

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	79,542	-1.0	10.1
Nifty-50	24,199	-1.2	11.4
Nifty-M 100	57,109	-0.4	23.7
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,973	0.7	25.2
Nasdaq	19,269	1.5	28.4
FTSE 100	8,141	-0.3	5.3
DAX	19,363	1.7	15.6
Hang Seng	7,547	2.5	30.8
Nikkei 225	39,381	-0.3	17.7
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	76	-0.5	-2.6
Gold (\$/OZ)	2,707	1.8	31.2
Cu (US\$/MT)	9,527	3.6	12.6
Almn (US\$/MT)	2,662	3.2	13.5
Currency	Close	Chg .%	CYTD.%
USD/INR	84.4	0.1	1.4
USD/EUR	1.1	0.7	-2.1
USD/JPY	152.9	-1.1	8.4
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.8	0.00	-0.4
10 Yrs AAA Corp	7.3	-0.01	-0.5
Flows (USD b)	7-Nov	MTD	CYTD
FII	-0.6	-1.77	-1.1
DII	0.21	1.67	55.1
Volumes (INRb)	7-Nov	MTD*	YTD*
Cash	1,078	925	1277
F&O	4,42,284	3,42,334	3,81,433

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Page Industries: All-round beat; growth acceleration to sustain

- ❖ Page Industries (PAGE) reported sales growth of 11% in 2QFY25 with healthy 7% YoY volume growth. Demand improved sequentially, but a full recovery would be visible in 2HFY25. Demand uptick during the festive season has helped to further liquidate trade inventory by 3 days. The implementation of ARS system has been driving inventory efficiency for distributors, resulting in better secondary order fulfillment. E-commerce channel continues to outpace overall brand growth, mainly led by quick commerce.
- ❖ The stock has underperformed massively for the last two years (down 15%) owing to weak volume growth. With volume growth pressure bottoming out and benign input costs likely to lead to a better margin print, we expect the earnings cycle to pick up from hereon. We believe the valuation will remain rich, as we can find only a few consumer stocks with comfort on both growth and margin in the near term. We upgrade our rating from Neutral to BUY with a revised TP of INR54,000, premised on 60x Mar'27E EPS.



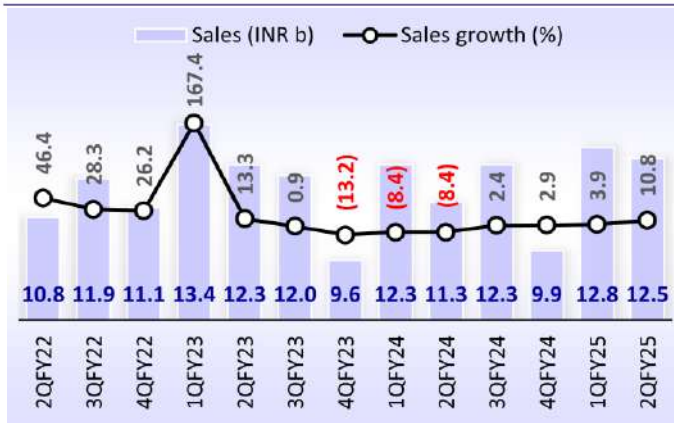
Research covered

Cos/Sector	Key Highlights
Page Industries	All-round beat; growth acceleration to sustain
Mahindra & Mahindra	Segmental performance in line
Trent	Robust growth, albeit weaker than lofty expectations on store consolidation
Other Updates	Apollo Hospitals Max Healthcare Indian Hotels Escorts Kubota Gujarat Gas Endurance Technologies Alembic Pharma Gujarat State Petronet Clean Science & Technology AAVAS Financiers Avalon Technologies Cummins India Lupin SAIL ABFRL Emami G R Infraprojects Happy Forgings Indigo Paints



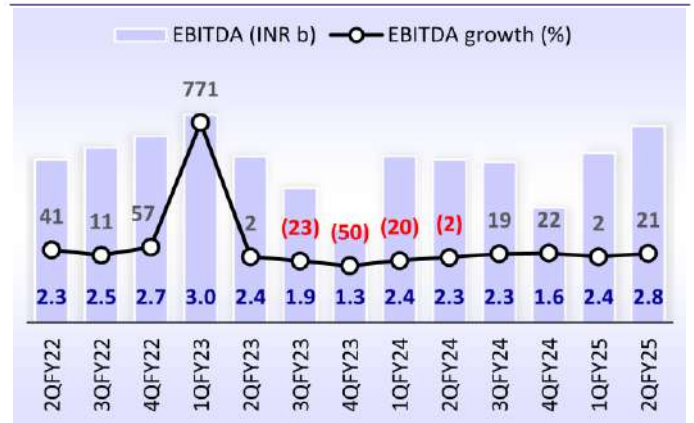
Chart of the Day: Page Industries (All-round beat; growth acceleration to sustain)

Sales grew 11% YoY to INR12.5b



Source: Company, MOFSL

EBITDA grew 21% YoY to INR2.8b in 2QFY25



Source: Company, MOFSL

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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, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

IT firms bullish on higher spending due to tax cuts

The US is the largest market for India's \$254 billion tech sector where its overall contribution is \$80 billion to American GDP, Nasscom said in a statement.

2

Jet Airways' 1.43 lakh retail shareholders staring at wipeout after Supreme Court's liquidation order

Retail shareholders held a 19.29 percent stake in the grounded airline as on September 30. At the current market capitalisation, their holding is worth Rs 74.6 crore

3

HCL Tech secures order from New Zealand's Tasman district council to accelerate digital transformation

HCL Tech will leverage Microsoft Dynamics 365 to move the Tasman District Council to an advanced digital system.

4

No expansion can take place unless steel prices recover: Tata Steel MD

The company said it has a positive outlook on demand pricing in the coming quarters and the pricing lows hit in September-October could mean the worst is behind.

5

Crackdown on Amazon, Flipkart: ED raids offices of sellers using e-commerce platforms

The searches were conducted at 19 premises located at Delhi, Bengaluru, Mumbai, Hyderabad and Panchkula (Haryana)

6

Good for us if China indeed reduces its steel exports after Trump's win: Tata Steel MD TV Narendran

Tata Steel's Managing Director, TV Narendran, expressed concerns over the global steel industry's profitability, stating that current prices are insufficient for companies to invest in planned capacity expansions.

7

Reliance Power, arms barred from renewable energy tenders for 3 years

SECI banned Reliance Power and subsidiaries from its renewable energy tenders. SECI found a Reliance subsidiary submitted a fake bank guarantee.



Page Industries

Estimate change	↑
TP change	↑
Rating change	↑

Bloomberg	PAG IN
Equity Shares (m)	11
M.Cap.(INRb)/(USDb)	502.6 / 6
52-Week Range (INR)	46818 / 33070
1, 6, 12 Rel. Per (%)	11/23/-4
12M Avg Val (INR M)	1010

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	45.8	50.0	57.5
Sales Gr. (%)	-2.8	9.1	15.1
EBITDA	8.7	9.9	11.7
EBITDA Margin (%)	19.0	19.7	20.4
Adj. PAT	5.7	6.7	8.1
Adj. EPS (INR)	510.3	603.4	724.6
EPS Gr. (%)	-0.4	18.2	20.1
BV/Sh.INR	1431.7	1571.0	1831.1

Ratios

RoE (%)	35.6	38.4	39.6
RoCE (%)	33.9	37.9	39.9
Payout (%)	72.5	90.0	75.0

Valuations

P/E (x)	87.8	74.3	61.8
P/BV (x)	31.3	28.5	24.5
EV/EBITDA (x)	57.1	50.1	42.0
Div. Yield (%)	0.8	1.0	1.0

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	44.3	45.0	45.1
DII	29.5	28.1	23.6
FII	20.8	20.5	22.0
Others	5.4	6.3	9.4

FII Includes depository receipts

CMP: INR45,064 TP: INR54,000 (+20%) Upgrade to Buy

All-round beat; growth acceleration to sustain

- Page Industries (PAGE) reported sales growth of 11% in 2QFY25 (est. 7%; 4% in 1Q), with healthy 7% YoY volume growth (est. 3.5%; 3% in 1Q) to 55m. Demand improved sequentially, but a full recovery would be visible in 2HFY25. Demand uptick during the festive season has helped to further liquidate trade inventory by 3 days. The implementation of ARS system has been driving inventory efficiency for distributors, resulting in better secondary order fulfilment. Primary growth was lagging behind secondary growth (~4% difference) due to high trade inventory; we believe it will converge in 2HFY25. Thereby, healthy volume growth is expected to sustain.
- Ecommerce channel continues to outpace overall brand growth, mainly led by quick commerce. 1HFY25 ecommerce growth was 41%. We expect demand improvement to continue in 2HFY25.
- GM expanded by 80bp YoY/230bp QoQ to 56.5% on stable input costs. Improved operating efficiency led to 180bp YoY expansion in EBITDA margin to 22.6% (10-quarter high). The management retains its EBITDA margin guidance of 19%-21% in the medium term. We model 20-21% EBITDA margin for FY25-27E.
- Recent launches of new SKUs in the women's and kids' categories, supported by a dedicated sales team, are set to boost growth. Orissa facility is expected to start operations from 4QFY25 and will cater to rising demand.
- The stock has underperformed massively for the last two years (down 15%) owing to weak volume growth. With volume growth pressure bottoming out and benign input costs likely to lead to a better margin print, we expect the earnings cycle to pick up from hereon. We believe the valuation will remain rich, as we can find only a few consumer stocks with comfort on both growth and margin in the near term. **We upgrade our rating from Neutral to BUY with a revised TP of INR54,000, premised on 60x Mar'27E EPS.**

Improved growth print; volume up 6.7%

- **Beat on volume growth:** Sales grew 11% YoY to INR12.5b (est. INR12.0b), while demand remained subdued (but trend improved vs. 1Q). Sales volume was up 6.7% YoY (2.6% in 1QFY25; 3.5% our est.) to 55.2m pieces. The advancement in the festive season also partially supported growth in 2Q. Festive demand was healthy, with improvement in secondary growth.
- **Network expansion to continue:** Exclusive brand outlets (EBOs) are also a key area, with the company aiming to increase EBOs from 150-180 annually to around 1,550 by FY25. Technology upgrades, like the ARA system, are enhancing distribution and inventory management, while athleisure is emerging as a major growth area.

- **Margin:** Gross margin expanded ~80bp YoY to 56.5% (est. 56.3%) and EBITDA margin expanded 185bp YoY to 22.6% (est. 20.9%). The margin expansion was led by stable input costs and improved operating efficiency. Employee expenses were down 165bp, but other expenses were up 65bp YoY.
- **Double-digit growth in EBITDA/PBT/PAT:** EBITDA grew 21% YoY to INR2.8b (est. INR2.5b). PBT grew 31% YoY to INR2.6b (est. INR2.3b). Adj. PAT was up 30% YoY at INR1.9b (est. INR1.7b).
- In 1HFY25, net sales/EBITDA/APAT grew by 7%/11%/17%. In 2HFY25, we expect net sales/EBITDA/APAT growth of 11%/17%/20%.

Highlights from the management commentary

- A gradual pickup in rural consumption is driving positive shifts in overall demand trends.
- E-commerce has outpaced the company average, driven by quick commerce and the shift toward online shopping.
- The company raised prices two years ago due to higher input costs, but there have been no price increases since Jul'22.
- Inventory days decreased to 93 from 168 at the end of FY24.
- The operating margin at the EBITDA level is expected to stay within the range of 19% to 21% annually.
- It plans to expand EBOs by 150 to 180 annually.
- The e-commerce channel posted 41% growth in 1HFY25.

Valuation and view

- We have increased our EPS estimates by 5%/3% for FY25/FY26 on account of improvement in volume growth assumption and higher margin.
- We expect demand improvement to continue in 2HFY25. We estimate a CAGR of 13%/17%/19% in sales/EBITDA/PAT over FY24-27E.
- With PAGE's strong execution history and a large market opportunity, we expect an uptick in the earnings cycle and the valuation will also see quick re-rating. **We upgrade our rating from Neutral to BUY with a revised TP of INR54,000, premised on 60x Mar'27E EPS.**

Quarterly Statement											(INR m)	
Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	(%)	
Volume growth (%)	-11.5	-8.8	4.6	6.1	2.6	6.7	8.0	8.1	-3.5	5.8	3.5	
Net Sales	12,291	11,251	12,288	9,925	12,775	12,463	13,802	10,946	45,817	49,986	11,994	3.9%
YoY change (%)	-8.4	-8.4	2.4	2.9	3.9	10.8	12.3	10.3	-2.8	9.1	6.6	
Gross Profit	6,544	6,262	6,522	5,562	6,918	7,040	7,453	6,182	24,971	27,592	6,753	4.2%
Gross margin (%)	53.2	55.7	53.1	56.0	54.1	56.5	54.0	56.5	54.5	55.2	56.3	
Other Expenditure	4,159	3,927	4,226	3,918	4,484	4,225	4,609	4,403	16,248	17,722	4,251	
% to sales	33.8	34.9	34.4	39.5	35.1	33.9	33.4	40.2	35.5	35.5	35.4	
EBITDA	2,385	2,335	2,297	1,643	2,433	2,815	2,843	1,779	8,723	9,871	2,502	12.5%
Margins (%)	19.4	20.8	18.7	16.6	19.0	22.6	20.6	16.3	19.0	19.7	20.9	
YoY change	-19.9	-1.8	19.1	22.3	2.0	20.5	23.8	8.3	1.1	13.2	7.1	
Depreciation	210	246	226	226	221	226	250	284	908	981	235	
Interest	127	112	105	105	117	109	115	124	449	465	110	
Other Income	52	17	55	137	129	146	135	140	200	550	125	
PBT	2,100	1,994	2,021	1,450	2,225	2,625	2,613	1,511	7,565	8,974	2,282	15.0%
Tax	517	491	497	368	572	672	653	346	1,873	2,244	566	
Rate (%)	24.6	24.6	24.6	25.4	25.7	25.6	25.0	22.9	24.8	25.0	24.8	
PAT	1,584	1,503	1,524	1,082	1,652	1,953	1,960	1,166	5,692	6,731	1,716	13.8%
YoY change (%)	-23.5	-7.3	23.1	38.1	4.3	29.9	28.7	7.7	-0.4	18.2	14.2	

E: MOFSL Estimates



Mahindra & Mahindra

Estimate change	↓
TP change	↓
Rating change	↔

CM-P: INR2,891 TP: INR3,420 (+18%) Buy

Segmental performance in line

Tractor guidance raised to 6-7% (implies double-digit growth in 2H)

- MM reported an in-line operating performance in 2QFY25. EBITDA margin expanded 150bp YoY to 14.3% (est. 13.5%). Farm equipment segment's (FES) core PBIT margin stood at an impressive 18.7% (+120bp YoY) in a seasonally weak quarter, while auto segment sustained its margin at 9.5% despite the pricing intervention in XUV700. The management has raised its tractor growth guidance to 6-7% for FY25 (from 5% earlier) and maintained its UV growth guidance of mid-teens.
- We have tweaked our FY25/FY26 EPS estimates. Reiterate BUY with a TP of INR3,420 (based on Sep'26E SOTP).

Higher other income drives PAT beat

- 2QFY25 revenue/EBITDA/adj. PAT grew 13%/26%/13% YoY to INR275.3b/INR39.5b/INR38.4b (est. INR272.3b/INR36.8b/INR33.7b). 1HFY25 revenue/EBITDA/adj. PAT grew 12.5%/24%/17% YoY. For 2HFY25, we estimate revenue/EBITDA/adj. PAT to grow 9%/18%/24% YoY.
- Volumes grew 7% YoY, while ASP rose ~5.5% YoY.
- EBITDA margin came in at 14.3% (+150bp YoY/-60bp QoQ; est. 13.5%). The margin beat was largely driven by an improved mix.
- Other income was higher than expected at INR19.9b (est. INR15b) and included dividend income of INR12b from subs and associates.
- Aided by higher other income, adj. PAT came in at INR38.4b (est. INR33.7b), up ~13% YoY.
- FCFF/CFO grew 3.4x/37% YoY. Capex remained flat YoY.
- Auto:** Revenue grew 14% YoY to INR211.1b, while volume/ASP grew 8.5%/5% YoY. PBIT margin was 9.5% (+140bp YoY/flat QoQ; est. 9.6%). Auto capacity now stands at 54k (up 10% from FY24 exit levels).
- FES:** Revenue grew 10% YoY to INR65b, while volumes/ASP grew 4%/6% YoY. PBIT margin was in line with our estimate at 17.5% (+150bp YoY/-100bp QoQ).

Highlights from the management commentary

- Auto Demand outlook:** The management has maintained its guidance of mid-teens (15-18%) growth for FY25. Urban pockets have started seeing stress, which would be temporary, while rural pockets are doing well (MM's rural mix for LCVs/UVs stands at 65%/50%). However, MM remains confident of sustaining the momentum given healthy demand for its new launches.
- FES demand outlook:** The management has raised its growth guidance to 6-7% for FY25 from 5% earlier, implying 13-15% YoY growth in 2HFY25. Several positive macro-economic factors, such as higher reservoir levels (15% above LPA) at 87%, growth in Kharif output, and hike in MSP of key Rabi crops, should drive growth. The management sounded confident of steady growth even in FY26 given healthy reservoir levels.

Bloomberg	MM IN
Equity Shares (m)	1244
M.Cap.(INRb)/(USD\$b)	3595.5 / 42.6
52-Week Range (INR)	3222 / 1474
1, 6, 12 Rel. Per (%)	-3/23/71
12M Avg Val (INR M)	7676

Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	991	1,097	1,251
EBITDA	131.5	156.9	179.1
Adj. PAT	106.4	119.6	139.3
Adj. EPS (INR)	88.7	99.7	116.2
EPS Gr. (%)	34.0	12.4	16.5
BV/Sh. (INR)	436	512	603

Ratios

RoE (%)	22.3	21.0	20.8
RoCE (%)	20.3	20.2	20.1
Payout (%)	23.7	23.5	22.3

Valuations

P/E (x)	32.6	29.0	24.9
P/BV (x)	6.6	5.6	4.8
Div. Yield (%)	0.7	0.8	0.9
FCF Yield (%)	1.9	2.9	3.4

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	18.1	18.1	18.9
DII	26.5	25.7	26.2
FII	46.1	46.8	45.4
Others	9.3	9.4	9.5

FII Includes depository receipts

- **BEV launches:** The management has indicated that it would unveil production-ready BEVs on 26th Nov'24. However, it has cautioned that demand for this new category may not be as strong as for ICE versions as the category acceptance may take time in the Indian market. Also, one has to remember that BEV margins are likely to be substantially lower than ICE margins. It will apply for PLI in 3Q and hopes to get the benefits by FY26.

Valuation and view

- We have tweaked our FY25E/FY26E EPS. We estimate MM to post a CAGR of ~13%/16%/15.5% in revenue/EBITDA/PAT over FY24-27E. While MM has outperformed its own targets of earnings growth and RoE of 18% in FY24, it remains committed to delivering 15-20% EPS growth and 18% ROE, ensuring sustained profitability and shareholder value.
- The implied core P/E for MM stands at 29x/25x FY25E/FY26E EPS. Maintain BUY with a revised TP of INR3,420 (based on Sep'26E SOTP).

Quarterly Performance

(INR Billion)

Y/E March	FY24				FY25E				FY24	FY25E	2QE
INR b	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Total Volumes ('000 units)	301	303	313	281	333	324	352	289	1,198	1,299	324
Growth YoY (%)	10.7	10.9	11.1	0.8	10.6	7.1	12.4	2.9	8.4	8.4	7.1
Net Realization (INR '000/unit)	802	805	808	896	812	849	854	866	827	845	839
Growth YoY (%)	10.5	4.7	5.1	10.7	1.3	5.5	5.8	-3.4	7.7	2.1	4.6
Net Op. Income	241	244	253	252	270	276	301	250	991	1,097	272
Growth YoY (%)	22.4	16.1	16.8	11.6	12.0	12.9	18.9	-0.6	16.6	10.7	12.0
RM Cost (% of sales)	75.1	75.3	75.4	73.2	73.7	74.2	74.2	75.4	74.7	74.4	74.8
Staff (% of sales)	4.4	4.7	4.5	4.5	4.3	4.2	4.3	4.6	4.5	4.4	4.4
Oth. Exp. (% of Sales)	7.0	7.2	7.3	9.2	7.0	7.3	7.6	5.9	7.6	7.0	7.3
EBITDA	33	31	32	33	40	39	42	35	131	156.9	37
EBITDA Margins (%)	13.6	12.8	12.8	13.1	14.9	14.3	13.9	14.1	13.3	14.3	13.5
Other income	9.3	20.6	7.4	3.5	3.5	20.0	6.0	4.5	39.4	34.0	15.0
Interest	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.6	1.4	2.2	0.3
Depreciation	8.4	8.3	8.2	9.9	9.1	9.6	9.7	9.8	34.9	38.2	9.2
EBIT	24.5	23.0	24.2	23.1	31.1	29.9	32.1	25.6	96.6	118.6	27.6
EO Income/(Exp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT after EO	33.4	43.2	31.2	26.2	34.1	49.3	37.5	29.6	134.6	150.5	42.3
Tax	5.8	9.3	6.7	6.2	7.9	10.9	6.8	5.3	28.2	30.8	8.7
Effective Tax Rate (%)	17.4	21.5	21.4	23.8	23.3	22.1	18.0	17.8	20.9	20.5	20.5
Reported PAT	27.6	33.9	24.5	20.0	26.1	38.4	30.8	24.3	106.4	119.6	33.7
Adj PAT	21.2	33.9	24.5	20.0	26.1	38.4	30.8	24.3	106.4	119.6	33.7
Change (%)	51.0	45.1	10.7	1.3	23.2	13.2	25.4	21.5	34.2	12.4	-2.5

E: MOFSL Estimates

Y/E March	FY24				FY25E				FY24	FY25E	2QE
Segmental (M&M + MVML)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Realizations (INR '000/unit)											
Auto	900	870	879	955	896	914	923	935	902	917	905
Farm Equipment	648	657	662	730	670	696	703	701	670	691	684
Blended	80C2	805	808	896	812	849	854	866	827	845	839
Segment PBIT Margins (%)											
Auto	7.7	9.2	8.3	9.0	9.5	9.5	9.0	9.0	8.6	9.3	9.6
Farm Equipment	17.5	16.0	15.5	15.8	18.5	17.5	18.2	17.6	16.2	18.0	17.5

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E
INR b	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Tractors ('000 units)	115.0	90.1	101.7	71.6	121.5	93.4	119.2	70.8	378.4	404.9
Change (%)	-3.0	-3.7	-3.9	-20.2	5.6	3.7	17.3	-1.2	-7.2	7.0
Total UV ('000 units)	156.3	177.7	180.4	184.0	177.6	189.5	216.1	170.0	698.5	754.1
Change (%)	17.2	15.2	20.7	14.5	13.6	6.6	19.8	-7.6	16.8	8.0
Other Autos ('000 units)	29.8	35.1	31.0	25.5	34.0	41.5	35.4	29.7	121.4	139.8
Change (%)	48.2	38.2	16.4	-10.6	13.9	18.2	14.2	16.8	20.6	15.1
Cost Break-up										
RM Cost (% of sales)	75.1	75.3	75.4	73.2	73.7	74.2	74.2	75.4	74.7	74.4
Staff Cost (% of sales)	4.4	4.7	4.5	4.5	4.3	4.2	4.3	4.6	4.5	4.4
Other Cost (% of sales)	7.0	7.2	7.3	9.2	7.0	7.3	7.6	5.9	7.6	7.0
Gross Margins (%)	24.9	24.7	24.6	26.8	26.3	25.8	25.8	24.6	25.3	25.7
EBITDA Margins (%)	13.6	12.8	12.8	13.1	14.9	14.3	13.9	14.1	13.3	14.3
EBIT Margins (%)	10.1	9.4	9.6	9.2	11.5	10.8	10.7	10.2	9.7	10.8

E:MOFSL Estimates



Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	2312.6 / 27.4
52-Week Range (INR)	8346 / 2182
1, 6, 12 Rel. Per (%)	-10/36/144
12M Avg Val (INR M)	4598

Financials & Valuations Consol (INR b)

INR b	FY24	FY25E	FY26E
Sales	123.8	174.0	229.4
EBITDA	19.2	27.9	37.7
NP	10.4	17.0	23.4
EBITDA Margin (%)	15.5	16.0	16.4
Adj. EPS (INR)	29.2	47.8	65.9
EPS Gr. (%)	162.5	63.4	38.1
BV/Sh. (INR)	122.4	173.5	244.0

Ratios

Net D:E	0.0	0.0	-0.1
RoE (%)	31.2	34.5	33.8
RoCE (%)	18.0	23.3	22.6
Payout (%)	7.7	0.0	0.0

Valuations

P/E (x)	223.5	136.7	99.0
EV/EBITDA (x)	120.8	83.3	61.4
EV/Sales (x)	18.9	13.4	10.2
Div. Yield (%)	0.0	0.0	0.0

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	37.0	37.0	37.0
DII	13.4	13.2	14.9
FII	26.6	27.9	26.2
Others	23.0	21.9	21.9

FII includes depository receipts

CMP: INR6,506 TP: INR8,200 (+26%) BUY

Robust growth, albeit weaker than lofty expectations on store consolidation

- Trent Ltd (TRENT) continued to buck the weak consumer sentiment trends, delivering robust ~40% YoY revenue (though weaker than 50%+ YoY in the past few quarters) and 46% YoY PAT growth in 2Q. Star business continued its strong growth momentum with ~27% YoY growth on robust 14% LFL growth.
- However, revenue/EBITDA were 6-8% below our estimates on account of significant store consolidation (net 8 store additions).
- We lower FY25-26E revenue/EBITDA by 5-6%, while PAT is largely unchanged. We build in FY24-27 CAGR of 34%/37%/30% in standalone revenue/EBITDA/PAT, driven by strong store additions and healthy SSSG.
- We assign 60x Dec'26 EV/EBITDA to the standalone business (Westside and Zudio; a premium over our Retail Universe, given TRENT's superlative growth), 3x Dec'26 EV/sales to Star JV, and 8x EV/EBITDA to Zara JV to arrive at our TP of INR8,200. Adjusting the value of Star and Zara, the stock is trading at 75x Dec'26 PE for the Standalone business (vs. 88x LT average 1-year forward PE). **We reiterate our BUY rating.**

Robust growth, albeit weaker versus TRENT's recent track record

- Standalone revenue at INR40b (6% miss) grew 40% YoY (vs. 57% YoY in 1Q), driven by 26% YoY net store additions and double-digit LFL growth.
- Gross profit grew 38% YoY to INR17.8b (9% miss) as margins contracted ~50bp YoY to 44.2%, possibly on higher discounts.
- Employee/other expenses grew 37%/38% YoY and were 14%/9% below our estimates.
- As a result, EBITDA grew 39% YoY to INR6.4b (8% miss) as lower gross margin was offset by operating leverage benefits.
- Reported EBITDA margins were broadly stable YoY at 15.9%.
- According to the company, the Standalone Pre-Ind AS EBIT margin came in at 10.8% (up 100bp/20bp YoY/QoQ).
- PAT grew 46% YoY to INR4.2b (7% beat) as weaker EBITDA was offset by higher other income (up 3X QoQ).
- For 1HFY25, TRENT's revenue/EBITDA/adj. PAT grew 48%/51%/75%. Based on our estimates, the implied revenue/EBITDA/adj. PAT growth for 2H is 36%/39%/57% (lower ask rate than TRENT's recent track record).

Store consolidation offset strong store additions in Zudio

- TRENT's QoQ net store addition in fashion concepts was modest at 8 stores as it consolidated 33 stores across formats.
- TRENT added 7 Westside stores and consolidated 9 stores, taking the total count to 226 stores (vs. 228 QoQ). Westside exited 5 cities in 2Q (10 in 1H).
- TRENT added net 18 Zudios (opened 34; closed 16), taking the total count to 577, including 1 in UAE. Zudio expanded its presence in 20 cities in 2Q.
- TRENT also consolidated 8 other format stores, taking its count to 28.

Star: Healthy performance sustains

- Star revenue grew ~27% YoY (vs. 29% YoY in 1Q), driven by 14% LFL (22% YoY in 1Q) and ~10% store additions.
- Star opened net 2 stores in 2Q, taking the count to 74 stores (8 net store additions in 1H).
- Calculated revenue per sq ft was up 10% YoY to INR31.2k (vs. flat YoY for DMart at INR36k) and revenue per store increased 13% YoY to INR492m (vs. +1% YoY for DMart at INR1.5b).
- The share of its own brands' offerings now accounts for 73%+ of Star's revenue.
- Among product categories, Fresh outperformed with ~43% YoY growth, while FMCG growth moderated further to 13% YoY (from 15% YoY in 1Q).

Highlights from the management commentary

- Fashion concepts (Westside, Zudio, and others) posted double-digit LFL growth despite subdued consumer sentiments.
- Emerging categories, including beauty and personal care, innerwear, and footwear, contributed over 20% to standalone revenues.
- Online revenues continue to grow profitably through Westside.com and other Tata group platforms, contributing over 5% to Westside revenues.

Valuation and view

- TRENT continues to buck the trends, with strong double-digit LFL growth and robust store area additions, despite a weak discretionary demand
- TRENT's industry-leading growth, driven by healthy SSSG, store productivity, and robust footprint additions, along with the scale-up of Zudio and newer categories (Beauty, Lab-grown diamonds), offer a huge runway for growth over the next few years.
- Further, TRENT's focus on ramping up Star (currently 74 stores in 10 cities) through Fresh and its own brands, provide an additional growth driver in the grocery segment.
- We lower our standalone FY25-26E revenue and EBITDA estimates by 5-6%, while our PAT estimates are broadly unchanged on lower finance cost and higher other income.
- We build in a CAGR of 34%/37%/30% in standalone revenue/EBITDA/PAT over FY24-27, driven by a robust 21% CAGR in-store addition and healthy SSSG.
- We assign 60x Dec'26 EV/EBITDA to the standalone business (Westside and Zudio; premium over our Retail Universe, given its superlative growth), 3x Dec'26 EV/sales to Star JV, and 8x EV/EBITDA to Zara JV to arrive at our TP of INR8,200. Adjusting the value of Star and Zara, the stock is trading at 75x Dec'26 PE for the Standalone business (vs. 88x LT average 1-year forward PE). **We reiterate our BUY rating.**

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E 2QE	Est. Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	25,364	28,907	33,125	31,869	39,917	40,356	44,718	43,332	1,19,266	1,68,324	42,783	-6
YoY Change (%)	53.5	59.4	52.5	53.4	57.4	39.6	35.0	36.0	54.6	41.1	48.0	
Total Expenditure	21,708	24,299	26,893	27,097	33,812	33,949	36,446	36,344	99,996	1,40,550	35,839	-5
EBITDA	3,657	4,609	6,232	4,773	6,106	6,407	8,273	6,988	19,269	27,773	6,943	-8
EBITDA Margin (%)	14.4	15.9	18.8	15.0	15.3	15.9	18.5	16.1	16.2	16.5	16.2	
Depreciation	1,335	1,448	1,575	2,027	1,759	1,915	1,859	2,099	6,385	7,633	1,809	6
Interest	891	923	957	322	312	324	334	331	3,094	1,301	342	-5
Other Income	498	1,511	768	733	461	1,387	845	895	3,509	3,588	511	171
PBT before EO expense	1,928	3,748	4,467	3,157	4,496	5,554	6,925	5,452	13,300	22,427	5,303	5
Extra-Ord expense	0	0	0	5,434	0	0	0	0	5,434	0	0	
PBT	1,928	3,748	4,467	8,591	4,496	5,554	6,925	5,452	18,733	22,427	5,303	5
Tax	445	851	1,031	2,048	1,074	1,320	1,731	1,363	4,375	5,489	1,326	
Reported PAT	1,483	2,897	3,436	6,543	3,422	4,234	5,194	4,089	14,358	16,939	3,978	6
Adj PAT	1,483	2,897	3,436	2,477	3,422	4,234	5,194	4,089	10,292	16,939	3,978	6
YoY Change (%)	44.5	55.9	113.5	135.6	130.8	46.2	51.2	65.1	85.6	64.6	37.3	

E: MOFSL Estimates



Tata Steel

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR151 TP: INR160 (+6%) Neutral

Robust India business growth drives EBITDA beat

Standalone performance

- 2QFY25 revenue stood at INR324b (-5% YoY/-2% QoQ), in line with our estimate of INR326. The QoQ decline was due to weak realization.
- Steel production stood at 5.27mt, whereas deliveries stood at 5.1mt (+6% YoY/+3% QoQ) against our estimate of 5.06mt. ASP stood at INR63,404/t (-11% YoY/-5% QoQ) vs. our estimate of INR64,325/t.
- EBITDA stood at INR66b (-4% YoY/-2% QoQ), better than our estimate of INR59b, thanks to lower input costs. EBITDA/t stood at INR12,935 (-9% YoY/-6% QoQ) vs. our estimate of INR11,705.
- APAT stood at INR36b (-20% YoY/flat QoQ) against our estimate of INR33b.

Consolidated performance

- Sales volume stood at 7.52mt (+6% YoY/+2% QoQ) against our estimate of 7.45mt during the quarter.
- Revenue came in at INR539b (-3% YoY/-2% QoQ), in line with our estimate of INR520b. The QoQ decline was attributed to weak realization in India and the Netherlands. Blended ASP stood at INR71,682/t (-9% YoY and -3% QoQ), in line with estimates.
- EBITDA stood at INR55b (+29% YoY/-17% QoQ) against our estimate of INR47b, aided by lower-than-expected costs (lower coking coal costs). 2Q EBITDA was adjusted by excluding forex gains of ~INR7b. EBITDA/t was INR7,343 against our estimate of INR6,293 in 2QFY25.
- 2Q APAT stood at INR4.5b (-35% YoY/-66% QoQ) vs. our estimate of INR229m loss.
- For 1HFY25, revenue was at INR1087b (-6% YoY), EBITDA came in at INR122b (+29%), and APAT stood at INR18b (+34% YoY).
- Net debt stood at INR888b in 2QFY25 vs. INR929b in 1QFY25. The net debt-to-EBITDA ratio was at 3.41x as of 2QFY25.

European operations

- Consolidated steel deliveries stood at 2.2mt (+13% YoY/+3% QoQ) against our estimate of 2.15mt.
- Revenue stood at INR206b (+2% YoY/-2% QoQ) against our estimate of INR196b. The QoQ decline was due to fall in steel NSR given subdued demand dynamics.
- EBITDA loss stood at INR13.4b (vs. our est. of INR14b) as compared to loss INR5b in 1QFY25. The rise in losses was due to weak NSR and higher costs related to emission, consumables and bulk gas.
- EBITDA loss per ton stood at USD75 in 2QFY25 against USD28 in 1QFY25.
- The management expects the UK business to break even by 1QFY26 (Jun'25), driven by a reduction in employee and other costs.

Highlights from the management commentary

- The company increased prices in Oct'24 for both flat and longs products.
- The management guided NSR to be lower QoQ by INR2,000/t in 3QFY25. As Jul'24 prices were high, 3Q average should be lower than 2Q despite the price hike.

	TATA IN
Bloomberg Equity Shares (m)	12484
M.Cap.(INRb)/(USD\$b)	1884.5 / 22.3
52-Week Range (INR)	185 / 118
1, 6, 12 Rel. Per (%)	-6/-17/1
12M Avg Val (INR M)	7410
Free float (%)	66.8

Financials & Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	2,310	2,590	2,759
EBITDA	270	379	466
Adj. PAT	71	152	225
EBITDA Margin (%)	11.7	14.6	16.9
Adj. EPS (INR)	5.7	12.2	18.0
EPS Gr. (%)	111.6	112.4	48.2
BV/Sh. (INR)	70	75	86

Ratios

Net D:E	0.9	0.9	0.7
RoE (%)	8.2	16.8	22.4
RoCE (%)	10.2	15.4	18.9
Payout (%)	87.3	57.5	38.8

Valuations

P/E (x)	26.4	12.4	8.4
P/BV (x)	2.2	2.0	1.8
EV/EBITDA(x)	10.0	7.2	5.7
Div. Yield (%)	3.3	4.6	4.6
FCF Yield (%)	3.5	7.1	11.5

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	33.2	33.2	33.9
DII	22.9	23.5	22.4
FII	19.9	20.3	21.0
Others	24.0	23.0	22.7

FII Includes depository receipts

- Coal costs (on a consumption basis) for India operations are likely to be lower by USD20/t QoQ. In the Netherlands, coal costs are anticipated to decline by USD10/t QoQ in 3QFY25.
- ASP for the UK operation may fall by GBP45-55/t QoQ, whereas the Netherlands could see GBP70/t QoQ reduction in 3QFY25.
- Iron ore is expected to be lower by USD10/t for the Netherlands operation.
- Losses in Europe seem to have bottomed out and the company expects UK operation losses to reduce gradually in the coming quarters.

Valuation and view

- India business posted a decent performance, driven by lower coal costs. Domestic demand is expected to improve in 2H, with rising govt. spending and construction activities.
- The management expects EBITDA losses from UK operations to start reducing from 3QFY25 onward, which, along with capacity ramp-up in the Netherlands and favorable market conditions, should boost overall EBITDA performance of its European operations.
- **Though there are near-term challenges related to high imports and lower realizations, the long-term outlook remains strong for TATA. While India business is expected to continue its strong performance, improving performance in Europe business would support overall earnings. We have reduced our revenue/EBITDA estimates for FY25 by 3%/2% and largely retained our estimates for FY26/FY27. TATA is trading at 7.2x FY26E EV/EBITDA and 2.0x FY26E P/B. Reiterate Neutral with an SOTP-based TP of INR160.**

Standalone quarterly performance (INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25E vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				2QE (%)
Sales Vol (kt)	4,790	4,820	4,880	5,420	4,940	5,110	5,417	5,703	19,910	21,170	5,061	1.0
Change (YoY %)	17.7	-1.8	6.3	5.2	3.1	6.0	11.0	5.2	8.4	6.3		
Change (QoQ %)	-7.0	0.6	1.2	11.1	-8.9	3.4	6.0	5.3				
ASP (INR/t)	74,083	70,924	71,069	67,592	66,720	63,404	62,810	65,974	70,812	64,718	64,325	(1.4)
Abs Change (QoQ)	203	-3,159	146	-3,478	-872	-3,316	-594	3,164	-7,002	-6,094		
Change (YoY %)	-16.9	0.5	-3.9	-8.5	-9.9	-10.6	-11.6	-2.4	-9.0	-8.6		
Net Sales	354.9	341.9	346.8	366.3	329.6	324.0	340.2	376.3	1,409.9	1,370.1	325.5	(0.5)
Change (YoY %)	-2.2	-1.3	2.2	-3.7	-7.1	-5.2	-1.9	2.7	-1.3	-2.8		
Change (QoQ %)	-6.7	-3.7	1.5	5.6	-10.0	-1.7	5.0	10.6				
Total Expenditure	288.2	273.2	264.3	285.9	261.9	257.9	271.4	296.9	1,111.5	1,088.1		
As a % of net sales	81.2	79.9	76.2	78.0	79.4	79.6	79.8	78.9	78.8	79.4		
EBITDA	66.7	68.7	82.5	80.5	67.7	66.1	68.8	79.3	298.3	282.0	59.2	11.6
Change (YoY %)	-32.0	47.2	60.6	-7.0	1.6	-3.8	-16.6	-1.4	5.5	-5.5		
Change (QoQ %)	-22.9	3.0	20.1	-2.5	-15.8	-2.4	4.1	15.3				
(% of Net Sales)	18.8	20.1	23.8	22.0	20.6	20.4	20.2	21.1	21.2	20.6		
EBITDA(INR/t)	13,924	14,248	16,905	14,846	13,711	12,935	12,709	13,913	14,984	13,322	11,705	10.5
Interest	10.4	11.4	10.6	9.4	9.2	11.3	9.8	10.3	41.8	40.7		
Depreciation	14.7	14.7	15.1	15.3	15.2	15.6	16.2	16.3	59.7	63.3		
Other Income	14.9	8.2	3.3	4.8	3.7	8.5	9.5	9.9	31.2	31.6		
PBT (before EO Inc.)	56.5	50.9	60.1	60.6	47.0	47.7	52.3	62.6	228.1	209.7		
EO Income(exp)	-0.1	-129.9	0.1	-6.4	-2.4	0.1			-136.4	-2.2		
PBT (after EO Inc.)	56.4	-79.0	60.2	54.2	44.6	47.9	52.3	62.6	91.7	207.5	41.3	15.8
Current Tax	12.0	8.2	16.7	12.7	10.8	11.1	13.2	13.1	49.5	48.2		
Current Tax Rate%	21.3	-10.4	27.7	23.4	24.3	23.1	25.2	21.0	54.0	23.2		
Deferred Tax	-1.8	-2.1	-3.0	1.0	0.5	0.9	1.0	1.8	-5.9	4.2		
Total Tax	10.2	6.1	13.7	13.7	11.3	11.9	14.2	14.9	43.6	52.4		
% Tax	18.1	-7.7	22.7	25.2	25.4	25.0	27.2	23.8	47.6	25.3		
Reported PAT	46.2	-85.1	46.5	40.5	33.3	35.9	38.1	47.7	48.1	155.0		
Adjusted PAT	46.3	44.8	46.4	46.9	35.7	35.8	38.1	47.7	184.4	157.3	33.1	8.2
Change (YoY %)	-22.7	100.5	95.8	-3.7	-23.0	-20.1	-17.9	1.7	19.3	-14.7		
Change (QoQ %)	-5.0	-3.2	3.7	1.1	-24.0	0.3	6.5	25.3				

Source: MOFSL, Company



Apollo Hospitals

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR7,425 **TP: INR8,660 (+17%)** **Buy**

Hospital business and Apollo 24/7 drive earnings

New offerings and reduced cost to further expand Healthco margins

- Apollo Hospital and Enterprise (AHEL) delivered better-than-expected 2QFY25 on account of improved occupancy and reduced operating costs at Healthco. The performance was partly impacted by reduced patient flow from Bangladesh due to ongoing political issues. The higher medical mix compared to the surgical mix led to moderate YoY growth in ARPOB for the quarter.
- We raise our earnings estimate by 9%/3%/3% for FY25/FY26/FY27 to factor in: a) reduced marketing cost driving better profitability in Healthco, b) increased patient flow in the hospital business driving better operating leverage, and c) additional business from insurance products/concierge services in Healthco. We value AHEL on an SOTP basis (34x EV/EBITDA for hospital business, 15x EV/EBITDA for retained pharmacy, 22x EV/EBITDA for front-end pharmacy, 15x EV/EBITDA for retained pharmacy, and 2x EV/sales for Apollo 24/7) to arrive at a TP of INR8,660.
- AHEL is strengthening its comprehensive healthcare service through: a) the inorganic/brownfield/greenfield mode of adding beds and b) expanding offerings on the Apollo 24/7 platform. Accordingly, we expect 16%/18%/30% YoY growth in Revenue/EBITDA/PAT over FY25-FY27. Reiterate BUY.

Better volume growth and reduced Healthco losses drive earnings

- AHEL 2QFY25 revenues grew 15.3% YoY to INR55.9b (est INR54.0b). Healthcare services' revenue grew 16.8% YoY to INR25.6b. Healthco's revenue grew 15.3% YoY to INR20.8b. AHLL's revenue grew 14.9% YoY to INR3.7b.
- EBITDA grew 30% YoY to INR8.2b (our est: INR7.6b).
- EBITDA margins for (i) Healthcare services stood at 24.9%, (ii) Diagnostic and retail health at 10.3% (+130bp YoY), and (iii) Digital health at 2.3% (vs EBITDA loss in 2QFY24). The overall EBITDA margin expanded 160bp YoY to 14.6%.
- Adj. PAT grew 63.5% YoY to INR3.8b (our est: INR3.6b).
- ARPOB grew 3% YoY to INR59k with occupancy of 73% (+500bps YoY) in 2QFY25.
- GMV for Apollo 24/7 grew 2% YoY/9% QoQ to INR7.6b in 2QFY25.
- Max added 154 offline pharmacy stores in 2QFY25, bringing the total to 6,228.
- Revenue/EBITDA/PAT in 1HFY25 grew 15%/31%/72% to INR106b/INR15b/INR6.8b. We expect Revenue/EBITDA/PAT to grow 12%/23%/43% in 2HFY25.

Highlights from the management commentary

- The higher medical mix led to moderate YoY growth of ARPOB for 2QFY25. AHEL indicated 6-7% YoY growth going forward, led by a better case mix/ALOS.
- AHEL highlighted 100bp margin expansion at existing hospitals over the next 12M. It also highlighted that new centers would have a limited dent on the profitability of the overall hospital business.
- Reduced patient flow from Bangladesh has impacted Tamil Nadu cluster volume growth during the quarter.

Bloomberg	APHS IN
Equity Shares (m)	144
M.Cap.(INRb)/(USDb)	1067.6 / 12.7
52-Week Range (INR)	7484 / 5087
1, 6, 12 Rel. Per (%)	12/17/20
12M Avg Val (INR M)	2716

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	216.4	251.6	295.2
EBITDA	30.3	35.5	42.5
Adj. PAT	14.0	18.2	23.6
EBIT Margin (%)	14.0	14.1	14.4
Cons. Adj. EPS (INR)	97.4	126.3	164.5
EPS Gr. (%)	56.0	29.7	30.2
BV/Sh. (INR)	593.1	717.6	881.5

Ratios

Net D:E	0.0	-0.3	-0.4
RoE (%)	18.4	19.9	21.3
RoCE (%)	16.7	18.4	20.0
Payout (%)	6.0	4.6	3.6

Valuations

P/E (x)	76.3	58.8	45.1
EV/EBITDA (x)	35.4	29.7	24.1
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	1.9	2.3	2.7
EV/Sales (x)	5.0	4.2	3.5

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	29.3	29.3	29.3
DII	20.2	21.4	18.8
FII	45.4	43.9	46.2
Others	5.1	5.4	5.7

FII includes depository receipts

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	44,178	48,469	48,506	49,439	50,856	55,893	54,502	55,195	1,90,592	2,16,444	53,950	3.6%
YoY Change (%)	16.4	14.0	13.8	14.9	15.1	15.3	12.4	11.6	14.7	13.6	11.3	
Total Expenditure	39,088	42,194	42,369	43,034	44,105	47,738	46,926	47,373	1,66,685	1,86,142	46,370	
EBITDA	5,090	6,275	6,137	6,405	6,751	8,155	7,576	7,822	23,907	30,302	7,580	7.6%
YoY Change (%)	3.7	11.0	21.4	31.2	32.6	30.0	23.4	22.1	16.6	26.8	20.8	
Margins (%)	11.5	12.9	12.7	13.0	13.3	14.6	13.9	14.2	12.5	14.0	14.1	
Depreciation	1,669	1,634	1,670	1,897	1,774	1,845	1,820	1,823	6,870	7,262	1,785	
Interest	1,062	1,113	1,126	1,193	1,164	1,175	1,120	1,194	4,494	4,653	1,025	
Other Income	282	222	278	281	372	382	350	411	1,063	1,515	286	
PBT before EO expense	2,641	3,750	3,619	3,596	4,185	5,517	4,986	5,217	13,606	19,904	5,056	9.1%
Extra-Ord expense/(Income)	0	-19	0	0	0	0	0	0	-19	0	0	
PBT	2,641	3,769	3,619	3,596	4,185	5,517	4,986	5,217	13,625	19,904	5,056	9.1%
Tax	966	1,300	1,089	1,098	1,145	1,617	1,466	1,503	4,455	5,731	1,390	
Rate (%)	36.6	34.5	30.1	30.5	27.4	29.3	29.4	28.8	32.7	28.8	27.5	
Minority Interest & Profit/Loss of Asso. Cos.	9	140	77	-40	-12	112	68	25	186	193	50	
Reported PAT	1,666	2,329	2,453	2,538	3,052	3,788	3,452	3,688	8,984	13,980	3,616	4.8%
Adj PAT	1,666	2,317	2,453	2,538	3,052	3,788	3,452	3,688	8,973	13,980	3,616	4.8%
YoY Change (%)	2.6	3.0	59.8	47.1	83.2	63.5	40.7	45.3	29.6	55.8	3.0	
Margins (%)	3.8	4.8	5.1	5.1	6.0	6.8	6.3	6.7	4.7	6.5	6.7	
EPS	11.6	16.1	17.1	17.7	21.2	26.3	24.0	25.7	62.4	97.4	25.1	

E: MOFSL Estimates

Key Performance Indicators (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Hospital Revenue (INRm)	22,937	25,472	24,636	25,591	26,373	29,032	27,804	29,352	98,636	1,12,561	28,539	1.7%
YoY Growth (%)	13.4	12.5	12.3	16.6	15.0	14.0	12.9	14.7	13.7	14.1	12.0	
Back end distribution (INRm)	18,054	19,454	20,493	20,267	20,821	22,822	22,850	22,062	78,269	88,555	21,594	5.7%
YoY Growth (%)	22.1	16.6	16.6	12.6	15.3	17.3	11.5	8.9	16.7	13.1	11.0	
AHLL Revenue (INRm)	3,187	3,542	3,377	3,547	3,661	4,039	3,849	3,781	13,653	15,328	3,817	5.8%
YoY Growth (%)	8.8	11.3	8.4	15.0	14.9	14.0	14.0	6.6	10.9	12.3	7.8	
Cost Break-up												
Gross Margin (%)	48.7	49.3	47.8	48.5	48.4	48.9	48.7	48.4	48.6	48.6	48.8	
EBITDA Margin (%)	11.5	12.9	12.7	13.0	13.3	14.6	13.9	14.2	12.5	14.0	14.1	
PAT Margin (%)	3.8	4.8	5.1	5.1	6.0	6.8	6.3	6.7	4.7	6.5	6.7	

E: MOFSL Estimates



Max Healthcare

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,079 **TP: INR1,240 (+15%)** **Buy**

Higher patient volumes and realization drive EBITDA

Healthy operating bed additions expected in FY26

Bloomberg	MAXHEALT IN
Equity Shares (m)	972
M.Cap.(INRb)/(USDb)	1048.7 / 12.4
52-Week Range (INR)	1118 / 584
1, 6, 12 Rel. Per (%)	20/25/56
12M Avg Val (INR M)	1908

- Max Healthcare (MAXH) delivered slightly better-than-expected operational performance in 2QFY25. The annualized EBITDA per bed improved to INR7.8m from INR7.0m QoQ at its existing centers, led by superior case mix and payor mix during the quarter.
- Maxlab has also witnessed strong improvement in margins (up 500bp YoY/ QoQ each to 17%).
- We largely retain our estimates for FY25/FY26/FY27. We value MAXH on an SoTP basis (35x EV/EBITDA for hospital business, 26x EV/EBITDA for Maxlab business, 6x EV/Sales for Max@home) to arrive at our TP of INR1,240.
- We believe that MAXH is poised for a sustained 20% earnings CAGR over FY25-27, driven by: 1) strong turnaround/addition of beds (240 beds) at Sahara/Jaypee hospitals, 2) scale up of the Dwarka hospital, c) brownfield expansions at Nanavati, Patparganj, Nagpur, and Saket complexes (smart), totaling to 968, and d) optimization of average realization per patient. Notably, operational beds are likely to increase 30% in FY26, and MAXH has plans to add beds at a healthy rate from FY27 onwards as well. Further, free cash generated from existing operations would also provide cushion for inorganic opportunities. **Reiterate BUY.**

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	84.1	103.5	117.9
EBITDA	22.0	27.5	32.1
Adj. PAT	14.6	19.3	23.3
EBIT Margin (%)	21.6	22.2	23.3
Cons. Adj. EPS (INR)	15.1	19.9	24.0
EPS Gr. (%)	9.6	32.0	20.7
BV/Sh. (INR)	110.6	130.4	154.4

Ratios

Net D:E	(0.0)	(0.2)	(0.3)
RoE (%)	14.6	16.5	16.8
RoCE (%)	13.2	15.6	16.5
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	71.4	54.1	44.8
EV/EBITDA (x)	47.1	37.0	31.1
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.3	1.8	2.1
EV/Sales (x)	12.3	9.8	8.5

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	23.7	23.7	23.8
DII	15.1	15.4	11.4
FII	57.3	57.0	60.4
Others	3.8	3.9	4.5

FII Includes depository receipts

Occupancy/EBITDA per bed at an all-time high at its existing centers

- For 2QFY25, Max network's revenue (including the trust business) grew 23.3% YoY to INR21.2b (our est. INR20.2b).
- EBITDA grew at a lower rate of 17.1% YoY to INR5.7b (our est. INR 5.4b), dragged by the opex at new hospitals. EBITDA margin came in at 26.8% (down 140bp YoY).
- Adjusted PAT grew 4.9% YoY to INR3.7b (our est. INR3.8b), led by higher depreciation and tax burden.
- EBITDA per bed (annualized) stood at INR7.8m (+4% YoY) at existing centers.
- For the hospital business, ARPOB stood at INR76.1K in 2QFY25 (+2% YoY/-1% QoQ) led by growth in Oncology & General Surgery, along with price revisions from self-pay, insurance, and institutional segments.
- Occupancy was 81% in 2QFY25 vs. 77% in 2QFY24 and 75% in 1QFY25.
- MAXH's 1HFY25 revenue/EBITDA/PAT rose 21%/16%/3% to INR40.5b/ INR10.6b/ INR6.8b. We expect its revenue/EBITDA/PAT to grow 26%/19%/ 12% YoY in 2HFY25.

Highlights from the management commentary

- Management expects **ARPOB** to grow 8-9%, of which 2-3% will be price growth and the remaining will be driven by case mix optimization.
- MAXH plans to increase operational bed capacity from 376 beds currently to 430 beds by end-FY25 and 480 beds in 2HFY26 in **Jaypee hospitals, Noida.**
- MAXH would be operationalizing additional 140 beds by Dec'24 in **Lucknow.**

Consolidated - Quarterly Earnings Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	% var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Gross Sales	16,220	17,190	16,820	17,910	19,310	21,190	21,193	22,436	68,150	84,130	20,181	5.0
YoY Change (%)	16.7	16.8	14.9	15.6	19.1	23.3	26.0	25.3	16.0	23.4	17.4	
Total Expenditure	11,930	12,350	12,170	12,970	14,370	15,520	15,683	16,515	49,420	62,088	14,773	
EBITDA	4,290	4,840	4,650	4,940	4,940	5,670	5,510	5,922	18,730	22,042	5,409	4.8
Margins (%)	26.4	28.2	27.6	27.6	25.6	26.8	26.0	26.4	27.5	26.2	26.8	
Depreciation	640	660	700	840	900	970	980	1,058	2,840	3,908	990	
Interest	-30	-170	-140	-40	80	50	30	47	-380	207	-110	
Other Income	70	130	60	90	40	60	80	114	350	294	155	
PBT before EO expense	3,750	4,480	4,150	4,230	4,000	4,710	4,580	4,932	16,620	18,222	4,684	
Extra-Ord expense	190	190	40	250	190	270	0	0	670	460	0	
PBT	3,560	4,290	4,110	3,980	3,810	4,440	4,580	4,932	15,950	17,762	4,684	
Tax	660	910	730	870	870	950	870	862	3,160	3,552	881	
Rate (%)	18.5	21.2	17.8	21.9	22.8	21.4	19.0	17.5	19.8	20.0	18.8	
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	2,900	3,380	3,380	3,110	2,940	3,490	3,710	4,070	12,790	14,210	3,803	
Adj PAT	3,055	3,530	3,413	3,319	3,087	3,702	3,710	4,070	13,316	14,569	3,803	-2.7
YoY Change (%)	28.3	24.5	20.3	4.6	1.0	4.9	8.7	22.6	18.6	9.4	7.7	
Margins (%)	18.8	20.5	20.3	18.5	16.0	17.5	17.5	18.1	19.5	17.3	18.8	
EPS	3.2	3.6	3.5	3.4	3.2	3.8	3.8	4.2	13.7	15.0	3.9	



Indian Hotels

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR684 TP: INR770 (+13%) Buy

Strong growth trajectory continues; outlook remains optimistic

Operating performance in line with our estimate

Bloomberg	IH IN
Equity Shares (m)	1423
M.Cap.(INRb)/(USD\$)	973.3 / 11.5
52-Week Range (INR)	721 / 394
1, 6, 12 Rel. Per (%)	7/12/46
12M Avg Val (INR M)	2103
Free float (%)	61.9

- Indian Hotels (IH) reported a strong consolidated revenue growth of 27% YoY in 2QFY25 led by healthy demand across regions. Like for like revenue growth stood at ~16% YoY (ex. consolidation of TajSATS). Standalone business revenue grew ~16% YoY, driven by an increase in ARR (up 10% YoY) and better occupancy (up 150bp YoY). Management contract revenue rose 15% YoY to INR1b.
- IH maintains its double-digit revenue guidance with new and reimagined businesses likely to accelerate the growth trajectory. We expect a strong performance in 2H, led by strong wedding seasons (~30% YoY higher wedding dates), increase in FTA, and healthy traction within the MICE segment aided by convention centers and favorable demand-supply dynamics.
- We broadly maintain our FY25/FY26 EBITDA estimates and **reiterate BUY with our SoTP-based TP of INR770.**

Financials & Valuations (INR b)

Y/E Mar	2025E	2026E	2027E
Sales	84.2	100.5	108.5
EBITDA	28.1	34.1	37.9
PAT	16.7	20.2	22.9
EBITDA (%)	33.4	33.9	35.0
EPS (INR)	11.8	14.3	16.1
EPS Gr. (%)	33.0	20.9	13.0
BV/Sh. (INR)	79.2	92.6	108.0

Ratios

Net D/E	(0.3)	(0.4)	(0.5)
RoE (%)	16.2	16.6	16.1
RoCE (%)	15.9	16.9	16.2
Payout (%)	6.0	5.6	5.0

Valuations

P/E (x)	58.0	48.0	42.4
EV/EBITDA (x)	33.6	27.1	23.8
Div Yield (%)	0.1	0.1	0.1
FCF Yield (%)	1.6	2.1	2.4

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	38.1	38.1	38.2
DII	18.8	18.4	23.3
FII	27.4	27.2	22.2
Others	15.6	16.3	16.4

FII includes depository receipts

Healthy ARR growth drives operating performance

- Consolidated revenue/EBITDA/adj. PAT in 2QFY25 was up 27%/41%/94% YoY at INR18.3b (est. in line)/INR5b (est. in line)/INR3.2b (est. INR2.5b).
- Standalone revenue/EBITDA rose 16%/26% YoY to INR10.4b/INR3.5b, aided by OR growth (up 150bp YoY to 78%) and increase in ARR (up 10% YoY to INR14,321). RevPar grew 13% YoY to INR11,163.
- For subsidiaries (consol. less standalone; including TajSATS), sales/EBITDA grew 46%/94% YoY to INR7.9b/INR1.6b.
- IH's new business verticals, comprising Ginger, Qmin, and amã Stays & Trails, grew 47% YoY to INR1.4b, while reimagined businesses, such as The Chambers /TajSATS, posted 21%/19% YoY growth to INR300m/INR2.5b.
- Revenue from key subsidiaries, UOH Inc/St.James/PIEM/Roots/Oriental, grew 25%/6%/13%/31%/12% YoY to INR1.8b/INR1.5b/INR1.35b/INR1.1b/INR1b, while Benares revenues declined 4% YoY in 2QFY25 to INR260m.
- In 1HFY25, IH's revenue/EBITDA/Adj. PAT grew 16%/24%/47% YoY to INR33.8b/INR9.5b/INR5.7b; implied revenue/EBITDA/Adj. PAT growth in 2HFY25 is expected to be 30%/34%/27%, led by strong revenue growth coupled with margin expansion.

Highlights from the management commentary

- Outlook:** The company has witnessed revenue growth of ~16.5% YoY in Oct'24 with majority of the growth being contributed by an increase in ARR. Management expects this strong momentum to continue in Nov'24 as well. The overall outlook for 2H continues to remain optimistic.
- Guidance:** IH is confident of achieving over 10% revenue growth in FY25 (ex of Tajsats consolidation) led by higher wedding dates in 2H (up 30% YoY) and increase in FTA. It targets to open 25/30 hotels in FY25/FY26.
- Capex:** The company spent ~INR3.5b in capex in 1H (including INR2b on renovations) and plans to spend ~INR7-8b capex in FY25. There are three greenfield projects under pipeline – 1) Aguada Plateau, Goa, 2) Shiroda, Maharashtra; and 3) Sea Rock that are set for a time-bound development.

Valuation and view

- The outlook remains strong, led by healthy traction within the core business and accelerated growth trajectory in new and reimagined businesses.
- We expect the strong momentum to continue in the medium term, led by: 1) an increase in ARR due to healthy demand, asset management strategy (upgrades in hotels), and corporate rate hikes; 2) higher occupancy levels as a result of favorable demand-supply dynamics; 3) strong room addition pipeline till FY28 in both owned/leased (3,532 rooms) and management hotels (13,822); 4) higher income from management contracts; and 5) value unlocking by scaling up reimagined and new brands.
- We broadly maintain our FY25/FY26 EBITDA estimates and **reiterate BUY with our SoTP-based TP of INR770.**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	14,664	14,332	19,638	19,053	15,502	18,261	25,202	25,207	67,688	84,173	18,172	0
YoY Change (%)	15.8	16.3	16.5	17.2	5.7	27.4	28.3	32.3	16.5	24.4	26.8	
Total Expenditure	10,562	10,784	12,315	12,455	11,006	13,249	15,735	16,072	46,116	56,061	13,223	
EBITDA	4,102	3,548	7,324	6,598	4,496	5,013	9,468	9,135	21,571	28,111	4,949	1
Margins (%)	28.0	24.8	37.3	34.6	29.0	27.5	37.6	36.2	31.9	33.4	27.2	
Depreciation	1,091	1,112	1,143	1,197	1,173	1,249	1,250	1,292	4,543	4,964	1,240	
Interest	565	591	532	515	499	522	531	500	2,202	2,052	550	
Other Income	493	477	398	461	460	641	480	505	1,829	2,086	490	
PBT before EO expense	2,939	2,322	6,047	5,347	3,285	3,882	8,166	7,848	16,655	23,181	3,649	
Extra-Ord expense	0	0	0	0	0	-3,074	0	0	0	-3,074	0	
PBT	2,939	2,322	6,047	5,347	3,285	6,956	8,166	7,848	16,655	26,255	3,649	
Tax	833	723	1,667	1,416	943	1,224	2,450	2,354	4,639	6,970	1,095	
Rate (%)	28.4	31.1	27.6	26.5	28.7	17.6	30.0	30.0	27.9	26.5	30.0	
MI & Profit/Loss of Asso. Cos.	-118	-70	-140	-247	-142	186	136	49	-575	230	96	
Reported PAT	2,224	1,669	4,520	4,178	2,484	5,546	5,580	5,445	12,591	19,055	2,458	
Adj PAT	2,224	1,669	4,520	4,178	2,484	3,241	5,580	5,445	12,591	16,750	2,458	32
YoY Change (%)	25.7	48.6	18.1	27.3	11.7	94.1	23.5	30.3	25.6	51.3	47.3	
Margins (%)	15.2	11.6	23.0	21.9	16.0	17.7	22.1	21.6	18.6	19.9	13.5	

Key Performance Indicators

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue Growth (%)										
Standalone	17.0	19.0	20.6	18.6	4.6	15.9	15.3	10.5	18.9	11.8
Subs	14.1	12.0	9.4	14.0	7.5	46.4	52.8	84.3	12.2	47.8
EBITDA Margin (%)										
Standalone	33.0	30.7	43.6	43.7	35.1	33.3	45.9	45.2	38.9	41.0
Subs	20.2	15.0	25.5	13.1	19.8	19.8	25.8	23.5	18.8	22.7
Cost Break-up										
F&B Cost (% of sales)	7.9	7.8	7.8	7.3	7.4	9.5	11.4	10.6	7.7	10.0
Staff Cost (% of sales)	29.2	30.7	23.9	24.5	29.7	28.6	21.7	21.9	26.7	24.7
Other Cost (% of sales)	34.9	36.7	31.0	33.5	33.9	34.4	29.3	31.3	33.8	31.9
Gross Margins (%)	92.1	92.2	92.2	92.7	92.6	90.5	88.6	89.4	92.3	90.0
EBITDA Margins (%)	28.0	24.8	37.3	34.6	29.0	27.5	37.6	36.2	31.9	33.4
EBIT Margins (%)	20.5	17.0	31.5	28.3	21.4	20.6	32.6	31.1	25.2	27.5



Escorts Kubota

Estimate changes

TP change

Rating change



CMP: INR3,644

TP: INR3,560 (-2%)

Neutral

Bloomberg	ESCORTS IN
Equity Shares (m)	112
M.Cap.(INRb)/(USDb)	407.6 / 4.8
52-Week Range (INR)	4422 / 2647
1, 6, 12 Rel. Per (%)	-3/-3/-8
12M Avg Val (INR M)	1056

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	111.6	130.7	156.0
EBITDA	13.2	15.8	19.7
EBITDA Margin (%)	9.5	10.0	10.7
Adj. PAT	12.5	14.0	17.2
EPS (INR)	102.0	113.8	140.6
EPS Gr. (%)	7.4	11.6	23.6
BV/Sh. (INR)	833	924	1,043
Ratios			
RoE (%)	12.9	13.0	14.3
RoCE (%)	15.7	17.0	18.7
Payout (%)	18.6	19.3	15.6
Valuations			
P/E (x)	35.7	32.0	25.9
P/BV (x)	4.4	3.9	3.5
EV/EBITDA (x)	32.9	27.5	22.2
Div. Yield (%)	0.5	0.6	0.6
FCF yield (%)	3.2	2.5	3.2

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	68.0	67.7	67.7
DII	10.2	10.4	9.4
FII	8.0	8.1	8.6
Others	13.7	13.8	14.4

FII includes depository receipts

Tractor demand set to revive from H2

Positives seem priced in

- Escorts Kubota's (ESCORTS) 2QFY25 operating performance was stable YoY as the company reported flattish revenue/EBITDA growth YoY. The recent amalgamation with group companies has led to 150-200bp margin dilution for the business, given the higher mix of imports.
- To factor in for the same, we have cut our EPS estimate by ~11% for FY26E, keeping FY25E the same. The recent divestment of its Railways business on a slump sale basis to Sona Comstar did not sit well with investors, who were left surprised with the decision to divest a solid business at cheap valuations. We retain a Neutral rating on the stock with a TP of INR3,560, based on ~28x Sep-26 EPS.

Amalgamation likely to dent EBITDA margin by 1.5-2%

- Results cannot be compared with our estimates as the financials reflect restatement due to amalgamation.
- Revenue grew ~0.5% YoY to INR24.8b, driven by 5% YoY growth in agri machine products, while revenue from the railway equipment/construction equipment division declined 10%/14% YoY.
- 1HFY25's revenue/EBITDA/PAT grew ~10%/7%/27% YoY. For 2HFY25 we expect the same to grow ~34%/18%/19%.
- Gross margin during the quarter expanded 70bp YoY/ 90bp QoQ to 30.8%. However, this was offset by higher operating expenses, resulting in flattish YoY EBITDA margin at 10.8% (-240bp QoQ).
- The management highlighted that the amalgamated companies contribute INR20b to the annual topline with breakeven margins, leading to a 1.5-2% margin dilution initially, given the high mix of imports.
- PBIT for agri machinery/railway equipment/construction equipment contracted 20bp YoY/330bp/60bp YoY to 9.1%/15.2%/9.3%, respectively.
- Led by higher other income and lower tax, Adj. PAT for the quarter grew ~53% YoY to INR3.3b.
- CFO/FCF for the quarter grew ~18%/27% YoY in 1HFY25.

Highlights from the management commentary

- Domestic demand outlook:** Optimistic about the 2HFY25 demand, the company expects double-digit growth in 2H and about 5% growth for FY25.
- Post-merger,** the non-tractor revenue in Agri Machinery now contributes around 17-19% of the overall Agri revenue, up from 10-12% previously. Integration with ESCORTS will help reduce overheads from the current 10-11% level, with initial target to expand margins to around 13%. Moreover, post the localization benefits, margins can further inch up to mid-teen levels in the long run.

- **RM basket:** In 2Q, inflation was nominal. Though tire prices have risen, this will not cause major disruptions. Input costs are likely to remain stable YoY.
- **Exports:** The company's initial focus is on Mexico and Southeast Asia, with products expected to be **ready** for the EU market by the end of FY24. Exports are likely to pick up by Q4FY25 onwards. Exports to the US and South America depend on the greenfield facility and are likely to take longer.

Valuation and view

- The demand for domestic tractors is improving, with FY25 volumes expected to grow by mid-single digits, driven by a healthy monsoon, favorable crop prices, and government support. However, its recent amalgamation with group companies has led to 150-200bp margin dilution.
- To reflect this, we have reduced our FY26E EPS estimate by ~11% while maintaining FY25E. While synergies between Escorts and Kubota are significant, they will likely materialize over the medium to long term. The recent divestment of its Railways business on a slump sale basis to Sona Comstar did not sit well with investors, who were left surprised with the decision to divest a solid business at cheap valuations. The stock is trading at a premium of ~36x/32x FY25E/26E EPS, compared to its 10-year average of ~18x, mainly due to the Kubota parentage. We maintain a Neutral stance with a TP of INR3,560 (28x Sep'26 EPS).

Standalone Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	(INR M)
	1Q	2Q*	3Q	4Q	1Q*	2Q*	3QE	4QE			2QE
Net Sales	23,277	24,646	23,204	20,825	28,010	24,762	31,133	27,672	88,496	1,11,576	20,904
YoY Change (%)	15.5	30.9	2.5	-4.6	20.3	0.5	34.2	32.9	6.0	26.1	2.2
Total Expenditure	20,008	21,979	20,077	18,166	24,315	22,086	27,397	24,601	76,829	98,399	18,019
EBITDA	3,269	2,667	3,127	2,659	3,694	2,676	3,736	3,071	11,667	13,177	2,885
Margins (%)	14.0	10.8	13.5	12.8	13.2	10.8	12.0	11.1	13.2	11.8	13.8
Depreciation	402	582	415	441	615	636	640	643	1,669	2,535	445
Interest	27	87	24	35	101	92	65	52	137	310	20
Other Income	945	936	1,035	1,053	1,025	1,153	1,150	1,223	3,986	4,550	1,100
PBT	3,786	2,935	3,723	3,237	4,003	3,100	4,181	3,599	13,847	14,882	3,520
Rate (%)	25.3	27.3	25.5	25.2	24.2	-5.4	25.0	14.9	25.4	16.0	25.2
Adj. PAT	2,828	2,133	2,773	2,421	3,035	3,267	3,136	3,063	10,327	12,501	2,633
YoY Change (%)	91.8	49.7	48.7	18.7	7.3	53.2	13.1	26.5	51.8	21.1	12.0
Margins (%)	12.1	8.7	11.9	11.6	10.8	13.2	10.1	11.1	11.7	11.2	12.6

*Numbers restated post amalgamation. Prior period numbers not comparable.

Key Performance Indicators

	FY24				FY25E				FY24	FY25E	
	1Q	2Q*	3Q	4Q	1Q*	2Q*	3QE	4QE			2QE
Volumes ('000 units)	26,582	26,240	27,907	15,129	30,370	25,995	34,002	27,059	95,858	1,17,426	25,995
Change (%)	-0.8	10.7	-0.4	-38.9	14.3	-0.9	21.8	78.9	-7.2	22.5	18.2
Net Realn (INR '000/unit)	627.1	681.9	594.2	919.2	715.1	724.8	728.4	736.4	637.4	726.0	556.8
Change (%)	5.3	11.1	-2.5	46.2	14.0	6.3	22.6	-19.9	4.2	13.9	-12.2
Cost Break-up											
RM Cost (% of sales)	69.8	69.9	69.4	68.1	70.1	69.2	69.3	69.4	68.8	69.5	67.8
Staff Cost (% of sales)	6.4	7.9	7.0	7.6	6.7	8.1	7.5	8.0	7.3	7.6	7.5
Other Cost (% of sales)	9.8	11.4	10.1	11.6	10.0	11.8	11.2	11.5	10.7	11.1	10.9
Gross Margins (%)	30.2	30.1	30.6	31.9	29.9	30.8	30.7	30.6	31.2	30.5	32.2
EBITDA Margins (%)	14.0	10.8	13.5	12.8	13.2	10.8	12.0	11.1	13.2	11.8	13.8
EBIT Margins (%)	12.3	8.5	11.7	10.7	11.0	8.2	9.9	8.8	11.3	9.5	11.7
Segmental PBIT Margin (%)											
Agri Machinery	13.4	9.3	13.8	11.2	11.7	9.1	0.0	0.0	12.7	0.0	12.8
Railway Equipment	20.9	18.5	18.4	16.9	20.5	15.2	0.0	0.0	18.9	0.0	20.0
Construction Equipment	7.6	9.9	8.3	10.7	10.3	9.3	0.0	0.0	9.3	0.0	9.8

E:MOFSL Estimates

*Numbers restated post amalgamation. Prior period numbers not comparable.



Gujarat Gas

Estimate changes
 TP change
 Rating change

CMP: INR541

TP: INR660 (+22%)

Buy

Bloomberg	GUJGA IN
Equity Shares (m)	688
M.Cap.(INRb)/(USDb)	372.3 / 4.4
52-Week Range (INR)	690 / 412
1, 6, 12 Rel. Per (%)	-7/-8/5
12M Avg Val (INR M)	926

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	164.1	170.5	181.1
EBITDA	21.6	23.6	25.3
PAT	12.8	14.2	15.5
EPS (INR)	18.6	20.6	22.5
EPS Gr. (%)	16.5	10.5	9.4
BV/Sh.(INR)	124.0	137.5	152.4

Ratios

Net D:E	-0.2	-0.2	-0.2
RoE (%)	15.8	15.7	15.5
RoCE (%)	21.5	21.4	21.1
Payout (%)	34.1	34.1	34.1

Valuations

P/E (x)	29.0	26.2	24.0
P/BV (x)	4.4	3.9	3.5
EV/EBITDA (x)	16.6	14.9	13.7
Div. Yield (%)	1.2	1.3	1.4
FCF Yield (%)	2.1	2.5	2.9

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	60.9	60.9	60.9
DII	21.4	21.8	20.1
FII	4.5	4.3	3.8
Others	13.2	13.0	15.2

FII Includes depository receipts

Healthy margins offset volume weakness

- Gujrat Gas (GUJGA)'s 2QFY25 EBITDA was ahead of our estimates as a strong EBITDA/scm margin offset the volume weakness. Management slightly raised its margin guidance to INR5-6/scm (from INR4.5-5.5). However, the volume guidance commentary has remained cautious, guiding 6-7% growth over the next 18-24 months. We are not too concerned about the CGD companies' necessity to undertake CNG price hikes, given its solid price competitiveness vs. petrol.
- Following the conference call, we cut our FY26/27 PAT by 9/10%. Recovery in ceramic exports (and therefore Morbi volumes) and potential decline in spot LNG prices remain key catalysts in FY26, in our opinion.
- In 2QFY25, GUJGA reported an EBITDA and PAT, which were 10% and 17% above our estimates, respectively. The overall volume was down 4% vs. our estimate, though this was offset by the EBITDA/scm margin of INR6.4 (our est.: INR5.6). The beat at the EBITDA level appeared to be largely driven by gas cost optimization, as gross margin expanded from INR8.6/scm in 1QFY25 to INR10.4/scm in 2QFY25. In 3QFY25, we expect a recovery in volumes QoQ as 2Q volumes were hit by seasonality at Morbi.
- Management guided for an annualized volume CAGR of ~5-7% p.a., despite experiencing a recent shortfall in APM allocation of 26% in 2Q, which has now risen to ~50%. Management expects EBITDA/scm to range between INR5 and INR6 going forward. Management also highlighted: 1) a 12%/25% YoY increase in CNG volumes during 2Q in Gujarat/outside Gujarat, 2) expectation of a pickup in Morbi volumes driven by a decrease in Propane-PNG price differential, 3) hydrogen blending pilot project – completed successfully with 8% blending, and 4) F-DODO station commissioning, which is likely to start from 4QFY25.
- **Other key takeaways from the conference call:**
 - Management expects volume from Morbi to be ~3.5mmscmd in 3QFY25 (vs. 2.86mmscmd in 2QFY25).
 - Management guided a capex of INR8b for FY25. In 2QFY25, GUJGA incurred a capex of INR1.3b.
 - The company added nine new CNG stations in 2QFY25.
- We cut our volume estimates marginally, by 2%, for both FY26/FY27 to 10.9mmscmd/11.6mmscmd. GUJGA's long-term volume growth prospects remain robust, with the addition of new industrial units and expansion of existing units. **Hence, we reiterate our BUY rating on the stock with a TP of INR660 (premised on 30x Dec'26E EPS).**

Beat on EBITDA and PAT as healthy margins outweigh volume weakness

- In 2QFY25, GUJGA reported an EBITDA and PAT, which were 10% and 17% above our estimates, respectively. The overall volume was down 4% vs. our estimate, though this was offset by the EBITDA/scm margin of INR6.4 (our est.: INR5.6). The beat at the EBITDA level appeared to be largely driven by gas cost optimization, as gross margin expanded from INR8.6/scm in 1QFY25 to INR10.4/scm in 2QFY25. In 3QFY25, we expect a recovery in volumes QoQ as 2Q volumes were hit by seasonality at Morbi.

- EBITDA stood at INR5.1b (est. of INR4.7b; up 4% YoY), and standalone PAT stood at INR3.1b (est. of INR2.6b; up 3% YoY). The sharp variance at the PAT level was a function of depreciation coming in below our estimates.
- Overall volumes in 2QFY25 came in at 8.8mmscmd, missing our estimates by 4%. However, EBITDA/scm stood at INR6.4 (vs. our est. of INR5.6; up 19% QoQ).
- **CNG volumes** were 2.9mmscmd (+12% YoY), in line with 2QFY24.
- **PNG I/C volumes** decreased to 5.1mmscmd (our est. 5.4mmscmd; -16% YoY).
- **PNG domestic volumes** stood at 0.8mmscmd (our est. 0.6mmscmd; +9% YoY).
- The company added more than ~38.5k new domestic customers and nine new CNG stations.
- As of 30 Sep'24, the company secured a signed volume of ~527,000scmd, set to be commissioned in the coming months.
- In **1HFY25**, while net sales grew 8% YoY to INR83.2b, EBITDA/PAT declined 30%/37% YoY to INR12.9b/INR7.3b. In **2HFY25**, we estimate net sales/EBITDA/PAT to grow 1%/12%/3% YoY.

Valuation and view

- The company's long-term volume growth prospects remain robust, with the addition of new industrial units and expansion of existing units. It is aggressively investing in infrastructure to push industrial gas adoption in Thane rural, Ahmedabad rural, and newly acquired areas in Rajasthan.
- The stock is trading at P/E of 26.2x FY26E and EV/EBITDA of 14.9x for FY26E. **We reiterate our BUY rating on the stock with a TP of INR660, valuing it at 30x Dec'26E EPS.**

Standalone - Quarterly Earnings Model

Y/E March	(INR m)											
	FY24				FY25				FY24	FY25	FY25	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	37,815	38,454	39,291	41,342	44,503	37,818	41,170	40,581	1,56,902	1,64,071	36,770	3%
YoY Change (%)	-26.9	-3.3	6.6	5.2	17.7	-1.7	4.8	-1.8	-6.4	4.6	-4.4	
EBITDA	3,880	4,966	4,007	5,911	5,356	5,142	5,558	5,567	18,764	21,623	4,694	10%
Margin (%)	10.3	12.9	10.2	14.3	12.0	13.6	13.5	13.7	12.0	13.2	12.8	
Depreciation	1,151	1,179	1,201	1,212	1,231	1,295	1,371	1,371	4,743	5,267	1,346	
Interest	74	78	72	69	78	80	74	65	293	297	74	
Other Income	239	298	230	311	386	386	155	155	1,078	1,081	235	
PBT	2,894	4,007	2,964	5,497	4,433	4,152	4,268	4,286	15,362	17,140	3,509	18%
Tax	743	1,029	761	1,402	1,135	1,083	1,076	1,020	3,934	4,314	884	
Rate (%)	25.7	25.7	25.7	25.5	25.6	26.1	25.2	23.8	25.6	25.2	25.2	
Reported PAT	2,151	2,978	2,203	4,095	3,298	3,069	3,193	3,266	11,428	12,826	2,625	17%
Adj. PAT	2,151	2,978	2,203	3,681	3,298	3,069	3,193	3,266	11,013	12,826	2,625	17%
YoY Change (%)	-43.6	-26.3	-40.7	-0.3	53.3	3.1	44.9	-11.3	-27.8	16.5	-11.9	
Total volume (mmscmd)	9.2	9.3	9.2	9.7	11.0	8.8	10.3	10.5	9.3	10.1	9.1	-4%
CNG	2.6	2.6	2.8	2.9	3.0	2.9	3.0	3.1	2.7	3.0	3.1	-5%
PNG – Industrial/Commercial	6.0	6.0	5.7	6.0	7.4	5.1	6.5	6.6	5.9	6.4	5.4	-6%
PNG – Households	0.6	0.7	0.7	0.9	0.6	0.8	0.8	0.8	0.7	0.7	0.6	18%
EBITDA (INR/scm)	4.6	5.8	4.8	6.7	5.4	6.4	5.9	5.9	5.5	5.9	5.6	14%



Endurance Technologies

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR2,425 TP: INR2,825 (+16%) Buy

Bloomberg	ENDU IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	341.1 / 4
52-Week Range (INR)	3061 / 1565
1, 6, 12 Rel. Per (%)	14/19/16
12M Avg Val (INR M)	351

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	116.8	134.2	153.0
EBITDA	15.6	18.3	21.0
Adj. PAT	8.5	10.6	12.7
EPS (INR)	60.2	75.4	90.6
EPS Growth (%)	27.2	25.4	20.1
BV/Share (INR)	403.0	464.5	541.1

Ratios

Net Debt/Equity	-0.2	-0.2	-0.3
RoE (%)	15.9	17.4	18.0
RoCE (%)	14.6	16.1	17.0
Payout (%)	18.3	18.6	15.5

Valuations

P/E (x)	39.7	31.7	26.4
P/BV (x)	5.9	5.1	4.4
Div. Yield (%)	0.5	0.6	0.6
FCF Yield (%)	1.5	1.8	2.4

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	75.0	75.0	75.0
DII	13.6	14.4	14.9
FII	9.5	8.7	8.3
Others	1.9	2.0	1.8

FII includes depository receipts

In line; Europe performance has been impressive

Healthy order wins to drive outperformance in core businesses

- Endurance Technologies (ENDU) reported an in-line performance, as EBITDA margin sustained a healthy 13%+ level in the last three quarters. Its healthy performance in Europe despite adversities is commendable.
- We are particularly optimistic about its shift toward the 4W segment, targeting 45% sales by FY30. A sustained recovery in underlying 2W demand, a strong focus on ramping up presence in the PV segment, and a strong order backlog in the EU in FY25 are the potential catalysts for the stock. We maintain our FY25E/FY26E EPS. **Reiterate BUY with a TP of INR2,825 (premised on 34x Sep'26E EPS).**

Total order wins in 1HFY25 stood at INR3.1b

- ENDU's 2QFY25 consol. revenues grew 14% YoY to INR29.1b (in line). EBITDA rose 20% YoY to INR3.8b (in line) and adj. PAT was up 31% YoY to INR2b (in line).
- Its 1HFY25 revenue/EBITDA/adj. PAT grew 15%/18%/28% YoY. We expect the same to grow ~14%/20%/27% YoY in 2HFY25.

Indian business:

- Revenue grew 16.5% YoY to INR23b (in line) compared to the underlying 2W industry production growth of ~10% YoY. An incentive of INR131m was booked in 2Q.
- EBITDA margin stood at 13% (est. 13.4%), up 40bp YoY (+10bp QoQ).
- Adj. PAT rose 30% YoY to INR1.85b (in line).
- 1HFY25 revenue/EBITDA/adj. PAT grew 16%/20%/27% YoY.

EU business:

- In 2Q, the European business reported a total turnover of EUR66.9m (+6.4% YoY), EBITDA of EUR10.7m (+15.1% YoY), and a net profit of EUR2.9m (+13.7% YoY).
- European auto sales declined 6%, yet EDU outpaced the market with 6.4% growth, supported by new order wins and market share gains.

Maxwell business:

- Revenue grew 12% YoY to INR190m (est. INR80m) as its key customer has again started ramping up volumes from Jul'24.
- Operating loss stood at INR17m vs. INR43m loss in 2QFY24.

Others:

- Consolidated operating cash flow/FCF declined 3%/99% YoY. The sharp drop in FCF was mainly due to the higher capex, which grew 49% YoY to INR4.4b.

Highlights from the management commentary

- **Orders:** In the last six months, the company secured INR3.1b in new non-Bajaj orders, with minimal replacements. Total new orders since FY20 reached INR29.3b, which will peak in FY27. Major orders include HMCL and TVSL brakes, Ather Energy’s battery parts, and aluminum castings for stationary engine application from Generac USA.
- **Alloy wheel:** The company had initially increased its alloy wheel capacity to 5.5m units pa from 4.5m units pa. However, given the huge demand for alloy wheels in India, it is in the process of setting up another greenfield for alloy wheels, with a capacity of 4.5m units pa and SOP anticipated in Sep’25. The current 2W alloy wheel market share stands at 13.3% and is projected to reach 25% once the new plant ramps up. This new capacity is expected to be margin accretive.
- **Ramp-up in 4Ws:** The management is highly focused on increasing its share of 4W business to 45% by FY30 from the current 25%. Given that OEMs such as Toyota, JSW, and Ather Energy are also investing in the AURIC Industrial zone, the company expects to see a quick ramp-up of its new plants.
- **Europe:** In 1HFY25, the company secured EUR23.6m in peak annual sales orders, including EUR10.5m from an e-axle manufacturer for BMW EVs, EUR7.6m from Volkswagen for specialty plastic components, and EUR1m from non-auto OEMs for finished aluminum castings.

Valuation and view

- ENDU is now focusing on increasing the 4W revenue contribution to 45% by FY30 from 25%, and this will remain a key growth driver in the coming years. A sustained recovery in underlying 2W demand, a strong focus on ramping up presence in the PV segment, and a strong order backlog in the EU in FY25 are the potential catalysts for the stock
- The stock trades at 40x/32x FY25E/FY26E consolidated EPS. **We reiterate our BUY rating with a TP of INR2,825 (based on 34x Sep’26E consolidated EPS).**

Consolidated - Quarterly

Y/E March	FY24				FY25E				FY24	FY25E
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	24,500	25,450	25,611	26,648	28,255	29,127	29,333	30,126	1,02,209	1,16,840
YoY Change (%)	15.9	7.8	22.2	19.3	15.3	14.4	14.5	13.1	16.1	14.3
EBITDA	3,213	3,183	2,990	3,694	3,741	3,820	3,865	4,178	13,080	15,604
Margins (%)	13.1	12.5	11.7	13.9	13.2	13.1	13.2	13.9	12.8	13.4
Depreciation	1,129	1,184	1,144	1,282	1,288	1,311	1,328	1,356	4,740	5,284
Interest	90	98	109	129	112	116	109	103	427	441
Other Income	166	155	270	265	339	265	300	324	856	1,228
PBT before EO expense	2,159	2,056	2,006	2,548	2,680	2,658	2,728	3,042	8,769	11,107
Exceptional Item	0	0	0	-200	0	0	0	0	-200	0
PBT after EO	2,159	2,056	2,006	2,748	2,680	2,658	2,728	3,042	8,969	11,107
Eff. Tax Rate (%)	24.3	24.8	24.1	23.5	23.9	23.6	23.9	23.7	75.9	23.8
Adj. PAT	1,635	1,546	1,523	1,950	2,039	2,030	2,076	2,321	6,653	8,465
YoY Change (%)	47.0	17.5	40.7	42.9	24.7	31.3	36.3	19.0	36.5	27.2



Alembic Pharma

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR1,080 TP: INR1,110 (+3%) Neutral

API/India trim earnings growth

Making efforts to revive performance across segments

Bloomberg	ALPM IN
Equity Shares (m)	197
M.Cap.(INRb)/(USDb)	212.3 / 2.5
52-Week Range (INR)	1304 / 710
1, 6, 12 Rel. Per (%)	-9/-3/21
12M Avg Val (INR M)	320

- Alembic Pharma's (ALPM) 2QFY25 results came in below our estimates due to the deterioration in API business and higher operational costs. Weak seasonality impacted acute category of its domestic formulation (DF) business, which affected the overall 2Q performance.
- We cut our earnings estimates by 15%/8%/5% for FY25/FY26/FY27 to factor in a) the loss of some customers in API business, b) muted demand in acute therapies, c) slower execution in specialty DF segment, and d) higher operational costs. We value ALPM at 25x 12M forward earnings to arrive at a TP of INR1,110.
- ALPM is implementing efforts to a) scale up US generics with new launches, b) build capabilities/capacities in GLP-1 set of products, and c) improve growth prospects in specialty products. Considering a CAGR of 11%/17%/22% in sales/EBITDA/PAT for FY25-27 and valuation at 28x/23x FY26/FY27 PE, there is limited upside from current levels. Maintain Neutral.

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	65.3	72.2	80.7
EBITDA	10.4	11.9	14.3
Adj. PAT	6.2	7.4	9.3
EBIT Margin (%)	11.6	12.4	13.8
Cons. Adj. EPS (INR)	31.7	37.9	47.5
EPS Gr. (%)	0.7	19.6	25.4
BV/Sh. (INR)	271.1	303.3	345.1

Ratios

Net D:E	0.0	0.0	0.0
RoE (%)	12.1	13.1	14.5
RoCE (%)	12.3	12.8	14.2
Payout (%)	18.7	15.9	12.7

Valuations

P/E (x)	33.9	28.3	22.6
EV/EBITDA (x)	17.7	15.3	12.7
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	0.3	3.1	3.7
EV/Sales (x)	2.8	2.5	2.2

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	69.6	69.6	69.6
DII	16.1	15.5	14.2
FII	3.9	4.3	4.5
Others	10.4	10.6	11.7

FII Includes depository receipts

Improved product mix offset by reduced operating leverage

- ALPM sales grew 3.3% YoY to INR16.5b (in line). DF sales rose 5.5% YoY to INR6b (37% of sales). US generics sales increased 5.2% YoY to INR4.7b (USD56m; 28% of sales). Excl. US generics, export sales grew 18.3% YoY to INR3b (18% of sales). API sales declined 15% YoY to INR2.7b (17% of sales).
- Gross margin expanded 290bp YoY to 74% due to a superior product mix and lower RM costs.
- EBITDA margin expanded by 150bp YoY to 14.5% (our est: 16.8%), as a favorable product mix and lower other expenses (-60bp as % of sales) were offset by higher employee costs (+200bp as % of sales).
- Consequently, EBITDA grew 15% YoY to INR2.4b (our est: INR2.7b).
- After adjusting an extraordinary gain of INR129m regarding an insurance claim received for its Sikkim plant, PAT grew 4% YoY to INR1.4b (our est: INR1.7b).
- 1HFY25 revenue/EBITDA/PAT grew 4%/17%/7% YoY to INR32b/INR4.8b/INR2.8b.

Highlights from the management commentary

- In 1HFY25, API business was weak due to the loss of customers and price erosion. ALPM expects the API business to return to growth in FY26.
- ALPM expects the ROW market to grow ~15-20% YoY in 2HFY25.
- It is building capacity for in-house manufacturing of GLP-1 products.
- ALPM expects 2HFY25 to be stronger for US business, led by new launches and market share gains.

Quarterly perf. (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
Net Sales	14,862	15,949	16,309	15,170	15,617	16,480	16,981	16,267	62,290	65,345	16,260	1.4%
YoY Change (%)	17.7	8.1	8.1	7.9	5.1	3.3	4.1	7.2	10.2	4.9	1.9	
Total Expenditure	12,874	13,867	13,642	12,569	13,249	14,087	14,298	13,321	52,953	54,955	13,528	
EBITDA	1,987	2,083	2,667	2,601	2,368	2,393	2,683	2,946	9,337	10,390	2,732	-12.4%
YoY Change (%)	73.3	-10.5	7.2	16.5	19.2	14.9	0.6	13.3	14.0	11.3	31.2	
Margins (%)	13.4	13.1	16.4	17.1	15.2	14.5	15.8	18.1	15.0	15.9	16.8	-228.2
Depreciation	662	676	695	695	690	705	705	709	2,727	2,810	695	
EBIT	1,325	1,407	1,973	1,906	1,678	1,688	1,978	2,237	6,611	7,580	2,037	-17.1%
YoY Change (%)	111.9	-22.3	8.9	-2.4	26.6	19.9	0.3	17.4	12.4	14.7	44.8	
Interest	144	157	152	109	132	188	182	120	562	622	115	
Other Income	117	102	29	36	21	167	80	72	283	340	42	
PBT before EO expense	1,298	1,352	1,850	1,832	1,567	1,667	1,876	2,188	6,332	7,298	1,964	-15.1%
Extra-Ord expense	0	0	0	0	0	-129	0	0	0	129	0	
PBT	1,298	1,352	1,850	1,832	1,567	1,796	1,876	2,188	6,332	7,426	1,964	-8.6%
Tax	92	-19	41	46	225	273	263	261	160	1,022	255	
Rate (%)	7.0	-1.4	2.2	2.5	14.4	15.2	14.0	11.9	2.5	13.8	13.0	
MI & P/L of Asso. Cos.	0	-5	-1	-4	-5	-11	-11	96	-10	69	-5	
Reported PAT	1,207	1,376	1,809	1,790	1,347	1,534	1,625	1,830	6,182	6,336	1,713	-10.5%
Adj PAT	1,207	1,376	1,809	1,790	1,347	1,425	1,625	1,830	6,182	6,227	1,713	-16.8%
YoY Change (%)	160.9	-6.7	36.6	73.1	11.6	3.6	-10.2	2.3	43.9	0.7	24.5	
Margins (%)	8.1	8.6	11.1	11.8	8.6	8.6	9.6	11.3	9.9	9.5	10.5	
EPS	6	7	9	9	7	7	8	9	31	32	9	-16.8%

E: MOFSL Estimates

Key performance Indicators (Consolidated)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
India	5,240	5,770	5,960	5,030	5,720	6,090	6,318	5,206	22,000	23,333
YoY Change (%)	9.2	5.1	9.4	2.9	9.2	5.5	6.0	3.5	6.6	6.1
Exports	6,570	6,960	7,460	6,850	7,320	7,650	7,918	8,124	27,820	31,012
YoY Change (%)	19.7	10.0	16.9	13.4	11.4	9.9	6.1	18.6	14.8	11.5
APIs	3,050	3,220	2,890	3,300	2,590	2,740	2,746	2,924	12,460	10,999
YoY Change (%)	30.9	9.5	(11.3)	5.4	(15.1)	(14.9)	(5.0)	(11.4)	6.9	(11.7)
Cost Break-up										
RM Cost (% of Sales)	27.8	28.9	28.3	25.0	25.2	26.0	25.6	24.3	27.5	25.3
Staff Cost (% of Sales)	23.4	21.8	21.4	26.5	24.3	23.8	23.0	23.8	23.2	23.7
R&D Expenses (% of Sales)	8.0	7.6	7.0	8.0	7.0	8.0	8.2	6.7	7.6	7.5
Other Cost (% of Sales)	27.4	28.7	27.0	23.4	28.3	27.7	27.4	27.1	26.6	27.6
Gross Margins (%)	72.2	71.1	71.7	75.0	74.8	74.0	74.4	75.7	72.5	74.7
EBITDA Margins (%)	13.4	13.1	16.4	17.1	15.2	14.5	15.8	18.1	15.0	15.9
EBIT Margins (%)	8.9	8.8	12.1	12.6	10.7	10.2	11.6	13.7	10.6	11.6

E: MOFSL Estimates



Gujarat State Petronet

Estimate changes

TP change

Rating change



CMP: INR390

TP: INR415 (+6%)

Neutral

Bloomberg	GUJS IN
Equity Shares (m)	564
M.Cap.(INRb)/(USD\$)	220.3 / 2.6
52-Week Range (INR)	470 / 260
1, 6, 12 Rel. Per (%)	-2/26/15
12M Avg Val (INR M)	1014

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	10.9	12.2	12.5
EBITDA	8.9	9.8	10.1
PAT	9.0	6.4	6.4
EPS (INR)	16.0	11.4	11.4
EPS Gr. (%)	-29.6	-29.2	0.0
BV/Sh.(INR)	193.3	201.3	209.3

Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	8.5	5.8	5.5
RoCE (%)	8.6	5.8	5.6
Payout (%)	30.0	30.0	30.0

Valuations

P/E (x)	24.3	34.3	34.3
P/BV (x)	2.0	1.9	1.9
EV/EBITDA (x)	23.4	21.5	20.9
Div. Yield (%)	1.2	0.9	0.9
FCF Yield (%)	1.7	-0.1	0.3

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	37.6	37.6	37.6
DII	34.9	25.6	27.2
FII	15.2	15.9	16.0
Others	12.3	20.9	19.2

FII Includes depository receipts

EBITDA miss amid lower volumes, weaker tariff

- Gujarat State Petronet (GUJS)'s 2QFY25 EBITDA was 18% below our estimate at INR1.9b, as total volumes came in 13% lower than our estimate. This marks a slowdown compared to the strong 1Q trend. Implied tariff also came in ~13% below our estimate at INR831/mmscm. PAT was boosted by strong other income (dividend from Gujarat Gas and Sabarmati Gas).
- Given lower gas demand from the power sector, we have trimmed our volume assumptions and consequently reduced our FY26/27E PAT by 6%/2%.
- Following Gujarat Gas's announcement of the scheme of amalgamation and arrangement in Sep'24, under which GSPC, GUJS, and GEL shall amalgamate with GUJGA, the swap ratio for GUJS was fixed at 10:13 (i.e., 10 shares of GUJGA (at an FV of INR2) shall be issued for every 13 equity shares of GUJS (at an FV of INR10)).
- Based on this swap ratio, we derive our TP of GUJS at INR415/share. **We reiterate our Neutral rating on the stock.**

Lower-than-expected volumes and tariffs lead to EBITDA miss

- GUJS' 2QFY25 EBITDA was 18% below our estimate at INR1.9b (-53% YoY), as
 - The total volumes came in 13% below our estimate and had a marked slowdown compared to the strong 1Q trend,
 - Tariff came in ~13% below our estimate, at INR831/mmscm.
- EBITDA was also impacted by a sharp rise in other expenses (+56% QoQ).
- Total volumes were 13% below our est. at 29.7mmscmd (-2% YoY):
 - CGD volumes increased to 12.6mmscmd (+21% YoY)
 - Fertilizer volumes were at 4.5mmscmd (+30% YoY)
 - Power/ref-petchem volumes at 6.4/7.5mmscmd (+58%/+14% YoY)
 - Other volumes stood at 5.4mmscmd (+11% YoY)
- PAT came in 103% above our est. at INR3.9b (-27% YoY), as other income stood at INR2.9b (our est. INR758m, +10% YoY).
- GUJS's Board approved an additional equity infusion of INR420m in GSPL India Gasnet Ltd. (GIGL), taking the cumulative equity infusion approval to INR13.3b. GUJS shall continue to hold 52% shareholding in GIGL.

Valuation and view

- The available LNG capacity in Gujarat is expected to grow 55% to 42.5mtpa over the next two years. Most of this volume is likely to flow through GUJS's network. We believe the company could post a 7% CAGR in transmission volumes over FY24-27.
- We expect volumes to jump to ~37mmscmd in FY27, as it is a beneficiary of:
 - a) the upcoming LNG terminals in Gujarat, and b) an improved demand owing to the focus on reducing industrial pollution (Gujarat has five geographical areas identified as severely/critically polluted).
- Based on the announced share swap ratio of 10:13 (GUJS:GUJGA), we arrive at our TP of INR415. **We reiterate our Neutral rating on the stock.**

Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	3,937	4,533	4,555	4,547	3,354	2,379	2,603	2,564	17,572	10,884	3,094	-23%
<i>YoY Change (%)</i>	-6.3	17.7	30.7	21.6	-14.8	-47.5	-42.8	-43.6	15.0	-38.1	-31.7	
EBITDA	3,364	4,103	3,795	3,780	3,010	1,929	2,119	1,906	15,041	8,948	2,364	-18%
<i>YoY Change (%)</i>	-6.6	22.9	40.6	28.2	-10.5	-53.0	-44.1	-49.6	19.5	-40.5	-42.4	
<i>Margin (%)</i>	85.5	90.5	83.3	83.1	89.7	81.1	81.4	74.3	85.6	82.2	76.4	
Depreciation	468	477	488	486	490	511	522	564	1,920	2,086	574	
Interest	10	10	11	19	13	11	11	9	50	44	11	
Other Income	180	2,663	211	296	328	2,939	588	499	3,351	4,354	758	
PBT before EO expense	3,066	6,278	3,506	3,571	2,835	4,346	2,175	1,832	16,422	11,172	2,537	71%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	3,066	6,278	3,506	3,571	2,835	4,346	2,175	1,832	16,422	11,172	2,537	71%
Tax	773	958	884	960	715	453	531	422	3,576	2,123	623	
<i>Rate (%)</i>	25.2	15.3	25.2	26.9	25.2	10.4	24.4	23.0	21.8	19.0	24.5	
Reported PAT	2,293	5,320	2,622	2,611	2,120	3,893	1,645	1,410	12,846	9,049	1,915	103%
<i>YoY Change (%)</i>	-2.6	69.3	53.4	16.4	-7.5	-26.8	-37.3	-46.0	35.9	-29.6	-64.0	
<i>Margin (%)</i>	58.2	117.4	57.6	57.4	63.2	163.6	63.2	55.0	73.1	83.1	61.9	
Key Operating Parameters												
Transmission Volume (mmscmd)	29.4	30.2	29.0	33.4	36.4	29.7	31.0	30.9	30.5	32.0	34.0	-13%
Implied Tariff (INR/mmscm)	1,435	1,587	1,628	1,495	982	831	870	877	1,536	890	950	-13%



Clean Science & Technology

Estimate changes	↔
TP change	↓
Rating change	↔

CMP: INR1,484 TP: INR1,430 (-4%) Neutral

Bloomberg	CLEAN IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	157.7 / 1.9
52-Week Range (INR)	1690 / 1243
1, 6, 12 Rel. Per (%)	1/5/-16
12M Avg Val (INR M)	273

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	9.4	12.8	16.5
EBITDA	3.8	5.0	6.3
PAT	2.6	3.8	4.8
EPS (INR)	24.4	36.0	45.6
EPS Gr. (%)	6.2	47.7	26.6
BV/Sh.(INR)	134.4	165.8	205.4

Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	19.7	24.0	24.6
RoCE (%)	19.3	23.6	24.2
Payout (%)	13.1	13.1	13.1

Valuations

P/E (x)	60.9	41.2	32.6
P/BV (x)	11.0	9.0	7.2
EV/EBITDA (x)	41.8	30.9	24.3
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	0.7	1.1	1.7

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	75.0	75.0	75.0
DII	4.8	4.6	5.2
FII	5.8	6.1	6.0
Others	14.4	14.4	13.8

FII Includes depository receipts

Pressure on margin continues to hurt performance

- Clean Science (CLEAN)'s reported EBITDA in 2QFY25 was below our estimate at INR897m (+20% YoY), with a gross margin of 62.4% (vs. 65.9% in 2QFY24). EBITDAM contracted to 37.7% from 41.3% in 2QFY24. Revenue contribution of Performance Chemicals increased 2% YoY in 2QFY25, while that of Pharma & Agro Intermediates declined 1% YoY. PAT increased 13% YoY to INR587m.
- A strong YoY growth was observed across various segments, fueled by higher volumes, with the markets in the Americas and China witnessing meaningful expansion. Absolute revenue doubled in the Americas on a sequential basis as commissioning of HALS701 opened up the market for water treatment chemicals. Management highlighted that there was on average 70% capacity utilization for the standalone business, while the utilization for the HALS segment was very low due to the recent commissioning of the plant.
- CFCL has commenced production of three HALS products, namely, HALS622, HALS944, and HALS119. Management expects volumes to pick up in the next couple of quarters. At peak utilization, the HALS product segment is expected to generate a margin of 25%. Management highlighted that its focus would be on volume growth in 3QFY25 and also to capture higher market share in the legacy products while striving for improved margin.
- CLEAN expended INR1.6b in CFCL in 1HFY25 and plans to commercialize the pharma intermediate product in Nov'24. The peak revenue guidance stands at INR800-900m with a capex of INR300m. It is constructing a production block for a performance chemical with a capex of INR1.5b and peak revenue of INR3.5b. This will be ready by 1HFY26. Construction of a new water treatment chemical is likely to start in the next two weeks and will be commissioned by Dec'25. Capex stands at INR1.5b with an asset turn of ~2x.
- Due to the company's underperformance in 2QFY25, we cut our FY25 EBITDA/PAT estimates by 6%/8%, while maintaining our estimates for FY26. We account for commissioning of the aforementioned new capex and accordingly raise our revenue/EBITDA/PAT estimates by 6% each for FY27. The stock is currently trading at ~41x FY26E EPS of INR36 and ~31x FY26E EV/EBITDA. We value the stock at 35x Sep'26E EPS to arrive at our TP of INR1,430. **Reiterate Neutral.**

A miss on estimates due to higher-than-expected RM and employee costs

- CLEAN reported revenue of INR2.4b (+31% YoY). **Gross margin stood at 62.4% (-350bp YoY).** EBITDA margin was 37.7% (-370bp YoY) during the quarter.
- EBITDA was INR897m (our est. of INR1.1b, +20% YoY), with PAT of INR587m (our est. of INR776m, +13% YoY).
- **For 1HFY25,** revenue was INR4.6b (+25% YoY), EBITDA was INR1.8b (+22% YoY), and PAT was INR1.2b (+12% YoY). EBITDAM came in at 39.9% (-100bp YoY). The **implied 2HFY25** revenue/EBITDA/PAT growth is 14%/5%/1% YoY.

Segmental and other highlights

- Volume grew YoY in 2QFY25. CLEAN incurred a total capex of INR550m in 2QFY25, primarily in its subsidiary, Clean Fino Chem.
- Revenue from **Pharma Chemicals** was INR429m (+25% YoY); the growth was led by volumes.
- Revenue from **Performance Chemicals** stood at INR1.6b (+35% YoY); the growth was fueled by higher volumes and growth across segments. HALS' sales volumes and product mix have been improving.
- Revenue from **FMCG Chemicals** was INR356m (+31% YoY), led by volumes.
- Revenue from the **domestic** business stood at 31%, while the rest was exports.

Valuation and view

- CLEAN is actively pursuing R&D activities and has entered the HALS series, which has an estimated global market size of USD1b. While the commercial production from CFCL has commenced, the management expects HALS utilization to reach 80% in three years.
- The company is expected to generate INR5.6b in FCF during FY25-27, with a planned capex of INR5.9b over the same period. The stock is currently trading at ~41x FY26E EPS of INR36 and ~31x FY26E EV/EBITDA. We value the stock at 35x Sep'26E EPS to arrive at our TP of INR1,430. **Reiterate Neutral.**

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Gross Sales	1,881	1,811	1,947	2,275	2,240	2,381	2,402	2,420	7,915	9,444	2,406	-1%
YoY Change (%)	-19.6	-26.8	-18.0	4.9	19.1	31.5	23.4	6.4	-15.4	19.3	32.8	
Gross Margin (%)	61.4%	65.9%	66.8%	65.7%	65.4%	62.4%	61.9%	61.4%	65.0%	62.8%	67.6%	-5.2%
EBITDA	761	748	866	945	947	897	940	970	3,321	3,754	1,078	-17%
Margin (%)	40.5	41.3	44.5	41.5	42.3	37.7	39.1	40.1	42.0	39.8	44.8	-7.2
Depreciation	108	111	113	127	158	175	180	193	459	706	162	
Interest	1	3	1	6	1	0	1	2	9	5	2	
Other Income	134	60	78	141	99	111	124	138	413	472	119	
PBT	787	695	830	953	887	832	883	913	3,265	3,516	1,032	-19%
Tax	198	173	204	250	228	245	222	230	825	925	257	
Rate (%)	25.1	24.9	24.6	26.3	25.7	29.4	25.1	25.2	25.3	26.3	24.9	
Adj. PAT	589	522	626	703	659	587	661	683	2,440	2,591	776	-24%
YoY Change (%)	-6.3	-23.2	-25.3	-12.7	11.9	12.6	5.6	-2.8	-17.3	6.2	48.6	
Margin (%)	31.3	28.8	32.2	30.9	29.4	24.7	27.5	28.2	30.8	27.4	32.2	-7.6
Segment-wise Revenue (INR m)												
Performance Chemicals	1,260	1,213	1,305	1,604	1,546	1,643	1,711	1,744	5,382	5,382	1,697	-3%
Pharma & Agro Intermediates	357	344	370	432	403	429	384	384	1,504	1,504	408	5%
FMCG Chemicals	245	272	253	259	291	356	308	245	1,029	1,029	281	27%
Others	19	-19	19	-19	0	-46	-0	46	0	0	20	PL



AAVAS Financiers

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USD\$)	135 / 1.6
52-Week Range (INR)	1979 / 1307
1, 6, 12 Rel. Per (%)	1/-1/-8
12M Avg Val (INR M)	597

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	9.1	10.2	12.3
PPP	6.5	7.7	9.5
PAT	4.9	5.8	7.1
EPS (INR)	62	73	90
EPS Gr. (%)	14	18	23
BV/Sh. (INR)	477	550	640

Ratios (%)

NIM	5.8	5.3	5.3
C/I ratio	45.6	43.9	42.0
Credit cost	0.19	0.20	0.20
RoA	3.3	3.2	3.3
RoE	13.9	14.2	15.2

Valuation

P/E (x)	27.5	23.3	18.9
P/BV (x)	3.6	3.1	2.7

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	26.5	26.5	39.1
DII	25.6	24.4	14.2
FII	35.5	35.9	35.5
Others	12.5	13.3	11.2

FII Includes depository receipts

CMP: INR1,704 TP: INR1,880 (+10%) Neutral

Disbursements weak; NIM compression continues

Major tech transformation completed; unlikely to impact business ahead

- AAVAS Financiers (AAVAS)'s 2QFY25 PAT grew 22% YoY to ~INR1.48b (in line). 1HFY25 PAT grew 18% YoY to ~INR2.74b and we expect 2HFY25 PAT to also grow by ~18% YoY. 2Q NII grew 9% YoY to ~INR2.42b (in line).
- 2Q core NIM (calc.) declined ~25bp QoQ to ~6.6%. Reported spreads declined ~10bp QoQ to 4.9% (vs. ~5% as of Jun'24).
- Management shared that it has raised its prime lending rate (PLR) by ~25bp, effective Oct'24. The company guided for spreads of ~4.8%-5.0% in FY25. It aims to improve the disbursement yield by increasing the proportion of lower ticket size loans and self-employed customers/self-construction properties.
- The company exhibited operational efficiency with opex rising only ~5% YoY to INR1.4b (~7% lower than MOFSLe). The opex-to-avg. AUM declined to ~3% (PY: 3.5% and PQ: 3.1%). Employee expenses declined QoQ because of the reversal of ESOP expenses. Management shared that it will continue to optimize its cost ratios by ~20-30bp over the next few years to reach the steady state of ~3%. We estimate the opex-to-avg. assets ratio to decline to ~3.0% by FY27 (vs. ~3.6% in FY24).
- We estimate ~22% CAGR each in AUM and PAT over FY24-27, with RoA/RoE of 3.4%/16% by FY27E. AAVAS trades at 2.7x FY26E P/BV. We believe that the valuations largely reflect the key positives and the company's preparedness to accelerate disbursements/loan growth and achieve operating efficiencies, now that all the major technology transformations have been completed. **Maintain Neutral with a TP of INR1,880 (based on 2.7x Sep'26E BVPS).**

AUM rises ~20% YoY; disbursements weaker than expectations

- AUM grew ~20% YoY to ~INR184b. Disbursements rose ~3% YoY to ~INR12.9b. Share of HL in 2Q disbursements stood at ~65%. The annualized run-off in the loan-book stood at ~16.6% (PY: ~16.1% and PQ: ~15.8%).
- Disbursements were weak during the quarter because of 1) elongated monsoons which impacted the construction activities, 2) regulatory change in terms of how lenders need to treat disbursements, and 3) go-live of loan management system (LMS) which temporarily impacted business activities in the quarter.
- Securitization during the quarter amounted to ~INR4.3b (PY: ~INR3.3b) and securitization margins rose ~20bp QoQ to 13.5%.

Highlights from the management commentary

- Management shared that its disbursement yield in 1HFY25 was ~30bp lower than the portfolio yield. This compares to last year when the disbursement yield was ~50bp lower than the portfolio yield.
- AAVAS is making consistent efforts to optimize costs. This, along with operating leverage, will result in sustained improvement in cost ratios.

Valuation and View

- AAVAS reported RoA/RoE of ~3.3%/~14% in 2QFY25. The company's efforts to improve its technological edge and focus on asset quality have made it a standout player among peers. Notably, its 1+DPD remains within the guided levels, driven by its prudent underwriting process and efficient collection efforts.
- Now that the company has completed all the major tech transformations with the go-LIVE of its loan management system, we expect no disruptions to business activities in the future. Moreover, the improvement in TAT, should translate into stronger disbursement growth trajectory in the subsequent quarters.
- The stock trades at 2.7x FY26E P/BV and any re-rating in valuation multiples will depend on stronger AUM growth and delivery of operating efficiencies to further improve the RoA profile. **Maintain Neutral with a TP of INR1,880 (based on 2.7x Sep'26E BVPS).**

Quarterly performance

INR m

Y/E March	FY24				FY25E				FY24	FY25E	2QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Interest Income	4,128	4,259	4,373	4,586	4,797	4,906	5,137	5,522	17,347	20,363	4,980	-1
Interest Expenses	1,866	2,036	2,166	2,216	2,352	2,489	2,538	2,772	8,284	10,151	2,439	2
Net Income	2,262	2,223	2,208	2,371	2,446	2,418	2,598	2,750	9,063	10,212	2,541	-5
YoY Growth (%)	26	18	6	7	8	9	18	16	14	13	14	
Other income	540	716	719	882	628	898	888	1,044	2,856	3,459	829	8
Total Income	2,802	2,938	2,926	3,252	3,074	3,316	3,487	3,794	11,919	13,671	3,370	-2
YoY Growth (%)	28	16	12	14	10	13	19	17	17	15	15	
Operating Expenses	1,339	1,308	1,349	1,434	1,379	1,368	1,536	1,718	5,430	6,000	1,474	-7
YoY Growth (%)	30	14	12	19	3	5	14	20	19	10	13	
Operating Profits	1,464	1,631	1,577	1,818	1,695	1,948	1,951	2,076	6,489	7,671	1,896	3
YoY Growth (%)	27	17	11	10	16	19	24	14	15.6	18.2	16.3	
Provisions	57	65	80	43	86	48	72	99	245	305	89	-46
Profit before Tax	1,407	1,565	1,497	1,775	1,609	1,900	1,879	1,977	6,244	7,366	1,807	5
Tax Provisions	310	348	331	349	348	421	413	395	1,338	1,578	398	6
Profit after tax	1,097	1,217	1,166	1,426	1,261	1,479	1,465	1,582	4,907	5,788	1,410	5
YoY Growth (%)	23	14	9	13	15	22	26	11	14.1		15.8	
Key Parameters (%)												
Yield on loans	13.3	13.2	13.1	13.1	13.1	13.0	0.0	0.0	13.6	13.2		
Cost of funds	7.7	7.9	8.0	8.1	8.1	8.2	0.0	0.0	7.5	7.5		
Spread	5.6	5.3	5.1	5.1	5.0	4.9	0.0	0.0	6.1	5.7		
NIM - YTD	8.0	8.0	7.9	7.9	7.3	7.6	0.0	0.0	5.8	5.3		
Credit cost	0.2	0.2	0.20	0.1	0.2	0.1	0.2	0.2	0.2	0.2		
Cost to Income Ratio (%)	47.8	44.5	46.1	44.1	44.8	41.2	44.0	45.3	45.6	43.9		
Tax Rate (%)	22.0	22.2	22.1	19.7	21.7	22.2	22.0	20.0	21.4	21.4		
Balance Sheet Parameters												
AUM (INR B)	146.5	153.2	160.8	173.1	178.4	184.0	194.8	210.3	173.1	210.3		
Change YoY (%)	23.2	22.1	22.9	22.2	21.8	20.1	21.1	21.5	22.2	21		
AUM mix (%)												
Home loans	69.8	69.7	69.3	69.3	69.0	69.0	0.0	0.0	69.3	68.4		
Mortgage loans	30.2	30.3	30.7	30.7	14.0	13.0	0.0	0.0	30.7	31.6		
Loans (INR B)	119.1	124.0	129.9	140.0	144.4	147.1	155.8	168.2	140.0	168.2		
% of AUM	81.3	81.0	80.8	80.9	81.0	80.0	80.0	80.0	22.0	20.1		
Disbursements (INR B)	10.7	12.6	13.6	18.9	12.1	12.9	18.1	23.5	55.8	66.6		
Change YoY (%)	-2.3	9.7	13.3	19.7	13.4	2.8	33.0	23.9	11.1	19		
Borrowings (INR B)	106.8	111.4	114.7	124.0	126.0	124.8	132.1	148.1	123.4	148.1		
Change YoY (%)		30.0	25.2	25.4		12.0	15.2	19.4	25.4	20		
Borrowings/Loans (%)	89.6	89.9	88.3	88.5	87.2	84.8	84.8	88.0	88.1	88.0		
Debt/Equity (x)	3.2	3.2	3.2	3.3	3.2	3.1	3.2	3.4	3.3	3.4		
Asset Quality (%)												
	1,193.											
GS 3 (INR M)	4	1,294.7	1,425	1,319	1,466.1	1,601.0	0.0	0.0	1,193	1,295		
G3 %	1.0	1.0	1.09	0.94	1.0	1.1	0.0	0.0	1.00	1.04		
NS 3 (INR M)	871.8	938.7	1,033	939	1,043.4	1,142.0	0.0	0.0	872	939		
NS3 %	0.73	0.76	0.79	0.67	0.72	0.78	0.00	0.00	0.73	0.76		
PCR (%)	26.9	27.5	27.5	28.8	28.8	28.7	0.0	0.0	26.9	27.5		
ECL (%)	0.6	0.6	0.65	0.60	0.6	0.6	0.0	0.0	0.64	0.64		
Return Ratios - YTD (%)												
ROA (Rep)	3.2	3.3	3.2	3.3	3.0	3.3	0.0	0.0	3.3	3.2		
ROE (Rep)	13.2	13.6	13.5	13.9	13.1	14.0	0.0	0.0	13.9	14.2		

E: MOFSL Estimates



Avalon Technologies

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR708 TP: INR920 (+30%) Buy

Recovery in the US business drives operating performance

Earnings above our estimate

- Avalon Technologies (AVALON) reported a strong quarter, with revenue growing 37% YoY in 2QFY25, led by a healthy recovery in US operations (up 57% YoY) and consistent performance in the Indian business (up 16% YoY). Operating profitability improved (up 470bp) led by a shift in ~45-50% of the US manufacturing operations to India and favorable operating leverage.
- With the beginning of restocking by US customers, incremental order flows from new customers, and the growing Indian business, we expect AVALON to deliver a strong 2HFY25 performance coupled with margin expansion (operating leverage play).
- Factoring in the strong 2Q performance and positive growth outlook, we raise our EPS estimates for FY25/FY26 by 36%/10%. **Reiterate BUY with a TP of INR920 (premised on 35x FY27E EPS).**

Traction within railways drives the domestic business

- Consolidated revenue grew 37% YoY to INR2.75b, driven by growth in both domestic (up 16% YoY due to traction in the mobility segment driven by the Indian railway) and US (up 57% YoY due to recovery in the market and the shift from destocking to restocking) operations.
- Consolidated EBITDA jumped 2.4x YoY to INR301m. Consolidated EBITDA margin expanded 470bp to 11% (+880bp QoQ) despite the contraction of gross margin by 40bp YoY to 36.8%. Operating leverage played its role with employee expense as % of sales decreasing 570bp YoY to ~17% in 2QFY25, while other expenses as a % of sales increased 60bp YoY to ~9% in 2QFY25. The company reported an Adj. PAT of INR175m, up 2.4x YoY.
- The total orderbook stood at 25.85b with short-term order book (executable within 14 months) at INR14.85b (up 19%/2% YoY/QoQ) and longer executable orderbook (from 14 months up to three years) at INR11b (up 10% YoY).
- Gross debt as of Sep'24 stood at INR1.5b vs. INR1.6b as of Mar'24. Net working capital days decreased to 134 from 161 in Mar'24, primarily led by lower receivable days (down 25 days) and higher payable (up 2 days).
- In 1HFY25, Revenue/EBITDA/Adj. PAT increased 9%/20%/6% YoY at INR4.7b/INR345m/152m. For 2HFY25, implied Revenue/EBITDA/Adj. PAT growth is 41%/2.1x/3.3x YoY, led by strong growth across all verticals, coupled with margin expansion.

Highlights from the management commentary

- **Guidance:** AVALON has maintained its FY25 revenue growth guidance to 16-20% with gross margins ranging from 33% to 35%. It expects healthy growth to continue in 2HFY25. The US manufacturing mix is expected to come down to ~15% by the end of FY25, resulting in cost benefits and margin expansion.

Bloomberg	AVALON IN
Equity Shares (m)	66
M.Cap.(INRb)/(USD\$)	46.7 / 0.6
52-Week Range (INR)	708 / 425
1, 6, 12 Rel. Per (%)	32/29/19
12M Avg Val (INR M)	138

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	10.8	14.6	19.5
EBITDA	1.0	1.7	2.4
Adj. PAT	0.6	1.1	1.7
EBITDA Margin (%)	9.6	11.5	12.5
Cons. Adj. EPS (INR)	9.2	16.6	26.3
EPS Gr. (%)	115.1	80.7	58.6
BV/Sh. (INR)	92.5	109.0	135.3

Ratios

	FY25E	FY26E	FY27E
Net D:E	(0.1)	(0.1)	(0.1)
RoE (%)	10.4	16.4	21.5
RoCE (%)	9.7	15.1	20.2

Valuations

	FY25E	FY26E	FY27E
P/E (x)	77.3	42.7	26.9
EV/EBITDA (x)	44.2	27.3	18.9

Shareholding Pattern (%)

As on	Sep-24	Jun-24	Sep-23
Promoter	50.7	50.9	51.1
DII	23.7	23.2	16.3
FII	3.0	2.6	9.2
Others	22.6	23.4	23.4

Note: FII includes depository receipts

- **Clean Energy:** AVALON is primarily involved in the clean energy storage EMS business in the US, an industry experiencing a robust growth rate of 60-70%. The management is not expecting any major impact with the new US administration's measures to curb clean energy projects (e.g. slashing IRA incentives)
- **Demand Growth:** US customers are restocking and returning to normalcy, and with the US rate cut cycle underway, demand growth is increasing. In India, the company is experiencing growth in the Mobility (Rail and Air), Communication, and Industrial segments.

Valuation and view

- With US operations now witnessing a healthy recovery and the Indian business experiencing growth, we expect AVALON's revenue and profitability to experience healthy improvement from 2HFY25 onwards. We also believe the company's long-term revenue trajectory will continue to be strong, backed by: 1) the addition of new customers in the US and Indian markets and 2) order inflows from high-growth/high-margin industries, such as Clean Energy, Mobility, and Industrials.
- We estimate AVALON to post a CAGR of 31%/57%/83% in revenue/EBITDA/adj. PAT over FY24-FY27 on account of strong growth and healthy order inflows.
Reiterate BUY with a TP of INR920 (premised on 35x FY27E EPS).

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	2,351	2,010	2,143	2,168	1,995	2,750	2,893	3,202	8,672	10,840	2,372	16
YoY Change (%)	19.9	-17.9	-7.9	-20.2	-15.2	36.8	35.0	47.7	-8.2	25.0	18.0	
Total Expenditure	2,189	1,884	1,977	1,996	1,951	2,449	2,566	2,828	8,046	9,794	2,220	
EBITDA	162	126	165	172	44	301	326	375	626	1,046	151	99
Margins (%)	6.9	6.3	7.7	7.9	2.2	11.0	11.3	11.7	7.2	9.6	6.4	
Depreciation	53	55	60	61	66	69	70	73	229	278	68	
Interest	56	32	36	39	42	37	28	25	164	133	35	
Other Income	51	47	22	28	44	39	54	62	148	200	48	
PBT before EO expense	105	86	91	99	-20	234	282	339	381	835	96	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	105	86	91	99	-20	234	282	339	381	835	96	
Tax	34	13	25	29	3	60	78	93	101	233	27	
Rate (%)	32.4	15.2	27.5	29.0	-14.5	25.4	27.5	27.5	26.5	27.9	27.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	71	73	66	71	-23	175	205	246	280	602	70	
Adj PAT	71	73	66	71	-23	175	205	246	280	602	70	150
YoY Change (%)	-23.9	-50.7	14.7	-68.9	NA	140.1	211.4	247.7	-46.7	115.1	-4.0	
Margins (%)	3.0	3.6	3.1	3.3	-1.2	6.4	7.1	7.7	3.2	5.6	2.9	

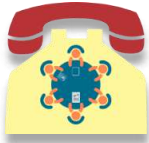
Cummins India

BSE SENSEX 79,542 S&P CNX 24,199

CMP: INR3,555

Buy

Conference Call Details



Date: 8th November 2024

Time: 10:00am IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	106.6	126.3	147.8
EBITDA	21.8	25.9	30.3
Adj. PAT	20.6	24.7	29.2
Adj. EPS (INR)	74.2	89.0	105.5
EPS Gr. (%)	23.7	19.9	18.5
BV/Sh.(INR)	251.4	286.2	327.6
Ratios			
RoE (%)	31.3	33.1	34.4
RoCE (%)	29.6	31.3	32.5
Valuations			
P/E (x)	47.9	40.0	33.7
P/BV (x)	14.1	12.4	10.9
EV/EBITDA (x)	44.4	37.2	31.6
Div. Yield (%)	1.2	1.4	1.6

Beat on all fronts

- Cummins India reported a strong result in 2QFY25, with a beat on all parameters. Revenue came in at INR24.9b, up 31% YoY/8% QoQ (our est. INR22.4b). Domestic revenue at INR20b grew 47% YoY, whereas exports at INR4.4b declined 13% YoY but improved 13% QoQ.
- Gross margin at 35.8% contracted 90bp YoY/200bp QoQ. This was offset by lower-than-expected employee costs, which led to EBITDA growth of 42% YoY to INR4.8b (8% beat). Margin came in at 19.3%, up 150bp YoY but down 100bp QoQ.
- PAT stood at INR4.5b (+37% YoY), 10% ahead of our estimates, aided by revenue and EBITDA outperformance and a 22% YoY growth in other income of INR1.6b.
- For 1HFY25, revenue/EBITDA/PAT grew 16%/40%/35%, while FCF increased by 6% YoY to INR5.9b.
- **From the press release:** With the transition to CPCB 4+ norms, the company remains cautiously optimistic about the demand outlook for the near term but hopeful about the long-term growth prospects. It is also cautiously optimistic about the export demand recovery as the economic and geopolitical events have impacted its end markets.

Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	22,087	18,997	25,341	23,162	23,042	24,923	29,850	28,792	89,586	1,06,607	22,388	11
YoY Change (%)	31.0	-2.6	16.2	20.3	4.3	31.2	17.8	24.3	15.7	19.0	17.8	
Total Expenditure	18,681	15,611	19,961	17,719	18,369	20,113	23,644	22,693	71,972	84,818	17,934	
EBITDA	3,406	3,386	5,379	5,443	4,673	4,810	6,206	6,099	17,614	21,789	4,453	8
Margins (%)	15.4	17.8	21.2	23.5	20.3	19.3	20.8	21.2	19.7	20.4	19.9	
Depreciation	358	379	419	420	439	452	396	338	1,576	1,625	387	17
Interest	77	67	63	62	48	26	72	150	268	295	70	(64)
Other Income	1,175	1,322	1,136	2,045	1,322	1,611	1,411	1,441	5,678	5,786	1,378	17
PBT before EO expense	4,146	4,263	6,034	7,006	5,509	5,944	7,149	7,053	21,448	25,656	5,374	11
Extra-Ord expense			17						17	0		
PBT	4,146	4,263	6,017	7,006	5,509	5,944	7,149	7,053	21,431	25,656	5,374	11
Tax	989	978	1,467	1,390	1,311	1,438	1,719	1,702	4,824	6,170	1,292	
Rate (%)	23.9	22.9	24.4	19.8	23.8	24.2	24.0	24.1	22.5	24.0	24.0	
Reported PAT	3,157	3,285	4,549	5,615	4,198	4,506	5,430	5,352	16,606	19,486	4,082	10
Adj PAT	3,157	3,285	4,562	5,615	4,198	4,506	5,430	5,352	16,619	19,486	4,082	10
YoY Change (%)	50.6	30.2	26.7	76.3	33.0	37.2	19.0	-4.7	45.7	17.2	24.2	
Margins (%)	14.3	17.3	18.0	24.2	18.2	18.1	18.2	18.6	18.6	18.3	18.2	

BSE SENSEX
79,542S&P CNX
24,199

CMP: INR2,112

Conference Call Details

Date: 8th Nov 2024

Time: 4:00 pm IST

Dial-in details:

Zoom [Link](#)

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	218.3	244.2	268.3
EBITDA	45.8	53.0	59.6
Adj. PAT	26.9	31.7	35.3
EBIT Margin (%)	16.3	17.3	18.0
Cons. Adj. EPS (INR)	59.2	69.8	77.6
EPS Gr. (%)	42.5	17.8	11.2
BV/Sh. (INR)	369.8	436.7	514.3
Ratios			
Net D:E	0.0	-0.1	-0.2
RoE (%)	17.3	17.3	16.3
RoCE (%)	16.0	16.3	15.6
Payout (%)	5.0	4.2	0.0
Valuations			
P/E (x)	35.5	30.2	27.1
EV/EBITDA (x)	20.8	17.5	15.1
Div. Yield (%)	0.1	0.1	0.0
FCF Yield (%)	2.4	3.1	3.3
EV/Sales (x)	4.4	3.8	3.3

Result beats estimates; operating leverage drives profitability

- Lupin's 2QFY25 revenue grew 10.9% YoY to INR55.9b (our est. at INR54.5b), adjusting for the government grant of INR850m (included in other operating income as per our assumption).
 - The US sales grew 5.6% YoY to INR19.7b (up 3.3% YoY in CC to USD220m; 36% of sales).
 - Domestic Formulation (DF) sales rose 18.8% YoY to INR16.9b (37% of sales)
 - EMEA sales grew 19.6% YoY to INR5.7b (10% of sales)
 - Growth Market sales grew 11.8% YoY to INR4.9b (9% of sales)
 - API sales increased 9.7% YoY to INR2.9b (5% of sales)
 - ROW sales declined 18.1% YoY to INR1.6b (3% of sales)
- Gross margin (GM) expanded 360bp YoY to 69.8% due to better product mix.
- EBITDA margin improved 460bp YoY to 22.9%, largely due to better GM. A decline in other expenses (-260bp YoY as a % of sales) was offset by higher employee costs/R&D expenses (+100bp/+60bp as a % of sales)
- As a result, EBITDA grew 38.8% YoY to INR12.8b (vs. our est. of INR11.6b).
- Adjusting for the provision disputed case of INR585m, forex gain of INR321m, and government grant of INR850m, Adj. PAT grew almost 56% to INR7.7b (our est: INR6.9b).
- In 1HFY25, revenue/EBITDA grew 16%/68% YoY to INR112b/INR26b. PAT rose 2.1x to INR17b.
- Lupin's revenue was in line with BBG estimates, while EBITDA and PAT were above BBG consensus estimates by 7% and 4%, respectively.

Other highlights:

- Lupin received 16 ANDA approvals from the USFDA and it launched five products in the US market in 1HFY25.
- Net debt at the end of 2QFY25 stood at INR2.7b.
- In 2QFY25, R&D expenses were INR4.5b (8.2% of sales).
- The capex for the quarter was INR1.4b.
- Operating working capital as of 30th Sep'24 stood at INR65.6b.

Quarterly Performance (Consolidated)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E 2QE	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	46,087	50,385	51,974	49,608	56,003	55,877	54,649	51,736	1,98,054	2,18,265	54,523	2.5
YoY Change (%)	23.1	21.5	20.2	12.0	21.5	10.9	5.1	4.3	19.0	10.2	8.2	
Total Expenditure	39,574	41,153	41,755	39,640	42,389	43,059	43,773	43,207	1,62,123	1,72,429	42,964	
EBITDA	6,513	9,232	10,220	9,968	13,614	12,818	10,875	8,529	35,932	45,836	11,559	10.9
YoY Change (%)	297.3	112.6	83.8	65.0	109.0	38.8	6.4	-14.4	104.4	27.6	25.2	
Margins (%)	14.1	18.3	19.7	20.1	24.3	22.9	19.9	16.5	18.1	21.0	21.2	
Depreciation	2,347	2,479	2,572	2,559	2,477	2,569	2,575	2,635	9,956	10,256	2,570	
EBIT	4,166	6,754	7,648	7,409	11,137	10,249	8,300	5,894	25,977	35,580	8,989	14.0
YoY Change (%)	LP	192.7	127.9	117.9	167.3	51.8	8.5	-20.4	196.0	37.0	33.1	
Margins (%)	9.0	13.4	14.7	14.9	19.9	18.3	15.2	11.4	13.1	16.3	16.5	
Interest	856	806	740	713	680	709	716	664	3,116	2,769	700	
Other Income	228	404	294	293	678	423	525	474	1,218	2,100	550	
EO Exp/(Inc)	-2,053	54	-160	2,012	1,204	-586	0	0	-147	618	0	
PBT	5,591	6,298	7,361	4,977	9,930	10,549	8,109	5,704	24,227	34,292	8,839	19.3
Tax	1,055	1,344	1,174	1,295	1,875	1,954	1,946	1,906	4,867	7,680	1,945	
Rate (%)	18.9	21.3	15.9	26.0	18.9	18.5	24.0	33.4	20.1	22.4	22.0	
Minority Interest	-11	-57	-56	-88	-42	-69	-24	38	-211	-97	-22	
Reported PAT	4,525	4,898	6,131	3,594	8,013	8,526	6,139	3,835	19,149	26,515	6,872	24.1
Adj PAT	2,855	4,940	5,997	5,083	8,990	7,703	6,139	4,074	18,875	26,905	6,872	12.1
YoY Change (%)	LP	319.9	256.1	95.0	214.9	55.9	2.4	-19.8	382.1	42.5	39.1	
Margins (%)	6.2	9.8	11.5	10.2	16.1	13.8	11.2	7.9	9.5	12.3	12.6	
EPS	10	11	14	8	18	19	14	8	42	59	15	24.1

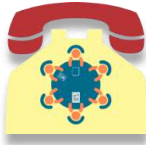
E: MOFSL estimates

BSE SENSEX 79,542
S&P CNX 24,199

CMP: INR123

Neutral

Conference Call Details



Date: 08 November 2024
Time: 12:30 pm IST
Registration:
[Diamond Pass](#)
Dial in:
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Weak volumes and lower realization drag earnings

- In 2QFY25, SAIL received a one-time revenue and EBITDA gain of INR16.4b related to rail price revisions for FY23. For a like-to-like comparison, we have adjusted its 2QFY25 financials by excluding this one-time gain.
- SAIL reported a revenue of INR230b (-18% YoY and -4% QoQ), which was 12% below our estimate of INR262b. This decline was primarily due to weak sales volume as well as lower realization during the quarter.
- EBITDA dipped 40% YoY/43% QoQ to INR13b, against our estimate of INR15b.
- EBITDA/t stood at INR3,111 (vs. our estimate of INR3,271) in 2QFY25.
- Adjusted net loss came in at INR4b vs. our loss estimate of INR0.4b during the quarter.
- Crude steel production stood at 4.76mt (YoY/QoQ: Flat/ +2%). Sales volume stood at 4.1mt (YoY/QoQ: -15%/ +2%).
- ASP for the quarter stood at INR56,191/t (YoY/QoQ: -4% / -6%).

SAIL Consolidated Quarterly Performance (INR b)

Y/E March	FY24				FY25E		FY24	FY25E	FY25 2QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q				
Production (m tons)	4.4	4.8	4.6	4.7	4.2	4.9	18.5	18.5		
Change (YoY %)	8.0	17.5	3.9	0.4	(5.1)	2.0	7.1	0.1		
Sales (m tons)	3.9	4.8	3.8	4.6	4.0	4.1	17.0	18.7		
Change (YoY %)	23.0	14.0	(8.5)	(2.6)	3.4	(14.6)	5.2	9.7		
Realization (INR per ton)	62,781	58,256	61,444	57,554	59,845	56,191	59,809	61,090		
Change (YoY %)	(17.6)	(6.5)	1.8	(7.5)	(4.7)	(3.5)	(7.3)	2.1		
Net Sales	243.6	279.6	233.5	262.4	240.0	230.4	1,019.2	1,142.4	261.9	(12.0)
Change (YoY %)	1.4	6.5	(6.8)	(9.9)	(1.5)	(17.6)	(2.4)	12.1		
Change (QoQ %)	(16.4)	14.8	(16.5)	12.4	(8.6)	(4.0)				
Total Expenditure	227.1	258.4	212.1	244.8	217.8	217.6	942.3	1,057.4		
EBITDA	16.5	21.3	21.4	17.7	22.2	12.8	76.9	85.0	15.1	(15.4)
Change (YoY %)	(28.4)	189.2	3.1	(39.5)	34.6	(40.0)	(4.4)	10.6		
Change (QoQ %)	(43.6)	28.9	0.8	(17.4)	25.5	(42.5)				
EBITDA per ton (INR)	4,249.5	4,429.3	5,638.1	3,878.6	5,536.1	3,111.5	4,510.6	4,544.4	3,270.6	(4.9)
Interest	6.1	6.1	6.1	6.4	6.9	7.6	24.7	26.1		
Depreciation	12.8	13.3	13.2	13.6	14.0	13.0	52.8	54.7		
Other Income	4.6	1.5	1.4	3.1	1.8	1.7	10.7	12.5		
Share of Asso/JV/investments	0.6	1.0	1.3	1.5	1.1	1.6	4.4	5.1		
PBT (before EO Inc.)	2.9	4.4	4.9	2.3	4.1	(4.6)	14.4	21.8	(0.6)	NA
EO Income(exp)	-	13.3	0.8	12.1	(3.1)	16.4	26.2	13.3		
PBT (after EO Inc.)	2.9	17.7	5.6	14.4	1.0	11.7	40.6	35.0		
Total Tax	0.8	4.6	1.4	3.2	0.2	2.8	10.0	8.8		
% Tax	26.3	26.2	24.8	21.9	16.6	23.5	24.5	25.2		
Reported PAT	2.1	13.1	4.2	11.3	0.8	9.0	30.7	26.2		
Adjusted PAT	2.1	3.2	3.7	1.8	3.2	(3.8)	10.8	15.9	(0.4)	NA
Change (YoY %)	(73.6)	LP	50.3	(84.9)	52.9		(43.8)	47.3		
Change (QoQ %)	(82.3)	49.7	15.1	(50.7)	80.0					

BSE SENSEX	S&P CNX
79,542	24,199

CMP: INR297

Neutral

Financial Valuations (INR b)

INRb	FY24	FY25E	FY26E
Sales	140.0	158.0	181.5
EBITDA	14.5	17.1	20.7
Adj. PAT	-7.5	-6.7	-6.3
EBITDA Margin (%)	10.4	10.8	11.4
Adj. EPS (INR)	-7.4	-6.6	-6.2
EPS Gr. (%)	955.4	-11.0	-5.8
BV/Sh. (INR)	46.5	39.9	33.8

Ratios

Net D:E	1.7	2.0	2.3
RoE (%)	-18.6	-15.2	-16.8
RoCE (%)	0.3	1.0	2.4
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	NM	-45.2	-48.0
EV/EBITDA (x)	30.6	25.8	21.5
EV/Sales (x)	2.8	2.5	2.2
Div. Yield (%)	0.0	0.0	0.0

Revenue in line; modest EBITDA beat led by improved profitability in Pantaloons

- **ABFRL's consol. revenue grew 13% YoY (in line)** to INR36.4b, driven by TCNS acquisition, robust growth in ethnic, and TMRW.
 - Lifestyle revenue grew 3% YoY (-7% YoY in 1Q) driven by 3.4% LTL growth in retail channel, while wholesale channel declined 11% YoY.
 - Pantaloons revenue grew 3% YoY, led by 1.3% YoY LTL growth.
 - Ethnics revenue surged 3.2x YoY, propelled by the inclusion of TCNS and robust growth in other designer-led brands.
 - TMRW's revenue doubled YoY.
- Gross profit grew 19% YoY to INR20.6b (5% beat) as margin improved 310bp YoY to 56.5%.
- **EBITDA increased 12% YoY (4% beat)** to INR3.6b as higher gross margin was offset by a 23%/26% YoY increase in employee costs and other expenses.
 - EBITDA margin contracted 10bp YoY to 9.9%.
 - **560bp margin improvement in Pantaloons and lower losses in ethnic/TMRW were offset by ~300bp contraction in Lifestyle's EBITDA margin.**
- D&A was up 19% YoY (in line), while finance costs increased 20% YoY (8% ahead).
- ABFRL continued to report a net loss. Reported loss stood at INR2.1b (vs. estimated loss of INR2.4b).
- Revenue/EBITDA for 1HFY25 grew 10%/17% YoY, while net loss mounted to INR4.3b (from INR3.6b in 1HFY24).

Balance sheet and cashflow analysis:

- ABFRL's consolidated net working capital days stood at 48 (vs. 61/43 in 1HFY24/FY24) driven by a reduction in inventory days.
- 1HFY25 OCF (post leases) outflow at INR0.3b, though lower vs. INR4.9b outflow in 1HFY24, largely on favorable WC movement. Capex stood at INR2.6b (vs. INR4b YoY). As a result, ABFRL's 1HFY25 outflow stood at INR7.5b (vs. outflow of INR12.8b YoY).
- ABFRL's net debt increased by ~INR9b in 1HFY25 to INR37.6b.

Segmental split:

- **Proposed ABLBL (Lifestyle, Reebok, others) –**
 - Revenue was **up 4% YoY** on improved store productivity and growth improving in sportswear/innerwear categories.
 - EBITDA **declined 3% YoY** as margin contracted 100bp YoY due to weaker profitability in Lifestyle
- **Lifestyle:**
 - Revenue was up 3% YoY (vs. -7% YoY in 1Q) to INR16.4b driven by **3.4% LTL growth in the retail channel**, while wholesale remained impacted due to lower secondary sales.

- Retail channel sales rose 3% YoY (-7% YoY in 1Q) to INR7.2b as store rationalization (store count declined 3% YoY) was offset by improved productivity (5% YoY increase in revenue/store).
- **ABLBL opened 29 lifestyle brand stores and closed 96 stores in this quarter, taking the total store count to 2,569.**
- Wholesale channel declined ~11% YoY (vs. 27% YoY in 1Q) to INR4.1b due to lower secondary sales.
- Other channels (ecom, exports) grew ~19% YoY to INR5b. E-commerce channel rose ~20% YoY.
- **EBITDA margin dipped ~300bp YoY to 18.5% (-30bp QoQ).** EBITDA declined 11% YoY to INR3b.
- **Other business (Reebok, Innerwear, American Eagle):**
 - Revenue grew 7% YoY (vs. 5% YoY in 1Q) to INR3.4b.
 - EBITDA stood at INR10m with a 0.3% margin (vs. a loss of INR280m in 2QFY24).
 - Reebok retail sales grew 10% YoY on a like-to-like (LTL) basis, while Van Heusen's innerwear grew 3% LTL in retail channel.
- **ABFRL demerged (Pantaloons, Ethnic, TMRW, Others) –**
 - Revenue was up 31% YoY on TCNS acquisition, robust growth in ethnic and TMRW
 - EBITDA rose 66% YoY, led by improved Pantaloons' profitability (+560bp YoY)
- **Pantaloons (including Style Up):**
 - Revenue grew 3% YoY to INR10.8b, driven by 1% LTL growth and better store productivity.
 - ABFRL added five Style Up stores taking the total store count to 35 stores, while Pantaloons outlets remain unchanged at 417.
 - **EBITDA margin expanded 560bp YoY to 15% driven by better markdown management, a better product mix, and closure of loss-making stores.**
 - EBITDA grew 65% YoY to INR1.6b.
- **Ethnic wear segment: Robust growth, TCNS turned EBITDA positive**
 - Revenue surged 3.2x YoY to INR4.5b led by growth in all brands and TCNS acquisition.
 - **TCNS** revenue grew 12% YoY to INR2.5b on ~3% retail LTL growth and turned EBITDA positive due to improved store productivity.
 - **Tasva** revenue grew 79% YoY (26% retail LTL) and ended the quarter with 66 stores (3 net store additions QoQ).
 - **Jaypore** sales rose 15% YoY, with 6% retail LTL growth.
 - **Masaba** sales increased 123% YoY and ended the quarter with 17 stores (1 addition in 2Q).
 - **S&N** posted 10% YoY growth and ended the quarter with 20 stores (flat QoQ).
 - The segment's EBITDA loss declined to INR140m (vs. INR180m loss YoY)
 - Margin stood at -3.1% (vs. -12.5% YoY)
- **TMRW's** revenue grew 2.1x YoY, though operating loss was stable at INR380m (vs. INR390m YoY).
- **Luxury Retail** grew 9% YoY, driven by 24% YoY growth in E-commerce channels.

Exhibit 1: Consolidated performance

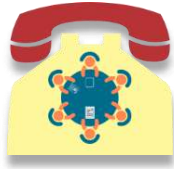
INRm	2QFY24	1QFY25	2QFY25	YoY%	QoQ%	2QFY25E	v/s est (%)
Revenue	32,264	34,278	36,439	12.9	6.3	36,510	-0.2
Raw Material cost	15,037	14,893	15,862	5.5	6.5	16,977	-6.6
Gross profit	17,227	19,385	20,577	19.4	6.1	19,533	5.3
Gross margin (%)	53.4	56.6	56.5	308bp	-8bp	53.5	297bp
Employee costs	4,231	4,688	5,189	22.6	10.7	4,746	9.3
Rent	2,099	2,317	2,125	1.2	-8.3	2,483	-14.4
SG&A expenses	7,664	8,796	9,650	25.9	9.7	8,814	9.5
EBITDA	3,233	3,584	3,613	11.8	0.8	3,490	3.5
EBITDA margin (%)	10.0	10.5	9.9	-11bp	-54bp	9.6	36bp
Depreciation and amortization	3,888	4,359	4,610	18.6	5.7	4,621	-0.2
EBIT	-655	-776	-997	52.2	28.5	-1,131	11.9
EBIT margin (%)	-2.0	-2.3	-2.7	-71bp	-47bp	-3.1	36bp
Finance Costs	2,084	2,195	2,500	20.0	13.9	2,327	7.5
Other income	457	478	516	12.7	7.8	574	-10.2
Exceptional item	0	0	231	0.0	0.0	0	NA
Profit before Tax	-2,281	-2,493	-2,750	20.6	10.3	-2,884	4.6
Tax	-282	-346	-636	125.3	NM	-401	NM
Tax rate (%)	12.4	13.9	23.1	NM	NM	13.9	922bp
Share in JV	-4.6	-3.1	-32.3	NM	NM	-3.1	NM
Profit after Tax	-2,003	-2,149	-2,147	7.2	-0.1	-2,486	13.7
Adj Profit after Tax	-2,003	-2,149	-2,325	16.0	8.2	-2,486	6.5

Exhibit 2: Segment wise performance

Consolidated segment breakup	2QFY24	1QFY25	2QFY25	YoY%	QoQ%	2QFY25E	v/s est (%)
Revenue							
Lifestyle	15,860	14,820	16,360	3.2	10.4	15,384	6.3
Other biz	3,170	3,170	3,390	6.9	6.9	3,702	-8.4
Pantaloons	10,490	11,010	10,820	3.1	-1.7	11,392	-5.0
Ethnic	1,440	3,500	4,540	215.3	29.7	3,744	21.3
TMRW	850	1,430	1,750	105.9	22.4	1,700	2.9
Others in ABFRL	1,210	1,140	1,260	4.1	10.5	1,431	-12.0
Elimination	-756	-792	-1,681	122.5	112.4	-843	99.4
Consolidated	32,264	34,278	36,439	12.9	6.3	36,510	-0.2
EBITDA							
Lifestyle	3,390	2,790	3,020	-10.9	8.2	3,000	0.7
Other biz	-280	40	0	-100.0	-100.0	30	-100.0
Pantaloons	980	1,940	1,620	65.3	-16.5	1,263	28.3
Ethnic	-180	-540	-140	-22.2	-74.1	-300	-53.3
TMRW	-390	-460	-380	-2.6	-17.4	-595	-36.1
Others in ABFRL	480	250	400	-16.7	60.0	257	55.9
Elimination	-767	-436	-907	18.3	107.9	-165	448.1
Consolidated	3,233	3,584	3,613	11.8	0.8	3,490	3.5

BSE SENSEX 79,542
S&P CNX 24,199

Conference Call Details



Date: 8 Nov 2024

Time: 4:00 PM

Dial-in details:

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Financials & Valuations (INR b)

Y/E MAR	FY25E	FY26E	FY27E
Net Sales	38.8	41.8	45.1
Sales Gr. (%)	8.4	7.9	7.7
EBITDA	10.5	11.9	13.1
Margin (%)	27.1	28.3	29.0
Adj. PAT	8.9	10.1	10.9
Adj. EPS (INR)	20.4	23.0	25.0
EPS Gr. (%)	12.8	13.2	8.7
BV/Sh. (INR)	63.7	72.6	82.1
Ratios			
RoE (%)	34.0	33.8	32.4
RoCE (%)	36.9	36.5	34.5
Payout (%)	54.1	54.3	55.9
Valuations			
P/E (x)	35.7	31.6	29.1
P/BV (x)	11.4	10.0	8.9
EV/EBITDA (x)	29.3	25.7	23.0

CMP: INR675

Muted demand; margins remain healthy

- 2QFY25 consolidated net sales grew 3% YoY to INR8,906m (est. INR9,089m).
- Domestic business grew by 2.6% YoY, with volume growth of 1.7% (est. 3%, 8.7% in 1QFY25).
- The quarter witnessed challenges as sticky high food inflation continued to weigh on mass consumer spending.
- The company remains committed to achieving high single-digit revenue growth and double-digit EBITDA growth in FY25.
- With a favorable winter forecast, the company expects strong performance from its winter portfolio in 3Q.
- Brand-wise performance: Navratna and Dermi-cool range +10% YoY; Healthcare range +11% YoY; Boroplus +2% YoY; 7 oils in One -3% YoY; Pain management range +5% YoY; Kesh King range -9% YoY; and Male Grooming -13% YoY
- Gross margin expanded by 60bp YoY to 70.7%. (est. 70.3%).
- Absolute ad spends decreased 6% YoY to INR1,457m.
- As a % of sales, ad spends decreased by 150bp YoY to 16%, while employee expenses increased by 90bp YoY to 13%. Other expenses remained flat YoY at 14% in 2QFY25.
- EBITDA margin expanded by 110bp YoY to 28.1% (est. 27.4%).
- EBITDA grew 7% YoY to INR2,505m (est. INR2,491m).
- PBT rose 15% YoY to INR2,251m (est. INR2,161m).
- APAT increased by 19% YoY to INR2,333m (est. INR2,142m).
- Reported PAT was up 17% YoY at INR2,110m (est. INR1,960m).
- International business registered 6% YoY growth in both INR and CC terms, driven by strong performance in the MENA regions. Excluding Bangladesh, international business delivered 12% YoY sales growth.
- In 1HFY25, net sales/EBITDA/APAT increased by 6%/10%/19%.

Other key highlights

- The company continued to drive its innovation pipeline forward, launching 11 new products this quarter.
- The 3Q relaunch of Fair and Handsome and focused efforts on Kesh King strengthen the company’s confidence in achieving healthy growth in 2H.
- Organized channels like modern trade, e-commerce, and institutional sales now contribute 26.6% of domestic business, a 190bp increase in 1H.
- In international markets, political unrest in key markets, including Bangladesh, created some temporary disruptions.

Consol. Quarterly performance

(INR m)

Y/E MARCH	FY24				FY25E				FY24	FY25E	FY25 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Domestic volume growth (%)	3.0	2.0	-1.0	6.4	8.7	1.7	8.0	8.0	2.6	6.6	3.0	
Net Sales	8,257	8,649	9,963	8,912	9,061	8,906	10,875	9,948	35,781	38,790	9,089	-2.0%
YoY change (%)	6.8	6.3	1.4	6.6	9.7	3.0	9.2	11.6	5.1	8.4	5.1	
Gross Profit	5,401	6,061	6,851	5,863	6,131	6,296	7,526	6,503	24,176	26,455	6,390	-1.5%
Gross margin (%)	65.4	70.1	68.8	65.8	67.7	70.7	69.2	65.4	67.6	68.2	70.3	
EBITDA	1,900	2,337	3,149	2,110	2,165	2,505	3,487	2,369	9,495	10,526	2,491	0.5%
Margins (%)	23.0	27.0	31.6	23.7	23.9	28.1	32.1	23.8	26.5	27.1	27.4	
YoY change	9.6	19.6	7.0	5.6	13.9	7.2	10.8	12.3	10.1	10.9	6.6	
Depreciation	460	461	458	480	444	447	445	452	1,859	1,788	430	
Interest	21	23	27	29	21	23	25	31	100	100	25	
Other Income	83	111	167	107	105	216	135	48	468	503	125	
PBT	1,502	1,964	2,831	1,708	1,805	2,251	3,152	1,934	8,005	9,142	2,161	4.1%
Tax	129	158	155	225	278	94	284	258	667	914	195	
Rate (%)	8.6	8.1	5.5	13.2	15.4	4.2	9.0	13.4	8.3	10.0	9.0	
Adj. PAT	1,413	1,967	2,828	1,669	1,702	2,333	3,040	1,804	7,876	8,883	2,142	8.9%
YoY change (%)	36.9	12.5	11.0	13.0	20.5	18.6	7.5	8.1	15.7	12.8	8.9	
Reported PAT	1,368	1,800	2,607	1,468	1,506	2,110	2,858	1,660	7,241	8,134	1,960	7.6%
YoY change (%)	88.1	-0.1	11.9	3.6	10.1	17.2	9.7	13.1	15.4	12.3	8.9	

E: MOFSL Estimates

G R Infraprojects

BSE SENSEX 79,542 S&P CNX 24,199

CMP: INR1,607

Buy

Conference Call Details



Date: 8th Nov 2024
Time: 03:00 pm IST
Conference call details:
[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	78.2	91.8	105.0
EBITDA	10.7	13.5	16.8
Adj. PAT	7.7	9.7	10.7
EBITDA Margin (%)	13.7	14.8	16.0
Adj. EPS (INR)	79.2	99.9	111.1
EPS Gr. (%)	8.5	26.2	11.2
BV/Sh. (INR)	818.3	918.2	1029.2
Ratios			
Net D:E	0.0	0.0	0.0
RoE (%)	10.1	11.5	11.4
RoCE (%)	10.0	11.4	11.3
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	20.6	16.3	14.7
P/BV (x)	2.0	1.8	1.6
EV/EBITDA(x)	15.1	11.9	9.2
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	4.2	4.8	7.5

Sharp drop in execution dents earnings

Earnings summary - 2QFY25

- Revenue declined 28% YoY to ~INR11.3b during 2QFY25 (against our estimate of INR16.8b), due to a sharp drop in execution.
- EBITDA margin stood at 10.4% (-190bp YoY) vs. our estimate of 13.2%. EBITDA declined by 40% YoY to INR1.2b (47% below our estimate).
- Higher other income partially offset weak operating performance. APAT declined by 6% YoY to ~INR1.2b (19% below our estimates). Due to a change in the long-term capital gain tax rate from 10% to 12.5% in the Union Budget 2024, the company was charged a deferred tax of INR280m, which was added back to APAT for like-to-like comparison.
- During 2Q, GRINFRA sold its 100% stake in its wholly owned subsidiary, namely GR Aligarh Kanpur Highway Pvt Ltd, to Bharat Highways InvIT for a total consideration of INR987m. The resultant gain of INR356m was disclosed as an exceptional item.
- The current order book stands at ~INR138b (based on orders announced post 1Q and adjusted for 2Q execution).
- In 1HFY25, revenue was INR30.2b (-19% YoY), EBITDA was INR3.6b (-28% YoY), EBITDA margin came in at 12%, and APAT was INR3.2b (-4% YoY).

Quarterly Performance (Standalone)

(INR m)

Y/E March (INR m)	FY24				FY25		FY24	FY25E	FY25 2QE	Variance
	1Q	2Q	3Q	4Q	1Q	2Q				
Net Sales	21,524	15,738	18,064	21,554	18,965	11,281	76,880	78,169	16,806	-33%
YoY Change (%)	(13.1)	(11.4)	(4.9)	8.0	(11.9)	(28.3)	(5.6)	1.7	6.8	
EBITDA	3,147	1,937	2,280	2,990	2,466	1,171	10,354	10,709	2,218	-47%
Margins (%)	14.6	12.3	12.6	13.9	13.0	10.4	13.5	13.7	13.2	
Depreciation	602	617	610	612	632	631	2,442	2,497		
Interest	266	277	245	250	281	214	1,038	883		
Other Income	511	614	578	550	1,081	1,311	2,253	2,842		
PBT before EO expense	2,790	1,656	2,003	2,678	2,634	1,637	9,127	10,171		
Extra-Ord expense	-	-	83	14,720	(494)	356	14,803	(138)		
PBT	2,790	1,656	2,086	17,398	2,140	1,993	23,930	10,033		
Tax	710	423	532	2,490	621	845	4,155	2,517		
Rate (%)	25.4	25.6	25.5	14.3	29.0	42.4	17.4	25.1		
Reported PAT	2,080	1,233	1,554	14,908	1,520	1,148	19,774	7,516		
Adj PAT	2,080	1,233	1,492	2,249	1,890	1,161	7,054	7,654	1,439	-19%
YoY Change (%)	(35.2)	(25.0)	(14.4)	17.0	(9.1)	(5.8)	(17.2)	8.5	16.8	
Margins (%)	9.7	7.8	8.3	10.4	10.0	10.3	9.2	9.8	8.6	

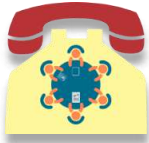
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BSE SENSEX 79,542 | S&P CNX 24,199

CMP: INR1,139

Buy

Conference Call Details



Date: 8th Nov 2024
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Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Sales	13.6	15.3	19.2
EBITDA	3.9	4.3	5.7
Adj. PAT	2.4	2.9	4.0
EPS (INR)	25.8	30.5	42.7
EPS growth %	10.6	18.4	39.9
BV/Sh. (INR)	171	197	232

Ratios

RoE (%)	18.7	16.6	19.9
RoCE (%)	17.0	15.7	19.1
Payout (%)	15.5	17.0	17.0

Valuations

P/E (x)	44.1	37.2	26.6
P/BV (x)	6.6	5.8	4.9
EV/EBITDA (x)	27.7	24.5	18.5
Div. Yield (%)	0.4	0.5	0.6

Better machining mix drives operating performance

- Revenue grew ~5% YoY to INR3.6b (in-line). In the underlying industry segments, the Commercial Vehicle, Off-Highway, and Industrial sectors are experiencing a slowdown in both domestic and export markets, while farm equipment is experiencing a decline in export markets.
- Gross margin expanded 350bp YoY (+230bp QoQ) to 58.8%, mainly due to a better mix (higher machining mix at 88% in 1HFY25, up from 84% in 1HFY24).
- However, higher other expenses (+170bp YoY/ +180bp QoQ; as a % of sales) limited the EBITDA margin expansion. The margin expanded 190bp YoY to 29.2% (est. 28%).
- EBITDA grew ~12% YoY to INR1.05b.
- Adj. PAT grew 21% YoY to INR666m (in-line).
- 1HFY25 revenue/ EBITDA/ adj. PAT grew 4%/5%/9% YoY.
- There was a positive impact of air freight costs received on an order, which aided realizations in 2QFY24. Adjusted for the same, revenue/EBITDA/PAT grew 6%/15%/24% YoY in 2QFY25.
- The operating cash flow grew 41% YoY, while cash inflow stood at INR9.1m in 1HFY25 (vs. outflow of INR207m in 1HFY24) post the capex spend.
- Revenue mix during 1HFY25 (vs 1HFY24): CV - 39% (41%), Farm Equipment - 33% (34%), Off-highway - 11% (13%), Industrials - 13% (12%), and PV - 4% (0%).
- Valuation view: The stock trades at 37x/27x FY25E/FY26E EPS.

Quarterly (Standalone)

(INR Million)

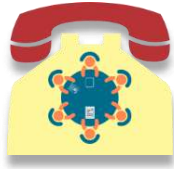
	FY24				FY25E				FY24	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
Net operating income	3,298	3,431	3,420	3,433	3,415	3,611	4,035	4,234	13,582	15,295	3,568
Change (%)			16.2	13.5	3.5	5.3	18.0	23.3	13.5	12.6	4.0
RM/Sales (%)	43.0	44.7	44.5	43.5	43.5	41.2	43.6	45.7	43.9	43.6	43.5
Staff Cost (%)	7.5	8.5	9.0	8.6	8.5	8.5	8.6	8.0	8.4	8.4	8.9
Other Exp. (%)	19.1	19.5	18.7	19.6	19.4	21.2	19.0	19.2	19.1	19.7	19.7
EBITDA	1,002	938	952	971	976	1,054	1,163	1,145	3,875	4,337	998
EBITDA Margins (%)	30.4	27.3	27.8	28.3	28.6	29.2	28.8	27.0	28.5	28.4	28.0
Non-Operating Income	34	7	33	72	77	83	82	81	134	323	80
Interest	27	44	38	9	14	16	14	14	118	57	15
Depreciation	155	162	171	160	180	197	188	175	647	740	182
EO Exp						-48					
PBT after EO items	855	738	777	875	859	973	1,043	1,037	3,244	3,863	881
Tax	214	185	198	217	220	259	277	229	814	985	226
Eff. Tax Rate (%)	25.1	25.1	25.5	24.8	25.6	26.6	26.6	22.1	25.1	25.5	25.6
Rep. PAT	640	553	579	658	639	714	765	808	2,430	2,878	655
Change (%)			39.2	29.7	-0.3	29.3	32.2	22.7	18.3	18.4	18.6
Adj. PAT	640	553	579	658	639	666	765	808	2,430	2,878	655
Change (%)			39.2	29.7	-0.3	20.6	32.2	22.7	16.4	18.4	18.6

E: MOFSL Estimates

Indigo Paints

BSE SENSEX 79,542 S&P CNX 24,199

Conference Call Details



Date: 8 Nov 2024

Time: 5:00 PM

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Financials & Valuations (INR b)

Y/E MAR	FY25E	FY26E	FY27E
Net Sales	14.2	16.5	19.2
Sales Gr. (%)	9.0	16.0	16.5
EBITDA	2.5	2.9	3.4
Margin (%)	17.5	17.8	17.7
Adj. PAT	1.5	1.7	2.0
Adj. EPS (INR)	30.6	36.2	43.1
EPS Gr. (%)	-1.4	18.6	18.8
BV/Sh. (INR)	214.5	243.1	286.4

Ratios

RoE (%)	15.1	15.8	16.3
RoCE (%)	14.8	15.6	16.1

Valuations

P/E (x)	53.0	44.7	37.6
P/BV (x)	7.6	6.7	5.7
EV/EBITDA (x)	30.1	25.5	21.6

CMP: INR1,628

In-line revenue; margins below our estimate

- Net sales grew 7% YoY to INR2,995m (est. INR2,972m).
- Standalone revenue was up 7% YoY to INR2,939m.
- Apple Chemie delivered a 28% YoY sales growth to INR110m in 2QFY25.
- Gross margin contracted 190bp YoY/290bp QoQ to 43.7% (est. 46.1%).
- As a percentage of sales, employee costs increased 80bp YoY to 9.9%, while other expenses contracted 140bp YoY to 19.9%.
- EBITDA margin contracted 120bp YoY and 140bp QoQ to 13.9% (est. 14.7%), the lowest in eight quarters.
- EBITDA declined 2% YoY to INR415m (est. INR437m).
- PBT decreased 9% YoY to INR306m (est. INR311m).
- APAT declined 11% YoY to INR226m (est. INR230m).
- In 1HFY25, net sales increased 8% YoY, while EBITDA and APAT declined 3% and 13%, respectively.

Consolidated Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	2,884	2,790	3,538	3,849	3,110	2,995	3,891	4,240	13,061	14,236	2,972	0.8%
Change (%)	28.8	15.0	25.8	18.3	7.8	7.4	10.0	10.2	21.7	9.0	6.5	
Raw Material/PM	1,519	1,519	1,833	1,968	1,661	1,686	2,043	2,127	6,839	7,517	1,602	
Gross Profit	1,365	1,271	1,705	1,881	1,449	1,309	1,848	2,113	6,222	6,720	1,370	-4.4%
Gross Margin (%)	47.3	45.6	48.2	48.9	46.6	43.7	47.5	49.8	47.6	47.2	46.1	
EBITDA	491	421	622	846	474	415	658	944	2,381	2,491	437	-4.9%
Margin (%)	17.0	15.1	17.6	22.0	15.2	13.9	16.9	22.3	18.2	17.5	14.7	
Change (%)	39.2	24.8	53.5	17.9	-3.5	-1.5	5.8	11.6	31.1	4.6	3.6	
Interest	5	6	6	5	6	7	6	4	21	23	6	
Depreciation	101	113	146	156	152	154	170	196	516	673	160	
Other Income	38	32	31	42	42	51	40	30	142	163	40	
PBT	423	335	501	727	357	306	522	774	1,986	1,959	311	-1.6%
Tax	108	81	125	183	90	83	130	186	497	490	77	
Effective Tax Rate (%)	25.6	24.3	25.0	25.1	25.3	27.2	25.0	24.1	25.0	25.0	24.8	
Adjusted PAT	310	253	373	537	262	226	395	570	1,474	1,453	230	-1.5%
Change (%)	55.9	22.1	41.9	10.3	-15.6	-10.6	5.9	6.2	27.4	-1.4	-9.3	

E: MOFSL Estimates



Apollo Hospitals : Occupancy expected 70% in H2FY25; Suneeta Reddy, MD

- Q2 is usually a very good quarter for the company
- ARPOB Expected at Rs60,000 in H2FY25 with a growth rate of around 4-5%
- Looking at the insurance space closely
- Co has Plans in place for the insurance space, looking to move in the right direction

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Max Healthcare : 2 New hospitals currently have lower ARPOB; Abhay Soi, CMD

- Q2 is seasonally a weak quarter for average revenue per occupied bed
- ARPOB Growing at 8-9% for older hosp, new hosps ARPOB growth in double digit
- EBITDA Per bed dragged down by newer hospitals
- Sustainable level for occupancy is at 30-81%

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Tata Steel : Demand Environment in Europe is not very exciting; T V Narendran, CEO

- Germany, the biggest economy in Europe, is struggling
- Optimistic environment in Europe is struggling
- Demand environment in Europe is not very exciting
- Committed to reducing debt/EBITDA to 2.5X by FY26
- Operationally better placed than we were at this time last year

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Blue Star : Expect the market to grow ~25% in FY25; Vir S Advani, VC & MD

- RAC Biz revenue and profitability grew 25% YoY in Q2
- Trumps Tariffs could hurt china more than non china countries
- Will continue to focus on delivering an ROCE of 30%+
- **Expect the market to grow ~25% in FY25**

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Aadhar Housing Finance : NIMs should range between 8.8% and 9%; Rishi Anand, MD & CEO

- Spread exit for the year is expected to be 5.7% to 5.8%
- Incremental cost of borrowings this quarter was 8.4%
- PE investors are in no hurry to divest further stake
- Post-14th, subsidy rollout will begin for PMAY 2

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Automobiles																
Amara Raja Ener.	Neutral	1311	1310	0	53.8	61.3	69.6	8.7	14.0	13.5	24.4	21.4	3.2	2.8	13.7	13.9
Apollo Tyres	Buy	498	630	27	25.4	33.2	40.8	-11.6	30.7	22.9	19.6	15.0	1.7	1.5	11.1	13.3
Ashok Ley.	Buy	216	275	27	10.9	13.2	15.8	19.5	21.3	19.4	19.8	16.3	6.2	5.2	33.6	34.8
Bajaj Auto	Neutral	9861	11450	16	302.1	387.9	492.8	9.4	28.4	27.0	32.6	25.4	9.9	9.1	32.0	37.2
Balkrishna Inds	Neutral	2866	2890	1	85.0	110.6	130.2	11.1	30.1	17.7	33.7	25.9	5.5	4.7	17.3	19.5
Bharat Forge	Neutral	1448	1465	1	33.4	44.3	53.5	69.1	32.7	20.8	43.4	32.7	8.3	7.1	20.4	23.4
Bosch	Neutral	35357	34275	-3	731.6	877.2	1,081.4	17.9	19.9	23.3	48.3	40.3	7.9	7.2	17.1	18.7
CEAT	Buy	2871	3450	20	131.9	176.3	229.5	-22.2	33.6	30.2	21.8	16.3	2.6	2.3	12.5	15.0
Craftsman Auto	Neutral	5022	5435	8	120.1	193.3	279.2	-16.7	60.9	44.4	41.8	26.0	3.9	3.4	12.0	13.9
Eicher Mot.	Sell	4878	4095	-16	161.1	175.7	199.2	10.1	9.0	13.4	30.3	27.8	6.4	5.6	22.6	21.4
Endurance Tech.	Buy	2426	2825	16	60.2	75.4	90.6	27.3	25.2	20.2	39.7	31.7	5.9	5.1	15.9	17.4
Escorts Kubota	Neutral	3644	4085	12	99.9	127.4	164.6	5.3	27.5	29.2	36.5	28.6	4.4	3.9	12.7	14.4
Exide Ind	Neutral	448	470	5	13.7	16.8	19.8	10.4	22.8	18.1	32.7	26.7	2.7	2.5	8.3	9.4
Happy Forgings	Buy	1137	-		30.5	42.7	55.4	18.4	39.9	29.7	37.2	26.6	5.8	4.9	16.6	19.9
Hero Moto	Buy	4815	6625	38	230.3	280.1	331.6	12.6	21.6	18.4	20.9	17.2	5.0	4.6	24.8	28.0
Hyundai Motor	Buy	1833	2345	28	68.7	79.8	93.9	-7.9	16.2	17.7	26.7	23.0	10.6	8.3	45.2	40.6
M&M	Buy	2890	3420	18	99.7	116.2	136.7	12.3	16.5	17.6	29.0	24.9	5.6	4.8	21.0	20.8
CIE Automotive	Buy	497	605	22	22.0	25.5	29.9	4.1	15.9	17.6	22.6	19.5	2.8	2.6	13.2	13.8
Maruti Suzuki	Buy	11301	13875	23	444.6	500.6	566.9	3.6	12.6	13.2	25.4	22.6	3.8	3.4	14.0	15.0
MRF	Sell	120959	107790	-11	4,745.7	5,546.8	6,070.9	-4.9	16.9	9.4	25.5	21.8	2.8	2.5	11.4	12.0
Samvardh. Motherson	Buy	183	240	31	6.3	8.4	10.2	71.3	32.3	22.0	28.8	21.8	4.2	3.7	15.5	18.3
Motherson Wiring	Buy	64	83	29	1.6	2.1	2.5	12.1	27.6	22.1	39.8	31.2	14.0	11.3	38.5	40.0
Sona BLW Precis.	Neutral	704	685	-3	10.7	13.5	16.2	19.4	26.4	20.1	66.0	52.2	12.9	11.0	20.8	22.8
Tata Motors	Neutral	820	990	21	57.1	69.5	80.3	-2.7	21.7	15.6	14.4	11.8	2.9	2.3	22.2	22.0
TVS Motor	Neutral	2479	2610	5	53.6	67.9	82.2	22.3	26.7	21.1	46.3	36.5	12.0	9.4	29.0	28.8
Tube Investments	Buy	3981	4750	19	46.0	64.2	78.2	33.7	39.7	21.7	86.6	62.0	13.0	10.9	16.1	19.1
Aggregate								6.9	21.1	18.5	26.9	22.2	5.1	4.4	18.8	19.6
Banks - Private																
AU Small Finance	Buy	602	830	38	31.8	39.3	51.8	38.3	24	31.9	18.9	15.3	2.7	2.3	15.4	16.2
Axis Bank	Neutral	1161	1225	6	85.1	98.2	115.5	5.4	15.5	17.6	13.6	11.8	2.0	1.7	16.1	15.9
Bandhan Bank	Neutral	181	190	5	24.3	26.5	29.7	75.5	9	12.1	7.5	6.9	1.2	1.1	17.0	16.3
DCB Bank	Buy	122	160	32	18.8	24.7	31.0	9.8	31.3	25.6	6.5	4.9	0.7	0.6	11.7	13.7
Equitas Small Fin.	Buy	70	100	42	5.6	8.9	13.2	-20.8	58.7	47.4	12.5	7.9	1.2	1.1	10.3	14.8
Federal Bank	Buy	206	230	12	17.1	20.3	24.8	4.5	18.7	22.3	12.1	10.2	1.5	1.3	13.4	14.1
HDFC Bank	Buy	1746	2050	17	88.2	100.1	115.6	10.2	13.5	15.4	19.8	17.4	2.7	2.4	14.4	14.6
ICICI Bank	Buy	1279	1500	17	65.4	73.3	85.4	12.0	12.1	16.6	19.6	17.5	3.3	2.8	18.0	17.4
IDFC First Bk	Neutral	67	73	10	3.5	5.7	7.3	-20.0	64.3	28.8	19.2	11.7	1.4	1.2	7.3	11.0
IndusInd	Buy	1057	1500	42	94.9	128.2	163.1	-17.9	35.1	27.2	11.1	8.2	1.2	1.1	11.2	13.6
Kotak Mah. Bk	Neutral	1747	1950	12	95.5	108.5	130.5	4.3	13.6	20.3	18.3	16.1	2.3	2.0	13.9	13.6
RBL Bank	Neutral	171	220	28	16.9	28.4	42.2	-12.5	68.2	48.5	10.1	6.0	0.7	0.6	6.7	10.7
SBI Cards	Neutral	700	750	7	21.5	30.1	37.6	-15.5	40.1	25.1	32.6	23.3	4.8	4.0	15.7	18.8
Aggregate								8.0	16.0	18.2	18.2	15.7	2.6	2.3	14.3	14.6
Banks - PSU																
BOB	Buy	263	290	10	35.8	39.3	43.5	4.3	9.8	10.5	7.3	6.7	1.1	1.0	16.2	15.7
Canara Bank	Buy	105	125	19	17.9	20.2	22.6	11.7	12.9	11.8	5.9	5.2	1.0	0.9	19.3	18.9
Indian Bank	Buy	575	650	13	77.3	83.7	93.9	24.2	8.4	12.1	7.4	6.9	1.2	1.1	18.4	17.3
Punjab Natl. Bank	Neutral	107	120	13	13.9	15.4	17.5	85.7	10.6	13.6	7.7	6.9	1.0	0.9	14.4	14.1
SBI	Buy	859	1015	18	87.7	100.9	118.8	16.6	15	17.7	9.8	8.5	1.6	1.4	18.5	17.9
Union Bank (I)	Buy	120	135	12	20.4	22.4	24.8	8.0	10	10.9	5.9	5.4	0.9	0.8	15.9	15.4
Aggregate								19.5	13	15	8	7.4	1.3	1.2	16.0	16.0
NBFCs																
AAVAS Financiers	Neutral	1704	1880	10	73.1	90.2	112.7	17.9	23.4	24.9	23.3	18.9	3.1	2.7	14.2	15.2
Aditya Birla Cap	Buy	203	270	33	14.2	16.5	19.9	39.9	16.2	21.1	14.4	12.4	1.8	1.6	12.9	13.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Angel One	Buy	2884	4100	42	169.0	189.7	264.1	24.4	12.3	39.2	17.1	15.2	4.0	3.5	31.2	24.5
Bajaj Fin.	Neutral	6907	7320	6	266.7	343.8	441.2	14.1	28.9	28.3	25.9	20.1	4.4	3.7	18.9	19.9
BSE	Neutral	4872	4000	-18	85.2	96.2	107.0	49.4	13.0	11.2	57.2	50.6	18.1	16.3	31.6	32.2
Cams Services	Buy	4660	5500	18	99.2	119.5	144.0	38.5	20.4	20.5	47.0	39.0	21.0	17.7	48.6	49.3
Can Fin Homes	Neutral	858	960	12	65.1	72.6	83.2	15.5	11.5	14.7	13.2	11.8	2.2	1.9	18.3	17.4
Cholaman.Inv.&Fn	Buy	1283	1570	22	52.6	70.2	92.1	29.2	33.4	31.2	24.4	18.3	4.5	3.5	20.4	21.7
CreditAccess	Buy	947	1155	22	65.8	102.5	128.7	-27.4	55.6	25.7	14.4	9.2	2.0	1.7	15.0	19.7
Fusion Finance	Neutral	209	240	15	-1.7	54.0	69.7	-103.4	LP	29.0	NM	3.9	0.7	0.6	-0.6	17.5
Five-Star Business	Buy	655	1015	55	36.9	43.0	51.2	29.1	16.7	18.9	17.7	15.2	3.1	2.6	18.8	18.3
HDFC Life Insur.	Buy	712	900	26	8.3	9.5	10.6	13.2	14.8	11.5	86.2	75.1	2.8	2.4	16.8	16.3
Home First Fin.	Buy	1143	1320	16	42.7	52.8	66.1	23.6	23.7	25.1	26.8	21.6	4.1	3.5	16.5	17.5
ICICI Pru Life	Buy	714	900	26	6.4	7.9	10.6	8.5	23.2	33.6	111.2	90.3	2.0	1.7	19.3	19.8
ICICI Lombard	Buy	1915	2400	25	48.8	58.2	73.4	25.2	19.4	26.2	39.3	32.9	7.0	6.0	18.8	19.6
IIFL Finance	Buy	454	530	17	16.4	50.7	64.4	-64.5	208.7	27.0	27.7	9.0	1.6	1.3	6.0	16.1
IndoStar	Buy	282	315	12	10.7	16.4	24.8	26.2	52.4	51.4	26.3	17.2	1.1	1.1	4.4	6.7
L&T Finance	Buy	144	200	39	11.2	13.9	18.5	20.3	24.3	33.1	12.9	10.4	1.4	1.3	11.4	12.8
Life Insurance Corp.	Buy	930	1300	40	70.2	76.2	85.7	9.1	8.5	12.6	13.2	12.2	0.7	0.7	11.5	11.3
LIC Hsg Fin	Buy	638	760	19	93.1	93.4	102.1	7.6	0.3	9.3	6.9	6.8	1.0	0.9	15.3	13.7
MCX	Buy	6421	7600	18	120.3	158.5	188.9	638.3	31.7	19.2	53.4	40.5	21.8	19.7	42.6	51.1
Manappuram Fin.	Neutral	154	160	4	25.7	27.9	35.2	-1.0	8.7	26.2	6.0	5.5	1.0	0.8	17.4	16.3
MAS Financial	Buy	301	360	20	17.4	22.2	27.2	15.0	27.5	22.9	17.3	13.6	2.2	1.9	14.9	15.0
Max Financial	Neutral	1236	1300	5	14.6	16.9	22.8	92.9	16.0	34.8	84.8	73.1	2.3	1.9	19.0	19.4
M&M Fin.	Buy	273	335	23	19.6	24.8	31.1	37.7	26.3	25.3	13.9	11.0	1.6	1.5	12.1	14.0
Muthoot Fin	Neutral	1823	1800	-1	126.7	145.3	165.6	25.6	14.7	14.0	14.4	12.5	2.6	2.2	19.3	19.1
Piramal Enterp.	Neutral	1068	1015	-5	39.2	57.4	75.3	-152.2	46.4	31.3	27.3	18.6	0.9	0.9	3.3	4.7
PNB Housing	Buy	969	1235	27	72.3	88.8	108.4	24.5	22.8	22.0	13.4	10.9	1.5	1.3	11.8	12.9
Poonawalla Fincorp	Buy	376	350	-7	1.9	14.6	23.3	-85.8	666.7	59.5	197.7	25.8	3.5	3.1	1.8	12.9
PFC	Buy	462	560	21	49.9	55.0	62.1	14.6	10.3	12.8	9.3	8.4	1.7	1.5	19.4	18.7
REC	Buy	529	630	19	60.5	69.3	80.1	13.6	14.6	15.6	8.7	7.6	1.7	1.5	21.3	20.9
Repco Home Fin	Neutral	490	580	18	68.9	74.3	82.5	9.2	7.9	11.1	7.1	6.6	0.9	0.8	13.9	13.2
Spandana Sphoorty	Buy	394	540	37	-8.4	69.0	101.5	-111.9	LP	47.2	NM	5.7	0.8	0.7	-1.6	12.8
Shriram Finance	Buy	3070	4000	30	223.3	264.7	321.6	16.7	18.5	21.5	13.7	11.6	2.1	1.8	16.2	16.8
SBI Life Insurance	Buy	1590	2100	32	23.9	24.8	27.7	26.1	3.8	11.7	66.6	64.2	2.3	1.9	21.3	20.0
Star Health Insu	Buy	499	630	26	17.0	21.3	27.4	17.8	25.4	28.5	29.3	23.4	3.8	3.3	14.0	15.1
Aggregate								14.4	22.3	21.6	15.5	12.7	2.3	2.0	15.1	16.0
Chemicals																
Alkyl Amines	Neutral	2120	2095	-1	37.2	51.4	68.4	27.9	38.0	33.1	57.0	41.3	7.8	6.9	14.3	17.8
Atul	Buy	8037	9995	24	177.3	231.0	282.0	61.2	30.3	22.1	45.3	34.8	4.3	3.9	9.8	11.7
Clean Science	Neutral	1485	1430	-4	24.4	36.0	45.6	6.2	47.5	26.7	60.9	41.2	11.0	9.0	19.7	24.0
Deepak Nitrite	Neutral	2816	3005	7	73.8	80.6	91.1	33.9	9.1	13.0	38.1	34.9	6.8	5.8	19.2	17.9
Fine Organic	Sell	5131	4250	-17	118.8	119.0	123.7	-1.0	0.2	4.0	43.2	43.1	7.2	6.2	18.0	15.4
Galaxy Surfact.	Buy	3107	3755	21	97.7	115.0	135.1	14.9	17.7	17.4	31.8	27.0	4.5	4.0	15.0	15.8
Navin Fluorine	Neutral	3543	3240	-9	57.6	82.1	103.1	25.0	42.5	25.6	61.5	43.1	6.8	6.1	11.5	14.9
NOCIL	Neutral	283	270	-5	7.8	8.7	12.9	-1.1	11.1	48.7	36.3	32.7	2.7	2.5	7.5	8.0
PI Inds.	Buy	4694	5470	17	112.5	136.9	160.3	1.7	21.7	17.1	41.7	34.3	6.9	5.9	18.0	18.5
SRF	Neutral	2374	2080	-12	40.5	67.4	88.9	-14.7	66.4	32.0	58.6	35.2	5.8	5.2	10.2	15.5
Tata Chemicals	Neutral	1120	1070	-4	30.7	49.0	61.6	-14.9	59.4	25.6	36.4	22.9	1.3	1.2	3.5	5.4
Vinati Organics	Buy	1924	2500	30	42.7	50.9	60.2	36.8	19.2	18.4	45.1	37.8	7.1	6.2	16.8	17.5
Aggregate								25.2	19.8	19.1	44.2	36.9	6.0	5.3	13.6	14.4
Capital Goods																
ABB India	Buy	6996	8500	21	88.7	102.5	119.3	50.5	15.6	16.3	78.9	68.2	19.3	15.3	27.6	25.1
Bharat Electronics	Buy	300	360	20	6.7	8.2	9.9	21.0	22.7	20.9	45.1	36.8	10.8	8.6	24.0	23.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Cummins India	Buy	3556	-		74.2	89.0	105.5	23.7	19.9	18.5	47.9	40.0	14.1	12.4	31.3	33.1
Hitachi Energy	Neutral	14345	13000	-9	75.2	155.5	232.3	94.6	106.9	49.3	190.8	92.2	36.2	26.0	19.0	28.2
Kalpataru Proj.	Buy	1272	1500	18	46.4	63.9	84.5	42.5	37.6	32.3	27.4	19.9	3.3	2.8	12.5	15.2
KEC International	Neutral	1050	900	-14	23.7	39.6	48.9	81.8	67.4	23.3	44.4	26.5	5.2	4.5	13.3	18.3
Kirloskar Oil	Buy	1172	1540	31	36.1	46.2	58.6	44.4	28.2	26.7	32.5	25.3	5.6	4.9	18.6	20.6
Larsen & Toubro	Buy	3645	4300	18	111.1	137.2	160.3	17.6	23.4	16.9	32.8	26.6	5.1	4.4	16.5	17.9
Siemens	Buy	7071	8400	19	73.4	87.5	108.7	33.3	19.2	24.1	96.3	80.8	16.8	14.5	18.6	19.3
Thermax	Neutral	5099	4950	-3	66.0	83.6	103.1	26.5	26.7	23.3	77.3	61.0	11.4	9.9	15.7	17.4
Triveni Turbine	Buy	657	830	26	11.0	14.3	19.4	30.5	29.4	35.8	59.4	45.9	17.2	13.6	32.3	33.0
Zen Technologies	Buy	1874	1900	1	26.8	45.2	62.0	77.7	68.4	37.4	69.9	41.5	10.0	8.0	22.5	21.5
Aggregate								24.7	25.0	20.2	47.9	38.3	8.4	7.2	17.5	18.7
Cement																
Ambuja Cem.	Buy	571	710	24	9.0	13.6	17.4	-35.3	50.7	28.4	63.4	42.1	2.6	2.5	4.6	6.0
ACC	Buy	2320	3000	29	81.1	108.9	142.4	-18.3	34.3	30.7	28.6	21.3	2.5	2.3	9.1	11.2
Birla Corp.	Buy	1158	1500	29	24.7	60.2	80.1	-54.2	143.4	33.2	46.9	19.3	1.3	1.2	2.8	6.7
Dalmia Bhar.	Buy	1796	2250	25	45.9	65.0	83.6	12.8	41.5	28.5	39.1	27.6	2.0	1.9	5.2	7.0
Grasim Inds.	Buy	2562	3270	28	89.4	104.9	122.9	-6.5	17.2	17.2	28.6	24.4	3.1	3.0	0.8	2.5
India Cem	Sell	360	310	-14	-12.4	-1.3	5.2	64.1	Loss	LP	NM	NM	2.2	2.2	-7.3	-0.8
J K Cements	Buy	4073	5000	23	84.7	126.9	171.7	-17.5	49.8	35.3	48.1	32.1	5.3	4.7	11.1	15.7
JK Lakshmi Ce	Buy	776	970	25	26.8	37.2	40.9	-32.2	38.8	9.9	28.9	20.8	2.7	2.4	9.5	12.1
Ramco Cem	Neutral	876	860	-2	11.9	22.2	31.8	-28.8	86.8	42.9	73.6	39.4	2.8	2.7	3.9	6.9
Shree Cem	Neutral	24765	26580	7	449.3	510.4	589.9	-34.3	13.6	15.6	55.1	48.5	4.1	3.9	7.7	8.3
Ultratech	Buy	11066	13000	17	211.9	313.6	392.7	-13.3	48.0	25.2	52.2	35.3	4.9	4.2	9.8	12.9
Aggregate								-17.4	39.8	24.8	45.5	32.6	3.4	3.1	7.5	9.5
Consumer																
Asian Paints	Neutral	2843	3150	11	55.3	61.8	69.8	-4.6	11.8	13.0	51.5	46.0	13.6	12.4	27.4	28.3
Britannia	Neutral	5689	6100	7	101.2	113.9	127.3	14.1	12.5	11.8	56.2	50.0	30.1	25.2	57.4	54.9
Colgate	Neutral	2912	3250	12	55.6	61.2	66.8	13.0	10.1	9.2	52.4	47.6	36.6	32.1	74.9	71.9
Dabur	Buy	534	700	31	10.8	12.3	14.2	1.9	14.4	14.7	49.5	43.3	8.9	8.3	18.6	19.8
Emami	Buy	671	-		20.4	23.1	25.0	13.3	13.1	8.3	32.8	29.0	10.5	9.2	34.1	33.9
Godrej Cons.	Buy	1259	1550	23	21.1	25.7	29.7	9.1	22.0	15.3	59.6	48.9	9.4	8.6	16.4	18.4
HUL	Buy	2476	3200	29	45.3	51.0	56.2	3.7	12.5	10.1	54.6	48.5	11.3	11.0	20.7	23.0
ITC	Buy	478	575	20	16.7	18.2	19.8	1.9	9.2	8.4	28.6	26.2	7.7	7.4	27.5	28.7
Indigo Paints	Buy	1628	-		30.6	37.3	46.4	-1.2	21.9	24.3	53.2	43.6	7.6	6.7	15.2	16.3
Jyothy Lab	Neutral	498	575	15	11.1	12.4	13.7	12.8	12.3	10.6	45.0	40.1	9.6	8.6	21.8	22.6
L T Foods	Buy	390	520	33	18.0	24.0	28.5	5.6	33.0	18.5	21.6	16.3	3.5	3.0	17.2	19.7
Marico	Buy	632	750	19	12.7	14.1	15.2	10.9	11.1	7.4	49.6	44.7	20.4	19.4	42.0	44.5
Nestle	Neutral	2264	2400	6	34.0	38.6	43.6	-17.1	13.5	12.8	66.5	58.6	52.7	44.6	87.7	82.5
Page Inds	Buy	45106	51500	14	510.3	603.4	724.6	0.0	18.2	20.1	87.8	74.3	31.3	28.5	35.6	38.4
Pidilite Ind.	Neutral	3155	3200	1	42.4	49.0	55.9	18.4	15.4	14.1	74.4	64.4	16.8	15.1	24.0	24.7
P&G Hygiene	Neutral	15489	16500	7	254.0	286.7	327.1	15.3	12.9	14.1	61.0	54.0	53.5	44.6	96.3	90.2
Tata Consumer	Buy	985	1320	34	16.0	19.5	21.5	11.3	22.3	10.0	61.7	50.5	4.2	3.7	8.0	8.1
United Brew	Neutral	1933	1950	1	21.7	31.1	38.7	39.4	43.6	24.3	89.2	62.1	11.4	10.4	13.2	17.5
United Spirits	Neutral	1438	1550	8	18.8	21.2	23.4	4.0	12.5	10.4	76.3	67.8	12.5	10.6	16.4	15.6
Varun Beverages	Buy	596	730	22	7.9	10.2	12.6	29.4	29.3	24.0	75.8	58.7	21.8	10.2	32.9	23.6
Aggregate								3.2	12.7	10.9	47.5	42.2	11.4	10.6	23.9	25.2
Consumer Durables																
Havells India	Neutral	1663	1830	10	23.9	29.6	36.8	17.8	24.0	24.3	69.6	56.2	12.4	10.8	17.8	19.3
KEI Industries	Buy	4011	5100	27	75.6	91.1	112.1	17.4	20.6	23.0	53.1	44.0	9.6	7.9	18.0	18.1
Polycab India	Buy	6815	8340	22	124.9	151.4	182.2	5.2	21.2	20.4	54.6	45.0	10.7	9.0	19.5	20.0
R R Kabel	Buy	1549	1900	23	23.8	39.7	56.1	-10.1	67.0	41.4	65.2	39.0	8.7	7.4	13.9	20.4
Voltas	Buy	1768	2070	17	26.8	34.7	43.8	270.9	29.3	26.4	65.9	50.9	8.8	7.7	13.4	15.2
Aggregate								24.9	25.7	24.3	61.2	48.7	10.5	9.0	17.1	18.5
EMS																



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Amber Enterp.	Buy	6218	7350	18	78.0	113.0	172.3	97.7	44.9	52.5	79.7	55.0	9.0	7.7	12.0	15.1
Avalon Tech	Buy	708	920	30	9.2	16.6	26.3	116.0	80.4	58.4	77.3	42.7	7.7	6.5	10.4	16.4
Cyient DLM	Buy	660	870	32	13.1	24.7	34.3	70.3	87.9	38.9	50.2	26.7	5.2	4.3	10.8	17.6
Data Pattern	Neutral	2391	2400	0	40.0	53.1	67.8	23.2	32.8	27.7	59.8	45.0	8.7	7.3	15.6	17.6
Dixon Tech.	Buy	15695	17500	12	128.4	177.1	231.9	108.8	37.9	30.9	122.2	88.6	38.4	26.9	37.1	35.7
Kaynes Tech	Buy	5775	6600	14	53.8	95.1	145.7	87.4	76.9	53.3	107.4	60.7	13.0	10.7	12.9	19.4
Syрма SGS Tech.	Buy	569	550	-3	9.5	14.7	22.1	54.7	55.4	49.9	60.1	38.7	5.8	5.1	10.0	14.0
Aggregate								81.8	50.8	41.4	95.4	63.3	14.7	12.0	15.4	19.0
Healthcare																
Alembic Phar	Neutral	1081	1110	3	31.7	37.9	47.5	0.8	19.6	25.3	33.9	28.3	4.0	3.5	12.1	13.1
Alkem Lab	Neutral	5721	6072	6	187.8	204.3	210.6	17.6	8.8	3.1	30.5	28.0	5.7	4.9	20.1	18.8
Ajanta Pharma	Buy	2985	3470	16	76.7	88.6	104.0	23.1	15.6	17.4	38.9	33.7	8.9	7.4	24.8	23.9
Apollo Hospitals	Buy	7425	8660	17	97.4	126.3	164.5	56.1	29.7	30.2	76.3	58.8	12.5	10.3	18.4	19.9
Aurobindo	Neutral	1351	1480	10	66.3	73.8	85.2	18.3	11.3	15.4	20.4	18.3	2.4	2.1	12.3	12.2
Biocon	Neutral	328	300	-9	2.1	4.8	9.8	18.4	124.5	103.7	153.6	68.4	1.9	1.9	1.3	2.8
Cipla	Neutral	1573	1420	-10	56.8	62.7	66.1	8.3	10.3	5.5	27.7	25.1	4.1	3.6	15.0	14.4
Divis Lab	Neutral	5959	5300	-11	77.7	95.1	116.3	29.6	22.4	22.2	76.7	62.6	10.5	9.4	14.4	15.9
Dr Reddy's	Neutral	1287	1390	8	69.3	79.7	69.9	9.2	15.0	-12.3	18.6	16.2	3.2	2.7	18.8	18.2
ERIS Lifescience	Neutral	1302	1230	-6	28.6	40.1	54.2	-2.2	40.4	35.1	45.5	32.4	6.2	5.3	14.3	17.6
Gland Pharma	Buy	1807	1970	9	49.3	60.2	71.2	3.6	22.1	18.2	36.6	30.0	3.1	2.8	8.9	9.9
Glenmark	Buy	1658	1930	16	47.5	59.2	68.5	1,811.9	24.6	15.7	34.9	28.0	5.1	4.3	15.8	16.8
GSK Pharma	Neutral	2610	2800	7	50.2	56.2	64.6	15.9	12.1	14.9	52.0	46.4	20.4	16.7	39.3	36.0
Global Health	Buy	1086	1263	16	19.3	24.8	29.2	8.2	29.0	17.4	56.4	43.7	8.7	7.5	16.6	18.5
Granules India	Buy	572	680	19	21.6	28.6	36.0	24.2	32.8	25.8	26.5	20.0	3.7	3.2	15.1	17.2
IPCA Labs	Buy	1558	1950	25	33.4	42.8	55.9	60.8	28.1	30.5	46.6	36.4	5.6	5.0	12.7	14.5
Laurus Labs	Buy	495	530	7	6.3	11.0	15.2	108.1	75.0	38.4	78.8	45.0	6.1	5.4	7.9	12.7
Lupin	Neutral	2111	-		59.2	69.8	77.6	42.5	17.8	11.2	35.7	30.3	5.7	4.8	17.3	17.4
Mankind Pharma	Buy	2726	3140	15	54.6	60.1	76.6	14.3	10.1	27.4	50.0	45.4	9.9	8.5	21.5	20.2
Max Healthcare	Buy	1076	1240	15	15.1	19.9	24.0	9.9	31.8	20.6	71.4	54.1	9.7	8.2	14.6	16.5
Piramal Pharma	Buy	292	310	6	2.4	5.2	7.5	469.7	115.2	45.2	121.1	56.3	4.2	3.9	4.0	8.0
Sun Pharma	Buy	1792	2280	27	49.3	59.3	67.4	19.0	20.2	13.7	36.3	30.2	5.8	5.0	17.2	17.8
Torrent Pharma	Neutral	3159	3430	9	59.8	79.3	99.4	27.1	32.5	25.4	52.8	39.9	6.6	5.4	27.0	29.8
Zydus Lifesciences	Neutral	973	1140	17	43.9	47.3	43.6	16.5	7.9	-7.8	22.2	20.6	3.9	3.3	19.6	17.4
Aggregate								22.1	18.8	12.7	38.1	32.1	5.6	4.8	14.6	15.1
Infrastructure																
G R Infraproject	Buy	1631	-		79.2	99.9	111.1	8.5	26.2	11.2	20.6	16.3	2.0	1.8	10.1	11.5
IRB Infra	Neutral	52	60	15	1.5	2.1	2.4	51.6	36.9	17.2	34.3	25.1	2.2	2.0	6.5	8.4
KNR Constructions	Buy	297	410	38	14.6	18.9	21.1	-4.4	29.7	11.9	20.4	15.7	2.3	2.0	11.9	13.5
Aggregate											26.8	20.4	2.2	2.0	8.0	9.6
Logistics																
Adani Ports	Buy	1353	1780	32	50.8	60.5	72.2	23.0	19.2	19.3	26.6	22.3	4.7	4.0	19.0	19.2
Blue Dart Express	Buy	7945	9900	25	137.1	223.5	271.8	12.7	63.0	21.6	57.9	35.5	11.6	9.4	21.3	29.2
Concor	Buy	849	1050	24	22.8	29.7	35.7	13.7	29.9	20.4	37.2	28.6	4.1	3.8	11.4	13.8
JSW Infra	Buy	315	350	11	6.0	8.2	11.0	3.9	35.7	34.1	52.4	38.6	7.3	6.4	14.8	17.7
Mahindra Logistics	Neutral	414	440	6	3.6	17.3	29.2	-143.7	384.6	68.6	115.8	23.9	5.9	4.9	5.0	22.0
Transport Corp.	Buy	1219	1290	6	52.6	64.5	75.4	14.8	22.6	16.9	23.2	18.9	3.9	3.3	18.2	18.8
TCI Express	Neutral	985	1060	8	28.5	39.4	45.9	-17.2	38.3	16.4	34.6	25.0	4.8	4.2	14.7	17.9
VRL Logistics	Buy	572	670	17	12.7	23.4	25.8	25.7	83.6	10.4	44.9	24.5	5.2	4.7	11.6	20.1
Aggregate											31.2	25.1	5.0	4.3	16.1	17.2
Media																
PVR Inox	Neutral	1505	1750	16	7.4	26.7	48.6	-36.8	262.9	81.8	204.2	56.3	2.0	1.9	1.0	3.5
Sun TV	Neutral	761	860	13	47.1	50.2	53.4	-1.0	6.5	6.4	16.2	15.2	2.7	2.5	16.8	16.5
Zee Ent.	Neutral	125	145	16	7.2	9.6	10.6	58.7	33.3	11.2	17.4	13.0	1.1	1.0	6.2	7.8
Aggregate								8.0	20.6	14.0	21.6	17.9	1.9	1.8	8.8	10.0
Metals																



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Coal India	Buy	435	560	29	56.8	67.4	70.5	-6.5	18.7	4.7	7.7	6.5	2.7	2.2	35.1	34.6
Hindalco	Buy	648	880	36	63.0	63.1	74.6	38.0	0.1	18.3	10.3	10.3	1.6	1.4	16.2	14.2
Hind. Zinc	Neutral	508	570	12	23.0	30.6	31.4	25.1	33.3	2.7	22.1	16.6	17.5	10.7	70.8	80.1
JSPL	Buy	947	1200	27	52.2	95.5	110.0	-10.7	83.0	15.2	18.1	9.9	1.9	1.6	11.2	18.0
JSW Steel	Buy	990	1200	21	31.5	67.8	85.5	-14.3	114.8	26.2	31.4	14.6	2.9	2.4	9.5	17.9
Nalco	Neutral	239	220	-8	12.9	13.9	16.2	42.2	7.8	16.5	18.5	17.1	2.7	2.4	15.6	15.0
NMDC	Buy	239	290	21	24.8	27.1	30.3	25.8	9.2	11.7	9.6	8.8	2.3	1.9	25.8	23.8
SAIL	Neutral	123	-		4.1	10.4	14.8	58.5	151	43.0	29.8	11.9	0.9	0.8	3.0	7.2
Tata Steel	Neutral	151	160	6	5.7	12.2	18.0	110.6	114	47.5	26.4	12.4	2.2	2.0	8.2	16.8
Vedanta	Neutral	458	550	20	36.6	43.6	50.7	175.9	19	16.2	12.5	10.5	5.5	4.4	44.2	46.4
Aggregate								19.6	35.5	16.6	14.6	10.8	2.6	2.2	17.6	20.7
Oil & Gas																
Aegis Logistics	Neutral	800	810	1	17.3	21.7	23.6	6.4	25.9	8.8	46.4	36.8	6.5	5.9	14.8	16.8
BPCL	Neutral	315	335	6	21.4	26.2	26.9	-66.2	22.2	3.0	14.7	12.0	1.7	1.6	11.7	13.5
Castrol India	Buy	211	275	30	8.9	9.7	10.7	2.0	8.3	10.6	23.7	21.9	9.3	8.8	40.3	41.3
GAIL	Buy	210	265	26	15.9	18.0	20.5	15.8	13.1	14.2	13.3	11.7	1.9	1.7	15.5	16.0
Gujarat Gas	Buy	540	660	22	18.6	20.6	22.5	16.3	10.8	9.2	29.0	26.2	4.4	3.9	15.8	15.7
Gujarat St. Pet.	Neutral	390	415	6	16.0	11.4	11.4	-29.8	-28.8	0.0	24.3	34.3	2.0	1.9	8.5	5.8
HPCL	Buy	396	455	15	15.4	37.4	40.1	-79.6	143.8	7.1	25.8	10.6	1.7	1.5	6.8	15.3
IOC	Buy	144	185	28	4.3	7.9	8.0	-85.3	82.3	1.1	33.3	18.3	1.1	1.0	3.2	5.7
IGL	Sell	437	375	-14	23.0	24.0	25.7	-8.1	4.6	7.1	19.0	18.2	3.2	2.8	17.6	16.4
Mahanagar Gas	Buy	1437	1970	37	112.1	117.8	123.8	-15.3	5.1	5.1	12.8	12.2	2.4	2.2	20.2	18.9
MRPL	Sell	166	131	-21	2.2	9.9	11.4	-89.4	356.0	14.9	76.5	16.8	2.2	1.9	2.8	12.2
Oil India	Buy	523	660	26	45.1	48.8	52.6	-7.2	8.0	7.8	11.6	10.7	1.7	1.6	15.7	15.3
ONGC	Buy	265	365	38	45.0	52.8	55.6	-2.8	17.2	5.4	5.9	5.0	0.9	0.8	15.9	16.5
PLNG	Neutral	347	385	11	25.7	30.9	34.0	8.9	20.4	9.9	13.5	11.2	2.7	2.4	21.4	22.9
Reliance Ind.	Buy	1306	1628	25	48.4	64.8	73.5	-6.0	34.1	13.4	27.0	20.1	2.1	1.9	7.9	9.8
Aggregate								-30.5	28.7	9.1	17.9	13.9	1.7	1.6	9.6	11.3
Real Estate																
Brigade Enterpr.	Buy	1156	1630	41	37.1	42.0	59.6	67.9	13.2	41.8	31.1	27.5	5.4	4.6	18.9	18.0
DLF	Buy	803	925	15	10.4	19.0	13.7	-5.2	82.2	-27.7	77.0	42.3	3.4	3.1	6.3	10.7
Godrej Propert.	Buy	2811	3725	33	52.0	32.8	27.8	93.4	-36.9	-15.1	54.1	85.7	6.8	6.3	13.5	7.7
Kolte Patil Dev.	Buy	373	620	66	13.3	42.1	37.7	-245.1	217.1	-10.5	28.1	8.9	3.5	2.6	13.1	33.6
Oberoi Realty	Neutral	2031	2056	1	66.7	82.8	96.6	26.0	24.0	16.7	30.4	24.5	4.6	3.9	16.3	17.4
Macrotech Devel.	Buy	1217	1568	29	23.4	35.3	38.3	38.3	51.0	8.3	52.0	34.4	6.0	5.1	12.1	16.0
Mahindra Lifespace	Neutral	515	555	8	6.3	6.9	22.4	0.5	8.9	223.9	81.2	74.6	4.1	4.0	5.2	5.4
SignatureGlobal	Buy	1382	2000	45	47.4	69.2	3.8	3,931.0	46.1	-94.4	29.2	20.0	15.0	8.6	69.4	54.7
Sunteck Realty	Buy	561	745	33	16.2	23.2	10.4	234.8	43.1	-55.3	34.6	24.2	2.5	2.2	7.4	9.7
Sobha	Buy	1646	2250	37	35.2	74.2	91.4	591.2	110.5	23.2	46.7	22.2	5.6	4.5	12.7	22.6
Prestige Estates	Buy	1646	2130	29	19.9	26.2	38.9	5.0	31.9	48.4	82.7	62.7	3.6	3.4	5.3	5.6
Phoenix Mills	Neutral	1516	1652	9	30.3	41.6	55.6	-1.4	36.9	33.7	50.0	36.5	5.2	4.6	10.9	13.3
Aggregate								34.7	39.8	-0.3	54.0	38.6	5.2	4.7	9.7	12.1
Retail																
Avenue Supermarts	Buy	3884	5300	36	44.3	55.2	67.1	13.8	24.5	21.6	87.6	70.4	11.7	10.0	14.3	15.4
Aditya Birla Fashion	Neutral	297	-		-6.6	-6.2	-3.6	-11.0	Loss	Loss	NM	NM	7.4	8.8	-15.2	-16.8
Bata India	Neutral	1339	1520	13	26.2	33.5	42.3	15.0	27.8	26.4	51.1	40.0	9.6	8.6	20.3	22.7
Barbeque-Nation	Neutral	571	700	23	-2.4	1.2	4.4	-17.2	LP	254.5	NM	457.8	5.8	5.7	-2.4	1.3
Campus Activewe.	Buy	314	390	24	4.3	5.6	7.0	46.8	30.8	24.6	73.3	56.0	12.3	10.1	16.8	18.0
Devyani Intl.	Buy	172	220	28	0.8	1.9	2.4	-2.3	148.8	27.5	228.5	91.8	29.6	31.3	10.3	33.1
Jubilant Food.	Neutral	597	625	5	5.3	8.0	10.3	34.8	50.4	28.9	112.3	74.7	17.1	16.0	15.2	21.4
Kalyan Jewellers	Buy	705	850	21	8.4	11.4	13.7	44.9	35.4	20.1	83.9	61.9	15.0	12.8	19.2	22.3
Metro Brands	Buy	1188	1465	23	14.1	17.5	22.0	10.7	24.2	25.8	84.2	67.8	14.5	12.3	19.0	20.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Raymond Lifestyle	Buy	2185	3000	37	66.9	81.4	104.7	-16.7	21.7	28.6	32.7	26.8	1.3	1.3	8.7	9.7
Relaxo Footwear	Neutral	779	850	9	9.4	11.8	14.0	16.7	25.4	19.2	82.9	66.1	8.9	8.1	11.2	12.8
Restaurant Brands	Buy	92	135	46	-3.6	-1.0	1.2	-23.6	Loss	LP	NM	NM	10.2	11.5	-33.6	-11.6
Sapphire Foods	Buy	318	415	30	1.3	3.3	4.8	-21.4	160.9	44.4	248.0	95.0	7.4	6.9	3.0	7.5
Shoppers Stop	Neutral	654	750	15	3.3	3.7	8.7	-40.4	12.5	135.2	199.3	177.2	15.2	13.6	10.5	10.7
Senco Gold	Buy	1153	1700	47	31.3	37.4	44.1	34.4	19.5	17.8	36.8	30.8	5.6	4.8	16.4	16.8
Titan Company	Buy	3120	3850	23	43.0	53.6	64.0	9.6	24.7	19.3	72.5	58.2	23.0	18.0	35.7	34.7
Trent	Buy	6498	8200	26	47.9	65.4	89.1	65.2	36.5	36.2	136.2	99.9	35.3	25.6	31.8	31.5
V-Mart Retail	Neutral	4322	4750	10	-1.9	20.3	47.2	-96.5	LP	132.2	NM	212.7	10.5	10.0	NM	4.8
Vedant Fashions	Neutral	1394	1500	8	18.4	22.8	28.8	7.7	24.0	26.3	75.9	61.2	19.1	16.6	26.0	26.3
Westlife Foodworld	Neutral	776	800	3	1.1	5.7	8.6	-75.3	418.0	50.8	707.2	136.5	16.3	16.7	2.6	12.1
Aggregate								31.7	33.7	27.7	98.0	74.1	14.6	12.8	15.0	17.3
Technology																
Cyient	Buy	1922	2100	9	69.1	86.2	97.8	3.3	24.8	13.4	27.8	22.3	4.6	4.3	16.3	19.0
HCL Tech.	Buy	1831	2300	26	63.7	71.9	80.3	10.1	12.9	11.6	28.7	25.5	7.4	7.5	25.6	29.3
Infosys	Buy	1803	2200	22	63.4	71.1	79.6	0.2	12.0	12.1	28.4	25.4	8.5	8.4	29.8	33.4
LTI Mindtree	Buy	5881	7400	26	164.6	191.8	233.7	6.3	16.5	21.8	35.7	30.7	7.6	6.7	22.7	23.2
L&T Technology	Buy	5143	6400	24	126.3	149.4	170.9	2.7	18.3	14.4	40.7	34.4	9.0	7.7	24.0	24.5
Mphasis	Neutral	2839	3400	20	91.4	104.7	117.2	11.8	14.5	12.0	31.0	27.1	5.7	5.2	19.1	20.2
Coforge	Buy	7856	10000	27	147.1	239.2	291.0	10.4	62.6	21.7	53.4	32.8	12.6	10.7	24.6	34.9
Persistent Sys	Buy	5733	6300	10	89.5	115.0	133.8	19.3	28.4	16.4	64.0	49.9	15.2	12.9	25.6	27.9
TCS	Buy	4149	5400	30	141.0	156.8	172.0	11.7	11.2	9.7	29.4	26.5	15.7	14.7	54.8	57.4
Tech Mah	Neutral	1651	1700	3	47.9	63.7	71.1	16.5	33.1	11.5	34.5	25.9	5.3	5.2	15.7	20.3
Wipro	Neutral	563	550	-2	22.6	24.5	25.9	11.0	8.1	5.9	24.9	23.0	4.0	3.9	16.1	17.3
Zensar Tech	Neutral	738	750	2	28.2	31.7	36.1	-3.1	12.4	13.7	26.1	23.2	4.2	3.7	17.0	16.9
Aggregate								10.0	13.0	11.0	30.0	26.5	9.0	8.7	30.0	32.7
Telecom																
Bharti Airtel	Buy	1576	1900	21	35.9	45.4	60.6	82.5	26.6	33.5	43.9	34.7	9.8	7.7	24.0	27.0
Indus Towers	Neutral	340	385	13	22.1	24.2	26.6	-1.3	9.7	9.9	15.4	14.0	2.7	2.4	19.3	18.0
Vodafone Idea	Neutral	8	10	24	-9.8	-9.3	-8.7	-11.6	Loss	Loss	NM	NM	-0.2	-0.2	NM	NM
Tata Comm	Neutral	1805	1790	-1	37.6	58.1	76.3	-11.1	54.7	31.3	48.1	31.1	20.9	13.9	50.4	54
Aggregate								Loss	LP	133.9	-1,573	131	73.7	35.3	-4.7	26.9
Utilities																
Indian Energy Exchange	Neutral	174	200	15	4.3	5.2	6.0	13.5	18.5	17.2	40.0	33.7	13.6	11.3	37.1	36.5
JSW Energy	Buy	715	900	26	17.7	21.4	18.9	69.0	20.6	-11.5	40.3	33.4	5.3	4.7	14.0	14.9
NTPC	Neutral	404	450	11	21.6	25.7	27.8	0.7	18.8	8.3	18.7	15.7	2.3	2.1	12.6	13.8
Power Grid Corpn	Buy	313	425	36	18.2	19.2	20.1	8.6	5.5	4.8	17.2	16.3	3.2	3.0	19.0	19.1
Tata Power Co.	Buy	445	509	14	13.6	17.7	18.6	23.6	30.5	5.0	32.8	25.1	3.9	3.4	12.5	14
Aggregate								8.9	15.1	5.4	21	18	3.0	2.7	14.1	14.9
Others																
APL Apollo Tubes	Buy	1522	1750	15	25.6	43.0	55.8	-3.2	68.2	29.7	59.5	35.4	10.2	8.2	18.3	25.6
Cello World	Buy	864	1150	33	18.3	23.0	28.5	17.4	25.8	23.7	47.2	37.5	12.0	9.2	25.5	24.5
Coromandel Intl	Buy	1778	2000	12	55.9	72.9	85.7	0.2	30.4	17.6	31.8	24.4	4.9	4.2	16.4	18.6
Dreamfolks Services	Buy	464	720	55	16.6	22.1	25.7	32.5	33.0	16.3	27.9	21.0	7.5	5.5	32.2	31.1
EPL	Buy	274	310	13	10.4	14.4	16.9	27.7	38.0	17.6	26.2	19.0	3.8	3.4	15.2	18.9
Gravita India	Buy	2300	2800	22	43.0	59.9	80.3	24.0	39.4	34.1	53.5	38.4	14.1	10.4	30.2	31.1
Godrej Agrovet	Buy	737	910	24	26.2	34.4	41.0	39.7	31.6	19.1	28.2	21.4	5.0	4.3	18.8	21.7
Indian Hotels	Buy	684	770	13	11.8	14.3	16.1	33.1	21.2	12.6	58.0	48.0	8.9	7.5	16.2	16.6
Indiamart Inter.	Buy	2409	3500	45	72.2	80.0	100.8	30.7	10.9	25.9	33.4	30.1	6.9	5.9	22.6	21.2
Info Edge	Neutral	7904	7400	-6	76.6	93.4	116.4	19.1	22.0	24.6	103.2	84.6	3.9	3.7	3.8	4.5
Interglobe	Neutral	3996	4130	3	187.1	222.9	266.1	-11.7	19	19	21.4	18	16.8	8.7	130.3	63.9
Kajaria Ceramics	Buy	1223	1500	23	27.0	33.1	40.9	-0.7	22.6	23.4	45.3	36.9	6.9	6.4	15.3	17.4
Lemon Tree Hotel	Buy	119	165	39	2.4	3.8	4.5	26.5	59.1	18.7	49.3	31.0	8.0	6.4	17.7	22.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
MTAR Tech	Buy	1661	2000	20	27.0	46.5	71.9	48.0	72.1	54.7	61.5	35.7	6.7	5.7	11.6	17.2
One 97	Neutral	796	700	-12	-26.2	-10.5	3.1	17.0	Loss	LP	NM	NM	4.1	4.3	-13.2	-5.7
Qess Corp	Neutral	717	750	5	27.1	34.1	40.4	32.8	25.6	18.6	26.4	21.1	2.7	2.5	14.1	16.5
SIS	Buy	393	480	22	26.3	33.4	39.9	102.5	27.3	19.4	15.0	11.7	1.0	0.8	14.6	16.0
Team Lease Serv.	Buy	2733	3550	30	79.1	126.5	146.2	22.1	59.9	15.6	34.6	21.6	5.0	4.0	15.1	20.4
UPL	Neutral	567	650	15	26.3	45.1	63.3	618.2	71.8	40.2	21.6	12.6	1.1	1.0	8.0	12.9
Updater Services	Buy	419	450	7	16.6	22.6	29.6	46.4	35.9	31.0	25.2	18.6	2.9	2.5	12.2	14.4
Zomato	Buy	255	330	29	1.1	3.4	7.4	172.7	205.2	116.8	229.5	75.2	10.3	9.0	4.6	12.8



Index	1 Day (%)	1M (%)	12M (%)
Sensex	-1.0	-1.9	22.5
Nifty-50	-1.2	-2.4	24.7
Nifty Next 50	-1.1	-3.1	54.9
Nifty 100	-1.2	-2.5	29.3
Nifty 200	-1.0	-2.1	31.3
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-1.3	-7.7	47.5
Amara Raja Ener.	-1.5	-1.0	107.4
Apollo Tyres	1.4	-0.9	29.5
Ashok Leyland	0.1	-2.9	27.9
Bajaj Auto	-1.6	-15.2	81.9
Balkrishna Inds	-0.1	1.9	12.0
Bharat Forge	-1.7	0.9	37.1
Bosch	-2.2	-3.6	79.5
CEAT	3.1	-3.0	36.9
Craftsman Auto	-0.3	-17.2	2.6
Eicher Motors	-0.8	4.5	39.0
Endurance Tech.	1.9	11.2	41.1
Escorts Kubota	-2.9	-5.3	16.6
Exide Inds.	-1.0	-6.8	67.0
Happy Forgings	-1.0	-0.9	
Hero Motocorp	-1.6	-12.5	53.9
Hyundai Motor	-1.1		
M & M	-1.5	-5.5	95.4
CIE Automotive	-1.7	-5.8	2.7
Maruti Suzuki	-0.5	-9.8	10.2
MRF	-0.5	-7.8	12.9
Sona BLW Precis.	-0.7	4.3	24.9
Motherson Sumi	-2.7	-8.2	98.7
Motherson Wiring	-0.6	-2.3	7.5
Tata Motors	-2.4	-11.7	27.1
TVS Motor Co.	-0.3	-6.0	54.0
Tube Investments	-2.8	-1.0	24.2
Banks-Private	-0.9	0.6	11.0
AU Small Fin. Bank	-1.2	-17.8	-10.1
Axis Bank	-0.6	1.2	13.6
Bandhan Bank	-1.0	-1.6	-16.1
DCB Bank	-0.5	5.8	7.6
Equitas Sma. Fin	-1.8	5.1	113.9
Federal Bank	0.6	11.8	39.9
HDFC Bank	-0.5	8.0	17.4
ICICI Bank	-1.8	3.6	34.9
IDFC First Bank	-0.6	-7.9	-20.0
Indusind Bank	-1.9	-21.8	-28.9
Kotak Mah. Bank	-0.9	-2.4	-0.2
RBL Bank	-1.2	-10.1	-26.4
SBI Cards	0.0	-4.2	-7.0
Banks-PSU	0.0	7.6	39.0
BOB	0.1	8.3	37.4
Canara Bank	-0.2	1.5	35.6
Indian Bank	-0.1	10.8	36.0
Punjab Natl.Bank	-0.3	4.5	40.1
St Bk of India	0.6	11.5	48.3

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	-1.0	-1.6	32.7
Nifty Midcap 100	-0.4	-0.3	42.6
Nifty Smallcap 100	-0.8	2.9	41.7
Nifty Midcap 150	-0.5	-0.3	41.4
Nifty Smallcap 250	-0.6	2.3	43.8
Union Bank (I)	-0.6	5.3	14.5
NBFCs	-0.9	3.2	22.5
Aditya Birla Capital Ltd	-1.4	-9.7	16.8
Angel One	-1.8	14.8	13.8
Bajaj Fin.	-1.5	-5.0	-7.9
BSE	4.0	27.3	141.7
Cholaman.Inv.&Fn	-1.7	-13.2	12.3
Can Fin Homes	-1.3	4.2	13.5
Cams Services	-0.2	13.5	93.7
CreditAcc. Gram.	-0.2	-17.3	-43.9
Fusion Microfin.	-1.3	-7.3	-63.2
Five-Star Bus.Fi	-0.1	-17.3	-16.2
Home First Finan	-2.0	-7.8	26.1
Indostar Capital	-3.0	-0.2	62.8
IIFL Finance	-0.7	4.0	-24.0
L&T Finance	-2.3	-14.5	1.6
LIC Housing Fin.	0.7	5.1	38.5
MCX	-0.5	11.3	144.8
M & M Fin. Serv.	-1.7	-6.6	3.3
Muthoot Finance	-3.7	-3.1	36.5
Manappuram Fin.	-2.0	-15.9	9.6
MAS Financial Serv.	0.0	9.4	0.5
PNB Housing	-2.9	3.8	32.0
Power Fin.Corp.	-1.2	5.3	75.6
REC Ltd	-0.8	5.7	71.4
Repco Home Fin	0.1	-2.0	7.8
Shriram Finance	-3.7	-6.9	54.5
Spandana Sphoort	-1.2	-27.1	-57.6
Insurance			
HDFC Life Insur.	0.4	0.8	14.3
ICICI Pru Life	-0.3	-4.2	32.7
ICICI Lombard	-0.9	-8.8	38.9
Life Insurance	-1.6	-0.1	52.2
Max Financial	0.6	7.3	35.2
SBI Life Insuran	-0.9	-11.1	18.6
Star Health Insu	3.6	-12.7	-8.3
Chemicals			
Alkyl Amines	-0.5	-3.4	-2.6
Atul	0.6	6.9	23.2
Clean Science	-3.9	-1.5	8.7
Deepak Nitrite	-1.1	1.9	34.1
Fine Organic	0.8	2.4	21.0
Galaxy Surfact.	2.8	10.3	10.0
Navin Fluo.Intl.	1.3	6.6	-1.8
NOCIL	-0.2	3.8	30.1
P I Inds.	1.7	4.4	33.6
SRF	1.5	3.1	1.6



Company	1 Day (%)	1M (%)	12M (%)
Tata Chemicals	-2.6	4.0	16.2
Vinati Organics	2.8	-0.7	9.2
Capital Goods	3.7	5.4	3.0
A B B	-2.3	-9.8	66.3
Bharat Electron	-0.5	12.3	117.6
Cummins India	-1.6	-1.0	109.2
Hitachi Energy	-3.1	5.2	214.0
K E C Intl.	7.6	6.4	87.6
Kalpataru Proj.	-0.5	-2.7	108.3
Kirloskar Oil	-1.8	5.1	113.9
Larsen & Toubro	0.0	5.1	23.1
Siemens	0.1	0.9	110.9
Thermax	0.6	0.6	77.8
Triveni Turbine	-3.6	-0.4	67.5
Zen Technologies	-1.4	15.0	166.5
Cement			
Ambuja Cem.	-2.1	-3.4	36.0
ACC	-1.7	-1.2	24.7
Birla Corp.	-2.7	-3.3	-10.1
Dalmia Bhar.	-1.1	-3.0	-13.9
Grasim Inds.	-3.1	-5.8	33.9
India Cem	-0.4	-0.8	68.0
J K Cements	-1.9	-6.7	21.1
JK Lakshmi Cem.	-3.0	-3.3	0.3
The Ramco Cement	-0.6	2.5	-12.5
Shree Cement	-0.9	-2.4	-7.1
UltraTech Cem.	-2.0	-1.6	27.2
Consumer	-1.0	-7.7	11.6
Asian Paints	-1.9	-7.2	-6.3
Britannia Inds.	-0.1	-7.0	22.2
Colgate-Palm.	-2.1	-21.2	37.6
Dabur India	-0.9	-6.1	-0.3
Emami	-1.6	-7.9	31.8
Godrej Consumer	-1.3	-5.5	23.2
Hind. Unilever	-1.0	-12.6	-0.8
ITC	-0.7	-6.3	10.4
Indigo Paints	-0.7	13.6	14.1
Jyothy Lab.	1.7	-6.6	24.1
L T Foods	-1.6	2.0	95.4
Marico	-2.6	-6.9	20.4
Nestle India	-0.6	-12.1	-7.1
Page Industries	2.1	8.8	21.0
Pidilite Inds.	-0.7	0.2	29.5
P & G Hygiene	-2.6	-7.1	-11.7
Tata Consumer	-2.2	-11.4	8.1
United Breweries	-2.0	-6.4	21.1
United Spirits	-1.2	-4.5	32.9
Varun Beverages	-0.3	10.2	50.6
Consumer Durables	-1.1	-5.3	35.8
Polycab India	-1.0	-3.7	33.3
R R Kabel	1.1	-12.7	1.4
Havells	-0.5	-13.0	33.0
Voltas	1.7	0.6	117.2

Company	1 Day (%)	1M (%)	12M (%)
KEI Industries	1.2	-2.3	56.3
EMS			
Amber Enterp.	-0.1	26.2	83.2
Avalon Tech	20.0	29.9	43.3
Cyient DLM	2.5	-2.3	3.9
Data Pattern	-1.1	6.9	22.4
Dixon Technolog.	0.3	16.2	198.8
Kaynes Tech	-1.6	18.7	135.7
Syrma SGS Tech.	2.6	39.0	7.9
Healthcare	-1.7	-2.0	47.5
Alembic Pharma	-5.3	-11.3	45.9
Alkem Lab	-2.2	-7.1	42.1
Apollo Hospitals	6.6	9.6	44.5
Ajanta Pharma	-4.2	-9.8	63.4
Aurobindo	-3.2	-7.9	49.6
Biocon	1.6	-3.5	45.6
Zydus Lifesci.	-2.2	-7.4	62.9
Cipla	-1.1	-3.0	29.6
Divis Lab	0.1	10.3	71.2
Dr Reddy's	-1.1	-2.6	19.1
ERIS Lifescience	0.1	-1.6	49.9
Gland Pharma	-2.8	5.5	9.1
Glenmark	-6.3	-1.1	118.3
Global Health	0.9	12.1	30.5
Granules	-0.8	4.4	61.4
GSK Pharma	-0.7	-0.1	83.7
IPCA Labs	-1.6	4.8	54.8
Laurus Labs	-0.3	14.8	33.8
Lupin	-2.5	-2.9	77.5
Mankind Pharma	-0.8	6.5	52.0
Max Healthcare	-0.1	17.7	80.6
Piramal Pharma	-0.4	34.0	158.5
Sun Pharma	-2.0	-6.0	52.9
Torrent Pharma	-1.5	-7.1	58.3
Infrastructure	-1.0	-2.7	40.2
G R Infraproject	-0.9	0.4	37.2
IRB Infra.Devl.	-1.5	-6.8	49.1
KNR Construct.	-1.1	-4.2	11.0
Logistics			
Adani Ports	-1.2	-0.2	69.7
Blue Dart Exp.	0.4	-8.0	19.6
Container Corpn.	-1.1	-2.3	14.2
JSW Infrast	-1.3	0.1	52.9
Mahindra Logis.	0.7	-12.5	13.6
Transport Corp.	1.0	21.4	37.4
TCI Express	-0.6	-7.5	-26.6
VRL Logistics	2.7	8.0	-15.3
Media	-0.2	0.4	-11.7
PVR INOX	-0.7	-2.8	-9.7
Sun TV	0.2	-4.3	16.7
Zee Ent.	1.3	-0.8	-52.4
Metals	-2.7	-5.0	42.8
Hindalco	-8.5	-11.4	33.8



Company	1 Day (%)	1M (%)	12M (%)
Hind. Zinc	-1.1	2.5	73.4
JSPL	-0.4	-5.3	50.3
JSW Steel	-1.9	-2.8	32.2
Nalco	-2.6	11.0	154.7
NMDC	-0.9	4.4	46.5
SAIL	-0.4	-6.7	44.6
Tata Steel	-1.7	-8.2	26.2
Vedanta	-3.4	-8.5	92.6
Oil & Gas	-0.6	-6.3	45.6
Aegis Logistics	-0.7	17.8	171.6
BPCL	-0.6	-6.0	69.0
Castrol India	-3.0	-4.4	58.8
GAIL	0.7	-6.0	68.3
Gujarat Gas	2.5	-9.3	29.5
Gujarat St. Pet.	1.3	-4.8	39.8
HPCL	1.3	0.7	113.4
IOCL	-0.3	-11.4	38.5
IGL	1.1	-19.4	9.1
Mahanagar Gas	0.2	-21.2	36.2
MRPL	-1.0	-3.4	46.7
Oil India	-0.1	-4.2	152.5
ONGC	-1.4	-8.4	37.3
PLNG	0.6	0.1	72.7
Reliance Ind.	-1.5	-4.7	12.4
Real Estate	-1.4	-2.3	55.0
Brigade Enterpr.	-4.2	-16.2	73.1
DLF	-3.0	-2.7	35.6
Godrej Propert.	-2.3	-1.5	59.3
Kolte Patil Dev.	1.2	-1.2	-23.7
Mahindra Life.	3.7	5.4	3.0
Macrotech Devel.	-0.1	2.5	44.9
Oberoi Realty Ltd	0.5	16.3	67.9
SignatureGlobal	-1.2	-9.6	112.4
Sobha	-1.0	-5.3	122.8
Sunteck Realty	0.3	2.5	24.4
Phoenix Mills	0.5	-9.2	47.7
Prestige Estates	-1.6	-5.3	108.2
Retail			
Aditya Bir. Fas.	-1.1	-8.1	35.4
Avenue Super.	-0.8	-14.4	6.5
Bata India	-1.4	-1.1	-12.9
Campus Activewe.	3.1	1.4	17.9
Barbeque-Nation	-0.7	-11.0	-9.6
Devyani Intl.	-0.7	-0.6	-8.2
Jubilant Food	-0.7	-3.6	18.3
Kalyan Jewellers	0.9	0.5	109.5
Metro Brands	-0.6	-2.1	-6.0
Raymond Lifestyl	7.5	2.1	
Relaxo Footwear	0.4	-1.2	-14.0
Restaurant Brand	-0.6	-12.8	-21.7
Sapphire Foods	-0.7	-8.6	22.1
Senco Gold	-2.9	-16.2	62.4
Shoppers St.	-0.5	-13.3	2.4
Titan Co.	-1.8	-13.1	-4.6

Company	1 Day (%)	1M (%)	12M (%)
Trent	-6.5	-12.7	168.4
V-Mart Retail	0.3	2.1	156.0
Vedant Fashions	2.4	10.1	6.3
Westlife Food	-0.4	-12.4	-6.6
Technology	-0.7	-1.0	34.8
Cyient	0.6	4.4	15.8
HCL Tech.	-0.4	3.1	43.8
Infosys	-1.1	-6.8	28.4
LTIMindtree	-1.7	-5.9	13.5
L&T Technology	-1.1	-0.1	20.6
Mphasis	-2.0	-1.2	28.9
Coforge	0.3	9.0	54.4
Persistent Sys	0.3	9.7	84.3
TCS	0.3	-2.9	23.2
Tech Mah	-2.5	2.0	43.7
Wipro	-0.1	6.0	47.0
Zensar Tech	-1.4	10.4	49.0
Telecom	-1.2	-2.3	38.8
Bharti Airtel	-1.4	-5.2	68.1
Indus Towers	-0.7	-6.0	82.7
Idea Cellular	-1.5	-12.1	-41.9
Tata Comm	-0.2	-8.8	5.7
Utilities	-1.4	-3.4	72.8
Coal India	-0.1	-9.4	38.5
NTPC	-1.2	-2.8	68.8
Power Grid Corpn	-1.7	-4.9	50.5
Tata Power Co.	-1.0	0.8	78.1
JSW Energy	4.7	6.0	85.1
Indian Energy Ex	-1.9	-12.5	30.8
Others			
APL Apollo Tubes	-1.1	-2.5	-2.6
Cello World	0.6	-1.6	8.1
Coromandel Intl	3.0	13.5	60.4
Dreamfolks Servi	0.1	-2.0	7.8
EPL Ltd	1.2	7.3	37.4
Gravita India	3.1	1.8	105.4
Godrej Agrovet	-1.0	0.6	52.9
Havells	-0.5	-13.0	33.0
Indian Hotels	-0.1	4.7	70.3
Indiamart Inter.	-0.9	-8.8	38.9
Info Edge	-1.6	-0.1	52.2
Interglobe	-1.6	-10.9	54.5
Kajaria Ceramics	-1.1	-14.0	-4.0
Lemon Tree Hotel	-0.3	3.8	1.8
MTAR Technologie	-0.5	1.0	-34.7
One 97	-0.2	22.1	-9.7
Piramal Enterpr.	-2.4	6.6	6.7
Quess Corp	-0.7	-2.2	63.7
SIS	-1.1	-1.6	-8.1
Team Lease Serv.	-4.3	-7.4	10.4
UPL	0.0	-2.3	2.7
Updater Services	-3.1	16.8	59.6
Voltas	1.7	0.6	117.2
Zomato Ltd	0.1	-4.1	110.4

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