

**Market snapshot**



Equities - India	Close	Chg .%	CYTD.%
Sensex	81,007	-0.6	12.1
Nifty-50	24,750	-0.9	13.9
Nifty-M 100	58,466	-1.7	26.6
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,841	0.0	22.5
Nasdaq	18,374	0.0	22.4
FTSE 100	8,385	0.7	8.4
DAX	19,583	0.8	16.9
Hang Seng	7,179	-1.2	24.5
Nikkei 225	38,911	-0.7	16.3
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	74	0.2	-4.4
Gold (\$/OZ)	2,693	0.7	30.5
Cu (US\$/MT)	9,385	-0.4	10.9
Almn (US\$/MT)	2,516	-1.2	7.3
Currency	Close	Chg .%	CYTD.%
USD/INR	84.1	0.1	1.0
USD/EUR	1.1	-0.3	-1.9
USD/JPY	150.2	0.4	6.5
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.8	0.01	-0.4
10 Yrs AAA Corp	7.3	0.07	-0.5
Flows (USD b)	17-Oct	MTD	CYTD
FII	-0.9	-8.50	3.4
DII	0.59	8.80	49.0
Volumes (INRb)	17-Oct	MTD*	YTD*
Cash	1,059	1155	1293
F&O	4,34,322	4,17,183	3,82,683

Note: Flows, MTD includes provisional numbers.

\*Average



**Today's top research idea**

**Larsen & Toubro: Looking into near-term and long-term**

- ❖ LT has underperformed the broader capital goods index for the last six months on concerns related to weaker-than-expected domestic and international ordering.
- ❖ Despite muted ordering trends in FY25 so far, we see the following positive factors for LT: 1) strong order book sustaining healthy revenue growth, 2) an expected revival of domestic order inflows after state elections, 3) bottoming-out of margins, 4) fairly stable working capital, and 5) attractive valuations of 23x FY26E EPS for the core EPC segment.
- ❖ We do believe that LT's near-term performance may be influenced by narratives surrounding state elections and Middle East tensions; however, our long-term thesis on the company stays intact. We maintain BUY with our SOTP-based TP of INR4,250, valuing core business at 30x two-year earnings and a 25% holding company discount for subsidiaries.

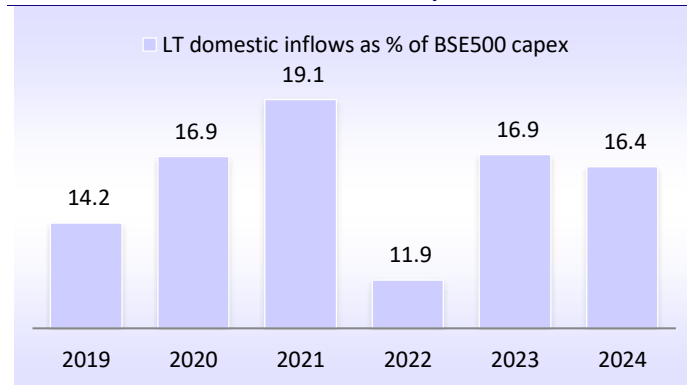


**Research covered**

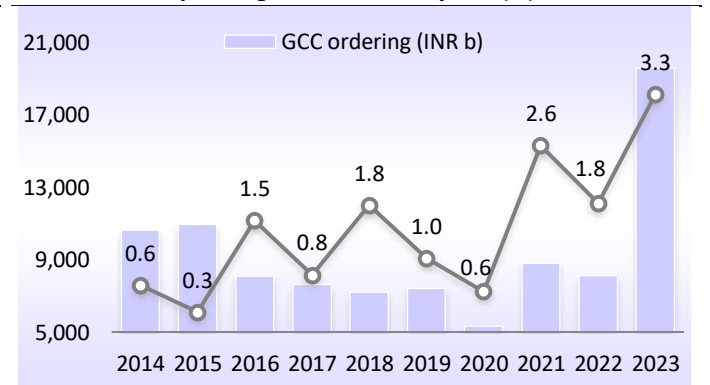
Cos/Sector	Key Highlights
Larsen & Toubro	Looking into near-term and long-term
Infosys	Guidance upgrade a dampener
Axis Bank	One-offs aid earnings; provisioning buffer fortified
Wipro	Healthy quarter, furlough softness ahead
Nestlé India	Weak revenue growth; miss on all fronts
LTIMindtree	A dose of cautious optimism
Other Updates	Havells India   Mphasis   Tata Communications   Tata Chemicals   Manappuram Finance   NBFC - Microfinance   Infrastructure   Oil & Gas   Polycab India   Bharat Forge   CEAT   EcoScope

**Chart of the Day: Larsen & Toubro (Looking into near-term and long-term)**

LT's domestic order inflows as a percentage of BSE500 companies' capex have remained broadly around 17% and this share has moved in line with BSE500 capex



LT's inflows from the Middle East have remained near 2.5-3.3% of overall GCC spending over last three years (%)



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

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



Kindly click on textbox for the detailed news link

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### **Bharat Forge to acquire AAM India for Rs 545 crore**

Bharat Forge Limited on Thursday announced that it has entered into a definitive agreement to acquire AAM India Manufacturing Corporation Private Limited (AAMIMCPL), which is a subsidiary of American Axle & Manufacturing Holdings at an enterprise value of Rs 5,445.30 million (Rs 545 crore)

2

### **Zepto in advance talks for funding of \$100 million**

Zepto competes directly with other quick commerce players such as Zomato-owned Blinkit, Prosus-backed Swiggy's Instamart, and Tata's BigBasket.

3

### **Prestige Estates Q2 bookings down 43% at Rs 4,022 cr despite strong demand**

In a regulatory filing on Thursday, Prestige Estates informed that it recorded sales of Rs 4,022.6 crore during the July-September quarter against Rs 7,092.6 crore in the year-ago period

4

### **Reliance partners with UK's Mothercare to strengthen presence in South Asia**

Reliance Brands, a unit of Reliance Industries Ltd, acquired a 51 per cent stake in the JV that owns the Mothercare brand and related intellectual property

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### **DGCA imposes penalty of Rs 30 lakh on Akasa Air for training lapses**

"We acknowledge receipt of an order by the DGCA dated 17 October 2024. We are working closely with the regulator on this matter," an airline spokesperson said

6

### **Quadria, TPG eye upto 25% stake for \$100 M in Samarth Life Sciences**

The transaction is expected to be purely secondary with the promoter group selling some of its stake

7

### **Apparel exports see a rebound; shipments rise 17.3 per cent in September**

AEPC will be conducting international roadshows in Spain and New York this month, to showcase the best of trade, technology and tradition.



# Larsen & Toubro

BSE SENSEX  
81,007

S&P CNX  
24,750

CMP: INR3,570

TP: INR4,250 (+19%)

Buy



Bloomberg	LT IN
Equity Shares (m)	1375
M.Cap.(INRb)/(USD b)	4909.1 / 58.4
52-Week Range (INR)	3949 / 2856
1, 6, 12 Rel. Per (%)	-1/-11/-8
12M Avg Val (INR M)	9167

### Financials & Valuations (INR b)

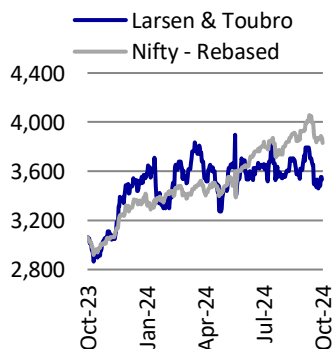
Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	2,491.4	2,841.1	3,195.0
EBITDA	268.9	315.4	354.0
PAT	148.4	186.6	217.3
EPS (INR)	108.0	135.7	158.1
GR. (%)	15.5	24.8	16.7
BV/Sh (INR)	712.1	816.6	938.6
<b>Ratios</b>			
ROE (%)	16.3	17.8	18.1
RoCE (%)	9.3	10.1	10.3
<b>Valuations</b>			
P/E (X)	32.8	26.3	22.5
P/BV (X)	5.0	4.4	3.8
EV/EBITDA (X)	18.3	15.6	13.9
Div Yield (%)	0.7	0.9	1.0

### Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	0.0	0.0	0.0
DII	40.3	38.7	37.1
FII	22.7	23.9	26.6
Others	37.0	37.4	36.3

FII Includes depository receipts

### Stock's performance (one-year)



## Looking into near-term and long-term

LT has underperformed the broader capital goods index for the last six months on concerns related to weaker-than-expected domestic and international ordering. Despite muted ordering trends in FY25 so far, we see the following positive factors for LT: 1) strong order book sustaining healthy revenue growth, 2) an expected revival of domestic order inflows after state elections, 3) bottoming-out of margins, 4) fairly stable working capital, and 5) attractive valuations of 23x FY26E EPS for the core EPC segment. We do believe that LT's near-term performance may be influenced by narratives surrounding state elections and Middle East tensions; however, our long-term thesis on the company stays intact. We maintain BUY with our SOTP-based TP of INR4,250, valuing core business at 30x two-year earnings and a 25% holding company discount for subsidiaries.

### Order inflows weak so far

Order inflows for LT have remained weak so far in 1HFY25 mainly due to a weaker-than-expected revival in domestic ordering. Elections, weak spending from the central government and lower-than-expected awarding from the private sector have resulted in subdued domestic ordering so far. We expect that after the state elections, ordering should start ramping up from sub-segments like transportation infra, energy, B&F, minerals and metals, state-specific water projects, and defense (Ref Exhibit 2, 3). International ordering is also expected to improve from renewables, natural gas, and transmission (Ref Exhibit 7).

### Can slowdown in Middle East ordering dry up projects? Maybe not

Overall ordering from the Middle East stood at ~USD237b in CY23 vs. USD103b in CY22. LT's international inflows have hovered in the range of 2.5-3.5% of overall GCC ordering for the last three years. With a high base of ordering in FY24 from the Middle East, we expect a moderation going ahead, but the activity in Saudi Arabia has remained strong so far. Saudi Arabia awarded contracts worth USD112b in CY23 and USD81b in 8MCY24, despite scaling down Giga-projects lately such as NEOM and LINE. This ordering was broad-based across projects like gas plant expansion from Saudi Aramco, the SPPC renewable energy program, water desalination, construction-related projects from NEOM, Diriyah Company, the Jeddah Central project, NHC, etc. There are about USD49b worth of individual contracts in Saudi Arabia at the bid evaluation stage, most of which have a strong likelihood of being awarded over the next four months. We, thus, believe that despite a slowdown in ordering from Giga-projects, other segments will continue to drive ordering activity, and we expect LT to continue to target opportunities in those projects. The near-term decline in international ordering due to a high base of last year for LT cannot be ruled out.

**Is execution impacted? Not yet**

LT already has a strong order book of INR4.9t, providing a visibility of 2.5x on revenues, which should help LT sustain healthy revenue growth over the next few years. Execution is currently going as per schedule on large-sized international projects, and hence we have factored in a CAGR of 14% core E&C revenue over FY24-27. We do see a possibility of LT's revenue growth outperforming its guidance of 15% in FY25.

**Is competition still high in projects? Yes**

LT has been facing increased competition in domestic projects, for which other EPC majors, such as Megha Engineering, Tata Projects, Afcons Infrastructure and IRCON, have started bidding aggressively, even for larger-sized orders. The company would refrain from entering into a bidding war and would adopt a selective approach to tenders that meet its profitability, working capital and execution criteria. This is also one of the reasons for lower ordering on the domestic side, where the company has prioritized margins and working capital over order accretion.

**Margins have a scope of expansion**

Over the last two years, LT's margins were impacted by legacy projects and sharp fluctuations in commodity prices. The company's current order book mix is around 60% toward variable pricing contracts and 40% towards fixed pricing contracts. With most commodities being range-bound in FY25 and the expected completion of legacy projects during 1HFY25, we expect margins to start inching up in the next few quarters. The company has, however, maintained its guidance of flat margins YoY in FY25.

**Working capital expected to remain comfortable**

Working capital has remained in the comfortable range for LT at 12%/13.9% of sales in FY24/1QFY25, due to its focus on collections and customer advances from international projects. With constant reduction in working capital, the company has managed to improve core business RoE over the last three years. We expect NWC as a percentage of sales to remain at around 18% for the core business.

**Valuation and view**

Adjusted for subsidiaries' valuations, LT's core EPC business is trading at 23x/21x FY26E/FY27E EPS. We maintain our estimates and TP of INR4,250 based on SOTP, valuing core business at 30x P/E on Jun'26E EPS and 25% holding company discount for subsidiaries. We reiterate our BUY rating on LT.

**Key risks and concerns**

A slowdown in order inflows, delays in the completion of mega and ultra-mega projects, a sharp rise in commodity prices, increase in working capital, and increased competition are a few downside risks to our estimates.



Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1968 TP: INR2200 (+12%) Buy**

**Guidance upgrade a dampener**

**Discretionary spend enthusiasm currently restricted to US banks**

Bloomberg	INFO IN
Equity Shares (m)	4152
M.Cap.(INRb)/(USD\$b)	8171.8 / 97.2
52-Week Range (INR)	1991 / 1344
1, 6, 12 Rel. Per (%)	3/27/12
12M Avg Val (INR M)	11617

■ Infosys (INFO) reported 2QFY25 revenue of USD4.9b, growth of 3.1% QoQ/3.3% YoY CC vs. our estimate of 3.0% QoQ CC. EBIT margins stood at 21.1% vs. our estimates of 20.3%. EBIT grew 4.4% QoQ/4.5% YoY to INR86b (est. INR83b). PAT came in at INR65b, up 2.2% QoQ/4.7% YoY, in line with our estimate of INR66b. FY25 revenue growth guidance upgraded from 3-4% to 3.75%-4.5%. For 1HFY25, revenue/EBIT/PAT grew 4.4%/4.8%/5.9% compared to 1HFY24. We expect revenue/EBIT/PAT to grow by 8.1%/8.8%/10.4% YoY in 2HFY25. INFO reported a deal TCV of USD2.4b, down 41.5% QoQ and 68.8% YoY.

**Financials & Valuations (INR b)**

Y/E Mar	FY25E	FY26E	FY27E
Sales	1,632	1,778	1,940
EBIT Margin (%)	20.8	21.0	21.3
PAT	263	295	330
EPS (INR)	63.5	71.2	79.7
EPS Gr. (%)	8.7	12.0	12.1
BV/Sh. (INR)	213	214	214

**Ratios**

RoE (%)	29.8	33.4	37.3
RoCE (%)	24.4	27.1	29.8
Payout (%)	85.0	85.0	85.0

**Valuations**

P/E (x)	31.0	27.7	24.7
P/BV (x)	9.2	9.2	9.2
EV/EBITDA (x)	21.3	18.8	17.1
Div Yield (%)	2.7	3.1	3.4

**Shareholding Pattern (%)**

As On	Jun-24	Mar-24	Jun-23
Promoter	13.1	13.1	13.3
DII	33.8	32.1	31.0
FII	39.8	41.4	41.1
Others	13.3	13.4	14.6

FII includes depository receipts

**Our view: Growth front-ended, 2H to be slower**

- Despite broad-based revenue growth this quarter, INFO’s commentary and guidance dampened expectations of a significant rebound in discretionary spending.
- INFO observed limited signs of recovery in discretionary expenditures, particularly outside the US banking sector. Additionally, the company deferred its wage hikes to 4QFY25 and 1QFY26, signaling the persistent uncertainties.
- **Guidance:** The guidance was upgraded by just 50bp at the top end despite a strong 3.5% CQGR in 1H, implying a muted CQGR of ~0.5% over 2HFY25. This indicates that despite client pessimism bottoming out, a lift-off in discretionary spends still eludes us.
- We argued the same in our Sep’24 thematic report ([Technology: Bounce-back! Charting the path to revival for IT services](#)); we believe recovery will be gradual and restricted to pockets such as US banking, healthcare, and manufacturing, and projects around ERP modernization and data will shoulder most of the growth burden.
- We were enthused, however, by the double digit YoY growth rate in small deals (less than USD50m TCV). The company was cautious in calling this out as a trend, but we believe these are the early signs of flow business returning to the company and the sector, positioning it well for FY26E.

**Valuation and change in estimates**

■ We have marginally tweaked our estimates for FY25/FY26/FY27E, driven by the slightly slower revenue growth build-out for the near term. Nonetheless, INFO has maintained its margin guidance of 20-22%, which we view as encouraging. We expect INFO to be a key beneficiary of the acceleration in IT spends in the medium term. We value INFO at 28x Sep’26 EPS. This yields a rounded TP of INR2,200, implying a 12% upside. We reiterate our **BUY** rating.

**Revenues in line; margins & guidance upgrade below estimates**

■ USD revenue grew 3.8% QoQ to USD4.9b. In CC, it was up 3.1% QoQ, in line with our estimate of 3.0% QoQ.



- FY25 CC revenue growth guidance upgrade was below our expectations: FY25 revenue growth guidance upgraded from 3-4% to 3.75-4.5% (expectation: 4-5%)
- Growth was broad-based: BFSI up 2.7% QoQ, whereas manufacturing was up ~6% QoQ (organic); hi-tech, communications, and energy grew as well. Retail was flat QoQ.
- EBIT margin was flat at 21.1% vs. our estimates of 20.3%. Employee count was up 1% QoQ.
- EBIT margin guidance was maintained in the 20-22% range.
- Large deal TCV stood at USD2.4b vs. USD4.1b in 1Q, down 41.5% QoQ. The book-to-bill ratio was 0.5x.
- LTM attrition was up 20bp QoQ at 12.9%. Utilization rose 60bp QoQ to 85.9% (ex-trainees).
- Adj. net profit grew 2% QoQ to INR65.1b, in-line with our estimate.

### Key highlights from the management commentary

- Clients continue to prioritize cost takeout over discretionary spend.
- INFO experienced growth across all major geographies and verticals. It is experiencing strong traction in cost efficiency and consolidation deals.
- Increased small deals (below USD50m) showed double-digit growth, representing green shoots in discretionary spend, and are broad-based across verticals. 3Q pipeline has increased with win rate expected to remain stable, aiding in deal closures and revenue generation.
- Revenue growth guidance was revised from 3.75% to 4.5%. H2 will be impacted by seasonality due to furloughs and fewer working days, but this has been factored into the guidance.
- Furloughs are expected to remain at regular levels. The pricing environment has been stable. Project Maximus and value-based selling have begun delivering benefits, with a significant delta between revenue and volume growth driven by pricing.
- In BFSI, growth was observed in capital markets, cards, payments, and mortgages with an uptick in discretionary spend.
- Large deals are focused on cost optimization, with some productivity elements driven by AI.

### Valuation and view

- We have marginally tweaked our estimates for FY25/FY26/FY27E, driven by the slightly slower revenue growth build-out for the near term. Nonetheless, INFO has maintained its margin guidance of 20-22%, which we view as encouraging. We expect INFO to be a key beneficiary of the acceleration in IT spends in the medium term. We value INFO at 28x Sep'26 EPS. This yields a rounded TP of INR2,200, implying a 12% upside. We reiterate our **BUY** rating.

**Quarterly Performance (IFRS)**

Y/E March	FY24				FY25E				FY24	FY25E	Est. 2QFY25	Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	4,617	4,718	4,663	4,564	4,714	4,894	4,912	4,961	18,562	19,481	4,882	0.2
QoQ (%)	1.4	2.2	-1.2	-2.1	3.3	3.8	0.4	1.0	1.9	5.0	3.6	26bp
Revenue (INR b)	379	390	388	379	393	410	413	417	1,537	1,632	409	0.2
YoY (%)	10.0	6.7	1.3	1.3	3.6	5.1	6.3	9.9	4.7	6.2	4.9	22bp
GPM (%)	30.5	30.7	29.8	29.5	30.9	30.5	30.3	29.3	30.1	30.2	29.5	100bp
SGA (%)	9.6	9.5	9.3	9.4	9.8	9.4	9.3	9.3	9.4	9.5	9.3	16bp
EBITDA	90	95	91	88	93	98	98	94	364	383	94	3.9
EBITDA Margin (%)	23.8	24.3	23.6	23.1	23.8	23.8	23.6	22.6	23.7	23.5	23.0	84bp
EBIT	79	83	80	76	83	86	86	83	317	339	83	4.3
EBIT Margin (%)	20.8	21.2	20.5	20.1	21.1	21.1	20.9	19.9	20.7	20.8	20.3	84bp
Other income	5	5	7	7	7	6	7	7	23	28	7	-17.0
ETR (%)	28.9	29.1	29.1	26.8	29.3	29.6	27.0	27.0	28.5	28.2	27.0	258bp
PAT	59	62	61	61	64	65	68	66	243	263	66	-1.2
QoQ (%)	-3.0	4.5	-1.7	-0.5	4.8	2.2	5.2	-3.4			3.4	-121bp
YoY (%)	10.9	3.2	-7.3	-0.9	7.1	4.7	12.1	8.8	1.0	8.2	6.0	-124bp
EPS (INR)	14.4	15.0	14.7	14.7	15.4	15.7	16.5	15.9	58.4	63.5	15.9	-1.2

**Key performance indicators**

Y/E March	FY24				FY25		FY24
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	1.0	2.3	-1.0	-2.2	3.6	3.1	
<b>Margins</b>							
Gross Margin	30.5	30.7	29.8	29.5	30.9	30.5	30.1
EBIT Margin	20.8	21.2	20.5	20.1	21.1	21.1	20.7
Net Margin	15.7	15.9	15.7	16.0	16.2	15.9	15.8
<b>Operating metrics</b>							
Headcount	336	329	323	317	315	318	317
Voluntary Attrition (%)	17.3	14.6	12.9	12.6	12.7	12.9	12.6
Deal Win TCV (USD b)	2.3	7.7	3.2	4.5	4.1	2.4	4.5
<b>Key Verticals (YoY CC %)</b>							
BFSI	(4.2)	(7.3)	(5.9)	(8.5)	0.3	2.3	-6.5
Retail	4.0	9.2	0.4	(3.7)	(3.0)	(9.6)	2.2
<b>Key Geographies (YoY CC%)</b>							
North America	2.1	1.0	(4.9)	(2.2)	(1.2)	(2.7)	-1.1
Europe	10.1	5.4	5.0	4.9	9.1	15.5	6.3



# Axis Bank

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,131 TP: INR1,225 (+8%) Neutral**

## One-offs aid earnings; provisioning buffer fortified

### LCR declines 5% QoQ to 115%

Bloomberg	AXSB IN
Equity Shares (m)	3090
M.Cap.(INRb)/(USD\$)	3501.3 / 41.6
52-Week Range (INR)	1340 / 951
1, 6, 12 Rel. Per (%)	-6/-4/-13
12M Avg Val (INR M)	11489

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	498.9	550.3	625.2
OP	371.2	421.5	493.6
NP	248.6	262.6	303.2
NIM (%)	3.8	3.7	3.7
EPS (INR)	80.7	85.1	98.2
EPS Gr. (%)	14.9	5.4	15.5
BV/Sh. (INR)	487	570	666
ABV/Sh. (INR)	469	550	644

### Ratios

RoA (%)	1.8	1.7	1.7
RoE (%)	18.0	16.1	15.9

### Valuations

P/E(X)	14.0	13.3	11.5
P/E(X)*	12.7	12.0	10.4
P/BV (X)	2.1	1.8	1.5
P/ABV (X)*	2.2	1.9	1.6

\* adjusted for subs

### Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	7.9	7.9	8.0
DII	31.7	30.2	28.1
FII	54.0	55.6	54.6
Others	6.4	6.3	9.4

FII Includes depository receipts

- Axis Bank (AXSB) reported 2QFY25 net profit of INR69.2b (up 18% YoY, 4% beat) as tax reversals and treasury gains offset higher provisions. In 1HFY25, earnings grew 11% YoY to INR129b, and we expect 2H earnings to stay flat YoY at INR133b.
- NII was up 9.5% YoY/flat QoQ at INR134.8b (in line). NIMs moderated 6bp QoQ to 3.99%. Provisioning expenses stood at INR22b (sharply higher than MOFSLe). AXSB made additional contingent provisions of INR5.2b.
- Loans grew 11.4% YoY (2% QoQ) and deposits rose 13.7% YoY (2.3% QoQ), resulting in a C/D ratio of 92%. Average LCR declined 5% QoQ to 115%.
- Fresh slippages moderated to INR44.43b (INR47.93b in 1QFY25). Accelerated write-off led to a decline in GNPA by 10bp to 1.54% and flat NNPA at 0.34%. PCR declined to 76.6%.
- We broadly maintain our earnings estimates and expect FY26E RoA/RoE of 1.7%/15.9%. We had earlier downgraded the stock to Neutral in Jan'24 at INR1,090; we believe that while the current valuation looks comforting after a significant underperformance, the watchful stance on several key metrics (deposit growth, credit cost, LCR & CD ratio) will limit near-term stock performance. Reiterate Neutral with a TP of INR1,225 (1.7x FY26E ABV).**

### Asset quality stable; NIM moderates 6bp QoQ

- AXSB reported a net profit of INR69.2b (+18% YoY; 4% beat) in 2QFY25 as tax reversals (INR5.5b) and treasury gains offset higher provisions. In 1HFY25, earnings grew 11% YoY to INR129b.
- NII was up 9.5% YoY and flat QoQ at INR134.8b (in line). NIM moderated 6bp QoQ to 3.99%. Other income grew 33.5% YoY to INR67.2b (11% beat). Treasury gains stood at INR11b (vs. INR4.06b in 1QFY25). Total revenue grew 16.5% YoY to INR202b (in line) during the quarter.
- Opex rose 9% YoY to INR94.9b (in line). C/I ratio improved 47bp QoQ to 47%. PPOp grew 24% YoY to INR107b (5% beat).
- AXSB's loan book grew 11.4% YoY/2% QoQ, with retail/commercial loans up 2% QoQ/flat QoQ and SME loans growing 16% YoY/6% QoQ. Deposits rose 13.7% YoY/2.3% QoQ. The CASA mix moderated 100bp QoQ to 41%. The C/D ratio stood at 92%, while average LCR declined 5% QoQ to 115% due to an increase in outflow rates.
- Fresh slippages moderated QoQ to INR44.43b from INR47.93b in 1QFY25. Accelerated write-off led to a decline in GNPA by 10bp to 1.54% and flat NNPA at 0.34%. PCR declined to 76.6%. Credit cost stood at 0.9% vs. 1.19% in 1QFY25. Restructured loans edged lower to 0.13%.



### Highlights from the management commentary

- The bank received a favorable tax order of INR5.5b pertaining to six previous assessment years. AXSB utilized this gain to make INR5.2b of contingent provisions.
- The bank will continue to operate within the current range of its CD ratio. LCR declined due to an increase in the outflow rates.
- Write-offs have been higher owing to the bank's pre-defined policy – the bank has an auto write-off rule, which primarily applies to the CBG and retail portfolios. Out of the INR31.19b write-offs, a portion was related to wholesale accounts, whereas a tail amount was written-off after the recovery.

### Valuation and view

AXSB reported an earnings beat as tax reversals and treasury gains offset higher provisions. However, margin contracted 6bp QoQ. Asset quality was stable as slippages declined sequentially, while higher write-offs drove improvement in GNPA ratios. Loan growth was muted, while deposits grew 14% YoY (~2% in 1HFY25), leading to a C/D ratio of 92%. Average LCR declined to 115% due to an increase in outflow rates. We will keenly monitor near-term growth as the C/D ratio is still high (the bank aims to maintain the current CD ratio), which will constrain credit growth, while continued re-pricing of deposits may keep margins in check. **We broadly maintain our earnings estimates and expect FY26E RoA/RoE of 1.7%/15.9%. We had earlier downgraded the stock in Jan'24 at INR1,090; we now believe that while the current valuation looks comforting after a significant underperformance, the watchful stance on several key metrics (deposit growth, credit cost, LCR & CD ratio) will limit near-term stock performance. Reiterate Neutral with a TP of INR1,225 (1.7x FY26E ABV).**

### Quarterly performance

	(INR b)											
	FY24				FY25E				FY24	FY25E	FY25E V/s our	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		2QE	Est	
<b>Net Interest Income</b>	119.6	123.1	125.3	130.9	134.5	134.8	137.8	143.2	498.9	550.3	136.3	-1%
% Change (Y-o-Y)	27.4	18.9	9.4	11.5	12.5	9.5	9.9	9.4	16.2	10.3	10.7	
Other Income	50.9	50.3	55.5	67.7	57.8	67.2	63.5	69.5	224.4	258.1	60.7	11%
<b>Total Income</b>	<b>170.5</b>	<b>173.5</b>	<b>180.9</b>	<b>198.5</b>	<b>192.3</b>	<b>202.1</b>	<b>201.2</b>	<b>212.7</b>	<b>723.4</b>	<b>808.3</b>	<b>197.0</b>	<b>3%</b>
Operating Expenses	82.3	87.2	89.5	93.2	91.3	94.9	97.7	102.9	352.1	386.8	94.6	0%
<b>Operating Profit</b>	<b>88.1</b>	<b>86.3</b>	<b>91.4</b>	<b>105.4</b>	<b>101.1</b>	<b>107.1</b>	<b>103.5</b>	<b>109.8</b>	<b>371.2</b>	<b>421.5</b>	<b>102.4</b>	<b>5%</b>
% Change (Y-o-Y)	49.7	11.9	-1.5	14.9	14.7	24.1	13.2	4.2	16.8	13.5	18.7	
Provisions	10.3	8.1	10.3	11.9	20.4	22.0	17.2	18.6	40.6	78.3	13.8	60%
<b>Profit before Tax</b>	<b>77.8</b>	<b>78.2</b>	<b>81.1</b>	<b>93.5</b>	<b>80.7</b>	<b>85.1</b>	<b>86.3</b>	<b>91.2</b>	<b>330.6</b>	<b>343.2</b>	<b>88.6</b>	<b>-4%</b>
Tax	19.8	19.5	20.4	22.2	20.3	15.9	21.7	22.7	82.0	80.7	22.3	-29%
<b>Net Profits</b>	<b>58.0</b>	<b>58.6</b>	<b>60.7</b>	<b>71.3</b>	<b>60.3</b>	<b>69.2</b>	<b>64.5</b>	<b>68.5</b>	<b>248.6</b>	<b>262.6</b>	<b>66.3</b>	<b>4%</b>
% Change (Y-o-Y)	40.5	10.0	3.7	7.6	4.1	18.0	6.3	-3.9	15.2	5.6	13.0	
<b>Operating Parameters</b>												
Deposit (INR t)	9.4	9.6	10.0	10.7	10.6	10.9	11.4	11.9	10.7	11.9	11.1	-2%
Loan (INR t)	8.6	9.0	9.3	9.7	9.8	10.0	10.4	10.8	9.7	10.8	10.1	-1%
Deposit Growth (%)	17.2	17.9	18.5	12.9	12.8	13.7	13.7	11.6	12.9	11.6	15.8	
Loan Growth (%)	22.4	22.8	22.3	14.2	14.2	11.4	11.6	12.0	14.2	12.0	12.1	
<b>Asset Quality</b>												
Gross NPA (%)	2.0	1.7	1.6	1.4	1.5	1.4	1.5	1.5	1.5	1.5	1.6	
Net NPA (%)	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.4	0.4	
PCR (%)	79.6	79.5	77.8	78.5	78.1	76.6	76.4	75.8	78.5	75.8	78.3	

E: MOFSL Estimates



Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR529      TP: INR500 (-5%)      Neutral**

**Healthy quarter, furlough softness ahead**

**Guides for -2% to 0% revenue growth in 3Q**

Bloomberg	WPRO IN
Equity Shares (m)	5230
M.Cap.(INRb)/(USD\$b)	2766.1 / 32.9
52-Week Range (INR)	580 / 375
1, 6, 12 Rel. Per (%)	-2/6/4
12M Avg Val (INR M)	4081

Wipro (WPRO) reported 2QFY25 IT Services revenue of USD2.6b (0.6% QoQ) in constant currency (CC), 60bp above our estimate. It posted an order intake of USD3.6b (+9.6% QoQ), with a large deal TCv of USD1.5b (+30% QoQ). EBIT margin of IT Services was 16.8% (est. 16.0%). EBITDA rose 2.7% QoQ/7.8% YoY to INR46b (est. INR44b). PAT stood at INR32b (+6.8% QoQ/+21.3% YoY), above our est. of INR29b. For 1HFY25, revenue declined 2.3%, whereas EBIT/PAT grew 7.9%/12.8% compared to 1HFY24. WPRO's has provided muted guidance for 3QFY25, as it expects USD CC revenue performance in the range of -2.0% to 0.0% QoQ.

**Financials & Valuations (INR b)**

Y/E Mar	FY25E	FY26E	FY27E
Sales	890	939	994
EBIT Margin (%)	16.1	16.3	16.4
PAT	120	128	136
EPS (INR)	22.6	24.5	25.9
EPS Gr. (%)	11.0	8.1	5.9
BV/Sh. (INR)	140.7	143.0	145.8

**Our view: Robust quarter**

- WPRO had a strong quarter with healthy revenue growth and robust deal momentum. The company continued to secure large deals in 2Q, with the total contract value (TCV) up 8% QoQ. WPRO's deal pipeline is also strong, particularly in the BFSI sector, which is witnessing a pickup in discretionary spending.
- However, there are areas of concern that warrant cautiousness. The guidance for 3QFY25 is muted (-2% to 0% in CC) due to furloughs and softness in key regions, particularly in Europe.
- Additionally, sectors like manufacturing and energy remain soft, with signs of a potential revival but no immediate turnaround making these verticals more of a long-term play.
- Guidance:** Revenue performance from IT Services business segment is expected to be in the range of -2.0% to 0.0% in CC terms.
- Margins:** Looking ahead, WPRO is confident of maintaining margins within the narrow range of 17-17.5%. Despite partial wage hike headwinds in 3Q, there are margin tailwinds, including improving employee utilization (which dipped slightly in 2Q but remains a lever for future quarters), increasing offshoring, and fixed-cost projects.

**Ratios**

RoE (%)	16.1	17.3	18.0
RoCE (%)	12.4	13.5	14.1
Payout (%)	90.0	70.0	70.0

**Valuations**

P/E (x)	23.4	21.6	20.4
P/BV (x)	3.8	3.7	3.6
EV/EBITDA (x)	14.0	13.0	13.8
Div Yield (%)	3.9	3.2	3.4

**Shareholding pattern (%)**

As On	Sep-24	Jun-24	Sep-23
Promoter	72.8	72.8	72.9
DII	8.7	8.3	8.0
FII	9.7	9.6	9.0
Others	8.8	9.4	10.0

FII Includes depository receipts

**Valuation and change in estimates**

- We expect the company to deliver FY24-27E IT Services revenue CAGR of 3.0%. We expect WPRO to clock ~16% operating margin in FY25, which should translate into a 7.2% CAGR in INR PAT over FY24-27.
- We have raised our FY25E EPS by ~2% to factor in the margin beat and kept FY26/FY27E EPS broadly unchanged after its 2Q print. We reiterate our **Neutral** rating as we view the current valuation as fair. Our TP of INR500 implies 20x Sep'26E EPS.

**Beat on revenues and margins; 3Q guidance muted**

- IT Services revenue at USD2.6b grew 0.6% QoQ in CC (reported USD revenue was up 1.3% QoQ), above our estimate of flat QoQ CC.
- BFS (+2.7% QoQ CC), Technology (+1.6% QoQ CC) and Retail (+0.3% QoQ CC) performed well, whereas Manufacturing (-2.0% QoQ CC), Energy and Utilities (-3.7% QoQ CC), and Health (-0.5% QoQ CC) were adversely impacted.

- Americas1/Americas2 grew 1.2%/0.8% QoQ CC, while Europe declined slightly by 0.1% QoQ CC.
- IT Services EBIT margin was 16.8% (up 30bp QoQ), 80bp above our estimate of 16.0%.
- 2Q TCV of USD3.6b was up 9.6% QoQ/down 4.9% YoY, while large TCV of USD 1.5b was up 30.0% QoQ/15.4% YoY.
- 3QFY25 revenue guidance was -2.0% to 0% in CC terms.
- Net utilization (excl. trainees) declined to 86.4% (vs. 87.7% in 1Q). Attrition (LTM) was up 40bp QoQ at 14.5%.
- Net profit rose 6.8% QoQ/21.3% YoY to INR32b (est. INR29b).
- WPRO also announced a bonus in a ratio of 1:1, pending shareholder approval.

### Key highlights from the management commentary

- There are good deals in the pipeline. The company is focusing on vendor consolidation and cost takeout initiatives. US elections are not expected to significantly impact deal closures.
- Discretionary spending in BFSI and Capco has seen good traction in smaller deals.
- 3Q guidance: -2% to 0% in CC. Softness in Europe is factored into the guidance.
- 3Q revenue will face headwinds due to furloughs (expected at last year's level) and fewer working days.
- In Europe, there is a slowdown in demand due to client-specific issues in a few accounts, with ramp-downs as some clients change direction. It will focus on closing deal bookings in 3Q, building on the existing pipeline.
- TCV to revenue conversion: Large deals will take several quarters to ramp up. Overall, no concerns about conversion, with a focus on winning deals.
- IT services revenue stood at USD2.6b, up 0.6% QoQ in CC, bringing it closer to the upper end of the guidance.

### Valuations and View

- We expect WPRO to deliver a CAGR of 3.0% in IT Services revenue over FY24-27E. We estimate WPRO to clock ~16% operating margin in FY25, which should translate into a 7.2% CAGR in INR PAT over FY24-27E.
- We have raised our FY25E EPS by ~2% to factor in the margin beat and kept FY26E/FY27E EPS broadly unchanged after its 2Q print. We reiterate our Neutral rating as we view the current valuation as fair. Our TP of INR500 implies 20x Sep'26E EPS.

**Quarterly Performance (IFRS)**

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	Est. 2QFY25E	VAS. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>IT Services Revenue (USD m)</b>	<b>2,779</b>	<b>2,713</b>	<b>2,656</b>	<b>2,657</b>	<b>2,626</b>	<b>2,660</b>	<b>2,648</b>	<b>2,665</b>	<b>10,805</b>	<b>10,599</b>	<b>2,625</b>	<b>1.3</b>
QoQ (%)	-2.1	-2.3	-2.1	0.0	-1.2	1.3	-0.4	0.6	-3.8	-1.9	0.0	132bp
<b>Overall Revenue (INR b)</b>	<b>228</b>	<b>225</b>	<b>222</b>	<b>222</b>	<b>220</b>	<b>223</b>	<b>223</b>	<b>225</b>	<b>896</b>	<b>890</b>	<b>221</b>	<b>1.1</b>
QoQ (%)	-1.5	-1.4	-1.4	0.0	-1.1	1.5	0.0	0.7			0.4	113bp
YoY (%)	6.0	-0.1	-4.4	-4.2	-3.8	-1.0	0.5	1.1	-0.9	-0.7	-2.1	110bp
<b>GPM (%)</b>	<b>29.4</b>	<b>29.3</b>	<b>30.7</b>	<b>29.2</b>	<b>30.2</b>	<b>30.5</b>	<b>29.7</b>	<b>30.2</b>	<b>29.6</b>	<b>30.1</b>	<b>30.2</b>	<b>28bp</b>
SGA (%)	14.2	14.6	16.0	13.2	13.7	13.6	14.1	14.1	14.5	13.9	14.1	-46bp
<b>EBITDA</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>44</b>	<b>44</b>	<b>46</b>	<b>43</b>	<b>44</b>	<b>170</b>	<b>177</b>	<b>44</b>	<b>4.5</b>
<b>EBITDA Margin (%)</b>	<b>18.4</b>	<b>18.8</b>	<b>19.0</b>	<b>19.7</b>	<b>20.2</b>	<b>20.5</b>	<b>19.2</b>	<b>19.7</b>	<b>19.0</b>	<b>19.9</b>	<b>19.8</b>	<b>65bp</b>
<b>IT Serv. EBIT (%)</b>	<b>16.0</b>	<b>16.1</b>	<b>16.0</b>	<b>16.4</b>	<b>16.5</b>	<b>16.8</b>	<b>15.5</b>	<b>16.0</b>	<b>16.4</b>	<b>16.2</b>	<b>16.0</b>	<b>80bp</b>
<b>EBIT Margin (%)</b>	<b>15.1</b>	<b>14.8</b>	<b>14.8</b>	<b>15.9</b>	<b>16.4</b>	<b>16.7</b>	<b>15.4</b>	<b>15.9</b>	<b>15.2</b>	<b>16.1</b>	<b>16.0</b>	<b>65bp</b>
Other income	3	2	3	3	4	6	3	3	11	16	3	92.0
ETR (%)	24.0	24.0	24.0	26.0	24.5	24.6	24.0	24.0	24.5	24.3	24.0	57bp
<b>PAT</b>	<b>29</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>30</b>	<b>32</b>	<b>28</b>	<b>29</b>	<b>110</b>	<b>120</b>	<b>29</b>	<b>11.1</b>
QoQ (%)	-6.6	-7.8	1.8	5.2	5.9	6.8	-12.1	3.7			-3.8	
YoY (%)	12.0	-0.5	-11.7	-7.8	4.6	21.3	4.7	3.2	-2.9	8.5	9.2	
EPS (INR)	5.1	5.0	5.2	5.4	5.7	6.1	5.4	5.6	20.4	22.6	5.5	11.0

**Key performance indicators**

Y/E March	FY24				FY25		FY24
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	-2.8	-2.0	-1.7	-0.3	-1.0	0.6	
<b>Margins</b>							
Gross Margin	29.4	29.3	30.7	29.2	30.2	30.5	29.6
EBIT Margin	15.1	14.8	14.8	15.9	16.4	16.7	15.2
Net Margin	12.6	11.8	12.1	12.8	13.7	14.4	12.3
<b>Operating metrics</b>							
Headcount (k)	250	245	240	233	233	234	233
Attrition (%)	17.3	15.5	14.2	14.2	14.1	14.5	14.2
Utilization	83.7	84.5	84	86.9	87.7	86.4	84.8
<b>Key Verticals (QoQ CC %)</b>							
BFSI	-4.3	-3.0	-4.3	2.1	0.5	2.7	-8.9
Retail	-3.5	-2.3	-1.0	-0.6	1.6	0.3	-5.3



# Nestlé India

Estimate changes

TP change

Rating change



**CMP: INR2,379**

**TP: INR2,400 (+1%)**

**Neutral**

Bloomberg	NEST IN
Equity Shares (m)	964
M.Cap.(INRb)/(USDb)	2293.4 / 27.3
52-Week Range (INR)	2778 / 2310
1, 6, 12 Rel. Per (%)	-4/-18/-23
12M Avg Val (INR M)	2458

### Financials & Valuations (INR b)

Y/E Dec	FY24*	FY25E	FY26E
Sales	243.9	205.3	227.3
Sales Gr. (%)	15.5	-15.8	10.7
EBITDA	59.1	49.3	55.8
Margin (%)	24.2	24.0	24.6
Adj. PAT	39.6	32.8	37.2
Adj. EPS (INR)	41.0	34.0	38.6
EPS Gr. (%)	62.5	-17.1	13.5
BV/Sh.(INR)	34.6	42.9	50.7

### Ratios

RoE (%)	136.5	87.7	82.5
RoCE (%)	140.9	89.4	84.3
Payout (%)	78.4	80.0	80.0

### Valuations

P/E (x)	58.0	69.9	61.6
P/BV (x)	68.7	55.4	46.9
EV/EBITDA (x)	38.6	46.3	40.7
Div. Yield (%)	1.4	1.1	1.3

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

### Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	62.8	62.8	62.8
DII	9.2	9.1	9.1
FII	11.9	12.1	12.4
Others	16.1	16.1	15.8

FII Includes depository receipts

## Weak revenue growth; miss on all fronts

- Nestle India (Nestle) reported weak revenue growth of 1% YoY (est. 6%) in 2QFY25. Last eight-quarter average revenue growth was 10%. Domestic sales grew 1% YoY, impacted by muted demand and higher commodity prices. Beverage, toddlers' range and milkmaid posted high double-digit growth, while KitKat saw high single-digit growth. Thereby, prepared dishes, parts of the milk products and chocolates would have been the key drag in 2Q. Export revenue increased by 3% YoY.
- GM was flat YoY at 56.6% (est. 57.0%). GP was up only by 2% YoY. Input prices are seeing inflation, with coffee and cocoa prices remaining elevated. Cereals, grains (MSP-led) and edible oil are also seeing inflationary trends. Prices are stable for milk and packaging. Due to a 6% increase in operating costs, EBITDA margin contracted by 150bp YoY. EBITDA declined 5% YoY to INR11.9b (est. INR13.4b). Lower other income (down 79% YoY) and higher depreciation (9% YoY up) further impacted profitability.
- Nestle has been revenue growth outperformer (largely due to price hikes) for the last two years; however, given high base and price hike anniversarization, we have been building in normalized revenue growth. We have been positive on staples companies since the beginning of FY25 (on volume bottoming out and valuation comfort), but we were cautious on Nestle due to rich valuation and normalized earnings growth trajectory. **We reiterate our Neutral rating with a TP of INR2,400 (based on 60x P/E Sep'26E).**

### Miss on all fronts

- **Slowdown in domestic sales:** Nestle saw a sharp deceleration in revenue growth in 2QFY25 as net revenue was up 1% YoY to INR51.0b (est. INR53.5b). Domestic sales saw 1% YoY growth to INR48.8b, impacted by muted demand and higher commodity prices. Exports rose 3% YoY to INR1.9b.
- **Demand pressure in large part of portfolio:** Nestle sustained broad-based growth across segments, though revenue growth was low. Five of the top 12 brands clocked double-digit growth. E-commerce contribution was 8.3% and growing by 38%.
- **Commodity pressure on margin:** Gross margin was flat YoY and down 100bp QoQ to 56.6% (est. 57%) after expanding in the last four quarters (~300bp). Prices of coffee and cocoa remain elevated, and the prices of cereals and edible oils have also risen. Milk and packaging costs have remained stable.
- **Miss on Profitability:** Employee expenses declined 3% YoY, while other expenses were up 11% YoY. EBITDA margin contracted by 150bp YoY to 23.3% (est. 25.1%). EBITDA declined 5% YoY to INR11.9b (est. INR12.5b). Lower other income (down 79% YoY) and higher depreciation (9% YoY up) further impacted profitability. PBT declined 8% YoY to INR10.4b (est. INR12.3b), and adj. PAT declined by 7% YoY to INR7.5b (est. INR9.0b).

- The company has seen an exceptional gain of INR1.8b on slump sale of business. It sold Nutraceutical Business to Dr. Reddy's and Nestlé Health Science Ltd. The company sold Nestlé Business Services division to Nestlé Business Services India Private Ltd (Formerly known as Purina Pet Care).
- In 1HFY25, net sales grew by 2%, EBITDA remained flat and APAT declined by 1%.

### Valuation and view

- We cut our EPS estimates by 6% for FY25 and 4% for FY26 on weak revenue growth and moderation in the margins.
- The company has been focusing on its RURBAN strategy; hence, growth was higher in RURBAN markets. Most of Nestlé's categories have been reaping the benefits of distribution penetration. Packaged food penetration has improved in the tier-2 and rural markets. The company continues to focus on portfolio enhancement through ongoing innovation and premiumization initiatives.
- The GM trajectory has been volatile over the last three years. It was 57% in CY21, which then dropped to 54% in CY22. Owing to benign raw material inflation, GM expanded in FY24. With the increase in RM prices, we estimate 57% margin in FY25/FY26.
- Nestlé's portfolio is relatively safe from local competition, so it does not need much overhead costs to protect market share. We believe Nestlé will be able to sustain its EBITDA margin at 24-25% for FY25/FY26.
- The stock trades at an expensive valuation of 70x/62x FY25E/FY26E EPS. **We reiterate our Neutral rating with a TP of INR2,400 (based on 60x P/E Sep'26E).**

### Quarterly performance

Y/E December	(INR b)												Var.
	FY24					FY25E				FY24*	FY25E	FY25E	
	1Q	2Q	3Q	4Q	5Q	1Q	2Q	3QE	4QE		2QE		
<b>Net Sales</b>	<b>48.3</b>	<b>46.6</b>	<b>50.4</b>	<b>46.0</b>	<b>52.7</b>	<b>48.1</b>	<b>51.0</b>	<b>48.6</b>	<b>57.5</b>	<b>243.9</b>	<b>205.3</b>	<b>53.5</b>	<b>-4.5%</b>
YoY Change (%)	21.0	15.1	9.5	8.1	9.0	3.3	1.3	5.7	9.1	15.5	-15.8	6.1	
<b>Gross Profit</b>	<b>26.0</b>	<b>25.5</b>	<b>28.5</b>	<b>27.0</b>	<b>29.9</b>	<b>27.8</b>	<b>28.9</b>	<b>27.9</b>	<b>32.4</b>	<b>136.9</b>	<b>117.0</b>	<b>30.5</b>	
Margin (%)	53.8	54.8	56.5	58.6	56.8	57.6	56.6	57.4	56.5	56.1	57.0	57.0	
<b>EBITDA</b>	<b>11.2</b>	<b>10.7</b>	<b>12.5</b>	<b>11.3</b>	<b>13.4</b>	<b>11.2</b>	<b>11.9</b>	<b>11.6</b>	<b>14.6</b>	<b>59.1</b>	<b>49.3</b>	<b>13.4</b>	<b>-11.4%</b>
Margins (%)	23.3	22.9	24.8	24.5	25.5	23.3	23.3	23.8	25.5	24.2	24.0	25.1	
YoY Growth (%)	19.8	24.5	21.6	13.5	19.4	5.1	(4.7)	2.6	9.0	23.9	-16.5	7.6	
Depreciation	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	5.4	4.8	1.2	
Interest	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	1.5	1.2	0.3	
Other income	0.3	0.2	0.3	0.3	0.3	0.4	0.1	0.3	0.3	1.5	1.1	0.4	
<b>PBT</b>	<b>10.2</b>	<b>9.5</b>	<b>11.4</b>	<b>10.3</b>	<b>12.3</b>	<b>10.2</b>	<b>10.4</b>	<b>10.4</b>	<b>13.5</b>	<b>53.7</b>	<b>44.4</b>	<b>12.3</b>	<b>-15.2%</b>
Tax	2.5	2.4	3.1	2.3	3.2	2.6	3.3	2.5	3.1	13.6	11.5	3.2	
Rate (%)	24.9	25.4	27.6	22.5	25.6	25.8	31.2	23.7	23.3	25.2	25.9	25.8	
<b>Adjusted PAT</b>	<b>7.5</b>	<b>7.0</b>	<b>8.1</b>	<b>7.8</b>	<b>9.1</b>	<b>7.4</b>	<b>7.5</b>	<b>7.8</b>	<b>10.1</b>	<b>39.6</b>	<b>32.8</b>	<b>9.0</b>	<b>-16.8%</b>
YoY Change (%)	25.8	30.0	20.7	23.5	21.7	5.1	(6.9)	0.2	10.6	30.0	-17.1	11.9	

E: MOFSL Estimates





Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR 6394      TP: INR 7400(+16%)      Buy**

**A dose of cautious optimism**

**Management remains guarded despite strong numbers**

■ LTIMindtree (LTIM) delivered a revenue growth of 2.3% QoQ/ 4.4% YoY in constant currency (CC) terms vs. our estimate of 3.0% QoQ in CC. In USD terms, revenue came in at USD1.1b (up 2.8% QoQ/4.8% YoY), which was slightly below our estimate. EBIT grew 6.4% QoQ/2.5% YoY to INR14.5b (below our estimate of INR14.9b). PAT stood at INR12.5b, up 10.3% QoQ/7.7% YoY and largely in line with our estimate of INR12.4b. For 1HFY25, revenue/PAT grew 5.5%/3.1% compared to 1HFY24, while EBIT declined 1.6% in 1HFY25.

**Our view: LTIM a key beneficiary of ERP and data-led recovery**

- Growth was broad-based across verticals. In addition, a USD200m+ deal win in manufacturing, which ramps up in 3Q, should protect downside from furloughs.
- Despite the large deal wins, a strong deal pipeline, and healthy TCV, the commentary from LTIM was surprisingly cautious and indicated a slower pick up in discretionary spending.
- Nevertheless, we believe that ERP and data are leading the client transformation priorities right now, and LTIM should benefit the most from this.
- **Margins:** Concern around margins is a key downside risk for the stock; 2QFY25 saw a modest margin expansion of 50bp over a muted 1Q. 2HFY25 will face margin headwinds such as wage hikes, large deal ramp ups, and hiring.
- The management is at least 200bp above its comfortable utilization range, and while 2Q (net headcount growth of 3%) was a step in the right direction, we expect hiring to put pressure on margins going forward.
- SG&A is a key margin and gives us comfort; however, SG&A remains ~130-150bp above the pre-Covid levels. However, continued recovery in revenue should lead to some operating leverage, more than offsetting the pressures mentioned above.

**Valuation and change in estimates**

- **We reiterate our BUY rating on LTIM** due to its superior offerings in data engineering and ERP modernization, positioning it well to capture pre-GenAI expenditures. We anticipate LTIM to outperform its large-cap peers and expect a low double-digit CC growth for FY26. However, margins remain a concern and the biggest risk to our thesis.
- Our estimates are largely unchanged; FY25/FY26e EPS estimates are revised down by a minimal 1% owing to margin pressures. We value LTIM at 35x Sep'26E EPS. Our revised TP of INR7,400 implies 15% upside potential.

Bloomberg	LTIM IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1893.9 / 22.5
52-Week Range (INR)	6575 / 4514
1, 6, 12 Rel. Per (%)	2/25/-2
12M Avg Val (INR M)	2888

**Financials & Valuations (INR b)**

Y/E Mar	FY25E	FY26E	FY27E
Sales	382.7	431.6	488.1
EBIT Margin (%)	15.2	15.9	17.3
PAT	48.7	56.8	69.2
EPS (INR)	164.6	191.8	233.7
EPS Gr. (%)	6.3	16.5	21.8
BV/Sh. (INR)	771.7	883.0	1,018.6

**Ratios**

RoE (%)	22.7	23.2	24.6
RoCE (%)	18.6	19.4	20.9
Payout (%)	42.0	42.0	42.0

**Valuations**

P/E (x)	38.8	33.3	27.4
P/BV (x)	8.3	7.2	6.3
EV/EBITDA (x)	26.3	22.4	18.1
Div Yield (%)	1.1	1.3	1.5

**Shareholding pattern (%)**

As On	Sep-24	Jun-24	Sep-23
Promoter	68.6	68.6	68.7
DII	14.9	14.2	13.0
FII	7.4	7.3	8.1
Others	9.1	9.9	10.3

FII Includes depository receipts

### Miss on revenue and margins; broad-based growth across verticals except manufacturing

- Revenue stood at USD1.1b, up 2.3% QoQ CC and below our estimate of 3.0% QoQ CC. Reported USD revenue growth was 2.8% QoQ/4.7% YoY.
- The growth was primarily fueled by Healthcare & Public Services (5.9% QoQ), followed by BFSI (4% QoQ), Technology, Media & Comms (1.9% QoQ), and Retail (2.6% QoQ). Manufacturing & Resources was muted for the quarter.
- EBIT margin at 15.5% expanded 50bp QoQ, below our estimate of 80bp sequential expansion.
- Employee metrics: Software headcount rose ~2537 (3.3% QoQ), utilization declined 60bp QoQ to 87.7%, while attrition was stable QoQ at 14.5%.
- PAT came in at INR12.5b, up 10.3% QoQ/7.7% YoY and largely in-line with our estimate of INR12.4b.
- The company declared a dividend of INR20 per share.

### Key highlights from the management commentary

- LTIM witnessed continued deal momentum in key verticals; cautiously optimistic about maintaining momentum in 3Q. Key focus on transformation and efficiency deals. It closed a few cost-takeout deals. Playing on both sides—transformation and cost takeout are important pivots.
- 2H should see a ramp-up of deals closed in 1HFY25, barring seasonal impacts.
- Cautious on discretionary spend. Once the U.S. elections are over, there may be some client initiatives regarding discretionary spending. However, currently, aside from AI-related investments, where LTIM is actively participating, there are no significant discretionary spend areas.
- Key projects: 1) efficiency and cost-takeout programs; 2) new applications (revenue-facing, front-end) – considered pure discretionary spending; and 3) regulatory compliance deals.
- Post-US elections, more clarity on discretionary spending is expected.
- GCCs have been a key focus for several years. The company must coexist with GCCs and serve clients that have them.
- The target margin of 17-18% has been extended due to external challenges. The current focus is on maintaining margins while waiting for growth to return.

### Valuation and view

- **We reiterate our BUY rating on LTIM** due to its superior offerings in data engineering and ERP modernization, positioning it well to capture pre-GenAI expenditures. We anticipate LTIM to outperform its large-cap peers and expect low double-digit CC growth for FY26. Margins remain a concern, however, and the biggest risk to our thesis.
- Our estimates are broadly unchanged; we trim our FY25/FY26 EPS estimates by a minimal 1% owing to margin pressures. We value LTIM at 35x Sep'26E EPS. Our revised TP of INR7,400 implies 15% upside potential.

**Quarterly performance**

Y/E March	FY24				FY25E				FY24	FY25E	Est. 2QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	1,059	1,076	1,084	1,069	1,096	1,127	1,152	1,193	4,287	4,567	1,129	(0.3)
QoQ (%)	0.1	1.6	0.8	-1.3	2.5	2.8	2.3	3.5	4.4	6.5	3.0	(26)
Revenue (INR m)	87,021	89,054	90,166	88,929	91,426	94,329	96,783	1,00,171	3,55,170	3,82,709	94,630	(0.3)
YoY (%)	13.8	8.2	4.6	2.3	5.1	5.9	7.3	12.6	7.0	7.8	6.3	(34)
GPM (%)	31.6	31.4	29.9	29.8	30.3	30.8	29.5	30.5	30.7	30.3	30.8	(0)
SGA (%)	12.8	13.1	12.3	12.5	12.7	12.8	12.5	12.5	12.7	12.6	12.5	28
EBITDA	16,355	16,313	15,849	15,357	16,061	16,993	16,453	18,031	63,874	67,538	17,317	(1.9)
EBITDA Margin (%)	18.8	18.3	17.6	17.3	17.6	18.0	17.0	18.0	18.0	17.6	18.3	(29)
EBIT	14,508	14,231	13,859	13,087	13,709	14,582	14,130	15,827	55,685	58,248	14,952	(2.5)
EBIT Margin (%)	16.7	16.0	15.4	14.7	15.0	15.5	14.6	15.8	15.7	15.2	15.8	(34)
Other income	856	962	1,588	1,396	1,547	2,286	1,742	1,803	4,802	7,378	1,325	73
ETR (%)	25.0	23.5	24.3	24.0	25.6	25.8	25.8	25.8	24.2	25.8	24.0	
Adj PAT	11,523	11,623	11,693	11,007	11,351	12,516	11,778	13,082	45,846	48,726	12,370	1.2
QoQ (%)	3.4	0.9	0.6	-5.9	3.1	10.3	-5.9	11.1			9.0	
YoY (%)	4.1	-2.2	8.2	-1.2	-1.5	7.7	0.7	18.8	2.1	6.3	6.4	
EPS (INR)	38.9	39.2	39.4	37.1	38.2	42.2	39.8	44.2	154.5	164.4	41.7	1.1

**Key performance indicators**

Y/E March	FY24				FY25		FY25
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	0.1	1.7	0.7	-1.3	2.6	2.3	
<b>Margins (%)</b>							
Gross Margin	31.6	31.4	29.9	29.8	30.3	30.8	30.7
EBIT Margin	16.7	16.0	15.4	14.7	15.0	15.5	15.7
Net Margin	13.2	13.1	13.0	12.4	12.4	13.3	12.9
<b>Operating metrics</b>							
Headcount	82,738	83,532	82,471	81,650	81,934	84,438	81,650
Attrition (%)	17.8	15.2	14.2	14.4	14.4	14.5	14.4
Utilization (excl. trainees)	84.8	86.6	87.4	86.9	88.3	87.7	86.4
<b>Key Verticals (QoQ %)</b>							
BFSI	-1.2	-1.1	-1.7	-2.7	2.8	3.9	2.2
CMT	3.2	2.0	-3.0	4.7	8.0	2.0	1.7
MFG	-1.0	5.1	14.3	-9.6	2.0	0.6	14.6
Healthcare	5.0	3.2	0.8	4.8	-7.9	6.1	6.5
CPG, Retail and Pharma	-1.8	2.9	-3.2	1.4	-1.6	2.8	1.9
<b>Key Geographies (QoQ %)</b>							
North America	1.8	2.0	-0.2	0.2	4.3	2.6	5.9
Europe	-1.2	2.3	-4.5	-0.6	1.1	2.8	3.4



# Havells India

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR1,806      TP: INR1,830 (+1%)      Neutral**

## Core margin disappoints; loss of Lloyd narrows High volatility in RM costs hurts C&W margin

Bloomberg	HAVL IN
Equity Shares (m)	627
M.Cap.(INRb)/(USDb)	1131.9 / 13.5
52-Week Range (INR)	2106 / 1233
1, 6, 12 Rel. Per (%)	-7/10/6
12M Avg Val (INR M)	1801
Free float (%)	40.6

### Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	212.4	243.7	281.7
EBITDA	21.1	25.9	31.5
Adj. PAT	15.0	18.6	23.1
EBITA Margin (%)	9.9	10.6	11.2
Cons. Adj. EPS (INR)	23.9	29.6	36.8
EPS Gr. (%)	17.8	24.0	24.3
BV/Sh. (INR)	134.4	153.6	177.5

### Ratios

Net D:E	(0.4)	(0.4)	(0.5)
RoE (%)	17.8	19.3	20.7
RoCE (%)	17.4	18.9	20.3
Payout (%)	35.0	35.0	35.0

### Valuations

P/E (x)	76.4	61.7	49.6
P/BV (x)	13.6	11.9	10.3
EV/EBITDA (x)	52.7	42.6	34.7
Div Yield (%)	0.5	0.6	0.7
FCF Yield (%)	0.5	1.0	1.3

### Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	59.4	59.4	59.4
DII	10.2	9.6	9.5
FII	24.8	25.4	24.2
Others	5.6	5.7	6.9

FII Includes depository receipts

- Havells India (HAVL) reported weak 2Q results with 3-5pp margin miss across segments as segmental margins contracted 2-6pp YoY (excluding Lloyd where loss narrowed YoY). EBITDA at INR3.8b was 25% below our estimate, and OPM stood at 8.3% (vs. estimated 11.7%). Ad spending was 2.9% of revenue (vs. 2.2% in 2QFY24), while higher impairments had an impact of 65bp on OPM. Profit stood at INR2.7b in 2QFY25, 25% below our estimate.
- Management has been cautiously optimistic on festive demand improvement and believes that there has been an improvement in rural demand too. Volatilities in RM costs had a higher impact on the margin of the cables & wires (C&W) segment and are likely to normalize in 2HFY25. Lower industrial segment demand has hurt growth of switchgear segment.
- We cut our EPS estimates by 4-8% for FY25-27 as we reduce our segmental margin assumption by 50-80bp across segments. Valuations at 62x/50x FY26/27E EPS appear expensive, and hence, **we reiterate our Neutral rating** with a revised TP of INR1,830 (premised on 55x Sep'26 EPS). Sustainability/improvement in Lloyd's margin is a key monitorable, in our opinion.

### OPM contracts 1.3pp YoY to ~8% (est. ~12%)

- Consolidated revenue/EBITDA/PAT stood at INR45.4b/INR3.8b/INR2.7b (up 16%/flat/ up 8% YoY and up 5%/down 25%/25% vs. our estimates). Gross margin improved 50bp YoY to ~34%. OPM dipped 1.3pp YoY to ~8%.
- Segmental highlights: 1) Havells (ex-Lloyd)'s revenue grew 16% YoY to INR39.5b. **C&W's** revenue rose 23% YoY to INR18.1b, while EBIT margin dipped 3.0pp YoY to ~9%. **Switchgear's** revenue was up 3% YoY to INR5.5b, while EBIT margin contracted 5.6pp to ~21%. **Lighting's** revenue declined 1% YoY to INR4.0b and EBIT margin contracted 1.6pp to ~13%. **ECD** revenue rose 17% YoY to INR8.6b and EBIT margin contracted 4.0pp to ~8%. 2) **Lloyd's** revenue grew 19% YoY to INR5.9b. Lloyd reported a loss of INR243m vs. a loss of INR745m in 2QFY24 (estimated EBIT of INR29m).
- In 1HFY25, Revenue/EBITDA/PAT grew ~18%/22%/26% YoY. OPM was up 30bp YoY to ~9%. Based on our estimates, the implied revenue/EBITDA/PAT growth for 2HFY25 is ~11%/9%/18%. We estimate EBITDA margin to remain flat YoY at ~11% in 2HFY25. The company's OCF stood at INR7.6b vs. INR7.9b in 1HFY24. Net cash balance stood at INR31.2b vs. INR30.2b as of Mar'24.

### Key highlights from the management commentary

- Wire demand was hit in 1Q due to destocking, while restocking led to higher demand during the quarter. Margin should be better in 3Q if there is not much volatility in RM prices, and 4Q should experience normal margins.
- In the ECD segment, margin will normalize in FY26 as investments in manpower are being made at present. Margin should bottom out in the lighting segment this year and should start improving from next year. There has been increased investment in fortifying retail channels, which is leading to higher employee expenses.
- It increased investment in newer channels, especially in modern formats, retail, and rural areas, which is leading to higher employee expenses.

**Valuation and view**

- HAVL reported healthy revenue growth in 2QFY25, led by a pickup in consumer demand. However, excessive volatility in the RM costs and intensified competition hurt margin. We estimate margin to improve in 2HFY25 with stability in RM cost, price hike, capacity expansion, and recovery in B2B demand. ECD and Lloyd is estimated to maintain growth momentum led by the festive season and a pickup in consumer demand.
- We expect HAVL to report a revenue/EBITDA/PAT CAGR of 15%/20%/22% over FY24-27. RoIC of the company is expected to improve to 32% by FY27 from 24% in FY24, and RoE is likely to be 21% in FY27 vs. 17% in FY24.
- Investments in Lloyd have helped the company to improve its price positioning, and there has been an improvement in its performance in the last few quarters. The stock trades at expensive valuations of 62x/50x FY26/27E EPS, and hence, **we reiterate our Neutral rating** with a TP of INR1,830 (premised on 55x Sep'26 EPS). Key monitorables would be sustainability/improvement in Lloyd's margin and the margin trajectory of the switchgear segment.

**Quarterly performance**

Y/E March	FY24				FY25E				FY24	FY25	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
<b>Sales</b>	<b>48,338</b>	<b>39,003</b>	<b>44,139</b>	<b>54,420</b>	<b>58,062</b>	<b>45,393</b>	<b>49,288</b>	<b>59,646</b>	<b>1,85,900</b>	<b>2,12,389</b>	<b>43,059</b>	<b>5%</b>
Change (%)	13.9	6.3	7.1	12.0	20.1	16.4	11.7	9.6	10.1	14.2	10	
<b>Adj. EBITDA</b>	<b>4,020</b>	<b>3,734</b>	<b>4,327</b>	<b>6,346</b>	<b>5,722</b>	<b>3,751</b>	<b>5,586</b>	<b>6,041</b>	<b>18,426</b>	<b>21,099</b>	<b>4,548</b>	<b>-18%</b>
Change (%)	11.2	30.1	2.1	20.4	42.4	0.5	29.1	-4.8	15.2	14.5	34	
Adj. EBITDA margin (%)	8.3	9.6	9.8	11.7	9.9	8.3	11.3	10.1	9.9	9.9	11.7	(340)
Depreciation	763	812	877	934	920	946	956	996	3,385	3,819	955	
Interest	85	93	102	177	86	101	100	114	457	400	95	
Other Income	648	525	559	758	773	929	820	713	2,490	3,236	800	
Extra-ordinary items	-	-	-	-	-	-	-	-	-	-	0	
<b>PBT</b>	<b>3,821</b>	<b>3,353</b>	<b>3,907</b>	<b>5,993</b>	<b>5,490</b>	<b>3,633</b>	<b>5,349</b>	<b>5,644</b>	<b>17,074</b>	<b>20,116</b>	<b>4,771</b>	<b>-24%</b>
Tax	950	862	1,028	1,526	1,415	955	1,406	908	4,366	5,144	1,216	
Effective Tax Rate (%)	24.9	25.7	26.3	25.5	25.8	26.3	26.3	16.1	25.6	25.6	26	
<b>Reported PAT</b>	<b>2,871</b>	<b>2,491</b>	<b>2,879</b>	<b>4,467</b>	<b>4,075</b>	<b>2,678</b>	<b>3,943</b>	<b>4,736</b>	<b>12,708</b>	<b>14,972</b>	<b>3,554</b>	<b>-25%</b>
Change (%)	18.1	33.3	1.4	24.8	42.0	7.5	37.0	6.0	18.5	17.8	43	
<b>Adj. PAT</b>	<b>2,871</b>	<b>2,491</b>	<b>2,879</b>	<b>4,467</b>	<b>4,075</b>	<b>2,678</b>	<b>3,943</b>	<b>4,736</b>	<b>12,708</b>	<b>14,972</b>	<b>3,554</b>	<b>-25%</b>
Change (%)	18.1	33.3	1.4	24.8	42.0	7.5	37.0	6.0	18.5	17.8	43	

**Segmental performance (INR m)**

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
<b>Sales</b>												
Switchgear	5,409	5,336	5,206	6,513	5,768	5,513	5,466	7,064	22,463	23,811	5,763	-4%
Cables & Wires	14,852	14,702	15,727	17,896	15,212	18,052	18,086	20,670	63,176	72,020	16,172	12%
ECD	8,775	7,331	9,615	9,104	10,554	8,564	10,481	9,753	34,825	39,352	8,064	6%
Lighting & Fixtures	3,710	3,999	4,335	4,353	3,876	3,951	4,638	4,589	16,398	17,053	4,279	-8%
Lloyd	13,109	4,974	6,561	13,459	19,287	5,896	7,545	14,519	38,103	47,248	5,720	3%
<b>EBIT</b>												
Switchgear	1,499	1,409	1,244	1,836	1,422	1,150	1,230	1,913	5,988	5,715	1,441	-20%
Cables & Wires	1,691	1,707	1,625	2,154	1,711	1,548	1,899	2,620	7,175	7,778	1,908	-19%
ECD	957	848	1,062	1,025	1,147	643	943	1,006	3,892	3,738	911	-29%
Lighting & Fixtures	532	570	607	785	630	501	696	817	2,493	2,643	710	-29%
Lloyd	(616)	(745)	(654)	360	636	(243)	(226)	353	(1,655)	520	29	NA
<b>EBIT Margin (%)</b>												
Switchgear	27.7	26.4	23.9	28.2	24.6	20.9	22.5	27.1	26.7	24.0	25.0	(415)
Cables & Wires	11.4	11.6	10.3	12.0	11.2	8.6	10.5	12.7	11.4	10.8	11.8	(322)
ECD	10.9	11.6	11.0	11.3	10.9	7.5	9.0	10.3	11.2	9.5	11.3	(379)
Lighting & Fixtures	14.3	14.3	14.0	18.0	16.2	12.7	15.0	17.8	15.2	15.5	16.6	(392)
Lloyd	(4.7)	(15.0)	(10.0)	2.7	3.3	(4.1)	(3.0)	2.4	(4.3)	1.1	0.5	(463)





Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR3080      TP: INR3,400 (+10%)      Neutral**

## Strong quarter and improving growth outlook

### BFSI and US recoveries on track, but risks remain

Bloomberg	MPHL IN
Equity Shares (m)	189
M.Cap.(INRb)/(USDb)	582.8 / 6.9
52-Week Range (INR)	3188 / 2068
1, 6, 12 Rel. Per (%)	0/22/10
12M Avg Val (INR M)	2124

■ Mphasis (MPHL)'s 2QFY25 revenue was 2.5% QoQ in Constant Currency (CC), which was above our estimate (+2 % QoQ CC). Direct business grew 2.4%/6.2% QoQ/YoY in CC, aided by TMT and BFS. The Total Contract Value (TCV) was down 35% QoQ to USD207m. EBIT margin stood at 15.4%, beating our estimate by 10bp QoQ. PAT came in at INR4.2b (up 4.7% QoQ), led by lower depreciation and employee costs. For 1HFY25, net revenue/EBIT/PAT grew 6.6%/5.1%/5.1% compared to 1HFY24. MPHL targets a sustainable operating (EBIT) margin within the stated band of 14.6%-16%.

### Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	143.0	160.3	179.4
EBIT Margin	15.4	15.6	15.6
PAT	17.4	20.0	22.4
EPS (INR)	91.4	104.7	117.2
EPS Gr. (%)	11.8	14.5	12.0
BV/Sh. (INR)	501.9	544.1	591.4
<b>Ratios</b>			
RoE (%)	19.1	20.2	20.8
RoCE (%)	16.1	17.0	17.7
Payout (%)	60.5	60.5	60.5
<b>Valuations</b>			
P/E (x)	33.7	29.4	26.3
P/BV (x)	6.1	5.7	5.2
EV/EBITDA (x)	21.8	19.6	17.2
Div Yield (%)	1.8	2.1	2.3

### Our view: Strong quarter, but we remain cognizant of risks

- **Strong Q2 results but we remain on the sidelines:** While Q2 performance was solid, we maintain a HOLD rating as we await further clarity before taking a more positive stance.
- **Key reasons for HOLD:** Our caution so far has been driven by three main factors: (1) weak deal TCV, (2) top 5 clients' weakness, and (3) expectations of a slower recovery in US mortgage originations and refinancing.
- **TCV weakness persists, but improvements in conversion visible:** TCV remains weak; however, the improvement in revenue growth suggests that the Annual Contract Value (ACV) to TCV ratios are strengthening. This indicates a return of discretionary spending, short-cycle deals, and scope expansion projects that aren't captured in TCV. However, the headline TCV number must improve to build confidence in sustainable growth.
- **BFSI sector recovery and mortgage market recovery:** The Banking, Financial Services, and Insurance (BFSI) sector is recovering as management has indicated a bottom approximately three quarters ago. The company has also highlighted a recovery in its top client and the US mortgage market. That said, we remain cautious about the speed of the mortgage market rebound, believing it may occur in earnest in 2HFY25.
- **Top client challenges:** Despite recovery in the top client, the next four largest clients (top 2-5) reported a 4% QoQ decline. A significant logistics account also poses a risk to future growth. Although management has not reported any underlying issues, we believe this to be a potential headwind.
- **Awaiting further evidence:** While some signs of improvement are emerging, we are waiting for further clarity on TCV trends, client stability, and the US mortgage recovery before revisiting our position.

### Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	40.3	40.4	55.6
DII	37.0	35.9	22.7
FII	18.3	18.3	16.6
Others	4.4	5.4	5.2

FII includes depository receipts

### Valuation and change in estimates

- MPHL indicated that BFS continues to see a recovery in discretionary spending, and its focus is now shifting away, albeit only slightly, from the cost takeout deals to transformation and modernization projects. However, we await clarity on the abovementioned risks before revisiting our position. While we have maintained our FY25 EPS projections, we have marginally increased our FY26/FY27 EPS estimates by ~1.0%/2.3%. Over FY24-FY27, we expect a USD revenue CAGR of ~9.8% and an INR PAT CAGR of ~12.8%. We raise our target multiple to 30x Sep'26E EPS. Our TP of INR3,400 implies an 11% upside. **We reiterate our Neutral rating on the stock.**



### Revenues beat estimates; margins expand sequentially

- MPHL's revenue of USD421.1m grew 2.5% QoQ CC, up 6.3% YoY CC, which was above our estimate of 2% QoQ CC growth.
- Direct revenue was up 2.4% QoQ CC and 6.2% YoY CC.
- Hi-tech led the growth pack with 5.6% QoQ rise; BFS (~48% of revenue) grew 3.2% QoQ, while Insurance grew 1.9% QoQ.
- EBIT margin stood at 15.4%, beating our estimate by 10bp QoQ. PAT was at INR4.2b (up 4.7% QoQ) due to higher revenue and lower employee costs.
- TCV stood at USD207m (down 35% QoQ/19% YoY) vs. USD319m in 1QFY25. About 88% of the deal wins were in NextGen Services.
- Offshore utilization (excl. trainees) remained stable at 76% QoQ. Net headcount declined by 44 (flat QoQ) in 2QFY25.

### Key highlights from the management commentary

- Monetary policy is easing, leading to expectations of a soft landing. The company aims to maximize value from transformation while staying focused on costs and ROI. It continues to execute in an environment that is steadily moving in the right direction. Its focus remains on the micro level as gradual improvements unfold.
- Stability in key verticals and geographies, with a continued trend of green shoots across the client portfolio. Growth requires a best-in-class tech landscape, and cloud remains relevant.
- The pipeline remains strong with broad-based growth across all chosen verticals, and the US pipeline was up 28% YoY. Continued higher share of proactive deal wins with a focus on deal-making. It closed six large deals in 1H and three in 2QFY25. Unexecuted/unconsumed TCV remains high, providing confidence going forward.
- The pace of converting TCV to revenue has picked up. The TCV-to-revenue conversion is steadily improving with ramp-ups and monetization accelerating. The company is witnessing good deal traction in IT operations and infrastructure, along with early signs of recovery in its mortgage business.

### Valuation and view – Reiterate Neutral

- MPHL indicated that BFS continues to see a recovery in discretionary spending, and its focus is now shifting away, albeit only slightly, from the cost takeout deals to transformation and modernization projects. However, we await clarity on the abovementioned risks before revisiting our position. While we have maintained our FY25 EPS projections, we have marginally increased our FY26/FY27 EPS estimates by ~1.0%/2.3%. Over FY24-FY27, we expect a USD revenue CAGR of ~9.8% and an INR PAT CAGR of ~12.8%. We raise our target multiple to 30x Sep'26E EPS. Our TP of INR3,400 implies an 11% upside. **We reiterate our Neutral rating on the stock.**

**Quarterly Performance**

Y/E March	FY24				FY25E				FY24	FY25E	Est. 2QFY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	398	398	402	411	410	421	426	446	1,609	1,703	419	0.6
QoQ (%)	-3.4	0.1	1.0	2.1	-0.2	2.7	1.3	4.5	-6.3	5.8	2.1	60bp
Revenue (INR m)	32,520	32,765	33,380	34,120	34,225	35,362	35,891	37,503	1,32,785	1,42,980	35,089	0.8
YoY (%)	-4.7	-6.9	-4.8	1.5	5.2	7.9	7.5	9.9	-3.8	7.7	7.1	83bp
GPM (%)	29.1	28.9	31.3	31.2	30.8	31.3	29.8	29.8	30.1	30.4	30	126bp
SGA (%)	11.1	10.7	13.3	12.5	12.7	12.9	12.0	12.0	11.9	12.4	12.5	44bp
EBITDA	5,869	5,956	6,007	6,388	6,185	6,480	6,389	6,675	24,220	25,729	6,141	5.5
EBITDA Margin (%)	18.0	18.2	18.0	18.7	18.1	18.3	17.8	17.8	18.2	18.0	17.5	82bp
EBIT	4,995	5,067	4,972	5,080	5,135	5,444	5,563	5,888	20,114	22,030	5,369	1.4
EBIT Margin (%)	15.4	15.5	14.9	14.9	15.0	15.4	15.5	15.7	15.1	15.4	15.3	10bp
Other income	263	150	14	143	238	182	359	375	570	1,154	351	-48.1
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.7	24.7	24.8	24.7	24.7	3bp
PAT	3,961	3,920	3,736	3,932	4,045	4,234	4,457	4,713	15,549	17,449	4,306	-1.7
QoQ (%)	-2.3	-1.0	-4.7	5.2	2.9	4.7	5.3	5.8			6	-27.5
YoY (%)	-1.5	-6.3	-9.4	-3.0	2.1	8.0	19.3	19.9	-5.1	12.2	9.8	-18.6
EPS (INR)	20.9	20.6	19.6	20.7	21.3	22.2	23.4	24.7	81.8	91.4	22.6	-1.9

**Key Performance Indicators**

Y/E March	FY24			FY25		FY24
	2Q	3Q	4Q	1Q	2Q	
<b>Margins</b>						
Gross Margin	28.9	31.3	31.2	30.8	31.3	30.1
EBIT Margin	15.5	14.9	14.9	15.0	15.4	15.1
Net Margin	12.0	11.2	11.5	11.8	12.0	11.7
<b>Operating Metrics</b>						
Headcount	33,771	33,992	32,664	31,645	31,601	32,664
Deal Win TCV (USD m)	255	241	177	319	207	1380
<b>Key Verticals (YoY%)</b>						
BFS	-21.3	-18.3	-10.1	-0.4	7.3	-16.3
Insurance	16.9	29.0	12.0	10.8	10.4	11.5
IT, Comm, Ent	21.0	12.7	13.6	9.8	0.7	10.5
<b>Key Geographies (YoY%)</b>						
North America	-12.7	-8.2	-0.1	2.8	7.7	-7.9
Europe	10.0	7.3	3.0	9.7	-2.9	4.5



# Tata Communications

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	TCOM IN
Equity Shares (m)	285
M.Cap.(INRb)/(USDb)	521.6 / 6.2
52-Week Range (INR)	2175 / 1543
1, 6, 12 Rel. Per (%)	-7/-15/-23
12M Avg Val (INR M)	1408

## Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY25E
Net Sales	209.7	233.9	251.8
EBITDA	42.3	46.7	54.0
Adj. PAT	12.0	10.4	16.6
EBITDA Margin (%)	20.2	20.0	21.5
Adj. EPS (INR)	42.3	36.5	58.1
EPS Gr. (%)	-30.0	-13.7	59.3
BV/Sh. (INR)	62.7	86.5	129.6

## Ratios

Net D:E	4.9	3.8	2.1
RoE (%)	72.9	50.4	53.8
RoCE (%)	14.4	12.3	15.9
Payout (%)	39.5	39.5	39.5

## Valuations

EV/EBITDA (x)	14.3	13.1	11.0
P/E (x)	42.9	49.7	31.2
P/BV (x)	29.0	21.0	14.0
Div. Yield (%)	0.9	0.8	1.3
FCF Yield (%)	1.8	2.9	4.4

## Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	58.9	58.9	58.9
DII	13.5	13.2	13.6
FII	18.1	18.1	17.5
Others	9.6	9.9	10.1

FII includes depository receipts

**CMP: INR1,815      TP: INR1,790 (-1%)      Neutral**

## Subdued results on weak core-connectivity growth

- Tata Communications (TCOM) reported weak results with consolidated EBITDA declining 1% QoQ (5% miss) and margins contracting 60bp QoQ to 19.4%. The reported revenue/EBITDA were boosted by INR865m prior period revenue recognition.
  - Reported data revenue grew 3% QoQ (inline) with a modest 2.5% QoQ growth in core-connectivity and ~4% QoQ growth in digital portfolio, driven by 34% QoQ growth in Incubation. DPS revenue grew modest ~1.5% QoQ.
  - TCOM management indicated that the order book was up 25% YoY in 2Q on account of large deal wins with OTTs and hyper-scalers as well as the highest order booking in five years in international business. The funnel continues to remain robust, though funnel additions have been subdued. Management has maintained its ambition of doubling data revenue by FY27 and bringing EBITDA margins back to 23-25% over the medium term.
  - Our FY25-26E revenue is broadly unchanged as we build in ~11% data revenue CAGR over FY24-27, with data revenue reaching INR240b by FY27 (vs. TCOM's ambition of INR280b). We believe TCOM's ambition of doubling data revenue by FY27 remains a tall ask without further acquisitions.
  - We lower FY25-26 EBITDA by 3-4% as we lower our margin assumptions by ~90bp on account of a slower ramp-up in profitability in the digital portfolio. With the rising share of inherently lower margin businesses in TCOM's mix, we believe that margin expansion to 23-25% by FY27 would be difficult. We lower our SoTP based TP to INR1,790 (implying a 1% downside). The stock trades at ~20% premium to its LT average EV/EBITDA.
- We remain Neutral on the stock.**

## EBITDA down 1% QoQ (5% miss) on weaker growth in core-connectivity

- Consol revenue was up modest ~2% QoQ to INR 57.7b (inline). TCOM recognized INR0.87b as other operating income pertaining to reversals from the prior period.
- Data revenue at INR48b (inline) grew 3% QoQ, with core-connectivity growing 2.5% QoQ (3% YoY), while digital portfolio grew ~4% QoQ on account of 34% QoQ growth in Incubation. DPS grew modest ~1.5% QoQ.
- Consol EBITDA declined 1% QoQ to INR 11.2b (5% miss) due to lower growth in the higher margin core-connectivity segment.
- Consol adjusted EBITDA margin contracted 60bp QoQ to 19.4% (110bp miss) as the data margin came in 90bp below our estimate at 18.2% (down 110bp QoQ, -460bp YoY).
- Reported Consol PAT at INR2.3b declined 32% QoQ (+3% YoY, 26% miss). The company had exceptional gain of INR0.4b pertaining to gain on assets held for sale.
- Adjusted for the same, PAT after minority declined 25% QoQ (-17% YoY) to INR1.8b (40% miss) on account of lower EBITDA, other income, and higher interest cost.

- Net debt increased by further INR8.8b QoQ to INR105b on account of higher working capital (up INR13.5b in 1HFY25).
- Committed capex inched up to INR5.8b (vs. INR4.9b in 1Q), while cash capex was ~18% lower QoQ at INR4.5b
- Reported RoCE (annualized) declined further to 16.4% vs. 17.5% in 1Q.
- For 1H, TCOM's EBITDA was up ~10% YoY and on our estimates, the ask rate of 2H is ~11% YoY EBITDA growth.

### Key takeaways from the management interaction

- **Order book:** Management indicated that the order book was up 25% YoY, reflecting broad-based improvements across segments, including few large deal wins (commencement from 2HFY26). Further, order booking in international business was the highest in five years. Management indicated that win rates have improved, but the conversion cycle remains elongated due to slower decision-making.
- **Funnel:** The funnel remains robust, though the pace of funnel additions remains subdued.
- **Doubling of data revenue:** Management indicated that adverse macroeconomic factors were not considered in its guidance of doubling data revenue to INR280b by FY27. However, it continues to pursue its ambition of doubling data revenue by FY27.
- **Margins:** TCOM management noted that several costs were front-ended and margins for FY25 are likely to remain in the 20% range. It continues to aim for improving margins to 23-25% range by FY27.
- **Strategies to monetize non-core assets:** TCOM is looking to sell a land parcel to STT Datacenter for INR7.5b-INR8b and has filed for shareholders' approval as the transaction is with a related party (TCOM has 26% stake in STT).

### Valuation and view

- Our FY25-26E revenue remains broadly unchanged as we build in ~11% data revenue CAGR over FY24-27, with data revenue reaching INR240b by FY27 (vs. TCOM's ambition of INR280b). We believe TCOM's ambition of doubling data revenue by FY27 remains a tall ask without further acquisitions.
- We lower FY25-26 EBITDA by 3-4% as we lower our margin assumptions by ~90bp on account of a slower ramp-up in profitability in the digital portfolio. With a rising share of inherently lower margin businesses in TCOM's mix, we believe that margin expansion to 23-25% by FY27 would be difficult.
- We ascribe 10X EV/EBITDA to TCOM's data business and 5X EV/EBITDA to voice and other businesses. We ascribe INR26b (or INR92/share) valuation to TCOM's 26% stake in STT Datacenters. We lower our SoTP based TP to INR1,790 (implying a 1% downside) on EBITDA cut and higher net debt. The stock trades at ~20% premium to its LT average EV/EBITDA. **We remain Neutral on the stock.**

<b>Cons. Quarterly Earning</b>												(INR b)
Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
<b>Revenue</b>	47.7	48.7	56.3	56.9	56.3	57.7	59.9	60.0	209.7	233.9	57.3	1
YoY Change (%)	10.7	10.0	24.4	24.6	18.1	18.4	6.4	5.4	17.5	11.6	17.7	
Total Expenditure	37.5	38.6	45.0	46.4	45.1	46.5	47.9	47.7	167.4	187.2	45.6	2
<b>EBITDA</b>	10.2	10.2	11.3	10.6	11.2	11.2	12.0	12.3	42.3	46.7	11.8	-5
YoY Change (%)	-4.9	-10.1	5.3	2.1	9.8	10.0	5.7	16.1	-2.0	10.3	15.7	
Depreciation	5.8	6.1	6.2	6.7	6.5	6.6	6.6	6.7	24.7	26.4	6.6	1
Interest	1.3	1.4	1.9	1.9	1.7	1.9	1.9	1.9	6.4	7.4	1.7	17
Other Income	1.9	0.3	0.1	0.6	0.3	0.1	0.3	0.3	2.8	1.0	0.4	-62
<b>PBT Before EO Expense</b>	5.0	3.0	3.4	2.6	3.3	2.8	3.7	4.0	14.0	13.8	3.9	-29
Exceptional (gain)/loss	0.0	0.0	1.9	0.5	-0.9	-0.4	0.0	0.0	2.4	-1.3	0.0	
<b>PBT</b>	5.0	3.0	1.5	2.1	4.2	3.2	3.7	4.0	11.6	15.1	3.9	-18
Tax	1.3	0.8	1.1	-1.1	0.9	1.0	0.8	0.9	2.1	3.6	0.9	
Rate (%)	25.9	26.1	73.8	-52.4	20.8	30.4	22.5	22.5	18.4	23.7	22.5	
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	0.0	
<b>Reported PAT</b>	3.8	2.2	0.4	3.2	3.3	2.3	2.9	3.2	9.7	11.7	3.1	-26
<b>Adj PAT</b>	3.8	2.2	2.3	3.7	2.5	1.8	2.9	3.2	12.0	10.4	3.1	-40
YoY Change (%)	-30.2	-51.5	-41.5	14.5	-34.9	-16.7	27.2	-15.5	-30.0	-13.7	39.0	

E: MOFSL Estimates



# Tata Chemicals

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,074      TP: INR1,070      Neutral**

## Sequential recovery improves 2H prospects

### Operating performance in line with expectations

Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	273.6 / 3.3
52-Week Range (INR)	1350 / 933
1, 6, 12 Rel. Per (%)	7/-15/-22
12M Avg Val (INR M)	2110

- TTCH's 2QFY25 consolidated EBITDA declined 25% YoY, due to lower realizations YoY, higher freight costs and unfavorable operating leverage across geographies, while sequentially it improved by 7.7% on recovery across geographies, except India.
- As per the management, soda ash prices have bottomed out (also last price cut was in Nov'23 for domestic market by TTCH) and can improve going ahead, with stable demand-supply scenario globally.
- We maintain our FY25/FY26 EBITDA estimates as we anticipate a steady recovery in the soda ash demand-supply scenario globally. **Reiterate our Neutral rating with an SoTP-based TP of INR1,070.**

### Financials & Valuations (INR b)

Y/E Mar	2025E	2026E	2027E
Sales	156.5	166.1	178.0
EBITDA	25.1	31.5	35.1
PAT	7.8	12.5	15.7
EBITDA (%)	16.0	19.0	19.7
EPS (INR)	30.7	49.0	61.6
EPS Gr. (%)	(14.9)	59.4	25.6
BV/Sh. (INR)	889	922	967

### Ratios

Net D/E	0.2	0.1	0.0
RoE (%)	3.5	5.4	6.5
RoCE (%)	4.3	6.1	7.1

### Valuations

P/E (x)	34.9	21.9	17.4
EV/EBITDA (x)	12.9	9.7	8.3
Div Yield (%)	1.4	1.5	1.5
FCF Yield (%)	4.2	8.7	8.5

### Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	38.0	38.0	38.0
DII	20.4	20.0	20.9
FII	13.6	13.8	14.2
Others	28.1	28.3	26.9

### Margin under pressure YoY across geographies

- TTCH reported total revenue of INR40b (est. INR40.2b) in 2QFY25, flat YoY, due to lower realization YoY across regions. EBITDA margin contracted by 500bp YoY to 15.5% (est. 16%). EBITDA stood at INR6.2b (est. INR6.45b), down 25% YoY. Adj. PAT was down 45% YoY at INR1.9b (est. INR2.1b).
- Basic Chemistry Products revenue declined 3% YoY to INR30.4b, EBIT fell 51% YoY to INR2.6b, and EBIT margins stood at 8.4% (down 840bp YoY).
- Specialty Products business grew 10% YoY to INR9.6b, EBIT grew 15% YoY to INR1.2b, and EBIT margins stood at 12.7% (up 60bp YoY).
- India standalone/TCEHL revenue declined 5%/13% YoY to INR10.1b/INR5.3b, while TCNA/TCAHL/Rallis revenue grew 5%/8%/11% YoY to INR13.9b/INR1.7b/INR9.3b.
- EBITDA declined across the board, with India standalone/TCNA/TCEHL/TCAHL declining by 23%/30%/77%/16% YoY to INR1.4b/INR2.2b/INR260m/INR430m. However, Rallis EBITDA grew 23% YoY to INR1.6b.
- EBITDA/mt of TCNA/TCEHL/TCAHL declined by 41%/76%/34% YoY to ~USD42/~GBP17/~USD67. EBITDA margin for India Standalone/Rallis contracted/expanded 3.4pp/1.7pp YoY to 14.3%/17.9%.
- Gross/net debt stood at ~INR64.8b/INR51.9b as of Sep'24 (vs. ~INR55.6b/INR41.6b as of Mar'24).
- For 1HFY25, revenue/EBITDA/adj. PAT declined 5%/36%/62% YoY to INR77.8b/INR11.9b/INR3.3b. Based on our estimates, the implied revenue/EBITDA growth for 2HFY25 is 9%/33% YoY. The higher EBITDA growth estimate in 2HFY25 is due to a lower base and an expected recovery across geographies.

### Highlights from the management commentary

- **Demand-supply scenario:** The company is not witnessing any major moderation in overall demand for soda ash in Oct'24. The softness in demand from container and lithium batteries is offset by healthy demand from solar. The management expects prices likely to have bottomed out.
- **Outlook:** TTCH expects 2H to be much steady in operations vs. an erratic and volatile 1H. The management is bullish on demand in Indian and the US.



- **India standalone business:** Margins were hampered by unprecedented heavy rains during the quarter, which impacted inventories and plant & equipment at Mithapur. The total cost impact was ~INR400-440m with a production loss of ~30KMT/40KMT of soda ash/salt.

#### Valuation and view

- Soda ash industry has witnessed a challenging 1HFY25, led by unfavorable demand-supply dynamics. However, with soda ash prices bottoming out across regions in 1H, we expect a steady recovery in 2H, led by healthy demand from solar glass and stable demand for other end-user industries.
- We expect 2HFY25 to witness further recovery in margins, led by healthy volume across geographies and favorable operating leverage. **We reiterate our Neutral rating with an SoTP-based TP of INR1,070.**

#### Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Net Sales</b>	<b>42,180</b>	<b>39,980</b>	<b>37,300</b>	<b>34,750</b>	<b>37,890</b>	<b>39,990</b>	<b>39,515</b>	<b>39,081</b>	<b>1,54,210</b>	<b>1,56,475</b>	<b>40,243</b>	<b>-1</b>
YoY Change (%)	5.6	-5.7	-10.1	-21.1	-10.2	0.0	5.9	12.5	-8.1	1.5	0.7	
Total Expenditure	31,750	31,790	31,880	30,320	32,150	33,810	33,144	32,313	1,25,740	1,31,418	33,793	
<b>EBITDA</b>	<b>10,430</b>	<b>8,190</b>	<b>5,420</b>	<b>4,430</b>	<b>5,740</b>	<b>6,180</b>	<b>6,371</b>	<b>6,767</b>	<b>28,470</b>	<b>25,058</b>	<b>6,450</b>	<b>-4</b>
Margins (%)	24.7	20.5	14.5	12.7	15.1	15.5	16.1	17.3	18.5	16.0	16.0	
Depreciation	2,290	2,340	2,460	2,710	2,730	2,770	2,730	2,735	9,800	10,965	2,730	
Interest	1,230	1,450	1,320	1,300	1,330	1,450	1,100	911	5,300	4,791	1,150	
Other Income	490	850	380	1,140	470	1,080	418	600	2,860	2,568	935	
<b>PBT before EO expense</b>	<b>7,400</b>	<b>5,250</b>	<b>2,020</b>	<b>1,560</b>	<b>2,150</b>	<b>3,040</b>	<b>2,959</b>	<b>3,721</b>	<b>16,230</b>	<b>11,870</b>	<b>3,505</b>	
Extra-Ord expense	-90	-1,020	0	9,630	0	0	0	0	8,520	0	0	
<b>PBT</b>	<b>7,490</b>	<b>6,270</b>	<b>2,020</b>	<b>-8,070</b>	<b>2,150</b>	<b>3,040</b>	<b>2,959</b>	<b>3,721</b>	<b>7,710</b>	<b>11,870</b>	<b>3,505</b>	
Tax	1,710	1,200	680	220	940	810	725	912	3,810	3,387	859	
Rate (%)	22.8	19.1	33.7	-2.7	43.7	26.6	24.5	24.5	49.4	28.5	24.5	
MI & Profit/Loss of Asso. Cos.	550	790	-240	-20	-140	290	240	260	1,080	650	509	
<b>Reported PAT</b>	<b>5,230</b>	<b>4,280</b>	<b>1,580</b>	<b>-8,270</b>	<b>1,350</b>	<b>1,940</b>	<b>1,994</b>	<b>2,550</b>	<b>2,820</b>	<b>7,833</b>	<b>2,137</b>	
<b>Adj PAT</b>	<b>5,163</b>	<b>3,515</b>	<b>1,580</b>	<b>-1,048</b>	<b>1,350</b>	<b>1,940</b>	<b>1,994</b>	<b>2,550</b>	<b>9,210</b>	<b>7,833</b>	<b>2,137</b>	<b>-9</b>
YoY Change (%)	-12.8	-44.4	-60.1	-114.7	-73.8	-44.8	26.2	-343.4	-60.5	-14.9	-39.2	
Margins (%)	12.2	8.8	4.2	-3.0	3.6	4.9	5.0	6.5	6.0	5.0	5.3	

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Consolidated</b>										
<b>Sales Volume (000'MT)</b>										
North America	535	545	529	626	588	632	555	639	<b>2,235</b>	<b>2,288</b>
Europe	153	156	156	144	148	144	156	161	<b>609</b>	<b>604</b>
Africa	55	61	64	64	69	77	75	72	<b>244</b>	<b>258</b>
<b>EBITDA/MT</b>										
North America (USD)	108.2	70.9	32.9	28.3	40.4	42.1	45.0	50.0	<b>58.9</b>	<b>42.6</b>
Europe (GBP)	72.7	71.6	35.5	42.6	11.8	17.4	23.0	25.0	<b>55.8</b>	<b>40.7</b>
Africa (USD)	141.6	101.2	105.2	73.4	43.4	66.6	85.0	88.7	<b>104.1</b>	<b>79.9</b>
<b>Cost Break-up</b>										
RM Cost (% of sales)	16.8	20.5	18.7	13.7	21.1	21.4	20.0	16.0	<b>17.5</b>	<b>19.6</b>
Staff Cost (% of sales)	10.9	11.4	12.6	13.8	12.6	12.5	12.8	13.4	<b>12.1</b>	<b>12.8</b>
Power and Fuel Cost (% of sales)	16.2	16.3	18.9	18.2	14.4	14.8	15.5	15.0	<b>17.3</b>	<b>14.9</b>
Freight and Distribution Cost (% of sales)	12.5	13.1	14.9	19.0	17.6	17.2	17.0	17.0	<b>14.7</b>	<b>17.2</b>
Other Cost (% of sales)	18.9	18.3	20.4	22.5	19.2	18.6	18.6	21.3	<b>19.9</b>	<b>19.4</b>
Gross Margins (%)	83.2	79.5	81.3	86.3	78.9	78.6	80.0	84.0	<b>82.5</b>	<b>80.4</b>
EBITDA Margins (%)	24.7	20.5	14.5	12.7	15.1	15.5	16.1	17.3	<b>18.5</b>	<b>16.0</b>
EBIT Margins (%)	19.3	14.6	7.9	4.9	7.9	8.5	9.2	10.3	<b>12.1</b>	<b>9.0</b>



# Manappuram Finance

BSE Sensex 80,050 S&P CNX 24,796



Bloomberg	MGFL IN
Equity Shares (m)	846
M.Cap.(INRb)/(USDb)	150.1 / 1.8
52-Week Range (INR)	230 / 125
1, 6, 12 Rel. Per (%)	-13/-18/-1
12M Avg Val (INR M)	1711

### Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	55.9	62.7	70.0
PPP	35.4	39.0	42.4
PAT	22.0	21.2	23.5
EPS (INR)	26.0	25.1	27.8
EPS Gr. (%)	46.5	-3.4	10.7
BV/Sh.(INR)	136	158	183

### Ratios

NIM (%)	14.9	14.7	13.3
C/I ratio (%)	41.6	42.2	43.7
RoA (%)	5.1	4.3	4.3
RoE (%)	20.7	17.0	16.3
Payout (%)	13.7	13.5	12.1

### Valuations

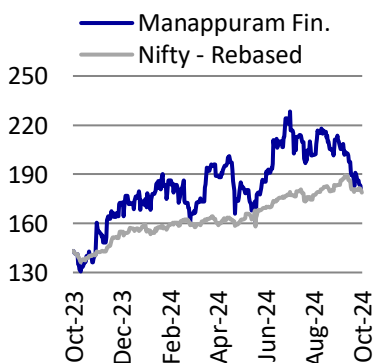
P/E (x)	6.8	7.1	6.4
P/BV (x)	1.3	1.1	1.0
Div. Yld. (%)	2.0	1.9	1.9

### Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	35.2	35.2	35.2
DII	9.3	9.5	10.7
FII	33.0	32.0	30.7
Others	22.4	23.3	23.4

FII Includes depository receipts

### Stock Performance (one-year)



**CMP: INR177 TP: INR160 (-10%) Downgrade to Neutral**

## RBI ban on Asirvad due to material supervisory concerns

### Expect continued underperformance until the RBI revokes the ban

- The RBI has instructed Asirvad Micro Finance, a subsidiary of Manappuram Finance, to halt the sanctioning and disbursement of loans, effective 21st Oct'24. In addition to Asirvad, the RBI has imposed a similar ban on Arohan Financial Services, DMI Finance, and Navi Finserv.
- The RBI shared that the decision to ban the lending operations of Asirvad stemmed from major supervisory concerns about its pricing practices, particularly the weighted average lending rate and the interest spread over its cost of funds, which was deemed excessively high and not in compliance with the regulations and the Fair Practices Code issued by the RBI.
- In addition to excessively high pricing, these NBFCs also violated regulatory guidelines on assessing household income and the evaluation of existing or proposed monthly repayment obligations for their microfinance loans. They were also found non-compliant with IRAC norms, leading to loan ever-greening, mismanagement of gold loan portfolios, failure to disclose required interest rates and fees, and improper outsourcing of core financial services. It is not clear whether Asirvad was found non-compliant with some or all of these aforesaid observations.
- Asirvad can continue to service its existing customers and carry out its collection and recovery processes. The RBI would review this ban after Asirvad takes corrective measures to fully comply with regulatory guidelines, particularly regarding its pricing policies, risk management, customer service, and grievance handling. Going by precedents in the recent past when the RBI had banned (on specific product lines) particular NBFCs, we believe that this ban on Asirvad could potentially be revoked in six to nine months.
- We cut our FY25/FY26 PAT estimates by ~9%/17% to factor in lower loan growth and lower spreads/margins from the MFI business. We expect a period of continued price underperformance for MGFL until this ban on Asirvad is revoked by the RBI. We downgrade MGFL to Neutral with a TP of INR160 (based on 0.8x Sep'26E P/BV).

### Implications for MGFL

- Asirvad contributes ~27% to the consolidated AUM of Manappuram Finance. Asirvad's AUM stood at ~INR123b as of Jun'24, which included ~INR12b of gold loan portfolio. In addition to microfinance, Asirvad housed ~515 gold loan branches, which will be impacted because of this ban.
- Asirvad's PAT contribution to the consolidated entity stood at ~21% and ~15% in FY24 and FY23, respectively. Asirvad's net worth stood at ~INR22.5b and MGFL's standalone net worth stood at ~INR107b as of Jun'24.

- Given that Asirvad has been asked to cease and desist from sanctioning and disbursing all loans, effective 21st Oct'24, we believe this will impact its MFI collections as well. Overall, we believe that the RBI ban will affect Asirvad's AUM growth (ban on lending operations) and profitability (moderation in spreads).
- We now estimate Asirvad's AUM to decline ~25% YoY in FY25 (compared to 9% YoY growth expected earlier).

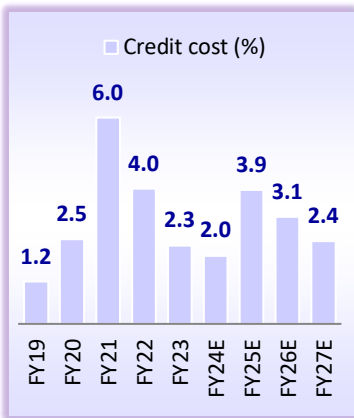
#### **Valuation and view**

- Asirvad's board has reiterated its unwavering commitment to implementing the RBI's direction and monitoring the corrective actions in a time-bound plan. In addition, Asirvad's board will do a comprehensive review of the enterprise-wide governance, risk management and regulatory compliance.
- We look forward to engaging with the company management to understand what transpired in RBI audits of Asirvad MFI, what observations have been made by the RBI and what corrective actions the company plans to take. Meanwhile, we believe that this ban could remain in force for six to nine months. We factor in lower loan growth and lower spreads in Asirvad's MFI business and cut our FY25/FY26 PAT estimates by ~9%/17%.
- We downgrade the stock to Neutral with a revised TP of INR160 (based on 0.8x Sep'26E P/BV).

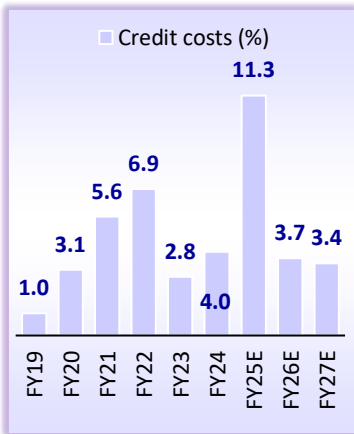


# Microfinance

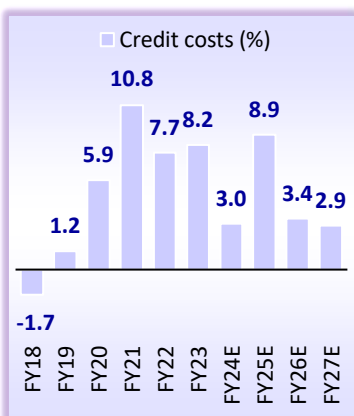
## CRE DAG: Elevated credit costs of ~4% in FY25E



## Fusion: Credit costs to remain elevated at ~11% in FY25



## Spandana: Expect credit costs at ~9% in FY25



## It's not the bottom yet, recovery still distant!

### Significant systemic stress in the MFI sector; 2Q will be worse than 1Q

The microfinance (MFI) sector has been grappling with persistent challenges and obstacles over the past 5-6 months, resulting in a notable deterioration in asset quality. This accumulation of stress has prompted both the regulator and the Self-Regulatory Organization (SRO) to take action, which led to MFIN proposing guardrails to instill discipline in MFI lending and prevent further deterioration in asset quality. Consequently, this surge in sectoral stress is expected to moderate the industry's assets under management (AUM) growth and substantially affect overall industry profitability.

In the last quarter, several NBFC-MFIs (including SFBs and a few banks) highlighted disruptions due to elections and heatwaves. While these factors may have led to operational challenges in convening center meetings and delays in repaying EMIs, they could not have affected customers' willingness or ability to repay.

The current state of the MFI sector can be attributed to several factors, including but not limited to: 1) customer overleveraging and inability to repay, resulting in low center meeting attendance; 2) lending to customers with multiple fake voter ID cards categorized as new-to-credit (NTC) customers; 3) defaults from 'Ring Leaders' or 'Intermediaries' in some pockets of the country; 4) high attrition at the field officer and even branch manager levels; and 5) heavy rainfall and/or floods in certain regions that adversely impacted customer earnings and even their repayments. Not all of these reasons are mutually exclusive, and there is a fair possibility that one could be a cause of the other.

Everyone – perhaps even the lenders themselves – is trying to understand how long this asset quality stress will persist and when can we expect this situation to normalize. In our view, the stress in the current cycle will last for the whole of the current financial year, with the sector beginning to exhibit signs of normalization only at the onset of the next fiscal year. That said, our channel checks indeed suggest that 2Q will be the most challenging quarter of the fiscal year and credit costs in 2HFY25 will likely remain elevated. Throughout the remainder of FY25, we anticipate PAR90 portfolio to keep inching up, which will eventually be written off in early FY26, depending on the write-off policies of the respective companies.

While we discuss this, we would like to emphasize that we view this as a credit cycle not only in microfinance, but also across all unsecured products, including credit cards, personal loans, and unsecured business loans.

The current credit cycle is different from the previous credit cycles in the MFI sector. This time around, the industry participants have themselves to blame.

What has not been discussed as much are the challenges arising from KYC compliance

Difficult to track customers who have multiple loans on multiple voter IDs

AUM growth in FY25 will be adversely impacted.

### Unchecked credit growth from the sector participants leads to the current credit cycle

- Most of the past credit cycles in microfinance were either localized, affecting specific regions or geographies, or were triggered by external disruptions such as demonetization/Covid-19.
- The current credit cycle, however, is different from the previous credit cycles in the sector. Ironically, this time around, the industry participants have themselves to blame for the current stressed state of the MFI sector. Unchecked credit growth and rampant multiple loans to numerous customers with fake voter ID cards (considered as NTC customers) have led to customer overleveraging. What made matters worse in 2QFY25 is that all lenders tightened their credit underwriting and disbursements following the introduction of MFIN guardrails, effectively ceasing the cash flow rotation in the hands of the borrowers and resulting in even higher forward flows/slippages.

### Multiple (fake) voter IDs remain a persistent challenge

- Until recently, what was most discussed and caught the attention of investors and analysts alike was how many of the customers had more than four loans and a total outstanding of more than INR200K. However, what was not discussed as much were the challenges arising from KYC compliance. In 2015, the industry adopted Aadhaar as the primary KYC document, which remained in use until 2017. However, in 2017, the industry transitioned to Voter ID as the primary KYC document, a change that continues to present challenges and has made matters worse.
- It is so much easier to obtain fake and/or multiple voter ID cards, but much more difficult to obtain Aadhaar cards. Several individuals possess 2-3 voter IDs, either from applying for smart cards or for other reasons. **This has made tracking customers who have multiple loans on multiple voter IDs that much more difficult for MFI lenders. This also resulted in overleveraging and increased borrower indebtedness, which in turn led to defaults from customers.**
- NBFC-MFIs submit data to credit bureaus on a daily basis, enabling lenders to identify borrowers who have already taken multiple loans. However, the RBI has mandated small finance banks and other MFI lenders to submit this data on a monthly basis, which has now been reduced to fortnightly. This created challenges in accurately identifying borrowers who have taken multiple loans in real time.

### Sector AUM to decline in FY25; disbursements weaker post-implementation of MFIN guardrails

- On 9<sup>th</sup> July'24, MFI SRO and MFIN issued directives to their member institutions to: a) set a maximum limit of ~INR200K on total microfinance indebtedness for each borrower, and b) restrict the number of lenders to a borrower to four. Most MFI lenders have implemented the guardrails proposed by MFIN and tightened their respective loan sourcing practices.
- This has naturally led to a moderation in disbursements for the MFI lenders in 2QFY25. This will adversely impact AUM growth in FY25, even if disbursements gradually pick up during the remainder of this fiscal year. We estimate AUM (or GLP) growth of 6% for CREDAG and a decline of 6%/3% for Fusion/Spandana in FY25.

RBI has warned that the combination of high costs and significant indebtedness could pose risks to financial stability.

NBFC-MFIs will need to maintain higher levels of liquidity on their balance sheets given the increasing stress

For a majority of the MFI sector participants, we expect a fresh equity raise within 6-12 months.

Collection efficiency across various MFI lenders has further declined in Aug-Sep'24

Deterioration in collections was more pronounced under the monthly collection model

### Compression in spreads/margins to continue; ever so likely with the RBI's commentary on usurious interest rates

- The RBI's recent commentary on NBFCs (including MFIs), while sharing the outcome of its MPC meeting on 9<sup>th</sup> Oct'24, again reiterated its discomfort with NBFCs that engage in profiteering and pursue excessive RoE. The RBI again highlighted its apprehensions around a **few outliers** who charge usurious interest rates along with unreasonably high processing fees and frivolous penalties. Further, the RBI warned that the combination of high costs and significant indebtedness could pose risks to financial stability if not adequately addressed by these NBFCs.
- Given our expectations of repo rate cuts in 2HFY25, we anticipate that NBFC-MFIs will prioritize passing on their reduced borrowing costs to customers rather than focusing on improving their NIM/spread profile. Moreover, NBFC-MFIs will need to maintain higher levels of liquidity on their balance sheets given the increasing stress within the segment. This excess liquidity will also incur a negative carry, adversely impacting incremental spreads and margins.

### Fresh equity raise plans will get preponed

- For a majority of the MFI sector participants, we expect a fresh equity raise within the next 6-12 months. This capital raise might not be necessitated because of the decline in capital adequacy (CRAR) from elevated credit costs and consequent loss quarters reported by the companies. However, we instead expect NBFC-MFIs to tap fresh equity capital to give confidence to all their stakeholders, including the lenders and credit rating agencies.
- Fusion's Board has already approved a fresh equity raise of up to INR5.5b through the Rights Issue. The company's promoters have expressed support for this equity raise and have undertaken to ensure the success of the Rights issue.

### Collection efficiencies dip further in Aug-Sep'24

- Collection efficiency (excluding arrears) for Fusion dropped to ~96.3% in 1QFY25 from ~97.3% in 4QFY24. For CREDAG, it declined to ~97.8% from ~98.3%, and for Spandana, it fell to ~94% in 1QFY25 from ~96.5% in 4QFY24.
- **Collection efficiency across various MFI lenders has further declined in Aug-Sep'24** due to a combination of factors including customer overleveraging, defaults from 'Ring Leaders' or 'Intermediaries', high attrition at the field officer and/or branch manager levels, and heavy rainfall and/or floods in certain regions. Attrition rates, which were ~25% in several states, have now increased to 35% and even 40% in some regions.
- Our channel checks suggest that at the industry level, collection efficiency (ex-arrears) declined ~250bp in Aug-Sep'24 vs. Jul'24. CREDAG has already reported that its collection efficiency (including arrears) declined ~170bp QoQ to ~96.2% in 2QFY25 (PQ: 97.9%).
- **We also found that the deterioration in collection efficiencies was more pronounced under the monthly collection model compared to the weekly model.** This is also perhaps one of the reasons why CREDAG (with its weekly model) could be relatively better placed than its peers who practice the monthly collection model.



2QFY25 will be the most challenging quarter for the MFI sector

Risks of further earnings cuts in our FY25 estimates

CREDAG will exhibit better relative performance vis-à-vis peers

### Valuation and View

- In our opinion, 2QFY25 will be the most challenging quarter for the MFI sector. The third quarter will be better as the adverse impact of rainfall and floods will diminish, leading to a slowdown in new flow formation. However, credit costs are still likely to remain elevated in 3Q and will be far from being considered 'normalized'. Throughout this fiscal year, we anticipate that PAR will continue to inch up and will be finally written off towards the end of FY25 or early FY26.
- In our 2QFY25 NBFC preview report ([link](#)) published on 4<sup>th</sup> Oct'24, we cut our PAT estimates by ~22%/21% for CREDAG, loss/8% for Fusion, and ~84%/30% for Spandana for FY25/FY26. We now estimate Fusion to report a net loss, Spandana to report an RoA of ~0.7%, and CREDAG to report an RoA of 4.4% in FY25. While making our estimate changes, we have assumed that collections will start improving with some early greenshoots of normalization from Dec'24 onwards. If this does not happen, then there are risks of further earnings cuts in our FY25 estimates during the course of the year.
- Both Fusion and Spandana trade below their 1-year forward book value. **We maintain our BUY rating on Spandana with a TP of INR580, reiterate our Neutral rating on Fusion with a TP of INR240, and we have a BUY rating on CREDAG with a TP of INR1,260.** In our view, CREDAG will exhibit better relative performance vis-à-vis its peers in this credit cycle. Please refer to more details in the respective company sections.

### Valuation Matrix: NBFCs

Val summary	CMP (INR)	MCap (INR b)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
			FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
CreditAccess	1,047	163	81.2	97.9	483	581	4.4	4.8	18.1	18.4	12.9	10.7	2.2	1.8
Fusion Micro	217	22	-1.7	54.0	281	335	-0.1	4.5	-0.6	17.5	-	4.0	0.8	0.6
Spandana Sphoorty	503	36	12.7	73.0	524	597	0.7	3.8	2.5	13.0	39.6	6.9	1.0	0.8
PFC	469	1,548	49.9	55.0	231	270	3.1	3.0	19.4	18.7	5.9	5.4	1.2	1.1
REC	542	1,427	60.5	69.3	306	357	2.7	2.6	21.3	20.9	9.0	7.8	1.8	1.5
Five-Star	897	263	36.7	44.3	214	258	8.1	7.6	18.7	18.8	24.4	20.2	4.2	3.5
LIC HF	612	345	89.2	93.3	641	715	1.6	1.6	14.7	13.8	6.9	6.6	1.0	0.9
PNB HF	934	249	70.3	88.9	647	724	2.3	2.5	11.5	13.0	13.3	10.5	1.4	1.3
Aavas	1,727	137	74.4	90.4	551	642	3.2	3.2	14.5	15.2	23.2	19.1	3.1	2.7
HomeFirst	1,203	107	42.4	52.6	278	326	3.5	3.4	16.4	17.5	28.4	22.9	4.3	3.7
CanFin	857	117	63.5	72.8	384	450	2.2	2.2	17.9	17.5	13.5	11.8	2.2	1.9
Repco	497	32	68.9	74.3	528	599	3.0	2.9	13.9	13.2	7.2	6.7	0.9	0.8
Cholamandalam	1,456	1,221	53.4	73.1	284	372	2.5	2.8	20.6	22.5	27.3	19.9	5.1	3.9
MMFS	282	358	20.7	28.3	169	190	2.0	2.4	12.7	15.7	13.6	10.0	1.7	1.5
Shriram Finance	3,255	1,273	224.9	272.7	1,472	1,690	3.3	3.3	16.3	17.2	14.5	11.9	2.2	1.9
Indostar	266	38	12.5	17.6	250	263	1.3	1.6	5.1	7.1	21.2	15.2	1.1	1.0
Muthoot	1,955	785	126.7	145.3	705	820	5.4	5.3	19.3	19.1	15.4	13.5	2.8	2.4
Manappuram	177	153	27.4	33.4	160	189	4.6	4.8	18.5	19.1	6.5	5.3	1.1	0.9
BAF	6,904	4,300	273.2	363.5	1,546	1,862	4.0	4.2	19.6	21.3	25.3	19.0	4.5	3.7
Poonawalla	377	295	16.8	21.3	121	139	4.6	4.3	14.8	16.4	22.4	17.6	3.1	2.7
ABCL	218	586	13.2	17.1	115	131	0.0	0.0	12.1	13.9	16.5	12.8	1.9	1.7
LTFH	166	412	11.4	14.2	103	114	2.5	2.6	11.5	13.1	14.6	11.7	1.6	1.5
PIEL	1,038	248	41.0	79.9	1,213	1,277	1.0	1.8	3.4	6.4	25.3	13.0	0.9	0.8
MAS Financial	300	54	16.9	21.7	138	157	2.9	3.0	14.5	14.7	17.8	13.8	2.2	1.9
IIFL Finance	460	199	26.5	48.3	302	346	2.1	3.3	9.6	14.9	17.4	9.5	1.5	1.3



## Muted NHA project awarding during 1HFY25

- NHA's awarding activity was limited to 227km during 1HFY25, primarily due to the general elections in 1QFY25. The awarding activity picked up in Sep'24 and is expected to gain momentum in 2HFY25. In FY24, NHA awarded ~2,500km and completed 6,644km of construction. Muted awarding by NHA adversely affected order inflows for several road construction companies in 1HFY25.
- FASTag toll collections grew ~8% YoY in terms of both volume and value in 2QFY25, supporting asset monetization plans.
- NHA has set a monetization target of INR540b for FY25 with a new asset monetization cell. It plans to offer a dozen bundles in FY25, aiming for a higher target than the INR400b achieved in FY24 (including four ToT bundles worth INR159b).
- DFCCIL has commissioned 2,741km of the planned 2,843km for both the Eastern and Western Dedicated Freight Corridors (DFCs). The completion deadline is extended to Dec'25 due to land acquisition delays.

### Key Indicators

	FY23	FY24	TDFY25
Daily average FASTag toll (INR b)	1.5	1.8	1.9
Tenders awarded by NHA (km)	6,003	2,500	227
Road construction by NHA (km)	4,882	6,644	1,705

## NHA awarding disappoints in 1HFY25; pickup expected in coming months

NHA's awarding activity in the 1HFY25 was muted with only 227km of projects awarded, primarily due to the general elections in 1QFY25. The awarding activity picked up in Sep'24 with ~150kms of projects awarded. In FY24, NHA awarded ~2,500km of projects, with construction reaching 6,644km. Subdued awarding adversely affected order inflows for road construction companies. Construction during 1HFY25 was 1,705km, with activity expected to increase in 2HFY25.

## FASTag toll collections witnessing consistent improvement

The FASTag toll collection volume improved ~8% YoY during 2QFY25, while the collection value increased ~8% YoY. During 1HFY25, the FASTag toll collection value improved 10% YoY. Higher toll collections play a crucial role in expediting the monetization process of road assets by the Ministry. Additionally, toll collections are beneficial to companies seeking to monetize their existing toll assets.

## Declining input prices to expand margins for contractors

Steel and aluminum prices have decreased ~30% and ~25%, respectively, from their highs in Apr'22. Cement prices have decreased ~5% from their highs in Oct'23. With higher construction activities and stability in commodity prices, road contractors anticipate some improvement in profitability and margins in 2HFY25.

## Players with robust order books, strong balance sheets, and diversified operations well-placed

Although there has been a slowdown in project awarding in FY24 and 1HFY25, the tender pipeline is currently robust. Entities with significant order backlogs, strong financial standings, and involvement across diverse sectors are well-positioned to benefit. Our top pick in this sector is KNR Constructions (KNRC).

# Oil & Gas

## APM de-allocation risks mount again for the CGD sector

- **Indraprastha Gas and Mahanagar Gas announced a 21% and 20% reduction in APM gas allocation for their CNG and D-PNG businesses, respectively, effective 16<sup>th</sup> Oct'24. In our opinion, IGL, MAHGL, and Gujarat Gas will face the following impacts from the development:**
- **Impact of 26%/14%/16% in EBITDA/scm for IGL/MAHGL/GUJGA:** Assuming that the APM gas shortfall is compensated with spot LNG (priced at USD 10/mmbtu; we assume a similar cut for GUJGA though there is no official announcement), we estimate an EBITDA/scm impact of up to 26%/14%/16% for IGL/MAHGL/GUJGA based on FY24 reported EBITDA/scm margin. However, we note that the actual margin impact could be lower as: 1) companies may resort to price hikes to partially offset this margin hit; and 2) APM allocation in 1QFY25 was already at 60-70% across companies, and hence, the actual de-allocation may be lower than 20-21%.
- **FY26 margin impact could be tempered by price hikes and lower spot LNG prices:** We see a greater enabling environment for CNG/D-PNG price hikes in FY26 (vs. 2HFY25) as: 1) Delhi/Maharashtra state elections will be behind; 2) spot LNG prices could come off post-winter; and 3) liquefaction capacity rises globally.
- **State elections could be a hurdle to near-term price hikes:** MAHGL should be able to take price hikes following the state elections, which are scheduled in Nov'24. For IGL, the state elections (due in Feb'25) could be a potential hurdle to raising CNG/D-PNG prices.
- **What if crude oil prices crash to USD65/bbl?** Such a scenario could necessitate up to an INR4-5/lit petrol/diesel price cuts by OMCs (not our base case). In contrast, spot LNG prices (assuming a 12% slope and current Brent price of USD75/bbl) may allow for only an INR0.6/scm reduction in gas prices for IGL and MAHGL.

## Valuation and view

- Overall, we believe **IGL** is the most impacted by this development given: 1) its lower base margins (vs. MAHGL), 2) lower volume growth run-rate, and 3) state elections being some time away. In late-Jun'24, IGL had raised the CNG price by INR1 ([link](#)), which should support gross margin in 2Q and help partially offset the ongoing shortfall in APM gas allocation. While IGL's volumes saw a 9.8% CAGR in FY16-24, we estimate a 7% CAGR in FY24-26. **We reiterate our Sell rating on the stock with a TP of INR466.**
- **For MAHGL**, we expect a 7% CAGR in volume over FY24-26, driven by multiple initiatives implemented by the company, such as collaborating with OEMs to drive conversions of commercial CNG vehicles and providing guaranteed price discounts to new I/C-PNG customers. **We reiterate our Buy rating on the stock with a TP of INR2,430, based on 17x Dec'26 EPS.**

### EBITDA/scm impact of APM gas de-allocation

Particulars	Unit	IGL	MAHGL	GUJGA
<b>FY24 sales volume split</b>				
CNG	mmscmd	6.3	2.6	2.9
D-PNG	mmscmd	0.6	0.5	0.9
I&C-PNG & NG	mmscmd	1.5	0.5	6.0
<b>Total (A)</b>		<b>8.4</b>	<b>3.6</b>	<b>9.7</b>
CNG + D-PNG	mmscmd	6.90	3.11	3.74
reduction (%)		21%	20%	20%
APM allocation reduction (B)	mmscmd	1.45	0.62	0.75
Implied reduction over entire volume (%) (C = A/B)		17%	17%	8%
Overall cost increase (USD3.5/mmbtu x C)	(USD/mmbtu)	0.6	0.6	0.3
<b>Margin impact</b>	<b>(INR/scm)</b>	<b>2.0</b>	<b>2.0</b>	<b>0.9</b>
<b>FY24 EBITDA</b>	<b>(INR/scm)</b>	<b>7.7</b>	<b>13.9</b>	<b>5.5</b>
<b>Margin impact over FY24 EBITDA/scm</b>	<b>%</b>	<b>26%</b>	<b>14%</b>	<b>16%</b>

## Polycab India

BSE SENSEX  
81,007S&P CNX  
24,750

CMP: INR7,102

Buy

## Conference Call Details

Date: 18<sup>th</sup> October 2024

Time: 12:00 IST

Dial-in details:

+ 91 22 6280 1443

+ 91 22 7115 8338

[Link for the call](#)

## Consol. Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	212.2	244.3	281.3
EBITDA	27.3	32.9	39.4
Adj. PAT	19.5	23.5	27.8
EBITDA Margin (%)	12.9	13.5	14.0
Adj. EPS (INR)	130.1	156.6	185.3
EPS Gr. (%)	9.6	20.4	18.3
BV/Sh. (INR)	645.1	766.7	917.0
<b>Ratios</b>			
Net D:E	(0.1)	(0.1)	(0.2)
RoE (%)	20.2	20.4	20.2
RoCE (%)	21.1	21.3	21.1
Payout (%)	23.1	22.3	18.9
<b>Valuations</b>			
P/E (x)	54.6	45.3	38.3
P/BV (x)	11.0	9.3	7.7
EV/EBITDA(x)	38.9	32.1	26.5
Div. Yield (%)	0.5	0.6	0.6
FCF Yield (%)	0.5	0.9	1.3

## EBITDA in line; C&amp;W margin below estimate

- Polycab's 2QFY25 revenue grew 30% YoY to INR55.0b (10% above our est.). EBITDA grew ~4% YoY INR6.3b (est. INR6.6b), while OPM came in at 11.5% (est. ~13%) due to higher-than-estimated losses in the FMEG segment and lower-than-estimated margin in Cables & Wires (C&W). PAT grew ~3% YoY to INR4.4b (est. INR4.6b).
- In the domestic C&W segment, institutional business outpaced distribution business, while growth in wires outperformed that in cables. Further, the export business grew ~36% QoQ, and its contribution to overall revenue stood at 6.1%. C&W margin contracted due to higher competitive intensity and lower contribution from the higher margin domestic distribution business.
- In FMEG, the fans/switchgear segments grew, while the light and luminaries segments experienced a decline in revenue due to price erosion. Higher A&P spending and employee expenses led to a contraction in EBIT margin.
- We have a **BUY rating on the stock**. However, we will review our estimates following the concall on 18<sup>th</sup> Oct'24.

## Revenue &amp; EBITDA grow 30% &amp; 3% YoY; OPM dips ~3pp YoY to 11.5%

- Polycab's revenue was up ~30% YoY to INR55.0b. EBITDA grew ~4% YoY to INR6.3b, while OPM was at 11.5% vs. ~14%/12% in 2QFY24/1QFY25. PAT grew ~3% YoY to INR4.4b.
- Revenue for C&W's segment was up ~24% YoY at INR47b (+8% vs. our est.), while EBIT increased ~4% YoY to INR5.8b (+2% vs. our est.). EBIT margin was ~12% (est. ~13%) vs. ~15%/13% in 2QFY24/1QFY25.
- Revenue for the ECD segment increased ~20% YoY. It reported a loss of INR252m (estimated loss of INR35m) vs. a loss of INR60m in 2QFY24. Higher A&P spending and employee expenses led to a contraction in EBIT margin.
- Revenue for the EPC business surged 4.6x YoY (+3% QoQ) to INR3.8b. EBIT also jumped 4.6x YoY/19% QoQ to INR507m.
- In 1HYFY25, revenue/EBITDA/PAT grew 26%/5%/1% YoY. EBITDA margin declined 2.4pp YoY at ~12%. The C&W revenue grew 18% YoY, while EBIT was flat at INR10.8b. EBIT margin declined 2.3pp YoY to ~12% in 1HFY25.

## Valuation and view

- Polycab's 2Q earnings were largely in line with our estimates, as higher losses in FMEG business and lower C&W margin offset the higher-than-estimated revenue growth. The company is experiencing strong demand in the C&W segment both in domestic and international markets. However, increased competitive intensity and a lower share of distribution business in overall domestic revenue adversely impacted margin. We are structurally positive on Polycab due to its leadership position in the C&W segment and strong growth trajectory.
- We have a **BUY rating on the stock**. However, we will review our estimates after the concall on 18<sup>th</sup> Oct'24 ([Concall Link](#)).

### Quarterly Performance

INR m

Y/E March	FY24				FY25E				MOSL 2QE	Var.	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Sales</b>	<b>38,894</b>	<b>42,177</b>	<b>43,405</b>	<b>55,919</b>	<b>46,980</b>	<b>54,984</b>	<b>51,003</b>	<b>59,202</b>	<b>49,785</b>	<b>10.4%</b>	<b>30.4%</b>	<b>17.0%</b>
Change (%)	42.1	26.6	16.8	29.3	20.8	30.4	17.5	5.9	18.0			
<b>EBITDA</b>	<b>5,486</b>	<b>6,089</b>	<b>5,695</b>	<b>7,615</b>	<b>5,834</b>	<b>6,316</b>	<b>6,847</b>	<b>8,312</b>	<b>6,610</b>	<b>-4.5%</b>	<b>3.7%</b>	<b>8.3%</b>
Change (%)	76.3	42.4	13.0	24.9	6.3	3.7	20.2	9.1	8.6			
EBITDA margin (%)	14.1	14.4	13.1	13.6	12.4	11.5	13.4	14.0	13.3		-295	-93
<b>Depreciation</b>	<b>571</b>	<b>603</b>	<b>619</b>	<b>657</b>	<b>671</b>	<b>721</b>	<b>706</b>	<b>492</b>	<b>678</b>		<b>19.5%</b>	<b>7.4%</b>
Interest	249	268	322	244	413	453	360	251	380		69.1%	9.7%
Other Income	640	353	710	538	584	762	790	764	550		115.6%	30.4%
Share of JV's loss	-	-	-	-	-	-	-	-	-			
<b>PBT</b>	<b>5,305</b>	<b>5,572</b>	<b>5,464</b>	<b>7,253</b>	<b>5,334</b>	<b>5,903</b>	<b>6,571</b>	<b>8,333</b>	<b>6,103</b>	<b>-3.3%</b>	<b>6.0%</b>	<b>10.7%</b>
Tax	1,273	1,274	1,299	1,718	1,317	1,451	1,610	2,026	1,495			
Effective Tax Rate (%)	24.0	22.9	23.8	23.7	24.7	24.6	24.5	24.3	24.5			
MI	35	42	37	75	57	54	55	23	45			
Exceptional	-	-	-	-	-	-	-	-	-			
<b>Reported PAT</b>	<b>3,996</b>	<b>4,256</b>	<b>4,129</b>	<b>5,460</b>	<b>3,960</b>	<b>4,398</b>	<b>4,906</b>	<b>6,284</b>	<b>4,562</b>	<b>-3.6%</b>	<b>3.3%</b>	<b>11.1%</b>
Change (%)	81.8	58.9	15.4	28.6	-0.9	3.3	18.8	15.1	7.2			
<b>Adj. PAT</b>	<b>3,996</b>	<b>4,256</b>	<b>4,129</b>	<b>5,460</b>	<b>3,960</b>	<b>4,398</b>	<b>4,906</b>	<b>6,284</b>	<b>4,562</b>	<b>-3.6%</b>	<b>3.3%</b>	<b>11.1%</b>
Change (%)	81.8	58.9	15.4	28.6	-0.9	3.3	18.8	15.1	7.2			

### Segmental Performance

INR m

Y/E March	FY24				FY25E				MOSL 2QE	Var.	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Sales</b>												
Cable and wires	35,338	38,047	39,041	48,647	39,421	47,200	44,897	53,715	43,754	7.9%	24.1%	19.7%
ECDs	3,145	3,300	2,962	3,581	3,855	3,975	3,406	3,311	3,531	12.6%	20.5%	3.1%
Others (incl. EPC)	411	830	1,402	3,691	3,704	3,809	2,700	2,177	2,500	52.4%	358.9%	2.8%
<b>EBIT</b>												
Cable and wires	5,223	5,547	5,474	7,363	4,967	5,793	6,061	8,000	5,688	1.8%	4.4%	16.6%
ECDs	(57)	(60)	(366)	(459)	(28)	(252)	17	264	(35)	615.0%	NA	NA
Others (incl. EPC)	85	110	340	265	425	507	257	113	250	102.6%	359.8%	19.1%
<b>EBIT Margin (%)</b>												
Cable and wires	14.8	14.6	14.0	15.1	12.6	12.3	13.5	14.9	13.0	(73)	(231)	(33)
ECDs	(1.8)	(1.8)	(12.4)	(12.8)	(0.7)	(6.4)	0.5	8.0	(1.0)	(535)	NA	NA
Others (incl. EPC)	20.6	13.3	24.3	7.2	11.5	13.3	9.5	5.2	10.0	330	2	182



## Bharat Forge

BSE SENSEX	S&P CNX
81,007	24,750

CMP: INR1,471

Neutral

## Stock Info

Bloomberg	BHFC IN
Equity Shares (m)	466
M.Cap.(INRb)/(USD\$)	684.9 / 8.1
52-Week Range (INR)	1826 / 1002
1, 6, 12 Rel. Per (%)	-5/13/6
12M Avg Val (INR M)	1867

## Financials Snapshot (INR b)

Y/E Mar	2024	2025E	2026E
Sales	156.8	176.8	199.2
EBITDA (%)	16.3	18.0	19.7
Adj. PAT	9.2	15.5	20.6
EPS (INR)	19.7	33.4	44.3
EPS Gr. (%)	61.8	69.1	32.7
BV/Sh. (INR)	154	174	205

## Ratios

Net D:E	0.5	0.6	0.3
RoE (%)	13.2	20.4	23.4
RoCE (%)	8.7	11.9	14.5
Payout (%)	46.3	37.2	29.5

## Valuations

P/E (x)	74.5	44.0	33.2
P/BV (x)	9.5	8.5	7.2
EV/EBITDA (x)	28.3	22.9	18.4
Div. Yield (%)	0.6	0.8	0.9
FCF Yield (%)	0.3	0.5	2.7

## Acquires AAM India's CV axle manufacturing business

- Bharat Forge (BHFC) today announced that it has entered into a definitive agreement to acquire AAM India Manufacturing Corporation Private Limited (AAMIMCPL), a subsidiary of American Axle & Manufacturing Holdings, Inc. (AAM), at an enterprise value of INR5.45b (USD65m) subject to closing adjustments. The IP, along with the business, has been successfully transferred to BHFC. This deal is, however, subject to approval from CCI.
- According to the terms of the agreement, BHFC will continue to receive technology support from AAM for its existing products for a defined time period.
- As per the management, this strategic acquisition will help BHFC transform its business from components to products.
- Established in 2008, AAMIMCPL is a leading manufacturer of axles for light, medium, and heavy-duty commercial trucks and passenger buses in India. With this transaction, BHFC will acquire the commercial vehicle axle business of AAMIMCPL in Pune (India) and Chennai (India) along with the Pune Engineering and Development Center. However, AAM's component manufacturing facility in Chakan and the Pune Business Office, which provides engineering, IT, and procurement shared services for AAM's operations globally, are excluded from the transaction.
- AAM India's revenue stood at INR15.85b (acquired business at INR13.84b), INR12.94b (acquired business at INR10.89b), and INR9.99b (acquired business at INR8.8b) over FY24/FY23/FY22 respectively.
- This acquisition is likely to be EPS and ROCE accretive for BHFC from the first year itself. Management indicated that the acquired entity is debt-free.
- Synergistic benefits from this deal are: a) it enhances BHFC's ability to offer a broader range of products; b) it facilitates the supply chain; and c) it helps BHFC develop new products and technology.
- Management indicated that BHFC does not require any major capex immediately.
- There are at least 7-8 competitors for AAMIMCPL in India apart from the OEM's own in-house sourcing. The addressable market across different segments (including auto, off-highway, etc.) is huge, and none of the players have more than 5-10% share in this segment in India.
- According to the terms of the agreement, BHFC can export to some markets (closeby), while the same to others will be restricted.

**Our view:** Given the lack of sufficient disclosures, we await further clarity from the management regarding this acquisition. The stock currently trades at 44x/33x FY25E/FY26E consolidated EPS. **We reiterate our Neutral rating with a TP of INR1,465 (based on 30x Sep'26E consolidated EPS).**

BSE SENSEX  
81,007S&P CNX  
24,750

CMP: INR2,892

Buy

## Conference Call Details

**Date:** 18th Oct 2024**Time:** 4pm IST**Dial-in details:** [\[Diamond pass\]](#)+91 22 6280 1384/ +91  
22 7115 8285

## Financials &amp; Valuations (INR b)

INR Billion	FY24	FY25E	FY26E
Sales	119.4	130.6	143.9
EBITDA	16.5	14.9	17.0
EBITDA Margin (%)	13.8	11.4	11.8
Adj. PAT	6.9	5.9	7.8
EPS (Rs)	169.4	145.0	193.4
EPS Growth (%)	226.6	-14.4	33.4
BV/Share (Rs)	999	1,114	1,273
<b>Ratios</b>			
RoE (%)	18.3	13.7	16.2
RoCE (%)	15.3	12.4	14.3
Payout (%)	18.9	20.7	18.1
<b>Valuations</b>			
P/E (x)	17.1	19.9	14.9
P/BV (x)	2.9	2.6	2.3
Div. Yield (%)	1.0	1.0	1.2
FCF Yield (%)	7.3	2.3	5.9

## Operating margin miss due to higher RM costs

- Net sales grew 8% YoY to INR33b (inline), mainly due to healthy YoY volume growth in replacement and exports.
- Gross margins contracted 590bp YoY (-180bp QoQ) to 37.4% (est.38.2%) due to higher RM costs.
- EBITDA margin stood at 11% (-400bp YoY/ -100bp QoQ / est. 11.5%); the miss was mainly on account of higher RM costs that were offset by lower other expenses.
- EBITDA declined 21% YoY to ~INR3.6b (est. INR3.8b).
- Adj. PAT declined 41% YoY to INR1.2b (est. INR1.5b).
- 1HFY25 revenue grew 8.5% YoY; however, EBITDA/adj. PAT declined 12%/23% YoY.
- Debt increased by INR2.4b sequentially to INR18.85b as of Sep'24. This was due to the higher WC requirement and payment of dividends. Capex for the quarter stood at INR2.1b.
- 1HFY25 cash outflow stood at INR114m (INR3.8b cash inflow in 1HFY24) due to the lower operating cash flow of INR4.15b (INR7.7b in 1HFY24) and higher capex of INR4.3b (INR3.9b in 1HFY24).
- Mr. Arnab Banerjee, MD & CEO of CEAT Limited, said, "We are pleased to see that we have successfully carried the momentum from Q1 through Q2. This quarter marks our highest revenue ever, driven largely by robust performances in our Replacement and International sectors. While there's a significant increase in the commodity prices, our margins got impacted during the quarter. We took selective price increases during the quarter that offset part of the cost impact. The revenue outlook remains positive as we enter Q3."
- Mr. Kumar Subbiah, CFO of CEAT Limited, said, "Our standalone revenue of Rs 3,298 crores during the quarter was the highest that we have achieved so far, supported by double digit growth in Replacement & International businesses. We partially mitigated the impact of steep increase in the prices of natural rubber through judicious price increases and cost efficiencies. This quarter also saw our overall debt level rise by Rs 280 crore, driven in part by increased raw material inventory, necessitated due to increase in transit period on imports and the distribution of dividend in Sept to the tune of Rs 120 crore."
- **Valuation & view:** The stock trades at 20x/15x FY25E/FY26E EPS.

**Consolidated - Quarterly Earning Model**

(INR Million)

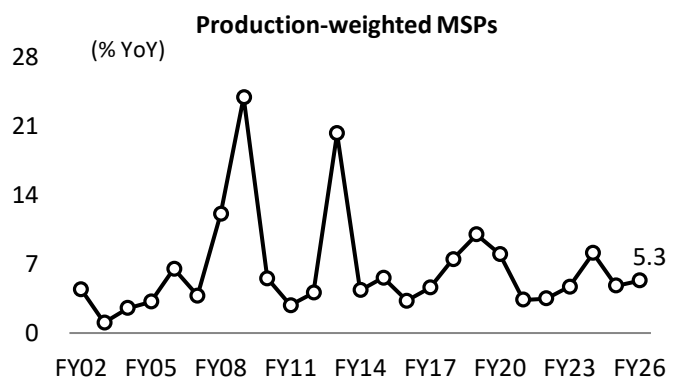
Y/E March	FY24				FY25E				FY24	FY25E	Var.	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%
<b>Net Sales</b>	<b>29,352</b>	<b>30,533</b>	<b>29,631</b>	<b>29,919</b>	<b>31,928</b>	<b>33,045</b>	<b>32,891</b>	<b>32,777</b>	<b>1,19,435</b>	<b>1,30,641</b>	<b>32,976</b>	<b>0.2</b>
YoY Change (%)	4.1	5.5	8.7	4.1	8.8	8.2	11.0	9.6	5.6	9.4	8.0	
RM Cost (%)	58.9	56.7	58.7	57.7	60.8	62.6	62.0	61.4	58.0	61.7	61.8	
Employee Cost (%)	6.7	7.1	7.3	7.2	6.1	6.6	6.3	5.7	7.1	6.2	6.1	
Other Expenses (%)	21.2	21.3	19.9	22.0	21.1	19.8	20.6	21.3	21.1	20.7	20.6	
<b>EBITDA</b>	<b>3,871</b>	<b>4,561</b>	<b>4,175</b>	<b>3,915</b>	<b>3,829</b>	<b>3,623</b>	<b>3,651</b>	<b>3,791</b>	<b>16,522</b>	<b>14,893</b>	<b>3,792</b>	<b>-4</b>
Margins (%)	13.2	14.9	14.1	13.1	12.0	11.0	11.1	11.6	13.8	11.4	11.5	
Depreciation	1,209	1,245	1,273	1,361	1,318	1,371	1,325	1,306	5,088	5,320	1,320	
Interest	701	717	656	617	619	665	525	391	2,691	2,199	550	
Other Income	33	105	29	31	62	35	70	114	197	280	75	
<b>PBT Before EO Expense</b>	<b>1,993</b>	<b>2,704</b>	<b>2,276</b>	<b>1,969</b>	<b>1,954</b>	<b>1,622</b>	<b>1,871</b>	<b>2,208</b>	<b>8,941</b>	<b>7,655</b>	<b>1,997</b>	
Exceptional Item	0	0	0	582	-75	0	0	74	582	0	0	
<b>PBT</b>	<b>1,993</b>	<b>2,704</b>	<b>2,276</b>	<b>1,387</b>	<b>2,029</b>	<b>1,621</b>	<b>1,871</b>	<b>2,134</b>	<b>8,359</b>	<b>7,655</b>	<b>1,997</b>	
Tax Rate (%)	26.5	25.3	23.9	33.0	26.6	28.6	26.0	23.5	26.5	26.0	26.0	
Minority Int. & Profit of Asso. Cos.	18	-59	-84	-157	-53	-61	-55	-32	-282	-200	-45	
<b>Adj PAT</b>	<b>1,446</b>	<b>2,080</b>	<b>1,815</b>	<b>1,513</b>	<b>1,486</b>	<b>1,219</b>	<b>1,439</b>	<b>1,719</b>	<b>6,854</b>	<b>5,864</b>	<b>1,523</b>	<b>-20</b>
YoY Change (%)	1,383	745	408	8	3	-41	-21	14	227	-14	-26.8	

### Cabinet approves MSP hike for FY25; wheat MSP up 6.6%

#### The highest increase in wheat MSP since FY18, barring FY24

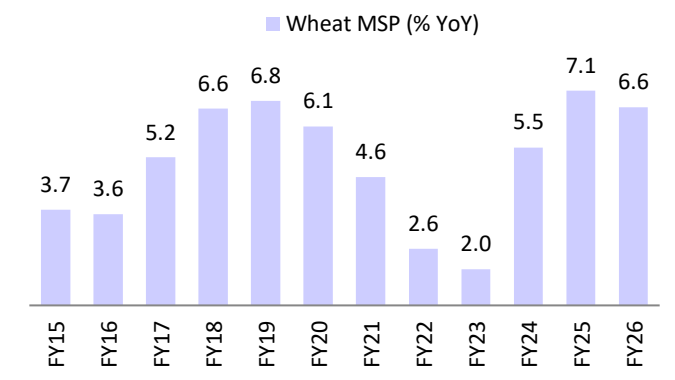
- The Union Cabinet has approved an increase in the minimum support prices (MSPs) for six mandated rabi crops for the 2025-26 marketing season, aiming to ensure that farmers receive profitable returns for their produce ahead of the festive season of Diwali. On average, MSPs have been raised by 4.9% for the 2025-26 rabi marketing season (RMS) vs. +4.8% last year. On a production-weighted average basis, MSPs have been hiked 5.3% in 2025-26 RMS, lower than the increase of 4.8% last year but the highest increase during FY19-FY23. (*Exhibit 1*)
- Wheat — the country’s second-largest crop — saw an increase of INR150 per quintal, or 6.6%, over its current MSP. The hike in the MSP of wheat is significant as it is the second largest crop (after paddy) in terms of area coverage. Uttar Pradesh is the top wheat producing state in the country, followed by Madhya Pradesh, Punjab, Haryana, Rajasthan, Bihar, Gujarat and Maharashtra. (*Exhibit 2*)
- The highest increase in MSP is for rapeseed and mustard by INR300 per quintal, with the new MSP of INR5,950. For lentil (masur), the MSP is INR6,700, an increase of INR275 per quintal. The MSP of gram stands at INR5,650 per quintal (up INR210), safflower at INR5,940 (up INR140), and barley at INR1,980 (up INR130).
- This comes in line with the Union Budget 2018-19 announcement of fixing the MSP at a level of at least 1.5 times of the all-India weighted average cost of production. “The expected margin over all-India weighted average cost of production is 105% for wheat, followed by 98% for rapeseed and mustard; 89% for lentil; 60% for gram; 60% for barley; and 50% for safflower. This increased MSP of rabi crops will ensure remunerative prices to the farmers and incentivize crop diversification.

**Exhibit 1: Production-weighted MSP grew 5.3% in FY25 vs. 4.8% last year**



Source: Ministry of agriculture, MOFSL

**Exhibit 2: Wheat MSP was increased by INR150 per quintal (6.6% YoY) in FY26, the highest since FY18, barring FY25**



**Exhibit 3: Crop-wise YoY increase in MSPs**

% YoY, MSP	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Wheat	6.1	4.6	2.6	2.0	5.5	7.1	6.6
Barley	2.1	5.9	4.9	2.2	6.1	6.6	7.0
Gram	5.0	5.5	4.6	2.5	2.0	2.0	3.9
Masur (Lentil)	5.3	7.3	6.3	7.8	9.1	7.1	4.3
Rapeseed/Mustard	5.0	5.4	5.1	8.6	7.9	3.7	5.3
Safflower	20.6	5.5	2.1	2.1	3.8	2.7	2.4
<b>Production weighted average</b>	<b>8.0</b>	<b>3.4</b>	<b>3.5</b>	<b>4.7</b>	<b>8.1</b>	<b>4.8</b>	<b>5.3</b>

**Mphasis: 23% YoY increase in the deal pipeline; Nitin Rakesh, CEO & Aravind Viswanathan, CFO**

- Mortgage business has stabilized and shows signs of growth, particularly in areas like refinancing and secondary market activity
- Traditional and innovative levers, such as AI-led delivery models, to further enhance profitability
- Emphasis on efficiency over rate increases; stable headcount

[➔ Read More](#)**Stylam Industries: Q2FY25 Performance Was Aided By Better Mix With Double-Digit Revenue; Manav Gupta, Whole-time Director**

- Brownfield expansion of ₹225 crores expected to enhance capacity
- Domestic growth has been muted due to demand issues
- Focus on better product mix for higher margins
- No intention to relinquish control despite talks with a Japanese company
- Projecting 26-30% revenue growth for FY25-27

[➔ Read More](#)**South Indian Bank: Corporate Book Could Come Down To 33% From Current Levels Of 40%; PR Seshadri, MD**

- CD Ratio currently at ~80%
- Home Loans grew by about 40%, Gold Loans by 10-11%
- Focus on secured lending, with retail and MSME growth
- NPA slippages projected to remain stable around 36 basis points

[➔ Read More](#)**L&T Tech: Discretionary spend decisions getting delayed due to US elections but pick-up is likely in H2; Amit Chadha, MD & CEO**

- Maintains revenue growth guidance of 8-10% for FY25
- EBIT margins expected to stay around 16%
- Sustainability and tech sectors driving growth
- Mobility sector faces potential Q3 slowdown
- Significant technology partnerships in the pipeline
- Active M&A efforts in hyperscalers and automotive sectors

[➔ Read More](#)**Bajaj Auto: EV Portfolio Is Now 20% Of Domestic Revenue; Rakesh Sharma, ED**

- 2-wheeler industry has seen only 1-2% growth in sales in first two weeks of the festive season
- Exports seeing steady recovery
- Nigeria shows signs of recovery but remains fragile
- EV forms 20% of domestic revenue & green is 44% of domestic revenue

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Automobiles</b>																
Amara Raja Ener.	Neutral	1370	1415	3	49.5	54.5	61.7	10.4	10.1	13.2	25.1	22.2	3.3	2.9	13.9	14.0
Apollo Tyres	Buy	504	630	25	28.7	25.4	33.2	77.3	-11.6	30.7	19.9	15.2	1.7	1.5	11.1	13.3
Ashok Ley.	Buy	220	275	25	9.1	10.9	13.2	102.5	19.5	21.3	20.1	16.6	6.3	5.3	33.6	34.8
Bajaj Auto	Neutral	10122	11450	13	276.1	302.1	387.9	28.9	9.4	28.4	33.5	26.1	10.1	9.3	32.0	37.2
Balkrishna Inds	Neutral	2970	2840	-4	76.5	82.0	108.8	39.6	7.2	32.7	36.2	27.3	5.7	5.0	16.8	19.5
Bharat Forge	Neutral	1469	-	-	19.7	33.4	44.3	61.8	69.1	32.7	44.0	33.2	8.5	7.2	20.4	23.4
Bosch	Neutral	36489	34275	-6	620.5	731.6	877.2	28.5	17.9	19.9	49.9	41.6	8.2	7.4	17.1	18.7
CEAT	Buy	2889	-	-	169.4	145.0	193.4	226.6	-14.4	33.4	19.9	14.9	2.6	2.3	13.7	16.2
Craftsman Auto	Buy	6106	7475	22	144.2	144.4	223.1	22.6	0.2	54.5	42.3	27.4	4.6	4.0	14.3	15.6
Eicher Mot.	Sell	4625	4095	-11	146.3	161.1	175.7	37.3	10.1	9.0	28.7	26.3	6.0	5.3	22.6	21.4
Endurance Tech.	Buy	2394	2760	15	47.3	61.9	74.3	36.5	30.9	20.0	38.7	32.2	5.9	5.1	16.3	17.1
Escorts Kubota	Neutral	3790	4085	8	94.9	99.9	127.4	85.0	5.3	27.5	37.9	29.7	4.6	4.0	12.7	14.4
Exide Ind	Neutral	496	470	-5	12.4	13.7	16.8	16.5	10.4	22.8	36.3	29.5	3.0	2.8	8.3	9.4
Happy Forgings	Buy	1109	1375	24	25.8	30.5	42.7	10.6	18.4	39.9	36.3	26.0	5.6	4.8	16.6	19.9
Hero Moto	Buy	5218	6625	27	204.6	230.3	280.1	40.5	12.6	21.6	22.7	18.6	5.4	5.0	24.8	28.0
M&M	Buy	2964	3610	22	88.7	103.0	122.7	34.0	16.0	19.2	28.8	24.2	5.7	4.8	21.6	21.8
CIE Automotive	Buy	529	650	23	21.1	21.7	26.8	16.8	2.7	23.6	24.4	19.8	3.0	2.7	13.0	14.5
Maruti Suzuki	Buy	12144	15235	25	429.0	475.1	550.4	56.8	10.7	15.9	25.6	22.1	4.0	3.6	15.6	16.0
MRF	Sell	129769	107790	-17	4,990.2	4,745.7	5,546.8	175.2	-4.9	16.9	27.3	23.4	3.0	2.7	11.4	12.0
Samvardh. Motherson	Buy	203	240	18	3.7	6.3	8.4	63.6	71.3	32.3	32.0	24.2	4.7	4.1	15.5	18.3
Motherson Wiring	Buy	64	83	30	1.4	1.6	2.1	31.1	12.1	27.6	39.5	30.9	13.9	11.2	38.5	40.0
Sona BLW Precis.	Neutral	648	670	3	8.9	10.2	13.2	31.6	14.5	28.6	63.3	49.2	11.9	10.3	20.1	22.4
Tata Motors	Neutral	892	990	11	58.7	57.1	69.5	2,628.0	-2.7	21.7	15.6	12.8	3.1	2.6	22.2	22.0
TVS Motor	Neutral	2680	2610	-3	43.8	52.5	67.9	44.4	19.6	29.4	51.1	39.5	13.0	10.2	28.4	29.0
Tube Investments	Buy	4460	5040	13	34.4	60.6	74.4	-15.2	76.3	22.8	73.6	59.9	13.9	11.4	20.8	21.0
<b>Aggregate</b>								<b>94.5</b>	<b>9.4</b>	<b>21.8</b>	<b>31.1</b>	<b>28.5</b>	<b>6.0</b>	<b>5.2</b>	<b>19.4</b>	<b>18.4</b>
<b>Banks - Private</b>																
AU Small Finance	Buy	687	830	21	23.0	30.6	38.8	4.3	33	26.5	22.4	17.7	3.1	2.6	14.9	16.0
Axis Bank	Neutral	1132	1225	8	80.7	85.1	98.2	14.9	5.5	15.4	13.3	11.5	1.8	1.5	16.1	15.9
Bandhan Bank	Neutral	190	220	16	13.8	24.4	28.6	1.6	76	17.0	7.8	6.7	1.2	1.1	17.1	17.5
DCB Bank	Buy	114	175	53	17.1	19.3	24.2	14.6	12.8	25.1	5.9	4.7	0.7	0.6	12.0	13.4
Equitas Small Fin.	Buy	71	100	41	7.1	5.6	8.9	46.6	-20.8	58.7	12.6	8.0	1.3	1.1	10.3	14.8
Federal Bank	Buy	194	230	19	16.3	16.9	20.5	14.5	3.5	20.9	11.4	9.5	1.4	1.3	13.4	14.3
HDFC Bank	Buy	1673	2000	20	80.0	89.3	100.7	1.0	11.5	12.8	18.7	16.6	2.6	2.3	14.5	14.6
ICICI Bank	Buy	1233	1400	14	58.4	63.6	72.0	27.5	9.0	13.1	19.4	17.1	3.2	2.7	17.6	17.2
IDFC First Bk	Neutral	72	83	16	4.3	4.2	6.0	13.8	-2.1	41.0	17.0	12.0	1.5	1.3	8.9	11.4
IndusInd	Buy	1347	1700	26	115.5	113.9	140.4	20.3	-1.4	23.3	11.8	9.6	1.5	1.3	13.3	14.5
Kotak Mah. Bk	Neutral	1864	1800	-3	91.6	94.6	110.5	21.9	3.2	16.8	19.7	16.9	2.5	2.2	13.7	13.9
RBL Bank	Neutral	203	250	23	19.3	21.0	29.6	31.1	8.8	40.7	9.6	6.9	0.8	0.7	8.3	11.0
SBI Cards	Neutral	740	850	15	25.4	27.6	37.2	6.2	8.6	34.8	26.9	19.9	4.9	4.0	19.8	22.1
<b>Aggregate</b>								<b>27.0</b>	<b>9.3</b>	<b>15.8</b>	<b>19.3</b>	<b>17.7</b>	<b>2.9</b>	<b>2.6</b>	<b>15.1</b>	<b>14.5</b>
<b>Banks - PSU</b>																
BOB	Buy	242	290	20	34.4	37.6	41.3	26.1	9.4	9.9	6.4	5.9	1.0	0.9	16.9	16.3
Canara Bank	Buy	103	133	30	16.0	17.8	19.4	37.3	10.9	8.9	5.8	5.3	1.0	0.9	19.2	18.2
Indian Bank	Buy	513	670	31	62.2	75.9	83.3	46.7	22.0	9.8	6.8	6.2	1.1	1.0	18.1	17.3
Punjab Natl. Bank	Neutral	102	135	32	7.5	13.0	15.3	228.8	74.2	17.3	7.9	6.7	1.0	0.9	13.8	14.4
SBI	Buy	811	1015	25	75.2	87.7	100.9	20.6	17	15.1	9.3	8.0	1.6	1.3	18.5	17.9
Union Bank (I)	Buy	112	165	48	18.9	20.5	23.5	52.9	8	14.7	5.4	4.7	0.8	0.7	16.0	16.1
<b>Aggregate</b>								<b>34.0</b>	<b>19</b>	<b>14</b>	<b>9</b>	<b>7.8</b>	<b>1.4</b>	<b>1.3</b>	<b>15.4</b>	<b>16.1</b>
<b>NBFCs</b>																
AAVAS Financiers	Neutral	1727	2070	20	62.0	74.4	90.4	14.0	20.0	21.4	23.2	19.1	3.1	2.7	14.5	15.2
Aditya Birla Cap	Buy	218	270	24	10.1	13.2	17.1	19.0	30.9	29.2	16.5	12.8	1.9	1.7	12.1	13.9
Angel One	Buy	3130	4100	31	135.9	169.0	189.7	26.4	24.4	12.3	18.5	16.5	4.4	3.8	31.2	24.5
Bajaj Fin.	Neutral	6904	8600	25	233.7	273.2	363.5	22.8	16.9	33.1	25.3	19.0	4.5	3.7	19.6	21.3
BSE	Neutral	4258	4000	-6	57.0	85.2	96.2	275.5	49.4	13.0	50.0	44.2	15.8	14.3	31.6	32.2
Cams Services	Buy	4861	5300	9	71.6	94.5	114.0	23.3	31.9	20.7	51.5	42.6	22.1	18.7	46.5	47.6
Can Fin Homes	Neutral	857	960	12	56.4	63.5	72.8	20.8	12.6	14.7	13.5	11.8	2.2	1.9	17.9	17.5
Cholaman. Inv. & Fn	Buy	1456	1850	27	40.7	53.4	73.1	25.6	31.0	36.9	27.3	19.9	5.1	3.9	20.6	22.5





Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
CreditAccess	Buy	1047	1260	20	90.7	81.2	97.9	74.5	-10.5	20.6	12.9	10.7	2.2	1.8	18.1	18.4
Fusion Finance	Neutral	217	240	11	50.2	-1.7	54.0	30.2	PL	LP	NM	4.0	0.8	0.6	-0.6	17.5
Five-Star Business	Buy	897	1000	12	28.6	36.7	44.3	38.0	28.6	20.5	24.4	20.2	4.2	3.5	18.7	18.8
HDFC Life Insur.	Buy	726	900	24	7.3	8.3	9.5	15.3	13.2	14.8	87.9	76.6	2.8	2.4	16.8	16.3
Home First Fin.	Buy	1203	1355	13	34.5	42.4	52.6	33.2	22.8	24.1	28.4	22.9	4.3	3.7	16.4	17.5
ICICI Pru Life	Buy	735	930	27	5.9	6.9	8.9	5.0	17.3	28.8	105.9	82.2	2.1	1.7	19.5	19.9
ICICI Lombard	Buy	2039	2650	30	38.9	50.8	60.6	11.0	30.5	19.3	40.1	33.6	7.4	6.3	19.5	20.2
IIFL Finance	Buy	460	580	26	46.2	26.5	48.3	17.2	-42.7	82.3	17.4	9.5	1.5	1.3	9.6	14.9
360 ONE WAM	Buy	1107	1300	17	22.4	29.2	34.6	21.3	30.5	18.4	37.9	32.0	10.9	10.2	29.5	32.8
IndoStar	Buy	266	290	9	8.5	12.5	17.6	-48.5	47.3	40.2	21.2	15.2	1.1	1.0	5.1	7.1
L&T Finance	Buy	166	225	35	9.3	11.4	14.2	42.4	22.2	25.1	14.6	11.7	1.6	1.5	11.5	13.1
Life Insurance Corp.	Buy	934	1300	39	64.3	70.2	76.2	11.8	9.1	8.5	13.3	12.3	0.7	0.7	11.5	11.3
LIC Hsg Fin	Buy	612	830	36	86.6	89.2	93.3	64.8	3.0	4.6	6.9	6.6	1.0	0.9	14.7	13.8
MCX	Buy	6342	6700	6	16.3	109.3	142.2	-44.2	570.4	30.1	58.1	44.6	21.7	19.8	38.8	46.4
Manappuram Fin.	Neutral	177	160	-10	26.0	25.1	27.8	46.5	-3.3	10.8	7.1	6.4	1.1	1.0	17.0	16.3
MAS Financial	Buy	300	360	20	15.1	16.9	21.7	23.3	11.6	29.0	17.8	13.8	2.2	1.9	14.5	14.7
Max Financial	Neutral	1173	1250	7	7.6	11.1	13.0	-17.8	46.5	17.5	106.0	90.2	2.2	1.8	19.1	19.4
M&M Fin.	Buy	282	395	40	14.3	20.7	28.3	-11.4	45.1	36.7	13.6	10.0	1.7	1.5	12.7	15.7
Muthoot Fin	Neutral	1955	1800	-8	100.9	126.7	145.3	16.6	25.6	14.7	15.4	13.5	2.8	2.4	19.3	19.1
Piramal Enterp.	Neutral	1038	1000	-4	-75.0	41.0	79.9	-200.1	LP	94.9	25.3	13.0	0.9	0.8	3.4	6.4
PNB Housing	Buy	934	1235	32	58.1	70.3	88.9	-6.3	21.1	26.5	13.3	10.5	1.4	1.3	11.5	13.0
Poonawalla Fincorp	Buy	377	460	22	13.4	16.8	21.3	73.3	25.5	26.8	22.4	17.6	3.1	2.7	14.8	16.4
PFC	Buy	469	560	19	43.5	49.9	55.0	-1.0	14.6	10.3	9.4	8.5	1.7	1.5	19.4	18.7
REC	Buy	542	630	16	53.2	60.5	69.3	26.8	13.6	14.7	9.0	7.8	1.8	1.5	21.3	20.9
Repco Home Fin	Neutral	497	580	17	63.1	68.9	74.3	33.3	9.2	7.9	7.2	6.7	0.9	0.8	13.9	13.2
Spandana Sphoorty	Buy	503	580	15	70.2	12.7	73.0	3,922.1	-81.9	474.7	39.6	6.9	1.0	0.8	2.5	13.0
Shriram Finance	Buy	3255	4100	26	191.3	224.9	272.7	19.8	17.5	21.3	14.5	11.9	2.2	1.9	16.3	17.2
SBI Life Insurance	Buy	1702	2200	29	18.9	24.5	25.0	9.9	29.3	1.9	69.5	68.2	2.4	2.0	22.0	20.5
Star Health Insu	Buy	549	720	31	14.4	18.4	24.3	35.8	27.3	32.3	29.9	22.6	4.2	3.5	15.0	16.9
<b>Aggregate</b>								<b>5.8</b>	<b>17.4</b>	<b>23.3</b>	<b>18.7</b>	<b>16.0</b>	<b>2.9</b>	<b>2.5</b>	<b>15.3</b>	<b>15.5</b>
<b>Chemicals</b>																
Alkyl Amines	Neutral	2252	2305	2	29.1	41.5	56.9	-34.9	42.7	37.2	54.2	39.5	8.2	7.2	15.9	19.4
Atul	Buy	7761	9955	28	103.4	172.6	222.4	-38.8	66.8	28.9	45.0	34.9	4.1	3.7	9.5	11.3
Clean Science	Neutral	1598	1580	-1	23.0	26.6	36.0	-17.3	15.7	35.3	60.1	44.4	11.7	9.5	21.3	23.7
Deepak Nitrite	Neutral	2869	3005	5	55.1	73.8	80.6	-11.7	33.9	9.1	38.9	35.6	6.9	5.9	19.2	17.9
Fine Organic	Sell	5110	4250	-17	120.0	118.8	119.0	-37.7	-1.0	0.2	43.0	42.9	7.1	6.2	18.0	15.4
Galaxy Surfact.	Buy	2968	3750	26	85.0	97.7	115.0	-20.9	14.9	17.7	30.4	25.8	4.3	3.8	15.0	15.8
Navin Fluorine	Neutral	3331	3355	1	46.1	60.4	85.3	-39.1	31.1	41.2	55.1	39.0	6.3	5.7	12.0	15.4
NOCIL	Neutral	302	315	4	7.9	9.4	11.7	-11.7	19.2	24.9	32.2	25.8	2.8	2.6	9.0	10.6
PI Inds.	Buy	4465	5470	23	110.6	112.5	136.9	36.8	1.7	21.7	39.7	32.6	6.6	5.6	18.0	18.5
SRF	Neutral	2263	2240	-1	47.5	51.1	73.8	-37.7	7.7	44.3	44.3	30.7	5.4	4.7	12.7	16.4
Tata Chemicals	Neutral	1074	1070	0	36.1	30.7	49.0	-60.5	-15.1	59.6	34.9	21.9	1.2	1.2	3.5	5.4
Vinati Organics	Buy	1973	2500	27	31.2	42.7	50.9	-22.8	36.8	19.2	46.2	38.8	7.3	6.4	16.8	17.5
<b>Aggregate</b>								<b>-26.4</b>	<b>28.2</b>	<b>20.2</b>	<b>57.4</b>	<b>44.8</b>	<b>6.9</b>	<b>6.2</b>	<b>12.1</b>	<b>13.8</b>
<b>Capital Goods</b>																
ABB India	Buy	8686	9500	9	58.9	97.0	114.2	81.9	64.7	17.8	89.6	76.1	23.4	18.2	29.8	27.0
Bharat Electronics	Buy	284	360	27	5.5	6.7	8.2	33.7	21.0	22.7	42.7	34.8	10.2	8.2	24.0	23.5
Cummins India	Buy	3692	4300	16	60.0	74.2	89.0	33.4	23.7	19.9	49.8	41.5	14.7	12.9	31.3	33.1
Hitachi Energy	Neutral	15799	12800	-19	38.6	75.4	149.9	74.4	95.3	98.7	209.4	105.4	39.9	28.9	19.0	27.5
Kalpataru Proj.	Buy	1298	1500	16	32.6	49.3	69.6	8.3	51.3	41.1	26.3	18.7	3.3	2.8	13.2	16.4
KEC International	Neutral	992	950	-4	13.5	25.7	42.5	97.0	90.3	65.5	38.6	23.3	4.7	4.1	13.9	18.8
Kirloskar Oil	Buy	1204	1540	28	25.0	36.1	46.2	33.8	44.4	28.2	33.4	26.1	5.8	5.0	18.6	20.6
Larsen & Toubro	Buy	3571	4250	19	94.5	108.0	135.7	24.5	14.3	25.7	32.8	26.3	5.0	4.4	16.3	17.8
Siemens	Buy	7715	8400	9	55.1	73.4	87.5	55.5	33.3	19.2	105.1	88.2	18.3	15.9	18.6	19.3
Thermax	Neutral	5106	4950	-3	52.2	66.0	83.6	30.3	26.5	26.7	77.4	61.0	11.4	9.9	15.7	17.4
Triveni Turbine	Buy	773	830	7	8.5	11.0	14.3	39.8	30.5	29.4	70.0	54.1	20.3	16.0	32.3	33.0
Zen Technologies	Buy	1899	1900	0	15.1	28.8	41.8	218.8	90.9	45.0	65.9	45.5	23.0	15.3	42.2	40.3



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Aggregate</b>								<b>32.3</b>	<b>23.9</b>	<b>26.1</b>	<b>61.9</b>	<b>50.0</b>	<b>10.2</b>	<b>8.8</b>	<b>16.5</b>	<b>17.5</b>
<b>Cement</b>																
Ambuja Cem.	Buy	572	740	29	13.9	9.5	15.2	-2.2	-31.8	59.9	60.3	37.7	2.6	2.4	4.9	6.7
ACC	Buy	2266	3170	40	99.3	87.9	116.2	88.7	-11.5	32.1	25.8	19.5	2.4	2.2	9.9	11.8
Birla Corp.	Buy	1205	1650	37	54.0	31.6	64.4	1,052.2	-41.5	103.8	38.1	18.7	1.4	1.3	3.6	7.1
Dalmia Bhar.	Buy	1835	2390	30	40.8	52.5	69.5	11.5	28.7	32.5	35.0	26.4	2.0	1.9	5.9	7.4
Grasim Inds.	Buy	2704	3270	21	95.6	89.4	104.9	-2.9	-6.5	17.2	30.2	25.8	3.3	3.2	0.8	2.5
India Cem	Sell	362	310	-14	-7.6	-12.4	-1.3	-49.9	Loss	Loss	NM	NM	2.2	2.2	-7.3	-0.8
J K Cements	Buy	4292	5270	23	102.7	96.3	136.3	86.2	-6.3	41.6	44.6	31.5	5.6	4.9	13.2	16.6
JK Lakshmi Ce	Buy	807	970	20	39.6	26.8	37.2	29.9	-32.2	38.8	30.1	21.7	2.8	2.5	9.5	12.1
Ramco Cem	Neutral	849	860	1	16.7	11.9	22.2	15.0	-28.8	86.8	71.4	38.2	2.7	2.6	3.9	6.9
Shree Cem	Neutral	24259	26580	10	684.2	449.3	510.4	110.3	-34.3	13.6	54.0	47.5	4.1	3.8	7.7	8.3
Ultratech	Buy	11019	13600	23	244.5	250.8	336.6	39.4	2.6	34.2	43.9	32.7	4.8	4.0	11.5	13.5
<b>Aggregate</b>								<b>30.3</b>	<b>-10.4</b>	<b>35.5</b>	<b>38.1</b>	<b>42.5</b>	<b>3.8</b>	<b>3.4</b>	<b>10.0</b>	<b>8.1</b>
<b>Consumer</b>																
Asian Paints	Neutral	3058	3150	3	57.9	55.3	61.8	30.9	-4.6	11.8	55.3	49.5	14.7	13.4	27.4	28.3
Britannia	Neutral	5984	6100	2	88.7	101.2	113.9	10.1	14.1	12.5	59.1	52.5	31.6	26.5	57.4	54.9
Colgate	Neutral	3367	3550	5	49.2	56.9	63.4	26.8	15.7	11.3	59.1	53.1	41.6	35.7	76.0	72.4
Dabur	Buy	573	700	22	10.6	10.8	12.5	9.2	2.2	15.4	52.9	45.9	9.5	8.7	18.6	19.8
Emami	Buy	715	950	33	18.0	20.4	23.1	17.0	13.3	13.1	35.0	30.9	11.2	9.8	34.1	33.9
Godrej Cons.	Buy	1346	1650	23	19.3	21.7	26.7	13.2	12.1	23.1	62.1	50.5	10.0	9.1	16.8	18.9
HUL	Buy	2737	3400	24	43.7	46.3	52.3	0.7	6.0	12.9	59.1	52.3	12.4	12.1	21.1	23.4
ITC	Buy	489	585	20	16.4	17.0	18.6	9.0	3.8	9.1	28.7	26.3	7.8	7.4	27.9	28.9
Indigo Paints	Buy	1561	1750	12	31.0	30.6	37.3	27.5	-1.2	21.9	51.0	41.8	7.3	6.4	15.2	16.3
Jyothy Lab	Neutral	520	575	11	9.8	11.1	12.4	54.8	12.8	12.3	47.0	41.8	10.0	9.0	21.8	22.6
Marico	Buy	666	780	17	11.5	12.6	13.9	13.7	9.5	10.8	53.0	47.8	21.6	20.7	41.6	44.2
Nestle	Neutral	2380	2400	1	41.0	34.0	38.6	62.5	-17.2	13.5	69.9	61.6	55.4	46.9	87.7	82.5
Page Inds	Neutral	45437	40000	-12	510.3	573.3	701.4	-0.4	12.3	22.3	79.3	64.8	29.1	25.0	36.7	38.6
Pidilite Ind.	Neutral	3155	3200	1	35.9	42.3	49.4	42.2	17.9	16.7	74.6	63.9	16.8	15.1	23.9	24.9
P&G Hygiene	Neutral	16586	17000	2	220.3	260.2	296.4	15.1	18.2	13.9	63.7	55.9	57.0	47.4	98.4	92.6
Tata Consumer	Buy	1090	1380	27	14.3	15.0	20.1	26.1	4.7	34.0	72.6	54.2	4.9	4.7	8.2	9.5
United Brew	Sell	1982	1950	-2	15.5	22.8	32.2	24.7	46.4	41.7	87.1	61.5	11.6	10.6	13.9	18.0
United Spirits	Neutral	1528	1550	1	18.1	18.4	20.8	42.7	1.6	13.2	83.0	73.3	13.4	11.3	16.1	15.4
Varun Beverages	Buy	588	730	24	6.3	8.0	10.2	37.3	26.8	27.1	73.2	57.6	20.7	15.6	32.3	30.9
<b>Aggregate</b>								<b>15.0</b>	<b>4.6</b>	<b>12.8</b>	<b>52.4</b>	<b>50.1</b>	<b>13.3</b>	<b>12.3</b>	<b>25.4</b>	<b>24.6</b>
<b>Consumer Durables</b>																
Havells India	Neutral	1806	1830	1	20.3	23.9	29.6	18.5	17.9	23.8	76.4	61.7	13.6	11.9	17.8	19.3
KEI Industries	Buy	4144	5100	23	64.4	75.6	91.1	21.7	17.4	20.6	54.8	45.5	9.9	8.2	18.0	18.1
Polycab India	Buy	7102	8550	20	118.8	130.1	156.6	40.0	9.6	20.4	54.6	45.3	11.0	9.3	20.2	20.4
R R Kabel	Buy	1738	2130	23	26.4	32.0	45.5	57.0	21.2	42.1	54.3	38.2	9.3	7.8	18.3	22.2
Voltas	Buy	1834	2100	15	7.2	27.1	34.8	-36.8	274.0	28.7	67.8	52.7	9.1	8.0	13.5	15.2
<b>Aggregate</b>								<b>23.2</b>	<b>32.1</b>	<b>23.5</b>	<b>84.1</b>	<b>63.7</b>	<b>13.3</b>	<b>11.4</b>	<b>15.8</b>	<b>17.9</b>
<b>EMS</b>																
Amber Enterp.	Buy	5485	5500	0	40.1	68.1	105.1	-14.0	69.6	54.3	80.6	52.2	8.1	7.0	10.5	14.3
Avalon Tech	Buy	576	690	20	4.3	6.7	15.1	-53.0	58.3	123.3	85.5	38.3	6.4	5.5	7.8	15.4
Cyient DLM	Buy	693	880	27	7.7	13.9	22.0	92.9	79.6	58.8	50.0	31.5	5.4	4.6	11.4	15.8
Data Pattern	Neutral	2449	2400	-2	32.4	40.0	53.1	46.6	23.2	32.8	61.3	46.1	8.9	7.5	15.6	17.6
Dixon Tech.	Buy	15138	16000	6	61.5	114.0	168.3	43.3	85.4	47.6	132.8	89.9	38.4	27.0	33.6	35.3
Kaynes Tech	Buy	5584	6400	15	28.7	53.4	94.2	75.3	86.2	76.3	104.5	59.3	12.6	10.4	12.8	19.2
Syrma SGS Tech.	Buy	406	530	31	6.1	9.0	15.0	-9.3	46.3	67.7	45.3	27.0	4.1	3.6	9.5	14.3
<b>Aggregate</b>								<b>27.6</b>	<b>67.9</b>	<b>56.5</b>	<b>163.5</b>	<b>97.4</b>	<b>16.4</b>	<b>14.1</b>	<b>10.0</b>	<b>14.5</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	1183	1150	-3	31.5	37.4	41.2	43.9	18.8	10.3	31.6	28.7	4.3	3.8	14.2	13.9
Alkem Lab	Neutral	6021	6072	1	159.7	187.8	204.3	50.6	17.6	8.8	32.1	29.5	6.0	5.2	20.1	18.8
Ajanta Pharma	Buy	3244	3790	17	62.3	75.8	87.8	26.6	21.7	15.7	42.8	37.0	9.6	8.1	24.5	23.7
Apollo Hospitals	Buy	6984	8330	19	62.4	94.4	125.5	29.6	51.2	33.0	74.0	55.6	11.8	9.8	17.9	19.9
Aurobindo	Neutral	1468	1480	1	56.0	66.3	73.8	46.1	18.3	11.3	22.1	19.9	2.6	2.3	12.3	12.2
Biocon	Neutral	339	340	0	1.8	4.4	9.2	-71.1	144.4	109.8	76.9	36.7	2.0	1.9	2.6	5.3
Cipla	Buy	1558	1940	24	52.5	58.7	65.6	39.0	11.9	11.7	26.5	23.8	4.1	3.5	15.4	14.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Divis Lab	Neutral	6077	5300	-13	60.0	77.7	95.1	-7.5	29.6	22.4	78.2	63.9	10.8	9.6	14.4	15.9
Dr Reddy's	Neutral	6700	6930	3	317.1	353.8	389.0	29.6	11.6	9.9	18.9	17.2	3.3	2.8	19.1	17.7
ERIS Lifescience	Neutral	1347	1220	-9	29.2	30.4	42.0	5.2	4.0	38.0	44.3	32.1	6.3	5.4	15.2	18.2
Gland Pharma	Buy	1640	2170	32	47.6	53.4	67.0	-5.6	12.1	25.6	30.7	24.5	2.8	2.5	9.6	10.9
Glenmark	Buy	1735	1930	11	2.5	47.5	59.2	-88.0	1,811.9	24.6	36.5	29.3	5.4	4.5	15.8	16.8
GSK Pharma	Neutral	2651	2720	3	43.3	48.1	53.4	20.5	11.1	11.1	55.1	49.6	21.1	17.5	38.3	35.3
Global Health	Buy	1078	1263	17	17.8	19.3	24.8	46.7	8.2	29.0	56.0	43.4	8.7	7.5	16.6	18.5
Granules India	Buy	593	645	9	17.4	22.2	29.4	-19.5	27.7	32.8	26.8	20.2	3.9	3.3	15.4	17.5
IPCA Labs	Buy	1649	1950	18	20.8	33.4	42.8	0.0	60.8	28.1	49.3	38.5	5.9	5.2	12.7	14.5
Laurus Labs	Buy	466	540	16	3.0	6.7	11.9	-79.6	121.9	78.3	69.7	39.1	5.7	5.1	8.4	13.7
Lupin	Neutral	2177	2060	-5	41.5	59.2	69.8	382.6	42.5	17.8	36.8	31.2	5.9	5.0	17.3	17.4
Mankind Pharma	Buy	2682	3000	12	47.8	54.5	62.4	38.5	14.1	14.6	49.2	43.0	9.8	8.3	21.4	20.9
Max Healthcare	Buy	938	1238	32	13.7	15.6	19.1	18.6	13.9	22.4	59.9	49.0	8.4	7.2	15.1	15.8
Piramal Pharma	Buy	224	280	25	0.4	2.6	5.3	-170.2	509.3	107.2	87.0	42.0	3.2	3.0	4.2	8.2
Sun Pharma	Buy	1890	2220	17	41.4	49.2	57.9	15.8	18.6	17.8	38.5	32.6	6.2	5.3	17.2	17.4
Torrent Pharma	Neutral	3396	3430	1	47.1	63.4	82.0	26.7	34.6	29.3	53.6	41.4	7.0	5.8	28.5	30.5
Zydus Lifesciences	Neutral	1021	1140	12	37.6	43.9	47.3	68.0	16.5	7.9	23.3	21.6	4.1	3.5	19.6	17.4
<b>Aggregate</b>								<b>24.8</b>	<b>24.0</b>	<b>18.3</b>	<b>47.3</b>	<b>38.1</b>	<b>6.5</b>	<b>5.6</b>	<b>13.7</b>	<b>14.8</b>
<b>Infrastructure</b>																
G R Infraproject	Buy	1612	2050	27	73.0	79.2	99.9	-17.2	8.5	26.2	20.4	16.1	2.0	1.8	10.1	11.5
IRB Infra	Neutral	58	62	7	1.0	1.6	2.1	-15.9	58.6	30.8	36.5	27.9	2.4	2.3	6.8	8.4
KNR Constructions	Buy	316	410	30	15.2	14.6	18.9	3.3	-4.4	29.7	21.7	16.8	2.4	2.1	11.9	13.5
<b>Aggregate</b>											<b>35.1</b>	<b>28.6</b>	<b>2.5</b>	<b>2.3</b>	<b>7.2</b>	<b>8.2</b>
<b>Logistics</b>																
Adani Ports	Buy	1395	1880	35	41.3	51.2	61.1	16.5	24.2	19.2	27.2	22.8	4.8	4.1	19.1	19.3
Blue Dart Express	Buy	8272	9900	20	121.6	137.1	223.5	-21.2	12.7	63.0	60.3	37.0	12.1	9.8	21.3	29.2
Concor	Buy	869	1150	32	20.3	22.3	32.6	5.8	9.9	46.1	38.9	26.6	4.2	3.9	11.2	15.2
JSW Infra	Buy	326	410	26	5.8	6.5	9.3	6.8	11.7	44.3	50.3	34.9	7.6	6.5	15.9	20.0
Mahindra Logistics	Neutral	497	530	7	-8.2	6.6	19.1	-322.8	LP	188.9	75.0	26.0	6.8	5.6	9.1	23.1
Transport Corp.	Buy	1072	1290	20	45.8	52.6	64.5	10.1	14.8	22.6	20.4	16.6	3.5	2.9	18.2	18.8
TCI Express	Buy	1026	1370	33	34.4	32.8	43.5	-5.4	-4.5	32.6	31.3	23.6	4.9	4.2	16.7	19.2
VRL Logistics	Buy	587	670	14	10.1	12.7	23.4	-46.1	25.7	83.6	46.1	25.1	5.3	4.8	11.6	20.1
<b>Aggregate</b>											<b>38.3</b>	<b>31.4</b>	<b>5.9</b>	<b>5.1</b>	<b>15.5</b>	<b>16.3</b>
<b>Media</b>																
PVR Inox	Neutral	1609	1750	9	11.7	7.4	26.7	-153.8	-36.8	262.9	218.3	60.2	2.1	2.1	1.0	3.5
Sun TV	Neutral	765	860	12	47.6	47.1	50.2	12.0	-1.0	6.5	16.2	15.2	2.7	2.5	16.8	16.5
Zee Ent.	Neutral	126	155	23	4.5	7.2	10.3	-4.9	59.9	42.6	17.4	12.2	1.1	1.0	6.2	8.4
<b>Aggregate</b>								<b>16.7</b>	<b>8.2</b>	<b>23.1</b>	<b>24.3</b>	<b>22.5</b>	<b>2.1</b>	<b>2.0</b>	<b>8.5</b>	<b>8.8</b>
<b>Metals</b>																
Coal India	Buy	490	590	21	60.7	61.2	67.4	17.8	0.9	10.1	8.0	7.3	3.0	2.5	37.3	34.2
Hindalco	Buy	735	880	20	45.6	63.0	63.1	0.8	38.0	0.1	11.7	11.6	1.8	1.6	16.2	14.2
Hind. Zinc	Neutral	508	570	12	18.4	22.5	30.6	-26.2	22.3	36.1	22.6	16.6	10.9	7.8	54.5	54.9
JSPL	Buy	929	1200	29	58.4	54.8	95.5	60.4	-6.2	74.3	17.0	9.7	1.9	1.6	11.7	17.9
JSW Steel	Buy	980	1200	22	36.8	32.6	67.8	148.7	-11.5	108.1	30.1	14.5	2.8	2.4	9.8	17.9
Nalco	Neutral	225	220	-2	9.1	12.9	13.9	16.3	42.2	7.8	17.4	16.2	2.6	2.3	15.6	15.0
NMDC	Buy	224	290	29	19.7	24.8	27.1	18.0	25.8	9.2	9.0	8.3	2.1	1.8	25.8	23.8
SAIL	Neutral	128	140	10	2.6	4.1	10.4	-43.8	58	150.6	30.9	12.3	0.9	0.9	3.0	7.2
Tata Steel	Neutral	152	180	18	2.7	5.9	12.4	-61.8	119	108.7	25.7	12.3	2.2	2.0	8.5	17.0
Vedanta	Neutral	472	550	17	13.3	36.2	44.1	-53.1	173	21.7	13.0	10.7	4.9	4.0	40.6	41.2
<b>Aggregate</b>								<b>0.1</b>	<b>22.9</b>	<b>32.1</b>	<b>17.9</b>	<b>14.6</b>	<b>2.9</b>	<b>2.6</b>	<b>15.9</b>	<b>17.6</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Neutral	731	810	11	16.2	17.5	21.7	10.8	7.9	24.2	41.8	33.7	6.0	5.4	15.0	16.8
BPCL	Neutral	343	340	-1	63.3	32.6	35.5	1,271.9	-48.5	8.9	10.5	9.6	1.8	1.6	17.6	17.6
Castrol India	Buy	221	300	36	8.7	9.4	9.6	6.0	7.4	2.7	23.5	22.9	9.7	9.1	42.4	41.1
GAIL	Buy	222	290	31	13.7	15.3	17.3	70.1	11.5	13.2	14.5	12.8	2.0	1.8	15.0	15.5
Gujarat Gas	Buy	570	730	28	16.0	19.0	22.7	-27.8	19.0	19.2	29.9	25.1	4.6	4.1	16.1	17.2
Gujarat St. Pet.	Neutral	395	472	19	22.8	13.1	12.1	35.9	-42.4	-7.7	30.1	32.6	2.1	2.0	7.0	6.2
HPCL	Buy	433	510	18	75.2	30.2	47.1	-329.4	-59.9	56.2	14.4	9.2	1.8	1.6	13.0	18.2
IOC	Buy	164	225	37	29.5	10.5	13.7	344.7	-64.4	30.9	15.7	12.0	1.2	1.1	7.7	9.5
IGL	Sell	504	466	-8	25.0	23.3	26.2	21.0	-6.6	12.5	21.6	19.2	3.6	3.2	17.9	17.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Mahanagar Gas	Buy	1761	2430	38	132.3	129.4	137.0	65.4	-2.2	5.9	13.6	12.9	2.9	2.6	23.1	21.4
MRPL	Sell	169	150	-11	20.5	8.7	15.6	36.6	-57.7	80.0	19.4	10.8	2.0	1.8	11.0	17.6
Oil India	Buy	525	720	37	48.7	46.2	51.3	16.2	-5.0	11.0	11.4	10.2	1.7	1.6	16.1	16.0
ONGC	Buy	282	365	30	46.3	45.0	52.8	44.9	-2.8	17.2	6.3	5.3	1.0	0.8	15.9	16.5
PLNG	Neutral	351	394	12	23.6	25.3	30.5	9.1	7.3	20.7	13.9	11.5	2.8	2.5	21.1	22.6
Reliance Ind.	Buy	2713	3255	20	102.9	96.7	129.7	4.4	-6.0	34.1	28.1	20.9	2.0	1.9	7.9	9.8
<b>Aggregate</b>								<b>80.0</b>	<b>-23.3</b>	<b>24.9</b>	<b>13.0</b>	<b>17.0</b>	<b>2.0</b>	<b>1.8</b>	<b>15.0</b>	<b>10.6</b>
<b>Real Estate</b>																
Brigade Enterpr.	Buy	1284	1630	27	22.1	37.1	42.0	82.6	67.9	13.2	34.6	30.6	6.0	5.1	18.9	18.0
DLF	Neutral	861	850	-1	11.0	16.6	17.0	-3.5	50.5	2.4	52.0	50.8	3.6	3.3	10.0	9.4
Godrej Propert.	Buy	3084	3725	21	26.9	52.0	34.4	20.3	93.4	-33.8	59.3	89.6	7.5	6.9	13.5	8.0
Kolte Patil Dev.	Buy	411	620	51	-9.2	13.3	42.1	-167.7	LP	217.1	30.9	9.8	3.9	2.8	13.1	33.6
Oberoi Realty	Neutral	1904	1700	-11	53.0	50.5	71.0	1.2	-4.6	40.5	37.7	26.8	4.5	3.9	12.6	15.6
Macrotech Devel.	Buy	1168	1770	52	16.9	23.4	35.3	6.0	38.3	51.0	49.9	33.1	5.7	4.9	12.1	16.0
Mahindra Lifespace	Neutral	515	600	16	6.3	6.3	6.9	111.6	0.5	8.9	81.3	74.6	4.1	4.0	5.2	5.4
SignatureGlobal	Buy	1484	2000	35	1.2	47.4	69.2	-129.1	3,931.0	46.1	31.3	21.4	16.1	9.2	69.4	54.7
Sunteck Realty	Buy	585	745	27	4.8	16.2	23.2	4,699.7	234.8	43.1	36.1	25.2	2.6	2.3	7.4	9.7
Sobha	Buy	1755	2250	28	5.1	35.2	74.2	-52.9	591.2	110.5	49.8	23.7	6.0	4.8	12.7	22.6
Prestige Estates	Buy	1794	2150	20	19.0	19.9	26.2	-1.5	5.0	31.9	90.2	68.4	5.6	5.2	6.4	7.9
Phoenix Mills	Neutral	1625	1650	2	30.8	30.3	41.6	50.6	-1.4	36.9	53.5	39.1	5.5	4.9	10.9	13.3
<b>Aggregate</b>								<b>18.3</b>	<b>44.6</b>	<b>23.8</b>	<b>76.9</b>	<b>53.2</b>	<b>6.4</b>	<b>5.8</b>	<b>8.3</b>	<b>10.8</b>
<b>Retail</b>																
Avenue Supermarts	Buy	4085	5300	30	39.0	44.3	55.2	6.2	13.8	24.5	92.1	74.0	12.3	10.6	14.3	15.4
Aditya Birla Fashion	Neutral	331	380	15	-7.4	-6.6	-6.2	955.4	Loss	Loss	NM	NM	8.3	9.8	-15.2	-16.8
Bata India	Neutral	1433	1520	6	22.8	26.4	33.6	-9.3	16.1	27.0	54.2	42.7	10.3	9.2	20.5	22.8
Barbeque-Nation	Neutral	642	700	9	-2.9	-2.4	1.2	-172.8	Loss	LP	NM	514.8	6.5	6.5	-2.4	1.3
Campus Activewe.	Buy	302	390	29	2.9	4.3	5.6	-23.6	46.8	30.8	70.5	53.9	11.8	9.7	16.8	18.0
Devyani Intl.	Buy	176	220	25	0.8	0.8	1.9	-66.5	-2.3	148.8	234.1	94.1	30.3	32.0	10.3	33.1
Jubilant Food.	Neutral	612	625	2	3.9	5.3	8.0	-32.9	34.8	50.4	115.1	76.5	17.5	16.4	15.2	21.4
Kalyan Jewellers	Buy	728	850	17	5.8	8.4	11.4	29.9	44.9	35.4	86.6	63.9	15.5	13.2	19.2	22.3
Metro Brands	Buy	1268	1525	20	12.7	14.8	18.1	-5.2	16.3	21.9	85.6	70.2	15.3	13.0	19.9	20.5
Relaxo Footwear	Neutral	784	850	8	8.1	9.4	11.8	29.8	16.7	25.4	83.4	66.5	9.0	8.1	11.2	12.8
Restaurant Brands	Buy	104	140	35	-4.8	-3.2	-0.8	-2.5	Loss	Loss	NM	NM	11.0	11.9	-28.7	-8.2
Sapphire Foods	Buy	350	415	18	1.6	1.4	3.4	-52.5	-15.8	147.9	255.1	102.9	8.1	7.5	3.2	7.5
Shoppers Stop	Neutral	747	900	20	5.5	7.0	10.2	-50.2	26.7	46.4	107.2	73.2	15.6	12.2	21.2	24.6
Senco Gold	Buy	1357	1700	25	23.3	31.3	37.4	1.6	34.4	19.5	43.3	36.3	6.6	5.7	16.4	16.8
Titan Company	Buy	3400	4300	26	39.3	45.5	56.4	6.8	15.9	23.9	74.7	60.3	24.7	19.2	37.5	35.9
Trent	Buy	7720	8760	13	29.2	54.3	73.2	162.5	86.0	34.7	142.1	105.5	42.8	29.8	38.4	35.6
V-Mart Retail	Neutral	4457	4670	5	-53.5	-3.0	35.7	1,132.9	Loss	LP	NM	124.7	10.9	10.0	NM	8.4
Vedant Fashions	Neutral	1327	1400	5	17.1	18.5	22.7	-3.5	8.6	22.7	71.6	58.4	18.2	15.8	26.2	26.3
Westlife Foodworld	Neutral	867	825	-5	4.4	3.0	7.7	-38.0	-32.6	156.0	289.8	113.2	17.3	17.3	6.8	15.3
<b>Aggregate</b>								<b>-1.5</b>	<b>30.9</b>	<b>33.7</b>	<b>139.9</b>	<b>106.8</b>	<b>21.1</b>	<b>18.2</b>	<b>15.1</b>	<b>17.1</b>
<b>Technology</b>																
Cyient	Buy	1858	2300	24	66.9	69.9	85.8	27.7	4.6	22.7	26.6	21.6	4.5	4.2	16.4	18.8
HCL Tech.	Buy	1867	2300	23	57.9	63.7	71.9	5.6	10.1	12.9	29.3	26.0	7.5	7.6	25.6	29.3
Infosys	Buy	1970	2200	12	63.3	63.5	71.2	10.0	0.3	12.1	31.0	27.7	9.2	9.2	29.8	33.4
LTI Mindtree	Buy	6402	7400	16	164.6	191.8	194.2	8.4	16.5	1.2	38.8	33.3	8.3	7.2	22.7	23.2
L&T Technology	Buy	5238	6400	22	123.0	126.3	149.4	11.3	2.7	18.3	41.5	35.1	9.2	7.9	24.0	24.5
Mphasis	Neutral	3080	3400	10	81.8	91.4	104.7	-6.0	11.8	14.6	33.7	29.4	6.1	5.7	19.1	20.2
Coforge	Buy	7255	8100	12	133.2	150.0	193.9	2.0	12.6	29.2	48.4	37.4	11.3	9.8	24.3	27.6
Persistent Sys	Buy	5537	6300	14	75.1	89.7	115.4	20.1	19.5	28.6	61.7	48.0	14.6	12.3	25.7	28.1
TCS	Buy	4106	5400	32	126.3	141.0	156.8	9.5	11.7	11.2	29.1	26.2	15.6	14.6	54.8	57.4
Tech Mah	Neutral	1700	1600	-6	41.1	44.0	63.2	-28.2	7.1	43.7	38.6	26.9	5.5	5.3	14.5	20.2
Wipro	Neutral	529	500	-5	20.4	22.6	24.5	-1.5	10.8	8.4	23.4	21.6	3.8	3.7	16.1	17.3
Zensar Tech	Neutral	695	770	11	29.1	27.3	31.3	102.7	-6.4	14.8	25.5	22.2	3.9	3.5	16.5	16.8
<b>Aggregate</b>								<b>3.8</b>	<b>9.7</b>	<b>13.4</b>	<b>33.8</b>	<b>30.8</b>	<b>9.5</b>	<b>9.2</b>	<b>28.0</b>	<b>30.0</b>



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Telecom</b>																
Bharti Airtel	Buy	1703	2000	17	19.7	30.8	46.7	36.7	56.9	51.3	55.2	36.5	10.5	8.1	20.6	27.1
Indus Towers	Neutral	385	395	3	22.4	33.7	29.0	151.1	50.5	-14.1	11.4	13.3	3.1	2.6	29.5	20.8
Vodafone Idea		9			-11.1	-9.8	-9.3	9.3	Loss	Loss	NM	NM	-0.3	-0.2	NM	NM
Tata Comm	Neutral	1834	1790	-2	42.3	36.5	58.1	-30.0	-13.6	59.2	49.7	31.2	21.0	14.0	50.4	54
<b>Aggregate</b>								<b>Loss</b>	<b>Loss</b>	<b>LP</b>	<b>-91</b>	<b>-4,085</b>	<b>182.9</b>	<b>73.1</b>	<b>####</b>	<b>-1.8</b>
<b>Utilities</b>																
Indian Energy Exchange	Neutral	191	226	18	3.8	4.1	4.9	16.7	7.6	19.2	46.3	38.8	15.0	12.6	35.3	35.3
JSW Energy	Buy	677	917	35	10.5	17.9	20.8	24.2	70.1	16.5	37.8	32.5	4.8	4.2	13.3	13.8
NTPC	Neutral	417	450	8	22.0	23.6	26.4	24.6	7.2	12.1	17.7	15.8	2.3	2.1	13.7	14.2
Power Grid Corpn	Buy	331	425	28	16.7	18.4	19.2	1.0	9.6	4.7	18.0	17.2	3.4	3.2	19.1	19.1
Tata Power Co.	Buy	450	551	22	12.8	15.7	18.6	7.5	22.4	18.8	28.7	24.2	3.9	3.5	14.5	15
<b>Aggregate</b>								<b>13.2</b>	<b>12.1</b>	<b>10.5</b>	<b>23</b>	<b>21</b>	<b>3.3</b>	<b>3.0</b>	<b>14.3</b>	<b>14.8</b>
<b>Others</b>																
APL Apollo Tubes	Buy	1553	1860	20	26.4	28.4	45.7	14.1	7.5	61.0	54.7	34.0	10.2	8.1	20.1	26.5
Cello World	Buy	875	1150	31	15.6	18.3	23.0	24.4	17.4	25.8	47.8	38.0	12.2	9.3	25.5	24.5
Coromandel Intl	Buy	1591	1810	14	55.8	54.8	72.1	-18.5	-1.7	31.5	29.0	22.1	4.4	3.8	16.1	18.5
Dreamfolks Services	Buy	461	720	56	12.5	16.6	22.1	-6.2	32.5	33.0	27.7	20.9	7.5	5.4	32.2	31.1
EPL	Buy	269	310	15	8.2	10.4	14.4	13.5	27.7	38.0	25.8	18.7	3.8	3.3	15.2	18.9
Gravita India	Buy	2498	2900	16	34.6	43.7	60.4	18.9	26.2	38.1	57.1	41.4	15.2	11.2	30.7	31.2
Godrej Agrovet	Buy	782	940	20	18.7	26.3	34.5	44.1	40.3	31.3	29.8	22.7	5.3	4.6	18.9	21.7
Indian Hotels	Buy	687	770	12	8.9	11.2	14.4	25.9	26.8	28.0	61.1	47.7	8.9	7.6	15.7	17.2
Indiamart Inter.	Buy	3038	3700	22	55.2	70.2	84.1	19.0	27.3	19.8	43.2	36.1	8.7	7.4	22.1	22.2
Info Edge	Neutral	7979	7400	-7	64.3	76.6	93.4	102.2	19.1	22.0	104.2	85.4	3.9	3.8	3.8	4.5
Interglobe	Neutral	4623	4655	1	211.8	193.8	209.1	-2,678.8	-9	8	23.9	22	18.9	10.2	131.9	60.0
Kajaria Ceramics	Buy	1390	1750	26	27.2	30.7	38.0	27.2	13.0	23.6	45.2	36.6	7.7	6.9	17.4	19.5
Lemon Tree Hotel	Buy	126	165	31	1.9	2.4	3.8	25.7	26.5	59.1	52.3	32.9	8.5	6.8	17.7	22.9
MTAR Tech	Buy	1735	2100	21	18.2	29.7	52.1	-45.7	62.7	75.4	58.5	33.3	7.0	5.8	12.6	18.9
One 97	Neutral	696	650	-7	-22.4	-28.6	-12.1	-20.2	Loss	Loss	NM	NM	3.6	3.8	-14.4	-6.6
Qess Corp	Neutral	731	770	5	20.4	28.4	35.1	78.3	38.9	23.9	25.8	20.8	2.8	2.6	14.8	17.0
SIS	Buy	392	530	35	13.0	29.1	36.4	-44.2	124.7	24.9	13.4	10.8	0.9	0.8	16.7	17.3
Team Lease Serv.	Buy	2992	4000	34	64.8	83.0	127.1	-0.5	28.1	53.1	36.0	23.5	5.4	4.5	14.8	19.1
UPL	Neutral	554	650	17	3.7	26.3	45.1	-93.7	618.2	71.8	21.1	12.3	1.1	1.0	8.0	12.9
Updater Services	Buy	374	490	31	11.4	16.0	22.4	67.8	41.2	39.7	23.3	16.7	2.6	2.2	11.8	14.3
Zomato	Buy	271	320	18	0.4	1.0	3.3	-134.9	149.5	219.9	266.0	83.2	10.9	9.7	4.2	12.3





Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	-0.6	-2.5	21.9
<b>Nifty-50</b>	-0.9	-2.6	24.9
<b>Nifty Next 50</b>	-2.2	-1.7	62.3
<b>Nifty 100</b>	-1.1	-2.7	30.4
<b>Nifty 200</b>	-1.2	-2.7	32.4
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	<b>-3.5</b>	<b>-3.5</b>	<b>51.3</b>
Amara Raja Ener.	-2.1	-2.2	112.9
Apollo Tyres	-2.8	-2.7	29.3
Ashok Leyland	-2.1	-8.8	24.3
Bajaj Auto	-12.9	-15.3	96.8
Balkrishna Inds	-1.9	-3.4	13.5
Bharat Forge	-0.3	-7.8	31.2
Bosch	-4.6	5.1	79.4
CEAT	-1.8	-2.5	31.8
Craftsman Auto	-0.6	-4.8	33.2
Eicher Motors	-1.2	-4.7	32.1
Endurance Tech.	-1.9	-0.6	52.1
Escorts Kubota	-2.3	-2.5	13.4
Exide Inds.	-3.1	2.9	84.7
Happy Forgings	-0.8	-8.7	
Hero Motocorp	-3.3	-12.5	64.4
M & M	-3.4	6.3	88.0
CIE Automotive	-2.7	-6.5	7.1
Maruti Suzuki	-1.9	-0.8	13.0
MRF	-0.5	-4.0	17.1
Sona BLW Precis.	-2.1	-13.0	15.9
Motherson Sumi	-1.8	4.1	108.5
Motherson Wiring	-0.9	-8.3	1.5
Tata Motors	-1.7	-8.5	36.0
TVS Motor Co.	-3.4	-4.9	66.5
Tube Investments	-1.1	7.9	49.1
<b>Banks-Private</b>	<b>-1.1</b>	<b>-2.9</b>	<b>10.3</b>
AU Small Fin. Bank	-1.4	-4.5	-2.8
Axis Bank	-1.9	-8.1	12.3
Bandhan Bank	-1.3	-8.4	-20.7
DCB Bank	-0.1	-6.6	-9.5
Equitas Sma. Fin	0.8	-7.1	89.6
Federal Bank	-0.4	5.0	30.5
HDFC Bank	-1.6	0.3	8.6
ICICI Bank	-1.0	-2.9	29.1
IDFC First Bank	-0.7	-2.1	-21.7
IndusInd Bank	0.1	-8.1	-6.2
Kotak Mah. Bank	-0.7	0.9	5.2
RBL Bank	-3.9	-6.4	-17.6
SBI Cards	-0.1	-6.6	-8.1
<b>Banks-PSU</b>	<b>-0.5</b>	<b>-1.4</b>	<b>28.8</b>
BOB	-0.9	1.0	16.7
Canara Bank	-1.8	-2.9	35.7
Indian Bank	-1.1	-1.3	19.7
Punjab Natl.Bank	-2.5	-5.2	35.2
St Bk of India	0.7	3.6	40.7
Union Bank (I)	-0.4	-10.2	5.9

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	<b>-1.3</b>	<b>-2.5</b>	<b>33.8</b>
<b>Nifty Midcap 100</b>	<b>-1.7</b>	<b>-2.8</b>	<b>43.5</b>
<b>Nifty Smallcap 100</b>	<b>-1.2</b>	<b>-2.1</b>	<b>46.0</b>
<b>Nifty Midcap 150</b>	<b>-1.7</b>	<b>-2.3</b>	<b>42.6</b>
<b>Nifty Smallcap 250</b>	<b>-1.4</b>	<b>-1.6</b>	<b>45.6</b>
<b>NBFCS</b>	<b>-1.3</b>	<b>-1.7</b>	<b>18.3</b>
Aditya Birla Capital Ltd	-3.3	-3.0	19.6
Angel One	-3.3	22.3	48.4
Bajaj Fin.	-0.8	-6.3	-14.7
BSE	-5.8	27.7	187.6
Cholaman.Inv.&Fn	-1.9	-7.5	17.0
Can Fin Homes	-2.8	-2.7	11.6
Cams Services	0.3	7.4	88.8
CreditAcc. Gram.	2.3	-16.4	-24.7
Fusion Microfin.	-1.9	-29.6	-64.8
Five-Star Bus.Fi	-0.3	17.9	14.2
Home First Finan	-0.7	2.2	25.6
Indostar Capital	-4.0	-6.3	50.4
IIFL Finance	-1.9	-10.8	-28.8
L&T Finance	-0.3	-5.4	19.6
LIC Housing Fin.	-2.3	-9.3	28.6
MCX	-1.4	12.2	189.0
M & M Fin. Serv.	-2.7	-13.9	-0.9
Muthoot Finance	-0.1	-3.4	56.2
Manappuram Fin.	-1.5	-15.9	23.9
MAS Financial Serv.	1.4	1.0	-2.5
360 One	-1.2	2.1	101.2
PNB Housing	-2.7	-11.1	25.1
Power Fin.Corp.	-2.0	-2.7	86.7
REC Ltd	-1.8	-0.5	84.4
Repco Home Fin	-1.3	-10.8	24.1
Shriram Finance	-3.9	-4.8	72.6
Spandana Sphoort	-0.8	-17.7	-37.6
<b>Insurance</b>			
HDFC Life Insur.	-0.1	3.9	13.1
ICICI Pru Life	-1.4	-2.0	37.7
ICICI Lombard	-1.9	-3.1	49.7
Life Insurance	-1.0	-8.6	43.7
Max Financial	-1.8	2.2	25.3
SBI Life Insuran	-1.8	-6.4	26.2
Star Health Insu	-0.5	-9.7	-7.7
<b>Chemicals</b>			
Alkyl Amines	-3.4	1.5	-1.5
Atul	-1.7	-1.1	12.7
Clean Science	-0.9	1.3	16.9
Deepak Nitrite	-4.4	-1.2	35.0
Fine Organic	-1.9	-1.7	5.1
Galaxy Surfact.	-2.3	-10.9	11.7
Navin Fluo.Intl.	-3.8	2.2	-9.9
NOCIL	-1.0	5.9	26.6
P I Inds.	-2.7	-4.9	26.2
SRF	-1.9	-6.9	-0.6
Tata Chemicals	-2.4	4.2	2.7





Company	1 Day (%)	1M (%)	12M (%)
Vinati Organics	-1.0	0.6	10.8
<b>Capital Goods</b>	<b>-2.9</b>	<b>-4.3</b>	<b>-1.9</b>
A B B	-0.9	10.4	102.9
Bharat Electron	-0.4	0.1	105.4
Cummins India	-2.8	-4.0	115.5
Hitachi Energy	-1.7	20.3	245.4
K E C Intl.	-2.4	0.9	52.0
Kalpataru Proj.	0.8	-7.1	89.6
Kirloskar Oil	0.1	-6.3	122.1
Larsen & Toubro	1.1	-3.4	16.4
Siemens	-3.4	14.1	114.8
Thermax	-2.2	-2.3	63.3
Triveni Turbine	-3.3	4.9	107.4
Zen Technologies	-1.4	12.0	160.0
<b>Cement</b>			
Ambuja Cem.	-3.0	-8.3	29.1
ACC	-1.8	-9.6	11.1
Birla Corp.	-3.5	-9.0	-6.6
Dalmia Bhar.	-1.7	0.7	-18.7
Grasim Inds.	-2.1	-1.8	37.6
India Cem	-0.3	-1.8	63.2
J K Cements	-1.3	-10.2	30.4
JK Lakshmi Cem.	-2.6	3.1	18.0
The Ramco Cement	-2.5	-0.2	-14.5
Shree Cement	-0.8	-4.7	-9.0
UltraTech Cem.	-2.7	-5.4	32.7
<b>Consumer</b>	<b>-1.6</b>	<b>-5.2</b>	<b>16.5</b>
Asian Paints	-0.9	-7.8	-1.9
Britannia Inds.	-1.7	-2.0	30.2
Colgate-Palm.	-3.6	-7.7	62.8
Dabur India	-1.0	-13.3	6.0
Emami	-3.1	-4.3	42.9
Godrej Consumer	-1.0	-7.7	35.1
Hind. Unilever	-1.5	-4.7	7.1
ITC	-0.9	-3.7	7.8
Indigo Paints	-0.7	4.1	6.2
Jyothy Lab.	1.0	-4.2	38.0
Marico	-2.0	-3.7	22.1
Nestle India	-3.4	-6.6	2.0
Page Industries	-2.0	5.3	16.1
Pidilite Inds.	-0.8	-3.5	30.0
P & G Hygiene	0.4	0.0	-4.2
Tata Consumer	-2.1	-10.7	21.6
United Breweries	-2.3	-5.0	26.1
United Spirits	-1.6	-1.8	40.7
Varun Beverages	-3.3	-9.4	58.2
<b>Consumer Durables</b>	<b>-2.3</b>	<b>-4.0</b>	<b>38.9</b>
Polycab India	-0.8	6.4	30.2
R R Kabel	-2.9	4.0	22.4
Havells	-6.9	-10.0	30.5
Voltas	-2.5	-3.6	115.6
KEI Industries	-5.5	-6.3	54.3

Company	1 Day (%)	1M (%)	12M (%)
<b>EMS</b>			
Amber Enterp.	-0.2	21.6	85.3
Avalon Tech	-5.4	-2.5	7.6
Cyient DLM	-1.5	-1.6	-2.1
Data Pattern	-3.3	-9.2	17.1
Dixon Technolog.	-1.2	7.4	176.4
Kaynes Tech	-2.6	0.4	117.1
Syrma SGS Tech.	-0.8	-7.9	-36.6
<b>Healthcare</b>	<b>-0.9</b>	<b>-0.6</b>	<b>52.9</b>
Alembic Pharma	-0.4	-1.2	47.2
Alkem Lab	-1.3	-3.3	66.1
Apollo Hospitals	-1.2	-0.3	39.0
Ajanta Pharma	-3.1	2.8	82.3
Aurobindo	-0.9	-5.4	61.7
Biocon	-2.2	-9.8	33.0
Zybus Lifesci.	0.1	-8.1	72.9
Cipla	-0.2	-6.8	32.8
Divis Lab	-0.8	11.5	66.7
Dr Reddy's	-0.1	1.1	20.9
ERIS Lifescience	-1.5	-3.2	55.6
Gland Pharma	-1.6	-11.2	3.0
Glenmark	-2.6	1.3	116.5
Global Health	-2.4	-4.2	38.2
Granules	-2.4	9.2	67.5
GSK Pharma	-0.8	-5.3	72.8
IPCA Labs	-0.5	13.1	69.3
Laurus Labs	-2.9	-7.0	16.5
Lupin	-0.9	-4.1	81.7
Mankind Pharma	-1.0	9.3	48.2
Max Healthcare	-2.8	-2.8	63.3
Piramal Pharma	-3.5	-3.6	126.3
Sun Pharma	-0.5	1.3	66.2
Torrent Pharma	-3.4	-1.6	76.8
<b>Infrastructure</b>	<b>-1.0</b>	<b>-2.6</b>	<b>44.4</b>
G R Infraproject	-1.4	-2.0	34.4
IRB Infra.Devl.	-3.1	-4.0	78.5
KNR Construct.	-2.5	-6.1	14.3
<b>Logistics</b>			
Adani Ports	-0.6	-2.2	73.2
Blue Dart Exp.	-2.6	-10.6	23.3
Container Corpn.	-1.9	-8.1	20.3
JSW Infrast	0.7	-3.0	84.2
Mahindra Logis.	-0.5	5.5	27.4
Transport Corp.	-0.7	-2.3	34.5
TCI Express	-0.3	-7.9	-26.3
VRL Logistics	0.1	-3.6	-13.7
<b>Media</b>	<b>-2.2</b>	<b>-4.7</b>	<b>-13.1</b>
PVR INOX	-0.8	-3.4	-8.4
Sun TV	-1.5	-7.1	19.1
Zee Ent.	-2.4	-5.4	-50.8
<b>Metals</b>	<b>-1.4</b>	<b>2.3</b>	<b>39.1</b>
Hindalco	0.2	7.6	51.7
Hind. Zinc	-0.4	3.5	58.2



Company	1 Day (%)	1M (%)	12M (%)
JSPL	-3.2	-11.7	34.2
JSW Steel	-1.0	1.6	24.0
Nalco	3.6	20.6	126.1
NMDC	-3.2	4.4	35.6
SAIL	-1.6	-3.1	42.8
Tata Steel	-1.8	-0.3	19.6
Vedanta	-3.0	5.0	105.3
<b>Oil &amp; Gas</b>	<b>-1.5</b>	<b>-3.5</b>	<b>55.2</b>
Aegis Logistics	1.5	-6.8	128.3
BPCL	-2.3	1.3	93.2
Castrol India	-1.3	-13.3	52.5
GAIL	-4.2	1.0	69.0
Gujarat Gas	-2.7	-8.6	33.5
Gujarat St. Pet.	-3.2	-2.7	37.2
HPCL	-0.3	6.0	148.4
IOCL	-2.4	-3.7	78.9
IGL	-2.7	-7.9	3.5
Mahanagar Gas	-1.4	-7.7	54.5
MRPL	-0.7	-9.7	50.4
Oil India	-0.4	-14.7	137.5
ONGC	-1.3	-4.4	51.2
PLNG	-1.2	5.0	51.0
Reliance Ind.	0.2	-7.9	15.2
<b>Real Estate</b>	<b>-3.8</b>	<b>-2.1</b>	<b>70.9</b>
Brigade Enterpr.	-3.0	-5.3	106.2
DLF	-2.7	0.0	51.8
Godrej Propert.	-4.5	8.0	80.6
Kolte Patil Dev.	4.3	-2.7	-19.1
Mahindra Life.	-2.9	-4.3	-1.9
Macrotech Devel.	-4.4	-8.9	43.0
Oberoi Realty Ltd	-6.2	4.9	67.4
SignatureGlobal	-1.6	-0.1	188.2
Sobha	-3.4	-4.9	132.9
Sunteck Realty	-1.9	3.0	22.6
Phoenix Mills	-3.2	-7.0	70.5
Prestige Estates	-3.8	-6.5	151.1
<b>Retail</b>			
Aditya Bir. Fas.	-3.7	0.8	43.3
Avenue Super.	-2.1	-21.8	6.3
Bata India	0.7	-0.3	-11.9
Campus Activewe.	-1.1	-8.6	2.3
Barbeque-Nation	-3.0	2.8	-14.1
Devyani Intl.	-3.0	-7.1	-15.7
Jubilant Food	-1.6	-9.3	14.3
Kalyan Jewellers	-3.1	2.1	147.0
Metro Brands	0.6	0.9	4.8
Relaxo Footwear	-0.1	-4.8	-14.6
Restaurant Brand	-1.1	0.0	-15.0
Sapphire Foods	-1.7	5.2	23.1
Senco Gold	-1.9	5.9	102.8
Shoppers St.	-1.2	-14.0	9.6
Titan Co.	-1.9	-9.7	2.9
Trent	-1.1	4.3	271.3

Company	1 Day (%)	1M (%)	12M (%)
V-Mart Retail	0.7	23.5	131.5
Vedant Fashions	-2.1	3.1	2.3
Westlife Food	0.1	2.5	-7.4
<b>Technology</b>	<b>1.2</b>	<b>-1.6</b>	<b>34.4</b>
Cyient	0.7	-12.9	4.6
HCL Tech.	0.1	3.0	46.2
Infosys	2.5	0.8	36.4
LTIMindtree	0.6	-0.9	22.6
L&T Technology	-2.1	-7.4	13.6
Mphasis	5.8	-3.1	34.5
Coforge	0.7	3.7	43.4
Persistent Sys	-0.1	3.4	93.8
TCS	0.3	-8.8	17.2
Tech Mah	2.3	2.9	41.9
Wipro	-0.6	-4.2	28.5
Zensar Tech	-1.0	-9.6	26.3
<b>Telecom</b>	<b>-2.1</b>	<b>-7.1</b>	<b>43.0</b>
Bharti Airtel	-1.9	2.4	78.4
Indus Towers	-0.9	-10.6	100.3
Idea Cellular	-2.6	-31.0	-23.9
Tata Comm	-4.8	-9.8	2.4
<b>Utilities</b>	<b>-1.5</b>	<b>-1.1</b>	<b>80.5</b>
Coal India	-1.2	0.3	54.3
NTPC	-1.5	0.3	69.9
Power Grid Corpn	1.2	-1.7	59.9
Tata Power Co.	-2.2	1.1	75.2
JSW Energy	-1.8	-9.6	67.6
Indian Energy Ex	-1.8	-13.9	40.6
<b>Others</b>			
APL Apollo Tubes	-1.8	7.1	-12.5
Cello World	-1.1	-1.1	
Coromandel Intl	-2.2	-7.2	37.0
Dreamfolks Servi	-1.3	-10.8	24.1
EPL Ltd	-0.9	7.0	36.7
Gravita India	1.6	-6.2	152.6
Godrej Agrovet	0.1	-6.0	60.4
Havells	-6.9	-10.0	30.5
Indian Hotels	-2.4	-0.7	63.6
Indiamart Inter.	-1.9	-3.1	49.7
Info Edge	-1.0	-8.6	43.7
Interglobe	-1.6	-6.3	77.9
Kajaria Ceramics	0.1	-6.0	7.9
Lemon Tree Hotel	1.0	-3.9	3.1
MTAR Technologie	-2.5	-1.6	-34.2
One 97	-3.6	4.8	-26.1
Piramal Enterp.	-6.2	-5.0	-1.7
Quess Corp	-0.5	-10.7	71.7
SIS	-2.8	-7.2	-13.0
Team Lease Serv.	-1.8	-5.3	16.4
UPL	-2.7	-9.3	-11.4
Updater Services	-0.3	-4.4	29.7
Voltas	-2.5	-3.6	115.6
Zomato Ltd	-1.3	-0.1	137.6

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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