EBITDA	16,355	16,313	15,849	15,357	16,061	17,317	16,620	18,573	63,874	68,571
EBITDA Margin (%)	18.8	18.3	17.6	17.3	17.6	18.3	17.0	19.0	18.0	18.0
EBIT	14,508	14,231	13,859	13,087	13,709	14,952	14,273	16,422	55,685	59,356
EBIT Margin (%)	16.7	16.0	15.4	14.7	15.0	15.8	14.6	16.8	15.7	15.6
Other income	856	962	1,588	1,396	1,547	1,325	1,369	1,466	4,802	5,707
ETR (%)	25.0	23.5	24.3	24.0	25.6	24.0	24.0	24.0	24.2	24.4
Adj PAT	11,523	11,623	11,693	11,007	11,351	12,370	11,888	13,595	45,846	49,204
QoQ (%)	3.4	0.9	0.6	-5.9	3.1	9.0	-3.9	14.4		
YoY (%)	4.1	-2.2	8.2	-1.2	-1.5	6.4	1.7	23.5	2.1	7.3
EPS (INR)	38.9	39.2	39.4	37.1	38.2	41.7	40.1	45.9	154.5	165.9

LTTS**Buy****CMP INR5,358 | TP: INR6,600 (+23%)****EPS CHANGE (%): FY25|26| 27: -0.3|-0.1|0.1**

- We expect revenues to grow 4% CC QoQ
- EBIT margins to improve 90bp QoQ. Quality of revenue, offshoring and pyramid are likely to serve as margin levers
- We expect the deal momentum to continue in 2Q.
- Expect to retain its FY25 USD CC revenue growth guidance of 8-10%. 2H likely to be better than 1H.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	280	288	291	305	295	307	323	336	1,164	1,262
QoQ (%)	9.8	2.9	0.9	5.0	-3.2	4.1	5.2	4.0	17.6	8.4
Revenue (INR m)	23,014	23,865	24,218	25,375	24,619	25,738	27,014	28,095	96,472	1,05,466
YoY (%)	22.8	19.6	18.2	21.1	7.0	7.8	11.5	10.7	20.4	9.3
GPM (%)	30.0	28.0	29.2	28.9	29.3	29.0	27.5	30.0	29.0	29.0
SGA (%)	10.4	8.1	9.1	9.1	10.8	9.7	10.2	10.2	9.1	10.2
EBITDA	4,528	4,756	4,877	5,028	4,562	4,967	4,673	5,563	19,189	19,766
EBITDA Margin (%)	19.7	19.9	20.1	19.8	18.5	19.3	17.3	19.8	19.9	18.7
EBIT	3,954	4,075	4,162	4,282	3,836	4,247	3,917	4,776	16,473	16,776
EBIT Margin (%)	17.2	17.1	17.2	16.9	15.6	16.5	14.5	17.0	17.1	15.9
Other income	357	286	493	428	491	463	486	506	1,564	1,946
ETR (%)	27.6	27.6	27.6	27.5	27.5	26.5	26.5	26.5	27.6	26.7
PAT	3,111	3,154	3,362	3,409	3,136	3,462	3,236	3,882	13,036	13,716
QoQ (%)	0.5	1.4	6.6	1.4	-8.0	10.4	-6.5	20.0		
YoY (%)	13.5	11.7	10.7	10.1	0.8	9.8	-3.7	13.9	11.4	5.2
EPS (INR)	29.4	29.8	31.7	32.2	29.6	32.6	30.5	36.6	123.0	129.3

Mphasis**Neutral****CMP INR3,081 | TP: INR3,000 (-3%)****EPS CHANGE (%): FY25|26| 27: 0.3|-0.5|2.2**

- We expect revenue growth of 2.0% QoQ CC, led by growth in BFSI and TMT vertical.
- We expect margins to improve by 30bp QoQ due to continued cost optimization efforts. There is an upward bias for margins as the company progresses through the year, with acquisition costs expected to decrease.
- Broad-based TCV wins across verticals and client pyramid as well as conversion from TCV to revenue continued to improve.
- Commentary on demand environment and pricing, the volume recovery for its mortgage business and deal TCVs, would be watched out for.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	398	398	402	411	410	419	430	443	1,609	1,702
QoQ (%)	-3.4	0.1	1.0	2.1	-0.2	2.1	2.8	3.0	-6.3	5.7
Revenue (INR m)	32,520	32,765	33,380	34,120	34,225	35,089	36,063	37,144	1,32,785	1,42,520
YoY (%)	-4.7	-6.9	-4.8	1.5	5.2	7.1	8.0	8.9	-3.8	7.3
GPM (%)	29.1	28.9	31.3	31.2	30.8	30.0	29.8	29.5	30.1	30.0
SGA (%)	11.1	10.7	13.3	12.5	12.7	12.5	12.0	11.6	11.9	12.2
EBITDA	5,869	5,956	6,007	6,388	6,185	6,141	6,419	6,649	24,220	25,393
EBITDA Margin (%)	18.0	18.2	18.0	18.7	18.1	17.5	17.8	17.9	18.2	17.8
EBIT	4,995	5,067	4,972	5,080	5,135	5,369	5,590	5,869	20,114	21,962
EBIT Margin (%)	15.4	15.5	14.9	14.9	15.0	15.3	15.5	15.8	15.1	15.4
Other income	263	150	14	143	238	351	361	371	570	1,321
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.7	24.7	24.8	24.7
PAT	3,961	3,920	3,736	3,932	4,045	4,306	4,480	4,698	15,549	17,528
QoQ (%)	-2.3	-1.0	-4.7	5.2	2.9	6.4	4.0	4.9		
YoY (%)	-1.5	-6.3	-9.4	-3.0	2.1	9.8	19.9	19.5	-5.1	12.7
EPS (INR)	20.9	20.6	19.6	20.7	21.3	22.6	23.5	24.7	81.8	92.1

Persistent Systems**Buy****CMP INR5,437 | TP: INR6,300 (+16%)****EPS CHANGE (%): FY25|26| 27: 0.5|0.6|0.6**

- Expect revenue growth of 4.5% QoQ CC, aided by continued momentum in Healthcare and ramp-up of large deals in the vertical.
- Expect healthy deal momentum to continue, with continued strength in healthcare followed by BFS vertical.
- Margins to decline by 40bp QoQ. Pressure from wage hikes to be partially offset by cost optimization measures such as utilization and continued SG&A discipline.
- Commentaries on recovery in hi-tech vertical are the key things to monitor.

Quarterly Performance (IFRS)

Y/E March (Consolidated)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	282.9	291.7	300.6	310.9	328.2	343.5	355.6	368.1	1,186	1,395
QoQ (%)	3.0	3.1	3.0	3.4	5.6	4.6	3.5	3.5	14.5	17.6
Revenue (INR m)	23,212	24,117	24,982	25,905	27,372	28,776	29,723	30,763	98,216	1,16,634
QoQ (%)	3.0	3.9	3.6	3.7	5.7	5.1	3.3	3.5		
YoY (%)	23.6	17.7	15.2	14.9	17.9	19.3	19.0	18.8	17.6	18.8
GPM (%)	34.2	33.1	33.8	33.3	33.0	32.2	33.5	34.0	33.6	33.2
SGA (%)	16.0	16.3	16.1	15.7	16.4	16.0	16.0	16.0	16.0	16.1
EBITDA	4,229	4,052	4,418	4,544	4,552	4,662	5,202	5,537	17,243	19,953
EBITDA Margin (%)	18.2	16.8	17.7	17.5	16.6	16.2	17.5	18.0	17.6	17.1
EBIT	3,466	3,308	3,631	3,744	3,840	3,914	4,429	4,738	14,149	16,920
EBIT Margin (%)	14.9	13.7	14.5	14.5	14.0	13.6	14.9	15.4	14.4	14.5
Other income	90	250	262	210	165	230	238	246	813	879
ETR (%)	22.0	26.0	26.5	20.3	23.5	22.0	22.0	22.0	23.7	22.3
Adj. PAT	2,774	2,633	2,861	3,153	3,064	3,232	3,640	3,887	11,421	13,823
QoQ (%)	10.3	-5.1	8.7	10.2	-2.8	5.5	12.6	6.8		
YoY (%)	31.1	19.7	6.9	25.4	10.5	22.8	27.2	23.3	20.1	21.0
Reported EPS (INR)	15.0	17.3	18.8	20.7	19.9	21.0	23.6	25.2	71.9	89.7

TCS**Buy****CMP INR4,309 | TP: INR5400 (+25%)****EPS CHANGE (%): FY25|26| 27: -0.7|0.7|0.7**

- The growth is expected to be 1.0% QoQ CC, led by deal scale-up, including the BSNL deal and incremental pick-up in North America BFSI.
- The deal pipeline should remain healthy. There is some positive movement in BFSI, but weakness in UK needs to be monitored
- EBIT margin is expected to decline by 20bp owing to BSNL deal ramp-up and investment in talent development and training.
- Outlook on near-term demand & pricing environment, BFSI, and deal wins are key monitorables.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
IT Services Revenue (USD m)	7,226	7,210	7,281	7,363	7,505	7,629	7,760	7,915	29,080	30,808
QoQ (%)	0.4	-0.2	1.0	1.1	1.9	1.6	1.7	2.0	4.1	5.9
Overall Revenue (INR b)	594	597	606	612	626	639	650	663	2,409	2,579
QoQ (%)	0.4	0.5	1.5	1.1	2.2	2.1	1.7	2.0		
YoY (%)	12.6	7.9	4.0	3.5	5.4	7.1	7.3	8.3	6.8	7.0
GPM (%)	39.5	40.1	40.8	41.1	42.6	41.0	41.5	41.7	40.4	41.5
SGA (%)	16.4	15.8	15.8	15.1	18.0	16.5	16.3	15.9	15.7	16.4
EBITDA	150	157	164	172	167	170	177	185	643	699
EBITDA Margin (%)	25.2	26.3	27.1	28.1	26.7	26.5	27.2	27.8	26.7	27.1
EBIT	138	145	152	159	154	157	164	171	594	646
EBIT Margin (%)	23.2	24.3	25.0	26.0	24.7	24.5	25.2	25.8	24.7	25.1
Other income	12	8	7	9	8	11	12	12	37	33
PBT	150	153	159	168	162	167	176	183	632	688
ETR (%)	25.8	25.8	25.8	25.8	25.4	25.5	25.5	25.5	25.7	25.5
Adj. PAT	111	114	118	125	121	125	131	136	469	513
Exceptional items	0	0	-7	0	0	0	0	0	-7	0
Reported PAT	111	114	111	125	121	125	131	136	462	513
QoQ (%)	-2.8	2.3	-2.5	12.7	-3.2	3.1	4.8	4.3		
YoY (%)	16.8	8.7	2.0	9.3	8.9	9.6	17.8	9.1	9.3	10.9
EPS (INR)	30.3	31.0	30.3	34.4	33.3	34.7	36.3	37.9	126.3	142.5

Tech Mahindra**Neutral****CMP INR1,610 | TP: INR1600 (-1%)****EPS CHANGE (%): FY25|26| 27: -1.1|-0.6|-0.6**

- Revenue growth is expected to be muted at 0.2% QoQ CC, while communications vertical has stabilized and recovery could take longer.
- Margins are likely to improve marginally by 50bp QoQ, as the impact of cost-control efforts under project Fortius should start becoming visible.
- Deal wins are likely to be muted due to macro uncertainty. We expect deal TCW to the tune of USD400-600m in 2Q.
- The outlook on margin and growth in the CME and BFSI verticals will be the key monitorable.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	1,601	1,555	1,573	1,548	1,559	1,564	1,597	1,637	6,277	6,357
QoQ (%)	-4.0	-2.8	1.1	-1.6	0.7	0.3	2.2	2.5	-5.0	1.3
Revenue (INR b)	132	129	131	129	130	131	134	137	520	532
YoY (%)	3.5	-2.0	-4.6	-6.2	-1.2	1.8	2.1	6.6	-2.4	2.3
GPM (%)	25.7	22.5	23.9	27.0	26.5	26.5	26.0	26.3	24.8	26.3
SGA (%)	13.5	11.5	13.6	16.1	14.5	14.0	13.5	13.0	13.7	13.7
EBITDA	16	14	14	14	16	16	17	18	58	67
EBITDA Margin (%)	12.2	10.9	10.3	10.9	12.0	12.5	12.5	13.3	11.1	12.6
EBIT	12	9	9	9	11	12	12	14	40	49
EBIT Margin (%)	8.8	7.3	7.0	7.4	8.5	9.0	9.2	10.0	7.6	9.2
Other income	1	2	0	3	1	1	1	1	5	3
ETR (%)	21.8	9.9	17.6	23.4	26.7	23.0	23.0	23.0	18.5	23.8
Adj. PAT	10	10	7	10	9	10	10	11	36	39
QoQ (%)	-28.2	2.3	-26.5	34.9	-12.2	11.9	4.3	11.0		
YoY (%)	-15.5	-25.3	-44.6	-27.1	-10.9	-2.5	38.4	13.9	-28.5	7.8
Extra Ordinary Item	-2.6	-4.8	-2.1	-3.1	0.0	0.0	0.0	0.0	-12.6	0.0
Reported PAT	7	5	5	7	9	10	10	11	24	39
EPS (INR)	10.8	11.0	8.1	11.0	9.6	10.7	11.2	12.5	41.1	44.0

Wipro**Neutral****CMP INR542 | TP: INR500 (-8%)****EPS CHANGE (%): FY25|26| 27: 1.0|0.0|0.0**

- Expect flat revenue in 2Q due to macro impact and continued softness in Communications, Manufacturing and E&U.
- Expect demand environment to improve in US, particularly in BFS, with significant regional Capco activity. Healthcare gaining momentum across payer, provider, and life sciences sectors, all showing good traction.
- IT Service margin is expected to be range-bound, and strategy to trim the low-margin businesses and low-potential accounts is progressing well.
- Commentary on recovery in the consulting business as well as strategic initiatives from the new management will be the key monitorables.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
IT Services Revenue (USD m)	2,779	2,713	2,656	2,657	2,626	2,625	2,667	2,684	10,805	10,602
QoQ (%)	-2.1	-2.3	-2.1	0.0	-1.2	0.0	1.6	0.6	-3.8	-1.9
Overall Revenue (INR b)	228	225	222	222	220	221	224	225	896	890
QoQ (%)	-1.5	-1.4	-1.4	0.0	-1.1	0.4	1.5	0.7		
YoY (%)	6.0	-0.1	-4.4	-4.2	-3.8	-2.1	0.9	1.5	-0.9	-0.8
GPM (%)	29.4	29.3	30.7	29.2	30.2	30.2	29.7	30.2	29.6	30.1
SGA (%)	14.2	14.6	16.0	13.2	13.7	14.1	14.1	14.1	14.5	14.0
EBITDA	42	42	42	44	44	44	43	45	170	176
EBITDA Margin (%)	18.4	18.8	19.0	19.7	20.2	19.8	19.3	19.8	19.0	19.8
IT Serv. EBIT (%)	16.0	16.1	16.0	16.4	16.5	16.0	15.5	16.0	16.4	16.1
EBIT Margin (%)	15.1	14.8	14.8	15.9	16.4	16.0	15.5	16.0	15.2	16.0
Other income	3	2	3	3	4	3	3	3	11	13
ETR (%)	24.0	24.0	24.0	26.0	24.5	24.0	24.0	24.0	24.5	24.1
PAT	29	26	27	28	30	29	28	29	110	117
QoQ (%)	-6.6	-7.8	1.8	5.2	5.9	-3.8	-1.5	3.6		
YoY (%)	12.0	-0.5	-11.7	-7.8	4.6	9.2	5.6	4.0	-2.9	6.0
EPS (INR)	5.1	5.0	5.2	5.4	5.7	5.5	5.4	5.6	20.4	22.1

Zensar Technologies**Neutral****CMP INR678 | TP: INR770 (+14%)****EPS CHANGE (%): FY25|26| 27: -3.1|-0.2|0.2**

- We expect flat QoQ CC revenue growth in 2QFY25.
- Margins to moderate 50bp QoQ due to impact of wage hike/furloughs in some accounts and reversal of one-offs.
- We expect growth to be driven by healthcare and BFS verticals. The order book is likely to improve QoQ.
- Demand environment within critical sectors and progress on stimulating growth levers would be watched out for.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (USD m)	149	150	145	148	154	155	158	162	592	630
QoQ (%)	1.2	0.6	-3.7	2.3	4.3	0.4	1.9	2.5	-2.0	6.3
Revenue (INR m)	12,272	12,408	12,041	12,297	12,881	13,047	13,226	13,539	49,018	52,694
YoY (%)	2.0	0.5	0.5	1.4	5.0	5.2	9.8	10.1	1.1	7.5
GPM (%)	33.6	31.8	31.1	30.6	30.4	30.3	32.6	32.5	31.8	31.5
SGA (%)	14.9	13.2	13.9	14.1	15.2	15.5	15.6	16.0	14.0	15.6
EBITDA	2,301	2,308	2,076	2,030	1,961	1,927	2,249	2,234	8,715	8,371
EBITDA Margin (%)	18.8	18.6	17.2	16.5	15.2	14.8	17.0	16.5	17.8	15.9
EBIT	1,878	1,942	1,764	1,793	1,714	1,674	1,992	1,971	7,377	7,352
EBIT Margin (%)	15.3	15.7	14.6	14.6	13.3	12.8	15.1	14.6	15.0	14.0
Other income	224	306	356	493	383	169	172	176	1,379	900
ETR (%)	25.7	22.7	23.8	24.2	24.7	24.0	24.5	24.7	24.1	24.5
Adj. PAT	1,562	1,738	1,616	1,733	1,579	1,402	1,634	1,617	6,649	6,231
QoQ (%)	30.9	11.3	-7.0	7.2	-8.9	-11.2	16.6	-1.0		
YoY (%)	108.0	206.0	111.2	45.3	1.1	-19.4	1.1	-6.7	102.9	-6.3
EPS (INR)	6.8	7.6	7.1	7.6	6.9	6.1	7.1	7.1	29.1	27.3

Telecom

Company

Bharti Airtel

Indus Towers

RJio

Tata Communications

Vodafone Idea

Strong quarter on tariff hike flow-through**Strong sequential revenue and EBITDA growth for telcos on tariff hike boost**

We expect ~9%/ 11% sequential growth in wireless revenue/EBITDA for the three telcos, driven by the partial flow-through of recent tariff hikes. We build in ~7-10% QoQ ARPU uptick for the three private telcos in 2QFY25, with the full impact of tariff hikes expected by 4QFY25. Given the sharp tariff hikes, we expect wireless net adds to remain muted, with both Bharti and Vi likely to report QoQ subs decline. Subscriber churn, tariff hike flow-through, and incremental EBITDA margins will be a key watch for 2QFY25. We build in the next tariff hike (~15% or INR50/month on base pack) from Dec'25, which will help sustain high growth over FY24-FY27.

Tariff-hike boost partly offset by subscriber declines

Given the recent tariff hikes, we expect ~10% QoQ ARPU uptick for Bharti (INR231), followed by ~8% QoQ for RJio (INR196), while Vi's ARPU (INR156) growth would likely be weaker at 7% QoQ due to its weaker subscriber mix. However, tariff hike benefits would be partly offset by a likely decline in industry subscriber base. We expect RJio's wireless net adds at 3m, while subs decline is likely for Bharti (-1.5 m) and Vi (-4 m). We expect elevated subscriber churn to stabilize over the next few months. Bharti (India wireless +10% QoQ) and RJio (+9% QoQ) are likely to gain further in revenue market share at Vi's expense (modest +5% QoQ). Among Bharti's other businesses, we expect robust growth to continue in Homes (+5% QoQ) and QoQ improved performance in Enterprise (+10% YoY) and Africa (+3% QoQ) to drive ~7% QoQ consolidated revenue growth for Bharti.

Sharp QoQ margin expansion expected from tariff hike boost

With a partial flow-through of tariff hike and better operating leverage, we expect ~70%+ incremental EBITDA margins for Bharti and RJio and ~45% for Vi. Bharti is likely to lead with ~13% QoQ wireless EBITDA growth followed by RJio at ~11%. We expect modest ~5% QoQ growth in Vi's reported EBITDA and pre Ind-AS EBITDA to improve to ~INR23b (from INR21b QoQ). Bharti's consolidated EBITDA is likely to improve ~10% QoQ, with margin expanding ~155 bp QoQ to 52.7%.

Indus Towers to benefit from provision reversals; steady growth for TCOM

We expect Indus Towers' recurring EBITDA (ex-provisions and one-offs) to rise ~4% QoQ, driven by the higher share of Bharti's rural rollouts (albeit overall tower adds are impacted by seasonality in 2QFY25) and sequentially lower energy under-recoveries. Indus' reported EBITDA is likely to be boosted again by prior period provision reversals, and we anticipate a reversal of INR5b (versus INR7.6b QoQ). We expect ~3% sequential growth in data revenue for TCOM, driven by continued momentum in the digital portfolio. TCOM's consolidated EBITDA margin is expected to improve 50 bp QoQ on account of improved profitability in TCTS.

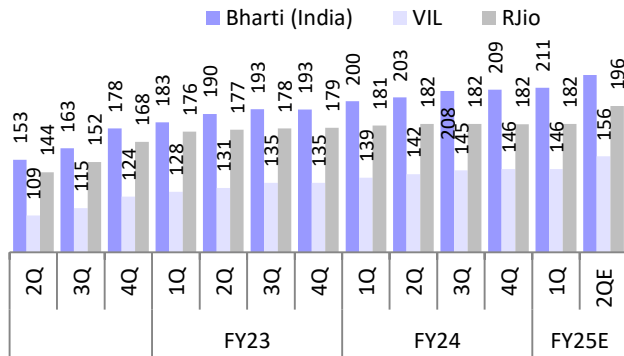
Bharti and RIL are our preferred picks

We expect another round of tariff hike (~15%) in Dec'25 to drive robust growth for telcos over FY24-FY27. The recent AGR verdict is a setback to Vi's revival (uncertainty on debt raise) and, in turn, negative for Indus Towers. We prefer Bharti (improved FCF, deleveraging) and RIL (market share gains, potential listing of consumer businesses) as key beneficiaries of more frequent telecom tariff hikes.

Exhibit 1: Expected quarterly performance summary

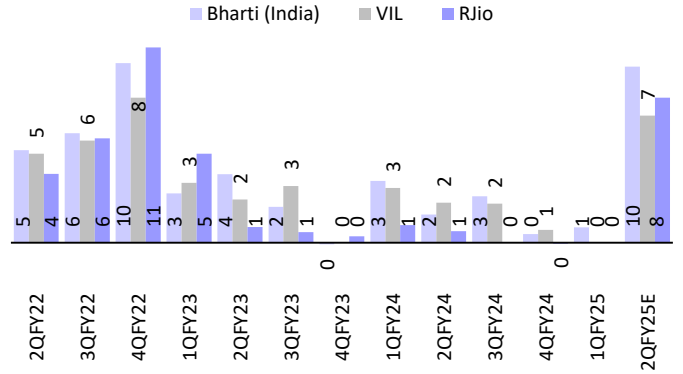
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Bharti Airtel	1699	Buy	4,10,433	10.8	6.6	2,16,449	10.9	9.8	44,600	50.7	52.5
Indus Towers	384	Neutral	75,393	5.7	2.1	43,737	27.8	-2.9	18,251	41.0	-5.3
Tata Comm	2157	Neutral	57,334	17.7	1.8	11,753	15.7	4.5	3,075	39.0	24.4
Vodafone Idea	10	Neutral	1,09,975	2.6	4.7	44,315	3.5	5.4	-69,978	Loss	Loss
Telecom			6,53,134	9.3	5.3	3,16,254	12.0	7.1	-4,053	Loss	Loss

Exhibit 2: Player-wise QoQ ARPU trends (INR)



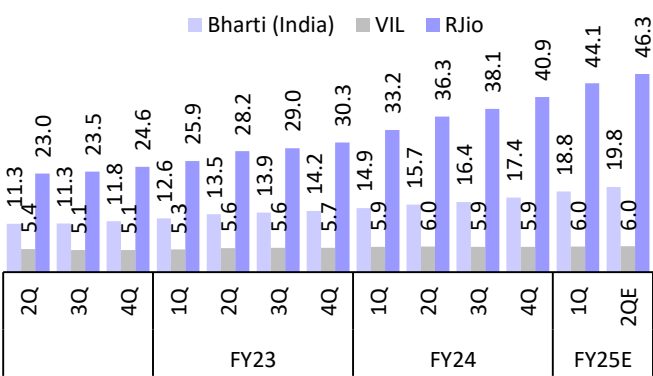
Sources: Company, MOFSL

Exhibit 3: Player-wise QoQ ARPU growth trends (%)



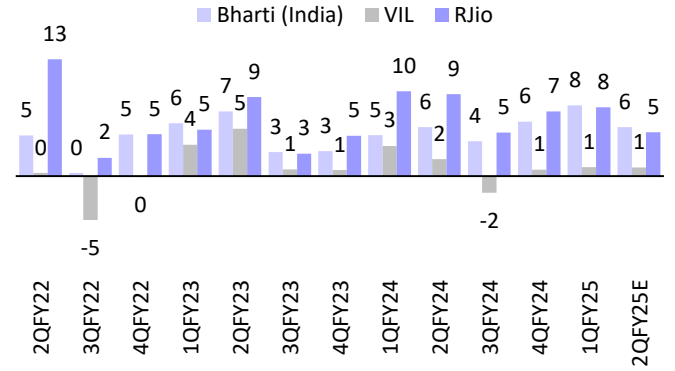
Sources: Company, MOFSL

Exhibit 4: Player-wise QoQ data traffic trends (b GB)



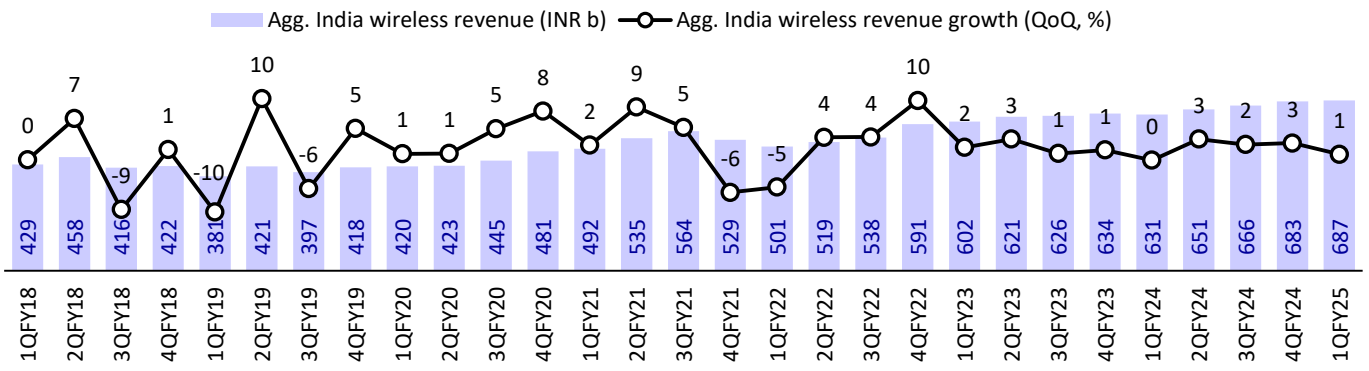
Sources: Company, MOFSL

Exhibit 5: Player-wise QoQ growth trends in data traffic (%)



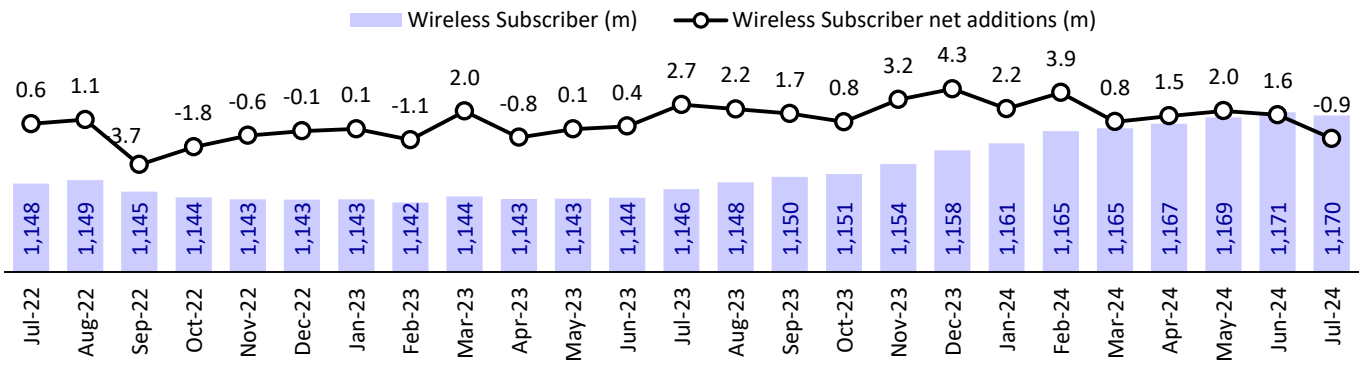
Sources: Company, MOFSL

Exhibit 6: Aggregate India wireless revenue and growth trends (QoQ, %)



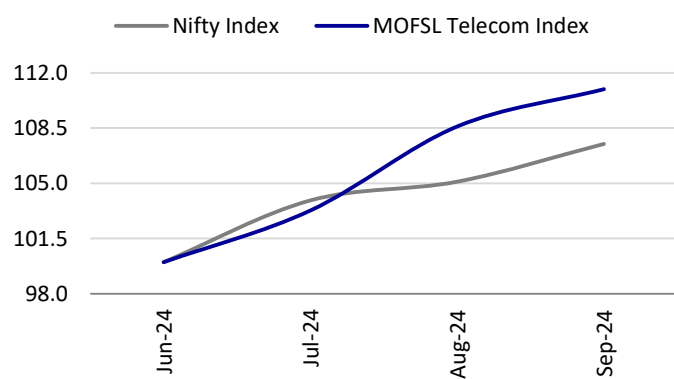
Sources: TRAI, MOFSL

Exhibit 7: Aggregate India wireless subscriber and growth trends (MoM, %)



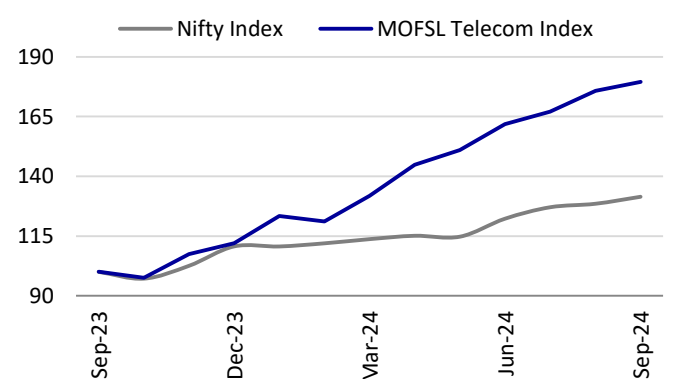
Sources: TRAI, MOFSL

Exhibit 8: Relative performance – three months (%)



Sources: Bloomberg, MOFSL

Exhibit 9: Relative performance – one year (%)



Sources: Bloomberg, MOFSL

Exhibit 10: Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Telecom						-4,058	109	60.1	72.6	30.7	24.7	-1.8	28.1	41.1
Bharti Airtel	1,699	Buy	30.8	46.7	61.1	55.1	36.4	27.8	10.5	8.1	7.0	20.6	27.1	29.3
Indus Towers	384	Neutral	33.7	29.0	22.4	11.4	13.3	17.1	3.1	2.6	2.5	29.5	20.8	14.5
Tata Comm	2,157	Neutral	46.9	66.9	85.5	46.0	32.2	25.2	22.8	15.1	10.7	59.6	56.3	50
Vodafone Idea	10	Neutral	-9.8	-9.3	-8.7	-1.0	-1.1	-1.2	-0.3	-0.3	-0.2	NM	NM	NM

Exhibit 11: Wireless KPI comparison

	FY22				FY23				FY24				FY25E		YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2QE		
EOP Wireless SUBS (m)																
Bharti (India)	321	323	323	326	327	328	332	335	339	342	346	352	355	353	3.1	-0.4
VIL	255	253	247	244	240	234	229	226	221	220	215	213	210	206	-6.2	-1.9
RJio	441	430	421	410	420	428	433	439	449	460	471	482	490	494	7.5	0.9
Avg. Wireless Subs (m)																
Bharti (India)	321	322	323	324	327	328	330	334	337	340	344	349	353	354	3.9	0.1
VIL	262	254	250	246	242	237	232	227	224	221	218	214	211	208	-5.7	-1.5
RJio	433	435	425	416	415	424	430	436	444	454	465	476	486	492	8.3	1.3
ARPU (INR/month)																
Bharti (India)	146	153	163	178	183	190	193	193	200	203	208	209	211	231	13.7	9.5
VIL	104	109	115	124	128	131	135	135	139	142	145	146	146	156	9.9	6.9
RJio	138	144	152	168	176	177	178	179	181	182	182	182	182	196	7.8	7.8
MOU/Sub (min)																
Bharti (India)	1,044	1,053	1,061	1,083	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,158	1,128	1,135	1.1	0.7
VIL	642	629	620	614	620	601	611	623	626	613	615	626	607	611	-0.5	0.5
RJio	815	835	901	962	1001	968	984	1004	1002	979	981	1008	974	986	0.7	1.2
Wireless traffic (B min)																
Bharti (India)	1,002	1,020	1,030	1,051	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,210	1,195	1,205	5.0	0.8
VIL	504	480	465	452	450	428	424	425	420	406	401	402	385	381	-6.1	-1.0
RJio	1060	1090	1150	1200	1246	1230	1270	1313	1335	1334	1370	1440	1420	1456	9.1	2.5
Data usage/Sub (Gb)																
Bharti (India)	18.5	18.6	18.3	18.8	19.5	20.3	20.3	20.3	21.1	21.7	22.0	22.6	23.7	23.9	10.1	0.7
VIL	13.0	13.2	12.5	12.6	13.0	13.7	13.9	13.9	14.4	14.6	14.2	14.3	14.5	14.7	0.6	1.1
Rjio (including FTTH)	15.6	17.6	18.4	19.7	20.8	22.2	22.4	23.1	24.9	26.6	27.3	28.6	30.3	31.4	17.8	3.7
Data traffic (B Gb)																
Bharti (India)	10.8	11.3	11.3	11.8	12.6	13.5	13.9	14.2	14.9	15.7	16.4	17.4	18.8	19.8	26.0	5.6
VIL	5.4	5.4	5.1	5.1	5.3	5.6	5.6	5.7	5.9	6.0	5.9	5.9	6.0	6.0	0.9	1.0
RJio	20.3	23.0	23.5	24.6	25.9	28.2	29.0	30.3	33.2	36.3	38.1	40.9	44.1	46.3	27.6	5.0

Sources: Company, MOFSL

Exhibit 12: Quarterly financials

	FY22				FY23				FY24				FY25E		YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2QE		
Revenue (INR b)																
Bharti (India wireless)	143	152	161	176	182	190	194	195	204	210	216	221	225	247	17.9	9.6
Bharti (consolidated)	269	283	299	315	328	345	358	360	374	370	379	376	385	410	10.8	6.6
VIL	92	94	97	102	104	106	106	105	107	107	107	106	105	110	2.6	4.7
RJio	180	187	193	209	219	225	230	234	240	248	254	260	265	289	16.8	9.2
EBITDA (INR b)																
Bharti (India wireless)	70	75	79	89	93	99	104	105	112	115	119	122	125	141	22.8	12.8
Bharti (consolidated)	130	138	147	160	165	176	185	187	196	195	198	194	197	216	10.9	9.8
VIL	37	39	38	46	43	41	42	42	42	43	44	43	42	44	3.5	5.4
RJio	86	90	95	105	110	115	120	122	126	130	133	136	139	154	18.9	10.7
EBITDA Margin (%)																
Bharti (India wireless)	49.2	49.2	49.4	50.6	51.2	52.4	53.8	53.8	54.8	54.9	55.1	55.1	55.6	57.2	229bps	158bps
Bharti (consolidated)	48.3	48.8	49.2	50.9	50.4	51.0	51.5	51.9	52.3	52.7	52.3	51.5	51.2	52.7	6bps	156bps
VIL	40.5	41.1	39.3	45.4	41.6	38.6	39.4	40.0	39.0	40.0	40.8	40.9	40.0	40.3	33bps	28bps
RJio	47.9	48.0	49.2	50.3	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.4	52.6	53.3	96bps	72bps
PAT (INR b)																
Bharti (consolidated)	3	11	8	20	16	21	16	30	16	13	24	21	42	45	232.7	7.2
VIL	(73)	(71)	(72)	(66)	(73)	(76)	(80)	(64)	(78)	(87)	(70)	(77)	(64)	(70)	-19.9	8.8
RJio	35	35	36	42	43	45	46	47	49	51	52	53	54	64	27.1	18.1
EPS (INR)																
Bharti	0.5	2.1	1.5	3.6	2.9	3.8	2.8	5.3	2.8	2.4	4.3	3.7	7.2	7.7	226.0	7.2
VIL	(2.5)	(2.5)	(2.5)	(2.0)	(2.3)	(2.4)	(2.5)	(1.3)	(1.6)	(1.8)	(1.4)	(1.5)	(0.9)	(1.0)	-42.6	8.8
RJio	0.8	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.4	27.1	18.1

Sources: Company, MOFSL

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

Bharti Airtel**Buy****CMP: INR 1,699 | TP: INR2,000 (+18%)****EPS CHANGE (%): FY25 | 26: -2 | -9**

- Expect ~7% QoQ consolidated revenue growth, driven by strong growth in India wireless.
- Expect consolidated EBITDA margin to expand ~155bp QoQ to 52.7%, driven by tariff hike flow-through.
- Expect 10%/13% QoQ growth in India wireless revenue/EBITDA, driven largely by tariff hike flow-through.
- Expect wireless ARPU of INR231 (+10%QoQ) and 1.5m wireless subs decline.

Consolidated – Quarterly Earning Model**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	374	370	379	376	385	410	433	436	1,500	1,665
YoY Change (%)	14.1	7.3	5.9	4.4	2.8	10.8	14.3	16.1	7.8	11.0
Total Expenditure	178	175	181	182	188	194	196	194	717	772
EBITDA	196	195	198	194	197	216	237	243	783	893
YoY Change (%)	18.6	10.9	7.4	3.6	0.6	10.9	19.8	25.3	9.8	14.1
Depreciation	97	97	101	101	105	108	121	125	395	460
Net Finance cost	56	52	66	52	52	52	53	54	226	211
Other Income	9	9	11	11	13	12	14	14	41	53
PBT before EO expense	53	55	42	52	53	68	78	77	203	276
Extra-Ord expense	34	16	1	25	-7	0	0	0	76	-7
PBT	19	39	41	28	60	68	78	77	127	284
Tax	3	18	12	7	13	18	20	20	41	70
Rate (%)	18.0	46.9	30.0	25.6	21.7	26.1	25.3	25.4	32.5	24.7
Minority Interest & P/L of Asso. Cos.	-1	8	4	0	6	6	6	6	11	24
Reported PAT	16	13	24	21	42	45	52	51	75	190
Adj PAT	29	30	25	30	29	45	52	51	113	177
YoY Change (%)	91.3	44.2	25.0	13.9	0.8	50.7	109.8	73.6	38.6	56.9

Indus Towers**Neutral****CMP: INR 384 | TP: INR395 (3%)****EPS CHANGE (%): FY25 | 26: 38 | 11**

- Recurring EBITDA to rise ~4% QoQ on account of robust tower additions and lower energy under-recovery.
- Provision reversals continue to boost reported EBITDA.
- We expect 5,500 net tower additions in 2QFY25 (vs.6,174 QoQ).
- Bake in ~INR 5b provision reversals in 2QFY25 (vs.~INR8b QoQ).

Quarterly Performance**(INRb)**

Y/E March (Consolidated)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue from operations	71	71	72	72	74	75	79	81	286	309
YoY Change (%)	2.6	-10.5	6.4	6.5	4.3	5.7	9.2	12.6	0.8	8.0
Total Expenditure	36	37	36	31	29	32	23	27	140	110
Provisions / (reversals)	1	1	1	-4	-8	-5	-15	-13	-1	-40
Recurring EBITDA	36	36	36	37	37	39	40	42	145	158
EBITDA	35	34	36	41	45	44	55	54	146	198
YoY Change (%)	53.8	21.7	208.3	18.6	29.4	27.8	54.0	33.7	50.6	36.3
Depreciation	14	15	16	16	16	16	17	17	61	66
Interest	4	2	0	1	4	4	4	4	7	16
Other Income	1	1	1	1	1	1	1	1	4	3
PBT before EO expense	18	17	21	25	26	24	35	34	81	119
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	18	17	21	25	26	24	35	34	81	119
Tax	5	5	5	6	7	6	9	8	21	30
Rate (%)	25.5	25.9	25.8	25.5	25.7	25.2	25.2	25.2	25.7	25.3
Reported PAT	13	13	15	19	19	18	26	25	60	89
Adj PAT	13	13	15	19	19	18	26	25	60	89
YoY Change (%)	182.4	48.5	-	32.4	42.9	41.0	70.2	36.1	151.1	47.4

E: MOFSL Estimates

Reliance Jio

CMP: NR|TP: NR

EPS CHANGE(%): FY25|26: -7|-13

- Expect ~9% sequential revenue growth, driven by a partial flow-through of tariff hikes.
- Expect ~11% QoQ EBITDA growth on ~70bps QoQ margin expansion to 53.3%
- Buildin ~8% QoQ uptick in reported ARPU to INR 196 and 4.4m overall net adds.

Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Net Revenue	240	248	254	260	265	289	308	314	1,001	1,176
YoY Change (%)	9.9	9.9	10.3	11.0	10.1	16.8	21.5	21.0	10.3	17.5
Total Expenditure	115	118	121	123	126	135	140	143	477	544
EBITDA	126	130	133	136	139	154	168	171	524	632
Margins (%)	52.3	52.3	52.3	52.4	52.6	53.3	54.5	54.5	52.4	53.7
Depreciation	52	53	54	56	56	57	59	60	214	233
Finance Cost	10	10	10	10	11	12	12	13	40	47
Other Income	1	1	1	1	1	1	1	1	5	5
PBT	65	68	70	72	73	86	98	99	275	357
Tax	17	17	18	18	19	22	25	25	70	91
Rate (%)	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
PAT	49	51	52	53	54	64	73	74	205	266
Margins (%)	20.2	20.4	20.5	20.6	20.6	22.2	23.7	23.5	20.4	22.6
YoY Change (%)	2.1	1.9	1.8	2.0	1.7	8.8	15.5	14.5	12.4	29.9

Tata Communications

Neutral

CMP: INR 2,157|TP: INR 1,950 (-10%)

EPS CHANGE (%): FY25|26:6|-14

- We expect a 3% QoQ uptick in data revenue, driven by continued momentum in DPS (+4%QoQ).
- We expect the consolidated EBITDA margin to expand 50bp QoQ on improved profitability in TCTSL.
- We expect a 2%QoQ growth in the overall revenue.

Cons. Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	47.7	48.7	56.3	56.9	56.3	57.3	59.4	59.6	209.7	232.7
YoY Change (%)	10.7	10.0	24.4	24.6	18.1	17.7	5.5	4.7	17.5	11.0
Total Expenditure	37.5	38.6	45.0	46.4	45.1	45.6	46.8	46.8	167.4	184.2
EBITDA	10.2	10.2	11.3	10.6	11.2	11.8	12.6	12.8	42.3	48.5
YoY Change (%)	-4.9	-10.1	5.3	2.1	9.8	15.7	11.4	21.6	-2.0	14.6
Depreciation	5.8	6.1	6.2	6.7	6.5	6.6	6.6	6.7	24.7	26.4
Interest	1.3	1.4	1.9	1.9	1.7	1.7	1.7	1.5	6.4	6.6
Other Income	1.9	0.3	0.1	0.6	0.3	0.4	0.4	0.4	2.8	1.4
PBT before EO expense	5.0	3.0	3.4	2.6	3.3	3.9	4.8	5.0	14.0	17.0
Exceptional (gain)/loss	0.0	0.0	1.9	0.5	-0.9	0.0	0.0	0.0	2.4	0.0
PBT	5.0	3.0	1.5	2.1	4.2	3.9	4.8	5.0	11.6	17.0
Tax	1.3	0.8	1.1	-1.1	0.9	0.9	1.1	1.1	2.1	3.9
Rate (%)	25.9	26.1	73.8	-52.4	20.8	22.5	22.5	22.5	18.4	23.2
MI & P/L of Asso. Cos.	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.2	-0.1
Reported PAT	3.8	2.2	0.4	3.2	3.3	3.1	3.7	3.9	9.7	13.2
Adj PAT	3.8	2.2	2.3	3.7	2.5	3.1	3.7	3.9	12.0	13.2
YoY Change (%)	-30.2	-51.5	-41.5	14.5	-34.9	39.0	61.7	5.0	-30.0	9.5

E: MOFSL Estimates

Vodafone Idea**Neutral****CMP: INR10|TP:INR10 (-1%)****EPS CHANGE (%): FY25|26: 3|5**

- Expect ~5% QoQ revenue growth as the tariff hike benefit is partly offset by continued subscriber declines.
- ARPU is likely to improve ~7% QoQ to INR156, while the subscriber base is expected to further decline by ~4m.
- Expect reported EBITDA to grow ~5% QoQ with EBITDA margin expanding ~30bp QoQ to 40.3%
- Expect 4G/5G network rollout to start in 2HFY25.

Consolidated – Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	107	107	107	106	105	110	116	115	427	446
YoY Change (%)	2.4	1.0	0.5	0.7	-1.4	2.6	8.6	8.3	1.1	4.5
Total Expenditure	65	64	63	63	63	66	66	66	255	260
EBITDA	42	43	44	43	42	44	50	49	171	185
YoY Change (%)	-4.0	4.5	4.1	3.0	1.1	3.5	15.4	12.8	1.8	8.3
Depreciation	56	57	56	58	54	53	53	53	226	213
Net Finance Costs	64	65	65	62	53	61	66	66	257	246
PBT before EO expense	-78	-79	-77	-77	-64	-70	-69	-70	-312	-274
Extra-Ord expense	0	0	-8	0	0	0	0	0	-8	0
PBT	-78	-79	-70	-77	-64	-70	-69	-70	-304	-274
Tax	0.0	8.2	0.0	0.1	0.1	0.0	0.0	0.0	8.3	0.1
Rate (%)	0.0	-10.3	0.0	-0.1	-0.1	0.0	0.0	0.0	-2.7	0.0
Reported PAT	-78	-87	-70	-77	-64	-70	-69	-70	-312	-274
Adj PAT	-78	-87	-77	-77	-73	-70	-69	-70	-320	-283
YoY Change (%)	7.4	15.0	-3.1	20.0	-6.3	-19.9	-10.8	-8.5	9.3	-11.6

E:MOFSL Estimates

Utilities

Company name

IEX

JSW Energy

NTPC

Power Grid

Tata Power

Strong power demand, commissioning of new capacity to drive profitability

- We estimate sales/EBITDA/adj. PAT to rise 7%/9%/24% YoY in 2QFY25 for the five companies under our power utilities coverage. JSWE, PWGR, TPWR and NTPC are expected to report robust 2QFY25 results, aided by the commissioning of new capacity, which will lead to a rise in regulated equity (PWGR and NTPC), and strong PLFs given robust power demand. IEX volumes in 2QFY25 are expected to be robust (+38% YoY) given elevated peak demand and adequate availability of power. We have a BUY rating on PWGR, JSWE and TPWR.
- **Peak power demand lower YoY in Aug-24:** Despite the upward trend in peak power demand over the years, Aug'24 observed a decline in peak demand, which fell to 216GW in Aug'24 (Aug'23: 239GW). Additionally, the peak demand for July-Aug'24 was 227GW, down from 239GW during the same period in FY23.
- **Modest power generation growth so far in 2QFY25:** Total power generation in India saw modest growth of 2% YoY in July-Aug'24, reaching 314BU. This increase was driven by a combination of 265BU (billion units) from conventional sources and 48BU from renewable sources, with renewable generation witnessing 5% YoY growth. In terms of generation output, the central sector, encompassing thermal, hydro, and nuclear power, contributed 1,04,699MUs in July-Aug'24, while the state sector produced 80,632MUs.
- **RE capacity continues to grow in 2Q:** While no new coal capacity has been added since the end of FY24, the solar sector has made significant strides, contributing 3.7GW of capacity in 1QFY25 and an additional 4GW during July-Aug'24. Wind power also saw a capacity increase of 0.5GW during Jul-Aug'24, reflecting ongoing investments in renewable energy infrastructure.

JSW Energy

- In 2QFY25, JSWE is projected to achieve a YoY increase of 8% in revenue and 3% in EBITDA, driven by: 1) a seasonally stronger 1H for both wind and hydro generation, 2) start of unit 1 (350MW) of Ind-Barath in Q4FY24, and 3) the progressive commissioning of renewable generation capacity, which has been under-construction.
- Adjusted PAT is expected to be ~INR7b, reflecting a 17% decline YoY as 2QFY24 had benefited from a one-off gain of INR1.7b.

Power Grid

- For PWGR, we build in standalone revenue and EBITDA growth of 7% YoY in 2QFY25 amid a rise in capex and standalone capitalization of ~INR36b from 3QFY24-1QFY25, besides continued strong contributions from the consultancy segment.
- However, reported PAT is likely to be lower by 5% YoY due to a lower reported tax rate in 2QFY24 (12%) vs. a normalized tax rate, which we assume for 2QFY25. Adjusted PAT is anticipated to rise by 26% YoY in 2QFY25 as 2QFY24 included ~INR5b relating to regulatory deferral income.

Indian Energy Exchange

- IEX is expected to report robust revenue growth of 29% YoY, while EBITDA is expected to increase by 33% YoY to INR1.2b. Additionally, the company's PAT is anticipated to rise by 24% YoY to INR1b.
- This positive outlook is largely driven by a significant increase in total trading volumes, projected to grow 38% YoY to ~36,000 MUs in 2QFY25.
- This surge in volumes is driven by heightened demand for green energy products, RTM and renewable energy certificates (RECs).

NTPC

- For NTPC, we expect standalone revenue/EBITDA to grow 2%/13% YoY in 2QFY25. Growth is supported by robust PLF performance, increase in standalone commercial capacity by ~1.3GW (since 2QFY24) and robust consultancy and project management fees, and an overall increase in power generation.
- The company's adjusted PAT is forecast to surge 41% YoY as 2QFY24 included ~INR6b relating to previous-year sales.

Tata Power

- We estimate TPWR's consolidated EBITDA to increase by 6% YoY to INR32.6b amid rising contribution from module manufacturing business (which turned in its first profit in 1QFY25), the progressive commissioning of renewable capacity and continued execution of its robust EPC order book.
- The company's adjusted PAT is expected to be flat YoY at INR12.9b. The QoQ decline in adj. PAT could be attributable to a positive impact of INR5b in 1Q relating to movements in regulatory deferral balances.

Exhibit 1: Key Snapshot

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	1QFY25	2QFY25TD
Total generation growth (%)	5.4	5.2	0.7	-0.6	8.1	9.0	7.2	10.9	1.9*
Conv. Generation growth (%)	4.1	3.6	0.0	-1.6	7.1	7.7	6.7	11.5	1.4*
RE generation growth (%)	24.9	24.4	7.8	7.7	16.2	19.1	10.9	7.0	5.1*
All India Peak Demand (GW)	161	176	183	189	201	212	240	250	227
Capacity addition (GW)									
Net Coal	6.0	3.6	4.1	4.2	1.4	1.2	5.7	0.0	0.0
Solar	9.4	6.5	6.4	5.5	13.9	12.8	15.0	3.7	4.0
Wind	1.8	1.6	2.1	1.6	1.1	2.3	3.3	0.8	0.5
Total capacity addition	17.2	12.1	14.0	12.0	17.3	16.6	25.9	4.2	4.6

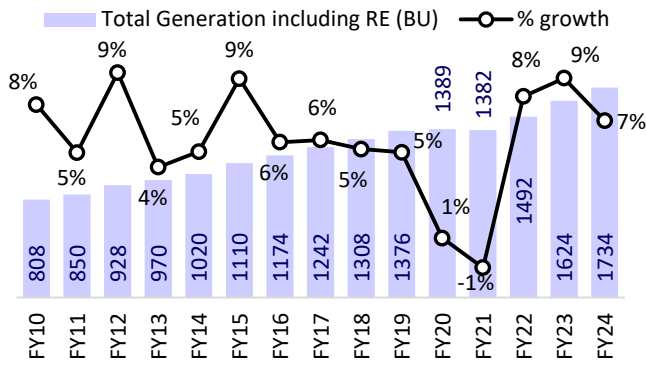
*July-Aug'23 compared with July-Aug'24

Source: NPP, MOFSL

Exhibit 2: Summary of Sept'24-quarter earnings estimates

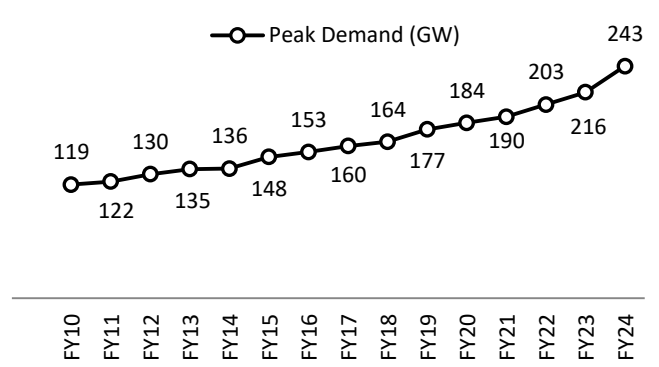
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ	Sep-24	Var % YoY	Var % QoQ
Indian Energy Exch.	208	Neutral	1,397	28.8	13.1	1,224	32.8	22.4	1,025	23.7	9.7
JSW Energy	724	Buy	35,162	7.9	22.1	19,306	2.7	36.2	7,106	-17.1	33.0
NTPC	440	Neutral	4,16,934	2.0	-6.1	1,19,503	13.4	-4.0	46,131	41.5	-5.1
Power Grid Corp.	351	Buy	1,04,359	7.1	4.4	91,310	7.0	5.3	36,261	26.3	6.4
Tata Power	481	Buy	1,90,766	21.2	10.3	32,679	5.7	-8.9	12,977	2.0	-22.4
Utilities			7,48,618	7.4	0.2	2,64,024	9.4	0.7	1,03,499	24.0	-2.1

Exhibit 3: India's Power demand growth



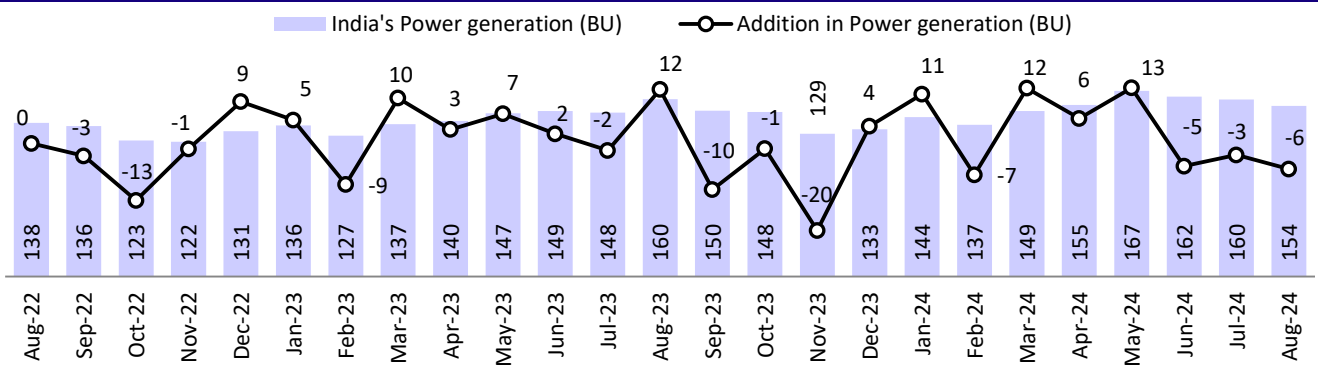
Source: CEA, MOFSL

Exhibit 4: Peak demand growth



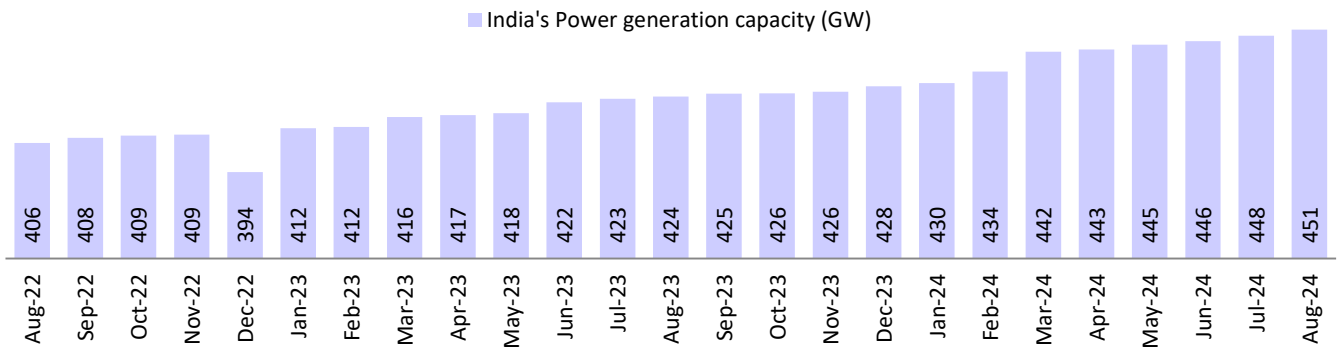
Source: CEA, MOFSL

Exhibit 5: India's Power generation



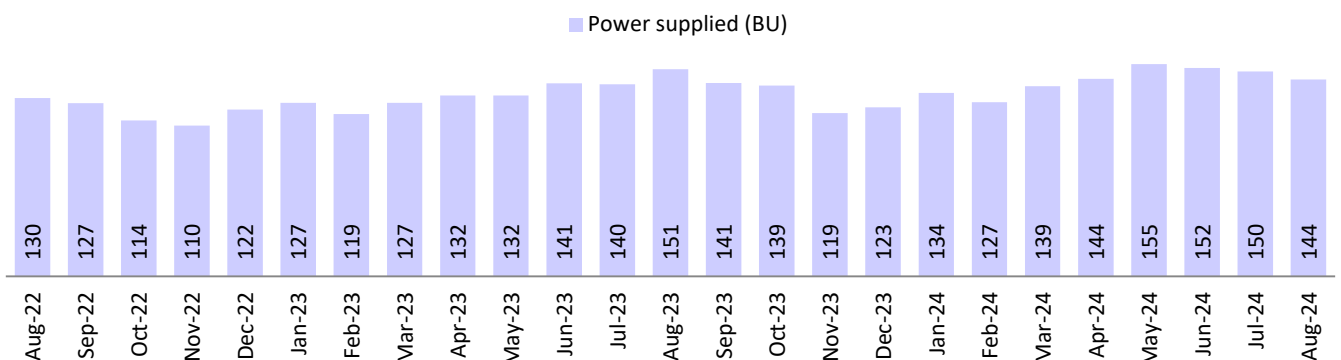
Source: NPP, MOFSL

Exhibit 6: India's Power generation capacity



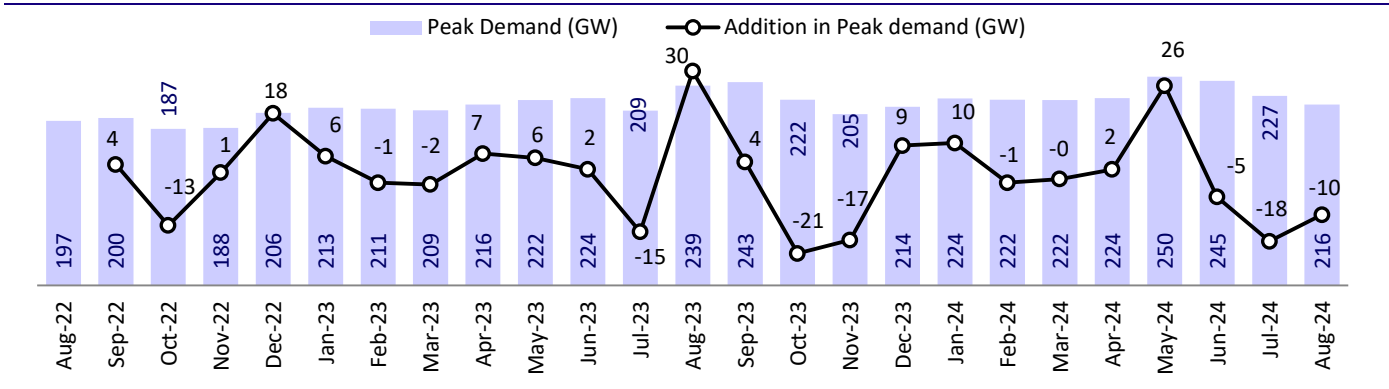
Source: NPP, MOFSL

Exhibit 7: India Power supplied



Source: CEA, MOFSL

Exhibit 8: India Peak demand

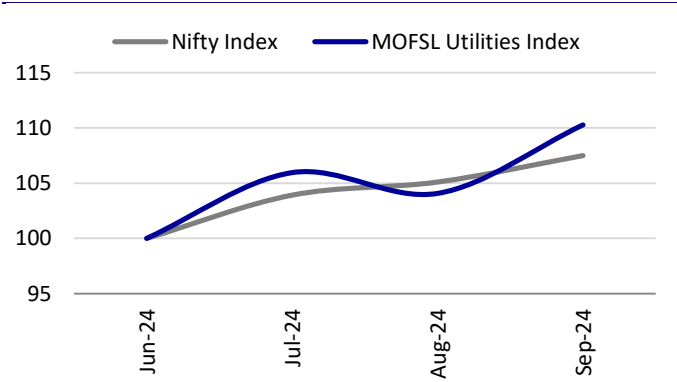


Source: CEA, MOFSL

Exhibit 9: Valuation summary

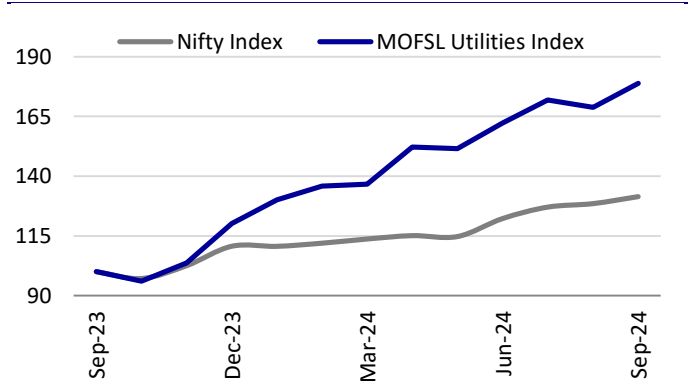
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Utilities						22	20	18.5	3.2	3.0	2.7	14.8	15.1	14.8
Indian Energy Exch.	208	Neutral	4.1	4.9	5.8	50.5	42.3	36.0	16.4	13.7	12.3	35.3	35.3	36.1
JSW Energy	724	Buy	17.9	20.8	20.4	40.4	34.7	35.5	5.1	4.5	4.1	13.3	13.8	12.1
NTPC	440	Neutral	23.6	26.4	28.7	18.7	16.6	15.3	2.5	2.3	2.1	13.7	14.2	14.2
Power Grid Corp.	351	Buy	18.4	19.2	20.2	19.1	18.3	17.4	3.6	3.4	3.2	19.1	19.1	19.0
Tata Power	481	Buy	15.7	18.6	19.1	30.7	25.8	25.2	4.2	3.7	3.3	14.5	15.3	13.9

Exhibit 10: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 11: One-year relative performance (%)



Source: MOFSL, Company

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

IEX Neutral

CMP: INR208 | TP: INR226 (+8%)

- IEX is projected to report a robust revenue growth of 29% YoY to INR1.3b.
- The positive outlook is largely driven by a surge in total trading volumes, projected to grow 38% YoY to ~36,000 MUs in 2QFY25.
- EBITDA is expected to increase by 33% YoY to INR1.2b.

Standalone performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,040	1,085	1,153	1,213	1,236	1,397	1,286	1,174	4,492	5,093
YoY Change (%)	5.8	14.0	15.0	13.3	18.8	28.8	11.5	-3.2	12.0	13.4
EBITDA	816	922	999	1,049	1,000	1,224	1,113	1,001	3,785	4,339
Margin (%)	78.4	84.9	86.6	86.5	81.0	87.6	86.6	85.3	84.3	85.2
Depreciation	50	51	52	52	52	47	47	47	204	193
Interest	7	7	7	7	7	7	7	7	28	28
Other Income	232	244	258	282	308	163	163	163	1,016	797
PBT before EO items	991	1,108	1,198	1,271	1,249	1,333	1,222	1,110	4,568	4,914
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0
PBT	991	1,108	1,198	1,271	1,249	1,333	1,222	1,110	4,568	4,914
Tax	250	279	305	320	315	308	308	308	1,154	1,238
Rate (%)	25.2	25.2	25.5	25.2	25.2	23.1	25.2	27.7	25.3	25.2
JV and Associates	0	0	0	0	0	0	0	0	0	0
Reported PAT	741	829	893	951	934	1,025	914	802	3,414	3,676
Adj PAT	741	829	893	951	934	1,025	914	802	3,414	3,676
YoY Change (%)	8.1	18.3	25.5	14.8	26.0	23.7	2.3	-15.6	16.7	7.6
Margin (%)	71.3	76.4	77.5	78.4	75.6	73.4	71.1	68.3	76.0	72.2

JSW Energy Buy

CMP: INR724 | TP: INR917 (+27%)

- Revenue is likely to grow 8% YoY to INR35b, while EBITDA is expected to be ~INR19b.
- Adjusted PAT is expected to be ~INR7b, down 17% YoY, as 2QFY24 saw a one-off gain of INR1.7b.
- The first half of the fiscal year typically sees a stronger performance in both wind and hydro generation, which should enhance revenue.

Consolidated performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	29,279	32,594	25,428	27,559	28,795	35,162	42,238	46,684	1,14,859	1,52,878
YoY Change (%)	-3.3	36.5	13.1	3.2	-1.7	7.9	66.1	69.4	11.2	33.1
EBITDA	12,221	18,804	11,108	11,685	14,177	19,306	21,902	26,769	53,818	82,155
Margin (%)	41.7	57.7	43.7	42.4	49.2	54.9	51.9	57.3	46.9	53.7
Depreciation	3,979	4,087	4,001	4,267	3,755	5,562	7,547	7,855	16,334	24,718
Interest	4,857	5,137	5,208	5,332	5,111	5,608	6,962	7,246	20,534	24,926
Other Income	854	1,279	1,186	1,235	1,632	1,006	799	799	4,554	4,237
PBT before EO expense	4,238	10,859	3,086	3,321	6,944	9,143	8,193	12,467	21,504	36,747
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,238	10,859	3,086	3,321	6,944	9,143	8,193	12,467	21,504	36,747
Tax	1,356	2,351	779	-64	1,641	2,078	1,535	2,303	4,423	7,558
Rate (%)	32.0	21.6	25.3	-1.9	23.6	22.7	18.7	18.5	20.6	20.6
Minority Interest	0	0.0	0	0	0	5	7	7	19	19
Share of associates and JV	21	59	16	69	38	41	43	43	165	165
Reported PAT	2,904	8,568	2,322	3,453	5,342	7,106	6,700	10,207	17,247	29,354
Adj PAT	2,904	8,568	2,322	3,453	5,342	7,106	6,700	10,207	17,247	29,354
YoY Change (%)	-25.2	87.7	24.4	22.4	84.0	-17.1	188.5	195.6	31.3	70.2
Margin (%)	9.9	26.3	9.1	12.5	18.6	20.2	15.9	21.9	15.0	19.2

NTPC**Neutral****CMP: INR440 | TP: INR450 (+2%)**

- NTPC's standalone financial outlook indicates a stable projected revenue of INR416b.
- Adjusted PAT is estimated to surge 41% YoY, as 2QFY24 was impacted by one-off adjustments of INR6b relating to previous-year sales
- EBITDA is expected to improve 13% YoY to INR119b.

Standalone performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	3,91,223	4,08,753	3,94,553	4,25,322	4,44,192	4,16,934	4,18,042	4,62,207	16,19,850	17,41,375
YoY Change (%)	2.0	-0.3	-4.7	2.9	13.5	2.0	6.0	8.7	-1.1	7.5
EBITDA	1,13,694	1,05,375	99,411	1,13,344	1,24,466	1,19,503	1,27,027	1,28,381	4,31,824	4,99,377
Margin (%)	29.1	25.8	25.2	26.6	28.0	28.7	30.4	27.8	26.7	28.7
Depreciation	32,603	34,642	34,907	37,279	36,545	38,049	38,049	39,745	1,39,432	1,52,387
Interest	25,149	24,647	27,831	24,880	26,490	25,618	22,618	16,806	1,02,508	91,532
Other Income	5,584	6,426	8,325	16,887	6,338	7,135	8,620	14,741	37,222	36,834
PBT before EO expense	57,202	53,265	59,662	68,321	67,770	62,971	74,979	86,571	2,38,449	2,92,292
Extra-Ord expense	0	0	0	8,346	0	0	0	0	8,346	0
PBT	57,202	53,265	59,662	76,666	61,739	62,971	74,979	86,571	2,46,794	2,86,260
Tax	16,541	14,415	13,943	21,102	16,629	16,840	20,052	23,034	66,000	76,555
Rate (%)	29	27	23	28	27	27	27	27	27	27
Reported PAT	40,660	38,850	45,719	55,564	45,110	46,131	54,927	63,538	1,80,794	2,09,706
Adj PAT	36,820	32,610	43,559	51,074	48,622	46,131	54,927	63,538	1,64,054	2,13,218
YoY Change (%)	9.6	-9.3	-1.5	4.3	32.1	41.5	26.1	24.4	2.3	30.0
Margin (%)	9.4	8.0	11.0	12.0	10.9	11.1	13.1	13.7	10.1	12.2

Power Grid**Buy****CMP: INR351 | TP: INR425 (+21%)**

- Standalone revenue/EBITDA expected to grow of 7% YoY each to INR104b/INR91b.
- Expected reported PAT is lower by 5% YoY as the reported tax rate was 12% for 2QFY24 and we build in a normalized tax rate in 2QFY25.
- Adjusted PAT is anticipated to surge by 26% y-y, as 2QFY24 was positively impacted by one-off adjustments of ~INR5b.

Standalone Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	1,02,446	97,440	1,06,766	1,10,505	99,966	1,04,359	1,14,239	1,19,867	4,18,267	4,38,431
Change (%)	-2.7	-6.6	-0.6	-2.2	-2.4	7.1	7	8.5	-2.5	4.8
EBITDA	90,048	85,318	94,006	91,422	86,725	91,310	99,152	1,01,042	3,61,903	3,78,229
Change (%)	1.4	-3.5	0.2	-9	-3.7	7	5.5	10.5	-2.8	4.5
As of % Sales	87.9	87.6	88	82.7	86.8	87.5	86.8	84.3	86.5	86.3
Depreciation	31,414	31,418	31,586	31,164	30,732	31,148	35,019	36,977	1,25,582	1,33,876
Interest	21,214	23,891	25,156	20,208	21,601	23,494	27,486	26,268	90,469	98,848
Other Income	6,436	7,864	7,910	12,032	7,822	8,109	8,157	11,222	34,242	35,310
Extraordinary Inc / (Exp)	-2,860	5,561	1,123	-1,744	105	0	0	0	2,081	0
PBT	40,996	43,434	46,298	50,338	42,319	44,778	44,804	48,914	1,82,175	1,80,816
Tax	5,570	5,095	6,595	9,060	8,198	8,517	7,796	6,785	26,320	31,295
Effective Tax Rate (%)	13.6	11.7	14.2	18	19.4	19	17.4	13.9	14.4	17.3
Reported PAT	35,427	38,340	39,702	41,278	34,122	36,261	37,008	42,129	1,54,746	1,49,520
Change (%)	-5.9	6.5	14.5	-0.9	-3.7	-5.4	-6.8	2.1	2.3	-3.4
Adjusted PAT	40,836	28,707	37,616	44,452	34,070	36,261	37,008	42,129	1,51,612	1,49,469
Change (%)	8.4	-20.3	8.5	6.7	-16.6	26.3	-1.6	-5.2	0.2	-1.4

Tata Power

Buy

CMP: INR481 | TP: INR551 (+15%)

- TPWR's consolidated revenue to grow 21% YoY to INR190b.
- Adjusted PAT is anticipated to be flat YoY at INR12.9b.
- EBITDA is expected to increase by 6% YoY to INR32.6b.
- Adjusted PAT is likely to decrease 22% as 1QFY25 was impacted by a one-off adjustment of INR6b for regulated expenses.

Consolidated performance

(INRm)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,52,133	1,57,380	1,46,510	1,58,465	1,72,936	1,90,766	2,13,169	2,26,354	6,14,489	8,03,225
YoY Change (%)	5.0	13.4	3.7	27.2	13.7	21.2	45.5	42.8	11.5	30.7
EBITDA	29,436	30,910	24,174	23,318	35,867	32,679	34,199	36,315	1,07,838	1,39,060
Margins (%)	19.3	19.6	16.5	14.7	20.7	17.1	16.0	16.0	17.5	17.3
Depreciation	8,934	9,259	9,263	10,408	9,729	10,391	10,401	11,044	37,864	41,566
Interest	12,214	11,818	10,943	11,357	11,762	11,847	12,743	13,531	46,332	49,884
Other Income	2,714	2,395	6,431	6,174	2,474	3,922	3,815	4,051	18,234	14,262
Rate regulated activity	-2,100	-2,956	1,897	4,093	-4,840	0	0	0	934	-4,840
PBT before EO expense	8,902	9,272	12,297	11,819	12,009	14,362	14,871	15,791	42,811	57,033
Extra-Ord expense	2,347	520	0	387	0	0	0	0	2,734	0
PBT	11,249	9,792	12,297	12,206	12,009	14,362	14,871	15,791	45,544	57,033
Tax	3,346	2,133	4,126	4,914	3,017	4,077	4,884	5,186	14,519	17,164
Rate (%)	30	22	34	40	25	28	33	33	32	30
Share of associates and JV	3,507	2,515	2,590	3,164	2,894	2,691	2,263	2,403	11,776	10,251
Minority Interest	-1,685	-1,419	-1,231	-1,504	-2,177	-2,004	-1,859	-1,974	-5,839	-8,014
Reported PAT	11,410	10,174	10,761	10,455	11,886	12,977	12,250	13,007	42,801	50,120
Adj PAT	11,861	12,724	8,864	6,131	16,726	12,977	12,250	13,007	39,579	54,959

Others | Various Sectors

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

APL Apollo Tubes

Buy
CMP INR1,620 | TP: INR1,860 (+15%)
EPS CHANGE (%): FY25 | FY26: -14 | -7

- APL witnessed volume growth of ~12% YoY to 758,267 MT in 2QFY25 (up 5% QoQ).
- The price of primary steel HRC continues to be a key monitorable.
- Revenue is likely to grow ~13.5% YoY in 2QFY25.
- EBITDA is expected to decline 46% YoY, assuming EBITDA/MT of ~INR2,299 (down 52% YoY), on account of inventory losses and heavy discounting during the quarter.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	45,449	46,304	41,778	47,657	49,743	52,555	53,633	60,413	181,188	216,344
YoY Change (%)	32.2	16.7	-3.5	7.6	9.4	13.5	28.4	26.8	12.1	19.4
Total Expenditure	42,377	43,054	38,982	44,854	46,727	50,811	49,977	56,236	169,266	203,751
EBITDA	3,072	3,250	2,795	2,804	3,016	1,744	3,656	4,178	11,922	12,594
Margins (%)	6.8	7.0	6.7	5.9	6.1	3.3	6.8	6.9	6.6	5.8
Depreciation	409	413	471	466	465	535	560	603	1,759	2,163
Interest	271	266	285	311	278	255	200	155	1,134	888
Other Income	217	196	150	186	247	235	188	246	749	916
PBT before EO Expense	2,608	2,767	2,190	2,212	2,520	1,189	3,084	3,666	9,777	10,459
PBT	2,608	2,767	2,190	2,212	2,520	1,189	3,084	3,666	9,777	10,459
Tax	672	738	535	508	589	299	776	923	2,453	2,587
Rate (%)	25.8	26.7	24.4	23.0	23.4	25.2	25.2	25.2	25.1	24.7
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,936	2,029	1,655	1,704	1,932	890	2,308	2,743	7,324	7,872
Adj PAT	1,936	2,029	1,655	1,704	1,932	890	2,308	2,743	7,324	7,872
YoY Change (%)	60.5	35.1	-2.2	-15.5	-0.2	-56.1	39.4	60.9	14.1	7.5
Margins (%)	4.3	4.4	4.0	3.6	3.9	1.7	4.3	4.5	4.0	3.6

Cello

Buy
CMP INR904 | TP: INR1150 (+27%)
EPS CHANGE (%): FY25 | FY26: -2 | -3

- Revenue is likely to grow ~8% YoY due to relatively subdued growth in the stationery and furniture segment.
- Demand scenario and competitive intensity will be the key monitorables going forward.
- EBITDA margin is expected to remain around 25.7% during the quarter.
- Ramp-up of glassware capacity will be the key focus area.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	4,718	4,890	5,271	5,125	5,007	5,281	6,377	6,406	20,003	23,071
YoY Change (%)	NA	NA	NA	5.0	6.1	8.0	21.0	25.0	11.3	15.3
Total Expenditure	3,526	3,687	3,949	3,792	3,714	3,925	4,695	4,728	14,954	17,062
EBITDA	1,192	1,203	1,321	1,333	1,293	1,356	1,682	1,678	5,049	6,008
Margins (%)	25.3	24.6	25.1	26.0	25.8	25.7	26.4	26.2	25.2	26.0
Depreciation	118	127	147	175	141	165	190	205	567	701
Interest	6	7	5	8	6	4	3	3	26	16
Other Income	81	107	45	66	60	110	65	80	299	315
PBT before EO Expense	1,149	1,176	1,214	1,215	1,206	1,297	1,554	1,550	4,755	5,606
PBT	1,149	1,176	1,214	1,215	1,206	1,297	1,554	1,550	4,755	5,606
Tax	321	310	307	250	311	327	392	389	1,188	1,418
Rate (%)	27.9	26.4	25.3	20.6	25.8	25.2	25.2	25.1	25.0	25.3
Minority Interest & Profit/Loss of Asso. Cos.	54	66	58	77	69	80	66	88	256	303
Reported PAT	774	800	849	888	826	890	1,096	1,073	3,311	3,886
Adj PAT	774	800	849	888	826	890	1,096	1,073	3,311	3,886
YoY Change (%)	NA	NA	NA	-81.8	6.6	11.2	29.2	20.9	24.4	17.4
Margins (%)	16.4	16.4	16.1	17.3	16.5	16.8	17.2	16.8	16.6	16.8

Coromandel International**Buy****CMP INR1,571 | TP: INR1,810 (+15%)****EPS CHANGE (%): FY25 | FY26: -3 | 0**

- Fertilizer manufacturing volumes/trading volumes are expected to grow 13%/9% YoY each.
- Crop protection revenue is expected to remain flat during the quarter.
- Fertilizer manufacturing (NPK and DAP) EBIDTA/MT is expected to be ~INR6,106.
- Raw material and product pricing scenario will be the key monitorables.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
Consolidated	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	56,934	69,881	54,642	39,127	47,288	69,903	60,590	41,682	220,584	219,463
YoY Change (%)	-0.6	-30.9	-34.2	-28.5	-16.9	0.0	10.9	6.5	-25.5	-0.5
Total Expenditure	49,842	59,294	51,063	36,397	42,231	60,677	54,523	38,311	196,596	195,741
EBITDA	7,092	10,587	3,578	2,730	5,058	9,226	6,067	3,371	23,988	23,722
Margins (%)	12.5	15.2	6.5	7.0	10.7	13.2	10.0	8.1	10.9	10.8
Depreciation	481	540	635	630	653	655	657	660	2,286	2,625
Interest	405	462	381	617	574	450	400	375	1,866	1,799
Other Income	445	448	585	835	541	537	702	1,002	2,314	2,783
PBT before EO Expense	6,651	10,033	3,147	2,319	4,372	8,659	5,712	3,338	22,150	22,081
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
PBT	6,651	10,033	3,147	2,319	4,372	8,659	5,712	3,338	22,150	22,081
Tax	1,674	2,450	776	578	1,125	2,179	1,438	840	5,478	5,583
Rate (%)	25.2	24.4	24.7	24.9	25.7	25.2	25.2	25.2	24.7	25.3
Minority Interest & P/L of Asso. Cos.	36	15	61	138	137	16	64	144	250	361
Reported PAT	4,940	7,569	2,310	1,603	3,110	6,464	4,210	2,354	16,422	16,137
Adj PAT	4,940	7,569	2,310	1,603	3,110	6,464	4,210	2,354	16,422	16,137
YoY Change (%)	-1.0	2.2	-56.2	-34.9	-37.1	-14.6	82.3	46.8	-18.4	-1.7
Margins (%)	8.7	10.8	4.2	4.1	6.6	9.2	6.9	5.6	7.4	7.4

DreamFolks**Buy****CMP INR465 | TP: 720 (+55%)****EPS CHANGE (%): FY25 | 26: +3 | --**

- Revenue is expected to grow ~23% YoY, while gross margin is expected to be ~13.0% in 2QFY25.
- We expect margins expanding in later quarters due to seasonality and the contract renewal cycle.
- Commentary on demand scenario, newly launched highway services and margin would be key monitorable.

Consolidated - Quarterly performance**(INR Million)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	2,663	2,825	3,051	2,811	3,208	3,475	3,494	3,458	11,350	13,635
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	14.0	12.0	12.9
Employee benefit expenses (%)	2.8	2.6	2.4	2.3	3.2	2.6	2.7	2.7	10.0	11.2
EBITDA	176	243	274	246	229	316	314	346	939	1,205
Margins (%)	6.6	8.6	9.0	8.8	7.1	9.1	9.0	10.0	8.3	8.8
Depreciation	8.6	9.2	9.7	9.6	9.0	12.2	12.2	12.1	37.0	45.5
EBIT	168	234	264	237	220	304	302	334	902	1,160
Margins (%)	6.3	8.3	8.7	8.4	6.9	8.8	8.7	9.7	7.9	8.5
Interest	2	3	3	4	3	3	3	3	12	13
Other Income	11	5	7	11	17	19	19	19	33	75
PBT	176	236	268	243	234	320	318	349	924	1,221
Tax	47	60	68	64	63	82	81	89	238	315
Rate (%)	26.4	25.3	25.2	26.4	26.8	25.5	25.5	25.5	25.8	25.8
PAT	130	177	200	179	171	238	237	260	686	907
YoY Change (%)	-3.5	19.2	5.5	-29.3	32.3	34.8	18.3	45.4	-5.3	32.3
Margins (%)	4.9	6.3	6.6	6.4	5.3	6.9	6.8	7.5	6.0	6.7

EPL**Buy****CMP INR265 | TP: INR310 (+17%)****EPS CHANGE (%): FY25 | FY26: +2 | +4**

- Revenue is expected to grow 9% YoY on broad-based growth across geographies.
- EBITDA margin is likely to expand ~150bp YoY.
- Increasing the share of fully recyclable tubes will be a key focus area.
- Ramp-up of the Brazil plant and prices of raw materials will be the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	9,102	10,016	9,751	10,292	10,074	10,929	10,663	11,073	39,161	42,738
YoY Change (%)	9.4	5.6	3.2	6.2	10.7	9.1	9.4	7.6	6.0	9.1
Total Expenditure	7,512	8,206	7,917	8,383	8,216	8,785	8,554	8,845	32,018	34,401
EBITDA	1,590	1,810	1,834	1,909	1,858	2,144	2,108	2,228	7,143	8,338
Margins (%)	17.5	18.1	18.8	18.5	18.4	19.6	19.8	20.1	18.2	19.5
Depreciation	800	836	842	850	836	870	900	940	3,328	3,546
Interest	235	306	294	321	290	276	266	259	1,156	1,091
Other Income	100	96	237	161	65	140	177	125	594	507
PBT before EO Expense	655	764	935	899	797	1,138	1,119	1,153	3,253	4,207
Extra-Ord Expense	0	0	0	605	0	0	0	0	605	0
PBT	655	764	935	294	797	1,138	1,119	1,153	2,648	4,207
Tax	106	254	70	152	139	275	271	281	582	967
Rate (%)	16.2	33.2	7.5	51.7	17.4	24.2	24.2	24.4	22.0	23.0
Minority Interest & Profit/Loss of Asso. Cos.	-6	-5	-4	81	-16	-5	-4	86	66	61
Reported PAT	543	505	861	223	642	858	844	958	2,132	3,302
Adj PAT	543	505	861	677	642	858	844	958	2,586	3,302
YoY Change (%)	57.4	9.3	37.1	-19.7	18.2	69.8	-2.0	41.5	13.5	27.7
Margins (%)	6.0	5.0	8.8	6.6	6.4	7.8	7.9	8.7	6.6	7.7

Godrej Agrovet**Buy****CMP INR739 | TP: INR940 (+27%)****EPS CHANGE (%): FY25 | FY26: -2 | -2**

- Revenue in the animal feed business is expected to be flat. Weak volumes are expected in crop protection due to erratic rains.
- The performance outlook on Astec and domestic crop protection will be the key focus area.
- EBITDA margin is expected to marginally expand to 9.2% from 7.8% in 2QFY25 on account of a broad-based recovery.
- Raw material (such as maize and soybean) and palm oil prices are the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	25,102	25,709	23,452	21,343	23,508	24,868	25,602	23,829	95,606	97,806
YoY Change (%)	0.0	5.1	0.9	1.9	-6.4	-3.3	9.2	11.6	2.0	2.3
Total Expenditure	23,173	23,694	21,861	19,863	21,246	22,586	23,216	21,732	88,591	88,780
EBITDA	1,929	2,014	1,591	1,480	2,261	2,282	2,386	2,097	7,015	9,026
Margins (%)	7.7	7.8	6.8	6.9	9.6	9.2	9.3	8.8	7.3	9.2
Depreciation	528	529	530	556	546	579	598	619	2,143	2,342
Interest	295	279	251	254	302	310	315	320	1,079	1,247
Other Income	115	112	84	102	92	112	98	149	413	452
PBT before EO Expense	1,222	1,318	894	772	1,506	1,505	1,571	1,308	4,206	5,889
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
PBT	1,222	1,318	894	772	1,506	1,505	1,571	1,308	4,206	5,889
Tax	353	369	191	220	345	379	395	329	1,133	1,448
Rate (%)	28.9	28.0	21.3	28.5	22.9	25.2	25.2	25.2	26.9	24.6
Minority Interest & Profit/Loss of Asso. Cos.	-185	-104	-215	-19	-190	-156	-138	-118	-523	-602
Reported PAT	1,053	1,053	918	571	1,352	1,282	1,314	1,096	3,596	5,043
Adj PAT	1,053	1,053	918	571	1,352	1,282	1,314	1,096	3,596	5,043
YoY Change (%)	27.3	46.7	43.5	84.2	28.3	21.8	43.0	91.9	44.1	40.3
Margins (%)	4.2	4.1	3.9	2.7	5.7	5.2	5.1	4.6	3.8	5.2

Gravita Industries**Buy****CMP INR2,465 | TP: INR2,900 (+18%)****EPS CHANGE (%): FY25 | FY26: -1 | 0**

- Revenue is expected to grow 20% YoY, fueled by healthy growth in the lead segment.
- Growth of the domestic business, led by favorable regulatory policies, will be the focus area.
- EBITDA margin is expected to expand to 10% from 8.7% in 2QFY25
- The ramp-up of the aluminum and plastic segment will be key monitorable.

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

Y/E March	FY24				FY25			FY24	FY25	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE			4QE
Gross Sales	7,034	8,362	7,578	8,634	9,079	10,051	9,917	11,034	31,608	40,081
YoY Change (%)	5.6	44.2	11.0	9.4	29.1	20.2	30.9	27.8	12.9	26.8
Total Expenditure	6,450	7,636	6,774	7,913	8,202	9,041	8,853	9,785	28,772	35,880
EBITDA	584	726	804	722	877	1,010	1,064	1,250	2,836	4,200
Margins (%)	8.3	8.7	10.6	8.4	9.7	10.0	10.7	11.3	9.0	10.5
Depreciation	79	86	90	125	65	85	97	120	380	367
Interest	127	112	130	124	130	132	135	140	492	537
Other Income	234	141	154	249	69	35	20	46	778	170
PBT before EO Expense	612	670	738	722	751	828	852	1,036	2,742	3,466
PBT	612	670	738	722	751	828	852	1,036	2,742	3,466
Tax	86	82	123	28	71	103	106	135	319	416
Rate (%)	14.1	12.2	16.7	3.9	9.4	12.5	12.5	13.1	11.6	12.0
Minority Interest & Profit/Loss of Asso. Cos.	5	10	12	4	7	9	11	5	31	31
Reported PAT	521	579	603	690	673	715	735	896	2,392	3,019
Adj PAT	521	579	603	690	673	715	735	896	2,392	3,019
YoY Change (%)	26.0	36.1	35.2	37.4	29.3	23.7	21.9	29.9	18.9	26.2
Margins (%)	7.4	6.9	8.0	8.0	7.4	7.1	7.4	8.1	7.6	7.5

IndiaMART**Buy****CMP: INR2,996 | TP: INR3,700(+24%)****EPS CHANGE (%): FY25 | 26 +1 | +3**

- Revenue is expected to grow ~19% YoY. Expect 1.5% QoQ/11% YoY growth in ARPU.
- As customer growth picks up, the margin expansion will normalize to gradual operating leverage inherent in the business.
- Outlook on paid subscribers and margin would be key monitorable.

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

Y/E March	FY24				FY25E			FY24	FY25E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE			4QE
Gross Sales	2,821	2,947	3,053	3,147	3,313	3,502	3,654	3,820	11,968	14,289
YoY Change (%)	25.6	22.5	21.4	17.1	17.4	18.8	19.7	21.4	21.5	19.4
Total Expenditure	2,048	2,150	2,200	2,260	2,120	2,415	2,532	2,595	8,658	9,662
EBITDA	773	797	853	887	1,193	1,087	1,122	1,224	3,310	4,627
Margins (%)	27.4	27.0	27.9	28.2	36.0	31.1	30.7	32.1	27.7	32.4
Depreciation	74	80	84	127	81	91	91	92	365	355
Interest	22	23	22	22	20	20	20	20	89	80
Other Income	571	346	417	772	532	442	460	478	2,106	1,913
PBT before EO expense	1,248	1,040	1,164	1,510	1,624	1,419	1,471	1,591	4,962	6,105
Extra-Ord expense	18	0	0	0	0	0	0	0	18	0
PBT	1,230	1,040	1,164	1,510	1,624	1,419	1,471	1,591	4,944	6,105
Tax	293	239	277	395	374	341	353	382	1,204	1,449
Rate (%)	23.8	23.0	23.8	26.2	23.0	24.0	24.0	24.0	24.4	23.7
Minority Interest & Profit/Loss of Asso. Cos.	106	110	72	116	112	112	112	112	404	448
Reported PAT	831	691	815	999	1,138	966	1,006	1,097	3,336	4,207
Adj PAT	849	691	815	999	1,138	966	1,006	1,097	3,354	4,207
YoY Change (%)	81.8	1.0	33.1	79.0	34.0	39.9	23.4	9.8	44.5	25.4
Margins (%)	30.1	23.4	26.7	31.7	34.3	27.6	27.5	28.7	28.0	29.4

Indian Hotels

Buy

CMP INR681 | TP: 770 (+13%)

EPS CHANGE (%): FY25 | FY26: +7 | +10

- Revenue is expected to grow 26.8% YoY, while EBITDA margin is expected to be ~27.2% in 2QFY25.
- Performance of international subsidiaries and new businesses will be the key monitorable.
- Ex-TajSATS the revenue growth for the quarter is 14% with EBITDA margin of 27.7%
- Demand scenario in key markets, improvement in occupancy, and ARR are key focus areas

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E*
	1Q	2Q	3Q	4Q	1Q	2QE*	3QE*	4QE*		
Gross Sales	14,664	14,332	19,638	19,053	15,502	18,172	25,202	25,207	67,688	84,083
YoY Change (%)	15.8	16.3	16.5	17.2	5.7	26.8	28.3	32.3	16.5	24.2
Total Expenditure	10,562	10,784	12,315	12,455	11,006	13,223	15,735	16,072	46,116	56,036
EBITDA	4,102	3,548	7,324	6,598	4,496	4,949	9,468	9,135	21,571	28,048
Margins (%)	28.0	24.8	37.3	34.6	29.0	27.2	37.6	36.2	31.9	33.4
Depreciation	1,091	1,112	1,143	1,197	1,173	1,240	1,250	1,292	4,543	4,955
Interest	565	591	532	515	499	550	531	500	2,202	2,080
Other Income	493	477	398	461	460	490	480	505	1,829	1,935
PBT before EO Expense	2,939	2,322	6,047	5,347	3,285	3,649	8,166	7,848	16,655	22,948
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
PBT	2,939	2,322	6,047	5,347	3,285	3,649	8,166	7,848	16,655	22,948
Tax	833	723	1,667	1,416	943	1,095	2,450	2,354	4,639	6,841
Rate (%)	28.4	31.1	27.6	26.5	28.7	30.0	30.0	30.0	27.9	29.8
Minority Interest & Profit/Loss of Asso. Cos.	-118	-70	-140	-247	-142	96	136	49	-575	140
Reported PAT	2,224	1,669	4,520	4,178	2,484	2,458	5,580	5,445	12,591	15,967
Adj PAT	2,224	1,669	4,520	4,178	2,484	2,458	5,580	5,445	12,591	15,967
YoY Change (%)	25.7	48.6	18.1	27.3	11.7	47.3	23.5	30.3	25.6	26.8
Margins (%)	15.2	11.6	23.0	21.9	16.0	13.5	22.1	21.6	18.6	19.0

*Including TajSATS

Info Edge

Neutral

CMP: INR8,194 | TP: INR7,400 (-10%)

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

- Expect steady growth in recruitment vertical, driven by non-IT segment.
- Real Estate vertical is expected to revert to normal growth after facing uncertainty during the election period.
- The outlook on IT hiring and investee companies would be key monitorable.

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenues	5,843	5,930	5,954	6,083	6,389	6,619	6,986	7,344	23,811	27,337
YoY (%)	15.1	11.5	7.2	7.9	9.3	11.6	17.3	20.7	10.3	14.8
Salary costs	2,464	2,435	2,422	2,500	2,587	2,721	2,891	3,056	9,821	11,254
Ad and Promotion costs	680	686	686	692	856	761	803	859	2,744	3,280
Other Expenses	432	398	439	422	452	437	461	485	1,692	1,835
EBITDA	2,266	2,411	2,407	2,469	2,495	2,700	2,831	2,944	9,554	10,969
EBITDA Margin (%)	38.8	40.7	40.4	40.6	39.0	40.8	40.5	40.1	40.1	40.1
Depreciation	153	176	174	174	175	165	175	184	677	699
EBIT Margin (%)	36.2	37.7	37.5	37.7	36.3	38.3	38.0	37.6	37.3	37.6
Other Income	578	636	650	728	770	662	734	771	2,592	2,936
PBT bef. Extra-ordinary	2,667	2,824	2,837	2,976	3,043	3,150	3,341	3,480	11,306	13,013
Provision for Tax	668	687	701	745	720	756	785	818	2,802	3,079
ETR (%)	25.0	24.3	24.7	25.0	23.7	24.0	23.5	23.5	24.8	23.7
PAT bef. Extra-ordinary	1,999	2,087	2,136	2,109	2,323	2,394	2,556	2,662	8,332	9,934
EOI	0	-50	0	-121	0	0	0	0	-171	0
Reported PAT	1,999	2,137	2,136	2,231	2,323	2,394	2,556	2,662	8,504	9,934
QoQ (%)	1.1	6.9	-0.1	4.4	4.1	3.1	6.7	4.2		
YoY (%)	34.7	27.1	11.4	12.9	16.2	12.0	19.6	19.3	20.5	16.8
Adj EPS (INR)	15.5	16.2	16.5	16.3	18.0	18.5	19.8	20.6	64.3	76.6

InterGlobe Aviation**Neutral****CMP INR4,905 | TP: INR4,655 (-5%)****EPS CHANGE (%): FY25|26: -3|+3**

- Expect ASK at 27.2b (-23% YoY), PLF at 83.5% (up from 83.3% in 2QFY24) and RPK of 22.7b (down 23% YoY).
- Outlook on P&W engine-fitted aircraft (being grounded in FY25) is a key monitorable. Further, the commentary on impending competition would be keenly monitored.
- According to our database, INDIGO's average fare was up 1% QoQ at INR6,049 on one-month forward bookings, while the same was down 14% QoQ at INR5,359 on 15-day forward bookings.
- International expansion is the focus area for the management with the addition of new networks and code share agreements.

Standalone Quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	166.8	149.4	194.5	178.3	195.7	122.0	193.6	193.4	689.0	704.8
YoY Change (%)	29.8	19.6	30.3	25.9	17.3	-18.3	-0.5	8.5	26.6	2.3
EBITDAR	51.6	23.9	54.4	43.7	57.7	18.2	70.8	44.3	173.7	191.0
Margin (%)	30.9	16.0	28.0	24.5	29.5	14.9	36.6	22.9	25.2	27.1
Net Rentals	1.9	2.0	3.0	3.9	6.2	1.4	1.7	2.1	10.8	11.5
EBITDA	49.7	22.0	51.4	39.8	51.5	16.7	69.1	42.2	162.9	179.5
Margin (%)	29.8	14.7	26.4	22.4	26.3	13.7	35.7	21.8	23.6	25.5
Depreciation	14.0	15.5	16.6	18.0	18.7	18.8	18.9	10.9	64.1	67.2
Interest	9.5	10.2	11.0	11.0	11.6	11.6	11.7	7.4	41.7	42.3
Other Income	4.8	5.6	6.1	6.8	6.8	6.8	6.9	4.4	23.3	24.9
PBT	30.9	1.9	30.0	17.7	28.0	-6.8	45.4	28.4	80.4	94.9
Reported PAT	30.9	1.9	30.0	18.9	27.3	-6.8	34.0	20.4	81.7	74.8
EPS	80.0	4.9	77.7	49.1	70.6	-17.7	88.0	52.9	211.6	193.8
YoY Change (%)	LP	LP	111.4	106.8	-11.7	PL	13.3	7.8	LP	-8.4

Kajaria Ceramics**Buy****CMP INR1,481 | TP: INR1,750 (+18%)****EPS CHANGE (%): FY25|FY26: +0.1|-0.0**

- Estimate sales volume to grow 8% YoY (+5% QoQ) in 2QFY25. Realization is estimated to decline 4% YoY and 1% QoQ.
- Gross margin is estimated to contract 90bp YoY to 38.5%.
- EBITDA is estimated to remain flat YoY and OPM is likely to dip 72bp YoY to ~15%.
- Adjusted net profit after MI is also estimated to remain flat YoY at INR1.1b.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	10,642	11,216	11,518	12,408	11,137	11,800	12,469	14,176	45,784	49,575
YoY Change (%)	5.6	4.1	5.6	3.0	4.6	5.2	8.3	14.2	4.5	8.3
Total Expenditure	8,950	9,419	9,730	10,688	9,466	9,995	10,511	11,731	38,787	41,703
EBITDA	1,692	1,797	1,788	1,720	1,671	1,805	1,958	2,445	6,997	7,872
Margins (%)	15.9	16.0	15.5	13.9	15.0	15.3	15.7	17.3	15.3	15.9
Depreciation	305	361	389	425	421	428	431	443	1,480	1,724
Interest	53	43	50	66	47	40	45	53	211	185
Other Income	93	83	113	174	102	125	135	193	462	555
PBT before EO expense	1,427	1,477	1,462	1,403	1,304	1,462	1,617	2,142	5,768	6,518
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,427	1,477	1,462	1,403	1,304	1,462	1,617	2,142	5,768	6,518
Tax	336	366	379	354	327	364	403	528	1,435	1,621
Rate (%)	23.5	24.8	25.9	25.2	25.0	24.9	24.9	24.6	24.9	24.9
Adj PAT	1,091	1,110	1,083	1,050	978	1,098	1,214	1,614	4,334	4,897
MI & P/L of Asso. Cos.	16	31	41	25	48	20	25	29	113	122
Adj PAT	1,075	1,080	1,042	1,024	898	1,078	1,189	1,579	4,221	4,744
YoY Change (%)	16.5	60.8	40.2	-2.3	-16.4	-0.1	14.1	54.1	24.7	13.1
Margins (%)	10.1	9.6	9.0	8.3	8.1	9.1	9.5	11.1	9.2	9.6

Lemon Tree Hotels**Buy****CMP INR122 | TP: INR165 (+35%)****EPS CHANGE (%): FY25 | FY26: -3 | -1**

- Revenue is expected to grow 23% YoY and EBITDA margin is expected to be ~44.2% in 2QFY25.
- The demand scenario in key markets (Mumbai and Delhi) and Occupancy/ARR trend are the key monitorables.
- The ramp-up of Aurika Mumbai will be a key focus area.
- Any update on the management contract pipeline is a key monitorable.

Consolidated Quarterly Performance**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	2,223	2,272	2,887	3,273	2,680	2,799	3,919	3,776	10,655	13,175
YoY Change (%)	15.7	15.5	23.6	29.5	20.6	23.2	35.8	15.4	21.8	23.7
Total Expenditure	1,178	1,253	1,490	1,558	1,530	1,561	1,948	1,865	5,479	6,904
EBITDA	1,045	1,019	1,397	1,715	1,151	1,239	1,971	1,911	5,176	6,271
Margins (%)	47.0	44.8	48.4	52.4	42.9	44.2	50.3	50.6	48.6	47.6
Depreciation	228	226	333	334	346	348	350	355	1,121	1,399
Interest	481	473	534	528	518	505	480	460	2,016	1,963
Other Income	24	29	22	39	4	40	50	41	113	135
PBT before EO Expense	359	348	552	892	291	426	1,191	1,137	2,151	3,045
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0
PBT	359	348	552	892	291	426	1,191	1,137	2,151	3,045
Tax	87	86	118	50	91	102	285	271	341	748
Rate (%)	24.2	24.8	21.3	5.6	31.2	23.9	23.9	23.8	15.9	24.6
MI & P/L of Asso. Cos.	38	35	80	172	2	58	112	248	325	419
Reported PAT	235	226	354	670	198	266	795	619	1,485	1,878
Adj PAT	235	226	354	670	198	266	795	619	1,485	1,878
YoY Change (%)	34.5	35.1	-11.4	52.4	-15.6	17.4	124.5	-7.6	25.7	26.5
Margins (%)	10.6	10.0	12.3	20.5	7.4	9.5	20.3	16.4	13.9	14.3

MTAR Technologies**Buy****CMP INR1,732 | TP: INR2,100 (+35%)****EPS CHANGE (%): FY25 | FY26: 0 | 0**

- The company is expected to post revenue growth after three quarters, with revenue growing 18% YoY in 2QFY25.
- Order inflow from existing US customers and new customers will be the key monitorable.
- EBITDA margin is expected to contract to ~19.6% in 2QFY25 vs. ~21.6% in 2QFY25.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	1,526	1,668	1,184	1,430	1,283	1,969	2,013	2,359	5,808	7,623
YoY Change (%)	67.6	32.2	-26.1	-27.2	-15.9	18.0	70.0	65.0	1.2	31.3
Total Expenditure	1,180	1,307	945	1,247	1,117	1,584	1,549	1,771	4,681	6,020
EBITDA	345	361	239	182	166	385	464	588	1,127	1,603
Margins (%)	22.6	21.6	20.2	12.7	12.9	19.6	23.0	24.9	19.4	21.0
Depreciation	56	58	58	59	61	62	65	75	232	263
Interest	57	55	56	55	48	50	52	55	223	205
Other Income	41	8	5	4	5	25	28	30	58	88
PBT before EO Expense	273	257	129	72	62	298	375	488	730	1,223
PBT	273	257	129	72	62	298	375	488	730	1,223
Tax	69	52	24	23	18	75	94	123	169	310
Rate (%)	25.4	20.3	18.9	32.2	28.6	25.2	25.2	25.2	23.2	25.4
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	203	205	104	49	44	223	280	365	561	913
Adj PAT	203	205	104	49	44	223	280	365	561	913
YoY Change (%)	25.4	-17.1	-66.8	-84.3	-78.2	9.0	168.5	649.5	-45.7	62.7
Margins (%)	13.3	12.3	8.8	3.4	3.5	11.3	13.9	15.5	9.7	12.0

Quess**Neutral****CMP INR773 | TP: INR770 (-1%)****EPS CHANGE (%): FY25 | 26: +1 | +4**

- Expect revenue growth of 3.3% QoQ/8.8% YoY in 2QFY25.
- Margin recovery to remain gradual; margins should largely remain flat QoQ.
- For IT Staffing, good trends in replacement and niche hiring, with the intensity of decline easing. We anticipate an uptick in 2HFY25.
- Commentary on IT staffing, de-merger and margins to be a key monitorable.

Consolidated - Quarterly

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	46,002	47,483	48,418	49,098	50,031	51,678	53,265	54,537	1,91,001	2,09,511
YoY Change (%)	15.6	11.1	8.4	10.6	8.8	8.8	10.0	11.1	11.3	9.7
Total Expenditure	44,463	45,848	46,608	47,146	48,193	49,707	51,226	52,414	1,84,065	2,01,541
EBITDA	1,539	1,635	1,810	1,952	1,838	1,971	2,039	2,122	6,936	7,970
Margins (%)	3.3	3.4	3.7	4.0	3.7	3.8	3.8	3.9	3.6	3.8
Depreciation	686	697	718	731	690	748	748	748	2,832	2,933
EBIT	853	939	1,092	1,220	1,148	1,223	1,291	1,374	4,104	5,037
Margins (%)	1.9	2.0	2.3	2.5	2.3	2.4	2.4	2.5	2.1	2.4
Interest	272	281	354	266	235	257	257	257	1,173	1,006
Other Income	41	151	52	50	102	204	204	204	295	712
PBT before EO expense	621	809	790	1,005	1,014	1,170	1,238	1,321	3,226	4,743
Recurring Tax	140	83	-45	-30	69	117	124	132	148	442
Rate (%)	22.6	10.3	-5.7	-3.0	6.8	10.0	10.0	10.0	4.6	9.3
MI & P/L of Asso. Cos.	3.1	-10	-2	35	78.7	0	0	0	25.5	78.7
Adjusted PAT	478	735	838	1,001	867	1,053	1,114	1,189	3,052	4,223
Extraordinary items	0	16	199	57	-171	0	0	0	272	-171
Reported PAT	478	719	639	944	1,038	1,053	1,114	1,189	2,780	4,394
YoY Change (%)	-22.0	71.0	-27.4	184.9	117.1	46.4	74.3	26.0	23.8	58.0
Margins (%)	1.0	1.5	1.3	1.9	2.1	2.0	2.1	2.2	1.5	2.1

SIS**Buy****CMP INR414 | TP: INR530 (+28%)****EPS CHANGE (%): FY25 | 26: -- | -5**

- Expect double-digit YoY growth to continue in 2QFY25.
- FM business margin is expected to inch up toward 5.0% by 1QFY26. Overall margin recovery to remain gradual; margins to largely remain flat QoQ.
- The outlook on margin is a key monitorable.
- International business will have a couple of quarters to pass through higher wage costs and labor issues.
- The company expects two quarters of turbulence in the International business, particularly in Australia.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	29,767	30,736	30,734	31,376	31,299	34,508	35,291	36,213	1,22,614	1,37,311
YoY Change (%)	11.1	11.1	5.8	4.7	5.1	12.3	14.8	15.4	8.1	12.0
Total Expenditure	28,377	29,292	29,221	30,537	29,925	32,797	33,466	34,296	1,17,426	1,30,484
EBITDA	1,390	1,445	1,514	839	1,374	1,712	1,824	1,917	5,188	6,827
Margins (%)	4.7	4.7	4.9	2.7	4.4	5.0	5.2	5.3	4.2	5.0
Depreciation	358	404	416	486	427	469	487	508	1,663	1,891
Interest	327	347	404	403	422	200	200	129	1,482	951
Other Income	88	125	54	160	118	118	118	45	427	400
PBT	793	819	748	111	643	1,161	1,256	1,325	2,470	4,385
Tax	-50	132	447	289	70	58	63	66	819	257
Rate (%)	-6.2	16.1	59.8	261.6	10.9	5.0	5.0	5.0	33.1	5.9
Minority Interest & Profit/Loss of Asso. Cos.	52	66	69	62	69	64	64	65	249	261
Adjusted PAT	895	753	369	-117	642	1,167	1,256	1,324	1,900	4,390
YoY Change (%)	8.4	11.6	-64.3	-112.6	-28.3	55.0	240.2	NA	-45.2	131.0
Margins (%)	3.0	2.4	1.2	-0.4	2.1	3.4	3.6	3.7	1.5	3.2

TeamLease

Buy

CMP INR3131 | TP: INR4000 (+28%)

EPS CHANGE (%): FY25|26: -7| -7

- Expect robust sequential growth in 2QFY25. Ed-tech to see uptick due to admission that pushed out in 1Q.
- Company expect 2HFY25 to be better than 1HFY25.
- Margin should see a 20bp QoQ improvement in 2QFY25.
- Commentary on IT hiring and margin to be a key monitorable.

Consolidated Quarterly Performance

	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue	21,716	22,726	24,454	24,320	25,799	27,417	29,059	29,362	93,215	1,11,636
YoY Change (%)	16%	16%	22%	20%	19%	21%	19%	21%	18%	20%
Total Expenditure	21,453	22,409	24,093	23,953	25,576	27,099	28,679	28,967	91,907	1,10,320
Reported EBITDA	263	318	361	367	223	318	381	395	1,308	1,317
Margins (%)	1.2%	1.4%	1.5%	1.5%	0.9%	1.2%	1.3%	1.3%	1.4%	1.2%
Reported EBIT	138	188	225	231	91	208	281	295	783	875
Margins (%)	0.6%	0.8%	0.9%	0.9%	0.4%	0.8%	1.0%	1.0%	0.8%	0.8%
Interest	21	25	31	26	30	20	20	20	102	90
Other Income	140	130	100	90	141	130	150	150	461	571
PBT before EO expense	258	294	294	295	202	318	411	425	1,141	1,356
Extra-Ord expense	0	0	-35	0	0	0	0	0	-35	0
Reported PBT	258	294	329	295	202	318	411	425	1,176	1,356
Tax	1	18	18	14	8	14	18	19	51	59
Rate (%)	0%	6%	6%	5%	4%	4%	4%	4%	4%	4%
Adjusted PAT	258	276	275	274	194	304	392	406	1,082	1,297
YoY Change (%)	-3%	-13%	-5%	12%	-25%	10%	43%	48%	-3%	20%
Margins (%)	1.2%	1.2%	1.1%	1.1%	0.8%	1.1%	1.4%	1.4%	1.2%	1.2%
Reported PAT	258	276	310	274	194	304	392	406	1,118	1,297
YoY Change (%)	-3%	-13%	7%	3%	-25%	10%	27%	48%	-2%	16%
Margins (%)	1.2%	1.2%	1.3%	1.1%	0.8%	1.1%	1.4%	1.4%	1.2%	1.2%

Updater Services

Buy

CMP INR381 | TP: INR490 (+29%)

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

- Expect revenue growth of 9.6% QoQ/19.1% YoY in 2QFY25. 2Q/3Q are typically stronger quarters for the company due to seasonal factors.
- Margin should remain range-bound in 2QFY25.
- The company's focus on high-margin customers and value-added services (BSS) should lead to a steady increase in profit margin going forward.
- Commentary on demand, high-margin BSS vertical and Airport business to be a key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	5,764	6,001	6,361	6,318	6,522	7,149	7,579	7,453	24,444	28,703
YoY Change (%)	20.3	16.7	17.3	10.5	13.1	19.1	19.1	18.0	16.0	17.4
Total Expenditure	5,404	5,616	5,959	5,944	6,112	6,692	7,094	6,976	22,923	26,874
Core EBITDA	360	385	401	374	409	458	485	477	1,520	1,829
Margins (%)	6.3	6.4	6.3	5.9	6.3	6.4	6.4	6.4	6.2	6.4
ESOP cost	0.0	31.7	21.7	18.9	0.0	21.4	22.7	22.4	72.3	66.5
Fair value changes	31.8	57.2	31.8	-47.4	0.0	0.0	0.0	0.0	105.9	0.0
EBITDA	329	296	348	403	409	436	462	455	1,342	1,762
Margins (%)	5.7	4.9	5.5	6.4	6.3	6.1	6.1	6.1	5.5	6.1
Depreciation	131	137	149	123	115	143	152	149	539.6	558.2
Interest	56	63	42	31	34	25	27	26	192.8	111.6
Other Income, net	27	27	93	56	65	43	45	45	236	198
PBT	169	123	250	305	326	311	330	324	846	1,290
Tax	45	31	44	63	69	47	49	49	183.2	213.9
Rate (%)	26.7	25.2	17.7	20.7	21.3	15.0	15.0	15.0	21.7	16.6
Minority Interest & Profit/Loss of Asso. Cos.	-5	-8	-3	-17	3	0	0	0	-17	3
Adjusted PAT	202	197	275	194	256	264	280	276	885	1,194
YoY Change (%)	-22.6	-19.8	114.2	-10.3	27.2	33.9	2.1	41.9	137.9	34.9
Margins (%)	3.5	3.3	4.3	3.1	3.9	3.7	3.7	3.7	3.6	4.2

UPL**Neutral****CMP INR621 | TP: INR650 (+5%)****EPS CHANGE (%): FY25|FY26: +1|0**

- LATAM is expected to witness a flattish growth while India is expected to witness ~9% revenue growth.
- Revenue is likely to grow 5% YoY while EBITDA is expected to remain flat YoY.
- The price trend in raw materials, debt levels, and capex plans will be the key monitorables.
- Global demand-supply scenario will be the key monitorable.

Cons.: Quarterly Earning Model**(INRb)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	89.6	101.7	98.9	140.8	90.7	106.5	106.8	153.5	431.0	457.5
YoY Change (%)	-17.2	-18.7	-27.7	-15.0	1.2	4.7	8.0	9.1	-19.6	6.2
Total Expenditure	73.7	86.0	94.7	121.5	79.2	89.7	86.6	124.4	375.8	380.0
EBITDA	15.9	15.8	4.2	19.3	11.5	16.8	20.1	29.1	55.2	77.5
Margins (%)	17.8	15.5	4.2	13.7	12.6	15.8	18.9	19.0	12.8	16.9
Depreciation	6.4	6.6	6.8	7.9	6.6	6.7	7.5	8.7	27.6	29.5
Interest	7.0	8.7	11.9	10.9	9.1	9.0	8.5	8.0	38.5	34.6
Other Income	1.0	1.1	1.5	1.3	1.0	1.0	1.4	1.2	4.8	4.6
Exch. Difference on Trade Rec./Payable	3.2	2.5	3.2	0.8	0.5	0.0	0.0	0.0	9.8	0.5
PBT before EO Expense	0.4	-1.0	-16.2	0.9	-3.7	2.1	5.6	13.6	-15.9	17.6
Extra-Ord Expense	0.4	0.9	0.2	1.1	0.5	0.0	0.0	0.0	2.5	0.5
PBT	0.0	-1.9	-16.4	-0.1	-4.2	2.1	5.6	13.6	-18.5	17.1
Tax	-1.6	-1.0	-0.6	1.1	0.7	0.4	1.0	2.5	-2.1	4.6
Rate (%)	3,280.0	51.9	3.6	-733.3	-17.0	18.0	18.0	18.0	11.3	26.7
MI & P/L of Asso. Cos.	-0.1	1.0	-3.6	-1.7	-1.1	1.1	-4.0	-1.7	-4.4	-5.8
Reported PAT	1.7	-1.9	-12.2	0.4	-3.8	0.6	8.6	12.9	-12.0	18.3
Adj PAT	4.0	1.1	-5.9	3.6	-2.0	0.6	8.6	12.9	2.8	20.1
YoY Change (%)	-61.7	-89.8	-144.2	-65.1	-150.8	-40.2	-245.0	254.5	-93.7	618.2
Margins (%)	4.5	1.0	-6.0	2.6	-2.2	0.6	8.0	8.4	0.6	4.4

Zomato**Buy****CMP INR274 | TP: INR320 (+17%)****EPS CHANGE (%): FY25|26: +8|+2**

- Overall, sequential growth is expected to remain robust in 2QFY25.
- For Blinkit, expect growth momentum to continue in 2QFY25. Hyperpure should also continue its upward trajectory.
- Margins should largely remain flat in 2QFY25.
- Watch out for outlook on growth, margin and Blinkit.

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

Y/E march	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue (net of delivery)	24,160	28,480	32,880	35,620	42,060	47,860	53,871	59,912	1,21,140	2,03,702
YoY Change (%)	70.9	71.4	68.8	73.2	74.1	68.0	63.8	68.2	71.1	68.2
Inventory of traded goods	5,620	6,740	7,820	8,640	10,990	12,962	14,907	17,143	28,820	56,002
Employee Expenses	3,380	4,170	4,230	4,810	5,290	5,026	4,774	4,536	16,590	19,625
Delivery expenses	8,100	9,190	10,680	11,180	13,280	10,709	11,405	11,690	39,150	47,083
Gross Profit	7,060	8,380	10,150	10,990	12,500	19,163	22,785	26,544	36,580	80,992
Margins (%)	29.2	29.4	30.9	30.9	29.7	40.0	42.3	44.3	30.2	39.8
Advertisement and sales promotion	3,140	3,550	3,740	3,890	3,960	4,215	4,414	4,516	14,320	17,105
Others	4,400	5,300	5,900	6,240	6,770	13,627	16,289	19,462	21,840	56,147
EBITDA	-480	-470	510	860	1,770	1,322	2,082	2,566	420	7,740
Margins (%)	-2.0	-1.7	1.6	2.4	4.2	2.8	3.9	4.3	0.3	3.8
Depreciation	1,300	1,280	1,280	1,400	1,490	2,154	2,424	2,696	5,260	8,764
Interest	180	160	180	200	250	335	377	419	720	1,381
Other Income	1,810	2,120	2,190	2,350	2,360	2,393	2,694	2,996	8,470	10,442
PBT before EO expense	-150	210	1,240	1,610	2,390	1,226	1,975	2,446	2,910	8,037
PBT	-150	210	1,240	1,610	2,390	1,226	1,975	2,446	2,910	8,037
Tax	-170	-150	-140	-140	-140	-200	-200	-200	-600	-740
Rate (%)	113.3	-71.4	-11.3	-8.7	-5.9	-16.3	-10.1	-8.2	NA	NA
Reported PAT	20	360	1,380	1,750	2,530	1,426	2,175	2,646	3,510	8,777
Adj PAT	20	360	1,380	1,750	2,530	1,426	2,175	2,646	3,510	8,777
YoY Change (%)	-101.1	-114	-139.8	-193.0	12,550	296	57.6	51.2	-136.1	150.1
Margins (%)	0.1	1.3	4.2	4.9	6.0	3.0	4.0	4.4	2.9	4.3

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